

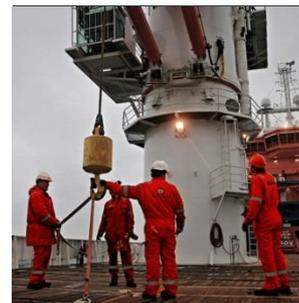


Cargotec's January–September 2016 interim report

Operating profit margin improved

Mika Vehviläinen, CEO
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25 October 2016



Third quarter highlights

- Profitability improved in Hiab, market situation in MacGregor still challenging
- Order book EUR 1,874 (31 Dec 2015: 2,064) million, orders received at EUR 733 (907) million
- Sales declined 8% y-o-y to EUR 854 (928) million
- Operating profit excluding restructuring costs was EUR 65.9 (68.3) million or 7.7 (7.4) percent of sales
- Cash flow from operations at EUR 74.4 (74.5) million, gearing at 41.6%

Third quarter events



Kalmar to deliver 34 reachstackers to European ro-ro operator

Market environment in January–September

- Number of containers handled at ports globally continues to grow, however at a slower pace than earlier. Long term market potential still strong, but customer decision making is slower.
- Strong construction activity continued in the US, supporting demand for load handling equipment. In Europe, activity levels still varied between countries. Demand for services was satisfactory.
- Market for marine cargo handling equipment remained weak. At the offshore industry, the low oil price is keeping the investment levels at a record-low level. Demand for services has declined.

Third quarter events

The screenshot displays the HIAB webshop homepage. At the top, there is a navigation bar with the HIAB logo, a search bar with the placeholder text "Search for machines or spare parts", and a "Sign in" button. Below the navigation bar, there are links for "SHOP BY: EQUIPMENT TYPE CATEGORY BATCH CAMPAIGNS". The main content area features a large image of a nut with the text "GREAT SAVINGS ON FIXING ELEMENTS!" and "Now is a good time to go nuts with Hiab's original nuts. The more fixing elements you buy, the more savings you get." A "READ MORE" button is positioned below the text. Below this, there are three columns of product categories, each with an icon and a "Start shopping" button:

- SHOP BY EQUIPMENT TYPE**: Find the right spare parts for the right machine with exploded views.
- SHOP BY CATEGORY**: Browse by category to find what you need.
- SHOP BY BATCH**: Use our batch order function to make big orders, fast and easy.

At the bottom of the page, there is a banner that reads "Hiab launches a new webshop at webshop.hiab.com" and "IN AND DAY OUT".

