

Q1 2016 Milan road show – 25 May 2016

President and CEO Mika Vehviläinen

Cargotec in brief



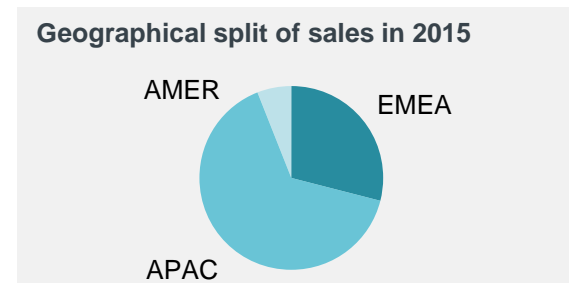
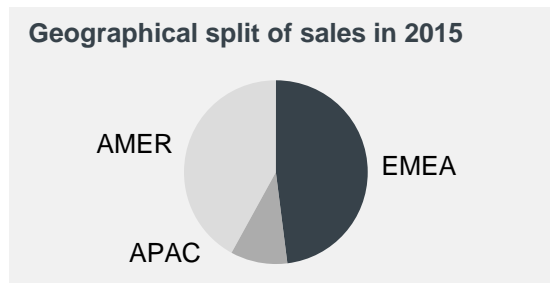
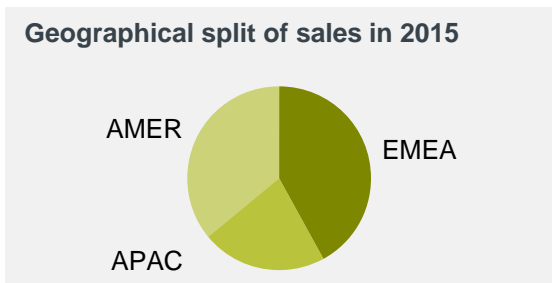
Today's leader in cargo handling equipment

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%**



Figures: 2015
 EBIT % excluding restructuring costs

Key competitors

Kalmar



KONECRANES
Lifting Businesses™



LIEBHERR



Hiab



MacGregor



Rolls-Royce



LIEBHERR

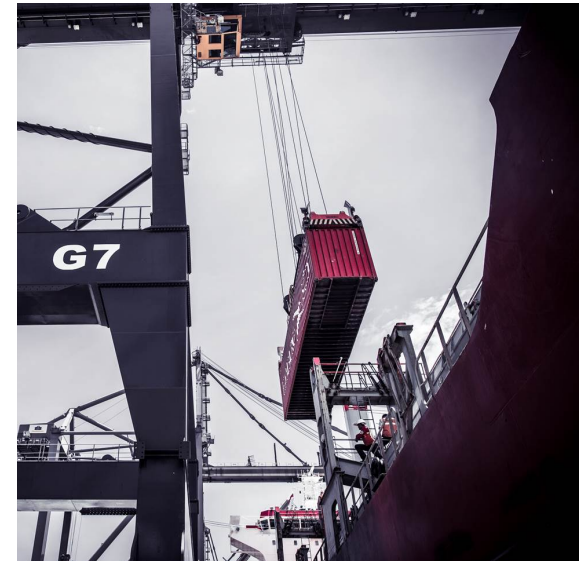
From turnaround to leader in intelligent cargo handling with sector leading profitability

