Becoming the leader in intelligent cargo handling
Why invest in Cargotec?

- Our target: To become the leader in intelligent cargo handling
- Several favorable megatrends support our growth prospects
  - Digitalisation
  - Globalisation
  - Trade growth
  - Urbanisation
  - Growing middle class
- Transformation from equipment provider into a leader in intelligent cargo handling
- Growing services and software business increase stability of our business
- Unique position to benefit from the growth prospects in port automation and software
- Every 4th container in the world is moved by Kalmar solution
- Every other ship in the world has MacGregor equipment on board
- We have strong brands and a loyal global customer base

Financial targets
- Grow faster than the market
- Increase service and software sales to 40% of net sales, min. EUR 1.5 billion in 3-5 years
- Target 10% operating profit and 15% ROCE in 3-5 years
- Target gearing <50% and increasing dividend in the range of 30-50% of EPS, to be paid twice a year

Targets announced in September 2017
Content

1. Cargotec in brief
2. Investment highlights
3. Kalmar
4. Hiab
5. MacGregor
6. Recent progress
7. Appendix
Cargotec in brief
Strong global player with well-balanced business

Sales:
EUR 3,250 million
EBIT: 8.0%

Sales split: new equipment vs service and software

Kalmar
Sales: EUR 1,598 million
EBIT: 8.3% (EUR 133.1 million)
Service and software 33%
New equipment 67%

Hiab
Sales: EUR 1,084 million
EBIT: 14.5% (EUR 157.2 million)

MacGregor
Sales: EUR 571 million
EBIT: 1.9% (EUR 10.6 million)

Sales by business areas

MacGregor 18%
Kalmar 49%
Hiab 33%

Figures: 2017
EBIT % excluding restructuring costs

Sales by geographical area

AMER 32%
APAC 24%
EMEA 44%

Strengths we are building upon
Leading market positions in all segments
Strong brands
Loyal customers
Leading in technology

CARGOTEC

Figures have been restated according to IFRS 15 and are calculated by using the new definitions for the equipment, service and software businesses announced in March 2018

Investor presentation
November 2018
5
Key competitors
Cargotec is a leading player in all of its business areas

Global main competitors

Other competitors

Cargotec

Investor presentation
November 2018
Currently two businesses performing well

**Net sales* in Q4/17-Q3/18**

<table>
<thead>
<tr>
<th>EUR million</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>+5%</td>
<td>Low due to long term investments</td>
</tr>
<tr>
<td>MacGregor</td>
<td>+7%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Hiab</td>
<td>~1,100</td>
<td>12.6%</td>
</tr>
<tr>
<td>Kalmar equipment (excluding Automation and Projects Division &amp; Navis)</td>
<td>~1,200</td>
<td>Low double digit</td>
</tr>
<tr>
<td>Kalmar equipment</td>
<td>~400</td>
<td></td>
</tr>
<tr>
<td>Hiab</td>
<td>~500</td>
<td></td>
</tr>
<tr>
<td>MacGregor</td>
<td>~1,100</td>
<td></td>
</tr>
<tr>
<td>Kalmar APD and software</td>
<td>~400</td>
<td></td>
</tr>
</tbody>
</table>

* Figures rounded to closest 100 million

Figures have been restated according to IFRS 15 and are calculated by using the new definitions for the equipment, service and software businesses announced in March 2018.
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. Our vision is to become the global 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. Our vision is to become the global leader in intelligent cargo handling

<table>
<thead>
<tr>
<th>VISION</th>
<th>GLOBAL LEADER IN INTELLIGENT CARGO HANDLING</th>
</tr>
</thead>
<tbody>
<tr>
<td>MUST-WIN BATTLES</td>
<td>WIN THROUGH CUSTOMER CENTRICITY</td>
</tr>
<tr>
<td></td>
<td>We help our customers achieve their goals</td>
</tr>
<tr>
<td></td>
<td>by aligning our offering and way of working</td>
</tr>
<tr>
<td></td>
<td>to serve them better.</td>
</tr>
<tr>
<td></td>
<td>ACCELERATE DIGITALISATION</td>
</tr>
<tr>
<td></td>
<td>We build and expand our digital solutions</td>
</tr>
<tr>
<td></td>
<td>to offer a great customer experience and</td>
</tr>
<tr>
<td></td>
<td>more efficient business processes.</td>
</tr>
<tr>
<td></td>
<td>ADVANCE IN SERVICES</td>
</tr>
<tr>
<td></td>
<td>We extend our offering towards intelligent</td>
</tr>
<tr>
<td></td>
<td>solutions that enable us to serve our</td>
</tr>
<tr>
<td></td>
<td>customers wide across their lifecycle.</td>
</tr>
<tr>
<td></td>
<td>PRODUCTIVITY FOR GROWTH</td>
</tr>
<tr>
<td></td>
<td>We focus on activities that add value and</td>
</tr>
<tr>
<td></td>
<td>benefit our customers and us by developing</td>
</tr>
<tr>
<td></td>
<td>our business operations and common platforms.</td>
</tr>
</tbody>
</table>
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>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>766</td>
</tr>
<tr>
<td>2014</td>
<td>847</td>
</tr>
<tr>
<td>2015</td>
<td>931</td>
</tr>
<tr>
<td>2016</td>
<td>905</td>
</tr>
<tr>
<td>2017</td>
<td>907</td>
</tr>
<tr>
<td>Q3/2018</td>
<td>928</td>
</tr>
</tbody>
</table>

*Software sales defined as Navis business unit and automation software. Year 2017 figures have been restated according to IFRS 15 and 2013-2017 figures are calculated by using the new definitions for the equipment, service and software businesses announced in March 2018.

**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
- Customers consider their automation decisions carefully
  - Shipping line consolidation
  - Utilisation rates of the existing equipment base
  - Container throughput volumes
  - Efficiency of the automation solutions

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 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:
- 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**

*Target announced in September 2017
**Excluding restructuring costs
LTM=Last 12 months (Q4/17-Q3/18)
Container throughput still forecasted to grow year on year

Growth from 2013 to 2022 44%
CAGR 4.1 %

TEU million

<table>
<thead>
<tr>
<th>Year</th>
<th>APAC</th>
<th>EMEA</th>
<th>AMER</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>373</td>
<td>173</td>
<td>96</td>
</tr>
<tr>
<td>2014</td>
<td>395</td>
<td>182</td>
<td>98</td>
</tr>
<tr>
<td>2015</td>
<td>401</td>
<td>182</td>
<td>101</td>
</tr>
<tr>
<td>2016</td>
<td>416</td>
<td>185</td>
<td>101</td>
</tr>
<tr>
<td>2017</td>
<td>443</td>
<td>195</td>
<td>109</td>
</tr>
<tr>
<td>2018</td>
<td>467</td>
<td>206</td>
<td>113</td>
</tr>
<tr>
<td>2019</td>
<td>493</td>
<td>210</td>
<td>113</td>
</tr>
<tr>
<td>2020</td>
<td>518</td>
<td>216</td>
<td>120</td>
</tr>
<tr>
<td>2021</td>
<td>541</td>
<td>223</td>
<td>124</td>
</tr>
<tr>
<td>2022</td>
<td>566</td>
<td>230</td>
<td>128</td>
</tr>
</tbody>
</table>

Growth from 2013 to 2022: 44%
CAGR: 4.1%

Investor presentation November 2018
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

The collaboration platform serving the needs of ocean carriers, terminals and their shipping partners.

