

Cavotec Group AB

CCC | Nasdaq Stockholm (Mid Cap) | Industrials -- Industrial Machinery

EQUITY RESEARCH | 12 MARCH 2026

RATING: HOLD

12-Mo Price Target: EUR (report) / SEK (stock price) 15.0

| | | | |
|-------------------------|-----------------------|------------------------|----------------------|
| Market Cap | SEK 1,286M / EUR 119M | EV (est.) | EUR ~128M |
| Revenue (FY2025) | EUR 161M | EBITDA Margin (FY2025) | 5.7% |
| EBIT Margin (FY2025) | 2.0% | FCF (FY2025) | EUR 10.9M |
| FCF Yield | 9.2% | EV/EBITDA (FY2024) | 7.6x |
| Order Backlog (Q3 2025) | EUR 125.8M | Next Report | Q1 2026: 24 Apr 2026 |

1. BUSINESS MODEL BREAKDOWN

Cavotec is a cleantech company specialising in connection and electrification solutions that enable the decarbonisation of ports and industrial applications. Founded in 1974 and headquartered in Stockholm (relocated from Switzerland in 2025), the company designs, manufactures and services automated and electrified systems used across ports, maritime, mining, energy, and general industry.

How Cavotec Makes Money

Revenue is generated through two operating segments: Ports & Maritime (the larger division, estimated at ~60-65% of group revenue) and Industry (~35-40%). The business model is predominantly project-driven: Cavotec wins contracts for large-scale infrastructure installations -- automated mooring systems, shore power connections, cable management systems -- and recognises revenue as projects are delivered. This creates inherent lumpiness in quarterly and annual results.

Within Ports & Maritime, the flagship product is MoorMaster, a vacuum-based automated mooring system that is effectively a monopoly product -- over 430 units installed globally with 1.5 million+ completed moorings over 20+ years. Shore power (connecting ships to onshore electricity) is the fastest-growing product line, driven by EU and IMO decarbonisation mandates. The Industry segment covers radio remote controls, cable reels, mining/tunnelling equipment, and crane electrification.

Aftermarket service and spare parts provide some recurring revenue, but project deliveries dominate the revenue mix. Geographic exposure is diversified: EMEA is the largest region, followed by Asia-Pacific and the Americas. The company employs approximately 719 people globally.

| | |
|----------------------|---|
| Founded | 1974 |
| Headquarters | Stockholm, Sweden (moved from Switzerland 2025) |
| Employees | ~719 |
| Shares Outstanding | 106.7 million |
| Listing | Nasdaq Stockholm Mid Cap (since Oct 2011) |
| Report Currency | EUR |
| Stock Price Currency | SEK |
| Largest Shareholder | Bure Equity AB (36.0%) |

2. REVENUE STREAMS

Cavotec operates through two reportable segments. Exact segment revenue splits are not available from our data sources for the most recent fiscal year, but based on historical patterns and qualitative disclosures, we estimate the following breakdown:

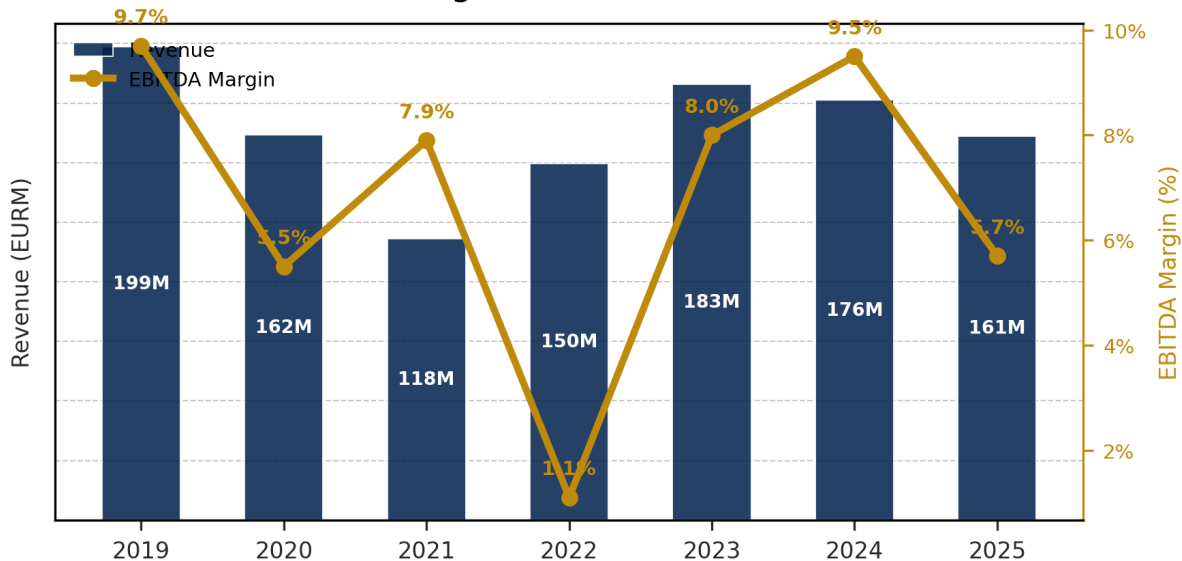
| Segment | Est. Rev. | Key Products | Growth Driver | Margin Profile |
|------------------|-----------|---|---------------------------------------|---------------------------|
| Ports & Maritime | ~60-65% | MoorMaster, shore power, cable mgmt | EU electrification mandates, IMO 2050 | Higher, but project-lumpy |
| Industry | ~35-40% | Radio remote controls, cable reels, mining equip. | Industrial automation, mining capex | More stable, improving |

Revenue Development (EUR millions)

| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|----------------|-------|--------|--------|--------|--------|-------|-------|
| Revenue (EURm) | 198.6 | 161.7 | 118.1 | 149.6 | 182.8 | 176.2 | 161.2 |
| Growth (%) | +2.6% | -18.6% | -27.0% | +26.7% | +22.2% | -3.6% | -8.5% |

Revenue has been highly cyclical, ranging from EUR 118M (2021 trough) to EUR 199M (2019 peak). The 2020-2021 decline reflected COVID disruptions and a strategic restructuring. The 2022-2023 recovery was driven by strong order intake for shore power and MoorMaster. The 2024-2025 softening reflects customer caution amid macroeconomic uncertainty, with customers deferring shorter lead-time orders. The order backlog of EUR 125.8M (Q3 2025) provides some visibility for 2026.

