Orders received grew in all business areas

Cargotec’s January–September 2018 interim report
Mika Vehviläinen, CEO • Mikko Puolakka, CFO
Contents

1. Group level development
2. Strategy update
3. Business areas
4. Financials and outlook
Highlights of Q3 2018 – Orders received grew in all business areas

23% growth in orders received
- 38% increase in Kalmar, 13% in Hiab

Sales increased 9%
- Growth in all business areas
- Service sales increased 3%
- EMEA +22%, AMER +3%, APAC -5%

Operating profit* at last year’s level

*) Excluding restructuring costs

Year 2017 figures have been restated according to IFRS 15
Market environment 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

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**Global container throughput (MTEU) – Key driver for Kalmar**

![Bar chart showing global container throughput for 2017 and 2018, with a 5.0% increase from 1-9/17 to 1-9/18. Source: Drewry](chart)

**Construction output – Key driver for Hiab**

- **United States**
  - 1-9/17: 558 (515 + 33%)
  - 1-9/18: 586

- **Europe**
  - 1-9/17: 52
  - 1-9/18: 56 (52 + 8%)

Source: Oxford Economics

**Long term contracting – Key driver for MacGregor**

- **Merchant ships > 2,000 gt (excl. ofs & misc)**
  - 1-9/17: 515
  - 1-9/18: 683 (515 + 33%)

Source: Clarkson Research

**Mobile offshore units**

- 1-9/17: 52
- 1-9/18: 56 (52 + 8%)

Source: Drewry

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**Market environment 2018**

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26/10/2018
Orders received increased 23%

Orders received
MEUR

Year 2017 figures have been restated according to IFRS 15

Changes y/y in comparable FX rates
- MacGregor +4%
- Hiab +14%
- Kalmar +41%
- Total +25%

Cargotec's January–September 2018 interim report
Order book improving

Year 2017 figures have been restated according to IFRS 15
Sales increased 9%, operating profit* at last year’s level

Sales
MEUR

<table>
<thead>
<tr>
<th></th>
<th>Q3/17</th>
<th>Q4/17</th>
<th>Q1/18</th>
<th>Q2/18</th>
<th>Q3/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kalmar</td>
<td>371</td>
<td>465</td>
<td>371</td>
<td>389</td>
<td>415</td>
</tr>
<tr>
<td>Hiab</td>
<td>736</td>
<td>114</td>
<td>126</td>
<td>133</td>
<td>130</td>
</tr>
<tr>
<td>MacGregor</td>
<td>252</td>
<td>280</td>
<td>276</td>
<td>295</td>
<td>260</td>
</tr>
</tbody>
</table>

Operating profit*
MEUR

<table>
<thead>
<tr>
<th></th>
<th>Q3/17</th>
<th>Q4/17</th>
<th>Q1/18</th>
<th>Q2/18</th>
<th>Q3/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kalmar</td>
<td>57.2</td>
<td>71.9</td>
<td>57.0</td>
<td>56.3</td>
<td>57.1</td>
</tr>
<tr>
<td>Hiab</td>
<td>-10</td>
<td>0</td>
<td>10</td>
<td>20</td>
<td>30</td>
</tr>
<tr>
<td>MacGregor</td>
<td>40</td>
<td>50</td>
<td>60</td>
<td>70</td>
<td>80</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–September 2018 interim report
Growth in services continued

Service and software* sales

<table>
<thead>
<tr>
<th>MEUR</th>
<th>Services</th>
<th>Software</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3/17</td>
<td>223</td>
<td>30</td>
</tr>
<tr>
<td>Q4/17</td>
<td>238</td>
<td>45</td>
</tr>
<tr>
<td>Q1/18</td>
<td>226</td>
<td>32</td>
</tr>
<tr>
<td>Q2/18</td>
<td>235</td>
<td>29</td>
</tr>
<tr>
<td>Q3/18</td>
<td>229</td>
<td>39</td>
</tr>
</tbody>
</table>

Service sales grew 3%
- Kalmar +0% (+2% in comparable FX)
  - +9% in comparable FX and adjusted for divestments and acquisitions
- Hiab +6% (+7%)
- MacGregor +5% (+7%)
- Total service sales +4% in comparable FX

Software sales increased 33%

Service and software sales constitute 33% of total sales

*Software sales defined as Navis business unit and automation software

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
Our strategy was refined in Q3 2018 – Customer centricity and productivity as new elements

