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.
- Unique position to benefit from the growth prospects in port automation and software.
- Growing services and software business increase stability of our business.
- 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.

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Cargotec in brief
Strong global player with well-balanced business

Sales:
EUR 3,304 million
EBIT: 7.4%

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: 0.0% (EUR 0.1 million)

Sales by business areas

- MacGregor
  - 16%

- Hiab
  - 35%

- Kalmar
  - 49%

Sales by geographical area

- AMER
  - 31%

- APAC
  - 20%

- EMEA
  - 49%

Strengths we are building upon

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

Figures: 2018
EBIT % excluding restructuring costs

Investor presentation
February 2019
Key competitors
Cargotec is a leading player in all of its business areas

<table>
<thead>
<tr>
<th>Global main competitors</th>
<th>Other competitors</th>
</tr>
</thead>
<tbody>
<tr>
<td>KALMAR</td>
<td>ABB</td>
</tr>
<tr>
<td>ZPMC</td>
<td>Terberg</td>
</tr>
<tr>
<td>Konecranes' Lifting Businesses</td>
<td>Fassi</td>
</tr>
<tr>
<td>Liebherr</td>
<td>Kinz</td>
</tr>
<tr>
<td>Hyster-Yale</td>
<td>Capacity</td>
</tr>
<tr>
<td>Sany</td>
<td>RAM Spreader</td>
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<tr>
<td></td>
<td>MTS E&amp;S</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>HIAB</td>
<td>ABB</td>
</tr>
<tr>
<td>Palfinger</td>
<td>Fassi</td>
</tr>
<tr>
<td>Kongsberg</td>
<td>Kinz</td>
</tr>
<tr>
<td>Rolls-Royce</td>
<td>Kinz</td>
</tr>
<tr>
<td>MacGregor</td>
<td>MTS E&amp;S</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>MACGREGOR</td>
<td>SEC</td>
</tr>
<tr>
<td>Kongsberg</td>
<td>IHI</td>
</tr>
<tr>
<td>TTS</td>
<td></td>
</tr>
</tbody>
</table>

Investor presentation
Currently two businesses performing well

<table>
<thead>
<tr>
<th>Net sales* in 2018 (EUR million)</th>
<th>Trend in orders, 2018 vs 2017</th>
<th>Profitability: EBIT margin</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Kalmar software (Navis) and Automation and Projects division</strong></td>
<td>↑</td>
<td>Low due to long term investments</td>
</tr>
<tr>
<td><strong>MacGregor</strong></td>
<td>+11%</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Hiab</strong></td>
<td>+13%</td>
<td>11.7%</td>
</tr>
<tr>
<td><strong>Kalmar equipment and service (excluding Automation and Projects Division &amp; Navis)</strong></td>
<td>↑</td>
<td>Low double digit</td>
</tr>
</tbody>
</table>

* Figures rounded to closest 100 million
Investment highlights
Investment highlights: Why invest in Cargotec?

1. Technology leader and strong market positions, leading brands in markets with long term growth potential
2. 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>ACCELERATE DIGITALISATION</td>
</tr>
<tr>
<td></td>
<td>ADVANCE IN SERVICES</td>
</tr>
<tr>
<td></td>
<td>PRODUCTIVITY FOR GROWTH</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>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>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>We focus on activities that add value and</td>
</tr>
<tr>
<td></td>
<td>benefit our customers and us by developing</td>
</tr>
</tbody>
</table>
|                                             | our business operations and common platforms.
3. Growing service & software business and asset light business model are increasing stability

Service and software* sales

<table>
<thead>
<tr>
<th>Year</th>
<th>Services</th>
<th>Software</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>766</td>
<td>107</td>
</tr>
<tr>
<td>2014</td>
<td>847</td>
<td>108</td>
</tr>
<tr>
<td>2015</td>
<td>931</td>
<td>121</td>
</tr>
<tr>
<td>2016</td>
<td>905</td>
<td>149</td>
</tr>
<tr>
<td>2017</td>
<td>907</td>
<td>152</td>
</tr>
<tr>
<td>2018</td>
<td>932</td>
<td>147</td>
</tr>
</tbody>
</table>

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
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
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 50 million (indirect purchasing and new Business Services operations)
Product re-design and improved project management

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*Target announced in September 2017
**Excluding restructuring costs

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Year 2017 figures have been restated according to IFRS 15
Kalmar
Container throughput still forecasted to grow year on year

Growth from 2013 to 2022 44%
CAGR 4.1%
Flexible and scalable Navis TOS software

Terminal Operating System (TOS)

Terminal Logistic System

- Truck / Transfer area
- Automated Horizontal Transportation
- Automatic stacking crane (ASC) area
- ASC stack area
- Quay crane area

Equipment
Kalmar’s operating environment

**Kalmar**
Provides integrated port automation solutions including software, services and a wide range of cargo handling equipment.