Industry leading spreader manufacturer.
Today's container supply chain is a fragmented and siloed framework

- Information sharing between parties is not optimally structured
  - Forms of communication today include email, phone calls, EDI, paper plans
  - Problems: incomplete data, errors, information not available on time

- In-house developed XVELA is a many-to-many platform to solve these issues
  - Real-time stowage collaboration
  - Port-to-port visibility and collaboration
  - Synchronisation of planning between carriers and terminals

Benefits of XVELA:
- Faster vessel turn times
- Operational efficiencies
- Cost savings
Services provide our biggest medium term growth opportunity

<table>
<thead>
<tr>
<th>Market share</th>
<th>Equipment &amp; Projects</th>
<th>Software</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>20-30%</td>
<td>20-30%</td>
<td>3-5%</td>
</tr>
<tr>
<td>Market size</td>
<td>6B€</td>
<td>0.5-1B€</td>
<td>8B€</td>
</tr>
</tbody>
</table>

Investor presentation November 2018
Recent automation deals highlight our successful investments in automation

Kalmar and Navis to deliver world-first intermodal automation solution to Sydney, Australia
Greenfield intermodal terminal, Qube’s Moorebank Logistics Park
  • First fully automated intermodal terminal in the world
Kalmar OneTerminal contract, including Navis N4 TOS
All equipment can be operated electrically on local solar power
Order value EUR 80 million, booked in Q2 2018

Fully digitalised and autonomous container handling solution with software and services to Yara
Solution enables autonomous, cost efficient and emission-free operations of the Yara Birkeland container ship in Norway
Hiab
Construction output driving growth opportunity

EMEA construction output
y/y change (%)

AMER construction output
y/y change (%)

Oxford Economics: Industry output forecast
9/2018

November 2018 Investor presentation 23
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

[MARKET SIZE] (EUR billion)

**KEY SEGMENTS**

- Construction and Logistics
- Retail Logistics
- Waste and Recycling
- Construction and Logistics
- Timber, Pulp and Paper

**HIAB POSITION & TREND**

- #1-2
- #1
- #1
- #1
- #2

[MARKET SIZE]

**MARKET SIZE**

- Construction and Logistics: ~1.3 EUR billion
- Retail Logistics: ~0.5 EUR billion
- Waste and Recycling: ~0.5 EUR billion
- Construction and Logistics: ~0.3 EUR billion
- Timber, Pulp and Paper: ~0.2 EUR billion

*) Cargotec estimate
## Attractive megatrends and growth drivers

### MEGATRENDS
- 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 2015-2024**
Merchant ships > 2,000 gt (excl ofs and misc)

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<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Avg.</td>
<td>1,800</td>
<td>1,500</td>
<td>1,200</td>
<td>1,000</td>
<td>800</td>
<td>600</td>
<td>400</td>
<td>300</td>
<td>200</td>
<td>100</td>
</tr>
<tr>
<td>Historical avg</td>
<td>1,600</td>
<td>1,300</td>
<td>1,100</td>
<td>900</td>
<td>700</td>
<td>500</td>
<td>300</td>
<td>200</td>
<td>100</td>
<td>50</td>
</tr>
</tbody>
</table>

**Forecast**

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**Long term contracting 2015-2024**
Mobile offshore units

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Avg.</td>
<td>700</td>
<td>500</td>
<td>300</td>
<td>200</td>
<td>100</td>
<td>50</td>
<td>25</td>
<td>10</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Historical avg</td>
<td>600</td>
<td>400</td>
<td>200</td>
<td>100</td>
<td>50</td>
<td>25</td>
<td>10</td>
<td>5</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

**Forecast**

Source: Clarksons September 2018

Investor presentation
November 2018
MacGregor’s asset-light business model gives flexibility

Cost-efficient scaling

90% of manufacturing outsourced
30% of design and engineering capacity outsourced
Recent progress
We have increased EBIT* margins since 2013 through operational improvements

<table>
<thead>
<tr>
<th>2013 EBIT-%*</th>
<th>Hiab equipment</th>
<th>Service and software</th>
<th>Kalmar’s large projects</th>
<th>Kalmar equipment</th>
<th>MacGregor equipment business</th>
<th>R&amp;D, Software, Sales network and Service investments</th>
<th>Other fixed costs increases</th>
<th>Q2 2017 LTM EBIT-%*</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.0%</td>
<td>3.4%</td>
<td>1.9%</td>
<td>1.6%</td>
<td>1.0%</td>
<td>-1.5%</td>
<td>-2.5%</td>
<td>-0.3%</td>
<td>7.5%</td>
</tr>
</tbody>
</table>

EBIT* 2013
EUR 127 million

EUR 264 million better gross profit

EUR 133 million increase in fixed costs

EBIT* Q2 2017 LTM**
EUR 258 million

*Excluding restructuring costs
**LTM=Last 12 months (Q3/16-Q2/17)
Previously announced cost savings programmes proceeding

- EUR 50 million annual group-wide savings from 2020 onwards
  - EUR 18 million cumulative savings at the end of Q3/18
- EUR 13 million in 2018 (MacGregor)
  - EUR 8 million savings in 1-9/18
- EUR 13 million in 2018 (Kalmar)
  - Relocation of assembly operation completed
  - EUR 5 million savings in 1-9/18
- Product redesign and project management improvement continues in 2018
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 10 million savings realised in 2017 and additional EUR 8 million in 1-9/18

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**Expected savings compared to 2016 cost level, MEUR**

- Indirect procurement
- Support functions

- Including business services centre in Sofia

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Investor presentation

November 2018

34
We have established 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
  - Cargotec Business Service (CBS) centre in Sofia, Bulgaria officially opened 30 January 2018
Targeting EUR 1.5 billion service and software sales in 3-5 years

Cargotec service sales total EUR 907 million in 2017
- Spare parts the biggest category, around 50% of total service sales
- Maintenance around 30% of total service sales

### Kalmar

<table>
<thead>
<tr>
<th>Category</th>
<th>MEUR 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service orders received</td>
<td>432</td>
</tr>
<tr>
<td>Service sales</td>
<td>445</td>
</tr>
</tbody>
</table>

### Hiab

<table>
<thead>
<tr>
<th>Category</th>
<th>MEUR 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service orders received</td>
<td>262</td>
</tr>
<tr>
<td>Service sales</td>
<td>258</td>
</tr>
</tbody>
</table>

### MacGregor

<table>
<thead>
<tr>
<th>Category</th>
<th>MEUR 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service orders received</td>
<td>203</td>
</tr>
<tr>
<td>Service sales</td>
<td>205</td>
</tr>
</tbody>
</table>

