

Investor presentation, October 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

CONSTRUCTION ACTIVITY

MARKET POSITION  
#1, #2  
IN MAJOR SEGMENTS

SHIP BUILDING

MARKET POSITION  
#1, #2  
IN MAJOR SEGMENTS

Every other ship in the WORLD has MacGregor equipment on board

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



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



● 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.

● Growing services and software business increase stability of our business

## € 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

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# 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)

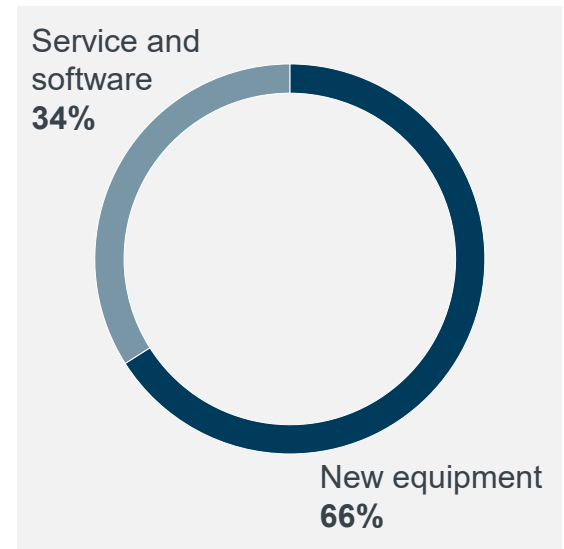
**Hiab**

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

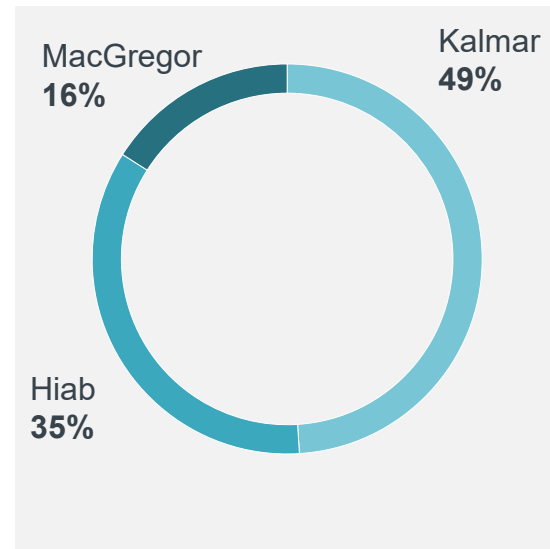
**MacGregor**

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

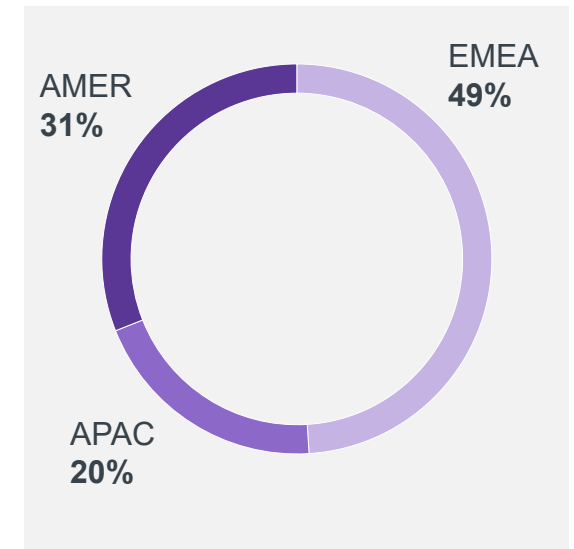
**Sales split: new equipment vs service and software**



**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



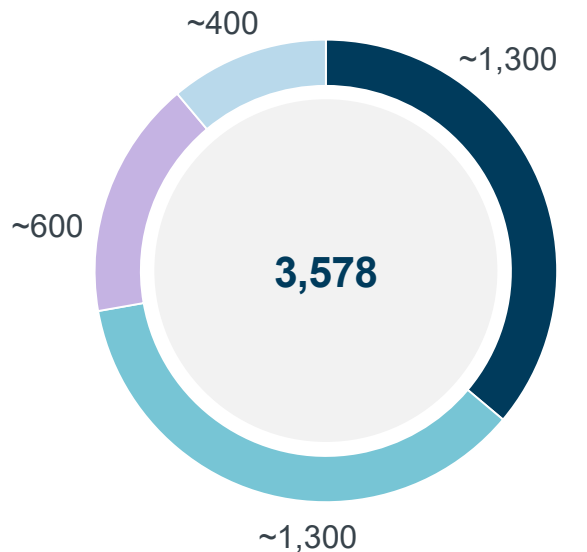
Other competitors



# Currently two businesses performing well

## Net sales\* in Q4/18-Q3/19

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	+39%	<b>-3.8%</b>
Hiab	+23%	<b>11.8%</b>
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. Capitalising 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

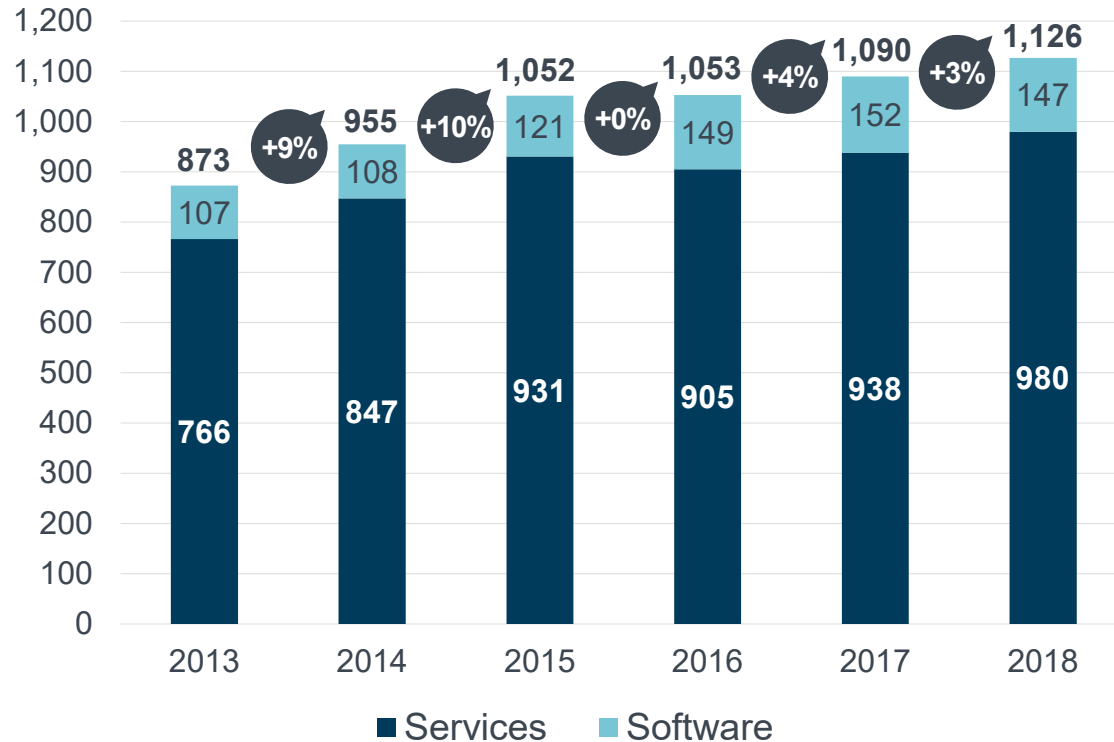
## 2. Our vision is to become the global leader in intelligent cargo handling

<b>VISION</b>	<b>GLOBAL LEADER IN INTELLIGENT CARGO HANDLING</b>	
<b>MUST-WIN BATTLES</b>	<b>WIN THROUGH CUSTOMER CENTRICITY</b>  We help our customers achieve their goals by aligning our offering and way of working to serve them better.	<b>ACCELERATE DIGITALISATION</b>  We build and expand our digital solutions to offer a great customer experience and more efficient business processes.
	<b>ADVANCE IN SERVICES</b>  We extend our offering towards intelligent solutions that enable us to serve our customers wide across their lifecycle.	<b>PRODUCTIVITY FOR GROWTH</b>  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. Capitalising 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)

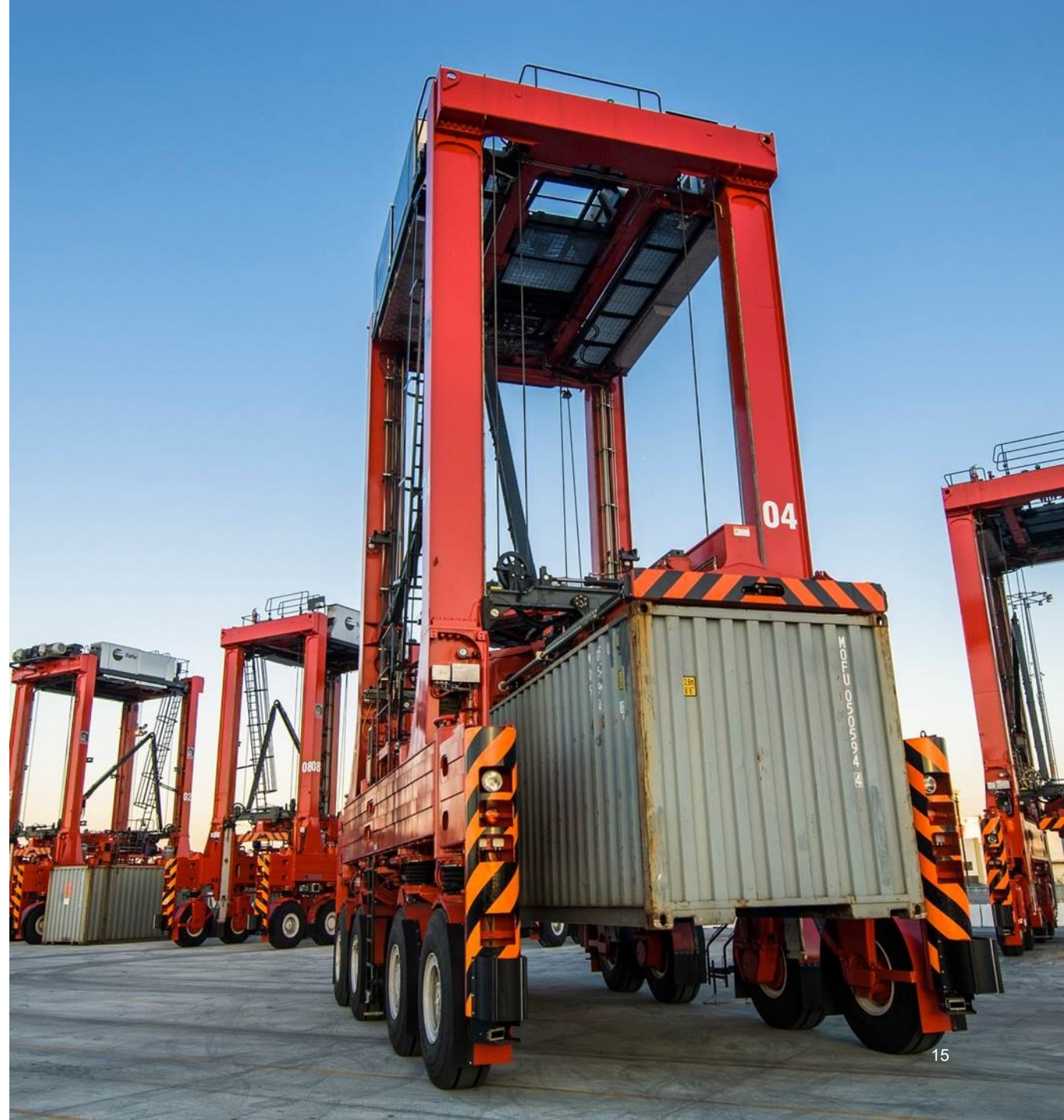
Product re-design and improved project management

## Sales and comparable operating profit development



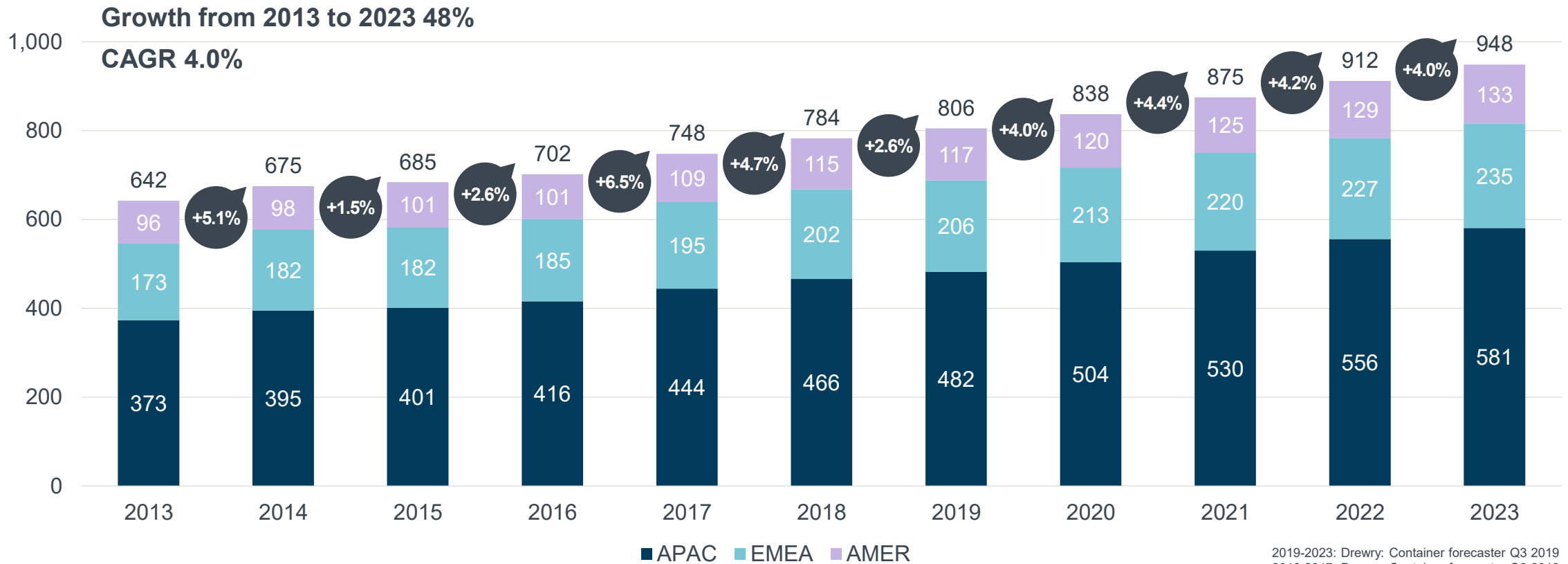
\*Target announced in September 2017

# Kalmar



# Container throughput still forecasted to grow year on year

TEU million

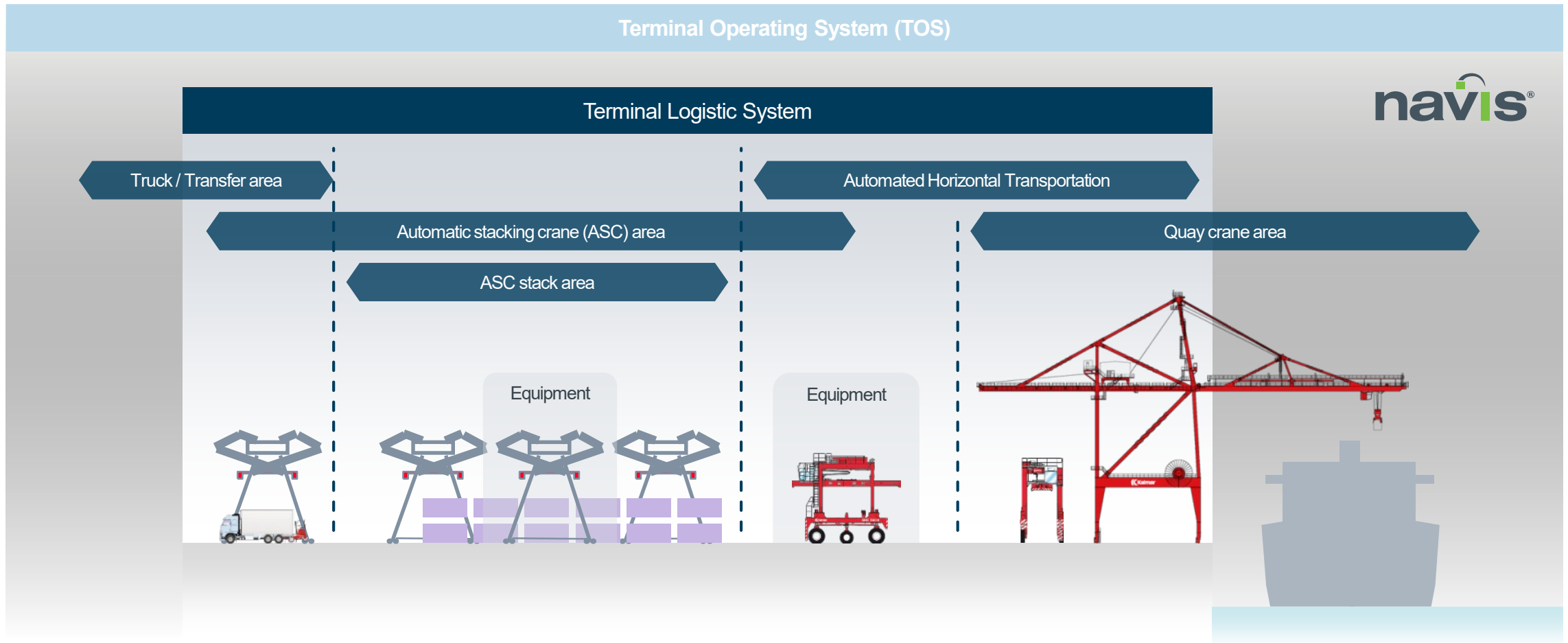


2019-2023: Drewry: Container forecaster Q3 2019  
 2016-2017: Drewry: Container forecaster Q2 2019  
 2015 Drewry: Container forecaster Q2 2018

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:

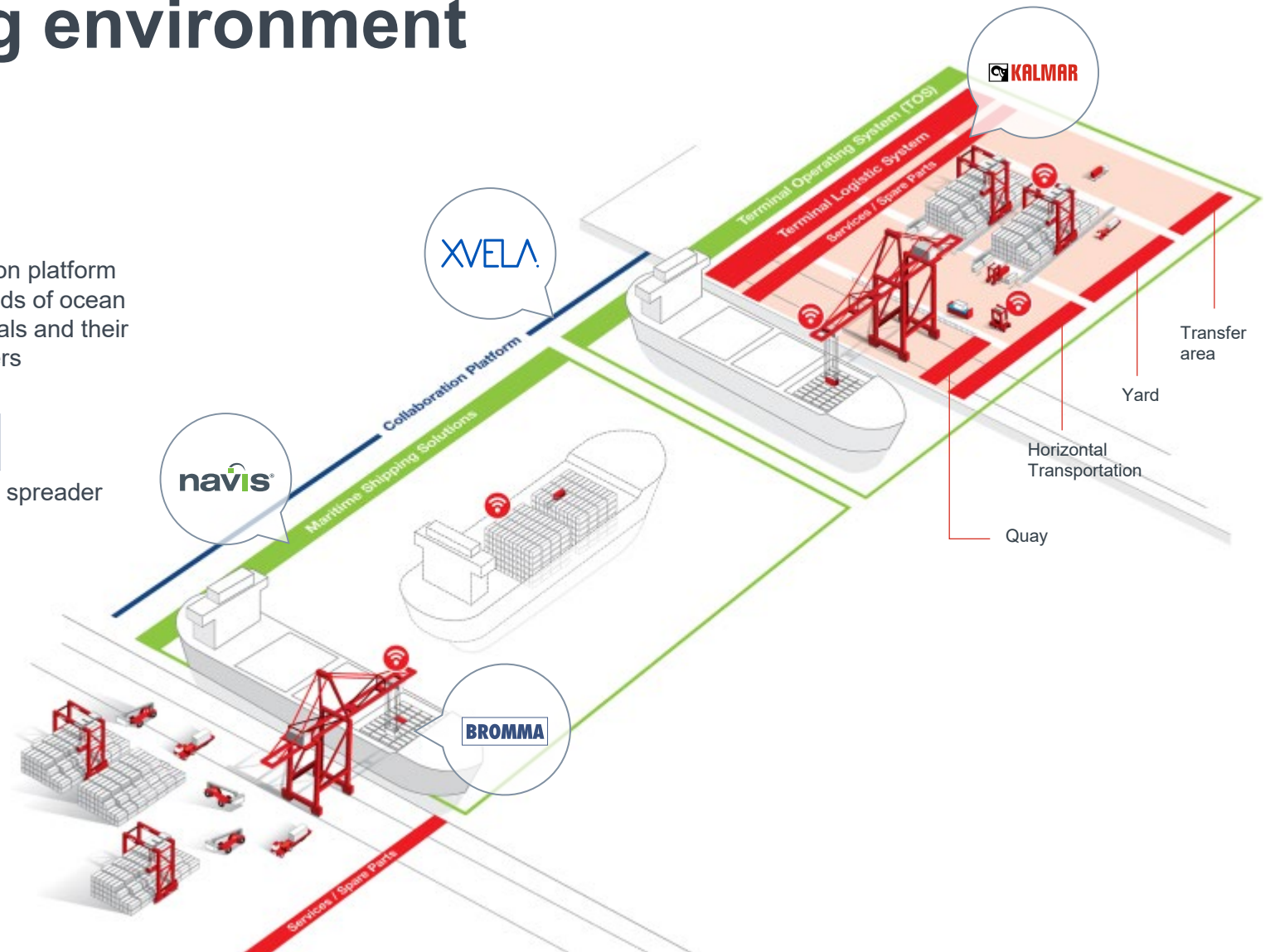
- Stowage planning
- Vessel monitoring
- Loading computer
- Route planning



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

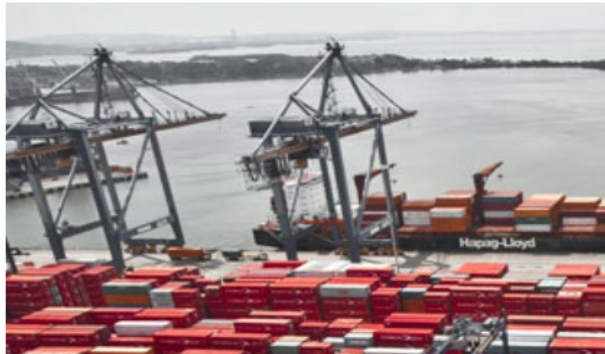
- Today's container supply chain is a fragmented and siloed framework
- Information sharing between parties is not optimally structured
  - Forms of communication today include email, phone calls, EDI, paper plans
  - Problems: incomplete data, errors, information not available on time
- In-house developed 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:

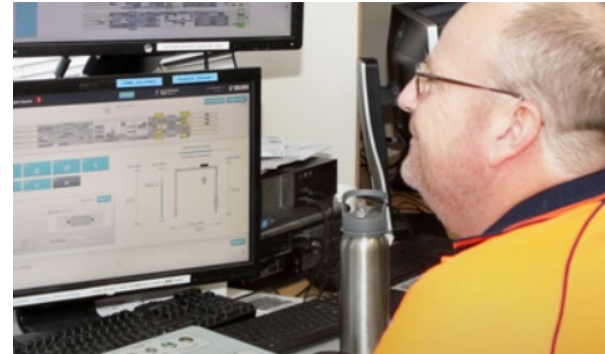
- Faster vessel turn times
- Operational efficiencies
- Cost savings



# 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€**

# 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



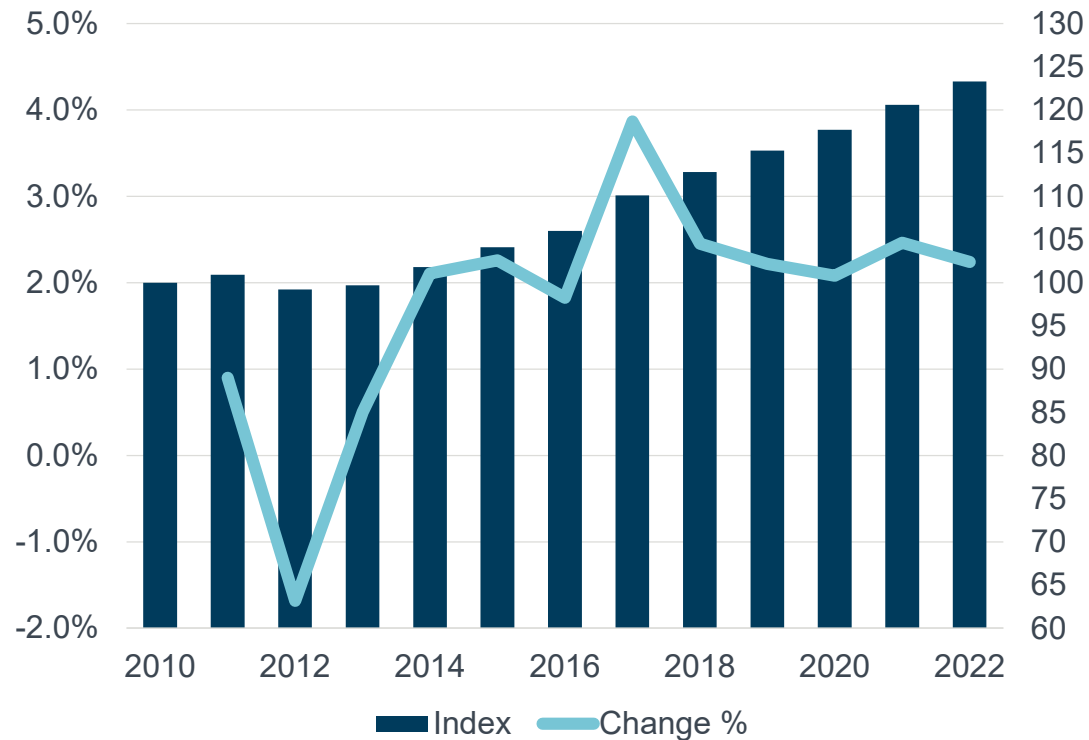
# Hiab



# Construction output driving growth opportunity

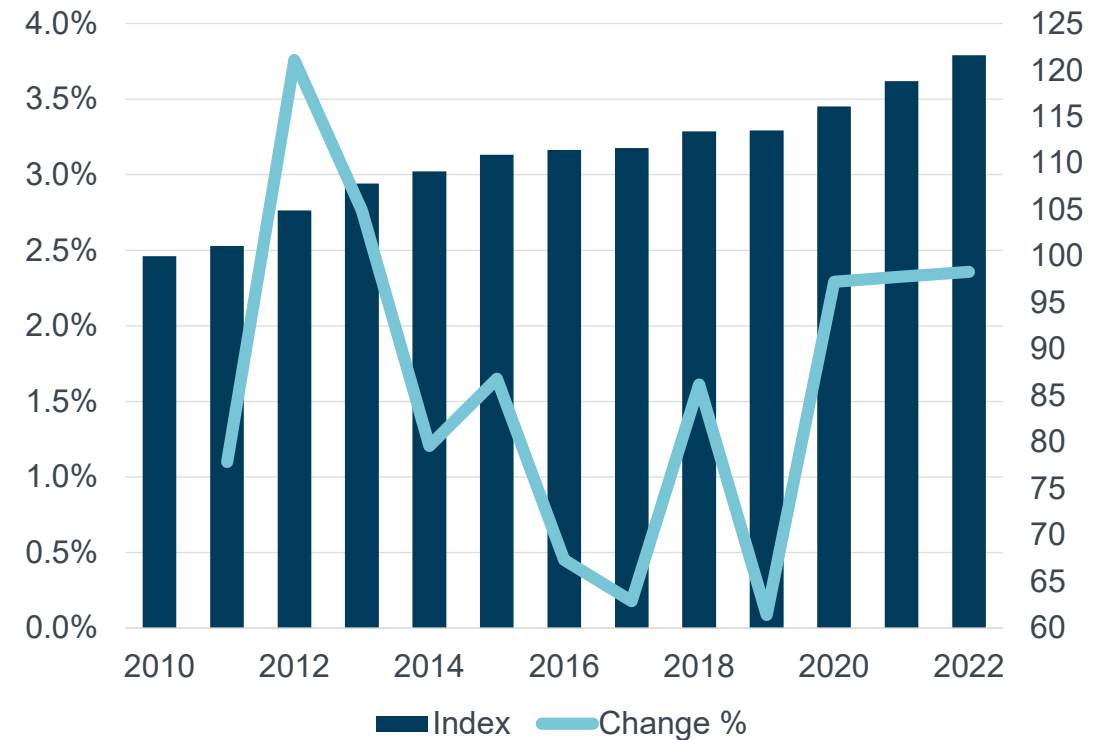
## EMEA construction output

y/y change (%)





