Tuesday 11 March 2025

Rotork plc

2024 full year results

Growth+ delivering our vision with another year of strong sales growth and margin progress
Strategic bolt-on acquisition agreed and £50m share buyback announced
Entered 2025 with confidence, expecting a year of progress

Adjusted highlights	**2024**	**2023**	**% change**	**% change OCC[3]**
Order intake[1]	£744.3m	£723.7m	+2.8%	+6.1%
Revenue	£754.4m	£719.1m	+4.9%	+8.2%
Adjusted[2] operating profit	£178.4m	£164.5m	+8.5%	+12.8%
Adjusted[2] operating margin	23.6%	22.9%	+70bps	+100bps
Adjusted[2] basic earnings per share	15.9p	14.6p	+8.7%	
Cash conversion[4]	119%	120%	-	

Reported highlights	**2024**	**2023**	**% change**
Revenue	£754.4m	£719.1m	+4.9%
Operating profit	£135.9m	£148.8m	-8.7%
Operating margin	18.0%	20.7%	-270bps
Profit before tax	£140.5m	£150.6m	-6.8%
Basic earnings per share	12.1p	13.2p	-8.1%
Full year dividend	7.75p	7.20p	+7.6%

Summary

- Another year of good progress with revenue 8.2% higher year-on-year on an OCC basis. Reported revenue was 4.9% ahead despite a significant foreign exchange headwind
- Adjusted operating margin was 70bps higher year-on-year at 23.6% (2023: 22.9%)
- Acquisition of Noah, a leading South Korean electric actuator manufacturer, for an enterprise value of £44m agreed post period end (expected to close in the coming days), broadening our electric actuator offering
- Another £50m share buyback announced
- At a divisional level, Oil & Gas and Water & Power revenues grew low double digits year-on-year (OCC). Chemical, Process & Industrial (CPI) returned to sales growth in the second half
- Rotork Service, our global service network and a key differentiator in our industry, performed strongly growing ahead of Group revenues
- Group order intake increased 6.1% year-on-year (OCC) with all divisions ahead
- Continued momentum across all Growth+ pillars with Target Segments sales growth 9% on an OCC basis. Target Segments represented around half of Group sales
- Strategic highlights included the successful opening of our new China manufacturing facility, the launch of new products and digital services and the rebranding of Rotork Service
- The UK defined benefit pension scheme was de-risked via a bulk annuity purchase, causing a one-time non-cash charge that reduced the operating margin by 270bps to 18.0% year-on-year

- Closing net cash was £125.3m and broadly unchanged over the period after the return of £113m to shareholders via dividends and share buyback. Cash conversion was strong at 119%, driven by improved net working capital to sales. ROCE[4] was 37.3% (up 340bps)

Kiet Huynh, Chief Executive, commenting on the results, said:
"We delivered another year of strong progress in 2024 with good OCC sales growth, healthy margin improvement and an excellent cash flow performance.

"The delivery of Growth+ continues and the benefits of the strategy are evident in our improved financial performance. Since the programme launch in 2022, Rotork revenue has grown at a 10.0% CAGR on an OCC basis and adjusted operating margins have increased 110bps to 23.6% after Growth+ investments. The benefits are not only financial. We are also making strong progress under the Customer Value pillar, putting the customer at the forefront of everything we do. Under our Innovative Products & Services pillar we launched important new products and recently agreed to acquire a leading South Korean electric actuator manufacturer, which will broaden and strengthen our product offering.

"Rotork is highly cash generative and benefits from having a strong balance sheet providing the financial flexibility to pursue strategic bolt-on acquisitions whilst also returning cash to shareholders, including another £50m share buyback announced today.

"Three years into the Growth+ programme we remain confident of delivering our financial ambition of mid to high single digit sales growth and mid-20s adjusted operating margins over time. We have entered 2025 with confidence and expect a year of progress on an OCC basis."

[1] Order intake represents the value of orders received during the period.
[2] Adjusted[4] figures exclude the amortisation of acquired intangible assets and other adjusting items (see note 4).
[3] OCC[4] is organic constant currency results. During the year the calculation of OCC performance was changed from translating reporting period results at the prior period average exchange rates to translating the prior period results at the reporting period's average exchange rates. This change enables greater comparability of results with previous periods. Adjustments for acquisitions and/or disposals are unchanged - acquired businesses are not included until owned for more than one year and are then included on an equal perimeter basis, disposed businesses are excluded entirely. Applying the previous calculation methodology to the 2024 results does not result in a material difference in the OCC performance for the year.
[4] Adjusted figures, organic constant currency ('OCC') figures, cash conversion and ROCE are alternative performance measures and are used consistently throughout these results. They are defined in full and reconciled to the statutory measures in note 2.

Rotork plc	Tel: +44 (0)1225 733 200
Kiet Huynh, Chief Executive Officer	
Ben Peacock, Chief Financial Officer	
Andrew Carter, Investor Relations Director	
FTI Consulting	Tel: + 44 (0)20 3727 1340
Nick Hasell	
Susanne Yule	

There will be a virtual presentation for analysts and institutional investors at 8.00am GMT today with access via https://www.investis-live.com/rotork/679a5bb8242e93000e381604/vwerd. Please join the webcast a few minutes before 8.00am to complete registration.

Summary

Purpose: keeping the world flowing for future generations

Our Purpose, as well as our sustainability vision, is ‘keeping the world flowing for future generations’. Our purpose is a powerful motivator and drives everything that we do. We want to help drive the transition to a clean future where environmental resources are used responsibly. We have a major role to play in the transition to a low-carbon economy, as well as helping preserve natural resources such as fresh water and eliminating energy sector methane emissions.

Health & safety: our number one priority

The safety of our people, partners and visitors is our number one priority, and our objective for health and safety is zero harm. In 2024, we recorded a lost-time injury rate of 0.08, in line with the 0.08 recorded in 2023. Our total recordable incident rate was 0.22 (2023: 0.26).

In 2024, we transitioned from our internally managed pulse survey, which primarily measured employee satisfaction, to a comprehensive engagement survey conducted with a third-party partner. This strategic shift allows us to benchmark our engagement levels against industry standards and enhance our efforts to foster meaningful engagement across Rotork.

We were pleased that 80% of our employees participated in the new survey. We retained our ‘Rotork as a Place to Work’ question and scored 7.1 out of 10 in 2024.

The insights gained from this new survey will support the work we have done in 2024 to develop our Company culture, enabling us to measure effectively and cultivate our cultural initiatives in the years to come.

We have a committed team who are proud to work at Rotork and determined to deliver on our Growth+ ambitions. We offer our thanks and appreciation for all their efforts throughout 2024.

Cultural evolution: building a stronger Rotork

In 2024, we progressed an extensive programme to fully understand our culture, identifying both its strengths and any aspects that might constrain our future success. The programme included workshops with 800 employees across 27 countries. The Board actively reviewed progress over the year and provided strategic direction to ensure alignment with our Growth+ objectives. This guidance underscored the importance of evolving our culture to support long-term success and foster an environment where innovation and collaboration thrive. Through this work we further defined our core cultural DNA by identifying our key behaviours which will drive success: We Value Our Customers, We Grow Together and We Win as a Team.

Our cultural DNA captures what makes Rotork unique and establishes the foundation for how we work, interact and succeed collectively. This evolution is a multi-year journey to create a more connected, customer-focused and collaborative organisation. By aligning our practices with our new cultural values and behaviours, we are better positioned to address challenges, seize opportunities, and unlock our full potential.

Environmental performance: delivering on our GHG emissions reduction targets

Sustainability is a major focus for Rotork. Whilst our impact in enabling our customers to improve their environmental performance likely exceeds the Group's environmental footprint, the latter is no less important. Our total scope 1 and 2 (market-based) emissions decreased by 7% in 2024 compared with 2023, reflecting the implementation of energy efficiency projects and investment in on-site renewable generation.

Our SBTi-validated near-term greenhouse gas (GHG) emissions reduction targets are:

- To reduce our absolute scope 1 and 2 GHG emissions by 42% by 2030 from a 2020 base year
- To reduce our absolute scope 3 GHG emissions from the use of sold products by 25% by 2030 from a 2020 base year
- That at least 25% of our suppliers by emissions covering purchased goods and services will have science-based targets by 2027

We target net-zero by 2035 for scopes 1 and 2 and by 2045 for scope 3.

Underlining the importance we attach to achieving our net-zero targets, scopes 1 and 2 GHG reduction targets are included in our senior team's long-term remuneration opportunity.

The sustainability highlight of the year was the opening of our new China manufacturing facility which was designed with sustainability as a key priority and attained a LEED Gold certification. We completed a project to decarbonise heating at our Manchester (UK) facility. Elsewhere we refreshed our Task Force on Climate-related Financial Disclosures (TCFD) approach and disclosures and commenced our preparations for the EU Corporate Sustainability Reporting Directive (CSRD), including conducting our first double materiality assessment. Rotork is rated AAA in the MSCI ESG ratings assessment.

Growth+ strategy: Target Segments approach delivering significant benefits

The starting point of our Growth+ strategy is our Purpose, 'keeping the world flowing for future generations'. Our Purpose is a powerful motivator and recognises the role we play in making our world a great place to live, and the role we play in helping improve the safety, environmental and social performances of not just ourselves but also our end users, customers, suppliers and communities.

Our vision is for Rotork to be the leader in intelligent flow control. This recognises the ever-increasing importance of connectivity to our end users. Today's intelligent flow control systems ensure safety, are reliable, efficient and easy to use, and play a vital role in ensuring the uptime of our end users' operations (including through predictive and preventative maintenance).

Our financial ambition is to deliver mid to high single digit revenue growth and mid-20s adjusted operating margins over time. Three powerful megatrends help drive our growth: automation, electrification and digitalisation, as well as the trends of sustainability, decarbonisation, energy security, water scarcity and water quality. Our Growth+ strategy is designed to drive our growth and to balance making investments with achieving margin progression. At the core of our strategy are three pillars: Target Segments, Customer Value and Innovative Products & Services, each underpinned by our focus on 'Enabling a Sustainable Future'.

