

Investor presentation, April 2019

# Becoming the leader in intelligent cargo handling

# Why invest in Cargotec?



♥ Our target:  
To become  
the leader in  
intelligent cargo handling

Every 4th container in  
the WORLD is moved  
by Kalmar solution

♥ Several favorable megatrends  
support our growth prospects

Every other ship in the WORLD  
has MacGregor equipment on board.

♥♥ We have strong brands  
and a loyal global  
customer base



● Transformation from  
equipment provider  
into a leader in intelligent  
cargo handling

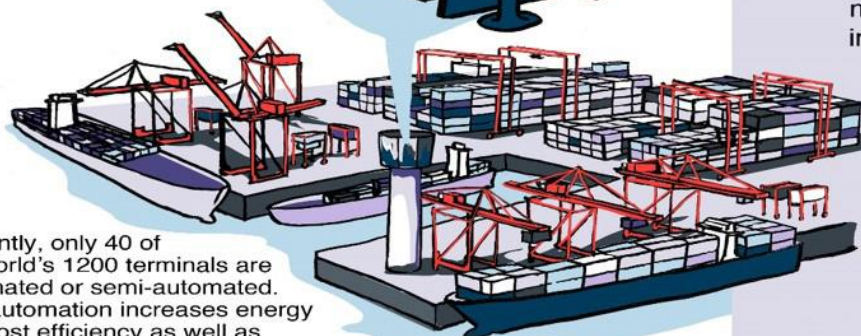


● Unique position to benefit  
from the growth prospects  
in port automation  
and software



● Growing services and software business  
increase stability of our business

Currently, only 40 of  
the world's 1200 terminals are  
automated or semi-automated.  
Port automation increases energy  
and cost efficiency as well as  
employee safety.

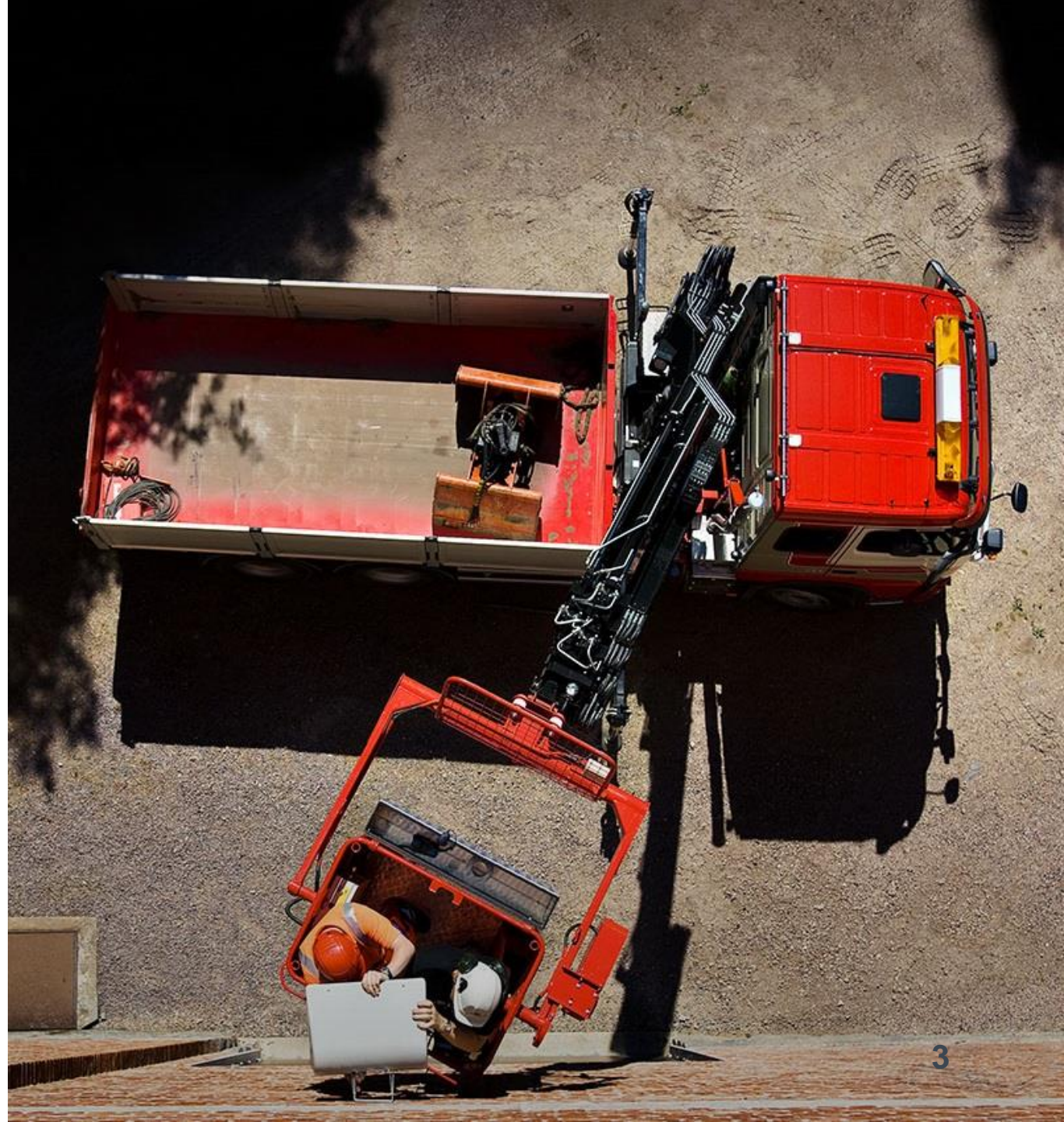


## € Financial targets

- Grow faster than the market
- Increase service and software sales to 40% of net sales, min. EUR 1.5 billion in 3-5 years
- Target 10% operating profit and 15% ROCE in 3-5 years
- Target gearing <50% and increasing dividend in the range of 30-50% of EPS, to be paid twice a year

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# Cargotec in brief



# Strong global player with well-balanced business

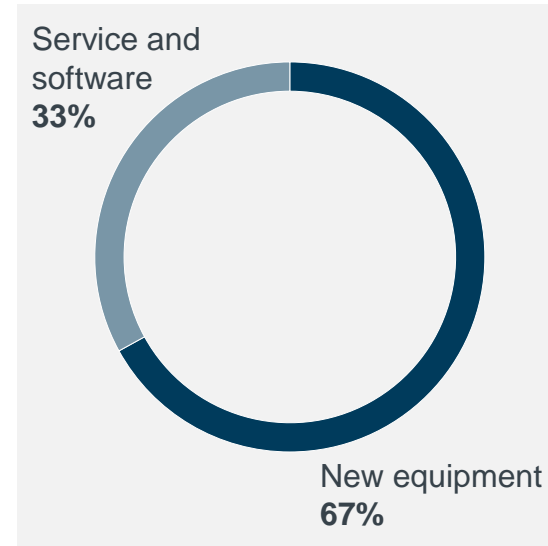
**Sales:**  
**EUR 3,304 million**  
**EBIT: 7.4%**

**Kalmar**  
 Sales: **EUR 1,618 million**  
 EBIT: **8.9%** (EUR 143.6 million)

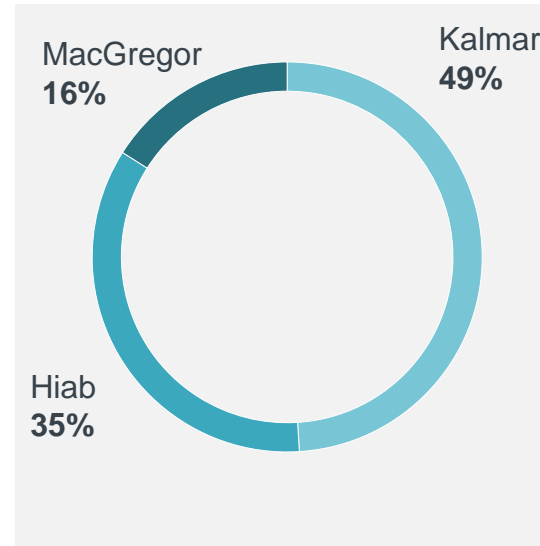
**Hiab**  
 Sales: **EUR 1,149 million**  
 EBIT: **11.7%** (EUR 134.5 million)

**MacGregor**  
 Sales: **EUR 538 million**  
 EBIT: **0.0%** (EUR 0.1 million)

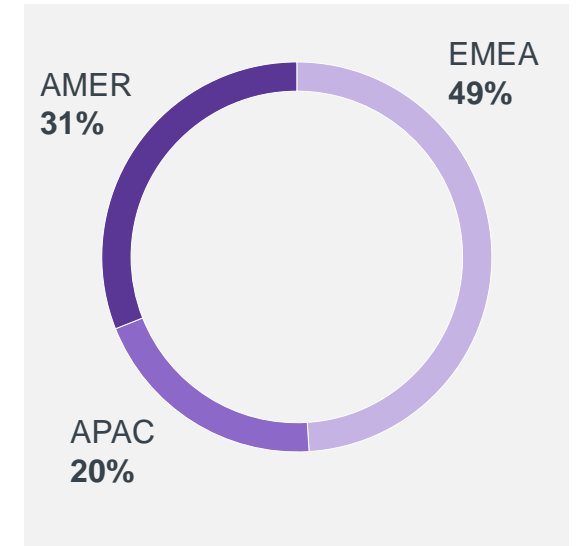
**Sales split: new equipment vs service and software**



**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



KONGSBERG



Other competitors



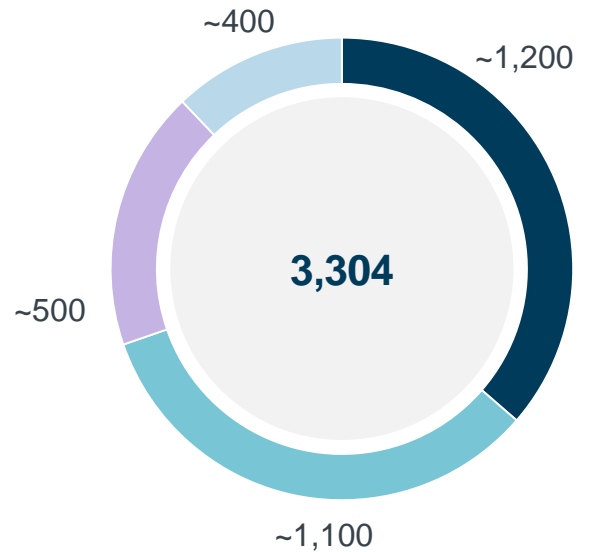
MITSUI E&S



# Currently two businesses performing well

## Net sales\* in 2018

EUR million



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

	Trend in orders, 2018 vs 2017	Profitability: EBIT margin
Kalmar software (Navis) and Automation and Projects division	➔	Low due to long term investments
MacGregor	+11%	<b>0.0%</b>
Hiab	+13%	<b>11.7%</b>
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. Our vision is to become the global 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

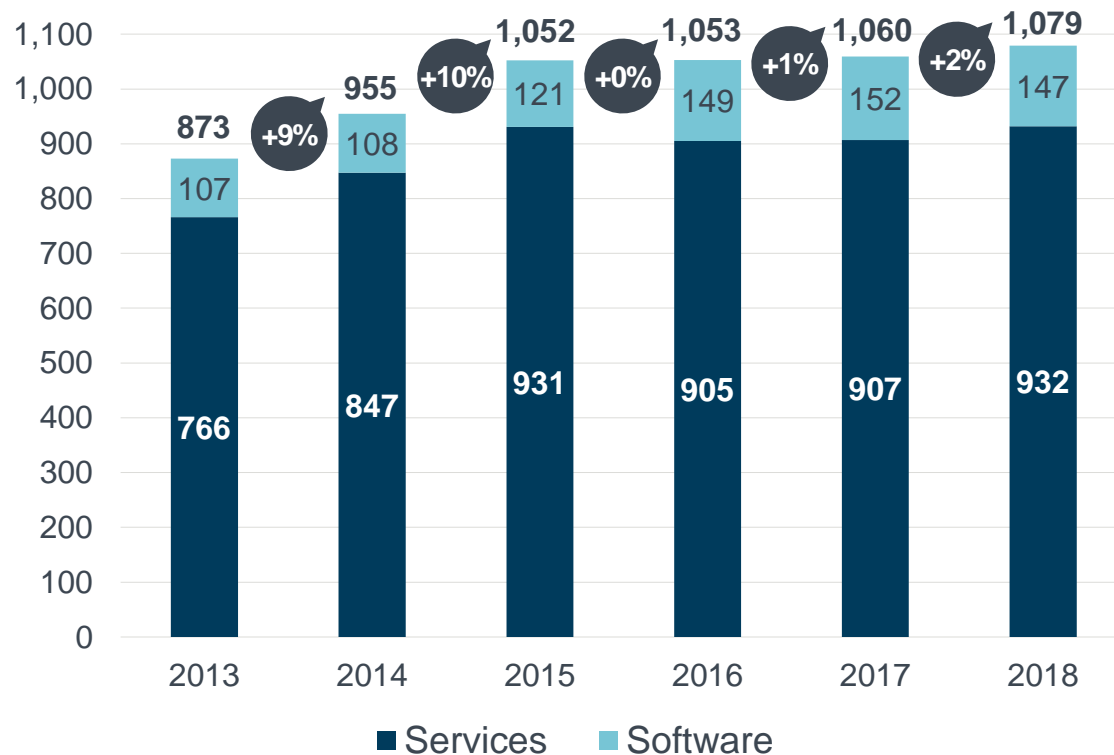
## 2. Our vision is to become the global leader in intelligent cargo handling

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

# 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:

- Improve service offering through digital solutions
- 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

## Customers consider their automation decisions carefully

- Shipping line consolidation
- Utilisation rates of the existing equipment base
- Container throughput volumes
- Efficiency of the automation solutions

## 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\*

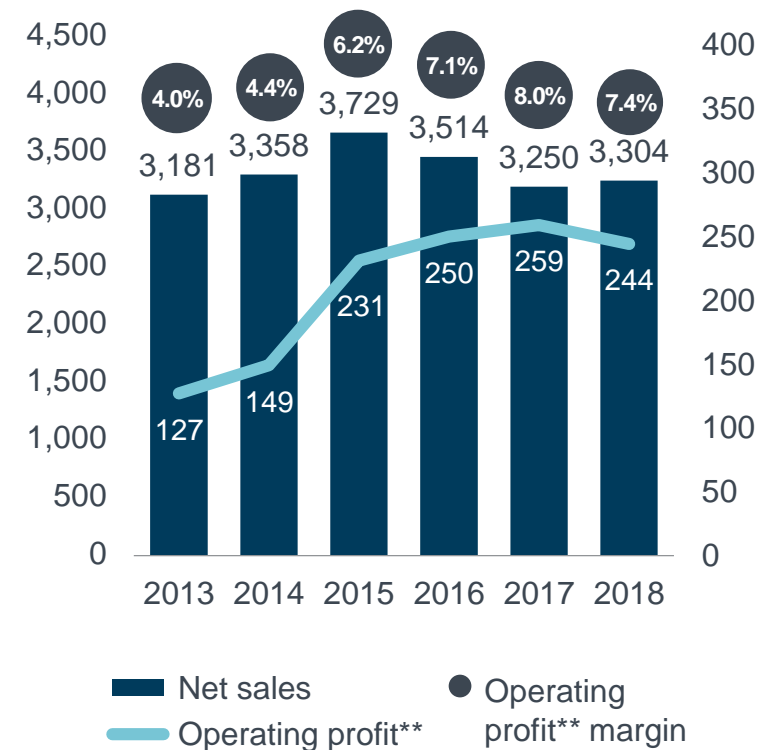
Higher service and software sales key driver for profitability improvement

Cost savings actions:

- 2020 EUR 30 million (indirect purchasing and new Business Services operations)

Product re-design and improved project management

## Sales and operating profit\*\* development



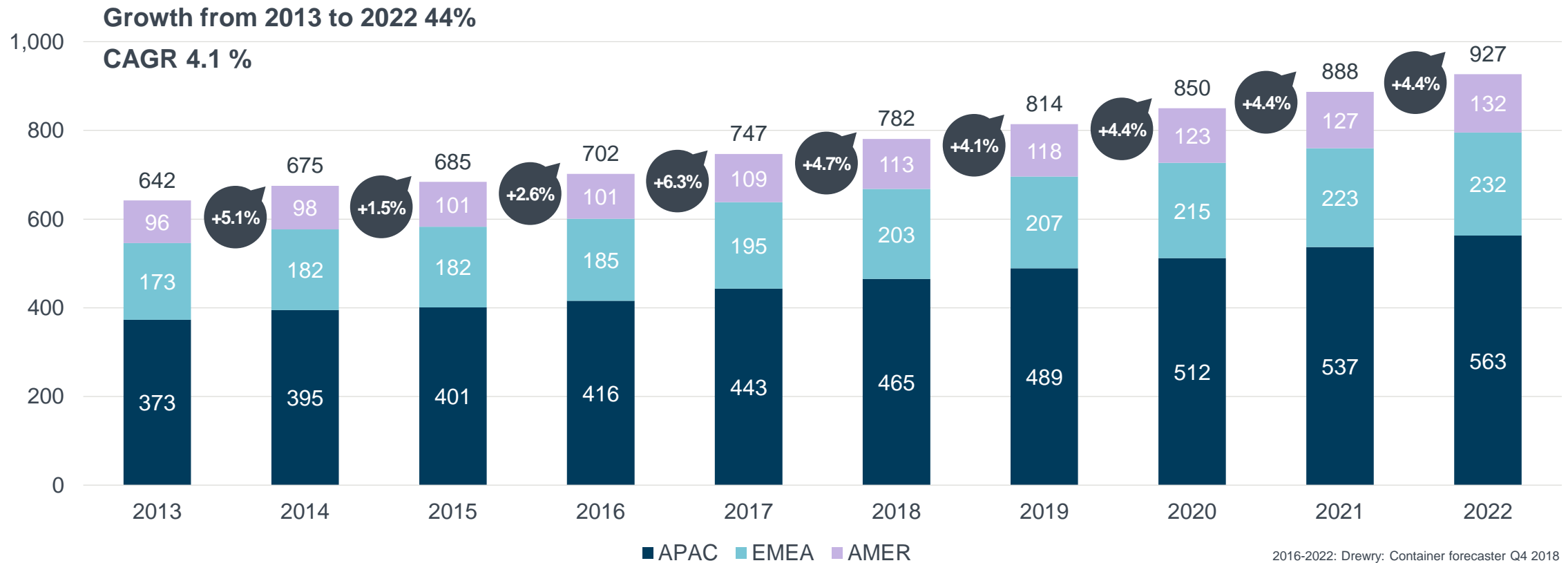
\*Target announced in September 2017  
\*\*Excluding restructuring costs

# Kalmar



# Container throughput still forecasted to grow year on year

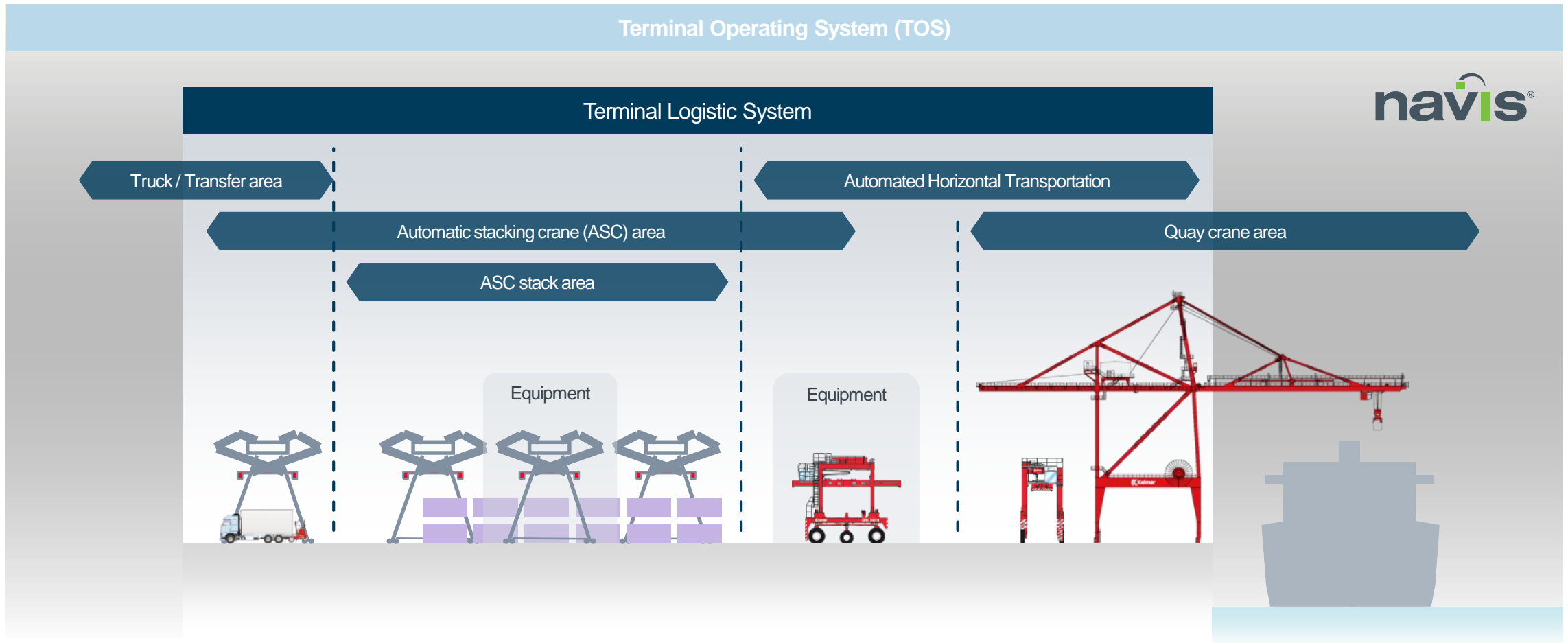
TEU million



2016-2022: Drewry: Container forecaster Q4 2018  
2015 Drewry: Container forecaster Q1 2018  
2013-2014 Drewry Global Container Terminal Operators Annual Report 2013



# 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:

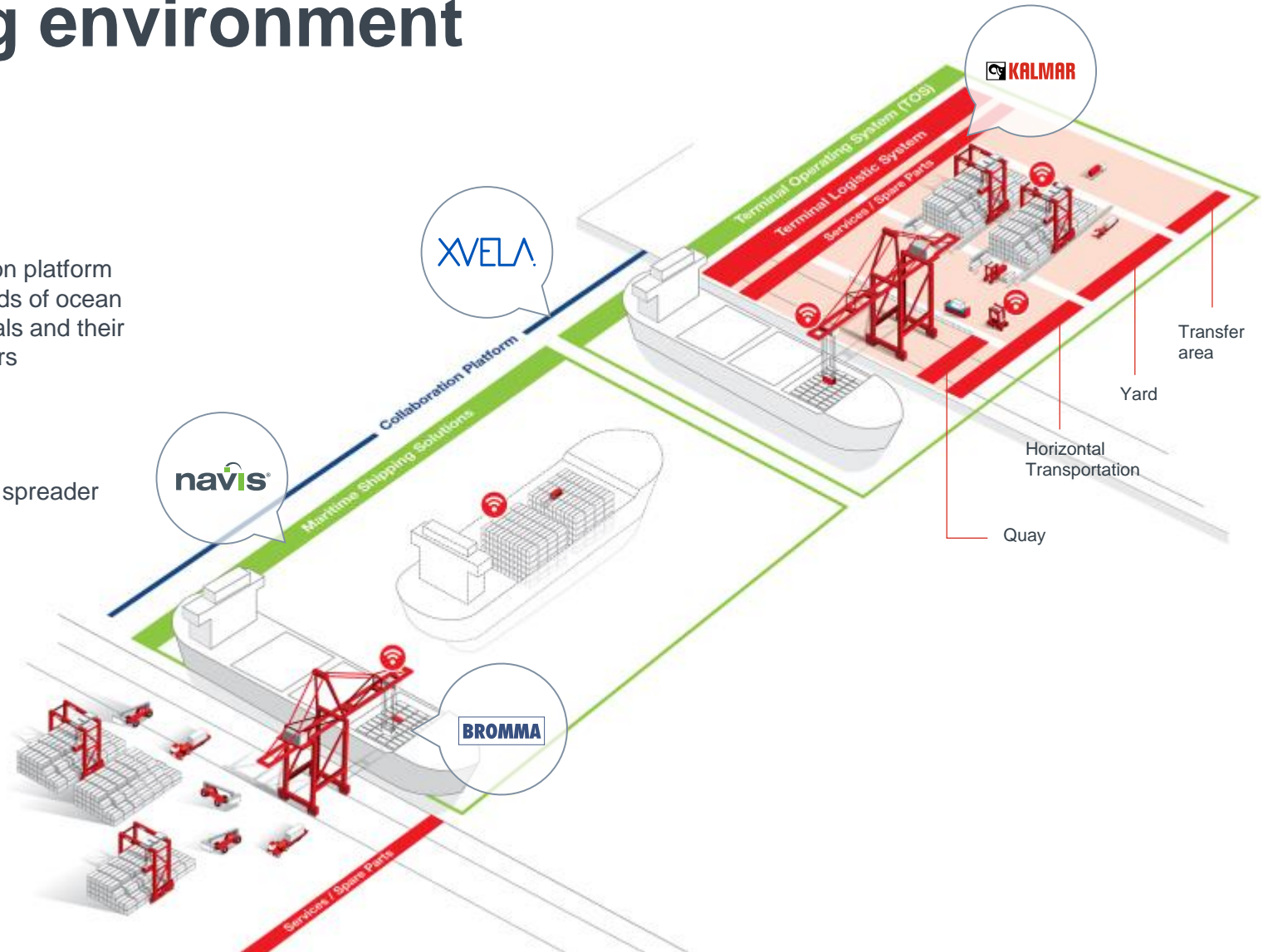
- Stowage planning
- Vessel monitoring
- Loading computer
- Route planning



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



Industry leading spreader manufacturer



# XVELA provides benefits to ocean carriers and terminal operators

- Today's container supply chain is a fragmented and siloed framework
- Information sharing between parties is not optimally structured
  - Forms of communication today include email, phone calls, EDI, paper plans
  - Problems: incomplete data, errors, information not available on time
- In-house developed XVELA is a many-to-many platform to solve these issues
  - Real-time stowage collaboration
  - Port-to-port visibility and collaboration
  - Synchronisation of planning between carriers and terminals

## Benefits of XVELA:

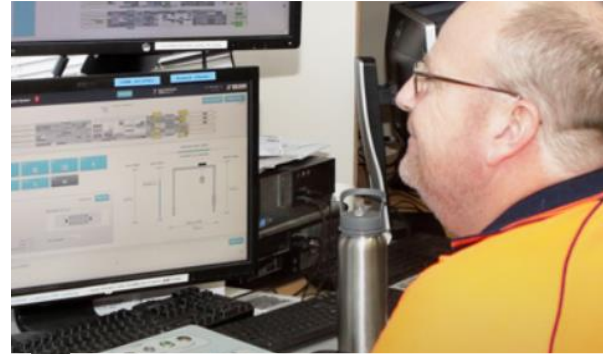
- Faster vessel turn times
- Operational efficiencies
- Cost savings



