

OGM 2015 – Business Update




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Ottonel Popesco, CEO Cavotec SA

Cavotec secures port equipment orders worth over EUR 11.5 million

Press Release • Jan 08, 2015 07:46 GMT



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Global engineering group Cavotec has won orders for its innovative technologies for ports in Australia, Indonesia, Oman, Portugal and Turkey, and for two major shipping lines, with a combined value of more than EUR 11.5 million.

Cavotec wins port equipment orders worth EUR 10m

Press Release • Mar 30, 2015 07:55 GMT



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Global engineering group Cavotec has won a number of significant orders for its advanced [crane technologies](#) from the world's leading crane manufacturers, as well as orders for its innovative [shore power systems](#). The orders have a combined value of approximately EUR 10 million.

Breakthrough orders for Cavotec's DX-Boost aircraft cooling technology

Press Release • Feb 23, 2015 08:58 GMT

Global engineering group Cavotec has been awarded breakthrough orders for its innovative Sub-freezing DX-Boost pre-conditioned air (PCA) technology for cooling aircraft at the Presidential Flight Hangar at Abu Dhabi International Airport, and at the Oman Air MRO facility at Muscat International Airport.



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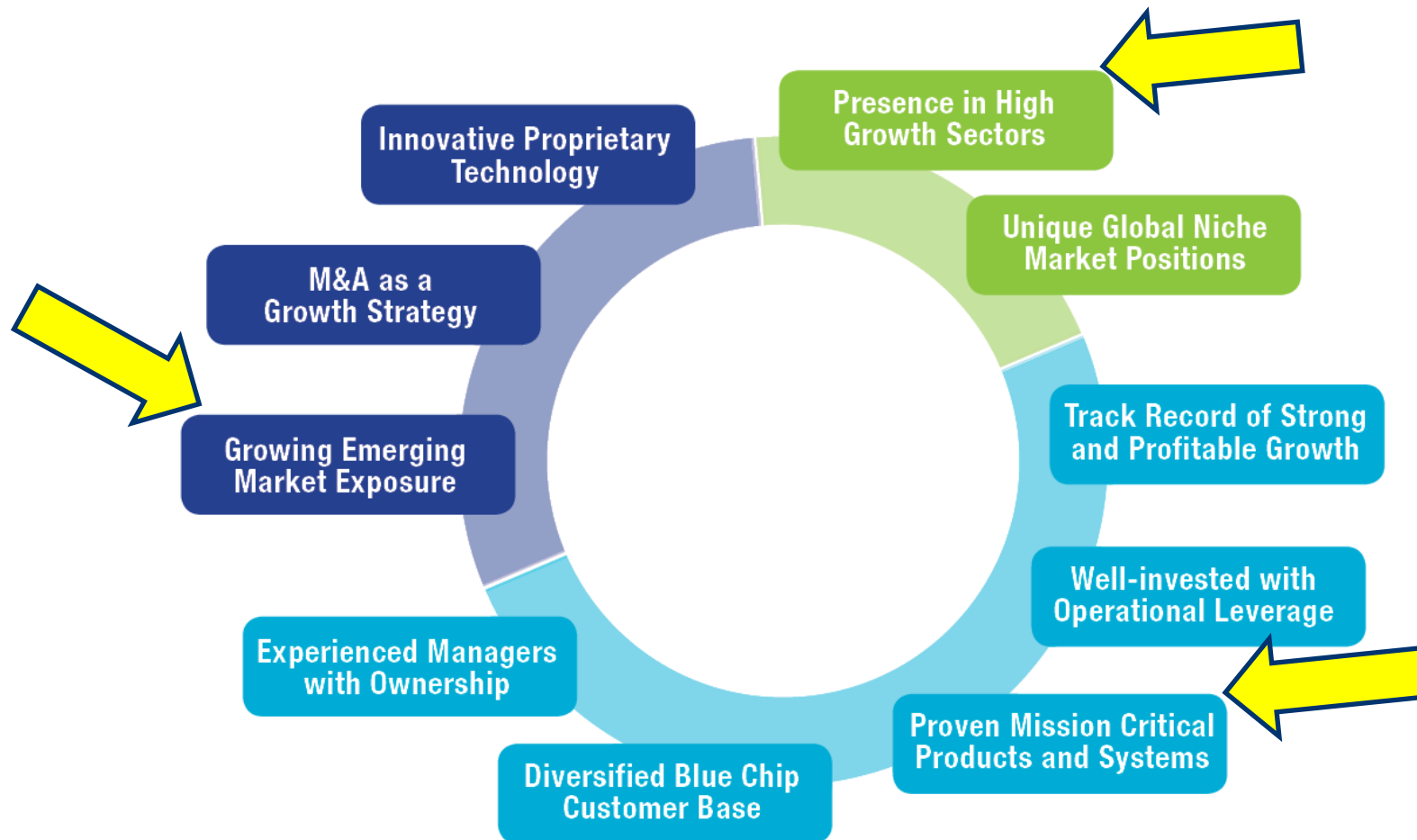
2015

- Soft revenue development 1Q15
- Moderate growth in revenues coupled with a strengthening EBIT margin towards 2H15.
- Ready to resume M&A activities once we have fully completed the INET integration (expected end of FY15)

Coming years

- Organic growth of 10% CAGR and an EBIT margin of 12% over the coming years.

