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21 May 2018

Journey towards a new MacGregor

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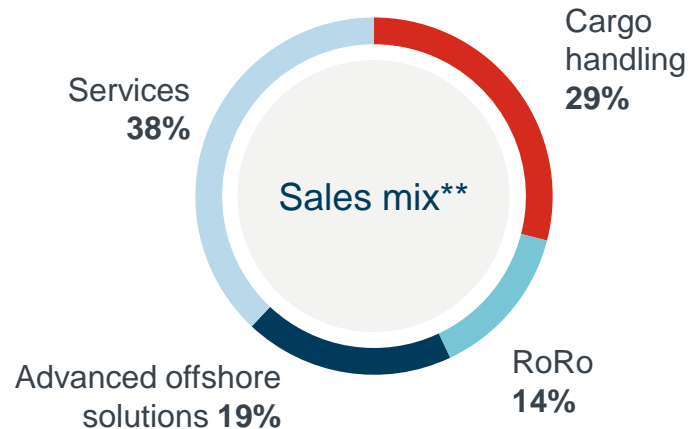
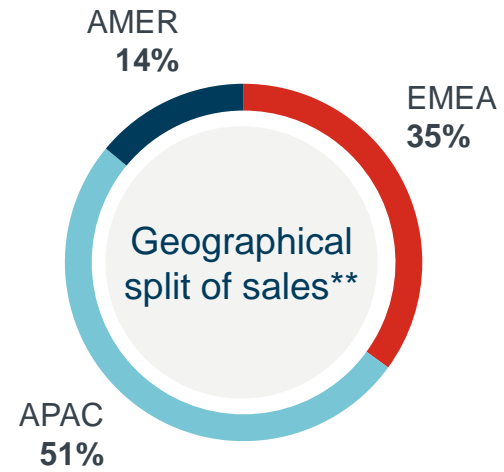




MacGregor in brief and recent progress

MacGregor – leader in maritime cargo and load handling

MEUR	Q1 2018 LTM**
Orders received	524
Order book	519
Sales	539
Operating profit*	8.6
Operating profit margin*	1.6%
Personnel (Q1/18 end)	1,947



MacGregor shapes the offshore and marine industries by offering world-leading engineering solutions and services with a strong portfolio of brands. Shipbuilders, owners and operators are able to optimise the lifetime profitability, safety, reliability and environmental sustainability of their operations by working in close cooperation with MacGregor.



We are an active leader in all maritime segments

Merchant Cargo Flow

- Container cargo
- Bulk cargo
- General cargo
- Liquid cargo
- RoRo cargo

Marine People Flow

- Ferry
- Cruise
- Superyachts
- Walk-to-work

Offshore Energy

- Oil & Gas
- Renewables

Marine Resources & Structures

- Research
- Fishery
- Aquaculture
- Mining
- Floating structures

Naval Logistics and Operations

- Naval & Military
Supplies Logistics
- Naval & Military
Operations Support
- Ship-to-ship
transfer

