Cargotec Capital Markets Day

2014

18 November 2014

Cargotec financials

Eeva Sipilä
Executive Vice President, CFO

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January–September key figures

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	Q1-Q3/14	Q1-Q3/13	Change	2013	2012
Orders received, MEUR	**2,685**	2,348	14%	3,307	3,058
Order book, MEUR	**2,327**	2,048	14%	1,980	2,021
Sales, MEUR	**2,395**	2,267	6%	3,181	3,327
Operating profit, MEUR*	**77.8**	87.9		126.5	157.5
Operating profit margin, %*	**3.2**	3.9		4.0	4.7
Cash flow from operations, MEUR	**120.3**	47.0		180.9	97.1
Interest-bearing net debt, MEUR	**835**	577		578	478
Earnings per share, EUR	**0.48**	0.77		0.89	1.45

* excluding restructuring costs

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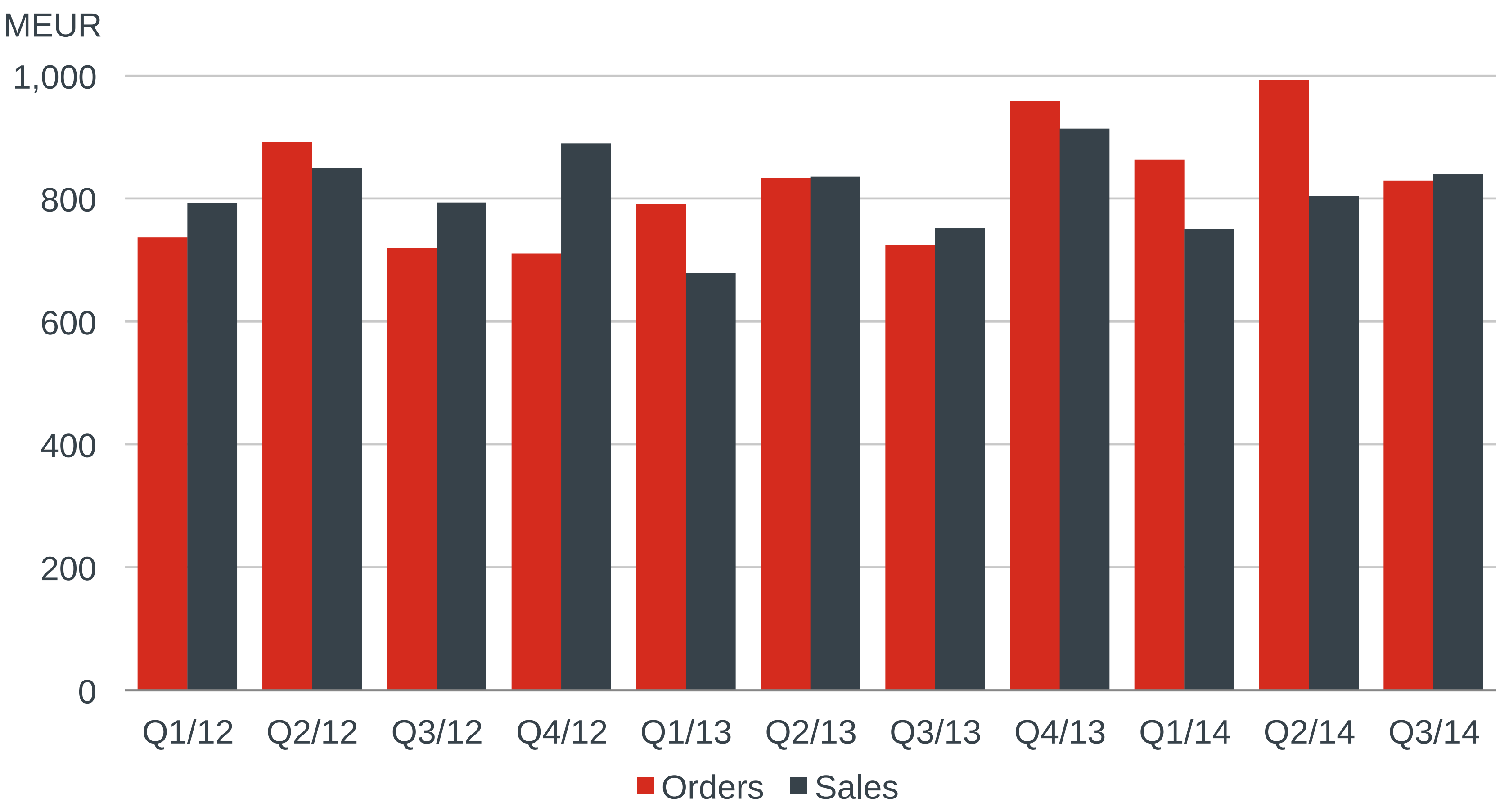
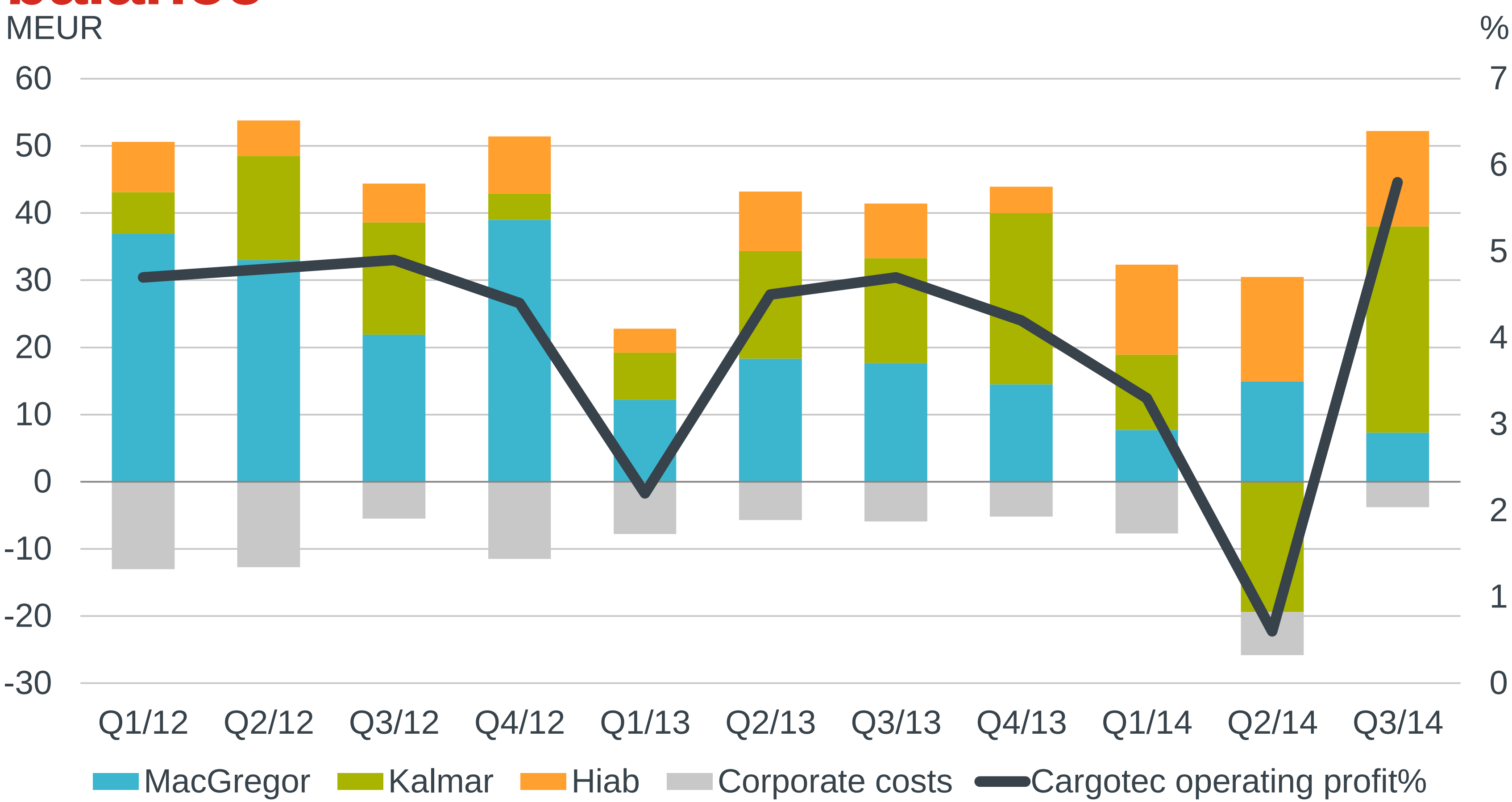
Cargotec's book-to-bill – healthy 2014 development in turbulent environment



