





Q3 2015 Frankfurt road show

Executive Vice President and CFO Eeva Sipilä

9th December 2015

Cargotec in brief



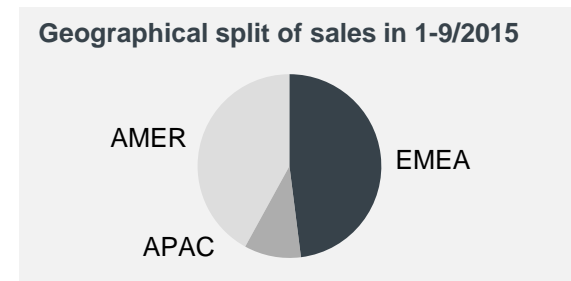
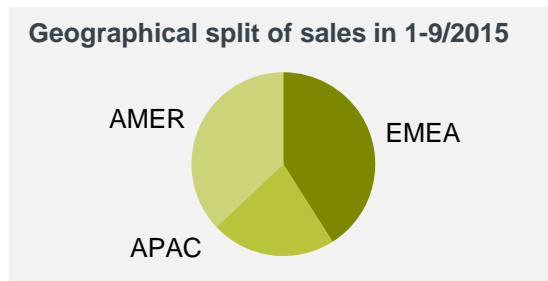
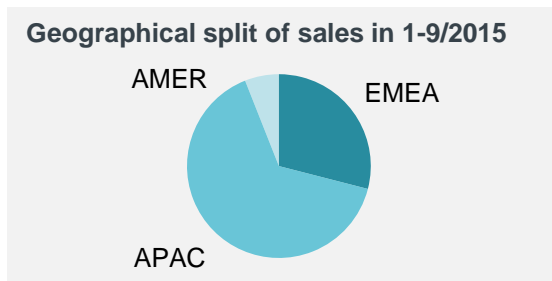
Today's leader in cargo handling equipment

Cargotec Group
 Sales: **EUR 2,753 million**
 EBIT: **6.5%**
 Services: **24%**

MacGregor
 32% of sales
 EBIT: **4.2%**
 Services: **20%**

Kalmar
 43% of sales
 EBIT: **7.9%**
 Services: **27%**

Hiab
 25% of sales
 EBIT: **10.3%**
 Services: **24%**



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

Key competitors

MacGregor



SHIP'S EQUIPMENT CENTRE GRONINGEN B.V.



ROBERT ROCK OMAH



Rolls-Royce



LIEBHERR

Kalmar



KONECRANES®
Lifting Businesses™



LIEBHERR

ABB

Hiab



Manufacturer of truck mounted forklifts

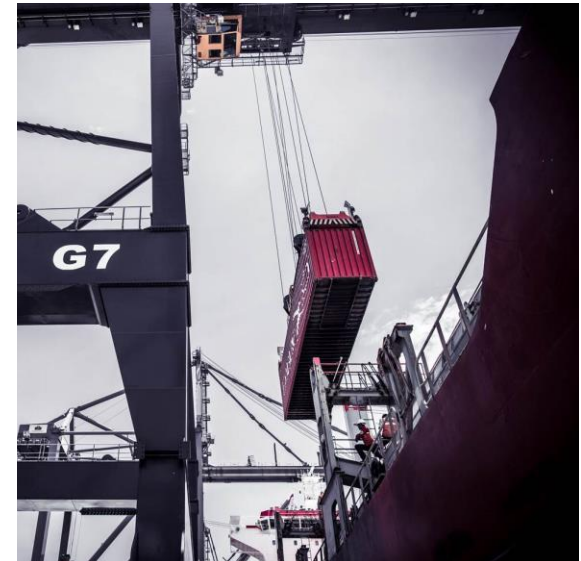
From turnaround to leader in intelligent cargo handling with sector leading profitability

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

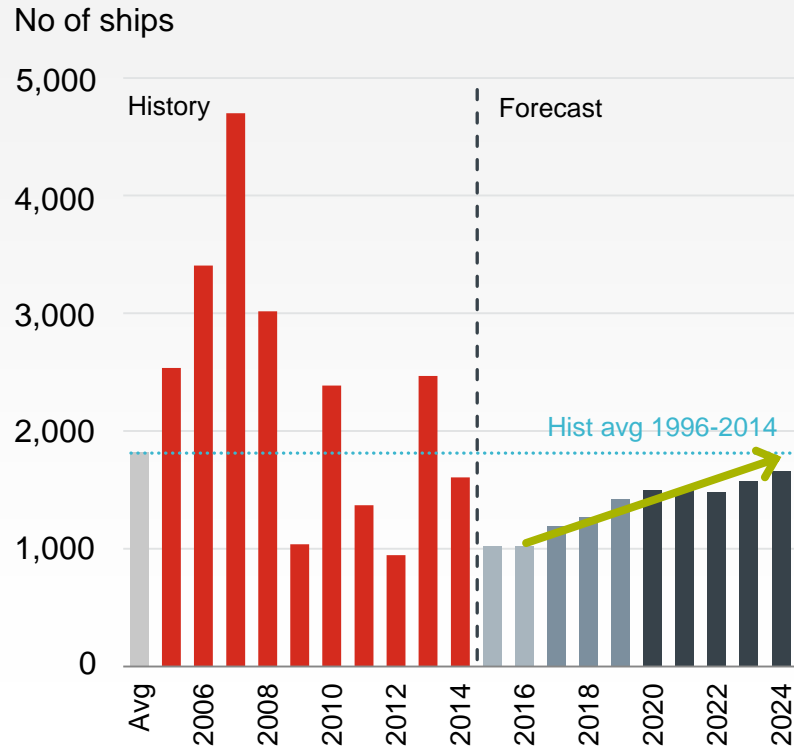
Shaping our portfolio to drive growth and
shareholder value

