

24 April 2015



Rotork plc

Trading update

Rotork p.l.c (“Rotork”), the market leading actuator manufacturer and flow control company, issues the following trading update covering the period from 1 January to 29 March 2015 ahead of its Annual General Meeting, to be held later today.

Order intake in the first quarter was 7.3% lower (OCC -13.1%) than the same quarter last year. This performance reflected the effect of lower investment in the upstream oil and gas market and continued uncertainty in Russia, Eastern Europe and the Middle East as political tensions remain in these regions. Asia Pacific also had a slower start to the year than anticipated. Revenue for the first quarter was 6.7% lower (OCC -12.6%) than the same period last year reflecting the slower start to the year and the timing of project deliveries.

Despite a challenging first quarter the order book at the end of March was £196m, 6.5% higher than December 2014, and we remain encouraged by current project activity levels across the Group.

Rotork Controls

Order intake for the first quarter was 5.8% down on the same period last year (-6.4% OCC). Project visibility and quotation activity remain good. We continue to see strong demand for our products in the Americas, India and the Middle East. Based on the current visibility of projects we are anticipating a stronger Q2 in Asia with Europe remaining subdued.

Rotork Fluid Systems

Order intake was down 29.9% on the same period last year (-29.1% OCC) reflecting the effect of project delays and general uncertainty in oil & gas. Whilst we expect the market to remain challenging, project activity is improving and we anticipate an improved position in Q2. The Americas in particular are expected to provide further opportunities and we continue to develop our sales activities in Asia.

Rotork Gears

We continue to see opportunities for growth in Gears. Order intake for the first quarter was 2.0% higher than the prior year (2.7% OCC). We are anticipating good growth in Asia and the Americas as sales activities undertaken in prior periods and continued efforts deliver results.

Rotork Instruments

The Instruments division continues to benefit from acquisitions as well as organic growth. Order intake in the first quarter was 128.3% higher than the same period last year (4.3% OCC). Progress continues to be made integrating recently acquired businesses into the Rotork Group and YTC and Midland are performing well.

Financial position

The Group continues to be highly cash generative and maintains a strong balance sheet with a high return on capital employed. Net cash balances at 29 March 2015 were £35.2m.

Outlook

Project activity in the Americas and Asia Pacific remains encouraging and we see opportunities across our key end markets. We continue to anticipate a challenging trading environment in the short term with the timing of orders difficult to forecast. In the light of trading to date, the Board currently expects first half results to be lower than the prior year.

Whilst as anticipated full year margins will be slightly lower than the prior year, current project visibility, combined with the strength of our product portfolio and international sales network, should enable a stronger second half, delivering an overall performance in line with management expectations for the full year.

For further information, please contact:

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Notes

1. 2015 figures quoted are at actual exchange rates and 2014 are as previously reported.
2. OCC (organic constant currency) growth rates remove the results of the businesses acquired during 2014 and 2015 that were not consistently in both periods' results and restate 2015 at 2014 exchange rates.
3. First quarter results refer to the period from 1 January to 29 March 2015.
4. Rotork will be announcing its half year results for the period ending 30 June 2015 on 4 August 2015.
5. This announcement contains certain forward-looking statements with respect to the operations, performance and financial condition of the Group. By their nature, these statements involve uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated. The forward-looking statements reflect knowledge and information available at the date of preparation of this announcement and Rotork undertakes no obligation to update these forward-looking statements. Nothing in this interim management statement should be construed as a profit forecast.