

2Q 2017 | Interim report April-June 2017



Steady order intake, decrease in revenues and cost structure challenge in the second quarter

Second quarter 2017

- Order intake reached EUR 49.0 million (2Q16: 50.3), a decrease of 2.5% compared to previous year.
- Order book increased 5.2% to EUR 110.8 million (2Q16: 105.2).
- Revenues for the quarter totaled EUR 50.3 million, a decrease of 6.7% compared to previous year (2Q16: 53.9).
- Operating result (EBIT) amounted to EUR -2.3 million (2Q16: +7.5), corresponding to a margin of -4.6% (2Q16: 13.9 %). The operating result included EUR 0.5 million of non-recurring costs. Previous year figures include non-recurring income EUR 4.8 million from US litigation settlement.
- Net result for the period was a loss of EUR -5.7 million (2Q16: +6.1). Earnings per share basic and diluted decreased to EUR -0.073 (2Q16: +0.078).
- Operating cash flow was EUR -2.1 million (2Q16: -2.1).
- Net debt decreased to EUR 33.2 million (2Q16: 34.8).

First half - year 2017

- Order intake reached EUR 111.0 million (1H16: 106.8), an increase of 3.9% compared to previous year.
- Revenues for the six months totaled EUR 103.5 million, an increase of 3.5% compared to previous year (1H16: 100.0).
- Operating result (EBIT) amounted to EUR 1.2 million (1H16: +5.0), corresponding to a margin of 1.1% (1H16: +5.0%). The operating result included EUR 0.7 million of non-recurring costs. Previous year figures include non-recurring income EUR 4.8 million from US litigation settlement.
- Net result for the period was a loss of EUR -3.8 million (1H16: +2.2). Earnings per share basic and diluted decreased to EUR -0.048 (1H16: +0.028).
- Operating cash flow was EUR -2.3 million (1H16: -4.9).

FINANCIAL SUMMARY

	Quarter				YTD			LTM Rolling			Full Year	
EUR 000's	2Q17	2Q16	Delta	1H17	1H16	Delta	2Q17-3Q16	FY16	Delta			
Order intake	48,999	50,272	-2.5%	110,995	106,828	3.9%	220,562	216,396	1.9%			
Order book	110,766	105,246	5.2%	110,766	105,246	5.2%	110,766	103,325	7.2%			
Revenues	50,311	53,947	-6.7%	103,541	100,031	3.5%	215,028	211,518	1.7%			
Gross operating result (EBITDA)	(1,203)	8,684	-113.8%	3,387	7,317	-53.7%	13,445	17,375	-22.6%			
Gross operating margin (EBITDA), %	-2.4%	16.1%	-18.5 pp	3.3%	7.3%	-4 pp	6.3%	8.2%	-2 pp			
Operating result (EBIT)	(2,323)	7,473	-131.1%	1,179	5,020	-76.5%	8,441	12,281	-31.3%			
Operating margin (EBIT), %	-4.6%	13.9%	-18.5 pp	1.1%	5.0%	-3.9 pp	3.9%	5.8%	-1.9 pp			
Result for the period	(5,726)	6,096	-193.9%	(3,771)	2,184	-272.7%	529	6,484	-91.8%			
Basic and diluted earnings per share, EUR	(0.073)	0.078	-194.0%	(0.048)	0.028	-272.9%	0.002	0.083	-97.3%			
Operating cash flow	(2,067)	(2,054)	0.6%	(2,284)	(4,890)	-53.3%	12,736	10,130	25.7%			
Net debt	(33,176)	(34,756)	-4.5%	(33,176)	(34,756)	-4.5%	(33,176)*	(22,713)	46.1%			
Equity/assets ratio	53.6%	54.7%	-1 pp	53.6%	54.7%	-1 pp	53.6%*	59.7%	-6.1 pp			
Leverage ratio	1.99x	2.06x	-0.1x	1.99x	2.06x	-0.1x	1.99x *	1.34x	0.6x			
Full time equivalent employees*	1,002	1,044	-42	1,002	1,044	-42	1,002 *	1,003	-1			

* Balances per 1H17

Comment from the CEO

Building on our strengths and seizing opportunities for increased efficiency

It has been an exciting couple of months for me getting to know the Cavotec business before taking over as CEO on July 1st. I've travelled around the world visiting our key markets in Europe, the Middle East, Asia and North America to learn more about what makes Cavotec tick. It has been encouraging to see our work creating and delivering innovative products and solutions.