Our 'Target Segments' are key segments within each of our divisions where there are significant opportunities for profitable growth. We are prioritising investment into these areas, helping us to grow faster than our overall markets. We have already seen significant benefits from our focus on Target Segments which represented around half of Group sales in 2024 and grew 9% year-on-year OCC.

Target Segment successes in Oil & Gas included in upstream and midstream electrification and LNG. In upstream electrification, Rotork supplied electric actuators and related services to a North Sea oil and gas producer for its latest platform. The platform is designed to be remotely operated and to require only occasional maintenance visits. Also in upstream electrification, Rotork received a significant order from a major oil and gas producer for electric actuators equipped with integral shutdown batteries which will be retrofitted on onshore wellheads, replacing older, less advanced models previously supplied by a competitor. In LNG, revenues grew in the period as earlier liquefaction orders started to ship. Rotork is positioned to support the liquefaction capacity increase expected in 2025 and beyond.

Successes in Chemical, Process & Industrial included activity in the Target Segments of specialty chemicals and mining. In specialty chemicals, Rotork supplied equipment to a major greenfield urea plant being built in Western Australia. Demand for urea is forecast to grow rapidly, driven by agricultural and transportation applications. In mining, Rotork electric actuators were selected by a customer for an important water reuse project. When the project is completed, the mine will no longer have to draw water required for processing from a local river.

In Water & Power, examples of Target Segment successes included in wastewater treatment and alternative energy. The reuse of water is increasingly common, including for irrigation and industrial processes. Rotork electric actuators were chosen for a major water reclamation project in Singapore. In alternative energy, geothermal power has the potential to be a bigger source of renewable energy than wind and Rotork products play an important role in geothermal plants, including in a major geothermal facility in New Zealand.

We continued to make strong progress under the Customer Value pillar, which puts the customer at the forefront of everything we do. During the year we launched our new Group website. The new website is an important step in a multi-year programme of customer experience improvement. In November we held the formal opening ceremony for our new facility in China. The 23,000m^2 facility is strategically located in Changshu and was developed with sustainability as a key priority. Its 2,500 roof-mounted solar panels will generate an estimated 1,500 MWh of renewable electricity annually.

In Innovative Products & Services, we launched integrated ethernet functionality for our IQ range. This is an important product enhancement which further differentiates our flagship electric actuators, extending compatibility, enabling higher data transfer volume and speeds, eliminating the requirement for gateway devices and operating seamlessly with our intelligent asset management (iAM) system. Integrated ethernet has multiple applications across all three Rotork sectors and the launch has been particularly well received by water industry end users.

In March 2025 we agreed to acquire Noah Actuation (Noah) to broaden and strengthen our product offering in electric actuators. The acquisition's closing is expected in the coming days. Noah is headquartered in Seoul, South Korea and its acquisition is fully aligned to the Growth+ strategy and to key Target Segments, especially with Water & Power, Chemical, Process & Industrial and upstream electrification within Oil & Gas. We estimate that Noah will deliver revenue and adjusted EBITDA of £17.5m and £3.5m respectively in the twelve months to December 2025.

Market update: a largely positive outlook for global flow control markets

Elections played a major part in global events in 2024, with almost half of the world's population voting in national elections during the year (according to Reuters). The most significant from a market perspective was the Presidential election in the US. The election has the potential to have significant economic effects on global markets, including on manufacturing and energy.

The new US government has signalled a more local approach to its industrial strategy which will have implications for global manufacturing. However, we believe that any risk of increased import tariffs to Rotork would be largely mitigated by our predominantly local-for-local manufacturing footprint.

Energy security and the energy transition have been major global themes for several years and are likely to remain so. The US's energy independence is expected to be of higher priority, potentially meaning more exploration and production activity. The energy transition remains a priority, but with the fossil fuel industry potentially having a greater part to play in the transition, for example through LNG, biofuels, carbon capture and hydrogen. Whilst US emissions reduction regulations might be of slightly lower importance at the Federal level, these are likely to remain important at state and industry levels.

In recent years, investment in global energy sector infrastructure has accelerated, reflecting both a previous period of underinvestment and the importance of the role of hydrocarbons in the world's energy mix for years to come. The electrification of upstream and midstream operations to reduce the greenhouse gas intensity of processes that commenced with COP26's Global Methane Pledge (in 2021) continues and methane emissions were again a major topic at COP29 in Azerbaijan. The upstream and midstream electrification sector represented close to 10% of Rotork Group sales in 2024.

The downstream oil and gas sector was particularly active in 2024, with another significant year for net refining capacity additions globally and for the 'replumbing' of hydrocarbon transportation and storage networks necessitated by sanctions on Russia. The near-term outlook remains positive, with more years of net refining additions in prospect. In the medium term, fewer additions are expected, with investment instead targeted at modernisation and flexibility. Refinery shutdowns are expected to be relatively rare with refiners choosing instead to convert sites at end of life to produce renewable fuels, or to industrial hubs (for example producing low-carbon electricity or hydrogen) or storage depots.

The outlook for the LNG export market is increasingly positive. The US currently has annual export capacity of around 90m tonnes according to Bloomberg New Energy Finance. An additional 50m tonnes is already permitted and set to be commissioned in the next several years, with another 180m tonnes of capacity going through planning stages. Additional export capacity is also under way in Qatar and Australia.

The upstream oil and gas sector grew in both the Middle East and Europe in 2024. In the Middle East, investment focused on major natural gas projects in the UAE and Qatar. Investment in Europe increased, following several years of declines, in response to energy security concerns. In the Americas, Mexico's oil and gas production was broadly unchanged year-on-year in 2024. US unconventional onshore activity slowed in the second half, impacted by election uncertainty and lower hydrocarbon prices. Following the US election, the outlook for drilling and completion is more positive, although higher prices may be required for a significant pickup.

There was a generally soft backdrop to chemicals markets in 2024, reflecting weak demand from key end markets such as construction, automotive and pharmaceuticals and higher energy prices which particularly impacted the industry in Europe, especially in bulk chemicals. However, Rotork's chemicals market strategy is to target niche sectors that offer the potential for above market growth and CPI sales into this market grew year-on-year in 2024.

Metals and mining markets remain attractive opportunities for Rotork. Whilst 2024 did not see the repeat of the activity in the battery materials sector experienced in 2023 (i.e. nickel), the wider industry continues to invest to build the capacity required to deliver the energy transition and to invest in sustainability projects.

Critical HVAC refers to heating, ventilation and air conditioning systems that are essential for maintaining specific environmental conditions in sensitive or high-stakes environments, including temperature, humidity and air quality. Critical HVAC is typically specified in tunnel ventilation, data centres, clean rooms and industrial processes such as battery production plants and semiconductor fabrication facilities where the cost of downtime or failure can be significant. Critical HVAC markets benefitted from strong demand from data centre markets in 2023 and 2024 and the cooling requirements of artificial intelligence focused data centres could represent an exciting future opportunity.

The outlook for water and wastewater remains positive with continuing investment in new and existing infrastructure. The market is focused on delivering water availability, improving water quality, reducing leakage, efficient water reuse, and automating and digitalising networks and processes. Significant investment initiatives worldwide are already in progress or set to begin, including in the US, China, India, the Middle East and the UK. The desalination market remains active, with projects underway worldwide, most notably in the Middle East. Reverse osmosis desalination is forecast to grow high single digits over the medium term (source: Future Market Insights).

The outlook for the global power market is brighter than it has been for some time, driven by electrification, economic growth, artificial intelligence and, in the US, the repatriation of manufacturing. In response to this accelerating demand growth, the power generation industry is stepping up new build activity as well as plant modernisation, refurbishment and life extension (including in the traditional and nuclear sectors).

Renewable energy is playing an important role in delivering energy security as well as the energy transition. According to the IEA, renewables' share in final energy consumption will be nearly 20% by 2030, up from 13% in 2023. Rotork products are specified for several applications in offshore wind, including in HVDC converter cooling systems, geothermal energy plants and concentrated solar, as well as in facilities producing rechargeable batteries and solar panels.

Decarbonisation remains a high-potential market for all three Rotork divisions. 2024 saw the world's second consecutive hottest summer on record (according to the World Meteorological Organization) with a number of extreme weather events such as wildfires, droughts and flooding. These events served to remind us vividly of the urgency of tackling carbon emissions and adapting to climate change. It is apparent that tackling the climate crisis and delivering a just energy transition at pace will require a practical approach including a balance of technologies, with methane emissions reduction, LNG, carbon capture and storage, sustainable fuels, hydrogen and direct air capture all having significant roles to play.

Business performance: a year of strong sales growth and margin progress

Group order intake increased 2.8% year-on-year (6.1% on an OCC basis) to £744.3m. All three divisions booked higher orders for the full year.

Group revenue was 4.9% higher year-on-year (8.2% OCC) at £754.4m. Oil & Gas sales rose 8.3% (11.7% OCC), with all geographic regions growing and Europe, Middle East & Africa (EMEA) and Asia Pacific particularly strong. The division's growth was driven by the downstream and midstream sectors with upstream sales broadly unchanged year-on-year. CPI sales were 4.1% lower (down 1.1% OCC), with solid growth in EMEA insufficient to offset lower sales in the Asia Pacific and Americas regions. Water & Power sales were up 9.5% (13.1% OCC), with all geographic regions delivering double-digit growth. Both sectors grew strongly, with water outgrowing power.

By geography, EMEA sales by destination grew double digits (OCC) and was Rotork's fastest growing region. Asia Pacific revenues grew low single digit year-on-year on an OCC basis, with China growth ahead of the region. The Americas region returned to growth in the second half and full year revenues were high single digits ahead (OCC).

