Becoming the leader in intelligent cargo handling
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1. Cargotec in brief
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3. Kalmar
4. Hiab
5. MacGregor
6. Q4 2016 financials
7. Appendix
Cargotec in brief
Today’s leader in cargo handling equipment

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%

AMER 41%
EMEA 48%
APAC 11%

AMER 7%
EMEA 34%
APAC 59%

Figures: 2016
EBIT % excluding restructuring costs

Investor presentation
February 2017
Key competitors

Global main competitors

- KALMAR
- ZPMC
- KONECRANES
- TEREX
- LIEBHERR
- ABB
- SANY

Other competitors

- HIAB
- Palfinger
- TTS
- Rolls-Royce
- FASSI
- HMF
- NAVALIMPIANTI
- MITSUBISHI
- Huisman
- GESMAN
- SMS

CARGOTEC
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
# Cargotec’s portfolio

**Net sales* in 2016**

<table>
<thead>
<tr>
<th>EUR million</th>
<th>Kalmar software (Navis) and Automation and Projects division</th>
<th>Trend in orders, FY 2016</th>
<th>Profitability: EBIT margin, FY 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kalmar equipment and service (excluding Automation and Projects Division &amp; Navis)</td>
<td>Low due to long term investments</td>
<td>-34%</td>
<td>2.3%</td>
</tr>
<tr>
<td>MacGregor</td>
<td>+5%</td>
<td>13.5%</td>
<td></td>
</tr>
<tr>
<td>Hiab</td>
<td>-34%</td>
<td>2.3%</td>
<td></td>
</tr>
</tbody>
</table>

* Figures rounded to closest 100 million
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
Investment highlights
Investment highlights: Why invest in Cargotec?

1. Technology leader and strong market positions, leading brands in markets with long term growth potential
2. Transforming from equipment provider into a leader in intelligent cargo handling
3. Growing services business and asset light business model are decreasing the impact of cyclicality
4. Capitalizing huge possibility for future automation and software growth
5. On track for profitability improvement and to reach financial targets
## 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>
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 world class leadership
3. Growing services business and asset light business model are decreasing the impact of cyclicality

Asset light business model with flexible cost structure
- Kalmar and Hiab: efficient assembly operation
- MacGregor: efficient project management and engineering office: > 85% 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 – huge potential

Actions to increase capture rates of spare parts:
- Improve sales process
- Digitalization efforts and connectivity: online services and e-commerce solutions
- Towards service agreements
- Distribution centers improving availability
4. Capitalizing huge possibility for future automation and software growth

Digitalisation supports service and software growth and vice versa

**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

**Huge 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

**Change when manual terminal converted into an automated operation**

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

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

**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 (Lidhult production transfer in Kalmar)

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

**Sales and operating profit development**
*excluding restructuring costs

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Investor presentation  February 2017   16
Container throughput still forecasted to grow year on year

<table>
<thead>
<tr>
<th>Year</th>
<th>APAC</th>
<th>EMEA</th>
<th>AMER</th>
<th>TEU million</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>359.2</td>
<td>168.7</td>
<td>622</td>
<td>94.1</td>
</tr>
<tr>
<td>2013</td>
<td>374.8</td>
<td>173.0</td>
<td>642</td>
<td>95.2</td>
</tr>
<tr>
<td>2014</td>
<td>398.3</td>
<td>182.2</td>
<td>675</td>
<td>98.3</td>
</tr>
<tr>
<td>2015</td>
<td>404.0</td>
<td>174.0</td>
<td>682</td>
<td>107.0</td>
</tr>
<tr>
<td>2016</td>
<td>408.7</td>
<td>183.3</td>
<td>692</td>
<td>100.1</td>
</tr>
<tr>
<td>2017</td>
<td>418</td>
<td>186</td>
<td>707</td>
<td>102</td>
</tr>
<tr>
<td>2018</td>
<td>435</td>
<td>186</td>
<td>729</td>
<td>115</td>
</tr>
<tr>
<td>2019</td>
<td>450</td>
<td>192</td>
<td>752</td>
<td>118</td>
</tr>
<tr>
<td>2020</td>
<td>464</td>
<td>198</td>
<td>775</td>
<td>121</td>
</tr>
</tbody>
</table>

