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Hanna-Maria Heikkinen: Good afternoon, ladies and gentlemen, and welcome to this news conference regarding Cargotec's Q3 results. My name is Hanna-Maria Heikkinen, and I'm in charge of Investor Relations. During the third quarter, we saw orders received grow in all business areas and Kalmar's overall performance was strong. Today, our CEO, Mika Vehviläinen, will start with the group development and strategy update, and then our CFO, Mikko Puolakka, will continue with the business areas and outlook. After the presentation, there is possibility to ask questions. Please, Mika.

Mika Vehviläinen: Thank you, Hanna-Maria. Good afternoon, ladies and gentlemen, also from my behalf and thank you for participating for the Cargotec Q3 conference call. Overall, I'm fairly pleased with the progress we made during the quarter three. It is serving as a strong basis for us to drive our revenue and profitability in the coming quarter and into the next year.

We saw strong demand in many of our key sectors resulting, as Hanna-Maria already said, into 23% growth in our orders, or over EUR 900 million in absolute terms. All our business areas were growing. Sales increased by 9 percentage points. Despite the low headline number in our services, I'm pleased with the good progress we are making again in our core services business, where we showed strong growth in sales and orders, and I'll come back to that one bit more in detail in a moment.

The operating profit was at last year's level, and obviously Hiab's profitability during Q3 was a disappointment for us. We had some specific issues in Hiab during the Q3, and Mikko Puolakka will elaborate them during his business area specific reviews.

We saw a good demand in port equipment, logistics and industrial sectors in Kalmar. We also made further progress in our automation with yet another substantial order in automation during the Q3. In Hiab, the construction and logistics sectors' activity has continued to be a strong level both in North America and as well as in European markets, and we saw orders increasing in all the geographic areas.

In merchant sector, market has improved but remains still at the low level. The activity level in offshore has increased but has not yet realised in substantial order improvement or activity.

As said, orders increased in all business areas. In MacGregor, the comparison point had one specific large order for delivery of the floating ramps. The actual order intake increased in the core merchant sector as well as in the offshore sector but obviously from relatively low level. In Hiab, orders increased 14% in constant currencies and the orders increased both in Europe as well as in North America. And in Kalmar, orders increased by 41% in constant currencies.

Our order book is now EUR 320 million higher than it was at the beginning of the year. Also, the order book is of a particularly high quality with high proportion of short cycle equipment with good margins.

During Q3, we still suffered from some supply chain bottlenecks and have not been able to convert the strong orders we saw in Q2 and Q3 fully into the revenues. Despite that one, the revenues increased by 9 percentage points. The overall supply situation has improved but we suffered from particularly poor performance in very limited number of key suppliers during the Q3. This was affecting our profitability negatively both in Kalmar as well as in Hiab with the impact on revenues, especially in certain product areas and increasing cost levels in our manufacturing.

The delivery situation however is improving and the strong pace we saw in September gives me confidence on Q4 and into the next year revenue and profitability as well.

I am very pleased with strong progress we are having in services. If we take out the impact of currencies and then the mergers and acquisitions, particularly the exits we did in Kalmar. Kalmar core services actually grew by 9 percentage points and orders were up by 13% during the Q3. In Hiab and MacGregor, services grew 7% in constant currencies. Software sales were strong with the 33% increase in Q3, driven by high licensing activity and software orders were actually up by 66% with a good progress, especially in automation software. The services and software are now 33% of our revenue.

During Q3, we also concluded our strategy review. Our vision remains to be the leader in intelligent cargo handling. We see many opportunities with inefficiencies in logistical industries and our capability is to answer into those requirements. We are making great progress in services and digitalisation and they remain at the core of our strategy.

Building on the progress we see in software and digitalisation, we are aiming to build further solution capabilities to answer to the questions and challenges our customers have in industry efficiencies and to build new solution models and revenue streams with our customers into the future.

The heavy investments we have done in our business platforms and core control capabilities will drive our productivity improvements in the coming years.