## AMER construction output

y/y change (%)

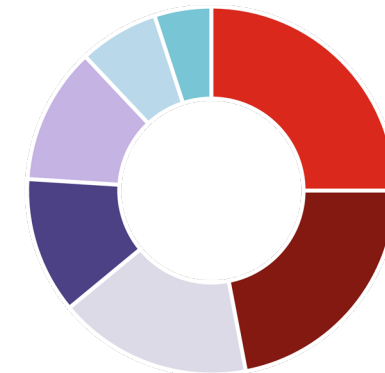


Oxford Economics: Industry output forecast  
9/2019

# Strong global market position and customers across diverse industries

	MARKET SIZE* (EUR billion)	KEY SEGMENTS	HIAB GLOBAL POSITION & TREND
<b>LOADER CRANES</b> 	~1.5	Construction and Logistics	#2 ↗
<b>TAIL LIFTS</b> 	~0.9	Retail Industry and Logistics	#2 ↗
<b>DEMOUNTABLES</b> 	~0.6	Waste and Recycling, Defense	#1 ↗
<b>TRUCK MOUNTED FORK LIFTS</b> 	~0.3	Construction and Logistics	#1 →
<b>FORESTRY &amp; RECYCLING CRANES</b> 	~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



## MARKET GROWTH



## KEY SEGMENTS



## PRODUCT OFFERING



## SERVICE SOLUTIONS



- **Urbanisation** and **Consumption** growth driving needs for efficiency
- **Digitalisation** and **Connectivity** enabling new **business** solutions
- **North America** and main **European** markets continue to grow
- **Developing markets** strong load handling equipment penetration potential
- **Construction, Waste & Recycling, Logistics** and **Governmental** business segments show continued growth projection
- **New applications** market and segment growth potential
- Developing for increasing demand in **Electrification** and **Automation**
- 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

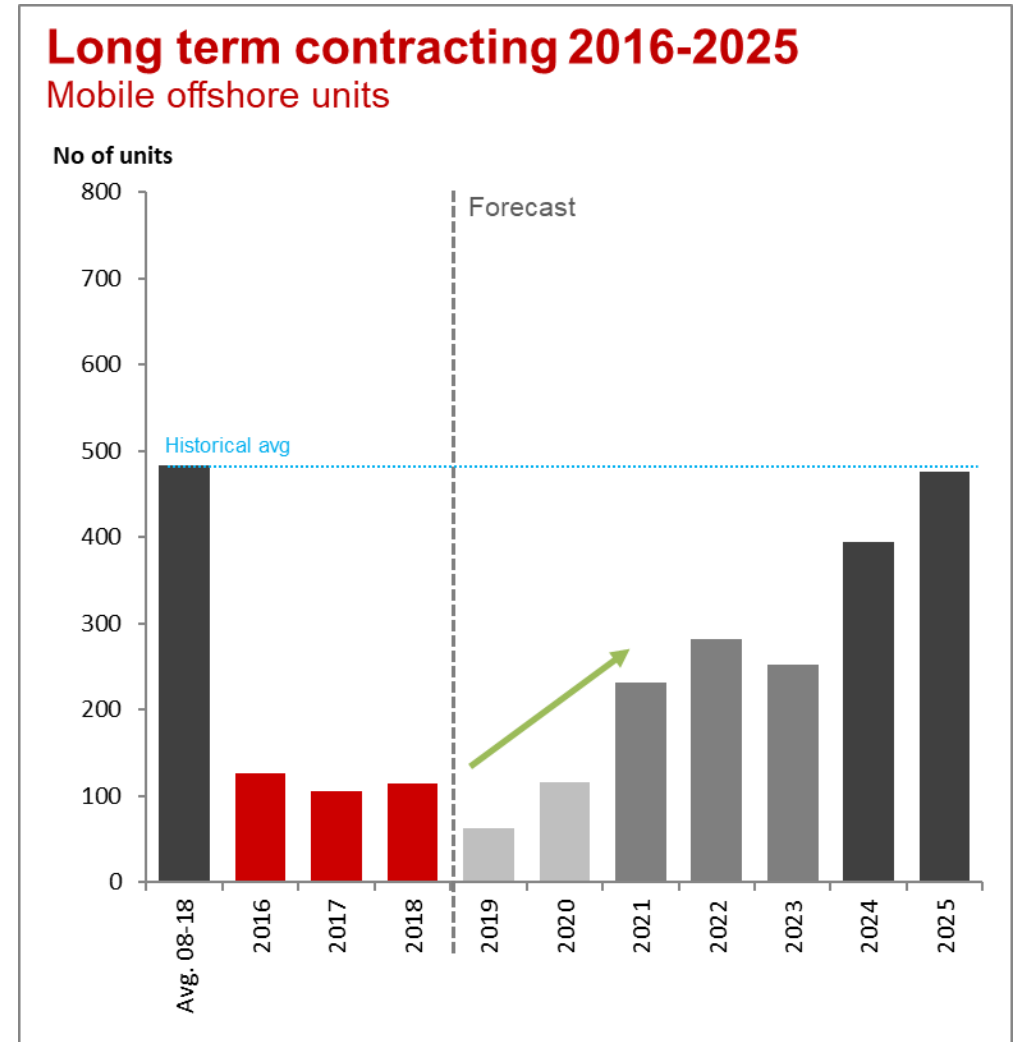
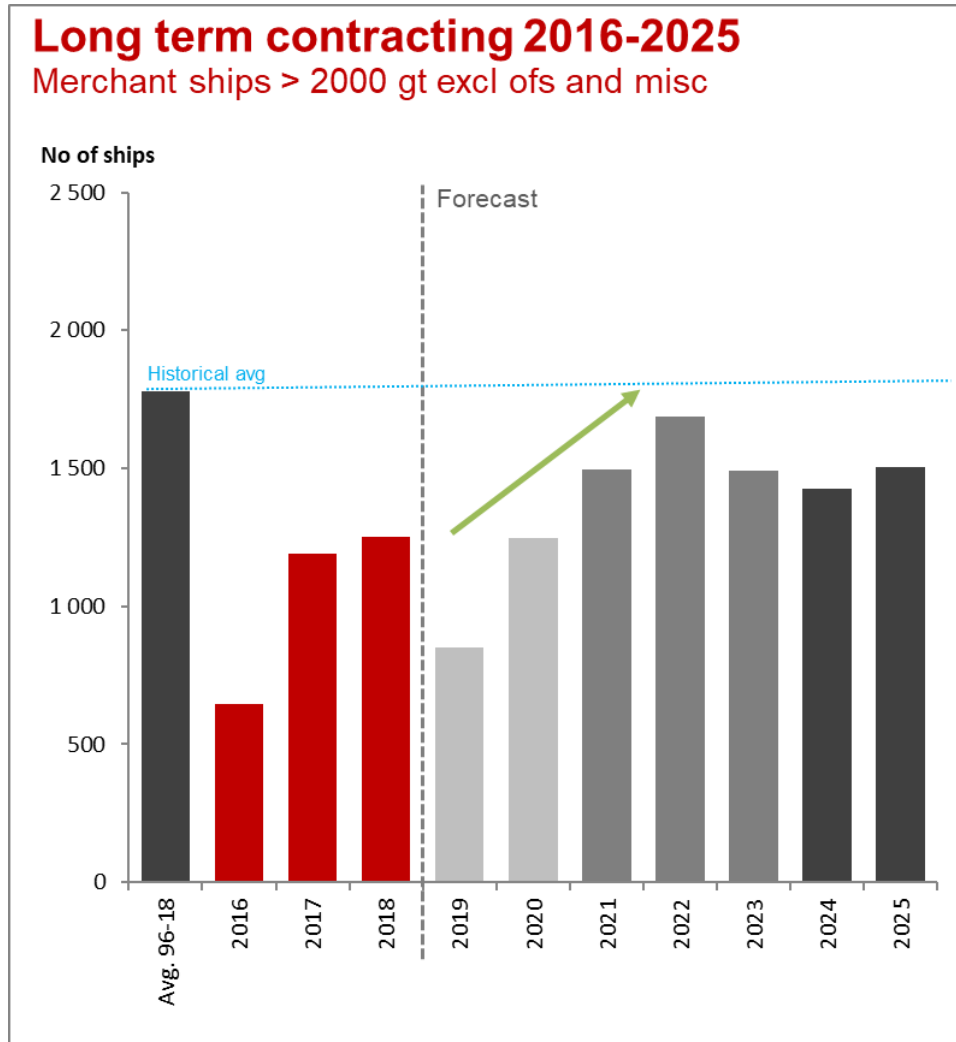
<p>Merchant Cargo Flow</p> <p><b>MARKET POSITION #1</b></p>	<p>Marine People Flow</p> <p><b>#1</b></p>	<p>Marine Resources &amp; Structures</p> <p><b>#1-2</b></p>	<p>Naval Logistics and Operations</p> <p><b>#1-2</b></p>	<p>Offshore Energy</p> <p><b>#1</b></p>
<ul style="list-style-type: none"> <li>▪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

## Lifecycle Services

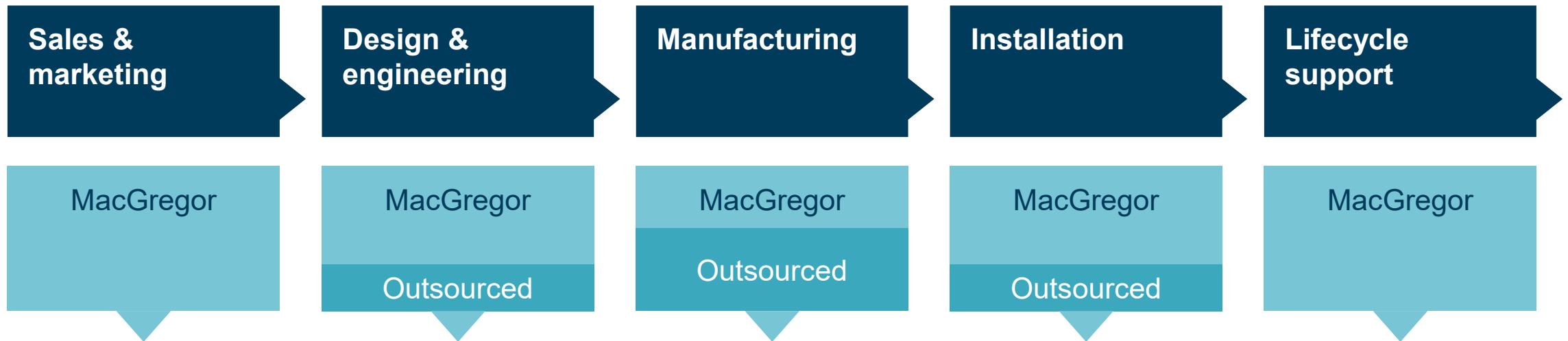


Picture: Statoil

# Merchant Ships and Offshore contracting activity below historical levels



# MacGregor's asset-light business model gives flexibility



Cost-efficient scaling

**90%** of manufacturing outsourced

**30%** of design and engineering capacity outsourced

# Recent progress

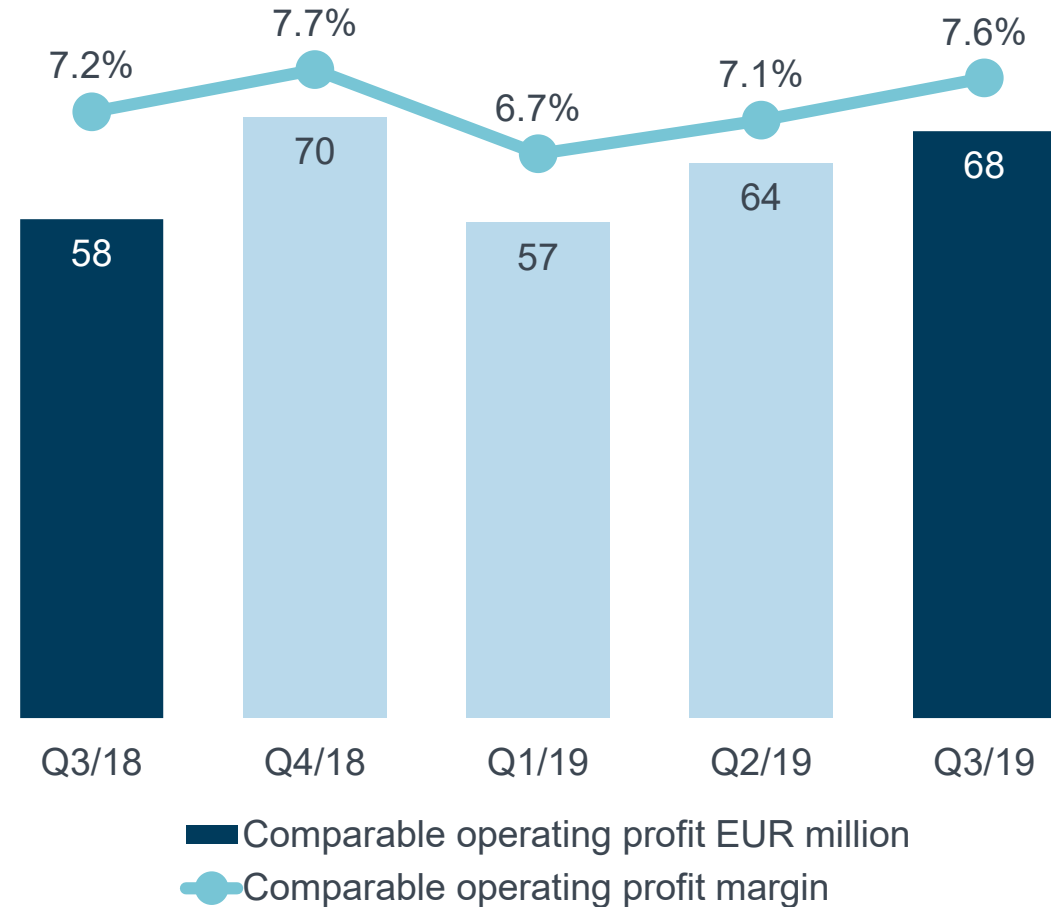


# Highlights of Q3 2019 – strong improvement in operating profit

Comparable operating profit up by 18% compared to Q3/18

- Kalmar's comparable operating profit increased by 24% compared to Q3/18
- Hiab's comparable operating profit up by 41%
- MacGregor's comparable operating profit was MEUR -5.8 million

TTS result has been consolidated into MacGregor's financial figures as of 1 August 2019





# TTS acquisition completed

## 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 business

Employs ca. 600 people

Services 26% of revenues

Estimated 2019 sales EUR 50 million, comparable operating profit at break-even

Closing balance sheet expected to be completed during Q4

Restructuring costs ca. EUR 40 million in 2019

## Acquisition

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

Announced enterprise value EUR 87 million

Acquisition was completed on 31 July 2019

TTS results have been consolidated into MacGregor's financial figures as of 1 August 2019

# Market environment 1-9/2019

## Growth in number of containers handled at ports continued

- Customers are starting automation projects mainly with phased investments

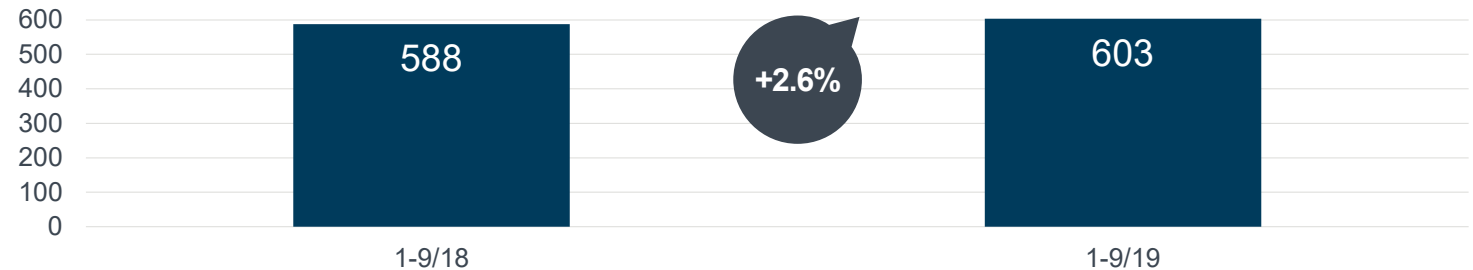
## Construction activity increased in Europe and grew slightly in the US

## In the merchant sector, the orders received remained at a low level

- In offshore, activity remained on a low level. Sales declined slightly

### Global container throughput (MTEU) – Key driver for Kalmar

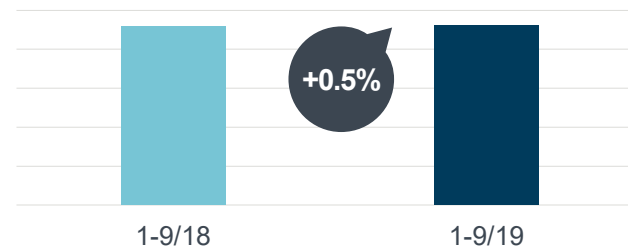
Source: Drewry



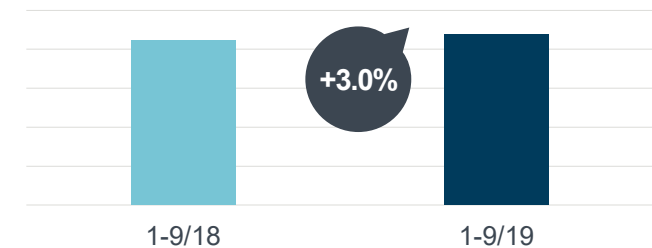
### Construction output – Key driver for Hiab

Source: Oxford Economics

#### United States



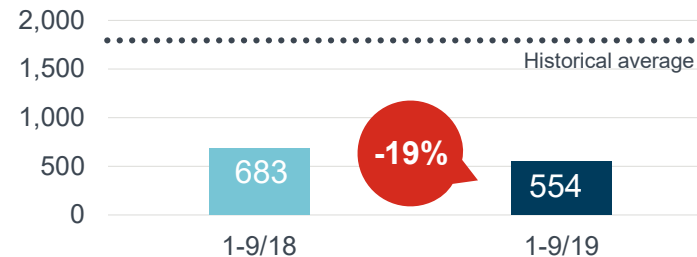
#### Europe



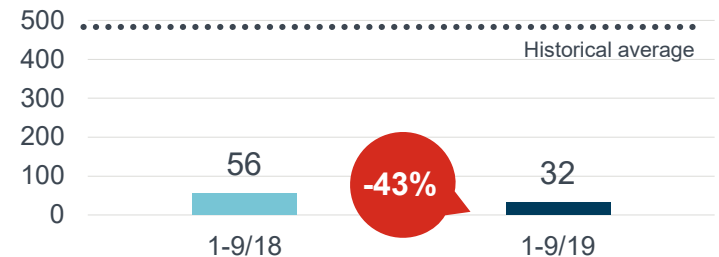
### New building contracting – Key driver for MacGregor

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

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



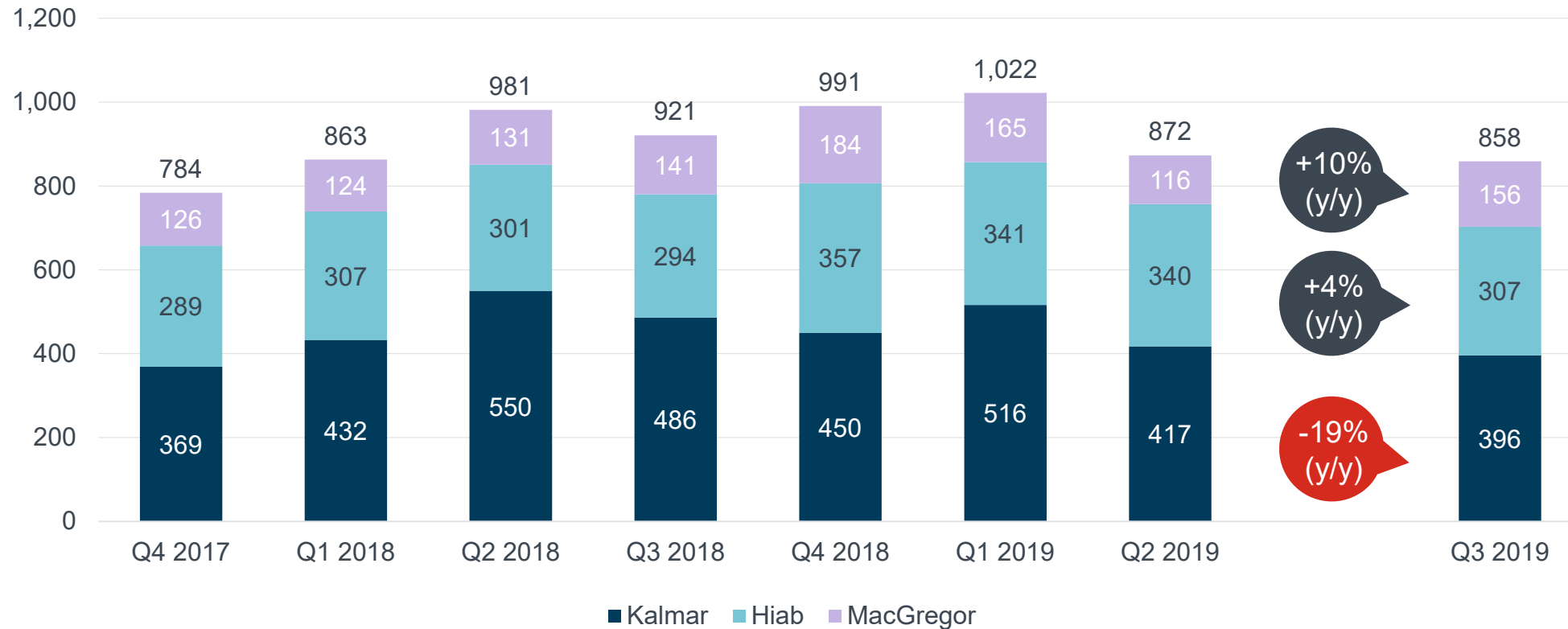
#### Offshore mobile units



# Orders received declined from the comparison period

## Orders received

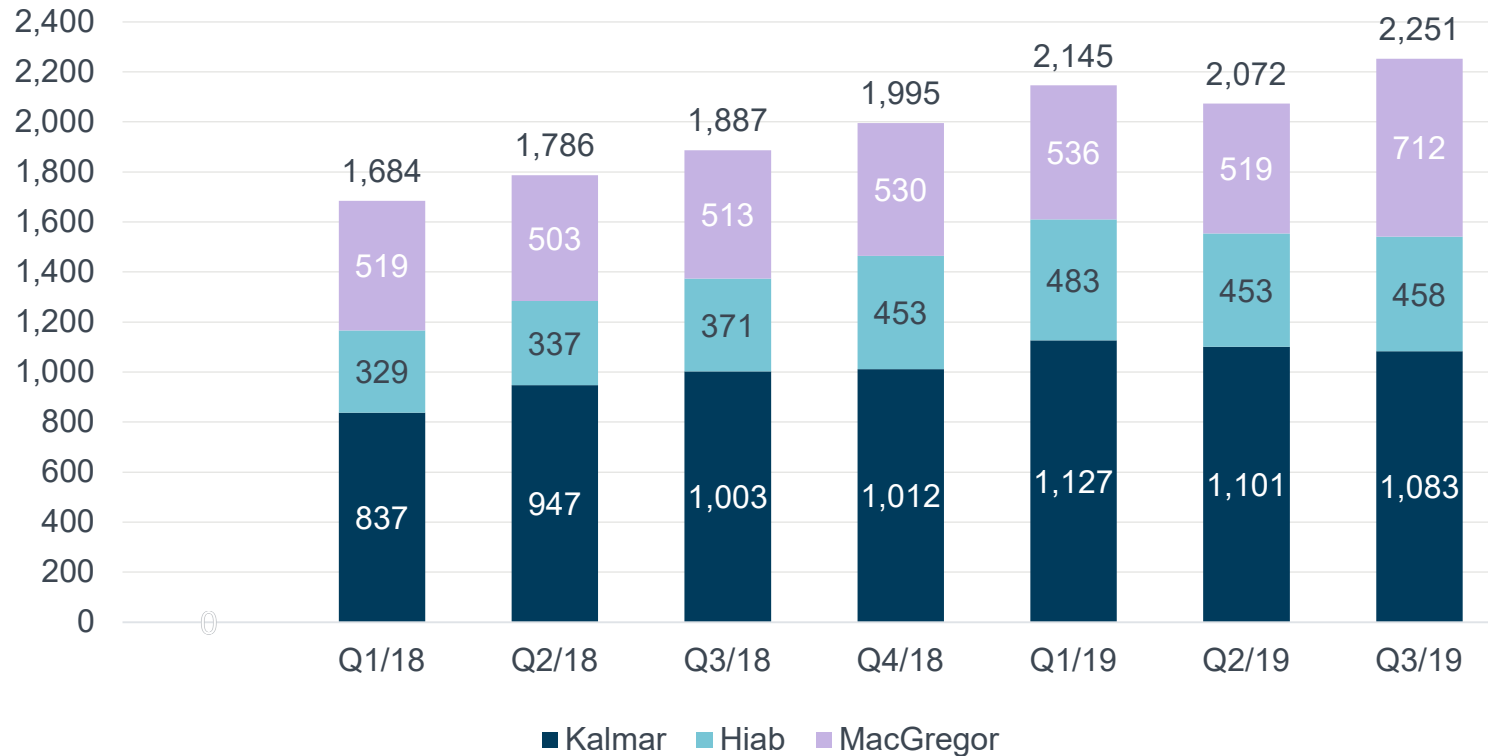
MEUR



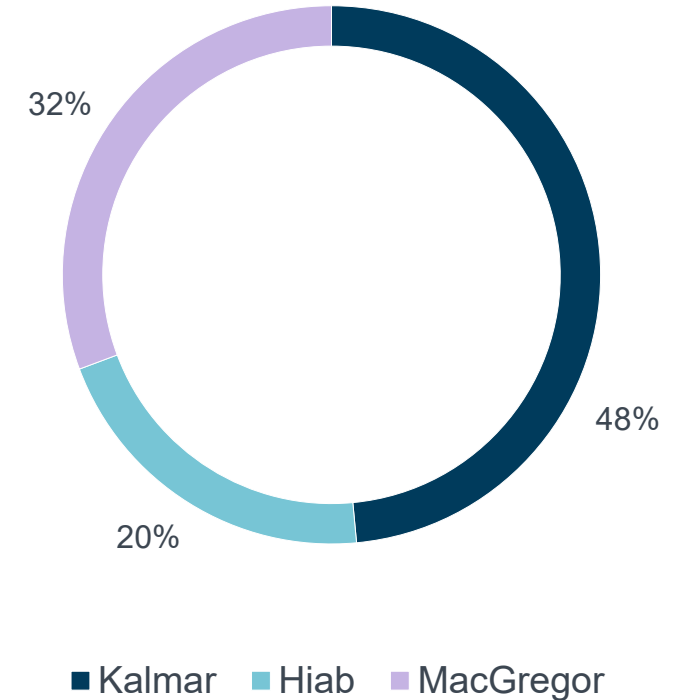
# Order book increased

## Order book

MEUR



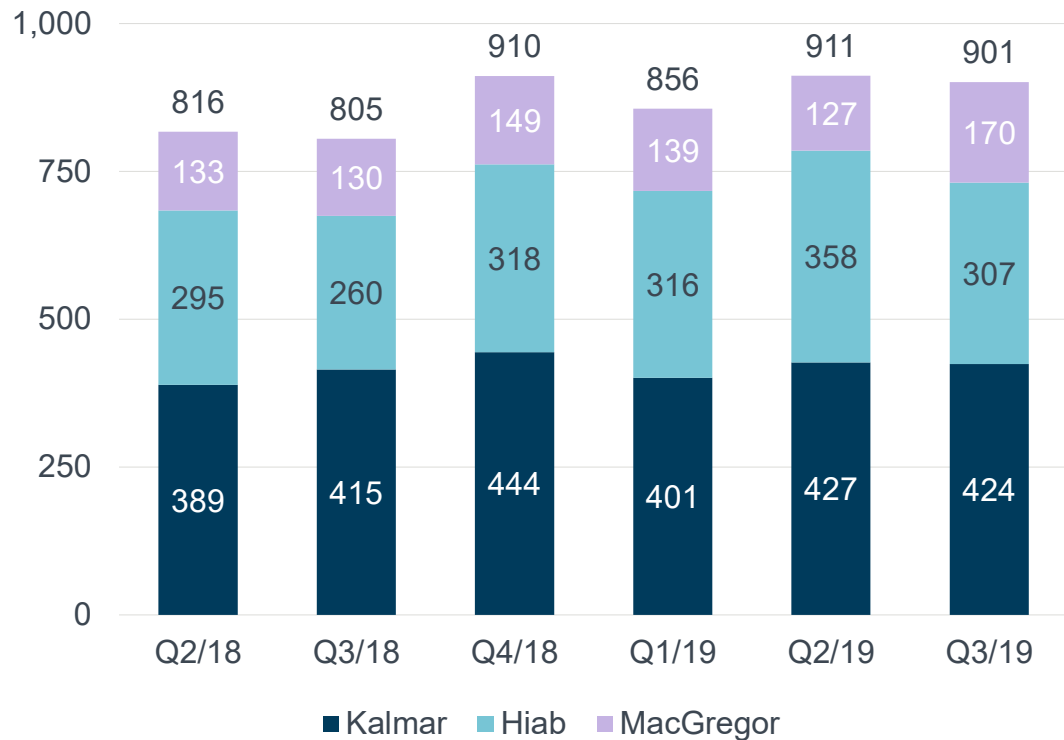
## Order book by reporting segment, Q3 2019