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

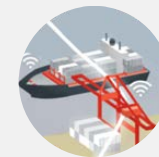


2020

LEADER IN INTELLIGENT CARGO HANDLING

40% of the sales from services and software

More efficient and optimised cargo handling solutions



Must-win battles to support transformation



Build world-class services offering



Lead digitalisation



Build world-class leadership

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



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

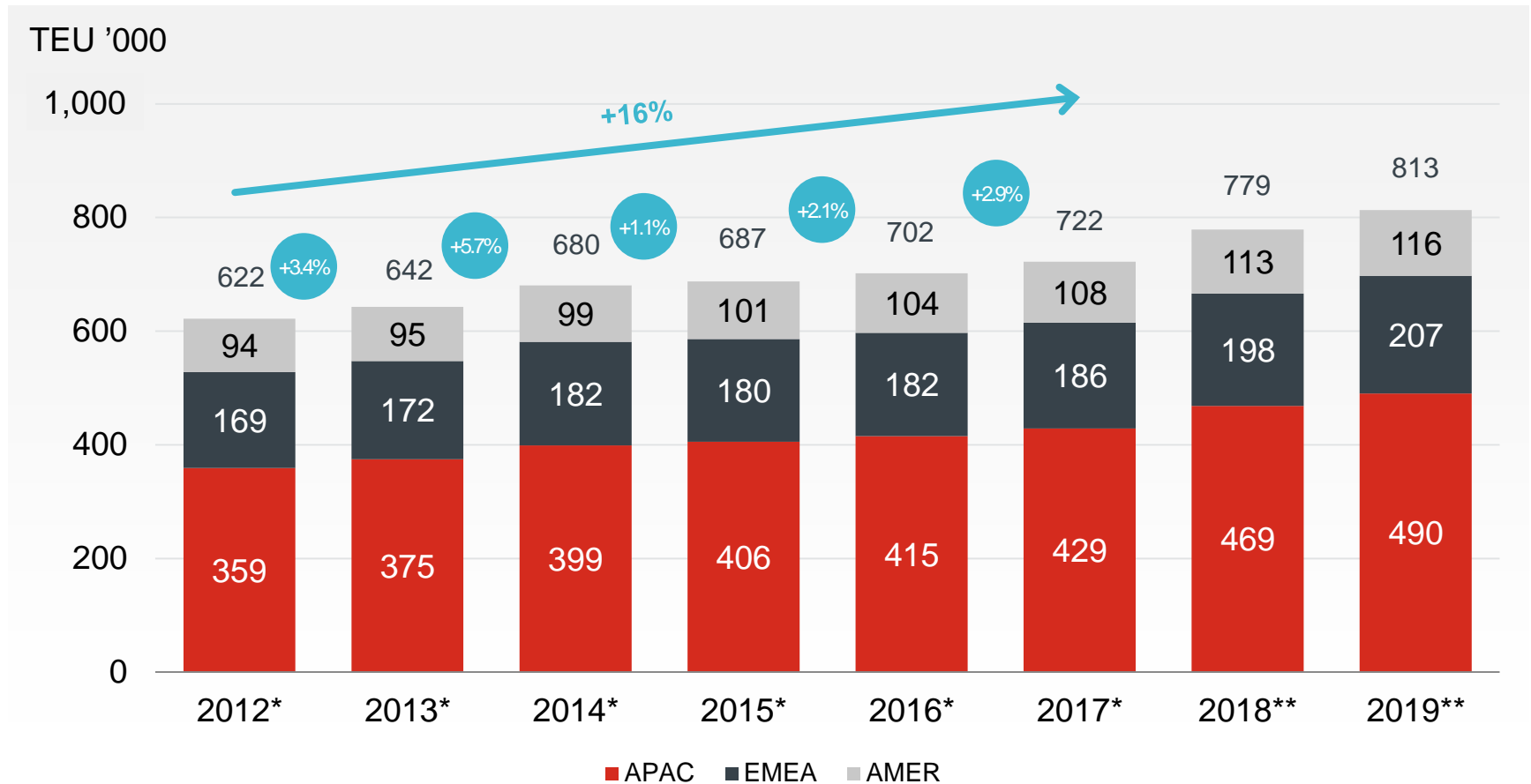
Investing to ensure a leading position

Shaping our portfolio to drive growth and shareholder value

Kalmar



Container throughput forecasted to grow year on year



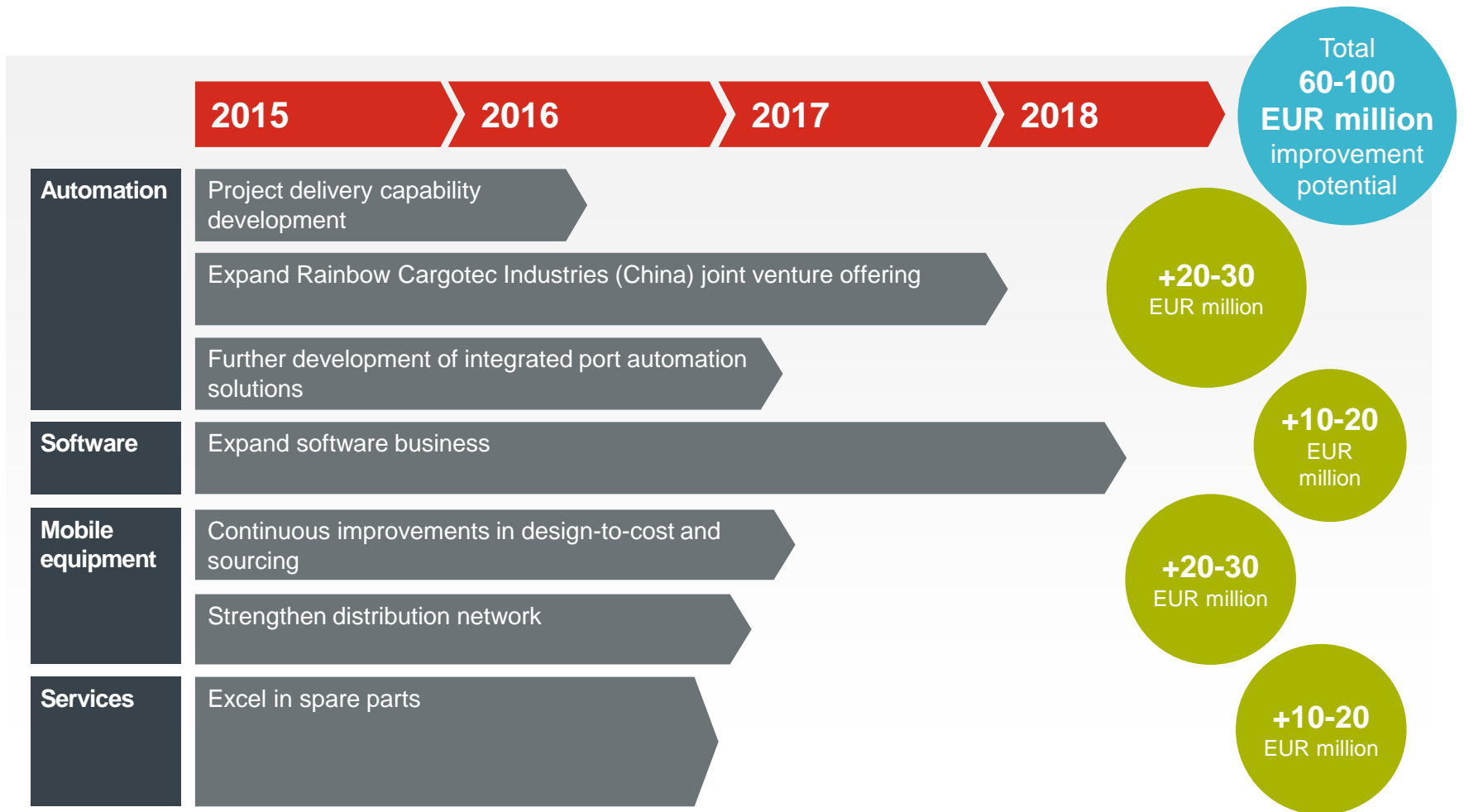
Source: Drewry: Global Container Terminal Operators Annual Report 2015** & Container forecaster Q1 2016*

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 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