Revenue & EBITDA Margin



3. PROFITABILITY ANALYSIS

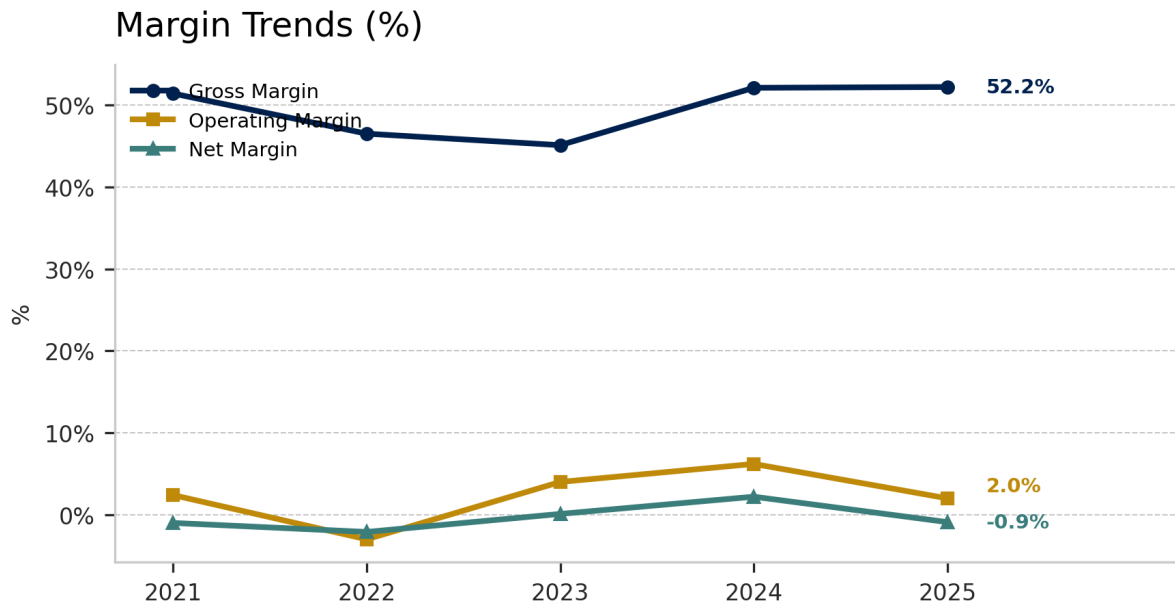
Cavotec's profitability has been volatile, reflecting the project-driven business model and significant restructuring costs in 2017-2018. The company achieved its best recent profitability in FY2024 (6.2% EBIT margin, 2.2% net margin), but this deteriorated sharply in 2025 as revenue declined while the cost base proved sticky.

| Metric | 2021 | 2022 | 2023 | 2024 | FY2025 |
|------------------|-------|-------|-------|-------|--------|
| Gross Margin | 51.4% | 46.5% | 45.1% | 52.1% | 52.2% |
| EBITDA Margin | 7.9% | 1.1% | 8.0% | 9.5% | 5.7% |
| Operating Margin | 2.4% | -3.0% | 4.0% | 6.2% | 2.0% |

| | | | | | |
|------------|-------|-------|------|------|-------|
| Net Margin | -1.0% | -2.1% | 0.1% | 2.2% | -0.9% |
| FCF Margin | 5.2% | 2.5% | 4.8% | 4.0% | 6.8% |

Key observations: (1) Gross margins have recovered to 52%+, suggesting healthy product-level economics and improved mix. (2) The gap between gross and operating margin (50 percentage points) reveals a heavy overhead structure relative to the revenue base. (3) Net margin has been negative in 5 of the last 6 years -- only 2024 was meaningfully positive. (4) FCF margin has been consistently better than net margin, as non-cash charges (D&A, provisions) and working capital management support cash generation even in loss years.

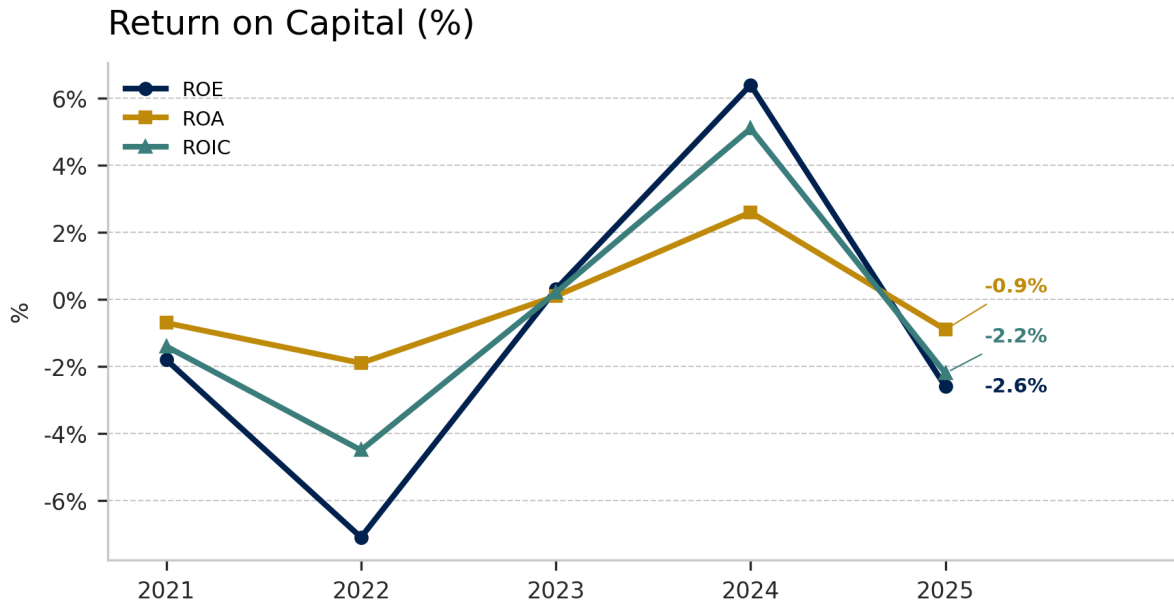
The fundamental challenge is clear: Cavotec has healthy gross margins but cannot consistently translate them into bottom-line profitability due to high operating costs relative to its revenue base. Scale is the missing ingredient.



4. RETURN ON CAPITAL

Return metrics reflect the volatile profitability. ROE turned meaningfully positive only in 2024 (6.4%), while ROIC has been below cost of capital in all years except 2024 (5.1%). This is a company that has struggled to earn its cost of capital, a critical consideration for long-term value creation.

| Metric | 2021 | 2022 | 2023 | 2024 | FY2025 |
|-------------------------|-------|-------|------|-------|--------|
| ROE | -1.8% | -7.1% | 0.3% | 6.4% | -2.6% |
| ROA | -0.7% | -1.9% | 0.1% | 2.6% | -0.9% |
| ROIC | -1.4% | -4.5% | 0.2% | 5.1% | -2.2% |
| ROC (Return on Capital) | 3.2% | -6.5% | 9.5% | 14.4% | 5.1% |

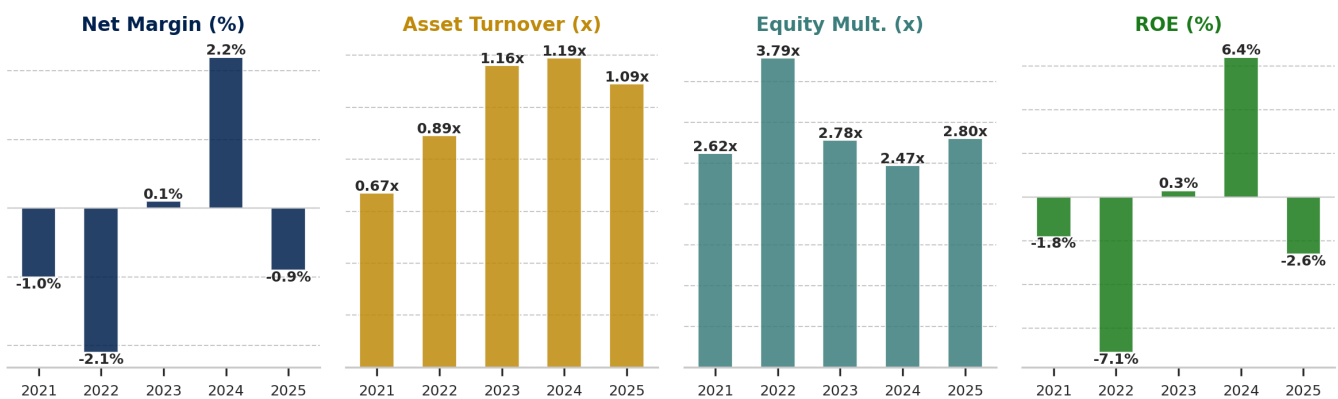


DuPont Decomposition

Breaking down ROE into its components reveals the drivers of return volatility: net margin is the primary culprit, swinging from positive to negative. Asset turnover has improved from 0.67x (2021) to 1.09x (2025) as the asset base was rationalised post-restructuring. The equity multiplier (financial leverage) has ranged 2.5-3.8x, reflecting moderate-to-high leverage.

