

Investor presentation, August 2019

Becoming the leader in intelligent cargo handling

Why invest in Cargotec?



♥ Our target:
To become the leader in intelligent cargo handling

Every 4th container in the WORLD is moved by Kalmar solution

♥ Several favorable megatrends support our growth prospects

- DIGITALISATION
- GLOBALISATION
- TRADE GROWTH
- URBANISATION
- GROWING MIDDLE CLASS

CONTAINER TRAFFIC
PORT AUTOMATION

MARKET POSITION
#1, #2
IN MAJOR SEGMENTS

Every other ship in the WORLD has MacGregor equipment on board

CONSTRUCTION ACTIVITY

MARKET POSITION
#1, #2
IN MAJOR SEGMENTS

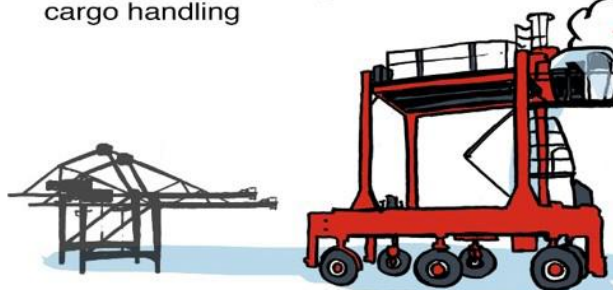
SHIP BUILDING

MARKET POSITION
#1, #2
IN MAJOR SEGMENTS

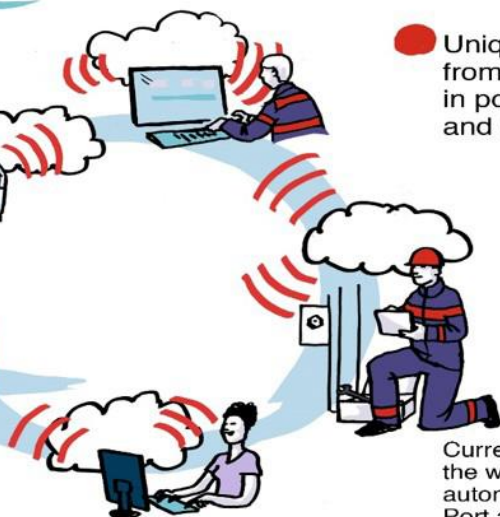
♥♥ We have strong brands and a loyal global customer base



● Transformation from equipment provider into a leader in intelligent cargo handling

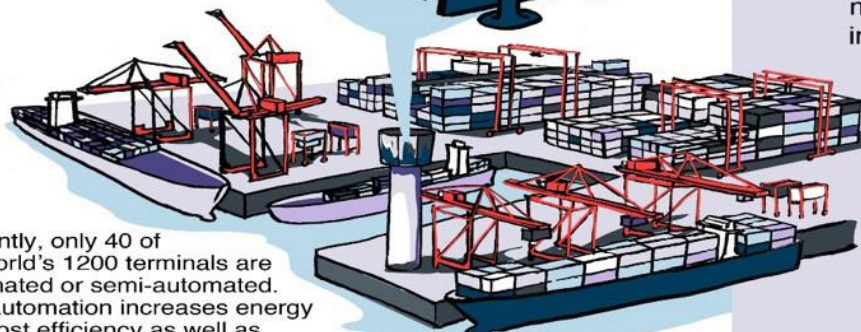


● Growing services and software business increase stability of our business



● Unique position to benefit from the growth prospects in port automation and software

Currently, only 40 of the world's 1200 terminals are automated or semi-automated. Port automation increases energy and cost efficiency as well as employee safety.

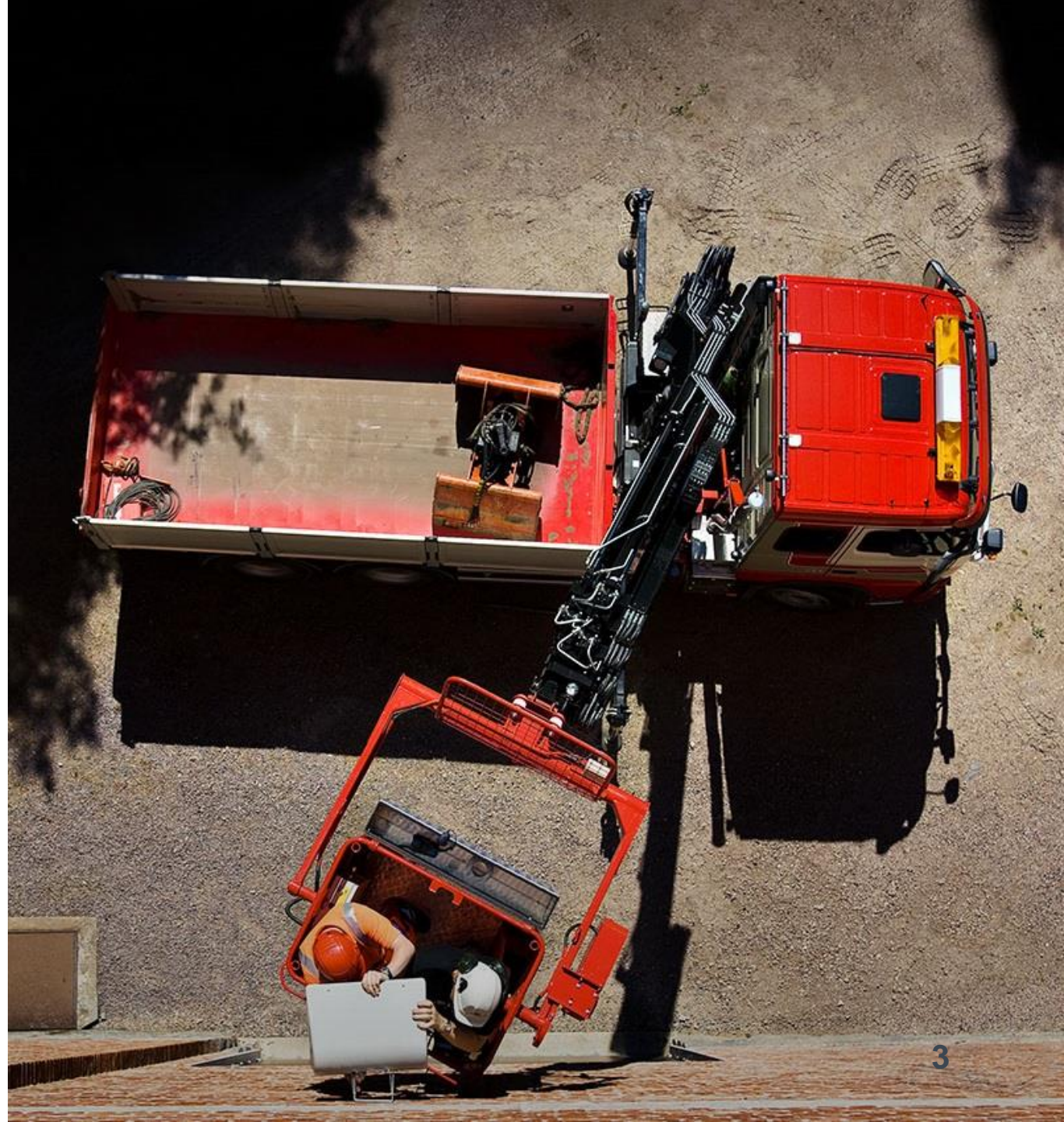


€ Financial targets

- Grow faster than the market
- Increase service and software sales to 40% of net sales, min. EUR 1.5 billion in 3-5 years
- Target 10% operating profit and 15% ROCE in 3-5 years
- Target gearing <50% and increasing dividend in the range of 30-50% of EPS, to be paid twice a year

Content

1. Cargotec in brief
2. Investment highlights
3. Kalmar
4. Hiab
5. MacGregor
6. Recent progress
7. Appendix



Cargotec in brief



Strong global player with well-balanced business

Sales:
EUR 3,304 million
EBIT: 7.3%

Kalmar

Sales: **EUR 1,618 million**
 EBIT: **8.9%** (EUR 143.6 million)

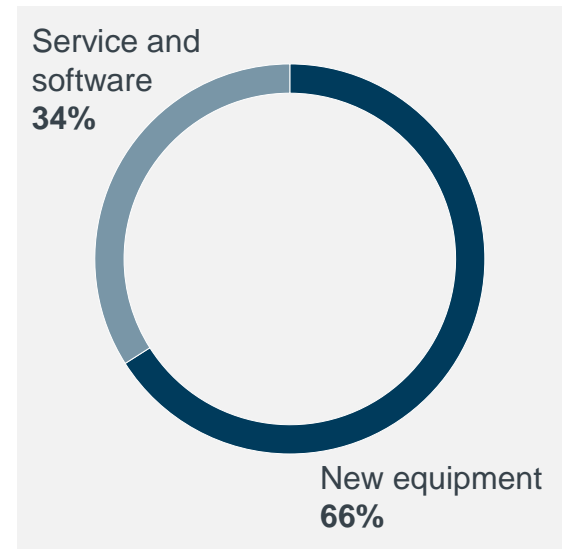
Hiab

Sales: **EUR 1,149 million**
 EBIT: **11.7%** (EUR 134.5 million)

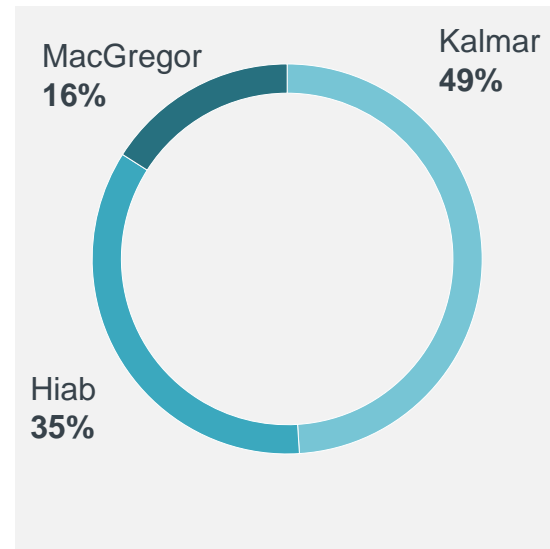
MacGregor

Sales: **EUR 538 million**
 EBIT: **-0.3%** (EUR -1.6 million)

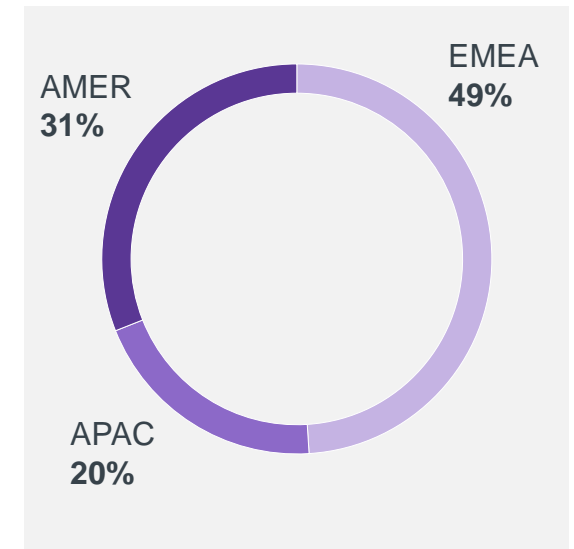
Sales split: new equipment vs service and software



Sales by business areas



Sales by geographical area



Strengths we are building upon

Leading market positions
in all segments

Strong brands

Loyal customers

Leading in technology

Key competitors

Cargotec is a leading player in all of its business areas

Global main competitors



KONGSBERG



Other competitors



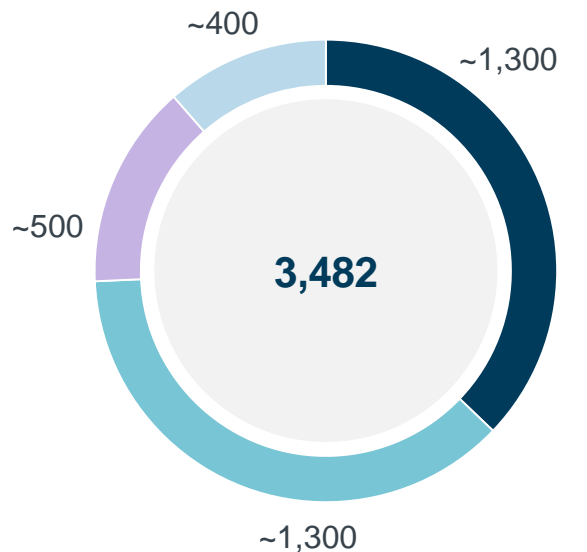
MITSUI E&S



Currently two businesses performing well

Net sales* in Q3/18-Q2/19

EUR million



- Kalmar equipment
- MacGregor
- Hiab
- Kalmar APD and software

	Trend in orders, last 12 months	Profitability: Comparable EBIT margin
Kalmar software (Navis) and Automation and Projects division	➔	Low due to long term investments
MacGregor	+17%	-2.9%
Hiab	+15%	11.4%
Kalmar equipment and service (excluding Automation and Projects Division & Navis)	➔	Low double digit

* Figures rounded to closest 100 million

Investment highlights



Investment highlights: Why invest in Cargotec?

1. Technology leader and strong market positions, leading brands in markets with long term growth potential
2. Our vision is to become the global leader in intelligent cargo handling
3. Growing service & software business and asset light business model are increasing stability
4. Capitalizing global opportunities for future automation and software growth
5. On track for profitability improvement and to reach financial targets



1. Technology leader and strong market positions, leading brands in markets with long term growth potential

Global megatrends

- Globalisation and trade growth
- Urbanisation
- Growing middle class

Growth drivers

- Container throughput growth
- Construction activity
- Automation
- Digitalisation

Competitive advantages

- Strong brands
- Full automation offering
- Technology leadership

Market position

- #1 or #2 in all major segments

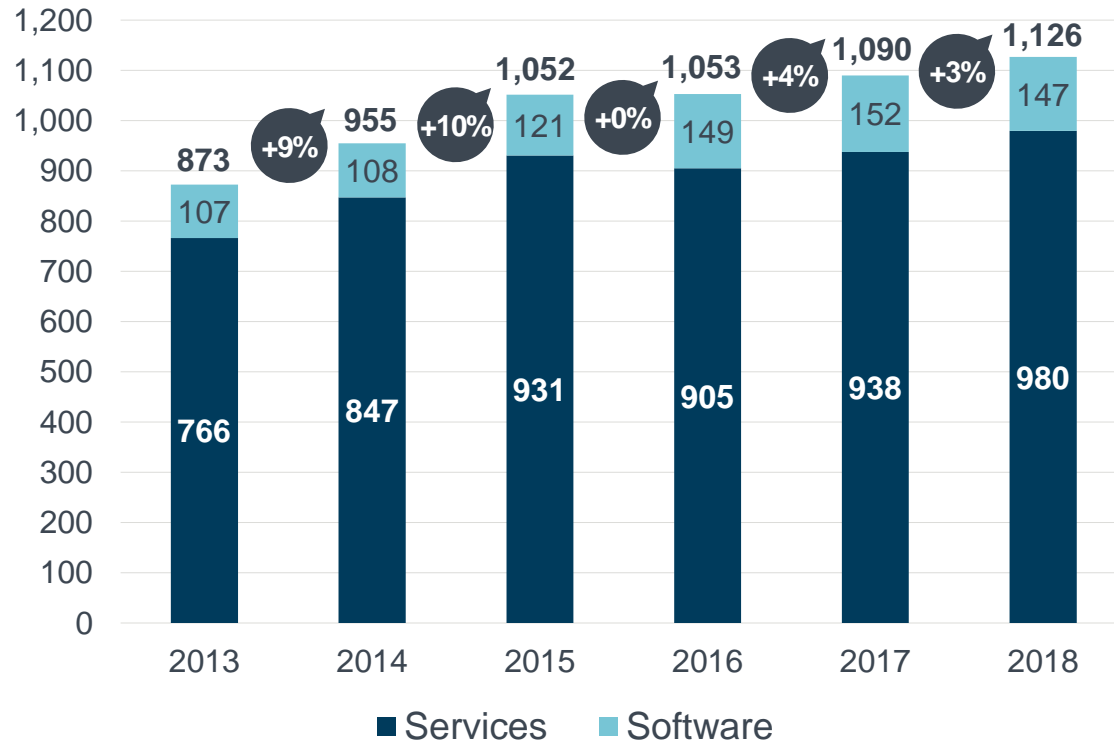
2. Our vision is to become the global leader in intelligent cargo handling

VISION	GLOBAL LEADER IN INTELLIGENT CARGO HANDLING	
MUST-WIN BATTLES	WIN THROUGH CUSTOMER CENTRICITY We help our customers achieve their goals by aligning our offering and way of working to serve them better.	ACCELERATE DIGITALISATION We build and expand our digital solutions to offer a great customer experience and more efficient business processes.
	ADVANCE IN SERVICES We extend our offering towards intelligent solutions that enable us to serve our customers wide across their lifecycle.	PRODUCTIVITY FOR GROWTH We focus on activities that add value and benefit our customers and us by developing our business operations and common platforms.

3. Growing service & software business and asset light business model are increasing stability

Service and software* sales

MEUR



Asset light business model with a flexible cost structure

- Kalmar and Hiab: efficient assembly operation
- MacGregor: efficient project management and engineering office: > 90% of manufacturing and 30% of design and engineering capacity outsourced
- No in-house component manufacturing

Next steps to increase service and software sales:

- Improve service offering through digital solutions
- Build on Navis position as industry leader
- Increase spare parts capture rates
- Boost service contract attachment rates

4. Capitalizing global opportunities for future automation and software growth

Industry trends support growth in port automation:

- Only 40 terminals (out of 1,200 terminals) are automated or semi-automated currently globally
- Ships are becoming bigger and the peak loads have become an issue
- Increasing focus on safety
- Customers require decreasing energy usage and zero emission ports
- Optimum efficiency, space utilization and reduction of costs are increasingly important
- Shortage and cost of trained and skilled labour pushes terminals to automation

Significant possibility in port software:

- Container value chain is very inefficient: total value of waste and inefficiency estimated at ~EUR 17bn
- Over 50% of port software market is in-house, in long term internal solutions not competitive
- Navis has leading position in port ERP

Customers consider their automation decisions carefully

- Shipping line consolidation
- Utilisation rates of the existing equipment base
- Container throughput volumes
- Efficiency of the automation solutions

Automation creates significant cost savings*

Labour costs	60% less labour costs
Total costs	24% less costs
Profit increase	125%



* Change when manual terminal converted into an automated operation

5. Clear plan for profitability improvement and to reach financial targets

Growth

Target to grow faster than market

- Megatrends and strong market position supporting organic growth
- M&A potential

Service and software

Targeting service and software sales 40% of net sales, minimum EUR 1.5 billion in 3-5 years*

Balance sheet and dividend

Target gearing < 50% and increasing dividend in the range of 30-50% of EPS, dividend paid twice a year

Profitability

Target 10% operating profit and 15% ROCE in 3-5 years*

Higher service and software sales key driver for profitability improvement

Cost savings actions:

- 2020 EUR 30 million (indirect purchasing and new Business Services operations)

Product re-design and improved project management

Sales and comparable operating profit development



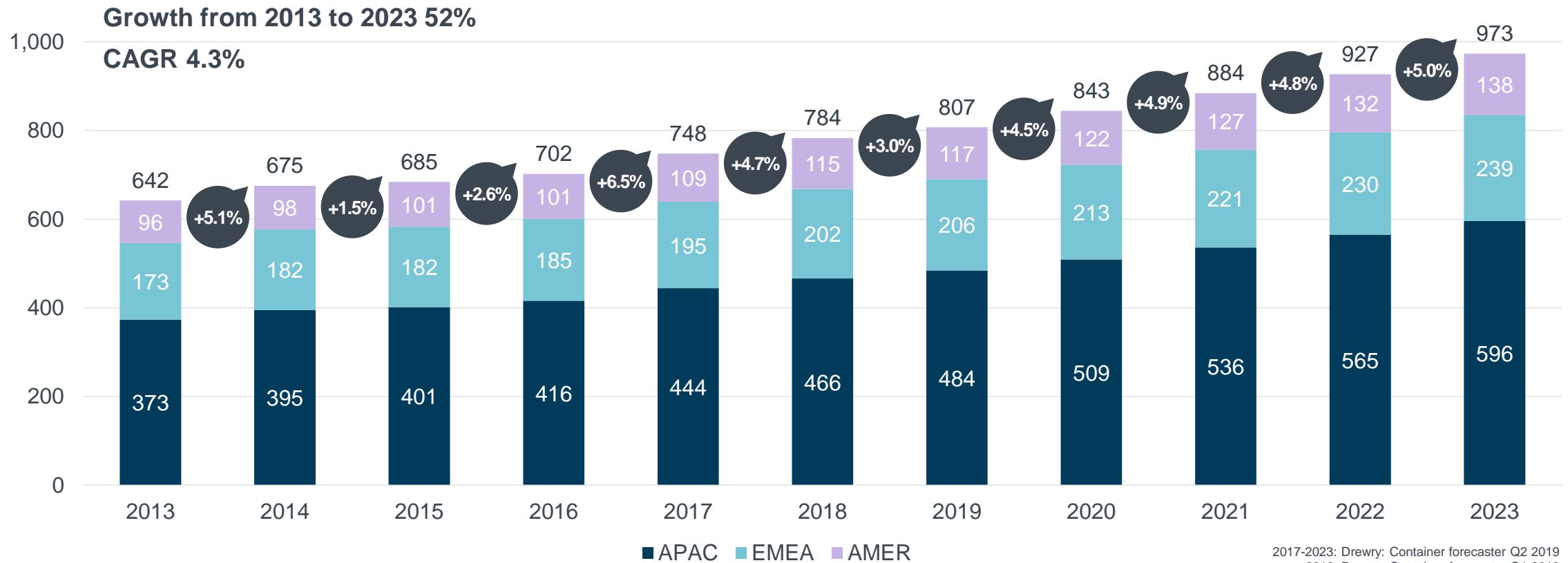
*Target announced in September 2017

Kalmar



Container throughput still forecasted to grow year on year

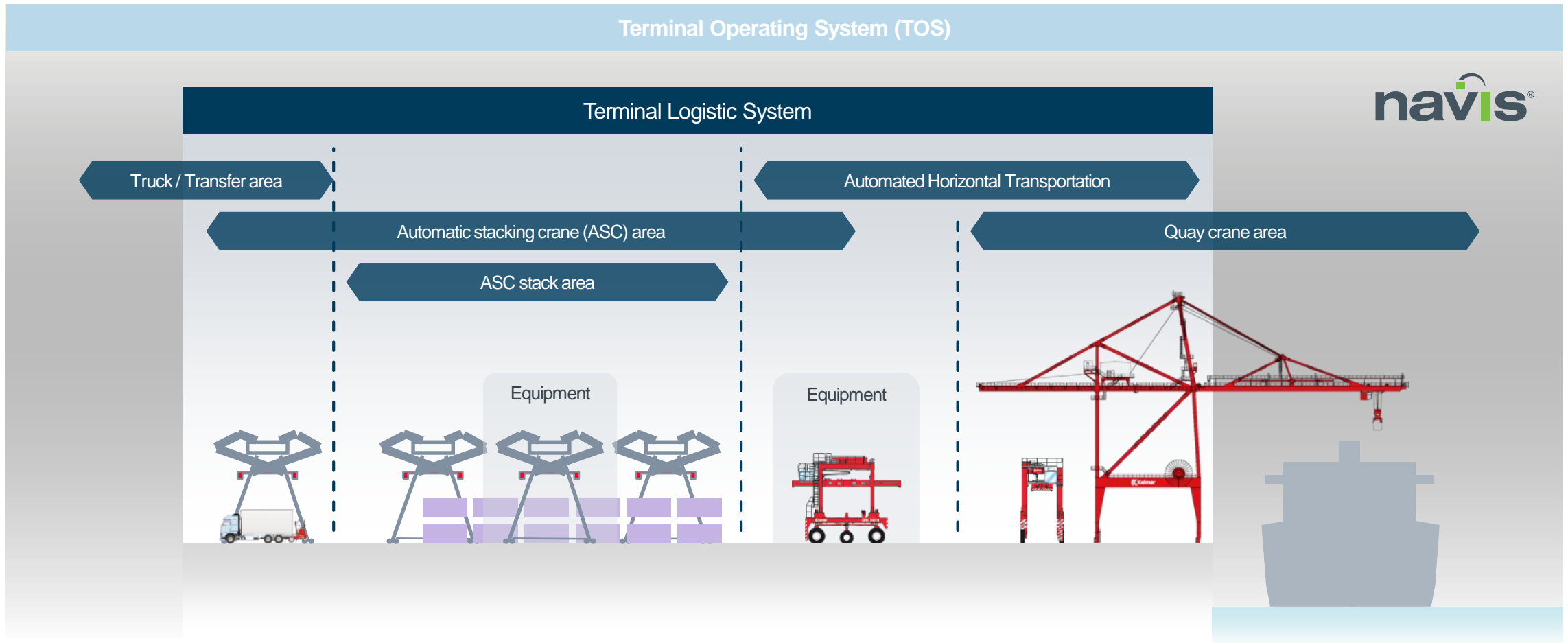
TEU million



2017-2023: Drewry: Container forecaster Q2 2019
 2016: Drewry: Container forecaster Q1 2019
 2015 Drewry: Container forecaster Q1 2018

2013-2014 Drewry Global Container Terminal Operators Annual Report 2013

Flexible and scalable Navis TOS software



Kalmar's operating environment



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



TOS coordinates and optimises the planning and management of container and equipment moves in complex business environments.