**Navis**
TOS coordinates and optimises the planning and management of container and equipment moves in complex business environments. Navis provides also maritime shipping solutions:
- Stowage planning
- Vessel monitoring
- Loading computer
- Route planning

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

**Bromma**
Industry leading spreader manufacturer.
XVELA provides benefits to ocean carriers and terminal operators

- 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>Services</th>
<th>Market share</th>
<th>Market size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment &amp; Projects</td>
<td>20-30%</td>
<td>6B€</td>
</tr>
<tr>
<td>Software</td>
<td>20-30%</td>
<td>0.5-1B€</td>
</tr>
<tr>
<td>Services</td>
<td>3-5%</td>
<td>8B€</td>
</tr>
</tbody>
</table>
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
12/2018

Investor presentation
February 2019
## 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**
- **Retail**: ~0.5
- **Logistics**: ~0.5
- **Waste and Recycling**: ~0.5
- **Construction and Logistics**: ~1.3
- **Timber, Pulp and Paper**: ~0.2

**KEY SEGMENTS**
- **HIAB POSITION & TREND**
  - #1
  - #2
  - #1
  - #1
  - #2

**MARKET SEGMENTS**
- **HIAB POSITION & TREND**
  - #1-2
Attractive megatrends and growth drivers

- **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
- Container cargo
- Bulk cargo
- General cargo
- Liquid cargo
- RoRo cargo

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

Marine Resources & Structures
- Research
- Fishery
- Aquaculture
- Mining
- Floating structures

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

Offshore Energy
- 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)

Long term contracting 2015-2024
Mobile offshore units

Source: Clarksons September 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

USD 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 10 million savings realised in 2017 and additional EUR 11 million in 2018

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

- **2017**: Indirect procurement: 10 MEUR, Support functions: 0 MEUR
- **2018**: Indirect procurement: 20 MEUR, Support functions: 0 MEUR
- **2019**: Indirect procurement: 30 MEUR, Support functions: 10 MEUR
- **2020**: Indirect procurement: 40 MEUR, Support functions: 20 MEUR

*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

Net debt and gearing
MEUR

<table>
<thead>
<tr>
<th>Year</th>
<th>Net debt</th>
<th>Gearing-%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>578</td>
<td>46.7 %</td>
</tr>
<tr>
<td>2014</td>
<td>719</td>
<td>59.2 %</td>
</tr>
<tr>
<td>2015</td>
<td>622</td>
<td>48.4 %</td>
</tr>
<tr>
<td>2016</td>
<td>503</td>
<td>36.0 %</td>
</tr>
<tr>
<td>2017*</td>
<td>472</td>
<td>33.1 %</td>
</tr>
<tr>
<td>2018</td>
<td>625</td>
<td>43.8 %</td>
</tr>
</tbody>
</table>

*Year 2017 figures have been restated according to IFRS 15

Investor presentation
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 Q1 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

- 7.4% Service & Software
- ~1-2% Kalmar & Hiab equipment growth
- ~0-1% Growth in Kalmar's large projects and MacGregor equipment
- ~0.5-1% Continuing innovations (R&D investments)
- ~0% Improve cost efficiency, leveraging sales
- ~1-2%
- ~10%

2018 EBIT*

Target announced in September 2017, target to be reached in 3-5 years
*Excluding restructuring costs
Highlights of 2018 – Orders received grew in all business areas

Orders received increased 18%
- Growth in all business areas
  - Kalmar +23%
  - Hiab +13%
  - MacGregor +11%

Sales increased 2%
- +4% in comparable FX

Operating profit* declined by 6%
- Kalmar’s operating profit* increased
- Hiab burdened by FX and supply chain bottlenecks
- MacGregor at break-even

*) Excluding restructuring costs
Year 2017 figures have been restated according to IFRS 15
Cargotec's financial statements review 2018
Market environment 2018

Growth in number of containers handled at ports continued
- 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, interest level has increased, but activity remains on a low level

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Global container throughput (MTEU) – Key driver for Kalmar

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>745</td>
<td>782</td>
</tr>
<tr>
<td>Growth</td>
<td>4.7%</td>
<td></td>
</tr>
</tbody>
</table>

Source: Drewry

Construction output – Key driver for Hiab

<table>
<thead>
<tr>
<th>Region</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>2017</td>
<td>2018</td>
<td>2.9%</td>
</tr>
<tr>
<td>Europe</td>
<td>2017</td>
<td>2018</td>
<td>3.3%</td>
</tr>
</tbody>
</table>

Source: Oxford Economics

Long term contracting – Key driver for MacGregor

<table>
<thead>
<tr>
<th>Category</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Merchant ships &gt; 2,000 gt (excl. ols &amp; misc)</td>
<td>2017</td>
<td>2018</td>
<td>13%</td>
</tr>
<tr>
<td>Mobile offshore units</td>
<td>2017</td>
<td>2018</td>
<td>21%</td>
</tr>
</tbody>
</table>

Source: Clarkson Research

Historical average

- Merchant ships > 2,000 gt (excl. ols & misc)
- Mobile offshore units

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Orders received increased by 18% in 2018, growth in all business areas

Orders received

<table>
<thead>
<tr>
<th></th>
<th>Q1 2017</th>
<th>Q2 2017</th>
<th>Q3 2017</th>
<th>Q4 2017</th>
<th>Q1 2018</th>
<th>Q2 2018</th>
<th>Q3 2018</th>
<th>Q4 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kalmar</td>
<td>448</td>
<td>386</td>
<td>351</td>
<td>369</td>
<td>432</td>
<td>550</td>
<td>486</td>
<td>450</td>
</tr>
<tr>
<td>Hiab</td>
<td>121</td>
<td>136</td>
<td>139</td>
<td>126</td>
<td>124</td>
<td>301</td>
<td>294</td>
<td>357</td>
</tr>
<tr>
<td>MacGregor</td>
<td>857</td>
<td>800</td>
<td>749</td>
<td>784</td>
<td>863</td>
<td>981</td>
<td>921</td>
<td>184</td>
</tr>
</tbody>
</table>

