

CEO Mika Vehviläinen
21 March 2017

Annual General Meeting 2017

Cargotec's Extended Executive Board



Mika Vehviläinen
CEO



Mikko Puolakka
EVP, CFO



Antti Kaunonen
President, Kalmar



Roland Sundén
President, Hiab



**Michel van
Roozendaal**
President, MacGregor



Mikael Laine
SVP, Strategy



Mikko Pelkonen
SVP, Human Resources



Outi Aaltonen
SVP, General Counsel



Stephen Foster
SVP, Audit & Assurance



Leena Lie
SVP, Communications



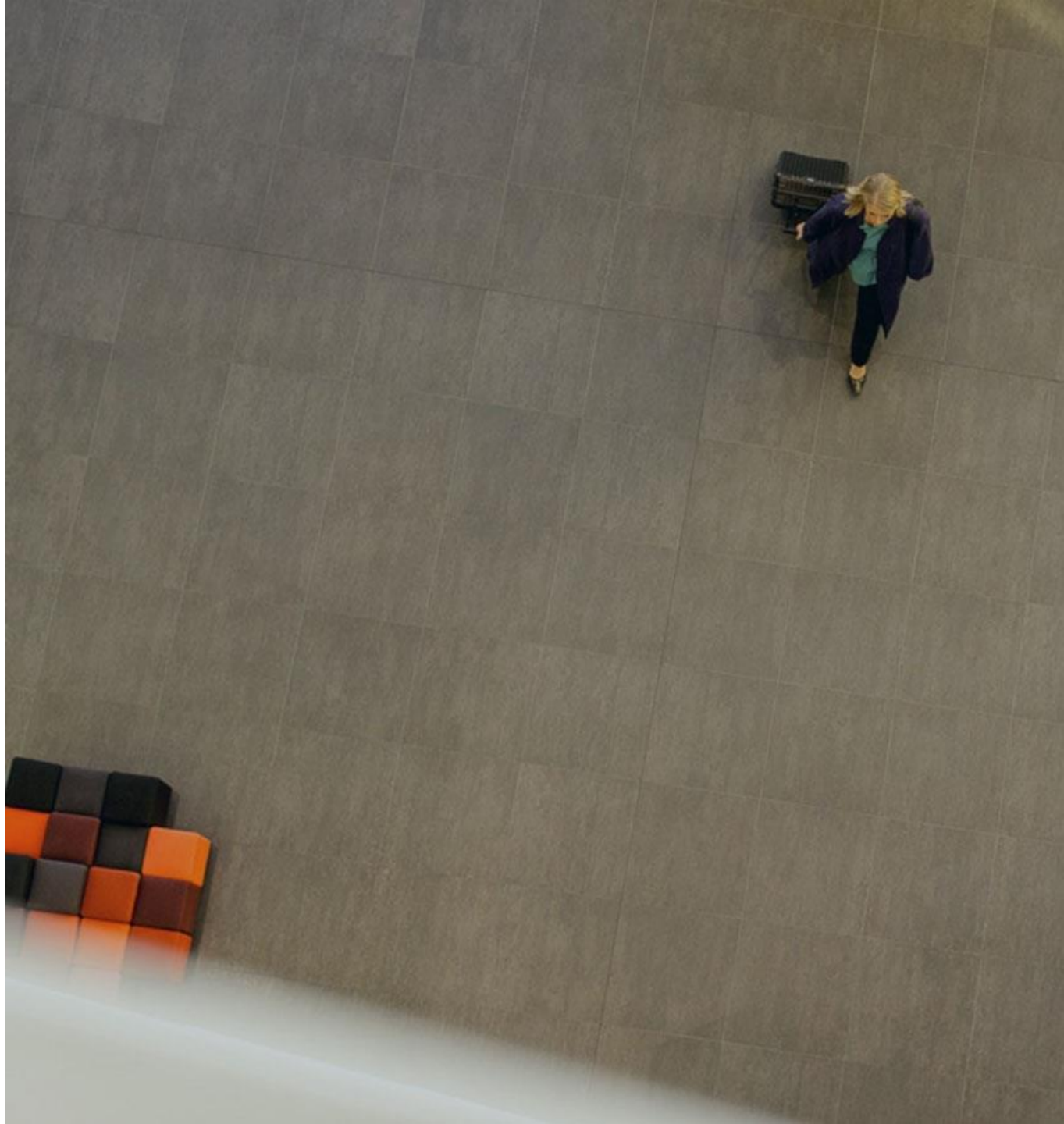
Soili Mäkinen
CIO



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Strategic development 2016



Must-win battles to support strategy implementation



Build world-class
services offering



