

Investor presentation, March 2018

Becoming the leader in intelligent cargo handling

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Cargotec in brief



Strong global player with well-balanced business

Sales:
EUR 3,280 million
EBIT: 8.0%

Kalmar

Sales: **EUR 1,623 million**
 EBIT: **8.4%** (EUR 136.6 million)

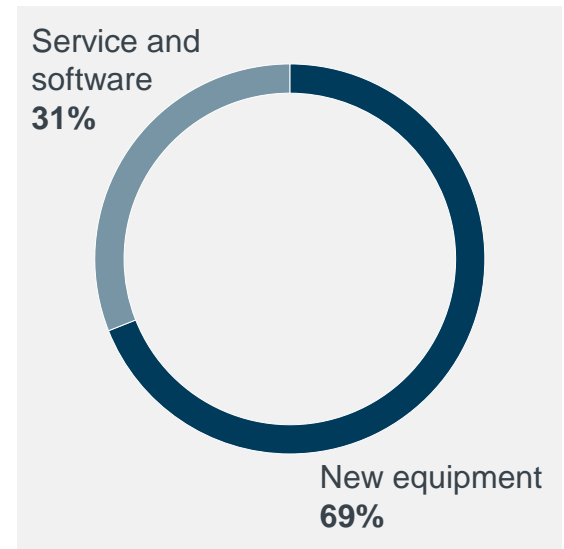
Hiab

Sales: **EUR 1,084 million**
 EBIT: **14.5%** (EUR 157.3 million)

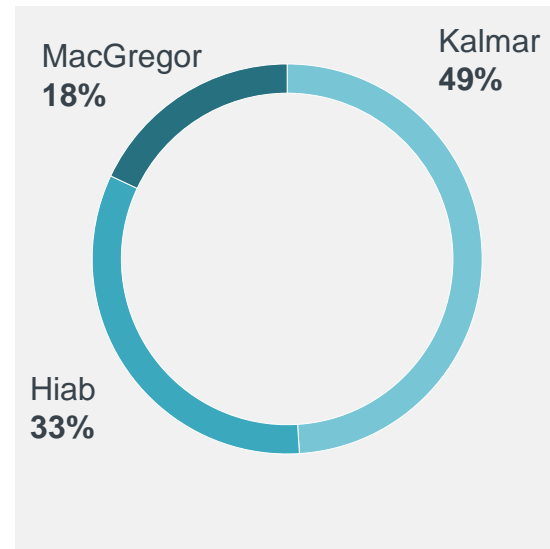
MacGregor

Sales: **EUR 576 million**
 EBIT: **2.0%** (EUR 11.5 million)

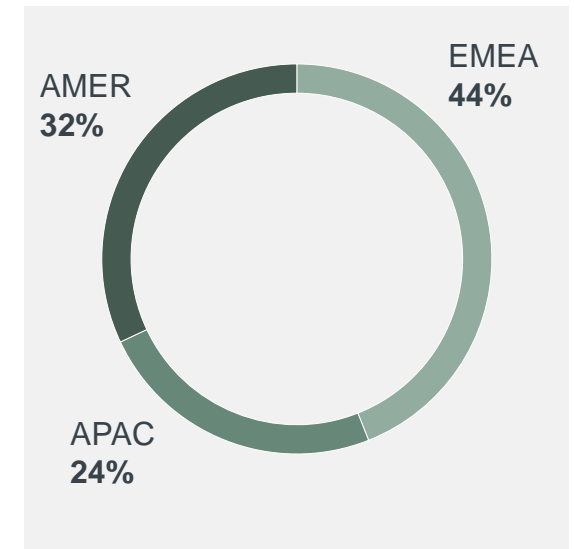
Sales split: new equipment vs service and software



Sales by business areas



Sales by geographical area



Strengths we are building upon

Leading market positions
in all segments

Strong brands

Loyal customers

Leading in technology

Key competitors

Cargotec is a leading player in all of its business areas

Global main competitors



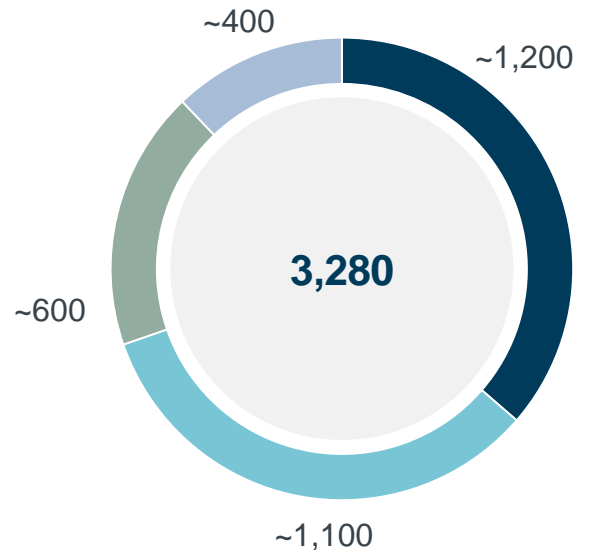
Other competitors



Cargotec's portfolio is well diversified

Net sales* in 2017

EUR million



- Kalmar equipment
- Hiab
- MacGregor
- Kalmar APD and software

	Trend in orders, last 12 months	Profitability: EBIT margin, last 12 months
Kalmar software (Navis) and Automation and Projects division		Low due to long term investments
MacGregor	-5%	2.0%
Hiab	+10%	14.5%
Kalmar equipment and service (excluding Automation and Projects Division & Navis)		Low double digit

* Figures rounded to closest 100 million

Investment highlights



Investment highlights: Why invest in Cargotec?

1. Technology leader and strong market positions, leading brands in markets with long term growth potential
2. Transforming from equipment provider into the leader in intelligent cargo handling
3. Growing service & software business and asset light business model are increasing stability
4. Capitalizing global opportunities for future automation and software growth
5. On track for profitability improvement and to reach financial targets



1. Technology leader and strong market positions, leading brands in markets with long term growth potential

Global megatrends

- Globalisation and trade growth
- Urbanisation
- Growing middle class

Growth drivers

- Container throughput growth
- Construction activity
- Automation
- Digitalisation

Competitive advantages

- Strong brands
- Full automation offering
- Technology leadership

Market position

- #1 or #2 in all major segments

2. We are transforming from equipment provider into a leader in intelligent cargo handling

2013

Product leadership

Good equipment company

→ Product R&D drives offering development and higher gross profit

2018

Services leadership

World-class service offering

→ Connected equipment and data analytics building value on data
→ Significant software business

2020

Leader in intelligent cargo handling

40% of the sales from services and software

→ More efficient and optimised cargo handling solutions

MUST-WINS

Lead digitalisation

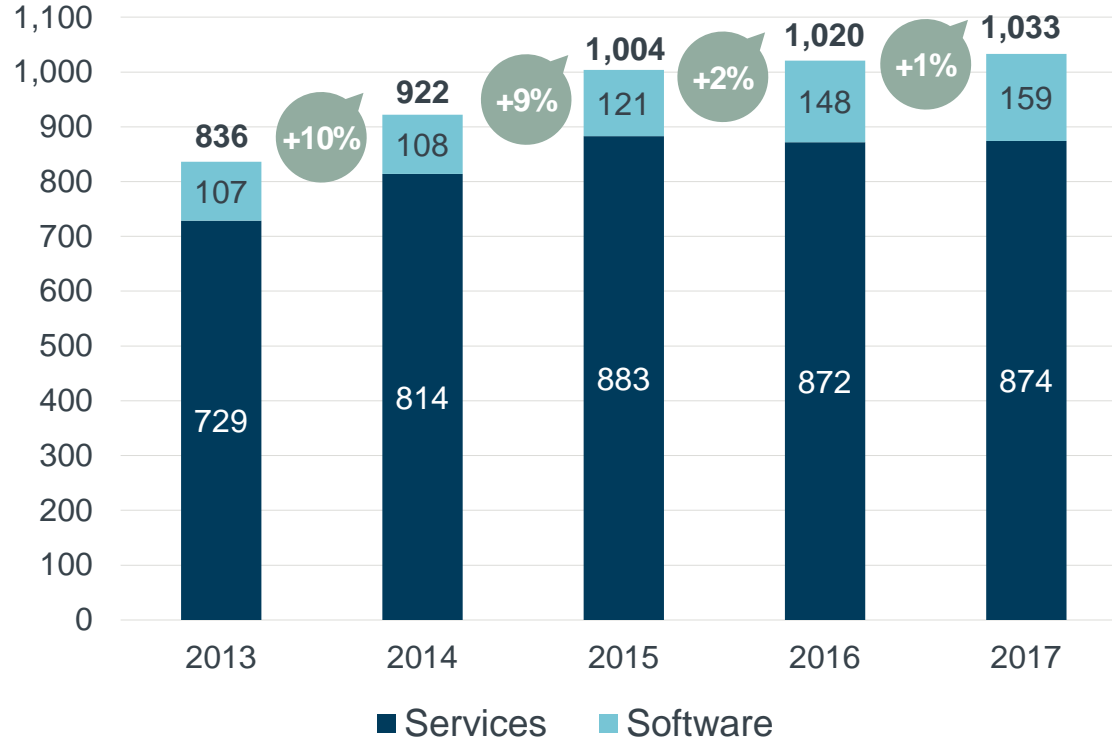
World-class service offering

Build world-class leadership

3. Growing service & software business and asset light business model are increasing stability

Service and software* sales

MEUR



Asset light business model with a flexible cost structure

- Kalmar and Hiab: efficient assembly operation
- MacGregor: efficient project management and engineering office: > 90% of manufacturing and 30% of design and engineering capacity outsourced
- No in-house component manufacturing

Next steps to increase service and software sales:

- All new equipment connected by 2018
- Build on Navis position as industry leader
- Increase spare parts capture rates
- Boost service contract attachment rates

4. Capitalizing global opportunities for future automation and software growth

Industry trends support growth in port automation:

- Only 40 terminals (out of 1,200 terminals) are automated or semi-automated currently globally
- Ships are becoming bigger and the peak loads have become an issue
- Increasing focus on safety
- Customers require decreasing energy usage and zero emission ports
- Optimum efficiency, space utilization and reduction of costs are increasingly important
- Shortage and cost of trained and skilled labour pushes terminals to automation

Significant possibility in port software:

- Container value chain is very inefficient: total value of waste and inefficiency estimated at ~EUR 17bn
- Over 50% of port software market is in-house, in long term internal solutions not competitive
- Navis has leading position in port ERP

Automation creates significant cost savings*

Labour costs	60% less labour costs
Total costs	24% less costs
Profit increase	125%



* Change when manual terminal converted into an automated operation

5. Clear plan for profitability improvement and to reach financial targets

Growth

Target to grow faster than market

- Megatrends and strong market position supporting organic growth
- M&A potential

Service and software

Targeting service and software sales 40% of net sales, minimum EUR 1.5 billion in 3-5 years*

Balance sheet and dividend

Target gearing < 50% and increasing dividend in the range of 30-50% of EPS, dividend paid twice a year

Profitability

Target 10% operating profit and 15% ROCE in 3-5 years*

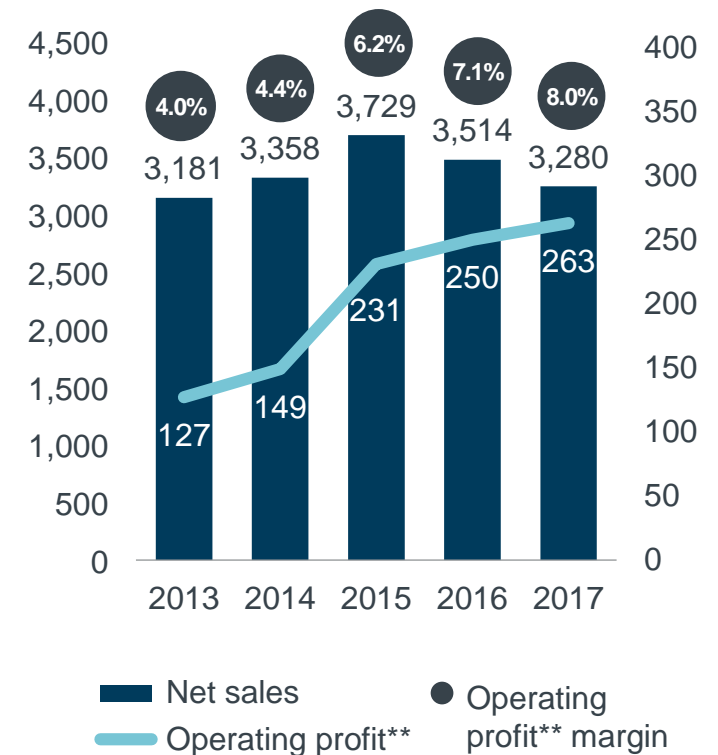
Higher service and software sales key driver for profitability improvement

Cost savings actions:

- 2018 EUR 13 million (Lidhult assembly transfer in Kalmar)
- 2018 EUR 13 million in MacGregor
- 2020 EUR 50 million (indirect purchasing and new Business Services operations)

Product re-design and improved project management

Sales and operating profit** development



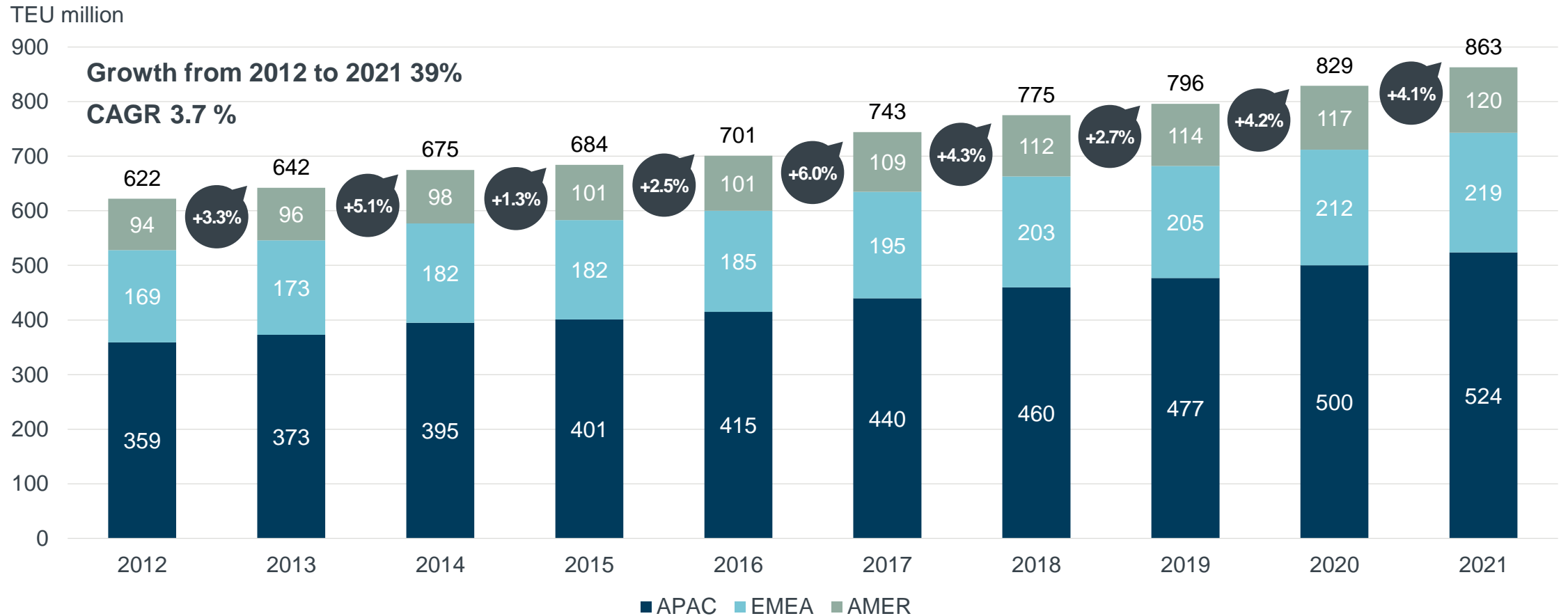
*Target announced in September 2017

**Excluding restructuring costs

Kalmar

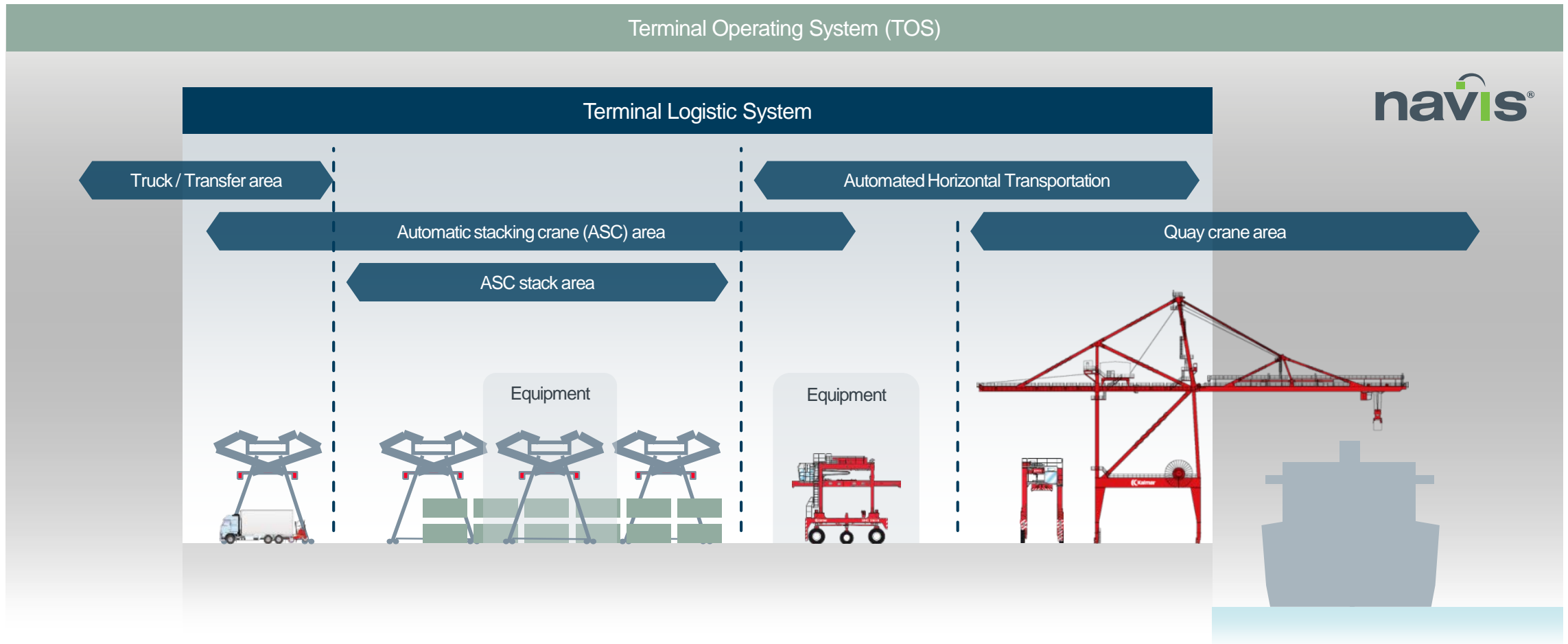


Container throughput still forecasted to grow year on year



Sources: figures 2014, 2019-2021 Drewry: Container forecaster Q3 2017
 2015-2018 Drewry: Container forecaster Q4 2017
 2012-2013 Drewry Global Container Terminal Operators Annual Report 2013
 Investor presentation March 2018 15

Flexible and scalable Navis TOS software



Kalmar's operating environment



Provides integrated port automation solutions including software, services and a wide range of cargo handling equipment



TOS coordinates and optimises the planning and management of container and equipment moves in complex business environments.

Navis provides also maritime shipping solutions:

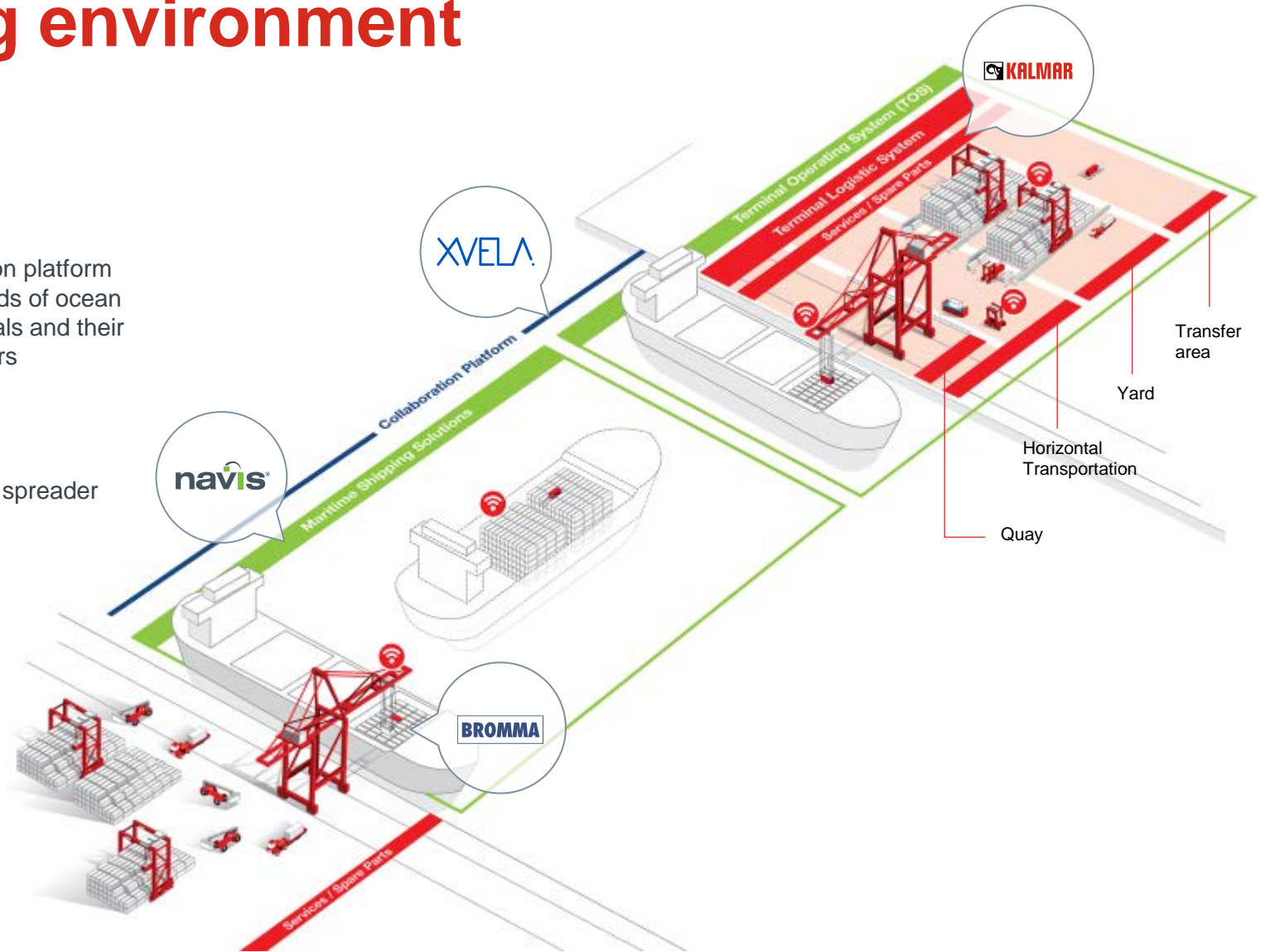
- Stowage planning
- Vessel monitoring
- Loading computer
- Route planning



The collaboration platform serving the needs of ocean carriers, terminals and their shipping partners



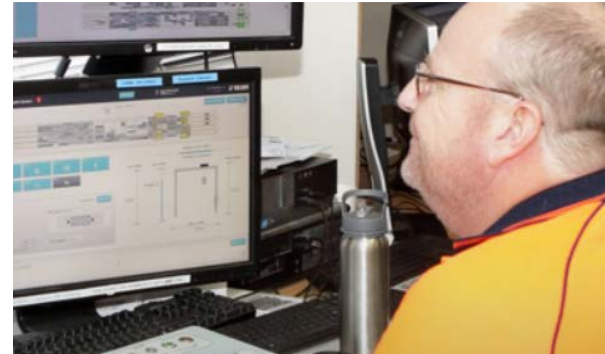
Industry leading spreader manufacturer



Services provide our biggest medium term growth opportunity



Equipment & Projects
20-30%



Software
20-30%



Services
3-5%

Market
share

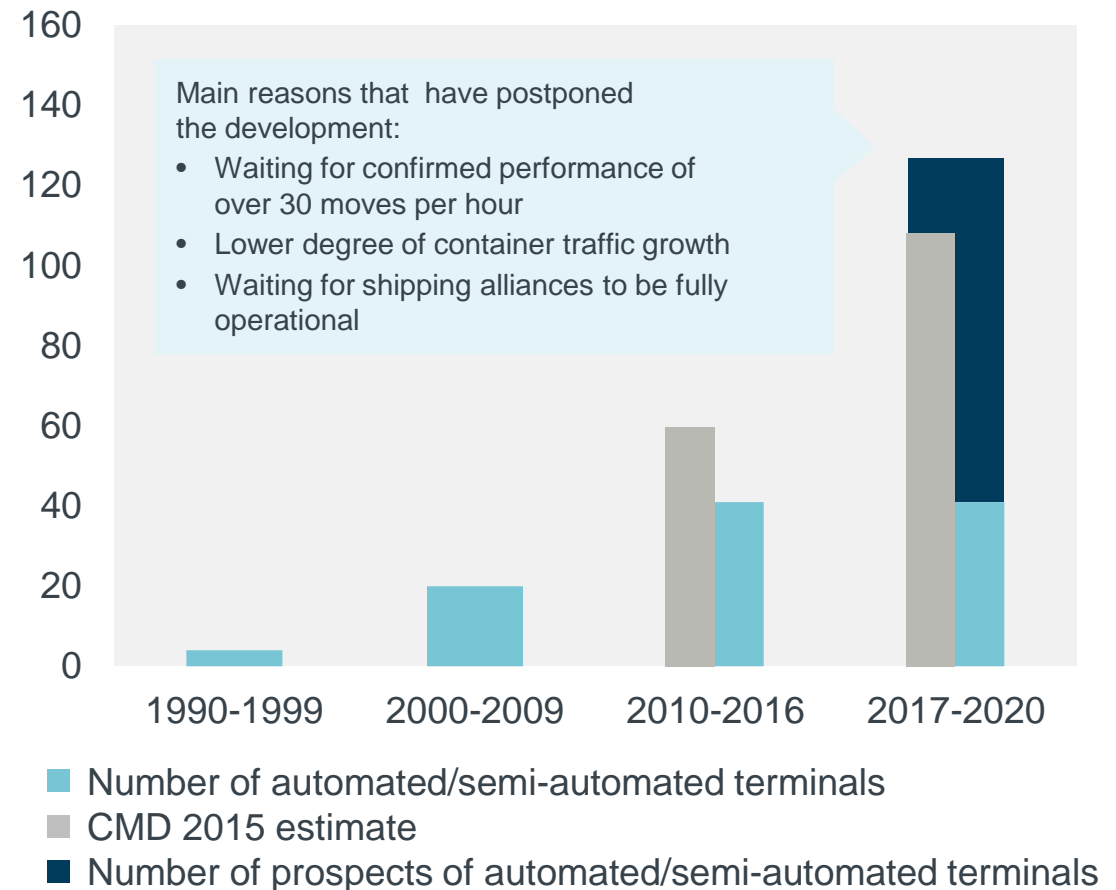
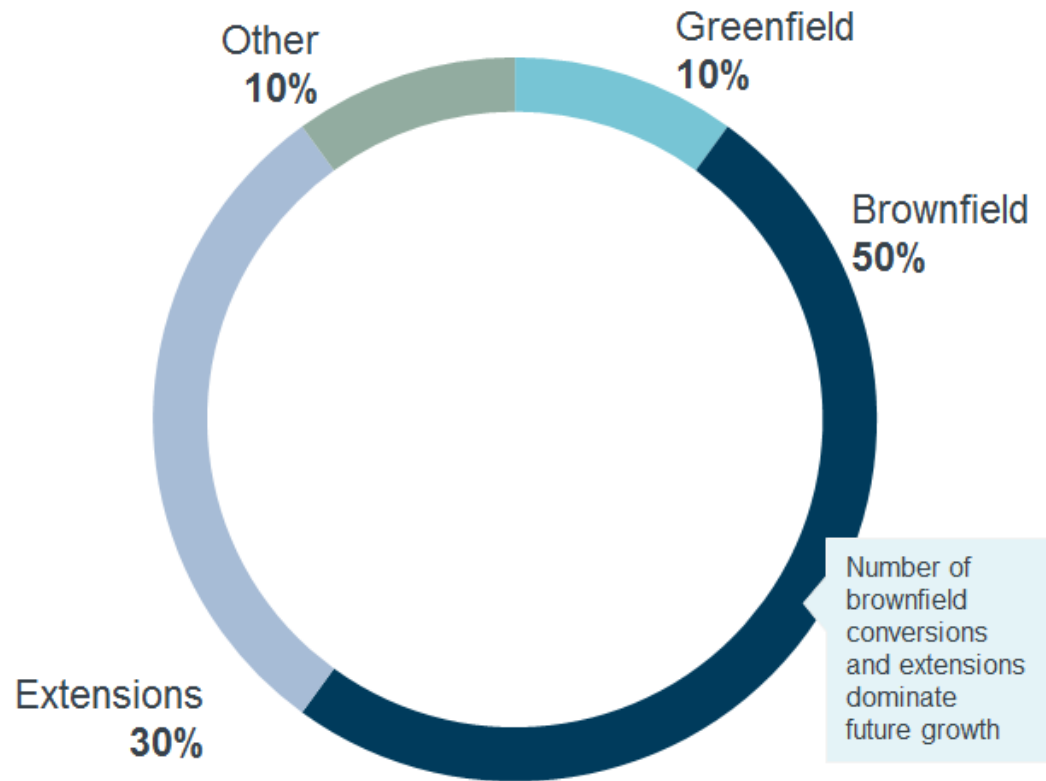
Market
size