# Sales increased, comparable operating profit up by 18%

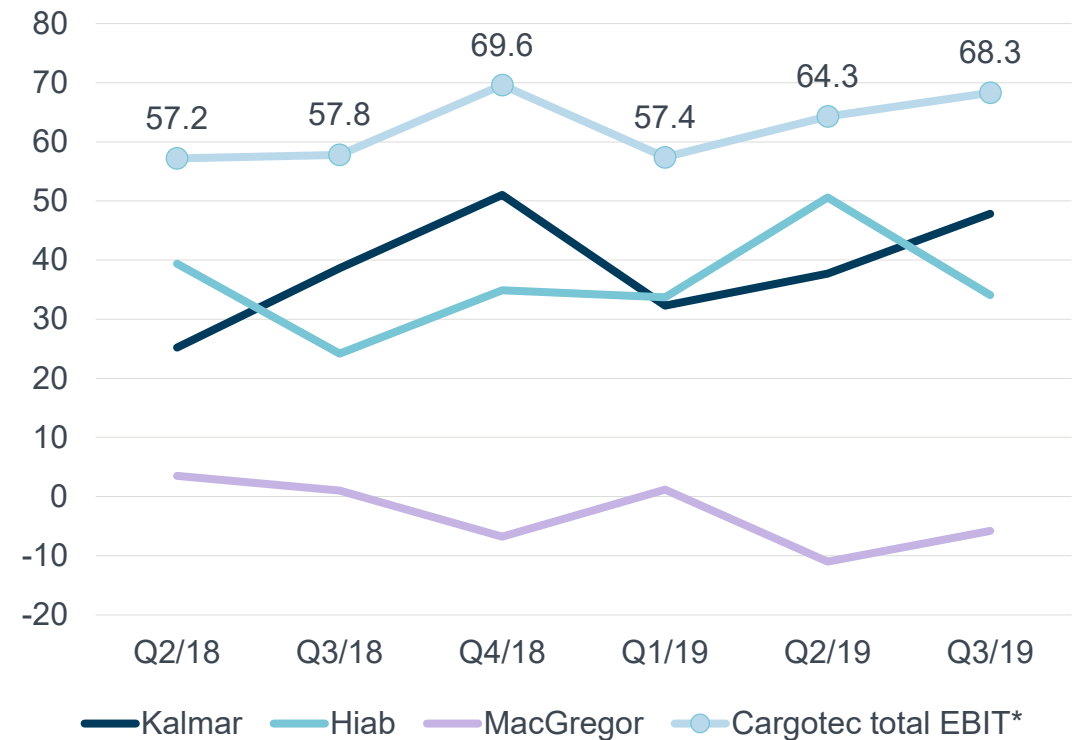
## Sales

MEUR



## Comparable operating profit

MEUR

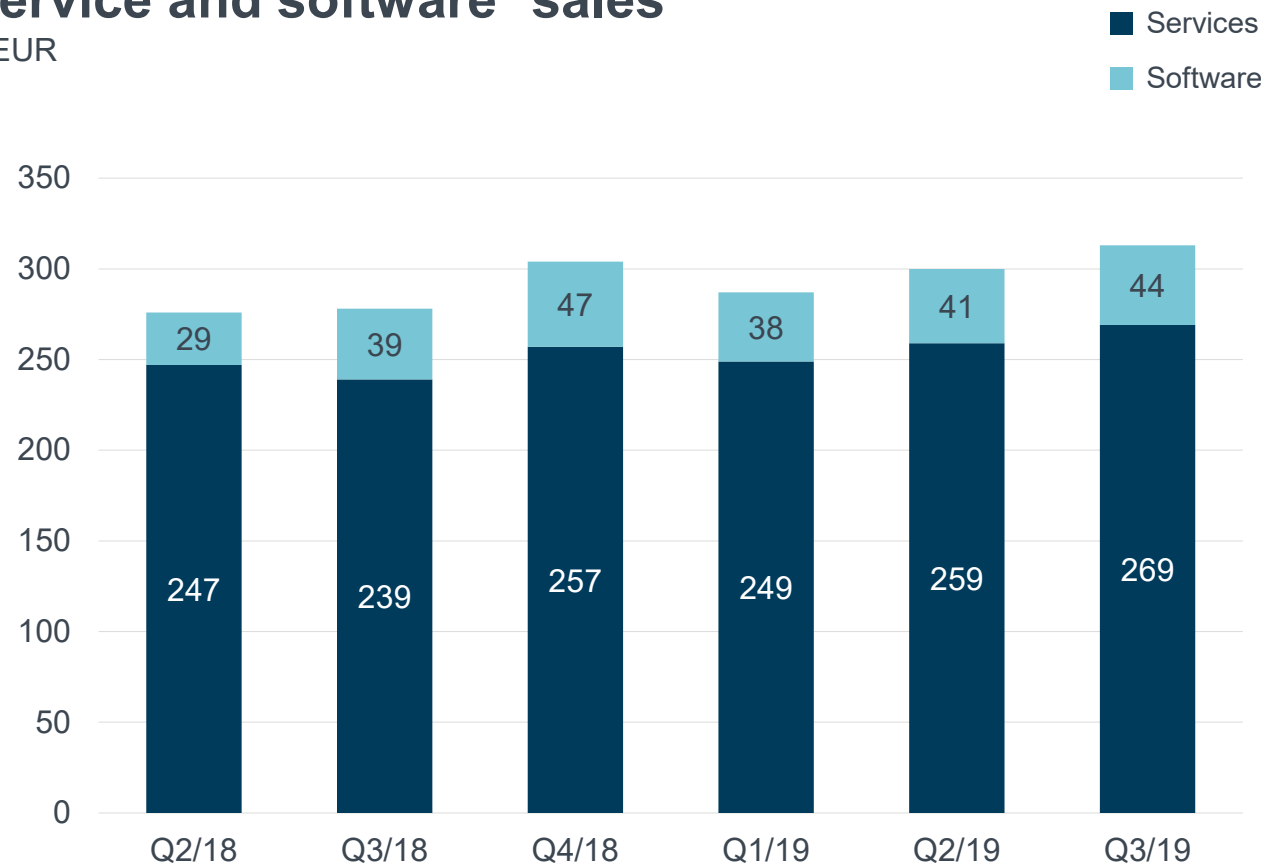


\*) Including Corporate admin and support

# Service and software sales increased

## Service and software\* sales

MEUR



\*Software sales defined as strategic business unit Navis and automation software

## Q3 2019 service sales

- Kalmar +4%
  - +3% in comparable FX and adjusted for divestments
- Hiab +14%
- MacGregor +27%
- Total service sales +7% in comparable FX and adjusted for acquisitions and divestments

## Software sales +11%

Service and software sales constituted 34% of total sales in 1-9/19

# Kalmar Q3 – comparable operating profit increased

## Orders received decreased

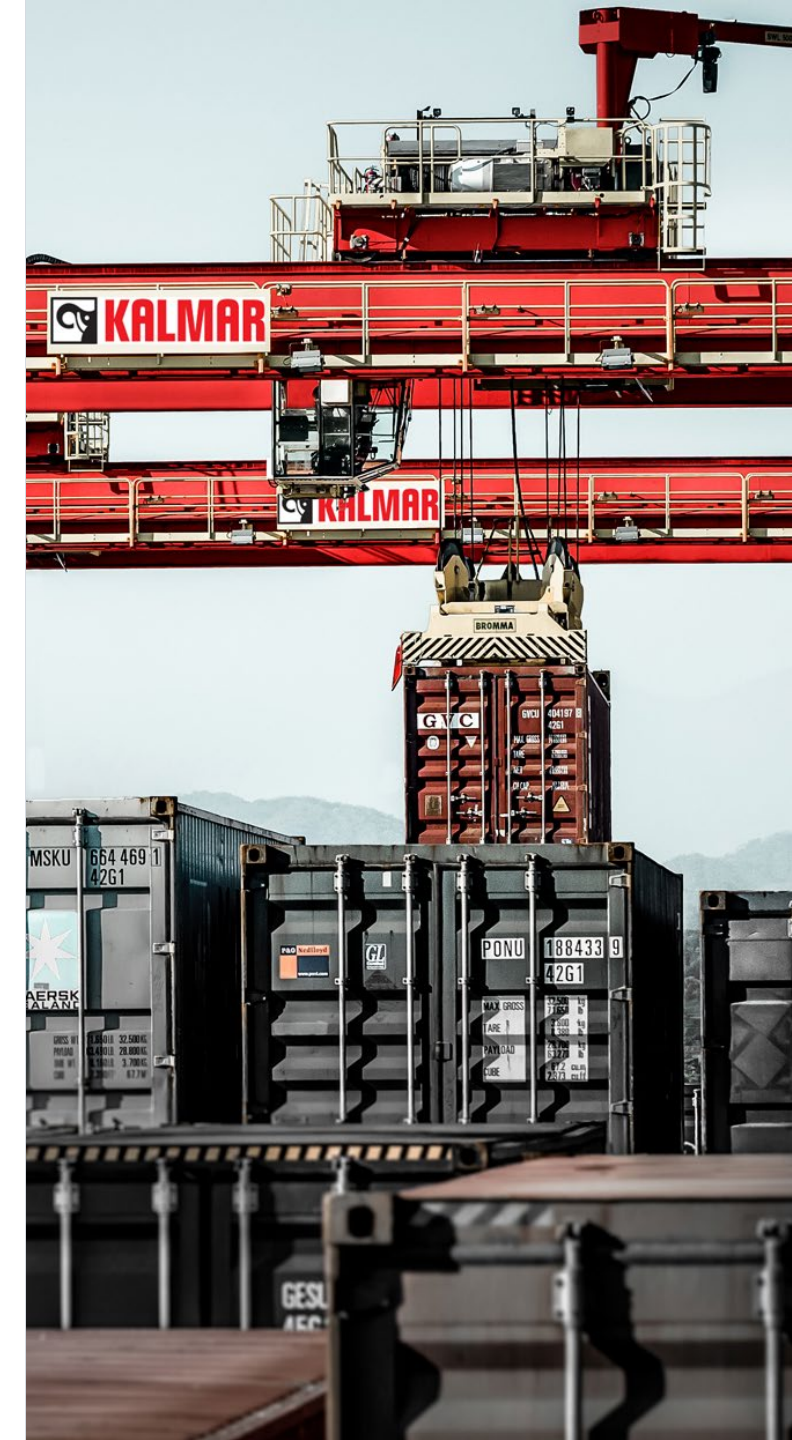
- Decline in automation solutions, projects and in mobile equipment

## Sales increased

- Services growth +3% in comparable FX and adjusted for divestments

Profitability improvement driven by growth in sales and by a favourable mix

MEUR	Q3/19	Q3/18	Change
Orders received	<b>396</b>	486	-19%
Order book	<b>1,083</b>	1,003	+8%
Sales	<b>424</b>	415	+2%
Comparable operating profit	<b>47.8</b>	38.6	+24%
Comparable operating profit margin	<b>11.3%</b>	9.3%	+196bps



# Hiab Q3 – solid orders continued

Orders received grew by 4%

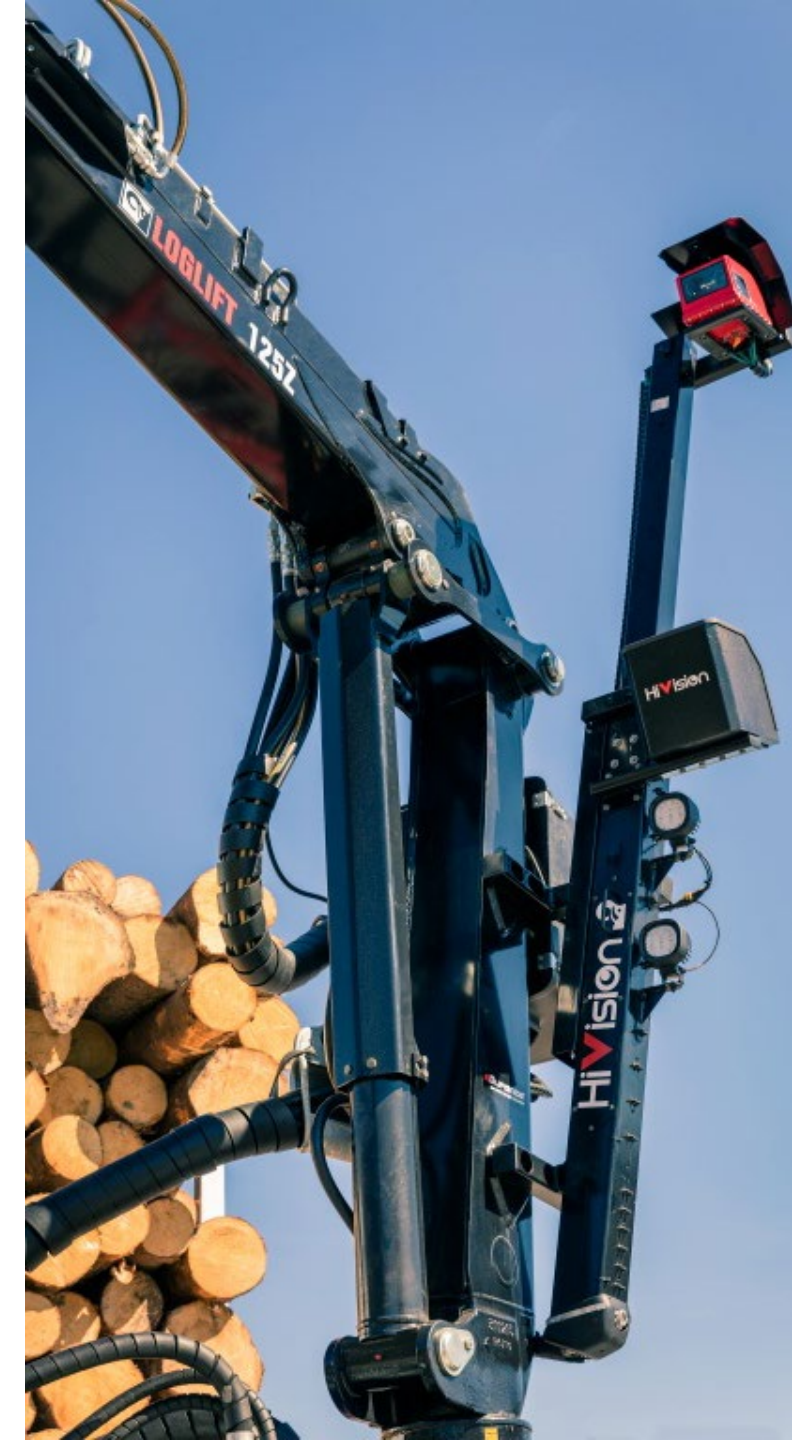
- Growth in the Americas (+27%), decline in EMEA (-7%)

Sales +18%

- Sales +12% excl. Effer acquisition
- Service sales +14%

Comparable operating profit increased due to growth in sales

MEUR	Q3/19	Q3/18	Change
Orders received	<b>307</b>	294	+4%
Order book	<b>458</b>	371	+23%
Sales	<b>307</b>	260	+18%
Comparable operating profit	<b>34.1</b>	24.2	+41%
Comparable operating profit margin	<b>11.1%</b>	9.3%	+179bps





# MacGregor Q3 – further productivity actions required

Orders received increased by 10%

- Decline in equipment orders, service orders +30%

Sales increased by 31%

- Sales growth excl. TTS 17%
- Service sales +27%, +9% excl. TTS

Comparable operating profit declined

- Low capacity utilisation, lower sales margins, and cost overruns in certain offshore projects
- Productivity improvements are ongoing
- TTS consolidated since 1 August 2019

MEUR	Q3/19	Q3/18	Change
Orders received	<b>156</b>	141	+10%
Order book	<b>712</b>	513	+39%
Sales	<b>170</b>	130	31%
Comparable operating profit	<b>-5.8</b>	1.0	< -100%
Comparable operating profit margin	<b>-3.4%</b>	0.8%	-417bps



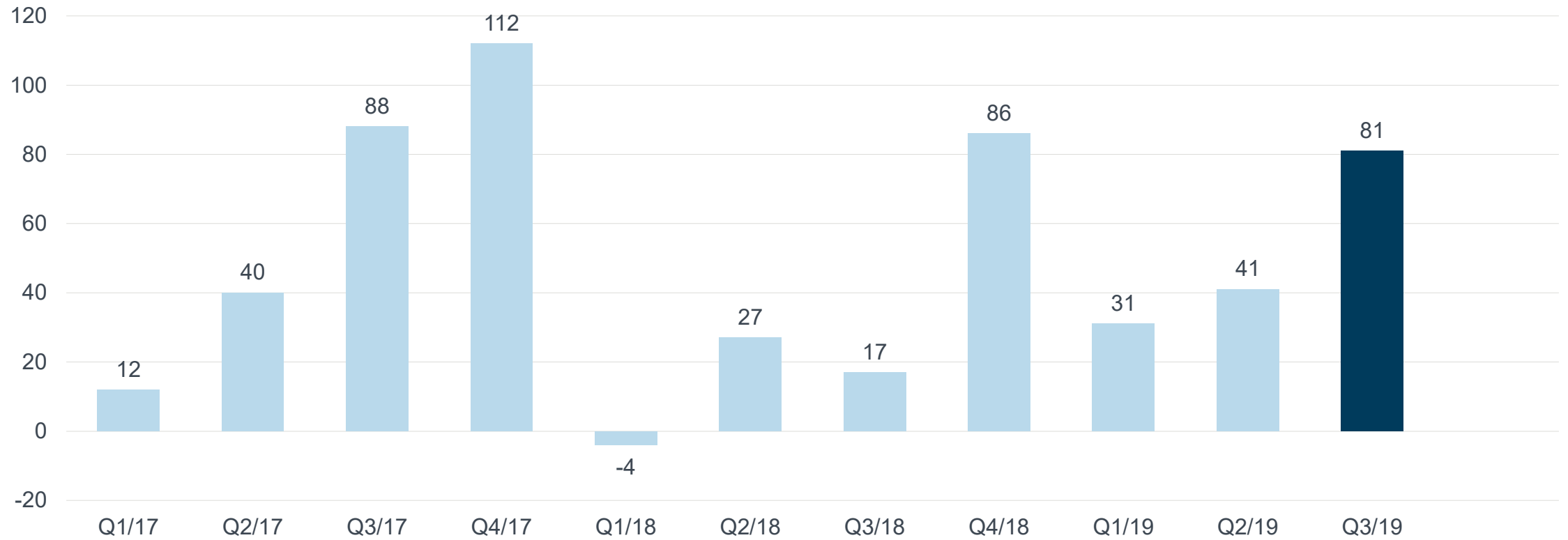
# Key figures – profitability improved

	7-9/19	7-9/18	Change	1-9/19	1-9/18	Change
Orders received, MEUR	<b>858</b>	921	-7%	<b>2,752</b>	2,766	0%
Order book, MEUR	<b>2,251</b>	1,887	+19%	<b>2,251</b>	1,887	+19%
Sales, MEUR	<b>901</b>	805	+12%	<b>2,669</b>	2,394	+11%
Comparable operating profit, MEUR	<b>68.3</b>	57.8	+18%	<b>190.0</b>	172.5	+10%
Comparable operating profit, %	<b>7.6%</b>	7.2%		<b>7.1%</b>	7.2%	
Items affecting comparability, MEUR	<b>-10.5</b>	-3.3	< -100%	<b>-28.1</b>	-43.4	+35%
Operating profit, MEUR	<b>57.9</b>	54.5	6%	<b>162.0</b>	129.1	+26%
Operating profit, %	<b>6.4%</b>	6.8%		<b>6.1%</b>	5.4%	
Net income, MEUR	<b>29.7</b>	37.9	-22%	<b>89.7</b>	73.9	+21%
Earnings per share, EUR	<b>0.46</b>	0.58	-21%	<b>1.39</b>	1.13	+23%
Earnings per share, EUR*	<b>0.56</b>	0.63	-11%	<b>1.68</b>	1.71	-2%

# Cash flow from operations improved

## Cash flow from operations before financing items and taxes

MEUR



# Strong financial position

Two bonds issued in Q3 in the aggregate amount of EUR 250 million

Interest-bearing net debt EUR 927 million (31 Dec 2018: 625)

- Average interest rate\* 1.8% (2.4%)
- Net debt/EBITDA 2.8 (2.3)

Net debt and gearing increased mainly due to IFRS 16

- Gearing without IFRS 16 approximately 52%

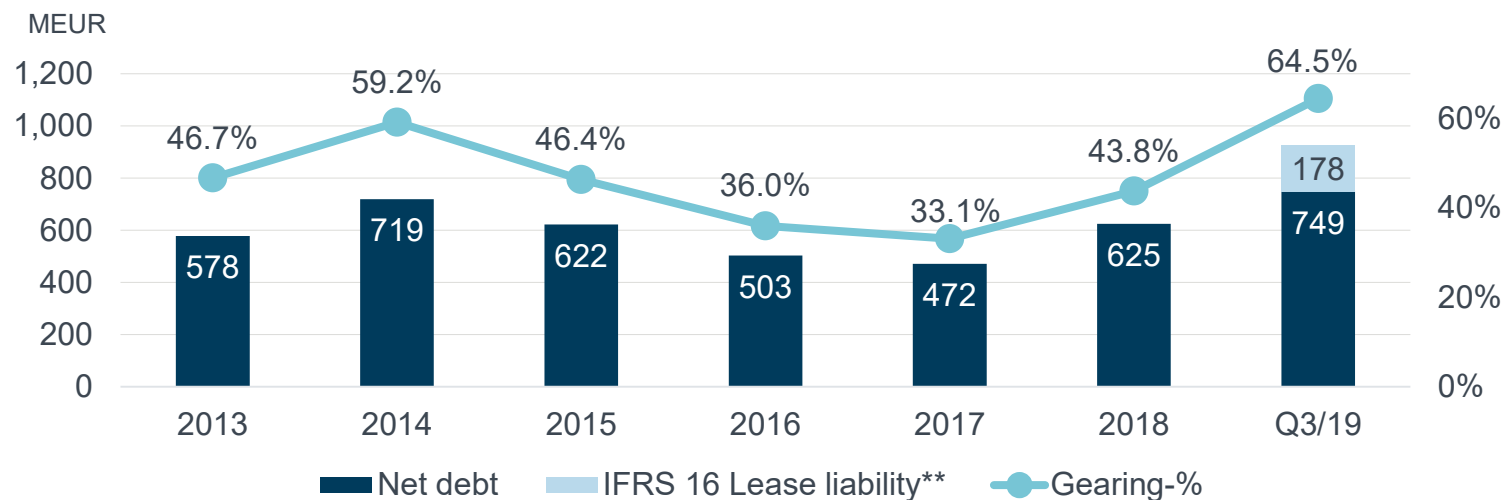
Total shareholders' equity EUR 1,434 million (1,426)

- Equity/total assets 36.0% (40.9%)

