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Cavotec 2Q14 results summary and related materials.

This is a summary of the second quarter 2014 published today. The complete second quarter 2014 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.

- Order Intake decreased 12.5% in the quarter compared to the same period of the previous year to EUR 50,658 thousands (2Q13: 57,920).
- Revenues decreased 21.8% to EUR 52,690 thousands in 2Q14

(2Q13: 67,418).

- Book to bill ratio was 0.96x in the quarter.
- Order Book increased 20.8% to EUR 139,829 thousands (FY13: 115,713).
- Adjusted operating result (EBIT) was EUR 414 thousands in the quarter compared to EUR 7,333 thousands in 2Q13.

A COMMENT FROM OUR CEO

Cavotec's second quarter results suffered from recent market developments and below expected revenue levels with 2Q14 revenues reaching EUR 52.7 million, a decrease of 21.8% compared to 2Q13. A contributing factor to the decrease in revenues was Cavotec's growing exposure to larger projects across several of its major markets.

The effect of this was especially evident in 2Q14 where the accumulation of orders, significant changes in order specifications and delays in project approvals on the side of the customer, with subsequent tighter delivery times, had a direct impact on both revenues and profitability for the quarter. Inventories increased significantly in preparation of strong invoicing over the coming quarters. Gross margins remain at an overall higher level compared to the same period last year, declining slightly against 1Q14 levels.

The company has obtained a covenant waiver from its lenders, which means that the Company will not need to test compliance with certain loan covenants as at 30 June 2014. Discussions with lenders are currently ongoing to secure a long-term solution. We expect to comply with covenants once FY14 targets have been achieved.

Cavotec's order book increased 36.5% compared to the same period last year, with the order book at June amounting to EUR 139.8 million. MoorMaster™ and AMP projects comprise approximately 44.8% of the current order book, highlighting the strength of Cavotec's core innovations and their broad acceptance by the market.

This is further underlined by the fact that our engineering and production facilities, including installation and commissioning services, are currently involved in seven significant MoorMaster™ projects in varying stages of completion. These orders are for customers spread across the globe including Jan de Nul in Australia, LKAB and Norled in Norway, Port of Beirut in

Lebanon, St. Lawrence Seaway in Canada, Samsø municipality in Denmark, and Transnet in South Africa.

Continuing on from the successes already seen earlier this year, 2014 has truly become the year of the MoorMaster™ systems. This is further strengthened by the following 2 orders received during 2Q14.

The first is a milestone order for the US Navy, where Cavotec will supply a number of MoorMaster™ automated mooring units to specialist deep-water engineering group Oceaneering International Inc., as part of the Advanced Mooring System Phase III Development project conducted by the Office of Naval Research. The MoorMaster™ units will be fitted to Navy demonstration vessels for at-sea testing in 2015.

A second success for MoorMaster™ in 2Q14 came from the Port of Helsinki in Finland where six MoorMaster™ MM400 units are to be installed at the Länsisatama berth. The units will be used to moor large passenger ferries, up to six times a day, on the Helsinki – Tallinn route and are due to be commissioned by the end of 2015. The introduction of automated mooring at the Port of Helsinki is one of a number of initiatives undertaken with the support of the EU's TEN-T transport infrastructure programme.

Cavotec's latest Alternative Maritime Power (AMP) shore power equipment projects are for three separate customers, two of which have ordered the new AMPtainer system. These units, which will be fitted to a total of eight container vessels, will enable the ships to connect to shore power, thereby allowing the vessels' engines to be turned off while at the berth.

LOOKING AHEAD

Despite a strong order book, which includes a significant percentage of larger projects, the ongoing turbulence in the market has decreased our visibility for the coming quarters. Coupled with a softening day-to-day business we have decided to adjust our FY14 revenues target to EUR 225 to 235 million with an EBIT margin of approximately 6%. (previous guidance EUR 250 million and 8% EBIT margin).

We expect to complete and deliver current major projects registered in the order book within FY14, contributing strongly to achieving revenue and

profitability targets. Cavotec INET continues to burden the Group results, however, the ongoing restructuring and harmonization of processes is expected to positively contribute to the Group's results in 2015. Cost control and operational efficiency programmes have been expanded and we are currently reviewing ways to further rationalise operational procedures throughout the Group.

Ports & Maritime represented 48% of the Group's revenues in 1H14 and remained Cavotec's largest MU. The increase of nearly 3% compared to the same period last year underlines the continued success of both MoorMaster™ and expanded AMP product offerings. We expect this MU to continue its growth, capitalizing on both core innovations and more mature product ranges.

