



Danske Winter Seminar
3 December 2019, Copenhagen

Becoming the leader in intelligent cargo handling

Mikko Puolakka, CFO

Content

1. Cargotec in brief
2. Investment highlights
3. Recent progress



Cargotec in brief



Strong global player with well-balanced business

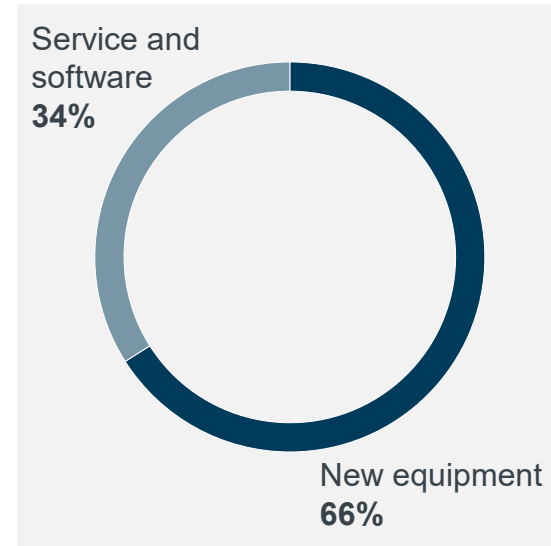
Sales:
EUR 3,304 million
EBIT: 7.3%

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

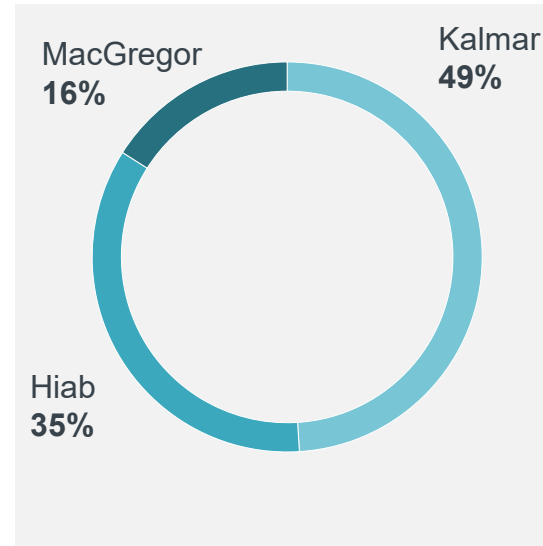
Hiab
 Sales: **EUR 1,149 million**
 EBIT: **11.7%** (EUR 134.5 million)

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

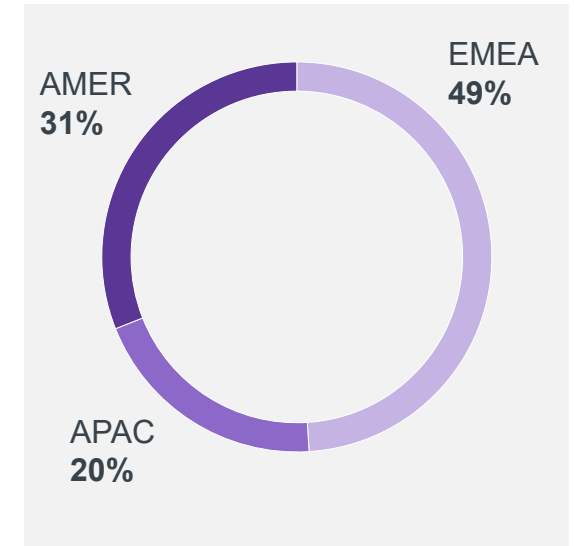
Sales split: new equipment vs service and software



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



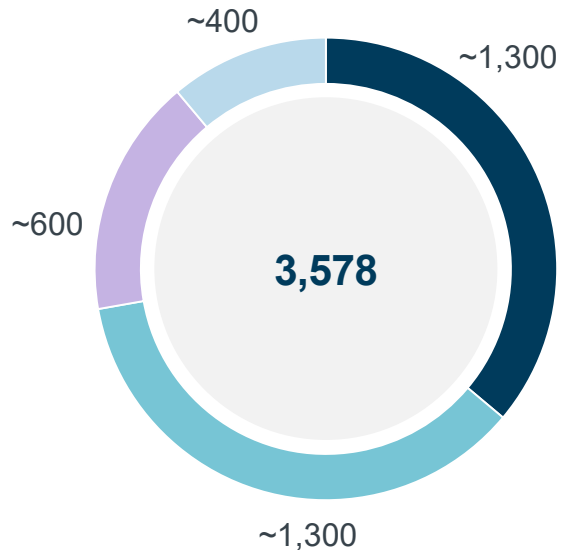
Other competitors



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%	-3.8%
Hiab	+23%	11.8%
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

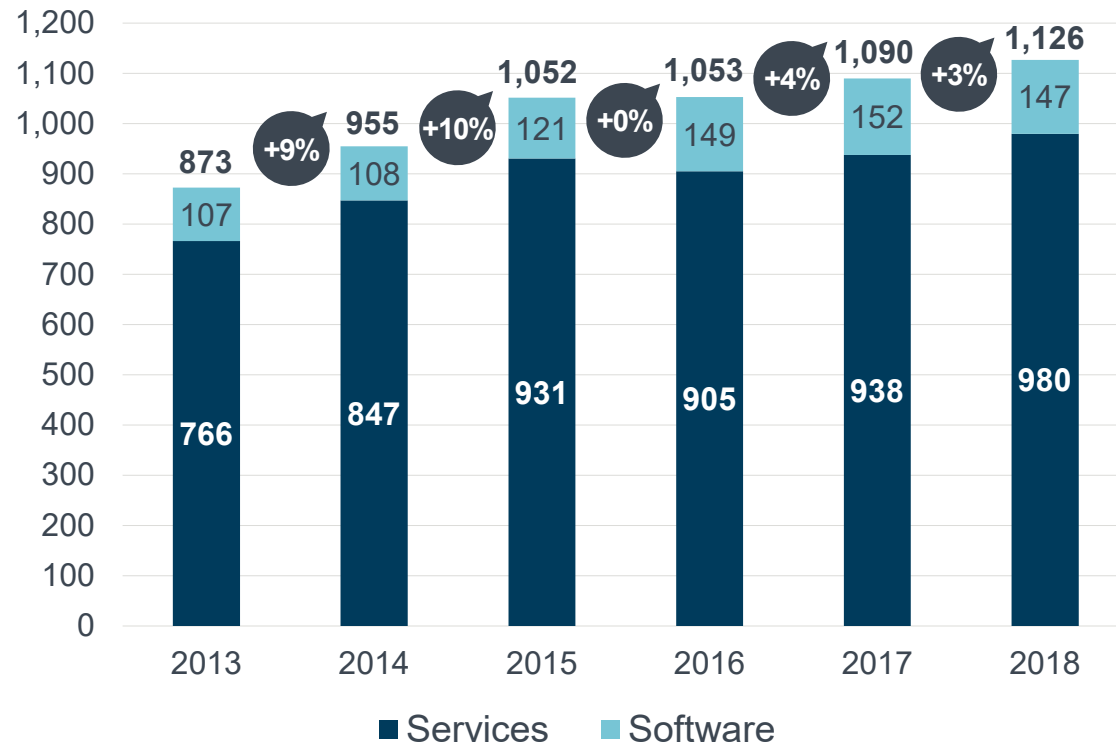
2. Our vision is to become the global leader in intelligent cargo handling

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. 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*

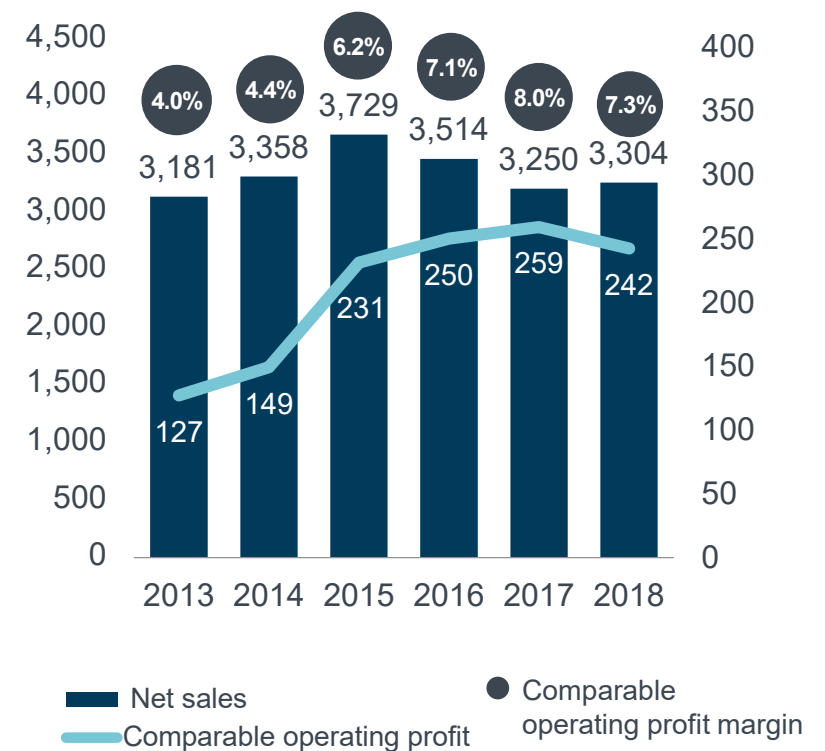
Higher service and software sales key driver for profitability improvement

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

Recent progress

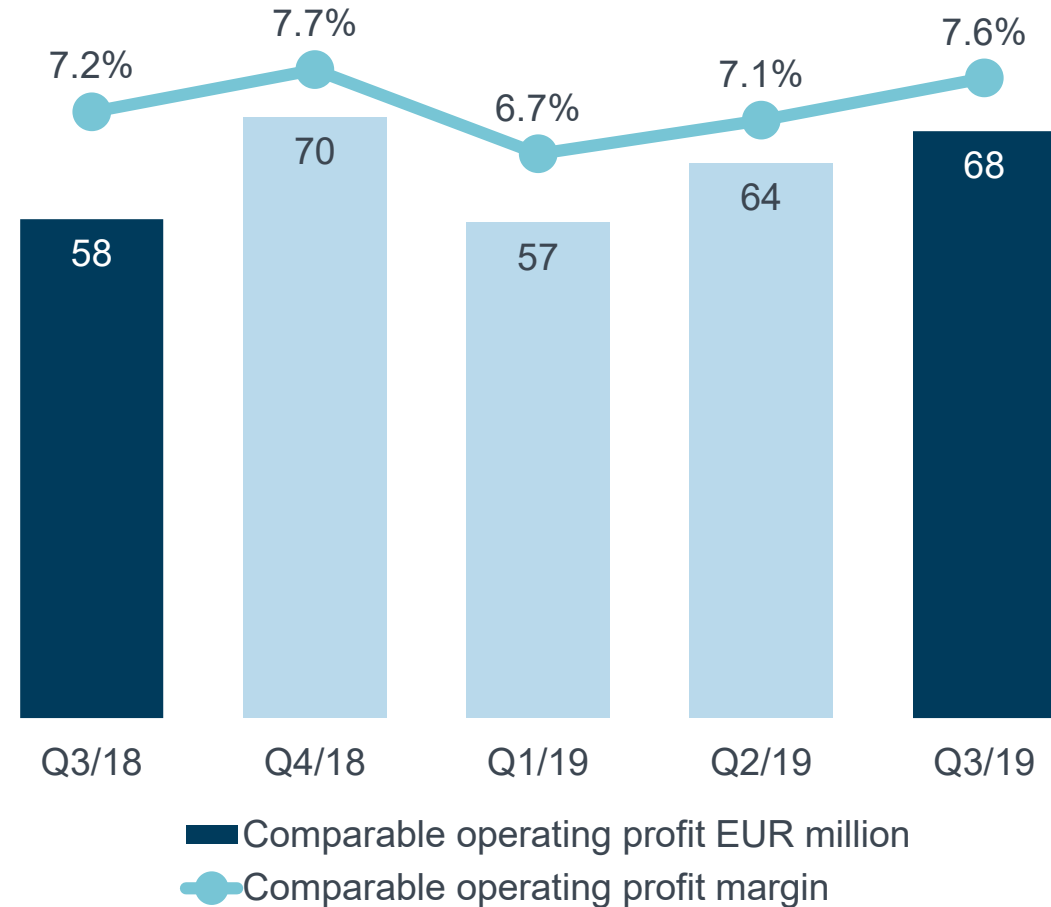


Highlights of Q3 2019 – strong improvement in operating profit

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

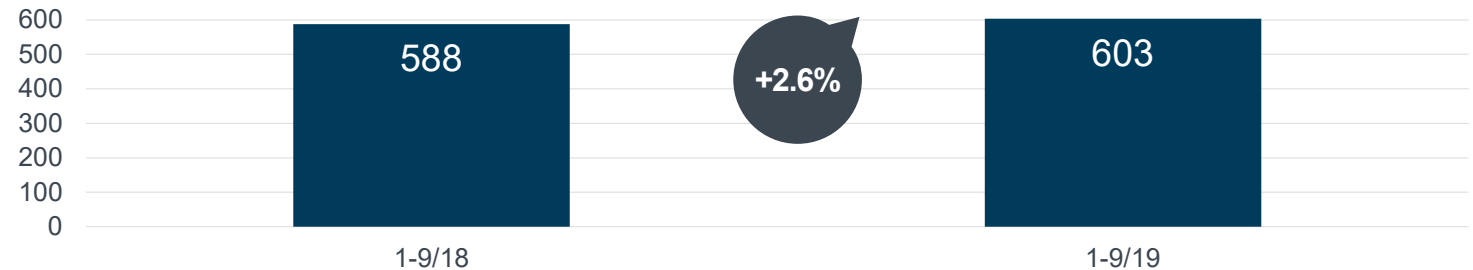
Construction activity increased in Europe and grew slightly in the US

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

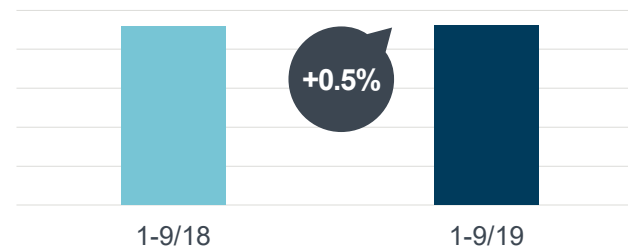
Source: Drewry



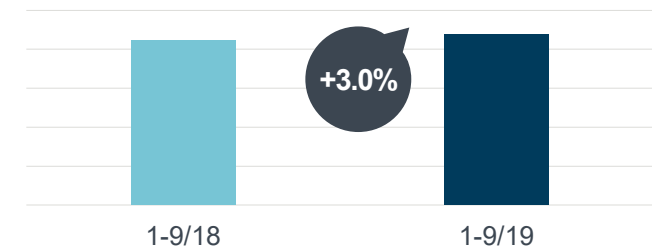
Construction output – Key driver for Hiab

Source: Oxford Economics

United States



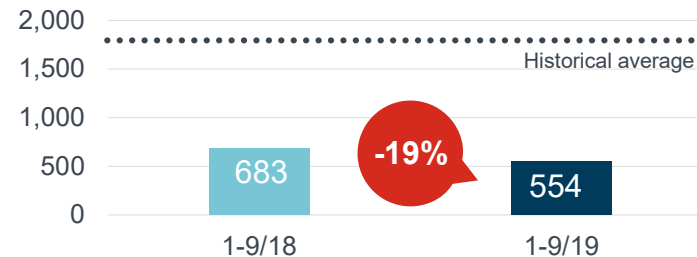
Europe



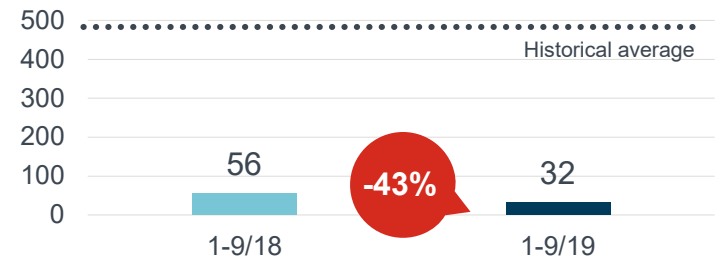
New building contracting – Key driver for MacGregor

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

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



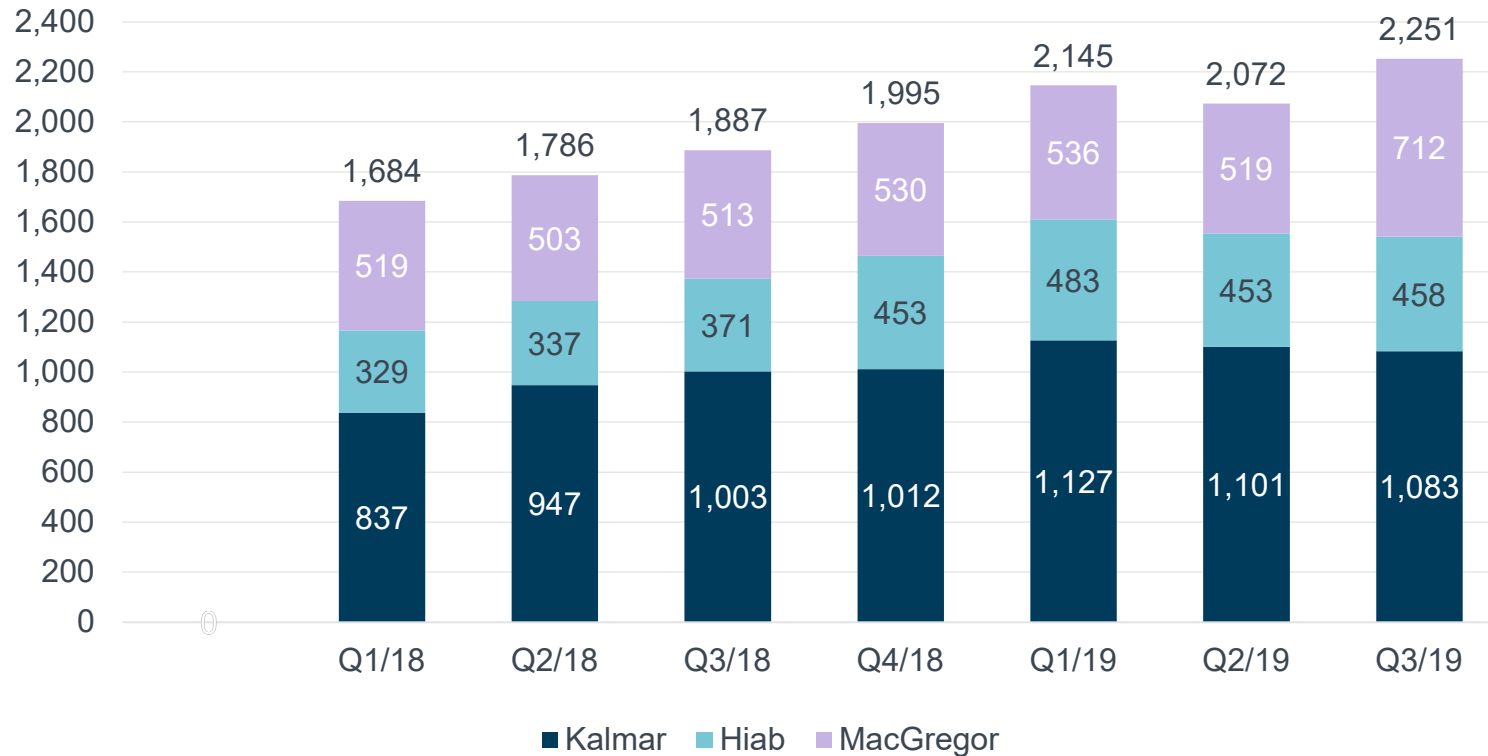
Offshore mobile units



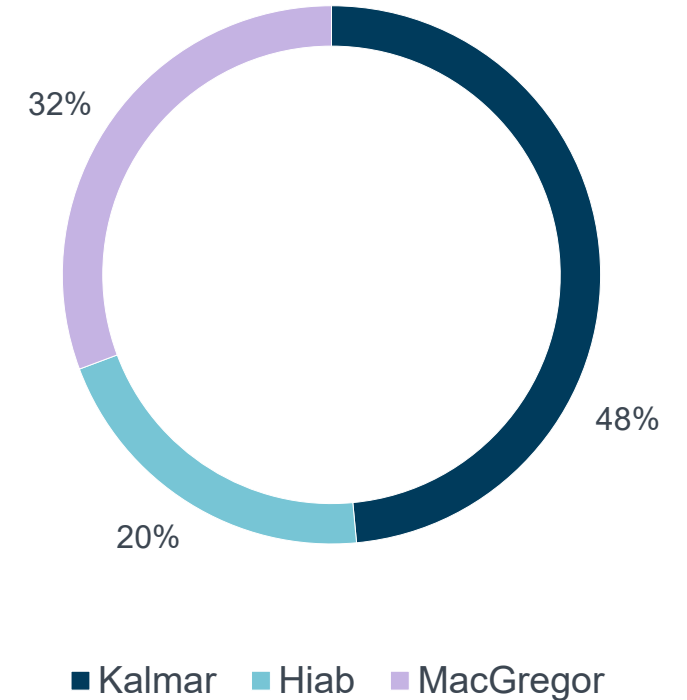
Order book increased

Order book

MEUR



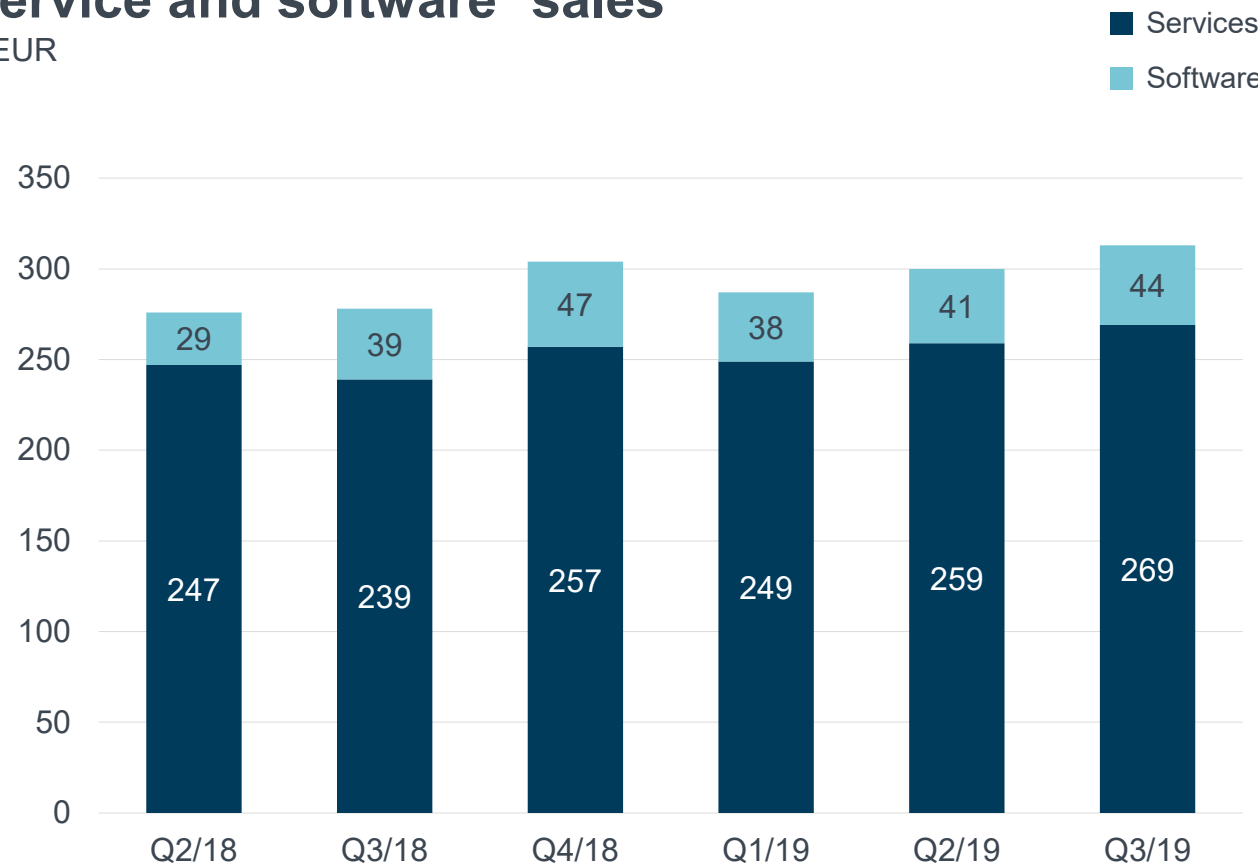
Order book by reporting segment, Q3 2019



