Becoming the leader in intelligent cargo handling
Content

1. Cargotec in brief
2. Investment highlights
3. Kalmar
4. Hiab
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Today’s leader in cargo handling equipment
Strong global player with geographical diversification

Cargotec Group
Sales: EUR 3,514 million
EBIT: 7.1%
Services: 25%

Kalmar
Sales: EUR 1,700 million
EBIT: 8.0%
Services: 26%

Hiab
Sales: EUR 1,036 million
EBIT: 13.5%
Services: 22%

MacGregor
Sales: EUR 778 million
EBIT: 2.3%
Services: 26%

Geographical split of sales in 2016

AMER
36%

EMEA
42%

APAC
22%

Geographical split of sales in 2016

AMER
41%

EMEA
48%

APAC
11%

Geographical split of sales in 2016

AMER
7%

EMEA
34%

APAC
59%

August 2017

Investor presentation
Key competitors
Cargotec is a leading player in all of its business areas
Cargotec’s portfolio is well diversified

Net sales*, Q3/16 – Q2/17
EUR million

<table>
<thead>
<tr>
<th>Category</th>
<th>Trend in orders, last 12 months</th>
<th>Profitability: EBIT margin, last 12 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kalmar software (Navis) and Automation and Projects division</td>
<td>-</td>
<td>Low due to long term investments</td>
</tr>
<tr>
<td>MacGregor</td>
<td>-31%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Hiab</td>
<td>+7%</td>
<td>14.1%</td>
</tr>
<tr>
<td>Kalmar equipment and service (excluding Automation and Projects Division &amp; Navis)</td>
<td>-</td>
<td>Low double digit</td>
</tr>
</tbody>
</table>

* Figures rounded to closest 100 million

~3,425
~1,200
~700
~500

Kalmar equipment
MacGregor
Hiab
Kalmar APD and software

August 2017
Investor presentation
Investment highlights
1. Technology leader and strong market positions, leading brands in markets with long term growth potential
2. Transforming from equipment provider into the leader in intelligent cargo handling
3. Growing services business and asset light business model are decreasing the impact of cyclicality
4. Capitalizing global opportunities for future automation and software growth
5. On track for profitability improvement and to reach financial targets

Investment highlights: Why invest in Cargotec?
1. Technology leader and strong market positions

<table>
<thead>
<tr>
<th>Kalmar</th>
<th>Hiab</th>
<th>MacGregor</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>End markets</strong></td>
<td>Ports, terminals, distribution centers</td>
<td>Construction, distribution, forestry, defence, waste and recycling</td>
</tr>
<tr>
<td><strong>Market position</strong></td>
<td>1-2#</td>
<td>1-2#</td>
</tr>
<tr>
<td><strong>Key drivers and supporting megatrends</strong></td>
<td>Global trade growth driven by globalisation and growing middle class</td>
<td>Construction growth via population growth and urbanisation</td>
</tr>
<tr>
<td></td>
<td>Container throughput growth, larger ships require investments in ports, ports need to increase efficiency via automation, increasing importance for safety</td>
<td>Changing distribution patterns and models</td>
</tr>
<tr>
<td></td>
<td>Increasing penetration in developing countries</td>
<td></td>
</tr>
<tr>
<td><strong>Competitive advantage</strong></td>
<td>Recognized premium brand</td>
<td>Hiab one of the two global players with scale</td>
</tr>
<tr>
<td></td>
<td>Leading market position in software</td>
<td>Diversified product range</td>
</tr>
<tr>
<td></td>
<td>Full automation solution offering (equipment, software and automation, service)</td>
<td>Asset light model, efficient assembly operation</td>
</tr>
<tr>
<td></td>
<td>Asset light business model</td>
<td></td>
</tr>
</tbody>
</table>

CARGOTEC

Investor presentation August 2017
2. Transforming from equipment provider into a leader in intelligent cargo handling

2013
Product leadership
Good equipment company
→ Product R&D drives offering development and higher gross profit

2018
Service 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-wins

World class service offering  Lead digitalisation  Build word class leadership
3. Growing services business and asset light business model are decreasing the impact of cyclicality

Services net sales
EUR million

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales (EUR million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>700</td>
</tr>
<tr>
<td>2014</td>
<td>800</td>
</tr>
<tr>
<td>2015</td>
<td>900</td>
</tr>
<tr>
<td>2016</td>
<td>1000</td>
</tr>
</tbody>
</table>

**Asset light business model with a flexible cost structure**
- Kalmar and Hiab: efficient assembly operation
- MacGregor: efficient project management and engineering office: > 90% of manufacturing and 30% of design and engineering capacity outsourced
- No in-house component manufacturing

**Leading product portfolio creates solid platform for services development**
- Growing services will bring stability, better profitability and decrease cyclicality

**Large installed base – attractive potential**

**Actions to increase capture rates of spare parts:**
- Improve sales process
- Digitalization efforts and connectivity: online services and e-commerce solutions
- Distribution centers improving availability
Industry trends support growth in port automation:

- Ships are becoming bigger and the peak loads have become an issue
- Safety in the terminal yard has become even more of a focus for operators
- Customers require decreasing energy usage and zero emission ports
- Optimum efficiency, space utilization and reduction of costs are increasingly important
- Shortage and cost of trained and skilled labour pushes terminals to automation

Significant possibility in port software:

- Container value chain is very inefficient: total value of waste and inefficiency estimated at ~EUR 17bn
- Container shipping industry has an annual IT software spend of approx. EUR 1.7 billion. The market is expected to grow to EUR 2.8 billion by 2020
- > 50% of port software market is in-house, in long term internal solutions not competitive
- Navis has leading position in port ERP
- 500 software engineers

### Automation creates significant cost savings*

<table>
<thead>
<tr>
<th></th>
<th>Labour costs</th>
<th>Total costs</th>
<th>Profit increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labour costs</td>
<td>60% less</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total costs</td>
<td>24% less</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit increase</td>
<td>125%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Change when manual terminal converted into an automated operation
5. Clear plan for profitability improvement and to reach financial targets

**Growth**
Target to grow faster than market
- Megatrends and strong market position supporting organic growth
- M&A potential

**Profitability**
Target 10% EBIT for each business area and 15% ROCE on Group level over the cycle
Cost savings actions:
- 2017 EUR 25 million (MacGregor)
- 2017 Interschalt EUR 2 million
- 2018 EUR 13 million (Lidhult assembly transfer in Kalmar)
- 2020 EUR 50 million (indirect purchasing and new Business Services operations)

Product re-design and improved project management
Higher operating profit key driver for higher ROCE

**Balance sheet and dividend**
Target gearing < 50% and dividend 30-50% of EPS
- Strong cash flow
- Gearing below target, enables solid dividend payout

**Sales and operating profit development**
*excluding restructuring costs*
Container throughput still forecasted to grow year on year

Growth from 2012 to 2020 25%

CAGR 2.8 %

Source: Drewry: Container forecaster Q2 2017
(Estimates for 2019-2020 from Drewry Container forecaster Q3 2016, latest update available)
Kalmar’s profit improvement potential 2016-2018

- **2015**
  - Automation: Project delivery capability development
  - Software: Expand software business
  - Mobile equipment: Continuous improvements in design-to-cost and sourcing
  - Services: Excel in spare parts

- **2016**
  - Automation: Expand Rainbow Cargotec Industries (China) joint venture offering
  - Software: Expand software business
  - Mobile equipment: Strengthen distribution network
  - Services: Excel in spare parts

- **2017**
  - Automation: Further development of integrated port automation solutions
  - Software: Expand software business
  - Mobile equipment: Continuous improvements in design-to-cost and sourcing
  - Services: Excel in spare parts

- **2018**
  - Automation: +20-30 EUR million
  - Software: +10-20 EUR million
  - Mobile equipment: +20-30 EUR million
  - Services: +10-20 EUR million

**Total 60-100 EUR million improvement potential**
Flexible and scalable Navis TOS software
Kalmar’s operating environment

**Kalmar**
Provides integrated port automation solutions including software, services and a wide range of cargo handling equipment.