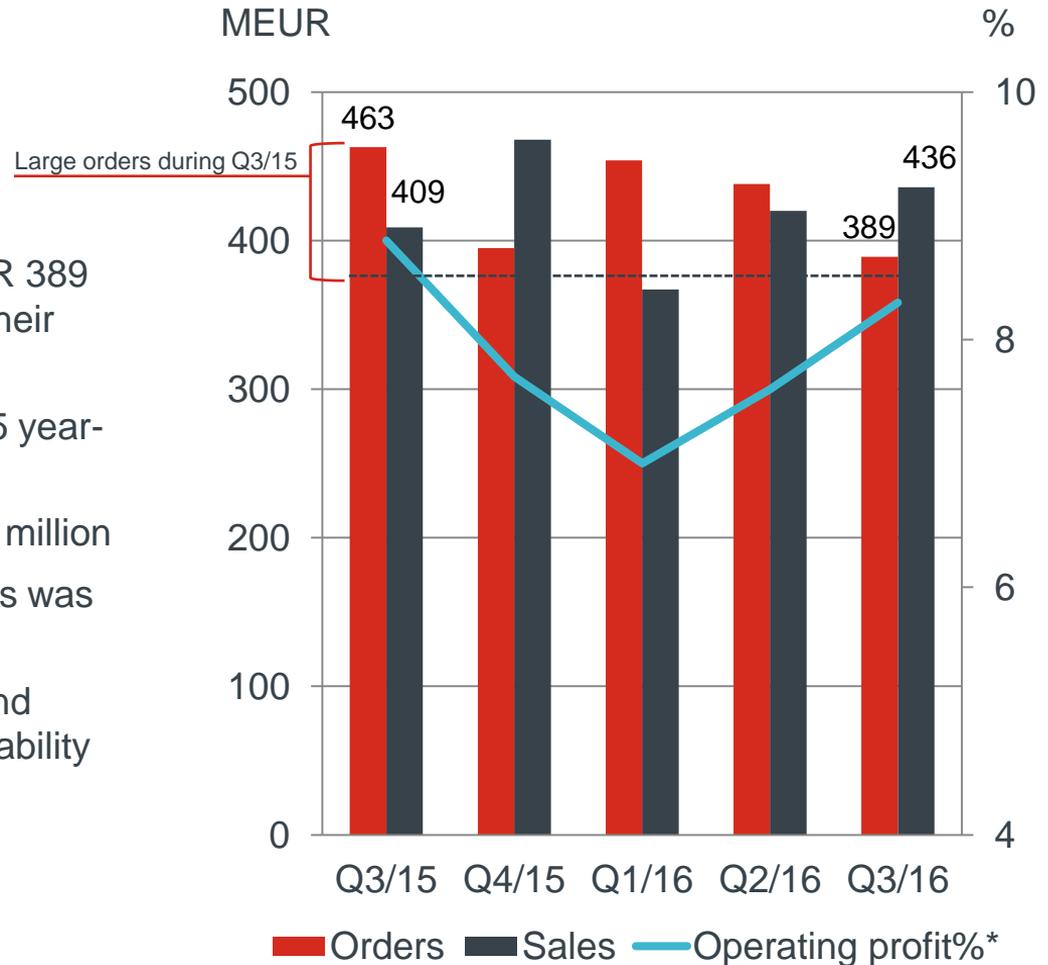
Operating profit margin improved

	7-9/16	7-9/15	Change	1-9/16	1-9/15	Change	2015
Orders received, MEUR	733	907	-19%	2,461	2,733	-10%	3,557
Order book, MEUR	1,874	2,233	-16%	1,874	2,233	-16%	2,064
Sales, MEUR	854	928	-8%	2,581	2,753	-6%	3,729
Operating profit, MEUR*	65.9	68.3	-3%	189.3	178.6	6%	230.7
Operating profit, %*	7.7	7.4		7.3	6.5		6.2
Cash flow from operations, MEUR	74.4	74.5		221.0	227.3		314.6
Interest-bearing net debt, MEUR	581	678		581	678		622
Earnings per share, EUR	0.52	0.67		1.75	1.67		2.21

*excluding restructuring costs

Kalmar Q3 – satisfactory development

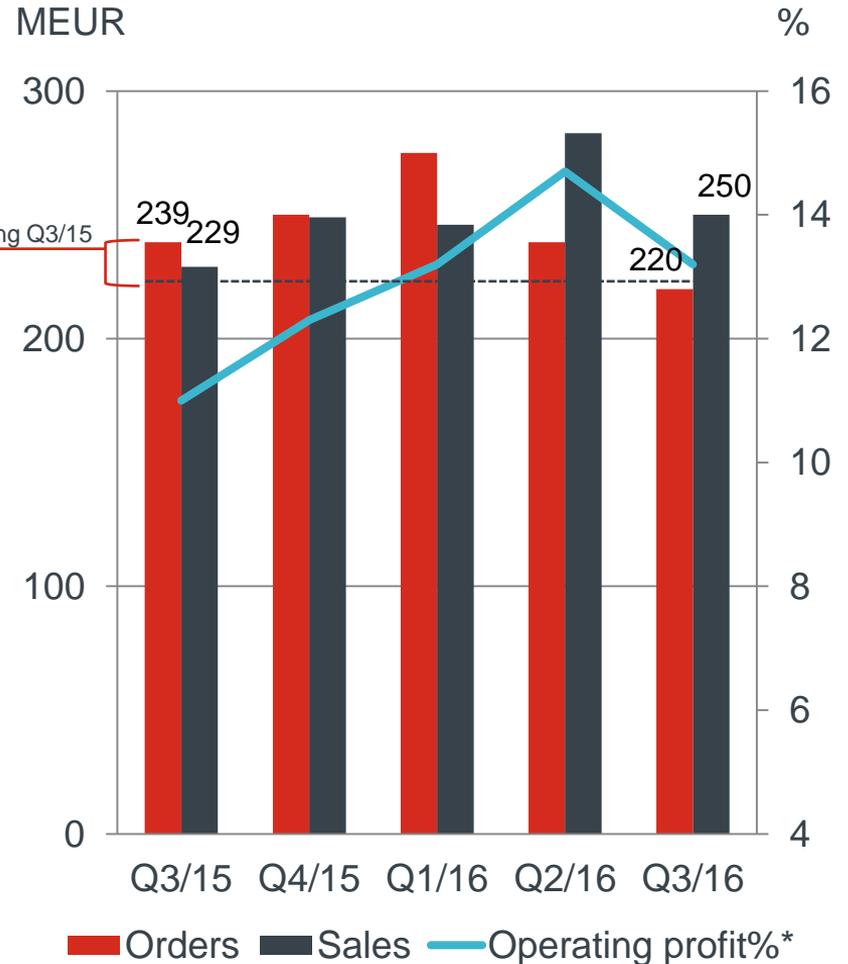
- Order intake declined 16% y-o-y to EUR 389 (463) million as customers postponed their bigger investment decisions
- Order book strengthened 5% from 2015 year-end level to EUR 922 million
- Sales grew 6% y-o-y to EUR 436 (409) million
- Profitability excluding restructuring costs was 8.3% (8.8%)
- Increased investments in automation and software development decreased profitability
- Sales mix had a negative impact on profitability