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

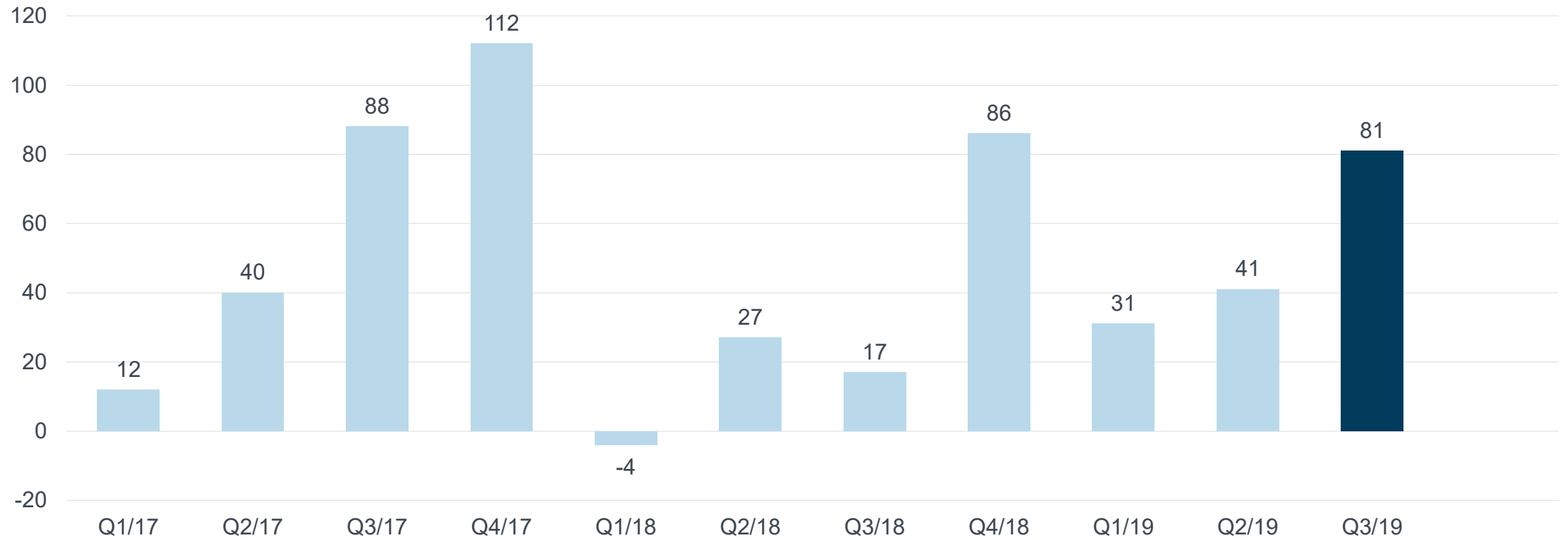
Software sales +11%

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

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

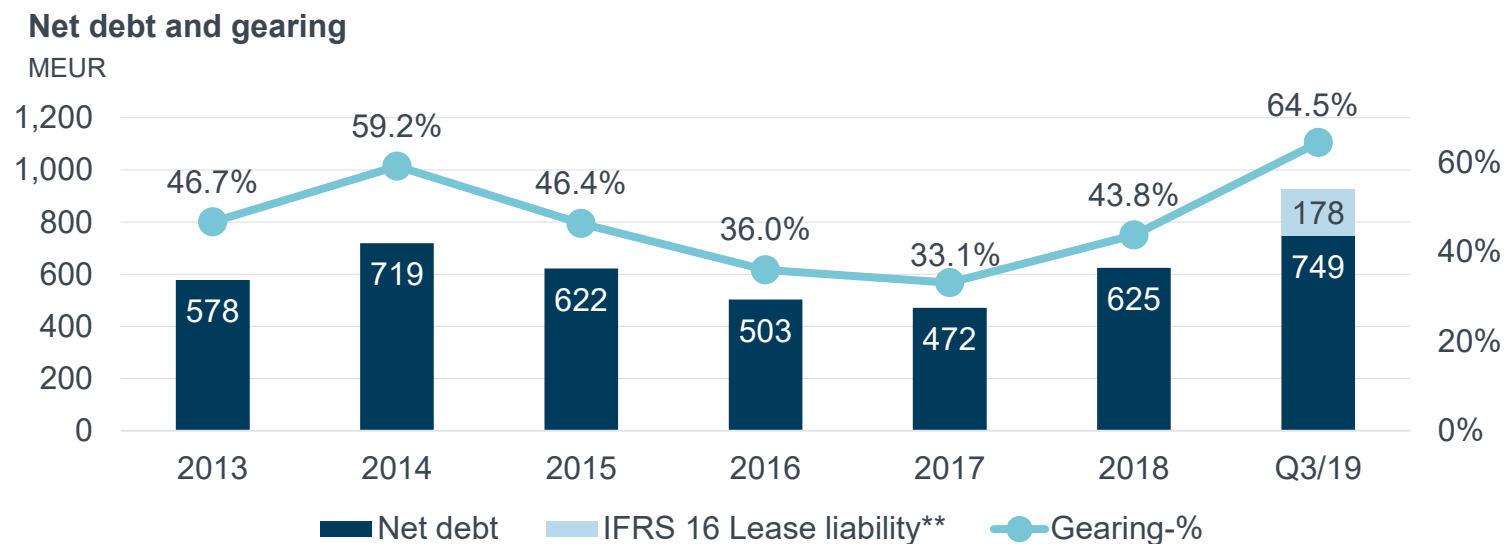
- Gearing without IFRS 16 approximately 52%

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

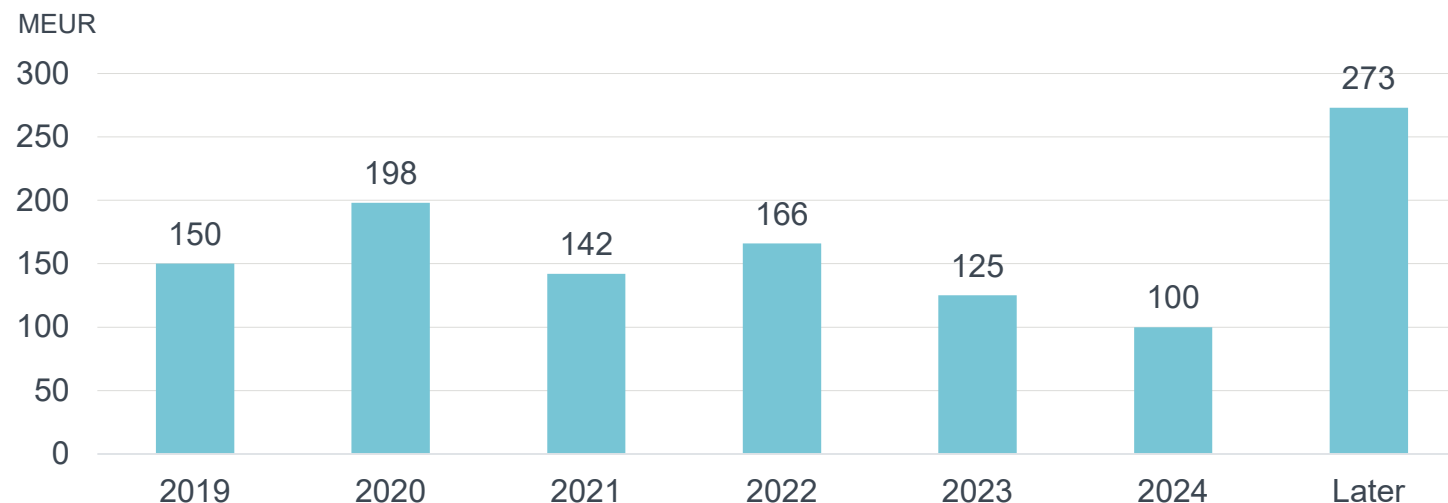
- Equity/total assets 36.0% (40.9%)

Balanced maturity profile

- EUR 150 million loans maturing in 2019



Maturity profile





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).

Thank you!

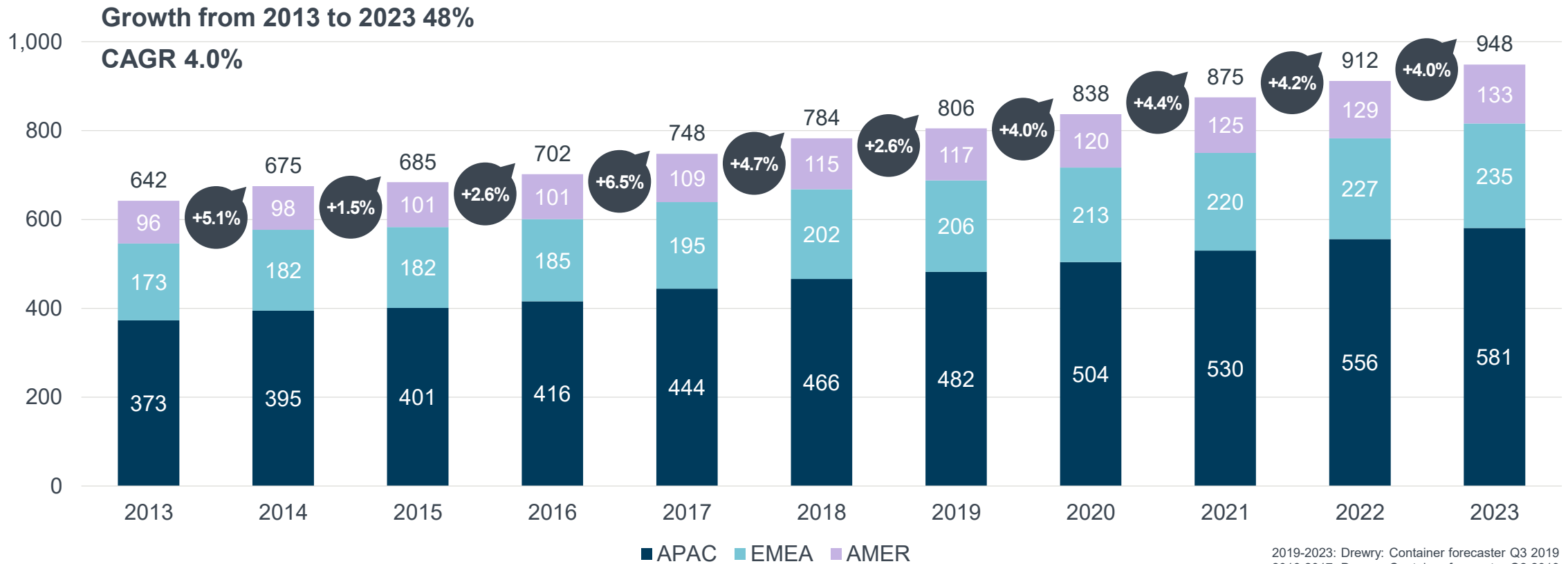
ir@cargotec.com

Kalmar



Container throughput still forecasted to grow year on year

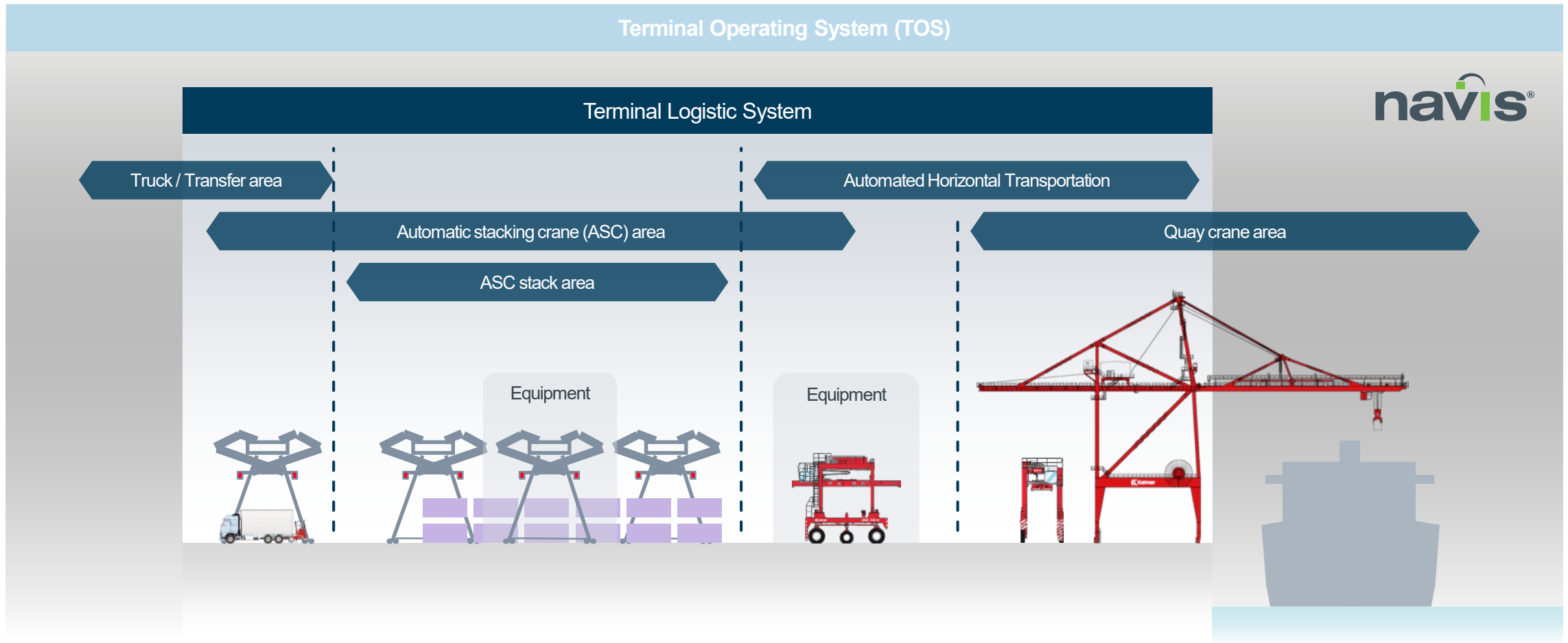
TEU million



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:

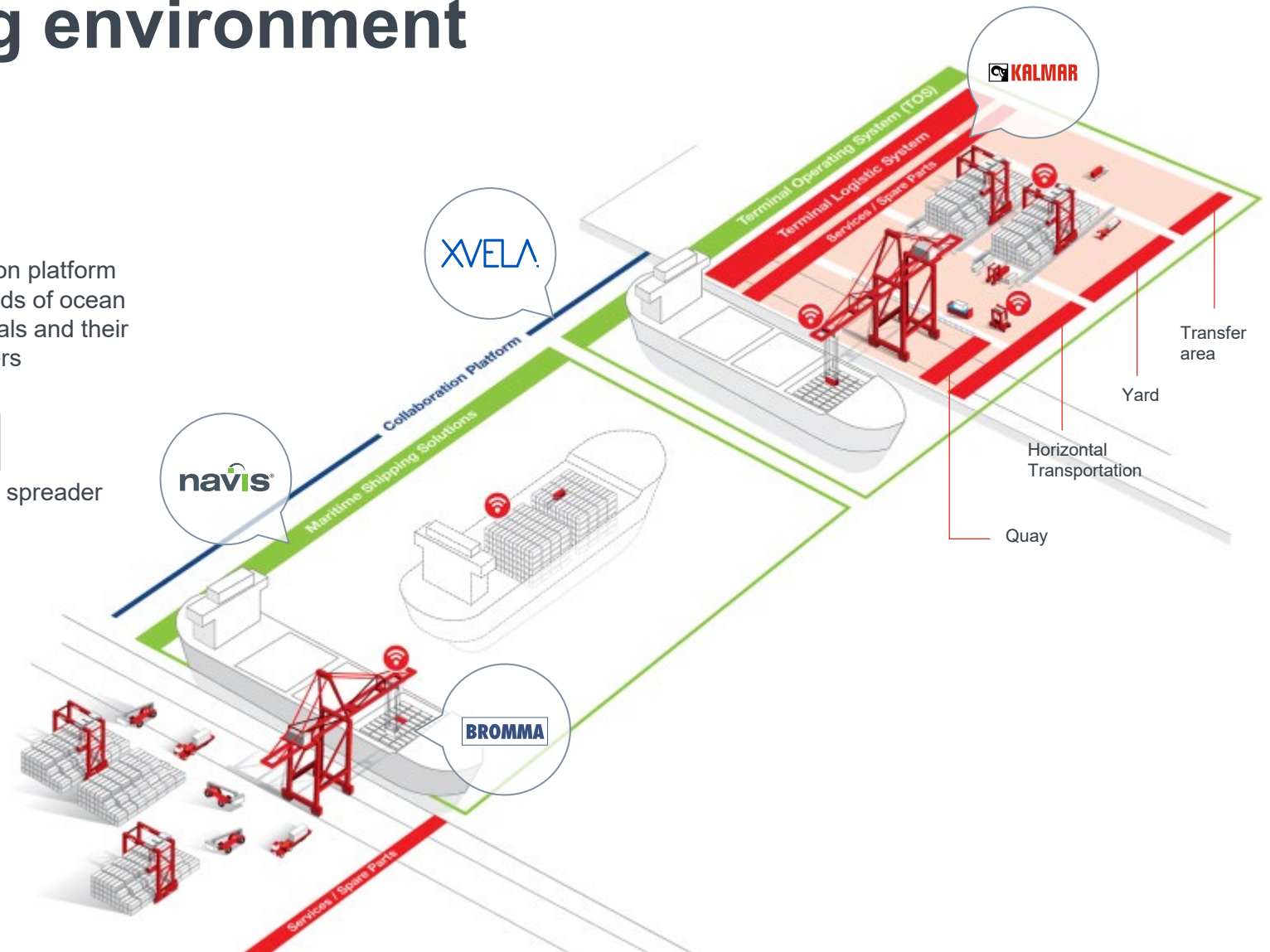
- Stowage planning
- Vessel monitoring
- Loading computer
- Route planning



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

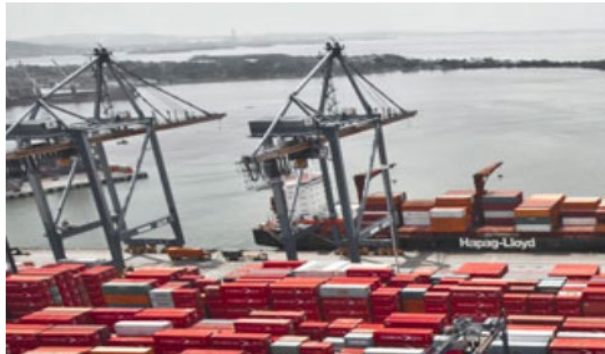
- Today's container supply chain is a fragmented and siloed framework
- Information sharing between parties is not optimally structured
 - Forms of communication today include email, phone calls, EDI, paper plans
 - Problems: incomplete data, errors, information not available on time
- In-house developed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

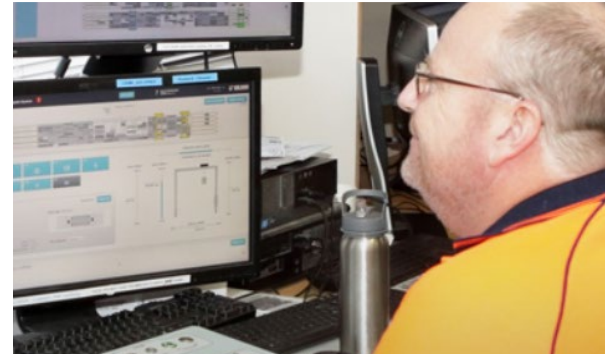
- Faster vessel turn times
- Operational efficiencies
- Cost savings



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



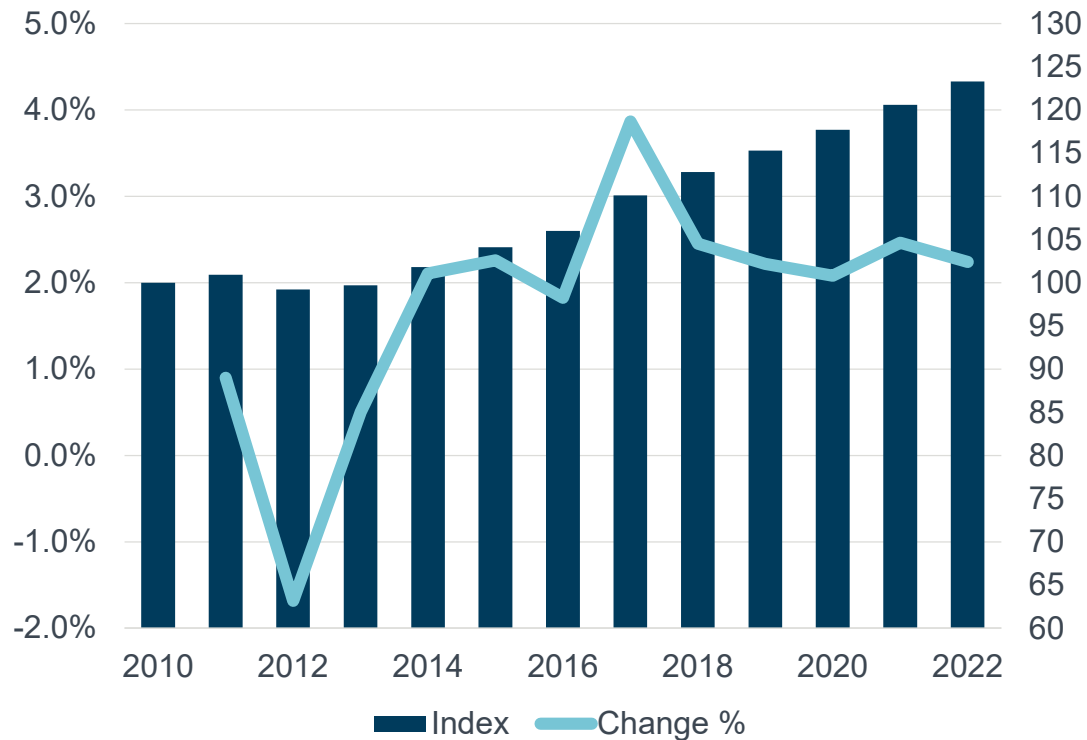
Hiab



Construction output driving growth opportunity

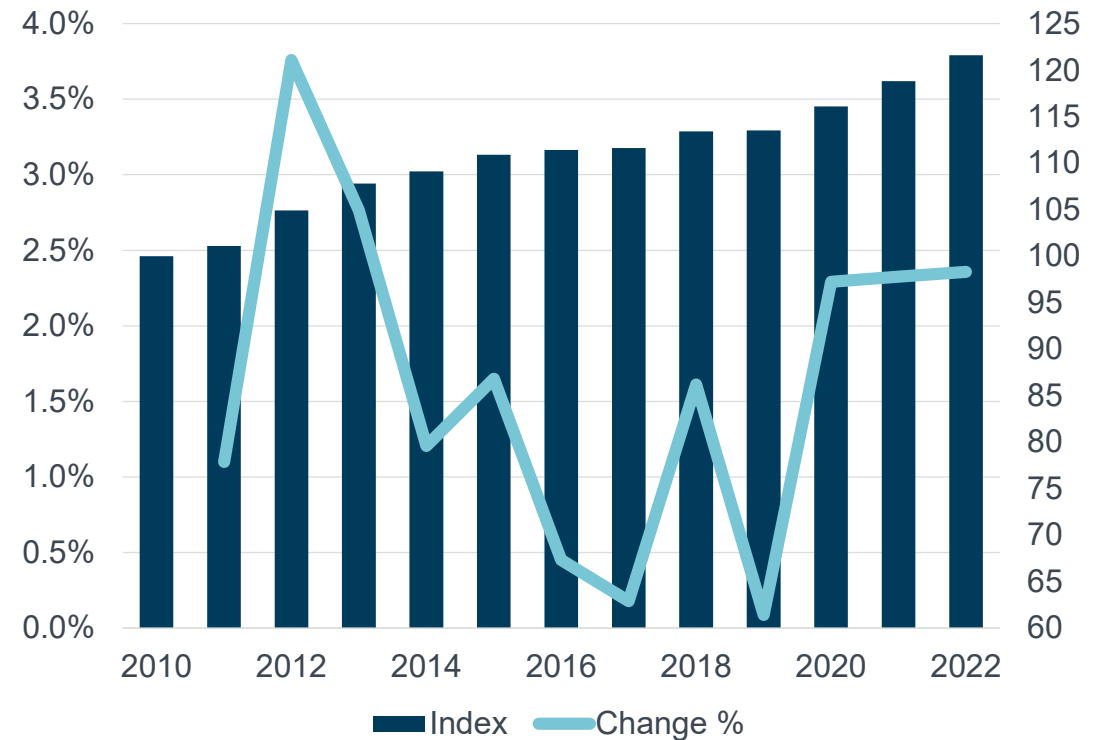
EMEA construction output

y/y change (%)



AMER construction output

y/y change (%)

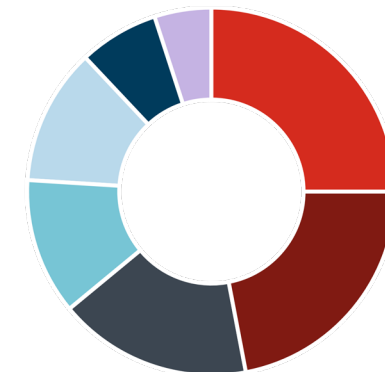


Oxford Economics: Industry output forecast
9/2019

Strong global market position and customers across diverse industries

		MARKET SIZE* (EUR billion)	KEY SEGMENTS	HIAB GLOBAL POSITION & TREND
LOADER CRANES		~1.5	Construction and Logistics	#2 ↗
TAIL LIFTS		~0.9	Retail Industry and Logistics	#2 ↗
DEMOUNTABLES		~0.6	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



