Becoming the leader in intelligent cargo handling
Today’s presenters

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M.Sc Econ.

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M.Sc Econ.

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Vice President, Investor relations
M.Sc Econ.
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Content

1. Cargotec in brief
2. Investment highlights
3. Kalmar
4. Hiab
5. MacGregor
6. 2016 financials
7. Contemplated new issue
8. Appendix
Cargotec in brief
Today’s leader in cargo handling equipment
Strong global player with geographic 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%

AMER 41%
EMEA 48%
APAC 11%

AMER 7%
EMEA 34%
APAC 59%

Figures: 2016
EBIT % excluding restructuring costs
Key competitors
Cargotec is a leading player in all of its business areas
Cargotec’s portfolio is well diversified

Net sales* in 2016
EUR million

3,514

Kalmar software (Navis) and Automation and Projects division
- Low due to long term investments
- Trend in orders, FY 2016
- Profitability: EBIT margin, FY 2016

Kalmar equipment and service (excluding Automation and Projects Division & Navis)
- Low double digit
- Trend in orders, FY 2016
- Profitability: EBIT margin, FY 2016

MacGregor
- -34%
- 2.3%

Hiab
- +5%
- 13.5%

~1,300
~400
~1,100
~800
~1,000

Kalmar equipment
MacGregor
Hiab
Kalmar APD and software

* Figures rounded to closest 100 million
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 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
6. Stable leverage position and strong debt service figures
### 1. Technology leader and strong market positions

<table>
<thead>
<tr>
<th>End markets</th>
<th>Kalmar</th>
<th>Hiab</th>
<th>MacGregor</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ports, terminals, distribution centers</td>
<td>Construction, distribution, forestry, defence, waste and recycling</td>
<td>Maritime transportation and offshore industries</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Market position</th>
<th>Kalmar 1-2#</th>
<th>Hiab 1-2#</th>
<th>MacGregor 1-2#</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Key drivers and supporting megatrends</th>
<th>Kalmar Global trade growth driven by globalisation and growing middle class, Container throughput growth, larger ships require investments in ports, ports need to increase efficiency via automation, increasing importance for safety</th>
<th>Hiab Construction growth via population growth and urbanisation, Changing distribution patterns and models, Increasing penetration in developing countries</th>
<th>MacGregor Global trade growth driven by globalisation and growing middle class, oil price</th>
</tr>
</thead>
</table>

| Competitive advantage | Kalmar Recognized premium brand, Leading market position in software, Full automation solution offering (equipment, software and automation, service), Asset light business model | Hiab one of the two global players with scale, Diversified product range, Asset light model, efficient assembly operation | MacGregor Asset light model, technology leader, closeness to customers (shipyards and shipowners) globally, industry competence |
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

**Services net sales**

<table>
<thead>
<tr>
<th>Year</th>
<th>EUR million</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>600</td>
</tr>
<tr>
<td>2014</td>
<td>700</td>
</tr>
<tr>
<td>2015</td>
<td>800</td>
</tr>
<tr>
<td>2016</td>
<td>900</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: > 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 – 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*

<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>

* 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 (Lidhult production transfer in Kalmar)

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
6. Stable leverage position and strong debt service figures

Gearing improving and equity ratio stable
Target gearing < 50% and loan agreements financial covenant limit 125%
- Gearing well below target and loan covenant
- Equity ratio has remained stable at around 40%

Net Debt/EBITDA and interest coverage ratio on the right track
Strong cash flow has helped to decrease company’s net debt
Container throughput still forecasted to grow year on year

Growth from 2012 to 2020 25%
CAGR 2.8%

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

Source: Drewry: Container forecaster Q4 2016

(Estimates for 2018-2020 from Drewry Container forecaster Q3 2016, latest update available)
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 (%)

Oxford Economics: Industry output forecast
10/2016

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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 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’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
Gross profit improvement driven by new products

![Gross profit improvement chart]

- Gross profit, MEUR:
  - 2013: 583 MEUR
  - 2014: 634 MEUR
  - 2015: 787 MEUR
  - 2016: 840 MEUR

- Gross profit-%:
  - 2013: 18.3%
  - 2014: 18.9%
  - 2015: 21.1%
  - 2016: 23.9%