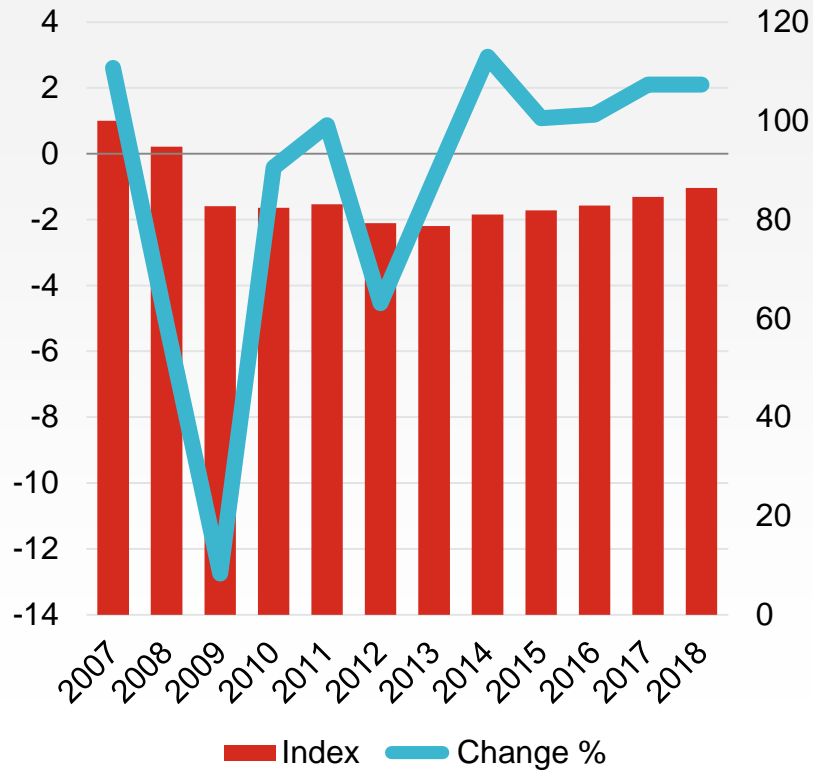
Hiab



Construction output driving growth opportunity

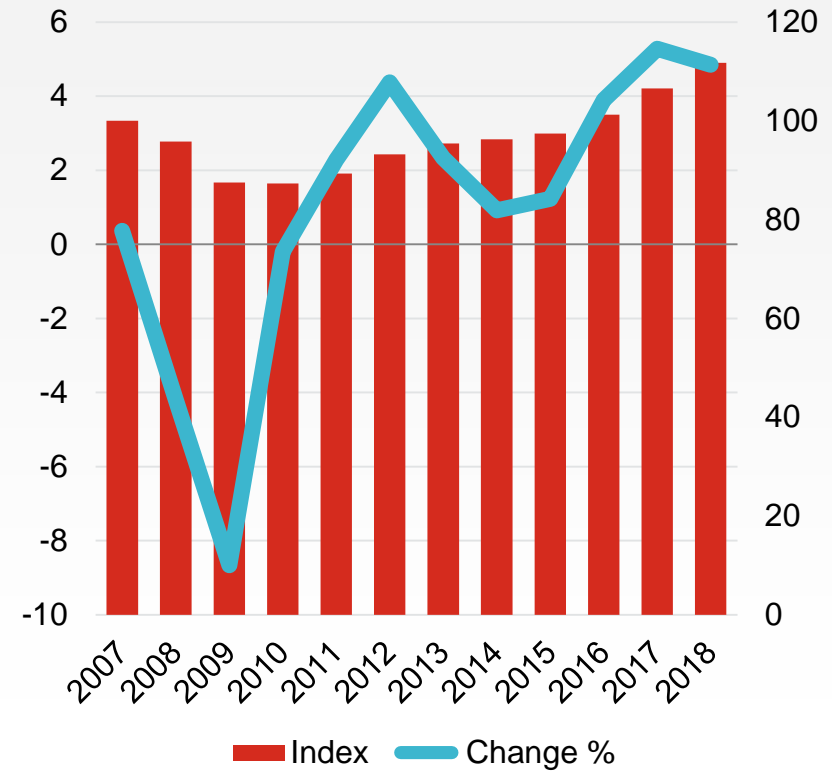
EMEA construction output

y/y change (%)








AMER construction output

y/y change (%)



Source: Oxford Economics: Industry output forecast 4/2016

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 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

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%

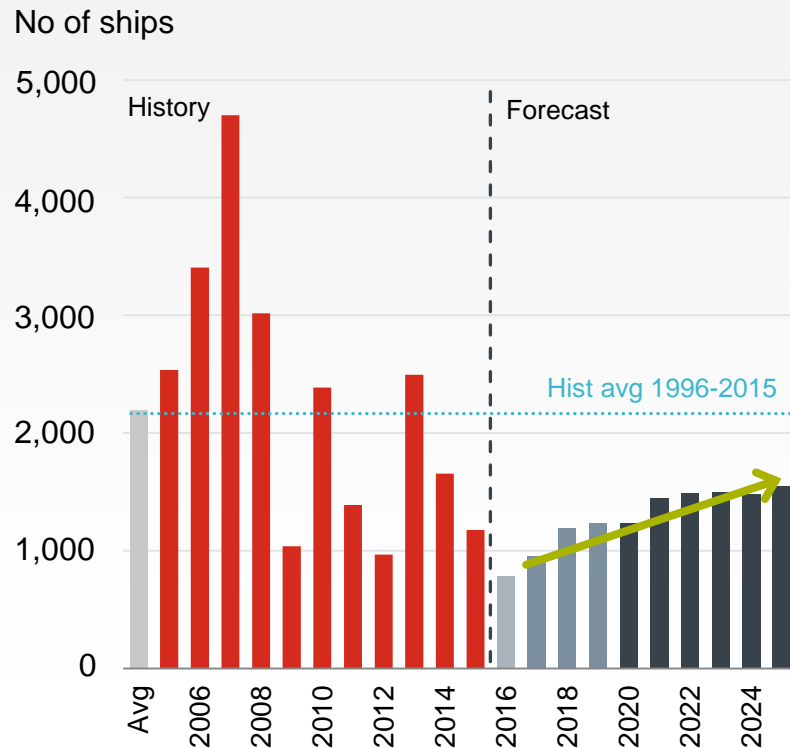
operating profit margin
(EBIT) over the cycle