**Navis**
TOS coordinates and optimises the planning and management of container and equipment moves in complex business environments. Navis provides also maritime shipping solutions:
- Stowage planning
- Vessel monitoring
- Loading computer
- Route planning

**Xvela**
The collaboration platform serving the needs of ocean carriers, terminals and their shipping partners.

**Bromma**
Industry leading spreader manufacturer.
Construction output driving growth opportunity

**EMEA construction output**
y/y change (%)

**AMER construction output**
y/y change (%)

Index  Change %

Oxford Economics: Industry output forecast
10/2016

Investor presentation August 2017 20
Hiab’s key growth drivers

**Cranes**
Gain market share in big loader cranes and crane core markets

**Tail lifts**
Enter fast growing emerging markets and standardise and globalise business model

**Truck-mounted forklifts**
Accelerate penetration in North America and Europe

**Services**
Increase spare parts capture rates driven by connectivity and e-commerce
MacGregor
MacGregor has strong positions in both the marine and offshore market

**Marine**
- ~3/4 of sales
  - Container lashing #1
  - Hatch covers #1-2
  - Cranes and selfunloaders #1
  - RoRo #1

**Offshore**
- ~1/4 of sales
  - Offshore advanced load handling #1
  - Offshore winches #2
  - Mooring systems #1
  - Loading and offloading systems #1
Merchant shipping and offshore markets may have reached the bottom in orders

Long term contracting 2012-2026
Merchant ships > 2,000 gt (excl ofs and misc)

Long term contracting 2014-2023
Mobile offshore units

Source: Clarkson, March 2017
MacGregor’s asset-light business model gives flexibility

Cost-efficient scaling

90% of manufacturing outsourced
30% of design and engineering capacity outsourced
Financials

Cargotec’s Q2 2017 half year report
Highlights of Q2 2017 – Operating profit* improvement continued

Cargotec’s operating profit* margin improved
- Profitability improved in Hiab and Kalmar
- MacGregor profitability at last year’s level

Orders received increased in Hiab, declined in MacGregor and Kalmar

Service and software sales 31% (28%) of total sales at EUR 259 (255) million
- Software sales growth +26%

*) Excluding restructuring costs
Gross profit margin improved y-o-y

Gross profit, MEUR

Gross profit-%
## Key figures – Operating profit* increased

<table>
<thead>
<tr>
<th></th>
<th>4–6/17</th>
<th>4–6/16</th>
<th>Change</th>
<th>1–6/17</th>
<th>1–6/16</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received, MEUR</td>
<td>800</td>
<td>825</td>
<td>-3%</td>
<td>1,657</td>
<td>1,728</td>
<td>-4%</td>
</tr>
<tr>
<td>Order book, MEUR</td>
<td>1,720</td>
<td>2,033</td>
<td>-15%</td>
<td>1,720</td>
<td>2,033</td>
<td>-15%</td>
</tr>
<tr>
<td>Sales, MEUR</td>
<td>845</td>
<td>898</td>
<td>-6%</td>
<td>1,638</td>
<td>1,727</td>
<td>-5%</td>
</tr>
<tr>
<td>Operating profit*, MEUR</td>
<td>72.1</td>
<td>64.8</td>
<td>+11%</td>
<td>131.3</td>
<td>123.3</td>
<td>+6%</td>
</tr>
<tr>
<td>Operating profit*, %</td>
<td>8.5</td>
<td>7.2</td>
<td></td>
<td>8.0</td>
<td>7.1</td>
<td></td>
</tr>
<tr>
<td>Restructuring costs, MEUR</td>
<td>11.7</td>
<td>2.3</td>
<td></td>
<td>14.6</td>
<td>3.1</td>
<td></td>
</tr>
<tr>
<td>Operating profit, MEUR</td>
<td>60.4</td>
<td>62.6</td>
<td>-3%</td>
<td>116.7</td>
<td>120.2</td>
<td>-3%</td>
</tr>
<tr>
<td>Operating profit, %</td>
<td>7.2</td>
<td>7.0</td>
<td></td>
<td>7.1</td>
<td>7.0</td>
<td></td>
</tr>
<tr>
<td>Earnings per share, EUR</td>
<td>0.58</td>
<td>0.63</td>
<td>-7%</td>
<td>1.15</td>
<td>1.23</td>
<td>-7%</td>
</tr>
<tr>
<td>Earnings per share, EUR**</td>
<td>0.72</td>
<td>0.65</td>
<td>+10%</td>
<td>1.32</td>
<td>1.27</td>
<td>+4%</td>
</tr>
</tbody>
</table>

*) Excluding restructuring costs
**) Excluding restructuring costs, using reported effective tax rate
Cash flow from operations burdened by lower advance payments and higher working capital needs in Kalmar

![Bar chart showing cash flow by quarter]
Software sales increased strongly

- Software business grew 26%
  - Strong licensing revenues from Navis TOS
- Service sales declined 2% in Q2/17
  - Increase in Kalmar (1%), Hiab at last year’s level
  - Decline in MacGregor (-10%)
- Services and software 31% (28%) of Cargotec’s sales in Q2/17

*Software sales defined as Navis business unit and automation software
2017 outlook – as given 8 February 2017

Operating profit excluding restructuring costs for 2017 is expected to improve from 2016 (EUR 250.2 million)
Appendix

1. Largest shareholders and financials
2. Sustainability
3. Kalmar
4. Hiab
5. MacGregor
## Largest shareholders
### 31 July 2017