Lifecycle Services

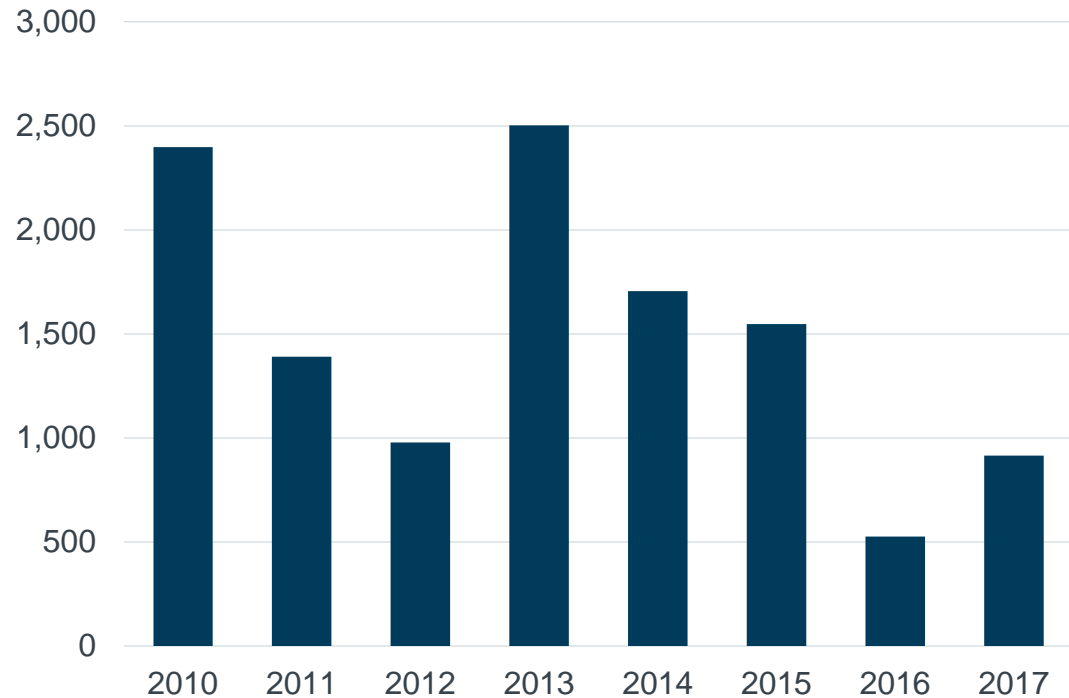


Picture: Statoil

We have suffered from a weak market situation

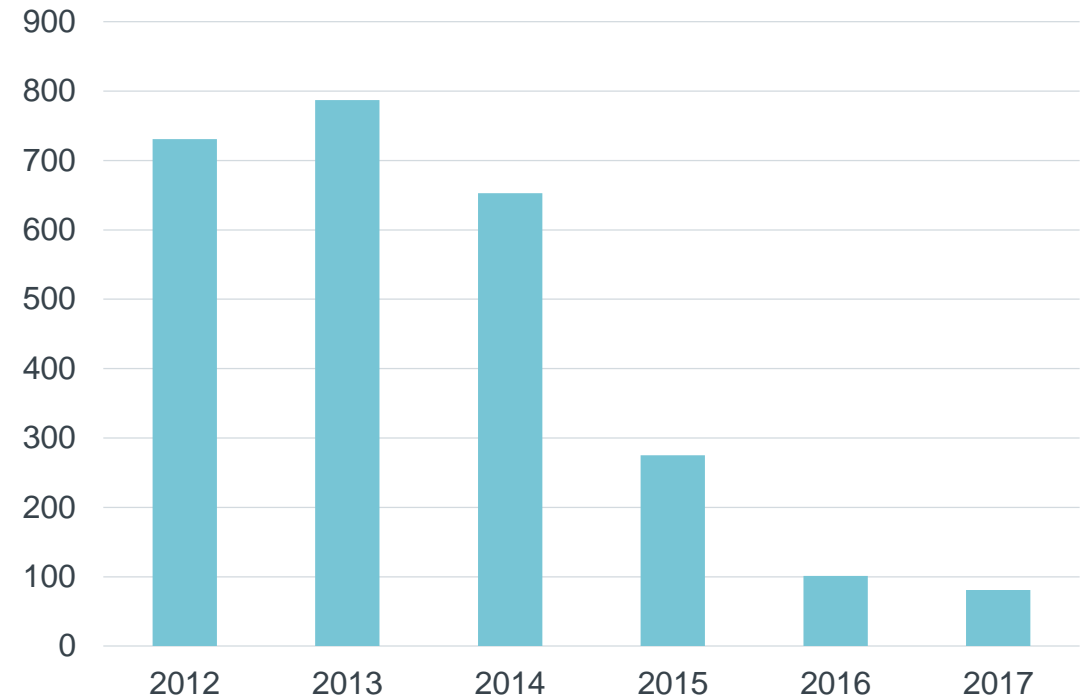
Long term contracting

Merchant ships > 2,000 gt (exc ofs and misc)
No of ships



Long term contracting

Mobile offshore units
No of units



Merchant sector contracting forecast

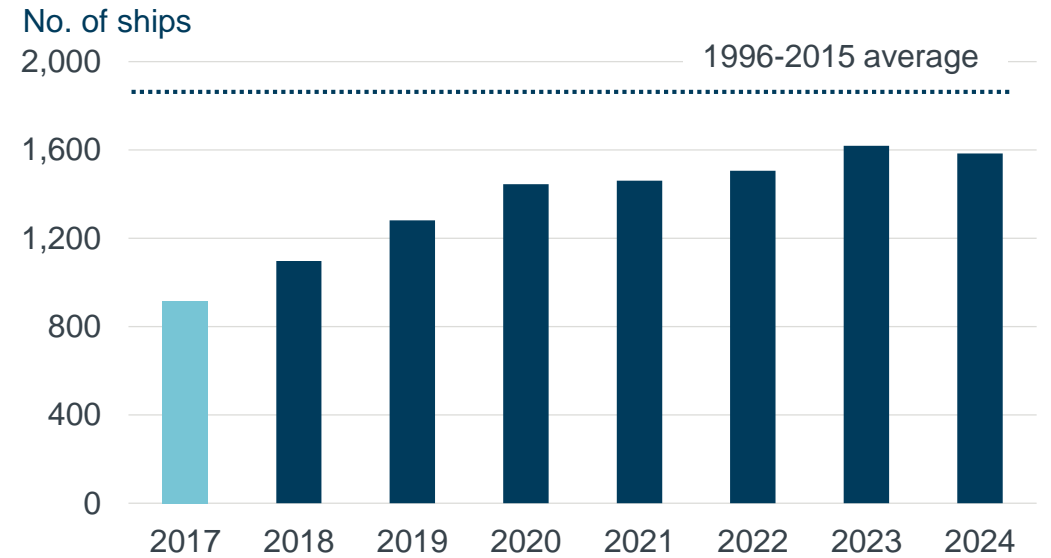
Market fundamentals improving, driven by

