Becoming the leader in intelligent cargo handling
Content
1. Cargotec in brief
2. Investment highlights
3. Kalmar
4. Hiab
5. MacGregor
6. Recent progress
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Cargotec in brief
Strong global player with well-balanced business

Sales:
EUR 3,311 million
EBIT: 7.5%

Sales split: new equipment vs service and software

- Service and software: 31%
- New equipment: 69%

Sales by business areas

- MacGregor: 19%
- Kalmar: 49%
- Hiab: 32%

Sales by geographical area

- AMER: 31%
- EMEA: 43%
- APAC: 26%

Strengths we are building upon

- Leading market positions in all segments
- Strong brands
- Loyal customers
- Leading in technology

Figures: Q3 2017 LTM (Q4/16-Q3/17)
EBIT % excluding restructuring costs

Investor presentation December 2017
Key competitors
Cargotec is a leading player in all of its business areas
Cargotec’s portfolio is well diversified

Net sales*, Q4/16 – Q3/17
EUR million

<table>
<thead>
<tr>
<th>Component</th>
<th>Trend in orders, last 12 months</th>
<th>Profitability: EBIT margin, last 12 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kalmar software (Navis) and Automation and Projects division</td>
<td></td>
<td>Low due to long term investments</td>
</tr>
<tr>
<td>MacGregor</td>
<td>-21%</td>
<td>1.6%</td>
</tr>
<tr>
<td>Hiab</td>
<td>+13%</td>
<td>14.2%</td>
</tr>
<tr>
<td>Kalmar equipment and service (excluding Automation and Projects Division &amp; Navis)</td>
<td></td>
<td>Low double digit</td>
</tr>
</tbody>
</table>

* Figures rounded to closest 100 million
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 service & software business and asset light business model are increasing stability
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, leading brands in markets with long term growth potential

Global megatrends
- Globalisation and trade growth
- Urbanisation
- Growing middle class

Growth drivers
- Container throughput growth
- Construction activity
- Automation
- Digitalisation

Competitive advantages
- Strong brands
- Full automation offering
- Technology leadership

Market position
- #1 or #2 in all major segments
2. We are 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
Services 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
Lead digitalisation
World-class service offering
Build world-class leadership
3. Growing service & software business and asset light business model are increasing stability

**Service and software* sales**

<table>
<thead>
<tr>
<th>Year</th>
<th>MEUR</th>
<th>Services</th>
<th>Software</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>729</td>
<td>107</td>
<td>836</td>
</tr>
<tr>
<td>2014</td>
<td>814</td>
<td>108</td>
<td>922</td>
</tr>
<tr>
<td>2015</td>
<td>883</td>
<td>121</td>
<td>1,004</td>
</tr>
<tr>
<td>2016</td>
<td>872</td>
<td>148</td>
<td>1,020</td>
</tr>
<tr>
<td>2017 LTM**</td>
<td>1,038</td>
<td>161</td>
<td>1,038</td>
</tr>
</tbody>
</table>

*Software sales defined as Navis business unit and automation software
**) LTM = Last 12 months (Q4/16-Q3/17)

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**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

**Next steps to increase service and software sales:**

- All new equipment connected by 2018
- Build on Navis position as industry leader
- Increase spare parts capture rates
- Boost service contract attachment rates
Industry trends support growth in port automation:
- Only 40 terminals (out of 1,200 terminals) are automated or semi-automated currently globally
- Ships are becoming bigger and the peak loads have become an issue
- Increasing focus on safety
- 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
- Over 50% of port software market is in-house, in long term internal solutions not competitive
- Navis has leading position in port ERP

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

Service and software
Targeting service and software sales 40% of net sales, minimum EUR 1.5 billion in 3-5 years*

Balance sheet and dividend
Target gearing < 50% and increasing dividend in the range of 30-50% of EPS, dividend to be paid twice a year***

Profitability
Target 10% operating profit and 15% ROCE in 3-5 years*
Higher service and software sales key driver for profitability improvement
Cost savings actions:
- 2017 EUR 25 million (MacGregor)
- 2017 Interschalt EUR 2 million
- 2018 EUR 13 million (Lidhult assembly transfer in Kalmar)
- 2018 EUR 13 million in MacGregor
- 2020 EUR 50 million (indirect purchasing and new Business Services operations)
Product re-design and improved project management

Sales and operating profit** development

*Target announced in September 2017
**Excluding restructuring costs
***Proposal to be made to AGM 2018
Container throughput still forecasted to grow year on year

Growth from 2012 to 2021 39%
CAGR 3.7%

Source: Drewry: Container forecaster Q3 2017
(Figures for 2012-2013 from Drewry Global Container Terminal Operators Annual Report 2013)
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.

**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.

**CARGOTEC**
Services provide our biggest medium term growth opportunity

<table>
<thead>
<tr>
<th>Service</th>
<th>Market Share</th>
<th>Market Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment &amp; Projects</td>
<td>20-30%</td>
<td>6B€</td>
</tr>
<tr>
<td>Software</td>
<td>20-30%</td>
<td>0.5-1B€</td>
</tr>
<tr>
<td>Services</td>
<td>3-5%</td>
<td>8B€</td>
</tr>
</tbody>
</table>
Number of automated/semi-automated prospects has even grown since CMD 2015 but decisions to go ahead have been postponed

Main reasons that have postponed the development:
- Waiting for confirmed performance of over 30 moves per hour
- Lower degree of container traffic growth
- Waiting for shipping alliances to be fully operational
Construction output driving growth opportunity

EMEA construction output
y/y change (%)

AMER construction output
y/y change (%)

Oxford Economics: Industry output forecast
9/2017

-3.0 %
-2.0 %
-1.0 %
0.0 %
1.0 %
2.0 %
3.0 %

2010 2012 2014 2016 2018

Index Change %

60 65 70 75 80 85 90 95 100 105 110 115

December 2017
Investor presentation

9/2017

Index Change %

60 65 70 75 80 85 90 95 100 105 110 115 120 125

2010 2012 2014 2016 2018

Index Change %
Strong market positions in all product lines

<table>
<thead>
<tr>
<th>MARKET SIZE* (EUR billion)</th>
<th>KEY SEGMENTS</th>
<th>HIAB POSITION &amp; TREND</th>
</tr>
</thead>
<tbody>
<tr>
<td>~1.3</td>
<td>Construction and Logistics</td>
<td>#1-2</td>
</tr>
<tr>
<td>~0.5</td>
<td>Retail Logistics</td>
<td>#1</td>
</tr>
<tr>
<td>~0.5</td>
<td>Waste and Recycling</td>
<td>#1</td>
</tr>
<tr>
<td>~0.3</td>
<td>Construction and Logistics</td>
<td>#1</td>
</tr>
<tr>
<td>~0.2</td>
<td>Timber, Pulp and Paper</td>
<td>#2</td>
</tr>
</tbody>
</table>