6B€

0.5-1B€

8B€

Number of automated/semi-automated prospects has even grown since CMD 2015 but decisions to go ahead have been postponed



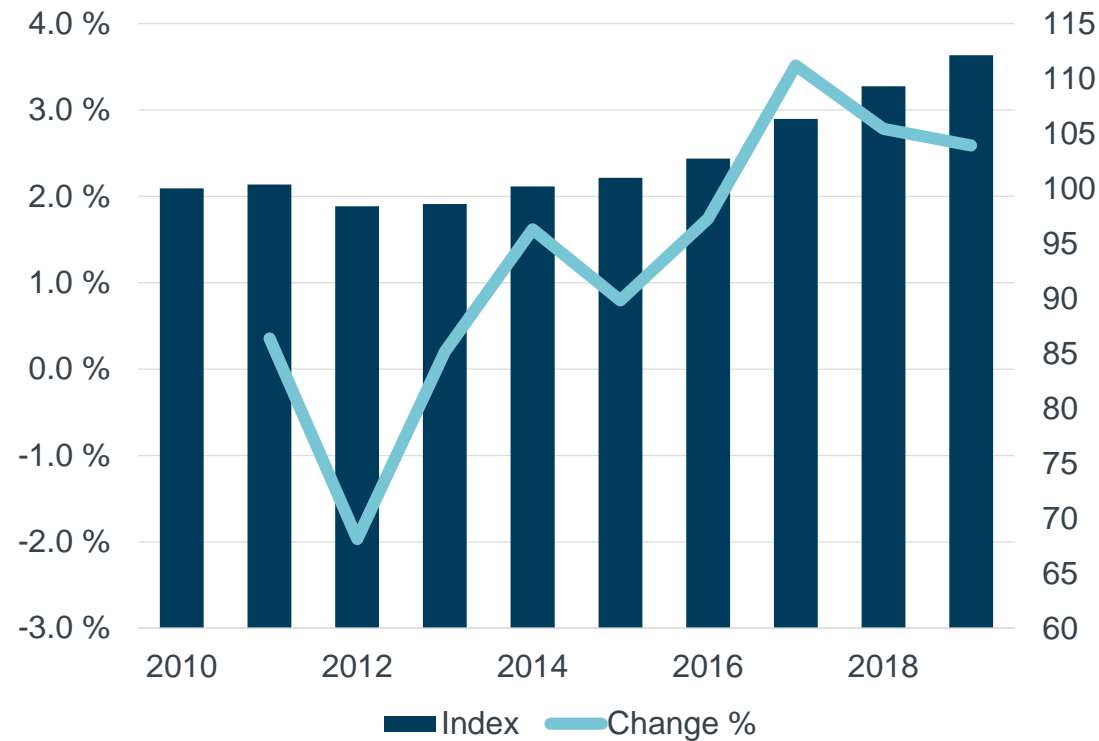
Hiab



Construction output driving growth opportunity

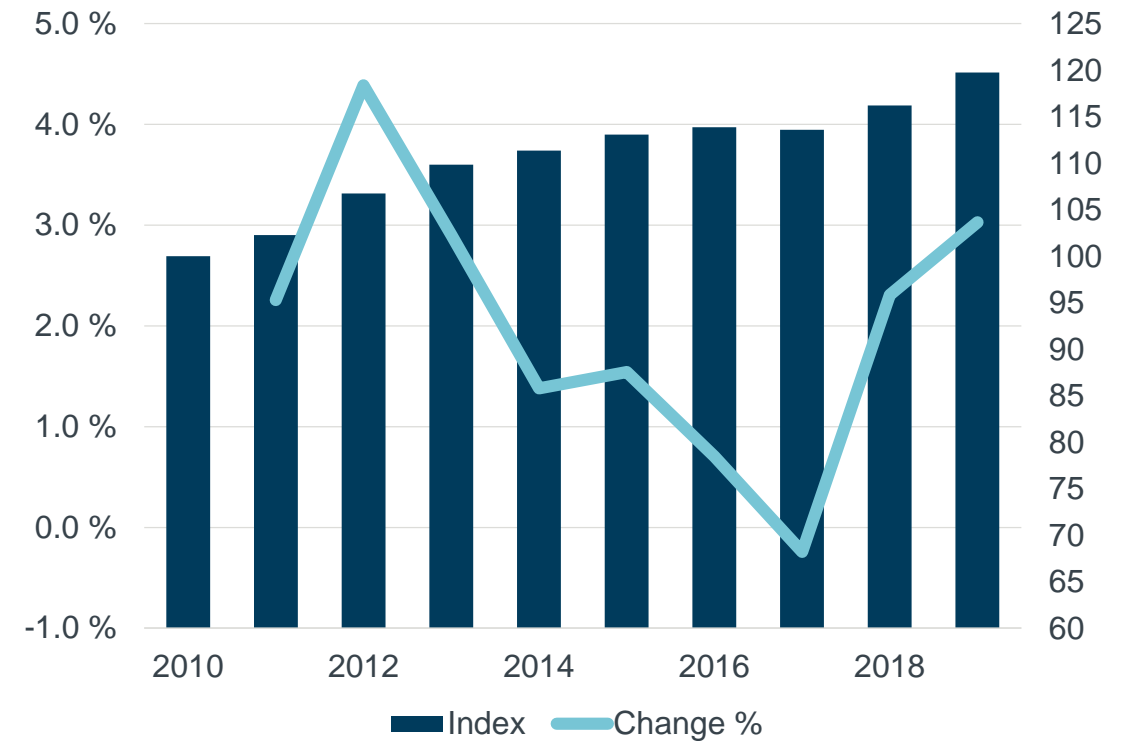
EMEA construction output

y/y change (%)



AMER construction output

y/y change (%)



Oxford Economics: Industry output forecast
12/2017

Strong market positions in all product lines

		MARKET SIZE* (EUR billion)	KEY SEGMENTS	HIAB POSITION & TREND
LOADER CRANES 		~1.3	Construction and Logistics	#1-2 
TAIL LIFTS 		~0.5	Retail Logistics	#1 
DEMOUNTABLES 		~0.5	Waste and Recycling	#1 
TRUCK MOUNTED FORK LIFTS 		~0.3	Construction and Logistics	#1 
FORESTRY CRANES 		~0.2	Timber, Pulp and Paper	#2 

*) Cargotec estimate

Attractive megatrends and growth drivers

MEGA TRENDS



- **Urbanization** and **Consumption** growth driving needs for efficiency
- **Digitalization** and **Connectivity** enabling new **business** solutions

MARKET GROWTH



- **North America** and main **European** markets continue to grow
- **Developing markets** strong load handling equipment penetration potential

KEY SEGMENTS



- **Construction, Waste & Recycling, Logistics** and **Governmental** business segments show continued growth projection

PRODUCT OFFERING



- **New applications** market and segment growth potential
- Developing for increasing demand in **Electrification** and **Automation**

SERVICE SOLUTIONS



- Growing demand for comprehensive **life-cycle service offerings** and tailored **business solutions**

Hiab's key growth drivers



Cranes

Gain market share in big loader cranes and crane core markets



Tail lifts

Enter fast growing emerging markets and standardise and globalise business model



Truck-mounted forklifts

Accelerate penetration in North America and Europe



Services

Increase spare parts capture rates driven by connectivity and e-commerce

MacGregor

 **CARGOTEC**



We are an active leader in all maritime segments

~3/4 of sales

~1/4 of sales

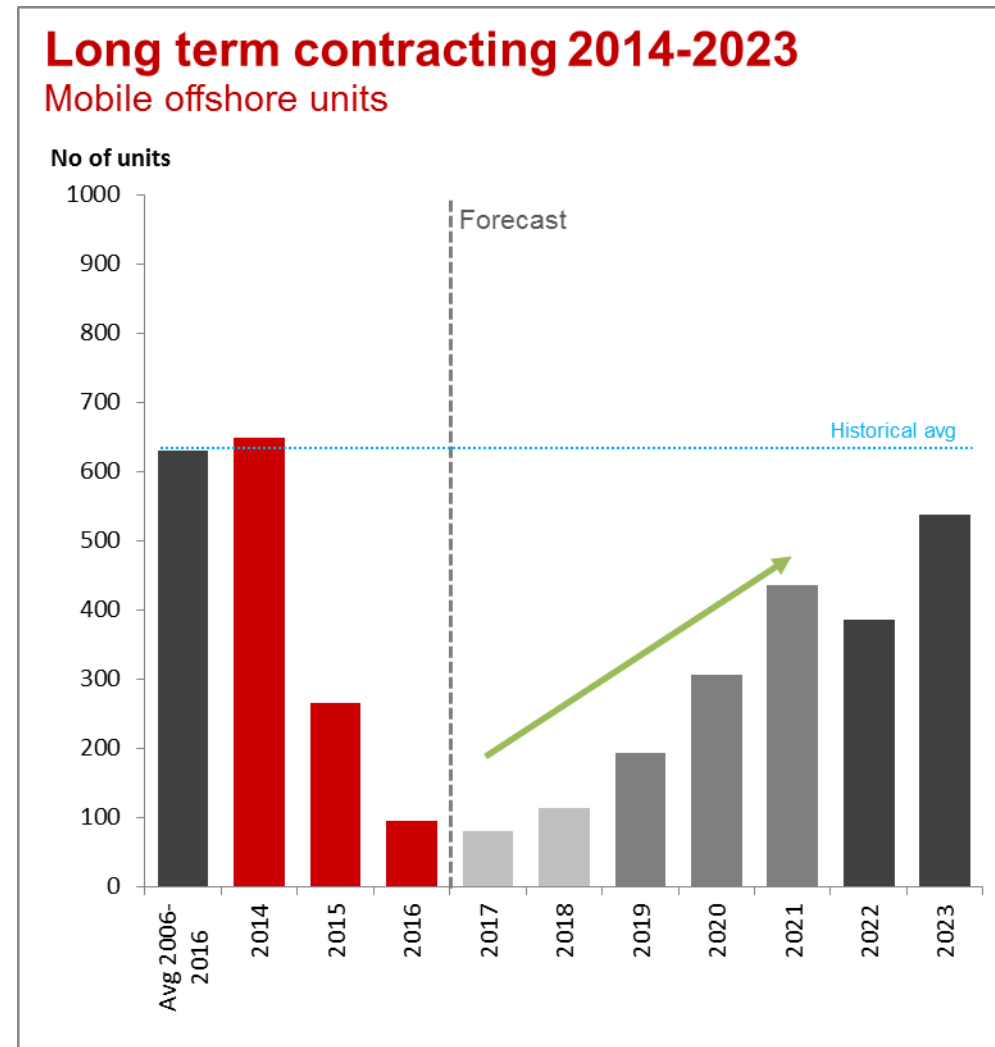
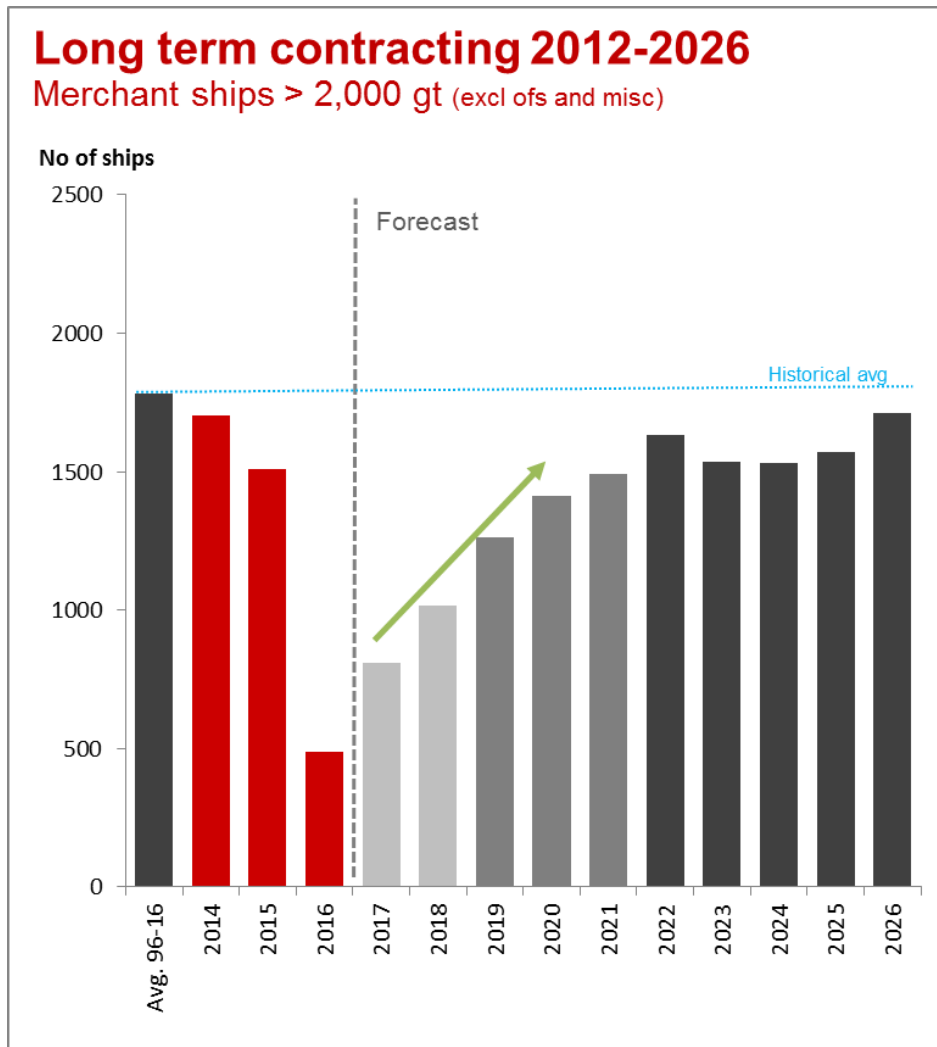
~3/4 of sales			~1/4 of sales	
Merchant Cargo Flow MARKET POSITION #1	Marine People Flow #1	Marine Resources & Structures #1-2	Naval Logistics and Operations #1-2	Offshore Energy #1
<ul style="list-style-type: none"> ▪ Container cargo ▪ Bulk cargo ▪ General cargo ▪ Liquid cargo ▪ RoRo cargo 	<ul style="list-style-type: none"> ▪ Ferry ▪ Cruise ▪ Superyachts ▪ Walk-to-work 	<ul style="list-style-type: none"> ▪ Research ▪ Fishery ▪ Aquaculture ▪ Mining ▪ Floating structures 	<ul style="list-style-type: none"> ▪ Naval & Military Supplies Logistics ▪ Naval & Military Operations Support ▪ Ship-to-ship transfer 	<ul style="list-style-type: none"> ▪ Oil & Gas ▪ Renewables

Lifecycle Services



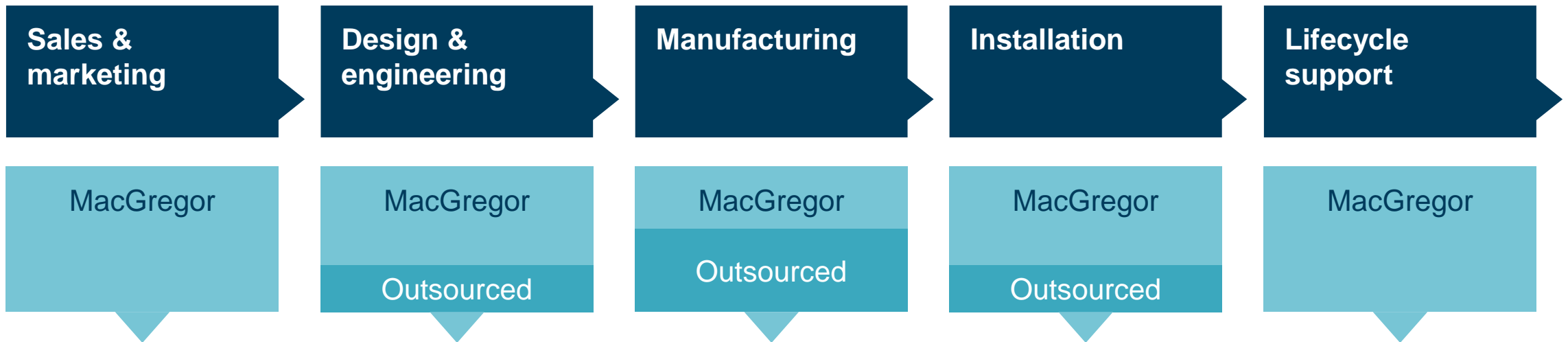
Picture: Statoil

Merchant Ships and Offshore contracting activity picking up



Source: Clarksons September 2017

MacGregor's asset-light business model gives flexibility



Cost-efficient scaling

90% of manufacturing outsourced

30% of design and engineering capacity outsourced

Recent progress



Leading cargo flow digitalisation to create new revenues

DIGITALISATION
SERVICES
LEADERSHIP

MAIN ACHIEVEMENTS

Significantly increased resources and competences

- 100 full-time employees more focusing on digitalisation
- Establishment of the IoT Cloud data platform and connectivity solutions
- Solid 54% growth in software sales since 2013
- XVELA industry collaboration platform introduced
- Digital business accelerator programme

NEXT STEPS

All new equipment connected by 2018

- 20+ new digital products to be launched in 2017-2018
- Build on Navis position as industry leader

FUTURE AMBITION

Target to double software and digital services revenues during next 3-5 years

- Deliver customer value and drive the industry towards better optimization and sustainability with software, automation, data and collaboration platforms

Becoming industry benchmark in services

DIGITALISATION
SERVICES
LEADERSHIP

MAIN ACHIEVEMENTS

Dedicated service organizations

- Increased focus on services
- Over 4,000 persons in global service network
- Value adding services product portfolio
- E-commerce platforms launched
- Service sales growth 20% since 2013

NEXT STEPS

Increase spare parts capture rates

- Boost service contract attachment rates
- Design to service to enhance spare parts sales
- Enable connectivity for all new equipment
- Strengthen own service network
- Introduce new service products

FUTURE AMBITION

Become benchmark in services in our industry

- Culture change from products to customer value
- Capturing increasing value through service-based business models

Investing in world-class leadership to deliver high performance

MAIN ACHIEVEMENTS

Tailored, data-based leadership model to drive our performance and strategy execution

- Top 300 and next 700 leaders assessed and trained during 2016-17

NEXT STEPS

Complete the roll-out of the leadership assessments and training

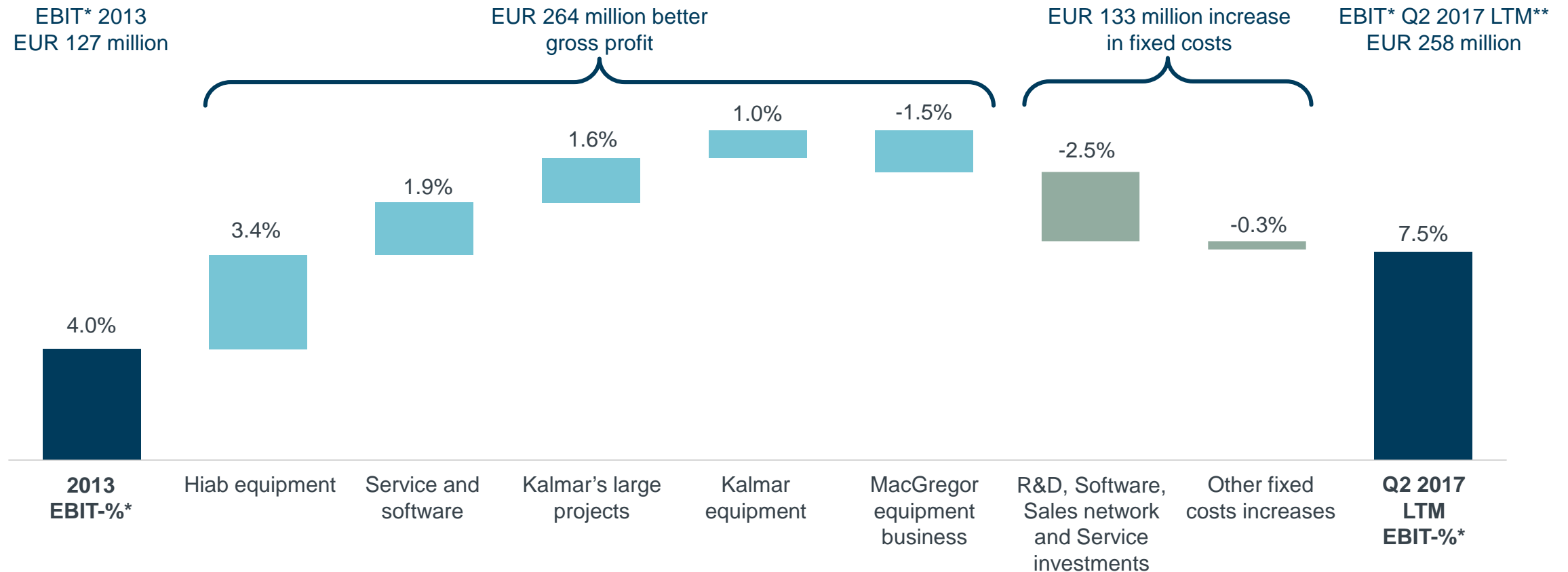
- Personal change planning to help leaders turn around low-performing organizational climates - leader by leader

FUTURE AMBITION

Leadership is competitive advantage for Cargotec

- Leadership performance is embedded in all aspects of the employment lifecycle
- 50% increase in leaders who create high performing organizational climates

We have increased EBIT* margins since 2013 through operational improvements



Previously announced cost savings programmes proceeding

- From 2020 onwards annual savings of EUR 50 million
 - EUR 10 million savings in 2017
- 2017 EUR 25 million (MacGregor)
- EUR 13 million in 2018 (MacGregor)
 - Operational restructuring: reduction of approximately 170 employees
- EUR 13 million in 2018 (Kalmar)
 - Relocation of assembly operation
- Product redesign and project management improvement continues in 2018



Group wide EUR 50 million cost savings programme proceeding faster than expected

WHY

- Investments in common systems as enabler
- EUR ~600 million addressable indirect cost base

WHAT

- Reductions in indirect purchasing spend (EUR 30 million), and more efficient support functions (EUR 20 million)

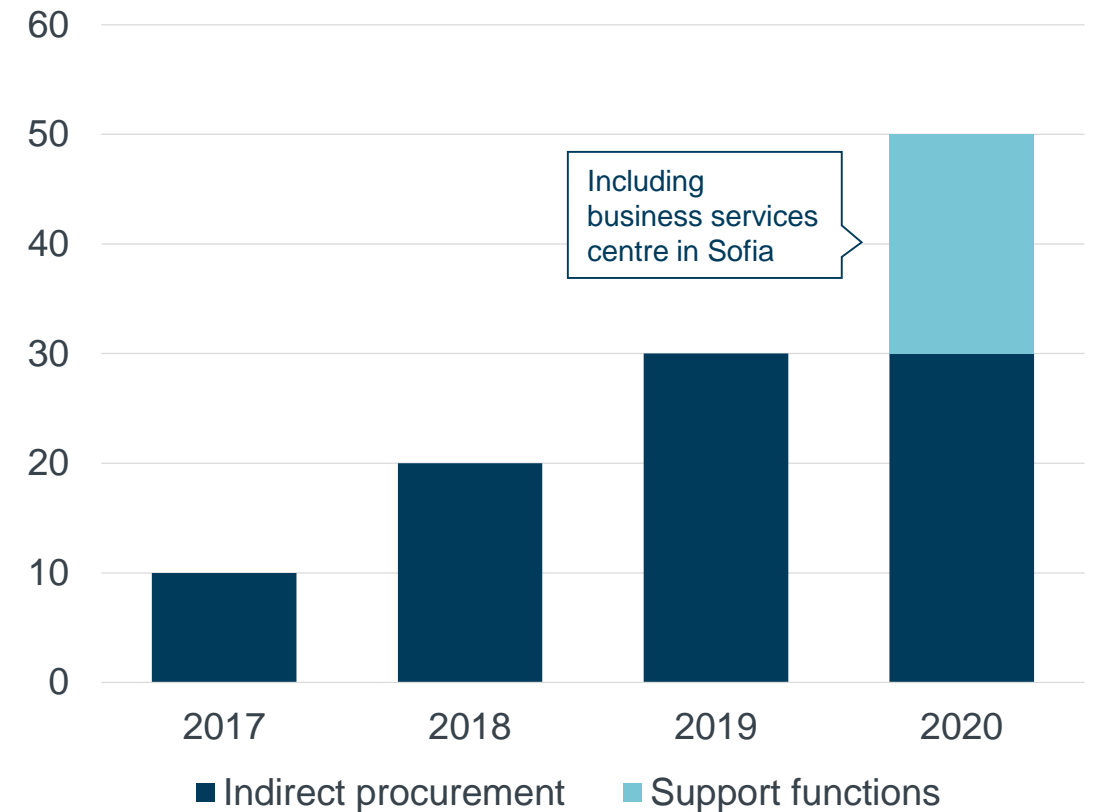
HOW

- Central procurement organization to drive indirect procurement cost and efficiency
- Establishing support function services in Sofia
- Automation in Finance, HR, information management and procurement

RESULTS

- EUR 10 million savings realised in 2017

Expected savings compared to 2016 cost level, MEUR



We have established Cargotec Business Services in Sofia to improve support function efficiency by EUR 20 million

- Savings from consolidation, outsourcing of certain activities, labour arbitrage and robotics
- Scope: Finance, Human Resources, Information Management and Indirect Procurement services primarily from Sofia, Bulgaria
- Good progress in establishing Cargotec Business Services
 - Cargotec Business Service (CBS) centre in Sofia, Bulgaria officially opened 30 January 2018



Targeting EUR 1.5 billion service and software sales in 3-5 years

Cargotec service sales total EUR 874 million in 2017

- Spare parts the biggest category, around 50% of total service sales
- Maintenance around 30% of total service sales

Kalmar

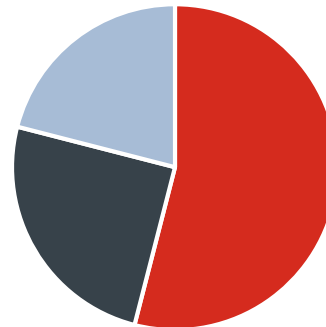
MEUR	2017
Service orders received	432
Service sales	445



- Spare parts
- Maintenance contracts
- Crane upgrades
- Used equipment

Hiab

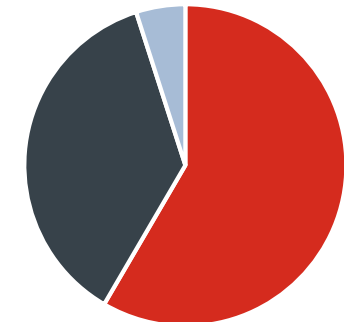
MEUR	2017
Service orders received	246
Service sales	242



- Spare parts
- Maintenance
- Installation

MacGregor

MEUR	2017
Service orders received	186
Service sales	188



- Spare parts
- Maintenance
- Projects and Voyage Data Recorder

M&A strategy focusing on bolt-on acquisitions

Key acquisition criteria

Contribution to 15% ROCE target

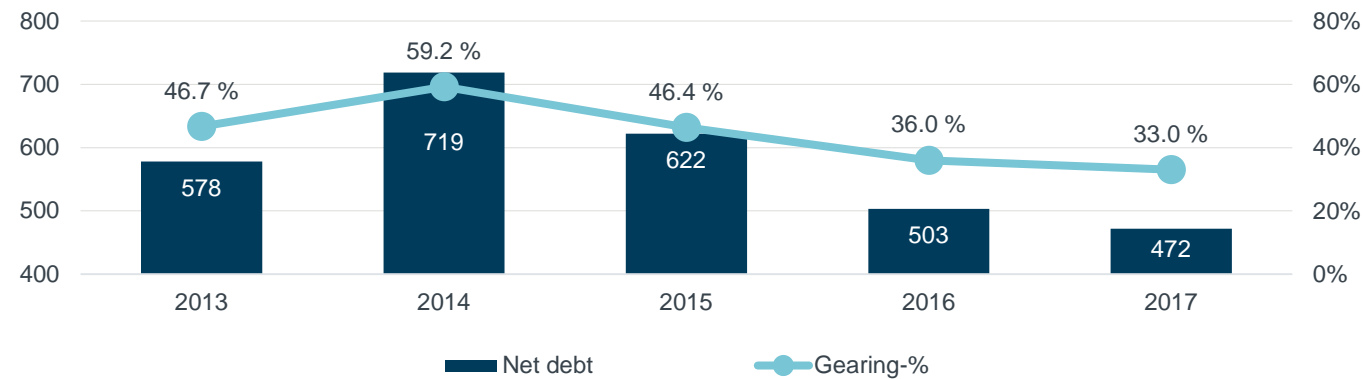
Recurring business

Increase the potential for services through larger installed base and increased presence

Group gearing long term target of 50%

Net debt and gearing

MEUR



M&A focus by business area:

Kalmar

Expand service footprint and software offering

Hiab

Expand geographical presence, service and product offering

MacGregor

Focus on distressed assets and software and intelligent technology

Progress in M&A in 2017

RAPP MARINE GROUP

Strengthen MacGregor's offering for the fishery and research vessel segment

Sales

EUR 40 million

in 2017

Around 30% of sales from services

ARGOS

Hiab entrance to Brazilian loader crane market

Sales

EUR 6 million

in 2017

INVER PORT SOLUTIONS

Broaden Kalmar's existing service capabilities throughout Australia

Sales

EUR 5 million

in 2017

Acquisition of TTS marine and offshore business announced 8 February 2018

Strategic rationale

Combination of two highly complementary businesses producing greater scale and diversification

- By acquiring TTS marine and offshore business, Cargotec will strengthen MacGregor's portfolio and market position in key areas in cargo and load handling markets

The acquisition will strengthen MacGregor's service growth potential and service installed base

Position in China through strategic joint ventures with Chinese state owned ship building companies

Unlocking potential significant synergies

- Based on preliminary estimates, potential cost synergies are estimated to be around EUR 30-35 million on annual level and are expected to be reached within 3 years from closing



TTS overview

TTS provides equipment for the marine and offshore industries through subsidiaries in 15 countries

TTS Group's main products are a wide range of cargo handling and offshore cranes, RoRo access systems, hatch covers, winches and related services.

