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.

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

Contact details: firstname.lastname@cargotec.com | Hanna-Maria Heikkinen, Vice President, Investor relations | Pekka Houhiainen, IR manager | www.cargotec.com/investors

Targets announced in September 2017
Content

1. Cargotec in brief
2. Investment highlights
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5. MacGregor
6. Recent progress
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Cargotec in brief
Strong global player with well-balanced business

Sales: EUR 3,304 million  
EBIT: 7.3%

Sales split: new equipment vs service and software

- Kalmar: Sales: EUR 1,618 million  
  EBIT: 8.9% (EUR 143.6 million)
- Hiab: Sales: EUR 1,149 million  
  EBIT: 11.7% (EUR 134.5 million)
- MacGregor: Sales: EUR 538 million  
  EBIT: -0.3% (EUR -1.6 million)

Sales by business areas

- Kalmar: 49%  
- Hiab: 35%  
- MacGregor: 16%

Sales by geographical area

- AMER: 31%  
- EMEA: 49%  
- APAC: 20%

Strengths we are building upon

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

Figures: 2018
EBIT = Comparable operating profit
Investor presentation  
May 2019
Key competitors
Cargotec is a leading player in all of its business areas
Currently two businesses performing well

<table>
<thead>
<tr>
<th>Net sales* in Q2/18-Q1/19</th>
<th>Trend in orders, last 12 months</th>
<th>Profitability: Comparable EBIT margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>~3,387 EUR million</td>
<td></td>
<td>Low due to long term investments</td>
</tr>
<tr>
<td>~1,200 EUR million</td>
<td>↑</td>
<td>-0.2%</td>
</tr>
<tr>
<td>~400 EUR million</td>
<td></td>
<td>11.1%</td>
</tr>
<tr>
<td>~600 EUR million</td>
<td></td>
<td>Low double digit</td>
</tr>
</tbody>
</table>

- Kalmar software (Navis) and Automation and Projects division
- MacGregor
- Hiab
- Kalmar equipment and service (excluding Automation and Projects Division & Navis)

* 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. 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 by aligning our offering and way of working to serve them better.</td>
</tr>
<tr>
<td></td>
<td>ADVANCE IN SERVICES</td>
</tr>
<tr>
<td></td>
<td>We extend our offering towards intelligent solutions that enable us to serve our customers wide across their lifecycle.</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>
<th>Services</th>
<th>Software</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>766</td>
<td>107</td>
<td>659</td>
</tr>
<tr>
<td>2014</td>
<td>847</td>
<td>108</td>
<td>739</td>
</tr>
<tr>
<td>2015</td>
<td>931</td>
<td>121</td>
<td>810</td>
</tr>
<tr>
<td>2016</td>
<td>905</td>
<td>149</td>
<td>756</td>
</tr>
<tr>
<td>2017</td>
<td>938</td>
<td>152</td>
<td>786</td>
</tr>
<tr>
<td>2018</td>
<td>980</td>
<td>147</td>
<td>833</td>
</tr>
</tbody>
</table>

*Software sales defined as Navis business unit and automation software

**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:**

- Improve service offering through digital solutions
- Build on Navis position as industry leader
- Increase spare parts capture rates
- Boost service contract attachment rates

*) Software sales defined as Navis business unit and automation software
4. Capitalizing global opportunities for future automation and software growth

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:
- 2020 EUR 30 million (indirect purchasing and new Business Services operations)

Product re-design and improved project management

**Sales and comparable operating profit development**

*Target announced in September 2017
Kalmar
Container throughput still forecasted to grow year on year

Growth from 2013 to 2023 52%
CAGR 4.3%
Flexible and scalable Navis TOS software
Kalmar’s operating environment

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><strong>20-30%</strong></td>
<td><strong>20-30%</strong></td>
<td><strong>3-5%</strong></td>
</tr>
<tr>
<td>Market size</td>
<td><strong>6B€</strong></td>
<td><strong>0.5-1B€</strong></td>
<td><strong>8B€</strong></td>
</tr>
</tbody>
</table>

Investor presentation

May 2019
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
Construction output driving growth opportunity

**EMEA construction output**

y/y change (%)

**AMER construction output**

y/y change (%)

Oxford Economics: Industry output forecast

3/2019
Strong global market position and customers across diverse industries

<table>
<thead>
<tr>
<th>MARKET SIZE* (EUR billion)</th>
<th>KEY SEGMENTS</th>
<th>HIAB GLOBAL POSITION &amp; TREND</th>
</tr>
</thead>
<tbody>
<tr>
<td>LOADER CRANES</td>
<td>~1.5</td>
<td>Construction and Logistics</td>
</tr>
<tr>
<td>TAIL LIFTS</td>
<td>~0.9</td>
<td>Retail Industry and Logistics</td>
</tr>
<tr>
<td>DEMOUNTABLES</td>
<td>~0.5</td>
<td>Waste and Recycling, Defense</td>
</tr>
<tr>
<td>TRUCK MOUNTED FORK LIFTS</td>
<td>~0.3</td>
<td>Construction and Logistics</td>
</tr>
<tr>
<td>FORESTRY &amp; RECYCLING CRANES</td>
<td>~0.3</td>
<td>Timber, Pulp, Paper &amp; Recycling</td>
</tr>
</tbody>
</table>

*) Cargotec estimate

**Industry Segment Indicative Sales Mix 2018**

- **Most important segments**
  - Construction and Building Material
  - Delivery Logistic
  - Waste & Recycling
  - Timber, Paper & Pulp
  - Defense Logistic
  - Road & Rail
  - Other
**Attractive megatrends and growth drivers**