Lead digitalisation



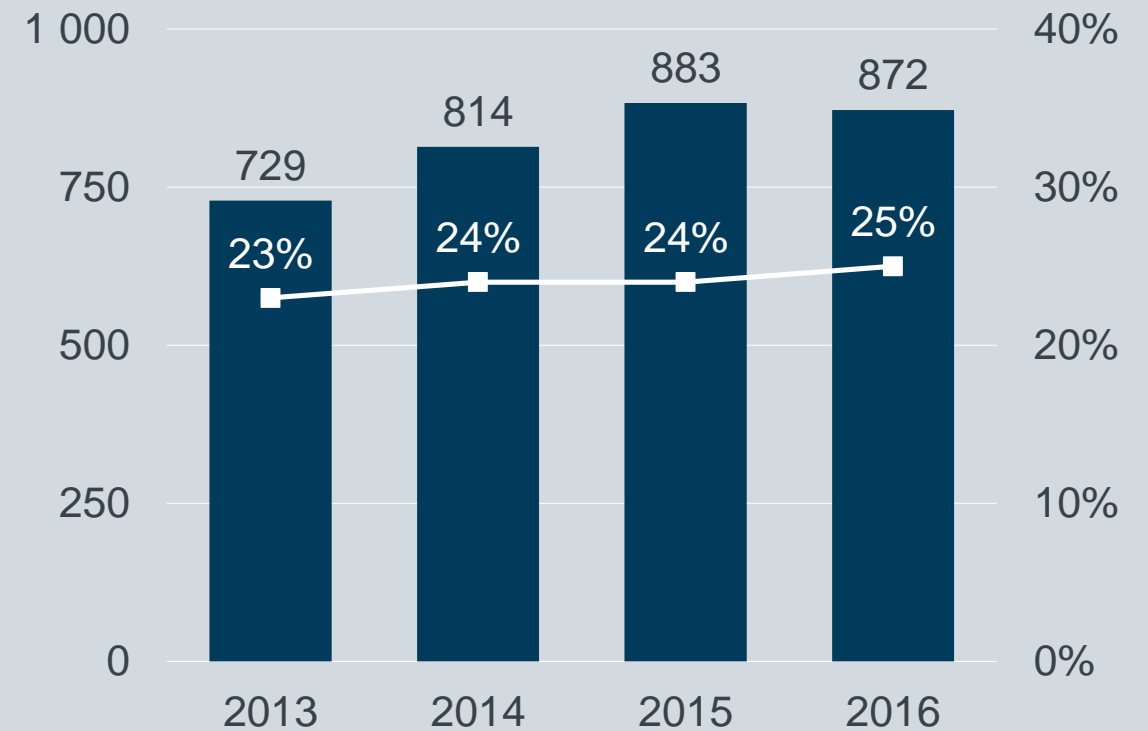
Build world-class
leadership

Services

- Services operation development
- Development of spare parts operations
- Results already visible in Hiab

Sales of services

MEUR



Digitalisation

- IoT Cloud platform built as the basis for our digital solutions
- The number of devices connected to digital platforms increased strongly
- Navis offering complemented by the acquisition of INTERSCHALT

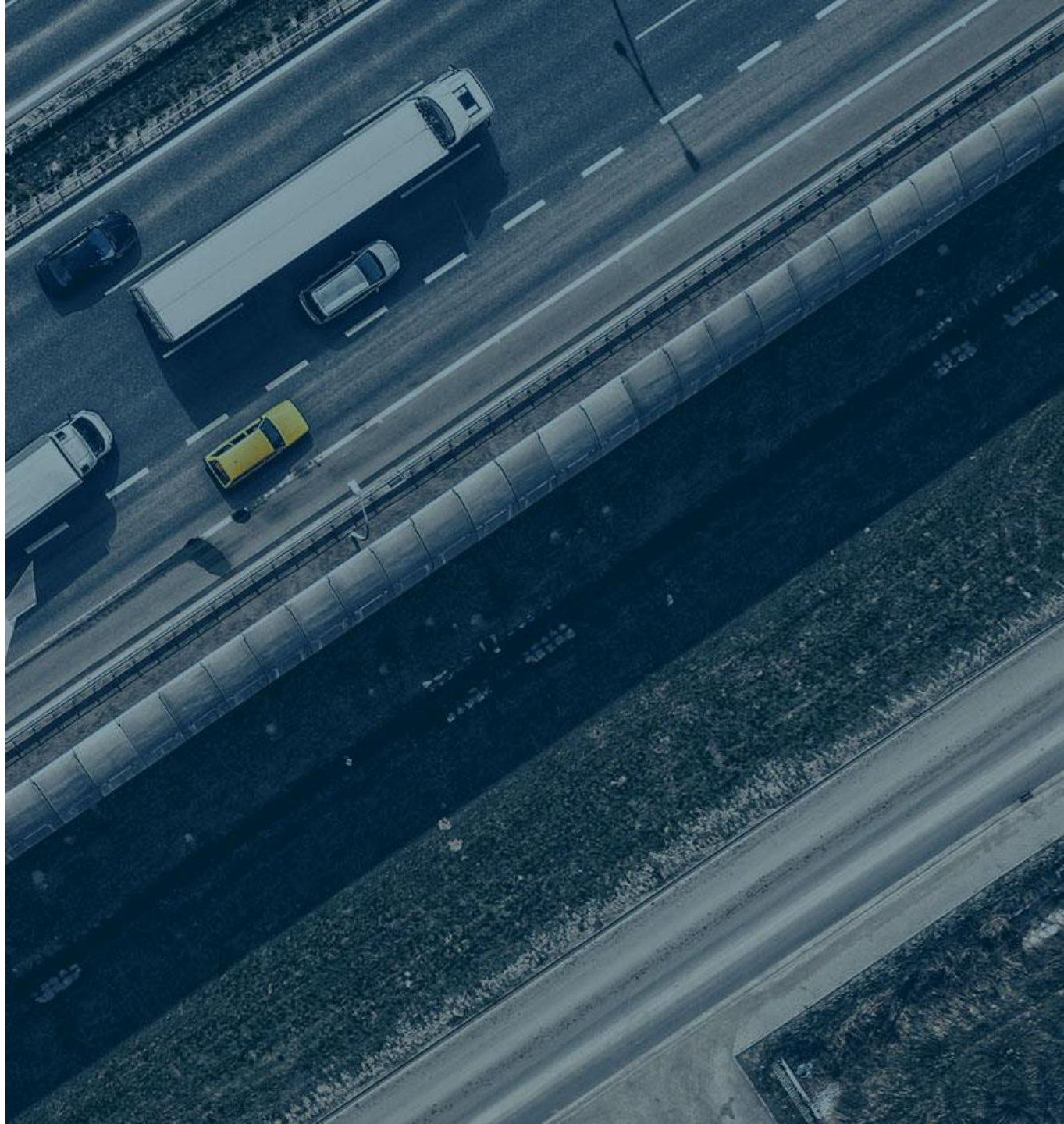


Leadership

- Aim to establish more uniform performance-based leadership culture
- Over 200 key leaders engaged to leadership transformation
- Good progress in employee engagement



