



Rotork Plc

Trading update

Order intake growth in-line with expectations, near-term deliveries delayed by supply chain constraints

18 November 2021

Rotork plc ("Rotork"), the global flow control and instrumentation group, today issues the following trading update covering the four-month period to 31 October 2021.

Trading update

Order intake in the four-month period was up a high single digit percentage year-on-year on an OCC¹ basis with each division's orders ahead. During the period we saw a pick-up in project and environmental related activity. The majority of Rotork's activity continues to be driven by customers' operational rather than capital expenditure and they continue to spend on automation and electrification projects as well as maintenance and refurbishment.

In the last few months component sourcing has become even more challenging and deliveries of materials sourced from Asia Pacific regularly delayed, sometimes with little notice. Most affected have been chipsets and electronics, critical components of our market leading electric actuators. The result has been closures of production lines that have in some cases lasted several weeks. Consequently, revenues in the four months were down year-on-year on an OCC basis. Adjusted operating profit margins in the period benefited from continued execution of the Growth Acceleration Programme and our focus on managing materials inflation, but the benefits compared to the prior year period were more than offset by the impact of the significantly reduced volumes, operational inefficiencies and increased logistics costs.

Our work to develop a net-zero emissions roadmap continues and we will update on progress at our full-year results. S&P Global recently ranked Rotork in the top quintile globally in the Machinery and Electrical Equipment industry in its highly regarded Corporate Sustainability Assessment. We note the successful signing of the Global Methane Pledge by more than 100 countries at COP26 and anticipate our work with customers to reduce their methane emissions accelerating in 2022.

Rotork remains highly cash generative with a strong balance sheet. Net cash at 31 October 2021 was £103.2m (£178.1m at 31 December 2020). During the period we paid an interim dividend of £20.5m (on 24 September 2021) and returned £44.2m to shareholders through our £50.0m share buyback programme which was completed on 9 November 2021.

Outlook

The growth in order intake seen in the second quarter has continued over the summer and through October, in-line with our expectations. However, we anticipate the supply chain disruption currently being experienced will continue at least in the near term. As a result, we expect second half revenue to be similar to the first half with adjusted operating margins slightly ahead of the first half. We anticipate entering 2022 with a record year end order book.

Rotork will publish 2021 full-year results on Tuesday 1 March 2022.

¹ OCC is organic constant currency results excluding acquired and discontinued businesses and restated at 2020 exchange rates

This announcement includes inside information. The person responsible for arranging the release of it on behalf of Rotork plc is Stuart Pain, Group General Counsel & Company Secretary.

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About Rotork

Rotork is a market-leading global provider of mission-critical flow control and instrumentation solutions for oil & gas, water and wastewater, power, chemical process and industrial applications. We help customers around the world to improve efficiency, reduce emissions, minimise their environmental impact and assure safety. Rotork employs about 3,400 people, has manufacturing facilities in more than 15 locations and serves 173 countries through a global service network. Its shares have a premium listing on the London Stock Exchange (symbol: ROR) and are a constituent of the FTSE 250 index. For more information please visit www.rotork.com.