Becoming the leader in intelligent cargo handling
Content
1. Cargotec in brief
2. Investment highlights
3. Kalmar
4. Hiab
5. MacGregor
6. Q4 2016 financials
7. Appendix
Cargotec
in brief
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 41%
EMEA 48%
APAC 11%

AMER 36%
EMEA 42%
APAC 22%

AMER 7%
EMEA 34%
APAC 59%

Figures: 2016
EBIT % excluding restructuring costs

Investor presentation
March 2017
Key competitors
Cargotec is a leading player in all of its business areas

<table>
<thead>
<tr>
<th>Global main competitors</th>
</tr>
</thead>
<tbody>
<tr>
<td>KALMAR</td>
</tr>
<tr>
<td>HIAB</td>
</tr>
<tr>
<td>MACGREGOR</td>
</tr>
<tr>
<td>ZPMC</td>
</tr>
<tr>
<td>KONECRANES</td>
</tr>
<tr>
<td>TEREX</td>
</tr>
<tr>
<td>LIEBHERR</td>
</tr>
<tr>
<td>ABB</td>
</tr>
<tr>
<td>SANY</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other competitors</th>
</tr>
</thead>
<tbody>
<tr>
<td>FASSI</td>
</tr>
<tr>
<td>HMC</td>
</tr>
<tr>
<td>NAVALIMPIANTI</td>
</tr>
<tr>
<td>Huisman</td>
</tr>
<tr>
<td>HYVA</td>
</tr>
<tr>
<td>TERBERG</td>
</tr>
<tr>
<td>SEC</td>
</tr>
<tr>
<td>IHI</td>
</tr>
<tr>
<td>LIEBHERR</td>
</tr>
</tbody>
</table>

Investor presentation
March 2017
Cargotec’s portfolio is well diversified

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Kalmar software (Navis) and Automation and Projects division</td>
<td>Low due to long term investments</td>
<td>2.3%</td>
</tr>
<tr>
<td>MacGregor</td>
<td>-34%</td>
<td>13.5%</td>
</tr>
<tr>
<td>Hiab</td>
<td>+5%</td>
<td>13.5%</td>
</tr>
<tr>
<td>Kalmar equipment and service (excluding Automation and Projects Division &amp; Navis)</td>
<td>Low double digit</td>
<td></td>
</tr>
</tbody>
</table>

* 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
## 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 Container throughput growth, larger ships require investments in ports, ports need to increase efficiency via automation, increasing importance for safety</td>
<td>Construction growth via population growth and urbanisation Changing distribution patterns and models Increasing penetration in developing countries</td>
</tr>
<tr>
<td><strong>Competitive advantage</strong></td>
<td>Recognized premium brand Leading market position in software Full automation solution offering (equipment, software and automation, service) Asset light business model</td>
<td>Hiab one of the two global players with scale Diversified product range Asset light model, efficient assembly operation</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

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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

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*

<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
Kalmar
Container throughput still forecasted to grow year on year

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’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>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

+10-20 EUR million

+20-30 EUR million

Investor presentation March 2017
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.

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Investor presentation March 2017 18
Construction output driving growth opportunity

EMEA construction output
y/y change (%)

AMER construction output
y/y change (%)

Oxford Economics: Industry output forecast
10/2016

Index
Change %
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

<table>
<thead>
<tr>
<th>Marine</th>
<th>Offshore</th>
</tr>
</thead>
<tbody>
<tr>
<td>~3/4 of sales</td>
<td>~1/4 of sales</td>
</tr>
</tbody>
</table>

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

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

CARGOTEC

Investor presentation March 2017
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

90% 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

- 2013: 18,3%
- 2014: 18,9%
- 2015: 21,1%
- 2016: 23,9%

Gross profit, MEUR

Gross profit-%
## 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>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