Credit investor presentation March 2017
### 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></td>
<td>7.1</td>
<td>6.2</td>
<td></td>
</tr>
<tr>
<td>Cash flow from operations, MEUR</td>
<td>152.0</td>
<td>87.3</td>
<td>373.0</td>
<td>314.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest-bearing net debt, MEUR</td>
<td>503</td>
<td>622</td>
<td>503</td>
<td>622</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Earnings per share, EUR</td>
<td>0.20</td>
<td>0.55</td>
<td>1.95</td>
<td>2.21</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*) Excluding restructuring costs
Cash flow from operations strong

![Bar chart showing cash flow from operations for years 2013 to 2016.](chart.png)
Leverage figures have improved

**Net Debt and Gearing-%**

- **2013**: 578 MEUR, 46.7%
- **2014**: 719 MEUR, 59.2%
- **2015**: 622 MEUR, 46.4%
- **2016**: 503 MEUR, 36.0%

**EBITDA and Net Debt / EBITDA**

- **2013**: 169 MEUR, 3.4
- **2014**: 208 MEUR, 3.5
- **2015**: 290 MEUR, 2.1
- **2016**: 283 MEUR, 1.8

**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%)
- **EBIT EUR 198 million (213)**

**EBIT and Interest coverage ratio**

- **2013**: 3.9
- **2014**: 12.7
- **2015**: 213
- **2016**: 198

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Financing structure well balanced
Total debt facilities in use EUR 770 million

Well diversified debt portfolio
- Bonds EUR 304 million
- Bank loans EUR 425 million
- Other EUR 41 million
- In addition, undrawn facilities EUR 300 million

Balanced maturity profile
- EUR 129 million debt maturing in 2017
- Annual amount of debt maturing between 2018-2020 well balanced
  – close to EUR 200 million every year
2017 outlook

Operating profit excluding restructuring costs for 2017 is expected to improve from 2016 (EUR 250.2 million)
Contemplated new issue
**New issue**

Indicative key terms and conditions

- Cargotec is contemplating to issue senior unsecured notes in [5-7] years tenor, potentially in two bond issues

- Indicative key terms and conditions are subject to market conditions

- The terms and conditions of the notes will be substantially in line with those of the Cargotec 03/2020 notes

<table>
<thead>
<tr>
<th><strong>Issuer</strong></th>
<th>Cargotec Corporation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rating</strong></td>
<td>Unrated</td>
</tr>
<tr>
<td><strong>Status</strong></td>
<td>Senior unsecured</td>
</tr>
<tr>
<td><strong>Size</strong></td>
<td>EUR [200] million</td>
</tr>
<tr>
<td><strong>Tenors</strong></td>
<td>[5 - 7] years (potentially two bond issues)</td>
</tr>
<tr>
<td><strong>Coupon type</strong></td>
<td>Fixed, annual</td>
</tr>
<tr>
<td><strong>Documentation</strong></td>
<td>Stand-alone, Finnish law</td>
</tr>
</tbody>
</table>
| **Covenants** | • Change of control  
|              | • Negative pledge (25% excess secured indebtedness)  
|              | • Cross default                        |
| **Clearing**  | Euroclear Finland                     |
| **Listing**   | Nasdaq Helsinki                       |
| **Denominations** | EUR 100,000 + 1,000                  |
| **Bookrunners** | Nordea & OP                           |
Appendix

1. Largest shareholders and financials
2. Sustainability
3. Kalmar
4. Hiab
5. MacGregor
Largest shareholders
28 February 2017

<table>
<thead>
<tr>
<th>#</th>
<th>Company</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>The State Pension Fund</td>
<td>1.6</td>
<td>0.7</td>
</tr>
<tr>
<td>6.</td>
<td>Ilmarinen Mutual Pension Insurance Company</td>
<td>1.5</td>
<td>0.7</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>Keva</td>
<td>0.7</td>
<td>0.3</td>
</tr>
<tr>
<td>9.</td>
<td>Nordea Finland Fund</td>
<td>0.6</td>
<td>0.3</td>
</tr>
<tr>
<td>10.</td>
<td>Herlin Heikki Juho Kustaa</td>
<td>0.6</td>
<td>0.3</td>
</tr>
<tr>
<td></td>
<td>Nominee registered and non-Finnish holders</td>
<td>27.5</td>
<td></td>
</tr>
</tbody>
</table>