*) Cargotec estimate
Attractive megatrends and growth drivers

| MEGA TRENDS | Urbanization and Consumption growth driving needs for efficiency  
| Digitalization and Connectivity enabling new business solutions |
| MARKET GROWTH | North America and main European markets continue to grow  
| Developing markets strong load handling equipment penetration potential |
| KEY SEGMENTS | Construction, Waste & Recycling, Logistics and Governmental business segments show continued growth projection |
| PRODUCT OFFERING | New applications market and segment growth potential  
| Developing for increasing demand in Electrification and Automation |
| SERVICE SOLUTIONS | Growing demand for comprehensive life-cycle service offerings and tailored business solutions |
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
We are an active leader in all maritime segments

~3/4 of sales

Merchant Cargo Flow #1
- Container cargo
- Bulk cargo
- General cargo
- Liquid cargo
- RoRo cargo

Marine People Flow #1
- Ferry
- Cruise
- Superyachts
- Walk-to-work

Marine Resources & Structures #1-2
- Research
- Fishery
- Aquaculture
- Mining
- Floating structures

Naval Logistics and Operations #1-2
- Naval & Military Supplies Logistics
- Naval & Military Operations Support
- Ship-to-ship transfer

Offshore Energy #1
- Oil & Gas
- Renewables

~1/4 of sales

Lifecycle Services

Picture: Statoil
Merchant Ships and Offshore contracting activity picking up

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

Long term contracting 2014-2023
Mobile offshore units

Source: Clarksons September 2017
MacGregor’s asset-light business model gives flexibility

Sales & marketing  
MacGregor

Design & engineering  
MacGregor  
Outsourced

Manufacturing  
MacGregor  
Outsourced

Installation  
MacGregor  
Outsourced

Lifecycle support  
MacGregor

Cost-efficient scaling

90% of manufacturing outsourced

30% of design and engineering capacity outsourced
Recent progress
Leading cargo flow digitalisation to create new revenues

MAIN ACHIEVEMENTS

- Significantly increased resources and competences
  - 100 full-time employees more focusing on digitalisation
  - Establishment of the IoT Cloud data platform and connectivity solutions
  - Solid 54% growth in software sales since 2013
  - XVELA industry collaboration platform introduced
  - Digital business accelerator programme

NEXT STEPS

- All new equipment connected by 2018
  - 20+ new digital products to be launched in 2017-2018
  - Build on Navis position as industry leader

FUTURE AMBITION

- Target to double software and digital services revenues during next 3-5 years
  - Deliver customer value and drive the industry towards better optimization and sustainability with software, automation, data and collaboration platforms
Becoming industry benchmark in services

MAIN ACHIEVEMENTS

- Dedicated service organizations
  - Increased focus on services
  - Over 4,000 persons in global service network
  - Value adding services product portfolio
  - E-commerce platforms launched
  - Service sales growth 20% since 2013

NEXT STEPS

- Increase spare parts capture rates
  - Boost service contract attachment rates
  - Design to service to enhance spare parts sales
  - Enable connectivity for all new equipment
  - Strengthen own service network
  - Introduce new service products

FUTURE AMBITION

- Become benchmark in services in our industry
  - Culture change from products to customer value
  - Capturing increasing value through service-based business models
Investing in world-class leadership to deliver high performance

MAIN ACHIEVEMENTS

Tailored, data-based leadership model to drive our performance and strategy execution
• Top 300 and next 700 leaders assessed and trained during 2016-17

NEXT STEPS

Complete the roll-out of the leadership assessments and training
• Personal change planning to help leaders turn around low-performing organizational climates - leader by leader

FUTURE AMBITION

Leadership is competitive advantage for Cargotec
• Leadership performance is embedded in all aspects of the employment lifecycle
• 50% increase in leaders who create high performing organizational climates
We have increased EBIT* margins since 2013 through operational improvements

**Excluding restructuring costs

**LTM=Last 12 months (Q3/16-Q2/17)
### Business Area cost efficiency programs are on track

<table>
<thead>
<tr>
<th>Scope and Target</th>
<th>Status September 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MacGregor</strong></td>
<td></td>
</tr>
<tr>
<td>Reduction of 230 FTEs in China, Finland, Norway, Singapore and Sweden</td>
<td>Layoffs, asset divestments and lease contract terminations completed</td>
</tr>
<tr>
<td>Annual savings EUR 25 million in 2017</td>
<td>EUR 20 million savings in 1–9/2017</td>
</tr>
<tr>
<td><strong>Interschalt</strong></td>
<td></td>
</tr>
<tr>
<td>Re-organising operations in Germany, USA and China</td>
<td>Layoffs completed</td>
</tr>
<tr>
<td>Annual savings EUR 2 million in 2017</td>
<td></td>
</tr>
<tr>
<td><strong>Transfer of Kalmar production site</strong></td>
<td></td>
</tr>
<tr>
<td>Forklift trucks production from Lidhult, Sweden to Stargard, Poland</td>
<td>Production facilities ready. Light and medium fork lift trucks already moved, heavy transferred in H2 2017.</td>
</tr>
<tr>
<td>Annual savings EUR 13 million from 2018 onwards</td>
<td></td>
</tr>
</tbody>
</table>
Group wide EUR 50 million cost savings programme proceeding faster than expected

**WHY**
- Investments in common systems as enabler
- EUR ~600 million addressable indirect cost base

**WHAT**
- Reductions in indirect purchasing spend (EUR 30 million), and more efficient support functions (EUR 20 million)

**HOW**
- Central procurement organization to drive indirect procurement cost and efficiency
- Establishing support function services in Sofia
- Automation in Finance, HR, information management and procurement

**RESULTS**
- EUR 3 million savings realised in 1–9/2017

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![Expected savings compared to 2016 cost level, MEUR](chart)

- Including business services centre in Sofia
Strategic sourcing actions and increased efficiencies drive the EUR 30 million indirect procurement savings

2017: EUR 5 million

2020: EUR 30 million

100% 37% 63%

Strategic sourcing
- Consolidation of current supplier base
- Example categories: logistics, facilities management, MRO & investments

Increased efficiencies
- New tools, harmonised processes, automation and internal procurement savings
We establish Cargotec Business Services in Sofia to improve support function efficiency by EUR 20 million

