





Road show, November 2016

EVP, CFO Mikko Puolakka
VP, IR Hanna-Maria Heikkinen

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

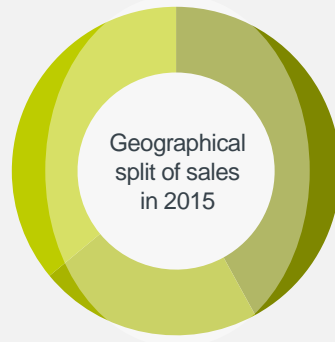
25% of sales
EBIT: **10.8%**
Services: **23%**

MacGregor

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

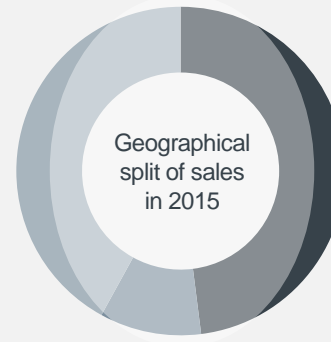


AMER 36% EMEA 42%



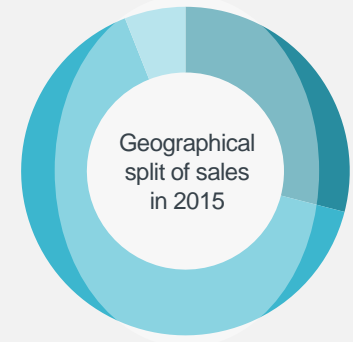
APAC 22%

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		   	       

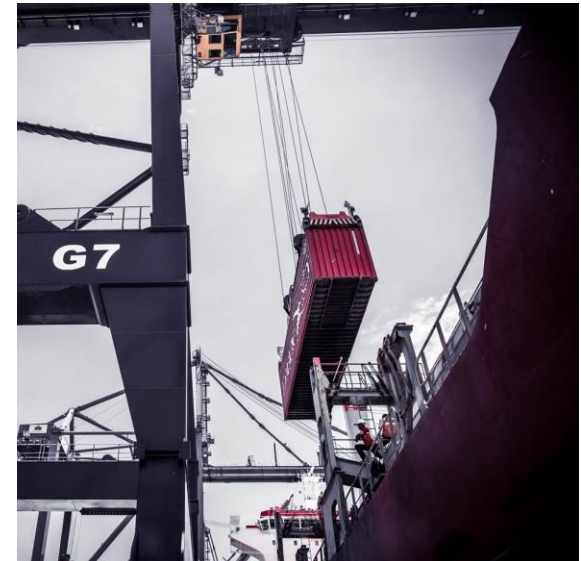
From turnaround to leader in intelligent cargo handling with sector leading profitability

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

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

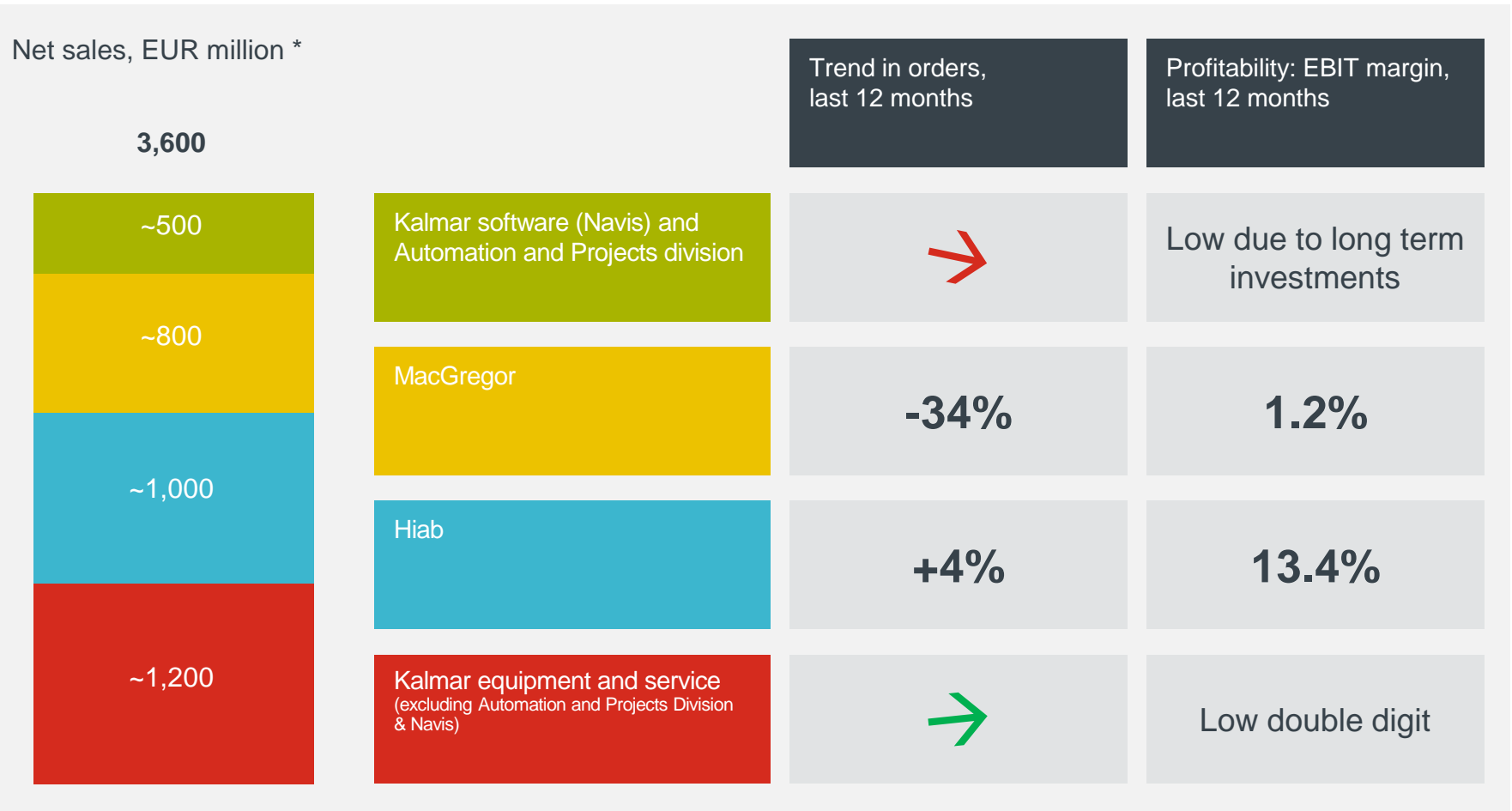
LEADER IN INTELLIGENT CARGO HANDLING

40% of the sales from services and software

More efficient and optimised cargo handling solutions



Cargotec's portfolio



* Figures rounded to closest 100 million

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

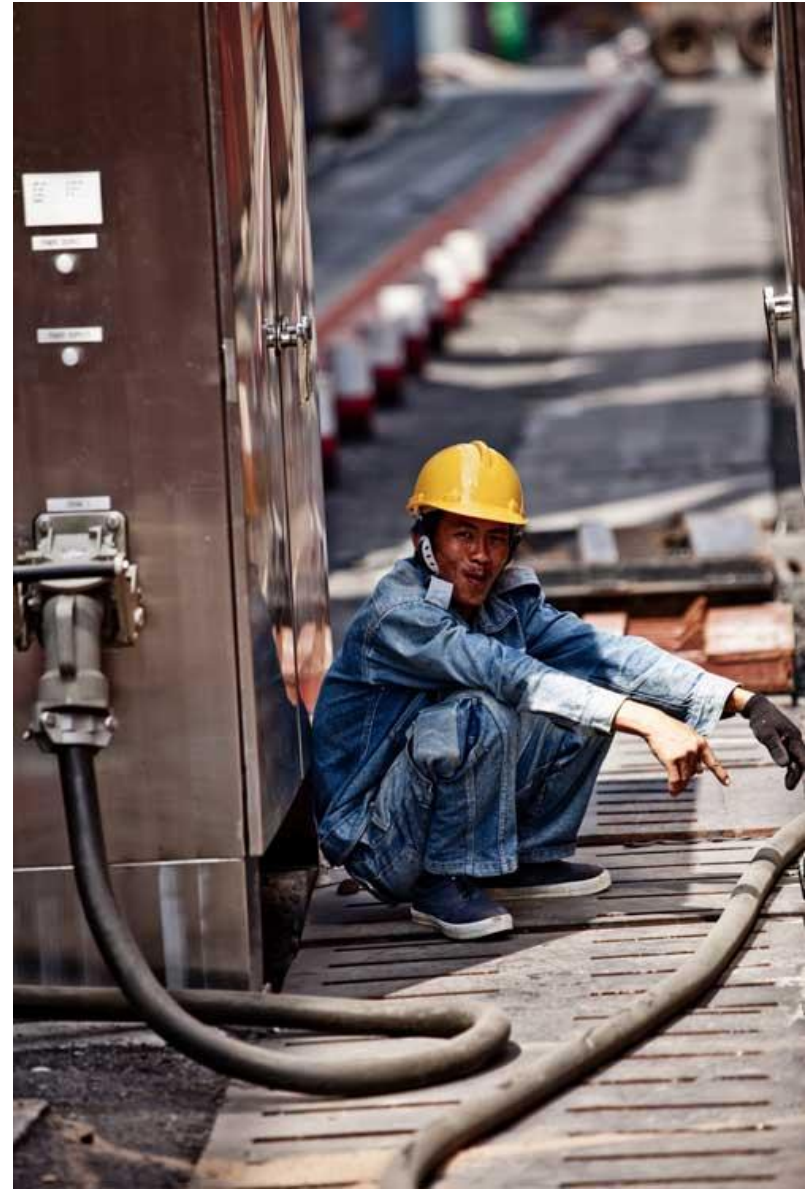
Building on tremendous strengths

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

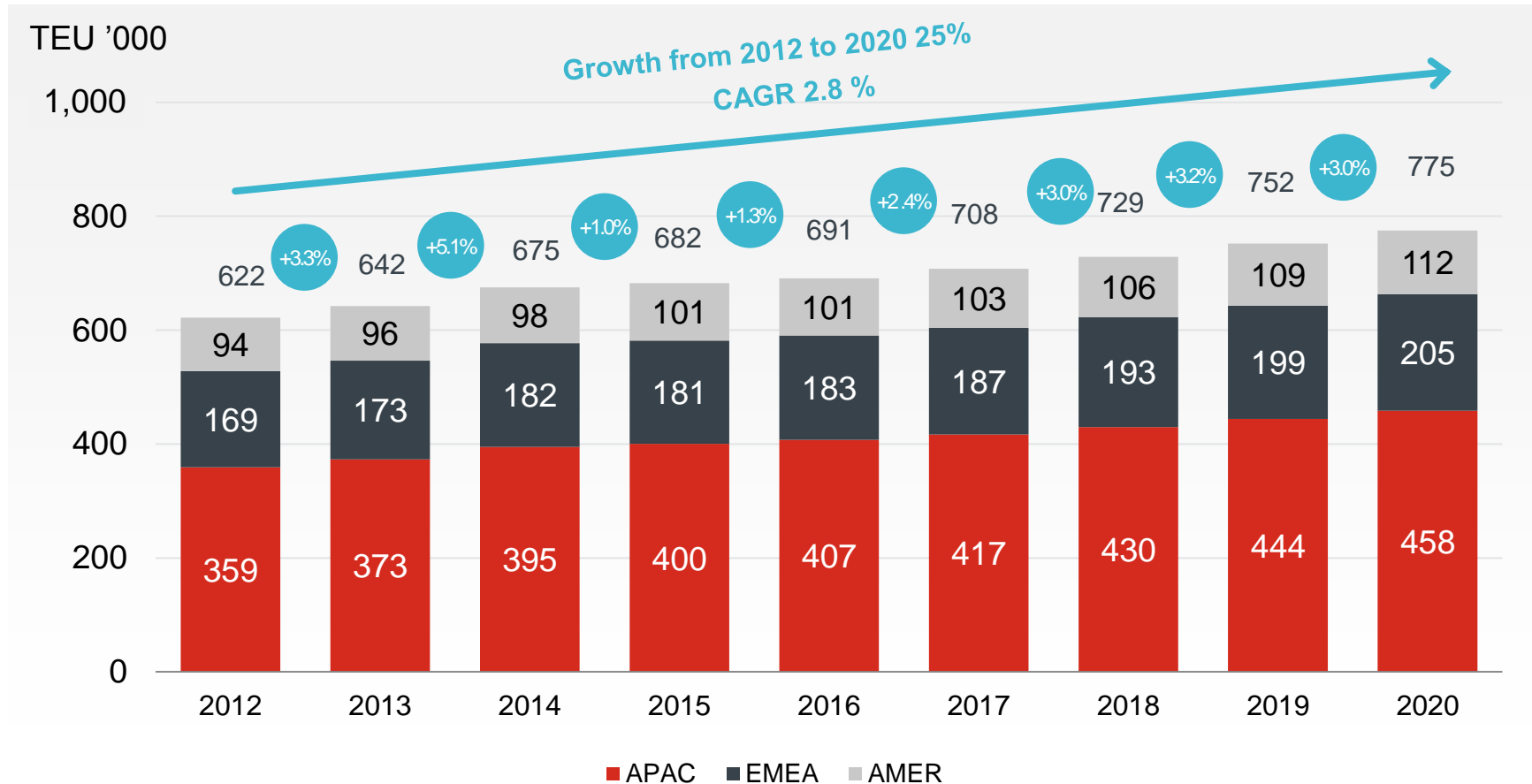
Investing to ensure a leading position

Shaping our portfolio to drive growth and
shareholder value

Kalmar



Container throughput still forecasted to grow year on year

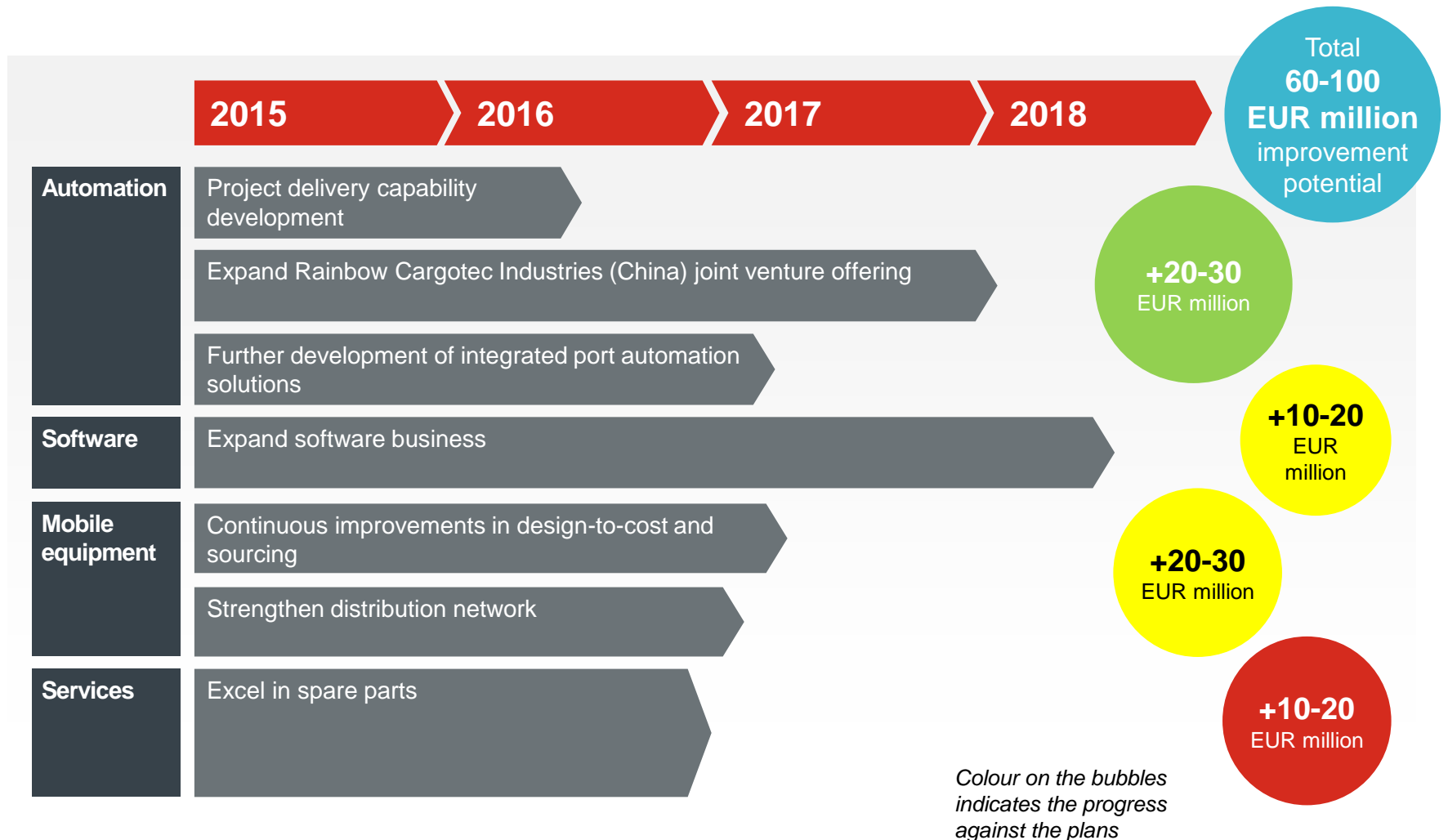


Source: Drewry: Container forecaster Q3 2016

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

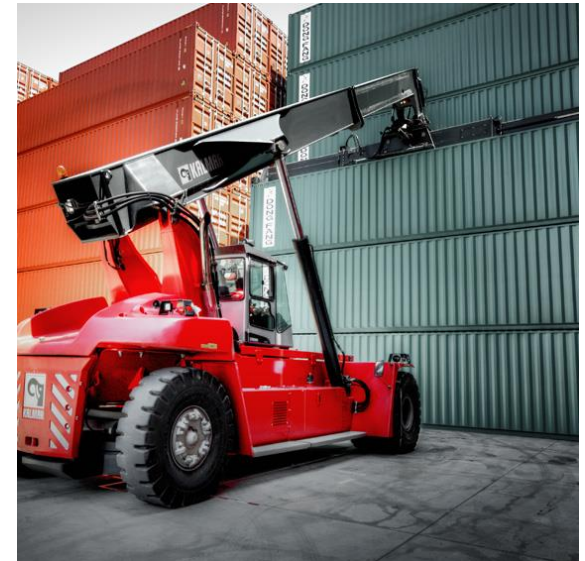
Solid foundation for further improvement

