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Cavotec SA – 3Q15 Report

This is a summary of the 3Q15 report published today. The complete 3Q15 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 reached EUR 53.3 million (3Q14: 68.1), a decrease of 21.8%.

Operating result (EBIT) ended with a profit of EUR 0.1 million (3Q14: 7.6), corresponding to a margin of 0.2% (3Q14: 11.2%). Adjusted operating result (EBIT) was EUR 0.5 million compared to EUR 8.6 million in 3Q14.

Net result for the period was negative at EUR 4.0 million (3Q14: 9.5).

Order intake amounted to EUR 45.2 million (3Q14: 53.1), a decrease of 15.0%.

Order book increased 21.3% to EUR 122.5 million (FY14: 101.0).

Book to bill ratio at 1.14x compared to 1.06x in 9M14.

CEO's comment

Cavotec's 3Q15 was challenging with revenues amounting to EUR 53.3 million, a 21.8% decrease compared to 3Q14, mainly due to the delivery of some larger projects delayed to 4Q15. Similar to last quarter, currency exchange differences made a positive impact on quarterly revenues. Gross margin remained stable for the quarter.

During the quarter we were awarded three separate orders for our innovative MoorMaster™ automated mooring technology. In the largest of these projects, Cavotec is to supply six MoorMaster™ units for the two locks on the US side of the St. Lawrence Seaway. The second order comes from SeaRoad Holdings, a leading Australian transport and logistics provider which purchased two additional MoorMaster™ units to supplement their existing installations in Devonport and Melbourne. The third order is for an installation in Newfoundland, eastern Canada, where four MoorMaster™ units are to be installed for the Portugal Cove - Bell Island passenger ferry service.

We also witnessed two important R&D milestones with the development and launch of a new 400Hz converter and a new sub-freeze Pre-Conditioned Air system; both designed, engineered and manufactured at Cavotec Inet in the USA. These products will provide us with an important competitive edge in the airport ground support equipment market.

3Q15 order intake declined 15% year-over-year while our order book has grown 21.3% to EUR 122.5 million from the year-end, with a strong contribution from the Airports Market Unit.

Looking ahead

Looking at the immediate road ahead, 4Q15 looks to be a new milestone in Cavotec's history and we are working full speed, including double shifts at our manufacturing facilities, to meet our customers' expectations. We have also recently opened an additional assembly facility in Shanghai, China and have taken steps to expand our manufacturing capacity at Cavotec Specimas in Italy. Nevertheless, as a result of the unprecedented amount of deliveries scheduled for these coming months, I expect that this will, in some cases, lead to deliveries being delayed to 1Q16.

Our MoorMaster™ technology undoubtedly remains one of the key pillars for Cavotec's future growth, and with the new developments we have planned for this system and the increasing acceptance from the market, it has great long-term growth potential. Our Alternative Maritime Power systems for ships are also well positioned for growth, particularly as governing bodies worldwide increase their focus on reducing vessel emissions. Similarly, our existing product range for airports, complemented by the recent product developments, put us in a leadership position by offering a truly comprehensive product range for our customers.

Cavotec has excellent long-term prospects and, together with targeted M&A, we are set for growth over the coming years. I am confident in the revised FY15 guidance released on 19th October for revenues between EUR 230 and 235 million and a somewhat reduced level of profitability compared to FY14.

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For further details, please contact:

Michael Scheepers

Group Director, IR & Corporate Communications

+41795024010 or michael.scheepers@cavotec.com

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 November 2015 at 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.

Contacts



Memed Üzel

Press Contact

Chief Commercial Officer

memed.uzel@cavotec.com

+41 91 911 4010