<table>
<thead>
<tr>
<th>Rank</th>
<th>Shareholder</th>
<th>% of shares</th>
<th>% of votes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Wipunen varainhallinta Oy</td>
<td>14.1%</td>
<td>23.7%</td>
</tr>
<tr>
<td>2.</td>
<td>Mariatorp Oy</td>
<td>12.3%</td>
<td>22.9%</td>
</tr>
<tr>
<td>3.</td>
<td>Pivosto Oy</td>
<td>10.5%</td>
<td>22.1%</td>
</tr>
<tr>
<td>4.</td>
<td>KONE Foundation</td>
<td>3.0%</td>
<td>5.5%</td>
</tr>
<tr>
<td>5.</td>
<td>Ilmarinen Mutual Pension Insurance Company</td>
<td>1.4%</td>
<td>0.6%</td>
</tr>
<tr>
<td>6.</td>
<td>The State Pension Fund</td>
<td>1.3%</td>
<td>0.6%</td>
</tr>
<tr>
<td>7.</td>
<td>Varma Mutual Pension Insurance Company</td>
<td>0.8%</td>
<td>0.3%</td>
</tr>
<tr>
<td>8.</td>
<td>SEB Finlandia Investment Fund</td>
<td>0.7%</td>
<td>0.3%</td>
</tr>
<tr>
<td>9.</td>
<td>Herlin Heikki Juho Kustaa</td>
<td>0.6%</td>
<td>0.3%</td>
</tr>
<tr>
<td>10.</td>
<td>Sigrid Jusélius Foundation</td>
<td>0.6%</td>
<td>0.2%</td>
</tr>
<tr>
<td></td>
<td>Nominee registered and non-Finnish holders</td>
<td>30.7%</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Total number of shareholders</strong></td>
<td><strong>20,965</strong></td>
<td></td>
</tr>
</tbody>
</table>

Wipunen varainhallinta Oy is a company controlled by Ilkka Herlin, Mariatorp Oy a company controlled by Niklas Herlin and Pivosto Oy a company controlled by Ilona Herlin.
Market environment in H1 2017

Growth in number of containers handled at ports accelerated

Strong interest for efficiency improving automation solutions
  - Customers’ decision making is slow

Construction activity on good level
  - Good development continued in Europe and the US

Marine cargo handling equipment market still weak
  - Market improved in merchant sector, but orders remained well below historical levels

Global container throughput (MTEU) – Key driver for Kalmar

Construction output – Key driver for Hiab

United States
  - +1.5%

Europe
  - +1.5%

Long term contracting – Key driver for MacGregor

Merchant ships > 2,000 gt (excl. ols & misc)
  - +63%

Mobile offshore units
  - -31%

Source: Clarkson Research
Source: Oxford Economics
Source: Drewry
Source: Oxford Economics
Source: Drewry
Source: Oxford Economics
Source: Clarkson Research

Historical average

Historical average

Historical average

Historical average
Orders received: Strong increase for Hiab

MEUR

Q2/16  | Q3/16  | Q4/16  | Q1/17  | Q2/17
825    | 733    | 822    | 857    | 800

-9% (y/y)  | +17% (y/y)  | -12% (y/y)
Order book declined

Order book by reporting segments, Q2 2017

Order book
MEUR

Q2/16  Q3/16  Q4/16  Q1/17  Q2/17

2,033  1,874  1,783  1,834  1,720

Kalmar  Hiab  MacGregor

29%  17%  54%
Strong improvement in operating profit* despite sales decline

**Sales**

**MEUR**

- Q2/16: 898
- Q3/16: 854
- Q4/16: 933
- Q1/17: 793
- Q2/17: 845

**Operating profit**

**MEUR**

- Q2/16: 64.8
- Q3/16: 65.9
- Q4/16: 61.0
- Q1/17: 59.2
- Q2/17: 72.1

*) Excluding restructuring costs, **) Including Corporate admin and support
**Kalmar Q2 – Profitability improved**

- Orders received decreased in APAC and Americas
  - Good development in Navis, decline in large projects
  - Comparison period includes a large crane upgrade order
- Order book declined
- Software sales +26%, service sales at last year’s level
- Profitability impacted positively by more favourable mix (software, service) and higher profitability in project business

<table>
<thead>
<tr>
<th>MEUR</th>
<th>Q2/17</th>
<th>Q2/16</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received</td>
<td>386</td>
<td>438</td>
<td>-12%</td>
</tr>
<tr>
<td>Order book</td>
<td>926</td>
<td>1,005</td>
<td>-8%</td>
</tr>
<tr>
<td>Sales</td>
<td>403</td>
<td>420</td>
<td>-4%</td>
</tr>
<tr>
<td>Operating profit*</td>
<td>33.2</td>
<td>31.9</td>
<td>+4%</td>
</tr>
<tr>
<td>Operating profit margin*</td>
<td>8.2%</td>
<td>7.6%</td>
<td></td>
</tr>
</tbody>
</table>

*) Excluding restructuring costs
Hiab Q2 – Record high operating profit margin, strong orders received

- Orders received grew in all regions
  - Strong growth in loader cranes and demountables
- Sales remained at last year’s level both in services and equipment
- Operating profit improvement driven by new products and slightly lower fixed costs

<table>
<thead>
<tr>
<th></th>
<th>MEUR</th>
<th>Q2/17</th>
<th>Q2/16</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received</td>
<td>279</td>
<td>239</td>
<td>+17%</td>
<td></td>
</tr>
<tr>
<td>Order book</td>
<td>290</td>
<td>283</td>
<td>+2%</td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>282</td>
<td>283</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Operating profit*</td>
<td>44.1</td>
<td>41.7</td>
<td>+6%</td>
<td></td>
</tr>
<tr>
<td>Operating profit margin*</td>
<td>15.6%</td>
<td>14.7%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*) Excluding restructuring costs
MacGregor Q2 – Profitability* at last year’s level

- Orders received increased in EMEA and Americas and decreased in APAC
  - 12% increase from Q1/17 in orders received due to large single order
  - Growth in advanced offshore solutions and RoRo
- Net sales declined in all divisions
- Profitability maintained at last year’s level

<table>
<thead>
<tr>
<th>MEUR</th>
<th>Q2/17</th>
<th>Q2/16</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received</td>
<td>136</td>
<td>149</td>
<td>-9%</td>
</tr>
<tr>
<td>Order book</td>
<td>507</td>
<td>745</td>
<td>-32%</td>
</tr>
<tr>
<td>Sales</td>
<td>160</td>
<td>196</td>
<td>-18%</td>
</tr>
<tr>
<td>Operating profit*</td>
<td>4.9</td>
<td>5.3</td>
<td>-9%</td>
</tr>
<tr>
<td>Operating profit margin*</td>
<td>3.0%</td>
<td>2.7%</td>
<td></td>
</tr>
</tbody>
</table>

*) Excluding restructuring costs
Successful refinancing in Q2

Net debt EUR 599 million (31 Dec 2016: 503)
- Average interest rate 2.2% (2.4%)
- Net debt/EBITDA 2.2 (2.1)

Total equity EUR 1,401 million (1,397)
- Equity/total assets 41.1% (39.1%)

Well diversified loan portfolio:
- Bonds EUR 464 million
- Bank loans EUR 307 million
- EUR 300 million revolving credit facility refinanced in Q2/17, the facility is fully undrawn

Balanced maturity profile
- EUR 15 million loans maturing in 2017

Net debt and gearing

Maturity profile
Solid track record to increase the dividend

EUR 0.95 dividend per B share for 2016

- 2013: EPS 0.89, Dividend 0.42, Payout ratio 47%
- 2014: EPS 1.11, Dividend 0.55, Payout ratio 50%
- 2015: EPS 2.21, Dividend 0.80, Payout ratio 36%
- 2016: EPS 1.95, Dividend 0.95, Payout ratio 49%
Capex and R&D

