

4Q13 Update – A focus on Innovation



Cavotec Update & Information Meeting

March 2014

Presenter: Stefan Widegren, Cavotec Chairman



Cavotec is a global engineering group that manufactures power transmission, distribution and control technologies that form the link between fixed and mobile equipment in the Ports & Maritime, Airports, Mining & Tunnelling and General Industry sectors.



4Q13 highlights

- Order Intake increased 5.8% quarter on quarter at EUR 64,645 thousands (4Q12: 61,113).
- Revenues amounted to EUR 55,220 thousands in 4Q13 a decrease of 17.4% (4Q12: 66,884).
- Book to bill ratio was 1.17x in the quarter.
- Order Book reached a new record high at EUR 115,713 thousands (FY12: 99,145).
- Operating Result (EBIT) decreased to EUR 212 thousands in the quarter compared to EUR 7,220 thousands in 4Q12

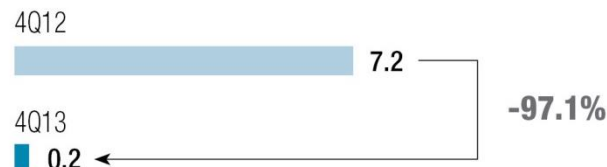
ORDER INTAKE Millions EUR



ACCUMULATED REVENUES Millions EUR



OPERATING RESULTS Millions EUR



- 2013 revenues reached **EUR 227,704 thousands**, a **3.5% increase** compared to 2012.
- **Organic growth was 6.5%**, while the exchange rate fluctuation detracted 3.3%.
- Operating result amounted to **EUR 10,506 thousands** compared to EUR 17,978 thousands in 2012.
- Excluding the EUR 2,003 thousands cost related to the on-going litigation, **adjusted operating result reached EUR 12,510 thousands**
- Financial items were unchanged while the recognition of deferred tax assets contributed to **a net profit of EUR 10,453 thousands**
- The Board of Directors proposes **a dividend of CHF 0.05 per share** (unchanged)

Ports & Maritime Market Unit

FY13 Revenues

EUR 97,028 thousands



FY12 Revenues

EUR 81,220 thousands



+19.5%



Accumulated Order Intake

EUR 109,342 thousands



Order Book

EUR 64,427 thousands

Ports & Maritime generated the highest revenue of the MUs, representing approximately 43% of total revenues for the Group, amounting to EUR 97,028 thousands.

The Ports & Maritime MU order intake is slightly higher than last year and is the highest compared to the other MUs (44% of the total order intake of the Group), amounting to EUR 109,342 thousands. Order Book increased by 20.1% compared to last year, amounting to EUR 64,427 thousands.

Some of our major references in this Market Unit:

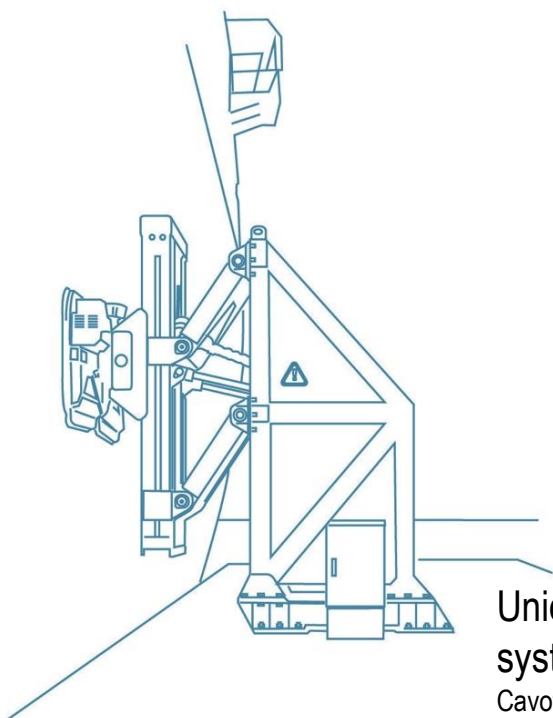


Shanghai Zhenhua Heavy Industry Co., Ltd



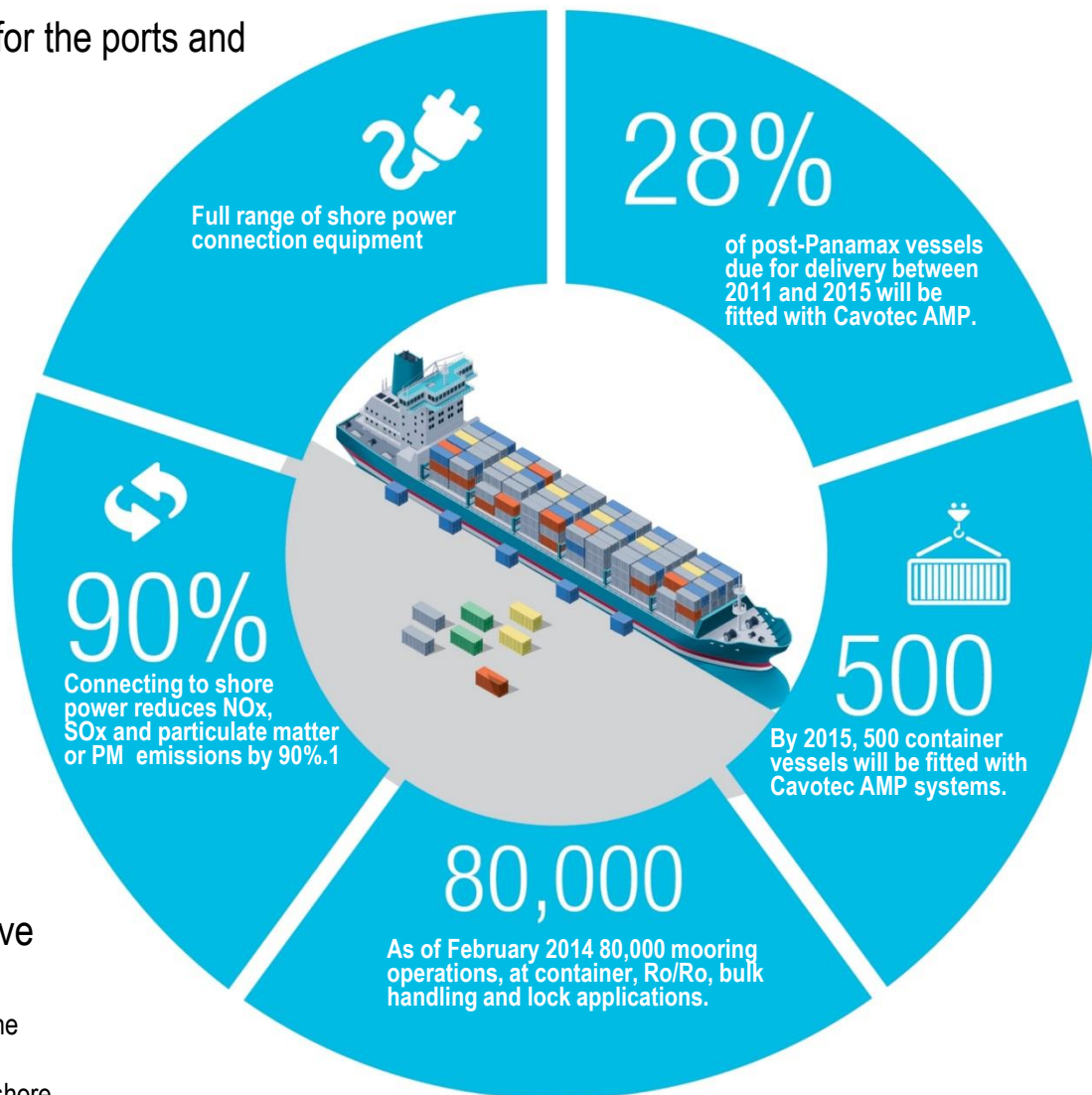
Cleaner, more efficient ports

Cavotec develops uniquely innovative systems for the ports and terminals sector . Here are a few key achievements of our Ports & Maritime market unit in 2013



Uniquely innovative systems

Cavotec has pioneered the world's first integrated automated mooring and shore power system.



¹ Source: Entec UK Ltd.

Airports Market Unit

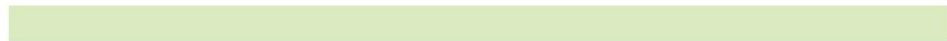
FY13 Revenues

EUR 60,801 thousands



FY12 Revenues

EUR 57,692 thousands



+5.4%



Accumulated Order Intake

EUR 67,650 thousands



Order Book

EUR 36,621 thousands

Airports is the second MU in terms of revenues for the Group, amounting to approximately 27% of total revenues, coming in at EUR 60,801 thousands. Order Intake grew to 28% of Group total compared, amounting to EUR 67,650 thousands.

Order Book reached EUR 36,621 thousands, increasing by 22.4% compared to last year.

Some of our major references in this Market Unit:



Simpler, more cost-effective aircraft servicing

\$4 billion⁽¹⁾

According to IATA estimates, damage to parked aircraft by ground vehicles annually.

41,000⁽²⁾

According to Boeing, there are currently 20,000 aircraft in service. By 2032, that number will more than double

Cavotec's unique presence on the global GSE market

4:1

All Cavotec pit systems have a safety ratio of 4:1 that supports the heaviest aircraft, including the A380.

40,000+

More than 40,000 Cavotec fuel pits installed worldwide

Cavotec is also the only company in the world that designs, manufactures, supplies and installs all four main GSE services

Cavotec is the only GSE manufacturer to have an installed, working and Airbus approved, fixed sub-freezing PCA system anywhere in the world.



400hz



PCA



Fuel



Wet Services.

Cavotec has supplied systems to nearly every major airport and air base in the world.

Mining & Tunnelling Market Unit

FY13 Revenues

EUR 29,309 thousands



FY12 Revenues

EUR 36,518 thousands



-19.7%



Accumulated Order Intake

EUR 28,656 thousands



Order Book

EUR 6,407 thousands

Mining & Tunnelling's revenues amounting to EUR 29,309 thousands for FY13, representing 13% of the Group's total revenues. Order Intake amounted to EUR 28,656 thousands.

Order Book amounted to EUR 6,407 thousands.