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



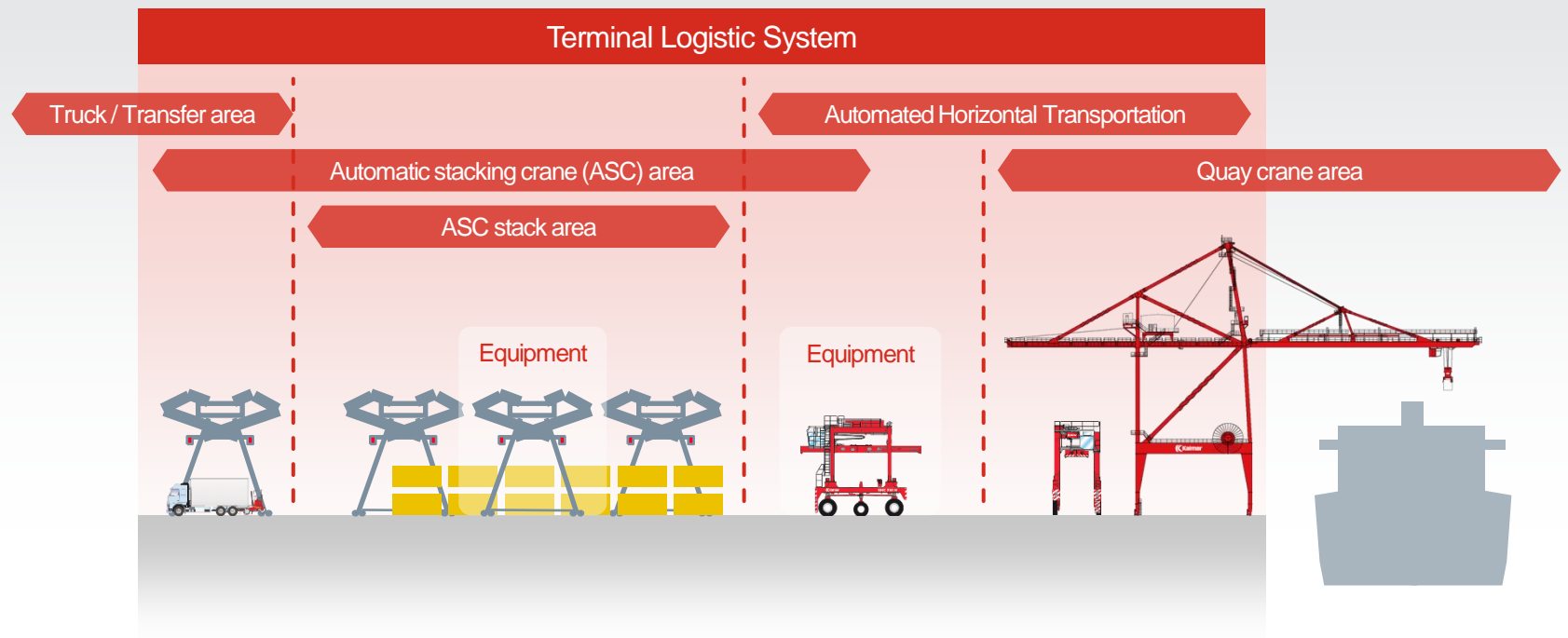
Software offers significant growth opportunities

- The container value chain is woefully inefficient, with total value at stake estimated at approx. EUR 17 billion
- The container shipping industry has an annual IT spend of approx. EUR 6 billion where EUR 1.7 billion is spent on software solutions. The market is expected to grow to EUR 2.8 billion by 2020
- Potential to leverage Navis as a platform to increase offering to existing terminal customers as well as to shipping lines

Source: Kalmar Business Intelligence

Flexible and scalable Navis TOS software

Terminal Operating System (TOS)





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



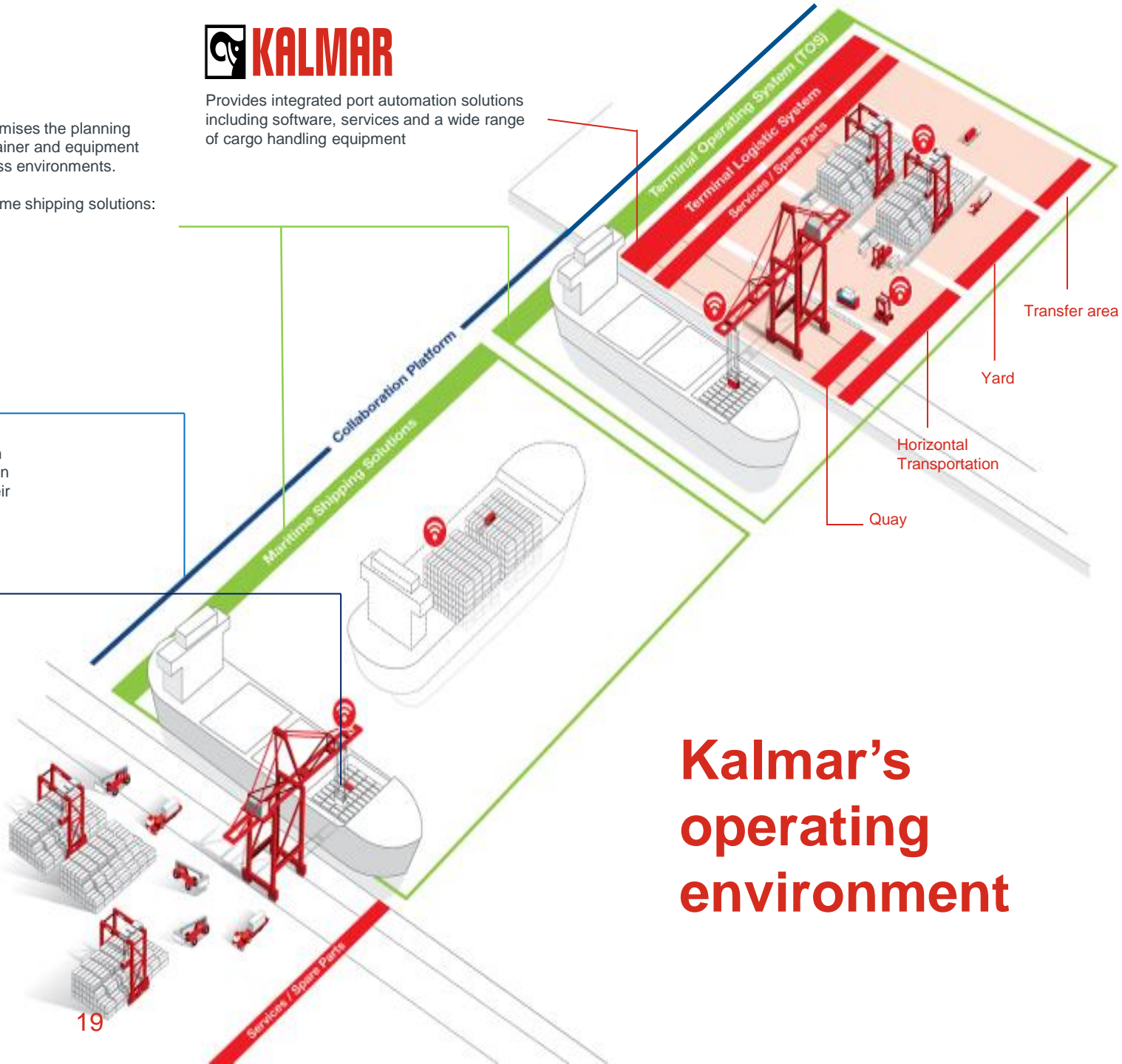
The collaboration platform serving the needs of ocean carriers, terminals and their shipping partners



Industry leading spreader manufacturer



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



Kalmar's operating environment

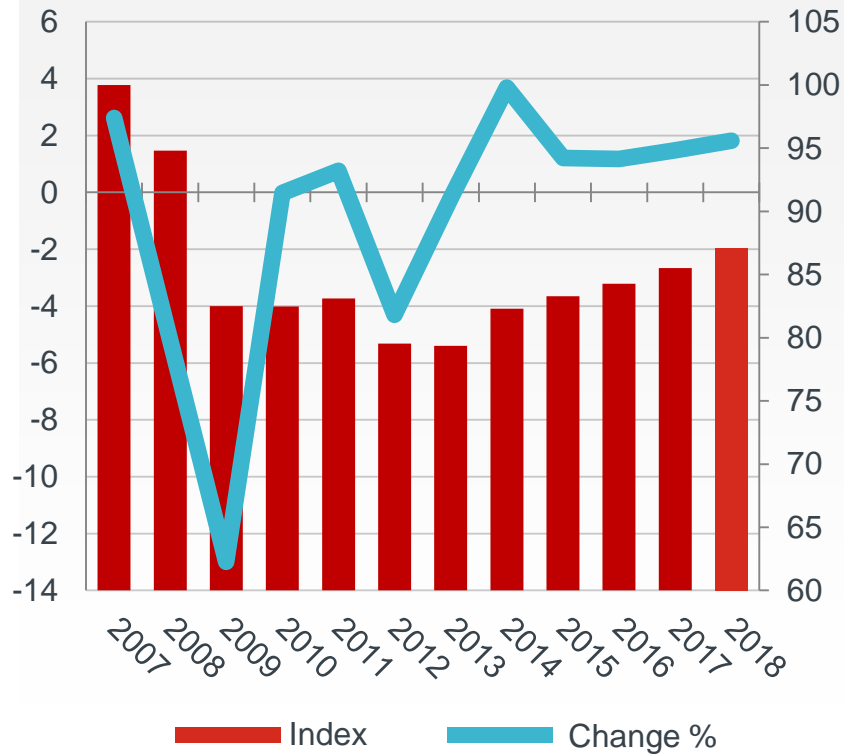
Hiab



Construction output driving growth opportunity

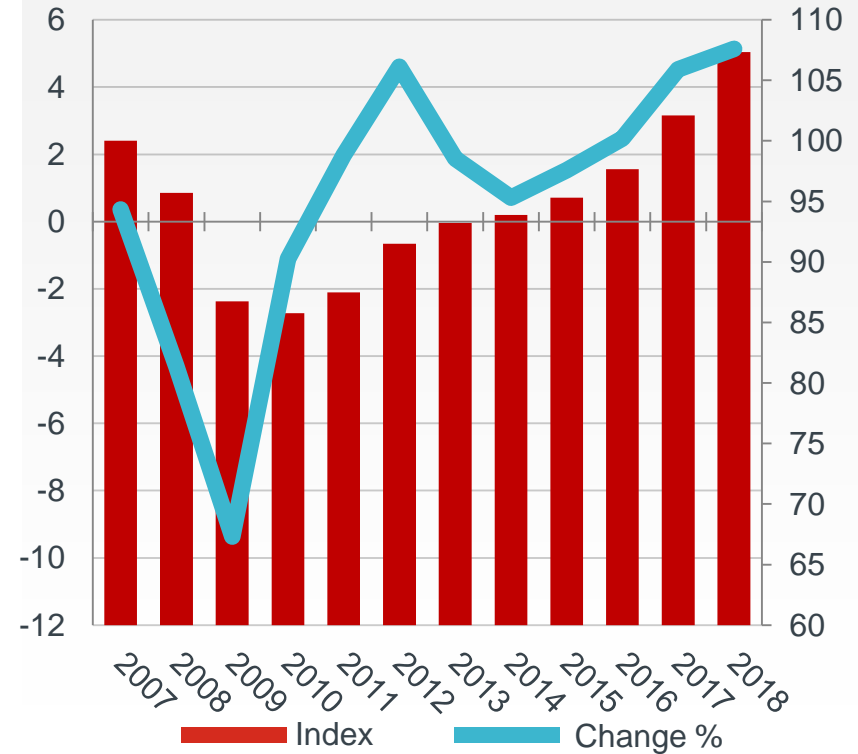
EMEA construction output

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 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



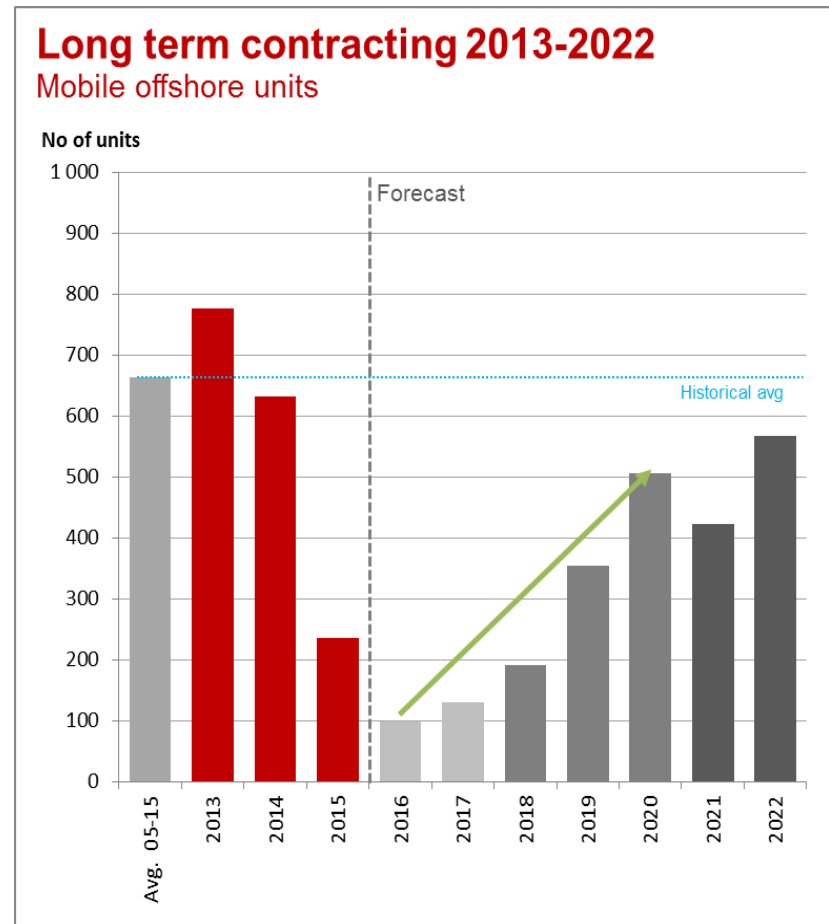
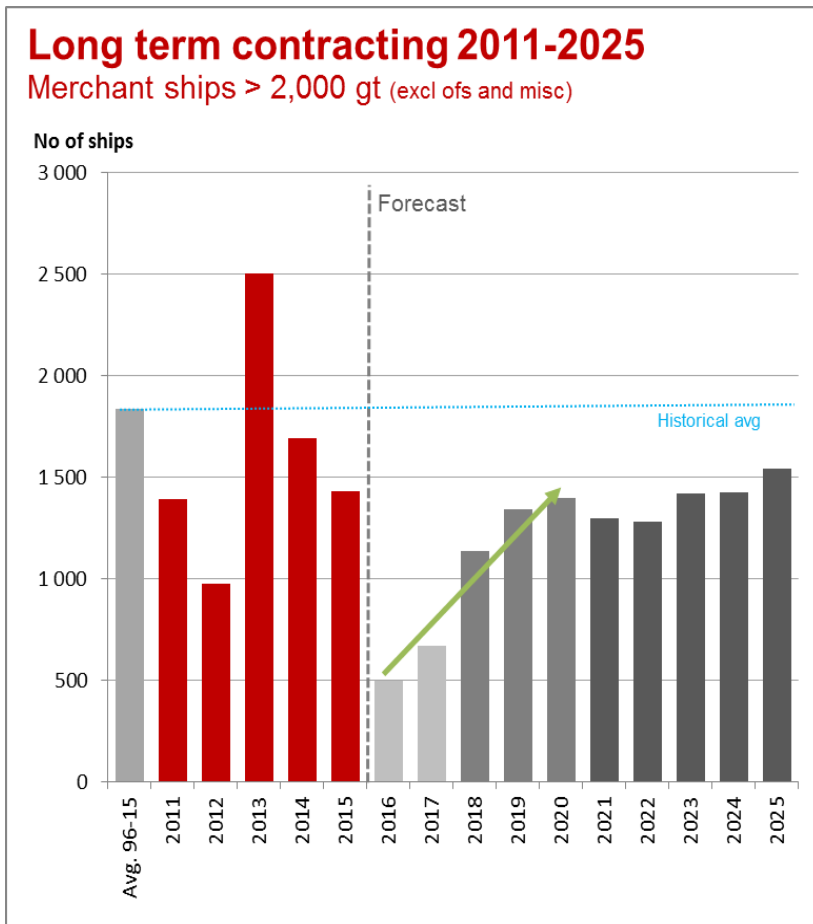
→ 10%