In early 2025 we rebranded Rotork Site Services under one global brand, Rotork Service. Rotork Service is our global service network and a key differentiator in our industry. It performed well in 2024 with revenues growing faster than the Group overall. Its Lifetime Management and Reliability Services programmes have good momentum, as does its Intelligent Asset Management predictive analytics system. Rotork Service is managed as a separate unit by each of our divisions and contributed 23% of Group sales (2023: 21%).

Adjusted operating profit was 8.5% higher year-on-year (12.8% OCC) at £178.4m, reflecting volume growth and positive net price/mix which were partly offset by wage inflation. Adjusted operating margins were 70bps higher at 23.6% (100bps higher OCC) and reported profit before tax was £140.5m. The principal profit adjustments are costs relating to Business Transformation and the defined benefit scheme settlement.

Return on capital employed was 37.3% (2023: 33.9%), benefitting from an increase in adjusted operating profit and a decrease in capital employed. Cash conversion was 119% (2023: 120%).

Dividend and capital allocation: committed to disciplined capital allocation and progressive shareholder returns

We have a clear and disciplined capital allocation framework. Our priorities, in order, are organic investment, a progressive dividend, acquisitions and other shareholder returns. We have increased our dividend each year for over 20 years and have completed 30 acquisitions since 2000. We have demonstrated discipline and flexibility in using buybacks and special dividends to deliver shareholder returns, including in March 2024 the launch of a £50m share buyback programme which we completed in December 2024. Net cash at period end was £125.3m (31 December 2023: £134.4m). We remain active in looking for suitable acquisition opportunities, consistent with our Growth+ strategy, and post period end agreed to acquire Noah, a South Korean headquartered electric actuator supplier, for an enterprise value of £44m with closing expected in the coming days.

The Board is recommending a final dividend of 5.00p per share. With the 2024 interim dividend of 2.75p, the total dividend for the year is 7.75p, a 7.6% increase on the 2023 full-year dividend. This equals 2.1 times cover based on adjusted earnings per share (2023: 2.0 times). Subject to shareholder approval, the 2024 final dividend will be paid on 3 June 2025, to ordinary shareholders on the register at the close of business on 25 April 2025. The last date to elect for the Dividend Reinvestment Plan (DRIP) is 12 May 2025.

The Rotork DRIP is provided by Equiniti Financial Services Limited. The DRIP enables the Company's shareholders to elect to have their cash dividend payments used to purchase the Company's shares. More information can be found at www.shareview.co.uk/info/drip.

Consistent with the Group's stated capital allocation policy, the Board has decided to return a prudent level of cash to shareholders while retaining a strong balance sheet. As a result, Rotork will be commencing a share buyback programme of £50m.

Board update: changes and appointments

Tim Cobbold stepped down as a Director of Rotork in December 2024, having been our Senior Independent non-executive Director and Non-executive Director for Workforce Engagement. We would like to thank Tim for his considerable contribution to Rotork over the last six years, and we wish him all the best in his role as Chair of Spirax Group plc. We are pleased that with effect from 1 January 2025 Andrew Heath agreed to become Rotork's Senior Independent non-executive Director, and that Vanessa Simms agreed to become Rotork's Non-executive Director for Workforce Engagement.

We were pleased to recently welcome a new non-executive director to Rotork. Svein Richard Brandtzæg joined the Board on 20 November 2024. Svein Richard is currently Chair of dormakaba Holding AG, a non-executive director of Mondi plc and also Chair of the Council on Ethics for Norges Bank Investment Management. Svein Richard has further strengthened the diverse mix of skills and experience on the Board and was appointed Chair of the Remuneration Committee with effect from 1 January 2025.

Outlook

Three years into the Growth+ programme we remain confident of delivering our financial ambition of mid to high single digit sales growth and mid-20s adjusted operating margins over time. We have entered 2025 with confidence and expect a year of progress on an OCC basis.

Divisional review

Oil & Gas

£m	**2024**	**2023**	**Change**	**OCC[3] change**
Revenue	355.5	328.4	+8.3%	+11.7%
Adjusted operating profit	92.0	83.6	+10.0%	+13.6%
Adjusted operating margin	25.9%	25.5%	+40bps	+50bps

Momentum in the oil and gas sector remained strong through 2024. Hydrocarbon prices remained broadly above investment incentive levels and most sectors saw higher customer spend, targeting increased output, improved productivity, electrification and decarbonisation. The industry's electrification initiative continued with increased activity in the upstream and midstream sectors. These sectors represented close to 10% of Rotork Group sales in 2024. Investments to increase the world's LNG export capacity remain ongoing.

Divisional revenue was ahead 8.3% year-on-year and 11.7% year-on-year (OCC). The midstream and downstream sectors grew strongly whereas upstream sales were slightly lower due to the non-repeat of offshore projects. Downstream sales represented 52% of the total (49% in 2023), upstream 24% (27%) and midstream 24% (24%). Downstream sector sales were double-digits higher year-on-year benefitting from increased refinery and storage activity. EMEA sales grew strongly year-on-year and the region was the fastest growing, with Middle East / Africa growing robustly and the midstream electrification sector particularly active. Americas sales were ahead mid to high single digit whilst APAC sales grew low double digits, driven by strong sales growth in India.

The division's adjusted operating profit was £92.0m, 10.0% up year-on-year. The 40 basis point adjusted operating profit margin improvement reflected higher volumes which were partly offset by adverse mix and investment in the division's commercial teams.

Oil & Gas' focus on Target Segments during the period delivered notable successes in electrification, Asia infrastructure, decarbonisation and Rotork Service. One notable win in upstream electrification was supplying actuators to a Netherlands-based customer for its latest oil and gas platform, which is not only electrified but for safety reasons is designed to be 'not normally manned', requiring only two 14-day maintenance visits per year. In midstream, the division received follow-on orders from a major liquefaction project in Texas and several pipeline electrification projects including in Asia Pacific and North America. In the downstream, there was significant activity in both hydrocarbon storage and refining. The division supplied IQ3 actuators to a major tank farm expansion in South Korea which will enable increased LNG storage. LNG is widely seen as a bridge fuel in the energy transition for its lower carbon emissions compared to oil and coal, its flexibility and its abundance. Successes in refining included major automation/modernisation projects in EMEA, the Americas and Asia Pacific.

Chemical, Process & Industrial

£m	2024	2023	Change	OCC[3] change
Revenue	205.0	213.7	-4.1%	-1.1%
Adjusted operating profit	53.0	51.3	+3.4%	+7.4%
Adjusted operating margin	25.8%	24.0%	+180bps	+210bps

CPI is a supplier of specialist actuators and instruments for niche critical applications in the broad chemical, process industry and industrial sectors. The division serves a wide range of end markets including specialty and other chemicals, metals and mining, critical HVAC, pharmaceutical, steel and cement. The automation, electrification, digitalisation and decarbonisation megatrends are important growth drivers. Rotork has historically been under-represented in several of these markets and has the opportunity to win market share in the years ahead.

The division delivered an encouraging second half performance, despite economic weakness in a number of regions including most notably China. The division's performance clearly benefitted from the pursuit of its chosen Growth+ Target Segments such as the focus on specialty chemicals and critical HVAC (including sales into data centres), as well as strength in core segments including marine.

Divisional revenues were 4.1% lower year-on-year at £205.0m and 1.1% lower year-on-year on an OCC basis, with the decline largely the result of reduced mining sector large project activity, following three years of strong sales growth. By destination, EMEA sales grew mid to high single digits (OCC), with all subregions higher. Asia Pacific sales were lower, despite good growth in India. China sales declined low single digit in the full year (OCC) but were unchanged year-on-year in the second half. Americas sales grew low single digits (OCC).

The division's adjusted operating profit was £53.0m, 3.4% higher than prior year. Adjusted operating margin rose 180 basis points to 25.8%. The increase in adjusted operating margin largely reflected positive mix as well as disciplined cost management.

Rotork's electric and fluid power actuators and instruments were selected by innovative customers for use in their energy transition projects. Rotork supplied several hundred flow control actuators to a major greenfield urea plant being built in Western Australia. The plant has been designed to minimise emissions and with the capacity to achieve net-zero carbon by 2050. Demand for urea is forecast to grow rapidly (source: the International Renewable Energy Agency) driven by applications including agriculture and transportation. Rotork's actuators were chosen by an innovative steel plant in Sweden which has switched to fossil-free hydrogen to heat steel at its rolling mill, produced on-site by a 20MW electrolyser. In the critical HVAC market, data centres are increasingly requiring higher levels of automation, reliability and precision in their cooling, power and fire protection systems. Rotork products including actuators, gearboxes, chainwheels and limit switch boxes are regularly selected for these projects.

Water & Power

£m	2024	2023	Change	OCC[3] change
Revenue	193.9	177.0	+9.5%	+13.1%
Adjusted operating profit	56.4	46.4	+21.3%	+25.8%
Adjusted operating margin	29.1%	26.2%	+290bps	+300bps

Water & Power is a supplier of premium actuators, predominantly electric, and gearboxes for applications in the water, wastewater and treatment and power generation sectors. Rotork has significant growth opportunities including through helping to solve customers' water quality and water scarcity challenges, as well as the automation, electrification and digitalisation trends. Water and wastewater contributed 68% of divisional sales in the year.

Divisional sales were ahead 9.5% year-on-year and 13.1% ahead year-on-year (OCC), with water sector sales growing slightly faster than those of the power sector. Asia Pacific sales were ahead low double digits year-on-year (OCC), with India's 'Water for All' initiative continuing to drive very strong revenue growth in water in that country, and with the power sector strong across the Asia Pacific region. Americas sales grew robustly year-on-year with all subregions strong and the region was Water & Power's fastest growing geography in the period. EMEA sales grew low double digits (OCC) despite lower power sector activity.

The division's adjusted operating profit was £56.4m, 21.3% higher year-on-year. Deliveries benefitted from an improved supply chain performance, particularly in the first half, resulting in adjusted operating margin increasing 290 basis points to 29.1%.

