Keeping the World Flowing
for Future Generations

Strong H1 performance

2024 interim results
6th August 2024

Presented by
Kiet Huynh – Chief Executive Officer
Ben Peacock – Chief Financial Officer

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Strong H1 performance – our Growth+ strategy is delivering

Key highlights

Double-digit revenue growth	Margin and ROCE progress	Good cash conversion	Performing for all stakeholders
Group revenue +11.6% OCC[1] £361m	**Adj.[2] operating margin** 21.2% H1 2023: 19.5%	**Closing net cash** £119m End 2023: £134m	**TRIR** 0.19 H1 2023: 0.20
Rotork Site Services 22% of Group revenue	**ROCE** 36.9% H1 2023: 32.7%	**Cash conversion** 106% of adj.[2] operating profit	**MSCI ESG rating** 'AAA'

Note: 1. OCC results are excluding acquired businesses and restated at 2023 exchange rates 2. Adjusted figures exclude the amortisation of acquired intangible assets and other adjustments

Our Growth+ strategy

Delivering our ambition of mid to high single-digit revenue growth and mid 20s operating margins over time

PURPOSE

Keeping the world flowing for future generations

VISION

To be the leader in intelligent flow control

Target segments

Customer value

Innovative products & services

ENABLING A SUSTAINABLE FUTURE

Target segments underpin Growth+

We estimate target segment market growth at high single-digit

Oil & Gas

Market size £1,600m

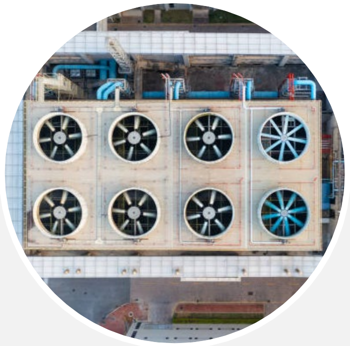
Divisional sales within target segments

Market growth rate High single-digit

Example

Electrification of upstream & midstream

Chemical, Process & Industrial



Market size £900m

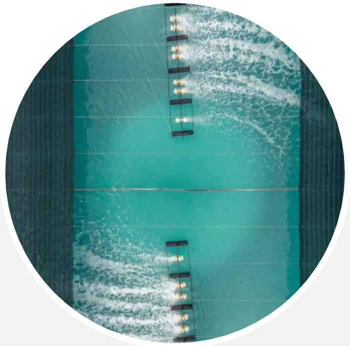
Divisional sales within target segments

Market growth rate Low double-digit

Example

Critical HVAC for technology sectors

Water & Power



Market size £1,500m

Divisional sales within target segments

Market growth rate Mid to high single-digit

Example

Automation of water infrastructure

Target segment market sizes and target segment market growth rates are management estimates

Momentum building beyond North American wellsites

Electrification of upstream and midstream oil & gas

The commitment to emissions reduction

- The sector is committed to reducing its scope 1 & 2 greenhouse gas emissions, which account for 15% of global energy-related emissions
- Approaches include
  - Electric powered actuators running on renewable energy
  - Eliminating non-emergency flaring
  - Eliminating all methane-emitting pneumatic control equipment
- The IEA calculates that this is one of the lowest cost ways to reduce total GHG emissions of any activity*

Electrification momentum building in upstream and midstream and outside N. America

- Electric actuator penetration of wellhead chokes and of well site production processes increasing
- Momentum is now building in other upstream process stages including completion, and in midstream pipeline
- Greenfield and replacement activity accelerating in N. America, Europe and Australasia
- The electrification trends in these markets provide Rotork further opportunities to grow

How Rotork products and services are helping address this industry need

- Rotork supplies a broad range of electric and electro-hydraulic actuators
- These are used in upstream and midstream applications
- Examples include onshore and offshore production facilities, pipelines and compressor stations

IQ3 Pro range of intelligent actuators enabling smart control

CMA range of modulating control actuators for precise positioning

8% of group sales were in upstream and midstream electrification in H1

* IEA Study: Emissions from Oil & Gas operations in net zero transitions", June 2023

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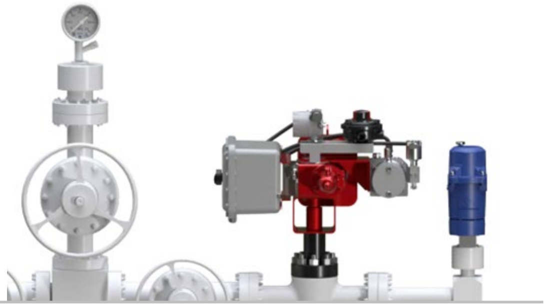
Supporting customers in eliminating their methane emissions