Year 2017 figures have been restated according to IFRS 15

Cargotec's financial statements review 2018

8/2/2019  44
Order book 27% higher than last year
Approximately 80% of order book to be recognised as revenue in 2019

### Order book

<table>
<thead>
<tr>
<th>MEUR</th>
<th>Q4/17</th>
<th>Q1/18</th>
<th>Q2/18</th>
<th>Q3/18</th>
<th>Q4/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order book</td>
<td>1,566</td>
<td>1,684</td>
<td>1,786</td>
<td>1,887</td>
<td>1,995</td>
</tr>
</tbody>
</table>

### Order book by reporting segment, Q4 2018

- Kalmar: 51%
- Hiab: 23%
- MacGregor: 26%

Year 2017 figures have been restated according to IFRS 15
Sales increased by 3% and operating profit* 2% in Q4 2018

Sales

<table>
<thead>
<tr>
<th>MEUR</th>
<th>Q4/17</th>
<th>Q1/18</th>
<th>Q2/18</th>
<th>Q3/18</th>
<th>Q4/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>886</td>
<td>773</td>
<td>816</td>
<td>805</td>
<td>910</td>
</tr>
<tr>
<td>Kalmar</td>
<td>280</td>
<td>276</td>
<td>295</td>
<td>260</td>
<td>318</td>
</tr>
<tr>
<td>Hiab</td>
<td>141</td>
<td>126</td>
<td>133</td>
<td>130</td>
<td>149</td>
</tr>
<tr>
<td>MacGregor</td>
<td>465</td>
<td>371</td>
<td>389</td>
<td>415</td>
<td>444</td>
</tr>
</tbody>
</table>

Operating profit*

<table>
<thead>
<tr>
<th>MEUR</th>
<th>Q4/17</th>
<th>Q1/18</th>
<th>Q2/18</th>
<th>Q3/18</th>
<th>Q4/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kalmar</td>
<td>72.0</td>
<td>57.0</td>
<td>56.3</td>
<td>57.1</td>
<td>73.5</td>
</tr>
<tr>
<td>Hiab</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>MacGregor</td>
<td>720</td>
<td>700</td>
<td>633</td>
<td>630</td>
<td>610</td>
</tr>
<tr>
<td>Cargotec total EBIT**</td>
<td>8/2/2019</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

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

Service and software* sales

MEUR

<table>
<thead>
<tr>
<th></th>
<th>Q4/17</th>
<th>Q1/18</th>
<th>Q2/18</th>
<th>Q3/18</th>
<th>Q4/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services</td>
<td>238</td>
<td>226</td>
<td>235</td>
<td>229</td>
<td>243</td>
</tr>
<tr>
<td>Software</td>
<td>45</td>
<td>32</td>
<td>29</td>
<td>39</td>
<td>47</td>
</tr>
</tbody>
</table>

2018 service sales +3%
- Kalmar +1% (+4% in comparable FX)
  - +9% in comparable FX and adjusted for divestments
- Hiab +6% (+9%)
- MacGregor +2% (+5%)
- Total service sales +6% in comparable FX and adjusted for divestments and acquisitions

Service orders +10% in 2018
Software orders +33% in 2018

Service and software sales constitute 33% of total sales

*Software sales defined as Navis business unit and automation software

Year 2017 figures have been restated according to IFRS 15 and calculated using the new definitions for the equipment, service and software businesses announced in March 2018
## Kalmar Q4 – Strong growth in orders received and operating profit*

**Orders received increased strongly**
- Service orders +15%
- Growth in all geographical areas

**Sales declined -5%**
- Negative impact from divestments
- Services growth +5% in comparable FX and adjusted for divestments and acquisitions

**Profitability improved**
- Increase driven by productivity and cost efficiency actions as well as more favourable business mix

<table>
<thead>
<tr>
<th></th>
<th>MEUR</th>
<th>Q4/18</th>
<th>Q4/17</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received</td>
<td>450</td>
<td>369</td>
<td></td>
<td>+22%</td>
</tr>
<tr>
<td>Order book</td>
<td>1,012</td>
<td>786</td>
<td></td>
<td>+29%</td>
</tr>
<tr>
<td>Sales</td>
<td>444</td>
<td>465</td>
<td></td>
<td>-5%</td>
</tr>
<tr>
<td>Operating profit*</td>
<td>51.0</td>
<td>42.8</td>
<td></td>
<td>+19%</td>
</tr>
<tr>
<td>Operating profit margin*</td>
<td>11.5%</td>
<td>9.2%</td>
<td></td>
<td>+229bps</td>
</tr>
</tbody>
</table>

Year 2017 figures have been restated according to IFRS 15

*) Excluding restructuring costs
Hiab Q4 – Operating profit* declined, demand continues strong

Orders received grew +24%
- Growth in EMEA (+21%) and Americas (+41%)
- Growth in all product lines
- Services +11%

Sales +13%
- Sales +8% excl. Effer acquisition
- Service sales +10%

Operating profit declined
- Unfavourable business mix
- Higher costs due to the continued unstable supply chain

