Strong growth in orders received

Cargotec’s January–June 2018 half year financial report
Mika Vehviläinen, CEO • Mikko Puolakka, CFO
Contents

1. Group level development
2. Business areas
3. Financials and outlook
Highlights of Q2 2018 – Strong growth in orders received

23% growth in orders received
- Growth in Kalmar and Hiab
- Service orders increased by 16%

Solid growth in service sales continued

Operating profit* decreased
- Kalmar’s operating profit declined due to less favorable business mix
- Negative impact from currencies for Hiab continued
- MacGregor at black despite sales decline

Restructuring costs of EUR 35 million weakened the result

*) Excluding restructuring costs
Market environment in H1 2018

Growth in number of containers handled at ports continued
- Customers’ decision making related to automation solutions is slow and starting mainly with phased investments

Construction activity on good level
- Good development continued in Europe and the US

Market improved in merchant sector, but orders remained below historical levels
- In offshore, interest level has increased, but activity remains on a low level

Global container throughput (MTEU) – Key driver for Kalmar

Construction output – Key driver for Hiab

Long term contracting – Key driver for MacGregor

Source: Clarkson Research

Source: Oxford Economics

Source: Drewry

Historical average
Strong orders received in Kalmar

Orders received

<table>
<thead>
<tr>
<th>MEUR</th>
<th>Q3 2016</th>
<th>Q4 2016</th>
<th>Q1 2017</th>
<th>Q2 2017</th>
<th>Q3 2017</th>
<th>Q4 2017</th>
<th>Q1 2018</th>
<th>Q2 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,000</td>
<td>389</td>
<td>440</td>
<td>448</td>
<td>386</td>
<td>351</td>
<td>369</td>
<td>432</td>
<td>550</td>
</tr>
<tr>
<td>800</td>
<td>733</td>
<td>822</td>
<td>857</td>
<td>800</td>
<td>749</td>
<td>784</td>
<td>863</td>
<td>981</td>
</tr>
<tr>
<td>600</td>
<td>124</td>
<td>100</td>
<td>121</td>
<td>136</td>
<td>139</td>
<td>126</td>
<td>124</td>
<td>301</td>
</tr>
<tr>
<td>400</td>
<td>220</td>
<td>282</td>
<td>288</td>
<td>279</td>
<td>260</td>
<td>289</td>
<td>307</td>
<td>550</td>
</tr>
<tr>
<td>200</td>
<td>124</td>
<td>100</td>
<td>121</td>
<td>136</td>
<td>139</td>
<td>126</td>
<td>124</td>
<td>301</td>
</tr>
<tr>
<td>0</td>
<td>389</td>
<td>440</td>
<td>448</td>
<td>386</td>
<td>351</td>
<td>369</td>
<td>432</td>
<td>550</td>
</tr>
</tbody>
</table>

Changes y/y in comparable FX rates:
- MacGregor -1%
- Hiab +12%
- Kalmar +50%
- Total +28%

Year 2017 figures have been restated according to IFRS 15
Recent automation deals highlight our successful investments in automation

Kalmar and Navis to deliver world-first intermodal automation solution to Sydney, Australia
Greenfield intermodal terminal, Qube’s Moorebank Logistics Park
- First fully automated intermodal terminal in the world
Kalmar OneTerminal contract, including Navis N4 TOS
All equipment can be operated electrically on local solar power
Order value EUR 80 million, booked in Q2 2018

Fully digitalised and autonomous container handling solution with software and services to Yara
Solution enables autonomous, cost efficient and emission-free operations of the Yara Birkeland container ship in Norway
Order book improving

Order book by reporting segment, Q2 2018

Year 2017 figures have been restated according to IFRS 15

Cargotec’s January–June 2018 half year financial report
Operating profit* and sales declined from Q2 2017

Sales
MEUR

<table>
<thead>
<tr>
<th></th>
<th>Q2/17</th>
<th>Q3/17</th>
<th>Q4/17</th>
<th>Q1/18</th>
<th>Q2/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kalmar</td>
<td>282</td>
<td>397</td>
<td>465</td>
<td>371</td>
<td>389</td>
</tr>
<tr>
<td>Hiab</td>
<td>157</td>
<td>114</td>
<td>141</td>
<td>126</td>
<td>133</td>
</tr>
<tr>
<td>MacGregor</td>
<td>736</td>
<td>252</td>
<td>280</td>
<td>276</td>
<td>295</td>
</tr>
</tbody>
</table>