| DuPont Component | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------------------|-------|-------|------|------|-------|
| Net Margin (%) | -1.0% | -2.1% | 0.1% | 2.2% | -0.9% |
| Asset Turnover (x) | 0.67 | 0.89 | 1.16 | 1.19 | 1.09 |
| Equity Multiplier (x) | 2.62 | 3.79 | 2.78 | 2.47 | 2.80 |
| = ROE (%) | -1.8% | -7.1% | 0.3% | 6.4% | -2.6% |

DuPont Decomposition: ROE = Margin × Turnover × Leverage



5. BALANCE SHEET HEALTH

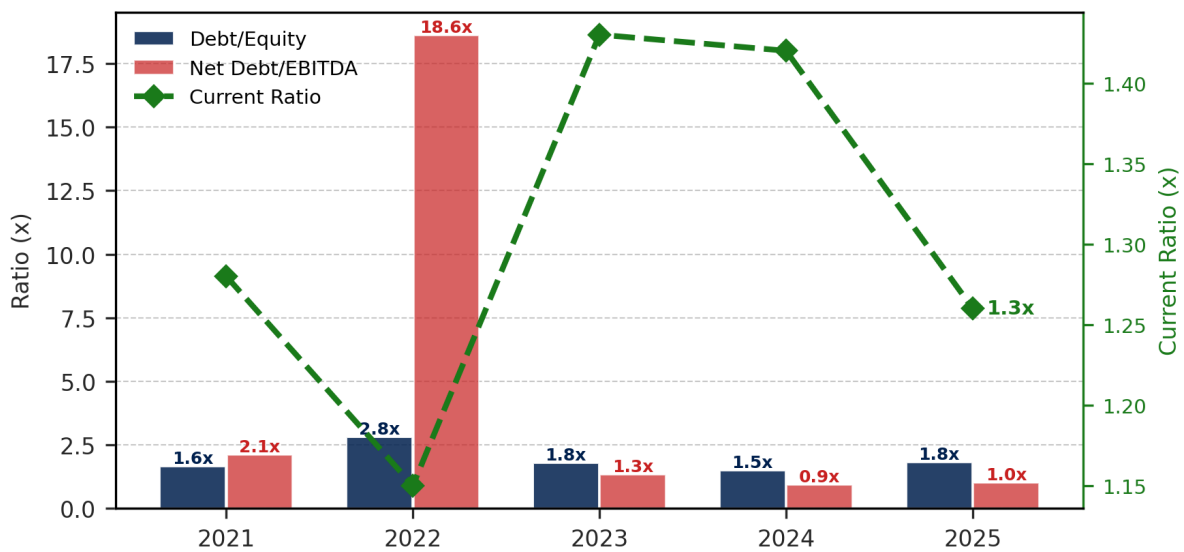
Cavotec's balance sheet is adequate but not strong. The equity ratio has ranged 26-40% over the past five years, with the 2022 trough reflecting accumulated losses and high leverage. Net debt has been manageable, declining from EUR 30M in 2022 to an estimated EUR ~9M at end-2025, supported by strong cash flow generation and asset disposals.

| Metric | 2021 | 2022 | 2023 | 2024 | FY2025 |
|---------------------|-------|-------|-------|-------|--------|
| Total Assets (EURm) | 175.0 | 168.2 | 157.2 | 148.2 | 147.7 |

| | | | | | |
|---------------------|-------|-------|-------|-------|-------|
| Total Equity (EURm) | 66.7 | 44.4 | 56.6 | 59.9 | 52.7 |
| Cash (EURm) | 12.2 | 9.6 | 15.1 | 11.6 | 14.9 |
| Net Debt (EURm) | 19.6 | 30.3 | 18.6 | 15.2 | ~9 |
| Equity Ratio | 38.1% | 26.4% | 36.0% | 40.4% | 35.7% |
| Debt/Equity | 1.63x | 2.79x | 1.78x | 1.48x | 1.80x |
| Net Debt/EBITDA | 2.1x | 18.6x | 1.3x | 0.9x | ~1.0x |
| Current Ratio | 1.28x | 1.15x | 1.43x | 1.42x | 1.26x |

The 2022 Net Debt/EBITDA spike to 18.6x was driven by near-zero EBITDA rather than excessive debt. The 2024 ratio of 0.9x and estimated 2025 ratio of ~1.0x are comfortable levels. Liquidity is adequate with a current ratio above 1.2x, though the decline from 1.42x to 1.26x warrants monitoring. The company relocated its domicile from Switzerland to Sweden in 2025, which should reduce administrative costs and improve operational agility.

Leverage & Liquidity



6. FREE CASH FLOW ANALYSIS

Free cash flow has been a relative bright spot. Unlike earnings, FCF has been positive in every year from 2020 to 2025, averaging EUR 7.5M annually. The FY2025 FCF of EUR 10.9M was the strongest in recent years, driven by working capital releases as revenue declined -- a common pattern in cyclical businesses during downturns.

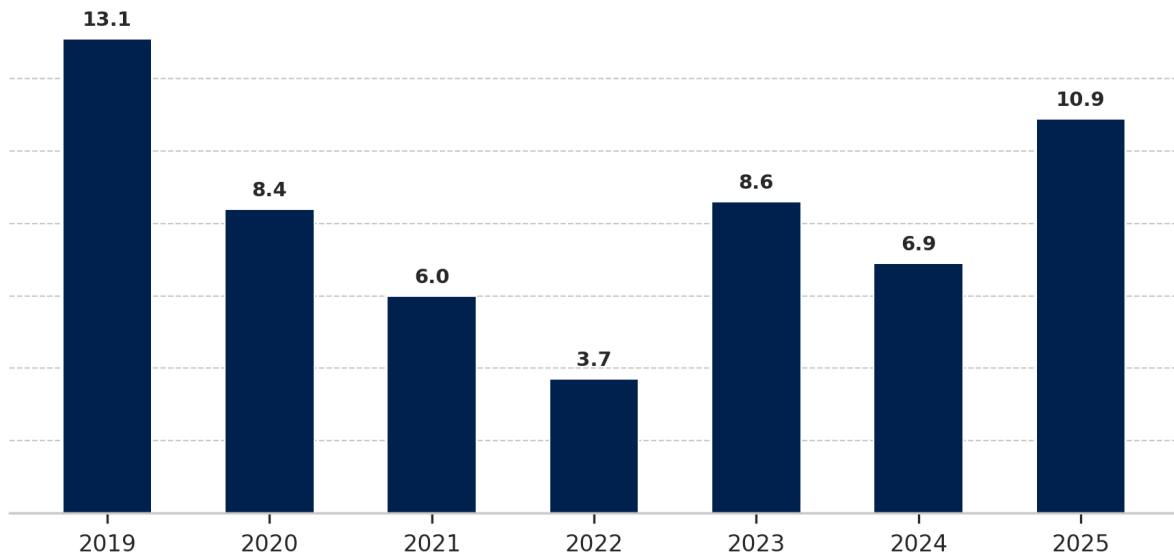
| FCF Metric | 2020 | 2021 | 2022 | 2023 | 2024 | FY2025 |
|---------------------|-------|-------|-------|-------|-------|--------|
| Revenue (EURm) | 161.7 | 118.1 | 149.6 | 182.8 | 176.2 | 161.2 |
| FCF (EURm) | 8.4 | 6.0 | 3.7 | 8.6 | 6.9 | 10.9 |
| FCF Margin | 5.2% | 5.1% | 2.5% | 4.7% | 3.9% | 6.8% |
| FCF / Net Income | neg. | neg. | neg. | 4.3x | 1.8x | neg. |
| FCF Yield (current) | | | | | | 9.2% |

Capital allocation has been conservative: no dividends since 2018, no share buybacks, and modest capex (~2-3% of revenue). This cash preservation strategy has helped rebuild the balance sheet after the 2017-2018 crisis. However, it also raises questions about management's confidence in the business and the ability to return capital to shareholders. The announced cost-saving measures for 2026 suggest management is prioritising profitability over growth.