<table>
<thead>
<tr>
<th>MEUR</th>
<th>Q4/18</th>
<th>Q4/17</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received</td>
<td>357</td>
<td>289</td>
<td>+24%</td>
</tr>
<tr>
<td>Order book</td>
<td>453</td>
<td>300</td>
<td>+51%</td>
</tr>
<tr>
<td>Sales</td>
<td>318</td>
<td>280</td>
<td>+13%</td>
</tr>
<tr>
<td>Operating profit*</td>
<td>34.9</td>
<td>39.9</td>
<td>-13%</td>
</tr>
<tr>
<td>Operating profit margin*</td>
<td>11.0%</td>
<td>14.3%</td>
<td>-329bps</td>
</tr>
</tbody>
</table>

Year 2017 figures have been restated according to IFRS 15

*) Excluding restructuring costs
MacGregor Q4 – Both orders received and sales increased

Orders received +46%
- Growth in EMEA and APAC
- Service orders +19%
- Major cruise access equipment orders from three European shipyards worth EUR 22 million

Sales +5%
- Service sales +5%

Operating profit* declined
- Low capacity utilisation in certain business units
- Higher than expected project costs

<table>
<thead>
<tr>
<th></th>
<th>MEUR</th>
<th>Q4/18</th>
<th>Q4/17</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received</td>
<td></td>
<td>184</td>
<td>126</td>
<td>+46%</td>
</tr>
<tr>
<td>Order book</td>
<td></td>
<td>530</td>
<td>481</td>
<td>+10%</td>
</tr>
<tr>
<td>Sales</td>
<td></td>
<td>149</td>
<td>141</td>
<td>+5%</td>
</tr>
<tr>
<td>Operating profit*</td>
<td></td>
<td>-3.0</td>
<td>1.2</td>
<td>-360%</td>
</tr>
<tr>
<td>Operating profit margin*</td>
<td></td>
<td>-2.0%</td>
<td>0.8%</td>
<td>-283bps</td>
</tr>
</tbody>
</table>

*) Excluding restructuring costs

Year 2017 figures have been restated according to IFRS 15
Previously announced cost savings programmes proceeding

- EUR 50 million annual group-wide savings from 2020 onwards
  - EUR 21 million cumulative savings at the end of 2018
- EUR 13 million in 2018 (MacGregor)
  - Fully realised in 2018
- EUR 13 million in 2018 (Kalmar)
  - Relocation of assembly operation completed
  - EUR 8 million savings in 2018
- Productivity improvements will continue in 2019
## Key figures – Strong order intake

<table>
<thead>
<tr>
<th></th>
<th>10–12/18</th>
<th>10–12/17**</th>
<th>Change</th>
<th>2018</th>
<th>2017**</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received, MEUR</td>
<td>991</td>
<td>784</td>
<td>+26%</td>
<td>3,756</td>
<td>3,190</td>
<td>+18%</td>
</tr>
<tr>
<td>Order book, MEUR</td>
<td>1,995</td>
<td>1,566</td>
<td>+27%</td>
<td>1,995</td>
<td>1,566</td>
<td>+27%</td>
</tr>
<tr>
<td>Sales, MEUR</td>
<td>910</td>
<td>886</td>
<td>+3%</td>
<td>3,304</td>
<td>3,250</td>
<td>+2%</td>
</tr>
<tr>
<td>Operating profit*, MEUR</td>
<td>73.5</td>
<td>72.0</td>
<td>+2%</td>
<td>243.8</td>
<td>258.6</td>
<td>-6%</td>
</tr>
<tr>
<td>Operating profit*, %</td>
<td>8.1%</td>
<td>8.1%</td>
<td>-5bps</td>
<td>7.4%</td>
<td>8.0%</td>
<td>-58bps</td>
</tr>
<tr>
<td>Restructuring costs, MEUR</td>
<td>12.5</td>
<td>17.2</td>
<td>-27%</td>
<td>53.8</td>
<td>36.5</td>
<td>+48%</td>
</tr>
<tr>
<td>Operating profit, MEUR</td>
<td>60.9</td>
<td>54.7</td>
<td>+11%</td>
<td>190.0</td>
<td>222.1</td>
<td>-14%</td>
</tr>
<tr>
<td>Operating profit, %</td>
<td>6.7%</td>
<td>6.2%</td>
<td>+53bps</td>
<td>5.8%</td>
<td>6.8%</td>
<td>-108bps</td>
</tr>
<tr>
<td>Net income, MEUR</td>
<td>34.1</td>
<td>27.7</td>
<td>+23%</td>
<td>108.0</td>
<td>132.7</td>
<td>-19%</td>
</tr>
<tr>
<td>Earnings per share, EUR</td>
<td>0.53</td>
<td>0.42</td>
<td>+25%</td>
<td>1.66</td>
<td>2.05</td>
<td>-19%</td>
</tr>
<tr>
<td>Earnings per share, EUR***</td>
<td>0.66</td>
<td>0.61</td>
<td>+9%</td>
<td>2.35</td>
<td>2.45</td>
<td>-4%</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
Operating profit* in 2018 – Increase in Kalmar, decline in Hiab and MacGregor

Kalmar
- Sales increased by 1%
- Operating profit margin* improved to 8.9% (8.3%)
- Operating profit improved due to productivity measures and lower overhead costs