MEUR

<table>
<thead>
<tr>
<th>Year</th>
<th>Q416</th>
<th>Q415</th>
<th>Q316</th>
<th>Q216</th>
<th>Q116</th>
<th>Q414</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>181</td>
<td>84</td>
<td>74</td>
<td>56</td>
<td>91</td>
<td>181</td>
</tr>
<tr>
<td>2014</td>
<td>204</td>
<td>52</td>
<td>74</td>
<td>56</td>
<td>87</td>
<td>204</td>
</tr>
<tr>
<td>2015</td>
<td>315</td>
<td>101</td>
<td>87</td>
<td>74</td>
<td>91</td>
<td>315</td>
</tr>
<tr>
<td>2016</td>
<td>373</td>
<td>74</td>
<td>87</td>
<td>74</td>
<td>56</td>
<td>373</td>
</tr>
</tbody>
</table>
Service, leadership and digitalisation continue to be focus areas in all business areas

Key strategic focus areas in 2017

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

**Kalmar**

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

**Hiab**

- 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

## 28 February 2017

<table>
<thead>
<tr>
<th>No.</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>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

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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.
## 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>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>4, 6</td>
<td>3,513.7</td>
<td></td>
<td>3,729.3</td>
<td></td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td></td>
<td>-2,674.0</td>
<td>-23.9</td>
<td>-2,942.0</td>
<td>-25.1</td>
</tr>
<tr>
<td>Gross profit</td>
<td></td>
<td>839.7</td>
<td></td>
<td>787.3</td>
<td></td>
</tr>
<tr>
<td>Other operating income</td>
<td>7</td>
<td>38.1</td>
<td></td>
<td>40.4</td>
<td></td>
</tr>
<tr>
<td>Selling and marketing expenses</td>
<td></td>
<td>-221.1</td>
<td>-52.5</td>
<td>-210.4</td>
<td>-53.8</td>
</tr>
<tr>
<td>Research and development expenses</td>
<td></td>
<td>-94.1</td>
<td>-25.8</td>
<td>-85.2</td>
<td>-27.8</td>
</tr>
<tr>
<td>Administration expenses</td>
<td></td>
<td>-277.0</td>
<td>-26.3</td>
<td>-264.3</td>
<td></td>
</tr>
<tr>
<td>Restructuring costs</td>
<td>8</td>
<td>-52.5</td>
<td></td>
<td>-17.7</td>
<td></td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>7</td>
<td>-37.8</td>
<td></td>
<td>-30.8</td>
<td></td>
</tr>
<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>
<td></td>
</tr>
<tr>
<td>Operating profit</td>
<td>4, 7, 8, 9, 10</td>
<td>197.7</td>
<td>5.7</td>
<td>213.1</td>
<td>5.7</td>
</tr>
<tr>
<td>Financing income</td>
<td>11</td>
<td>1.6</td>
<td></td>
<td>2.2</td>
<td></td>
</tr>
<tr>
<td>Financing expenses</td>
<td>11</td>
<td>-30.5</td>
<td></td>
<td>-29.1</td>
<td></td>
</tr>
<tr>
<td>Income before taxes</td>
<td></td>
<td>169.1</td>
<td>4.8</td>
<td>186.2</td>
<td>5.0</td>
</tr>
<tr>
<td>Income taxes</td>
<td>12</td>
<td>-43.8</td>
<td></td>
<td>-43.3</td>
<td></td>
</tr>
<tr>
<td>Net income for the period</td>
<td></td>
<td>125.3</td>
<td>3.6</td>
<td>142.9</td>
<td>3.8</td>
</tr>
</tbody>
</table>

### Net income for the period attributable to:

- **Equity holders of the parent**: 126.0
- **Non-controlling interest**: -0.7

### Total:

- **Total**: 125.3

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

- **Basic earnings per share, EUR**: 1.95
- **Diluted earnings per share, EUR**: 1.94
### Balance Sheet