*excluding restructuring costs

Hiab Q3 –profitability on a good level

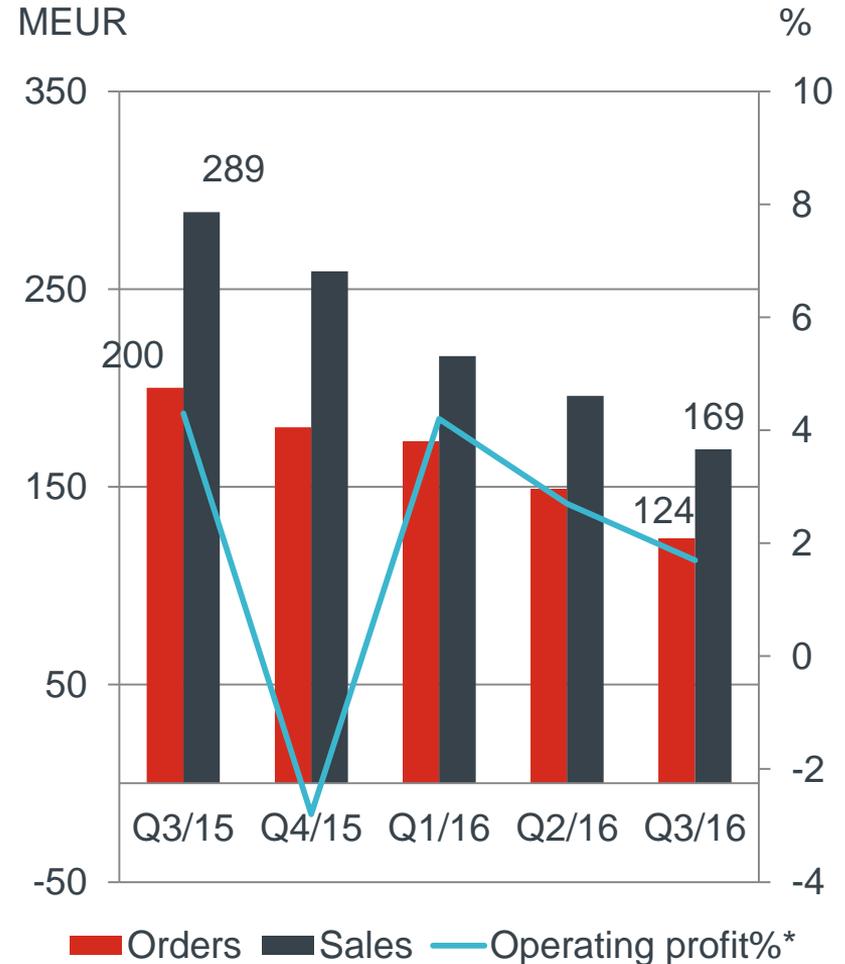
- Order intake declined 8% and was EUR 220 (239) million
- Order book decreased 15% from 2015 year-end to EUR 258 million
- Sales grew 9% y-o-y to EUR 250 (229) million
- Profitability excluding restructuring costs was 13.2% (11.0%)
- The volume growth and improvements in delivery capability had a positive impact on the result
- Profitability improvement measures and investments in more competitive products contributed to the increased profitability