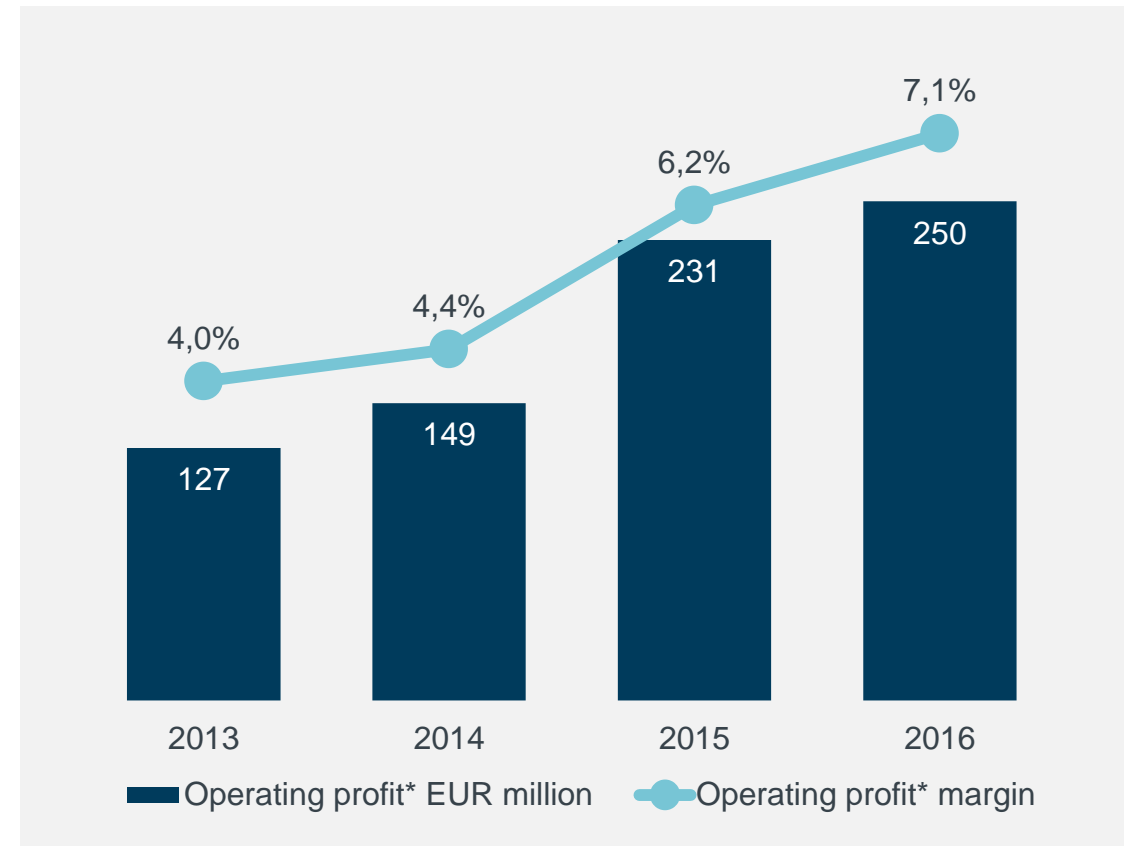
Result for 2016



Highlights of 2016: Highest operating profit* in Cargotec's history

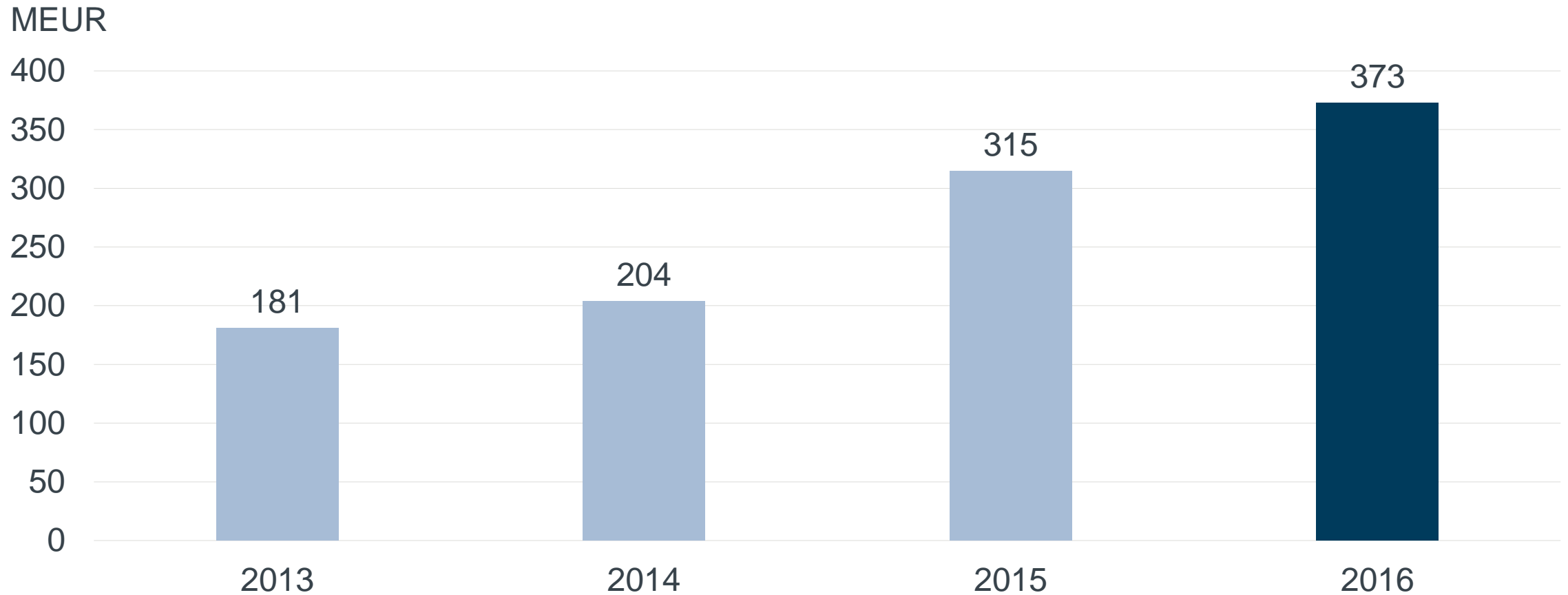
Profitability continued to improve

- Record high operating profit excl. restructuring costs
 - Investments into the strategy: R&D costs have increased 43% compared to 2013
- Sales and profitability increased in Kalmar and Hiab
- MacGregor affected by difficult market situation, new actions to safeguard profitability started in Q4