With that one, I'd like to hand over to Mikko Puolakka, who will cover the business area specific information.

Mikko Puolakka: Thank you, Mika, and good afternoon also from my behalf. Let's start with Kalmar, where we had an excellent quarter. If we look at Kalmar's orders, orders grew 38%. EMEA was up 53% and Americas 34%. We had a very good development in the automation and project orders and we got again a larger automation order in quarter three. We had also another good quarter in

the mobile equipment, especially in the container handling equipment as well as in the forklift truck product lines.

Also the services orders developed well, especially in the EMEA region. Overall in Kalmar also the service – sorry, the software orders grew by 62% year-on-year, so very nice development in that area. In Kalmar, our order book is now slightly above EUR 1 billion and this of course offers a very nice basis for the quarter four as well as for the first half 2019 deliveries. This order book is now EUR 270 million higher than what we started the year 2018.

Kalmar's sales were up by 12% and if we exclude the two divestments, i.e. Siwertell, as well as the rough terrain container handling business, those divestments which we did in the second quarter, sales grew even 18% year-on-year. We had a good progress also in the automation and project deliveries during quarter three and then service sales by 9% excluding the currency and M&A impact.

Overall, Kalmar delivered very good results in quarter three with EUR 38.6 million and it is very much coming from the good top line development deliveries as well as well-managed costs. During quarter three, Kalmar managed to do actually very good results despite these supply chain issues that we have had i.e., certain missing key components which we need for the product deliveries.

Then moving to Hiab, where we had a mixed quarter. There was a strong demand and the demand continued strong on our main markets, i.e. on Europe as well as in Americas. Total orders were up by 13%. In EMEA, we had +50% growth in quarter three in orders and in Americas 9% growth, especially the demountables and truck-mounted forklift product lines performing nicely in quarter three.

Hiab's order backlog is now also record-high EUR 371 million, and also here, we have a very favourable mix towards quarter four and early part of next year. Hiab sales were up by 3% and

services sales up by 6%. Despite the good top line development, Hiab's profitability was, to a certain extent, below our expectations and there were couple of reasons for this. The largest item is related to the currencies, so the weaker US dollar impact with Hiab result by EUR 4 million and then we had also unfavourable product mix because of the supply chain challenges that we have had throughout the whole year. Also the fixed cost were somewhat higher in quarter three compared to the 2017, and this is coming from the investments, which we have done in the sales tools and sales channels in overall.

We have done the Effer acquisition, i.e. the loader crane acquisition in Italy during quarter three and expect to close deal now in quarter four. Then also we have a new of Head of Hiab. Scott Phillips started as President of Hiab on 1 October, 2018.

Then moving to MacGregor, where the orders increased slightly in quarter three, quite a lot driven by the Rapp Marine acquisition, which we did earlier this year. In this quarter, we did not have any major orders, but as Mika indicated earlier, in quarter three 2017, we had the floating linkspan order in France roughly EUR 25 million in deal size. Service orders grew nicely 8% year-on-year.

And then in the MacGregor sales, sales grew by 14%. This is to great extent coming from the Rapp Marine acquisition we concluded earlier this year. Operating profit decreased from 2017 and basically there are two drivers for this. We have incurred roughly EUR 1.5 million M&A and integration-related costs during quarter three and then we have had slightly lower capacity utilisation ratio in certain product groups. And as MacGregor profitability is fairly low, we continue also going forward seeking new opportunities to improve the cost base.

And that then brings me to the savings programmes, where we are progressing more or less according to the plans. In the group-wide EUR 50 million savings programme, we have generated now EUR 3 million savings, so the project to-date i.e. from 2017 – since 2017, we have generated in total EUR 18 million savings. The MacGregor savings programme, which we started in

December 2017, there we have completed the actions mostly personnel-related reductions and so far we have generated in this programme EUR 8 million savings during first nine months.

