

Q1 2014 London road show – 12-13 June 2014

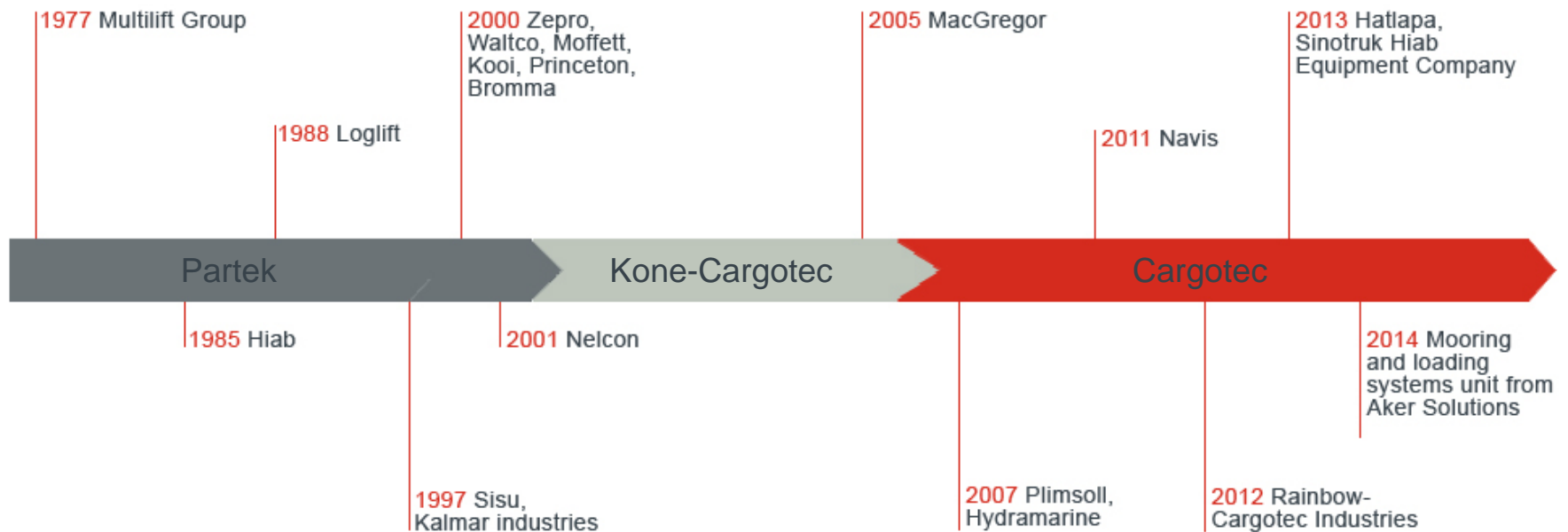
President and CEO Mika Vehviläinen

Cargotec in brief



Cargotec history

Today's Cargotec is the result of a series of mergers and acquisitions between industry leaders in cargo and load handling business.



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



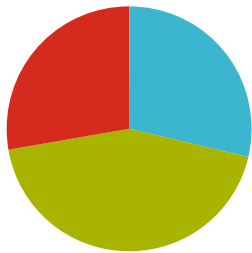
Hiab

- 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



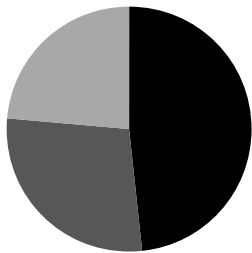
Cargotec's business basics

Cargotec sales split in 1-3/2013



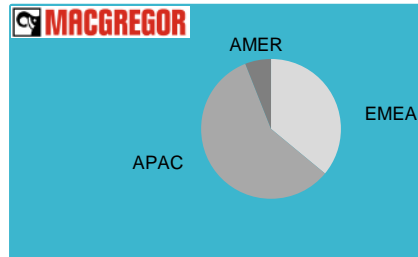
■ MacGregor ■ Kalmar ■ Hiab

Cargotec geographical split of sales in 1-3/2014

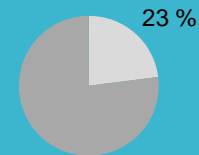


■ EMEA ■ APAC ■ AMER

Geographical split of sales in 1-3/2014



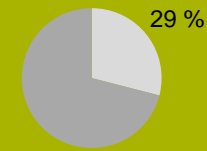
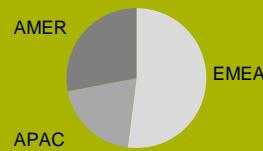
Services share of sales in 1-3/2014



Order to delivery lead time

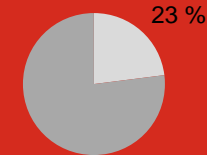
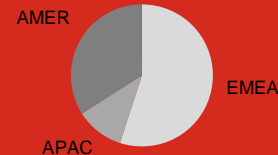
12-24 months

KALMAR



6-9 months

HIAB



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



- Palfinger
- Fassi
- HMF
- Hyva
- Terberg Kinglifter

- ZPMC
- Konecranes
- Terex/Gottwald
- Sany
- Liebherr

- TTS
- SMS
- German Lashing
- SEC
- Mitsubishi HI
- IHI
- Navalimpianti
- NOV
- Rolls-Royce
- Huisman
- Liebherr

Cargotec's must-win battles

- Turning Hiab's high business potential into profitability
- Building the MacGregor growth platform with the successful integration of acquisitions
- Ensuring Kalmar's competitiveness and profitability in mobile equipment
- Profitable future growth in services in Kalmar and MacGregor
- Building Kalmar as a sustainable leader in container handling automation



Cargotec financial targets

2014

- Due to on-going turnaround activities focus in short-term profit improvement
- 40 MEUR run-rate improvement by end of 2014 on 2013 EBIT both in Kalmar and Hiab
- MacGregor's EBIT impacted by slow recovery in merchant ship market, delivery mix as well as M&A related integration costs

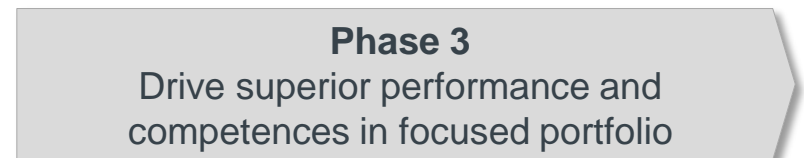
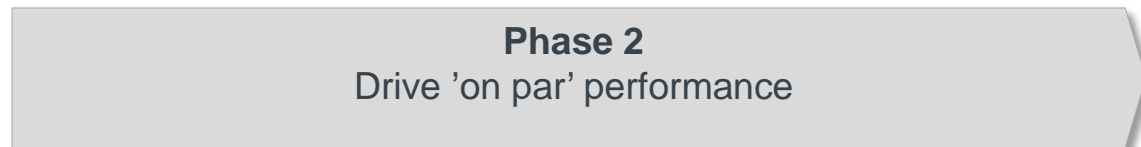
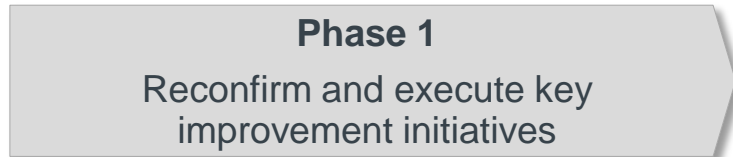
Long-term financial targets

- Gearing below 50 percent
- Dividend 30–50 percent of earnings per share
- Cargotec will revert to longer term profitability and return targets during 2014

