



Cavotec Investor Information Meeting

May 7, 2019

Topic

Cavotec, an introduction

Transformation Roadmap

Commercial Excellence

Operational Excellence

Ports & Maritime

Business &
market update

Airports & Industry

Services

Conclusions and financial targets

Q&A



Mikael Norin

Group CEO



Mikael Norin, Cavotec Group CEO since July, 2017

Prior:

President, Rolls-Royce Marine Services
President Recall Americas (Brambles Ltd)
President Recall Europe (Brambles Ltd)
Senior Vice President, ABB Power Systems

30 plus years of international business experience (50+ countries)

15 years living abroad (6 countries on 3 continents)

5 company transformations before Cavotec

What we do ...



Why we do it ...

We want to contribute to a **future** world that is cleaner, safer and more efficient by providing innovative **connection** solutions for ships, aircraft and mobile equipment **today**

How we do it ...

We thrive by shaping future expectations in the areas we are active in

Our credibility comes from our application expertise, dedication to innovation and world class operations

Our success rests on the core values we live by:
Integrity, Accountability, Performance and Team Work



Total Revenues
EUR 197
million ₁

Full Time Employees
817 ₂

Ports & Maritime



35%

Airports & Industry



65%

Services



18'000
assets

1, 2018 Full year

2, End Q1 2019

“We want to contribute to a future world that is cleaner, safer, and more efficient by providing innovative connection solutions for ships, aircraft and mobile equipment today

The autonomous maritime supply chain

- Ships sailing, mooring, loading, and unloading automatically for ultimate efficiency
- Clean electric power always available for ships and cranes; big data to monitor performance

The fully automated airport

- Airplanes landing and docking with no human interactions
- Ground support services supplied from in-ground avoiding accidents for passengers and employees

The fully remotely controlled mine

- All mining vehicles and cranes controlled remotely keeping workers safe
- Efficiency secured through seamless power connection and continuous connectivity

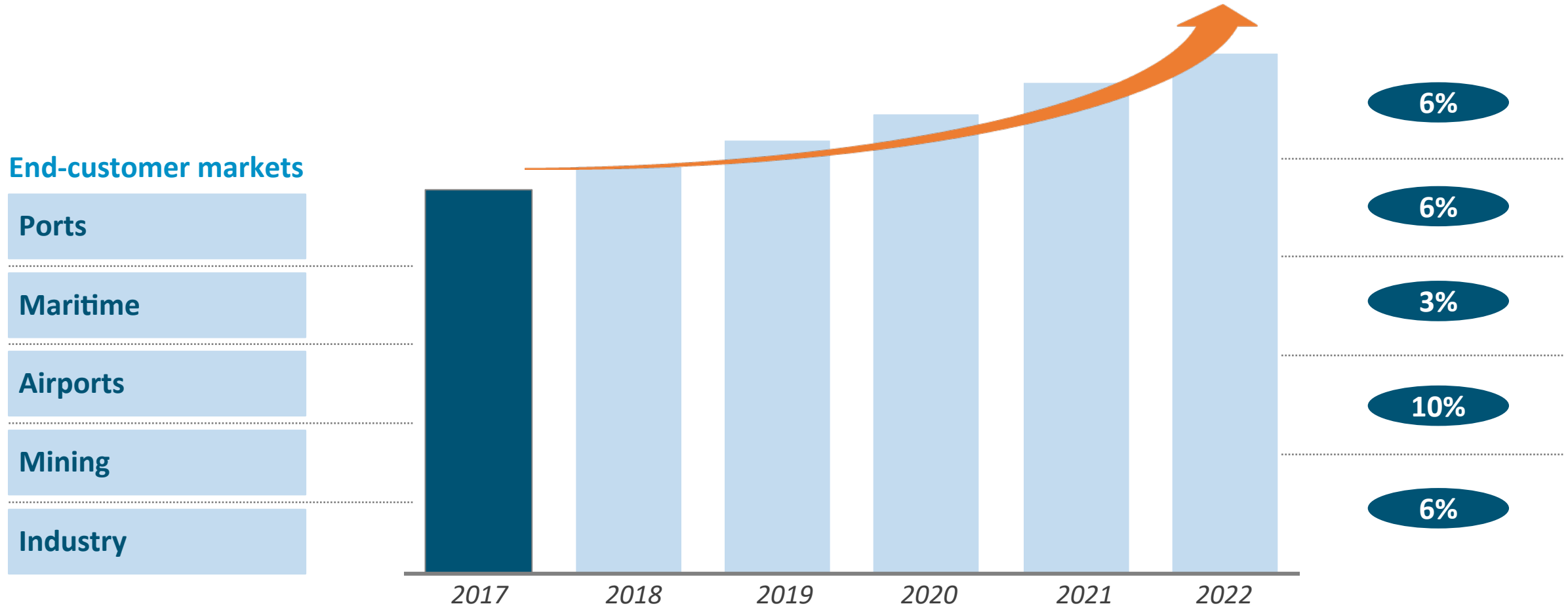
Total life cycle management

- Enabling customer to focus on core activities and maximize the availability of their assets.

We expect a growing addressable market across segments

Global market development, 2017-22 *(indicative)*

CAGR Est. market growth
by end market



Backed up by end customer spend and industry trends, we see the opportunities are there!

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Glenn Withers

Group SVP & CFO



Glenn Withers, Cavotec Group CFO since January, 2019

Prior:

CFO of Quant AB

CFO of Rolls-Royce Marine Services

General Manager CISCO Recall (Brambles Ltd)

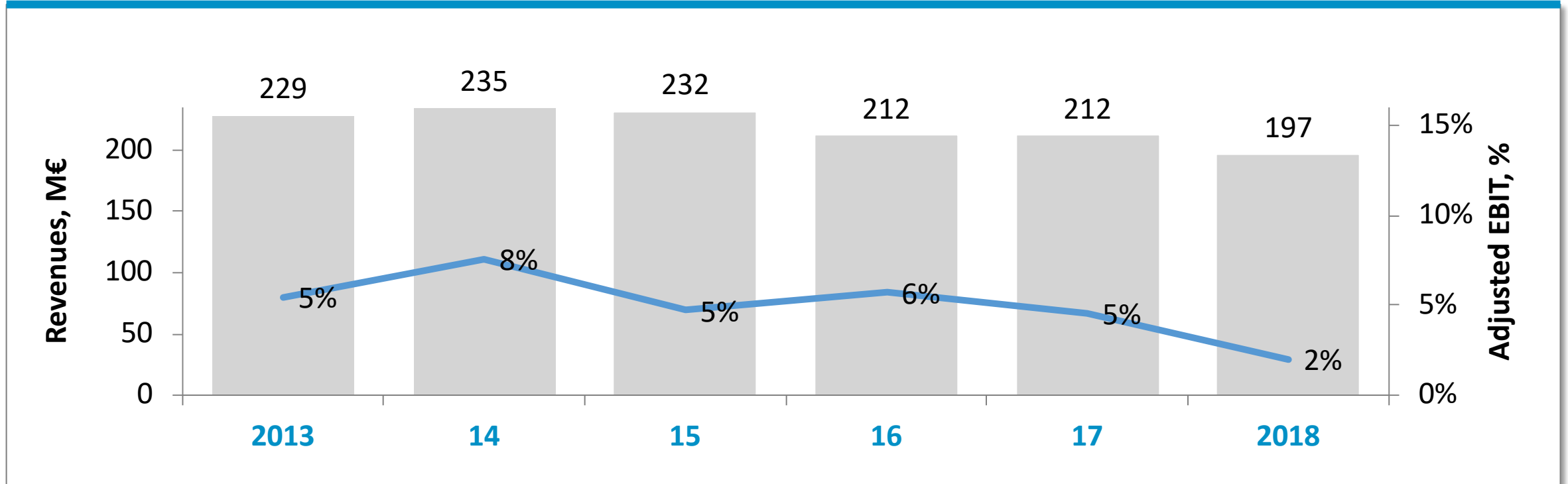
CFO Recall Europe (Brambles Ltd)

23 years living abroad (8 countries on 4 continents)

3 company transformations before Cavotec

Why transforming Cavotec

Since 2013 Cavotec has been facing **declining sales and profitability despite growing** end-customer markets



Unfulfilled promises to all stakeholders...

Customers

- Exciting, innovative technologies, but poor delivery and quality
- Strong customer focus, but slow and inconsistent responses to enquiries



Shareholders

- Well positioned in terms of trends, but no growth
- Strong market position, but low profitability



Our Transformation Roadmap...

Three steps after years of stagnating sales and profit



2017 - 2018: TRANSFORMATION

Direction & Governance ✓

- Simplified decision-making
 - *new organization*
- Streamlined processes
 - *50 transformation projects*
- Market researched
 - *Focus on target markets*
- Right sizing
 - *EUR +10M savings by 2021*
- Financial strengthening
 - *+ EUR 19M*



2019: PROFITABILITY

Commercial and Operational excellence

- New Operational system
 - Delivery and Quality
- Sales management
 - Training and Tools
- Commercial focus
 - *Selection and Terms*
- Grow services
 - Build up and Roll out
- Invest in innovation

