

Q4 2014 London road show – 20 March 2015

President and CEO Mika Vehviläinen

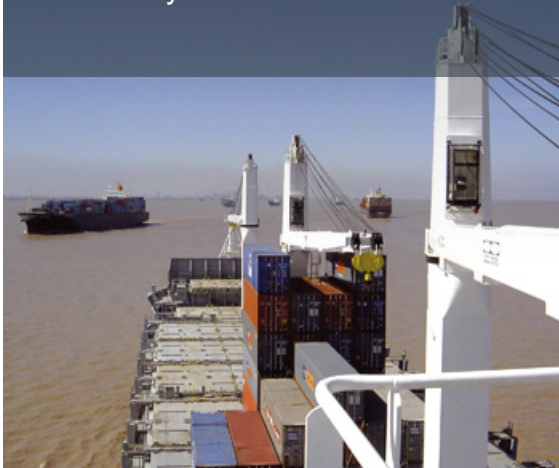
Cargotec in brief



Cargotec's business areas

MacGregor

- MacGregor offers integrated cargo flow solutions for maritime transportation and offshore industries
- Global company with facilities near ports worldwide
- Wide offering for ships, ports and terminals and offshore industry



Kalmar

- Kalmar offers the widest range of cargo handling solutions and services to ports, terminals, distribution centres and heavy industry
- Industry forerunner in terminal automation and in energy efficient container handling



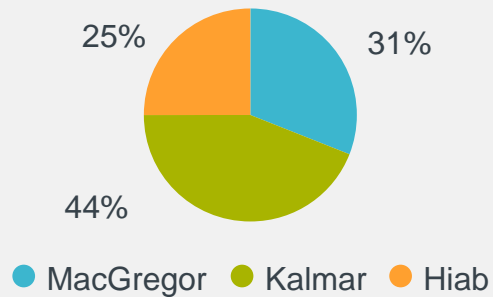
Hiab

- Hiab is the global market leading brand in on-road load handling solutions
- Load handling solutions are used in various sectors of on land transport and delivery, including construction, distribution, forestry, warehousing, waste and recycling, and defence

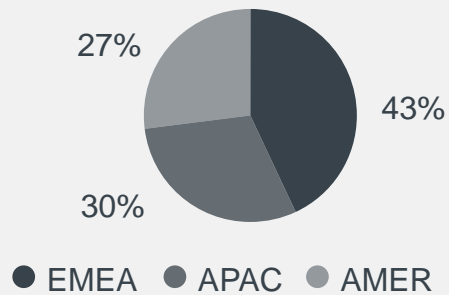


Cargotec's business basics

Cargotec sales split in 2014

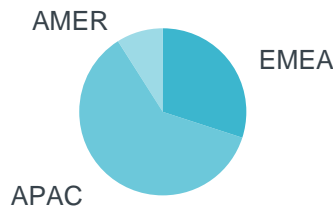


Cargotec geographical split of sales in 2014



Geographical split of sales in 2014

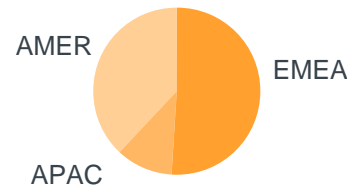
MacGregor



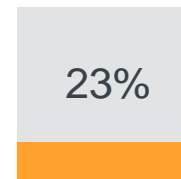
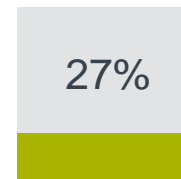
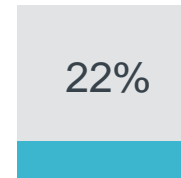
Kalmar



Hiab



Services share of sales in 2014



Order to delivery lead time

12-24
months

6-9
months

2-4
months

Key drivers for the business areas

MacGregor

- Merchant ship building
- Development of global energy demand and oil price, which have a direct impact on exploration and production (E&P) spending and investment in the oil industry
- Oil drilling moving to new locations
 - Deep sea environments and subsea installations drive demand for premium products
- Ship dry dockings, repairs and modernisations
- Preventive maintenance and on-call service needs

Kalmar

- Gross domestic product (GDP) growth is the main driver behind activities in ports and terminals and in the industrial sector
- Container traffic is an important driver for around 70 percent of Kalmar's business operations
 - Drewry Shipping Consultants estimates that global container throughput will grow by around five percent per year
 - Growth in Asia-Pacific is expected to be double that of the rest of the world
- Capacity utilisation drives services
- Bigger ships drive crane refurbishment
- Preventive maintenance and outsourcing needs

Hiab

- Hiab's business fluctuates based on truck sales and construction activity. Sentiments in the distribution, warehousing and forest businesses also affect Hiab
- Residential houses, associated roof constructions and other construction elements are increasingly built elsewhere and transported to their location
 - In mature markets, this creates a need for Hiab products, especially for high capacity equipment
 - In emerging markets, the trend involves a move away from small transportation packages
- Crane utilisation and increased remote diagnostics drive services

Key competitors

MacGregor



SHIP'S EQUIPMENT CENTRE GRONINGEN B.V.



ROBERT ROCK BRUNN



Rolls-Royce



LIEBHERR

Kalmar



KONECRANES®
Lifting Businesses™



LIEBHERR

ABB

Hiab



Manufacturer of truck mounted forklifts

Cargotec's must wins 2013–2014

- Converting Hiab's high business potential into profitability
- Creating solid platform for growth through successful integration of acquisitions in MacGregor
- Safeguarding competitiveness in mobile equipment in Kalmar
- Driving services offering development and growth in MacGregor and Kalmar
- Driving growth in automation in Kalmar



Cargotec's must wins 2015–

- Driving Hiab to best in class profitability and capital return
- Driving MacGregor profitability over the cycle through better effectiveness
- Safeguarding competitiveness in mobile equipment in Kalmar
- Driving services offering development and growth in MacGregor and Kalmar
- Driving growth in automation in Kalmar



Enabling better performance



Building world class business platforms



Performance culture



Better control, predictability and capital returns



Embracing digitalisation

Cargotec financial targets for 2016

Operating profit margin
(EBIT)

>8%

Return on capital
employed
(ROCE pre-tax)