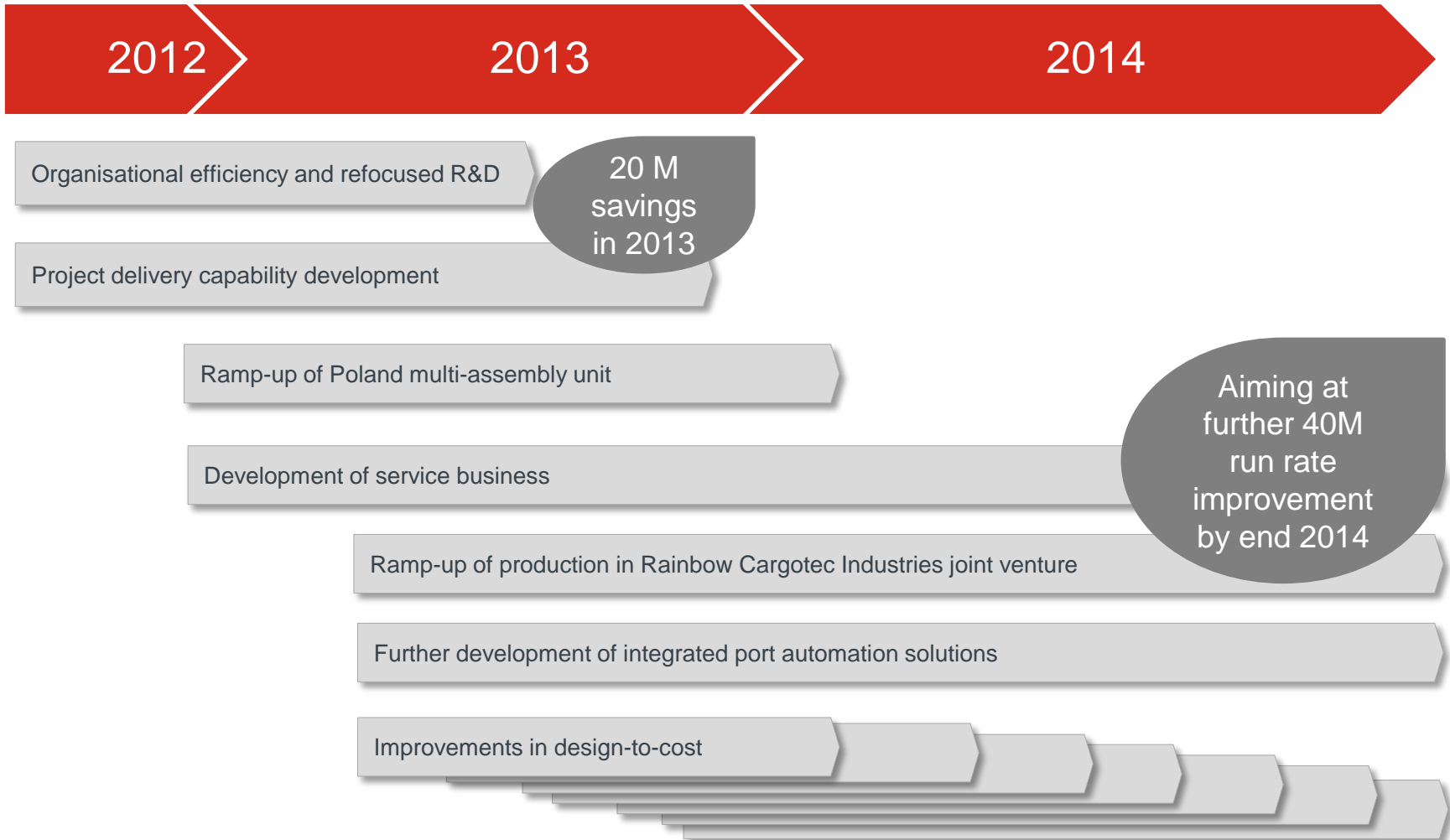
**Driving for better
performance**



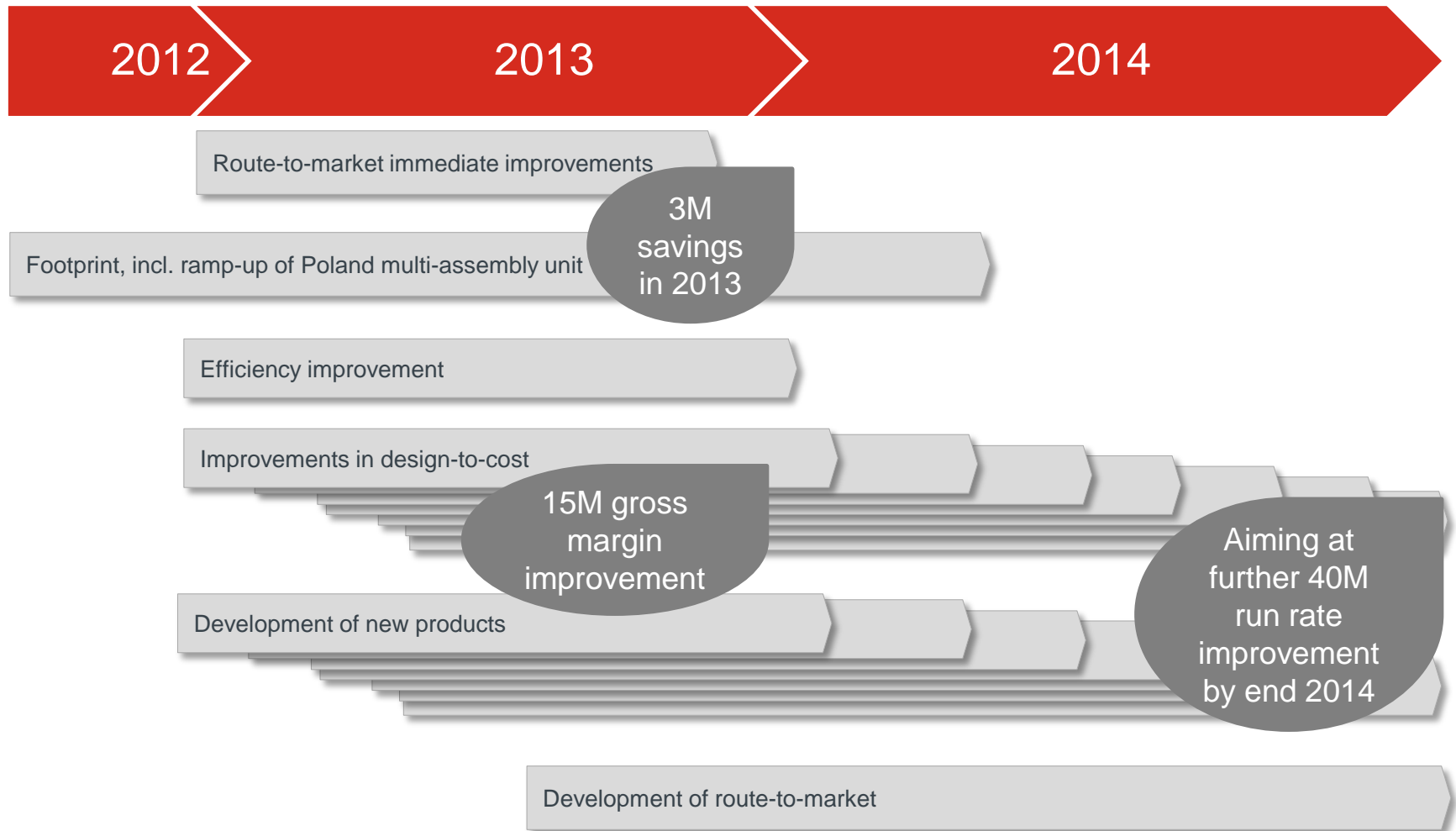
Cargotec road map



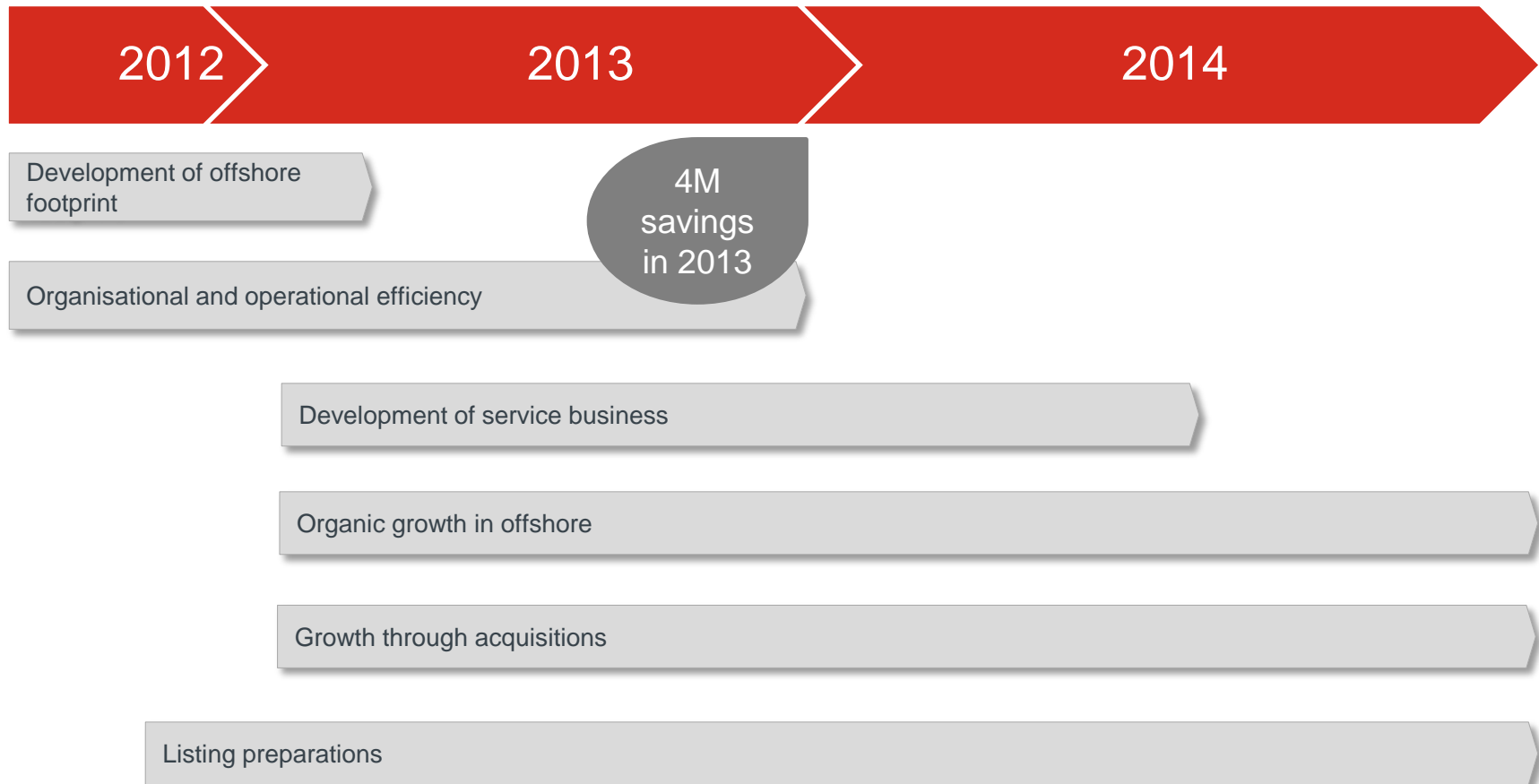
Kalmar improvement initiatives



Hiab improvement initiatives



MacGregor improvement initiatives

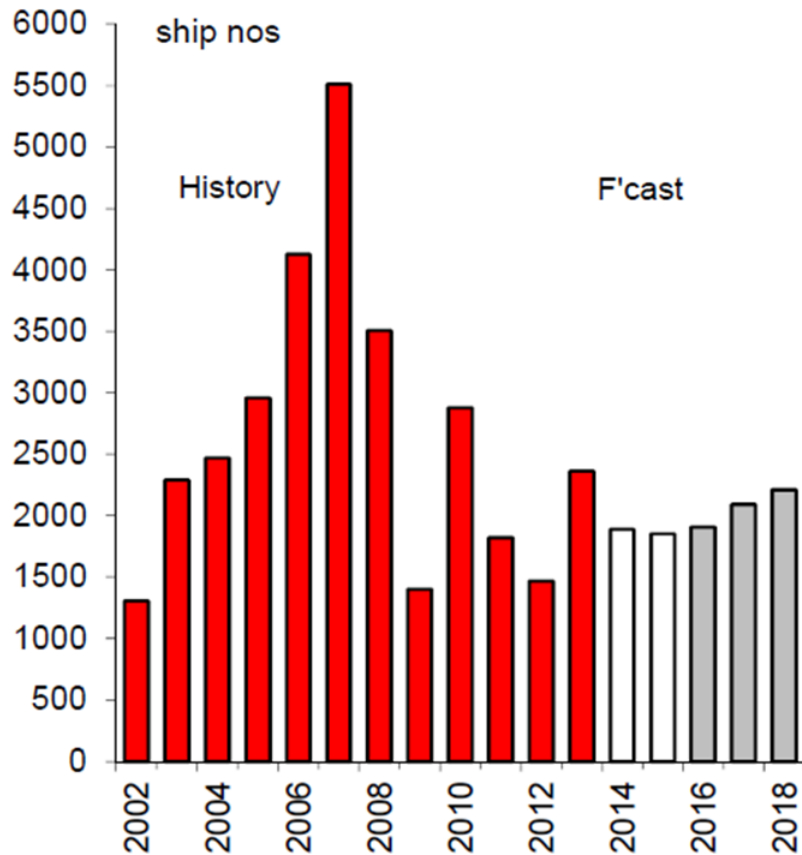


MacGregor

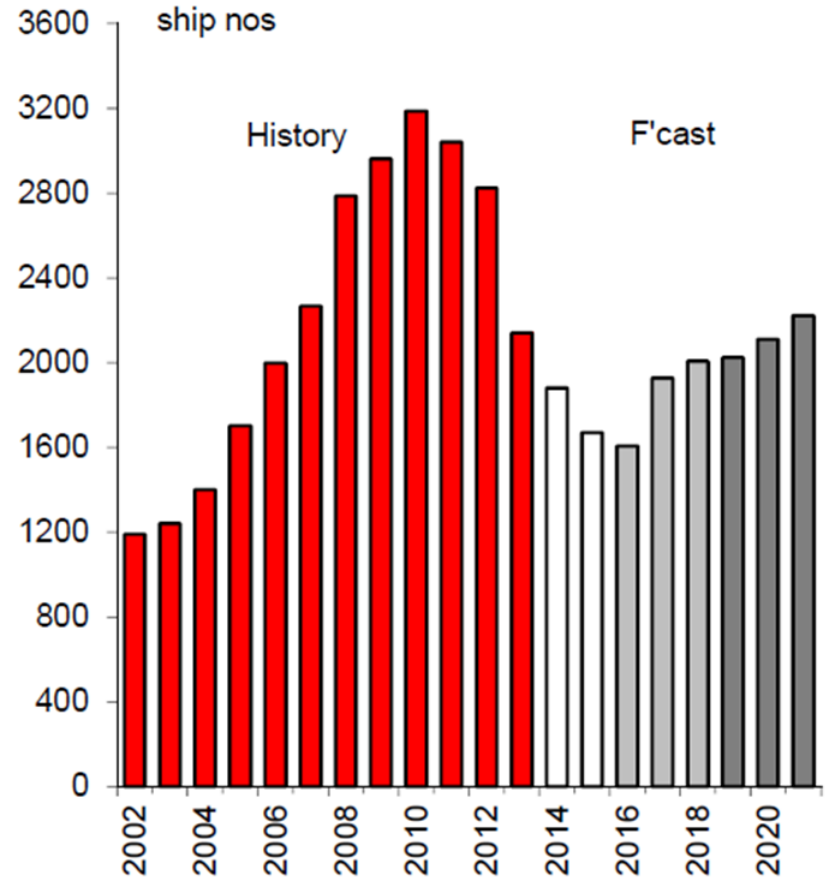


Merchant ship contracting forecast

Contracting 2002-2018



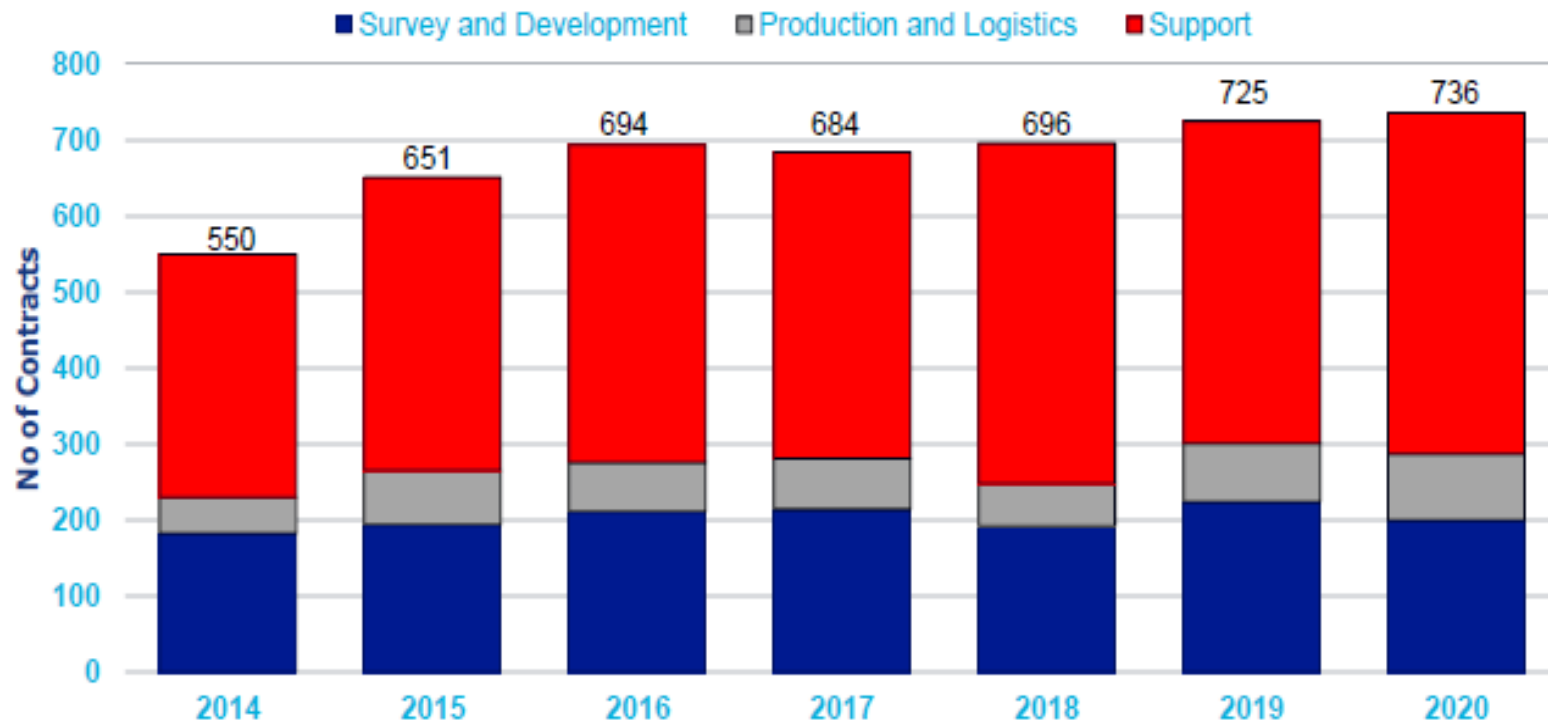
Deliveries 2002-2021



Source: Clarkson Shipbuilding forecast, March 2014









Offshore ship contracting forecast

Short Term Sentiment and Long Term Model Results



Source: Clarkson Offshore forecast, March 2014

Strong market leadership positions

Merchant	#1		#1		#1		#1		
	Hatch covers	Container lashing	Cranes and selfunloaders	RoRo					
	Offshore	#2		#2		#2		#2	
		Offshore advanced load handling	Offshore winches	Mooring systems	Loading systems				