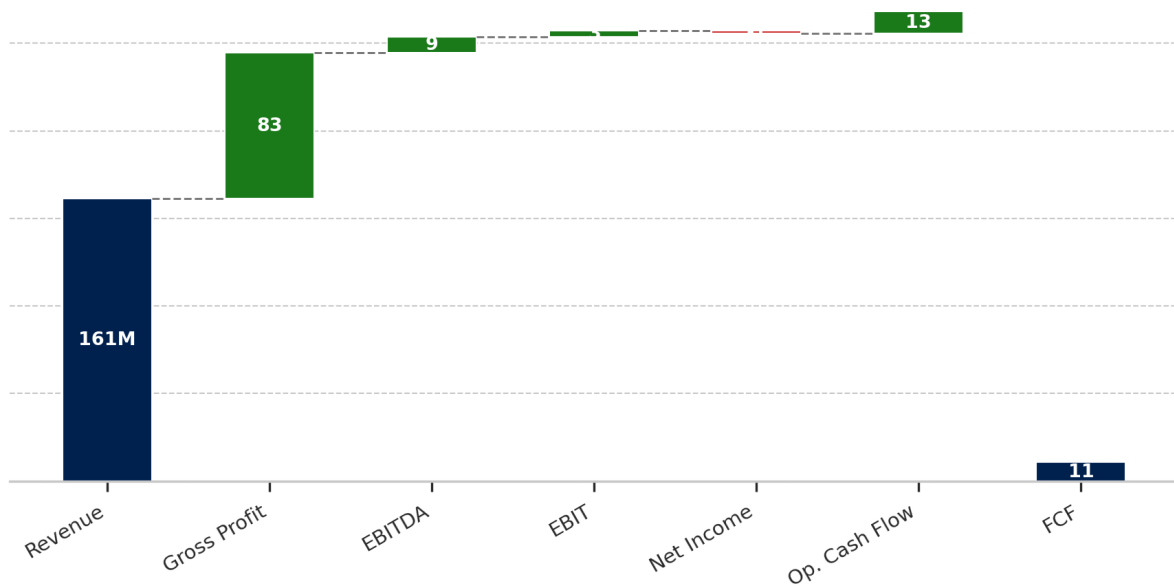
Normalised mid-cycle FCF is estimated at EUR 7-8M (assuming EUR 170M revenue, 8% EBITDA margin, 2.5%

capex/revenue). This implies a through-cycle FCF yield of ~6% at the current share price -- attractive but not compelling.

Free Cash Flow

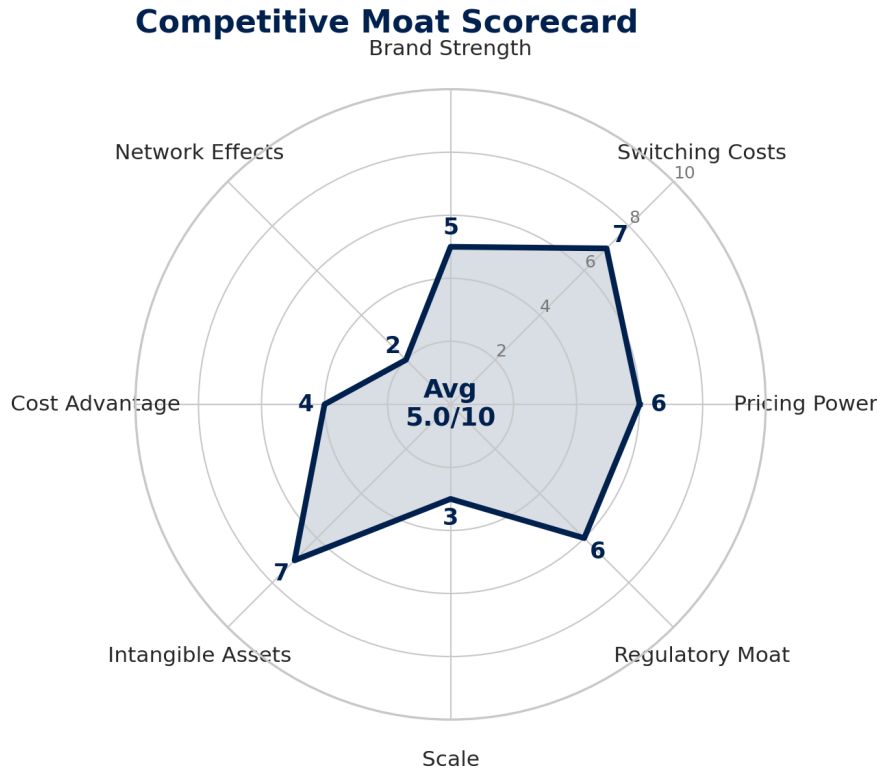


Cash Flow Waterfall



7. COMPETITIVE ADVANTAGES

Cavotec possesses a genuine competitive moat in automated vacuum mooring through its MoorMaster technology, but faces significant competition in its other product lines. We assess competitive advantages across eight dimensions:



MoorMaster: A Genuine Monopoly (Moat Score: 8/10)

MoorMaster is the only proven and widely-deployed vacuum-based automated mooring system globally, with 430+ units installed and 1.5M+ completed moorings over 20+ years. The technology eliminates the need for traditional rope mooring, improving safety, efficiency, and vessel turnaround times. Competitors (Trelleborg's AutoMoor, MacGregor/Cargotec) offer alternative automated mooring solutions but have not matched MoorMaster's installed base or track record. Switching costs are high once a port has invested in the infrastructure.

Shore Power: Growing but Competitive (Moat Score: 4/10)

In shore power connections, Cavotec is a respected niche player but competes against much larger electrical engineering groups: ABB, Siemens, Schneider Electric, GE, Wartsila, and Hitachi Energy. Cavotec's advantage is its port-specific domain expertise and integration capabilities, but it lacks the scale and balance sheet of these competitors. The shore power market is projected to grow from USD 2.0B (2024) to USD 3.6B by 2029, providing a strong structural tailwind.

Industry Segment: Niche Specialist (Moat Score: 5/10)

The Industry segment's products (radio remote controls, cable management, mining equipment) serve fragmented markets with moderate competition. Product quality and reliability are differentiators, but barriers to entry are lower than in the Ports & Maritime segment.