>13%

Gearing

<50%

Dividend

**30-
50%**
of earnings per share

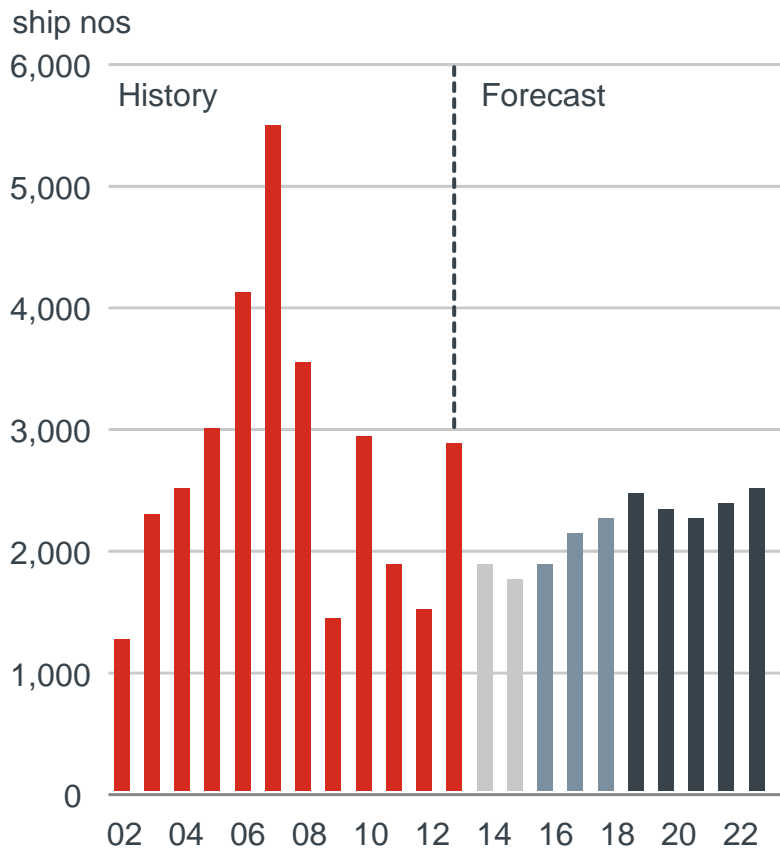


MacGregor

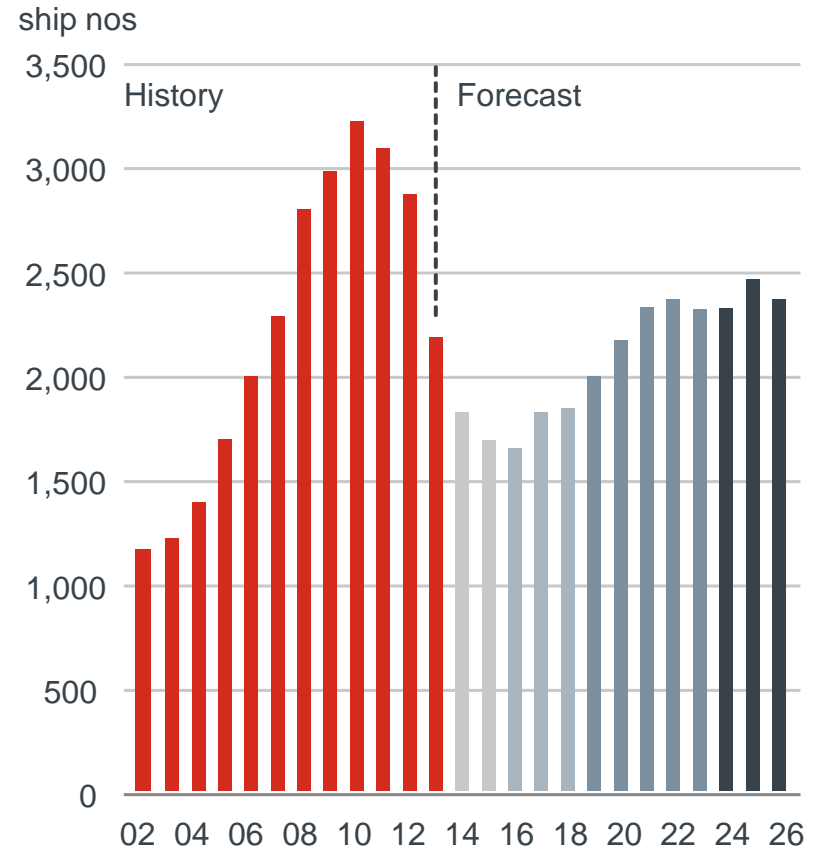


Contracting forecast reflects imbalance in the merchant ship market

Long-term contracting 2002–2023



World fleet additions 2002–2026



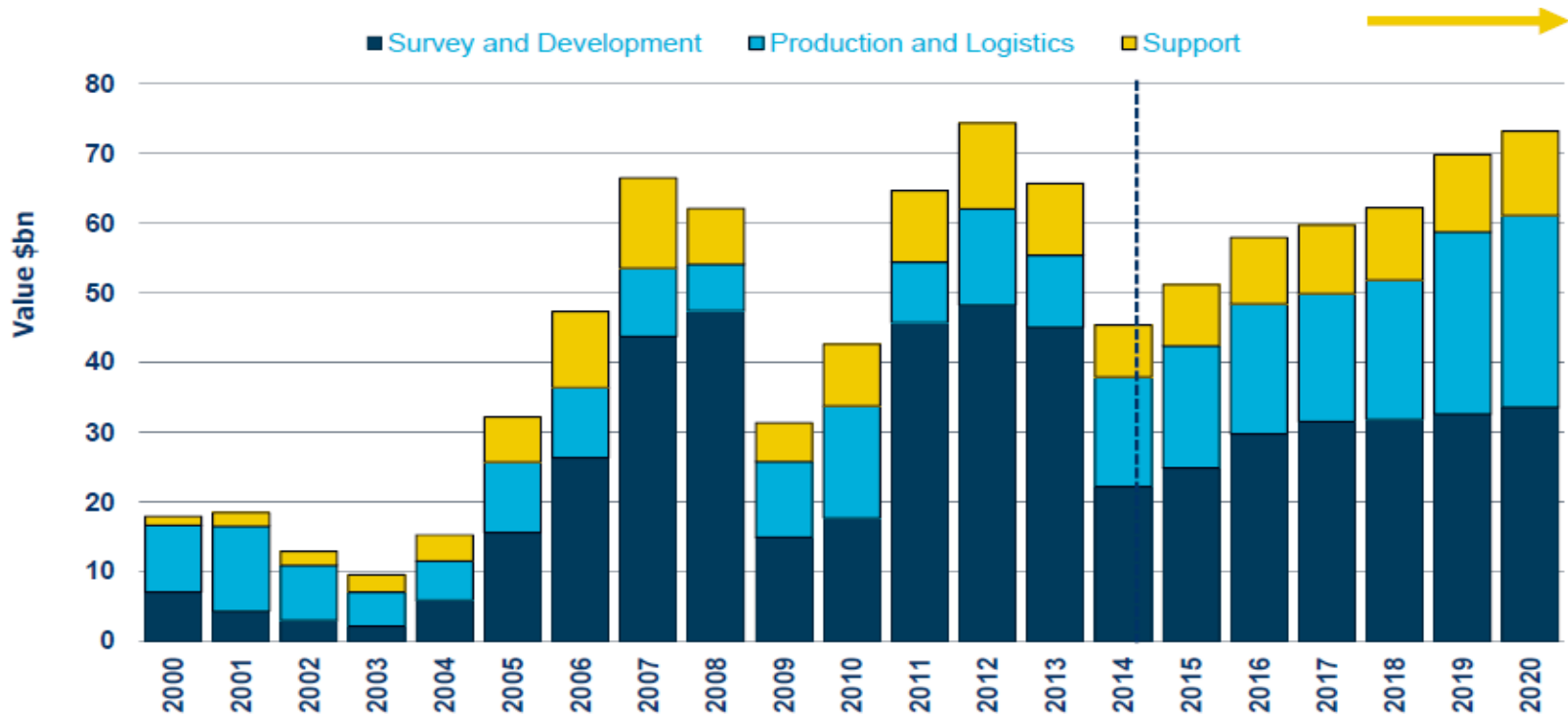
Source: Clarkson Newbuilding Market Forecast, September 2014

Deep-sea production requires bigger, versatile and more complicated offshore vessels

Contracting in US\$ billion

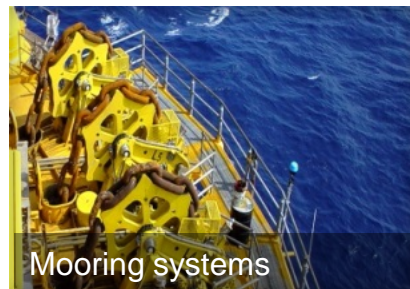
Total mobile offshore contracting

Long-term
forecast average
\$62 billion



Source: Clarkson February 2014

Strong positions in merchant ship and offshore markets



Key actions to drive profitability in MacGregor

Service

- Right capabilities and systems
- Service footprint
- Excellence in spare parts availability

Grow services to 30% of sales

Sales

- Increase sales by cross-selling & defining sales models
- Increase solution selling