MacGregor

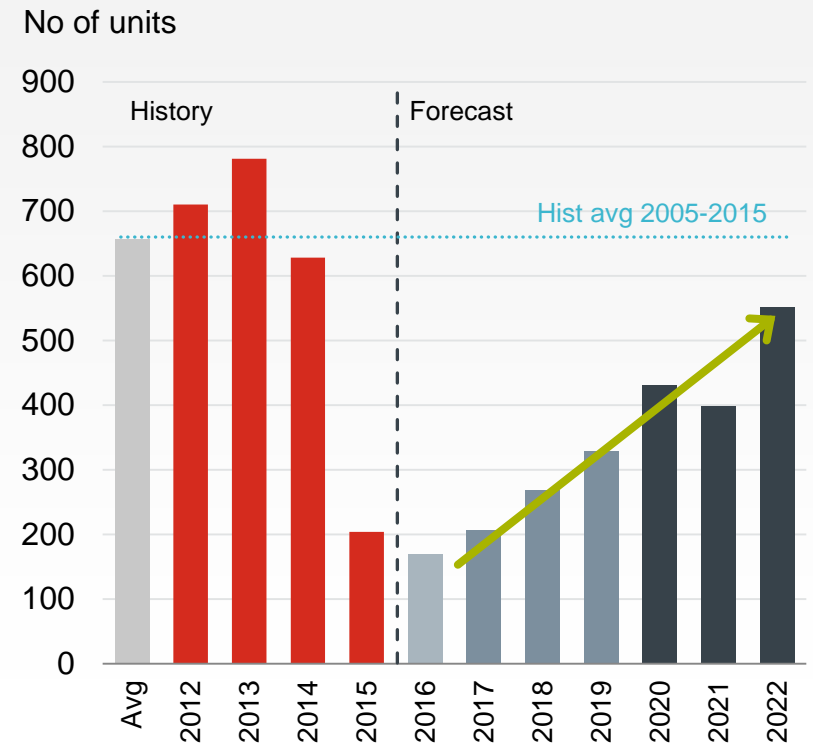


Merchant shipping and offshore markets currently challenging

Long-term contracting 2005–2025
Merchant ships > 2,000 gt



Long-term contracting 2012–2022
Mobile offshore units



Sources: UNCTAD, Clarkson Research, March 2016

MacGregor has strong positions in both the marine and offshore market

Marine

#1



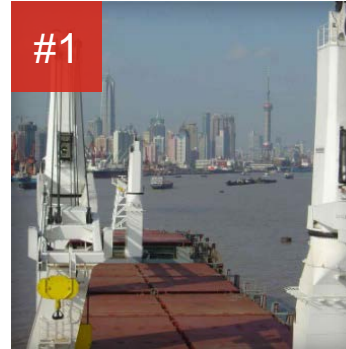
Container lashing

#1-2



Hatch covers

#1



Cranes and selfunloaders

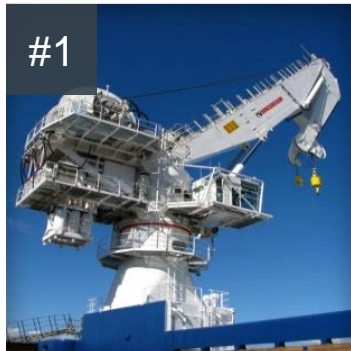
#1



RoRo

Offshore

#1



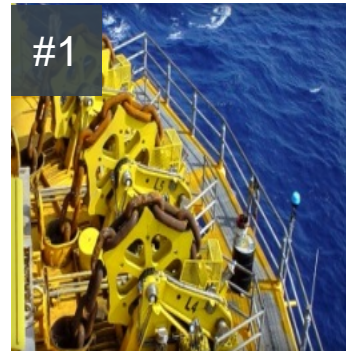
Offshore advanced load handling

#2



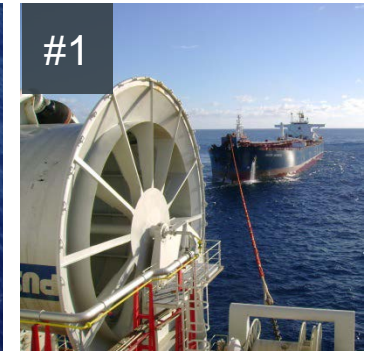
Offshore winches

#1



Mooring systems

#1



Loading and offloading systems

RoRo=roll-on/roll-off

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

Reduction of over 300 employees

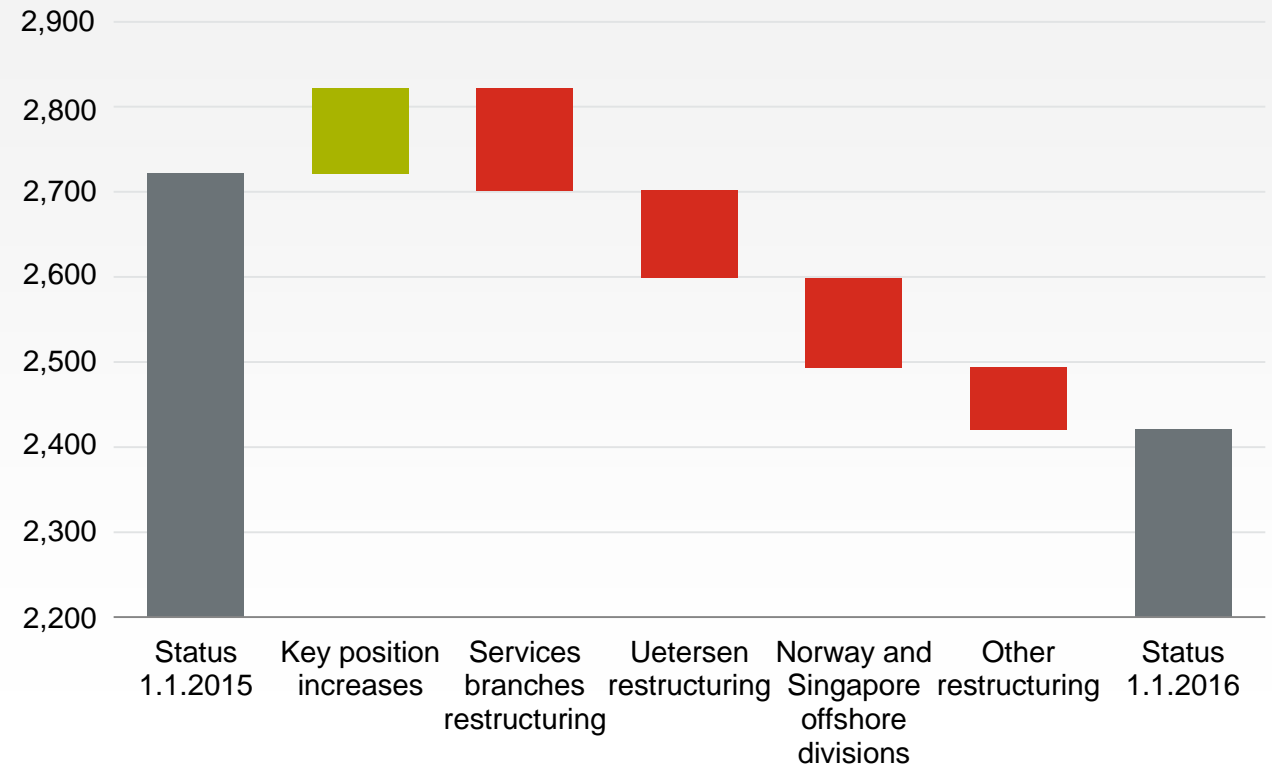
Organisational development

Targeted annual savings of EUR 27 million

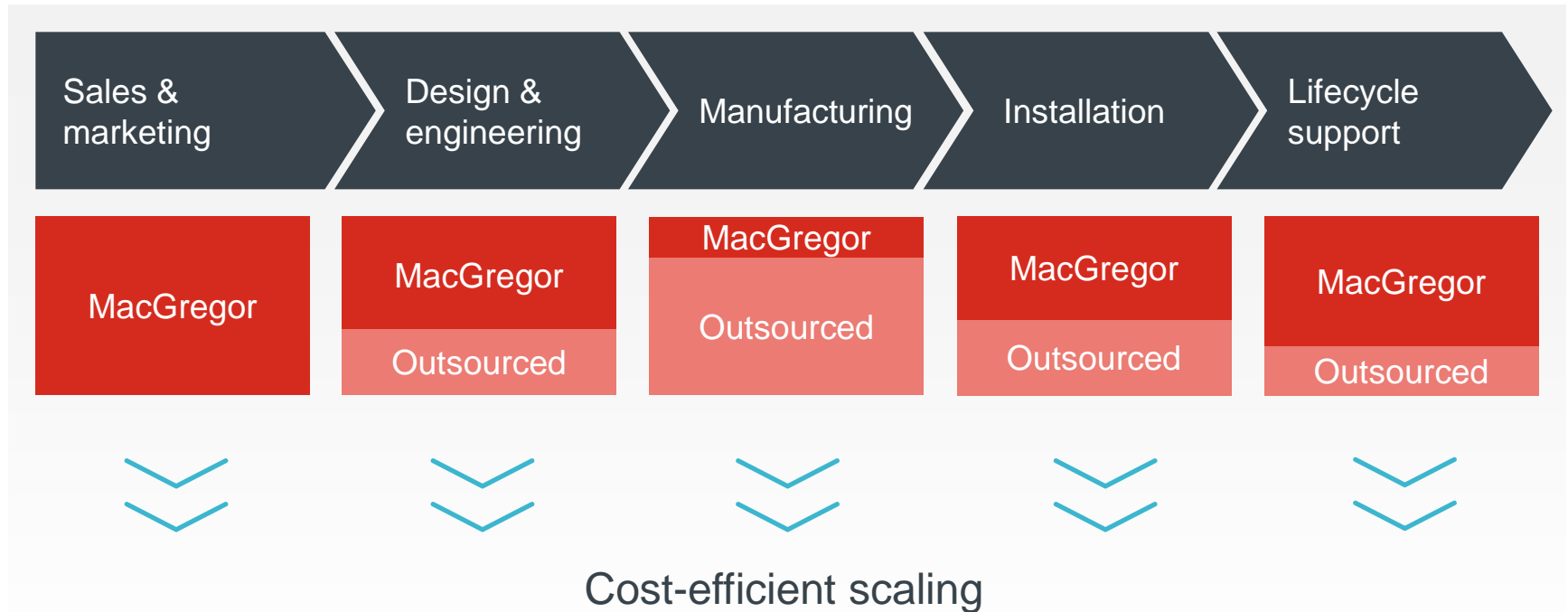
Measures taken in 2015 will have a full impact in 2016