The company's service business includes spare parts, maintenance, inspections, modernisation, conversion and training. With a worldwide workforce of around 930 employees, TTS has more than 50 years of experience in the marine industry.

The group has subsidiaries in Belgium, Brazil, China, Germany, Greece, Italy, Korea, Norway, Poland, Singapore, Sweden, UAE, USA and Vietnam. TTS operates mainly through three 50/50 owned joint venture companies in China.



TTS product portfolio

RoRo, Cruise & Navy

Container, Bulk &
Tank Vessels

Multipurpose &
General Cargo

Offshore Vessels

Services



Financial summary

MEUR, 2017

	TTS business planned to be acquired ¹	MacGregor
Revenues	211	576
Services (as % of revenues)	26%	33%

¹ Based on exchange rate EUR / NOK: 9.35

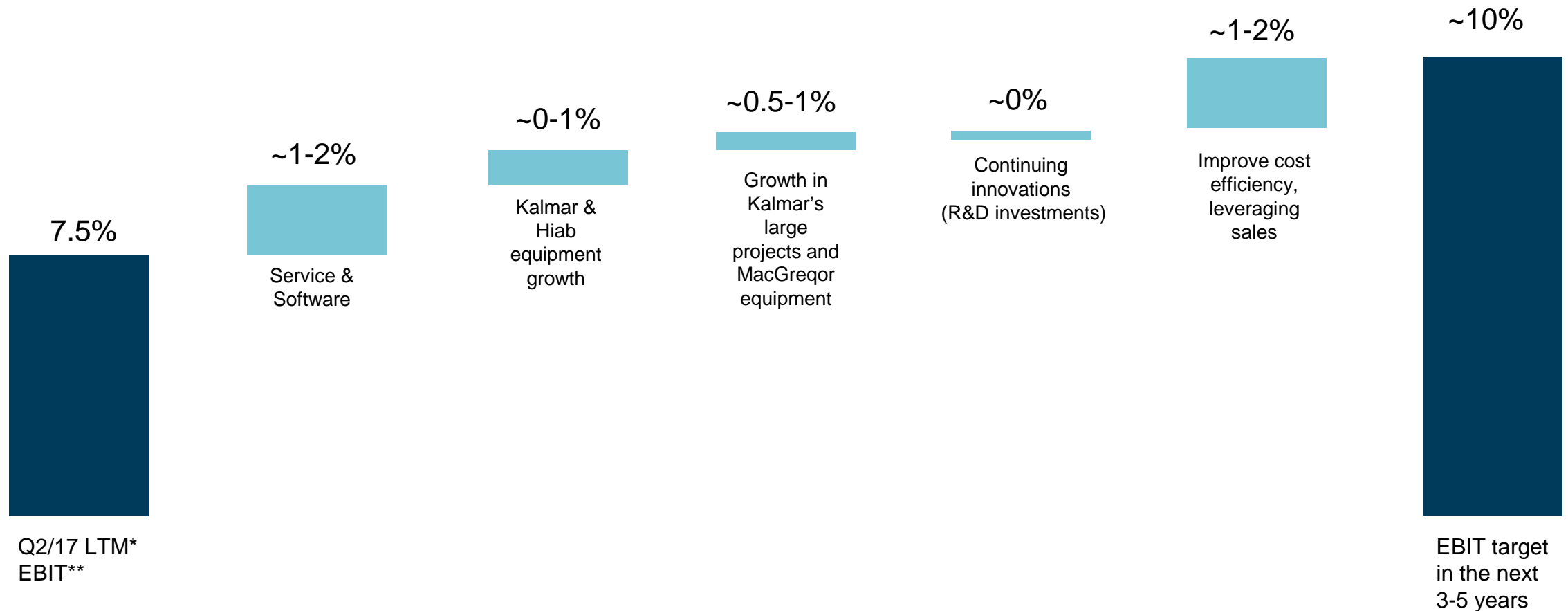
The presented TTS business financial figures are calculated based on full consolidation, but their actual impact on Cargotec's financials is subject to applied post-acquisition consolidation method of the joint ventures included in the acquisition.



Transaction highlights

Transaction terms and structure	Financing	Deal certainty and timing
<p>Acquisition of TTS business</p> <ul style="list-style-type: none">▪ TTS Group ASA and its shipyard solution business, TTS Syncrolift AS, are excluded from the deal <p>Only certain HQ costs will be assumed</p> <p>Total consideration of EUR 87m on a debt free / cash free basis, with customary closing adjustments</p>	<p>Transaction consideration will be covered by Cargotec's available cash and financing</p>	<p>More than 2/3 of TTS shareholders supports the transaction and have committed to vote in favor of the deal in TTS Group's Extraordinary General Meeting. Furthermore, more than 2/3 of convertible bondholders have made the same commitment, if any of their bonds are converted to shares prior to the Extraordinary General Meeting</p> <p>The acquisition is subject to regulatory approvals from competition authorities, which are expected to be received during the third quarter of 2018</p>

Our target is to reach 10% EBIT in the next 3-5 years



Market environment in 2017

Growth in number of containers handled at ports accelerated

Strong interest for efficiency improving automation solutions

- Customers' decision making is slow and starting with phased investments

Construction activity on good level

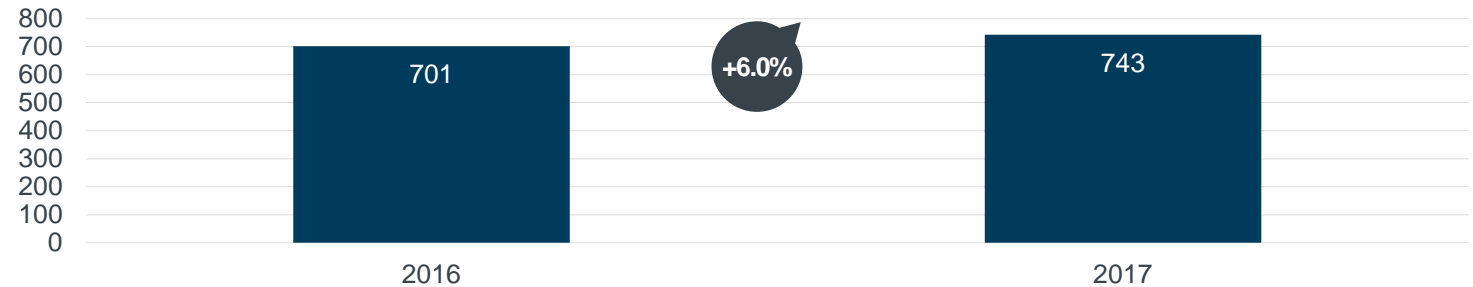
- Good development continued in Europe, US demand stayed on strong level

Market improved in merchant sector, but orders remained well below historical levels

- In offshore, interest level has increased, but not materialised in orders

Global container throughput (MTEU) – Key driver for Kalmar

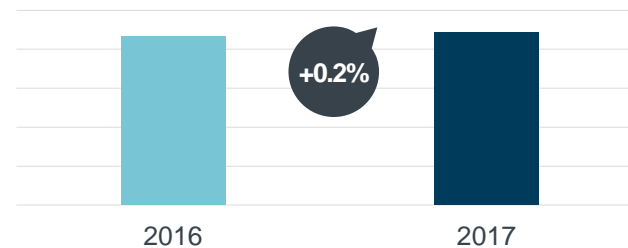
Source: Drewry



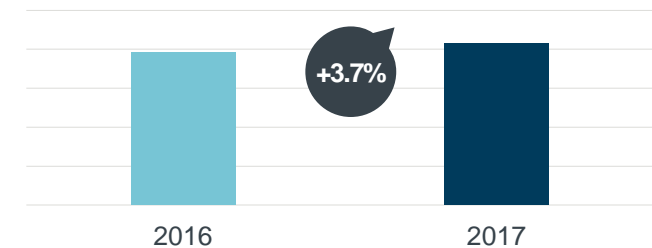
Construction output – Key driver for Hiab

Source: Oxford Economics

United States



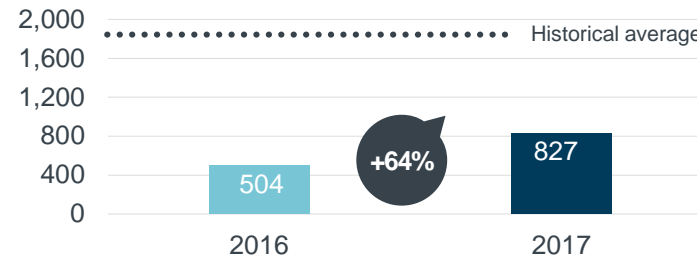
Europe



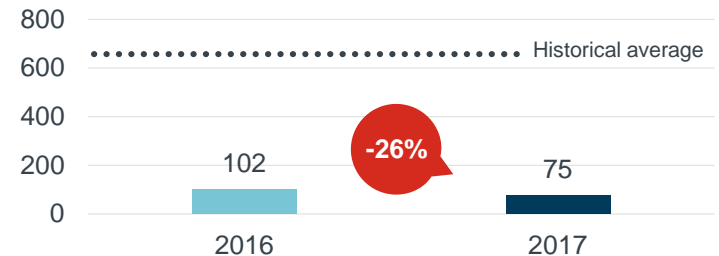
Long term contracting – Key driver for MacGregor

Source: Clarkson Research (number of ships and offshore units) Indicative historical average

Merchant ships > 2,000 gt (excl. ofs & misc)



Mobile offshore units

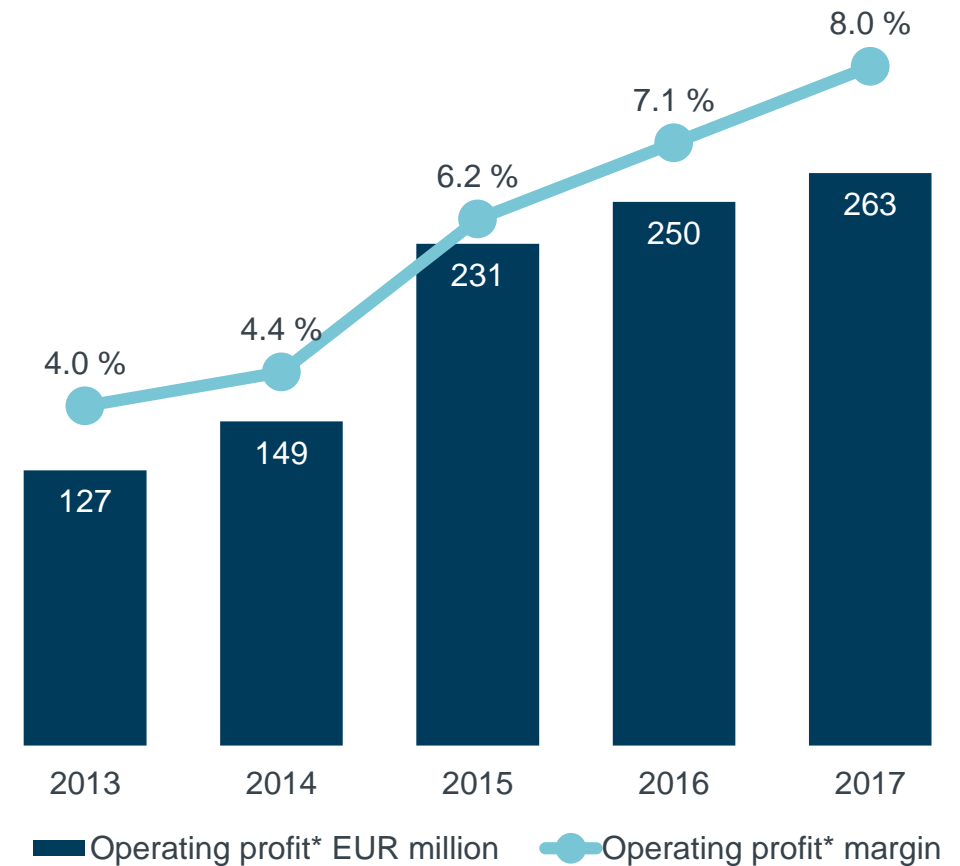


Highlights of 2017 – Strong year for Hiab, MacGregor’s orders improved in H2/2017

Operating profit margin* continued to improve

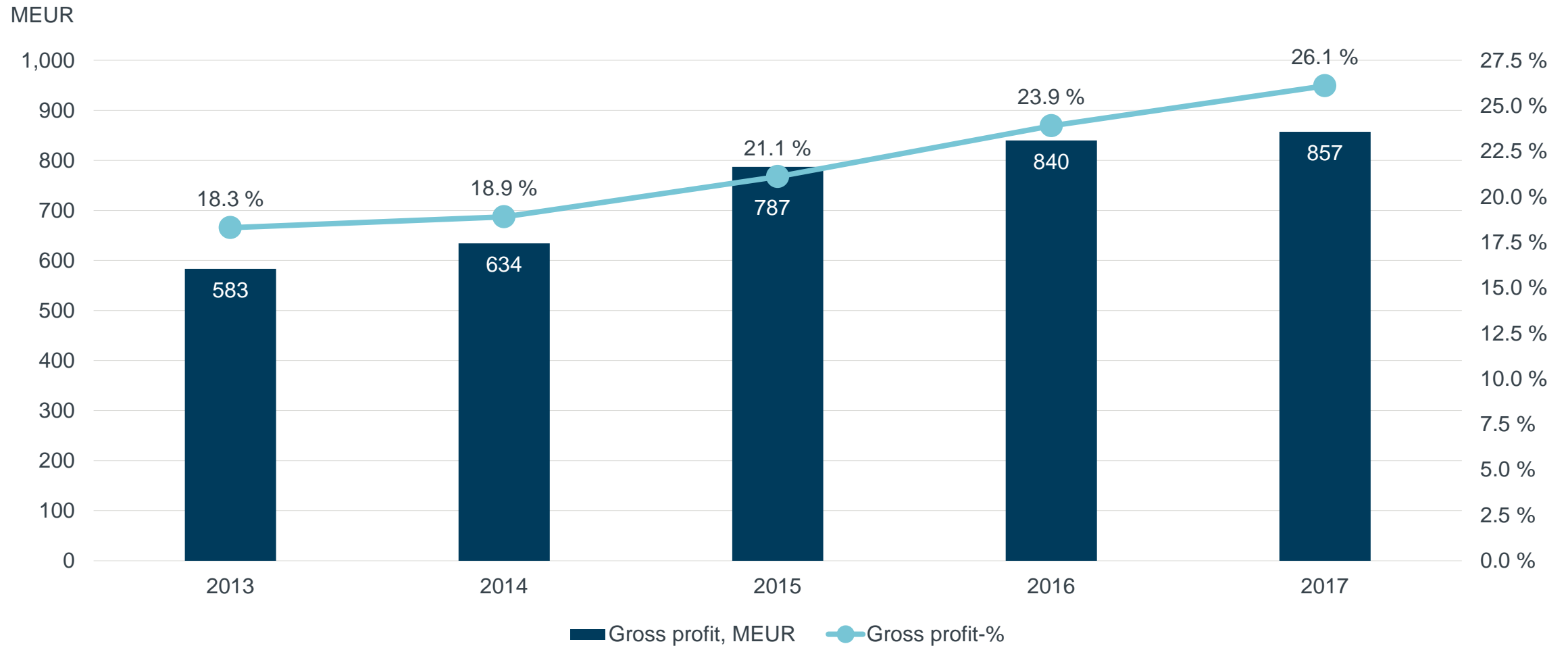
- Strong year for Hiab – sales increased by 5% and operating profit* by 12%
- Kalmar’s sales declined, but operating profit* improved slightly
- MacGregor’s order intake improved during the second half of 2017

Progress in M&A



*) Excluding restructuring costs

Gross profit continued to improve in 2017



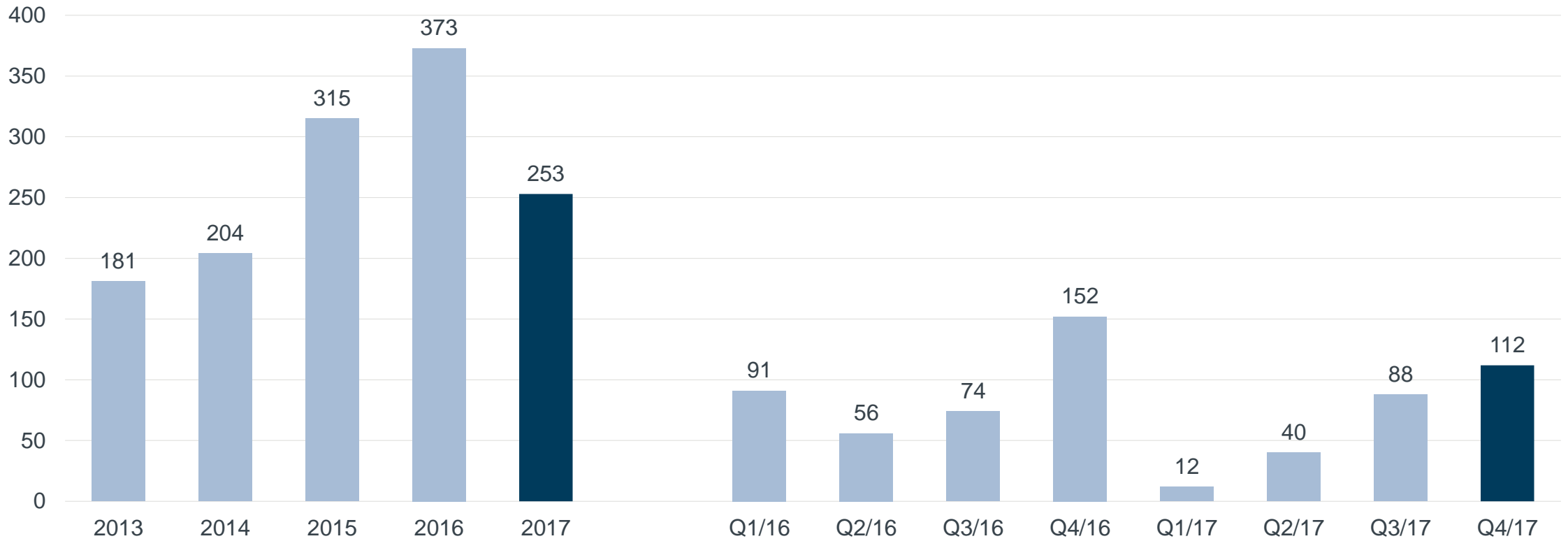
Key figures – Operating profit increased

	Q4/17	Q4/16	Change	2017	2016	Change
Orders received, MEUR	784	822	-5%	3,190	3,283	-3%
Order book, MEUR	1,550	1,783	-13%	1,550	1,783	-13%
Sales, MEUR	902	933	-3%	3,280	3,514	-7%
Operating profit*, MEUR	74.6	61.0	+22%	263.2	250.2	+5%
Operating profit*, %	8.3%	6.5%	+173bps	8.0%	7.1%	+90bps
Restructuring costs, MEUR	17.2	39.7	-57%	36.5	52.5	-31%
Operating profit, MEUR	57.3	21.3	+169%	226.7	197.7	+15%
Operating profit, %	6.4%	2.3%	+407bps	6.9%	5.6%	+129bps
Net income, MEUR	29.7	12.2	+143%	136.3	125.3	+9%
Earnings per share, EUR	0.45	0.20	+129%	2.11	1.95	+8%
Earnings per share, EUR**	0.64	0.65	-1%	2.51	2.54	-1%

Cash flow from operations weakened due to low prepayments and higher net working capital

Cash flow from operations

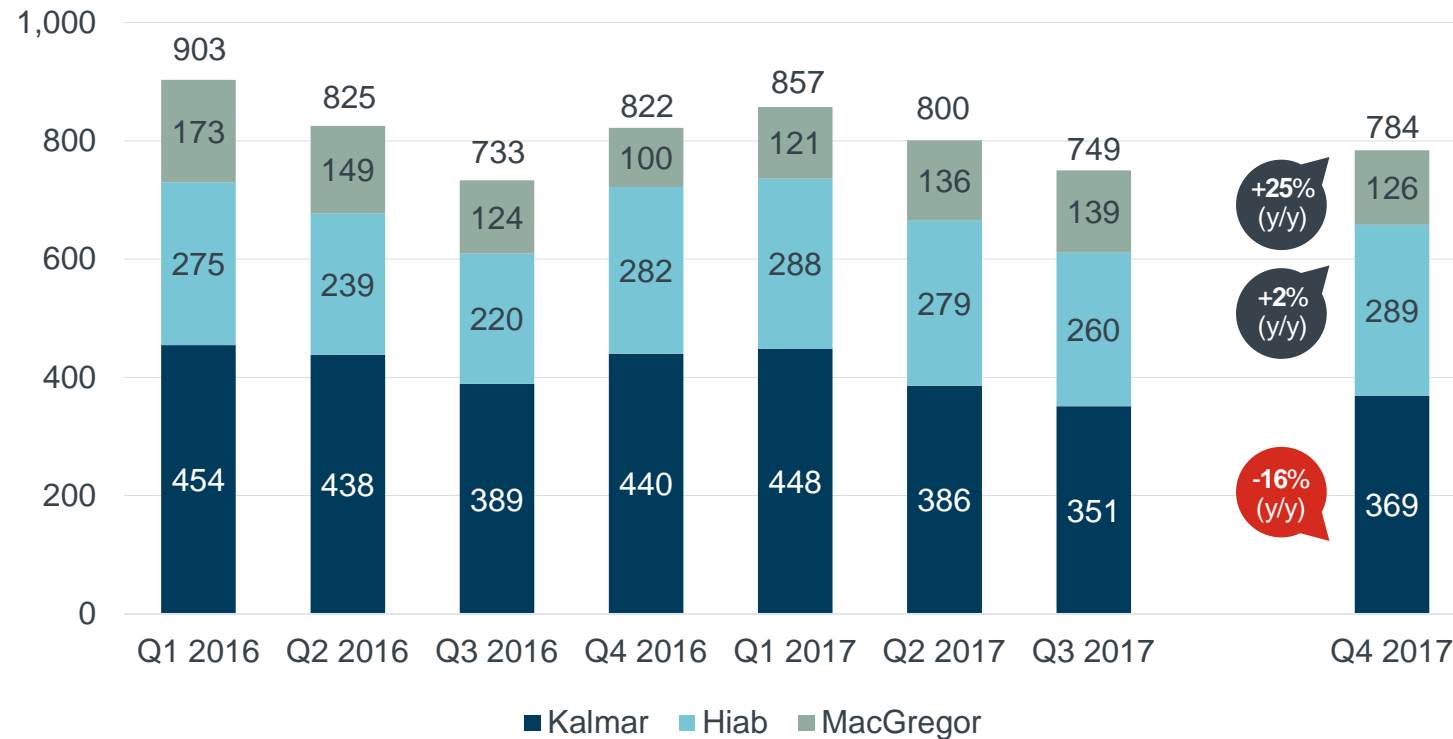
MEUR



Orders received – Good growth in Hiab in 2017, MacGregor's orders improved in H2/17