Some of our major references in this Market Unit:



ThyssenKrupp



Clean, safe and efficient mining & tunnelling



AUTOMATION

Cavotec systems increase the level of automation, thereby improving safety and operational efficiency.



OPERATIONAL EFFICIENCY

Our systems deliver gains in productivity through, amongst other factors, reduced use of diesel-driven equipment and extended service-life.



SUSTAINABILITY

Our systems reduce reliance on diesel-driven equipment, and improve overall efficiency, thus limiting environmental impact.



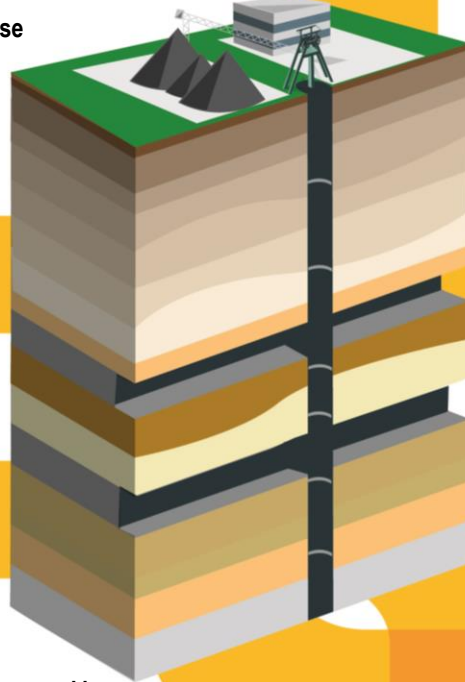
SAFETY

The safety of personnel is of paramount importance to our customers, and our systems ensure – even in the harshest of environments – outstanding operational safety.



RELIABILITY

Our extensive experience in this segment ensures that our equipment is designed and manufactured to the highest standards available anywhere in the world today.



Cavotec's innovative Mining & Tunnelling technologies improve our customers' capacity to operate safely, sustainably and efficiently.

Our systems increase the degree to which applications can be automated, and machinery remotely controlled, with the secure transmission of electrical power, data signals, compressed air and water.

General Industry Market Unit

FY13 Revenues

EUR 40,566 thousands



FY12 Revenues

EUR 44,642 thousands



-9.1%



Accumulated Order Intake

EUR 40,313 thousands



Order Book

EUR 8,258 thousands

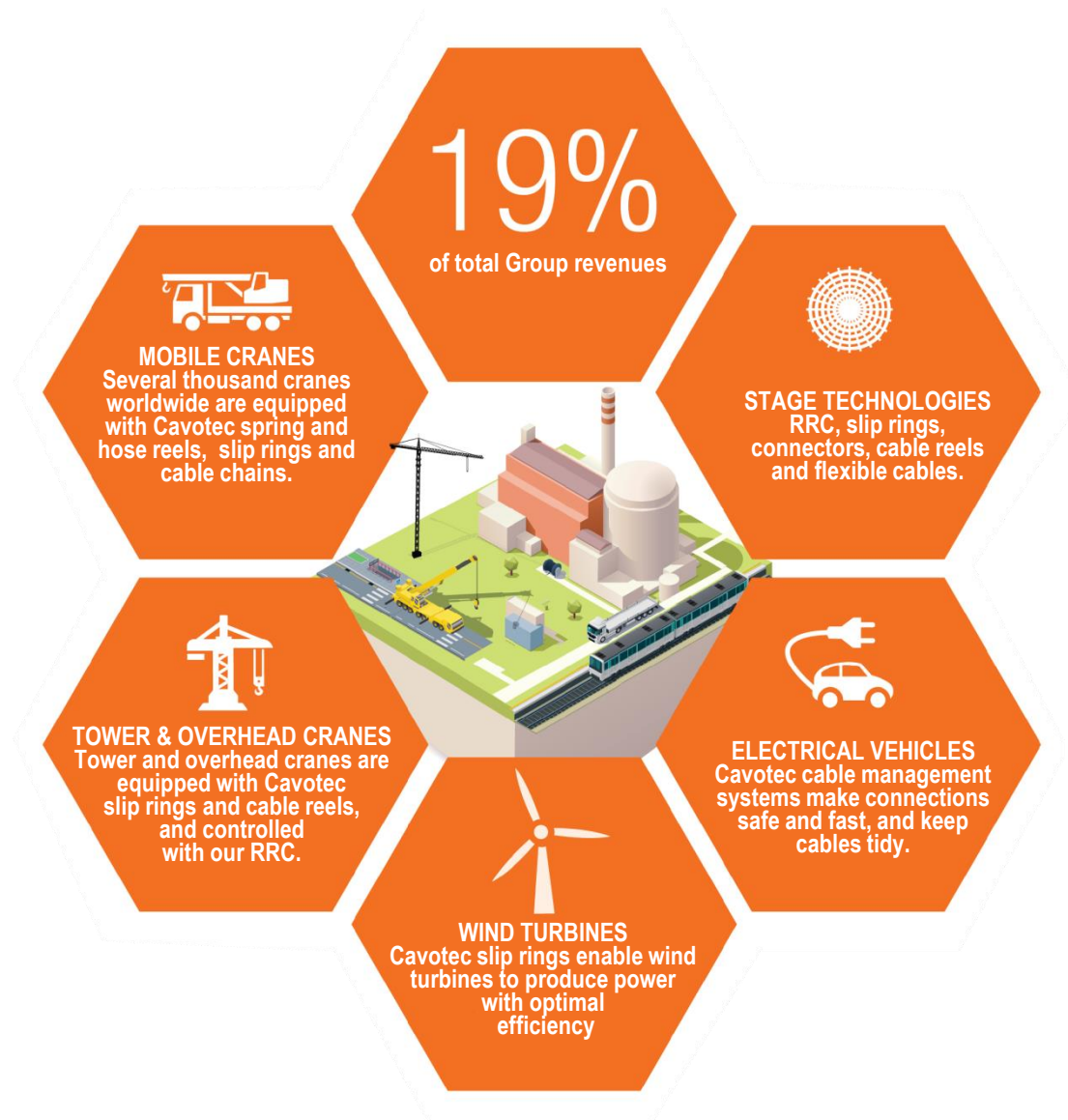
General Industry generated around 19% of the total revenues for the Group, amounting to EUR 10,374 thousands. Order Intake amounted to EUR 40,313 thousands.