Growth from 2012 to 2020 25%

CAGR 2.8%

Source: Drewry: Container forecaster Q4 2016

(Estimates for 2018-2020 from Drewry Container forecaster Q3 2016, latest update available)
### 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>
Kalmar’s profit improvement potential 2016-2018

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automation</td>
<td>Project delivery capability development</td>
<td>Expand Rainbow Cargotec Industries (China) joint venture offering</td>
<td>Further development of integrated port automation solutions</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></td>
<td></td>
</tr>
<tr>
<td>Services</td>
<td>Excel in spare parts</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total 60-100 EUR million improvement potential

- +20-30 EUR million
- +10-20 EUR million
- +20-30 EUR million
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
Flexible and scalable Navis TOS software

Terminal Operating System (TOS)

Terminal Logistic System

- Truck / Transfer area
- Automatic stacking crane (ASC) area
- ASC stack area
- Automated Horizontal Transportation
- Quay crane area
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.

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Investor presentation  February 2017  23
Construction output driving growth opportunity

EMEA construction output
y/y change (%)

AMER construction output
y/y change (%)

Oxford Economics: Industry output forecast
10/2016

Investor presentation  February 2017  25
Hiab has strong positions in attractive markets

<table>
<thead>
<tr>
<th></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

**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
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
Merchant shipping and offshore markets may have reached the bottom in orders

Long term contracting 2011-2025
Merchant ships > 2,000 gt (excl ofs and misc)

Long term contracting 2013-2022
Mobile offshore units

Sources: UNCTAD
Clarkson research, January 2016
Clarkson research, Sep 2016 (2017-2025)
MacGregor has strong positions in both the marine and offshore market

<table>
<thead>
<tr>
<th>Marine</th>
<th>Offshore</th>
</tr>
</thead>
<tbody>
<tr>
<td>Container lashing</td>
<td>Offshore advanced load handling</td>
</tr>
<tr>
<td>Hatch covers</td>
<td>Offshore winches</td>
</tr>
<tr>
<td>Cranes and selfunloaders</td>
<td>Mooring systems</td>
</tr>
<tr>
<td>RoRo</td>
<td>Loading and offloading systems</td>
</tr>
</tbody>
</table>
MacGregor’s asset-light business model gives flexibility

Cost-efficient scaling

- **85%** of manufacturing outsourced
- **30%** of design and engineering capacity outsourced
Financials
Cargotec’s financial statements review 2016
Highlights of 2016 – Highest operating profit* in Cargotec’s history

Profitability continued to improve

- Record high operating profit excl. restructuring costs and margin continued to increase
  - Investments into the strategy: R&D costs have increased 43% compared to 2013
- Sales and profitability increased in Kalmar and Hiab
- MacGregor affected by difficult market situation, new actions to safeguard profitability started in Q4

Services sales 25% of total sales at EUR 872 (883) million

Strong cash flow from operations EUR 373 (315) million

*) Excluding restructuring costs
Market environment in 2016

Number of containers handled at ports grew
- Growth continued in 2016, but at slower pace
- Strong interest for efficiency improving automation solutions
- Customer decision making is slower

Construction activity on good level
- Strong development continued in the US
- Activity levels increasing in Europe

Marine cargo handling equipment market still weak
- Market remained weak both in merchant and offshore
- Shipping and oil price environment improved towards the end of the year
Orders received – Hiab’s and Kalmar’s orders received grew in Q4
Order book stable in Kalmar and Hiab

Order book
MEUR

Order book by reporting segments, Q4 2016

Kalmar  Hiab  MacGregor

34%  50%  16%
Good development in Kalmar and Hiab operating profit

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Kalmar</th>
<th>Hiab</th>
<th>MacGregor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q115</td>
<td>52.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q215</td>
<td>58.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q315</td>
<td>68.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q415</td>
<td>52.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q116</td>
<td>58.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q216</td>
<td>64.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q316</td>
<td>65.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q416</td>
<td>61.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*) Excluding restructuring costs, **) Including Corporate admin and support
Gross profit improvement driven by new products
Increasing focus on services potential
Good progress in Hiab, Kalmar improved towards year-end, weak market situation in MacGregor

Sales of services
MEUR

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales of Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>729</td>
</tr>
<tr>
<td>2014</td>
<td>814</td>
</tr>
<tr>
<td>2015</td>
<td>883</td>
</tr>
<tr>
<td>2016</td>
<td>872</td>
</tr>
</tbody>
</table>

Key actions for growth:

- Improve sales process
  - Improved visibility on customer potential and tools to capitalise the potential
- Digitalisation and connectivity:
  - Online services and e-commerce solutions
  - Over 1,200 new equipment connected in 2016
- Service agreements for new equipment
- New distribution centers improving availability
- Improved dealer management
- Dedicated services program established in Kalmar
Kalmar Q4 – Strong quarter

- Orders received increased in EMEA
  - Growth in Automation and Projects, software and services orders received
- Order book at last year’s level
- Service sales increased 6%, software sales growing
- Profitability improved in Automation and Projects, software and services

<table>
<thead>
<tr>
<th>MEUR</th>
<th>Q416</th>
<th>Q415</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received</td>
<td>440</td>
<td>395</td>
<td>+11%</td>
</tr>
<tr>
<td>Order book</td>
<td>900</td>
<td>877</td>
<td>+3%</td>
</tr>
<tr>
<td>Sales</td>
<td>477</td>
<td>468</td>
<td>+2%</td>
</tr>
<tr>
<td>Operating profit*</td>
<td>41.5</td>
<td>35.9</td>
<td>+16%</td>
</tr>
<tr>
<td>Operating profit margin*</td>
<td>8.7%</td>
<td>7.7%</td>
<td></td>
</tr>
</tbody>
</table>

Sales mix in 2016
- Automation and Projects: 70%
- Software: 20%
- Equipment and Service: 10%

*) Excluding restructuring costs
Hiab Q4 – New product launches driving orders

- Good growth in EMEA and APAC
  - Orders driven by new products: 54 new products introduced in 2016
- Sales grew in loader cranes and demountables
- Several additional costs impacted profitability
  - Around 1.5 percentage point impact on operating profit margin*

<table>
<thead>
<tr>
<th></th>
<th>MEUR</th>
<th>Q416</th>
<th>Q415</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received</td>
<td></td>
<td>282</td>
<td>250</td>
<td>+13%</td>
</tr>
<tr>
<td>Order book</td>
<td></td>
<td>286</td>
<td>305</td>
<td>-6%</td>
</tr>
<tr>
<td>Sales</td>
<td></td>
<td>257</td>
<td>249</td>
<td>+3%</td>
</tr>
<tr>
<td>Operating profit*</td>
<td></td>
<td>32.9</td>
<td>30.7</td>
<td>+7%</td>
</tr>
<tr>
<td>Operating profit margin*</td>
<td></td>
<td>12.8%</td>
<td>12.3%</td>
<td></td>
</tr>
</tbody>
</table>

*) Excluding restructuring costs
MacGregor Q4 – Difficult market

- Orders received decreased in all regions and major divisions
  - Challenging market situation visible in orders received
- Good sales growth in RoRo, other divisions declined
- Operating profit positive due to cost savings

### Sales mix in 2016

- Merchant: 75%
- Offshore: 25%

### MEUR Q416 Q415 Change

<table>
<thead>
<tr>
<th></th>
<th>Q416</th>
<th>Q415</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received</td>
<td>100</td>
<td>180</td>
<td>-44%</td>
</tr>
<tr>
<td>Order book</td>
<td>598</td>
<td>883</td>
<td>-32%</td>
</tr>
<tr>
<td>Sales</td>
<td>199</td>
<td>259</td>
<td>-23%</td>
</tr>
<tr>
<td>Operating profit*</td>
<td>0.5</td>
<td>-7.2</td>
<td></td>
</tr>
<tr>
<td>Operating profit margin*</td>
<td>0.3%</td>
<td>-2.8%</td>
<td></td>
</tr>
</tbody>
</table>

* Excluding restructuring costs
Cost savings programmes proceeding

Announced savings actions and timing

- 2017 EUR 25 million (MacGregor)
- 2017 EUR 2 million (INTERSCHALT)
- Further EUR 13 million in 2018 (Kalmar)
- Product redesign and project management development continues in 2017

We will investigate various possibilities to increase our operational efficiency
### Key figures