Headcount reduced by 11%

Internal headcount



MacGregor's asset-light business model gives flexibility



85% of manufacturing outsourced

30% of design and engineering capacity outsourced

MacGregor is improving profitability

Improving profitability by cost reductions, product and project cost improvements, services development

- Cost reduction measures started in 2015 will result in targeted EUR 27 million annual savings
- Targeted savings of EUR 10 million from design-to-cost will materialise in 2016
- Share of services will exceed 25% of sales in 2016
- Asset-light model with 85% of manufacturing outsourced allows for cost-efficient scaling

80% of orders for 2016 in backlog by the end of the year



→ 10%

operating profit margin
(EBIT) over the cycle

January–March financials



Highlights of the first quarter

- Market situation for Kalmar and Hiab healthy, but challenging for MacGregor
- Order book remained strong at EUR 2,095 million, orders received at EUR 903 (939) million
- Sales declined 7% y-o-y- to EUR 828 (889) million
- Operating profit excluding restructuring costs increased 12% and totalled EUR 58.5 (52.3) million or 7.1 (5.9)% of sales
- Operating profit was EUR 57.7 (51.3) million
- Cash flow from operations strong at EUR 90.8 (51.6) million, gearing at 45.3%
- INTERSCHALT acquisition



Market environment in the first quarter

- Demand for container handling equipment, and services as well as interest for automation solutions was healthy
- Market for load handling equipment was strong in the US, in Europe, market situation showed slight positive development
- Market for marine cargo handling equipment was weak
 - Demand for RoRo and special vessel related cargo handling equipment grew and was active



First-quarter key figures

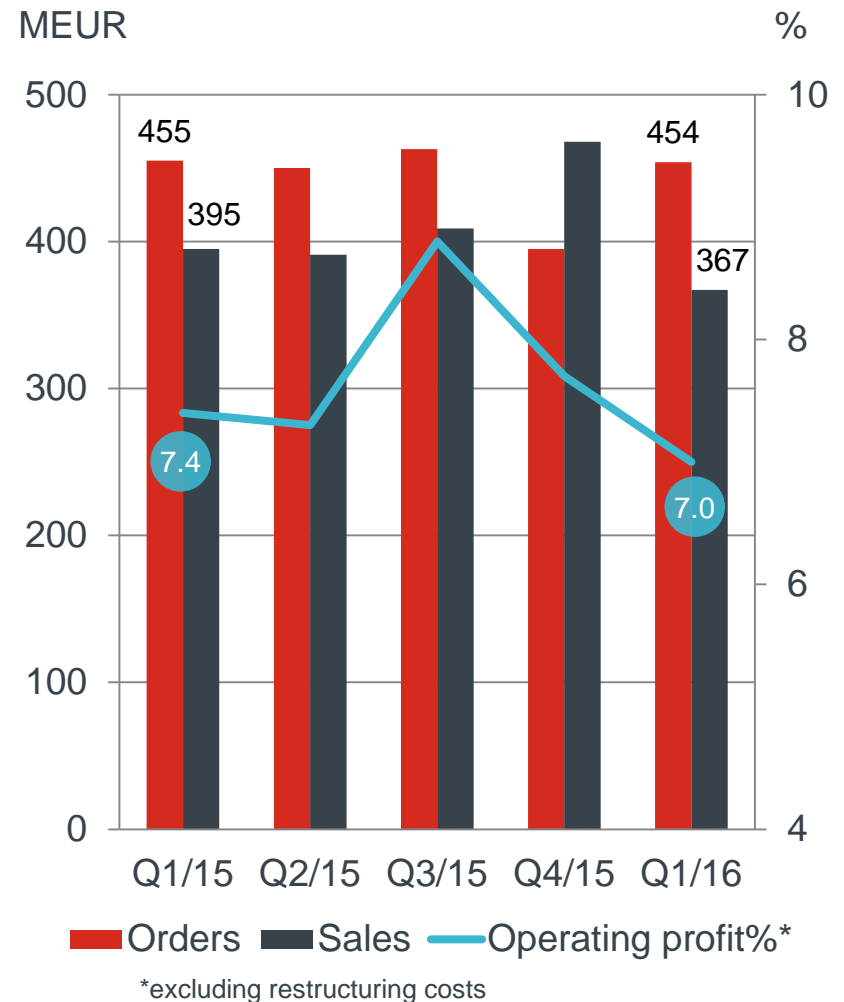
	1-3/16	1-3/15	Change	2015
Orders received, MEUR	903	939	-4%	3,557
Order book, MEUR	2,095	2,469	-15%	2,064
Sales, MEUR	828	889	-7%	3,729
Operating profit, MEUR*	58.5	52.3	12%	230.7
Operating profit margin, %*	7.1	5.9		6.2
Cash flow from operations, MEUR	90.8	51.6		314.6
Interest-bearing net debt, MEUR	603	789		622
Earnings per share, EUR	0.61	0.56		2.21



