





# Annual General Meeting 18 March 2014

President and CEO Mika Vehviläinen

# Observations on Cargotec



# Strengths

- Market position
- Brands
- Customer satisfaction
- Products and technology

# Improvement areas

- Financial performance vs. peers
- Clock speed
- Performance culture
  - Leadership
  - Complexity, lack of clarity and focus
  - Tools and systems

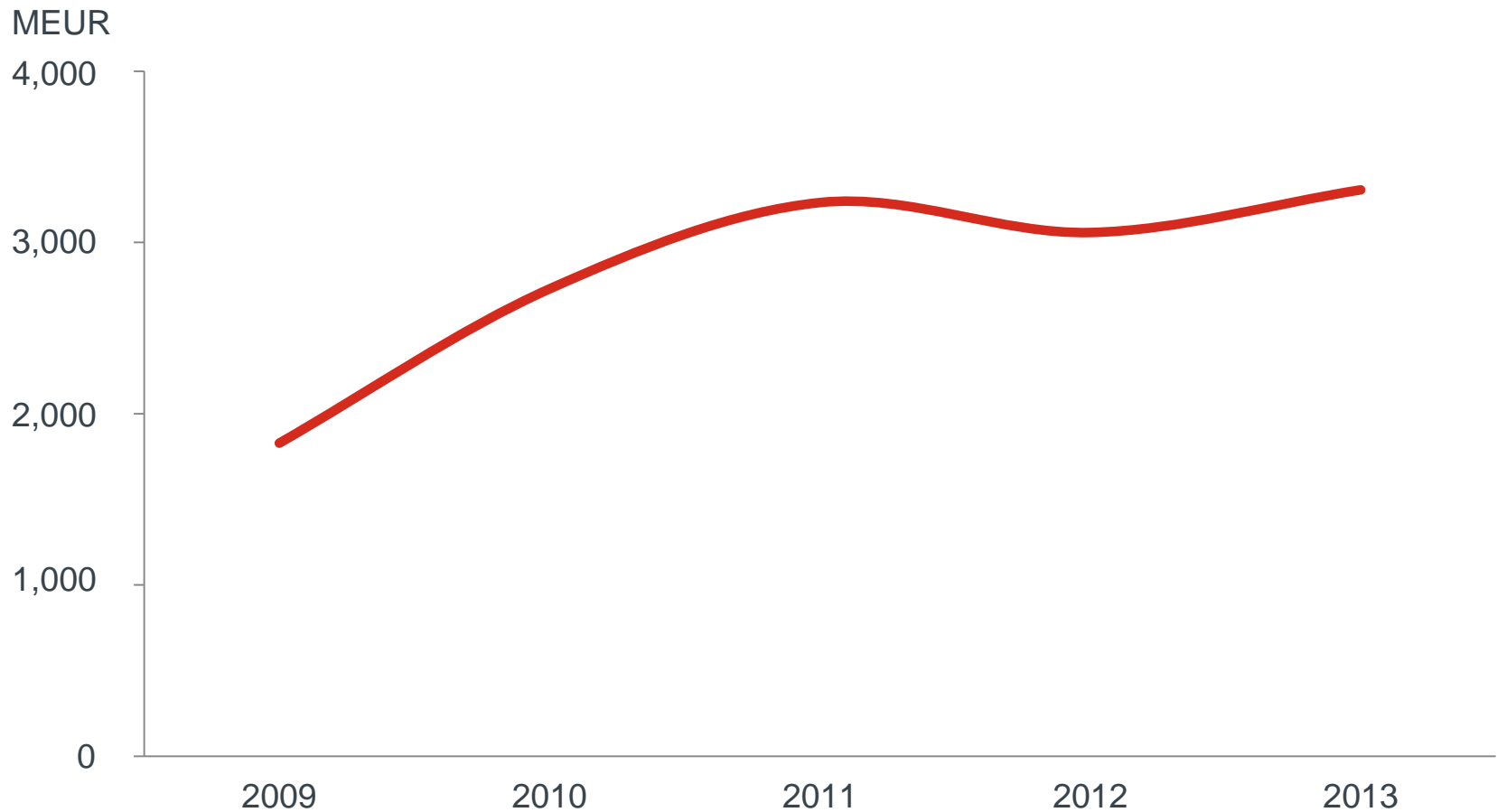
# A lot of positive development in 2013

- Portfolio review and reconfirmation of profitability improvement initiatives
- Must-win battles defined
- Changes in Executive Board
- Rainbow Cargotec joint venture started operations in China
- Two acquisitions in MacGregor
  - separate listing delayed
- Significant orders in each business area
- Important product launches
- Second phase investment in Poland