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

~2/3 of sales

~1/3 of sales

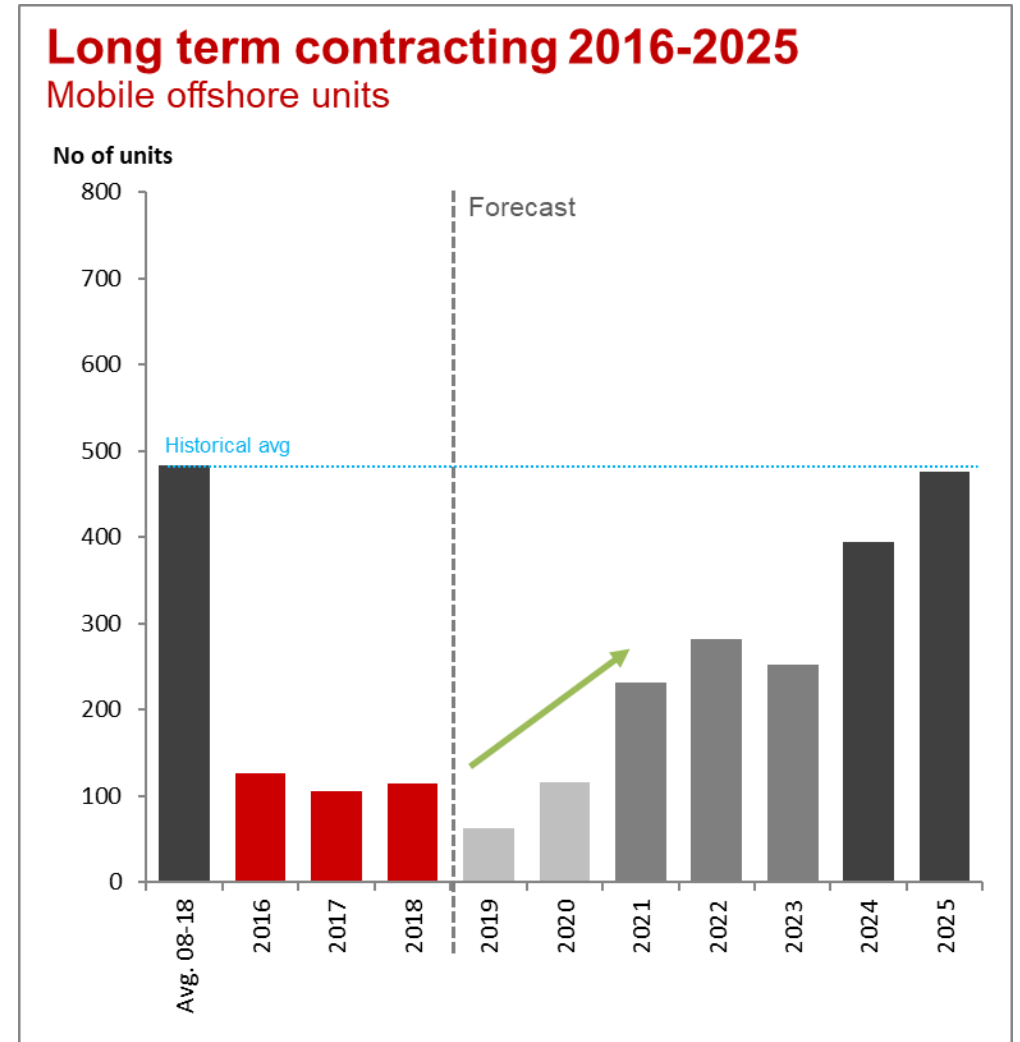
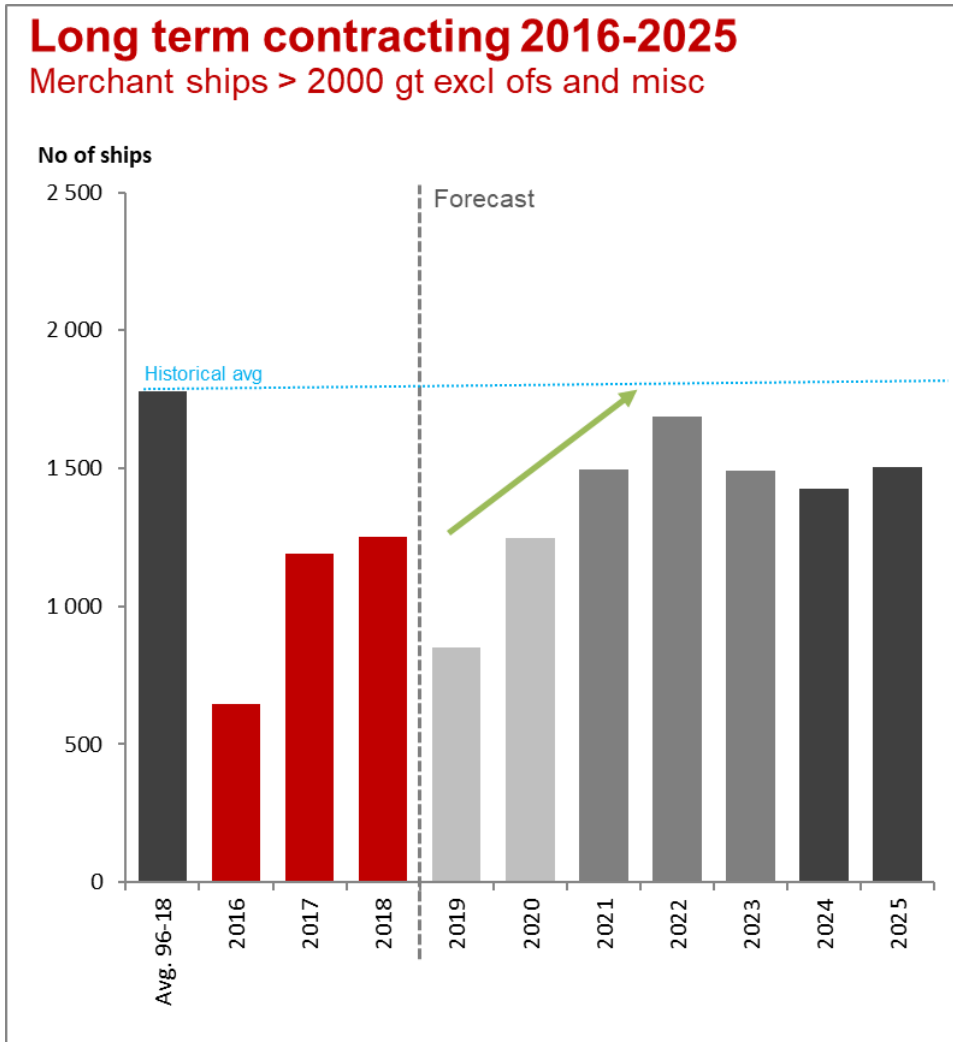
<p>Merchant Cargo Flow</p> <p>MARKET POSITION #1</p>	<p>Marine People Flow</p> <p>#1</p>	<p>Naval Logistics and Operations</p> <p>#1-2</p>	<p>Offshore Energy</p> <p>#1</p>	<p>Marine Resources & Structures</p> <p>#1-2</p>
<ul style="list-style-type: none"> ▪ Container cargo ▪ Bulk cargo ▪ General cargo ▪ Liquid cargo ▪ RoRo cargo 	<ul style="list-style-type: none"> ▪ Ferry ▪ Cruise ▪ Superyachts 	<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 	<ul style="list-style-type: none"> ▪ Research ▪ Fishery ▪ Aquaculture ▪ Mining

Lifecycle Services

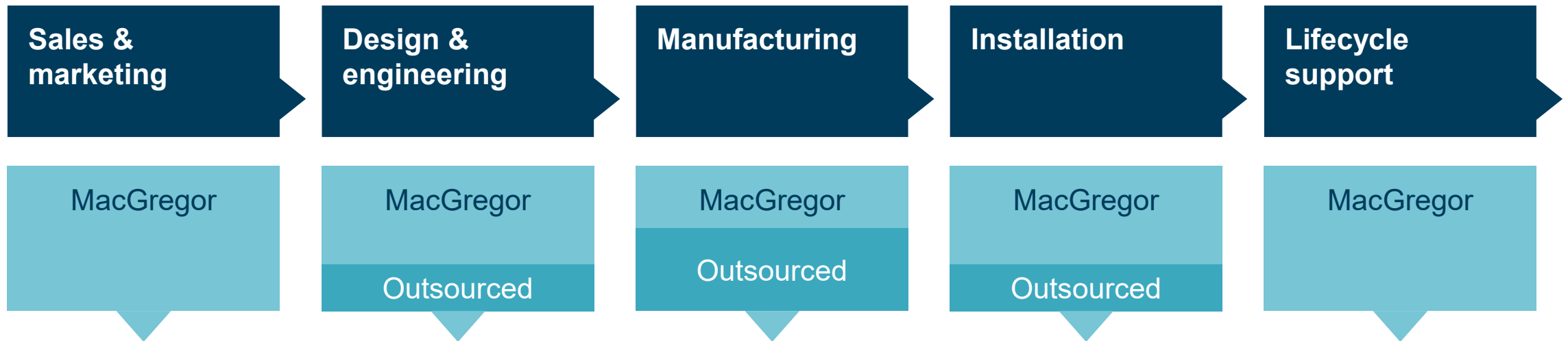


Picture: Statoil

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

* TTS business excluded

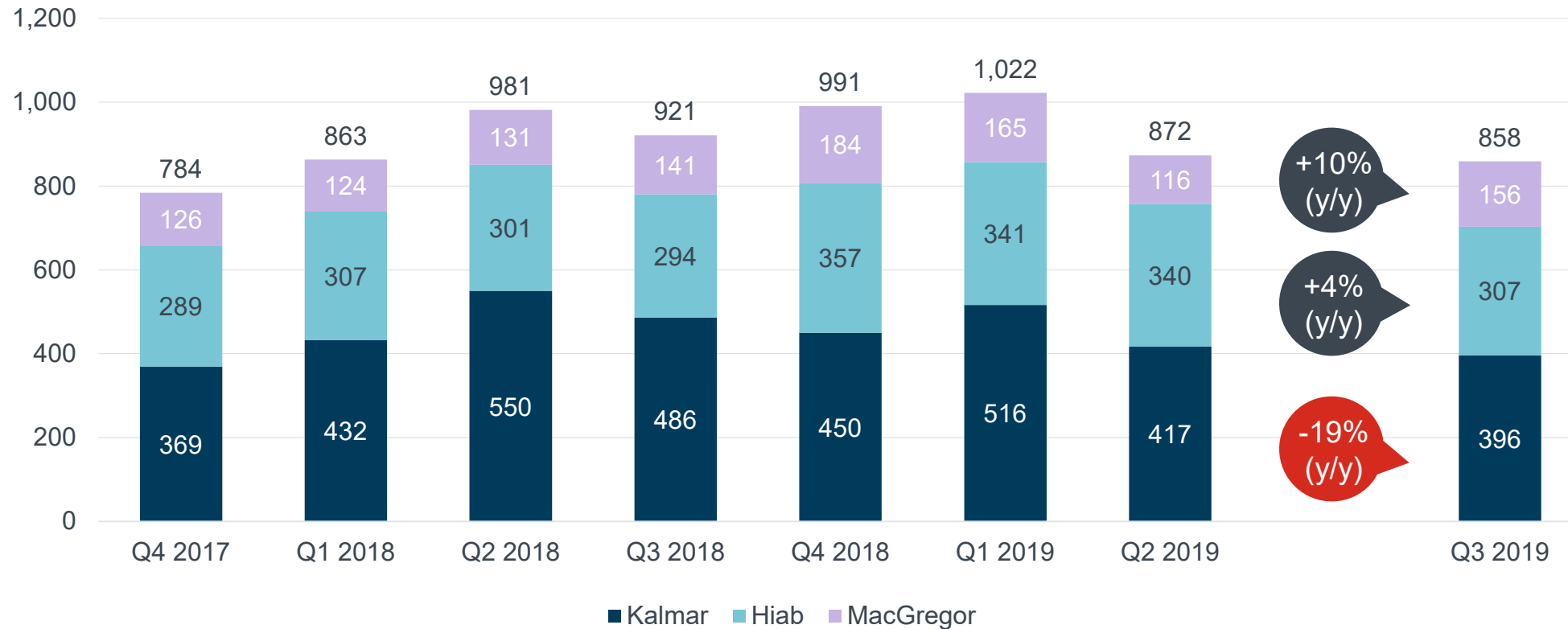
Recent progress



Orders received declined from the comparison period

Orders received

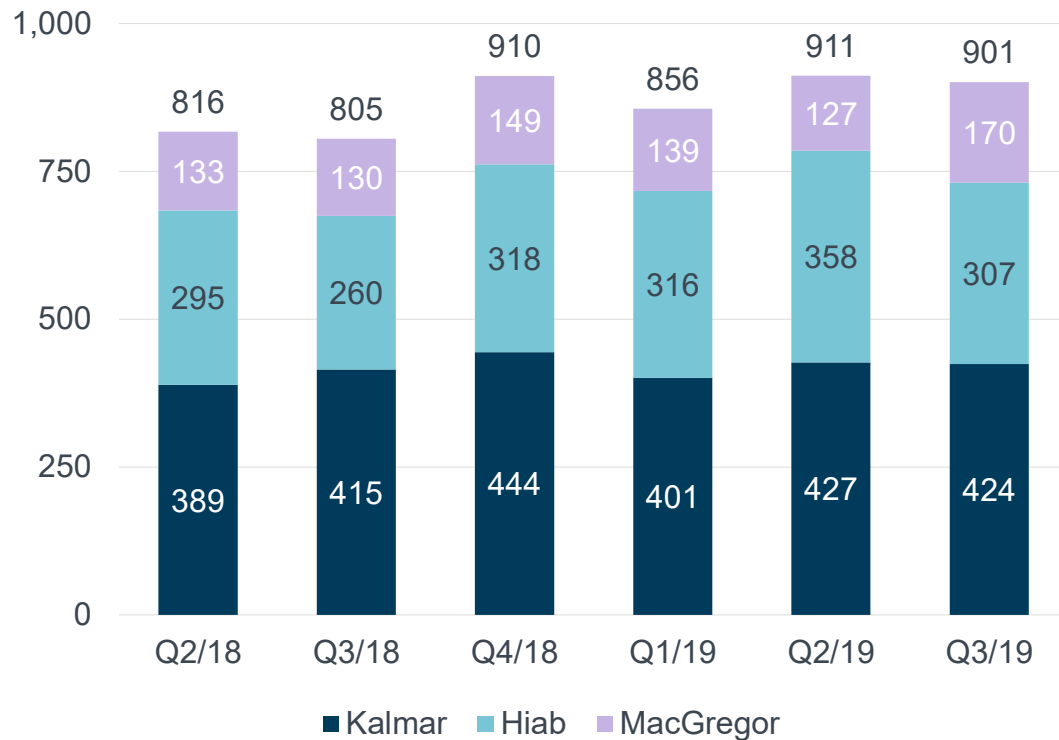
MEUR



Sales increased, comparable operating profit up by 18%

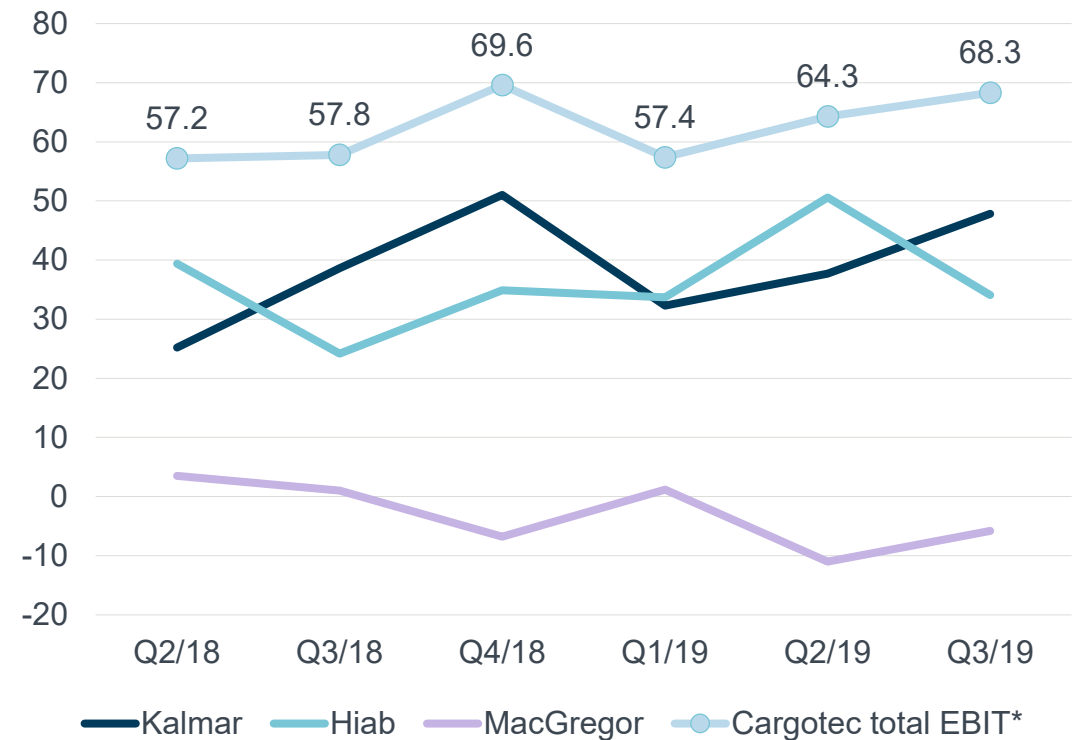
Sales

MEUR



Comparable operating profit

MEUR



*) Including Corporate admin and support

Kalmar Q3 – comparable operating profit increased

Orders received decreased

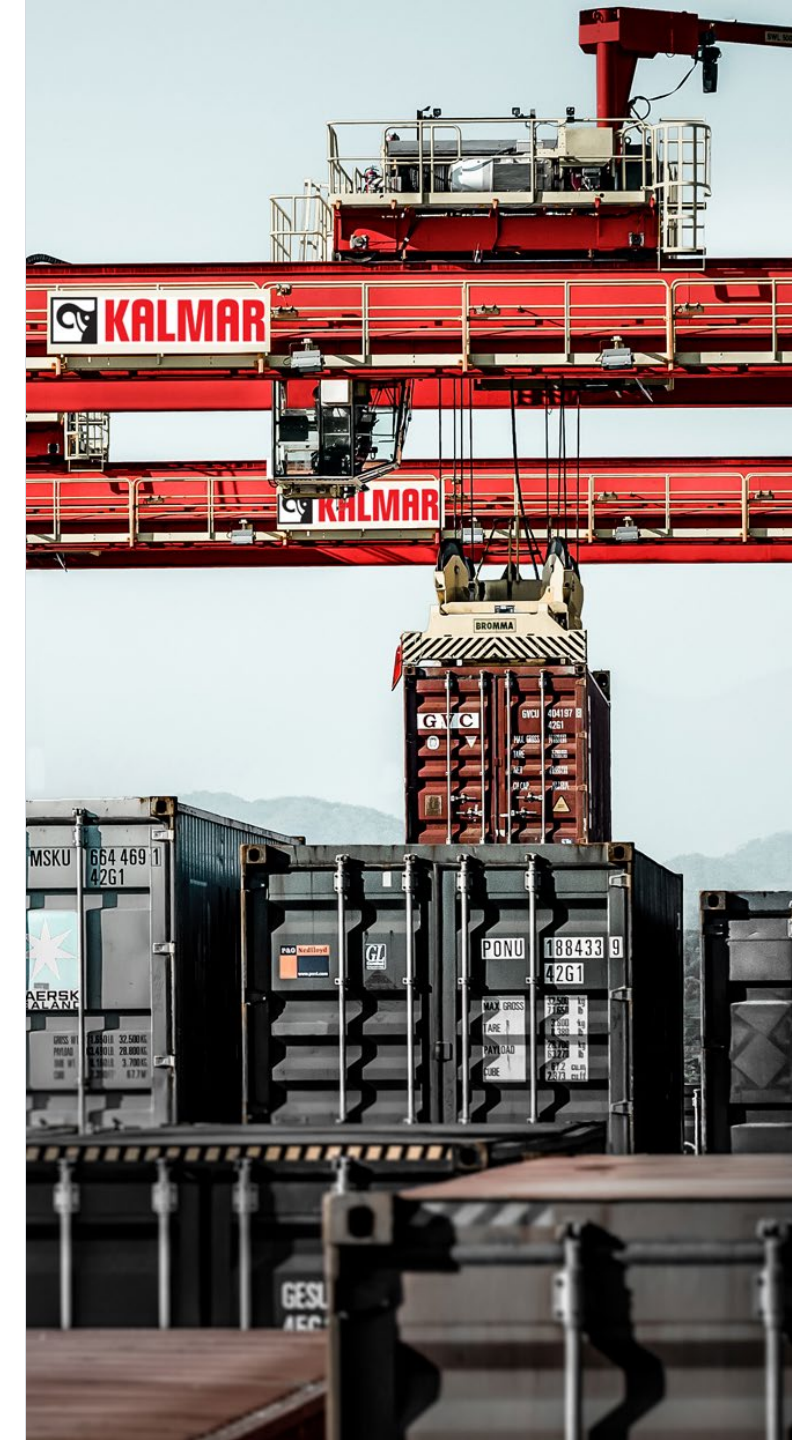
- Decline in automation solutions, projects and in mobile equipment

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	396	486	-19%
Order book	1,083	1,003	+8%
Sales	424	415	+2%
Comparable operating profit	47.8	38.6	+24%
Comparable operating profit margin	11.3%	9.3%	+196bps



Hiab Q3 – solid orders continued

Orders received grew by 4%

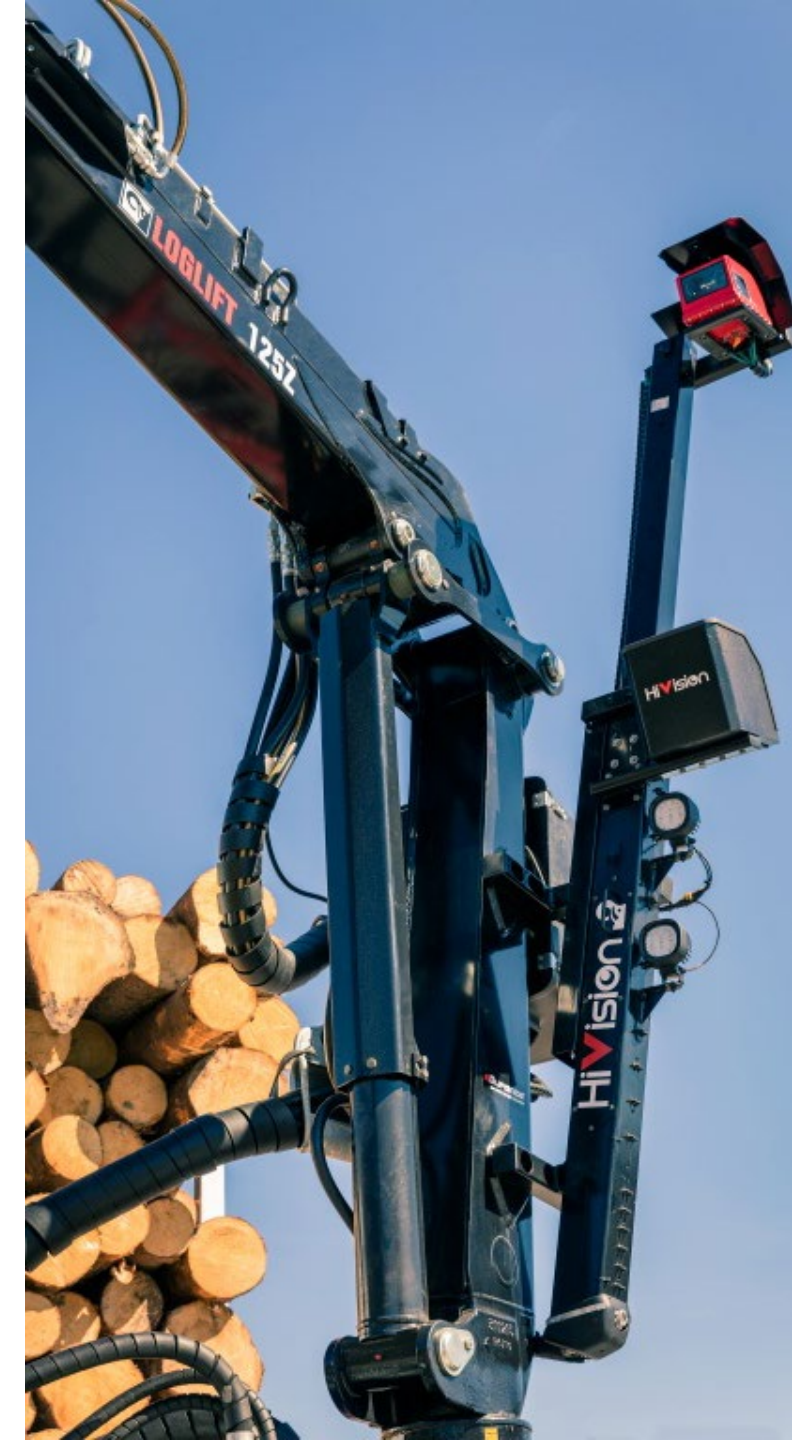
- Growth in the Americas (+27%), decline in EMEA (-7%)

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	307	294	+4%
Order book	458	371	+23%
Sales	307	260	+18%
Comparable operating profit	34.1	24.2	+41%
Comparable operating profit margin	11.1%	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

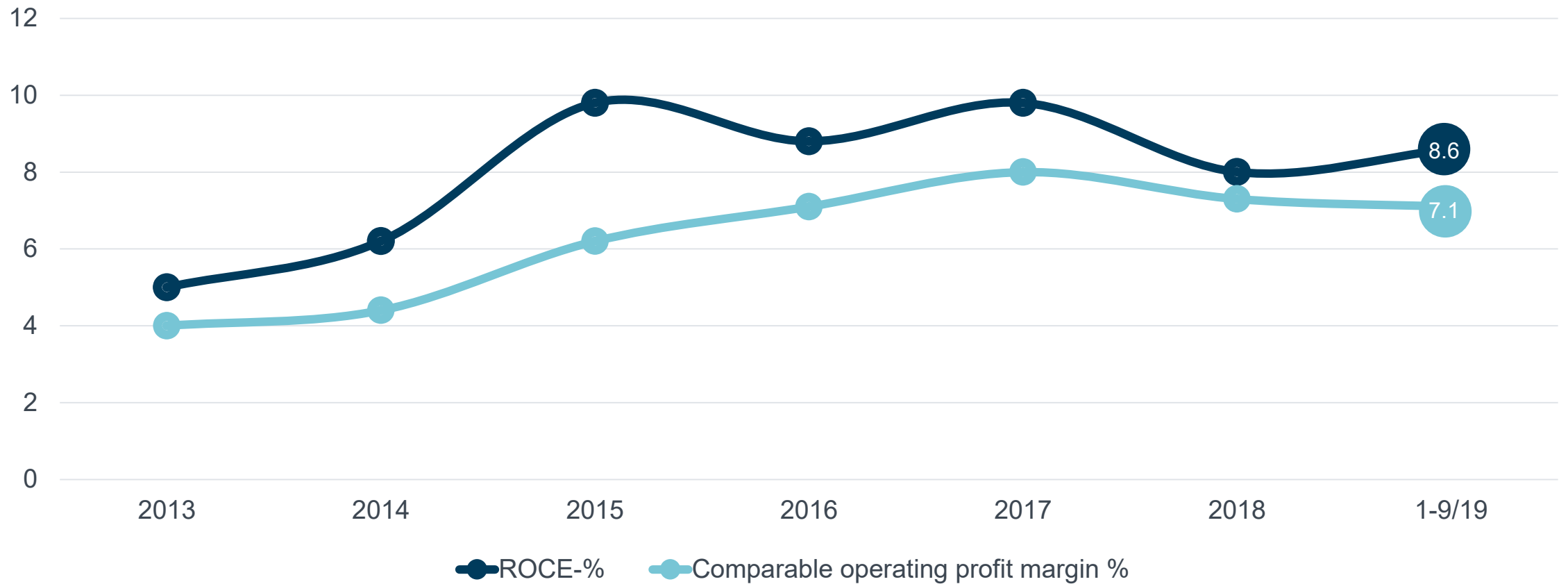
Comparable operating profit declined

- 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	156	141	+10%
Order book	712	513	+39%
Sales	170	130	31%
Comparable operating profit	-5.8	1.0	< -100%
Comparable operating profit margin	-3.4%	0.8%	-417bps