Cargotec's profit generation by business area – targeting improvement and better balance



excluding restructuring costs

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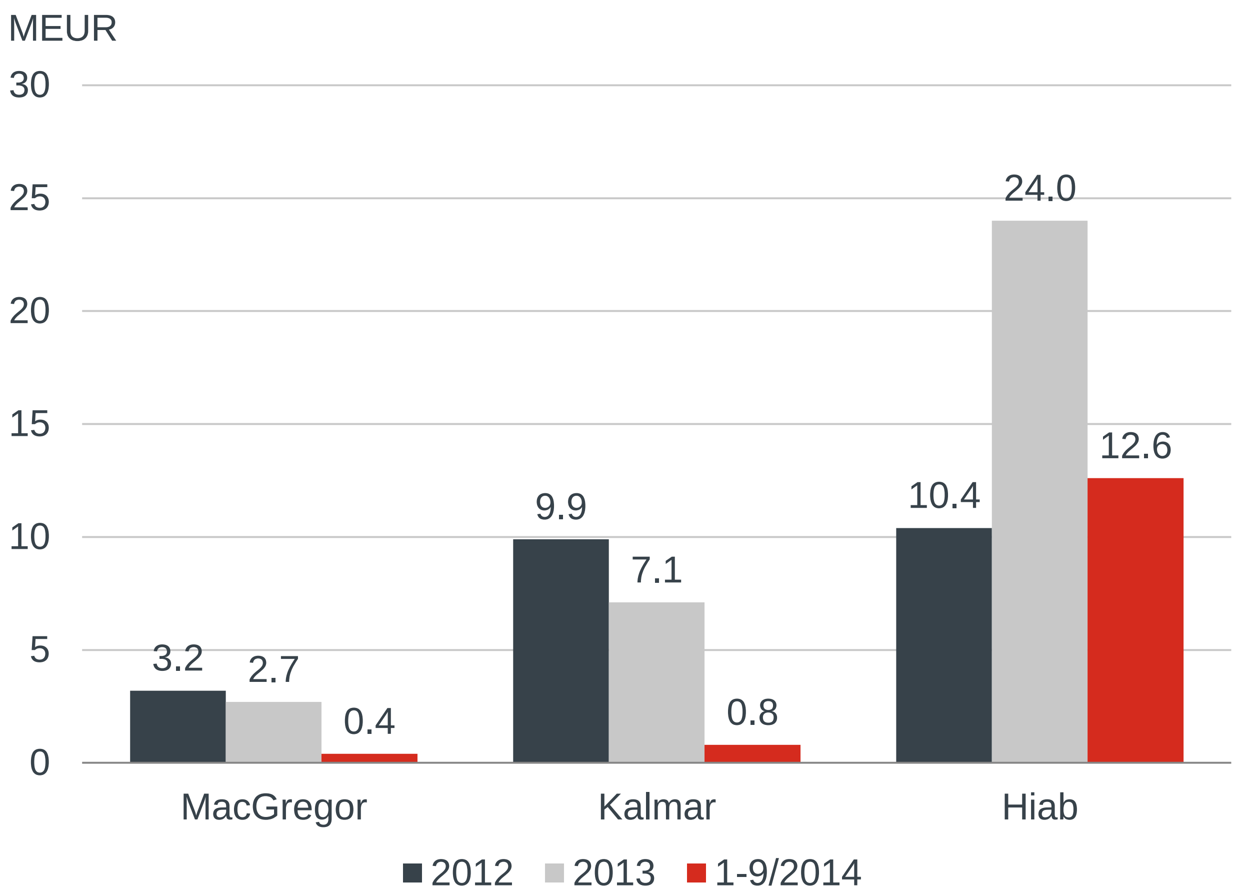
Restructuring costs from past few year's efficiency improvement measures