Order Book amounted to EUR 8,258 thousands.

Some of our major references in this Market Unit:



Improved operational efficiency; reduced environmental impact.



Cavotec's General Industry systems are used in a uniquely diverse variety of applications.

From theatres and fairgrounds, to steel and aluminium plants, to electrical vehicles, trains, cranes and many more our systems are hard at work backstage.



Around the globe, in a wide variety of applications, we support our customers increase the efficiency with which electrical power, minerals and fluids are managed and transported.



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1. FY14 target: EUR 250 million revenues with 8% EBIT margin
 2. Focus on strengthening operating margin
 3. Forecast softer 1H14, strong growth from 3Q14
 4. Strong trend in Order Intake, January Order Book at record EUR 121 million

- The **Ports & Maritime MU** is expected to maintain a lower overall growth rate, investments in new technologies will continue to increase strongly, reflecting the on-going demand for higher levels of efficiency and automation within the sector.
- The **Airports MU** is set to continue to grow capitalising on our ability to supply customers with a comprehensive airport system offering. This will play a key role in securing new projects across geographical regions such as the Middle East, Far East, India, Russia and USA.
- In line with global trends, management expects the **Mining & Tunnelling MU** to continue with a weak demand for mining equipment for the hard rock mining sector. This softening trend could possibly be partially offset by an increased investment cycle for specialised opencast mines.
- The **General Industry MU** is expected to remain stable with good growth opportunities coming from our product offering in the defence and electrical vehicle sub-markets.

An overview of some key FY13 achievements and innovations



- Ground-breaking MoorMaster™ order for St. Lawrence Seaway in Canada
- Alternative Maritime Power (AMP) continues to grow with expanded offering
- Defence, HOI and Electrical Vehicle markets remains niche growth areas

MoorMaster™ in action at St Lawrence Seaway locks



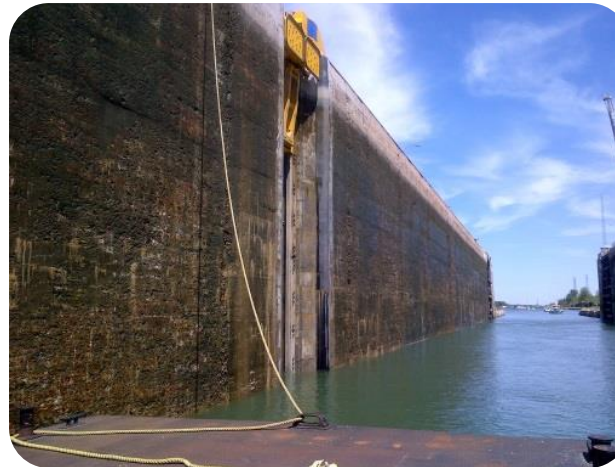
MoorMaster™ in action at St Lawrence Seaway locks



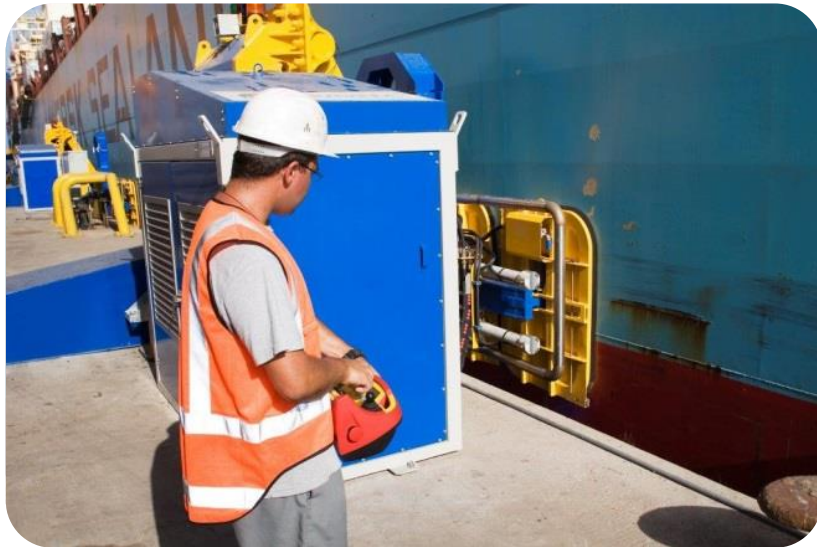
MoorMaster™ in action at St Lawrence Seaway locks