<table>
<thead>
<tr>
<th>MEGA TRENDS</th>
<th>Urbanization and Consumption growth driving needs for efficiency</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Digitalization and Connectivity enabling new business solutions</td>
</tr>
<tr>
<td>MARKET GROWTH</td>
<td>North America and main European markets continue to grow</td>
</tr>
<tr>
<td></td>
<td>Developing markets strong load handling equipment penetration potential</td>
</tr>
<tr>
<td>KEY SEGMENTS</td>
<td>Construction, Waste &amp; Recycling, Logistics and Governmental business segments show continued growth projection</td>
</tr>
<tr>
<td>PRODUCT OFFERING</td>
<td>New applications market and segment growth potential</td>
</tr>
<tr>
<td></td>
<td>Developing for increasing demand in Electrification and Automation</td>
</tr>
<tr>
<td>SERVICE SOLUTIONS</td>
<td>Growing demand for comprehensive life-cycle service offerings and tailored business solutions</td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th>Segment</th>
<th>Market Position</th>
<th>Sales Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Merchant Cargo Flow</td>
<td>#1</td>
<td>~3/4 of sales</td>
</tr>
<tr>
<td>Marine People Flow</td>
<td>#1</td>
<td>~3/4 of sales</td>
</tr>
<tr>
<td>Marine Resources &amp; Structures</td>
<td>#1-2</td>
<td>~3/4 of sales</td>
</tr>
<tr>
<td>Naval Logistics and Operations</td>
<td>#1-2</td>
<td>~3/4 of sales</td>
</tr>
<tr>
<td>Offshore Energy</td>
<td>#1</td>
<td>~1/4 of sales</td>
</tr>
</tbody>
</table>

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

Lifecycle Services
Merchant Ships and Offshore contracting activity below historical levels

Long term contracting 2015-2025
Merchant ships > 2,000 gt (excl ofs and misc)

Source: Clarksons March 2019
MacGregor’s asset-light business model gives flexibility

Cost-efficient scaling

90% of manufacturing outsourced
30% of design and engineering capacity outsourced
Recent progress
Highlights of Q1 2019 – Orders received increased in all business areas

Orders received increased for the fifth consecutive quarter

- Orders increased 18%
  - Kalmar +19%
  - Hiab +11%
  - MacGregor +33%

Comparable operating profit at last year’s level

- Kalmar’s comparable operating profit increased
- Hiab burdened especially by supply chain bottlenecks
- MacGregor slightly positive

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Comparable operating profit EUR million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1/18</td>
<td>57</td>
</tr>
<tr>
<td>Q2/18</td>
<td>57</td>
</tr>
<tr>
<td>Q3/18</td>
<td>58</td>
</tr>
<tr>
<td>Q4/18</td>
<td>70</td>
</tr>
<tr>
<td>Q1/19</td>
<td>57</td>
</tr>
</tbody>
</table>

Comparable operating profit margin

- Q1/18: 7.4%
- Q2/18: 7.0%
- Q3/18: 7.2%
- Q4/18: 7.7%
- Q1/19: 6.7%
Market environment in Q1 2019

Global container throughput at last year’s level
- Customers are starting automation projects mainly with phased investments

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

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

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**Global container throughput (MTEU) – Key driver for Kalmar**

Source: Drewry

- Q1/18: 191
- Q1/19: 192 (+0.4%)

**Construction output – Key driver for Hiab**

Source: Oxford Economics

- United States: +1.9%
- Europe: +2.5%

**Long term contracting – Key driver for MacGregor**

Source: Clarkson Research

- Merchant ships > 2,000 gt (excl. ols & misc):
  - Q1/18: 169 (+9%)
  - Q1/19: 185

- Mobile offshore units:
  - Q1/18: 17
  - Q1/19: 12 (-29%)
Orders received increased by 18%

Orders received

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Kalmar</th>
<th>Hiab</th>
<th>MacGregor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2017</td>
<td>448 MEUR</td>
<td>136 MEUR</td>
<td>121 MEUR</td>
</tr>
<tr>
<td>Q2 2017</td>
<td>386 MEUR</td>
<td>279 MEUR</td>
<td>139 MEUR</td>
</tr>
<tr>
<td>Q3 2017</td>
<td>351 MEUR</td>
<td>260 MEUR</td>
<td>139 MEUR</td>
</tr>
<tr>
<td>Q4 2017</td>
<td>369 MEUR</td>
<td>289 MEUR</td>
<td>126 MEUR</td>
</tr>
<tr>
<td>Q1 2018</td>
<td>432 MEUR</td>
<td>307 MEUR</td>
<td>124 MEUR</td>
</tr>
<tr>
<td>Q2 2018</td>
<td>550 MEUR</td>
<td>301 MEUR</td>
<td>131 MEUR</td>
</tr>
<tr>
<td>Q3 2018</td>
<td>486 MEUR</td>
<td>294 MEUR</td>
<td>141 MEUR</td>
</tr>
<tr>
<td>Q4 2018</td>
<td>450 MEUR</td>
<td>357 MEUR</td>
<td>184 MEUR</td>
</tr>
<tr>
<td>Q1 2019</td>
<td>516 MEUR</td>
<td>341 MEUR</td>
<td>165 MEUR</td>
</tr>
</tbody>
</table>

MEUR

Q1 2017 to Q1 2019

Orders received increased by 18%

- Q1 2017: 448 MEUR
- Q2 2017: 386 MEUR
- Q3 2017: 351 MEUR
- Q4 2017: 369 MEUR
- Q1 2018: 432 MEUR
- Q2 2018: 550 MEUR
- Q3 2018: 486 MEUR
- Q4 2018: 450 MEUR
- Q1 2019: 516 MEUR

Investor presentation

May 2019
Order book 27% higher than in Q1/18

Order book by reporting segment, Q1 2019

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q1/18</th>
<th>Q2/18</th>
<th>Q3/18</th>
<th>Q4/18</th>
<th>Q1/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kalmar</td>
<td>1,684</td>
<td>1,786</td>
<td>1,887</td>
<td>1,995</td>
<td>2,145</td>
</tr>
<tr>
<td>Hiab</td>
<td>837</td>
<td>947</td>
<td>1,003</td>
<td>1,012</td>
<td>1,127</td>
</tr>
<tr>
<td>MacGregor</td>
<td>329</td>
<td>337</td>
<td>371</td>
<td>453</td>
<td>483</td>
</tr>
</tbody>
</table>

