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Keeping the World Flowing
for Future Generations

Strong delivery of Growth+ strategy

2023 Preliminary Results
March 5th 2024

Presented by
Kiet Huynh – Chief Executive Officer
Jonathan Davis - Group Finance Director

Our growth drivers

Industrial megatrends

Automation

Electrification

Digitalisation

Target segments

Customer value

Innovative products & services

Enabling a sustainable future

A year of strong progress

Double-digit growth

Orders

+7.8% OCC[1]

£724m

KPI

Revenue growth

+13.6% OCC[1]

£719m

Margin and ROCE progress

KPI

Adj.[2] operating margin

22.9%

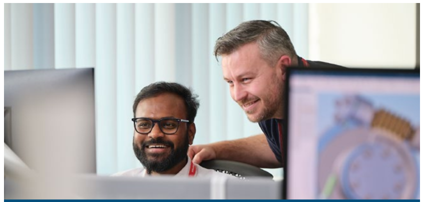
(2022: 22.3%)

KPI

ROCE

33.9%

(2022: 31.3%)



Good cash conversion

Closing net cash

£134m

(2022: £106m)

KPI

Cash conversion

120%

of adj[2] operating profit

Performing for all stakeholders

KPI

LTIR

0.08

(2022: 0.13)

MSCI ESG rating

'AAA'

Note: [1.] OCC results are excluding acquired businesses and restated at 2022 exchange rates [2.] Adjusted figures exclude the amortisation of acquired intangible assets and other adjustments

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Financial Review

Presented by

Jonathan Davis - Group Finance Director

Financial highlights

- Solid order intake with all divisions ahead
- Strong revenue growth despite significant foreign exchange headwind in H2
- Adjusted operating margins were 60bps higher at 22.9%
- ROCE 33.9% (+260bps)
- Full year dividend 7.2p (2.0x cover)
- £50m share buyback

	2022	2023	%	OCC[1]%
Order intake	£682m	£724m	+6.2%	+7.8%
Revenue	£642m	£719m	+12.0%	+13.6%
Adjusted[2] operating profit	£143m	£164m	+14.8%	+17.3%
Adjusted[2] operating margin	22.3%	22.9%	+60bps	+70bps
Adjusted[2] EPS	12.7p	14.6p	+14.8%	+17.0%
Cash conversion	76%	120%	-	-
Full year dividend	6.7p	7.2p	+7.5%	-

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Group and divisional performance

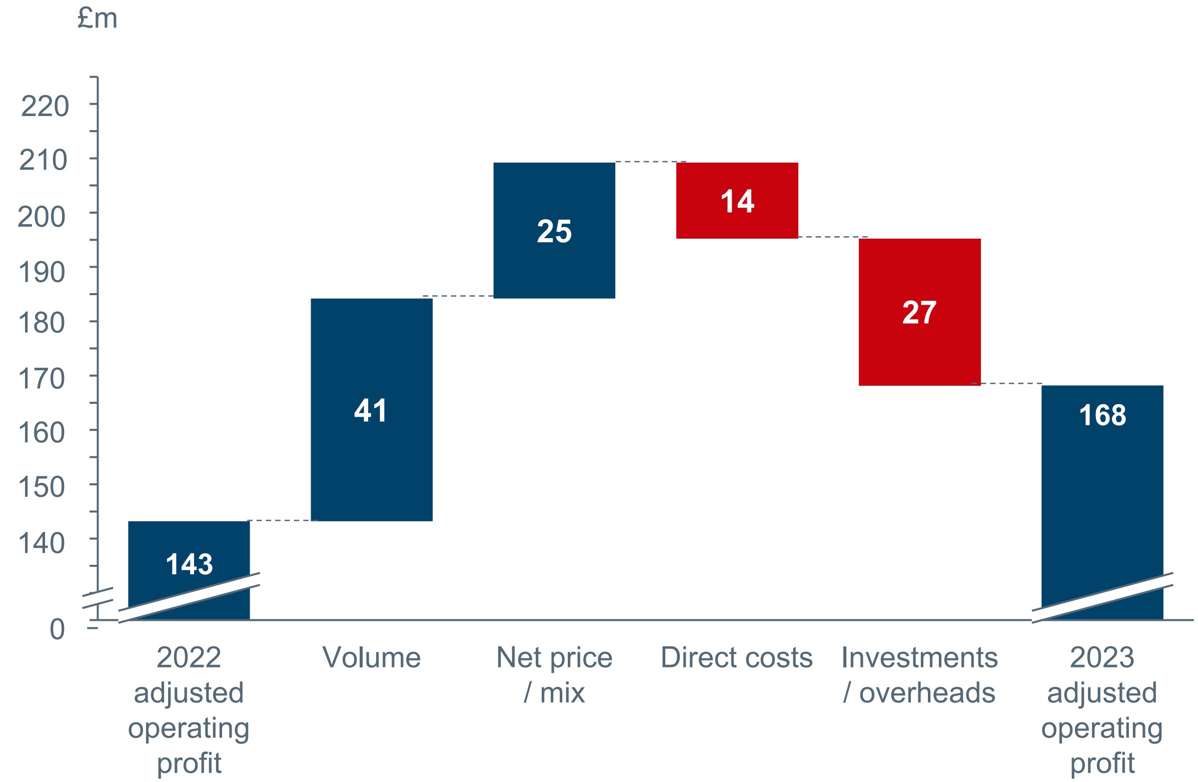
2023	Sales (£m)	YoY growth (OCC[1])	Adj. EBITA (£m)	YoY growth (OCC[1])	Adj. EBITA margin
Oil & Gas	328	16.6%	83.6	+32.7%	25.5%
Chemical, Process & Industrial	214	9.7%	51.3	+1.8%	24.0%
Water & Power	177	13.3%	46.4	+19.0%	26.2%
Corporate costs			(16.8)		
Group	**719**	**13.6%**	**164.5**	**+17.3%**	**22.9%**