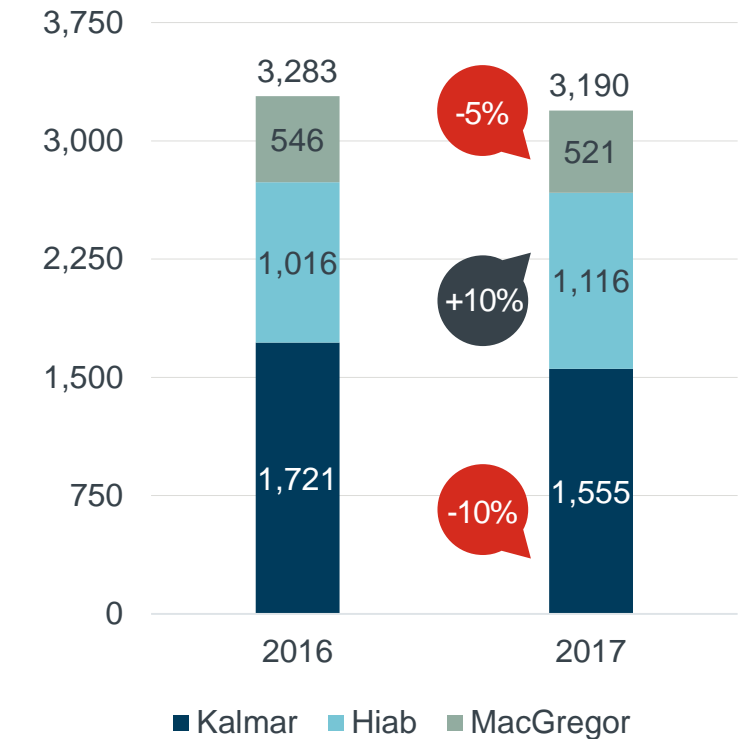
Orders received

MEUR



Orders received

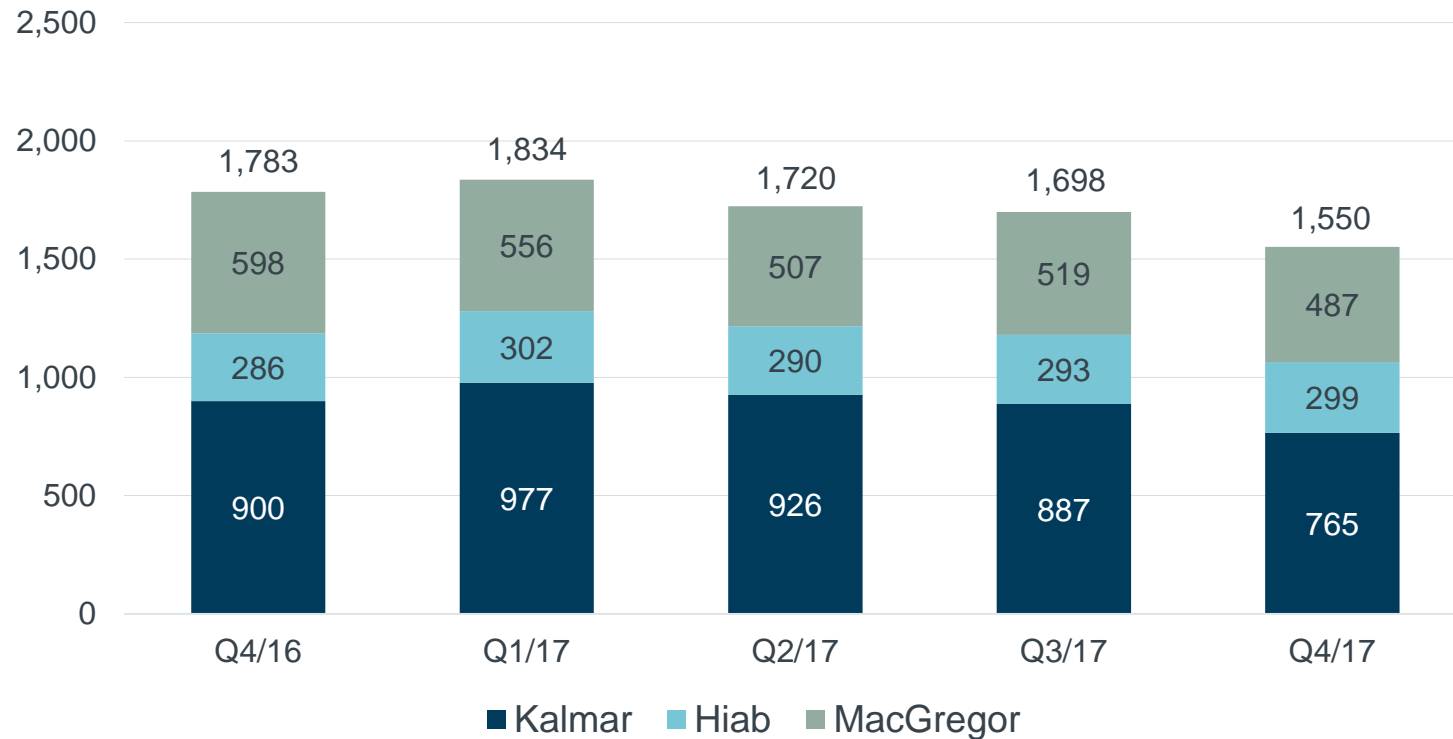
MEUR



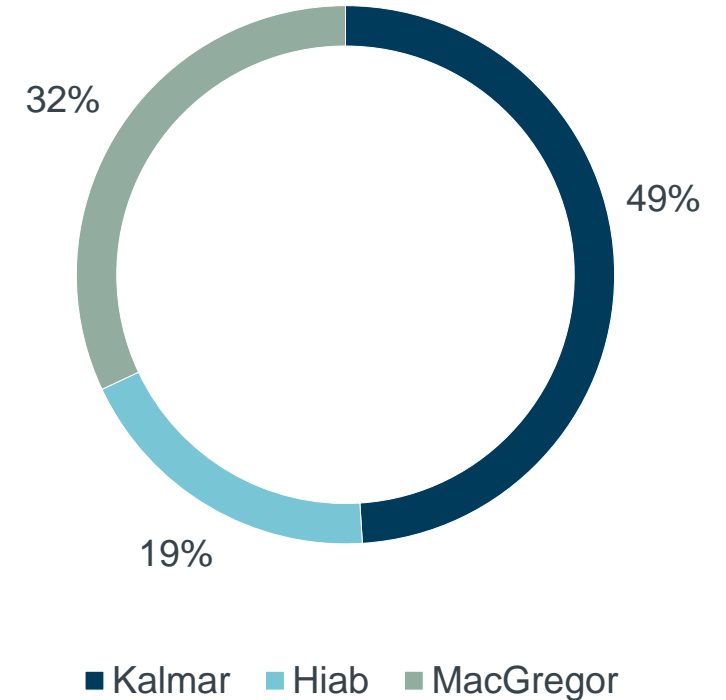
Order book declined in Kalmar and MacGregor

Order book

MEUR



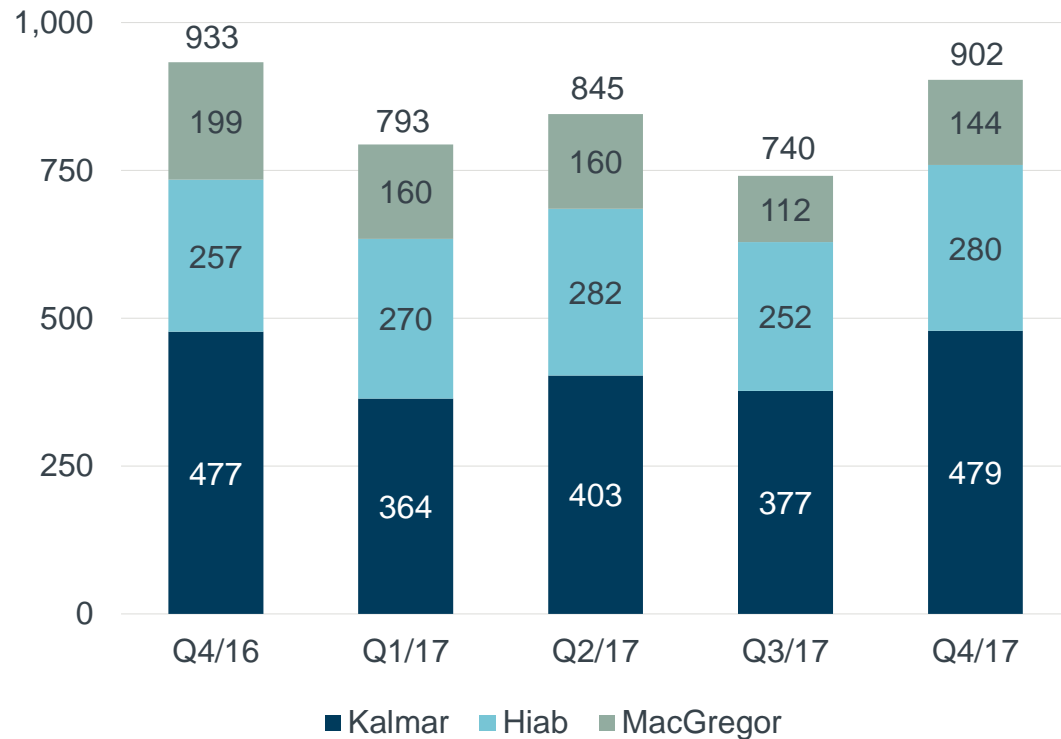
Order book by reporting segment, Q4 2017



Record-high operating profit* in Q4/17

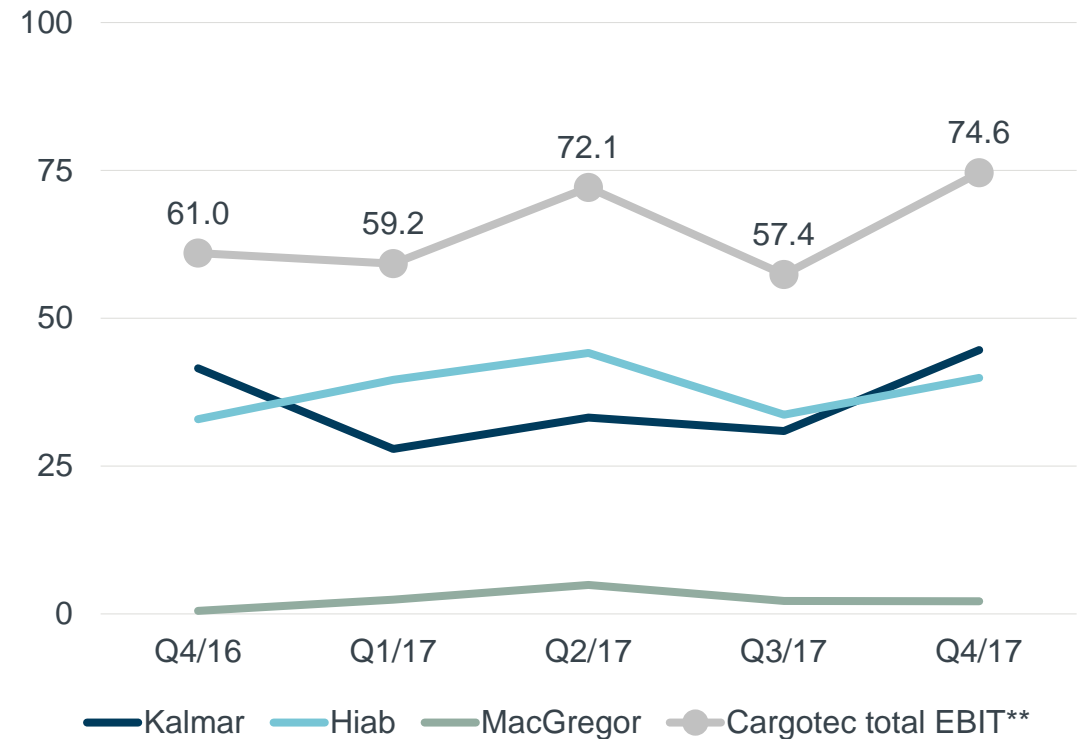
Sales

MEUR



Operating profit*

MEUR



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

Kalmar Q4 – Profitability improved

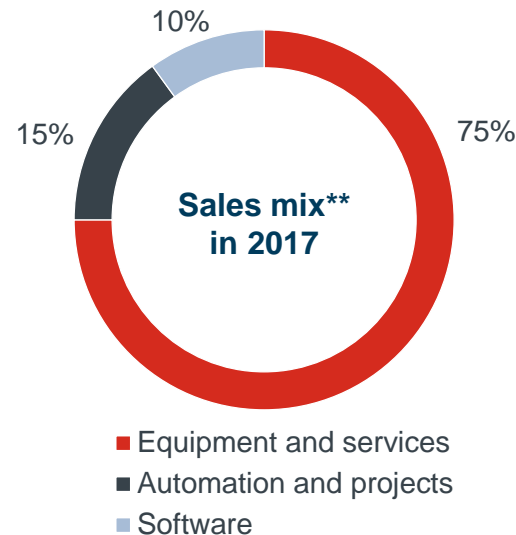
Orders received declined in all geographical regions

- Low order intake especially in automation and projects

Sales remained at last year's level, supported by project deliveries

Operating profit* increased especially in mobile equipment

MEUR	Q4/17	Q4/16	Change
Orders received	369	440	-16%
Order book	765	900	-15%
Sales	479	477	+0%
Operating profit*	44.6	41.5	+7%
Operating profit margin*	9.3%	8.7%	+61bps



Hiab Q4 – Solid growth in sales and profitability

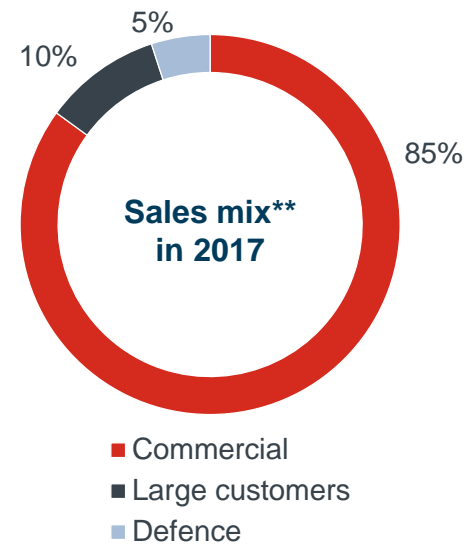
Orders received continued to grow in EMEA

- Growth in EMEA +9%
- Strong growth in loader cranes

Sales and operating profit grew

Service sales grew 6%

MEUR	Q4/17	Q4/16	Change
Orders received	289	282	+2%
Order book	299	286	+5%
Sales	280	257	+9%
Operating profit*	39.9	32.9	+21%
Operating profit margin*	14.3%	12.8%	+148bps



MacGregor Q4 – Continued growth in orders received

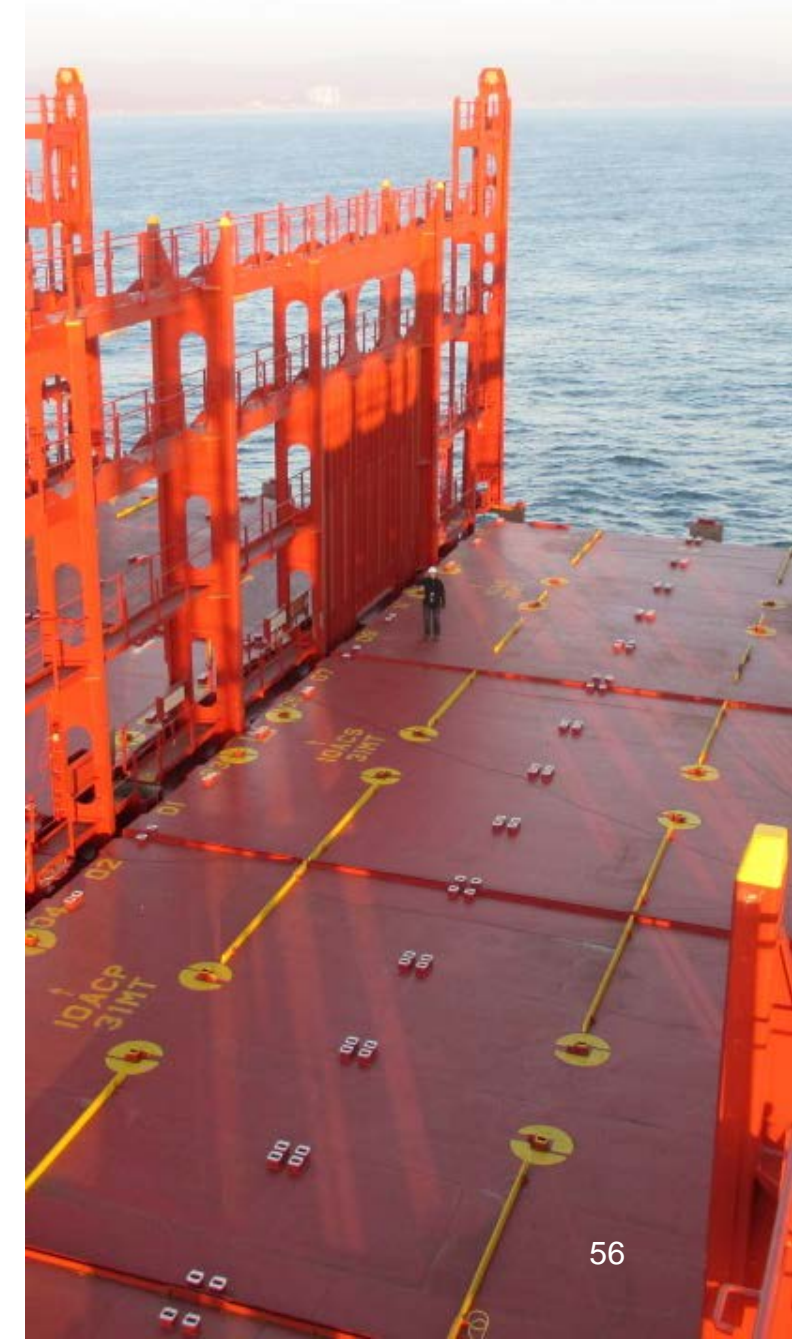
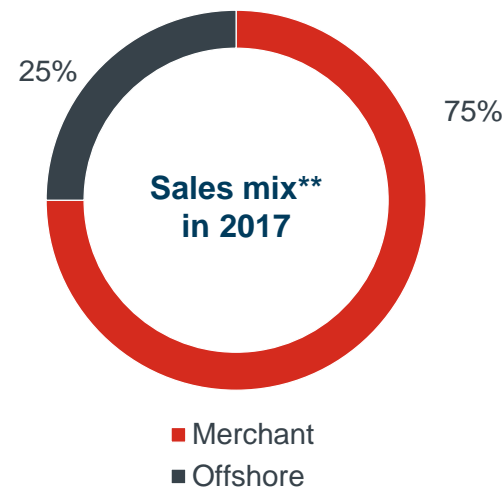
Orders received increased in APAC and Americas

- Large gas distribution project order

Sales declined both in merchant and offshore due to low delivery volumes

Operating profit* increased due to cost savings

MEUR	Q4/17	Q4/16	Change
Orders received	126	100	+25%
Order book	487	598	-19%
Sales	144	199	-28%
Operating profit*	2.1	0.5	+308%
Operating profit margin*	1.4%	0.3%	+117bps



Strong balance sheet

Net debt EUR 472 million (31 Dec 2016: 503)

- Average interest rate 2.3% (2.3%)
- Net debt/EBITDA 1.6 (1.8)

Total shareholders' equity EUR 1,425 million (1,395)

- Equity/total assets 41.5% (39.1%)

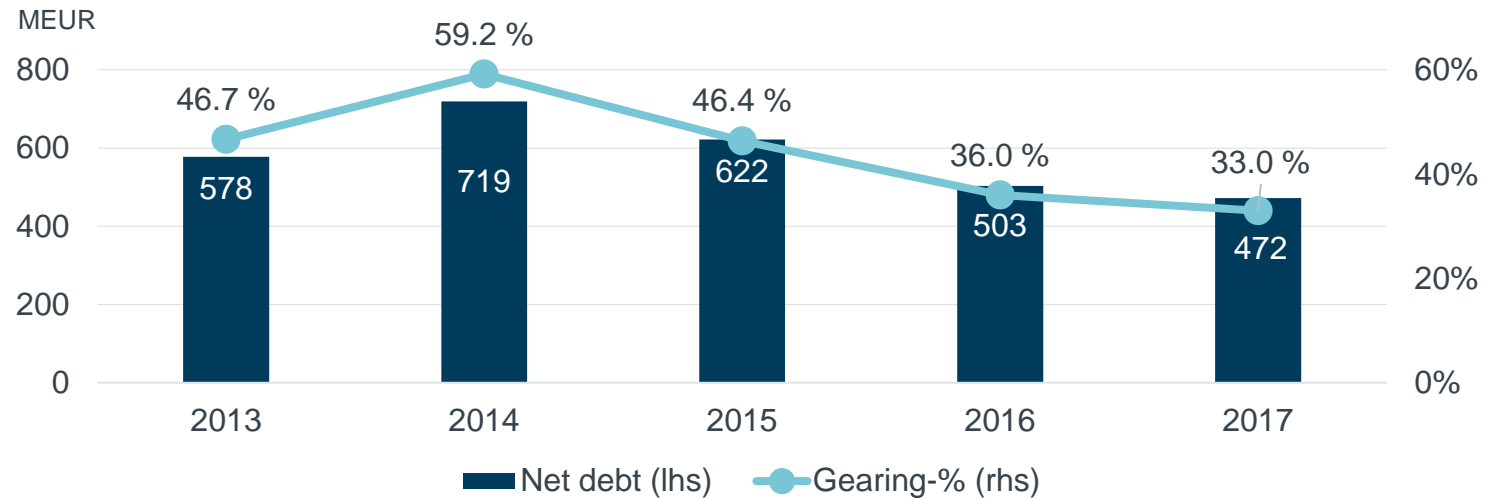
Well diversified loan portfolio:

- Bonds EUR 464 million
- Bank loans EUR 293 million
- EUR 300 million revolving credit facility refinanced in Q2/17, the facility is fully undrawn

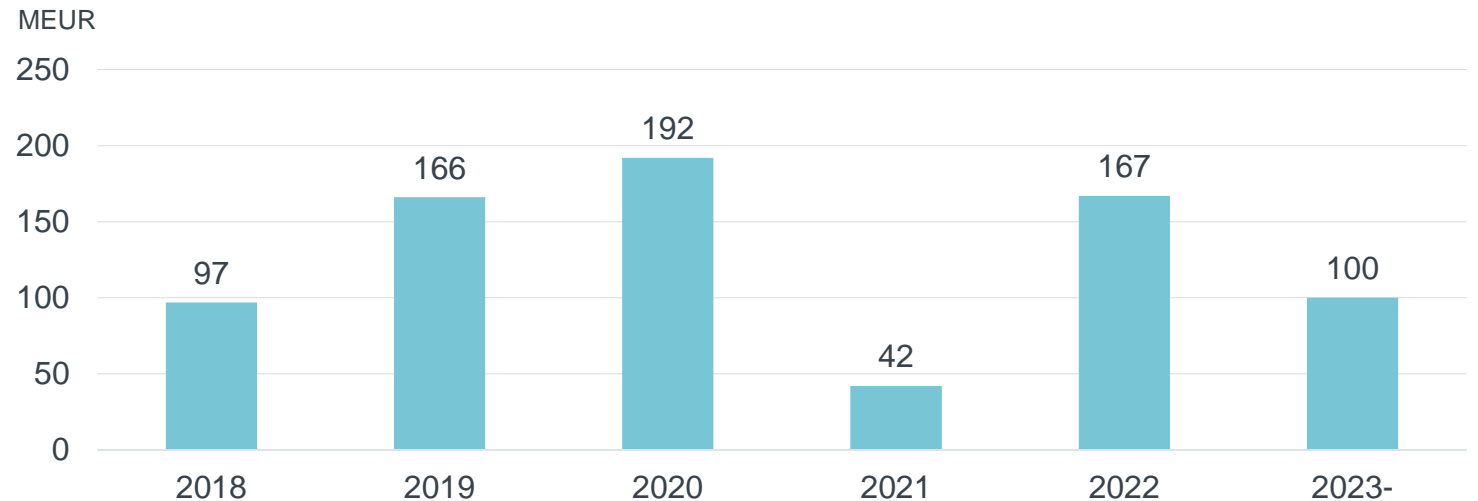
Balanced maturity profile

- EUR 97 million loans maturing in 2018

Net debt and gearing



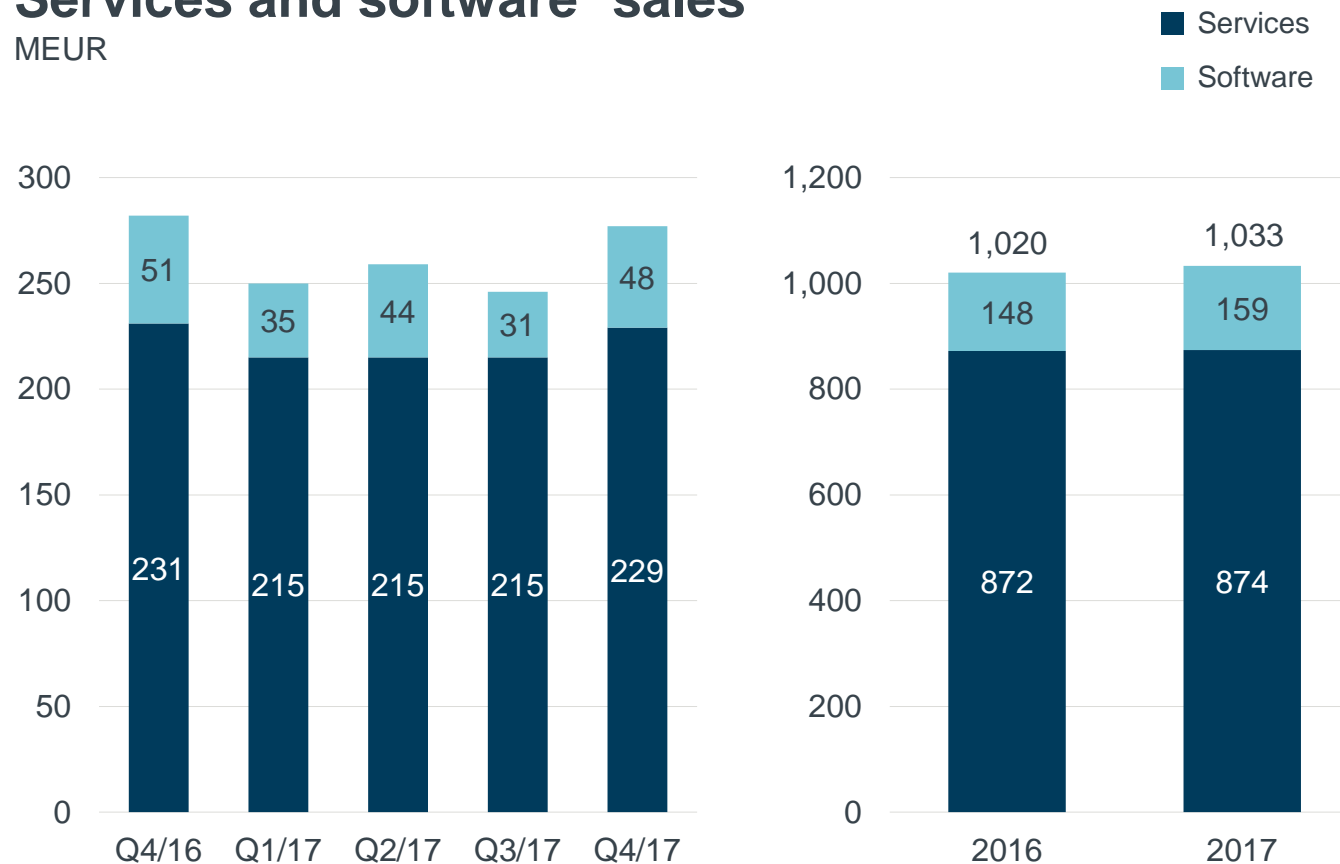
Maturity profile



Service and software 31% of total sales in 2017

Services and software* sales

MEUR



*Software sales defined as Navis business unit and automation software

- 2017 service sales at last year's level
 - Growth in Kalmar (+2%) and Hiab (+4%), MacGregor declined (-8%)
- Software sales grew 7% in 2017
- Services and software sales 31% (29%) of total sales in 2017



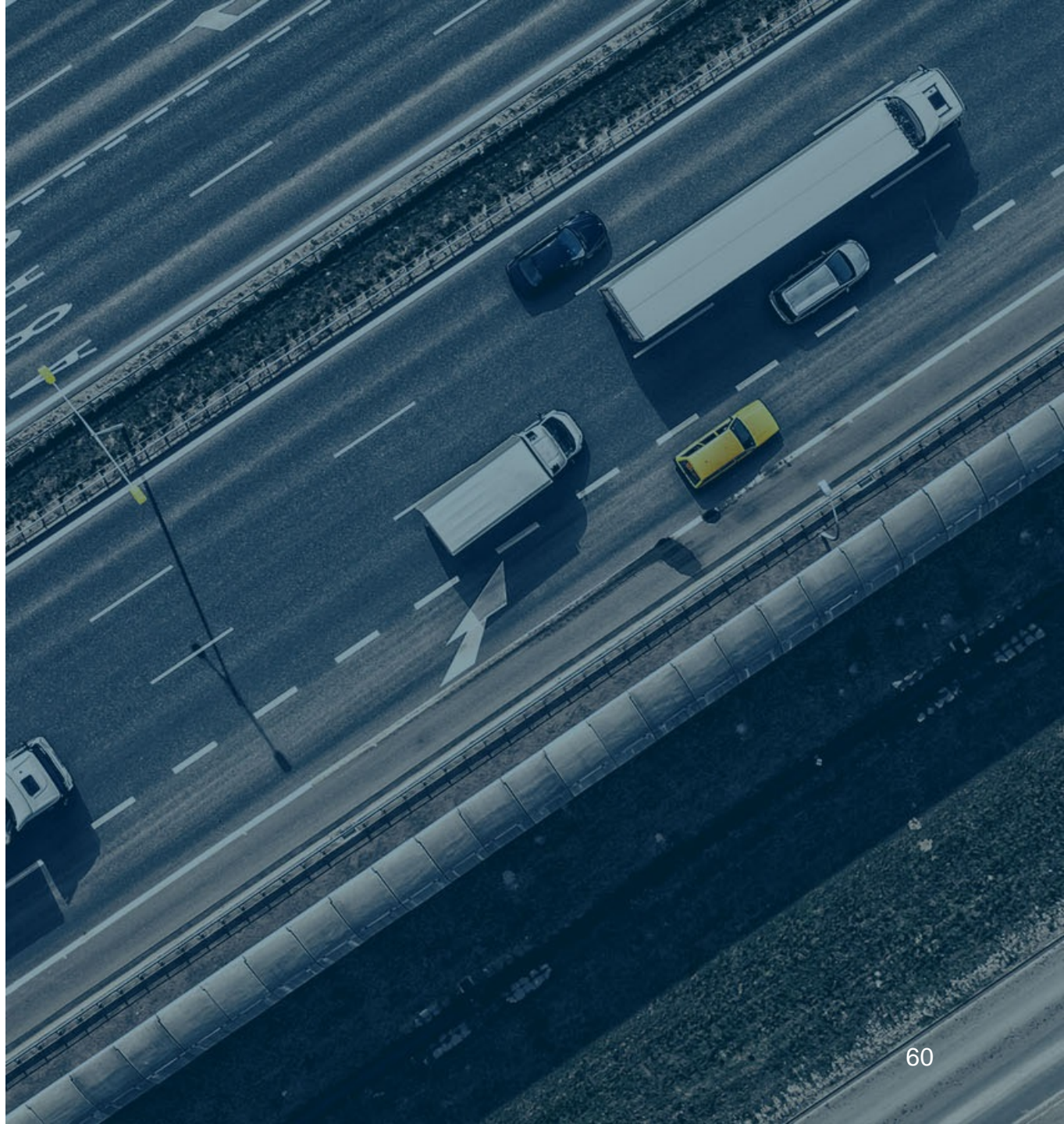
2018 outlook

Operating profit excluding restructuring costs for 2018 is expected to improve from 2017 (EUR 263.2 million).