Key Investment Highlights

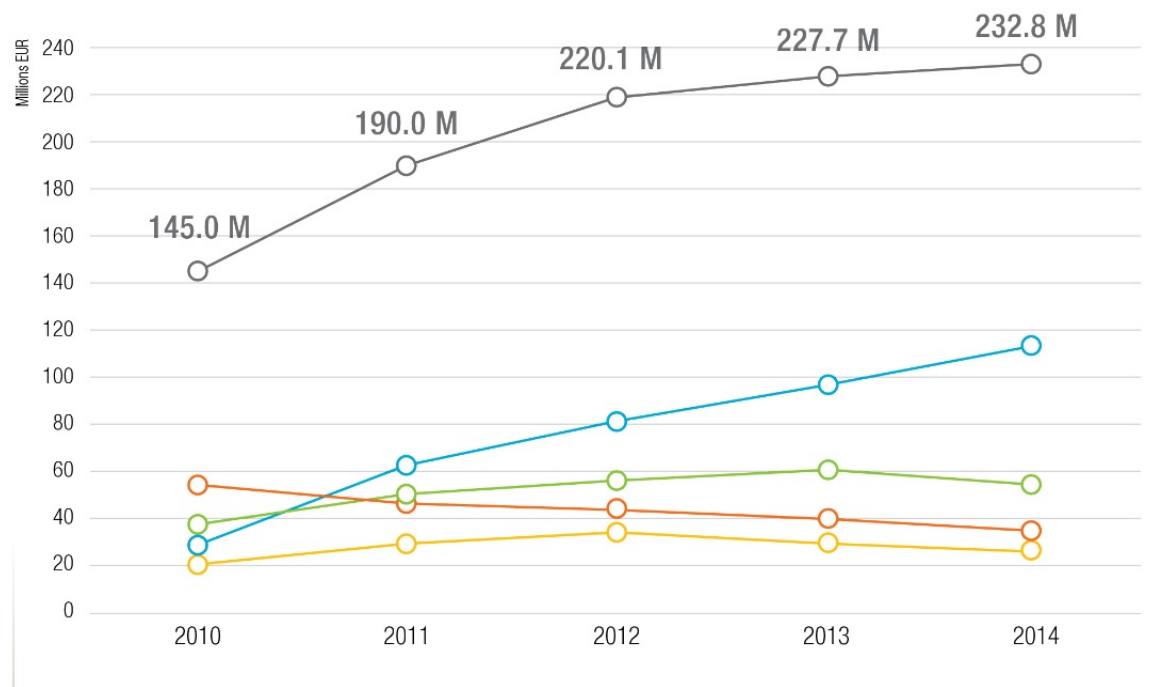


Attractive Market Positioning

Proven Business Model

Long-term Growth

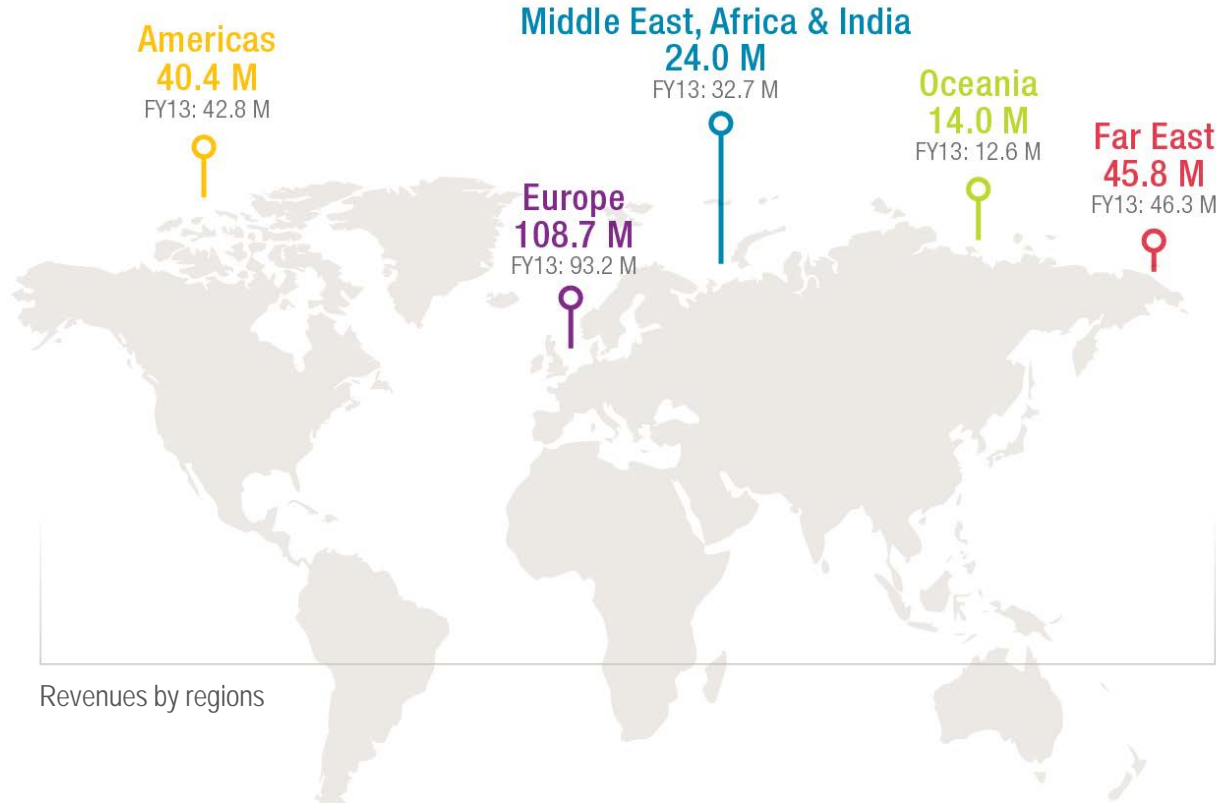
Highlights FY14



Five years in summary

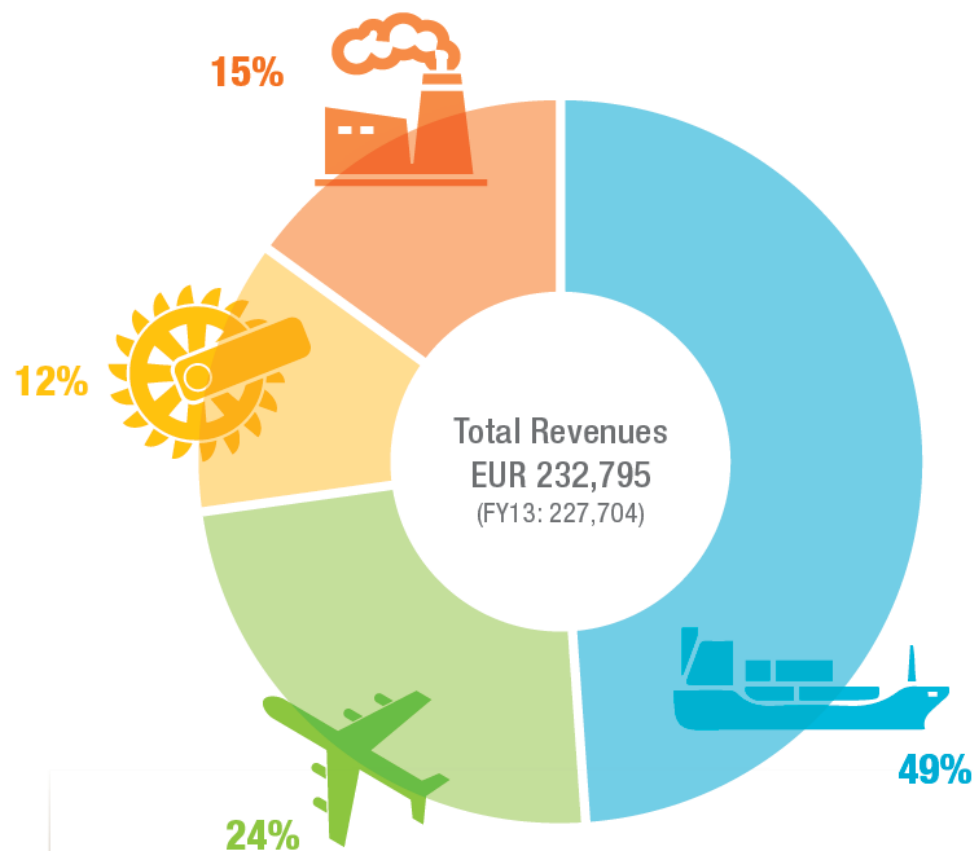


Million EUR	FY14	FY13	FY12	FY11	FY10
Ports & Maritime	114.0	97.0	81.2	62.4	30.8
Airports	56.1	60.8	57.7	50.0	37.7
Mining & Tunnelling	27.0	29.3	36.5	30.4	21.2
General Industry	35.7	40.6	44.7	47.2	55.3
Total	232.8	227.7	220.1	190.0	145.0



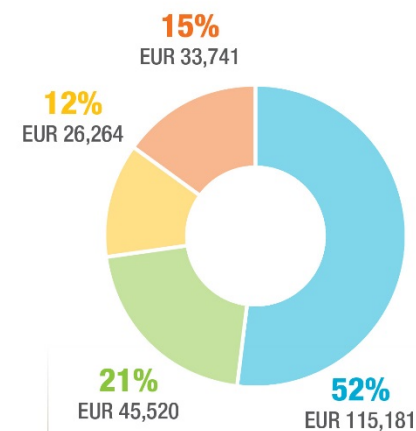
Revenues by regions

Million EUR	FY14	FY13
Americas	40.4	42.8
Europe	108.7	93.2
Middle East, Africa & India	24.0	32.7
Far East	45.8	46.3
Oceania	14.0	12.6
Total	232.8	227.7

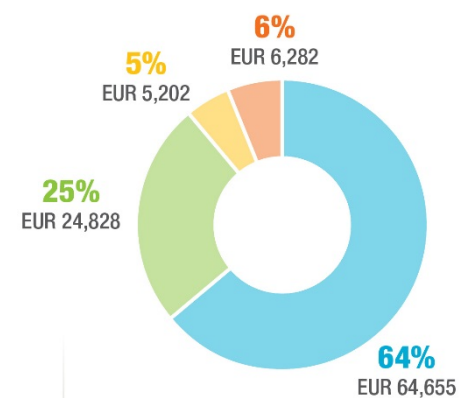


Accumulated Revenues (000's)

● Ports & Maritime
 ● Airports
 ● Mining & Tunnelling
 ● General Industry
 ● Total



Accumulated Order Intake (000's)



Order Book (000's)

Financial objectives going forward

Financial Goals		FY14
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	2.2% (organic growth was 3.9%)
EBIT margin	<ul style="list-style-type: none">Target to increase its operating margin to 12% over the coming years	7.6% (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	0.145
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 2014)



Where we deliver our expertise so customers' ideas take flight.
Ports & Maritime and Airports



Our Ports & Maritime Market Unit is a key supplier of automation and electrification technologies for the global ports and shipping sectors.



The unit develops systems that enable ports and shipping lines to improve operational efficiency and minimise environmental impact.

This unit's primary areas of activity are automation for mooring ships and powering quay and yard cranes, and shore power systems.