Recent months have also been an opportunity to meet many of the talented individuals that will ensure Cavotec continues to meet its customers' demands both today and in the future. It is clear that we have a very strong sales and customer-focused culture in Cavotec – a key strength to build on for the future.

I've also had the opportunity to meet and listen to many of our customers around the world. The feedback has been consistent; We have a strong reputation in the market and are seen as an attractive, innovative and technology-driven partner. We are well-positioned to help our customers take advantage of global industrial trends such as automation and a push for greener operations.

Our strengths are many, but as our customers expect us to be a partner in a world that is changing at a rapid pace, we need to have a streamlined and structured approach to how we operate. Our recent change from a geographical to a customer centric organisation helps Cavotec move in that direction, but we must continue to look for every opportunity to increase efficiency and take full advantage of our global footprint, not least in our supply chain.

Our performance in the quarter is clearly unsatisfactory and at the top of my agenda is to make sure we have a structured approach to getting our products to customers on time. Doing so will ensure we fulfil our commitments, while also enabling us to better manage costs. I have initiated the work on a plan for putting us back on a path of profitable growth.

Looking ahead

While we still see 2017 as a transitional year, I expect the second half to be stronger than the first half, with moderate revenue growth for 2017 overall. As we move into the fall and the next quarter, I will work with the team to identify and take the proper steps to improve our operational performance and to ensure future profitable growth. We must take advantage of our strengths in sales, customer focus and commitment to technology and innovation, while also embracing opportunities that will allow us to operate more efficiently.

Lugano, August 2, 2017



Mikael Norin

Chief Executive Officer



ORDER INTAKE AND REVENUES

Order Intake				
EUR 000's	2Q17	2Q16	1H17	1H16
Order Intake	48,999	50,272	110,995	106,828
Increase/decrease	(1,273)	(12,167)	4,166	(22,916)
Percentage change	-2.5%	-19.5%	3.9%	-17.7%
Of which				
- Volumes and prices	-0.7%	-21.5%	1.8%	-11.4%
- Currency effects	-1.9%	2.0%	2.1%	-6.3%

Revenues				
EUR 000's	2Q17	2Q16	1H17	1H16
Revenues	50,311	53,947	103,541	100,031
Increase/decrease	(3,635)	(4,876)	3,510	(103)
Percentage change	-6.7%	-8.3%	3.5%	-0.1%
Of which				
- Volumes and prices	-8.4%	-5.1%	2.0%	2.6%
- Currency effects	1.6%	-3.2%	1.5%	-2.7%

BUSINESS UNITS

Order Intake									
EUR 000's	2Q17	2Q16	Change %	1H17	1H16	Change %	LTM Rolling	FY16	Change %
Ports & Maritime	20,444	20,028	2.1%	37,308	44,939	-17.0%	77,106	84,736	-9.0%
Airports & Industry	28,555	30,244	-5.6%	73,687	61,889	19.1%	143,456	131,660	9.0%
Total	48,999	50,272	-2.5%	110,995	106,828	3.9%	220,562	216,396	1.9%

Revenues									
EUR 000's	2Q17	2Q16	Change %	1H17	1H16	Change %	LTM Rolling	FY16	Change %
Ports & Maritime	15,879	24,028	-33.9%	37,650	45,722	-17.7%	87,022	95,094	-8.5%
Airports & Industry	34,432	29,919	15.1%	65,891	54,309	21.3%	128,006	116,424	10.0%
Total	50,311	53,947	-6.7%	103,541	100,031	3.5%	215,028	211,518	1.7%

Book/Bill ratio			Book/Bill ratio			Order Book		
EUR 000's	2Q17	2Q16	1H17	1H16		1H17	1H16	Change %
Ports & Maritime	1.29	0.83	0.99	0.98		47,845	57,736	-17.1%
Airports & Industry	0.83	1.01	1.12	1.14		62,921	47,510	32.4%
Total	0.97	0.93	1.07	1.07		110,766	105,246	5.2%

Financial Review

Revenues development

Quarterly Results

Revenues in the second quarter of 2017 reached EUR 50.3 million, a decrease of 6.7% compared to the same quarter of previous year (2Q16: 53.9); excluding the currency effect, growth was negative 8.4%. The decrease was mainly due to lack of major orders while day to day business remained robust. The contribution in the quarter from revenues of long term contracts projects recognized according to IAS 11 is EUR 7.0 million.