Hiab
- Sales +6%
- Operating profit margin* declined to 11.7% (14.5%)
- Negative impact from FX and supply chain bottlenecks

MacGregor
- Sales -6%
- Operating profit* declined due to lower sales, but maintained at break-even due to cost savings

Corporate admin and support functions
- Cost efficiency actions, higher prioritisation in business development

*Excluding restructuring costs
Cash flow from operations declined in 2018 due to increase in working capital.
ROCE declined compared to 2017
ROCE excluding restructuring costs 10% in 2018

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

Year 2017 figures have been restated according to IFRS 15

Cargotec’s financial statements review 2018

8/2/2019  55
Proposal to increase the 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%

* 2017 EPS figure has been restated according to IFRS 15
** Board proposal to AGM
Outlook for 2019

Cargotec expects its comparable operating profit for 2019 to improve from 2018 (EUR 242.1 million).

New alternative performance measure – comparable operating profit

Cargotec uses and presents alternative performance measures (APMs) to better convey underlying business performance and to enhance comparability from period to period. Starting from 1 January 2019, Cargotec replaces the alternative performance measure of "operating profit excluding restructuring costs" with "comparable operating profit" for measuring business performance in the financial reporting. Comparable operating profit does not include items significantly affecting comparability. In addition to restructuring costs, as a rule these items include capital gains and losses, M&A related expenses and profits, impairments and reversals of impairments of assets, insurance benefits and expenses related to legal proceedings. Cargotec's comparable operating profit for 2018 is EUR 242.1 million (2017: 258.6).
Appendix

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

**31 January 2018**

<table>
<thead>
<tr>
<th>#</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>Varma Mutual Pension Insurance Company</td>
<td>2.6%</td>
<td>1.1%</td>
</tr>
<tr>
<td>6.</td>
<td>Ilmarinen 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>1.3%</td>
<td>0.6%</td>
</tr>
<tr>
<td>8.</td>
<td>Cargotec Oy</td>
<td>0.7%</td>
<td>0.3%</td>
</tr>
<tr>
<td>9.</td>
<td>Herlin Heikki Juho Kustaa</td>
<td>0.6%</td>
<td>0.3%</td>
</tr>
<tr>
<td>10.</td>
<td>Mandatum Life Insurance Company Ltd.</td>
<td>0.6%</td>
<td>0.3%</td>
</tr>
<tr>
<td></td>
<td>Nominee registered and non-Finnish holders</td>
<td>27.3%</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Total number of shareholders</strong></td>
<td><strong>22,910</strong></td>
<td></td>
</tr>
</tbody>
</table>
**Capex and R&D**

### Capital expenditure

- **2013**: 80, **2014**: 60, **2015**: 70, **2016**: 60, **2017**: 60, **2018**: 80

- **Capex**
- **Customer financing**
- **Depreciation**

### Research and development

- **2013**: 2%, **2014**: 3%, **2015**: 4%, **2016**: 5%, **2017**: 6%, **2018**: 7%

- **R&D expenditure**
- **% of sales**

**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 Szczecin, 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

Investor presentation

Year 2017 figures have been restated according to IFRS 15
Sales and orders received development

Year 2017 figures have been restated according to IFRS 15
Gross profit development

Year 2017 figures have been restated according to IFRS 15
Cash flow from operations declined in 2018 due to increase in working capital

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>
</tbody>
</table>
# Income statement Q4 2018

<table>
<thead>
<tr>
<th></th>
<th>Q4/18</th>
<th>Q4/17</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>903.8</td>
<td>886.2</td>
<td>3,303.5</td>
<td>3,249.8</td>
</tr>
<tr>
<td><strong>Cost of goods sold</strong></td>
<td>-694.0</td>
<td>-655.0</td>
<td>-2,489.3</td>
<td>-2,397.7</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>215.8</td>
<td>231.2</td>
<td>814.2</td>
<td>852.1</td>
</tr>
<tr>
<td><strong>Gross profit, %</strong></td>
<td>23.7%</td>
<td>26.1%</td>
<td>24.6%</td>
<td>26.2%</td>
</tr>
<tr>
<td><strong>Other operating income</strong></td>
<td>14.7</td>
<td>8.2</td>
<td>44.8</td>
<td>35.8</td>
</tr>
<tr>
<td><strong>Selling and marketing expenses</strong></td>
<td>-61.2</td>
<td>-56.5</td>
<td>-234.4</td>
<td>-221.8</td>
</tr>
<tr>
<td><strong>Research and development expenses</strong></td>
<td>-24.2</td>
<td>-27.5</td>
<td>-94.7</td>
<td>-98.2</td>
</tr>
<tr>
<td><strong>Administration expenses</strong></td>
<td>-64.3</td>
<td>-73.5</td>
<td>-252.9</td>
<td>-273.6</td>
</tr>
<tr>
<td><strong>Restructuring costs</strong></td>
<td>-12.5</td>
<td>-17.2</td>
<td>-53.8</td>
<td>-36.5</td>
</tr>
<tr>
<td><strong>Other operating expenses</strong></td>
<td>-9.0</td>
<td>-9.8</td>
<td>-35.4</td>
<td>-36.7</td>
</tr>
<tr>
<td><strong>Costs and expenses</strong></td>
<td>-158.5</td>
<td>-176.3</td>
<td>-626.5</td>
<td>-531.0</td>
</tr>
<tr>
<td><strong>Share of associated companies’ and joint ventures’ net income</strong></td>
<td>1.7</td>
<td>0.2</td>
<td>2.3</td>
<td>0.9</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>60.0</td>
<td>54.7</td>
<td>100.0</td>
<td>222.1</td>
</tr>
<tr>
<td><strong>Operating profit, %</strong></td>
<td>6.7%</td>
<td>6.2%</td>
<td>5.8%</td>
<td>6.8%</td>
</tr>
<tr>
<td><strong>Financing income and expenses</strong></td>
<td>-9.7</td>
<td>-7.7</td>
<td>-28.9</td>
<td>-32.9</td>
</tr>
<tr>
<td><strong>Income before taxes</strong></td>
<td>52.2</td>
<td>47.0</td>
<td>161.1</td>
<td>189.2</td>
</tr>
<tr>
<td><strong>Income before taxes, %</strong></td>
<td>5.7%</td>
<td>5.3%</td>
<td>4.9%</td>
<td>5.0%</td>
</tr>
<tr>
<td><strong>Income taxes</strong></td>
<td>-18.1</td>
<td>-19.3</td>
<td>-51.1</td>
<td>-56.5</td>
</tr>
<tr>
<td><strong>Net income for the period</strong></td>
<td>34.1</td>
<td>27.7</td>
<td>108.0</td>
<td>132.7</td>
</tr>
<tr>
<td><strong>Net income for the period, %</strong></td>
<td>3.8%</td>
<td>3.1%</td>
<td>3.3%</td>
<td>4.1%</td>
</tr>
</tbody>
</table>