Navis provides also maritime shipping solutions:

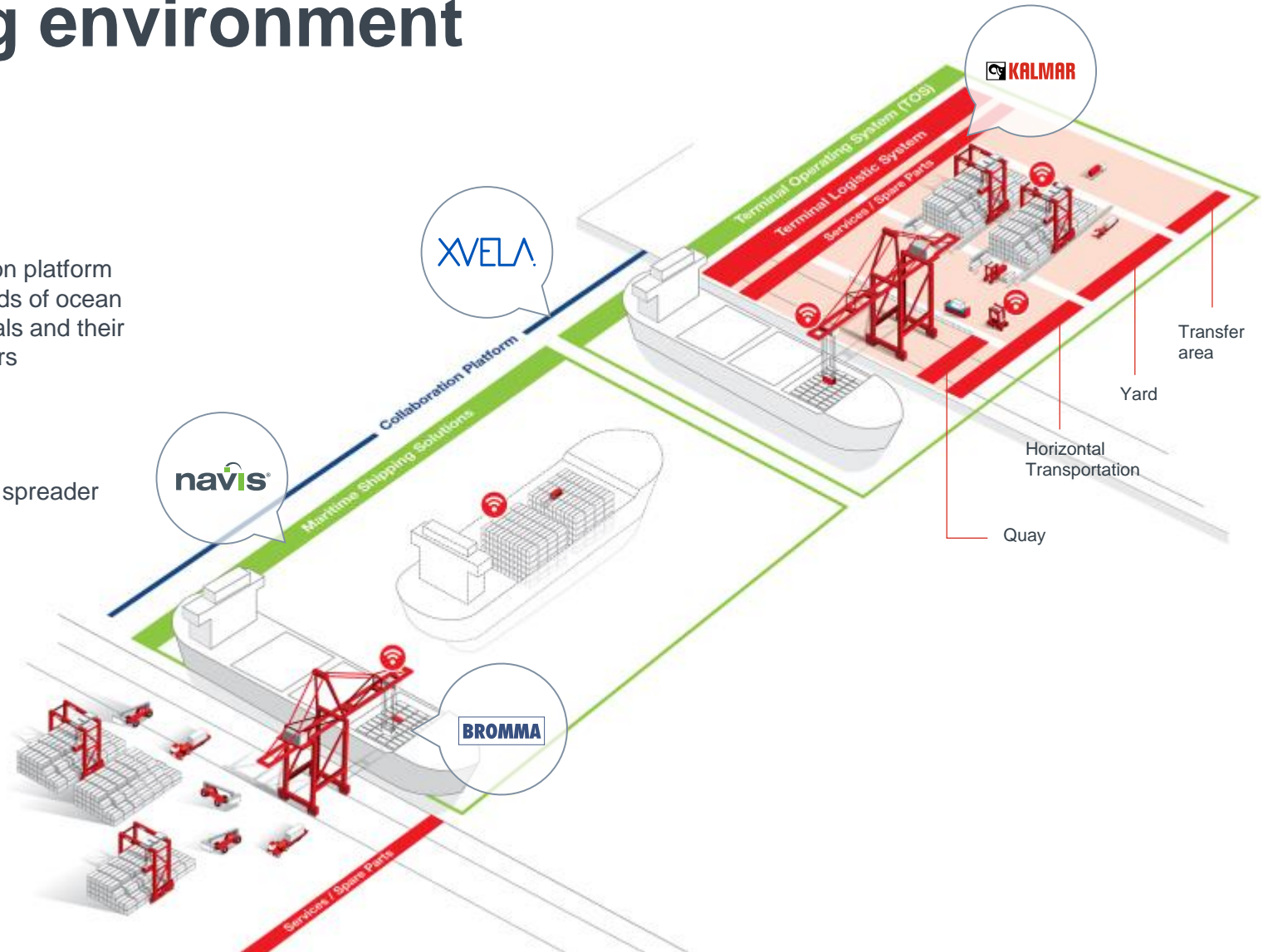
- Stowage planning
- Vessel monitoring
- Loading computer
- Route planning



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



Industry leading spreader manufacturer



XVELA provides benefits to ocean carriers and terminal operators

- Today's container supply chain is a fragmented and siloed framework
- Information sharing between parties is not optimally structured
 - Forms of communication today include email, phone calls, EDI, paper plans
 - Problems: incomplete data, errors, information not available on time
- In-house developed XVELA is a many-to-many platform to solve these issues
 - Real-time stowage collaboration
 - Port-to-port visibility and collaboration
 - Synchronisation of planning between carriers and terminals

Benefits of XVELA:

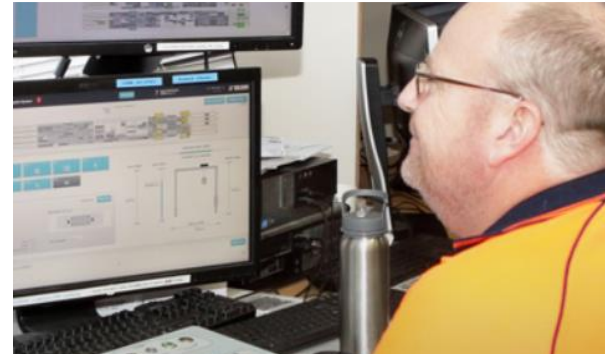
- Faster vessel turn times
- Operational efficiencies
- Cost savings



Services provide our biggest medium term growth opportunity



Equipment & Projects
20-30%



Software
20-30%



Services
3-5%

Market
share

Market
size

6B€

0.5-1B€

8B€

Recent automation deals highlight our successful investments in automation

Kalmar and Navis to deliver world-first intermodal automation solution to Sydney, Australia

Greenfield intermodal terminal, Qube's Moorebank Logistics Park

- First fully automated intermodal terminal in the world

Kalmar OneTerminal contract, including Navis N4 TOS

All equipment can be operated electrically on local solar power

Order value EUR 80 million, booked in Q2 2018

Fully digitalised and autonomous container handling solution with software and services to Yara

Solution enables autonomous, cost efficient and emission-free operations of the Yara Birkeland container ship in Norway



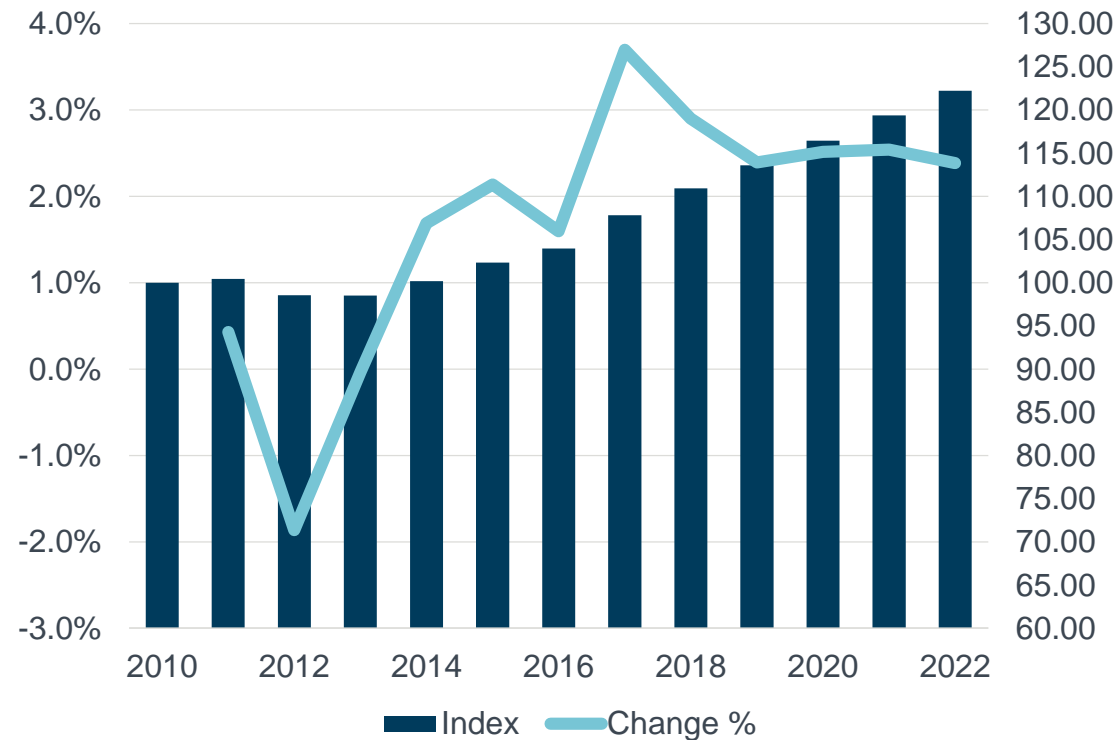
Hiab



Construction output driving growth opportunity

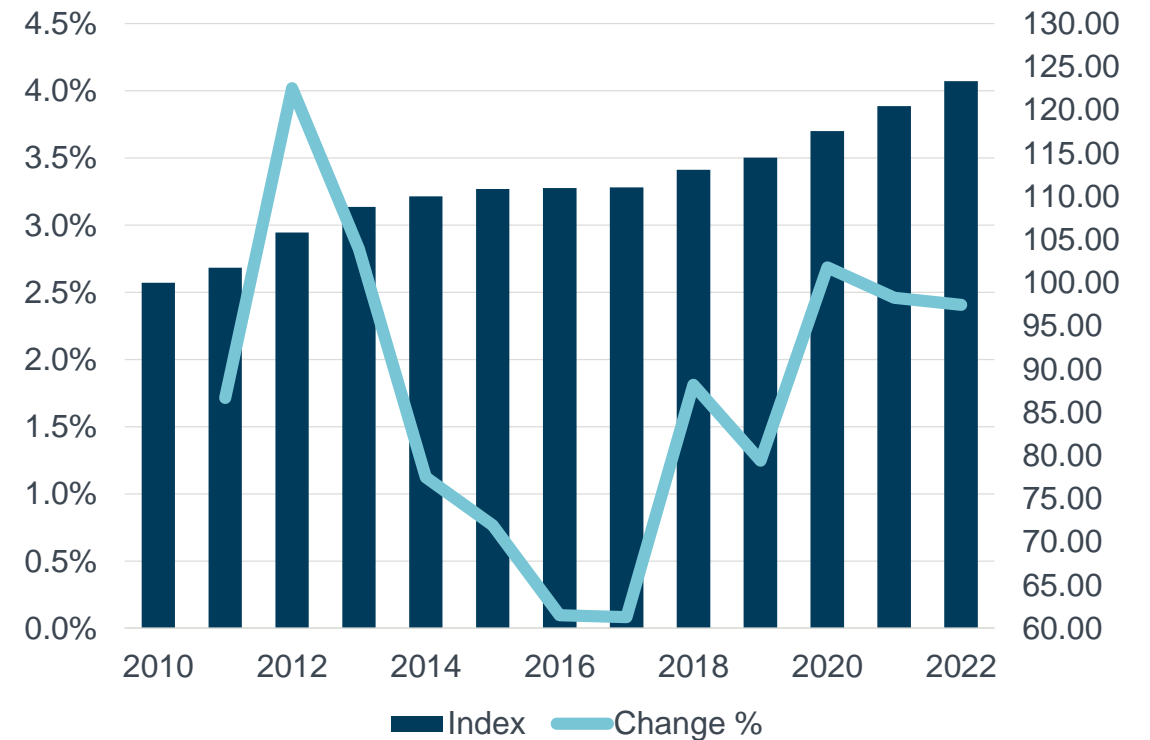
EMEA construction output

y/y change (%)







AMER construction output

y/y change (%)

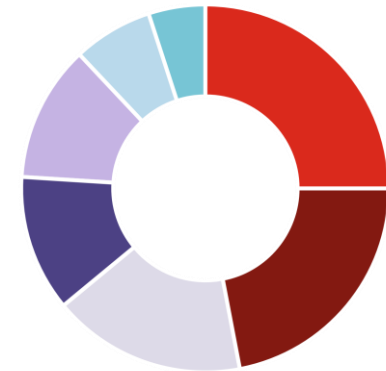


Oxford Economics: Industry output forecast
3/2019

Strong global market position and customers across diverse industries

	MARKET SIZE* (EUR billion)	KEY SEGMENTS	HIAB GLOBAL POSITION & TREND
LOADER CRANES 	~1.5	Construction and Logistics	#1-2 ↗
TAIL LIFTS 	~0.9	Retail Industry and Logistics	#1 ↗
DEMOUNTABLES 	~0.5	Waste and Recycling, Defense	#1 ↗
TRUCK MOUNTED FORK LIFTS 	~0.3	Construction and Logistics	#1 →
FORESTRY & RECYCLING CRANES 	~0.3	Timber, Pulp, Paper & Recycling	#2 →

Industry Segment Indicative Sales Mix 2018



Most important segments

- Construction and Building Material
- Delivery Logistic
- Waste & Recycling
- Timber, Paper & Pulp
- Defense Logistic
- Road & Rail
- Other

Attractive megatrends and growth drivers

MEGA TRENDS



- **Urbanization** and **Consumption** growth driving needs for efficiency
- **Digitalization** and **Connectivity** enabling new **business** solutions

MARKET GROWTH



- **North America** and main **European** markets continue to grow
- **Developing markets** strong load handling equipment penetration potential

KEY SEGMENTS



- **Construction, Waste & Recycling, Logistics** and **Governmental** business segments show continued growth projection

PRODUCT OFFERING



- **New applications** market and segment growth potential
- Developing for increasing demand in **Electrification** and **Automation**

SERVICE SOLUTIONS



- Growing demand for comprehensive **life-cycle service offerings** and tailored **business solutions**

Hiab's key growth drivers



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

MacGregor



We are an active leader in all maritime segments

~3/4 of sales

~1/4 of sales

<p>Merchant Cargo Flow</p> <p>MARKET POSITION #1</p>	<p>Marine People Flow</p> <p>#1</p>	<p>Marine Resources & Structures</p> <p>#1-2</p>	<p>Naval Logistics and Operations</p> <p>#1-2</p>	<p>Offshore Energy</p> <p>#1</p>
<ul style="list-style-type: none"> ▪ Container cargo ▪ Bulk cargo ▪ General cargo ▪ Liquid cargo ▪ RoRo cargo 	<ul style="list-style-type: none"> ▪ Ferry ▪ Cruise ▪ Superyachts ▪ Walk-to-work 	<ul style="list-style-type: none"> ▪ Research ▪ Fishery ▪ Aquaculture ▪ Mining ▪ Floating structures 	<ul style="list-style-type: none"> ▪ Naval & Military Supplies Logistics ▪ Naval & Military Operations Support ▪ Ship-to-ship transfer 	<ul style="list-style-type: none"> ▪ Oil & Gas ▪ Renewables

Lifecycle Services

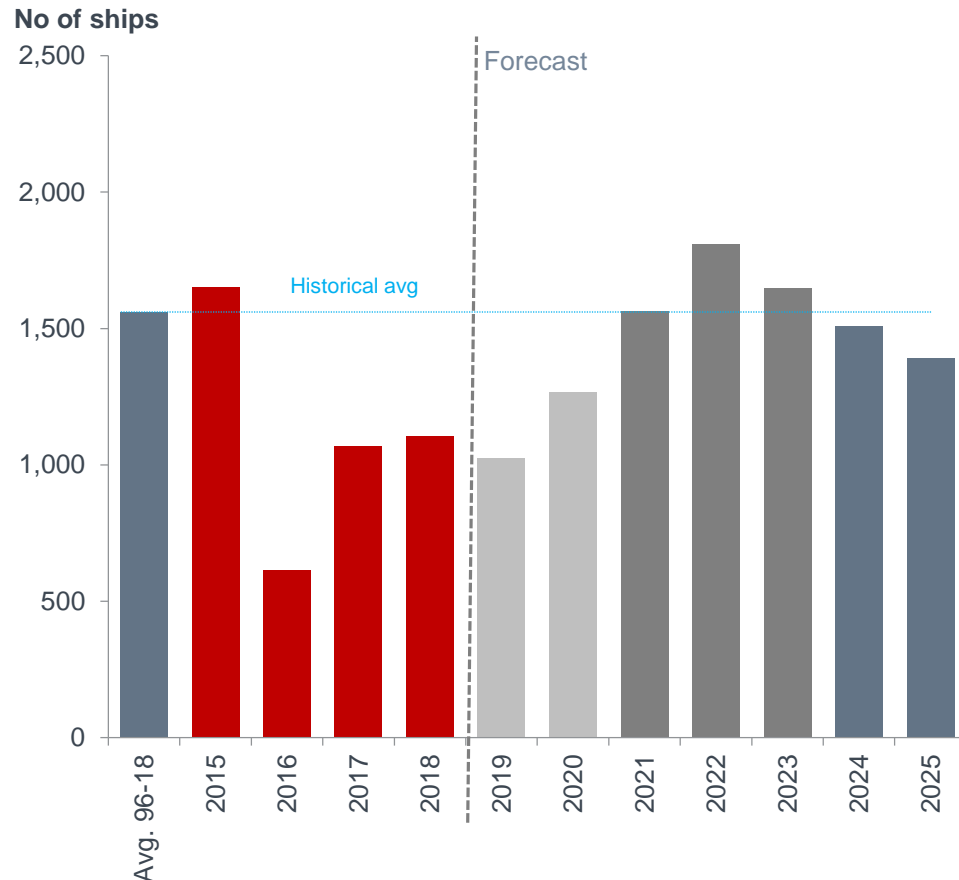


Picture: Statoil

Merchant Ships and Offshore contracting activity below historical levels

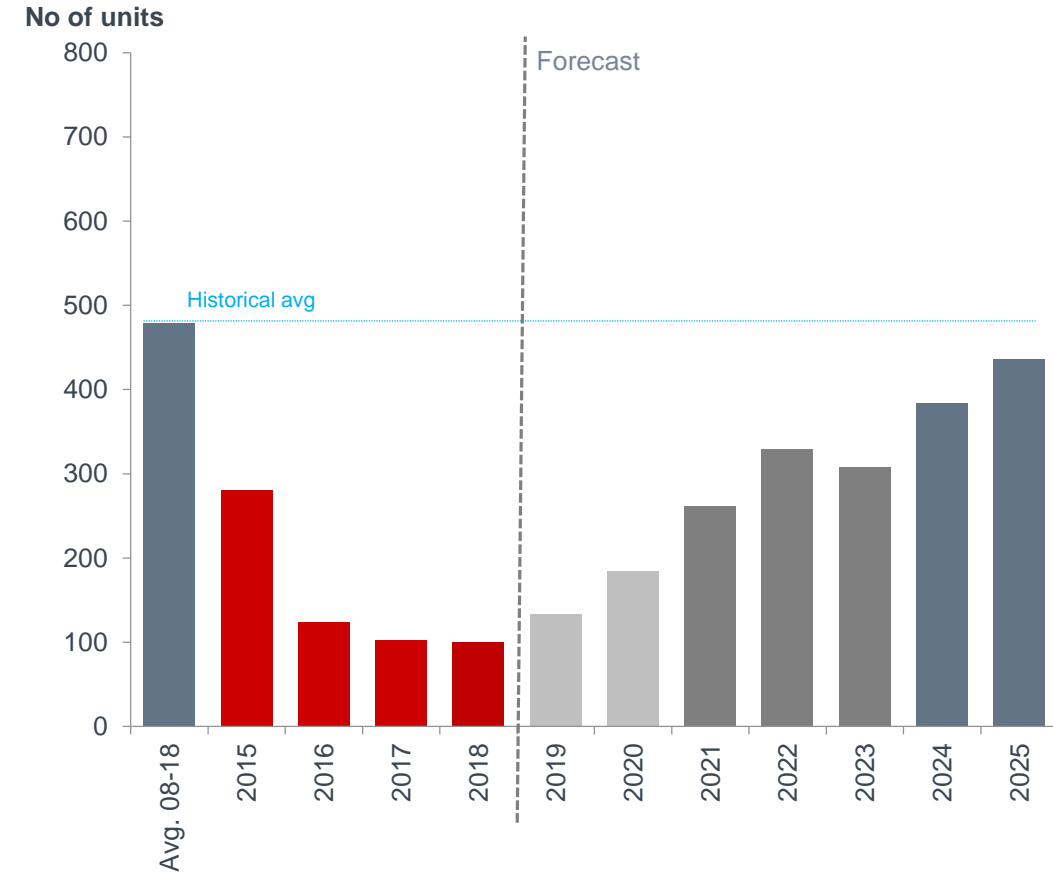
Long term contracting 2015-2025

Merchant ships > 2,000 gt (excl ofs and misc)

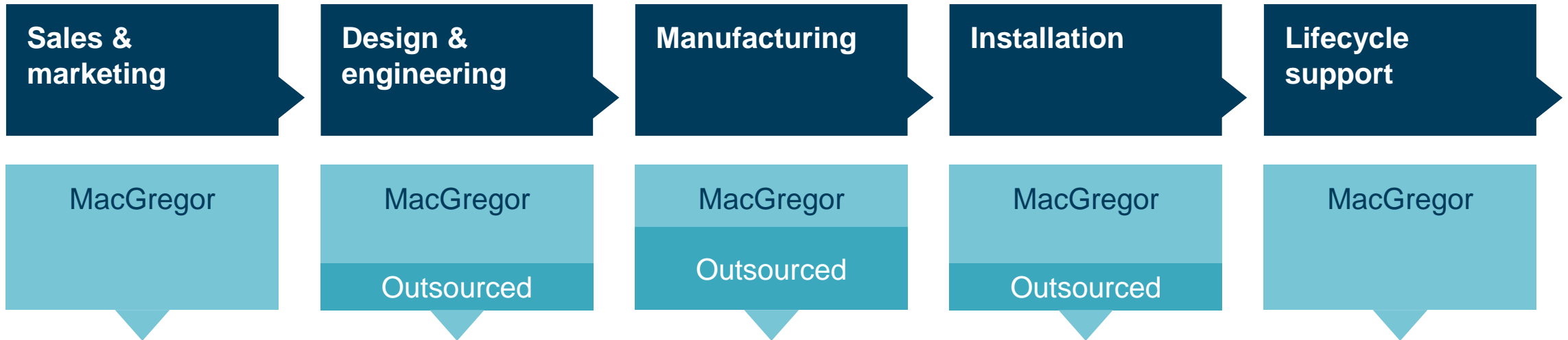


Long term contracting 2015-2025

Mobile offshore units



MacGregor's asset-light business model gives flexibility



Cost-efficient scaling

90% of manufacturing outsourced

30% of design and engineering capacity outsourced

Recent progress



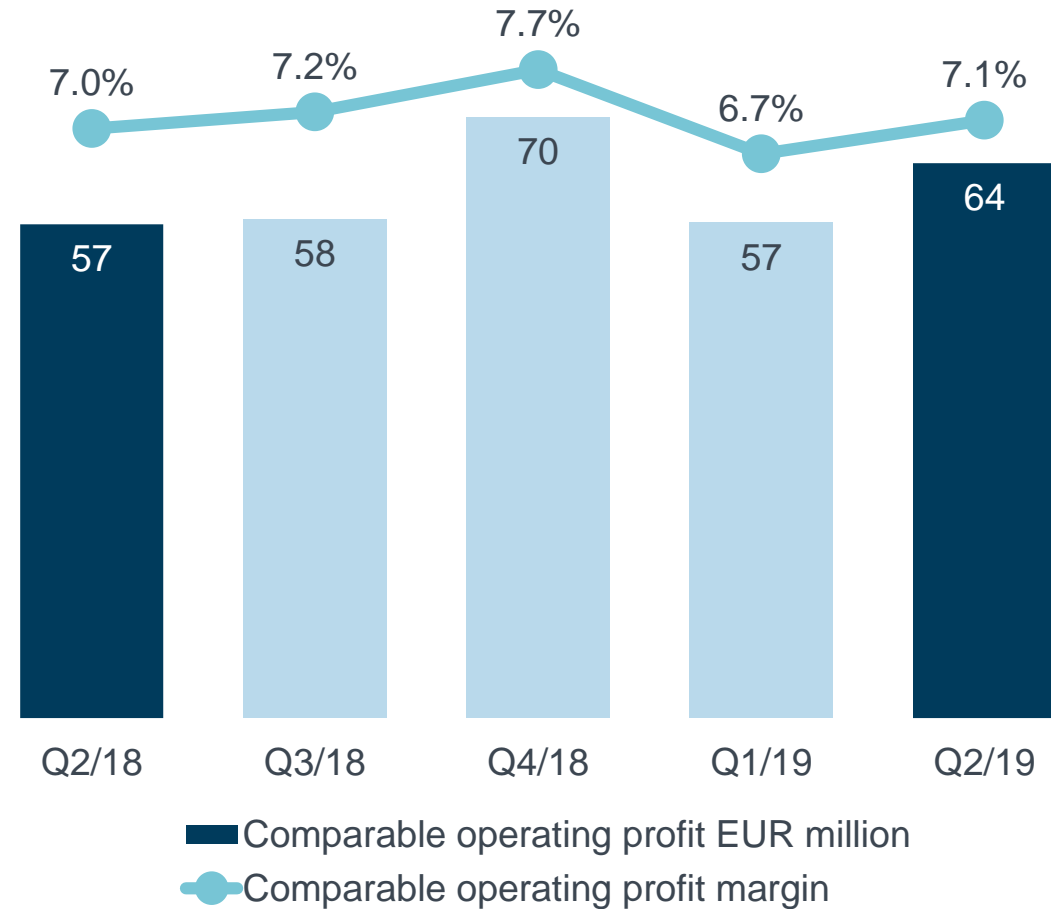
Highlights of Q2 2019 – Comparable operating profit increased

Good momentum in orders received continued in Hiab

- Total orders -11%
 - Kalmar -24%
 - Hiab +13%
 - MacGregor -11%

Comparable operating profit 12% higher than in Q2/18

- Kalmar's comparable operating profit increased strongly
- Record high operating profit for Hiab
- MacGregor at loss – productivity to be addressed



Acquisition of TTS marine and offshore business

Strategic rationale

Service growth potential

Strengthening MacGregor's position also in China

Based on revised estimates, potential cost synergies are estimated to be around EUR 25-30 million on annual level

Overview of the acquired businesses

Employs 900 people

Sales approximately EUR 211 million in 2017*

Services 26% of revenues

Acquisition

Acquired businesses represent around 90% of total sales of TTS Group

Announced enterprise value EUR 87 million

Acquisition was completed on 31 July 2019

- TTS results will be consolidated into MacGregor's financial figures as of 1 August 2019
- Temporary conditions regarding certain new equipment business in China

Market environment in H1 2019

Growth in number of containers handled at ports continued

- Customers are starting automation projects mainly with phased investments

Construction activity on good level

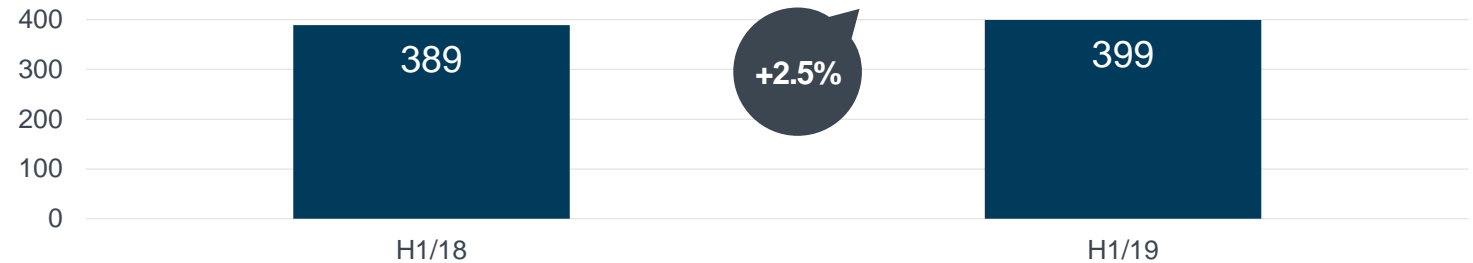
- Good development continued in Europe and the US

Market remained challenging in merchant sector, and orders remained below historical levels

- In offshore, activity remained on a low level

Global container throughput (MTEU) – Key driver for Kalmar

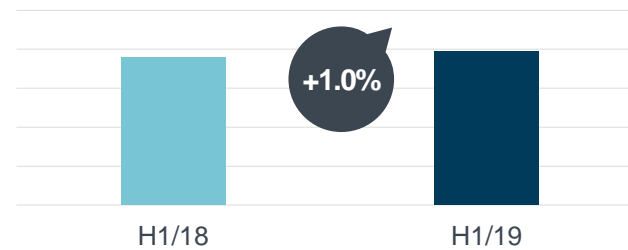
Source: Drewry



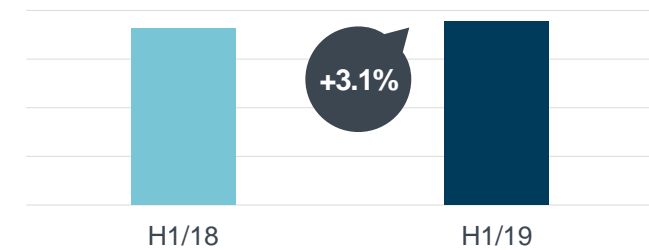
Construction output – Key driver for Hiab

Source: Oxford Economics

United States



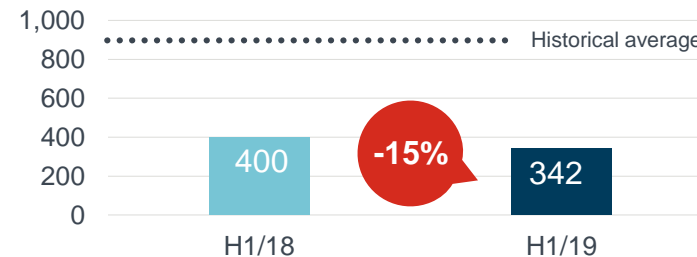
Europe



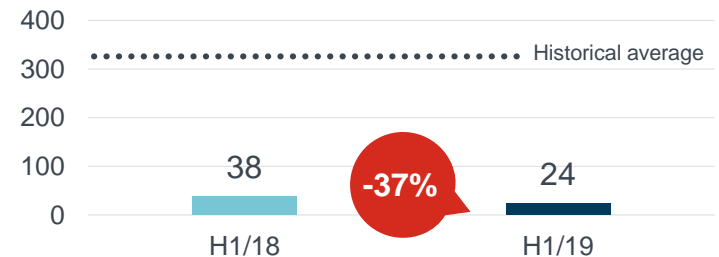
Long term contracting – Key driver for MacGregor

Source: Clarkson Research
(number of ships and offshore units)
Indicative historical average

Merchant ships > 2,000 gt (excl. ofs & misc)