# 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€**

# 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



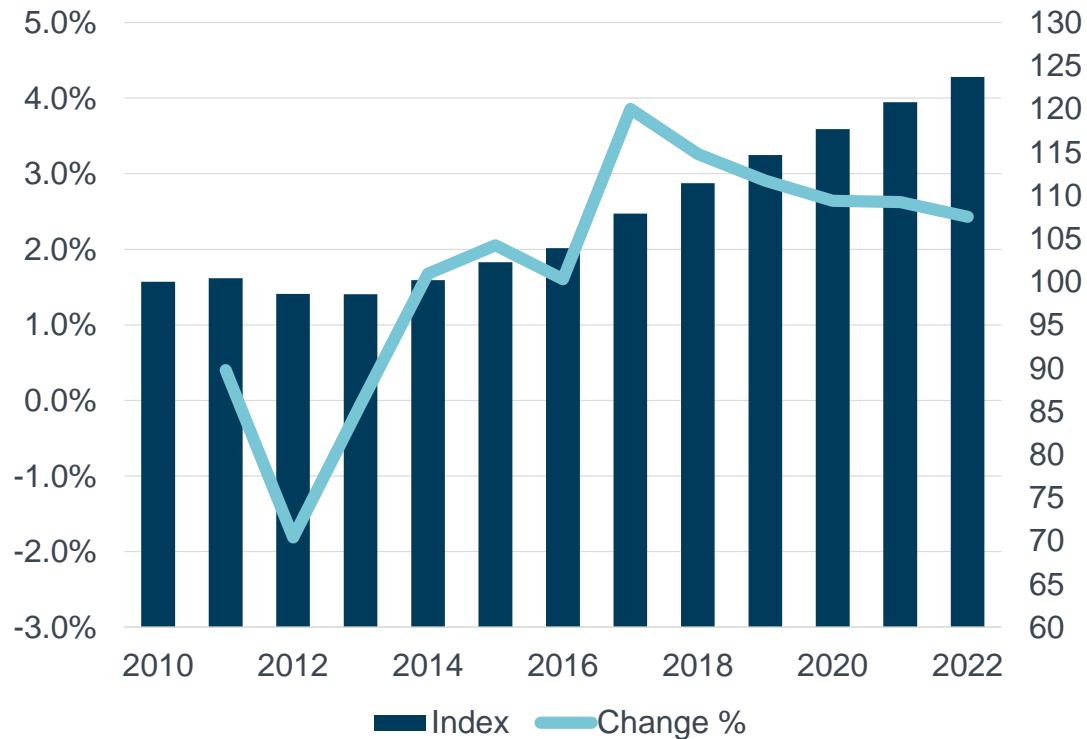
# Hiab



# Construction output driving growth opportunity

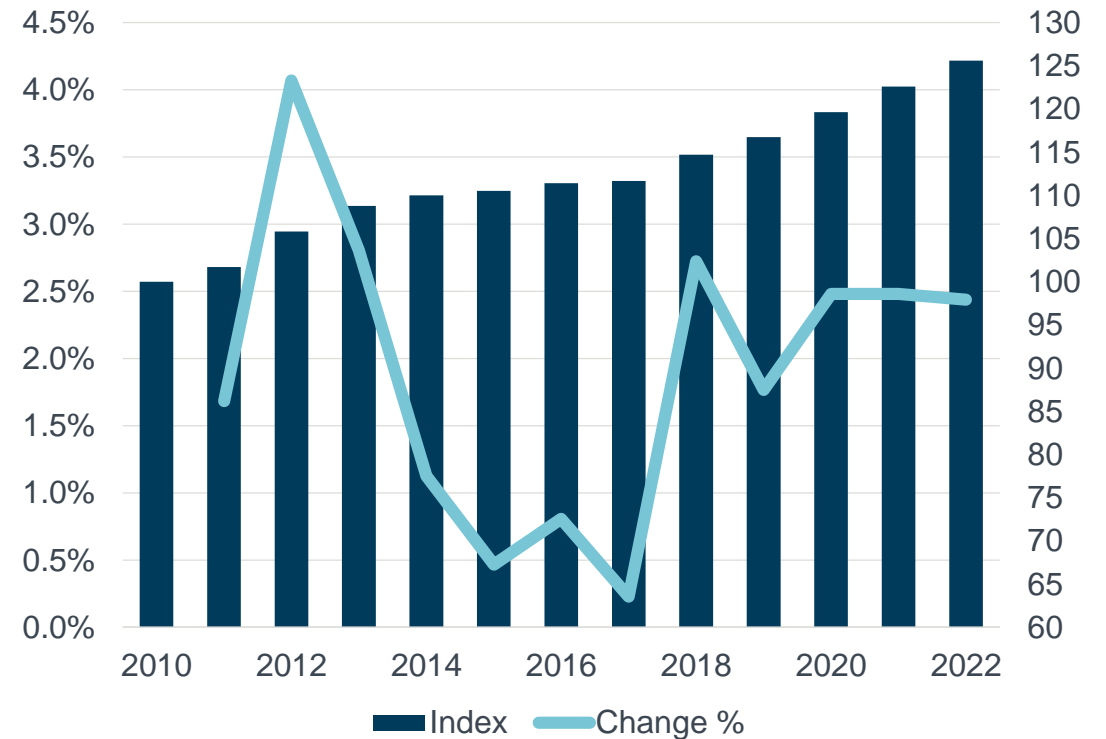
## EMEA construction output

y/y change (%)







## AMER construction output

y/y change (%)

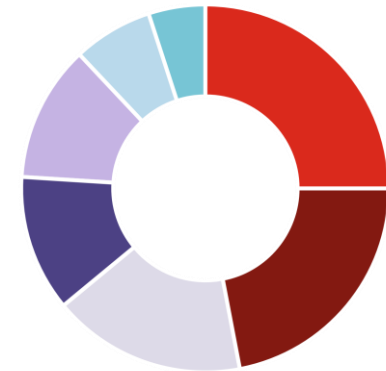


Oxford Economics: Industry output forecast  
12/2018

# Strong global market position and customers across diverse industries

	MARKET SIZE* (EUR billion)	KEY SEGMENTS	HIAB GLOBAL POSITION & TREND
<b>LOADER CRANES</b> 	~1.5	Construction and Logistics	#1-2 ↗
<b>TAIL LIFTS</b> 	~0.9	Retail Industry and Logistics	#1 ↗
<b>DEMOUNTABLES</b> 	~0.5	Waste and Recycling, Defense	#1 ↗
<b>TRUCK MOUNTED FORK LIFTS</b> 	~0.3	Construction and Logistics	#1 →
<b>FORESTRY &amp; RECYCLING CRANES</b> 	~0.3	Timber, Pulp, Paper & Recycling	#2 →

Industry Segment Indicative Sales Mix 2018



Most important segments

- Construction and Building Material
- Other
- Delivery Logistic
- Waste & Recycling
- Timber, Paper & Pulp
- Defense Logistic
- Road & Rail
- Construction and Logistics



# 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



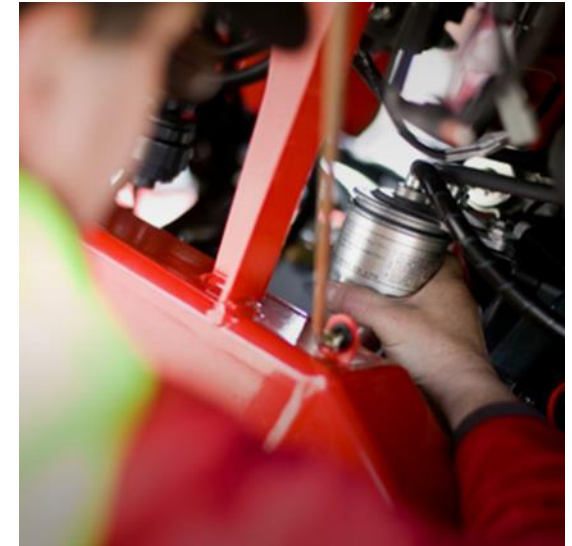
## Tail lifts

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



# We are an active leader in all maritime segments

~3/4 of sales

~1/4 of sales

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

## Lifecycle Services

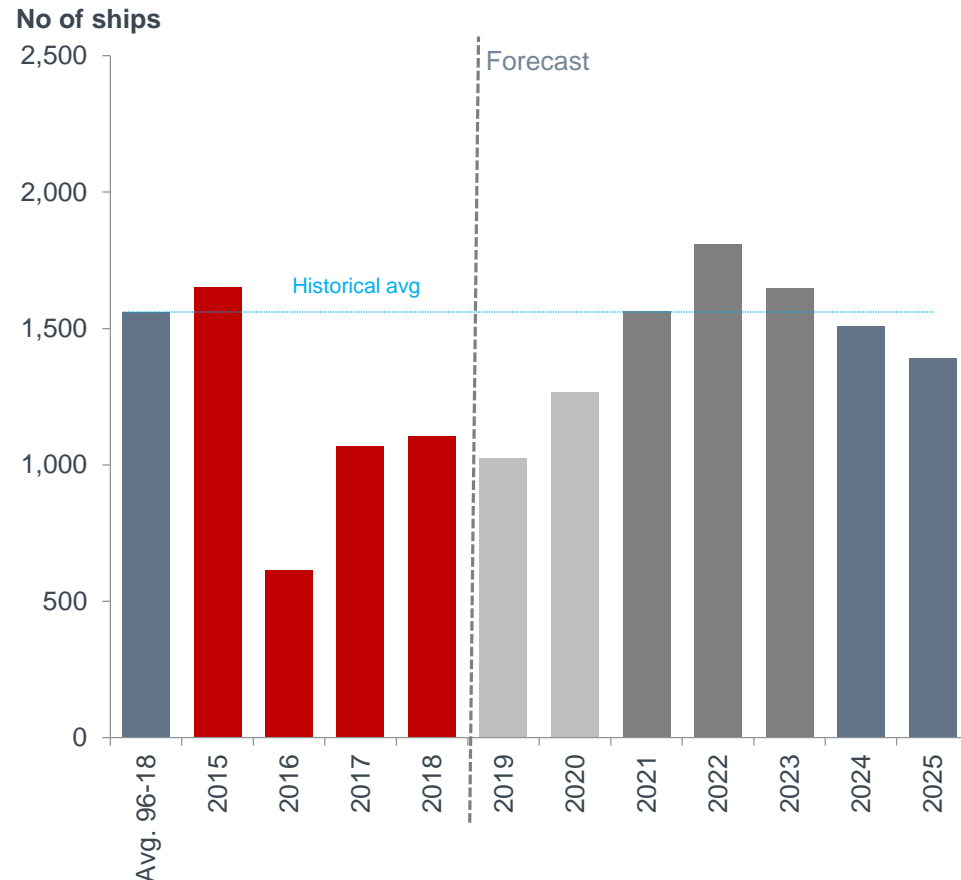


Picture: Statoil

# Merchant Ships and Offshore contracting activity below historical levels

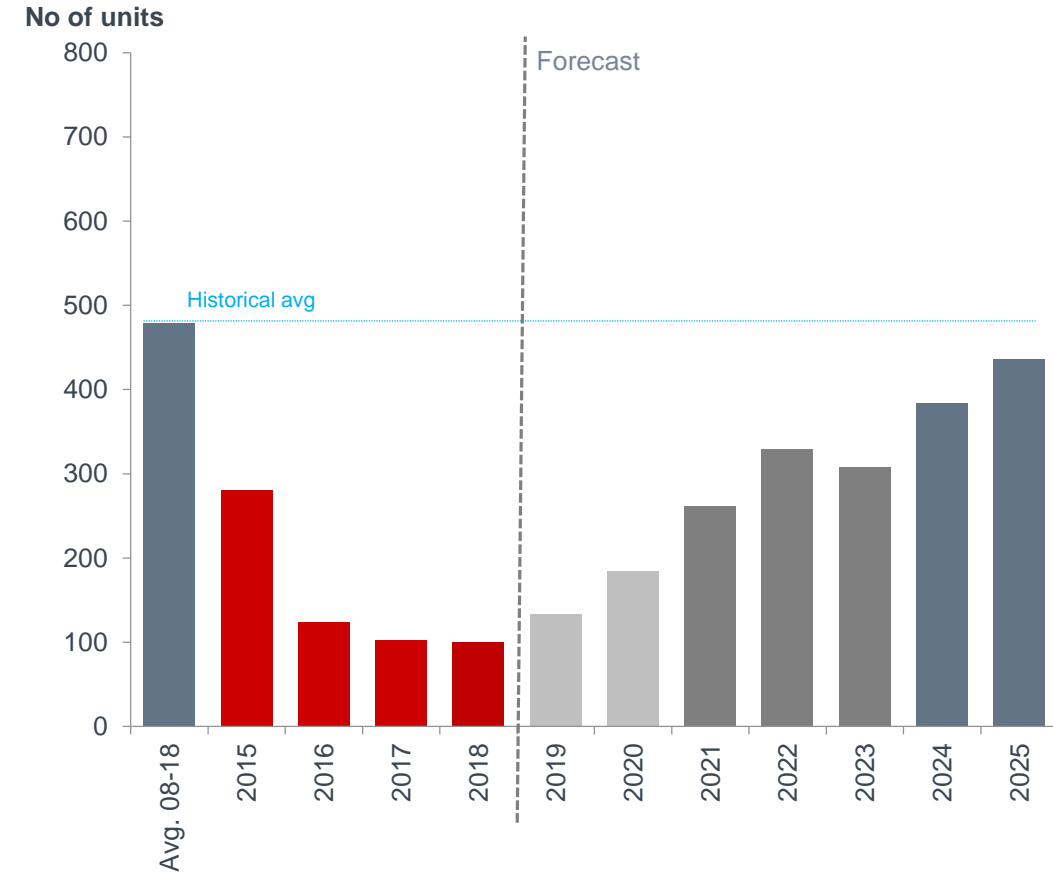
## Long term contracting 2015-2025

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

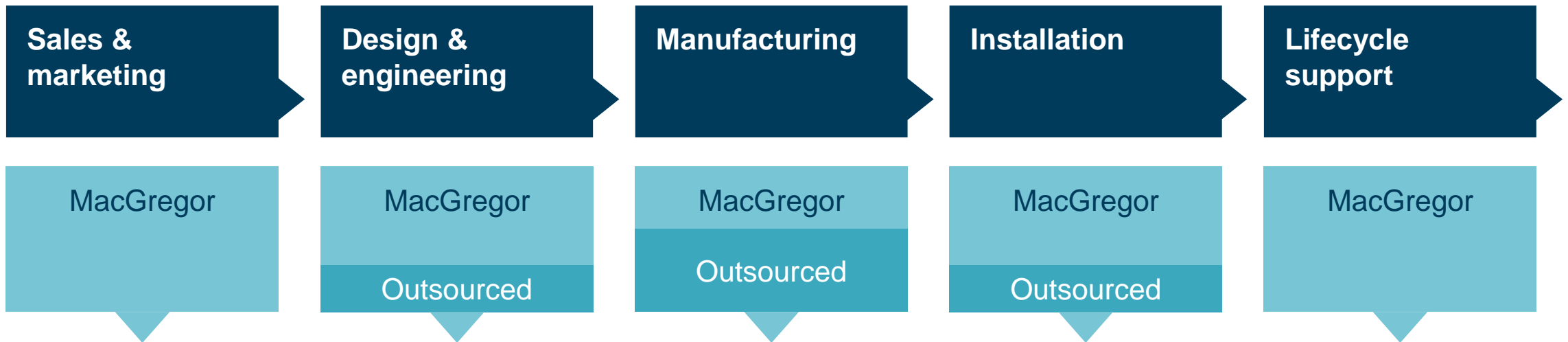


## Long term contracting 2015-2025

Mobile offshore units



# MacGregor's asset-light business model gives flexibility



Cost-efficient scaling

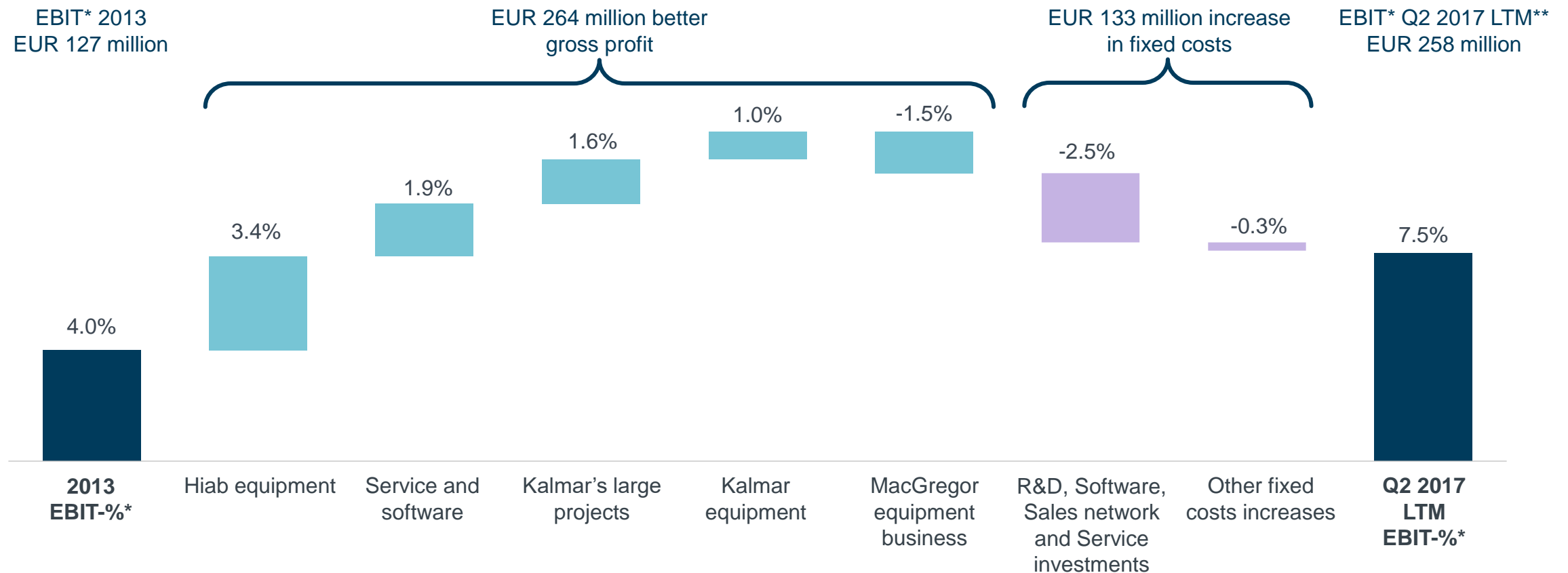
**90%** of manufacturing outsourced

**30%** of design and engineering capacity outsourced

# Recent progress



# We have increased EBIT\* margins since 2013 through operational improvements





# 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)

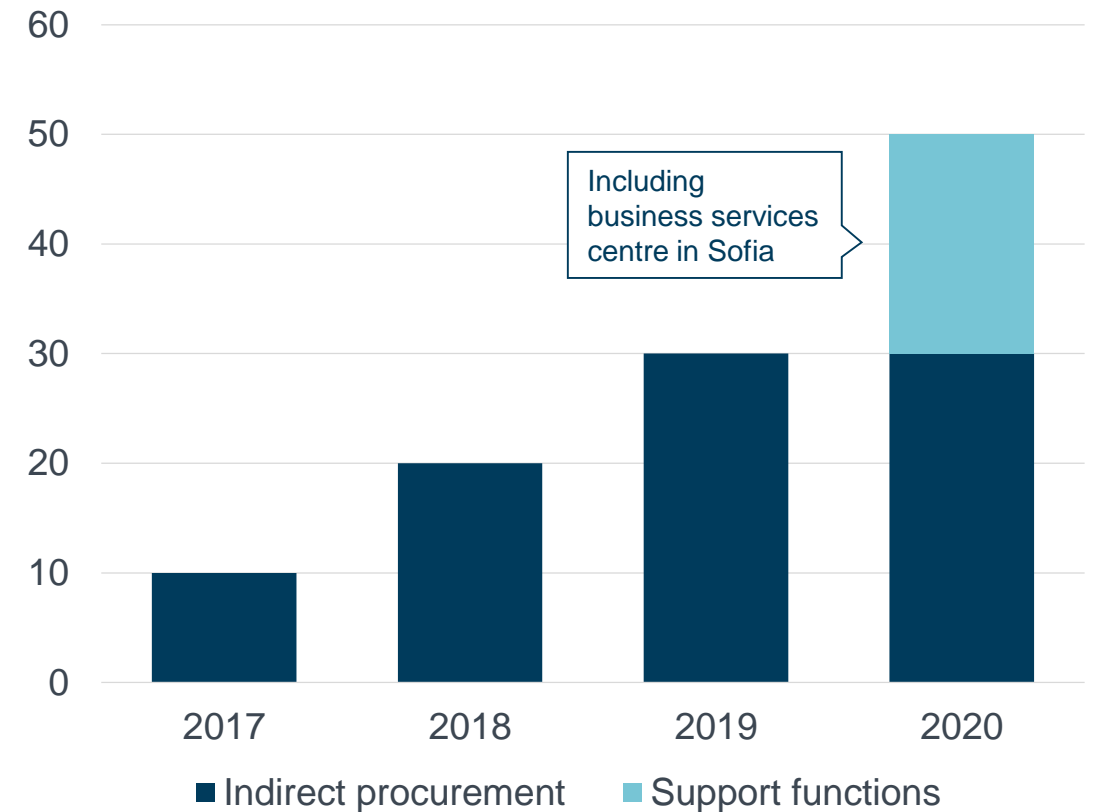
## HOW

- 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 and additional EUR 11 million in 2018

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



# M&A strategy focusing on bolt-on acquisitions

## Key acquisition criteria

Contribution to 15% ROCE target

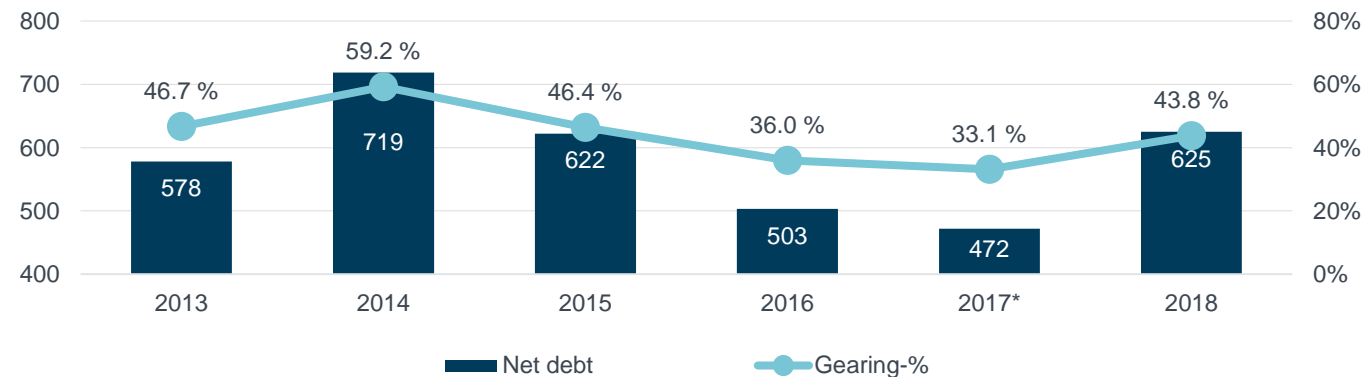
Recurring business

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

Group gearing long term target of 50%

## Net debt and gearing

MEUR



\*Year 2017 figures have been restated according to IFRS 15

## 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 EFFER finalised in Q4 2018

## Effer in brief

Global leader in the heavy cranes segment

2018 sales around EUR 97 million and operating profit EUR 5 million

Distribution network of over 100 dealers covering 60 countries globally

## Strategic rationale

Effer complements Hiab's loader cranes portfolio and expands the offering in heavy cranes

Leverage Hiab's global service network to boost Effer service sales

Strengthen Hiab's position in Effer's core market areas

## Transaction highlights

Enterprise value EUR 50 million

Acquisition was closed on 6 November 2018

# Acquisition of TTS marine and offshore business

## Strategic rationale

Service growth potential

Strengthening MacGregor's position also in China

Based on preliminary estimates, potential cost synergies are estimated to be around EUR 30-35 million on annual level

## Overview of the acquired businesses

Employs 900 people

Sales approximately EUR 211 million in 2017\*

Services 26% of revenues

## Acquisition

Acquired businesses represent around 90% of total sales of TTS Group

Enterprise value EUR 87 million

The acquisition is subject to regulatory approvals from competition authorities

- Expected closing of the transaction in Q2 2019

# TTS product portfolio

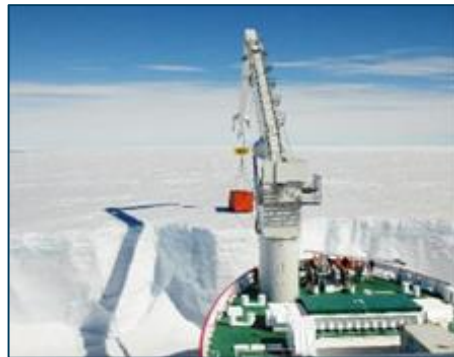
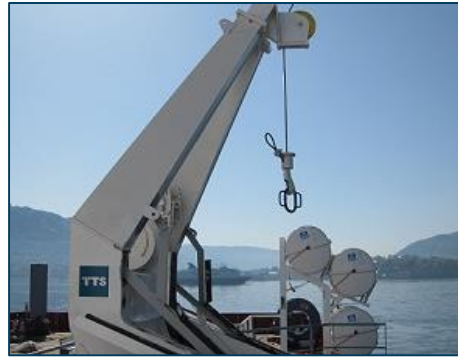
RoRo, Cruise & Navy