In the water sector, Rotork is focused on helping to ensure access to water and sanitation to all. Growth of the water sector is driven by the tailwinds of network automation, ageing infrastructure, urbanisation and climate change as well as water scarcity, quality and affordability challenges. Growth of the global power market is driven by electrification, economic growth, artificial intelligence and, in the US, the repatriation of manufacturing. The division made good progress in its Target Segments of water infrastructure (including irrigation), water and wastewater treatment, desalination and alternative energy during the year.

Rotork supplies electric and fluid power actuators to many wastewater treatment plants around the world, enabling these to provide better quality water more efficiently. Water & Power received additional orders in 2024 for electric actuators to be used in a highly energy-efficient water reclamation plant in Singapore. In alternative energy, offshore wind farms generate renewable A/C electricity, which is typically converted to high-voltage D/C electricity (HVDC) to minimise transmission losses. This conversion occurs on offshore platforms, which can be as large as multiple football fields and require critical-duty cooling systems. In 2024, Rotork secured orders from customers for various electric actuators, including those from the IQ3, IQTF, BBU, and Schischek families, to be used on platforms in the North Sea. Rotork is supplying electric actuators to a number of desalination projects around the world which will provide potable water, and won new orders from customers in the Middle East in the year. Actuators play a critical role in desalination plants, managing the flows of seawater and potable water throughout the production process. Precision control is crucial for maintaining pressures and optimising the plant's energy efficiency.

By order of the Board
Kiet Huynh
Chief Executive
10 March 2025

Financial review

The Group delivered a strong financial result for the year as order intake, revenue, adjusted operating profit and adjusted operating margin all improved. Order intake for the year was £744.3m (2023: £723.7m), up 2.8% from the prior year or 6.1% on an organic constant currency (OCC) basis, with all divisions delivering OCC growth.

Group revenue increased 8.2% on an OCC basis to £754.4m (2023: £719.1m). On a reported basis, revenues increased 4.9%, impacted by a foreign exchange translation headwind of £24.1m. Double digit OCC revenue growth in W&P of 13.1% (9.5% reported) and O&G of 11.7% (8.3% reported) was partially offset by a reduction in CPI of -1.1% (-4.1% reported) which was largely due to reduced mining project activity compared to the previous year.

Rotork Service, our global service network and a key differentiator in our industry, performed strongly in the year growing ahead of Group revenues. Rotork Service is managed as a separate unit by each of Rotork's divisions and contributed 23% (2023: 21%) of Group revenue.

Adjusted operating profit increased £13.9m, or 8.5%, to £178.4m, with adjusted operating margin increasing 70bps to 23.6% (2023: 22.9%). On an OCC basis, adjusted operating profit increased 100bps. However adverse foreign exchange movements of £7.1m equated to a 30bps headwind. Reported operating profit for the year of £135.9m was £12.9m unfavourable to the prior year, with the increase in adjusted operating profit offset by the recognition of one-time non-cash IAS 19 settlement of £18.0m related to the UK defined benefit pension scheme.

Net finance income was £4.6m (2023: income of £1.9m) with the increase driven by transactional foreign exchange gains on the Group's hedging of foreign exchange risk.

Adjusted profit before tax was £183.0m (2023: £166.3m), driven by the increase in adjusted operating profit. The reported profit before tax was £140.5m (2023: £150.6m). The reconciling items between adjusted profit before tax and reported profit before tax are shown in the table below.

Adjusted basic earnings per share was 15.9p (2023: 14.6p), an increase of 8.7%. Reported basic earnings per share was 12.1p (2023: 13.2p), a decrease of 8.1%.

Adjusted earnings reconciliation

£m	Statutory results	Amortisation	Defined benefit scheme settlement loss	Business transformation costs	Other costs	Adjusted results
Operating profit	135.9	2.6	18.0	17.2	4.7	178.4
Profit before tax	140.5	2.6	18.0	17.2	4.7	183.0
Tax	(35.7)	(0.5)	(4.5)	(4.4)	(1.1)	(46.2)
Profit after tax	**104.8**	**2.1**	**13.5**	**12.8**	**3.6**	**136.8**

The table above shows the adjustments between the statutory results for the significant non-cash and other adjusting items and the adjusted results. Note 2 of the financial statements sets out the alternative performance measures used by the Group and how these reconcile to the statutory results. Further details of the adjusting items are provided in note 4.

Adjusted items

Adjusted profit measures are presented alongside statutory results as we believe they provide a useful comparison of underlying business trends and performance from one period to the next. The Group believes alternative performance measures, which are not considered to be a substitute for, or superior to, International Financial Reporting Standards (IFRS) measures, provide stakeholders with additional helpful information on the performance of the business.

The alternative profit measures are adjusted to exclude amortisation of acquired intangibles, costs related to business transformation from implementing a new ERP system and integrating business processes, as well as other significant adjustments. These adjustments are made to provide stakeholders with additional information to assess the Group's trading performance on a consistent basis. Further details of the adjusted items are provided in note 4.

Currency
The major currencies affecting the income statement are the US dollar and the euro, both of which weakened against sterling in 2024. The US dollar/sterling average rate of $1.28 (2023: $1.24) and the euro/sterling average rate of €1.18 (2023: €1.15) both provided a headwind. The impact of these movements alongside the basket of other currencies was a £24.1m or 3.4% headwind to revenue and a £7.1m or 4.3% headwind to adjusted operating profit.

The impact of currency on the Group is both translational and transactional. Given the locations in which we operate and the international nature of our supply chain and sales currencies, the impact of transaction settlement differences can be very different from the translation impact. We can partially mitigate the transaction impact through matching supply currency with sales currency, but ultimately, we are net sellers of both US dollars and euros. It is the net sale of these currencies which we principally address through our hedging policy, covering up to 75% of net trading transactions in the next 12 months and up to 50% between 12 and 24 months.

To estimate the impact of currency at the current exchange rates we consider the effect of a one cent movement versus sterling. A one euro cent movement now results in approximately a £250,000 (2023: £150,000) adjustment to profit and for US dollar, and dollar-related currencies, a one cent movement equates to approximately a £650,000 (2023: £500,000) adjustment.

Return on capital employed (ROCE)
Our capital-efficient business model and strong profit margins mean Rotork generates a high ROCE. Our definition of ROCE is based on adjusted operating profit as a return on the average net assets excluding net cash and the pension scheme asset/liability, net of the related deferred tax. The average capital employed decreased 1.5% over the year to £478.4m (2023: £485.5m). As we grew revenue and expanded our adjusted operating profit margins in the year, ROCE increased 340bps to 37.3% (2023: 33.9%).

Taxation
The Group's effective tax rate increased from 24.7% to 25.4%. Removing the impact of the adjusted items provides a better indication of the underlying rate and, on this basis, the adjusted effective tax rate is 25.2% (2023: 24.5%). The Group expects its adjusted effective tax rate to remain higher than the standard UK rate due to higher rates of tax in China, the US, Germany and India.

The Group's approach to tax continues to be to operate on the basis of full disclosure and co-operation with all tax authorities and, where possible, to mitigate the burden of tax within the local legislation.

Cash generation
Cash generated from operations increased 7.5% to £212.7m (2023: £197.8m) primarily driven by the increase in adjusted operating profit and a consistent cash conversion ratio of 119% (2023: 120%).

Net cash generated from operating activities increased 19.1% to £148.8m (2023: £124.9m), benefitting from the above and the non-repeat of the £20m special contribution to the Rotork Pension and Life Assurance Scheme in 2023. However net cash generated from operating activities was adversely impacted by an increase in income taxes paid to £38.8m (2023: £32.8m) and an increase in the cash flow impact of adjusting items to £21.2m (2023: £13.5m).

Capital expenditure in the year was £14.0m (2023: £7.3m), excluding £1.6m in capitalised software (2023: £2.1m) and £4.3m in capitalised product development costs (2023: £2.4m). Capital expenditure largely related to the completion of our new facility in China which formally opened in November 2024. Our total Research and Development (R&D) cash spend was £13.4m which represented 1.8% of revenue (2023: £13.9m and 1.9% respectively).

Net cash generated in the year was £6.4m (2023: £36.6m). In addition to the movements noted above, this was impacted by an increase in share purchases to £10.3m (2023: £2.4m) to support future vesting of employee share plans, dividends paid to ordinary shareholders of £63.3m (2023: £58.8m) and the completion of our £50m share buyback programme announced in 2024.

Balance sheet
The Group finished the year with a net cash position of £125.3m (2023: £134.4m). This included lease liabilities of £24.6m (2023: £12.0m), the increase in the year attributed to the long-term lease for our new facility in Changshu, China.

Net working capital in the balance sheet decreased 220bps to 25.1% of revenue (2023: 27.3%), providing a working capital cash inflow of £7.2m (2023: £11.9m outflow) in the year. Inventory decreased slightly by £0.6m and trade receivables days' sales outstanding[1] was 56 days (2023: 55 days).

During the year the Group increased its liquidity by entering into a £75m Revolving Credit Facility (RCF) which matures in December 2027. As at 31 December 2024, £nil was drawn under the RCF.

Risk update
Geopolitical instability remains at an elevated level with potential knock-on impacts to other risks such as supply chain disruption. As a global business we continue to monitor the trade position between all locations where we are based or have customers or suppliers and have considered the potential impact of additional trade barriers between these countries. Where necessary, we will take steps to mitigate any such changes but continue to believe they will not materially impact the Group's results. We have included scenarios in the viability assessment which model the impact of these current uncertainties. The viability statement will be published in our 2024 Annual Report and Accounts.

Supply chain disruption risk reduced through 2024 as component shortages and constraints reduced in comparison to prior years. Despite this reduction, supply chain disruption continues to be a key risk for Rotork and management actions continue to mitigate potentially more severe outcomes. The risk 'decline in market confidence' was consolidated with the existing 'competition' risk, as both risks deal with competitive forces. As a result, the competition risk has increased. Business change risk has reduced due to the increase in mitigating actions to deliver our various Growth+ programmes.

