





# Goldman Sachs European Industrials Conference

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# Cargotec in brief



# Today's leader in cargo handling equipment

## Cargotec Group

Sales: **EUR 3,729 million**  
 EBIT: **6.2%**  
 Services: **24%**

## Kalmar

45% of sales  
 EBIT: **7.8%**  
 Services: **26%**

## Hiab

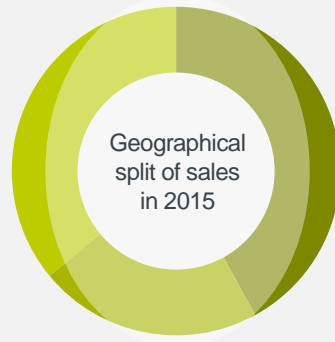
25% of sales  
 EBIT: **10.8%**  
 Services: **23%**

## MacGregor

30% of sales  
 EBIT: **2.6%**  
 Services: **20%**

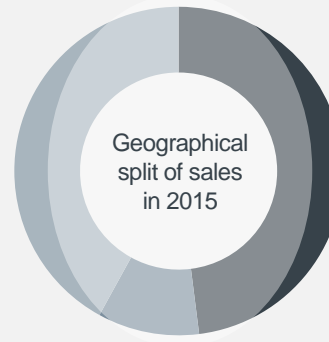


AMER 36%      EMEA 42%



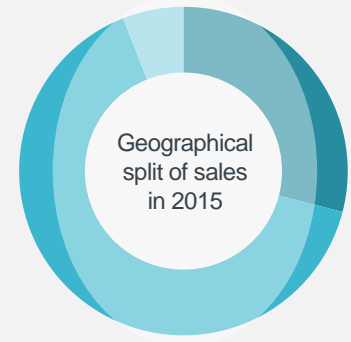
APAC 22%

AMER 42%      EMEA 48%



APAC 10%























AMER 6%      EMEA 29%



APAC 65%

Figures: 2015  
 EBIT % excluding restructuring costs

# Key competitors

	Kalmar	Hiab	MacGregor
Global main competitors	     		  
Other competitors		   	       

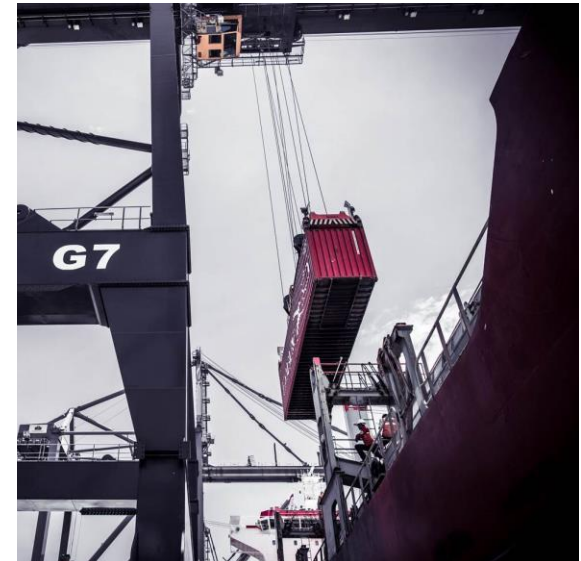
# From turnaround to leader in intelligent cargo handling with sector leading profitability

Turnaround is delivering results in Hiab and Kalmar; MacGregor has improvement plan in place

Transformation has started from equipment business to world class services offering and leadership in intelligent cargo handling

Investing to ensure a leading position

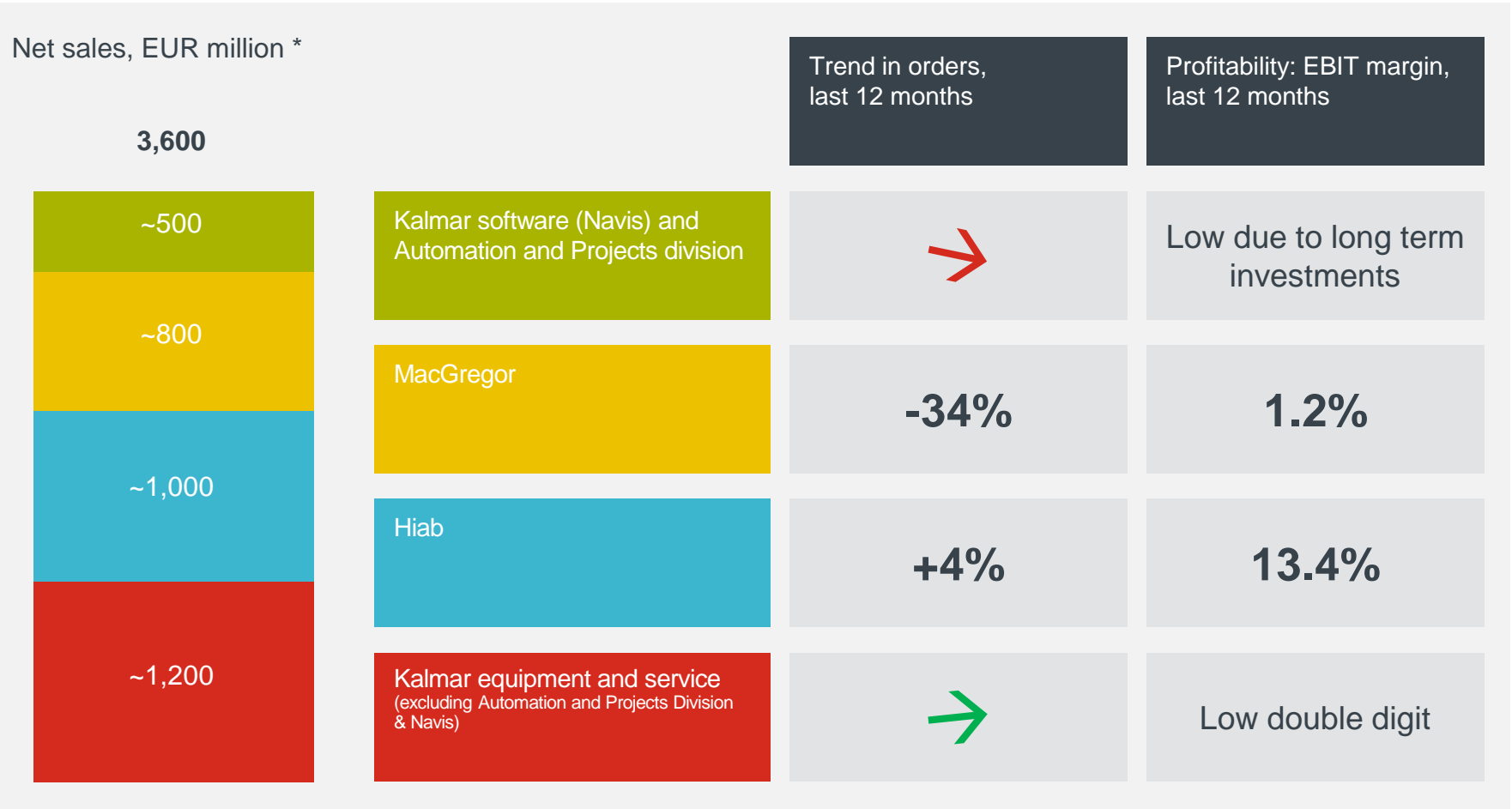
Shaping the portfolio to increase shareholder value



→ 10%


operating profit margin (EBIT) in each business area over the cycle

# Cargotec's portfolio



\* Figures rounded to closest 100 million





# Well positioned to become the leader in intelligent cargo handling

Execution capabilities in place and  
profitability improving

Building on tremendous strengths

Transforming from equipment company  
to a company that will shape the cargo  
handling industry

Investing to ensure a leading position

Shaping our portfolio to drive growth and  
shareholder value

Investment highlights:

## Why invest in Cargotec?

1. Technology leader and strong market positions, leading brands in markets with long term growth potential
2. Transformation to become leader in intelligent cargo handling
3. Growing services business and asset light business model are decreasing the impact of cyclicality
4. Capitalizing huge possibility for future automation and software growth
5. Clear plan for profitability improvement and to reach financial targets



# Technology leader and strong market positions

Leading brands in markets with long term growth potential

	Kalmar	Hiab	MacGregor
End markets	Ports, terminals, distribution centers	Construction, distribution, forestry, defence, waste and recycling	Maritime transportation and offshore industries
Market position	1-2#	1-2#	1-2#
Key drivers and supporting megatrends	Global trade growth driven by globalisation and growing middle class Container throughput growth, larger ships require investments in ports, ports need to increase efficiency via automation, Increasing importance for safety	Construction growth via population growth and urbanisation Changing distribution patterns and models Increasing penetration in developing countries	Global trade growth driven by globalisation and growing middle class, oil price
Competitive advantage	Recognized premium brand Leading market position in software Full automation solution offering (equipment, software and automation, service) Asset light business model	Hiab one of the two global players with scale Diversified product range Asset light model, efficient assembly operation	Asset light model, technology leader, closeness to customers (shipyards and shipowners) globally, industry competence

# Transformation to become leader in intelligent cargo handling

**2013**

**Product leadership**

**Good equipment company**

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

**2018**

**Service 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

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**Must-wins**

World class service offering

Lead digitalisation

Build world class leadership

# Growing services business and asset light business model are decreasing the impact of cyclicality

## Asset light business model with flexible cost structure

- Kalmar and Hiab: efficient assembly operation
- MacGregor: efficient project management and engineering office: more than 85% of manufacturing outsourced and 30% of design and engineering capacity outsourced
- No in-house component manufacturing

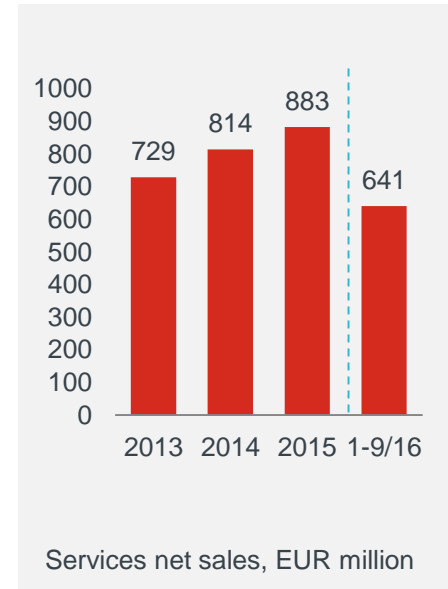
## Leading product portfolio creates solid platform for services development

- Growing services will bring stability, better profitability and decrease cyclicality

## Large installed base – huge potential

### Key actions to increase capture rates of spare parts:

- Improve sales process
- Digitalisation efforts and connectivity: online services and e-commerce solutions
- Towards service agreements
- Distribution centers improving availability



# Capitalizing huge possibility for future automation and software growth

Digitalisation supports service and software growth and vice versa

Industry trends support growth in port automation:

- Ships are becoming bigger and the peak loads have become an issue
- Safety in the terminal yard has become even more of a focus for operators
- 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

Huge possibility in port software

- The container value chain is very inefficient: total value of waste and inefficiency estimated at ~EUR 17bn
- The container shipping industry has an annual IT software spend of approx. EUR 1.7 billion. The market is expected to grow to EUR 2.8 billion by 2020
- More than 50% of port software market in-house currently, in long term internal solutions not competitive
- Navis has leading position in port ERP
  - 500 software engineers

Change when manual terminal converted into an automated operation

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



# Clear plan for profitability improvement and to reach financial targets

## Growth

Target to grow faster than market

- Strong market position supports organic growth
- R&D investments enhancing offering
- M&A potential



## Balance sheet and dividend

Target gearing < 50% and dividend 30-50% of EPS

- Strong cash flow
- Gearing below target, enables solid dividend payout



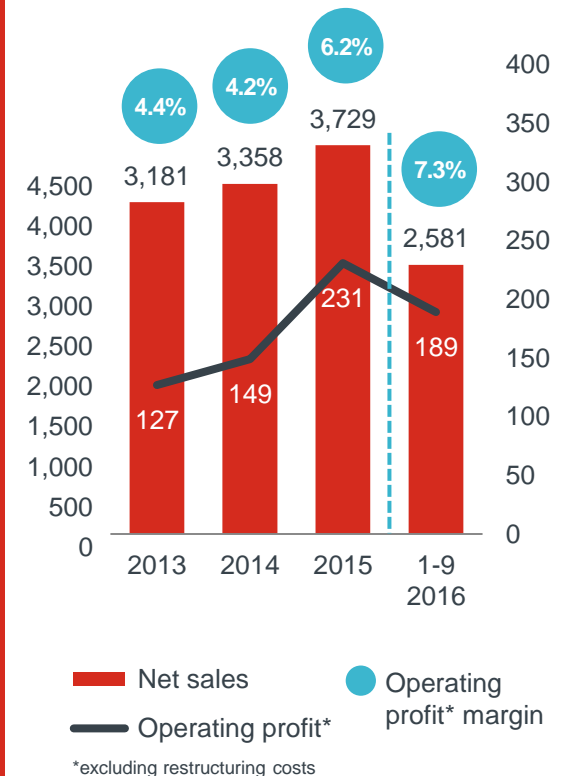
## Profitability

Target 10% EBIT for each business area and 15% ROCE on Group level over the cycle

- Cost savings actions:
  - Product re-design and improved project management
  - Ongoing restructuring
- Asset light business model to support ROCE target
- Higher operating profit key driver for higher ROCE