RoRo=roll-on/roll-off

Focus on integrated systems and solutions

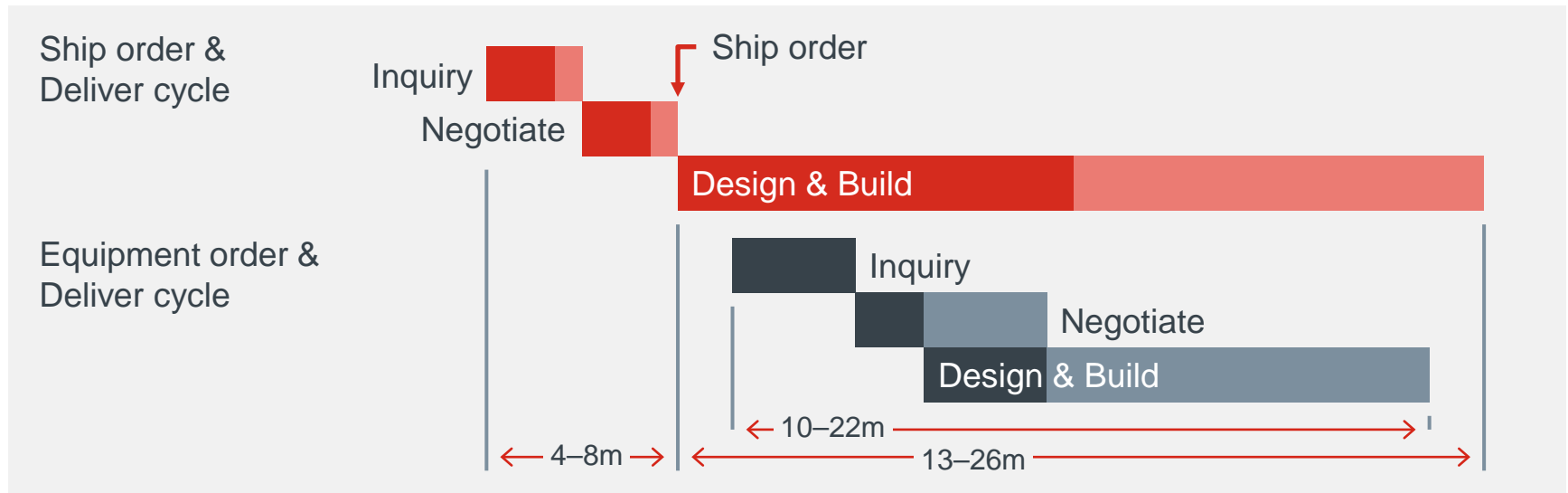
Comprehensive product coverage

		Cranes	Hatch covers	RoRo equipment	Offshore cranes	Winches	Mooring systems	Service	
Merchant ships	Bulk carrier	X	X			X		X	Customers
	Container ship	X	X			X		X	
	General cargo ship	X	X	X		X		X	
	Naval ship	X	X			X		X	
	RoRo ship	X	X	X		X		X	
	Tanker	X				X		X	
	Trans-loader	X	X			X		X	
Offshore ships	OFS subsea		X	X	X	X	X	X	Customers
	OFS AHTS				X	X	X	X	
	OFS tug					X	X	X	
	New ship types								

RoRo=roll-on/roll-off, OFS=offshore, AHTS=anchor handling, towing, supply

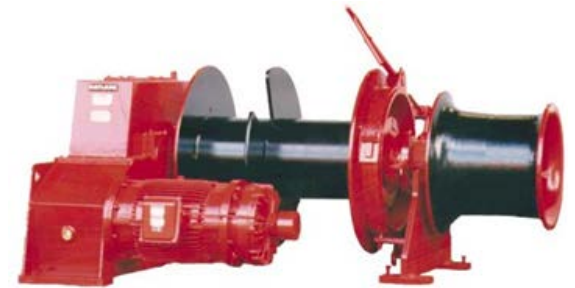
What to expect from MacGregor in 2014

- Focus on larger systems sales
 - With increasing order lumpiness
- Greater emphasis on service
- Managing the lag between ship orders and equipment sales
- Increasing order rates for merchant and offshore
- Capturing Hatlapa and MLS synergies
 - Procurement
 - Cross-selling with MacGregor



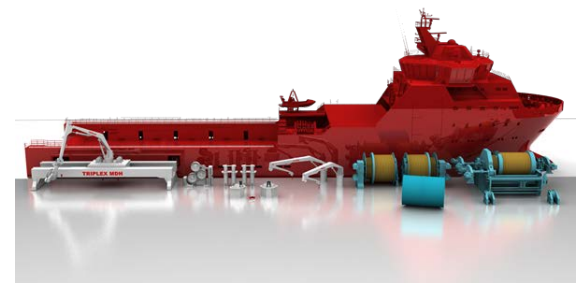
Hatlapa strengthens merchant and offshore offering

- Attractive deal structure
 - Enterprise value of EUR 160 million
- Annual revenue of ~EUR 120 million
 - 75% merchant
 - 25% offshore
- Expands product coverage in key categories
 - Merchant and offshore winches
 - Offshore automated deck handling (Triplex MDH)
 - Support equipment
- Supports expansion of integrated systems sales
 - Cross selling with MacGregor and MLS merchant ship equipment and offshore load handling and mooring equipment
- ~585 new team members bring strong application and customer knowledge
 - Merchant ship winch operations
 - Deepwater automated load handling
 - Service



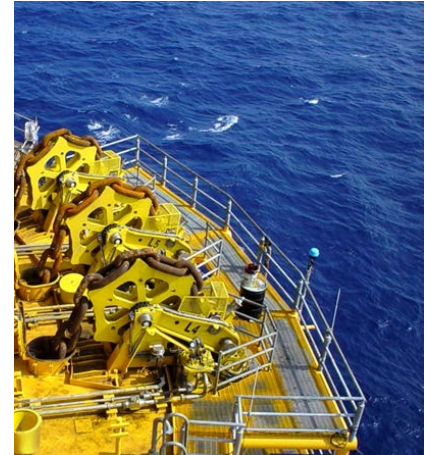
Mooring winches

Hatlapa offshore package



MLS solidifies offshore product portfolio

- Attractive deal structure
 - Enterprise value of ~EUR 180 million
 - Subject to regulatory approvals
- Annual revenue of ~EUR 130 million
 - 25% merchant
 - 75% offshore
- Expands product coverage in key offshore categories
 - Offshore mooring and loading systems
- Supports expansion of integrated systems sales
 - Combined offshore package sales with MacGregor and Hatlapa offshore load handling and mooring equipment
 - Broadening geographical presence in merchant ship
- ~370 new team members bring deep application and customer knowledge
 - Deep water, harsh environment mooring and load handling
 - Service