Emerging risks and opportunities, which are those risks and opportunities that may be ambiguous, uncertain, and difficult to assess, continue to be monitored and reviewed. Risks and opportunities under review include those in relation to geopolitical events, technological, social, environmental, climate and sustainability risks.

Credit management
The Group's credit risk is primarily attributable to trade receivables, with the risk spread over a large number of countries and customers, and no significant concentration of risk. Creditworthiness checks are undertaken before entering into contracts or commencing trade with new customers, and in companies where insurance cover operates, the authorisation process works in conjunction with the insurer, taking advantage of their market intelligence. We maintained coverage of the credit insurance policy during the year and have cover in place for virtually all of our companies at an aggregate of 80% of receivables. Where appropriate, we use trade finance instruments such as letters of credit to mitigate any identified risk.

Treasury
The Group operates a centralised treasury function managed by a Treasury Committee, chaired by me and also comprising the Group Financial Controller and Group Treasurer. The Committee meets regularly to consider foreign currency exposure, control over deposits, funding requirements and cash management. The Group Treasurer monitors compliance with the treasury policies and is responsible for overseeing all the Group's banking relationships. A Subsidiary Treasury Policy restricts the actions subsidiaries can take, and the Group Treasury Policy and Terms of Reference define the responsibilities of the Group Treasurer and Treasury Committee.

Where appropriate, the Group uses financial instruments to hedge significant currency transactions, principally forward exchange contracts and swaps. These financial instruments are used to reduce volatility which might affect the Group's cash or income statement. In assessing the level of cash flows to hedge with forward exchange contracts, the maximum cover taken is 75% of net forecast flows. The Board receives treasury reports which summarise the Group's foreign currency hedging position, distribution of cash balances and any significant changes to banking relationships.

Retirement benefits
The Group accounts for post-retirement benefits in accordance with IAS 19, Employee Benefits. The balance sheet reflects the net liabilities of these schemes at 31 December 2024 based on the market value of the assets at that date, and the valuation of liabilities using year-end AA corporate bond yields. We closed both the main defined benefit pension schemes to new entrants – the UK scheme in 2003 and the US scheme in 2009 – to reduce the risk of volatility of the Group's liabilities. In 2018 we further reduced the risk of volatility when we completed the closure to

future accrual of both the UK and US schemes. Members of the defined benefit schemes were transferred onto the relevant defined contribution plan operating in their country.

In 2023, the Group made a special contribution of £20m to the Rotork Pension and Life Assurance Scheme (UK Scheme). This contribution, together with some of the existing assets, was used to purchase a bulk annuity covering the UK scheme's existing pensioner liabilities. This was accounted for as a buy-in. During the year the UK Scheme completed a further bulk annuity with the full premium amounting to £70m, largely to cover deferred pensioners. This second bulk annuity has been accounted for as a settlement under IAS 19. Further details on the risk transfer and associated settlement loss are provided in note 4.

The IAS 19 funding position of the UK and US schemes reduced from a net surplus of £9.1m in 2023 to a net deficit of £3.6m in 2024. The schemes' assets reduced in value by £28.9m (2023: increase of £19.0m) and the schemes' liabilities decreased by £16.1m (2023: increase of £1.8m). The Group paid total contributions of £4.1m over the year (2023: £26.5m).

Dividends

The Board is proposing a final dividend of 5.00p per share. When taken together with the 2.75p interim dividend paid in September 2024, the full year dividend of 7.75p (2023: 7.20p per share) represents a 7.6% increase in dividends over the prior year.

Ben Peacock

Chief Financial Officer

10 March 2025

1 Days' sales outstanding is calculated on a countback method. The sales value including local sales taxes is deducted from the year-end trade receivables to calculate the number of days sales outstanding.

Consolidated income statement

For the year ended 31 December 2024

	Notes	**2024 £000**	2023 £000
Revenue	3	**754,428**	719,150
Cost of sales		**(382,494)**	(380,054)
Gross profit		**371,934**	339,096
Other income		**1,733**	1,405
Distribution costs		**(6,669)**	(6,314)
Administrative expenses		**(230,896)**	(184,630)
Other expenses		**(243)**	(790)
Operating profit	3	**135,859**	148,767
Finance income	5	**7,323**	5,301
Finance expense	5	**(2,721)**	(3,430)
Profit before tax		**140,461**	150,638
Income tax expense	6	**(35,663)**	(37,150)
Profit for the year		**104,798**	113,488
Attributable to:			
Owners of the parent		**103,585**	113,135
Non-controlling interests		**1,213**	353
		104,798	113,488
Basic earnings per share	8	**12.1p**	13.2p
Diluted earnings per share	8	**12.1p**	13.2p

Operating profit	3	**135,859**	148,767
Adjustments to profit:			
- Amortisation of acquired intangible assets	4	**2,604**	2,110
- Defined benefit scheme settlement loss	4	**18,009**	—
- Other adjustments	4	**21,934**	13,598
Adjusted operating profit	2,3	**178,406**	164,475
Adjusted basic earnings per share	2,8	**15.9p**	14.6p
Adjusted diluted earnings per share	2,8	**15.8p**	14.6p

Consolidated statement of comprehensive income

For the year ended 31 December 2024

	2024 £000	2023 £000
Profit for the year	**104,798**	113,488
Other comprehensive income		
Items that may be subsequently reclassified to the income statement:		
Foreign exchange translation differences	**(12,915)**	(20,271)
Effective portion of changes in fair value of cash flow hedges net of tax	**(57)**	1,397
	(12,972)	(18,874)
Items that may not be subsequently reclassified to the income statement:		
Remeasurement gain/(loss) in pension scheme net of tax	**563**	(7,722)
Expenses and income recognised in other comprehensive income	**(12,409)**	(26,596)
Total comprehensive income for the year	**92,389**	86,892
Attributable to:		
Owners of the parent	**91,102**	86,609
Non-controlling interests	**1,287**	283
	92,389	86,892

Consolidated balance sheet

At 31 December 2024

	Notes	2024 £000	2023 £000
Non-current assets			
Goodwill		**224,793**	231,703
Intangible assets		**31,429**	31,126
Property, plant and equipment		**90,302**	74,411
Derivative financial instruments		**120**	206
Defined benefit scheme surplus		**—**	9,144
Deferred tax assets		**22,084**	15,454
Total non-current assets		**368,728**	362,044
Current assets			
Inventories		**83,364**	83,963
Trade receivables		**149,479**	152,842
Current tax		**4,164**	4,187
Derivative financial instruments		**929**	673
Other receivables		**23,839**	23,701
Cash and cash equivalents		**149,983**	146,372
Total current assets		**411,758**	411,738
Total assets		**780,486**	773,782
Current liabilities			
Interest-bearing loans and borrowings		**4,329**	3,131
Trade payables		**43,838**	40,585
Employee benefits	9	**29,146**	29,754
Current tax		**15,982**	12,387
Derivative financial instruments		**362**	538
Other payables		**49,989**	42,536
Provisions		**4,757**	4,275
Total current liabilities		**148,403**	133,206
Non-current liabilities			
Interest-bearing loans and borrowings		**20,320**	8,826
Employee benefits	9	**7,699**	4,197
Deferred tax liabilities		**4,037**	3,872
Derivative financial instruments		**84**	15
Provisions		**1,441**	1,371
Total non-current liabilities		**33,581**	18,281
Total liabilities		**181,984**	151,487
Net assets		**598,502**	622,295
Equity			
Issued equity capital	7	**4,232**	4,306
Share premium		**21,842**	21,004
Other reserves		**495**	13,465
Retained earnings		**569,211**	581,813
Equity attributable to the parent		**595,780**	620,588
Non-controlling interests		**2,722**	1,707
Total equity		**598,502**	622,295

These financial statements were approved by the Board of Directors and authorised for issue on 10 March 2025 and were signed on its behalf by:

K Huynh and B Peacock
Directors

Consolidated statement of changes in equity
For the year ended 31 December 2024

	Issued equity capital £000	Share premium £000	Translation reserve £000	Capital redemption reserve £000	Hedging reserve £000	Retained earnings £000	Total attributable to owners of the parent £000	Non-controlling interests £000	Total £000
Balance at 31 December 2022	4,304	19,959	31,352	1,716	(799)	531,951	588,483	1,424	589,907
Profit for the year	—	—	—	—	—	113,135	113,135	353	113,488
Other comprehensive income									
Foreign exchange translation differences	—	—	(20,201)	—	—	—	(20,201)	(70)	(20,271)
Effective portion of changes in fair value of cash flow hedges	—	—	—	—	1,841	—	1,841	—	1,841
Actuarial loss on defined benefit pension plans	—	—	—	—	—	(9,875)	(9,875)	—	(9,875)
Tax on other comprehensive (loss)/income	—	—	—	—	(444)	2,153	1,709	—	1,709
Total other comprehensive (loss)/income	—	—	(20,201)	—	1,397	(7,722)	(26,526)	(70)	(26,596)
Total comprehensive (loss)/income	—	—	(20,201)	—	1,397	105,413	86,609	283	86,892
Transactions with owners, recorded directly in equity									
Equity settled share-based payment transactions	—	—	—	—	—	2,282	2,282	—	2,282
Tax on equity settled share-based payment transactions	—	—	—	—	—	43	43	—	43
Share options exercised by employees	2	1,045	—	—	—	—	1,047	—	1,047
Own ordinary shares acquired	—	—	—	—	—	(2,444)	(2,444)	—	(2,444)
Own ordinary shares awarded under share schemes	—	—	—	—	—	3,388	3,388	—	3,388
Dividends paid on ordinary shares	—	—	—	—	—	(58,820)	(58,820)	—	(58,820)
Balance at 31 December 2023	**4,306**	**21,004**	**11,151**	**1,716**	**598**	**581,813**	**620,588**	**1,707**	**622,295**
Profit for the year	—	—	—	—	—	103,585	103,585	1,213	104,798
Other comprehensive income									
Foreign exchange translation differences	—	—	(12,989)	—	—	—	(12,989)	74	(12,915)
Effective portion of changes in fair value of cash flow hedges	—	—	—	—	(76)	—	(76)	—	(76)
Actuarial gain on defined benefit pension plans	—	—	—	—	—	922	922	—	922
Tax on other comprehensive income/(loss)	—	—	—	—	19	(359)	(340)	—	(340)
Total other comprehensive (loss)/income	—	—	(12,989)	—	(57)	563	(12,483)	74	(12,409)
Total comprehensive (loss)/income	—	—	(12,989)	—	(57)	104,148	91,102	1,287	92,389
Transactions with owners, recorded directly in equity									
Equity settled share-based payment transactions	—	—	—	—	—	4,046	4,046	—	4,046
Tax on equity settled share-based payment transactions	—	—	—	—	—	9	9	—	9
Share options exercised by employees	2	838	—	—	—	—	840	—	840
Own ordinary shares acquired	—	—	—	—	—	(10,348)	(10,348)	—	(10,348)
Own ordinary shares awarded under share schemes	—	—	—	—	—	3,134	3,134	—	3,134
Share buyback programme	(76)	—	—	76	—	(50,326)	(50,326)	—	(50,326)
Dividends paid on ordinary shares	—	—	—	—	—	(63,265)	(63,265)	—	(63,265)
Dividends paid to non-controlling interests	—	—	—	—	—	—	—	(272)	(272)
Balance at 31 December 2024	**4,232**	**21,842**	**(1,838)**	**1,792**	**541**	**569,211**	**595,780**	**2,722**	**598,502**