<table>
<thead>
<tr>
<th>VISION</th>
<th>GLOBAL LEADER IN INTELLIGENT CARGO HANDLING</th>
</tr>
</thead>
<tbody>
<tr>
<td>MUST-WIN BATTLES</td>
<td></td>
</tr>
<tr>
<td><strong>WIN THROUGH CUSTOMER CENTRICITY</strong></td>
<td><strong>ACCELERATE DIGITALISATION</strong></td>
</tr>
<tr>
<td>We help our customers achieve their goals by aligning our offering and way of working to serve them better.</td>
<td>We build and expand our digital solutions to offer a great customer experience and more efficient business processes.</td>
</tr>
<tr>
<td><strong>ADVANCE IN SERVICES</strong></td>
<td><strong>PRODUCTIVITY FOR GROWTH</strong></td>
</tr>
<tr>
<td>We extend our offering towards intelligent solutions that enable us to serve our customers wide across their lifecycle.</td>
<td>We focus on activities that add value and benefit our customers and us by developing our business operations and common platforms.</td>
</tr>
</tbody>
</table>
Business areas

Cargotec’s January–September interim report 2018
Kalmar Q3 – Good development in all key figures

Orders received continued to increase
  ▪ Growth in automation and projects, mobile equipment and services

Sales increased 12%
  ▪ Growth in all main geographical regions
  ▪ Services growth +9% in comparable FX and adjusted for divestments and acquisitions

Operating profit* increased due to higher sales

<table>
<thead>
<tr>
<th></th>
<th>MEUR</th>
<th>Q3/18</th>
<th>Q3/17</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received</td>
<td>486</td>
<td>351</td>
<td></td>
<td>+38%</td>
</tr>
<tr>
<td>Order book</td>
<td>1,003</td>
<td>895</td>
<td></td>
<td>+12%</td>
</tr>
<tr>
<td>Sales</td>
<td>415</td>
<td>371</td>
<td></td>
<td>+12%</td>
</tr>
<tr>
<td>Operating profit*</td>
<td>38.6</td>
<td>30.0</td>
<td></td>
<td>+29%</td>
</tr>
<tr>
<td>Operating profit margin*</td>
<td>9.3%</td>
<td>8.1%</td>
<td></td>
<td>+123bps</td>
</tr>
</tbody>
</table>

*) Excluding restructuring costs

Year 2017 figures have been restated according to IFRS 15
Hiab Q3 – Strong orders, operating profit declined

Strong development in orders received continued
- EMEA +15% and Americas +9%

Sales increased +3%
- Service sales +6% (+7% in constant FX)

Operating profit declined due to:
- Currency impact, mainly USD/EUR
- Product mix and supply chain challenges
- Investments in sales & and service network, competence and tools

<table>
<thead>
<tr>
<th></th>
<th>Q3/18</th>
<th>Q3/17</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received</td>
<td>294</td>
<td>260</td>
<td>+13%</td>
</tr>
<tr>
<td>Order book</td>
<td>371</td>
<td>294</td>
<td>+27%</td>
</tr>
<tr>
<td>Sales</td>
<td>260</td>
<td>252</td>
<td>+3%</td>
</tr>
<tr>
<td>Operating profit*</td>
<td>24.2</td>
<td>33.7</td>
<td>-28%</td>
</tr>
<tr>
<td>Operating profit margin*</td>
<td>9.3%</td>
<td>13.4%</td>
<td>-408bps</td>
</tr>
</tbody>
</table>

Acquisition of Effer announced during the quarter

Scott Phillips appointed new President of Hiab as of 1 October 2018

*) Excluding restructuring costs
Orders received increased slightly

Orders received increased 2%
- Comparison period included a large single order of around EUR 25 million
- Service orders +8%

Sales increased 14%
- Service sales +5%

Operating profit* decreased due to:
- M&A and integration related costs of around EUR 1.5 million
- Low capacity utilisation in certain product areas