As a result of the adoption of the IFRS 15 standard effective from January 1, 2018, Cargotec's revenue recognition for certain products and customer contracts will change in 2018. The IFRS 15 restated figures for 2017 will be published in March 2018 the latest. The change in accounting principles is not expected to have a material impact on annual operating profit.

Appendix

1. Largest shareholders and financials
2. Sustainability
3. Kalmar
4. Hiab
5. MacGregor

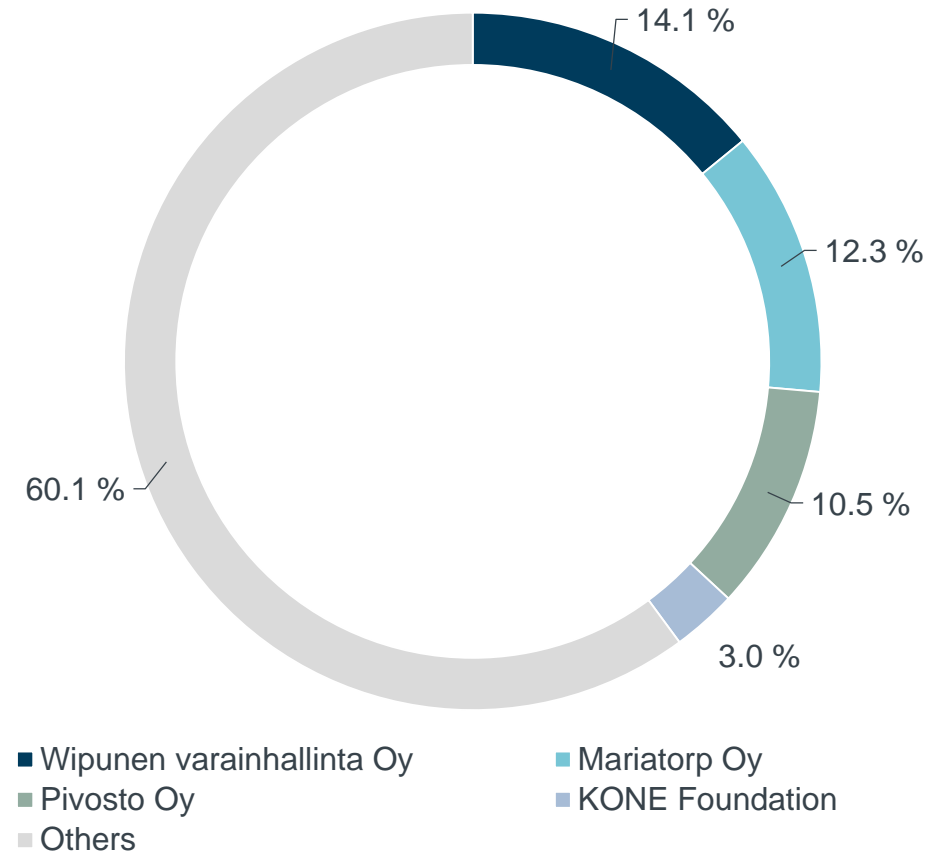


Largest shareholders

28 February 2018

	% of shares	% of votes
1. Wipunen varainhallinta Oy	14.1	23.7
2. Mariatorp Oy	12.3	22.9
3. Pivosto Oy	10.5	22.1
4. KONE Foundation	3.0	5.5
5. Ilmarinen Mutual Pension Insurance Company	1.3	0.6
6. The State Pension Fund	1.3	0.6
7. Varma Mutual Pension Insurance Company	0.8	0.3
8. SEB Gyllenberg Finlandia Fund	0.7	0.3
9. Herlin Heikki Juho Kustaa	0.6	0.3
10. Sigrid Jusélius Foundation	0.6	0.2
Nominee registered and non-Finnish holders	30.2	
Total number of shareholders	21,672	

% of shares

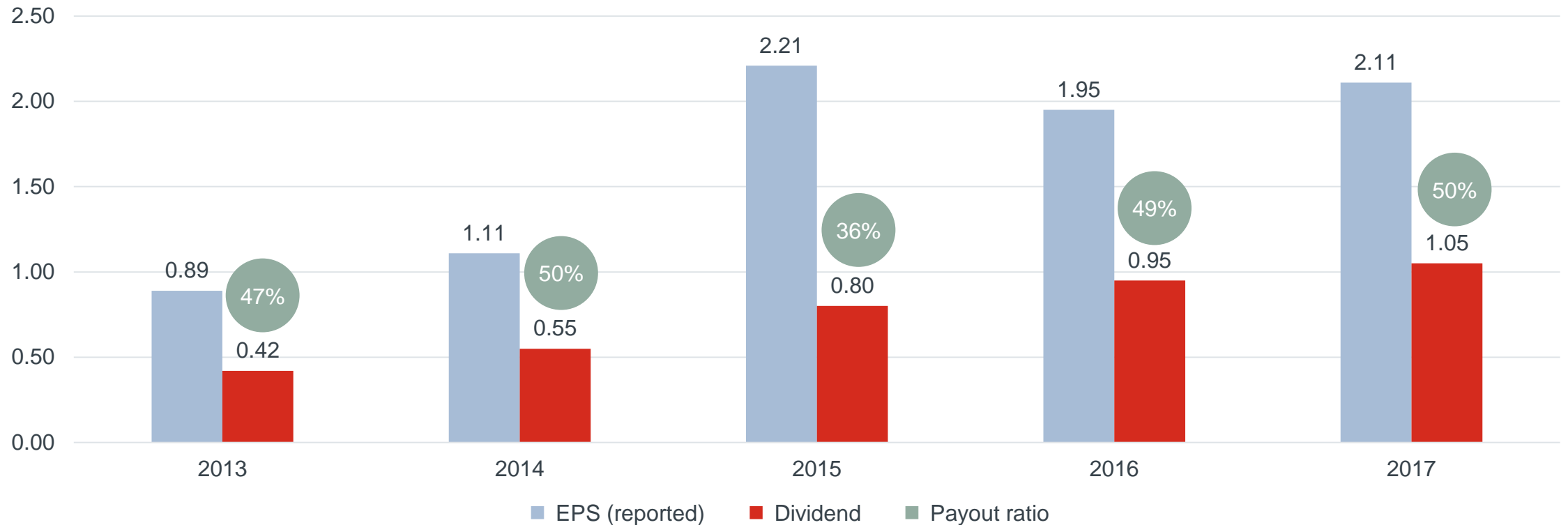


Wipunen varainhallinta Oy is a company controlled by Ilkka Herlin, Mariatorp Oy a company controlled by Niklas Herlin's estate and Pivosto Oy a company controlled by Ilona Herlin.

Solid track record to increase the dividend

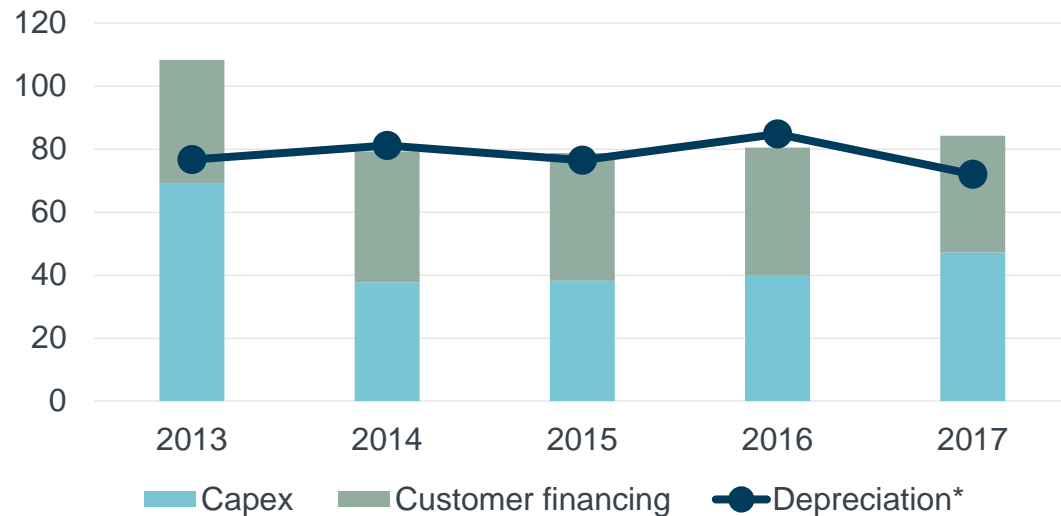
EUR 1.05 dividend per B share for 2017

Dividend to be paid in two instalments (EUR 0.53 and 0.52)

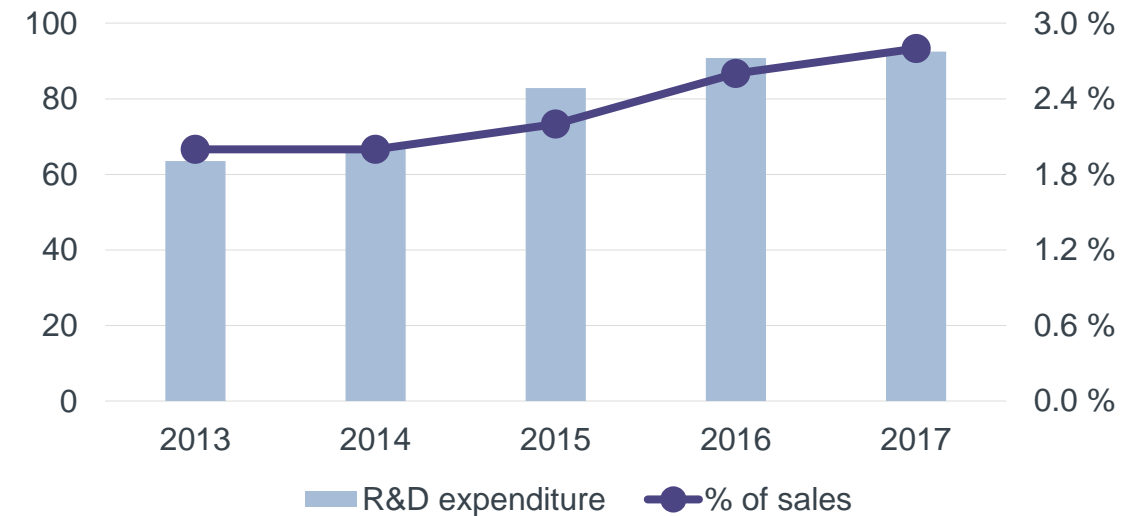


Capex and R&D

Capital expenditure



Research and development



Main capex investments:

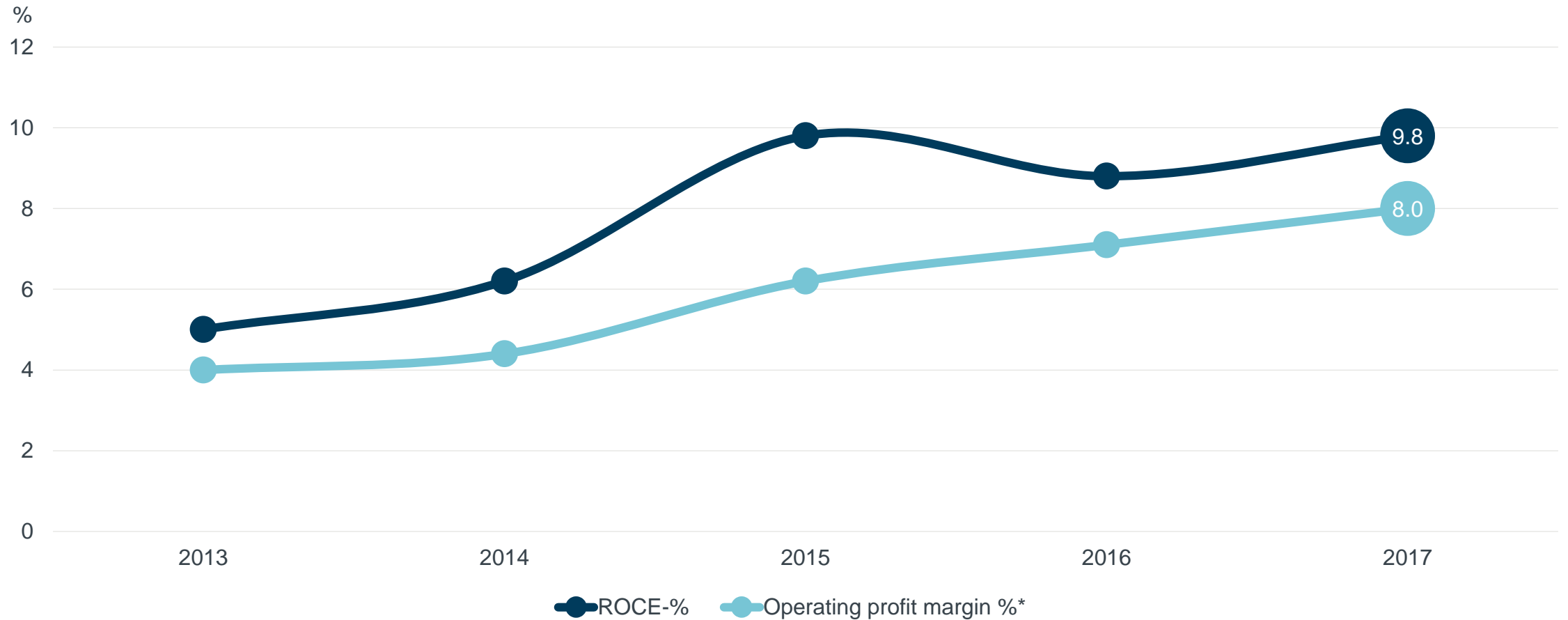
- Kalmar assembly unit in Stargard, Poland
- Manufacturing plant expansion in Kansas, US for Kalmar

R&D investments focused on

- Digitalisation
- Competitiveness and cost efficiency of products

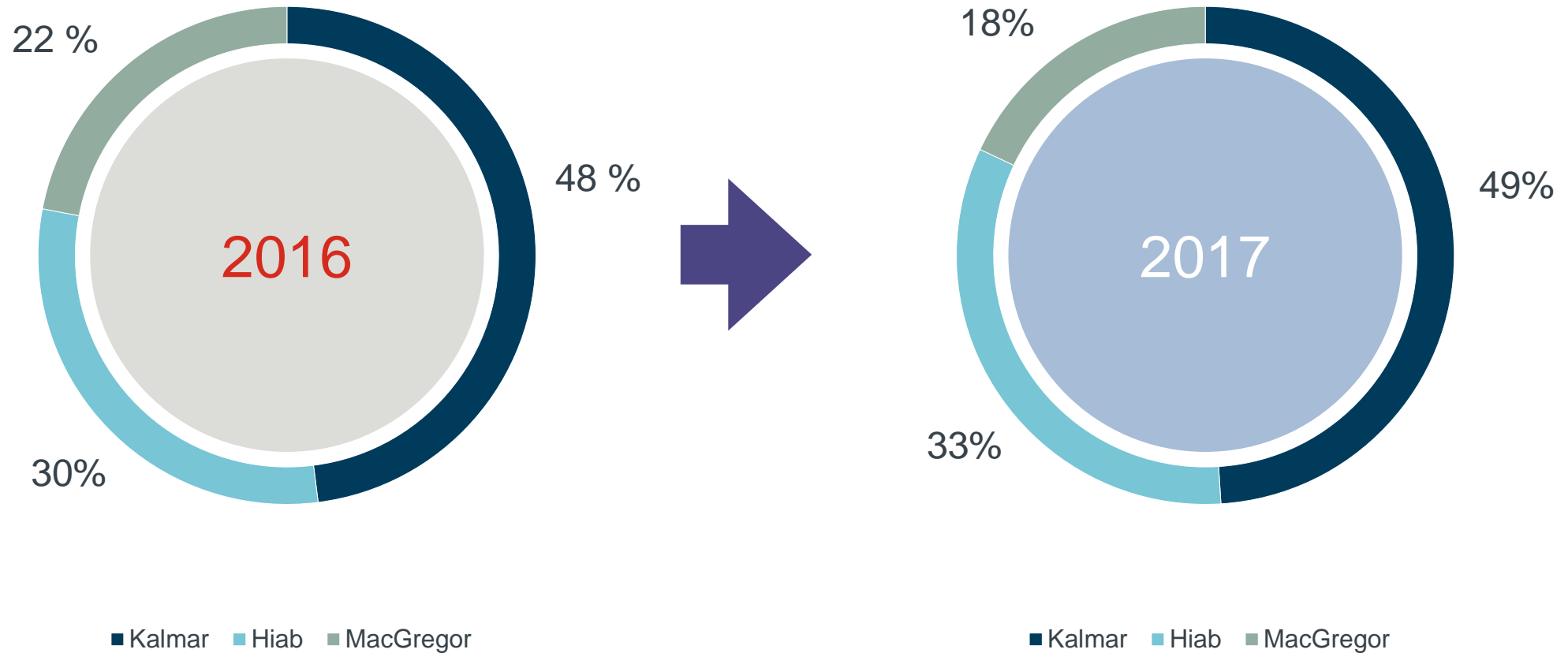
*) Including amortisations and impairments

Operating profit* margin and ROCE improved

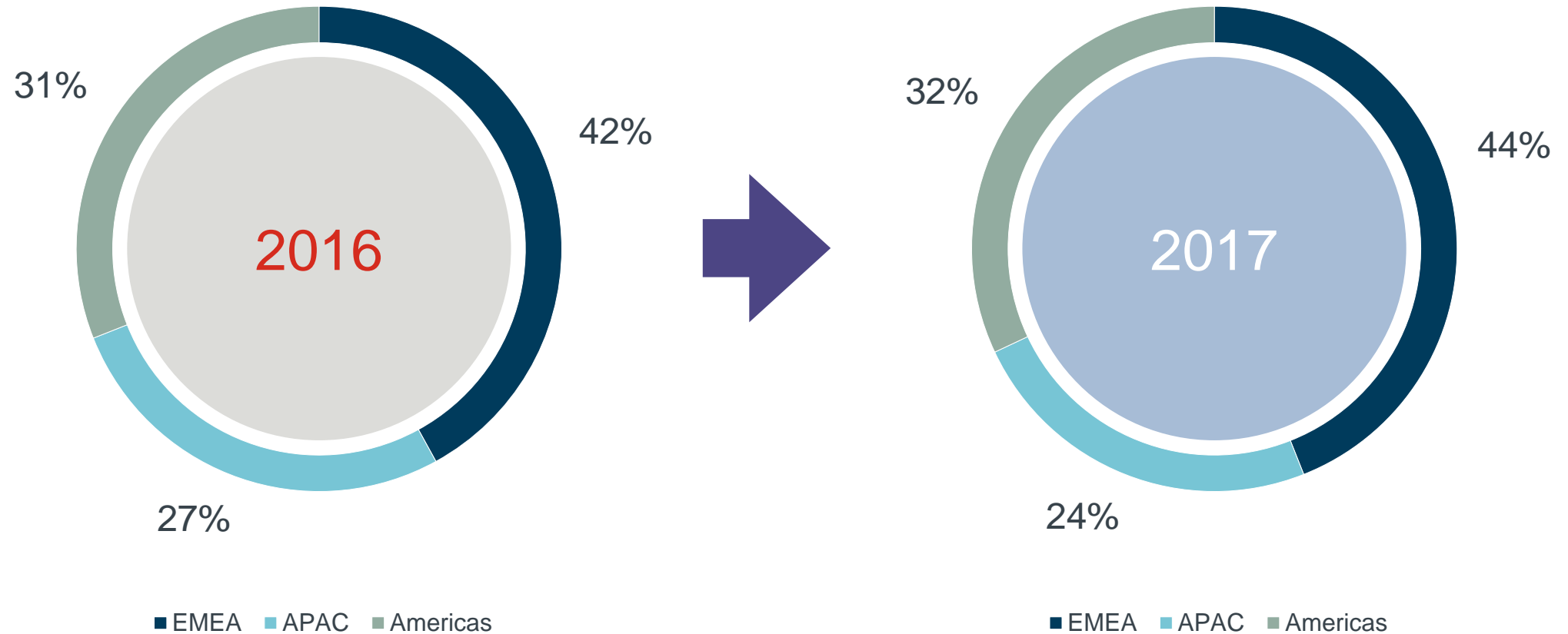


ROCE (return on capital employed), annualised *) Excluding restructuring costs

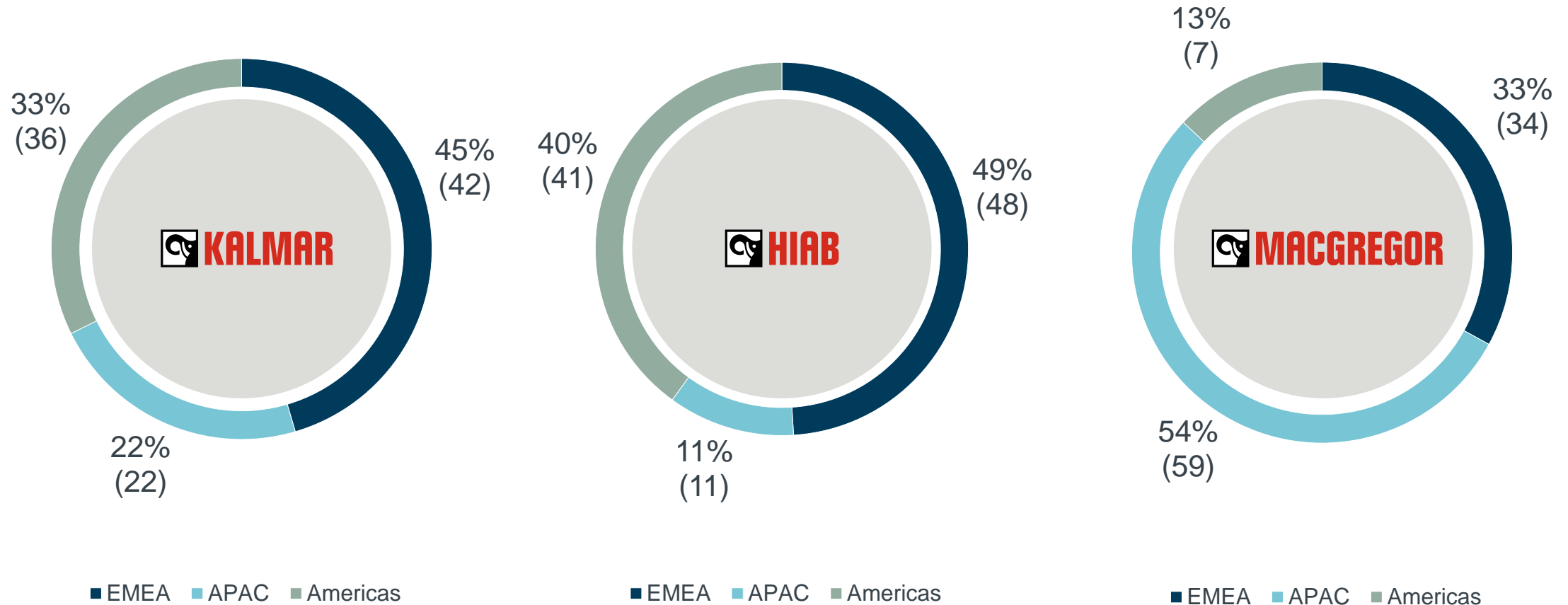
Hiab's share increasing in sales mix



Well diversified geographical sales mix



Sales by geographical segment by business area 2017



Cargotec's R&D and assembly sites



EMEA

- Arendal, Norway (MacGregor R&D)
- Averøy, Norway (Macgregor prod + R&D)
- Kristiansand, Norway (MacGregor R&D)
- Dundalk, Ireland (Hiab prod. + R&D)
- Witney, UK (Hiab prod.)
- Whitstable, UK (MacGregor prod.)
- Zaragoza, Spain (Hiab prod.)
- Uetersen, Germany (MacGregor prod. + WS + R&D)
- Schwerin, Germany (MacGregor prod.)
- Stargard Szczecinski, Poland (Kalmar + Hiab prod.)
- Bispgården, Sweden (Hiab prod.)
- Lidhult, Sweden (Kalmar R&D)
- Bjuv, Sweden (Kalmar prod.)
- Örnsköldsvik, Sweden (MacGregor WS + WH + R&D)
- Hudiksvall, Sweden (Hiab R&D)
- Helsinki, Finland (HQ)
- Kaarina, Finland (MacGregor R&D)
- Raisio, Finland (Hiab prod.)
- Tampere, Finland (Kalmar WS + R&D)

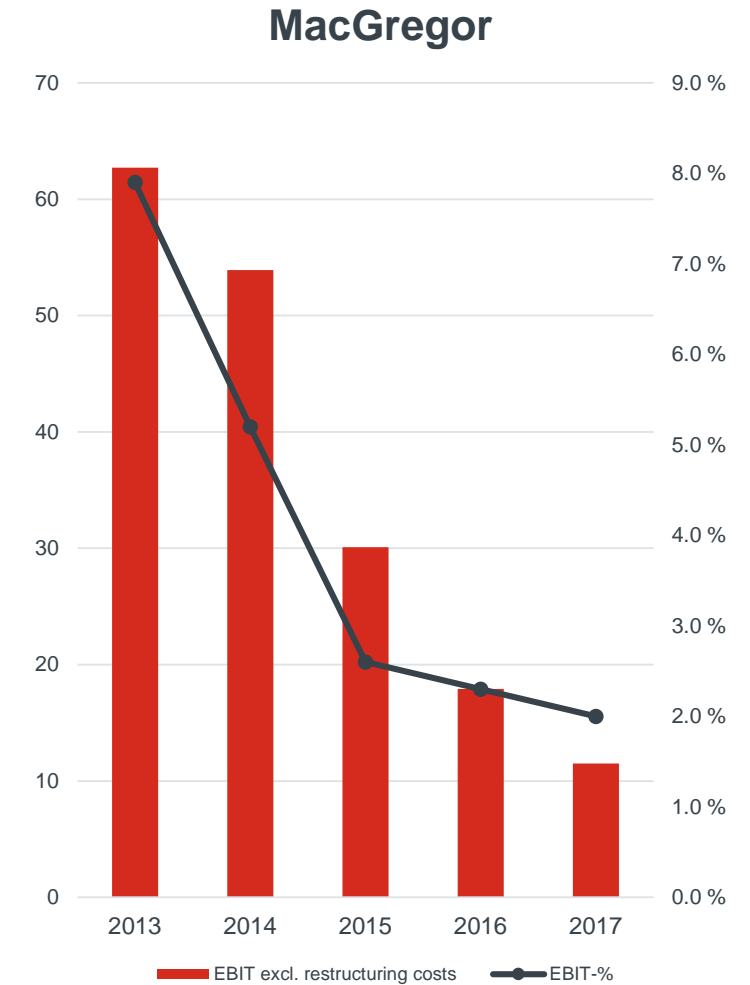
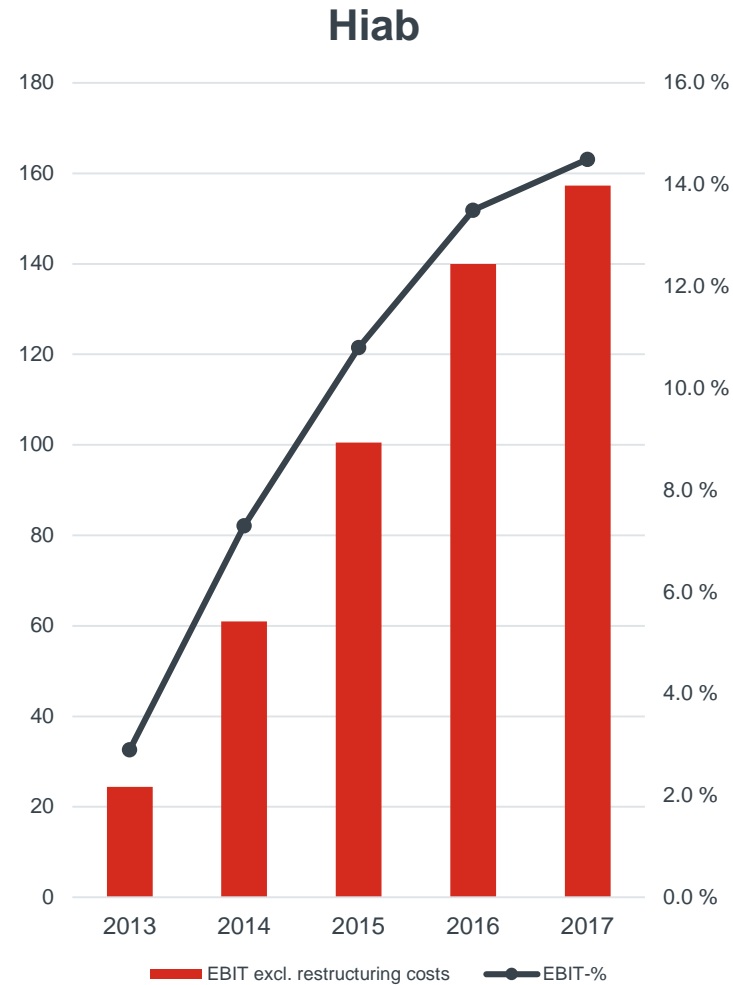
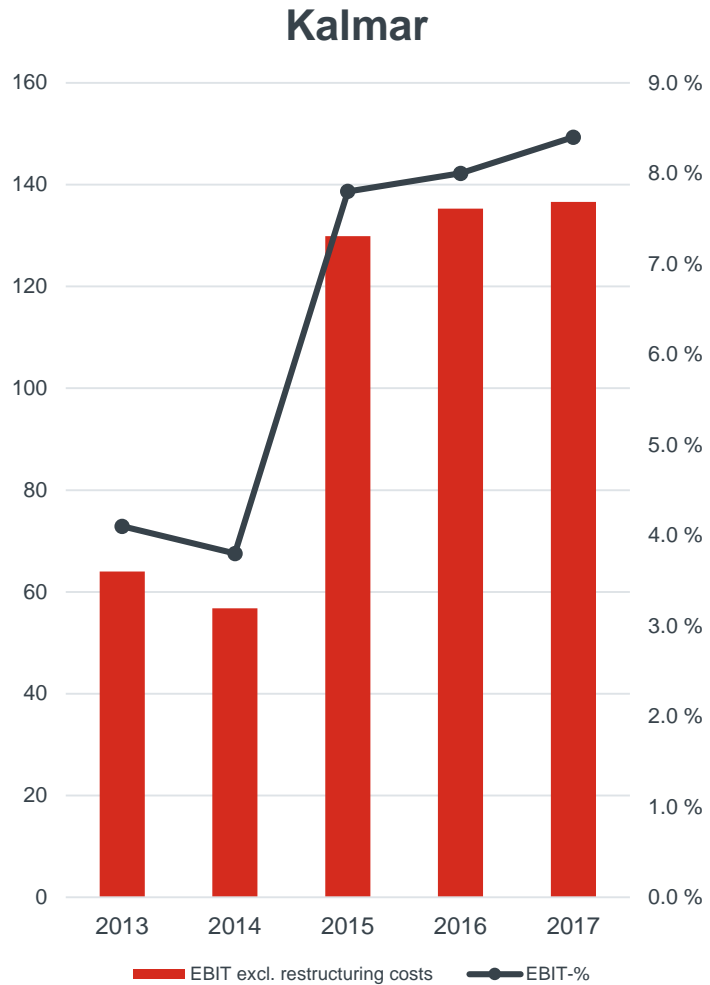
APAC