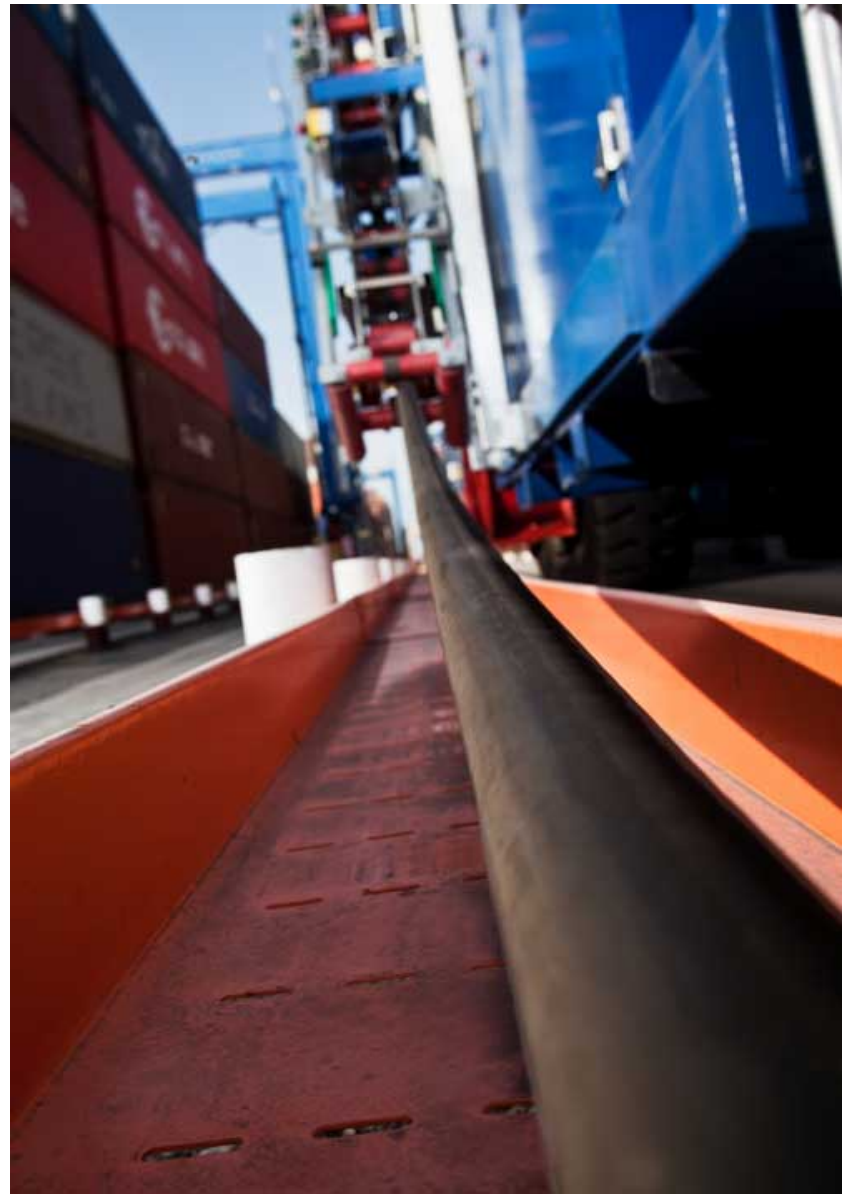
Cross-selling 100 MEUR +

Effectiveness

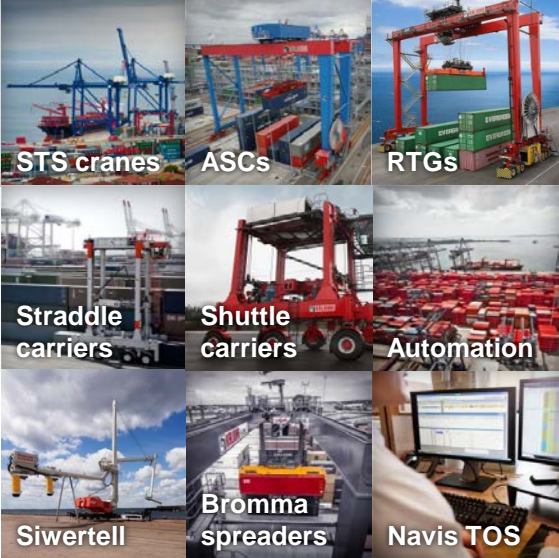
- Leveraging technology and R&D
- Design to value

2% product margin improvement

Kalmar



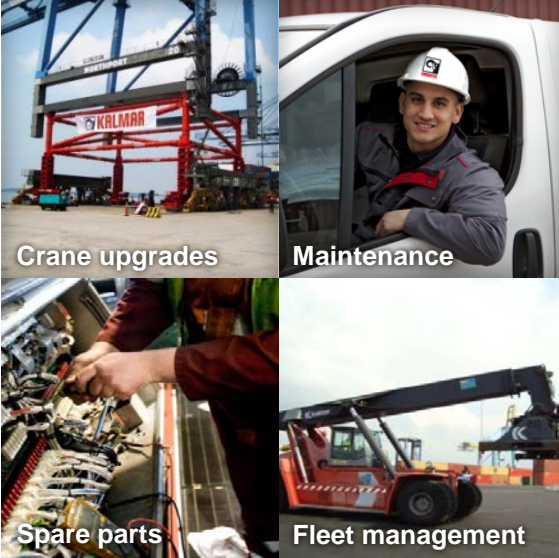
Kalmar offering



Terminal projects

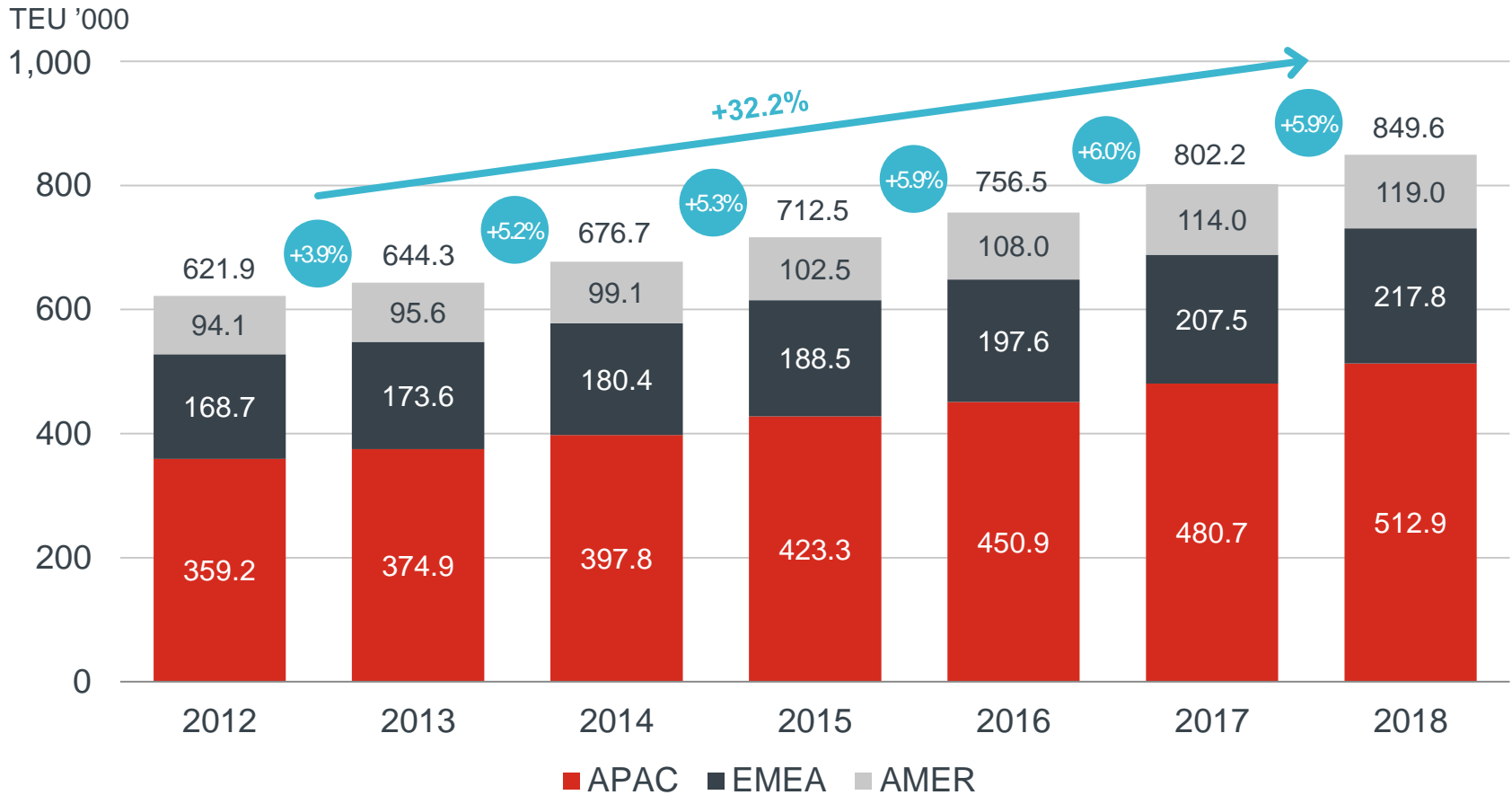


Equipment



Services

Container throughput forecast illustrates that Kalmar is in a growth business



Source: Drewry: Container forecaster Q3 2014 and Q4 2014, Base case, January 2015

Securing competitiveness of mobile equipment

- New products meeting customer requirements also in emerging markets
 - Energy efficiency improvements
 - Environmentally friendly products
 - Safety enhancements and easier to maintenance
- Profit improvement initiatives integrated
 - Design-to-cost
 - Sourcing
 - Improved pricing power
- Reduced total cost of ownership
- Differentiation against low-cost competition



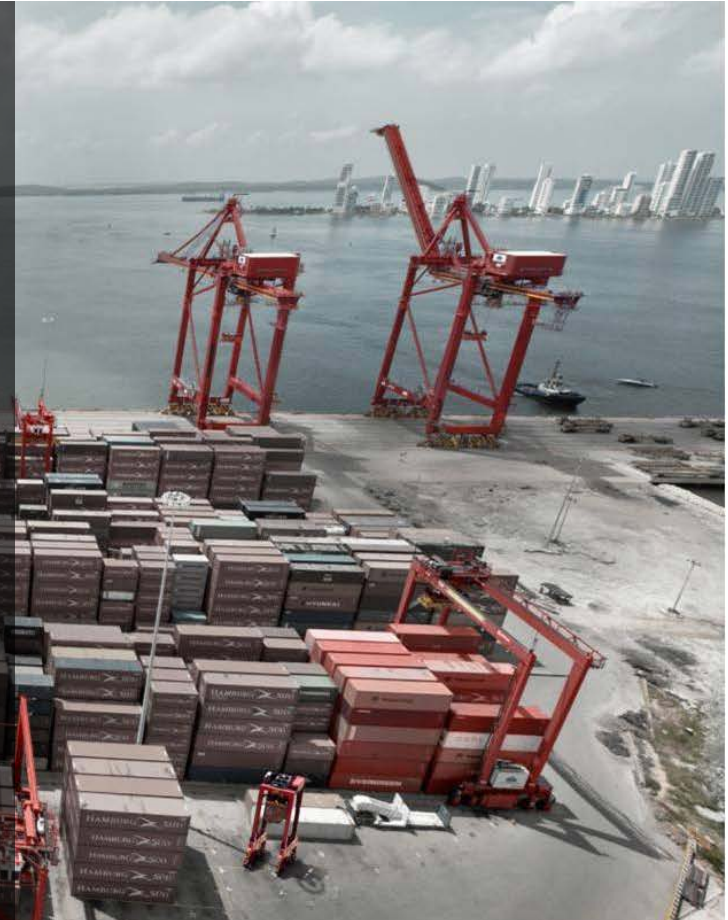
Services development continues in all areas