**Net income for the period attributable to:**
- Equity holders of the parent: 33.9
- Non-controlling interest: 0.2
- Total: 34.1

**Earnings per share for profit attributable to**
- the equity holders of the parent:
  - Earnings per share, EUR: 0.53
  - Diluted earnings per share, EUR: 0.52
Balance sheet 31 December 2018

<table>
<thead>
<tr>
<th>ASSETS, MEUR</th>
<th>31 Dec 2018</th>
<th>31 Dec 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goodwill</td>
<td>970.9</td>
<td>985.7</td>
</tr>
<tr>
<td>Other intangible assets</td>
<td>278.6</td>
<td>290.8</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>399.7</td>
<td>319.8</td>
</tr>
<tr>
<td>Investments in associated companies and joint ventures</td>
<td>99.8</td>
<td>109.8</td>
</tr>
<tr>
<td>Share Investments</td>
<td>0.3</td>
<td>0.2</td>
</tr>
<tr>
<td>Loans receivable and other interest-bearing assets*</td>
<td>38.0</td>
<td>5.0</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>137.3</td>
<td>150.0</td>
</tr>
<tr>
<td>Derivative assets</td>
<td>-</td>
<td>6.1</td>
</tr>
<tr>
<td>Other non-interest-bearing assets</td>
<td>9.5</td>
<td>8.5</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>1,841.1</td>
<td>1,837.9</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>668.8</td>
<td>623.3</td>
</tr>
<tr>
<td>Loans receivable and other interest-bearing assets*</td>
<td>1.8</td>
<td>2.5</td>
</tr>
<tr>
<td>Income tax receivables</td>
<td>56.0</td>
<td>38.4</td>
</tr>
<tr>
<td>Derivative assets</td>
<td>17.4</td>
<td>13.3</td>
</tr>
<tr>
<td>Accounts receivable and other non-interest-bearing assets</td>
<td>822.5</td>
<td>748.8</td>
</tr>
<tr>
<td>Cash and cash equivalents*</td>
<td>256.3</td>
<td>399.1</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>1,842.8</td>
<td>1,731.4</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>3,683.9</td>
<td>3,569.3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EQUITY AND LIABILITIES, MEUR</th>
<th>31 Dec 2018</th>
<th>31 Dec 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equity attributable to the equity holders of the parent</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share capital</td>
<td>64.3</td>
<td>64.3</td>
</tr>
<tr>
<td>Share premium account</td>
<td>98.0</td>
<td>98.0</td>
</tr>
<tr>
<td>Translation differences</td>
<td>-44.2</td>
<td>-31.2</td>
</tr>
<tr>
<td>Fair value reserves</td>
<td>-13.5</td>
<td>2.1</td>
</tr>
<tr>
<td>Reserve for invested non-restricted equity</td>
<td>58.5</td>
<td>69.0</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>1,262.5</td>
<td>1,220.6</td>
</tr>
<tr>
<td><strong>Total equity attributable to the equity holders of the parent</strong></td>
<td>1,425.6</td>
<td>1,422.8</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>1,425.6</td>
<td>1,425.1</td>
</tr>
<tr>
<td><strong>Non-controlling interest</strong></td>
<td>3.0</td>
<td>2.3</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>1,428.6</td>
<td>1,427.4</td>
</tr>
</tbody>
</table>

| **Non-current liabilities** | | |
| Interest-bearing liabilities* | 717.1 | 673.6 |
| Deferred tax liabilities | 28.1 | 12.7 |
| Pension obligations | 92.3 | 87.5 |
| Provisions | 10.7 | 17.1 |
| Other non-interest-bearing liabilities | 56.6 | 61.5 |
| **Total non-current liabilities** | 906.8 | 852.6 |

