

27 October 2017

Orders received increased in Hiab, MacGregor and services

Cargotec's January – September 2017 interim report
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Highlights of Q3 2017 – Service and software one third of sales

Orders received increased in Hiab, MacGregor and services

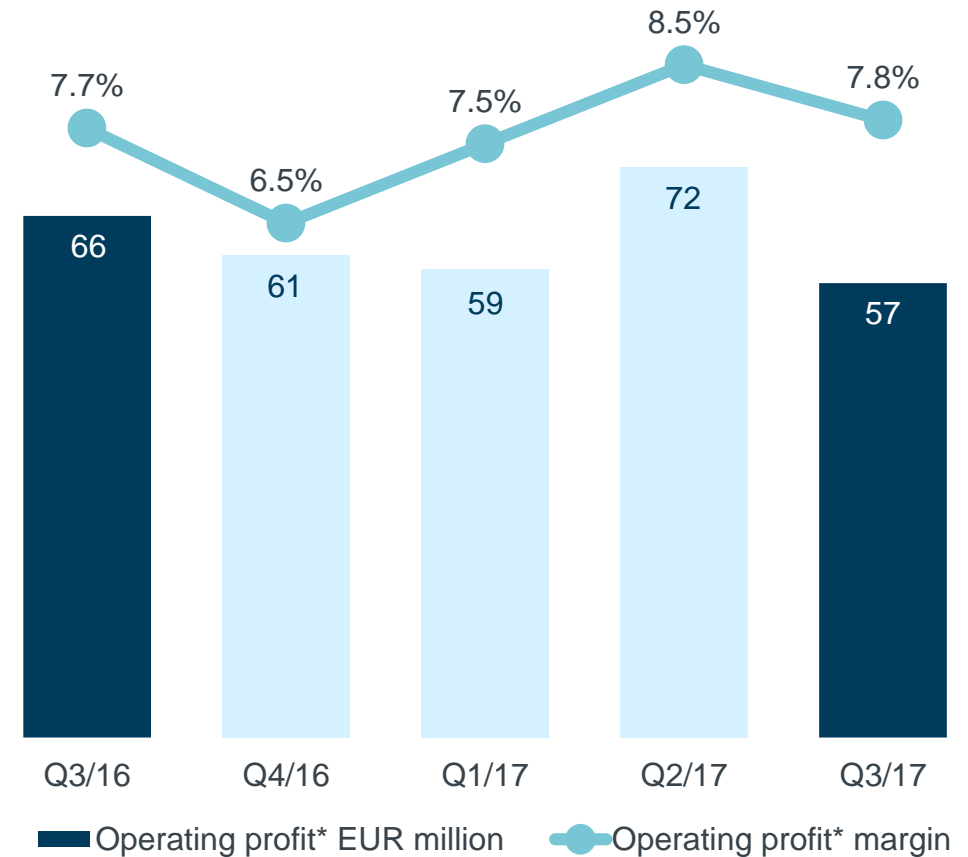
- MacGregor’s orders grew 12% y/y
- Service orders grew 6%
- Kalmar orders decreased 10%

Sales below expectations

Hiab continues to show strong development

Service and software sales 33% (29%) of total sales

- Good development in Kalmar: service sales grew 8%



*) Excluding restructuring costs

Market environment in 2017

Growth in number of containers handled at ports accelerated

Strong interest for efficiency improving automation solutions

- Customers' decision making is slow

Construction activity on good level

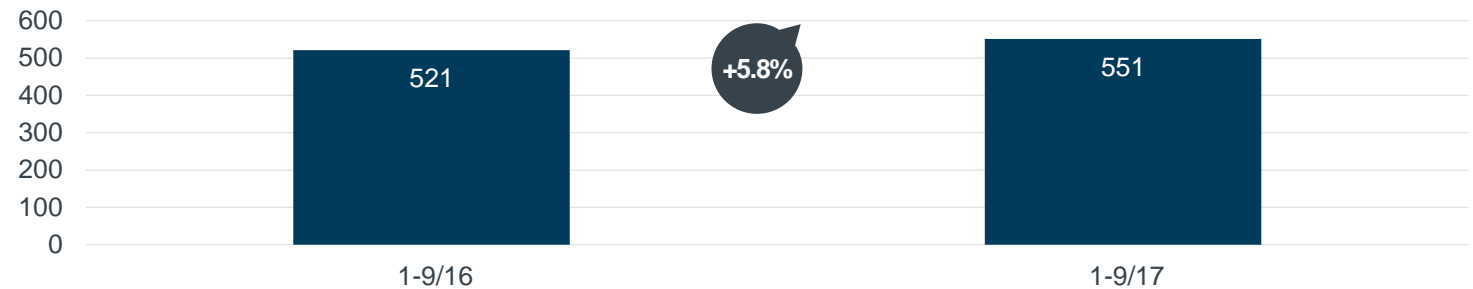
- Good development continued in Europe and the US

Marine cargo handling equipment market still weak

- Market improved in merchant sector, but orders remained well below historical levels

Global container throughput (MTEU) – Key driver for Kalmar

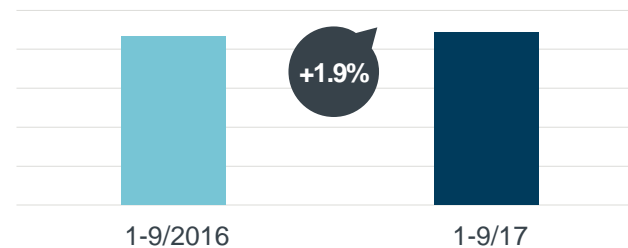
Source: Drewry



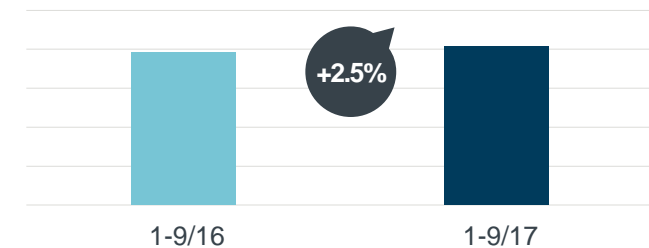
Construction output – Key driver for Hiab