**Financial performance in  
2013 was a disappointment**

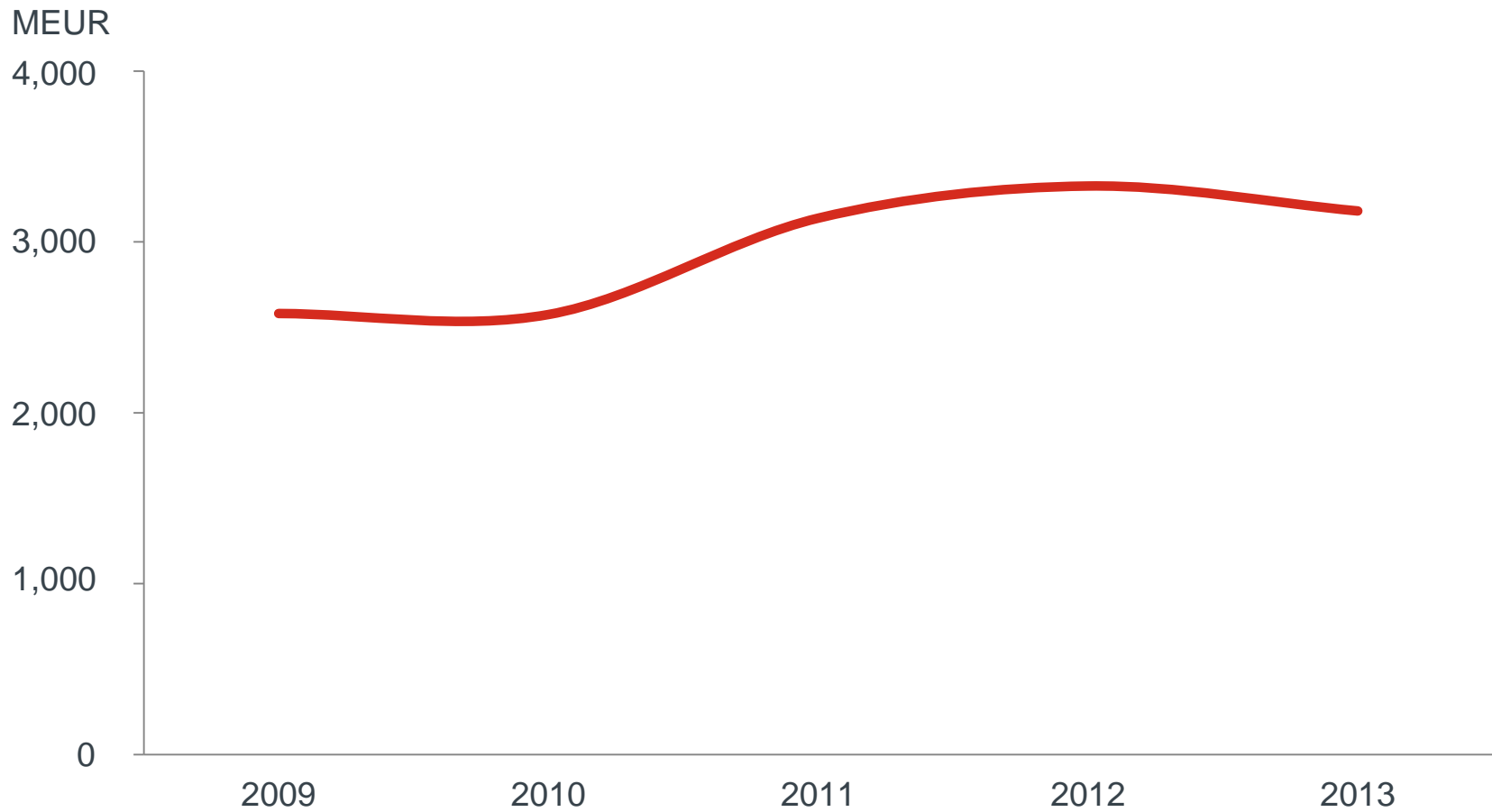


# Orders received grew eight percent

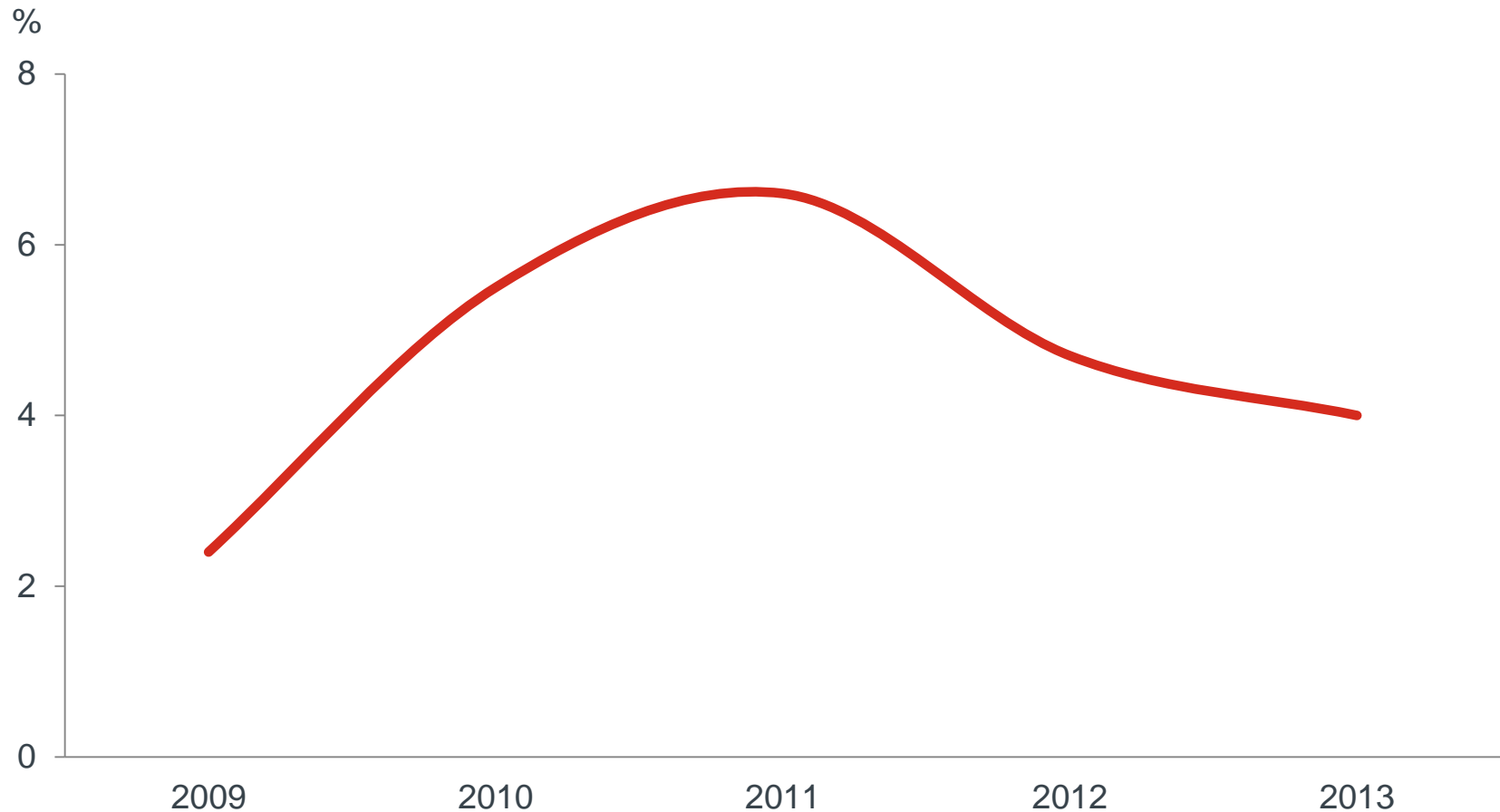




# Sales declined four percent

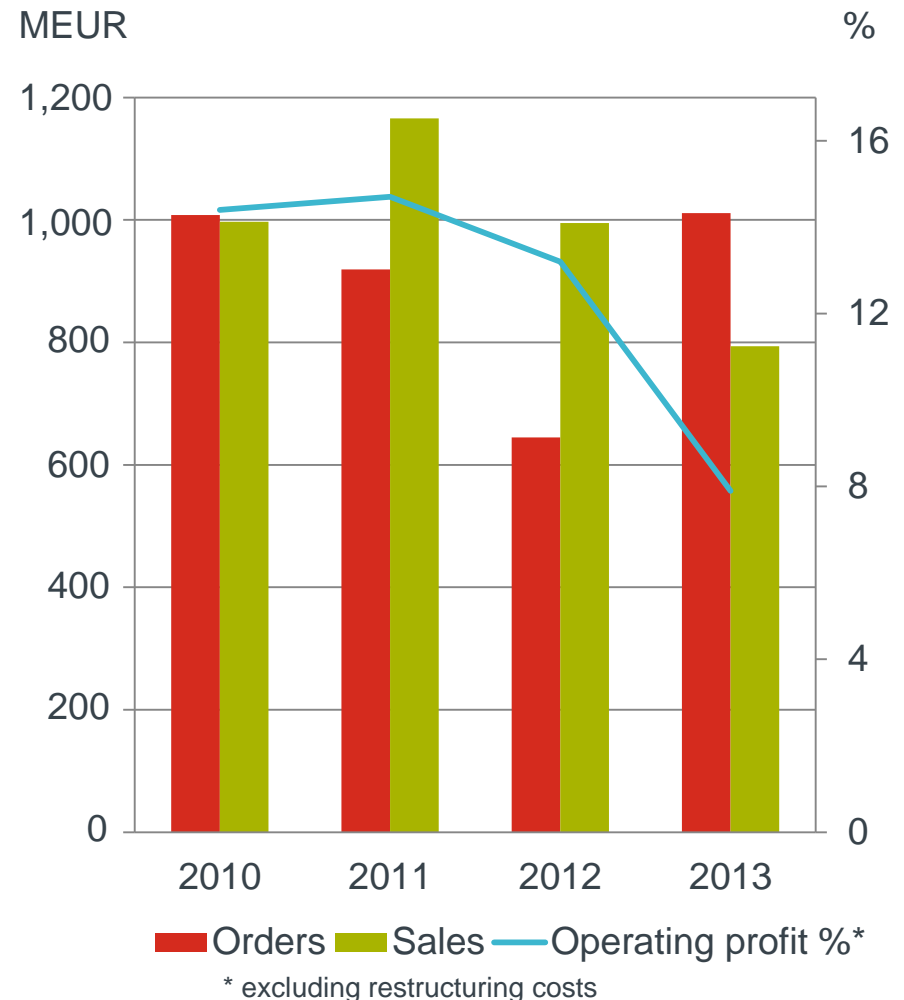