#### ASSETS

<table>
<thead>
<tr>
<th>Non-current assets</th>
<th>MEUR</th>
<th>31 Dec 2016</th>
<th>31 Dec 2015</th>
</tr>
</thead>
<tbody>
<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>260.2</td>
<td>272.4</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>16</td>
<td>308.0</td>
<td>306.0</td>
</tr>
<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>3.6</td>
</tr>
<tr>
<td>Loans receivable and other interest-bearing assets *</td>
<td>21</td>
<td>2.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>19</td>
<td>180.0</td>
<td>163.5</td>
</tr>
<tr>
<td>Derivative assets</td>
<td>21, 30</td>
<td>16.9</td>
<td>25.3</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><strong>Total non-current assets</strong></td>
<td></td>
<td><strong>1,903.4</strong></td>
<td><strong>1,901.8</strong></td>
</tr>
</tbody>
</table>

#### Current assets

<table>
<thead>
<tr>
<th>MEUR</th>
<th>31 Dec 2016</th>
<th>31 Dec 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventories</td>
<td>20</td>
<td>647.0</td>
</tr>
<tr>
<td>Loans receivable and other interest-bearing assets *</td>
<td>21</td>
<td>1.9</td>
</tr>
<tr>
<td>Income tax receivables</td>
<td>21</td>
<td>26.1</td>
</tr>
<tr>
<td>Derivative assets</td>
<td>21, 30</td>
<td>45.8</td>
</tr>
<tr>
<td>Accounts receivable and other non-interest-bearing assets</td>
<td>21, 22</td>
<td>778.9</td>
</tr>
<tr>
<td>Cash and cash equivalents *</td>
<td>21, 23</td>
<td>272.2</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td></td>
<td><strong>1,773.0</strong></td>
</tr>
</tbody>
</table>

#### Total assets

<table>
<thead>
<tr>
<th>MEUR</th>
<th>31 Dec 2016</th>
<th>31 Dec 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>3,776.3</strong></td>
<td><strong>3,570.7</strong></td>
</tr>
</tbody>
</table>

* Included in interest-bearing net debt.

### EQUITY AND LIABILITIES

#### Equity attributable to the equity holders of the parent

<table>
<thead>
<tr>
<th>Equity</th>
<th>MEUR</th>
<th>31 Dec 2016</th>
<th>31 Dec 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share capital</td>
<td>64.3</td>
<td>64.3</td>
<td></td>
</tr>
<tr>
<td>Share premium account</td>
<td>98.0</td>
<td>98.0</td>
<td></td>
</tr>
<tr>
<td>Translation differences</td>
<td>37.3</td>
<td>47.7</td>
<td></td>
</tr>
<tr>
<td>Fair value reserves</td>
<td>-24.7</td>
<td>-26.7</td>
<td></td>
</tr>
<tr>
<td>Reserve for invested non-restricted equity</td>
<td>69.0</td>
<td>76.1</td>
<td></td>
</tr>
<tr>
<td>Retained earnings</td>
<td>1,151.1</td>
<td>1,079.9</td>
<td></td>
</tr>
<tr>
<td><strong>Total equity attributable to the equity holders of the parent</strong></td>
<td><strong>1,396.0</strong></td>
<td><strong>1,339.3</strong></td>
<td></td>
</tr>
</tbody>
</table>

#### Non-controlling interest

<table>
<thead>
<tr>
<th>MEUR</th>
<th>31 Dec 2016</th>
<th>31 Dec 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total equity</strong></td>
<td><strong>1,397.2</strong></td>
<td><strong>1,341.8</strong></td>
</tr>
</tbody>
</table>

#### Non-current liabilities

<table>
<thead>
<tr>
<th>MEUR</th>
<th>31 Dec 2016</th>
<th>31 Dec 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest-bearing liabilities *</td>
<td>21, 26, 32</td>
<td>665.6</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>19</td>
<td>73.1</td>
</tr>
<tr>
<td>Pension obligations</td>
<td>27</td>
<td>81.4</td>
</tr>
<tr>
<td>Provisions</td>
<td>28</td>
<td>37.6</td>
</tr>
<tr>
<td>Other non-interest-bearing liabilities</td>
<td>21, 29</td>
<td>49.4</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td><strong>898.2</strong></td>
<td><strong>976.7</strong></td>
</tr>
</tbody>
</table>