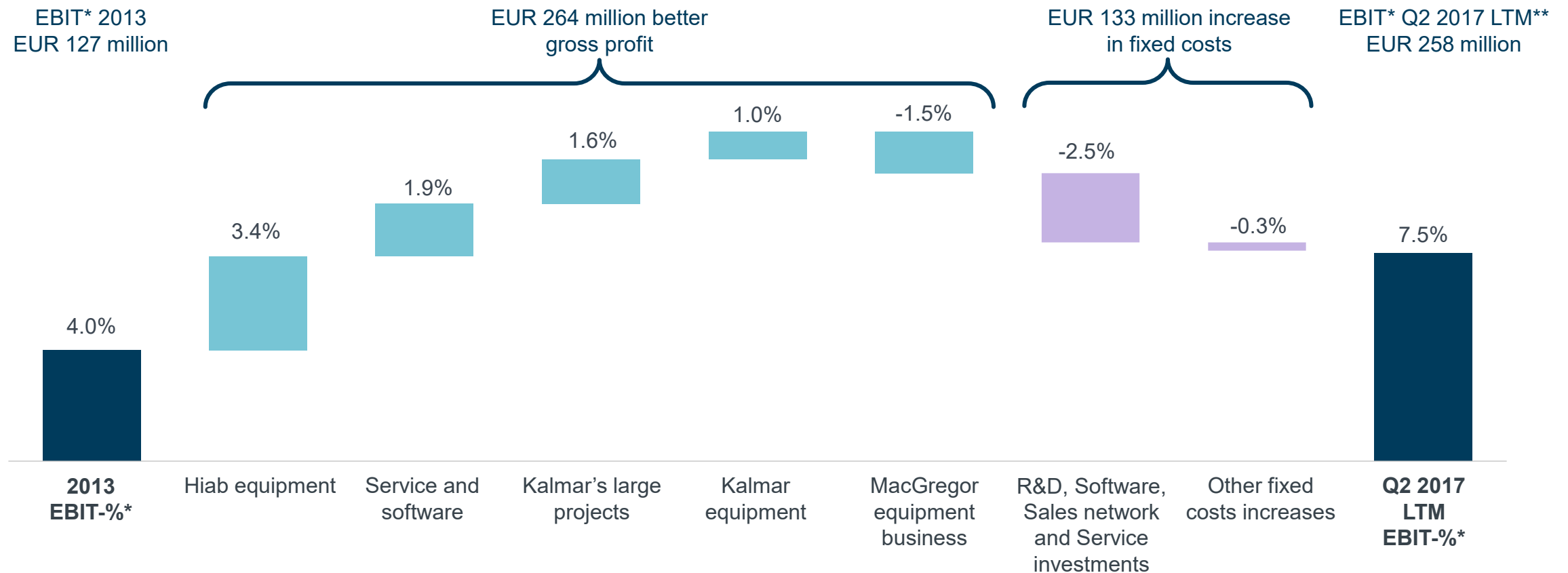


ROCE improvement driven by higher profitability



ROCE (return on capital employed), last 12 months

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)

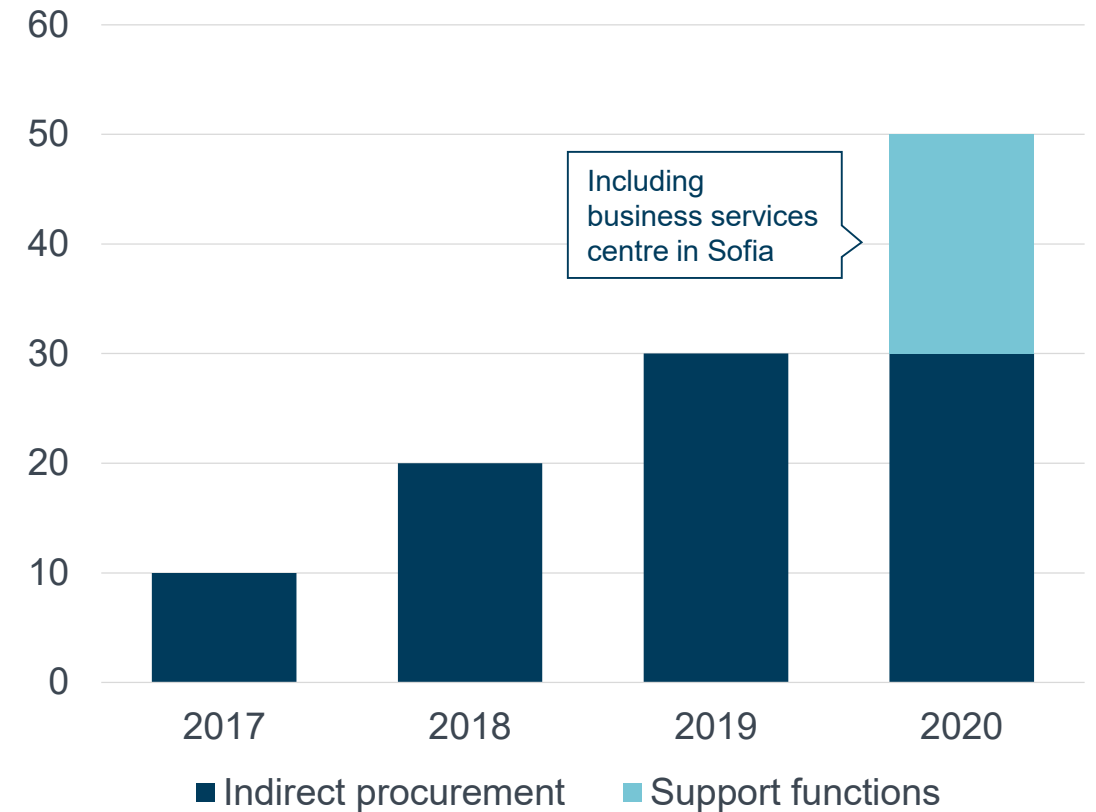
HOW

- 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



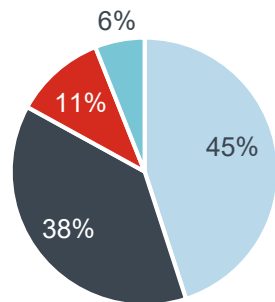
Targeting EUR 1.5 billion service and software sales in 3-5 years*

Cargotec service sales totalled EUR 980 million in 2018

- Spare parts the biggest category, around 46% of total service sales
- Maintenance around 31% of total service sales

Kalmar

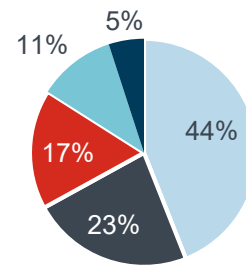
MEUR	2018
Service orders received	488
Service sales	449



■ Spare parts ■ Maintenance
■ Fleet management ■ Upgrade projects

Hiab

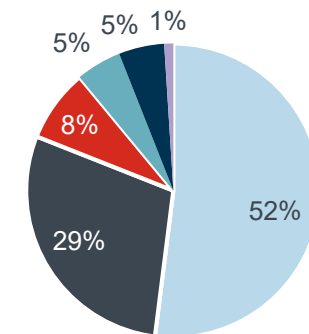
MEUR	2018
Service orders received	312
Service sales	309



■ Spare parts ■ Maintenance
■ Installations ■ Accessories
■ Used equipment

MacGregor

MEUR	2018
Service orders received	230
Service sales	222



■ Spare parts ■ Maintenance
■ Running supply ■ Projects
■ Cargo Boost ■ RoRo conversions

* Target announced in September 2017

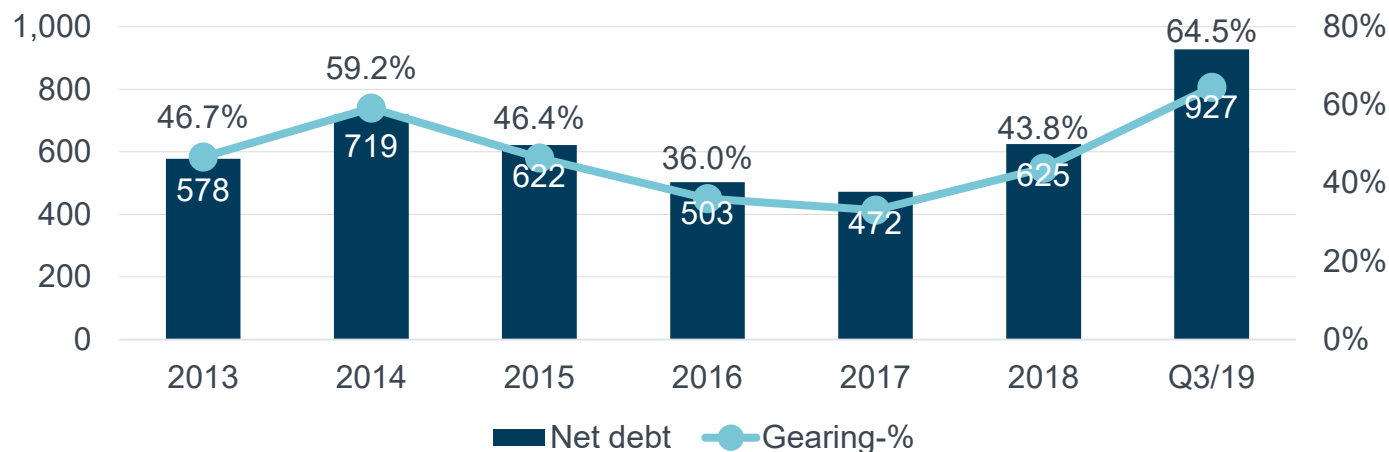
M&A strategy focusing on bolt-on acquisitions

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

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

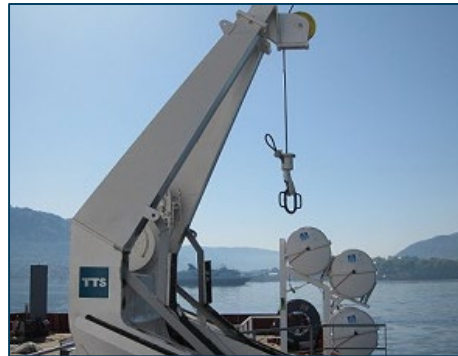
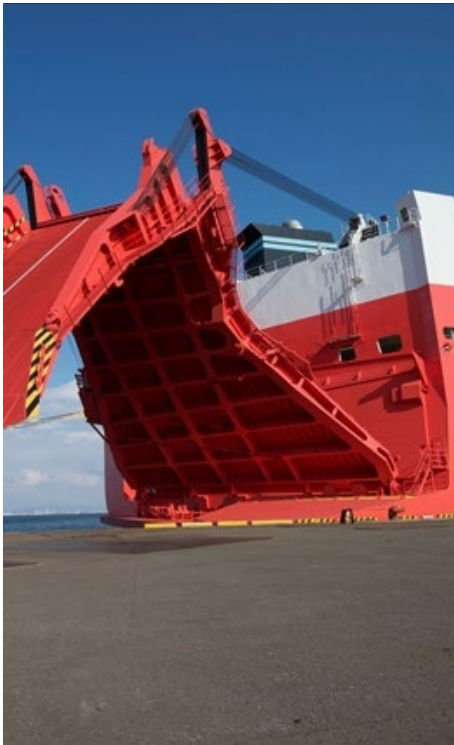
RoRo, Cruise & Navy

Container, Bulk &
Tank Vessels

Multipurpose &
General Cargo

Offshore Vessels

Services



Shaping the portfolio

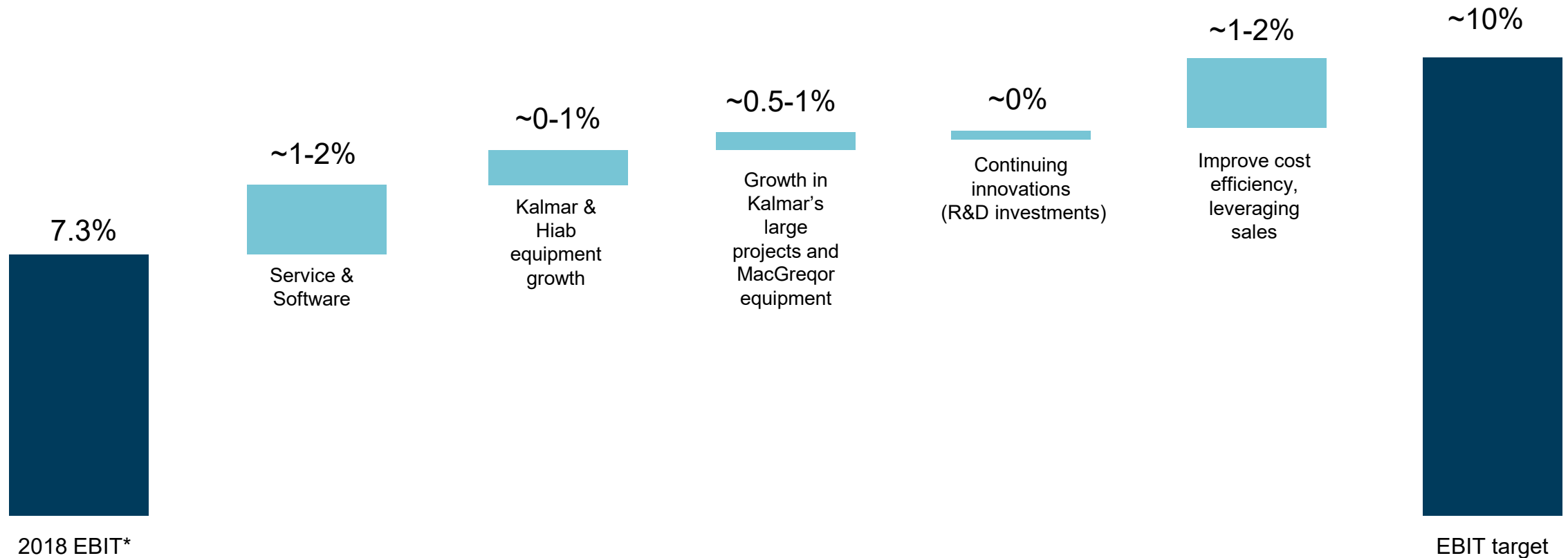
Two divestments made during Q2/18

Divestments

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



Our target is to reach 10% EBIT



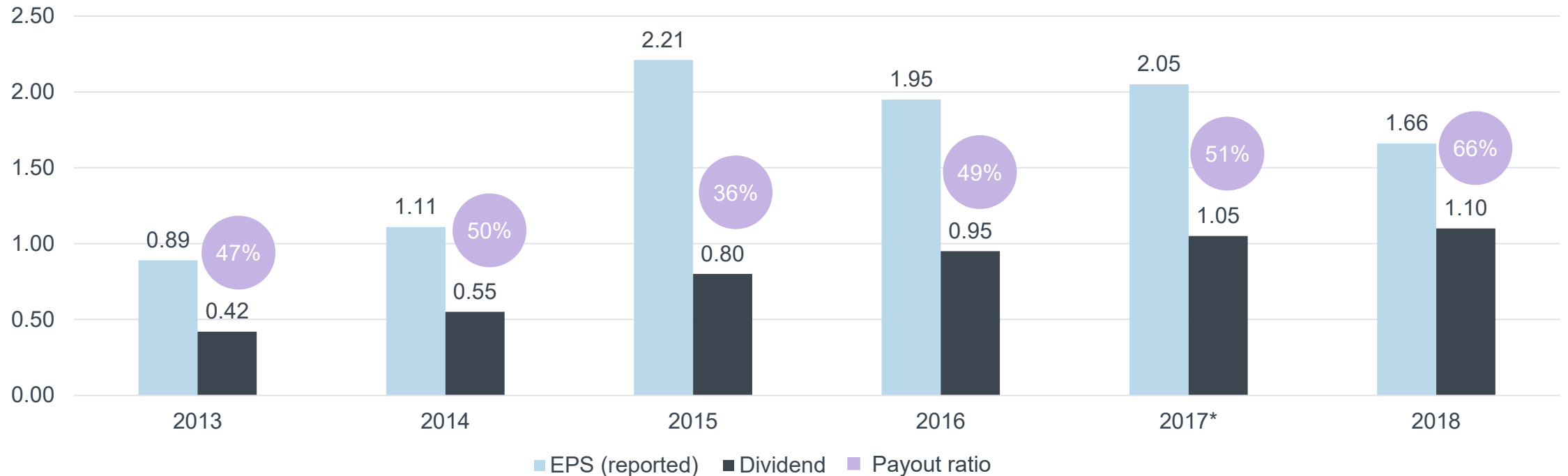
Target announced in September 2017, target to be reached in 3-5 years
*Comparable operating profit

Steadily increasing dividend

EUR 1.10 dividend per B share for 2018

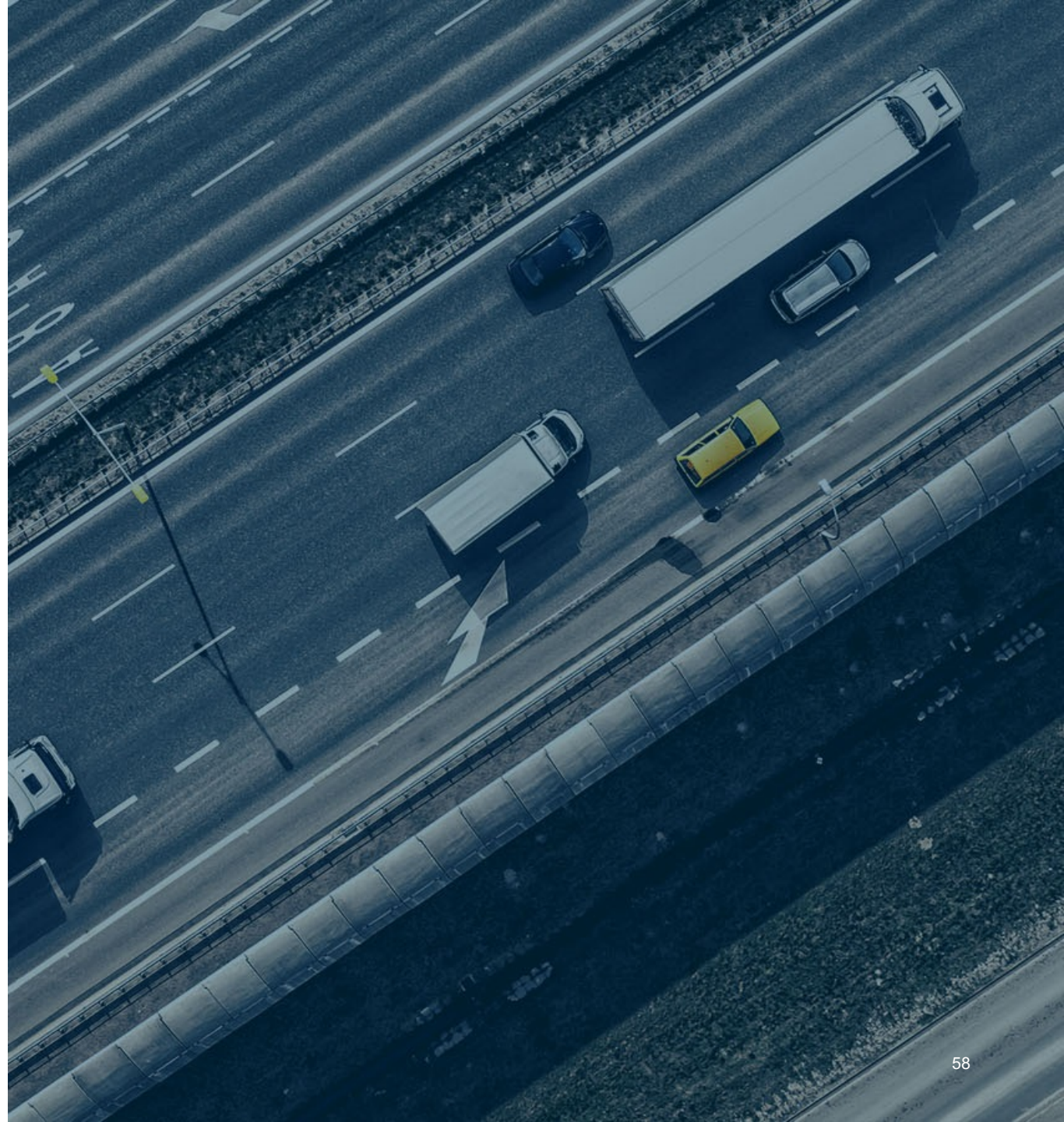
Dividend to be paid in two EUR 0.55 instalments

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

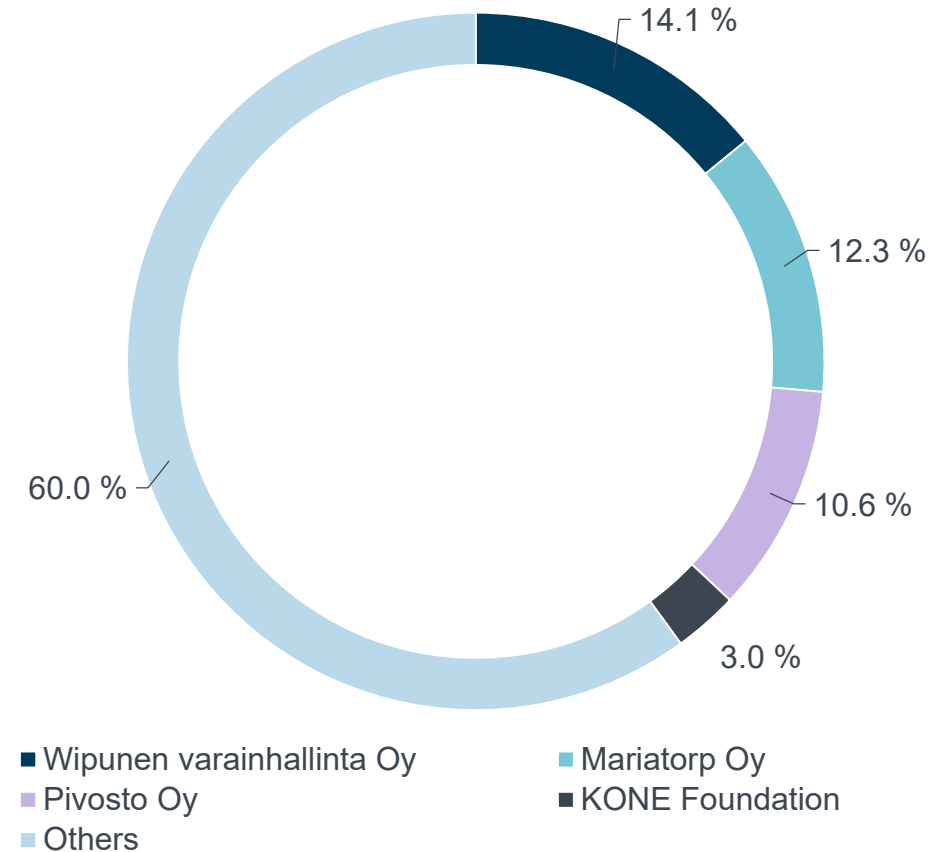


Largest shareholders

31 October 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	2.4	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	0.8	0.3
10. Herlin Heikki Juho Kustaa	0.6	0.3
Nominee registered and non-Finnish holders	26.2	
Total number of shareholders	24,718	

% 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.