Kalmar production transfer from Sweden to Poland has been completed, and the savings are somewhat lower than what we have expected. This is mainly related to the production inefficiencies, which we have incurred in course of the shortages of certain component and supply chain bottlenecks, and mostly related to our Polish operations. But we expect that once these supply chain issues had been removed, we are back to the EUR 30 million annual savings here.

So all in all, our quarter ended with very solid orders, and after nine months, we are now 50% higher than last year. Our order book is almost EUR 1.9 billion. This is EUR 321 million higher than what we started the year. Nine-month sales are slightly above last year's level. And then what comes to our operating profit excluding restructuring costs, we are currently 9% behind last year's level and this requires a strong push from us for the Q4 for which we have the backlog.

Our cumulative restructuring costs are EUR 41.3 million after nine months and here the largest single item is the EUR 30 million Rainbow Heavy industries' share ownership revaluation, which we did Q2 this year.

Looking our cash flow that has been impacted, primarily due to the supply chain related challenges missing key component and then lower advances received. Our inventories have grown EUR 73 million since the beginning of the year. This is very much related to the supply chain bottlenecks and then our advances have been going down by EUR 58 million, pretty much related to the MacGregor projects.

Our ROCE was 7.4% versus 9.6% at the end of last year and ROCE has been primarily impacted by the fairly high restructuring costs, which we have incurred during the first half of this year. So

now after nine months, we are roughly twice as high in the restructuring costs compared to last year. This is the main driver for ROCE.

Our outlook has remained unchanged. We reiterate our guidance, i.e. we are targeting and expecting to improve the profitability from 2017.

And then with those words I would hand over to Hanna-Maria.

Hanna-Maria Heikkinen: Thank you, Mikko. Now there is a possibility to ask questions and we will start with the potential questions from Ruoholahti.

Erkki Vesola: Good afternoon. It's Erkki from Inderes. A couple questions from me. First regarding the supply issues. Was it entirely about availability or about also price or both? And how would you say, have the problems been solved already, or what should we expect going forward?

Mika Vehviläinen: Regarding that one, the primary reason was the supply issues. It was actually related to very much actually almost to a single supplier where especially at the beginning of the quarter we had our fairly dramatic shortage of some key components and that pushed that deliveries later in the Q3. The other bottleneck we have in the supply issue is actually the installation capacity in Hiab. So at the moment, it's a very hot market situation. The installation capacity in North America and Europe is also a bottleneck together with actually the truck delivery as well with the strong truck demand as well.

We are getting better, and as I said, the run rate towards the end of the quarter was at a very good pace. If I look at in Hiab's case for example, the loader crane product area we were up to as high as 24-week delivery times during the summer and then right now we are looking at sort of 12 to 14 weeks delivery time. So we are just started to get on top of that one. But unfortunately also – and

also this is partly explained in the Hiab situation that supply bottlenecks affected especially the higher margin products lines during the Q3.

Erkki Vesola: Okay, thank you. And then regarding just Hiab. Could you add a little bit more granularity to the margin you see as – I mean, the impact of hedges talking about the EUR 4 million regarding the forex but the other ones as well? And will forex be a negative issue going to Q4?

Mika Vehviläinen: If I start with the forex, I mean the one thing that maybe was missed a little bit was the fact that when we had such a long lead-times during the spring and summer, and as we are actually hedging up on the orders, i.e. the cash flow, actually the FX – even though the FX situation itself has corrected due to the long lead times, so FX flowed into – from Q2 to Q3 was still relatively high that was EUR 4 million. And the other issue was related to the supply chain issues, so despite the strong orders we have seen in Q2 and Q3, especially the delivery of the higher margin products was affected very negatively during the Q3, whereas some of the lower margin products were in better shape, hence the mix was actually particularly negative on the Q3. However, we see the supply chain situation correcting itself already on this were higher performing or higher profitability product lines as well. The last component was about EUR 2 million, which is the investments we are doing in our services and front line capabilities. Those will obviously continue in Q4 as well.

Erkki Vesola: Very clear. Thank you.