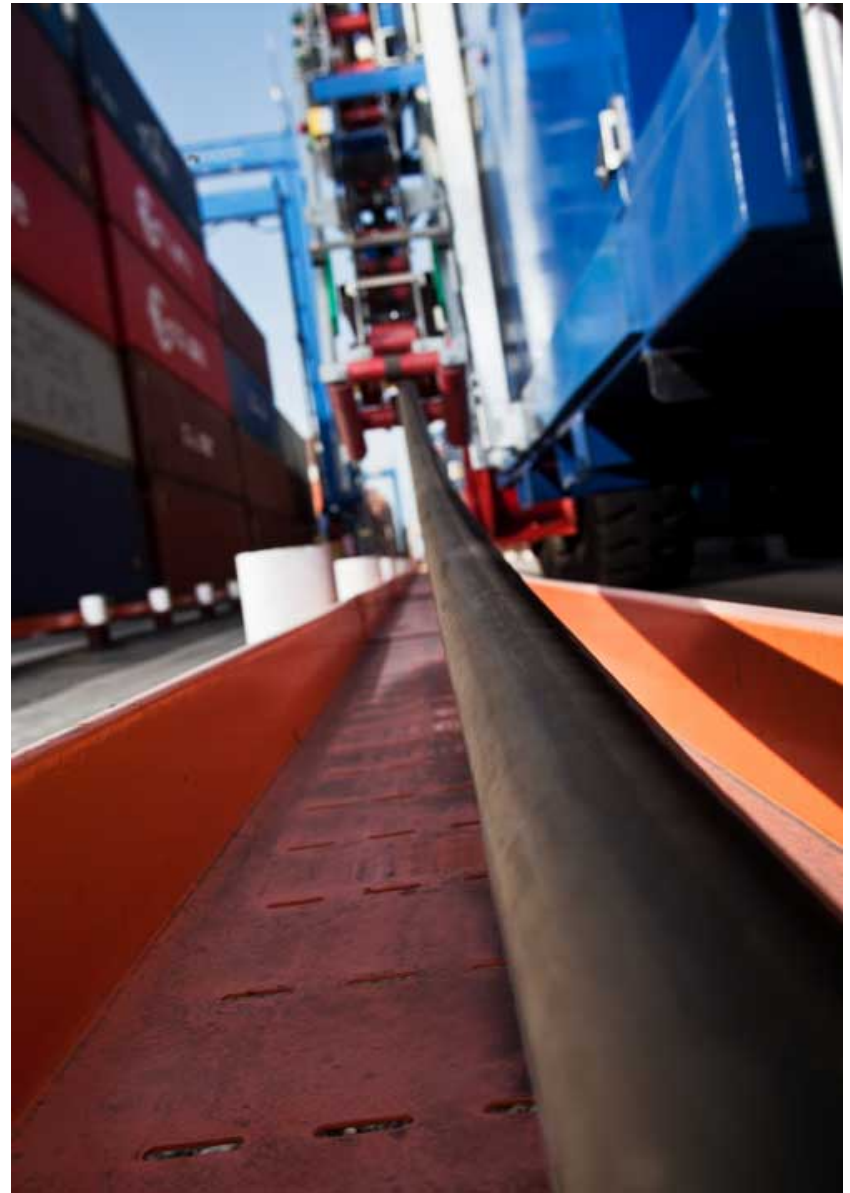


Integration of acquisitions ongoing in MacGregor

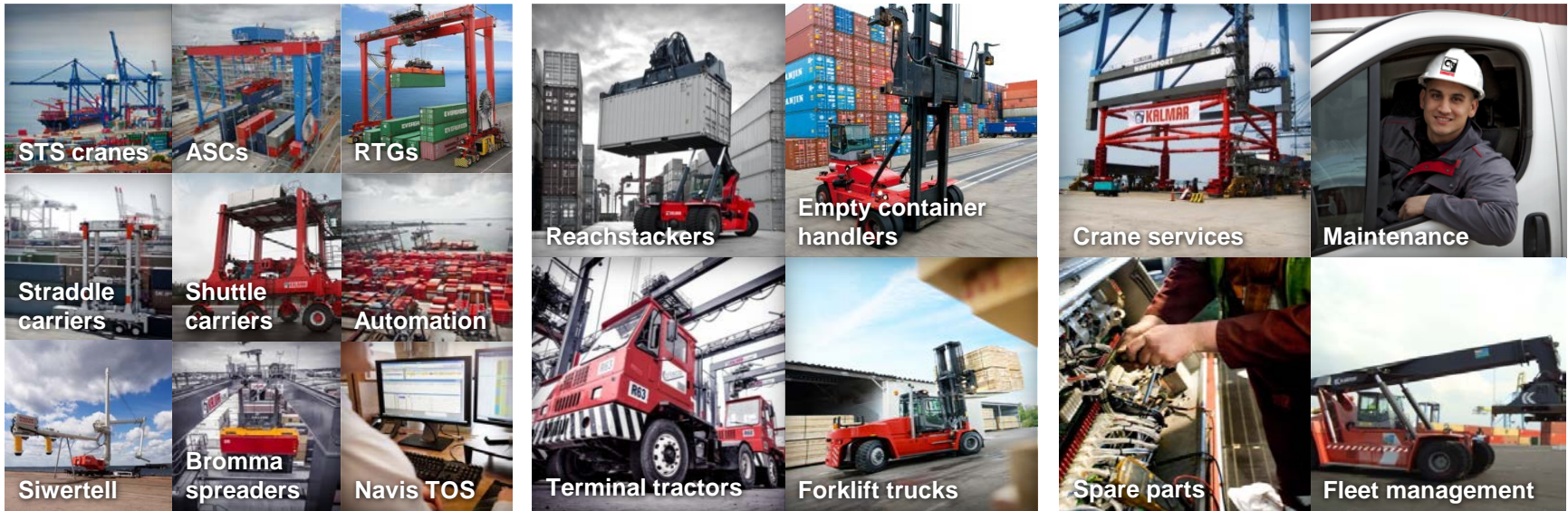
- Hatlapa consolidated in segment as of 1 Nov 2013 and MLS as of 1 Feb 2014
- MacGregor is seeking significant synergy gains that will improve profitability
 - The impact is dependent on the efficiency and speed of the integration
 - Synergy gains will be mainly be realised from new sales and efficiency improvement in supply chain
 - Due to long lead times in the business, the impact of new sales and supply chain synergies will become more visible in profitability from 2015
 - In 2014, MacGregor targets new orders for a total value exceeding EUR 50 million with the new combined offering



Kalmar



Kalmar businesses and offering

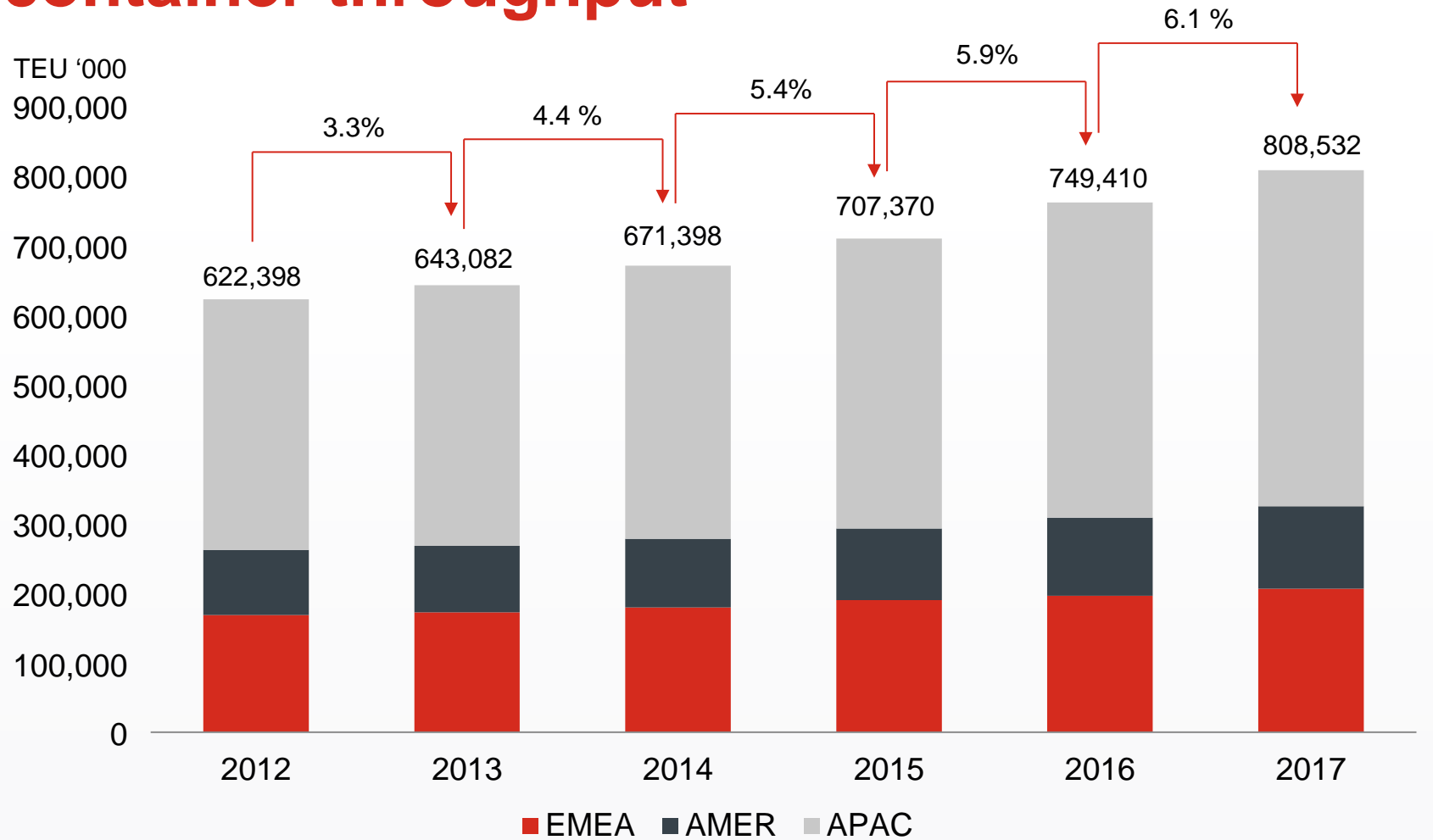


Terminal projects 35%

Equipment 40%

Services 25%

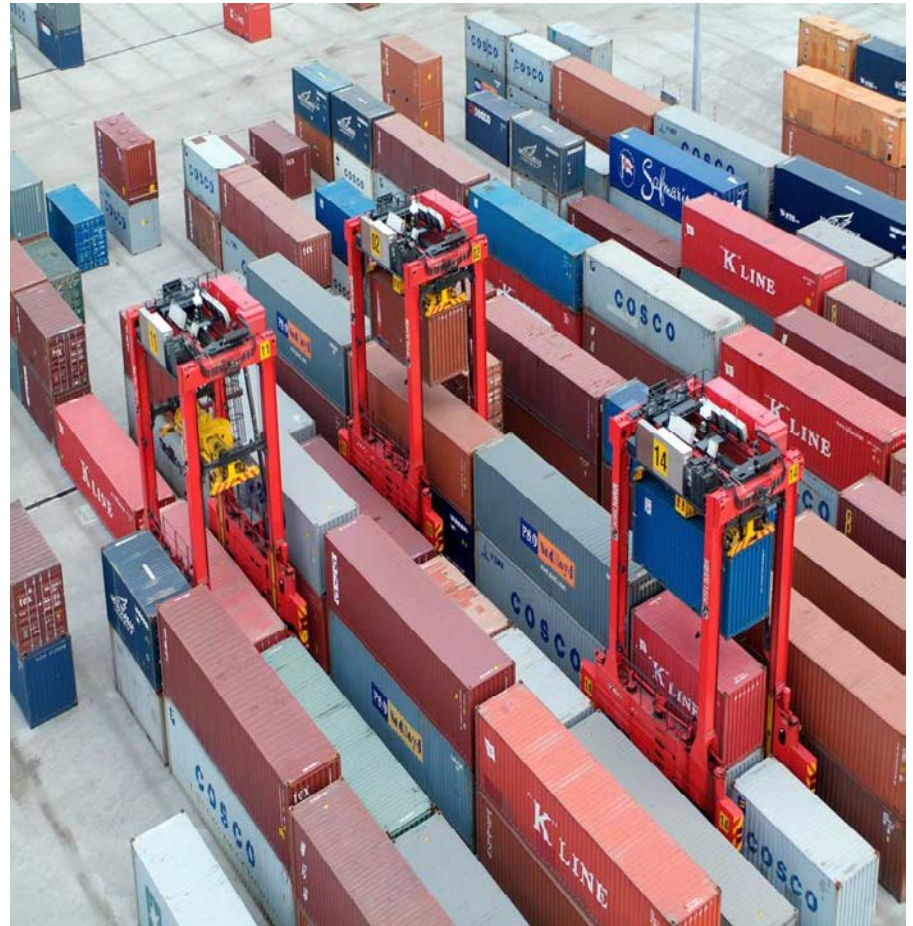
Kalmar is in a growing business – global container throughput



Source: Drewry 2013/2014

Industry trends for Kalmar

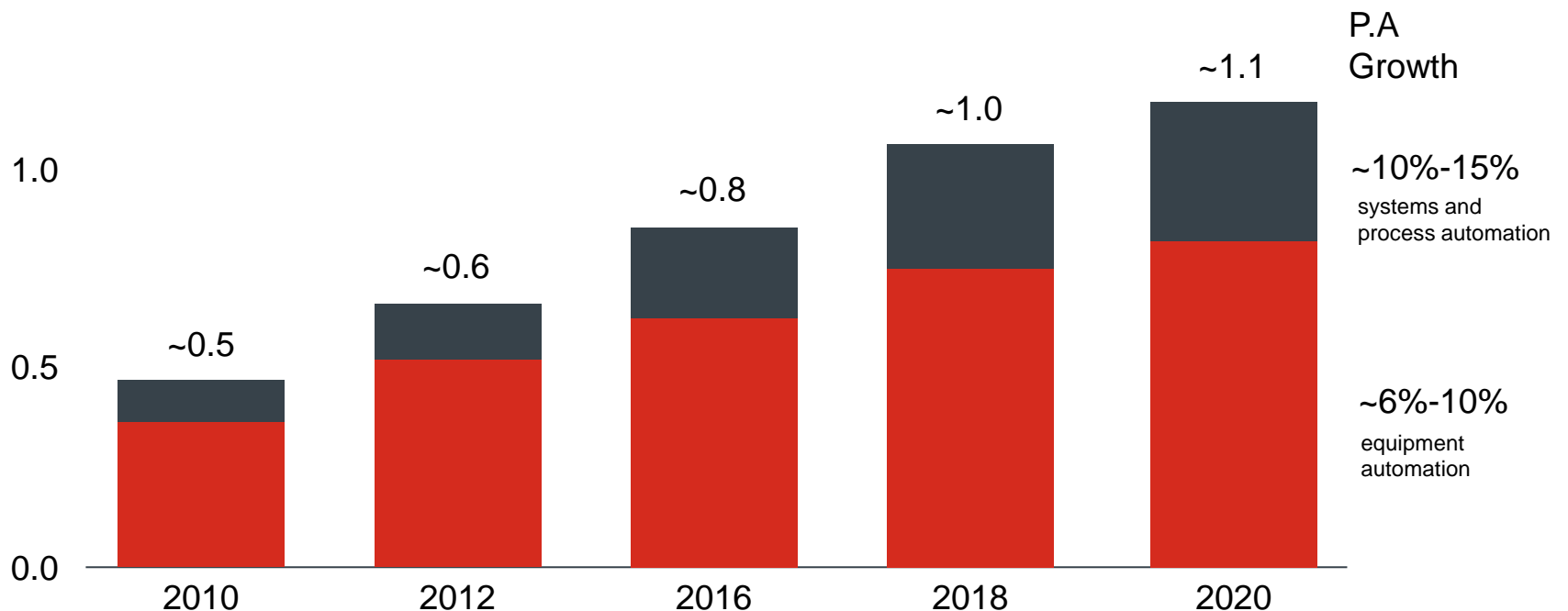
- Ships are getting bigger
- Availability and cost of labour
- Sustainability is port operations
- Safety
- Industry consolidation



Strong future growth expected for automation solutions (TOS 200 MEUR excluded)

Global automation market
(equipment, system and process)

€1.5B



Note: Equipment and system includes yard and horizontal equipment and related system; Process automation includes RFID, OCR, etc.
Source: Drewry, PEMA, Company websites