Source: Oxford Economics

United States



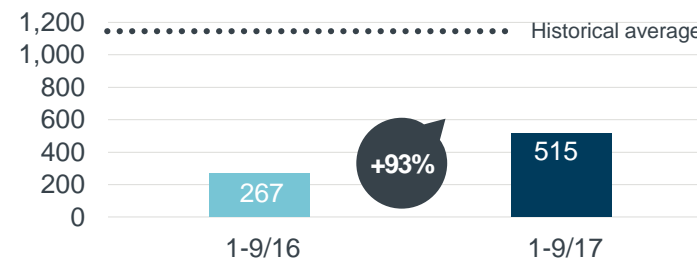
Europe



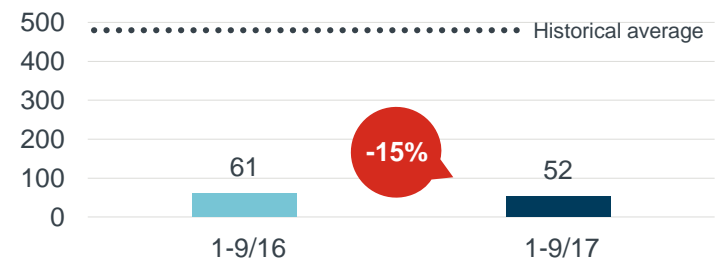
Long term contracting – Key driver for MacGregor

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

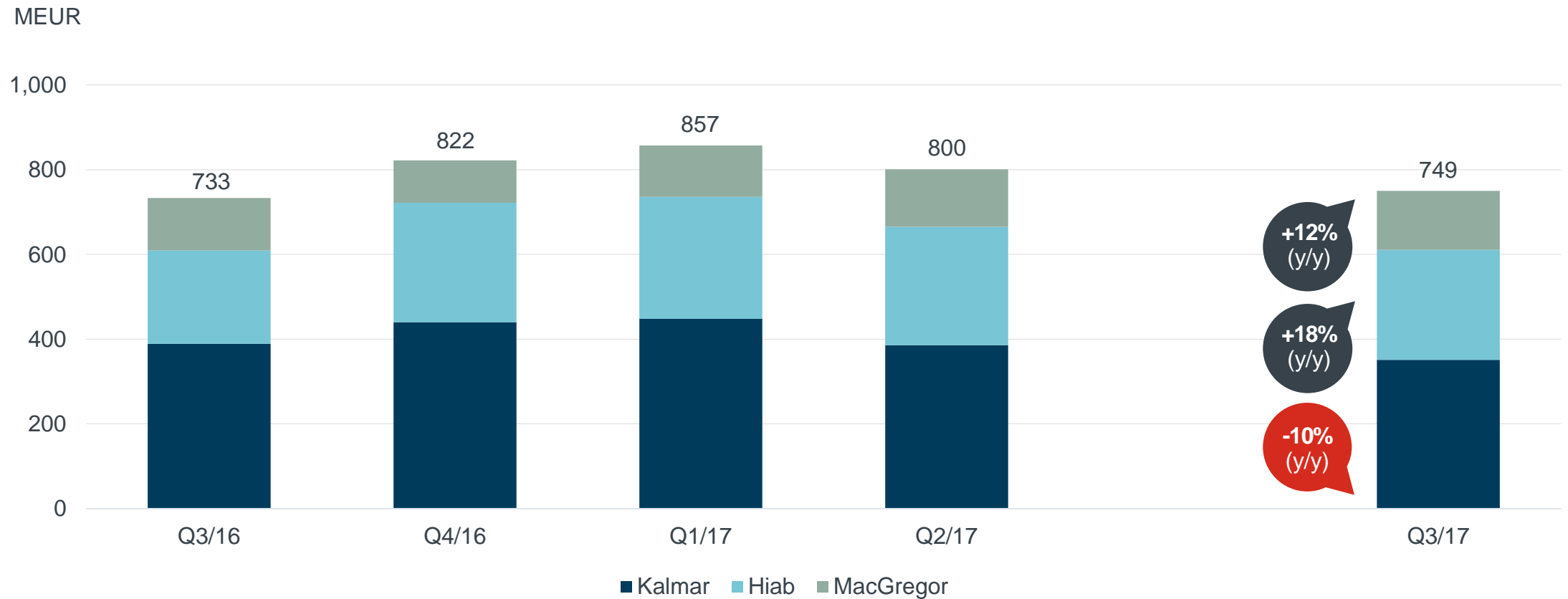
Merchant ships > 2,000 gt (excl. ofs & misc)



Mobile offshore units



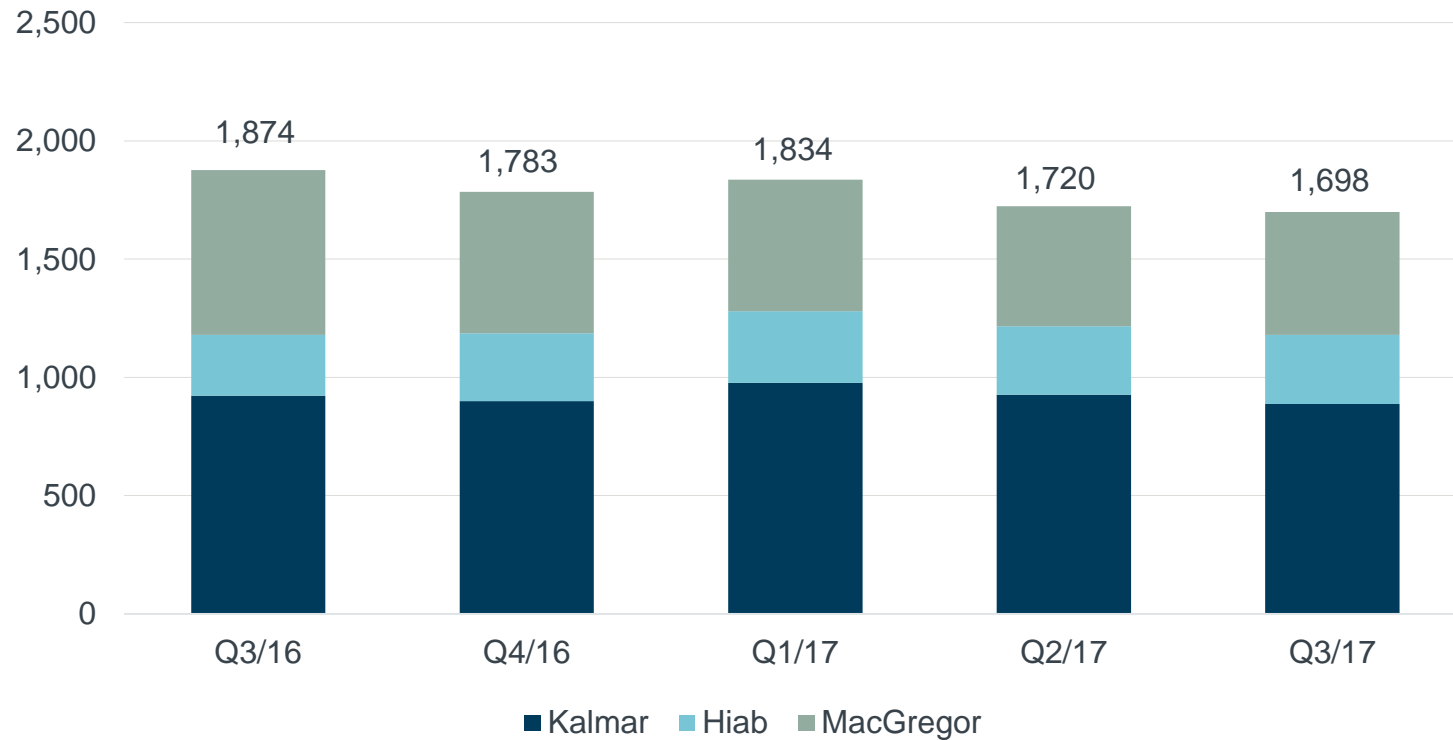
Orders received increased in Hiab and MacGregor