#### Operating profit margin continued to improve

<table>
<thead>
<tr>
<th></th>
<th>10–12/16</th>
<th>10–12/15</th>
<th>Change</th>
<th>1–12/16</th>
<th>1–12/15</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received, MEUR</td>
<td>822</td>
<td>824</td>
<td>-0.3%</td>
<td>3,283</td>
<td>3,557</td>
<td>-7.7%</td>
</tr>
<tr>
<td>Order book, MEUR</td>
<td>1,783</td>
<td>2,064</td>
<td>-13.6%</td>
<td>1,783</td>
<td>2,064</td>
<td>-13.6%</td>
</tr>
<tr>
<td>Sales, MEUR</td>
<td>933</td>
<td>977</td>
<td>-4.5%</td>
<td>3,514</td>
<td>3,729</td>
<td>-5.8%</td>
</tr>
<tr>
<td>Operating profit, MEUR*</td>
<td>61.0</td>
<td>52.1</td>
<td>+16.9%</td>
<td>250.2</td>
<td>230.7</td>
<td>+8.4%</td>
</tr>
<tr>
<td>Operating profit, %*</td>
<td>6.5</td>
<td>5.3</td>
<td>7.1</td>
<td>6.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash flow from operations, MEUR</td>
<td>152.0</td>
<td>87.3</td>
<td></td>
<td>373.0</td>
<td>314.6</td>
<td></td>
</tr>
<tr>
<td>Interest-bearing net debt, MEUR</td>
<td>503</td>
<td>622</td>
<td></td>
<td>503</td>
<td>622</td>
<td></td>
</tr>
<tr>
<td>Earnings per share, EUR</td>
<td>0.20</td>
<td>0.55</td>
<td></td>
<td>1.95</td>
<td>2.21</td>
<td></td>
</tr>
</tbody>
</table>

*) Excluding restructuring costs
Cash flow from operations strong
Balance sheet strengthening

Net debt EUR 503 million (622)
- Average interest rate 2.3%
- Net debt/EBITDA 1.8

Total equity EUR 1,395 million (1,339)
- Equity/total assets 39.1% (39.8%)

Well diversified loan portfolio:
- Bonds EUR 304 million
- Bank loans EUR 425 million
- Other EUR 41 million
- Undrawn facilities EUR 300 million

Balanced maturity profile
- EUR 129 million loans maturing in 2017
Solid track record to increase the dividend

Board proposal EUR 0.95 dividend per B share for 2016

* Dividend proposal by the Board of Directors
### Strategy progressed well in 2016

#### Digitalisation
- IoT cloud platform successfully built
- Good progress in equipment connectivity
- Navis offering complemented by INTERSCHALT acquisition
- XVELA collaboration platform in commercial pilot

#### Services
- Spare parts: Focus on branding, logistics, pricing and launching new products
- Services operation development
- Good progress in Hiab

#### Leadership
- Aim to establish more uniform performance-based leadership culture
- Over 200 key leaders engaged to leadership transformation
- Good progress in employee engagement
Key strategy focus areas in 2017

Service, leadership and digitalisation continue to be focus areas in all business areas

- **Kalmar**
  - Service growth
  - Win in automation through proven solutions
  - Grow in software through new offering
  - Transfer of assembly operations from Sweden to Poland

- **Hiab**
  - Service growth
  - Expand positions in core and emerging markets as well as product segments
  - Continue renewing equipment offering
  - Expanding digitalised business solutions
  - Operational efficiency

- **MacGregor**
  - Service growth
  - Continue focus on operational efficiency
  - Enhance customer centricity
  - Continue investments in digitalisation
2017 outlook

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 January 2016

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>% of shares</th>
<th>% of votes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wipunen varainhallinta Oy</td>
<td>14.1</td>
<td>23.7</td>
</tr>
<tr>
<td>Mariatorp Oy</td>
<td>12.3</td>
<td>22.9</td>
</tr>
<tr>
<td>Pivosto Oy</td>
<td>10.5</td>
<td>22.1</td>
</tr>
<tr>
<td>KONE Foundation</td>
<td>3.0</td>
<td>5.5</td>
</tr>
<tr>
<td>The State Pension Fund</td>
<td>1.6</td>
<td>0.7</td>
</tr>
<tr>
<td>Ilmarinen Mutual Pension Insurance Company</td>
<td>1.5</td>
<td>0.7</td>
</tr>
<tr>
<td>Varma Mutual Pension Insurance Company</td>
<td>0.8</td>
<td>0.3</td>
</tr>
<tr>
<td>Keva</td>
<td>0.7</td>
<td>0.3</td>
</tr>
<tr>
<td>Nordea Finland Fund</td>
<td>0.6</td>
<td>0.3</td>
</tr>
<tr>
<td>Herlin Heikki Juho Kustaa</td>
<td>0.6</td>
<td>0.3</td>
</tr>
<tr>
<td>Nominee registered and non-Finnish holders</td>
<td>26.7</td>
<td></td>
</tr>
<tr>
<td><strong>Total number of shareholders</strong></td>
<td><strong>21,726</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.
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
Capex and R&D