operating profit margin
(EBIT) over the cycle

MacGregor











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



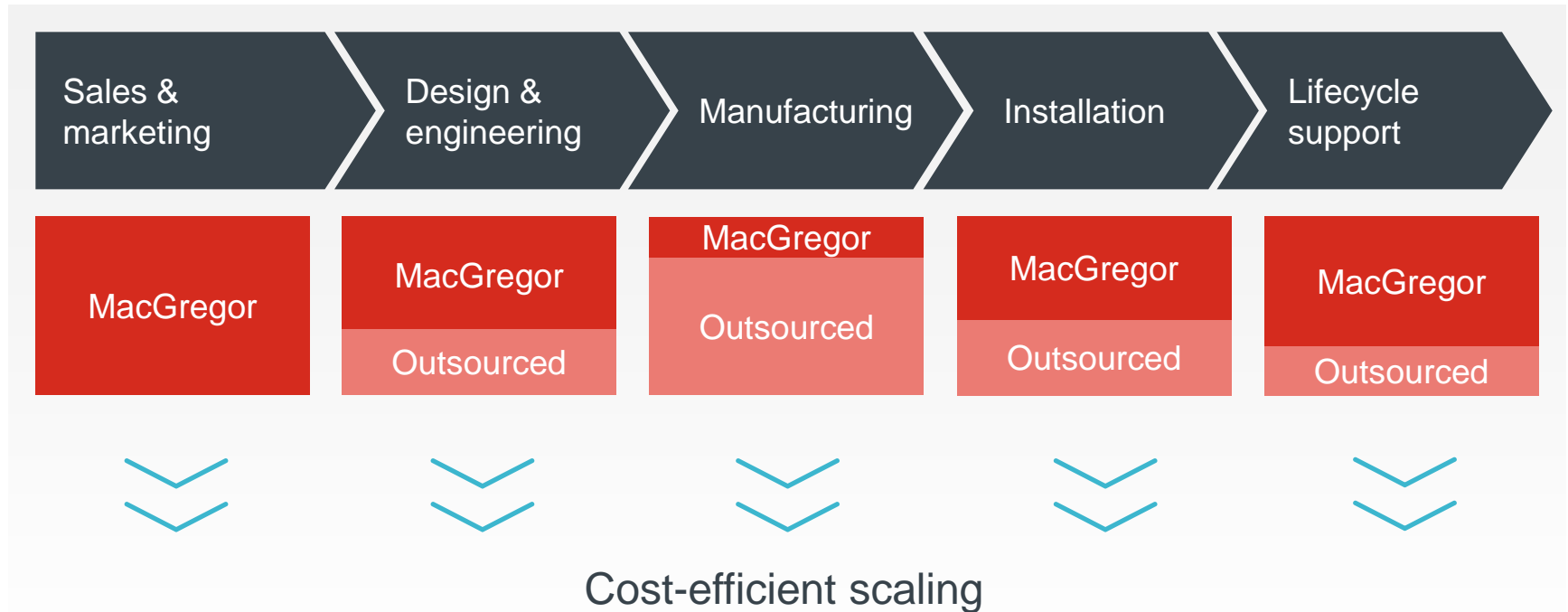
Sources: UNCTAD, Clarkson Research, September 2016

MacGregor has strong positions in both the marine and offshore market

Marine	#1 	#1-2 	#1 	#1 
	Container lashing	Hatch covers	Cranes and selfunloaders	RoRo
Offshore	#1 	#2 	#1 	#1 
	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

HIAB BETA WEBSHOP HOME

Sign in

Search for machines or spare parts

Search

SHOP BY: EQUIPMENT TYPE CATEGORY BATCH CAMPAIGNS

GREAT SAVINGS ON FIXING ELEMENTS!

Now is a good time to go nuts with Hiab's original nuts. The more fixing elements you buy, the more savings you get.

READ MORE

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.

