Financial statements review 2015

10 February 2016

Mika Vehviläinen, President and CEO

Eeva Siplä, Executive Vice President, CFO
Highlights of 2015

- Market situation for Kalmar and Hiab healthy, but challenging for MacGregor
- Earnings per share doubled to EUR 2.21 (1.11)
- Order book decreased to EUR 2,064 (2,200) million
- Sales grew 11% y-o-y- to EUR 3,729 (3,358) million
- Operating profit excluding restructuring costs was EUR 230.7 (149.3) million or 6.2 (4.4)% of sales
- Operating profit was EUR 213.1 (126.6) million
- Cash flow from operations strong at EUR 314.6 (204.3) million, gearing at 46.4%
- New strategy – aim to become the leader in intelligent cargo handling
Highlights of the fourth quarter

- Good profit development continued in Kalmar and Hiab
- MacGregor profit burdened by indirect costs and EUR 11 million settlement
- Orders received totalled EUR 824 (914) million
- Sales at EUR 977 (963) million
- Operating profit excluding restructuring costs was EUR 52.1 (71.5) million or 5.3 (7.4)% of sales
- Operating profit was EUR 45.0 (63.0) million
- Cash flow from operations was EUR 87.3 (84.0) million
Market environment in 2015

- Demand for container handling equipment, and services as well as interest for automation solutions was active

- Demand for Kalmar industrial and logistical solutions was healthy especially in the US

- Market for load handling equipment was strong in the US, and healthy in Europe varying significantly between countries

- Market for marine cargo handling equipment was weak
  - Demand for cargo handling equipment for large container ships improved during H2, demand for cargo handling solutions for bulk carriers and offshore vessels was low
  - Demand for RoRo and special vessel related cargo handling equipment was healthy
Key figures

<table>
<thead>
<tr>
<th></th>
<th>10-12/15</th>
<th>10-12/14</th>
<th>Change</th>
<th>1-12/15</th>
<th>1-12/14</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received, MEUR</td>
<td>824</td>
<td>914</td>
<td>-10%</td>
<td>3,557</td>
<td>3,599</td>
<td>-1%</td>
</tr>
<tr>
<td>Order book, MEUR</td>
<td>2,064</td>
<td>2,200</td>
<td>-6%</td>
<td>2,064</td>
<td>2,200</td>
<td>-6%</td>
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<tr>
<td>Sales, MEUR</td>
<td>977</td>
<td>963</td>
<td>1%</td>
<td>3,729</td>
<td>3,358</td>
<td>11%</td>
</tr>
<tr>
<td>Operating profit, MEUR*</td>
<td>52.1</td>
<td>71.5</td>
<td>-27%</td>
<td>230.7</td>
<td>149.3</td>
<td>55%</td>
</tr>
<tr>
<td>Operating profit margin, %*</td>
<td>5.3</td>
<td>7.4</td>
<td></td>
<td>6.2</td>
<td>4.4</td>
<td></td>
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<tr>
<td>Cash flow from operations, MEUR</td>
<td>87.3</td>
<td>84.0</td>
<td></td>
<td>314.6</td>
<td>204.3</td>
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<tr>
<td>Interest-bearing net debt, MEUR</td>
<td>622</td>
<td>719</td>
<td></td>
<td>622</td>
<td>719</td>
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<tr>
<td>Earnings per share, EUR</td>
<td>0.55</td>
<td>0.63</td>
<td></td>
<td>2.21</td>
<td>1.11</td>
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*excluding restructuring costs
Kalmar Q4 – high deliveries but mix and R&D affected margin q-o-q

- Order intake increased 4% y-o-y to EUR 395 (378) million
- Order book strengthened 9% from 2014 year-end
- Sales grew 4% y-o-y to EUR 468 (452) million
- Profitability excluding restructuring costs was 7.7%

**Graph:**
- Operating profit%: Q4/14 - 7.6, Q1/15 - 7.7

*excluding restructuring costs*
Hiab Q4 – strong development in all areas

- Orders grew 8% y-o-y to EUR 250 (232) million
- Order book strengthened 15% from 2014 year-end
- Sales grew 18% y-o-y to EUR 249 (211) million
- Profitability excluding restructuring costs was 12.3%
**MacGregor Q4 – profit burdened by indirect costs**