FY14 Revenues
EUR 114,012 thousands

FY13 Revenues
EUR 97,028 thousands

+17.5%



Accumulated Revenues
EUR 114,012 thousands



Accumulated Order Intake
EUR 115,181 thousands



Order Book
EUR 64,655 thousands

Some of our major references in this Market Unit:

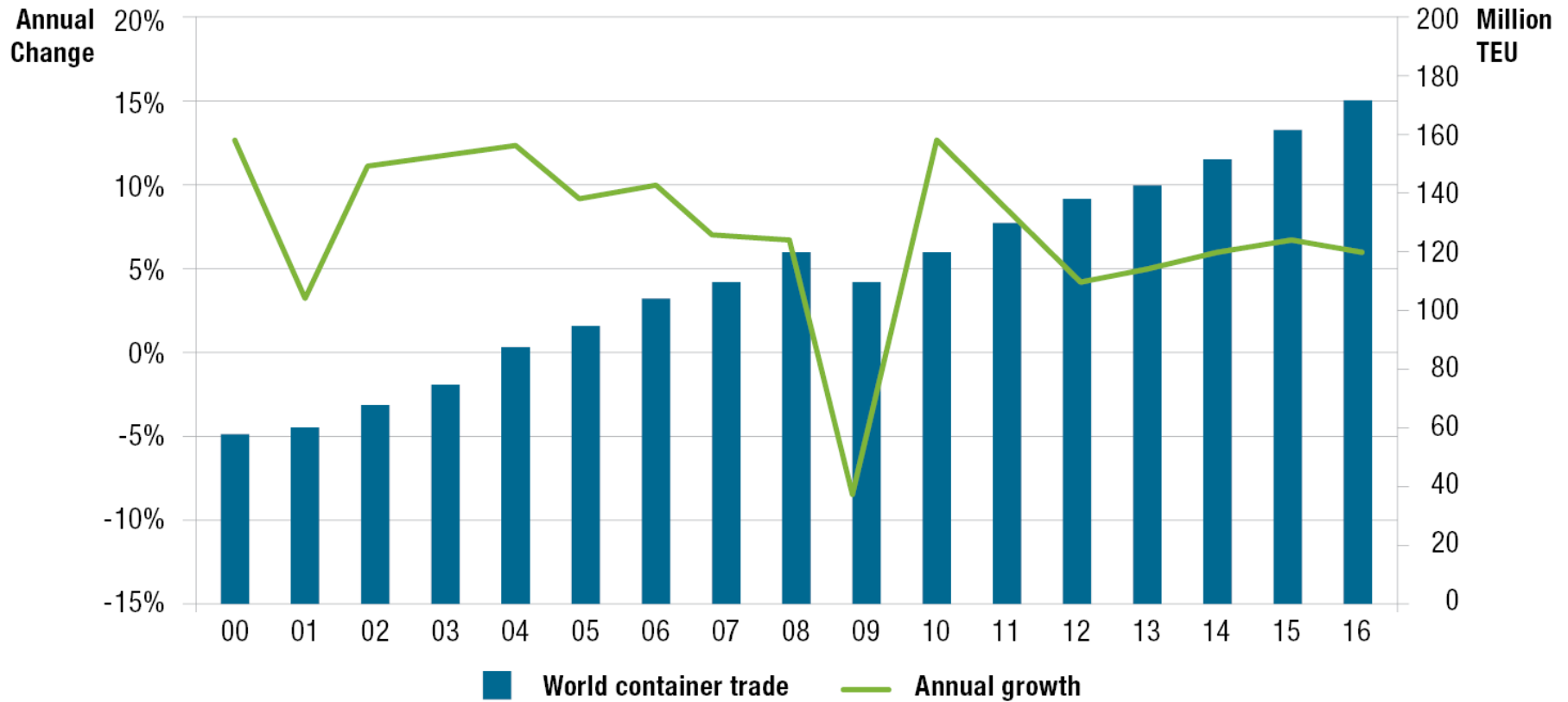


Shanghai Zhenhua Heavy Industry Co.Ltd



- World container trade totalled an estimated 152 million TEU in 2014. Growth of at least 6.5% is expected over the next two years
- The main East/West routes accounted for just over 31% (47 million TEU) of world trade, of which an estimated 85% moved on the transpacific and Far East/Europe routes
- The North/South trades (Australasia, Africa and Latin America) offer considerable potential as more general cargo and primary/agricultural products are containerised (23%)
- Intra-regional trades continue to expand at the fastest rate, with intra-Asia accounting for over 50 million TEU and intra-Europe 8-9 million TEU (46%)

World Container Trade (2000-2016)



