



Cavotec SA – Q319 Report

November 8, 2019

Further improved profitability on the back of stable revenues

July–September 2019

- Order intake increased 36.1% to EUR 50.6 million (37.2)
- Revenue decreased -1.5% to EUR 48.4 million (49.2)
- EBIT excluding non-recurring items amounted to EUR 3.7 million (2.1), corresponding to a margin of 7.6% (4.4%)
- Non-recurring items amounted to EUR -0.6 million (+0.7), related to restructuring costs
- Net result for the period was EUR 3.5 million (1.2)
- Earnings per share basic and diluted amounted to EUR 0.038 (0.016)
- Operating cash flow amounted to EUR 7.7 million (4.3)

January–September 2019

- Order book increased 4.7% to EUR 109.6 million (104.7)
- Order intake decreased -5.7% to EUR 157.8 million (167.3) due to comparison with record high order intake in the first half of 2018 related to a few significant orders
- Revenue was stable at EUR 148.2 million (148.1)
- EBIT excluding non-recurring items amounted to EUR 10.1 million (3.8), corresponding to a margin of 6.8% (2.6%)
- Non-recurring items amounted to EUR 3.0 million (6.5), related to restructuring costs
- Net result for the period was EUR 5.7 million (-5.1)
- Earnings per share basic and diluted amounted to EUR 0.061 (-0.065)
- Operating cash flow amounted to EUR 5.3 million (-0.5). This includes the Colaco Payment of EUR 8.1 million paid in June
- Net debt decreased to 32.1 EUR million (FY2018: 53.5)

Comment from the CEO

Growing order intake and high profitability – transformation winding down

Our performance during the third quarter continued to track to our plan for 2019; to focus on profitability by locking in the achieved improvements from the transformation. The quarter thus saw high order intake, further increased profitability and excellent cash generation on the back of stable revenues.

The order intake increased 36.1 percent and the order book at the end of the period finished at EUR 109.6 million which is almost 10 percent higher than at the start of the year. We continue to see high activity in the Ports & Maritime sector, especially in the US and Nordics. Order intake increased significantly during the third quarter with Automated Mooring and E-Ferry solutions being especially strong while our Services offerings continued to perform well.

This compensated for overall lower activity within the Airports segment, due to several delayed large projects and a mix towards smaller orders, leading to a lower order intake compared to the same period last year. Both the USA and Asia continue to show potential as a result of significant terminal expansions, but we have not yet seen these opportunities materialize into orders. In the Industry segment, the traditional OEMs in Surface Mining and Underground Mining showed a slowing down during the quarter while our service offering continued to grow.

The adjusted EBIT increased 72% to EUR 3.7 million for the quarter (2.1) and at EUR 10.1 million for the Jan-Sep period (3.8) is well in line with our announced plan for long-term profitability. The high adjusted EBIT margin at 7.6% for the quarter is explained by the lower cost base resulting from the transformation, but also to a large extent by our continued focus on higher margin business. It is encouraging that despite the focus on quality in our orders revenues have remained stable year over year. It is also a sign of strength that operating cash flow increased 79.5% during the third quarter, to EUR 7.7 million.

Cavotec's transformation is winding down. Our focus for the remainder of the year will be on locking in the improvements achieved, on expanding our Operational and Commercial Excellence programs, continued control of costs and on leveraging on the refocus of our sales force to growing geographies and customer segments, as well as the build up and roll out of our Services offerings.

I'm very pleased to say that we continue to follow completely the plan for the transformation of Cavotec that we drew up two years ago and that the performance so far this year is proof of that. I expect us to finish the year with a stable position from which to commence the next phase of our journey.

Our strategy for future profitable growth is very clear; we will build on a solid foundation of operational and commercial performance to capitalize on our position in terms of mega trends such as environmental concerns, electrification and automation to offer innovative products and solutions that meet our customers challenges in these areas.

Lugano, November 8, 2019

Mikael Norin

Chief Executive Officer

ENDS

Q319 Conference call

A conference call for shareholders, analysts and media will be held on 8 November 2019 at 10:00 CET. Participating on the conference call from Cavotec will be Mikael Norin, CEO, and Glenn Withers, CFO.

Conference call Dial-in numbers:

SE: +46850558357

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US: +18338230587

Weblink: <https://tv.streamfabriken.com/cavotec-q3-2019>

Quarterly Reports on www.cavotec.com

The full report for the period January-September 2019 and previous quarterly and full year reports are available at: <http://ir.cavotec.com/financial-reports>

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This is information that Cavotec SA is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 07:00 CET on 8 November 2019.

Attachment

- [Q319 Quarterly Report](#)