- Chungbuk, South Korea (Hiab prod.)
- Tianjin, China (MacGregor prod.)
- Bangalore, India (Kalmar prod. + R&D)
- Chennai, India (Navis–Kalmar R&D)
- Ipoh, Malaysia (Bromma prod.)
- Shanghai, China (Kalmar prod. + WH)
- Busan, South Korea (MacGregor prod.)
- Singapore, (R&D)

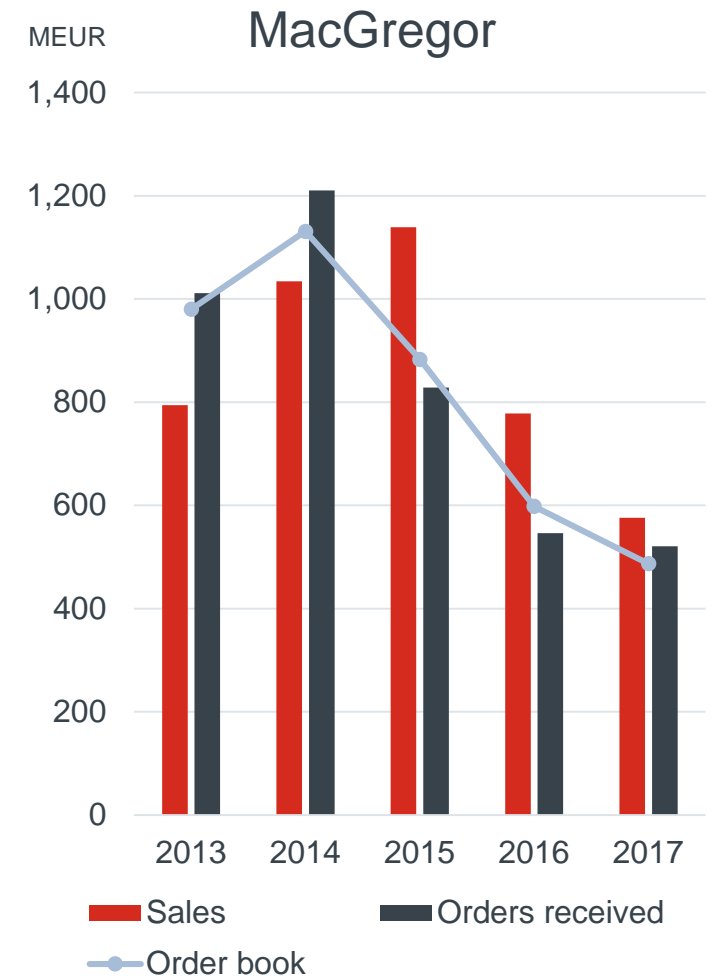
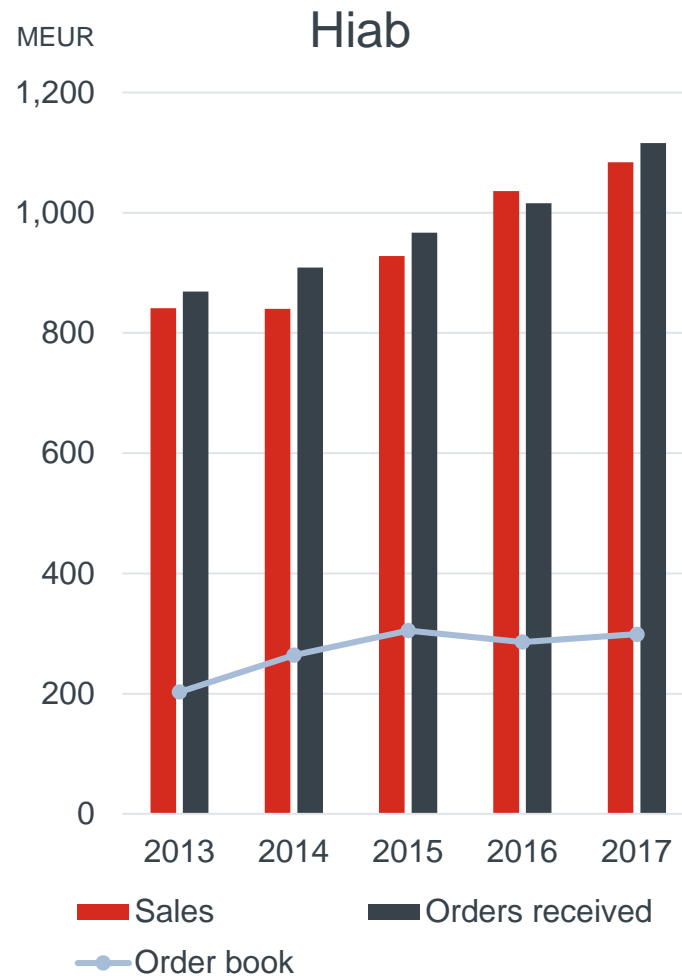
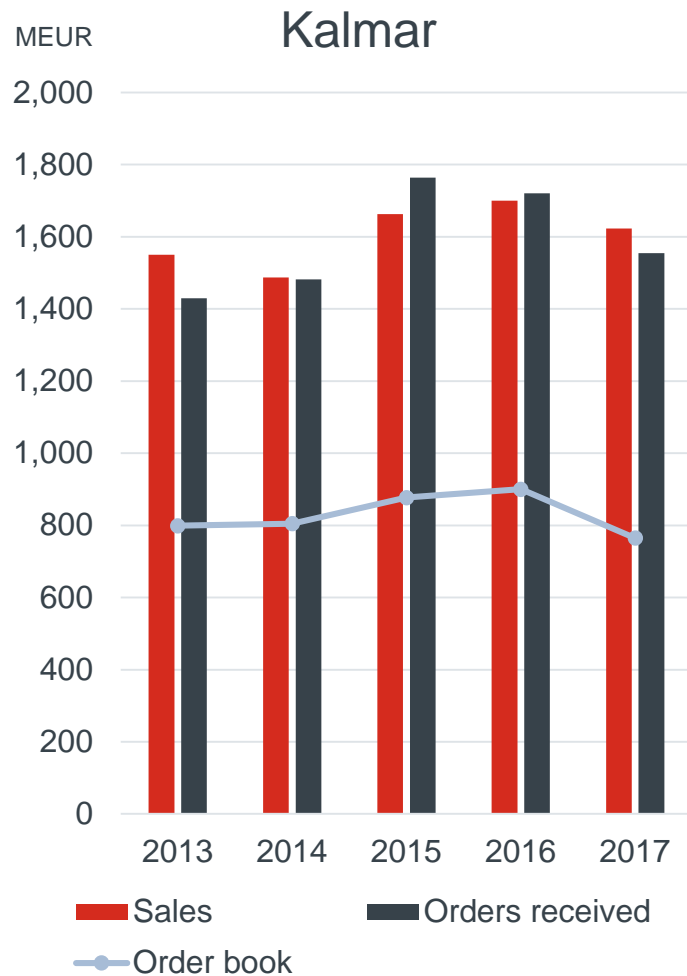
Americas

- Ottawa, Kansas (Kalmar prod.)
- Oakland, California (Kalmar R&D)
- Cibolo, Texas (Kalmar prod.)
- Tallmadge, Ohio (Hiab prod.)

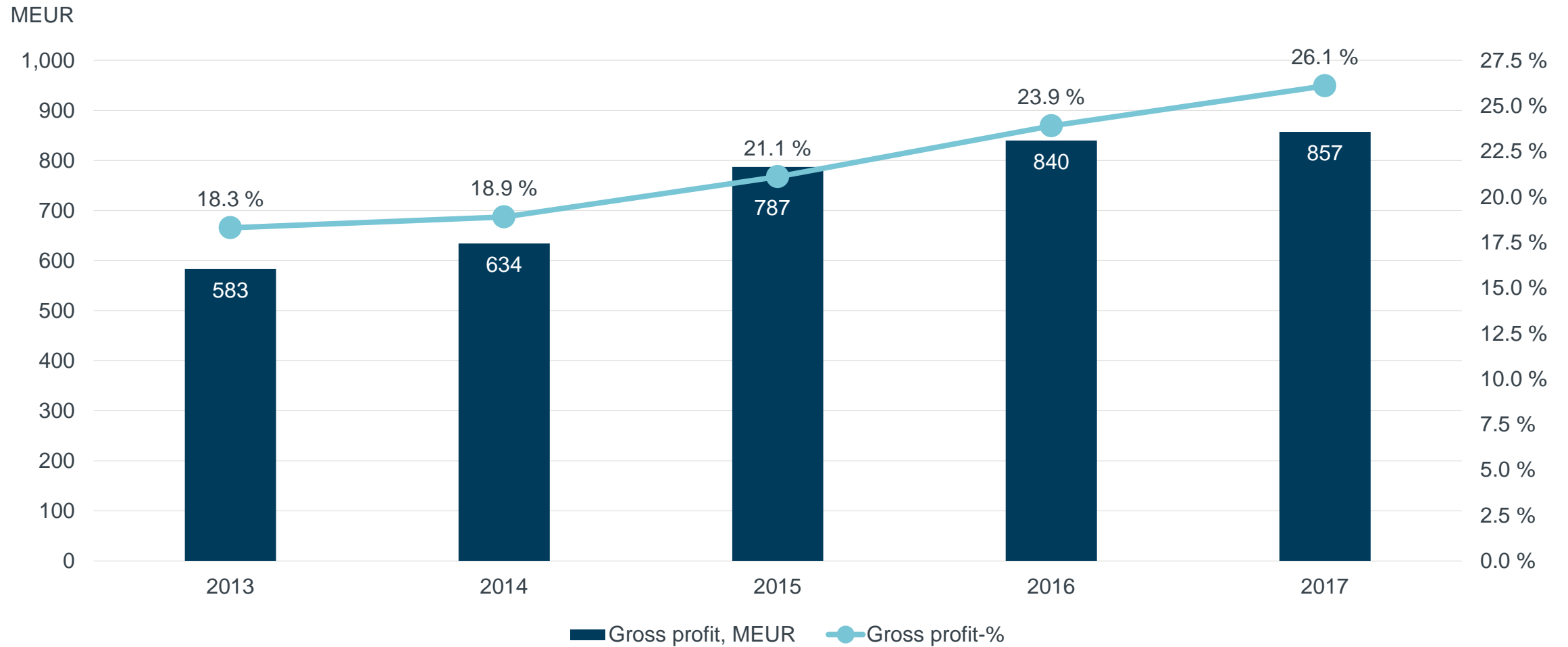
Operating profit excl. restructuring costs development



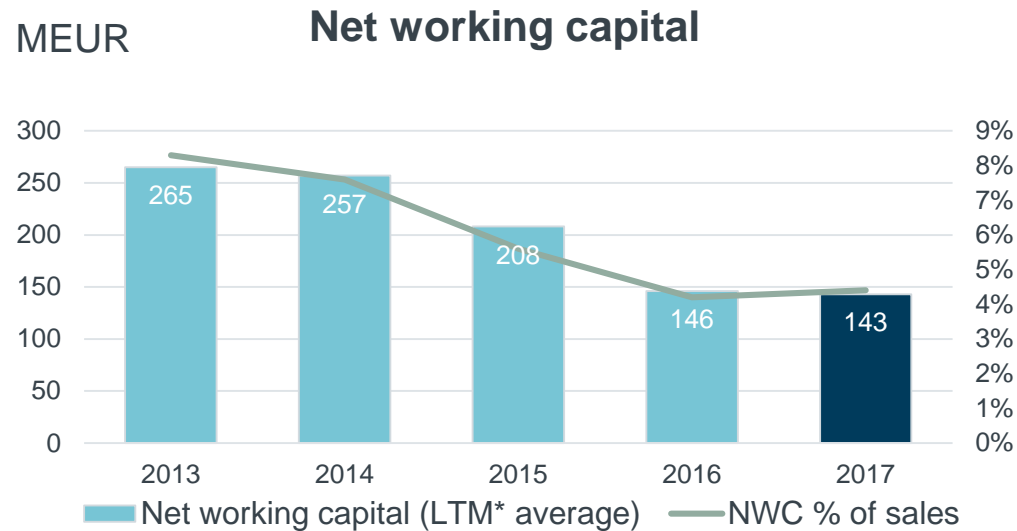
Sales and orders received development



Gross profit continued to improve in 2017

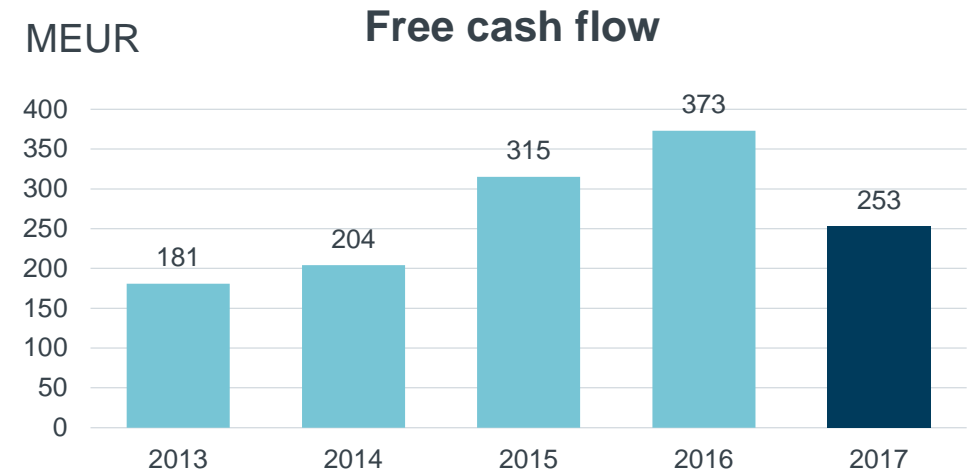


Target to improve cash flow



Key drivers

- + Supply chain optimisation
- + Central spare parts inventory
- + Supplier financing
- + Payment term harmonisation
- Services growth
- Low project orders in Kalmar and MacGregor



Key drivers

- Higher profit
- Working capital efficiency actions
- Asset light business model

Income statement 2017

MEUR	Q4/17	Q4/16	2017	2016
Sales	902.0	932.9	3 280.1	3,513.7
Cost of goods sold	-668.1	-710.9	-2 423.4	-2,674.0
Gross profit	233.8	222.0	856.7	839.7
<i>Gross profit, %</i>	25.9%	23.8%	26.1%	23.9%
Other operating income	8.2	9.3	35.8	38.1
Selling and marketing expenses	-56.5	-57.7	-221.8	-221.1
Research and development expenses	-27.5	-26.6	-98.2	-94.1
Administration expenses	-73.5	-74.8	-273.6	-277.0
Restructuring costs	-17.2	-39.7	-36.5	-52.5
Other operating expenses	-9.8	-10.9	-36.7	-37.8
Costs and expenses	-176.3	-200.4	-631.0	-644.4
Share of associated companies' and joint ventures' net income	-0.2	-0.3	0.9	2.5
Operating profit	57.3	21.3	226.7	197.7
<i>Operating profit, %</i>	6.4%	2.3%	6.9%	5.6%
Financing income and expenses	-7.7	-7.1	-32.9	-28.6
Income before taxes	49.6	14.2	193.8	169.1
<i>Income before taxes, %</i>	5.5%	1.5%	5.9%	4.8%
Income taxes	-20.0	-2.0	-57.5	-43.8
Net income for the period	29.7	12.2	136.3	125.3
<i>Net income for the period, %</i>	3.3%	1.3%	4.2%	3.6%

Net income for the period attributable to:

Equity holders of the parent	29.1	12.7	136.1	126.0
Non-controlling interest	0.6	-0.5	0.2	-0.7
Total	29.7	12.2	136.3	125.3

Earnings per share for profit attributable to the equity holders of the parent:

Basic earnings per share, EUR	0.45	0.20	2.11	1.95
Diluted earnings per share, EUR	0.45	0.19	2.10	1.94

Balance sheet 2017

ASSETS, MEUR

Non-current assets

	31 Dec 2017	31 Dec 2016
Goodwill	986.7	1,024.5
Other intangible assets	260.8	290.2
Property, plant and equipment	310.8	308.6
Investments in associated companies and joint ventures	109.8	123.4
Available-for-sale investments	0.2	3.8
Loans receivable and other interest-bearing assets*	5.0	3.0
Deferred tax assets	149.9	185.0
Derivative assets	6.1	16.9
Other non-interest-bearing assets	8.5	7.9
Total non-current assets	1,837.8	1,963.4

Current assets

Inventories	607.0	647.0
Loans receivable and other interest-bearing assets*	2.5	1.9
Income tax receivables	36.4	26.1
Derivative assets	13.3	45.8
Accounts receivable and other non-interest-bearing assets	751.3	778.9
Cash and cash equivalents*	309.1	273.2
Total current assets	1,719.6	1,773.0

Total assets	3,557.5	3,736.3
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EQUITY AND LIABILITIES, MEUR

Equity attributable to the equity holders of the parent

	31 Dec 2017	31 Dec 2016
Share capital	64.3	64.3
Share premium account	98.0	98.0
Translation differences	-31.2	37.3
Fair value reserves	2.1	-24.7
Reserve for invested non-restricted equity	69.0	69.0
Retained earnings	1,223.0	1,151.1
Total equity attributable to the equity holders of the parent	1,425.2	1,395.0

Non-controlling interest	2.3	2.2
Total equity	1,427.5	1,397.2

Non-current liabilities

Interest-bearing liabilities*	673.8	656.8
Deferred tax liabilities	13.2	73.1
Pension obligations	87.5	81.4
Provisions	17.1	37.6
Other non-interest-bearing liabilities	61.5	49.4
Total non-current liabilities	853.1	898.2

Current liabilities

Current portion of interest-bearing liabilities*	83.8	119.4
Other interest-bearing liabilities*	37.6	45.8
Provisions	103.5	112.8
Advances received	116.2	160.6
Income tax payables	49.1	32.0
Derivative liabilities	6.4	34.1
Accounts payable and other non-interest-bearing liabilities	880.3	936.2
Total current liabilities	1,276.9	1,440.8

Total equity and liabilities	3,557.5	3,736.3
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*Included in interest-bearing net debt.

The notes are an integral part of the financial statements review.

Cash flow statement 2017

MEUR	2017	2016
Net income for the period	136.3	125.3
Depreciation, amortisation and impairment	72.0	84.8
Financing items	32.9	28.6
Taxes	57.5	43.8
Change in receivables	-13.8	10.3
Change in payables	-51.4	66.9
Change in inventories	17.0	13.3
Change in net working capital	-48.2	90.5
Other adjustments	2.9	0.0
Cash flow from operations before financing items and taxes	253.5	373.0
Interest received	4.8	1.1
Interest paid	-20.1	-21.9
Dividends received	5.5	0.3
Other financing items	14.6	10.4
Income taxes paid	-77.5	-49.4
Net cash flow from operating activities	180.9	313.5
Acquisitions of businesses, net of cash acquired	-14.4	-66.8
Disposals of businesses, net of cash sold	-1.2	-
Investments in associated companies and joint ventures	-4.7	-2.7
Investments in fixed assets	-84.3	-80.5
Disposals of fixed assets	13.7	17.6
Cash flow from investing activities, other items	1.3	0.9
Net cash flow from investing activities	-89.7	-131.5
Proceeds from share subscriptions	-	0.5
Treasury shares acquired	-	-7.6
Acquisition of non-controlling interests	-0.4	-
Proceeds from long-term borrowings	253.2	-
Repayments of long-term borrowings	-243.1	-3.2
Proceeds from short-term borrowings	7.6	38.2
Repayments of short-term borrowings	-17.7	-58.9
Profit distribution	-62.2	-52.8
Net cash flow from financing activities	-62.6	-83.9
Change in cash and cash equivalents	28.6	98.1
Cash and cash equivalents, and bank overdrafts at the beginning of period	260.8	164.9
Effect of exchange rate changes	-4.6	-2.2
Cash and cash equivalents, and bank overdrafts at the end of period	284.7	260.8

Sustainability

Sustainability is a great business opportunity

We serve an industry, which produces the majority of emissions as well as GDP in the world

- Inefficient industry with potential to improve

Our vision to be the leader in intelligent cargo handling also drives sustainability

- Increasing efficiency and life-time solutions

We are in a position to be the global frontrunner, setting the sustainability standards for the whole industry

- We are ready to shape the industry to one that is more sustainable





Sea Freight Transport is by far the most sustainable transport mode in terms of emissions

Compared to transportation of goods

→ by trains, sea freight emits
~2-3 times less emissions

→ by trucks, sea freight emits
~3-4 times less emissions

→ by air cargo, sea freight emits
~14 times less emissions

Sustainability is our competitive advantage

Sales account for around 19% of the total revenue in 2017:

Significant R&D and digitalisation investments drive the growth of offering for eco-efficiency

Systems efficiency



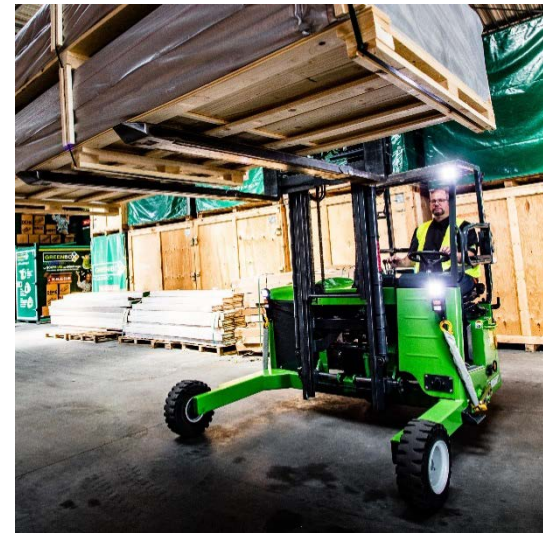
- Visibility to identify inefficient use of resources and fuel
- Software and design system

Efficiency for environmental industries



- Offering to support the operations in environmental industries
- Cargotec solutions for environmental industries

Emission efficiency



- Technology to enable fuel and emission efficient offering
- Products with features to decrease fuel usage and avoidance of maritime hydraulic oil emissions

Resources efficiency



- Service enabling the extended usage of products or new applications
- Product conversions and modernizations

Cargotec will set the industry standard for sustainability

- Cargotec is a supporter of UN Global Compact and other major international sustainability initiatives
- We set the industrial standard in compliant and transparent operations
- We have a clear governance on sustainability issues with Board overview on the subject
- Safety is our key priority and we have clear improvement program to further decrease our current IIFR rate of 6.1
- Certification coverage of production sites (*Share of certified sites' sales volume of the total sales volume) :
 - ISO14001 **91%**
 - OHSAS18001 **86%**
 - ISO9001 **94%**



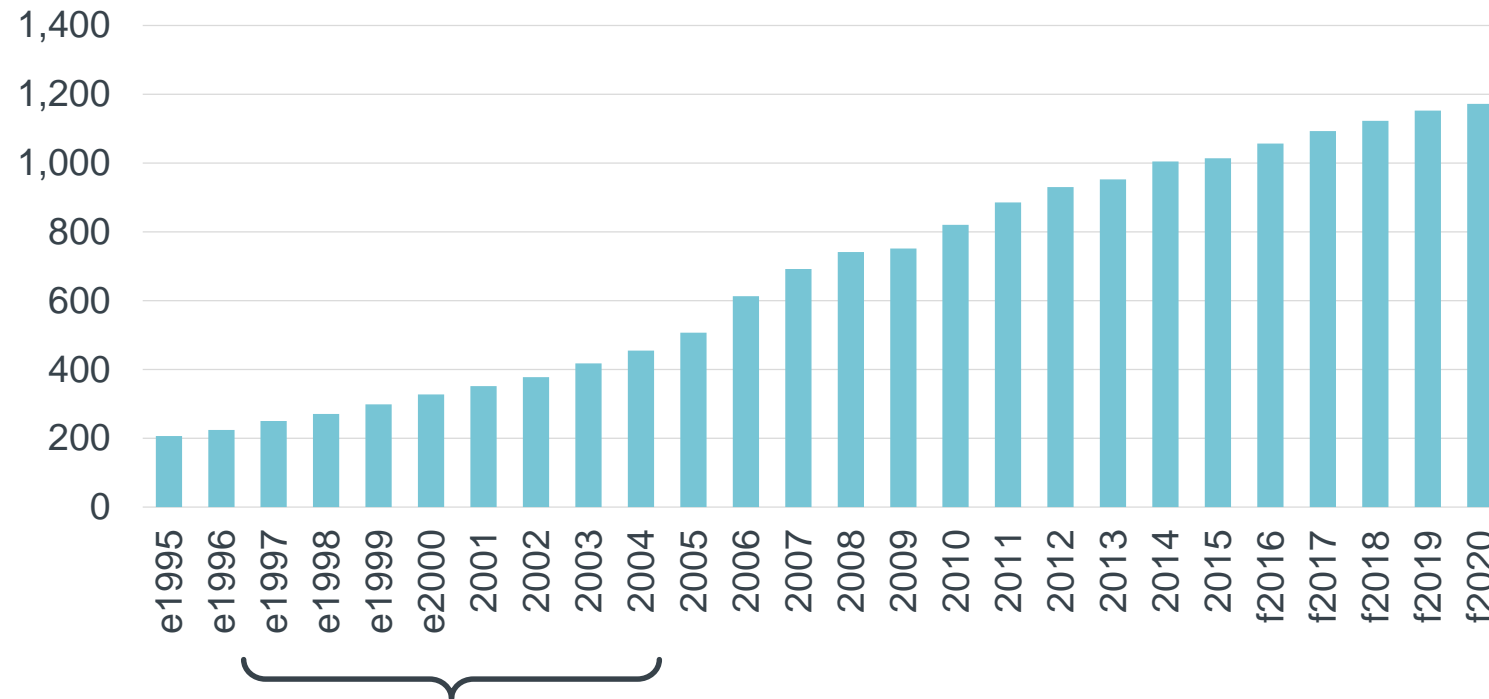
PARIS2015
COP21-CMP11



Kalmar appendix

The current replacement market size for key terminal equipment is EUR 1 billion annually and the market is expected to double in the next decade

Total Capacity MTEU



Replacement after lifetime of equipment

The replacement market will grow in coming years, as the container terminal capacity has expanded significantly during the last two decades.