# Operating profit margin declined to 4.0 percent



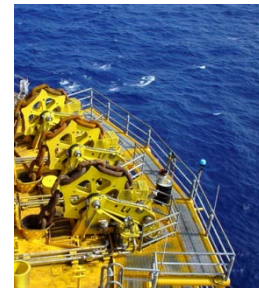
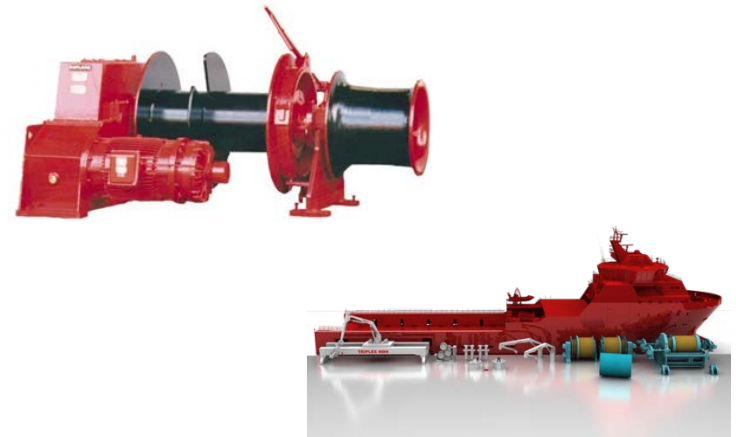
# MacGregor – low sales and increase in share of offshore burdened profitability