Ports & Maritime

Ports & Maritime revenues reached EUR 15.9 million, a decrease of 34% compared to the same quarter of last year. This was impacted mainly by the low investments in shipping business and the absence of big greenfield developments in container terminals.

Airports & Industry

Airports & Industry is the BU with the highest revenue in the quarter reaching EUR 34.4 million. This is due to the on-going airport projects in UAE and some new orders especially for the 2500+ converters for Airports and positive development in the underground mining market.

Half year Results

Revenues in the half year of 2017 reached EUR 103.5 million, an increase of 3.5% compared to the same quarter of previous year (1H16: 100.0); excluding the currency effect, growth was 2%.

Operating result (EBIT)

Quarterly Results

Operating result for the second quarter of 2017 amounted to EUR -2.3 million (2Q16: +7.4), corresponding to an operating margin of -4.6% (2Q16: 13.9%). The operating result included EUR 0.5 million of non-recurring costs. Previous year figures include non-recurring income EUR 4.8 million from US litigation settlement. The negative result was also impacted by delays in big project executions and higher cost structure in the quarter.

Half year Results

Operating profit for the first half of 2017 amounted to EUR 1.2 Million (1H16: 5.0), corresponding to an operating margin of 1.1% (1H16: 5.0%). There was no material impact of the foreign exchange rates on the operating result in the first six months of the year. The operating result included EUR 0.7 million of non-recurring costs.

Result for the period and earnings per share

Quarterly Results

Finance costs amounted to EUR -2.1 million (2Q16: -0.4) in the second quarter of 2017, of which interest expenses of EUR -0.3 million and exchange differences of EUR -1.8 million. Profit before tax decreased to EUR -5.7 million (2Q16: +6.0). Income tax for the second quarter of 2017 amounted to EUR -1.0 million (2Q16: -1.5).

The net result for the period was EUR -5.7 million (2Q16: +6.1) Earnings per share amounted to EUR -0.073 (2Q16: 0.078) on basic and diluted basis.

Half year Results

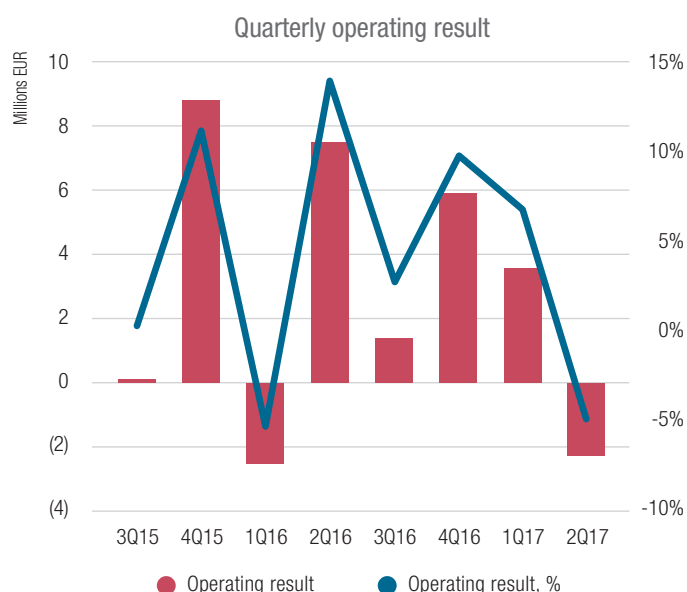
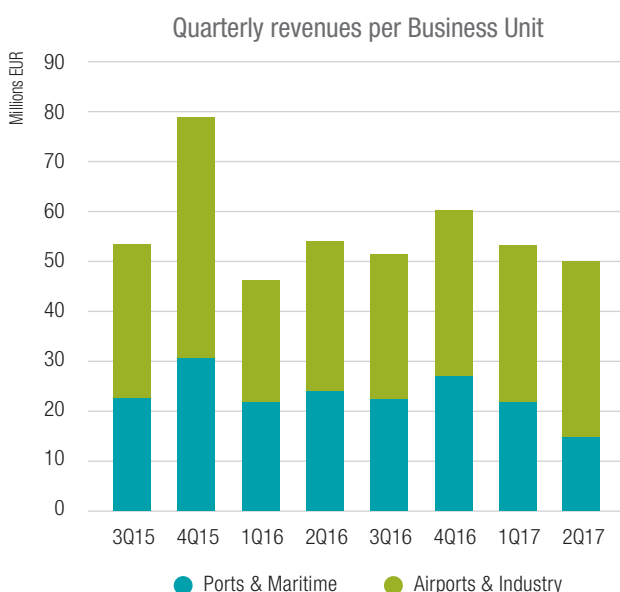
Finance costs amounted to EUR -3.0 million (1H16: -1.6) of which interest expenses of EUR -0.8 million and exchange differences of EUR -2.2 million. Income tax for the first half of 2017 amounted to EUR -1.8 million (1H16: -1.7).