Start shopping

Start shopping

Start shopping

Hiab launches a new webshop at webshop.hiab.com IN AND DAY OUT

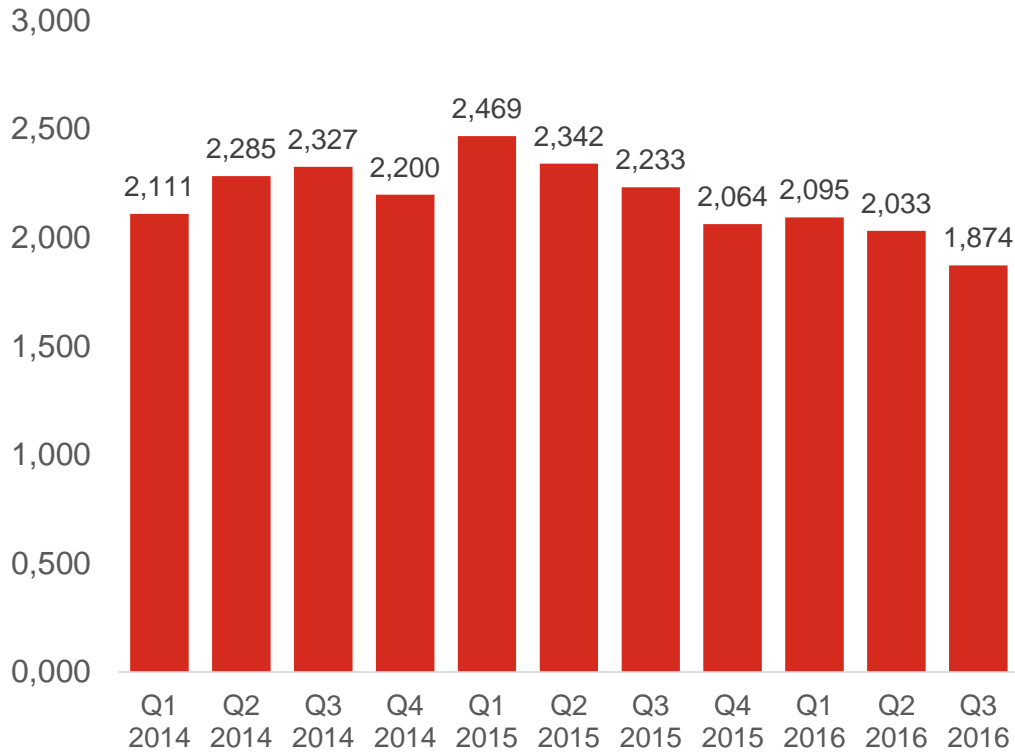
Operating profit margin improved

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

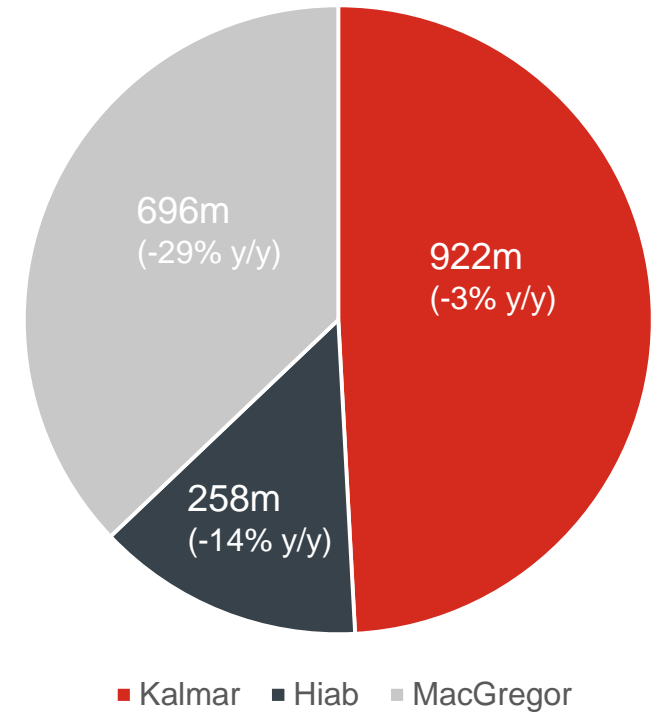
*excluding restructuring costs

Order book development

Order backlog, MEUR

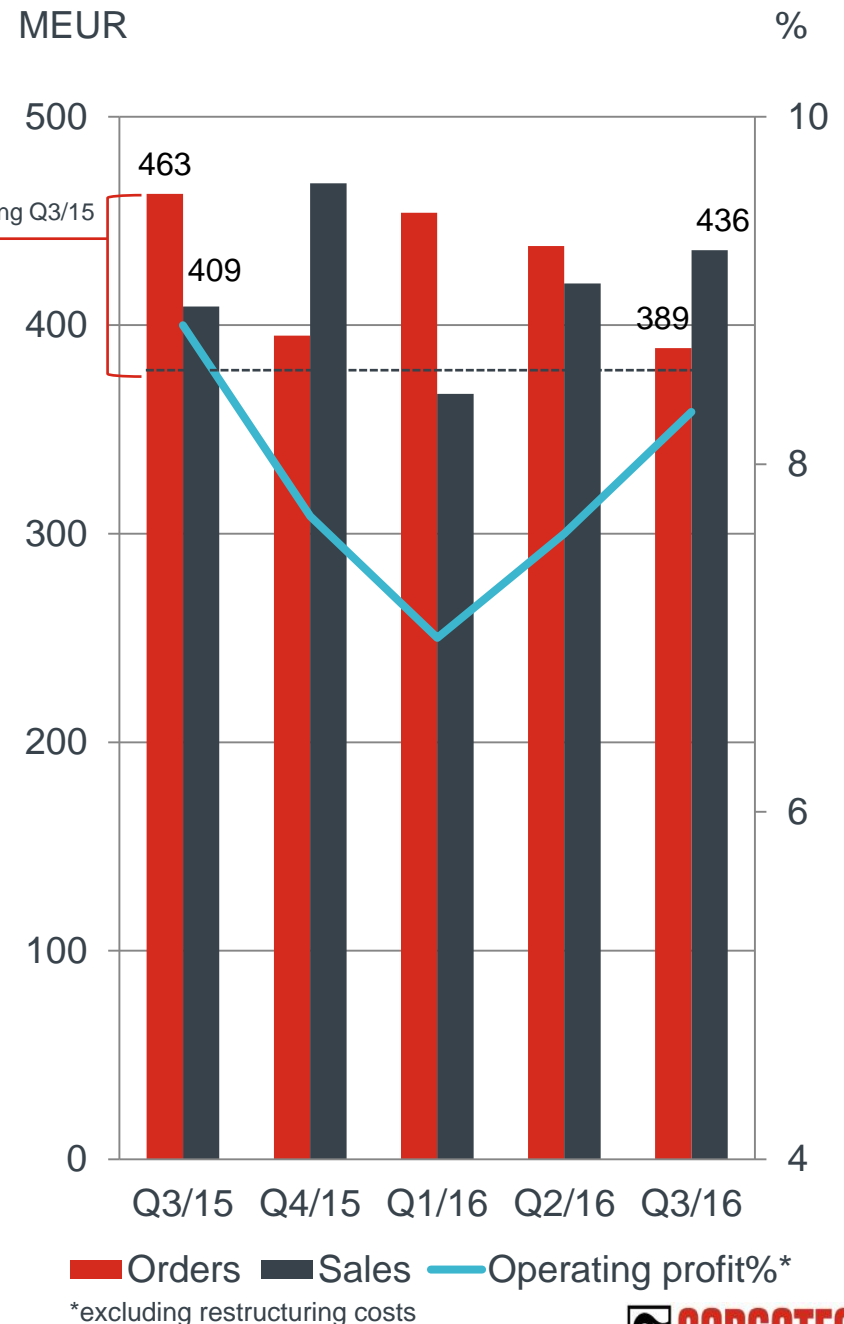


Order book by reporting segments, Q3 2016



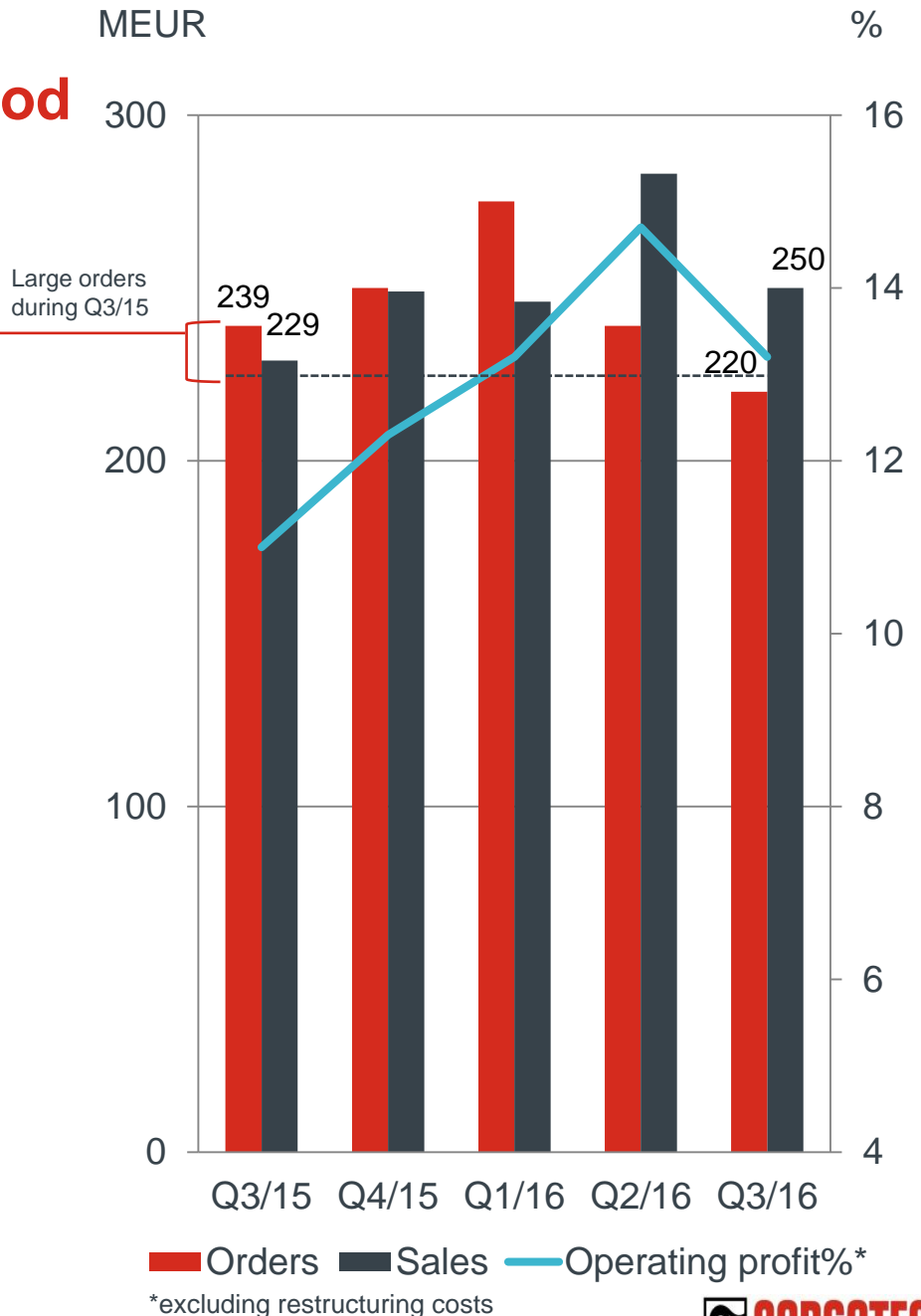
Kalmar Q3 – satisfactory development

- 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



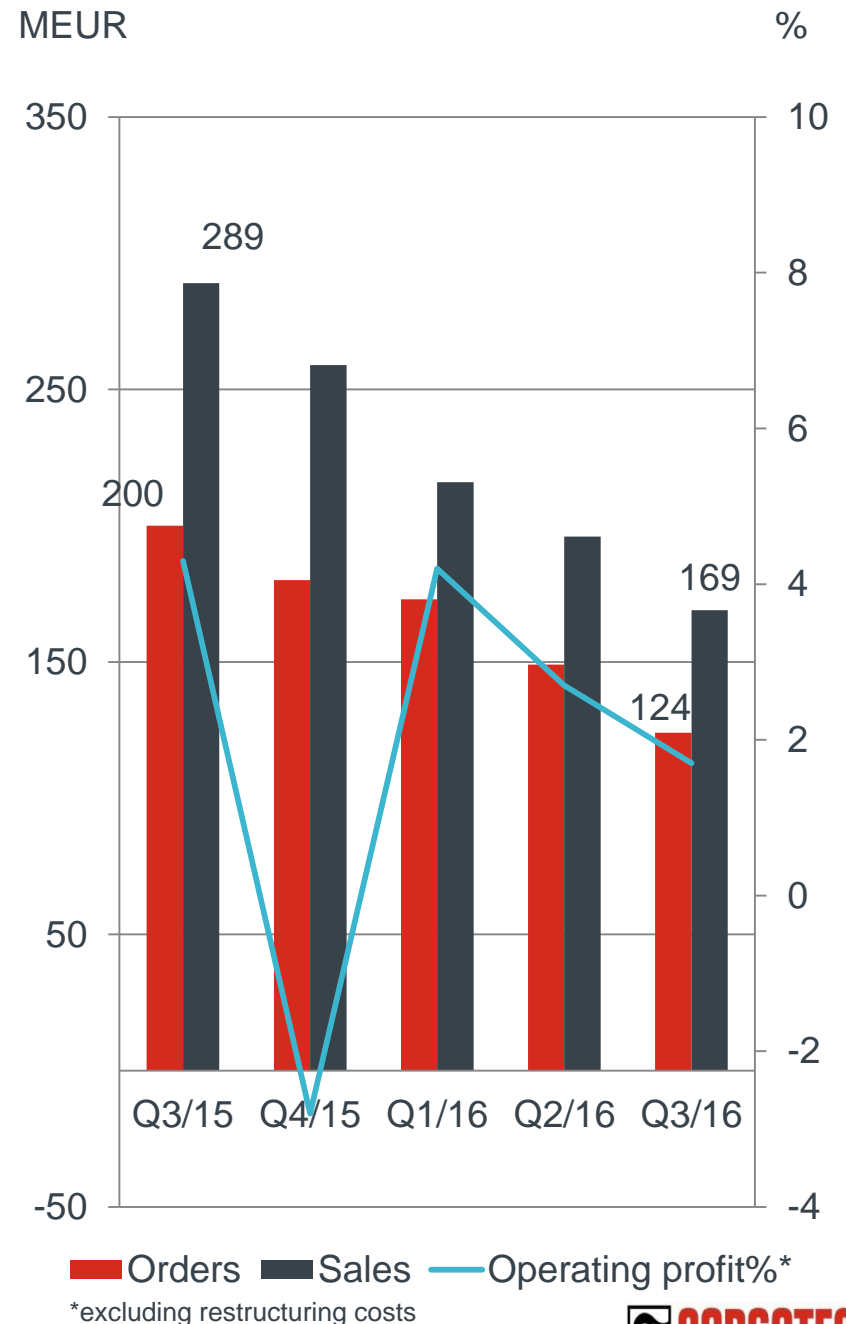
Hiab Q3 –profitability on a good level

- 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

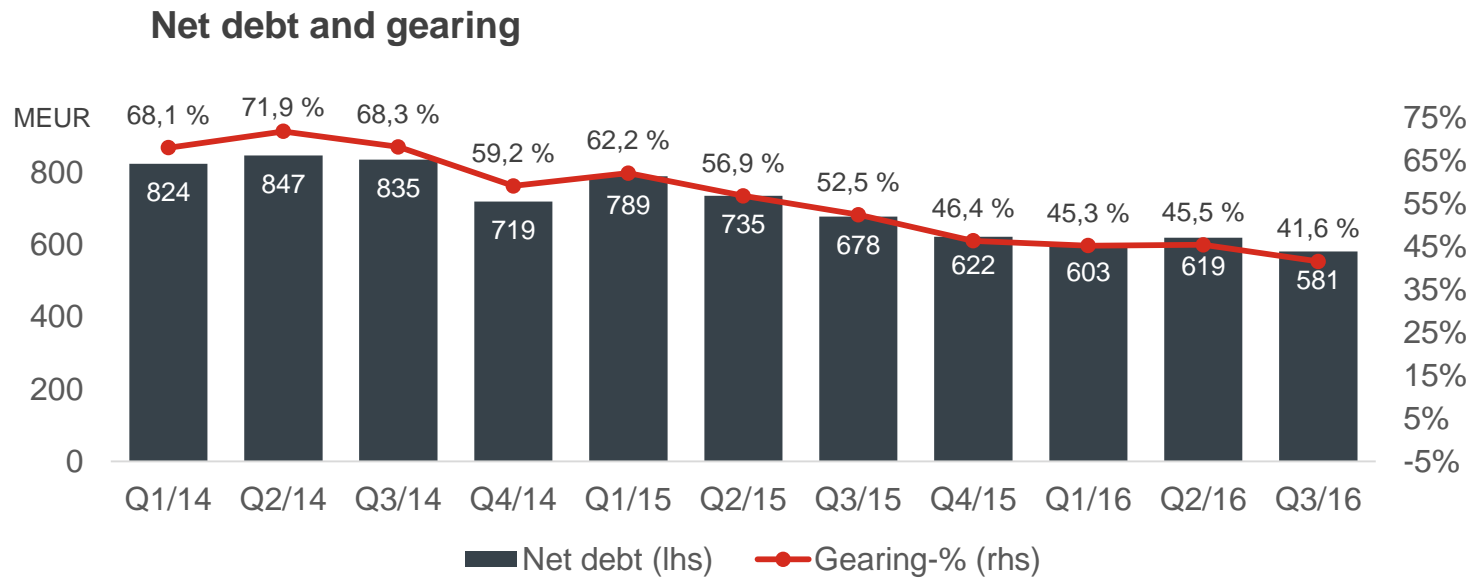
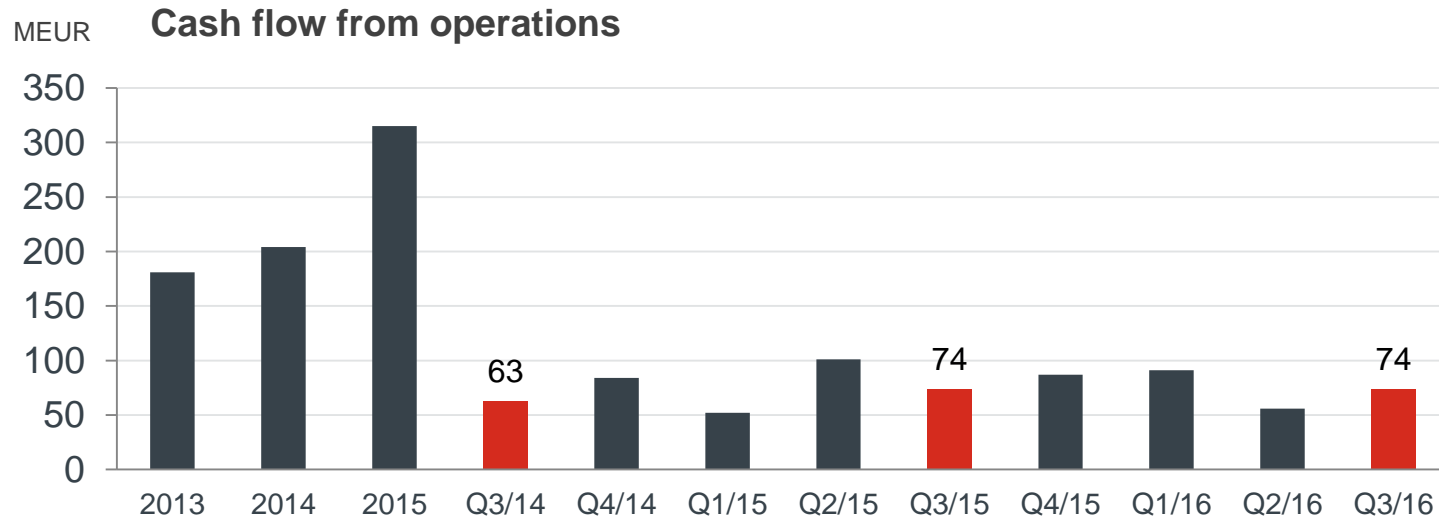


MacGregor Q3 – challenging market situation continued

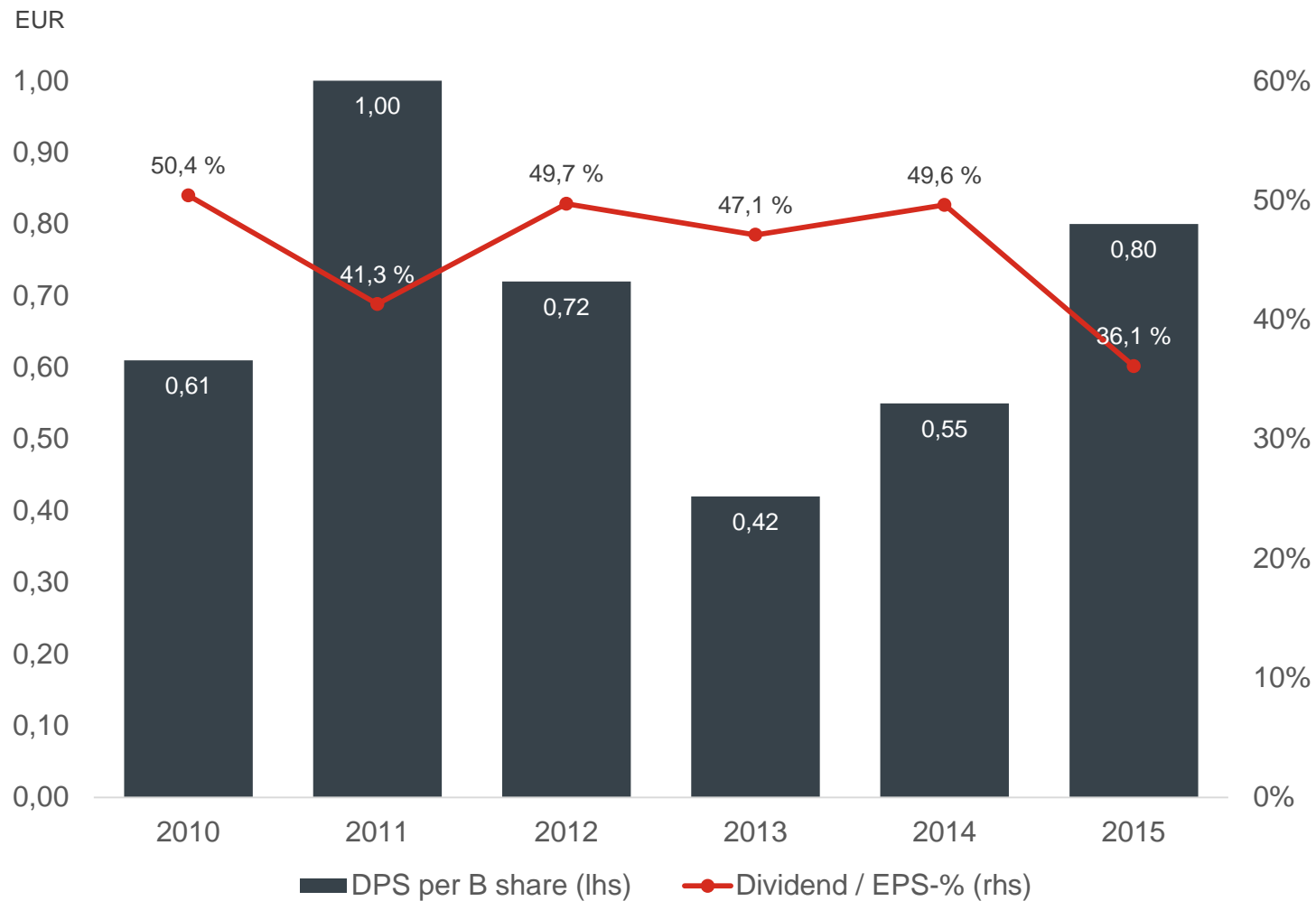
- Order intake declined 38% y-o-y and was EUR 124 (200) million
- Order book decreased 21% from 2015 year-end to EUR 696 million
- Sales declined 42% y-o-y to EUR 169 (289) million
- Profitability excluding restructuring costs was 1.7% (4.3%)
- New measures started to lower the cost level
- New joint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



Cash flow, gearing and net debt



Dividend and payout ratio



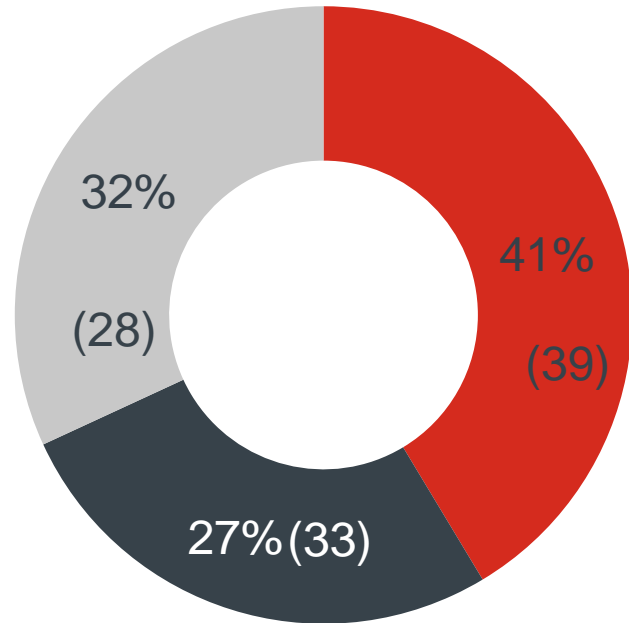
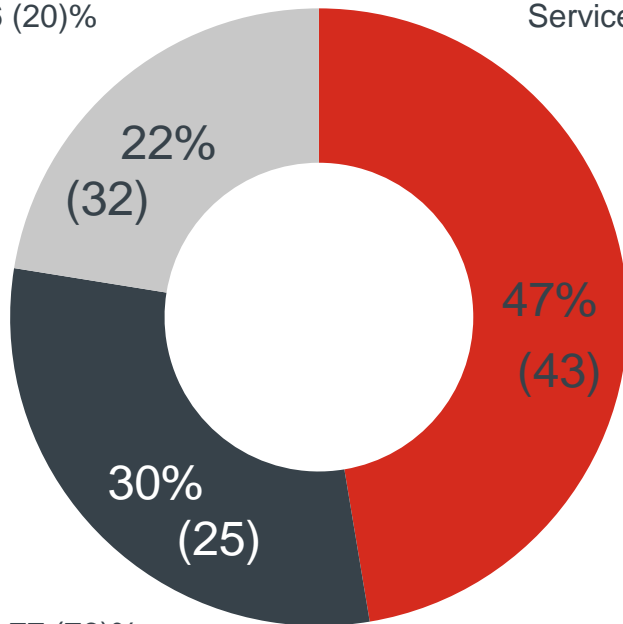
Hiab's share increasing in sales mix