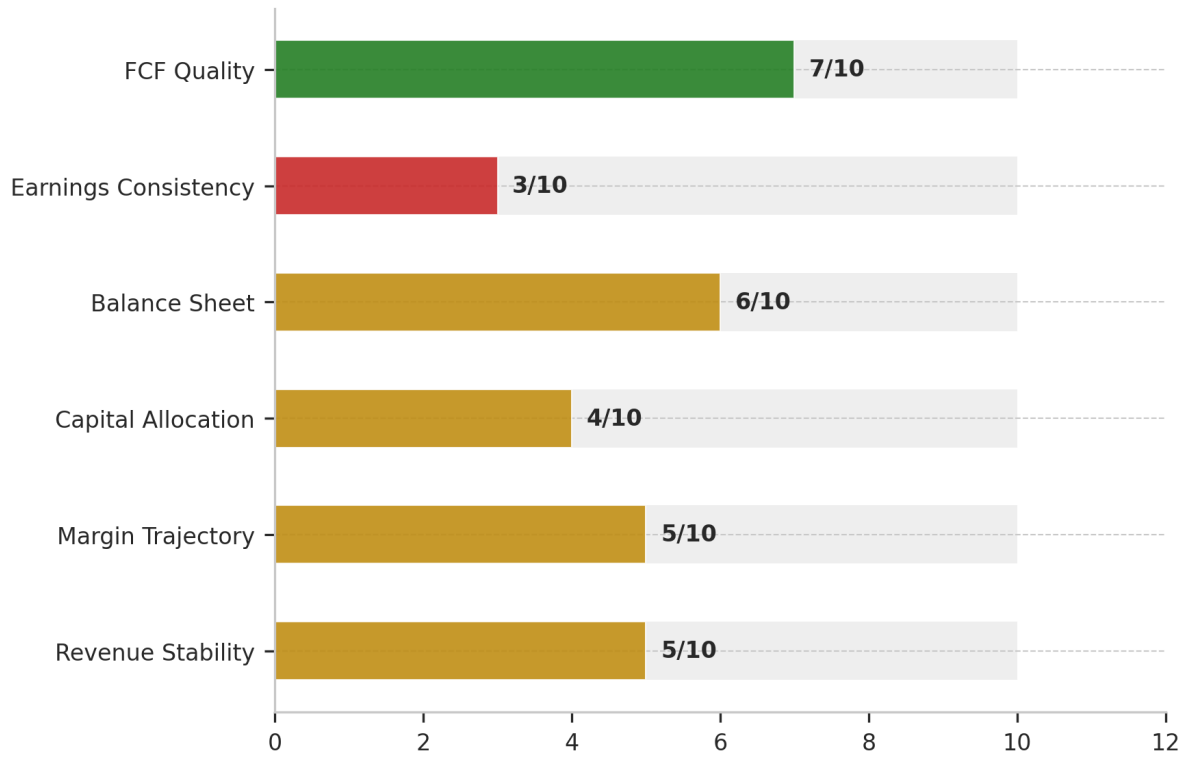
Regulatory Tailwind

EU regulations requiring shore power capability at major ports by 2030, combined with IMO decarbonisation targets, create a structural demand driver for Cavotec's core products. This regulatory moat is significant and growing, but benefits the industry broadly rather than Cavotec specifically.

8. FINANCIAL QUALITY ASSESSMENT

We assess Cavotec's financial quality across six dimensions. The company scores moderately, with strong FCF quality offset by poor earnings consistency and weak capital allocation.

Financial Quality Scorecard

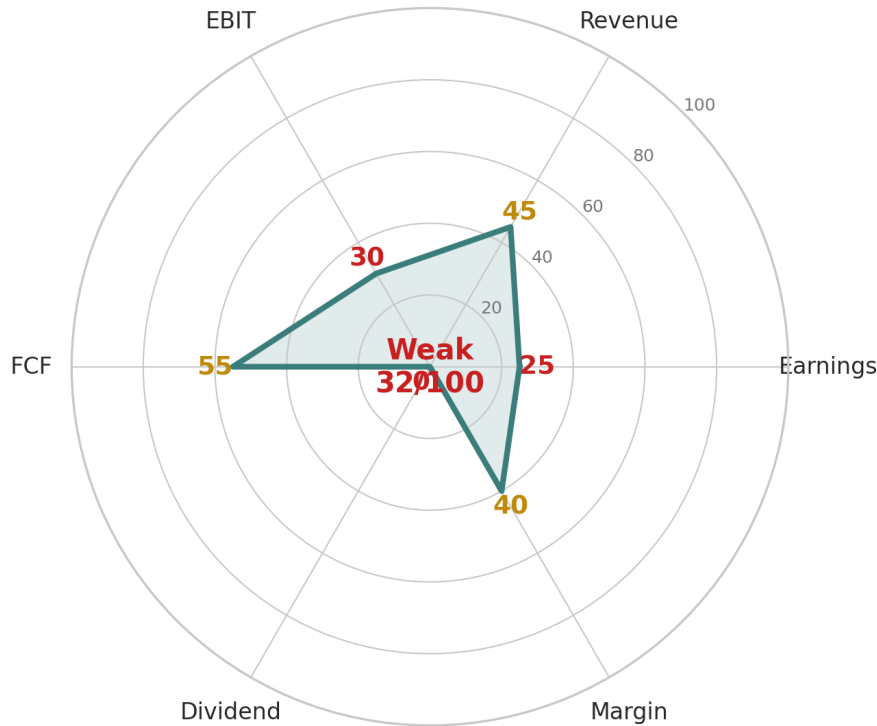


| Quality Metric | Score | Commentary |
|------------------------|-------|---|
| FCF Quality | 7/10 | Positive FCF in all recent years; FCF consistently exceeds net income |
| Earnings Consistency | 3/10 | Net losses in 5 of last 6 years; highly volatile EPS |
| Balance Sheet Strength | 6/10 | Manageable debt, adequate liquidity, but thin equity buffer |
| Capital Allocation | 4/10 | No dividends, no buybacks; conservative but unclear strategy |
| Margin Trajectory | 5/10 | Gross margins improving; operating margins volatile |
| Revenue Stability | 5/10 | Project-driven, cyclical; 27% peak-to-trough swings |

Stability Assessment

Stability metrics are poor across most dimensions. Earnings and EBIT stability are very low given the frequency of losses. FCF is the most stable financial metric, supported by non-cash charges and working capital management. The absence of dividends since 2018 eliminates dividend stability as a quality signal. Note: Borsdata quantitative quality scores (Piotroski F-Score, Magic Formula, Graham Strategy, stability metrics) were unavailable for this instrument due to API limitations.

Financial Stability



9. VALUATION SNAPSHOT

At SEK 12.05, Cavotec trades at depressed multiples on most metrics. However, the low multiples partly reflect the weak underlying profitability and high earnings volatility rather than a genuine bargain.

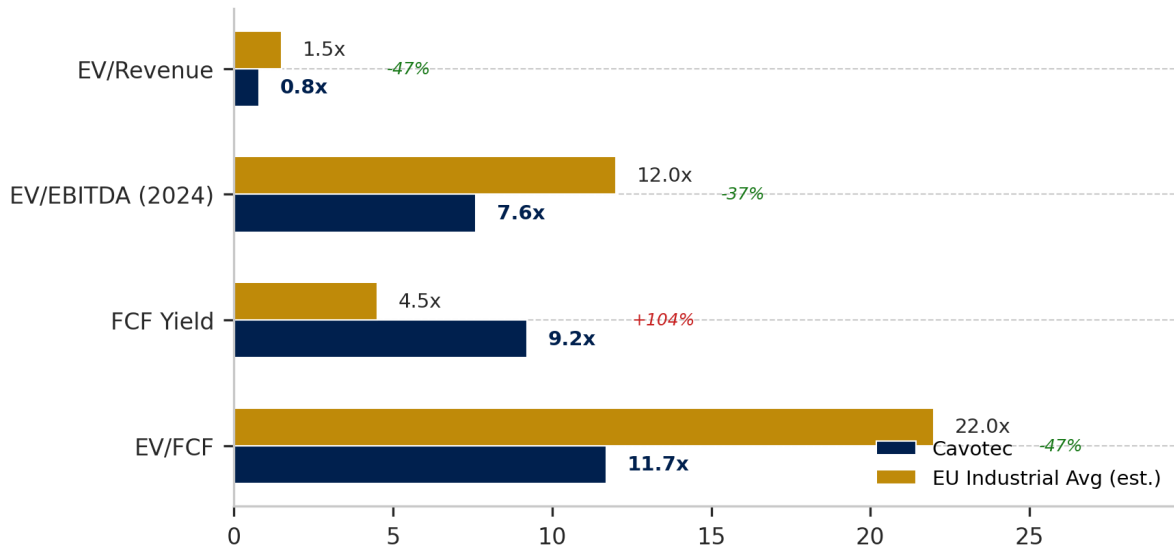
| Valuation Metric | Current (FY2025) | FY2024 | 5yr Avg | Sector Est. |
|------------------|------------------|--------|---------|-------------|
| EV/Revenue | 0.79x | 1.12x | ~1.0x | 1.5x |
| EV/EBITDA | 13.8x | 7.6x | ~10x | 12.0x |
| EV/EBIT | 40.0x | 11.7x | n.m. | 16.0x |
| P/E | neg. | 30.9x | n.m. | 22.0x |
| FCF Yield | 9.2% | 5.8% | ~6% | 4.5% |
| EV/FCF | 11.7x | 18.5x | ~15x | 22.0x |
| Dividend Yield | 0% | 0% | 0% | 2.5% |

The most compelling valuation metric is the FCF yield of 9.2%, which is above our estimate of fair value (~6-7% for a company with this risk profile). However, the elevated FCF reflects working capital releases from declining revenue, which is not sustainable. On normalised FCF of EUR 7-8M, the yield drops to 6-7%.