Net result for the first six month amounted to EUR -3.7 million (1H16: +2.2). Earnings per share amounted to EUR -0.048 (1H16: +0.028) on basic and diluted basis.

Cash flow

Quarterly Results

Cash flow from operating activities was EUR -2.1 million (2Q16: -2.1) in the second quarter of 2017. Increased inventories and paid income taxes had negative effect on cash flow. Cash flow from investing activities for the



second quarter of 2017 amounted to EUR -1.3 million (2Q16: -1.1). Capital expenditure during the quarter was mainly due to capitalization of R&D costs and investments to maintain and improve efficiency in current production facilities. Financing activities were also negatively impacted EUR 3.6 million due to the payment of the dividend.

Cash flow from financing activities for the second quarter 2017 was EUR 11.2 million (2Q16: 1.1), as a consequence of an increase in utilization of the revolving credit facility.

Cash and cash equivalents amounted to EUR 19.3 million at 30 June 2017 (EUR 15.0 million at 31 December 2016).

Half year Results

Cash flow from operating activities was EUR -2.3 million in the first six month (1H16: -4.9 million). Cash flow from investing activities amounted to EUR -2.1 million (1H16: -1.9). Financial activities was positive at EUR 12.5 million (1H16: +3.5).

Financial Position

Cavotec's total assets amounted to EUR 250.3 million at 30 June 2017 (EUR 243.5 million at 31 December 2016). The equity to assets ratio was 53.6% at 30 June 2017 (59.7% at 31 December 2016).

Consolidated net debt including pension liabilities was EUR 33.2 million at 30 June 2017 (EUR 22.7 million at 31 December 2016).

Employees

The number of full time equivalent employees in Cavotec Group was 1,002 as of 30 June 2017 (2Q16: 1,044).