MacGregor

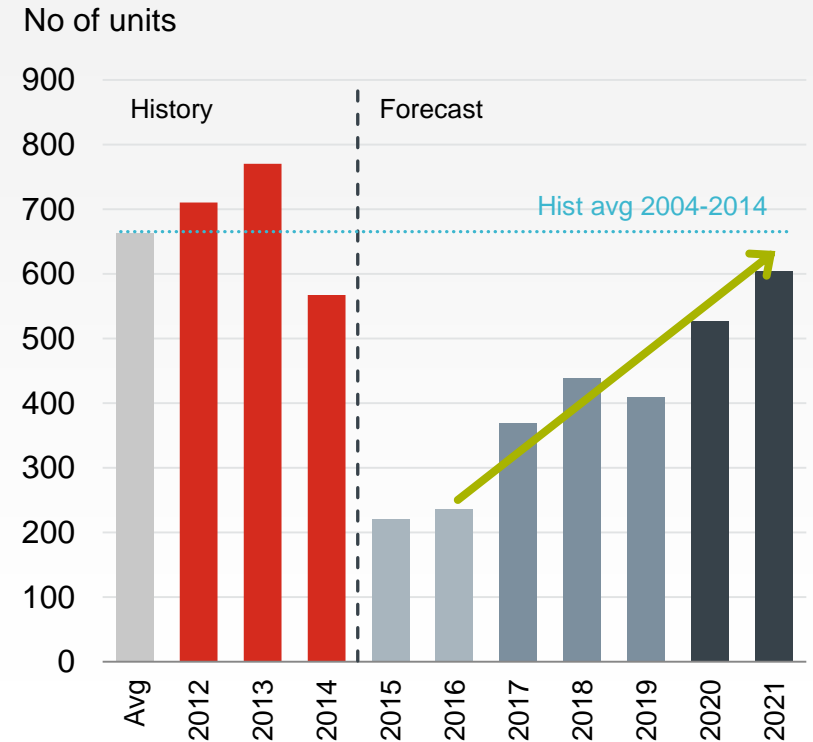


Outlook in merchant shipping and offshore turning back to growth

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



Long-term contracting 2012–2021
Mobile offshore units



Sources: UNCTAD, Clarkson Research

MacGregor has strong positions in both the marine and offshore market

Marine

#1



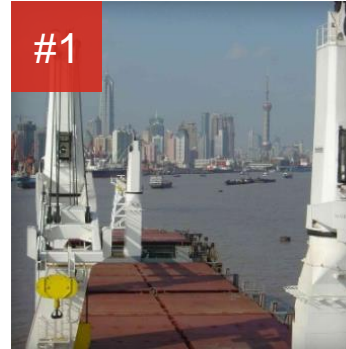
Container lashing

#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

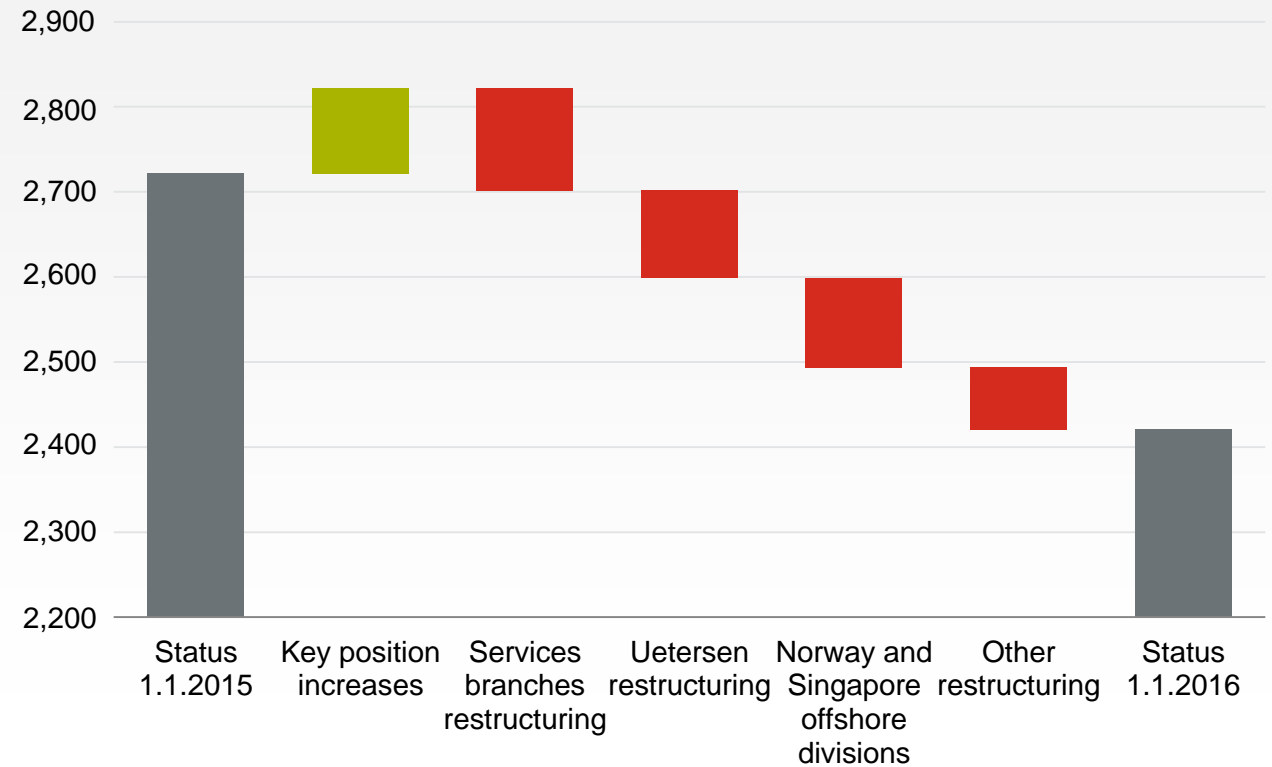
Organisational development

Targeted annual savings of EUR 27 million

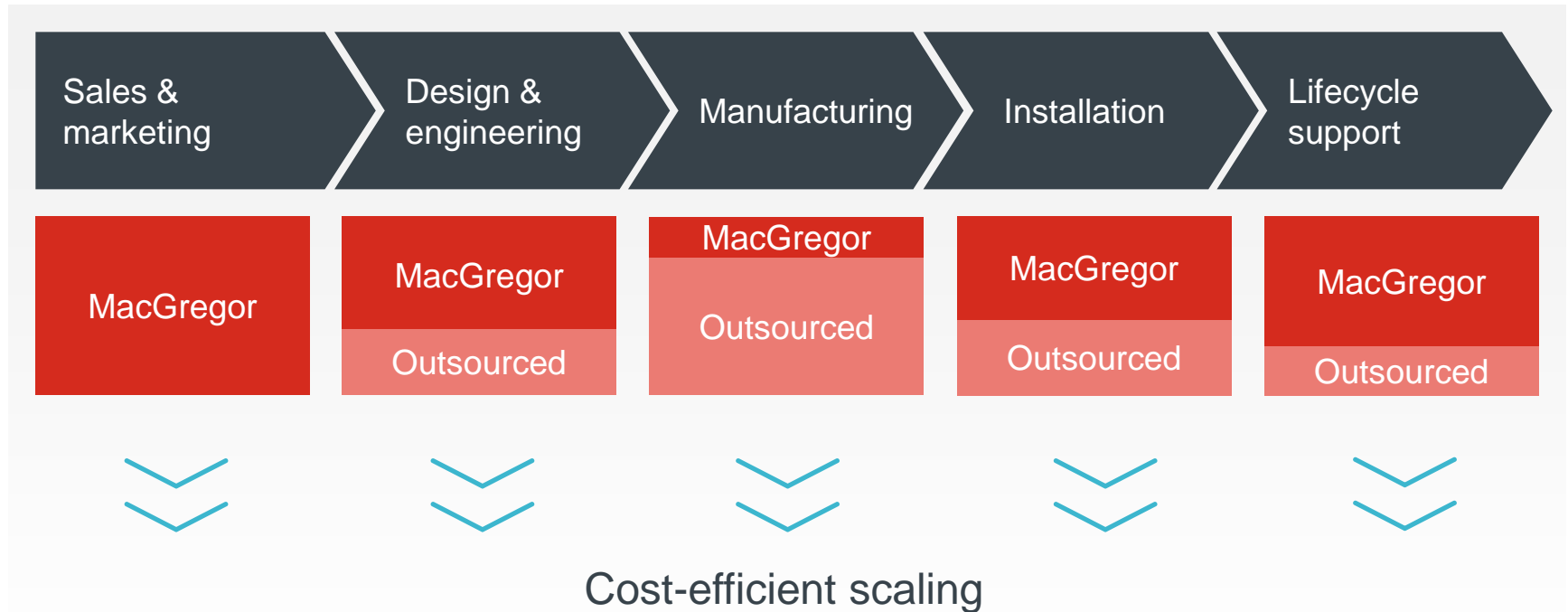
Measures taken in 2015 will have a full impact in 2016