Sales and operating profit development

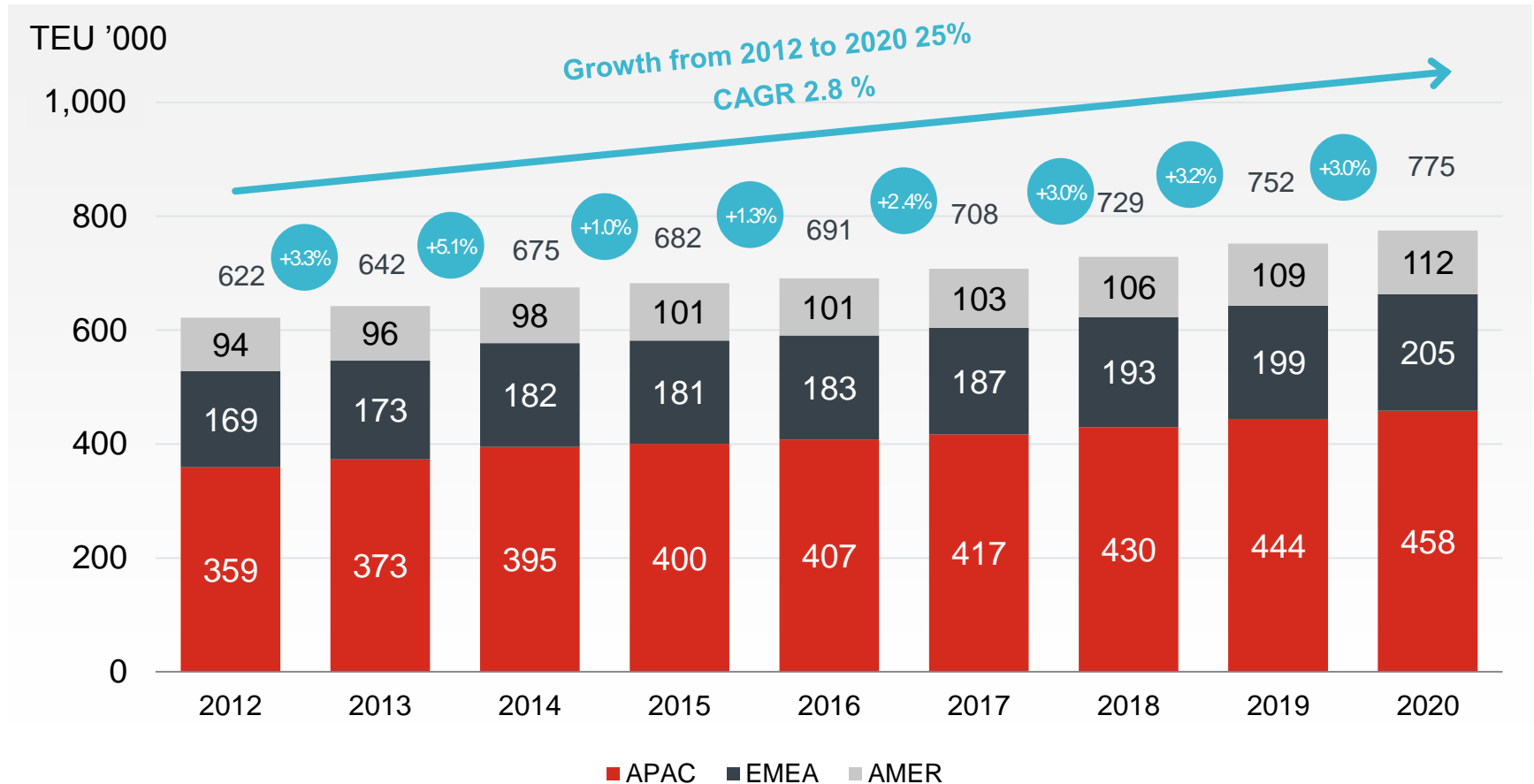


**Kalmar**





# Container throughput still forecasted to grow year on year

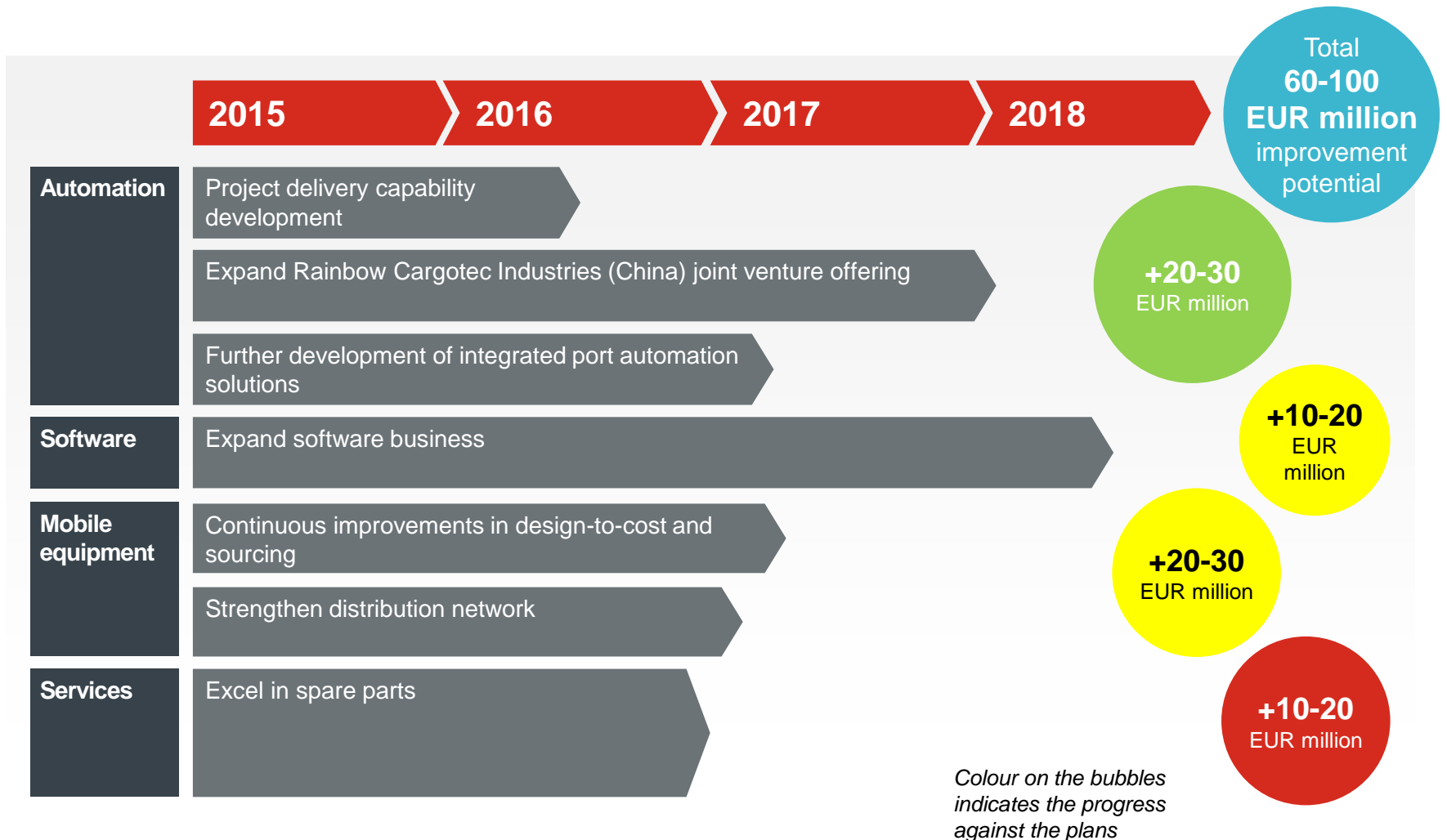


Source: Drewry: Container forecaster Q3 2016

# Kalmar has strong position in attractive segments

	Market position	Trend	Market size
 Automation & Projects	#1-2	→	EUR 7.5 billion
 Mobile equipment	#1	→	
 Bromma	#1	↗	
 Navis	#1	↗	
 Services	#1	↗	EUR 7.6 billion

# Kalmar's profit improvement potential 2016-2018



# Kalmar's focus on profitable growth

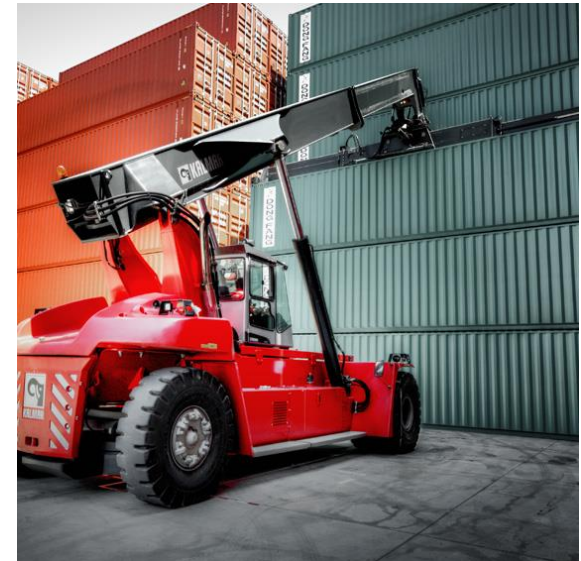
Solid foundation for further improvement

Win in automation

Grow in software

Sustain global leadership in mobile equipment

Digital services and spare parts excellence



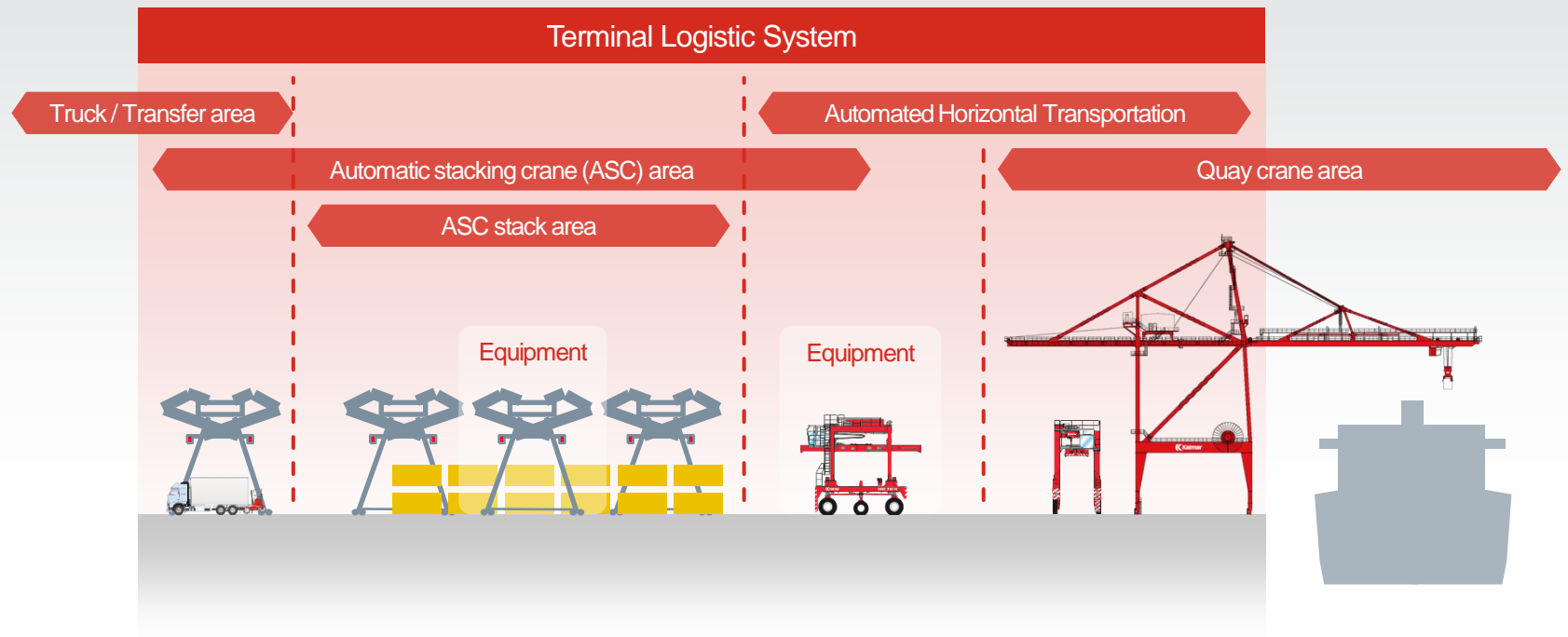
→ **10%**

operating profit margin  
(EBIT) over the cycle

# Flexible and scalable Navis TOS software

Terminal Operating System (TOS)

**navis**<sup>®</sup>  
Part of Cargotec Corporation





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



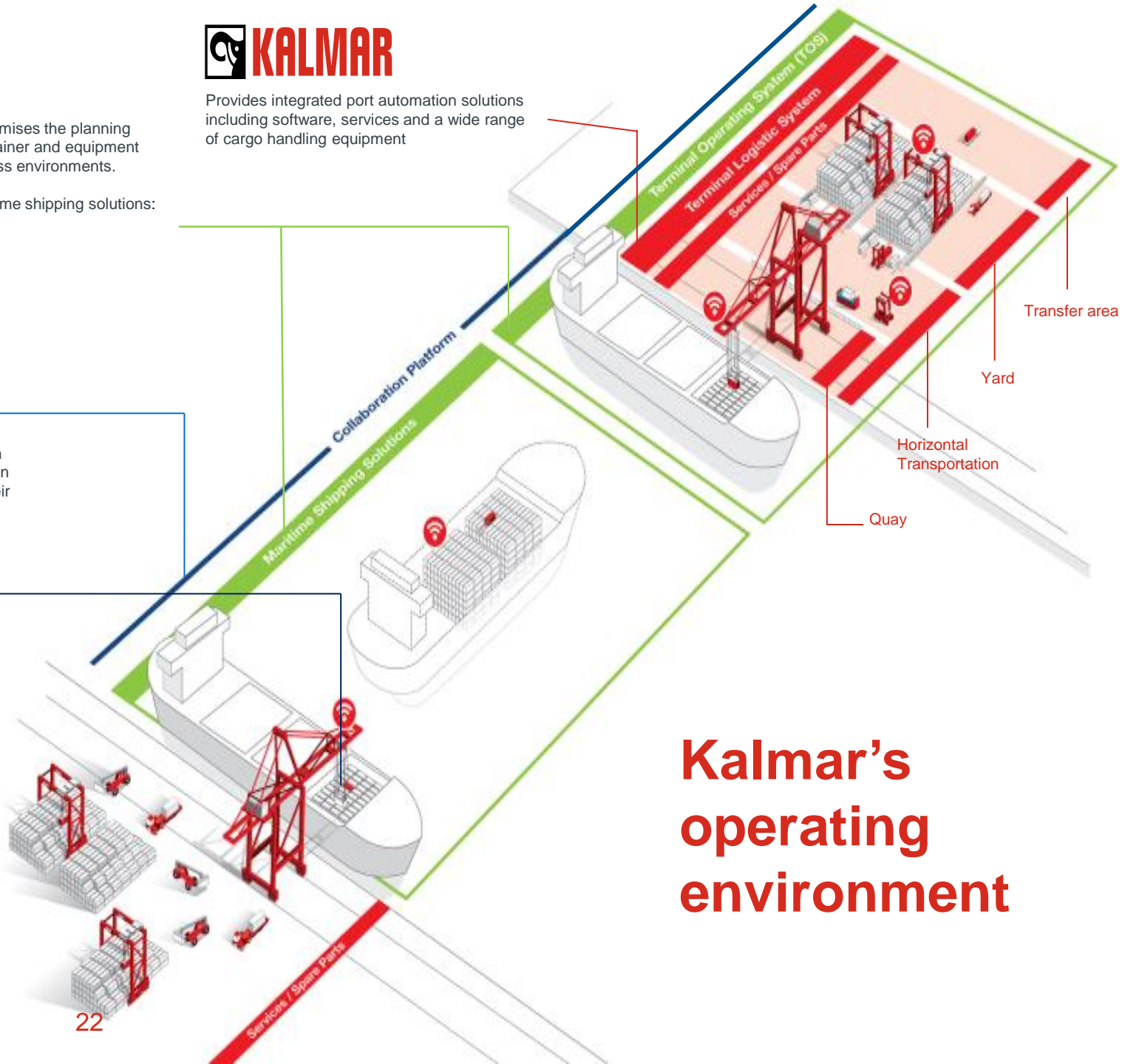
The collaboration platform serving the needs of ocean carriers, terminals and their shipping partners



Industry leading spreader manufacturer



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



# Kalmar's operating environment

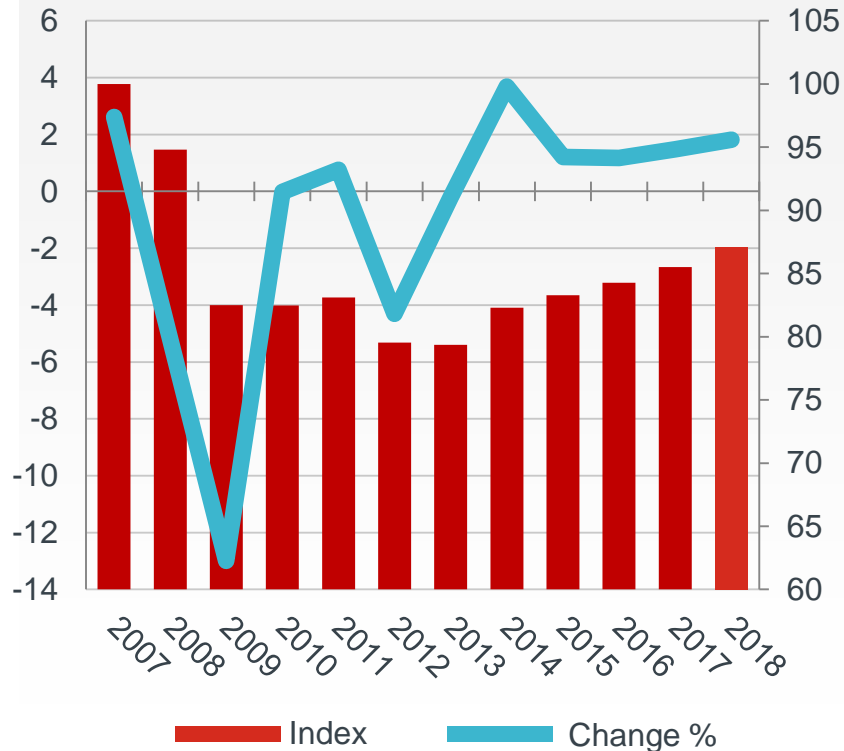
Hiab



# Construction output driving growth opportunity

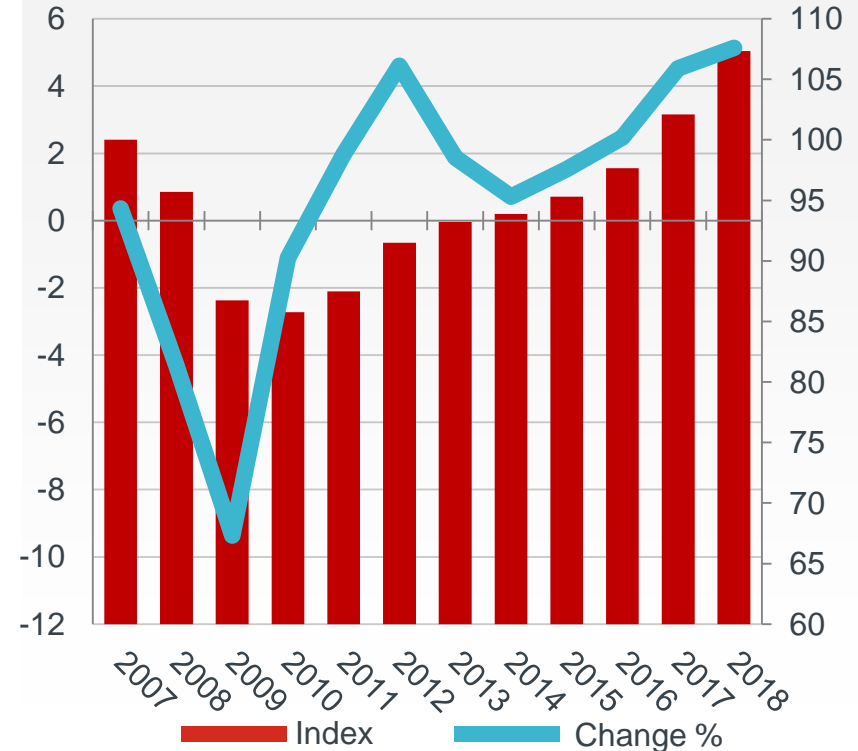
## EMEA construction output

y/y change (%)



## AMER construction output

y/y change (%)



Oxford Economics: Industry output forecast 10/2016



# Hiab has strong positions in attractive markets

	Market size (€B)	Growth	Hiab position & trend
 Loader cranes	1.3	GDP →	#2 →
 Tail lifts	0.5	GDP+ ↗	#1 ↗
 Demountables	0.4	GDP →	#1 →
 Truck-mounted forklifts	0.2	GDP+ ↗	#1 ↗
 Forestry cranes	0.2	GDP →	#2 →