Kalmar has a leading position in port automation

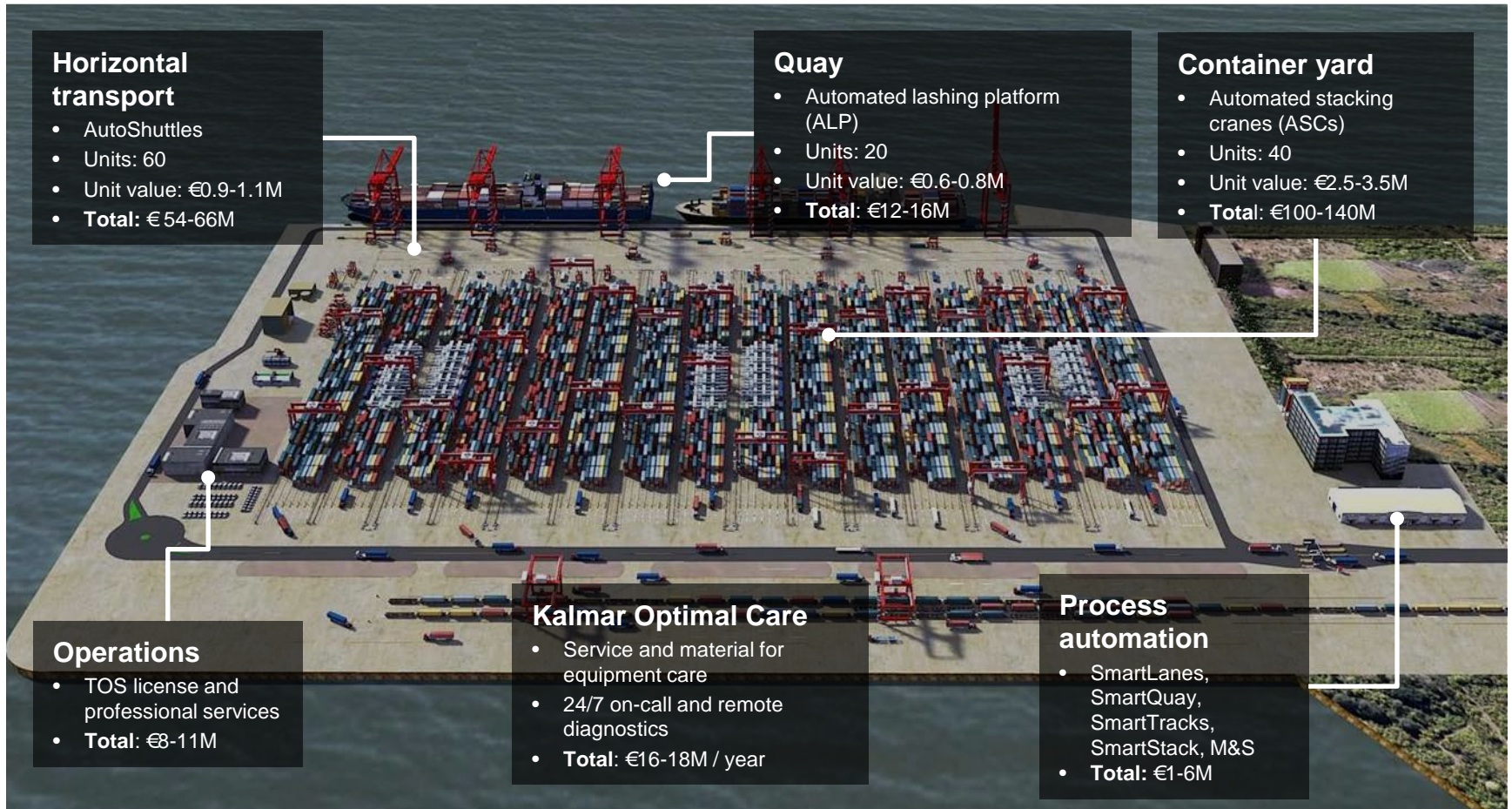
- First fully automated straddle carrier terminal
- Strategic acquisitions
- Technology Centre in Tampere
- On-going mega terminal projects
- More than hundred SmartPort process automation deployments
- Navis market share in TOS about 20%



Example of an automated terminal project

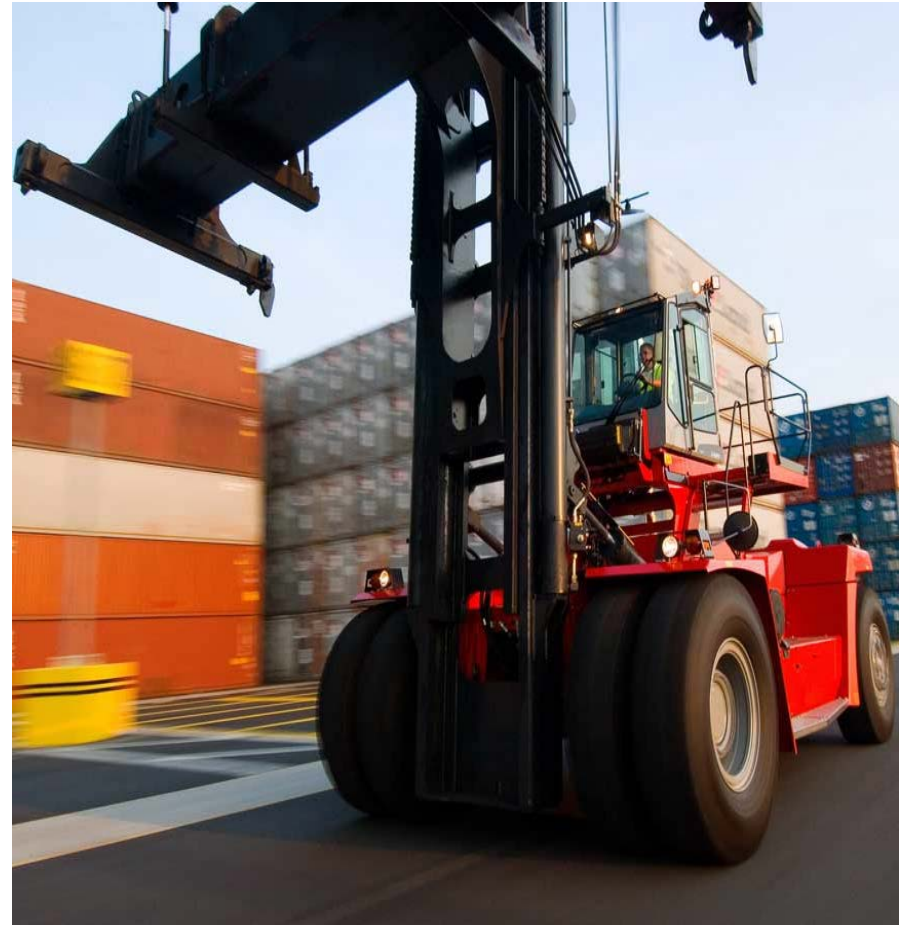
TERMINAL CAPACITY: 3 MILLION TEU / YEAR

TOTAL KALMAR SCOPE APPROX. EUR 190-260 MILLION



Kalmar is well equipped to respond to the industry trends and grow profitably

- Good products as foundation
- Unique automation offering
- Strong focus on services
 - Modular services products
 - Crane refurbishment