Capital expenditure

- Kalmar assembly unit in Stargard, Poland
- Manufacturing plant expansion in Kansas, US for Kalmar

Research and development

- Digitalisation
- Competitiveness and cost efficiency of products

*) Including amortisations and impairments
Operating profit* margin and ROCE improved

ROCE, annualised *) Excluding restructuring costs
Hiab’s share increasing in sales mix

2015

Kalmar: 30%
Hiab: 25%
MacGregor: 45%

2016

Kalmar: 30%
Hiab: 48%
MacGregor: 22%
Well diversified geographical sales mix

- **2015**
  - EMEA: 28%
  - APAC: 32%
  - Americas: 40%

- **2016**
  - EMEA: 31%
  - APAC: 27%
  - Americas: 42%
Sales by geographical segment by business area 2016

- **Kalmar**
  - EMEA: 36% (36)
  - APAC: 22% (22)
  - Americas: 42% (42)

- **Hiab**
  - EMEA: 41% (42)
  - APAC: 11% (10)
  - Americas: 48% (48)

- **MacGregor**
  - EMEA: 34% (29)
  - APAC: 7% (6)
  - Americas: 59% (65)
Cargotec’s R&D and assembly sites

**EMEA**
- Arendal, Norway (MacGregor R&D)
- Averøy, Norway (MacGregor prod + R&D)
- Kristiansand, Norway (MacGregor R&D)
- Dundalk, Ireland (Hiab prod. + R&D)
- Witney, UK (Hiab prod.)
- Whitstable, UK (MacGregor prod.)
- Zaragoza, Spain (Hiab prod.)
- Uetersen, Germany (MacGregor prod. + WS + R&D)
- Schwerin, Germany (MacGregor prod.)
- Stargard Szczecinski, Poland (Kalmar + Hiab prod.)
- Bispgården, Sweden (Hiab prod.)
- Lidhult, Sweden (Kalmar prod. + R&D)
- Bjuv, Sweden (Kalmar prod.)
- Örnsköldsvik, Sweden (MacGregor WS + WH + R&D)
- Hudiksvall, Sweden (Hiab R&D)
- Helsinki, Finland (HQ)
- Kaarina, Finland (MacGregor R&D)
- Raisio, Finland (Hiab prod.)
- Tampere, Finland (Kalmar WS + R&D)

**APAC**
- Chungbuk, South Korea (Hiab prod.)
- Tianjin, China (MacGregor prod.)
- Bangalore, India (Kalmar prod. + R&D)
- Chennai, India (Navis–Kalmar R&D)
- Ipoh, Malaysia (Bromma prod.)
- Shanghai, China (Kalmar prod. + WH)
- Busan, South Korea (MacGregor prod.)
- Singapore, (R&D)

**Americas**
- Ottawa, Kansas (Kalmar prod.)
- Oakland, California (Kalmar R&D)
- Cibolo, Texas (Kalmar prod.)
- Tallmadge, Ohio (Hiab prod.)
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

Target: 10% operating profit margin (EBIT) in each business area over the cycle
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
Operating profit excl. restructuring costs development

Kalmar

Hiab

MacGregor

EBIT excl. restructuring costs

EBIT-%
Sales and orders received development

Kalmar

Hiab

MacGregor

Investor presentation August 2017 53
Gross profit improvement driven by new products

Gross profit, MEUR

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross Profit, MEUR</th>
<th>Gross Profit-%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>583</td>
<td>18.3%</td>
</tr>
<tr>
<td>2014</td>
<td>634</td>
<td>18.9%</td>
</tr>
<tr>
<td>2015</td>
<td>787</td>
<td>21.1%</td>
</tr>
<tr>
<td>2016</td>
<td>840</td>
<td>23.9%</td>
</tr>
</tbody>
</table>
Strong cash flow from operations

<table>
<thead>
<tr>
<th>Year</th>
<th>MEUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>181</td>
</tr>
<tr>
<td>2014</td>
<td>204</td>
</tr>
<tr>
<td>2015</td>
<td>315</td>
</tr>
<tr>
<td>2016</td>
<td>373</td>
</tr>
</tbody>
</table>
M&A strategy focusing on bolt on acquisitions

Kalmar
Focus on service footprint expansion and software offering

Hiab
Focus on expanding geographical presence and product offering

MacGregor
Focus on distressed assets and software and intelligent technology
# Income statement Q2 2017

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>844.8</td>
<td>898.3</td>
<td>1,638.2</td>
<td>1,726.6</td>
<td>3,513.7</td>
</tr>
<tr>
<td><strong>Cost of goods sold</strong></td>
<td>-622.5</td>
<td>-675.1</td>
<td>-1,210.8</td>
<td>-1,306.4</td>
<td>-2,674.0</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>222.3</td>
<td>223.2</td>
<td>427.4</td>
<td>420.2</td>
<td>839.7</td>
</tr>
<tr>
<td>Gross profit, %</td>
<td>26.3</td>
<td>24.8</td>
<td>26.1</td>
<td>24.3</td>
<td>23.9</td>
</tr>
<tr>
<td>Other operating income</td>
<td>8.7</td>
<td>8.6</td>
<td>19.1</td>
<td>18.6</td>
<td>38.1</td>
</tr>
<tr>
<td>Selling and marketing expenses</td>
<td>-56.6</td>
<td>-56.5</td>
<td>-113.3</td>
<td>-110.0</td>
<td>-221.1</td>
</tr>
<tr>
<td>Research and development expenses</td>
<td>-25.0</td>
<td>-23.9</td>
<td>-40.1</td>
<td>-40.0</td>
<td>-94.1</td>
</tr>
<tr>
<td>Administration expenses</td>
<td>-68.9</td>
<td>-73.6</td>
<td>-135.9</td>
<td>-136.1</td>
<td>-277.0</td>
</tr>
<tr>
<td>Restructuring costs</td>
<td>-11.7</td>
<td>-2.3</td>
<td>-14.6</td>
<td>-3.1</td>
<td>-52.5</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>-8.3</td>
<td>-8.4</td>
<td>-17.9</td>
<td>-20.5</td>
<td>-37.8</td>
</tr>
<tr>
<td><strong>Costs and expenses</strong></td>
<td>-161.7</td>
<td>-156.1</td>
<td>-311.7</td>
<td>-298.1</td>
<td>-644.4</td>
</tr>
<tr>
<td>Share of associated companies' and joint ventures' net income</td>
<td>-0.2</td>
<td>-4.6</td>
<td>1.0</td>
<td>-1.8</td>
<td>2.5</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>60.4</td>
<td>62.6</td>
<td>116.7</td>
<td>120.2</td>
<td>197.7</td>
</tr>
<tr>
<td>Operating profit, %</td>
<td>7.2</td>
<td>7.0</td>
<td>7.1</td>
<td>7.0</td>
<td>5.6</td>
</tr>
<tr>
<td>Financing income and expenses</td>
<td>-9.0</td>
<td>-5.1</td>
<td>-17.3</td>
<td>-11.9</td>
<td>-28.6</td>
</tr>
<tr>
<td><strong>Income before taxes</strong></td>
<td>51.4</td>
<td>57.5</td>
<td>99.4</td>
<td>108.3</td>
<td>169.1</td>
</tr>
<tr>
<td>Income before taxes, %</td>
<td>6.1</td>
<td>6.4</td>
<td>6.1</td>
<td>6.3</td>
<td>4.8</td>
</tr>
<tr>
<td>Income taxes</td>
<td>-13.9</td>
<td>-17.0</td>
<td>-25.3</td>
<td>-28.8</td>
<td>-43.8</td>
</tr>
<tr>
<td><strong>Net income for the period</strong></td>
<td>37.5</td>
<td>40.4</td>
<td>74.0</td>
<td>79.6</td>
<td>125.3</td>
</tr>
<tr>
<td>Net income for the period, %</td>
<td>4.4</td>
<td>4.5</td>
<td>4.5</td>
<td>4.6</td>
<td>3.6</td>
</tr>
</tbody>
</table>