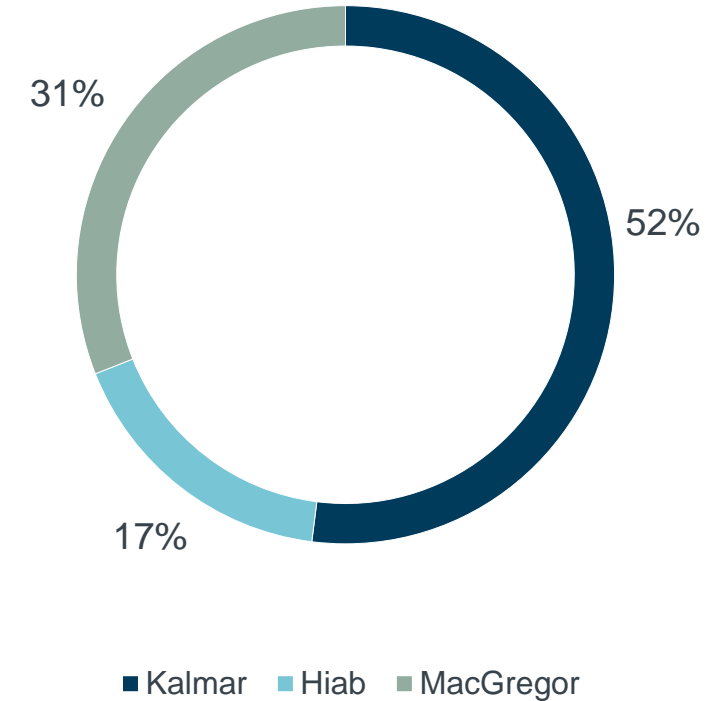
Hiab's order book strengthened

Order book

MEUR



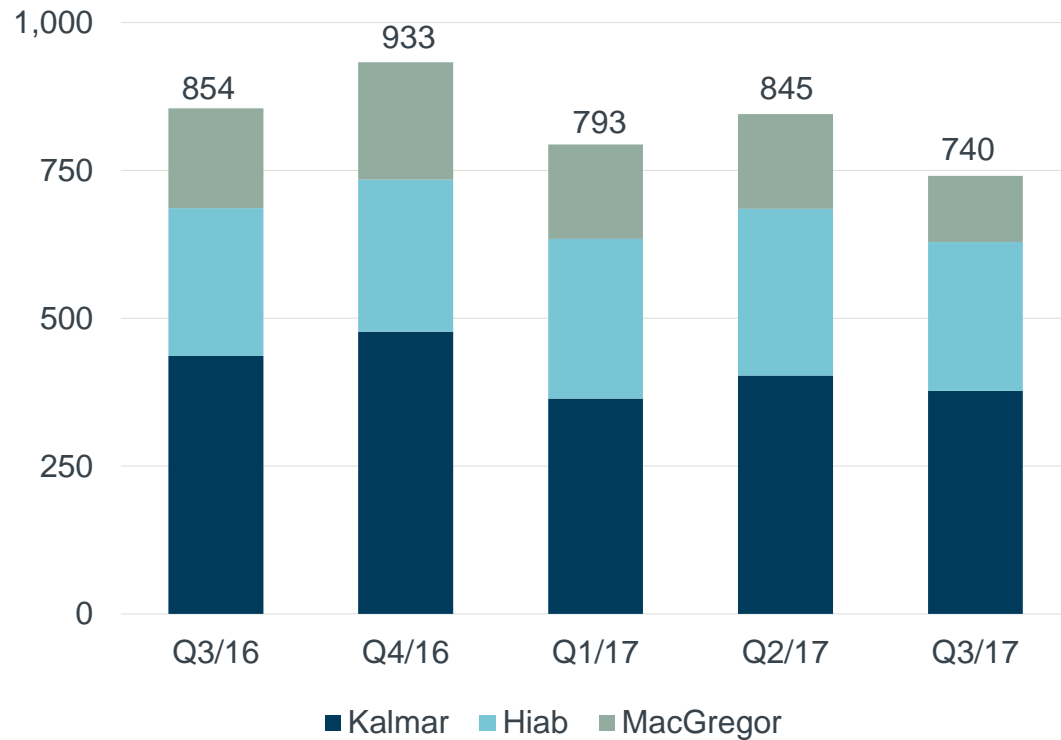
Order book by reporting segments, Q3 2017