Hanna-Maria Heikkinen: Thank you. Are there further questions from Ruoholahti? If not, then we will continue with the international questions.

Operator: Thank you. If you would like to ask a question, please signal by pressing star one on your telephone keypad. If you're using a speakerphone, please make sure your mute function is turned off to allow your signal to reach our equipment. A voice prompt on the phone line will indicate when your line is open. Please state your name before posing your question. Once again, please press



star one to ask a question. We will now take our first question. Please go ahead caller. Your line is now open.

Magnus Kruber: Hi Magnus here with UBS. Just a couple of questions and a follow-up to the one we already heard. I mean, if you had delivery issues in the higher margin products in Q3, will you see a catch-up effect on those into Q4 with potentially higher margins?

Mikko Puolakka: That's correct. Unfortunately, this was even within the Q3, we had a particularly bad start because the delivery situation is – or let's say below the bottlenecks we were not able to catch up within the quarter. But as I said, the pace we are having at the moment is very encouraging.

Magnus Kruber: Could you say anything about which product that's related to?

Mikko Puolakka: I don't want to go to the particular product areas.

Magnus Kruber: Got it. And then also on, I think, you had less negative group cost in Q3 than we are used to. Should we still think about EUR 10 million as a fair guidance for Q4?

Mikko Puolakka: I would say that between EUR 10 million and EUR 13 million. There is every now and then this kind of quarterly shift because we are doing also – supporting some of the corporate-wide projects, so that might cause some deviation between the quarters. But typically our group costs have been, on annual level, roughly EUR 40 million, so say then EUR 10 million to EUR 30-40 million per quarter.

Magnus Kruber: Good. And just finally on the TTS acquisition. How do you see that progressing?

Mika Vehviläinen: We see pretty good progress there with our discussions with the competitive authorities and we still expect to have all the permits coming within the Q4 this year.

Magnus Kruber: Got it. Thank you so much.

Operator: We will now take our next question. Please go ahead caller. Your line is now open.

Manu Rimpelä: Thanks for taking my question. It's Manu Rimpelä from Nordea Markets. Firstly just on the group guidance. So I think you made it quite clear that it very much depends on being able to deliver the backlog and you have the supply chain issue. So, I guess, my question is that you had the supply chain issues for quite some time, and I guess they've been dragging on for longer than you have expected and what gives you then now the confidence that we will not end up in February in a situation, where the supply chain issue has just dragged on for longer than you expected and we will not meet the guidance?

Mika Vehviläinen: Yeah, the overall supply chain situation has actually steadily improved in most of the areas. We had a particularly nasty situation with one key supplier and very critical components early parts of this quarter. That has been now sort of sorted out by actually having a number of different suppliers covering that situation. At this stage, we don't see other critical component shortages. There are a lot of equipment that is almost ready or partly ready already today within the factories and the backlog and the current pace we see in our deliveries, we are confident on the Q4. Obviously one has to admit that it's not without a risk within this situation as well.

Manu Rimpelä: Okay. And can you then comment about pricing situation in the different businesses? I mean, we're seeing labour inflation picking up. We're seeing raw material costs being up, and then at the same time, the economic outlook is maybe slightly softening although you still have good order intake in the quarter. So are you able to pass on cost inflation and actually totally offset it or is it you're only able to pass the raw material cost. Can you just elaborate on that please?

Mika Vehviläinen: Yeah, well I would first of all say that the MacGregor situation and the market situation is somewhat particular, and there the competition is still tough, environment in there. But in Kalmar and Hiab, we have initiated number of different pricing increases both in terms of the equipment as well as the services. Very clearly the market demand is strong. Our suppliers are increasing their prices or at least trying to increase their prices, and we are passing those price increases to our customers.

Having said that one, the situation is somewhat more difficult in a sense that with longer delivery times on some of those products it takes longer for us to pass some of those price increases with the shortening delivery times now for example in Hiab, we would expect those price increases to start to bite faster of course.