**Net income for the period attributable to:**

- **Equity holders of the parent**
  - 37.6
  - 40.5
  - 74.3
  - 79.7
  - 126.0
- **Non-controlling interest**
  - 0.0
  - -0.1
  - -0.3
  - -0.1
  - -0.7
- **Total**
  - 37.5
  - 40.4
  - 74.0
  - 79.6
  - 125.3

**Basic earnings per share, EUR**
- 0.58
- 0.63
- 1.15
- 1.23
- 1.95

**Diluted earnings per share, EUR**
- 0.58
- 0.63
- 1.15
- 1.23
- 1.94
# Balance Sheet Q2 2017

## Assets, MEUR

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwill</td>
<td>998.9</td>
<td>1,014.0</td>
<td>1,024.5</td>
</tr>
<tr>
<td>Other intangible assets</td>
<td>289.1</td>
<td>292.0</td>
<td>290.2</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>292.7</td>
<td>306.1</td>
<td>306.6</td>
</tr>
<tr>
<td>Investments in associated companies and joint ventures</td>
<td>114.6</td>
<td>114.1</td>
<td>123.4</td>
</tr>
<tr>
<td>Available-for-sale investments</td>
<td>3.8</td>
<td>3.8</td>
<td>3.8</td>
</tr>
<tr>
<td>Loans receivable and other interest-bearing assets*</td>
<td>4.8</td>
<td>2.2</td>
<td>3.0</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>191.3</td>
<td>170.4</td>
<td>185.0</td>
</tr>
<tr>
<td>Derivative assets</td>
<td>10.2</td>
<td>14.0</td>
<td>16.9</td>
</tr>
<tr>
<td>Other non-interest-bearing assets</td>
<td>7.0</td>
<td>6.1</td>
<td>7.9</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td><strong>1,892.4</strong></td>
<td><strong>1,922.8</strong></td>
<td><strong>1,953.4</strong></td>
</tr>
</tbody>
</table>

## Current assets

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventories</td>
<td>657.2</td>
<td>606.9</td>
<td>647.0</td>
</tr>
<tr>
<td>Loans receivable and other interest-bearing assets*</td>
<td>2.8</td>
<td>2.5</td>
<td>1.9</td>
</tr>
<tr>
<td>Income tax receivables</td>
<td>39.8</td>
<td>20.5</td>
<td>26.1</td>
</tr>
<tr>
<td>Derivative assets</td>
<td>44.7</td>
<td>31.1</td>
<td>45.8</td>
</tr>
<tr>
<td>Accounts receivable and other non-interest-bearing assets</td>
<td>738.9</td>
<td>787.4</td>
<td>778.9</td>
</tr>
<tr>
<td>Cash and cash equivalents*</td>
<td>164.3</td>
<td>141.5</td>
<td>273.2</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>1,548.9</strong></td>
<td><strong>1,873.9</strong></td>
<td><strong>1,773.0</strong></td>
</tr>
</tbody>
</table>

## Total assets

| 3,541.3       | 3,596.7       | 3,736.3       |

## Equity and Liabilities, MEUR

<table>
<thead>
<tr>
<th>Equity attributable to the equity holders of the parent</th>
<th>30 Jun 2017</th>
<th>30 Jun 2016</th>
<th>31 Dec 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share capital</td>
<td>643</td>
<td>643</td>
<td>643</td>
</tr>
<tr>
<td>Share premium account</td>
<td>98.0</td>
<td>98.0</td>
<td>98.0</td>
</tr>
<tr>
<td>Translation differences</td>
<td>7.9</td>
<td>30.2</td>
<td>37.3</td>
</tr>
<tr>
<td>Fair value reserves</td>
<td>-3.6</td>
<td>-17.2</td>
<td>-24.7</td>
</tr>
<tr>
<td>Reserve for invested non-restricted equity</td>
<td>69.0</td>
<td>76.6</td>
<td>69.0</td>
</tr>
<tr>
<td><strong>Retained earnings</strong></td>
<td><strong>1,163.1</strong></td>
<td><strong>1,107.3</strong></td>
<td><strong>1,151.1</strong></td>
</tr>
<tr>
<td><strong>Total equity attributable to the equity holders of the parent</strong></td>
<td><strong>1,358.7</strong></td>
<td><strong>1,359.2</strong></td>
<td><strong>1,356.8</strong></td>
</tr>
</tbody>
</table>

## Non-controlling interest

| 2.4          | 2.0          | 2.2          |

## Total equity

| 1,401.0       | 1,361.2       | 1,397.2       |

## Non-current liabilities

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest-bearing liabilities*</td>
<td>732.8</td>
<td>657.1</td>
<td>656.8</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>74.8</td>
<td>73.4</td>
<td>73.1</td>
</tr>
<tr>
<td>Pension obligations</td>
<td>83.1</td>
<td>74.7</td>
<td>81.4</td>
</tr>
<tr>
<td>Provisions</td>
<td>15.4</td>
<td>24.7</td>
<td>37.6</td>
</tr>
<tr>
<td>Other non-interest-bearing liabilities</td>
<td>57.9</td>
<td>47.3</td>
<td>49.4</td>
</tr>
</tbody>
</table>

## Total non-current liabilities

| 964.0        | 877.2        | 858.2        |

## Current liabilities

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current portion of interest-bearing liabilities*</td>
<td>17.8</td>
<td>117.9</td>
<td>119.4</td>
</tr>
<tr>
<td>Other interest-bearing liabilities*</td>
<td>30.6</td>
<td>26.7</td>
<td>45.8</td>
</tr>
<tr>
<td>Provisions</td>
<td>121.0</td>
<td>76.1</td>
<td>112.8</td>
</tr>
<tr>
<td>Advances received</td>
<td>130.2</td>
<td>209.5</td>
<td>160.6</td>
</tr>
<tr>
<td>Income tax receivables</td>
<td>20.6</td>
<td>32.2</td>
<td>32.0</td>
</tr>
<tr>
<td>Derivative liabilities</td>
<td>15.4</td>
<td>23.0</td>
<td>34.1</td>
</tr>
<tr>
<td>Accounts payable and other non-interest-bearing liabilities</td>
<td>884.7</td>
<td>878.8</td>
<td>936.2</td>
</tr>
</tbody>
</table>

