January–September 2014 interim report

23 October 2014

Mika Vehviläinen, President and CEO

Eeva Siplä, Executive Vice President, CFO
Highlights of Q3

- Orders grew 15% y-o-y and totalled EUR 829 (724) million
  - With fixed currencies orders grew 17%

- Sales grew 12% y-o-y to EUR 840 (752) million
  - With fixed currencies sales grew 14%

- Operating profit excluding restructuring costs was EUR 48.4 (35.4) million or 5.8 (4.7)% of sales

- Operating profit was EUR 45.8 (31.2) million

- Cash flow from operations increased to EUR 63.4 (38.2) million

- Reorganisation launched in MacGregor
## January–September key figures

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received, MEUR</td>
<td>829</td>
<td>724</td>
<td>15%</td>
<td>2,685</td>
<td>2,348</td>
<td>14%</td>
<td>3,307</td>
</tr>
<tr>
<td>Order book, MEUR</td>
<td>2,327</td>
<td>2,048</td>
<td>14%</td>
<td>2,327</td>
<td>2,048</td>
<td>14%</td>
<td>1,980</td>
</tr>
<tr>
<td>Sales, MEUR</td>
<td>840</td>
<td>752</td>
<td>12%</td>
<td>2,395</td>
<td>2,267</td>
<td>6%</td>
<td>3,181</td>
</tr>
<tr>
<td>Operating profit, MEUR*</td>
<td>48.4</td>
<td>35.4</td>
<td>37%</td>
<td>77.8</td>
<td>87.9</td>
<td>-12%</td>
<td>126.5</td>
</tr>
<tr>
<td>Operating profit margin, %*</td>
<td>5.8</td>
<td>4.7</td>
<td></td>
<td>3.2</td>
<td>3.9</td>
<td></td>
<td>4.0</td>
</tr>
<tr>
<td>Cash flow from operations, MEUR</td>
<td>63.4</td>
<td>38.2</td>
<td></td>
<td>120.3</td>
<td>47.0</td>
<td></td>
<td>180.9</td>
</tr>
<tr>
<td>Interest-bearing net debt, MEUR</td>
<td>835</td>
<td>577</td>
<td></td>
<td>835</td>
<td>577</td>
<td></td>
<td>578</td>
</tr>
<tr>
<td>Earnings per share, EUR</td>
<td>0.43</td>
<td>0.31</td>
<td></td>
<td>0.48</td>
<td>0.77</td>
<td></td>
<td>0.89</td>
</tr>
</tbody>
</table>

*excluding restructuring costs
Performance development

Orders and Sales development:

- Q3/13: 724 MEUR, 752 MEUR
- Q4/13: 829 MEUR, 840 MEUR

Operating profit and Operating profit% development:

- Q3/13: 35.4 MEUR, 4.7% (excluding restructuring costs)
- Q4/13: 48.4 MEUR, 5.8% (excluding restructuring costs)
MacGregor Q3 – lower than average profitability in certain deliveries

- Order intake grew 61% y-o-y to EUR 253 (157) million
  - Contribution of acquired businesses EUR 73 million

- Market for marine cargo handling equipment remained stable

- Offshore cargo handling equipment market remained stable. Uncertainty in market, but deep-sea production and related lifting equipment market is still expected to grow faster than the overall offshore market

- Demand for services was satisfactory

- Sales grew 28% y-o-y to EUR 255 (200) million
  - Contribution of acquired businesses EUR 61 million

- Profitability excluding restructuring costs was 2.9%
  - Clearly lower-than-average profitability in certain deliveries
  - PPA depreciation and amortisation EUR 2.7 million (approx. EUR 10 million annually)
Kalmar Q3 – clear progress in profit improvement

- Demand for mobile equipment and automation solutions remained stable, while demand for large port projects rose slightly.

- Demand was healthy in Europe and North America, whereas it was satisfactory in Asia and South America.

- Demand for services was healthy.

- Order intake grew 4% y-o-y to EUR 380 (366) million.

- Sales grew 9% y-o-y to EUR 385 (354) million.

- Profitability excluding restructuring costs was 8.0%.

  - Additional costs of EUR 3 million to finalise delivers of the projects sold in 2012 (Q3 2013: 9 MEUR).

- Profit improvement programme proceeding according to plan.
Hiab Q3 – steady profitability

- Demand for load handling equipment has been two-fold throughout the year
  - Strong demand in USA while demand in Europe was satisfactory
- Demand for services was healthy
- Orders declined 3% y-o-y to EUR 197 (203) million
- Sales were at comparison period’s level at EUR 200 (198) million
- Profitability excluding restructuring costs was 7.1%
- Profit improvement programme proceeding ahead of schedule
Cash flow from operations strengthened
Acquisitions increased MacGregor’s share in portfolio

Sales by reporting segment 1-9/2014, %

<table>
<thead>
<tr>
<th>Equipment</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>78 (82)%</td>
<td>22 (18)%</td>
</tr>
</tbody>
</table>

Sales by geographical segment 1-9/2014, %

<table>
<thead>
<tr>
<th>Americas</th>
<th>APAC</th>
<th>EMEA</th>
</tr>
</thead>
<tbody>
<tr>
<td>28% (24)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30% (33)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>42% (43)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Measures initiated to improve MacGregor’s performance

- New customer-oriented organisation with seven divisions
  - Growth by increasing cross-selling and solution-selling capabilities for the most attractive ship types and customer segments
- Service business growth through tighter cooperation between the six new product divisions and the Global Lifecycle Support division
- Better exploitation of the underlying improvement potential in cross-divisional marketing, sales, sourcing, engineering and R&D
- Faster decisions which are made closer to the customers

- Changes driven through dedicated programme structures
Outlook unchanged

- Cargotec’s 2014 sales are expected to grow from 2013.
- Operating profit excluding restructuring costs for 2014 is expected to improve from 2013.