Cargotec hedges foreign exchange related transaction risk

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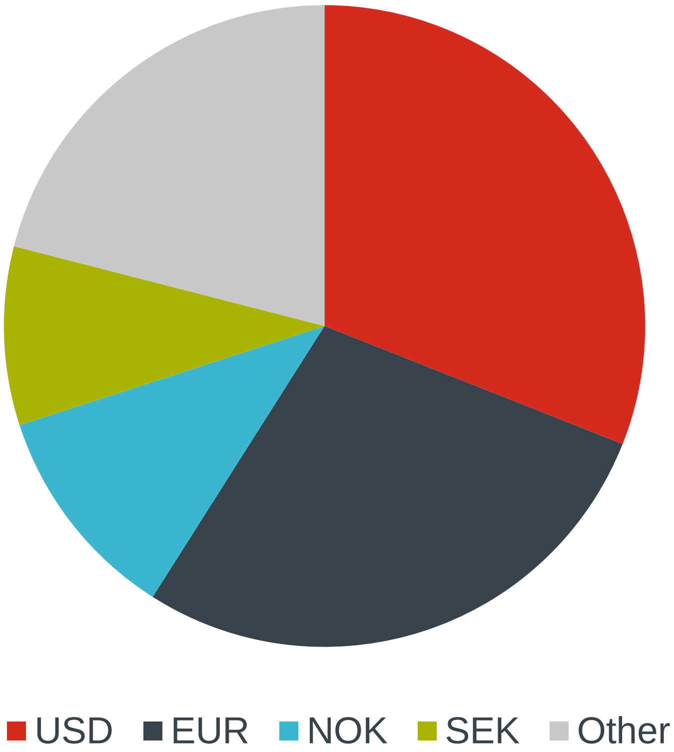
- Cargotec is a global company with operations in over 120 countries in different currency zones. All legal companies fully hedge their transactional foreign exchange (FX) risk (order book and B/S items) against their functional currencies.
- FX translation risk (accounting risk) exists and is not hedged.
- Economic risk relates to uncommitted cash flows or those from expected but not yet committed future product sales. This is managed by optimizing supply/sourcing footprint to sales mix.

Translation exposure 1-9/2014



Cargotec financial targets for 2016

Operating profit margin
(EBIT)

>8%

Return on capital employed
(ROCE pre-tax)