Manu Rimpelä: Okay. And then could you comment on the Kalmar margins a bit more in detail? What was the driver behind the year-on-year increase?

Mika Vehviläinen: Mikko, would you to take it?

Mikko Puolakka: Yeah, basically in Kalmar it's very much coming from the top line development. So we had overall very good deliveries in the projects, as well as then in the smaller equipment like as well as in services. So, basically there are no kind of – despite the component shortages, there were no major negative items in the delivery structures.

Mika Vehviläinen: Yeah, you could say that without the delivery issues and the costs incurred, there would have been ingredients for considerably even better performance during the Q3.

Manu Rimpelä: And I would – so is it fair to say that this is a normal quarter given this level of sales that you see this operating leverage coming through? And then maybe related to that, so what impact

in the services – or sorry, the software sales have, was that kind of – I guess, they were up EUR 9 million, so what kind of contribution to the margin in the quarter?

Mikko Puolakka: Software of course has a significant contribution to margin. I think the software as long as the licensing model is still the primary revenue driver in Navis especially. The results will vary from one quarter to another, but we see a strong pipeline and the backlog of course the equipment as well on the Q4. So I think all the ingredients to deliver good quarters are there.

Manu Rimpelä: Okay. Thank you. No further questions.

Operator: We will now take our next question. Please go ahead caller. Your line is now open.

Leo Carrington: Good afternoon. Thank you for taking my questions. It's Leo Carrington from Credit Suisse. My questions are both on Kalmar please. Kalmar orders have been very, very strong in the quarter and underlying in the previous quarter. This quarter, there were no mega orders. Do you see improvements in the underlying environment?

Mika Vehviläinen: The port order and activity has been – clearly last year was relatively low level in many ways, which was of course visible in not on all – all of our key competitors order intake and very clearly the activity has been in the port sector higher. This year, we see increasing interest in the automation we have now done four automation deals this year so far, but also at the same time the logistics sector, for example in US, is having very strong demand at the moment. Some of the product segments in logistics sector in US, our capacity is actually fully tied up until May next year, and then also in the industrial sector for the heavy equipment, we see good demand as well.

Mikko Puolakka: And in quarter three, we got one another automation order not necessarily the same size as mega deal in quarter two but automation continues.

Leo Carrington: Okay, thank you. And then in terms of software sales within Kalmar, in terms of the strategy to move towards Software-as-a-Service, as you just alluded to, how is this actually going and have you received any more significant SaaS contracts after the COSCO deal?

Mika Vehviläinen: We haven't had deals of that size. The SaaS will actually happen from two main sources, the new software products we are introducing primarily from Navis are all sold in SaaS and then we are also converting the current main product, the terminal operating system into the SaaS model, and COSCO was an example of that one. So the new terminal operating system deal, some of them will be done in SaaS but there is also still a strong element of the license revenue within the TOS market as well.

Leo Carrington: Right. And the customers generally quite receptive to the idea of paying for that software by SaaS rather than licenses?

Mika Vehviläinen: Yes, I would say generally they – that's seen as a more predictable cost model and for some of the new digital platform products that's actually because that's linked into the traffic and the different other performance factors, so customers see that very beneficial for them because it's directly related to the level of activity they will experience themselves.

Leo Carrington: Okay. Thank you very much.

Operator: We will now take our next question. Please go ahead caller. Your line is now open.

Johan Eliason: Yeah, hi. This is Johan Eliason at Kepler Cheuvreux. I was wondering a little bit on automation again. Can you tell us a little bit where the demand is sort of coming from going forward? Is it more of these orders from inland logistic centres like last quarter, or is it actually ports that are converting or expanding their automated ports right now? Thank you.

