





SEB Nordic Seminar 2016

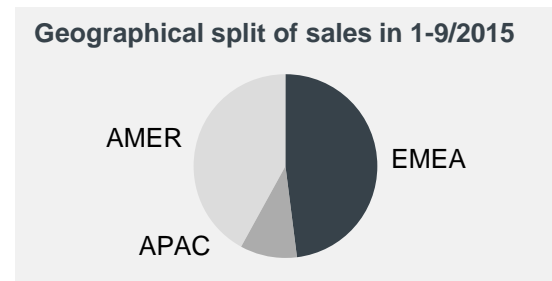
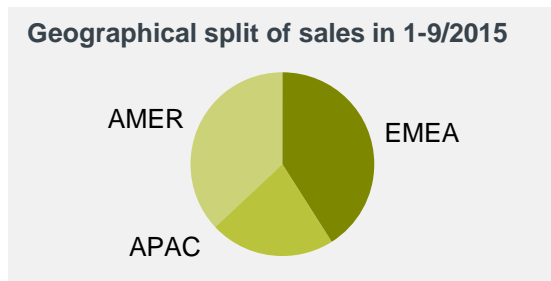
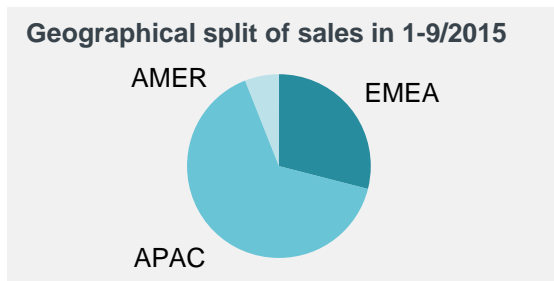
Executive Vice President, CFO Eeva Sipilä

7 January 2016

Cargotec in brief



Today's leader in cargo handling equipment



Figures: 1-9/2015
EBIT % excluding restructuring costs

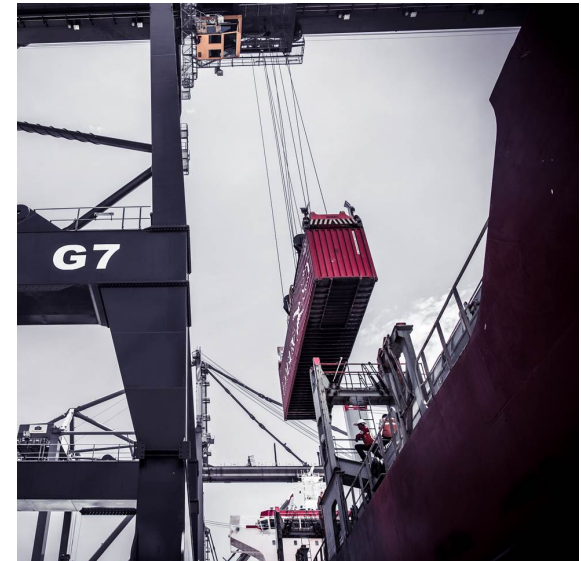
From turnaround to leader in intelligent cargo handling with sector leading profitability

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

Investing in our transformation to be the leader in intelligent cargo handling

2013

PRODUCT LEADERSHIP

Good equipment company

Product R&D drives offering development

2018

SERVICES LEADERSHIP

World-class service offering

Connected equipment and data analytics building value on data

Significant software business

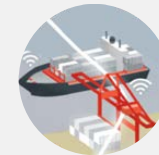


2020

LEADER IN INTELLIGENT CARGO HANDLING

40% of the sales from services and software

More efficient and optimised cargo handling solutions



Committed to improve shareholder return

Business area targets

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

10%

Growth
Faster than market growth



Group targets

Gearing

<50%

Return on capital employed over the cycle (ROCE pre-tax)