Examples of our wide equipment offering



Reachstacker



Straddle carrier



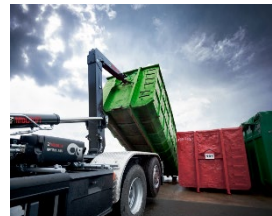
Loader crane



Terminal tractor



Container handler



Hooklift, Skiploader



Forklift truck



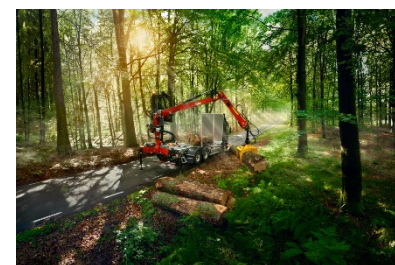
Automatic stacking crane



Truck-mounted forklift



Taillift



Recycling and forestry cranes



Cranes



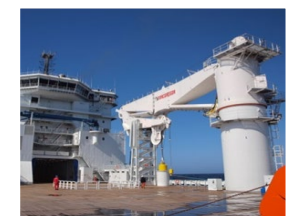
Hatch covers,
container lashings



Deck machinery



Marine self-unloaders



Offshore load handling

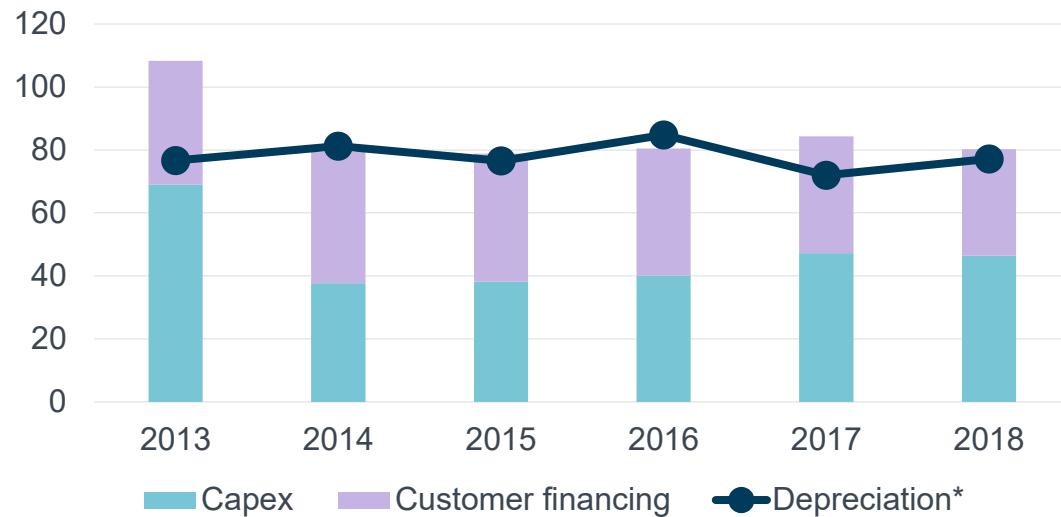


Mooring systems

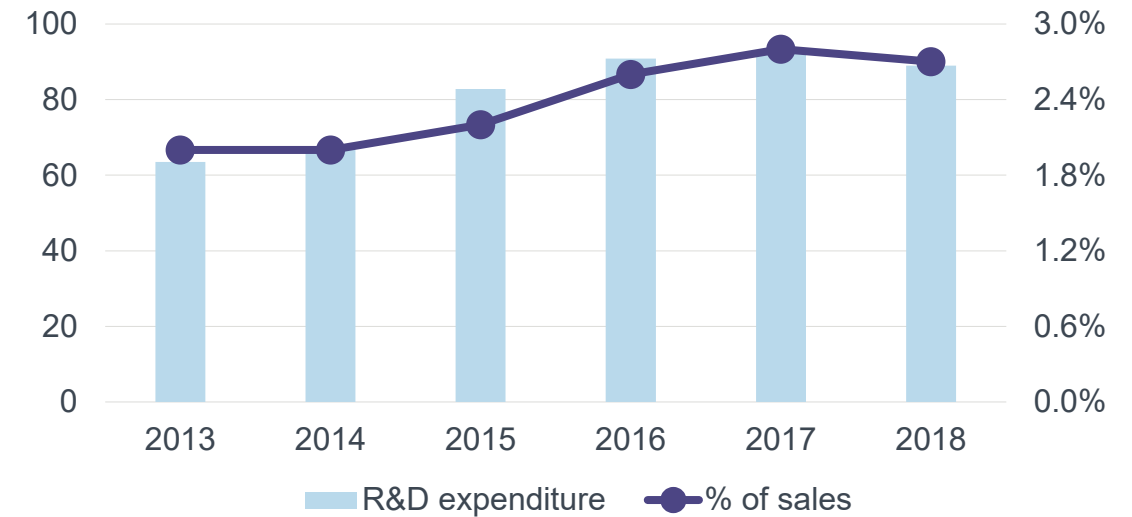


Capex and R&D

Capital expenditure



Research and development



Main capex investments:

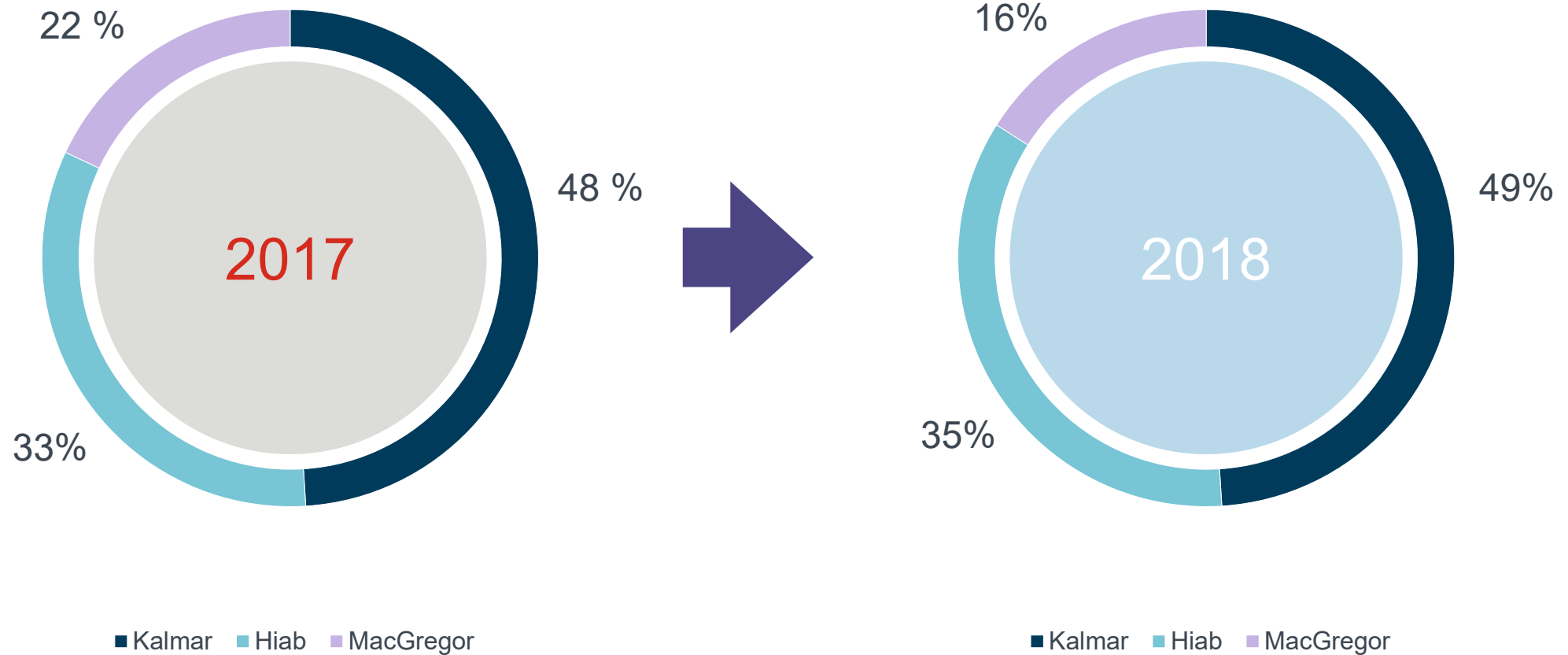
- Kalmar innovation centre in Ljungby, Sweden
- Investments in multi-assembly units in Kalmar and Hiab
- Intangible assets, such as global systems to improve efficiency in operational activities and support functions

R&D investments focused on

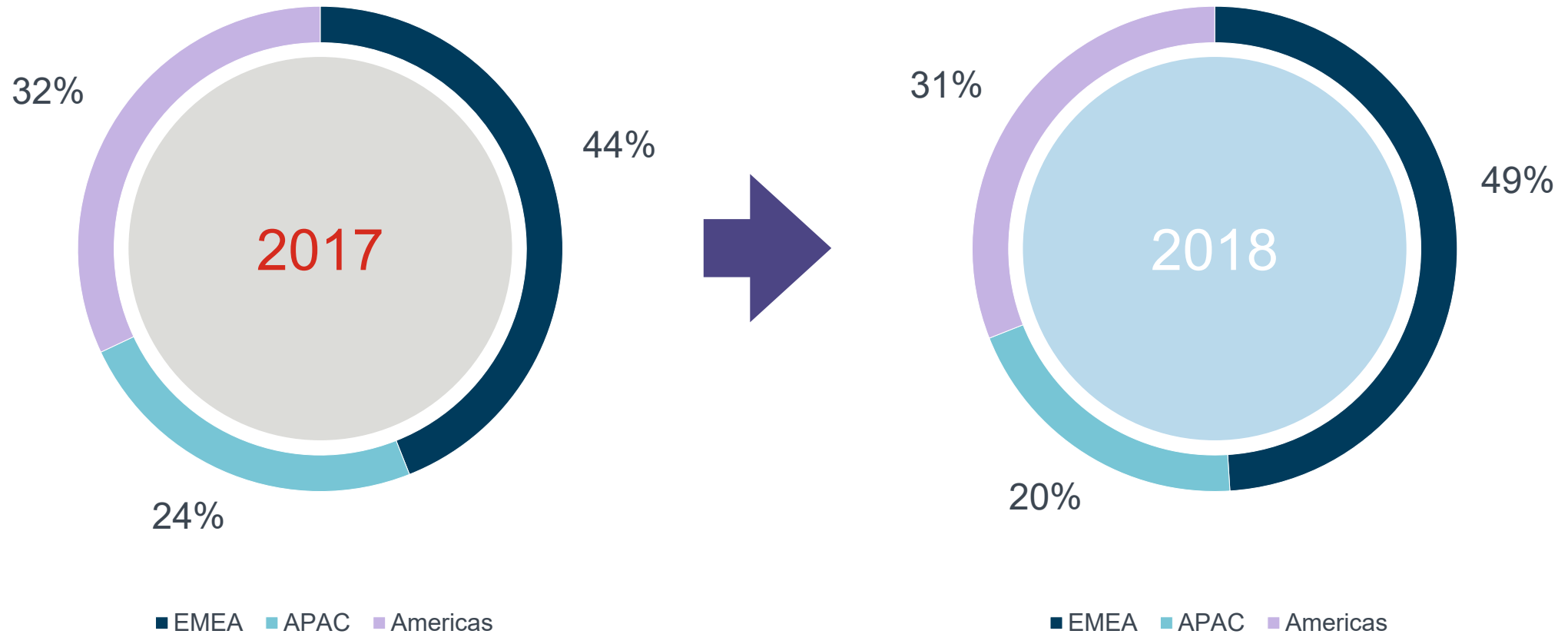
- Digitalisation
- Competitiveness, cost efficiency and eco-efficiency of products

*) Including amortisations and impairments

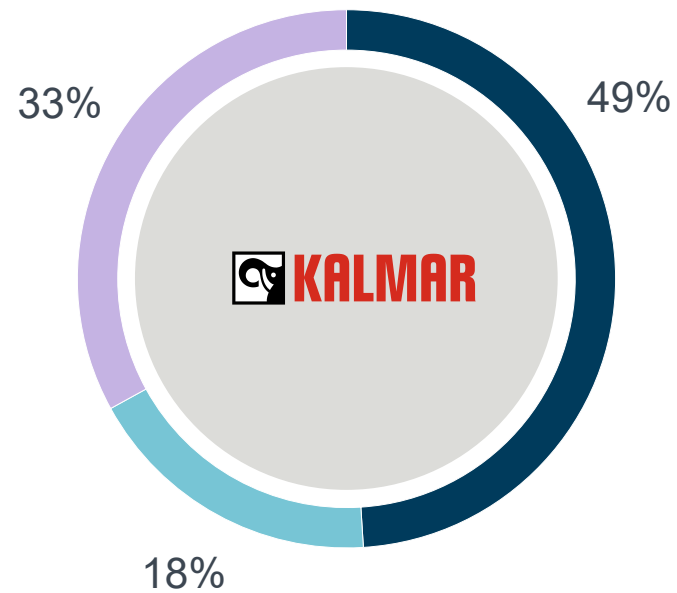
Hiab's share increasing in sales mix



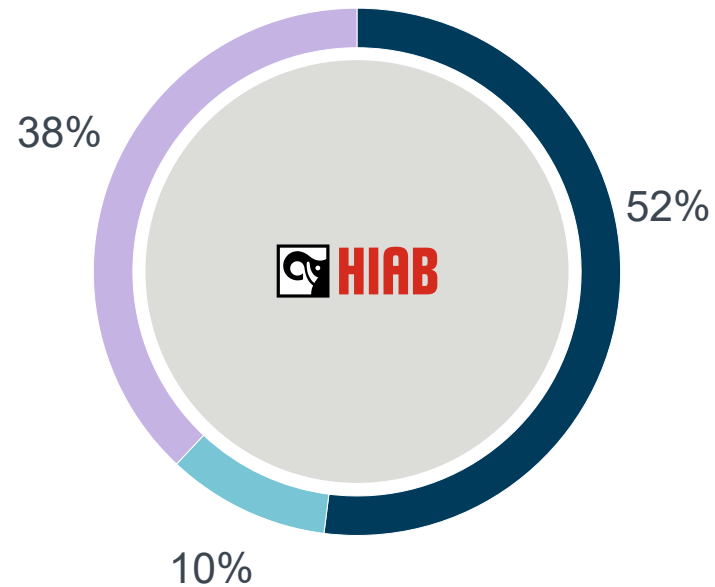
Well diversified geographical sales mix



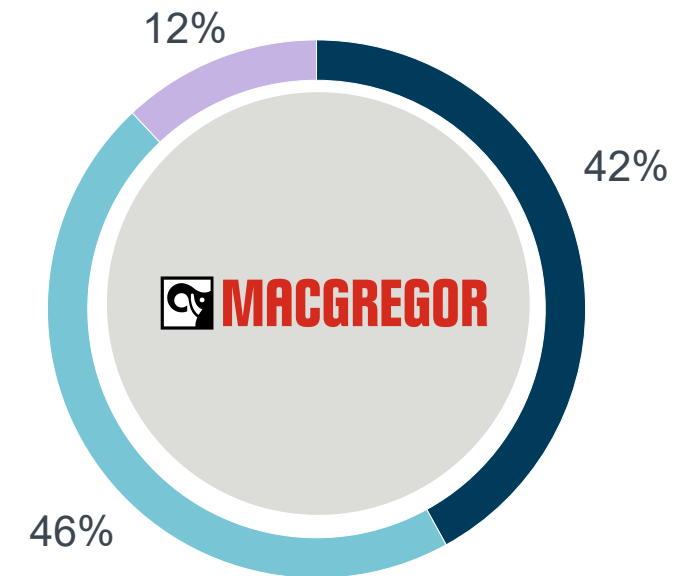
Sales by geographical segment by business area 2018



■ 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

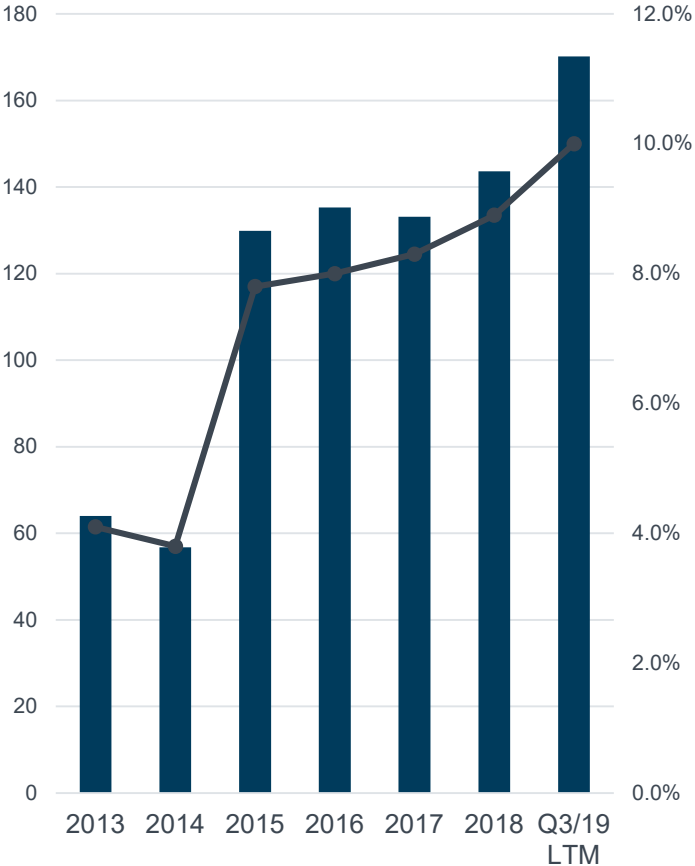
- Chungbuk, South Korea (Hiab prod.)
- Tianjin, China (MacGregor prod.)
- Bangalore, India (Kalmar prod. + R&D)
- Chennai, India (Navis–Kalmar R&D)
- Ipoh, Malaysia (Bromma prod.)
- Shanghai, China (Kalmar prod. + WH)
- Busan, South Korea (MacGregor prod.)
- Singapore, (R&D)

Americas

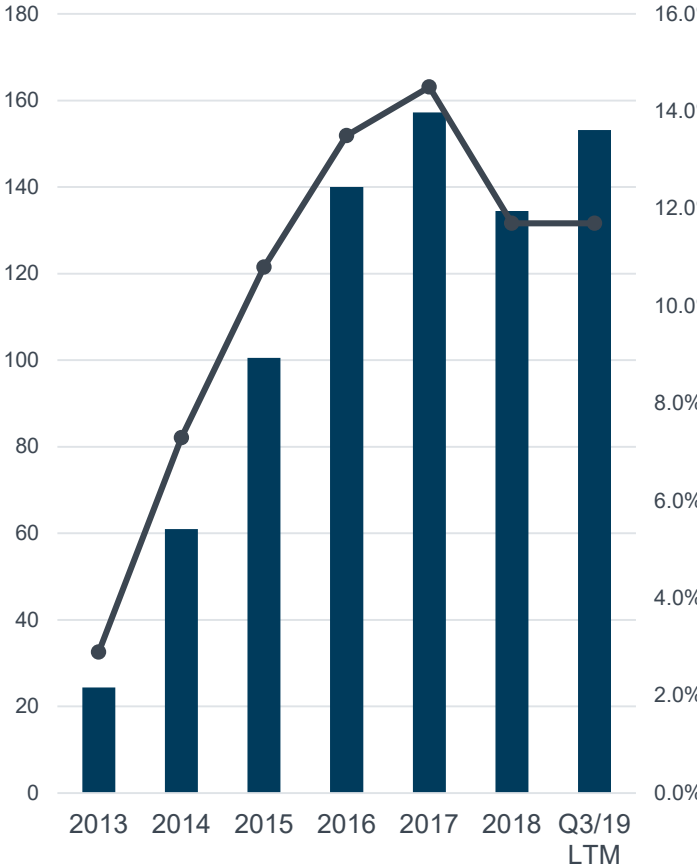
- Ottawa, Kansas (Kalmar prod.)
- Oakland, California (Kalmar R&D)
- Cibolo, Texas (Kalmar prod.)
- Tallmadge, Ohio (Hiab prod.)

Comparable operating profit development

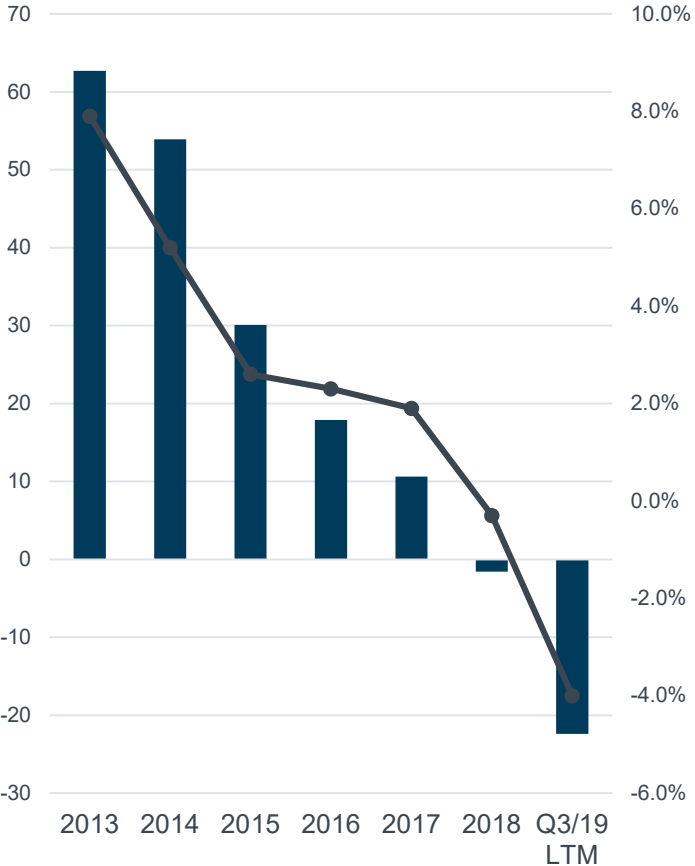
Kalmar



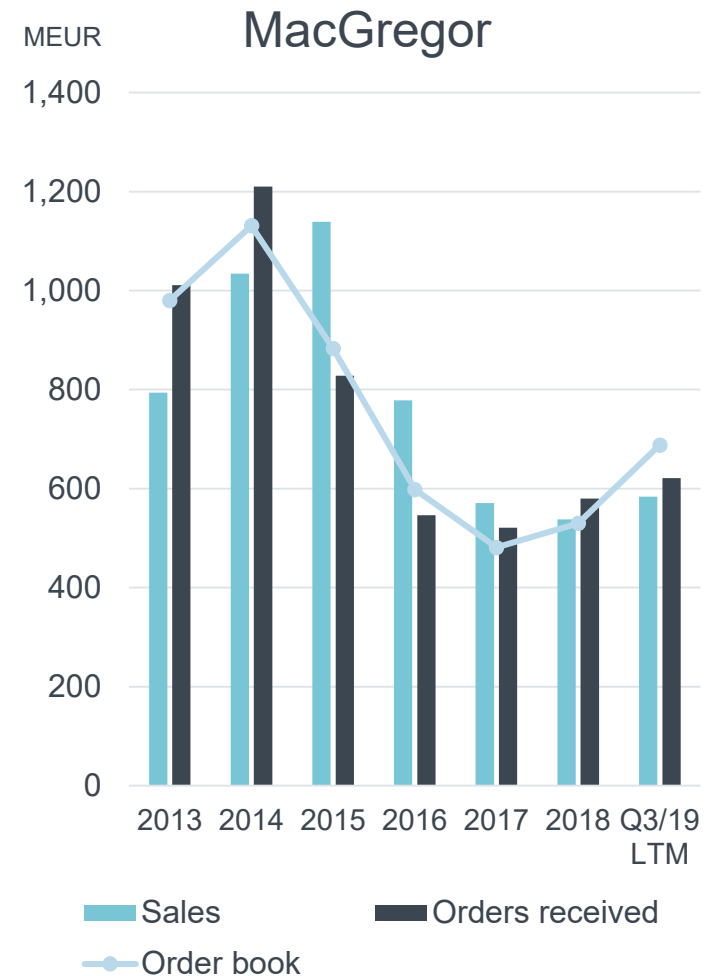
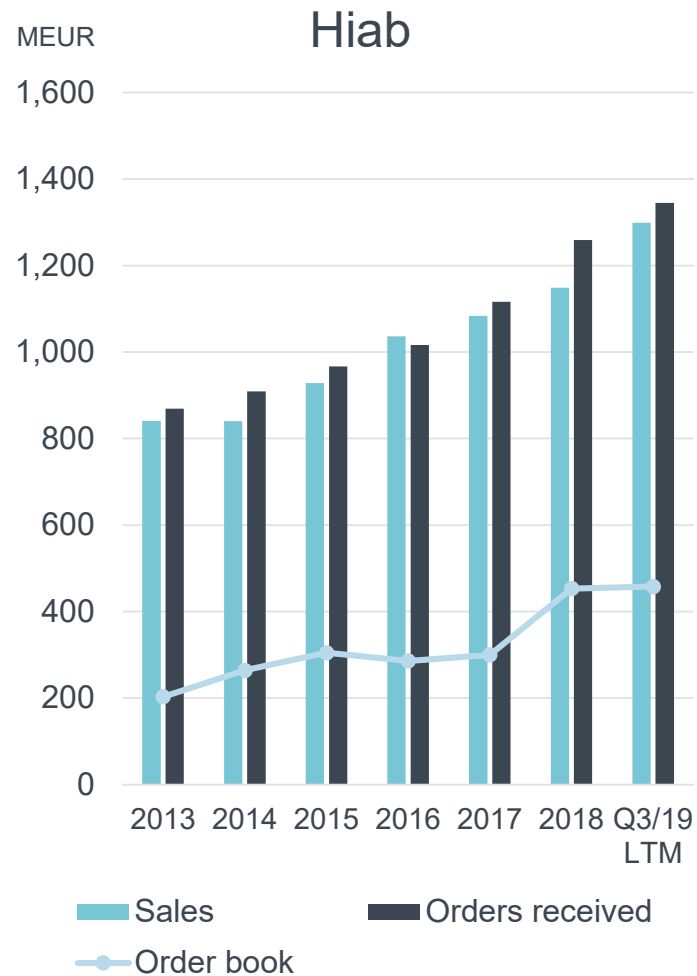
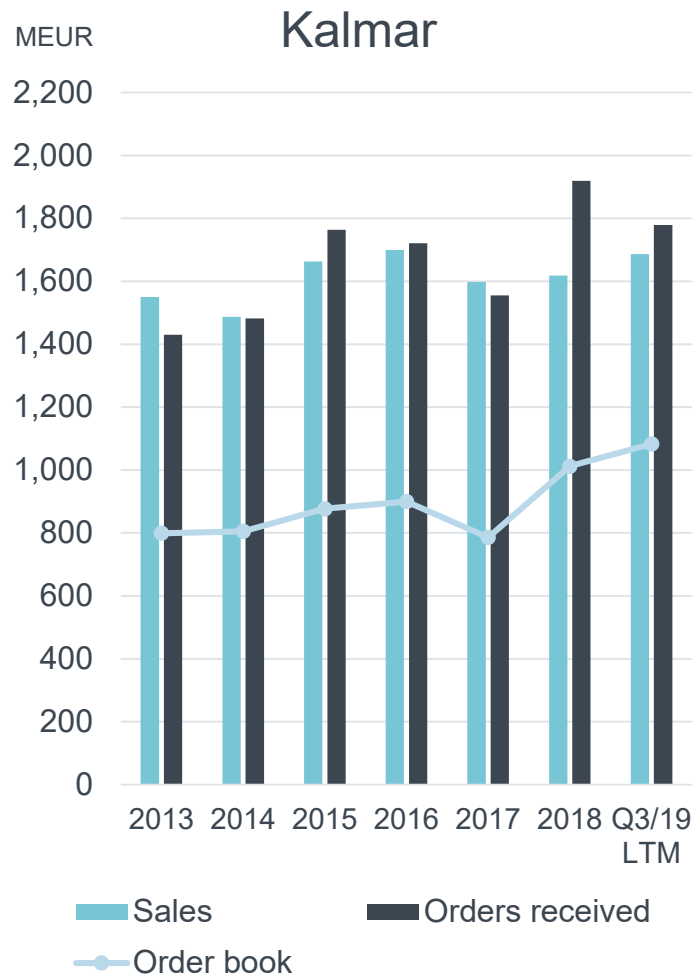
Hiab