Mika Vehviläinen: This inland logistics centre is a big trend of actually trying to lighten up the port and moving to traffic in inland by making the port effectively only on unloading area and then doing all the other activities within inland. This is a mega trend but those are of course huge infrastructure changes and they will happen sort of slowly. And at this stage, in Q3, we had none of those ones, and I think they will be far and few still between but that's still sort of mega trend that will continue for number of years to come. Still I would say in automation, the main direction is the same we have indicated earlier. It's the partial automation of existing ports where sort of customers will take certain areas of the port and then automate that one. The level of activity on that one is good at the moment. There will be some of those larger green fields but they are again in few and far in between.

Johan Eliason: Good. And I think I saw a report from Drewry saying that the port industry looks underinvested in the coming years. Is that a view you share? Do you think the normal CapEx, capacity CapEx will have to be stronger as well going forward?

Mika Vehviläinen: It looks like at the moment that the capacity utilisations are actually getting higher in the ports at the moment and the traffic of course has been relatively strong in the recent months and the Drewry forecast, even though it was taken down, some of this still showing a relatively strong traffic growth in the coming years. So very clearly, there are indicators that show that the capacity utilisation in ports is getting relatively high.

Johan Eliason: Okay, good. And then just finally on the margin. In Kalmar, obviously I think this 9% was already a record-high what I can see for the Kalmar division. But it seems like you still have a bit of a catch-up effect coming from this move to the Polish plant. We saw a tremendous impact, I think, it was two years ago for Hiab when you got that operation running smoothly. Is that what we should expect ahead of us for Kalmar despite the already very good margin?

Mika Vehviläinen: EUR 13 million that we indicated is still very much there to be had, but the timing in hindsight wasn't perfect because whilst we did the whole capacity ramp-up for the new production coming from Sweden, we saw a strong demand across the board at the same time. So we really struggled with that one, and at the same time sort of the component shortages haven't helped us either, so we have products moving in and out of the product line while we are fixing the shortages in there. So to give you an indication, the labour costs are now roughly 20% higher than in the plan with the current performance in the Polish factory because of the inefficiencies coming from this factor. So there is clearly and then we stabilise the situation still an upside opportunity on that cost area.

Johan Eliason: Okay. Thank you very much.

Operator: We'll now take our next question. Please go ahead caller. Your line is now open.

Antti Suttelin: Yes, thank you. This is Antti from Danske. Just to make sure what really drove the strength in Kalmar orders, I know that you have different client groups. You have terminals, then you have industrial clients and then you have logistic centres. Was it really container terminals that grew the development, or is it more like – I thought you said before that logistics and industrial segments were potentially the driving force in Q3 orders? Could you just clarify a little bit on that?

Mika Vehviläinen: Mikko is looking at the numbers in detail. But I will say so that it was strong in all around ports, there probably slightly above that average number I would say that the industrial slightly below that one and the logistics probably in the ballpark or slightly higher as well. So the strongest growth I think was on the port and the logistic side with the industrials being somewhat lower.

Antti Suttelin: Right. So when I see a 38%, if I recall right, year-over-year increase in order intake for Kalmar in Q3, one could say that it was really – I mean, terminals was behind that. It's not like it was mainly some other segments that drew that increase?

Mika Vehviläinen: No, absolutely similar to the Q2, in Q3 the port and terminal order activity and generally the activity we see in front of us is at a good level.

Antti Suttelin: And is that because terminals have started to replace again at a faster pace or is it that they have started to expand? Which of the two, replacement or expansion, is that you see improving?

Mika Vehviläinen: The replacement is an underlying activity, and especially in our equipment side, the business is always primarily driven by replacement business on that one. Obviously the port activity has been fairly high-level lately and that's driving of course utilisation of the equipment, so there might be some element of accelerated replacement. Then of course, the automation, we have said so four automation deals this year. They are driving part of the order increase as well. Very clear I think with a stronger consolidation of the shipping lines continuing I think the balance of power between the ports and shipping is shifting where the ports usually had a very sort of friendly operational environment and the cost pressures there are leading for ports to consider sort of different efficiency measures, automation being one of them.

Antti Suttelin: Yeah, okay. That's all from me. Thank you.

Mika Vehviläinen: Thank you.