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)%

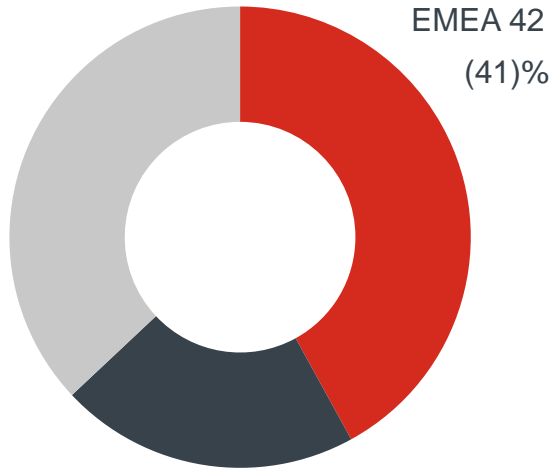
■ Kalmar ■ Hiab ■ MacGregor

■ EMEA ■ APAC ■ Americas

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

Kalmar

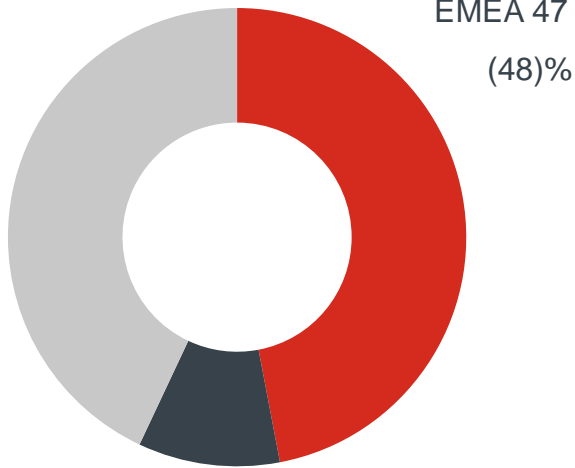
Americas 37 (37)%



APAC 21 (22)%

Hiab

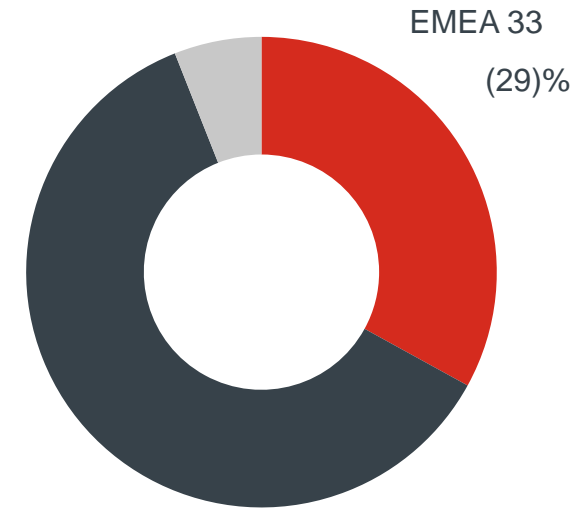
Americas 43 (43)%



APAC 10 (10)%

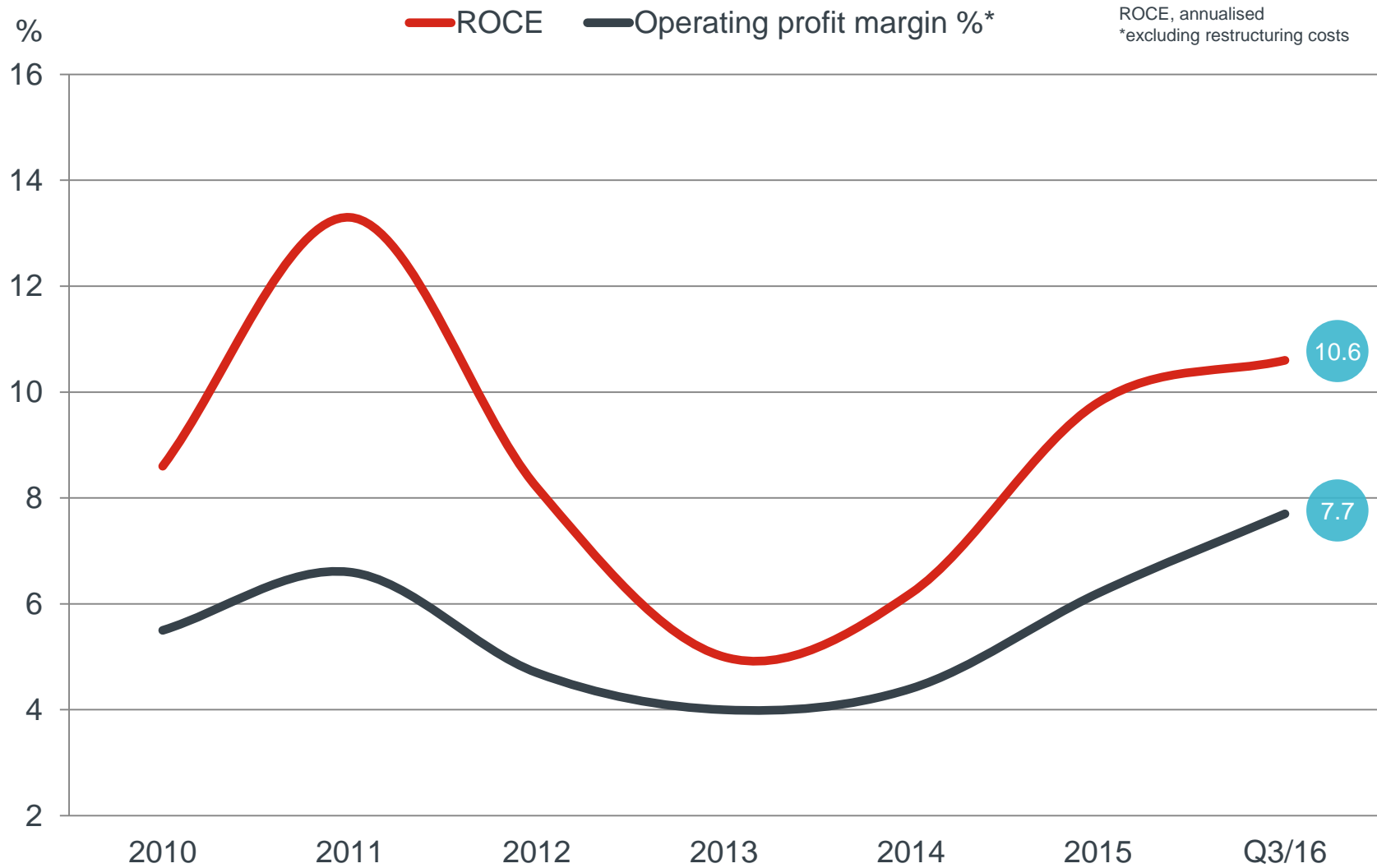
MacGregor

Americas 6 (6)%



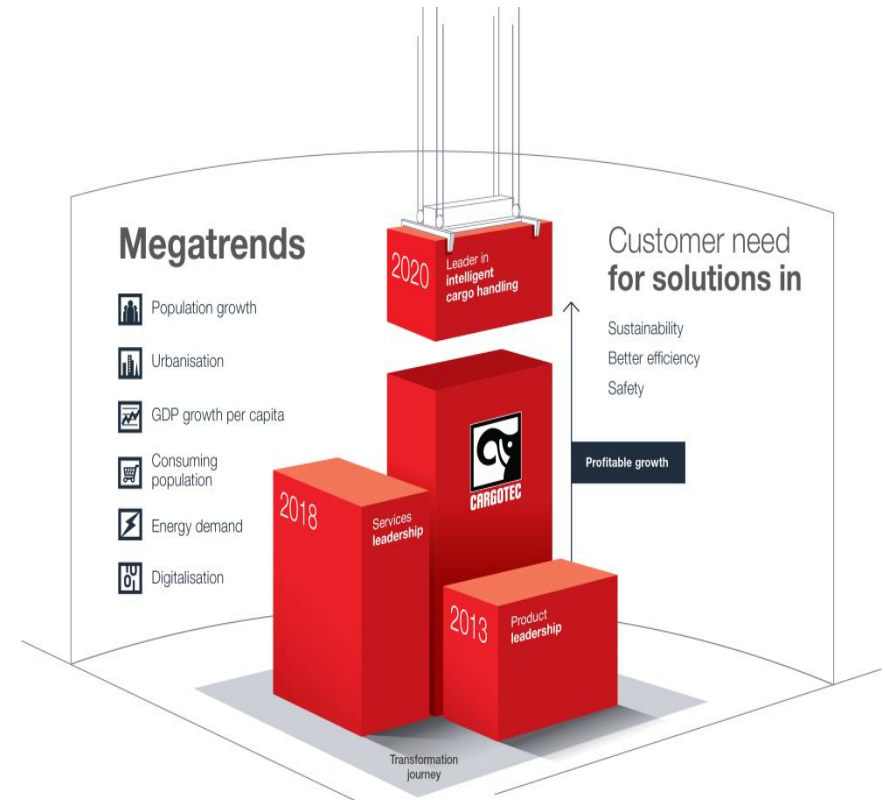
APAC 61 (65)%

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.



Our purpose:

We shape cargo handling

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 (slide 45)

2 Kalmar (48-53)

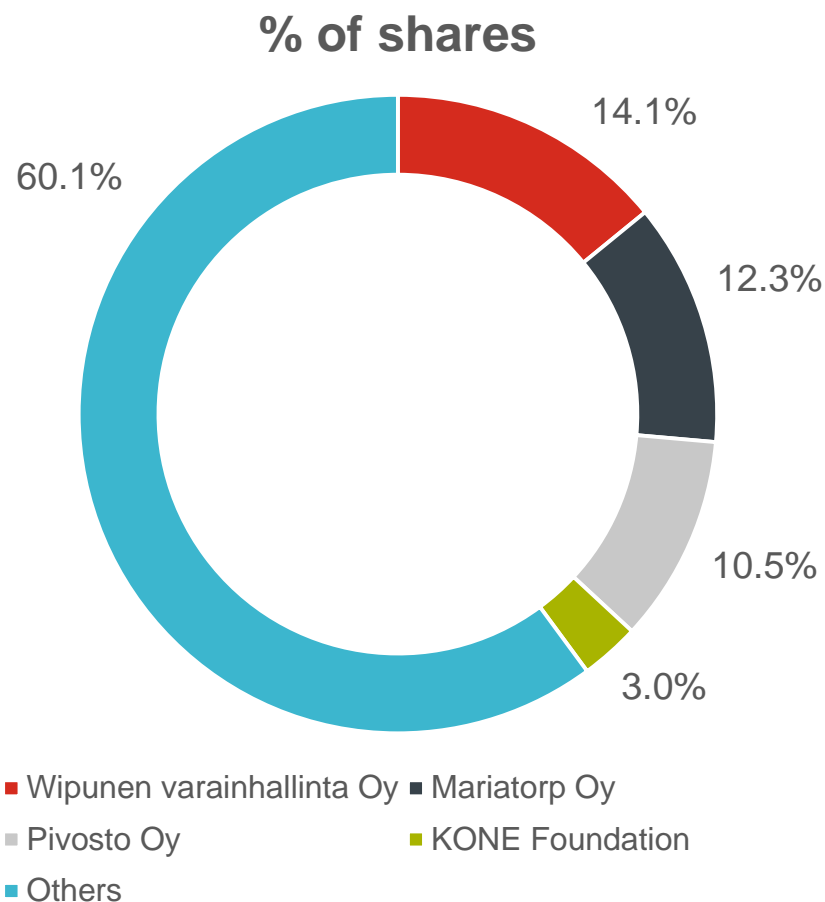
3 Hiab (54-56)

4 MacGregor (57-66)

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
Nominee registered and non-Finnish holders	26.5	
Total number of shareholders	22,769	

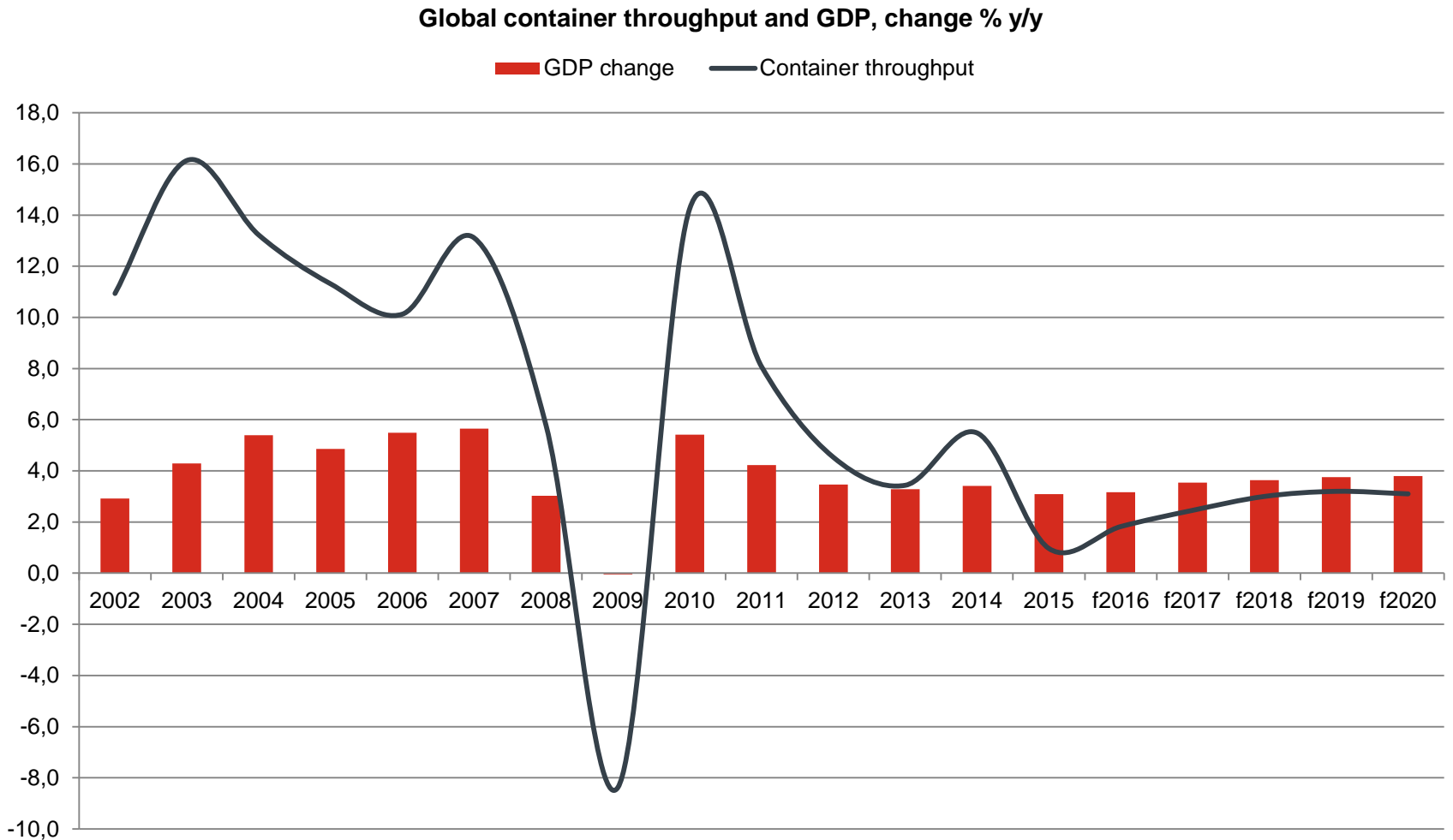


Wipunen varainhallinta Oy is a company controlled by Ilkka Herlin, Mariatorp Oy a company controlled by Niklas Herlin and Pivosto Oy a company controlled by Ilona Herlin.

Kalmar appendix

Global container throughput development

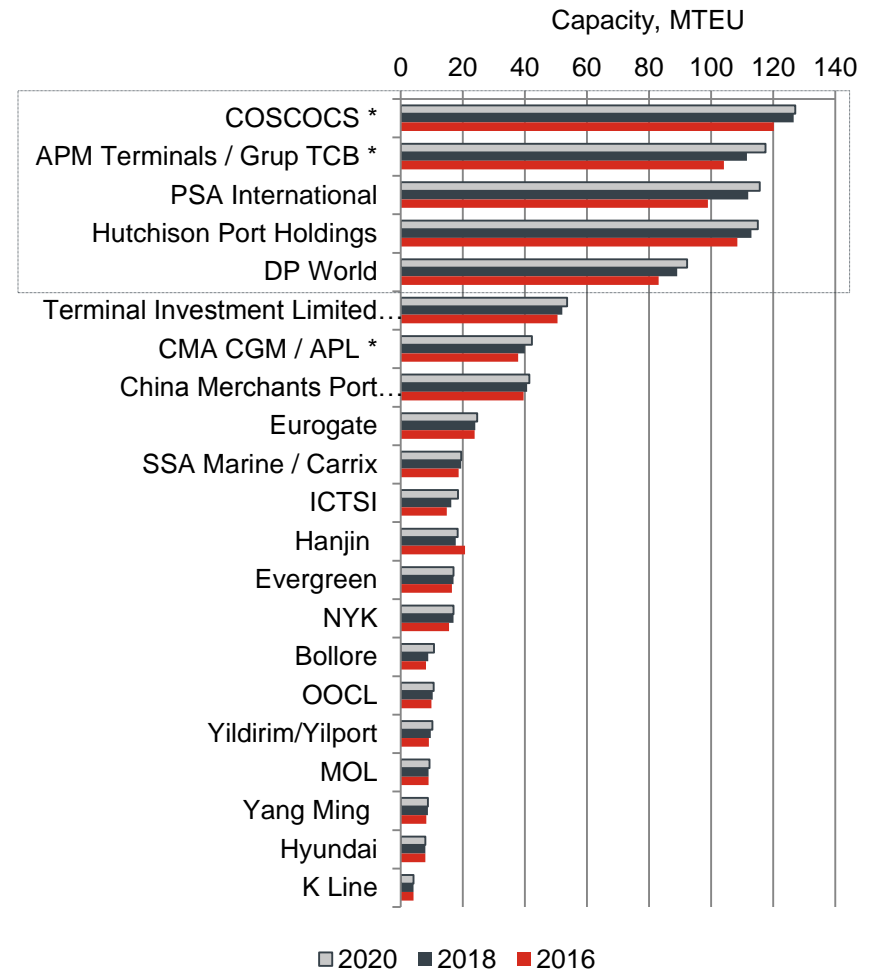
Growth stabilising in the short-mid term