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



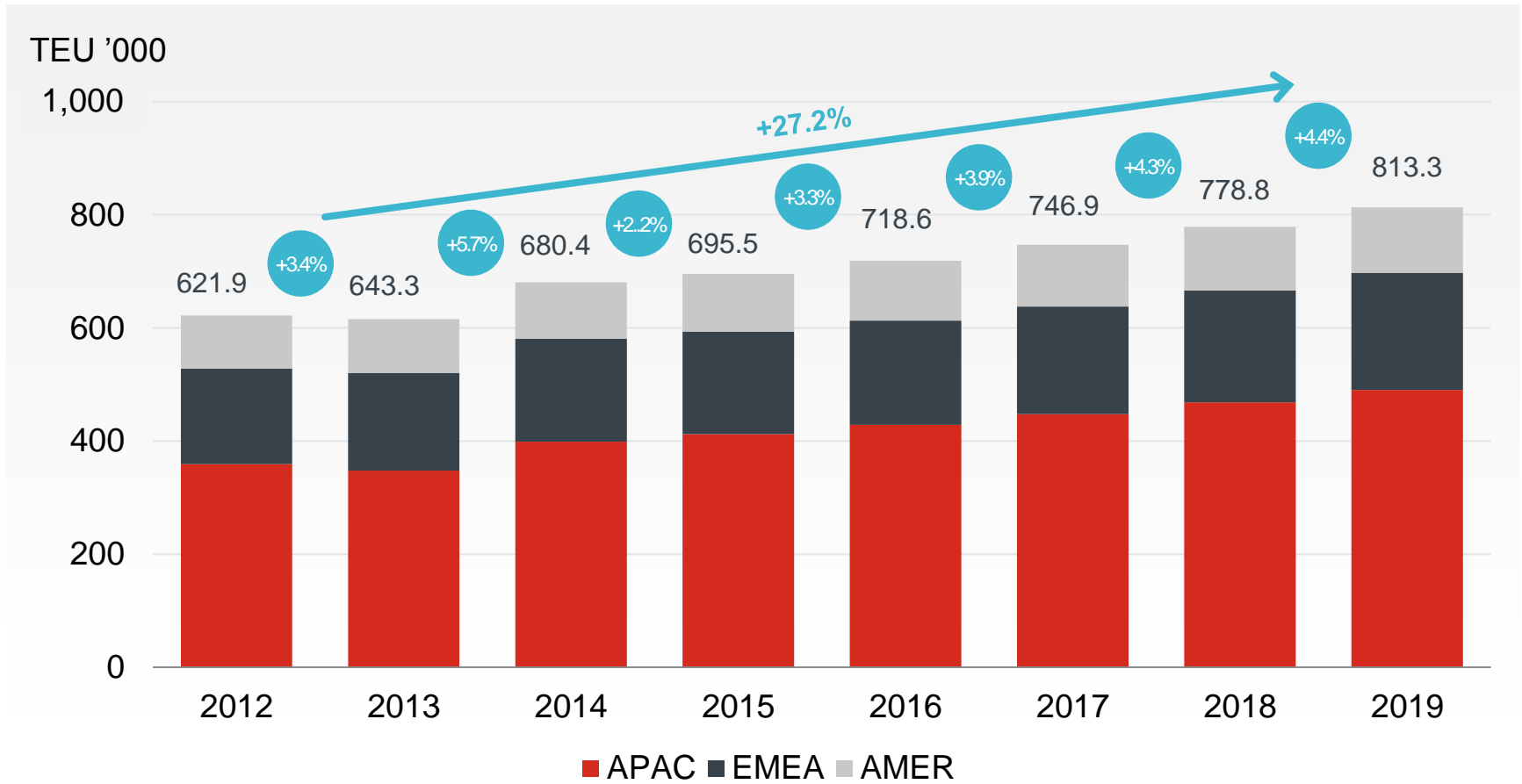
→ 10%

operating profit margin
(EBIT) over the cycle

Kalmar



Container throughput forecasted to grow year on year



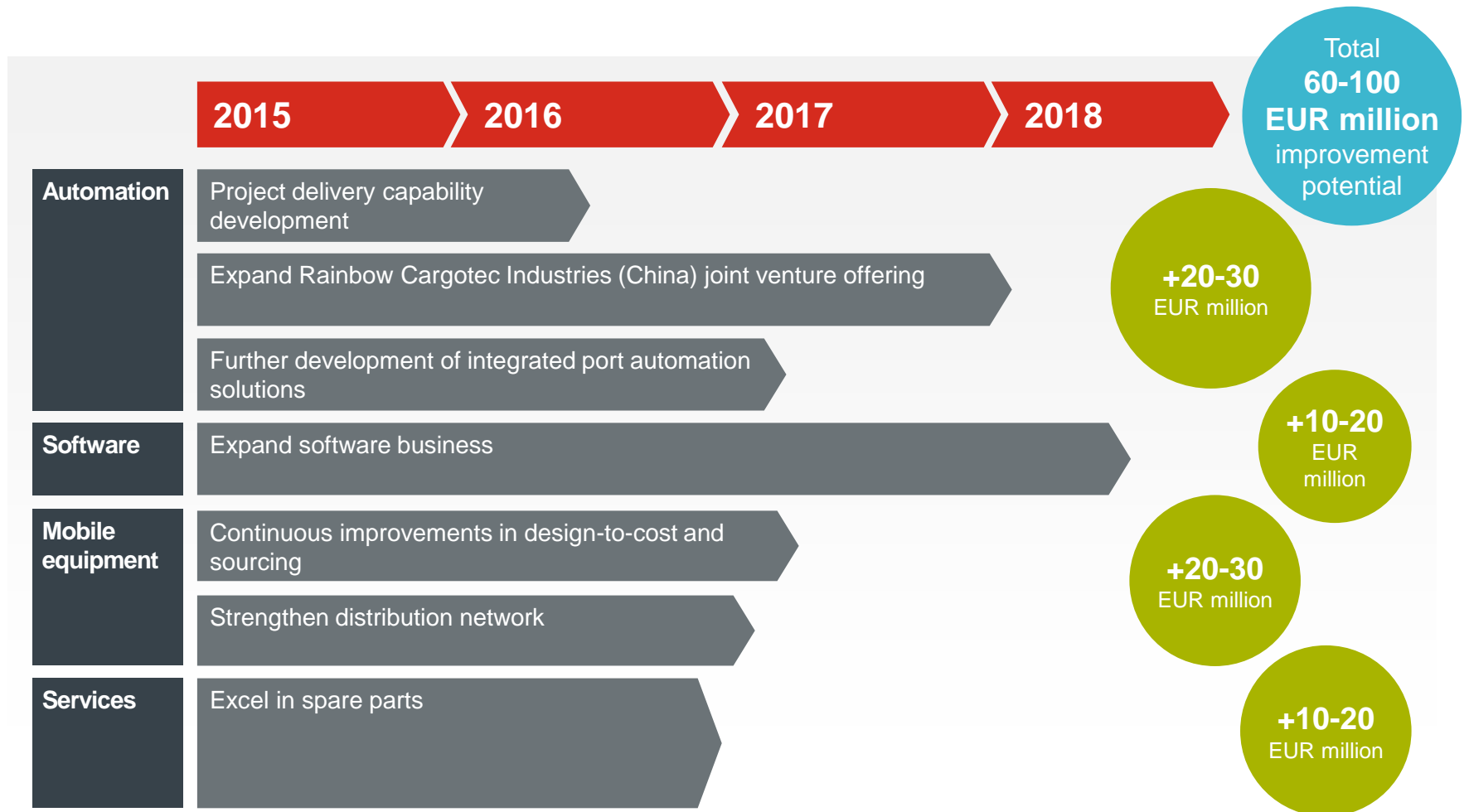
Source: Drewry: Global Container Terminal Operators Annual Report 2015

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 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%**

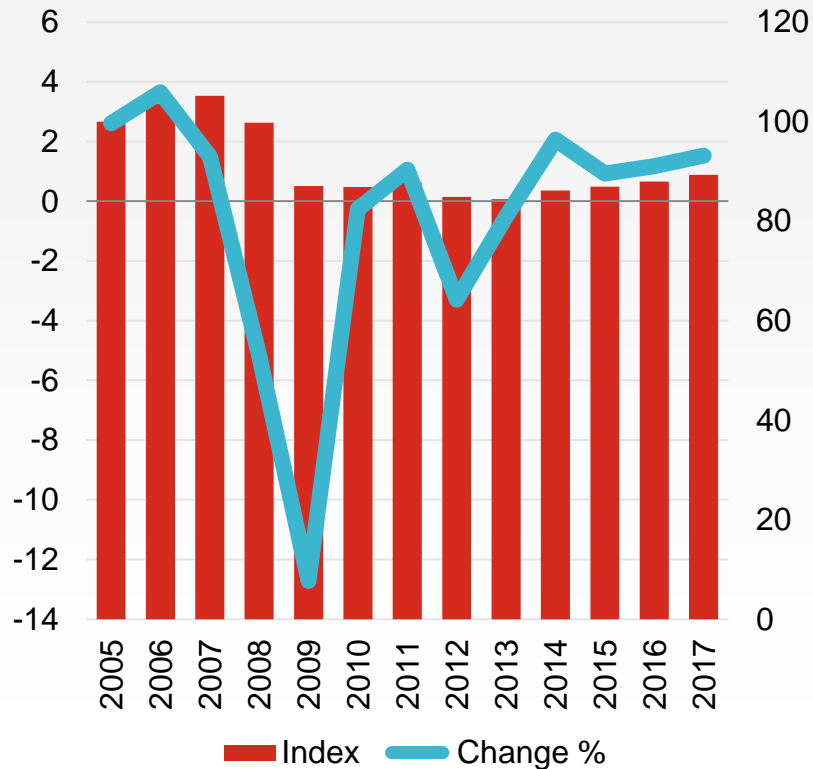
operating profit margin
(EBIT) over the cycle

Hiab

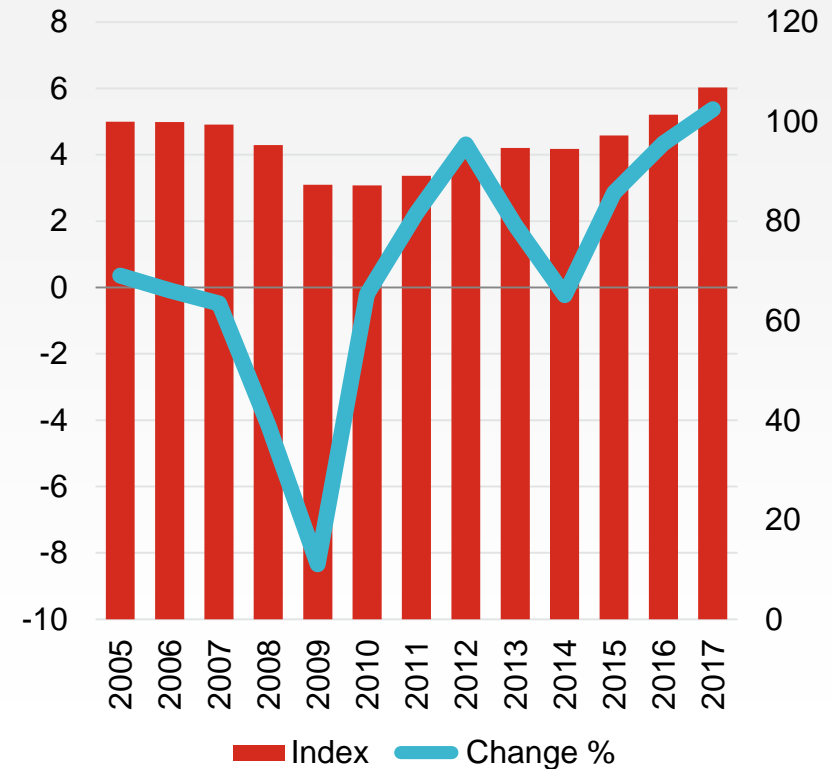


Construction output driving growth opportunity

EMEA construction output
y/y change (%)








