

CARGOTEC CORPORATION, STOCK EXCHANGE RELEASE, 28 MARCH 2018 AT 3.00 PM EEST

Cargotec's restated 2017 financial information and comparison figure for 2018 outlook in accordance with new accounting principles

Cargotec applies the new IFRS 15 and IFRS 9 accounting standards as well as the amendments to the IFRS 2 standard starting from 1 January 2018. Cargotec discloses the financial impacts of the transitional adjustments related to the adoption of IFRS 15 and IFRS 9 and the amended IFRS 2, as well as the restated figures for 2017 due to the retrospective adoption of IFRS 15. Cargotec has also aligned the definitions of the equipment, service and software businesses from the beginning of 2018 and discloses the restated comparison period figures of 2017 for the reporting segments.

The adoption of IFRS 15 decreased sales in 2017 by EUR 30.3 million, of which Kalmar's share was EUR 25.2 million, Hiab's EUR 0.1 million and MacGregor's EUR 5.0 million. The 2017 operating profit, excluding restructuring costs, decreased by EUR 4.6 million, of which Kalmar's share was EUR 3.6 million, Hiab's EUR 0.1 million and MacGregor's EUR 1.0 million.

Cargotec confirms the 2018 outlook published on 8 February 2018: Cargotec's operating profit excluding restructuring costs for 2018 is expected to improve from 2017 (EUR 258.6 million, IFRS 15 restated). The previous 2017 comparison figure for operating profit excluding restructuring costs was EUR 263.2 million.

The adoption of the new accounting principles resulted in an increase of EUR 3.5 million in Cargotec's equity in the opening balance 2018, including the following adjustments:

- IFRS 15, Revenue from contracts with customers, was adopted retrospectively with the allowed transitional reliefs. The adoption of IFRS 15 resulted in changes in the timing of revenue recognition related to certain products. The retrospective adoption of these changes resulted in an increase of EUR 1.3 million in Cargotec's equity in the opening balance of 2017, and a reduction of EUR 3.7 million in the net income for the year 2017.
- IFRS 9, Financial instruments, was adopted prospectively with the allowed transitional reliefs. The adoption of IFRS 9 resulted in an increase in the credit loss provision regarding the less than 90 days overdue receivables related to which Cargotec previously recognized no generic credit loss provision. In addition, certain loan receivables were impaired on the adoption of IFRS 9. These transitional adjustments resulted in a reduction of EUR 1.6 million in Cargotec's equity in the opening balance of 2018.
- Amendments to IFRS 2 regarding the classification and measurement of share-based payment transactions were adopted prospectively. As a result of the amendments, the share-based payments that are settled net in shares after withholding taxes are accounted for in full as equity-settled arrangements despite the fact that Cargotec pays in cash the taxes related to the rewards on behalf of the participants. The adoption of IFRS 2

amendments resulted in an increase of EUR 7.5 million in Cargotec's equity in the opening balance of 2018.

Additional information regarding the transitional adjustments is disclosed in Cargotec's Financial review 2017 under the section Accounting principles for the consolidated financial statements.

Due to the aligned definitions of the equipment, service and software businesses, EUR 32.8 million was restated from equipment sales into service sales in 2017, of which Hiab's share was EUR 16.2 million and MacGregor's EUR 16.6 million.

The first interim report of 2018 to be published on 24 April will be prepared in accordance with the new accounting principles.

The restated financial information is unaudited.

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Cargotec (Nasdaq Helsinki: CGCBV) enables smarter cargo flow for a better everyday with its leading cargo handling solutions and services. Cargotec's business areas Kalmar, Hiab and MacGregor are pioneers in their fields. Through their unique position in ports, at sea and on roads, they optimise global cargo flows and create sustainable customer value. Cargotec's sales in 2017 totalled approximately EUR 3.2 billion and it employs over 11,000 people. www.cargotec.com

