Strong year in orders received, profit below our target

Cargotec’s financial statements review 2018
Mika Vehviläinen, CEO • Mikko Puolakka, CFO
Contents

1. Group level development
2. Business areas
3. Financials, dividend and outlook
Highlights of 2018 – Orders received grew in all business areas

Orders received increased 18%
- Growth in all business areas
  - Kalmar +23%
  - Hiab +13%
  - MacGregor +11%

Sales increased 2%
- +4% in comparable FX

Operating profit* declined by 6%
- Kalmar’s operating profit* increased
- Hiab burdened by FX and supply chain bottlenecks
- MacGregor at break-even

*) Excluding restructuring costs
Year 2017 figures have been restated according to IFRS 15

Cargotec’s financial statements review 2018
8/2/2019 3
Market environment 2018

Growth in number of containers handled at ports continued
- Customers are starting automation projects mainly with phased investments

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

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

Growth in number of containers handled at ports continued

- Customers are starting automation projects mainly with phased investments

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

Market improved slightly in merchant sector, but orders remained below historical levels
- In offshore, interest level has increased, but activity remains on a low level
Orders received increased by 18% in 2018, growth in all business areas

Orders received

Year 2017 figures have been restated according to IFRS 15

Cargotec’s financial statements review 2018
Order book 27% higher than last year
Approximately 80% of order book to be recognised as revenue in 2019

Order book by reporting segment, Q4 2018

Year 2017 figures have been restated according to IFRS 15
Sales increased by 3% and operating profit* 2% in Q4 2018

Sales
MEUR

<table>
<thead>
<tr>
<th></th>
<th>Q4/17</th>
<th>Q1/18</th>
<th>Q2/18</th>
<th>Q3/18</th>
<th>Q4/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kalmar</td>
<td>465</td>
<td>371</td>
<td>389</td>
<td>415</td>
<td>444</td>
</tr>
<tr>
<td>Hiab</td>
<td>280</td>
<td>276</td>
<td>295</td>
<td>260</td>
<td>318</td>
</tr>
<tr>
<td>MacGregor</td>
<td>141</td>
<td>773</td>
<td>816</td>
<td>805</td>
<td>910</td>
</tr>
</tbody>
</table>

Operating profit*
MEUR

<table>
<thead>
<tr>
<th></th>
<th>Q4/17</th>
<th>Q1/18</th>
<th>Q2/18</th>
<th>Q3/18</th>
<th>Q4/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kalmar</td>
<td>72.0</td>
<td>57.0</td>
<td>56.3</td>
<td>57.1</td>
<td>73.5</td>
</tr>
<tr>
<td>Hiab</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MacGregor</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cargotec total EBIT**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

Year 2017 figures have been restated according to IFRS 15

Cargotec’s financial statements review 2018 8/2/2019 7
Growth in service sales continued

Service and software* sales

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Services</th>
<th>Software</th>
</tr>
</thead>
<tbody>
<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>
<tr>
<td>Q4/18</td>
<td>243</td>
<td>47</td>
</tr>
</tbody>
</table>

2018 service sales +3%
- Kalmar +1% (+4% in comparable FX)
  - +9% in comparable FX and adjusted for divestments
- Hiab +6% (+9%)
- MacGregor +2% (+5%)
- Total service sales +6% in comparable FX and adjusted for divestments and acquisitions

Service orders +10% in 2018
Software orders +33% in 2018

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
Business areas

Cargotec’s financial statements review 2018
Kalmar Q4 – Strong growth in orders received and operating profit*

Orders received increased strongly
- Service orders +15%
- Growth in all geographical areas

Sales declined -5%
- Negative impact from divestments
- Services growth +5% in comparable FX and adjusted for divestments and acquisitions

Profitability improved
- Increase driven by productivity and cost efficiency actions as well as more favourable business mix