Hiab



Hiab offering



Loader cranes



Forestry cranes



Truck-mounted forklifts



Demountables



Tail lifts



Stiff boom cranes

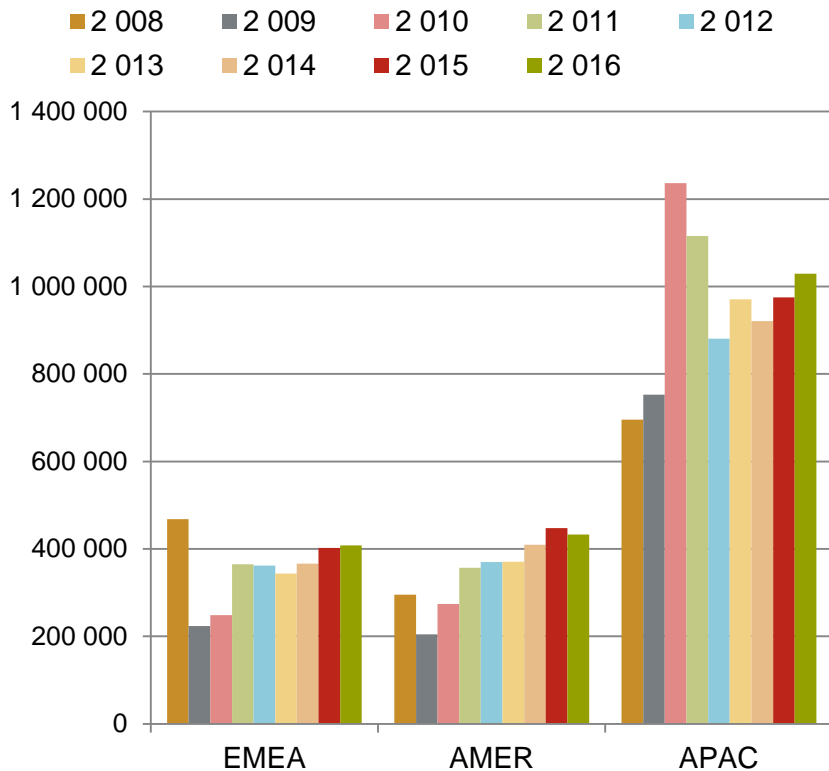


Services

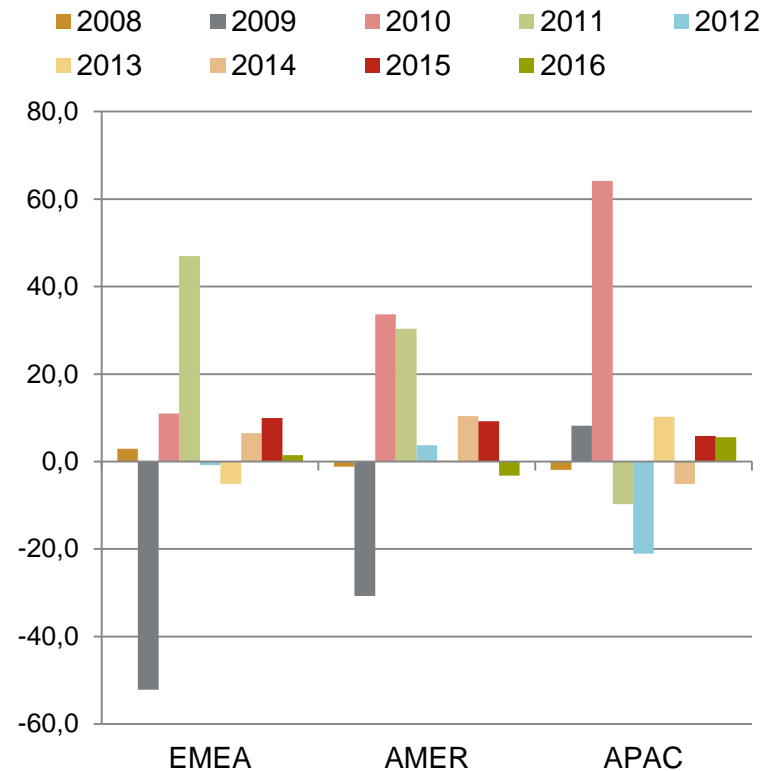


Macro indicator trends

Truck sales GVW over 15 ton - regions

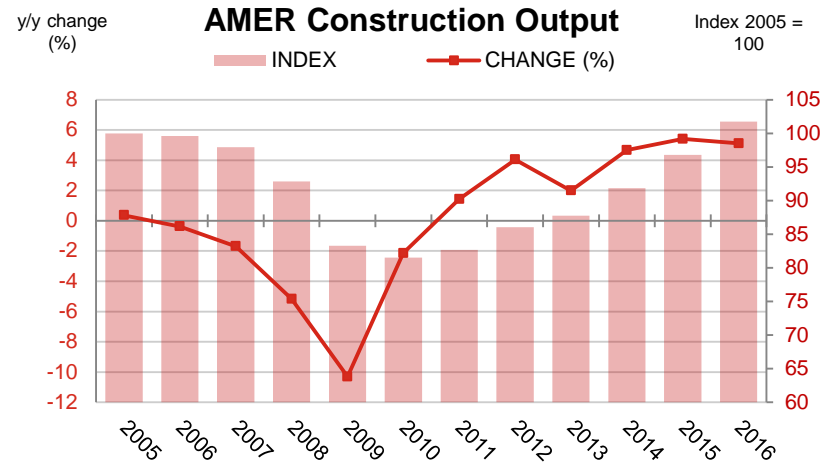
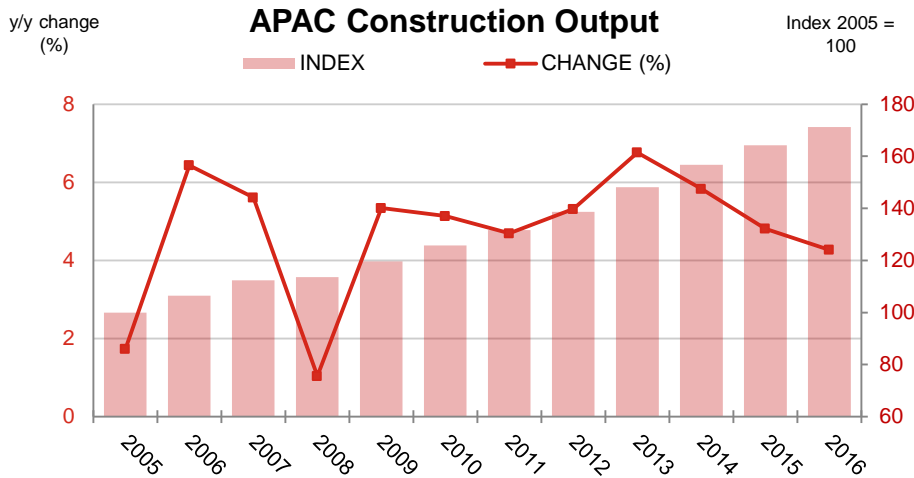
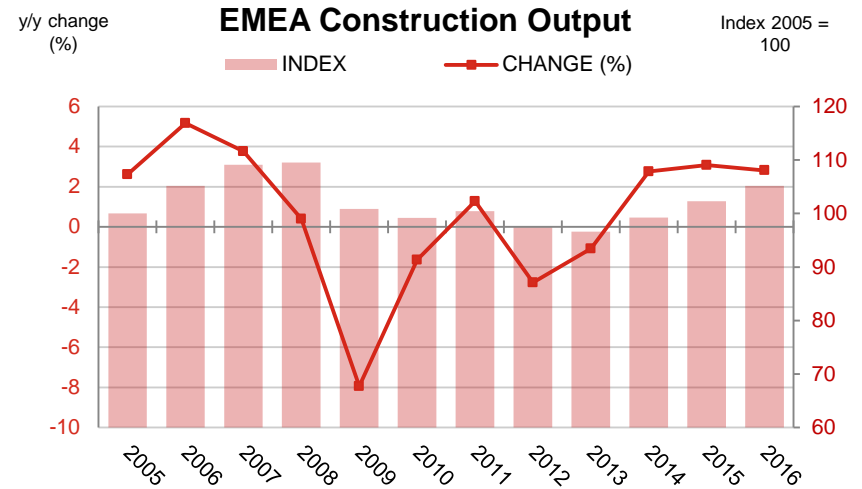
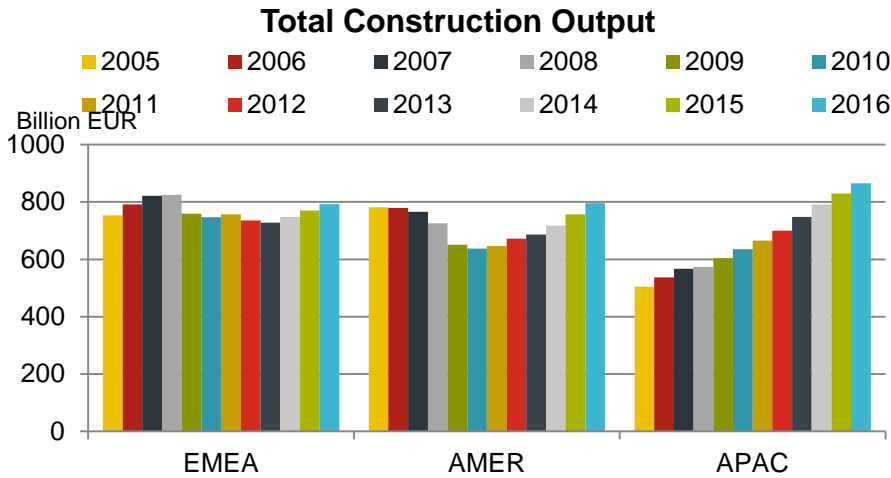


Sales growth GVW over 15 ton - regions



Source: IHS Global Insight Q1/2014 fcst

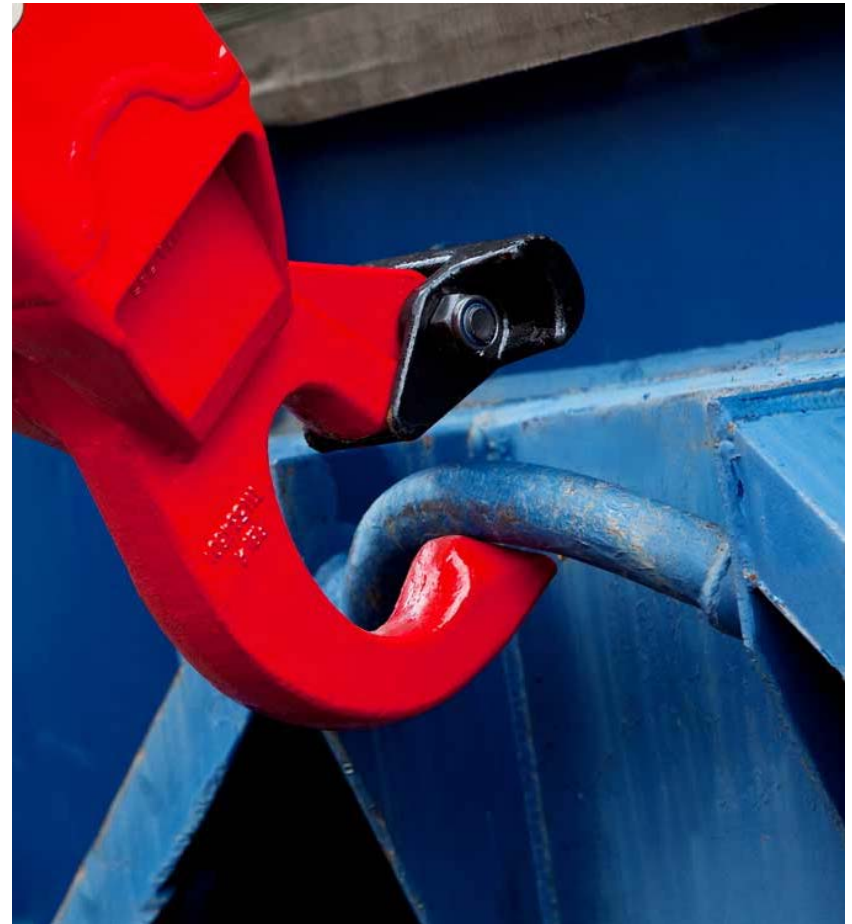
Macro indicator trends



Source: Oxford Economics, Q1/2014

Hiab strategic priorities 2014

- Deliver profitability improvement and cost reduction in all areas of Hiab
- Drive professional sales and price management and distribution footprint
- Drive design to cost and new product introductions
- Build cost control and performance culture



Actions in 2013 in Markets

1. Route-to-market

- 40% of our distribution set-up will change
- Improvements in service network profitability

2. Organisation

- Reduction of complexity
- Centralisation of key support functions

3. Pricing

- Better price management and clear escalation model
- Improvement in spare parts pricing

4. Cost control

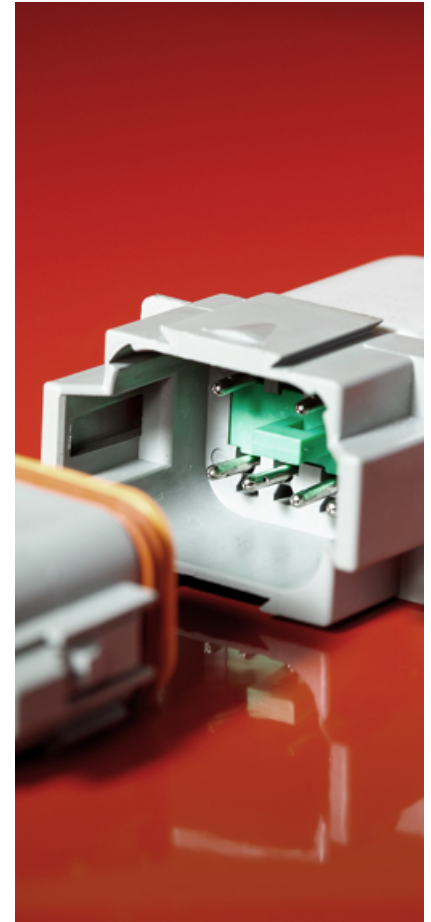
- Reduction of indirect and over head costs

5. Sales enablers

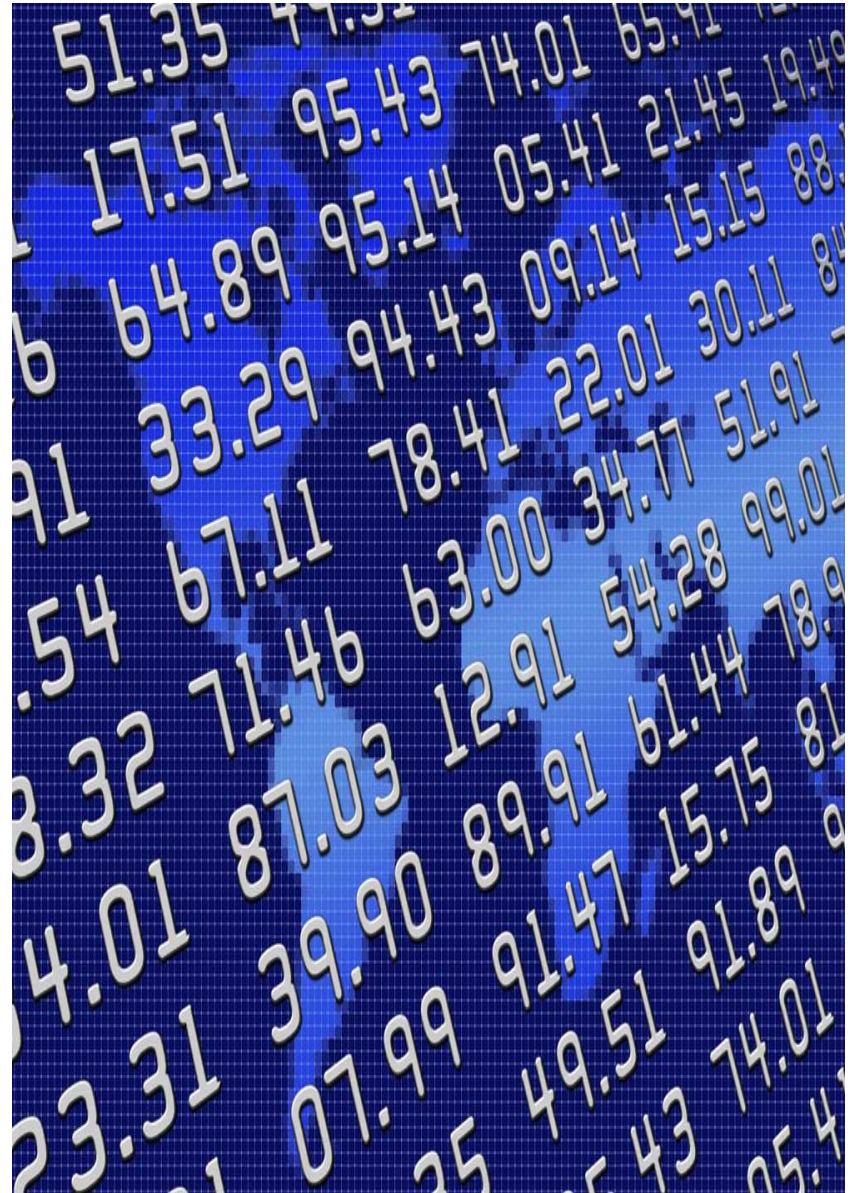
- Performance management
- Central dealer management

Improving margins by reducing costs

- Design-to-cost process started in all product lines in 2013
 - Supplier consolidation
 - Changes in design
- No in-house component production
 - Outsourcing completed in Hudiksvall, Sweden and Dundalk, Ireland
- Global sourcing footprint moving from high cost to low cost countries
- Average material cost reduction of 5–10 percent
- Product portfolio streamlining
- Numerous new products