## Total current liabilities

| 1,176.3       | 1,350.3       | 1,440.8       |

## Total equity and liabilities

| 3,541.3       | 3,596.7       | 3,736.3       |
# Cash flow statement Q2 2017

<table>
<thead>
<tr>
<th>MEUR</th>
<th>1-6/2017</th>
<th>1-6/2016</th>
<th>1-12/2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income for the period</td>
<td>74.0</td>
<td>79.6</td>
<td>125.3</td>
</tr>
<tr>
<td>Depreciation, amortisation and impairment</td>
<td>35.5</td>
<td>38.5</td>
<td>84.8</td>
</tr>
<tr>
<td>Other adjustments</td>
<td>44.3</td>
<td>48.2</td>
<td>72.5</td>
</tr>
<tr>
<td>Change in net working capital</td>
<td>-101.2</td>
<td>-18.7</td>
<td>90.5</td>
</tr>
<tr>
<td><strong>Cash flow from operations before financing items and taxes</strong></td>
<td>52.6</td>
<td>146.6</td>
<td>373.0</td>
</tr>
<tr>
<td>Cash flow from financing items and taxes</td>
<td>-61.7</td>
<td>-13.7</td>
<td>-59.5</td>
</tr>
<tr>
<td><strong>Net cash flow from operating activities</strong></td>
<td>-9.0</td>
<td>132.8</td>
<td>313.5</td>
</tr>
<tr>
<td>Acquisitions, net of cash acquired</td>
<td>-0.9</td>
<td>-64.6</td>
<td>-66.8</td>
</tr>
<tr>
<td>Disposals of businesses, net of cash sold</td>
<td>-1.2</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investments in associated companies and joint ventures</td>
<td>-1.7</td>
<td>-2.7</td>
<td>-2.7</td>
</tr>
<tr>
<td>Cash flow from investing activities, other items</td>
<td>-29.0</td>
<td>-28.8</td>
<td>-61.9</td>
</tr>
<tr>
<td><strong>Net cash flow from investing activities</strong></td>
<td>-35.8</td>
<td>-93.2</td>
<td>-131.5</td>
</tr>
<tr>
<td>Proceeds from share subscriptions</td>
<td>-</td>
<td>0.5</td>
<td>0.5</td>
</tr>
<tr>
<td>Treasury shares acquired</td>
<td>-</td>
<td>-</td>
<td>-7.6</td>
</tr>
<tr>
<td>Acquisition of non-controlling interests</td>
<td>-0.4</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Repayments of long-term borrowings</td>
<td>250.0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Proceeds from long-term borrowings</td>
<td>-241.4</td>
<td>-2.9</td>
<td>-3.2</td>
</tr>
<tr>
<td>Repayments of short-term borrowings</td>
<td>6.7</td>
<td>25.4</td>
<td>38.2</td>
</tr>
<tr>
<td>Proceeds from short-term borrowings</td>
<td>-32.2</td>
<td>-61.5</td>
<td>-58.9</td>
</tr>
<tr>
<td>Profit distribution</td>
<td>-61.6</td>
<td>-51.9</td>
<td>-52.8</td>
</tr>
<tr>
<td><strong>Net cash flow from financing activities</strong></td>
<td>-79.0</td>
<td>-90.4</td>
<td>-83.9</td>
</tr>
<tr>
<td>Change in cash and cash equivalents</td>
<td>-123.8</td>
<td>-50.7</td>
<td>98.1</td>
</tr>
<tr>
<td>Cash, cash equivalents and bank overdrafts at the beginning of period</td>
<td>260.8</td>
<td>164.9</td>
<td>164.9</td>
</tr>
<tr>
<td>Effect of exchange rate changes</td>
<td>10.0</td>
<td>15.6</td>
<td>-2.2</td>
</tr>
<tr>
<td><strong>Cash, cash equivalents and bank overdrafts at the end of period</strong></td>
<td>147.0</td>
<td>129.8</td>
<td>260.8</td>
</tr>
<tr>
<td>Bank overdrafts at the end of period</td>
<td>17.3</td>
<td>11.7</td>
<td>12.4</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the end of period</strong></td>
<td>164.3</td>
<td>141.5</td>
<td>273.2</td>
</tr>
</tbody>
</table>
Sustainability
Sustainability is a great business opportunity

We serve an industry, which produces the majority of emissions as well as GDP in the world
- Inefficient industry with potential to improve

Our vision to be the leader in intelligent cargo handling also drives sustainability
- Increasing efficiency and life-time solutions

We are in a position to be the global frontrunner, setting the sustainability standards for the whole industry
- We are ready to shape the industry to one that is more sustainable
Sea Freight Transport is by far the most sustainable transport mode in terms of emissions

Compared to transportation of goods

→ by trains, sea freight emits ~2-3 times less emissions
→ by trucks, sea freight emits ~3-4 times less emissions
→ by air cargo, sea freight emits ~14 times less emissions
Offering for eco-efficiency:
~20% of 2016 revenue with huge potential to improve

<table>
<thead>
<tr>
<th>Systems efficiency</th>
<th>Efficiency for environmental industries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visibility to identify inefficient use of resources and fuel</td>
<td>Offering to support the operations in environmental industries</td>
</tr>
<tr>
<td>Software and design system</td>
<td>Cargotec solutions for environmental industries</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Emission efficiency</th>
<th>Resource efficiency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology to enable fuel and emission efficient offering</td>
<td>Service enabling the extended usage of products or new applications</td>
</tr>
<tr>
<td>Products with features to decrease fuel usage and avoidance of maritime hydraulic oil emissions</td>
<td>Product conversions and modernizations</td>
</tr>
</tbody>
</table>
Cargotec will set the industry standard for sustainability

- Cargotec is a supporter of UN Global Compact and other major international sustainability initiatives
- We set the industrial standard in compliant and transparent operations
- We have a clear governance on sustainability issues with Board overview on the subject
- Safety is our key priority and we have clear improvement program to further decrease our current IIFR rate of 5.76
- Certification coverage of production sites:
  - ISO14001 92%
  - OHSAS18001 80%
  - ISO9001 94%
Global container throughput development
Growth stabilising in the short-mid term

Global container throughput and GDP
Change % y/y

Sources: Drewry Q1 2017
Drewry Q3 2016 (2018-2020)
IMF World Economic Outlook Database, April 2017
Consolidation leading to five dominant container terminal operators in 2020

24 Global Terminal Operators’ total forecasted capacity increase 2015-2020 is 125 Mteu, increasing 3.1% p.a to 892 Mteu by 2020

Terminal operators consolidating, recent M&A activity:

- COSCO and China Shipping merged
- APMT bought Group TCB
- CMA CGM bought APL
- Yildirim bought Portuguese Tertir group and the company is also eyeing Ports America

![Capacity Chart](chart.png)

Capacity, MTEU

Source: Drewry

* Capacity counted once in all terminals where shareholding held by both sub operators