MEUR
Sales increased by 11%, comparable operating profit at last year’s level

Sales
MEUR

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Kalmar</th>
<th>Hiab</th>
<th>MacGregor</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1/18</td>
<td>773</td>
<td>126</td>
<td>276</td>
<td>1,075</td>
</tr>
<tr>
<td>Q2/18</td>
<td>816</td>
<td>133</td>
<td>295</td>
<td>1,244</td>
</tr>
<tr>
<td>Q3/18</td>
<td>805</td>
<td>130</td>
<td>260</td>
<td>1,195</td>
</tr>
<tr>
<td>Q4/18</td>
<td>910</td>
<td>149</td>
<td>318</td>
<td>1,377</td>
</tr>
<tr>
<td>Q1/19</td>
<td>856</td>
<td>139</td>
<td>316</td>
<td>1,311</td>
</tr>
</tbody>
</table>

Comparable 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>Q1/18</td>
<td>57.5</td>
<td>57.2</td>
<td>57.8</td>
<td>69.6</td>
</tr>
<tr>
<td>Q2/18</td>
<td>57.4</td>
<td>57.2</td>
<td>57.8</td>
<td>69.4</td>
</tr>
<tr>
<td>Q3/18</td>
<td>57.8</td>
<td>57.2</td>
<td>57.8</td>
<td>69.4</td>
</tr>
<tr>
<td>Q4/18</td>
<td>57.4</td>
<td>57.2</td>
<td>57.8</td>
<td>69.4</td>
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<td>Q1/19</td>
<td>57.4</td>
<td>57.2</td>
<td>57.8</td>
<td>69.4</td>
</tr>
</tbody>
</table>

*) Including Corporate admin and support
Growth in service and software sales continued

Q1 2019 service sales +5%
- Kalmar at last year’s level
  - +5% in comparable FX and adjusted for divestments
- Hiab +11%
- MacGregor +8%
- Total service sales +5% in comparable FX and adjusted for acquisitions and divestments

Software sales +18% and orders +56% in Q1/19

Service and software sales constitute 33% of total sales

*Software sales defined as Navis business unit and automation software
Orders received continued to grow strongly
  - Strong development in all divisions

Sales increased +8%
  - Services growth +5% in comparable FX and adjusted for divestments

Profitability improvement driven by higher sales

<table>
<thead>
<tr>
<th>MEUR</th>
<th>Q1/19</th>
<th>Q1/18</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received</td>
<td>516</td>
<td>432</td>
<td>+19%</td>
</tr>
<tr>
<td>Order book</td>
<td>1,127</td>
<td>837</td>
<td>+35%</td>
</tr>
<tr>
<td>Sales</td>
<td>401</td>
<td>371</td>
<td>+8%</td>
</tr>
<tr>
<td>Comparable operating profit</td>
<td>32.3</td>
<td>28.7</td>
<td>+13%</td>
</tr>
<tr>
<td>Comparable operating profit margin</td>
<td>8.1%</td>
<td>7.7%</td>
<td>+31bps</td>
</tr>
</tbody>
</table>
Hiab Q1 – Good development in orders received continued

Orders received grew +11%
- Growth in EMEA (+14%), APAC (+21%) and Americas (+5%)
- Services +10%

Sales +14%
- Sales +8% excl. Effer acquisition
- Service sales +11%

Comparative operating profit declined especially due to supply chain issues

<table>
<thead>
<tr>
<th>MEUR</th>
<th>Q1/19</th>
<th>Q1/18</th>
<th>Change</th>
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<tbody>
<tr>
<td>Orders received</td>
<td>341</td>
<td>307</td>
<td>+11%</td>
</tr>
<tr>
<td>Order book</td>
<td>483</td>
<td>329</td>
<td>+47%</td>
</tr>
<tr>
<td>Sales</td>
<td>316</td>
<td>276</td>
<td>+14%</td>
</tr>
<tr>
<td>Comparable operating profit</td>
<td>33.7</td>
<td>36.1</td>
<td>-7%</td>
</tr>
<tr>
<td>Comparable operating profit margin</td>
<td>10.7%</td>
<td>13.1%</td>
<td>-240bps</td>
</tr>
</tbody>
</table>
Addressing the supply chain challenge

We have been strategically and operationally addressing the challenges with a dedicated task force and program focusing on:

- **Our business operations** - planning and managing demand and growth
- Improving on potential **bottlenecks** across the **total value chain**
- Specific activities to increase efficiency and output in **assembly operations**
- **Sourcing**, **supplier management & development**, and **competence**
MacGregor Q1 – Orders received increased

Orders received +33%
- Strong order intake in RoRo equipment

Sales +10%
- Service sales +8%
- Sales excl. Rapp Marine acquisition +8%

Comparable operating profit improved slightly
- Positive impact from higher sales, but low capacity utilisation burdened profitability