- Positive global economic growth
- Robust world trade growth
- Merchant fleet demand/supply improving

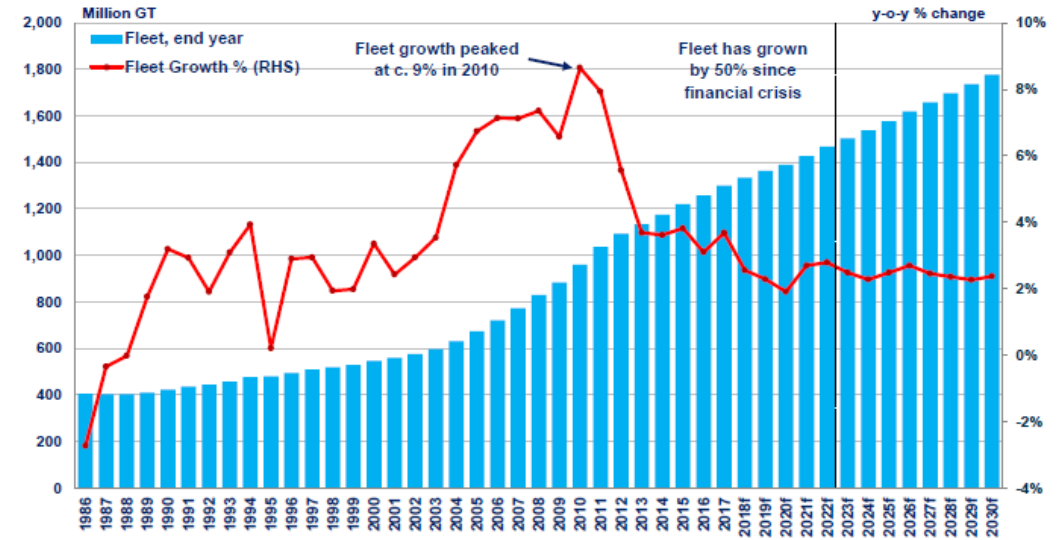
Upward trend in merchant ship contracting, especially bulk & container segments

Intensifying environmental regulation might lead to increased demolition of non-compliant vessels around 2020