- Oil & Gas sales driven by EMEA strength, including Western Europe and the Middle East
- CPI revenue growth clearly benefited from the target segments strategy
- Water & Power sales improvement driven by both water & wastewater and power segments
- Rotork Site Services represented 21% of Group sales

Note: [1.] OCC results exclude acquired businesses and are restated at 2022 exchange rates [2.] Adjusted figures exclude the amortisation of acquired intangible assets and other adjustments

Adjusted[2] operating profit bridge (OCC[1])

- Revenue growth two-thirds volume, one-third price
- Price increases covered material and wage inflation
- Growth+ investments covered by volume
- Adjusted operating margin +70bps to 23.0% OCC



Note: [1.] OCC results exclude acquired businesses and are restated at 2022 exchange rates [2]. Adjusted figures exclude the amortisation of acquired intangible assets and other adjustments

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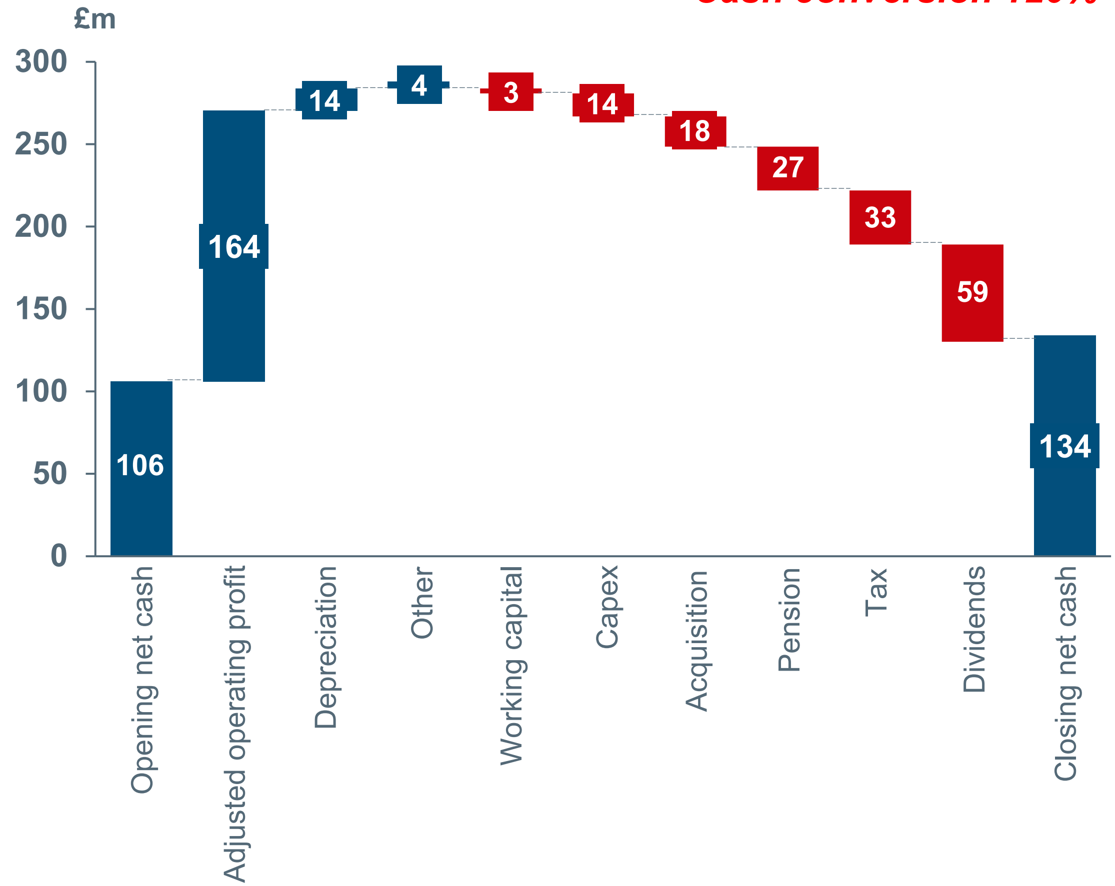
Cash flow

