

Cavotec presents strategy to reach financial targets at Investor Information Meeting

Today, 7 May, at 13.30 Cavotec SA (“Cavotec or the Company”) will hold its Investor Information Meeting 2019 in Stockholm. CEO Mikael Norin together with members of the executive management team will give an update on the transformation of Cavotec, the next chapter of the Company’s strategy and the new financial targets that were published on 6 May, 2019.

Mikael Norin, President and CEO, says: “We have during the past 18 months focused on transforming and restructuring Cavotec in order to create a strong foundation to build on after several years of stagnant revenues and declining profitability. The actions have included an extensive transformation program to increase efficiency, simplified governance, a cost reduction program, a thorough market analysis and strengthening of the top management. With our focused strategy, presented in detail at our Investor Information Meeting today, we create prospects for future growth and increased profitability.

Strategy

Cavotec’s strategic direction is to actively contribute to a **future** world that is cleaner, safer and more efficient by providing innovative **connection solutions** for ships, aircraft and mobile equipment **today**. This is broken down into the following focus growth areas:

*To contribute to **an autonomous maritime supply chain*** by providing solutions for automatic mooring and loading and unloading for ultimate efficiency, solutions for clean electric power to ships and cranes and gathering of big data to monitor and improve performance.

*To contribute to **the fully automated airport*** by providing solutions for airplanes when docking, with no human interactions and with all ground support services being supplied safely from in-ground, and thereby increase efficiency and avoid accidents for passengers and employees.

*To contribute to **the fully remotely controlled mine***, by supplying solutions for all mining vehicles and cranes to be controlled remotely through seamless power connection and continuous connectivity, keeping workers safe and ensure efficiency.

*To offer **total life cycle management*** by helping customers focus on their core activities and maximize the availability of their assets.

The company’s growth strategy is supported by two continuous improvement programmes to ensure financial performance:

Commercial Excellence, to continuously increase efficiency and satisfaction in all customer facing, commercial activities.

Operational Excellence, to continuously improve the efficiency and quality of all internal activities to better serve our customers' needs.

Market outlook

The continued growth in global trade increases the need for cargo and container capacity, while environmental regulations require further electrification for Cavotec's customers groups. In Ports and Maritime, the continued building of large container vessels as well as the trend with electrified vessels will require investment in crane technology and shore power, which, together with increasing focus on safety and efficiency is expected to drive demand. In airports the global growth in passenger traffic drives expansion and construction of new airports and terminals, which in turn drives the need for safe and efficient ground support equipment. In mining, rising commodity prices and the recovery of the entire mining industry drives growth, as does safety and efficiency aspects.

Cavotec's total addressable market is expected to grow on average approximately 6 % annually from 2019 to 2022, broken down as follows: Ports 6 %, Maritime 3%, Airports 10% and Mining 6%.

Assumptions for all key segments are based on external sources.

Financial targets

On May 6, 2019 the Board of Directors of Cavotec SA, based on the strategy and market outlook outlined above, adopted the following financial targets and dividend policy for the Group, which was communicated in a press release the same day.

Sales Growth – Cavotec's target is to achieve an annual organic revenue growth of at least 5% from 2020, in addition to possible acquisitions.

EBIT Margin – Cavotec's target is to reach an annual adjusted EBIT margin of more than 7% within two years and more than 10% within four years.

Dividends – Cavotec's target is to distribute dividends of approximately 30-50% of net profits over a business cycle. Any pay-out decision will be based on the Company's financial position, investment needs, acquisitions and liquidity position.

Details of Cavotec's Investor Information Meeting on 7 May, 2019

Participants from Cavotec

Mikael Norin, CEO, Glenn Withers, CFO, the Division Presidents: Patrick Mares, Ports & Maritime, Juergen Strommer, Airports & Industry, Patrick Baudin, Services and Martin Riegger, COO and Group SVP Operations.

Date and address

The investor meeting will be held 7 May at 13.30 – 16.30 CEST, at Helio, Grev Turegatan 30 in Stockholm, Sweden.

Registration

The meeting will be held in English and is only for investors and analysts. To join the investor information meeting, please register by sending an email to: investorinformationday@cavotec.com

Live video webcast

The meeting can be followed live or as replay via the internet:
<https://tv.streamfabriken.com/cavotec-live-webcast-link-investor-information-meeting-2019> and also at: <http://ir.cavotec.com> in the section Investor Meetings.

Conference call

If you wish to listen to the presentation via telephone, please dial on of the following numbers:
SE: +46856642692
UK: +443333009030
US: +18335268382

Presentation

The presentation will be available once the presentation has started at <http://ir.cavotec.com> in the section Investor Meetings.

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For further details please contact:

Johan Hähnel

Investor Relations Manager
Telephone: +46 70 605 63 34
Email: investor@cavotec.com

This is information that Cavotec SA is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 07:00 CEST on 7 May 2019.

Cavotec is a leading engineering group that designs and manufactures automated connection and electrification systems for ports, airports and industrial applications worldwide. We want to contribute to a future world that is cleaner, safer and more efficient by providing innovative connection solutions for ships, aircraft and mobile equipment today. To find out more about Cavotec, visit our website at cavotec.com