Operator: We will now take our next question. Please go ahead caller. Your line is now open.



Antti Kansanen: Yeah. Hi, it's Antti from DNB. Thanks for taking my questions, which would be on Hiab.

Firstly, referring the quite strong order intake growth that you're seeing both in America and Europe. Do you think this is fair representation of the market activity, or are you taking market share, especially in America, and is there a behaviour among your customers that they are placing early orders in anticipation of cost inflation, or that's the lead times of trucks and I guess your equipment also are long right now? Thank you.

Mika Vehviläinen: I don't think we are moving market shares in a considerable way at this one. This is really, at the moment, a question who is able to deliver at the moment. And if I look it against our biggest competitor, which to my understanding is also struggling for supply chain related issues and as most of sort of related industries at the moment. So I haven't seen a larger shift, so I think this is primarily coming from the market demand at the moment.

Antti Kansanen: Okay. Thanks. And what about the longer lead times for example on the truck market and overall, do you think that your customers are kind of eager to get orders in before cost inflation takes another step or because it's getting longer and longer time to get the equipment or is that dynamic at all visible in Hiab's business?

Mika Vehviläinen: We don't see that much. Obviously, I think people see cost inflation and increase in prices in our own pricing as well as truck pricing and some of that there might be a factor of that one of trying to order before they see further pricing increases. But again, I don't think that's a big driver at this stage.

Antti Kansanen: All right. That's all from me. Thanks.

Operator: As a reminder, please press star one if you wish to ask for a question. We will now take our next question. Please go ahead caller. Your line is now open.

Manu Rimpelä: Thanks for taking my follow-up. It's Manu Rimpelä from Nordea Markets. Can you just comment about how do you think about the cash flow progression in the fourth quarter? Obviously, you said that you've been tying up capital because of the supply chain issues. So should we expect bigger working capital release in the fourth quarter, and are you willing to give any sort of an indication of how do you think the year-end net debt could be landing in?

Mikko Puolakka: Yeah, basically of course the cash flow forecasting is perhaps even more difficult than the profitability forecasting. I would say, like you said, it's very much dependent on the deliveries and the timing of the deliveries. The sooner we can do those during the quarter, the faster that we can collect also the money because if we deliver at the end of the month then it just moves from inventory to receivables. So of course there we aim at conclude the deliveries as soon as possible, also to collect the money. But we are not guiding the cash flow separately. Very much now in quarter four that's dependent on the deliveries.

Manu Rimpelä: If I may follow-up on that. So basically we should expect typical seasonality and then hopefully on top of that some working capital release?

Mikko Puolakka: Yes, correct.

Manu Rimpelä: Thank you.

Operator: We will now take our next question. Please go ahead caller. Your line is now open. Please ensure that you're not on mute when trying to ask your question.

Tom Skogman: Yes, this is Tom from Carnegie. I wonder about two things. Firstly, can you give some indications about when do you expect MacGregor's demand start improving split into different ship segments. What are your current feelings there? And then I wonder also about the prospects for

even larger automation order next year? Do you have any interesting quotations at the moment that seem to roll forward?

Mika Vehviläinen: On MacGregor, we see the situation improving all the time but that's roughly the slow pace. From overall performance, I would say that one should not expect MacGregor's next year performance to be much different from this year's performance, although we would expect to see orders starting to improve throughout the 2019.

On automation, as I said, the activity level is relatively good and there are some interesting projects on that one. But as we have learned from the past as well, I mean, trying to forecast actual timing and realisation of those projects is quite difficult.

Tom Skogman: Okay, thank you.

Operator: There appear to be no further questions. So I'd like to turn the conference back over to the speakers for any additional or closing remarks.

Hanna-Maria Heikkinen: Thank you. Do we have further questions from Ruoholahti? Seems like that there are no further questions. So thank you for great questions and active participation and we will publish our Financial Statements Review on February 8, so see you then. Thank you.

Mika Vehviläinen: Thank you.

Mikko Puolakka: Thank you.