Q2 2016 London road show

President and CEO Mika Vehviläinen
6-7 September 2016
Cargotec in brief
Today’s leader in cargo handling equipment

Cargotec Group
Sales: EUR 3,729 million
EBIT: 6.2%
Services: 24%

Kalmar
45% of sales
EBIT: 7.8%
Services: 26%

Hiab
25% of sales
EBIT: 10.8%
Services: 23%

MacGregor
30% of sales
EBIT: 2.6%
Services: 20%

Geographical split of sales in 2015

Figures: 2015
EBIT % excluding restructuring costs

September 2016
Key competitors

**Kalmar**
- ZPMC
- KONECRANES
- TEREX CORPORATION
- SANY
- LIEBHERR
- ABB

**Hiab**
- PALFINGER
- FASSI
- HMF
- HYVA
- TERBERG KINGLIFTER

**MacGregor**
- TTS
- SMS
group
- SEC
- GERMAN LASHING
- IHI
- MITSUBISHI HEAVY INDUSTRIES, LTD.
- NAVALIUMPIANTI GROUP
- Rolls-Royce
- Huisman
- LIEBHERR
From turnaround to leader in intelligent cargo handling with sector leading profitability

Turnaround is delivering results in Hiab and Kalmar; MacGregor has improvement plan in place

Transformation has started from equipment business to world class services offering and leadership in intelligent cargo handling

Investing to ensure a leading position

Shaping the portfolio to increase shareholder value

→ 10%
operating profit margin (EBIT) in each business area over the cycle
Investing in our transformation to be the leader in intelligent cargo handling

2013

PRODUCT LEADERSHIP
Good equipment company
Product R&D drives offering development

2018

SERVICES LEADERSHIP
World-class service offering
Connected equipment and data analytics building value on data
Significant software business

2020

LEADER IN INTELLIGENT CARGO HANDLING
40% of the sales from services and software
More efficient and optimised cargo handling solutions
Must-win battles to support transformation

- Build world-class services offering
- Lead digitalisation
- Build world-class leadership
Committed to improve shareholder return

<table>
<thead>
<tr>
<th>Business area targets</th>
<th>Operating profit margin (EBIT) in each business area over the cycle</th>
<th>Growth Faster than market growth</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10%</td>
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</table>

<table>
<thead>
<tr>
<th>Group targets</th>
<th>Gearing</th>
<th>Return on capital employed over the cycle (ROCE pre-tax)</th>
<th>Dividend of earnings per share</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&lt;50%</td>
<td>15%</td>
<td>30-50%</td>
</tr>
</tbody>
</table>
Well positioned to become the leader in intelligent cargo handling

Execution capabilities in place and profitability improving

Building on tremendous strengths

Transforming from equipment company to a company that will shape the cargo handling industry

Investing to ensure a leading position

Shaping our portfolio to drive growth and shareholder value
Container throughput forecasted to grow year on year

Source: Drewry: Global Container Terminal Operators Annual Report 2015** & Container forecaster Q1 2016*
Kalmar has strong position in attractive segments

<table>
<thead>
<tr>
<th>Market position</th>
<th>Trend</th>
<th>Market size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automation &amp; Projects</td>
<td>#1-2</td>
<td>→</td>
</tr>
<tr>
<td>Mobile equipment</td>
<td>#1</td>
<td>→</td>
</tr>
<tr>
<td>Bromma</td>
<td>#1</td>
<td>→</td>
</tr>
<tr>
<td>Navis</td>
<td>#1</td>
<td>→</td>
</tr>
<tr>
<td>Services</td>
<td>#1</td>
<td>→</td>
</tr>
</tbody>
</table>

Over 80% of Kalmar business is in ports and terminals

September 2016 13
Kalmar’s profit improvement potential 2016-2018

<table>
<thead>
<tr>
<th>Automation</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project delivery capability development</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expand Rainbow Cargotec Industries (China) joint venture offering</td>
<td></td>
<td></td>
<td>+20-30 EUR million</td>
<td></td>
</tr>
<tr>
<td>Further development of integrated port automation solutions</td>
<td></td>
<td>+20-30 EUR million</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Software</td>
<td>Expand software business</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mobile equipment</td>
<td>Continuous improvements in design-to-cost and sourcing</td>
<td></td>
<td>+20-30 EUR million</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Strengthen distribution network</td>
<td>+10-20 EUR million</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Services</td>
<td>Excel in spare parts</td>
<td>+10-20 EUR million</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total: 60-100 EUR million improvement potential
Kalmar’s focus on profitable growth

| Solid foundation for further improvement |
| Win in automation |
| Grow in software |
| Sustain global leadership in mobile equipment |
| Digital services and spare parts excellence |

→ 10% operating profit margin (EBIT) over the cycle
Hiab
Construction output driving growth opportunity

EMEA construction output
y/y change (%)

AMER construction output
y/y change (%)