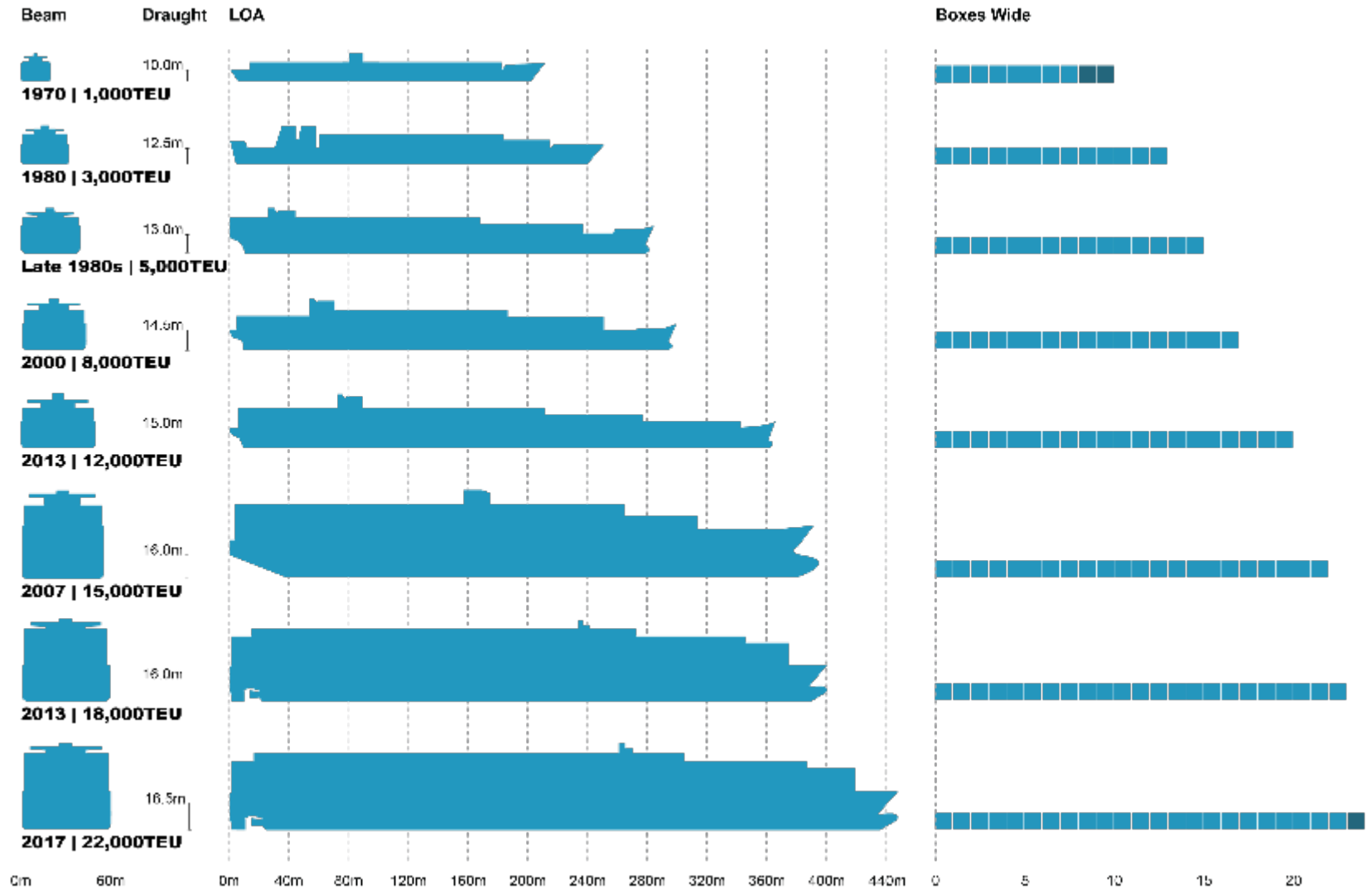
Sources: Drewry / Moffat & Nichol

5 year forecasts of container port demand and capacity for 20 world regions

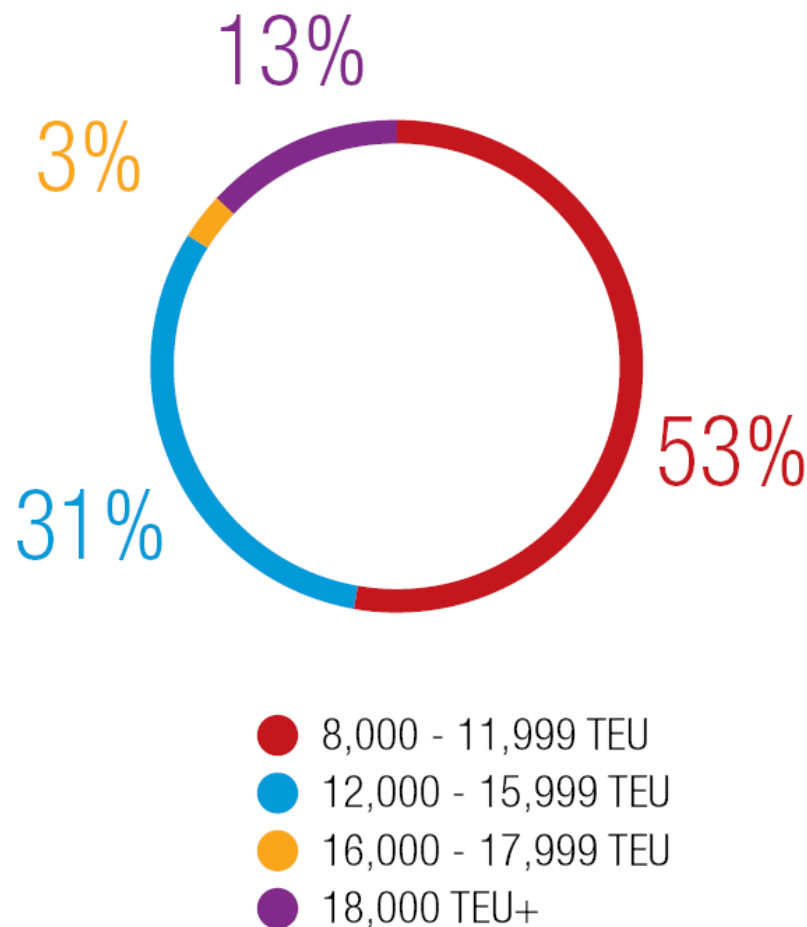


Sources: Drewry / Moffat & Nichol

Ship size comparison



Sources: Drewry / Moffat & Nichol

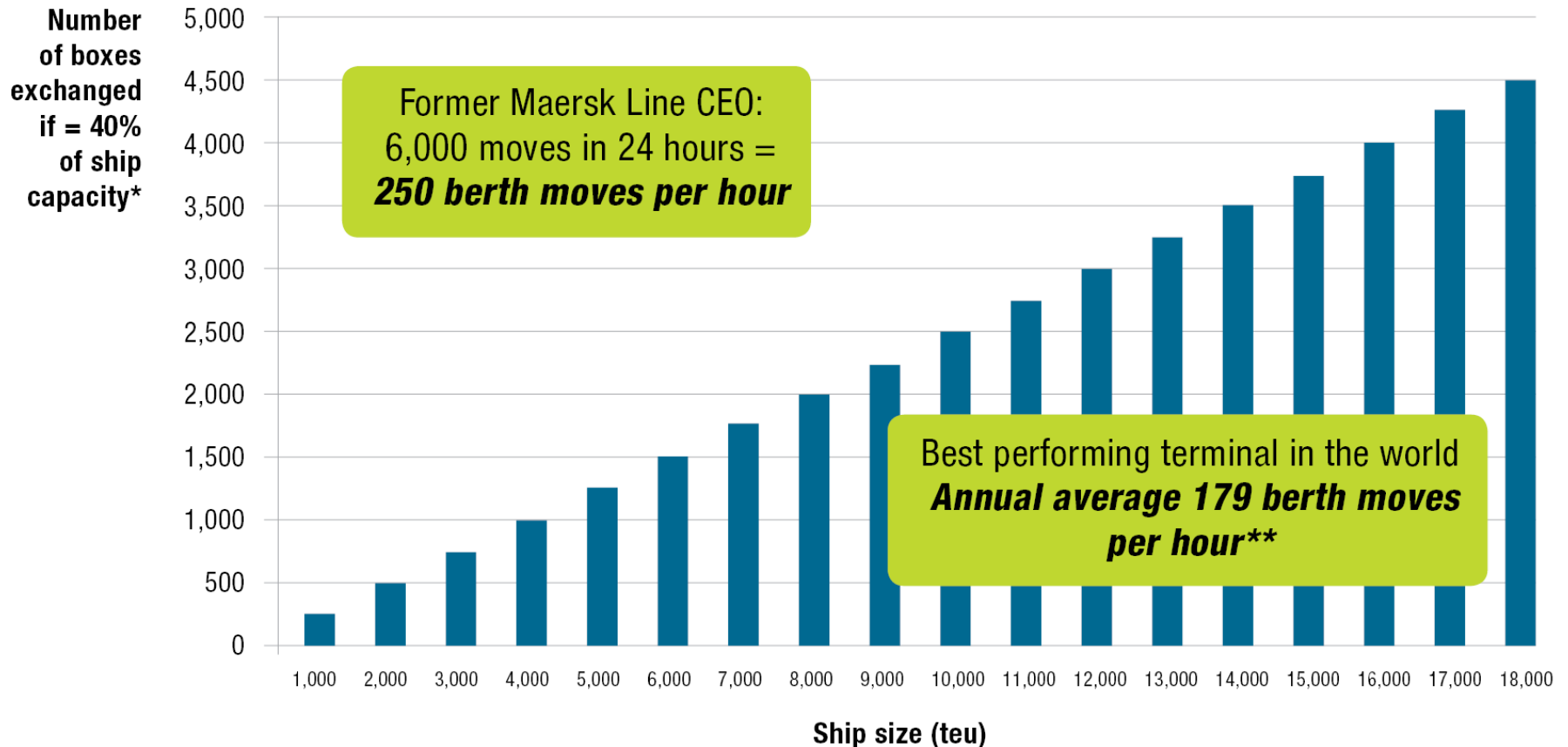


The main characteristics:

- Super-post-Panamax ships (over 8,000TEU capacity) account for 85% of the orderbook
- But the fastest growing sector is ultra-large container carrying vessels of 16,000TEU plus
- 20,000TEU size barrier will soon be breached