*excluding restructuring costs

MacGregor Q3 – challenging market situation continued

- Order intake declined 38% y-o-y and was EUR 124 (200) million
- Order book decreased 21% from 2015 year-end to EUR 696 million
- Sales declined 42% y-o-y to EUR 169 (289) million
- Profitability excluding restructuring costs was 1.7% (4.3%)
- New measures started to lower the cost level
- New joint venture in China expected to strengthen market position and local connections



*excluding restructuring costs

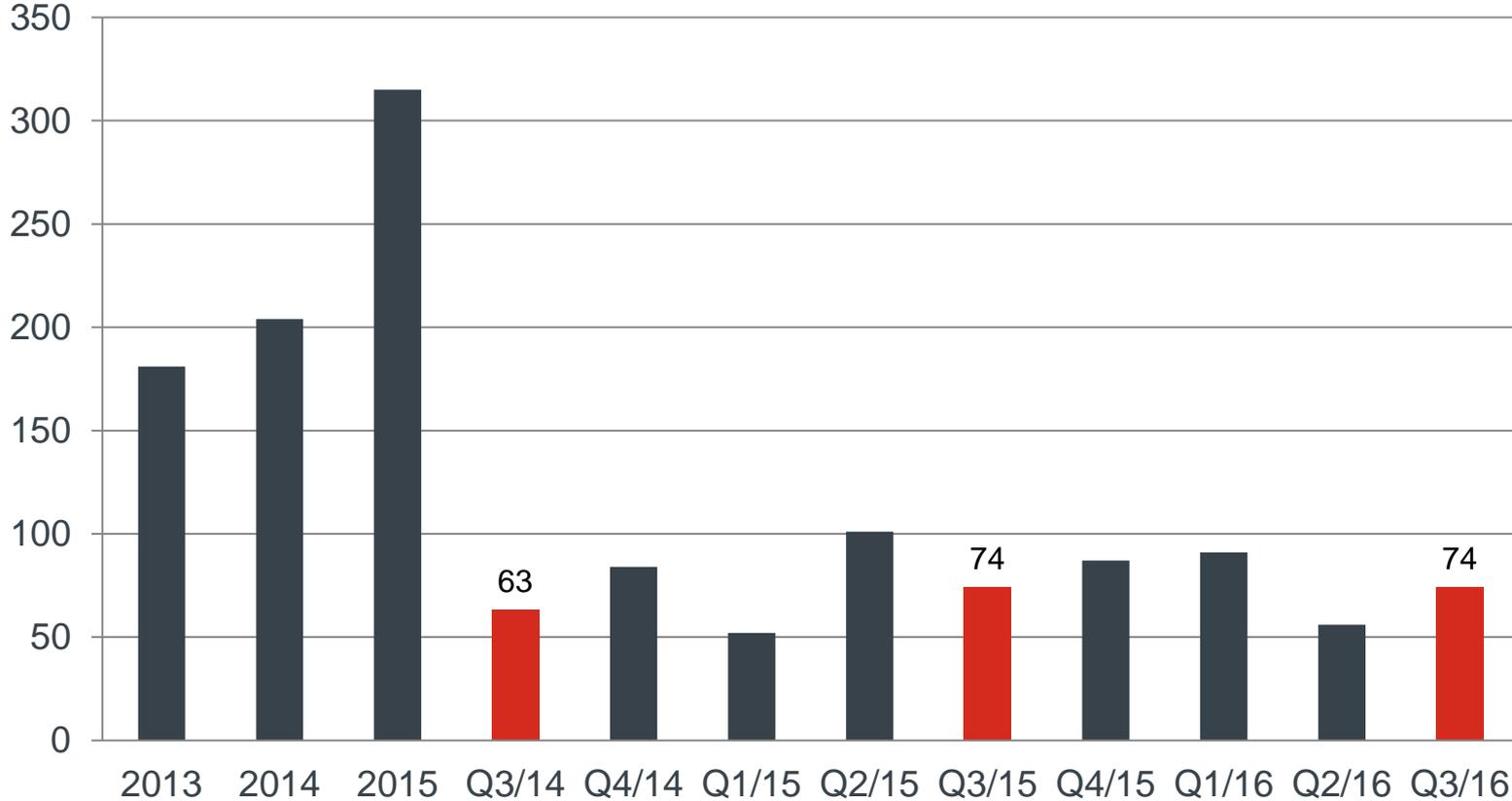
Cargotec launches a programme to achieve annual cost savings of approximately EUR 25 million in MacGregor