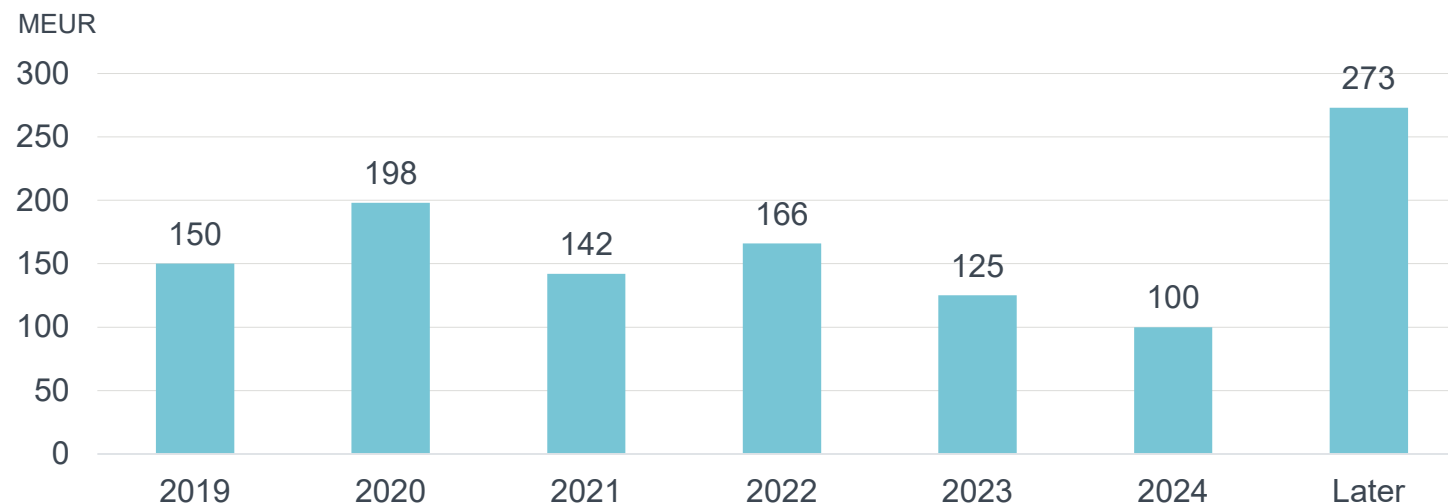
Balanced maturity profile

- EUR 150 million loans maturing in 2019

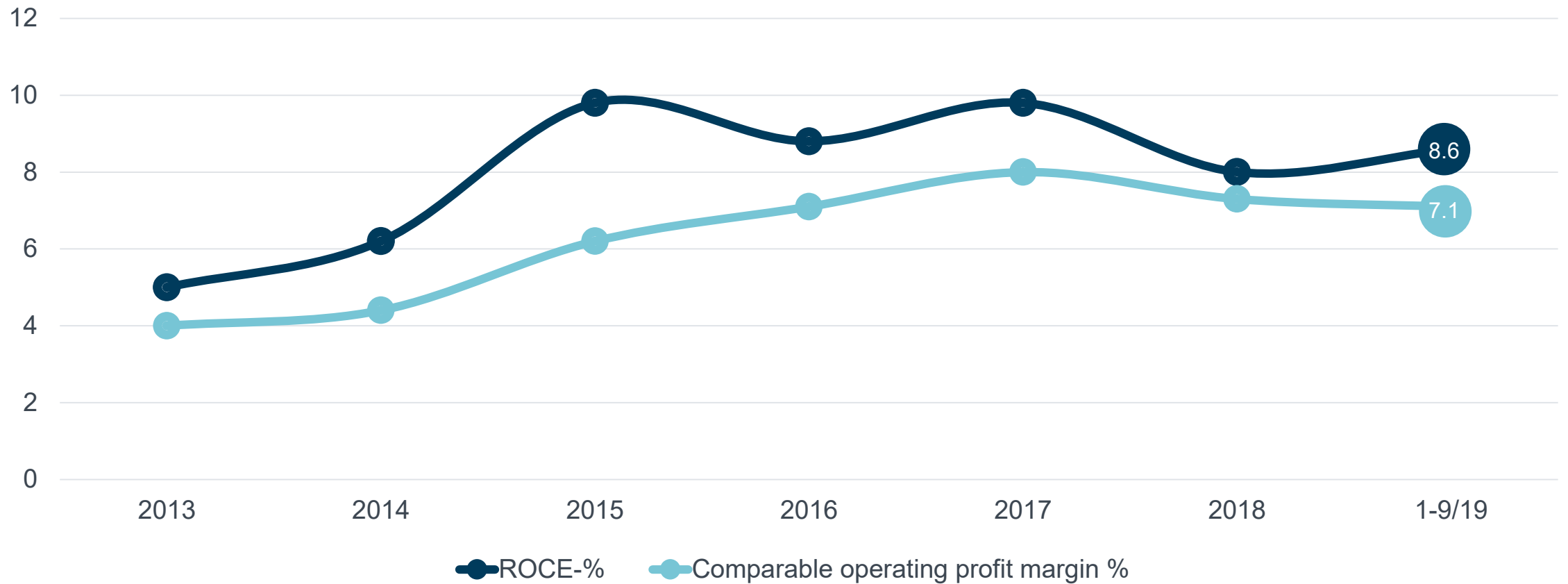
## Net debt and gearing



## Maturity profile



# ROCE improvement driven by higher profitability



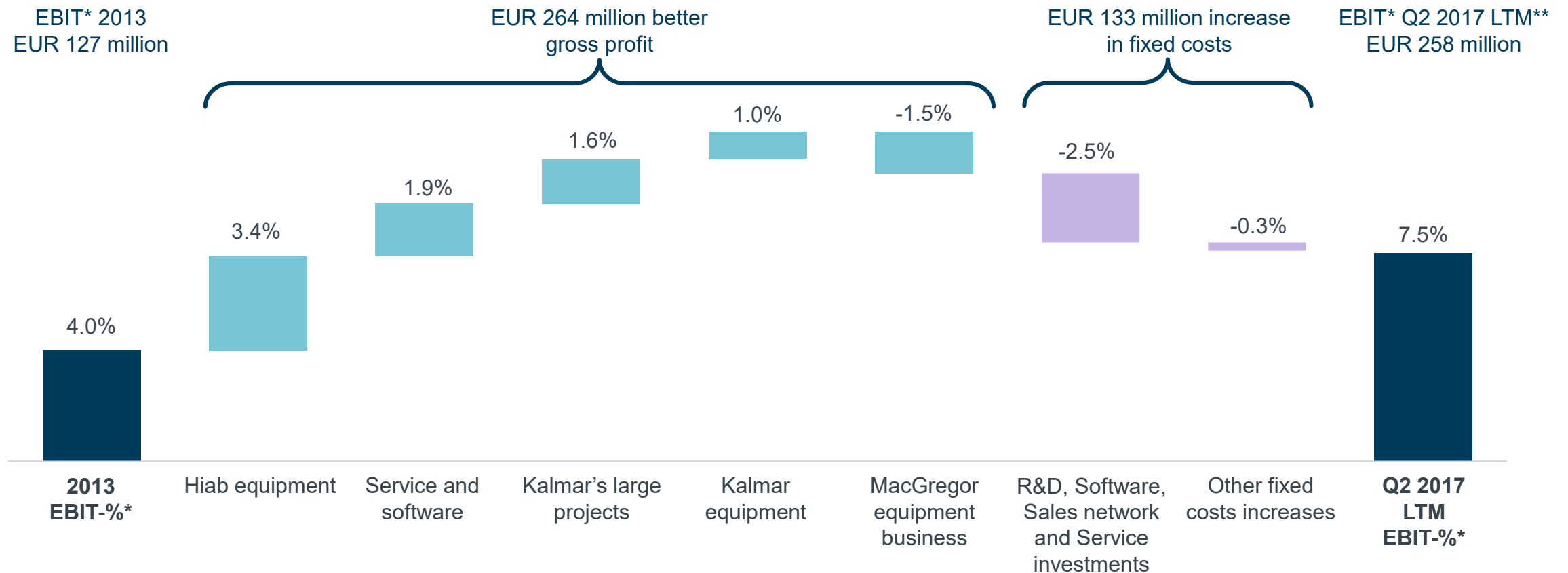
ROCE (return on capital employed), last 12 months



# 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)

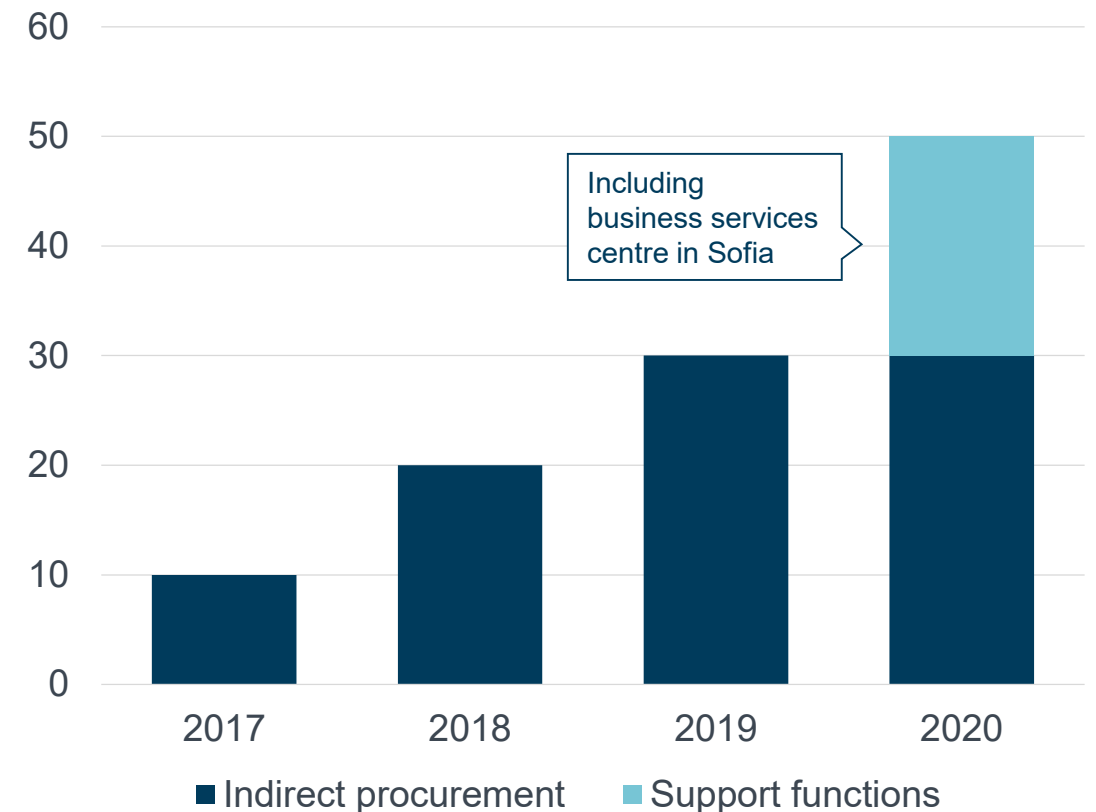
## HOW

- 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 30.7 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

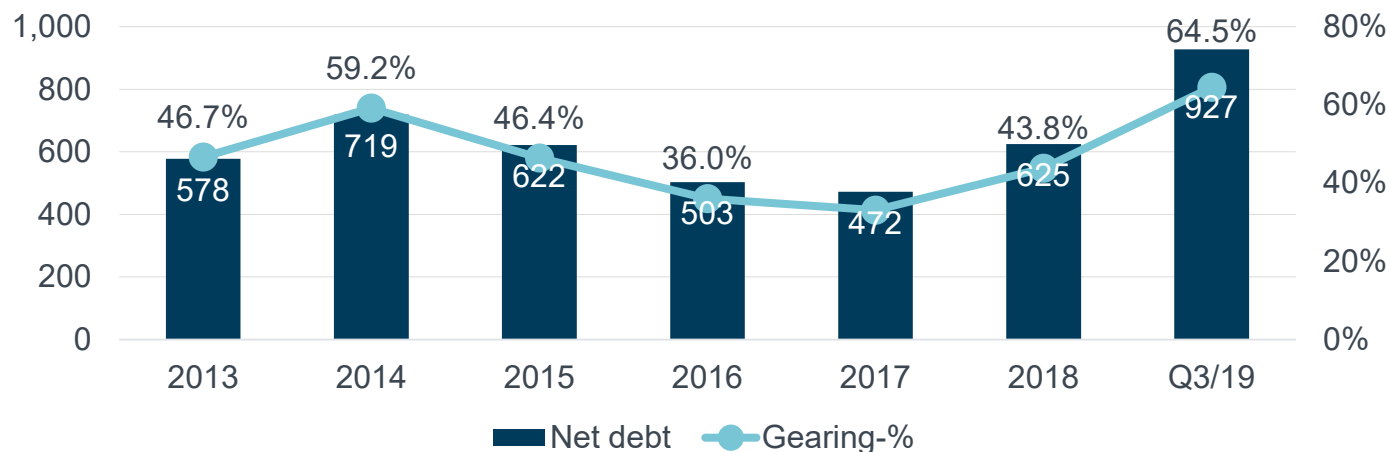
Recurring business

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

# EFFER acquisition 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

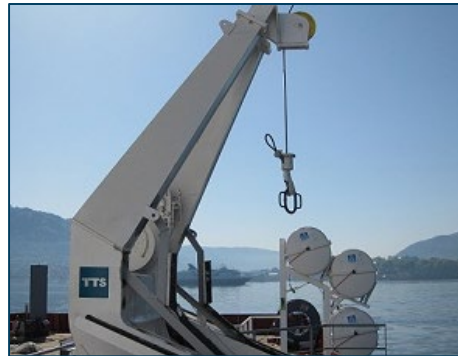
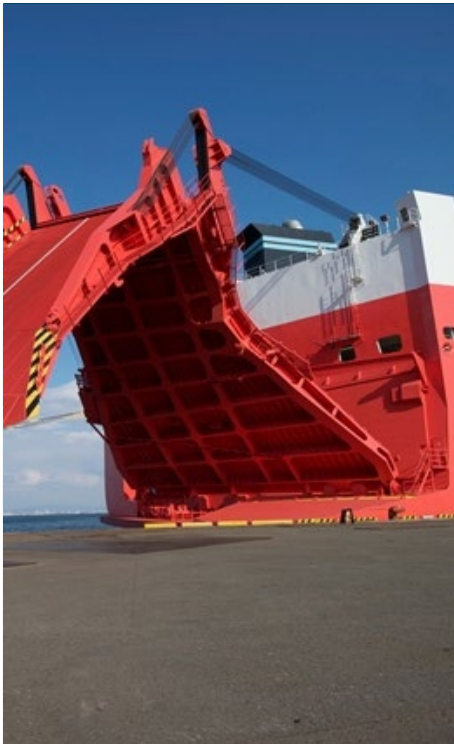
RoRo, Cruise & Navy

Container, Bulk &  
Tank Vessels

Multipurpose &  
General Cargo

Offshore Vessels

Services



# Shaping the portfolio

Two divestments made during Q2/18

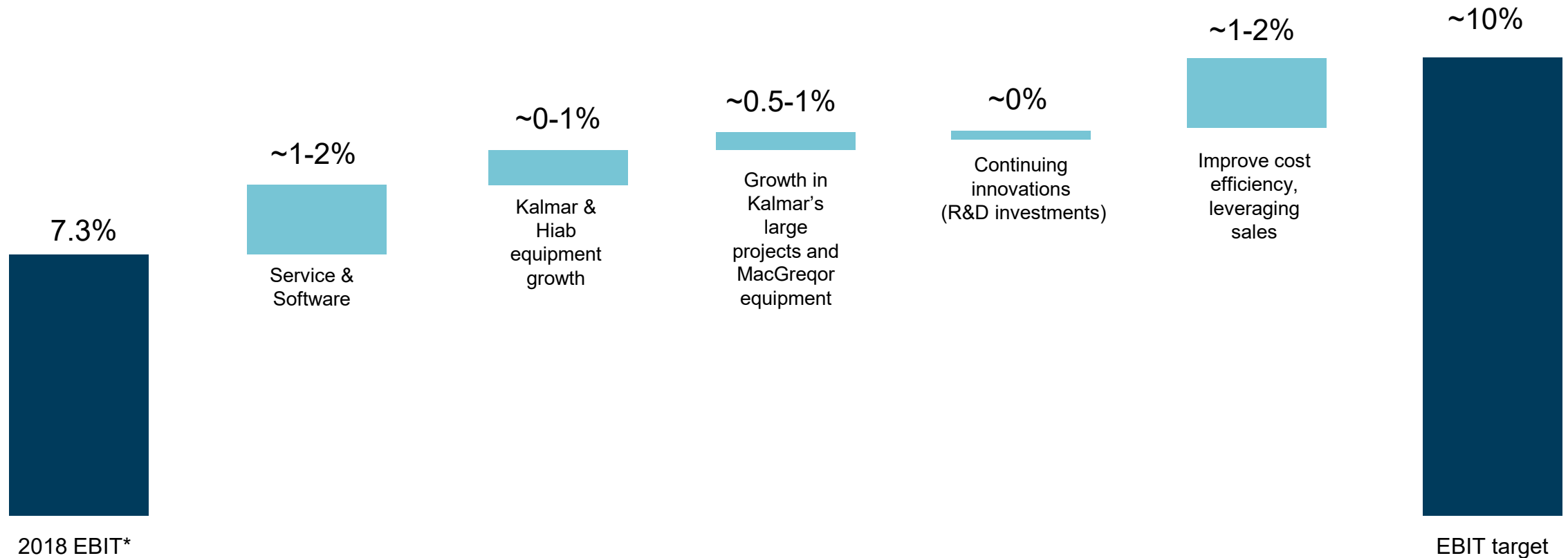
## Divestments

- 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



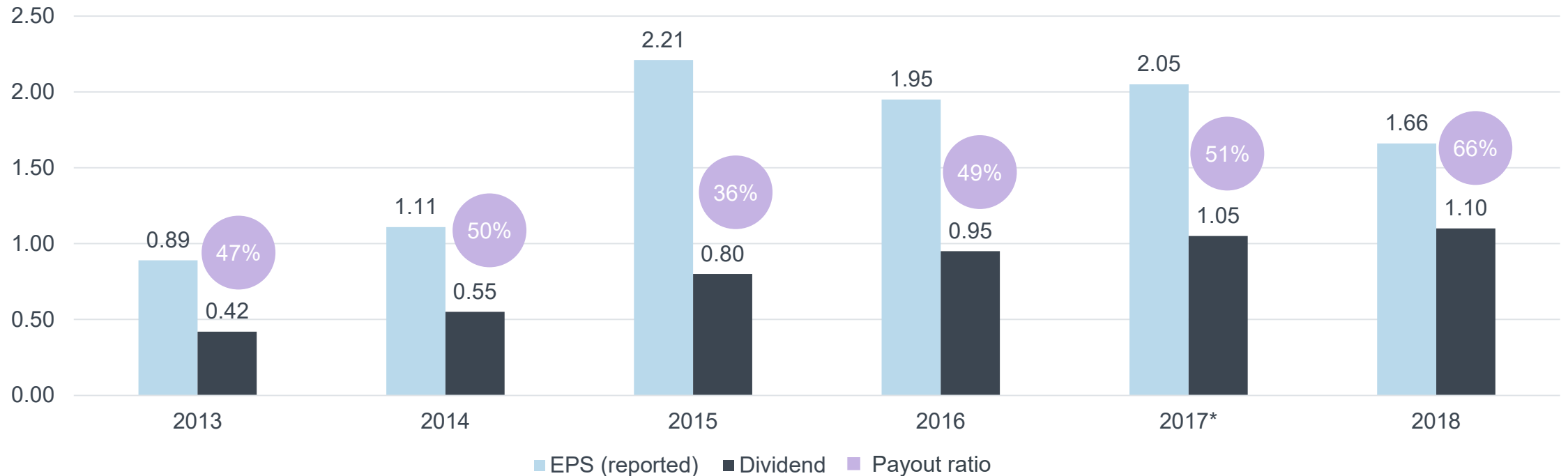
Target announced in September 2017, target to be reached in 3-5 years  
\*Comparable operating profit

# Steadily increasing dividend

## EUR 1.10 dividend per B share for 2018

Dividend to be paid in two EUR 0.55 instalments

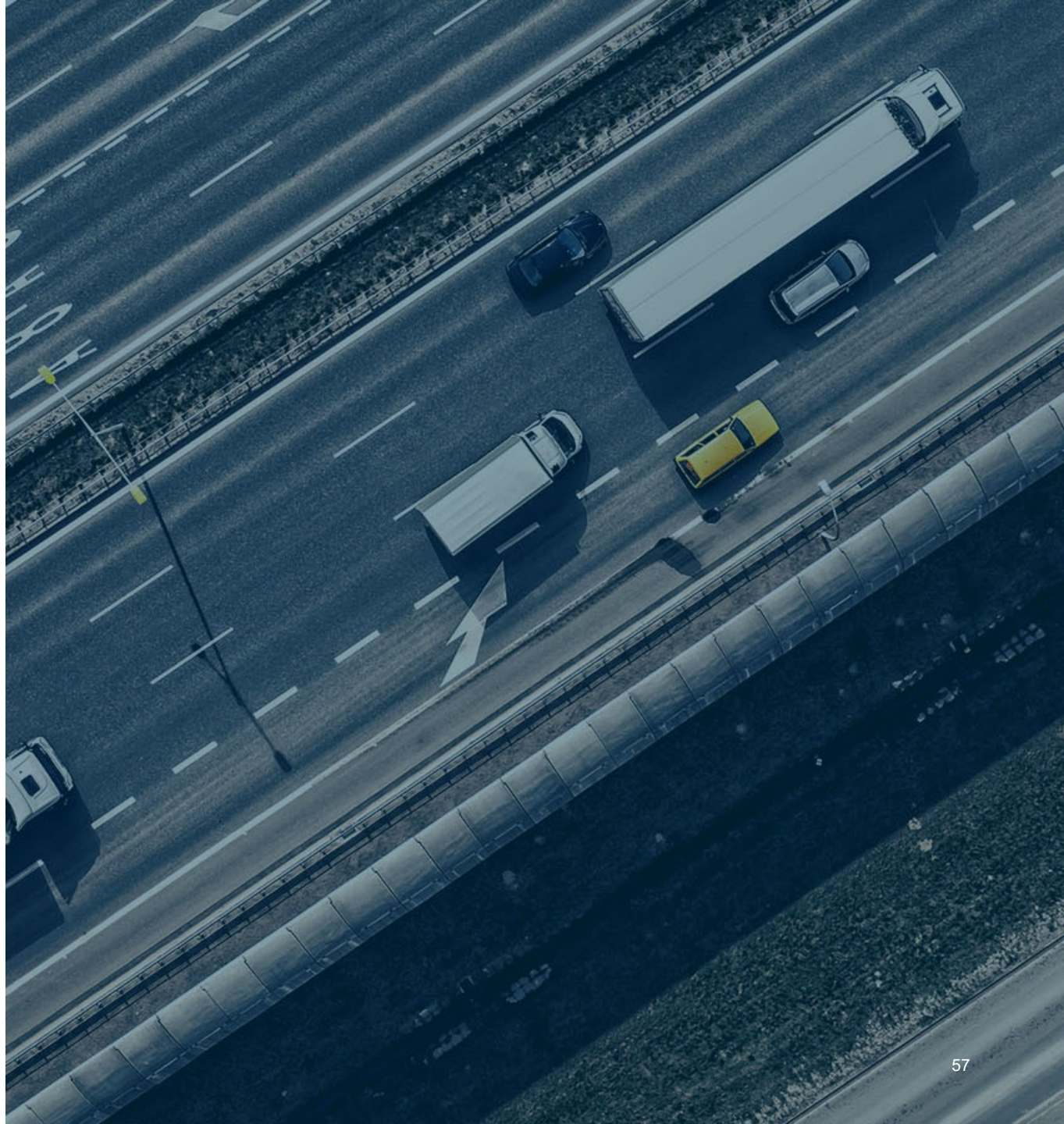
Calculated from EPS excl. restructuring costs, payout ratio for 2018 is 47%





# Appendix

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

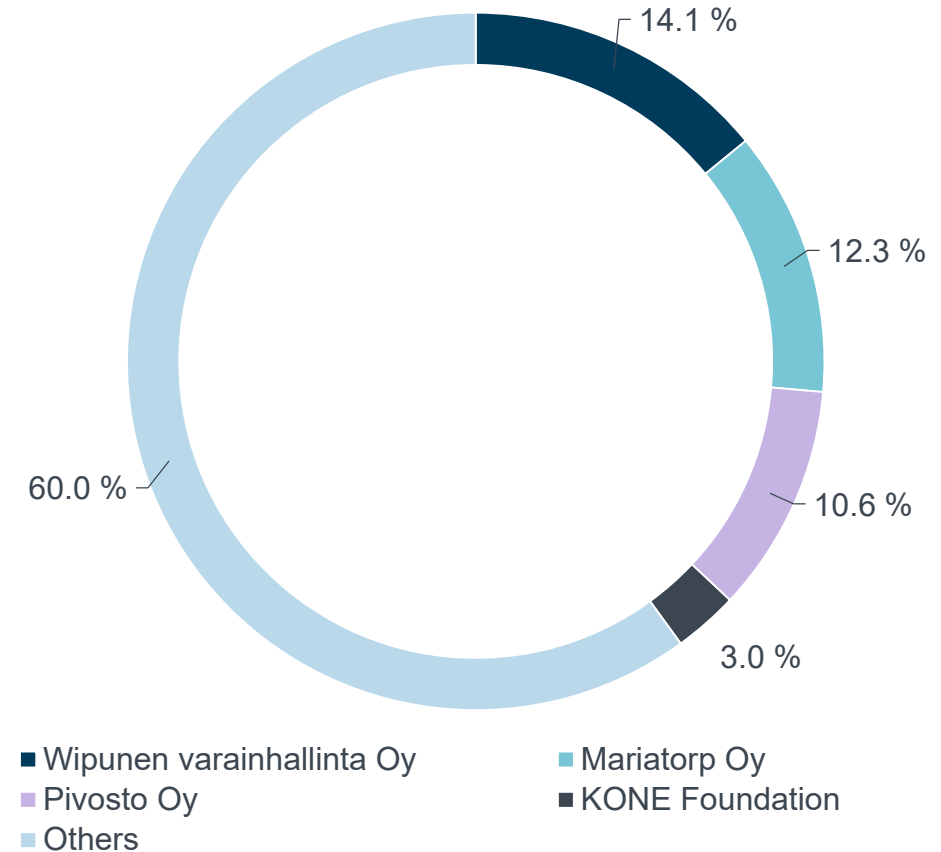


# Largest shareholders

## 30 September 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	1.2	0.5
8. Mandatum Life Insurance Company Ltd.	0.8	0.3
9. Elo Mutual Pension Insurance Company	0.7	0.3
10. Veritas Mutual Pension Insurance Company	0.6	0.3
<b>Nominee registered and non-Finnish holders</b>	<b>26.9</b>	

% of shares



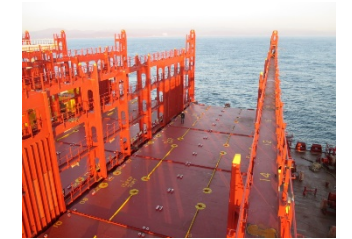
Wipunen varainhallinta Oy is a company controlled by Ilkka Herlin, Mariatorp Oy a company controlled by Niklas Herlin's estate and Pivosto Oy a company controlled by Ilona Herlin.