Sources: Drewry / Moffat & Nichol

Size of exchanges per vessel call get very large very quickly

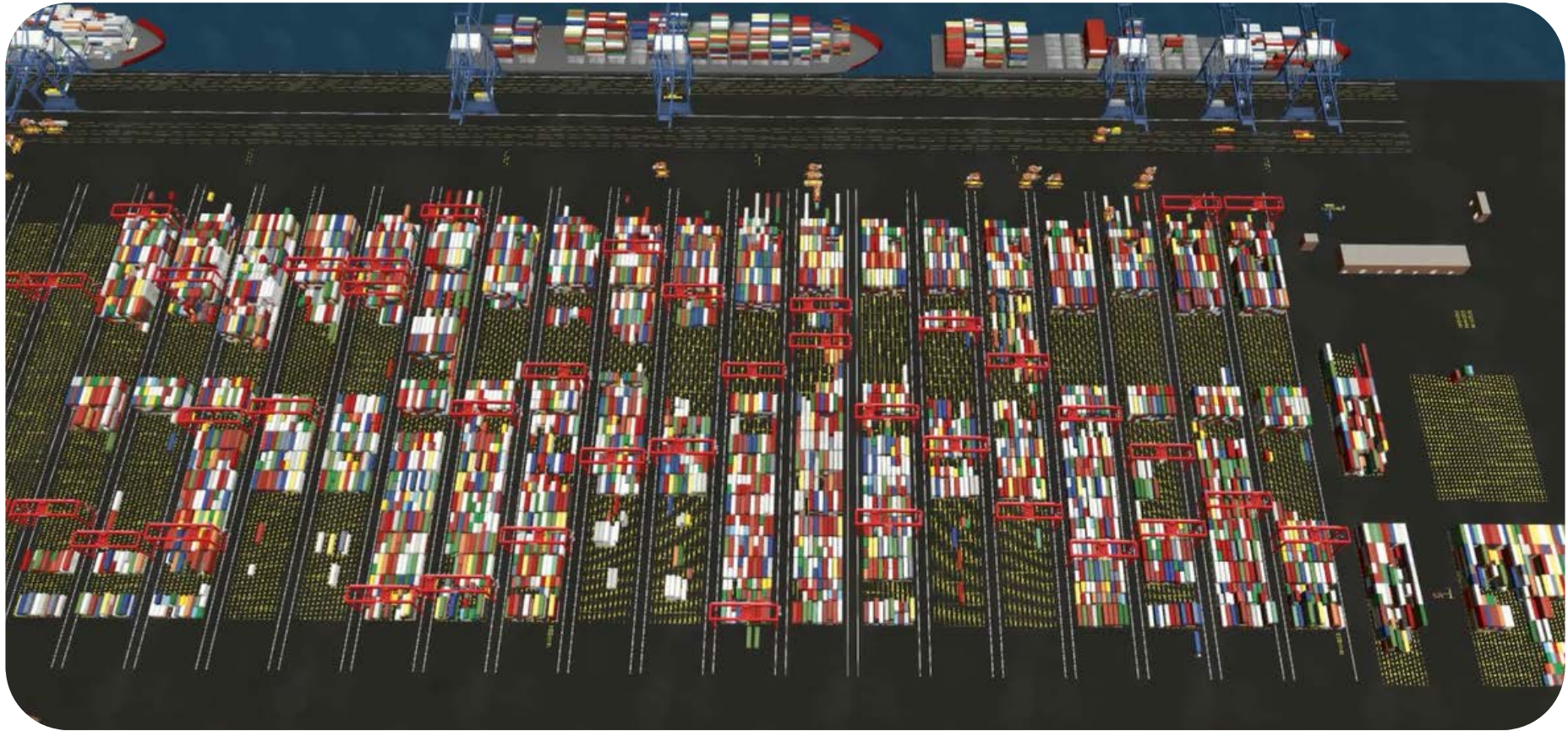


* i.e. 20% of vessel discharged and 20% loaded per port call

** JOC Port Productivity Data (2013, 8,000teu+ sized ships)

Sources: Drewry / Moffat & Nichol

Automation- general terminal layout



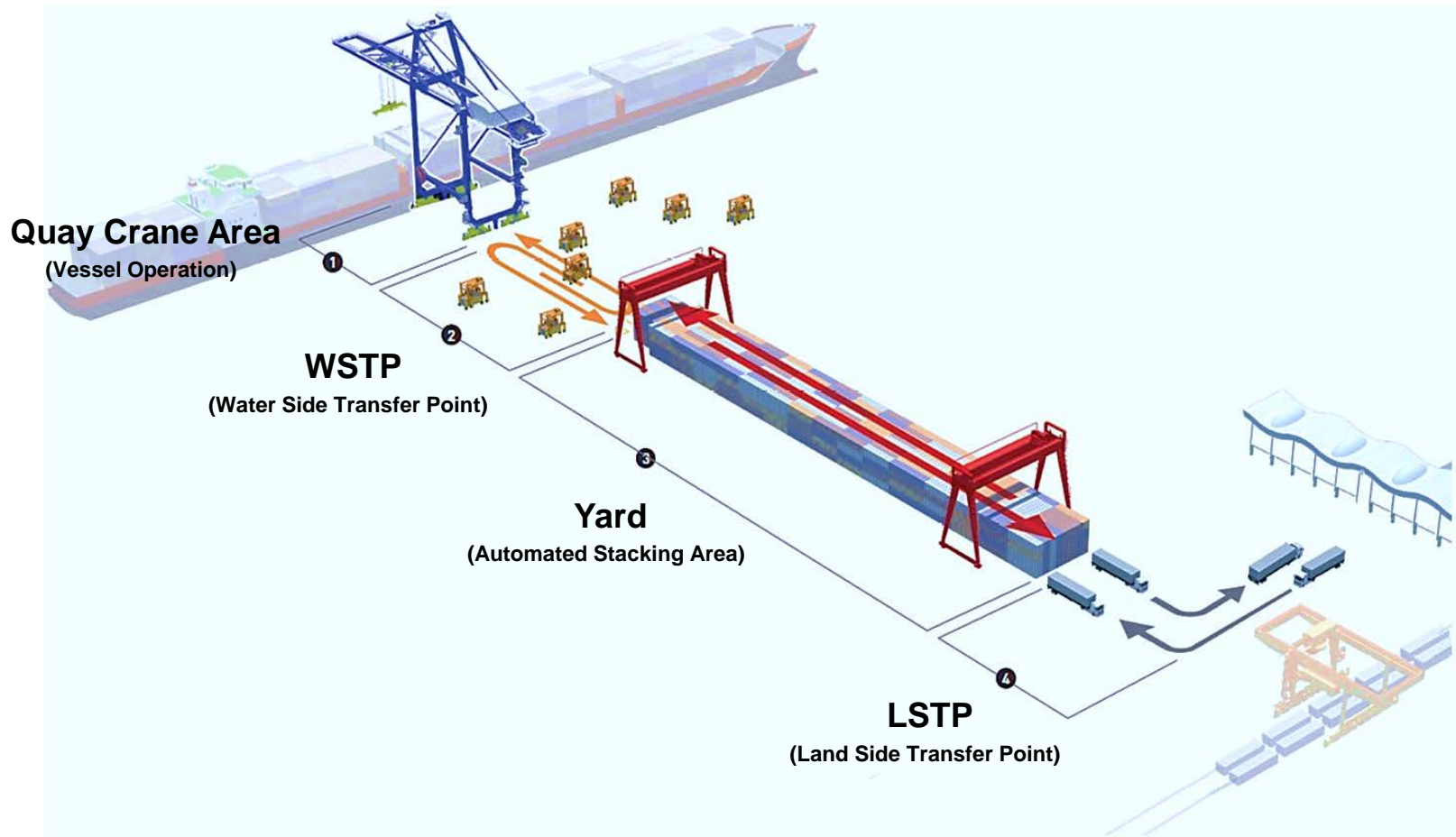
Automation- general terminal layout



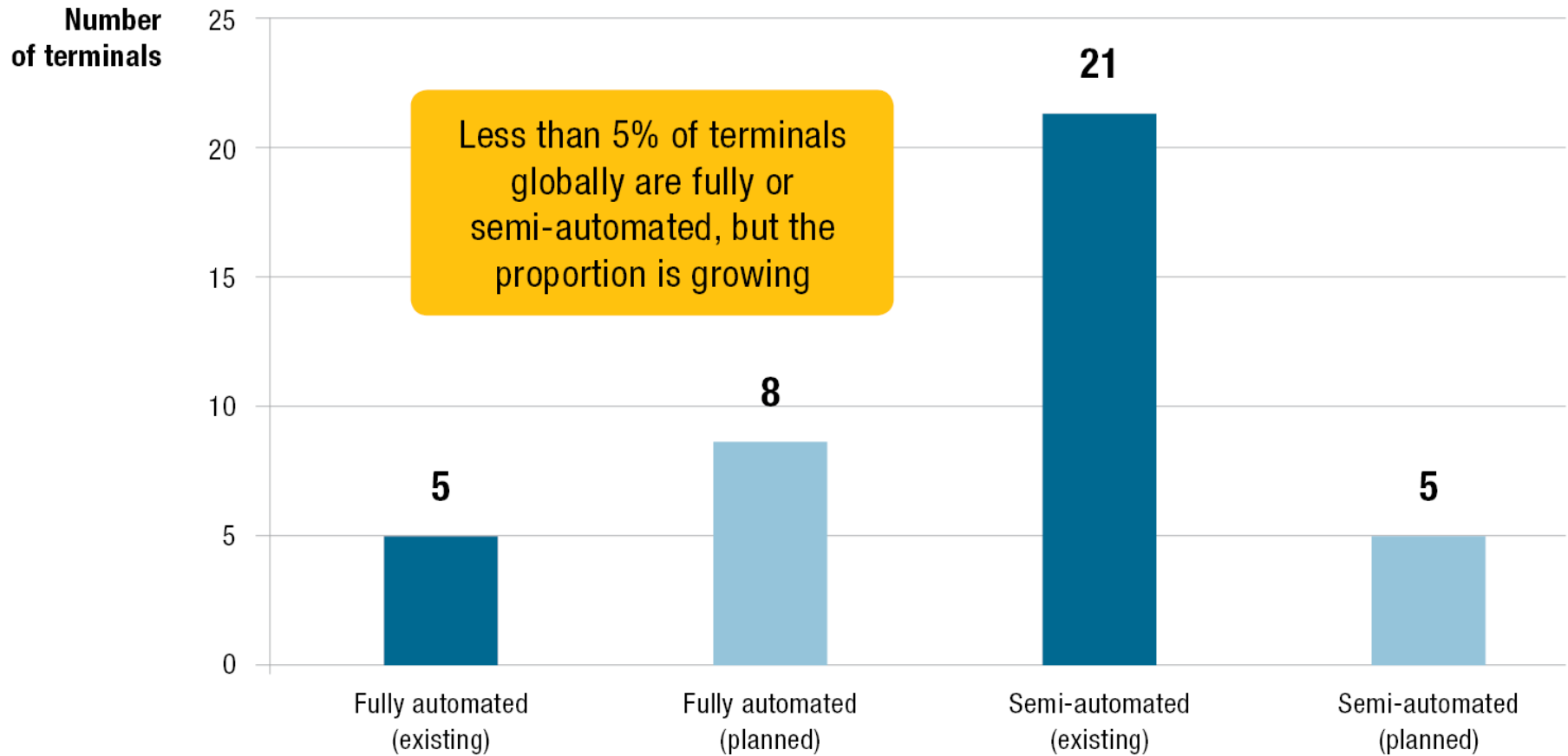
Automation-yard stacking area



Automation- general terminal layout



Existing and planned fully and semi-automated container terminals



Sources: Drewry / Moffat & Nichol

Key systems for Ports & Maritime – MoorMaster



MoorMaster™ in action at St Lawrence Seaway locks

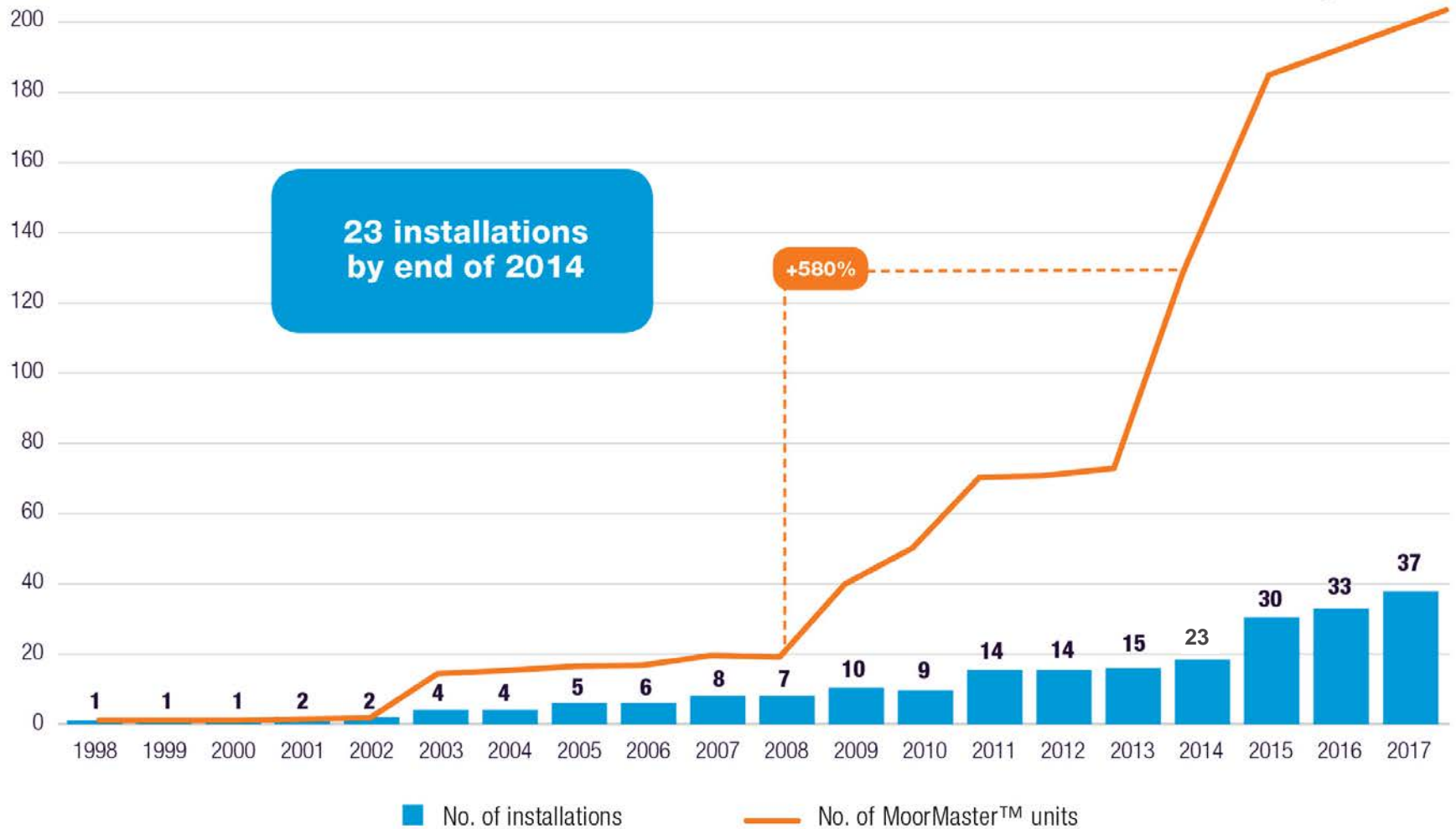


MoorMaster™ in action at Dry Bulk ports