Innovative products & services

Innovative Rotork solutions

- Oil & Gas customers seek zero-emission emergency shutdown solutions for use on existing wellheads and pipelines
- Rotork has engineered a modular Electro-Hydraulic ('EH') actuator range that combines the simplicity of electric operation with the high torque of hydraulics
- EH actuators have zero methane emissions, low power consumption and can be used in applications requiring the highest safety certifications
- The EH can be easily retrofitted onto existing fluid power actuators
- Applications:
  - Upstream wellheads – surface safety valves
  - Midstream pipelines, processing & compression, emergency shutdown valves
  - Suitable for both new installations and retrofits

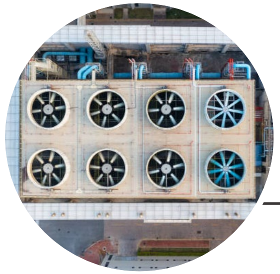
Electro-hydraulic actuators for upstream and midstream **methane emissions reduction**



They combine the **simplicity of electrics** with the high torque of hydraulic control

Supporting high value processes operate at peak performance

Critical HVAC in the tech sector



Opportunities in niche critical process automation

- Identifying and solving customer's critical reliability, sustainability and safety challenges
- Key end markets
  - Battery storage
  - Data centres
  - Semiconductors
  - Renewables

Key applications

- Air quality
- Explosion protection
- Precise control
- Critical cooling (air or liquid)
- Clean rooms & processes

Max range of part-turn explosion proof actuators

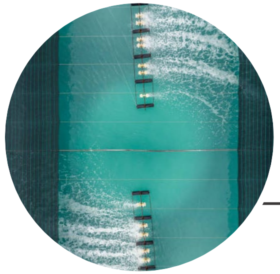
Critical HVAC – a key target segment for CPI

A structurally growing market offering share gain opportunities

The CPI division delivered an 11.4% revenue CAGR over 2020-23

Enabling universal access to clean water and sanitation

Water and wastewater automation

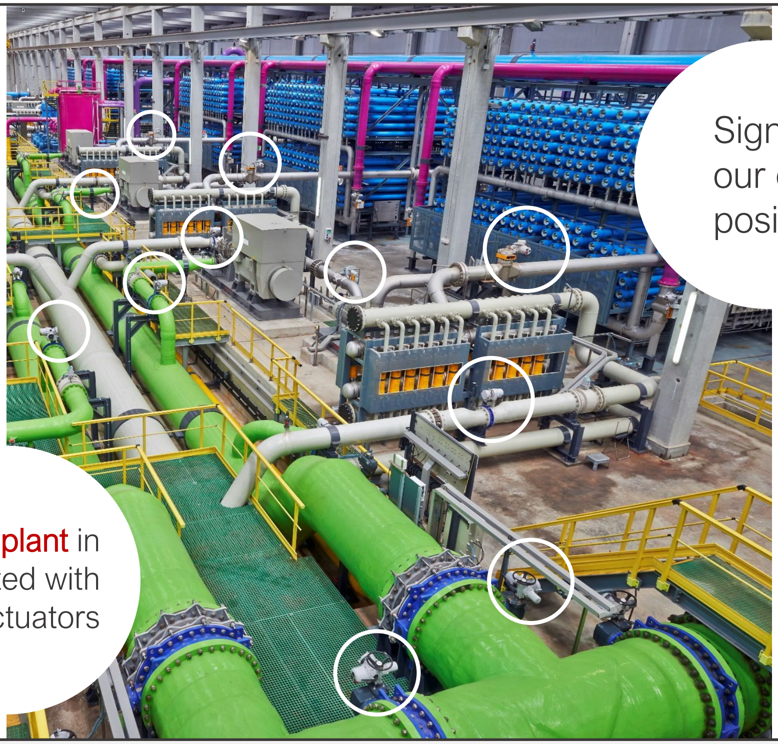


Tackling water challenges

- Fresh water is a crucial commodity and resource. Demand is growing due to population growth, urbanisation and technology sector usage
- Key drivers delivering mid to high single-digit market growth medium-term
  - Utility staffing shortages - automation
  - Aging infrastructure
  - Emerging market urbanisation
  - Climate change adaptation

Key applications

- Water infrastructure (incl. irrigation)
- Water and wastewater treatment
- Desalination



Desalination plant in Barcelona, Spain fitted with Rotork actuators

Significantly improved our competitive positioning through:

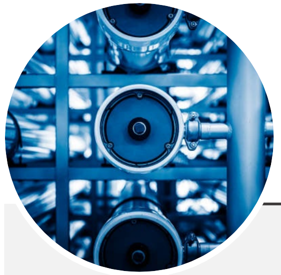
- Sales force expansion and realignment
- Product positioning
- Rotork Site Services

The water sector delivered a 9% revenue CAGR over 2020-23

* IEA Study: Emissions from Oil & Gas operations in net zero transitions", June 2023