# 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

# Hiab's investments for profitable growth

E2E value chain – optimise our distribution network and supply chain

Product innovation – strengthening our market positions

Digitalisation – all new products connected by 2018

Services – further expand our offering



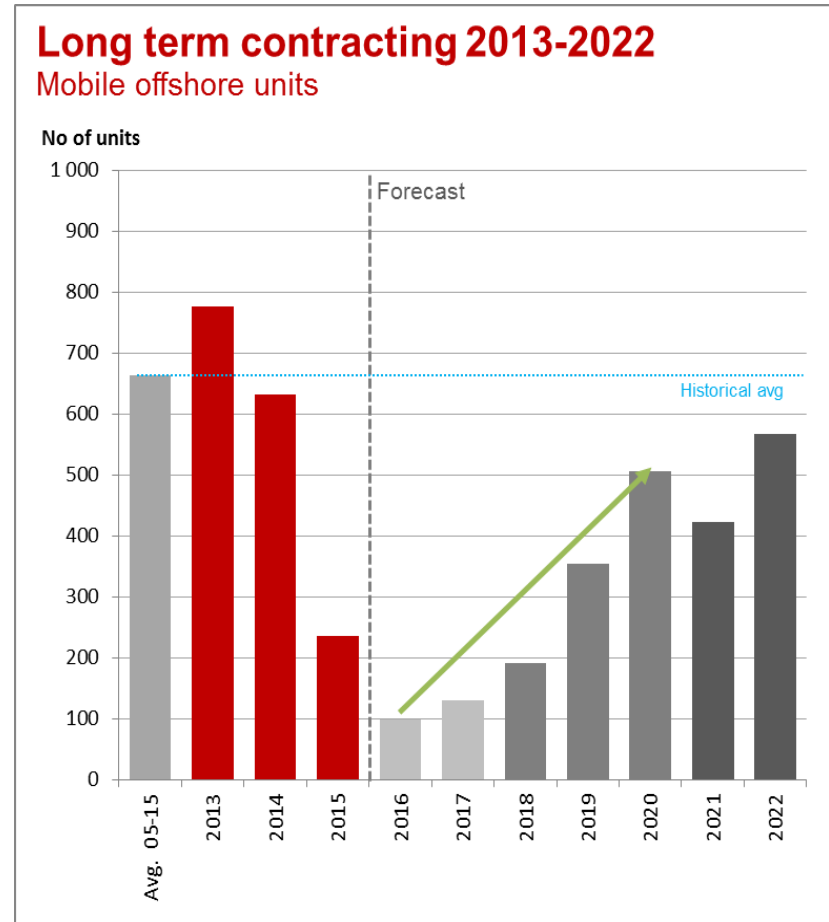
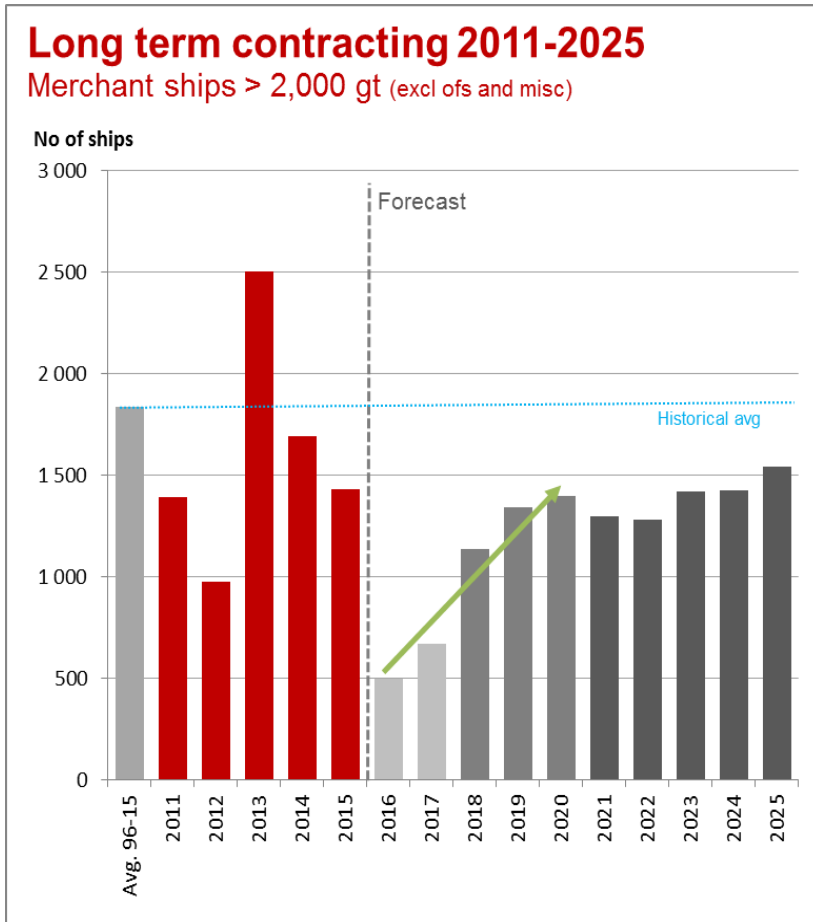
→ 10%

operating profit margin  
(EBIT) over the cycle

# MacGregor











# Merchant shipping and offshore markets may have reached the bottom in orders



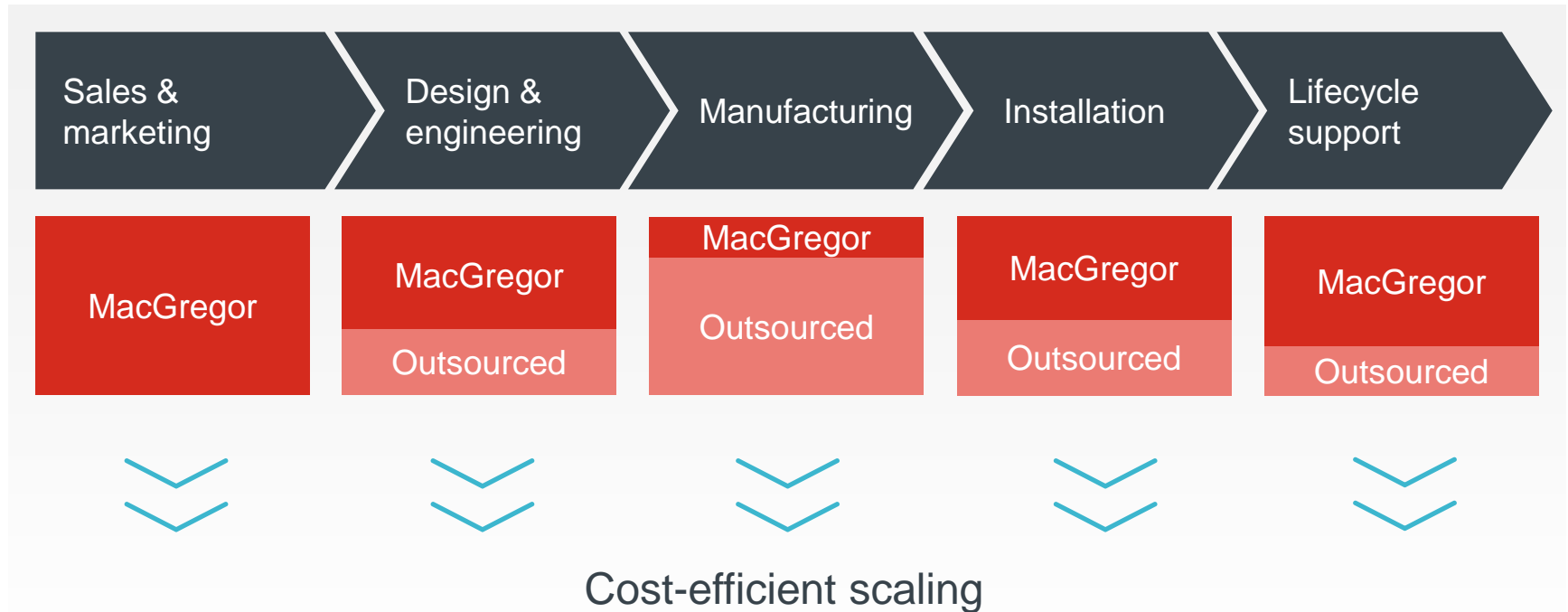
Sources: UNCTAD, Clarkson Research, September 2016

# MacGregor has strong positions in both the marine and offshore market

<b>Marine</b>	<b>#1</b> 	<b>#1-2</b> 	<b>#1</b> 	<b>#1</b> 
	Container lashing	Hatch covers	Cranes and selfunloaders	RoRo
<b>Offshore</b>	<b>#1</b> 	<b>#2</b> 	<b>#1</b> 	<b>#1</b> 
	Offshore advanced load handling	Offshore winches	Mooring systems	Loading and offloading systems

RoRo=roll-on/roll-off

# MacGregor's asset-light business model gives flexibility



**85%** of manufacturing outsourced

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

# Cargotec launches a programme to achieve annual cost savings of approximately EUR 25 million in MacGregor

- MacGregor's market situation is challenging and cost savings are needed
- Already ongoing programmes are expected to create EUR 30 million savings in 2016
- Aim is to reach an additional EUR 25 million savings on a yearly level
- Savings measures would include, among others, business re-organisations and personnel reductions
- It is estimated that the measures would affect operations especially in Norway, China, Sweden, Finland and Singapore
- According to preliminary estimates, savings measures seek a reduction of approximately 260 full time equivalents
- Savings measures are estimated to result in restructuring costs in the final quarter of 2016 and in 2017





# January– September financials



# Third quarter highlights

- Profitability improved in Hiab, market situation in MacGregor still challenging
- Order book EUR 1,874 (31 Dec 2015: 2,064) million, orders received at EUR 733 (907) million
- Sales declined 8% y-o-y to EUR 854 (928) million
- Operating profit excluding restructuring costs was EUR 65.9 (68.3) million or 7.7 (7.4) percent of sales
- Cash flow from operations at EUR 74.4 (74.5) million, gearing at 41.6%

Third quarter events



# Market environment in January–September

- Number of containers handled at ports globally continues to grow, however at a slower pace than earlier. Long term market potential still strong, but customer decision making is slower.
- Strong construction activity continued in the US, supporting demand for load handling equipment. In Europe, activity levels still varied between countries. Demand for services was satisfactory.
- Market for marine cargo handling equipment remained weak. At the offshore industry, the low oil price is keeping the investment levels at a record-low level. Demand for services has declined.

Third quarter events

The screenshot displays the Hiab webshop homepage. At the top, it says "HIAB BETA WEBSHOP HOME" and "Sign in". The Hiab logo is on the left, and a search bar with the text "Search for machines or spare parts" and a "Search" button is on the right. Below the search bar, there are navigation links: "SHOP BY:", "EQUIPMENT TYPE", "CATEGORY", "BATCH", and "CAMPAIGNS". A large banner features a close-up of a Hiab nut with the text "GREAT SAVINGS ON FIXING ELEMENTS!" and "Now is a good time to go nuts with Hiab's original nuts. The more fixing elements you buy, the more you save." A "READ MORE" button is also present. Below the banner, there are three main shopping categories, each with an icon and a "Start shopping" button:

- SHOP BY EQUIPMENT TYPE**: Find the right spare parts for the right machine with exploded views.
- SHOP BY CATEGORY**: Browse by category to find what you need.
- SHOP BY BATCH**: Use our batch order function to make big orders, fast and easy.

At the bottom, a banner reads "Hiab launches a new webshop at webshop.hiab.com" and "IN AND DAY OUT".

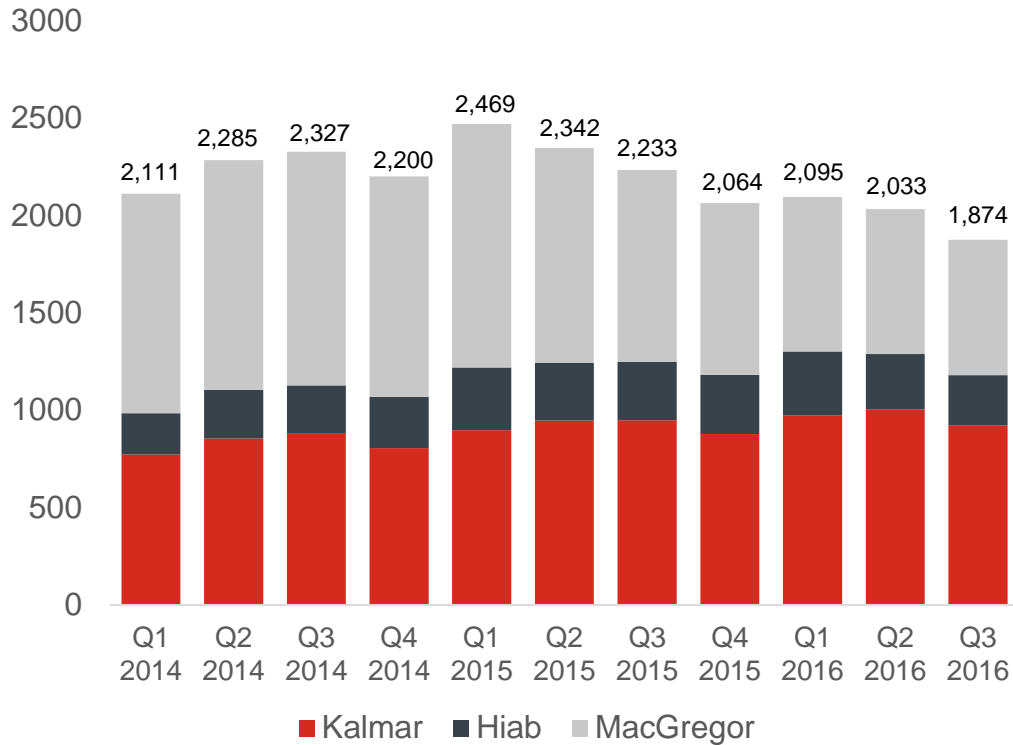
## Operating profit margin improved

	7–9/16	7–9/15	Change	1–9/16	1–9/15	Change	2015
Orders received, MEUR	<b>733</b>	907	-19%	<b>2,461</b>	2,733	-10%	3,557
Order book, MEUR	<b>1,874</b>	2,233	-16%	<b>1,874</b>	2,233	-16%	2,064
Sales, MEUR	<b>854</b>	928	-8%	<b>2,581</b>	2,753	-6%	3,729
Operating profit, MEUR*	<b>65.9</b>	68.3	-3%	<b>189.3</b>	178.6	6%	230.7
Operating profit, %*	<b>7.7</b>	7.4		<b>7.3</b>	6.5		6.2
Cash flow from operations, MEUR	<b>74.4</b>	74.5		<b>221.0</b>	227.3		314.6
Interest-bearing net debt, MEUR	<b>581</b>	678		<b>581</b>	678		622
Earnings per share, EUR	<b>0.52</b>	0.67		<b>1.75</b>	1.67		2.21