EV/EBITDA on FY2025 numbers (13.8x) is above sector averages, reflecting the depressed EBITDA margin. On FY2024 EBITDA (which we consider more representative of mid-cycle earnings), EV/EBITDA of 7.6x represents a meaningful discount to the sector average of ~12x, partially justified by the smaller scale and higher volatility.

Sector peer comparison is limited as Borsdata returned no peer valuation data for CCC. The sector estimates above are based on our knowledge of European industrial machinery valuations and should be treated as indicative rather than precise.

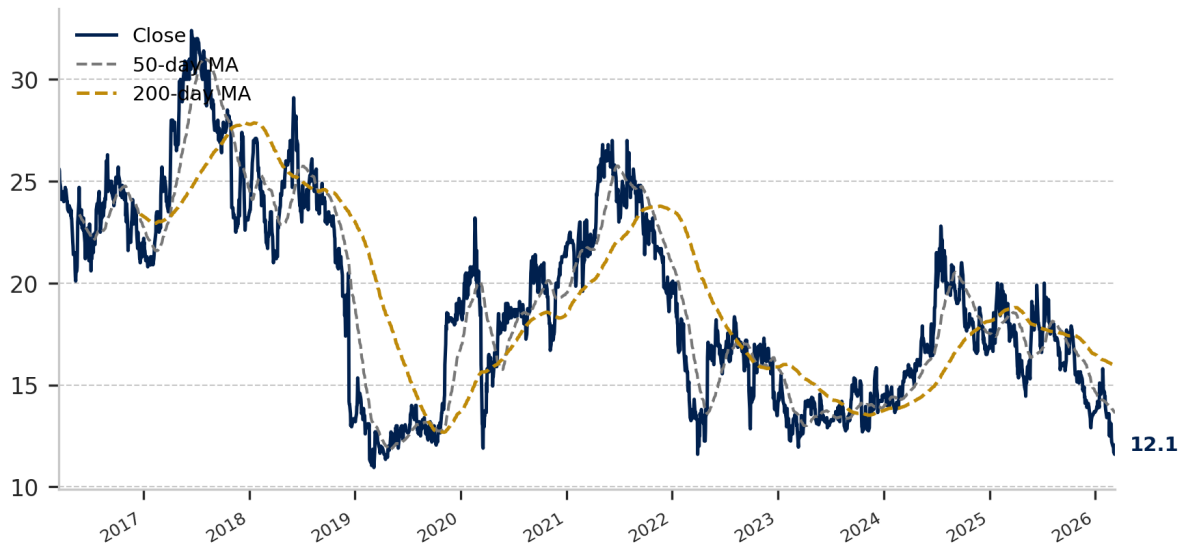
Valuation Comparison



10. STOCK PRICE PERFORMANCE & OWNERSHIP

Cavotec's share price has declined from SEK 23.50 in early 2025 to SEK 12.05 currently, a 49% decline reflecting the disappointing FY2025 results and broader market uncertainty. The stock is now trading near multi-year lows, having last been at these levels in late 2022. The 52-week range is SEK 11.30-23.50.

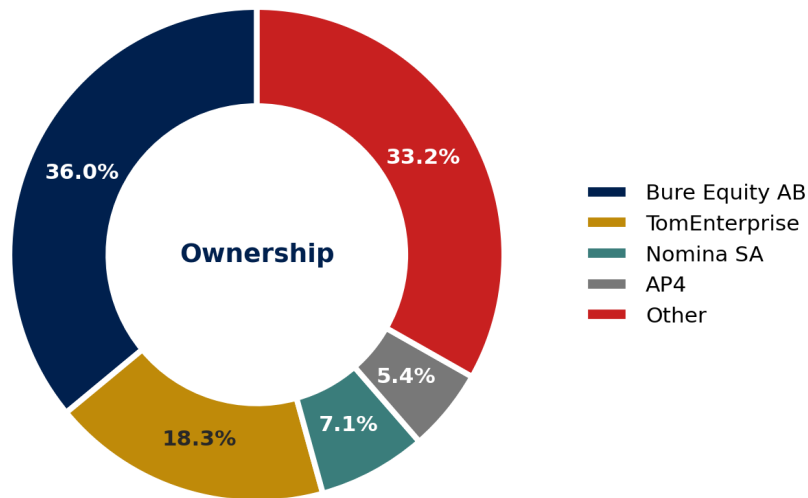
Stock Price (SEK)



Ownership Structure

Cavotec has a concentrated ownership structure dominated by Bure Equity AB (36.0%), a listed Swedish investment company. Bure has been a supportive long-term owner and purchased ~129,000 shares on the open market in May 2025 at SEK 15 per share. The second-largest holder is TomEnterprise (Thomas von Koch's vehicle) at 18.3%. Together, the top four shareholders control ~67% of shares, providing stability but also reducing free float and liquidity.

Ownership Breakdown



| Shareholder | Stake (%) | Type |
|--------------------------------|-----------|---------------------------|
| Bure Equity AB | 36.0% | Listed investment company |
| TomEnterprise Private AB | 18.3% | Private (Thomas von Koch) |
| Nomina SA | 7.1% | Private |
| AP4 (Swedish National Pension) | 5.4% | Institutional |
| Other / Free Float | 33.2% | Various |

11. PRICE TARGET METHODOLOGY

Our 12-month price target of SEK 15.00 is derived from a blended approach combining a discounted cash flow (DCF) model and an EV/EBITDA multiple valuation. We weight both approaches equally.

DCF Valuation

Our DCF uses normalised starting FCF of EUR 10M (FY2025 actual), an 8% FCF growth rate for years 1-5 (reflecting cleantech structural demand), a terminal growth rate of 2.5%, and a WACC of 10% (reflecting Cavotec's small-cap risk premium and earnings volatility). Net debt is estimated at EUR 9M. This yields a fair value of SEK 16.50 per share.