| **Current liabilities** | | |
| Current portion of interest-bearing liabilities* | 168.4 | 83.8 |
| Other interest-bearing liabilities* | 44.5 | 37.6 |
| Provisions | 86.7 | 103.5 |
| Advances received** | 190.3 | 194.1 |
| Income tax payables | 39.6 | 49.1 |
| Derivative liabilities | 5.8 | 6.4 |
| Accounts payable and other non-interest-bearing liabilities** | 813.5 | 817.1 |
| **Total current liabilities** | 1,248.8 | 1,291.1 |

| **Total equity and liabilities** | 3,683.9 | 3,569.3 |

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

<table>
<thead>
<tr>
<th>MEUR</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash flow from operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income for the financial year</td>
<td>108.0</td>
<td>132.7</td>
</tr>
<tr>
<td>Depreciation, amortisation and impairment</td>
<td>77.2</td>
<td>72.0</td>
</tr>
<tr>
<td>Financing items</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes</td>
<td>28.9</td>
<td>32.9</td>
</tr>
<tr>
<td>Change in receivables</td>
<td>53.1</td>
<td>56.5</td>
</tr>
<tr>
<td>Change in payables</td>
<td>-54.8</td>
<td>-0.1</td>
</tr>
<tr>
<td>Change in inventories</td>
<td>-49.6</td>
<td>-38.7</td>
</tr>
<tr>
<td>Change in net working capital</td>
<td>-158.7</td>
<td>-43.6</td>
</tr>
<tr>
<td>Other adjustments</td>
<td>17.3</td>
<td>2.9</td>
</tr>
<tr>
<td>Cash flow from operations before financing items and taxes</td>
<td>125.8</td>
<td>253.5</td>
</tr>
<tr>
<td>Interest received</td>
<td>3.1</td>
<td>4.8</td>
</tr>
<tr>
<td>Interest paid</td>
<td>-18.6</td>
<td>-20.1</td>
</tr>
<tr>
<td>Dividends received</td>
<td>14.0</td>
<td>5.6</td>
</tr>
<tr>
<td>Other financing items</td>
<td>-23.0</td>
<td>14.6</td>
</tr>
<tr>
<td>Income taxes paid</td>
<td>-51.0</td>
<td>-77.0</td>
</tr>
<tr>
<td>Net cash flow from operating activities</td>
<td>40.2</td>
<td>180.9</td>
</tr>
<tr>
<td>Net cash flow from investing activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisitions of businesses, net of cash acquired</td>
<td>-70.7</td>
<td>-14.4</td>
</tr>
<tr>
<td>Disposals of businesses, net of cash sold</td>
<td>-15.5</td>
<td>-1.2</td>
</tr>
<tr>
<td>Investments in associated companies and joint ventures</td>
<td>-0.5</td>
<td>-4.7</td>
</tr>
<tr>
<td>Investments in fixed assets</td>
<td>-71.5</td>
<td>-84.3</td>
</tr>
<tr>
<td>Disposals of fixed assets</td>
<td>19.1</td>
<td>13.7</td>
</tr>
<tr>
<td>Cash flow from investing activities, other items</td>
<td>1.8</td>
<td>1.3</td>
</tr>
<tr>
<td>Net cash flow from investing activities</td>
<td>-137.3</td>
<td>-99.7</td>
</tr>
<tr>
<td>Net cash flow from financing activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Treasury shares acquired</td>
<td>-9.4</td>
<td>-</td>
</tr>
<tr>
<td>Acquisition of non-controlling interests</td>
<td>-</td>
<td>-0.4</td>
</tr>
<tr>
<td>Proceeds from long-term borrowings</td>
<td>199.5</td>
<td>253.2</td>
</tr>
<tr>
<td>Repayments of long-term borrowings</td>
<td>-83.7</td>
<td>-243.1</td>
</tr>
<tr>
<td>Proceeds from short-term borrowings</td>
<td>3.4</td>
<td>7.6</td>
</tr>
<tr>
<td>Repayments of short-term borrowings</td>
<td>-3.9</td>
<td>-17.7</td>
</tr>
<tr>
<td>Profit distribution</td>
<td>-68.0</td>
<td>-62.2</td>
</tr>
<tr>
<td>Net cash flow from financing activities</td>
<td>-37.7</td>
<td>-92.6</td>
</tr>
<tr>
<td>Change in cash and cash equivalents</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents, and bank overdrafts at the beginning of period</td>
<td>264.7</td>
<td>260.8</td>
</tr>
<tr>
<td>Effect of exchange rate changes</td>
<td>0.1</td>
<td>-4.6</td>
</tr>
<tr>
<td>Cash and cash equivalents, and bank overdrafts at the end of period</td>
<td>225.5</td>
<td>284.7</td>
</tr>
<tr>
<td>Bank overdrafts at the end of period</td>
<td>30.8</td>
<td>24.4</td>
</tr>
<tr>
<td>Cash and cash equivalents at the end of period</td>
<td>254.3</td>
<td>309.1</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
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.

INDUSTRIAL INJURY FREQUENCY RATE*

- **Cargotec IFR**
- **Number of lost time injuries**

*IFR and number of injuries cover Cargotec production sites.