- Net working capital/sales 27.3% (28.7% at Dec 2022)
- Trade debtors / sales 21.3% (20.9% at Dec 2022)
- Trade receivables days sales outstanding 55 days (58 days Dec 2022)
- Inventory / sales 11.7% (14.5% Dec 2022)
- Pension includes £20m special contribution

Cash conversion 120%



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Items below adjusted operating profit

- Business transformation costs include Bath go-live and preparation for global rollout programme

Adjustments to operating profit (£m)	2022	2023
Amortisation of acquired intangibles	7.1	2.1
Gain on property disposal	(1.2)	(0.7)
Business transformation costs	8.9	13.1
Other costs	1.3	1.2
Russia market exit	3.6	0.0
	19.7	**15.7**

- Effective tax rates expected to rise by 50-100bps in 2024

	2022	2023
Headline effective tax rate	24.9%	24.7%
Adjusted effective tax rate	23.9%	24.5%

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Delivering sustainability

Sustainability progress

- Scope 1 & 2 emissions reduced by 11%
- Sustainable product requirement incorporated into design process
- Enabling the energy transition and climate change adaptation

External recognition

- MSCI ESG ‘AAA’
- Sustainalytics ‘Industry Top Rated’
- Featured in S&P’s ‘Sustainability Yearbook 2023’

We installed solar panels at our Gimpo (South Korea) facility in 2023

Delivering returns and sustainability

Guidance and financial summary

Guidance

- Currency impact estimated at ~3% headwind
- Capex spend ~£20m
- Business transformation spend ~£20m

Financial summary

- Early momentum in the year
- Strong opening order book
- Order book normalisation opportunity

Growth+ update & outlook

Presented by

Kiet Huynh, Chief Executive Officer

Growth+ strategy

PURPOSE
Keeping the world
flowing for future generations

VISION
To be the leader in intelligent flow control

Target Segments

Customer Value

Innovative Products and Services

Enabling a Sustainable Future

MEGA TRENDS

Automation

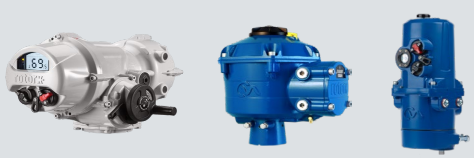
Electrification

Digitalisation

Target segments in action

Upstream electrification

Additional opportunities for Rotork actuation solutions



Battery value chain

Success in battery related mining, minerals processing and HVAC in cell / pack production