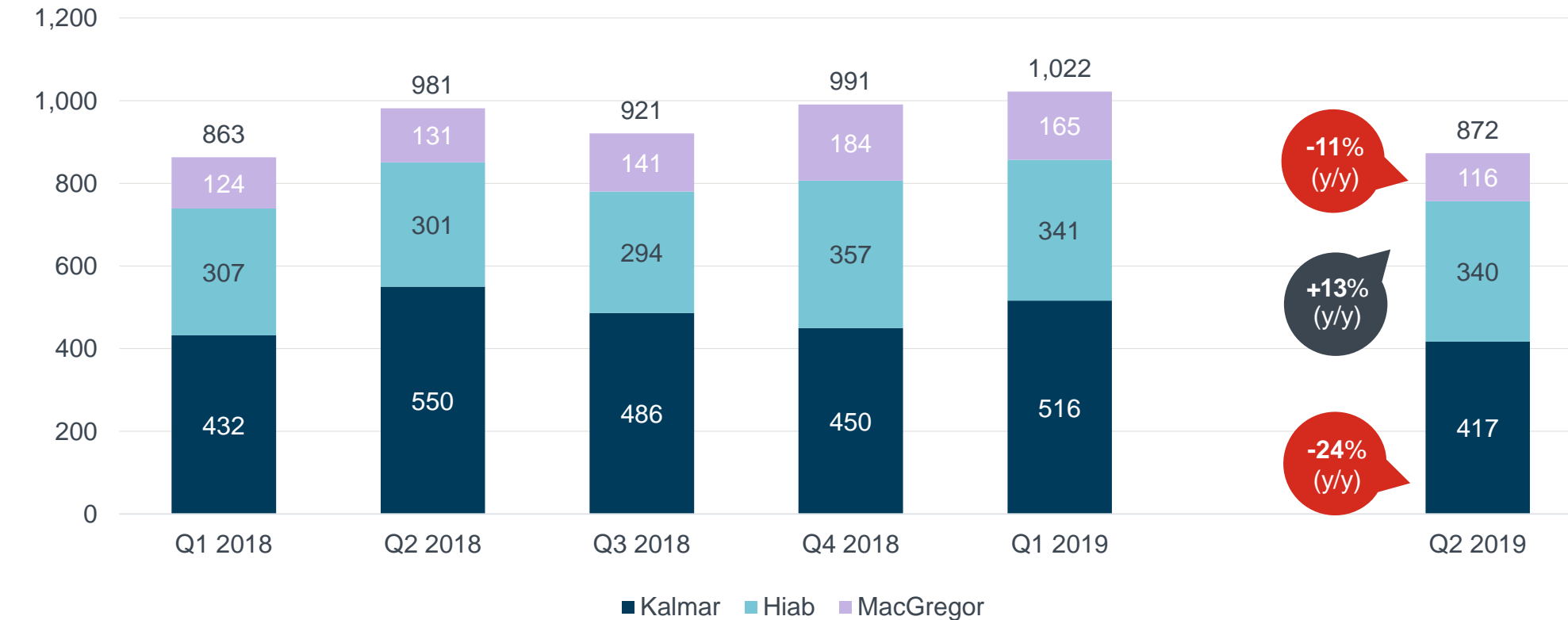
Mobile offshore units



Orders received declined – Comparison period included a large automation order for Kalmar

Orders received

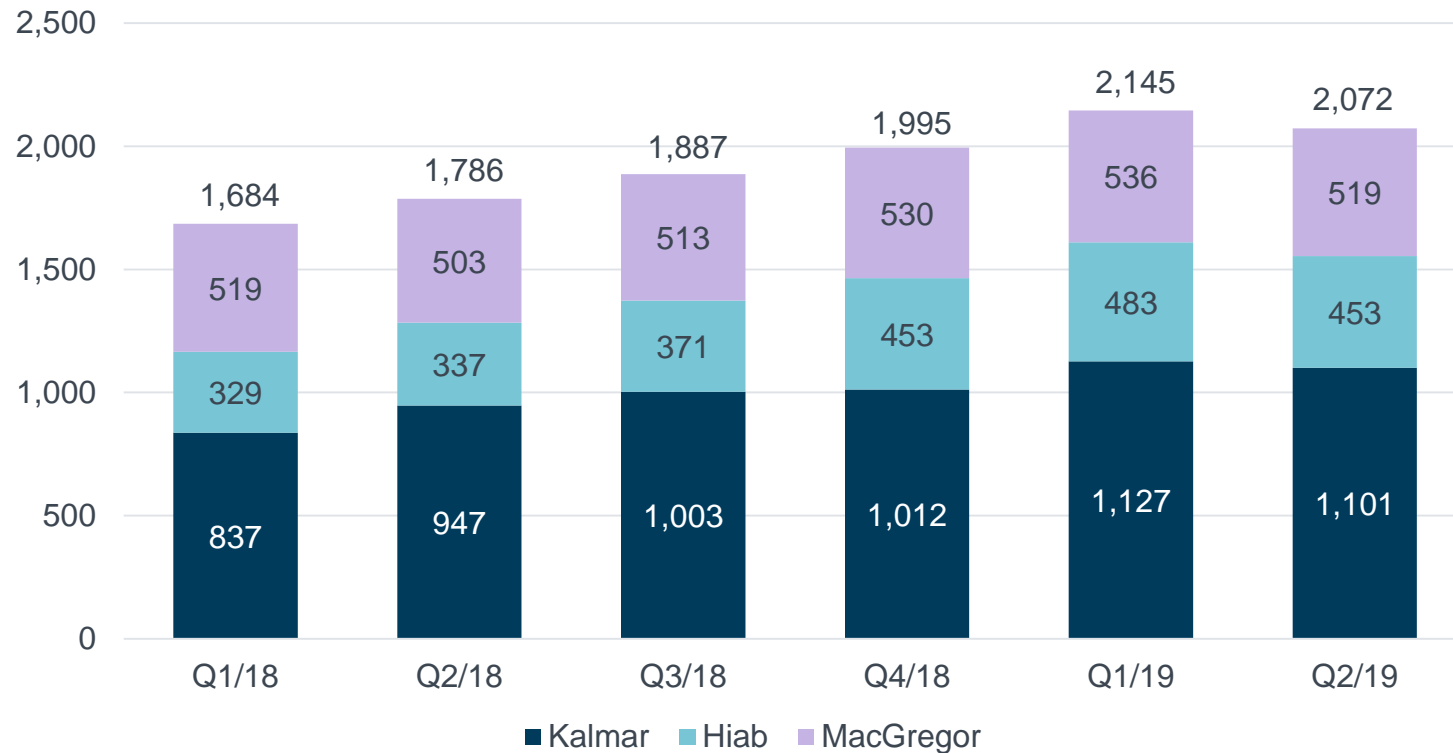
MEUR



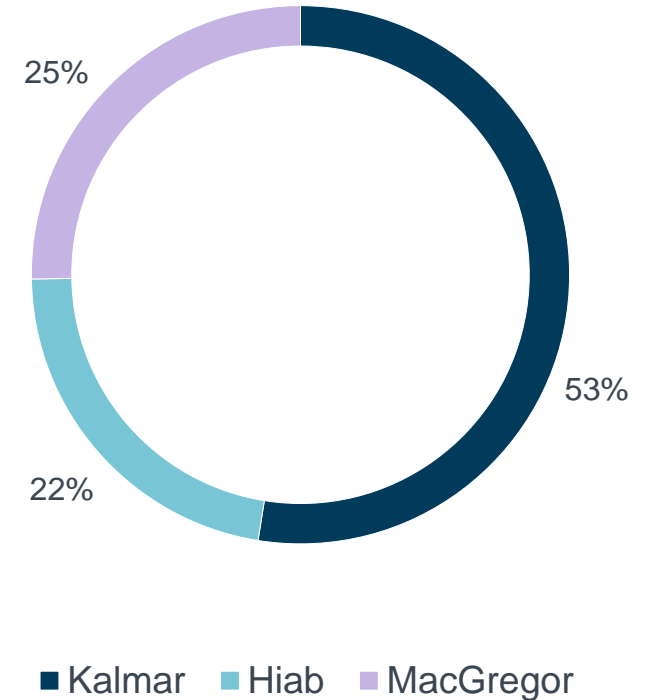
Order book 16% higher than in Q2/18

Order book

MEUR



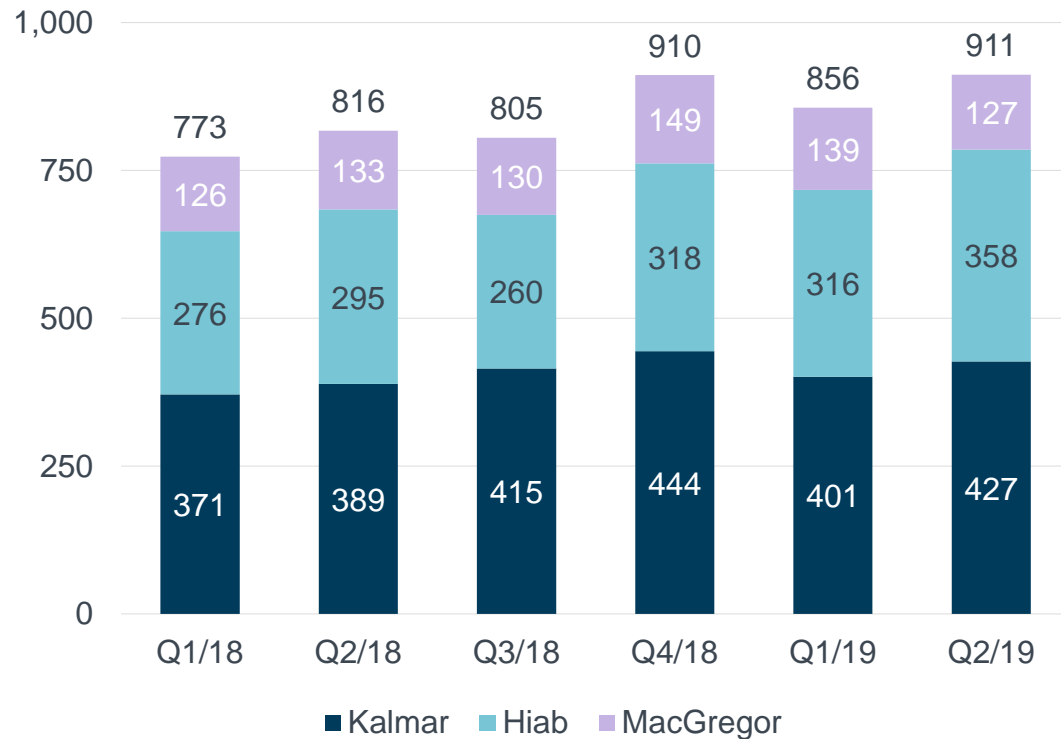
Order book by reporting segment, Q2 2019



Sales increased by 12% and comparable operating profit by 12%

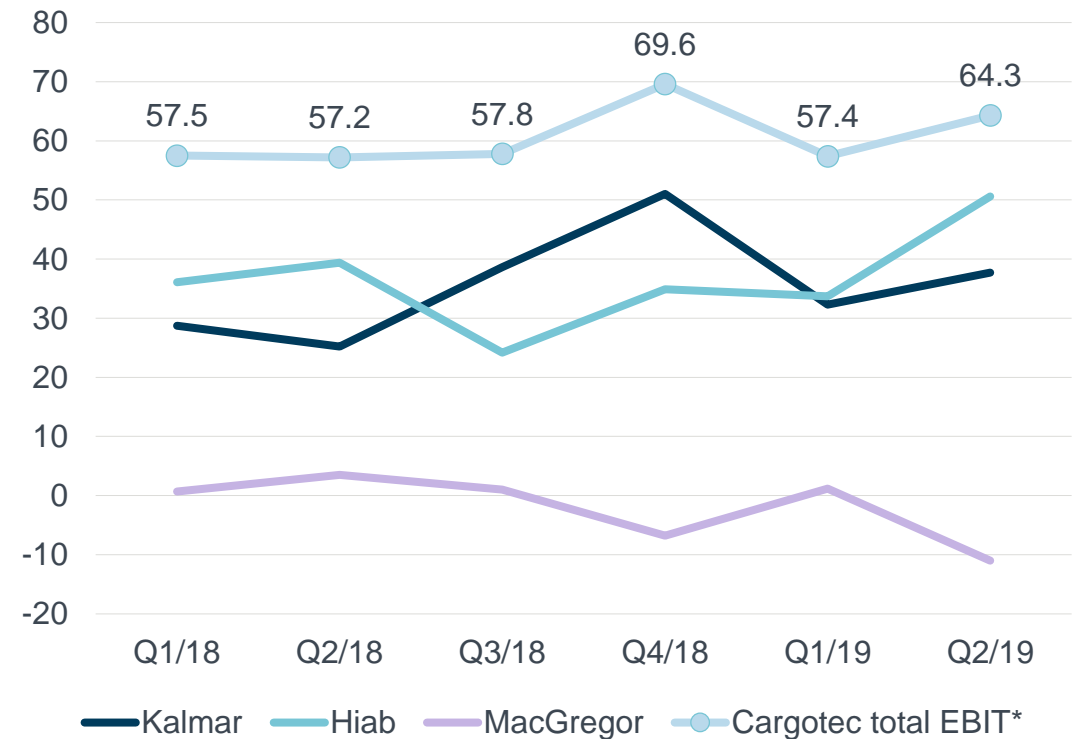
Sales

MEUR



Comparable operating profit

MEUR

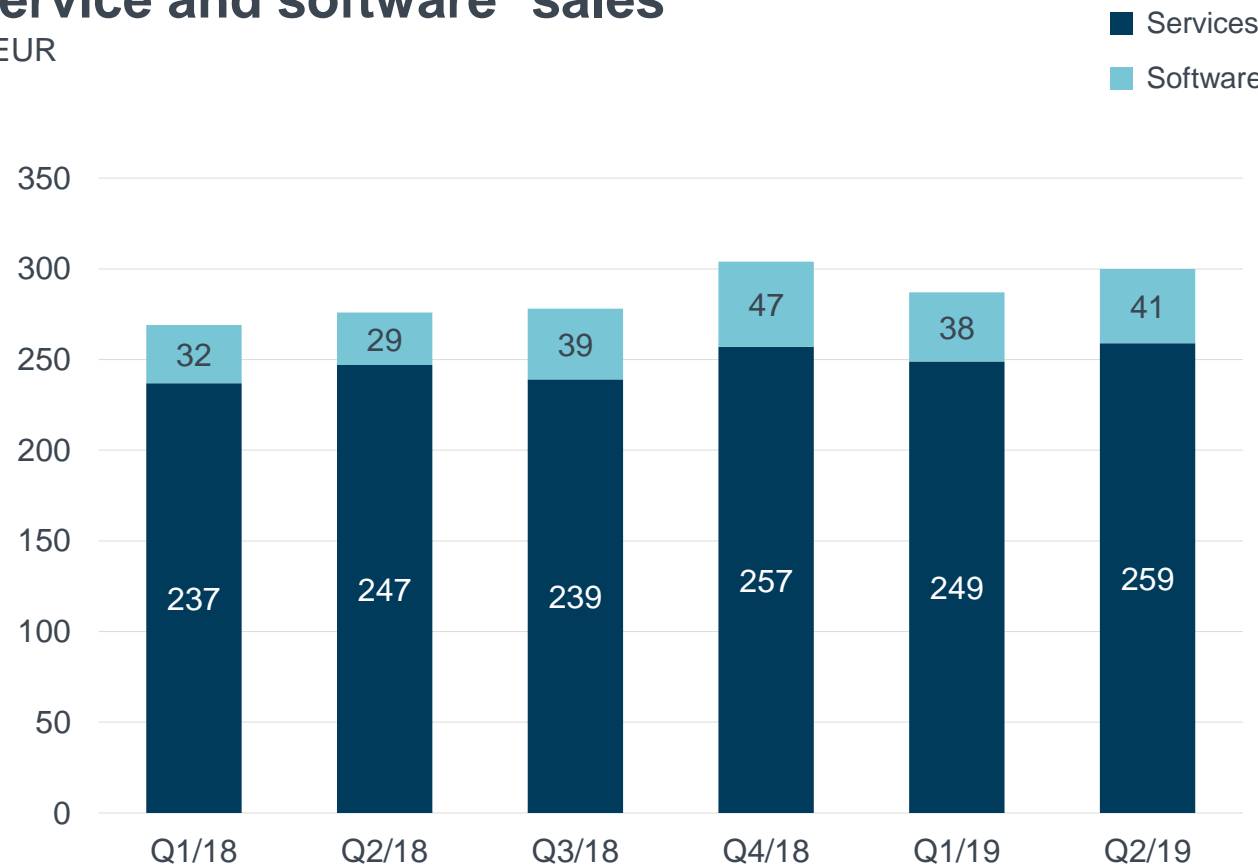


*) Including Corporate admin and support

Growth in service and software sales continued

Service and software* sales

MEUR



*Software sales defined as Navis business unit and automation software

Q2 2019 service sales +5%

- Kalmar +2%
 - +6% in comparable FX and adjusted for divestments
- Hiab +14%
- MacGregor -1%
- Total service sales +6% in comparable FX and adjusted for acquisitions and divestments

Software sales +42%

Service and software sales constituted 33% of total sales in H1/19

Kalmar Q2 – Strong profit growth

Orders received decreased

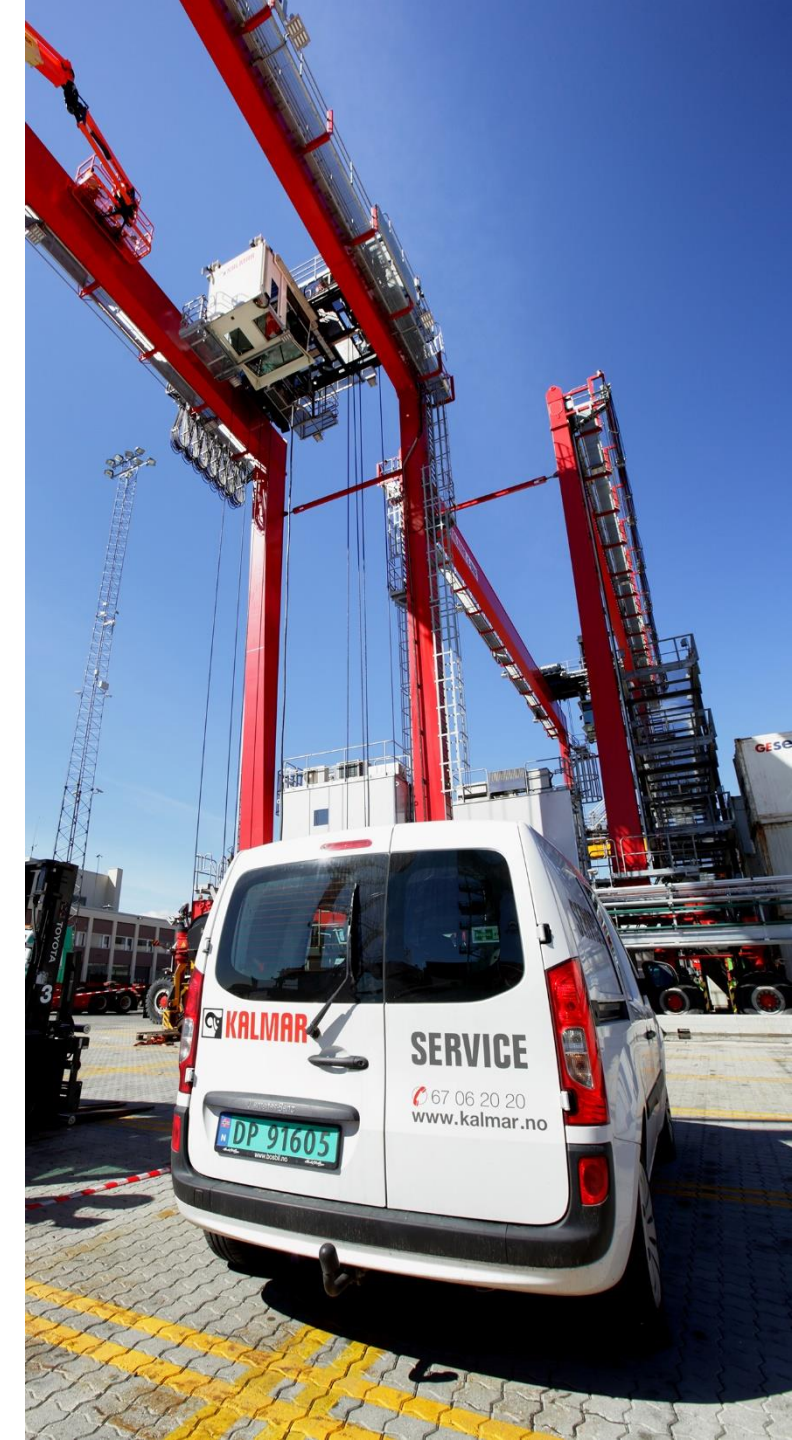
- Comparison period included EUR 80 million automation order
- Lower orders in mobile equipment

Sales increased +10%

- Services growth +6% in comparable FX and adjusted for divestments

Profitability improvement driven by higher sales

MEUR	Q2/19	Q2/18	Change
Orders received	417	550	-24%
Order book	1,101	947	+16%
Sales	427	389	+10%
Comparable operating profit	37.7	25.2	+49%
Comparable operating profit margin	8.8%	6.5%	+235bps



Hiab Q2 – Record high operating profit

Orders received grew +13%

- Growth in EMEA (+13%) and Americas (+18%)
- Services +7%

Sales +22%

- Sales +14% excl. Effer acquisition
- Service sales +14%

Comparable operating profit increased due to sales growth

MEUR	Q2/19	Q2/18	Change
Orders received	340	301	+13%
Order book	453	337	+35%
Sales	358	295	+22%
Comparable operating profit	50.6	39.4	+29%
Comparable operating profit margin	14.1%	13.4%	+76bps



Addressing the supply chain challenge

We have been strategically and operationally addressing the challenges with a **dedicated task force and program** focusing on

- Our **business operations** - planning and managing demand and growth
- Improving on potential **bottlenecks** across the **total value chain**
- Specific activities to increase efficiency and output in **assembly operations**
- **Sourcing, supplier management & development, and competence**



MacGregor Q2 – Weak result

Orders received -11%

- Decline in equipment orders, service orders +19%

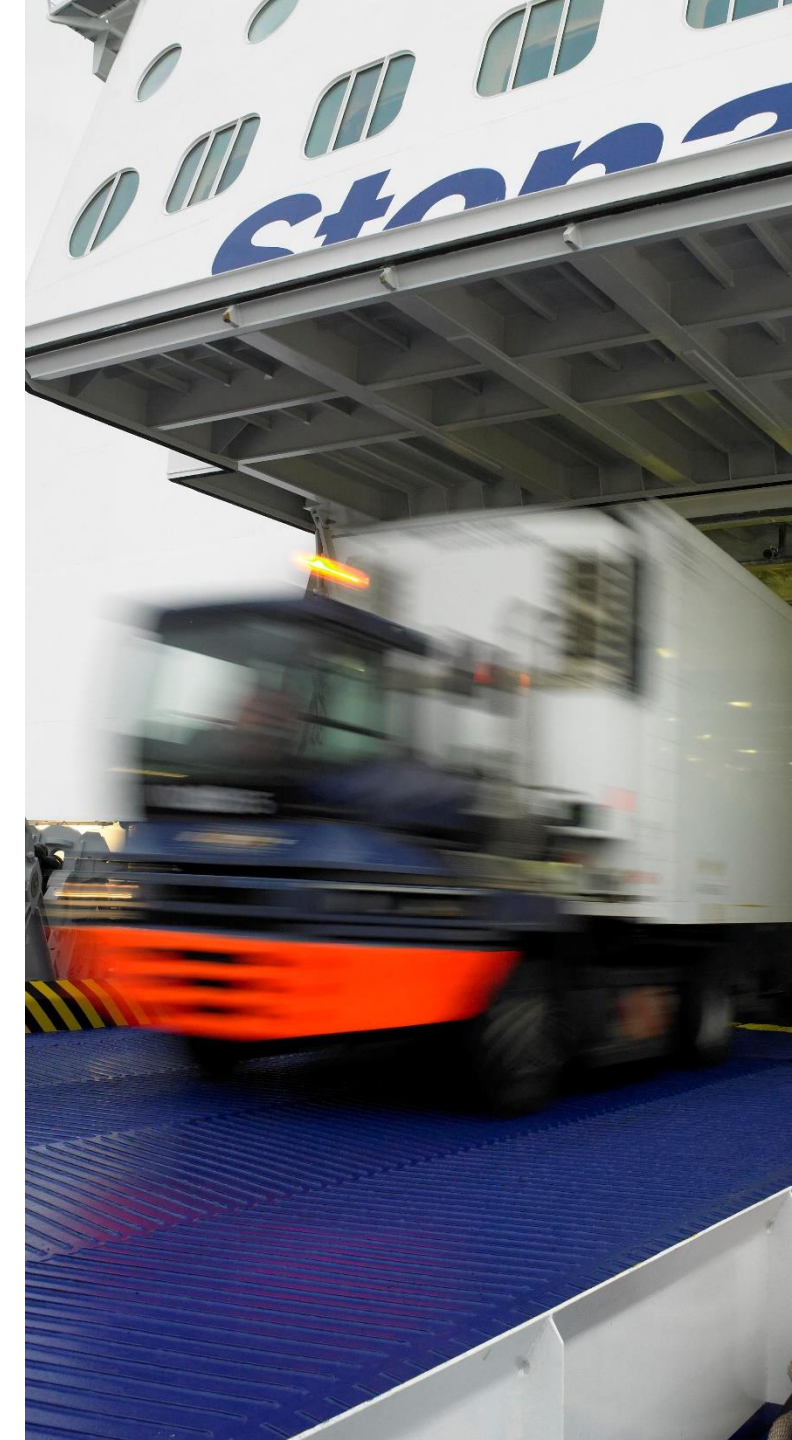
Sales -5%

- Service sales -1%

Comparable operating profit at loss

- Comparable operating profit declined due to lower sales, cost overruns in certain offshore projects and low capacity utilisation in offshore
- Productivity to be addressed

MEUR	Q2/19	Q2/18	Change
Orders received	116	131	-11%
Order book	519	503	+3%
Sales	127	133	-5%
Comparable operating profit	-11.0	3.5	< -100%
Comparable operating profit margin	-8.7%	2.6%	-1,134bps



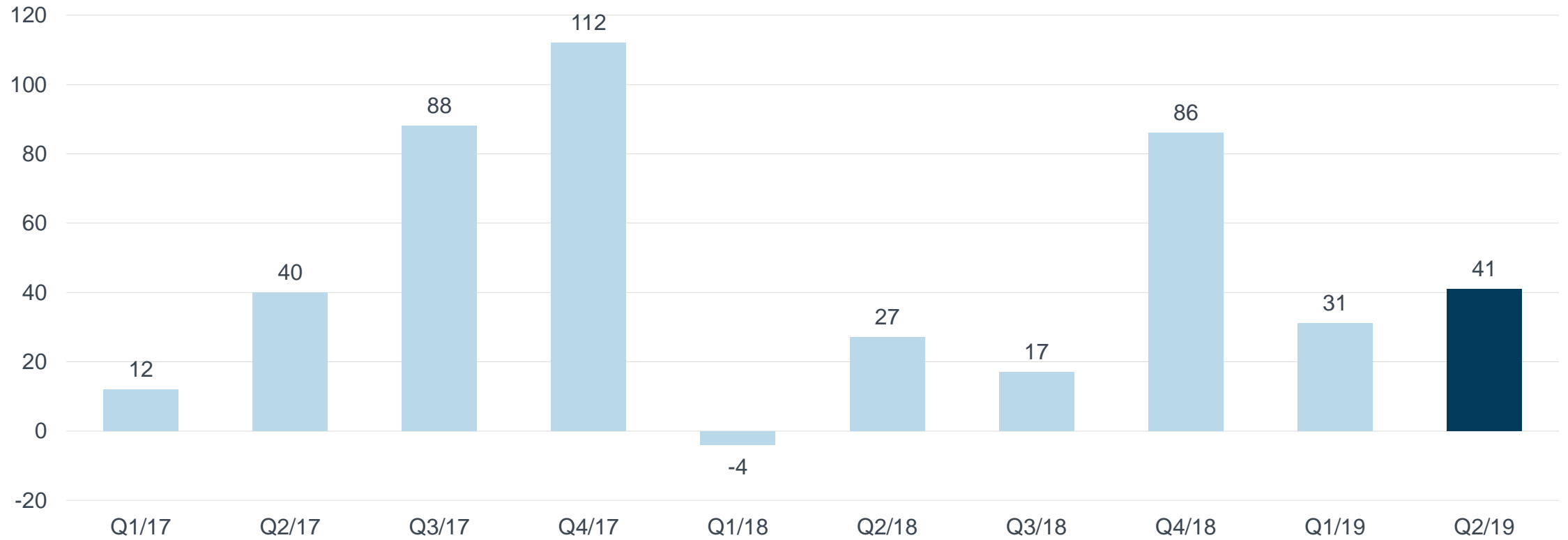
Key figures – Sales and operating profit increased

	Q2/19	Q2/18	Change	H1/19	H1/18	Change
Orders received, MEUR	872	981	-11%	1,894	1,844	+3%
Order book, MEUR	2,072	1,786	+16%	2,072	1,786	+16%
Sales, MEUR	911	816	+12%	1,767	1,589	+11%
Comparable operating profit, MEUR	64.3	57.2	+12%	121.7	114.7	+6%
Comparable operating profit, %	7.1%	7.0%	+5bps	6.9%	7.2%	-33bps
Items affecting comparability, MEUR	-11.3	-35.8	+69%	-17.6	-40.1	+56%
Operating profit, MEUR	53.0	21.3	> +100%	104.1	74.5	+40%
Operating profit, %	5.8%	2.6%	+321bps	5.9%	4.7%	+120bps
Net income, MEUR	29.0	2.3	> +100%	60.0	36.0	+67%
Earnings per share, EUR	0.45	0.03	> +100%	0.93	0.55	+70%
Earnings per share, EUR*	0.57	0.51	+11%	1.12	1.08	+3%

Cash flow from operations improving

Cash flow from operations before financing items and taxes

MEUR



Strong financial position

Interest-bearing net debt EUR 876 million (31 Dec 2018: 625)