**Number of injuries per million hours worked.

EMPLOYEE ENGAGEMENT INDEX

- **Employee Engagement Index**

<table>
<thead>
<tr>
<th></th>
<th>Kalar</th>
<th>Hiab</th>
<th>MacGregor</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>71.72</td>
<td>70.68</td>
<td>63.63</td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

SOCIAL RESPONSIBILITY INDEX

- **Social Responsibility Index**

<table>
<thead>
<tr>
<th></th>
<th>Kalar</th>
<th>Hiab</th>
<th>MacGregor</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>80.81</td>
<td>80.79</td>
<td>77.74</td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

CERTIFICATION COVERAGE*

- **Certification Coverage**

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kalar</td>
<td>95</td>
<td>95</td>
<td>94</td>
</tr>
<tr>
<td>Hiab</td>
<td>92</td>
<td>91</td>
<td>86</td>
</tr>
<tr>
<td>MacGregor</td>
<td>85</td>
<td>85</td>
<td>85</td>
</tr>
</tbody>
</table>

LEADERSHIP INDEX*

- **Leadership Index**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kalar</td>
<td>69.72</td>
<td>69.71</td>
</tr>
<tr>
<td>Hiab</td>
<td>65</td>
<td>65</td>
</tr>
<tr>
<td>MacGregor</td>
<td>69</td>
<td>69</td>
</tr>
</tbody>
</table>

*Employee view about the company social responsibility.

*Share of certified sites' sales volume of the total sales volume.

**Number of injuries per million hours worked.

Investor presentation February 2019 78
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)

- China Cosco Shipping *
- Hutchison Ports
- PSA International
- APM Terminals
- DP World
- Terminal Investment Limited (TIL)
- China Merchants Ports
- CMA CGM **
- Eurogate
- SSA Marine
- ONE ***
- NYK #
- MOL #
- K Line #
- Evergreen
- ICTSI
- Hyundai
- OOCL
- Yildirim/Yilport
- Yang Ming
- Bollore
- SAAM Puertos

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

Investor presentation
February 2019
59% of global container throughput is expected to take place in APAC in 2018

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

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

- **Shipping lines**
  - 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
  - Evergreen
  - Hamburg Sud

- **Total:** 17 (9 after further consolidations)

- **Key points:**
  - 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**

- **February 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

#### Annual Construction Output

<table>
<thead>
<tr>
<th>Year</th>
<th>NAM</th>
<th>SAM</th>
<th>NE</th>
<th>UK</th>
<th>DACH</th>
<th>BENELUX</th>
<th>MED</th>
<th>EE</th>
<th>MEA</th>
<th>APAC</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>3.4%</td>
<td>3.5%</td>
<td>3.6%</td>
<td>3.7%</td>
<td>3.8%</td>
<td>3.9%</td>
<td>4.0%</td>
<td>4.1%</td>
<td>4.2%</td>
<td>4.3%</td>
<td>4.4%</td>
</tr>
<tr>
<td>2018</td>
<td>3.3%</td>
<td>3.4%</td>
<td>3.5%</td>
<td>3.6%</td>
<td>3.7%</td>
<td>3.8%</td>
<td>3.9%</td>
<td>4.0%</td>
<td>4.1%</td>
<td>4.2%</td>
<td>4.3%</td>
</tr>
<tr>
<td>2019</td>
<td>3.2%</td>
<td>3.3%</td>
<td>3.4%</td>
<td>3.5%</td>
<td>3.6%</td>
<td>3.7%</td>
<td>3.8%</td>
<td>3.9%</td>
<td>4.0%</td>
<td>4.1%</td>
<td>4.2%</td>
</tr>
<tr>
<td>2020</td>
<td>3.1%</td>
<td>3.2%</td>
<td>3.3%</td>
<td>3.4%</td>
<td>3.5%</td>
<td>3.6%</td>
<td>3.7%</td>
<td>3.8%</td>
<td>3.9%</td>
<td>4.0%</td>
<td>4.1%</td>
</tr>
<tr>
<td>2021</td>
<td>3.0%</td>
<td>3.1%</td>
<td>3.2%</td>
<td>3.3%</td>
<td>3.4%</td>
<td>3.5%</td>
<td>3.6%</td>
<td>3.7%</td>
<td>3.8%</td>
<td>3.9%</td>
<td>4.0%</td>
</tr>
</tbody>
</table>

#### Changes vs last Forecast

<table>
<thead>
<tr>
<th>Region</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>NAM</td>
<td>-5.5%</td>
<td>-5.6%</td>
<td>-5.6%</td>
<td>-5.7%</td>
<td>-5.6%</td>
</tr>
<tr>
<td>SAM</td>
<td>-2.3%</td>
<td>-1.3%</td>
<td>-2.1%</td>
<td>-2.2%</td>
<td>-2.3%</td>
</tr>
<tr>
<td>NE</td>
<td>-0.4%</td>
<td>1.3%</td>
<td>2.0%</td>
<td>2.2%</td>
<td>2.4%</td>
</tr>
<tr>
<td>UK</td>
<td>0.1%</td>
<td>0.7%</td>
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#### YoY changes

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

**Investor presentation** February 2019 87
Global truck volumes

### Truck registrations, GVW >15t

![Graph showing global truck volumes](image)

### Changes vs last Forecast

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### YoY changes (vs. prev. year)

- APAC
- NAM
- UK/IR
- BENELUX
- EE
- MED
- MEA
- Total

Source: IHS Truck registration (Feb 2019, previous forecast Nov 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

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

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