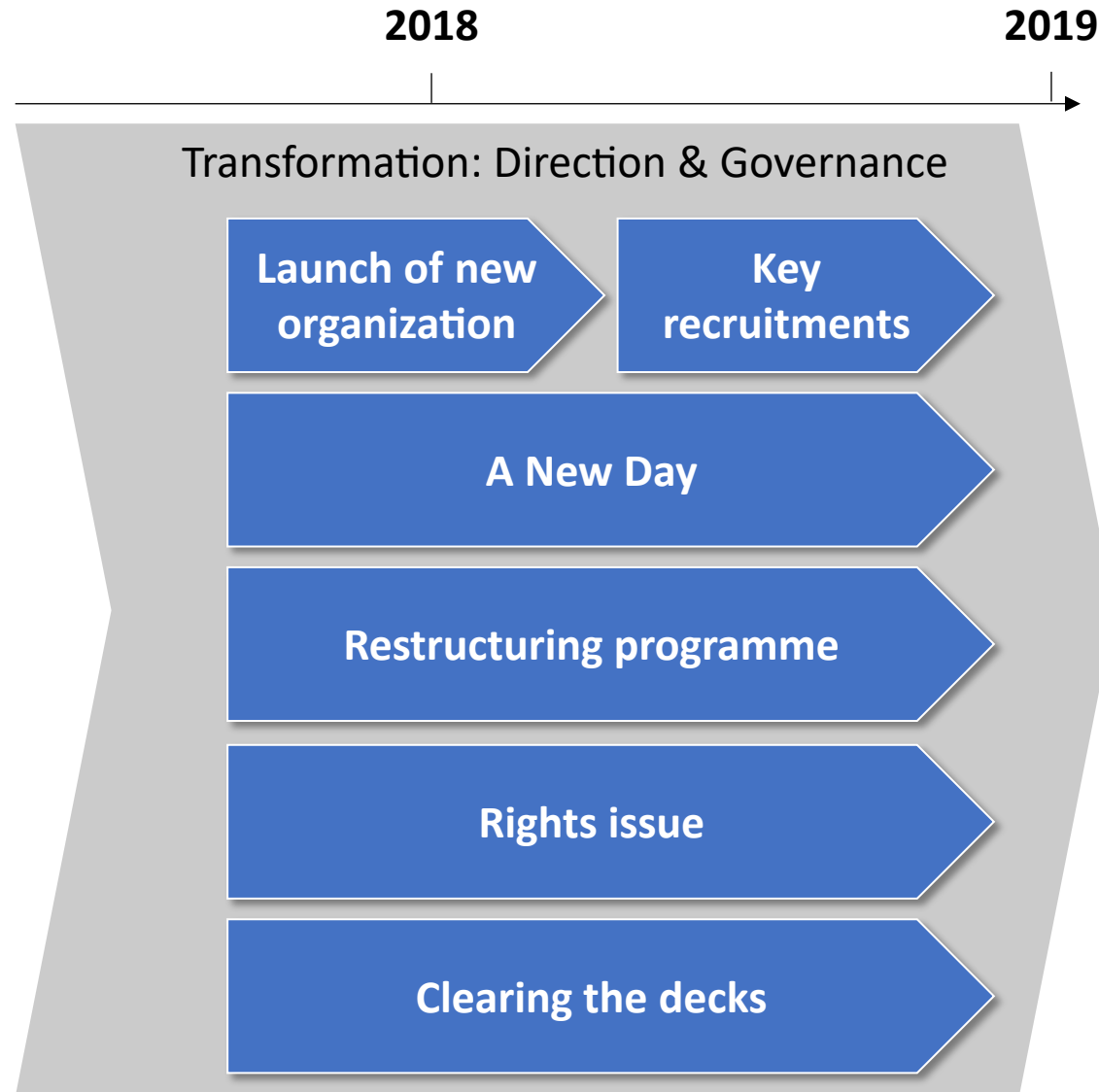


2020: PROFITABLE GROWTH

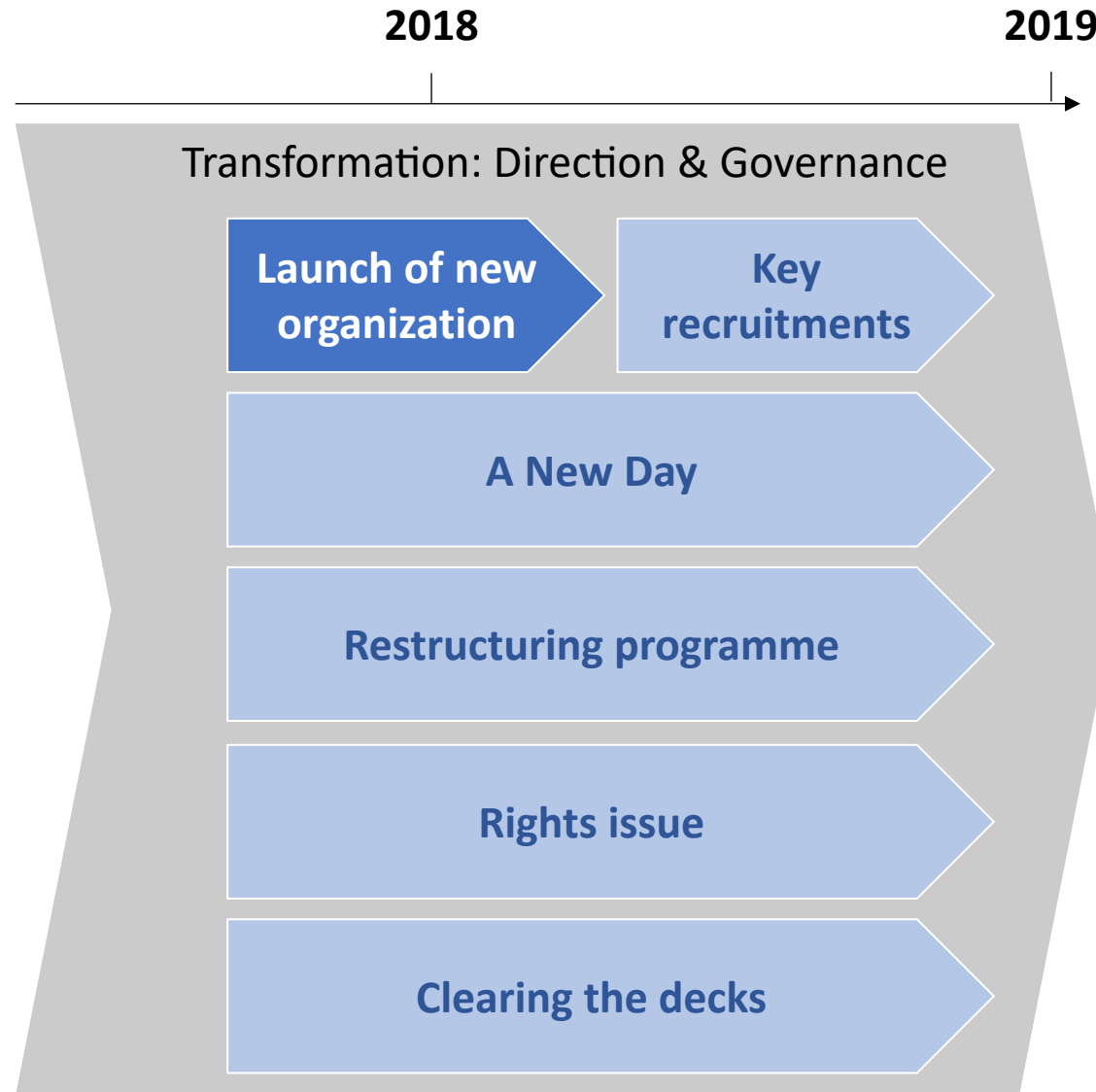
Scale Up and Innovate

- New market segments
- Adjacent technologies
- Selective acquisitions
- Services in all markets

A year of intense transformation activities...

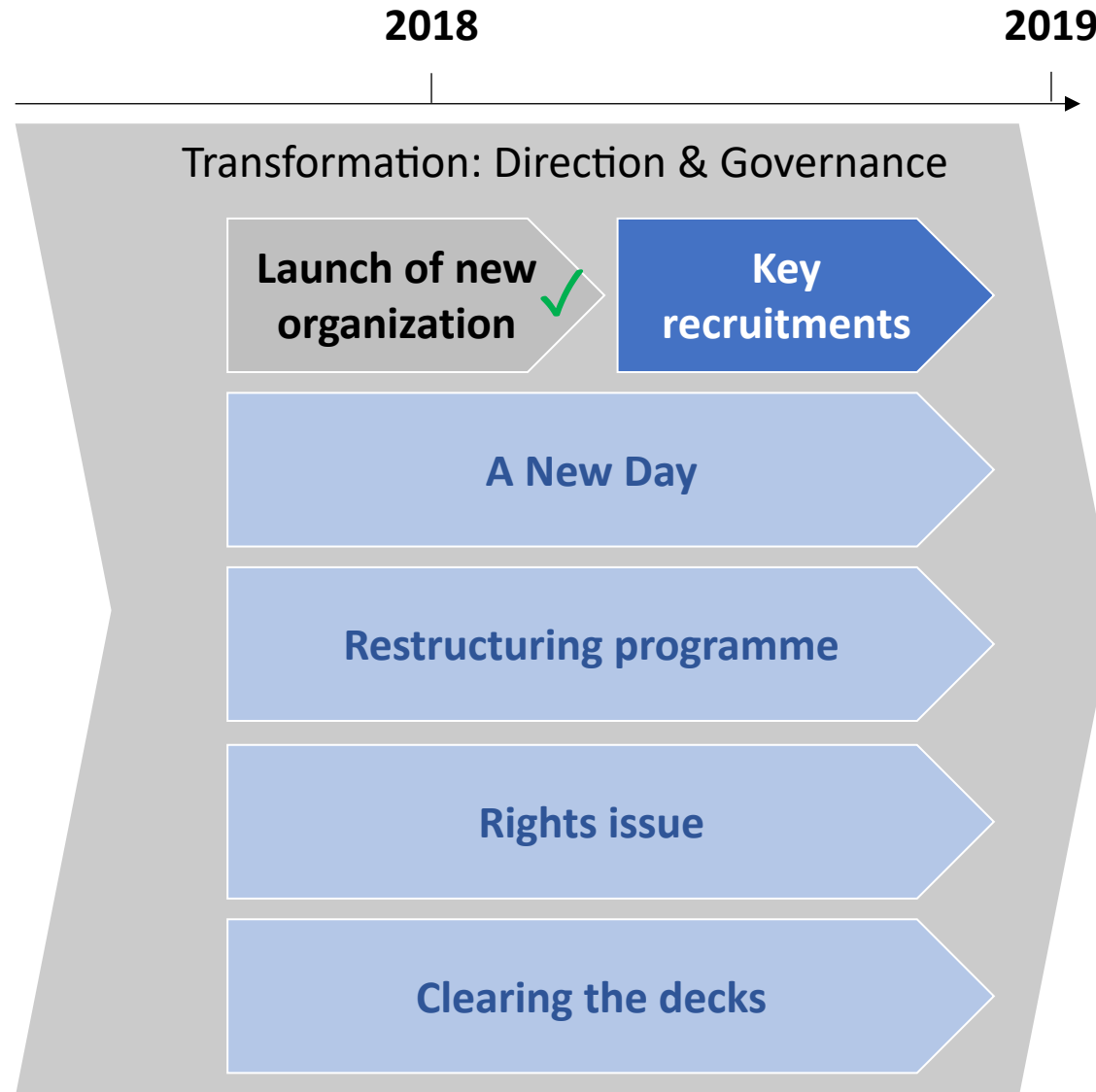


A year of intense transformation activities...