- Kalmar Care contracts won in all regions
- Kalmar Care for automated terminals – work in progress
- Crane Upgrades growth delayed, but still anticipated
- Spare parts pricing and tool development will show results in 2015



Kalmar has all the capabilities to respond to the increased demand for port automation

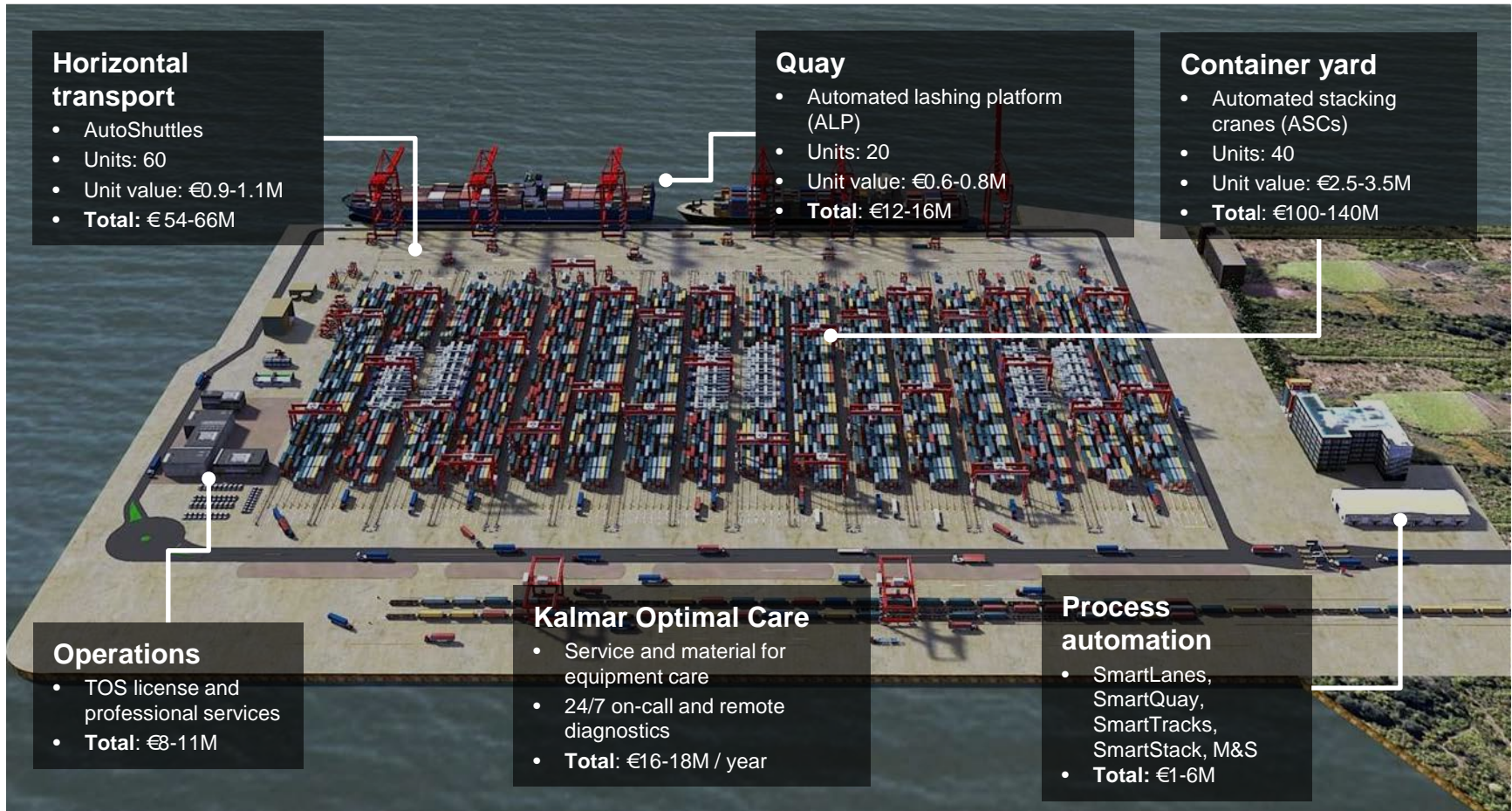
- Terminals are looking for different types of automation
 - Currently approx. 25 projects on-going or planned
 - Expected 20 more projects in coming five years
- Greenfield projects = New automated terminals, expansion of current automated terminals or conversions of existing manual operations
 - Currently approx. 25 projects on-going or planned
 - Expected 20 more projects in coming five years
- Brownfield projects = Automating existing manual operations
 - Development in early phase
 - Currently approx. 130 existing straddle carrier terminals, of which 10% with automation potential
 - Currently approx. 430 existing RTG terminals, of which 10–15% with automation potential



Example of an automated terminal project

TERMINAL CAPACITY: 3 MILLION TEU / YEAR

TOTAL KALMAR SCOPE APPROX. EUR 190-260 MILLION



Horizontal transport

- AutoShuttles
- Units: 60
- Unit value: €0.9-1.1M
- **Total: €54-66M**

Quay

- Automated lashing platform (ALP)
- Units: 20
- Unit value: €0.6-0.8M
- **Total: €12-16M**

Container yard

- Automated stacking cranes (ASCs)
- Units: 40
- Unit value: €2.5-3.5M
- **Total: €100-140M**

Operations

- TOS license and professional services
- **Total: €8-11M**

Kalmar Optimal Care

- Service and material for equipment care
- 24/7 on-call and remote diagnostics
- **Total: €16-18M / year**

Process automation

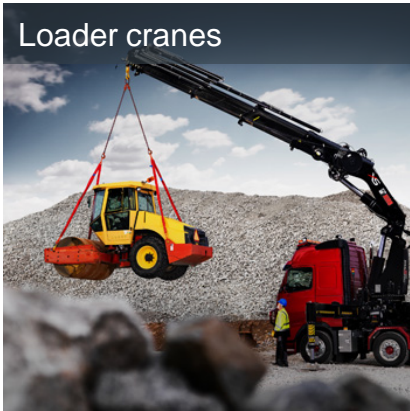
- SmartLanes, SmartQuay, SmartTracks, SmartStack, M&S
- **Total: €1-6M**