>13%

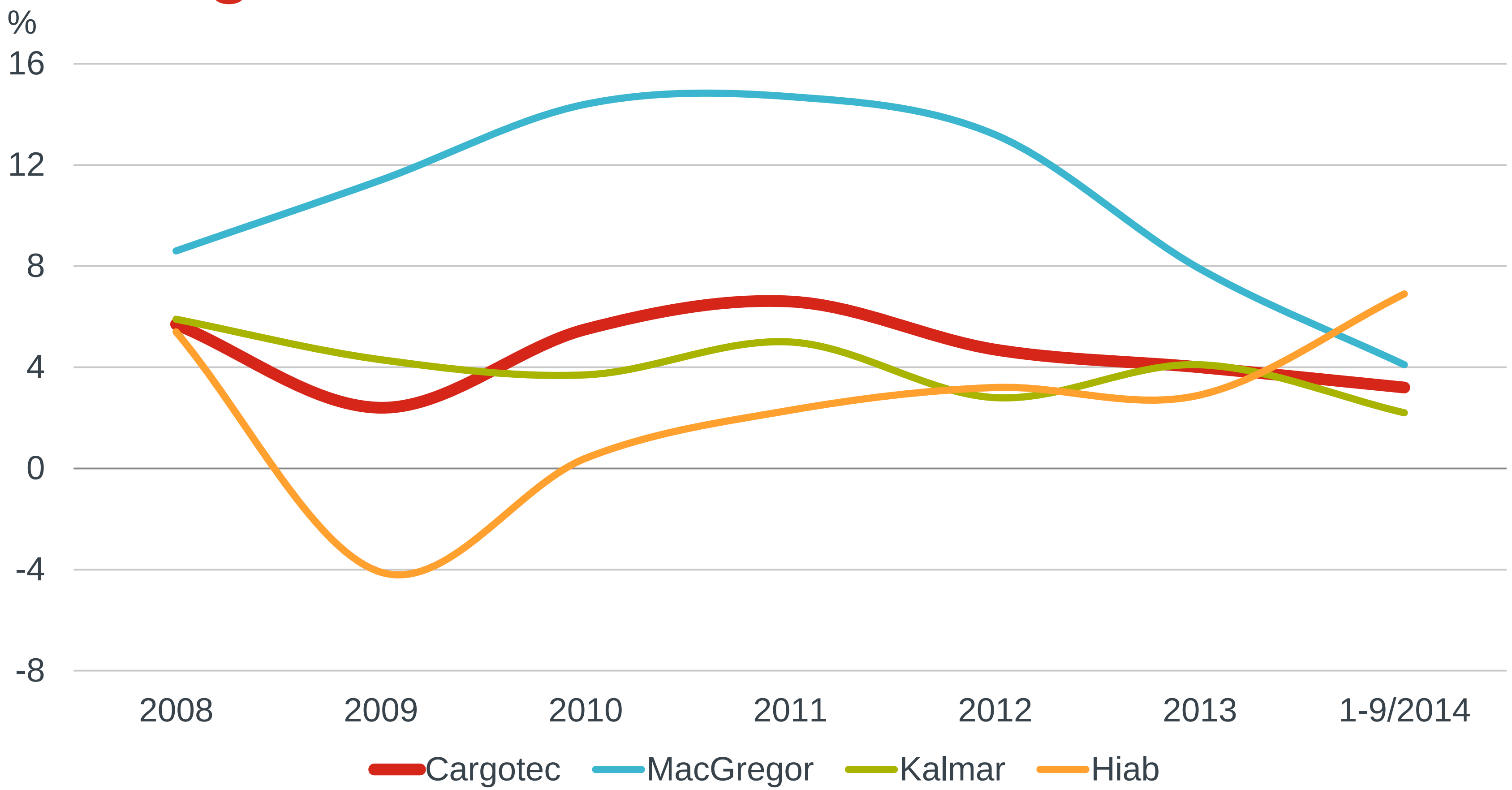
Gearing

<50%

Dividend

30-50%
of earnings per share

Operating profit margin – improvement in all BAs from current level to reach set target



excluding restructuring costs

Cargotec financial targets for 2016

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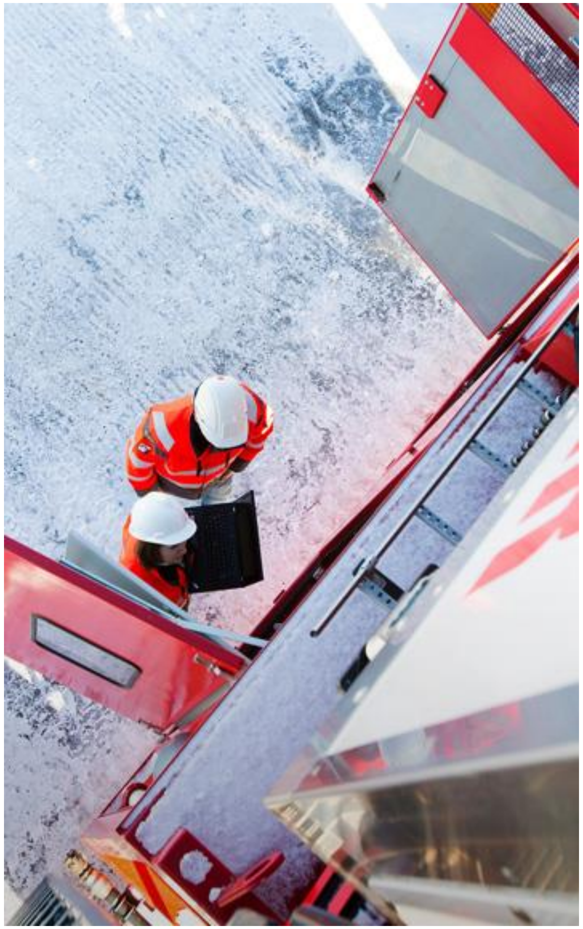
Operating profit margin (EBIT) >8%	**Return on capital employed** (ROCE pre-tax) >13%
Gearing <50%	**Dividend** 30-50% of earnings per share



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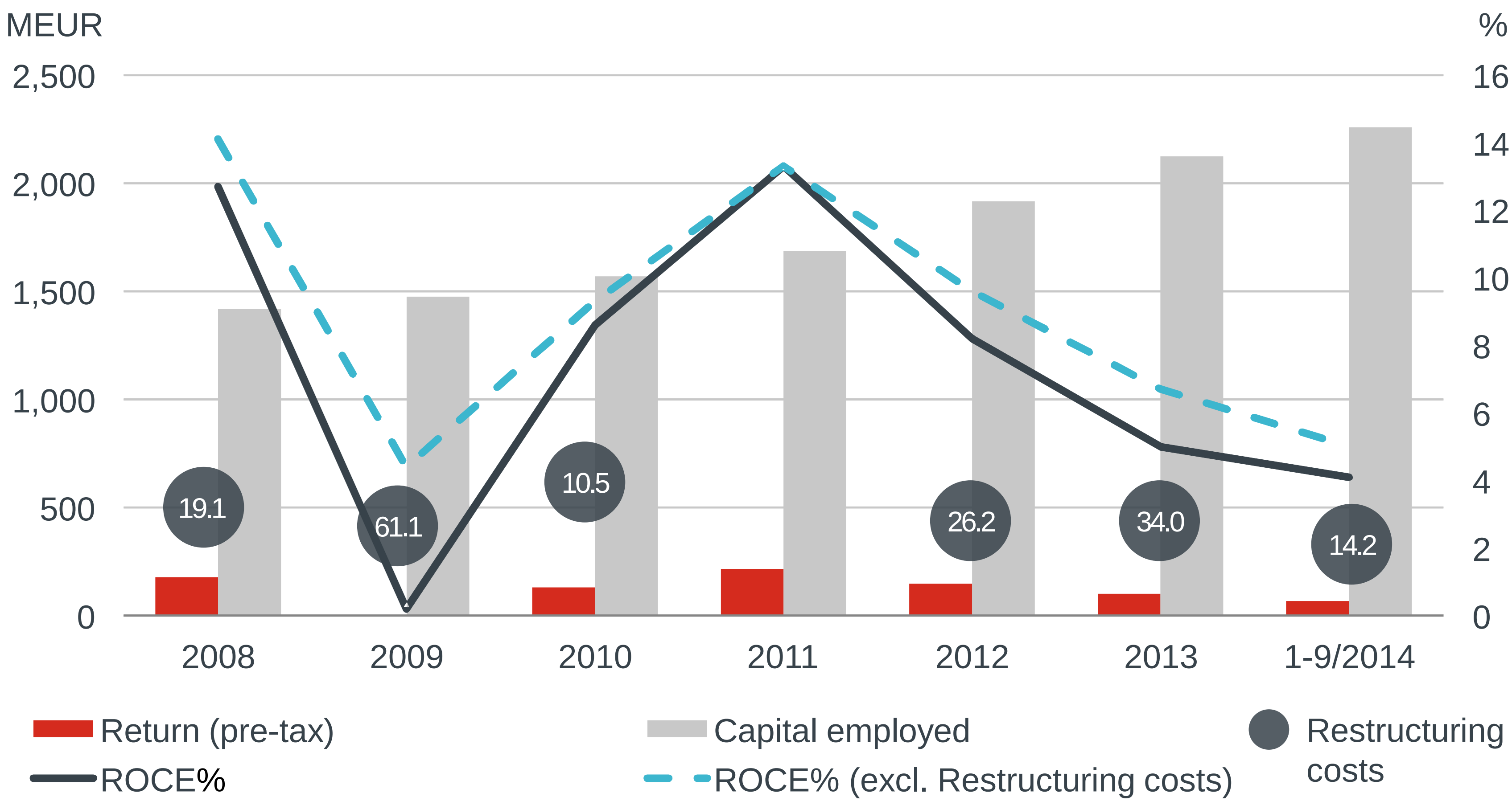
Return on capital employed (ROCE) raised as new financial target in Cargotec