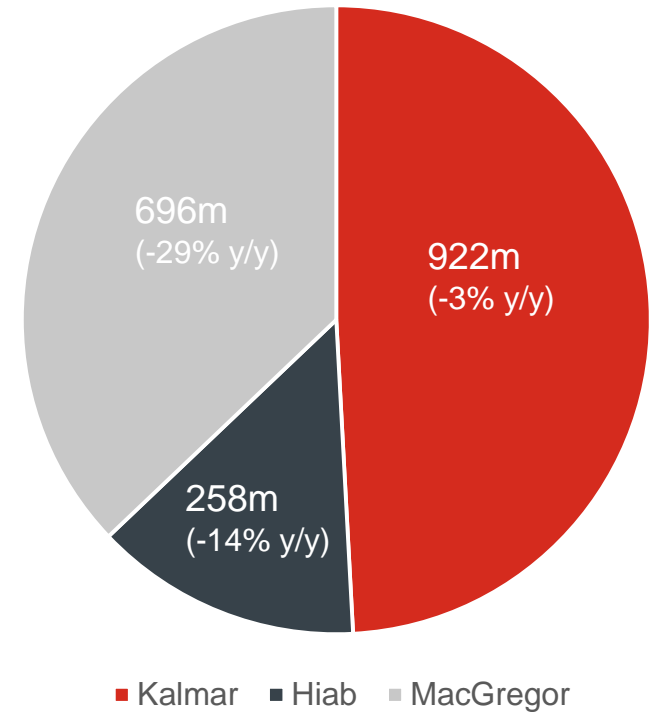
\*excluding restructuring costs

# Order book development

Order backlog, MEUR

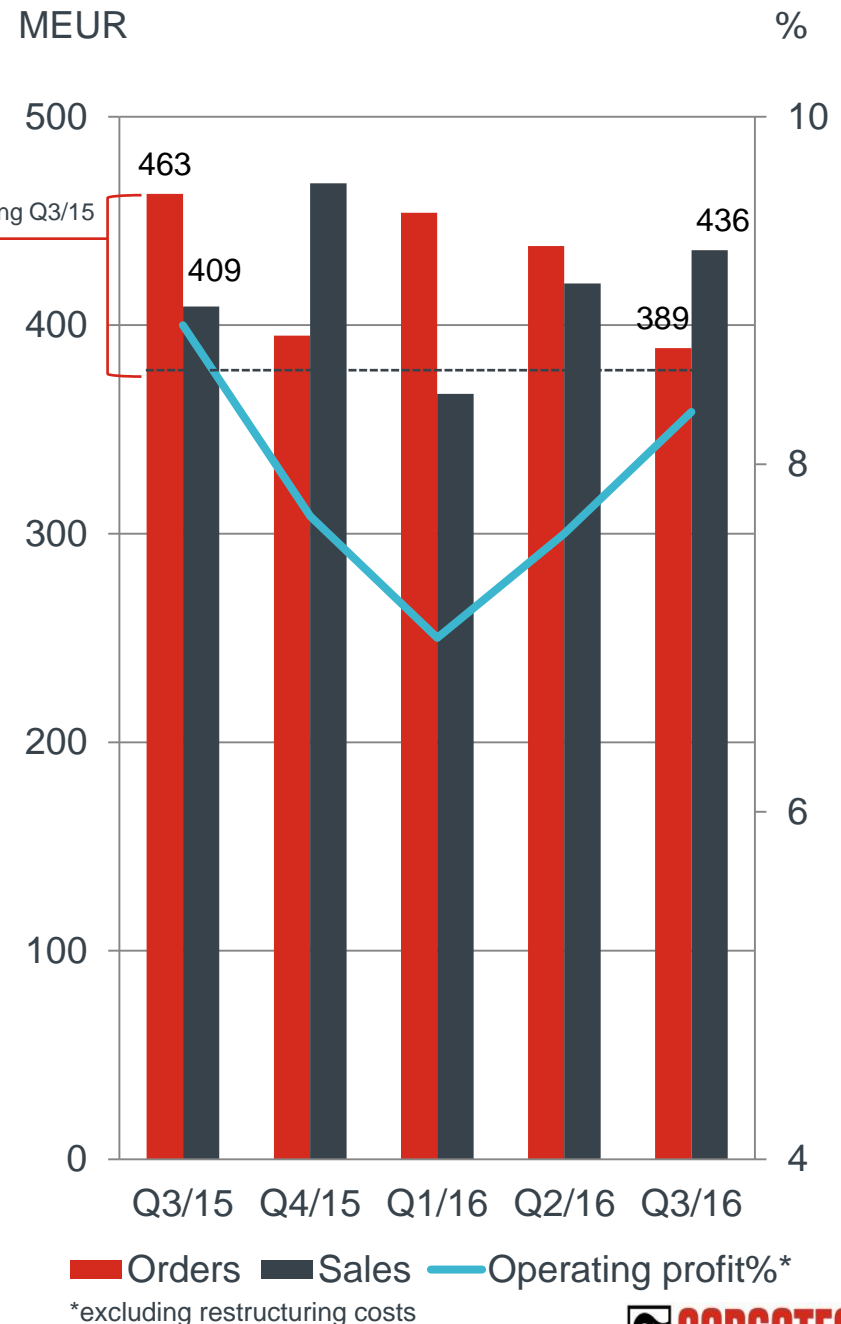


Order book by reporting segments, Q3 2016



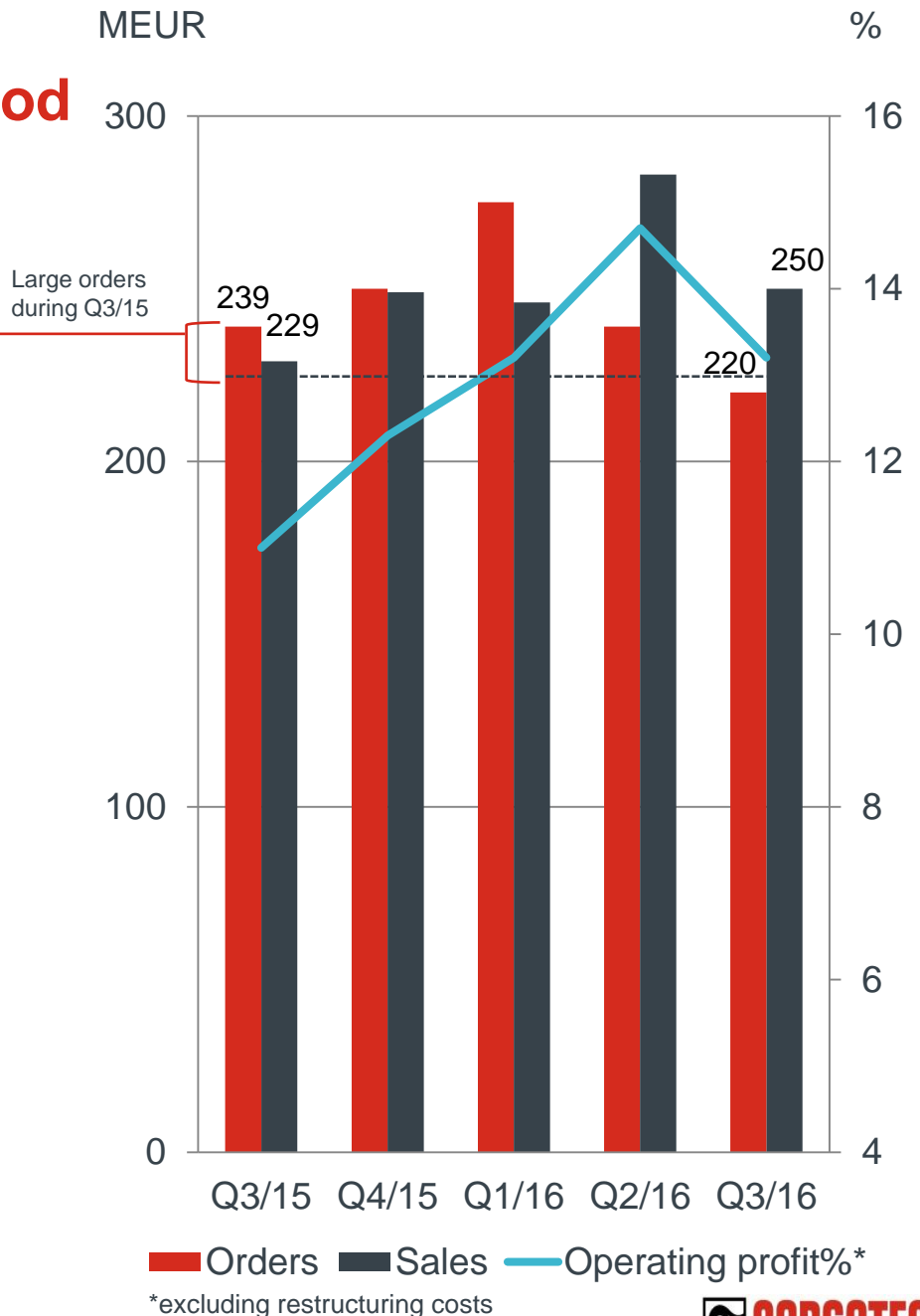
# Kalmar Q3 – satisfactory development

- Order intake declined 16% y-o-y to EUR 389 (463) million as customers postponed their bigger investment decisions
- Order book strengthened 5% from 2015 year-end level to EUR 922 million
- Sales grew 6% y-o-y to EUR 436 (409) million
- Profitability excluding restructuring costs was 8.3% (8.8%)
- Increased investments in automation and software development decreased profitability
- Sales mix had a negative impact on profitability



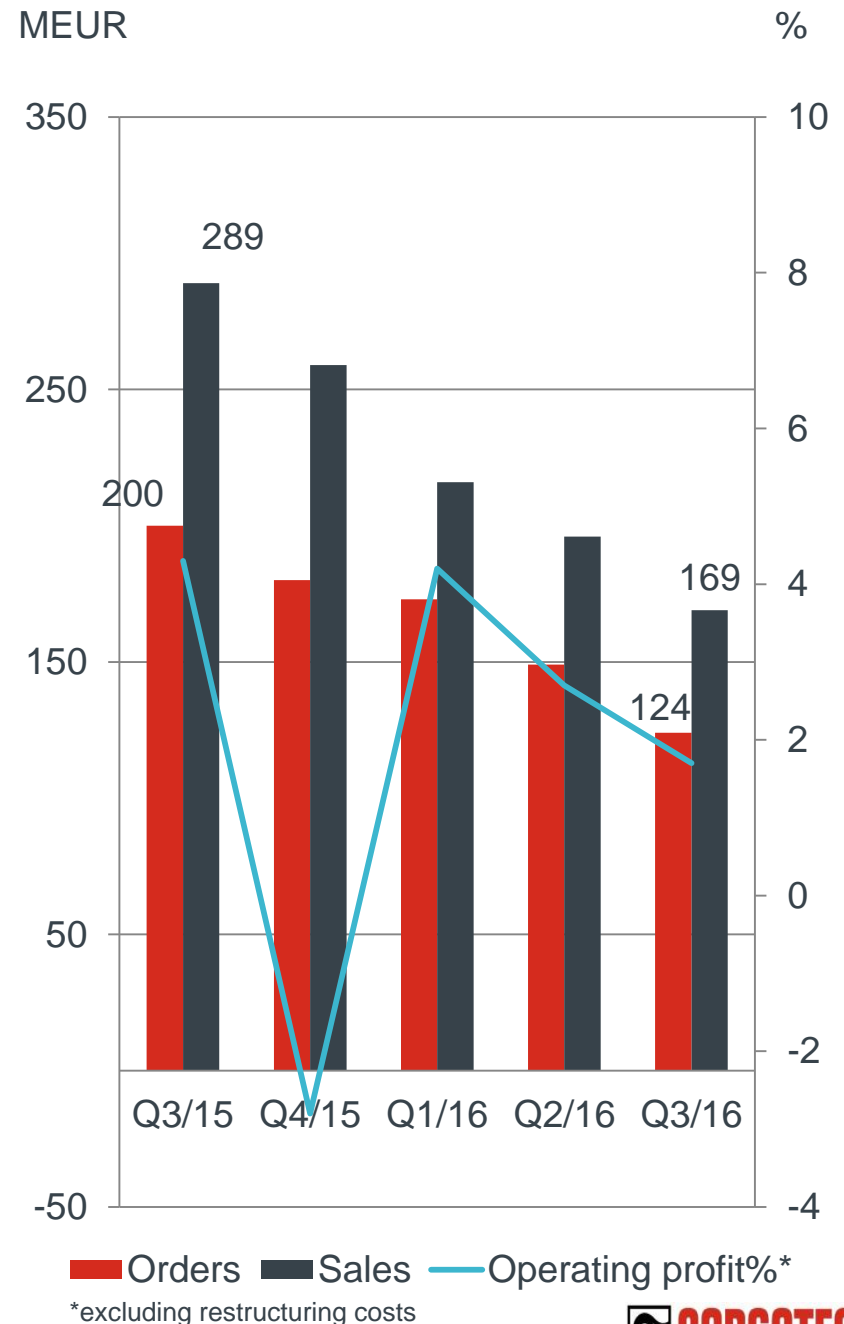
# Hiab Q3 –profitability on a good level

- Order intake declined 8% and was EUR 220 (239) million
- Order book decreased 15% from 2015 year-end to EUR 258 million
- Sales grew 9% y-o-y to EUR 250 (229) million
- Profitability excluding restructuring costs was 13.2% (11.0%)
- The volume growth and improvements in delivery capability had a positive impact on the result
- Profitability improvement measures and investments in more competitive products contributed to the increased profitability



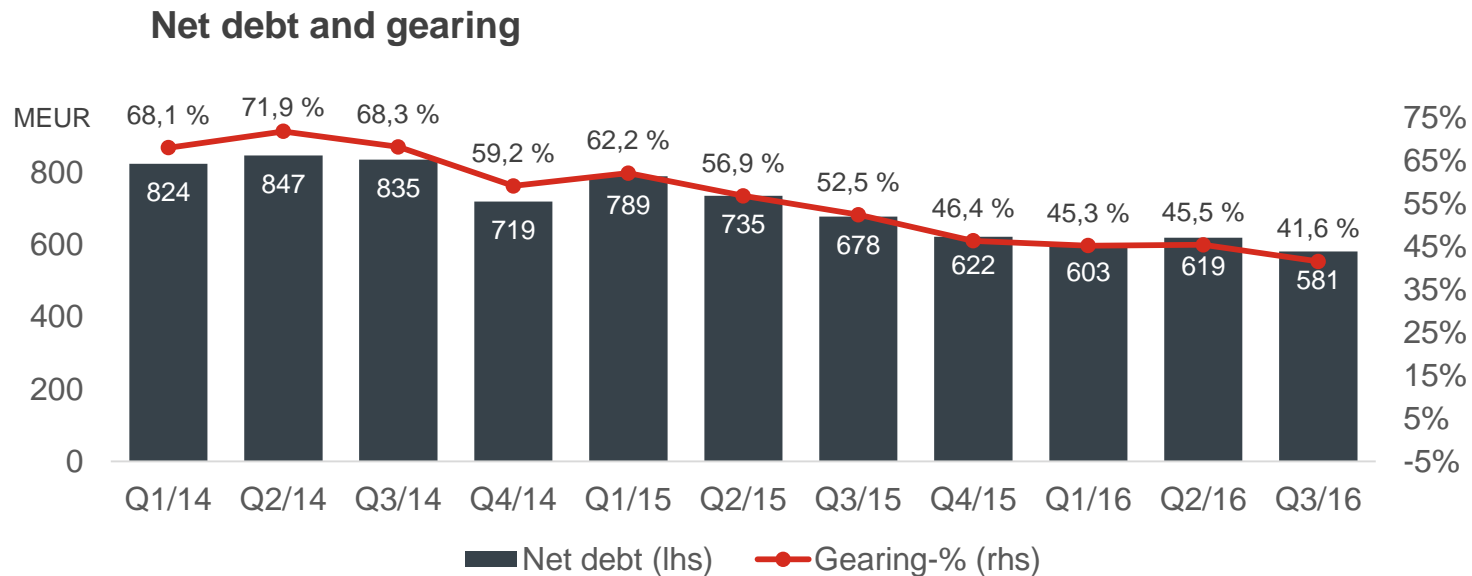
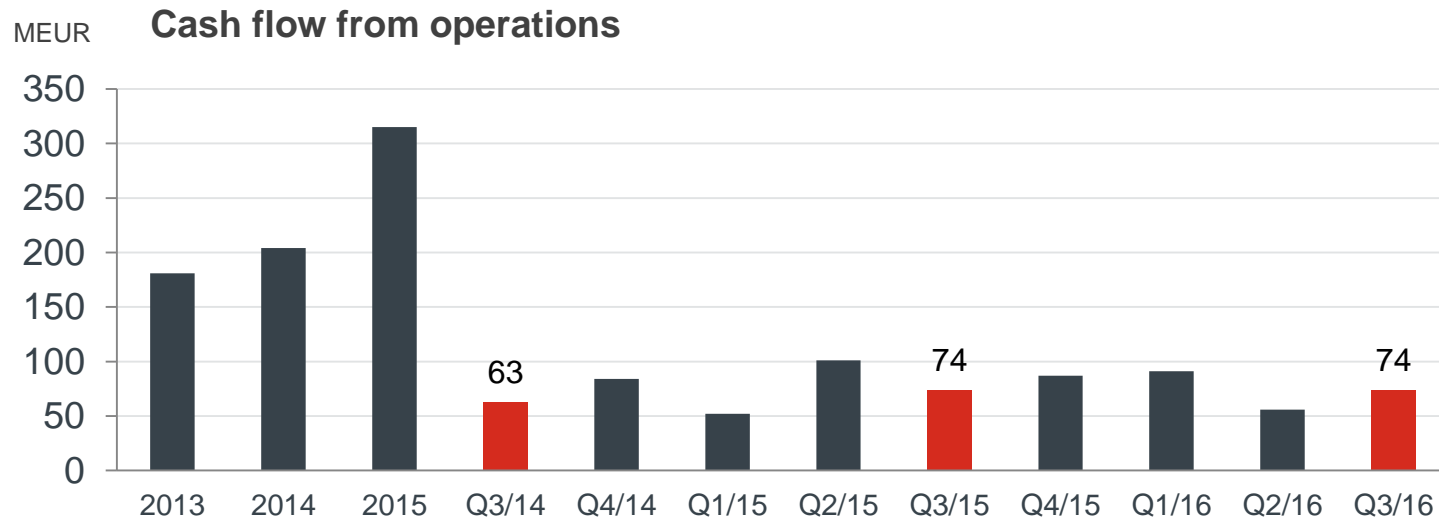
## MacGregor Q3 – challenging market situation continued

- Order intake declined 38% y-o-y and was EUR 124 (200) million
- Order book decreased 21% from 2015 year-end to EUR 696 million
- Sales declined 42% y-o-y to EUR 169 (289) million
- Profitability excluding restructuring costs was 1.7% (4.3%)
- New measures started to lower the cost level
- New joint venture in China expected to strengthen market position and local connections

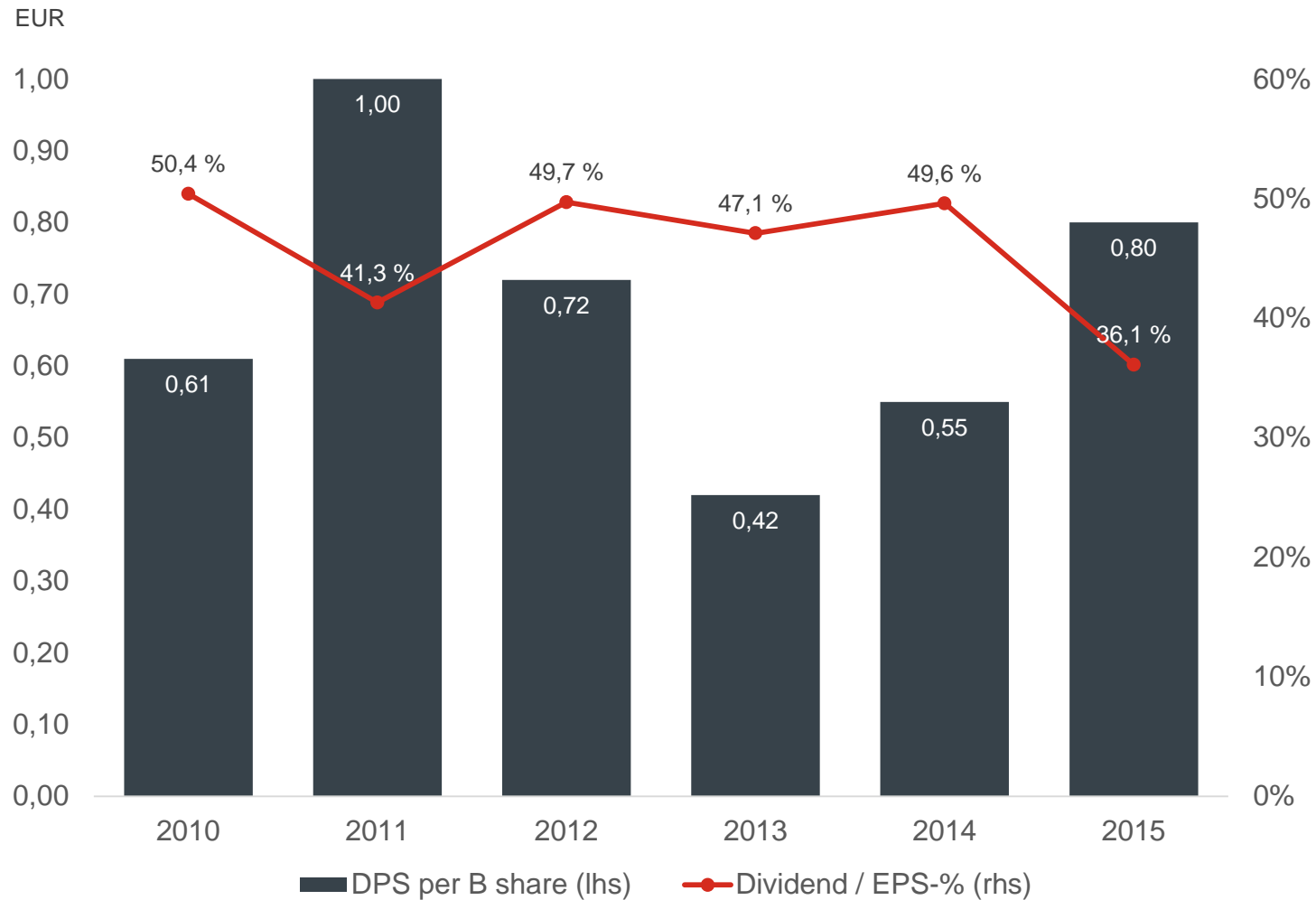




# Cash flow, gearing and net debt



# Dividend and payout ratio



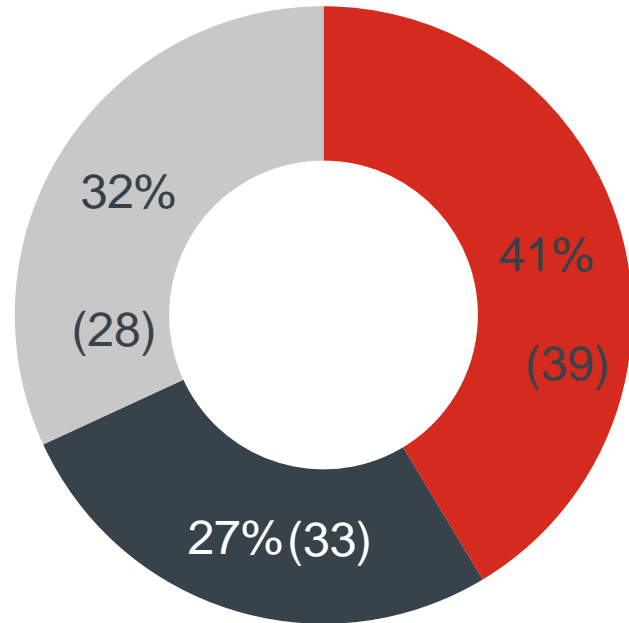
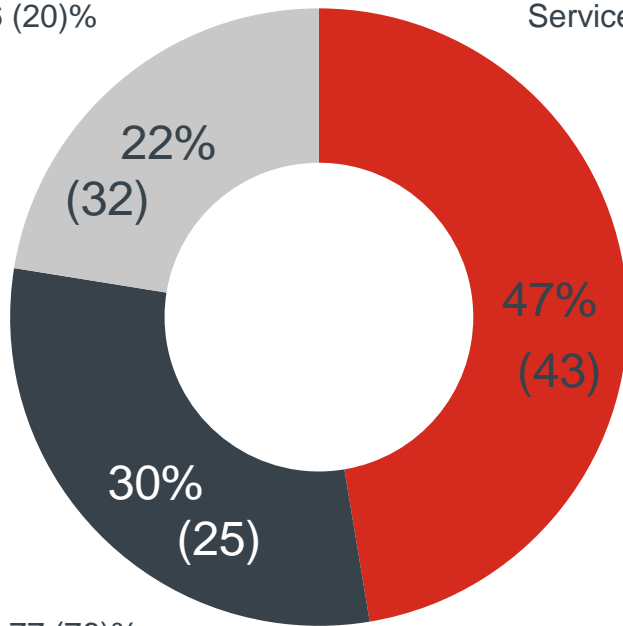
# Hiab's share increasing in sales mix