Total number of shareholders: 21,404

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.
Cargotec in a nutshell

Key facts

- Cargotec is a leading provider of cargo handling solutions
- Operates worldwide in more than 100 countries
- Cargotec’s global presence allows us to serve our customers both in mature markets and in growing economic areas
- Well positioned to become the leader in intelligent cargo handling
- 2016 figures
  - Sales EUR 3.5 billion (7.1% EBIT* margin)
  - Over 11,000 employees at Cargotec

Business areas in short

Kalmar
Industry forerunner in terminal automation and energy-efficient container handling. Provides cargo handling solutions and services to ports, terminals, distribution centres and heavy industry

Hiab
Leading provider of on-road load handling equipment and services with broad product offering, leading technology and solid global know-how make Hiab’s solutions the most reliable and efficient on the market

MacGregor
Shapes the offshore and marine cargo industries by offering world-leading engineering solutions and services with a strong product and brand portfolios

Historic milestones

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1977</td>
<td>Multi Lift Group</td>
</tr>
<tr>
<td>1988</td>
<td>Loglift</td>
</tr>
<tr>
<td>2000</td>
<td>Zepro, Wahtco, Moffs, Kooi, Pronstoln, Bromma</td>
</tr>
<tr>
<td>2005</td>
<td>Cargotec delisted from Kome</td>
</tr>
<tr>
<td>2011</td>
<td>Navis</td>
</tr>
<tr>
<td>2013</td>
<td>Haifa, Sinotruk Hiab Equipment Company</td>
</tr>
<tr>
<td>2016</td>
<td>INTERSCHOLTZ maritime systems AG</td>
</tr>
</tbody>
</table>

Profitability development

- 2013: EBIT* EUR million - 127, EBIT* margin - 4.0%
- 2014: EBIT* EUR million - 149, EBIT* margin - 4.4%
- 2015: EBIT* EUR million - 231, EBIT* margin - 6.2%
- 2016: EBIT* EUR million - 250, EBIT* margin - 7.1%

* excluding restructuring costs

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March 2017
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 strategic focus areas in 2017

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

<table>
<thead>
<tr>
<th>KALMAR</th>
<th>HIAB</th>
<th>MACGREGOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service growth</td>
<td>Service growth</td>
<td>Service growth</td>
</tr>
<tr>
<td>Win in automation through proven solutions</td>
<td>Expand positions in core and emerging markets as well as product segments</td>
<td>Continue focus on operational efficiency</td>
</tr>
<tr>
<td>Grow in software through new offering</td>
<td>Continue renewing equipment offering</td>
<td>Enhance customer centricity</td>
</tr>
<tr>
<td>Transfer of assembly operations from Sweden to Poland</td>
<td>Expanding digitalised business solutions</td>
<td>Continue investments in digitalisation</td>
</tr>
</tbody>
</table>
## Income statement

<table>
<thead>
<tr>
<th>MEUR</th>
<th>Note</th>
<th>1 Jan–31 Dec 2016</th>
<th>%</th>
<th>1 Jan–31 Dec 2015</th>
<th>%</th>
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<tbody>
<tr>
<td>Sales</td>
<td>4, 6</td>
<td>3,513.7</td>
<td></td>
<td>3,720.3</td>
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<tr>
<td>Cost of goods sold</td>
<td></td>
<td>-2,674.0</td>
<td>-23.9</td>
<td>-2,942.0</td>
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<tr>
<td><strong>Gross profit</strong></td>
<td></td>
<td>839.7</td>
<td>23.9</td>
<td>787.3</td>
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<tr>
<td>Other operating income</td>
<td>7</td>
<td>38.1</td>
<td></td>
<td>40.4</td>
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<tr>
<td>Selling and marketing expenses</td>
<td></td>
<td>-221.1</td>
<td>-22.1</td>
<td>-210.4</td>
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<tr>
<td>Research and development expenses</td>
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<td>-94.1</td>
<td>-11.6</td>
<td>-55.2</td>
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<tr>
<td>Administration expenses</td>
<td>8</td>
<td>-277.0</td>
<td>-28.8</td>
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<td>Restructuring costs</td>
<td>7</td>
<td>-52.5</td>
<td>-29.8</td>
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<tr>
<td>Other operating expenses</td>
<td>7</td>
<td>-37.8</td>
<td>-29.8</td>
<td>-39.8</td>
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<tr>
<td>Share of associated companies’ and joint ventures’ net income</td>
<td>17</td>
<td>2.5</td>
<td></td>
<td>2.8</td>
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<tr>
<td><strong>Operating profit</strong></td>
<td>4, 7, 8, 9, 10</td>
<td>197.7</td>
<td>5.6</td>
<td>213.1</td>
<td>5.7</td>
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<td>Financing income</td>
<td>11</td>
<td>1.8</td>
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<td>2.2</td>
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<tr>
<td>Financing expenses</td>
<td>11</td>
<td>-30.5</td>
<td>-38.1</td>
<td>-29.1</td>
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<tr>
<td><strong>Income before taxes</strong></td>
<td></td>
<td>169.1</td>
<td>4.8</td>
<td>186.2</td>
<td>5.0</td>
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<tr>
<td>Income taxes</td>
<td>12</td>
<td>-43.8</td>
<td>-25.9</td>
<td>-43.3</td>
<td></td>
</tr>
<tr>
<td><strong>Net income for the period</strong></td>
<td></td>
<td>125.3</td>
<td>3.6</td>
<td>142.9</td>
<td>3.8</td>
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### Net income for the period attributable to:

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
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<tbody>
<tr>
<td>Equity holders of the parent</td>
<td>126.0</td>
<td>143.0</td>
</tr>
<tr>
<td>Non-controlling interest</td>
<td>-6.7</td>
<td>-0.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>125.3</td>
<td>142.9</td>
</tr>
</tbody>
</table>

### Earnings per share for profit attributable to the equity holders of the parent:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic earnings per share, EUR</td>
<td>1.95</td>
</tr>
<tr>
<td>Diluted earnings per share, EUR</td>
<td>1.94</td>
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### Balance Sheet

#### ASSETS

<table>
<thead>
<tr>
<th>MEUR</th>
<th>Note</th>
<th>31 Dec 2016</th>
<th>31 Dec 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goodwill</td>
<td>14</td>
<td>1,024.5</td>
<td>976.4</td>
</tr>
<tr>
<td>Other intangible assets</td>
<td>15</td>
<td>290.2</td>
<td>272.4</td>
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<tr>
<td>Property, plant and equipment</td>
<td>16</td>
<td>308.6</td>
<td>306.0</td>
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<tr>
<td>Investments in associated companies and joint ventures</td>
<td>17</td>
<td>123.4</td>
<td>116.7</td>
</tr>
<tr>
<td>Available-for-sale Investments</td>
<td>18, 21</td>
<td>3.8</td>
<td>3.8</td>
</tr>
<tr>
<td>Loans receivable and other interest-bearing assets *</td>
<td>21</td>
<td>3.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>19</td>
<td>185.0</td>
<td>183.5</td>
</tr>
<tr>
<td>Derivative assets</td>
<td>21, 30</td>
<td>16.9</td>
<td>26.3</td>
</tr>
<tr>
<td>Other non-interest-bearing assets</td>
<td>21, 22</td>
<td>7.9</td>
<td>5.7</td>
</tr>
<tr>
<td>Total non-current assets</td>
<td></td>
<td>1,963.4</td>
<td>1,901.8</td>
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<tr>
<td>Current assets</td>
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<td></td>
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<tr>
<td>Inventories</td>
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<td>655.4</td>
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<tr>
<td>Loans receivable and other interest-bearing assets *</td>
<td>21</td>
<td>1.9</td>
<td>2.6</td>
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<tr>
<td>Income tax receivables</td>
<td></td>
<td>26.1</td>
<td>20.0</td>
</tr>
<tr>
<td>Derivative assets</td>
<td>21, 30</td>
<td>45.8</td>
<td>36.7</td>
</tr>
<tr>
<td>Accounts receivable and other non-interest-bearing assets</td>
<td>21, 22</td>
<td>778.9</td>
<td>778.4</td>
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<tr>
<td>Cash and cash equivalents *</td>
<td>21, 23</td>
<td>273.2</td>
<td>175.8</td>
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<tr>
<td>Total current assets</td>
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<tr>
<td>Total assets</td>
<td></td>
<td>3,736.3</td>
<td>3,570.7</td>
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</tbody>
</table>

* Included in interest-bearing net debt.