Operating profit*
MEUR

<table>
<thead>
<tr>
<th></th>
<th>Q2/17</th>
<th>Q3/17</th>
<th>Q4/17</th>
<th>Q1/18</th>
<th>Q2/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kalmar</td>
<td>70.6</td>
<td>57.2</td>
<td>71.9</td>
<td>57.0</td>
<td>56.3</td>
</tr>
<tr>
<td>Hiab</td>
<td>736</td>
<td>252</td>
<td>280</td>
<td>276</td>
<td>295</td>
</tr>
<tr>
<td>MacGregor</td>
<td>886</td>
<td>773</td>
<td>141</td>
<td>126</td>
<td>133</td>
</tr>
</tbody>
</table>

*) Excluding restructuring costs, **) Including Corporate admin and support

Year 2017 figures have been restated according to IFRS 15

Cargotec’s January–June 2018 half year financial report
Solid growth in services continued

Service sales grew 5%
- Kalmar +6% (+10% in comparable FX)
- Hiab +7% (+11%)
- MacGregor +3% (+6%)
- Total service sales +9% in comparable FX

Software sales declined
- Comparison period included a large license contract
- Negative impact from currencies

Year 2017 figures have been restated according to IFRS 15 and calculated using the new definitions for the equipment, service and software businesses announced in March 2018.
Shaping the portfolio

Two divestments made during Q2/18

Divestments

- Siwertell and Kalmar Rough Terrain Center
- Both outside of Kalmar’s core areas of container ports, heavy industry and distribution

Revaluation of RHI shares, non-cash EUR 30 million charge
Business areas
Cargotec’s January–June half year report 2018
Kalmar Q2 – Good level of orders received

Orders received increased strongly

- EUR 80 million automation order from Australia
- Good development also in mobile equipment and services

Sales impacted by:

- Divestment of Siwertell
- Delivery challenges
- Currencies

Service sales +6%

Operating profit* decreased due to less favorable business mix

<table>
<thead>
<tr>
<th></th>
<th>Q2/18</th>
<th>Q2/17</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received</td>
<td>550</td>
<td>386</td>
<td>+43%</td>
</tr>
<tr>
<td>Order book</td>
<td>947</td>
<td>929</td>
<td>+2%</td>
</tr>
<tr>
<td>Sales</td>
<td>389</td>
<td>397</td>
<td>-2%</td>
</tr>
<tr>
<td>Operating profit*</td>
<td>25.2</td>
<td>32.3</td>
<td>-22%</td>
</tr>
<tr>
<td>Operating profit margin*</td>
<td>6.5%</td>
<td>8.1%</td>
<td>-165bps</td>
</tr>
</tbody>
</table>

*) Excluding restructuring costs

Year 2017 figures have been restated according to IFRS 15
Hiab Q2 – Strong demand for Hiab’s solutions continued

Strong development in orders received continued
- Growth in EMEA +25%

Sales increased +5%
- Service sales growth +7%

Operating profit declined due to:
- Lower USD/EUR exchange rate
- Investments in sales and service capabilities as well as digitalisation

<table>
<thead>
<tr>
<th>MEUR</th>
<th>Q2/18</th>
<th>Q2/17</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received</td>
<td>301</td>
<td>279</td>
<td>+8%</td>
</tr>
<tr>
<td>Order book</td>
<td>337</td>
<td>290</td>
<td>+16%</td>
</tr>
<tr>
<td>Sales</td>
<td>295</td>
<td>282</td>
<td>+5%</td>
</tr>
<tr>
<td>Operating profit*</td>
<td>39.4</td>
<td>44.0</td>
<td>-11%</td>
</tr>
<tr>
<td>Operating profit margin*</td>
<td>13.4%</td>
<td>15.6%</td>
<td>-226bps</td>
</tr>
</tbody>
</table>

Year 2017 figures have been restated according to IFRS 15

* Excluding restructuring costs
Orders received decreased
- Slight increase in merchant sector, decline in offshore
- Growth in service orders received

Service sales increased by 3%

Operating profit* decreased due to lower sales

<table>
<thead>
<tr>
<th></th>
<th>MEUR</th>
<th>Q2/18</th>
<th>Q2/17</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received</td>
<td>131</td>
<td>136</td>
<td>-4%</td>
<td></td>
</tr>
<tr>
<td>Order book</td>
<td>503</td>
<td>501</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>133</td>
<td>157</td>
<td>-15%</td>
<td></td>
</tr>
<tr>
<td>Operating profit*</td>
<td>2.6</td>
<td>4.3</td>
<td>-39%</td>
<td></td>
</tr>
<tr>
<td>Operating profit margin*</td>
<td>2.0%</td>
<td>2.7%</td>
<td>-78bps</td>
<td></td>
</tr>
</tbody>
</table>