- Order intake declined 41% y-o-y to EUR 180 (304) million
- Order book decreased 22% from 2014 year-end to EUR 883 million
- Sales declined 14% y-o-y to EUR 259 (301) million
- Profitability excluding restructuring costs was -2.8%
  - Restructuring costs EUR 6.4 million
  - Relatively higher indirect costs
  - EUR 11 million settlement
- Benefits from the restructuring measures not yet visible
Cash flow from operations solid throughout the year

MEUR

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<td>315</td>
<td>200</td>
<td>150</td>
<td>100</td>
<td>84</td>
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<td>87</td>
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-50 0 50 100 150 200 250 300 350
Balanced geographical mix in sales

Sales by reporting segment 2015, %

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

Sales by geographical segment 2015, %

- Equipment 74 (73)%
- Services 26 (27)%

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

- EMEA
- APAC
- Americas

Kalmar
Hiab
MacGregor
Sales by geographical segment by business area 2015

Kalmar
- Americas: 36% (34)
- EMEA: 42% (47)
- APAC: 22% (19)

Hiab
- Americas: 42% (38)
- EMEA: 48% (51)
- APAC: 10% (11)

MacGregor
- Americas: 6% (9)
- EMEA: 29% (30)
- APAC: 65% (61)
Earnings per share and dividend (B share)

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<tr>
<th>Year</th>
<th>EPS</th>
<th>Dividend</th>
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<tr>
<td>2006</td>
<td>2.57</td>
<td>1.00</td>
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<tr>
<td>2007</td>
<td>2.17</td>
<td>1.05</td>
</tr>
<tr>
<td>2008</td>
<td>1.91</td>
<td>0.60</td>
</tr>
<tr>
<td>2009</td>
<td>1.21</td>
<td>0.05</td>
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<tr>
<td>2010</td>
<td>2.42</td>
<td>0.61</td>
</tr>
<tr>
<td>2011</td>
<td>1.45</td>
<td>1.00</td>
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<tr>
<td>2012</td>
<td>0.72</td>
<td>0.72</td>
</tr>
<tr>
<td>2013</td>
<td>0.89</td>
<td>0.42</td>
</tr>
<tr>
<td>2014</td>
<td>1.11</td>
<td>0.55</td>
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<tr>
<td>2015</td>
<td>2.21</td>
<td>0.80*</td>
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* Dividend proposal by the Board of Directors
2015 demonstrated clear turnaround in key financial metrics

ROCE, annualised
*excluding restructuring costs
Cargotec’s 2015 must win-battles progressed well

- Driving Hiab to best in class profitability and capital return
- Driving MacGregor profitability over the cycle through better effectiveness
- Safeguarding competitiveness in mobile equipment in Kalmar
- Driving services offering development and growth in MacGregor and Kalmar
- Driving growth in automation in Kalmar
Cargotec is well positioned to become the leader in intelligent cargo handling

- Execution capabilities in place and profitability improving
- Investing to ensure a leading position
- Shaping our portfolio to drive growth and shareholder value
- Must win-battles supporting strategy implementation in 2016
  - Build world-class services offering
  - Lead digitalisation
  - Build world-class leadership
Long-term financial targets – committed to improve shareholder return

<table>
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<tr>
<th>Business area targets</th>
<th>Operating profit margin (EBIT) in each business area over the cycle</th>
<th>Growth Faster than market growth</th>
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<td>10%</td>
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<table>
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<tr>
<th>Group targets</th>
<th>Gearing</th>
<th>Return on capital employed over the cycle (ROCE pre-tax)</th>
<th>Dividend of earnings per share</th>
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<tbody>
<tr>
<td>&lt;50%</td>
<td>15%</td>
<td>30-50%</td>
<td>30-50%</td>
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2016 outlook

- Cargotec’s 2016 sales are expected to be at the 2015 (EUR 3,729 million) level or slightly below.

- Operating profit excluding restructuring costs for 2016 is expected to improve from 2015 (EUR 230.7 million).