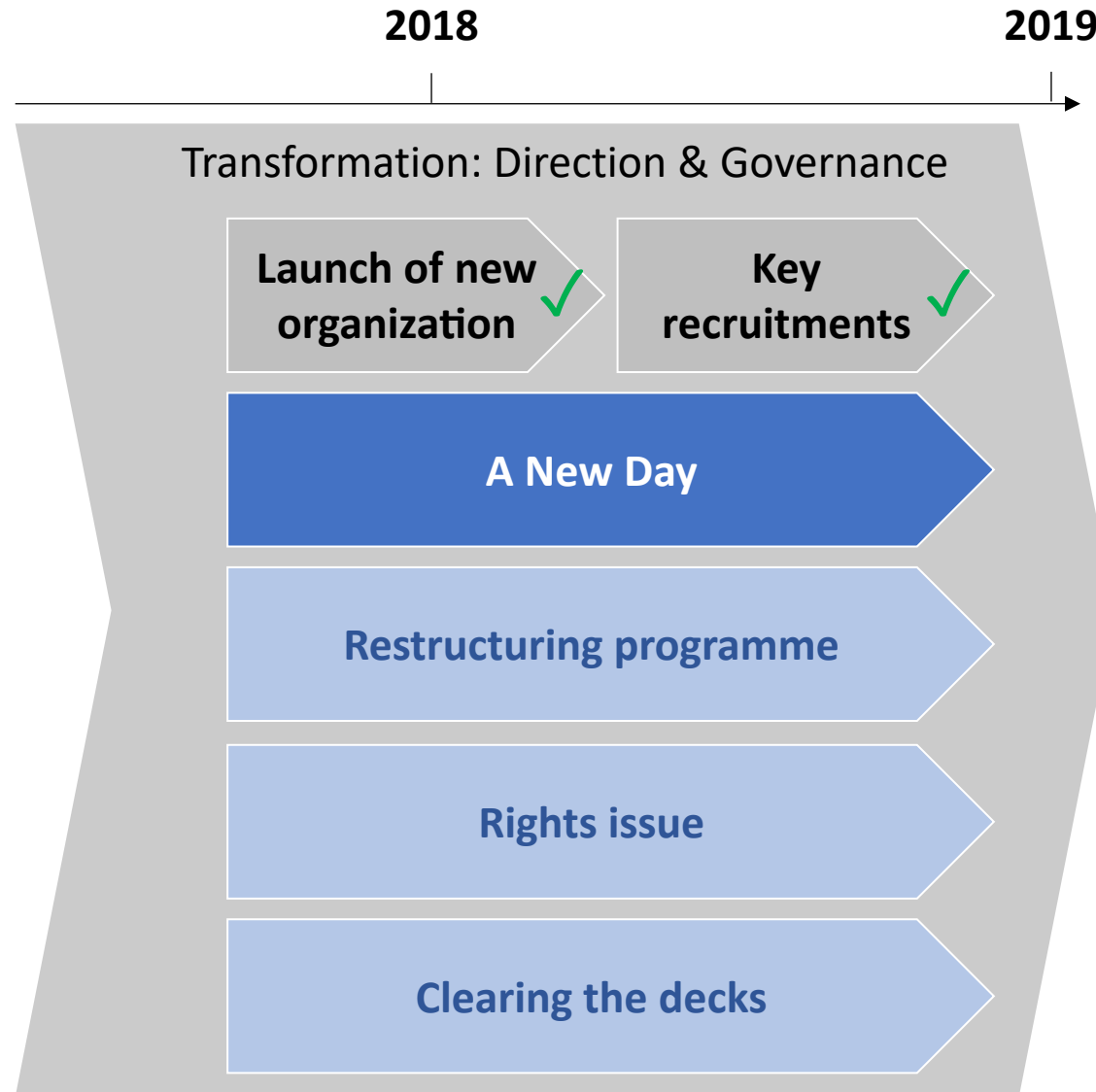
- Services launched as new third division
 - Tasked with developing the aftermarket business
 - Will enhance the stability of our underlying business
- Each division assigned clear profit and loss ownership
 - Enhances the transparency of operational performance
 - Optimizes capital allocation
 - Simplifies decision making

A year of intense transformation activities...



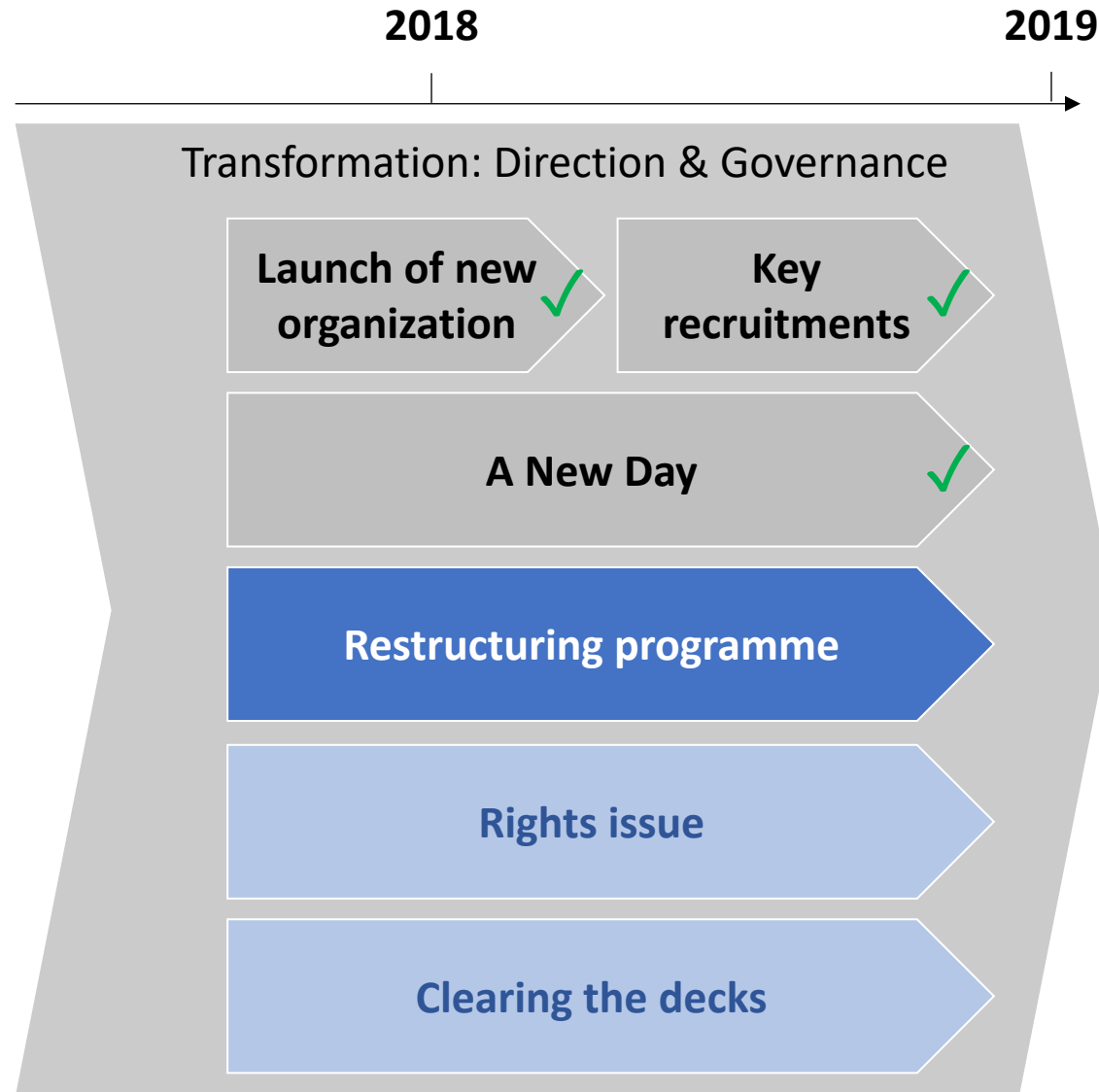
- Strengthened executive team
 - CFO
 - Chief Human Resources Officer
 - President of Ports & Maritime
 - President of Services
 - Chief Operations Officer
 - Chief Commercial Officer
- New Executives with background from blue chip companies (GE, GKN, ABB, etc.) bringing experience of similar transformations as well as world class business processes

A year of intense transformation activities...



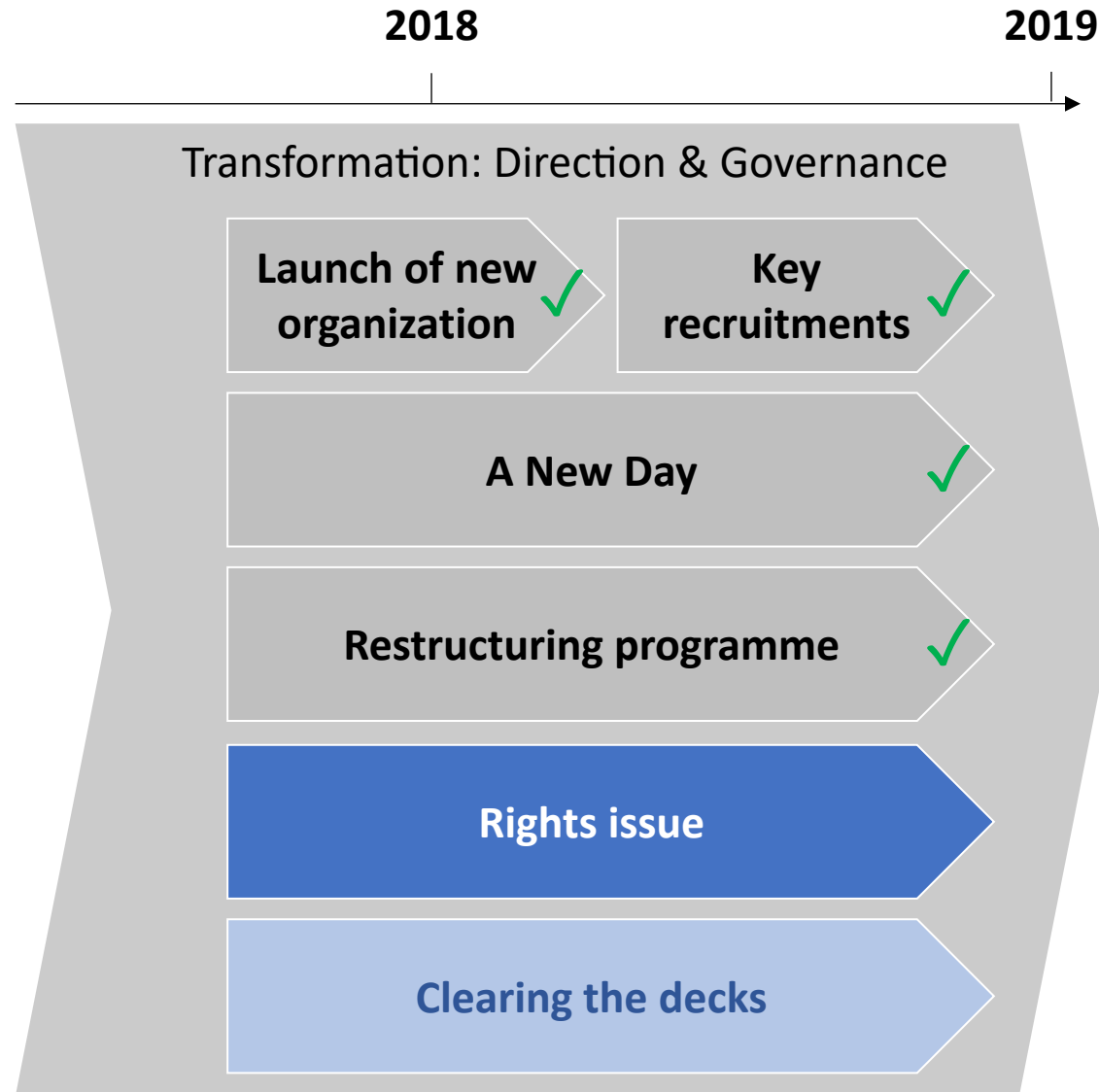
- All of the 50 projects finalized to streamline processes and increase efficiency, such as;
 - new processes for production planning and inventory control;
 - deployment of a new CRM system;
 - processes for ROI-focused efforts in R&D
 - legal entity simplification

A year of intense transformation activities...



