



Cavotec SA - Interim report January - June 2020

July 24, 2020

Resilient profitability and cashflow despite lower revenue

APRIL–JUNE 2020

- Revenues decreased -18.2% to EUR 42.0 million (51.4). Ports & maritime decreased -2.8%, Airports & Industry decreased -28.4%
- EBIT increased to EUR 2.8 million (2.5), corresponding to a margin of 6.6% (4.8%)
- Net result for the period was EUR 0.2 million (1.4)
- Earnings per share basic and diluted amounted to EUR 0.002 (0.015)
- Operating cash flow amounted to EUR 2.3 million (-10.7)
- Net debt amounted to EUR 22.1 million (Q1 2020: 22.5)
- Order backlog decreased -7.9% compared to the previous quarter to EUR 98.2 million

JANUARY–JUNE 2020

- Revenues decreased -19.2% to EUR 80.7 million (99.8)
- EBIT decreased to EUR 3.6 million (3.9), corresponding to a margin of 4.5% (3.9%)
- Net result for the period was EUR 2.2 million (2.2)
- Earnings per share basic and diluted amounted to EUR 0.024 (0.023)
- Operating cash flow amounted to EUR 2.6 million (-2.7)
- Leverage ratio improved to 0.98x (2.51x)

Comment from the CEO

Well positioned to handle a challenging environment and to support our customers' environmental challenges.

The Covid-19 situation delayed our customers' short-term investment decisions in the second quarter of 2020. Deliveries were also impacted by logistical restrictions and the closure of our production facility outside of Milan during the first two weeks of April. As a consequence, revenues were 18.2 percent lower in Q2 2020 compared to Q2 2019 and amounted to EUR 42.0 million (51.4). However, our revenues in the second quarter did increase 8.7% compared to the first quarter. On a segment level, Ports and Maritime experienced less impact of Covid-19 than the Airports & Industry segment, leading to that revenues for Ports & Maritime decreased 2.8% and for Airports & Industry 28.4%.

All our facilities globally remain open, but customers continue to carefully evaluate their planned investments, which in the short-term leads to lower activity in our markets. It is at the same time encouraging that our order backlog was relatively stable at the end of the quarter, amounting to EUR 98.2 million. This is 7.9% lower than the previous quarter but only 1.8% lower compared to the order backlog that we started 2020 with. There is higher uncertainty than before Covid-19, but the underlying dynamics in our markets have not changed. The focus on trends such as automation, sustainability and workplace safety has not diminished. On the contrary, the Covid-19 situation is expected to bring even more attention to our solutions as ports and airports move towards more safe and efficient operations with a smaller environmental footprint.

We have in response stepped up our communication around the significant sustainability benefits of our solutions. For example, the 600 shore power systems that Cavotec has installed around the world to enable ships to switch off their diesel engines when at port is estimated to reduce emissions equivalent to taking five million cars off the roads.

Although we have seen market challenges affecting revenue in the short term, we continued to improve our operational efficiency and thereby profitability. This is the result of the transformation completed in 2019, combined with strong cost control measures implemented at the start of the Covid-19 pandemic. EBIT therefore increased to EUR 2.8 million (2.5), corresponding to a margin of 6.6%.

During the quarter, we completed discussions to procure a new long-term senior credit facility. We are very pleased that we reached a favourable agreement in the current environment, which is a testament to the strength of our financial standing coming out of the transformation of the company.

The business environment is currently challenging and it is difficult to predict the shape or timeframe for a global recovery from the Covid-19 outbreak. However, we are in a good financial position and we continue to focus on further improving our offerings to capitalise on the potential that we see. Not least the potential from the environmental challenges our customers will increasingly be faced with. We will invest in strengthening our position in key market and product segments to support them. More on that in coming quarters...

Lugano, 24 July, 2020

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 24 July 2020 at 15:00 CEST. Participating on the conference call from Cavotec will be Mikael Norin, CEO, and Glenn Withers, CFO.

Conference call Dial-in numbers:

SE: +46850558352

UK: +443333009271

US: +18338230590

Weblink: <https://tv.streamfabriken.com/cavotec-q2-2020>

Quarterly Reports on www.cavotec.com

The full report for the period January-June 2020 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 24 July 2020.

Attachment

- [2Q20 Report](#)