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

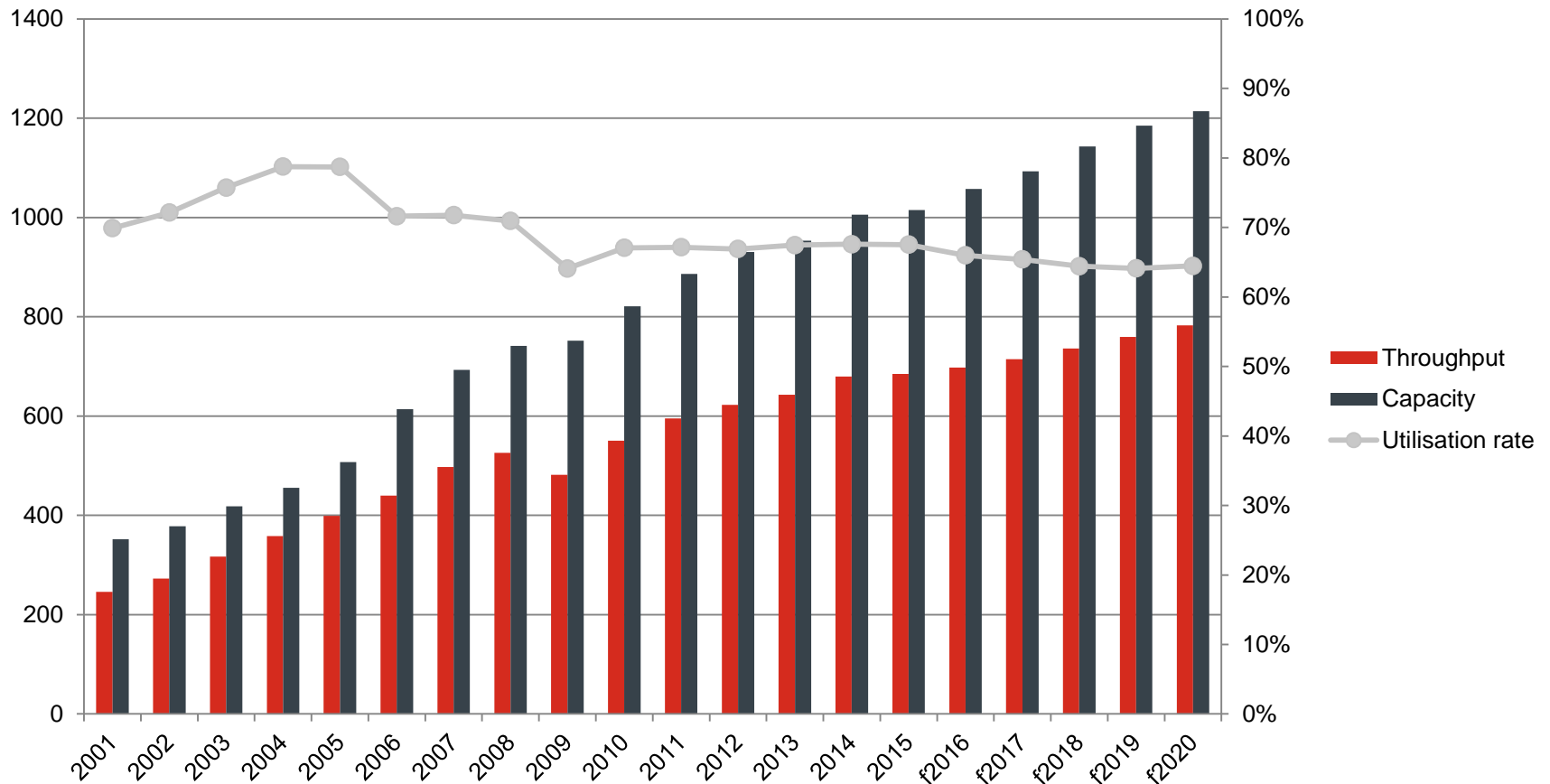


Source: Drewry

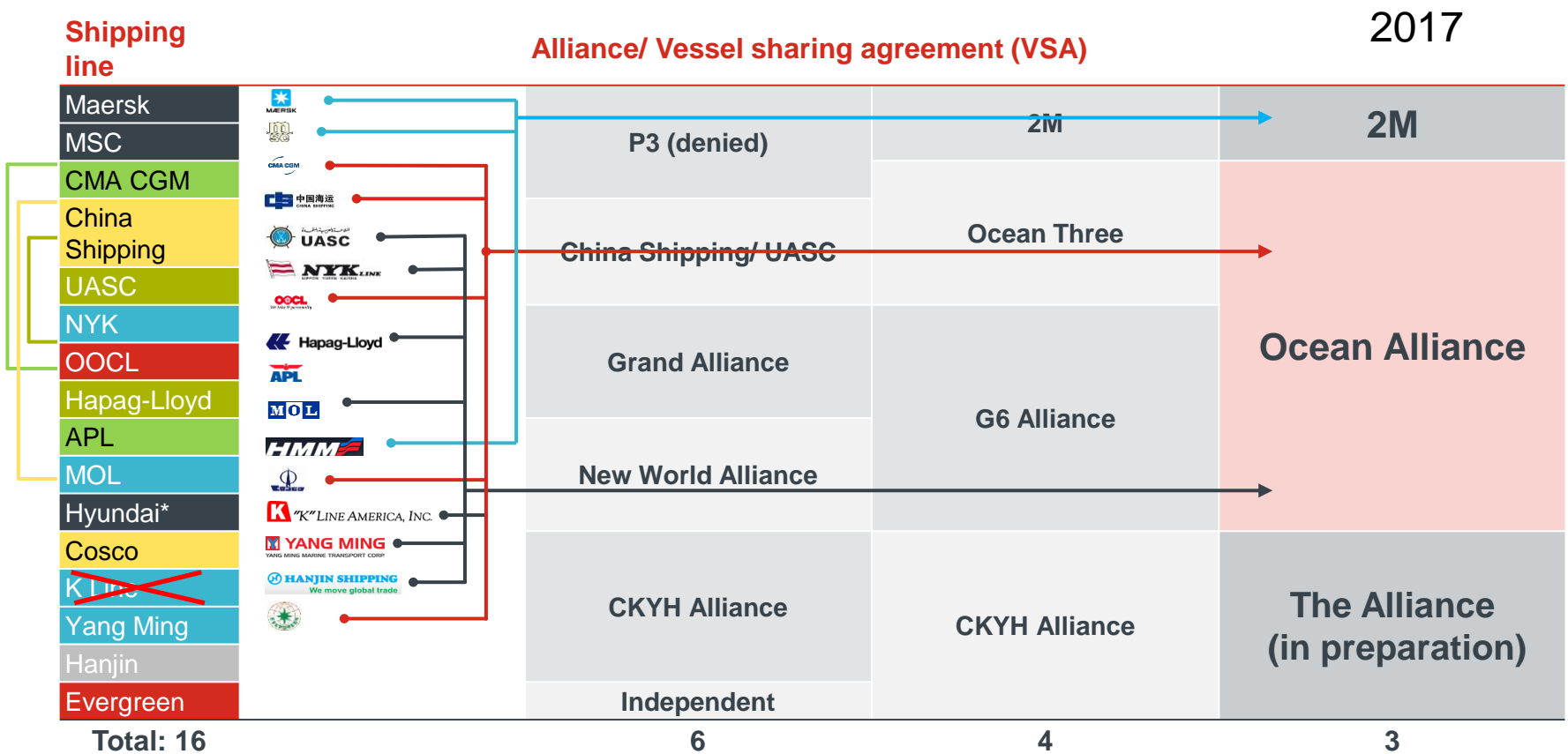
* Capacity counted once in all terminals where shareholding held by both sub operators

Global Container terminal volume and Capacity Development

MTEU



Three Alliances represent about 80% of global container fleet capacity



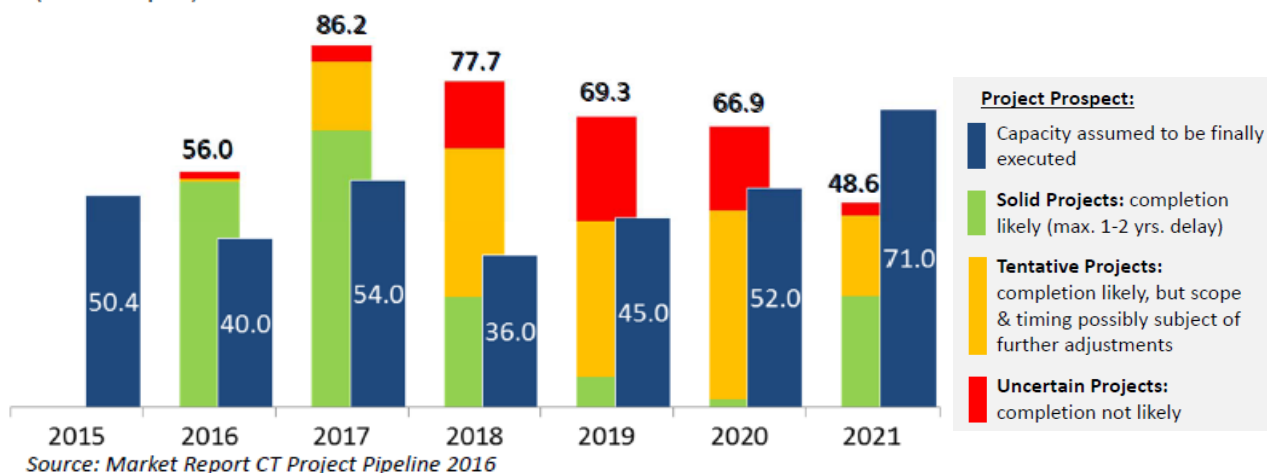
*HMM's membership in 2M alliance isn't yet confirmed
 The arrows indicate changes through M&A over the last 12 months
 China Shipping and Cosco=Cosco container lines

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.

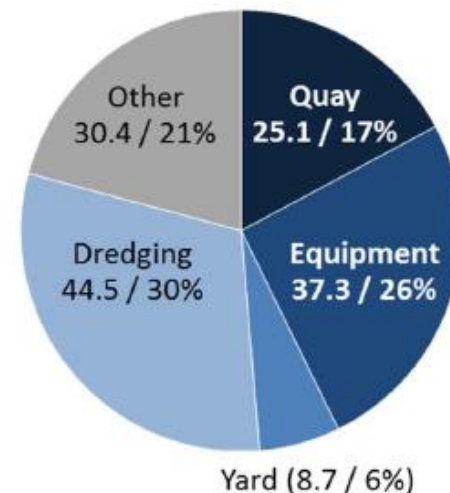
Capacity Additions

(in TEUm p.a.)



Investment 2016-'21

(Σ US\$bn 146; in %)

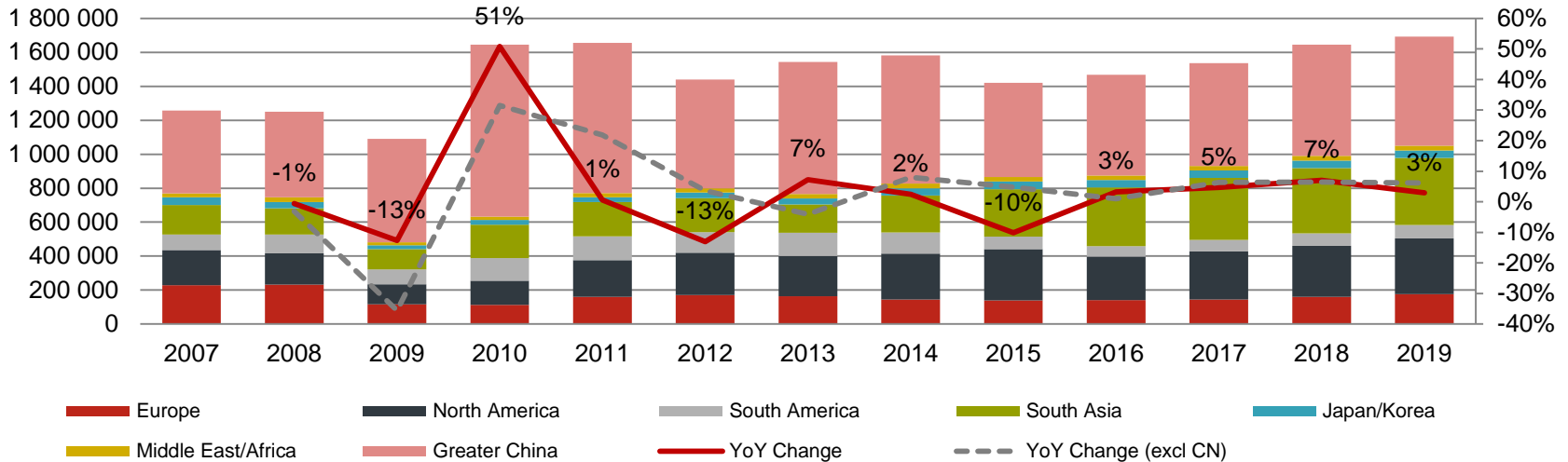


Hiab appendix

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

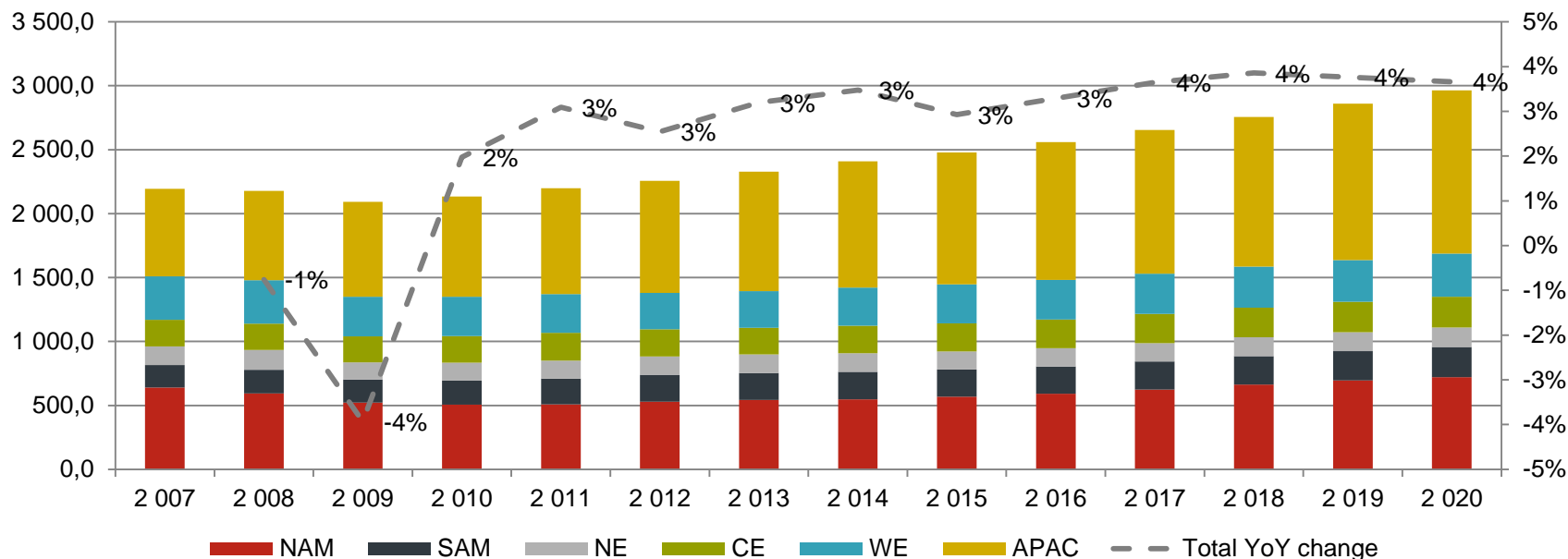


YoY %-changes						
	2 015	2 016	2 017	2 018	2 019	2 020
Europe	-3,4%	1,2%	2,7%	11,5%	9,4%	6,9%
North America	11,6%	-14,8%	10,4%	5,6%	9,5%	-4,2%
South America	-41,4%	-17,3%	9,1%	10,5%	7,7%	5,4%
South Asia	29,4%	23,3%	5,9%	5,3%	2,8%	1,9%
Japan/Korea	6,1%	-0,2%	-2,1%	-1,3%	0,7%	0,1%
Middle East/Africa	-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%
Total	-10,1%	3,3%	4,7%	7,1%	2,9%	0,3%

Source: IHS Truck registration (Sep 2016 compared to Jun 2016)