<table>
<thead>
<tr>
<th></th>
<th>MEUR</th>
<th>Q4/18</th>
<th>Q4/17</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received</td>
<td>450</td>
<td>369</td>
<td></td>
<td>+22%</td>
</tr>
<tr>
<td>Order book</td>
<td>1,012</td>
<td>786</td>
<td></td>
<td>+29%</td>
</tr>
<tr>
<td>Sales</td>
<td>444</td>
<td>465</td>
<td></td>
<td>-5%</td>
</tr>
<tr>
<td>Operating profit*</td>
<td>51.0</td>
<td>42.8</td>
<td></td>
<td>+19%</td>
</tr>
<tr>
<td>Operating profit margin*</td>
<td>11.5%</td>
<td>9.2%</td>
<td></td>
<td>+229bps</td>
</tr>
</tbody>
</table>

Year 2017 figures have been restated according to IFRS 15

*) Excluding restructuring costs
Hiab Q4 – Operating profit* declined, demand continues strong

Orders received grew +24%
- Growth in EMEA (+21%) and Americas (+41%)
- Growth in all product lines
- Services +11%

Sales +13%
- Sales +8% excl. Effer acquisition
- Service sales +10%

Operating profit declined
- Unfavourable business mix
- Higher costs due to the continued unstable supply chain

<table>
<thead>
<tr>
<th>MEUR</th>
<th>Q4/18</th>
<th>Q4/17</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received</td>
<td>357</td>
<td>289</td>
<td>+24%</td>
</tr>
<tr>
<td>Order book</td>
<td>453</td>
<td>300</td>
<td>+51%</td>
</tr>
<tr>
<td>Sales</td>
<td>318</td>
<td>280</td>
<td>+13%</td>
</tr>
<tr>
<td>Operating profit*</td>
<td>34.9</td>
<td>39.9</td>
<td>-13%</td>
</tr>
<tr>
<td>Operating profit margin*</td>
<td>11.0%</td>
<td>14.3%</td>
<td>-329bps</td>
</tr>
</tbody>
</table>

*) Excluding restructuring costs

Year 2017 figures have been restated according to IFRS 15
MacGregor Q4 – Both orders received and sales increased

Orders received +46%
- Growth in EMEA and APAC
- Service orders +19%
- Major cruise access equipment orders from three European shipyards worth EUR 22 million

Sales +5%
- Service sales +5%

Operating profit* declined
- Low capacity utilisation in certain business units
- Higher than expected project costs

<table>
<thead>
<tr>
<th></th>
<th>MEUR</th>
<th>Q4/18</th>
<th>Q4/17</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received</td>
<td>184</td>
<td>126</td>
<td></td>
<td>+46%</td>
</tr>
<tr>
<td>Order book</td>
<td>530</td>
<td>481</td>
<td></td>
<td>+10%</td>
</tr>
<tr>
<td>Sales</td>
<td>149</td>
<td>141</td>
<td></td>
<td>+5%</td>
</tr>
<tr>
<td>Operating profit*</td>
<td>-3.0</td>
<td>1.2</td>
<td></td>
<td>-360%</td>
</tr>
<tr>
<td>Operating profit margin*</td>
<td>-2.0%</td>
<td>0.8%</td>
<td></td>
<td>-283bps</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 21 million cumulative savings at the end of 2018

- EUR 13 million in 2018 (MacGregor)
  - Fully realised in 2018

- EUR 13 million in 2018 (Kalmar)
  - Relocation of assembly operation completed
  - EUR 8 million savings in 2018

- Productivity improvements will continue in 2019
Financials, dividend and outlook

Cargotec’s financial statements review 2018
### Key figures – Strong order intake

