CARGOTEC
January–June 2015 interim report

21 July 2015

Mika Vehviläinen, President and CEO

Eeva Siipilä, Executive Vice President, CFO
Highlights of the second quarter

- Orders declined 11% y-o-y to EUR 887 (993) million due to MacGregor market situation

- Order book strengthened 6% from 2014 year-end to EUR 2,342 million

- Sales grew 16% y-o-y to EUR 936 (804) million

- Operating profit excluding restructuring costs was EUR 58.0 (4.7) million or 6.2 (0.6)% of sales

- Operating profit was EUR 54.9 (-6.0) million

- Cash flow from operations strong at EUR 101.3 (24.4) million

- Profit improvement programmes in Kalmar and Hiab completed ahead of schedule
Market environment in January–June

- Market for marine cargo handling equipment was weak
  - Demand for cargo handling solutions for bulk carriers was low, orders were not yet placed for container ship related cargo handling equipment
  - Offshore cargo handling market weakened during Q2

- Demand for container handling equipment and services saw positive development on all continents

- Market for load handling equipment was strong in the US, and varied significantly between countries in Europe
**January–June key figures**

<table>
<thead>
<tr>
<th></th>
<th>4-6/15</th>
<th>4-6/14</th>
<th>Change</th>
<th>1-6/15</th>
<th>1-6/14</th>
<th>Change</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received, MEUR</td>
<td>887</td>
<td>993</td>
<td>-11%</td>
<td>1,826</td>
<td>1,856</td>
<td>-2%</td>
<td>3,599</td>
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<tr>
<td>Sales, MEUR</td>
<td>936</td>
<td>804</td>
<td>16%</td>
<td>1,825</td>
<td>1,555</td>
<td>17%</td>
<td>3,358</td>
</tr>
<tr>
<td>Operating profit, MEUR*</td>
<td>58.0</td>
<td>4.7</td>
<td>1138%</td>
<td>110.3</td>
<td>29.3</td>
<td>276%</td>
<td>149.3</td>
</tr>
<tr>
<td>Operating profit margin, %*</td>
<td>6.2</td>
<td>0.6</td>
<td>6.0</td>
<td>1.9</td>
<td>4.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash flow from operations, MEUR</td>
<td>101.3</td>
<td>24.4</td>
<td>152.8</td>
<td>56.9</td>
<td>204.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest-bearing net debt, MEUR</td>
<td>735</td>
<td>847</td>
<td>735</td>
<td>847</td>
<td>719</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Earnings per share, EUR</td>
<td>0.43</td>
<td>-0.15</td>
<td>0.99</td>
<td>0.05</td>
<td>1.11</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*excluding restructuring costs
MacGregor Q2 – challenging market situation

- Order intake declined 35% y-o-y to EUR 220 (338) million

- Order book decreased 2% from 2014 year-end

- Sales grew 18% y-o-y to EUR 308 (261) million

- Profitability excluding restructuring costs was 4.1%
  - Restructuring costs EUR 2.9 million

- Effectiveness and savings programmes progressing as planned

- New President will start in August
Kalmar Q2 – strong orders and sales

- Order intake increased 14% y-o-y to EUR 450 (394) million
- Order book strengthened 18% from 2014 year-end
- Sales grew 21% y-o-y to EUR 391 (323) million
- Profitability excluding restructuring costs was 7.3%
- Profit improvement programme completed ahead of schedule

![Graph showing orders, sales, and operating profit percentage over quarters Q2/14 to Q2/15.](image)

*excluding restructuring costs*
Hiab Q2 – double digit operating profit margin

- Orders declined 15% y-o-y to EUR 221 (261) million
  - Comparison period included EUR 40 million demountable and load crane order
- Order book strengthened 12% from 2014 year-end
- Sales grew 7% y-o-y to EUR 237 (221) million
- Profitability excluding restructuring costs was 10.7%
- Profit improvement programme completed ahead schedule
Cash flow from operations strong
More balanced geographical mix in sales

Sales by reporting segment 1-6/2015, %

- Equipment 80 (78)%
- Services 20 (22)%

Sales by geographical segment 1-6/2015, %

- Equipment 76 (77)%
- Services 24 (23)%

- Americas
- APAC
- EMEA
Sales by geographical segment by business area 1–6/2015

MacGregor
- Americas 8% (5)
- EMEA 29% (39)
- APAC 63% (56)

Kalmar
- Americas 36% (32)
- EMEA 43% (48)
- APAC 21% (20)

Hiab
- Americas 42% (37)
- EMEA 48% (52)
- APAC 10% (11)
Return on capital (ROCE) improved towards the >13% target level

ROCE, annualised
* excluding restructuring costs
Outlook unchanged

- Cargotec’s 2015 sales are expected to grow from 2014 (3,358 MEUR).

- Operating profit excluding restructuring costs for 2015 is expected to improve from 2014 (149.3 MEUR).