Year 2017 figures have been restated according to IFRS 15 and 2017 figures are calculated by using the new definitions for the equipment, service and software businesses announced in March 2018.
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

<table>
<thead>
<tr>
<th>Year</th>
<th>Net debt</th>
<th>Gearing-%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>578 MEUR</td>
<td>46.7%</td>
</tr>
<tr>
<td>2014</td>
<td>719 MEUR</td>
<td>59.2%</td>
</tr>
<tr>
<td>2015</td>
<td>622 MEUR</td>
<td>48.4%</td>
</tr>
<tr>
<td>2016</td>
<td>503 MEUR</td>
<td>36.0%</td>
</tr>
<tr>
<td>2017*</td>
<td>472 MEUR</td>
<td>33.1%</td>
</tr>
<tr>
<td>Q3/18</td>
<td>639 MEUR</td>
<td>45.3%</td>
</tr>
</tbody>
</table>

*Year 2017 figures have been restated according to IFRS 15

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
Progress in M&A in 2017

RAPP MARINE GROUP
Strengthen MacGregor’s offering for the fishery and research vessel segment

Sales
EUR 40 million in 2017
Around 30% of sales from services

ARGOS
Hiab entrance to Brazilian loader crane market

Sales
EUR 6 million in 2017

INVER PORT SOLUTIONS
Broaden Kalmar’s existing service capabilities throughout Australia

Sales
EUR 5 million in 2017
Acquisition of EFFER to support Hiab’s global offering

**Effer in brief**
- Global leader in the heavy cranes segment
- 2017 sales around EUR 71 million and operating profit EUR 6 million
- Distribution network of over 100 dealers covering 60 countries globally

**Strategic rationale**
- Effer complements Hiab’s loader cranes portfolio and expands the offering in heavy cranes
- Leverage Hiab’s global service network to boost Effer service sales
- Strengthen Hiab’s position in Effer’s core market areas

**Transaction highlights**
- Enterprise value EUR 50 million
- Acquisition is subject to regulatory approvals expected to be received by the end of 2018
Acquisition of TTS marine and offshore business announced 8 February 2018

Strategic rationale

Combination of two highly complementary businesses producing greater scale and diversification

- By acquiring TTS marine and offshore business, Cargotec will strengthen MacGregor’s portfolio and market position in key areas in cargo and load handling markets

The acquisition will strengthen MacGregor’s service growth potential and service installed base

Position in China through strategic joint ventures with Chinese state owned ship building companies

Unlocking potential significant synergies

- Based on preliminary estimates, potential cost synergies are estimated to be around EUR 30-35 million on annual level and are expected to be reached within 3 years from closing
TTS overview

TTS provides equipment for the marine and offshore industries through subsidiaries in 15 countries

TTS Group’s main products are a wide range of cargo handling and offshore cranes, RoRo access systems, hatch covers, winches and related services.

The company's service business includes spare parts, maintenance, inspections, modernisation, conversion and training. With a worldwide workforce of around 930 employees, TTS has more than 50 years of experience in the marine industry.

The group has subsidiaries in Belgium, Brazil, China, Germany, Greece, Italy, Korea, Norway, Poland, Singapore, Sweden, UAE, USA and Vietnam. TTS operates mainly through three 50/50 owned joint venture companies in China.
<table>
<thead>
<tr>
<th>TTS product portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RoRo, Cruise &amp; Navy</strong></td>
</tr>
<tr>
<td>Container, Bulk &amp; Tank Vessels</td>
</tr>
<tr>
<td>Multipurpose &amp; General Cargo</td>
</tr>
<tr>
<td>Offshore Vessels</td>
</tr>
<tr>
<td>Services</td>
</tr>
</tbody>
</table>

![Images of different types of vessels and equipment]
# Financial summary

MEUR, 2017

<table>
<thead>
<tr>
<th></th>
<th>TTS business planned to be acquired(^1)</th>
<th>MacGregor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>211</td>
<td>576</td>
</tr>
<tr>
<td>Services (as % of revenues)</td>
<td>26%</td>
<td>33%</td>
</tr>
</tbody>
</table>

\(^1\) Based on exchange rate EUR / NOK: 9.35

The presented TTS business financial figures are calculated based on full consolidation, but their actual impact on Cargotec’s financials is subject to applied post-acquisition consolidation method of the joint ventures included in the acquisition.
## Transaction highlights

<table>
<thead>
<tr>
<th>Transaction terms and structure</th>
<th>Financing</th>
<th>Deal certainty and timing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition of TTS business</td>
<td>Transaction consideration will be covered by Cargotec’s available cash and financing</td>
<td>More than 2/3 of TTS shareholders supports the transaction and have committed to vote in favor of the deal in TTS Group’s Extraordinary General Meeting. Furthermore, more than 2/3 of convertible bondholders have made the same commitment, if any of their bonds are converted to shares prior to the Extraordinary General Meeting. The acquisition is subject to regulatory approvals from competition authorities, which are expected to be received by the end of 2018</td>
</tr>
<tr>
<td>- TTS Group ASA and its shipyard solution business, TTS Syncrolift AS, are excluded from the deal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Only certain HQ costs will be assumed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total consideration of EUR 87m on a debt free / cash free basis, with customary closing adjustments</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Two divestments made during Q2/18

Divestments
- Siwertell and Kalmar Rough Terrain Center
- Both outside of Kalmar’s core areas of container ports, heavy industry and distribution

Revaluation of RHI shares during Q2/18, non-cash EUR 30 million charge
Our target is to reach 10% EBIT

- **Q3/18 LTM**:
  - 7.4% Service & Software

- **EBIT Growth**:
  - ~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

- **EBIT target**:
  - ~1-2%
  - ~10%

Target announced in September 2017, target to be reached in 3-5 years
*LTM=Last 12 months (Q4/17-Q3/18)
**Excluding restructuring costs
Highlights of Q3 2018 – Orders received grew in all business areas

23% growth in orders received
- 38% increase in Kalmar, 13% in Hiab

Sales increased 9%
- Growth in all business areas
- Service sales increased 3%
- EMEA +22%, AMER +3%, APAC -5%

Operating profit* at last year’s level

*) Excluding restructuring costs
Year 2017 figures have been restated according to IFRS 15
Market environment 2018

Growth in number of containers handled at ports continued
- Customers’ decision making related to automation solutions is slow and starting mainly with phased investments

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

Market improved in merchant sector, but orders remained below historical levels
- In offshore, interest level has increased, but activity remains on a low level

Global container throughput (MTEU) – Key driver for Kalmar

Source: Drewry

Construction output – Key driver for Hiab

United States
- +3.2%

Europe
- +3.4%

Source: Oxford Economics

Long term contracting – Key driver for MacGregor

Merchant ships > 2,000 gt (excl. ofs & misc)
- +33%

Mobile offshore units
- +8%

Source: Clarkson Research
Indicative historical average
Orders received increased 23%
Order book improving

Year 2017 figures have been restated according to IFRS 15
Sales increased 9%, operating profit* at last year’s level