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



World fleet growth forecast to 2030

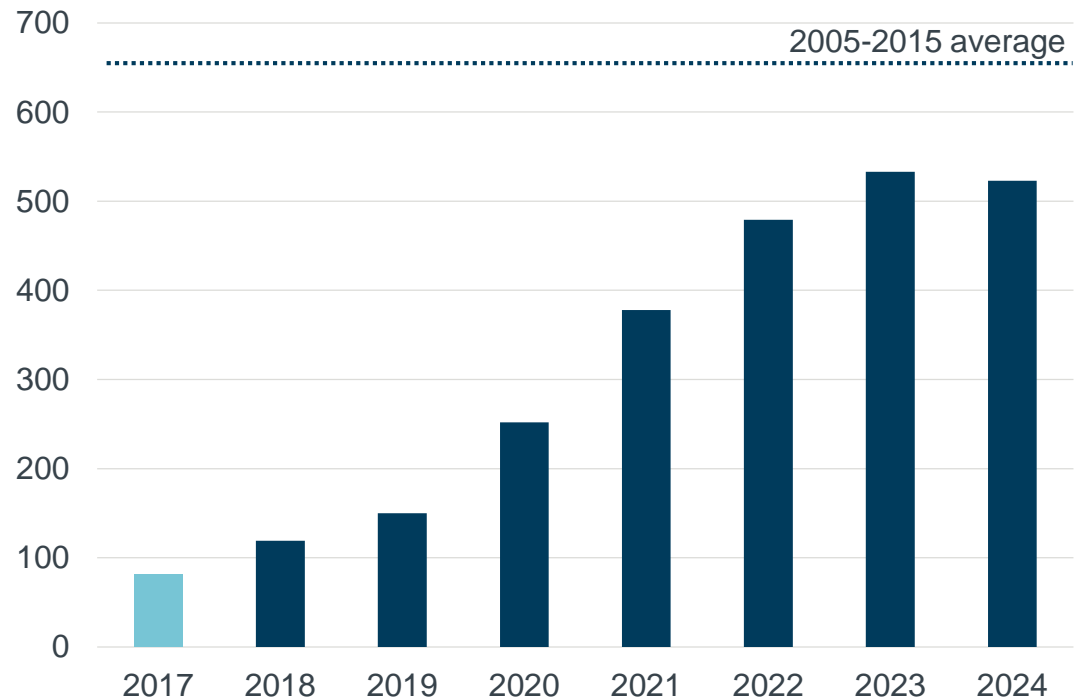


Source: Clarksons Research, March 2018

Offshore contracting forecast – Slow recovery ahead

Long term contracting

Mobile offshore units
No of ships



Bottom of cycle in 2017 with positive fundamentals (oil price, FID) but recovery challenged

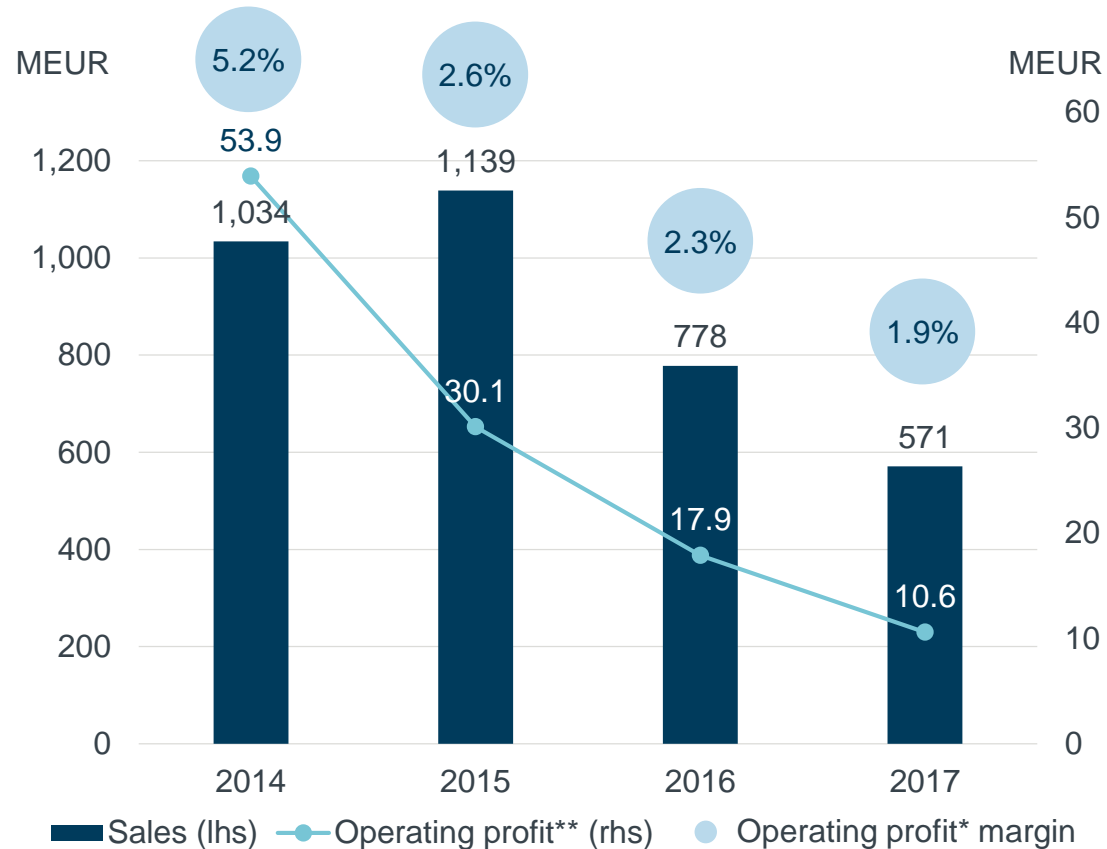
Vessel oversupply remains due to laid up vessels reactivated due to higher oil price

- Production units and special construction units more positive

Brent crude now ~\$75/bbl - industry forecasts the range to stay at \$60-65/bbl range for 2018-20