Container, Bulk &  
Tank Vessels

Multipurpose &  
General Cargo

Offshore Vessels

Services



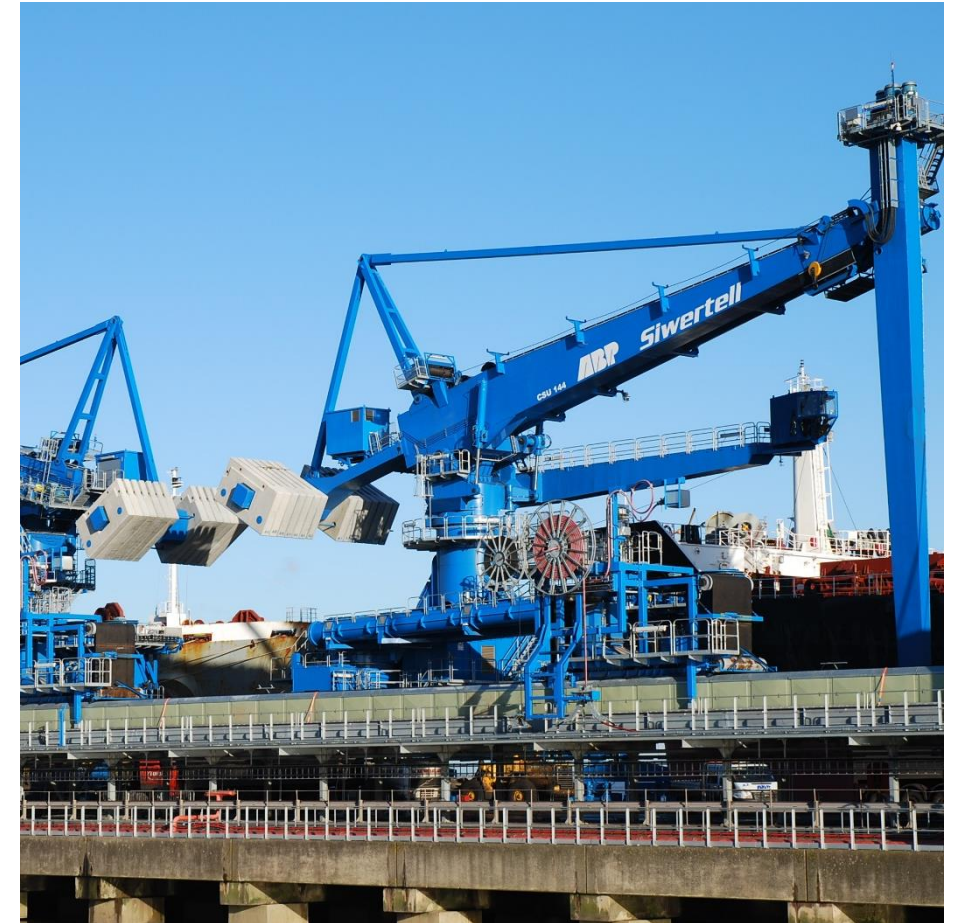
# Shaping the portfolio

Two divestments made during Q2/18

## Divestments

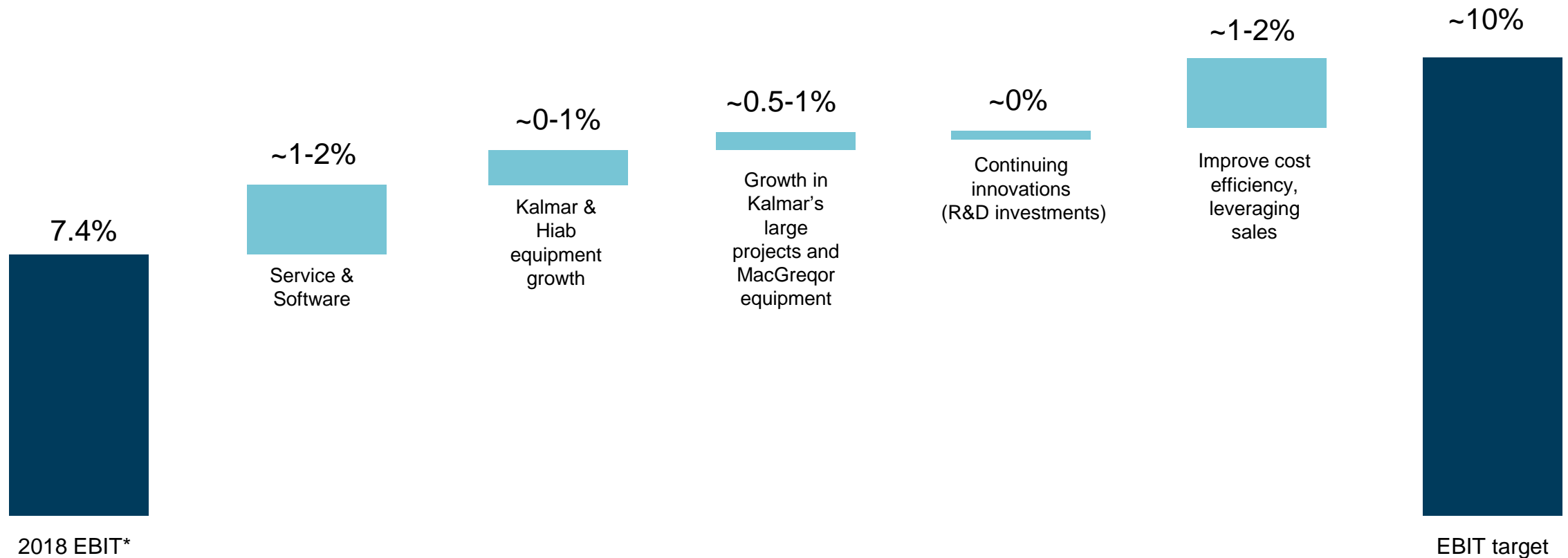
- Siwertell and Kalmar Rough Terrain Center
- Both outside of Kalmar's core areas of container ports, heavy industry and distribution

Revaluation of RHI shares during Q2/18, non-cash EUR 30 million charge





# Our target is to reach 10% EBIT



Target announced in September 2017, target to be reached in 3-5 years  
\*Excluding restructuring costs

# Highlights of 2018 – Orders received grew in all business areas

Orders received increased 18%

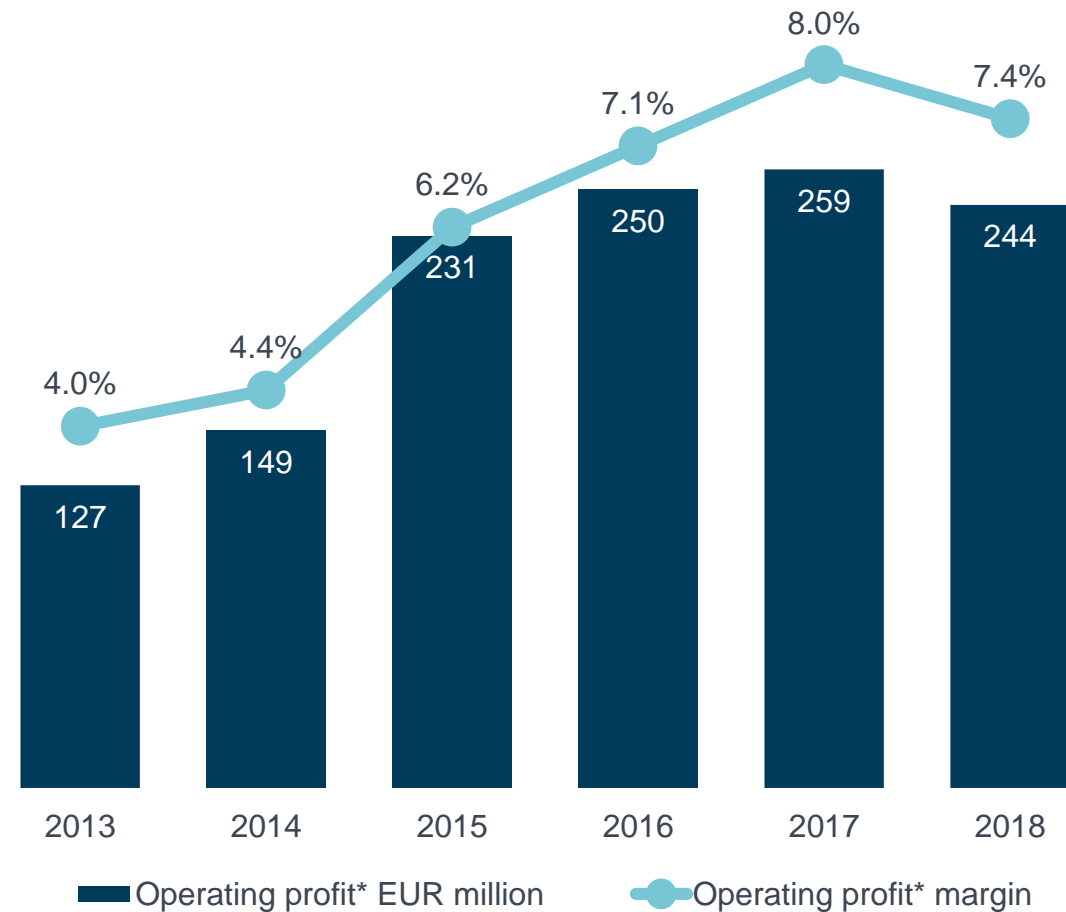
- Growth in all business areas
  - Kalmar +23%
  - Hiab +13%
  - MacGregor +11%

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

# 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

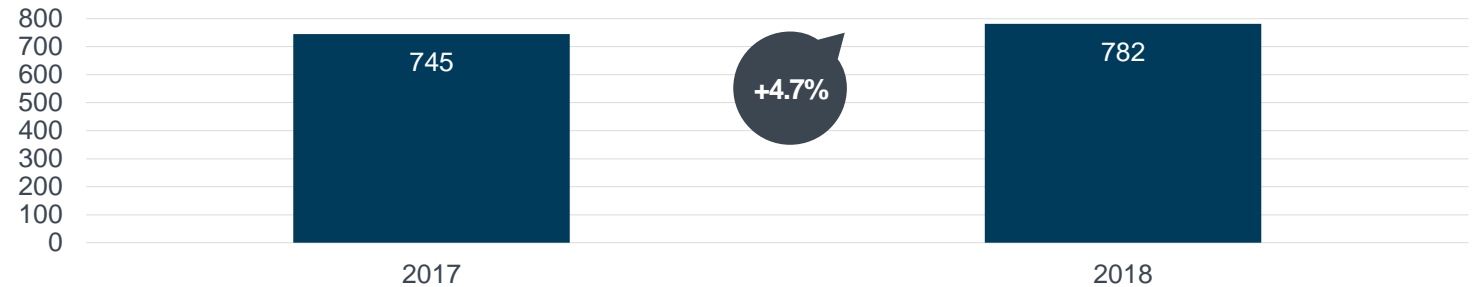
- Good development continued in Europe and the US

## 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

Global container throughput (MTEU) – Key driver for Kalmar

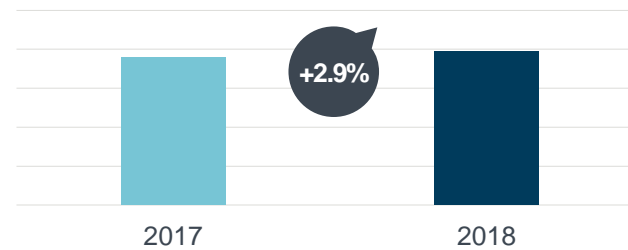
Source: Drewry



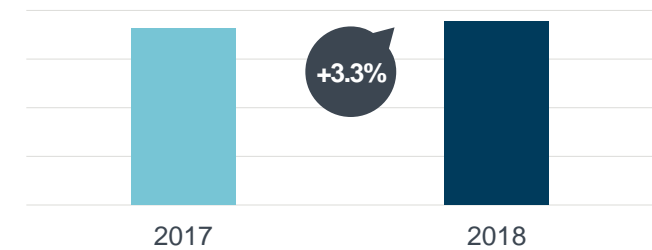
Construction output – Key driver for Hiab

Source: Oxford Economics

United States



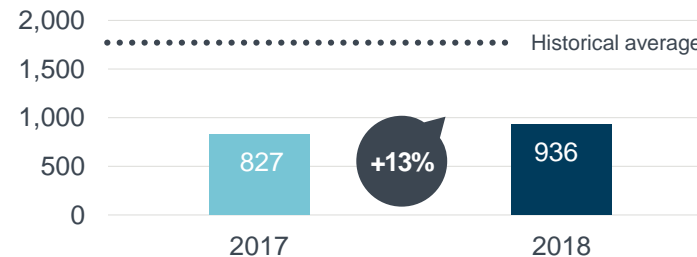
Europe



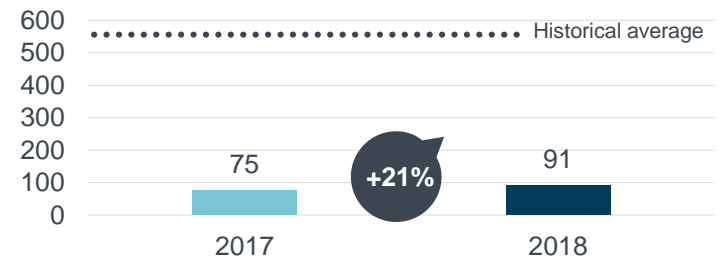
Long term contracting – Key driver for MacGregor

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

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



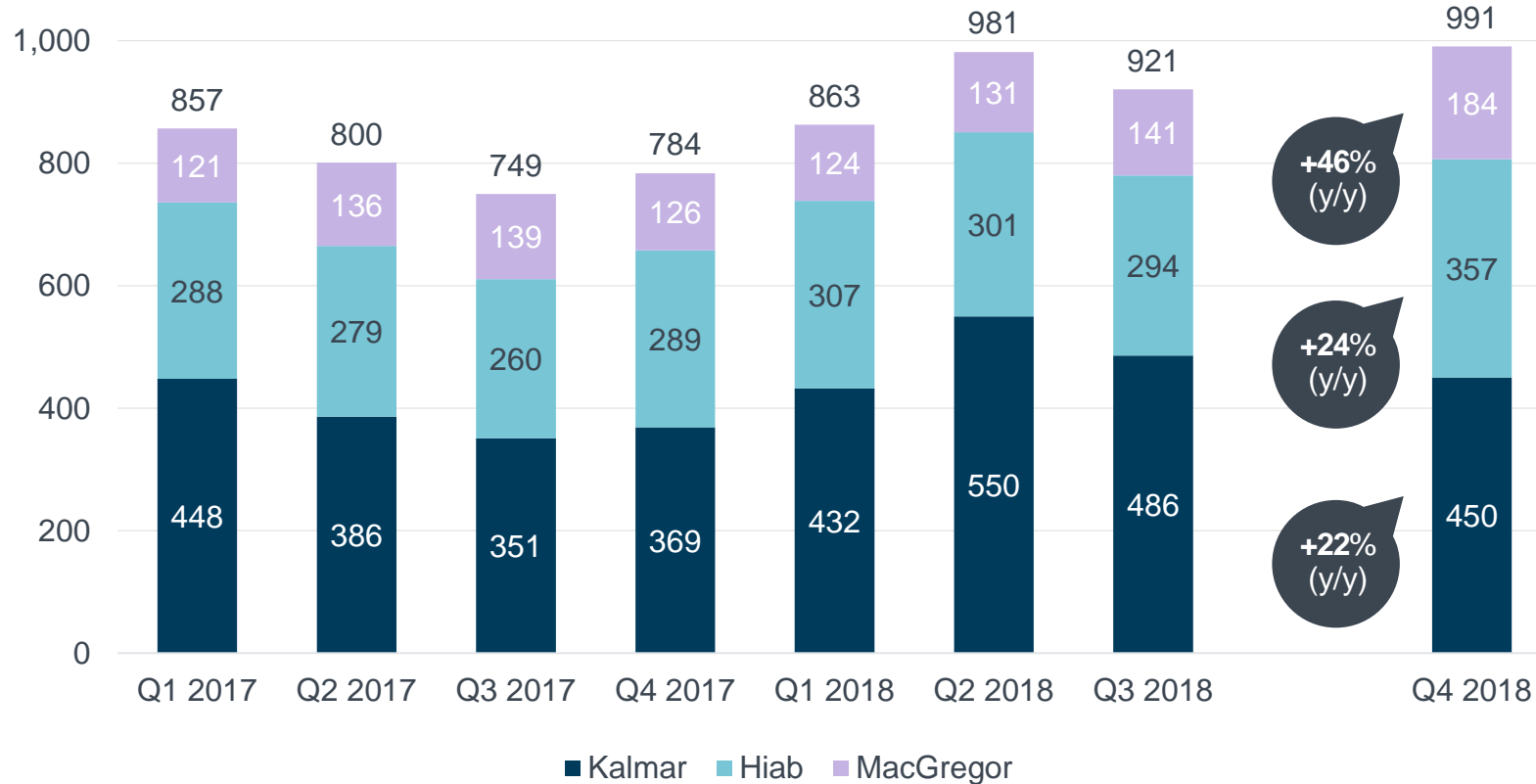
Mobile offshore units



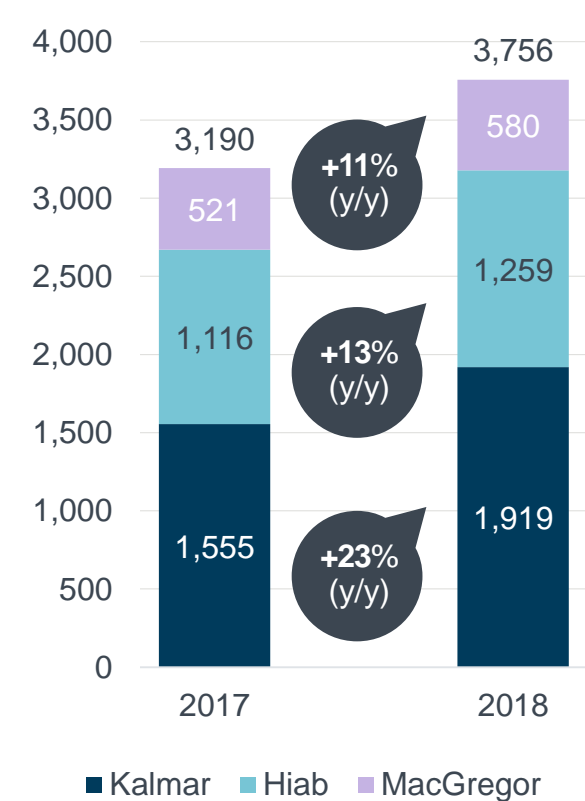
# Orders received increased by 18% in 2018, growth in all business areas

## Orders received

MEUR



MEUR

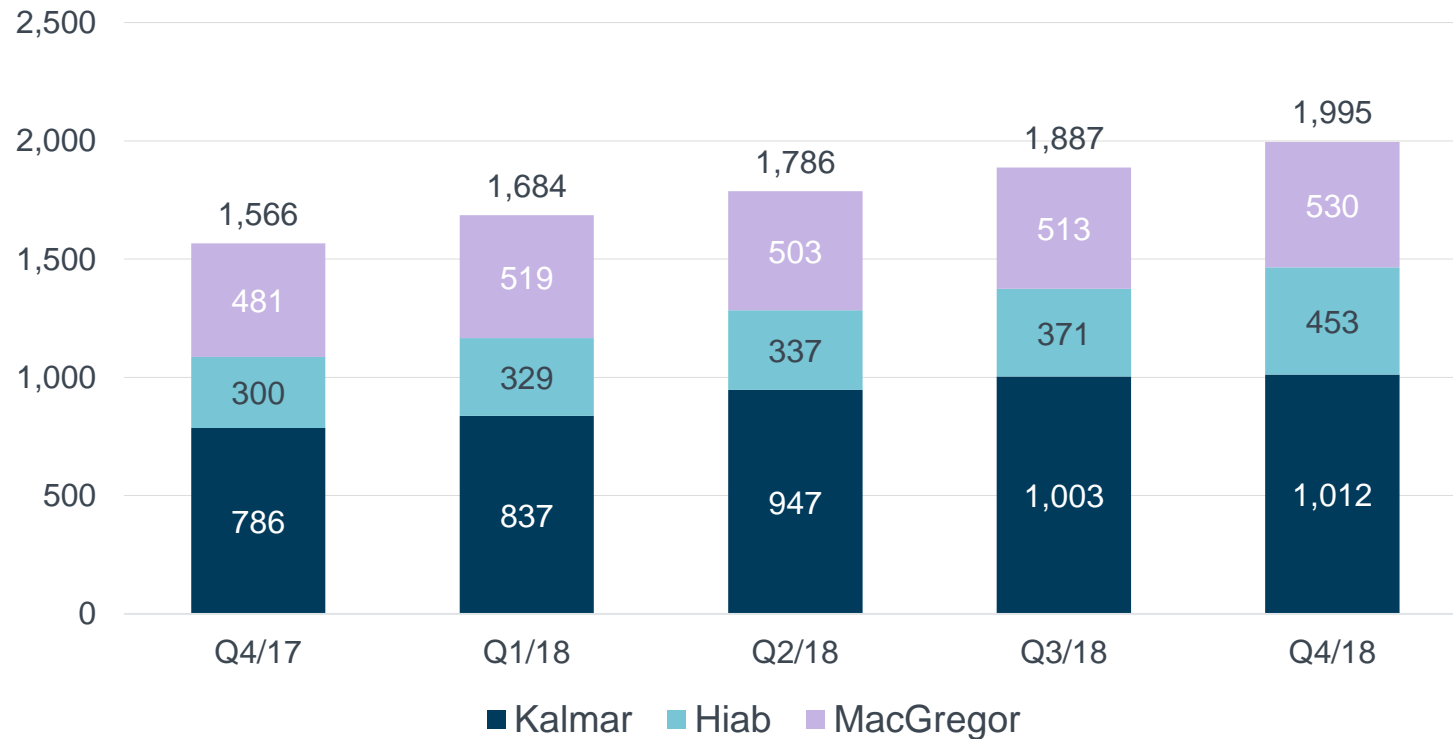


# Order book 27% higher than last year

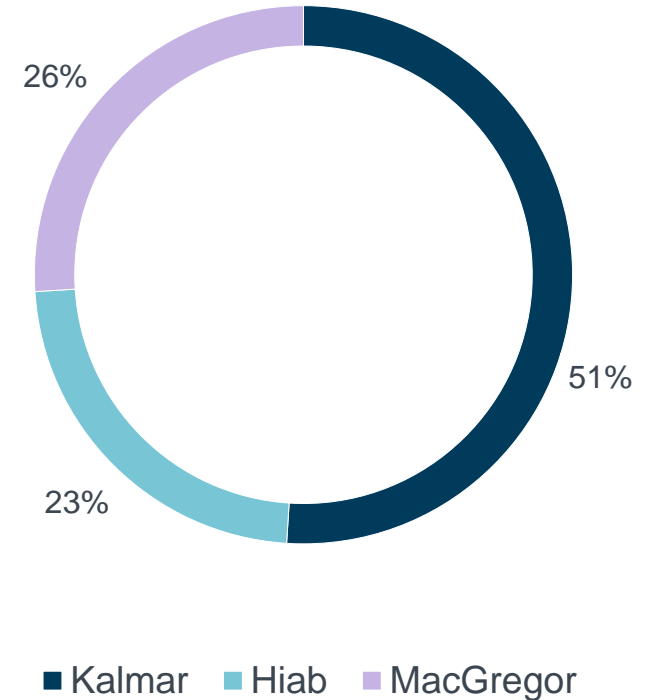
Approximately 80% of order book to be recognised as revenue in 2019

## Order book

MEUR



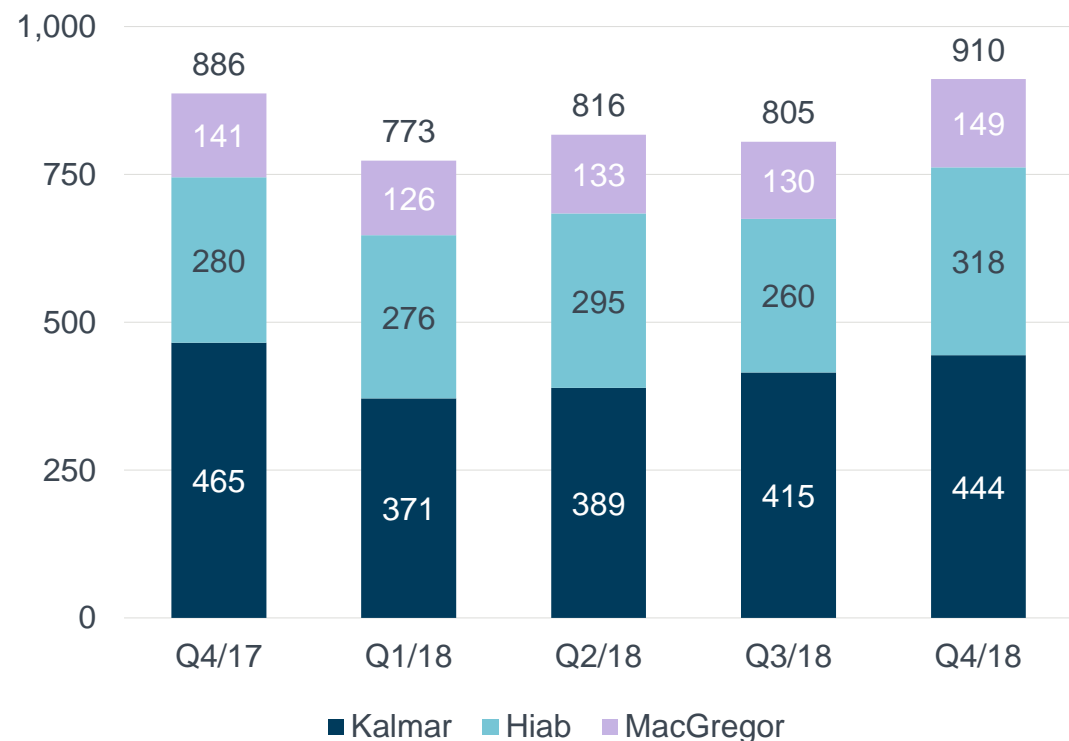
## Order book by reporting segment, Q4 2018