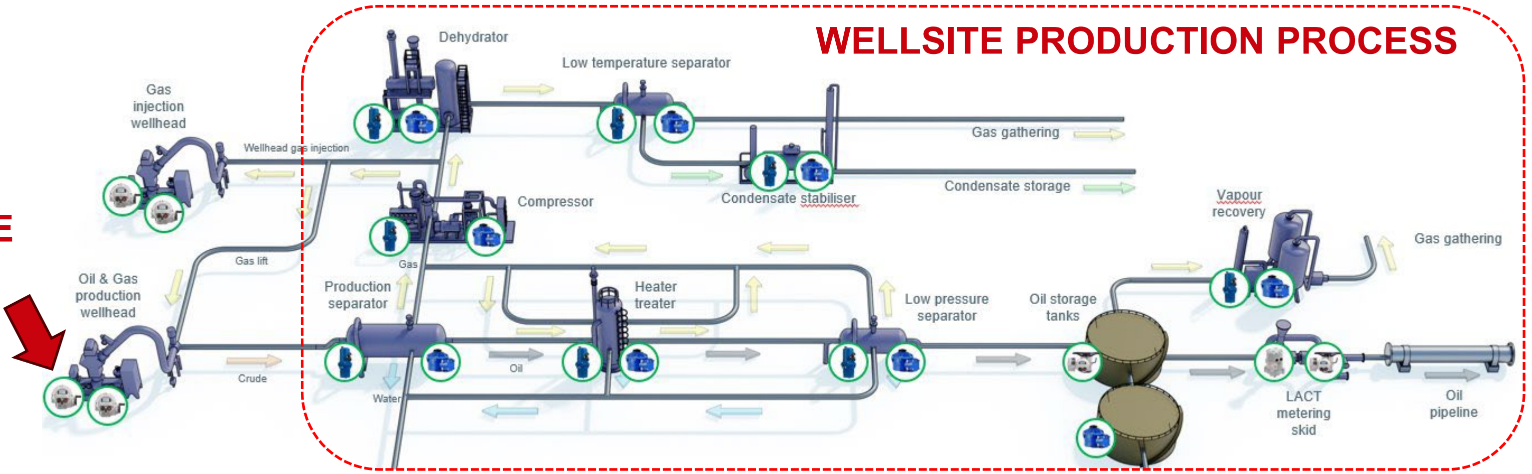
Water infrastructure

Enabling the transportation and distribution of potable water to a new town in the Middle East

Target segments sales represented around 50% and grew 15% YoY OCC

Upstream electrification

CHOKE VALVE



- 2022: CMD demonstrated the electrification opportunity in methane emissions reduction
- 2023: IQTF established as the leading electric actuator on new wellhead choke valves
- Wellsite production process electrification has been steadier with pneumatic actuators still common
- Rules and commitments made at COP28 to accelerate:
  – electrification of wellsite production process
  – electrification of completion and flowback stages

New rules have the potential to accelerate and increase the upstream electrification market size in the medium term

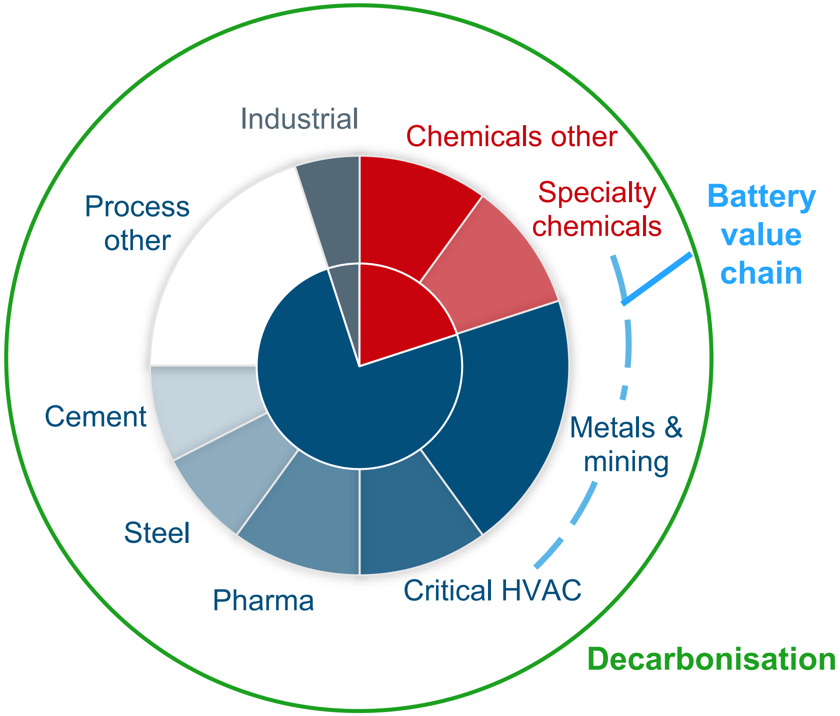
CPI: target segments update

Specialised actuators and instruments for niche critical process automation

Growth drivers

- Structurally growing markets
- Share gain opportunities

Sales CAGR (2020-23): 11.4%



’Growth drivers’ represent approximately 75% of CPI sales

Notes: Split of sales within CPI segments are management estimates. Decarbonisation sales were allocated to all Rotork divisions starting 2023