- Savings from consolidation, outsourcing of certain activities, labour arbitrage and robotics
- Scope: Finance, Human Resources, Information Management and Indirect Procurement services primarily from Sofia, Bulgaria
- Good progress in establishing Cargotec Business Services
  - Infrastructure ready, key positions manned
  - First 53 employees joined on 1st of August, induction has started
- Finland as pilot, cooperation negotiations completed in June 2017
Targeting EUR 1.5 billion service and software sales in 3-5 years

Cargotec service sales total EUR 872 million (Q2 2017 LTM*)
- Spare parts the biggest category, around 50% of total service sales
- Maintenance around 30% of total service sales

<table>
<thead>
<tr>
<th></th>
<th>Kalmar</th>
<th>Hiab</th>
<th>MacGregor</th>
</tr>
</thead>
<tbody>
<tr>
<td>MEUR</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service orders received</td>
<td>425 MEUR</td>
<td>243 MEUR</td>
<td>194 MEUR</td>
</tr>
<tr>
<td>Service sales</td>
<td>439 MEUR</td>
<td>237 MEUR</td>
<td>196 MEUR</td>
</tr>
</tbody>
</table>

*LTM = Last 12 months (Q3/16-Q2/17)
M&A strategy focusing on bolt-on acquisitions

Key acquisition criteria
Contribution to 15% ROCE target
Recurring business
Increase the potential for services through larger installed base and increased presence
Group gearing long term target of 50%

Net debt and gearing
MEUR

M&A focus by business area:
Kalmar
Expand service footprint and software offering
Hiab
Expand geographical presence, service and product offering
MacGregor
Focus on distressed assets and software and intelligent technology
Our target is to reach 10% EBIT in the next 3-5 years

- Service & Software: ~1-2%
- Kalmar & Hiab equipment growth: ~0-1%
- Growth in Kalmar's large projects and MacGregor equipment: ~0.5-1%
- Continuing innovations (R&D investments): ~0%
- Improve cost efficiency, leveraging sales: ~1-2%

Q3/17 LTM* EBIT**: 7.5%

EBIT target in the next 3-5 years: ~10%

* LTM = Last 12 months (Q4/16-Q3/17)
** Excluding restructuring costs

December 2017
Market environment in 2017

Growth in number of containers handled at ports accelerated

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

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

Marine cargo handling equipment market still weak
- Market improved in merchant sector, but orders remained well below historical levels
Highlights of Q3 2017 – Service and software one third of sales

Orders received increased in Hiab, MacGregor and services
  – MacGregor’s orders grew 12% y/y
  – Service orders grew 6%
  – Kalmar orders decreased 10%

Sales below expectations
Hiab continues to show strong development
Service and software sales 33% (29%) of total sales
  – Good development in Kalmar: service sales grew 8%

<table>
<thead>
<tr>
<th>Q3/16</th>
<th>Q4/16</th>
<th>Q1/17</th>
<th>Q2/17</th>
<th>Q3/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>66</td>
<td>61</td>
<td>59</td>
<td>72</td>
<td>57</td>
</tr>
</tbody>
</table>

Operating profit* EUR million
Operating profit* margin

*) Excluding restructuring costs
Gross profit margin continued to improve

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Gross profit, MEUR</th>
<th>Gross profit-%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3/16</td>
<td>198</td>
<td>23.1%</td>
</tr>
<tr>
<td>Q4/16</td>
<td>222</td>
<td>23.8%</td>
</tr>
<tr>
<td>Q1/17</td>
<td>205</td>
<td>25.8%</td>
</tr>
<tr>
<td>Q2/17</td>
<td>222</td>
<td>26.3%</td>
</tr>
<tr>
<td>Q3/17</td>
<td>195</td>
<td>26.4%</td>
</tr>
</tbody>
</table>

Gross profit margin improvements from Q3/16 to Q3/17:
- 0.4% improvement
- 2.5% improvement

December 2017
Investor presentation
### Key figures – Orders received increased

<table>
<thead>
<tr>
<th></th>
<th>7–9/17</th>
<th>7–9/16</th>
<th>Change</th>
<th>1–9/17</th>
<th>1–9/16</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received, MEUR</td>
<td>749</td>
<td>733</td>
<td>+2%</td>
<td>2,406</td>
<td>2,461</td>
<td>-2%</td>
</tr>
<tr>
<td>Order book, MEUR</td>
<td>1,698</td>
<td>1,874</td>
<td>-9%</td>
<td>1,698</td>
<td>1,874</td>
<td>-9%</td>
</tr>
<tr>
<td>Sales, MEUR</td>
<td>740</td>
<td>854</td>
<td>-13%</td>
<td>2,378</td>
<td>2,581</td>
<td>-8%</td>
</tr>
<tr>
<td>Operating profit*, MEUR</td>
<td>57.4</td>
<td>65.9</td>
<td>-13%</td>
<td>188.6</td>
<td>189.3</td>
<td>0%</td>
</tr>
<tr>
<td>Operating profit*, %</td>
<td>7.8%</td>
<td>7.7%</td>
<td></td>
<td>7.9%</td>
<td>7.3%</td>
<td></td>
</tr>
<tr>
<td>Restructuring costs, MEUR</td>
<td>4.7</td>
<td>9.7</td>
<td>-52%</td>
<td>19.2</td>
<td>12.8</td>
<td>+50%</td>
</tr>
<tr>
<td>Operating profit, MEUR</td>
<td>52.7</td>
<td>56.2</td>
<td>-6%</td>
<td>169.4</td>
<td>176.4</td>
<td>-4%</td>
</tr>
<tr>
<td>Operating profit, %</td>
<td>7.1%</td>
<td>6.6%</td>
<td></td>
<td>7.1%</td>
<td>6.8%</td>
<td></td>
</tr>
<tr>
<td>Earnings per share, EUR</td>
<td>0.51</td>
<td>0.52</td>
<td>-2%</td>
<td>1.66</td>
<td>1.75</td>
<td>-5%</td>
</tr>
<tr>
<td>Earnings per share, EUR**</td>
<td>0.56</td>
<td>0.63</td>
<td>-11%</td>
<td>1.87</td>
<td>1.89</td>
<td>-1%</td>
</tr>
</tbody>
</table>

*) Excluding restructuring costs  
**) Excluding restructuring costs, using reported effective tax rate
Cash flow from operations improved
Orders received increased in Hiab and MacGregor