Hiab has strong positions in attractive markets

<table>
<thead>
<tr>
<th>Product Type</th>
<th>Market size (€B)</th>
<th>Growth</th>
<th>Hiab position &amp; trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loader cranes</td>
<td>1.3</td>
<td>GDP ➔</td>
<td>#2 ➔</td>
</tr>
<tr>
<td>Tail lifts</td>
<td>0.5</td>
<td>GDP+ ➔</td>
<td>#1 ➔</td>
</tr>
<tr>
<td>Demountables</td>
<td>0.4</td>
<td>GDP ➔</td>
<td>#1 ➔</td>
</tr>
<tr>
<td>Truck-mounted forklifts</td>
<td>0.2</td>
<td>GDP+ ➔</td>
<td>#1 ➔</td>
</tr>
<tr>
<td>Forestry cranes</td>
<td>0.2</td>
<td>GDP ➔</td>
<td>#2 ➔</td>
</tr>
</tbody>
</table>
Hiab’s key growth drivers are:

<table>
<thead>
<tr>
<th>Product</th>
<th>Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cranes</td>
<td>Gain market share in <strong>big loader cranes</strong> and crane <strong>core markets</strong></td>
</tr>
<tr>
<td>Tail lifts</td>
<td>Enter fast growing <strong>emerging markets</strong> and standardise and globalise <strong>business model</strong></td>
</tr>
<tr>
<td>Truck-mounted forklifts</td>
<td>Accelerate <strong>penetration</strong> in North America and Europe</td>
</tr>
<tr>
<td>Services</td>
<td>Increase <strong>spare parts capture rates</strong> driven by connectivity and e-commerce</td>
</tr>
</tbody>
</table>
Hiab’s investments for profitable growth

- E2E value chain – optimise our distribution network and supply chain
- Product innovation – strengthening our market positions
- Digitalisation – all new products connected by 2018
- Services – further expand our offering

10% operating profit margin (EBIT) over the cycle
MacGregor
Merchant shipping and offshore markets currently challenging

Long-term contracting 2005–2025
Merchant ships > 2,000 gt

Long-term contracting 2012–2022
Mobile offshore units

Sources: UNCTAD, Clarkson Research, March 2016
MacGregor has strong positions in both the marine and offshore market.

**Marine**
- #1 Container lashing
- #1-2 Hatch covers
- #1 Cranes and selfunloaders
- #1 RoRo

**Offshore**
- #1 Offshore advanced load handling
- #2 Offshore winches
- #1 Mooring systems
- #1 Loading and offloading systems

RoRo = roll-on/roll-off

September 2016 23
Cost reduction and cost control measures set in place in MacGregor in 2015

Reduction of over 300 employees

Organisational development

Targeted annual savings of EUR 27 million

Measures taken in 2015 will have a full impact in 2016

Headcount reduced by 11%

Internal headcount

- Status 1.1.2015
- Key position increases
- Services branches restructuring
- Uetersen restructuring
- Norway and Singapore offshore divisions
- Other restructuring
- Status 1.1.2016
MacGregor’s asset-light business model gives flexibility

Cost-efficient scaling

85% of manufacturing outsourced

30% of design and engineering capacity outsourced
MacGregor is improving profitability

Improving profitability by cost reductions, product and project cost improvements, services development

- Cost reduction measures started in 2015 will result in targeted EUR 27 million annual savings
- Targeted savings of EUR 10 million from design-to-cost will materialise in 2016
- Share of services will exceed 25% of sales in 2016
- Asset-light model with 85% of manufacturing outsourced allows for cost-efficient scaling

80% of orders for 2016 in backlog by the end of the year

10% operating profit margin (EBIT) over the cycle
January–June financials
Second quarter highlights

- Profitability improved in Kalmar and Hiab, market situation in MacGregor still challenging

- Order book EUR 2,033 (31 Dec 2015: 2,064) million, orders received at EUR 825 (887) million

- Sales declined 4% y-o-y to EUR 898 (936) million

- Operating profit excluding restructuring costs was EUR 64.8 (58.0) million or 7.2 (6.2) percent of sales

- Earnings per share up by 47%

- Cash flow from operations at EUR 55.8 (101.3) million, gearing was 45.5%

- Service orders increased 12% y-o-y

28 September 2016

Kalmar introduced Kalmar Insight, a solution for real-time view of terminal productivity and performance
Market environment in January-June

- Despite the slower container throughput growth, the market for container handling equipment and for port automation solutions was active.

- Strong construction activity continued in the US, supporting demand for load handling equipment. In Europe, activity levels still varied between countries. Demand for services was healthy.

- Market for marine cargo handling equipment remained weak. Demand for marine cargo handling equipment for RoRo and special vessels was healthy. Demand for offshore load handling solutions was low. Demand for services was satisfactory.

