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Cavotec 1Q13 results summary

This is a summary of the first quarter 2013 published today. The complete first quarter 2013 report with tables is available at <http://investor.cavotec.com/results.cfm>. Investors should not rely on summaries only, but should review the complete reports with tables.

- Accumulated revenues amounted to EUR 53,176 thousands in 1Q13, an increase of 14.2% compared to 1Q12 (46,570)
- Operating result amounted to EUR 662 thousands (1Q12: 3,086)
- Record 1Q order intake at 65,959 (1Q12 54,125) with a book to bill ratio of 1.2x
- Order intake for the last twelve months rolling reached EUR

- 236,819 thousands
Order book at 31 March 2013 stood at EUR 111,935 thousands, up 10.8% compared to 1Q12 (100,984)

Global economic conditions during 1Q13 continued to remain unsettled, further compounding challenges such as an unfavourable product mix, project delays, and the on-going restructuring programmes at our operations at Cavotec INET and in Germany, resulting in lower margins and subdued profitability.

Order levels increased significantly year-on-year to a record EUR 65,959 thousands due to robust day-to-day ordering of stand-alone products and smaller systems, with our Order Book reaching EUR 111,935 on March 31, and several major projects in the pipeline.

We remain committed to our financial targets, including the approximate 10% annual growth in revenues, and we have renewed our focus on improving margins. Looking forward, we fully expect 2Q13 to offset the low performance of 1Q13, further underlining the strong fundamentals of Cavotec's business model.

1Q13 SUMMARY OF ACTIVITIES

Quarterly revenues increased by 14.2% compared to the same period last year, despite the absence of large projects.

Cavotec's two largest market units (MU), *Airports and Ports & Maritime*, posted significant increases in revenues compared to the same period last year. *Mining & Tunnelling* showed some contraction in revenues compared to 1Q12, caused by on-going uncertainty and weaker demand in the sector. *General Industry* also posted a decrease in revenues, mainly due to a broadly lacklustre market environment, only partially offset by Cavotec systems' growing exposure in the defence sector and other developing niche markets.

Ports & Maritime registered substantial orders for cable reel systems for ship-to-shore (STS) cranes and automatic stacking cranes (ASC) for ports in Malaysia and Singapore. These orders were placed by ZPMC, one of our long-standing OEM customers. The unit also signed its first long-term service

contract with leading terminal operator APMT in Salalah, Oman marking an important development for an area of our offering that the Group intends to expand.

The period was also strong for *Airports*, with several substantial orders in South East Asia, the Middle East, Europe and North America. The largest of these projects were at Phoenix and Newark international airports in the US, where Cavotec is supplying integrated air, electrical power and fuel systems. For Hanoi International Airport, Cavotec is manufacturing a comprehensive range of air, electrical power and water supply systems. The MU also won an order for a large number of coiler systems for Shenyang airport in China. This is part of a CAAC (Civil Aviation Administration of China) scheme to retrofit air and electrical supply systems at gates of all major airports in the country.

Mining & Tunnelling continued to book a substantial number of smaller orders for systems and components throughout the period from Cavotec's key OEM customers such as Robbins, Sandvik, ThyssenKrupp and Atlas Copco.

Similarly, *General Industry* recorded a large number of small-scale orders for components and niche systems. Radio remote controls (RRC) is an area registering considerable growth, especially in the energy sector where Cavotec RRCs are increasingly used to operate both on- and offshore oil and gas applications.

LOOKING AHEAD

From a macroeconomic point of view, FY13 is likely to be a challenging year in a variety of markets. Nevertheless, we feel that Cavotec is uniquely positioned to capitalise on its strong global network and its customer-driven R&D that brings innovative engineering solutions to new and emerging markets. We will also continue to expand our after-sales component by offering long-term service contracts for Cavotec systems.

Going forward, we will continue to make inroads with a selection of our core products in BRIC countries and other developing economies. We will also continue to break ground with some genuinely industry-changing innovations such as Human Operating Interface (HOI) technologies, as well as our cable management systems to be seamlessly integrated with the latest generation of electric vehicle (EV) charging stations.

The cost and operational efficiency programmes initiated in 2012 at our Centres of Excellence remain in force. Management throughout the Group have fully embraced the continuing initiatives to reduce costs, and to carefully assessing all new investment.

Ports & Maritime remains our largest MU and is set to continue to grow in FY13 as we focus on new technologies for the E-RTG market, and build our growing portfolio for the Oil & Gas segment, which is set to repeat the growth seen in FY12. Core systems such as MoorMaster™ and Alternative Maritime Power continue to attract significant interest from both existing and potential customers.