# Sales increased by 3% and operating profit\* 2% in Q4 2018

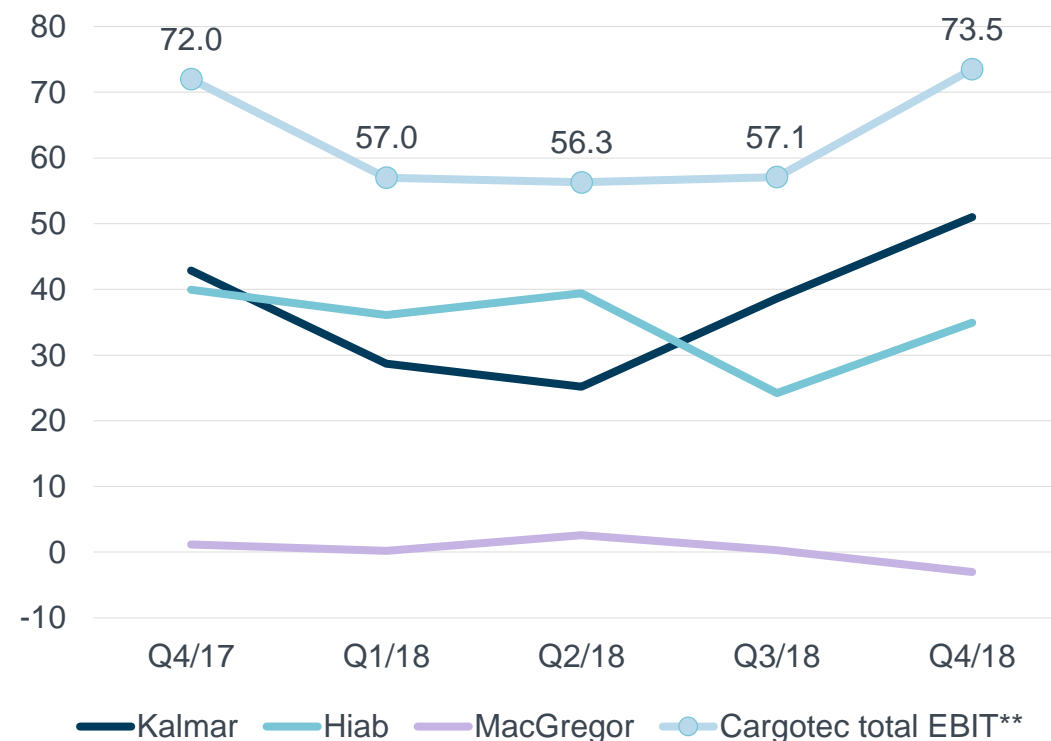
## Sales

MEUR



## Operating profit\*

MEUR

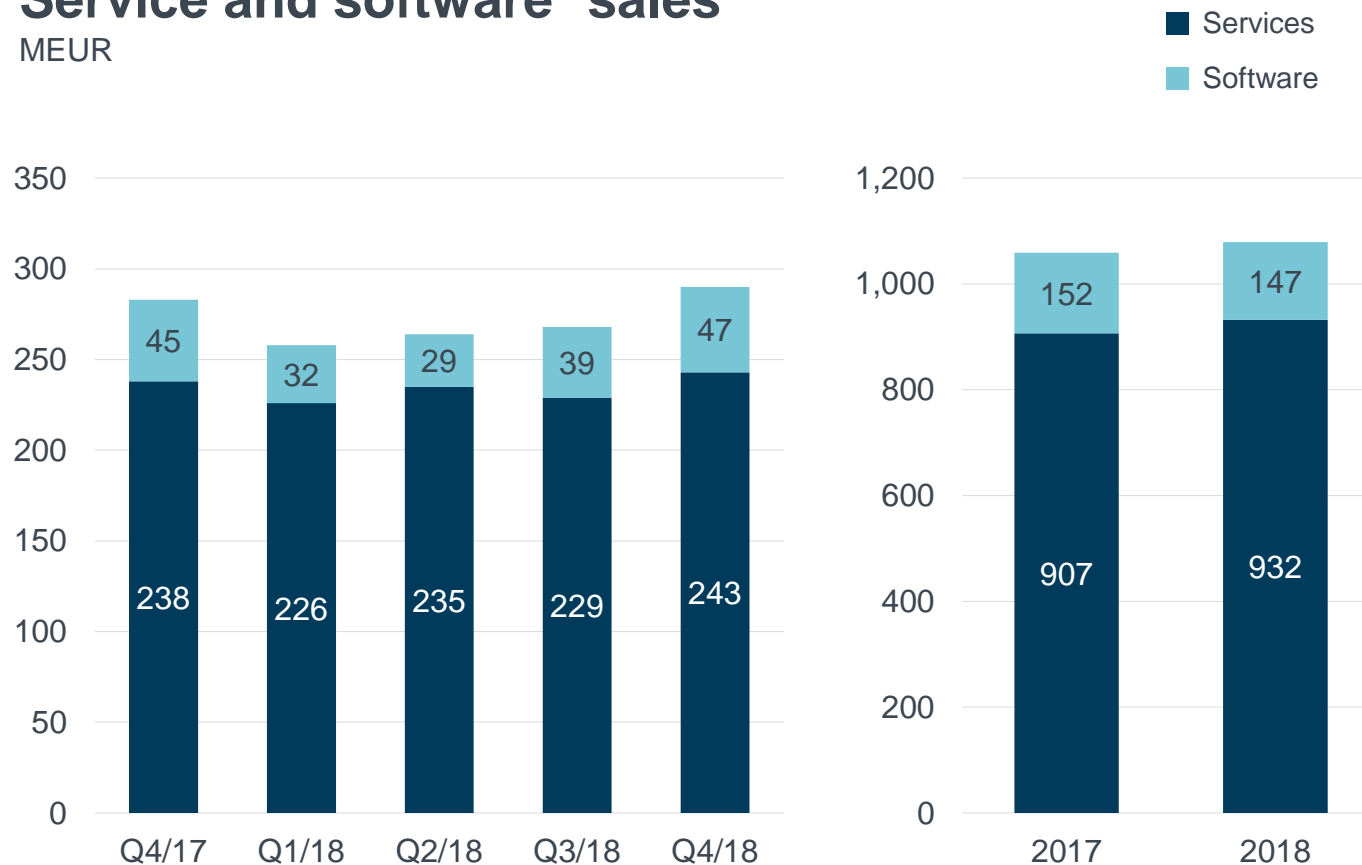


\*) Excluding restructuring costs, \*\*) Including Corporate admin and support

# Growth in service sales continued

## Service and software\* sales

MEUR



\*Software sales defined as Navis business unit and automation software

## 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

# Kalmar Q4 – Strong growth in orders received and operating profit\*

Orders received increased strongly

- Service orders +15%
- Growth in all geographical areas

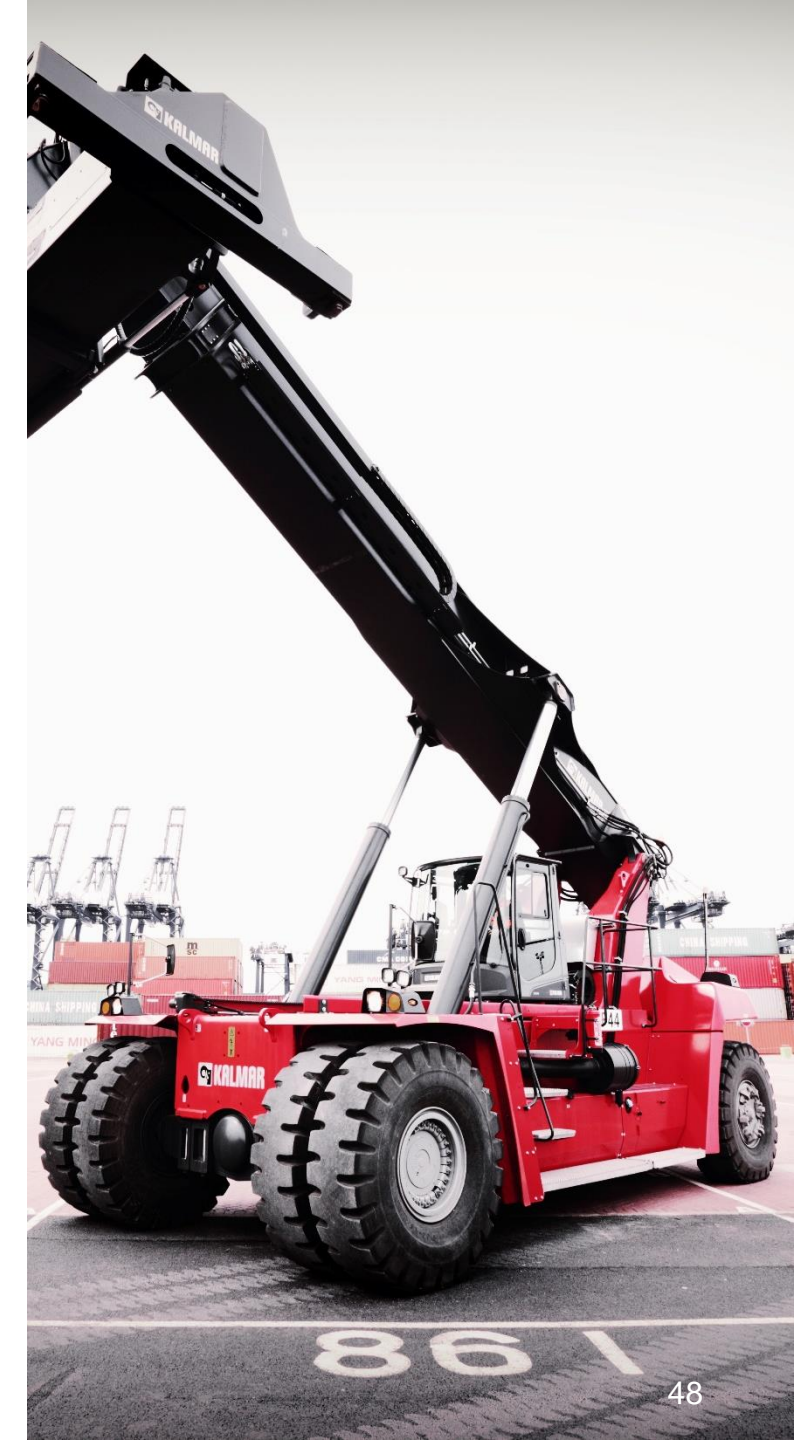
Sales declined -5%

- 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

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





# 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

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



# Addressing the supply chain challenge

We have been strategically and operationally addressing the challenges with a **dedicated task force and program** focusing on

- Our **business operations** - planning and managing demand and growth
- Improving on potential **bottlenecks** across the **total value chain**
- Specific activities to increase efficiency and output in **assembly operations**
- **Sourcing, supplier management & development, and competence**



# 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

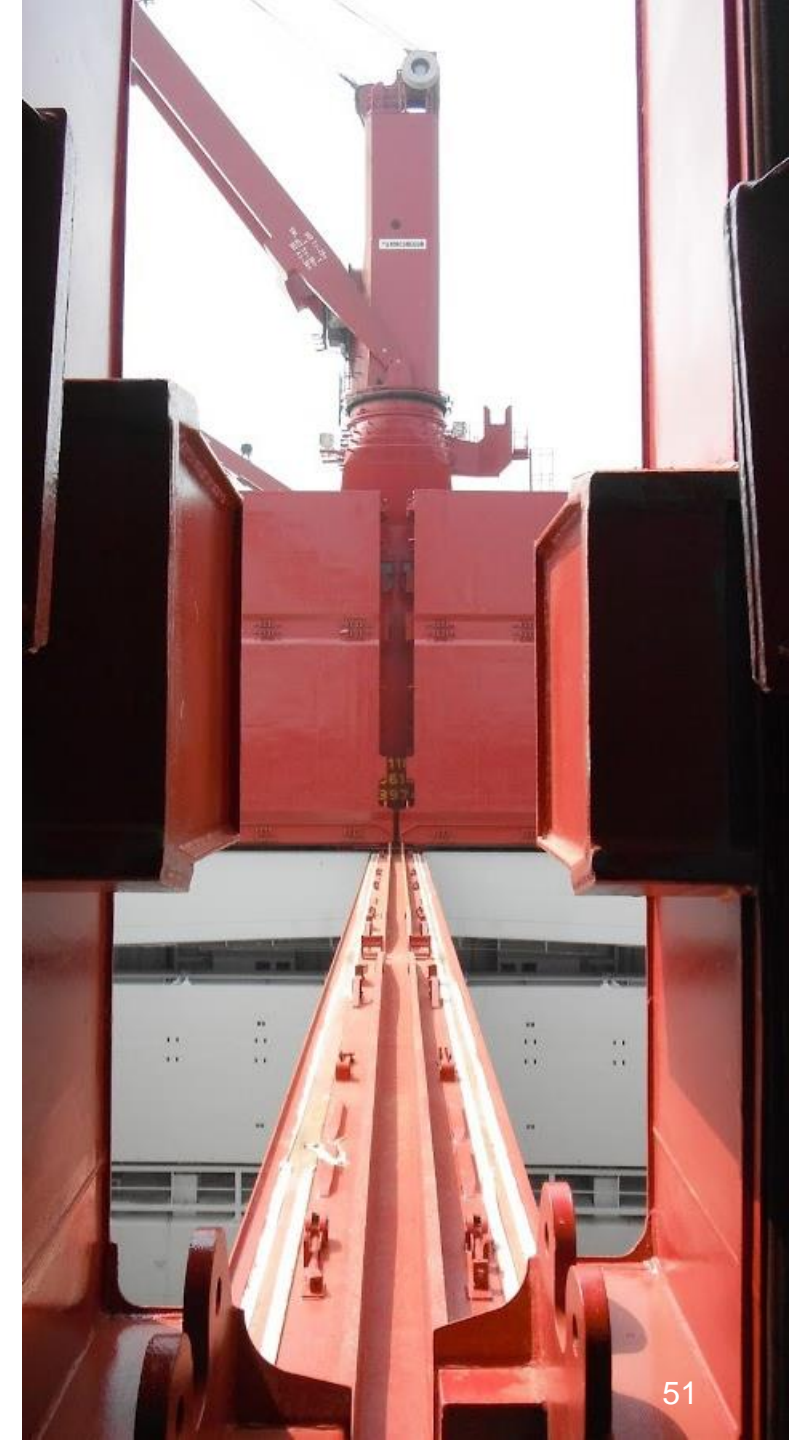
## Sales +5%

- Service sales +5%

## Operating profit\* declined

- Low capacity utilisation in certain business units
- Higher than expected project costs

MEUR	Q4/18	Q4/17	Change
Orders received	184	126	+46%
Order book	530	481	+10%
Sales	149	141	+5%
Operating profit*	-3.0	1.2	-360%
Operating profit margin*	-2.0%	0.8%	-283bps



# 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

# Key figures – Strong order intake

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

\*) 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

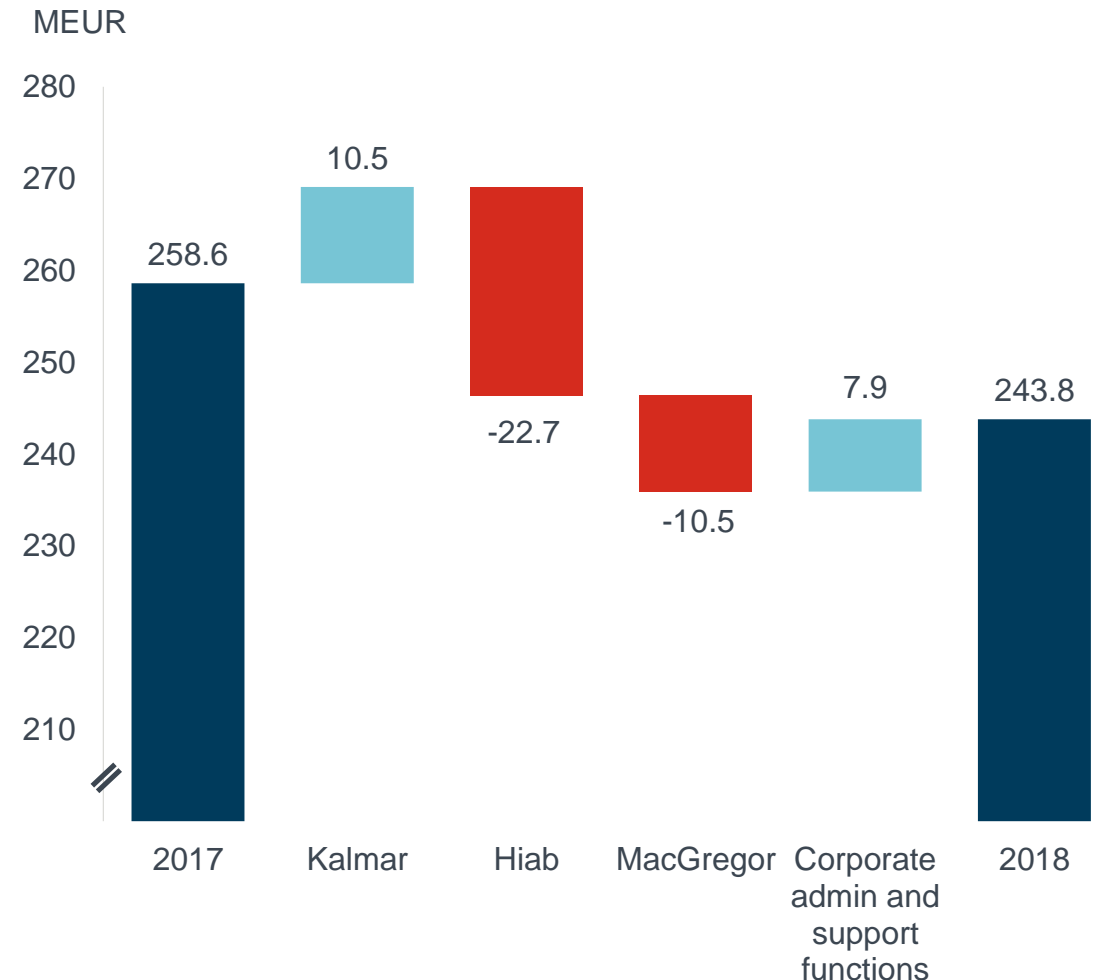
- Sales +6%
- Operating profit margin\* declined to 11.7% (14.5%)
- Negative impact from FX and supply chain bottlenecks

## MacGregor

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

## Corporate admin and support functions

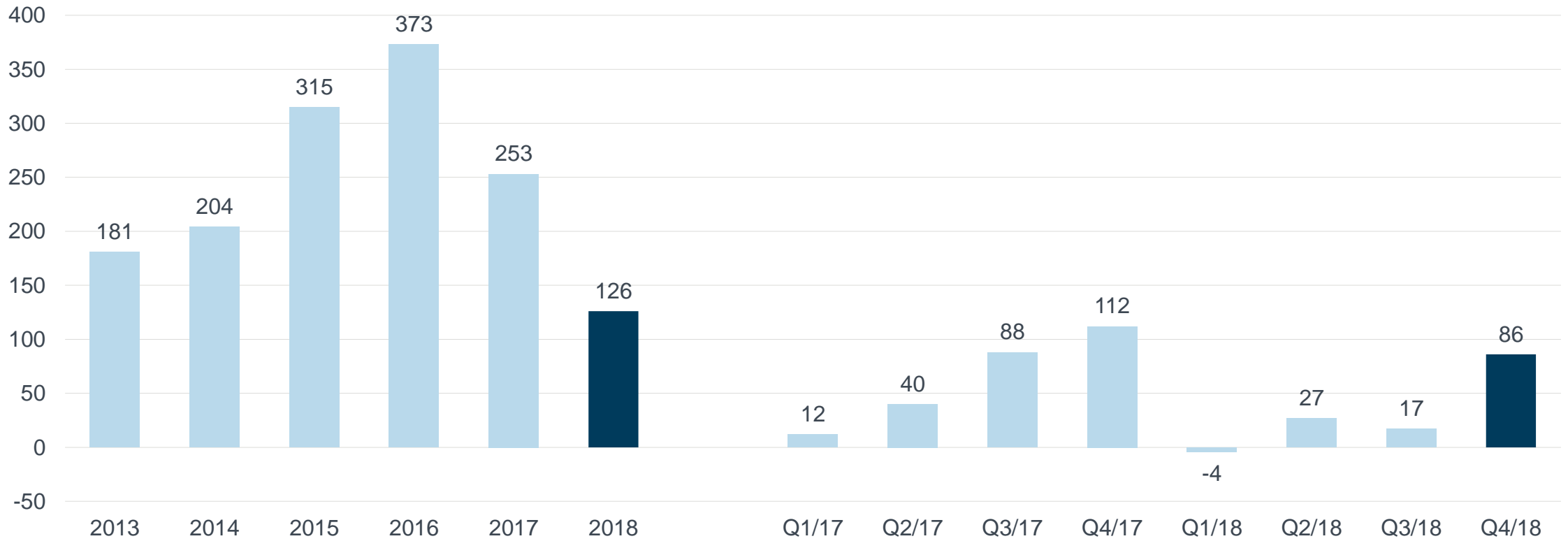
- Cost efficiency actions, higher prioritisation in business development



# Cash flow from operations declined in 2018 due to increase in working capital

## Cash flow from operations

MEUR



# Strong balance sheet

## Net debt EUR 625 million (31 Dec 2017: 472)

- Average interest rate 2.2% (2.3%)
- Net debt/EBITDA 2.3 (1.6)

## Total shareholders' equity EUR 1,426 million (1,423)

- Equity/total assets 40.9% (41.4%)

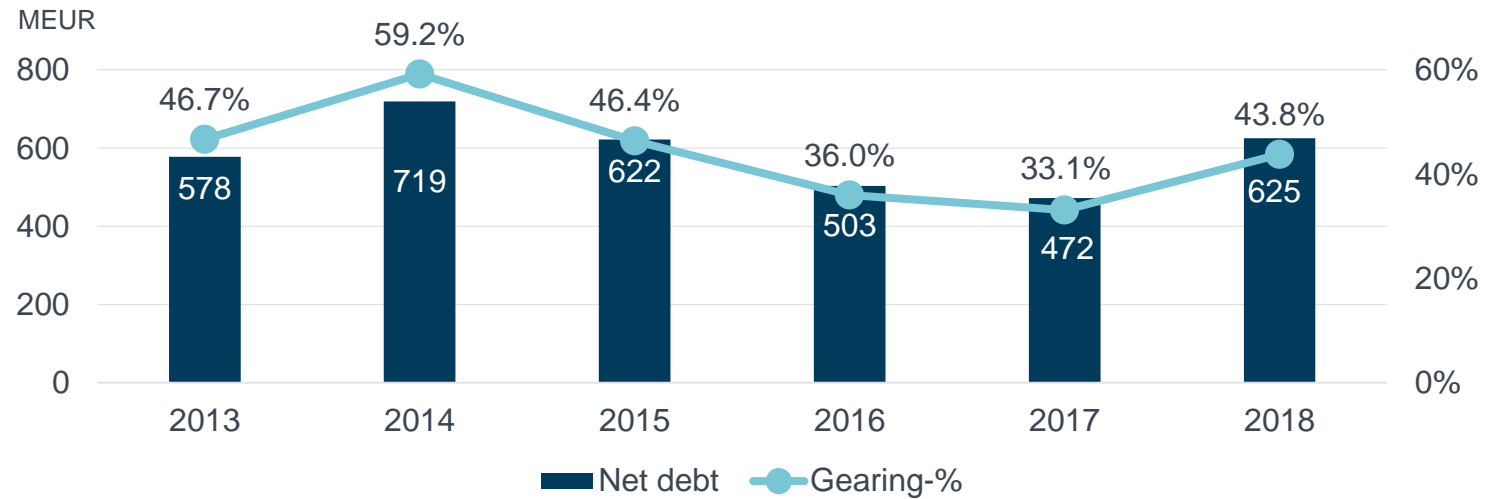
## Well diversified loan portfolio:

- Bonds EUR 464 million
- Bank loans EUR 426 million
- EUR 300 million revolving credit facility refinanced in Q2/17, the facility is fully undrawn

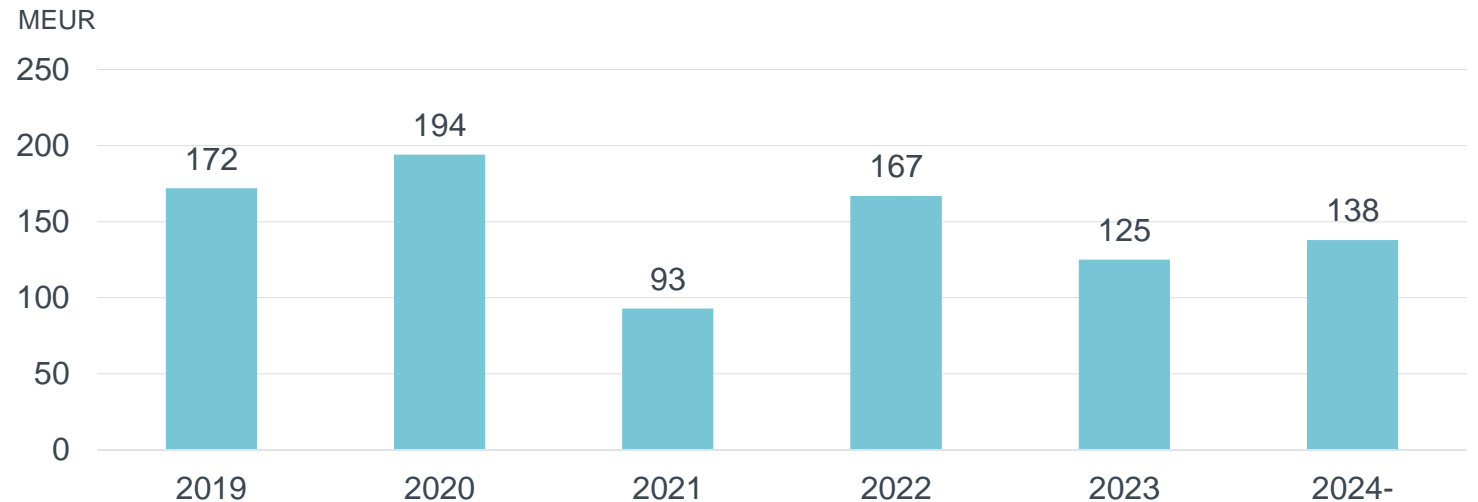
## Balanced maturity profile

- EUR 172 million loans maturing in 2019

### Net debt and gearing



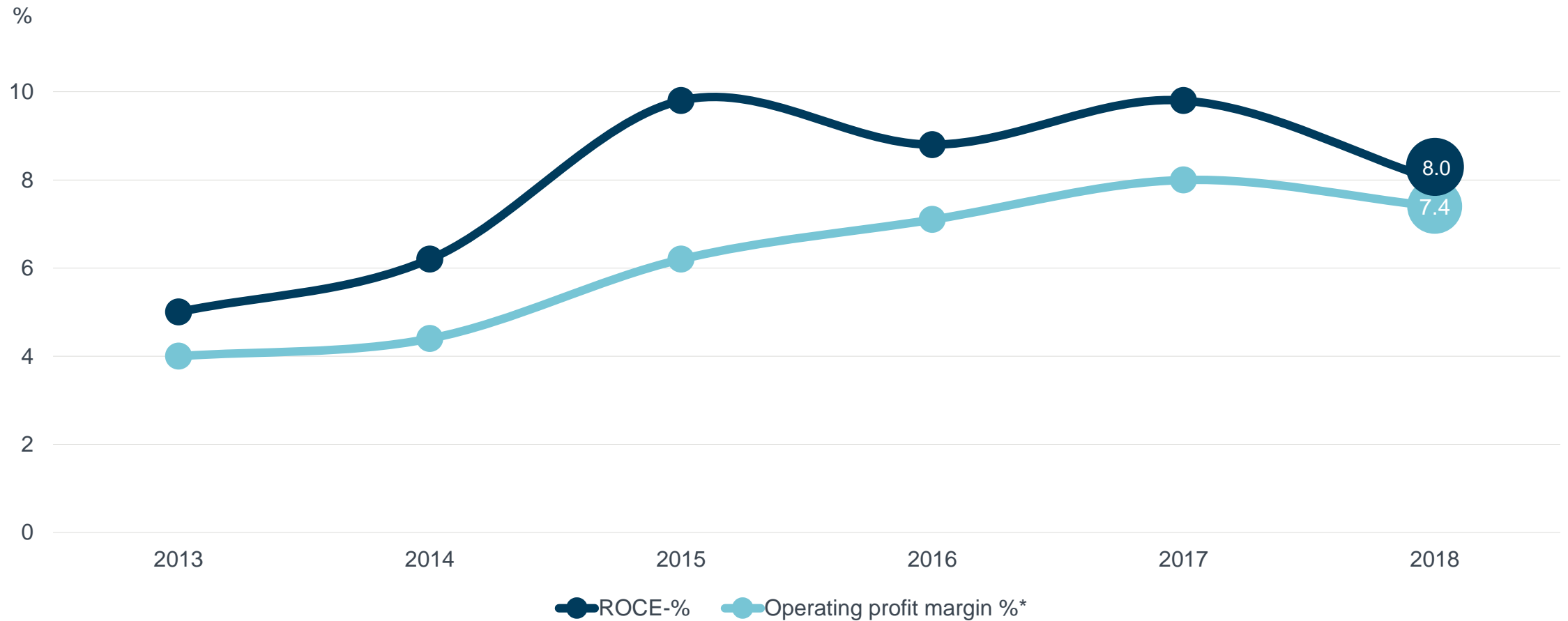
### Maturity profile





# ROCE declined compared to 2017

## ROCE excluding restructuring costs 10% in 2018



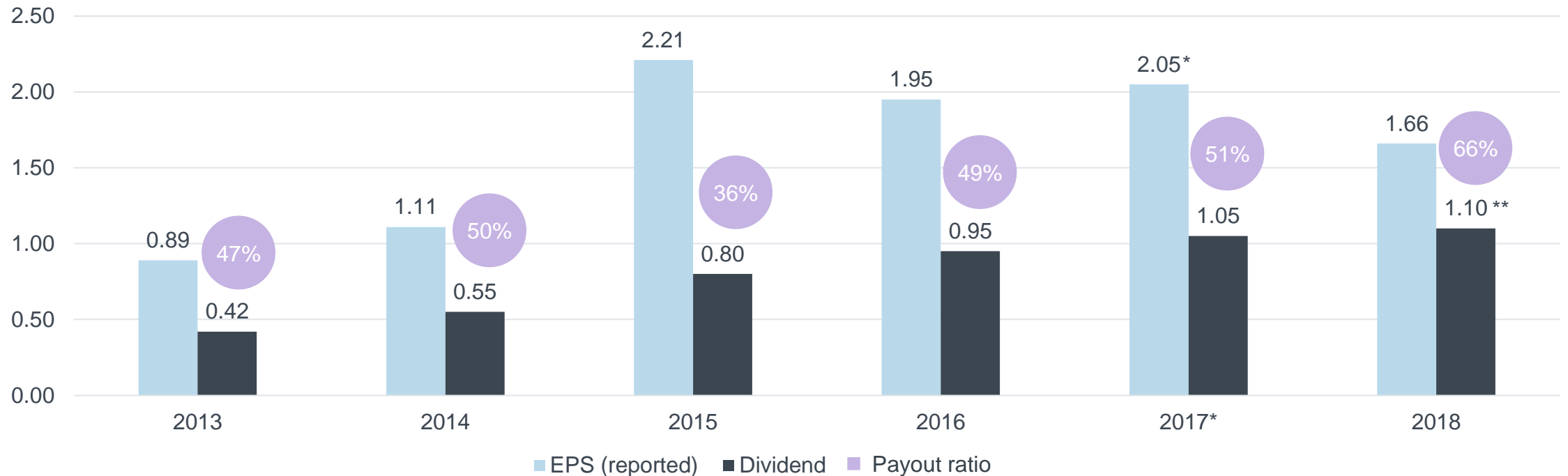
ROCE (return on capital employed), annualised \*) Excluding restructuring costs

# 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%





# Outlook for 2019

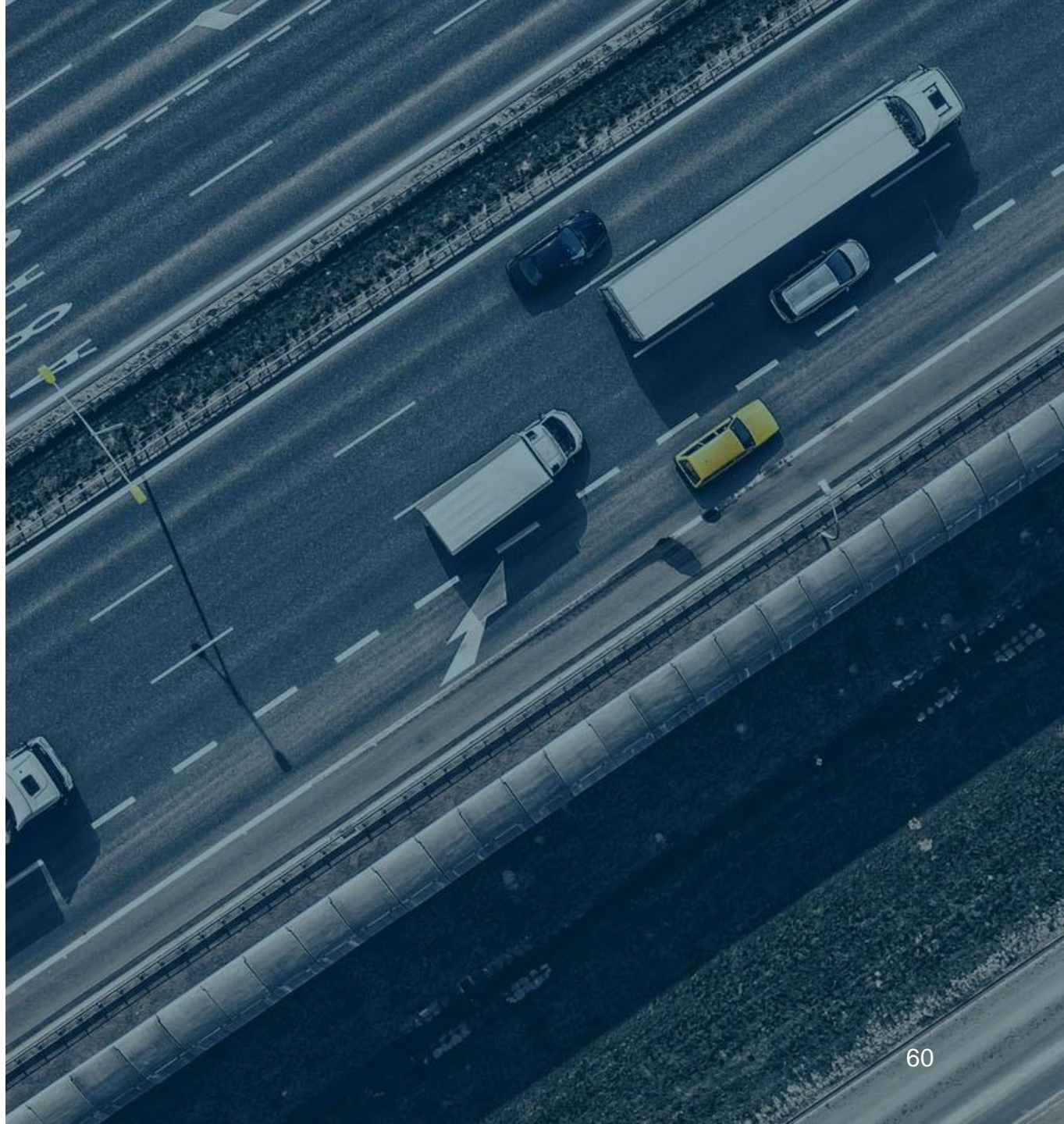
Cargotec expects its comparable operating profit for 2019 to improve from 2018 (EUR 242.1 million).