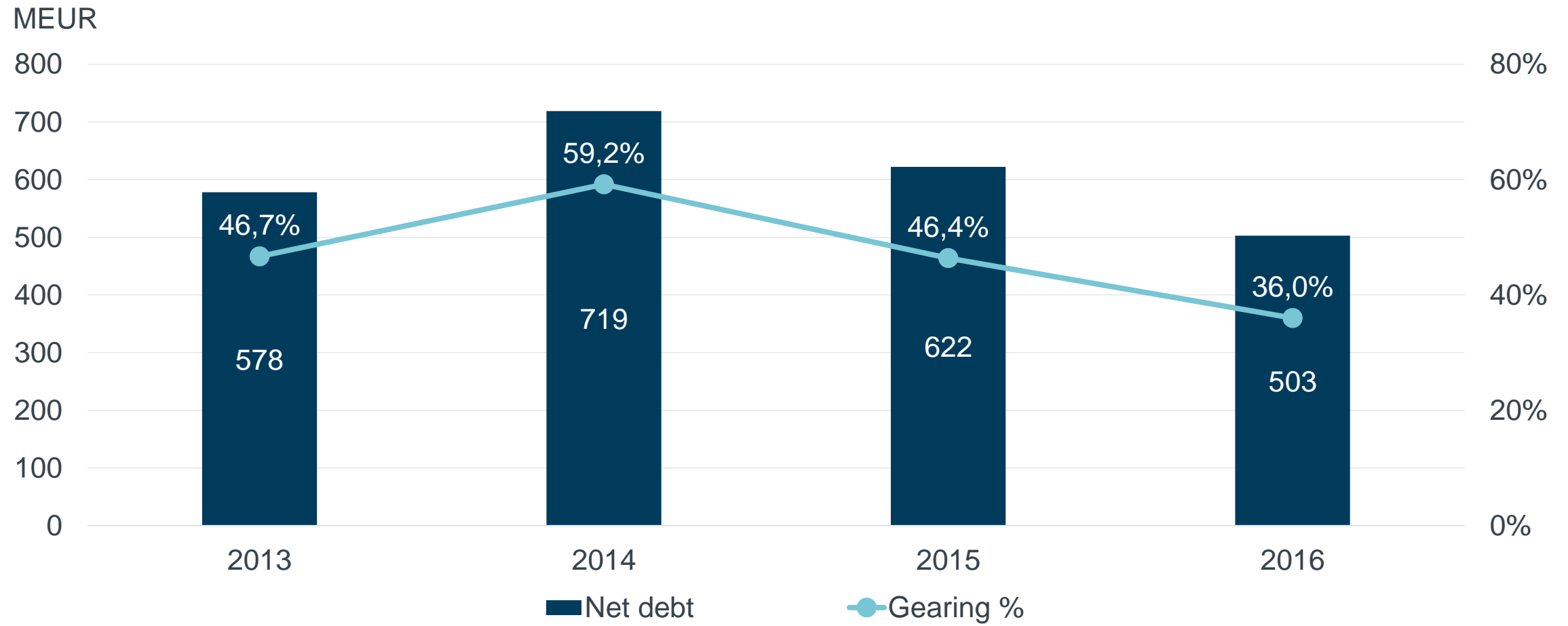


*) Excluding restructuring costs

Strong cash flow from operations

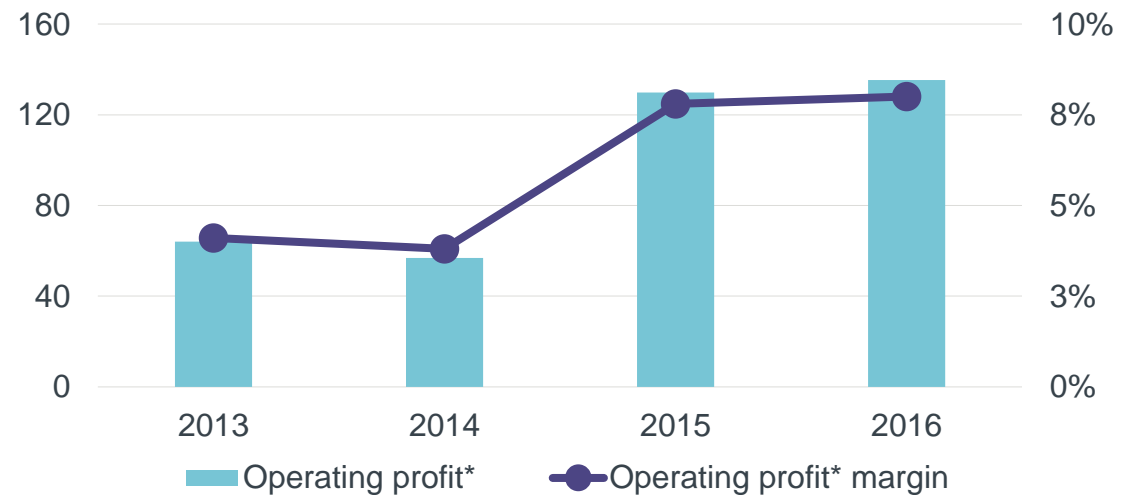
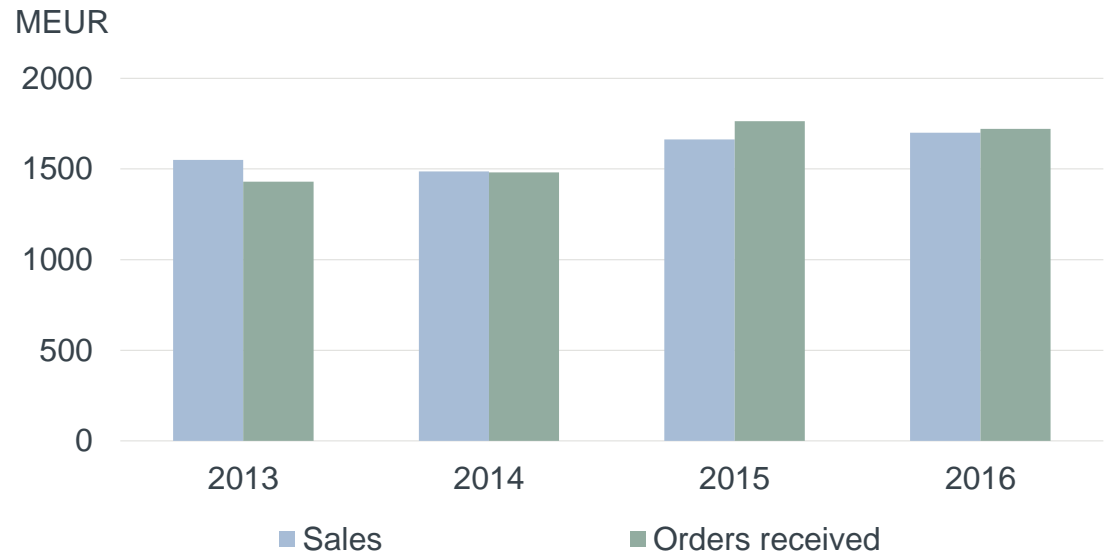