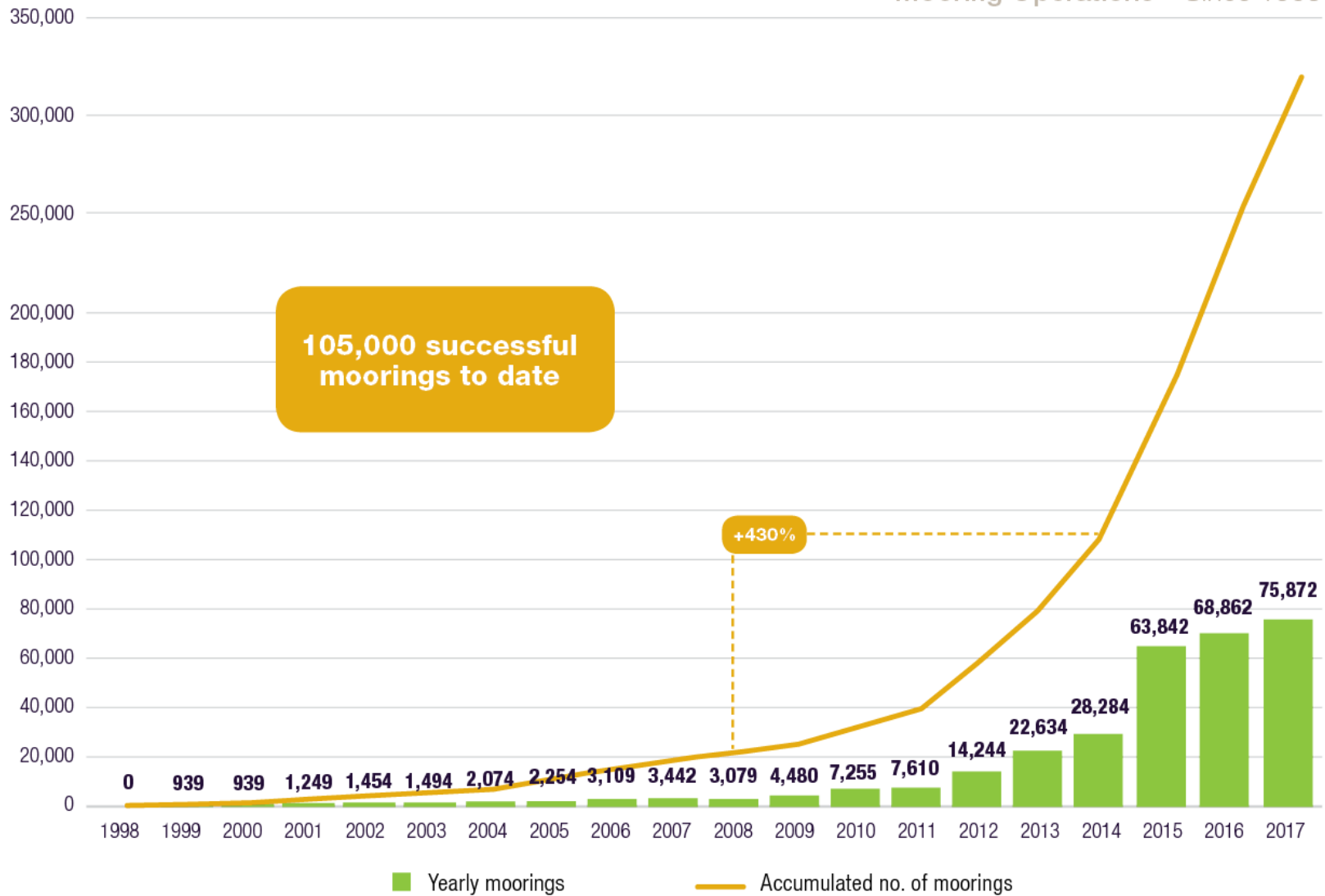


MoorMaster™ units & installations

MoorMaster™ units & installations – Existing & future



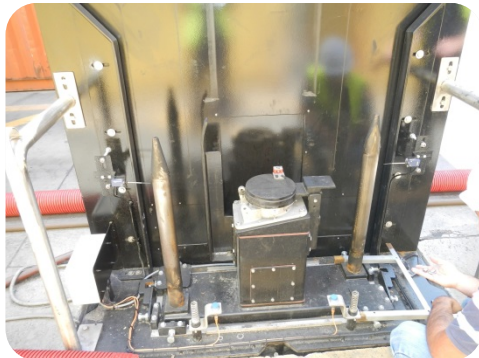
Mooring Operations – Since 1998



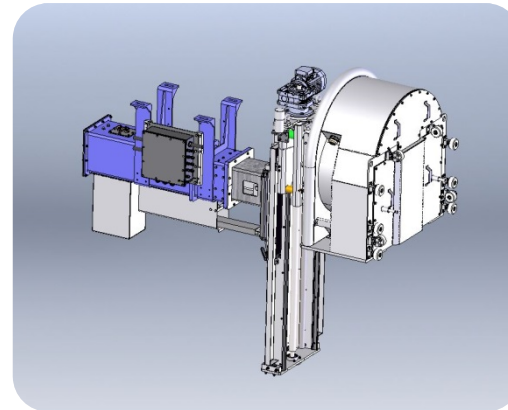
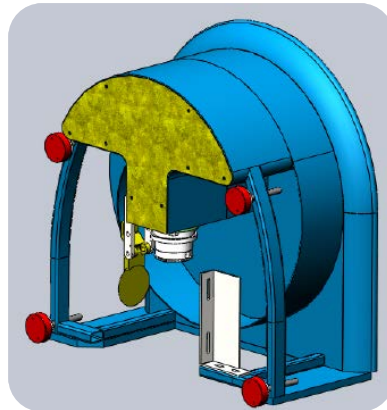
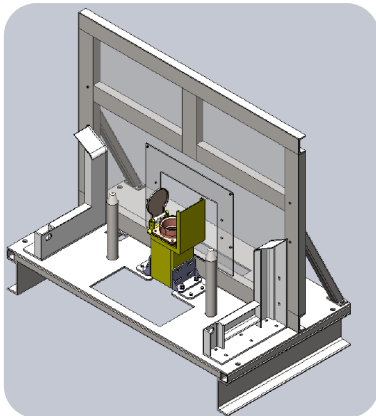
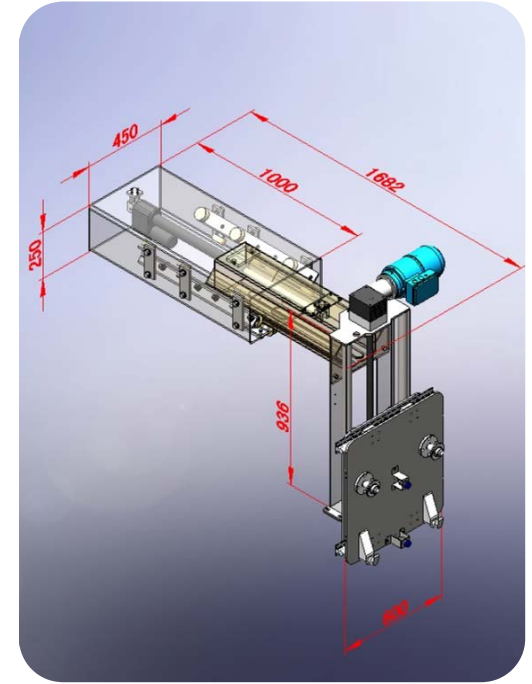
Alternative Maritime Power systems



Key systems for Ports & Maritime – E-RTG systems



Key systems for Ports & Maritime – APS (Automatic Plug-in System)





Cavotec is a leading system integrator and OEM for the global airports sector.

Working closely with airports, airlines and industry bodies, our systems enable fast, efficient and cost-effective aircraft servicing at airports worldwide.

Key product areas include PCA, 400Hz power supply, fuelling and in-ground systems.