Average lifetime of type of equipment:

- STS - 25 yrs
- RTG - 15 yrs
- SC - 8-10 yrs
- RS/ECH/TT – 8 yrs

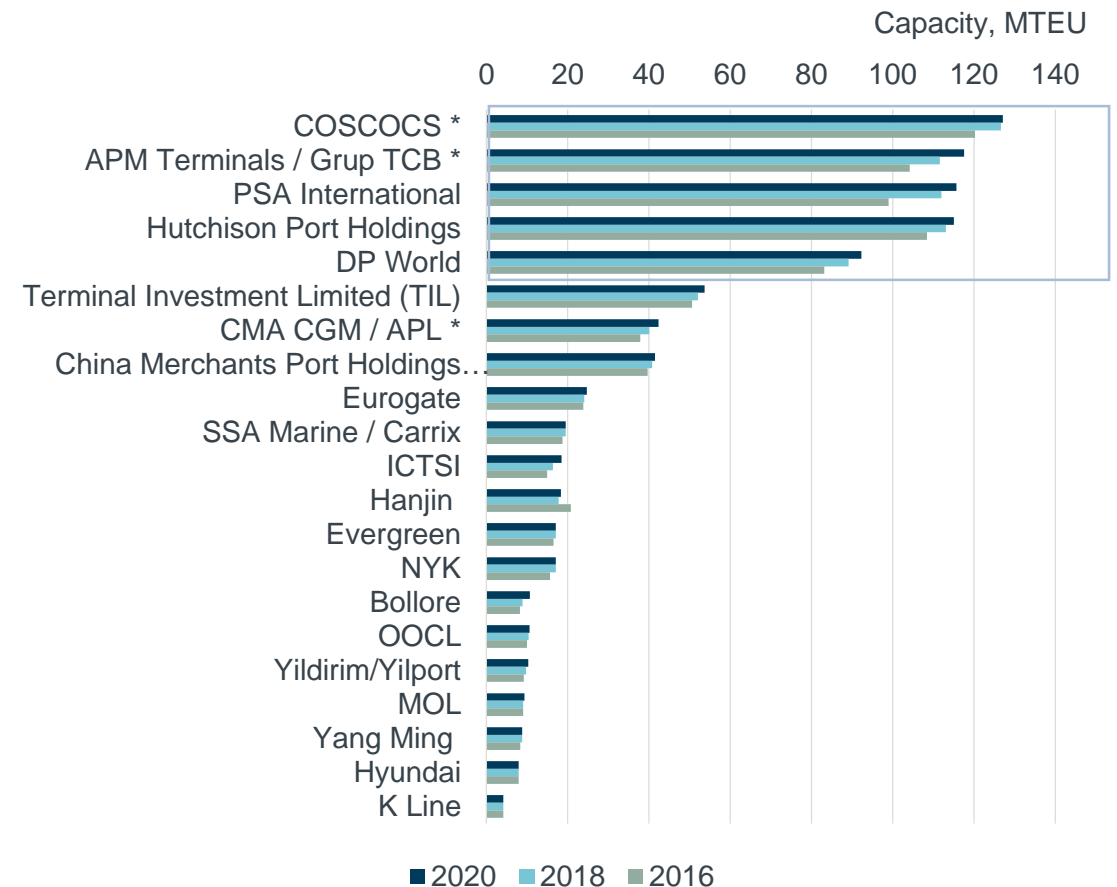
Source: Drewry reports: Global Container Terminal Operators 2001-2016 Note: 1995-2000 capacity is estimation based on the assumption that the utilisation rate has been between 70-72% in that period. 2016-2020 forecast based on Drewry's Global container terminal operators report, published in August 2016

Consolidation leading to five dominant container terminal operators in 2020

24 Global Terminal Operators' total forecasted capacity increase 2015-2020 is 125 Mteu, increasing 3.1% p.a to 892 Mteu by 2020

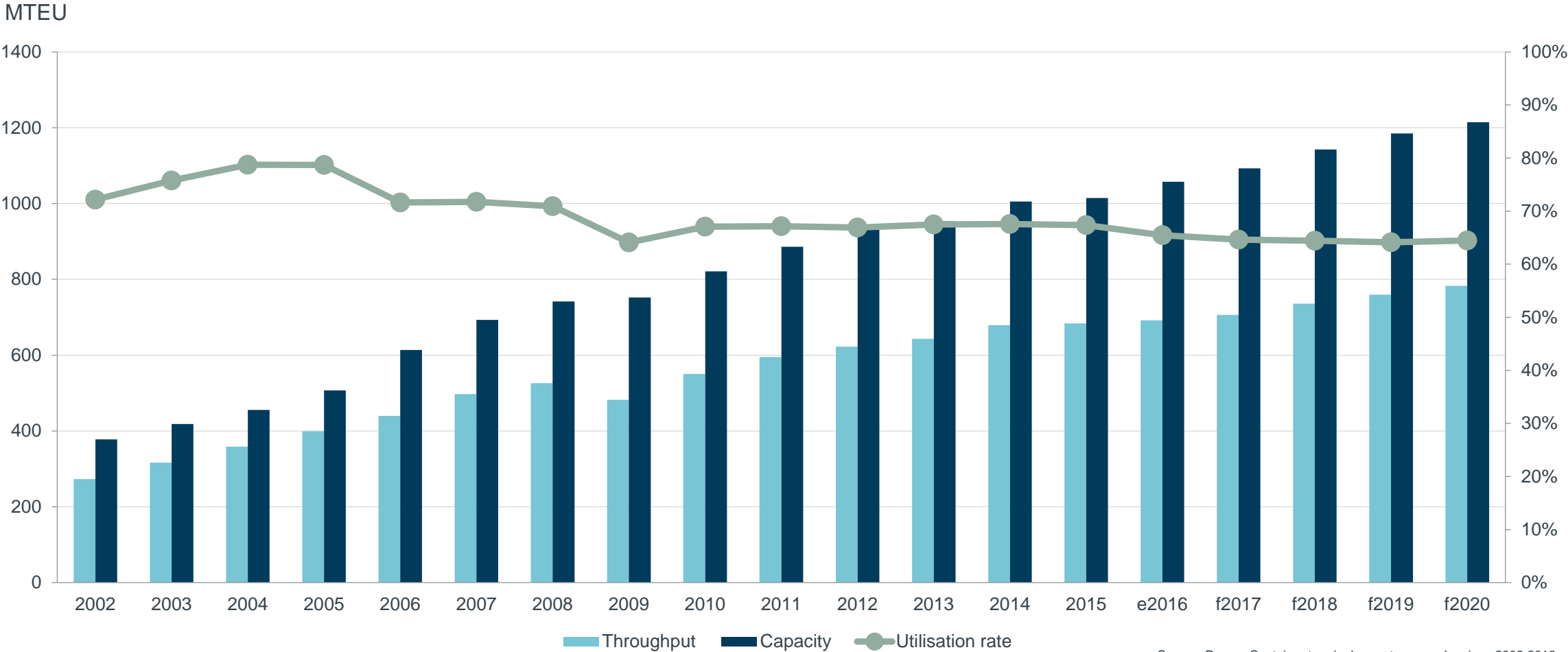
Terminal operators consolidating, recent M&A activity:

- COSCO and China Shipping merged
- APMT bought Group TCB
- CMA CGM bought APL
- Yildirim bought Portugese Tertir group and the company is also eyeing Ports America



Source: Drewry
* Capacity counted once in all terminals where shareholding held by both sub operators

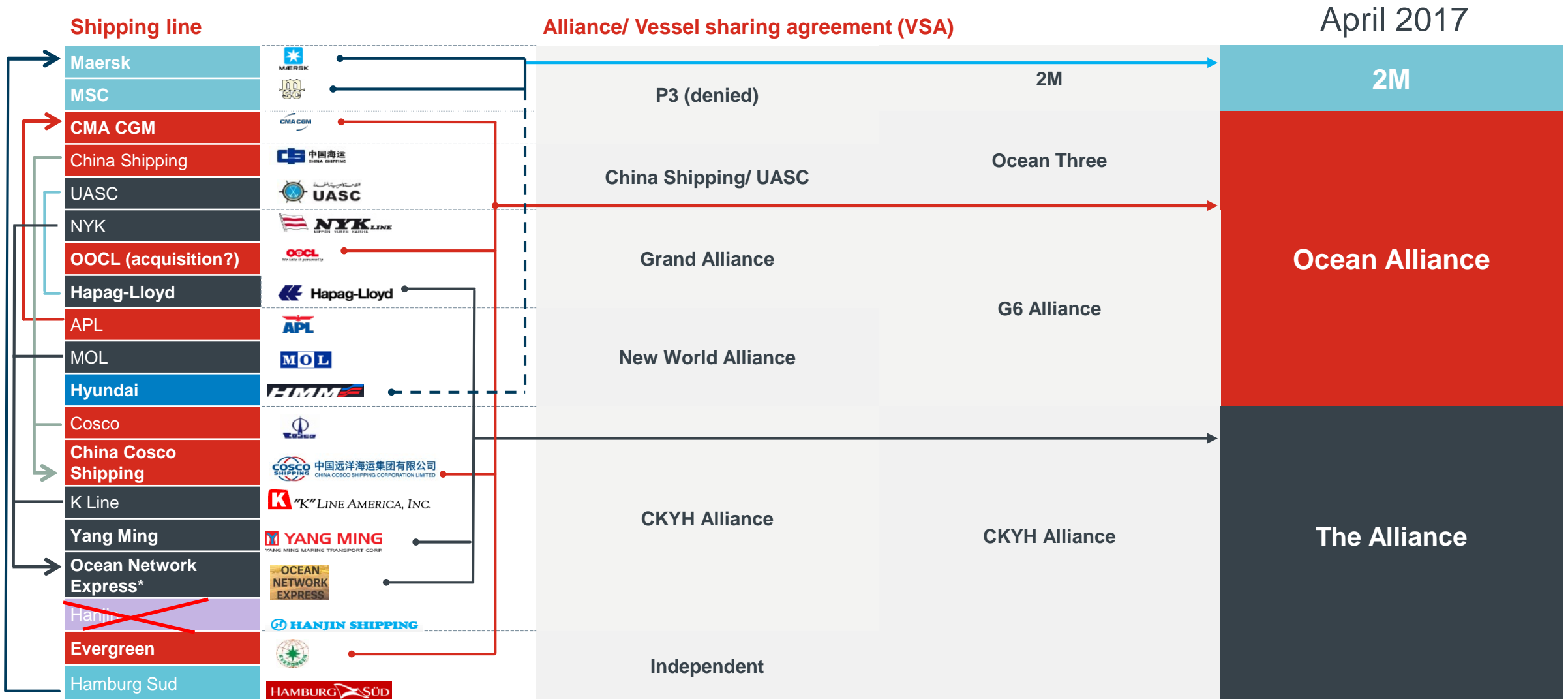
Global container throughput and capacity development



Source: Drewry Container terminal operator annual review, 2002-2016

Three alliances controlling about 80% of global container fleet capacity

In 2018 there could be only 9-10 major global shipping lines



Total: 17 (10 after further consolidations)

5

4

3

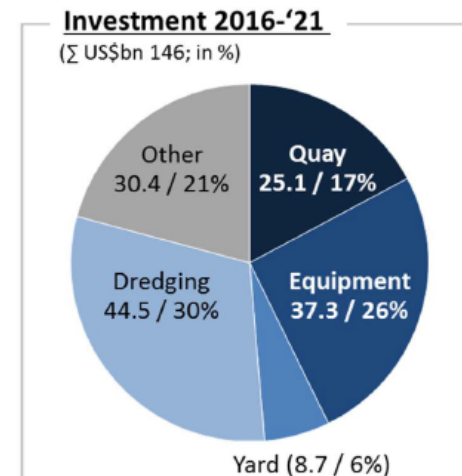
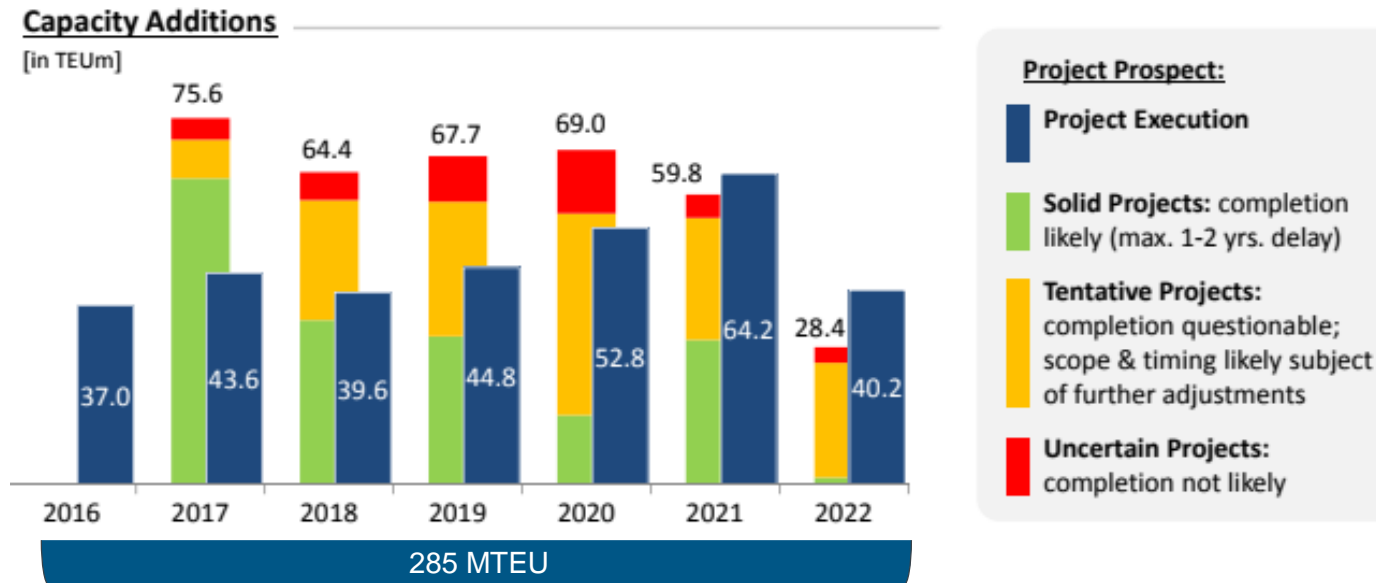
Sources: Drewry, Alphaliner, Cargotec



*The arrows indicate changes, confirmed or planned, through M&A or JV over the last 18 months. Hanjin bankrupt. Hyundai isn't currently officially part of any alliance, but formed a cooperative relationship with 2M. Ocean Network Express (ONE) scheduled to launch April 2018, Analyses excludes Zim, PIL and Wan Hai

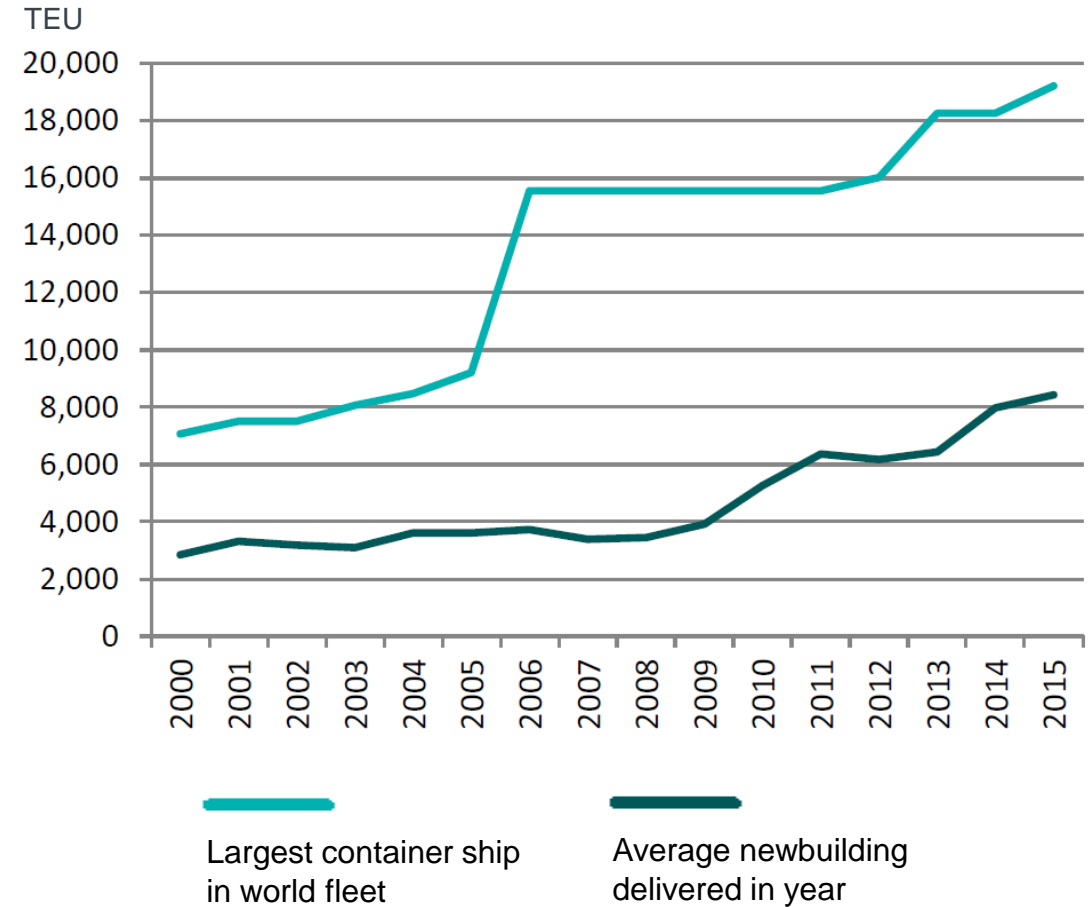
DS Research: Capacity to grow in the coming years

- The project pipeline of announced container terminal expansions accounts for 365 MTEU additional capacity between 2017 and 2022.
- In terms of TEU, 48% of the projects are understood to be solid, 41% are tentative and 11% are uncertain. Projects scheduled for beyond 2022 (529 MTEU) are mainly tentative or uncertain.
- The amount of projects which finally will be built in future differs from what is announced. It is projected that finally 285 MTEU new capacity will be built between 2017 and 2022, assuming that project completion is going to adjust to market demand; i.e. several projects will get postponed, cancelled or downsized.



Ship sizes increasing dramatically

- The largest containership in the fleet has nearly tripled since 2000
- The average size of new builds doubles between 2009 and 2014

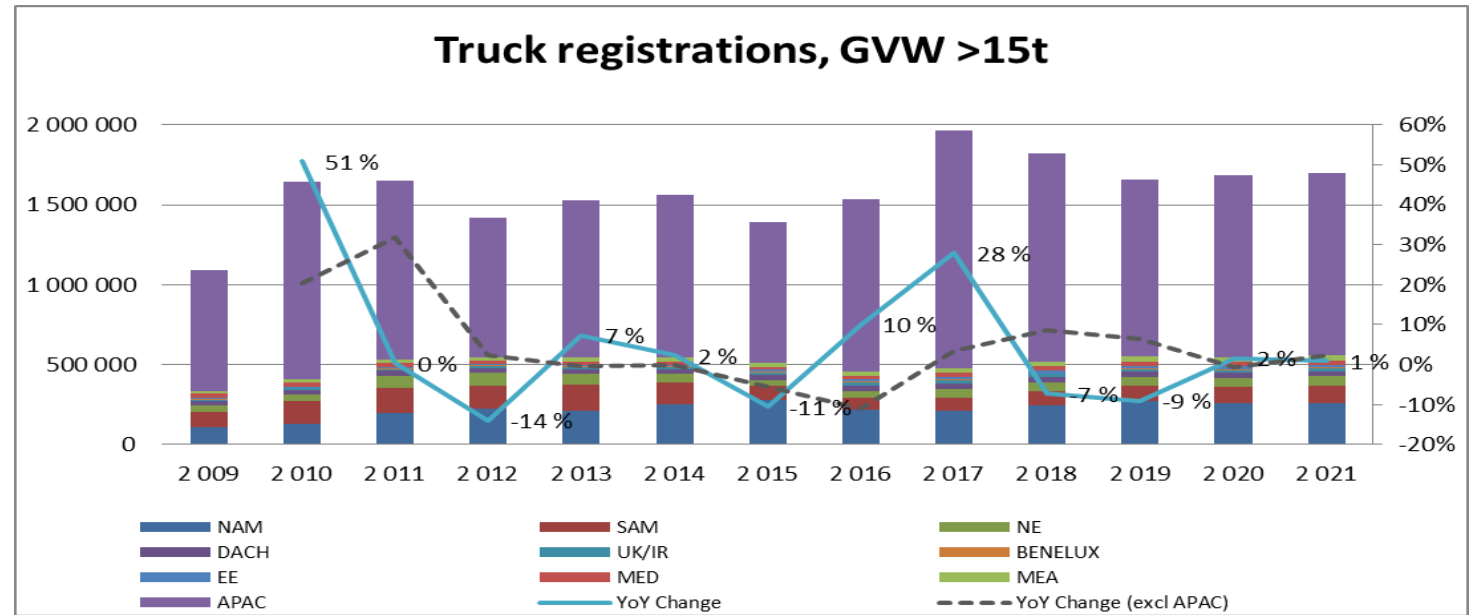


Source: Drewry November 2015

Hiab appendix

Global truck volumes

IHS predicts global truck volumes to decrease driven by China developments & regional differences in the EMEA



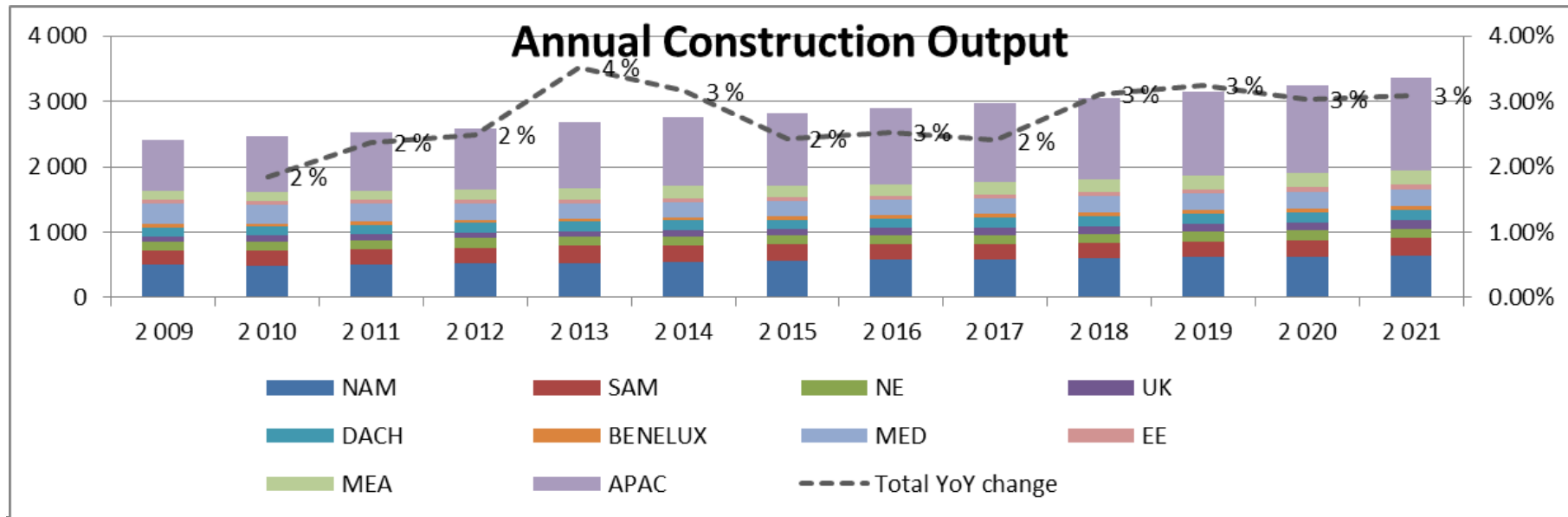
	Changes vs last Forecast					YoY changes (vs. prev. year)					
	2017	2018	2019	2020	2021	2017	2018	2019	2020	2021	
NAM	2.8%	3.6%	2.8%	-1.2%	-2.0%	NAM	-3.4%	18.6%	10.5%	-4.0%	-1.7%
SAM	8.4%	6.1%	1.9%	-2.4%	2.1%	SAM	11.4%	2.5%	3.8%	4.4%	11.8%
NE	6.5%	5.0%	3.4%	4.0%	1.0%	NE	26.2%	4.1%	6.9%	4.8%	2.9%
DACH	-0.4%	-0.4%	-0.8%	-1.1%	-1.1%	DACH	1.1%	-4.4%	-2.1%	-6.5%	4.1%
UK/IR	4.8%	-1.5%	0.4%	0.2%	-1.0%	UK/IR	-3.7%	-6.3%	0.4%	1.1%	2.5%
BENELUX	4.6%	1.8%	0.5%	-0.2%	1.0%	BENELUX	-7.2%	-0.8%	-0.4%	1.1%	2.6%
EE	4.2%	4.6%	4.5%	2.0%	1.8%	EE	7.7%	5.4%	1.4%	4.3%	2.7%
MED	4.9%	1.9%	1.3%	0.7%	0.6%	MED	13.3%	-2.6%	3.3%	0.2%	6.4%
MEA	-1.4%	-2.4%	-2.7%	-1.3%	-2.3%	MEA	0.1%	4.0%	1.4%	8.3%	2.9%
APAC	23.1%	23.7%	-0.4%	4.3%	3.1%	APAC	38.4%	-12.4%	-15.2%	2.7%	0.1%
Total	16.9%	16.2%	-0.4%	1.8%	1.0%	Total	28.0%	-7.3%	-9.1%	1.6%	0.9%



Note: Market area breakdown revised to reflect organizational structure

Source: IHS Truck registration (Nov 2017)