AMER construction output
y/y change (%)



Source: Oxford Economics: Industry output forecast 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

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

January– September financials



Highlights of the third quarter

- Orders increased 9% y-o-y to EUR 907 (829) million
- Order book strengthened one percent from 2014 year-end to EUR 2,233 million
- Sales grew 10% y-o-y to EUR 928 (840) million
- Operating profit excluding restructuring costs was EUR 68.3 (48.4) million or 7.4 (5.8)% of sales
- Operating profit was EUR 61.9 (45.8) million
- Cash flow from operations strong at EUR 74.5 (63.4) million



Market environment in January–September

- Market for marine cargo handling equipment was weak
 - Demand for cargo handling equipment for large container ships improved during Q3, demand for cargo handling solutions for bulk carriers and offshore vessels was low
 - Demand for RoRo and special vessel related cargo handling equipment was healthy
- Demand for container handling equipment and services was active
- Demand for Kalmar industrial and logistical solutions was healthy especially in the US
- Market for load handling equipment was strong in the US, and healthy in Europe varying significantly between countries



January–September key figures

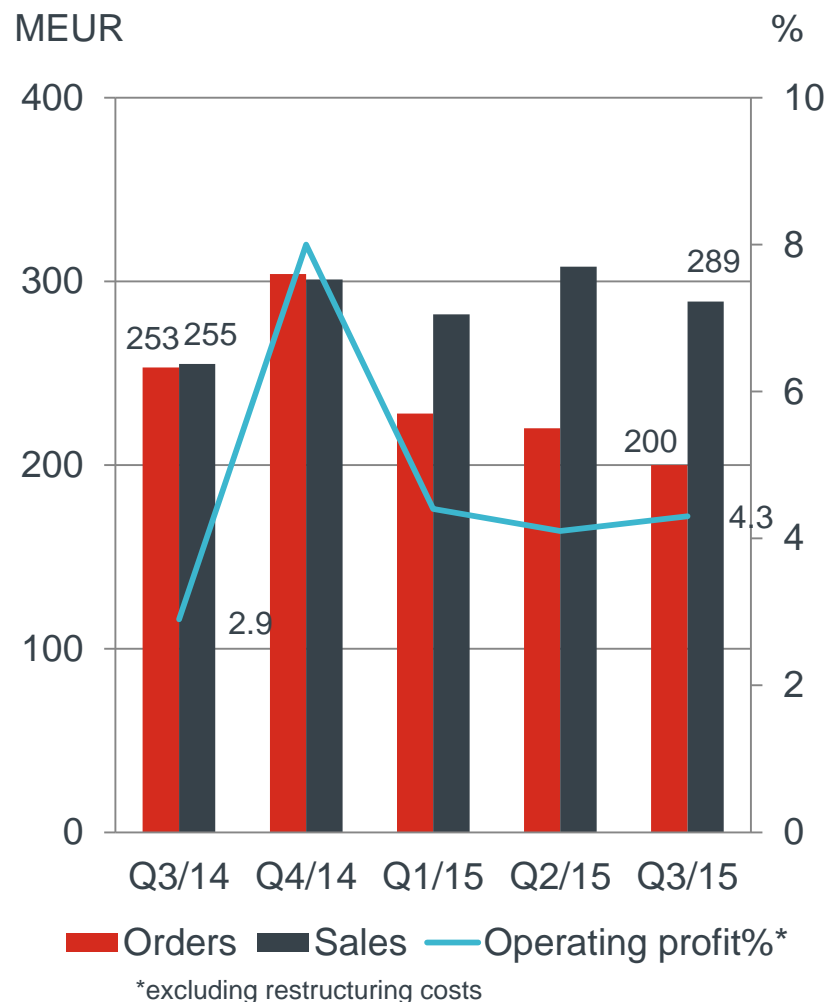
	7-9/15	7-9/14	Change	1-9/15	1-9/14	Change	2014
Orders received, MEUR	907	829	9%	2,733	2,685	2%	3,599
Order book, MEUR	2,233	2,327	-4%	2,233	2,327	-4%	2,200
Sales, MEUR	928	840	10%	2,753	2,395	15%	3,358
Operating profit, MEUR*	68.3	48.4	41%	178.6	77.8	130%	149.3
Operating profit margin, %*	7.4	5.8		6.5	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

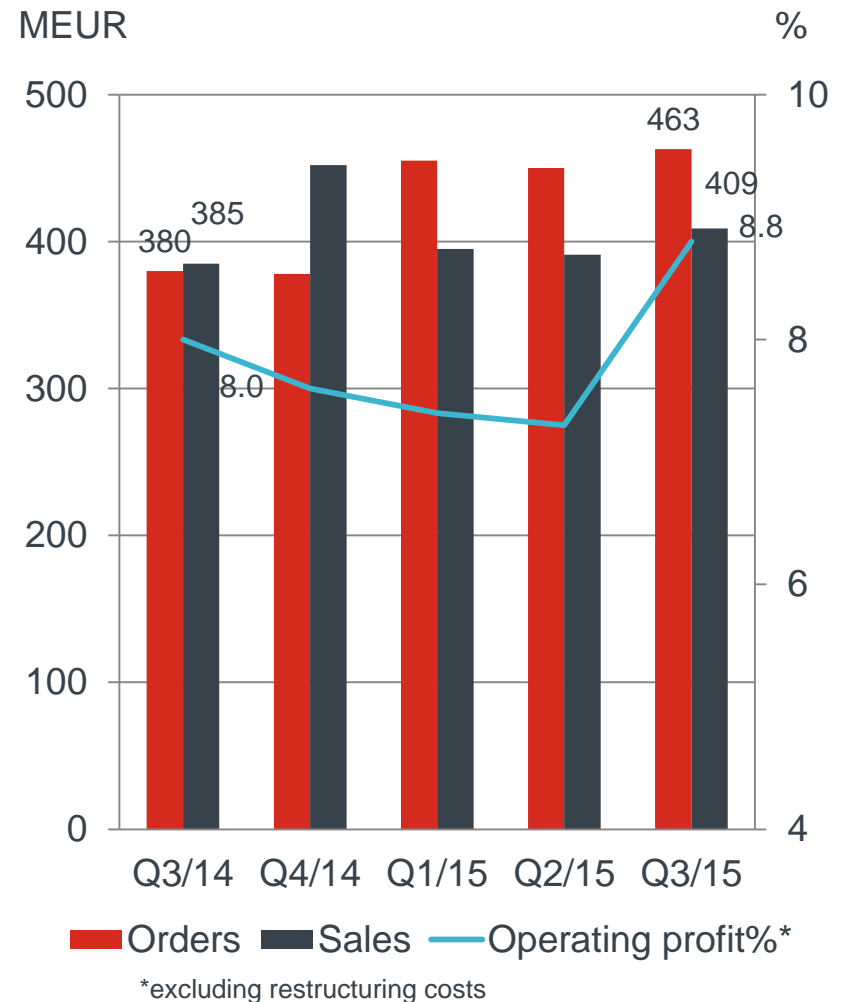
MacGregor Q3 – order intake reflecting challenging market situation