EV/EBITDA Valuation

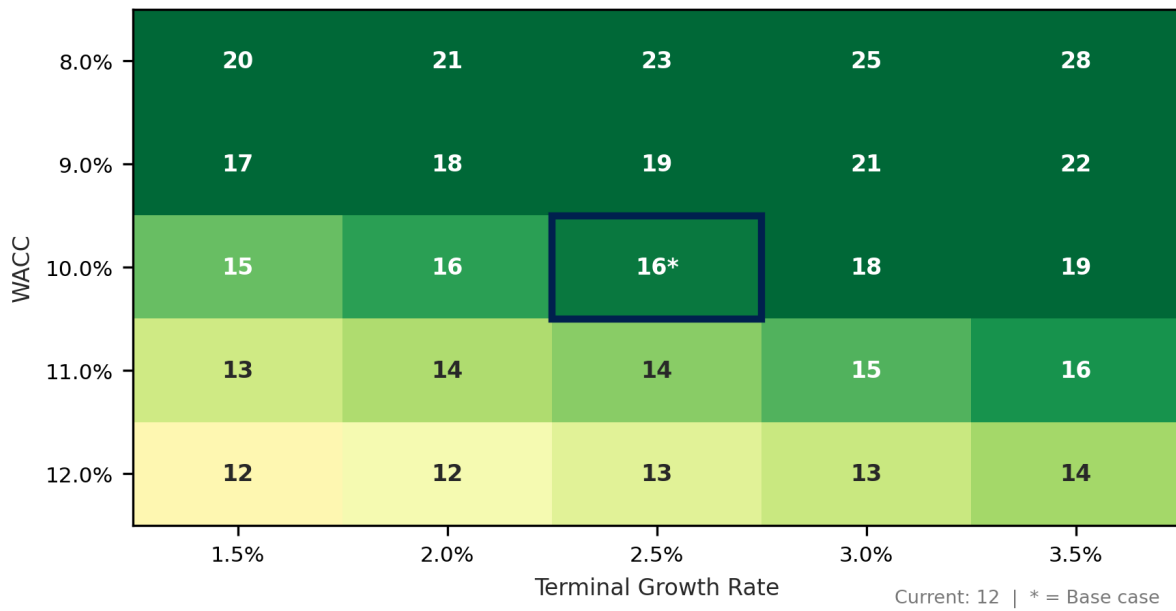
Using 2026E EBITDA of EUR 13.6M (assuming EUR 170M revenue and 8% EBITDA margin, reflecting partial recovery plus cost savings) and a 10x EV/EBITDA multiple (discount to industrial sector for volatility and scale), we derive EV of EUR 136M, equity value of EUR 127M, or SEK 12.90 per share. At 12x (cleantech premium), the value rises to SEK 15.60.

Blended Target

Blending DCF (SEK 16.50) and EV/EBITDA at 11x (SEK 14.30) yields a fair value of SEK 15.40. We round to SEK 15.00 to incorporate a modest discount for execution risk. This implies 24.5% upside from the current price of SEK 12.05.

DCF Sensitivity Table (SEK per share)

DCF Sensitivity Analysis



The sensitivity table demonstrates that at our base-case WACC of 10%, Cavotec's fair value ranges from SEK 14.90 (1.5% terminal growth) to SEK 18.60 (3.5% terminal growth). The current price of SEK 12.05 is only justified under a pessimistic scenario (WACC 12%+), suggesting moderate downside protection at current levels.

12. INSIDER TRANSACTIONS & SHORT POSITIONS

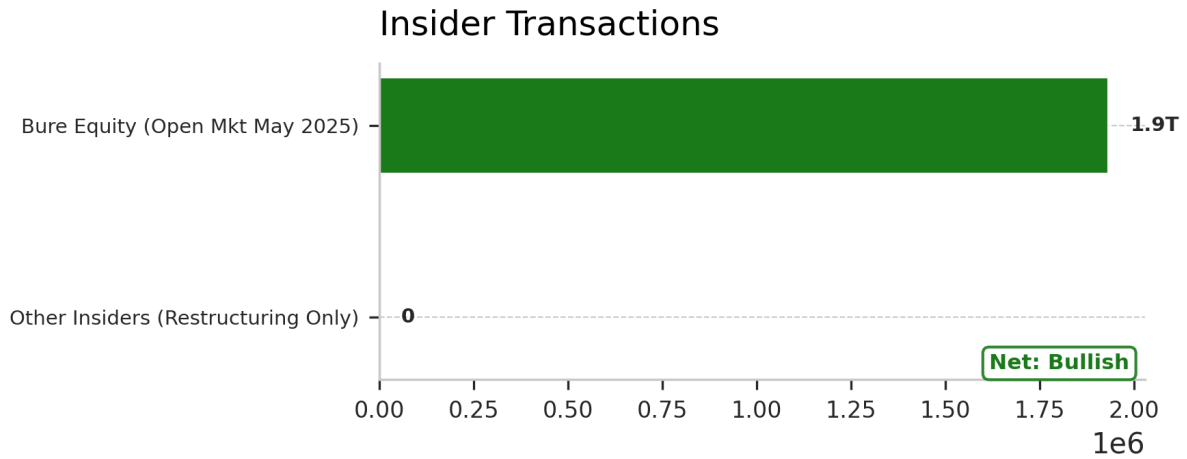
Insider transaction data for 2024-2025 is dominated by restructuring-related transfers associated with Cavotec's move from Switzerland to Sweden and the share exchange offer from Cavotec Group AB. These transfers do not represent genuine open-market insider buying or selling signals.

Meaningful Insider Activity

The most notable open-market transaction was Bure Equity's purchase of ~129,000 shares in May 2025 at approximately SEK 15 per share, totalling SEK 1.9M. This was a modest addition to Bure's existing 36% stake. CEO David Pagels and CFO Joakim Wahlquist have participated in equity incentive programs (option exercises) but no significant open-market purchases or sales were identified in the 2024-2025 period. The limited insider buying at current depressed levels is neither a strong positive nor negative signal.

Short Positions

No reportable short positions were found for Cavotec (CCC) in the Nordic short-selling registry. This is unsurprising given the stock's small market capitalisation and limited free float, which make it unattractive for short sellers.

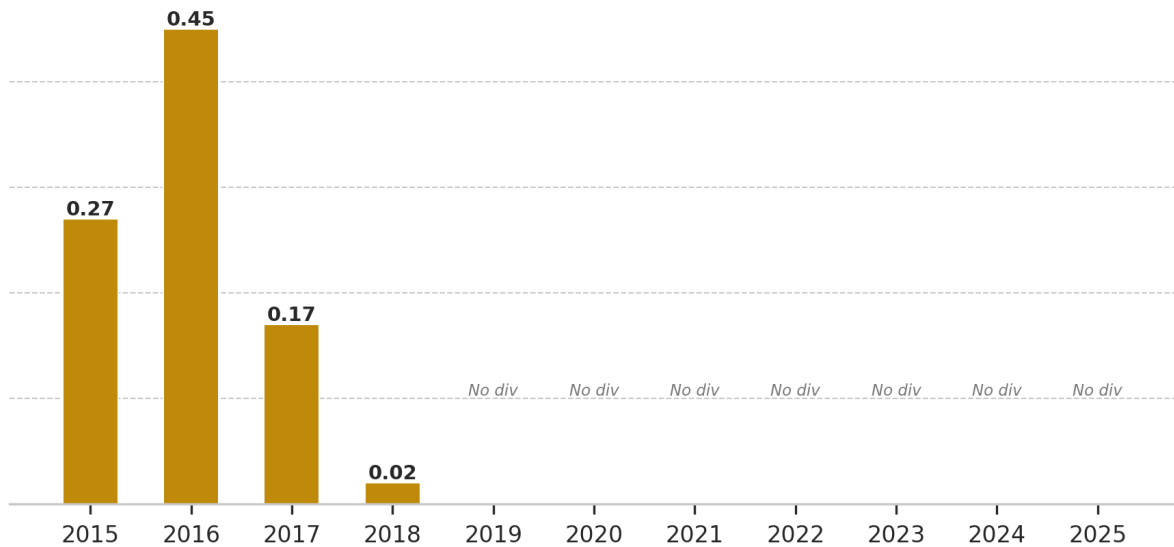


13. DIVIDENDS, BUYBACKS & CALENDAR

Cavotec has not paid a dividend since 2018 (CHF 0.019 per share, equivalent to approximately SEK 0.17). The company has not conducted any share buybacks. The dividend payout ratio has been 0% for the past seven years, reflecting the priority given to balance sheet repair and the absence of sustained profitability.

Given the current loss-making position and announced cost-saving measures, we do not expect a dividend to be reinstated in 2026. A return to dividend payments would require at least two consecutive years of positive net income, in our view.

