



Aug 05, 2015 10:51 GMT

Cavotec SA – 2Q15 Report

This is a summary of the 2Q15 report published today. The complete 2Q15 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.

- Revenues increased to EUR 58.8 million (2Q14: 53.2), an increase of 10.6%. Adjusted for currency exchange differences sales increased 1.7%.
- Adjusted operating result (EBIT) ended with a profit of EUR 4.1 million (2Q14: 0.4), corresponding to a margin of 7.0% (2Q14: 0.8%).

- Net result for the period was positive at EUR 0.8 million (2Q14: -1.4).
- Order Intake increased to EUR 62.4 million (2Q14: 50.7), an increase of 23.3%. Adjusted for currency exchange differences Order Intake increased 17.7%.
- Solid order book at EUR 130.6 million (FY14: 101.0).
- Book to bill ratio at 1.30x compared to 1.26x in 1H14.

CEO's comments

2Q15 results followed our earlier guidance with revenues amounting to EUR 58.8 million, a 10.6% increase compared to 2Q14. Currency exchange differences made a positive impact on our 2Q15 result, and we continue to monitor exchange rate fluctuations on an on going basis to minimize our exposure. During the quarter we continued our focus on raising profitability and as a consequence our gross margin has increased steadily over the past twelve months.

As previously announced, 2Q15 also brought to an end to the long running litigation against Mike Colaco with a 12-person jury issuing a verdict in favour of Cavotec. Irrespective of whether Colaco seeks to appeal the verdict, we can now move beyond this issue, and I look forward to fully focussing on moving forward with our Cavotec INET operations in the US.

Another milestone was reached on 7 July when we fully finalised EUR 95 million Senior Revolving Credit and Bank Guarantee Facilities with a syndicate of leading global banks. As well as refinancing Cavotec's existing syndicated credit agreement, the new resources will be used to underpin our M&A activities, product development, and growth into new and existing markets.

Order intake remained strong in 2Q15, showing a good mix of day-to-day business as well as smaller and larger projects. In particular, our Airports Market Unit registered several significant orders, including the milestone order received in June for the Soekarno-Hatta international airport in Indonesia. These orders highlight the international aspect of our operations and underline the strength of our business model and capacity to manage large, complex projects.

Looking ahead

Throughout 2Q15 our major markets developed positively and I expect a similar trend in the coming quarters as the process of automation and electrification at ports and airports continues to gather momentum. The ongoing turbulence in the oil & gas sector will continue to impact our sales but with growth in other markets I am confident we will be able to offset any major decline. In our mining market segments I foresee CAPEX to remain low for the foreseeable future, while I expect moderate growth in general industry as it will benefit from increased focus on certain key product lines.

In general, I expect momentum for the Group to continue to pick up over the coming quarters. Effective cost control remains an important point of focus for us to ensure sustained future growth. At the same time, we also continue to invest in innovation and in strengthening our workforce in key areas, allowing us to continue meeting our customers' expectations wherever they are located around the world.

2015 guidance remains unchanged and I expect EBIT to continue to strengthen in the second half of the year. I also reiterate our longer-term financial goals for the coming years.

For the full 2Q15 Report please go to: <http://investor.cavotec.com/results.cfm>

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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 5 August 2015 at 12:00 CEST.

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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