Strong balance sheet: gearing below the target level of 50%



Kalmar – Strategy implementation progressing

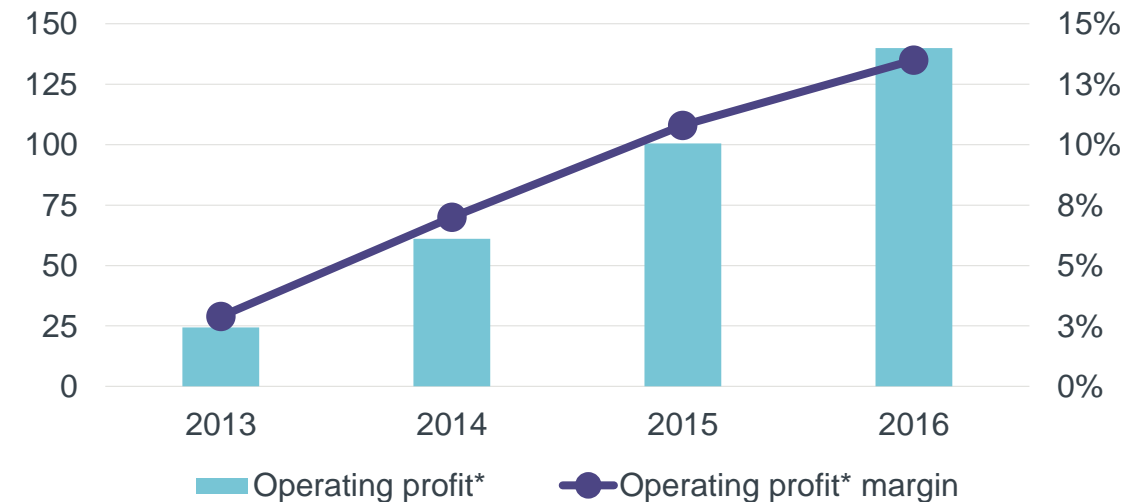
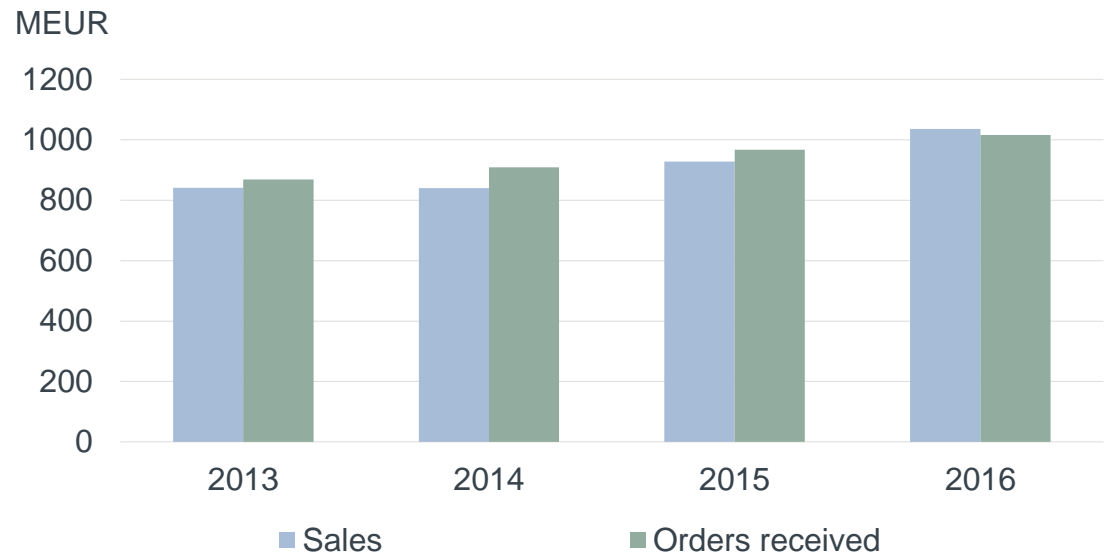
- Sales and operating profit excl. restructuring costs improved
 - More efficient project management supported profitability
- The number of containers handled at ports increased by 1.3%
 - Demand for Kalmar’s container handling equipment was stable
- Customers’ interest in automated solutions increased, but new investment decision making was slow
- Services sales increased slightly, but fell short of our expectations
 - The development improved towards the end of the year