*excluding restructuring costs

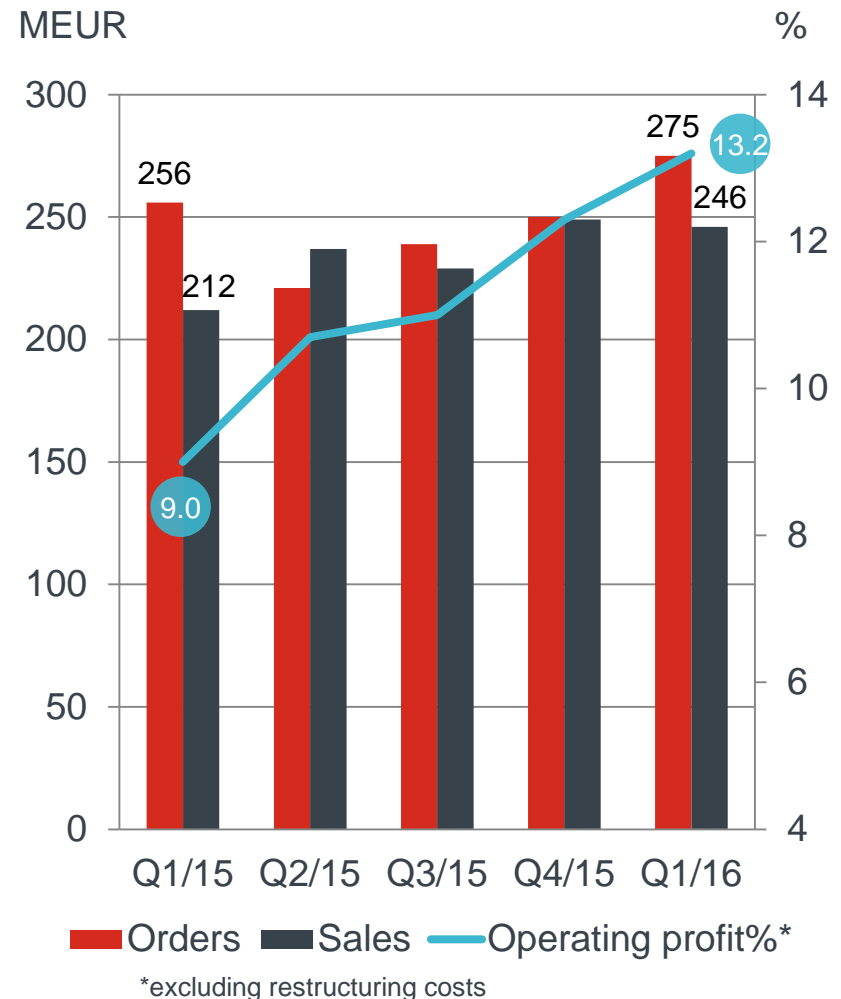
Kalmar Q1 – order intake continued strong

- Order intake at comparison period's level or EUR 454 (455) million
- Order book strengthened 11% from 2015 year-end level to EUR 973 million
- Sales declined 7% y-o-y to EUR 367 (395) million due to the timing of the deliveries
- Profitability excluding restructuring costs was 7.0%



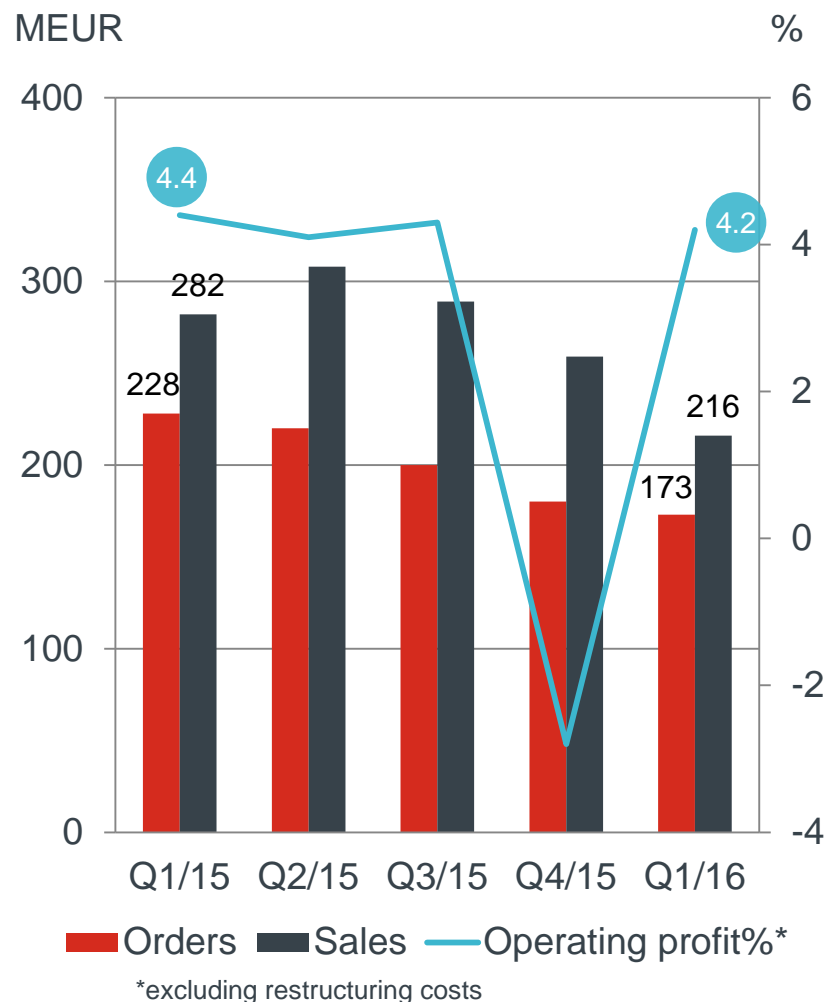
Hiab Q1 – strong development continued

- Orders grew 8% y-o-y to EUR 275 (256) million
- Order book strengthened 8% from 2015 year-end to EUR 328 million
- Sales grew 16% y-o-y to EUR 246 (212) million
- Profitability excluding restructuring costs was 13.2%