Restated financial information

Consolidated statement of income

MEUR	Q1/2017	Q2/2017	Q3/2017	Q4/2017	2017
Sales	791.8	835.7	736.1	886.2	3,249.8
Cost of goods sold	-587.0	-614.9	-540.8	-655.0	-2,397.7
Gross profit	204.8	220.8	195.3	231.2	852.1
<i>Gross profit, %</i>	25.9%	26.4%	26.5%	26.1%	26.2%
Other operating income	10.4	8.7	8.4	8.2	35.8
Selling and marketing expenses	-56.8	-56.6	-51.9	-56.5	-221.8
Research and development expenses	-24.1	-25.0	-21.6	-27.5	-98.2
Administration expenses	-67.1	-68.9	-64.2	-73.5	-273.6
Restructuring costs	-2.9	-11.7	-4.7	-17.2	-36.5
Other operating expenses	-9.7	-8.3	-9.0	-9.8	-36.7
Costs and expenses	-150.1	-161.7	-142.9	-176.3	-631.0
Share of associated companies' and joint ventures' net income	1.2	-0.2	0.2	-0.2	0.9
Operating profit	56.0	58.9	52.5	54.7	222.1
<i>Operating profit, %</i>	7.1%	7.0%	7.1%	6.2%	6.8%
Financing income and expenses	-8.3	-9.0	-7.9	-7.7	-32.9
Income before taxes	47.7	49.9	44.6	47.0	189.2
<i>Income before taxes, %</i>	6.0%	6.0%	6.1%	5.3%	5.8%
Income taxes	-11.5	-13.5	-12.2	-19.3	-56.5
Net income for the period	36.2	36.4	32.4	27.7	132.7
<i>Net income for the period, %</i>	4.6%	4.4%	4.4%	3.1%	4.1%

Net income for the period attributable to:

Equity holders of the parent	36.4	36.4	32.5	27.1	132.4
Non-controlling interest	-0.2	0.0	-0.1	0.6	0.2
Total	36.2	36.4	32.4	27.7	132.7

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

Basic earnings per share, EUR	0.56	0.56	0.50	0.42	2.05
Diluted earnings per share, EUR	0.56	0.56	0.50	0.42	2.05

Consolidated statement of comprehensive income

MEUR	Q1/2017	Q2/2017	Q3/2017	Q4/2017	2017
Net income for the period	36.2	36.4	32.4	27.7	132.7
Items that cannot be reclassified to statement of income:					
Actuarial gains (+) / losses (-) from defined benefit plans	-0.1	-0.4	0.1	-4.6	-5.0
Taxes relating to items that cannot be reclassified to statement of income	0.0	0.1	0.0	1.0	1.1
Total	-0.1	-0.3	0.1	-3.6	-3.9
Items that can be reclassified to statement of income:					
Gains (+) / losses (-) on cash flow hedges	10.0	20.7	17.0	2.5	50.2
Gains (+) / losses (-) on cash flow hedges transferred to statement of income	1.1	-4.9	-7.0	-5.4	-16.2
Gains (+) / losses (-) on net investment hedges*	-1.2	12.1	-	-	10.9
Translation differences*	9.3	-52.0	-20.8	-18.3	-81.9
Taxes relating to items that can be reclassified to statement of income	-2.3	-1.1	-2.0	0.6	-4.8
Total	16.8	-25.2	-12.8	-20.6	-41.8
Comprehensive income for the period	53.0	10.9	19.7	3.5	87.0
Comprehensive income for the period attributable to:					
Equity holders of the parent	53.2	10.9	19.7	2.9	86.8
Non-controlling interest	-0.2	-0.1	-0.1	0.6	0.2
Total	53.0	10.9	19.7	3.5	87.0

*The following amounts have been restated to "Gains (+) / losses (-) on net investment hedges" from "Translation differences" : EUR -0.6 million in Q1/2017 and EUR 14.1 million in Q2/2017.

Consolidated balance sheet

ASSETS, MEUR	31 Mar 2017	30 Jun 2017	30 Sep 2017	31 Dec 2017
Non-current assets				
Goodwill	1,024.8	998.9	994.9	986.7
Other intangible assets	282.8	269.1	262.8	260.8
Property, plant and equipment	309.3	292.7	291.8	310.8
Investments in associated companies and joint ventures	117.4	114.6	113.8	109.8
Available-for-sale investments	3.8	3.8	3.8	0.2
Loans receivable and other interest-bearing assets*	2.8	4.8	4.5	5.0
Deferred tax assets	189.9	191.4	184.5	150.0
Derivative assets	15.6	10.2	7.5	6.1
Other non-interest-bearing assets	7.8	7.0	7.0	8.5
Total non-current assets	1,954.3	1,892.5	1,870.6	1,837.9
Current assets				
Inventories	658.2	660.4	666.2	623.3
Loans receivable and other interest-bearing assets*	2.6	2.9	2.6	2.5
Income tax receivables	31.6	39.8	47.1	36.4
Derivative assets	15.5	44.7	15.1	13.3
Accounts receivable and other non-interest-bearing assets	777.3	745.0	679.1	746.8
Cash and cash equivalents*	293.4	164.3	232.5	309.1
Total current assets	1,778.6	1,657.1	1,642.6	1,731.4
Total assets	3,732.9	3,549.6	3,513.2	3,569.3

