

Cavotec SA - update on operational and financial impact related to COVID-19

- Revenues for Q1 2020 expected to decrease 15-20% compared to Q1 2019, due to government decision to close down businesses in Italy, including Cavotec's production facility, leading to postponements of deliveries to customers
- Remaining production units in the USA, Europe and Asia are fully operational
- Order backlog expected to grow in the first quarter on the back of strong market interest
- No order cancellations related to the COVID-19 situation

Cavotec SA believes there is a risk of material revenue impact in Q1 2020 compared to earlier expectations due to postponements of deliveries. Based on current assessment, the Group's revenue is expected to be 15 to 20 percent lower in Q1 2020 compared to Q1 2019. The revenue decline is related to COVID-19 and Italy's decision to close all non-essential businesses, which includes Cavotec's production facility outside Milan. Many deliveries scheduled for the last two weeks of March will now be postponed to the next quarter. Cavotec's other production facilities in the USA, Europe and Asia are fully operational and have so far only been indirectly affected by COVID-19 due to logistical restrictions. Our production facility in California, USA has been classified by the authorities as an essential business.

The Group has proactively implemented cost control measures at the start of the COVID-19 situation and is at the moment expected to stay profitable in the quarter even at the lower revenue level.

Mikael Norin, CEO, says; "I am very thankful for the strong support from our customers during these exceptional times. We are working actively with them to re-schedule deliveries impacted by the COVID-19 situation. At the same time their interest in new business with us has remained at a strong level in the quarter as a whole, including March which means that the order backlog continues to grow."

Norin continued; "We have during this period again seen that our absolute biggest strength is our incredible people all over the world who are working hard every day to support our customers, and our primary focus is their health and wellbeing. We will continue to do what is necessary in this regard while also securing the continuity of our operations".

Due to the uncertainty of how the COVID-19 situation will develop, it is too early to draw any conclusion of the financial impact on the Group for future periods.

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For further details please contact:

Johan Hähnel

Investor Relations Manager

Telephone: +46 70 605 63 34

Email: investor@cavotec.com

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About Cavotec

Cavotec is a leading engineering group that designs and manufactures automated connection and electrification systems for ports, airports and industrial applications worldwide. Cavotec's innovative technologies ensure safe, efficient and sustainable operations. To find out more about Cavotec, visit our website at cavotec.com.