Operating profit* declined due to delivery volumes

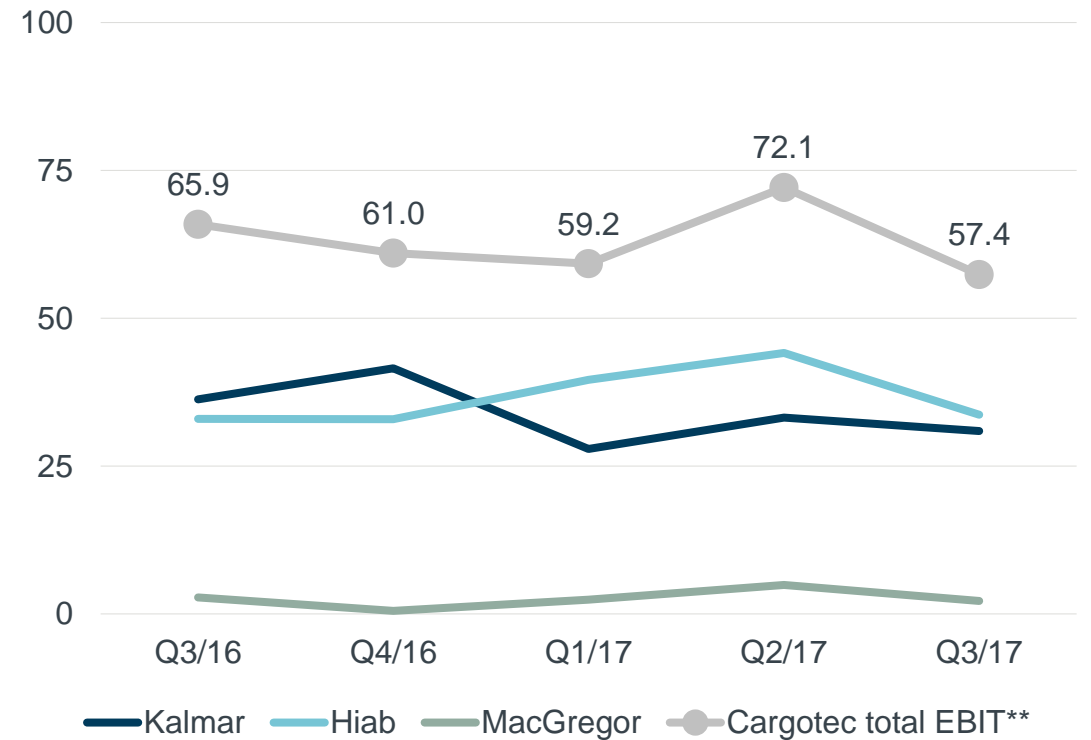
Sales

MEUR



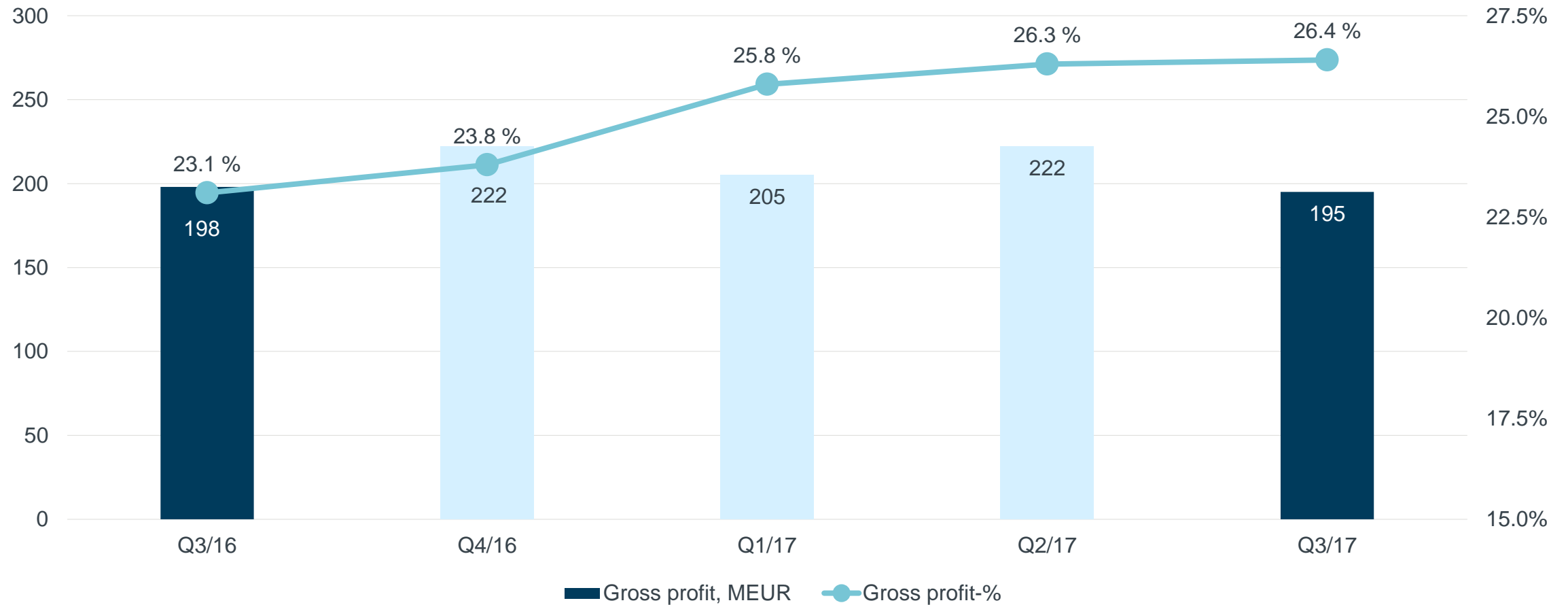
Operating profit*

MEUR



*) Excluding restructuring costs, **) Including Corporate admin and support

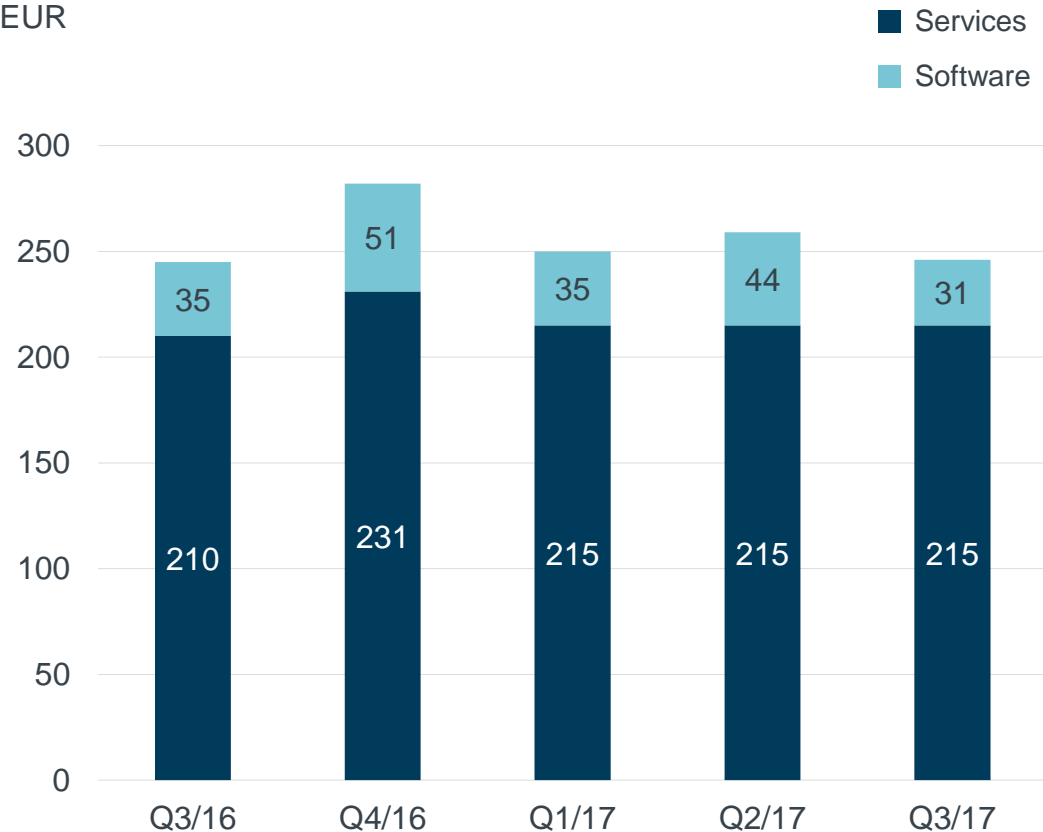
Gross profit margin continued to improve



Service and software 33% of total sales

Services and software* sales

MEUR



*Software sales defined as Navis business unit and automation software

- Service sales increased 2% y-o-y
 - Strong 8% growth in Kalmar
- Software sales decreased in Q3/17
 - 1-9/17 growth +14%
- Services and software sales 33% (29%) of total sales in Q3/17



Business areas

Cargotec's January–September 2017
interim report