	31 Mar 2017	30 Jun 2017	30 Sep 2017	31 Dec 2017
EQUITY AND LIABILITIES, MEUR				
Equity attributable to the equity holders of the parent				
Share capital	64.3	64.3	64.3	64.3
Share premium account	98.0	98.0	98.0	98.0
Translation differences	45.4	7.9	-12.9	-31.2
Fair value reserves	-15.9	-3.6	4.4	2.1
Reserve for invested non-restricted equity	69.0	69.0	69.0	69.0
Retained earnings	1,125.9	1,164.4	1,196.4	1,220.6
Total equity attributable to the equity holders of the parent	1,386.6	1,398.4	1,419.1	1,422.8
Non-controlling interest	4.0	2.4	2.3	2.3
Total equity	1,390.6	1,400.8	1,421.4	1,425.1
Non-current liabilities				
Interest-bearing liabilities*	904.3	732.8	730.3	673.8
Deferred tax liabilities	74.6	74.9	75.5	12.7
Pension obligations	82.6	83.1	83.0	87.5
Provisions	17.8	15.4	19.3	17.1
Other non-interest-bearing liabilities	55.4	57.9	59.4	61.5
Total non-current liabilities	1,134.6	964.1	967.4	852.6
Current liabilities				
Current portion of interest-bearing liabilities*	5.4	17.8	17.6	83.8
Other interest-bearing liabilities*	35.2	30.6	35.0	37.6
Provisions	115.0	121.0	103.4	103.5
Advances received	135.6	132.7	141.4	126.9
Income tax payables	11.7	20.6	17.0	49.1
Derivative liabilities	8.8	15.4	5.6	6.4
Accounts payable and other non-interest-bearing liabilities	895.9	846.6	804.4	884.4
Total current liabilities	1,207.7	1,184.7	1,124.3	1,291.7
Total equity and liabilities	3,732.9	3,549.6	3,513.2	3,569.3

*Included in interest-bearing net debt.

Consolidated statement of changes in equity

MEUR	Attributable to the equity holders of the parent						Total	Non-controlling interest	Total equity
	Share capital	Share premium account	Translation differences	Fair value reserves	Reserve for invested non-restricted equity	Retained earnings			
Equity 1 Jan 2017	64.3	98.0	37.3	-24.7	69.0	1,151.1	1,395.0	2.2	1,397.2
+/- IFRS 15 transition effect						1.3	1.3	-	1.3
Restated equity 1 Jan 2017	64.3	98.0	37.3	-24.7	69.0	1,152.3	1,396.3	2.2	1,398.5
Net income for the period (restated)						132.4	132.4	0.2	132.7
Cash flow hedges				26.8			26.8	-	26.8
Net investment hedges			8.7				8.7	-	8.7
Translation differences			-77.3				-77.3	0.0	-77.3
Actuarial gains (+) / losses (-) from defined benefit plans						-3.9	-3.9	-	-3.9
Comprehensive income for the period*			-68.6	26.8	-	128.5	86.8	0.2	87.0
Profit distribution						-61.1	-61.1	-1.0	-62.2
Share-based payments*						3.2	3.2	-	3.2
Transactions with owners of the company					-	-58.0	-58.0	-1.0	-59.0
Transactions with non-controlling interests						-2.3	-2.3	0.9	-1.4
Equity 31 Dec 2017	64.3	98.0	-31.2	2.1	69.0	1,220.6	1,422.8	2.3	1,425.1
Equity 1 Jan 2018	64.3	98.0	-31.2	2.1	69.0	1,220.6	1,422.8	2.3	1,425.1
+/- IFRS 9 transition effect						-1.6	-1.6	-	-1.6
+/- IFRS 2 transition effect						7.5	7.5	-	7.5
Restated equity 1 Jan 2018	64.3	98.0	-31.2	2.1	69.0	1,226.5	1,428.7	2.3	1,431.0
*Net of tax									