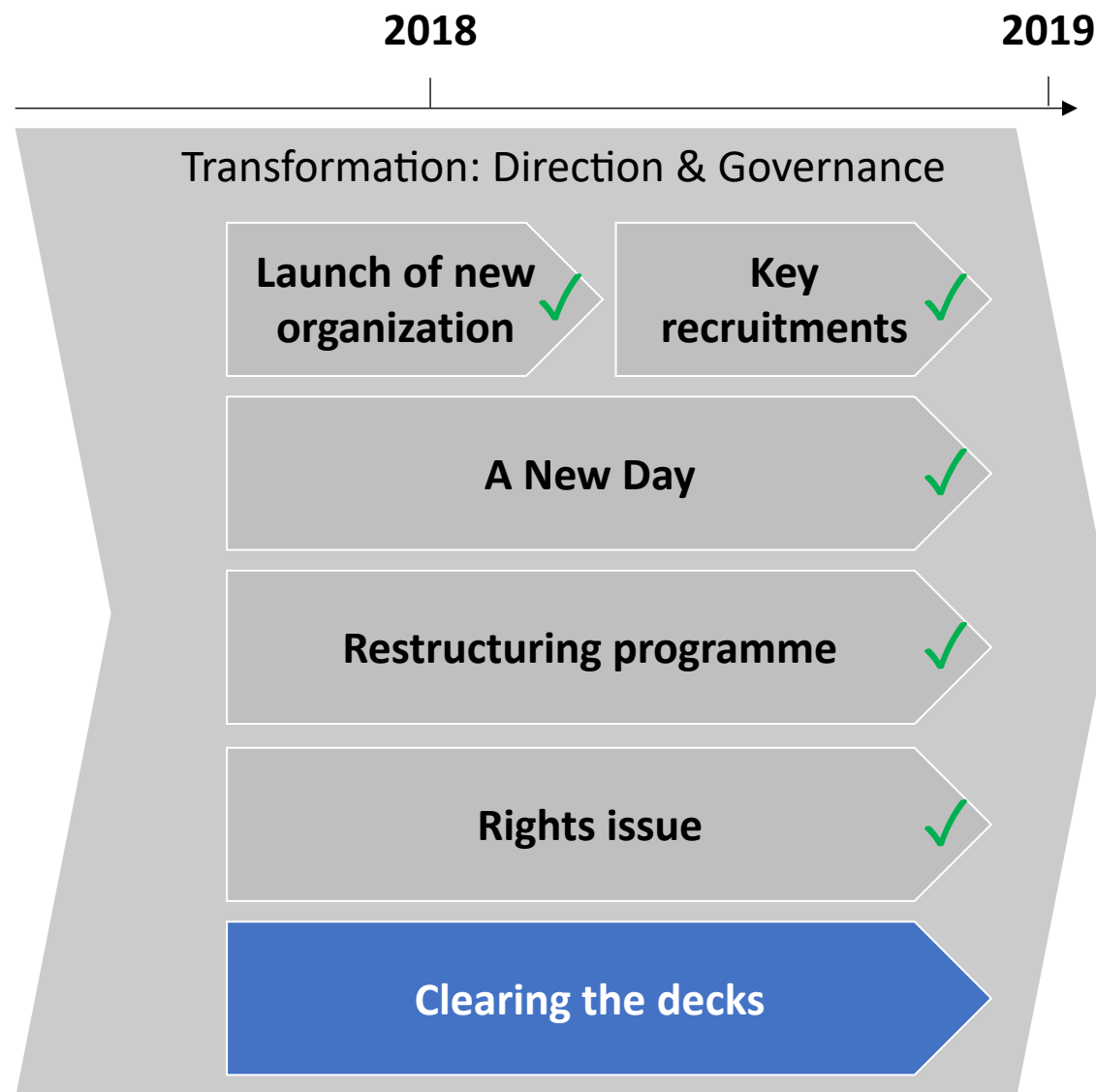
- Addresses structural inefficiencies in the Group
 - Headcount down by 100 employees in 1 year
 - 10 local offices closed in the fourth quarter
 - Savings of approximately EUR 10 million by 2021, the majority in 2019
 - Total one-off cost of the restructuring EUR 7 million, whereof EUR 6.3 million spent so far

A year of intense transformation activities...



- Fully underwritten rights issue of EUR 18.5 million
 - Successfully completed in January 2019
 - Provides resources to complete transformation initiatives swiftly
 - Provides scope for quick actions to take advantage of opportunities for accelerated growth

A year of intense transformation activities...



- Lawsuit in California
 - Nearing the end of the road
 - Further provision of EUR 4.3 million in Q4 2018 to cover most possible outcomes of the process
- Review and replacement of employees on all levels
- Restructuring of portfolio of subsidiaries to increase efficiency, lower cost and create an appropriate tax structure
- Cleaned up balance sheet

A year of intense transformation activities...



✓ Transformation completed!



2017 - 2018: TRANSFORMATION

Direction & Governance



- Result impacted by heavy investments in the future
- Maintained focus on market activities



2019: PROFITABILITY

Commercial and
Operational excellence

- Improved operations
- Improved sales effectiveness
- Improved profitability



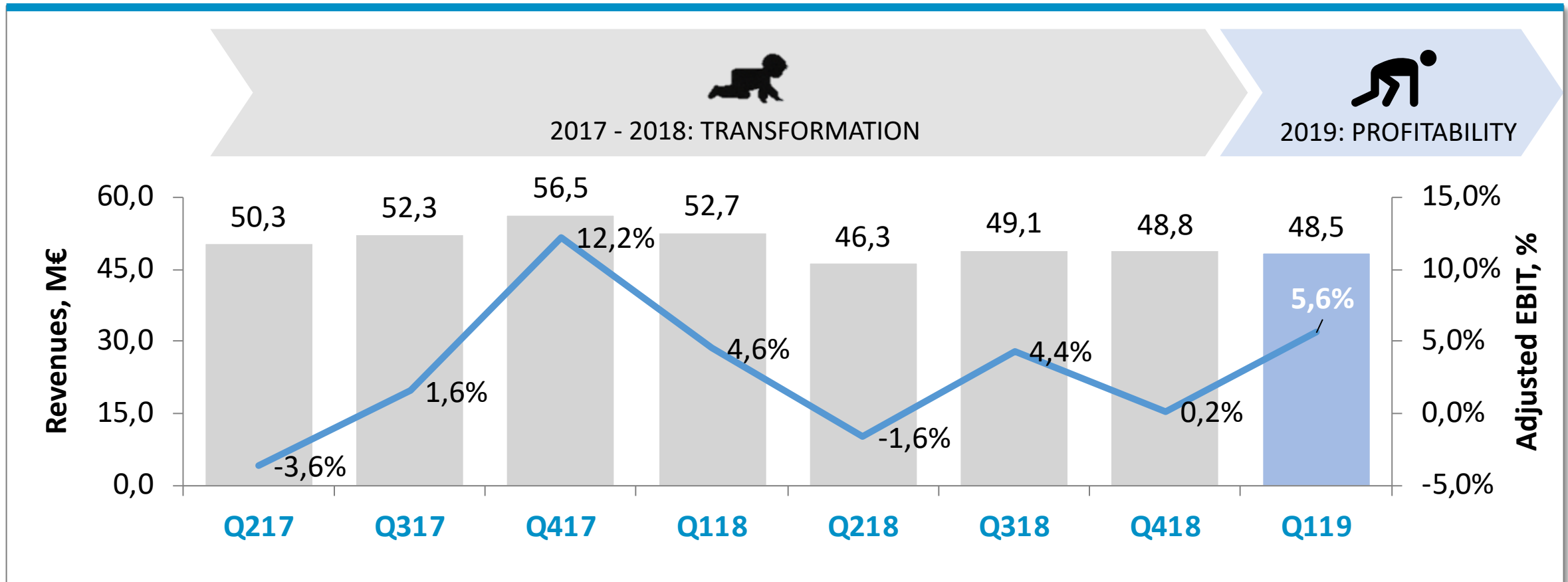
2020: PROFITABLE GROWTH

Scale Up and Innovate

- Start of growth journey

2019: Higher profitability as transformation pays off

We have laid the foundation for higher, more consistent profitability



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Memed Uzel

Chief Commercial Officer



Memed Uzel, Cavotec Group CCO since May, 2019

Prior:

Global Director Commercial Excellence – Honeywell
Commercial Excellence Leader – Medtronic
Marketing & Sales Effectiveness Consultant – DuPont
Product Manager – AB Volvo

26 years living abroad

19 years of multi-industrial experience



Commercial Excellence is the **science of motivating, enabling and tracking the execution of the commercial growth** strategy to reach the highest possible effectiveness and efficiency

We will build a world-class sales engine



2017 - 2018: TRANSFORMATION

SALES BASICS



- Completed granular market assessment
 - End customers
 - Geographies
 - Offerings
- Implemented group-wide CRM, Salesforce.com
- Completed assessment of full salesforce
- Trained salesforce in “boot camp”
 - Value based selling
 - Contractual terms



2019: PROFITABILITY

SALES DISCIPLINE

- Re-setting the sales structure
 - Account (customer) ownerships
 - \$ targets & plans for all sellers
 - Incentive plans
- Installing the operating system
 - Project pipeline reviews
 - Sales meetings
 - Key account planning
- Hunters for sellers, farmers for support & develop from within
- Pricing
 - From cost plus to value based



2020: PROFITABLE GROWTH

ENABLE & EMPOWER

- Training & coaching
 - Sales training (Sales 101)
 - Sales *management* training
- Customer marketing
 - Digital marketing
 - Social media
- Business development
 - Partnerships
 - New account targeting
 - Adjacencies



FOCUS IN 2019

Higher Share of Wallet

TRUST



ENGAGEMENT



SALES DISCIPLINE



FOCUS IN 2020

New Customers

ADJACENCIES



GEO. EXPANSION



COMPETITOR ACCOUNTS



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Martin Riegger
Group SVP & COO



Martin Riegger, Cavotec Chief Operations Officer since July, 2018

Prior:

Vice President and General Manager of Engine Products West, GKN Aerospace
Director of Operations, Walterscheid GmbH
Vice President Global Operations and Commercial Vehicle Products Europe,
Eberspächer Exhaust Systems GmbH
Senior Vice President Manufacturing Services, RollsRoyce PLC

What is Operational Excellence

*Operational Excellence is the pursuit of constant **focus on customer needs** while **keeping employees engaged** and **continuously improving all activities***