29 September 2016

MacGregor supplies highly-specialised winches for a pilot project to generate electricity from waves.
## January–June key figures

<table>
<thead>
<tr>
<th></th>
<th>4-6/16</th>
<th>4-6/15</th>
<th>Change</th>
<th>1-6/16</th>
<th>1-6/15</th>
<th>Change</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received, MEUR</td>
<td>825</td>
<td>887</td>
<td>-7%</td>
<td>1,728</td>
<td>1,826</td>
<td>-5%</td>
<td>3,557</td>
</tr>
<tr>
<td>Order book, MEUR</td>
<td>2,033</td>
<td>2,342</td>
<td>-13%</td>
<td>2,033</td>
<td>2,342</td>
<td>-13%</td>
<td>2,064</td>
</tr>
<tr>
<td>Sales, MEUR</td>
<td>898</td>
<td>936</td>
<td>-4%</td>
<td>1,727</td>
<td>1,825</td>
<td>-5%</td>
<td>3,729</td>
</tr>
<tr>
<td>Operating profit, MEUR*</td>
<td>64.8</td>
<td>58.0</td>
<td>12%</td>
<td>123.3</td>
<td>110.3</td>
<td>12%</td>
<td>230.7</td>
</tr>
<tr>
<td>Operating profit margin, %*</td>
<td>7.2</td>
<td>6.2</td>
<td></td>
<td>7.1</td>
<td>6.0</td>
<td></td>
<td>6.2</td>
</tr>
<tr>
<td>Cash flow from operations, MEUR</td>
<td>55.8</td>
<td>101.3</td>
<td></td>
<td>146.6</td>
<td>152.8</td>
<td></td>
<td>314.6</td>
</tr>
<tr>
<td>Interest-bearing net debt, MEUR</td>
<td>619</td>
<td>735</td>
<td></td>
<td>619</td>
<td>735</td>
<td></td>
<td>622</td>
</tr>
<tr>
<td>Earnings per share, EUR*</td>
<td>0.63</td>
<td>0.43</td>
<td></td>
<td>1.23</td>
<td>0.99</td>
<td></td>
<td>2.21</td>
</tr>
</tbody>
</table>

*excluding restructuring costs
Kalmar Q2 – improved profitability

- Order intake decreased slightly from the comparison period and was EUR 438 (450) million
- Order book strengthened 15% from 2015 year-end level
- Sales grew 7% y-o-y to EUR 420 (391) million
- Profitability excluding restructuring costs was 7.6% (7.3%)
- Profitability improvement measures and new products have had a positive effect on result; however, increased investments in research and product development lessen the effect.

*excluding restructuring costs*
Hiab Q2 – strong profitability

- Order intake strengthened by 8% and was EUR 239 (221) million
- Order book decreased 7% from 2015 year-end to EUR 283 million
- Sales grew 19% y-o-y to EUR 283 (237) million
- Profitability excluding restructuring costs was 14.7% (10.7%)
- Volume growth, improvements in delivery capability, profitability improvement measures and investments in more competitive products contributed to profitability improvement
MacGregor Q2 – challenging market situation continued

- Order intake declined 32% and was EUR 149 (220) million
- Order book decreased 16% from 2015 year-end to EUR 745 million
- Sales declined 37% y-o-y to EUR 196 (308) million
- Profitability excluding restructuring costs was 2.7% (4.1%)
- New measures to lower the cost level have already been started
Cash flow from operations healthy

MEUR

September 2016
Hiab’s share increasing in sales mix

Sales by reporting segment 1–6/2016, %
- Equipment: 75 (80)%
- Services: 25 (20)%

Sales by geographical segment 1–6/2016, %
- Equipment: 73 (73)%
- Services: 27 (27)%

Equipment: 78 (76)%
Services: 22 (24)%
Sales by geographical segment by business area 1–6/2016

Kalmar
- Americas 39% (36)
- EMEA 40% (43)
- APAC 21% (21)

Hiab
- Americas 43% (42)
- EMEA 47% (48)
- APAC 10% (10)

MacGregor
- Americas 6% (8)
- EMEA 33% (29)
- APAC 61% (63)
Positive development in key financial metrics continued

ROCE, annualised
*excluding restructuring costs

September 2016
Cargotec to become a leader in intelligent cargo handling

- Strategy execution proceeding well
- Must-win battles supporting strategy execution
  - Build world-class services offering
  - Lead digitalisation
  - Build world-class leadership
- Control environment improvements ongoing
  - Management control self-assessments conducted by our businesses have identified several improvement opportunities in our control environment
  - Increased resources and focus on Ethics and Compliance

Kalmar delivers 14 terminal tractors to the United Arab Emirates
Outlook 2016 unchanged

- Cargotec’s 2016 sales are expected to be at the 2015 level (EUR 3,729 million) or slightly below.

- Operating profit excluding restructuring costs for 2016 is expected to improve from 2015 (EUR 230.7 million).

Hiab introduced two new LOGLIFT forestry cranes – focus on safety, performance, comfort, durability and low lifetime costs.