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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR 000's	Unaudited three months 30 Jun, 2017	Unaudited three months 30 Jun, 2016	Unaudited six months 30 Jun, 2017	Unaudited six months 30 Jun, 2016	Audited year 31 Dec, 2016
Revenue from sales of goods and services	50,311	53,947	103,541	100,031	211,518
Other income	926	5,419	1,738	6,604	8,745
Cost of materials	(25,729)	(24,214)	(49,598)	(46,257)	(97,965)
Employee benefit costs	(17,350)	(17,313)	(33,922)	(34,283)	(64,964)
Operating expenses	(9,361)	(9,155)	(18,372)	(18,778)	(39,959)
Gross Operating Result	(1,203)	8,684	3,387	7,317	17,375
Depreciation and amortisation	(1,120)	(1,211)	(2,208)	(2,297)	(5,094)
Operating Result	(2,323)	7,473	1,179	5,020	12,281
Interest income	51	529	75	532	764
Interest expenses	(330)	(443)	(777)	(885)	(1,850)
Currency exchange differences - net	(1,796)	129	(2,184)	(735)	77
Other financial item	(242)	-	(242)	-	-
Result before income tax	(4,640)	7,688	(1,949)	3,932	11,272
Income taxes	(1,086)	(1,592)	(1,822)	(1,748)	(4,788)
Result for the period	(5,726)	6,096	(3,771)	2,184	6,484
Other comprehensive income:					
Remeasurements of post employment benefit obligations	12	(4)	19	3	122
Items that will not be reclassified to profit or loss	12	(4)	19	3	122
Currency translation differences	(4,129)	1,333	(4,264)	(1,362)	1,168
Items that may be subsequently reclassified to profit/(loss)	(4,129)	1,333	(4,264)	(1,362)	1,168
Other comprehensive income for the period, net of tax	(4,117)	1,329	(4,245)	(1,359)	1,290
Total comprehensive income for the period	(9,843)	7,425	(8,016)	825	7,774
Total comprehensive income attributable to:					
Equity holders of the Group	(9,840)	7,424	(8,013)	825	7,773
Non-controlling interest	(2)	1	(3)	-	1
Total	(9,843)	7,425	(8,016)	825	7,774
Result attributed to:					
Equity holders of the Group	(5,726)	6,096	(3,771)	2,184	6,484
Total	(5,726)	6,096	(3,771)	2,184	6,484
Basic and diluted earnings per share attributed to the equity holders of the Group	(0.073)	0.078	(0.048)	0.028	0.083
Average number of shares	78,415,813	78,500,901	78,415,813	78,512,440	78,443,019

CONSOLIDATED BALANCE SHEET

EUR 000's	Unaudited 30 Jun, 2017	Unaudited 30 Jun, 2016	Audited 31 Dec, 2016
Assets			
Current assets			
Cash and cash equivalents	19,272	16,172	14,982
Trade receivables	38,219	59,085	51,585
Tax assets	527	1,047	1,096
Other current receivables	19,491	7,394	6,086
Inventories	48,048	49,483	40,213
Total current assets	125,557	133,181	113,962
Non-current assets			
Property, plant and equipment	21,136	26,084	22,060
Intangible assets	72,822	70,862	75,124
Non-current financial assets	277	291	299
Deferred tax assets	19,363	18,997	20,425
Other non-current receivables	7,402	7,394	7,763
Total non-current assets	121,000	123,628	125,671
Assets held for sale	3,752	-	3,953
Total assets	250,309	256,809	243,586
Equity and Liabilities			
Current liabilities			
Current financial liabilities	(2,237)	(2,544)	(3,801)
Trade payables	(37,328)	(36,636)	(30,047)
Tax liabilities	(519)	(1,575)	(3,630)
Provision for risk and charges, current	(5,220)	(5,535)	(6,123)
Other current liabilities	(10,597)	(11,642)	(11,109)
Total current liabilities	(55,901)	(57,932)	(54,710)
Non-current liabilities			
Non-current financial liabilities	(49,434)	(47,254)	(32,952)
Deferred tax liabilities	(6,644)	(6,313)	(6,854)
Other non-current liabilities	(570)	(298)	(351)
Provision for risk and charges, non-current	(3,537)	(4,664)	(3,269)
Total non-current liabilities	(60,185)	(58,529)	(43,426)
Total liabilities	(116,086)	(116,461)	(98,136)
Equity			
Equity attributable to owners of the parent	(134,195)	(140,318)	(145,418)
Non-controlling interests	(28)	(30)	(32)
Total equity	(134,223)	(140,348)	(145,450)
Total equity and liabilities	(250,309)	(256,809)	(243,586)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR 000's	Equity related to owners of the parent	Reserves	Retained earnings	Equity related to owners of the parent	Non-controlling interest	Total equity
Unaudited						
Balance as at 1 January 2016	(88,772)	(11,069)	(39,998)	(139,840)	(30)	(139,870)
(Profit) / Loss for the period	-	-	(2,184)	(2,184)	-	(2,184)
Currency translation differences	-	1,362	-	1,362	-	1,362
Remeasurements of post employment benefit obligations	-	(3)	-	(3)	-	(3)
Total comprehensive income and expenses	-	1,359	(2,184)	(825)	-	(824)
Transactions related to own shares	-	347	-	347	-	347
Transactions with shareholders	-	347	-	347	-	347
Balance as at 30 June 2016	(88,772)	(9,364)	(42,182)	(140,318)	(30)	(140,348)
Audited						
Balance as at 1 January 2016	(88,772)	(11,069)	(39,998)	(139,840)	(30)	(139,870)
(Profit) / Loss for the period	-	-	(6,484)	(6,484)	-	(6,484)
Currency translation differences	-	(1,166)	-	(1,166)	(1)	(1,168)
Remeasurements of post employment benefit obligations	-	(122)	-	(122)	-	(122)
Total comprehensive income and expenses	-	(1,288)	(6,484)	(7,773)	(1)	(7,774)
Capital reduction	1,930	(4)	-	1,926	-	1,926
Acquisition of Treasury shares	-	347	-	347	-	347
Issue of Treasury shares to employees	-	(81)	-	(81)	-	(81)
Transactions with shareholders	1,930	264	-	2,193	-	2,193
Balance as at 31 December 2016	(86,842)	(12,094)	(46,482)	(145,418)	(32)	(145,450)
Unaudited						
Balance as at 1 January 2017	(86,842)	(12,094)	(46,482)	(145,418)	(32)	(145,450)
(Profit) / Loss for the period	-	-	3,771	3,771	-	3,771
Currency translation differences	-	4,260	-	4,260	3	4,264
Remeasurements of post employment benefit obligations	-	(19)	-	(19)	-	(19)
Total comprehensive income and expenses	-	4,242	3,771	8,013	3	8,016
Capital reduction	3,216	(6)	-	3,210	-	3,210
Transactions with shareholders	3,216	(6)	-	3,210	-	3,210
Balance as at 30 June 2017	(83,626)	(7,858)	(42,711)	(134,195)	(28)	(134,223)