MoorMaster™ in action at St Lawrence Seaway locks



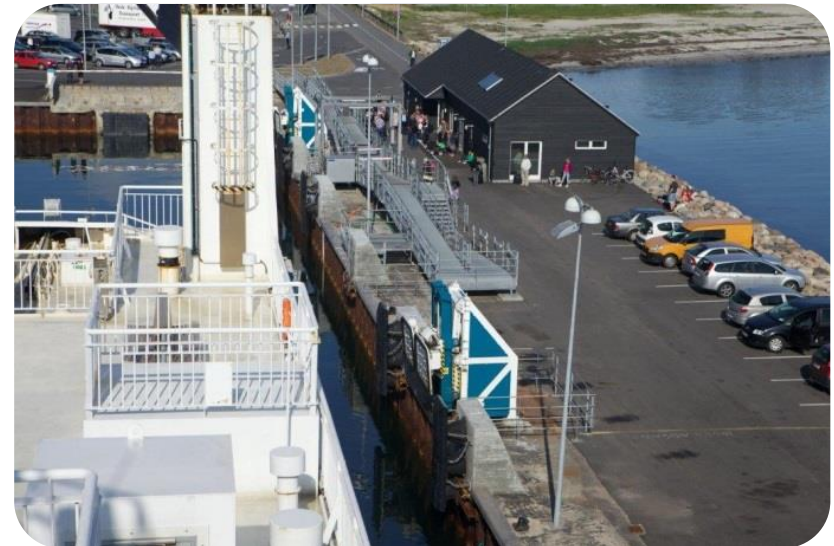
MoorMaster™ in action at Container ports



MoorMaster™ in action at Dry Bulk ports



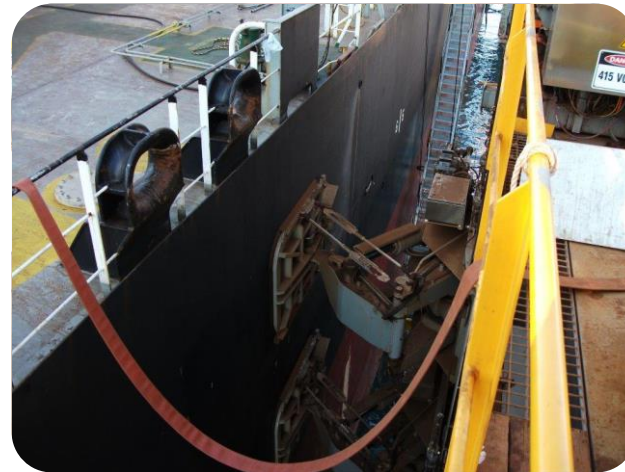
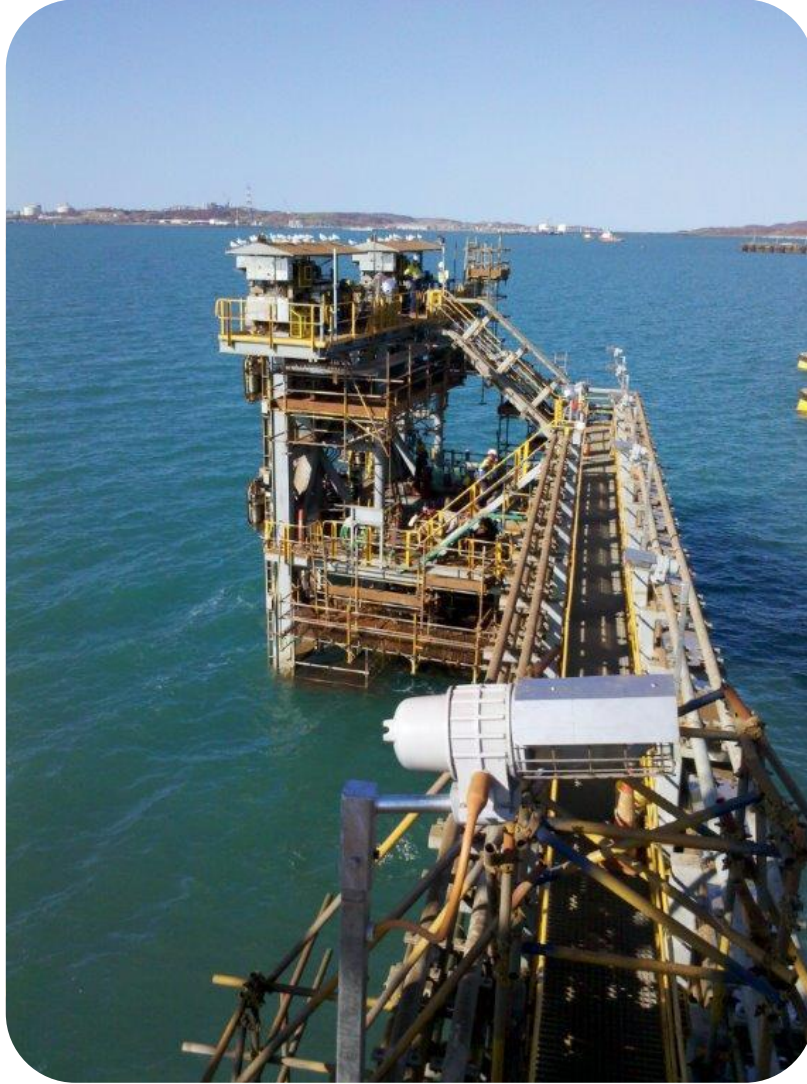
MoorMaster™ in action at RoRo ports