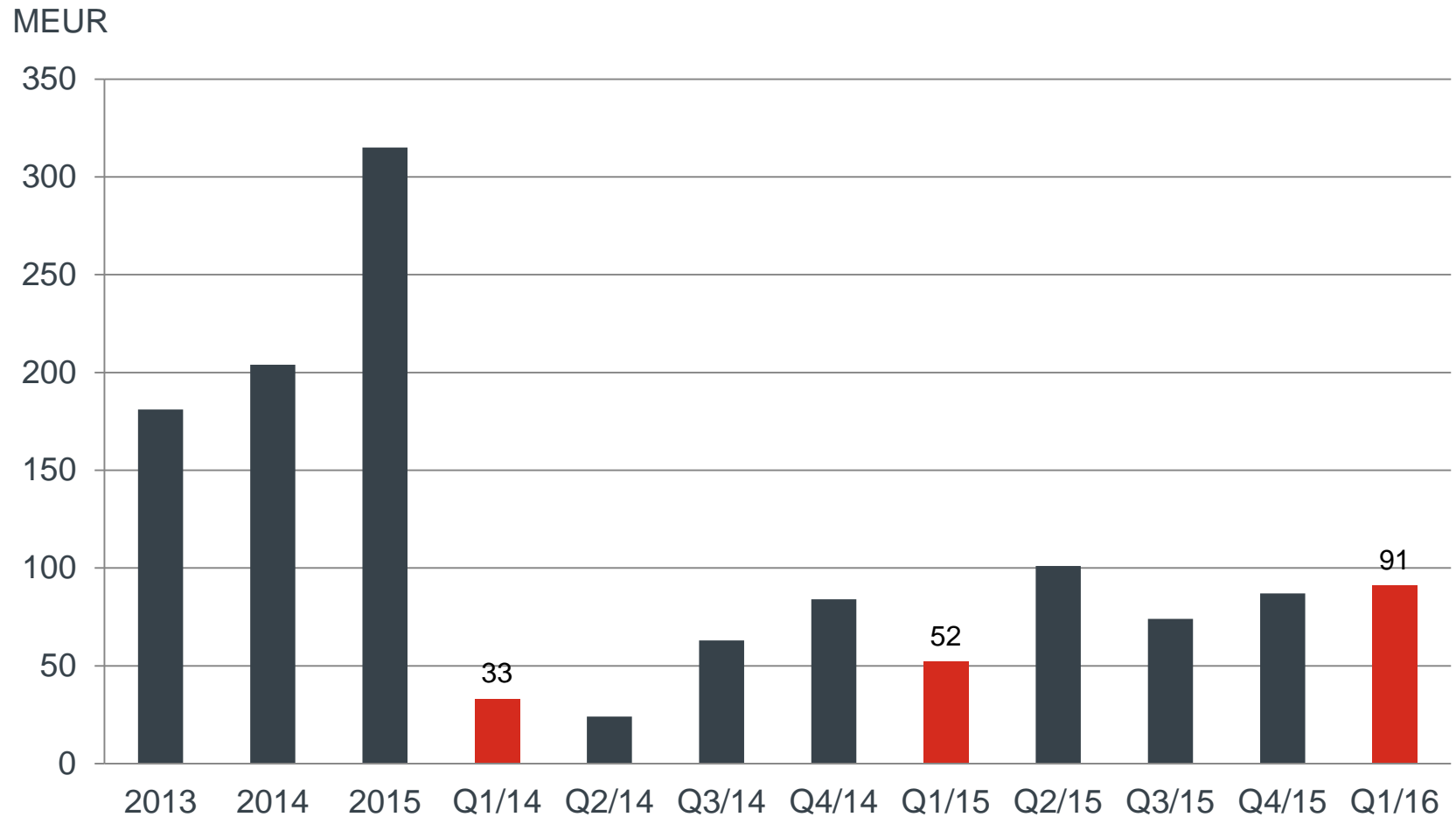


MacGregor Q1 – satisfactory profitability

- Order intake declined 24% y-o-y to EUR 173 (228) million
- Order book decreased 10% from 2015 year-end to EUR 795 million
- Sales declined 23% y-o-y to EUR 216 (282) million
- Profitability excluding restructuring costs was 4.2% supported by restructuring measures in 2015

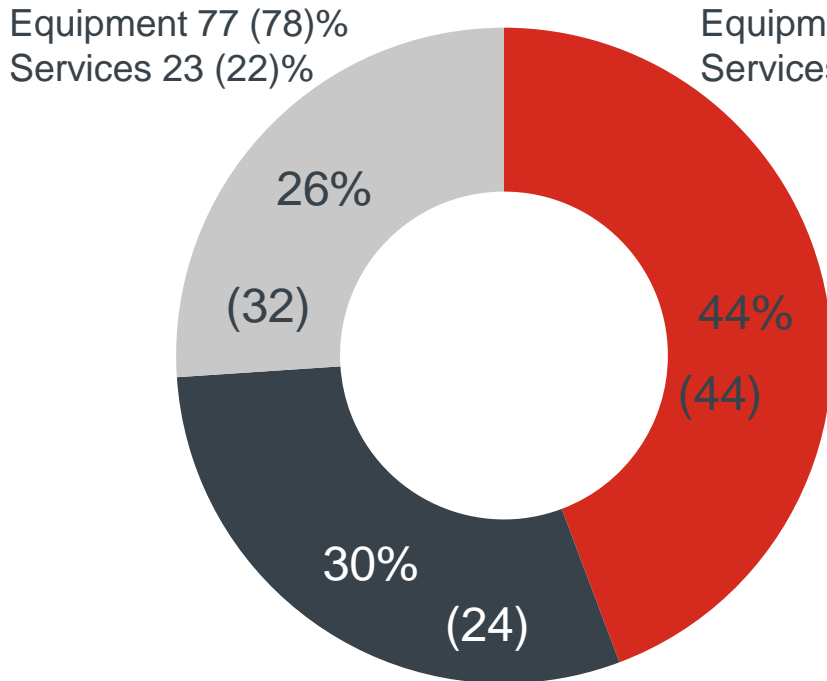


Cash flow from operations strong



Balanced geographical mix in sales

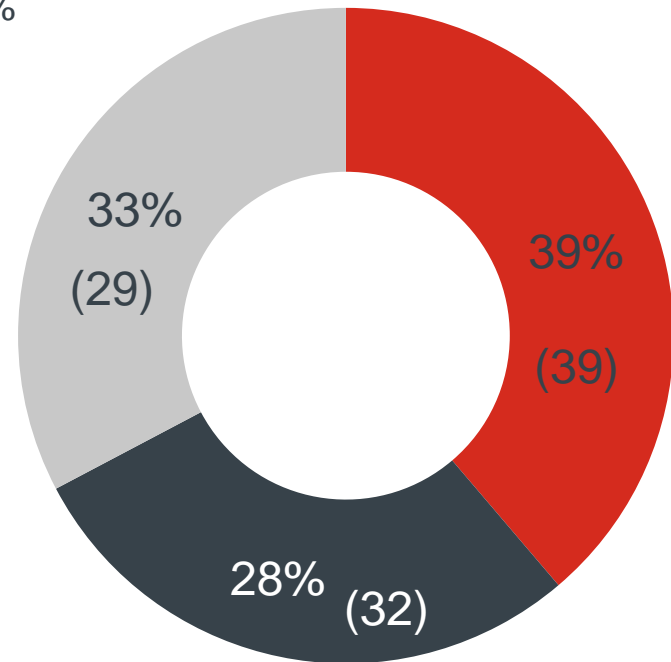
Sales by reporting segment 1–3/2016, %



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

■ Kalmar ■ Hiab ■ MacGregor

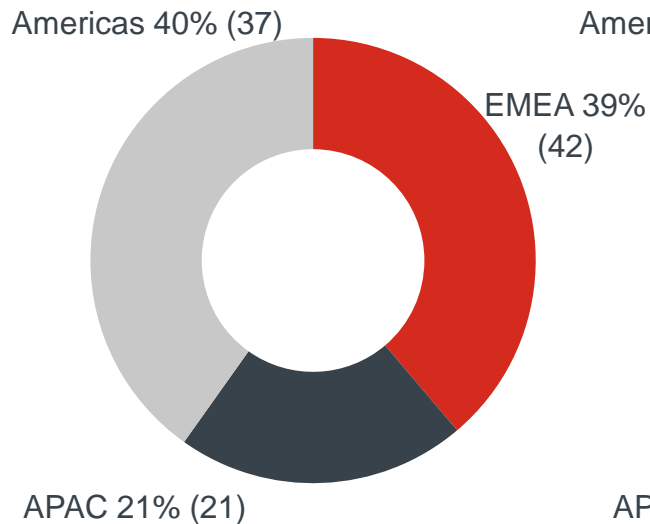
Sales by geographical segment 1–3/2016, %