Customer value in action

Target Segments

Customer Value

Innovative Products and Services

People	Process	Systems
Seamless customer experience	Best-in-class lead times	End-to-end efficiency

Capital allocation priorities

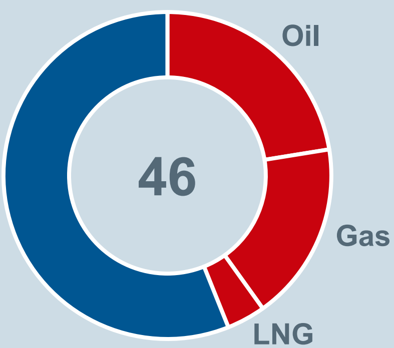
- Organic investment
- Progressive dividend
- Strategic investments
- Return of cash

Market outlook

Oil & Gas

- Customer spend focused on energy security, energy transition, emissions reduction and 'investment catch-up'
- Gas and LNG represent close to half of Oil & Gas divisional sales

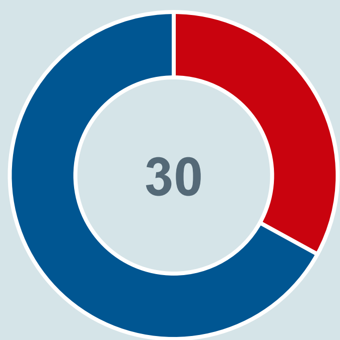
% of revenue



CPI

- Focus on fast growing end markets and ones where Rotork has been under-represented historically and can win share

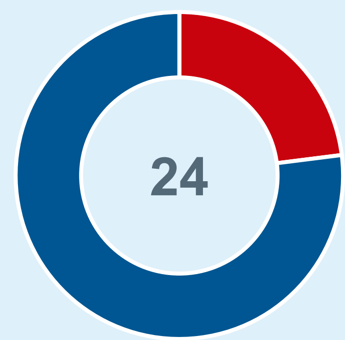
% of revenue



Water & Power

- Ageing water infrastructure and climate challenges necessitating increased multi-year investment
- Positive outlook for power sector emissions related spend. Traditional markets stable

% of revenue



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Summary & outlook

Strong 2023 results

Positive outlook

- Healthy opening order book
- Growth+ benefits
- Expecting a year of progress on an OCC basis

We are committed to delivering mid to high single-digit revenue growth and mid-20s adjusted operating profit margins over time

Appendices

Oil & Gas

- Revenue higher driven by spend on increasing output, improving productivity and reducing emissions
- EMEA was the fastest growing region
- APAC revenues were modestly ahead
- Americas sales were ahead mid-teens
- Margins rose 290bps to 25.5% on higher volumes and positive pricing

	2022	2023	Change	OCC[1] Change
Revenue	£283.3m	£328.4m	+15.9%	+16.6%
Adjusted[2] operating profit	£64.0m	£83.6m	+30.7%	+32.7%
Adjusted[2] operating margin	22.6%	25.5%	+290bps	+310bps
Segment sales contribution				
Downstream	50%	49%	-	-
Upstream	25%	27%	-	-
Midstream	25%	24%	-	-

Note: [1] OCC results exclude acquired businesses and are restated at 2022 exchange rates [2] Adjusted figures exclude the amortisation of acquired intangible assets and other adjustments

Chemical, Process & Industrial

- Sales clearly benefited from the pursuit of chosen Growth+ Target Segments
- APAC was the fastest growing region
- EMEA sales grew high-single digits OCC driven by the Middle East / Africa regions
- Americas sales grew
- Adjusted operating margins fell on negative product mix

	2022	2023	Change	OCC[1] Change
Revenue	£198.4m	£213.7m	+7.7%	+9.7%
Adjusted[2] operating profit	£51.2m	£51.3m	+0.1%	+1.8%
Adjusted[2] operating margin	25.8%	24.0%	-180bps	-180bps