- Average interest rate* 1.9% (2.4%)
- Net debt/EBITDA 2.8 (2.3)

Net debt and gearing increased mainly due to IFRS 16

- Gearing without IFRS 16 approximately 49%

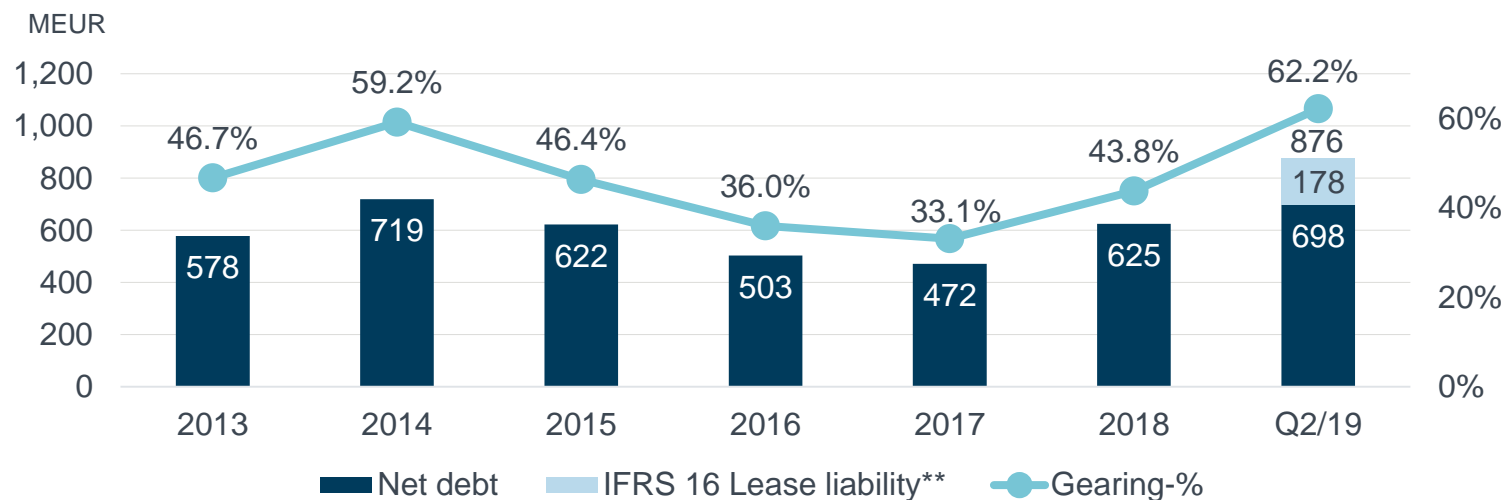
Total shareholders' equity EUR 1,406 million (1,426)

- Equity/total assets 38.8% (40.9%)

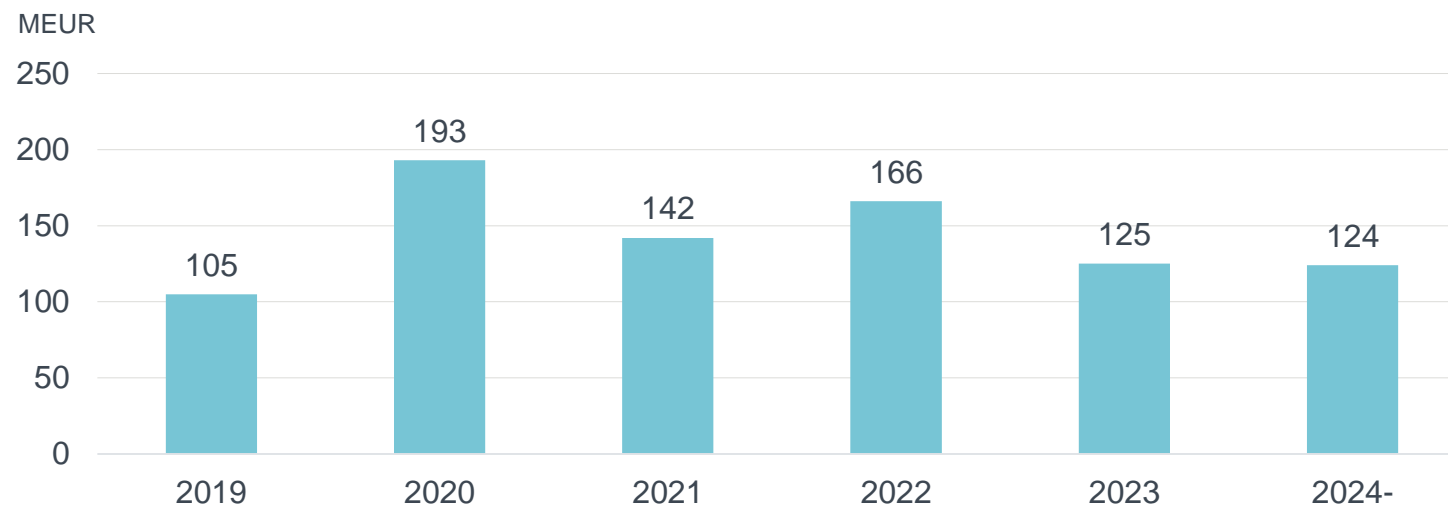
Balanced maturity profile

- EUR 105 million loans maturing in 2019

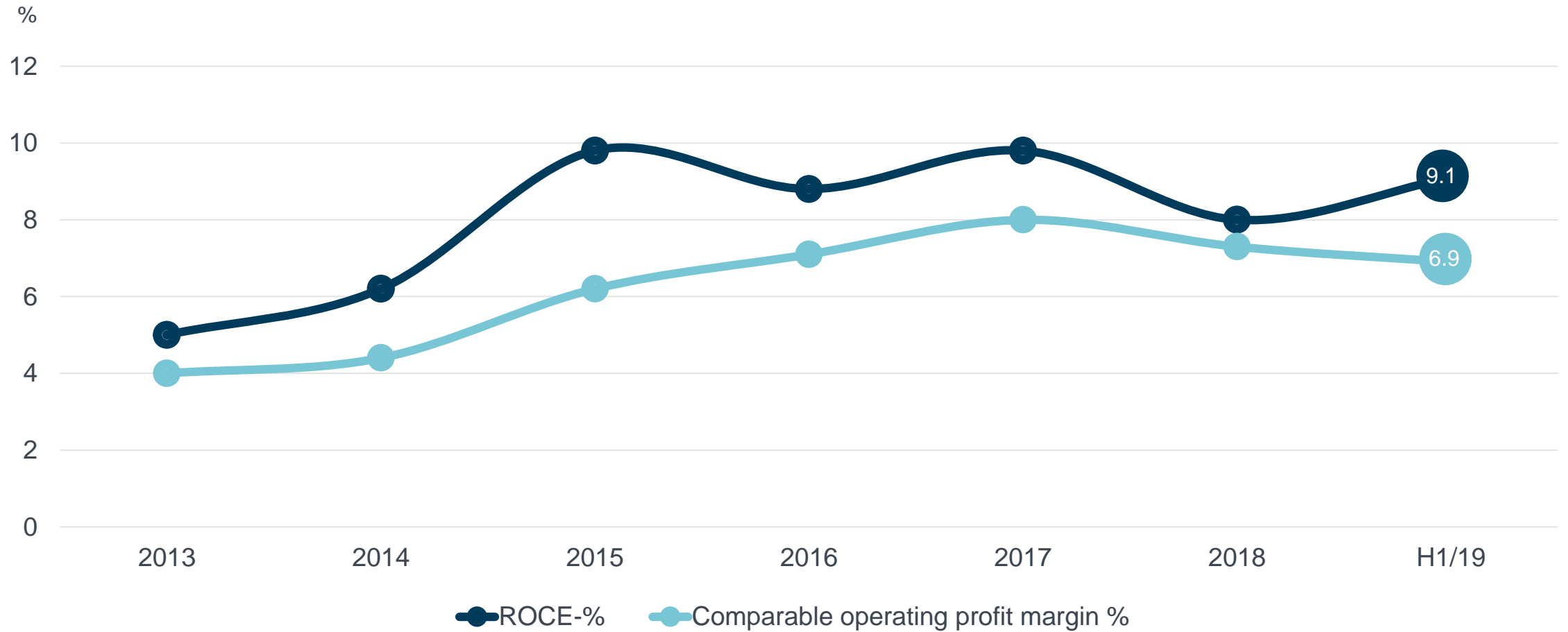
Net debt and gearing



Maturity profile



ROCE improving



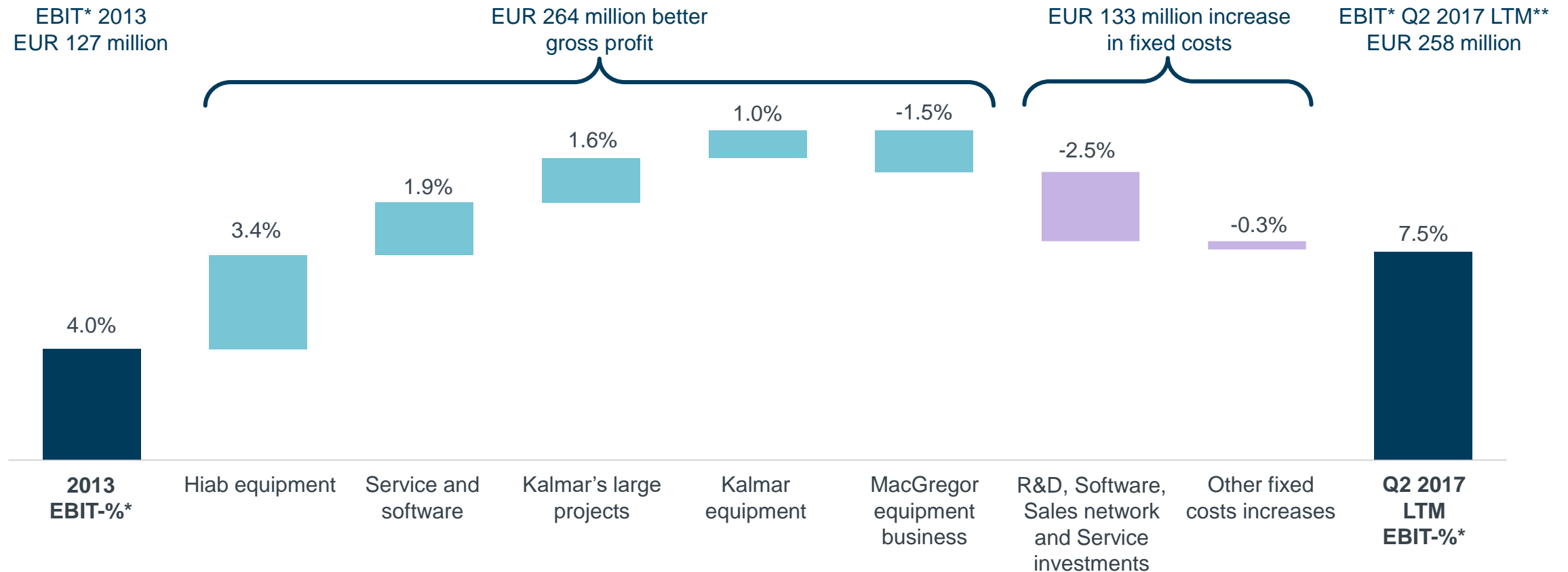
ROCE (return on capital employed), last 12 months



Outlook for 2019

Cargotec reiterates its outlook published on 8 February 2019 and expects its comparable operating profit for 2019 to improve from 2018 (EUR 242.1 million).

We have increased EBIT* margins since 2013 through operational improvements



Group wide EUR 50 million cost savings programme proceeding faster than expected

WHY

- Investments in common systems as enabler
- EUR ~600 million addressable indirect cost base

WHAT

- Reductions in indirect purchasing spend (EUR 30 million), and more efficient support functions (EUR 20 million)

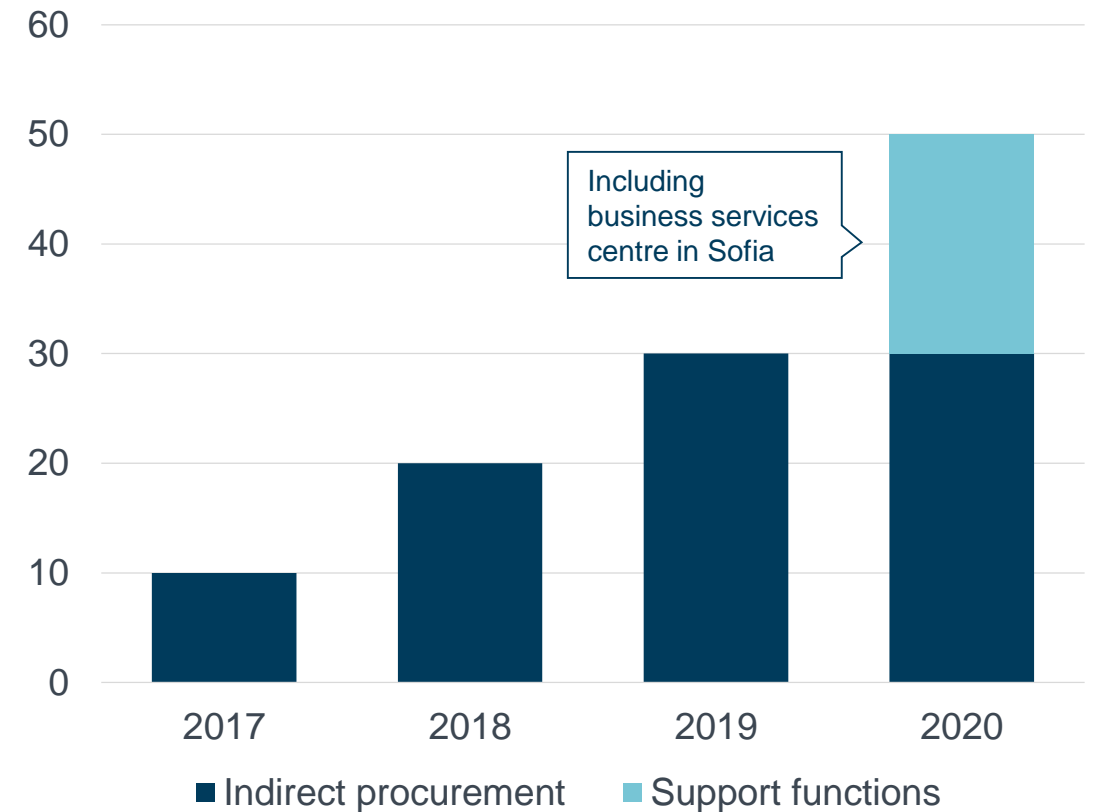
HOW

- Central procurement organization to drive indirect procurement cost and efficiency
- Establishing support function services in Sofia
- Automation in Finance, HR, information management and procurement

RESULTS

- EUR 27 million savings realised since the beginning of the programme in 2017

Expected savings compared to 2016 cost level, MEUR



We have established Cargotec Business Services in Sofia to improve support function efficiency by EUR 20 million

- Savings from consolidation, outsourcing of certain activities, labour arbitrage and robotics
- Scope: Finance, Human Resources, Information Management and Indirect Procurement services primarily from Sofia, Bulgaria
- Good progress in establishing Cargotec Business Services
 - Cargotec Business Service (CBS) centre in Sofia, Bulgaria officially opened 30 January 2018



M&A strategy focusing on bolt-on acquisitions

Key acquisition criteria

Contribution to 15% ROCE target

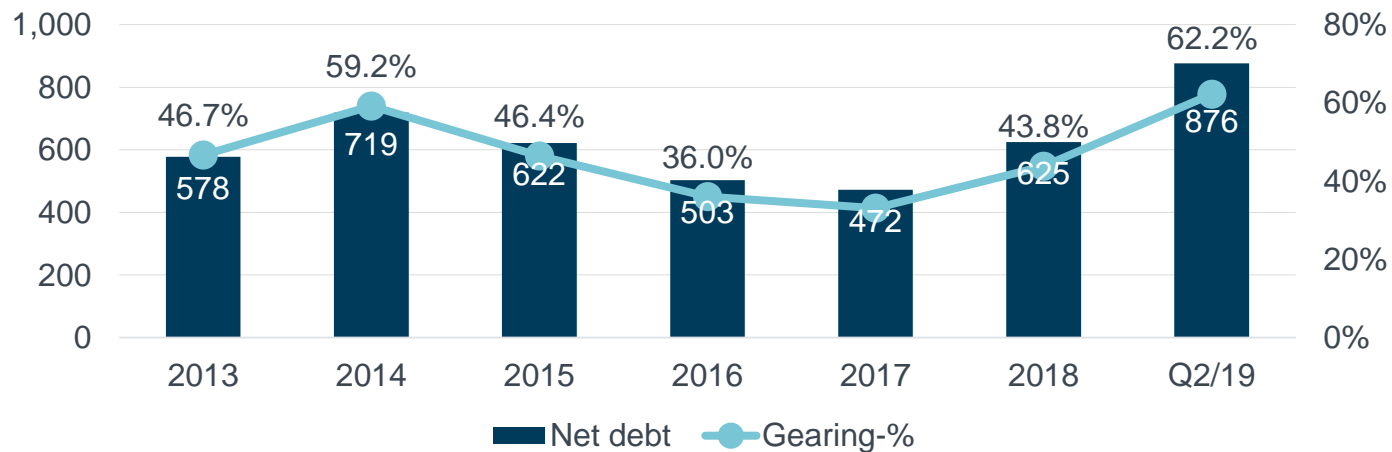
Recurring business

Increase the potential for services through larger installed base and increased presence

Group gearing long term target of 50%

Interest-bearing net debt and gearing

MEUR



M&A focus by business area:

Kalmar

Expand service footprint and software offering

Hiab

Expand geographical presence, service and product offering

MacGregor

Focus on distressed assets and software and intelligent technology

Progress in M&A in 2017

RAPP MARINE GROUP

Strengthen MacGregor's offering for the fishery and research vessel segment

Sales

EUR 40 million

in 2017

Around 30% of sales from services

ARGOS

Hiab entrance to Brazilian loader crane market

Sales

EUR 6 million

in 2017

INVER PORT SOLUTIONS

Broaden Kalmar's existing service capabilities throughout Australia

Sales

EUR 5 million

in 2017

Acquisition of EFFER finalised in Q4 2018

Effer in brief

Global leader in the heavy cranes segment

2018 sales around EUR 97 million and operating profit EUR 5 million

Distribution network of over 100 dealers covering 60 countries globally

Strategic rationale

Effer complements Hiab's loader cranes portfolio and expands the offering in heavy cranes

Leverage Hiab's global service network to boost Effer service sales

Strengthen Hiab's position in Effer's core market areas

Transaction highlights

Enterprise value EUR 50 million

Acquisition was closed on 6 November 2018

TTS product portfolio

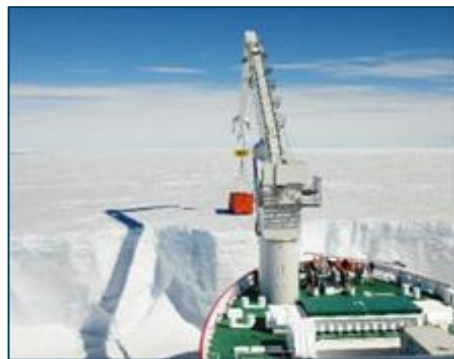
RoRo, Cruise & Navy

Container, Bulk &
Tank Vessels

Multipurpose &
General Cargo

Offshore Vessels

Services



Shaping the portfolio

Two divestments made during Q2/18

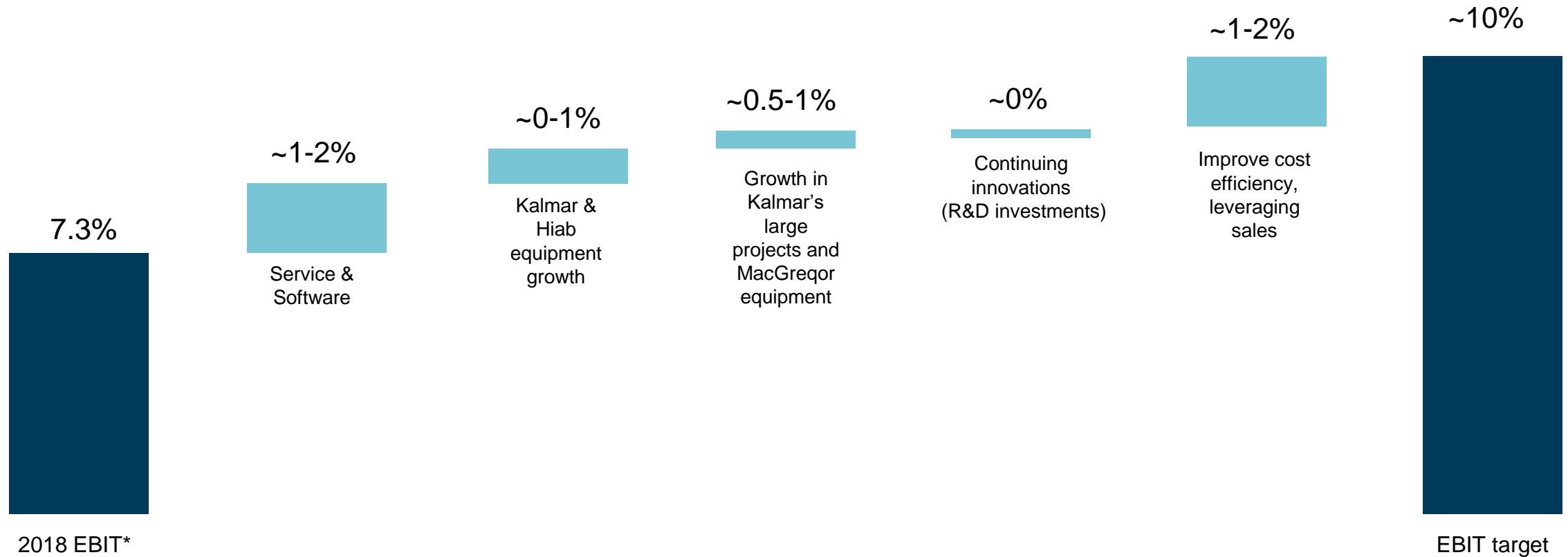
Divestments

- Siwertell and Kalmar Rough Terrain Center
- Both outside of Kalmar's core areas of container ports, heavy industry and distribution

Revaluation of RHI shares during Q2/18, non-cash EUR 30 million charge



Our target is to reach 10% EBIT



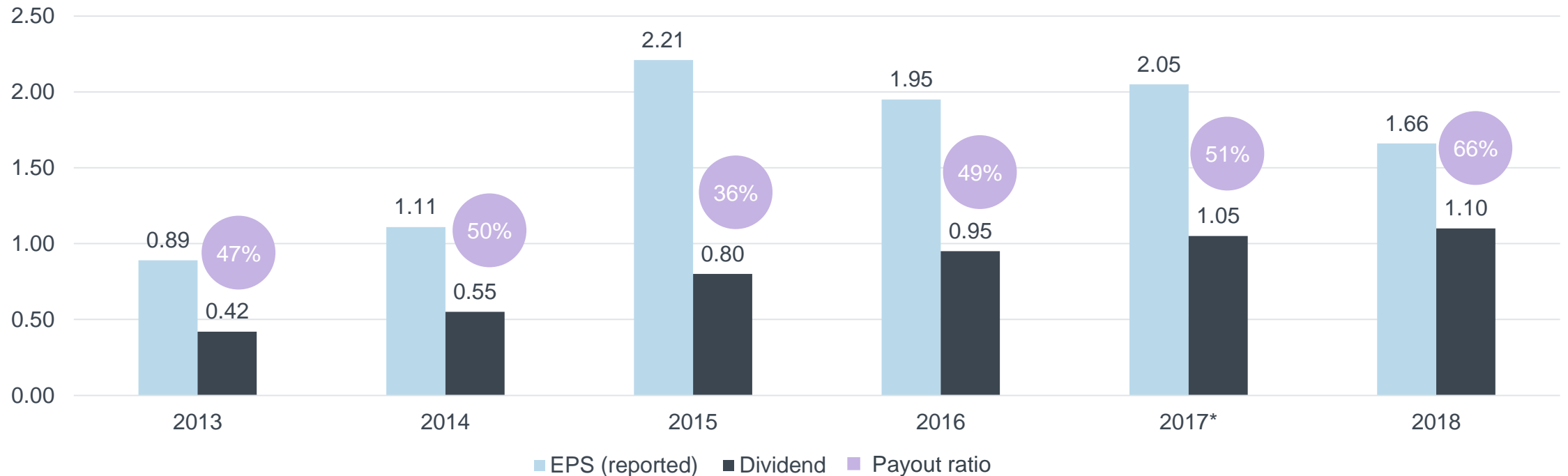
Target announced in September 2017, target to be reached in 3-5 years
*Comparable operating profit

Steadily increasing dividend

EUR 1.10 dividend per B share for 2018

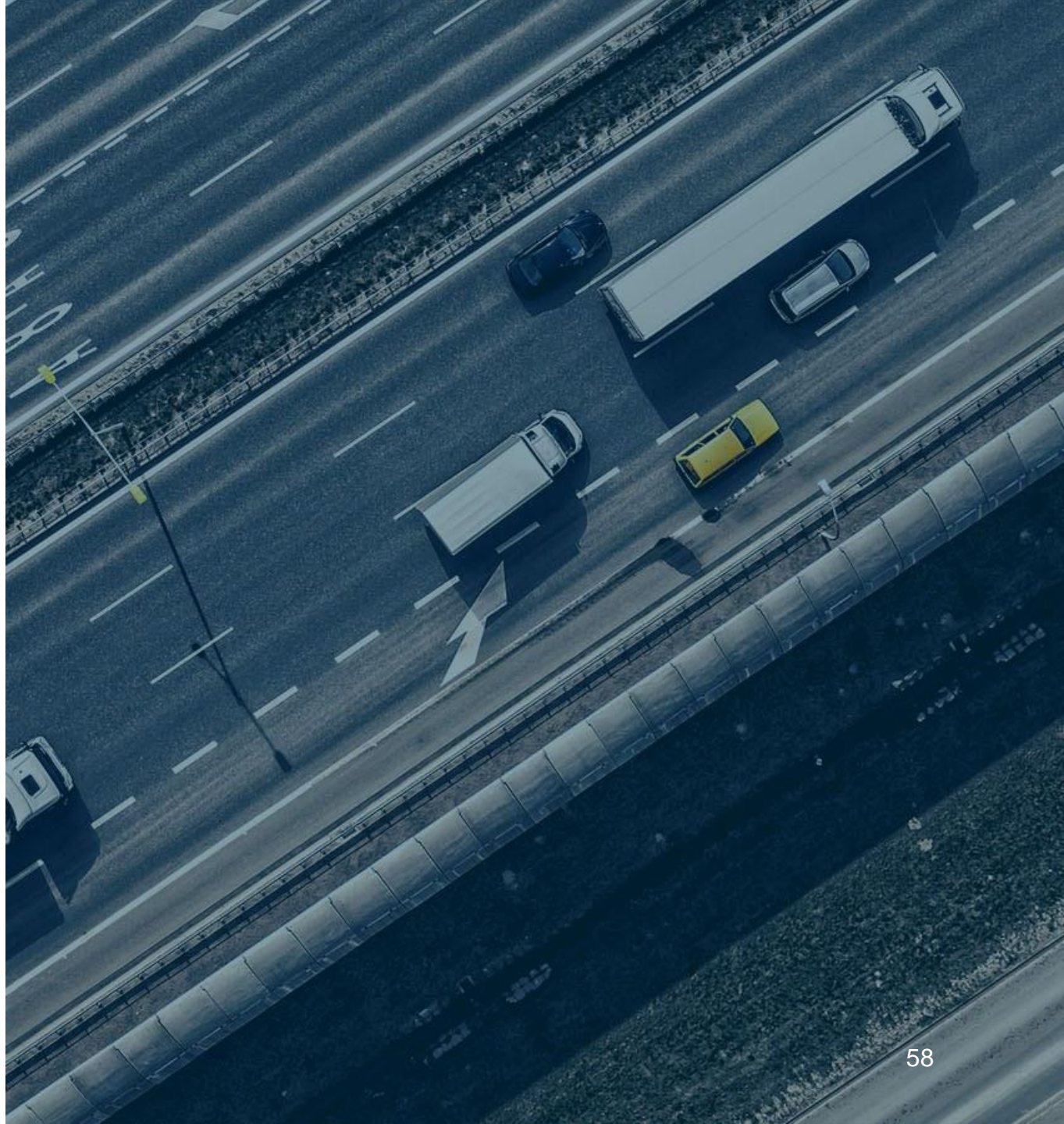
Dividend to be paid in two EUR 0.55 instalments