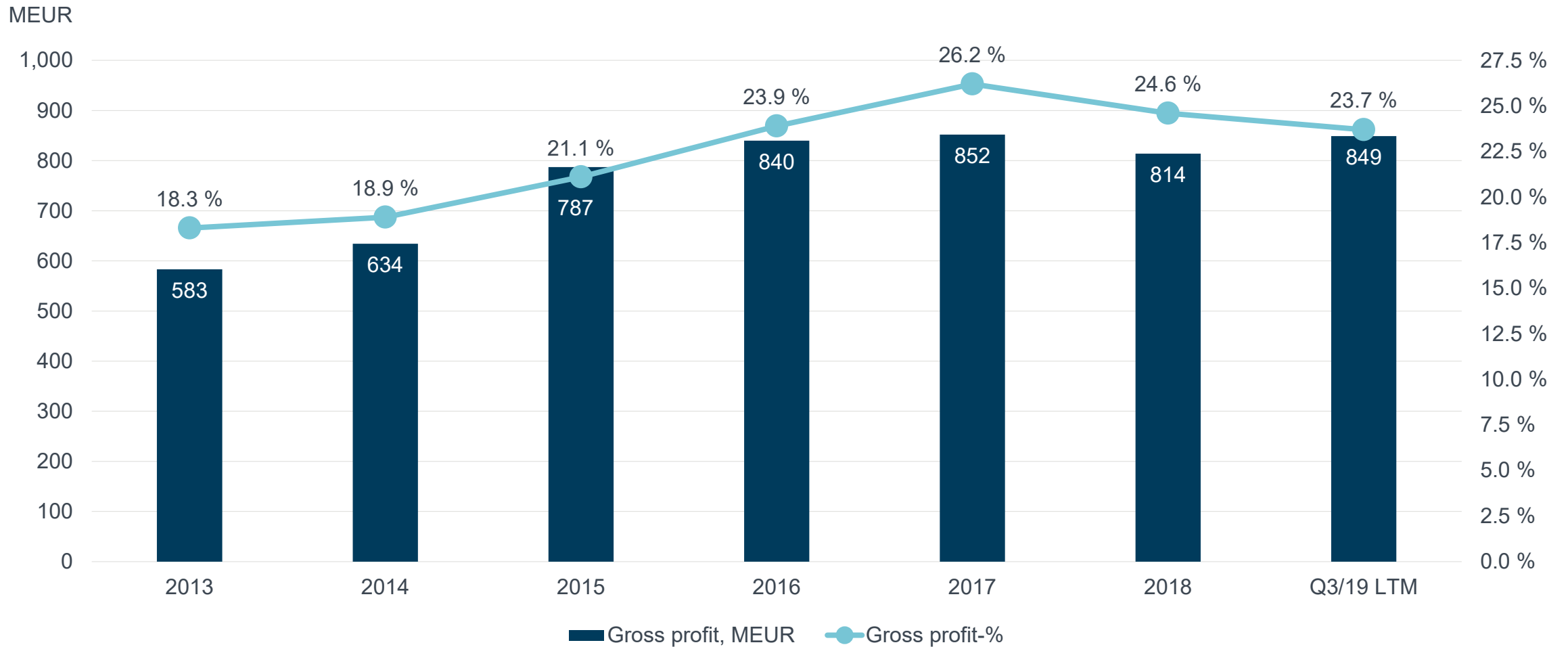
MacGregor



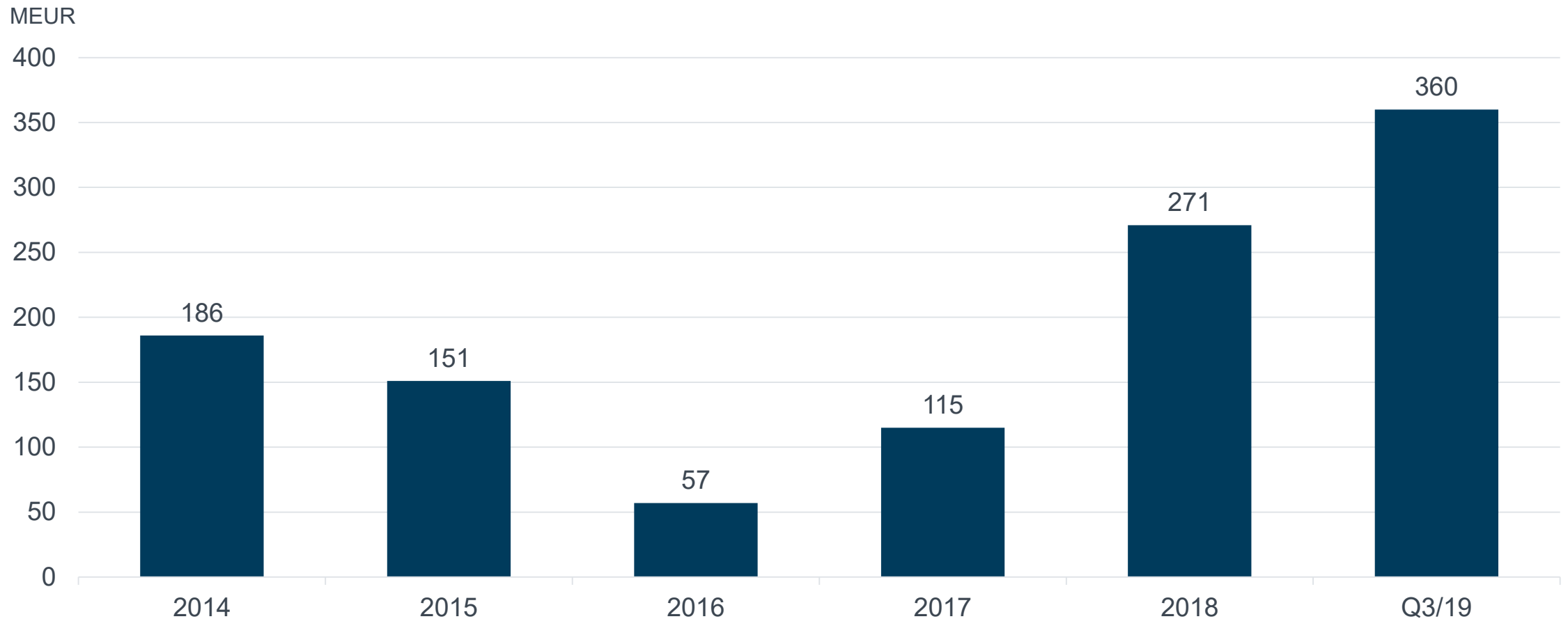
Sales and orders received development



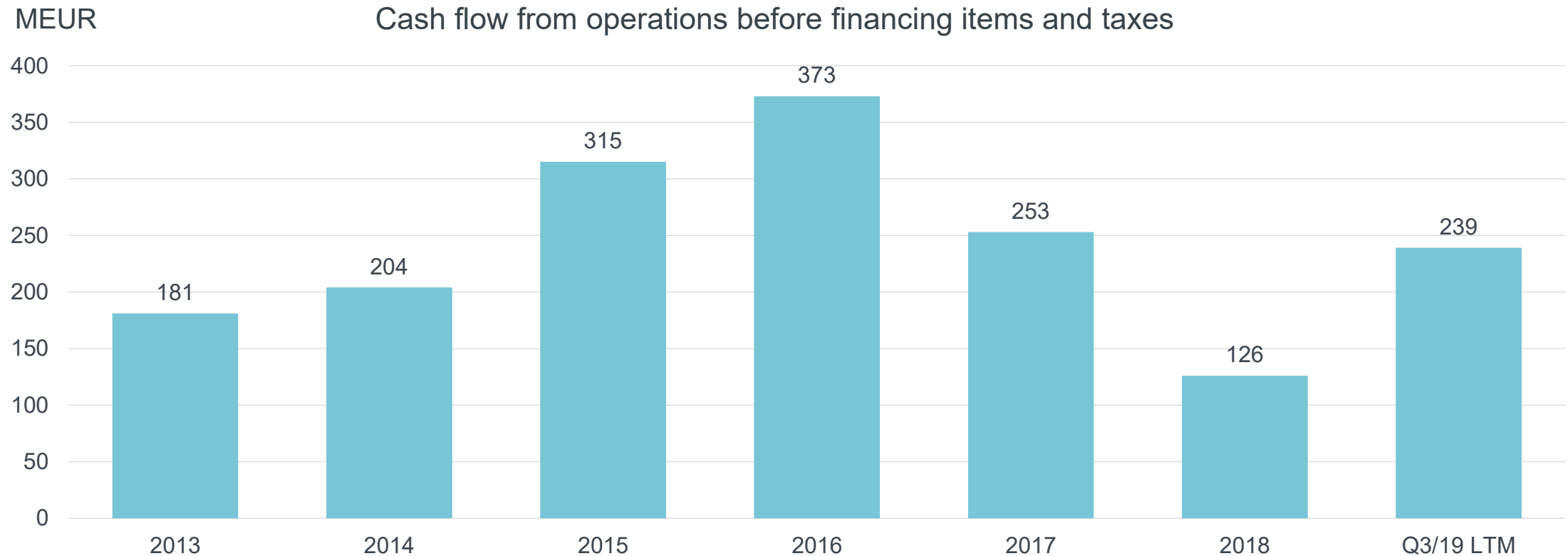
Gross profit development



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
Sales	901.3	804.6	2,668.6	2,393.7	3,303.5
Cost of goods sold	-691.1	-607.8	-2,035.2	-1,795.3	-2,489.3
Gross profit	210.2	196.7	633.4	598.4	814.2
<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
Operating profit	57.9	54.5	162.0	129.1	190.0
<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
Income before taxes	50.0	47.0	137.7	108.9	161.1
<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
Net income for the period	29.7	37.9	89.7	73.9	108.0
<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
Total	29.7	37.9	89.7	73.9	108.0

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
ASSETS, MEUR				EQUITY AND LIABILITIES, MEUR			
Non-current assets				Equity attributable to the equity holders of the parent			
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	Total equity attributable to the equity holders of the parent	1,433.6	1,408.5	1,425.6
Other non-interest-bearing assets	9.9	10.0	9.5				
Total non-current assets	2,091.2	1,807.3	1,841.1	Non-controlling interest	2.8	2.9	3.0
				Total equity	1,436.5	1,411.4	1,428.5
Current assets				Non-current liabilities			
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	Total non-current liabilities	1,166.8	763.0	906.8
Total current assets	2,153.5	1,742.9	1,842.8				
				Current liabilities			
Total assets	4,244.6	3,550.3	3,683.9	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
				Total current liabilities	1,641.4	1,375.9	1,348.6
				Total equity and liabilities	4,244.6	3,550.3	3,683.9

Cash flow statement Q3 2019

MEUR	Q1-Q3/19	Q1-Q3/18	2018
Net cash flow from operating activities			
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
Cash flow from operations before financing items and taxes	153.1	39.8	125.8
Cash flow from financing items and taxes	-69.2	-83.8	-85.6
Net cash flow from operating activities	83.8	-44.0	40.2
Net cash flow from investing activities			
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
Net cash flow from investing activities	-137.5	-84.8	-137.3
Net cash flow from financing activities			
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
Net cash flow from financing activities	201.6	3.6	37.7
Change in cash and cash equivalents	147.9	-125.2	-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	7.0	1.0	0.1
Cash and cash equivalents, and bank overdrafts at the end of period	380.3	160.5	225.5
Bank overdrafts at the end of period	7.8	28.8	30.8
Cash and cash equivalents at the end of period	388.2	189.3	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

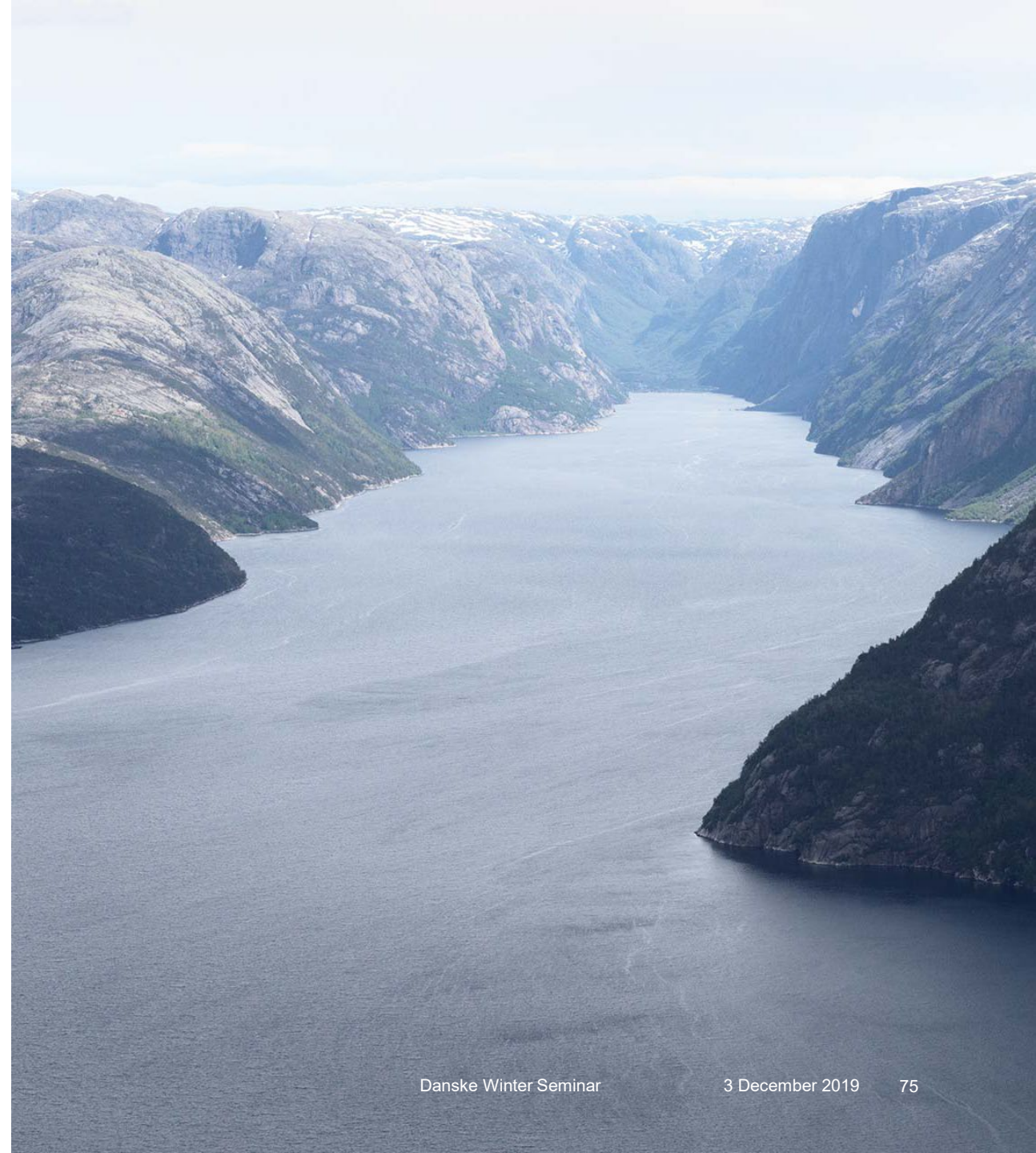
- Inefficient industry with potential to improve

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



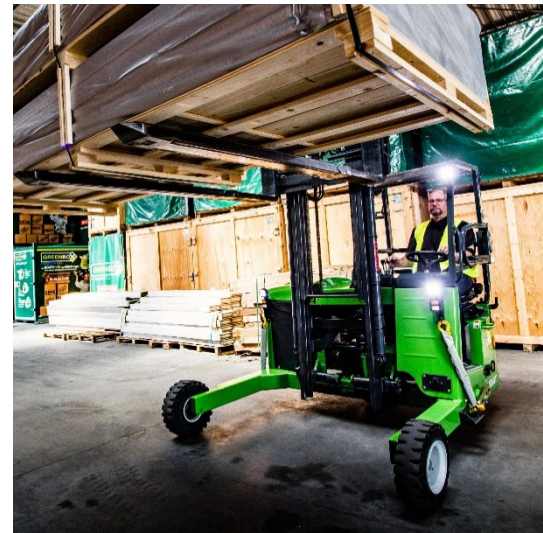
- Visibility to identify inefficient use of resources and fuel
- Software and design system

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 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

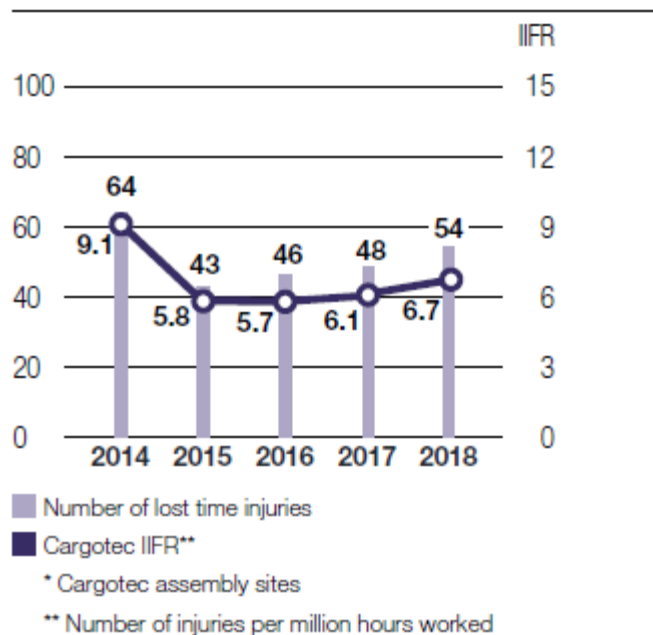
Permanent Code of Conduct panel and case investigation process

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*



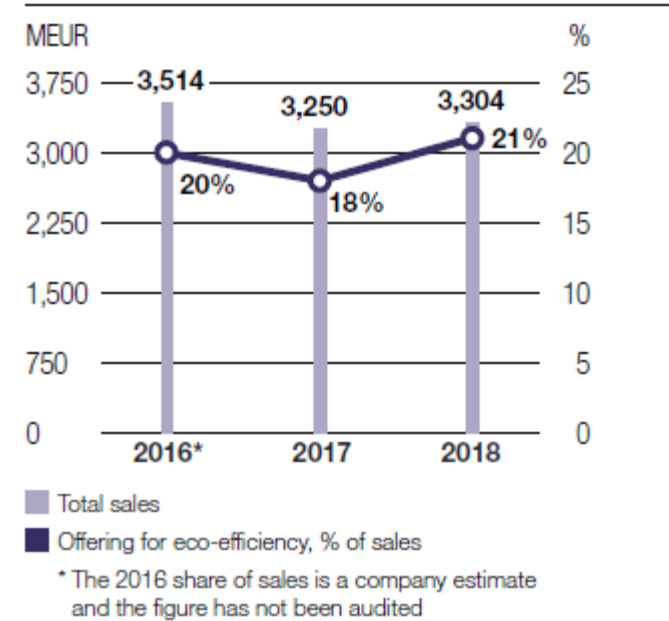
30% of the electricity used by Cargotec is generated from renewable energy sources

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

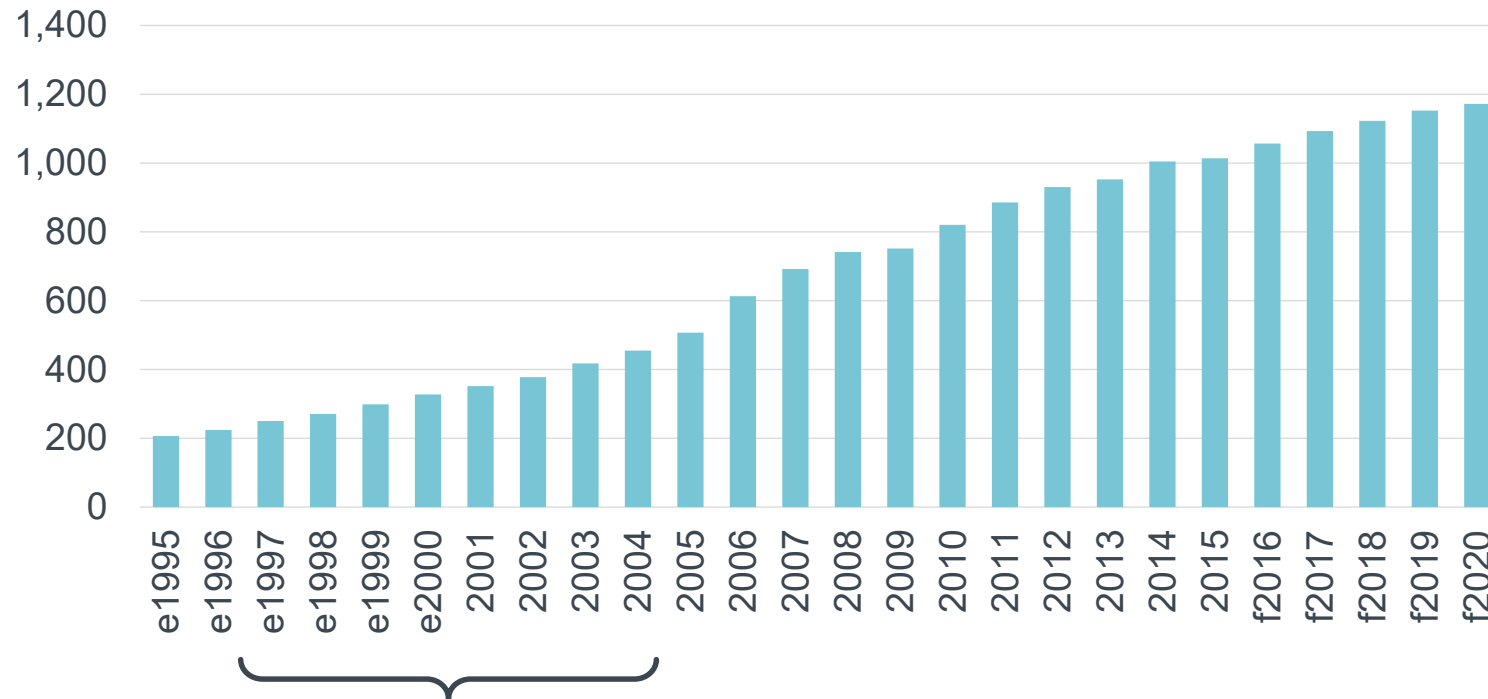
OFFERING FOR ECO-EFFICIENCY



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.