Note: [1.] OCC results exclude acquired businesses and are restated at 2022 exchange rates [2.] Adjusted figures exclude the amortisation of acquired intangible assets and other adjustments

Water & Power

- Sales grew double-digits with water & wastewater and power sector sales growing at similar rates
- APAC sales grew high-single digits OCC with very strong growth in India
- Americas sales grew strongly driven by water & wastewater
- EMEA was the fastest growing region
- Adjusted operating margins benefited improved chipset costs and productivity

	2022	2023	Change	OCC[1] Change
Revenue	£160.2m	£177.0m	+10.5%	+13.3%
Adjusted[2] operating profit	£40.3m	£46.4m	+15.3%	+19.0%
Adjusted[2] operating margin	25.2%	26.2%	+100bps	+120bps

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Geographic revenues

- EMEA sales growth was driven by Oil & Gas and Water & Power
- APAC revenue increase was similar at each division
- Americas sales driven by Oil & Gas

2023	Sales by geographic destination	YoY growth
EMEA	£261m	+17.8%
APAC	£257m	+4.7%
Americas	£201m	+15.1%
Group	**£719m**	**12.0%**

Eco-transition update

Water & wastewater portfolio	Oil & gas electrification portfolio	New energies & technologies portfolio
• Potable water treatment • Potable water distribution • Sewage treatment • Irrigation	Electric actuators used in: • Oil & gas upstream (incl. onshore and offshore) • Oil & gas pipelines (incl. terminals, compressor stations	• Carbon capture • LNG • Biofuels • Hydrogen • Nuclear • Renewable energy

The eco-transition portfolio contributed 30% of Group sales in 2023

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Analysis of movements

£m	2023 as Reported	Adjust to OCC[1]	2023 at OCC[1]	2022 as Reported
Order intake	**723.7**	11.2	**734.9**	681.6
	+6.2%		+7.8%	
Revenue	**719.1**	10.3	**729.4**	641.8
	+12.0%		+13.6%	
Adjusted[2] operating profit	**164.5**	3.6	**168.1**	143.2
	+14.8%		+17.3%	
Adjusted[2] operating margin	**22.9%**		**23.0%**	22.3%
	+60bps		+70bps	

- Revenue split 43% US$, 26% Euro, 14% GBP and 16% other currencies
- Adjustments relate to intangible amortisation of £2.1m (2022: £7.1m) and other adjustments £13.6m (2022: £12.6m)

Note: [1] OCC results exclude acquisitions / disposals and are restated at 2022 exchange rates. [2] Adjusted figures exclude the amortisation of acquired intangible assets and other adjustments.

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Constant currency analysis

£m	2023 as Reported		Adjust to OCC[1]	2023 at OCC[1]		2022 as Reported	
Revenue	719.1		10.3	729.4		641.8	
Cost of sales	(380.1)		(5.5)	(385.6)		(350.1)	
Gross profit	339.0	47.2%	4.8	343.8	47.1%	291.7	45.5%
Overheads	(174.5)	24.3%	(1.2)	(175.7)	24.1%	(148.5)	23.1%
Adjusted[2] operating profit	164.5	22.9%	3.6	168.1	23.0%	143.2	22.3%

- OCC[1] gross margin increased 160bps
- OCC[1] adjusted[2] operating profit margin increased 70bps

Note: [1] OCC results exclude acquisitions / disposals and are restated at 2022 exchange rates. [2] Adjusted figures exclude the amortisation of acquired intangible assets and other adjustments.

Revenue and adjusted operating margins[2]

Revenue £m	H1 2023	H2 2023	FY 2023	FY 2023 OCC[1]	FY 2022
Oil and Gas	146.1	182.3	328.4	330.2	283.3
Chemical, Process & Industrial	110.4	103.3	213.7	217.6	198.4
Water & Power	78.2	98.8	177.0	181.6	160.2
Group	334.7	384.4	719.1	729.4	641.8

Adjusted operating profit %	H1 2023	H2 2023	FY 2023	FY 2023 OCC[1]	FY 2022
Oil and Gas	21.4%	28.7%	25.5%	25.7%	22.6%
Chemical, Process & Industrial	22.7%	25.4%	24.0%	24.0%	25.8%
Water & Power	21.8%	29.7%	26.2%	26.4%	25.2%
Group	19.5%	25.8%	22.9%	23.0%	22.3%