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Kalmar</th>
<th>Hiab</th>
<th>MacGregor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3/16</td>
<td>733 MEUR</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q4/16</td>
<td>822 MEUR</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q1/17</td>
<td>857 MEUR</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2/17</td>
<td>800 MEUR</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3/17</td>
<td>749 MEUR</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Hiab: +12% (y/y)
- MacGregor: +18% (y/y)
- Q3/17: -10% (y/y)
Hiab’s order book strengthened

Order book
MEUR

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Kalmar</th>
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<th>MacGregor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3/16</td>
<td>1,874</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q4/16</td>
<td>1,783</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q1/17</td>
<td>1,834</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2/17</td>
<td>1,720</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3/17</td>
<td>1,698</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Order book by reporting segments, Q3 2017

- Kalmar: 31%
- Hiab: 17%
- MacGregor: 52%
Operating profit* declined due to delivery volumes

Sales
MEUR

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Kalmar</th>
<th>Hiab</th>
<th>MacGregor</th>
<th>Cargotec total EBIT**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3/16</td>
<td>854</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q4/16</td>
<td>933</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q1/17</td>
<td>793</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2/17</td>
<td>845</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3/17</td>
<td>740</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Operating profit*
MEUR

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Kalmar</th>
<th>Hiab</th>
<th>MacGregor</th>
<th>Cargotec total EBIT**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3/16</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q4/16</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q1/17</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2/17</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3/17</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

Investor presentation
December 2017
Kalmar Q3 – Good development in service sales

Orders received increased in Americas
  – Good development in mobile equipment, decrease in automation and software

Sales decreased mainly due to timing of project deliveries as well as supply chain challenges in mobile equipment

Service sales increased 8%

Operating profit* decreased due to lower sales in project business

<table>
<thead>
<tr>
<th></th>
<th>MEUR</th>
<th>Q3/17</th>
<th>Q3/16</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received</td>
<td>351</td>
<td></td>
<td>389</td>
<td>-10%</td>
</tr>
<tr>
<td>Order book</td>
<td>887</td>
<td></td>
<td>922</td>
<td>-4%</td>
</tr>
<tr>
<td>Sales</td>
<td>377</td>
<td></td>
<td>436</td>
<td>-14%</td>
</tr>
<tr>
<td>Operating profit*</td>
<td>30.9</td>
<td></td>
<td>36.3</td>
<td>-15%</td>
</tr>
<tr>
<td>Operating profit margin*</td>
<td>8.2%</td>
<td></td>
<td>8.3%</td>
<td></td>
</tr>
</tbody>
</table>

*) Excluding restructuring costs
Hiab Q3 – Strong increase in orders received

Orders received grew in EMEA and APAC
- Growth in EMEA +37%
- Growth in all business lines

Sales and operating profit at last year’s level
- Sales impacted negatively by supply chain bottlenecks

Service sales grew 2%

<table>
<thead>
<tr>
<th></th>
<th>Q3/17</th>
<th>Q3/16</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received</td>
<td>260</td>
<td>220</td>
<td>+18%</td>
</tr>
<tr>
<td>Order book</td>
<td>293</td>
<td>258</td>
<td>+14%</td>
</tr>
<tr>
<td>Sales</td>
<td>252</td>
<td>250</td>
<td>+1%</td>
</tr>
<tr>
<td>Operating profit*</td>
<td>33.7</td>
<td>33.0</td>
<td>+2%</td>
</tr>
<tr>
<td>Operating profit margin*</td>
<td>13.4%</td>
<td>13.2%</td>
<td></td>
</tr>
</tbody>
</table>

*) Excluding restructuring costs
MacGregor Q3 – Orders received increased

Orders received increased in EMEA and Americas
  – Strong increase especially in cargo handling

Sales declined both in merchant and offshore due to low delivery volumes

Operating profit* decreased due to lower business volumes

<table>
<thead>
<tr>
<th></th>
<th>MEUR</th>
<th>Q3/17</th>
<th>Q3/16</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received</td>
<td>139</td>
<td>124</td>
<td></td>
<td>+12%</td>
</tr>
<tr>
<td>Order book</td>
<td>519</td>
<td>696</td>
<td></td>
<td>-25%</td>
</tr>
<tr>
<td>Sales</td>
<td>112</td>
<td>169</td>
<td></td>
<td>-34%</td>
</tr>
<tr>
<td>Operating profit*</td>
<td>2.2</td>
<td>2.8</td>
<td></td>
<td>-23%</td>
</tr>
<tr>
<td>Operating profit margin*</td>
<td>2.0%</td>
<td>1.7%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*) Excluding restructuring costs
Gearing below target level

Net debt EUR 535 million (31 Dec 2016: 503)
- Average interest rate 2.2% (2.3%)
- Net debt/EBITDA 2.0 (1.8)

Total shareholders’ equity EUR 1,420 million (1,395)
- Equity/total assets 42.3% (39.1%)

Well diversified loan portfolio:
- Bonds EUR 464 million
- Bank loans EUR 293 million
- EUR 300 million revolving credit facility refinanced in Q2/17, the facility is fully undrawn

Balanced maturity profile
- EUR 15 million loans maturing in 2017
Service and software 33% of total sales

- Service sales increased 2% y-o-y
  - Strong 8% growth in Kalmar

- Software sales decreased in Q3/17
  - 1-9/17 growth +14%

- Services and software sales 33% (29%) of total sales in Q3/17

*Service sales increased 2% y-o-y

- Strong 8% growth in Kalmar

- Software sales decreased in Q3/17
  - 1-9/17 growth +14%

- Services and software sales 33% (29%) of total sales in Q3/17

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

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

1. Largest shareholders and financials
2. Sustainability
3. Kalmar
4. Hiab
5. MacGregor
Largest shareholders
30 November 2017

<table>
<thead>
<tr>
<th></th>
<th>% of shares</th>
<th>% of votes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Wipunen varainhallinta Oy</td>
<td>14.1</td>
<td>23.7</td>
</tr>
<tr>
<td>2. Mariatorp Oy</td>
<td>12.3</td>
<td>22.9</td>
</tr>
<tr>
<td>3. Pivosto Oy</td>
<td>10.5</td>
<td>22.1</td>
</tr>
<tr>
<td>4. KONE Foundation</td>
<td>3.0</td>
<td>5.5</td>
</tr>
<tr>
<td>5. The State Pension Fund</td>
<td>1.3</td>
<td>0.6</td>
</tr>
<tr>
<td>6. Ilmarinen Mutual Pension Insurance Company</td>
<td>1.2</td>
<td>0.5</td>
</tr>
<tr>
<td>7. Varma Mutual Pension Insurance Company</td>
<td>0.8</td>
<td>0.3</td>
</tr>
<tr>
<td>8. SEB Gyllenberg Finlandia Fund</td>
<td>0.7</td>
<td>0.3</td>
</tr>
<tr>
<td>9. Herlin Heikki Juho Kustaa</td>
<td>0.6</td>
<td>0.3</td>
</tr>
<tr>
<td>10. Sigrid Jusélius Foundation</td>
<td>0.6</td>
<td>0.2</td>
</tr>
<tr>
<td>Nominee registered and non-Finnish holders</td>
<td>31.1</td>
<td></td>
</tr>
</tbody>
</table>