MoorMaster™ in action at RoRo ports



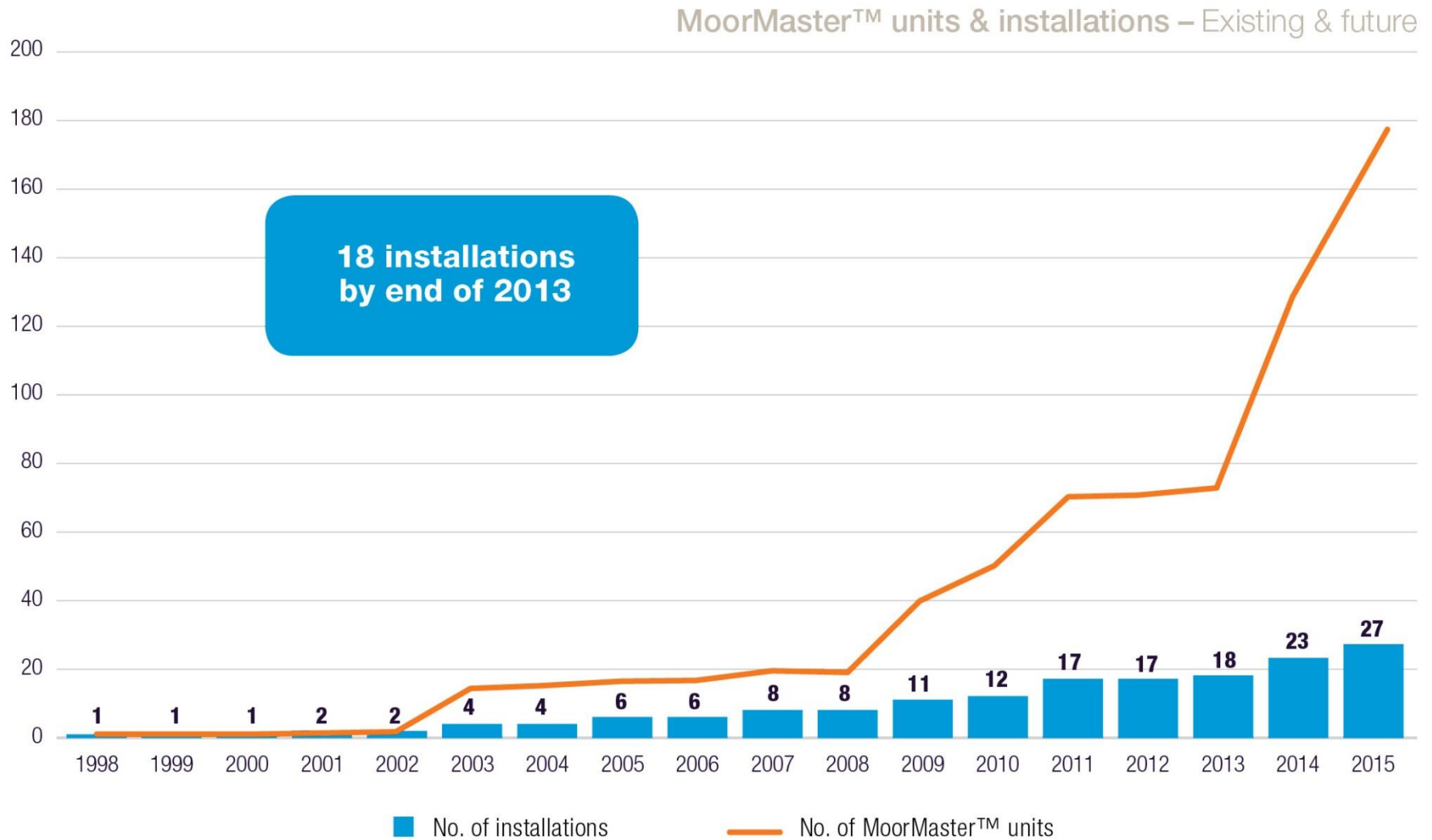
MoorMaster™ in action at a fuel facility