Sales by reporting segment 1–9/2016, %

Sales by geographical segment 1–9/2016, %

Equipment 74 (80)%  
Services 26 (20)%

Equipment 74 (73)%  
Services 26 (27)%



Equipment 77 (76)%  
Services 23 (24)%

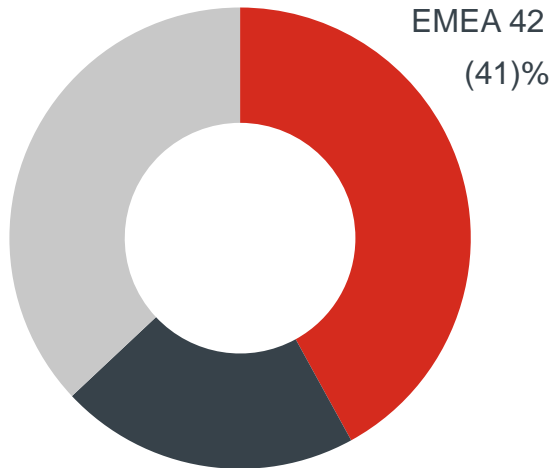
■ Kalmar ■ Hiab ■ MacGregor

■ EMEA ■ APAC ■ Americas

# Sales by geographical segment by business area 1–9/2016

## Kalmar

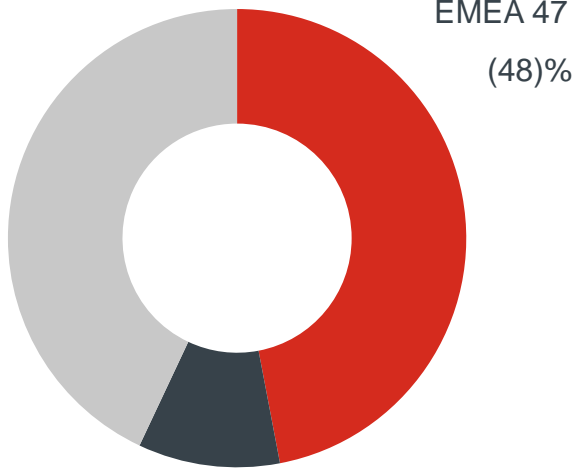
Americas 37 (37)%



APAC 21 (22)%

## Hiab

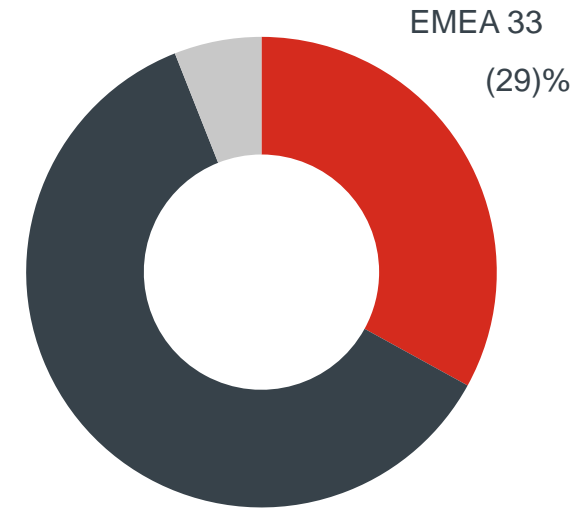
Americas 43 (43)%



APAC 10 (10)%

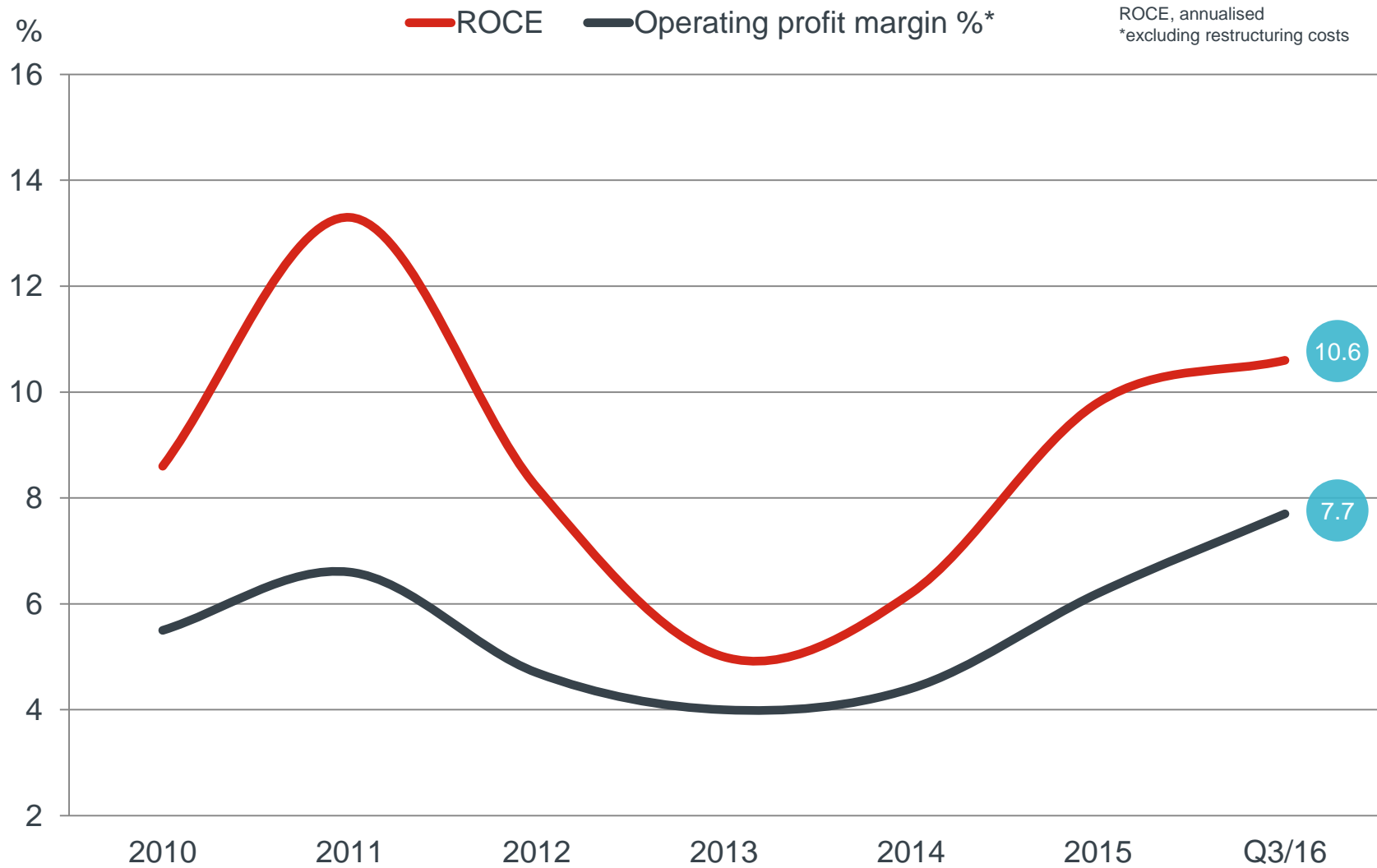
## MacGregor

Americas 6 (6)%



APAC 61 (65)%

# Positive development in key financial metrics continued



# Cargotec to become a leader in intelligent cargo handling

- Strategy execution proceeds in its three focus areas
  - **Services:** Hiab's spare parts web shop, MacGregor's strengthening spare parts delivery cooperation relationships in Asia, Kalmar's new measures to speed up growth in services
  - **Digitalisation:** we are developing Cargotec IoT Cloud-based solutions with our customers regarding automation effectiveness and proactive maintenance, for example
  - **Leadership development programme** expands
- We are focusing our efforts on projects that improve competitiveness, the cost efficiency of products and digitalisation. Additionally, we are investing in global systems and procedures that in future enable higher efficiency in operational activities as well as in support functions.



Must-win battles Build world-class services offering Lead digitalisation Build world-class leadership

# Outlook 2016 unchanged

- Cargotec's 2016 sales are expected to be at the 2015 level (EUR 3,729 million) or slightly below.
- Operating profit excluding restructuring costs for 2016 is expected to improve from 2015 (EUR 230.7 million).

Third quarter events



Hiab renewed its mid-range loader cranes models





# Appendix

1 Largest shareholders

2 Kalmar

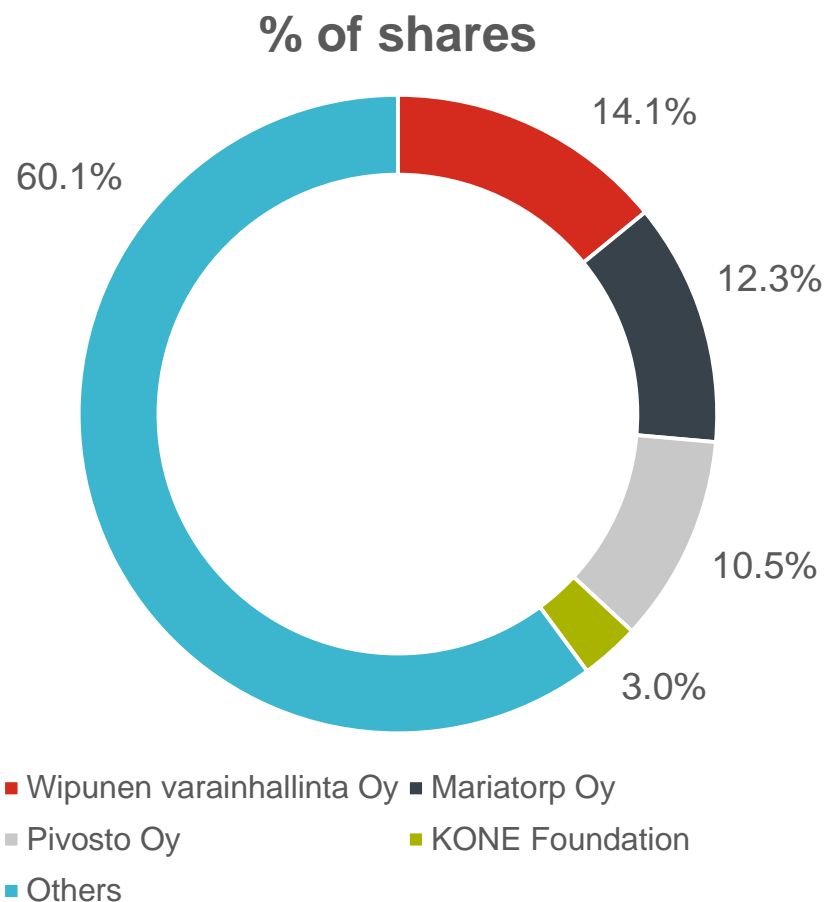
3 Hiab

4 MacGregor

# Largest shareholders

31 October 2016

	% of shares	% of votes
Wipunen varainhallinta Oy	14.1	23.7
Mariatorp Oy	12.3	22.9
Pivosto Oy	10.5	22.1
KONE Foundation	3.0	5.5
The State Pension Fund	1.7	0.7
Ilmarinen Mutual Pension Insurance Company	1.3	0.6
Nordea Finland Fund	0.8	0.3
Varma Mutual Pension Insurance Company	0.8	0.3
Keva	0.7	0.3
Herlin Heikki Juho Kustaa	0.6	0.3
<b>Nominee registered and non-Finnish holders</b>	<b>26.5</b>	
<b>Total number of shareholders</b>	<b>22,769</b>	

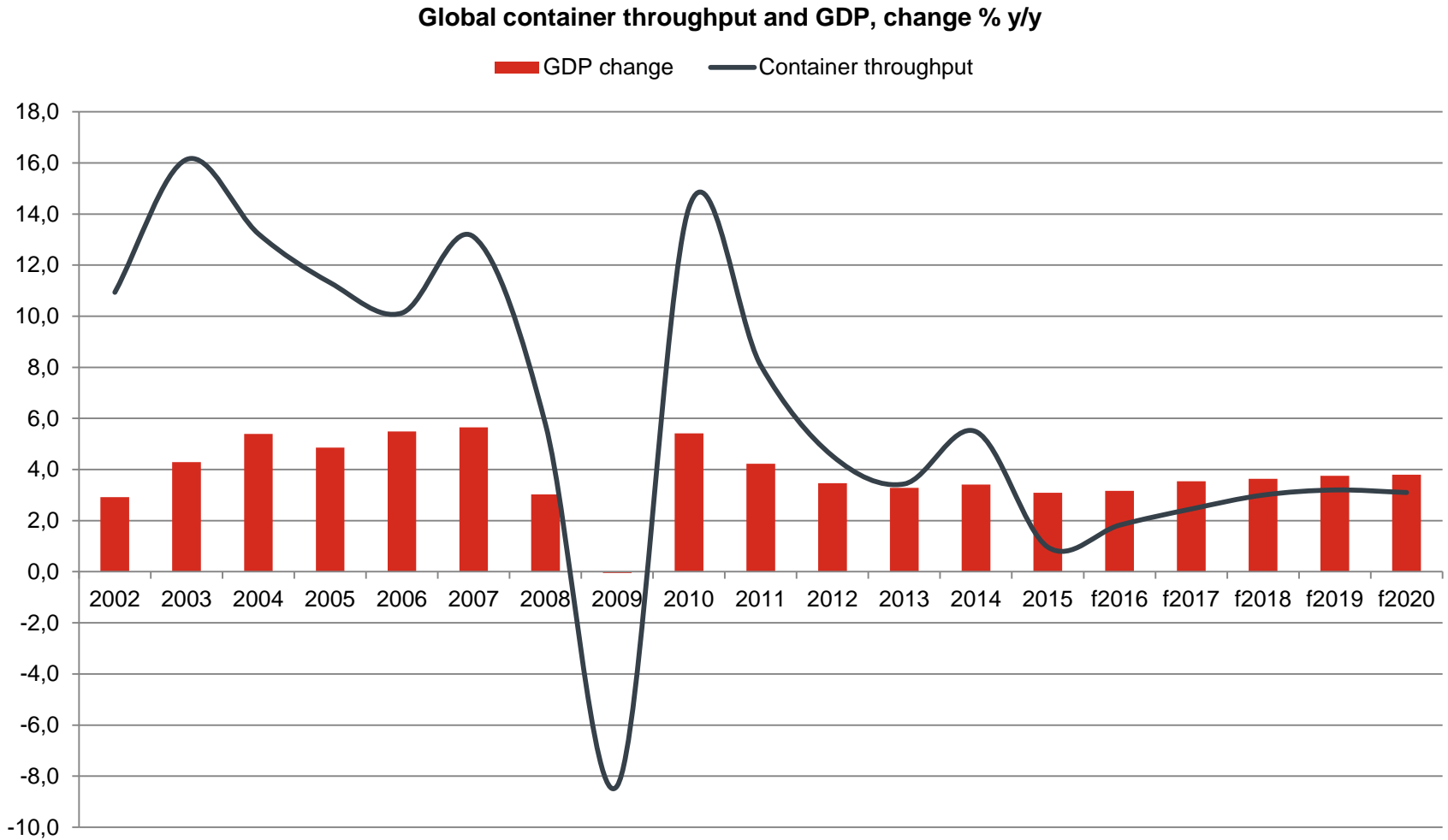


Wipunen varainhallinta Oy is a company controlled by Ilkka Herlin, Mariatorp Oy a company controlled by Niklas Herlin and Pivosto Oy a company controlled by Ilona Herlin.