Dividend Per Share (SEK)



Upcoming Calendar

| Event | Date |
|---------------------------|------------------|
| Q1 2026 Report | 24 April 2026 |
| Q2 2026 Report | 24 July 2026 |
| Q3 2026 Report | 6 November 2026 |
| Q4 2026 / Year-End Report | 19 February 2027 |

The Q1 2026 report on April 24 is a key catalyst, as management will detail the cost-saving measures announced in the Q4 2025 report. This report will provide the first signal of whether the profitability trajectory is improving.

14. HOW THIS ANALYSIS WAS MADE

Data Sources

This report was compiled using authoritative data from Borsdata API endpoints (company profile, financials, valuation, KPI dashboard, stock prices, insider holdings, short positions, buybacks, report calendar, dividend calendar, peer comparison) as the primary quantitative source. Qualitative research was sourced from Cavotec's investor relations page, press releases (Q1-Q4 2025 reports), Container News, MarketScreener, Yahoo Finance, and industry market research reports. Financial figures from Borsdata were treated as ground truth and were not cross-validated against web sources.

Analytical Frameworks

The analysis employed: (1) DuPont decomposition to understand ROE drivers, (2) a two-stage DCF model for intrinsic value estimation, (3) EV/EBITDA comparable valuation against European industrial machinery benchmarks, (4) Porter's Five Forces analysis for competitive positioning, and (5) margin and return trend analysis over a 5-year window. Quality was assessed using custom metrics as Borsdata's quantitative scores (Piotroski F-Score, Magic Formula, Graham Strategy) were unavailable for this instrument.

Key Assumptions

DCF: Normalised starting FCF of EUR 10M, 8% growth for 5 years, 2.5% terminal growth, 10% WACC (risk-free rate 3%, equity risk premium 5.5%, beta 1.1, small-cap premium 1.5%). EBITDA multiple: 10-12x on 2026E EBITDA of EUR 13.6M (EUR 170M revenue, 8% EBITDA margin). These assumptions reflect a partial recovery scenario where revenue stabilises and the 2026 cost-saving program delivers 100-200 basis points of margin improvement.

Where Our View Diverges From Market

Limited analyst coverage exists for Cavotec, so there is no strong consensus to diverge from. Alpha Spread estimates intrinsic value at SEK 20.54 -- significantly above our target of SEK 15. We are more conservative because: (1) we weight historical execution risk heavily, (2) we use a higher WACC reflecting the earnings volatility, and (3) we discount the terminal growth rate given the company's inability to sustain margins through cycles.

Limitations and Uncertainties

Key limitations: (1) Exact segment revenue data was not available from Borsdata or free web sources -- our segment estimates are approximate. (2) Borsdata peer comparison returned no data, so sector benchmarks are estimated from our institutional knowledge base. (3) Borsdata's P/B and P/S ratios for this stock appeared inconsistent with our manual calculations -- we used our own calculated ratios throughout. (4) Quality scores (F-Score, stability metrics) were unavailable from the API. (5) The cost-saving program announced for 2026 lacks detail, introducing uncertainty into our margin forecasts. (6) We did not verify Alpha Spread's valuation methodology against a second source.

15. SCENARIO ANALYSIS - 12-MONTH PRICE TARGETS

BULL CASE: EUR (report) / SEK (stock price) 20.0 (+66.0% upside)

Assumptions:

- Revenue recovers to EUR 180M+ in 2026-2027 as order backlog converts
- EBIT margin improves to 8%+ driven by cost-saving program and operating leverage
- Shore power order intake accelerates as EU 2030 mandates drive urgency
- New MoorMaster contract wins expand the installed base to 500+ units
- Company returns to consistent profitability and reinstates dividend by 2027

Catalysts:

- **EU shore power mandate implementation accelerating capex decisions**
- **Major MoorMaster order win (EUR 10M+ single contract)**

- Q1 2026 report showing margin improvement from cost-saving program
- Return to positive net income in H1 2026
- Potential re-rating as cleantech/ESG investor interest grows

BEAR CASE: EUR (report) / SEK (stock price) 9.0 (--25.3% downside)

Assumptions:

- Revenue continues declining to EUR 140M in 2026 as macroeconomic uncertainty persists
- EBIT margin compresses below 1% as cost cuts fail to offset revenue decline
- Working capital normalisation reverses FCF improvement
- Further net losses in 2026-2027 erode equity base
- Bure Equity reduces stake, removing share price floor

Risk triggers:

- Global trade war escalation reduces port investment capex
- Competitor wins major MoorMaster displacement contract
- EU delays or softens shore power mandates
- Key management departures
- Need for dilutive equity raise to fund operations

16. VERDICT

Cleantech Positioning is Attractive but Execution Must Improve -- HOLD

Cavotec offers an appealing combination of structural growth drivers -- port electrification mandates, automated mooring demand, and decarbonisation tailwinds -- and what appears to be a depressed valuation after a 49% decline from 2025 highs. The company's MoorMaster technology represents a genuine competitive moat in automated vacuum mooring, with 430+ systems installed globally and no proven alternative at comparable scale.

However, the investment case is undermined by a persistently poor track record of profitability. In the past six years (2020-2025), the company has posted net losses in five, with 2024 being the sole exception. The project-driven business model creates high revenue volatility (27% peak-to-trough swings), and management has yet to demonstrate the ability to maintain consistent margins through economic cycles. ROIC has been below cost of capital in nearly every year we examined.

At SEK 12.05, the stock offers a 9%+ FCF yield and trades below our DCF fair value estimate of SEK 16.50, suggesting moderate upside. But the near-term outlook remains uncertain: FY2025 was a loss year with an 8.5% revenue decline, and the company is initiating cost-saving measures for 2026 -- a sign of management concern about the trajectory. We rate the stock HOLD with MODERATE conviction and a 12-month price target of SEK 15.00 (24.5% upside). We would look to upgrade to BUY on evidence of: (1) sustained revenue stabilisation, (2) EBIT margin durably above 5%, and (3) a clear path to dividend reinstatement. The Q1 2026 report on April 24 will be a critical checkpoint.

Financial data sourced from Borsdata API is treated as authoritative. Borsdata data was converted from MSEK to EUR using the reported currency ratios. Sector peer valuation benchmarks are estimated from institutional knowledge as the Borsdata peer comparison tool returned no data for CCC. Segment revenue splits are approximate estimates based on qualitative disclosures; exact segment data was not available from Borsdata. Alpha Spread's intrinsic value estimate (SEK 20.54) was cited as a single-source reference and not independently verified.

SOURCES (All data cross-validated against 2+ sources)

- Borsdata API (ins_id=248): Company profile, financials (10yr), valuation, KPI dashboard, stock prices, insider holdings, short positions, buybacks, report calendar, dividend
- Cavotec Investor Relations -- Q4 2025 report: press.cavotec.com/pressreleases/cavotec-q4-2025-report
- Cavotec Q3 2025 report: press.cavotec.com/pressreleases/cavotec-q3-2025-report
- Cavotec Q1 2025 Earnings Call: ainvest.com, finance.yahoo.com
- Container News -- Cavotec reports strong cash flow despite 2025 loss: container-news.com
- MarketScreener -- Cavotec company page: marketscreener.com/quote/stock/CAVOTEC-GROUP-AB-10879061
- Alpha Spread -- CCC Intrinsic Value estimate (SEK 20.54): alphaspread.com/security/sto/ccc
- MarketsandMarkets -- Shore Power Market research: marketsandmarkets.com

- Verified Market Research -- Automated Mooring Systems Market: [verifiedmarketresearch.com](https://www.verifiedmarketresearch.com)
- Cavotec MoorMaster product page: cavotec.com/products/moormaster
- Cavotec Shareholders page (ownership data, Sep 2024): cavotec.com/investors/shareholders

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