- Merchant ship market continued to recover
- Offshore market remained active
- Orders grew 57% from 2012
- Sales declined 20% from 2012
- Share of offshore about a quarter of sales
- Two acquisitions
  - Hatlapa
  - Mooring and loading systems unit from Aker Solutions



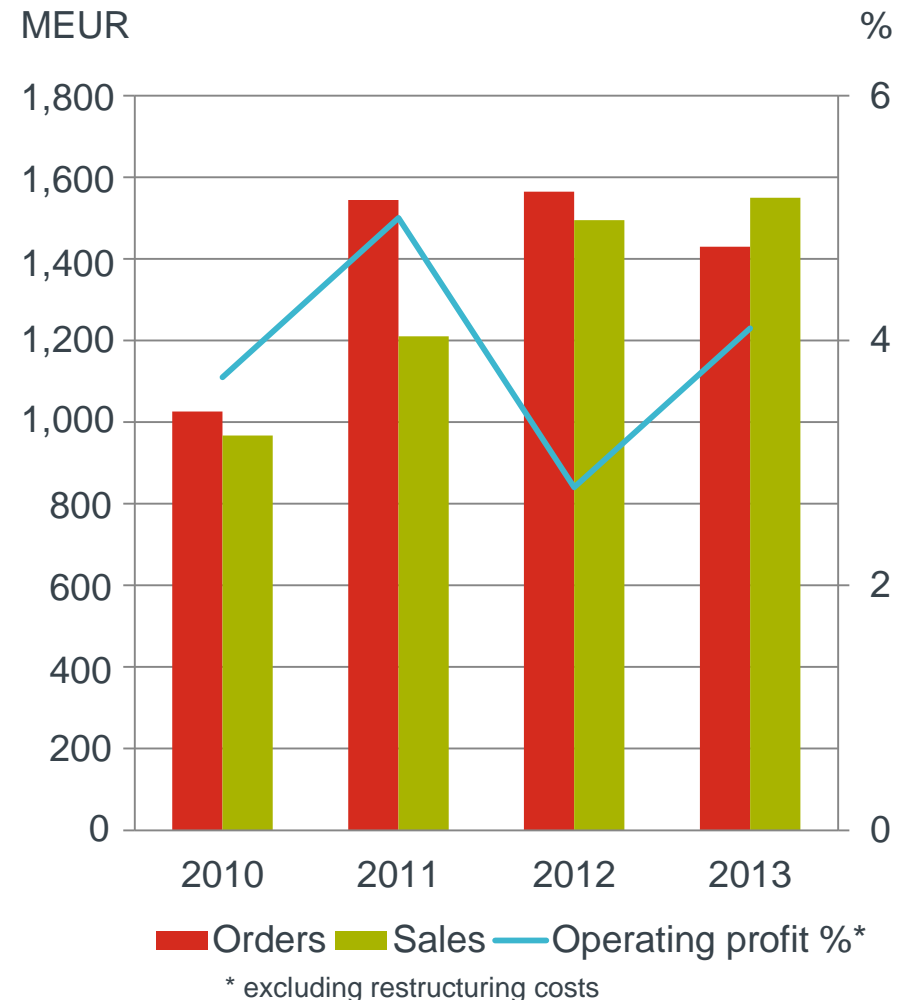
# Acquisitions in MacGregor support expansion of integrated systems sales

- Hatlapa
  - Enterprise value EUR 160 million
  - Annual sales ~ EUR 120 million
    - 75% merchant
    - 25% offshore
  - Expands product coverage in winches and deck equipment
  - About 585 employees
- Mooring and loading systems unit
  - Enterprise value EUR 180 million
  - Annual sales ~ EUR 130 million
    - 25% merchant
    - 75% offshore
  - Expands product coverage in offshore
  - About 370 employees



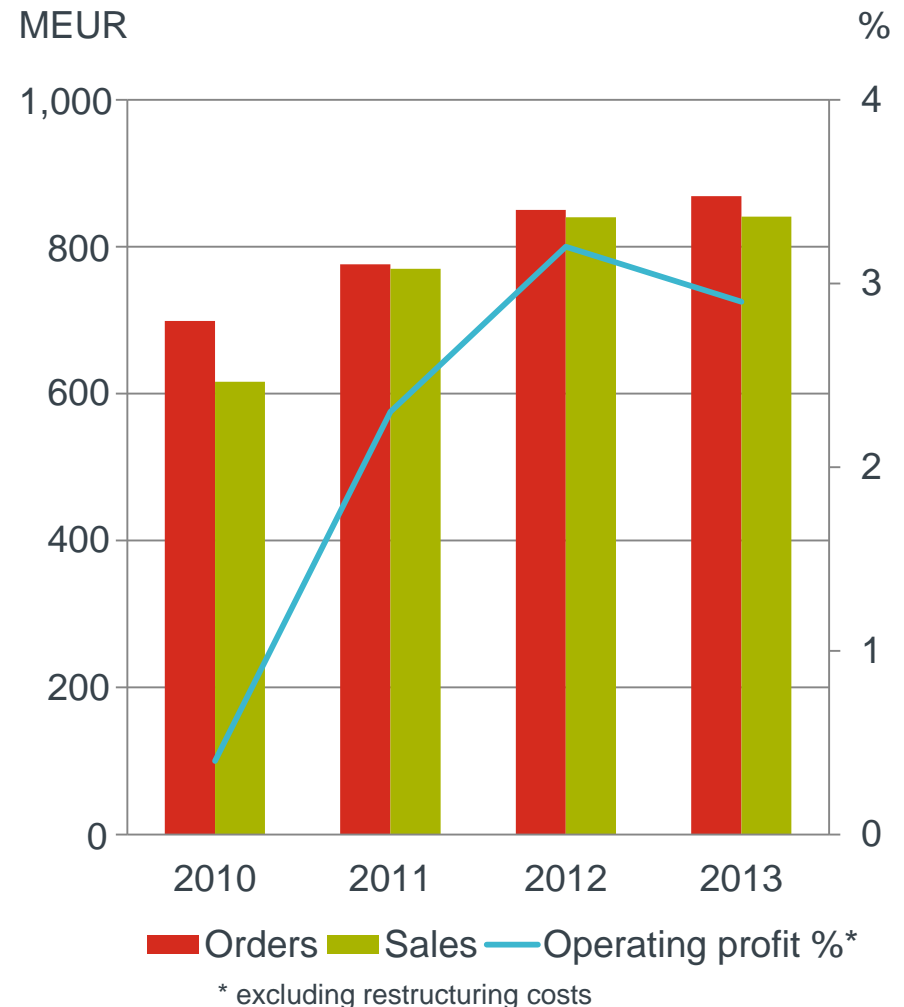
# Kalmar – profitability improved despite cost overruns in projects

