Financial statements review 2013

4 February 2014

Mika Vehviläinen, President and CEO

Eeva Sipilä, Executive Vice President, CFO
Highlights of Q4

- Orders grew 35% y-o-y and totalled EUR 958 (710) million
- Sales at EUR 914 (890) million, up 3% y-o-y
- Operating profit excluding restructuring costs was EUR 38.6 (39.9) million or 4.2 (4.5)% of sales
- Operating profit was EUR 15.3 (14.2) million
- Cash flow from operations increased to EUR 133.9 (90.7) million
- Dividend proposal EUR 0.42/B share
- Acquisition of Aker Solutions’ mooring and loading systems unit closed in January 2014
## January–December key figures

<table>
<thead>
<tr>
<th></th>
<th>Q4/13</th>
<th>Q4/12</th>
<th>Change</th>
<th>Q1-Q4/13</th>
<th>Q1-Q4/12</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received, MEUR</td>
<td>958</td>
<td>710</td>
<td>35%</td>
<td>3,307</td>
<td>3,058</td>
<td>8%</td>
</tr>
<tr>
<td>Order book, MEUR</td>
<td>1,980</td>
<td>2,021</td>
<td>-2%</td>
<td>1,980</td>
<td>2,021</td>
<td>-2%</td>
</tr>
<tr>
<td>Sales, MEUR</td>
<td>914</td>
<td>890</td>
<td>3%</td>
<td>3,181</td>
<td>3,327</td>
<td>-4%</td>
</tr>
<tr>
<td>Operating profit, MEUR*</td>
<td>38.6</td>
<td>39.9</td>
<td>-3%</td>
<td>126.5</td>
<td>157.5</td>
<td>-20%</td>
</tr>
<tr>
<td>Operating profit margin, %*</td>
<td>4.2</td>
<td>4.5</td>
<td></td>
<td>4.0</td>
<td>4.7</td>
<td></td>
</tr>
<tr>
<td>Cash flow from operations, MEUR</td>
<td>133.9</td>
<td>90.7</td>
<td></td>
<td>181.1</td>
<td>97.1</td>
<td></td>
</tr>
<tr>
<td>Interest-bearing net debt, MEUR</td>
<td>578</td>
<td>478</td>
<td></td>
<td>578</td>
<td>478</td>
<td></td>
</tr>
<tr>
<td>Earnings per share, EUR</td>
<td>0.12</td>
<td>0.15</td>
<td></td>
<td>0.89</td>
<td>1.45</td>
<td></td>
</tr>
</tbody>
</table>

* excluding restructuring costs
Performance development

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Orders MEUR</th>
<th>Sales MEUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4/12</td>
<td>890</td>
<td>710</td>
</tr>
<tr>
<td>Q1/13</td>
<td>710</td>
<td>600</td>
</tr>
<tr>
<td>Q2/13</td>
<td>890</td>
<td>710</td>
</tr>
<tr>
<td>Q3/13</td>
<td>958</td>
<td>914</td>
</tr>
<tr>
<td>Q4/13</td>
<td>914</td>
<td>958</td>
</tr>
</tbody>
</table>

- Orders include a write-down of €105 MEUR in Q2/13.

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Operating profit MEUR</th>
<th>Operating profit%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4/12</td>
<td>39.9</td>
<td>-</td>
</tr>
<tr>
<td>Q1/13</td>
<td>4.5</td>
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<tr>
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<td>890</td>
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<tr>
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<td>-</td>
</tr>
<tr>
<td>Q4/13</td>
<td>4.2</td>
<td>-</td>
</tr>
</tbody>
</table>

* excluding restructuring costs
MacGregor Q4 – strong orders

- Merchant ship market continued to recover, although uncertainty in the industry continued, as demonstrated by the volatility in market activity

- Offshore market remained active

- Order intake grew 86% y-o-y to EUR 361 (194) million

- Sales declined 8% y-o-y to EUR 218 (238) million
  - Hatlapa’s contribution EUR 18 million

- Profitability 6.6% (excluding restructuring)
  - Negative impact of Hatlapa EUR 2.3 million
  - EUR 4.5 million of acquisition related costs

Graph showing orders, sales, and operating profit%* over Q4/12 to Q4/13, with notes on differences and contributions.
Kalmar Q4 – profitability improvement on track

- Demand for smaller container handling equipment and automation solutions was healthy, while demand for larger equipment picked up during the year.

