Defending profitability,
Enabling innovation in maritime trade

24 March 2017
MacGregor Investor Day
Michel van Roozendaal, President, MacGregor
Agenda

1. MacGregor in brief
2. Market environment and business drivers
3. MacGregor’s strategy
4. Summary and conclusions
We are part of Cargotec – Global leader in cargo handling equipment

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

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

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

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

Geographical split of sales in 2016

AMER 36%  EMEA 42%  APAC 22%

AMER 41%  EMEA 48%  APAC 11%

AMER 7%  EMEA 34%  APAC 59%

Figures: 2016
EBIT % excluding restructuring costs
1. MacGregor in brief

Designed to perform with the sea
### MacGregor Key Figures in 2016

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>EUR 778 million</td>
</tr>
<tr>
<td>Operating profit*</td>
<td>EUR 18 million</td>
</tr>
<tr>
<td>Sales of services</td>
<td>EUR 204 million</td>
</tr>
<tr>
<td>Order book</td>
<td>EUR 598 million</td>
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<tr>
<td>2,256 employees in 32 countries</td>
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</table>

*Excluding restructuring costs
MacGregor equipment is on board of every second vessel on the ocean.
### Main segments

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<thead>
<tr>
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<tbody>
<tr>
<td>Container cargo</td>
<td>Ferry</td>
<td>Oil &amp; Gas</td>
<td>Aquaculture</td>
<td>Naval &amp; Military Supplies</td>
</tr>
<tr>
<td>Bulk cargo</td>
<td>Cruise</td>
<td>Renewables</td>
<td>Fishery</td>
<td>Logistics</td>
</tr>
<tr>
<td>General cargo</td>
<td>Superyachts</td>
<td>Mining</td>
<td>Floating structures</td>
<td>Naval &amp; Military Operations</td>
</tr>
<tr>
<td>Liquid cargo</td>
<td>Walk-to-work</td>
<td>Research</td>
<td></td>
<td>Support</td>
</tr>
<tr>
<td>RoRo cargo</td>
<td></td>
<td></td>
<td></td>
<td>Ship-to-ship transfer</td>
</tr>
</tbody>
</table>

- Container cargo
- Bulk cargo
- General cargo
- Liquid cargo
- RoRo cargo
- Ferry
- Cruise
- Superyachts
- Walk-to-work
- Oil & Gas
- Renewables
- Mining
- Research
- Aquaculture
- Fishery
- Floating structures
- Naval & Military Supplies
- Logistics
- Naval & Military Operations
- Support
- Ship-to-ship transfer
Strong market positions with leading brands

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

Offshore
~1/4 of sales
- Sub-sea cranes #1
- Offshore winches #2
- Mooring systems #1
- Loading and offloading systems #1

Global Lifecycle Support
Key competitors

Global main competitors

Other competitors

Merchant shipping

Offshore

Rolls-Royce
Huisman
TTS

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Strong global presence

Service Hubs

Main Locations

- Singapore
- Anotsu, Japan
- Shanghai, China
- Tianjin, China
- Busan, Korea
- Göteborg, Sweden
- Örnsköldsvik, Sweden
- Kaarina, Finland
- Averoy, Norway
- Whitstable, UK
- Hamburg, Germany
- Gdynia, Poland
- Arendal/Kristiansand, Norway
- South Korea
- Finland
- Germany
- China
- Poland
- Sweden
- UK
- Norway
- Finland
- Other countries

Employees per country

- Norway 22%
- Germany 17%
- China 13%
- Sweden 11%
- Singapore 6%
- Poland 6%
- UK 6%
- Finland 6%
- South Korea 3%
- Japan 3%
- Other countries 8%

2,256 employees
2. Market environment and business drivers

Vessel overcapacity and volatility of oil price set challenging short- to mid-term market conditions

Growing seaborne trade and energy demand support long-term opportunities
Where were we in Freight/Earnings Shipping Cycles in 2016?

Timeline of each cycle not defined and varies

Clawson's

13th March 2017

2016 Financial Results
Merchant ships: Contracting forecast by shiptype (number of ships)
Merchant ship types > 2000 gt, base case

Source: Clarksons September 2016
MacGregor investor meeting 24 March 2017
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
Global Contracting Activity - 2015, 2016 vs 2017 ytd, Clarkson March 2017

2017 contracting continued sluggish with 35 vessels (>2,000 Dwt/GT) ordered in February, and 69 in total by the 1st of March. There was further newbuild contracting in the tanker sector, as well as was continued interest in the cruise and passenger ferry sector last month.
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
Active segments

Car carriers / ferries / cruise

Fishery

Offshore wind
3. Focus areas in the current market reality

Defending profitability at the lower phase of the cycle

Repositioning MacGregor to come out stronger when the cycle turns
Defending profitability

Reducing costs, adjusting capacity and reorganising operations

Leveraging the asset light business model
Defending against difficult market conditions in 2016

- 2016 sales declined by EUR 361 million
- Reduction of indirect and overhead by over EUR 35 million
- Realized operating profit of EUR 18 million excl. restructuring costs
Active headcount management

- Headcount reductions in 2016 in Norway, Germany, Finland, Sweden and Singapore
- Service division impact due to relocating transactional activities (quoting, order handling & processing, logistics & purchasing) to Poland
- Interschalt acquisition in Germany strengthening MacGregor Services
- Uetersen production unit divestment
- Structural changes; creation of the new Smart Ocean Technology division

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<tbody>
<tr>
<td>Number of employees</td>
<td>2737</td>
<td>-194</td>
<td>2543</td>
<td>-354</td>
<td>67</td>
<td>2256</td>
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</table>
Gross profit margin improved in 2016

- Product cost reduction with successful Design-to-Cost program
- New Asia based sourcing organization
- Implementation of new Project Execution Model
MacGregor’s asset-light business model gives flexibility

Cost-efficient scaling
- 90% of manufacturing outsourced (previously 85%)
- 30% of design and engineering capacity outsourced
Coming out stronger when the cycle turns
Service
Digitalisation
Technology
Asia footprint
Service transformation to grasp the lifecycle potential

Leveraging the installed base

Enhancing customer centric way of working

Developing new advanced services

Focusing on safety and sustainability

Cargo boost video
Stronger leading position through digitalisation

Boosting innovation with Hackathon

Improving customer service with digital customer interaction

Connectivity to enable monitoring, remote control and automation

Continued investments in internal digital platforms
Technology development

Focus on electric solutions and energy saving innovations

New material applications

Acquisitions of Interschalt maritime systems AG and Flintstone Technology Ltd

MacGregor’s Award winning 3D Motion Compensator
Rooted in Asian markets

Stronger local footprint to grow market share

Strategic partnerships and alliances in China

Joint Venture with China State Shipbuilding Corporation (CSSC) in air compressors in China
Summary and conclusions

- Solid track record in cost management during downturn
- Low activity in shipbuilding and offshore industry remains
  - Some positive signs visible, no return to former levels
- Safeguarding profitability and services growth are the top priorities in 2017
- Clear strategic vision as Cargotec business area; leadership in intelligent cargo handling
Introducing C How: simulation and augmented reality tool

Used for wide range of equipment

- High quality 3D visualisation for design, simulations and marketing support
- Simulating equipment control systems
- Equipment training