# Kalmar appendix

# Global container throughput development

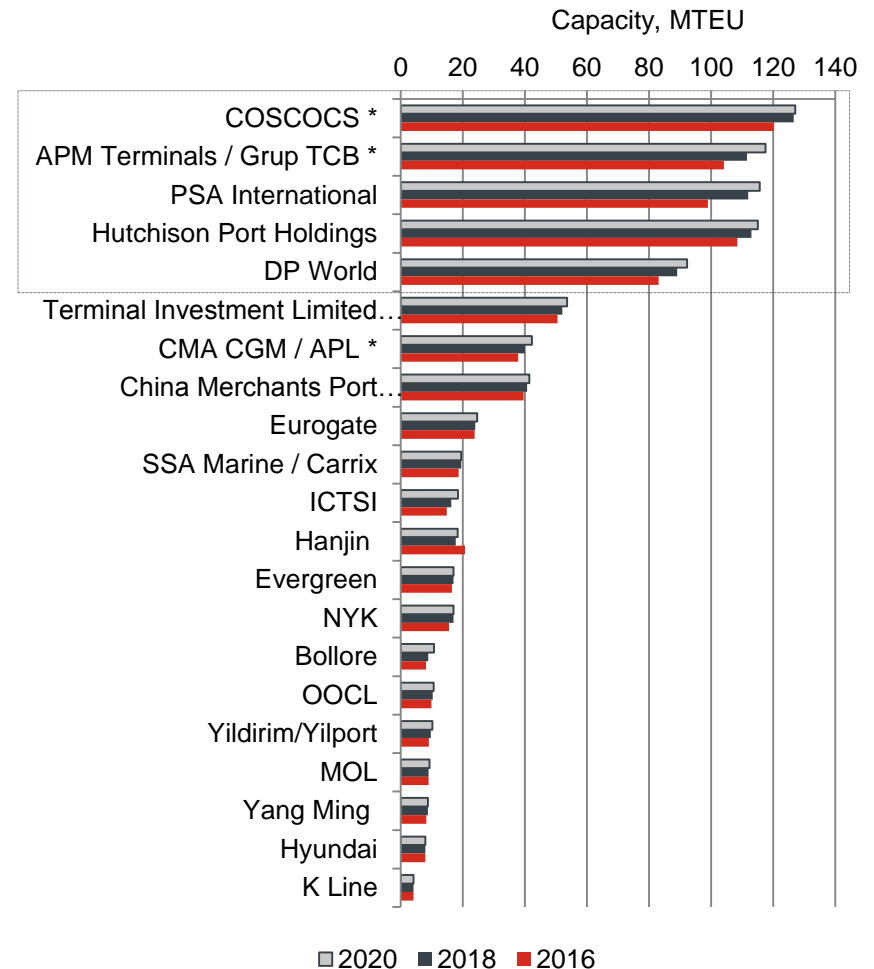
Growth stabilising in the short-mid term



Source: IMF July 2016, Drewry 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

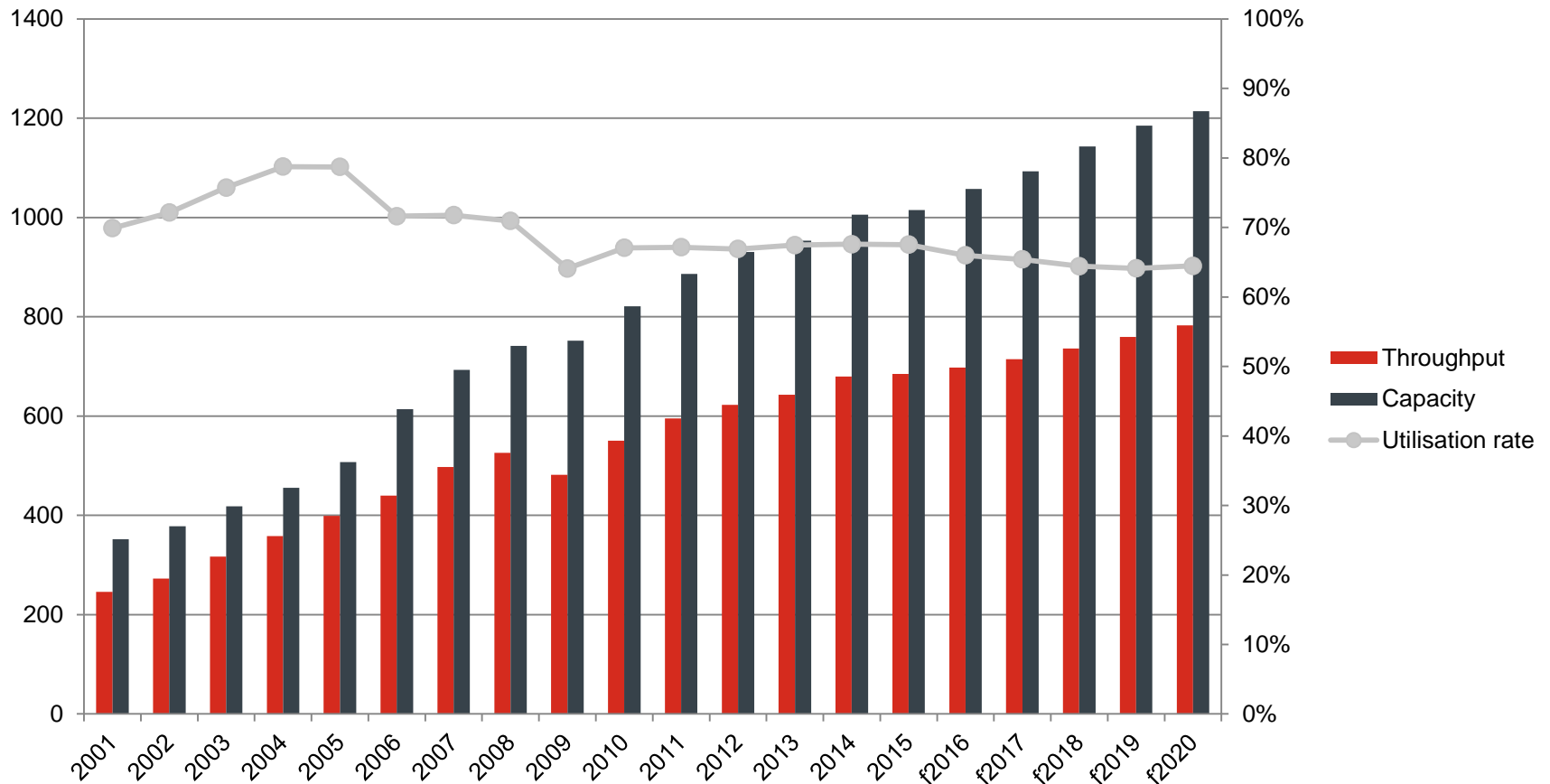


Source: Drewry

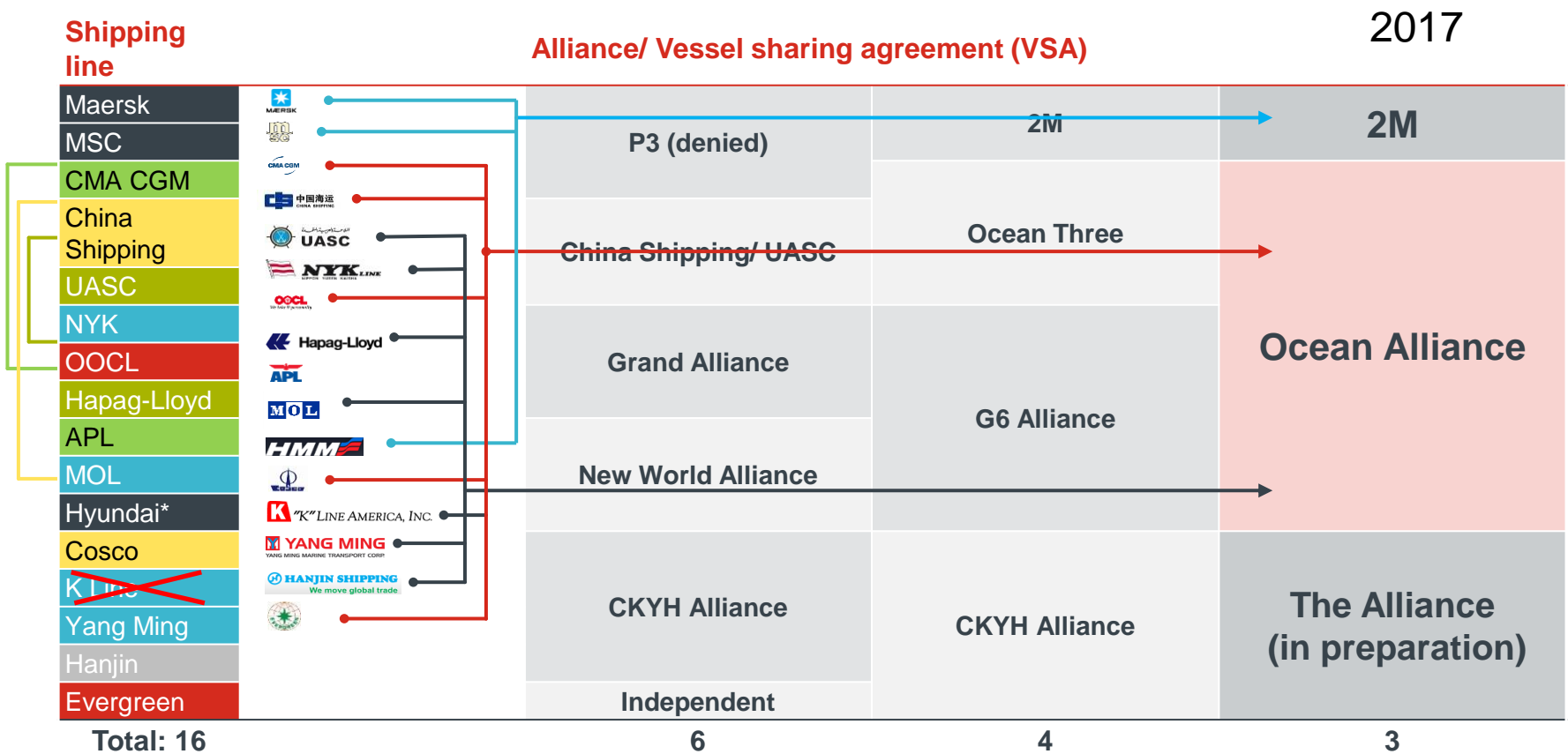
\* Capacity counted once in all terminals where shareholding held by both sub operators

# Global Container terminal volume and Capacity Development

MTEU



# Three Alliances represent about 80% of global container fleet capacity



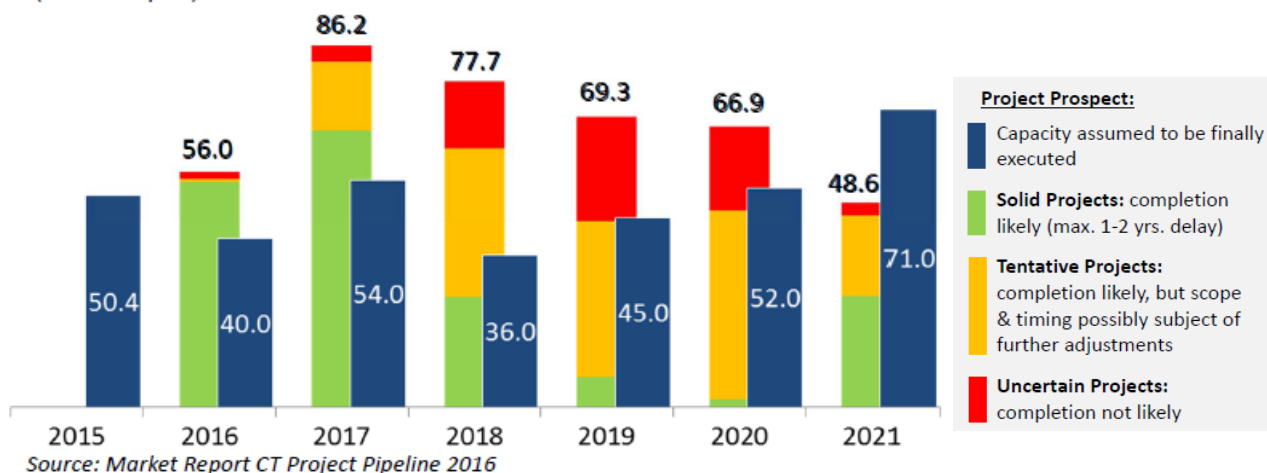
\*HMM's membership in 2M alliance isn't yet confirmed  
 The arrows indicate changes through M&A over the last 12 months  
 China Shipping and Cosco=Cosco container lines

# DS Research: 298 Mteu new capacity to be added 2016-2021 which could trigger US\$bn 37 investments for container handling equipment

- According to DS Research, the project pipeline of all upcoming container terminal projects consists of 405 TEUM additional capacity scheduled for completion until 2021. 298 TEUM new capacity is expected to be finally executed until 2021, assuming that further project postponements are required to adjust to the weakening demand. This would trigger roughly US\$bn 146 investment.
- Depending on the type of project, different cost have been assumed for quay construction, container handling equipment, yard construction, dredging & land reclamation and other cost. Overall, DS Research has estimated that investments for container terminal projects 2016-'21 include about US\$bn 37 for container handling equipment.

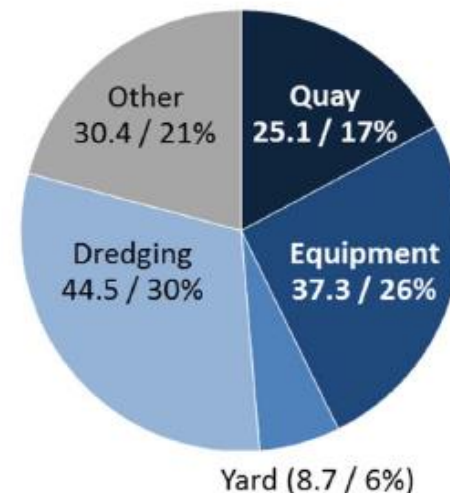
## Capacity Additions

(in TEUm p.a.)



## Investment 2016-'21

(Σ US\$bn 146; in %)



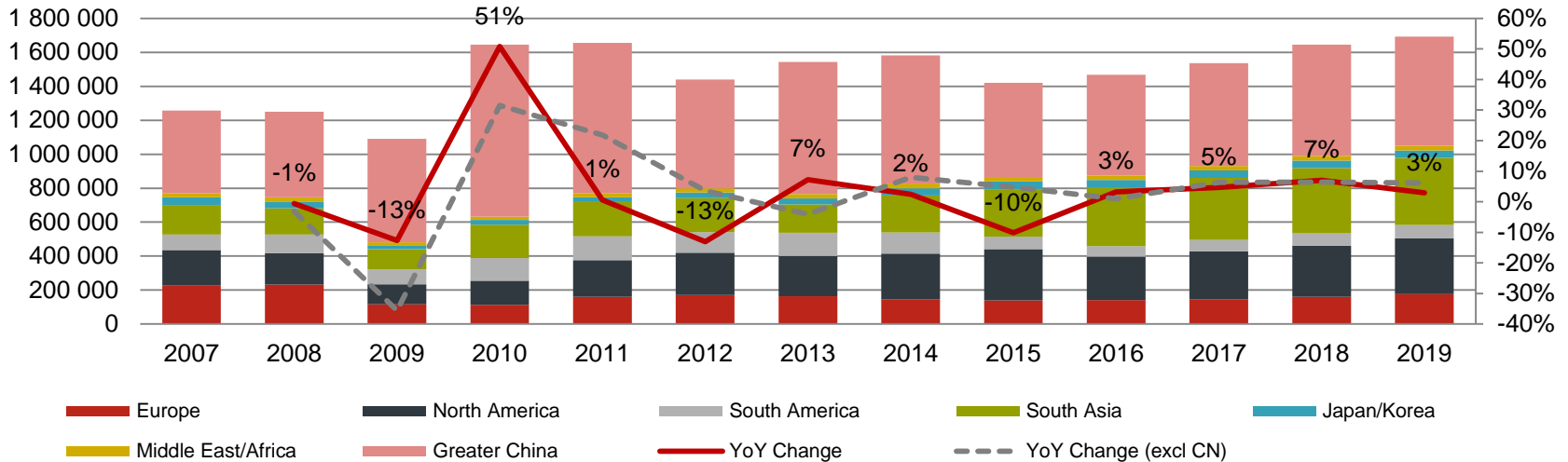


# Hiab appendix

# Global truck volumes

IHS predicts global truck volumes to increase in 2016 and 2017, driven by China and South Asia, but forecasting a slowing truck market in Americas during 2016

## Truck registrations, GVW >15t

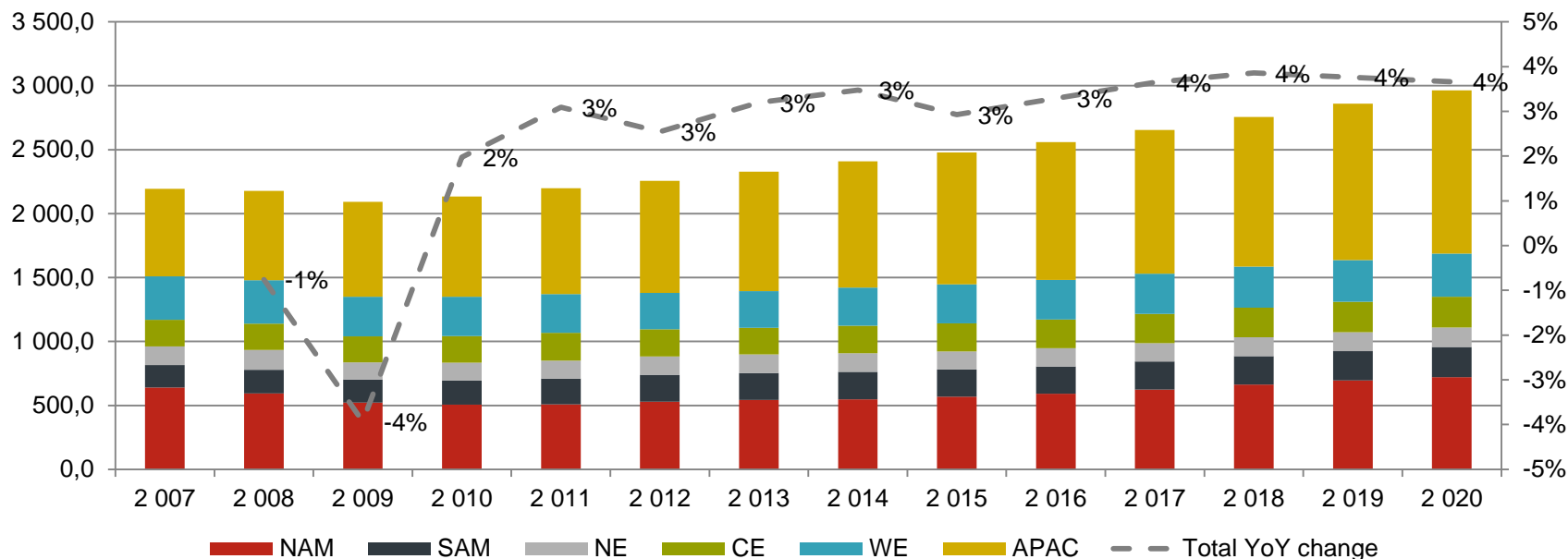


YoY %-changes							
	2015	2016	2017	2018	2019	2020	
Europe	-3,4%	1,2%	2,7%	11,5%	9,4%	6,9%	
North America	11,6%	-14,8%	10,4%	5,6%	9,5%	-4,2%	
South America	-41,4%	-17,3%	9,1%	10,5%	7,7%	5,4%	
South Asia	29,4%	23,3%	5,9%	5,3%	2,8%	1,9%	
Japan/Korea	6,1%	-0,2%	-2,1%	-1,3%	0,7%	0,1%	
Middle East/Africa	-3,7%	-4,0%	-0,5%	5,4%	3,0%	6,8%	
Greater China	-26,5%	6,8%	2,3%	8,1%	-2,0%	-1,0%	
<b>Total</b>	<b>-10,1%</b>	<b>3,3%</b>	<b>4,7%</b>	<b>7,1%</b>	<b>2,9%</b>	<b>0,3%</b>	