## **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).

# Appendix

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

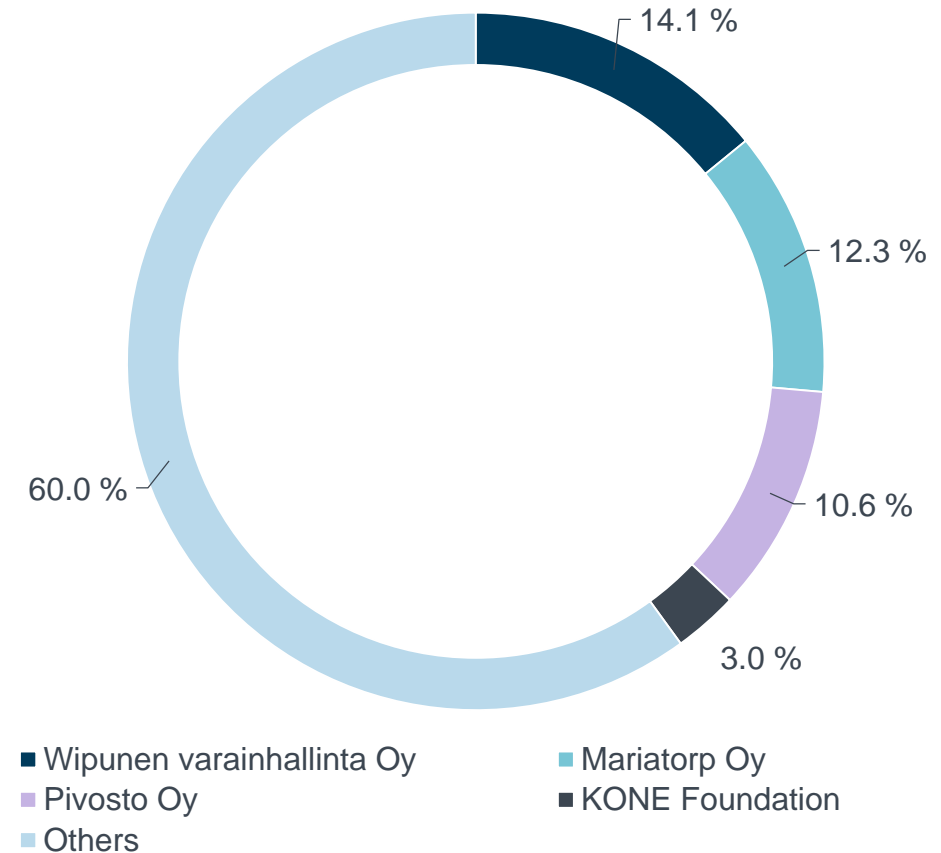


# Largest shareholders

## 31 March 2019

	% of shares	% of votes
1. Wipunen varainhallinta Oy	14.1	23.7
2. Mariatorp Oy	12.3	22.9
3. Pivosto Oy	10.6	22.2
4. KONE Foundation	3.0	5.5
5. Ilmarinen Mutual Pension Insurance Company	2.4	1.1
6. Varma Mutual Pension Insurance Company	1.8	0.8
7. The State Pension Fund	1.0	0.4
8. Mandatum Life Insurance Company Ltd.	0.7	0.3
9. Veritas Pension Insurance Company Ltd.	0.7	0.3
10. Herlin Heikki Juho Kustaa	0.6	0.3
<b>Nominee registered and non-Finnish holders</b>	<b>27.8</b>	
<b>Total number of shareholders</b>	<b>22,916</b>	

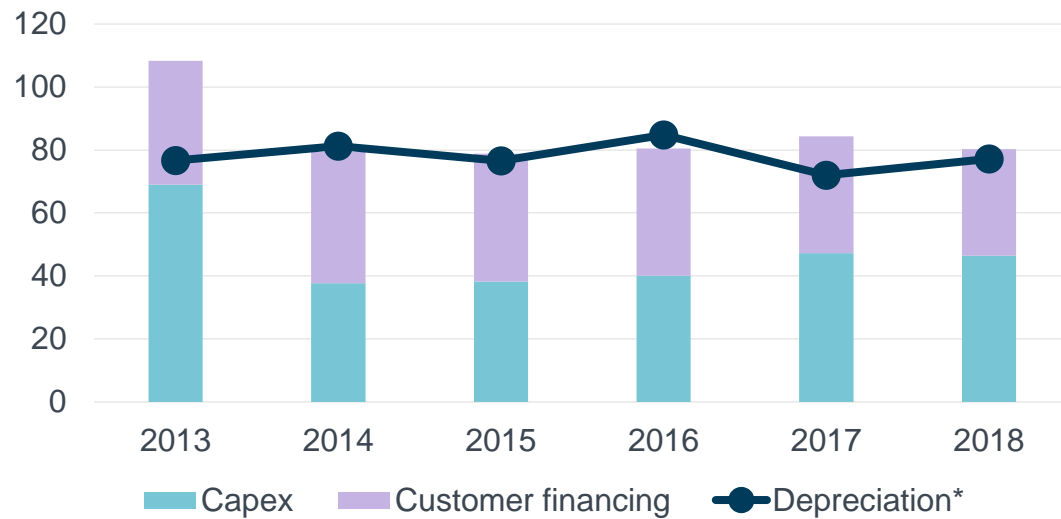
% of shares



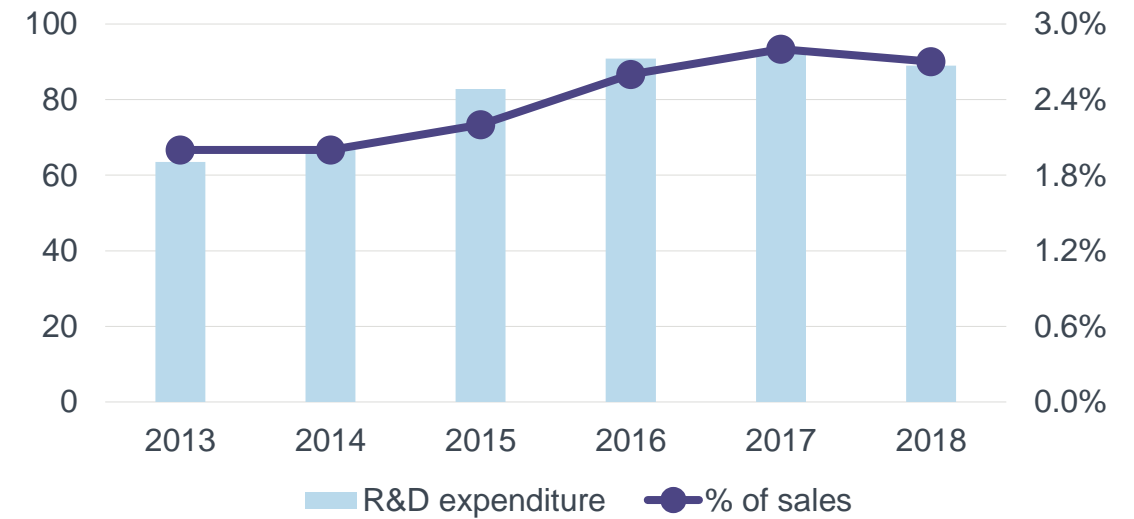
Wipunen varainhallinta Oy is a company controlled by Ilkka Herlin, Mariatorp Oy a company controlled by Niklas Herlin's estate and Pivosto Oy a company controlled by Ilona Herlin.

# Capex and R&D

## Capital expenditure



## Research and development



### Main capex investments:

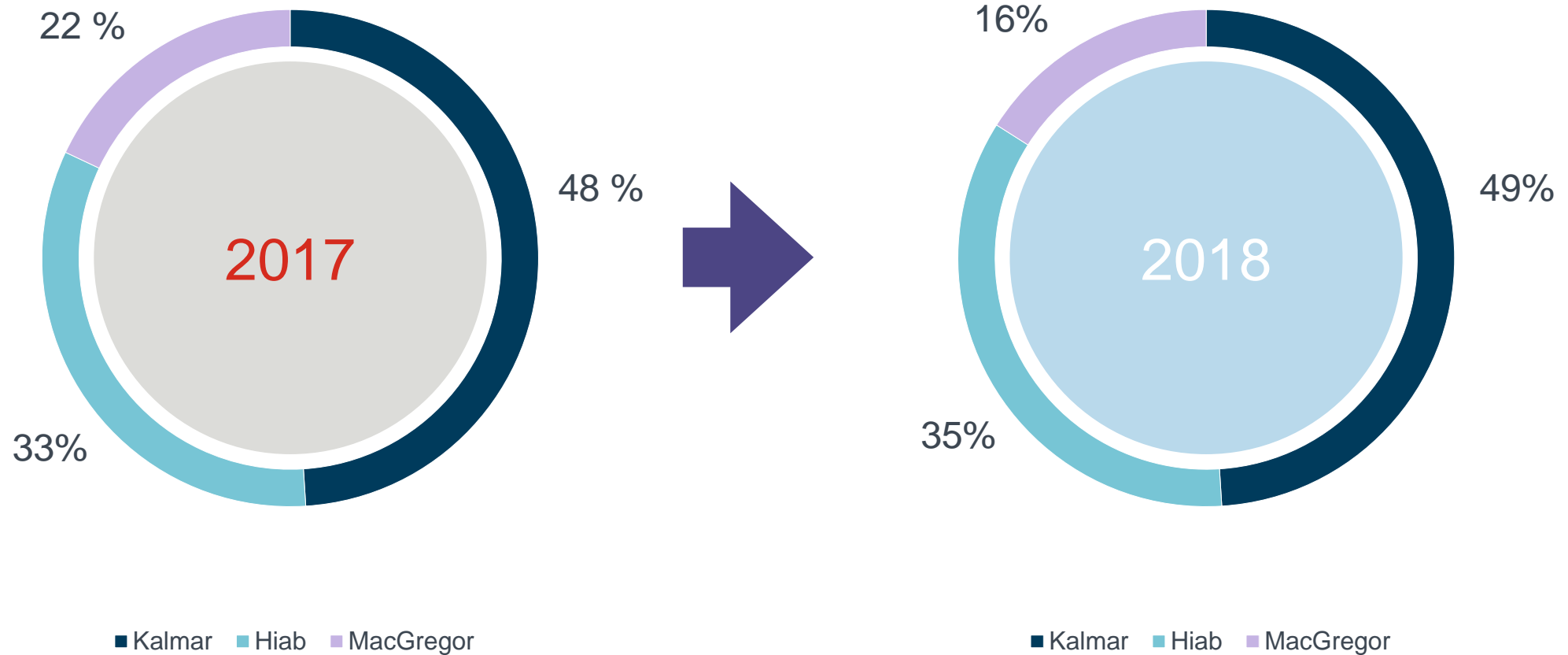
- Kalmar innovation center in Ljungby, Sweden
- Investments in multi-assembly units in Kalmar and Hiab
- Intangible assets, such as global systems to improve efficiency in operational activities and support functions

### R&D investments focused on

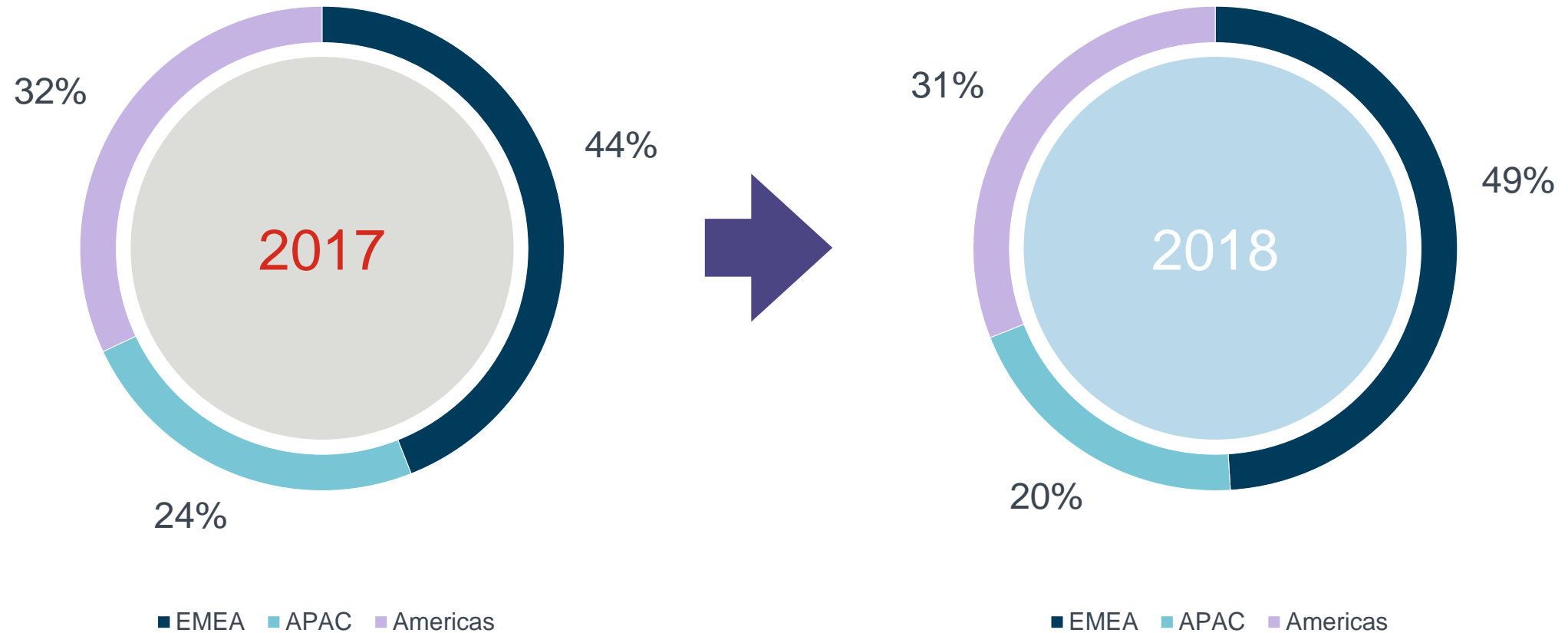
- Digitalisation
- Competitiveness and cost efficiency of products

\*) Including amortisations and impairments

# Hiab's share increasing in sales mix

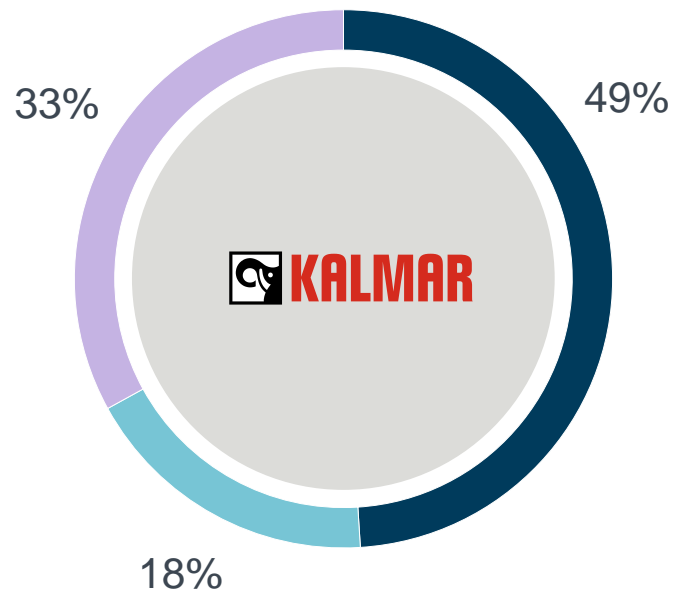


# Well diversified geographical sales mix

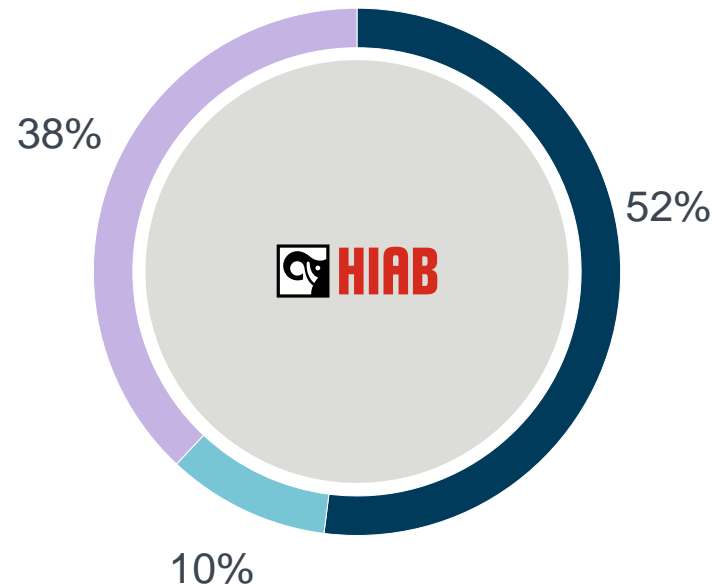




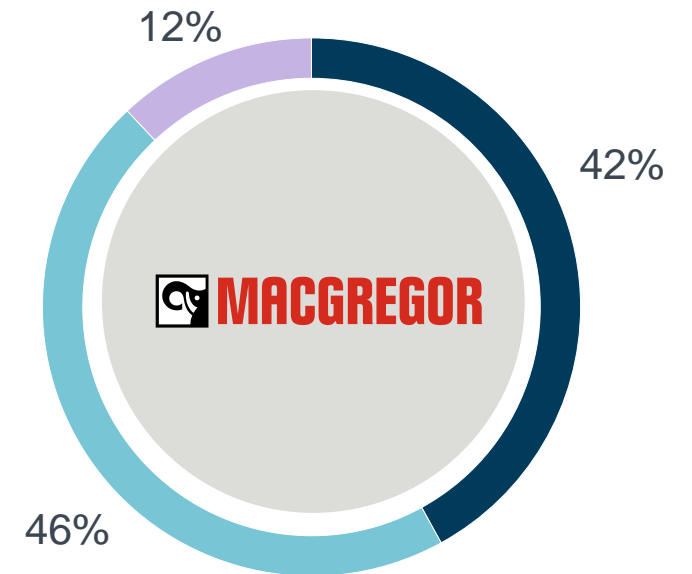
# Sales by geographical segment by business area 2018



■ EMEA ■ APAC ■ Americas



■ EMEA ■ APAC ■ Americas



■ EMEA ■ APAC ■ Americas

# 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)

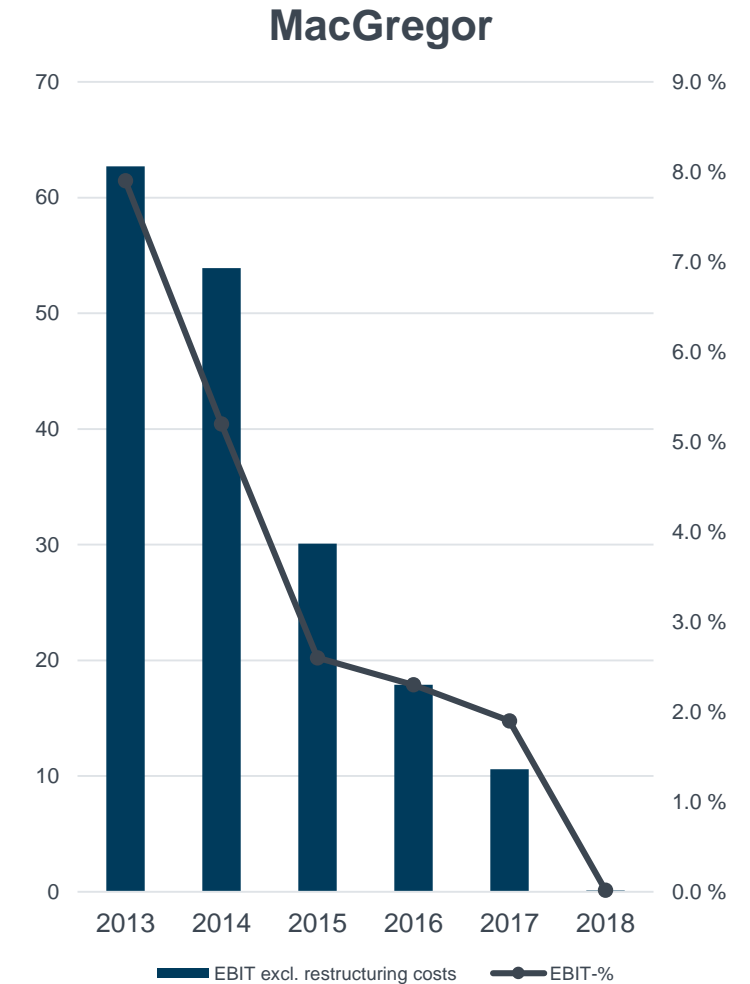
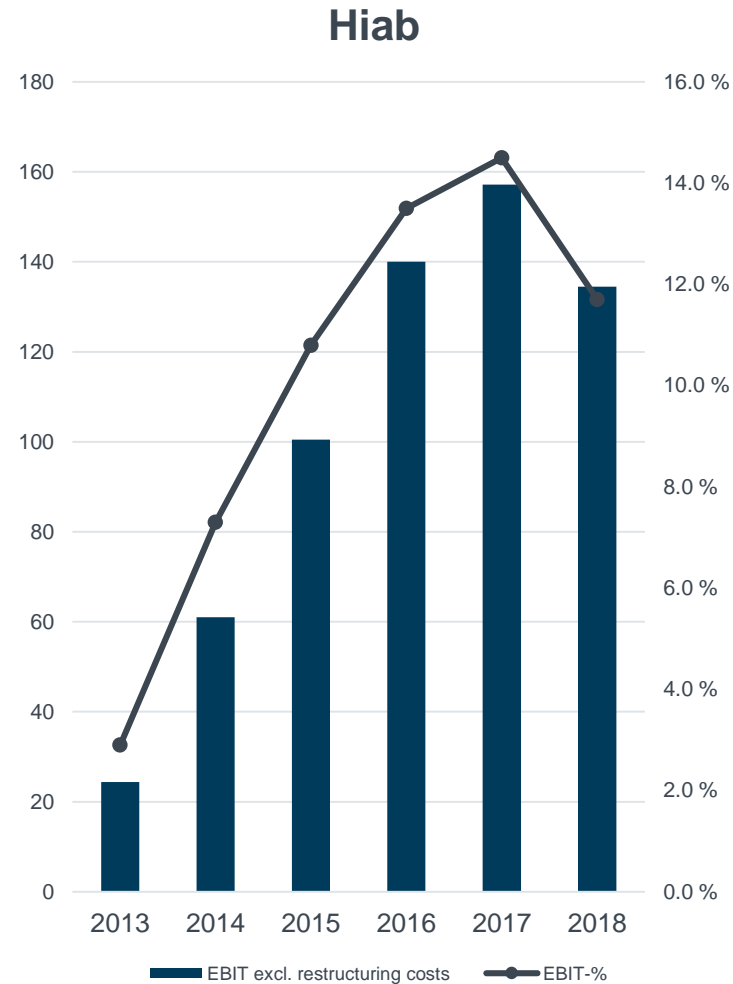
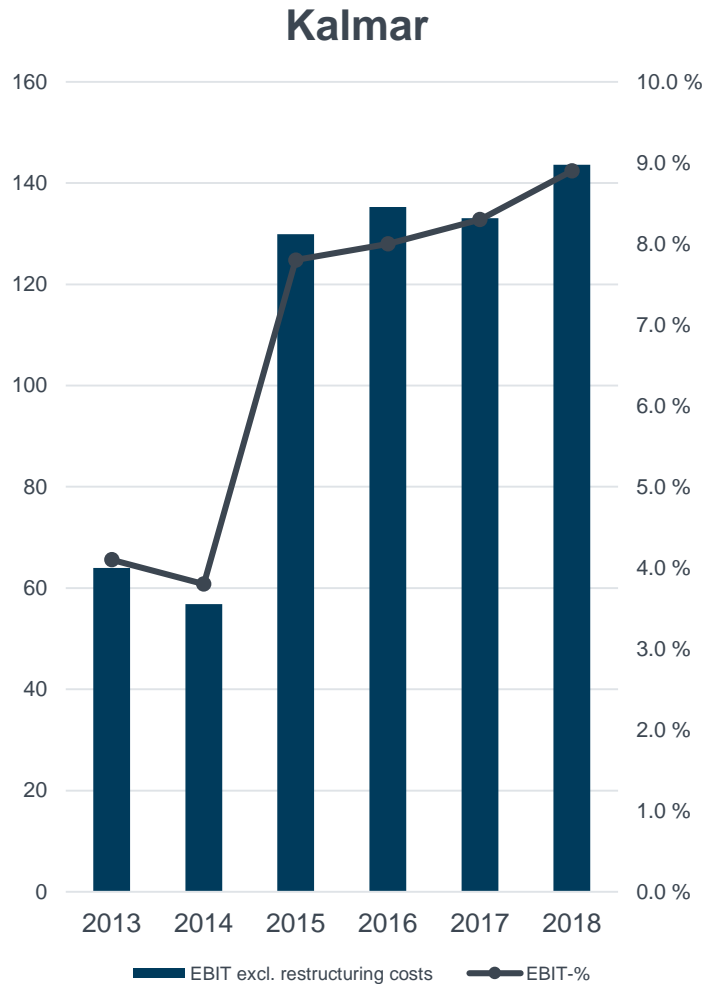
## APAC