Sales
MEUR

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q3/17</th>
<th>Q4/17</th>
<th>Q1/18</th>
<th>Q2/18</th>
<th>Q3/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kalmar</td>
<td>736</td>
<td>886</td>
<td>773</td>
<td>816</td>
<td>805</td>
</tr>
<tr>
<td>Hiab</td>
<td>114</td>
<td>141</td>
<td>126</td>
<td>133</td>
<td>130</td>
</tr>
<tr>
<td>MacGregor</td>
<td>252</td>
<td>280</td>
<td>276</td>
<td>295</td>
<td>260</td>
</tr>
</tbody>
</table>

Operating profit*
MEUR

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q3/17</th>
<th>Q4/17</th>
<th>Q1/18</th>
<th>Q2/18</th>
<th>Q3/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kalmar</td>
<td>57.2</td>
<td>71.9</td>
<td>57.0</td>
<td>56.3</td>
<td>57.1</td>
</tr>
<tr>
<td>Hiab</td>
<td>-10</td>
<td>0</td>
<td>10</td>
<td>20</td>
<td>30</td>
</tr>
<tr>
<td>MacGregor</td>
<td>40</td>
<td>50</td>
<td>60</td>
<td>70</td>
<td>80</td>
</tr>
</tbody>
</table>

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

Year 2017 figures have been restated according to IFRS 15
Growth in services continued

Service sales grew 3%
- Kalmar +0% (+2% in comparable FX)
  - +9% in comparable FX and adjusted for divestments and acquisitions
- Hiab +6% (+7%)
- MacGregor +5% (+7%)
- Total service sales +4% in comparable FX

Software sales increased 33%

Service and software sales constitute 33% of total sales

*Software sales defined as Navis business unit and automation software
Kalmar Q3 – Good development in all key figures

Orders received continued to increase
- Growth in automation and projects, mobile equipment and services

Sales increased 12%
- Growth in all main geographical regions
- Services growth +9% in comparable FX and adjusted for divestments and acquisitions

Operating profit* increased due to higher sales

<table>
<thead>
<tr>
<th></th>
<th>MEUR</th>
<th>Q3/18</th>
<th>Q3/17</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received</td>
<td>486</td>
<td>351</td>
<td>+38%</td>
<td></td>
</tr>
<tr>
<td>Order book</td>
<td>1,003</td>
<td>895</td>
<td>+12%</td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>415</td>
<td>371</td>
<td>+12%</td>
<td></td>
</tr>
<tr>
<td>Operating profit*</td>
<td>38.6</td>
<td>30.0</td>
<td>+29%</td>
<td></td>
</tr>
<tr>
<td>Operating profit margin*</td>
<td>9.3%</td>
<td>8.1%</td>
<td>+123bps</td>
<td></td>
</tr>
</tbody>
</table>

*) Excluding restructuring costs

Year 2017 figures have been restated according to IFRS 15
Hiab Q3 – Strong orders, operating profit declined

Strong development in orders received continued
- EMEA +15% and Americas +9%

Sales increased +3%
- Service sales +6% (+7% in constant FX)

Operating profit declined due to:
- Currency impact, mainly USD/EUR
- Product mix and supply chain challenges
- Investments in sales & service network, competence and tools

<table>
<thead>
<tr>
<th></th>
<th>MEUR</th>
<th>Q3/18</th>
<th>Q3/17</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received</td>
<td>294</td>
<td>260</td>
<td></td>
<td>+13%</td>
</tr>
<tr>
<td>Order book</td>
<td>371</td>
<td>294</td>
<td></td>
<td>+27%</td>
</tr>
<tr>
<td>Sales</td>
<td>260</td>
<td>252</td>
<td></td>
<td>+3%</td>
</tr>
<tr>
<td>Operating profit*</td>
<td>24.2</td>
<td>33.7</td>
<td></td>
<td>-28%</td>
</tr>
<tr>
<td>Operating profit margin*</td>
<td>9.3%</td>
<td>13.4%</td>
<td></td>
<td>-408bps</td>
</tr>
</tbody>
</table>

Acquisition of Effer announced during the quarter

Scott Phillips appointed new President of Hiab as of 1 October 2018

Year 2017 figures have been restated according to IFRS 15

*) Excluding restructuring costs
MacGregor Q3 – Orders received increased slightly

Orders received increased 2%
- Comparison period included a large single order of around EUR 25 million
- Service orders +8%

Sales increased 14%
- Service sales +5%

Operating profit* decreased due to:
- M&A and integration related costs of around EUR 1.5 million
- Low capacity utilisation in certain product areas

<table>
<thead>
<tr>
<th></th>
<th>MEUR</th>
<th>Q3/18</th>
<th>Q3/17</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received</td>
<td>141</td>
<td>139</td>
<td>+2%</td>
<td></td>
</tr>
<tr>
<td>Order book</td>
<td>513</td>
<td>511</td>
<td>+0%</td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>130</td>
<td>114</td>
<td>+14%</td>
<td></td>
</tr>
<tr>
<td>Operating profit*</td>
<td>0.3</td>
<td>2.9</td>
<td>-89%</td>
<td></td>
</tr>
<tr>
<td>Operating profit margin*</td>
<td>0.2%</td>
<td>2.5%</td>
<td>-231bps</td>
<td></td>
</tr>
</tbody>
</table>

*) Excluding restructuring costs

Year 2017 figures have been restated according to IFRS 15
### Key figures – Orders received grew 23% in Q3 2018

<table>
<thead>
<tr>
<th></th>
<th>7–9/18</th>
<th>7–9/17**</th>
<th>Change</th>
<th>1–9/18</th>
<th>1–9/17**</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received, MEUR</td>
<td>921</td>
<td>749</td>
<td>+23%</td>
<td>2,766</td>
<td>2,406</td>
<td>+15%</td>
</tr>
<tr>
<td>Order book, MEUR</td>
<td>1,887</td>
<td>1,699</td>
<td>+11%</td>
<td>1,887</td>
<td>1,699</td>
<td>+11%</td>
</tr>
<tr>
<td>Sales, MEUR</td>
<td>805</td>
<td>736</td>
<td>+9%</td>
<td>2,394</td>
<td>2,364</td>
<td>+1%</td>
</tr>
<tr>
<td>Operating profit*, MEUR</td>
<td>57.1</td>
<td>57.2</td>
<td>-0%</td>
<td>170.4</td>
<td>186.6</td>
<td>-9%</td>
</tr>
<tr>
<td>Operating profit*, %</td>
<td>7.1%</td>
<td>7.8%</td>
<td>-67bps</td>
<td>7.1%</td>
<td>7.9%</td>
<td>-78bps</td>
</tr>
<tr>
<td>Restructuring costs, MEUR</td>
<td>2.6</td>
<td>4.7</td>
<td>-44%</td>
<td>41.3</td>
<td>19.2</td>
<td>+115%</td>
</tr>
<tr>
<td>Operating profit, MEUR</td>
<td>54.5</td>
<td>52.5</td>
<td>+4%</td>
<td>129.1</td>
<td>167.4</td>
<td>-23%</td>
</tr>
<tr>
<td>Operating profit, %</td>
<td>6.8%</td>
<td>7.1%</td>
<td>-36bps</td>
<td>5.4%</td>
<td>7.1%</td>
<td>-169bps</td>
</tr>
<tr>
<td>Net income, MEUR</td>
<td>37.9</td>
<td>32.4</td>
<td>+17%</td>
<td>73.9</td>
<td>105.0</td>
<td>-30%</td>
</tr>
<tr>
<td>Earnings per share, EUR</td>
<td>0.58</td>
<td>0.50</td>
<td>+16%</td>
<td>1.13</td>
<td>1.63</td>
<td>-31%</td>
</tr>
<tr>
<td>Earnings per share, EUR***</td>
<td>0.62</td>
<td>0.55</td>
<td>+12%</td>
<td>1.69</td>
<td>1.85</td>
<td>-9%</td>
</tr>
</tbody>
</table>