<table>
<thead>
<tr>
<th></th>
<th>MEUR</th>
<th>Q1/19</th>
<th>Q1/18</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received</td>
<td>165</td>
<td>124</td>
<td></td>
<td>+33%</td>
</tr>
<tr>
<td>Order book</td>
<td>536</td>
<td>519</td>
<td></td>
<td>+3%</td>
</tr>
<tr>
<td>Sales</td>
<td>139</td>
<td>126</td>
<td></td>
<td>+10%</td>
</tr>
<tr>
<td>Comparable operating profit</td>
<td>1.2</td>
<td>0.7</td>
<td></td>
<td>+64%</td>
</tr>
<tr>
<td>Comparable operating profit margin</td>
<td>0.9%</td>
<td>0.6%</td>
<td></td>
<td>+28bps</td>
</tr>
<tr>
<td></td>
<td>Q1/19</td>
<td>Q1/18</td>
<td>Change</td>
<td></td>
</tr>
<tr>
<td>------------------------------</td>
<td>--------</td>
<td>--------</td>
<td>----------</td>
<td></td>
</tr>
<tr>
<td>Orders received, MEUR</td>
<td>1,022</td>
<td>863</td>
<td>+18%</td>
<td></td>
</tr>
<tr>
<td>Order book, MEUR</td>
<td>2,145</td>
<td>1,684</td>
<td>+27%</td>
<td></td>
</tr>
<tr>
<td>Sales, MEUR</td>
<td>856</td>
<td>773</td>
<td>+11%</td>
<td></td>
</tr>
<tr>
<td>Comparable operating profit, MEUR</td>
<td>57.4</td>
<td>57.5</td>
<td>-0%</td>
<td></td>
</tr>
<tr>
<td>Comparable operating profit, %</td>
<td>6.7%</td>
<td>7.4%</td>
<td>-74bps</td>
<td></td>
</tr>
<tr>
<td>Items affecting comparability, MEUR</td>
<td>-6.3</td>
<td>-4.3</td>
<td>-48%</td>
<td></td>
</tr>
<tr>
<td>Operating profit, MEUR</td>
<td>51.0</td>
<td>53.2</td>
<td>-4%</td>
<td></td>
</tr>
<tr>
<td>Operating profit, %</td>
<td>6.0%</td>
<td>6.9%</td>
<td>-92bps</td>
<td></td>
</tr>
<tr>
<td>Net income, MEUR</td>
<td>31.0</td>
<td>33.7</td>
<td>-8%</td>
<td></td>
</tr>
<tr>
<td>Earnings per share, EUR</td>
<td>0.48</td>
<td>0.52</td>
<td>-8%</td>
<td></td>
</tr>
<tr>
<td>Earnings per share, EUR*</td>
<td>0.55</td>
<td>0.57</td>
<td>-4%</td>
<td></td>
</tr>
</tbody>
</table>

*) Excluding items affecting comparability and adjusted with related tax effect
Cash flow from operations was weak in Q1/19
Strong financial position (Q1/19)

Interest-bearing net debt EUR 877 million (31 Dec 2018: 625)
- Average interest rate* 2.0% (2.4%)
- Net debt/EBITDA 3.2 (2.3)

Net debt and gearing increased mainly due to IFRS 16
- Gearing without IFRS 16 approximately 49%

Total shareholders’ equity EUR 1,388 million (1,426)
- Equity/total assets 38.4% (40.9%)

Balanced maturity profile
- EUR 147 million loans maturing in 2019

*Excluding on-balance sheet lease liabilities
ROCE below the 15% financial target

ROCE (return on capital employed), last 12 months

ROCE-%  Comparable operating profit margin %
Outlook for 2019

Cargotec reiterates its outlook published on 8 February 2019 and expects its comparable operating profit for 2019 to improve from 2018 (EUR 242.1 million).
We have increased EBIT* margins since 2013 through operational improvements

**Excluding restructuring costs**

EBIT* 2013
EUR 127 million

<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>

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)
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 24 million savings realised since the beginning of the programme in 2017

Expected savings compared to 2016 cost level, MEUR

- 2017: Indirect procurement cost
- 2018: Support functions
- 2019: Indirect procurement cost and more efficient support functions
- 2020: Indirect procurement cost and more efficient support functions

Including business services centre in Sofia
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
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%

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

Interest-bearing 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>46.4%</td>
</tr>
<tr>
<td>2016</td>
<td>563 MEUR</td>
<td>36.0%</td>
</tr>
<tr>
<td>2017</td>
<td>472 MEUR</td>
<td>43.8%</td>
</tr>
<tr>
<td>2018</td>
<td>625 MEUR</td>
<td>63.0%</td>
</tr>
<tr>
<td>Q1/19</td>
<td>877 MEUR</td>
<td>0%</td>
</tr>
</tbody>
</table>

MEUR

Investor presentation May 2019
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 finalised in Q4 2018

Effer in brief
- Global leader in the heavy cranes segment
- 2018 sales around EUR 97 million and operating profit EUR 5 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 was closed on 6 November 2018
Acquisition of TTS marine and offshore business

**Strategic rationale**

Service growth potential

Strengthening MacGregor’s position also in China

Based on preliminary estimates, potential cost synergies are estimated to be around EUR 30-35 million on annual level

**Overview of the acquired businesses**

Employs 900 people

Sales approximately EUR 211 million in 2017*

Services 26% of revenues

**Acquisition**

Acquired businesses represent around 90% of total sales of TTS Group

Enterprise value EUR 87 million

The acquisition is subject to regulatory approvals from competition authorities

- Expected closing of the transaction in Q2 2019

---

*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.
TTS product portfolio

RoRo, Cruise & Navy

Container, Bulk & Tank Vessels

Multipurpose & General Cargo

Offshore Vessels

Services
Shaping the portfolio

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

2018 EBIT* 7.3%

~1-2%
Service & Software

~0-1%
Kalmar & Hiab equipment growth

~0.5-1%
Growth in Kalmar's large projects and MacGregor equipment

~0%
Continuing innovations (R&D investments)

~1-2%
Improve cost efficiency, leveraging sales

~10%
EBIT target

Target announced in September 2017, target to be reached in 3-5 years
*Comparable operating profit

Investor presentation May 2019 56
Steadily increasing dividend

EUR 1.10 dividend per B share for 2018
Dividend to be paid in two EUR 0.55 instalments
Calculated from EPS excl. restructuring costs, payout ratio for 2018 is 47%
Appendix