- Order intake declined 21% y-o-y to EUR 200 (253) million
- Order book decreased 13% from 2014 year-end, but still at EUR 984 million
- Sales grew 13% y-o-y to EUR 289 (255) million
- New restructuring measures announced to improve profitability
- Profitability excluding restructuring costs was 4.3%
 - Restructuring costs EUR 5.2 million



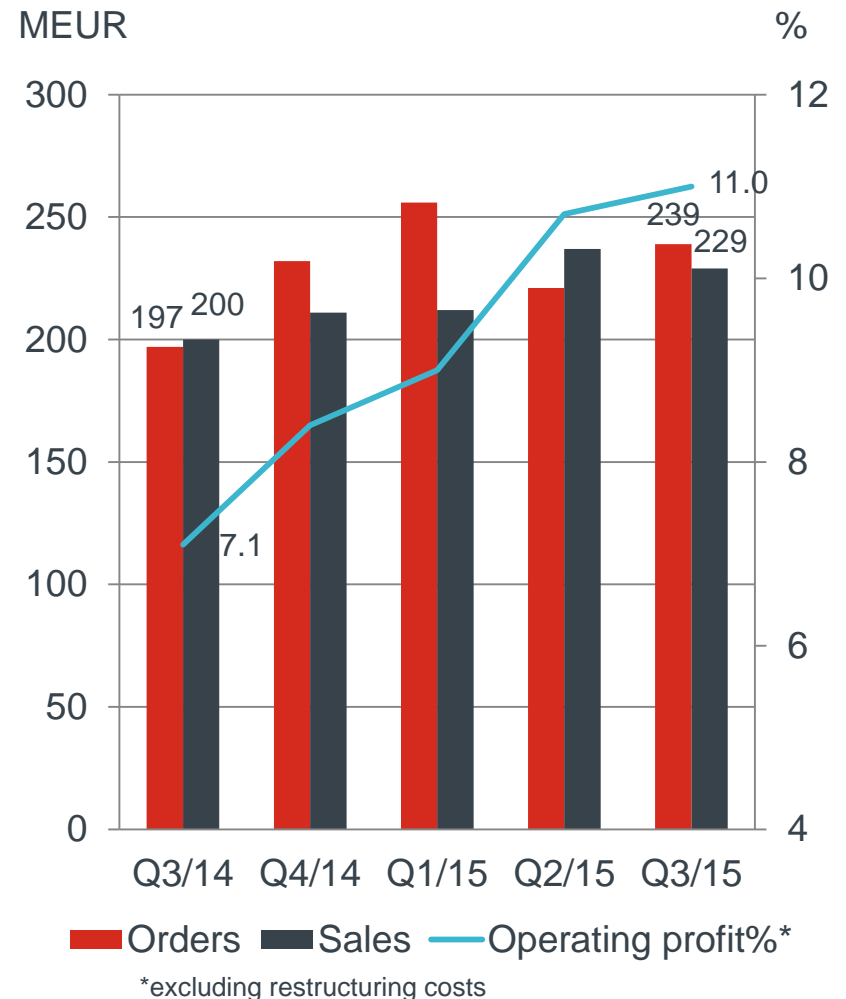
Kalmar Q3 – strong progress in orders and profitability

- Order intake increased 22% y-o-y to EUR 463 (380) million
- Order book strengthened 18% from 2014 year-end
- Sales grew 6% y-o-y to EUR 409 (385) million
- Profitability excluding restructuring costs was 8.8%