- Demand for smaller container handling equipment and automation solutions was healthy
- Demand for larger equipment picked up towards the end of the year
- Orders declined 9% from 2012 due to less orders for big port projects
- Sales grew 4% from 2012
- Profitability excluding restructuring improved to 4.1% thanks to improvement initiatives
  - Additional costs and cost provisions of EUR 34 million in projects



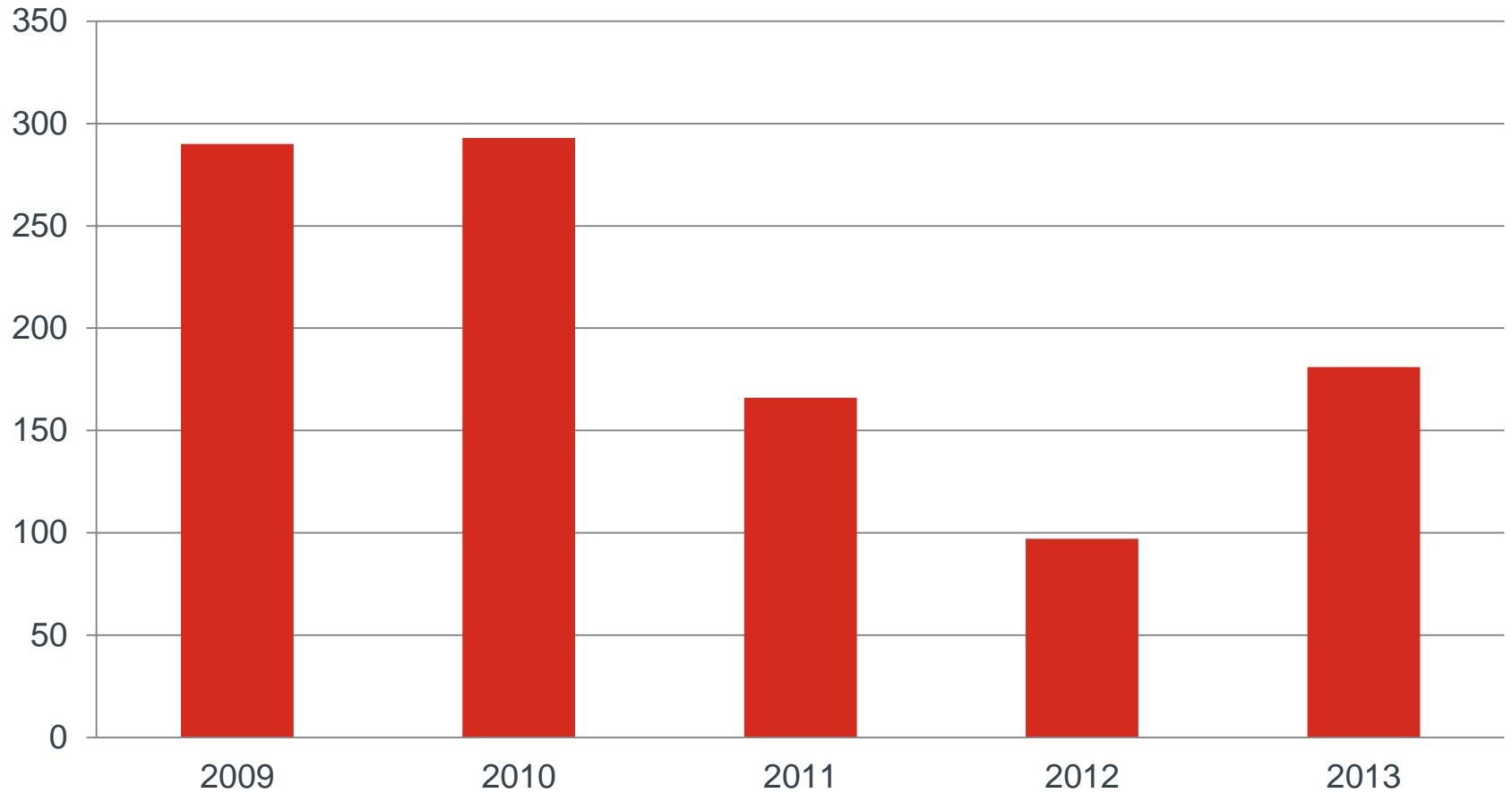
# Hiab – one-off write-downs burdened profitability