Source: IHS Truck registration (Sep 2016)

# Construction output forecast

## Annual Construction Output



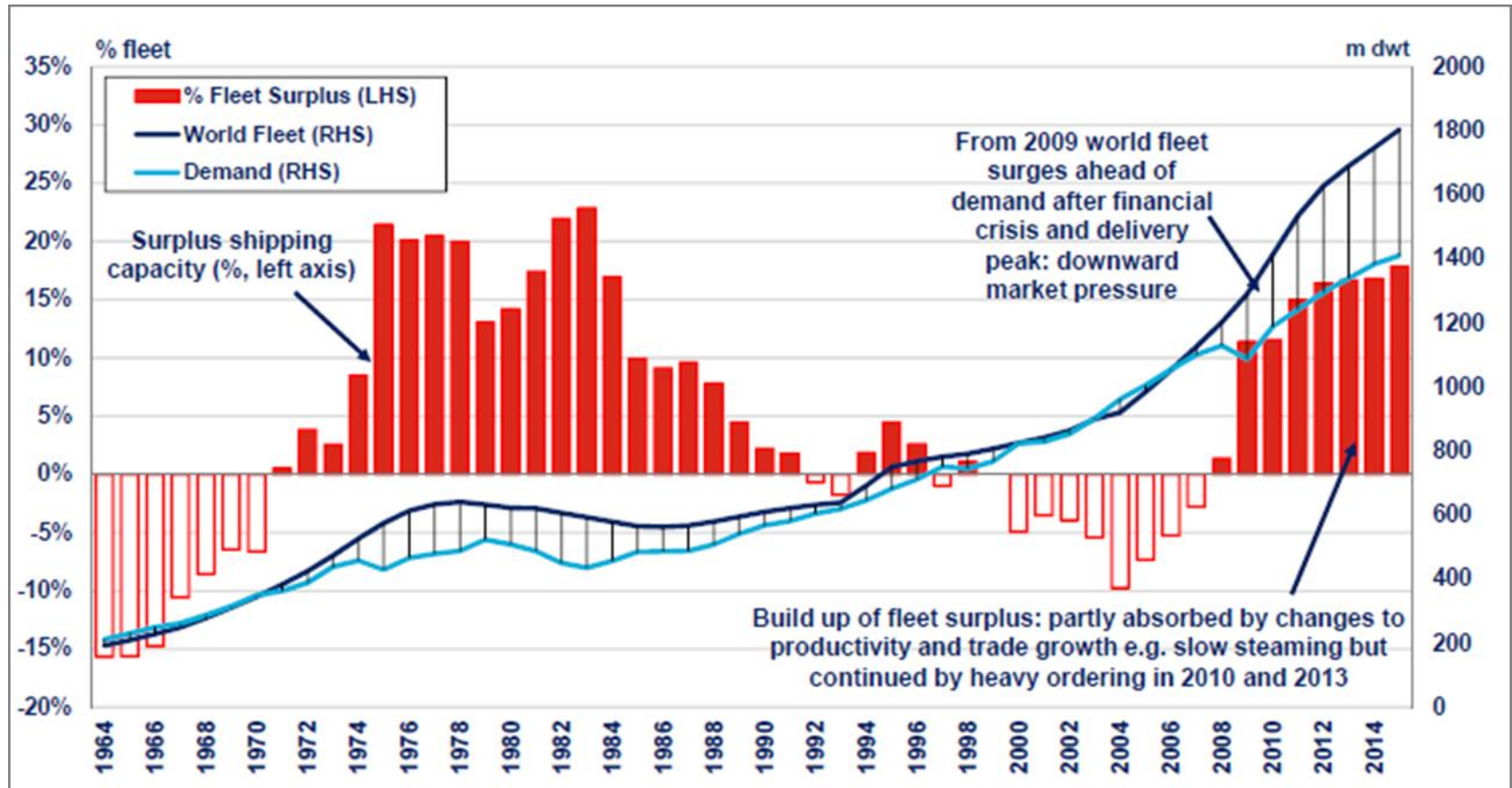
### YoY %-changes

	2015	2016	2017	2018	2019	2020
<b>NAM</b>	3,6%	3,9%	5,7%	6,1%	4,9%	3,8%
<b>SAM</b>	-0,6%	0,8%	2,0%	2,1%	2,5%	3,0%
<b>NE</b>	-2,3%	1,3%	1,0%	1,5%	1,8%	2,0%
<b>CE</b>	1,4%	2,8%	1,9%	1,8%	1,8%	1,6%
<b>WE</b>	2,7%	0,7%	1,3%	2,0%	2,4%	3,3%
<b>APAC</b>	4,5%	4,6%	4,2%	4,2%	4,4%	4,4%
<b>Total</b>	2,9%	3,3%	3,6%	3,9%	3,8%	3,7%

Source: Oxford Economics construction output (All Output series are measured in Billions, 2010 Prices)

# MacGregor appendix

# World Fleet: Supply-Demand Balance

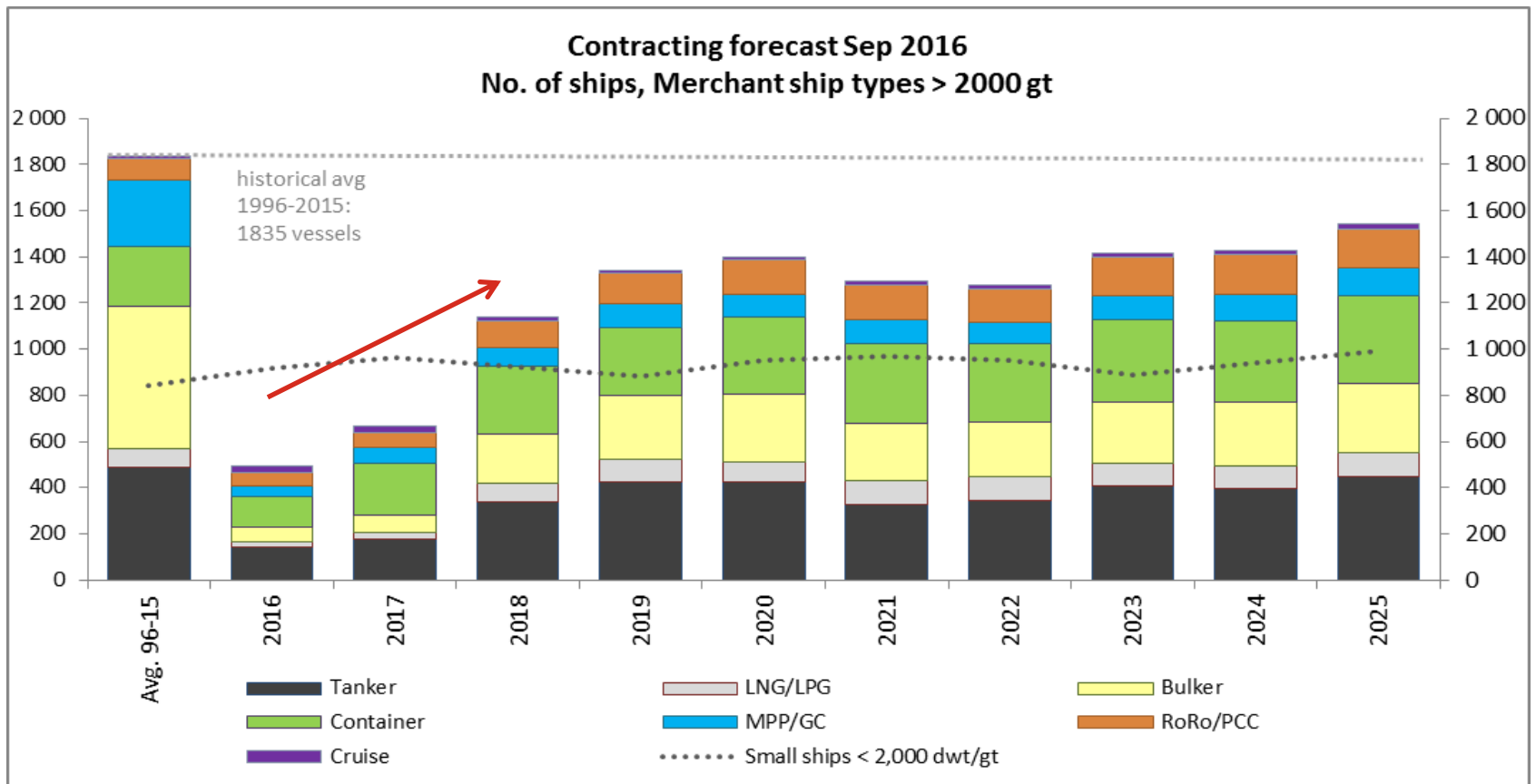


Source: Clarksons September 2016

# Contracting Forecast by Shiptype (number of ships)

- Merchant ship types > 2000 gt, base case

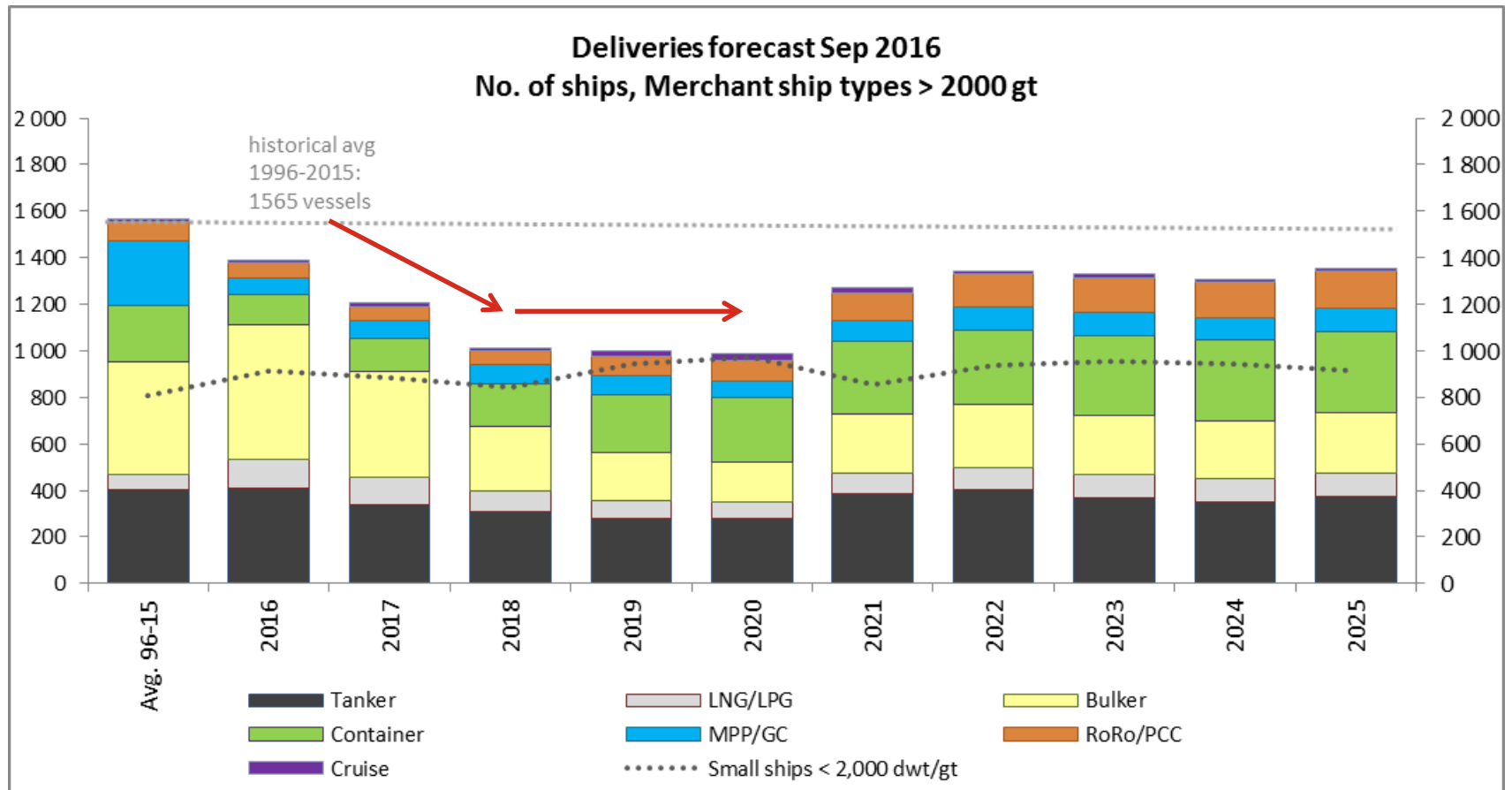
- Vessel upsizing trend continues:  
 Upsizing trends are expected to continue, with the average size of ships delivered in 2016-28 projected to reach c.37,500 GT, compared to the average size of units in the current fleet of c. 23,000 GT.



# Deliveries forecast by shiptype (number of ships)

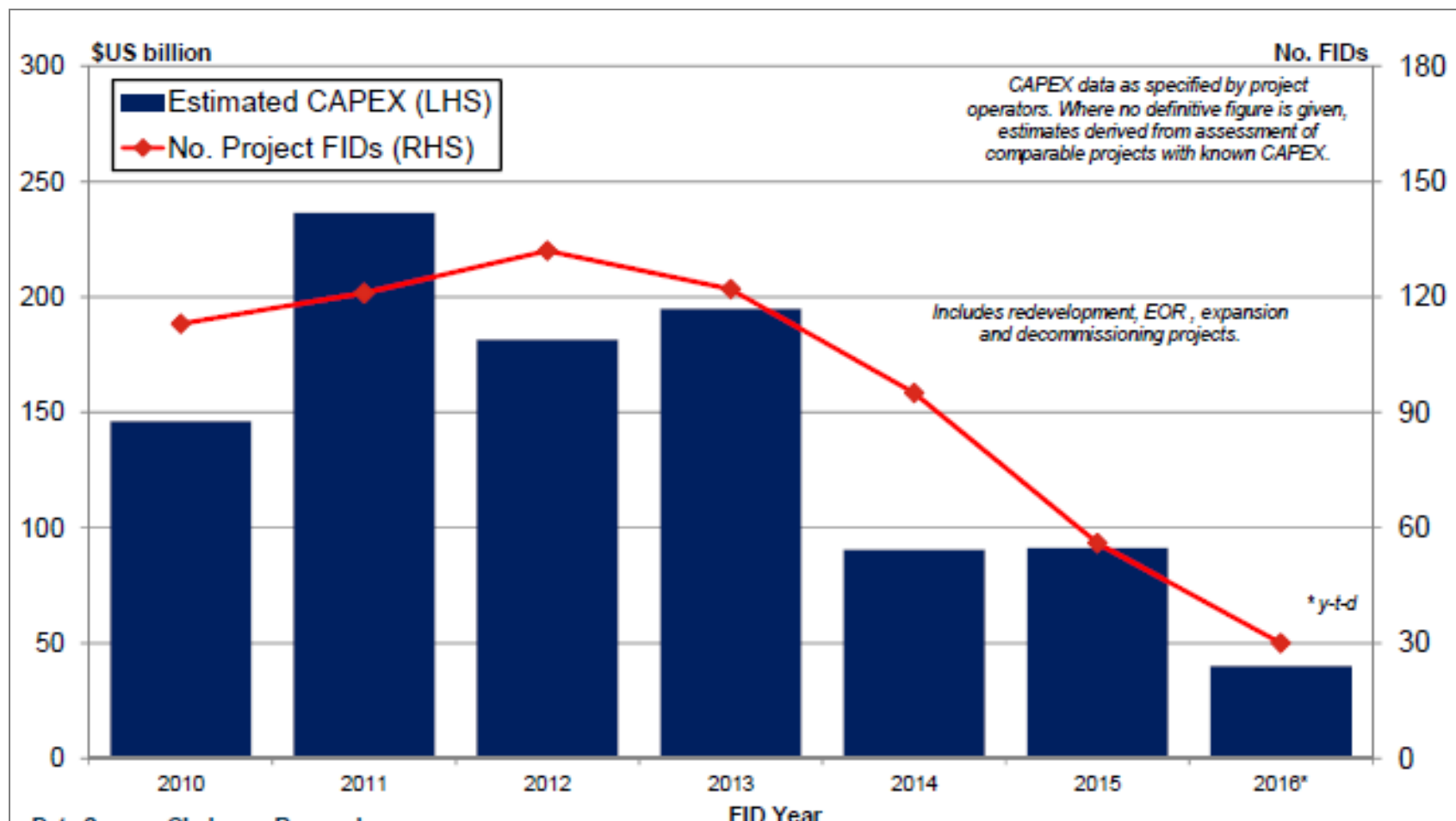
- Merchant ship types > 2000 gt, base case

- Deliveries 2017 and onwards decrease due to the extremely low contracting levels 2015-2016, and will remain at historically lower levels due to the continued lower contracting in no of ships.