Dimensions

SAFETY

QUALITY

COST

DELIVERY

PEOPLE

Aspirations

Zero Accident

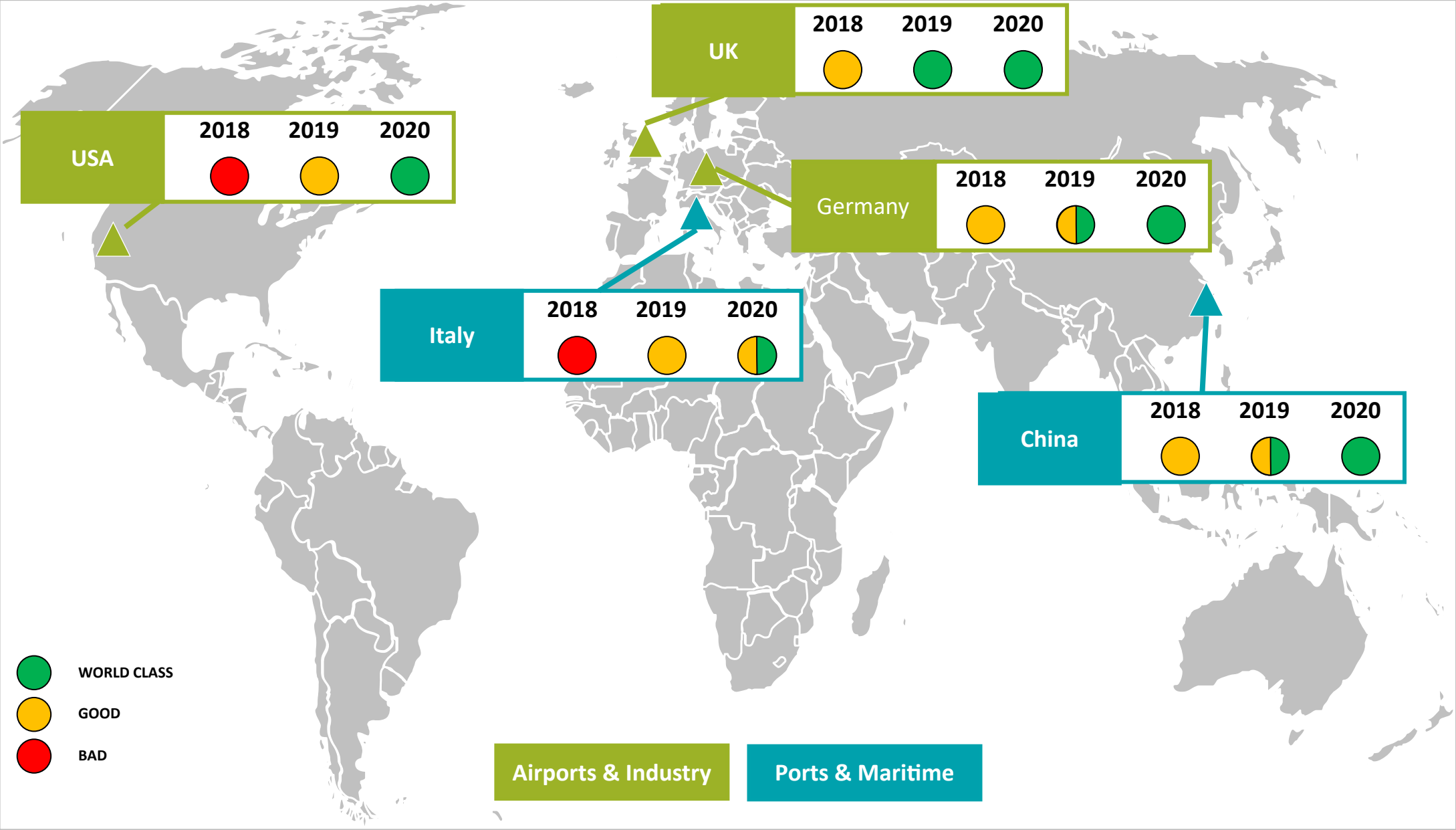
Right First Time

Cost reduction
year over year

Always on Time

The Place to be

Current status of Operational Excellence across sites



Our Operations Roadmap...