Consolidated condensed statement of cash flows

MEUR	Q1/2017	Q1-Q2/2017	Q1-Q3/2017	Q1-Q4/2017
Net income for the period	36.2	72.6	105.0	132.7
Depreciation, amortisation and impairment	17.7	35.5	52.7	72.0
Other adjustments	21.0	44.0	65.0	92.3
Change in net working capital	-62.4	-99.4	-81.5	-43.6
Cash flow from operations before financing items and taxes	12.5	52.6	141.1	253.5
Cash flow from financing items and taxes	-62.9	-61.7	-67.9	-72.6
Net cash flow from operating activities	-50.4	-9.0	73.3	180.9
Net cash flow from investing activities	-19.9	-35.8	-51.8	-89.7
Net cash flow from financing activities	79.5	-79.0	-77.7	-62.6
Change in cash and cash equivalents	9.1	-123.8	-56.2	28.6
Cash and cash equivalents, and bank overdrafts at the beginning of period	260.8	260.8	260.8	260.8
Effect of exchange rate changes	9.7	10.0	9.4	-4.6
Cash and cash equivalents, and bank overdrafts at the end of period	279.7	147.0	214.0	284.7
Bank overdrafts at the end of period	13.7	17.3	18.4	24.4
Cash and cash equivalents at the end of period	293.4	164.3	232.5	309.1

Key figures

		Q1/2017	Q1-Q2/2017	Q1-Q3/2017	Q1-Q4/2017
Equity / share	EUR	21.50	21.68	22.00	22.06
Interest-bearing net debt	MEUR	630.6	598.7	535.3	471.7
Total equity / total assets	%	38.7%	41.0%	42.2%	41.4%
Gearing	%	45.3%	42.7%	37.7%	33.1%
Interest-bearing net debt / EBITDA, rolling 12 months		2.2	2.2	2.0	1.6
Return on equity (ROE), annualised	%	10.4%	10.4%	9.9%	9.4%
Return on capital employed (ROCE), annualised	%	9.4%	10.0%	9.7%	9.6%

Segment information

Sales, MEUR	Q1/2017	Q2/2017	Q3/2017	Q4/2017	2017
Kalmar	364	397	371	465	1,598
Hiab	270	282	252	280	1,084
MacGregor	158	157	114	141	571
Internal sales	0	0	-1	-1	-2
Total	792	836	736	886	3,250

Service sales, MEUR	Q1/2017	Q2/2017	Q3/2017	Q4/2017	2017
Kalmar	107	106	111	121	445
Hiab	65	65	64	65	258
MacGregor	52	52	48	53	205
Internal sales	0	0	0	0	-1
Total	224	223	223	238	907

Software sales, MEUR	Q1/2017	Q2/2017	Q3/2017	Q4/2017	2017
Kalmar	35	42	30	45	153
Internal sales	0	-	-1	0	-1
Total	35	42	30	45	152

Service and software sales, % of business area sales	Q1/2017	Q2/2017	Q3/2017	Q4/2017	2017
Kalmar	39%	37%	38%	36%	37%
Hiab	24%	23%	25%	23%	24%
MacGregor	33%	33%	42%	37%	36%
Cargotec	33%	32%	34%	32%	33%

Equipment sales, MEUR	Q1/2017	Q2/2017	Q3/2017	Q4/2017	2017
Kalmar	221	249	230	300	1,000
Hiab	205	217	188	215	826
MacGregor	107	105	65	88	366
Internal sales	0	0	0	0	-1
Total	533	571	484	603	2,190

Sales by geographical area, MEUR	Q1/2017	Q2/2017	Q3/2017	Q4/2017	2017
EMEA	333	352	316	422	1,423
Asia-Pacific	195	209	175	213	793
Americas	263	274	245	252	1,034
Total	792	836	736	886	3,250

Sales by geographical area, %	Q1/2017	Q2/2017	Q3/2017	Q4/2017	2017
EMEA	42%	42%	43%	48%	44%
Asia-Pacific	25%	25%	24%	24%	24%
Americas	33%	33%	33%	28%	32%
Total	100%	100%	100%	100%	100%

Operating profit and EBITDA, MEUR	Q1/2017	Q2/2017	Q3/2017	Q4/2017	2017
Kalmar	26.6	31.6	28.4	40.0	126.6
Hiab	39.5	44.0	33.6	39.9	157.0
MacGregor	1.6	-4.3	2.6	-5.1	-5.2
Corporate administration and support functions	-11.7	-12.4	-12.1	-20.1	-56.3
Operating profit	56.0	58.9	52.5	54.7	222.1
Depreciation and amortisation	17.7	17.8	17.2	19.4	72.0
EBITDA	73.6	76.7	69.7	74.1	294.2

Operating profit, %	Q1/2017	Q2/2017	Q3/2017	Q4/2017	2017
Kalmar	7.3%	8.0%	7.7%	8.6%	7.9%
Hiab	14.6%	15.6%	13.3%	14.3%	14.5%
MacGregor	1.0%	-2.7%	2.3%	-3.6%	-0.9%
Cargotec	7.1%	7.0%	7.1%	6.2%	6.8%