Kalmar Q3 – Good development in service sales

Orders received increased in Americas

- Good development in mobile equipment, decrease in automation and software

Sales decreased mainly due to timing of project deliveries as well as supply chain challenges in mobile equipment

Service sales increased 8%

Operating profit* decreased due to lower sales in project business

MEUR	Q3/17	Q3/16	Change
Orders received	351	389	-10%
Order book	887	922	-4%
Sales	377	436	-14%
Operating profit*	30.9	36.3	-15%
Operating profit margin*	8.2%	8.3%	

*) Excluding restructuring costs



Hiab Q3 – Strong increase in orders received

Orders received grew in EMEA and APAC

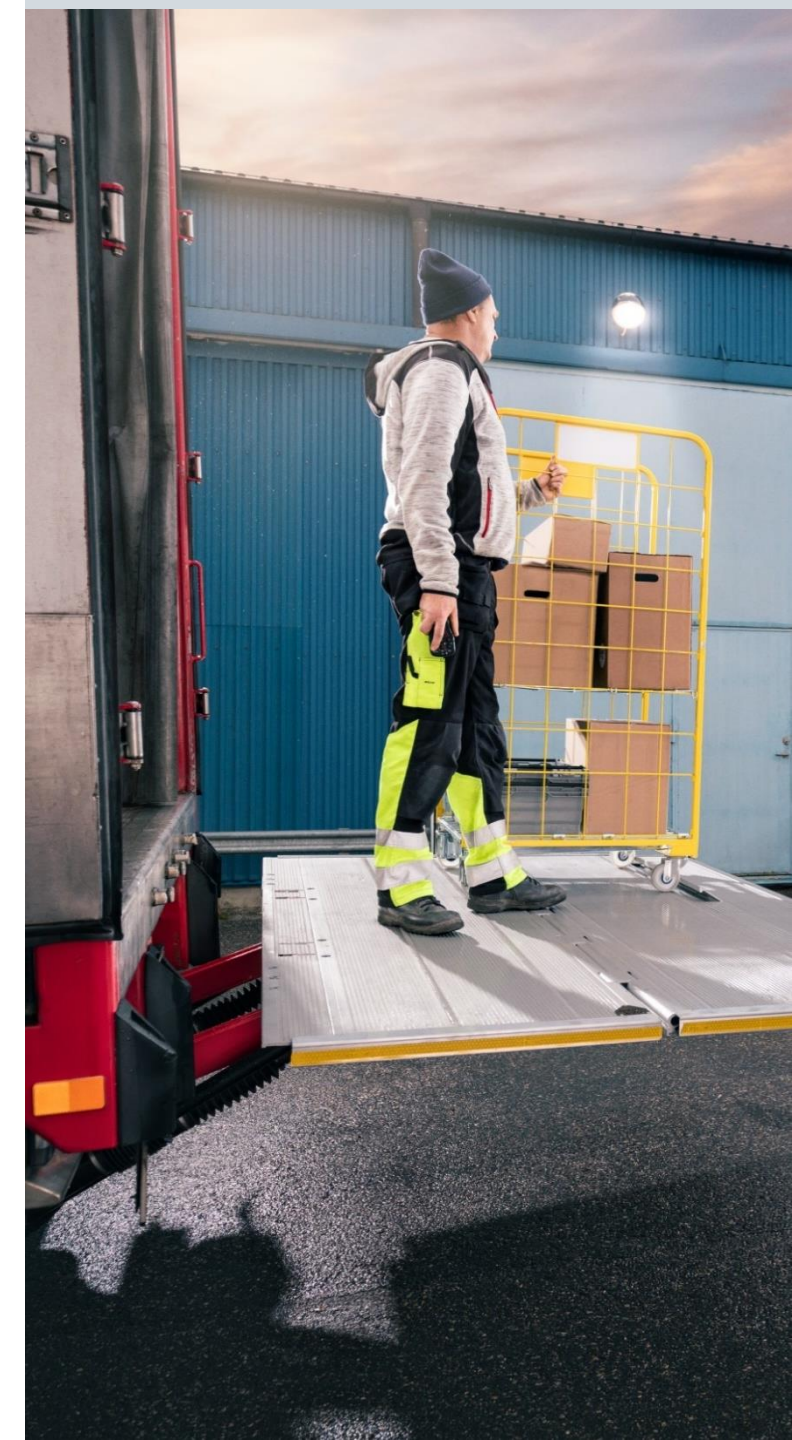
- Growth in EMEA +37%
- Growth in all business lines