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

## 30 April 2019

<table>
<thead>
<tr>
<th>Position</th>
<th>Shareholder</th>
<th>% of shares</th>
<th>% of votes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Wipunen varainhallinta Oy</td>
<td>14.1</td>
<td>23.7</td>
</tr>
<tr>
<td>2.</td>
<td>Mariatorp Oy</td>
<td>12.3</td>
<td>22.9</td>
</tr>
<tr>
<td>3.</td>
<td>Pivosto Oy</td>
<td>10.6</td>
<td>22.2</td>
</tr>
<tr>
<td>4.</td>
<td>KONE Foundation</td>
<td>3.0</td>
<td>5.5</td>
</tr>
<tr>
<td>5.</td>
<td>Ilmarinen Mutual Pension Insurance Company</td>
<td>2.4</td>
<td>1.0</td>
</tr>
<tr>
<td>6.</td>
<td>Varma Mutual Pension Insurance Company</td>
<td>1.8</td>
<td>0.8</td>
</tr>
<tr>
<td>7.</td>
<td>The State Pension Fund</td>
<td>1.0</td>
<td>0.4</td>
</tr>
<tr>
<td>8.</td>
<td>OP-Finland</td>
<td>0.8</td>
<td>0.3</td>
</tr>
<tr>
<td>9.</td>
<td>Mandatum Life Insurance Company Ltd.</td>
<td>0.7</td>
<td>0.3</td>
</tr>
<tr>
<td>10.</td>
<td>Elo Mutual Pension Insurance Company</td>
<td>0.7</td>
<td>0.3</td>
</tr>
<tr>
<td>Nominee registered and non-Finnish holders</td>
<td>27.6</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total number of shareholders**: 22,789

[Diagram showing the distribution of shares among shareholders:]

- **Wipunen varainhallinta Oy**: 14.1%
- **Mariatorp Oy**: 12.3%
- **Pivosto Oy**: 10.6%
- **KONE Foundation**: 3.0%
- **Others**: 60.0%

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.
Capex and R&D

Main capex investments:
- Kalmar innovation center in Ljungby, Sweden
- Investments in multi-assembly units in Kalmar and Hiab
- Intangible assets, such as global systems to improve efficiency in operational activities and support functions

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 2018

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.)
Comparable operating profit development
Sales and orders received development

LTM = Last 12 months

Investor presentation
May 2019
Gross profit development

**Gross profit, MEUR**

- 2013: 583
- 2014: 634
- 2015: 787
- 2016: 840
- 2017: 852
- 2018: 814
- Q1/19 LTM: 818

**Gross profit-%**

- 2013: 18.3%
- 2014: 18.9%
- 2015: 21.1%
- 2016: 23.9%
- 2017: 26.2%
- 2018: 24.6%
- Q1/19 LTM: 24.2%

Investor presentation

May 2019
Net working capital increased due to higher inventories and accounts receivable

![Bar chart showing net working capital increase from 2014 to Q1/19](chart.png)
Cash flow from operations development

Cash flow from operations before financing items and taxes

<table>
<thead>
<tr>
<th>Year</th>
<th>MEUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>181</td>
</tr>
<tr>
<td>2014</td>
<td>204</td>
</tr>
<tr>
<td>2015</td>
<td>315</td>
</tr>
<tr>
<td>2016</td>
<td>373</td>
</tr>
<tr>
<td>2017</td>
<td>253</td>
</tr>
<tr>
<td>2018</td>
<td>126</td>
</tr>
<tr>
<td>Q2/18-Q1/19</td>
<td>160</td>
</tr>
</tbody>
</table>
## Income statement Q1 2019

<table>
<thead>
<tr>
<th>MEUR</th>
<th>Q1/19</th>
<th>Q1/18</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>855.9</td>
<td>772.6</td>
<td>3,303.6</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>-649.5</td>
<td>-570.3</td>
<td>-2,489.3</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td><strong>206.3</strong></td>
<td><strong>202.4</strong></td>
<td><strong>814.2</strong></td>
</tr>
<tr>
<td>Gross profit, %</td>
<td>24.1%</td>
<td>26.2%</td>
<td>24.6%</td>
</tr>
<tr>
<td>Other operating income</td>
<td>8.7</td>
<td>7.9</td>
<td>44.8</td>
</tr>
<tr>
<td>Selling and marketing expenses</td>
<td>-60.8</td>
<td>-55.4</td>
<td>-234.4</td>
</tr>
<tr>
<td>Research and development expenses</td>
<td>-25.0</td>
<td>-24.7</td>
<td>-94.7</td>
</tr>
<tr>
<td>Administration expenses</td>
<td>-63.9</td>
<td>-63.2</td>
<td>-252.9</td>
</tr>
<tr>
<td>Restructuring costs</td>
<td>-5.7</td>
<td>-3.8</td>
<td>-53.6</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>-7.8</td>
<td>-9.3</td>
<td>-35.4</td>
</tr>
<tr>
<td>Costs and expenses</td>
<td>-154.5</td>
<td>-148.5</td>
<td>-626.5</td>
</tr>
<tr>
<td>Share of associated companies' and joint ventures' net income</td>
<td>-0.8</td>
<td>-0.7</td>
<td>2.3</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td><strong>51.0</strong></td>
<td><strong>53.2</strong></td>
<td><strong>190.0</strong></td>
</tr>
<tr>
<td>Operating profit, %</td>
<td>6.0%</td>
<td>6.9%</td>
<td>5.8%</td>
</tr>
<tr>
<td>Financing income and expenses</td>
<td>-8.3</td>
<td>-6.8</td>
<td>-28.9</td>
</tr>
<tr>
<td><strong>Income before taxes</strong></td>
<td><strong>42.8</strong></td>
<td><strong>46.4</strong></td>
<td><strong>161.1</strong></td>
</tr>
<tr>
<td>Income before taxes, %</td>
<td>5.0%</td>
<td>6.0%</td>
<td>4.9%</td>
</tr>
<tr>
<td>Income taxes</td>
<td>-11.6</td>
<td>-12.6</td>
<td>-53.1</td>
</tr>
<tr>
<td><strong>Net income for the period</strong></td>
<td><strong>31.0</strong></td>
<td><strong>33.7</strong></td>
<td><strong>108.0</strong></td>
</tr>
<tr>
<td>Net income for the period, %</td>
<td>3.6%</td>
<td>4.4%</td>
<td>3.3%</td>
</tr>
</tbody>
</table>