Detailed explanations for equity capital, the translation reserve, capital redemption reserve and hedging reserve can be seen in note 7.

Consolidated statement of cash flows

For the year ended 31 December 2024

	Notes	**2024 £000**	**2024 £000**	2023 £000	2023 £000
Cash flows from operating activities					
Cash generated from operations	10	**212,738**		197,843	
Operating cash flow impact of other adjustments	4	**(21,200)**		(13,496)	
Difference between pension charge and cash contribution		**(4,007)**		(26,628)	
Income taxes paid		**(38,757)**		(32,825)	
Net cash flows from operating activities			**148,774**		124,894
Cash flows from investing activities					
Purchase of property, plant and equipment		**(13,983)**		(7,306)	
Purchase of intangible assets		**(1,635)**		(2,089)	
Product development costs capitalised		**(4,327)**		(2,411)	
Sale of property, plant and equipment		**224**		1,883	
Acquisition of business (net of cash acquired)		—		(18,399)	
Settlement of hedging derivatives		**2,677**		937	
Interest received		**4,097**		3,927	
Net cash flows from investing activities			**(12,947)**		(23,458)
Cash flows from financing activities					
Issue of ordinary share capital		**840**		1,047	
Own ordinary shares acquired		**(10,348)**		(2,444)	
Interest paid		**(1,884)**		(936)	
Repayment of lease liabilities		**(4,217)**		(3,699)	
Share buyback programme		**(50,326)**		—	
Dividends paid on ordinary shares		**(63,265)**		(58,820)	
Dividends paid to non-controlling interests		**(272)**		—	
Net cash flows from financing activities			**(129,472)**		(64,852)
Net increase in cash and cash equivalents			**6,355**		36,584
Cash and cash equivalents at 1 January			**146,372**		114,770
Effect of exchange rate fluctuations on cash held			**(2,744)**		(4,982)
Cash and cash equivalents at 31 December			**149,983**		146,372

Notes to the Group financial statements

For the year ended 31 December 2024

Except where indicated, values in these notes are in £000.

Rotork plc (the Company) is a public company limited by shares, registered and domiciled in England and Wales, its ordinary shares have a commercial companies (equity shares) category listing on the London Stock Exchange. The consolidated financial statements of the Company for the year ended 31 December 2024 comprise the Company and its subsidiaries (together referred to as the Group).

1. ACCOUNTING POLICIES

The accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to the years presented, unless otherwise stated.

Basis of preparation

The consolidated financial statements of Rotork plc have been prepared in accordance with UK-adopted International Accounting Standards.

New accounting standards and interpretations

A number of amended standards became applicable for the current reporting period. The application of these amendments has not had any material impact on the disclosures, net assets or results of the Group.

New standards and interpretations not yet adopted

Further narrow scope amendments have been issued which are mandatory for periods commencing on or after 1 January 2025. The application of these amendments will not have any material impact on the disclosures, net assets or results of the Group.

Adjustments to profit

Adjustments to profit are items of income and expense which, because of the nature, size and/or infrequency of the events giving rise to them, merit separate presentation. These specific items are presented as a footnote to the income statement to provide greater clarity and an enhanced understanding of the impact of these items on the Group's financial performance. In doing so, it also facilitates greater comparison of the Group's results with prior periods and assessment of trends in financial performance. This split is consistent with how business performance is measured internally.

Adjustments to profit items may include but are not restricted to: costs of significant business restructuring and any associated impairments of intangible or tangible assets, adjustments to the fair value of acquisition-related items such as contingent consideration, acquired intangible asset amortisation and other items considered to be significant due to their nature or the expected infrequency of the events giving rise to them.

Going concern

The directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, we continue to adopt the going concern basis in preparing the financial statements.

In forming this view, the macroeconomic conditions and the impact of geopolitical instability on the Group have been considered. The directors have reviewed: the current financial position of the Group, which has net cash of £125m, an undrawn committed revolving credit facility of £75m and unused overdraft facilities of £33m as at the period end; the significant order book, which contains customers spread across different geographic areas and industries; and the trading and cash flow forecasts for the Group. A reverse stress test, where the Group's business model would become unviable, has been performed and the directors believe there is no reasonably possible scenario that would lead to the conditions modelled in the reverse stress test.

The directors are satisfied that the Group has adequate resources to continue operating as a going concern for a period of not less than 12 months from the date of this report, and that no material uncertainties exist with respect to this assessment. The Group also has a number of mitigating actions that it can take at short notice to preserve cash, for example reduction in capital programmes, dividend deferral and other reductions in discretionary spend.

1. ACCOUNTING POLICIES (CONTINUED)

Consolidation
The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries for the year to 31 December 2024. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date control ceases. Intra-group balances and any unrealised gains or losses or income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

Status of this preliminary announcement
The financial information contained in this preliminary announcement does not constitute the Company's statutory accounts for the years ended 31 December 2024 or 2023. Statutory accounts for 2023, which have been prepared in accordance with UK-adopted International Accounting Standards and in conformity with the requirements of the Companies Act 2006 have been delivered to the registrar of companies. Those for 2024, will be delivered in due course. The auditors have reported on those accounts; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006. Full financial statements for the year ended 31 December 2024 will shortly be available to shareholders, and after adoption at the Annual General Meeting on 2 May 2025 will be delivered to the registrar.

2. ALTERNATIVE PERFORMANCE MEASURES

The Group uses adjusted figures as key performance measures in addition to those reported under adopted IFRS, as management believe these measures provide stakeholders with additional useful information to facilitate greater comparison of the Group's underlying results with prior periods and assessment of trends in financial performance.

The Group believes alternative performance measures, which are not considered to be a substitute for, or superior to, IFRS measures, provide stakeholders with additional helpful information on the performance of the business. These alternative performance measures are consistent with how the business performance is planned and reported within the internal management reporting to the Board. Some of these measures are also used for the purpose of setting remuneration targets.

The key alternative performance measures that the Group use include adjusted profit measures and organic constant currency (OCC).

Explanations of how they are calculated and reconciled to IFRS statutory results are set out below.

a. Adjusted operating profit

Adjusted operating profit is the Group's operating profit excluding the amortisation of acquired intangible assets and other adjusting items as defined in note 1. Further details on these adjustments are given in note 4.

b. Adjusted profit before tax

The adjustments in calculating adjusted profit before tax are consistent with those in calculating adjusted operating profit above.

2. ALTERNATIVE PERFORMANCE MEASURES (CONTINUED)

	2024	2023
Profit before tax	**140,461**	150,638
Adjustments:		
Amortisation of acquired intangible assets	**2,604**	2,110
Defined benefit scheme settlement loss	**18,009**	—
Gain on disposal of property	—	(723)
Business Transformation costs	**17,214**	13,097
Other costs	**4,720**	1,224
Adjusted profit before tax	**183,008**	166,346

c. Adjusted basic and diluted earnings per share

Adjusted basic earnings per share is calculated using the adjusted net profit attributable to the ordinary shareholders and dividing it by the weighted average ordinary shares in issue (see note 8). Adjusted net profit attributable to ordinary shareholders is calculated as follows:

	2024	2023
Net profit attributable to ordinary shareholders	**103,585**	113,488
Adjustments:		
Amortisation of acquired intangible assets	**2,604**	2,110
Defined benefit scheme settlement loss	**18,009**	—
Gain on disposal of property	—	(723)
Business Transformation costs	**17,214**	13,097
Other costs	**4,720**	1,224
Tax effect on adjusted items	**(10,526)**	(3,567)
Adjusted net profit attributable to ordinary shareholders	**135,606**	125,629

Adjusted diluted earnings per share is calculated by using the adjusted net profit attributable to ordinary shareholders and dividing it by the weighted average ordinary shares in issue adjusted to assume conversion of all potentially dilutive ordinary shares (see note 8).

d. Adjusted dividend cover

Dividend cover is calculated as earnings per share divided by dividends per share. Adjusted dividend cover is calculated as adjusted earnings per share as defined in note 2c above divided by dividends per share.

e. Total shareholder return

Total shareholder return is the movement in the price of an ordinary share plus dividends during the year, divided by the opening share price.

f. Return on capital employed

The return on capital employed ratio is used by management to help ensure that capital is used efficiently.