Sales and operating profit at last year's level

- Sales impacted negatively by supply chain bottlenecks

Service sales grew 2%

MEUR	Q3/17	Q3/16	Change
Orders received	260	220	+18%
Order book	293	258	+14%
Sales	252	250	+1%
Operating profit*	33.7	33.0	+2%
Operating profit margin*	13.4%	13.2%	



MacGregor Q3 – Orders received increased

Orders received increased in EMEA and Americas

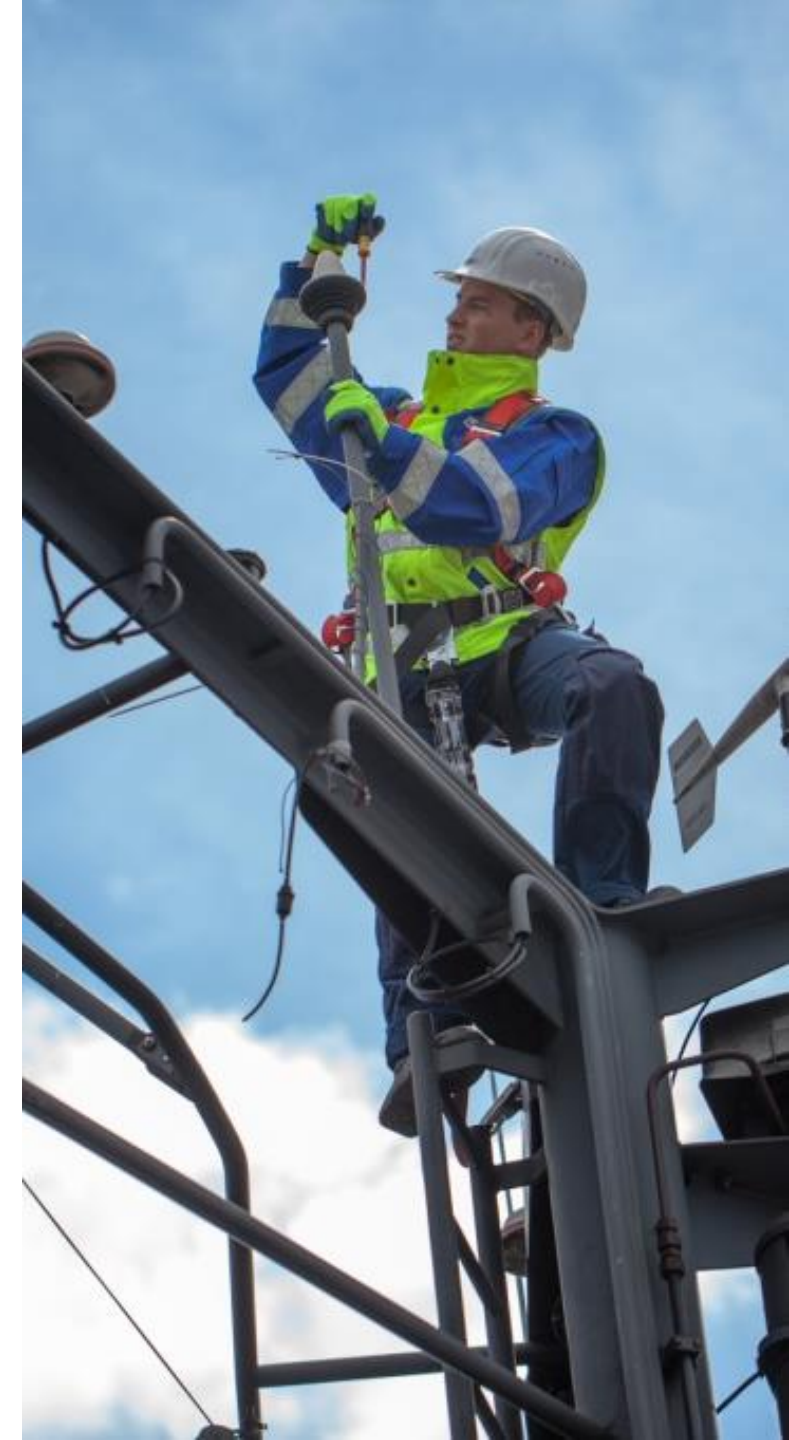
- Strong increase especially in cargo handling

Sales declined both in merchant and offshore due to low delivery volumes

Operating profit* decreased due to lower business volumes

MEUR	Q3/17	Q3/16	Change
Orders received	139	124	+12%
Order book	519	696	-25%
Sales	112	169	-34%
Operating profit*	2.2	2.8	-23%
Operating profit margin*	2.0%	1.7%	

*) Excluding restructuring costs



Previously announced cost savings programmes proceeding

- From 2020 onwards savings of EUR 50 million
 - EUR 3 million savings in 1-9/2017
 - Cargotec and Tieto to enter into a partnership in IT Service Management and Solution Expertise, 50 employees to transfer to Tieto on 1 November 2017
- 2017 EUR 25 million (MacGregor)
 - EUR 20 million savings in 1-9/17
- EUR 13 million in 2018 (Kalmar)
 - Relocation of assembly operation
- Product redesign and project management improvement continues in 2017