Source: Clarksons September 2016

# Historical Offshore CAPEX



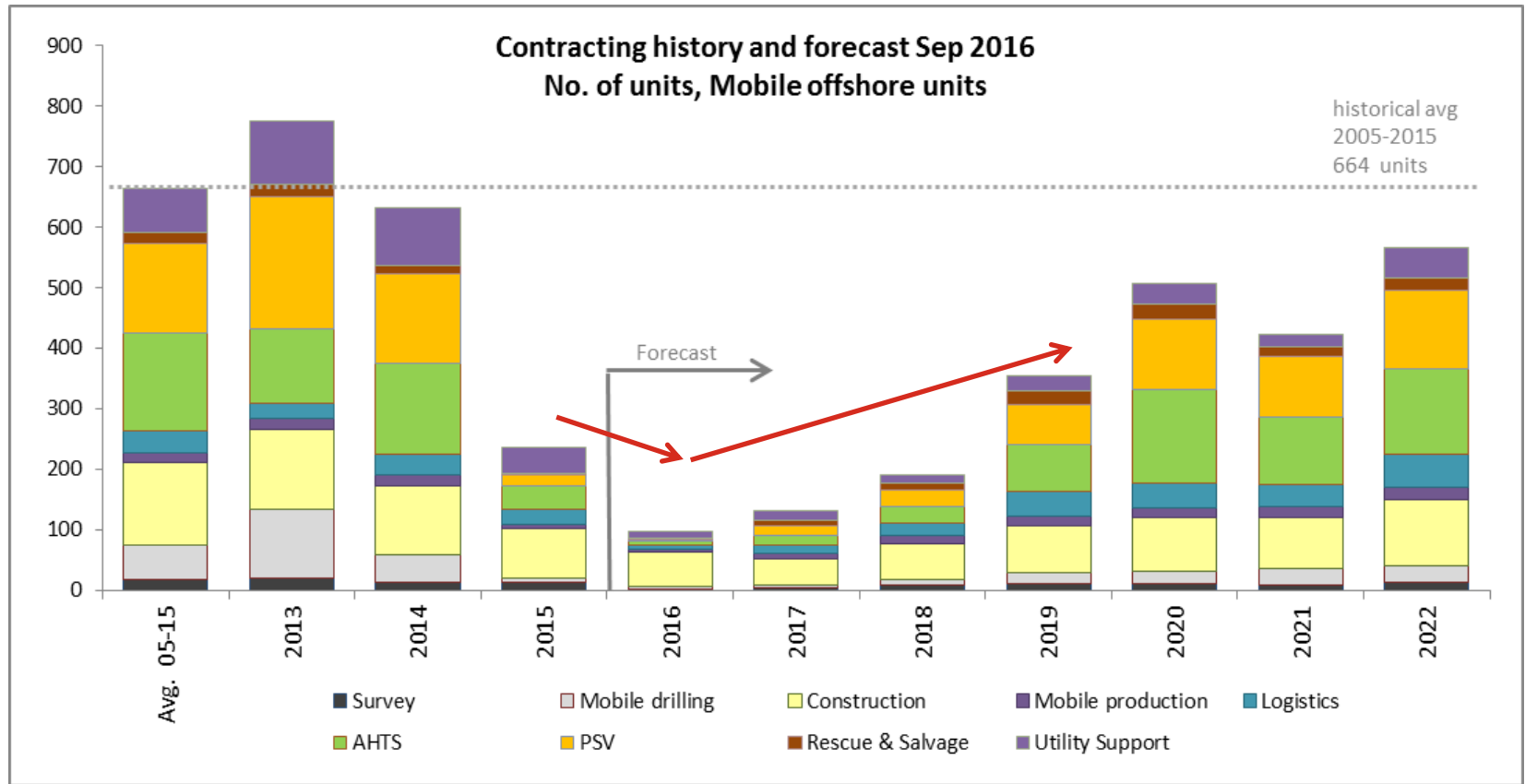
Source: Clarksons September 2016



# Contracting Forecast by Shiptype (number of units)

short term revised again downwards

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

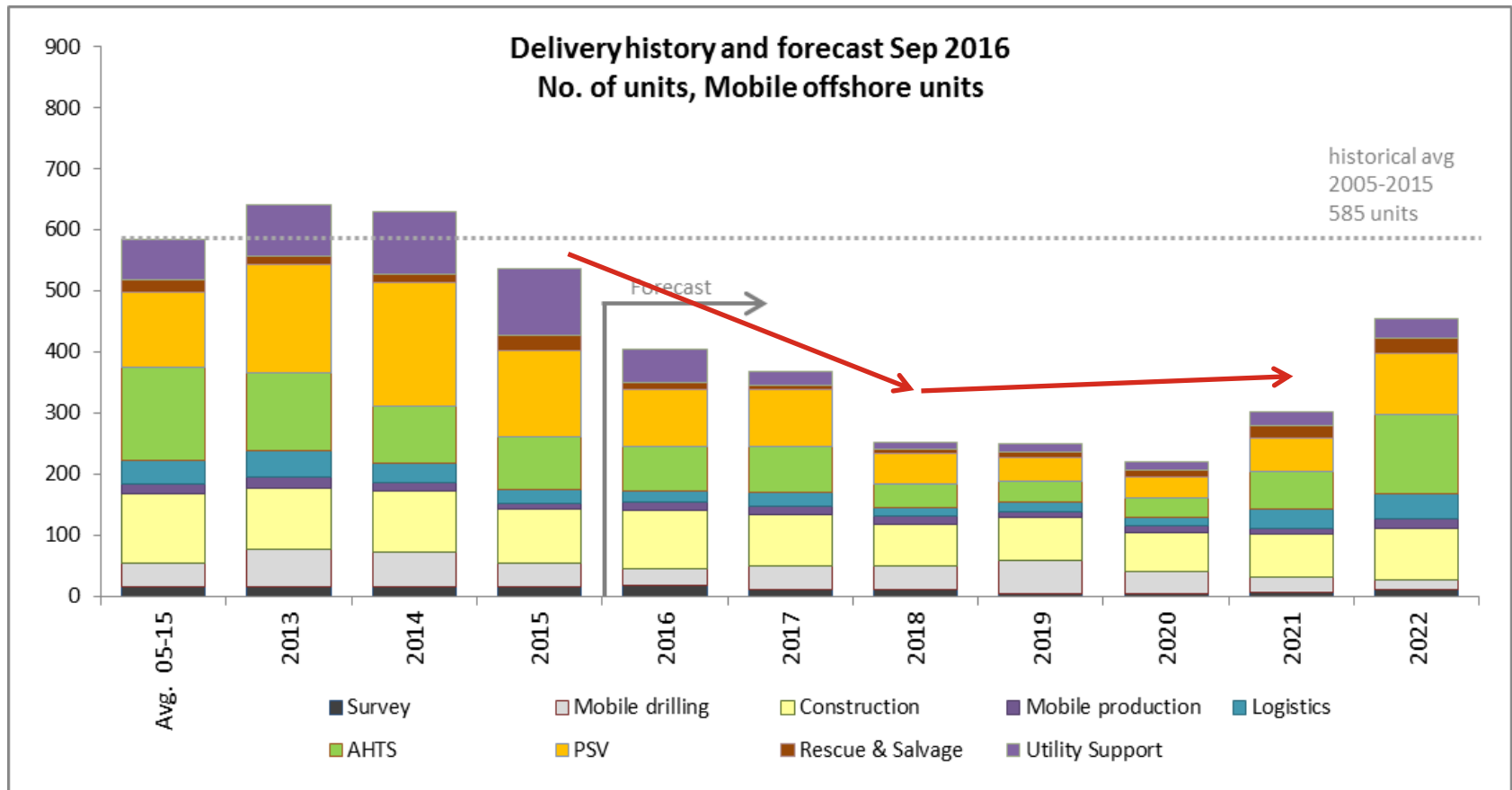


Source: Clarksons September 2016

# Deliveries Forecast by Shiptype (number of units)

reflects the low contracting levels

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

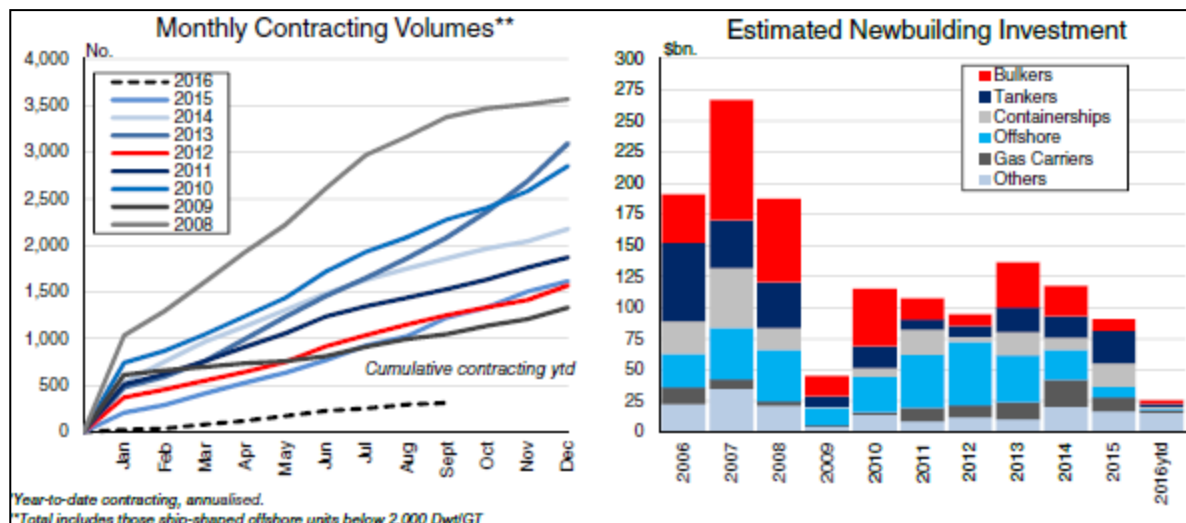


Source: Clarksons September 2016

# Shipbuilding – Contracting (ships >2000 gt/dwt)

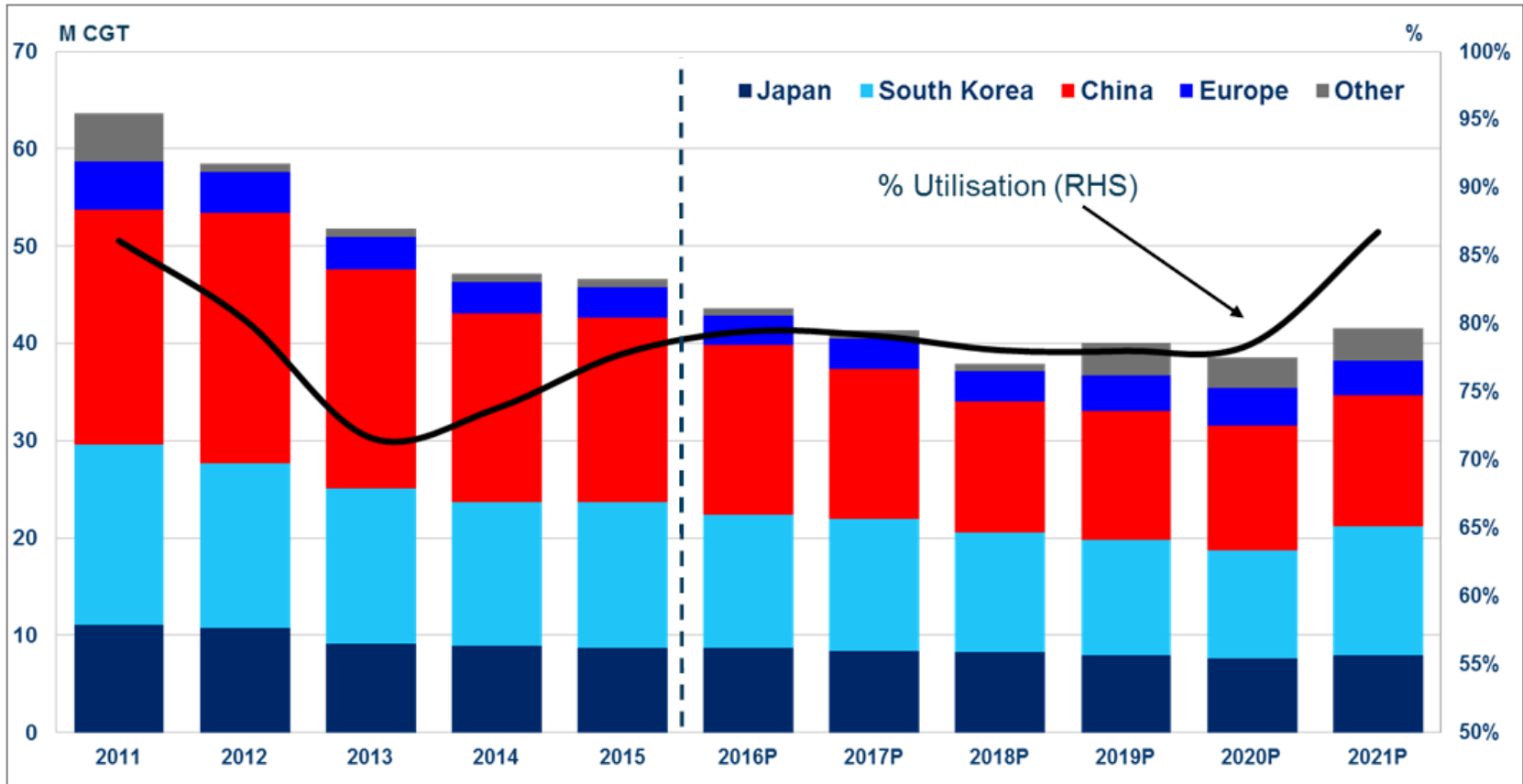
Global Contracting Activity (1st October 2016)												
	No.				\$bn				m. CGT			
	2014	2015	YTD	%y-o-y*	2014	2015	YTD	%y-o-y*	2014	2015	YTD	%y-o-y*
<b>TOTAL (&gt;2,000 Dwt/GT**)</b>	<b>2,190</b>	<b>1,628</b>	<b>311</b>	<b>-75%</b>	<b>117.6</b>	<b>90.9</b>	<b>25.9</b>	<b>-62%</b>	<b>45.1</b>	<b>39.6</b>	<b>8.6</b>	<b>-71%</b>
<b>Vessel Type</b>												
Bulkers	766	354	37	-86%	24.6	9.3	2.7	-61%	15.1	6.3	1.6	-67%
Tankers	381	528	81	-80%	17.0	26.0	2.9	-85%	8.1	12.5	1.5	-84%
Containerships	160	243	63	-65%	9.9	19.3	1.8	-87%	5.6	10.4	1.2	-85%
Gas Carriers	180	107	11	-86%	21.6	11.0	1.6	-81%	7.8	4.3	0.7	-80%
Offshore	494	169	36	-72%	24.1	8.4	1.3	-79%	4.1	1.6	0.5	-60%
Others	209	227	83	-51%	20.4	16.9	15.6	23%	4.4	4.4	3.2	-4%
<b>Builder Country</b>												
China	962	555	142	-66%	34.7	23.4	5.6	-68%	16.6	11.6	3.2	-63%
South Korea	334	292	39	-82%	34.2	24.8	2.6	-86%	13.0	11.0	1.2	-85%
Japan	502	508	42	-89%	19.0	23.3	2.0	-89%	9.7	12.1	1.0	-89%
Europe	164	114	60	-30%	23.0	13.7	14.6	43%	3.9	2.5	2.8	47%
Other	228	159	28	-77%	6.7	5.7	1.1	-75%	1.9	2.3	0.4	-79%

Source: Clarksons September 2016



# Shipbuilding Capacity and Utilisation Scenario

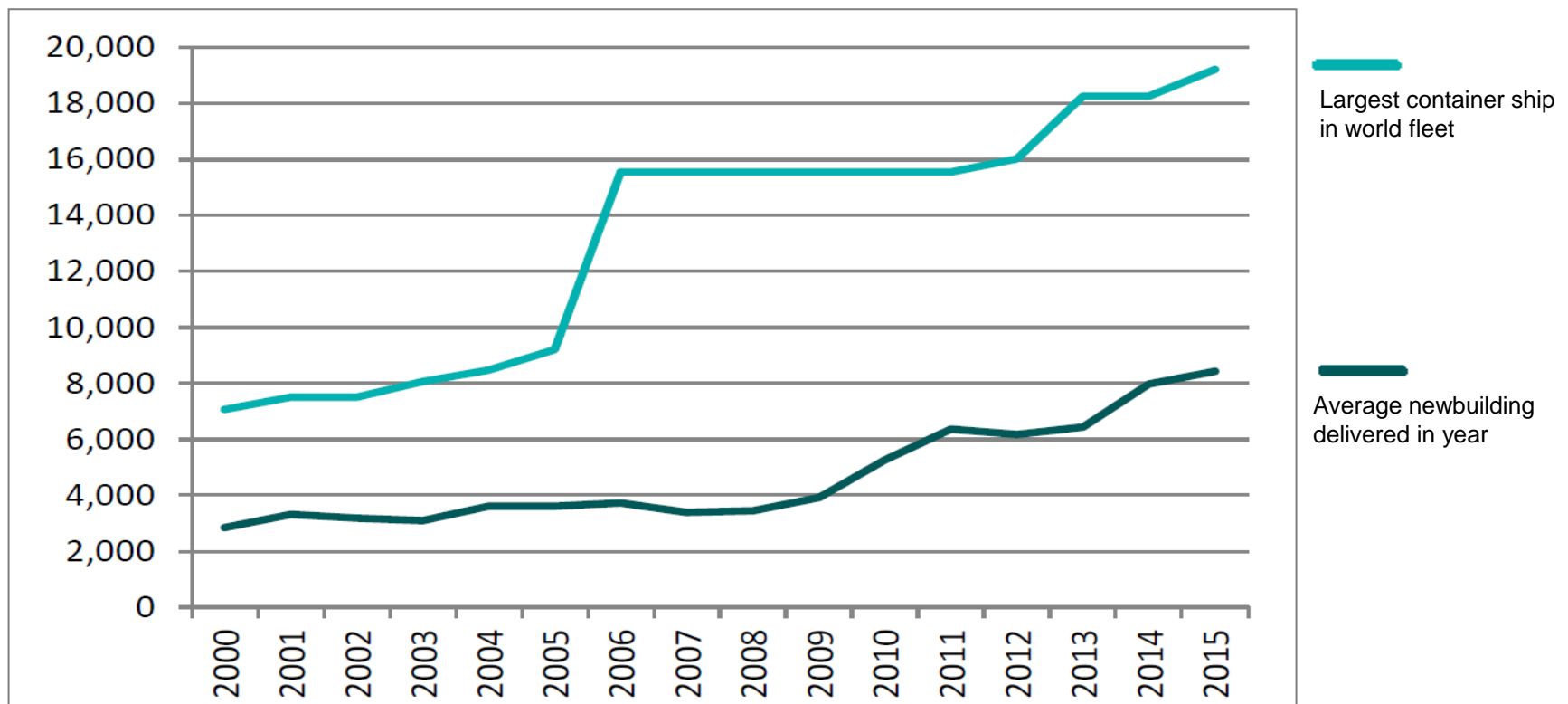
- Since peak shipyard output in 2010 (in CGT terms), it is estimated that the global shipbuilding capacity has declined 22%.
- Significant downward revision in the contracting forecast suggests that there will be further pressure on yards, and the capacity is projected to decline by another 20% by end of 2020.



Source: Clarksons September 2016

# 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