Calculated from EPS excl. restructuring costs, payout ratio for 2018 is 47%



Appendix

1. Largest shareholders and financials
2. Sustainability
3. Kalmar
4. Hiab
5. MacGregor

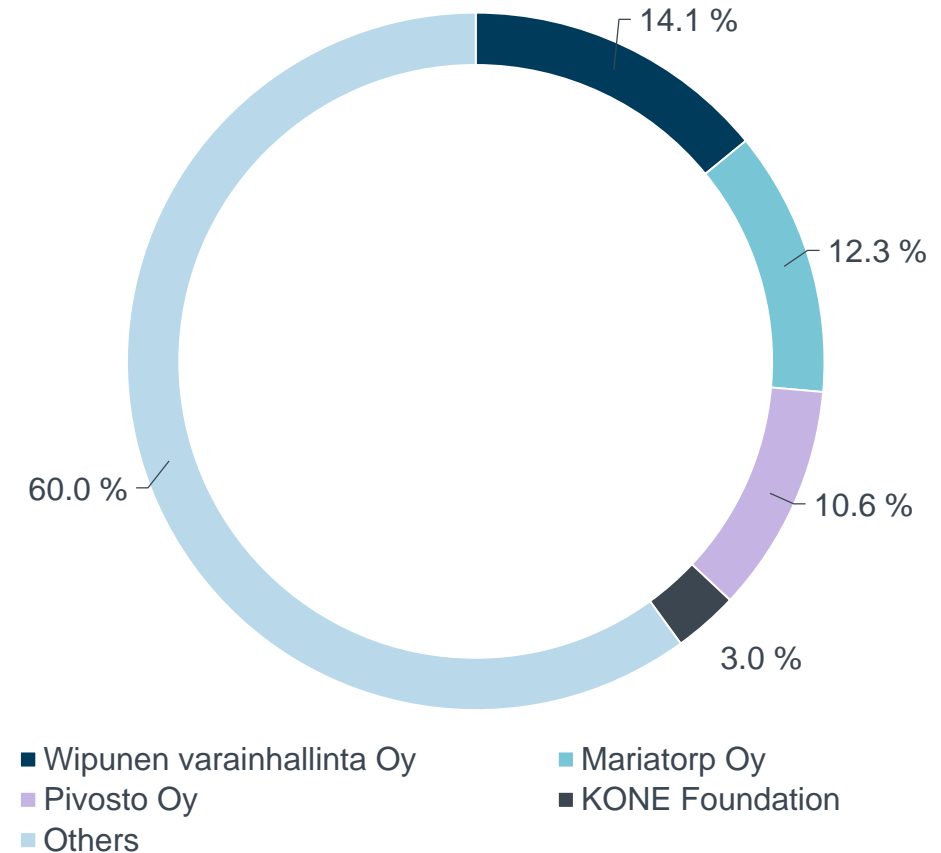


Largest shareholders

31 July 2019

		% of shares	% of votes
1.	Wipunen varainhallinta Oy	14.1	23.7
2.	Mariatorp Oy	12.3	22.9
3.	Pivosto Oy	10.6	22.2
4.	KONE Foundation	3.0	5.5
5.	Ilmarinen Mutual Pension Insurance Company	2.3	1.0
6.	Varma Mutual Pension Insurance Company	1.8	0.8
7.	The State Pension Fund	1.0	0.4
8.	Mandatum Life Insurance Company Ltd.	0.7	0.3
9.	Veritas Mutual Pension Insurance Company	0.7	0.3
10.	Elo Mutual Pension Insurance Company	0.7	0.3
Nominee registered and non-Finnish holders		28.0	

% of shares



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

Total number of shareholders

24,308

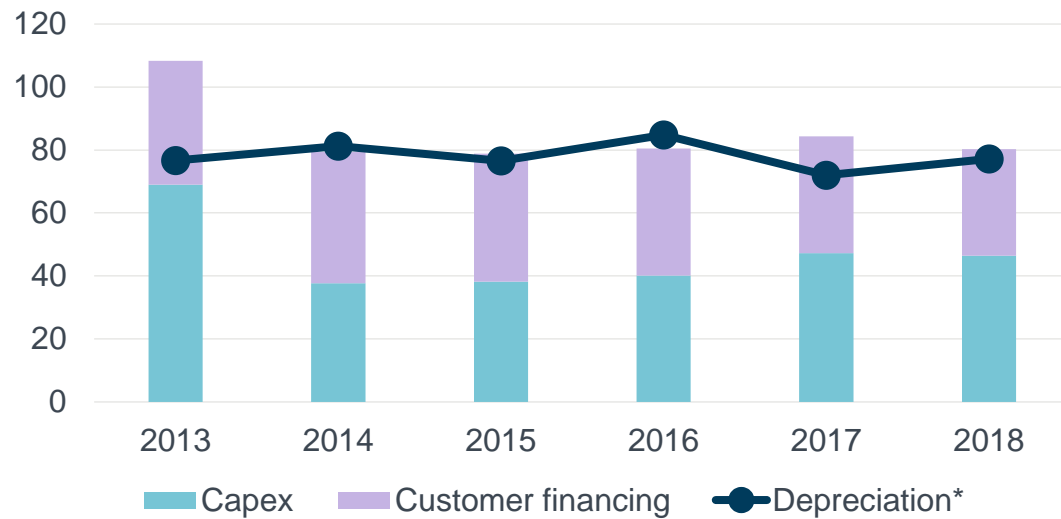


Examples of our wide equipment offering

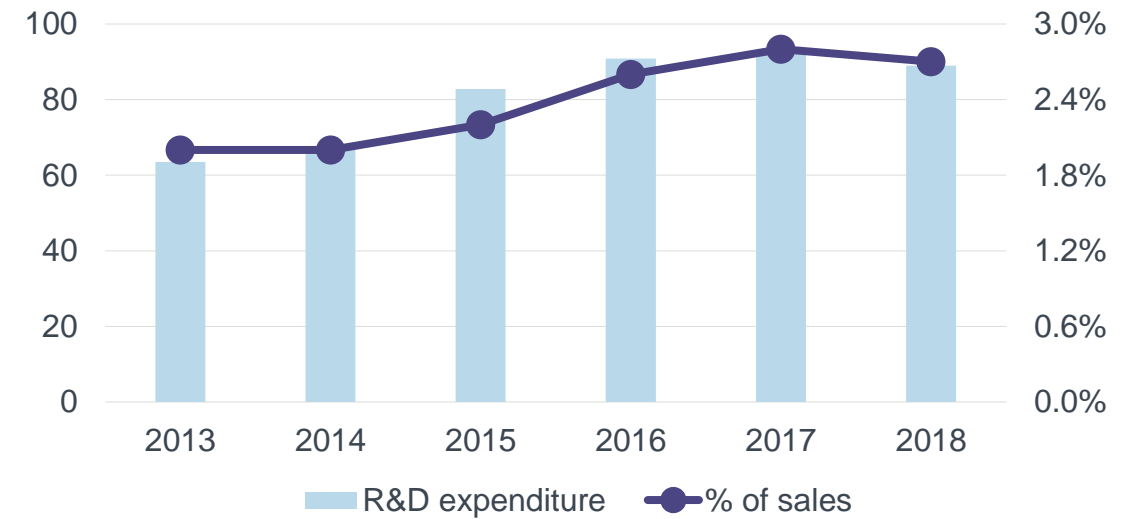


Capex and R&D

Capital expenditure



Research and development



Main capex investments:

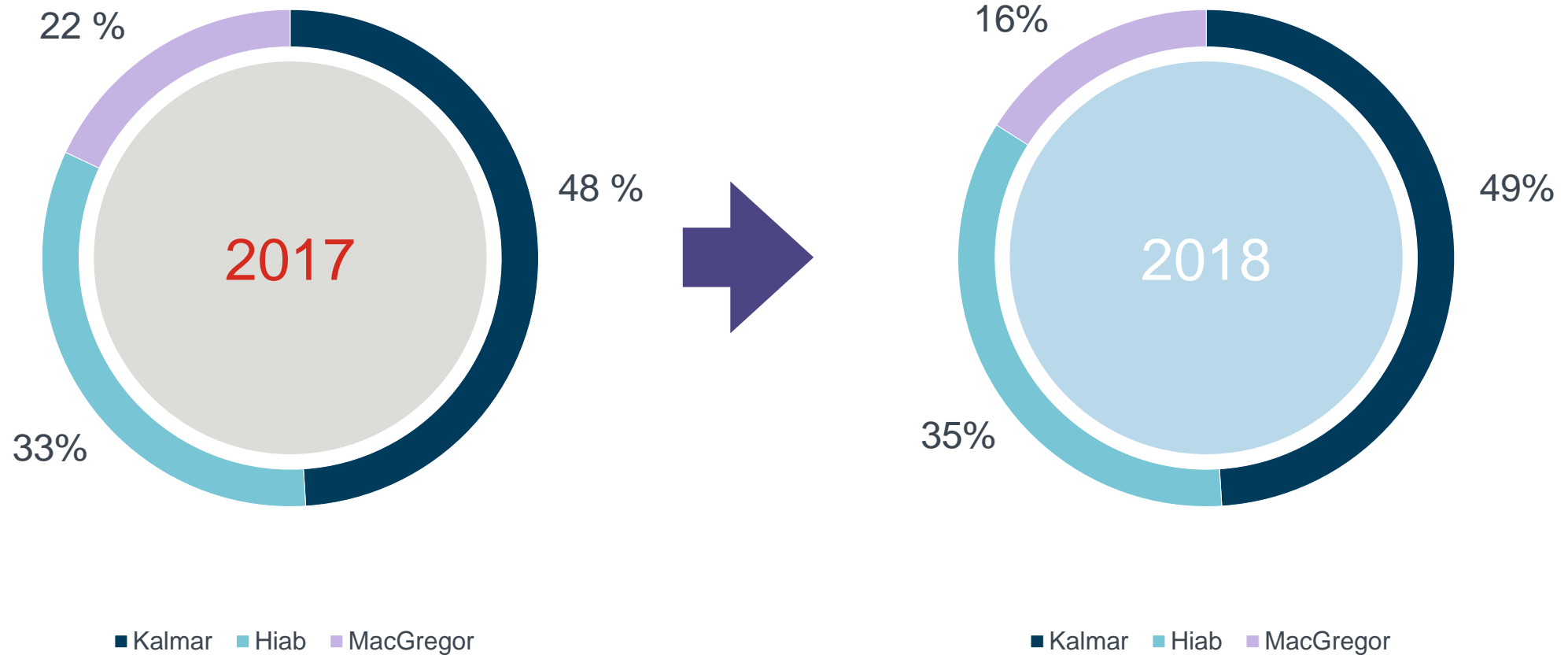
- Kalmar innovation center in Ljungby, Sweden
- Investments in multi-assembly units in Kalmar and Hiab
- Intangible assets, such as global systems to improve efficiency in operational activities and support functions

R&D investments focused on

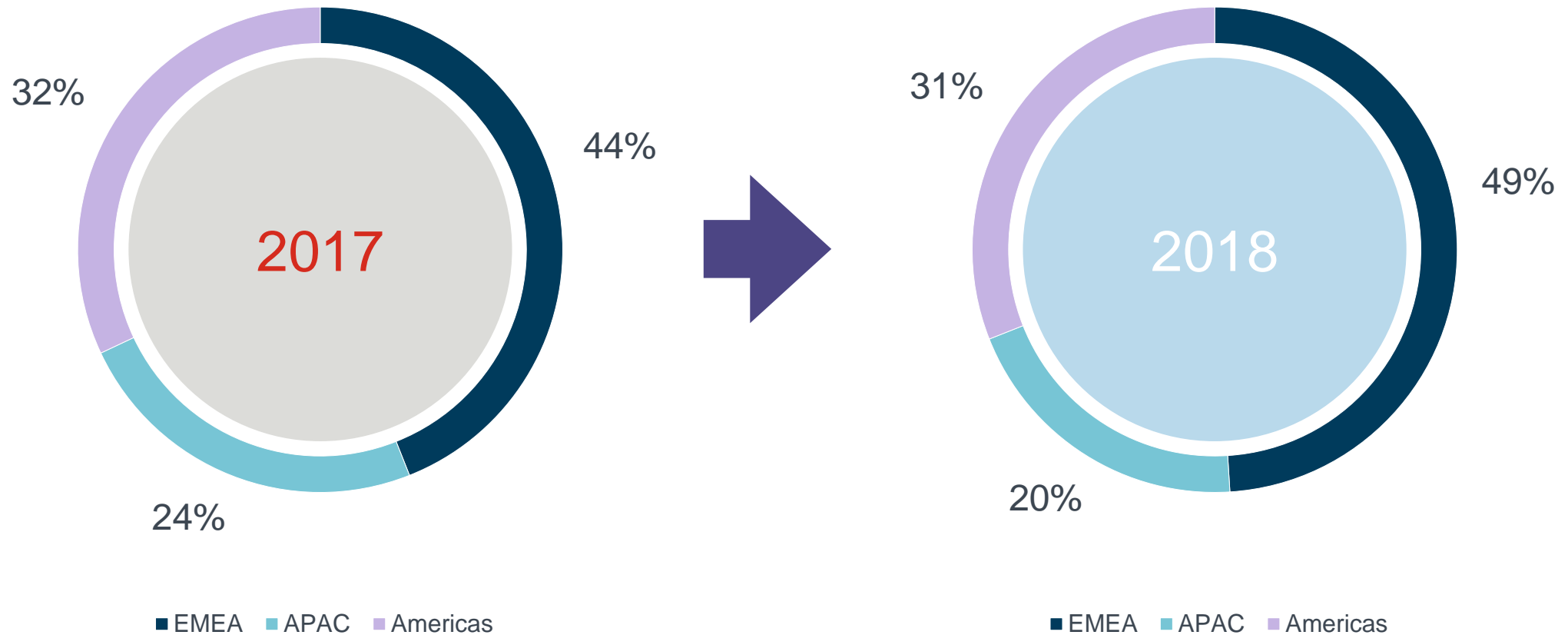
- Digitalisation
- Competitiveness and cost efficiency of products

*) Including amortisations and impairments

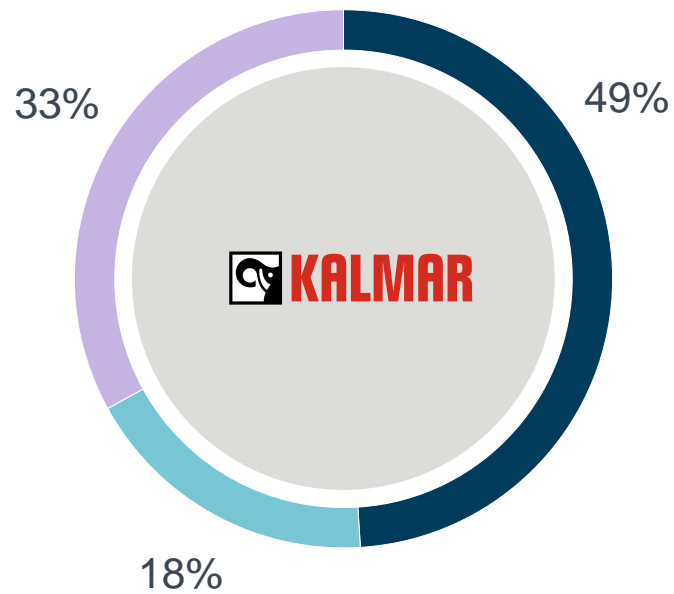
Hiab's share increasing in sales mix



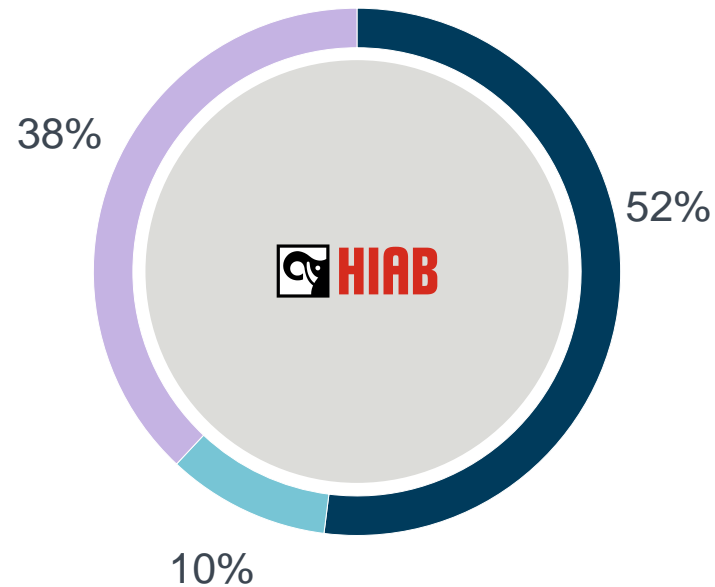
Well diversified geographical sales mix



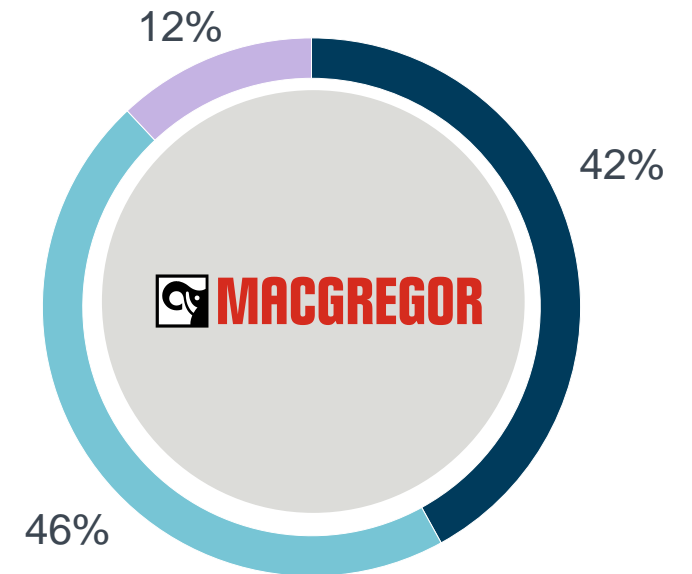
Sales by geographical segment by business area 2018



■ EMEA ■ APAC ■ Americas



■ EMEA ■ APAC ■ Americas



■ EMEA ■ APAC ■ Americas

Cargotec's R&D and assembly sites



EMEA

- Arendal, Norway (MacGregor R&D)
- Averøy, Norway (Macgregor prod + R&D)
- Kristiansand, Norway (MacGregor R&D)
- Dundalk, Ireland (Hiab prod. + R&D)
- Witney, UK (Hiab prod.)
- Whitstable, UK (MacGregor prod.)
- Zaragoza, Spain (Hiab prod.)
- Uetersen, Germany (MacGregor prod. + WS + R&D)
- Schwerin, Germany (MacGregor prod.)
- Stargard Szczecinski, Poland (Kalmar + Hiab prod.)
- Bispgården, Sweden (Hiab prod.)
- Lidhult, Sweden (Kalmar R&D)
- Bjuv, Sweden (Kalmar prod.)
- Örnsköldsvik, Sweden (MacGregor WS + WH + R&D)
- Hudiksvall, Sweden (Hiab R&D)
- Helsinki, Finland (HQ)
- Kaarina, Finland (MacGregor R&D)
- Raisio, Finland (Hiab prod.)
- Tampere, Finland (Kalmar WS + R&D)

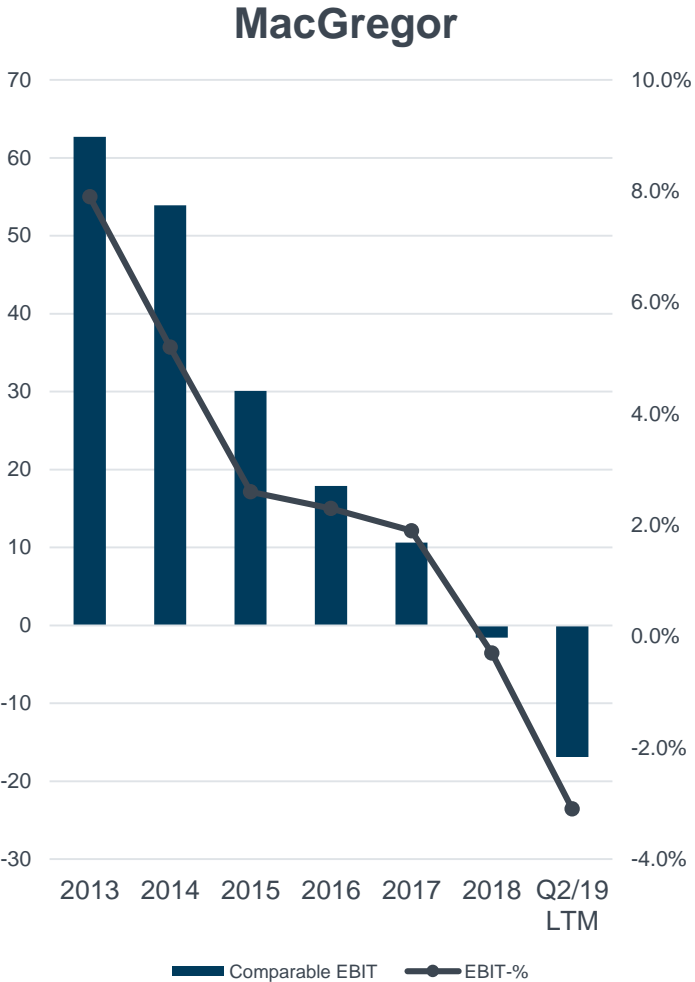
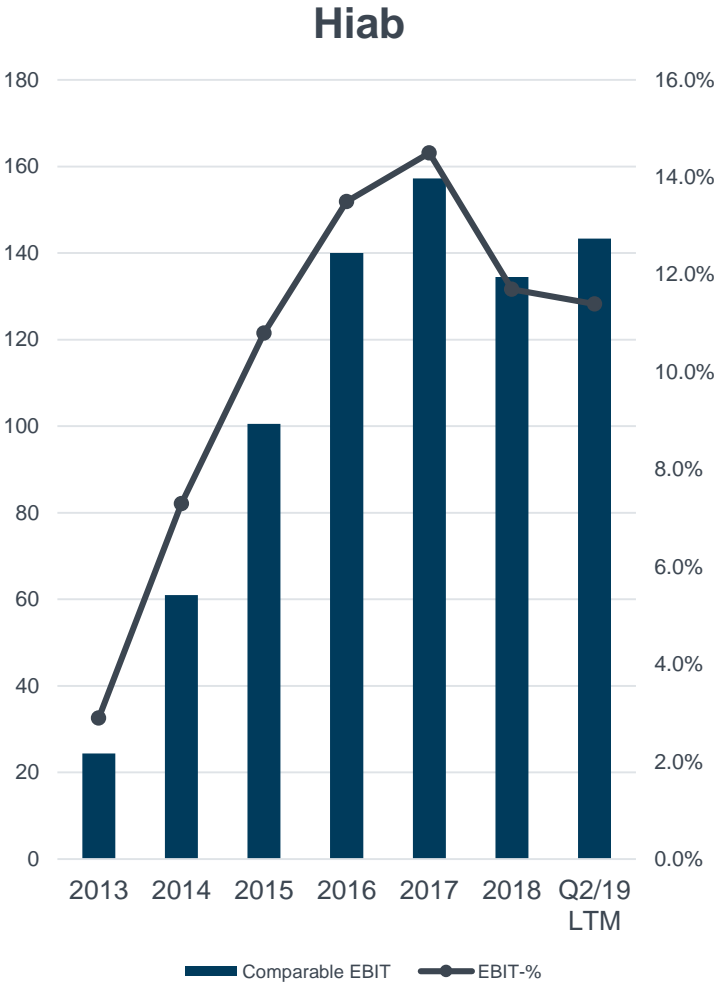
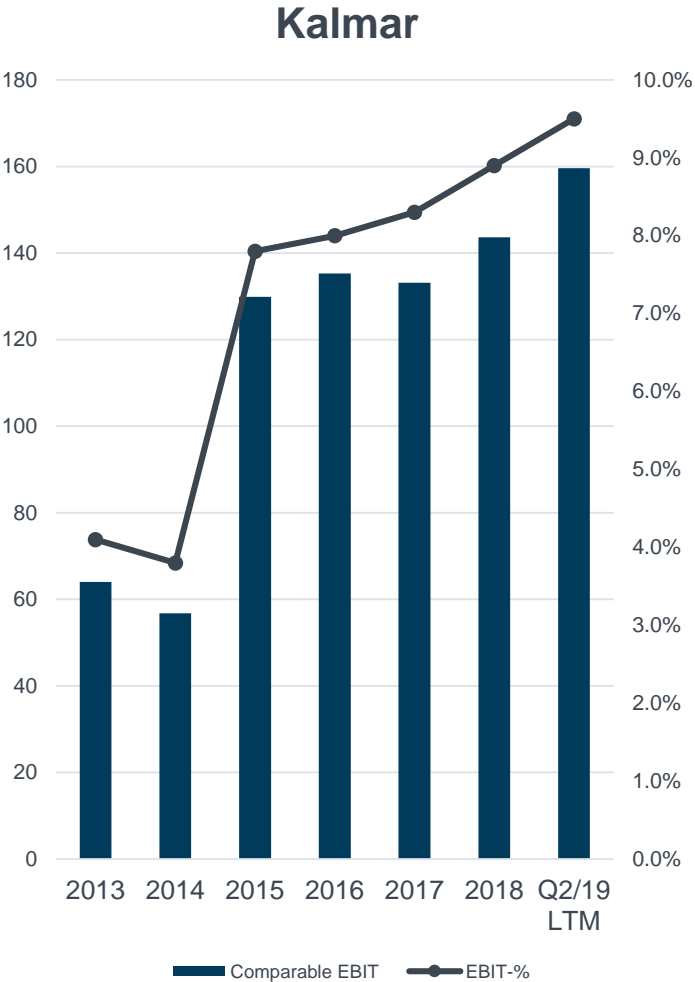
APAC

- Chungbuk, South Korea (Hiab prod.)
- Tianjin, China (MacGregor prod.)
- Bangalore, India (Kalmar prod. + R&D)
- Chennai, India (Navis–Kalmar R&D)
- Ipoh, Malaysia (Bromma prod.)
- Shanghai, China (Kalmar prod. + WH)
- Busan, South Korea (MacGregor prod.)
- Singapore, (R&D)

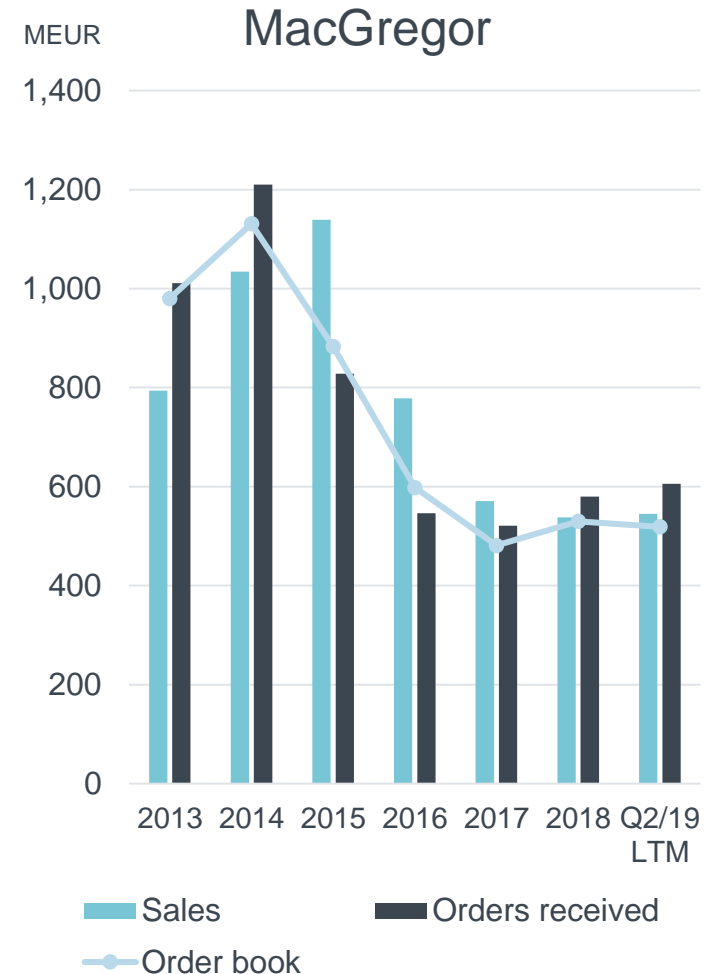
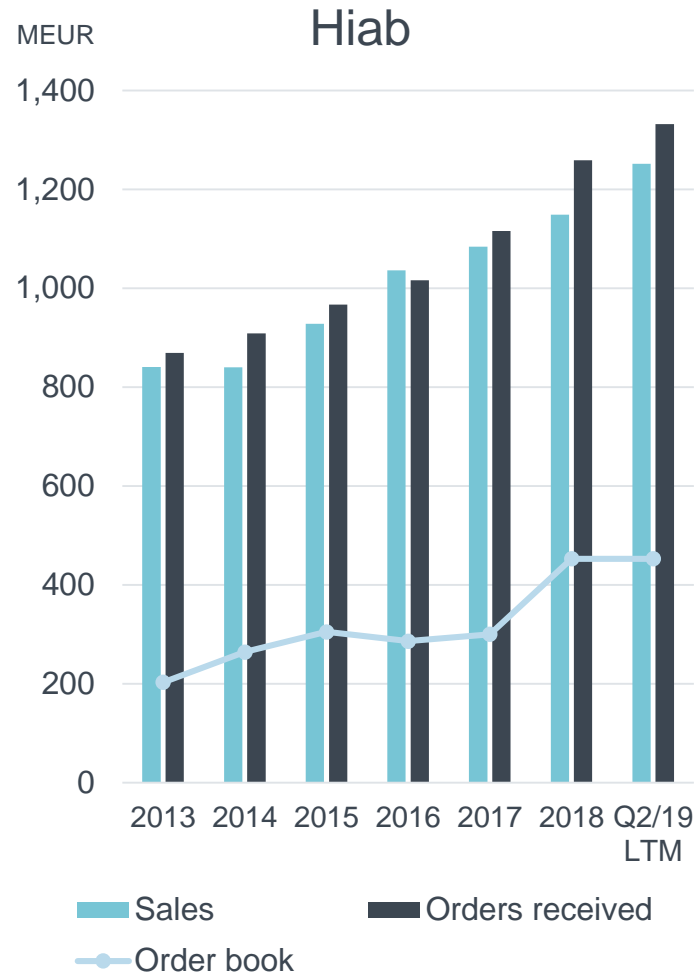
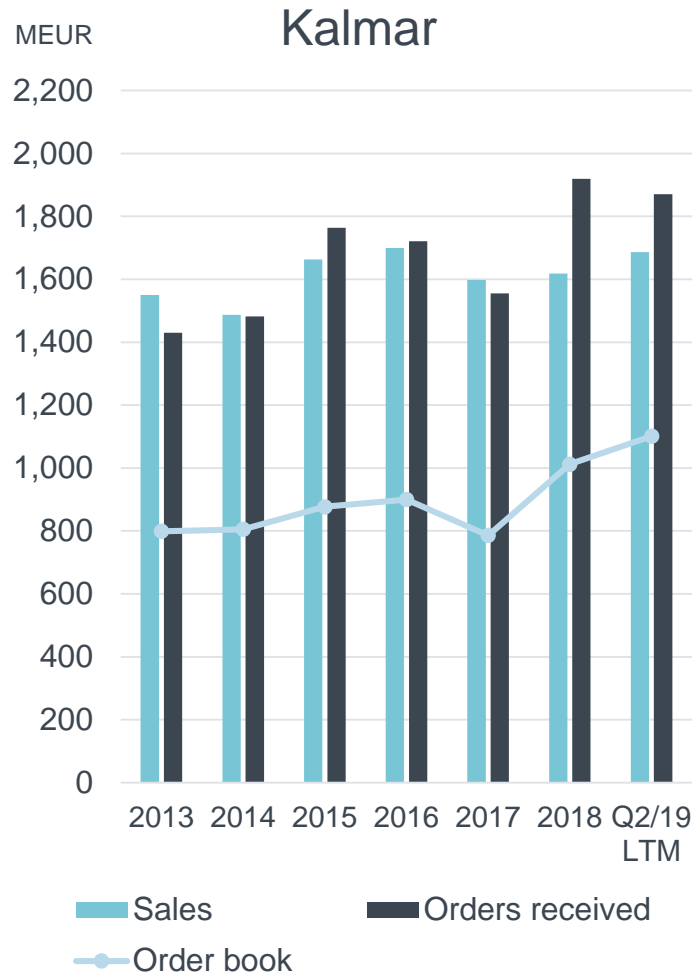
Americas

- Ottawa, Kansas (Kalmar prod.)
- Oakland, California (Kalmar R&D)
- Cibolo, Texas (Kalmar prod.)
- Tallmadge, Ohio (Hiab prod.)