#### EQUITY AND LIABILITIES

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<thead>
<tr>
<th>MEUR</th>
<th>Note</th>
<th>31 Dec 2016</th>
<th>31 Dec 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity attributable to the equity holders of the parent</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Share capital</td>
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<td>98.0</td>
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<td>Translation differences</td>
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<td>47.7</td>
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<tr>
<td>Fair value reserves</td>
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<tr>
<td>Reserve for invested non-restricted equity</td>
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<td>55.9</td>
<td>76.1</td>
</tr>
<tr>
<td>Retained earnings</td>
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<td>1,079.9</td>
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<tr>
<td>Total equity attributable to the equity holders of the parent</td>
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<td>1,395.0</td>
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</tr>
<tr>
<td>Non-controlling interest</td>
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<td>2.4</td>
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<tr>
<td>Total equity</td>
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<td>1,397.2</td>
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<tr>
<td>Non-current liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest-bearing liabilities *</td>
<td>21, 26, 32</td>
<td>656.8</td>
<td>768.1</td>
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<tr>
<td>Deferred tax liabilities</td>
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<td>72.1</td>
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<td>Pension obligations</td>
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<td>81.4</td>
<td>71.3</td>
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<td>Provisions</td>
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<td>37.6</td>
<td>22.9</td>
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<tr>
<td>Other non-interest-bearing liabilities</td>
<td>21, 29</td>
<td>49.4</td>
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<td>Total non-current liabilities</td>
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<td>Current liabilities</td>
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<td>Current portion of interest-bearing liabilities *</td>
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<td>Other interest-bearing liabilities *</td>
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<td>62.8</td>
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<td>Provisions</td>
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<td>Income tax payables</td>
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<td>Accounts payable and other non-interest-bearing liabilities</td>
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<td>Total current liabilities</td>
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<tr>
<td>Total liabilities</td>
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<td>3,570.7</td>
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</table>

* Included in interest-bearing net debt.
# Cash flow statement

<table>
<thead>
<tr>
<th>Note</th>
<th>MEUR</th>
<th>1 Jan–31 Dec 2016</th>
<th>1 Jan–31 Dec 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>125.3</td>
<td>142.9</td>
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</tr>
<tr>
<td>10</td>
<td>84.8</td>
<td>76.5</td>
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<td>11</td>
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<td>12</td>
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<td>1.1</td>
<td>1.3</td>
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<tr>
<td>-21.9</td>
<td>-22.0</td>
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<td>10.7</td>
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<td>313.5</td>
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<td>-57.8</td>
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<tr>
<th>Note</th>
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<th>1 Jan–31 Dec 2015</th>
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<td>25</td>
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<td>-125.0</td>
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<td>-92.8</td>
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<td>24</td>
<td>58.9</td>
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<td></td>
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<td>-63.9</td>
<td>-177.9</td>
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</tr>
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<td>-40.2</td>
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<td>154.9</td>
<td>203.4</td>
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<td>-2.2</td>
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<td>200.8</td>
<td>164.9</td>
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</tr>
<tr>
<td>12.4</td>
<td>10.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>273.2</td>
<td>175.8</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Cash flow from operating activities

Net cash flow from operating activities

Net cash flow from investing activities

 Proceeds from share subscriptions
 Treasury shares acquired
 Acquisition of non-controlling interest
 Proceeds from long-term borrowings
 Repayments of long-term borrowings
 Proceeds from short-term borrowings
 Repayments of short-term borrowings
 Profit distribution
 Net cash flow from financing activities

Change in cash and cash equivalents

Cash and cash equivalents, and bank overdrafts 1 Jan
 Effect of exchange rate changes
 Cash and cash equivalents, and bank overdrafts 31 Dec

Bank overdrafts 31 Dec
 Cash and cash equivalents 31 Dec

Credit investor presentation
March 2017
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
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

Global container throughput (MTEU) – Key driver for Kalmar

<table>
<thead>
<tr>
<th>Year</th>
<th>Containers (MTEU)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>682</td>
<td>+1.3%</td>
</tr>
<tr>
<td>2016</td>
<td>692</td>
<td></td>
</tr>
</tbody>
</table>

Construction output – Key driver for Hiab

<table>
<thead>
<tr>
<th>Region</th>
<th>2015</th>
<th>2016</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>568</td>
<td>590</td>
<td>+3.9%</td>
</tr>
<tr>
<td>Europe</td>
<td>667</td>
<td>677</td>
<td>+1.5%</td>
</tr>
</tbody>
</table>