Hiab

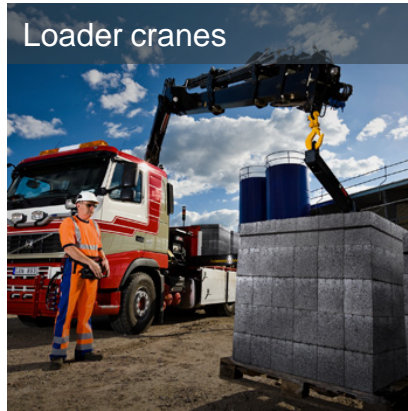


Hiab offering

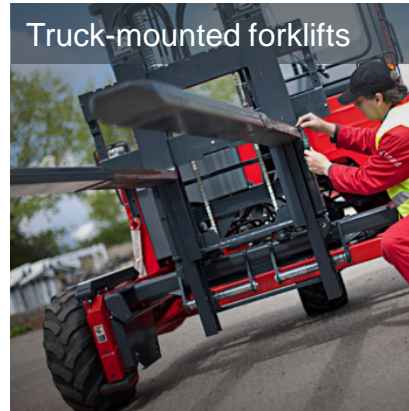
Loader cranes



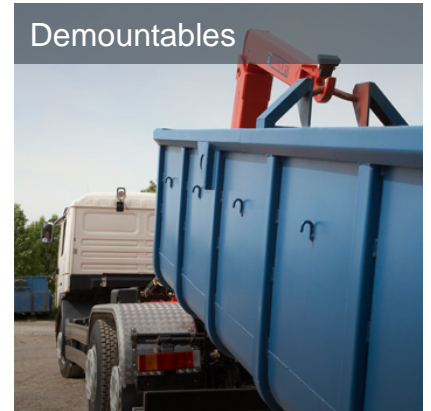
Loader cranes



Truck-mounted forklifts



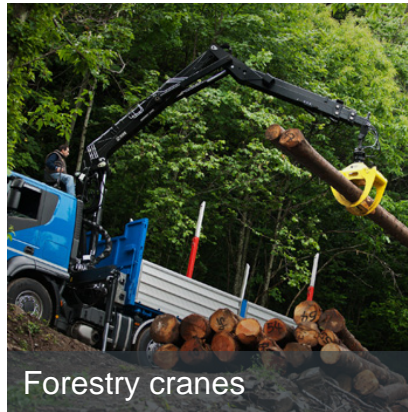
Demountables



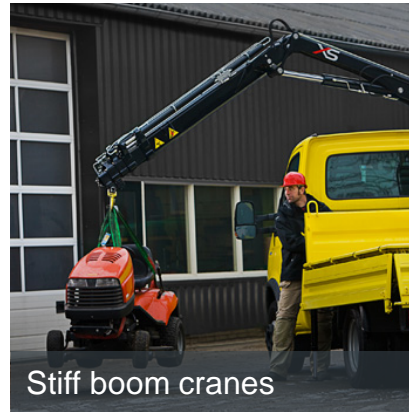
Tail lifts



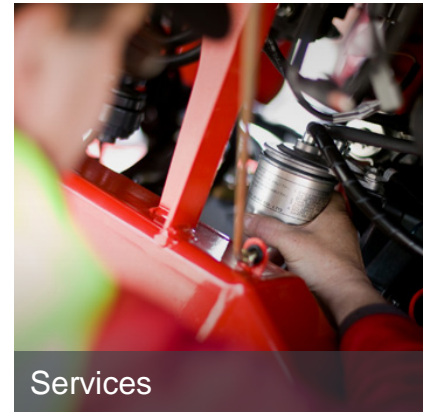
Forestry cranes



Stiff boom cranes

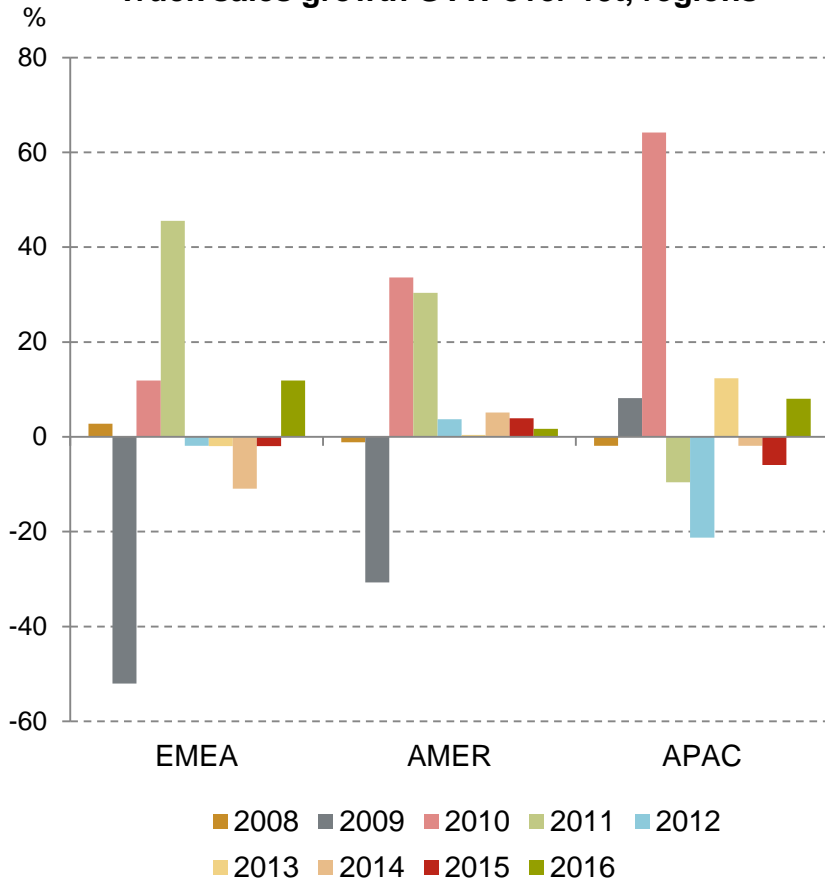


Services

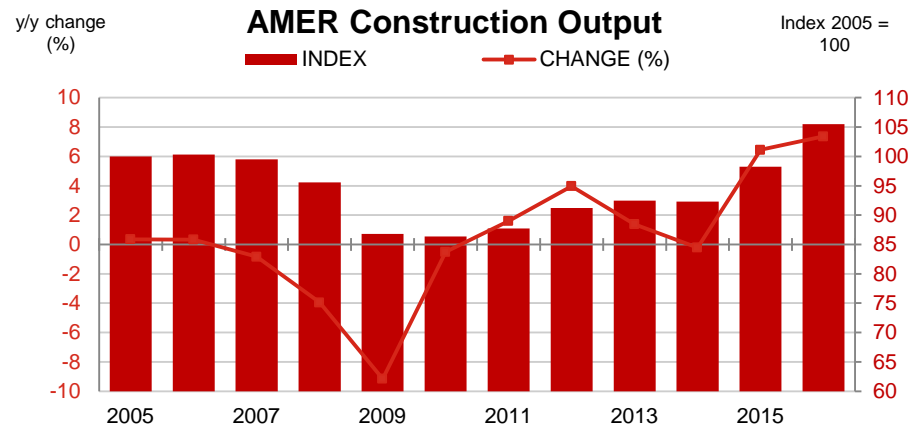
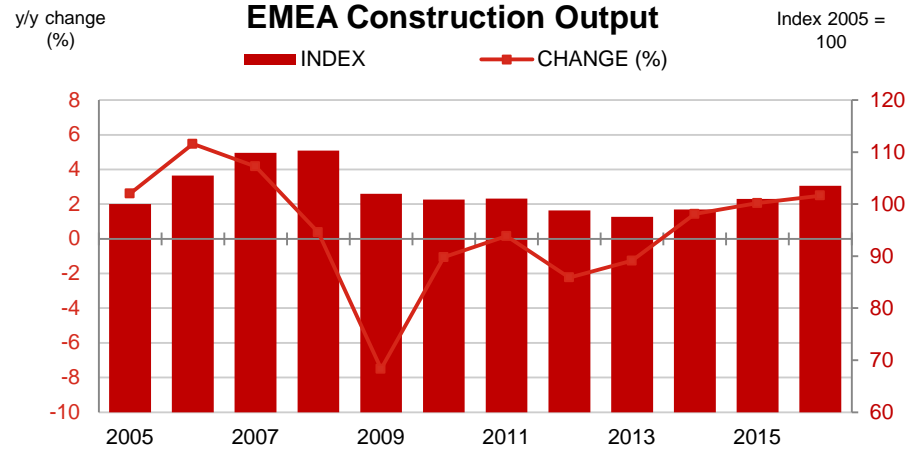


Two-fold market environment for Hiab

Truck sales growth GVW over 15t, regions



Source: IHS Global Insight Q1/2015 forecast



Building a sustainably profitable and growing business



Three must win battles to reach targets in Hiab

1. Outperform competition in sales & services execution

- Dealer management
- Sales funnel management
- Parts availability

2. Develop customer driven, simplified and competitive product offering

- Customer insight
- Product portfolio upgrading
- Modularisation

3. Reduce value chain complexity, cost and cash conversion cycle

- Stargard up to full-scale
- Optimise the distribution network
- Working capital management



January– December financials



Highlights of Q4

- Orders declined 5% y-o-y and totalled EUR 914 (958) million
- Order book strengthened 11% y-o-y to EUR 2,200 (1,980) million
- Sales grew 5% y-o-y to EUR 963 (914) million
- Operating profit excluding restructuring costs was EUR 71.5 (38.6) million or 7.4 (4.2)% of sales
- Operating profit was EUR 63.0 (15.3) million
- Cash flow from operations was EUR 84.0 (133.9) million
- New operating model in Hiab to accelerate growth
- Dividend EUR 0.55/B share