#### Current liabilities

<table>
<thead>
<tr>
<th>MEUR</th>
<th>31 Dec 2016</th>
<th>31 Dec 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current portion of interest-bearing liabilities *</td>
<td>21, 26, 32</td>
<td>119.4</td>
</tr>
<tr>
<td>Other interest-bearing liabilities *</td>
<td>21, 26</td>
<td>45.9</td>
</tr>
<tr>
<td>Provisions</td>
<td>29</td>
<td>112.8</td>
</tr>
<tr>
<td>Advances received</td>
<td>106.8</td>
<td>197.2</td>
</tr>
<tr>
<td>Income tax payables</td>
<td>32.0</td>
<td>24.3</td>
</tr>
<tr>
<td>Derivative liabilities</td>
<td>34.1</td>
<td>14.0</td>
</tr>
<tr>
<td>Accounts payable and other non-interest-bearing liabilities</td>
<td>21, 29</td>
<td>936.3</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td><strong>1,440.8</strong></td>
<td><strong>1,252.3</strong></td>
</tr>
</tbody>
</table>

#### Total equity and liabilities

<table>
<thead>
<tr>
<th>MEUR</th>
<th>31 Dec 2016</th>
<th>31 Dec 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td><strong>3,773.3</strong></td>
<td><strong>3,570.7</strong></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>MEUR</th>
<th>Note</th>
<th>1 Jan–31 Dec 2016</th>
<th>1 Jan–31 Dec 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>125.3</td>
<td>142.9</td>
</tr>
<tr>
<td></td>
<td>Net income for the period</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Depreciation, amortisation and impairment</td>
<td>10</td>
<td>84.8</td>
</tr>
<tr>
<td></td>
<td>Financing items</td>
<td>11</td>
<td>28.6</td>
</tr>
<tr>
<td></td>
<td>Taxes</td>
<td>12</td>
<td>43.8</td>
</tr>
<tr>
<td></td>
<td>Change in receivables</td>
<td></td>
<td>10.3</td>
</tr>
<tr>
<td></td>
<td>Change in payables</td>
<td></td>
<td>60.9</td>
</tr>
<tr>
<td></td>
<td>Change in inventories</td>
<td></td>
<td>13.3</td>
</tr>
<tr>
<td></td>
<td>Other adjustments</td>
<td></td>
<td>0.0</td>
</tr>
<tr>
<td></td>
<td>Cash flow from operations before financing items and taxes</td>
<td></td>
<td>372.0</td>
</tr>
<tr>
<td></td>
<td>Interest received</td>
<td></td>
<td>1.1</td>
</tr>
<tr>
<td></td>
<td>Interest paid</td>
<td></td>
<td>-21.9</td>
</tr>
<tr>
<td></td>
<td>Other financing items</td>
<td></td>
<td>10.7</td>
</tr>
<tr>
<td></td>
<td>Income taxes paid</td>
<td></td>
<td>-49.4</td>
</tr>
<tr>
<td></td>
<td>Net cash flow from operating activities</td>
<td></td>
<td>313.5</td>
</tr>
<tr>
<td></td>
<td>Acquisitions of businesses, net of cash acquired</td>
<td>5</td>
<td>-66.8</td>
</tr>
<tr>
<td></td>
<td>Investments in associated companies and joint ventures</td>
<td>17</td>
<td>-2.7</td>
</tr>
<tr>
<td></td>
<td>Investments in fixed assets</td>
<td>15,16</td>
<td>-80.5</td>
</tr>
<tr>
<td></td>
<td>Disposals of fixed assets</td>
<td>7,15,16</td>
<td>-17.6</td>
</tr>
<tr>
<td></td>
<td>Cash flow from investing activities, other items</td>
<td></td>
<td>0.9</td>
</tr>
<tr>
<td></td>
<td>Net cash flow from investing activities</td>
<td></td>
<td>-151.5</td>
</tr>
</tbody>
</table>