Long term contracting – Key driver for MacGregor

<table>
<thead>
<tr>
<th>Category</th>
<th>Year</th>
<th>Count</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Merchant ships &gt; 2,000 gt</td>
<td>2015</td>
<td>1466</td>
<td>-73% (y/y)</td>
</tr>
<tr>
<td></td>
<td>2016</td>
<td>394</td>
<td></td>
</tr>
<tr>
<td>Mobile offshore units</td>
<td>2015</td>
<td>256</td>
<td>+68% (y/y)</td>
</tr>
<tr>
<td></td>
<td>2016</td>
<td>81</td>
<td></td>
</tr>
</tbody>
</table>

Sources:
- Unctad, Clarkson Research
- Oxford Economics (USD billion, 2010 prices)
- Drewry
- Oxford Economics
Good development in Kalmar and Hiab operating profit*

<table>
<thead>
<tr>
<th>Sales</th>
<th>Operating profit*</th>
</tr>
</thead>
<tbody>
<tr>
<td>MEUR</td>
<td>MEUR</td>
</tr>
<tr>
<td>Q115</td>
<td>889</td>
</tr>
<tr>
<td>Q215</td>
<td>936</td>
</tr>
<tr>
<td>Q315</td>
<td>928</td>
</tr>
<tr>
<td>Q415</td>
<td>977</td>
</tr>
<tr>
<td>Q116</td>
<td>828</td>
</tr>
<tr>
<td>Q216</td>
<td>898</td>
</tr>
<tr>
<td>Q316</td>
<td>854</td>
</tr>
<tr>
<td>Q416</td>
<td>933</td>
</tr>
</tbody>
</table>

* Excluding restructuring costs, ** Including Corporate admin and support

Kalmar: 
- Q115: 52.3
- Q215: 58.0
- Q315: 68.3
- Q415: 52.1
- Q116: 58.5
- Q216: 64.8
- Q316: 65.9
- Q416: 61.0

Hiab: 
- Q115: 889
- Q215: 936
- Q315: 928
- Q415: 977
- Q116: 828
- Q216: 898
- Q316: 854
- Q416: 933

MacGregor: 
- Q115: 52.3
- Q215: 58.0
- Q315: 68.3
- Q415: 52.1
- Q116: 58.5
- Q216: 64.8
- Q316: 65.9
- Q416: 61.0

Cargotec total EBIT**: 
- Q115: 889
- Q215: 936
- Q315: 928
- Q415: 977
- Q116: 828
- Q216: 898
- Q316: 854
- Q416: 933
Orders – Hiab’s and Kalmar’s orders received grew in Q4

Service orders share of orders received in 2016 increased y/y to 27% (25)

Orders received

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Hiab</th>
<th>Kalmar</th>
<th>MacGregor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2015</td>
<td>939</td>
<td>892</td>
<td>903</td>
</tr>
<tr>
<td>Q2 2015</td>
<td>903</td>
<td>824</td>
<td>903</td>
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<td>Q3 2015</td>
<td>824</td>
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<td>Q4 2015</td>
<td>733</td>
<td>825</td>
<td>733</td>
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<tr>
<td>Q1 2016</td>
<td>822</td>
<td>825</td>
<td>733</td>
</tr>
<tr>
<td>Q2 2016</td>
<td>3,557</td>
<td>3,283</td>
<td>3,000</td>
</tr>
<tr>
<td>Q3 2016</td>
<td>2,250</td>
<td>2,033</td>
<td>1,783</td>
</tr>
<tr>
<td>Q4 2016</td>
<td>3,750</td>
<td>3,283</td>
<td>3,000</td>
</tr>
</tbody>
</table>

Service orders share of orders received in 2016 increased y/y to 27% (25)

Order book by reporting segments, Q4 2016

<table>
<thead>
<tr>
<th>Segment</th>
<th>MEUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kalmar</td>
<td>2,470</td>
</tr>
<tr>
<td>Hiab</td>
<td>2,347</td>
</tr>
<tr>
<td>MacGregor</td>
<td>2,233</td>
</tr>
<tr>
<td>Q4 2015</td>
<td>2,064</td>
</tr>
<tr>
<td>Q1 2016</td>
<td>2,096</td>
</tr>
<tr>
<td>Q2 2016</td>
<td>2,033</td>
</tr>
<tr>
<td>Q3 2016</td>
<td>1,876</td>
</tr>
<tr>
<td>Q4 2016</td>
<td>1,783</td>
</tr>
</tbody>
</table>