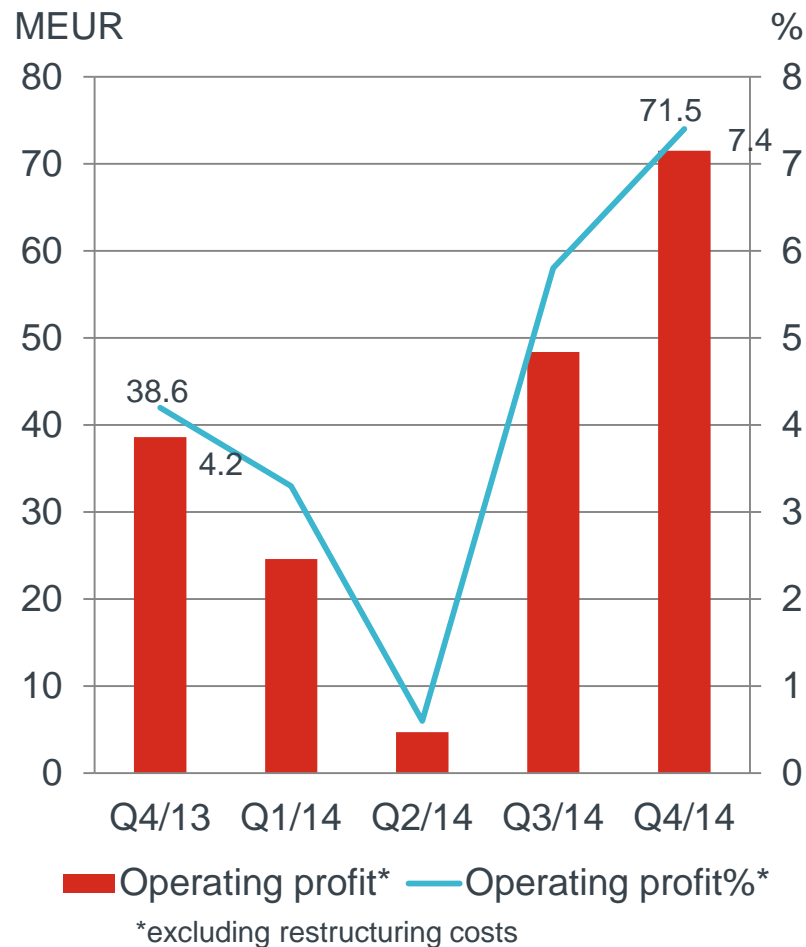
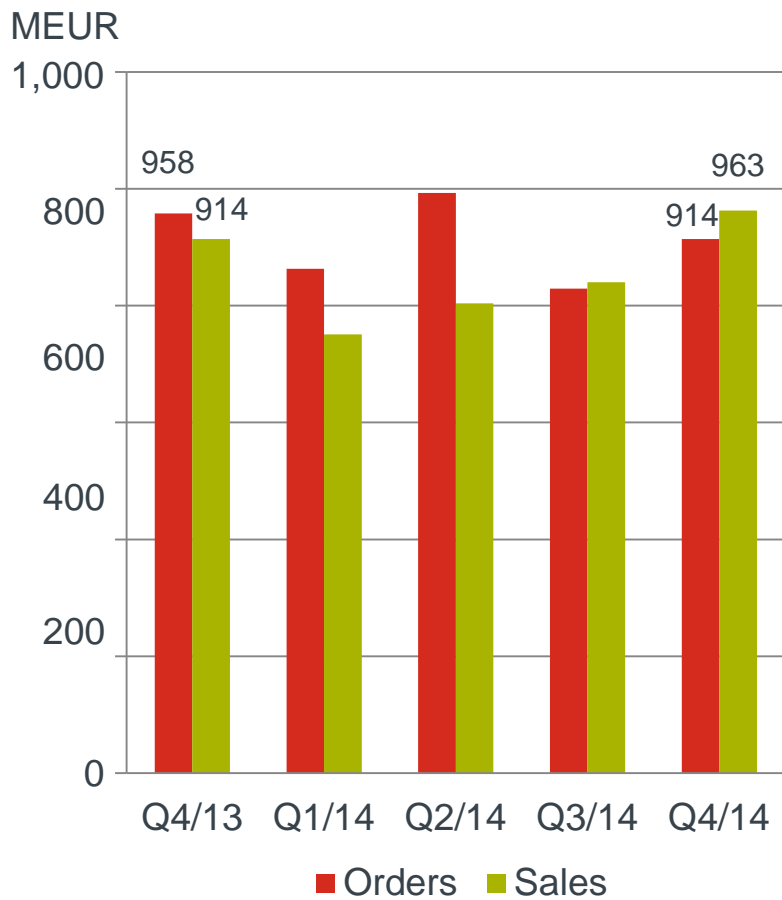
January–December key figures

	Q4/14	Q4/13	Change	Q1-Q4/14	Q1-Q4/13	Change
Orders received, MEUR	914	958	-5%	3,599	3,307	9%
Order book, MEUR	2,200	1,980	11%	2,200	1,980	11%
Sales, MEUR	963	914	5%	3,358	3,181	6%
Operating profit, MEUR*	71.5	38.6	85%	149.3	126.5	18%
Operating profit margin, %*	7.4	4.2		4.4	4.0	
Cash flow from operations, MEUR	84.0	133.9		204.3	180.9	
Interest-bearing net debt, MEUR	719	578		719	578	
Earnings per share, EUR	0.63	0.12		1.11	0.89	



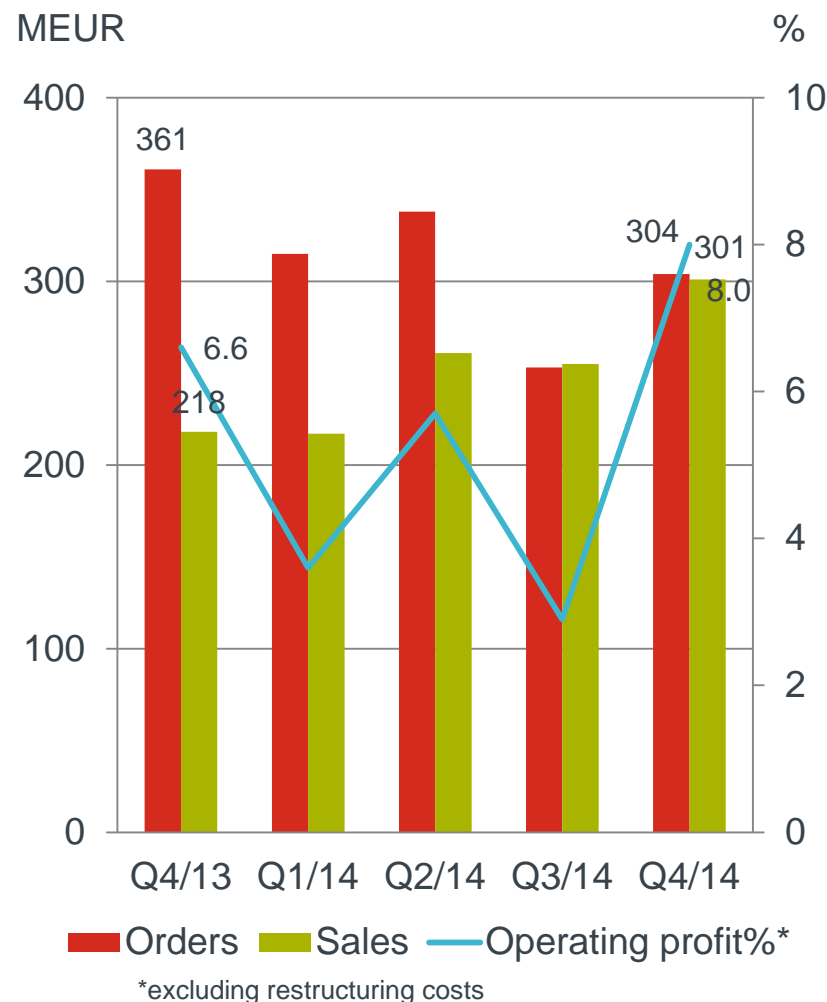
*excluding restructuring costs

Performance development



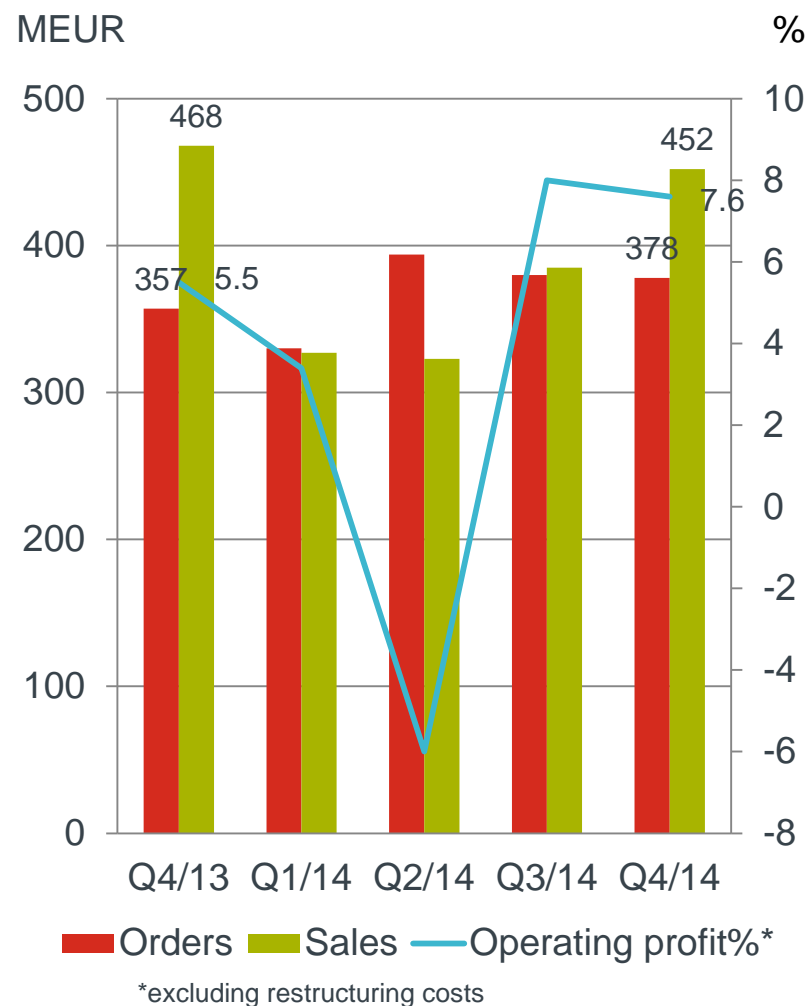
MacGregor Q4 – first quarter of organic growth in three years