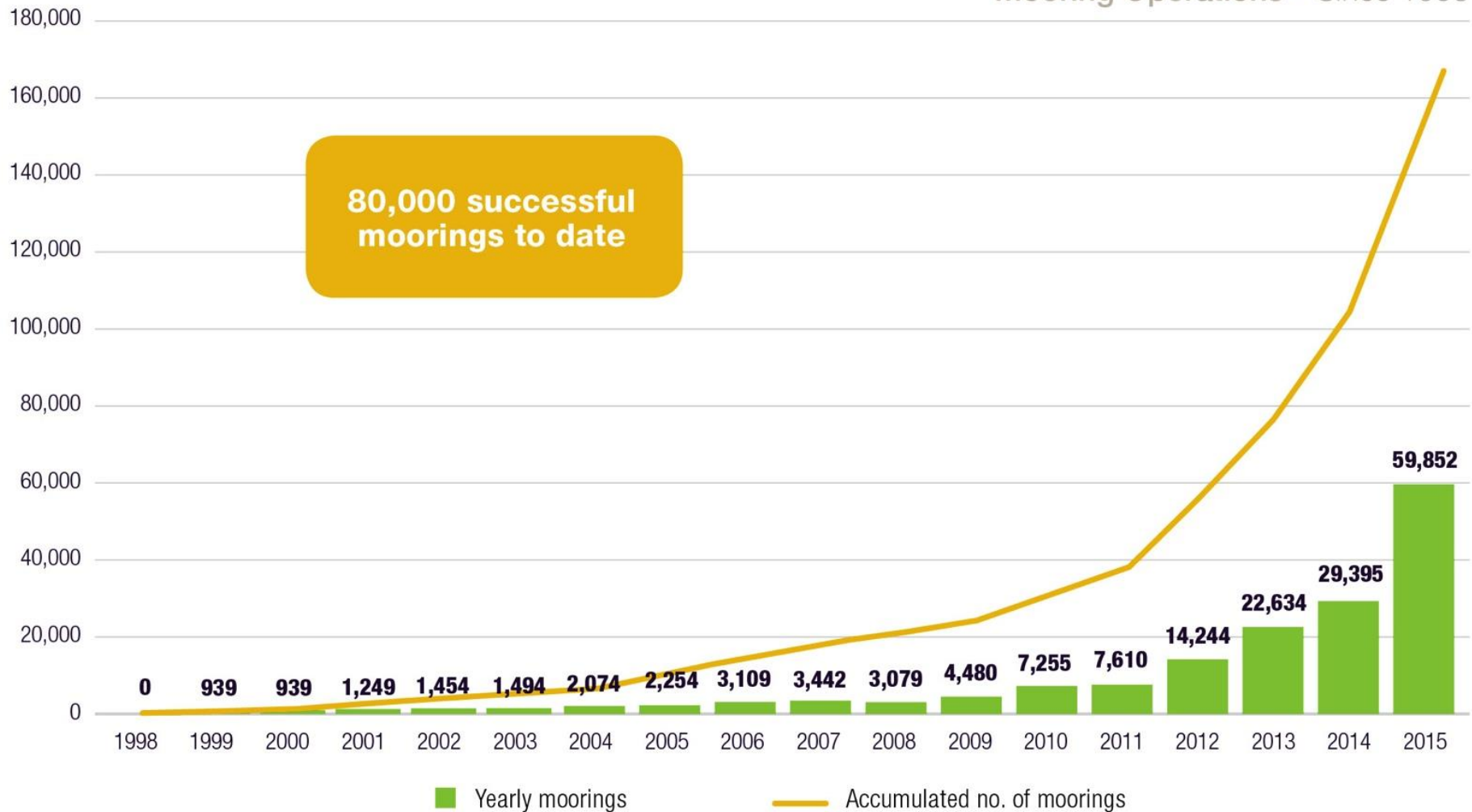
MoorMaster™ in action in tough conditions



MoorMaster™ units & installations



Mooring Operations – Since 1998



Advanced technologies for Ports & Maritime – AMP Systems



- Cavotec now has more than 20 years of experience in this field and is a recognised global leader
- Range includes barge-mounted, ship-mounted, on-shore and semi-fixed systems, depending on customer requirement and ship/berth configurations.
- The ships switch off their Auxiliary Engines during the port-stays, receiving power from the electrical power grid of the port itself.

Alternative Maritime Power systems – AMPtainer



Human Operating Interfaces (HOI) - A Key Growth Opportunity for Cavotec



An unmanned ground vehicle (UGV) is a vehicle that operates while in contact with the ground and without an onboard human presence.

By offering integrated solutions for this growing market niche, Cavotec builds on many years of experience in the mining industry and **bridges the transition to an integrated system supplier.**



Defence - A Key Growth Opportunity for Cavotec



Alternative Maritime Power Supply (AMP)
(Shore-side electricity for naval vessels)

Spring Cable Reels
(Cable Management for Antenna Systems)



Industrial Radio Remote Controls
(Winch control systems)

Defence - A Key Growth Opportunity for Cavotec



In-ground fuelling systems
(Hot refueling systems)

Cable management systems
(Deck control and aircraft handling)



Cavotec INET Motor Generators
(400Hz for support aircraft)