- Order intake grew 14% y-o-y to EUR 357 (313) million.

- Sales grew 12% y-o-y to EUR 468 (417) million.

- Profitability excluding restructuring costs was 5.5%.
  - Additional costs and cost provisions of EUR 10 million in projects (2013: 34 MEUR).

- Year-end order book includes EUR 60 million of problem projects.
Hiab Q4 – one-offs burdened profitability

- The load handling equipment and services market was flat, and characterised by demand variations within European countries. Demand was healthy in the US.

- Orders grew 19% y-o-y and totalled EUR 241 (203) million

- Sales declined 3% y-o-y to EUR 229 (235) million

- Profitability excluding restructuring costs was 1.7%
  - Write-downs of working capital items burdened operating profit EUR 4 million

- Route-to-market and other efficiency improvement actions proceeded well. Operating loss includes EUR 16.9 (10.0) million in restructuring costs.
Cash flow from operations strengthened clearly

MEUR

Sales in services grew from the previous quarters

MEUR


763 201 206 209

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Sales by reporting and geographical segment

Sales by reporting segment 2013, %

- Equipment: 82 (84)%
- Services: 18 (16)%

Sales by geographical segment 2013, %

- Equipment: 75 (75)%
- Services: 25 (25)%

Equipment 73 (73)%
- Services: 27 (27)%

Equipment 75 (75)%
- Services: 25 (25)%

Equipment 82 (84)%
- Services: 18 (16)%

MacGregor 49% (45)
- Kalmar 26% (25)
- Hiab 25% (30)

Americas 44% (41)
- APAC 31% (35)
- EMEA 25% (24)
Earnings per share and dividend (B share)

* Dividend proposal by the Board of Directors
Outlook

- Cargotec’s 2014 sales are expected to grow from 2013.

- Operating profit excluding restructurings costs for 2014 is expected to improve from 2013.

- The acquisition of the Aker Solution’s mooring and loading systems unit was completed 30 January 2014. Consolidation of the acquisition does not impact Cargotec’s above-mentioned outlook for 2014.
Driving for better performance
Cargotec road map

Phase 1
Reconfirm and execute key improvement initiatives

Phase 2
Drive ‘on par’ performance

Phase 3
Drive superior performance and competences in focused portfolio

2013 2014 2015
Kalmar improvement initiatives

2012
- Organisational efficiency and refocused R&D
- Project delivery capability development

2013
- Ramp-up of Poland multi-assembly unit
- Development of service business
- 20 M savings in 2013

2014
- Ramp-up of production in Rainbow Cargotec Industries joint venture
- Further development of integrated port automation solutions
- Improvements in design-to-cost
- Aiming at further 40M run rate improvement by end 2014

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Hiab improvement initiatives

2012
- Route-to-market immediate improvements
- Footprint, incl. ramp-up of Poland multi-assembly unit

2013
- Efficiency improvement
- Improvements in design-to-cost
- Development of new products
- 3M savings in 2013
- 15M gross margin improvement

2014
- Development of route-to-market
- Aiming at further 40M run rate improvement by end 2014

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MacGregor improvement initiatives

2012
- Development of offshore footprint
- Organisational and operational efficiency

2013
- Development of service business
- Organic growth in offshore
- 4M savings in 2013

2014
- Growth through acquisitions
- Listing preparations

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Cargotec’s must-win battles

- Turning Hiab’s high business potential into profitability

- Building the MacGregor growth platform with the successful integration of acquisitions

- Ensuring Kalmar’s competitiveness and profitability in mobile equipment

- Profitable future growth in services in Kalmar and MacGregor

- Building Kalmar as a sustainable leader in container handling automation
CARGOTEC