*) Excluding restructuring costs

Hiab – Record-breaking year

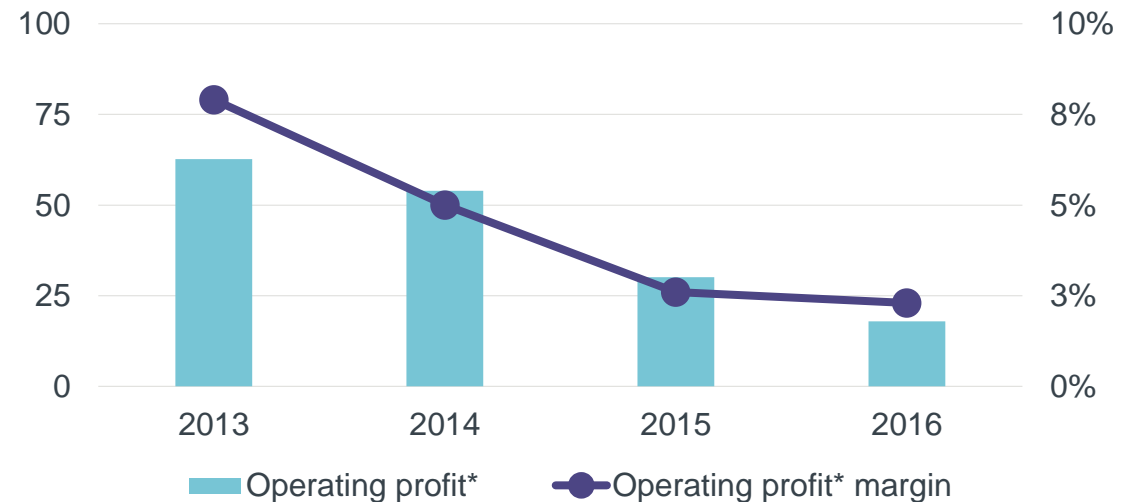
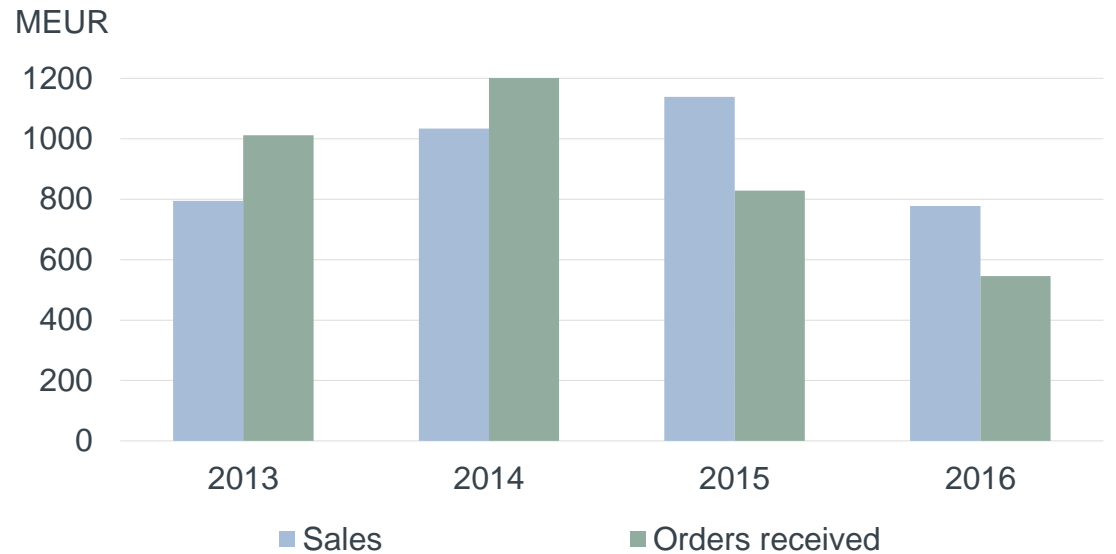
- Sales increased by 12%
 - Sales grew in all geographical areas
 - Market share increased
 - New products boosted orders (54 new products)
- Operating profit excl. restructuring costs improved significantly
 - Profitability was supported by increased volumes, profitability improvement measures and new products
- Sales of services grew by 7%



*) Excluding restructuring costs

MacGregor – Difficult market situation continued

- Sales and orders received decreased
 - Considerably less new merchant ships were ordered than in the previous year
 - Slightly increased oil price towards the end of the year did not yet support investment activity in the offshore industry
- Operating profit excl. restructuring costs declined, but remained positive
 - New actions to safeguard profitability started during the latter part of the year
- Sales of services decreased by 12%



*) Excluding restructuring costs

Investments in research and product development

R&D investments

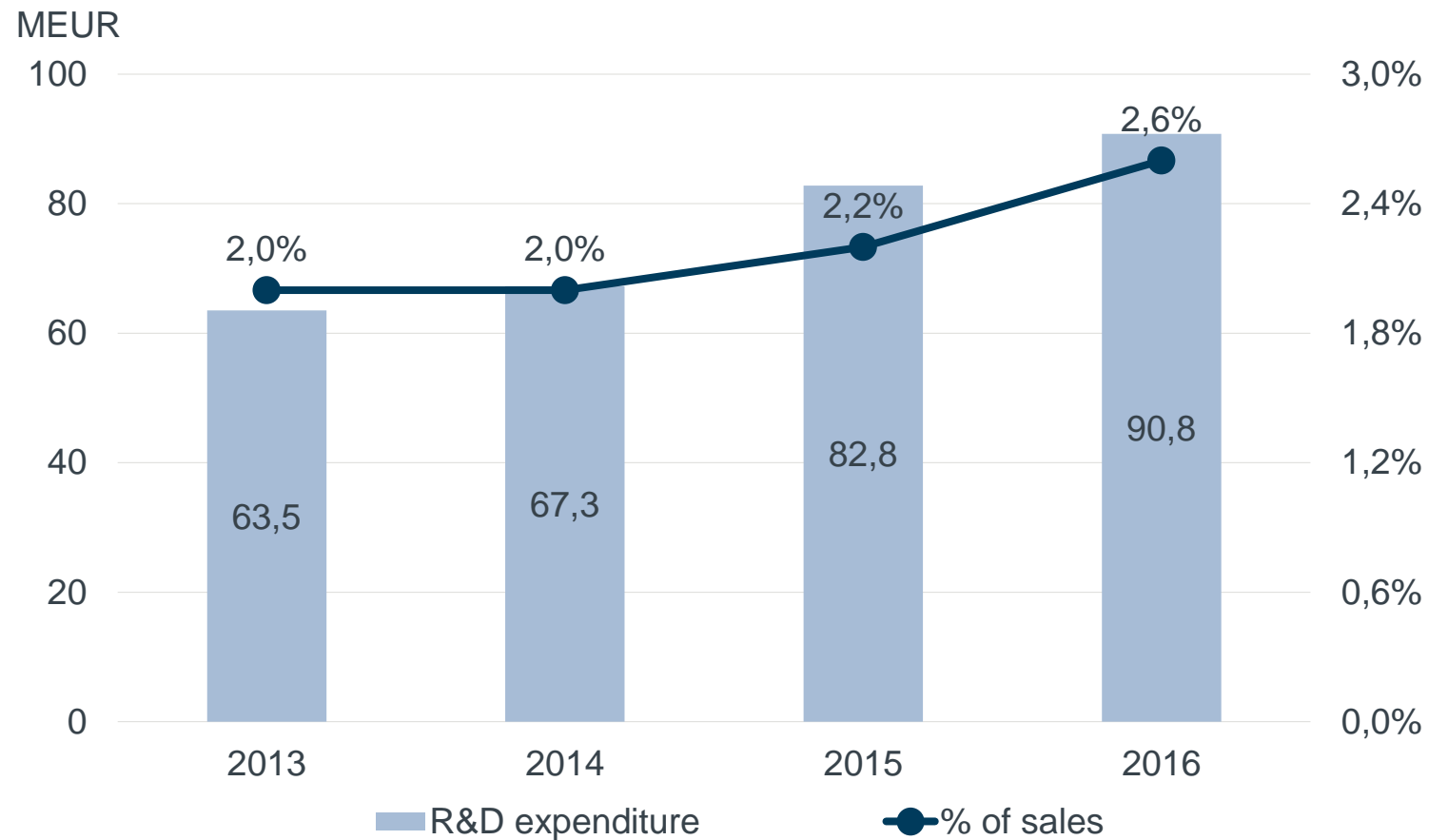
R&D investments have increased by 43% compared to 2013