Construction output forecast

Annual Construction Output



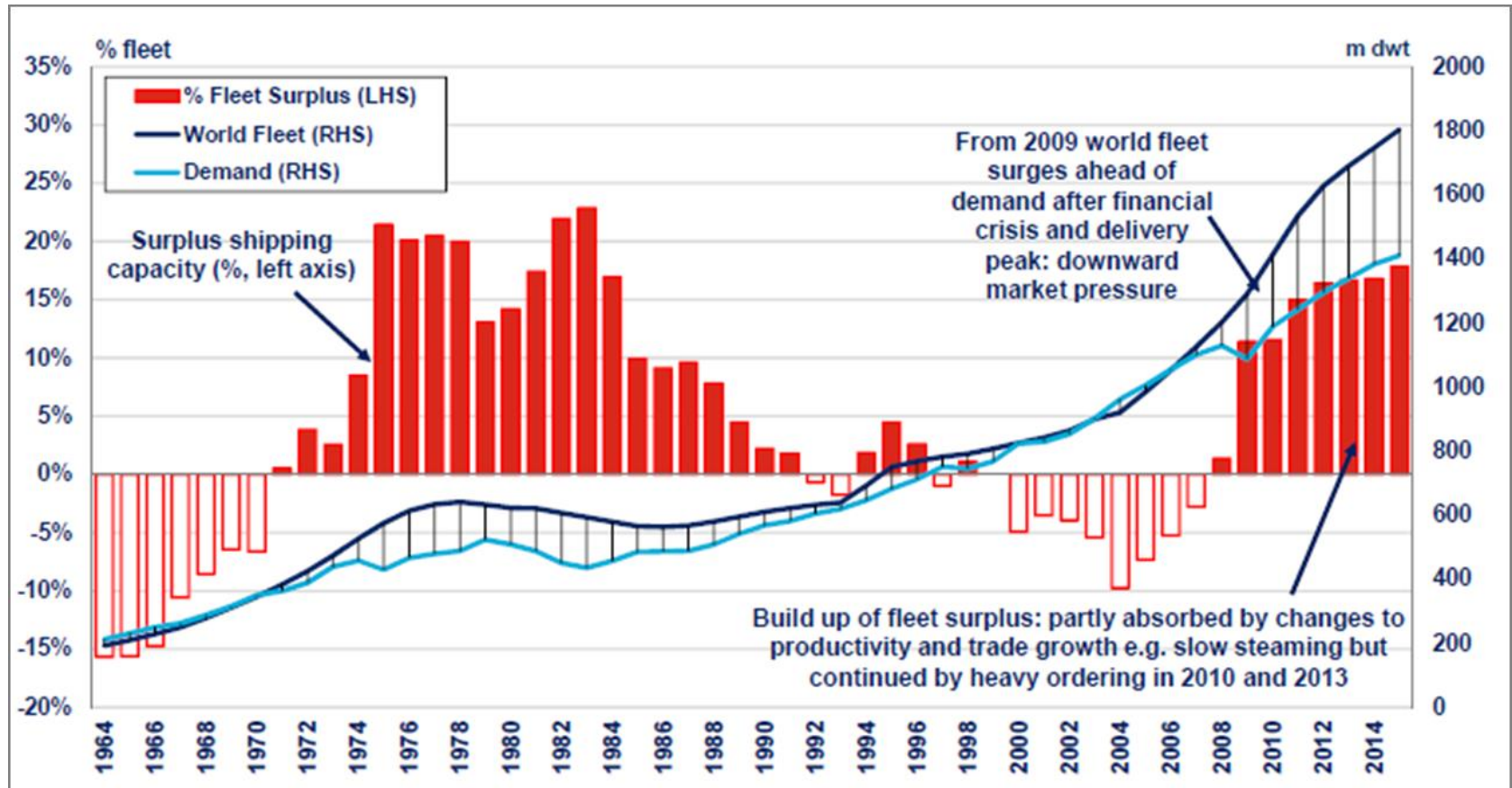
YoY %-changes

	2015	2016	2017	2018	2019	2020
NAM	3,6%	3,9%	5,7%	6,1%	4,9%	3,8%
SAM	-0,6%	0,8%	2,0%	2,1%	2,5%	3,0%
NE	-2,3%	1,3%	1,0%	1,5%	1,8%	2,0%
CE	1,4%	2,8%	1,9%	1,8%	1,8%	1,6%
WE	2,7%	0,7%	1,3%	2,0%	2,4%	3,3%
APAC	4,5%	4,6%	4,2%	4,2%	4,4%	4,4%
Total	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), Forecast Sep 2016 compared to Jun 2016

MacGregor appendix

World Fleet: Supply-Demand Balance

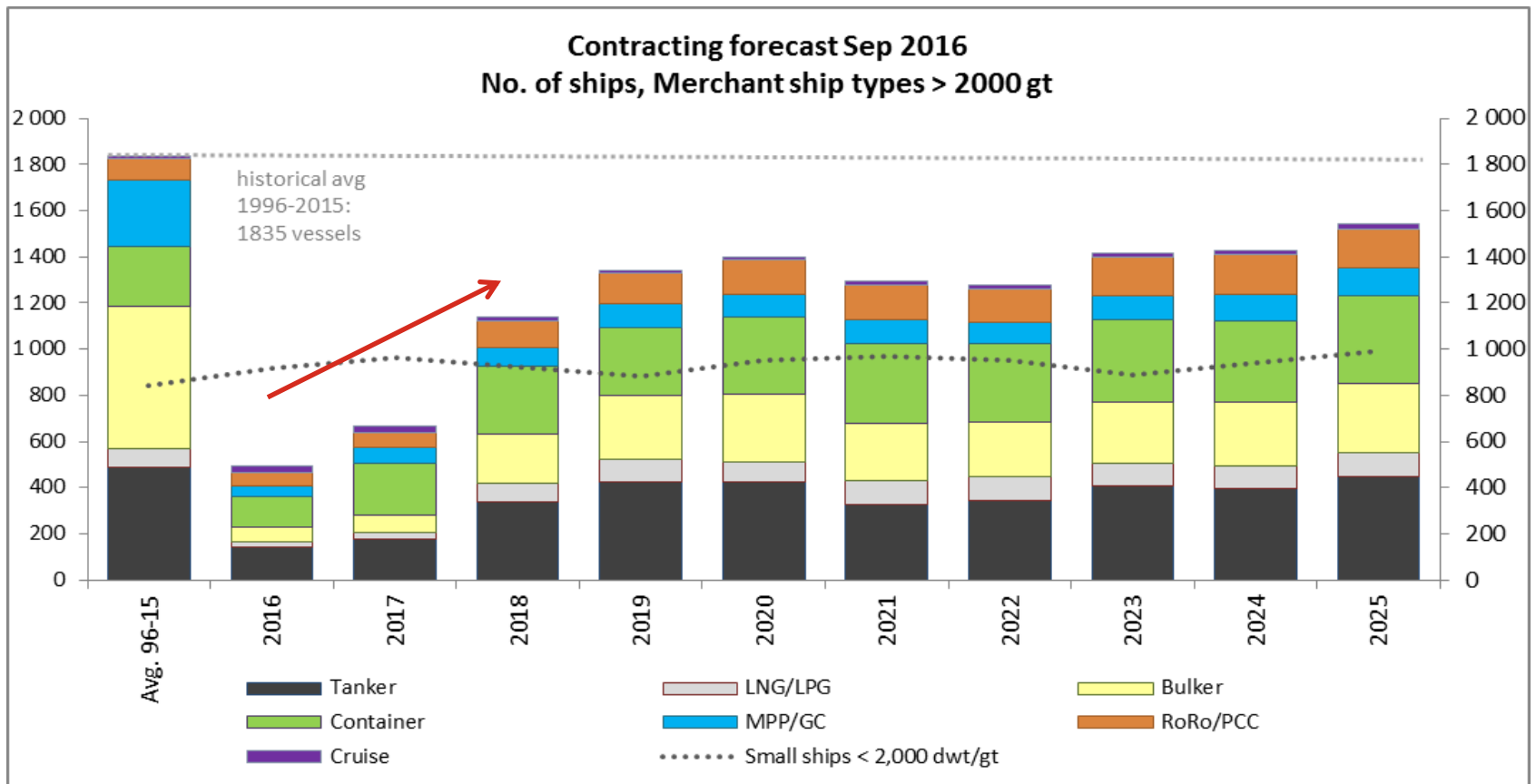


Source: Clarksons September 2016

Contracting Forecast by Shiptype (number of ships)

- Merchant ship types > 2000 gt, base case

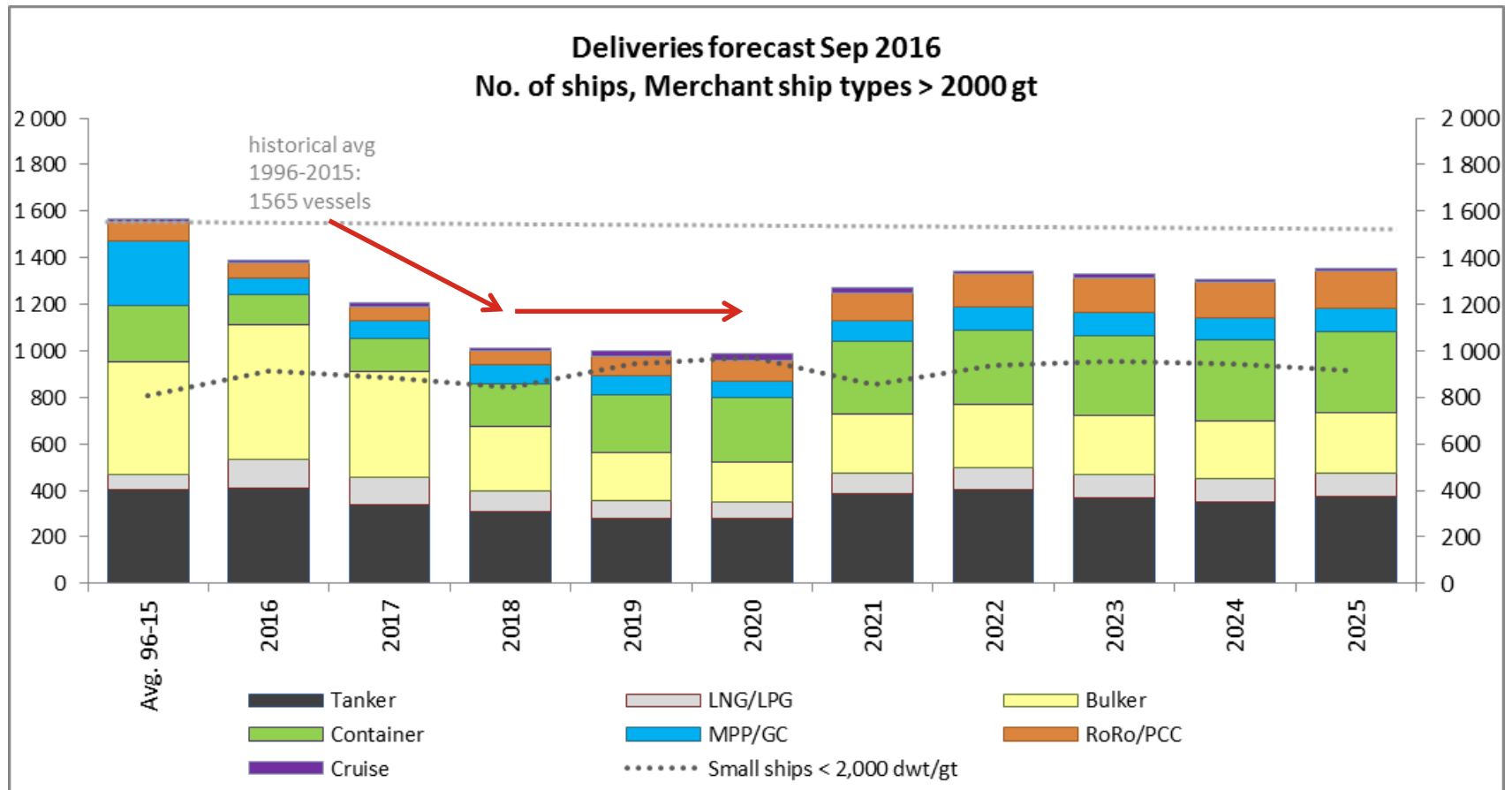
- Vessel upsizing trend continues:
 Upsizing trends are expected to continue, with the average size of ships delivered in 2016-28 projected to reach c.37,500 GT, compared to the average size of units in the current fleet of c. 23,000 GT.



Deliveries forecast by shiptype (number of ships)

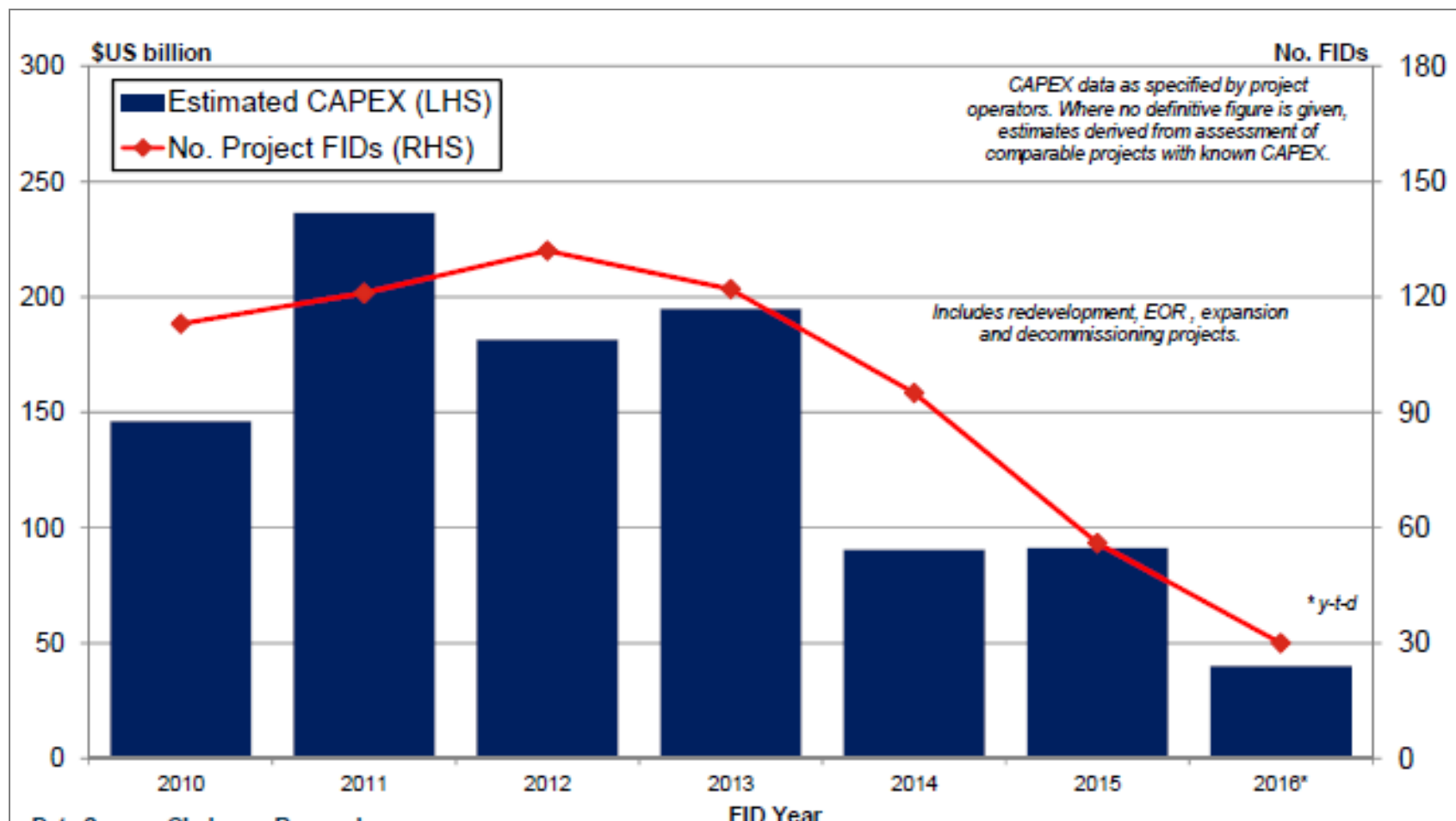
- Merchant ship types > 2000 gt, base case