- 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)

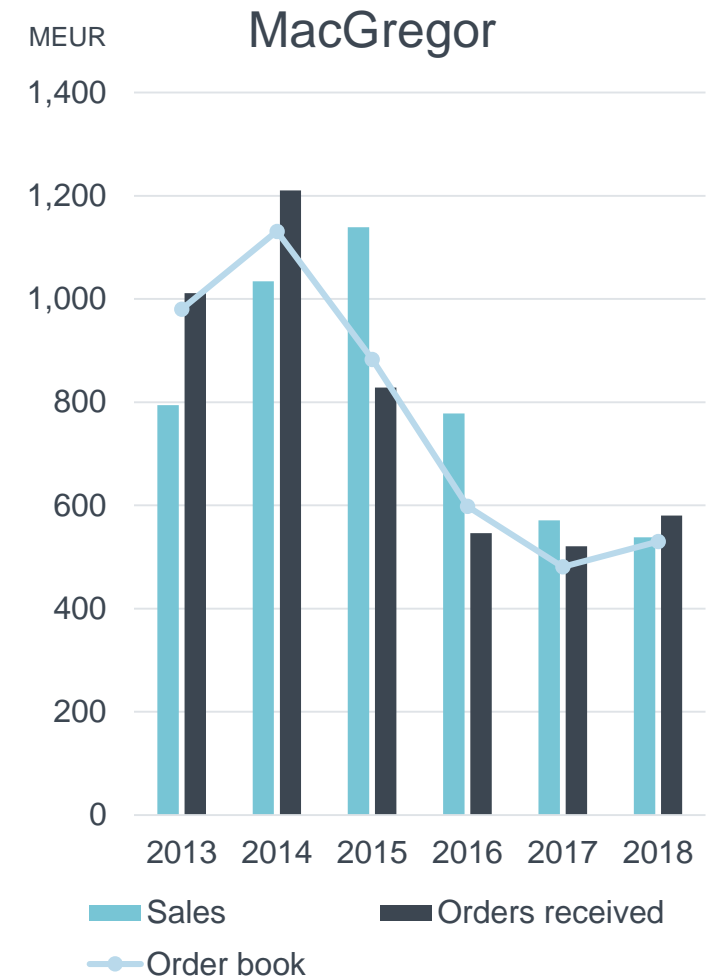
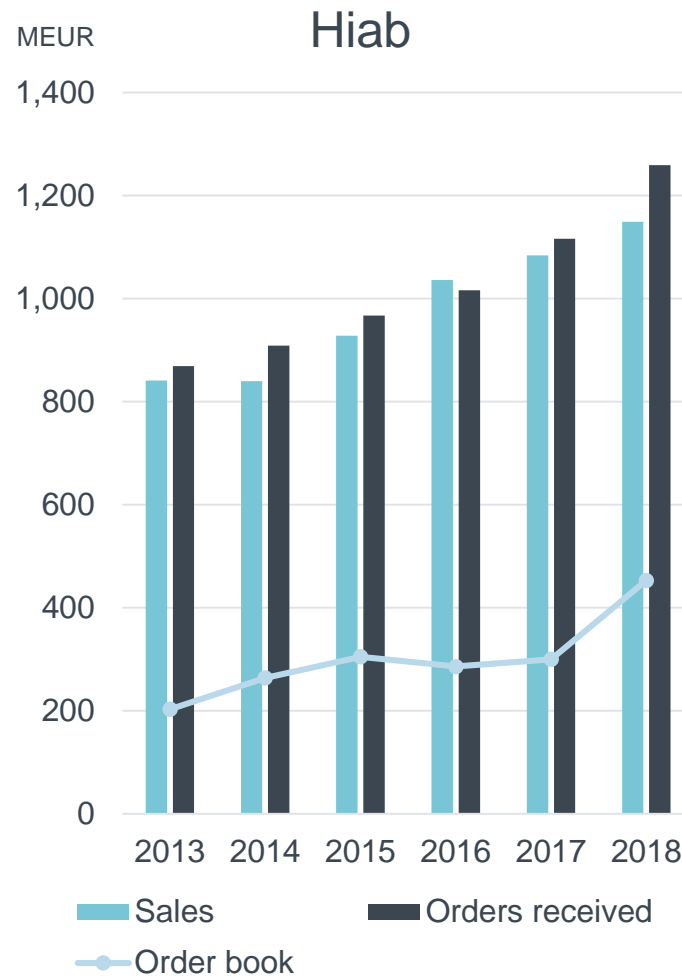
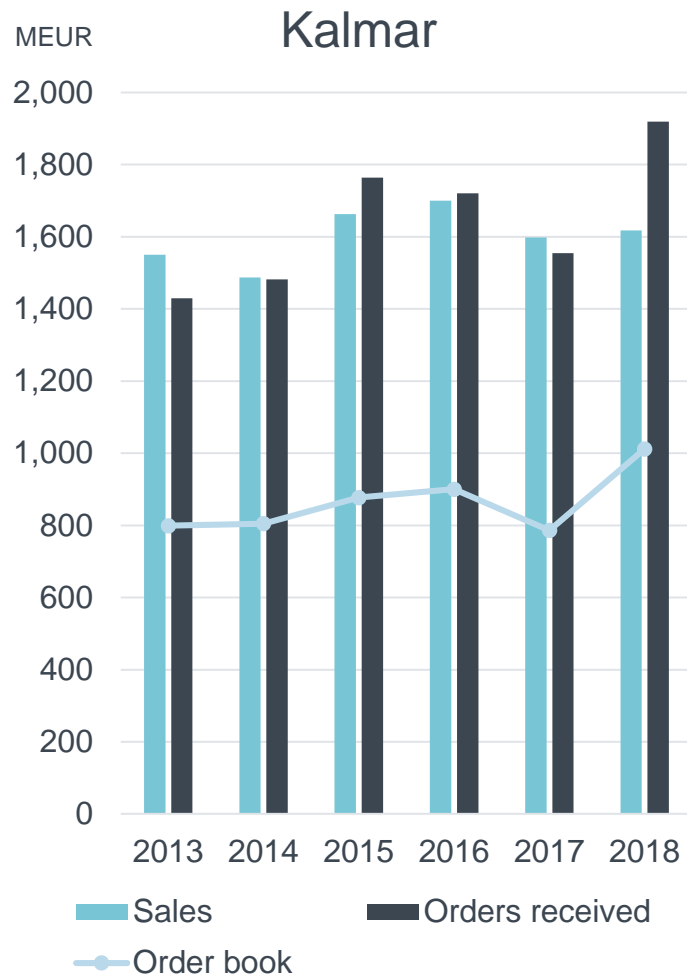
## Americas

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

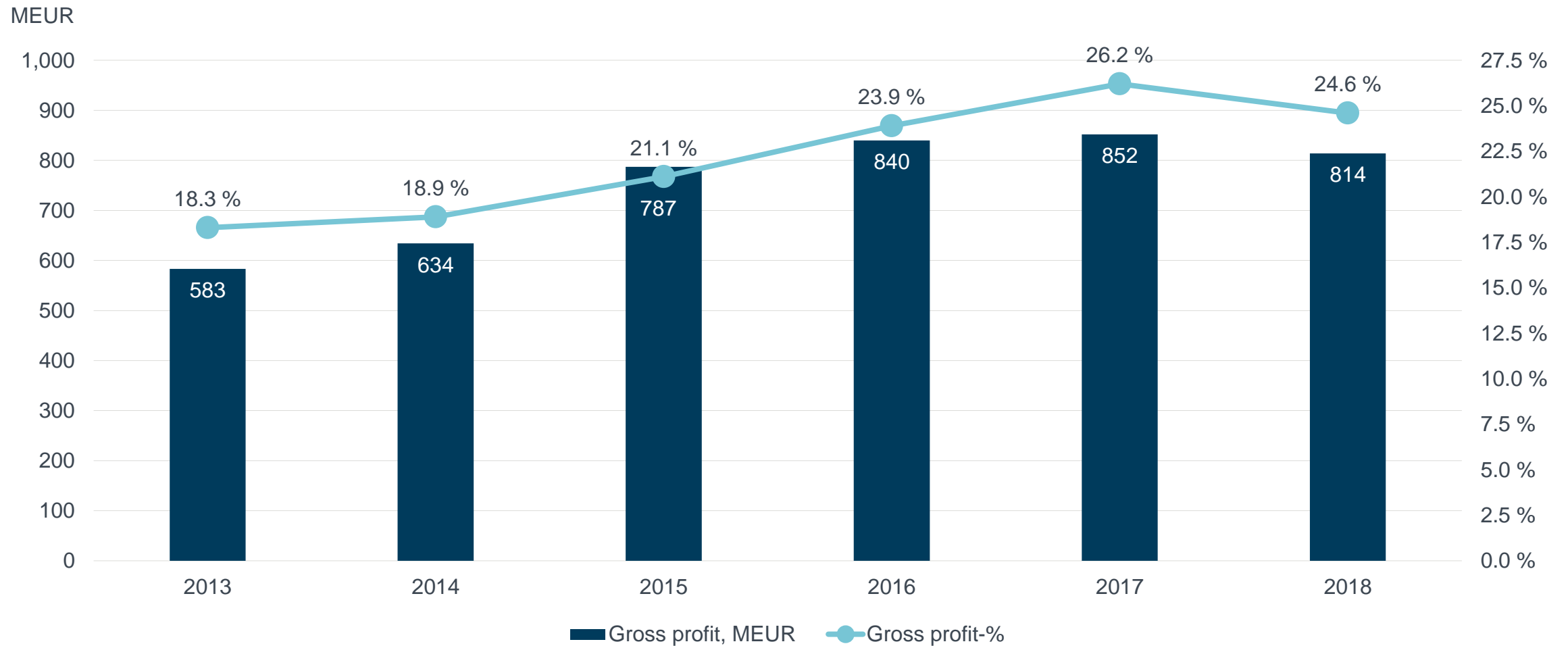
# Operating profit excl. restructuring costs development



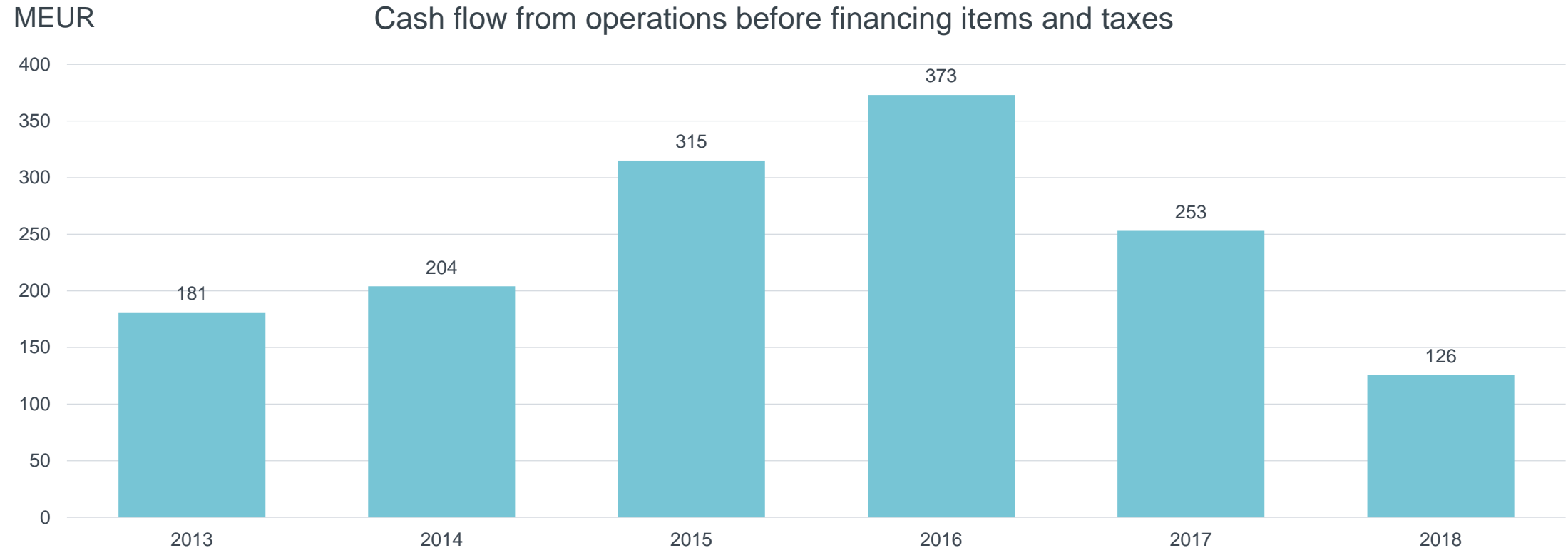
# Sales and orders received development



# Gross profit development



# Cash flow from operations declined in 2018 due to increase in working capital



# Income statement Q4 2018

MEUR	Q4/18	Q4/17	2018	2017
<b>Sales</b>	909.8	886.2	3,303.5	3,249.8
Cost of goods sold	-694.0	-655.0	-2,489.3	-2,397.7
<b>Gross profit</b>	<b>215.8</b>	<b>231.2</b>	<b>814.2</b>	<b>852.1</b>
<i>Gross profit, %</i>	23.7%	26.1%	24.6%	26.2%
Other operating income	14.7	8.2	44.8	35.8
Selling and marketing expenses	-61.2	-56.5	-234.4	-221.8
Research and development expenses	-24.2	-27.5	-94.7	-98.2
Administration expenses	-64.3	-73.5	-252.9	-273.6
Restructuring costs	-12.5	-17.2	-53.8	-36.5
Other operating expenses	-9.0	-9.8	-35.4	-36.7
Costs and expenses	-156.5	-176.3	-626.5	-631.0
Share of associated companies' and joint ventures' net income	1.7	-0.2	2.3	0.9
<b>Operating profit</b>	<b>60.9</b>	<b>54.7</b>	<b>190.0</b>	<b>222.1</b>
<i>Operating profit, %</i>	6.7%	6.2%	5.8%	6.8%
Financing income and expenses	-8.7	-7.7	-28.9	-32.9
<b>Income before taxes</b>	<b>52.2</b>	<b>47.0</b>	<b>161.1</b>	<b>189.2</b>
<i>Income before taxes, %</i>	5.7%	5.3%	4.9%	5.8%
Income taxes	-18.1	-19.3	-53.1	-56.5
<b>Net income for the period</b>	<b>34.1</b>	<b>27.7</b>	<b>108.0</b>	<b>132.7</b>
<i>Net income for the period, %</i>	3.8%	3.1%	3.3%	4.1%

## Net income for the period attributable to:

Equity holders of the parent	33.9	27.1	107.0	132.4
Non-controlling interest	0.2	0.6	1.1	0.2
<b>Total</b>	<b>34.1</b>	<b>27.7</b>	<b>108.0</b>	<b>132.7</b>

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

Earnings per share, EUR	0.53	0.42	1.66	2.05
Diluted earnings per share, EUR	0.52	0.42	1.65	2.05

# Balance sheet 31 December 2018

ASSETS, MEUR	31 Dec 2018	31 Dec 2017
<b>Non-current assets</b>		
Goodwill	970.9	986.7
Other intangible assets	278.6	260.8
Property, plant and equipment	308.7	310.8
Investments in associated companies and joint ventures	99.8	109.8
Share investments	0.3	0.2
Loans receivable and other interest-bearing assets*	36.0	5.0
Deferred tax assets	137.3	150.0
Derivative assets	-	6.1
Other non-interest-bearing assets	9.5	8.5
<b>Total non-current assets</b>	<b>1,841.1</b>	<b>1,837.9</b>
<b>Current assets</b>		
Inventories	688.8	623.3
Loans receivable and other interest-bearing assets*	1.8	2.5
Income tax receivables	56.0	36.4
Derivative assets	17.4	13.3
Accounts receivable and other non-interest-bearing assets	822.5	746.8
Cash and cash equivalents*	256.3	309.1
<b>Total current assets</b>	<b>1,842.8</b>	<b>1,731.4</b>
<b>Total assets</b>	<b>3,683.9</b>	<b>3,569.3</b>

EQUITY AND LIABILITIES, MEUR	31 Dec 2018	31 Dec 2017
<b>Equity attributable to the equity holders of the parent</b>		
Share capital	64.3	64.3
Share premium account	98.0	98.0
Translation differences	-44.2	-31.2
Fair value reserves	-13.5	2.1
Reserve for invested <u>non-restricted</u> equity	58.5	69.0
Retained earnings	1,262.5	1,220.6
<b>Total equity attributable to the equity holders of the parent</b>	<b>1,425.6</b>	<b>1,422.8</b>
Non-controlling interest	3.0	2.3
<b>Total equity</b>	<b>1,428.5</b>	<b>1,425.1</b>
<b>Non-current liabilities</b>		
Interest-bearing liabilities*	717.1	673.8
Deferred tax liabilities	28.1	12.7
Pension obligations	92.3	87.5
Provisions	10.7	17.1
Other non-interest-bearing liabilities	58.6	61.5
<b>Total non-current liabilities</b>	<b>906.8</b>	<b>852.6</b>
<b>Current liabilities</b>		
Current portion of interest-bearing liabilities*	168.4	83.8
Other interest-bearing liabilities*	44.5	37.6
Provisions	86.7	103.5
Advances received**	190.3	194.1
Income tax payables	39.6	49.1
Derivative liabilities	5.8	6.4
Accounts payable and other non-interest-bearing liabilities**	813.5	817.1
<b>Total current liabilities</b>	<b>1,348.6</b>	<b>1,291.7</b>
<b>Total equity and liabilities</b>	<b>3,683.9</b>	<b>3,569.3</b>



# Cash flow statement 2018

MEUR	2018	2017
<b>Net cash flow from operating activities</b>		
Net income for the financial year	108.0	132.7
Depreciation, amortisation and impairment	77.2	72.0
Financing items	28.9	32.9
Taxes	53.1	56.5
Change in receivables	-54.8	0.1
Change in payables	-49.6	-38.7
Change in inventories	-54.3	-4.9
Change in net working capital	-158.7	-43.6
Other adjustments	17.3	2.9
<b>Cash flow from operations before financing items and taxes</b>	<b>125.8</b>	<b>253.5</b>
Interest received	3.1	4.8
Interest paid	-18.6	-20.1
Dividends received	14.0	5.5
Other financing items	-23.0	14.6
Income taxes paid	-61.0	-77.5
<b>Net cash flow from operating activities</b>	<b>40.2</b>	<b>180.9</b>
<b>Net cash flow from investing activities</b>		
Acquisitions of businesses, net of cash acquired	-70.7	-14.4
Disposals of businesses, net of cash sold	-15.5	-1.2
Investments in associated companies and joint ventures	-0.5	-4.7
Investments in fixed assets	-71.5	-84.3
Disposals of fixed assets	19.1	13.7
Cash flow from investing activities, other items	1.8	1.3
<b>Net cash flow from investing activities</b>	<b>-137.3</b>	<b>-89.7</b>
<b>Net cash flow from financing activities</b>		
Treasury shares acquired	-9.4	-
Acquisition of non-controlling interests	-	-0.4
Proceeds from long-term borrowings	199.5	253.2
Repayments of long-term borrowings	-83.7	-243.1
Proceeds from short-term borrowings	3.4	7.6
Repayments of short-term borrowings	-3.9	-17.7
Profit distribution	-68.0	-62.2
<b>Net cash flow from financing activities</b>	<b>37.7</b>	<b>-62.6</b>
<b>Change in cash and cash equivalents</b>	<b>-59.3</b>	<b>28.6</b>
Cash and cash equivalents, and bank overdrafts at the beginning of period	284.7	260.8
Effect of exchange rate changes	0.1	-4.6
<b>Cash and cash equivalents, and bank overdrafts at the end of period</b>	<b>225.5</b>	<b>284.7</b>
Bank overdrafts at the end of period	30.8	24.4
<b>Cash and cash equivalents at the end of period</b>	<b>256.3</b>	<b>309.1</b>

# Sustainability

# Sustainability is a great business opportunity

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

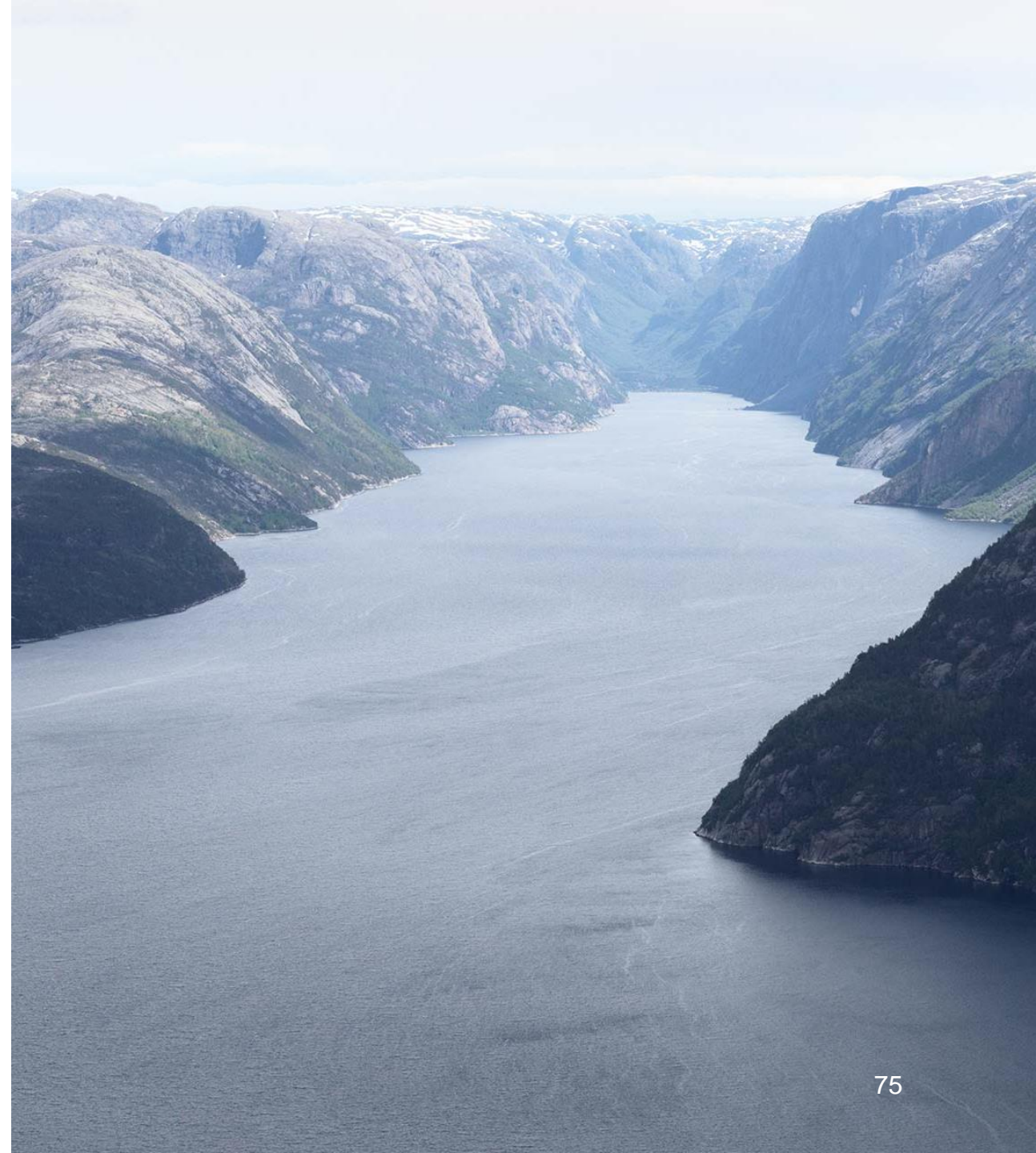
- Inefficient industry with potential to improve

**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 21% of the total revenue in 2018:

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

Systems efficiency



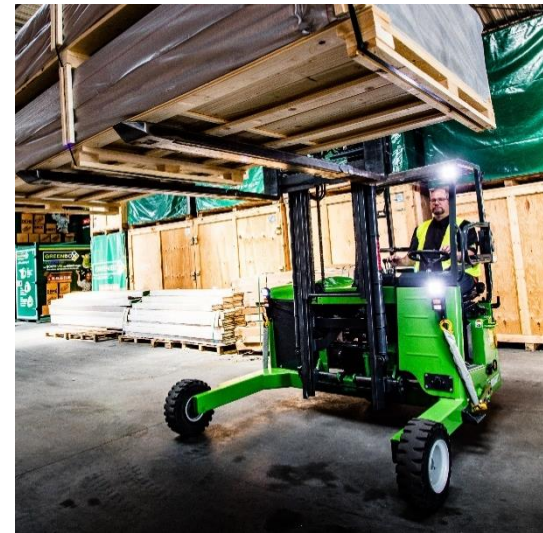
- Visibility to identify inefficient use of resources and fuel
- Software and design system

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

# Key to more sustainable cargo handling business is solution development



Waste in cargo handling business due to inefficiencies ~17 billion euros



19 mil CO2 in shipping industry annually  
For moving empty containers



~2.5 mil barrels (1.8 mil CO2 equivalent tonnes) of fuel savings enabled by Cargotec port equipment solutions during past 6 to 10 years

~31 900 CO2 eqv. tonnes

of emissions from Cargotec factories annually



# Cargotec sustainability managed with clear policies, processes and KPIs on varying areas

- Cargotec is a supporter of UN Global Compact and other major international sustainability initiatives
- We have a clear governance on sustainability issues with Board of Directors overview on the subject
- Safety is our key priority and we have clear improvement program to further decrease our current IIFR rate of 6.7
- Focus on climate change and human rights risks in 2019



PARIS2015  
COP21-CMP11



# Performance highlights 2018

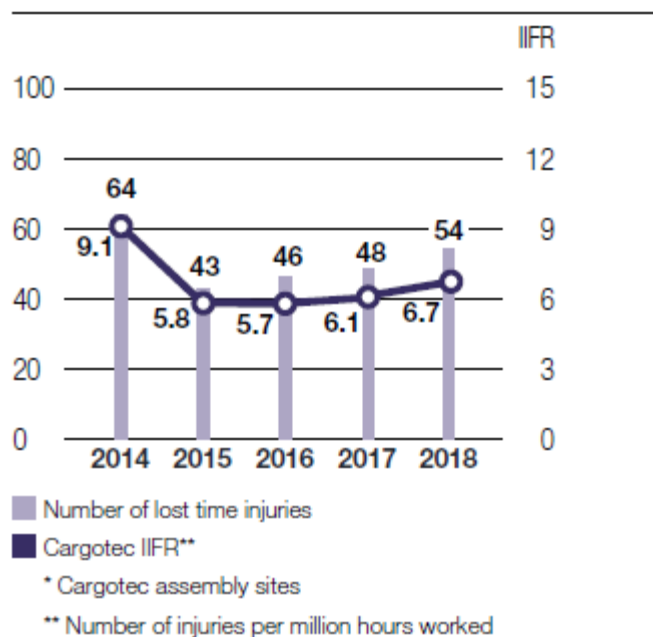
Permanent Code of Conduct panel and case investigation process