Note: [1] OCC results exclude acquisitions / disposals and are restated at 2022 exchange rates. [2] Adjusted figures exclude the amortisation of acquired intangible assets and other adjustments

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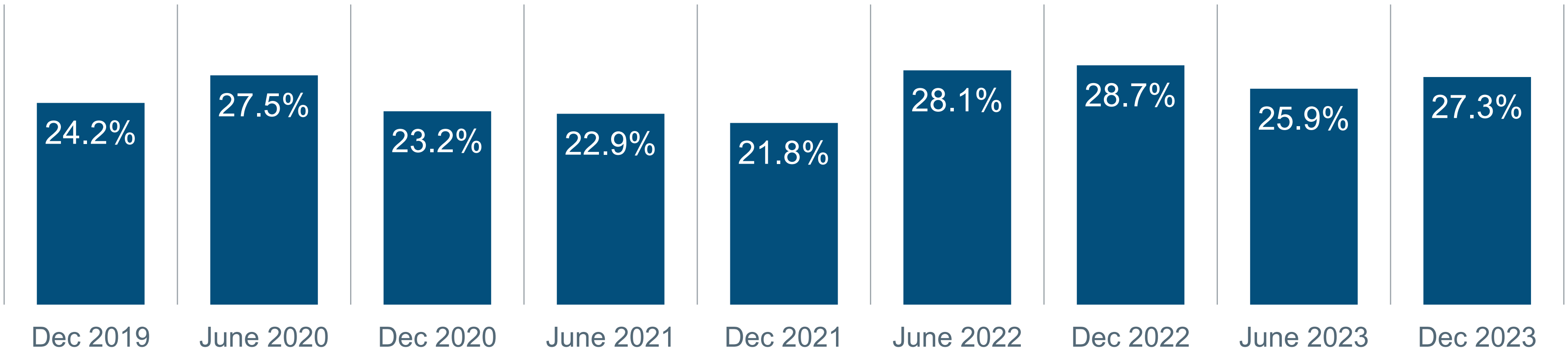
Earnings per share

£m	2023	2022	Change
PBT as reported	150.6	124.1	21.4%
Adjusted[1] PBT	166.3	143.7	15.7%
Effective tax rate	24.7%	24.9%	
Adjusted[1] effective tax rate	24.5%	23.9%	
Basic EPS as reported	13.2p	10.9p	21.7%
Adjusted[1] basic EPS	14.6p	12.7p	14.8%

Note: [1] Adjusted figures exclude the amortisation of acquired intangible assets and other adjustments.

Working capital



£m	Dec 2022	% Revenue	Dec 2023	% Revenue
Inventory	92.3	14.4%	84.0	11.7%
Trade Receivables	134.3	20.9% (58 D.S.O.)	152.8	21.3% (55 D.S.O.)
Trade Payables	(42.3)	6.6%	(40.6)	5.6%
Net Working Capital	184.3	28.7%	196.2	27.3%

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Exchange rates

		US $	Euro €
Average rates	H1 2022	1.30	1.19
	Full year 2022	1.24	1.17
	H1 2023	1.23	1.14
	Full year 2023	1.24	1.15
	+ = GBP STRENGTHENING / - = GBP WEAKENING		
	H1 2023 v H1 2022	-5.4%	-4.2%
	FY 2023 v FY 2022	0.6%	-2.0%
Period end rates	December 2022	1.21	1.13
	June 2023	1.27	1.16
	December 2023	1.27	1.15
	+ = GBP STRENGTHENING / - = GBP WEAKENING		
	December 2023 v December 2022	5.4%	2.1%

Dividends

- 2023 full year dividend increased 7.5% to 7.20p
- Dividend cover 1.8 times (adjusted cover 2.0 times)
- Over 20 years of annual dividend growth

Core Dividend	Month Paid / Payable	Amount (pence)	Cost (£m)
2021 Final	May 2022	4.05p	34.8
2022 interim	September 2022	2.40p	20.6
Paid in 2022		6.45p	55.4
2022 Final	May 2023	4.30p	36.9
2023 interim	September 2023	2.55p	21.9
Paid in 2023		6.85p	58.8
2023 proposed final	May 2024	4.65p	40.0

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