**Total number of shareholders**

**24,762**

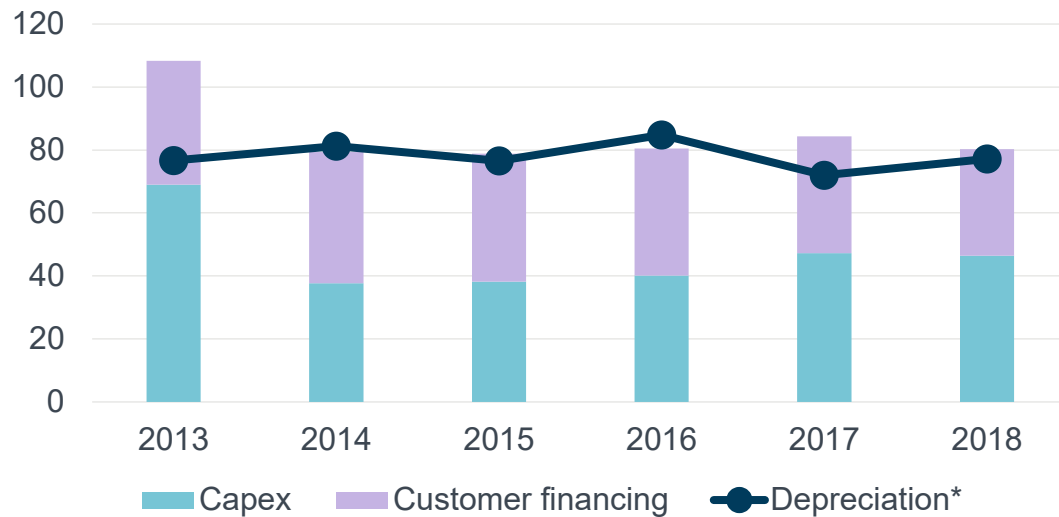


# Examples of our wide equipment offering

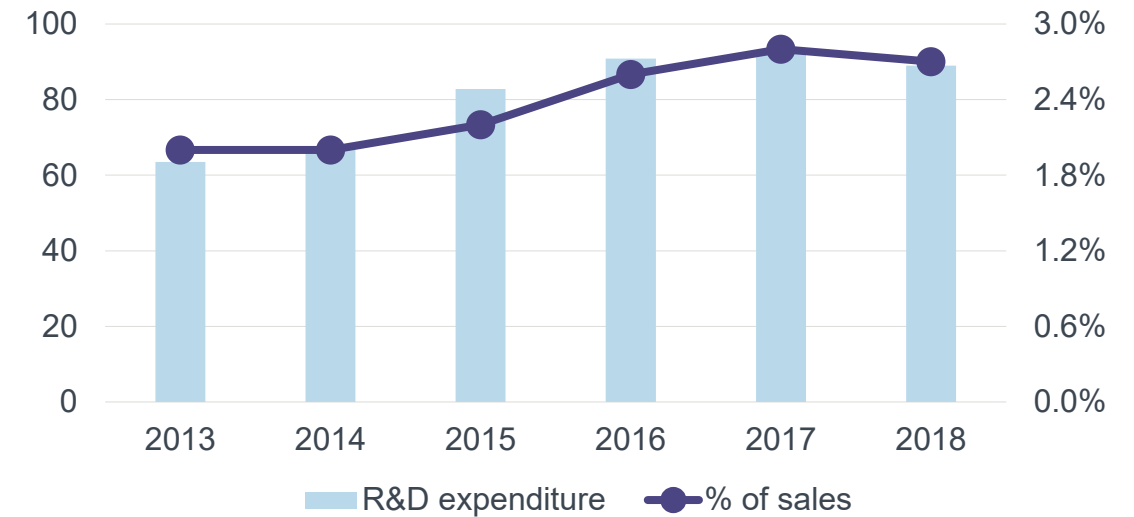


# Capex and R&D

## Capital expenditure



## Research and development



### Main capex investments:

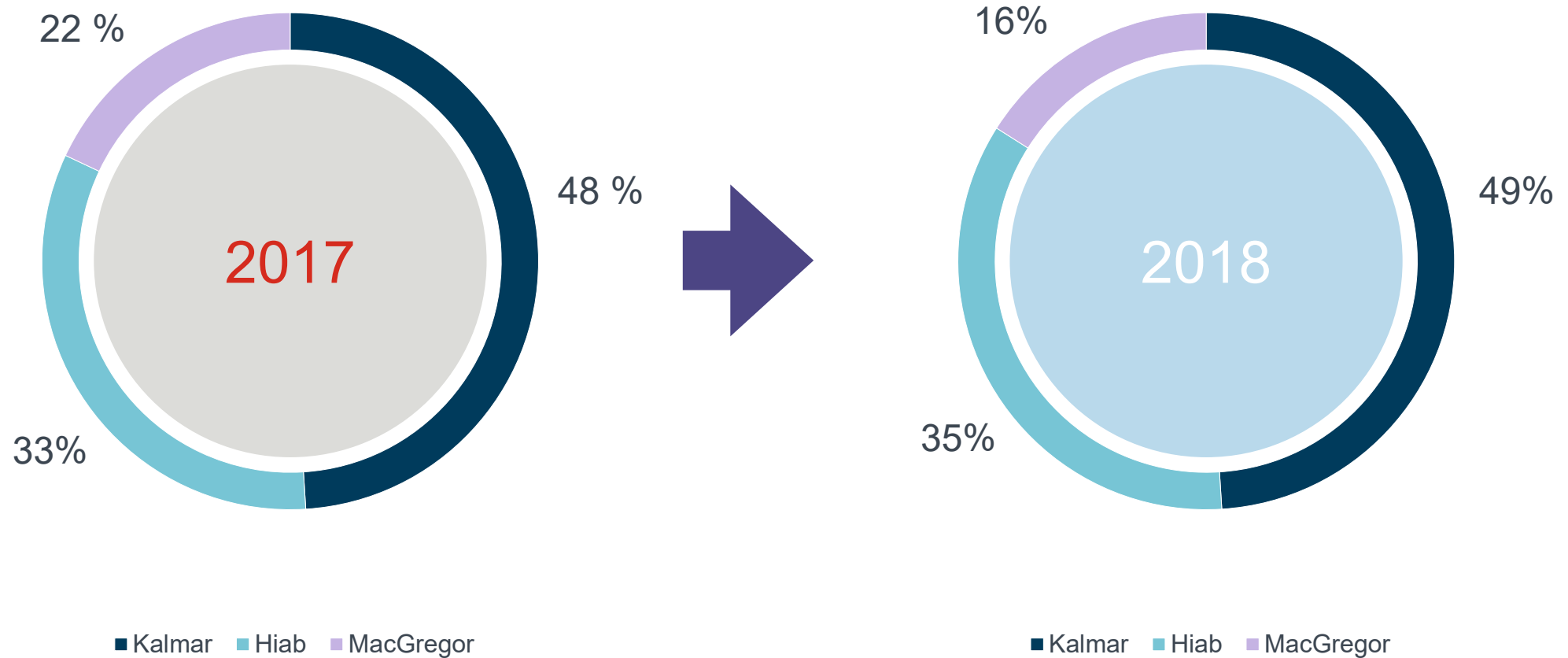
- Kalmar innovation centre in Ljungby, Sweden
- Investments in multi-assembly units in Kalmar and Hiab
- Intangible assets, such as global systems to improve efficiency in operational activities and support functions

### R&D investments focused on

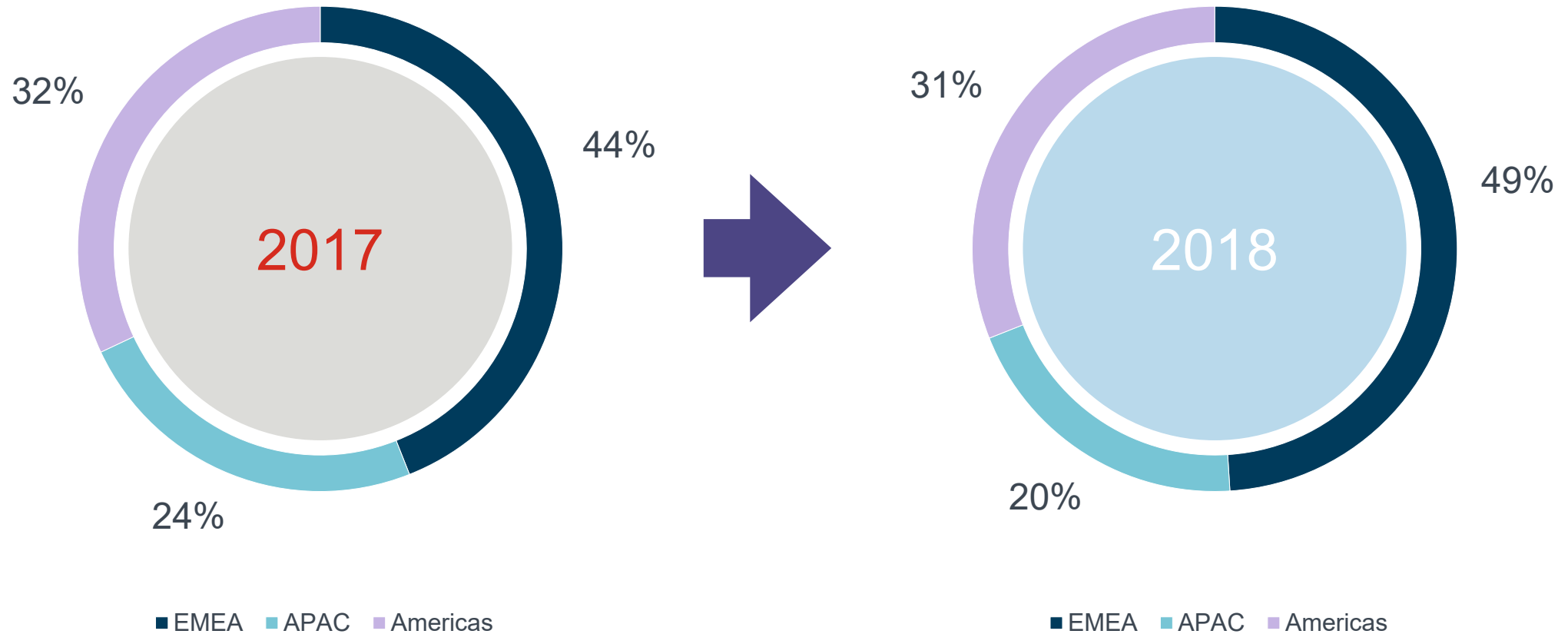
- Digitalisation
- Competitiveness, cost efficiency and eco-efficiency of products

\*) Including amortisations and impairments

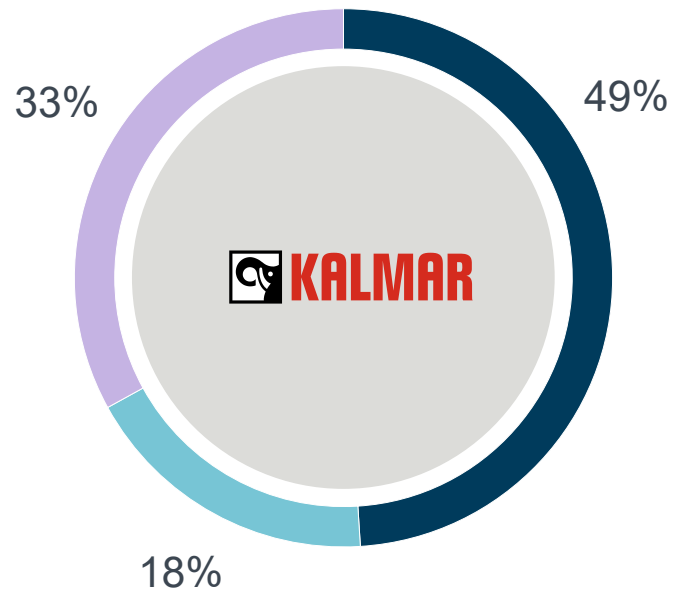
# Hiab's share increasing in sales mix



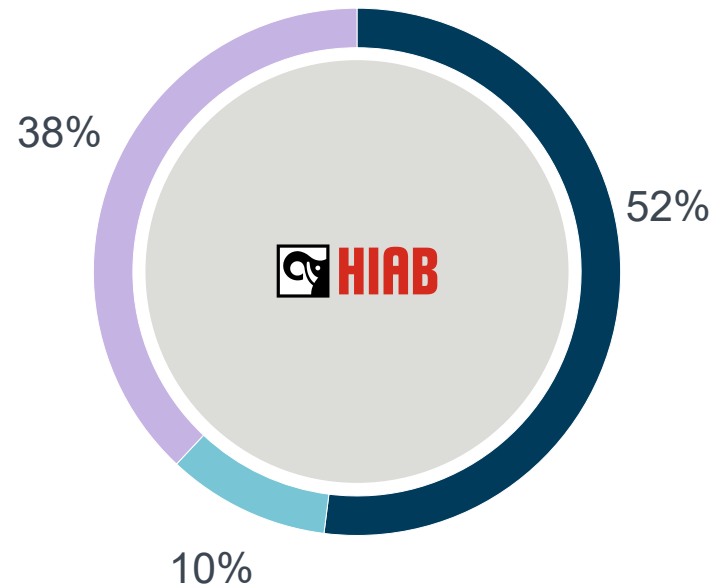
# Well diversified geographical sales mix



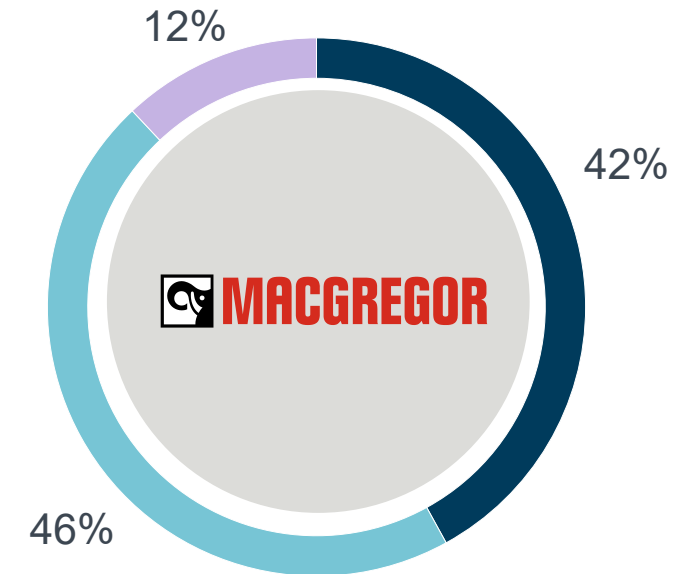
# Sales by geographical segment by business area 2018



■ 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)

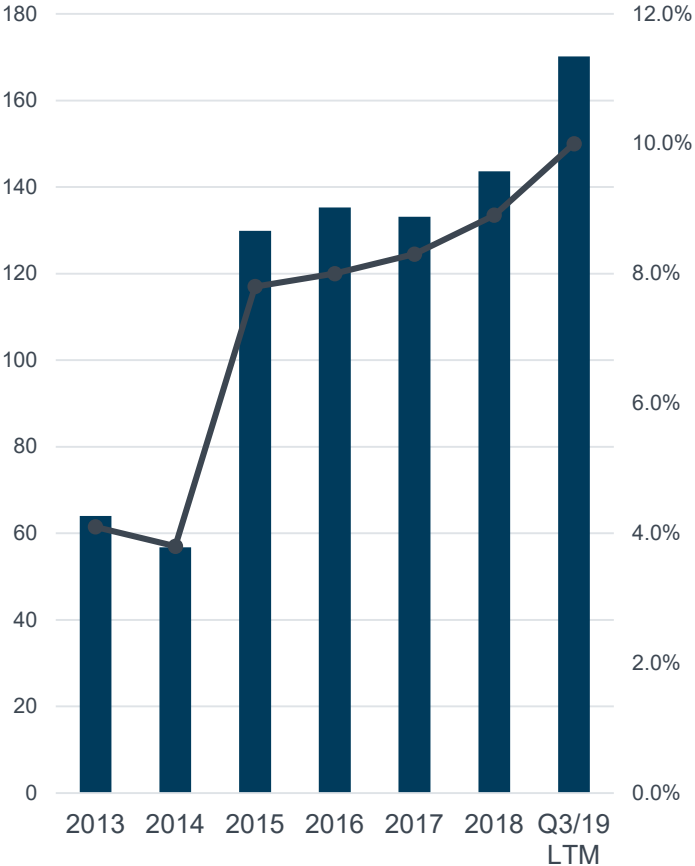
## Americas

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



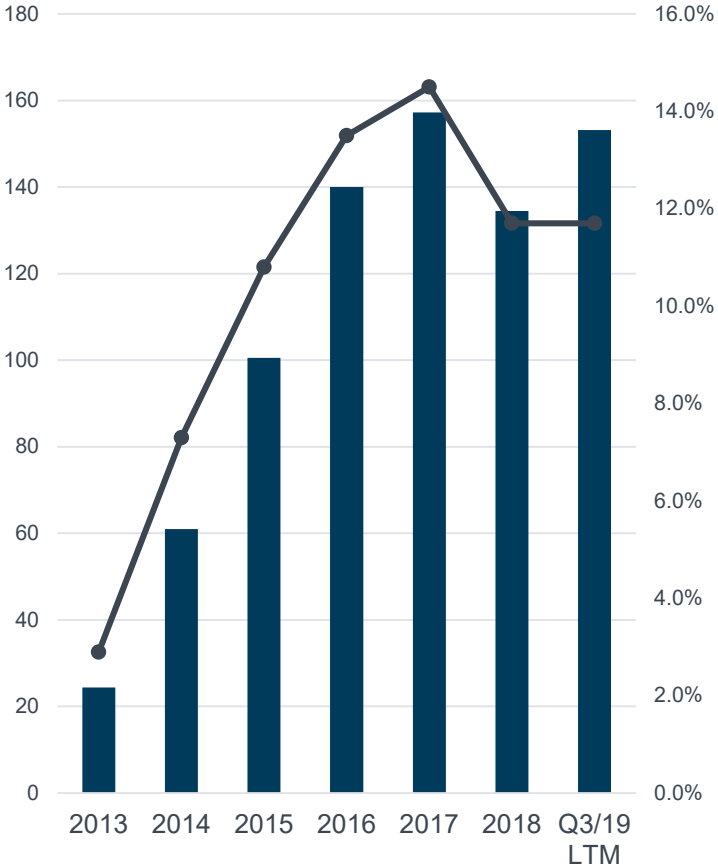
# Comparable operating profit development

### Kalmar



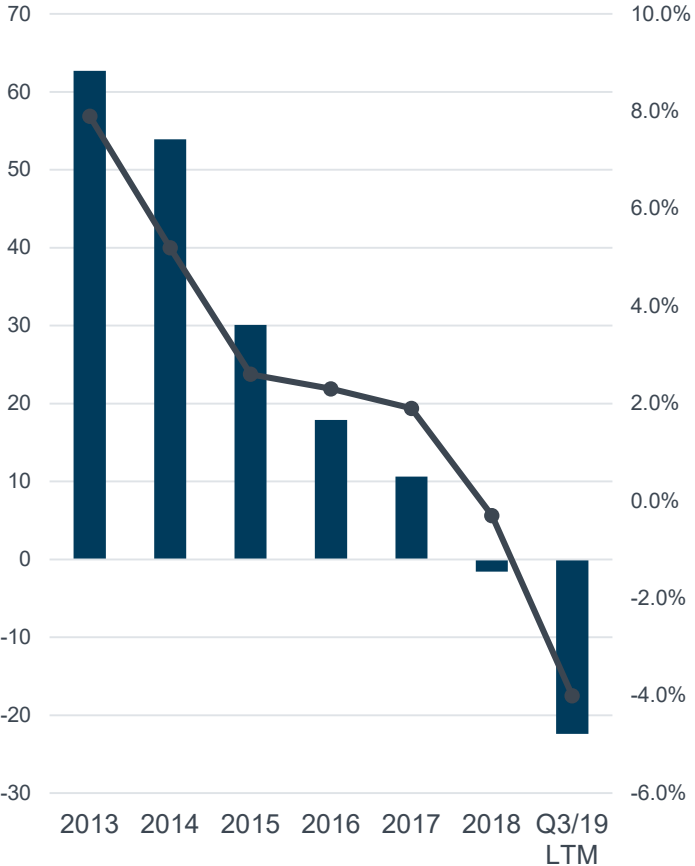
■ Comparable EBIT ● EBIT-%

### Hiab



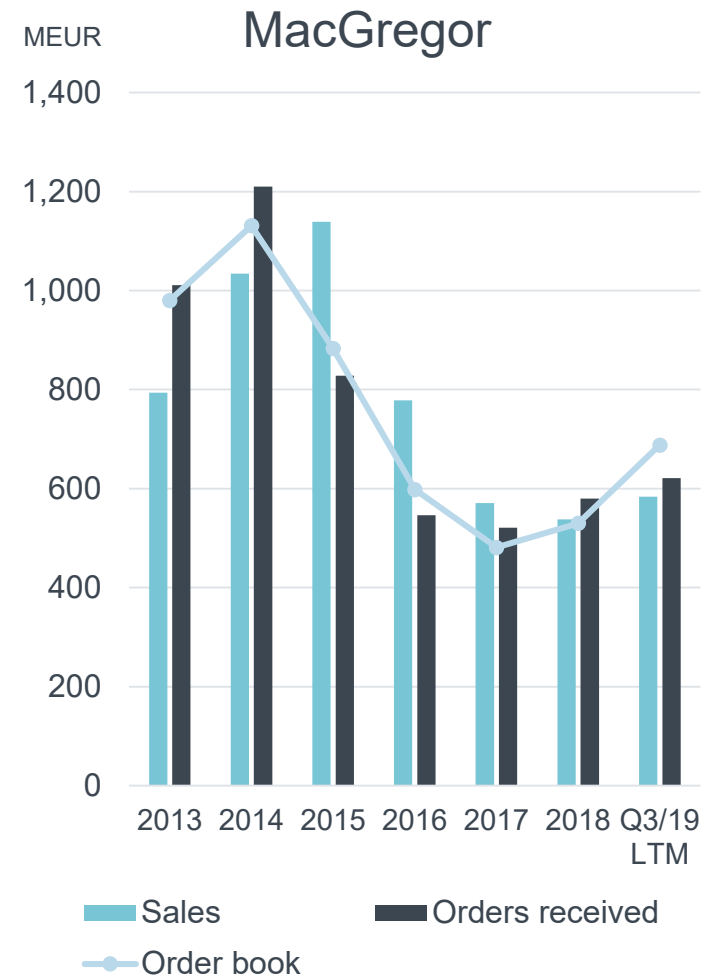
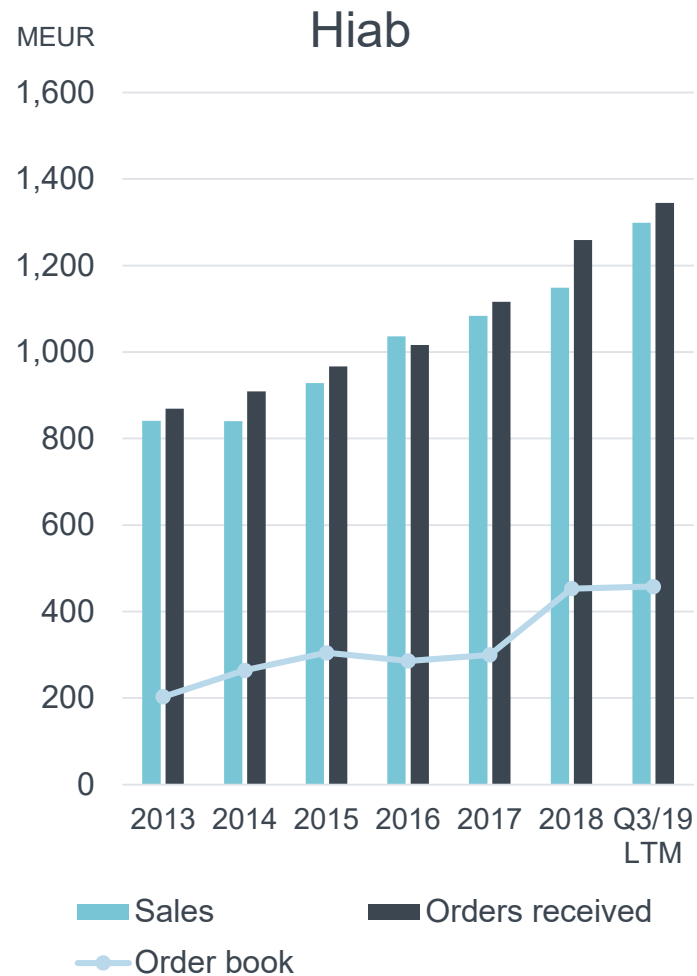
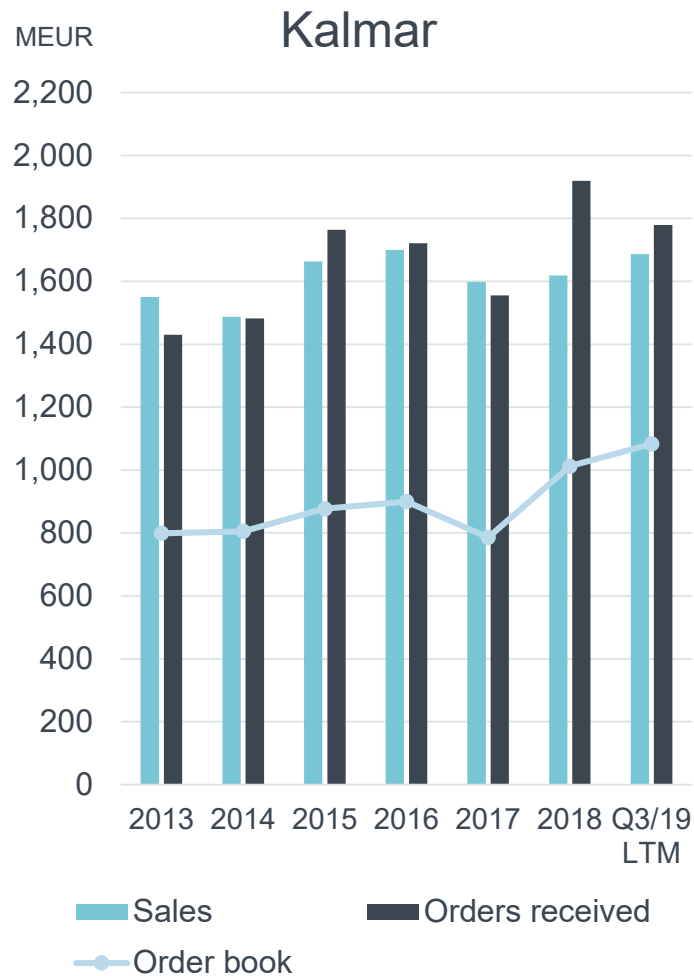
■ Comparable EBIT ● EBIT-%