### Net income for the period attributable to:

- **Equity holders of the parent**: 30.9 33.8 107.0
- **Non-controlling interest**: 0.1 -0.1 1.1
- **Total**: 31.0 33.7 108.0

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

- Earnings per share, EUR: 0.48 0.52 1.66
- Diluted earnings per share, EUR: 0.46 0.52 1.65
# Balance sheet 31 March 2019

<table>
<thead>
<tr>
<th>ASSETS, MEUR</th>
<th>31 Mar 2019</th>
<th>31 Mar 2018</th>
<th>31 Dec 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goodwill</td>
<td>1,004.0</td>
<td>977.7</td>
<td>970.9</td>
</tr>
<tr>
<td>Other intangible assets</td>
<td>267.9</td>
<td>257.2</td>
<td>279.6</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>474.3</td>
<td>307.3</td>
<td>306.7</td>
</tr>
<tr>
<td>Investments in associated companies and joint ventures</td>
<td>102.7</td>
<td>109.0</td>
<td>99.8</td>
</tr>
<tr>
<td>Share investments</td>
<td>0.3</td>
<td>0.3</td>
<td>0.3</td>
</tr>
<tr>
<td>Loans receivable and other interest-bearing assets*</td>
<td>35.7</td>
<td>3.6</td>
<td>36.0</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>140.7</td>
<td>145.8</td>
<td>137.3</td>
</tr>
<tr>
<td>Other non-interest-bearing assets</td>
<td>9.5</td>
<td>7.9</td>
<td>9.5</td>
</tr>
<tr>
<td>Total non-current assets</td>
<td>2,035.1</td>
<td>1,809.5</td>
<td>1,841.1</td>
</tr>
</tbody>
</table>

| Current assets | | | |
| Inventories | 737.9 | 668.8 | 688.8 |
| Loans receivable and other interest-bearing assets* | 1.3 | 3.1 | 1.8 |
| Income tax receivables | 43.7 | 53.0 | 50.0 |
| Derivative assets | 4.2 | 10.3 | 17.4 |
| Accounts receivable and other non-interest-bearing assets | 854.1 | 748.6 | 822.5 |
| Cash and cash equivalents* | 151.3 | 212.0 | 256.3 |
| Total current assets | 1,792.5 | 1,895.8 | 1,842.8 |

| Total assets | 3,827.5 | 3,505.3 | 3,683.9 |

<table>
<thead>
<tr>
<th>EQUITY AND LIABILITIES, MEUR</th>
<th>31 Mar 2019</th>
<th>31 Mar 2018</th>
<th>31 Dec 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity attributable to the equity holders of the parent</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>-19.2</td>
<td>-44.1</td>
<td>-44.2</td>
</tr>
<tr>
<td>Fair value reserves</td>
<td>-12.0</td>
<td>0.1</td>
<td>-13.5</td>
</tr>
<tr>
<td>Reserve for invested non-restricted equity</td>
<td>57.4</td>
<td>69.0</td>
<td>59.5</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>1,199.3</td>
<td>1,193.6</td>
<td>1,262.5</td>
</tr>
<tr>
<td>Total equity attributable to the equity holders of the parent</td>
<td>1,387.8</td>
<td>1,380.8</td>
<td>1,425.6</td>
</tr>
</tbody>
</table>

| Non-controlling interest | 3.2 | 2.2 | 3.0 |
| Total equity | 1,391.0 | 1,383.1 | 1,428.6 |

| Non-current liabilities | | | |
| Interest-bearing liabilities* | 703.6 | 606.2 | 717.1 |
| Deferred tax liabilities | 26.5 | 11.3 | 29.1 |
| Pension obligations | 93.0 | 86.0 | 92.3 |
| Provisions | 8.5 | 12.6 | 10.7 |
| Other non-interest-bearing liabilities | 62.0 | 57.6 | 59.6 |
| Total non-current liabilities | 893.6 | 773.8 | 906.8 |

| Current liabilities | | | |
| Current portion of interest-bearing liabilities* | 209.9 | 152.6 | 169.4 |
| Other interest-bearing liabilities* | 80.6 | 39.6 | 44.5 |
| Provisions | 86.3 | 90.0 | 80.7 |
| Advances received** | 204.7 | 192.9 | 190.3 |
| Income tax payables | 19.6 | 43.5 | 39.6 |
| Derivative liabilities | 7.5 | 7.0 | 5.8 |
| Accounts payable and other non-interest-bearing liabilities** | 861.3 | 813.9 | 613.5 |
| Total current liabilities | 1,542.9 | 1,348.5 | 1,238.6 |

| Total equity and liabilities | 3,827.5 | 3,505.3 | 3,683.9 |
### Cash flow statement Q1 2019