- Order intake declined 16% y-o-y to EUR 304 (361) million
 - Contribution of acquired businesses EUR 121 (25) million
- Order book grew 15% y-o-y
- Market for marine cargo handling equipment remained stable
- Offshore cargo handling equipment market remained stable, but steep fall in oil price increased uncertainty in market
- Demand for services was satisfactory
- Sales grew 38% y-o-y to EUR 301 (218) million
 - Contribution of acquired businesses EUR 61 (18) million
 - Organic growth 20%
- Profitability excluding restructuring costs was 8.0%
 - Restructuring costs EUR 1.9 million
 - PPA depreciation and amortisation EUR 2.5 million (EUR 10.0 million in 2014)



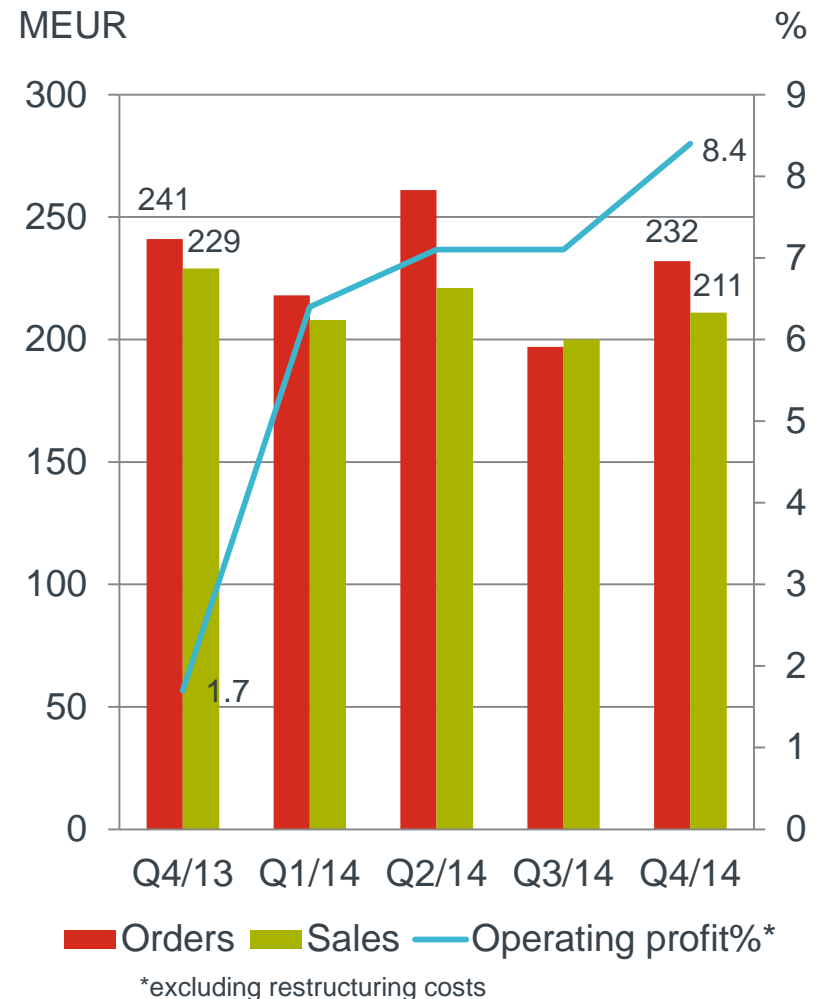
Kalmar Q4 – healthy development continued

- Demand for mobile equipment was strong and customers' interest in automation solutions increased thanks to successful deliveries
- Demand remained steady in Europe, but grew in North America, particularly from distribution centres. Activity also picked up in Asia towards the year-end.
- Demand for services was healthy
- Order intake increased 6% y-o-y to EUR 378 (357) million
- Sales declined 3% y-o-y to EUR 452 (468) million
- Profitability excluding restructuring costs was 7.6%
 - Restructuring costs EUR 0.7 million

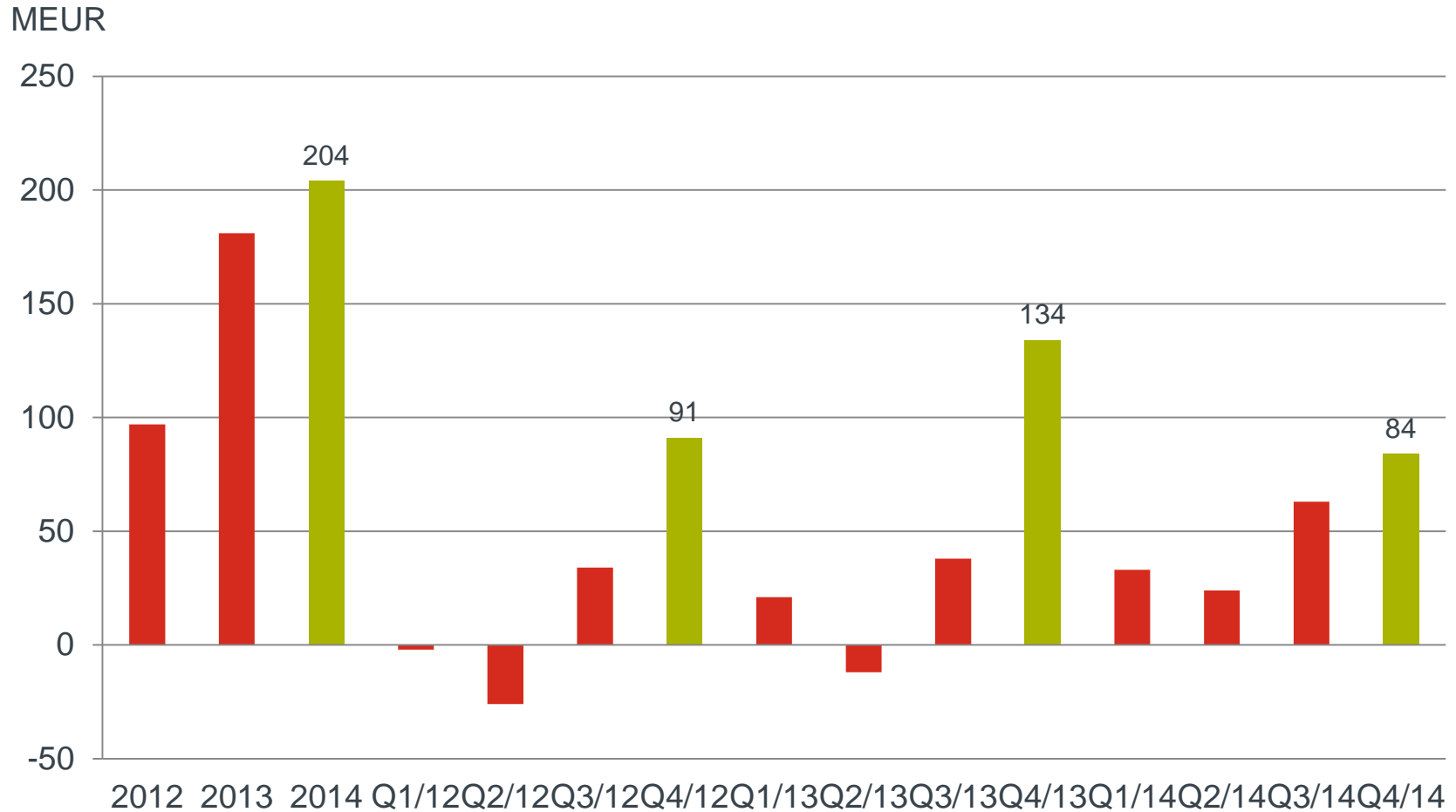


Hiab Q4 – profitability improved further

- Demand for load handling equipment was satisfactory throughout the year
 - Activity level stable in Europe and healthy in North America with demand picking further up towards the year-end
- Demand for services was healthy
- Orders declined 4% y-o-y to EUR 232 (241) million
- Sales declined 8% y-o-y to EUR 211 (229) million
- Profitability excluding restructuring costs was 8.4%
 - Restructuring costs EUR 5.9 million