Source: Clarksons Research, March 2018

Operating profit still at black due to successful cost management



Ongoing cost savings programme:
EUR 13 million announced on 9 November

- Reducing 170 full-time equivalents globally
- Reorganisation of operations
- Savings of EUR **4.5** million in Q1/18

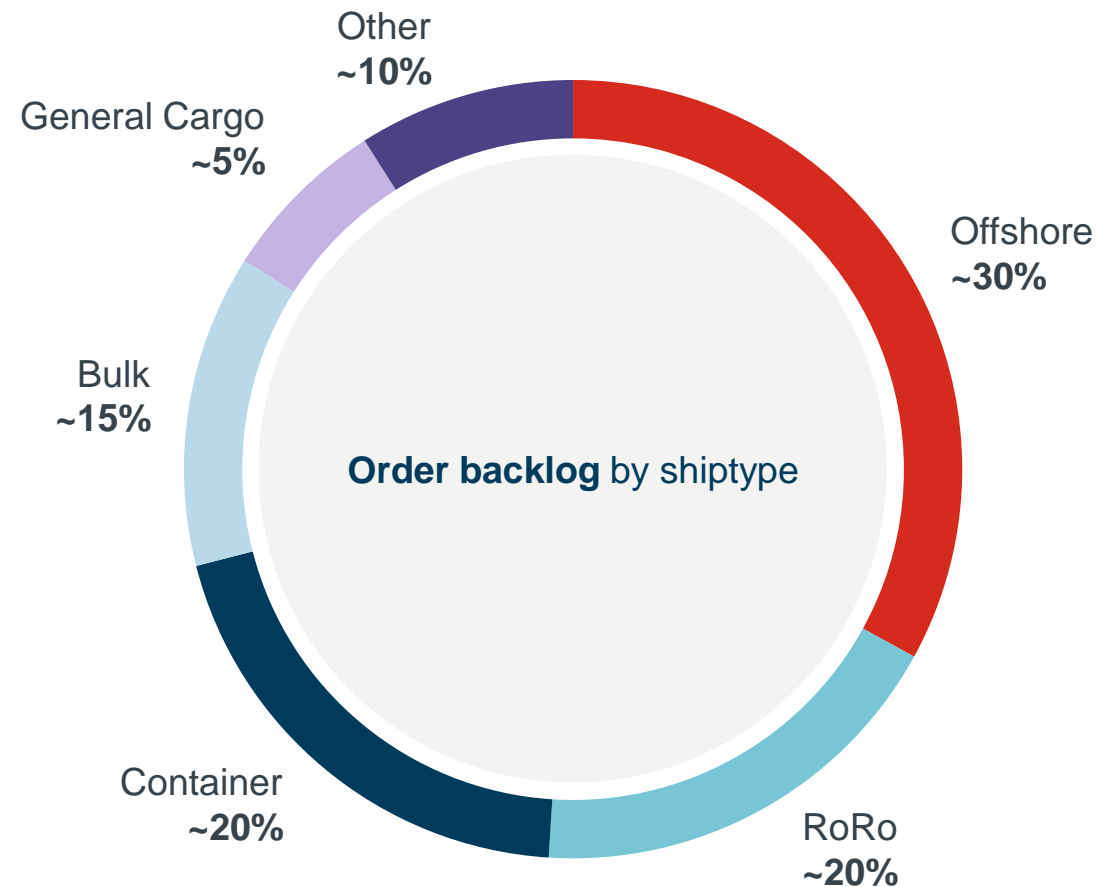
Long-lead business: Around half of the order book (Q1/18) to be recognised 2019 or later

Lead time from a ship contract to MacGregor order around 6-18 months

MacGregor equipment orders fully recognised as revenue typically in 6-18 months

Offshore's share around 30% of order backlog

RoRo and Container types biggest out of merchant sector





M&A activity

Acquisition of Rapp Marine to strengthen Fishery and Research segments

Acquisition closed on 5 February 2018

A positive start fulfilling the expectations of our business case and plans

Q1/18 sales around EUR 8 million

Synergy and functional integration proceeding according to the plan

- Benefits of the MacGregor purchasing power in the supply chain

Adding Rapp Marine to the existing fishery business creates a new platform for future growth