<table>
<thead>
<tr>
<th>Description</th>
<th>Q1/19</th>
<th>Q1/18</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net cash flow from operating activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income for the period</td>
<td>31.0</td>
<td>33.7</td>
<td>108.0</td>
</tr>
<tr>
<td>Depreciation, amortisation and impairment</td>
<td>26.0</td>
<td>16.3</td>
<td>77.2</td>
</tr>
<tr>
<td>Other adjustments</td>
<td>20.5</td>
<td>20.0</td>
<td>99.2</td>
</tr>
<tr>
<td>Change in net working capital</td>
<td>-48.6</td>
<td>-75.6</td>
<td>-158.7</td>
</tr>
<tr>
<td><strong>Cash flow from operations before financing items and taxes</strong></td>
<td>31.0</td>
<td>-3.7</td>
<td>125.8</td>
</tr>
<tr>
<td>Cash flow from financing items and taxes</td>
<td>-28.9</td>
<td>-36.0</td>
<td>-85.6</td>
</tr>
<tr>
<td><strong>Net cash flow from operating activities</strong></td>
<td>2.0</td>
<td>-39.7</td>
<td>40.2</td>
</tr>
<tr>
<td><strong>Net cash flow from investing activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisitions of businesses, net of cash acquired</td>
<td>-3.4</td>
<td>-19.6</td>
<td>-70.7</td>
</tr>
<tr>
<td>Disposals of businesses, net of cash sold</td>
<td>-</td>
<td>-</td>
<td>-15.5</td>
</tr>
<tr>
<td>Investments in associated companies and joint ventures</td>
<td>-</td>
<td>-</td>
<td>-1.5</td>
</tr>
<tr>
<td>Cash flow from investing activities, other items</td>
<td>-17.1</td>
<td>-10.1</td>
<td>-50.6</td>
</tr>
<tr>
<td><strong>Net cash flow from investing activities</strong></td>
<td>-20.5</td>
<td>-29.7</td>
<td>-137.3</td>
</tr>
<tr>
<td><strong>Net cash flow from financing activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Treasury shares acquired</td>
<td>-2.2</td>
<td>-</td>
<td>-9.4</td>
</tr>
<tr>
<td>Repayments of lease liabilities</td>
<td>-9.4</td>
<td>-0.7</td>
<td>-1.3</td>
</tr>
<tr>
<td>Proceeds from long-term borrowings</td>
<td>-</td>
<td></td>
<td>199.5</td>
</tr>
<tr>
<td>Repayments of long-term borrowings</td>
<td>-75.4</td>
<td>-</td>
<td>83.7</td>
</tr>
<tr>
<td>Proceeds from short-term borrowings</td>
<td>40.0</td>
<td>4.5</td>
<td>3.4</td>
</tr>
<tr>
<td>Repayments of short-term borrowings</td>
<td>-</td>
<td>-2.3</td>
<td>-2.6</td>
</tr>
<tr>
<td>Profit distribution</td>
<td>-35.4</td>
<td>-31.8</td>
<td>-50.0</td>
</tr>
<tr>
<td><strong>Net cash flow from financing activities</strong></td>
<td>-82.3</td>
<td>-30.4</td>
<td>37.7</td>
</tr>
<tr>
<td><strong>Change in cash and cash equivalents</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cash and cash equivalents, and bank overdrafts at the beginning of period</strong></td>
<td>226.5</td>
<td>284.7</td>
<td>284.7</td>
</tr>
<tr>
<td>Effect of exchange rate changes</td>
<td>0.0</td>
<td>-1.2</td>
<td>0.1</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents, and bank overdrafts at the end of period</strong></td>
<td>124.7</td>
<td>183.8</td>
<td>225.5</td>
</tr>
<tr>
<td>Bank overdrafts at the end of period</td>
<td>26.6</td>
<td>26.3</td>
<td>30.8</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the end of period</strong></td>
<td>151.3</td>
<td>212.0</td>
<td>256.3</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 21% of the total revenue in 2018:
Significant R&D and digitalisation investments drive the growth of offering for eco-efficiency

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

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

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

- Service enabling the extended usage of products or new applications
- Product conversions and modernizations
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

May 2019
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 6.7
- Focus on climate change and human rights risks in 2019
Performance highlights 2018

- Permanent Code of Conduct panel and case investigation process
- 72% of all employees have conducted the code of conduct e-learning tool
- All strategic suppliers were taken into the sustainability self-assessment tool process
- Supplier code of conduct sent to all strategic suppliers

- 30% of the electricity used by Cargotec is generated from renewable energy sources
- Offering for eco-efficiency 21% of total sales
- 17 products were added to our Offering for eco-efficiency portfolio
- A renewed human rights risk assessment was conducted on Cargotec operations
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

Throughput, MTEU
Capacity, MTEU
Utilisation rate
59% of global container throughput is expected to take place in APAC in 2019

Global container throughput expected to grow 4.1% in 2019
- APAC +5.1% (+24 mteu)
- EMEA +2.0% (+4 mteu)
- AMER +4.4% (+4 mteu)

→ 75% of growth will come from APAC

Source: Drewry: Container forecaster Q4 2018
Three alliances controlling about 80% of global container fleet capacity

- 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.

Total: 17 (9 after further consolidations)

Sources: Drewry, Alphaliner, Cargotec

May 2019
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
Hiab appendix
# Construction output forecast