2. ALTERNATIVE PERFORMANCE MEASURES (CONTINUED)

	2024	2023
Adjusted operating profit	**178,406**	164,475
Capital employed		
Net assets	**598,502**	622,295
Cash and cash equivalents	**(149,983)**	(146,372)
Interest-bearing loans and borrowings	**24,649**	11,957
Pension deficit/(surplus) net of deferred tax	**2,686**	(6,904)
Capital employed	**475,854**	480,976
Average capital employed	**478,415**	485,507
Return on capital employed	**37.3%**	33.9%

Average capital employed is defined as the average of the capital employed at the start and end of the relevant year.

g. Working capital as a percentage of revenue

Working capital as a percentage of revenue is monitored as control of working capital is key to achieving our cash generation targets. It is calculated as inventory plus trade receivables, less trade payables, divided by revenue.

h. Organic constant currency (OCC)

OCC results adjust for currency movements and for acquisitions and disposals.

Key headings in the income statement are reconciled to OCC as follows:

	2023	Foreign exchange	Acquisitions	Organic constant currency	**2024**
Revenue	719,150	(24,110)	2,209	57,179	**754,428**
Cost of sales	(380,054)	13,463	(895)	(15,008)	**(382,494)**
Gross profit	339,096	(10,647)	1,314	42,171	**371,934**
Overheads	(174,621)	3,526	(383)	(22,050)	**(193,528)**
Adjusted operating profit	164,475	(7,121)	931	20,121	**178,406**

During the year the calculation of OCC performance was changed from translating reporting period results at the prior period average exchange rates to translating the prior period results at the reporting period's average exchange rates. This change enables greater comparability of results over multiple previous periods. Adjustments for acquisitions and/or disposals are unchanged - acquired businesses are not included until owned for more than one year and are then included on an equal perimeter basis, disposed businesses are excluded entirely.

Applying the previous calculation methodology to the 2024 results does not result in a material difference in the OCC performance for the year.

2. ALTERNATIVE PERFORMANCE MEASURES (CONTINUED)

i. Cash conversion

Cash conversion is calculated as cash generated from operations (titled adjusted operating cash flow in prior year) as a percentage of adjusted operating profit. It is monitored to illustrate how efficiently adjusted operating profits are converted into cash. Cash generated from operations is calculated in note 10.

	2024	2023
Cash generated from operations (note 10)	**212,738**	197,843
Adjusted operating profit (note 4)	**178,406**	164,475
Cash conversion	**119%**	120%

3. OPERATING SEGMENTS

The three identifiable operating segments where the financial and operating performance is reviewed monthly by the chief operating decision maker are as follows:

Oil & Gas
Chemical, Process & Industrial
Water & Power

The Group's customers are allocated to a segment. Sales to that customer, along with all directly associated costs of that sale, are reported under the segment to which that customer is allocated. Where customers sell into multiple segments, a lead segment is identified. Sales to these customers will generally be allocated to the lead segment unless the sale is of significance and an alternative segment has been identified, in which case it will be reported under the alternative segment.

Costs not directly attributed to a sale are allocated across the three segments. There are some costs which are directly attributable to a segment, but most support costs and facility costs are not directly attributable to a segment and are generally allocated based on split of revenue.

Analysis by operating segment:

	Oil & Gas 2024	**Chemical, Process & Industrial 2024**	**Water & Power 2024**	**Corporate expenses 2024**	**Group 2024**
Revenue from external customers	**355,506**	**205,028**	**193,894**	**—**	**754,428**
Segment result / Adjusted operating profit*	**91,983**	**52,987**	**56,359**	**(22,923)**	**178,406**
Adjusting items					**(42,547)**
Operating profit					**135,859**
Net finance income					**4,602**
Income tax expense					**(35,663)**
Profit for the year					**104,798**

3. OPERATING SEGMENTS (CONTINUED)

	Oil & Gas 2023	Chemical, Process & Industrial 2023	Water & Power 2023	Corporate expenses 2023	Group 2023
Revenue from external customers	328,391	213,712	177,047	—	719,150
Segment result / Adjusted operating profit*	83,627	51,253	46,445	(16,850)	164,475
Adjusting items					(15,708)
Operating profit					148,767
Net finance income					1,871
Income tax expense					(37,150)
Profit for the year					113,488

*Adjusted operating profit is operating profit before adjusting items (see note 4).

	Oil & Gas 2024	**Chemical, Process & Industrial 2024**	**Water & Power 2024**	**Group 2024**
Depreciation	**6,489**	**3,782**	**4,021**	**14,292**
Amortisation of development costs	**1,283**	**748**	**794**	**2,825**

	Oil & Gas 2023	Chemical, Process & Industrial 2023	Water & Power 2023	Group 2023
Depreciation	6,180	4,022	3,331	13,533
Amortisation of development costs	774	504	417	1,695

Balance sheets are reviewed by subsidiary and operating segment balance sheets are not prepared. Therefore no further analysis of operating segments assets and liabilities is presented.

Geographical analysis:
Rotork has a worldwide presence in all three operating segments. A full list of locations can be found at www.rotork.com.

Revenue by end destination	**2024**	2023
UK	**54,594**	48,124
Other EMEA	**233,935**	212,689
Total EMEA	**288,529**	260,813
China	**112,478**	111,284
India	**49,242**	40,925
Other APAC	**93,555**	105,290
Total APAC	**255,275**	257,499
USA	**143,523**	132,840
Other Americas	**67,101**	67,998
Total Americas	**210,624**	200,838
	754,428	719,150

4. ADJUSTING ITEMS

Refer to note 1 for details on the adjustments to profit, including an explanation of 'other adjustments'. The adjustments to profit included in statutory profit are as follows:

	2024	2023
Amortisation of acquired intangible assets	**(2,604)**	(2,110)
Defined benefit scheme settlement loss	**(18,009)**	—
Gain on disposal of property	—	723
Business Transformation costs	**(17,214)**	(13,097)
Other costs	**(4,720)**	(1,224)
Other adjustments	**(21,934)**	(13,598)
Total adjusting items	**(42,547)**	(15,708)

Defined benefit scheme settlement loss

In August 2024 the UK defined benefit pension scheme transacted a second bulk annuity, covering the benefits of the remaining UK Scheme's membership (mainly deferred pensioners). Given all the UK Scheme's liabilities are now insured, this second bulk annuity has been accounted for as a settlement under IAS 19 and therefore a loss of £18,009,000 has been recognised in the income statement.

Business Transformation costs

During the year £17,214,000 (2023: £13,097,000) of costs were incurred on Business Transformation. The multi-year transformation includes the implementation and integration of common systems and processes throughout the Group, including a new cloud-based ERP system. This brings the total expensed under the programme to £62,134,000. These costs were expensed as they do not meet the capitalisation criteria under IAS 38. Costs include an allocation of personnel expenses in respect of employees directly involved in the programme. Over the next three years we will deploy the Business Transformation programme, including the new ERP system, across all other Group entities at an estimated further cost of £60m to £65m.

Other costs

£4,720,000 (2023: £1,224,000) of other costs have been incurred, largely in relation to relocation of the Shanghai (China) facility to Changshu (China).

Income statement disclosure

All adjustments are included in administrative expenses. The adjustments are taxable or tax deductible in the country in which the expense is incurred.

Cash flow statement disclosure

Other adjustments have a net operating cash outflow of £21,200,000 (2023: £13,496,000) and a net investing cash inflow of £nil (2023: £955,000).

5. FINANCE INCOME AND EXPENSE

	2024	2023
Interest income	**4,391**	4,203
Net interest income on pension scheme liabilities	**215**	352
Foreign exchange gains	**2,717**	746
Finance income	**7,323**	5,301

	2024	2023
Interest expense	**(1,480)**	(807)
Interest expense on lease liabilities	**(761)**	(495)
Foreign exchange losses	**(480)**	(2,128)
Finance expense	**(2,721)**	(3,430)

6. INCOME TAX EXPENSE

	2024	**2024**	2023	2023
Current tax				
UK corporation tax on profits for the year	**6,658**		4,865	
Adjustment in respect of prior years	**486**		435	
		7,144		5,300
Overseas tax on profits for the year	**37,459**		32,091	
Adjustment in respect of prior years	**(1,940)**		146	
		35,519		32,237
Total current tax		**42,663**		37,537
Deferred tax				
Origination and reversal of other temporary differences	**(6,303)**		1,187	
Impact of rate change	**(71)**		(591)	
Adjustment in respect of prior years	**(626)**		(983)	
Total deferred tax		**(7,000)**		(387)
Total tax charge for year		**35,663**		37,150
Profit before tax		**140,461**		150,638
Profit before tax multiplied by the blended standard rate of corporation tax in the UK of 25.0% (2023: 23.5%)		**35,115**		35,400
Effects of:				
Different tax rates on overseas earnings		**(177)**		2,131
Irrecoverable withholding tax on dividends		**3,777**		2,421
Permanent differences		**695**		(118)
Losses not recognised		**126**		166
Tax incentives		**(1,722)**		(1,587)
Impact of rate change		**(71)**		(861)
Adjustments to tax charge in respect of prior years		**(2,080)**		(402)
Total tax charge for year		**35,663**		37,150
Effective tax rate		**25.4%**		24.7%
Adjusted profit before tax (note 2b)		**183,008**		166,346
Total tax charge for the year		**35,663**		37,150
Amortisation of acquired intangible assets		**549**		286
Defined benefit scheme settlement loss		**4,502**		–
Business Transformation costs		**4,357**		3,220
Other adjustments (note 4)		**1,118**		61
Adjusted total tax charge for the year		**46,189**		40,717
Adjusted effective tax rate		**25.2%**		24.5%

A tax credit of £9,000 (2023: £43,000) in respect of share-based payments has been recognised directly in equity in the year.