- Service business growth potential



Fishing vessels market outlook is positive

Fleet size is mostly driven by fishing quotas

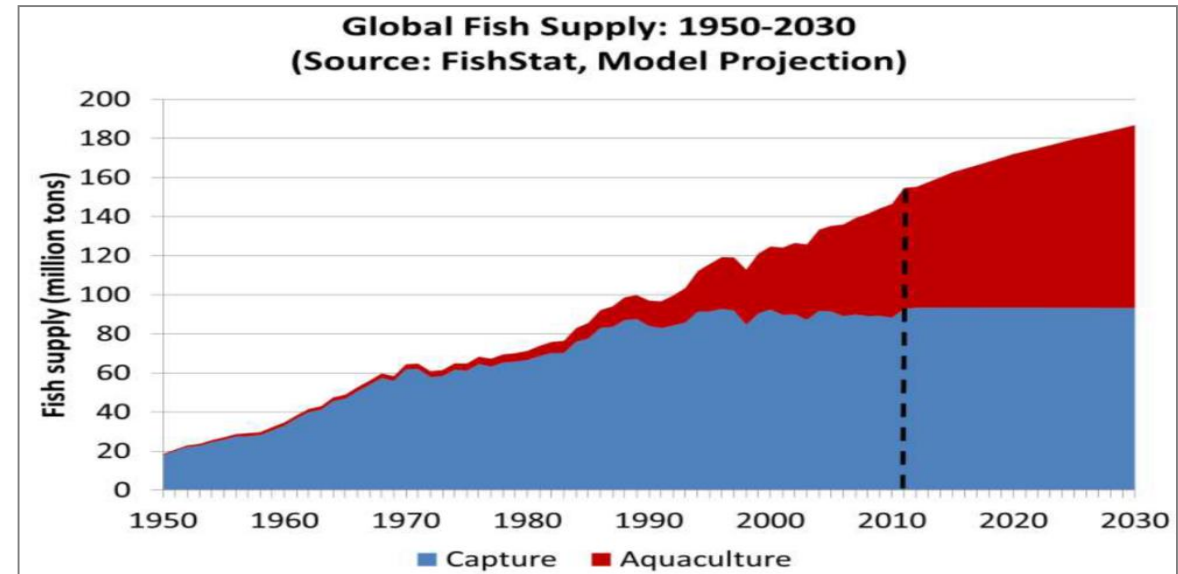
Fleet renewal ongoing to replace the ageing fleet

Floating fish farming is a growing market

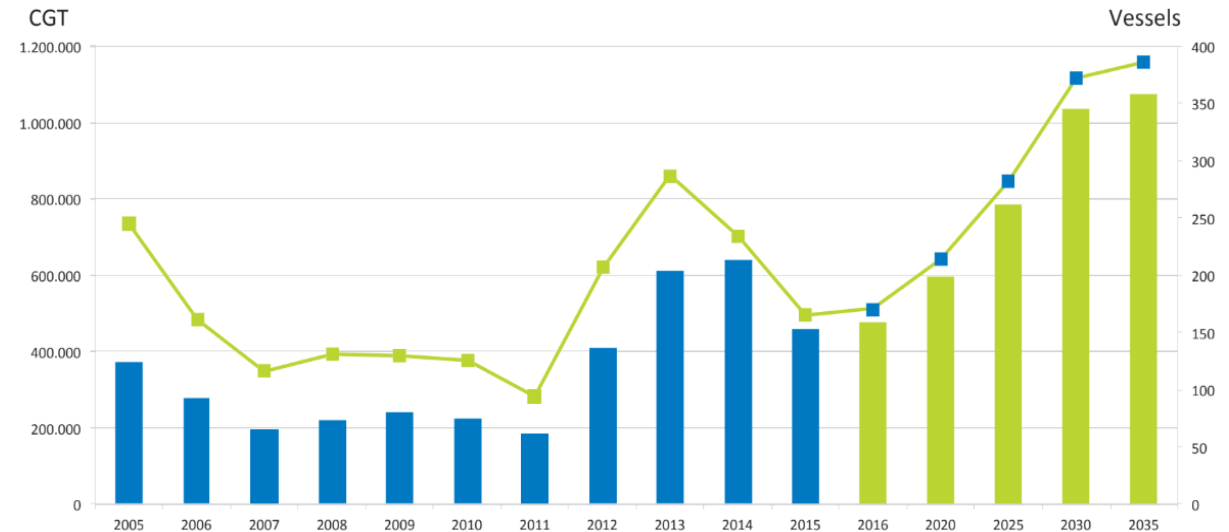
Newbuild deliveries are expected to rise from ~175 vessels in the period 2016-2020 to ~350 vessels per year in the period 2031-2035

Service degree and responsiveness are critical success factors in the fishery market

The technology trend is moving towards electrically driven systems where **Rapp Marine has a leading position**