### Investor presentation

March 2017 37
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

Construction output – Key driver for Hiab

Long term contracting – Key driver for MacGregor

Sources: Unctad, Clarkson Research

Historical average

(y/y)
Orders received – Hiab’s and Kalmar’s orders received grew in Q4

![Chart showing orders received for Kalmar, Hiab, and MacGregor from Q1 2015 to Q4 2016.](chart_image)

- Hiab's and Kalmar's orders received grew in Q4.
- Kalmar: +44% (y/y), +13% (y/y), +11% (y/y)
- Hiab: -2% (y/y)
- MacGregor: -34% (y/y), +5% (y/y)

Investor presentation March 2017 40
Order book stable in Kalmar and Hiab

Order book by reporting segments, Q4 2016

Kalmar 34 %
Hiab 16 %
MacGregor 50 %

Order book
MEUR


Kalmar
Hiab
MacGregor
Good development in Kalmar and Hiab operating profit

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

<table>
<thead>
<tr>
<th></th>
<th>Q115</th>
<th>Q215</th>
<th>Q315</th>
<th>Q415</th>
<th>Q116</th>
<th>Q216</th>
<th>Q316</th>
<th>Q416</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MEUR</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

Kalmar and Hiab operating profit developments:

- Kalmar: 52.3, 58.0, 68.3, 52.1, 58.5, 64.8, 65.9, 61.0
- Hiab: 0, 25, 0, 25, 50, 75
- MacGregor: -25, 0, 25, 50, 75

Cargotec total EBIT**

** Investors presentation March 2017
Increasing focus on services potential

Good progress in Hiab, Kalmar improved towards year-end, weak market situation in MacGregor

Sales of services

<table>
<thead>
<tr>
<th>MEUR</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>729</td>
<td>814</td>
<td>883</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

March 2017
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

### Key Performance Indicators

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

*) Excluding restructuring costs

Sales mix in 2016:

- Automation and Projects: 20%
- Software: 10%
- Equipment and Service: 70%
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*

### Orders and Financials

<table>
<thead>
<tr>
<th></th>
<th>Q416</th>
<th>Q415</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received</td>
<td>262</td>
<td>250</td>
<td>+13%</td>
</tr>
<tr>
<td>Order book</td>
<td>286</td>
<td>305</td>
<td>-6%</td>
</tr>
<tr>
<td>Sales</td>
<td>257</td>
<td>249</td>
<td>+3%</td>
</tr>
<tr>
<td>Operating profit*</td>
<td>32.9</td>
<td>30.7</td>
<td>+7%</td>
</tr>
<tr>
<td>Operating profit margin*</td>
<td>12.8%</td>
<td>12.3%</td>
<td></td>
</tr>
</tbody>
</table>

*) Excluding restructuring costs

Sales mix in 2016:
- Commercial 80%
- Large customers 10%
- Military 10%
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

<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

Sales mix in 2016:
- Merchant: 75%
- Offshore: 25%
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

**EUR 0.95 dividend per B share for 2016**

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

**Capital expenditure**

- **2013**: [Graph showing capital expenditure for the years 2013 to 2016.]
- **2014**: [Graph showing capital expenditure for the years 2013 to 2016.]
- **2015**: [Graph showing capital expenditure for the years 2013 to 2016.]
- **2016**: [Graph showing capital expenditure for the years 2013 to 2016.]

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

**Research and development**

- **2013**: [Graph showing research and development expenditure for the years 2013 to 2016.]
- **2014**: [Graph showing research and development expenditure for the years 2013 to 2016.]
- **2015**: [Graph showing research and development expenditure for the years 2013 to 2016.]
- **2016**: [Graph showing research and development expenditure for the years 2013 to 2016.]