Total number of shareholders 21,554
Solid track record to increase the dividend

EUR 0.95 dividend per B share for 2016

<table>
<thead>
<tr>
<th>Year</th>
<th>EPS (reported)</th>
<th>Dividend</th>
<th>Payout ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>0.89</td>
<td>0.42</td>
<td>47%</td>
</tr>
<tr>
<td>2014</td>
<td>1.11</td>
<td>0.55</td>
<td>50%</td>
</tr>
<tr>
<td>2015</td>
<td>2.21</td>
<td>0.80</td>
<td>36%</td>
</tr>
<tr>
<td>2016</td>
<td>1.95</td>
<td>0.95</td>
<td>49%</td>
</tr>
</tbody>
</table>
Capex and R&D

Capital expenditure

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

Research and development

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

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

ROCE, annualised *) Excluding restructuring costs

Investor presentation

December 2017
Hiab’s share increasing in sales mix

2015

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

2016

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

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

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

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

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

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

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

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

**Americas**
- Ottawa, Kansas (Kalmar prod.)
- Oakland, California (Kalmar R&D)
- Cibolo, Texas (Kalmar prod.)
- Tallmadge, Ohio (Hiab prod.)
Operating profit excl. restructuring costs development

Kalmar

Hiab

MacGregor

*LTM = Last 12 months (Q4/16-Q3/17)
Sales and orders received development

**Kalmar**

**Hiab**

**MacGregor**

*LTM = Last 12 months (Q4/16-Q3/17)
Gross profit improvement driven by new products

* LTM = Last 12 months (Q4/16-Q3/17)

Gross profit, MEUR
Gross profit-%

2013: 583, 18.3%
2014: 634, 18.9%
2015: 787, 21.1%
2016: 840, 23.9%
Q3/17 LTM*: 845, 25.5%

December 2017
Investor presentation
Working capital efficiency supports cash flow generation

**Key drivers**

+ Supply chain optimisation
+ Central spare parts inventory
+ Supplier financing
+ Payment term harmonisation
- Services growth
- Low project orders in Kalmar and MacGregor

---

**Net working capital**

- 2013: 265 MEUR
- 2014: 257 MEUR
- 2015: 208 MEUR
- 2016: 146 MEUR
- 2017 Q3 LTM*: 142 MEUR

**Free cash flow**

- 2013: 181 MEUR
- 2014: 204 MEUR
- 2015: 315 MEUR
- 2016: 373 MEUR
- 2017 LTM*: 293 MEUR

---

**Key drivers**

- Higher profit
- Working capital efficiency actions
- Asset light business model

---

*LTM=Last 12 months (Q4/16-Q3/17)
# Income statement Q3 2017

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>740.0</td>
<td>854.2</td>
<td>2,378.1</td>
<td>2,580.8</td>
<td>3,513.7</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>-544.6</td>
<td>-656.7</td>
<td>-1,755.2</td>
<td>-1,963.1</td>
<td>-2,674.0</td>
</tr>
<tr>
<td>Gross profit</td>
<td>195.5</td>
<td>197.5</td>
<td>622.9</td>
<td>617.7</td>
<td>839.7</td>
</tr>
<tr>
<td>Gross profit, %</td>
<td>26.4%</td>
<td>23.1%</td>
<td>26.2%</td>
<td>23.9%</td>
<td>23.9%</td>
</tr>
<tr>
<td>Other operating income</td>
<td>8.4</td>
<td>10.3</td>
<td>27.6</td>
<td>28.8</td>
<td>36.1</td>
</tr>
<tr>
<td>Selling and marketing expenses</td>
<td>-51.9</td>
<td>-52.5</td>
<td>-165.3</td>
<td>-163.5</td>
<td>-221.1</td>
</tr>
<tr>
<td>Research and development expenses</td>
<td>-21.6</td>
<td>-21.5</td>
<td>-70.7</td>
<td>-87.5</td>
<td>-94.1</td>
</tr>
<tr>
<td>Administration expenses</td>
<td>-64.2</td>
<td>-66.1</td>
<td>-200.1</td>
<td>-202.2</td>
<td>-277.0</td>
</tr>
<tr>
<td>Restructuring costs</td>
<td>-4.7</td>
<td>-9.7</td>
<td>-19.2</td>
<td>-12.8</td>
<td>-52.5</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>-9.0</td>
<td>-8.4</td>
<td>-28.9</td>
<td>-28.9</td>
<td>-37.8</td>
</tr>
<tr>
<td>Costs and expenses</td>
<td>-142.9</td>
<td>-145.9</td>
<td>-454.7</td>
<td>-444.0</td>
<td>-644.4</td>
</tr>
<tr>
<td>Share of associated companies’ and joint ventures' net income</td>
<td>0.2</td>
<td>4.6</td>
<td>1.2</td>
<td>2.8</td>
<td>2.5</td>
</tr>
<tr>
<td>Operating profit</td>
<td>52.7</td>
<td>55.2</td>
<td>169.4</td>
<td>176.4</td>
<td>197.7</td>
</tr>
<tr>
<td>Operating profit, %</td>
<td>7.1%</td>
<td>6.6%</td>
<td>7.1%</td>
<td>6.6%</td>
<td>5.6%</td>
</tr>
<tr>
<td>Financing income and expenses</td>
<td>-7.9</td>
<td>-9.6</td>
<td>-25.2</td>
<td>-21.5</td>
<td>-28.6</td>
</tr>
<tr>
<td>Income before taxes</td>
<td>44.8</td>
<td>46.6</td>
<td>144.2</td>
<td>154.9</td>
<td>169.1</td>
</tr>
<tr>
<td>Income before taxes, %</td>
<td>6.1%</td>
<td>5.5%</td>
<td>6.1%</td>
<td>6.0%</td>
<td>4.6%</td>
</tr>
<tr>
<td>Income taxes</td>
<td>-12.2</td>
<td>-13.1</td>
<td>-37.5</td>
<td>-41.9</td>
<td>-43.8</td>
</tr>
<tr>
<td>Net income for the period</td>
<td>32.6</td>
<td>33.5</td>
<td>106.6</td>
<td>113.0</td>
<td>126.3</td>
</tr>
<tr>
<td>Net income for the period, %</td>
<td>4.4%</td>
<td>3.9%</td>
<td>4.5%</td>
<td>4.4%</td>
<td>3.6%</td>
</tr>
</tbody>
</table>