15%

Dividend

30-50%

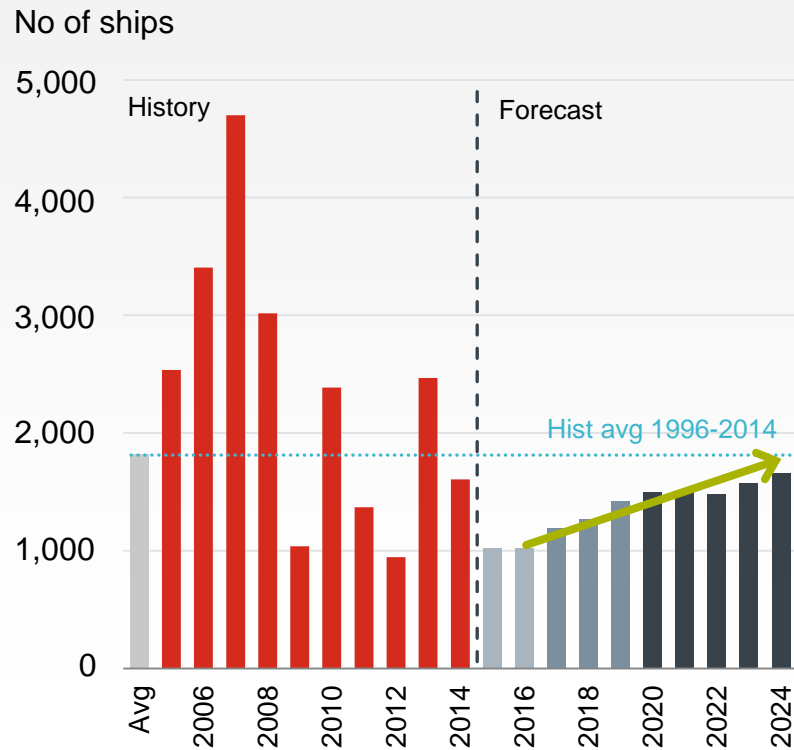
of earnings per share

MacGregor

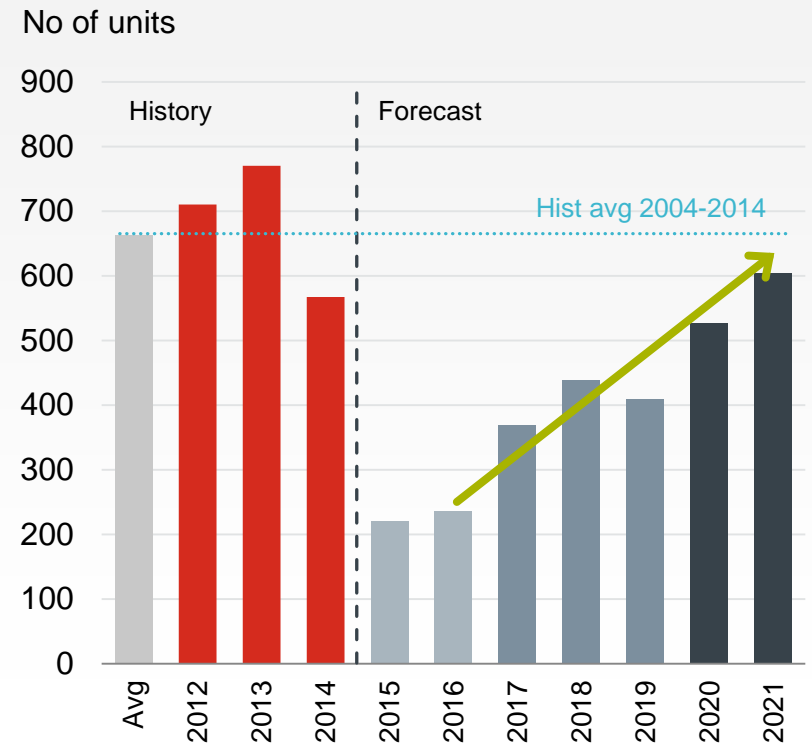


Outlook in merchant shipping and offshore turning back to growth

Long-term contracting 2005–2024