Financials and outlook

Cargotec's January–September 2017 interim report



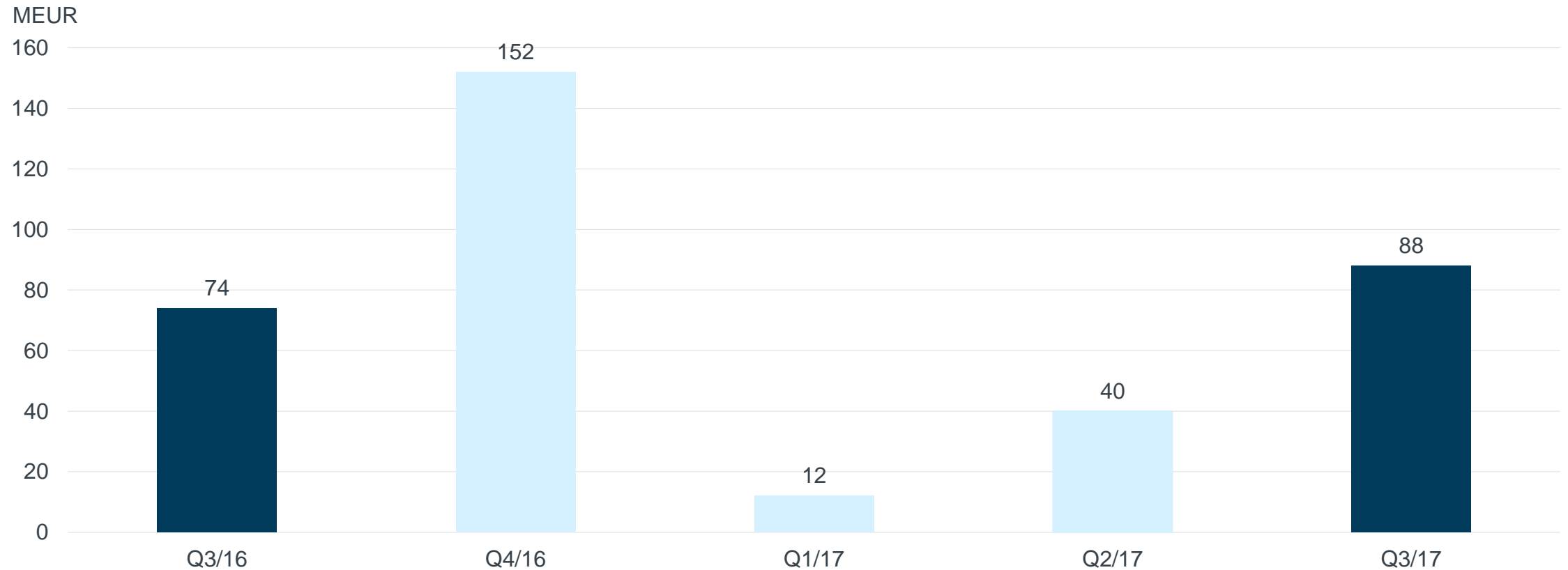
Key figures – Orders received increased

	7-9/17	7-9/16	Change	1-9/17	1-9/16	Change
Orders received, MEUR	749	733	+2%	2,406	2,461	-2%
Order book, MEUR	1,698	1,874	-9%	1,698	1,874	-9%
Sales, MEUR	740	854	-13%	2,378	2,581	-8%
Operating profit*, MEUR	57.4	65.9	-13%	188.6	189.3	0%
Operating profit*, %	7.8%	7.7%		7.9%	7.3%	
Restructuring costs, MEUR	4.7	9.7	-52%	19.2	12.8	+50%
Operating profit, MEUR	52.7	56.2	-6%	169.4	176.4	-4%
Operating profit, %	7.1%	6.6%		7.1%	6.8%	
Earnings per share, EUR	0.51	0.52	-2%	1.66	1.75	-5%
Earnings per share, EUR**	0.56	0.63	-11%	1.87	1.89	-1%

*) Excluding restructuring costs

***) Excluding restructuring costs, using reported effective tax rate

Cash flow from operations improved



Gearing below target level

Net debt EUR 535 million (31 Dec 2016: 503)

- Average interest rate 2.2% (2.3%)
- Net debt/EBITDA 2.0 (1.8)

Total shareholders' equity EUR 1,420 million (1,395)

- Equity/total assets 42.3% (39.1%)

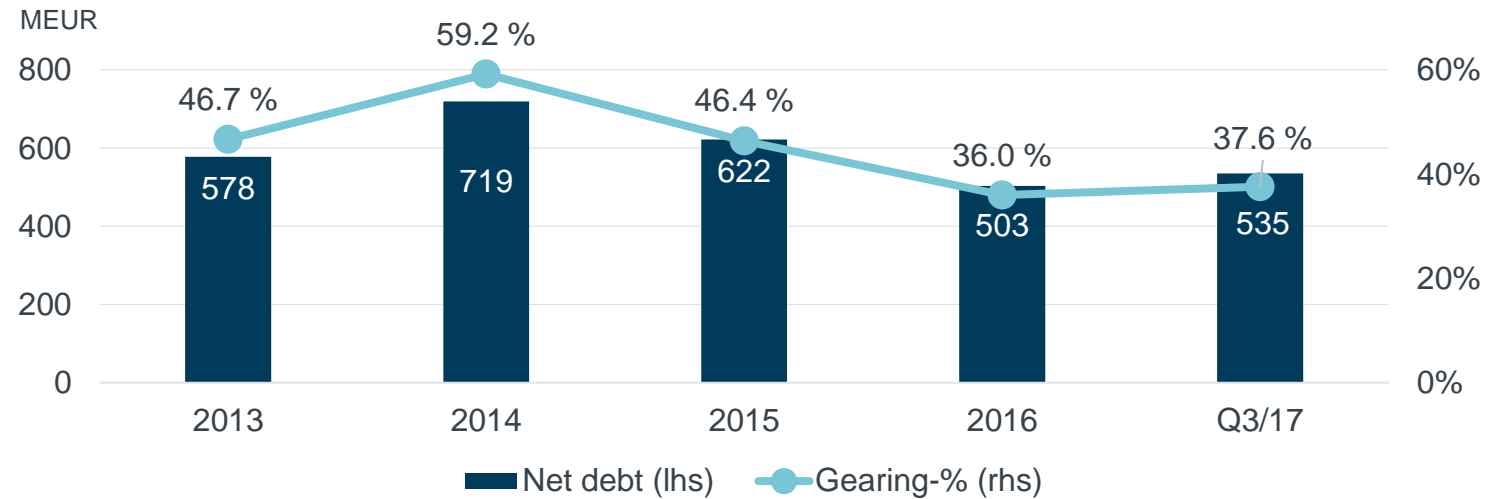
Well diversified loan portfolio:

- Bonds EUR 464 million
- Bank loans EUR 293 million
- EUR 300 million revolving credit facility refinanced in Q2/17, the facility is fully undrawn

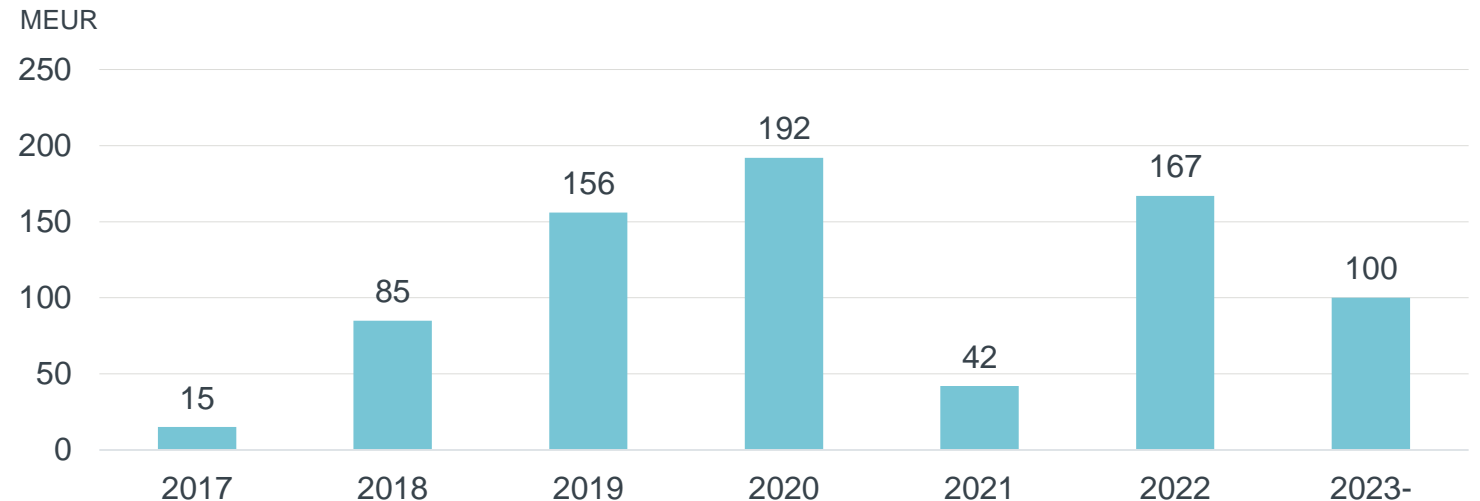
Balanced maturity profile

- EUR 15 million loans maturing in 2017

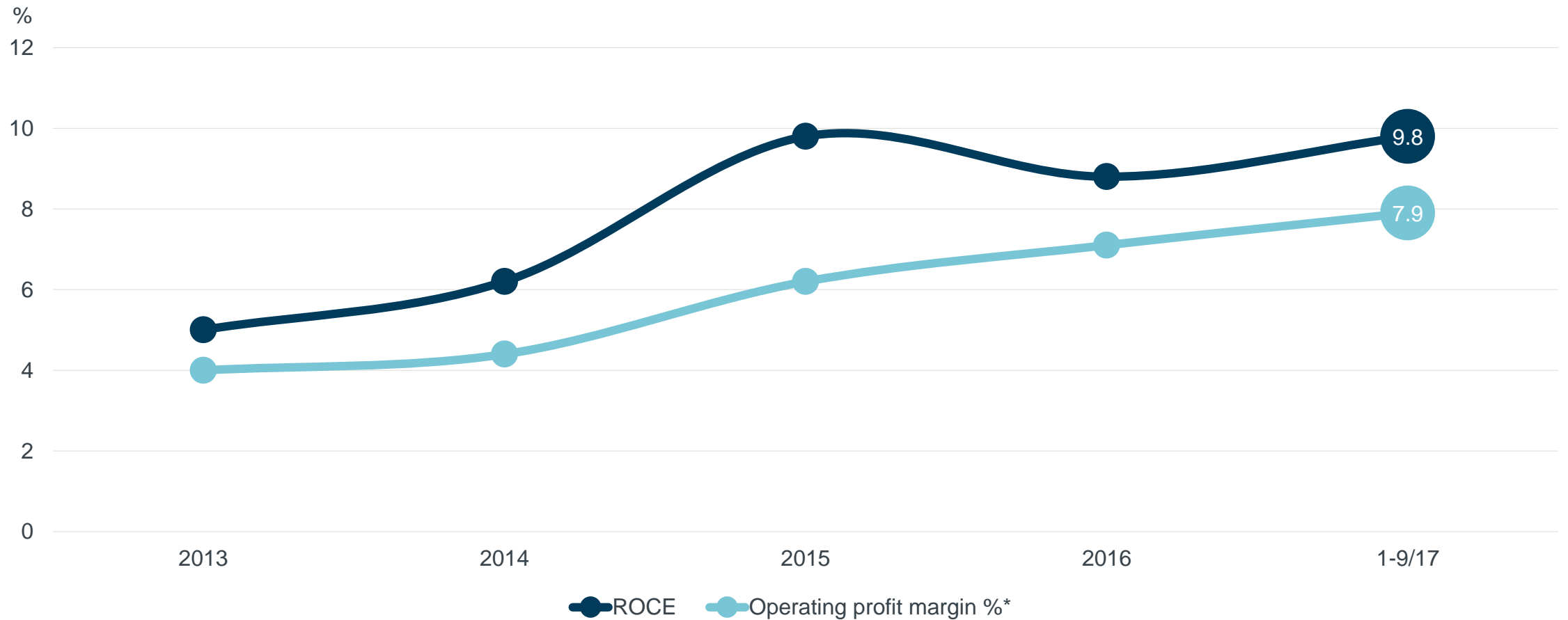
Net debt and gearing



Maturity profile



Operating profit* margin and ROCE improved



ROCE, annualised *) Excluding restructuring costs



2017 outlook – as given 8 February 2017

Operating profit excluding restructuring costs for 2017 is expected to improve from 2016 (EUR 250.2 million)

Upcoming IR events

- 1 December 2017** Hiab Investor Day with President of Hiab, Roland Sundén in Helsinki
- 28 March 2018** Site visit to Hiab and Kalmar production facility in Poland