2017 - 2018: TRANSFORMATION

Building the basics



2019: PROFITABILITY

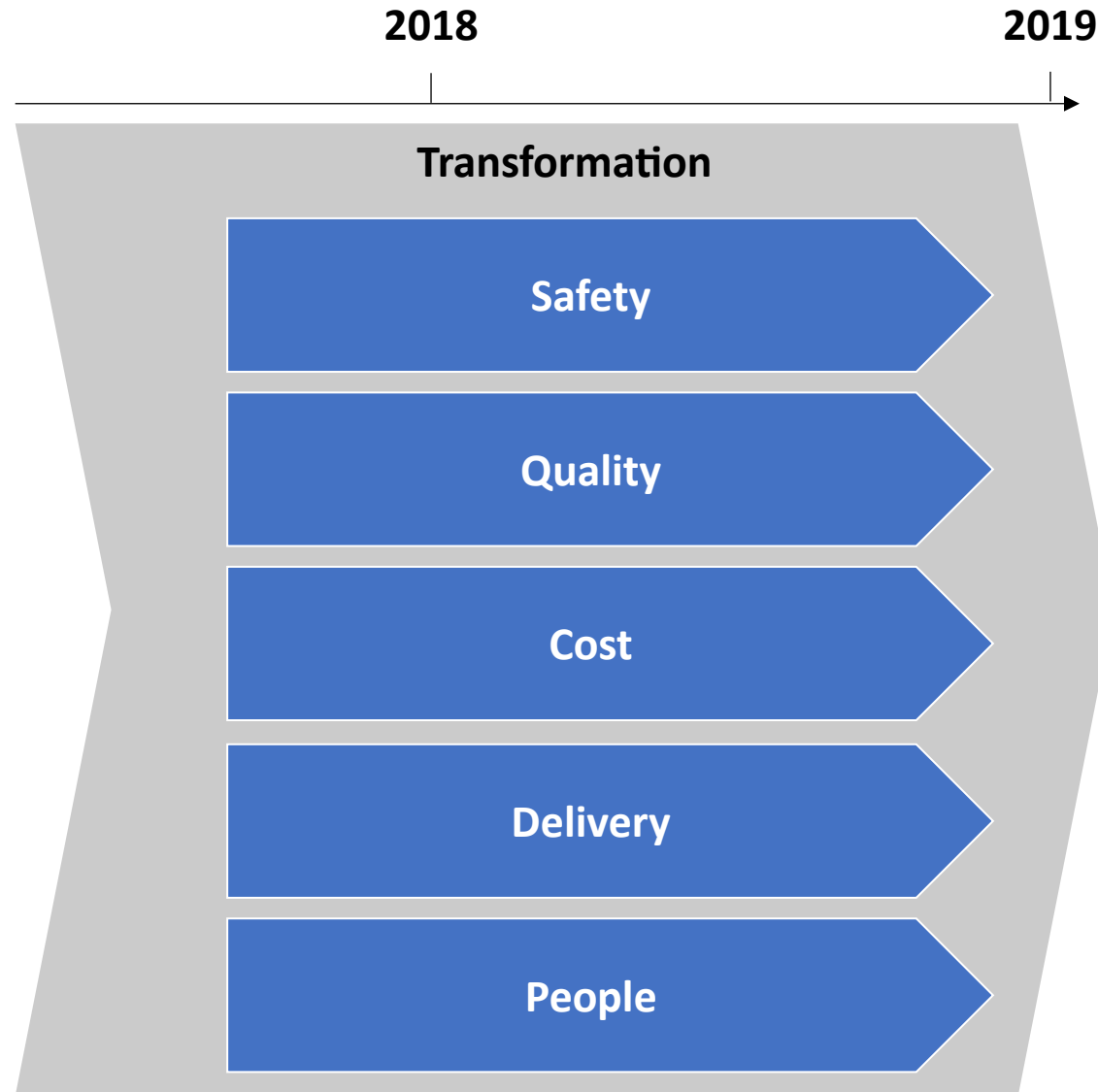
Operational excellence

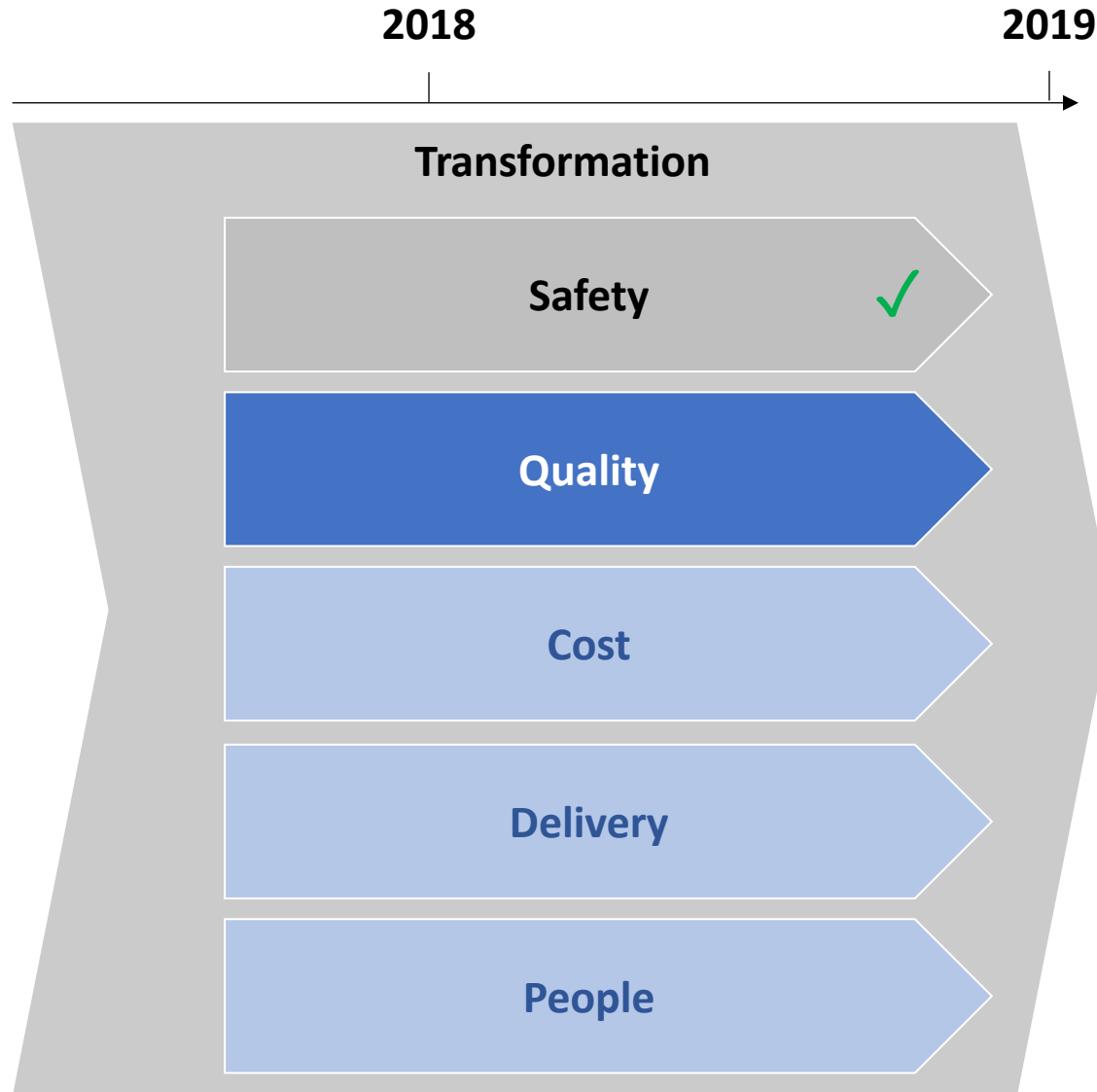


2020: PROFITABLE GROWTH

World Class Operations

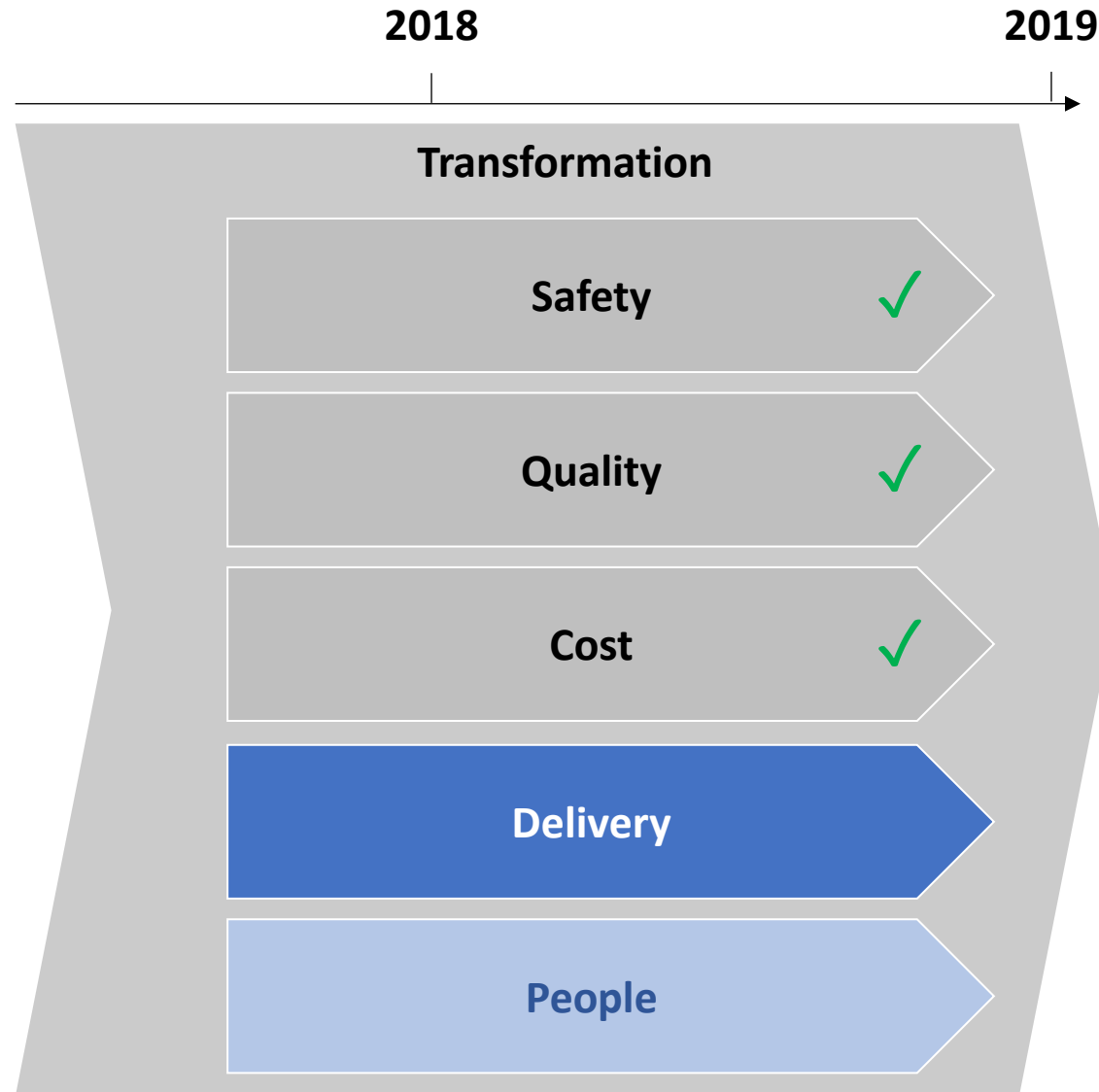
	2017 - 2018: TRANSFORMATION	2019: PROFITABILITY	2020: PROFITABLE GROWTH
	Building the basics	Operational excellence	World Class Operations
Safety	<ul style="list-style-type: none"> Risk assessment completed Visual Management introduced Standard Safety walk introduced 	<ul style="list-style-type: none"> Health & Safety policy and manual renewed HSE representative appointed for each Center Monthly Safety review including Lost Time Accident and Safety Improvements 	<ul style="list-style-type: none"> Proactively manage Safety Improvements Self-audit approach and regular safety walk Supplier scorecards includes Safety
Quality	<ul style="list-style-type: none"> Analysis of Customer feedback (audit, visits) Claim categorization and allocation 	<ul style="list-style-type: none"> Quality policy and manual renewed Claims management through Salesforce CRM 	<ul style="list-style-type: none"> Reliable and repeatable processes Standard Quality toolbox (8D reports, Fish-bone, 5 Whys..)
Delivery	<ul style="list-style-type: none"> 90 days plan for Italy, USA and Germany introducing visual management and level scheduling Moor-master assembly standards 	<ul style="list-style-type: none"> Operations Academy to drive performance Implement lean assembly lines for Core Systems 	<ul style="list-style-type: none"> Continuous Improvement of standard lean assembly lines for all Core Systems Empowered Value Stream organization implemented





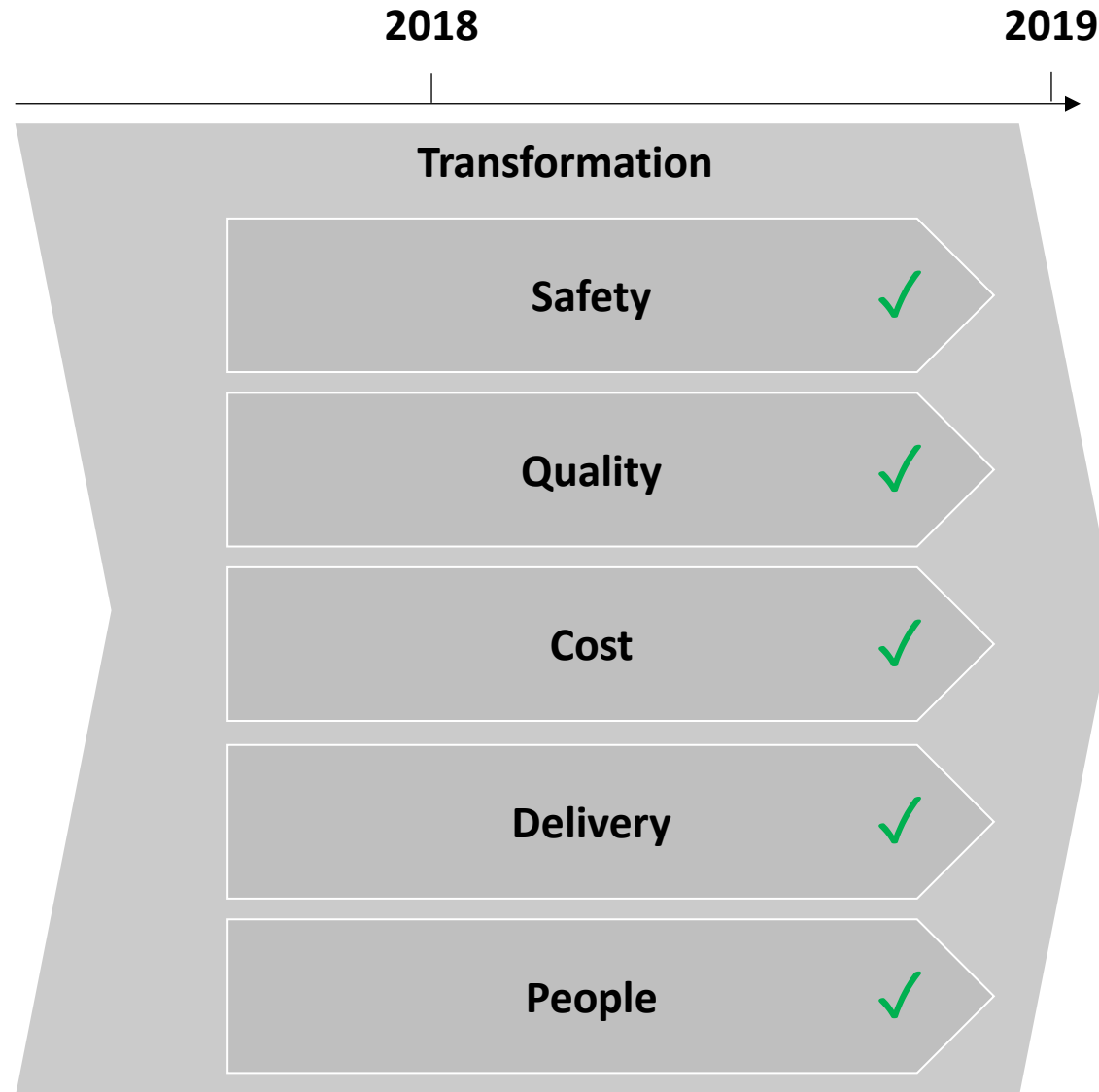
Key achievements:

- Quality control procedure and organization reviewed and improved
- Procedures and instruction in place (ISO 9001)
- Daily Gemba performance meeting



Key achievements:

- Value stream mapping, increasing material flow
- Standard production plan for each Value Stream
- Lean factory & standard work, reducing lead times



✓ **Italian operations back on track,
but improvements continue**

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Patrick Mares

Division President, Ports &
Maritime

Patrick Mares, President of Ports & Maritime Division since March , 2019

Prior:

VP Harsco Rail EMEA at Harsco Corporation

VP of Sales & Business Development Land Systems at GKN

President Security Technologies EMEA at Ingersoll Rand

GM Trane Europ at American Standard

VP of Distribution Sales Power Controls at General Electric

30 plus years of international business experience (Europe, Middle East, China and North America)



Ports & Maritime



Ports & Maritime

Innovative automation and electrification technologies for the global ports and maritime sectors

We are the global leader in automated mooring, shore power, crane electrification, and connection and charging systems

Some key customers in this market unit:



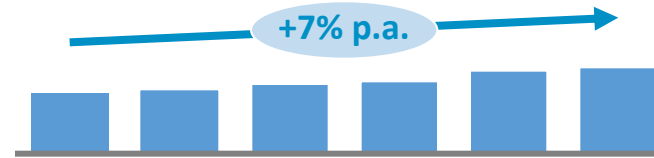
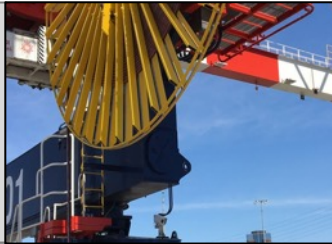
	Market position	Strengths relative to competition	Select competitors
<div>Crane Cable Reels</div> 	#2-3	<ul style="list-style-type: none"> • Global supplier for entire line-up of tether-based electrified cranes • Strong market presence and coverage 	
<div>On-shore shorepower</div> 	#1	<ul style="list-style-type: none"> • High-quality products for every major ship type • High-degree of customization and engineering 	
<div>On-ship shorepower</div> 	#1-2	<ul style="list-style-type: none"> • Market coverage and customer relationships • Turnkey solution provider for vessel retrofit 	
<div>Automated Mooring</div> 	#1	<ul style="list-style-type: none"> • “Market maker” and pioneer shaping the industry • Proven technology with more than 500,000 mooring operations 	

Ports & Maritime markets and underlying trends

Market addressed through Cavotec core offering, illustrative

Specific trends

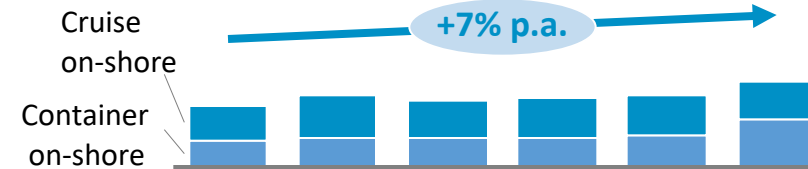
Crane Cable Reels



Capacity growth through **increased trade**, continued **electrification and automation**



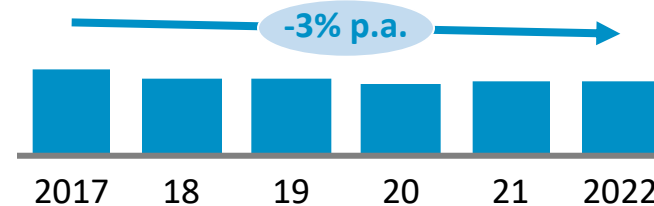
On-shore shorepower



Proliferation of **environmental standards to zero emission**



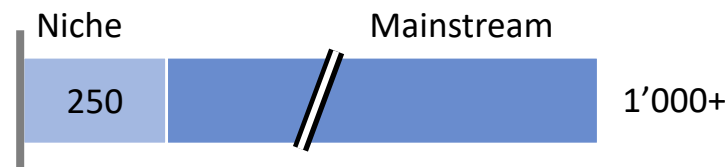
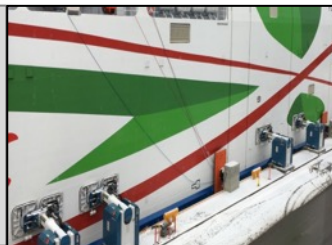
On-ship shorepower



Strong retrofit need of non-electrified current fleet.