*) Excluding restructuring costs
**) Year 2017 figures have been restated according to IFRS 15
***) Excluding restructuring costs adjusted with related tax effect
Cash flow from operations weak due to supply chain challenges and lower advances received

Cash flow from operations
MEUR

-20  0  20  40  60  80  100  120  140  160
Q1/16  Q2/16  Q3/16  Q4/16  Q1/17  Q2/17  Q3/17  Q4/17  Q1/18  Q2/18  Q3/18
91  56  74  152  12  40  88  112  -4  27  17
ROCE impacted by restructuring costs
ROCE excluding restructuring costs 10%

ROCE (return on capital employed), annualised *) Excluding restructuring costs

Year 2017 figures have been restated according to IFRS 15
Strong balance sheet

Net debt EUR 639 million
(31 Dec 2017: 472)
- Average interest rate 2.1% (2.3%)
- Net debt/EBITDA 2.5 (1.6)

Total shareholders’ equity
EUR 1,409 million (1,423)
- Equity/total assets 40.7% (41.4%)

Well diversified loan portfolio:
- Bonds EUR 464 million
- Bank loans EUR 291 million
- EUR 300 million revolving credit facility refinanced in Q2/17, the facility is fully undrawn

Balanced maturity profile
- EUR 113 million loans maturing in 2018

Year 2017 figures have been restated according to IFRS 15
Outlook for 2018

Cargotec reiterates its outlook published on 8 February 2018 and expects its operating profit excluding restructuring costs for 2018 to improve from 2017 (EUR 258.6 million, IFRS 15 restated).

CARGOTEC
Appendix

1. Largest shareholders and financials
2. Sustainability
3. Kalmar
4. Hiab
5. MacGregor
## Largest shareholders
### 31 October 2018

<table>
<thead>
<tr>
<th>Shareholder</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. Varma Mutual Pension Insurance Company</td>
<td>2.2</td>
<td>1.0</td>
</tr>
<tr>
<td>6. Ilmarinen Mutual Pension Insurance Company</td>
<td>1.4</td>
<td>0.6</td>
</tr>
<tr>
<td>7. The State Pension Fund</td>
<td>1.3</td>
<td>0.6</td>
</tr>
<tr>
<td>8. Herlin Heikki Juho Kustaa</td>
<td>0.6</td>
<td>0.3</td>
</tr>
<tr>
<td>9. Veritas Pension Insurance Company</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>28.9</td>
<td></td>
</tr>
<tr>
<td><strong>Total number of shareholders</strong></td>
<td><strong>21,655</strong></td>
<td></td>
</tr>
</tbody>
</table>

Wipunen varainhallinta Oy is a company controlled by Ilkka Herlin, Mariatorp Oy a company controlled by Niklas Herlin’s estate and Pivosto Oy a company controlled by Ilona Herlin.
Solid track record to increase the dividend

EUR 1.05 dividend per B share for 2017
Dividend was paid in two instalments (EUR 0.53 and 0.52)

*2017 EPS figure has been restated according to IFRS 15
Capex and R&D

Capital expenditure

Research and development

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

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

*) Including amortisations and impairments
Hiab’s share increasing in sales mix

Year 2017 figures have been restated according to IFRS 15
Well diversified geographical sales mix

Year 2017 figures have been restated according to IFRS 15
Sales by geographical segment by business area 2017

Year 2017 figures have been restated according to IFRS 15
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 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 (Navis–Kalmar 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

Year 2017 figures have been restated according to IFRS 15

LTM=Last 12 months (Q4/17-Q3/18)
Year 2017 figures have been restated according to IFRS 15
Gross profit development

Gross profit, MEUR

Year 2017 figures have been restated according to IFRS 15

LTM=Last 12 months (Q4/17-Q3/18)
Target to improve cash flow

Cash flow from operations before financing items and taxes

MEUR

- 2013: 181 MEUR
- 2014: 204 MEUR
- 2015: 315 MEUR
- 2016: 373 MEUR
- 2017: 253 MEUR
- Q3/18 LTM: 152 MEUR
### Income statement Q3 2018