72% of all employees have conducted the code of conduct e-learning tool

All strategic suppliers were taken into the sustainability self-assessment tool process

Supplier code of conduct sent to all strategic suppliers

INDUSTRIAL INJURY FREQUENCY RATE\*



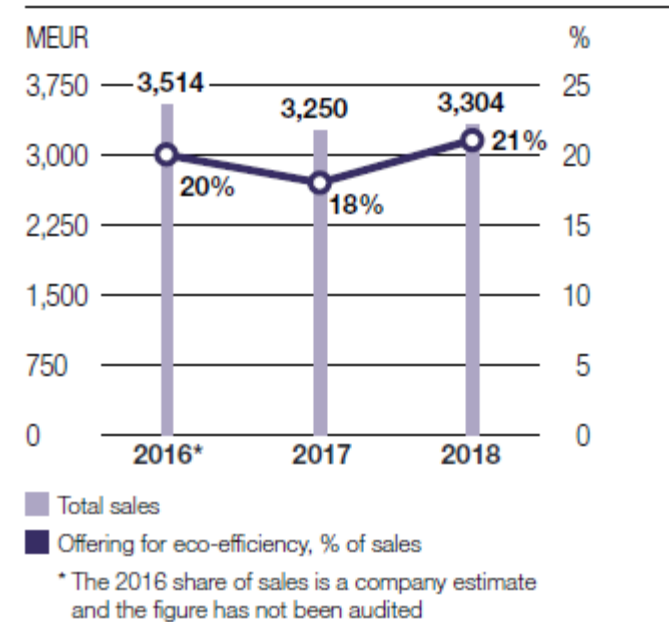
30% of the electricity used by Cargotec is generated from renewable energy sources

Offering for eco-efficiency 21% of total sales

17 products were added to our Offering for eco-efficiency portfolio

A renewed human rights risk assessment was conducted on Cargotec operations

OFFERING FOR ECO-EFFICIENCY





# 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.

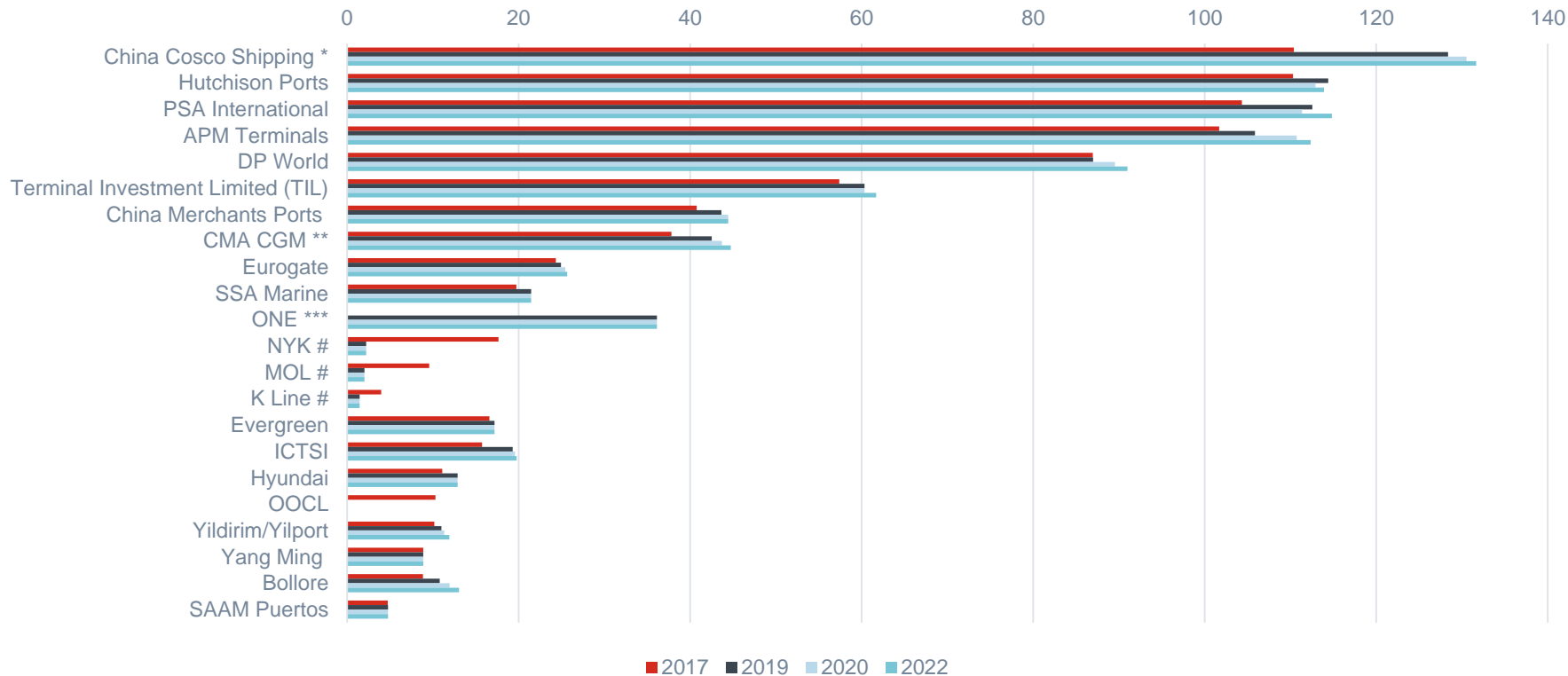
### Average lifetime of type of equipment:

- 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

# Global container terminal operators – Most capacity expected to be added by Cosco

Largest container terminal operators measured by capacity (MTEU)



Source: Drewry

\* Cosco figure does not include OOCL terminals in 2017 and 2018 as acquisition not finalised. Chinese and Taiwanese terminals included from 2019 onwards, Long Beach excluded

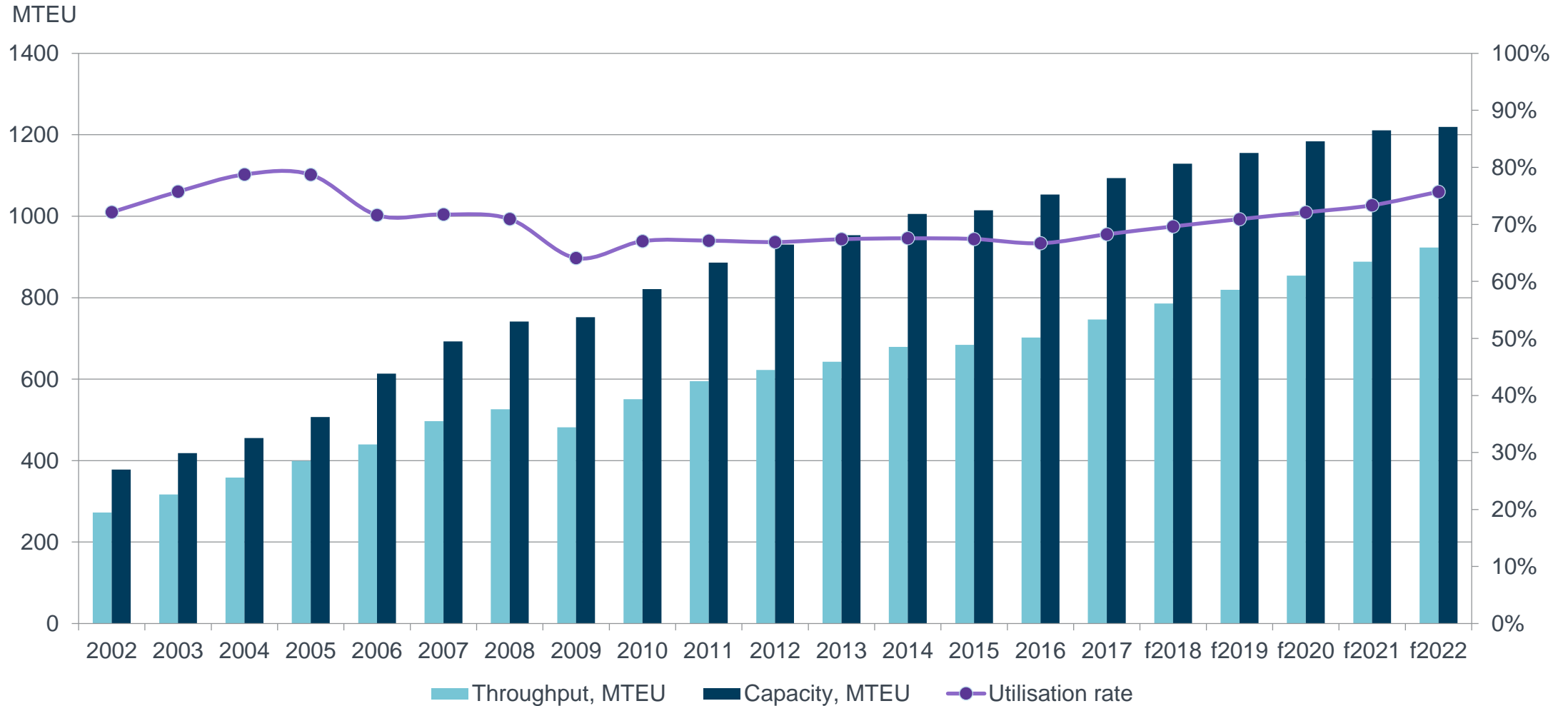
\*\* CMA CGM includes APL terminals

\*\*\* International terminals of NYK, K Line and MOL combined as part of ONE merger

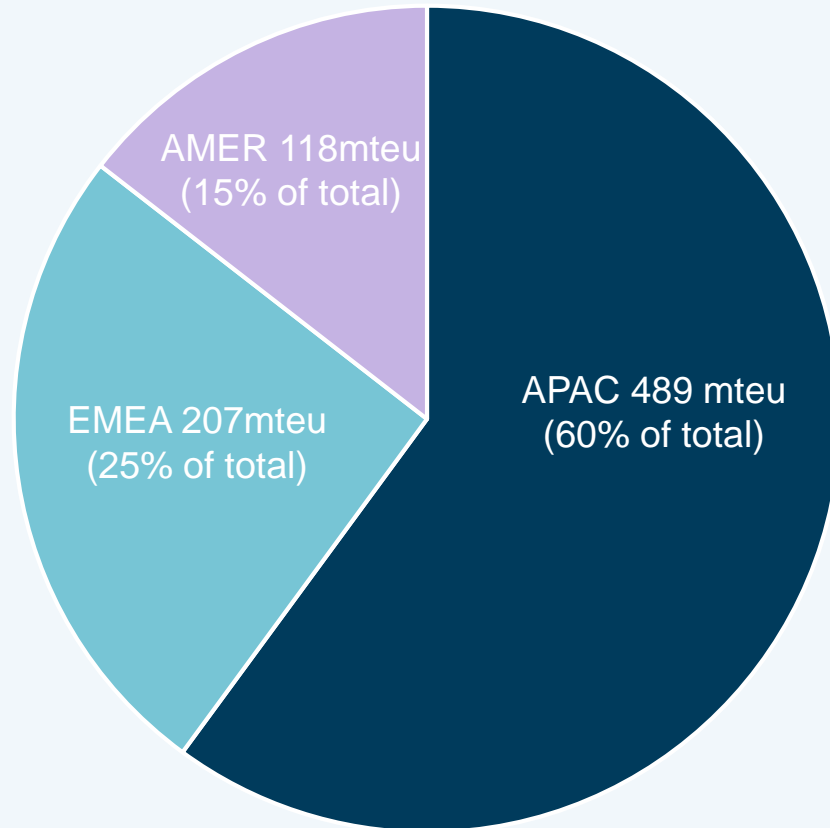
# Japanese terminals only from 2019 onwards

Figures include total capacity for all terminals in which shareholding held (regardless of size of shareholding), i.e. includes double counting

# Global container throughput and capacity development



# 59% of global container throughput is expected to take place in APAC in 2019



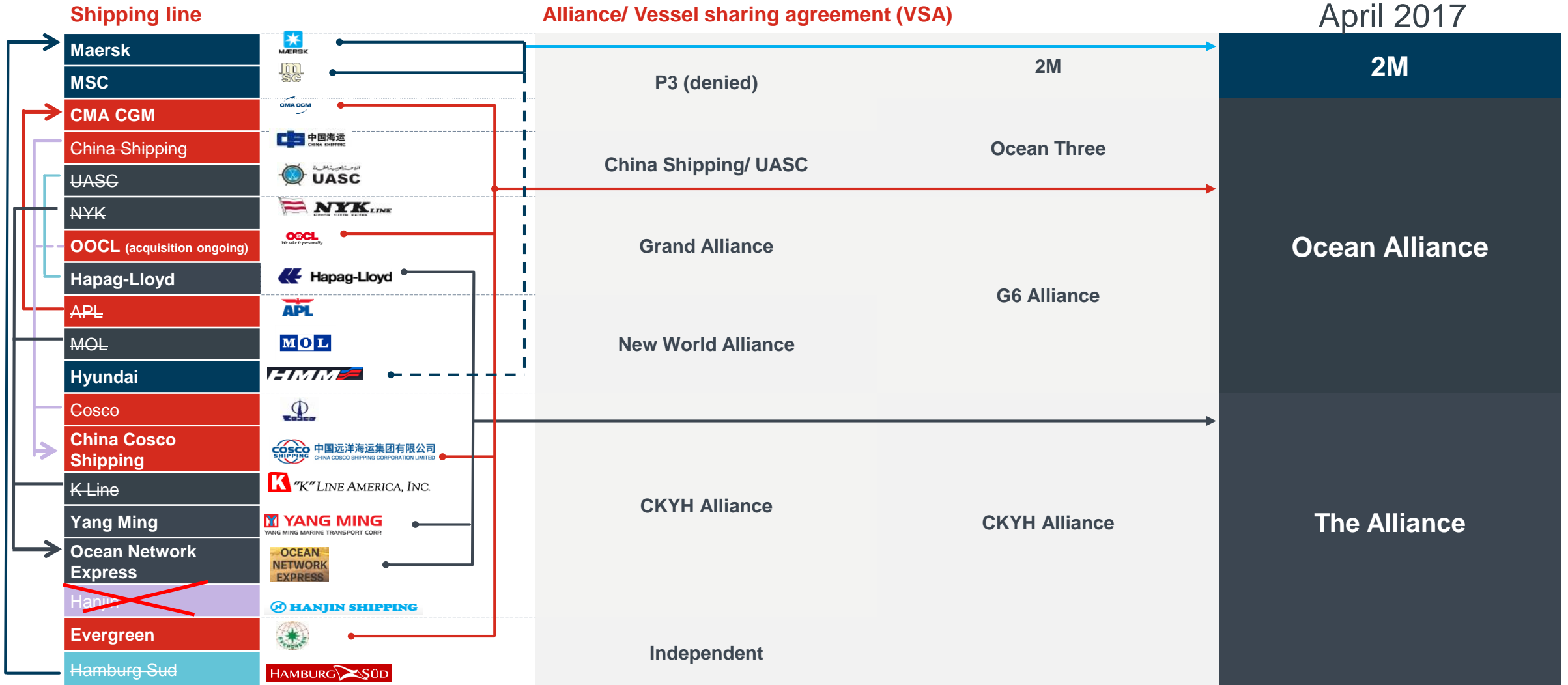
Global container throughput expected to grow 4.1% in 2019

- APAC +5.1% (+24 mteu)
- EMEA +2.0% (+4 mteu)
- AMER +4.4% (+4 mteu)

→ 75% of growth will come from APAC

Source: Drewry: Container forecaster Q4 2018

# Three alliances controlling about 80% of global container fleet capacity

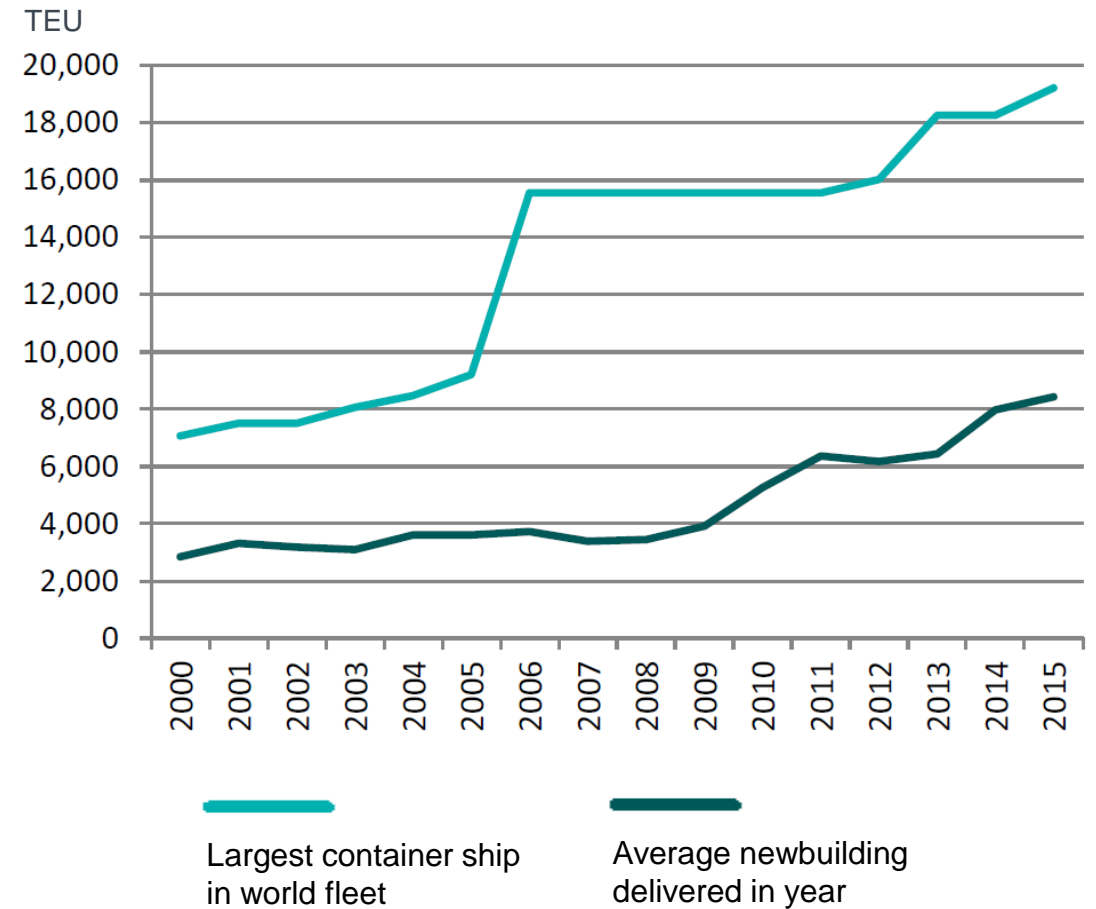


**Total: 17**  
(9 after further consolidations)

- 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) launch April 2018.
- COSCO Shipping's planned acquisition of OOCL expected to be completed by the end of June
- Analyse excludes Zim, PIL and Wan Hai

# 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

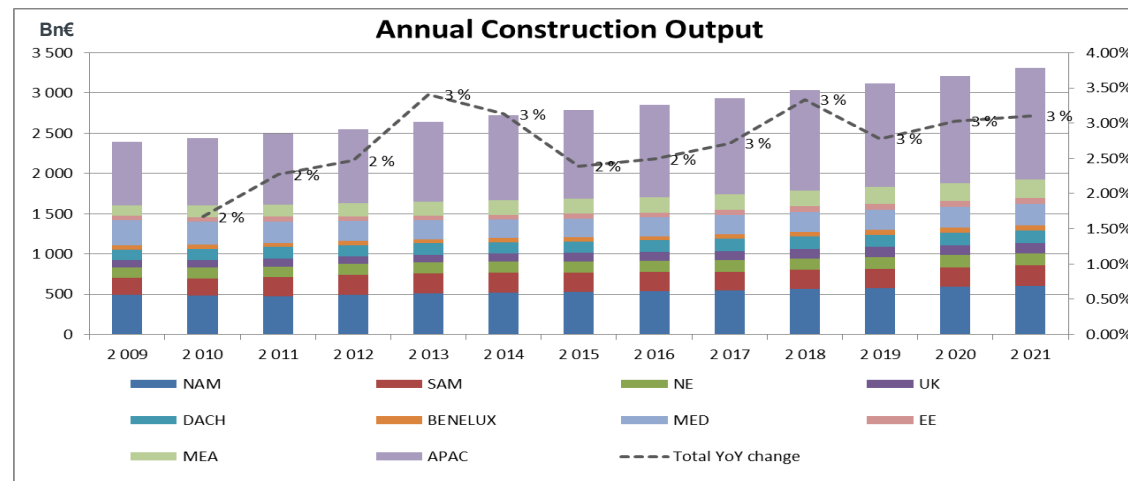


Source: Drewry November 2015

# Hiab appendix

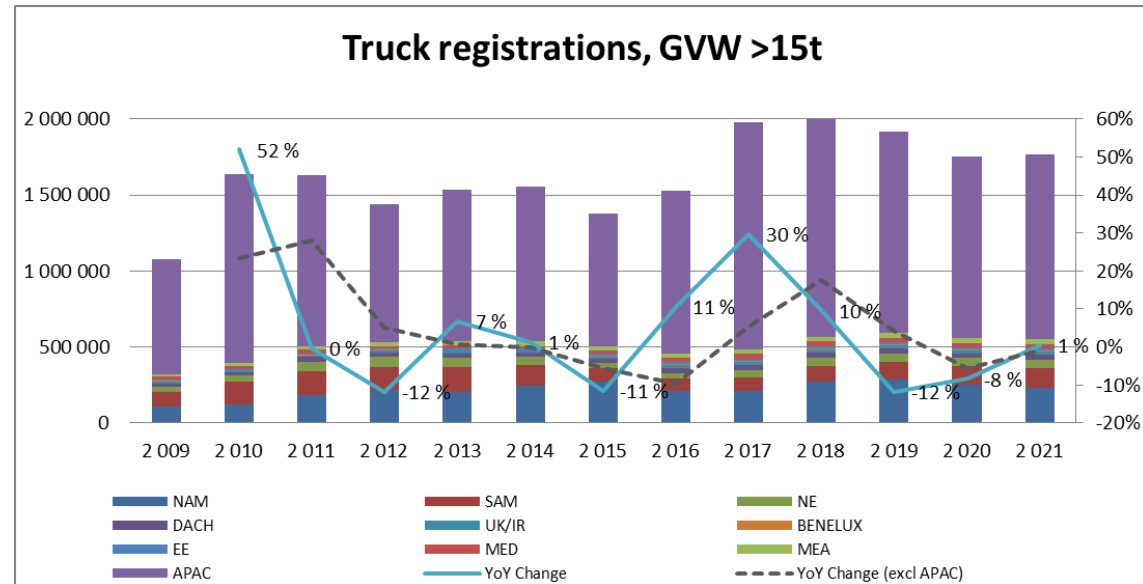


# Construction output forecast



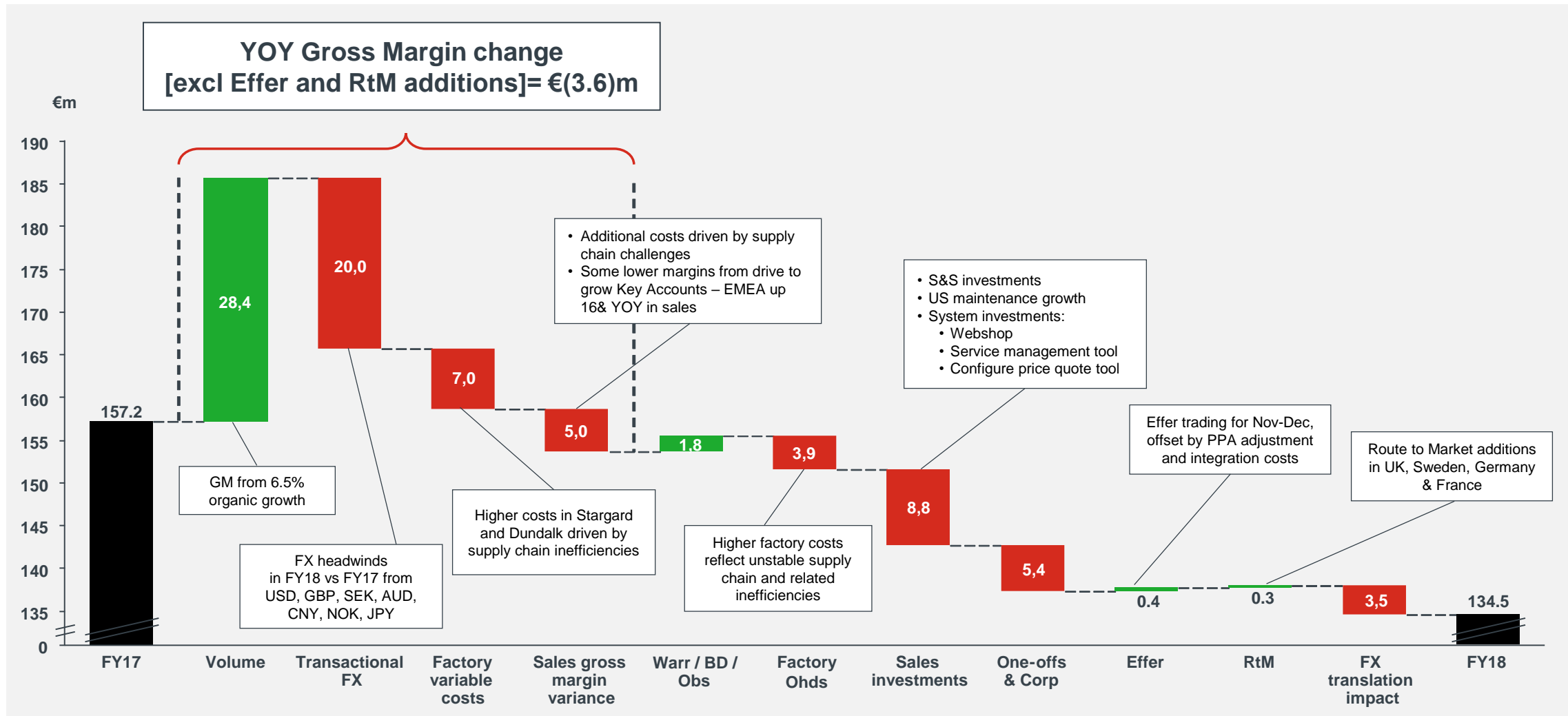
Changes vs last Forecast						YoY changes					
	2017	2018	2019	2020	2021		2017	2018	2019	2020	2021
<b>NAM</b>	-5.5%	-5.6%	-5.6%	-5.7%	-5.6%	<b>NAM</b>	1.3%	3.1%	2.1%	2.4%	2.3%
<b>SAM</b>	-2.3%	-1.3%	-2.1%	-2.2%	-2.3%	<b>SAM</b>	-2.5%	1.8%	1.0%	2.7%	3.0%
<b>NE</b>	-0.4%	1.3%	2.0%	2.2%	2.4%	<b>NE</b>	3.3%	2.1%	2.9%	1.8%	1.9%
<b>UK</b>	0.1%	0.7%	2.1%	2.7%	3.2%	<b>UK</b>	7.5%	1.2%	2.7%	2.0%	1.9%
<b>DACH</b>	0.5%	0.1%	-0.2%	-0.2%	-0.1%	<b>DACH</b>	2.9%	2.2%	2.1%	1.6%	1.2%
<b>BENELUX</b>	-1.3%	-2.3%	-2.2%	-1.9%	-1.9%	<b>BENELUX</b>	3.2%	4.3%	2.1%	1.9%	1.6%
<b>MED</b>	1.6%	1.6%	1.4%	1.3%	1.3%	<b>MED</b>	3.3%	2.9%	2.4%	2.4%	2.3%
<b>EE</b>	-1.0%	0.6%	0.9%	0.9%	0.8%	<b>EE</b>	6.2%	10.4%	3.7%	3.1%	2.9%
<b>MEA</b>	-1.7%	-2.4%	-2.9%	-3.1%	-3.0%	<b>MEA</b>	1.7%	2.6%	3.1%	3.6%	4.1%
<b>APAC</b>	0.1%	-0.3%	-0.7%	-0.8%	-0.9%	<b>APAC</b>	3.7%	4.0%	3.5%	3.9%	4.0%
<b>Total</b>	-1.2%	-1.3%	-1.5%	-1.5%	-1.5%	<b>Total</b>	2.7%	3.3%	2.8%	3.0%	3.1%