The Airports MU represented 20.5% of the Group's revenues in 1H14, a contraction of 5.4% compared to 1H13. Despite this declining trend in preceding quarters, we expect this MU to benefit considerably over the coming period from the extensive airport related investments planned in the Middle and Far East regions.

Mining & Tunnelling represented 13.5% of the Group's 1H14 revenues, a slight increase over the same period last year. Currently the Group's smallest MU, mainly due to the continued softening in the hard rock mining sector, we expect recently launched innovations to partially offset this trend and open up opportunities outside of the more traditional niches within the MU.

The General Industry MU contributed 18% to the Group's revenues in 1H14, a small increase on the same period last year. Segments within this MU, including defense and EV markets, are set for continued long-term growth. We expect stable development for this MU over the coming period.

THE REGIONS

The Americas continued an excellent trend in order intake in 2Q14, bolstered by a positive mix of day-to-day business and larger projects. 1H14 order intake amounted to EUR 43,230 thousands, up 31.7% compared to 1H13. Softer 1H14 revenues lead to a gross operating loss for the segment.

Order intake for Europe amounted to EUR 97,279 thousands in 1H14, in line

with 1H13 levels thanks in part to the strong demand in Ports & Maritime. Revenues were lower in 1H14 than 1H13, mainly due to large deliveries of MoorMaster™ projects in the comparative period. The segment provided EUR 5,632 thousands, the largest contribution to the Group's gross operating result for the period.

Revenues for the Middle East, Africa & India region declined in 1H14 compared to 1H13. This was due the completion of some larger projects during 1H13. Revenues amounted to EUR 10,092 thousands with a gross operating result of EUR 597 thousands. Far East revenues amounted to EUR 23,204 thousands, an increase of 8% compared to 1H13, thanks in large part to our expanded AMP product offering. The segment was the second highest contributor to the Group's result with a gross operating result of EUR 1,947 thousands.

Oceania turned around 1H13 gross operating loss into a profit for 1H14 amounting to EUR 653 thousands. This was achieved in spite of lower revenues due to the prolonged slowdown in the Australian mining sectors and 1H13 deliveries of MoorMaster™. Order intake in the Mining & Tunnelling sector registered an increase in 2Q14, with overall order intake for the segment up 32.5% to EUR 9,106 thousands.

REVENUES, EARNINGS AND PROFITABILITY

Quarterly results Adjusted operating result, after deducting litigation and restructuring costs, in the second quarter of 2014 amounted to EUR 414 thousands compared to EUR 7,333 thousands in 2Q13. The major contributing factor to this difference was the aforementioned drop in volume.

Net loss ended at EUR 1,424 thousands after financial items of negative EUR 248 thousands.

Half-year results

Adjusted operating result, after deducting litigation and restructuring costs, ended with a loss of EUR 214 thousands compared to a profit of EUR 8,112 thousands in 1H13. This was not only due to a drop in volume but also because of negative exchange fluctuation. The strengthening of gross margin

in this period compared to the same period last year partially offset volume decrease. Operating expenses for 1H14 were in line with the first half of 2013.

Financial items were negative at EUR 1,175 thousands compared to EUR 52 thousands in 1H14, mainly due to negative exchange fluctuations and higher interest expense. Net loss ended at EUR 2,997 thousands after recognition of deferred tax asset.

CASH FLOW

In 2Q14 operating cash flow was negative at EUR 3,257 thousands due to the high level of investments necessary to meet production demands for large projects. 1H14 operating cash flow was negative at EUR 5,146 thousands due to the same reasons. Investing activities ended at EUR 956 thousands in 2Q14 and EUR 1,343 thousands in 1H14, in line with 1H13 levels at EUR 1,341 thousands.

NET DEBT

Net debt amounted to EUR 42,271 thousands in 1H14, an increase compared to EUR 38,574 thousands in the trailing quarter due to investments for our on-going large projects. The higher debt and lower profitability caused the leverage ratio of the syndicated loan agreement to reach 6.57 and the interest coverage ratio 1.58 at the end of 1H14. Net debt/equity ratio ended at 40.7% compared to 33.2% in FY13.

EMPLOYEES

Cavotec employed 1,019 FTE employees, including external employees, as of 30 June, 2014.

A conference call for investors, analysts and media will be held on August 7 at 12:00 CEST. Please see the separate announcement for dial-in details.

For the full 2Q14 report please go to <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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