- MacGregor's market situation is challenging and cost savings are needed
- Already ongoing programmes are expected to create EUR 30 million savings in 2016
- Aim is to reach an additional EUR 25 million savings on a yearly level
- Savings measures would include, among others, business re-organisations and personnel reductions
- It is estimated that the measures would affect operations especially in Norway, China, Sweden, Finland and Singapore
- According to preliminary estimates, savings measures seek a reduction of approximately 260 full time equivalents
- Savings measures are estimated to result in restructuring costs in the final quarter of 2016 and in 2017



Cash flow from operations healthy

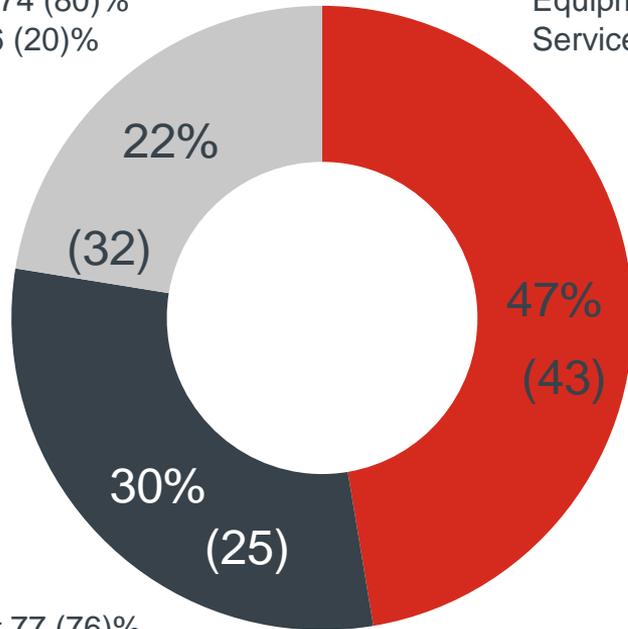
MEUR



Hiab's share increasing in sales mix

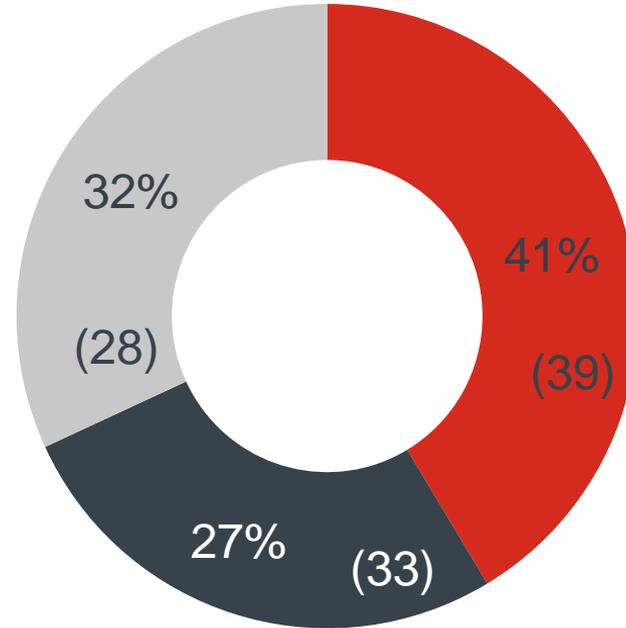