<table>
<thead>
<tr>
<th>MEUR</th>
<th>Q3/18</th>
<th>Q3/17</th>
<th>Q1-Q3/18</th>
<th>Q1-Q3/17</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>804.6</td>
<td>736.1</td>
<td>2,393.7</td>
<td>2,363.8</td>
<td>3,249.8</td>
</tr>
<tr>
<td><strong>Cost of goods sold</strong></td>
<td>-607.8</td>
<td>-540.8</td>
<td>-1,795.3</td>
<td>-1,742.7</td>
<td>-2,397.7</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>196.7</td>
<td>195.3</td>
<td>598.4</td>
<td>620.9</td>
<td>852.1</td>
</tr>
<tr>
<td><strong>Gross profit, %</strong></td>
<td>24.4%</td>
<td>26.5%</td>
<td>23.0%</td>
<td>25.3%</td>
<td>26.2%</td>
</tr>
<tr>
<td><strong>Other operating income</strong></td>
<td>8.6</td>
<td>8.4</td>
<td>30.1</td>
<td>27.5</td>
<td>35.8</td>
</tr>
<tr>
<td><strong>Selling and marketing expenses</strong></td>
<td>-57.9</td>
<td>-51.9</td>
<td>-173.3</td>
<td>-165.3</td>
<td>-221.8</td>
</tr>
<tr>
<td><strong>Research and development expenses</strong></td>
<td>-22.2</td>
<td>-21.6</td>
<td>-70.5</td>
<td>-70.7</td>
<td>-98.2</td>
</tr>
<tr>
<td><strong>Administration expenses</strong></td>
<td>-60.3</td>
<td>-64.2</td>
<td>-186.6</td>
<td>-200.1</td>
<td>-273.6</td>
</tr>
<tr>
<td><strong>Restructuring costs</strong></td>
<td>-2.6</td>
<td>-4.7</td>
<td>-41.3</td>
<td>-19.2</td>
<td>-36.5</td>
</tr>
<tr>
<td><strong>Other operating expenses</strong></td>
<td>-9.7</td>
<td>-9.0</td>
<td>-26.3</td>
<td>-26.9</td>
<td>-36.7</td>
</tr>
<tr>
<td><strong>Costs and expenses</strong></td>
<td>-143.1</td>
<td>-142.9</td>
<td>-469.9</td>
<td>-454.7</td>
<td>-631.0</td>
</tr>
<tr>
<td><strong>Share of associated companies’ and joint ventures’ net income</strong></td>
<td>0.9</td>
<td>0.2</td>
<td>0.6</td>
<td>1.2</td>
<td>0.9</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>54.5</td>
<td>52.5</td>
<td>129.1</td>
<td>167.4</td>
<td>222.1</td>
</tr>
<tr>
<td><strong>Operating profit, %</strong></td>
<td>6.8%</td>
<td>7.1%</td>
<td>5.4%</td>
<td>7.1%</td>
<td>6.8%</td>
</tr>
<tr>
<td><strong>Financing income and expenses</strong></td>
<td>-7.6</td>
<td>-7.9</td>
<td>-20.1</td>
<td>-25.2</td>
<td>-32.9</td>
</tr>
<tr>
<td><strong>Income before taxes</strong></td>
<td>47.0</td>
<td>44.6</td>
<td>108.9</td>
<td>142.2</td>
<td>189.2</td>
</tr>
<tr>
<td><strong>Income before taxes, %</strong></td>
<td>5.9%</td>
<td>6.1%</td>
<td>4.6%</td>
<td>5.0%</td>
<td>5.8%</td>
</tr>
<tr>
<td><strong>Income taxes</strong></td>
<td>-9.0</td>
<td>-12.2</td>
<td>-35.0</td>
<td>-37.2</td>
<td>-56.5</td>
</tr>
<tr>
<td><strong>Net income for the period</strong></td>
<td>37.9</td>
<td>32.4</td>
<td>73.9</td>
<td>105.0</td>
<td>132.7</td>
</tr>
<tr>
<td><strong>Net income for the period, %</strong></td>
<td>4.7%</td>
<td>4.4%</td>
<td>3.1%</td>
<td>4.4%</td>
<td>4.1%</td>
</tr>
</tbody>
</table>

#### Net income for the period attributable to:
- **Equity holders of the parent:** 37.9, 32.5, 73.0, 105.3, 132.4
- **Non-controlling interest:** 0.4, -0.1, 0.9, -0.3, 0.2
- **Total:** 37.9, 32.4, 73.9, 105.0, 132.7

#### Earnings per share for profit attributable to the equity holders of the parent:
- **Basic earnings per share, EUR:** 0.50, 0.50, 1.13, 1.63, 2.05
- **Diluted earnings per share, EUR:** 0.50, 0.50, 1.13, 1.63, 2.05

---

Figures have been restated according to IFRS 15
## Balance sheet Q3 2018

### ASSETS, MEUR

**Non-current assets**

<table>
<thead>
<tr>
<th></th>
<th>30 Sep 2018</th>
<th>30 Sep 2017</th>
<th>31 Dec 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwill</td>
<td>956.7</td>
<td>994.9</td>
<td>986.7</td>
</tr>
<tr>
<td>Other intangible assets</td>
<td>251.0</td>
<td>262.8</td>
<td>260.8</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>306.8</td>
<td>291.8</td>
<td>310.8</td>
</tr>
<tr>
<td>Investments in associated companies and joint ventures</td>
<td>98.8</td>
<td>113.8</td>
<td>109.8</td>
</tr>
<tr>
<td>Available-for-sale investments</td>
<td>0.3</td>
<td>3.8</td>
<td>0.2</td>
</tr>
<tr>
<td>Loans receivable and other interest-bearing assets</td>
<td>36.6</td>
<td>4.5</td>
<td>5.0</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>149.1</td>
<td>184.5</td>
<td>150.0</td>
</tr>
<tr>
<td>Derivative assets</td>
<td>1.0</td>
<td>7.5</td>
<td>6.1</td>
</tr>
<tr>
<td>Other non-interest-bearing assets</td>
<td>10.0</td>
<td>7.0</td>
<td>8.5</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>1,807.3</td>
<td>1,870.6</td>
<td>1,837.9</td>
</tr>
</tbody>
</table>

**Current assets**

<table>
<thead>
<tr>
<th></th>
<th>30 Sep 2018</th>
<th>30 Sep 2017</th>
<th>31 Dec 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventories</td>
<td>699.0</td>
<td>666.2</td>
<td>623.3</td>
</tr>
<tr>
<td>Loans receivable and other interest-bearing assets*</td>
<td>2.5</td>
<td>2.6</td>
<td>2.5</td>
</tr>
<tr>
<td>Income tax receivables</td>
<td>66.5</td>
<td>47.1</td>
<td>38.4</td>
</tr>
<tr>
<td>Derivative assets</td>
<td>16.9</td>
<td>15.1</td>
<td>13.3</td>
</tr>
<tr>
<td>Accounts receivable and other non-interest-bearing assets</td>
<td>768.7</td>
<td>679.1</td>
<td>746.8</td>
</tr>
<tr>
<td>Cash and cash equivalents*</td>
<td>189.3</td>
<td>232.5</td>
<td>309.1</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>1,742.9</td>
<td>1,642.6</td>
<td>1,731.4</td>
</tr>
</tbody>
</table>

**Total assets** | 3,550.3 | 3,513.2 | 3,569.3 |

### EQUITY AND LIABILITIES, MEUR

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

<table>
<thead>
<tr>
<th></th>
<th>30 Sep 2018</th>
<th>30 Sep 2017</th>
<th>31 Dec 2017</th>
</tr>
</thead>
<tbody>
<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>-39.2</td>
<td>-12.9</td>
<td>-31.2</td>
</tr>
<tr>
<td>Fair value reserves</td>
<td>-8.1</td>
<td>4.4</td>
<td>2.1</td>
</tr>
<tr>
<td>Reserve for invested non-restricted equity</td>
<td>69.0</td>
<td>69.0</td>
<td>69.0</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>1,224.6</td>
<td>1,195.4</td>
<td>1,220.6</td>
</tr>
<tr>
<td><strong>Total equity attributable to the equity holders of the parent</strong></td>
<td>1,408.5</td>
<td>1,419.1</td>
<td>1,422.8</td>
</tr>
</tbody>
</table>

**Non-controlling interest** | 2.9 | 2.3 | 2.3 |

**Total equity** | 1,411.4 | 1,421.4 | 1,425.1 |

**Non-current liabilities**

<table>
<thead>
<tr>
<th></th>
<th>30 Sep 2018</th>
<th>30 Sep 2017</th>
<th>31 Dec 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest-bearing liabilities*</td>
<td>565.6</td>
<td>730.3</td>
<td>673.8</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>17.7</td>
<td>75.5</td>
<td>12.7</td>
</tr>
<tr>
<td>Pension obligations</td>
<td>87.2</td>
<td>83.0</td>
<td>87.5</td>
</tr>
<tr>
<td>Provisions</td>
<td>14.9</td>
<td>19.3</td>
<td>17.1</td>
</tr>
<tr>
<td>Other non-interest-bearing liabilities</td>
<td>57.5</td>
<td>50.4</td>
<td>61.5</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td>763.0</td>
<td>967.4</td>
<td>852.6</td>
</tr>
</tbody>
</table>