Investor presentation

August 2017
Global container throughput and capacity development

MTEU

Source: Drewry Container terminal operator annual review, 2002-2016
Three alliances controlling about 80% of global container fleet capacity

In 2018 there could be only 9-10 major global shopping lines

**Shipping line**
- Maersk
- MSC
- CMA CGM
- China Shipping
- UASC
- NYK
- OOCL (acquisition?)
- Hapag-Lloyd
- APL
- MOL
- Hyundai
- Cosco
- China Cosco Shipping
- K Line
- Yang Ming
- Ocean Network Express*
- HMM
- Evergreen
- Hamburg Sud

**Alliance/ Vessel sharing agreement (VSA)**
- P3 (denied)
- China Shipping/ UASC
- Ocean Three
- Grand Alliance
- G6 Alliance
- New World Alliance
- CKYH Alliance
- CKYH Alliance
- Independent

**April 2017**

2M

Ocean Alliance

The Alliance

Total: 17 (10 after further consolidations)

Sources: Drewry, Alphaliner, Cargotec

*The arrows indicate changes, confirmed or planned, through M&A or JV over the last 18 months. Hanjin bankrupt. Hyundai isn’t currently officially part of any alliance, but formed a cooperative relationship with 2M. Ocean Network Express (ONE) scheduled to launch April 2018, Analyses excludes Zim, PIL and Wan Hai

Investor presentation
August 2017 69
According to DS Research, the project pipeline of all upcoming container terminal projects consists of 405 TEUm additional capacity scheduled for completion until 2021. 298 TEUm new capacity is expected to be finally executed until 2021, assuming that further project postponements are required to adjust to the weakening demand. This would trigger roughly US$bn 146 investment.

Depending on the type of project, different cost have been assumed for quay construction, container handling equipment, yard construction, dredging & land reclamation and other cost. Overall, DS Research has estimated that investments for container terminal projects 2016-'21 include about US$bn 37 for container handling equipment.
Ship sizes increasing dramatically

- The largest containership in the fleet has nearly tripled since 2000
- The average size of new builds doubles between 2009 and 2014

Source: Drewry November 2015
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>EUR 7.5 billion</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>
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

Target:

→ 10% operating profit margin (EBIT) over the cycle
Hiab appendix
Global truck volumes

IHS predicts global truck volumes to increase in 2017, driven by China and South Asia, Outlook on Europe has been upgraded significantly compared to previous forecasts

![Graph showing truck registrations, GVW >15t](image)

### Changes vs last Forecast

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
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<tbody>
<tr>
<td>Europe</td>
<td>5.1%</td>
<td>1.8%</td>
<td>0.5%</td>
<td>0.5%</td>
<td>1.1%</td>
</tr>
<tr>
<td>North America</td>
<td>1.9%</td>
<td>0.7%</td>
<td>1.2%</td>
<td>1.4%</td>
<td>2.0%</td>
</tr>
<tr>
<td>South America</td>
<td>-0.3%</td>
<td>-1.5%</td>
<td>1.2%</td>
<td>-1.5%</td>
<td>-0.2%</td>
</tr>
<tr>
<td>South Asia</td>
<td>-4.8%</td>
<td>-3.6%</td>
<td>-1.4%</td>
<td>-1.2%</td>
<td>-1.4%</td>
</tr>
<tr>
<td>Japan/Korea</td>
<td>3.9%</td>
<td>3.3%</td>
<td>3.3%</td>
<td>3.4%</td>
<td>3.1%</td>
</tr>
<tr>
<td>Middle East/Africa</td>
<td>1.1%</td>
<td>0.0%</td>
<td>0.2%</td>
<td>0.2%</td>
<td>0.6%</td>
</tr>
<tr>
<td>Greater China</td>
<td>0.3%</td>
<td>0.3%</td>
<td>0.3%</td>
<td>0.3%</td>
<td>0.3%</td>
</tr>
<tr>
<td>Total</td>
<td>0.0%</td>
<td>-0.4%</td>
<td>0.2%</td>
<td>0.2%</td>
<td>0.3%</td>
</tr>
</tbody>
</table>

### YoY changes (vs. prev. year)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Europe</td>
<td>10.5%</td>
<td>1.3%</td>
<td>2.2%</td>
<td>7.8%</td>
<td>2.4%</td>
<td>7.7%</td>
</tr>
<tr>
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<td>-19.6%</td>
<td>-0.8%</td>
<td>9.6%</td>
<td>8.5%</td>
<td>2.4%</td>
<td>2.2%</td>
</tr>
<tr>
<td>South America</td>
<td>-20.9%</td>
<td>4.9%</td>
<td>12.3%</td>
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<td>4.4%</td>
<td>7.9%</td>
</tr>
<tr>
<td>South Asia</td>
<td>4.5%</td>
<td>7.3%</td>
<td>9.3%</td>
<td>6.7%</td>
<td>3.0%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Japan/Korea</td>
<td>1.8%</td>
<td>-3.4%</td>
<td>-4.0%</td>
<td>-2.8%</td>
<td>-3.9%</td>
<td>-2.6%</td>
</tr>
<tr>
<td>Middle East/Africa</td>
<td>-4.5%</td>
<td>1.5%</td>
<td>1.0%</td>
<td>2.3%</td>
<td>6.3%</td>
<td>3.5%</td>
</tr>
<tr>
<td>Greater China</td>
<td>32.8%</td>
<td>8.0%</td>
<td>-17.8%</td>
<td>5.0%</td>
<td>-4.4%</td>
<td>1.1%</td>
</tr>
<tr>
<td>Total</td>
<td>9.4%</td>
<td>5.3%</td>
<td>-4.6%</td>
<td>6.3%</td>
<td>-0.3%</td>
<td>2.6%</td>
</tr>
</tbody>
</table>

Source: IHS Truck registration (Jun 2017 compared to Feb 2017)

Investor presentation August 2017 75
Construction output forecast

Annual Construction Output

Changes vs last Forecast

<table>
<thead>
<tr>
<th>Region</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>NAM</td>
<td>-0.3%</td>
<td>-2.3%</td>
<td>-4.4%</td>
<td>-5.9%</td>
<td>-6.6%</td>
</tr>
<tr>
<td>SAM</td>
<td>-1.8%</td>
<td>-2.6%</td>
<td>-2.4%</td>
<td>-2.0%</td>
<td>-2.7%</td>
</tr>
<tr>
<td>NE</td>
<td>3.3%</td>
<td>4.8%</td>
<td>4.8%</td>
<td>4.8%</td>
<td>4.7%</td>
</tr>
<tr>
<td>CE</td>
<td>0.5%</td>
<td>1.3%</td>
<td>1.4%</td>
<td>1.5%</td>
<td>1.4%</td>
</tr>
<tr>
<td>WE</td>
<td>0.2%</td>
<td>0.6%</td>
<td>0.7%</td>
<td>0.7%</td>
<td>0.6%</td>
</tr>
<tr>
<td>APAC</td>
<td>-0.3%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.1%</td>
<td>0.1%</td>
</tr>
<tr>
<td>Total</td>
<td>-0.1%</td>
<td>-0.3%</td>
<td>-0.8%</td>
<td>-1.1%</td>
<td>-1.3%</td>
</tr>
</tbody>
</table>