FY14 Revenues

EUR 56,152 thousands

FY13 Revenues

EUR 60,801 thousands

-7.6%

24%

Accumulated Revenues

EUR 56,152 thousands

21%

Accumulated Order Intake

EUR 45,520 thousands

25%

Order Book

EUR 24,828 thousands

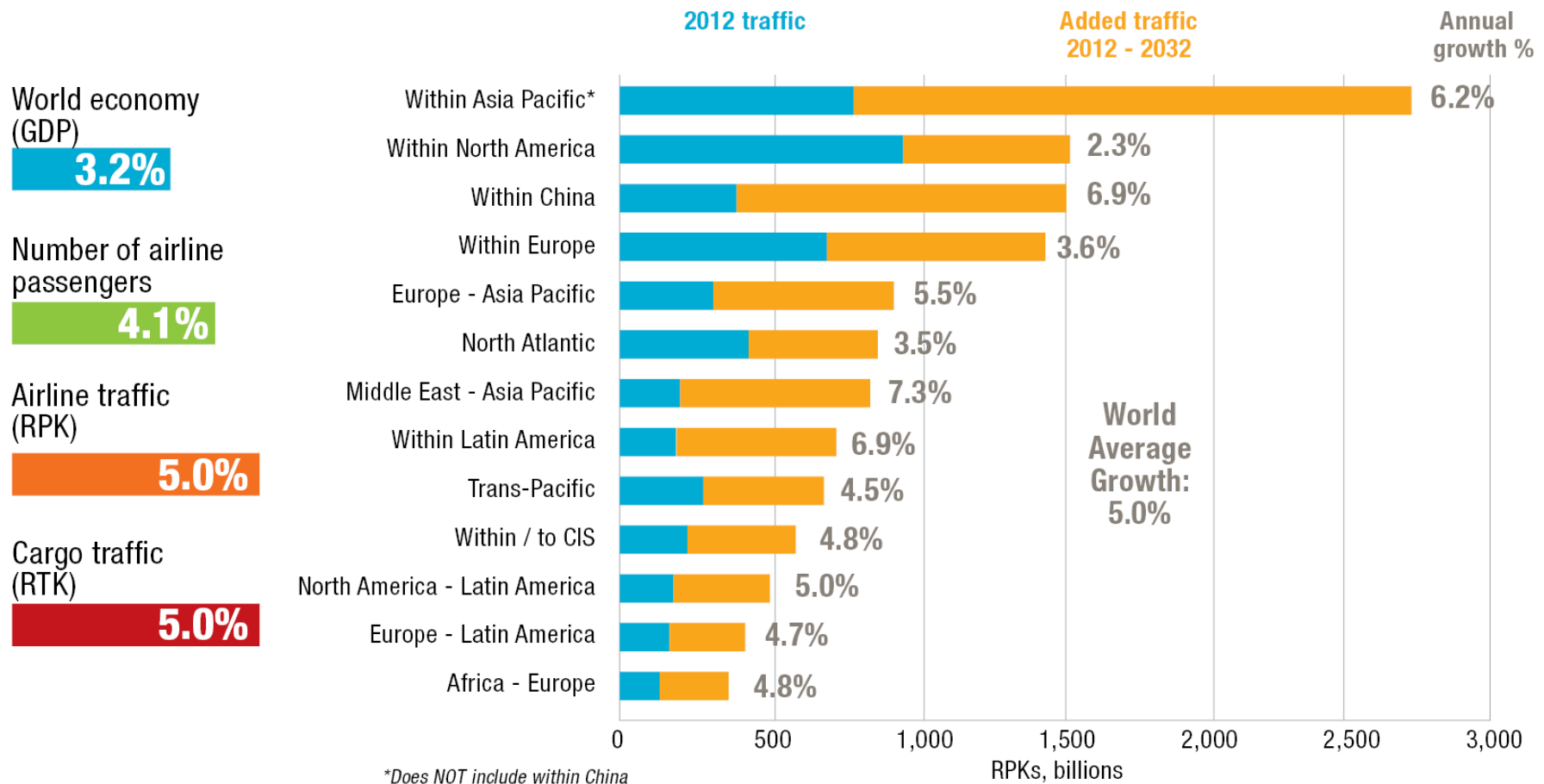
Some of our major references in this Market Unit:



Strong market development – 2012 to 2032

Strong
long-term growth

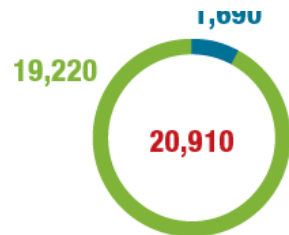
Air travel growth varies by market



Sources: Airbus / Boeing Market Outlook

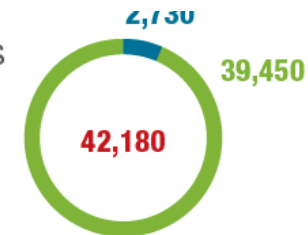
A growing fleet to support an expanding market

Forecasted growth for Boeing aircraft fleet
2014 – 2033



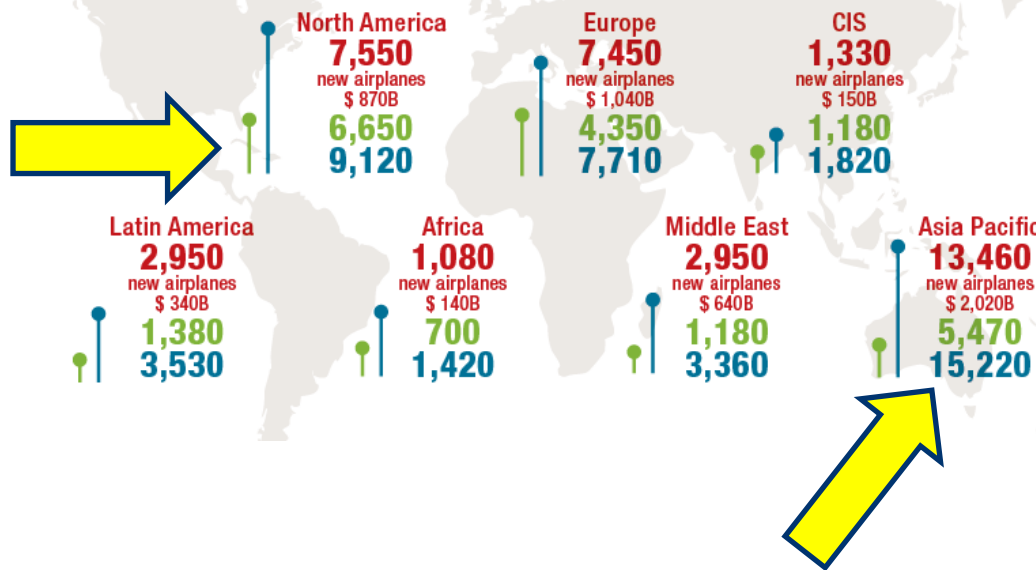
WORLD FLEET TO DOUBLE IN SIZE OVER THE NEXT 20 YEARS
36,770 new airplanes / \$ 5.2 trillion