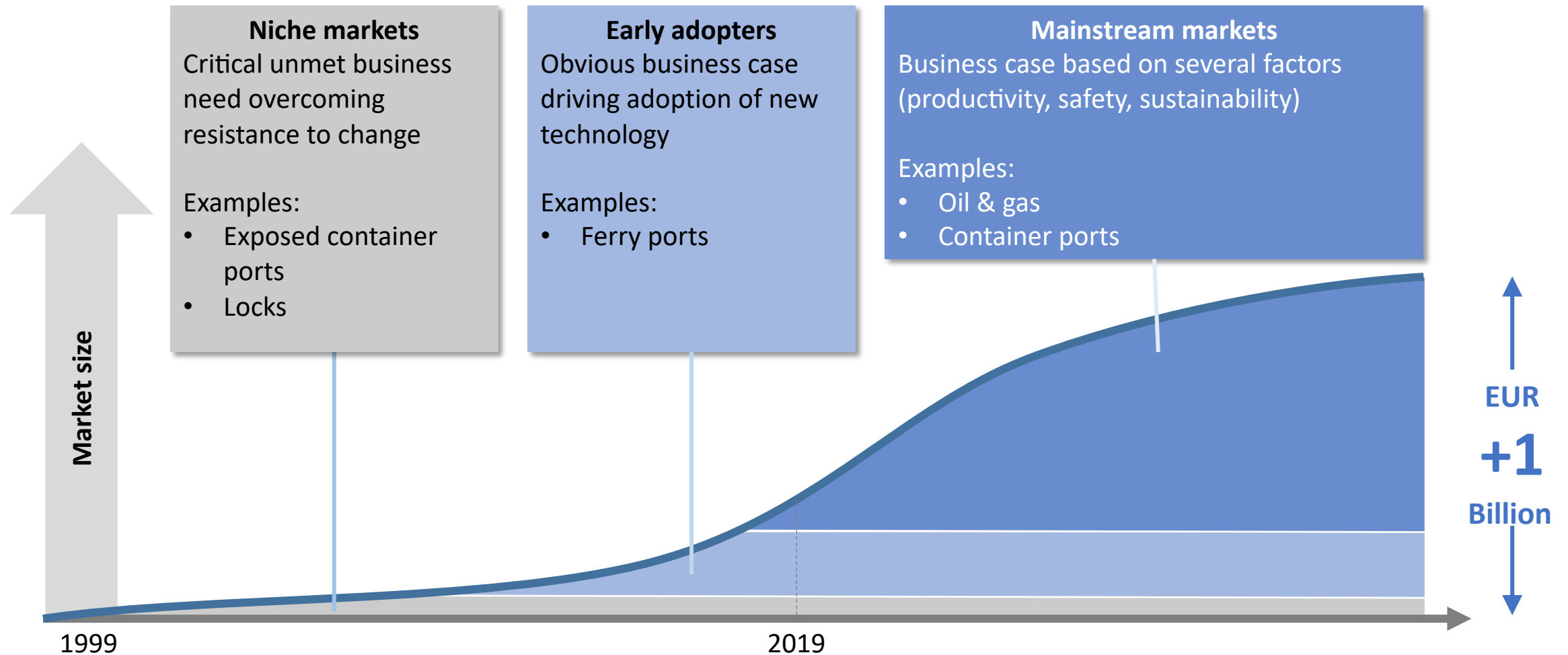


Automated Mooring



Increase of **automation** and more economical offering





Twenty years and 500'000 moorings after the installation of the first system, MoorMaster™ is the **only proven and widely used automated mooring technology** addressing a billion euro market

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Juergen Strommer

Airports & Industry Division President

Joined Cavotec in 2007
COO, Airports & Industry Business Unit
COO EMEA

Prior:

Director of Sales and Marketing, ThyssenKrupp
General Manager Al Futtain Group / Hitachi

17 years living abroad
23 years of cross-industry experience



Airports

In Airports we are a leading Ground Support Equipment (GSE) specialist, developing state-of-the-art systems for contact gates, remote aprons and MRO hangars – serving commercial and military applications

Some key customers in this market unit:



Mining & Tunneling



We develop technologies that drive safety, productivity and contribute to operational efficiency - our customers are typically major original equipment manufacturers.

Some key customers in this market unit:



General Industry



Within General Industry we are a leading specialist for connecting and electrifying a wide range of industrial applications - we work with many large OEM's from a wide range of industry sectors

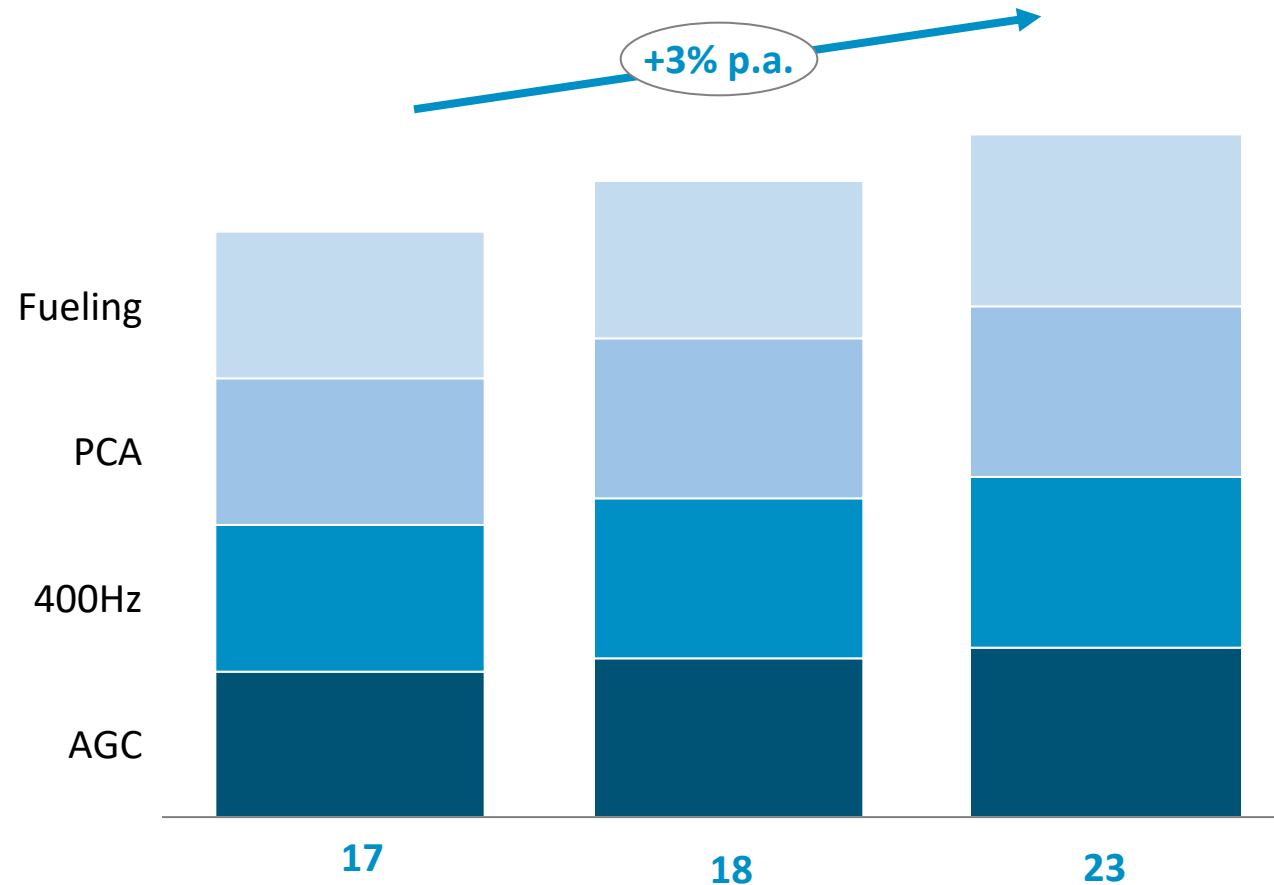
Some key customers in this market unit:



Integration capability	Market position	Strengths relative to competition	Select competitors
<div data-bbox="89 321 191 406">+</div> <div data-bbox="140 428 267 478">Fueling</div> 	#1	<ul style="list-style-type: none"> Globally cost competitive Market leader with proven technology Strong expertise, quality, certification & customization 	<div data-bbox="1847 335 2140 406">  Parker Velcon </div> <div data-bbox="1898 449 2356 571">  MEGGITT smart engineering for extreme environments </div>
<div data-bbox="89 571 191 656">+</div> <div data-bbox="140 685 216 728">PCA</div> 	#2	<ul style="list-style-type: none"> Ability to guarantee performance at aircraft inlet Strong offering for centralized solutions Proven technology covering a wide range of applications 	<div data-bbox="1872 614 2356 685">  </div> <div data-bbox="1974 714 2242 906">  </div>
<div data-bbox="89 828 191 913">+</div> <div data-bbox="140 942 267 985">400 Hz</div> 	#3	<ul style="list-style-type: none"> Ability to customize and offer system solutions Global sales reach 	
<div data-bbox="89 1085 191 1170">+</div> <div data-bbox="140 1156 331 1285">Aircraft Ground Connection</div> 	#1	<ul style="list-style-type: none"> Globally cost competitive Recognized product and range for system sales Strong market coverage in Europe and Middle East 	<div data-bbox="1898 1113 2063 1249">  </div> <div data-bbox="2000 1256 2356 1342">  </div>

Sources: Cavotec Internal analysis

Market addressed through Cavotec core offering, illustrative



Sources: Global Insight, International Transport Forum, Global Water Intelligence, World Energy Outlook, MEED, World Bank, African Development Bank, Asian Development Bank, Moody's Analytics, National Accounts, Allied Market Research "Ground Support Equipment Market Forecast", IATA

Fueling



PCA



400 Hz



Aircraft
Ground
Connection



Market growth driven by several underlying trends

Strong passenger growth

- **Passenger** growth remains strong at ~5% p.a. globally until 2023 with numbers estimated to double to 8.2 billion in 2037
- **Decline in the average price of air travel** (e.g., low cost carriers)
- **Growth is** mainly driven by the increase in living standards allowing more individuals to travel