<table>
<thead>
<tr>
<th></th>
<th>MEUR</th>
<th>Q3/18</th>
<th>Q3/17</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received</td>
<td>141</td>
<td>139</td>
<td>+2%</td>
<td></td>
</tr>
<tr>
<td>Order book</td>
<td>513</td>
<td>511</td>
<td>+0%</td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>130</td>
<td>114</td>
<td>+14%</td>
<td></td>
</tr>
<tr>
<td>Operating profit*</td>
<td>0.3</td>
<td>2.9</td>
<td>-89%</td>
<td></td>
</tr>
<tr>
<td>Operating profit margin*</td>
<td>0.2%</td>
<td>2.5%</td>
<td>-231bps</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 18 million cumulative savings at the end of Q3/18
- EUR 13 million in 2018 (MacGregor)
  - EUR 8 million savings in 1-9/18
- EUR 13 million in 2018 (Kalmar)
  - Relocation of assembly operation completed
  - EUR 5 million savings in 1-9/18
- Product redesign and project management improvement continues in 2018
Financials and outlook

Cargotec’s January–September interim report 2018
## Key figures – Orders received grew 23% in Q3 2018

<table>
<thead>
<tr>
<th></th>
<th>7–9/18</th>
<th>7–9/17**</th>
<th>Change</th>
<th>1–9/18</th>
<th>1–9/17**</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received, MEUR</td>
<td>921</td>
<td>749</td>
<td>+23%</td>
<td>2,766</td>
<td>2,406</td>
<td>+15%</td>
</tr>
<tr>
<td>Order book, MEUR</td>
<td>1,887</td>
<td>1,699</td>
<td>+11%</td>
<td>1,887</td>
<td>1,699</td>
<td>+11%</td>
</tr>
<tr>
<td>Sales, MEUR</td>
<td>805</td>
<td>736</td>
<td>+9%</td>
<td>2,394</td>
<td>2,364</td>
<td>+1%</td>
</tr>
<tr>
<td>Operating profit*, MEUR</td>
<td>57.1</td>
<td>57.2</td>
<td>-0%</td>
<td>170.4</td>
<td>186.6</td>
<td>-9%</td>
</tr>
<tr>
<td>Operating profit*, %</td>
<td>7.1%</td>
<td>7.8%</td>
<td>-67bps</td>
<td>7.1%</td>
<td>7.9%</td>
<td>-78bps</td>
</tr>
<tr>
<td>Restructuring costs, MEUR</td>
<td>2.6</td>
<td>4.7</td>
<td>-44%</td>
<td>41.3</td>
<td>19.2</td>
<td>+115%</td>
</tr>
<tr>
<td>Operating profit, MEUR</td>
<td>54.5</td>
<td>52.5</td>
<td>+4%</td>
<td>129.1</td>
<td>167.4</td>
<td>-23%</td>
</tr>
<tr>
<td>Operating profit, %</td>
<td>6.8%</td>
<td>7.1%</td>
<td>-36bps</td>
<td>5.4%</td>
<td>7.1%</td>
<td>-169bps</td>
</tr>
<tr>
<td>Net income, MEUR</td>
<td>37.9</td>
<td>32.4</td>
<td>+17%</td>
<td>73.9</td>
<td>105.0</td>
<td>-30%</td>
</tr>
<tr>
<td>Earnings per share, EUR</td>
<td>0.58</td>
<td>0.50</td>
<td>+16%</td>
<td>1.13</td>
<td>1.63</td>
<td>-31%</td>
</tr>
<tr>
<td>Earnings per share, EUR***</td>
<td>0.62</td>
<td>0.55</td>
<td>+12%</td>
<td>1.69</td>
<td>1.85</td>
<td>-9%</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**

<table>
<thead>
<tr>
<th>Period</th>
<th>Q1/16</th>
<th>Q2/16</th>
<th>Q3/16</th>
<th>Q4/16</th>
<th>Q1/17</th>
<th>Q2/17</th>
<th>Q3/17</th>
<th>Q4/17</th>
<th>Q1/18</th>
<th>Q2/18</th>
<th>Q3/18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>91</td>
<td>56</td>
<td>74</td>
<td>152</td>
<td>12</td>
<td>40</td>
<td>88</td>
<td>112</td>
<td>-4</td>
<td>27</td>
<td>17</td>
</tr>
</tbody>
</table>

Cargotec's January–September 2018 interim report

26/10/2018
ROCE impacted by restructuring costs
ROCE excluding restructuring costs 10%

ROCE (return on capital employed), annualised *) Excluding restructuring costs

Year 2017 figures have been restated according to IFRS 15

Cargotec's January–September 2018 interim report

26/10/2018  18
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).