- The load handling equipment and services market was flat, and characterised by demand variations within European countries. Demand was healthy in the US.
- Orders grew slightly from 2012
- Sales were at 2012 level
- Write-downs of working capital items burdened profitability
- Route-to-market and other efficiency improvement actions proceeded well



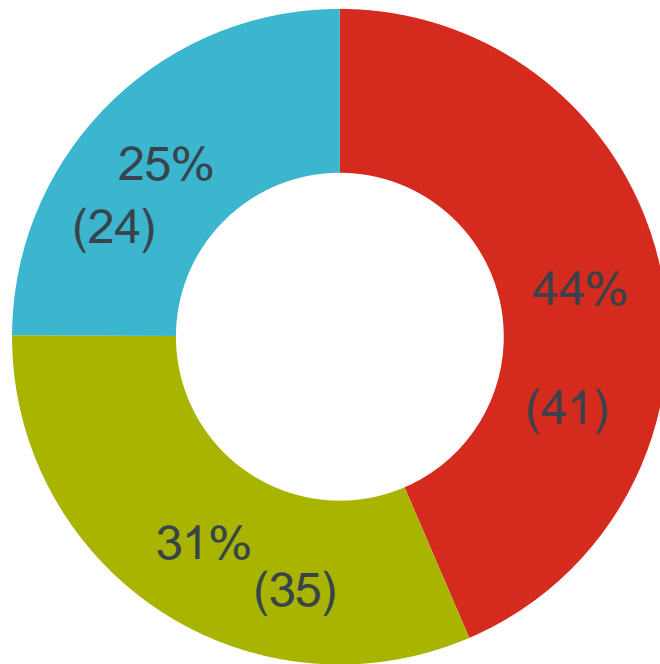
# Cash flow from operations strengthened during the second half

MEUR



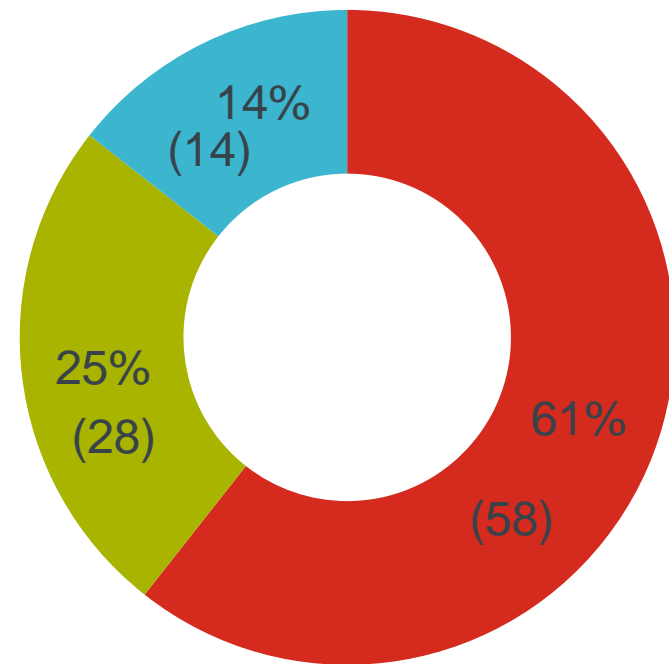
# Geographical split of sales and personnel

Sales



■ Amerikat ■ APAC ■ EMEA

Personnel (end of period)



■ Amerikat ■ APAC ■ EMEA



# Outlook published on 4 February still valid

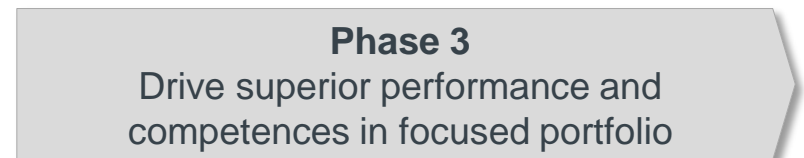
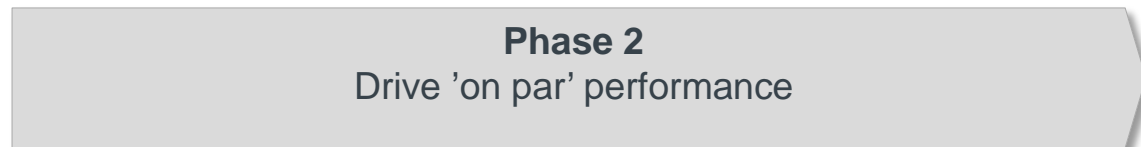
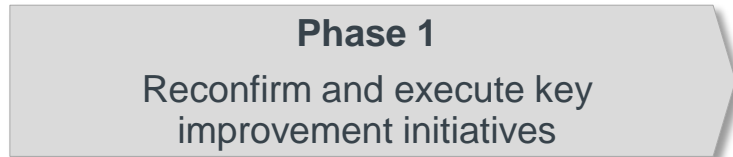
- Cargotec's 2014 sales are expected to grow from 2013.
- Operating profit excluding restructurings costs for 2014 is expected to improve from 2013.
- The acquisition of the Aker Solution's mooring and loading systems unit was completed 30 January 2014. Consolidation of the acquisition does not impact Cargotec's above-mentioned outlook for 2014.