Order book by reporting segments, Q4 2016

<table>
<thead>
<tr>
<th>Segment</th>
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</thead>
<tbody>
<tr>
<td>Kalmar</td>
<td>3,557</td>
</tr>
<tr>
<td>Hiab</td>
<td>3,283</td>
</tr>
<tr>
<td>MacGregor</td>
<td>3,000</td>
</tr>
<tr>
<td>Q4 2015</td>
<td>2,250</td>
</tr>
<tr>
<td>Q1 2016</td>
<td>2,033</td>
</tr>
<tr>
<td>Q2 2016</td>
<td>1,783</td>
</tr>
<tr>
<td>Q3 2016</td>
<td>1,783</td>
</tr>
<tr>
<td>Q4 2016</td>
<td>3,750</td>
</tr>
</tbody>
</table>

Credit investor presentation
Increasing focus on services potential
Good progress in Hiab, Kalmar improved towards year-end, weak market situation in MacGregor

Sales of services
MEUR

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 – Implementation of strategy advancing

- Sales and operating profit excl. restructuring costs improved
  - More efficient project management supported profitability
- Global container throughput grew 1.3%
  - Demand for container handling equipment was satisfactory
- Customers’ interest towards port automation solutions continued to be high, but only a few investment decisions were made
- Sales of services increased slightly, but did not meet our expectations
  - Development improved towards year-end

*) Excluding restructuring costs
Hiab – Record high year

- Sales grew 12%
  - Sales grew in all geographic areas
  - Market share increased
  - Orders received boosted by new products (54 new products introduced in 2016)
- Strong improvement in operating profit excl. restructuring costs
  - Volume growth, efficiency measures and new products supported profitability
- Sales of services improved 7%

*) Excluding restructuring costs
MacGregor – Difficult market environment continued

- Sales and orders received declined
  - Significant drop in merchant ship contracting
  - The slightly improved oil price towards the year end did not yet support investment activity in the offshore industry
- Operating profit excl. restructuring costs declined, but remained positive
  - New measures to safeguard profitability started in Q4/2016
- Sales of services declined 12%

*) Excluding restructuring costs
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
### 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
**Capex and R&D**

### Capital expenditure

- **Capex**
- **Customer financing**
- **Depreciation***

![Capital expenditure graph]

- 2013: 120
- 2014: 80
- 2015: 60
- 2016: 80

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

### Research and development

- **R&D expenditure**
- **% of sales**

![Research and development graph]

- 2013: 0.0%
- 2014: 0.6%
- 2015: 1.2%
- 2016: 1.8%

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

* Including amortisations and impairments

---

Credit investor presentation

March 2017  57
Operating profit* margin improved, ROCE impacted by restructuring costs

ROCE, annualised *) Excluding restructuring costs
Sales distribution in business areas and geographically

Hiab’s share increasing in sales mix

2015

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

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 in 2016

Kalmar

- EMEA: 36%
- APAC: 22%
- Americas: 42%

Hiab

- EMEA: 41%
- APAC: 11%
- Americas: 41%

MacGregor

- EMEA: 59%
- APAC: 59%
- Americas: 7%
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

*) Excluding restructuring costs
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
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

Credit investor presentation March 2017 70
Global container throughput and capacity development

![Chart showing global container throughput and capacity development]

- **Source:** Drewry Container terminal operator annual review, 2002-2016

---

Credit investor presentation

March 2017
Three alliances represent about 80% of global container fleet capacity

- 2M
- Ocean Alliance
- CKYH Alliance
- The Alliance (in preparation)

2017

- P3 (denied)
- Ocean Three
- G6 Alliance
- CKYH Alliance
- Independent

Total: 16

Maersk
MSC
CMA CGM
China Shipping
UASC
NYK
OOCL
Hapag-Lloyd
APL
MOL
Hyundai*
Cosco
K Line
Yang Ming
HANJIN
Evergreen

*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→Cosco container lines

Credit investor presentation  March 2017  72
DS Research: 298 Mteu new capacity to be added 2016-2021 which could trigger US$bn 37 investments for container handling equipment

According to DS Research, the project pipeline of all upcoming container terminal projects consists of 405 TEU\textsuperscript{m} additional capacity scheduled for completion until 2021. 298 TEU\textsuperscript{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

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>→</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

*) Excluding restructuring costs
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>Expand Rainbow Cargotec Industries (China) joint venture offering</td>
<td>Further development of integrated port automation solutions</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>Strengthen distribution network</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