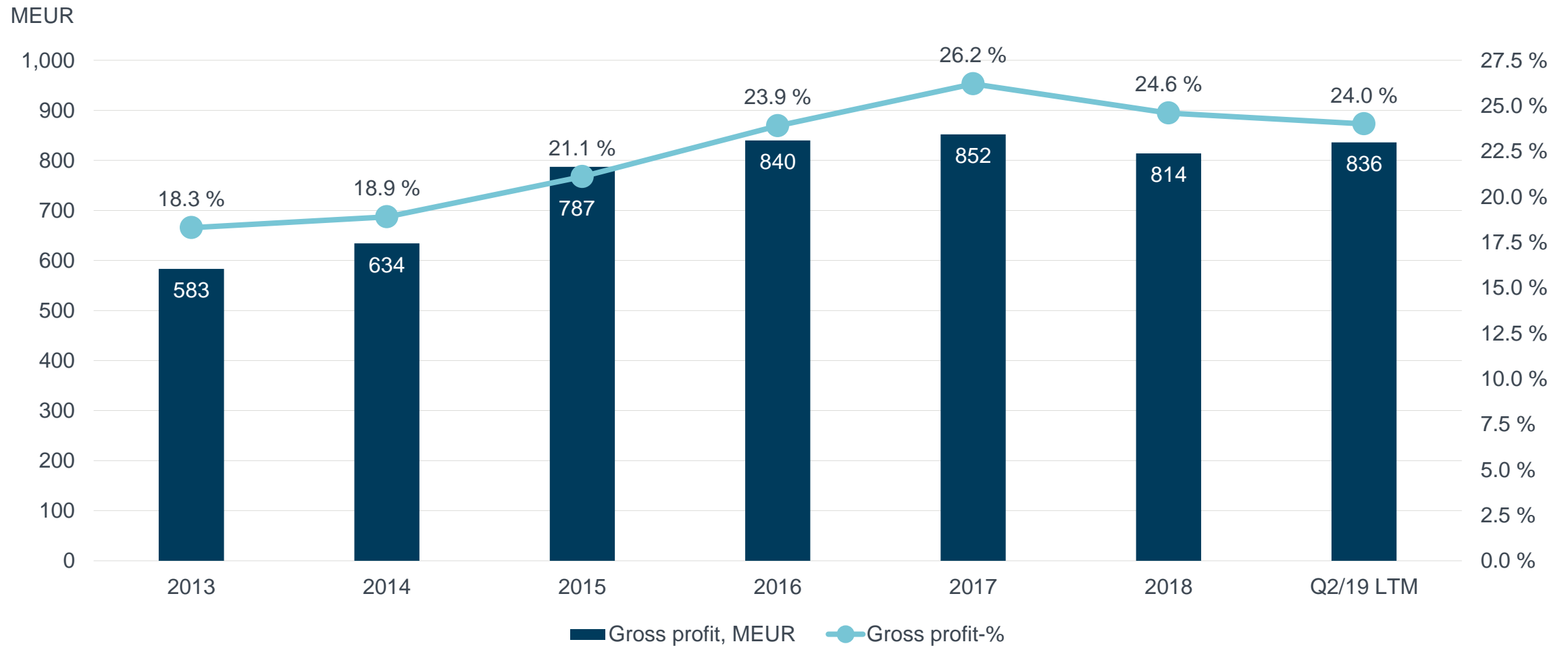
Comparable operating profit development



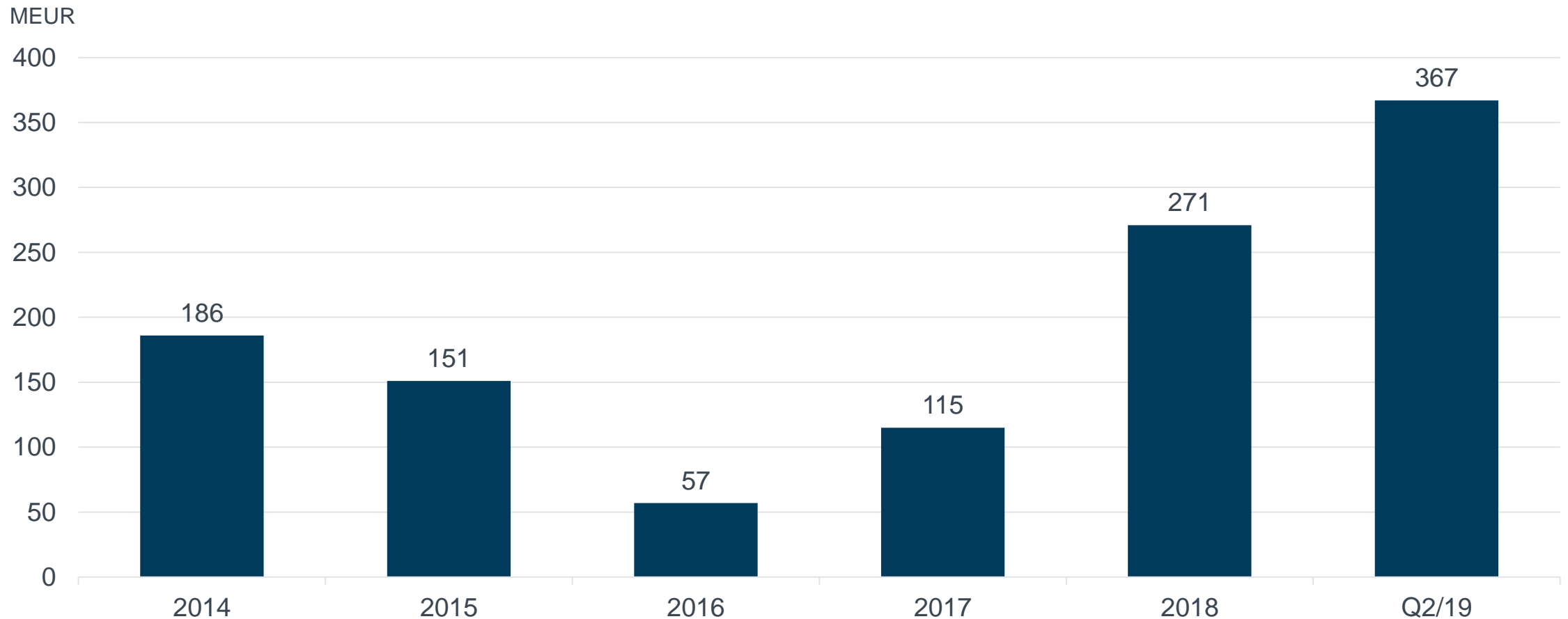
Sales and orders received development



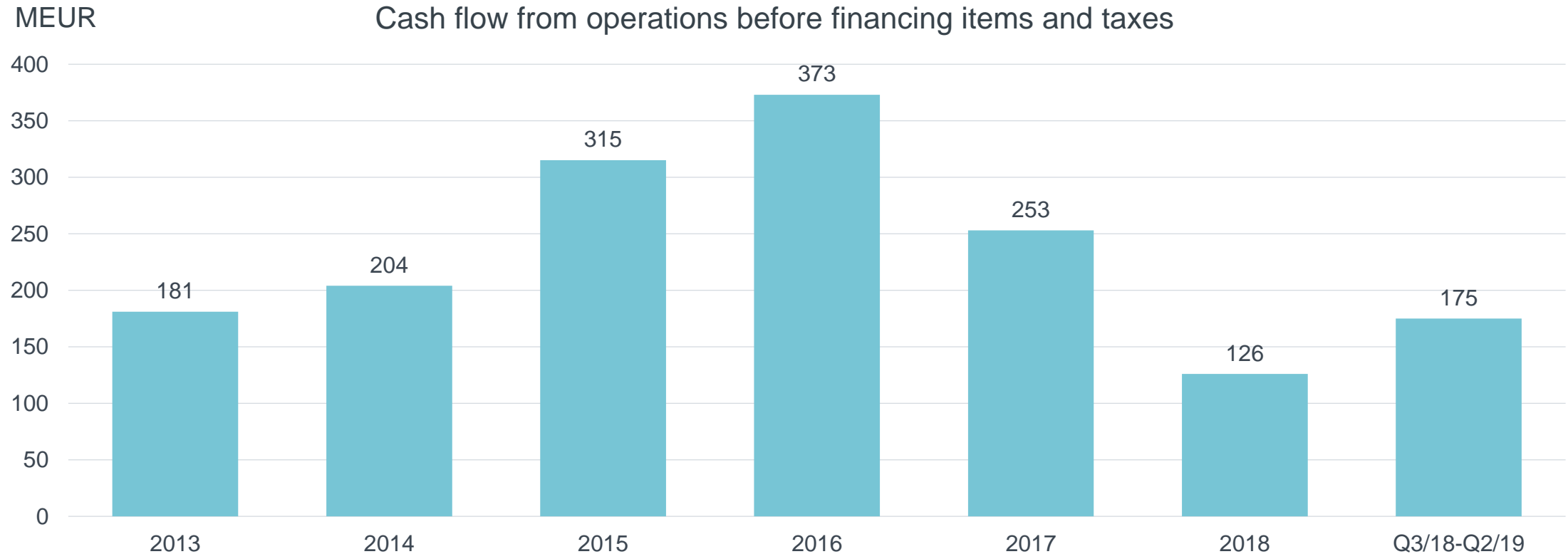
Gross profit development



Net working capital increased due to higher inventories and accounts receivable



Cash flow from operations development



Income statement Q2 2019

MEUR	Q2/19	Q2/18	Q1-Q2/19	Q1-Q2/18	2018
Sales	911.4	816.5	1,767.3	1,589.1	3,303.5
Cost of goods sold	-694.5	-617.1	-1,344.1	-1,187.4	-2,489.3
Gross profit	216.9	199.3	423.2	401.7	814.2
<i>Gross profit, %</i>	23.8%	24.4 %	23.9%	25.3 %	24.6%
Other operating income	7.6	13.6	16.4	21.5	44.8
Selling and marketing expenses	-58.5	-60.0	-119.3	-115.3	-234.4
Research and development expenses	-26.5	-23.7	-51.5	-48.4	-94.7
Administration expenses	-67.5	-65.0	-131.4	-128.3	-252.9
Restructuring costs	-11.0	-34.9	-16.7	-38.7	-53.8
Other operating expenses	-7.8	-8.3	-15.6	-17.6	-35.4
Costs and expenses	-163.6	-178.4	-318.1	-326.9	-626.5
Share of associated companies' and joint ventures' net income	-0.2	0.4	-1.1	-0.3	2.3
Operating profit	53.0	21.3	104.1	74.5	190.0
<i>Operating profit, %</i>	5.8%	2.6 %	5.9%	4.7 %	5.8%
Financing income and expenses	-8.2	-5.8	-16.4	-12.5	-28.9
Income before taxes	44.9	15.5	87.7	62.0	161.1
<i>Income before taxes, %</i>	4.9%	1.9 %	5.0%	3.9 %	4.9%
Income taxes	-15.9	-13.2	-27.7	-26.0	-53.1
Net income for the period	29.0	2.3	60.0	36.0	108.0
<i>Net income for the period, %</i>	3.2%	0.3 %	3.4%	2.3 %	3.3%

Net income for the period attributable to:

Equity holders of the parent	29.0	1.7	59.9	35.5	107.0
Non-controlling interest	0.0	0.7	0.1	0.5	1.1
Total	29.0	2.3	60.0	36.0	108.0

Earnings per share for profit attributable to the equity holders of the parent:

Earnings per share, EUR	0.45	0.03	0.93	0.55	1.66
Diluted earnings per share, EUR	0.45	0.03	0.93	0.55	1.65

Balance sheet 30 June 2019

ASSETS, MEUR	30 Jun 2019	30 Jun 2018	31 Dec 2018
Non-current assets			
Goodwill	994.7	949.1	970.9
Other intangible assets	257.2	255.3	278.6
Property, plant and equipment	465.7	300.4	308.7
Investments in associated companies and joint ventures	100.4	99.4	99.8
Share investments	0.3	0.3	0.3
Loans receivable and other interest-bearing assets*	34.8	36.1	36.0
Deferred tax assets	137.7	152.5	137.3
Other non-interest-bearing assets	8.0	8.4	9.5
Total non-current assets	1,998.7	1,801.4	1,841.1
Current assets			
Inventories	752.1	671.1	688.8
Loans receivable and other interest-bearing assets*	1.4	2.6	1.8
Income tax receivables	39.5	58.0	56.0
Derivative assets	10.2	13.6	17.4
Accounts receivable and other non-interest-bearing assets	888.7	788.7	822.5
Cash and cash equivalents*	156.0	170.2	256.3
Total current assets	1,847.8	1,704.2	1,842.8
Total assets	3,846.5	3,505.7	3,683.9

EQUITY AND LIABILITIES, MEUR	30 Jun 2019	30 Jun 2018	31 Dec 2018
Equity attributable to the equity holders of the parent			
Share capital	64.3	64.3	64.3
Share premium account	98.0	98.0	98.0
Translation differences	-32.8	-38.5	-44.2
Fair value reserves	-9.1	-8.2	-13.5
Reserve for invested non-restricted equity	57.4	69.0	58.5
Retained earnings	1,228.1	1,192.7	1,262.5
Total equity attributable to the equity holders of the parent	1,406.0	1,377.2	1,425.6
Non-controlling interest	2.8	2.6	3.0
Total equity	1,408.8	1,379.8	1,428.5
Non-current liabilities			
Interest-bearing liabilities*	724.5	532.9	717.1
Deferred tax liabilities	26.9	17.0	28.1
Pension obligations	92.2	85.5	92.3
Provisions	8.0	16.9	10.7
Other non-interest-bearing liabilities	62.6	57.4	58.6
Total non-current liabilities	914.2	709.7	906.8
Current liabilities			
Current portion of interest-bearing liabilities*	230.4	216.6	168.4
Other interest-bearing liabilities*	113.2	57.1	44.5
Provisions	87.3	90.4	86.7
Advances received**	216.4	180.3	190.3
Income tax payables	13.8	47.5	39.6
Derivative liabilities	5.9	18.8	5.8
Accounts payable and other non-interest-bearing liabilities**	856.6	805.5	813.5
Total current liabilities	1,523.5	1,416.2	1,348.6
Total equity and liabilities	3,846.5	3,505.7	3,683.9

Cash flow statement Q2 2019

MEUR	Q1-Q2/19	Q1-Q2/18	2018
Net cash flow from operating activities			
Net income for the period	60.0	36.0	108.0
Depreciation, amortisation and impairment	58.1	38.2	77.2
Other adjustments	44.7	57.9	99.2
Change in net working capital	-90.4	-109.3	-158.7
Cash flow from operations before financing items and taxes	72.3	22.8	125.8
Cash flow from financing items and taxes	-56.0	-64.2	-85.6
Net cash flow from operating activities	16.3	-41.3	40.2
Net cash flow from investing activities			
Acquisitions of businesses, net of cash acquired	-3.9	-19.8	-70.7
Disposals of businesses, net of cash sold	-	-21.3	-15.5
Investments in associated companies and joint ventures	-	-0.5	-0.5
Cash flow from investing activities, other items	-24.4	-30.8	-50.6
Net cash flow from investing activities	-28.3	-72.3	-137.3
Net cash flow from financing activities			
Treasury shares acquired	-2.2	-	-9.4
Repayments of lease liabilities	-20.7	-0.8	-1.3
Proceeds from long-term borrowings	50.0	-	199.5
Repayments of long-term borrowings	-151.8	-16.6	-83.7
Proceeds from short-term borrowings	115.0	8.3	3.4
Repayments of short-term borrowings	-40.0	-3.4	-2.6
Profit distribution	-35.6	-34.3	-68.0
Net cash flow from financing activities	-85.3	-46.8	37.7
Change in cash and cash equivalents	-97.3	-160.5	-59.3
Cash and cash equivalents, and bank overdrafts at the beginning of period	225.5	284.7	284.7
Effect of exchange rate changes	3.3	-1.0	0.1
Cash and cash equivalents, and bank overdrafts at the end of period	131.4	123.3	225.5
Bank overdrafts at the end of period	24.5	46.9	30.8
Cash and cash equivalents at the end of period	156.0	170.2	256.3

Sustainability

Sustainability is a great business opportunity

We serve an industry, which produces the majority of emissions as well as GDP in the world

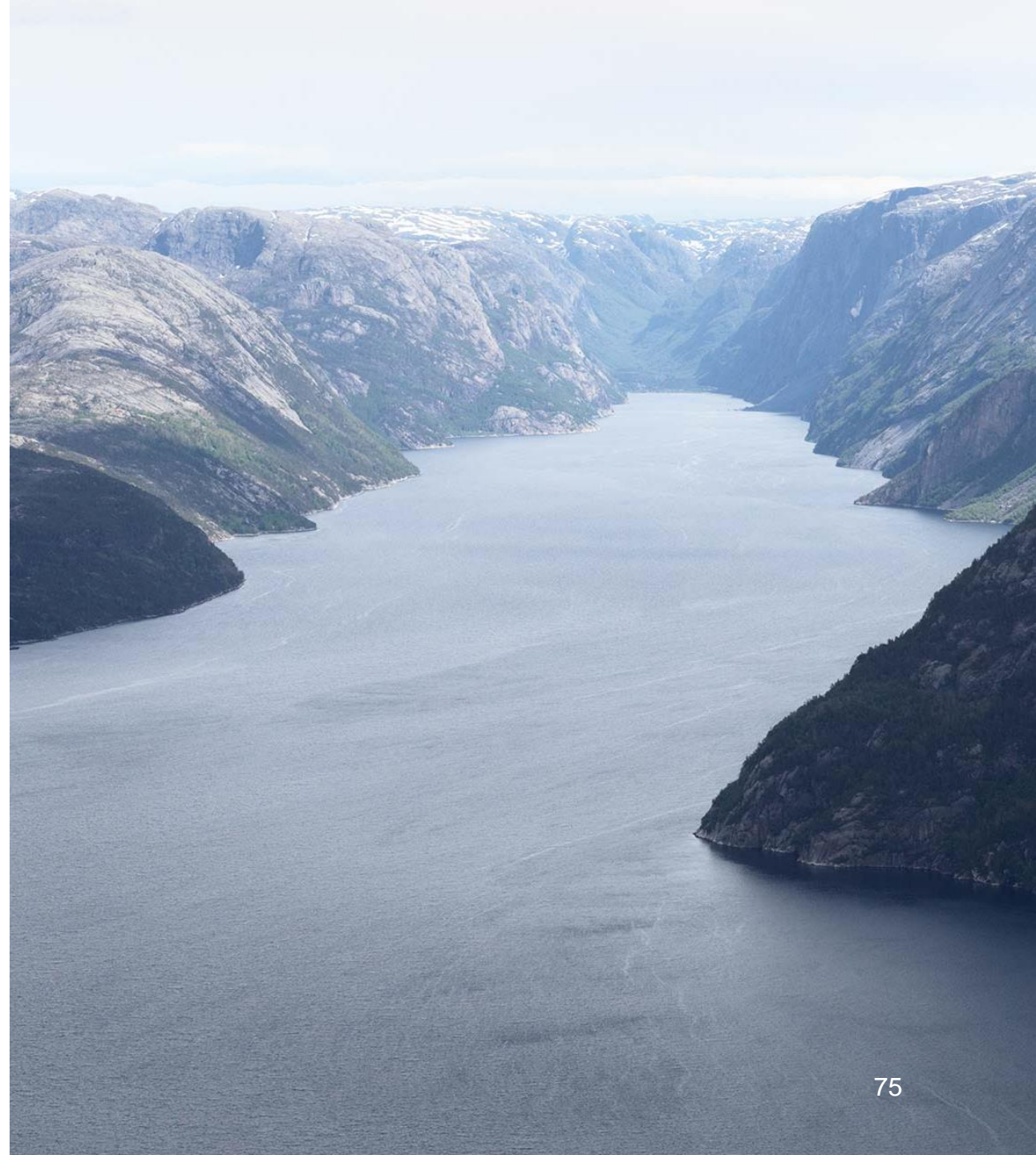
- Inefficient industry with potential to improve

Our vision to be the leader in intelligent cargo handling also drives sustainability

- Increasing efficiency and life-time solutions

We are in a position to be the global frontrunner, setting the sustainability standards for the whole industry

- We are ready to shape the industry to one that is more sustainable





Sea Freight Transport is by far the most sustainable transport mode in terms of emissions

Compared to transportation of goods

→ by trains, sea freight emits
~2-3 times less emissions

→ by trucks, sea freight emits
~3-4 times less emissions

→ by air cargo, sea freight emits
~14 times less emissions

Sustainability is our competitive advantage

Sales account for around 21% of the total revenue in 2018:

Significant R&D and digitalisation investments drive the growth of offering for eco-efficiency

Systems efficiency



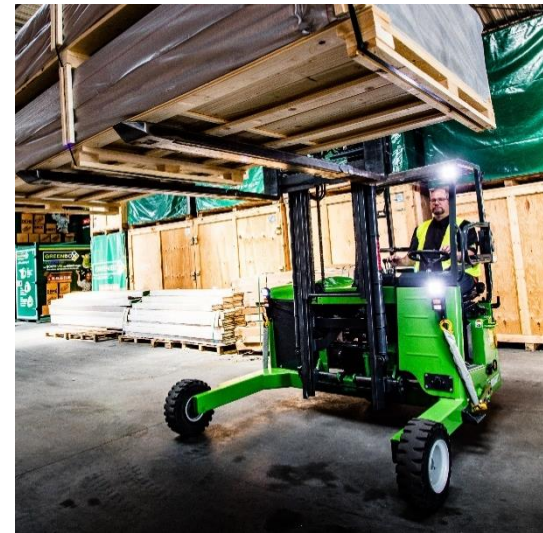
- Visibility to identify inefficient use of resources and fuel
- Software and design system

Efficiency for environmental industries



- Offering to support the operations in environmental industries
- Cargotec solutions for environmental industries

Emission efficiency



- Technology to enable fuel and emission efficient offering
- Products with features to decrease fuel usage and avoidance of maritime hydraulic oil emissions

Resources efficiency



- Service enabling the extended usage of products or new applications
- Product conversions and modernizations

Key to more sustainable cargo handling business is solution development



Waste in cargo handling business due to inefficiencies ~17 billion euros



19 mil CO2 in shipping industry annually
For moving empty containers



~2.5 mil barrels (1.8 mil CO2 equivalent tonnes) of fuel savings enabled by Cargotec port equipment solutions during past 6 to 10 years

~31 900 CO2 eqv. tonnes

of emissions from Cargotec factories annually



Cargotec sustainability managed with clear policies, processes and KPIs on varying areas

- Cargotec is a supporter of UN Global Compact and other major international sustainability initiatives
- We have a clear governance on sustainability issues with Board of Directors overview on the subject
- Safety is our key priority and we have clear improvement program to further decrease our current IIFR rate of 6.7
- Focus on climate change and human rights risks in 2019



PARIS2015
COP21-CMP11



Performance highlights 2018

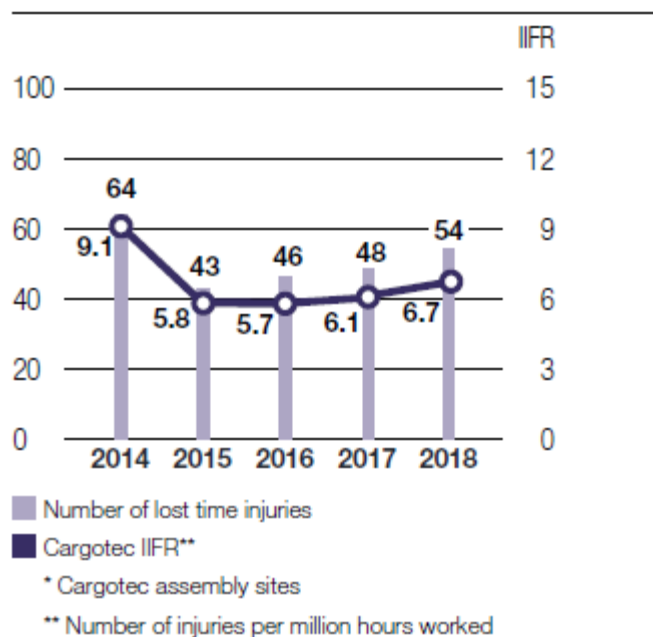
Permanent Code of Conduct panel and case investigation process

72% of all employees have conducted the code of conduct e-learning tool

All strategic suppliers were taken into the sustainability self-assessment tool process