YoY changes

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>NAM</td>
<td>3.1%</td>
<td>2.3%</td>
<td>2.4%</td>
<td>3.9%</td>
<td>3.5%</td>
<td>2.9%</td>
</tr>
<tr>
<td>SAM</td>
<td>-1.4%</td>
<td>-2.0%</td>
<td>0.5%</td>
<td>2.6%</td>
<td>2.6%</td>
<td>2.9%</td>
</tr>
<tr>
<td>NE</td>
<td>1.0%</td>
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<td>2.7%</td>
<td>1.5%</td>
<td>1.5%</td>
<td>1.6%</td>
</tr>
<tr>
<td>CE</td>
<td>1.6%</td>
<td>1.1%</td>
<td>2.4%</td>
<td>2.1%</td>
<td>1.6%</td>
<td>1.4%</td>
</tr>
<tr>
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<td>3.1%</td>
<td>2.0%</td>
<td>2.3%</td>
<td>2.6%</td>
<td>3.0%</td>
</tr>
<tr>
<td>APAC</td>
<td>4.5%</td>
<td>4.6%</td>
<td>4.5%</td>
<td>4.2%</td>
<td>4.3%</td>
<td>4.2%</td>
</tr>
<tr>
<td>Total</td>
<td>2.9%</td>
<td>2.8%</td>
<td>3.1%</td>
<td>3.5%</td>
<td>3.4%</td>
<td>3.3%</td>
</tr>
</tbody>
</table>

Source: Oxford construction output (All Output series are measured in Billions, 2010 Prices), Forecast Jun 2017 compared to Mar 2017

Investor presentation August 2017 76
Hiab has strong positions in attractive markets

<table>
<thead>
<tr>
<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>
</tr>
<tr>
<td>Tail lifts</td>
<td>0.5</td>
<td>GDP+</td>
</tr>
<tr>
<td>Demountables</td>
<td>0.4</td>
<td>GDP</td>
</tr>
<tr>
<td>Truck-mounted forklifts</td>
<td>0.2</td>
<td>GDP+</td>
</tr>
<tr>
<td>Forestry cranes</td>
<td>0.2</td>
<td>GDP</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

Target: → 10% operating profit margin (EBIT) over the cycle
MacGregor appendix
Merchant ships: Contracting forecast by shiptype
(number of ships)
Merchant ship types > 2000 gt, base case
Deliveries 2017 and onwards decrease due to the extremely low contracting levels 2015-2016, and will remain at historically lower levels due to the continued lower contracting in no of ships.

Source: Clarksons March 2017
Offshore CAPEX: history and forecasts

In the base case forecasting scenario, offshore CAPEX is projected to gradually recover from 2018 onwards, reaching pre-downturn levels in 2021 and staying relatively stable thereafter at around $120-150bn per annum.

Source: Clarksons March 2017
Offshore mobile units: Contracting forecast by shiptype (number of units)

Offshore mobile units, base case (USD 60/bbl 2021)

Source: Clarksons March 2017
Offshore mobile units: Deliveries Forecast by Shiptype (number of units)

Offshore mobile units, base case (USD 60/bbl 2021)

Source: Clarksons March 2017
### Shipbuilding – Contracting (ships >2000 gt/dwt)

<table>
<thead>
<tr>
<th>Vessel Type</th>
<th>No. 2015</th>
<th>No. 2016</th>
<th>%y-o-y*</th>
<th>$bn 2015</th>
<th>$bn 2016</th>
<th>%y-o-y*</th>
<th>m. CGT 2015</th>
<th>m. CGT 2016</th>
<th>%y-o-y*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL (&gt;2000 Dwt/GT)</strong></td>
<td>1,593</td>
<td>531</td>
<td>238</td>
<td>91.6</td>
<td>35.8</td>
<td>18.9</td>
<td>40.1</td>
<td>12.4</td>
<td>6.6</td>
</tr>
<tr>
<td><strong>Vessel Type</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bulk Cars</td>
<td>349</td>
<td>51</td>
<td>37</td>
<td>74%</td>
<td>9.3</td>
<td>3.3</td>
<td>-44%</td>
<td>1.9</td>
<td>0.7</td>
</tr>
<tr>
<td>Tankers</td>
<td>547</td>
<td>172</td>
<td>95</td>
<td>39%</td>
<td>26.1</td>
<td>5.6</td>
<td>81%</td>
<td>2.0</td>
<td>0.6</td>
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<tr>
<td>Container Ships</td>
<td>251</td>
<td>88</td>
<td>11</td>
<td>-70%</td>
<td>10.2</td>
<td>2.7</td>
<td>-76%</td>
<td>1.8</td>
<td>0.2</td>
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<tr>
<td>Gas Carriers</td>
<td>109</td>
<td>21</td>
<td>16</td>
<td>89%</td>
<td>11.2</td>
<td>2.1</td>
<td>124%</td>
<td>0.8</td>
<td>0.7</td>
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<tr>
<td>Offshore</td>
<td>186</td>
<td>53</td>
<td>14</td>
<td>-37%</td>
<td>8.6</td>
<td>2.2</td>
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<tr>
<td>Others</td>
<td>248</td>
<td>146</td>
<td>65</td>
<td>7%</td>
<td>17.1</td>
<td>19.9</td>
<td>18%</td>
<td>4.5</td>
<td>2.4</td>
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<tr>
<td><strong>Builder Country</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>China</td>
<td>584</td>
<td>242</td>
<td>101</td>
<td>0%</td>
<td>23.7</td>
<td>8.7</td>
<td>-18%</td>
<td>11.9</td>
<td>4.6</td>
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<tr>
<td>South Korea</td>
<td>295</td>
<td>71</td>
<td>57</td>
<td>93%</td>
<td>25.0</td>
<td>4.5</td>
<td>125%</td>
<td>10.9</td>
<td>2.2</td>
</tr>
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<td>-41%</td>
<td>23.9</td>
<td>3.0</td>
<td>-23%</td>
<td>12.5</td>
<td>1.5</td>
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<td>Europe</td>
<td>122</td>
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<td>39</td>
<td>1%</td>
<td>13.7</td>
<td>18.1</td>
<td>32%</td>
<td>2.6</td>
<td>3.5</td>
</tr>
<tr>
<td>Other</td>
<td>161</td>
<td>48</td>
<td>22</td>
<td>10%</td>
<td>5.4</td>
<td>1.5</td>
<td>20%</td>
<td>2.3</td>
<td>0.6</td>
</tr>
</tbody>
</table>

Source: Clarksons June 2017
Since peak shipyard output in 2010 (in CGT terms), it is estimated that the global shipbuilding capacity has declined 30%.

The contracting forecast suggests that there will be further pressure on yards, and the capacity is projected to decline by another 20% by end of 2019.

Source: Clarksons March 2017
Shipping cycle positions
Freight/earnings indicative cycles by ship type, timeline of each cycle not exact as they vary

Source: MacGregor and Clarksons March 2017