CONSOLIDATED STATEMENT OF CASH FLOWS - INDIRECT METHOD

EUR 000's	Unaudited three months 30 Jun, 2017	Unaudited three months 30 Jun, 2016	Unaudited six months 30 Jun, 2017	Unaudited six months 30 Jun, 2016	Audited year 31 Dec, 2016
Profit for the period	(5,726)	6,096	(3,771)	2,184	6,484
Adjustments for:					
Net interest expenses	200	(170)	543	188	763
Current taxes	976	1,271	1,535	1,913	5,403
Depreciation and amortisation	1,120	1,211	2,208	2,297	5,093
Deferred tax	110	321	288	(165)	(615)
Provision for risks and charges	36	(2,367)	(975)	(2,480)	(268)
Capital gain or loss on assets	(30)	(43)	(71)	(108)	(153)
Other items not involving cash flows	2,949	850	2,934	1,160	(643)
Interest paid	(114)	170	(459)	(190)	(742)
Taxes paid	(2,176)	(2,412)	(4,077)	(4,362)	(5,845)
	3,071	(1,169)	1,926	(1,747)	2,993
Cash flow before changes in working capital	(2,655)	4,927	(1,845)	437	9,477
Impact of changes in working capital:					
Inventories	(1,587)	(1,951)	(8,223)	(5,022)	2,356
Trade receivables	3,689	(6,584)	13,921	4,379	11,095
Other current receivables	(790)	141	(13,397)	(45)	893
Trade payables	(965)	5,163	7,281	593	(7,980)
Other current liabilities	(186)	(1,926)	(604)	(3,571)	(3,883)
Long term receivables and liabilities	427	(1,824)	583	(1,661)	(1,828)
Impact of changes involving working capital	588	(6,981)	(439)	(5,327)	653
Net cash inflow / (outflow) from operating activities	(2,067)	(2,054)	(2,284)	(4,890)	10,130
Financial activities:					
Proceeds of loans and borrowings	16,284	1,815	17,719	4,354	345
(Repayments) of loans and borrowings	(1,511)	(404)	(1,635)	(513)	(10,252)
Capital reduction	(3,605)	-	(3,605)	-	(2,156)
Purchase of own shares	-	(346)	-	(346)	(347)
Net cash inflow / (outflow) from financial activities	11,168	1,065	12,479	3,495	(12,410)
Investing activities:					
Investments in property, plant and equipment	(723)	(504)	(1,190)	(1,057)	(2,409)
Investments in intangible assets	(630)	(736)	(1,044)	(977)	(1,859)
Disposal of assets	9	132	128	137	287
Net cash inflow / (outflow) from investing activities	(1,344)	(1,108)	(2,106)	(1,897)	(3,981)
Cash at the beginning of the period	14,982	17,562	14,982	20,610	20,610
Cash flow for the period	7,757	(2,097)	8,089	(3,292)	(6,261)
Currency exchange differences	(3,467)	708	(3,799)	(1,146)	633
Cash at the end of the period	19,272	16,172	19,272	16,172	14,982
Cash comprises:					
Cash and cash equivalents	19,272	16,172	19,272	16,172	14,982
Total	19,272	16,172	19,272	16,172	14,982