Supplier code of conduct sent to all strategic suppliers

INDUSTRIAL INJURY FREQUENCY RATE*



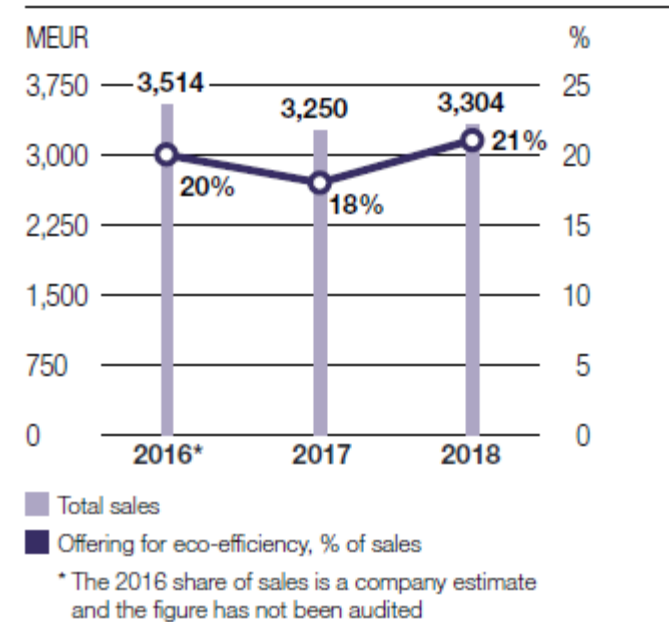
30% of the electricity used by Cargotec is generated from renewable energy sources

Offering for eco-efficiency 21% of total sales

17 products were added to our Offering for eco-efficiency portfolio

A renewed human rights risk assessment was conducted on Cargotec operations

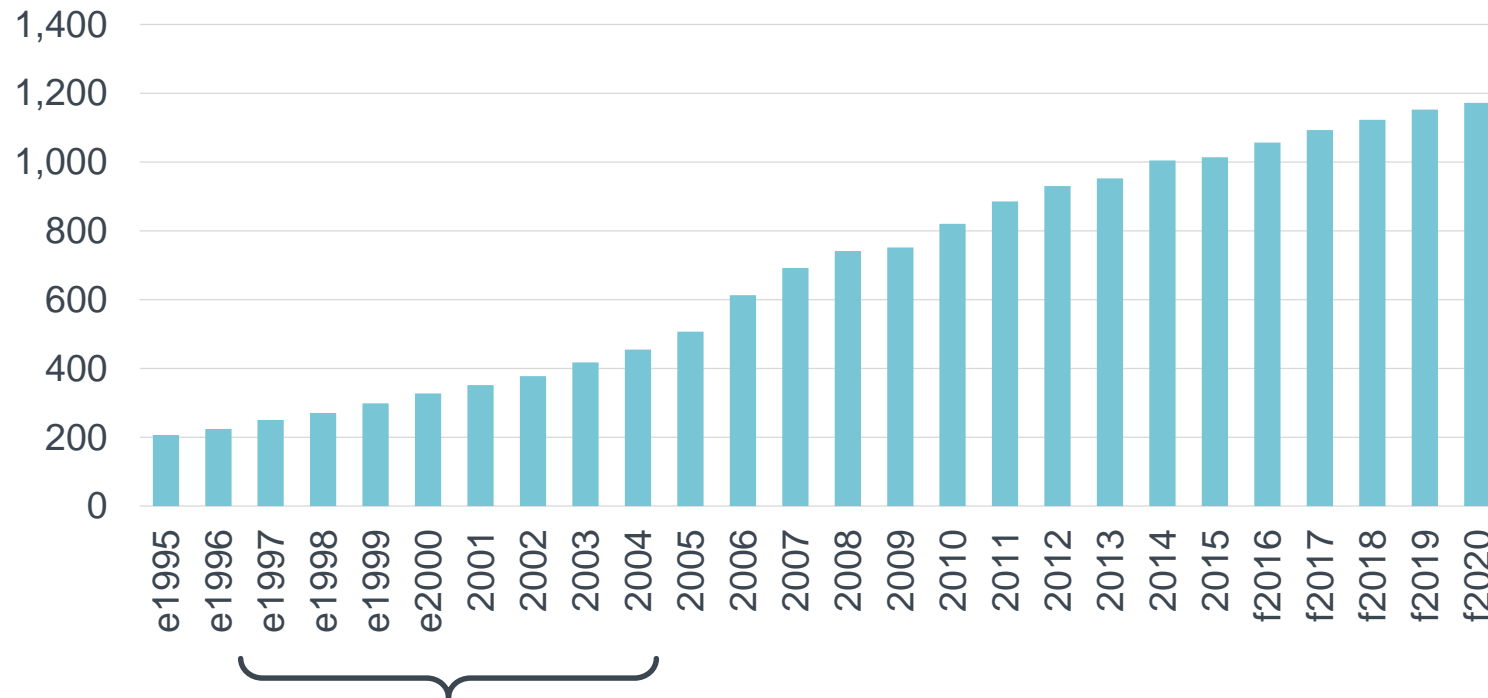
OFFERING FOR ECO-EFFICIENCY



Kalmar appendix

The current replacement market size for key terminal equipment is EUR 1 billion annually and the market is expected to double in the next decade

Total Capacity MTEU



Replacement after lifetime of equipment

The replacement market will grow in coming years, as the container terminal capacity has expanded significantly during the last two decades.

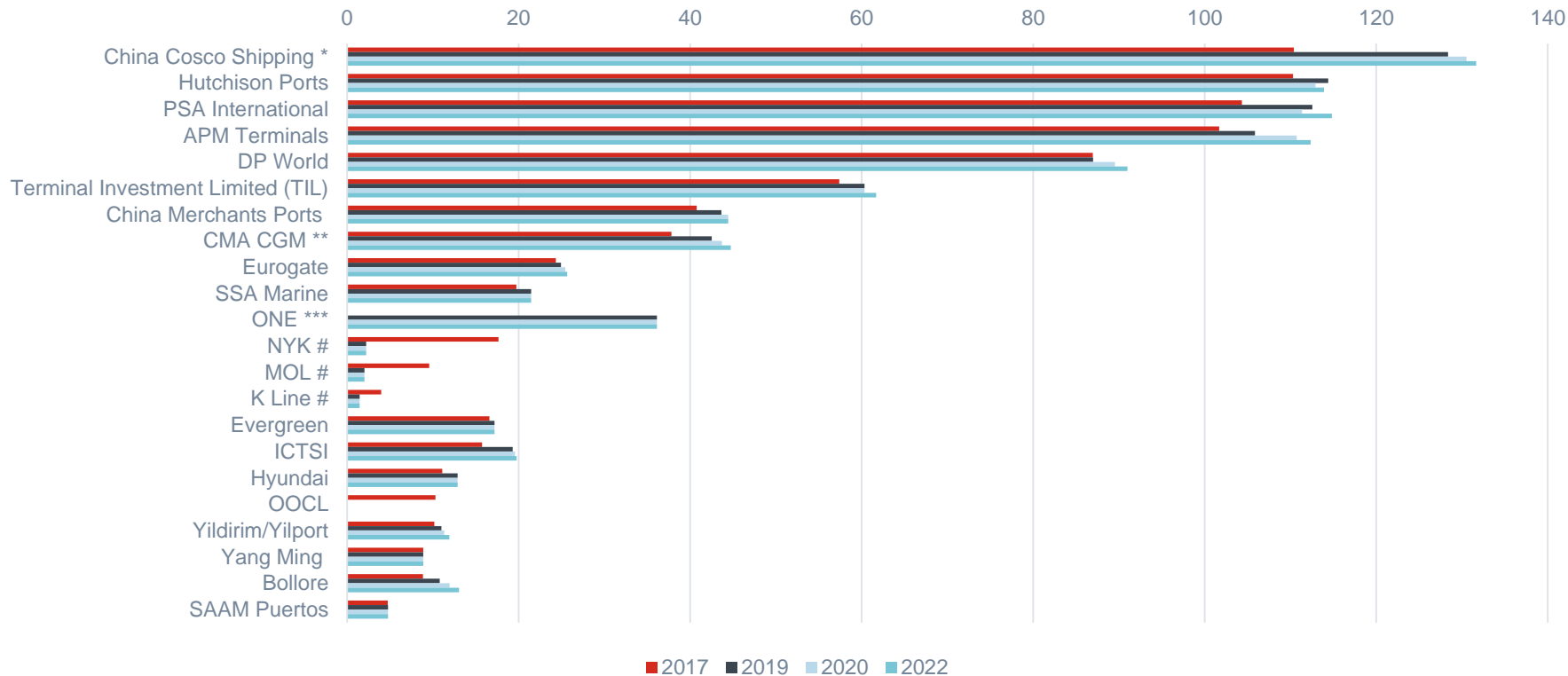
Average lifetime of type of equipment:

- STS - 25 yrs
- RTG -15 yrs
- SC - 8-10 yrs
- RS/ECH/TT – 8 yrs

Source: Drewry reports: Global Container Terminal Operators 2001-2016 Note: 1995-2000 capacity is estimation based on the assumption that the utilisation rate has been between 70-72% in that period. 2016-2020 forecast based on Drewry's Global container terminal operators report, published in August 2016

Global container terminal operators – Most capacity expected to be added by Cosco

Largest container terminal operators measured by capacity (MTEU)



Source: Drewry

* Cosco figure does not include OOCL terminals in 2017 and 2018 as acquisition not finalised. Chinese and Taiwanese terminals included from 2019 onwards, Long Beach excluded

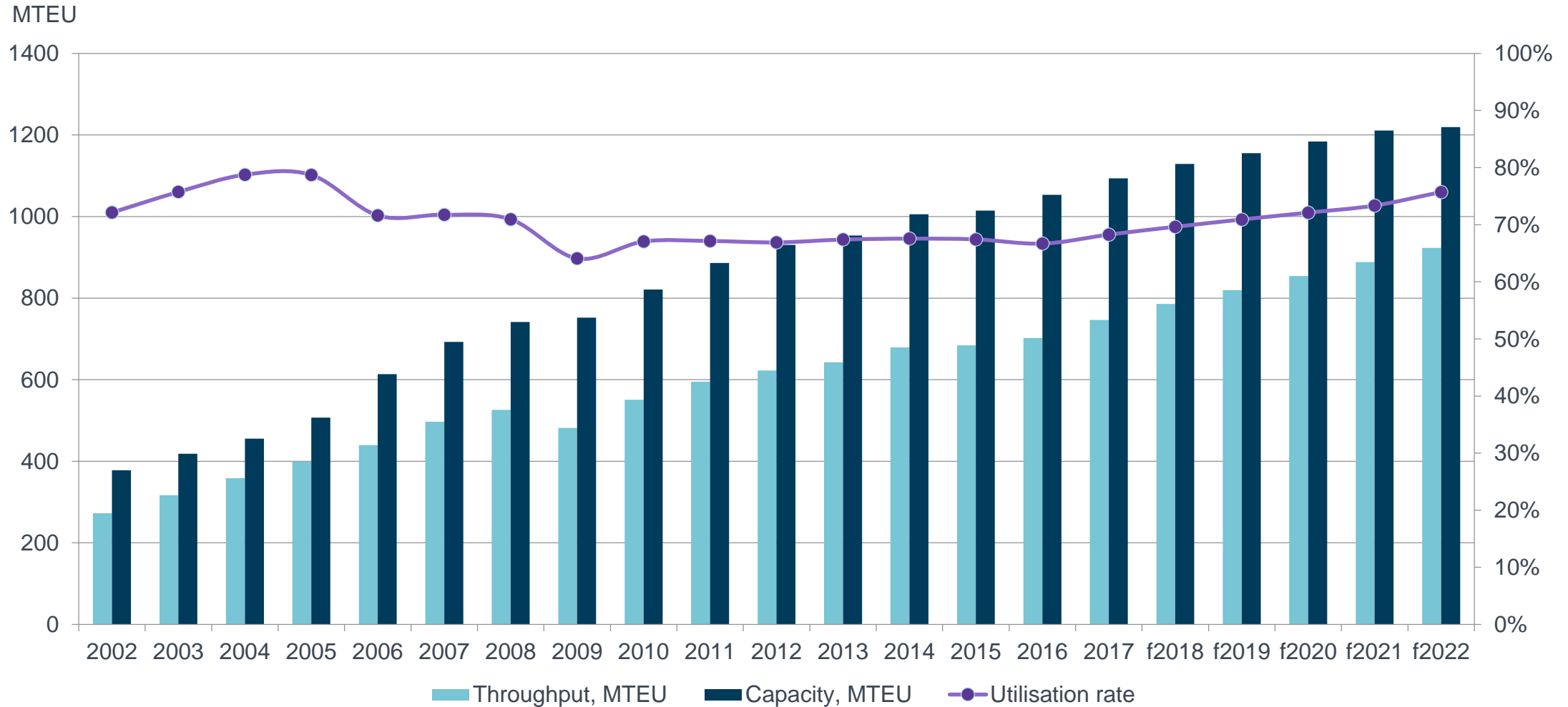
** CMA CGM includes APL terminals

*** International terminals of NYK, K Line and MOL combined as part of ONE merger

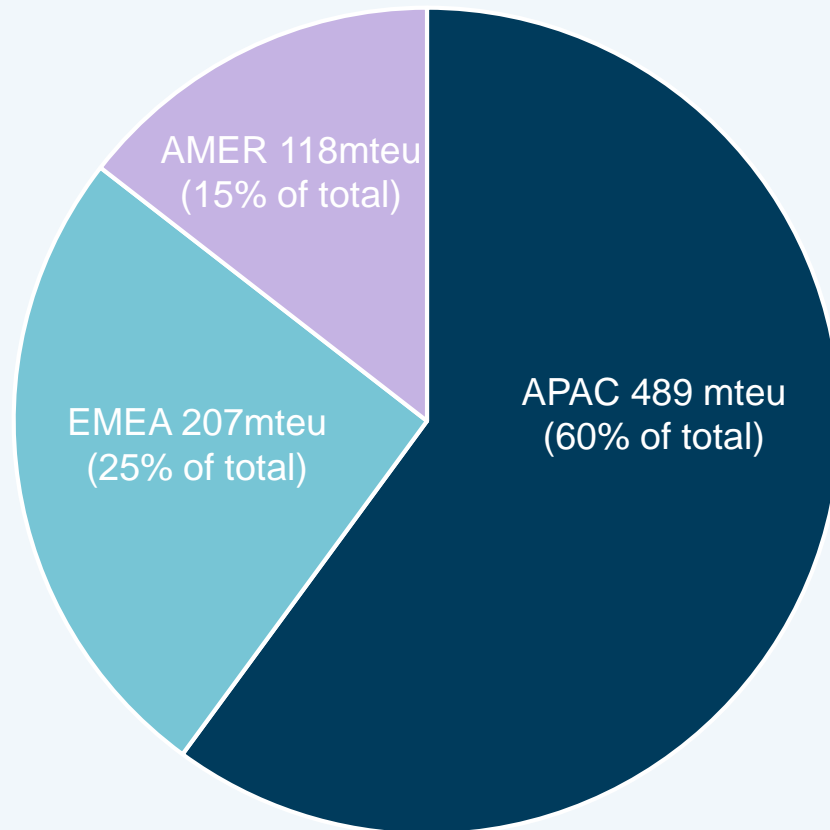
Japanese terminals only from 2019 onwards

Figures include total capacity for all terminals in which shareholding held (regardless of size of shareholding), i.e. includes double counting

Global container throughput and capacity development



59% of global container throughput is expected to take place in APAC in 2019



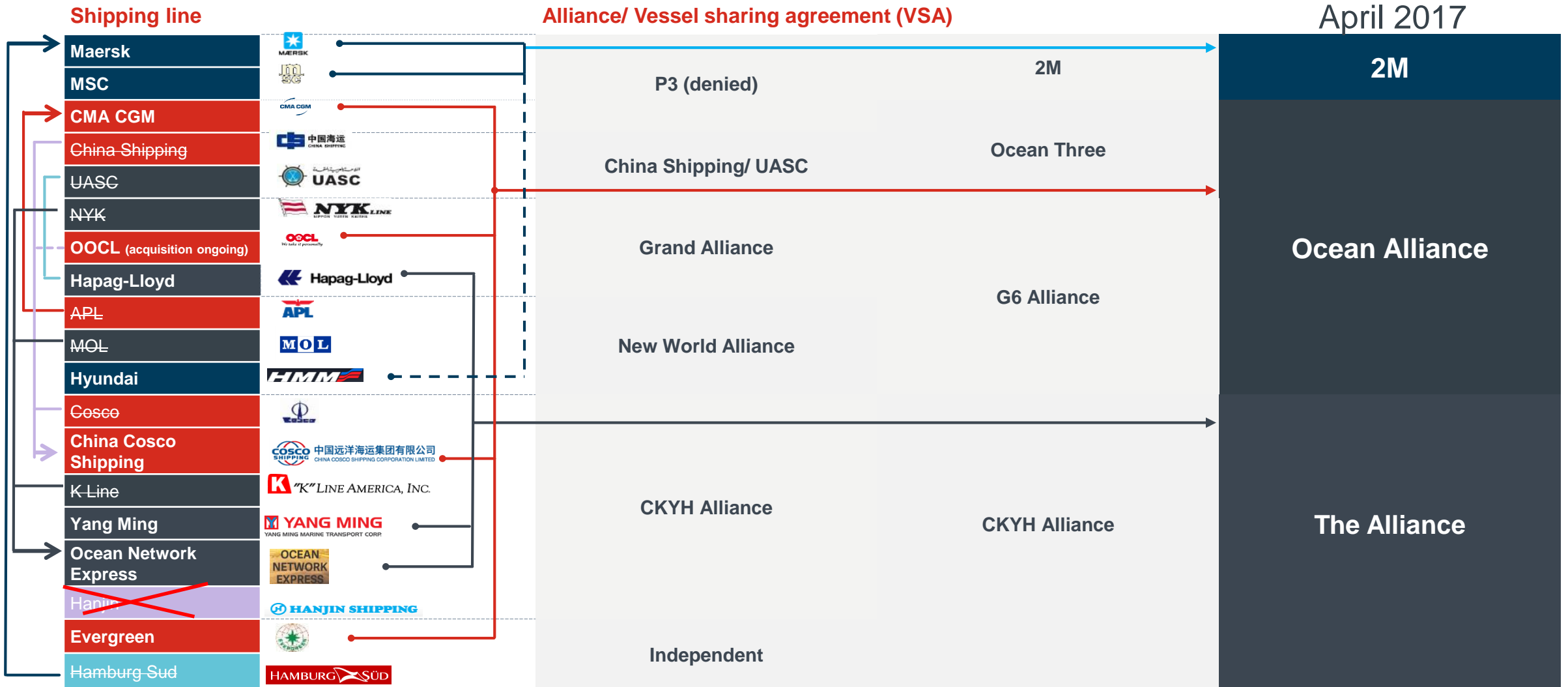
Global container throughput expected to grow 4.1% in 2019

- APAC +5.1% (+24 mteu)
- EMEA +2.0% (+4 mteu)
- AMER +4.4% (+4 mteu)

→ 75% of growth will come from APAC

Source: Drewry: Container forecaster Q4 2018

Three alliances controlling about 80% of global container fleet capacity

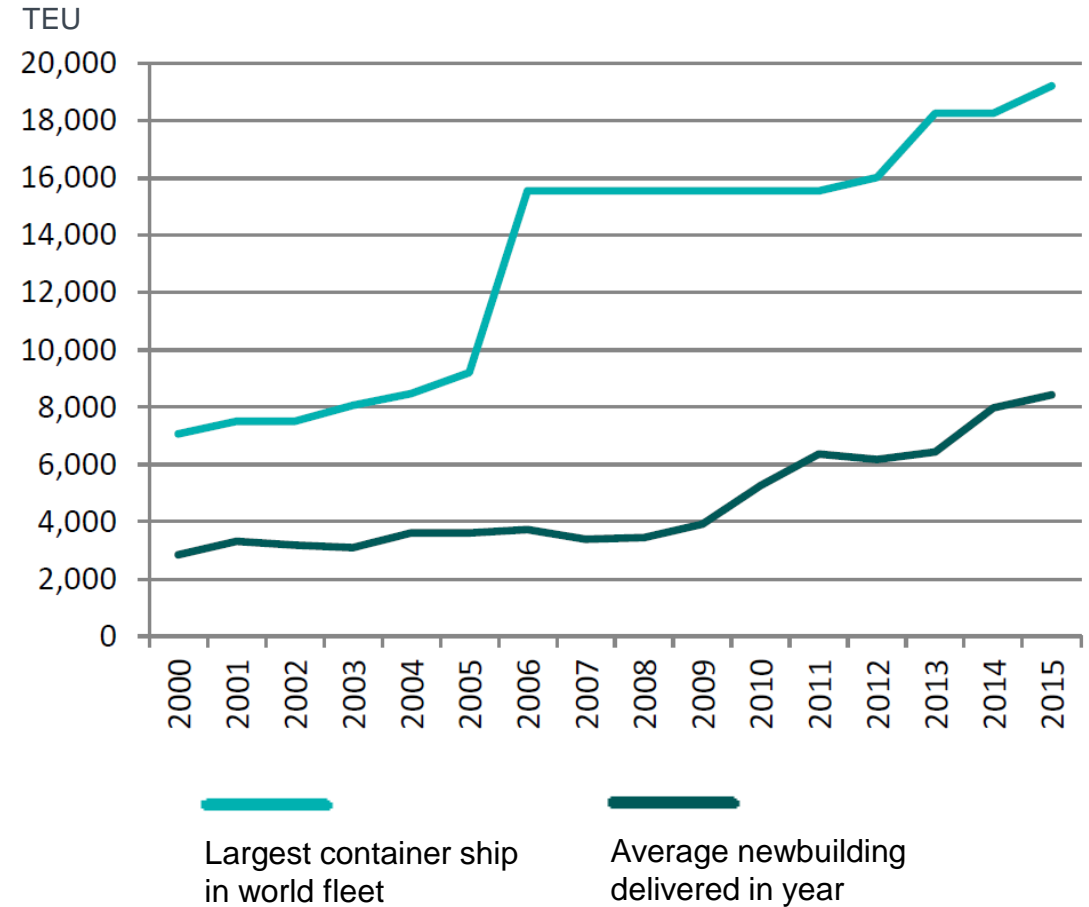


Total: 17
(9 after further consolidations)

- The arrows indicate changes, confirmed or planned, through M&A or JV over the last 18 months. Hanjin bankrupt. Hyundai isn't currently officially part of any alliance, but formed a cooperative relationship with 2M.
- Ocean Network Express (ONE) launch April 2018.
- COSCO Shipping's planned acquisition of OOCL expected to be completed by the end of June
- Analyse excludes Zim, PIL and Wan Hai

Ship sizes increasing dramatically

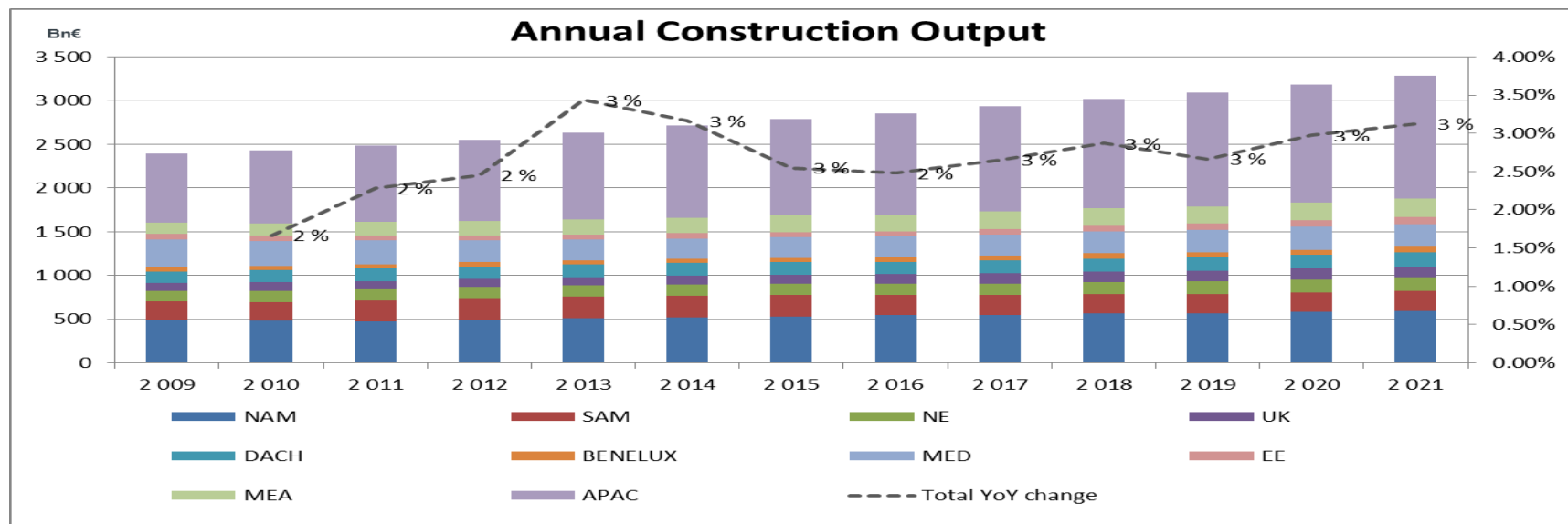
- The largest containership in the fleet has nearly tripled since 2000
- The average size of new builds doubles between 2009 and 2014