### MacGregor

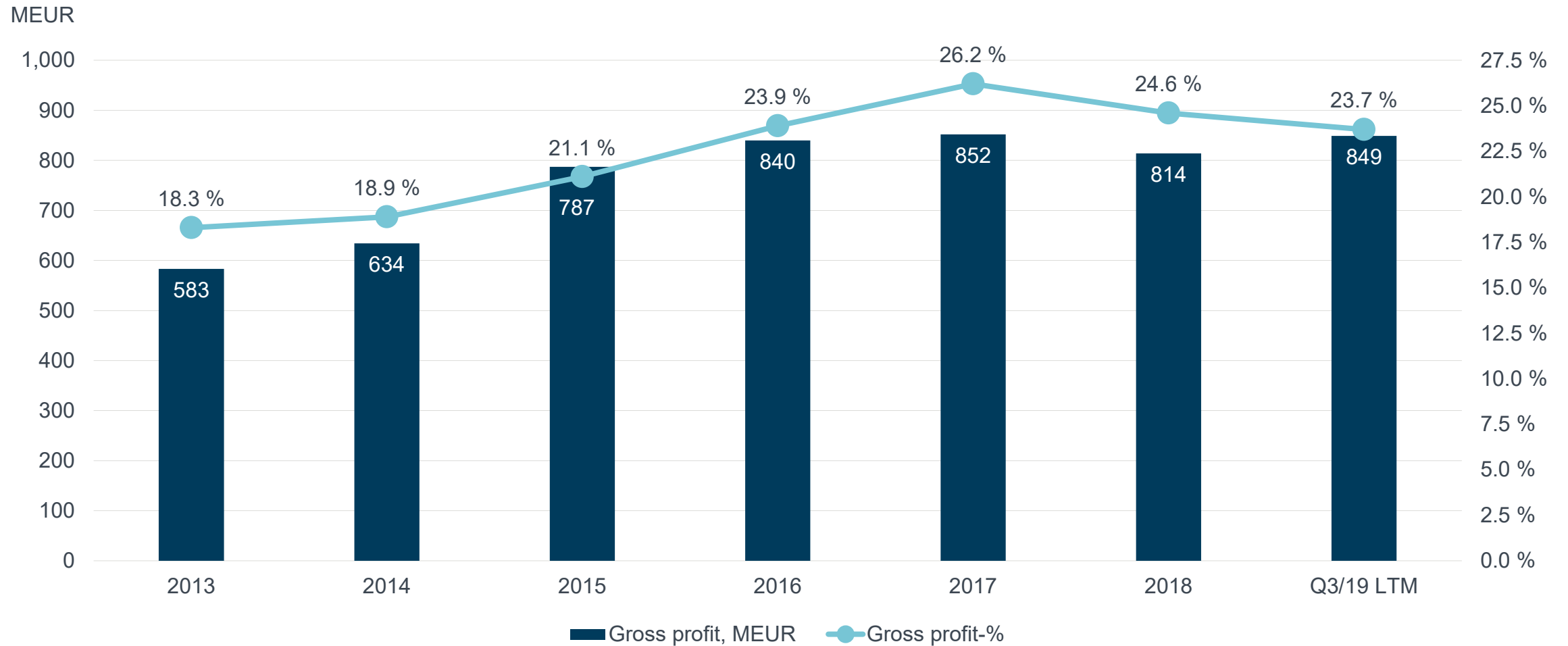


■ Comparable EBIT ● EBIT-%

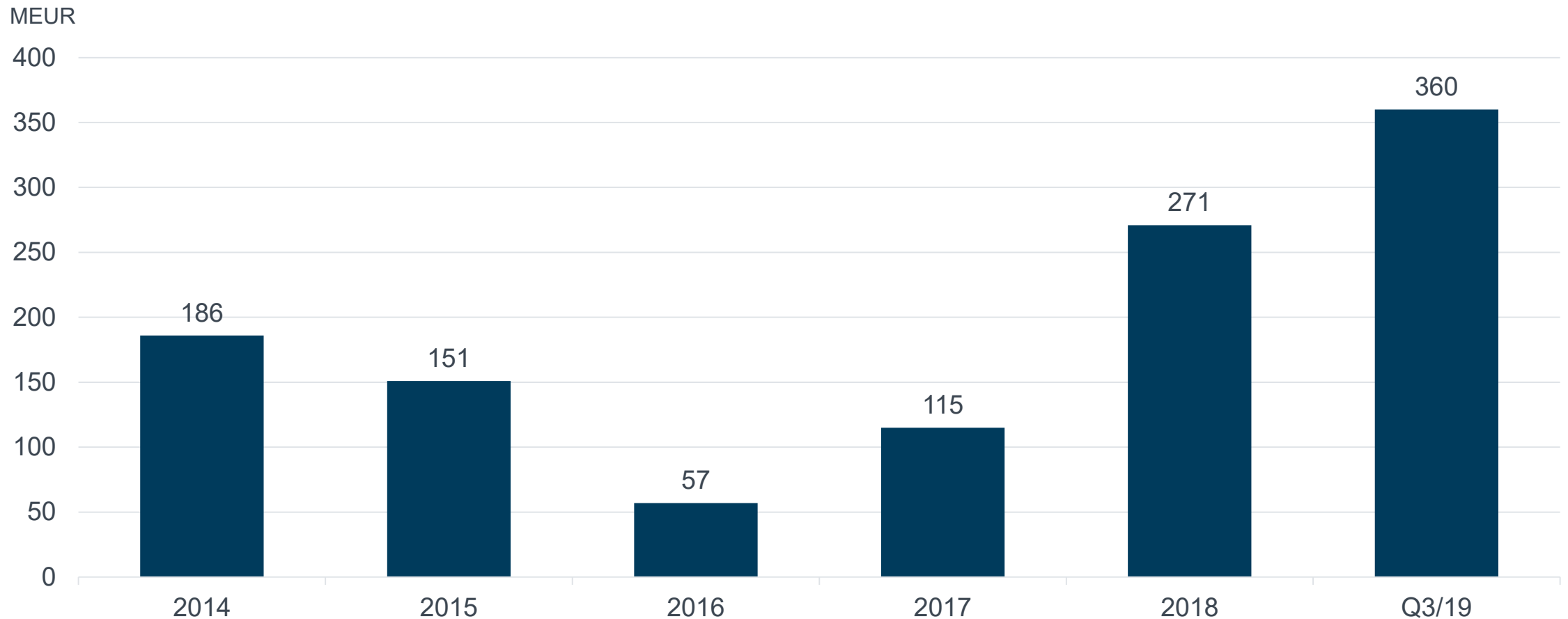
# Sales and orders received development



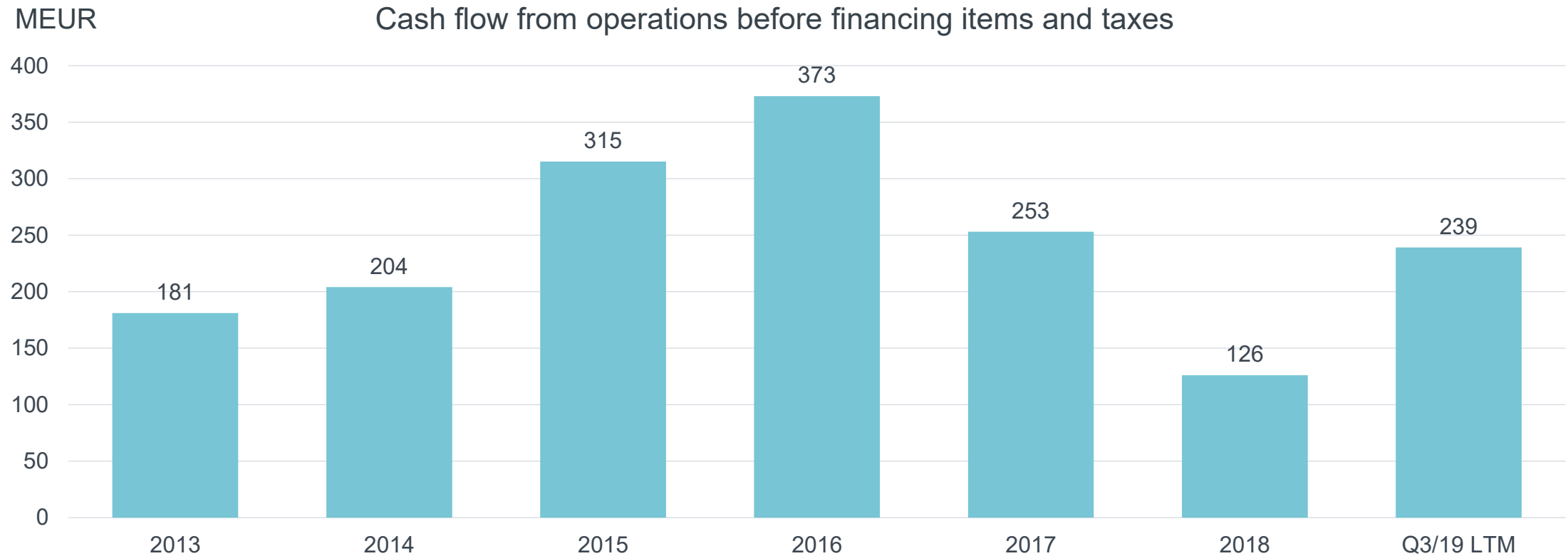
# Gross profit development



# Net working capital increased due to higher inventories and accounts receivable



# Cash flow from operations development



# Income statement Q3 2019

MEUR	Q3/19	Q3/18	Q1-Q3/19	Q1-Q3/18	2018
<b>Sales</b>	<b>901.3</b>	<b>804.6</b>	<b>2,668.6</b>	<b>2,393.7</b>	<b>3,303.5</b>
Cost of goods sold	-691.1	-607.8	-2,035.2	-1,795.3	-2,489.3
<b>Gross profit</b>	<b>210.2</b>	<b>196.7</b>	<b>633.4</b>	<b>598.4</b>	<b>814.2</b>
<i>Gross profit, %</i>	23.3%	24.4%	23.7%	25.0%	24.6%
Other operating income	8.4	8.6	24.8	30.1	44.8
Selling and marketing expenses	-56.5	-57.9	-175.8	-173.3	-234.4
Research and development expenses	-23.7	-22.2	-75.2	-70.5	-94.7
Administration expenses	-61.8	-60.3	-193.2	-188.6	-252.9
Restructuring costs	-10.0	-2.6	-26.6	-41.3	-53.8
Other operating expenses	-7.7	-8.7	-23.3	-26.3	-35.4
Costs and expenses	-151.3	-143.1	-469.4	-469.9	-626.5
Share of associated companies' and joint ventures' net income	-1.0	0.9	-2.1	0.6	2.3
<b>Operating profit</b>	<b>57.9</b>	<b>54.5</b>	<b>162.0</b>	<b>129.1</b>	<b>190.0</b>
<i>Operating profit, %</i>	6.4%	6.8%	6.1%	5.4%	5.8%
Financing income and expenses	-7.9	-7.6	-24.3	-20.1	-28.9
<b>Income before taxes</b>	<b>50.0</b>	<b>47.0</b>	<b>137.7</b>	<b>108.9</b>	<b>161.1</b>
<i>Income before taxes, %</i>	5.6%	5.8%	5.2%	4.6%	4.9%
Income taxes	-20.3	-9.0	-48.0	-35.0	-53.1
<b>Net income for the period</b>	<b>29.7</b>	<b>37.9</b>	<b>89.7</b>	<b>73.9</b>	<b>108.0</b>
<i>Net income for the period, %</i>	3.3%	4.7%	3.4%	3.1%	3.3%

## Net income for the period attributable to:

Equity holders of the parent	29.7	37.6	89.6	73.0	107.0
Non-controlling interest	0.0	0.4	0.1	0.9	1.1
<b>Total</b>	<b>29.7</b>	<b>37.9</b>	<b>89.7</b>	<b>73.9</b>	<b>108.0</b>

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

Earnings per share, EUR	0.46	0.58	1.39	1.13	1.66
Diluted earnings per share, EUR	0.46	0.58	1.39	1.13	1.65

# Balance sheet 30 September 2019

	30 Sep 2019	30 Sep 2018	31 Dec 2018		30 Sep 2019	30 Sep 2018	31 Dec 2018
<b>ASSETS, MEUR</b>				<b>EQUITY AND LIABILITIES, MEUR</b>			
<b>Non-current assets</b>				<b>Equity attributable to the equity holders of the parent</b>			
Goodwill	1,041.9	956.7	970.9	Share capital	64.3	64.3	64.3
Other intangible assets	299.1	251.0	278.6	Share premium account	98.0	98.0	98.0
Property, plant and equipment	471.0	306.8	308.7	Translation differences	-24.4	-39.2	-44.2
Investments in associated companies and joint ventures	112.6	96.8	99.8	Fair value reserves	-20.4	-8.1	-13.5
Share investments	0.3	0.3	0.3	Reserve for invested non-restricted equity	57.4	69.0	58.5
Loans receivable and other interest-bearing assets*	28.2	36.6	36.0	Retained earnings	1,258.8	1,224.6	1,262.5
Deferred tax assets	128.1	149.1	137.3	<b>Total equity attributable to the equity holders of the parent</b>	<b>1,433.6</b>	<b>1,408.5</b>	<b>1,425.6</b>
Other non-interest-bearing assets	9.9	10.0	9.5				
<b>Total non-current assets</b>	<b>2,091.2</b>	<b>1,807.3</b>	<b>1,841.1</b>	Non-controlling interest	2.8	2.9	3.0
				<b>Total equity</b>	<b>1,436.5</b>	<b>1,411.4</b>	<b>1,428.5</b>
<b>Current assets</b>				<b>Non-current liabilities</b>			
Inventories	834.0	699.0	688.8	Interest-bearing liabilities*	967.5	585.6	717.1
Loans receivable and other interest-bearing assets*	1.2	2.5	1.8	Deferred tax liabilities	33.5	17.7	28.1
Income tax receivables	41.1	66.5	56.0	Pension obligations	93.5	87.2	92.3
Derivative assets	10.9	16.9	17.4	Provisions	7.8	14.9	10.7
Accounts receivable and other non-interest-bearing assets	878.1	768.7	822.5	Other non-interest-bearing liabilities	64.5	57.5	58.6
Cash and cash equivalents*	388.2	189.3	256.3	<b>Total non-current liabilities</b>	<b>1,166.8</b>	<b>763.0</b>	<b>906.8</b>
<b>Total current assets</b>	<b>2,153.5</b>	<b>1,742.9</b>	<b>1,842.8</b>				
				<b>Current liabilities</b>			
<b>Total assets</b>	<b>4,244.6</b>	<b>3,550.3</b>	<b>3,683.9</b>	Current portion of interest-bearing liabilities*	230.2	166.9	168.4
				Other interest-bearing liabilities*	146.8	124.7	44.5
				Provisions	92.7	87.4	86.7
				Advances received**	258.4	168.4	190.3
				Income tax payables	16.9	42.9	39.6
				Derivative liabilities	22.6	9.3	5.8
				Accounts payable and other non-interest-bearing liabilities**	873.8	776.3	813.5
				<b>Total current liabilities</b>	<b>1,641.4</b>	<b>1,375.9</b>	<b>1,348.6</b>
				<b>Total equity and liabilities</b>	<b>4,244.6</b>	<b>3,550.3</b>	<b>3,683.9</b>

# Cash flow statement Q3 2019

MEUR	Q1-Q3/19	Q1-Q3/18	2018
<b>Net cash flow from operating activities</b>			
Net income for the period	89.7	73.9	108.0
Depreciation, amortisation and impairment	90.2	57.6	77.2
Other adjustments	73.9	73.0	99.2
Change in net working capital	-100.7	-164.7	-158.7
<b>Cash flow from operations before financing items and taxes</b>	<b>153.1</b>	<b>39.8</b>	<b>125.8</b>
Cash flow from financing items and taxes	-69.2	-83.8	-85.6
<b>Net cash flow from operating activities</b>	<b>83.8</b>	<b>-44.0</b>	<b>40.2</b>
<b>Net cash flow from investing activities</b>			
Acquisitions of businesses, net of cash acquired	-107.0	-20.2	-70.7
Disposals of businesses, net of cash sold	-	-15.8	-15.5
Investments in associated companies and joint ventures	-	-0.5	-0.5
Cash flow from investing activities, other items	-30.6	-48.2	-50.6
<b>Net cash flow from investing activities</b>	<b>-137.5</b>	<b>-84.8</b>	<b>-137.3</b>
<b>Net cash flow from financing activities</b>			
Treasury shares acquired	-2.2	-6.1	-9.4
Repayments of lease liabilities	-32.0	-1.0	-1.3
Proceeds from long-term borrowings	298.2	50.0	199.5
Repayments of long-term borrowings	-151.8	-66.6	-83.7
Proceeds from short-term borrowings	270.1	96.2	3.4
Repayments of short-term borrowings	-145.0	-3.0	-2.6
Profit distribution	-35.6	-65.8	-68.0
<b>Net cash flow from financing activities</b>	<b>201.6</b>	<b>3.6</b>	<b>37.7</b>
<b>Change in cash and cash equivalents</b>	<b>147.9</b>	<b>-125.2</b>	<b>-59.3</b>
Cash and cash equivalents, and bank overdrafts at the beginning of period	225.5	284.7	284.7
Effect of exchange rate changes	7.0	1.0	0.1
<b>Cash and cash equivalents, and bank overdrafts at the end of period</b>	<b>380.3</b>	<b>160.5</b>	<b>225.5</b>
Bank overdrafts at the end of period	7.8	28.8	30.8
<b>Cash and cash equivalents at the end of period</b>	<b>388.2</b>	<b>189.3</b>	<b>256.3</b>



# Sustainability

# Sustainability is a great business opportunity

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

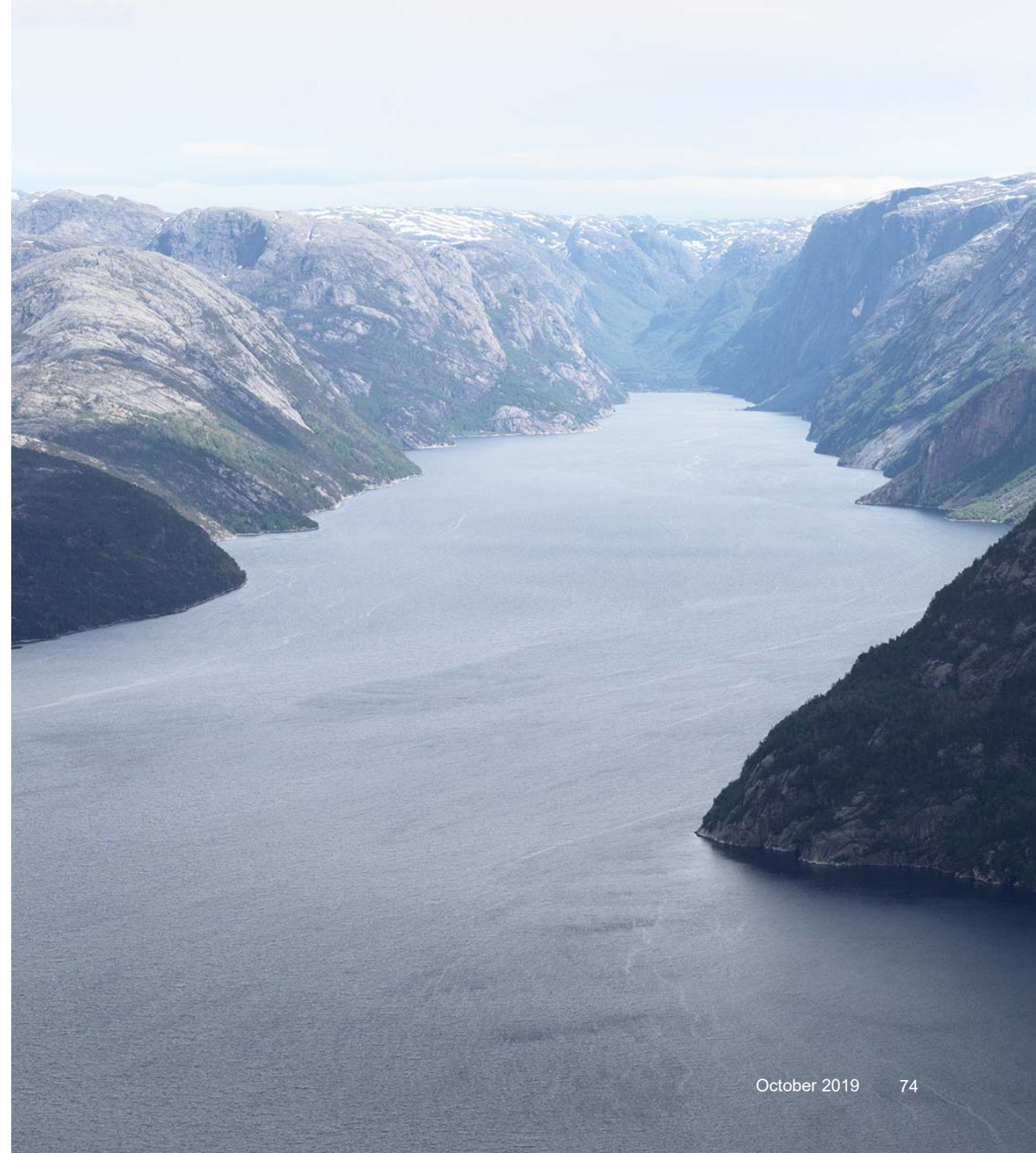
- Inefficient industry with potential to improve

**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:

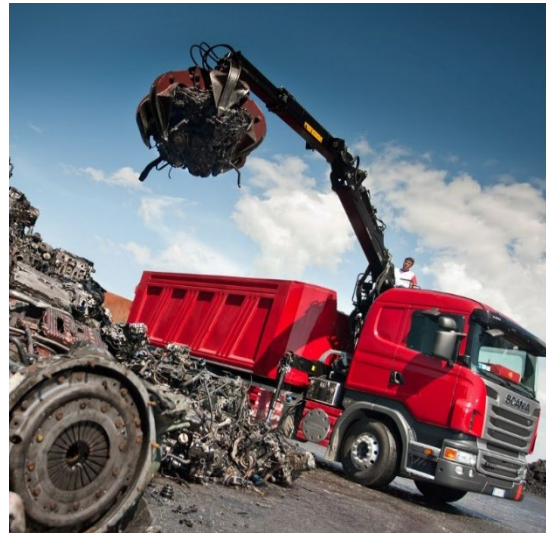
Significant R&D and digitalisation investments drive the growth of offering for eco-efficiency

Systems efficiency



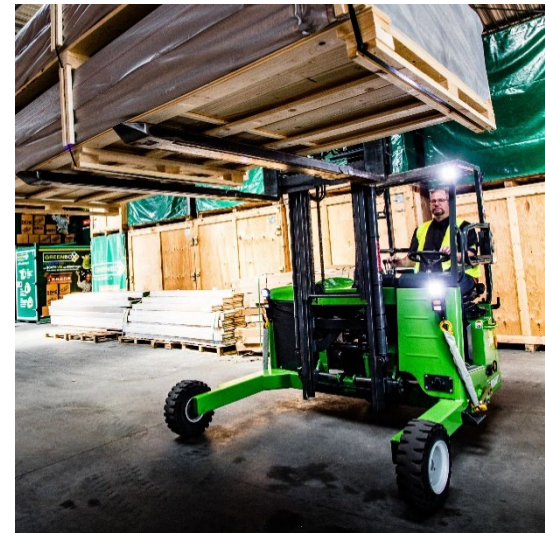
- Visibility to identify inefficient use of resources and fuel
- Software and design system

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 modernisations

# Key to more sustainable cargo handling business is solution development



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



**~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**



**19 mil CO2 in shipping industry annually**  
For moving empty containers

**~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

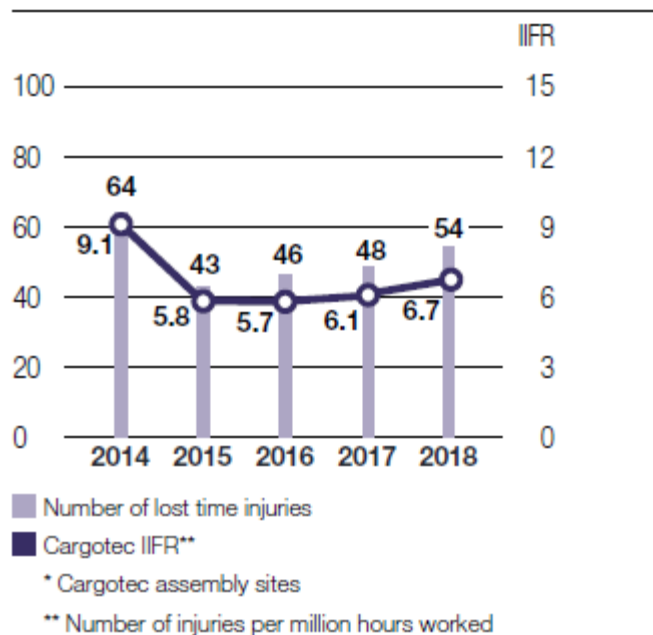
Permanent Code of Conduct panel and case investigation process

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\*



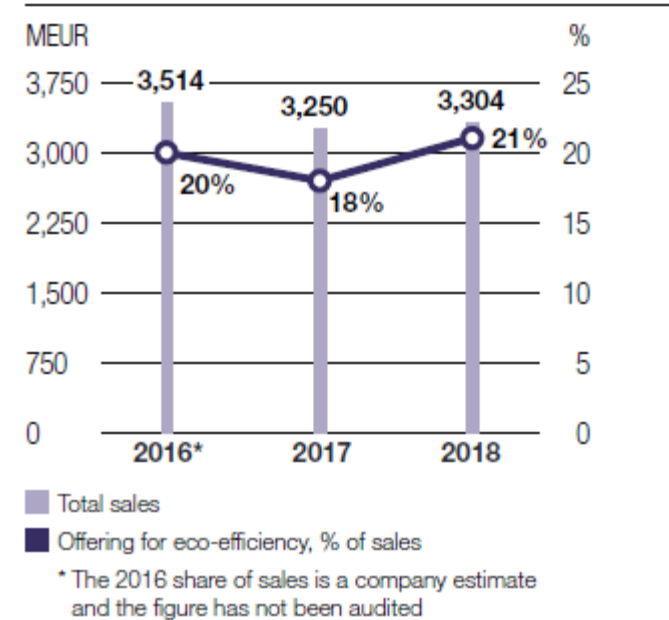
30% of the electricity used by Cargotec is generated from renewable energy sources

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

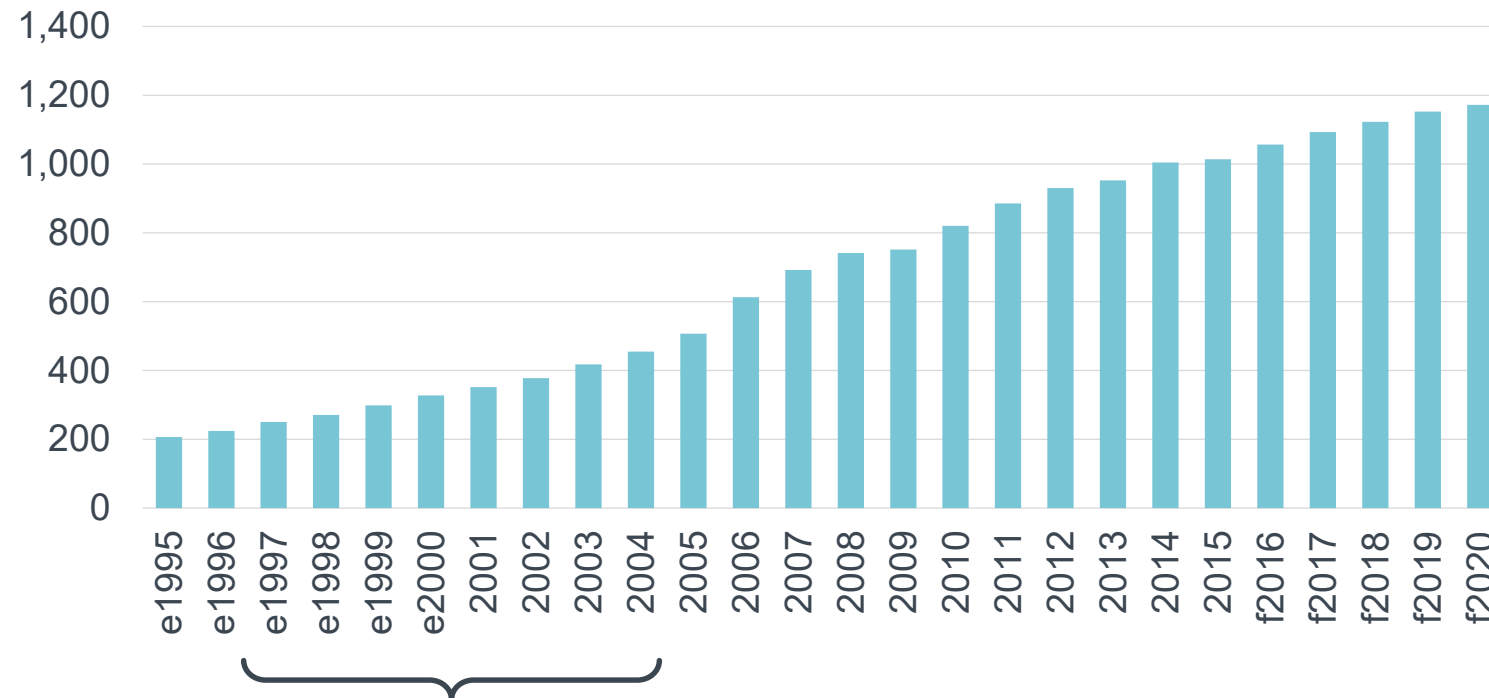


# Kalmar appendix



# 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.

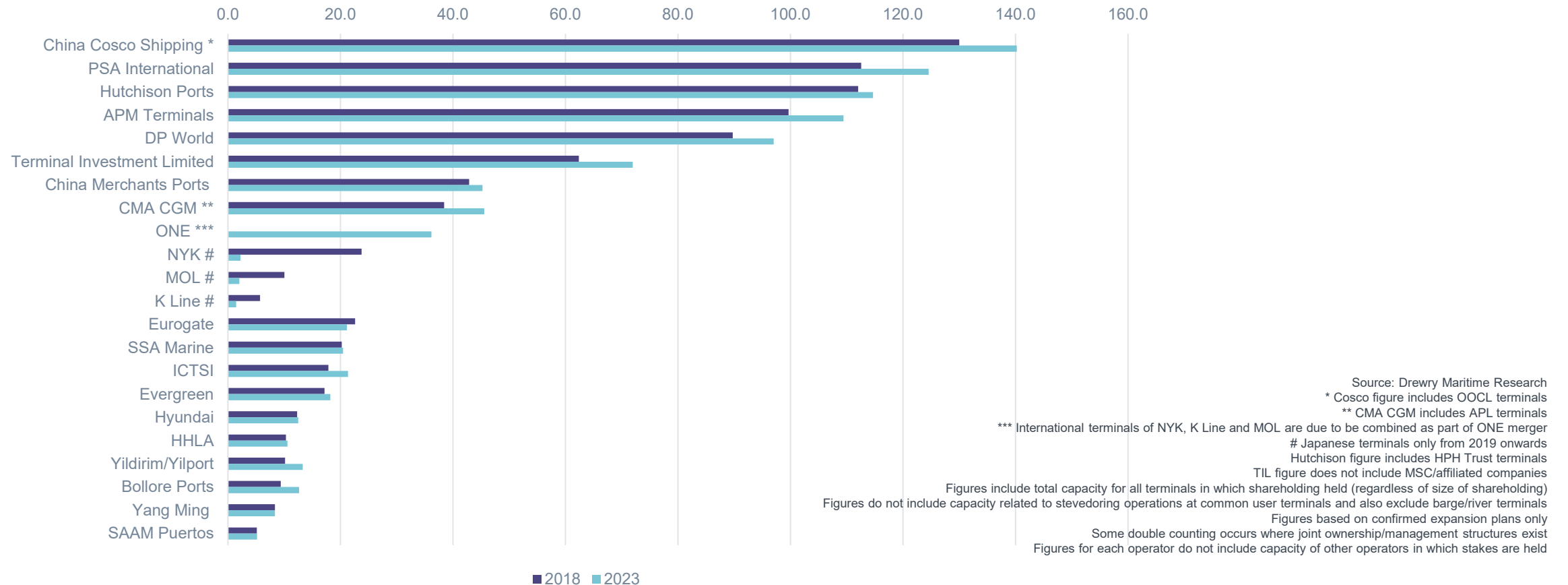
### Average lifetime of type of equipment:

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

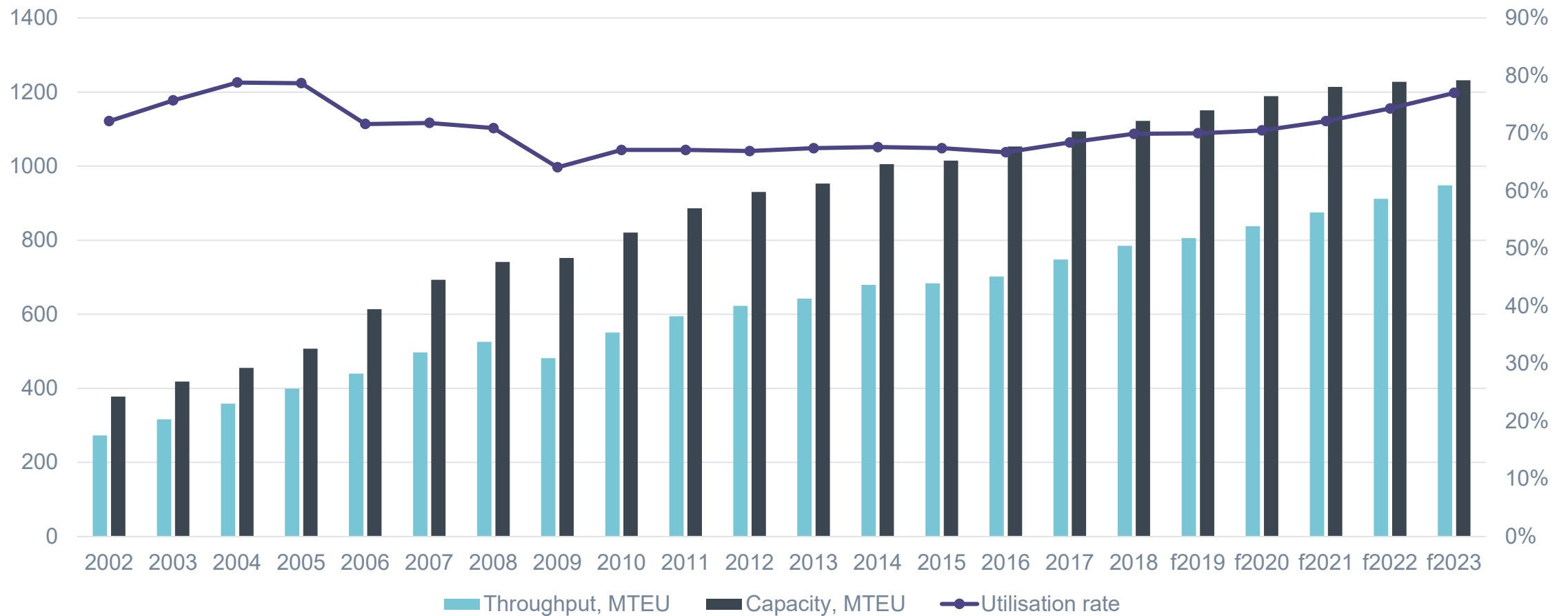
Source: Drewry reports: Global Container Terminal Operators 2001-2016 Note: 1995-2000 capacity is estimation based on the assumption that the utilisation rate has been between 70-72% in that period. 2016-2020 forecast based on Drewry's Global container terminal operators report, published in August 2016

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

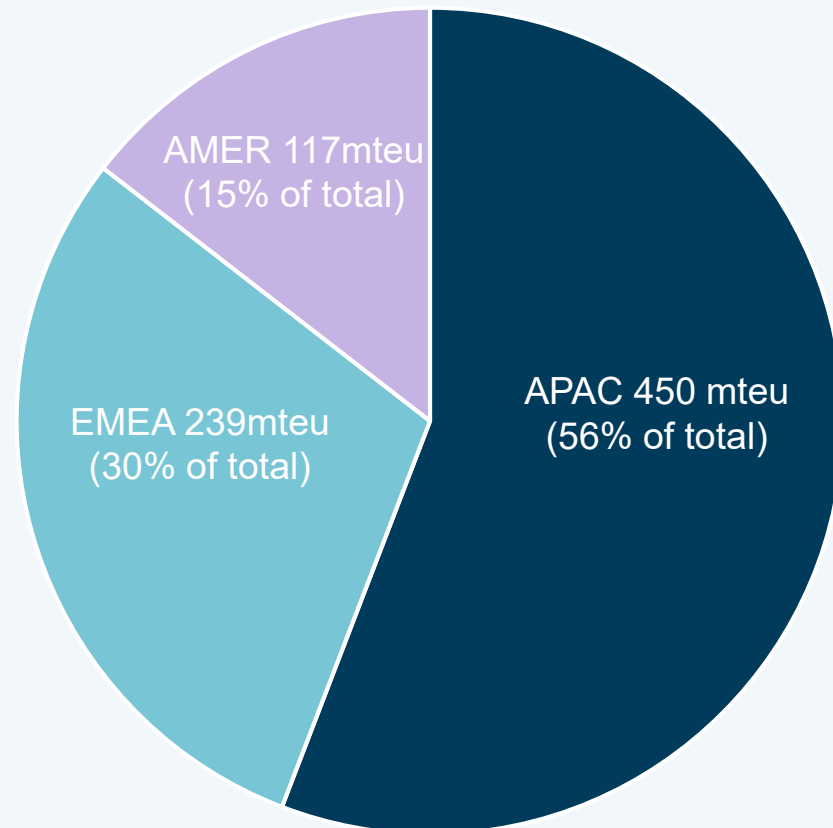
Global/international terminal operators' capacity development, 2018-2023 (MTEU)



# Global container throughput and capacity development



# 56% of global container throughput is expected to take place in APAC in 2019



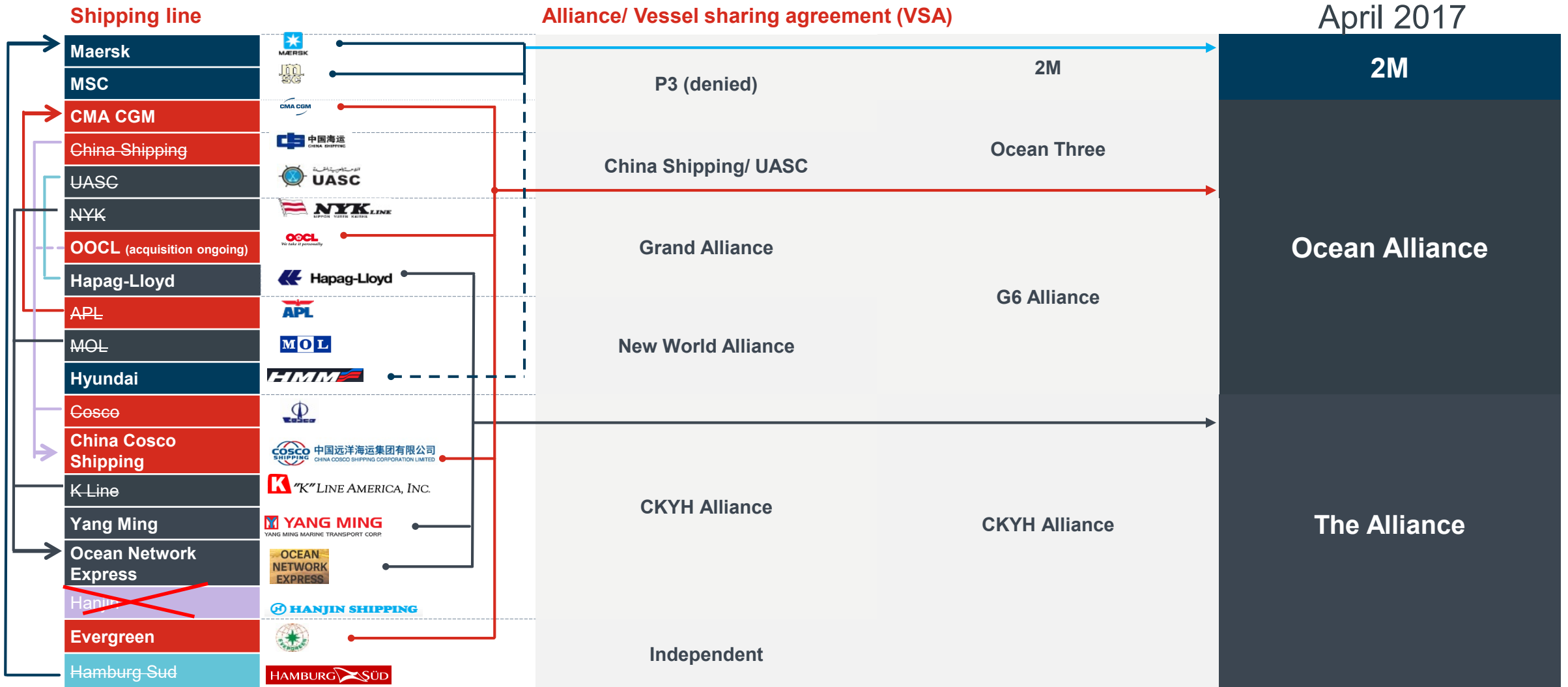
Global container throughput expected to grow 2.6% in 2019

- APAC +3.0% (+13 mteu)
- EMEA +2.6% (+6 mteu)
- AMER +1.2% (+1 mteu)

→ 62% of growth will come from APAC

Source: Drewry container forecaster Q3 2019

# Three alliances controlling about 80% of global container fleet capacity

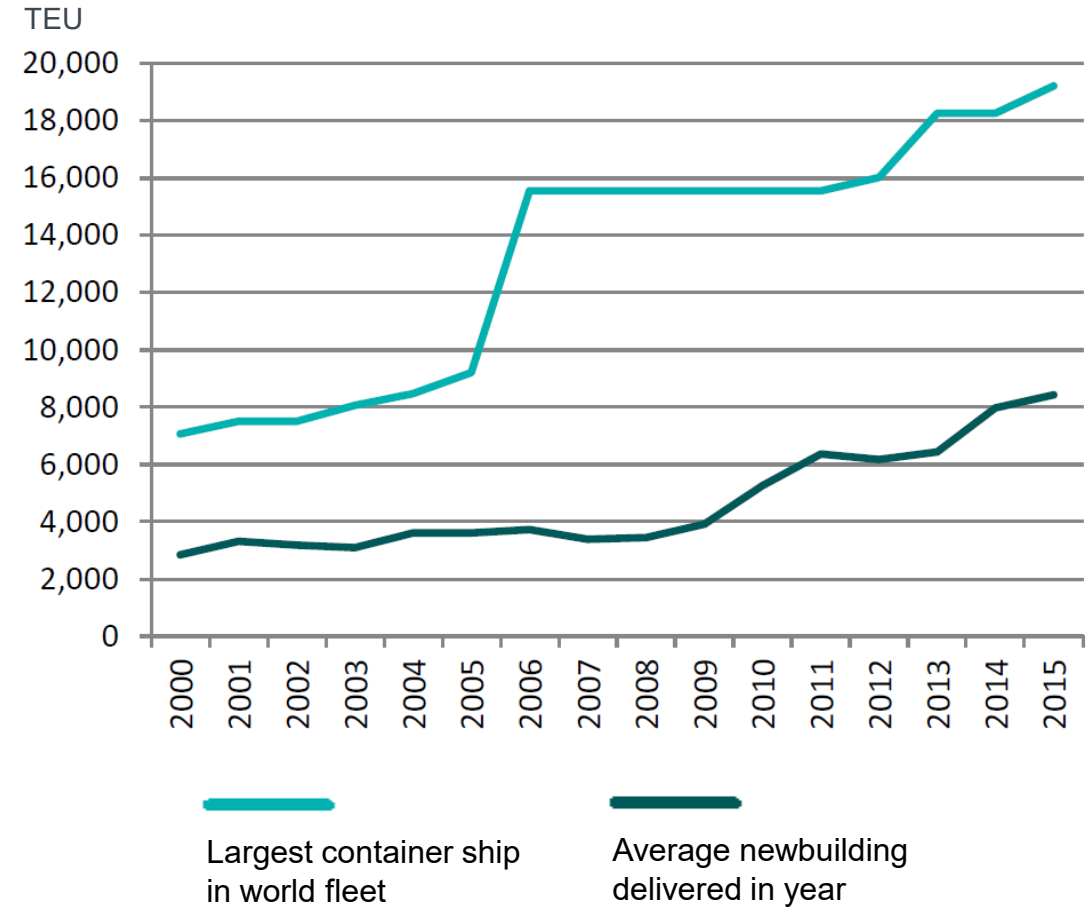


**Total: 17**  
(9 after further consolidations)

- 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

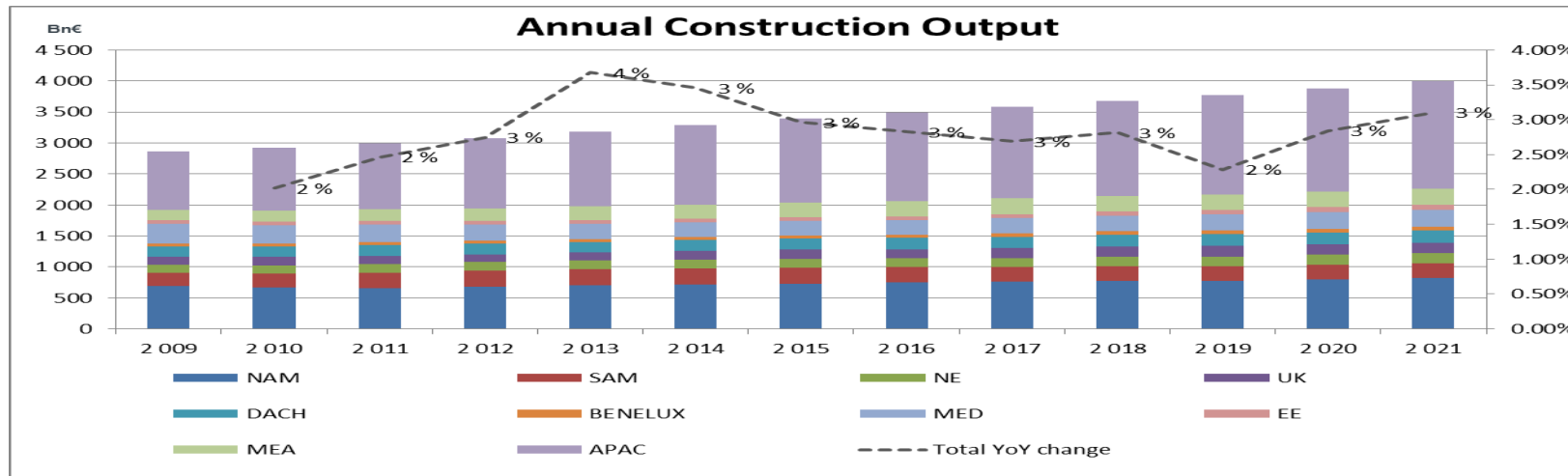
- The largest containership in the fleet has nearly tripled since 2000
- The average size of new builds doubles between 2009 and 2014



Source: Drewry November 2015

# Hiab appendix

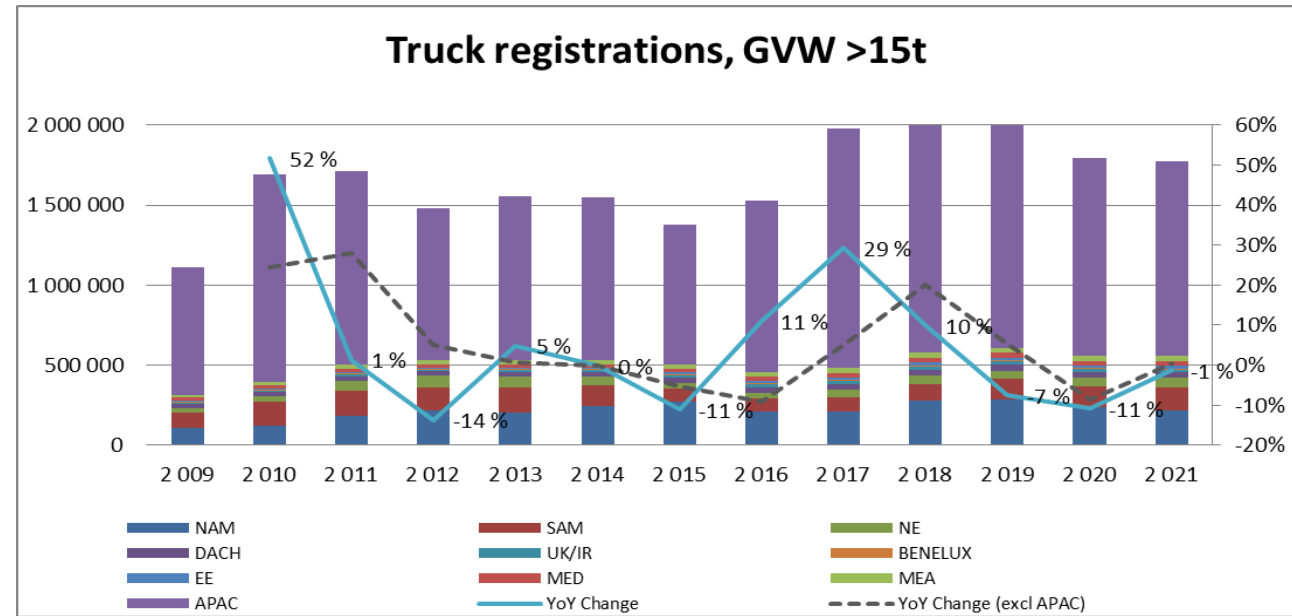
# Construction output forecast



Percentage point change vs last forecast						YoY changes					
	2017	2018	2019	2020	2021		2017	2018	2019	2020	2021
<b>NAM</b>	-0.1%	0.1%	-0.4%	-0.2%	-0.1%	<b>NAM</b>	1.3%	2.6%	0.3%	2.3%	2.2%
<b>SAM</b>	0.2%	0.4%	0.5%	-0.4%	-0.7%	<b>SAM</b>	-3.4%	-1.4%	-0.4%	2.2%	2.7%
<b>NE</b>	0.0%	0.0%	-1.3%	-0.3%	-0.1%	<b>NE</b>	2.8%	5.4%	1.7%	1.7%	1.9%
<b>UK</b>	0.0%	0.0%	-0.6%	-0.6%	-0.2%	<b>UK</b>	7.3%	0.7%	1.6%	1.1%	1.6%
<b>DACH</b>	0.0%	0.0%	0.0%	-0.2%	0.0%	<b>DACH</b>	2.9%	2.7%	2.2%	1.3%	1.2%
<b>BENELUX</b>	0.9%	0.1%	-0.6%	-0.2%	0.0%	<b>BENELUX</b>	4.0%	5.2%	4.5%	1.2%	1.5%
<b>MED</b>	0.1%	-0.7%	0.7%	-0.4%	-0.1%	<b>MED</b>	3.4%	2.3%	2.9%	1.9%	2.0%
<b>EE</b>	-0.2%	-0.8%	1.5%	0.1%	-0.1%	<b>EE</b>	4.5%	11.1%	5.8%	3.2%	3.0%
<b>MEA</b>	0.2%	0.0%	0.3%	-0.1%	0.0%	<b>MEA</b>	2.0%	-2.0%	0.2%	2.9%	3.9%
<b>APAC</b>	0.0%	0.0%	-0.7%	0.0%	0.1%	<b>APAC</b>	3.8%	4.1%	3.8%	3.9%	4.2%
<b>Total</b>	0.0%	-0.1%	-0.4%	-0.1%	0.0%	<b>Total</b>	2.7%	2.8%	2.3%	2.8%	3.1%

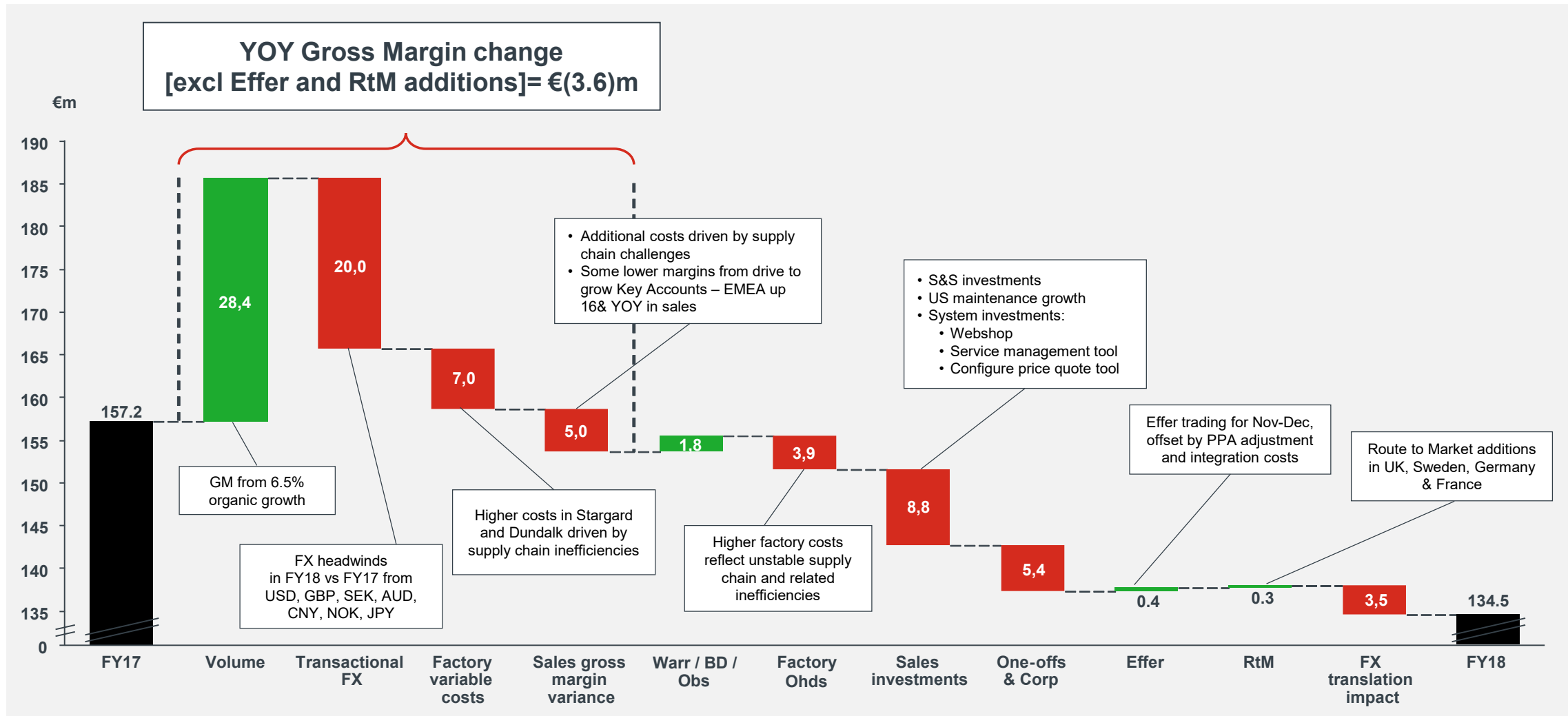


# Global truck volumes



Changes vs last Forecast						YoY changes (vs. prev. year)					
	2 017	2 018	2 019	2 020	2 021		2 017	2 018	2 019	2 020	2 021
NAM	0.0%	0.0%	1.6%	-1.6%	-2.4%	NAM	0.6%	31.1%	1.2%	-16.9%	-6.4%
SAM	0.0%	-0.5%	16.1%	6.0%	9.4%	SAM	8.4%	19.9%	27.2%	1.7%	8.0%
NE	0.0%	0.0%	-5.2%	-3.1%	0.3%	NE	27.5%	4.6%	-0.5%	1.0%	7.9%
DACH	0.0%	0.0%	0.2%	-0.1%	-0.2%	DACH	1.8%	12.6%	-6.2%	-4.5%	-1.5%
UK/IR	0.0%	0.0%	30.5%	13.7%	7.1%	UK/IR	0.3%	-11.1%	23.0%	-12.1%	-2.2%
BENELUX	0.0%	7.2%	-2.3%	-4.1%	-4.0%	BENELUX	5.4%	14.5%	-19.7%	-3.0%	3.8%
EE	0.0%	-0.6%	1.9%	-3.8%	1.6%	EE	-1.6%	27.9%	5.2%	-5.9%	7.2%
MED	-0.7%	0.2%	0.5%	0.0%	1.0%	MED	19.3%	9.8%	-2.2%	-8.5%	6.9%
MEA	0.0%	0.4%	-1.9%	-1.0%	-1.3%	MEA	-2.4%	3.4%	-0.5%	5.4%	2.7%
APAC	0.2%	0.1%	5.8%	3.3%	-0.2%	APAC	39.7%	6.6%	-12.1%	-11.9%	-2.1%
<b>Total</b>	0.2%	0.1%	5.3%	2.4%	0.3%	<b>Total</b>	29.4%	9.9%	-7.5%	-10.9%	-1.3%

