



29 April 2022

Rotork Plc

Trading update

Encouraging order intake growth in the first quarter

Rotork plc ("Rotork"), the global flow control and instrumentation group, today issues the following trading update covering the first quarter period from 1 January to 3 April 2022 ahead of its Annual General Meeting to be held later today.

Trading update

Performance in the period was broadly in-line with our expectations. Encouragingly, order intake (on an organic constant currency basis, "OCC") was high-single digits above the 2021 comparator, with the Oil & Gas division reporting the highest rate of order growth. Revenue was down mid-single digits year-on-year on an OCC basis, reflecting continued component availability challenges, the cessation of deliveries to Russia, and reduced deliveries from our important Shanghai, China, facility which particularly impacted the Water & Power division.

We are managing the supply issues from our Shanghai facility, which is in a COVID-19 lockdown area and is currently closed. It operated at a significantly reduced output from 15 March to 13 April and has been closed since. We currently anticipate a partial re-opening in the coming days however there can be no certainty that this will happen or it will remain open.

As previously reported, we continue to see elevated material costs and disruption to supply routes. Additionally, we are experiencing significant labour cost increases. We are managing inflation through more frequent price increases and cost reductions and anticipate these actions will largely offset the headwinds. We are executing on the Growth Acceleration Programme and our 'enabling a sustainable future' initiative has momentum.

Rotork retains a strong balance sheet with net cash of £112.5m at 3 April 2022 (£114.1m at 31 December 2021).

Ukraine conflict update

Rotork ceased deliveries to Russia at the start of March. Rotork has no manufacturing presence in Russia and is suspending the activities of its sales and service operations in the country in an orderly manner, with a small number of employees being retained to manage this process. Rotork is actively supporting humanitarian relief efforts for the Ukrainian people. The Russia, Ukraine and Belarus region, which is all serviced out of Russia, contributed around 3% to group sales in 2021.

Outlook

The outlook for our end markets remains positive and the recovery in oil & gas markets is continuing. Our order book is at a record high and we are working hard to deliver on it in the face of increased geopolitical and macroeconomic uncertainty and continued supply chain disruption which is expected to result in an even greater weighting to the second half. We remain committed to delivering mid to high single digit revenue growth and mid 20s adjusted operating profit margins over time.

Rotork will publish 2022 half-year results on Tuesday 2 August 2022.

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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 3,200 people, has manufacturing facilities in 17 locations and serves 170 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.