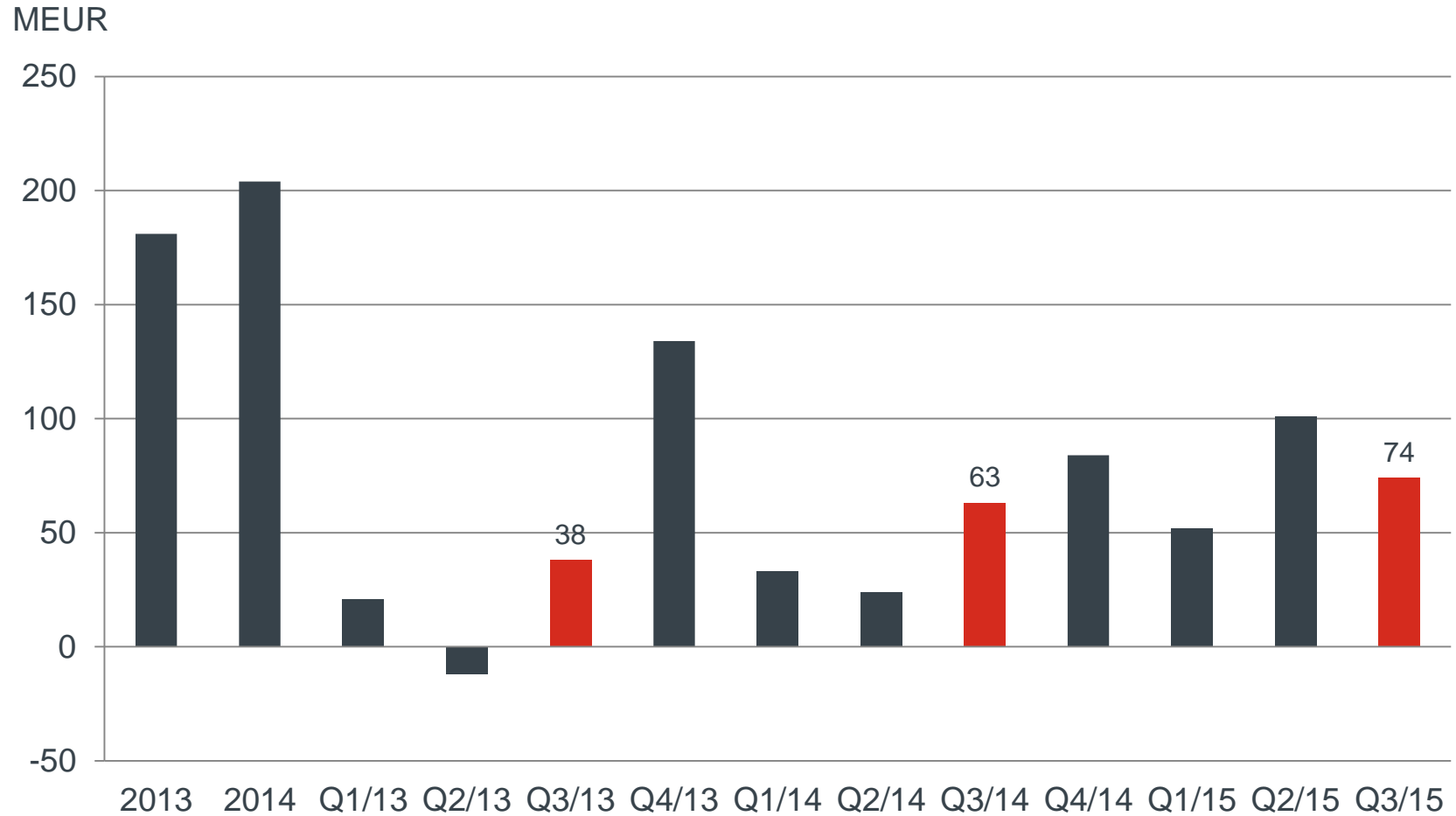


Hiab Q3 – profitability improved further

- Orders grew 21% y-o-y to EUR 239 (197) million
- Order book strengthened 14% from 2014 year-end
- Sales grew 14% y-o-y to EUR 229 (200) million
- Profitability excluding restructuring costs was 11.0%