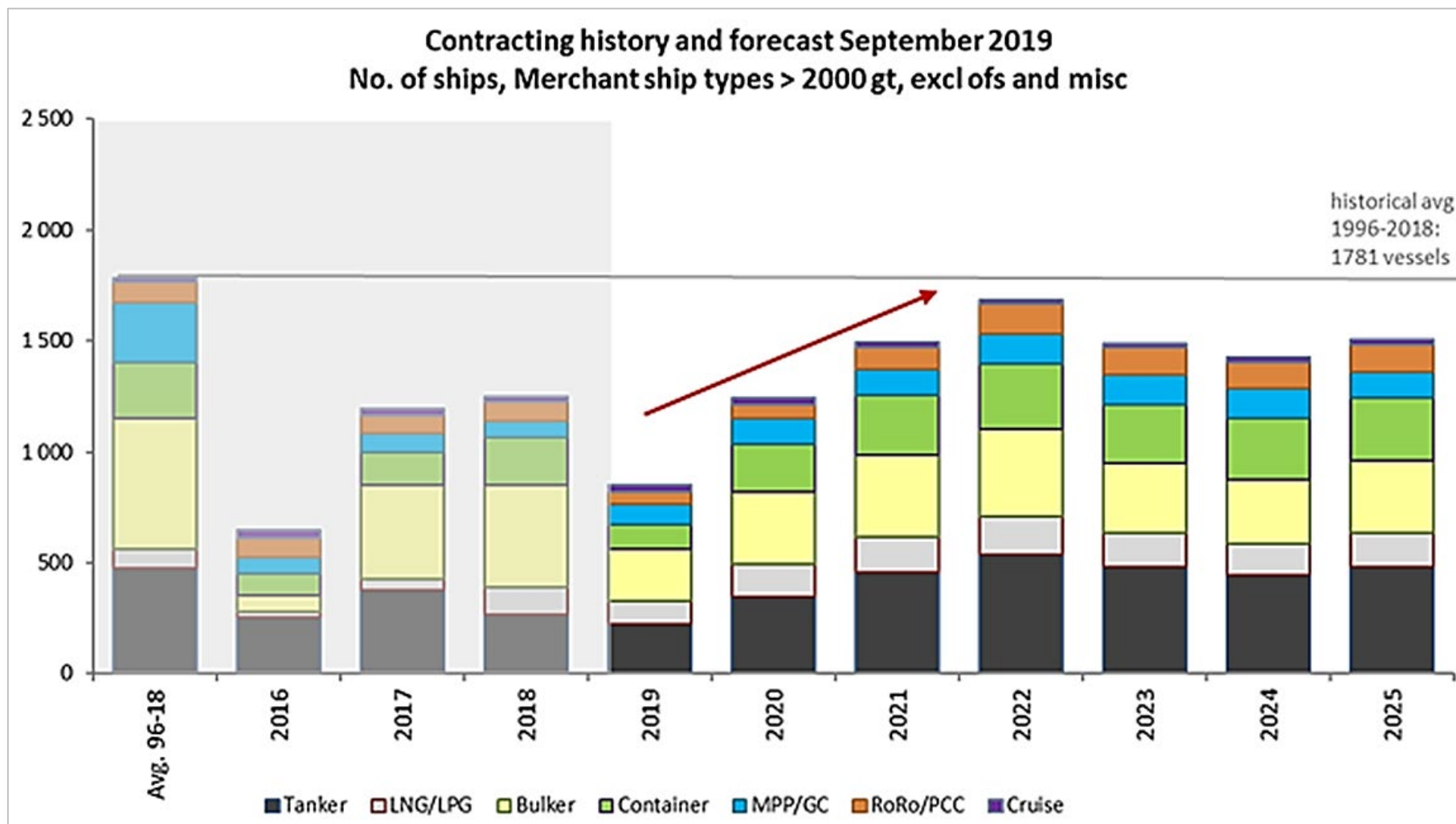
# Operating Profit Bridge FY Actual 2018 vs 2017 (AER)



# MacGregor appendix

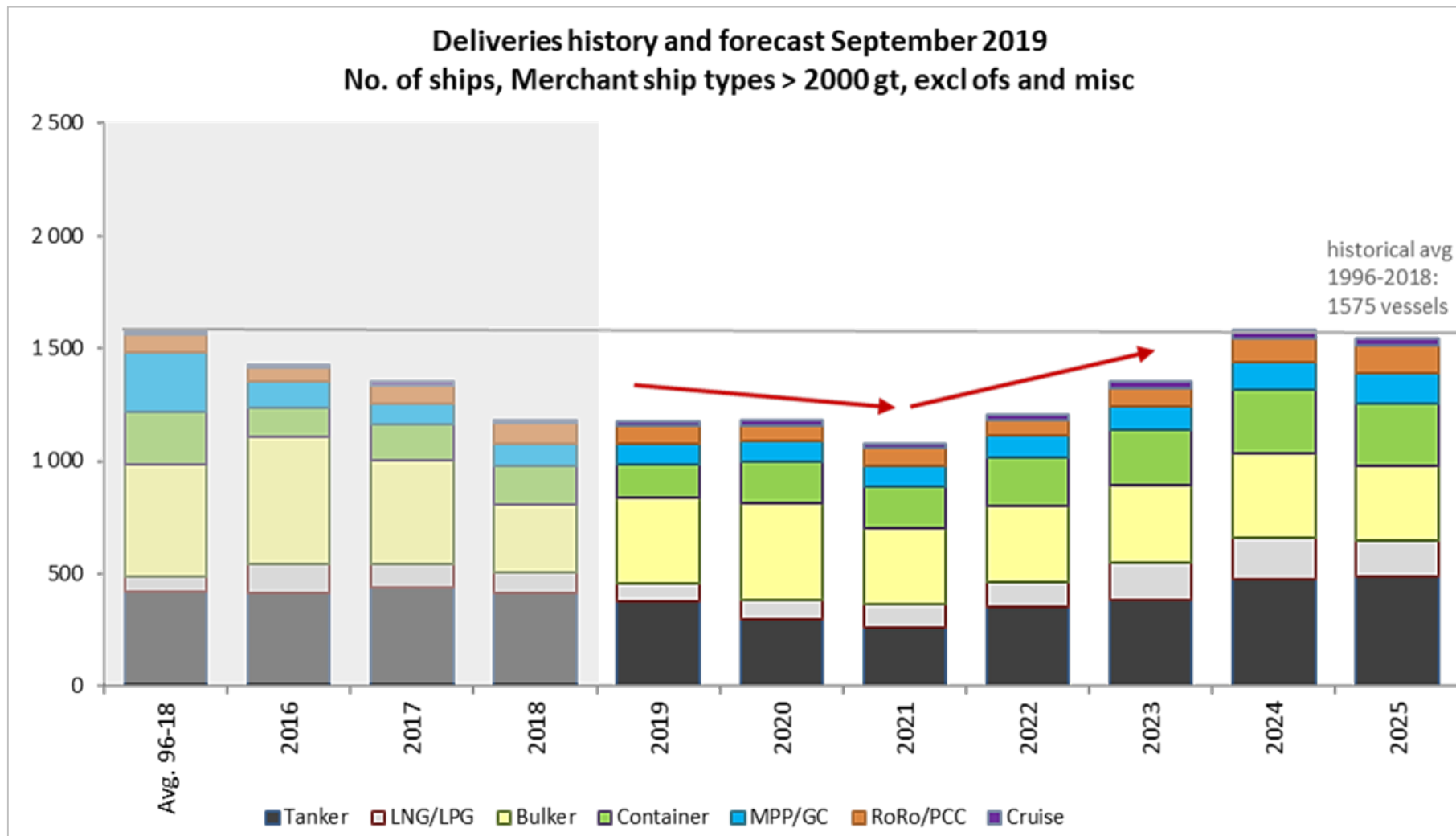
# Merchant ships: Contracting forecast by shiptype (no of ships)

Merchant ship types > 2000 gt excl offshore and misc, base case

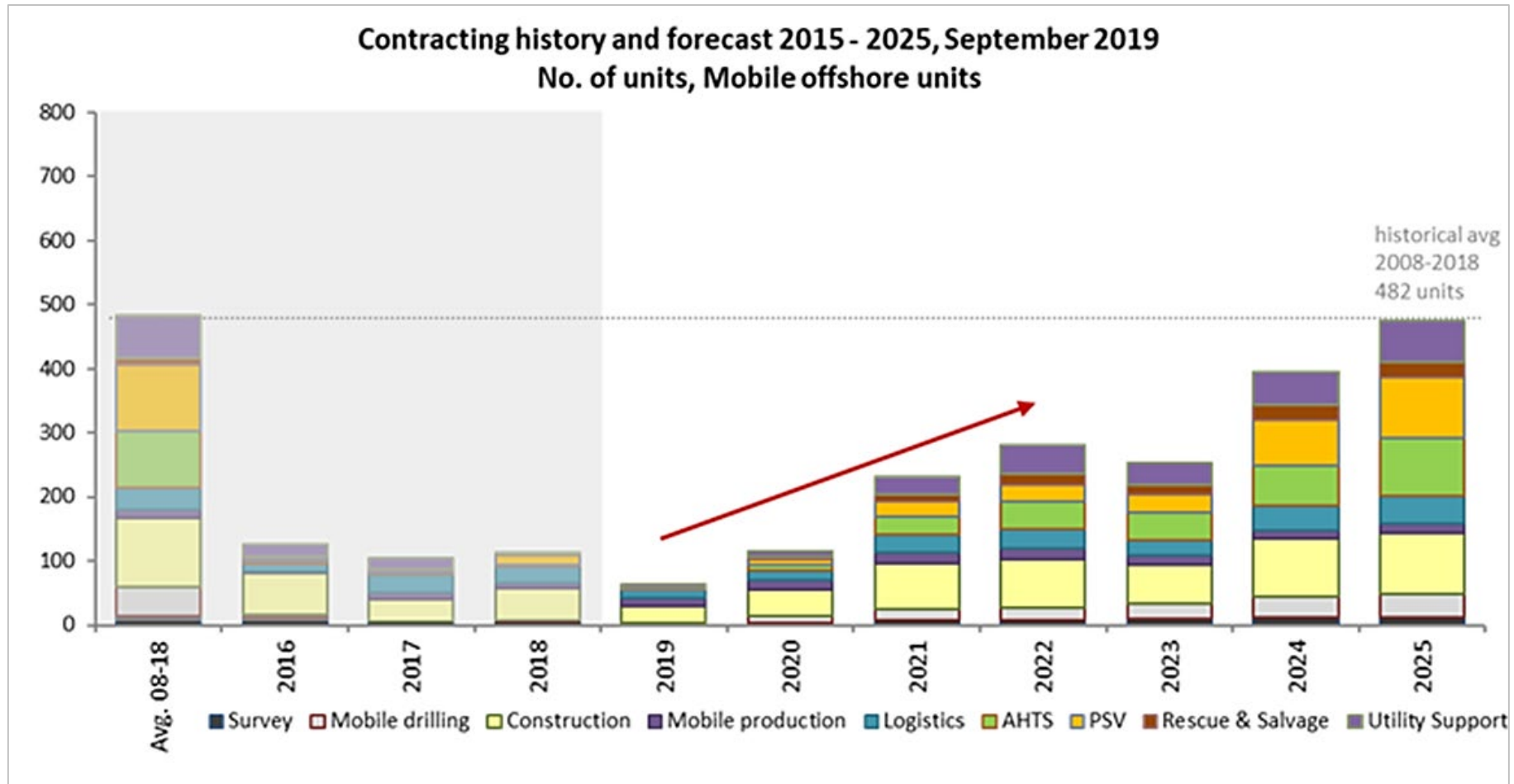


# Merchant ships: Deliveries forecast by shiptype (no of ships)

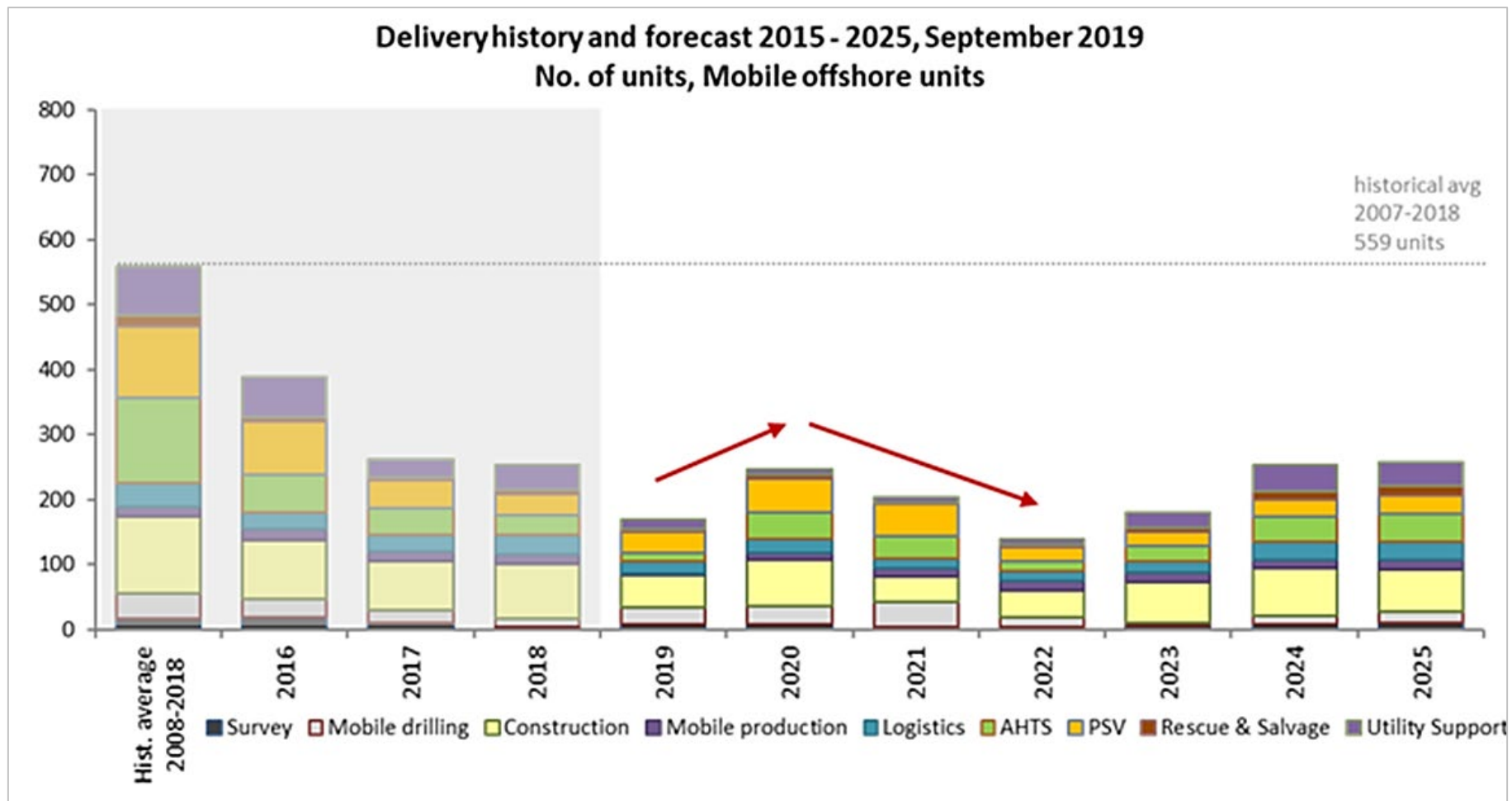
Merchant ship types > 2000 gt excl offshore and misc, base case



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



# Offshore mobile units: Deliveries forecast by shiptype (number of units)

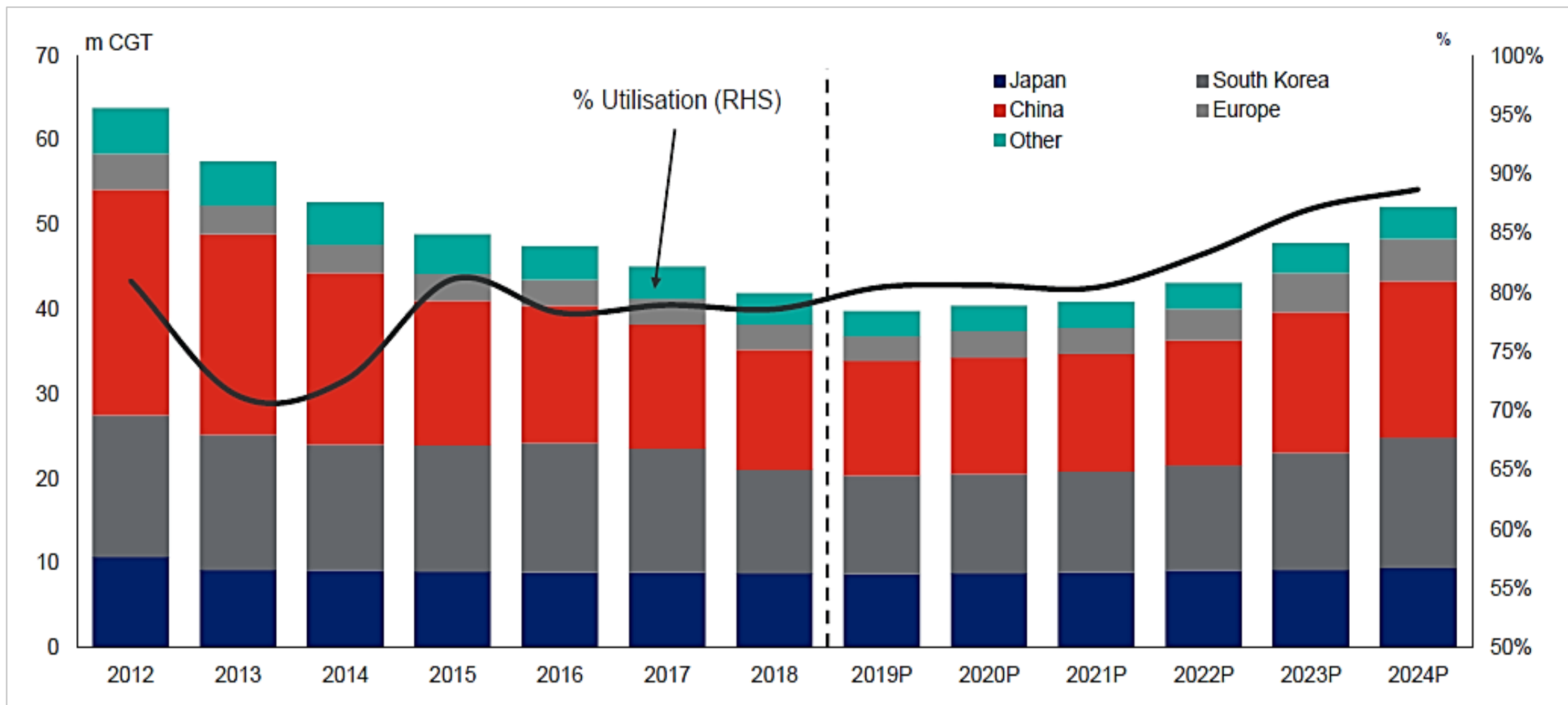


# Shipbuilding – contracting ships >2000 gt/dwt

Global Contracting Activity (1st October 2019)												
	No.				\$bn				m. CGT			
	2017	2018	2019ytd	%y-o-y*	2017	2018	2019ytd	%y-o-y*	2017	2018	2019ytd	%y-o-y*
<b>TOTAL (&gt;2,000 Dwt/GT**)</b>	<b>1,278</b>	<b>1,329</b>	<b>577</b>	<b>-42%</b>	<b>71.8</b>	<b>78.7</b>	<b>43.3</b>	<b>-27%</b>	<b>29.8</b>	<b>34.7</b>	<b>15.6</b>	<b>-40%</b>
<b>Vessel Type</b>												
Bulkers	424	466	158	-55%	12.4	14.2	5.5	-48%	9.2	9.7	3.5	-52%
Tankers	378	265	147	-26%	15.5	12.2	7.2	-21%	8.6	6.3	3.7	-21%
Containerships	151	213	65	-59%	6.1	11.2	2.8	-67%	4.0	6.2	1.5	-68%
Gas Carriers	48	123	71	-23%	4.3	15.3	8.3	-27%	1.8	6.8	3.5	-31%
Offshore	47	59	15	-66%	8.5	5.2	4.1	5%	0.8	1.0	0.5	-31%
Others	230	203	121	-21%	25.1	20.7	15.4	-1%	5.4	4.7	3.0	-16%
<b>Builder Country/Region</b>												
China	604	518	255	-34%	20.2	21.3	12.8	-20%	4.9	12.2	6.1	-33%
South Korea	203	288	135	-38%	17.3	27.1	12.7	-38%	2.2	7.8	5.3	-10%
Japan	216	377	102	-64%	5.6	12.2	3.5	-61%	2.4	3.5	1.9	-26%
Europe	105	93	56	-20%	22.6	16.4	12.0	-2%	3.7	4.0	1.8	-40%
Other	150	53	29	-27%	6.0	1.8	2.3	76%	16.6	7.2	0.5	-90%

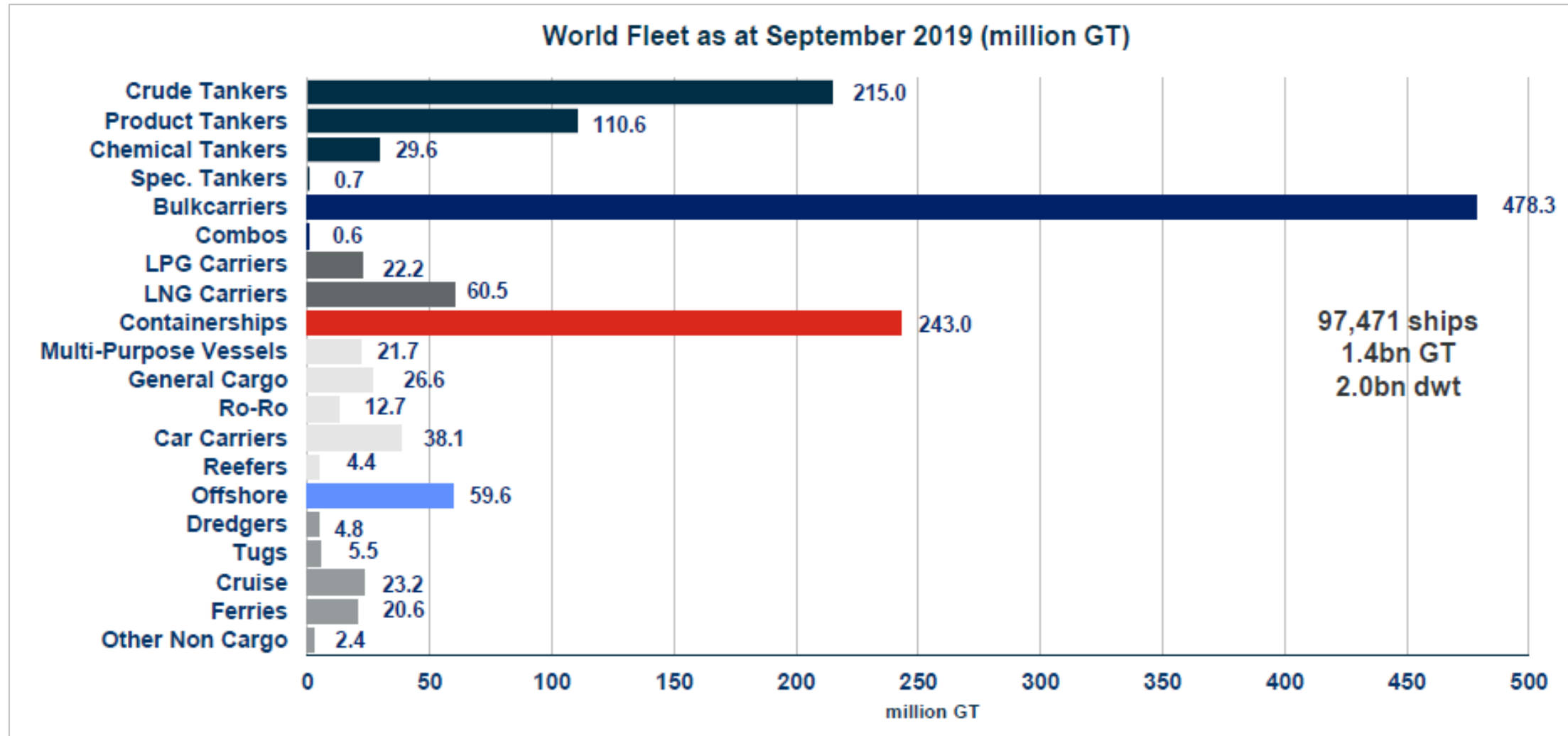


# Shipbuilding capacity and utilisation scenario



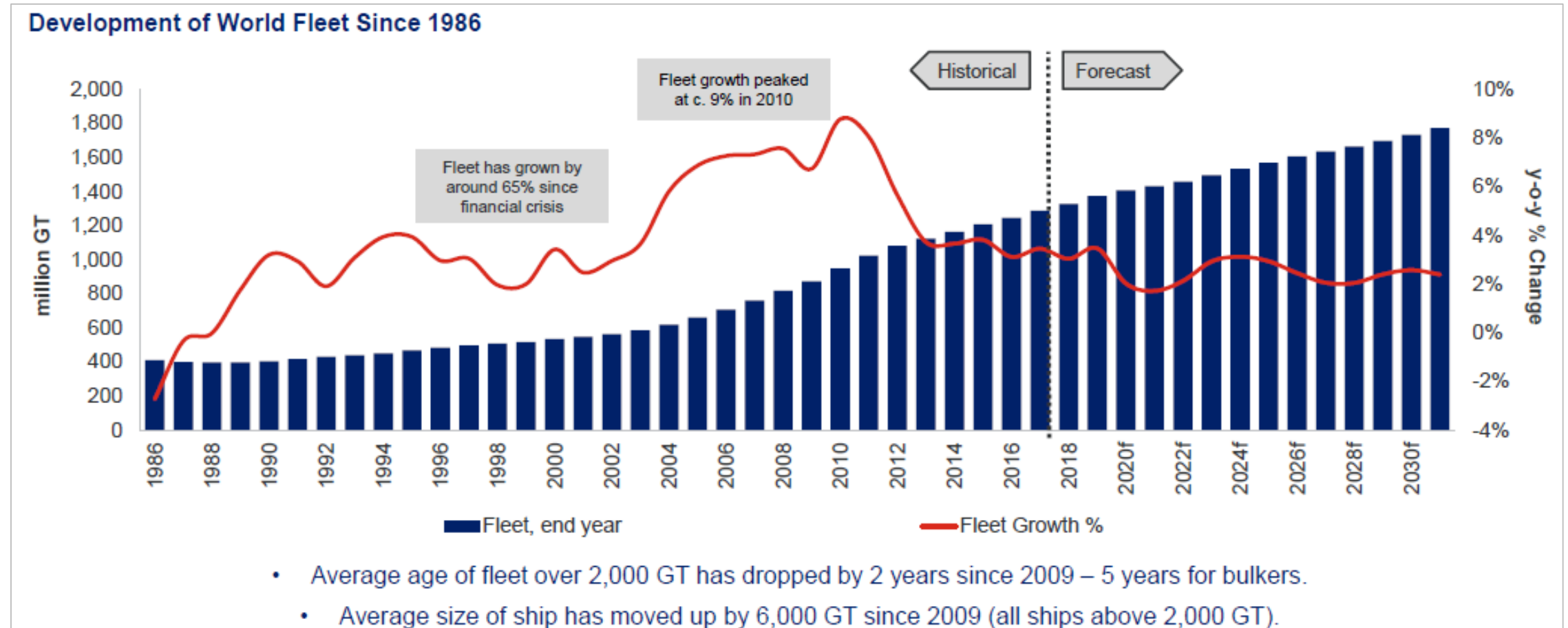
# Shipping – The world fleet

World fleet comprises currently roughly 97,000 ships



# World fleet development since 1986

World fleet continues to grow - ships getting younger and bigger



# We are capturing "blue growth" opportunities



Seaborne  
logistics

Traditional  
Core



Marine bio-  
technology

New  
Growth



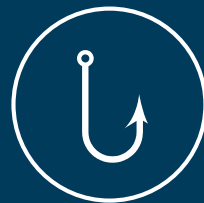
Marine and  
seabed mining

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.