Digitalisation

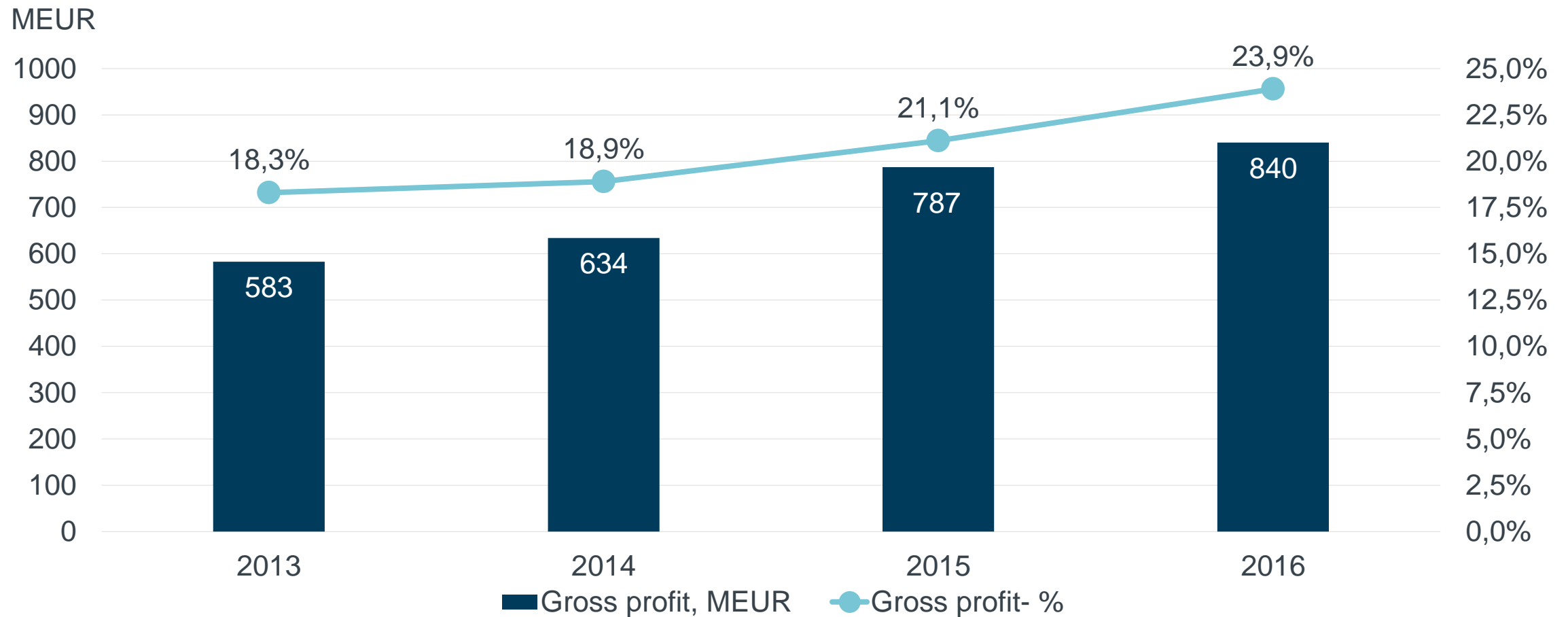
- Cargotec IoT Cloud platform
- Investments in software operations

New product launches

- Competitiveness, cost-efficiency, and ecological efficiency of products



Gross profit improvement driven by new products



Sustainability creating competitive advantage for Cargotec



Sustainability trends in the transportation industry

The need for sustainable and low-emission solutions in the transportation industry is increasing

- Legislation development expected
- The market demand for low-emission solutions has increased significantly

Transportation efficiency and emissions reduction improved with:

- More fuel-efficient and electricity-efficient products
- Automation solutions
- Digitalisation



Sustainability supports Cargotec's business opportunities

- Cargotec has clear sustainability targets and processes
 - The biggest positive environmental impact comes from using Cargotec's solutions
- Cargotec has defined its offering for eco-efficiency
 - Technology has been developed during the recent years
 - We want to be the thought leader and the market leader in eco-efficient products
- Sales of eco-efficient solutions are expected to grow in the future
 - Approximately one fifth of Cargotec's sales* in 2016

*Company estimate

Cargotec's offering for eco-efficiency



Systems efficiency

Visibility to customer's material flows and the logistics chain

- Improved control over operations that consume fuel and other resources



Efficiency for environmental industries

Products that are in use in the growing environmental industries, wind farming and waste management



