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## **Cargotec strengthens MacGregor by acquiring marine and offshore business from TTS Group**

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### **Cargotec strengthens MacGregor by acquiring marine and offshore business from TTS Group**

MacGregor, part of Cargotec, has entered into an agreement to acquire the major businesses from TTS Group, a global provider of cargo handling equipment and services for merchant and offshore ships for an enterprise value of EUR 87 million. The combination of two highly complementary businesses will produce greater scale and diversification and will strengthen MacGregor's portfolio and market position in key markets for cargo and load handling equipment. Based on preliminary estimates, potential cost synergies are estimated to be around EUR 30-35 million on annual level and are expected to be reached within 3 years from closing.

The acquisition will strengthen MacGregor's marine and offshore activities in key areas and add further service growth potential through the increased installed base. It will also strengthen MacGregor's position in China through the strategic joint ventures with Chinese state owned ship building companies CSSC and CSIC. TTS Group ASA and its shipyard solution business, TTS Syncrolift AS, are excluded from the deal.

TTS Group's main products are a wide range of cargo handling and offshore cranes, RoRo access systems, hatch covers, winches and related services. The company's service business includes spare parts, maintenance, inspections, modernisation, conversion and training. With a worldwide workforce of around 930 employees, TTS has more than 50 years of experience in the marine industry. The group has subsidiaries in Belgium, Brazil, China, Germany, Greece, Italy, Korea, Norway, Poland, Singapore, Sweden, UAE, USA and Vietnam. TTS operates mainly through three 50/50 owned joint venture companies in China.

The sales of the business MacGregor aims to acquire totalled EUR 161 million in January-September 2017 from which approximately 27% was related to service sales. The net sales of the business aimed to be acquired equals approximately 90% of TTS' net sales. Operating profit excluding restructuring costs of the business to be acquired was approximately EUR 4 million in January-September 2017. The presented figures are calculated based on full consolidation, but their actual impact on Cargotec's financials is subject to applied post-acquisition consolidation method of the joint ventures included in the acquisition.

"This acquisition is an important step in executing MacGregor's growth strategy and providing customer-focused solutions in both merchant shipping and offshore segments. The markets are consolidating and MacGregor wants to take an active part in this development. TTS complements MacGregor's present offering and further strengthens our position. Combining the strengths of these two companies creates exciting opportunities for innovation and technology development during a time of industry transformation. With a large installed base on over 9,000 vessels the TTS portfolio will position us even better for our service business growth," says Michel van Roozendaal, President, MacGregor.

"The marine industry is moving towards larger, integrated units with global presence, offering a broader scope of products and services. In order to meet this challenge a combination of TTS's marine and offshore activities with MacGregor will be an important step in the consolidation process, and is expected to be favorable to all TTS stakeholders in the long term," says TTS Group CEO Toril Eidesvik.

More than 2/3 of TTS shareholders support the transaction and have committed to vote in favour of the deal in TTS Group's Extraordinary General Meeting. Furthermore, more than 2/3 of convertible bondholders have made the same commitment, if any of their bonds are converted to shares prior to the Extraordinary General Meeting.

The acquisition is subject to regulatory approvals from competition authorities, which are expected to be received during the third quarter of 2018. Cargotec's outlook for 2018 remains unchanged.

**For further information, please contact:**

Michel van Roozendaal, President, MacGregor, tel. +65 8533 2742

**Further information for investors:**

Hanna-Maria Heikkinen, Vice President, Investor Relations,  
tel +358 40 8262 172

**Further information for media:**

Leena Lie, Senior Vice President, Communications, tel. +358 20 777 4483

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 3.3 billion and it employs over 11,000 people. [www.cargotec.com](http://www.cargotec.com)

[TTS acquisition, presentation](#)

