



**Rotork Plc**

## **Trading update**

### **Encouraging start to 2023 and good visibility into the second half**

**28 April 2023**

Rotork plc ("Rotork"), the global provider of mission-critical intelligent flow control solutions, today issues the following trading update covering the first quarter period from 1 January to 2 April 2023 ahead of its Annual General Meeting to be held later today.

#### **Trading update**

Order intake in the period was ahead a mid-teen percentage year-on-year on an OCC<sup>1</sup> basis, with all divisions making encouraging progress. Our orders continue to be driven largely by customers' operational spend. In addition, in the period we saw a return of a relatively high level of large project activity.

Revenues in the three months grew 18% year-on-year (OCC) against a more supply-chain disrupted comparative period. Sales benefited from both volume and selling price increases, with all divisions and regions ahead year-on-year and with particularly strong growth in the Americas.

We retain a strong balance sheet. As expected, the period saw a strong cash performance, reflecting the high level of receivables outstanding at the end of 2022, resulting in net cash at 2 April 2023 of £133.0m (December 2022: £105.9m).

#### **Growth+ strategy**

We launched our Growth+ strategy at a Capital Markets Event in November 2022. Growth+ is designed to deliver our growth ambition through our three pillars of Target Segments, Customer Value and Innovative Products & Services, each underpinned by our Enabling a Sustainable Future initiative.

We continue to see good growth opportunities in our Target Segments. In North American upstream, for example, there is growing momentum behind electrification in the drive to eliminate methane emissions. In carbon capture and storage there has been a marked pick-up in enquiries and in quotation activity in the period when compared to the prior year.

Our Customer Value initiative, which is about putting the customer at the forefront of everything we do, is making encouraging progress. The 'Achieving Customer Excellence' (ACE) programme pilots have been successful, significantly reducing the lead times of the products targeted. We have identified a number of further opportunities where the programme can be applied as a priority, before rolling-out ACE to the rest of the Group.

#### **Outlook**

The outlook for our end markets remains positive and our record order book gives us good visibility into the second half of the year. We are encouraged by the early momentum we are seeing with our Growth+ strategy and are investing in the programme as planned. Whilst we are cognisant of the continuing global macro-economic uncertainty, we now expect 2023 adjusted operating profit to be slightly ahead of our earlier expectations.

Rotork will publish 2023 half-year results on Tuesday 8 August 2023.

<sup>1</sup>OCC is organic constant currency results restated at 2022 exchange rates

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**About Rotork**

Rotork is a market-leading global provider of mission-critical intelligent flow control 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 more than 16 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](http://www.rotork.com).