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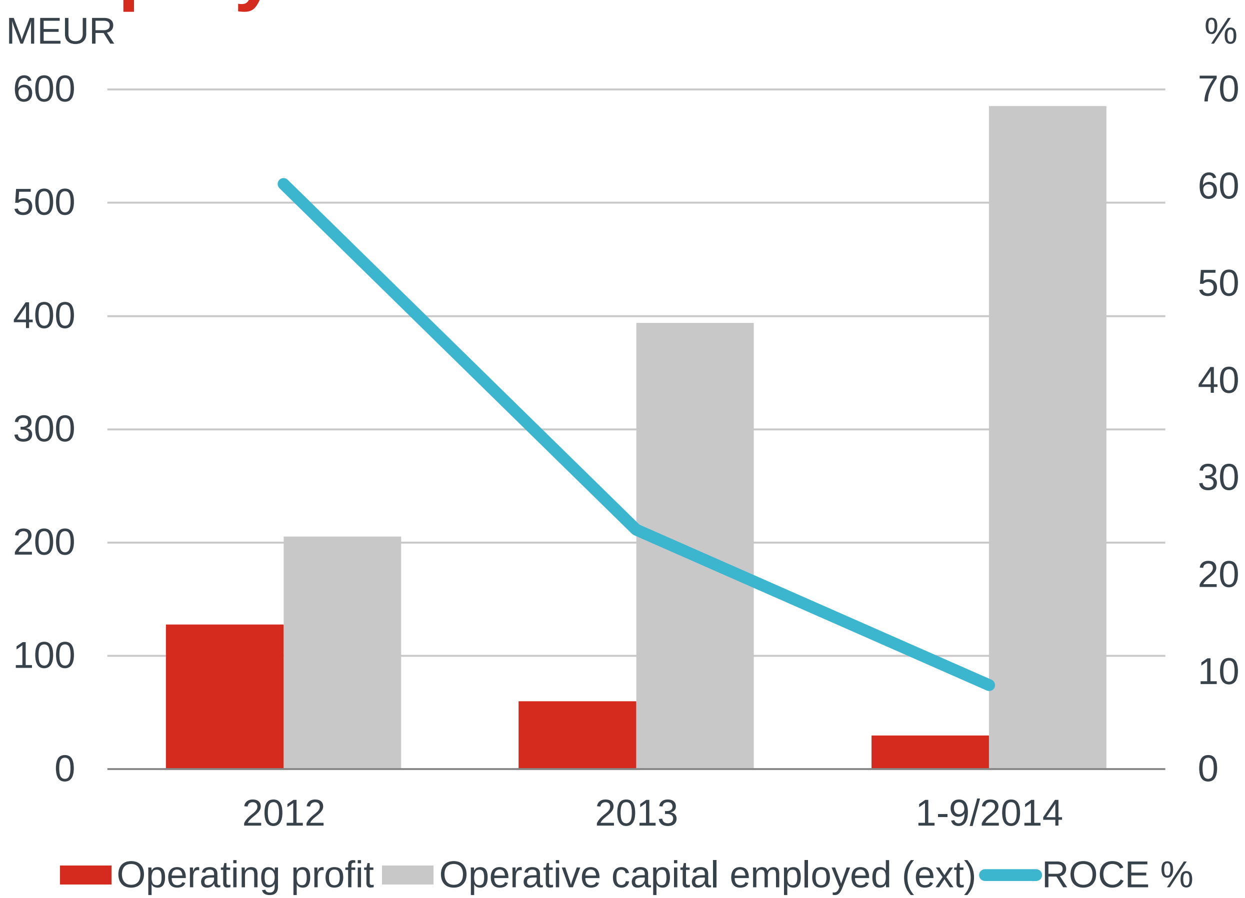
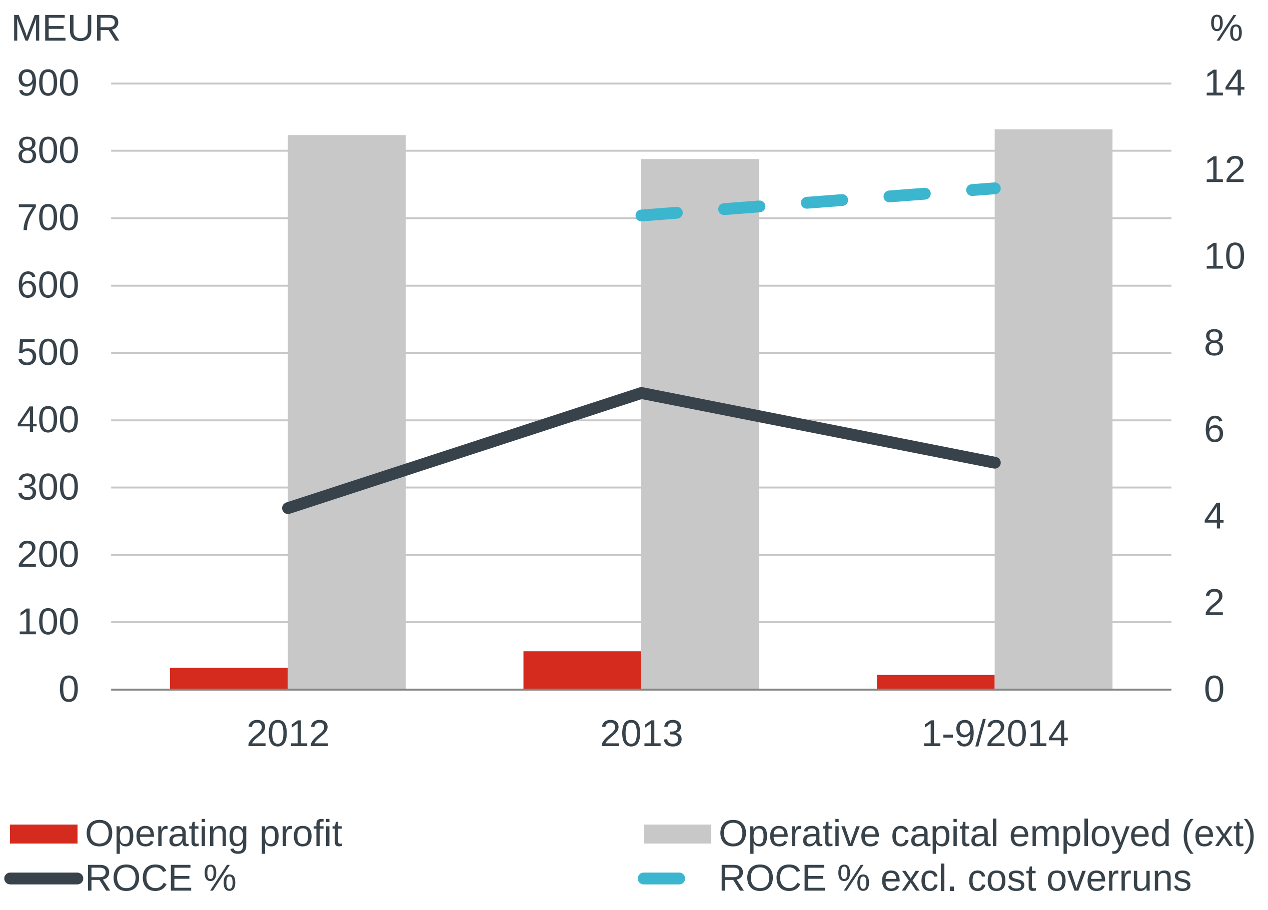
Operative ROCE in MacGregor – recent acquisitions have increased capital employed