Operating profit excl. restructuring costs, MEUR	Q1/2017	Q2/2017	Q3/2017	Q4/2017	2017
Kalmar	27.9	32.3	30.0	42.8	133.1
Hiab	39.5	44.0	33.7	39.9	157.2
MacGregor	2.2	4.3	2.9	1.2	10.6
Corporate administration and support functions	-10.7	-10.0	-9.5	-12.0	-42.2
Total	58.9	70.6	57.2	72.0	258.6

Operating profit excl. restructuring costs, %	Q1/2017	Q2/2017	Q3/2017	Q4/2017	2017
Kalmar	7.7%	8.1%	8.1%	9.2%	8.3%
Hiab	14.6%	15.6%	13.4%	14.3%	14.5%
MacGregor	1.4%	2.7%	2.5%	0.8%	1.9%
Cargotec	7.4%	8.4%	7.8%	8.1%	8.0%

Orders received, MEUR	Q1/2017	Q2/2017	Q3/2017	Q4/2017	2017
Kalmar	448	386	351	369	1,555
Hiab	288	279	260	289	1,116
MacGregor	121	136	139	126	521
Internal orders received	0	-1	-1	0	-2
Total	857	800	749	784	3,190

Orders received by geographical area, MEUR	Q1/2017	Q2/2017	Q3/2017	Q4/2017	2017
EMEA	403	371	347	390	1,512
Asia-Pacific	159	155	143	157	614
Americas	294	274	259	237	1,064
Total	857	800	749	784	3,190

Orders received by geographical area, %	Q1/2017	Q2/2017	Q3/2017	Q4/2017	2017
EMEA	47%	47%	46%	50%	48%
Asia-Pacific	19%	19%	19%	20%	19%
Americas	34%	34%	35%	30%	33%
Total	100%	100%	100%	100%	100%

Order book, MEUR	31.3.2017	30.6.2017	30.9.2017	31.12.2017	
Kalmar	973	929	895	786	
Hiab	302	290	294	300	
MacGregor	547	501	511	481	
Internal order book	-1	-3	-1	-1	
Total	1,821	1,717	1,699	1,566	

Quarterly key figures

Cargotec		Q1/2017	Q2/2017	Q3/2017	Q4/2017	2017
Orders received	MEUR	857	800	749	784	3,190
Service orders received	MEUR	235	214	225	221	896
Order book	MEUR	1,821	1,717	1,699	1,566	1,566
Sales	MEUR	792	836	736	886	3,250
Service sales	MEUR	224	223	223	238	907
Software sales	MEUR	35	42	30	45	152
Service and software sales, % of sales	%	33%	32%	34%	32%	33%
Operating profit	MEUR	56.0	58.9	52.5	54.7	222.1
Operating profit	%	7.1%	7.0%	7.1%	6.2%	6.8%
Operating profit*	MEUR	58.9	70.6	57.2	71.9	258.6
Operating profit*	%	7.4%	8.4%	7.8%	8.1%	8.0%
Basic earnings / share	EUR	0.56	0.56	0.50	0.42	2.05
Kalmar						
		Q1/2017	Q2/2017	Q3/2017	Q4/2017	2017
Orders received	MEUR	448	386	351	369	1,555
Order book	MEUR	973	929	895	786	786
Sales	MEUR	364	397	371	465	1,598
Service sales	MEUR	107	106	111	121	445
Software sales	MEUR	35	42	30	45	153
Operating profit*	MEUR	27.9	32.3	30.0	42.8	133.1
Operating profit*	%	7.7%	8.1%	8.1%	9.2%	8.3%
Hiab						
		Q1/2017	Q2/2017	Q3/2017	Q4/2017	2017
Orders received	MEUR	288	279	260	289	1,116
Order book	MEUR	302	290	294	300	300
Sales	MEUR	270	282	252	280	1,084
Service sales	MEUR	65	65	64	65	258
Operating profit*	MEUR	39.5	44.0	33.7	39.9	157.2
Operating profit*	%	14.6%	15.6%	13.4%	14.3%	14.5%
MacGregor						
		Q1/2017	Q2/2017	Q3/2017	Q4/2017	2017
Orders received	MEUR	121	136	139	126	521
Order book	MEUR	547	501	511	481	481
Sales	MEUR	158	157	114	141	571
Service sales	MEUR	52	52	48	53	205
Operating profit*	MEUR	2.2	4.3	2.9	1.2	10.6
Operating profit*	%	1.4%	2.7%	2.5%	0.8%	1.9%

*Operating profit excluding restructuring costs