Merchant ships > 2,000 gt



Long-term contracting 2012–2021
Mobile offshore units



Sources: UNCTAD, Clarkson Research

Cost reduction and cost control measures set in place in MacGregor in 2015

Reduction of over 300 employees

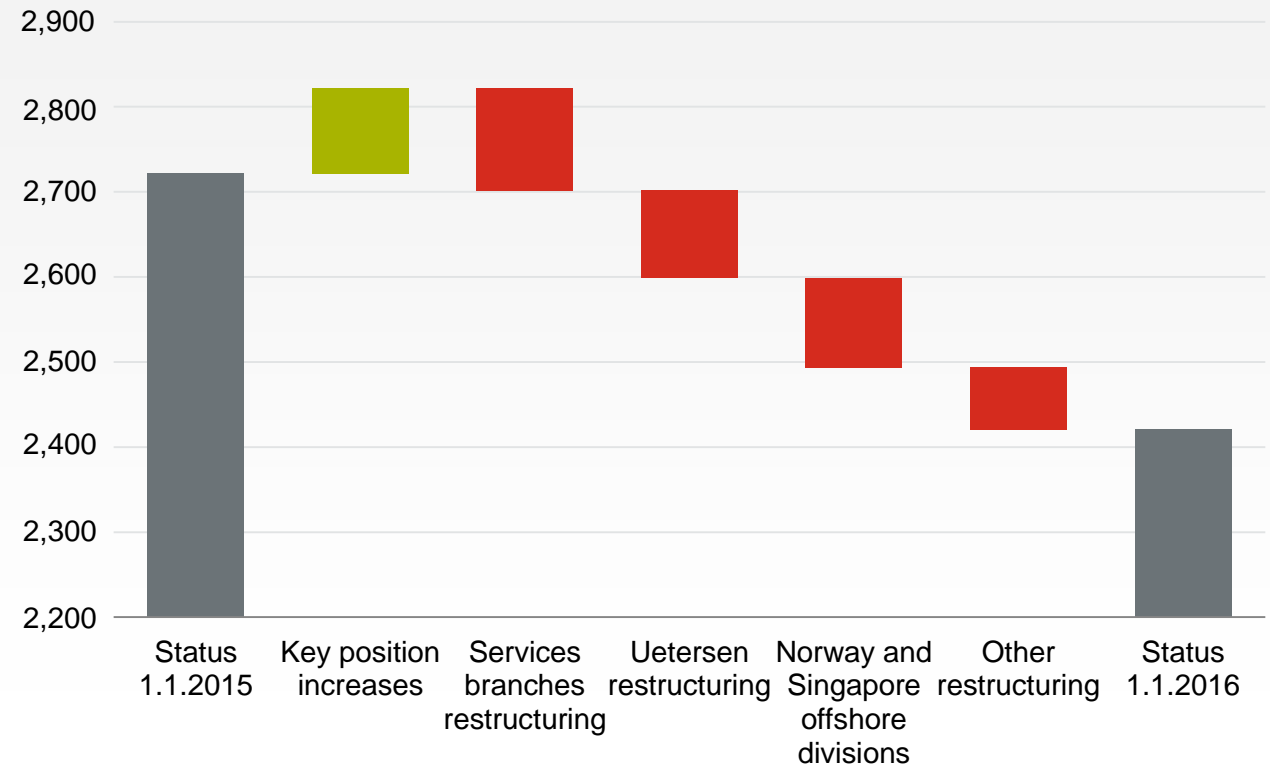
Organisational development

Targeted annual savings of EUR 27 million

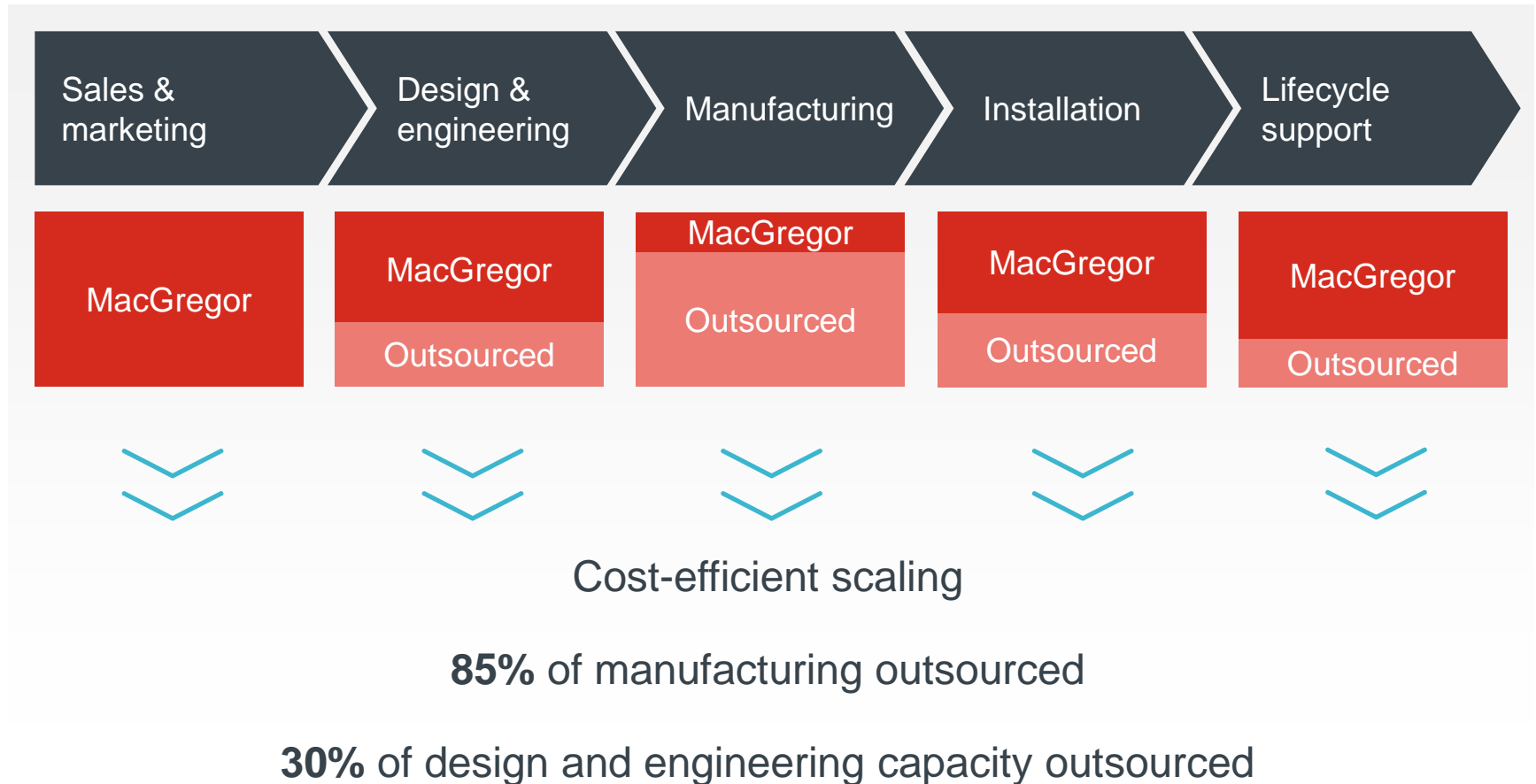
Measures taken in 2015 will have a full impact in 2016