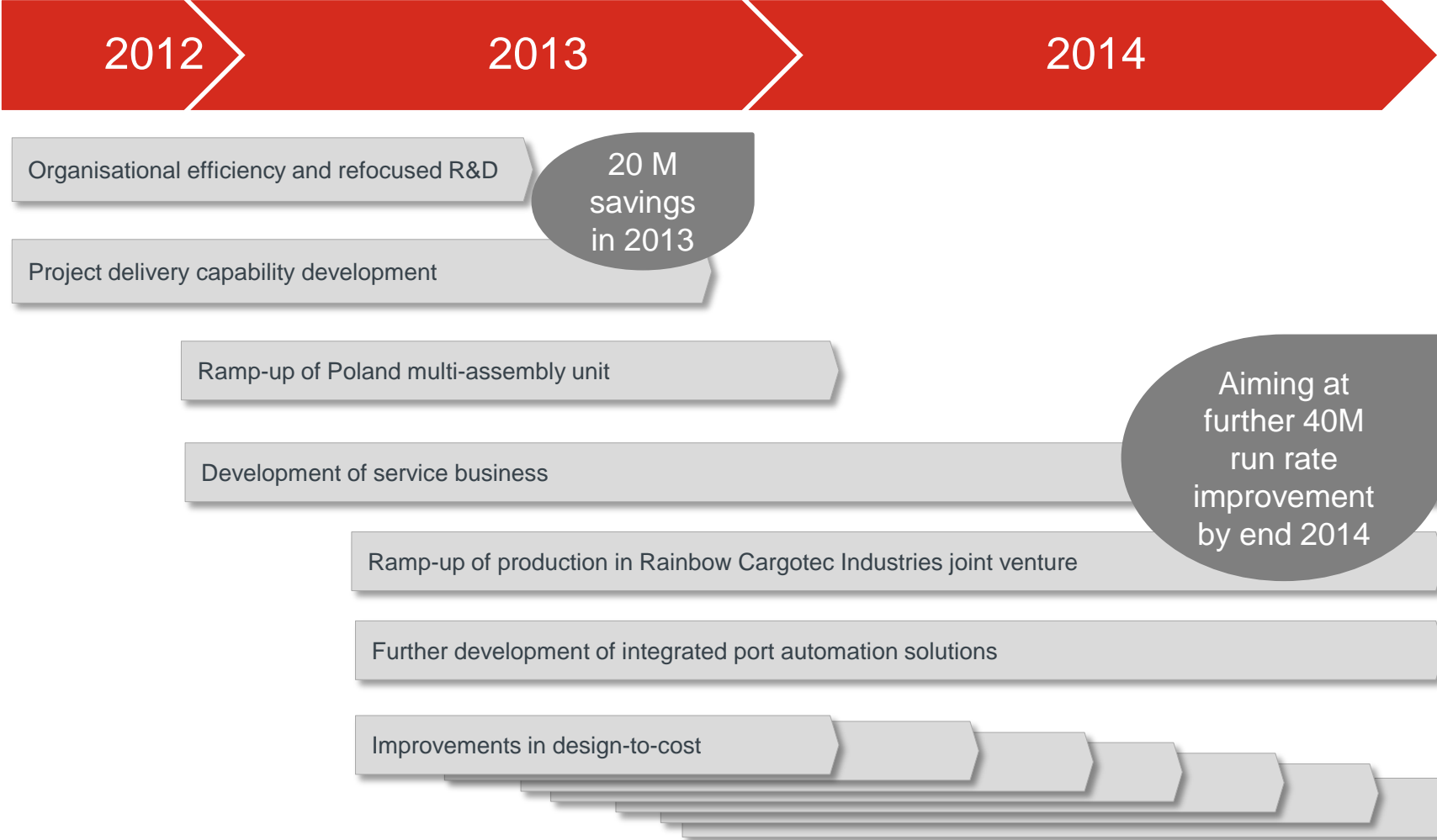
**Driving for better  
performance**



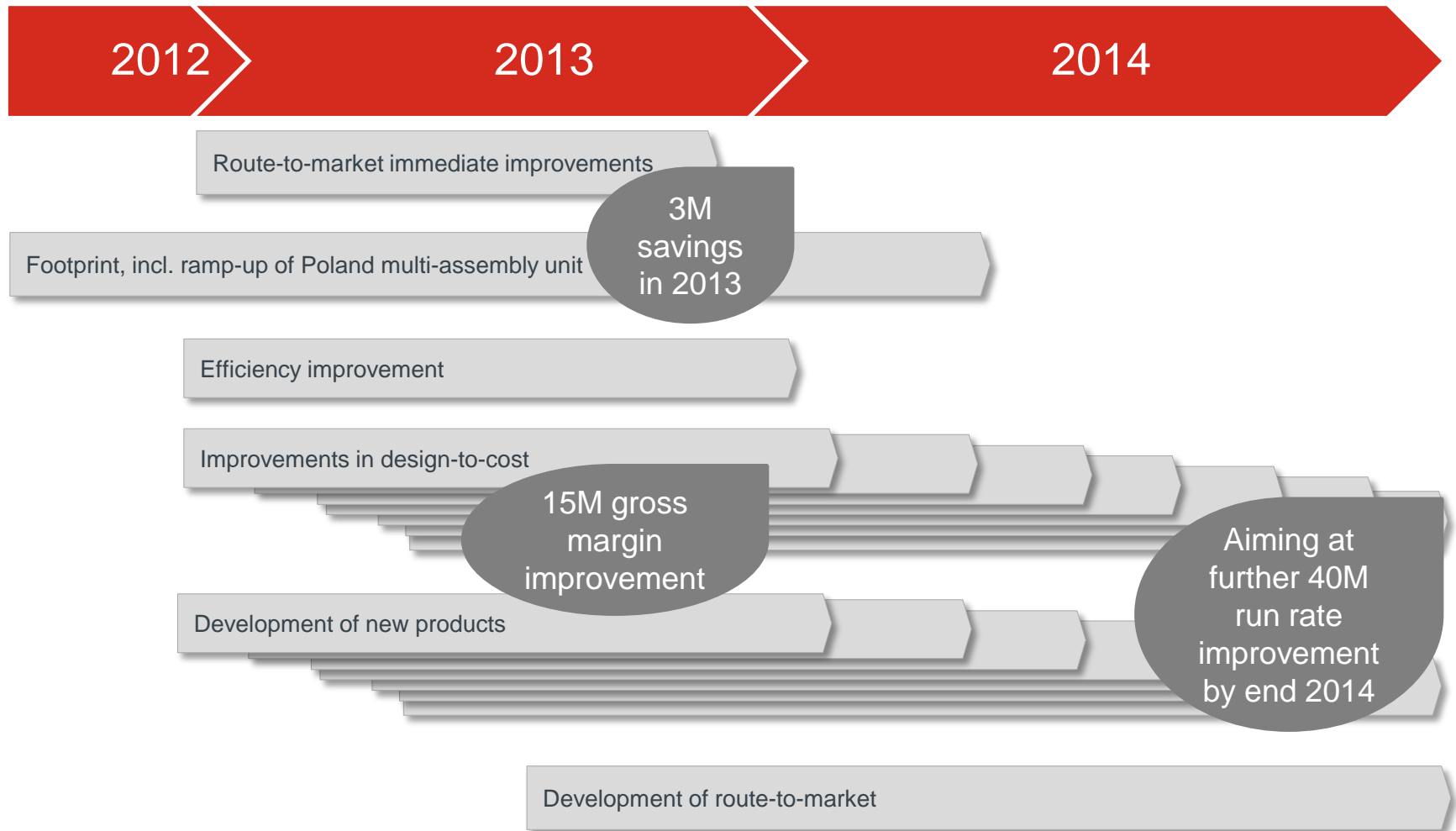
# Cargotec road map



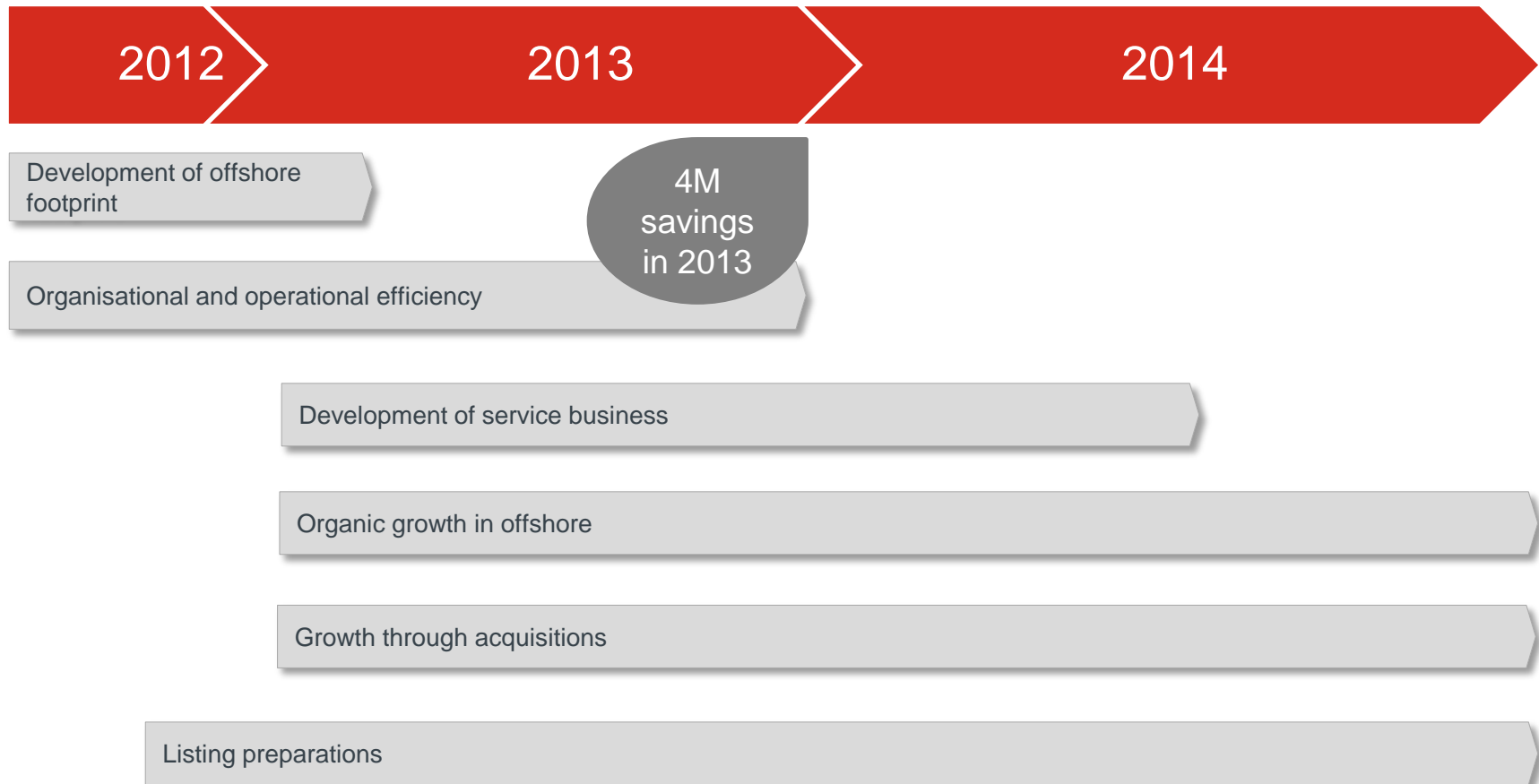
# Kalmar improvement initiatives



# Hiab improvement initiatives



# MacGregor improvement initiatives



# Cargotec's must-win battles

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