Capital expenditure

Research and development

Main capex investments:
- Kalmar assembly unit in Stargard, Poland
- Manufacturing plant expansion in Kansas, US for Kalmar

R&D investments focused on
- Digitalisation
- Competitiveness and cost efficiency of products

*) Including amortisations and impairments
Operating profit* margin improved, ROCE impacted by restructuring costs

MEUR

2013 2014 2015 2016

ROCE

Operating profit margin %*

8.8 7.1

* Excluding restructuring costs

ROCE, annualised
Hiab’s share increasing in sales mix

2015

- Kalmar: 25%
- Hiab: 30%
- MacGregor: 30%

22%

2016

- Kalmar: 22%
- Hiab: 45%
- MacGregor: 30%
Well diversified geographical sales mix

2015

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

2016

- EMEA: 31%
- APAC: 27%
- Americas: 42%
Sales by geographical segment by business area 2016
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
Cargotec will set the 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%
Industry is directing to more-environmentally sound solutions where Cargotec offering provides a huge growth potential

- Automation and digitalized offering enable the more efficient cargo handling chain, including fuel inefficiency

Service growth potential supports the way towards circular economy

- Case: most of the world´s terminals are equipped with diesel-driven RTGs offering a huge potential to Kalmar RTG electrification service

Leadership in eco-sound products is especially evident in Kalmar, where the sales of hybrid and electric products have increased very strongly during the past 5 years
Kalmar appendix
Global container throughput development
Growth stabilising in the short-mid term

Global container throughput and GDP
Change % y/y

Sources: Drewry Q4 2016
Drewry Q3 2016 (2018-2020)
IMF October 2016
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
- Yildrim bought Portugese Tertir group and the company is also eyeing Ports America

Source: Drewry

* Capacity counted once in all terminals where shareholding held by both sub operators
Global container throughput and capacity development

Throughput
Capacity
Utilisation rate

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

<table>
<thead>
<tr>
<th>Shipping line</th>
<th>Alliance/ Vessel sharing agreement (VSA)</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maersk</td>
<td>P3 (denied)</td>
<td>2M</td>
</tr>
<tr>
<td>MSC</td>
<td>China Shipping/ UASC</td>
<td>Ocean Three</td>
</tr>
<tr>
<td>CMA CGM</td>
<td>Grand Alliance</td>
<td>G6 Alliance</td>
</tr>
<tr>
<td>China Shipping</td>
<td>New World Alliance</td>
<td></td>
</tr>
<tr>
<td>UASC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NYK</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OOCL</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hapag-Lloyd</td>
<td></td>
<td></td>
</tr>
<tr>
<td>APL</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MOL</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hyundai*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cosco</td>
<td></td>
<td></td>
</tr>
<tr>
<td>K Line</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yang Ming</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hanjin</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Evergreen</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total: 16</td>
<td></td>
<td>6</td>
</tr>
</tbody>
</table>

*HMM's membership in 2M alliance isn't yet confirmed

The arrows indicate changes through M&A over the last 12 months. China Shipping and Cosco container lines.
According to DS Research, the project pipeline of all upcoming container terminal projects consists of 405 TEU m additional capacity scheduled for completion until 2021. 298 TEU m 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
Hiab appendix
Global truck volumes

IHS predicts global truck volumes to increase in 2017 and 2018, driven by China and South Asia and a recovery in US sales, but forecasting a lower growth in Europe during 2017