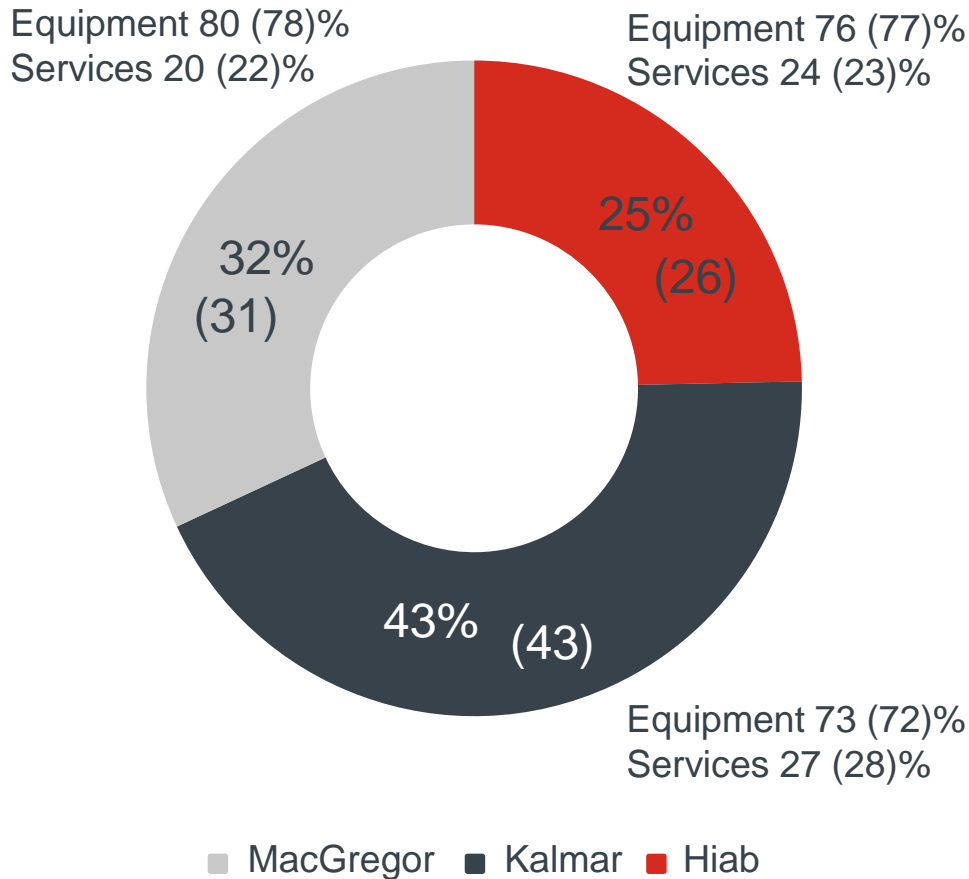


Cash flow from operations strong

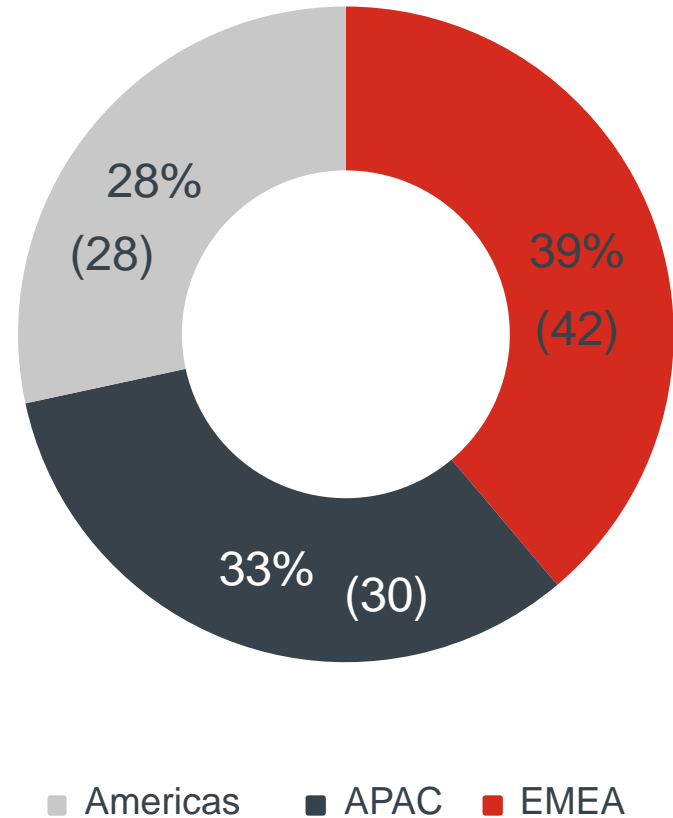


Balanced geographical mix in sales

Sales by reporting segment 1-9/2015, %

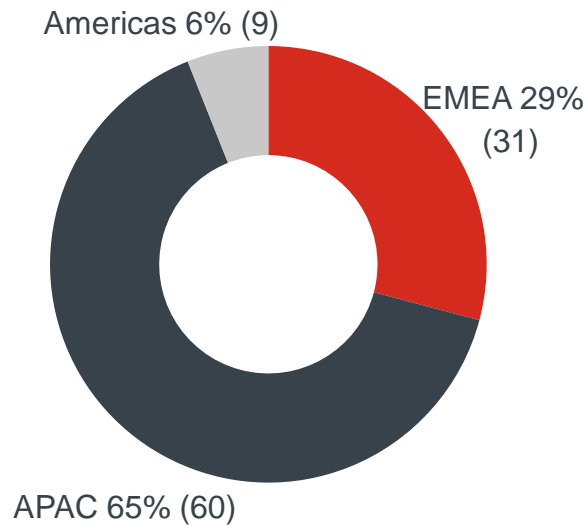


Sales by geographical segment 1-9/2015, %

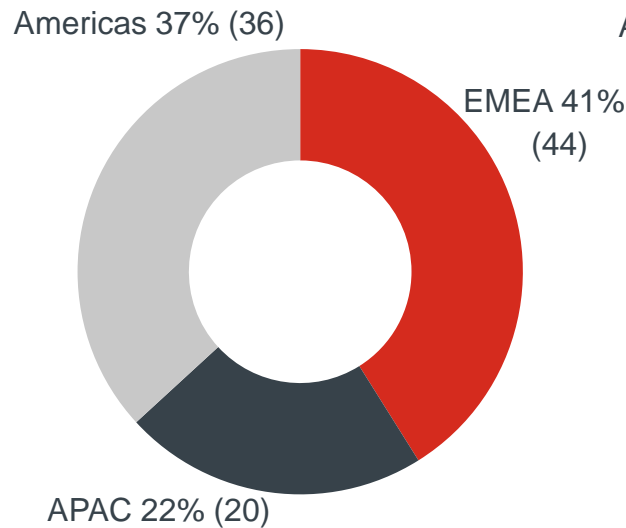


Sales by geographical segment by business area 1–9/2015

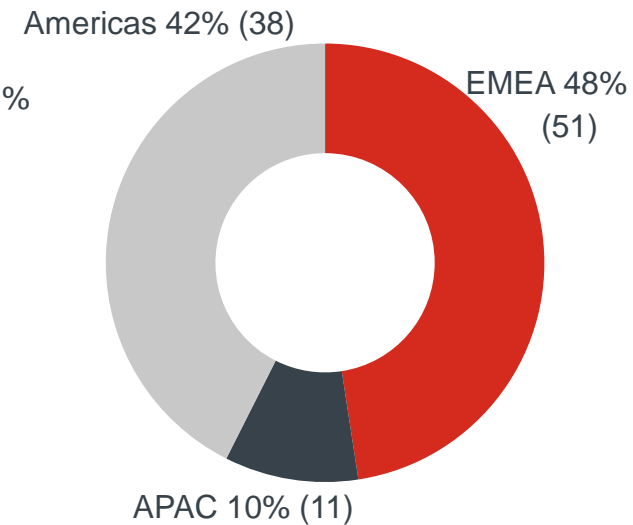