The effective tax rate for the year is 25.4% (2023: 24.7%). The adjusted effective tax rate is 25.2% (2023: 24.5%) and is lower than the effective tax rate for the year principally because of the tax treatment of expenses included in adjusting items.

6. INCOME TAX EXPENSE (CONTINUED)

The adjusted effective tax rate has increased from 24.5% in 2023 to 25.2% in 2024, principally because of increases in tax rates in jurisdictions in which Rotork operate, including the blended UK corporation tax rate which increased from 23.5% in 2023 to 25.0% in 2024. The consequent increase in the adjusted effective tax rate has been partially offset by the recovery of withholding tax relating to prior year distributions, which is also the predominant driver of the prior year adjustment to overseas tax above. The Group expects its adjusted effective tax rate to continue to move in line with the trends in corporate tax rates in the jurisdictions where Rotork operates. The adjusted effective tax rate will continue to be higher than the standard UK rate due to higher rates of tax in China, the US, Germany and India.

On 20 June 2023 legislation was substantively enacted in the UK to introduce the OECD's Pillar Two global minimum tax rules together with a UK qualified domestic minimum top-up tax, with effect from 1 January 2024. Under the legislation Rotork plc will be required to pay to the UK tax authorities top-up tax on profits of its subsidiaries that are taxed at an effective tax rate of less than 15 per cent.

The Pillar Two tax charge borne by the Rotork plc does not have a material impact on its current tax expense.

The Group will continue to assess the impact of the Pillar Two income taxes legislation on its future financial performance.

There is an unrecognised deferred tax liability for temporary differences associated with investments in subsidiaries. Rotork plc controls the dividend policies of its subsidiaries and the timing of the reversal of the temporary differences. The value of temporary differences associated with unremitted earnings of subsidiaries for which deferred tax has not been recognised is £357,208,000 (2023: £320,839,000).

7. CAPITAL AND RESERVES

	0.5p Ordinary shares issued and fully paid up 2024	**£1 Non-redeemable preference shares 2024**	0.5p Ordinary shares issued and fully paid up 2023	£1 Non-redeemable preference shares 2023
At 1 January	**4,306**	**40**	4,304	40
Issued under employee share schemes	**2**	–	2	–
Cancelled following share buyback programme	**(76)**	–	–	–
At 31 December	**4,232**	**40**	4,306	40
Number of shares (000)	**846,381**		861,201	

The ordinary shareholders are entitled to receive dividends as declared and are entitled to vote at meetings of the Company.

Share issue

The Group received proceeds of £840,000 (2023: £1,047,000) in respect of the 321,000 (2023: 430,000) ordinary shares issued during the year: £2,000 (2023: £2,000) was credited to share capital and £838,000 (2023: £1,045,000) to share premium.

Own shares held

Within the retained earnings reserve are own shares held in Rotork's Employee Benefit Trust. The Group acquired 3,129,000 of its own shares during the year (2023: 773,000). The total amount paid to acquire the shares was £10,348,000 (2023: £2,444,000), and this has been deducted from shareholders' equity. During the year, 973,000 (2023: 1,038,000) ordinary shares were released to satisfy share plan awards. The investment in own shares held is £12,271,000 (2023: £5,056,000) and represents 3,722,000 (2023: 1,566,000) ordinary shares of the Company held in trust for the benefit of directors and employees for future payments under the Share Incentive Plan and Long Term Incentive Plan. The dividends on these shares have been waived.

Preference shares

The preference shareholders take priority over the ordinary shareholders when there is a distribution upon winding up the Company or on a reduction of equity involving a return of capital. The holders of preference shares are entitled to vote at a general meeting of the Company if a preference dividend is in arrears for six months or the business of the meeting includes the consideration of a resolution for winding up the Company or the alteration of the preference shareholders' rights.

7. CAPITAL AND RESERVES (CONTINUED)

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

Capital redemption reserve

The capital redemption reserve arises when the Company redeems shares wholly out of distributable profits.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments that are determined to be an effective hedge.

Dividends

The following dividends were paid in the year per qualifying ordinary share:

	Payment date 2024	**2024**	2023
4.65p final dividend for 2023 (final dividend for 2022: 4.30p)	24 May	**39,881**	36,926
2.75p interim dividend for 2024 (interim dividend for 2023: 2.55p)	23 September	**23,384**	21,894
		63,265	58,820

After the balance sheet date the following dividends per qualifying ordinary share were proposed by the directors. The dividends have not been provided for.

	2024	2023
Final proposed dividend per qualifying ordinary share		
5.00p	**42,133**	–
4.65p	–	40,046

8. EARNINGS PER SHARE

Basic earnings per share

Earnings per share is calculated for both the current and previous years using the profit attributable to the ordinary shareholders for the year. The earnings per share calculation is based on 853.6m shares (2023: 859.3m shares) being the weighted average number of ordinary shares in issue (net of own ordinary shares held) for the year.

	2024	2023
Net profit attributable to ordinary shareholders	**103,585**	113,488
Weighted average number of ordinary shares		
Issued ordinary shares net of own shares held at 1 January	**859,636**	858,940
Effect of own shares held	**82**	198
Effect of share buyback programme	**(6,174)**	–
Effect of shares issued under Sharesave plans	**102**	122
Weighted average number of ordinary shares during the year	**853,646**	859,260
Basic earnings per share	**12.1p**	13.2p

8. EARNINGS PER SHARE (CONTINUED)

Adjusted basic earnings per share

Adjusted basic earnings per share is calculated for both the current and previous years using the profit attributable to the ordinary shareholders for the year after adding back the after-tax impact of the adjustments. The reconciliation showing how adjusted net profit attributable to ordinary shareholders is derived is shown in note 2.

	2024	2023
Adjusted net profit attributable to ordinary shareholders	**135,606**	125,629
Weighted average number of ordinary shares during the year	**853,646**	859,260
Adjusted basic earnings per share	**15.9p**	14.6p

Diluted earnings per share

Diluted earnings per share is based on the profit for the year attributable to the ordinary shareholders and 857.0m shares (2023: 862.4m shares). The number of shares is equal to the weighted average number of ordinary shares in issue (net of own ordinary shares held) adjusted to assume conversion of all potentially dilutive ordinary shares. The Company has two categories of potentially dilutive ordinary shares: those share options granted to employees under the Sharesave plan where the exercise price is less than the average market price of the Company's ordinary shares during the year and contingently issuable shares awarded under the Long Term Incentive Plan (LTIP).

	2024	2023
Net profit attributable to ordinary shareholders	**103,585**	113,488
Weighted average number of ordinary shares (diluted)		
Weighted average number of ordinary shares for the year	**853,646**	859,260
Effect of Sharesave options	**798**	730
Effect of LTIP share awards	**2,549**	2,398
Weighted average number of ordinary shares (diluted) during the year	**856,993**	862,388
Diluted earnings per share	**12.1p**	13.2p

Adjusted diluted earnings per share

	2024	2023
Adjusted net profit attributable to ordinary shareholders	**135,606**	125,629
Weighted average number of ordinary shares (diluted) during the year	**856,993**	862,388
Adjusted diluted earnings per share	**15.8p**	14.6p

9. EMPLOYEE BENEFITS

	2024	2023
Recognised liability for defined benefit obligations	**3,618**	—
Other pension scheme liabilities	**153**	673
Employee bonuses	**24,773**	25,497
Employee indemnity provision	**1,884**	2,016
Other employee benefits	**6,417**	5,765
	36,845	33,951
Non-current	**7,699**	4,197
Current	**29,146**	29,754
	36,845	33,951

10. CASH GENERATED FROM OPERATIONS

	Note	**2024 £000**	2023 £000
Profit for the year		**104,798**	113,488
Income tax expense	6	**35,663**	37,150
Finance income	5	**(7,323)**	(5,301)
Finance expense	5	**2,721**	3,430
Operating profit		**135,859**	148,767
Amortisation of acquired intangible assets		**2,604**	2,110
Defined benefit scheme settlement loss	4	**18,009**	—
Other adjustments	4	**21,934**	13,598
Depreciation		**14,292**	13,533
Amortisation and impairment of development costs		**3,614**	2,352
Equity settled share-based payments		**6,664**	5,670
Profit on sale of property, plant and equipment		**(109)**	(342)
Increase in provisions		**922**	216
Cash generated from operations before working capital cash flows		**203,789**	185,904
(Increase)/decrease in inventories		**(1,437)**	5,490
Increase in trade and other receivables		**(1,064)**	(10,488)
Increase in trade and other payables		**12,017**	1,399
(Decrease)/increase in employee benefits		**(567)**	15,538
Cash generated from operations		**212,738**	197,843

11. RELATED PARTIES

The Group has a related party relationship with its subsidiaries and with its directors and key management. Transactions between two subsidiaries for the sale and purchase of products or the subsidiary and parent Company for management charges are priced on an arm's length basis.

12. POST BALANCE SHEET EVENTS

On 10 March 2025 Rotork agreed to acquire 100% of the equity interest in Noah Actuation Co. Ltd. a company headquartered in Seoul, South Korea for an enterprise value of £44m. The acquisition will expand Rotork's electric actuator offering and is fully aligned to the Growth+ strategy. Completion is expected in the coming days and therefore the initial accounting for the business combination has not yet been completed. Further information will be provided in the condensed consolidated interim financial statements of the Group for the period ended 30 June 2025.

FINANCIAL CALENDAR

11 March 2025	Preliminary announcement of annual results for 2024
24 April 2025	Ex-dividend date for proposed final 2024 dividend
25 April 2025	Record date for proposed final 2024 dividend
2 May 2025	Announcement of trading update
2 May 2025	Annual General Meeting to be held at Bailbrook House Hotel, Eveleigh Avenue, London Road West, Bath, Somerset, BA1 7JD
3 June 2025	Payment date for proposed final 2024 dividend (subject to shareholder approval at the 2025 AGM)
5 August 2025	Announcement of interim financial results for 2025
19 November 2025	Announcement of trading update