For *Airports*, we view continued infrastructure investment, as a key indicator that demand for our systems will remain strong. A report released by IATA in its Airline Industry Forecast 2012-2016, projects that passenger numbers will increase to 3.6 billion in 2016, from 2.8 billion in 2011. Growth scenarios such as these underline the need for our ground support systems as airports initiate upgrades, and the industry-wide drive to improve operational and environmental performance continues.

We expect that *Mining & Tunnelling* will face pressure in coming quarters as the segment experiences market turbulence. This will, at least partially, be offset by order backlogs at several of our major OEM customers. Similar to other MUs, customer-driven R&D is one of our key strengths, exemplified by our new PC-X cooling technology for deep mining operations, which will soon undergo extensive field-testing.

Our *General Industry* MU is showing development consistent with FY12, with some new segments showing significant promise such as cable management systems for EV charging stations, industrial remote controls for land rigs, and new applications for some of our core technologies in several defence applications.

REVENUES, EARNINGS AND PROFITABILITY

Quarterly Figures

Revenues increased by 14.2% to EUR 53,176 thousands in 1Q13 compared to EUR 46,570 thousands in the same period of last year. Operating result

amounted to EUR 662 thousands (3,086) as a result of negative mix with the concentration in the first quarter of the completion of certain strategic contracts in the Airports MU carrying low margins.

Financial items were lower compared to the same period last year due to lower interest expenses and positive contribution from exchange fluctuation. The tax rate in the period was 32.3%. Net profit reached EUR 331 thousands compared to EUR 1,071 thousands in 1Q13.

Regional Overview

The Americas registered the largest increase of revenues in 1Q13, a jump of 82.2% on the same period last year, amounting to EUR 14,338 thousands. The region also improved its Gross Operating Result, which amounted to EUR 469 thousands (1Q12; EUR -240 thousands). Order Intake grew in all MUs, resulting in another record Order Book of EUR 32,747 thousands, 85.5% higher than 1Q12. Ports & Maritime's Order Book increased over three and a half times on the year, and now represents 25.2% of the Order Book (1Q12; 12.4%).

Europe & Africa revenues amounted to EUR 41,013 thousands, up 7.3% on 1Q12. The strongest MU was Ports & Maritime, which grew by 56.0%. The region had the highest Gross Operating Result of all regions, amounting to EUR 2,861 thousands. Book to bill ratio stands at 1.12, with Airports registering an exceptional 2.27.

Revenues for the Middle East & India amounted to EUR 6,757 thousands, an increase of 5.5% compared to 1Q12. Ports & Maritime recorded an excellent result: increasing revenues by a multiple of eight, and Order Intake by a multiple of seven compared to the same period last year. Order Intake amounted to EUR 7,451 thousands, up 118.7% on 1Q12. Book to bill ratio ended at 1.10, with General Industry registering an excellent 1.88.

Revenues for the Far East increased 81.6% compared to 1Q12, amounting to EUR 8,325 thousands. Ports & Maritime doubled (+101.0%) its revenues, while Airports (+196.3%) almost tripled its. The region registered its largest increase in Gross Operating Result to date, up 815.4% compared to the same period last year. Order Book increased by 51.1%, to EUR 32,083 thousands, with a book to bill ratio of 1.06.

Revenues in Australasia amounted to EUR 6,275 thousands, up 57.5% compared to the same period last year. Ports & Maritime registered the largest increase in revenue, which, bolstered by MoorMaster™, grew 281.4% during the quarter. The region recorded orders of EUR 6,663 thousands, an increase of 51.5% on 1Q12. Airports registered the largest increase in Order Intake, bringing the Order Book to EUR 12,631 thousands, with a book to bill ratio of 1.06.

CASH FLOW

Operating cash flow for the quarter amounted to negative EUR 4,493 thousands, compared to positive 4,371 thousands in 1Q12 following lower profitability and higher working capital absorption.

NET DEBT

Net debt increased seasonally to EUR 30,814 thousands compared to EUR 24,511 thousands at the end of 2012. Twelve months rolling leverage ratio (Net Debt/ EBITDA) ended at 1.59x (FY12: 1.13x) and debt/equity ratio increased to 28.4% from 22.9% at the end of 2012.

EMPLOYEES

On 31 March 2013, Cavotec employed 910 full time equivalent people unchanged compared to 31 March 2012 and an increase of 20 compared to 31 December 2012.

For the full 1Q13 Report please download it from: <http://investor.cavotec.com/results.cfm>

ENDS

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Cavotec is a leading global engineering group, developing innovative technologies that enable the maritime, airports, mining and tunnelling, and general industry sectors to operate productively and sustainably.

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