+10-20 EUR million
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**

<table>
<thead>
<tr>
<th>Region</th>
<th>2015 YoY %</th>
<th>2016 YoY %</th>
<th>2017 YoY %</th>
<th>2018 YoY %</th>
<th>2019 YoY %</th>
<th>2020 YoY %</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>5.8%</td>
<td>5.2%</td>
<td>4.0%</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>-1.9%</td>
<td>-1.2%</td>
<td>1.9%</td>
<td>2.4%</td>
<td>2.9%</td>
<td>3.2%</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>-2.3%</td>
<td>-2.3%</td>
<td>-0.1%</td>
<td>1.5%</td>
<td>1.5%</td>
<td>1.6%</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>1.3%</td>
<td>1.8%</td>
<td>2.0%</td>
<td>1.8%</td>
<td>1.9%</td>
<td>1.7%</td>
<td>1.5%</td>
</tr>
<tr>
<td>2019</td>
<td>1.8%</td>
<td>1.5%</td>
<td>1.3%</td>
<td>1.9%</td>
<td>2.3%</td>
<td>3.0%</td>
<td>1.5%</td>
</tr>
<tr>
<td>2020</td>
<td>4.5%</td>
<td>5.0%</td>
<td>4.3%</td>
<td>4.1%</td>
<td>4.2%</td>
<td>3.8%</td>
<td>3.6%</td>
</tr>
</tbody>
</table>

Source: Oxford Economics construction output December 2016 (All Output series are measured in Billions, 2010 Prices)
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><strong>Loader cranes</strong></td>
<td>1.3</td>
<td>GDP ↑</td>
</tr>
<tr>
<td><strong>Tail lifts</strong></td>
<td>0.5</td>
<td>GDP+ ↑</td>
</tr>
<tr>
<td><strong>Demountables</strong></td>
<td>0.4</td>
<td>GDP ↑</td>
</tr>
<tr>
<td><strong>Truck-mounted forklifts</strong></td>
<td>0.2</td>
<td>GDP+ ↑</td>
</tr>
<tr>
<td><strong>Forestry cranes</strong></td>
<td>0.2</td>
<td>GDP ↑</td>
</tr>
</tbody>
</table>

March 2017

Credit investor presentation
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
World fleet: supply-demand balance

Source: Clarksons September 2016
Merchant ships: 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.

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March 2017
85
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 September 2016
Historical offshore CAPEX

Source: Clarksons September 2016
Offshore mobile units: Contracting forecast by shiptype (number of units)
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
Offshore mobile units: Deliveries Forecast by Shiptype (number of units)

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

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

Source: Clarksons September 2016
Shipbuilding – Contracting (ships >2000 gt/dwt)

### Global Contracting Activity (1st February 2017)

<table>
<thead>
<tr>
<th>Vessel Type</th>
<th>No.</th>
<th>Sbn</th>
<th>m. CGT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015</td>
<td>2016</td>
<td>2017tld</td>
</tr>
<tr>
<td><strong>TOTAL (&gt;2,000 Dwt/GT</strong>)**</td>
<td>1,682</td>
<td>465</td>
<td>31</td>
</tr>
<tr>
<td>Bulk</td>
<td>354</td>
<td>48</td>
<td>0</td>
</tr>
<tr>
<td>Tankers</td>
<td>541</td>
<td>130</td>
<td>15</td>
</tr>
<tr>
<td>Containerships</td>
<td>250</td>
<td>81</td>
<td>3</td>
</tr>
<tr>
<td>Gas Carriers</td>
<td>108</td>
<td>20</td>
<td>2</td>
</tr>
<tr>
<td>Offshore</td>
<td>184</td>
<td>50</td>
<td>1</td>
</tr>
<tr>
<td>Others</td>
<td>245</td>
<td>136</td>
<td>10</td>
</tr>
<tr>
<td><strong>Builder Country</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>China</td>
<td>579</td>
<td>206</td>
<td>8</td>
</tr>
<tr>
<td>South Korea</td>
<td>295</td>
<td>61</td>
<td>7</td>
</tr>
<tr>
<td>Japan</td>
<td>524</td>
<td>66</td>
<td>1</td>
</tr>
<tr>
<td>Europe</td>
<td>125</td>
<td>88</td>
<td>15</td>
</tr>
<tr>
<td>Other</td>
<td>159</td>
<td>44</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: Clarksons February 2017

### Monthly Contracting Volumes**

### Estimated Newbuilding Investment

Source: Clarksons February 2017

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March 2017  90
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.