



Rotork Plc

Trading update

Rotork plc ("Rotork"), the global flow control and instrumentation company, issues the following trading update covering the four months to 27 October 2019.

Order intake showed improvement on the 2018 third quarter comparator period on an organic constant currency¹ ("OCC") basis, and was also ahead on a year-to-date basis. Rotork's customers have continued to spend on maintenance and repair as well as upgrade, modernisation and automation whilst large project activity has remained subdued. A slightly greater than usual proportion of recent orders are not for delivery until next year. We therefore now expect to deliver modestly lower OCC sales year-on-year in 2019, reflecting order phasing, portfolio and product rationalisation, and the impact on the prior year from delivery of several significant projects and sales to countries subsequently placed under sanction.

Full year adjusted operating margins are expected to show good progress year-on-year benefiting from continued execution of the Growth Acceleration Programme and mix. We expect reported 2019 adjusted operating profit to be in-line with management expectations on an OCC basis. We note that sterling has strengthened since our interim results.

Our Growth Acceleration Programme is on track. Our end market reorganisation continues with the rollout to Asia Pacific completed and Europe, Middle East & Africa now well underway. Our Value Selling initiative is ongoing, with over half of our sales people having already completed the training. We have made further progress driving lean improvements and reducing inventory levels. We have completed the IT system design stage and we plan to launch the global HR platform ahead of plan before the end of the year.

Rotork remains highly cash generative with a strong balance sheet. Net cash at 27 October 2019 was £66.9m (£31.6m at 31 December 2018 including £12.0m of lease liabilities).

Rotork will publish 2019 full-year results on Tuesday 3 March 2020.

¹ OCC is organic constant currency results excluding discontinued businesses and restated at 2018 exchange rates

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