## Net income for the period attributable to:

- **Equity holders of the parent**: 32.7, 33.6, 107.0, 113.3, 126.0
- **Non-controlling interest**: -0.1, -0.1, -0.3, -0.2, -0.7

## Total

- **Total**: 32.6, 33.5, 106.6, 113.0, 126.3

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

- **Basic earnings per share, EUR**: 0.51, 0.52, 1.66, 1.75, 1.95
- **Diluted earnings per share, EUR**: 0.50, 0.52, 1.65, 1.75, 1.94
# Balance sheet Q3 2017

## Assets, MEUR

<table>
<thead>
<tr>
<th></th>
<th>30 Sep 2017</th>
<th>30 Sep 2016</th>
<th>31 Dec 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goodwill</td>
<td>994.9</td>
<td>1,016.1</td>
<td>1,024.5</td>
</tr>
<tr>
<td>Other intangible assets</td>
<td>262.8</td>
<td>201.2</td>
<td>290.2</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>291.6</td>
<td>307.1</td>
<td>308.6</td>
</tr>
<tr>
<td>Investments in associated companies and joint ventures</td>
<td>113.8</td>
<td>118.0</td>
<td>123.4</td>
</tr>
<tr>
<td>Available-for-sale investments</td>
<td>3.8</td>
<td>3.8</td>
<td>3.8</td>
</tr>
<tr>
<td>Loans receivable and other interest-bearing assets*</td>
<td>4.5</td>
<td>2.2</td>
<td>3.0</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>184.4</td>
<td>150.1</td>
<td>185.0</td>
</tr>
<tr>
<td>Derivative assets</td>
<td>7.5</td>
<td>12.9</td>
<td>16.9</td>
</tr>
<tr>
<td>Other non-interest-bearing assets</td>
<td>7.0</td>
<td>8.9</td>
<td>7.9</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>1,870.5</td>
<td>1,929.5</td>
<td>1,963.4</td>
</tr>
</tbody>
</table>

## Current assets

<table>
<thead>
<tr>
<th></th>
<th>30 Sep 2017</th>
<th>30 Sep 2016</th>
<th>31 Dec 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventories</td>
<td>659.8</td>
<td>698.6</td>
<td>647.0</td>
</tr>
<tr>
<td>Loans receivable and other interest-bearing assets*</td>
<td>2.6</td>
<td>1.7</td>
<td>1.9</td>
</tr>
<tr>
<td>Income tax receivables</td>
<td>47.1</td>
<td>19.4</td>
<td>26.1</td>
</tr>
<tr>
<td>Derivative assets</td>
<td>15.1</td>
<td>33.8</td>
<td>45.8</td>
</tr>
<tr>
<td>Accounts receivable and other non-interest-bearing assets</td>
<td>673.6</td>
<td>785.6</td>
<td>778.9</td>
</tr>
<tr>
<td>Cash and cash equivalents*</td>
<td>232.5</td>
<td>190.6</td>
<td>273.2</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>1,630.7</td>
<td>1,738.8</td>
<td>1,773.0</td>
</tr>
</tbody>
</table>

## Total assets

|                     | 3,501.1     | 3,668.3     | 3,736.3     |

## Equity and Liabilities, MEUR

<table>
<thead>
<tr>
<th></th>
<th>30 Sep 2017</th>
<th>30 Sep 2016</th>
<th>31 Dec 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equity attributable to the equity holders of the parent</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share capital</td>
<td>64.3</td>
<td>64.3</td>
<td>64.3</td>
</tr>
<tr>
<td>Share premium account</td>
<td>98.0</td>
<td>98.0</td>
<td>98.0</td>
</tr>
<tr>
<td>Translation differences</td>
<td>-12.9</td>
<td>26.3</td>
<td>37.3</td>
</tr>
<tr>
<td>Fair value reserves</td>
<td>4.4</td>
<td>-12.4</td>
<td>-24.7</td>
</tr>
<tr>
<td>Reserve for invested non-restricted equity</td>
<td>69.0</td>
<td>76.6</td>
<td>69.0</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>1,198.9</td>
<td>1,141.7</td>
<td>1,151.1</td>
</tr>
<tr>
<td><strong>Total equity attributable to the equity holders of the parent</strong></td>
<td>1,419.6</td>
<td>1,395.4</td>
<td>1,395.0</td>
</tr>
</tbody>
</table>

## Non-controlling interest

|                     | 2.3         | 1.5         | 2.2         |

## Total equity

|                     | 1,421.9     | 1,396.1     | 1,397.2     |

## Non-current liabilities

<table>
<thead>
<tr>
<th></th>
<th>30 Sep 2017</th>
<th>30 Sep 2016</th>
<th>31 Dec 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Interest-bearing liabilities</strong></td>
<td>730.3</td>
<td>656.7</td>
<td>658.8</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>75.3</td>
<td>71.9</td>
<td>73.1</td>
</tr>
<tr>
<td>Pension obligations</td>
<td>83.0</td>
<td>74.1</td>
<td>81.4</td>
</tr>
<tr>
<td>Provisions</td>
<td>19.3</td>
<td>33.7</td>
<td>37.6</td>
</tr>
<tr>
<td>Other non-interest-bearing liabilities</td>
<td>59.4</td>
<td>53.3</td>
<td>49.4</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td>967.2</td>
<td>889.8</td>
<td>988.2</td>
</tr>
</tbody>
</table>