Gate productivity through process improvements reaching its limits

- **Aircraft load factor** has reached a level (82% globally) not expected to further improve substantially
- **Gate utilization expected to increase**, favored also by potential move towards smaller, more efficient aircraft (e.g. A380 production has been discontinued)
- **Increased focus from Aviation sector on increased turn-around time (TAT) of planes** driven by the rise of budget airlines and the expected higher share of smaller aircraft able to fly point to point



Continued CAPEX investment required in airports infrastructure in order to sustain the growth of passengers

Cavotec E3 Gate – Ergonomics, Economy, Environment

- **E3 Gate is a fully integrated** gate design that incorporates Cavotec airport products into a complete system – providing **power**, **pre-conditioned air**, **wet services** and **fueling**



E3 Gate system



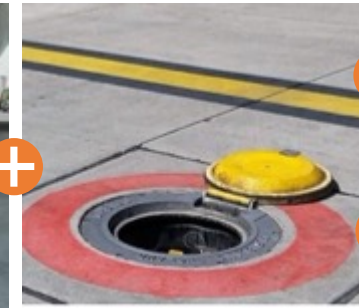
Power



Preconditioned air



Wet services



Fueling



VDGS

GOT

Benefits from our unique system

- **Energy efficiency**, minimizing the use of APU
- **Increased operational efficiency** – reduces the number of operators required to connect the aircraft
- **Maximized asset utilization**, optimize the use of resources

Customer success examples



Dortmund Airport 21

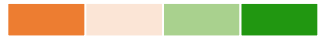


Focus: Airport In-ground Systems 2/2

Market adoption by region

Market adoption

Lower Moderate Higher



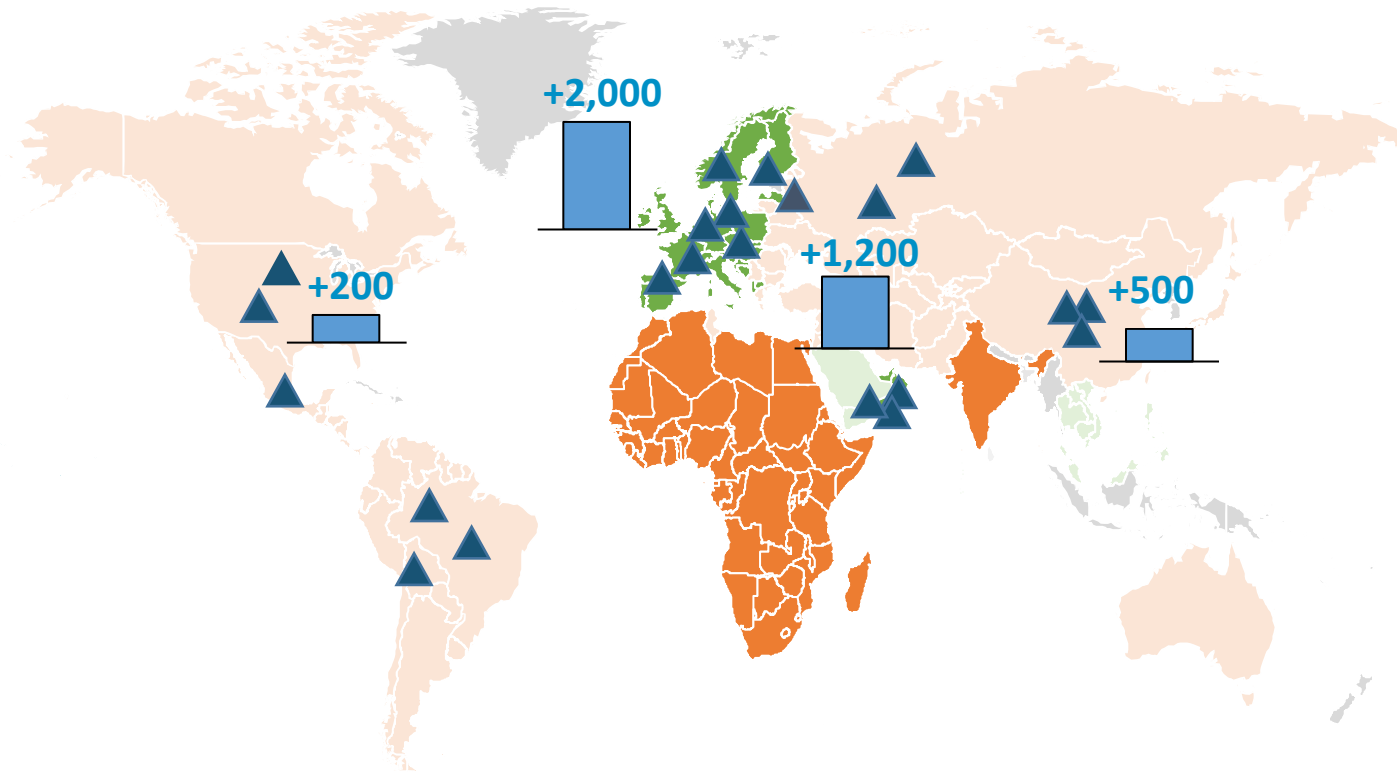
Cavotec installed base



of units Select installations



- Regions with **lower adoption of in-ground systems** represent potential opportunities for **growth**
- Cavotec is **leading the market in Aircraft Ground Connection** and effort to penetrate untapped markets
- Well positioned against mega trends including **electrification** and **environmental responsibility**



Underground mining



Market position

#1

Strengths relative to competition

- Long-standing customer relationships with major global OEMs
- Strong brand recognition
- Well-recognized high product quality

Select competitors



Surface mining



#2-3

- Product customization
- Strong brand recognition
- Well established customer relationships



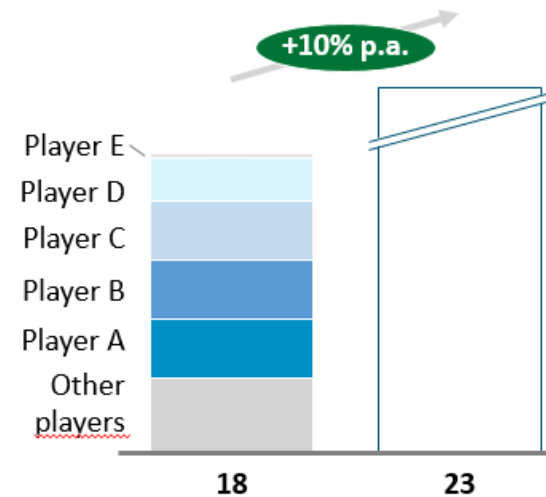
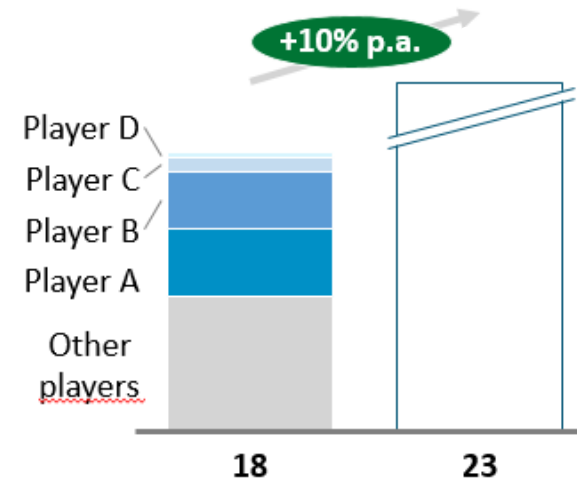
Underground mining



Surface mining



Market addressed through Cavotec core offering, EUR mn, illustrative



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Patrick Baudin

Services Division President

Patrick Baudin, Services Division President, since February, 2018

Prior:

President of GE Renewable Energy Canada

VP of Alstom Power Service GPL Switzerland

Managing Director of Alstom Power Service France

19 years of international after-sales experience



Services

We offer a large range of solutions to cover the **total life cycle** of Cavotec's product/systems and we help customers to **maximize the availability of their assets**.

We **operate around the clock** everywhere and leverage our technical expertise globally.



Some key customers in this market unit:



70
SERVICE EXPERTS
available

























30+
COUNTRIES
covered



18,000
ASSETS
installed and operational

Service offerings

		Own Installed Base	3PP installed base	Ease of penetration	Comments
400Hz and PCA					<ul style="list-style-type: none"> Large fleet in US & ME Replacement market
AGC and Fueling					<ul style="list-style-type: none"> Avg. age fuel pit 25 yrs. Refurbishment market
Automated Mooring & Shore Power					<ul style="list-style-type: none"> Growing installed base Service agreement market
P&M Crane Electrification					<ul style="list-style-type: none"> Large installed base Inspection market
Reels and RRC in Industry					<ul style="list-style-type: none"> Young & scattered fleet Spare part market
		 Low entry barrier  Large entry barrier			

Our Services Roadmap...



2017 - 2018: TRANSFORMATION

Set Up



2019: PROFITABILITY

Build Up and Roll Out



2020: PROFITABLE GROWTH

Scale Up and Innovate

	Set Up	Build Up and Roll Out	Scale Up and Innovate
Innovation	<ul style="list-style-type: none"> CavotecCare (Service Agreements) 	<ul style="list-style-type: none"> CavotecProCare (Inspections) Cavotec Smart Part 	<ul style="list-style-type: none"> Pay per Use My Cavotec (E-shop) Cavotec Connect (E-connect)
Commercial Excellence	<ul style="list-style-type: none"> Granular analysis of Installed base and product life cycle cost Standardize spare part proposal Standardize field service proposal 	<ul style="list-style-type: none"> Commercial awareness training Standardized refurbishment & upgrade product Training for Sales 	<ul style="list-style-type: none"> Service proposition on target competition installed base Customer events for key accounts (total life cycle approach)
Operational Excellence	<ul style="list-style-type: none"> Assessed service population Safety policies & tools Launch new service organisation 	<ul style="list-style-type: none"> Standardization of spare part offering (kits/pricing) Review O&M manuals Launch CRM service module 	<ul style="list-style-type: none"> "Quote in an hour" Optimisation of spare part inventory Remote maintenance centre

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Q&A



WE CONNECT THE FUTURE

We are **well positioned** in terms of underlying **market growth and trends**

We have **innovative technologies** suited to meet the demands of our customers

We have established **clear responsibilities, accountabilities** and **processes**

We have decisively **addressed our cost base**

We have **strengthened our balance sheet**

We have the **people and capabilities** to succeed

We are relentless in **addressing operational and commercial deficiencies**

The Board of Directors of Cavotec has adopted the following financial targets and dividend policy for the Group:

- I. Sales Growth** - Cavotec's target is to achieve an annual organic revenue growth of at least 5% from 2020, in addition to possible acquisitions.*
- II. EBIT Margin** - Cavotec's target is to reach an annual adjusted EBIT margin of more than 7 % within two years and more than 10% within four years.*
- III. Dividends** - Cavotec's target is to distribute dividends of approximately 30-50% of net profits over a business cycle. Any pay-out decision will be based on the Company's financial position, investment needs, acquisitions and liquidity position.*

Topic

Cavotec, an introduction

Transformation Roadmap

Commercial Excellence

Operational Excellence

Ports & Maritime

Business &
market update

Airports & Industry

Services

Conclusions and financial targets

Q&A

Thank you for your attention

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Questions & Answers

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