Fishing Vessel Completions, Actual and Forecast



Note: the bars represent CGT, while the line represents number of vessels

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

TTS product portfolio

RoRo,
Cruise & Navy



Container, Bulk &
Tank Vessels



Multipurpose &
General Cargo



Offshore
Vessels



Services



TTS transaction proceeding as expected

Completed	8 February	Asset Sale Agreement signed for the acquisition of TTS' assets (except for TTS Group ASA and its subsidiary TTS Syncrolift AS)
	12 March	TTS shareholder approval
	May	Regulatory filings being submitted
To complete, estimate	May–Sept	Response to regulatory requests for information
	Q3	Regulatory approvals expected to be received in all jurisdictions
	Q3	Estimated transaction completion

Strengthening our position in China

China is the leading shipbuilding country in the world with determination to further strengthen its global position

China State Shipbuilding Corporation (CSSC) and China Shipbuilding Industry Corporation (CSIC) are the two major state-owned ship building companies

In April 2018, MacGregor opened its first joint venture with a state-owned enterprise: CSSC Nanjing Luzhou MacGregor Machinery Co. Ltd.

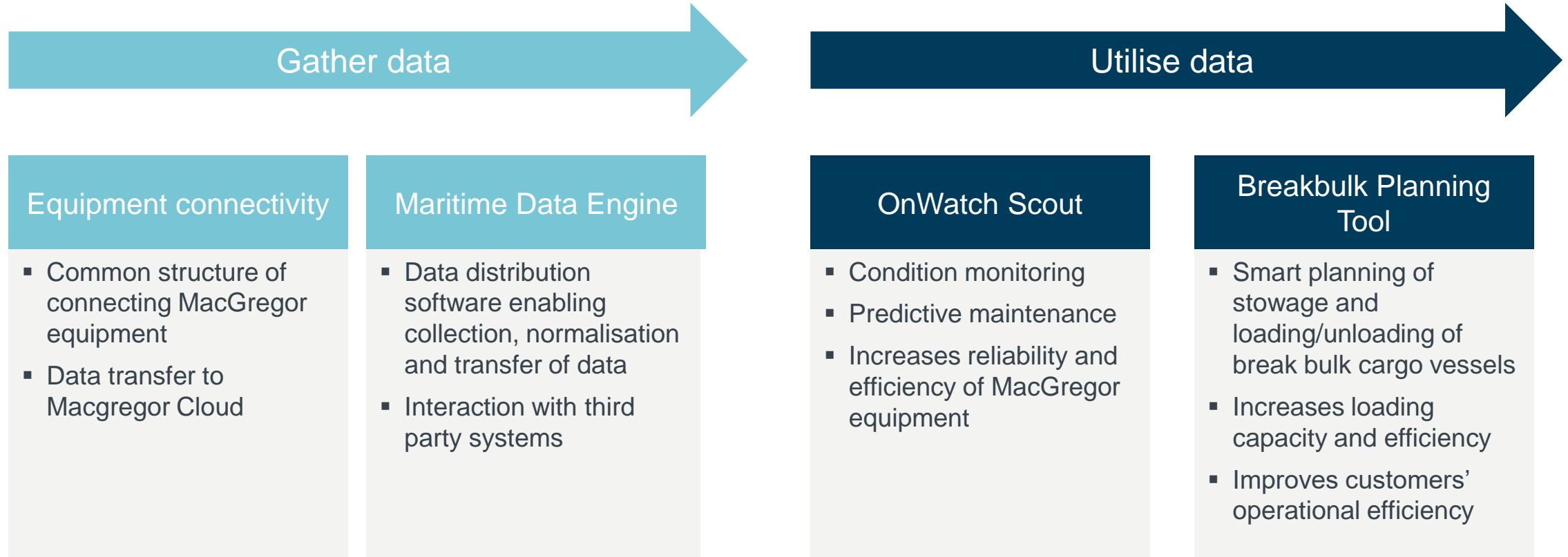
TTS has a strong position through three strategic joint ventures – partnering with both CSSC and CSIC