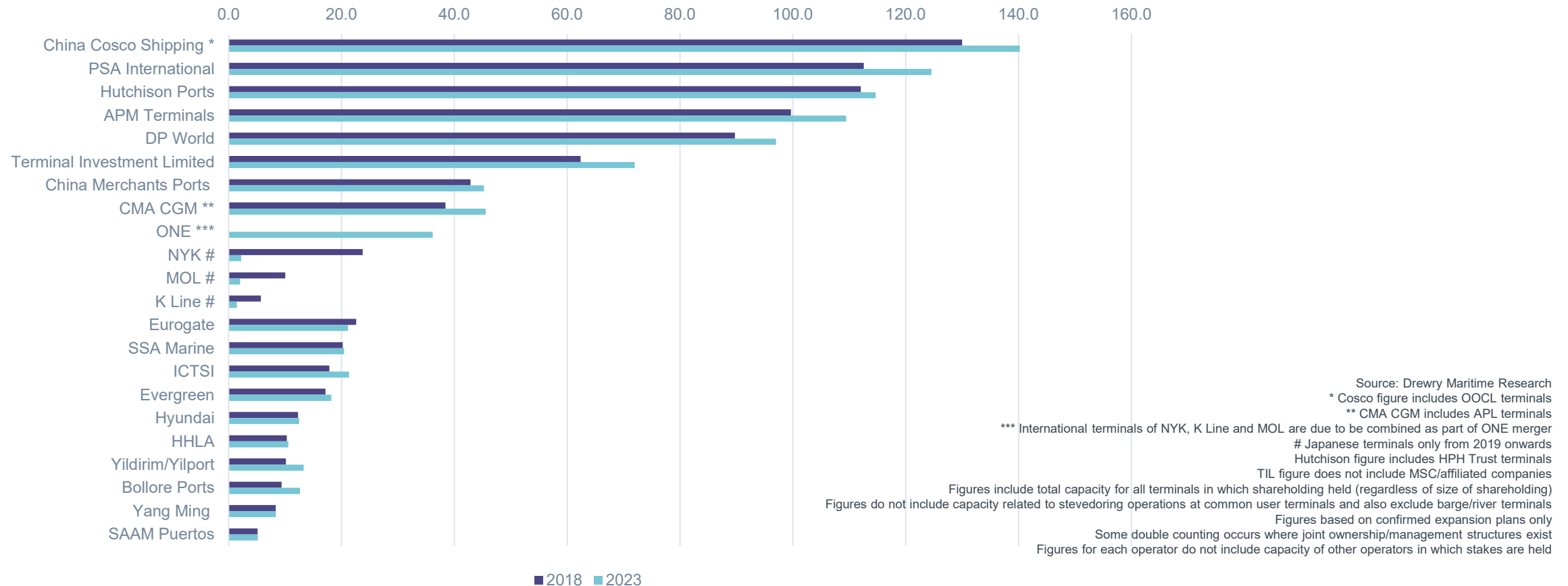
Average lifetime of type of equipment:

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

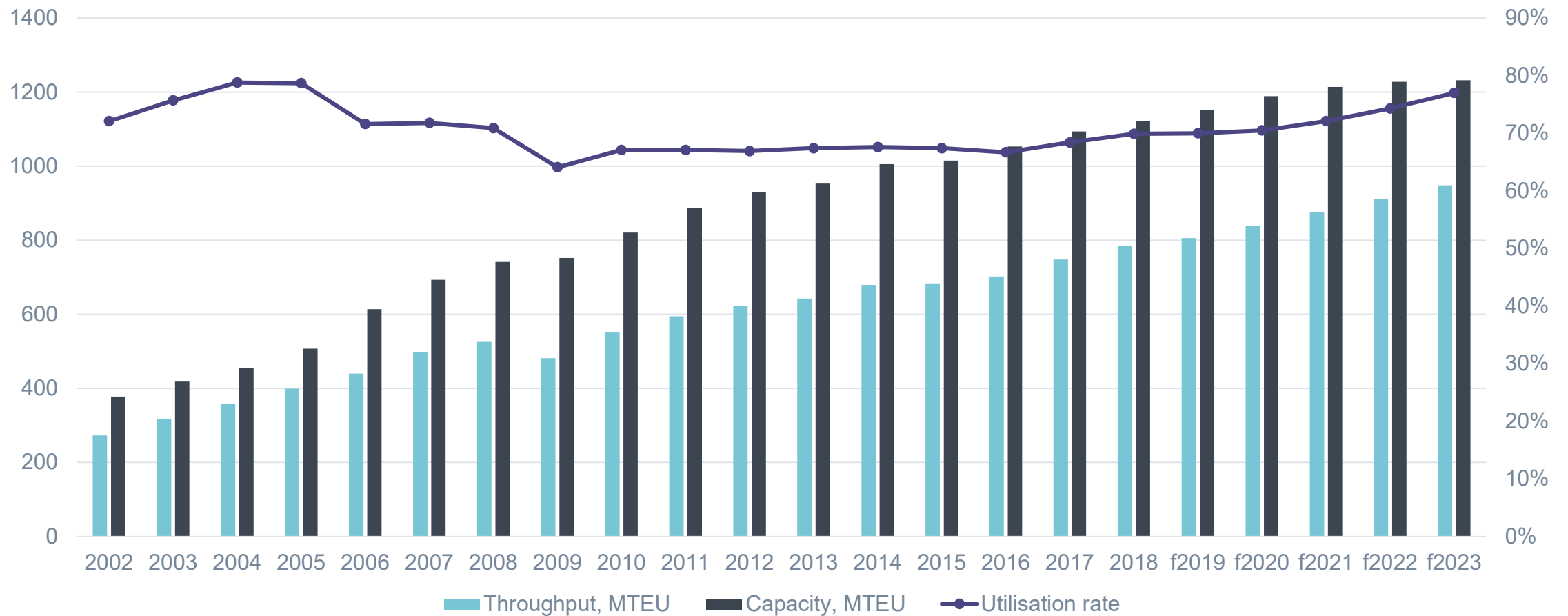
Source: Drewry reports: Global Container Terminal Operators 2001-2016 Note: 1995-2000 capacity is estimation based on the assumption that the utilisation rate has been between 70-72% in that period. 2016-2020 forecast based on Drewry's Global container terminal operators report, published in August 2016

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

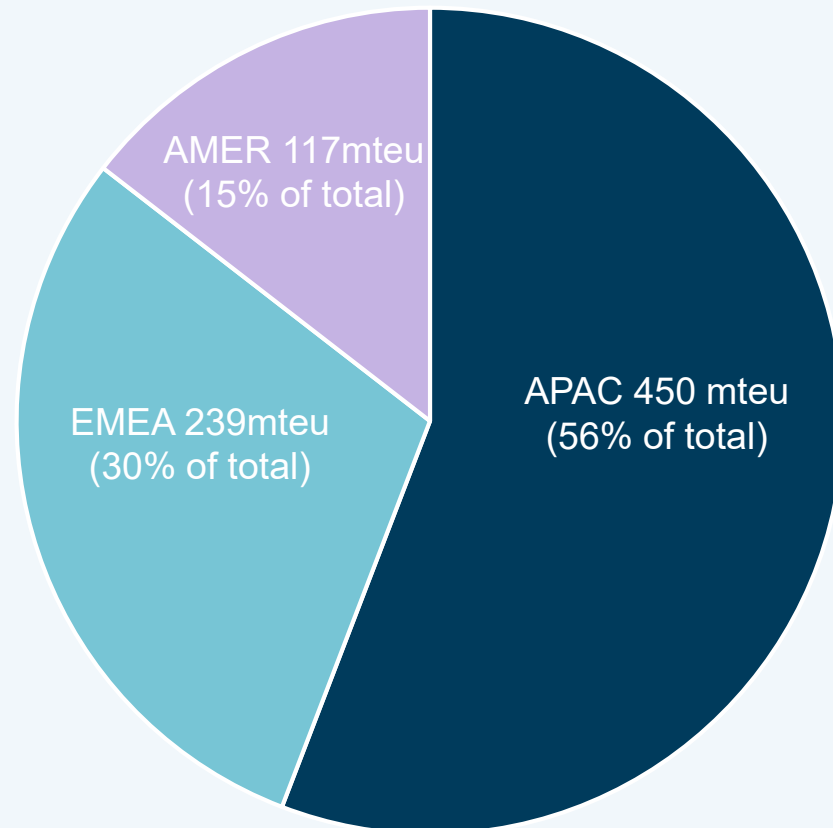
Global/international terminal operators' capacity development, 2018-2023 (MTEU)



Global container throughput and capacity development



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



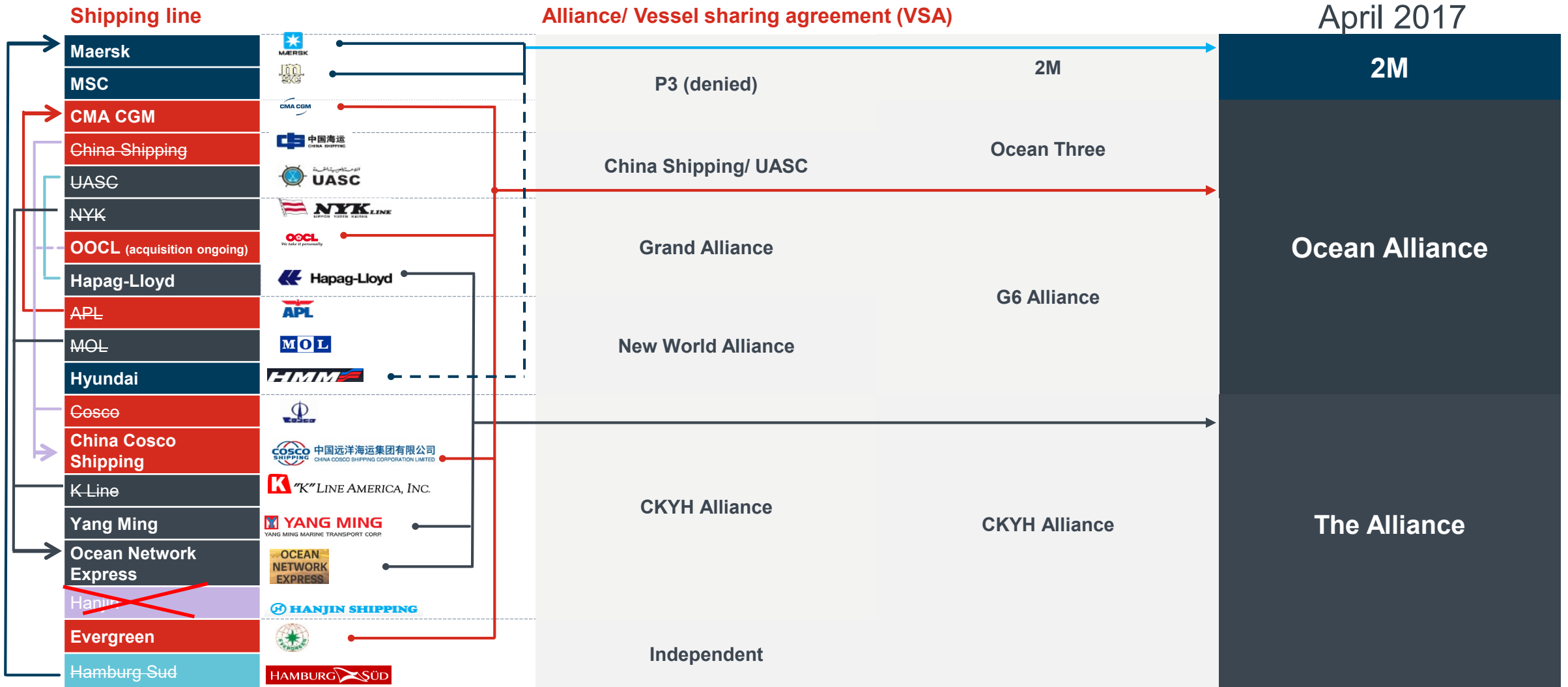
Global container throughput expected to grow 2.6% in 2019

- 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

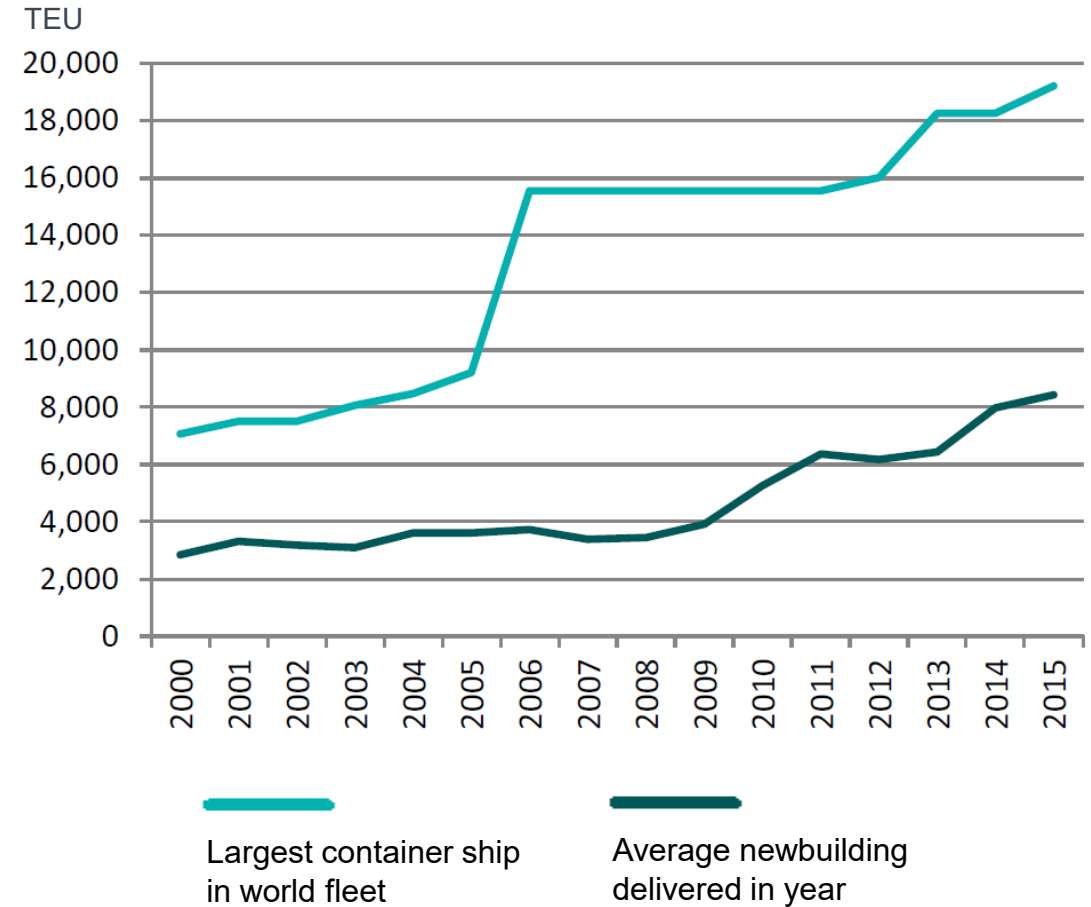


Total: 17
(9 after further consolidations)

- 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

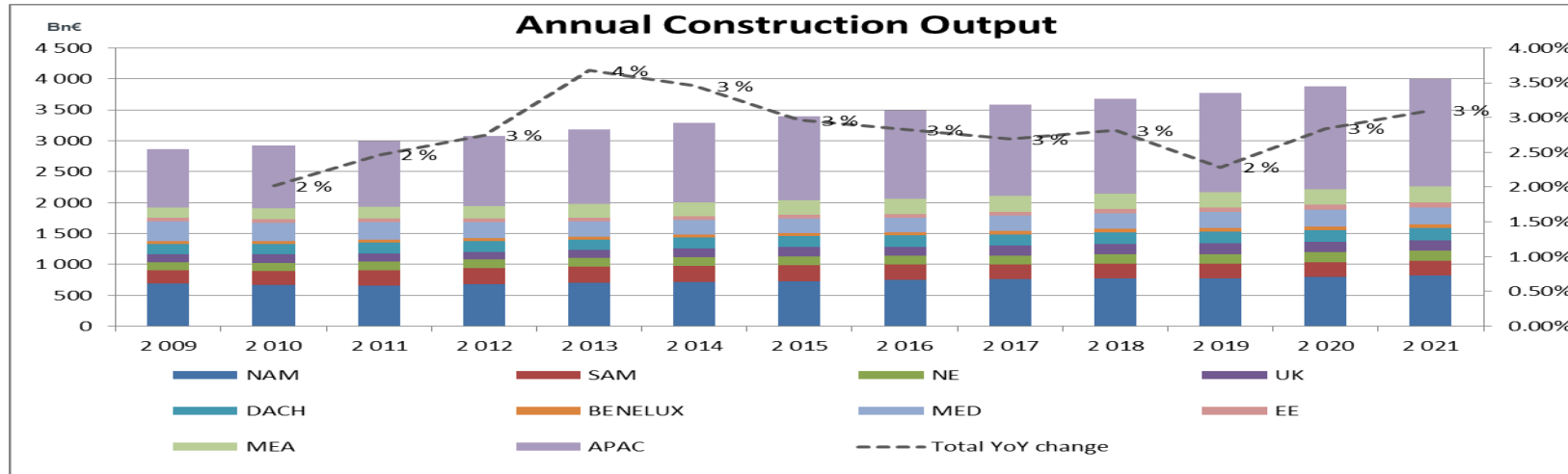
- The largest containership in the fleet has nearly tripled since 2000
- The average size of new builds doubles between 2009 and 2014



Source: Drewry November 2015

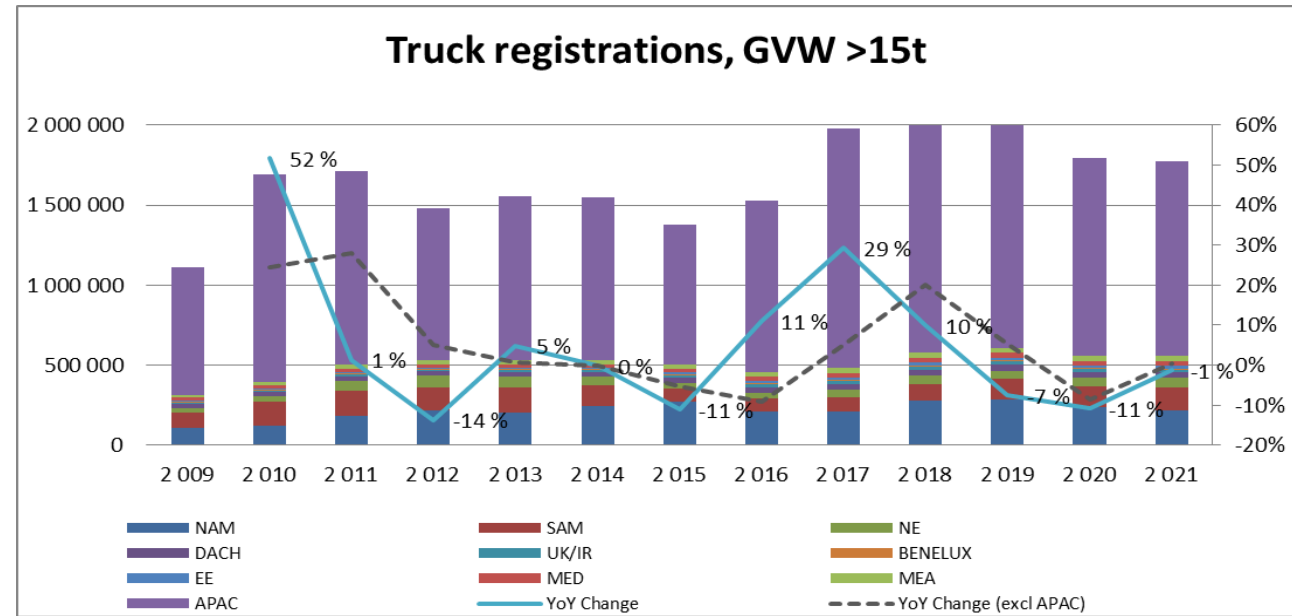
Hiab appendix

Construction output forecast



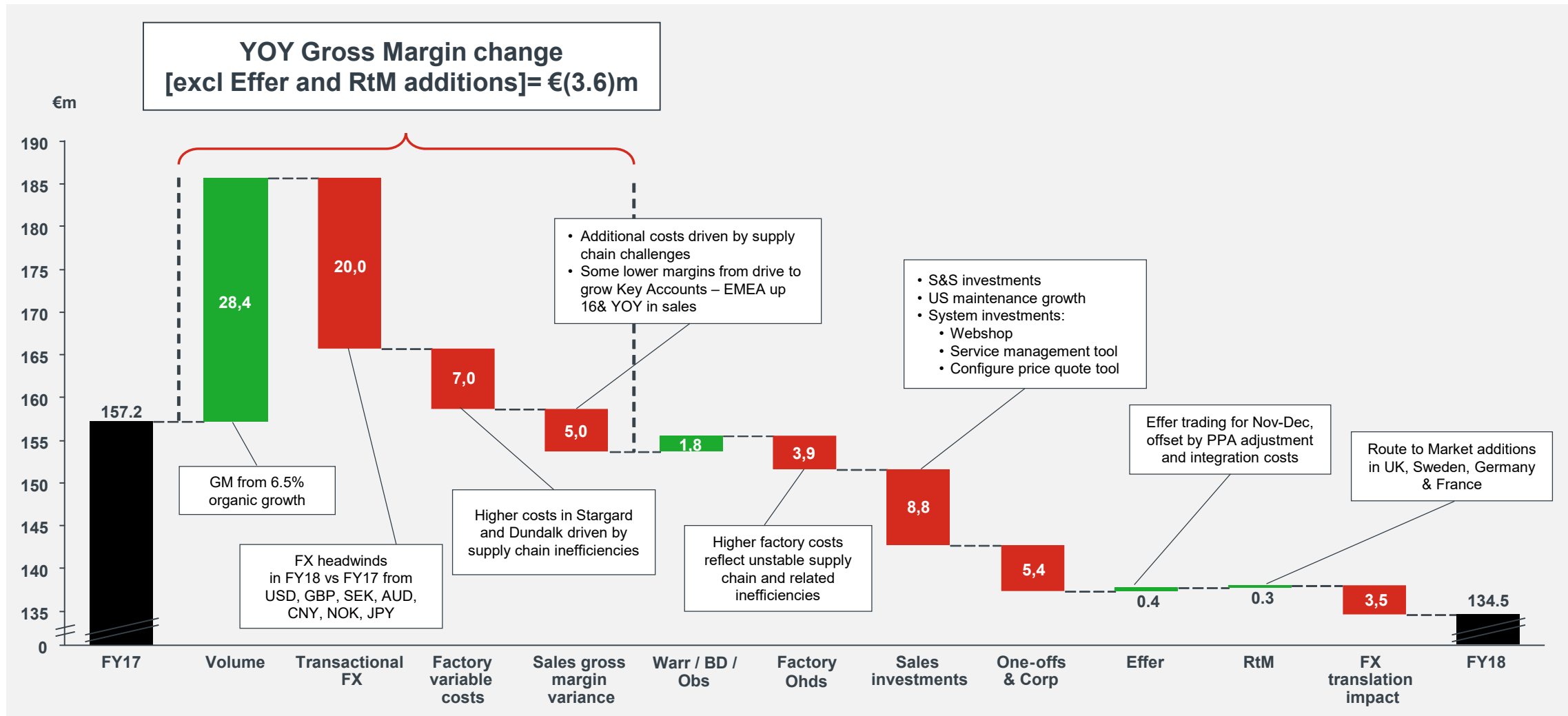
Percentage point change vs last forecast						YoY changes					
	2017	2018	2019	2020	2021		2017	2018	2019	2020	2021
NAM	-0.1%	0.1%	-0.4%	-0.2%	-0.1%	NAM	1.3%	2.6%	0.3%	2.3%	2.2%
SAM	0.2%	0.4%	0.5%	-0.4%	-0.7%	SAM	-3.4%	-1.4%	-0.4%	2.2%	2.7%
NE	0.0%	0.0%	-1.3%	-0.3%	-0.1%	NE	2.8%	5.4%	1.7%	1.7%	1.9%
UK	0.0%	0.0%	-0.6%	-0.6%	-0.2%	UK	7.3%	0.7%	1.6%	1.1%	1.6%
DACH	0.0%	0.0%	0.0%	-0.2%	0.0%	DACH	2.9%	2.7%	2.2%	1.3%	1.2%
BENELUX	0.9%	0.1%	-0.6%	-0.2%	0.0%	BENELUX	4.0%	5.2%	4.5%	1.2%	1.5%
MED	0.1%	-0.7%	0.7%	-0.4%	-0.1%	MED	3.4%	2.3%	2.9%	1.9%	2.0%
EE	-0.2%	-0.8%	1.5%	0.1%	-0.1%	EE	4.5%	11.1%	5.8%	3.2%	3.0%
MEA	0.2%	0.0%	0.3%	-0.1%	0.0%	MEA	2.0%	-2.0%	0.2%	2.9%	3.9%
APAC	0.0%	0.0%	-0.7%	0.0%	0.1%	APAC	3.8%	4.1%	3.8%	3.9%	4.2%
Total	0.0%	-0.1%	-0.4%	-0.1%	0.0%	Total	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%	0.6%	31.1%	1.2%	-16.9%	-6.4%
SAM	0.0%	-0.5%	16.1%	6.0%	9.4%	8.4%	19.9%	27.2%	1.7%	8.0%
NE	0.0%	0.0%	-5.2%	-3.1%	0.3%	27.5%	4.6%	-0.5%	1.0%	7.9%
DACH	0.0%	0.0%	0.2%	-0.1%	-0.2%	1.8%	12.6%	-6.2%	-4.5%	-1.5%
UK/IR	0.0%	0.0%	30.5%	13.7%	7.1%	0.3%	-11.1%	23.0%	-12.1%	-2.2%
BENELUX	0.0%	7.2%	-2.3%	-4.1%	-4.0%	5.4%	14.5%	-19.7%	-3.0%	3.8%
EE	0.0%	-0.6%	1.9%	-3.8%	1.6%	-1.6%	27.9%	5.2%	-5.9%	7.2%
MED	-0.7%	0.2%	0.5%	0.0%	1.0%	19.3%	9.8%	-2.2%	-8.5%	6.9%
MEA	0.0%	0.4%	-1.9%	-1.0%	-1.3%	-2.4%	3.4%	-0.5%	5.4%	2.7%
APAC	0.2%	0.1%	5.8%	3.3%	-0.2%	39.7%	6.6%	-12.1%	-11.9%	-2.1%
Total	0.2%	0.1%	5.3%	2.4%	0.3%	29.4%	9.9%	-7.5%	-10.9%	-1.3%

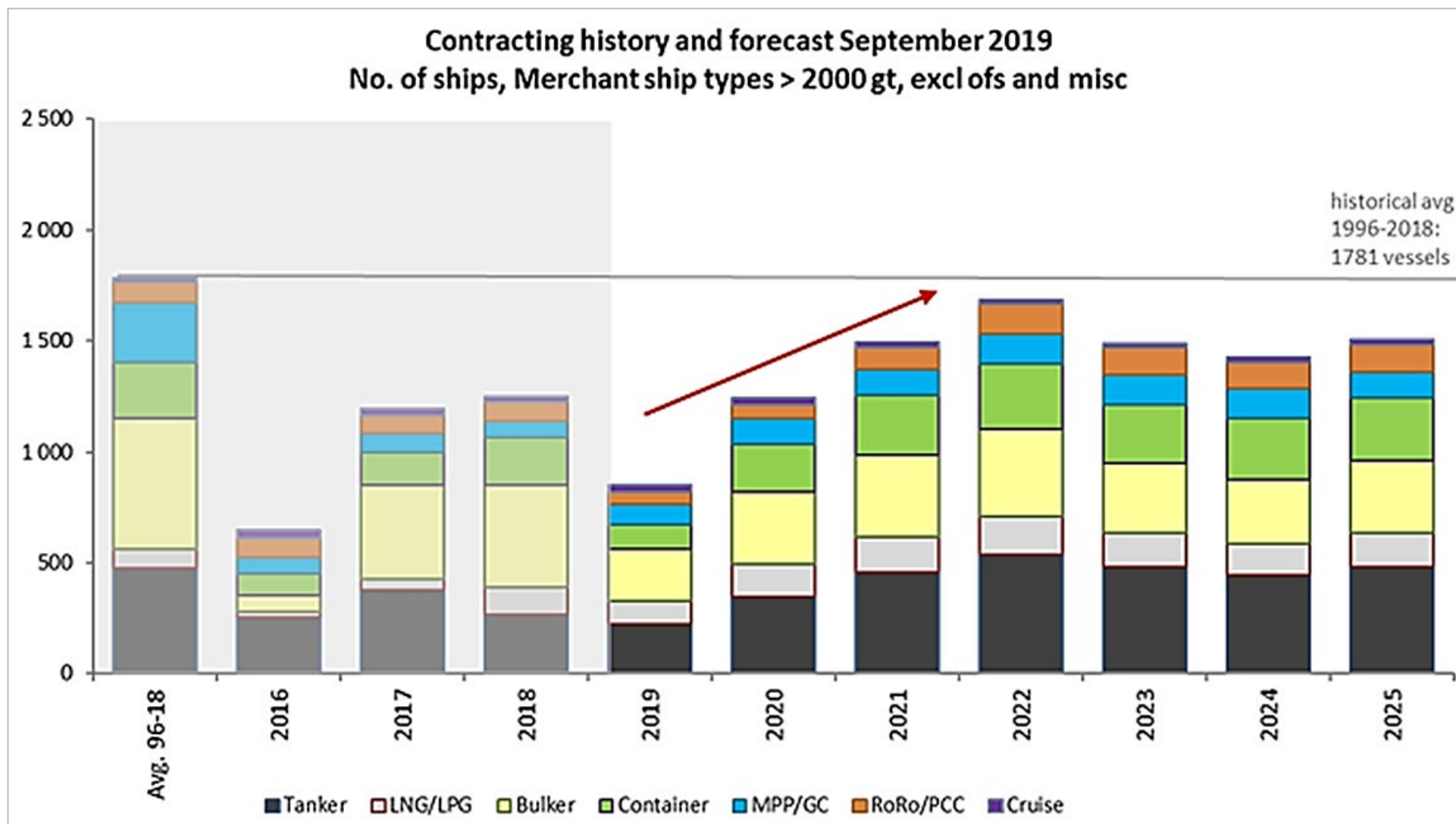
Operating Profit Bridge FY Actual 2018 vs 2017 (AER)