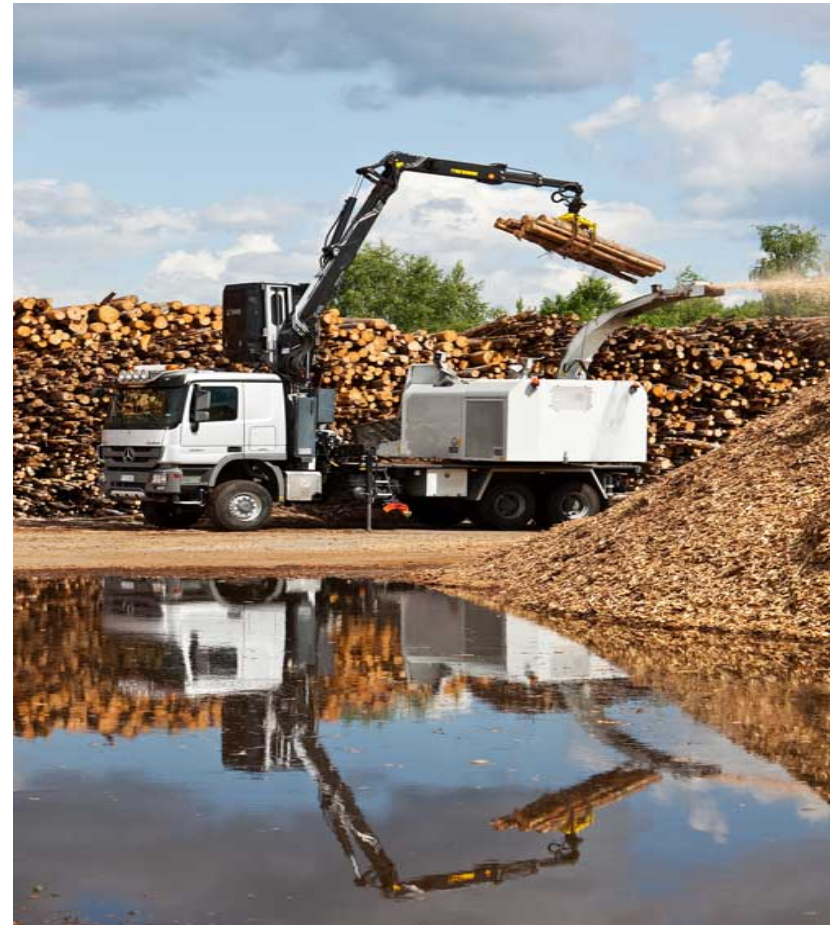


January–March financials



Highlights of Q1

- Orders grew 9% y-o-y and totalled EUR 863 (791) million
 - With fixed currencies orders grew 15%
- Sales grew 11 % y-o-y to EUR 751 (679) million
 - With fixed currencies sales grew 16%
- Operating profit excluding restructuring costs was EUR 24.6 (15.0) million or 3.3 (2.2)% of sales
- Operating profit was EUR 23.8 (13.1) million
- Cash flow from operations increased to EUR 32.5 (21.2) million

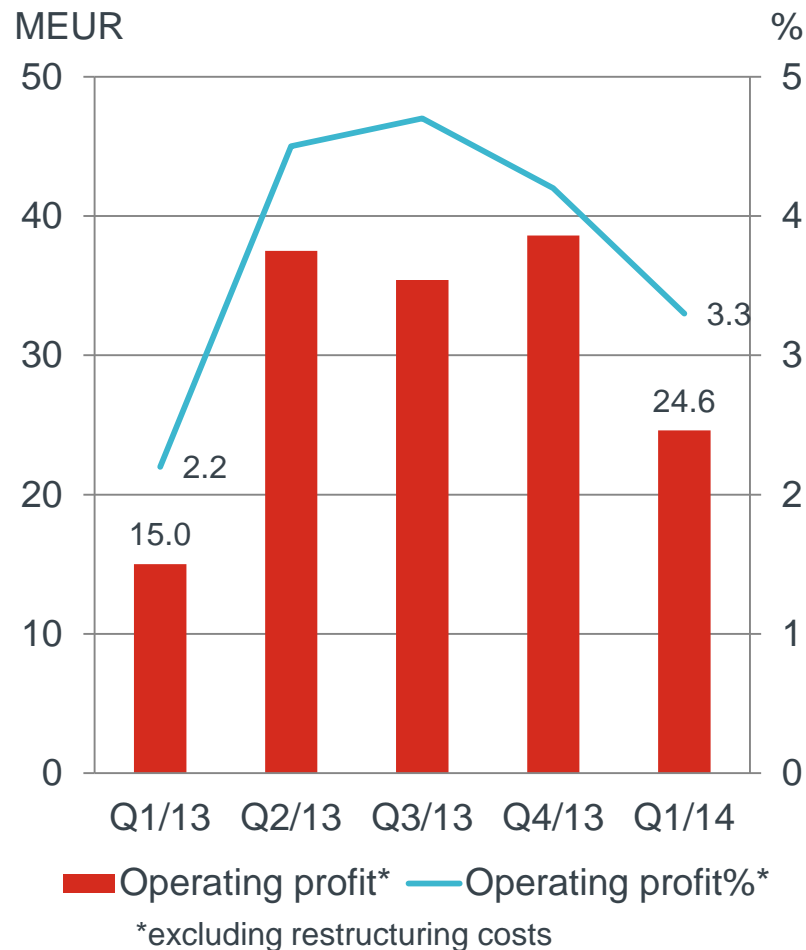
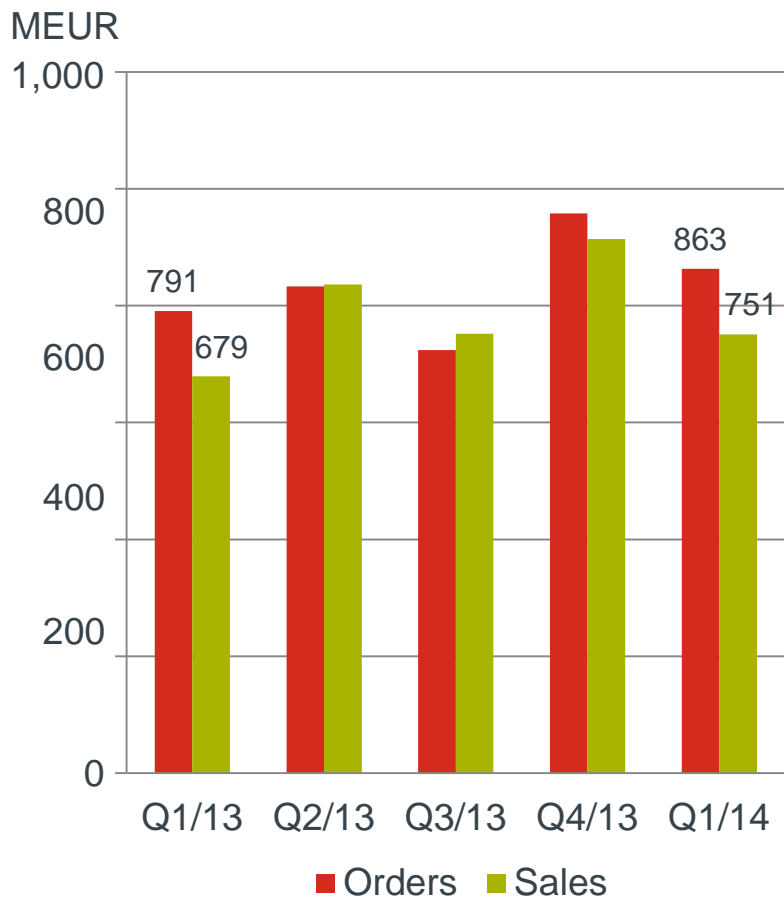


January–March key figures

	Q1/14	Q1/13	Change	2013
Orders received, MEUR	863	791	9%	3,307
Order book, MEUR	2,111	2,203	-4%	1,980
Sales, MEUR	751	679	11%	3,181
Operating profit, MEUR*	24.6	15.0	65%	126.5
Operating profit margin, %*	3.3	2.2		4.0
Cash flow from operations, MEUR	32.5	21.2		180.9
Interest-bearing net debt, MEUR	824	506		578
Earnings per share, EUR	0.20	0.10		0.89

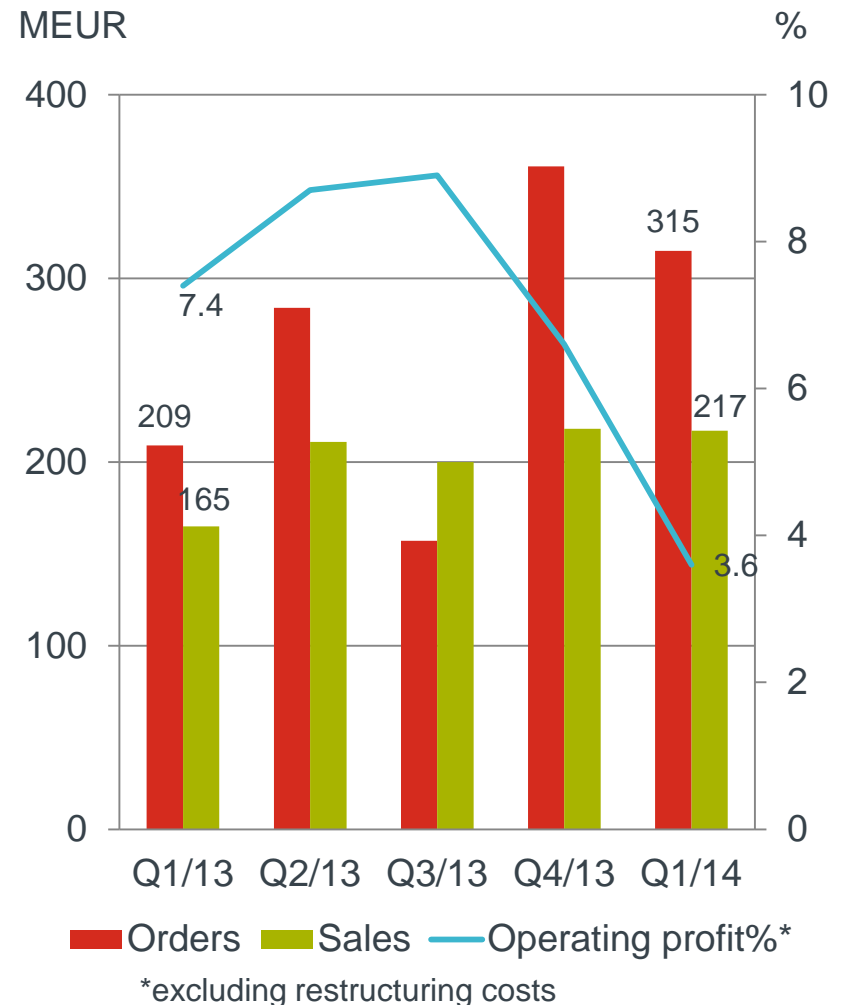
*excluding restructuring costs

Performance development



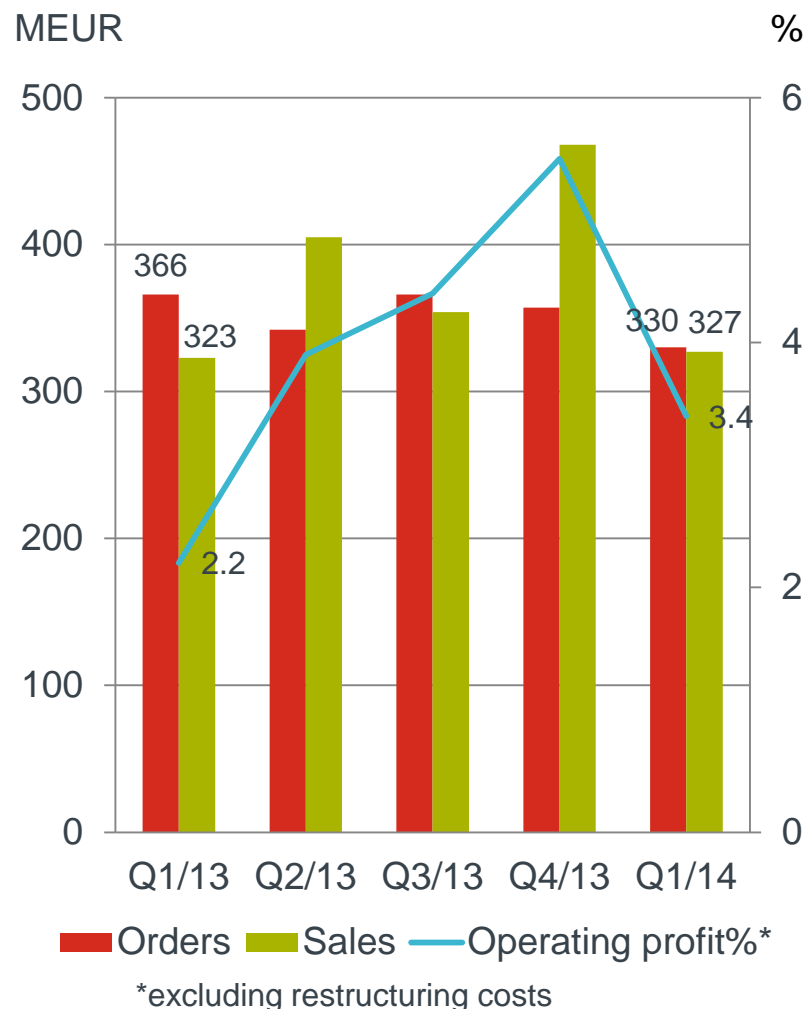
MacGregor Q1 – delivery mix as well as acquisition related depreciation, amortisation and one-off costs burdened profitability