Sales by reporting segment 1–9/2016, %

Equipment 74 (80)%
Services 26 (20)%



Equipment 74 (73)%
Services 26 (27)%

Sales by geographical segment 1–9/2016, %



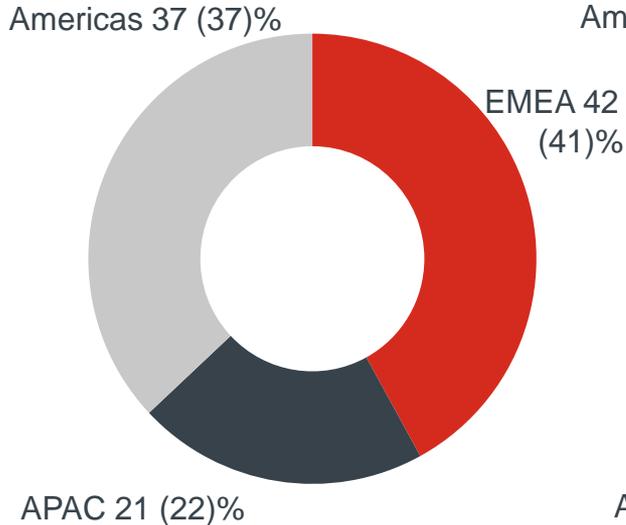
Equipment 77 (76)%
Services 23 (24)%

■ Kalmar ■ Hiab ■ MacGregor

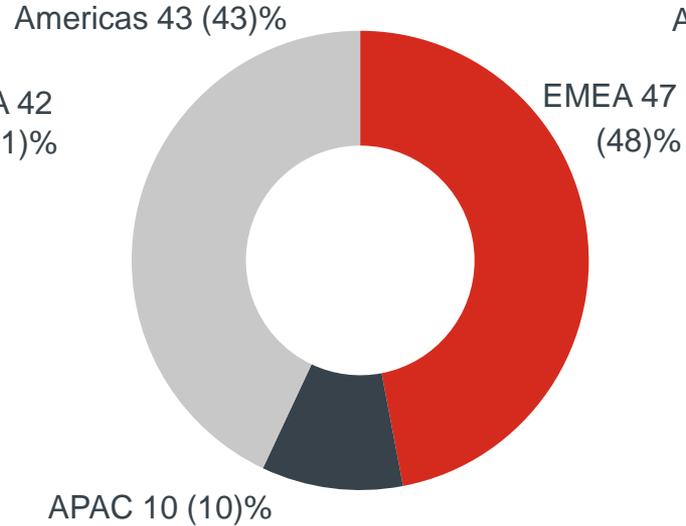
■ EMEA ■ APAC ■ Americas

Sales by geographical segment by business area 1–9/2016

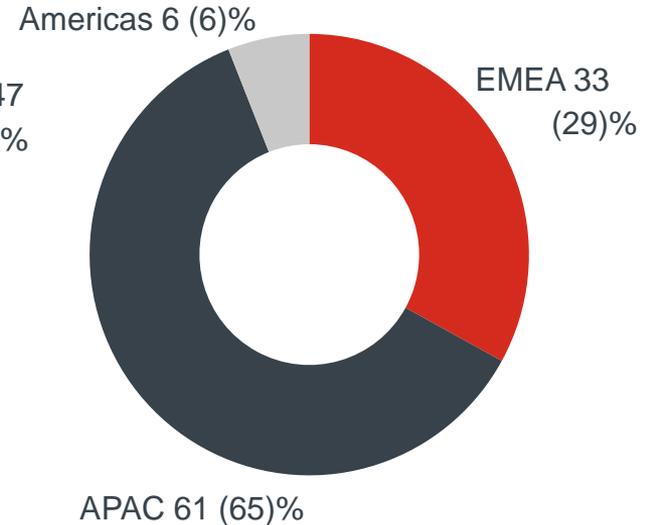
Kalmar



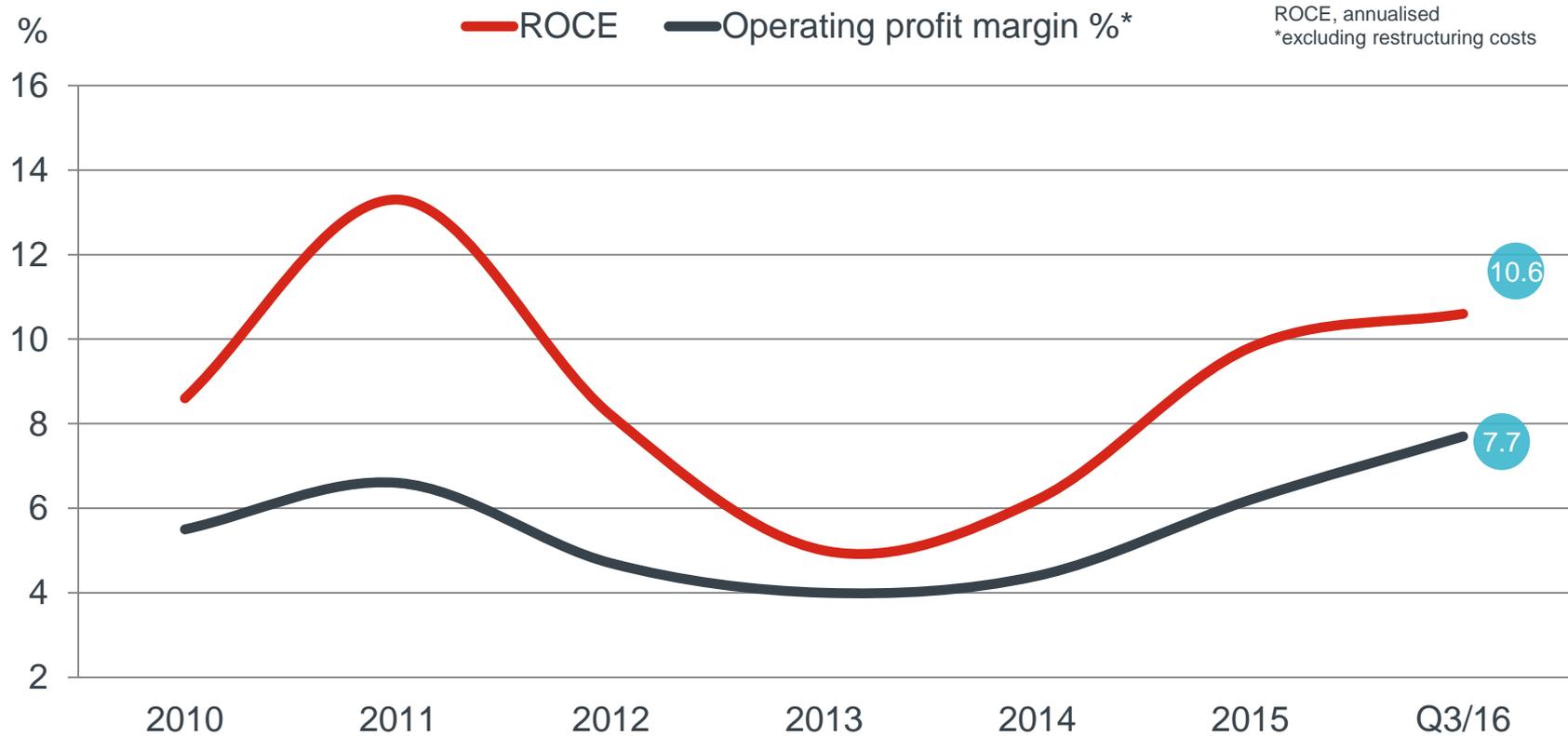
Hiab



MacGregor



Positive development in key financial metrics continued



Cargotec to become a leader in intelligent cargo handling

- Strategy execution proceeds in its three focus areas
 - **Services:** Hiab's spare parts web shop, MacGregor's strengthening spare parts delivery cooperation relationships in Asia, Kalmar's new measures to speed up growth in services
 - **Digitalisation:** we are developing Cargotec IoT Cloud-based solutions with our customers regarding automation effectiveness and proactive maintenance, for example
 - **Leadership development programme** expands
- We are focusing our efforts on projects that improve competitiveness, the cost efficiency of products and digitalisation. Additionally, we are investing in global systems and procedures that in future enable higher efficiency in operational activities as well as in support functions.



Outlook 2016 unchanged

- Cargotec's 2016 sales are expected to be at the 2015 level (EUR 3,729 million) or slightly below.
- Operating profit excluding restructuring costs for 2016 is expected to improve from 2015 (EUR 230.7 million).

Third quarter events



Hiab renewed its mid-range loader cranes models