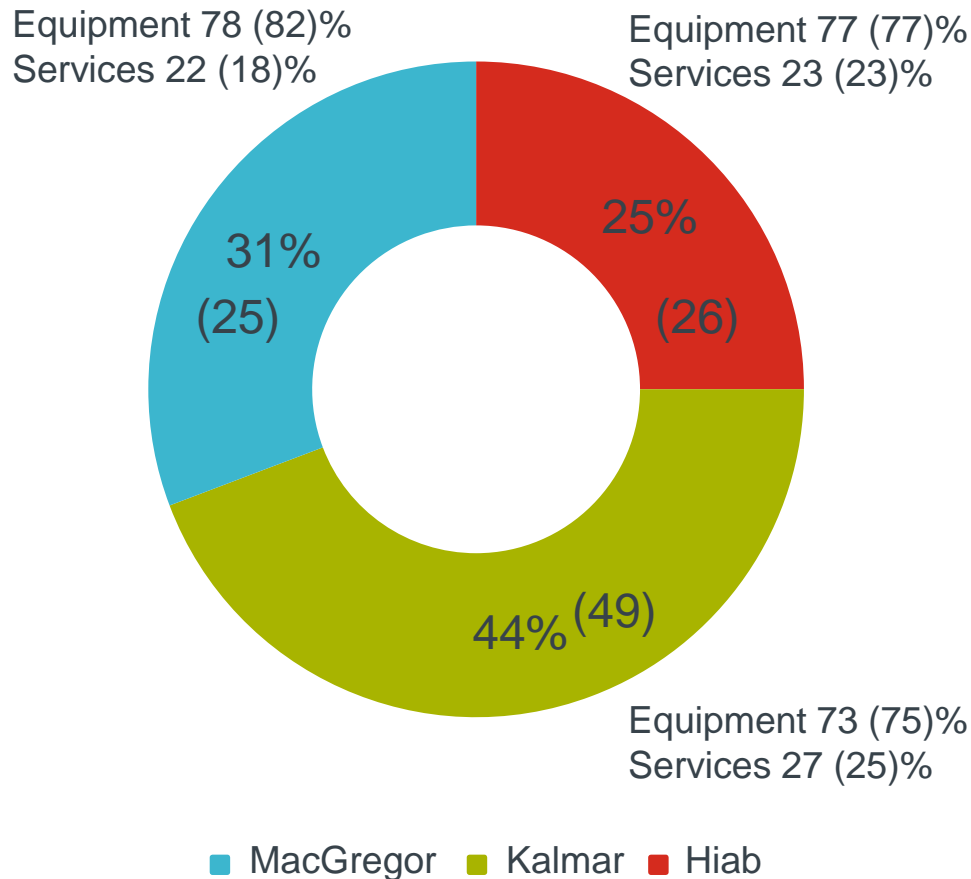


Cash flow from operations strengthened towards year-end

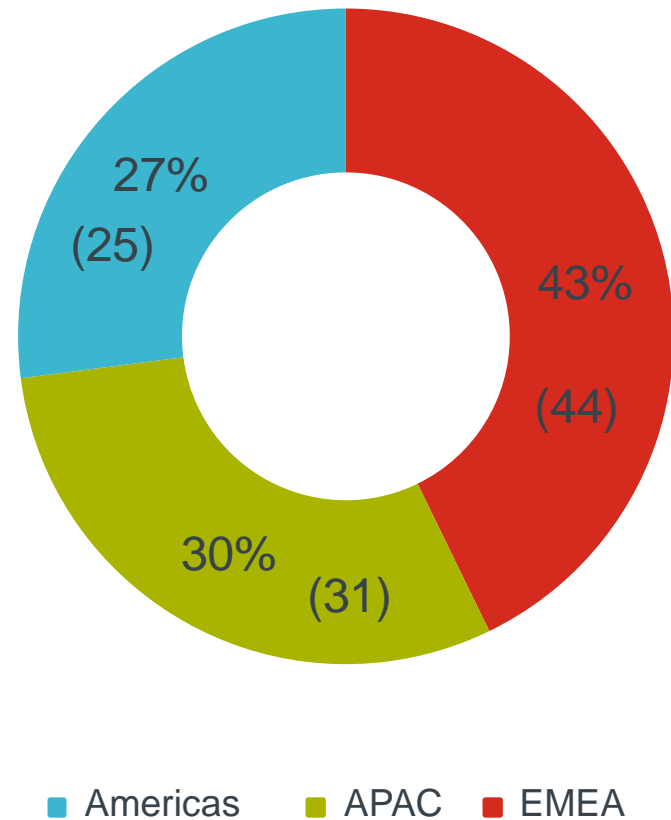


Acquisitions increased MacGregor's share in portfolio

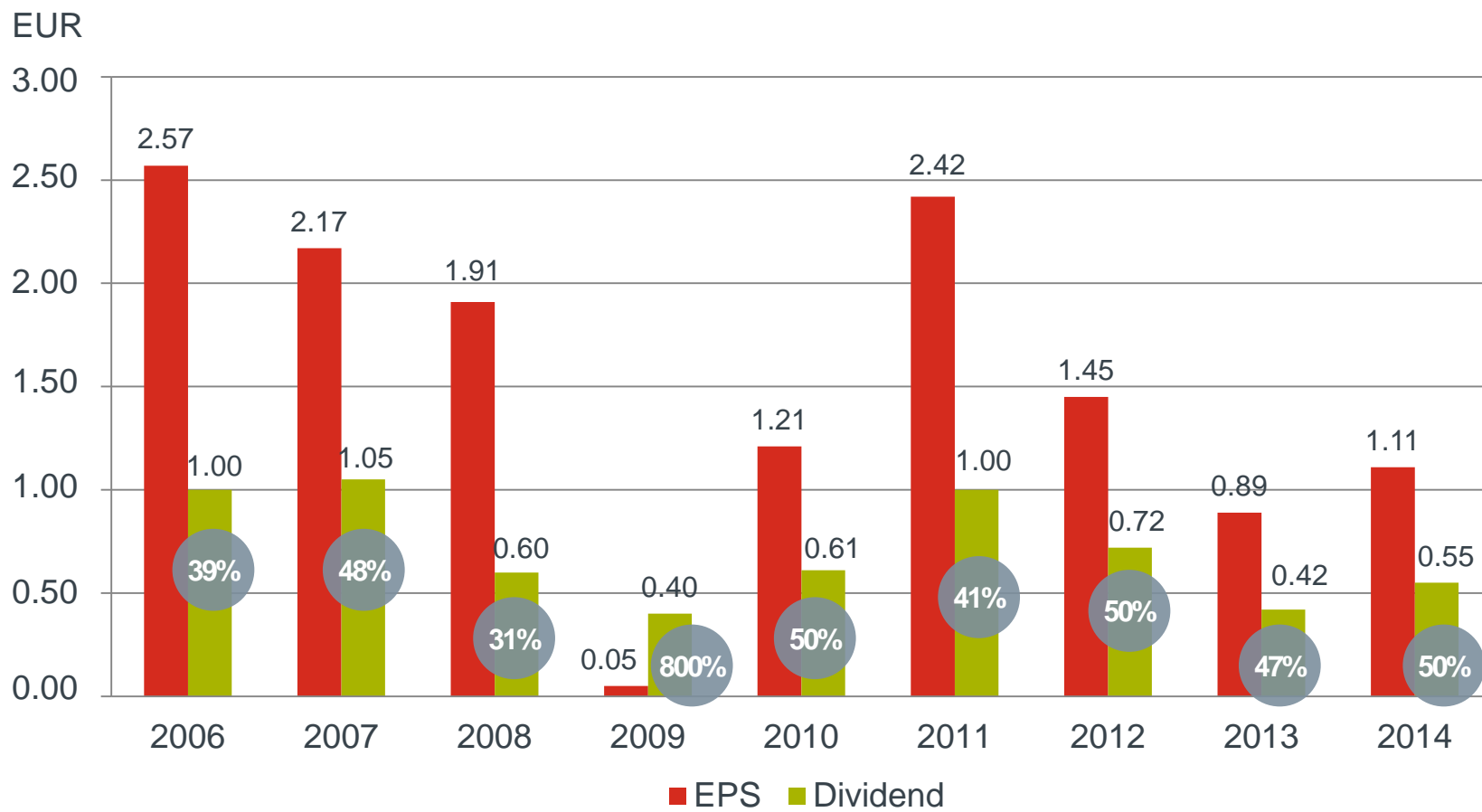
Sales by reporting segment 2014, %



Sales by geographical segment 2014, %



Earnings per share and dividend (B share)



Outlook

- 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).