Headcount reduced by 11%

Internal headcount



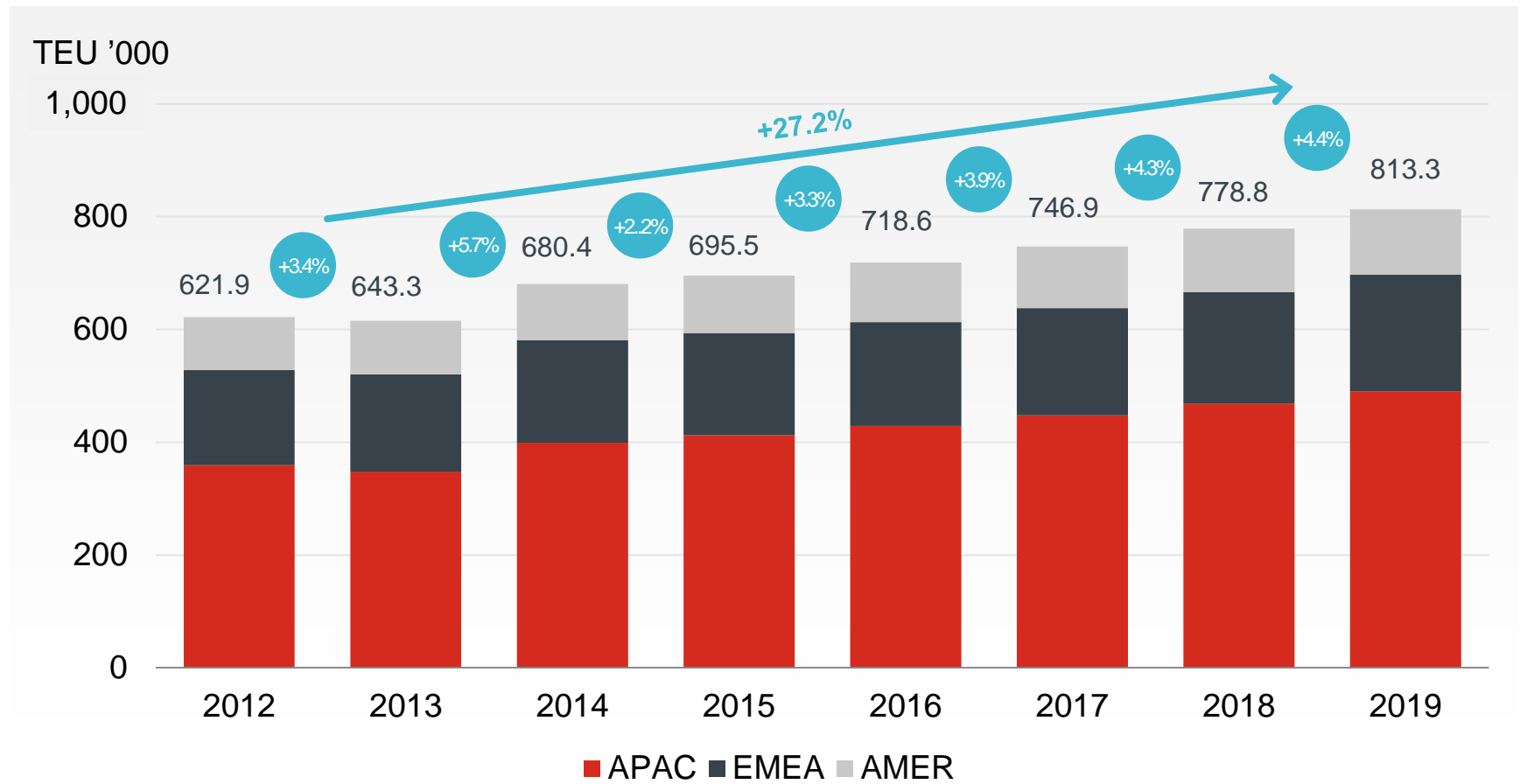
MacGregor's asset-light business model gives flexibility



Kalmar



Container throughput forecasted to grow year on year



Source: Drewry: Global Container Terminal Operators Annual Report 2015

Kalmar has strong position in attractive segments

Over 80% of Kalmar business is in ports and terminals

| | 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 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%**