**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

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

- **2015**
  - Kalmar: 30%
  - Hiab: 25%
  - MacGregor: 45%

- **2016**
  - Kalmar: 30%
  - Hiab: 30%
  - MacGregor: 48%
Well diversified geographical sales mix

- **EMEA**: 28% (2015), 31% (2016)
- **APAC**: 32% (2015), 27% (2016)
- **Americas**: 40% (2015), 42% (2016)

2015 vs. 2016: EMEA and Americas increased their share, while APAC decreased.
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: 7% (6)
- APAC: 59% (65)
- Americas: 34% (29)
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
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

EBIT excl. restructuring costs
EBIT-%

Hiab

EBIT excl. restructuring costs
EBIT-%

MacGregor

EBIT excl. restructuring costs
EBIT-%
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

![Bar chart showing container terminal operators capacity](chart.png)

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

Source: Drewry

Investor presentation March 2017 65
Global container throughput and capacity development

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

Investor presentation  March 2017  66
Three alliances represent about 80% of global container fleet capacity

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

Alliance/ Vessel sharing agreement (VSA)

P3 (denied)
China Shipping/ UASC
Grand Alliance
New World Alliance
CKYH Alliance
Independent

2017

2M
Ocean Three
G6 Alliance
Ocean Alliance
The Alliance (in preparation)

Total: 16

6
4
3

*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

Investor presentation
March 2017
67
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 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
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
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>Year</th>
<th>Europe</th>
<th>North America</th>
<th>South America</th>
<th>South Asia</th>
<th>Japan/Korea</th>
<th>Middle East/Africa</th>
<th>Greater China</th>
<th>YoY Change</th>
<th>YoY Change (excl CN)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td></td>
<td></td>
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<td>2008</td>
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<td>2009</td>
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<td>2010</td>
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<td>2012</td>
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<tr>
<td>2013</td>
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<td>2014</td>
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<tr>
<td>2015</td>
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<td>2016</td>
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<td>2017</td>
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<tr>
<td>2018</td>
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<tr>
<td>2019</td>
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<tr>
<td>2020</td>
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</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>-1.9%</td>
<td>1.3%</td>
<td>1.8%</td>
<td>1.5%</td>
<td>4.5%</td>
<td>2.6%</td>
</tr>
<tr>
<td>2016</td>
<td>3.2%</td>
<td>-1.2%</td>
<td>1.8%</td>
<td>1.5%</td>
<td>1.5%</td>
<td>5.0%</td>
<td>3.0%</td>
</tr>
<tr>
<td>2017</td>
<td>4.8%</td>
<td>1.9%</td>
<td>2.0%</td>
<td>1.3%</td>
<td>1.5%</td>
<td>4.3%</td>
<td>3.4%</td>
</tr>
<tr>
<td>2018</td>
<td>5.8%</td>
<td>2.4%</td>
<td>1.8%</td>
<td>1.9%</td>
<td>1.9%</td>
<td>4.1%</td>
<td>3.8%</td>
</tr>
<tr>
<td>2019</td>
<td>5.2%</td>
<td>2.9%</td>
<td>1.7%</td>
<td>2.3%</td>
<td>2.3%</td>
<td>4.2%</td>
<td>3.8%</td>
</tr>
<tr>
<td>2020</td>
<td>4.0%</td>
<td>3.2%</td>
<td>1.5%</td>
<td>3.0%</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)
## 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>

# of #1: 4
# of #2: 1

*March 2017*
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.

Source: Clarksons September 2016
Merchant ships: Deliveries 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.
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)