**Current liabilities**

<table>
<thead>
<tr>
<th></th>
<th>30 Sep 2018</th>
<th>30 Sep 2017</th>
<th>31 Dec 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current portion of interest-bearing liabilities*</td>
<td>186.9</td>
<td>17.6</td>
<td>83.8</td>
</tr>
<tr>
<td>Other interest-bearing liabilities*</td>
<td>124.7</td>
<td>35.0</td>
<td>37.6</td>
</tr>
<tr>
<td>Provisions</td>
<td>87.4</td>
<td>103.4</td>
<td>103.5</td>
</tr>
<tr>
<td>Advances received</td>
<td>81.9</td>
<td>141.4</td>
<td>126.9</td>
</tr>
<tr>
<td>Income tax receivables</td>
<td>42.0</td>
<td>17.0</td>
<td>40.1</td>
</tr>
<tr>
<td>Derivative liabilities</td>
<td>9.3</td>
<td>5.6</td>
<td>6.4</td>
</tr>
<tr>
<td>Accounts payable and other non-interest-bearing liabilities</td>
<td>882.7</td>
<td>804.4</td>
<td>884.4</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>1,375.8</td>
<td>1,124.3</td>
<td>1,291.7</td>
</tr>
</tbody>
</table>

**Total equity and liabilities** | 3,550.3 | 3,513.2 | 3,569.3 |

---

**Figures have been restated according to IFRS 15**
## Cash flow statement Q3 2018

<table>
<thead>
<tr>
<th>Category</th>
<th>Q1-Q3/18</th>
<th>Q1-Q3/17</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net income for the period</strong></td>
<td>73.9</td>
<td>105.0</td>
<td>132.7</td>
</tr>
<tr>
<td><strong>Depreciation, amortisation and impairment</strong></td>
<td>57.6</td>
<td>52.7</td>
<td>72.0</td>
</tr>
<tr>
<td><strong>Other adjustments</strong></td>
<td>73.0</td>
<td>65.0</td>
<td>92.3</td>
</tr>
<tr>
<td><strong>Change in net working capital</strong></td>
<td>-184.7</td>
<td>-81.5</td>
<td>-43.6</td>
</tr>
<tr>
<td><strong>Cash flow from operations before financing items and taxes</strong></td>
<td>39.8</td>
<td>141.1</td>
<td>253.5</td>
</tr>
<tr>
<td><strong>Cash flow from financing items and taxes</strong></td>
<td>-83.8</td>
<td>-67.9</td>
<td>-72.6</td>
</tr>
<tr>
<td><strong>Net cash flow from operating activities</strong></td>
<td>-44.0</td>
<td>73.3</td>
<td>180.9</td>
</tr>
<tr>
<td><strong>Acquisitions of businesses, net of cash acquired</strong></td>
<td>-20.2</td>
<td>-1.3</td>
<td>-14.4</td>
</tr>
<tr>
<td><strong>Disposals of businesses, net of cash sold</strong></td>
<td>-15.8</td>
<td>-1.2</td>
<td>-1.2</td>
</tr>
<tr>
<td><strong>Investments in associated companies and joint ventures</strong></td>
<td>-0.5</td>
<td>-4.7</td>
<td>-4.7</td>
</tr>
<tr>
<td><strong>Cash flow from investing activities, other items</strong></td>
<td>-48.2</td>
<td>-44.5</td>
<td>-69.3</td>
</tr>
<tr>
<td><strong>Net cash flow from investing activities</strong></td>
<td>-84.8</td>
<td>-51.8</td>
<td>-89.7</td>
</tr>
<tr>
<td><strong>Treasury shares acquired</strong></td>
<td>-0.1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Acquisition of non-controlling interests</strong></td>
<td>-</td>
<td>-0.4</td>
<td>-0.4</td>
</tr>
<tr>
<td><strong>Proceeds from long-term borrowings</strong></td>
<td>50.6</td>
<td>250.0</td>
<td>253.2</td>
</tr>
<tr>
<td><strong>Repayments of long-term borrowings</strong></td>
<td>-68.6</td>
<td>-241.4</td>
<td>-243.1</td>
</tr>
<tr>
<td><strong>Proceeds from short-term borrowings</strong></td>
<td>95.2</td>
<td>9.4</td>
<td>7.6</td>
</tr>
<tr>
<td><strong>Repayments of short-term borrowings</strong></td>
<td>-3.0</td>
<td>-33.6</td>
<td>-17.7</td>
</tr>
<tr>
<td><strong>Profit distribution</strong></td>
<td>-65.6</td>
<td>-51.6</td>
<td>-62.2</td>
</tr>
<tr>
<td><strong>Net cash flow from financing activities</strong></td>
<td>3.6</td>
<td>-77.7</td>
<td>-62.6</td>
</tr>
<tr>
<td><strong>Change in cash and cash equivalents</strong></td>
<td>-125.2</td>
<td>-56.2</td>
<td>28.6</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents, and bank overdrafts at the beginning of period</strong></td>
<td>284.7</td>
<td>260.8</td>
<td>260.8</td>
</tr>
<tr>
<td><strong>Effect of exchange rate changes</strong></td>
<td>1.0</td>
<td>9.4</td>
<td>-4.6</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents, and bank overdrafts at the end of period</strong></td>
<td>160.5</td>
<td>214.0</td>
<td>284.7</td>
</tr>
<tr>
<td><strong>Bank overdrafts at the end of period</strong></td>
<td>28.8</td>
<td>18.4</td>
<td>24.4</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the end of period</strong></td>
<td>189.3</td>
<td>232.5</td>
<td>309.1</td>
</tr>
</tbody>
</table>

Figures have been restated according to IFRS 15
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 18%* of the total revenue in 2017:
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

*Adjusted figure according to IFRS15, not audited. Audited figure before adjustment 19%
Key to more sustainable cargo handling business is solution development

Waste in cargo handling business due to inefficiencies ~17 billion euros

~2.5 mil barrels (1.8 mil CO2 equivalent tonnes) of fuel savings enabled by Cargotec port equipment solutions during past 6 to 10 years

19 mil CO2 in shipping industry annually For moving empty containers

~31 900 CO2 eqv. tonnes of emissions from Cargotec factories annually
Cargotec sustainability managed with clear policies, processes and KPIs on varying areas

- Cargotec is a supporter of UN Global Compact and other major international sustainability initiatives
- We have a clear governance on sustainability issues with Board of Directors overview on the subject
- Safety is our key priority and we have clear improvement program to further decrease our current IIFR rate of 6.1
- Human rights supply chain management and energy on the agenda in 2018
Performance highlights 2017

- 82% of employees conducted the code of conduct e-learning tool
- Permanent Code of Conduct panel and case investigation process
- Supplier code of conduct sent to all strategic suppliers
- Offering for eco-efficiency 18% of total sales