- 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

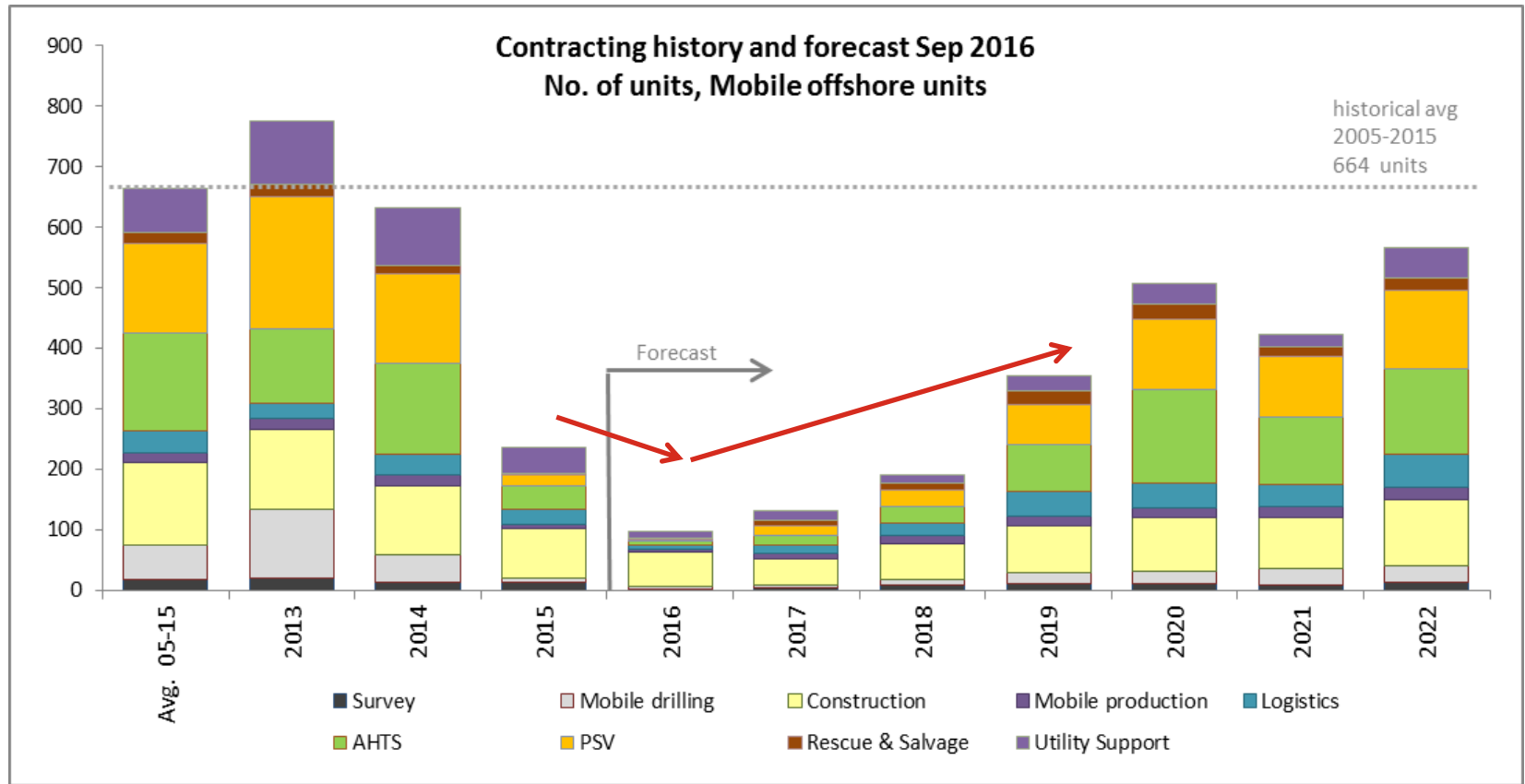


Source: Clarksons September 2016

Contracting Forecast by Shiptype (number of units)

short term revised again downwards

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

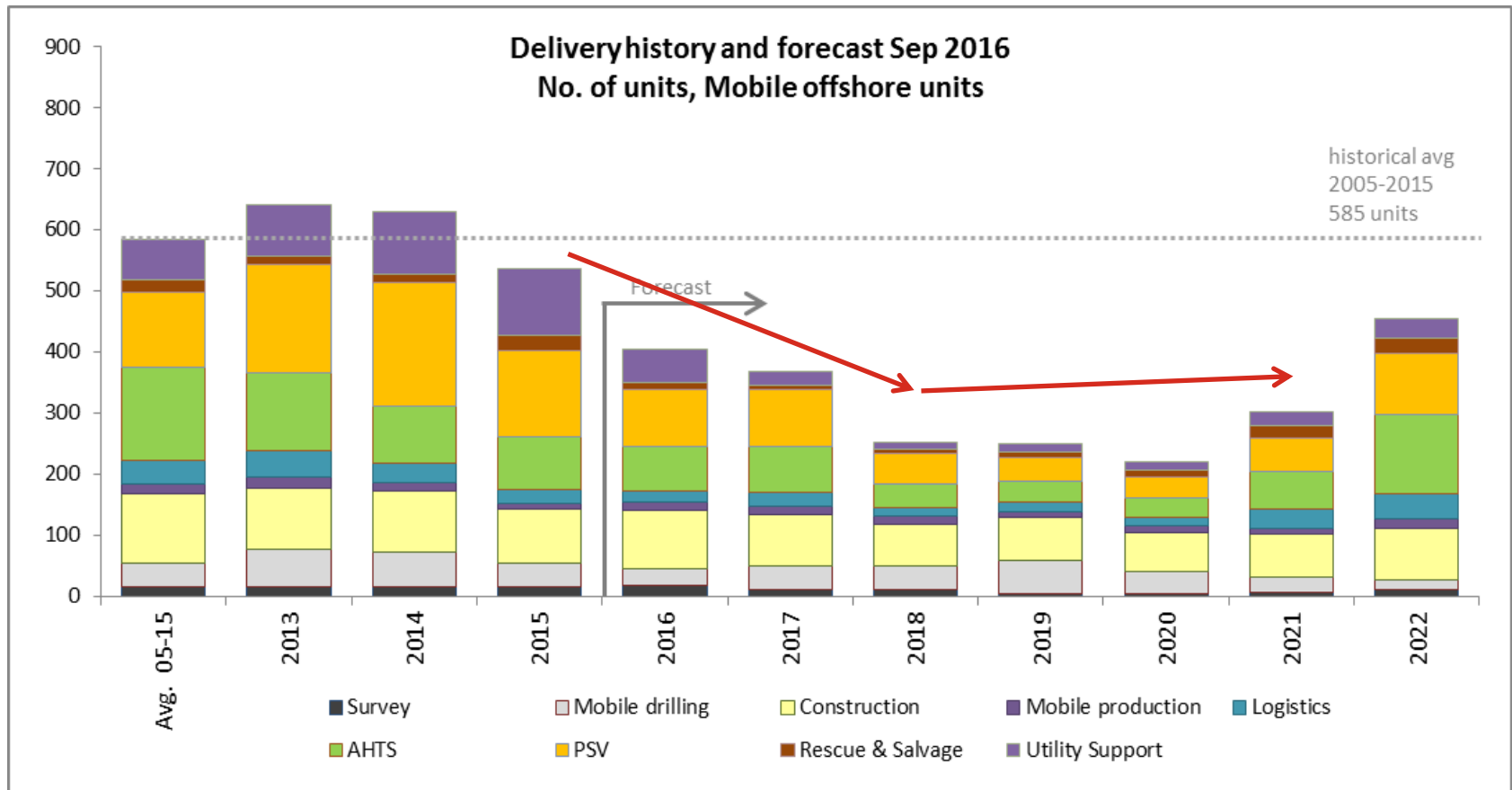


Source: Clarksons September 2016

Deliveries Forecast by Shiptype (number of units)

reflects the low contracting levels

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

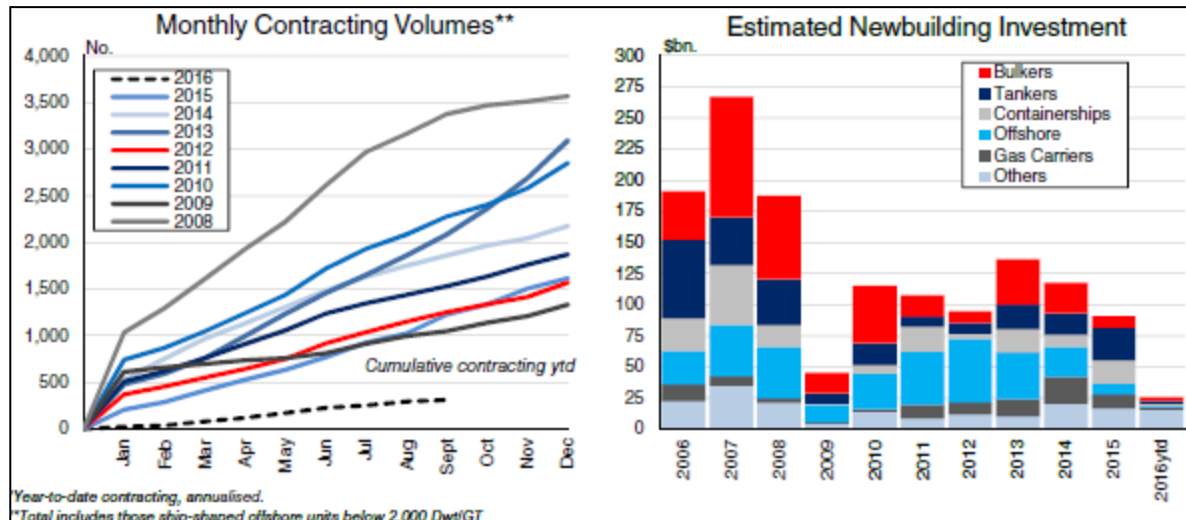


Source: Clarksons September 2016

Shipbuilding – Contracting (ships >2000 gt/dwt)

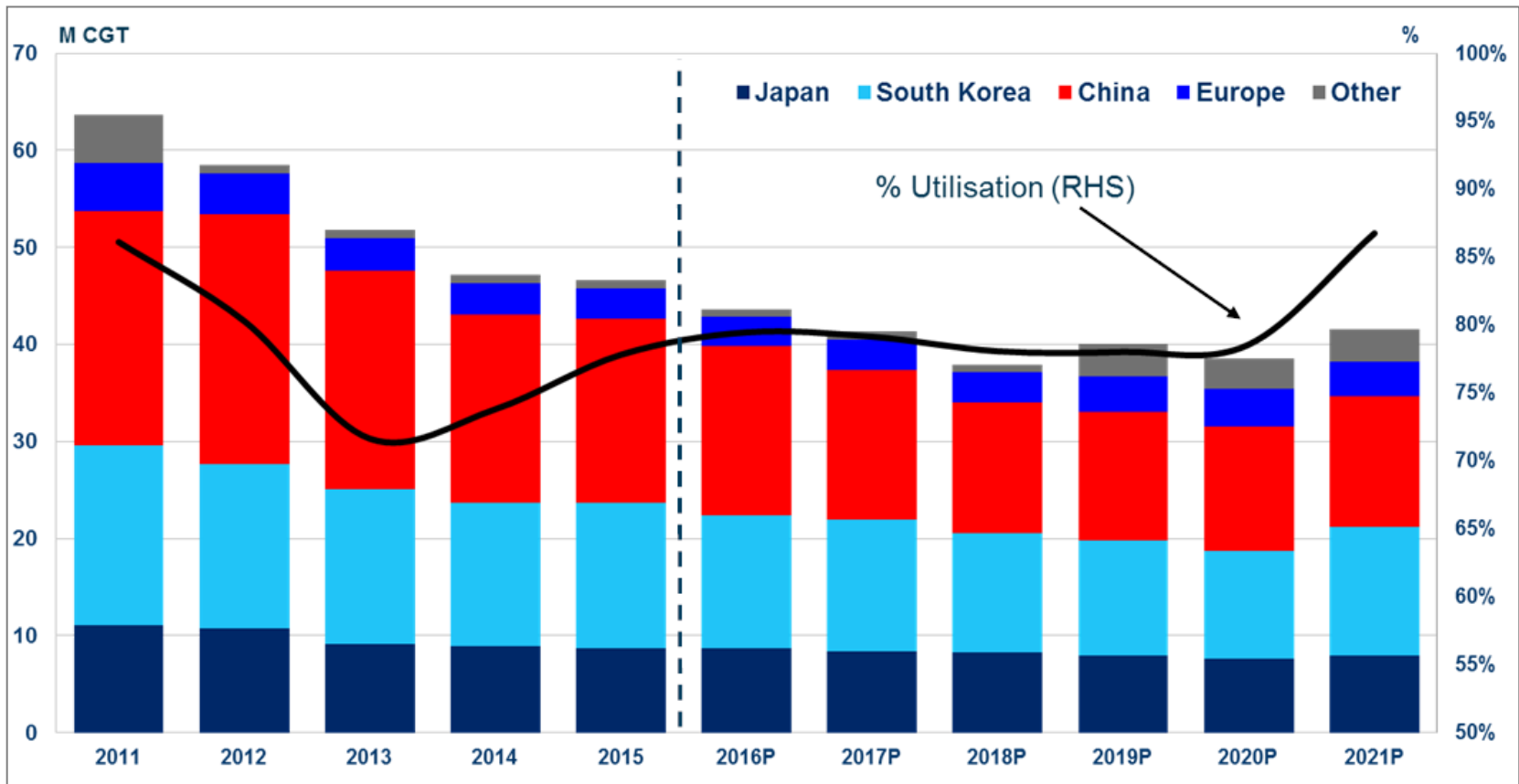
Global Contracting Activity (1st October 2016)												
	No.				\$bn				m. CGT			
	2014	2015	YTD	%y-o-y*	2014	2015	YTD	%y-o-y*	2014	2015	YTD	%y-o-y*
TOTAL (>2,000 Dwt/GT**)	2,190	1,628	311	-75%	117.6	90.9	25.9	-62%	45.1	39.6	8.6	-71%
Vessel Type												
Bulkers	766	354	37	-86%	24.6	9.3	2.7	-61%	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%
Builder Country												
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

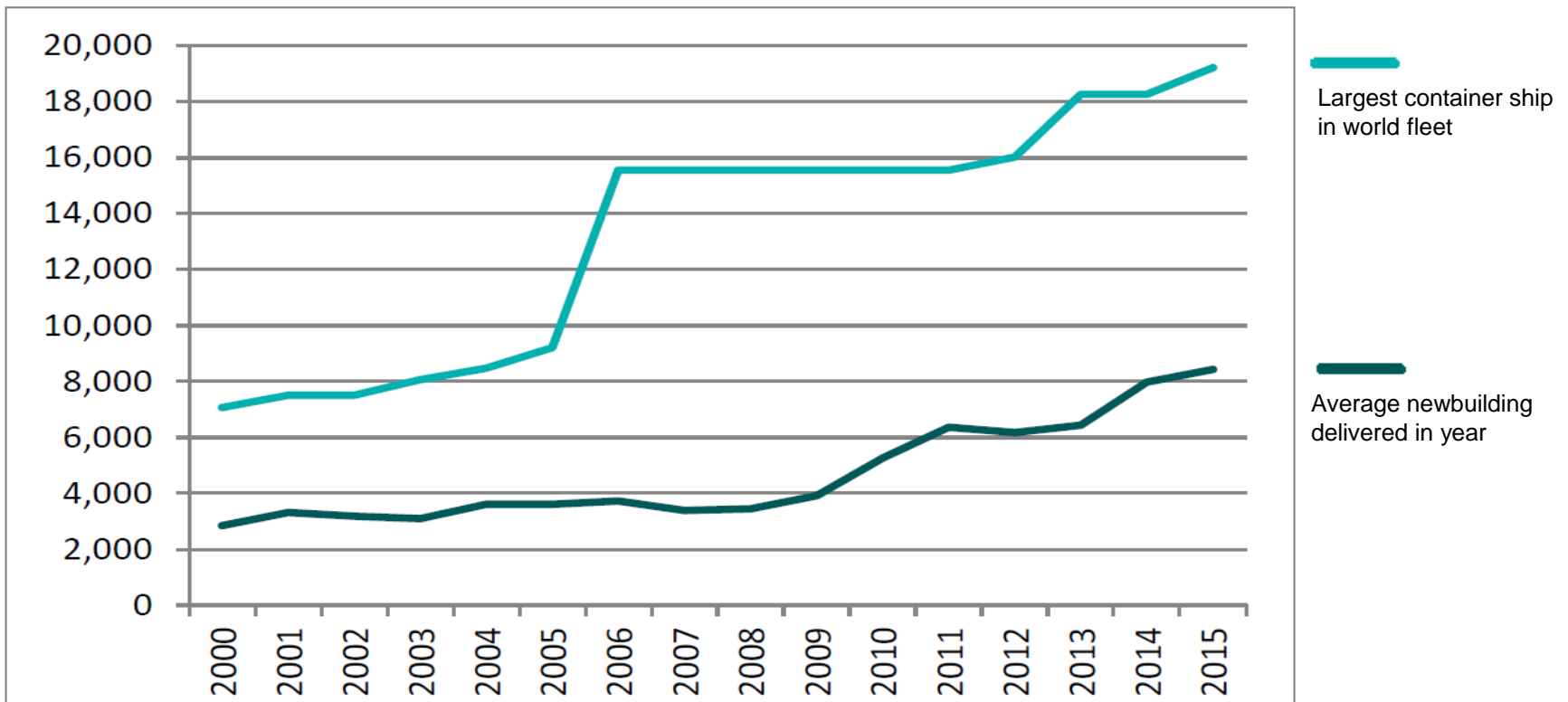
- Since peak shipyard output in 2010 (in CGT terms), it is estimated that the global shipbuilding capacity has declined 22%.
- Significant downward revision in the contracting forecast suggests that there will be further pressure on yards, and the capacity is projected to decline by another 20% by end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