Cavotec SA - Interim report January - June 2021

July 30, 2021

Accelerating order backlog in “New Cavotec”

On 5 March 2021, Cavotec communicated a decision to focus resources and make investments in the ports & maritime and industrial markets. As a consequence, a process was initiated to divest the Airports business. From the first quarter 2021, Cavotec reported the groups ports & maritime and industry businesses combined under the name New Cavotec. Airports is reported separately.

APRIL–JUNE 2021 NEW CAVOTEC

- Order backlog increased 19.0% compared to Q121 to EUR 77.4 million
- Revenues decreased -13.7% to EUR 25.8 million (29.9)
- EBIT amounted to EUR 0.9 million (1.1), corresponding to a margin of 3.5% (3.6%)
- EBIT adjusted for growth investments amounted to EUR 1.3 million corresponding to a margin of 5.2%

APRIL–JUNE 2021 TOTAL

- Order backlog increased 13.8% compared to Q121 to EUR 105.9 million
- Revenues decreased -14.8% to EUR 35.8 million (42.0)
- EBIT decreased to EUR -0.1 million (2.8), corresponding to a margin of -0.4% (6.6%)

JANUARY–JUNE 2021 NEW CAVOTEC

- Revenues decreased -3.6% to EUR 55.1 million (57.2)
- EBIT increased to EUR 3.3 million (2.6), corresponding to a margin of 6.0% (4.6%)
- EBIT adjusted for growth investments amounted to EUR 3.9 million corresponding to a margin of 7.0%

JANUARY–JUNE 2021 TOTAL

- Revenues decreased -8.5% to EUR 73.8 million (80.7)
- EBIT decreased to EUR -0.4 million (3.6), corresponding to a margin of -0.5% (4.5%)
- Net debt amounted to EUR 19.4 million (Q121: 22.0)

Comment from the CEO

Strong signs of growth in New Cavotec

The second quarter was characterized by a high activity level and many high quality break through orders in our ports and maritime business, with current as well as new customers and in new fast growing geographies. As a result, the order backlog in New Cavotec increased by 19.0% compared to Q121. The quality of the order backlog is high, including a series of orders with a total value of EUR 5 million that we signed during the quarter to equip the world’s largest new-build container ships with ShorePower systems; a breakthrough MoorMaster order in Japan – the first of its kind in the Far-East; a repeat order for two MoorMaster™ systems from leading Norwegian electrical ferry operator Fjord 1 and, after the end of the quarter, an order with Port of Stockholm for the first automated mooring system in Sweden.

All those installations will lead to reduced CO2 emissions by up to 90%. This means that we play a crucial role in the decarbonization of the maritime industry. It is truly encouraging to experience the widespread interest in our technology and its growing use around the world. In addition, many of the recent orders, such as the order in the Far East and in Sweden, lay the foundation for a wider adoption in those and the neighboring markets.

As for revenues, we are still feeling the effect the pandemic has had on the order intake in 2020. Revenues decreased -13.7% to EUR 25.8 million versus the same period last year. However, despite this, our EBIT margin adjusted for investments in our future growth grew to 5.2% versus 3.6% a year ago.

We have long recognized that one of the biggest obstacles to greater port automation is perceived complexity and upfront investment. In the beginning of July, we therefore launched MoorMaster-as-a-Service – the world’s first subscription-based automated mooring service. This is one of the maritime industry’s first product-as-a-service offerings. Under a MoorMaster as a Service contract, Cavotec enables customers to benefit from the productivity of MoorMaster with zero upfront investment and a full performance guarantee. Cavotec installs the hardware and covers all of the maintenance costs in a fully managed service. We’re also setting up a Service ‘Command Centre’ that will monitor and optimise existing and new MoorMaster systems around the clock. Our customers will appreciate this reliable and simple way of accessing the market-leading MoorMaster technology and for us as a company it leads to longer customer relationships and a higher degree of recurring revenue.

The process to divest the Airports business is ongoing and expected to be finalized during 2021. Airports’ order backlog increased 1.7% compared to Q121 to EUR 28.5 million. However, demand for both new build and service is expected to increase, due to expected increased travelling after the pandemic. Revenues decreased -17.7% to EUR 10.0 million. The decrease is mainly explained by previously delayed orders due to the pandemic. EBIT decreased to 0.3 EUR million (1.3), corresponding to a margin of 2.6% (11.0%).

On May 12, we announced our ambition to further leverage our strong position in the fast-growing market for electrification and automation of ports around the world, including a EUR 20 million investment over the next five years in technology, engineering, and business development. The activities to deliver on our plan are certainly high, and we are seeing signs every day of how former niche markets of electrification now rapidly are becoming mass markets in which Cavotec plays an important role.

Lugano, 30 July, 2021

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 July 2021 at 10:00 CEST. Participating on the conference call from Cavotec will be Mikael Norin, CEO, and Glenn Withers, CFO.

Conference call Dial-in numbers:
SE: +46856642706
UK: +443333009268
US: +16467224902

Weblink: https://tv.streamfabriken.com/cavotec-q2-2021

Quarterly Reports on www.cavotec.com
The full report for the period January-June 2021 and previous quarterly and full year reports are available at:
http://ir.cavotec.com/financial-reports

Analysts & Media
Johan Hähnel – Investor Relations Manager
Mobile: +46 70 605 63 34 – Email: investor@cavotec.com

This is information that Cavotec SA is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 07:00 CEST on 30 July 2021.

Attachment

- Q221 Report