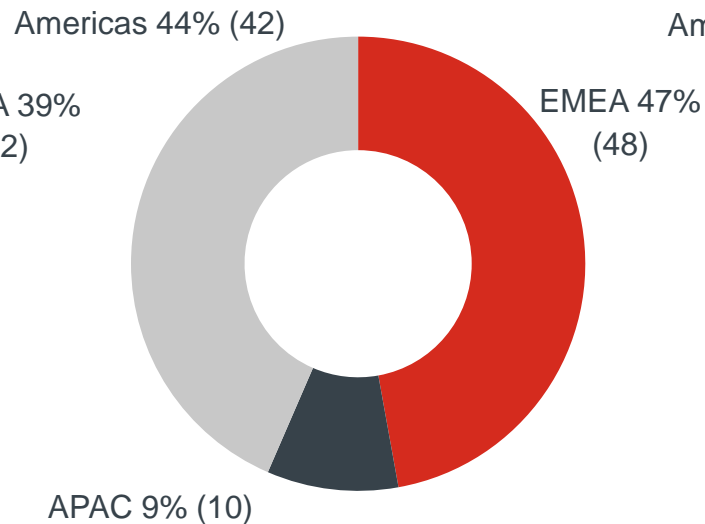
■ EMEA ■ APAC ■ Americas

Sales by geographical segment by business area 1–3/2016

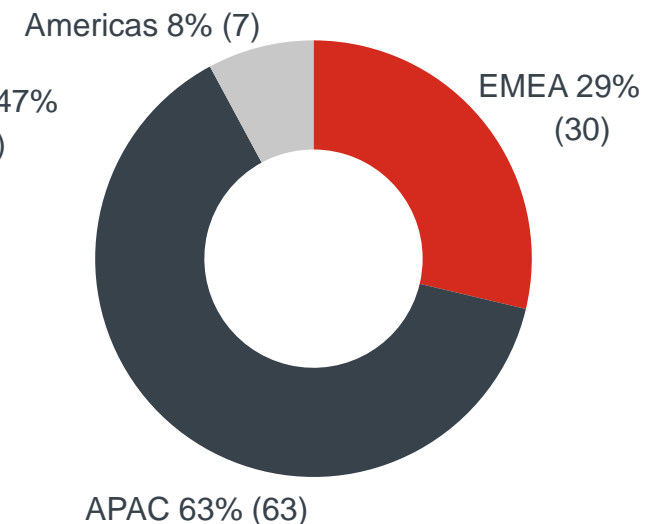
Kalmar



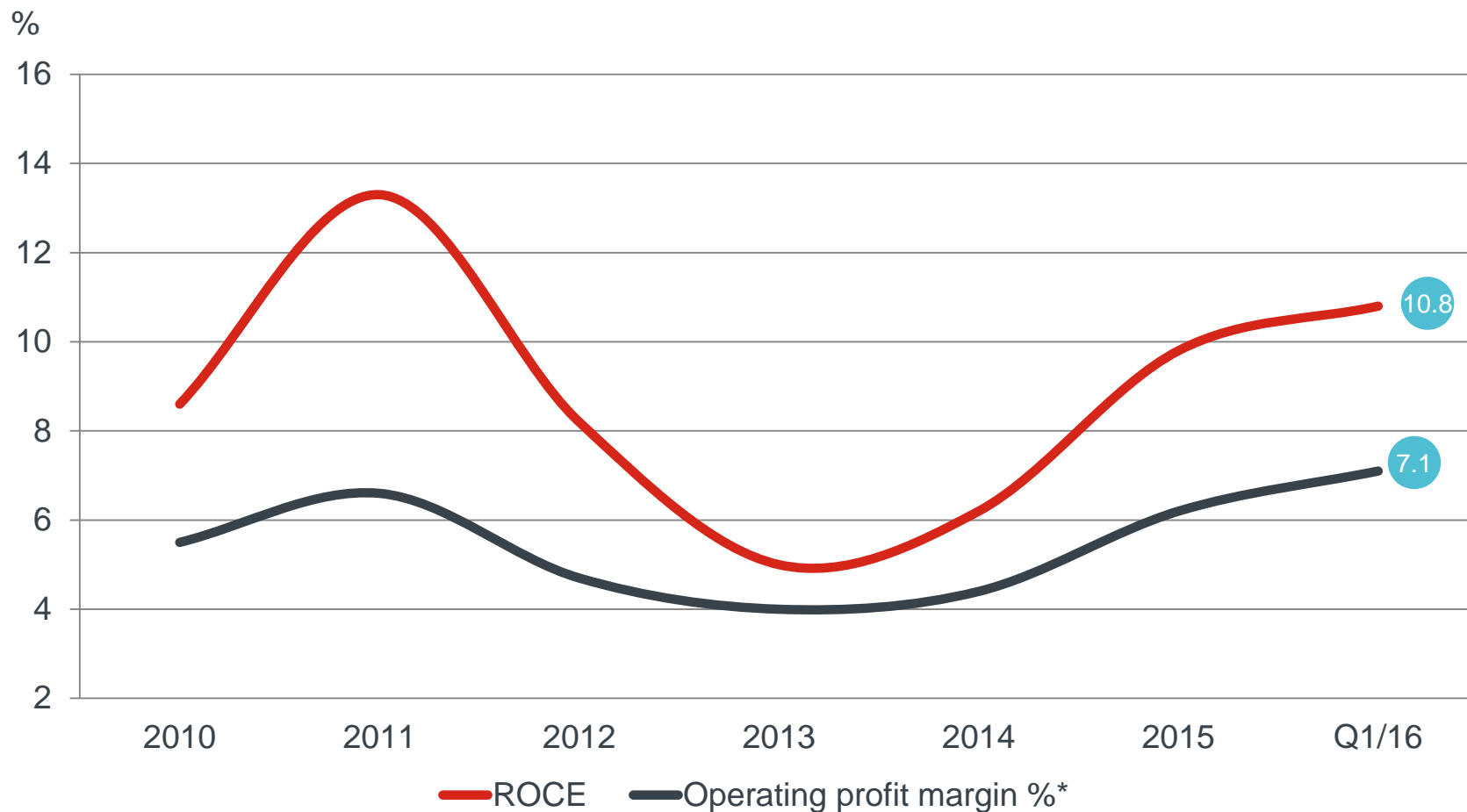
Hiab



MacGregor



Positive development in key financial metrics continued



ROCE, annualised
*excluding restructuring costs

2016 outlook unchanged

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