Operative ROCE in Kalmar – cost overruns have weighed heavily



Operative ROCE in Hiab – profitability improvement supporting returns

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Cash flow from operations continues as key priority for Cargotec

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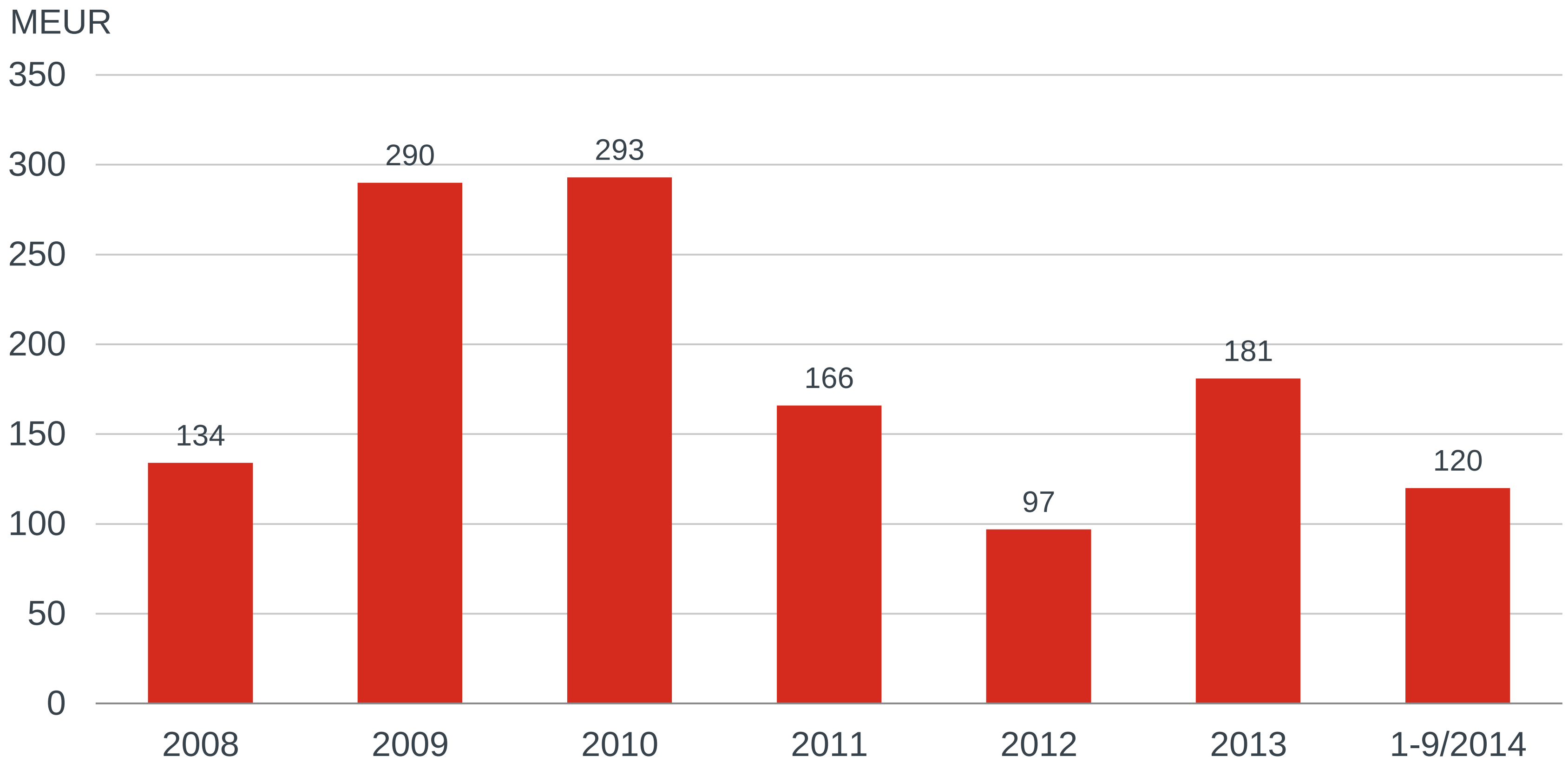