Truck registrations, GVW >15t

### YoY %-changes

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>-3.7%</td>
<td>3.4%</td>
<td>1.8%</td>
<td>7.2%</td>
<td>8.9%</td>
<td>6.4%</td>
</tr>
<tr>
<td>North America</td>
<td>11.6%</td>
<td>-15.8%</td>
<td>2.9%</td>
<td>5.0%</td>
<td>7.3%</td>
<td>4.1%</td>
</tr>
<tr>
<td>South America</td>
<td>-41.4%</td>
<td>-25.4%</td>
<td>11.5%</td>
<td>13.1%</td>
<td>11.4%</td>
<td>5.5%</td>
</tr>
<tr>
<td>South Asia</td>
<td>29.4%</td>
<td>17.6%</td>
<td>6.3%</td>
<td>6.0%</td>
<td>3.2%</td>
<td>2.2%</td>
</tr>
<tr>
<td>Japan/Korea</td>
<td>6.1%</td>
<td>-0.6%</td>
<td>-1.2%</td>
<td>-3.7%</td>
<td>1.5%</td>
<td>-2.8%</td>
</tr>
<tr>
<td>Middle East/Africa</td>
<td>-3.7%</td>
<td>-3.9%</td>
<td>-0.2%</td>
<td>5.6%</td>
<td>3.1%</td>
<td>6.7%</td>
</tr>
<tr>
<td>Greater China</td>
<td>-26.5%</td>
<td>11.4%</td>
<td>1.3%</td>
<td>7.3%</td>
<td>-2.3%</td>
<td>-1.0%</td>
</tr>
<tr>
<td>Total</td>
<td>-10.2%</td>
<td>3.5%</td>
<td>3.0%</td>
<td>6.5%</td>
<td>2.5%</td>
<td>1.8%</td>
</tr>
</tbody>
</table>

Source: IHS Truck registration (December 2016)
Construction output forecast

Annual Construction Output

<table>
<thead>
<tr>
<th>Year</th>
<th>NAM</th>
<th>SAM</th>
<th>NE</th>
<th>CE</th>
<th>WE</th>
<th>APAC</th>
<th>Total YoY change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>3.2%</td>
<td>3.2%</td>
<td>4.8%</td>
<td>2.4%</td>
<td>1.5%</td>
<td>1.8%</td>
<td>4.5%</td>
</tr>
<tr>
<td>2016</td>
<td>3.2%</td>
<td>4.8%</td>
<td>2.4%</td>
<td>1.5%</td>
<td>1.8%</td>
<td>1.7%</td>
<td>3.8%</td>
</tr>
<tr>
<td>2017</td>
<td>5.8%</td>
<td>2.9%</td>
<td>1.5%</td>
<td>1.7%</td>
<td>2.3%</td>
<td>4.2%</td>
<td>4.1%</td>
</tr>
<tr>
<td>2018</td>
<td>5.2%</td>
<td>3.2%</td>
<td>1.5%</td>
<td>1.5%</td>
<td>3.0%</td>
<td>4.2%</td>
<td>3.8%</td>
</tr>
<tr>
<td>2019</td>
<td>4.0%</td>
<td>3.2%</td>
<td>1.6%</td>
<td>1.5%</td>
<td>3.0%</td>
<td>4.2%</td>
<td>3.6%</td>
</tr>
<tr>
<td>2020</td>
<td>4.0%</td>
<td>3.2%</td>
<td>1.6%</td>
<td>1.5%</td>
<td>3.0%</td>
<td>4.2%</td>
<td>3.6%</td>
</tr>
</tbody>
</table>

Source: Oxford Economics construction output December 2016 (All Output series are measured in Billions, 2010 Prices)
MacGregor appendix
World fleet: supply-demand balance

Source: Clarksons September 2016
Contracting forecast by shiptype (number of ships) - Merchant ship types > 2000 gt, base case

Vessel upsizing trend continues:

Upsizing trends are expected to continue, with the average size of ships delivered in 2016-28 projected to reach c.37,500 GT, compared to the average size of units in the current fleet of c. 23,000 GT.

Source: Clarksons September 2016
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.

Deliveries forecast by shiptype (number of ships) - Merchant ship types > 2000 gt, base case

Source: Clarksons September 2016
Historical offshore CAPEX

Source: Clarksons September 2016
Contracting forecast by shiptype (number of units)
short term revised again downwards
- Offshore mobile units, base case (USD 60/bbl 2021)

Contracting history and forecast Sep 2016
No. of units, Mobile offshore units

Source: Clarksons September 2016
Deliveries Forecast by Shiptype (number of units) reflects the low contracting levels
- Offshore mobile units, base case (USD 60/bbl 2021)

Source: Clarksons September 2016
Shipbuilding – Contracting (ships >2000 gt/dwt)
Since peak shipyard output in 2010 (in CGT terms), it is estimated that the global shipbuilding capacity has declined 22%.

Significant downward revision in 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 2020.