



Feb 22, 2017 12:48 GMT

Cavotec 4Q16 Report and full year 2016 summary

Cavotec SA - 4Q16 Report and full year 2016 summary

Revenues for the quarter decreased 23.6%, amounting to EUR 60.2 million (4Q15: 78.8).

Quarterly operating result (EBIT) ended with a profit of EUR 5.9 million (4Q15: 8.8), including non-recurring cost of EUR 2.6 million, corresponding to a margin of 9.8% (4Q15: 11.1%).

Net result for the period ended positive at EUR 4.9 million (4Q15: 7.5).

Order Intake increased by 15.2% in the quarter to EUR 63.1 million (4Q15: 54.8).

Order Book increased 5.0% to EUR 103.3 million (FY15: 98.4)

Book to bill ratio was at 1.02x compared to 0.99x in FY15.

The Board of Directors proposes a dividend of CHF 0.05 per share (2015: CHF 0.03).

CEO`s comment

Strong sales in key markets

In terms of sales, the period was a positive one for Cavotec with a number of major orders registered for the Group's key Airports and Ports & Maritime systems.

As previously announced to the market, Cavotec's [Airports unit](#) reported orders for its innovative aircraft ground support systems for applications in Australia, China, Colombia, Germany, Hong Kong, Italy and the US during the period, with a combined value of more than EUR 11 million.

The largest of these orders was for [Hong Kong International Airport Midfield Apron Project](#) for which Cavotec is supplying 400Hz power converters, 400Hz electrical pit systems, deck loader power supply pits, fuel vault access covers and fuel hydrant pits.

Also during the period, Cavotec was awarded orders for pre-conditioned air (PCA) and 400Hz electrical power supply pit systems for 15 aircraft stands at Rome Fiumicino International Airport, a long-standing Cavotec customer.

On the Ports & Maritime side of the business, and as also previously communicated to the market, Cavotec is to supply [16 MoorMaster™ MM400E15 units](#) for two container berths at the [Port of Salalah in Oman](#).

A three-year maintenance contract was also signed – a renewal of an existing agreement – under which Cavotec provides onsite support at all five berths at Salalah that are equipped with MoorMaster™ units.

[MoorMaster™ units](#) were first trialled at Salalah in 2006, and the technology has successfully reduced excessive vessel motion, common to the port, caused in part by "long waves" that are especially pronounced during the Khareef monsoon season. The new units are scheduled for installation prior to this year's Khareef.

Looking ahead

In our main markets – ports and airports – projections of macro-economic growth remain positive, on average, at around three to four per cent or above. On January 1, 2017, the new Cavotec [Strategic Plan](#) came into effect. The plan clearly sets out a number of key performance targets for the coming five-year business cycle, and introduces a new organisational structure for the Cavotec Group.

The plan's two key targets are to achieve revenues of EUR 500M and EBIT of >12 per cent within five years. In terms of structural change, the Group is now organised into two Business Units (BU) – Ports & Maritime and Airports & Industry – fully responsible for their P&L. This contrasts with the previous geographical organisation, which remains in place only for local follow-up with customers. We also implemented a Supply Chain-specific organisation responsible for engineering and manufacturing in support of the two BU.

With the Strategic Plan in place, Cavotec will be able to focus on its unique strengths and pave the way to be a trusted global systems and solutions provider.

ENDS

This is a summary of the 4Q16 report and full year 2016 summary published today. The complete 4Q16 report and full year summary 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.

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The information in this release is subject to the disclosure requirements of Cavotec SA under the Swedish Securities Market Act and/or the Swedish Financial Instruments Trading Act. This information was publicly communicated on 22 February 2017, 12:00 CET.

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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