## Current liabilities

<table>
<thead>
<tr>
<th></th>
<th>30 Sep 2017</th>
<th>30 Sep 2016</th>
<th>31 Dec 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current portion of interest-bearing liabilities</strong></td>
<td>17.0</td>
<td>117.2</td>
<td>119.4</td>
</tr>
<tr>
<td>Other interest-bearing liabilities*</td>
<td>35.0</td>
<td>39.8</td>
<td>45.8</td>
</tr>
<tr>
<td>Provisions</td>
<td>103.4</td>
<td>80.9</td>
<td>112.8</td>
</tr>
<tr>
<td>Advances received</td>
<td>138.8</td>
<td>175.1</td>
<td>160.0</td>
</tr>
<tr>
<td>Income tax payables</td>
<td>17.0</td>
<td>31.2</td>
<td>32.0</td>
</tr>
<tr>
<td>Derivative liabilities</td>
<td>5.6</td>
<td>20.4</td>
<td>34.1</td>
</tr>
<tr>
<td>Accounts payable and other non-interest-bearing liabilities</td>
<td>794.6</td>
<td>917.7</td>
<td>936.2</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>1,112.0</td>
<td>1,382.4</td>
<td>1,440.8</td>
</tr>
</tbody>
</table>

## Total equity and liabilities

|                     | 3,501.1     | 3,668.3     | 3,736.3     |

* *Included in interest-bearing net debt.*

The notes are an integral part of the interim report.
## Cash flow statement Q3 2017

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income for the period</td>
<td>105.6</td>
<td>113.0</td>
<td>125.3</td>
</tr>
<tr>
<td>Depreciation, amortisation and impairment</td>
<td>52.7</td>
<td>58.0</td>
<td>84.8</td>
</tr>
<tr>
<td>Other adjustments</td>
<td>65.3</td>
<td>58.5</td>
<td>72.5</td>
</tr>
<tr>
<td>Change in net working capital</td>
<td>-83.5</td>
<td>-8.5</td>
<td>90.5</td>
</tr>
<tr>
<td>Cash flow from operations before financing items and taxes</td>
<td>141.1</td>
<td>221.0</td>
<td>373.0</td>
</tr>
<tr>
<td>Cash flow from financing items and taxes</td>
<td>-67.9</td>
<td>-22.5</td>
<td>-59.5</td>
</tr>
<tr>
<td>Net cash flow from operating activities</td>
<td>73.3</td>
<td>198.5</td>
<td>313.5</td>
</tr>
<tr>
<td>Acquisitions, net of cash acquired</td>
<td>-1.3</td>
<td>-67.1</td>
<td>-66.8</td>
</tr>
<tr>
<td>Disposal of businesses, net of cash sold</td>
<td>-1.2</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Investments in associated companies and joint ventures</td>
<td>-4.7</td>
<td>-2.7</td>
<td>-2.7</td>
</tr>
<tr>
<td>Cash flow from investing activities, other items</td>
<td>-44.5</td>
<td>-34.9</td>
<td>-61.9</td>
</tr>
<tr>
<td>Net cash flow from investing activities</td>
<td>-51.8</td>
<td>-104.7</td>
<td>-131.5</td>
</tr>
<tr>
<td>Proceeds from share subscriptions</td>
<td>-</td>
<td>0.5</td>
<td>0.5</td>
</tr>
<tr>
<td>Treasury shares acquired</td>
<td>-</td>
<td>-</td>
<td>-7.6</td>
</tr>
<tr>
<td>Acquisition of non-controlling interests</td>
<td>-0.4</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Proceeds from long-term borrowings</td>
<td>250.0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Repayments of long-term borrowings</td>
<td>-241.4</td>
<td>-3.0</td>
<td>-3.2</td>
</tr>
<tr>
<td>Proceeds from short-term borrowings</td>
<td>0.4</td>
<td>30.0</td>
<td>38.2</td>
</tr>
<tr>
<td>Repayments of short-term borrowings</td>
<td>-33.6</td>
<td>-61.6</td>
<td>-58.9</td>
</tr>
<tr>
<td>Profit distribution</td>
<td>-61.6</td>
<td>-52.2</td>
<td>-52.8</td>
</tr>
<tr>
<td>Net cash flow from financing activities</td>
<td>-77.7</td>
<td>-86.4</td>
<td>-83.9</td>
</tr>
<tr>
<td>Change in cash and cash equivalents</td>
<td>-50.2</td>
<td>7.4</td>
<td>98.2</td>
</tr>
<tr>
<td>Cash, cash equivalents and bank overdrafts at the beginning of period</td>
<td>260.8</td>
<td>164.9</td>
<td>164.9</td>
</tr>
<tr>
<td>Effect of exchange rate changes</td>
<td>9.4</td>
<td>0.6</td>
<td>-2.2</td>
</tr>
<tr>
<td>Cash, cash equivalents and bank overdrafts at the end of period</td>
<td>214.0</td>
<td>172.9</td>
<td>260.8</td>
</tr>
<tr>
<td>Bank overdrafts at the end of period</td>
<td>18.4</td>
<td>26.7</td>
<td>12.4</td>
</tr>
<tr>
<td>Cash and cash equivalents at the end of period</td>
<td>232.5</td>
<td>199.6</td>
<td>273.2</td>
</tr>
</tbody>
</table>
Sustainability
Sustainability is a great business opportunity

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

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

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

Compared to transportation of goods

→ by trains, sea freight emits ~2-3 times less emissions
→ by trucks, sea freight emits ~3-4 times less emissions
→ by air cargo, sea freight emits ~14 times less emissions
Sustainability is our competitive advantage

Sales account for around 20% of the total revenue in 2016:
Significant R&D and digitalisation investments drive the growth of offering for eco-efficiency

- Systems efficiency
  - Visibility to identify inefficient use of resources and fuel
  - Software and design system

- Efficiency for environmental industries
  - Offering to support the operations in environmental industries
  - Cargotec solutions for environmental industries

- Emission efficiency
  - Technology to enable fuel and emission efficient offering
  - Products with features to decrease fuel usage and avoidance of maritime hydraulic oil emissions

- Resources efficiency
  - Service enabling the extended usage of products or new applications
  - Product conversions and modernizations
Cargotec will set the industry standard for sustainability

- Cargotec is a supporter of UN Global Compact and other major international sustainability initiatives
- We set the industrial standard in compliant and transparent operations
- We have a clear governance on sustainability issues with Board overview on the subject
- Safety is our key priority and we have clear improvement program to further decrease our current IIFR rate of 5.76
- Certification coverage of production sites:
  - ISO14001 92%
  - OHSAS18001 80%
  - ISO9001 94%
Kalmar appendix
The current replacement market size for key terminal equipment is EUR 1 billion annually and the market is expected to double in the next decade.

The replacement market will grow in coming years, as the container terminal capacity has expanded significantly during the last two decades.