**Employee Engagement Index**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kalmar</td>
<td>71.72</td>
<td>70.68</td>
</tr>
<tr>
<td>Hiab</td>
<td>63</td>
<td>63</td>
</tr>
<tr>
<td>MacGregor</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Industrial Injury Frequency Rate**

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kalmar</td>
<td>79</td>
<td>64</td>
<td>43</td>
<td>46</td>
<td>48</td>
</tr>
<tr>
<td>Hiab</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MacGregor</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Social Responsibility Index**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kalmar</td>
<td>80</td>
<td>80</td>
</tr>
<tr>
<td>Hiab</td>
<td>81</td>
<td>79</td>
</tr>
<tr>
<td>MacGregor</td>
<td>77</td>
<td>74</td>
</tr>
</tbody>
</table>

**Leadership Index**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kalmar</td>
<td>69</td>
<td>69</td>
</tr>
<tr>
<td>Hiab</td>
<td>72</td>
<td>71</td>
</tr>
<tr>
<td>MacGregor</td>
<td>65</td>
<td>66</td>
</tr>
</tbody>
</table>

**Investor presentation**

*Employee view on managers’ performance and leadership skills*

---

**Industrial Injury Frequency Rate**

*IFR and number of injuries cover Cargotec production sites

*Number of injuries per million hours worked

**Social Responsibility Index**

*Employee view about the company social responsibility

**Certification Coverage**

*Share of certified sites’ sales volume of the total sales volume

**Compass Completion Rate**

*Employee engagement survey

**Number of injuries per million hours worked**
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 terminal operators – Most capacity expected to be added by Cosco

Largest container terminal operators measured by capacity (MTEU)

Source: Drewry
* Cosco figure does not include OOCL terminals in 2017 and 2018 as acquisition not finalised. Chinese and Taiwanese terminals included from 2019 onwards, Long Beach excluded
** CMA CGM includes APL terminals
*** International terminals of NYK, K Line and MOL combined as part of ONE merger
# Japanese terminals only from 2019 onwards
Figures include total capacity for all terminals in which shareholding held (regardless of size of shareholding), i.e. includes double counting
Global container throughput and capacity development

![Graph showing throughput, capacity, and utilisation rate from 2002 to 2022.](image)
59% of global container throughput is expected to take place in APAC in 2018

Global container throughput expected to grow 5.3% in 2018
- APAC +5.6% (+24 mteu)
- EMEA +5.4% (+11 mteu)
- AMER +3.7% (+4 mteu)

→ 63% of growth will come from APAC

Source: Drewry: Container forecaster Q3 2018
Three alliances controlling about 80% of global container fleet capacity
Most probably in mid 2018 there will be only 9 major global shopping lines

**April 2017**

- **Ocean Alliance**
  - 2M
  - Ocean Three
  - Grand Alliance
  - G6 Alliance
  - New World Alliance
  - CKYH Alliance
  - The Alliance

- **The Alliance**
  - CKYH Alliance

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

**Alliance/ Vessel sharing agreement (VSA)**
- P3 (denied)
- 2M
- China Shipping/ UASC
- Ocean Three
- Grand Alliance
- G6 Alliance
- New World Alliance
- CKYH Alliance
- Independent

**Total: 17**

- 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) launch April 2018.
- COSCO Shipping’s planned acquisition of OOCL expected to completed by the end of June.
- Analyse excludes Zim, PIL and Wan Hai

**Sources:** Drewry, Alphaliner, Cargotec

**Investor presentation**

**November 2018**
Ship sizes increasing dramatically

- The largest containership in the fleet has nearly tripled since 2000
- The average size of new builds doubles between 2009 and 2014

Source: Drewry November 2015

Largest container ship in world fleet
Average newbuilding delivered in year
Hiab appendix
Construction output forecast

### Annual Construction Output

![Annual Construction Output Chart]

### Changes vs last Forecast

<table>
<thead>
<tr>
<th>Region</th>
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<th>2019</th>
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### YoY changes

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Source: Oxford construction output (All Output series are measured in Billions, 2010 Prices), Forecast Sep 2018 compared to Jun 2018
Global truck volumes

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<td>UK/IR</td>
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Source: IHS Truck registration (Jun 2018), (Sep 2018)
MacGregor appendix
Merchant ships: Contracting forecast by shiptype (no of ships)
Merchant ship types > 2000 gt, base case

Contracting history and forecast September 2018
No. of ships, Merchant ship types > 2000 gt, excl ofs and misc

Source: Clarksons September 2018
Merchant ships: Deliveries forecast by shiptype (no of ships)
Merchant ship types > 2000 gt, base case

Deliveries history and forecast September 2018
No. of ships, Merchant ship types > 2000 gt, excl ofs and misc

Source: Clarksons September 2018
Offshore mobile units: Contracting forecast by shiptype (number of units)

Contracting history and forecast 2015 - 2024, September 2018
No. of units, Mobile offshore units

Survey  Mobile drilling  Construction  Mobile production  Logistics  AHTS  PSV  Rescue & Salvage  Utility Support

Source: Clarksons September 2018
Offshore mobile units: Deliveries forecast by shiptype (no of units)

Delivery history and forecast 2015 - 2024, September 2018
No. of units, Mobile offshore units

Source: Clarksons September 2018
Shipbuilding – contracting ships >2000 gt/dwt

**Global Contracting Activity (1st October 2018)**

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<th>Vessel Type</th>
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<th>2017</th>
<th>2018</th>
<th>%y-o-y*</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>%y-o-y*</th>
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<td><strong>TOTAL</strong> (&gt;2,000 Dwt/GT**)</td>
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<td>1,066</td>
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**Estimated newbuilding investment $bn**

Source: Clarksons

*Investor presentation 2018*

November 2018  98
Shipbuilding capacity and utilisation scenario

Source: Clarksons Research September 2018
Markets recovering slowly
Fragile early recovery in container and bulk shipping in risk due to possible trade war impact on global trade
Offshore shipping recovery still to take some more time and further restructuring on way to stable recovery

Shipping cycle positions; freight/earnings cycles
indicative, timeline of each cycle not defined and varies

Source: internal & Clarksons September 2018
We are capturing "blue growth" opportunities

- Seaborne logistics
- Marine biotechnology
- Marine and seabed mining
- Tourism
- Fishing
- Aquaculture
- Offshore oil and gas
- Offshore wind energy
- Ocean renewable energy

Traditional Core

New Growth
Disclaimer

Although forward-looking statements contained in this presentation are based upon what management of the company believes are reasonable assumptions, there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. These statements are not guarantees of future performance and undue reliance should not be placed on them. The company undertakes no obligation to update forward-looking statements if circumstances or management’s estimates or opinions should change except as required by applicable securities laws.

All the discussion topics presented during the session and in the attached material are still in the planning phase. The final impact on the personnel, for example on the duties of the existing employees, will be specified only after the legal requirements of each affected function/ country have been fulfilled in full, including possible informing and/or negotiation obligations in each function / country.