SEGMENT INFORMATION

EUR 000's	Ports & Maritime	Airports & Industry	Other reconciling items	Total
Unaudited Three months ended 30 June 2017				
Revenue from sales of goods and services	15,879	34,432	-	50,311
Other income	213	713	-	926
Cost of materials and operating expenses before depreciation and amortisation	(18,337)	(32,376)	(1,727)	(52,440)
Gross Operating Result	(2,246)	2,770	(1,727)	(1,203)
Unaudited Three months ended 30 June 2016				
Revenue from sales of goods and services	24,028	29,919	-	53,947
Other income	30	641	4,748	5,419
Cost of materials and operating expenses before depreciation and amortisation	(20,908)	(27,547)	(2,227)	(50,682)
Gross Operating Result	3,150	3,014	2,521	8,684
Unaudited Six months ended 30 June 2017				
Revenue from sales of goods and services	37,650	65,891	-	103,541
Other income	532	1,206	-	1,738
Cost of materials and operating expenses before depreciation and amortisation	(38,174)	(60,276)	(3,441)	(101,892)
Gross Operating Result	8	6,821	(3,441)	3,387
Unaudited Six months ended 30 June 2016				
Revenue from sales of goods and services	45,722	54,309	-	100,031
Other income	643	1,213	4,748	6,604
Cost of materials and operating expenses before depreciation and amortisation	(41,354)	(53,740)	(4,224)	(99,318)
Gross Operating Result	5,011	1,782	524	7,317
Unaudited Year ended 31 December 2016				
Revenue from sales of goods and services	95,094	116,424	-	211,518
Other income	1,685	7,060	-	8,745
Cost of materials and operating expenses before depreciation and amortisation	(86,370)	(109,452)	(7,066)	(202,889)
Gross Operating Result	10,409	14,032	(7,066)	17,375

PARENT COMPANY - CONDENSED STATEMENT OF COMPREHENSIVE INCOME

CAVOTEC SA EUR 000's	Unaudited three months 30 Jun, 2017	Unaudited three months 30 Jun, 2016	Unaudited six months 30 Jun, 2017	Unaudited six months 30 Jun, 2016	Audited year 31 Dec, 2016
Dividend	-	-	-	-	64
Other income	776	828	1,464	1,660	2,245
Employee benefit costs	(799)	(251)	(1,014)	(500)	(791)
Operating expenses	(405)	(436)	(777)	(718)	(1,420)
Operating Result	(427)	141	(327)	442	98
Interest expenses - net	(7)	(7)	(14)	(13)	(27)
Currency exchange differences - net	(407)	-	(407)	(3)	(257)
Profit / (Loss) before income tax	(841)	134	(748)	426	(186)
Income taxes	(146)	(21)	(150)	(25)	(62)
Profit / (Loss) for the period	(987)	113	(898)	400	(248)
Other comprehensive income:					
Actuarial gain (loss)	-	-	-	-	8
Total comprehensive income for the period	(987)	113	(898)	400	(240)