The table below shows the annual construction output for various regions and the total output for the years 2017 to 2021. The changes are compared to the last forecast in March 2019 compared to December 2018.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>NAM</td>
<td>0.3%</td>
<td>-0.1%</td>
<td>-0.7%</td>
<td>-0.5%</td>
<td>-0.5%</td>
<td>NAM</td>
<td>1.4%</td>
<td>2.8%</td>
<td>1.4%</td>
<td>2.7%</td>
</tr>
<tr>
<td>SAM</td>
<td>-2.5%</td>
<td>-4.7%</td>
<td>-4.7%</td>
<td>-4.7%</td>
<td>-4.8%</td>
<td>SAM</td>
<td>-3.2%</td>
<td>-0.5%</td>
<td>1.0%</td>
<td>2.7%</td>
</tr>
<tr>
<td>NE</td>
<td>0.5%</td>
<td>0.8%</td>
<td>0.8%</td>
<td>0.9%</td>
<td>0.8%</td>
<td>NE</td>
<td>3.2%</td>
<td>2.4%</td>
<td>3.0%</td>
<td>1.9%</td>
</tr>
<tr>
<td>UK</td>
<td>-0.1%</td>
<td>-0.2%</td>
<td>-1.0%</td>
<td>-1.1%</td>
<td>-1.1%</td>
<td>UK</td>
<td>7.3%</td>
<td>1.1%</td>
<td>1.8%</td>
<td>1.9%</td>
</tr>
<tr>
<td>DACH</td>
<td>0.0%</td>
<td>0.9%</td>
<td>0.5%</td>
<td>0.5%</td>
<td>0.5%</td>
<td>DACH</td>
<td>2.9%</td>
<td>3.1%</td>
<td>1.8%</td>
<td>1.5%</td>
</tr>
<tr>
<td>BENELUX</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>-0.1%</td>
<td>-0.1%</td>
<td>BENELUX</td>
<td>3.2%</td>
<td>4.3%</td>
<td>2.1%</td>
<td>1.8%</td>
</tr>
<tr>
<td>MED</td>
<td>0.0%</td>
<td>0.0%</td>
<td>-0.4%</td>
<td>-0.4%</td>
<td>-0.4%</td>
<td>MED</td>
<td>3.3%</td>
<td>2.9%</td>
<td>2.0%</td>
<td>2.4%</td>
</tr>
<tr>
<td>EE</td>
<td>-2.6%</td>
<td>-2.0%</td>
<td>-2.1%</td>
<td>-2.2%</td>
<td>-2.2%</td>
<td>EE</td>
<td>4.0%</td>
<td>11.0%</td>
<td>3.6%</td>
<td>3.0%</td>
</tr>
<tr>
<td>MEA</td>
<td>0.5%</td>
<td>-2.1%</td>
<td>-3.5%</td>
<td>-4.0%</td>
<td>-4.2%</td>
<td>MEA</td>
<td>1.7%</td>
<td>-0.1%</td>
<td>1.7%</td>
<td>3.1%</td>
</tr>
<tr>
<td>APAC</td>
<td>0.0%</td>
<td>0.2%</td>
<td>0.4%</td>
<td>0.5%</td>
<td>0.6%</td>
<td>APAC</td>
<td>3.7%</td>
<td>4.2%</td>
<td>3.8%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Total</td>
<td>-0.1%</td>
<td>-0.4%</td>
<td>-0.6%</td>
<td>-0.6%</td>
<td>-0.6%</td>
<td>Total</td>
<td>2.6%</td>
<td>3.1%</td>
<td>2.6%</td>
<td>3.1%</td>
</tr>
</tbody>
</table>

Source: Oxford construction output (All Output series are measured in Billions, 2010 Prices), Forecast March 2019 compared to Dec 2018

Investor presentation
May 2019 88
Global truck volumes

<table>
<thead>
<tr>
<th>Changes vs last Forecast</th>
<th>YoY changes (vs. prev. year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>NAM</td>
<td>0.0%</td>
</tr>
<tr>
<td>SAM</td>
<td>-0.9%</td>
</tr>
<tr>
<td>NE</td>
<td>0.0%</td>
</tr>
<tr>
<td>DACH</td>
<td>0.0%</td>
</tr>
<tr>
<td>UK/IR</td>
<td>0.0%</td>
</tr>
<tr>
<td>BENELUX</td>
<td>1.7%</td>
</tr>
<tr>
<td>EE</td>
<td>-0.9%</td>
</tr>
<tr>
<td>MED</td>
<td>0.0%</td>
</tr>
<tr>
<td>MEA</td>
<td>0.0%</td>
</tr>
<tr>
<td>APAC</td>
<td>-0.1%</td>
</tr>
<tr>
<td>Total</td>
<td>-0.1%</td>
</tr>
</tbody>
</table>

Source: IHS truck registrations, May 2019 forecast, prev. Feb 2019
Operating Profit Bridge FY Actual 2018 vs 2017 (AER)

YOO Gross Margin change [excl Effer and RtM additions]= €(3.6)m

• Additional costs driven by supply chain challenges
• Some lower margins from drive to grow Key Accounts – EMEA up 16% YOY in sales
• S&S investments
• US maintenance growth
• System investments:
  • Webshop
  • Service management tool
  • Configure price quote tool

• GM from 6.5% organic growth
• FX headwinds in FY18 vs FY17 from USD, GBP, SEK, AUD, CNY, NOK, JPY

Higher costs in Stargard and Dundalk driven by supply chain inefficiencies
Higher factory costs reflect unstable supply chain and related inefficiencies

Higher factory costs from 6.5% organic growth

Higher costs in Stargard and Dundalk driven by supply chain inefficiencies

FX headwinds in FY18 vs FY17 from USD, GBP, SEK, AUD, CNY, NOK, JPY

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Higher factory costs reflect unstable supply chain and related inefficiencies

Effer trading for Nov-Dec, offset by PPA adjustment and integration costs
Route to Market additions in UK, Sweden, Germany & France

Higher factory costs from 6.5% organic growth

GM from 6.5% organic growth

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Higher factory costs reflect unstable supply chain and related inefficiencies

Effer trading for Nov-Dec, offset by PPA adjustment and integration costs
Route to Market additions in UK, Sweden, Germany & France

Investor presentation
May 2019
MacGregor appendix
Merchant ships: Contracting forecast by shiptype (no of ships)
Merchant ship types > 2000 gt, base case

Contracting history and forecast March 2019
No. of ships, Merchant ship types > 2000 gt, excl ofs and misc

Source: Clarksons March 2019
Merchant ships: Deliveries forecast by shiptype (no of ships)
Merchant ship types > 2000 gt, base case

Deliveries history and forecast March 2019
No. of ships, Merchant ship types > 2000 gt, exl ofs and misc

Source: Clarksons March 2019
Offshore mobile units: Contracting forecast by shiptype (number of units)

Contracting history and forecast 2015 - 2025, March 2019
No. of units, Mobile offshore units

Historical avg 2008-2018: 479 units

Source: Clarksons March 2019
Offshore mobile units: Deliveries forecast by shiptype (no of units)

Delivery history and forecast 2015 - 2025, March 2019
No. of units, Mobile offshore units

Source: Clarksons March 2019

Historical avg 2008-2018
557 units
Shipbuilding – contracting ships >2000 gt/dwt
Shipbuilding capacity and utilisation scenario

Source: Clarksons Research March 2019
Shipping – The world fleet

World fleet comprises currently roughly 96,000 ships

Source: Clarksons Research March 2019

Investor presentation

May 2019
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
New Growth
New Growth
New Growth
New Growth
Traditional Core
New Growth
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.