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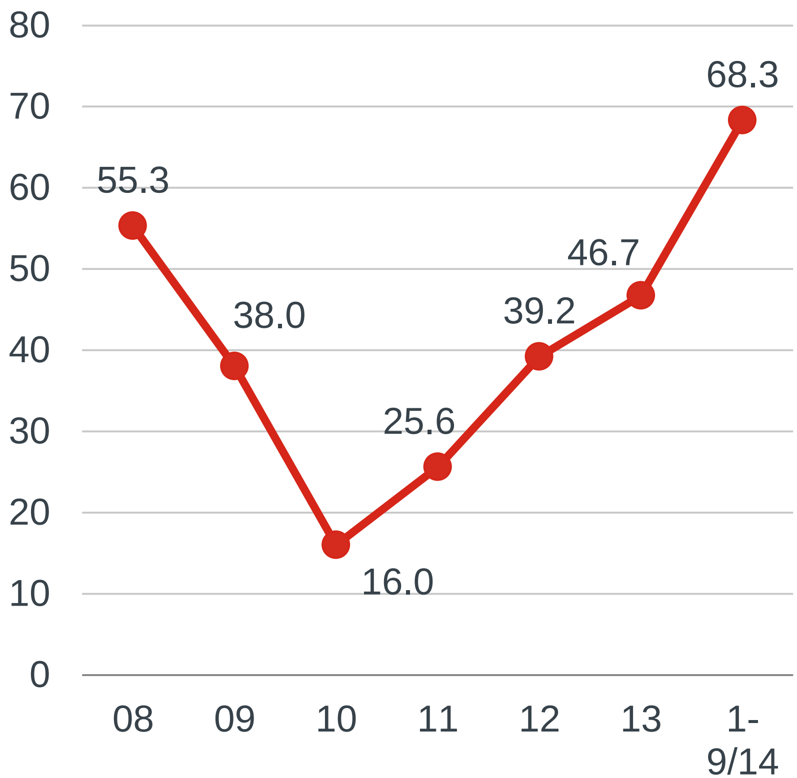
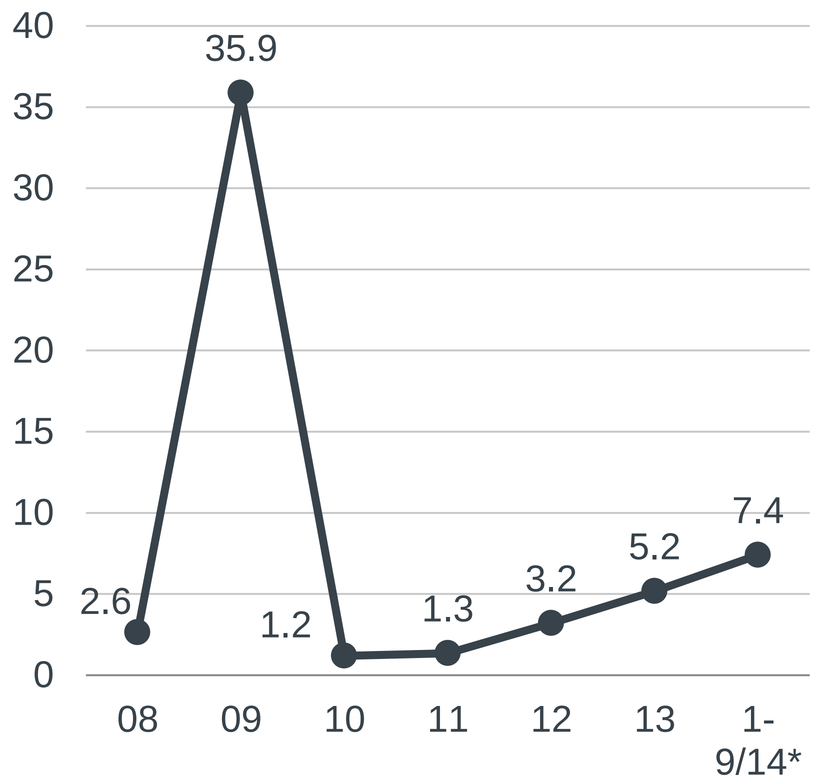
Gearing and net debt/EBITA affected by disappointing Q2/14, focus on deleveraging post-acquisitions continues