Emission efficiency

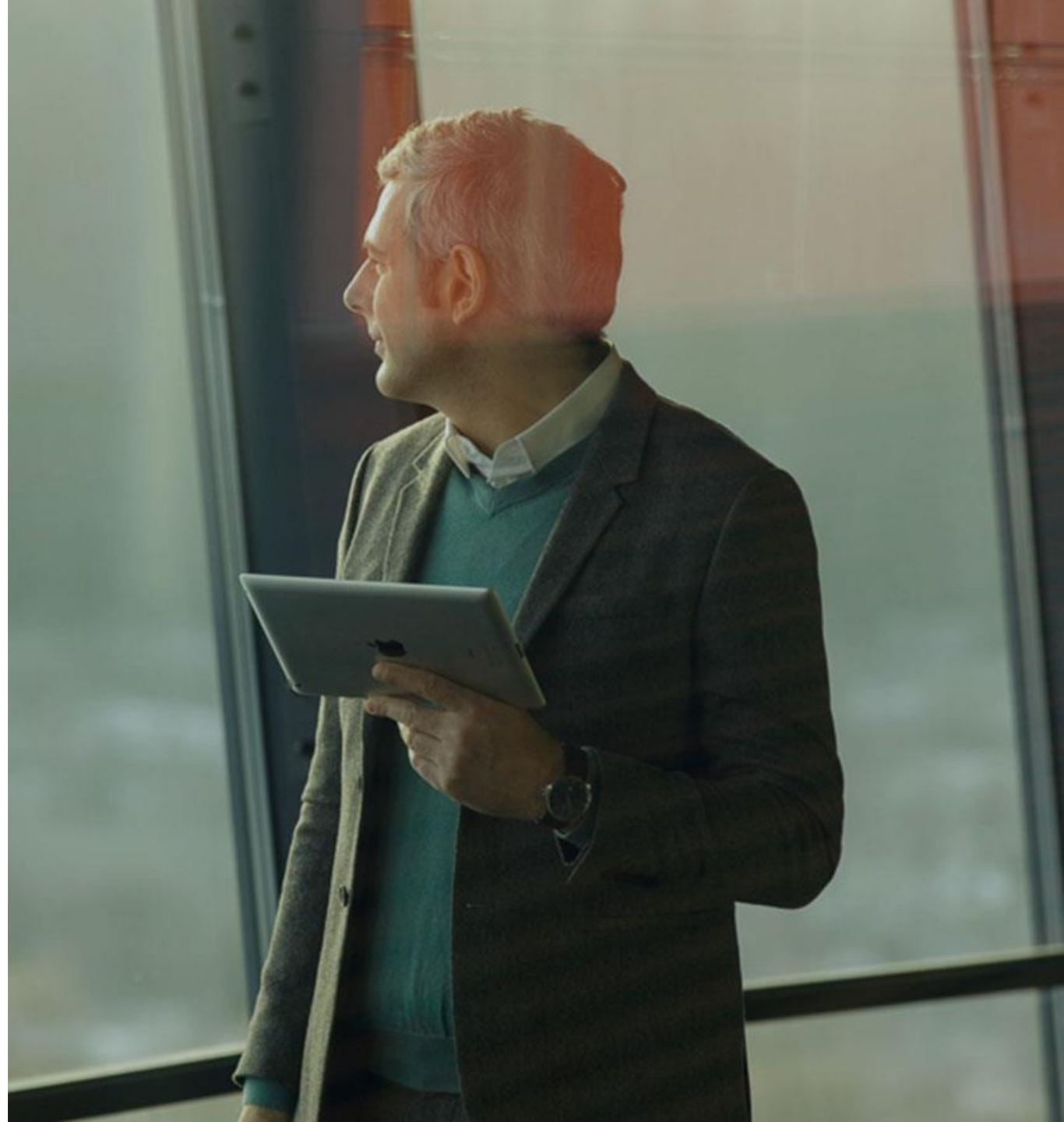
Technology that enables significant reductions in fuel use or reduce significantly the risks of oil spills in the sea



Resource efficiency

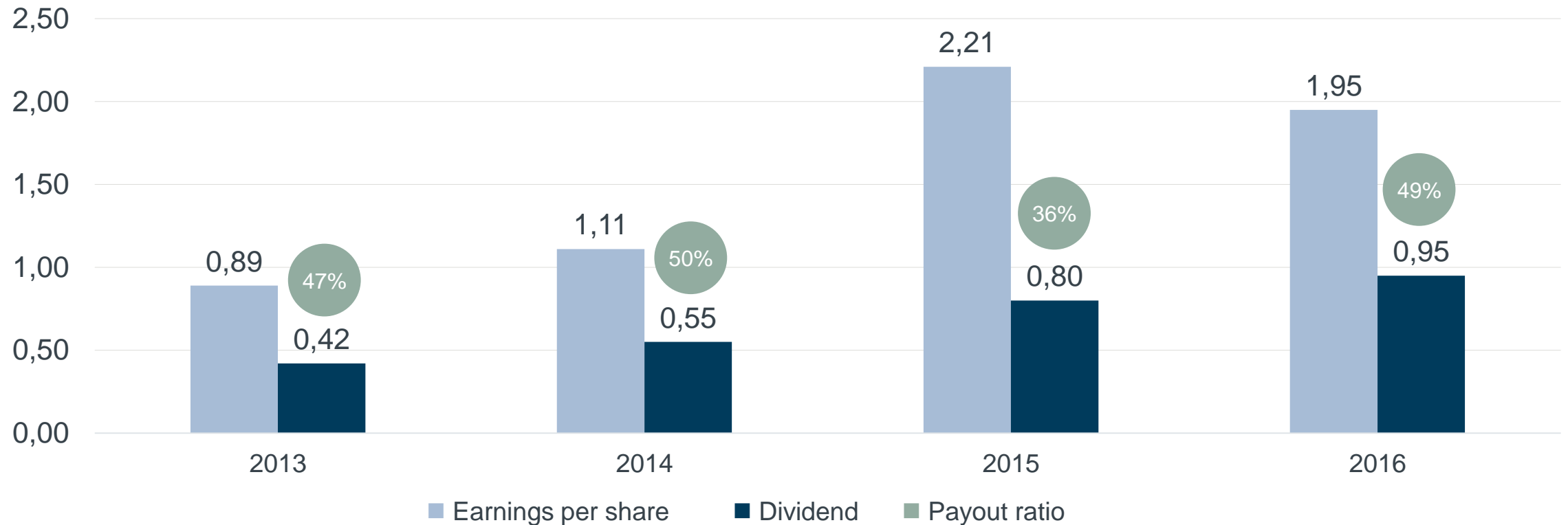
Solutions that help to reduce material use by maintaining and upgrading the existing solutions more efficiently

Dividend and outlook for 2017



Dividend and earnings per share

Board proposal EUR 0.95 dividend per B share for 2016



2017 outlook

Operating profit excluding restructuring costs for 2017 is expected to improve from 2016 (EUR 250.2 million)



Thank You