PARENT COMPANY - CONDENSED BALANCE SHEET

CAVOTEC SA EUR 000's	Unaudited year 30 Jun, 2017	Unaudited year 30 Jun, 2016	Audited year 31 Dec, 2016
Assets			
Current assets			
Cash and cash equivalents	556	41	73
Trade receivable	1,448	1,505	589
Tax assets	16	26	24
Other current receivables	13	14	2
Total current assets	2,033	1,585	689
Non-current assets			
Investment in subsidiary companies	155,622	155,622	155,622
Deferred tax assets	57	42	34
Total non-current assets	155,679	155,664	155,656
Total assets	157,712	157,249	156,345
Equity and Liabilities			
Current liabilities			
Bank overdrafts	(63,114)	(56,489)	(58,226)
Current financial liabilities	(1,955)	(1,955)	(1,955)
Trade payables	(236)	(155)	(287)
Other current liabilities	(309)	(520)	(273)
Total current liabilities	(65,613)	(59,120)	(60,741)
Non-current liabilities			
Provision for risks and charges - non current	(504)	(121)	(100)
Other non-current liabilities	(421)	(241)	(225)
Total non-current liabilities	(924)	(362)	(324)
Total liabilities	(66,537)	(59,482)	(61,065)
Equity	(91,174)	(97,767)	(95,279)
Total equity	(91,174)	(97,767)	(95,279)
Total equity and liabilities	(157,712)	(157,249)	(156,345)

General information

Cavotec is a leading engineering group that designs and manufactures automated connection and electrification systems for ports, airports and industrial applications worldwide. Our innovative technologies ensure safe, efficient and sustainable operations. All engineering and most manufacturing of Cavotec's products and systems take place at our specialised engineering Centres of Excellence in Germany, Italy, New Zealand, Norway, Sweden, and the United States, that are supported by a supply chain integrated structure. Cavotec has fully-owned sales companies spread across the world which monitor local markets and co-operate with Centres of excellence.

Cavotec SA, the Parent company, is a limited liability company incorporated and domiciled in Switzerland and listed on Nasdaq OMX in Stockholm, Sweden.

These unaudited Financial Statements have been approved by the Board of Directors for publication on 2 August 2017.

Basis of preparation of Financial Statements

This quarterly report was prepared in accordance with IFRS, applying IAS 34 Interim Financial Reporting. The same accounting and valuation policies were applied to the most recent annual report with the exception of the amendments effective from 1 January 2017. These changes have not had any impact on Cavotec's financial statements. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended in December 2016.

The preparation of quarterly financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Segment information

In FY16 the Group organisation was based on geographic regions. The principal regional grouping which constituted operating segments were: AMER (US, Canada, Mexico, Central and South America), EMEA (Europe, including Russia, Middle East and Africa) and APAC (East Asia, South Asia, South East Asia including Singapore and Oceania). In January 2017, alongside the implementation of the new Strategic Plan, the Group introduced a new organisational structure based on two Business Units: "Ports & Maritime" and "Airports & Industry". These two business units will also be the new reporting segments.

The corresponding amounts as of 30 June, 2016 and 31 December, 2016 have been restated on the new basis.

Legal disputes

Following the lawsuit against Mr. Colaco, the former owner of INET Airport Systems, the Orange County Superior Court issued a verdict in favour of Cavotec in June 2015.

Mr. Colaco has proceeded with an appeal of the judgement, which will postpone a final settlement towards the end of 2017.

Noteworthy risks and uncertainties

There have been no changes to what was stated by Cavotec in its Annual Report for 2016 under Risk management.

Forward-looking statements

Some statements in this report are forward-looking, and the actual outcome could be materially different. In addition to the factors explicitly discussed, other factors could have a material effect on the actual outcome. Such factors include, but are not limited to, general business conditions, fluctuations in exchange rates and interest rates, political developments, the impact of competing products and their pricing, product development, commercialization and technological difficulties, interruptions in supply, and major customer credit losses.

Financial calendar

31 October 2017	3Q17 Reporting
22 February 2018	4Q17 and Annual Report Reporting

2Q17 conference call

This report will be presented during a conference call for shareholders, analysts and members of the media on 2 August, 2017 at 13:00 CEST.

Mikael Norin, CEO, and Kristiina Leppänen, CFO & IR, will participate on the conference call. The call will start with some background on the 2Q17 result, followed by a Q&A session.

Conference call details:

Dial-in number: +46 8 50 33 64 34

Conference ID number: 59 21 00 61

Analysts & Media

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