Gearing %



Net debt/EBITA



* EBITA rolling 12 months

Balanced debt portfolio from maturity structure and source point of view

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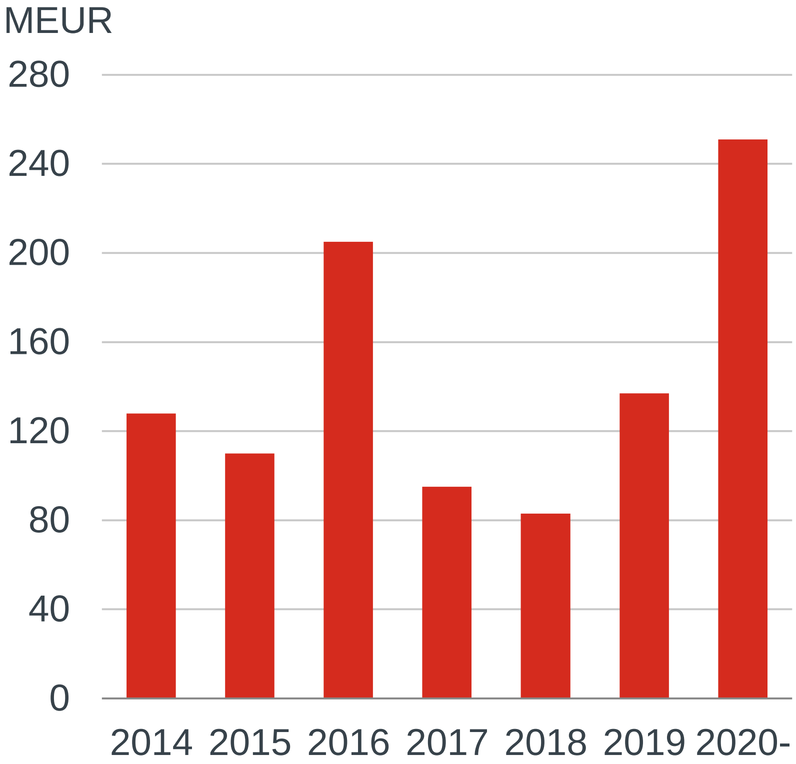
As of 30 Sep 2014:

- Commercial bank loans 200 MEUR
- Revolving credit facility 30 MEUR (270 MEUR undrawn, maturity until Jan 2019)
- Commercial papers 145 MEUR
- Corporate bonds 304 MEUR
- Loans from international financial institutions 235 MEUR
- Subsidiary loans and leasing liabilities 56 MEUR

- Hatlapa capital loan of 40 MEUR included in 30 Sep 2014 figures but repaid in October

Repayment schedule of interest-bearing liabilities



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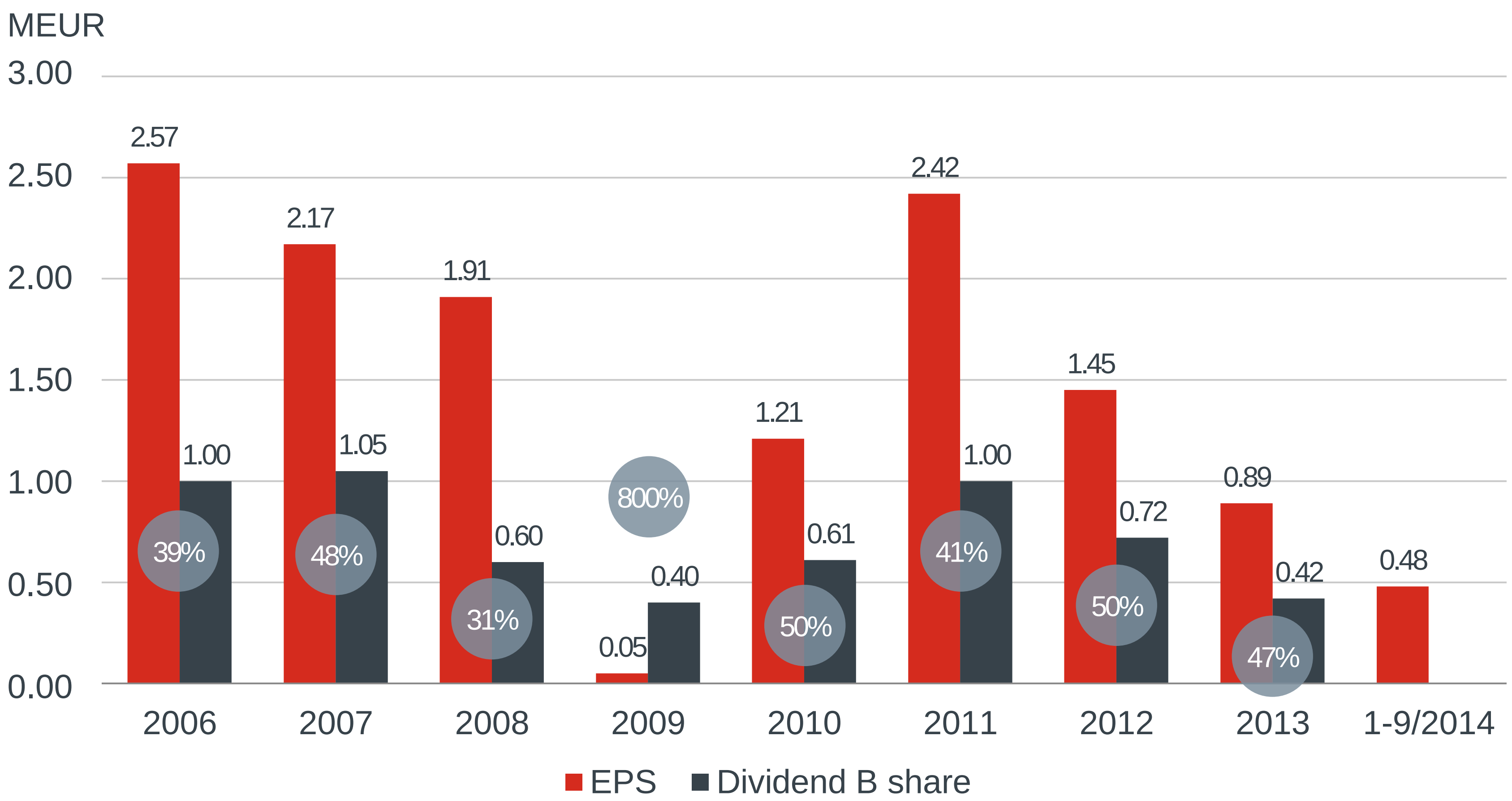
Dividend pay-out history in line with policy of 30–50% of earnings per share



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Corporate initiatives for 2015–2016

> Continue rolling-out and leveraging systems platform and tools to support better efficiency and transparency

> Corporate-wide programme on control environment to improve business performance and deliver without surprises

> Profitability improvement actions continue in all business areas, with special focus on returns and cash generation/working capital

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