MacGregor appendix

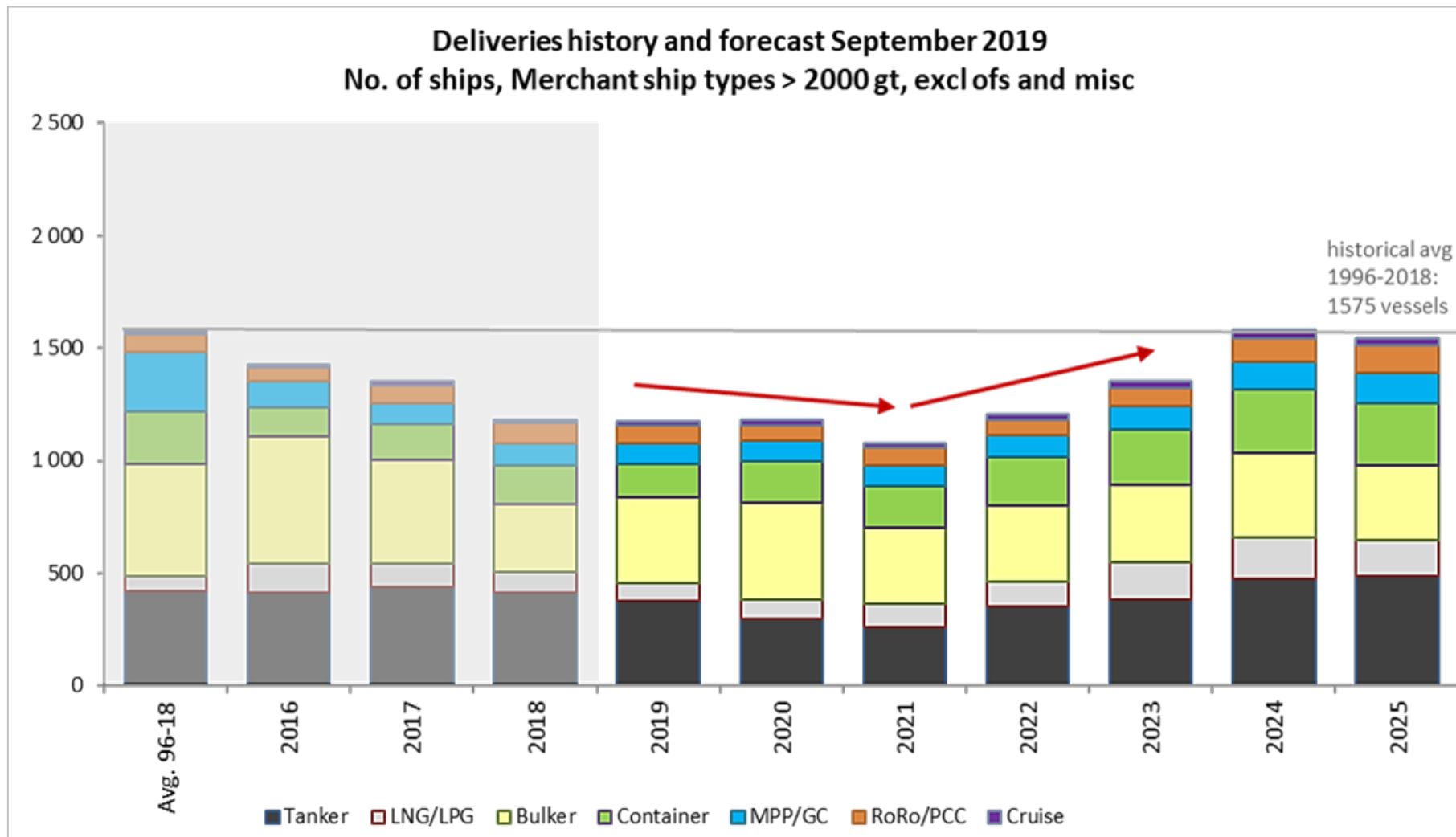
Merchant ships: Contracting forecast by shiptype (no of ships)

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

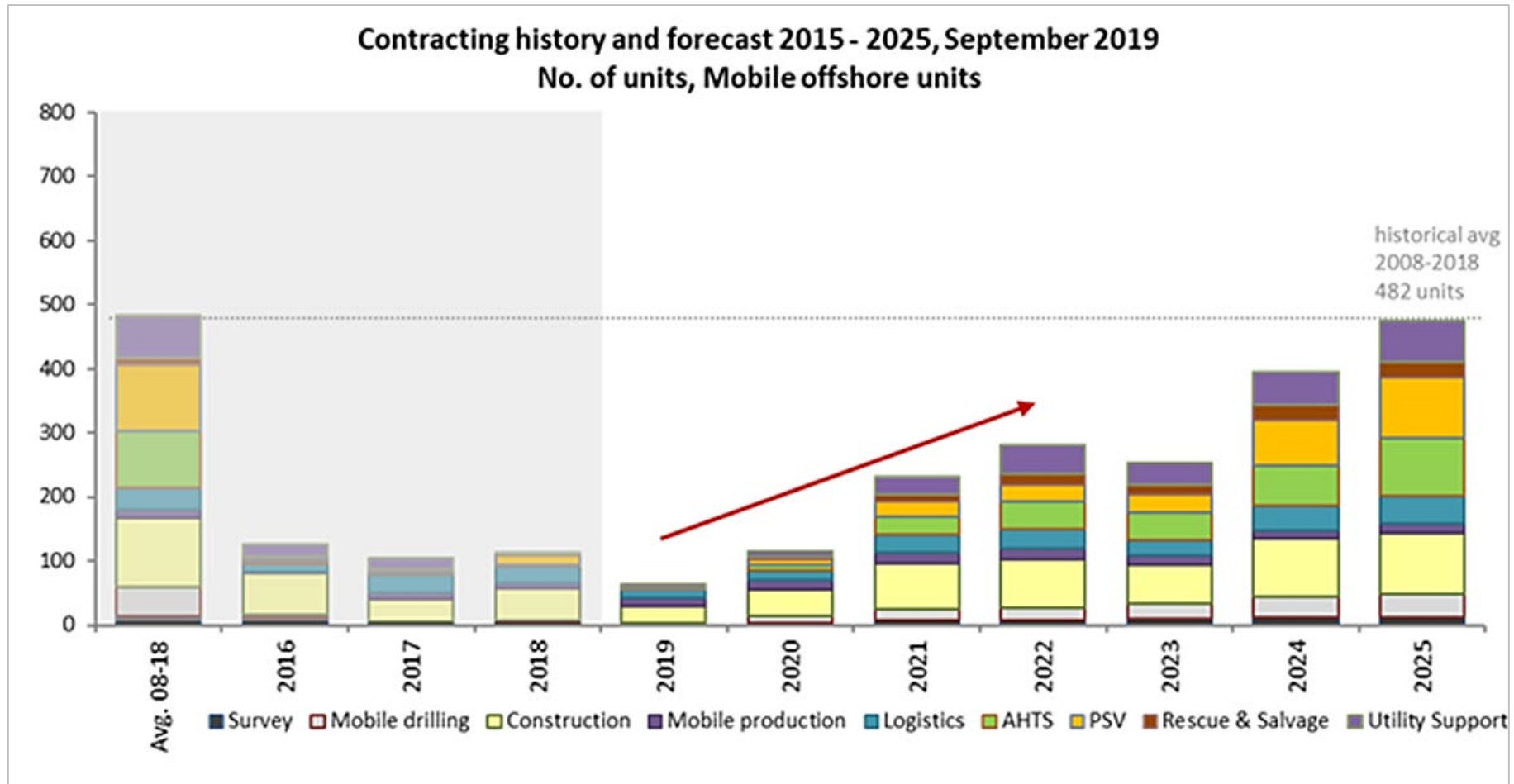


Merchant ships: Deliveries forecast by shiptype (no of ships)

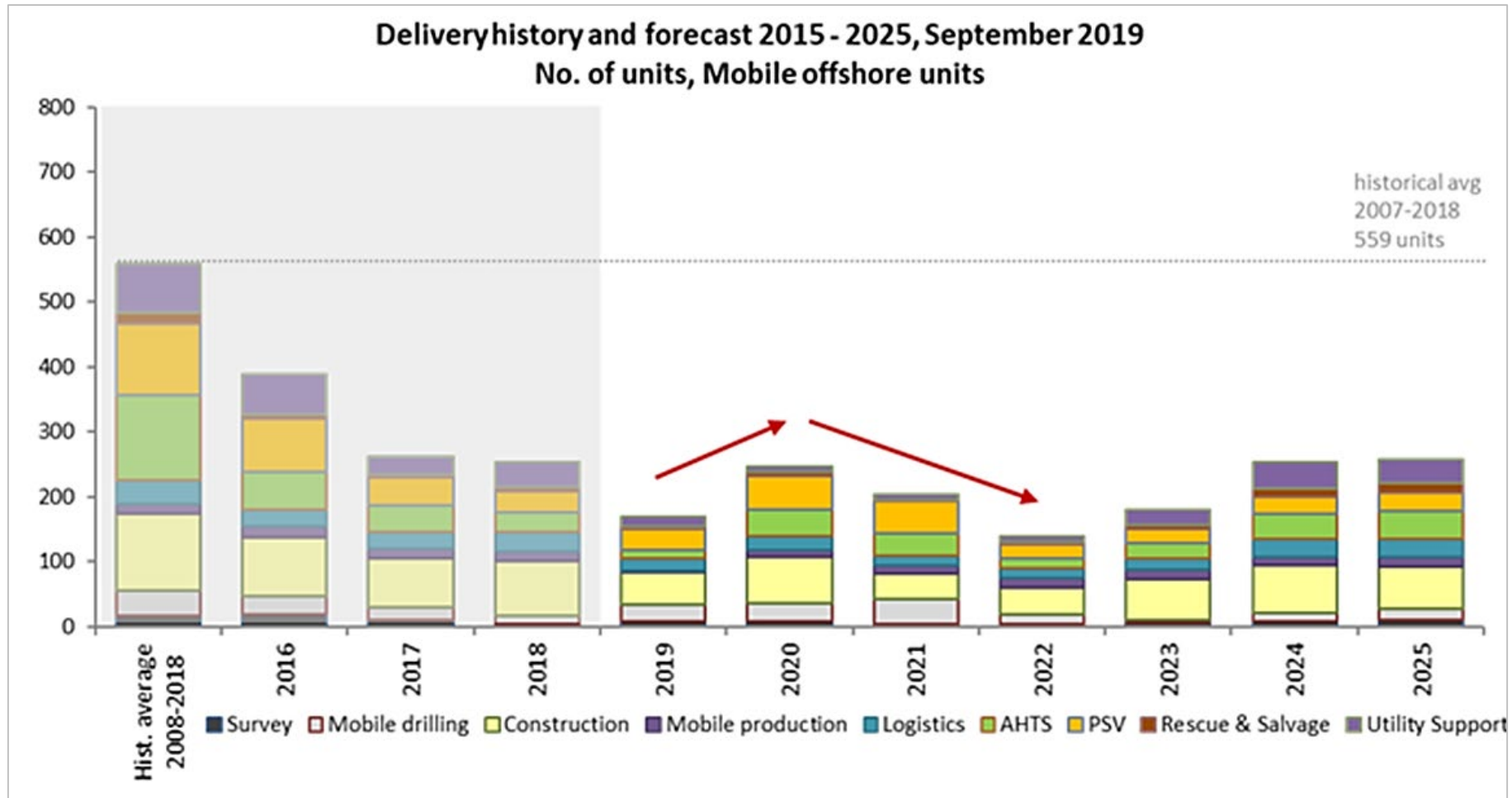
Merchant ship types > 2000 gt excl offshore and misc, base case



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



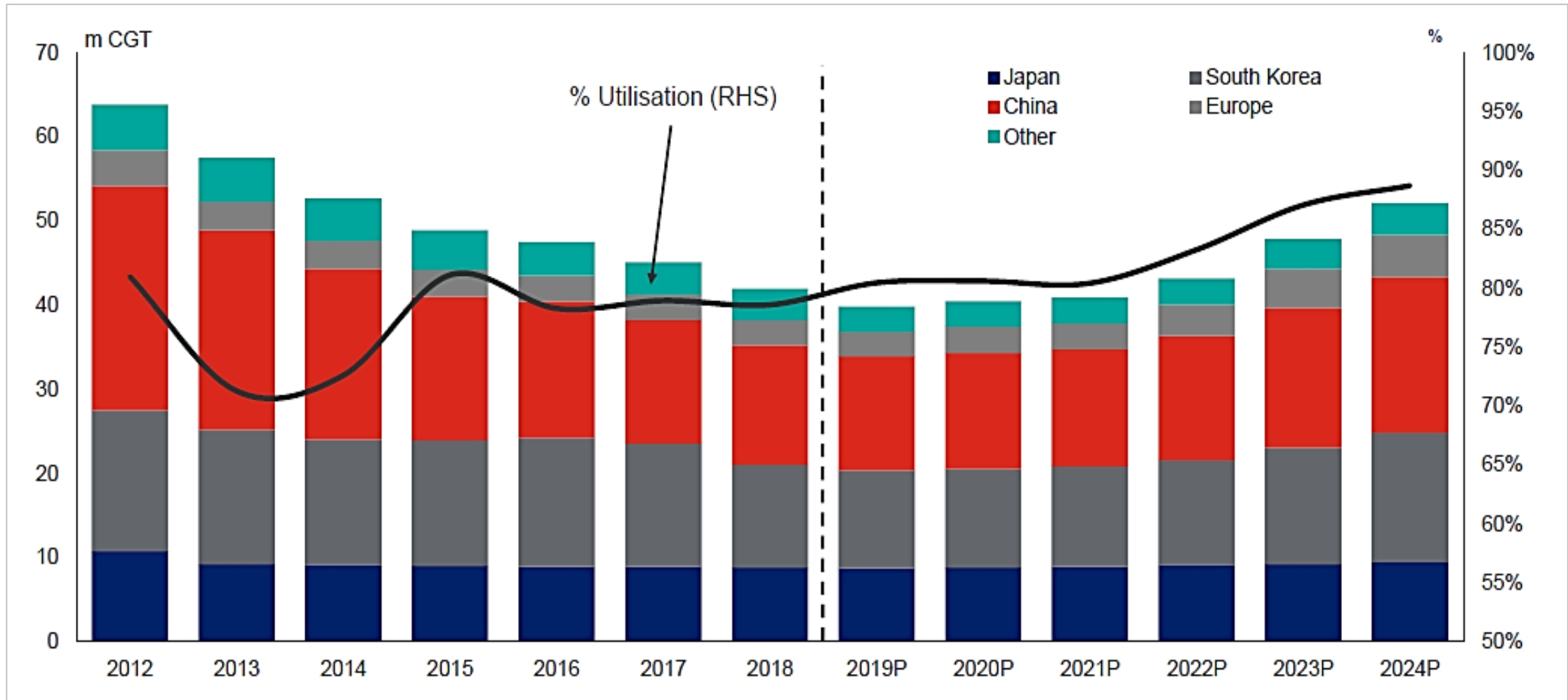
Offshore mobile units: Deliveries forecast by shiptype (number of units)



Shipbuilding – contracting ships >2000 gt/dwt

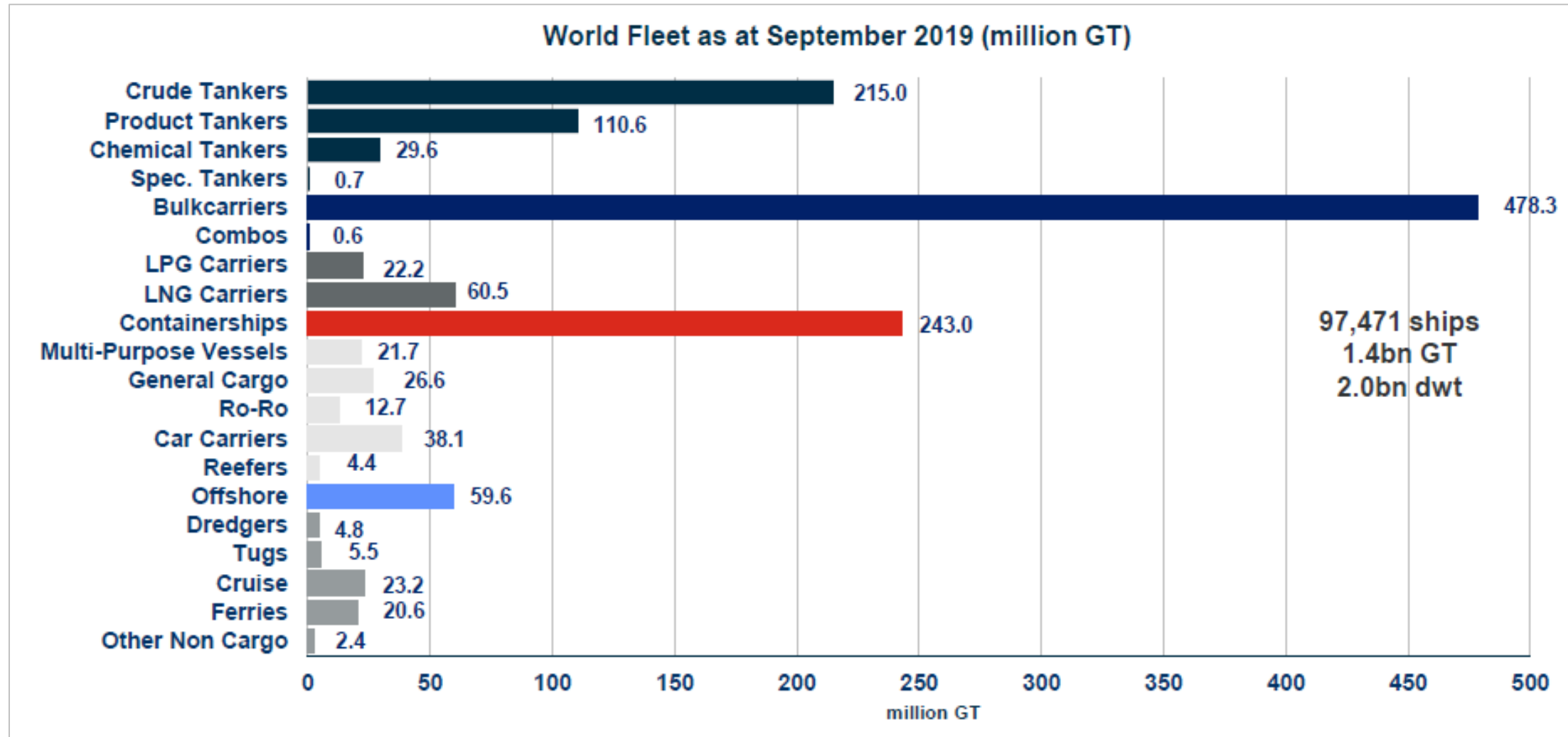
Global Contracting Activity (1st October 2019)												
	No.				\$bn				m. CGT			
	2017	2018	2019ytd	%y-o-y*	2017	2018	2019ytd	%y-o-y*	2017	2018	2019ytd	%y-o-y*
TOTAL (>2,000 Dwt/GT**)	1,278	1,329	577	-42%	71.8	78.7	43.3	-27%	29.8	34.7	15.6	-40%
Vessel Type												
Bulkers	424	466	158	-55%	12.4	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%
Builder Country/Region												
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



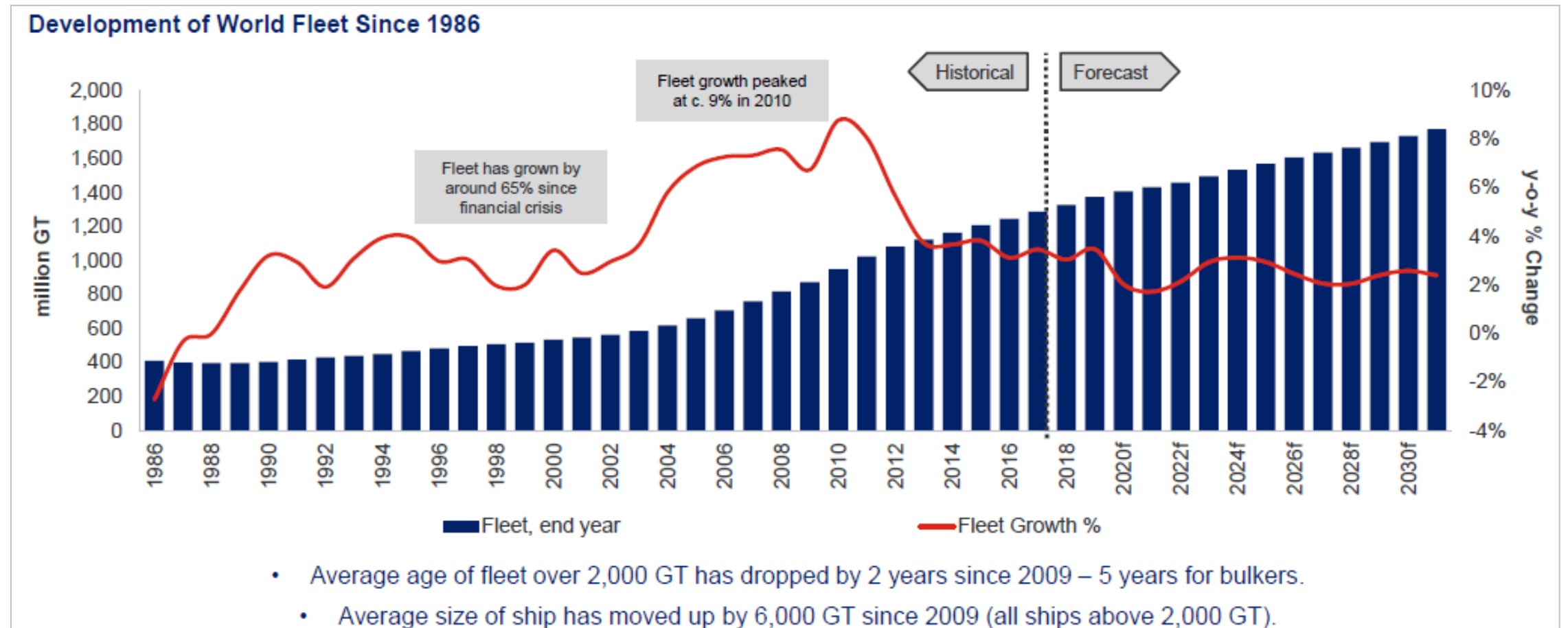
Shipping – The world fleet

World fleet comprises currently roughly 97,000 ships

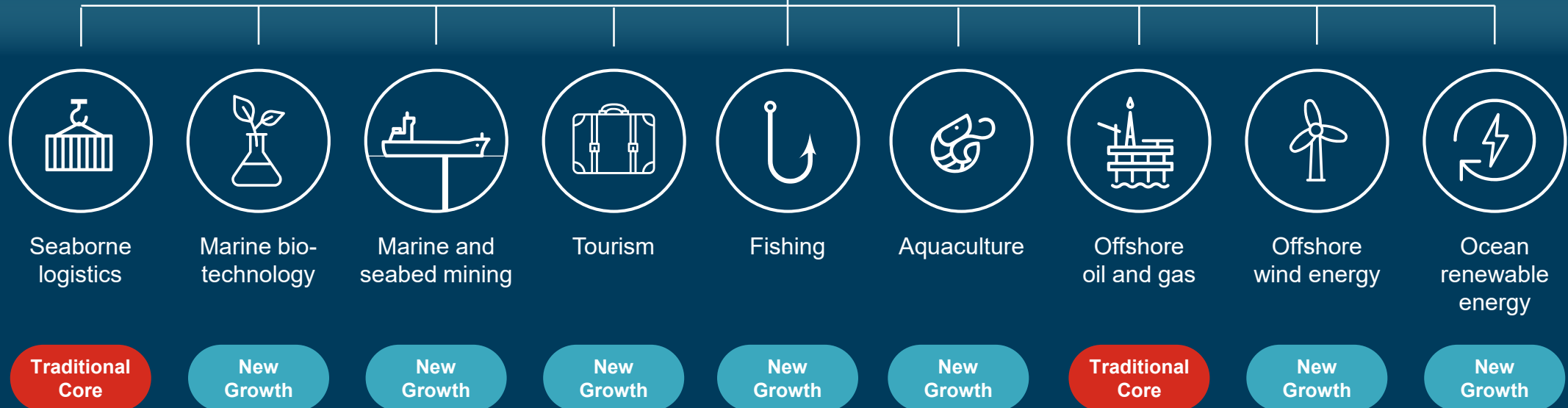


World fleet development since 1986

World fleet continues to grow - ships getting younger and bigger



We are capturing "blue growth" opportunities



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.