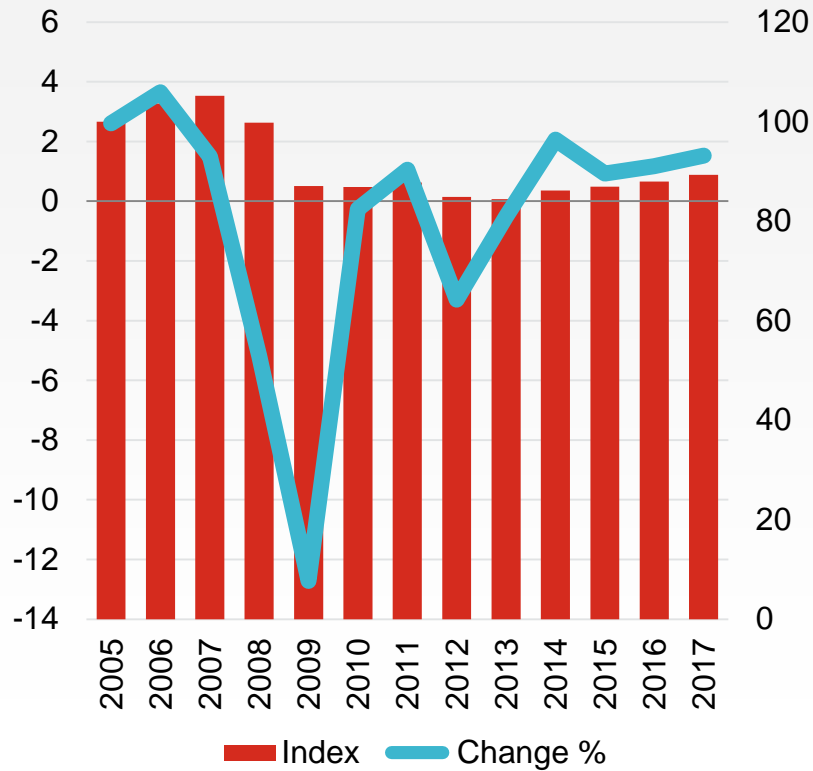
operating profit margin
(EBIT) over the cycle

Hiab

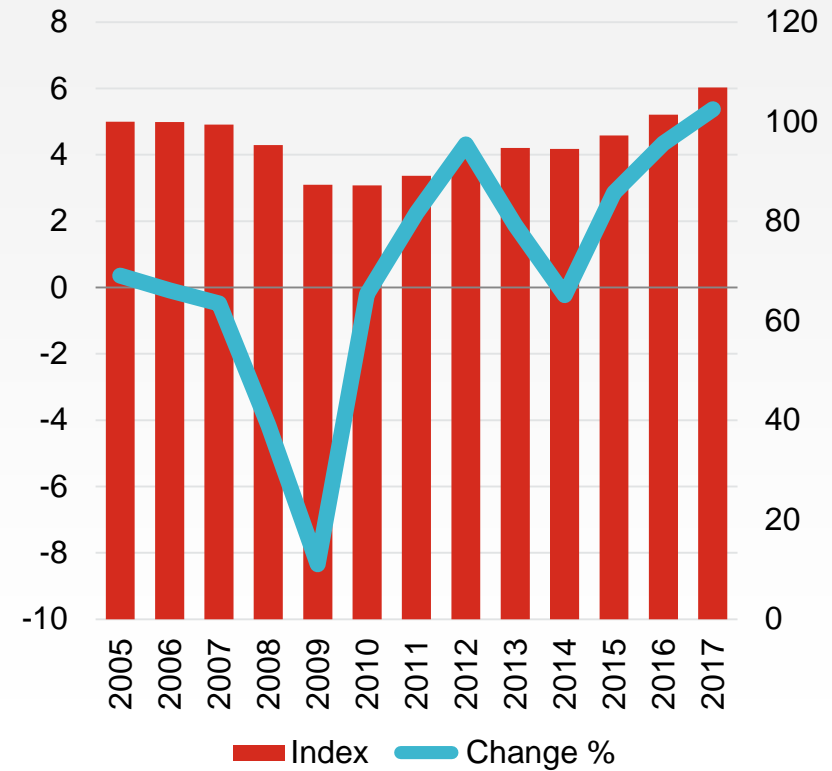


Construction output driving growth opportunity

EMEA construction output
y/y change (%)






AMER construction output
y/y change (%)



Source: Oxford Economics: Industry output forecast 9/2015

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 are:



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

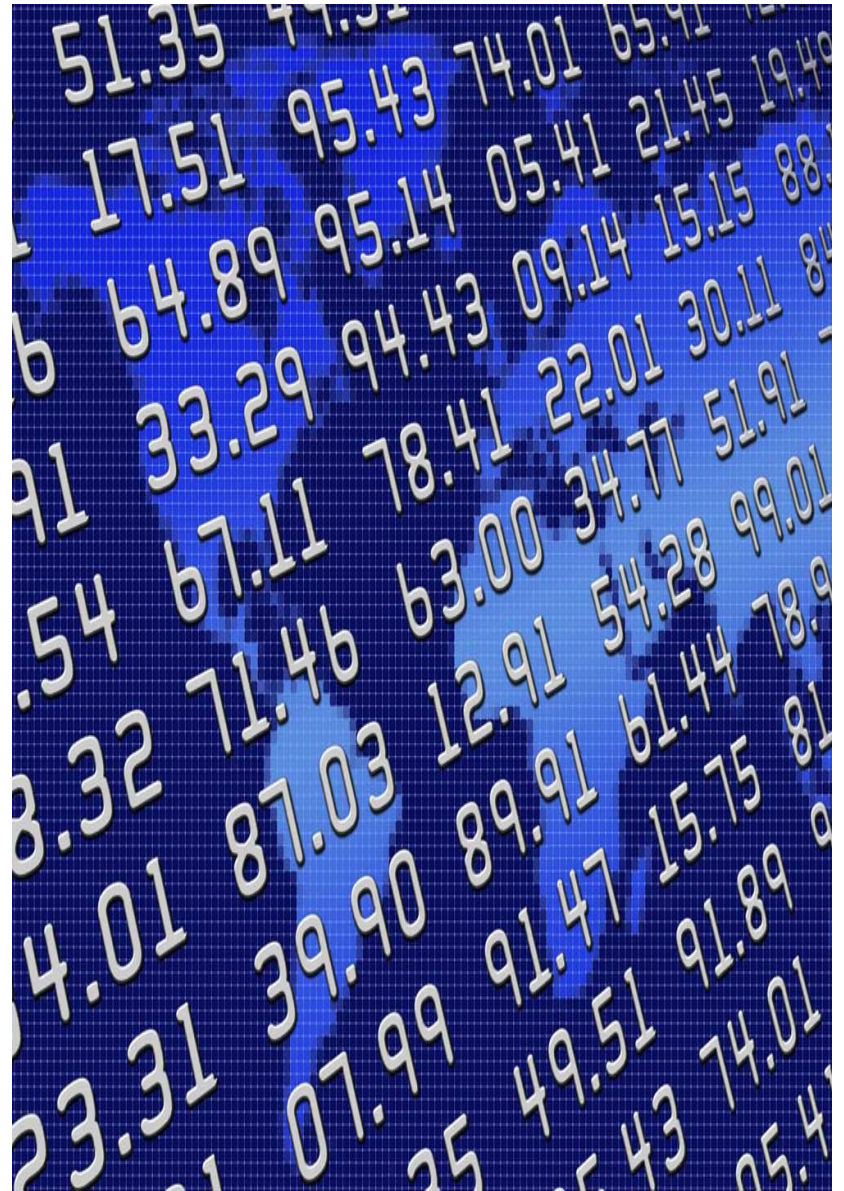
Accelerate **penetration** in North America and Europe



Services

Increase **spare parts capture rates** driven by connectivity and e-commerce

Summary




January–September key figures

| | 7-9/15 | 7-9/14 | Change | 1-9/15 | 1-9/14 | Change | 2014 |
|---------------------------------|--------|--------|--------|--------|--------|--------|-------|
| Orders received, MEUR | 907 | 829 | 9% | 2,733 | 2,685 | 2% | 3,599 |
| Order book, MEUR | 2,233 | 2,327 | -4% | 2,233 | 2,327 | -4% | 2,200 |
| Sales, MEUR | 928 | 840 | 10% | 2,753 | 2,395 | 15% | 3,358 |
| Operating profit, MEUR* | 68.3 | 48.4 | 41% | 178.6 | 77.8 | 130% | 149.3 |
| Operating profit margin, %* | 7.4 | 5.8 | | 6.5 | 3.2 | | 4.4 |
| Cash flow from operations, MEUR | 74.5 | 63.4 | | 227.3 | 120.3 | | 204.3 |
| Interest-bearing net debt, MEUR | 678 | 835 | | 678 | 835 | | 719 |
| Earnings per share, EUR | 0.67 | 0.43 | | 1.67 | 0.48 | | 1.11 |



*excluding restructuring costs



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