- Freighters fleet
- Passenger fleet
- Freighters fleet
- Total



EMERGING MARKETS TO LEAD THE GROWTH

● New airplanes delivered by 2033 ● Aircraft fleet 2013 ● Aircraft fleet 2033



NEW AIRPLANES TO BE DELIVERED BY 2033

Regional jet
2,490
new airplanes
\$ 100B

Medium widebody
3,460
new airplanes
\$ 1,160B

Single aisle
25,680
new airplanes
\$ 2,560B

Large widebody
620
new airplanes
\$ 240B

Small widebody
4,520
new airplanes
\$ 1,140B

Sources: Boeing Market Outlook

Full system offering for Airports Market Unit



400Hz Cable Retrievers



400Hz converters



Pop-up Pit Systems



Converter Caddy's



Fueling Systems



PCA systems



An essential link

How Cavotec drives innovation, productivity, safety and reduces environmental impact.



- Electrification instead of diesel/ heavy fuels
- Automation to increase productivity requires:
 - Innovation at a quick pace
 - Safety increase
 - Care of environment



>650

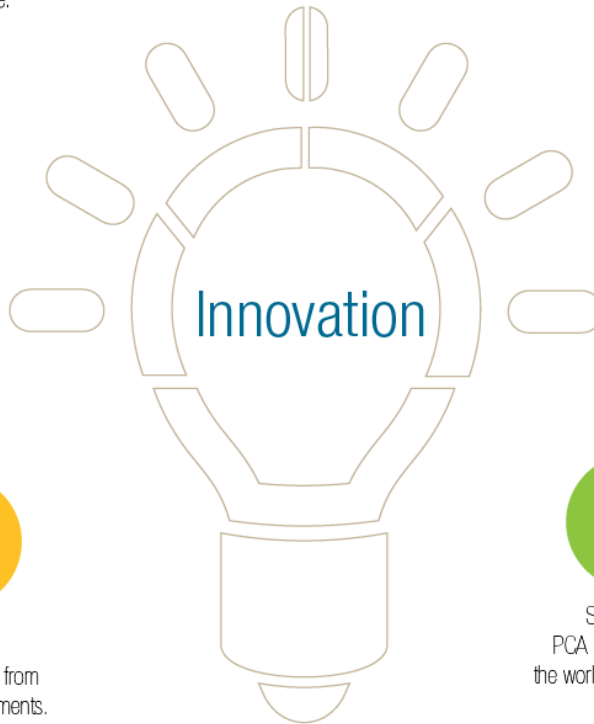
Ship- and shore-based AMP applications delivered worldwide.



Slip ring systems ensure safe data and power connection.



HOI removes operators from hazardous environments.



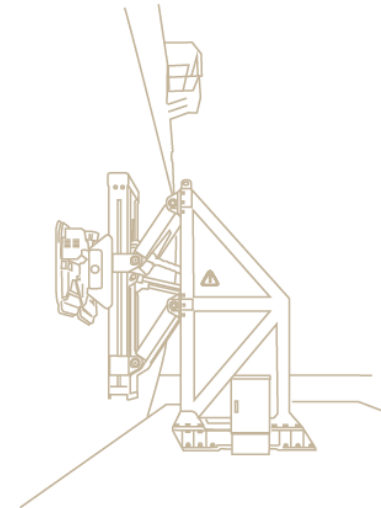
APS is the world's first automated cable reel power connection for RTGs and battery-powered ferries.



Sub-freezing PCA DX-Boost cools the world's largest aircraft.

105,000

Number of moorings completed by MoorMaster™ to date.



Innovation, and the new technologies that flow from it, lie at the heart of Cavotec's ability to improve our customers' operations at diverse applications worldwide.

Breaking new ground

With extensive engineering experience drawn from a wide variety of sectors, Cavotec has a proven track record in innovation. Through our Centres of Excellence, and across the Group, we constantly develop new systems, improve existing technologies, and ensure Cavotec products lead our markets – and expand the limits of how the world's industries operate.



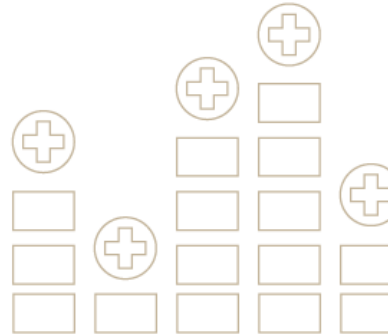
1.2 billion

Projected number of shipping containers transiting the world's ports in 2024.

(Source: Clarkson Research Services).



HMI systems enable safer, more effective remote control of machinery.



Productivity



50%

Our PCA systems can increase cooling performance by 50% compared to conventional equipment.



PCA and our E3 Gate systems ensure fast, efficient aircraft servicing.



\$15 million

Estimated annual savings airlines could make using PCA to cool aircraft at Zurich International Airport.

(Source: Airbus, Fast Magazine #52).



40 seconds
Time taken for auto connection/
disconnection of ERTGs to APS.

Maximising efficiency to maximise value

Cavotec supports customers all over the world to improve their operational efficiency and to reduce waste; thereby creating value that drives economic activity. Reduced downtime, optimised equipment use – our systems ensure that these critical needs are met.



80%

Approximate fall in workplace fatalities in the US between 1913 and 2013.

(Source: National Institute for Occupational Safety and Health).



Our explosion-proof RRCs enable the safe operation of heavy machinery.



MoorMaster™ eliminates hazardous mooring lines from mooring operations.



Cavotec's Panzerbelt crane cable protection system ensures the safe operation of quay and yard cranes.



340 million

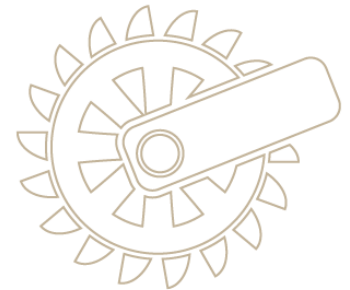
The International Labour Organisation (ILO) estimates that there are around 340 million work-related accidents every year.



Cavotec self-retracting cable management systems make connections safe and fast, and keep cables tidy.

2.3 million

According to the ILO, 2.3 million fatalities per year are caused by accidents and disease at work.



A safe, secure working environment

We help our customers to provide safe and secure working environments for their staff, and for those who use their products. Cavotec delivers the peace of mind that our customers need by ensuring that their equipment functions as it should, thereby minimising risk to people and capital assets.



5.9%

Rise in demand for global passenger traffic in 2014.
(Source: IATA).



Electrically powered machinery reduces reliance on diesel.

30%

The amount the Environmental Protection Agency (EPA) in the US has proposed cutting CO₂ emissions from coal plants by 2030. (Source: EPA).



Our PCA and 400Hz systems reduce the use of APUs and GPUs.

Environment



Our cable management systems promote the use of EVs.

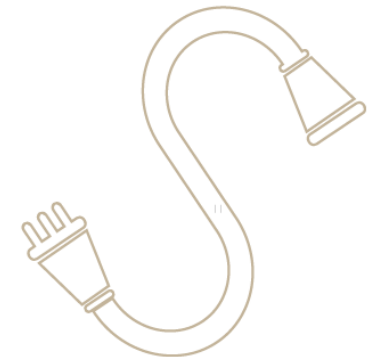
Sulphur content permitted in marine fuels by 2020 under EU legislation. (Source: European Commission).



AMP enables ships in port to switch off their generators.

90%

Connecting to shore power reduces NO_x, SO_x and particulate matter emissions by 90%. (Source: Entec UK Ltd).



Making a cleaner world a reality

Cavotec systems are helping our customers in a wide variety of sectors reduce their environmental impact and comply with a growing amount of legislation related to the environment. Whether we're helping customers reduce emissions, through greater efficiency, or eliminate emissions altogether with the introduction of electrically powered machinery, Cavotec is there, working with customers to make a cleaner world a reality.



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- APPENDIX

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.

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.**



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