<table>
<thead>
<tr>
<th></th>
<th>10–12/18</th>
<th>10–12/17**</th>
<th>Change</th>
<th>2018</th>
<th>2017**</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received, MEUR</td>
<td>991</td>
<td>784</td>
<td>+26%</td>
<td>3,756</td>
<td>3,190</td>
<td>+18%</td>
</tr>
<tr>
<td>Order book, MEUR</td>
<td>1,995</td>
<td>1,566</td>
<td>+27%</td>
<td>1,995</td>
<td>1,566</td>
<td>+27%</td>
</tr>
<tr>
<td>Sales, MEUR</td>
<td>910</td>
<td>886</td>
<td>+3%</td>
<td>3,304</td>
<td>3,250</td>
<td>+2%</td>
</tr>
<tr>
<td>Operating profit*, MEUR</td>
<td>73.5</td>
<td>72.0</td>
<td>+2%</td>
<td>243.8</td>
<td>258.6</td>
<td>-6%</td>
</tr>
<tr>
<td>Operating profit*, %</td>
<td>8.1%</td>
<td>8.1%</td>
<td>-5bps</td>
<td>7.4%</td>
<td>8.0%</td>
<td>-58bps</td>
</tr>
<tr>
<td>Restructuring costs, MEUR</td>
<td>12.5</td>
<td>17.2</td>
<td>-27%</td>
<td>53.8</td>
<td>36.5</td>
<td>+48%</td>
</tr>
<tr>
<td>Operating profit, MEUR</td>
<td>60.9</td>
<td>54.7</td>
<td>+11%</td>
<td>190.0</td>
<td>222.1</td>
<td>-14%</td>
</tr>
<tr>
<td>Operating profit, %</td>
<td>6.7%</td>
<td>6.2%</td>
<td>+53bps</td>
<td>5.8%</td>
<td>6.8%</td>
<td>-108bps</td>
</tr>
<tr>
<td>Net income, MEUR</td>
<td>34.1</td>
<td>27.7</td>
<td>+23%</td>
<td>108.0</td>
<td>132.7</td>
<td>-19%</td>
</tr>
<tr>
<td>Earnings per share, EUR</td>
<td>0.53</td>
<td>0.42</td>
<td>+25%</td>
<td>1.66</td>
<td>2.05</td>
<td>-19%</td>
</tr>
<tr>
<td>Earnings per share, EUR***</td>
<td>0.66</td>
<td>0.61</td>
<td>+9%</td>
<td>2.35</td>
<td>2.45</td>
<td>-4%</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
Operating profit* in 2018 – Increase in Kalmar, decline in Hiab and MacGregor

Kalmar
- Sales increased by 1%
- Operating profit margin* improved to 8.9% (8.3%)
- Operating profit improved due to productivity measures and lower overhead costs

Hiab
- Sales +6%
- Operating profit margin* declined to 11.7% (14.5%)
- Negative impact from FX and supply chain bottlenecks

MacGregor
- Sales -6%
- Operating profit* declined due to lower sales, but maintained at break-even due to cost savings

Corporate admin and support functions
- Cost efficiency actions, higher prioritisation in business development

*Excluding restructuring costs
Cash flow from operations declined in 2018 due to increase in working capital
ROCE declined compared to 2017
ROCE excluding restructuring costs 10% in 2018
Proposal to increase the dividend

EUR 1.10 dividend per B share for 2018**
Dividend to be paid in two EUR 0.55 instalments**
Calculated from EPS excl. restructuring costs, payout ratio for 2018 is 47%

* 2017 EPS figure has been restated according to IFRS 15
** Board proposal to AGM
Outlook for 2019

Cargotec expects its comparable operating profit for 2019 to improve from 2018 (EUR 242.1 million).

New alternative performance measure – comparable operating profit

Cargotec uses and presents alternative performance measures (APMs) to better convey underlying business performance and to enhance comparability from period to period. Starting from 1 January 2019, Cargotec replaces the alternative performance measure of "operating profit excluding restructuring costs" with "comparable operating profit" for measuring business performance in the financial reporting. Comparable operating profit does not include items significantly affecting comparability. In addition to restructuring costs, as a rule these items include capital gains and losses, M&A related expenses and profits, impairments and reversals of impairments of assets, insurance benefits and expenses related to legal proceedings. Cargotec's comparable operating profit for 2018 is EUR 242.1 million (2017: 258.6).