MacGregor



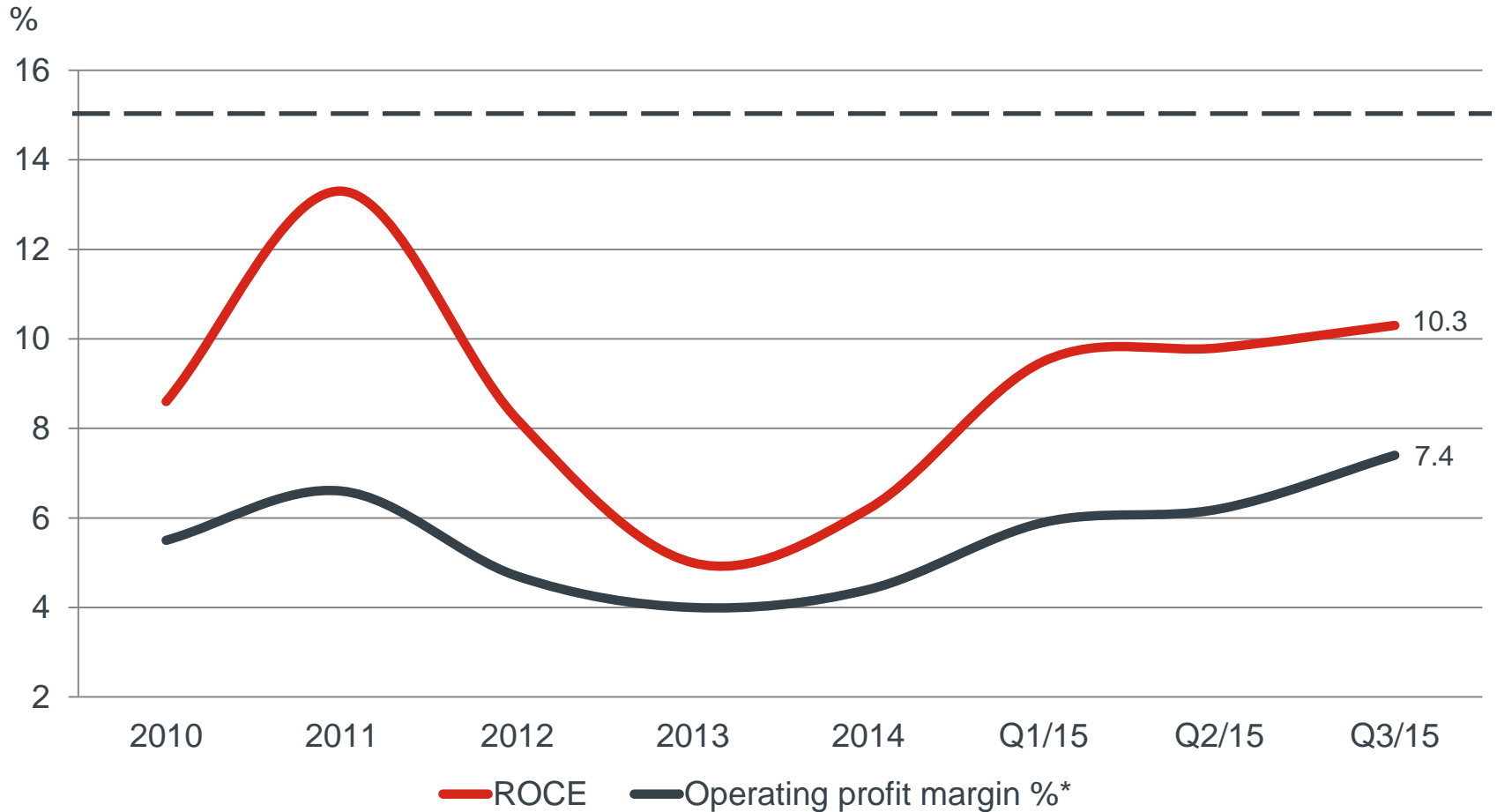
Kalmar



Hiab



Return on capital (ROCE) improved towards 15% over the cycle target



ROCE, annualised
*excluding restructuring costs

Outlook unchanged

- Cargotec's 2015 sales are expected to grow from 2014 (3,358 MEUR).
- Operating profit excluding restructuring costs for 2015 is expected to improve from 2014 (149.3 MEUR).