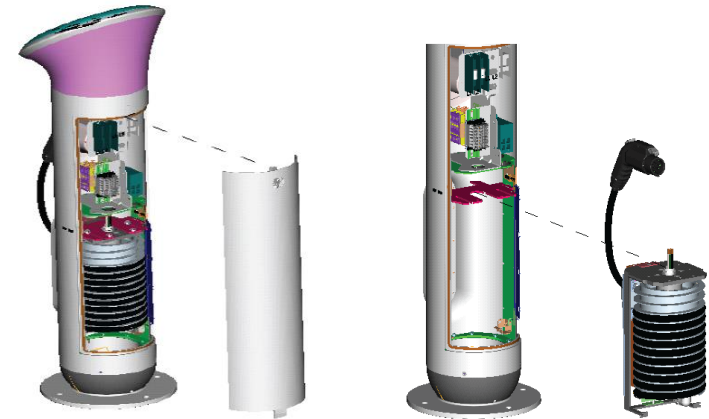
In-ground power supply and essential services supply
(Pop-up pits)

Electrical Vehicles - A Key Growth Opportunity for Cavotec



The GE WattStation with integrated Cavotec cable reel offers:

- No clutter, no tangled cables
- Ease-of-use
- Safe



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- APPENDIX

Financial objectives going forward

Financial Goals		FY13
Revenue growth	<ul style="list-style-type: none">Annual revenues of EUR 0.5 billion including acquisitions over the next business cycleOrganic revenue growth at a CAGR of 10% over the next business cycle	3.5% (organic growth was 6.5%)
EBIT margin	<ul style="list-style-type: none">Target to increase its operating margin to 12% over the coming years	5.5% (adjusted for special items)
Debt/Equity ratio	<ul style="list-style-type: none">Target is to have a debt/equity ratio of at most 0.75	0.332
Dividend policy	<ul style="list-style-type: none">The goal is to distribute dividends of between 25% and 40% of the Group's net profit after tax. Account should however be taken to Cavotec's financial position, cash flow and future prospects	0.05 CHF (proposed 2013)

Ports & Maritime – some of our core products & systems



Motorised Cable Reels



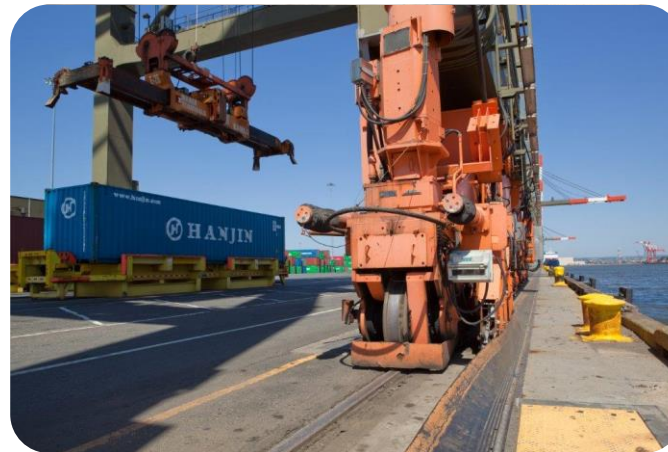
Power Connectors



MoorMaster



Radio Remote Controls



Panzerbelt – cable protection



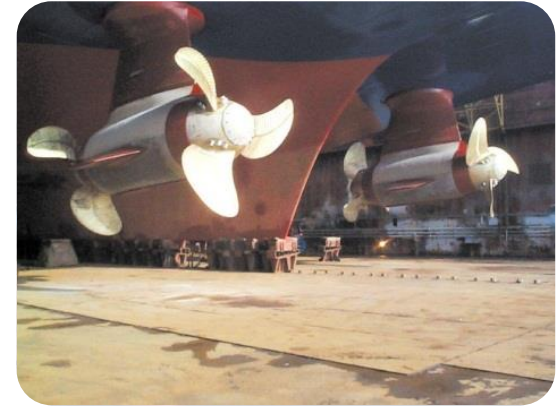
Alternative Maritime Power

Advanced technologies for Ports & Maritime – systems for Oil & Gas market



- Cavotec has delivered advanced technologies to the on- and offshore oil and gas sector for more than 40 years.
- Product areas: Radio remote controls, power connectors, motorised cable chains, slip rings, drag chains, loading arms.
- The Group's offering primarily supports drilling, lifting and handling operations on ships, offshore platforms and land rigs.
- These technologies minimise the risk of injury to employees and equipment damage; maximise drilling efficiency through greater automation; and minimise downtime

Advanced technologies for Ports & Maritime – Marine Propulsion Slip rings



- Cavotec slip ring systems are critical elements for advanced marine propulsion systems (MPS) used on ships all over the world.
- Cavotec slip rings transmit electrical power, data, and oil for advanced MPS that rotate through 360 degrees.
- Cavotec slip rings – with the support of our customer service network – are some of the most sought after in the segment.

Mining & Tunnelling – some of our core products & systems



Motorised cable reels
(boomers, drill rigs)

Power Connectors
(open pit and underground
applications)



Airports – some of our core products & systems



400Hz Cable Retrievers



400Hz converters



Pop-up Pit Systems



Converter Caddy's



Fueling Systems



PCA systems

Advanced technologies for Airports – Innovations for state-of-the-art technologies



State-of-the-art technologies running smoothly thanks to Cavotec INET systems

General Industry – some of our core products



Spring driven cable reels
(*cranes, theatre backdrops etc.*)



Power connectors

Industrial Radio Remote
Controls