- Order intake grew 50% y-o-y to EUR 315 (209) million
 - Contribution of acquired businesses EUR 64 million
- Demand and supply in shipping remain unstable, causing uncertainty about future levels of activity in marine cargo handling market
- Offshore market remained active throughout the quarter and outperformed the merchant ship market
- Services showed some signs of recovery
- Sales grew 32% y-o-y to EUR 217 (165) million
 - Contribution of acquired businesses EUR 49 million
- Profitability 3.6% (excluding restructuring)
 - Larger share of offshore business as well as low delivery volume in merchant ship segment
 - PPA depreciation and amortisation EUR 2.1 million (approx. EUR 10 million annually) and other one-time cost EUR 1.8 million
 - One-time acquisition costs EUR 1.2 million



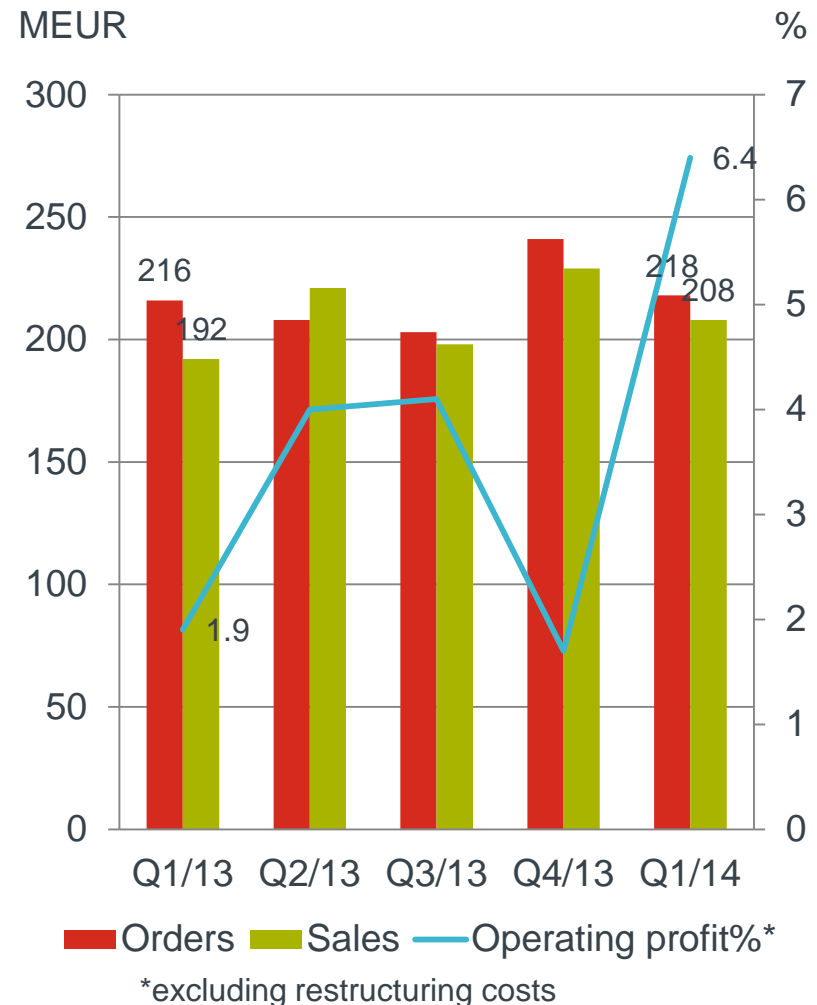
Kalmar Q1 – profitability improved despite cost overruns in projects

- Demand for container handling equipment and automation solutions in ports was stable
- In Europe and the Americas, demand was healthy while in Asia customers hesitated in investment decisions
- Demand for services was healthy
- Order intake fell 10% y-o-y to EUR 330 (366) million
- Sales were at comparison period's level at EUR 327 (323) million
- Profitability excluding restructuring costs was 3.4%
 - Additional costs of EUR 9 million mainly in one ship-to-shore crane project dating to 2012 (Q1 2013: 5 MEUR)
- Period-end order book includes EUR 35 million of problem projects

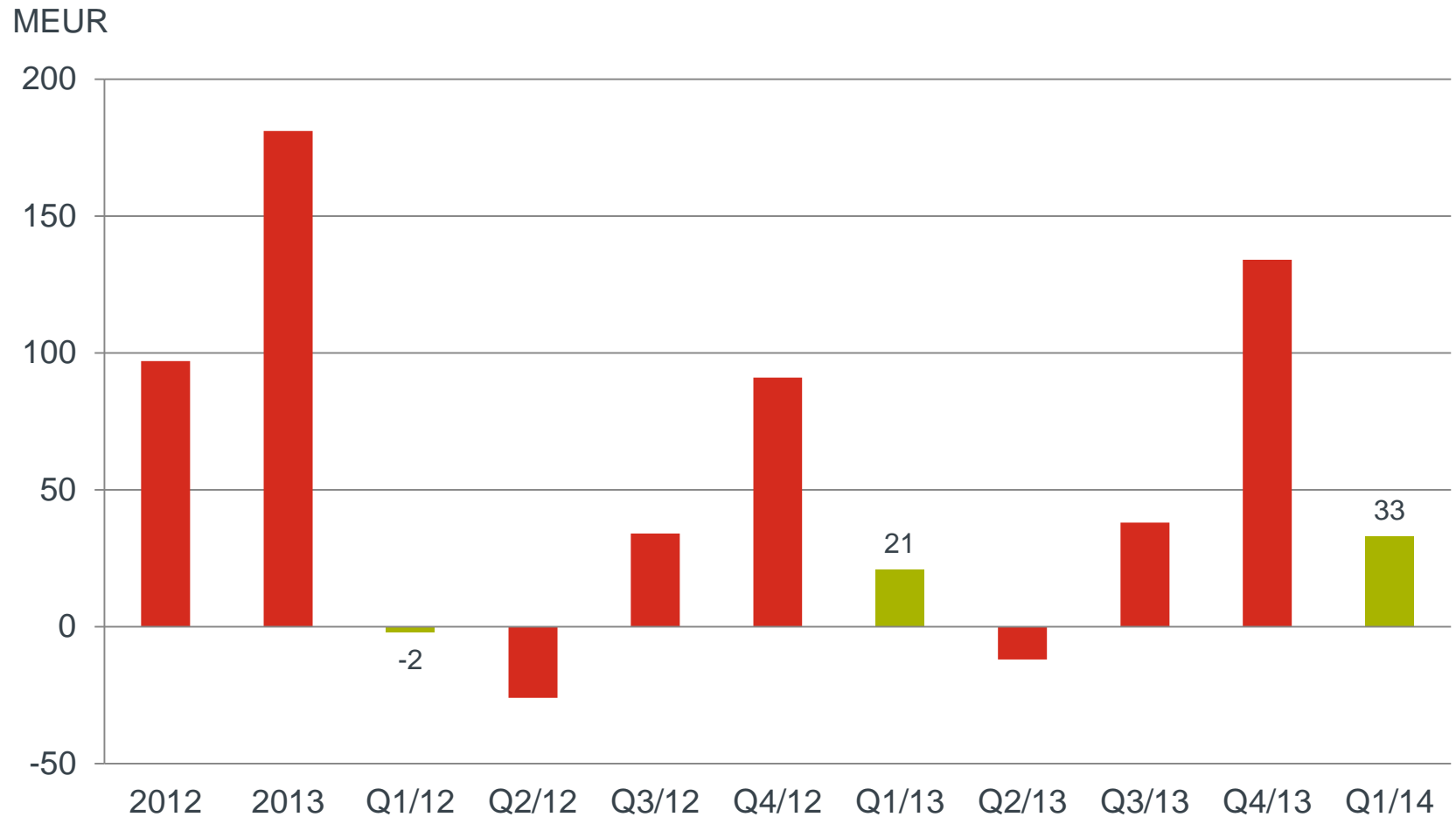


Hiab Q1 – efficiency improvement actions improved profitability

- Demand for load handling equipment was flat. Demand was highest for truck-mounted forklifts and tail lifts.
- Demand for services was healthy
- Orders were at comparison period's level at EUR 218 (216) million
- Sales grew 8% y-o-y to EUR 208 (192) million
- Profitability excluding restructuring costs was 6.4%
 - Improvement in gross margin and service business profitability as well as sales and service network rationalisation began to be reflected in profitability

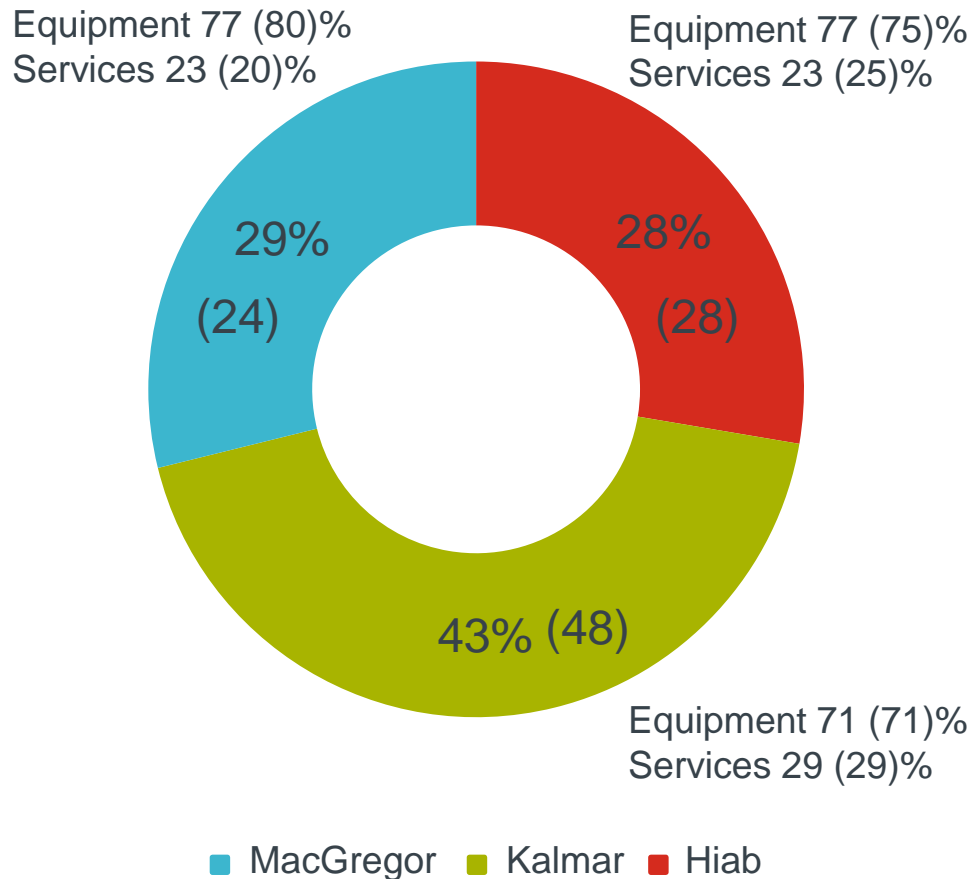


Cash flow from operations slightly up y-o-y

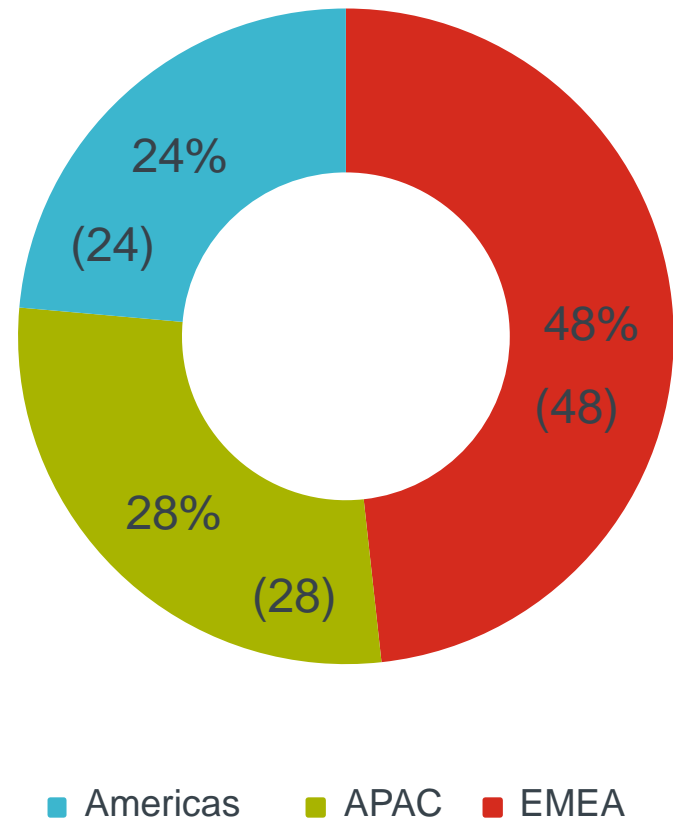


Sales by geographical area unchanged

Sales by reporting segment 1-3/2014, %



Sales by geographical segment 1-3/2014, %



Outlook unchanged

- Cargotec's 2014 sales are expected to grow from 2013.
- Operating profit excluding restructuring costs for 2014 is expected to improve from 2013.