*) Excluding restructuring costs

Year 2017 figures have been restated according to IFRS 15
Previously announced cost savings programmes proceeding

- EUR 50 million annual group-wide savings from 2020 onwards
  - EUR 15 million cumulative savings at the end of Q2/18
- EUR 13 million in 2018 (MacGregor)
  - EUR 5 million savings in H1/18
- EUR 13 million in 2018 (Kalmar)
  - Relocation of assembly operation completed
  - EUR 4 million savings in H1/18
- Product redesign and project management improvement continues in 2018
Financials and outlook

Cargotec’s January–June half year financial report 2018
**Key figures – Orders received grew 23% in Q2 2018**

<table>
<thead>
<tr>
<th></th>
<th>4–6/18</th>
<th>4–6/17**</th>
<th>Change</th>
<th>1–6/18</th>
<th>1–6/17**</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received, MEUR</td>
<td>981</td>
<td>800</td>
<td>+23%</td>
<td>1,844</td>
<td>1,657</td>
<td>+11%</td>
</tr>
<tr>
<td>Order book, MEUR</td>
<td>1,786</td>
<td>1,717</td>
<td>+4%</td>
<td>1,786</td>
<td>1,717</td>
<td>+4%</td>
</tr>
<tr>
<td>Sales, MEUR</td>
<td>816</td>
<td>836</td>
<td>-2%</td>
<td>1,589</td>
<td>1,628</td>
<td>-2%</td>
</tr>
<tr>
<td>Operating profit*, MEUR</td>
<td>56.3</td>
<td>70.6</td>
<td>-20%</td>
<td>113.2</td>
<td>129.5</td>
<td>-13%</td>
</tr>
<tr>
<td>Operating profit*, %</td>
<td>6.9%</td>
<td>8.4%</td>
<td>-155bps</td>
<td>7.1%</td>
<td>8.0%</td>
<td>-83bps</td>
</tr>
<tr>
<td>Restructuring costs, MEUR</td>
<td>34.9</td>
<td>11.7</td>
<td>+199%</td>
<td>38.7</td>
<td>14.6</td>
<td>+166%</td>
</tr>
<tr>
<td>Operating profit, MEUR</td>
<td>21.3</td>
<td>58.9</td>
<td>-64%</td>
<td>74.5</td>
<td>114.9</td>
<td>-35%</td>
</tr>
<tr>
<td>Operating profit, %</td>
<td>2.6%</td>
<td>7.0%</td>
<td>-444bps</td>
<td>4.7%</td>
<td>7.1%</td>
<td>-237bps</td>
</tr>
<tr>
<td>Net income, MEUR</td>
<td>2.3</td>
<td>36.4</td>
<td>-94%</td>
<td>36.0</td>
<td>72.6</td>
<td>-50%</td>
</tr>
<tr>
<td>Earnings per share, EUR</td>
<td>0.03</td>
<td>0.56</td>
<td>-95%</td>
<td>0.55</td>
<td>1.13</td>
<td>-51%</td>
</tr>
<tr>
<td>Earnings per share, EUR***</td>
<td>0.50</td>
<td>0.70</td>
<td>-28%</td>
<td>1.07</td>
<td>1.29</td>
<td>-18%</td>
</tr>
</tbody>
</table>

*) Excluding restructuring costs
**) Year 2017 figures have been restated according to IFRS 15
***) Excluding restructuring costs adjusted with related tax effect
Cash flow from operations weak due to supply chain challenges and lower advances received

Cash flow from operations
MEUR

Q1/16 91  Q2/16 56  Q3/16 74  Q4/16 152  Q1/17 12  Q2/17 40  Q3/17 88  Q4/17 112  Q1/18 -4  Q2/18 27
ROCE impacted by restructuring costs
ROCE excluding restructuring costs 10%

Year 2017 figures have been restated according to IFRS 15
Outlook for 2018

Cargotec reiterates its outlook published on 8 February 2018 and expects its operating profit excluding restructuring costs for 2018 to improve from 2017 (EUR 258.6 million, IFRS 15 restated).