Construction output forecast

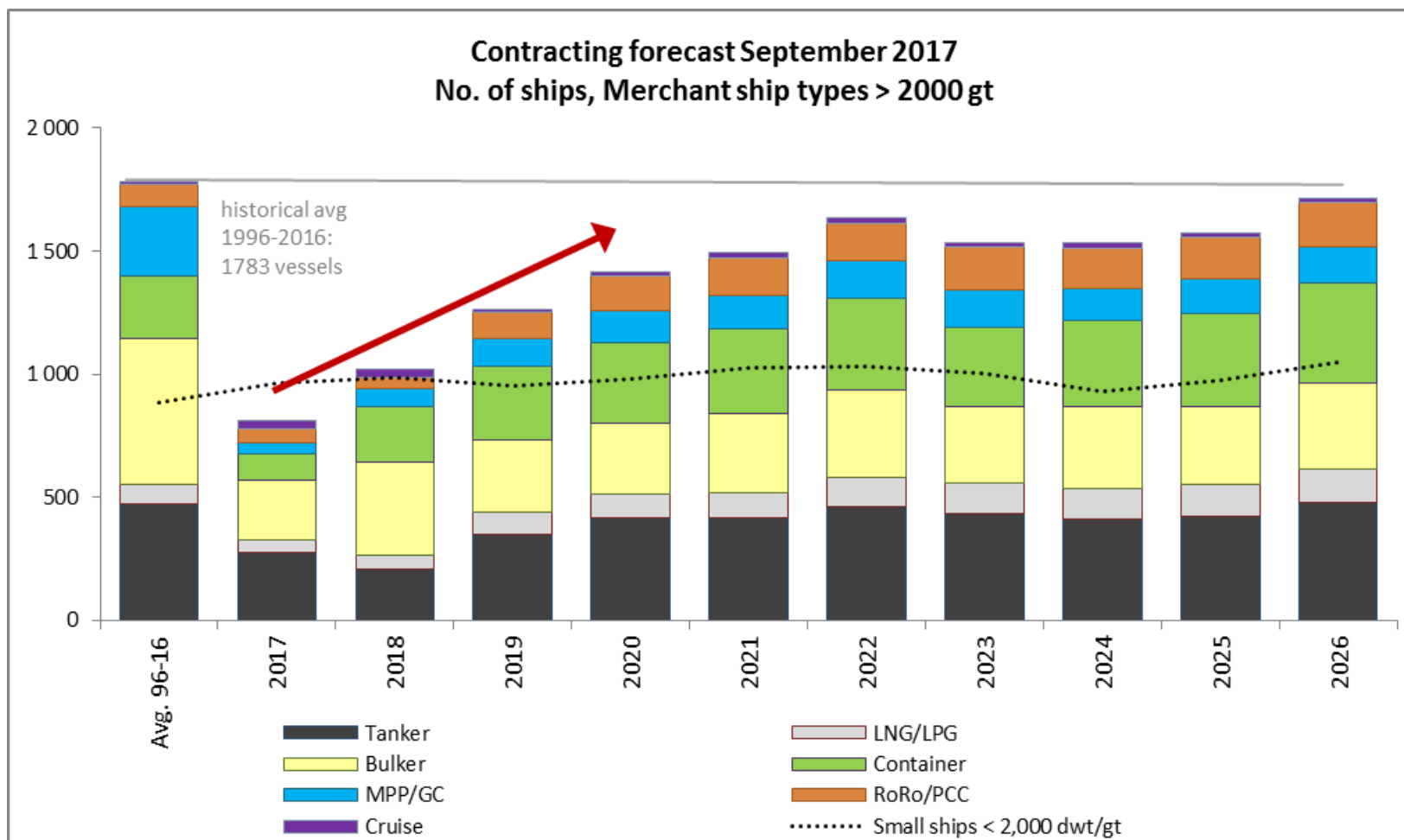


Changes vs last Forecast						YoY changes					
	2017	2018	2019	2020	2021		2017	2018	2019	2020	2021
NAM	-1.3%	-2.2%	-2.6%	-2.9%	-3.1%	NAM	0.8%	2.6%	3.2%	2.5%	2.5%
SAM	-0.7%	-1.7%	-2.0%	-2.0%	-2.5%	SAM	-2.8%	1.7%	2.7%	3.0%	2.7%
NE	0.4%	1.3%	1.5%	1.7%	1.4%	NE	3.1%	2.9%	1.7%	1.7%	1.7%
UK	3.8%	2.7%	2.2%	2.0%	1.5%	UK	3.9%	-0.2%	1.1%	2.1%	2.0%
DACH	2.7%	2.7%	3.3%	2.7%	3.4%	DACH	3.9%	2.5%	1.8%	1.0%	1.6%
BENELUX	-1.5%	-1.1%	-0.9%	-0.9%	-0.6%	BENELUX	3.1%	2.4%	2.0%	1.5%	1.5%
MED	0.3%	0.7%	1.1%	0.8%	0.7%	MED	2.6%	2.8%	2.4%	2.2%	2.1%
EE	3.4%	4.0%	4.2%	4.7%	4.7%	EE	5.5%	3.9%	3.1%	2.8%	2.7%
MEA	9.4%	9.4%	9.2%	8.8%	8.7%	MEA	2.8%	3.5%	3.9%	3.7%	4.0%
APAC	-0.2%	-0.4%	-0.4%	-0.7%	-1.0%	APAC	3.6%	4.0%	4.1%	3.9%	4.0%
Total	0.5%	0.2%	0.1%	-0.1%	-0.3%	Total	2.4%	3.1%	3.2%	3.0%	3.1%

MacGregor appendix

Merchant ships: Contracting forecast by shiptype (no of ships)

Merchant ship types > 2000 gt, base case

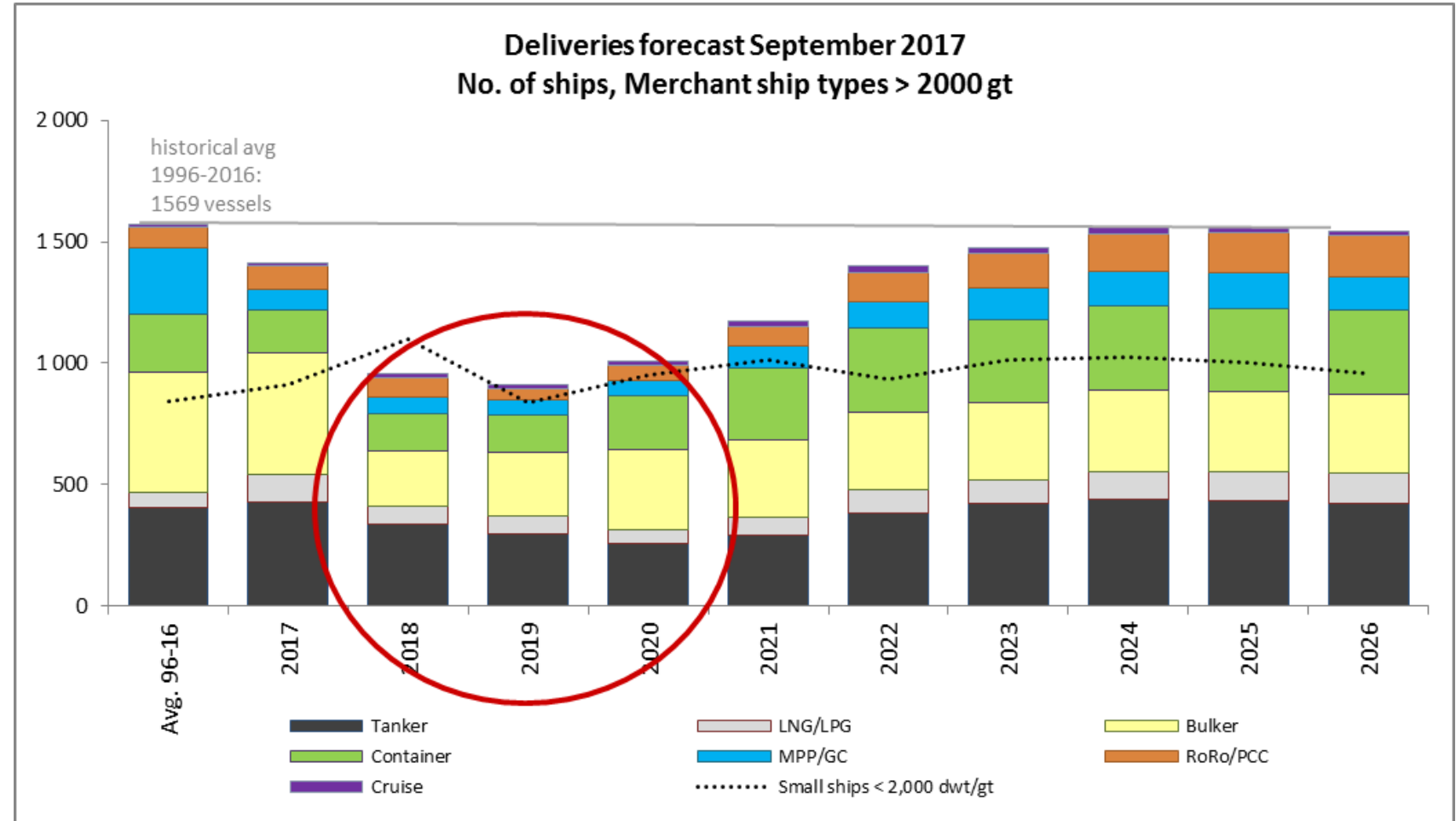


Source: Clarksons September 2017

Merchant ships: Deliveries forecast by shiptype (no of ships)

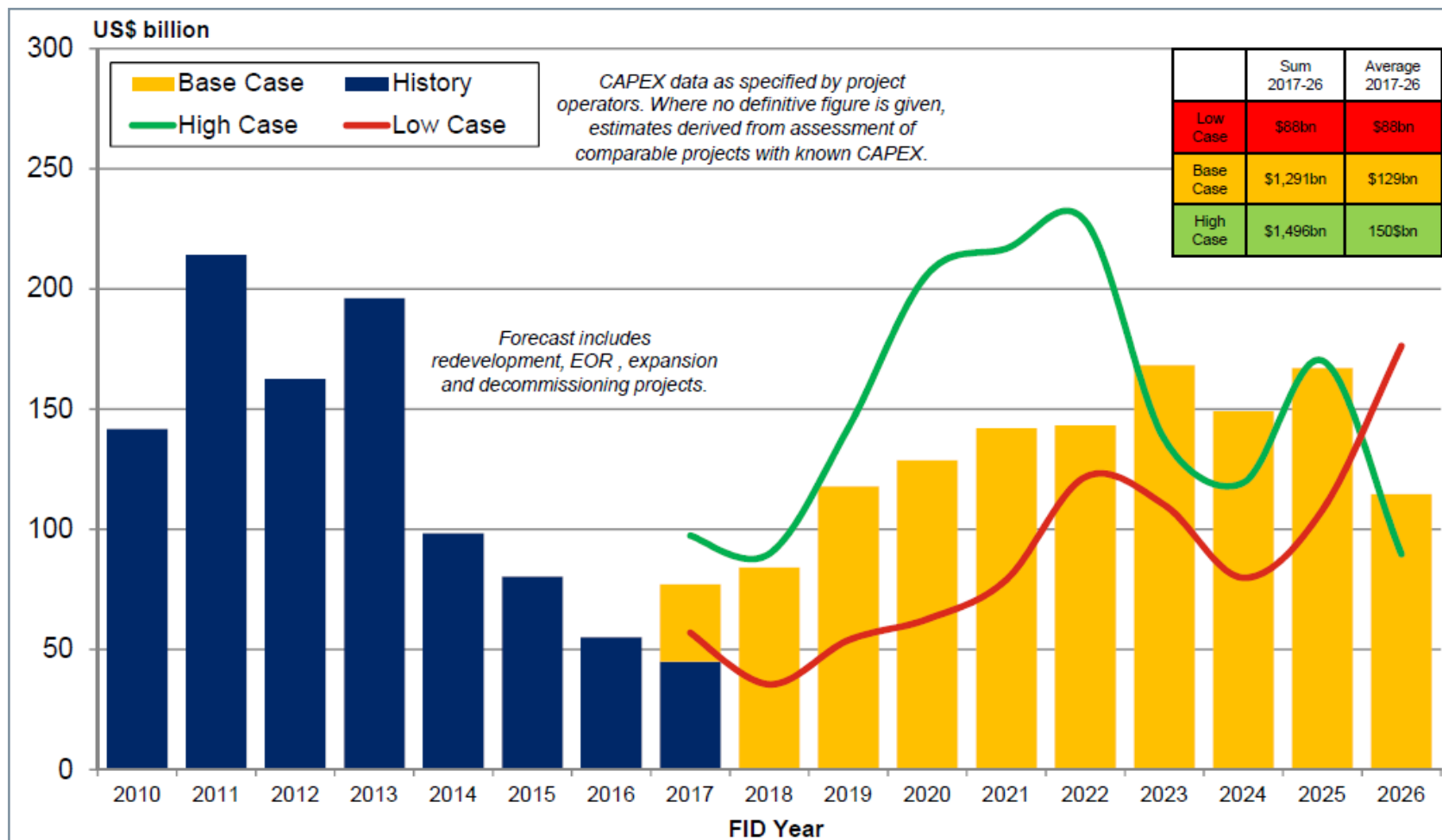
Merchant ship types > 2000 gt, base case

Deliveries 2018 and onwards decrease due to the extremely low contracting levels 2015-2017, and will remain at historically lower levels in medium-term due to the continued lower contracting.



Offshore oil & gas CAPEX – historical and projected

- Base case USD 60/bbl 2021



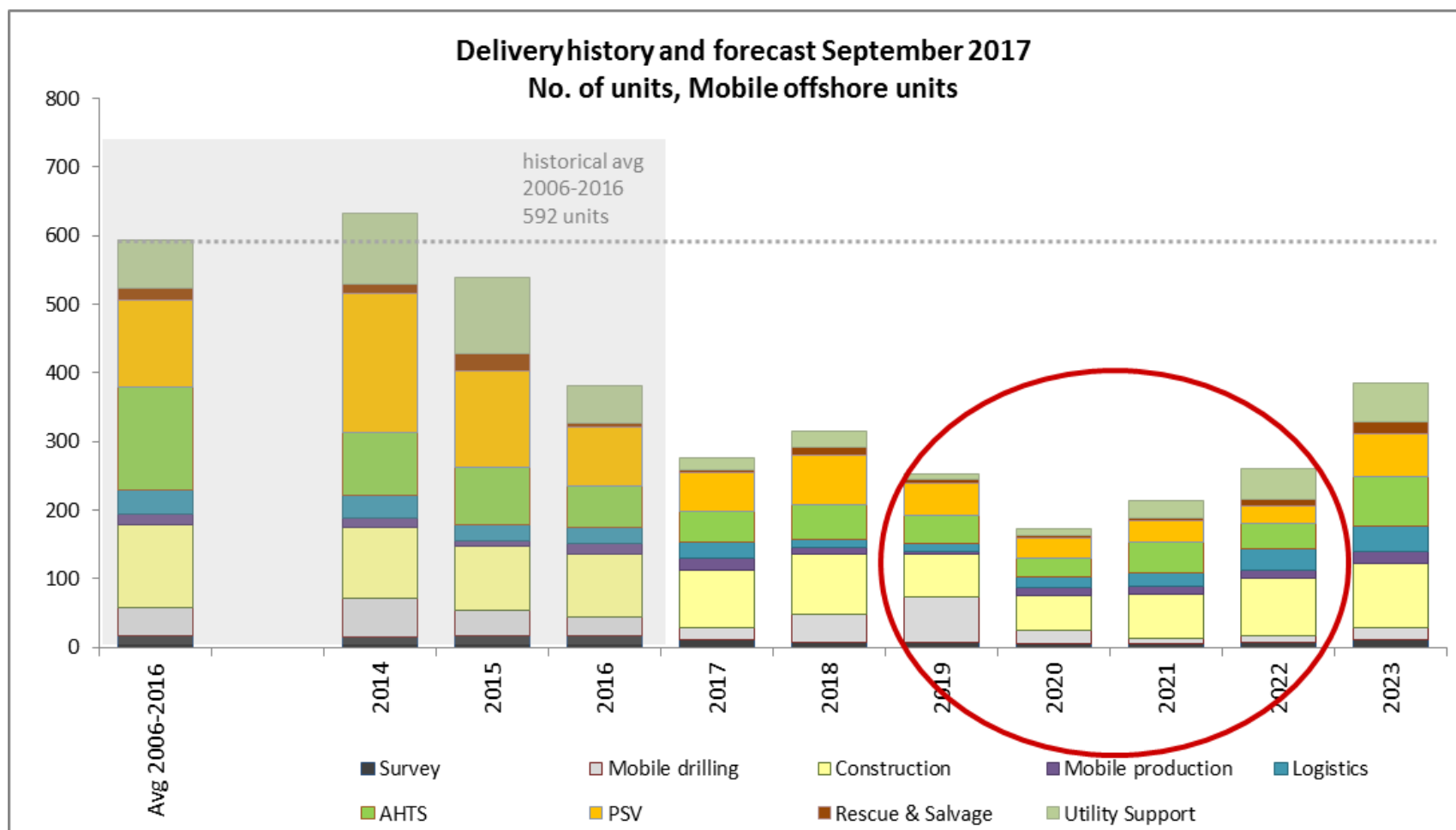
Offshore mobile units: Contracting forecast by shiptype (number of units)

Offshore mobile units, base case USD 60/bbl 2021



Offshore mobile units: Deliveries forecast by shiptype (no of units)

Offshore mobile units, base case (USD 60/bbl 2021)

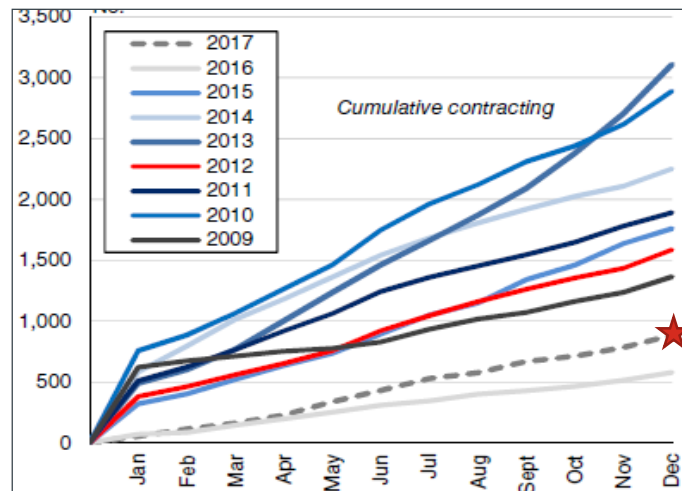


Shipbuilding – Contracting ships >2000 gt/dwt

Global Contracting Activity (1st January 2018)												
	No.				\$bn				m. CGT			
	2015	2016	2017	%y-o-y*	2015	2016	2017	%y-o-y*	2015	2016	2017	%y-o-y*
TOTAL (>2,000 Dwt/GT**)	1,761	579	883	53%	92.0	36.9	60.1	63%	41.1	13.0	23.4	80%
Vessel Type												
Bulkers	352	54	286	430%	9.3	3.2	8.2	154%	6.3	1.9	6.5	235%
Tankers	573	184	271	47%	26.2	5.8	12.2	110%	13.1	3.1	6.9	119%
Containerships	268	98	108	10%	19.4	2.9	5.2	80%	10.7	2.0	3.1	57%
Gas Carriers	111	26	39	50%	11.6	2.4	3.8	56%	4.6	0.9	1.6	74%
Offshore	193	60	41	-32%	8.1	2.3	7.6	228%	1.7	0.6	0.9	39%
Others	264	157	138	-12%	17.3	20.3	23.1	14%	4.8	4.4	4.4	1%
Builder Country												
China	613	248	422	70%	24.0	9.0	15.5	72%	12.3	4.9	9.2	86%
South Korea	296	73	177	142%	25.0	4.4	15.6	256%	11.1	2.2	6.5	194%
Japan	549	93	97	4%	24.1	3.3	3.8	17%	12.8	1.7	2.1	19%
Europe	125	105	87	-17%	13.6	18.6	22.6	22%	2.6	3.5	3.9	11%
Other	178	60	100	67%	5.4	1.7	2.5	50%	2.3	0.6	1.8	183%

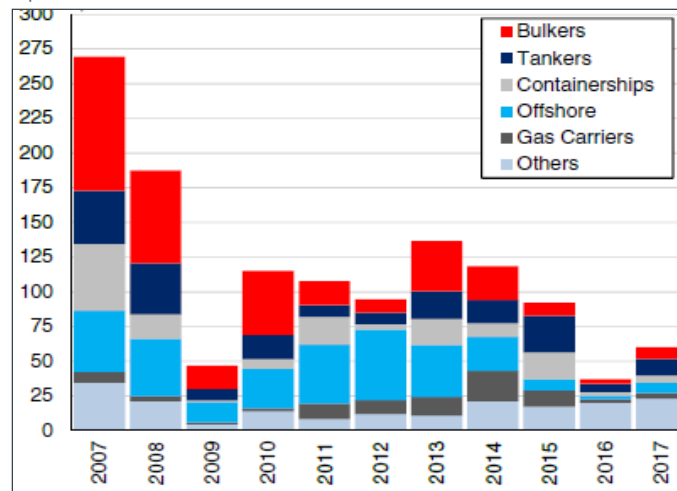
Contracting Volumes 2009-2017

no. of ships



Estimated newbuilding investment

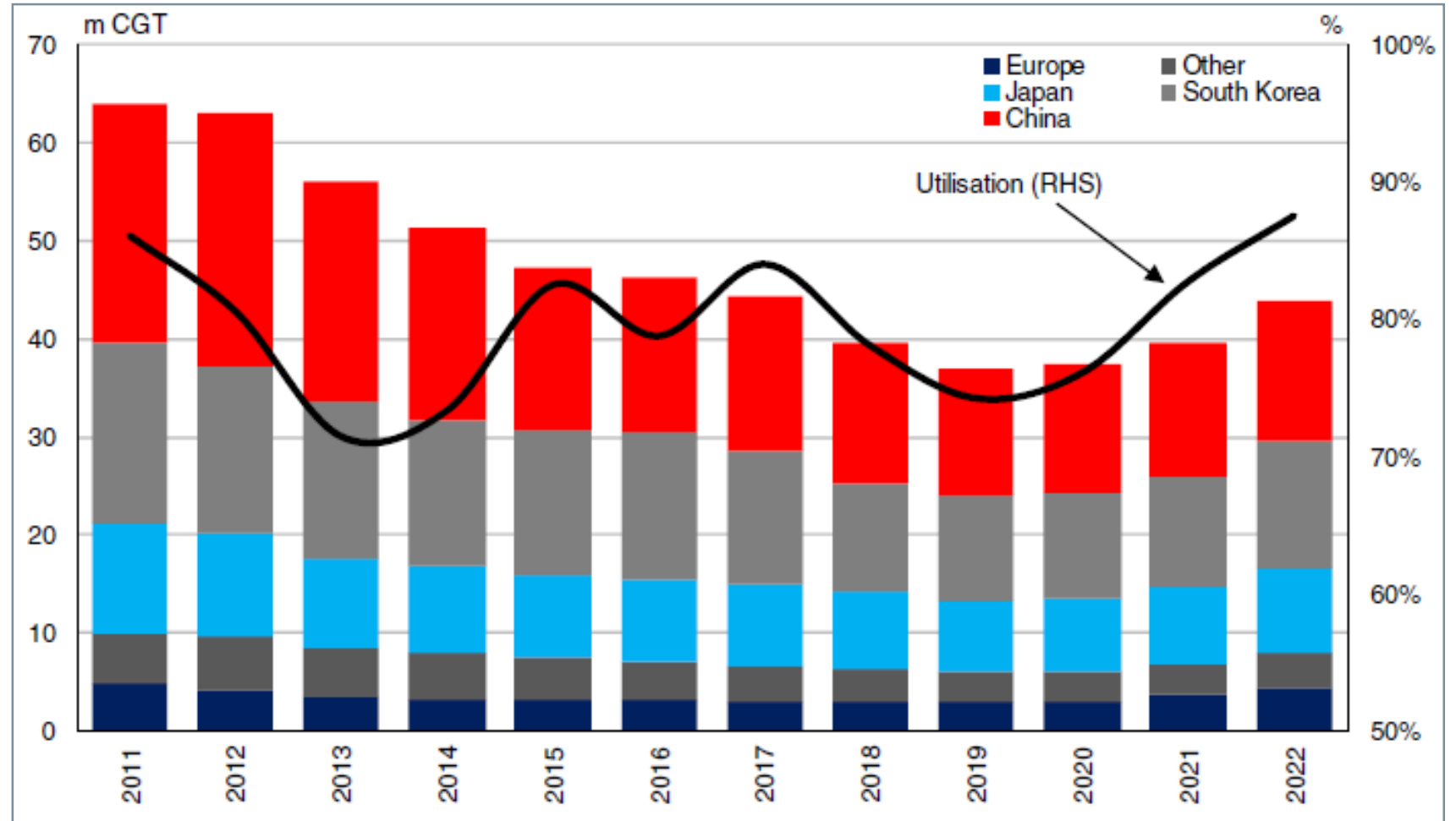
\$bn



Shipbuilding capacity and utilisation scenario

Total 'commercially available' shipyard capacity peaked at around 63.9m CGT at the end of 2011 and has since declined by an estimated 28% to reach 46.3m CGT at the end of 2016.

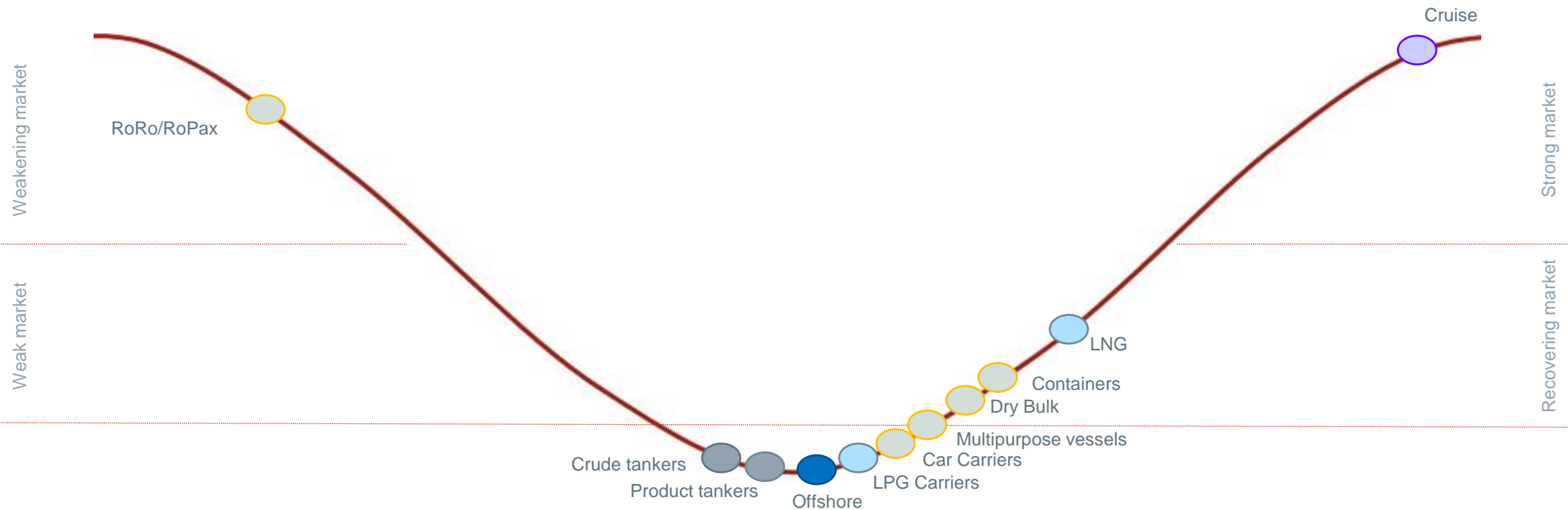
A further 20% fall in capacity is expected between the end of 2016 and the end of 2019, when 'commercially available' capacity is forecast to decline to a low of 37.1m CGT.



Source: Clarksons September 2017

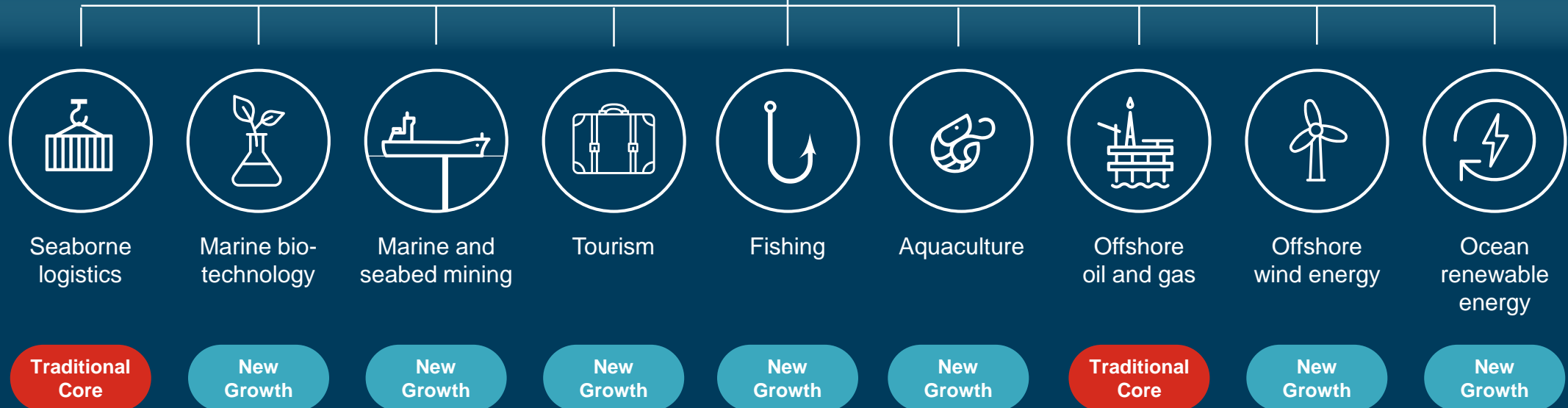
Shipping cycle positions

Freight/earnings indicative cycles by ship type, timeline of each cycle not exact as they vary



Source: MacGregor interna & shipping analysts Jan 2018

We are capturing "blue growth" opportunities



Disclaimer

Although forward-looking statements contained in this presentation are based upon what management of the company believes are reasonable assumptions, there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. These statements are not guarantees of future performance and undue reliance should not be placed on them. The company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws.

All the discussion topics presented during the session and in the attached material are still in the planning phase. The final impact on the personnel, for example on the duties of the existing employees, will be specified only after the legal requirements of each affected function/ country have been fulfilled in full, including possible informing and/or negotiation obligations in each function / country.

