



Cavotec SA - Interim report January - March 2020

April 30, 2020

Lower revenue but positive results

JANUARY–MARCH 2020

- Revenues decreased -20.3% to EUR 38.7 million (48.5)
- EBIT decreased to EUR 0.8 million (1.4), corresponding to a margin of 2.1% (2.9%)
- Net result for the period was EUR 2.1 million (0.7)
- Earnings per share basic and diluted amounted to EUR 0.022 (0.008)
- Operating cash flow amounted to EUR 0.5 million (8.2)
- Net debt amounted to EUR 2.6 million (FY2019: 3.9)
- Order backlog increased 6.5% compared to the previous quarter to EUR 106.6 million

Comment from the CEO

Satisfactory performance in light of Covid-19 situation

As many businesses around the world we felt the full impact of the Covid-19 pandemic at the end of the first quarter. As a consequence, revenues were -20.3 percent lower in Q1 2020 compared to Q1 2019 and amounted to EUR 38.7 million (48.5). Many of our deliveries scheduled for the last two weeks of March were postponed due to Italy's decision to close all non-essential businesses, including our production facility outside Milan. Deliveries were also to some extent delayed due to logistical restrictions. At segment level, this led to that revenues for Ports & Maritime decreased -28.3 percent and for Airports & Industry -14.5 percent.

On 14 April our Milan site was re-opened to resume production. Our remaining production units around the world are open and operational including our production site in Shanghai which was closed from 23 January to 10 February in accordance with government regulations there.

I am very thankful for the strong support from our customers during these exceptional times. We have not seen any order cancellations and we are working actively with our customers to re-schedule deliveries impacted by the Covid-19 situation.

At the same time our customers' interest in new business with us has remained at a strong level in the quarter as a whole, including March. The order backlog in Q1 increased 6.5% compared to the previous quarter, to EUR 106.6 million and both our segments signed strategically important orders, including four fuelling and ground support equipment (GSE) orders in the US, Europe and China worth more than EUR 8 million in total and a repeat order in Norway to equip two new berths with our next generation Automatic Plug-in System (APS) for charging of e-ferries

The fuelling orders include the manufacture and supply of 100 aviation fuelling pits for two installations and confirms our strong position as a preferred supplier of advanced systems for the global aviation fuelling market. The repeat order in Norway is a strong sign of that we are well positioned in the fast-growing e-vessel market, estimated to be worth around EUR 60 million only in Norway, while further opportunities exist in among others Denmark, Finland, Sweden the US and Canada.

Immediately at the start of the Covid-19 situation, we implemented cost control measures, which helped us stay profitable in the quarter despite the lower revenue level. EBIT decreased to EUR 0.8 million (1.4), corresponding to a margin of 2.1%, while the operating cash flow amounted to EUR 0.5 million (8.2). I am pleased that despite the disruption to our business, net debt decreased during the quarter to EUR 2.6 million (3.9). We have a strong balance sheet and we are currently in advanced discussions to extend or replace our senior credit facility with the aim of securing an attractive structure for the company on the basis of our much improved performance compared to before the transformation.

We do not know how the Covid-19 situation will develop and the consequences it will have on our business but we have during this period again seen that our absolute biggest strength is our incredible people all over the world who are working hard every day to support our customers. Our primary focus is their health and wellbeing and we will continue to do what is necessary in this regard while also securing the continuity of our operations and being ready to resume our ambitions for growth when the crisis has passed.

Lugano, 30 April, 2020

Mikael Norin

Chief Executive Officer

ENDS

Conference call in connection with publication of the quarterly report

A conference call for shareholders, analysts and media will be held on 30 April 2020 at 13:00 CEST. Participating on the conference call from Cavotec will be Mikael Norin, CEO, and Glenn Withers, CFO.

Conference call Dial-in numbers:

SE: +46851999383

UK: +443333009266

US: +18332498405

Weblink: <https://tv.streamfabriken.com/cavotec-q1-2020>

Quarterly Reports on www.cavotec.com

The full report for the period January-March 2020 and previous quarterly and full year reports are available at:
<http://ir.cavotec.com/financial-reports>

Analysts & Media

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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 CEST on 30 April 2020.

Attachment

- [1Q20 Report](#)