Average lifetime of type of equipment:
- STS - 25 yrs
- RTG - 15 yrs
- SC - 8-10 yrs
- RS/ECH/TT – 8 yrs

Source: Drewry reports: Global Container Terminal Operators 2001-2016 Note: 1995-2000 capacity is estimation based on the assumption that the utilisation rate has been between 70-72% in that period. 2016-2020 forecast based on Drewry’s Global container terminal operators report, published in August 2016.
**Global container throughput development**

Growth stabilising in the short-mid term

**Global container throughput and GDP**

Change % y/y

Sources: Drewry Q1 2017
Drewry Q3 2016 (2018-2020)
IMF World Economic Outlook Database, April 2017

---

**GDP change**

**Global container throughput change**
Consolidation leading to five dominant container terminal operators in 2020

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

Terminal operators consolidating, recent M&A activity:

- COSCO and China Shipping merged
- APMT bought Group TCB
- CMA CGM bought APL
- Yildirim bought 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

Investor presentation
December 2017 79
Global container throughput and capacity development

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

Investor presentation December 2017
Three alliances controlling about 80% of global container fleet capacity
In 2018 there could be only 9-10 major global shopping lines

Shipping line

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

Total: 17 (10 after further consolidations)

Alliance/ Vessel sharing agreement (VSA)

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

April 2017

2M
Ocean Three
Ocean Alliance
G6 Alliance
The Alliance

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

Sources: Drewry, Alphaliner, Cargotec

Investor presentation December 2017
According to DS Research, the project pipeline of all upcoming container terminal projects consists of 405 TEU\text{m} additional capacity scheduled for completion until 2021. 298 TEU\text{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
IHS predicts global truck volumes to increase in 2017, driven by China and South Asia, Outlook on Europe has been upgraded significantly compared to previous forecasts.
Construction output forecast

Annual Construction Output

Changes vs last Forecast

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

YoY changes

<table>
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<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>NAM</td>
<td>3.1%</td>
<td>2.3%</td>
<td>2.4%</td>
<td>3.9%</td>
<td>3.5%</td>
<td>2.9%</td>
</tr>
<tr>
<td>SAM</td>
<td>-1.4%</td>
<td>-2.0%</td>
<td>0.5%</td>
<td>2.0%</td>
<td>2.0%</td>
<td>2.9%</td>
</tr>
<tr>
<td>NE</td>
<td>1.0%</td>
<td>-0.4%</td>
<td>2.7%</td>
<td>1.5%</td>
<td>1.5%</td>
<td>1.6%</td>
</tr>
<tr>
<td>CE</td>
<td>1.8%</td>
<td>1.1%</td>
<td>2.4%</td>
<td>2.1%</td>
<td>1.6%</td>
<td>1.4%</td>
</tr>
<tr>
<td>WE</td>
<td>2.2%</td>
<td>3.1%</td>
<td>2.0%</td>
<td>2.3%</td>
<td>2.6%</td>
<td>3.0%</td>
</tr>
<tr>
<td>APAC</td>
<td>4.5%</td>
<td>4.6%</td>
<td>4.5%</td>
<td>4.2%</td>
<td>4.3%</td>
<td>4.2%</td>
</tr>
<tr>
<td>Total</td>
<td>2.9%</td>
<td>2.8%</td>
<td>3.1%</td>
<td>3.5%</td>
<td>3.4%</td>
<td>3.3%</td>
</tr>
</tbody>
</table>

Source: Oxford construction output (All Output series are measured in billions, 2010 Prices), Forecast Jun 2017 compared to Mar 2017
MacGregor appendix
Merchant ships: Contracting forecast by shiptype (no of ships)
Merchant ship types > 2000 gt, base case

Source: Clarksons September 2017

Investor presentation
Merchant ships: Deliveries forecast by shiptype (no of ships)
Merchant ship types > 2000 gt, base case

Deliveries 2018 and onwards decrease due to the extremely low contracting levels 2015-2017, and will remain at historically lower levels in medium-term due to the continued lower contracting.

Source: Clarksons September 2017
Offshore oil & gas CAPEX – historical and projected
- Base case USD 60/bbl 2021

Source: Clarksons September 2017
Offshore mobile units: Contracting forecast by shiptype (number of units)
Offshore mobile units, base case USD 60/bbl 2021

Contracting history and forecast September 2017
No. of units, Mobile offshore units

Source: Clarksons September 2017
Offshore mobile units: Deliveries forecast by shiptype (no of units)

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

Source: Clarksons September 2017
Shipbuilding – Contracting ships >2000 gt/dwt

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

<table>
<thead>
<tr>
<th>Vessel Type</th>
<th>No.</th>
<th>$bn</th>
<th>m. CGT</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL (&gt;2,000 Dwt/GT**)</td>
<td>1,731</td>
<td>561</td>
<td>558</td>
</tr>
<tr>
<td>Vessel Type</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bulkers</td>
<td>344</td>
<td>55</td>
<td>150</td>
</tr>
<tr>
<td>Tankers</td>
<td>564</td>
<td>185</td>
<td>197</td>
</tr>
<tr>
<td>Containerships</td>
<td>268</td>
<td>95</td>
<td>48</td>
</tr>
<tr>
<td>Gas Carriers</td>
<td>111</td>
<td>21</td>
<td>34</td>
</tr>
<tr>
<td>Offshore</td>
<td>186</td>
<td>54</td>
<td>32</td>
</tr>
<tr>
<td>Others</td>
<td>258</td>
<td>151</td>
<td>97</td>
</tr>
<tr>
<td>Builder Country</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>China</td>
<td>593</td>
<td>249</td>
<td>215</td>
</tr>
<tr>
<td>South Korea</td>
<td>299</td>
<td>73</td>
<td>133</td>
</tr>
<tr>
<td>Japan</td>
<td>532</td>
<td>84</td>
<td>75</td>
</tr>
<tr>
<td>Europe</td>
<td>126</td>
<td>106</td>
<td>70</td>
</tr>
<tr>
<td>Other</td>
<td>181</td>
<td>40</td>
<td>65</td>
</tr>
</tbody>
</table>

#### Contracting Volumes 2009-2017

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of ships</th>
<th>Estimated newbuilding investment $bn</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Clarksons October 2017
Total ‘commercially available’ shipyard capacity peaked at around 63.9m CGT at the end of 2011 and has since declined by an estimated 28% to reach 46.3m CGT at the end of 2016.

A further 20% fall in capacity is expected between the end of 2016 and the end of 2019, when ‘commercially available’ capacity is forecast to decline to a low of 37.1m CGT.
Shipping cycle positions
Freight/earnings indicative cycles by ship type, timeline of each cycle not exact as they vary

Source: MacGregor internal & Clarksons September 2017
We are capturing ”blue growth” opportunities