Source: Drewry November 2015

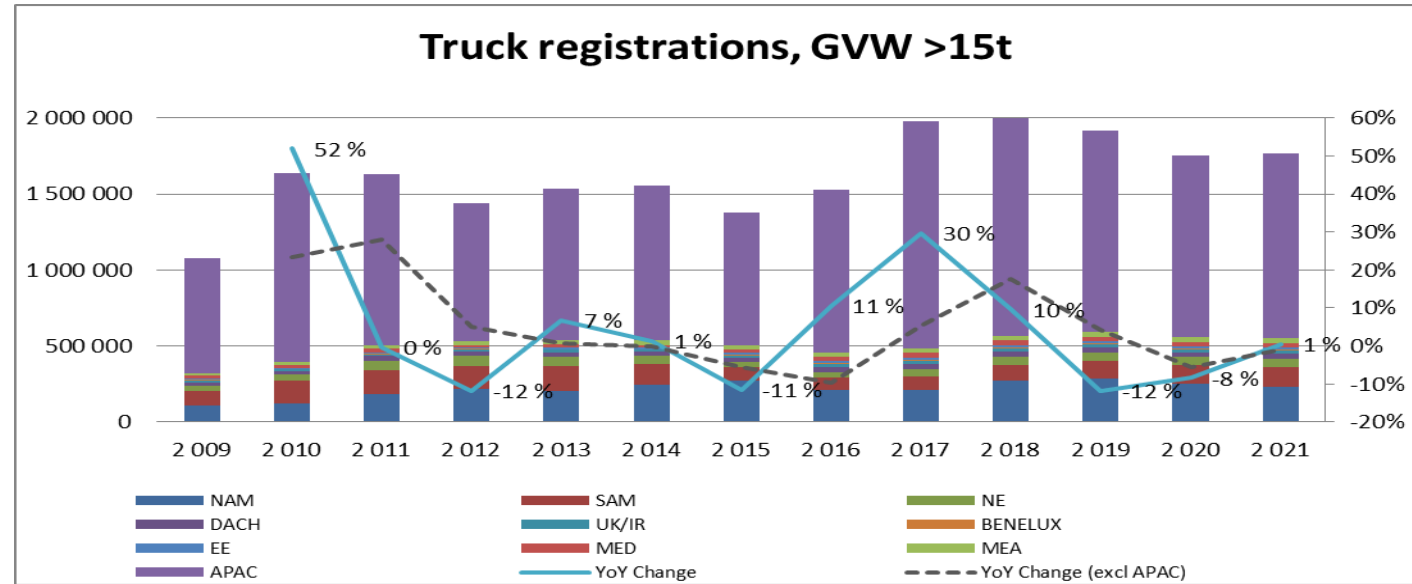
Hiab appendix

Construction output forecast



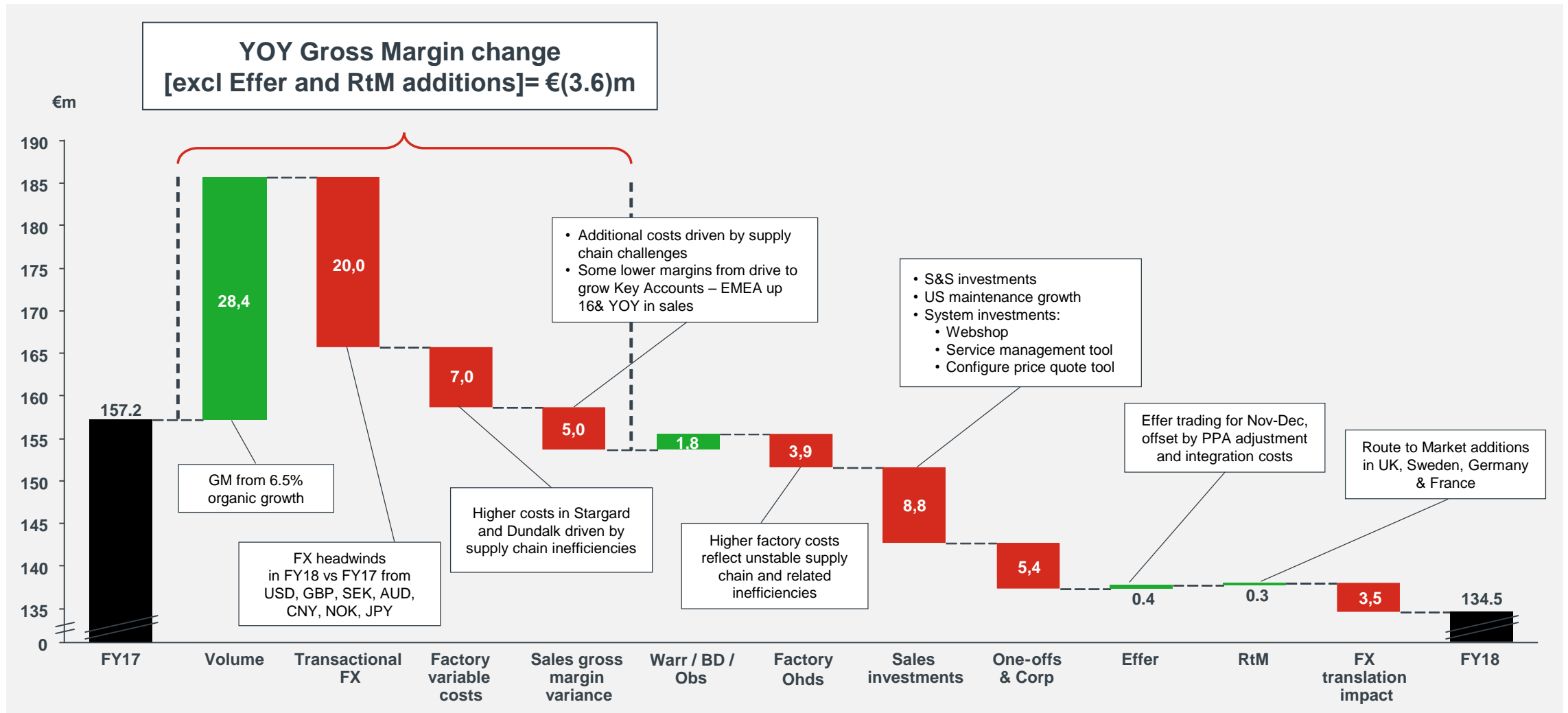
Changes vs last Forecast						YoY changes					
	2017	2018	2019	2020	2021		2017	2018	2019	2020	2021
NAM	0.0%	-0.3%	-1.0%	-1.2%	-1.1%	NAM	1.4%	2.5%	0.7%	2.4%	2.4%
SAM	-0.5%	-1.8%	-3.7%	-3.8%	-3.3%	SAM	-3.6%	-1.8%	-0.9%	2.6%	3.4%
NE	-5.6%	-2.8%	-2.8%	-2.7%	-2.5%	NE	2.8%	5.4%	3.0%	2.0%	2.0%
UK	0.0%	-0.4%	0.0%	-0.3%	-0.4%	UK	7.3%	0.7%	2.2%	1.7%	1.7%
DACH	0.0%	-0.3%	0.1%	0.1%	0.2%	DACH	2.9%	2.7%	2.2%	1.5%	1.3%
BENELUX	0.0%	0.7%	3.8%	3.5%	3.3%	BENELUX	3.2%	5.1%	5.2%	1.5%	1.5%
MED	-0.1%	0.0%	0.2%	0.1%	0.0%	MED	3.2%	3.0%	2.3%	2.3%	2.1%
EE	1.6%	2.4%	3.2%	3.3%	3.4%	EE	4.6%	11.9%	4.4%	3.1%	3.0%
MEA	0.2%	-1.6%	-3.3%	-3.4%	-3.4%	MEA	1.9%	-1.9%	-0.1%	3.0%	3.9%
APAC	0.8%	0.7%	1.4%	1.3%	1.2%	APAC	3.9%	4.1%	4.5%	3.9%	4.0%
Total	0.0%	-0.1%	-0.1%	-0.2%	-0.1%	Total	2.7%	2.9%	2.7%	3.0%	3.1%

Global truck volumes



Changes vs last Forecast						YoY changes (vs. prev. year)					
	2017	2018	2019	2020	2021		2017	2018	2019	2020	2021
NAM	0.0%	3.1%	-2.7%	-3.9%	-2.4%	NAM	0.6%	31.1%	-0.4%	-14.2%	-5.7%
SAM	-0.9%	-2.2%	-4.7%	1.5%	1.7%	SAM	8.4%	20.5%	9.0%	11.3%	4.7%
NE	0.0%	1.0%	2.7%	-2.3%	-3.2%	NE	27.5%	4.6%	4.9%	-1.2%	4.2%
DACH	0.0%	5.0%	5.7%	11.2%	8.1%	DACH	1.8%	12.6%	-6.3%	-4.2%	-1.4%
UK/IR	0.0%	0.6%	1.5%	-1.1%	-2.0%	UK/IR	0.3%	-11.1%	-5.8%	0.9%	3.8%
BENELUX	1.7%	3.1%	0.8%	1.7%	1.9%	BENELUX	5.4%	6.9%	-12.0%	-1.1%	3.7%
EE	-0.9%	-3.2%	0.1%	-2.4%	-2.9%	EE	-1.6%	28.6%	2.6%	-0.4%	1.5%
MED	0.0%	4.3%	8.0%	6.8%	6.7%	MED	20.3%	8.9%	-2.4%	-8.1%	5.8%
MEA	0.0%	1.4%	-0.1%	-2.2%	-2.5%	MEA	-2.4%	3.0%	1.9%	4.4%	3.0%
APAC	-0.1%	-0.4%	0.2%	0.0%	0.2%	APAC	39.9%	6.8%	-16.9%	-9.7%	1.3%
Total	-0.1%	0.1%	-0.3%	-0.3%	0.0%	Total	29.5%	10.0%	-12.1%	-8.3%	0.8%

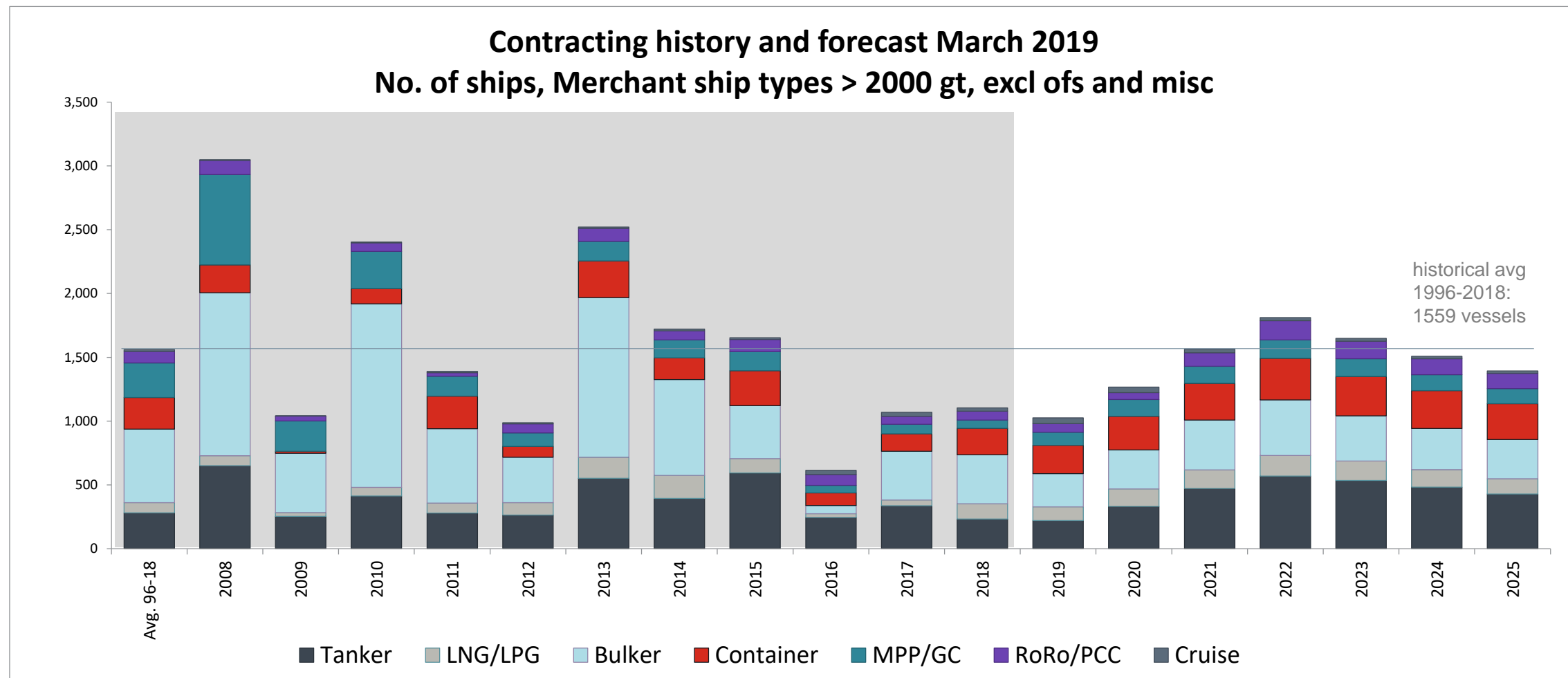
Operating Profit Bridge FY Actual 2018 vs 2017 (AER)



MacGregor appendix

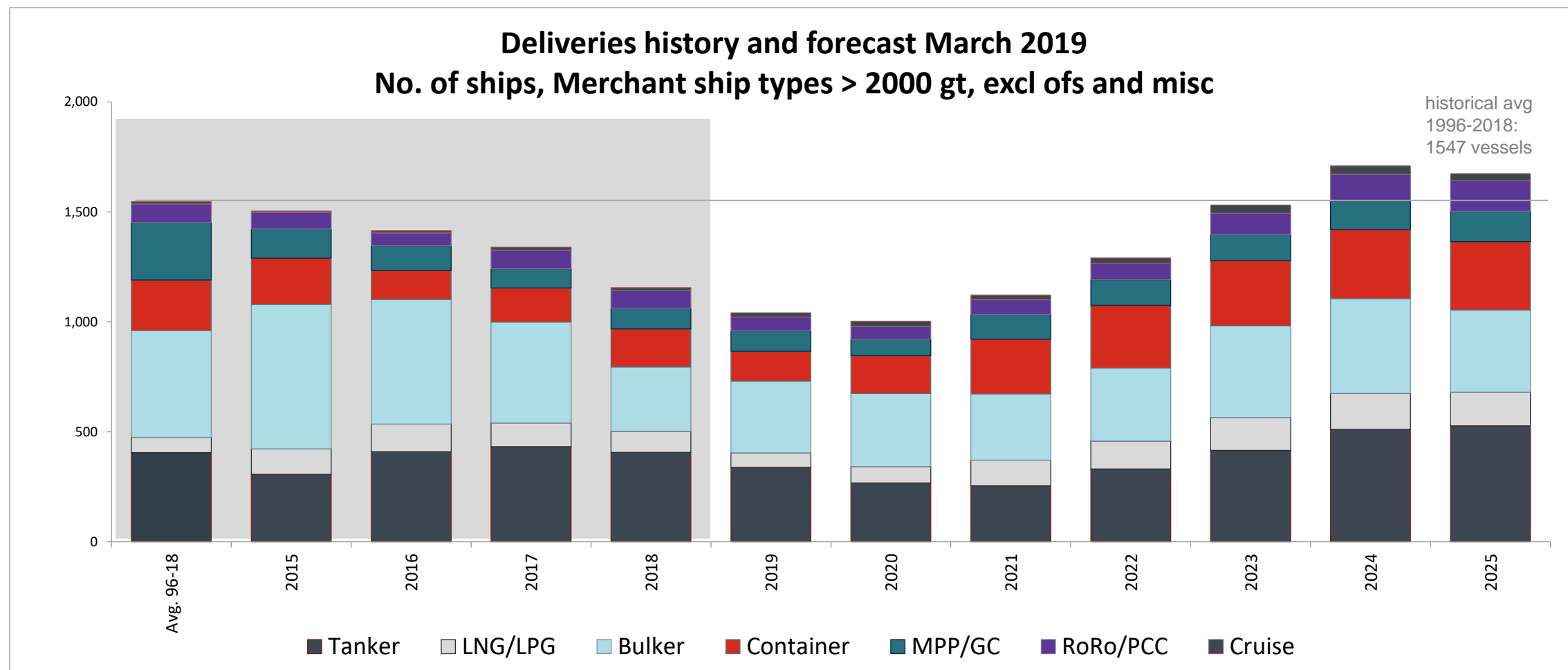
Merchant ships: Contracting forecast by shiptype (no of ships)

Merchant ship types > 2000 gt, base case

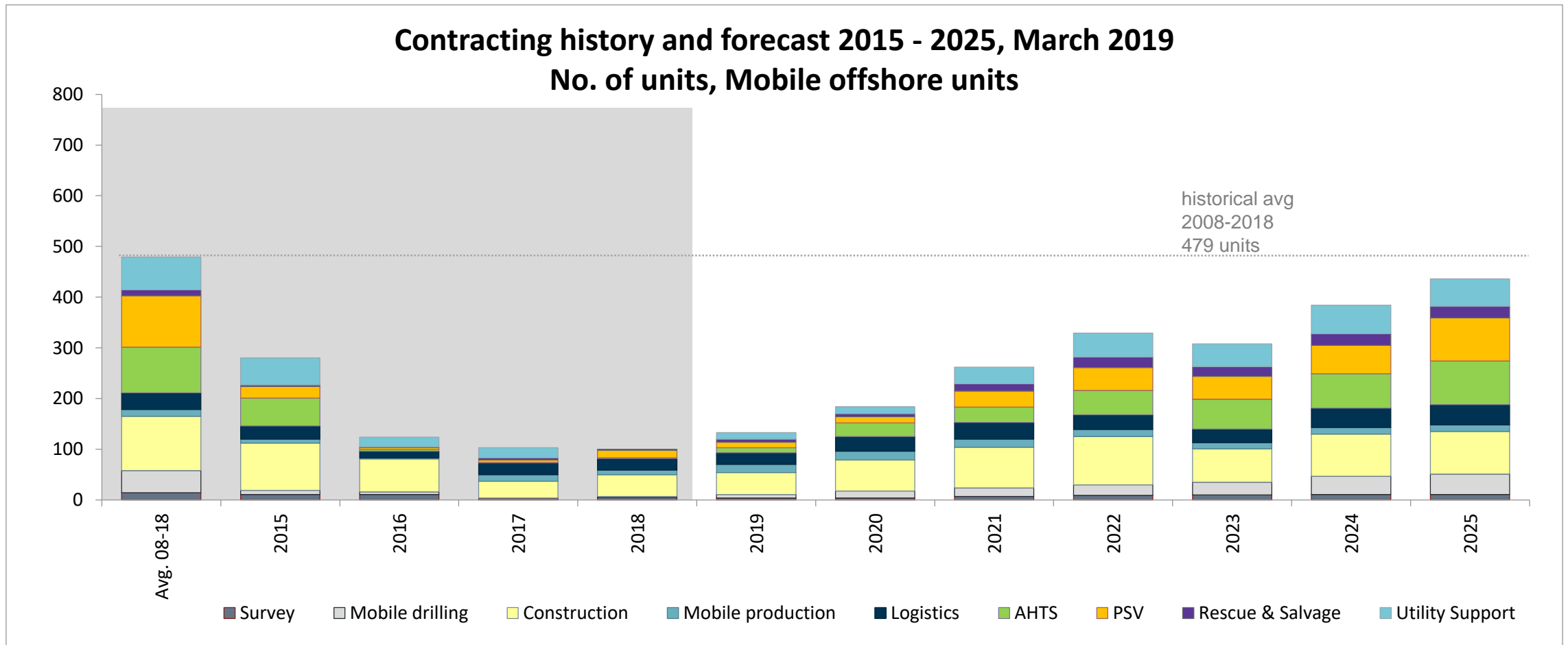


Merchant ships: Deliveries forecast by shiptype (no of ships)

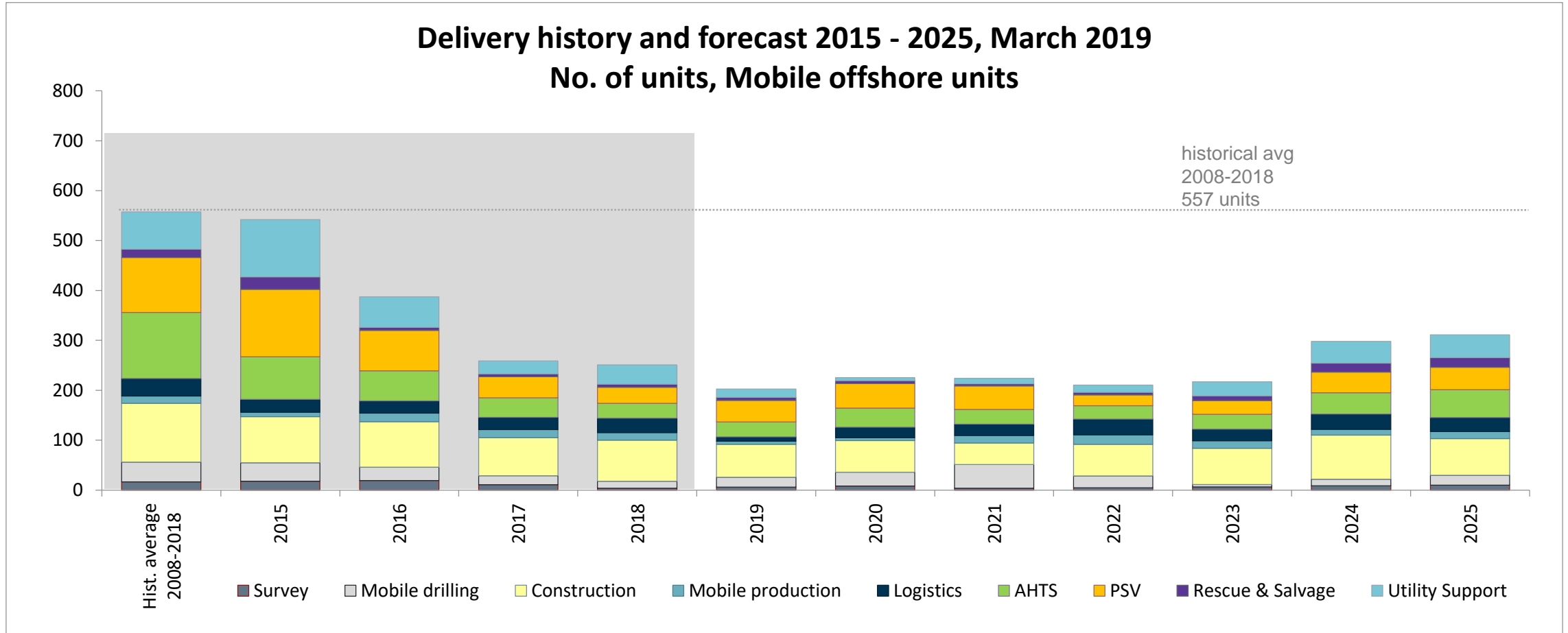
Merchant ship types > 2000 gt, base case



Offshore mobile units: Contracting forecast by shiptype (number of units)



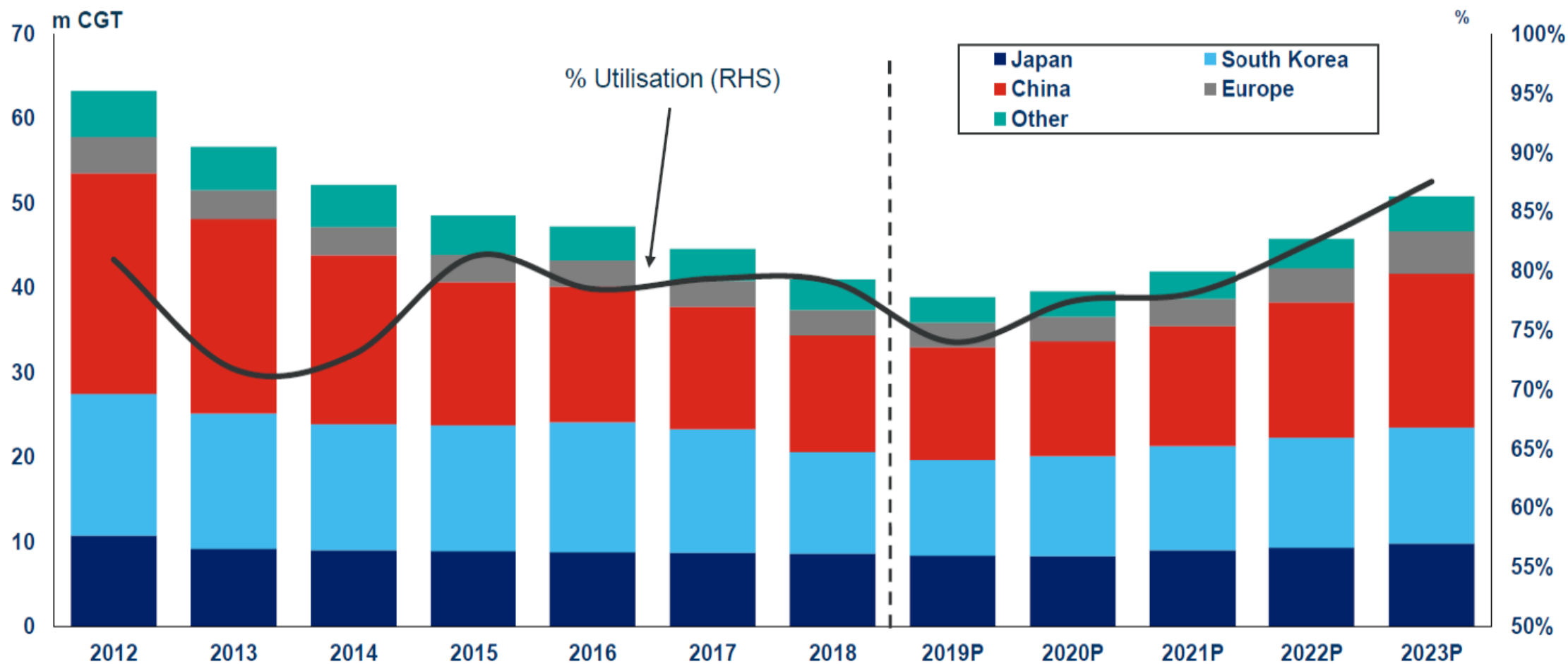
Offshore mobile units: Deliveries forecast by shiptype (no of units)



Shipbuilding – contracting ships >2000 gt/dwt

Global Contracting Activity (1st June 2019)												
	No.				\$bn				m. CGT			
	2017	2018	2019ytd	%y-o-y*	2017	2018	2019ytd	%y-o-y*	2017	2018	2019ytd	%y-o-y*
TOTAL (>2,000 Dwt/GT**)	1,224	1,274	329	-38%	71.3	76.8	28.7	-10%	29.1	33.9	9.6	-32%
Vessel Type												
Bulkers	404	426	82	-54%	12.1	13.0	3.0	-45%	8.8	9.0	1.9	-49%
Tankers	368	257	57	-47%	15.4	11.9	2.7	-45%	8.5	6.2	1.4	-44%
Containerships	140	213	53	-40%	6.0	11.3	2.6	-46%	3.7	6.2	1.3	-49%
Gas Carriers	47	122	42	-17%	4.3	15.2	5.5	-13%	1.8	6.7	2.3	-19%
Offshore	46	53	12	-46%	8.8	5.2	3.9	79%	0.9	1.0	0.4	-13%
Others	219	203	83	-2%	24.7	20.2	11.0	31%	5.4	4.7	2.2	14%
Builder Country/Region												
China	569	505	167	-21%	20.0	21.2	8.7	-1%	4.7	11.7	4.1	-15%
South Korea	203	288	63	-48%	17.3	27.1	7.3	-36%	2.2	7.6	2.8	-11%
Japan	206	343	43	-70%	5.4	11.1	1.6	-65%	2.4	3.4	0.9	-40%
Europe	93	93	43	11%	22.1	15.8	9.3	42%	3.7	3.9	1.5	-7%
Other	153	45	13	-31%	6.5	1.7	1.7	141%	16.1	7.3	0.2	-92%

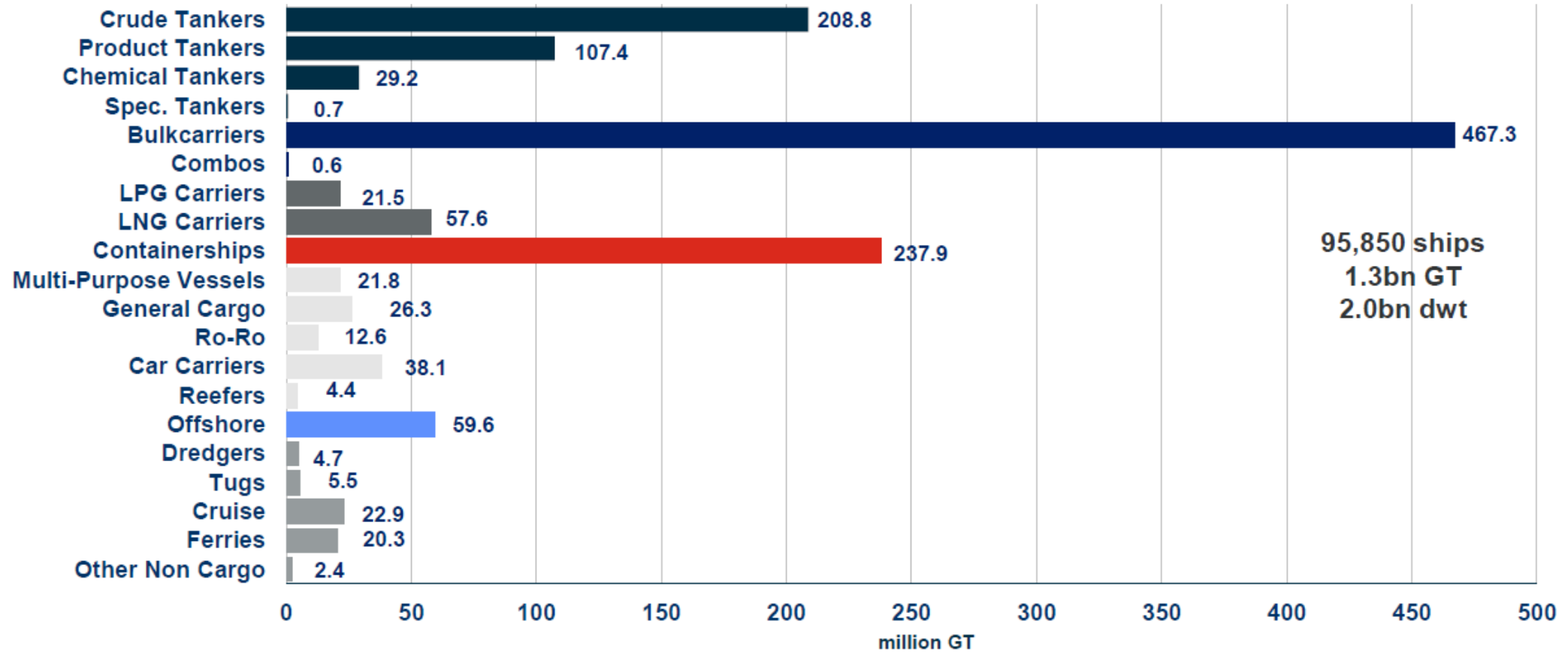
Shipbuilding capacity and utilisation scenario



Shipping – The world fleet

World fleet comprises currently roughly 96,000 ships

World Fleet as at March 2019 (million GT)



We are capturing "blue growth" opportunities



Seaborne
logistics

Traditional
Core



Marine bio-
technology

New
Growth



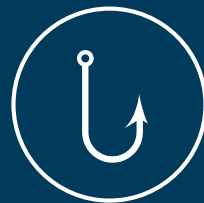
Marine and
seabed mining

New
Growth



Tourism

New
Growth



Fishing

New
Growth



Aquaculture

New
Growth



Offshore
oil and gas

Traditional
Core



Offshore
wind energy

New
Growth



Ocean
renewable
energy

New
Growth

Disclaimer

Although forward-looking statements contained in this presentation are based upon what management of the company believes are reasonable assumptions, there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. These statements are not guarantees of future performance and undue reliance should not be placed on them. The company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws.

All the discussion topics presented during the session and in the attached material are still in the planning phase. The final impact on the personnel, for example on the duties of the existing employees, will be specified only after the legal requirements of each affected function/ country have been fulfilled in full, including possible informing and/or negotiation obligations in each function / country.