# Global truck volumes



	Changes vs last Forecast					YoY changes (vs. prev. year)				
	2017	2018	2019	2020	2021	2017	2018	2019	2020	2021
<b>NAM</b>	0.0%	4.7%	3.9%	5.5%	2.3%	0.6%	27.2%	5.5%	-13.1%	-7.1%
<b>SAM</b>	-0.2%	-1.7%	3.7%	10.5%	11.4%	9.5%	22.1%	11.9%	4.4%	4.5%
<b>NE</b>	0.0%	-0.2%	0.0%	-1.5%	0.0%	27.4%	3.6%	3.1%	3.9%	5.2%
<b>DACH</b>	0.0%	3.2%	0.8%	0.7%	0.6%	1.8%	7.3%	-7.0%	-9.0%	1.5%
<b>UK/IR</b>	10.7%	4.8%	3.5%	0.6%	-0.4%	0.3%	-11.6%	-6.6%	3.6%	4.8%
<b>BENELUX</b>	0.0%	3.6%	2.5%	1.0%	-0.2%	9.6%	5.4%	-10.0%	-2.0%	3.5%
<b>EE</b>	0.0%	8.7%	7.3%	4.8%	3.4%	-0.8%	31.7%	-0.7%	2.2%	2.0%
<b>MED</b>	-0.1%	0.5%	-0.8%	-0.3%	-0.3%	20.3%	4.4%	-5.8%	-7.0%	5.9%
<b>MEA</b>	6.9%	5.4%	4.5%	4.7%	5.1%	-2.4%	1.6%	3.4%	6.6%	3.4%
<b>APAC</b>	-0.3%	7.5%	12.1%	2.8%	2.9%	40.0%	7.1%	-17.4%	-9.6%	1.1%
<b>Total</b>	0.0%	6.2%	9.2%	3.5%	3.2%	29.7%	9.7%	-11.8%	-8.3%	0.5%

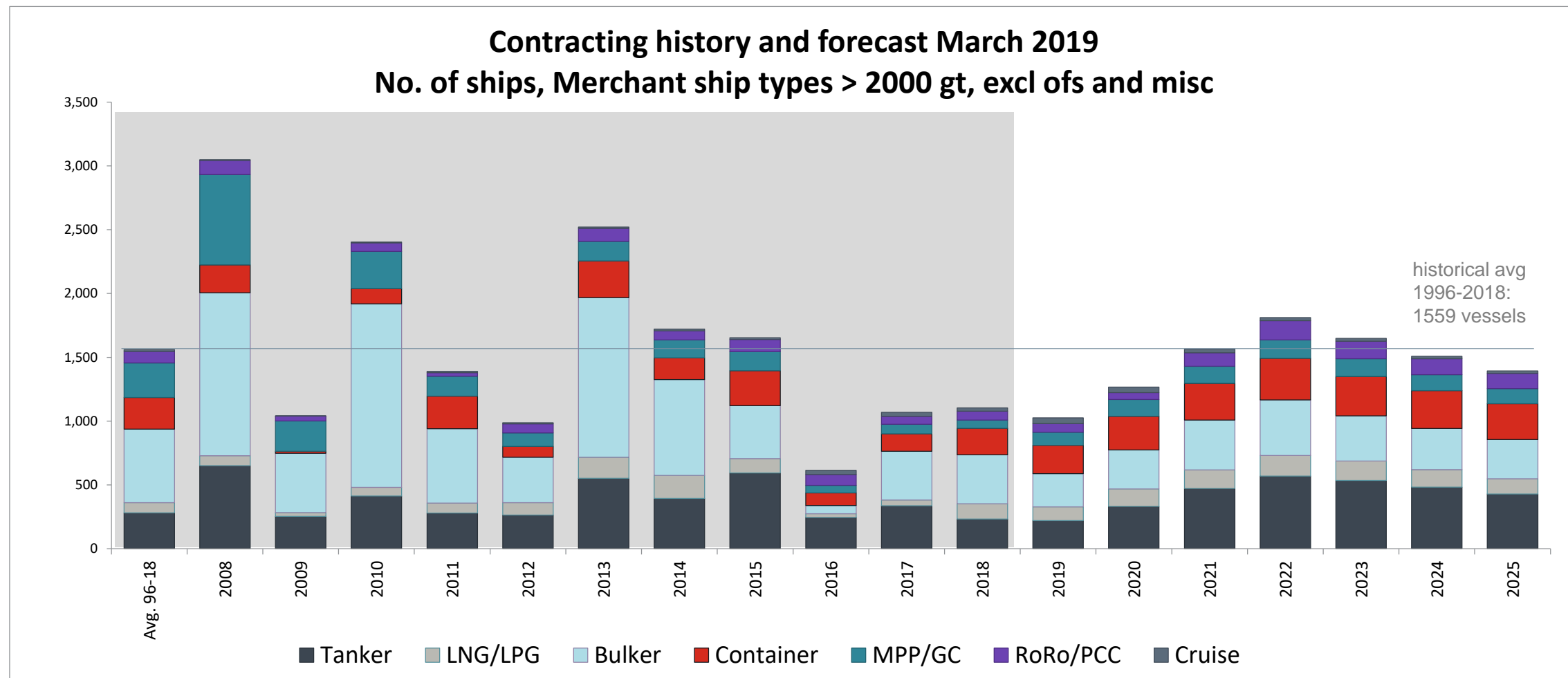
# Operating Profit Bridge FY Actual 2018 vs 2017 (AER)



# MacGregor appendix

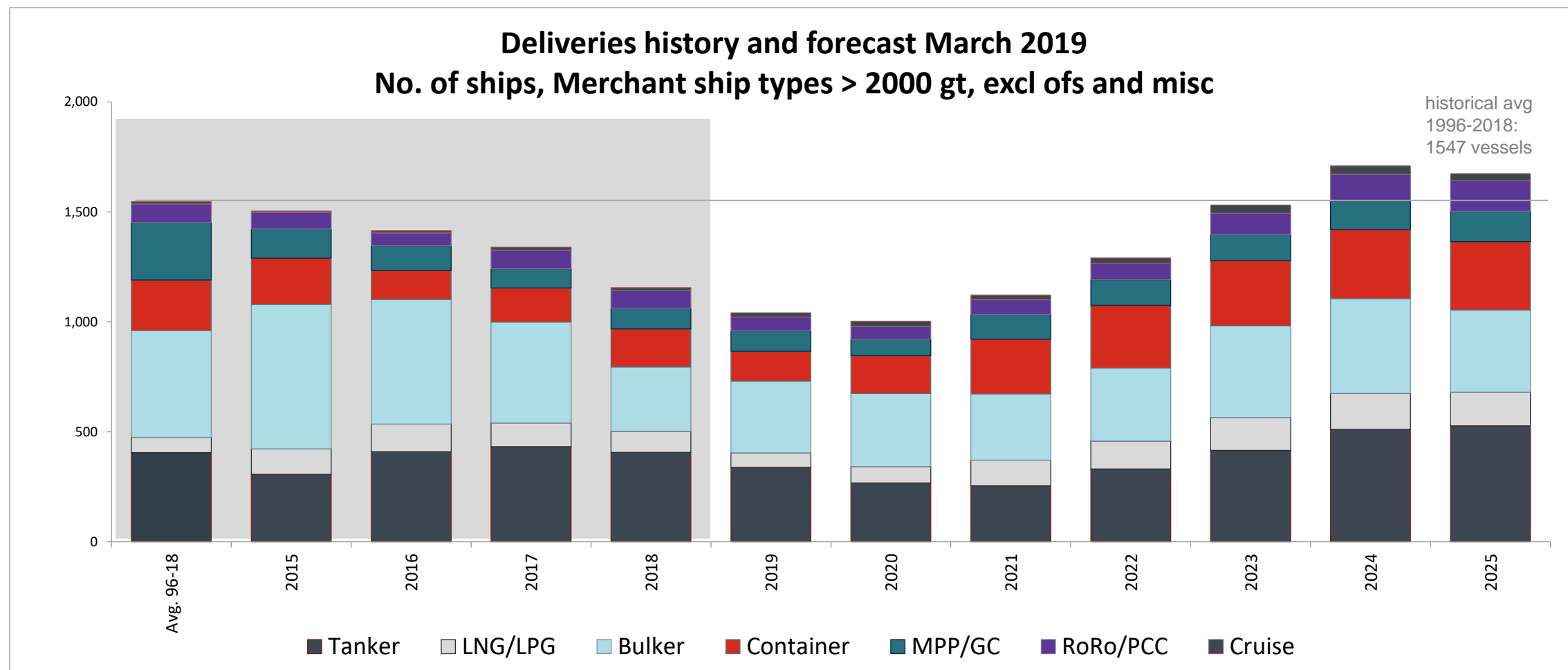
# Merchant ships: Contracting forecast by shiptype (no of ships)

Merchant ship types > 2000 gt, base case

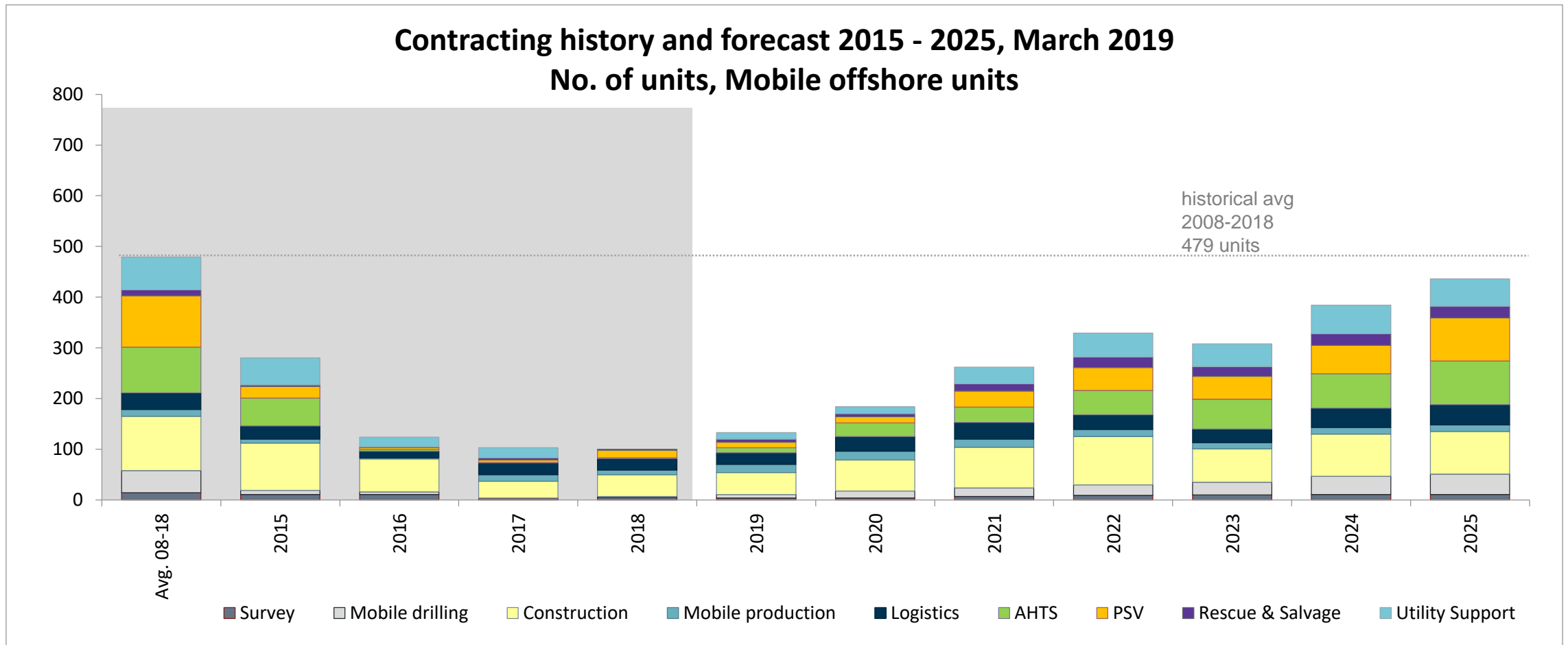


# Merchant ships: Deliveries forecast by shiptype (no of ships)

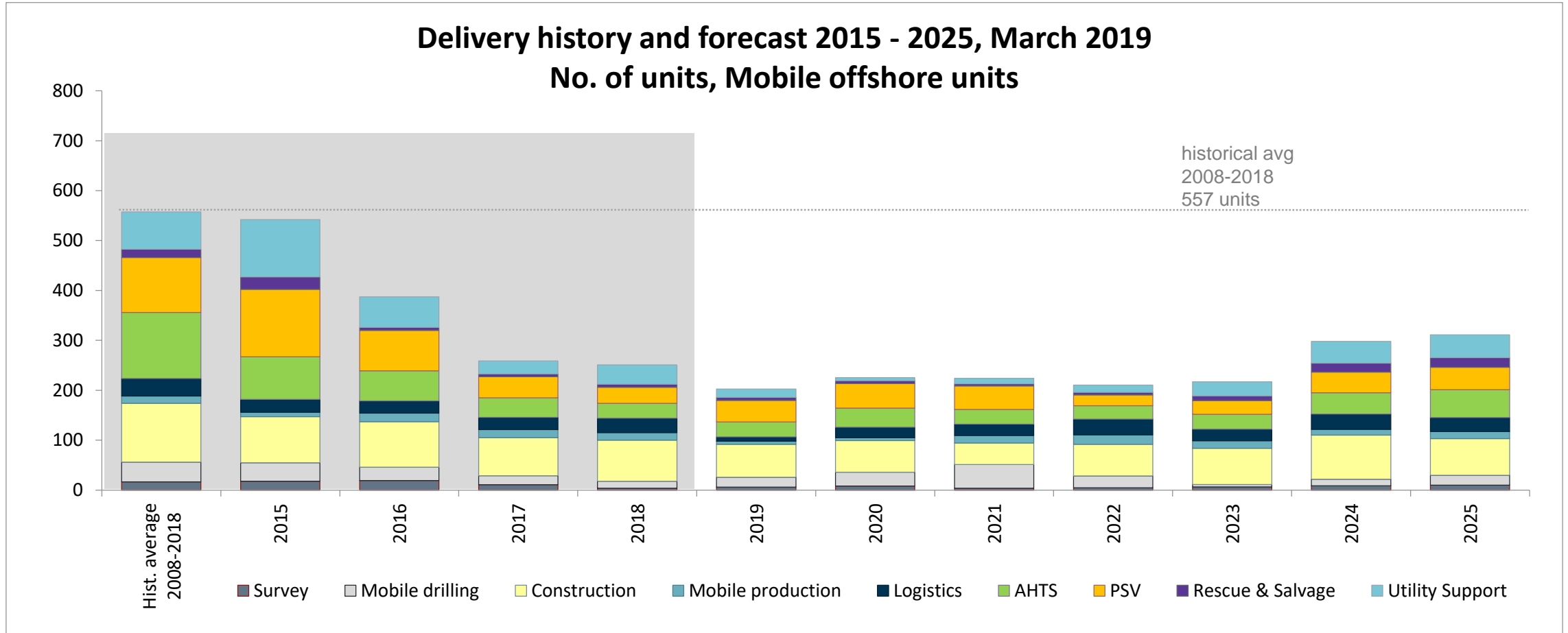
Merchant ship types > 2000 gt, base case



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



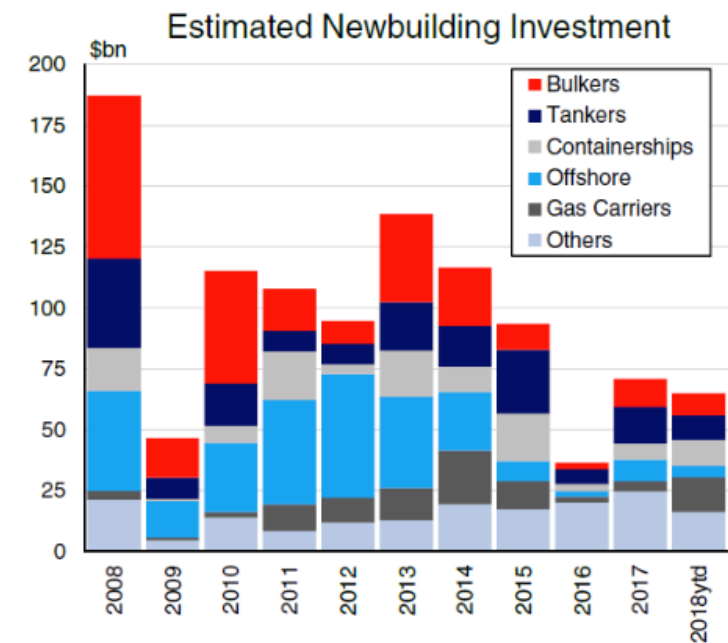
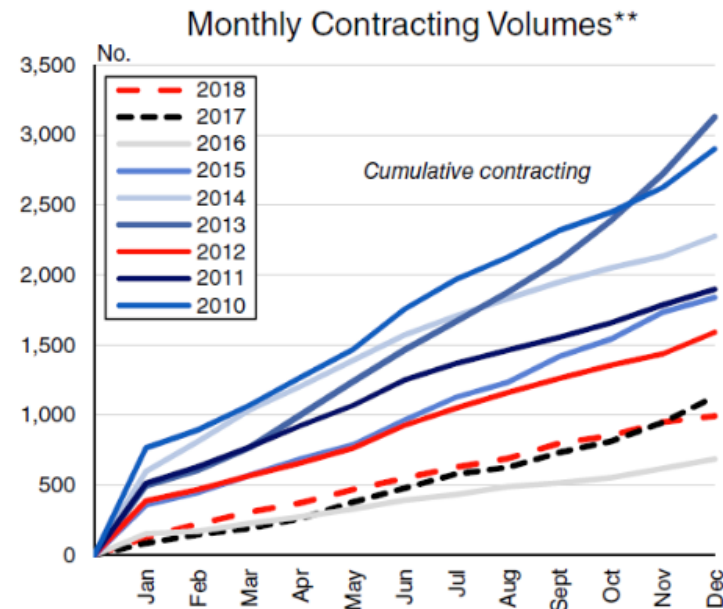
# Offshore mobile units: Deliveries forecast by shiptype (no of units)





# Shipbuilding – contracting ships >2000 gt/dwt

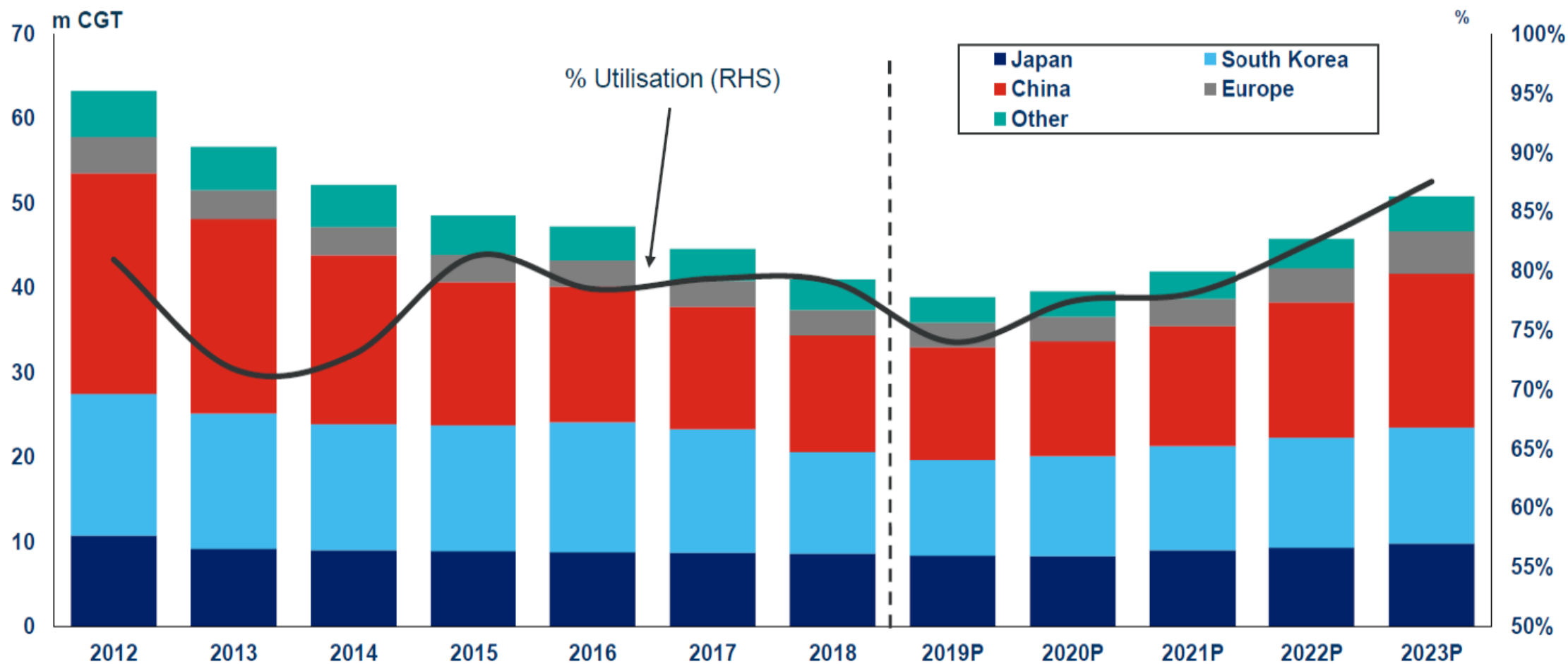
Global Contracting Activity (1st January 2019)												
	No.				\$bn				m. CGT			
	2016	2017	2018	%y-o-y*	2016	2017	2018	%y-o-y*	2016	2017	2018	%y-o-y*
<b>TOTAL (&gt;2,000 Dwt/GT**)</b>	<b>685</b>	<b>1,132</b>	<b>992</b>	<b>-12%</b>	<b>36.4</b>	<b>70.8</b>	<b>64.9</b>	<b>-8%</b>	<b>13.5</b>	<b>28.3</b>	<b>28.8</b>	<b>2%</b>
<b>Vessel Type</b>												
Bulkers	63	377	279	-26%	2.5	11.5	9.1	-21%	1.7	8.3	6.3	-24%
Tankers	234	332	206	-38%	6.3	15.1	9.8	-35%	3.7	8.2	5.2	-37%
Containerships	99	140	190	36%	2.8	6.5	10.6	63%	2.0	4.0	5.9	47%
Gas Carriers	29	45	117	160%	2.4	4.4	14.3	227%	0.9	1.8	6.6	276%
Offshore	68	46	46	0%	2.2	8.7	4.8	-45%	0.6	0.9	0.9	0%
Others	192	192	154	-20%	20.1	24.6	16.2	-34%	4.6	5.1	4.0	-22%
<b>Builder Country/Region</b>												
China	282	568	437	-23%	7.9	20.3	18.4	-9%	4.6	11.8	9.2	-22%
South Korea	77	202	267	32%	4.4	18.1	26.5	46%	2.3	7.6	12.9	69%
Japan	134	157	172	10%	3.8	5.4	5.9	10%	2.3	3.1	3.6	17%
Europe	118	93	72	-23%	18.8	22.8	12.4	-46%	3.6	3.9	2.3	-40%
Other	74	112	44	-61%	1.5	4.2	1.7	-60%	0.7	1.9	0.8	-56%



\*Year-to-date contracting, annualised.

\*\*Total includes those ship-shaped offshore units below 2,000 Dwt/GT

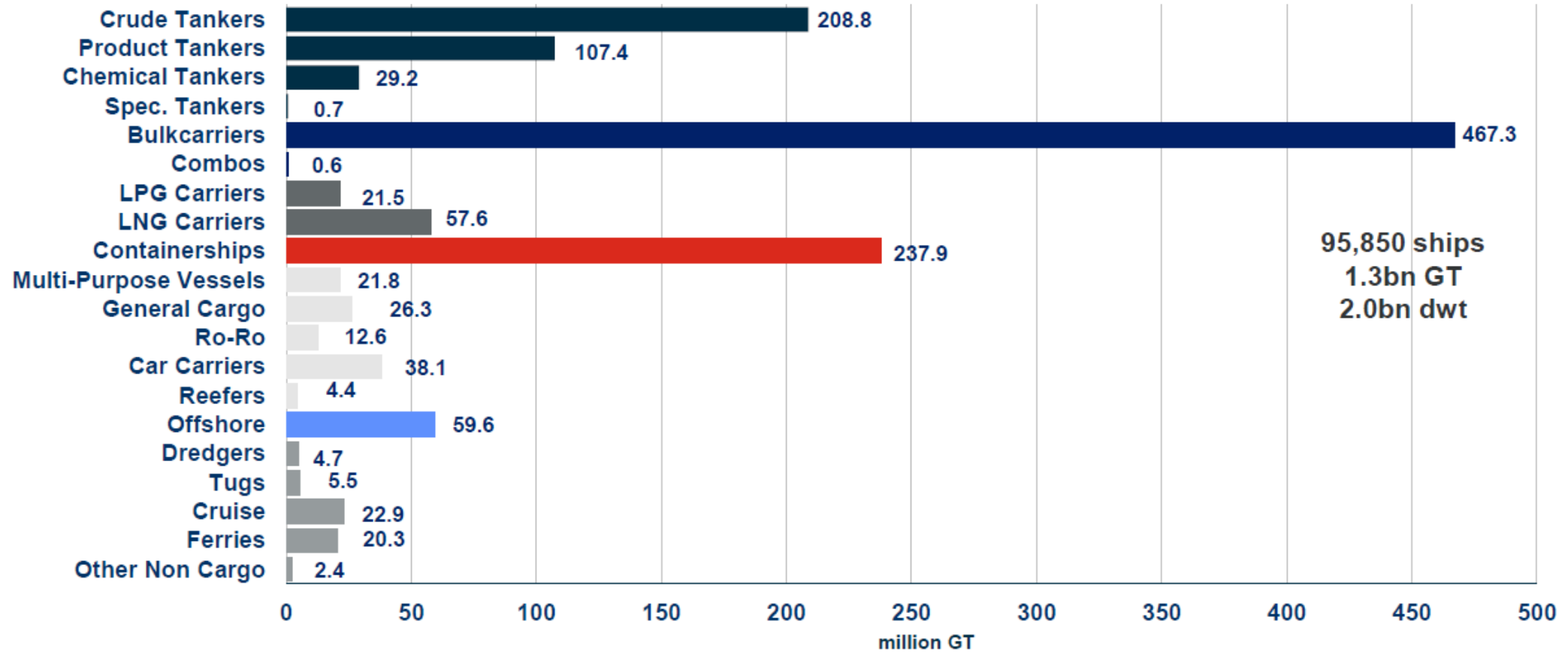
# Shipbuilding capacity and utilisation scenario



# Shipping – The world fleet

World fleet comprises currently roughly 96,000 ships

World Fleet as at March 2019 (million GT)



# We are capturing "blue growth" opportunities



Seaborne  
logistics

Traditional  
Core



Marine bio-  
technology

New  
Growth



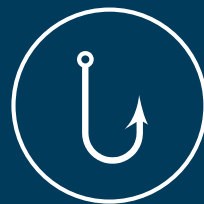
Marine and  
seabed mining

New  
Growth



Tourism

New  
Growth



Fishing

New  
Growth



Aquaculture

New  
Growth



Offshore  
oil and gas

Traditional  
Core



Offshore  
wind energy

New  
Growth



Ocean  
renewable  
energy

New  
Growth

# 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.