**R&D
supporting
future
opportunities**

MacGregor Smart: progressing with digitalisation



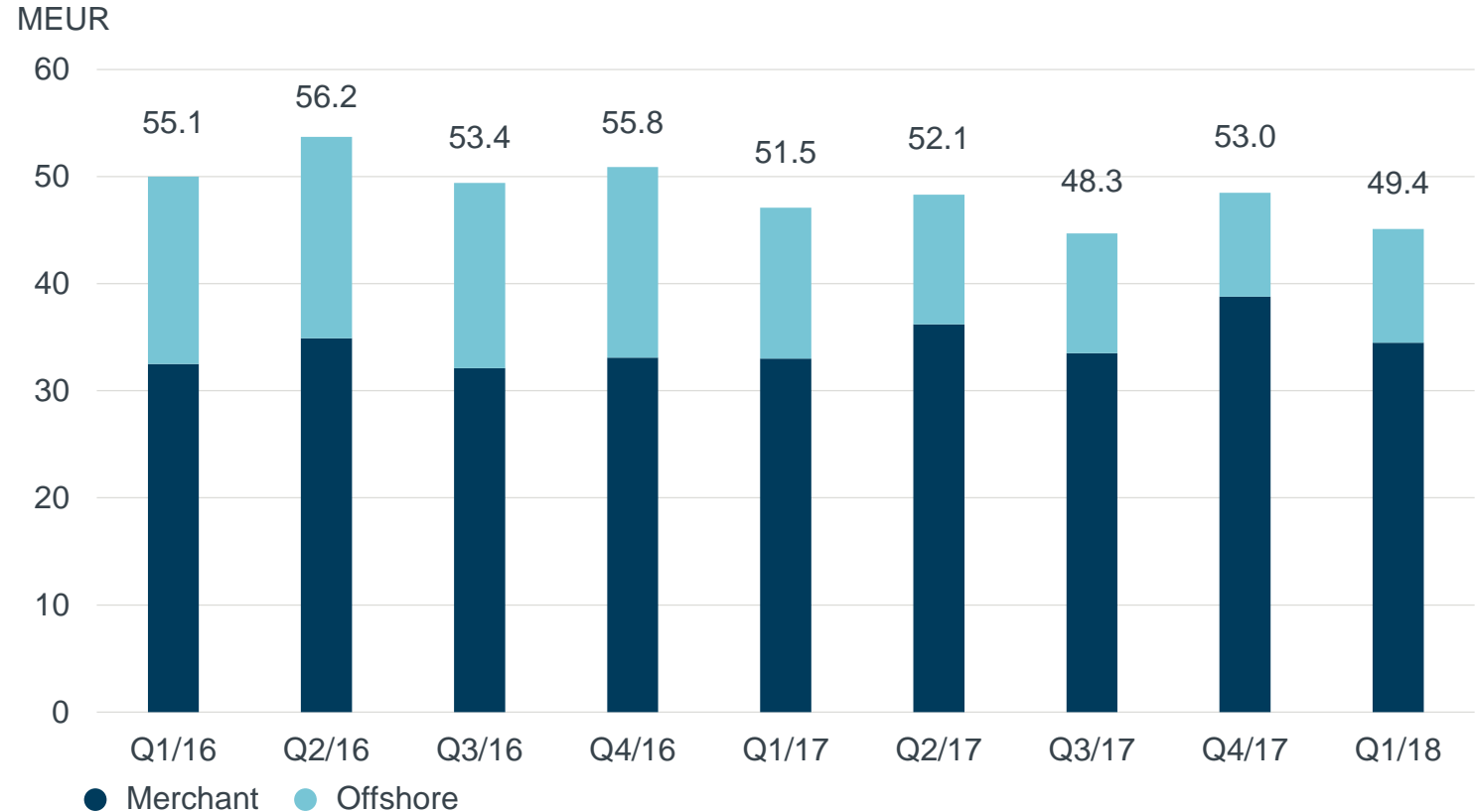
Aim to grow service business

Merchant sector service sales relatively stable, offshore still in slight decline

Highlights in 2018

- Design to service launched, lifecycle focus
- Poland support centre performance improving, over 50% of quotes handled in 24 hours
- Launched new product line of MacGregor green lubricants
- High focus on advanced/digital service offerings

Service sales, merchant and offshore



Global Product Support Centre (GPSC) in Gdańsk – all transactional activities for spare parts in single location

As part of service business transformation, transactional activities from seven locations have been moved to Gdańsk

GPSC was opened in May 2017 and it now employs around 80 people

Goal is to harmonise processes in order to better utilise resources and to increase efficiency

Benefits: cost arbitrage, operational excellence, increased flexibility to serve customers, and better governance of processes



Customer case: Autonomous discharging cranes for bulk ships

Drivers for developing the solution:

- Cost efficiency & new revenue models
- Safety
- Sustainability

Benefits for customers:

- Safer and more efficient operation for bulkers
- Driverless operation
 - Automatic and efficient unloading of cargo
- Better working conditions for operators



Head office moved to Singapore to further strengthen our footprint in Asia

Singapore is a strong international maritime hub

Our goal is to be closer to our customers and suppliers

- More than 75% of global shipbuilding takes place in Asia
- Major part of our suppliers also based in Asia





Finnish Industrial Days in Singapore 30 October

Presentation given by Michel van Roozendaal and Bromma's
SVP Peter Cederholm

Visit to a port nearby