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

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

<table>
<thead>
<tr>
<th>Vessel Type</th>
<th>No.</th>
<th>2015</th>
<th>2016</th>
<th>2017ytd</th>
<th>%y-o-y*</th>
<th>2015</th>
<th>2016</th>
<th>2017ytd</th>
<th>%y-o-y*</th>
<th>2015</th>
<th>2016</th>
<th>2017ytd</th>
<th>%y-o-y*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL (~2,000 Dwt/GT</strong>)**</td>
<td>1,690</td>
<td>483</td>
<td>69</td>
<td>-14%</td>
<td>-100%</td>
<td>9.4</td>
<td>3.0</td>
<td>0</td>
<td>-100%</td>
<td>6.4</td>
<td>1.8</td>
<td>0</td>
<td>-100%</td>
</tr>
<tr>
<td>Vessel Type</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bulkers</td>
<td>357</td>
<td>48</td>
<td>0</td>
<td>-100%</td>
<td>-100%</td>
<td>9.4</td>
<td>3.0</td>
<td>0</td>
<td>-100%</td>
<td>6.4</td>
<td>1.8</td>
<td>0</td>
<td>-100%</td>
</tr>
<tr>
<td>Tankers</td>
<td>544</td>
<td>144</td>
<td>33</td>
<td>30%</td>
<td>9%</td>
<td>26.1</td>
<td>4.9</td>
<td>0.9</td>
<td>9%</td>
<td>12.6</td>
<td>2.7</td>
<td>0.7</td>
<td>56%</td>
</tr>
<tr>
<td>Containerships</td>
<td>249</td>
<td>81</td>
<td>3</td>
<td>-78%</td>
<td>-73%</td>
<td>19.4</td>
<td>2.1</td>
<td>0.1</td>
<td>-73%</td>
<td>10.5</td>
<td>1.5</td>
<td>0.1</td>
<td>-77%</td>
</tr>
<tr>
<td>Gas Carriers</td>
<td>108</td>
<td>20</td>
<td>2</td>
<td>-40%</td>
<td>55%</td>
<td>11.0</td>
<td>2.1</td>
<td>0.5</td>
<td>55%</td>
<td>4.3</td>
<td>0.8</td>
<td>0.2</td>
<td>22%</td>
</tr>
<tr>
<td>Offshore</td>
<td>184</td>
<td>52</td>
<td>8</td>
<td>-8%</td>
<td>39%</td>
<td>9.1</td>
<td>1.9</td>
<td>0.5</td>
<td>39%</td>
<td>1.7</td>
<td>0.6</td>
<td>0.1</td>
<td>37%</td>
</tr>
<tr>
<td>Others</td>
<td>248</td>
<td>138</td>
<td>23</td>
<td>0%</td>
<td>33%</td>
<td>17.1</td>
<td>19.9</td>
<td>4.4</td>
<td>33%</td>
<td>4.5</td>
<td>4.2</td>
<td>0.8</td>
<td>14%</td>
</tr>
<tr>
<td>Builder Country</td>
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</tr>
<tr>
<td>China</td>
<td>580</td>
<td>218</td>
<td>25</td>
<td>-31%</td>
<td>-32%</td>
<td>23.6</td>
<td>7.7</td>
<td>0.9</td>
<td>-32%</td>
<td>11.9</td>
<td>4.2</td>
<td>0.4</td>
<td>-46%</td>
</tr>
<tr>
<td>South Korea</td>
<td>295</td>
<td>61</td>
<td>12</td>
<td>18%</td>
<td>83%</td>
<td>25.0</td>
<td>3.9</td>
<td>1.2</td>
<td>83%</td>
<td>10.9</td>
<td>1.8</td>
<td>0.5</td>
<td>62%</td>
</tr>
<tr>
<td>Japan</td>
<td>531</td>
<td>69</td>
<td>5</td>
<td>-57%</td>
<td>-75%</td>
<td>23.8</td>
<td>2.8</td>
<td>0.1</td>
<td>-75%</td>
<td>12.4</td>
<td>1.4</td>
<td>0.1</td>
<td>-42%</td>
</tr>
<tr>
<td>Europe</td>
<td>127</td>
<td>91</td>
<td>25</td>
<td>65%</td>
<td>38%</td>
<td>14.5</td>
<td>18.1</td>
<td>4.2</td>
<td>38%</td>
<td>2.7</td>
<td>3.5</td>
<td>0.8</td>
<td>37%</td>
</tr>
<tr>
<td>Other</td>
<td>157</td>
<td>44</td>
<td>2</td>
<td>-73%</td>
<td>-75%</td>
<td>5.3</td>
<td>1.5</td>
<td>0.1</td>
<td>-75%</td>
<td>2.3</td>
<td>0.6</td>
<td>0.0</td>
<td>-52%</td>
</tr>
</tbody>
</table>

### Monthly Contracting Volumes**

- **Cumulative contracting, annualised.**

### Estimated Newbuilding Investment

Source: Clarksons March 2017
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.

Source: Clarksons September 2016