Unlocking new markets, decarb and protecting the environment

Innovative products and services



Innovative Rotork solutions

- Rotork have engineered a Battery Back-Up ('BBU') electric actuator which can move a valve to a safe position if power fails, creating new valve automation opportunities
- The BBU variant of the IQT/IQTF electric actuator is unique in being explosion proof and containing a lithium-ion battery. It benefits from simplicity of installation and operation, being energy efficient (meaning it can operate off-grid using local renewable electricity) and being zero emission when renewable powered
- Applications:
  - Water treatment plant outlets – automating valves which traditionally are manually operated
  - Upstream wellheads – choke valves, safety valves, new installations and replacement (particularly on lower producing-wells)
  - New energies – carbon capture utilisation and storage, offshore wind
- BBU actuators have a broad range of applications including water and wellhead electrification

The IQT BBU actuator provides fail-safe operation by utilising power from a battery source in the case of mains supply interruption

Financial review

Presented by
Ben Peacock - Chief Financial Officer

Growth+ delivering double-digit revenue and profit growth[1]

Financial highlights

	H1 2024	H1 2023	% Growth	OCC[1]%
Order intake	£374m	£387m	-3.2%	+0.2%
Revenue	£361m	£335m	+8.0%	+11.6%
Adjusted[2] operating profit	£76.5m	£65.3m	+17.1%	+22.3%
Adjusted[2] operating margin	21.2%	19.5%	+170bps	+190bps
Cash conversion	106%	116%		
Adjusted[2] EPS	6.9p	5.8p	+18.0%	+26.1%
Interim year dividend	2.75p	2.55p	+7.8%	

Key takeaways:

- Orders marginally ahead OCC despite a significant number of large orders in H1 2023
- Double-digit growth in revenue OCC
- RSS 22% of Group revenues
- Adj. operating margins 170bps higher at 21.2%
- Good cash conversion
- ROCE 36.9%
- £18m of £50m share buyback completed in H1

Note: 1. OCC results are excluding acquired businesses and restated at 2023 exchange rates 2. Adjusted figures exclude the amortisation of acquired intangible assets and other adjustments

Oil & Gas

Strong growth driven by electrification and energy security

	H1 2024	H1 2023	% Growth	OCC[1]% change
Revenue	£170m	£146m	+16.5%	+20.4%
Adjusted[2] operating profit	£38.8m	£31.3m	+23.7%	+28.7%
Adjusted[2] operating margin	22.8%	21.4%	+140bps	+150bps
Segment contribution				
Upstream %	24%	28%		
Midstream %	23%	25%		
Downstream %	53%	47%		

Key takeaways:

- Revenue 20.4% higher OCC driven by spend on increasing output, improving productivity and reducing emissions
- Good progress in Oil & Gas downstream driven by refinery and storage activity
- Adj. operating margins rose 140bps to 22.8% with good drop-through on higher revenues

Double-digit year-on-year revenue and adjusted[2] operating profit growth

Note: 1. OCC results are excluding acquired businesses and restated at 2023 exchange rates 2. Adjusted figures exclude the amortisation of acquired intangible assets and other adjustments

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Chemical, Process & Industrial

Growth in key target segments offset by non-repeat of mining project activity

	H1 2024	H1 2023	% Growth	OCC[1]% change
Revenue	£101m	£110m	-8.7%	-6.1%
Adjusted[2] operating profit	£23.7m	£25.0m	-5.1%	-3.1%
Adjusted[2] operating margin	23.5%	22.7%	+80bps	+70bps

Key takeaways:

- Revenue was 6.1% lower OCC largely due to reduced mining project activity compared to the previous year
- Solid growth in target segments chemicals and critical HVAC
- Adj. operating margins benefited from positive price/mix

Medium/long-term fundamentals remain attractive – 2020-23 revenue CAGR 11.4%

Note: 1. OCC results are excluding acquired businesses and restated at 2023 exchange rates 2. Adjusted figures exclude the amortisation of acquired intangible assets and other adjustments

Water & Power

Global infrastructure spend driving double-digit growth in both sectors

	H1 2024	H1 2023	% Growth	OCC[1]% change
Revenue	£90m	£78m	+15.6%	+20.2%
Adjusted[2] operating profit	£24.3m	£17.0m	+42.8%	+50.4%
Adjusted[2] operating margin	26.9%	21.8%	+510bps	+550bps

Key takeaways:

- Revenue grew double-digit with water & wastewater and power sector sales growing at similar rates
- Target segments – water infrastructure and desalination grew strongly
- Adj. operating margins reflect increased volumes, changes in product mix, improved labour productivity and materials pricing

Strong drop-through of higher sales reflecting product mix and improved productivity

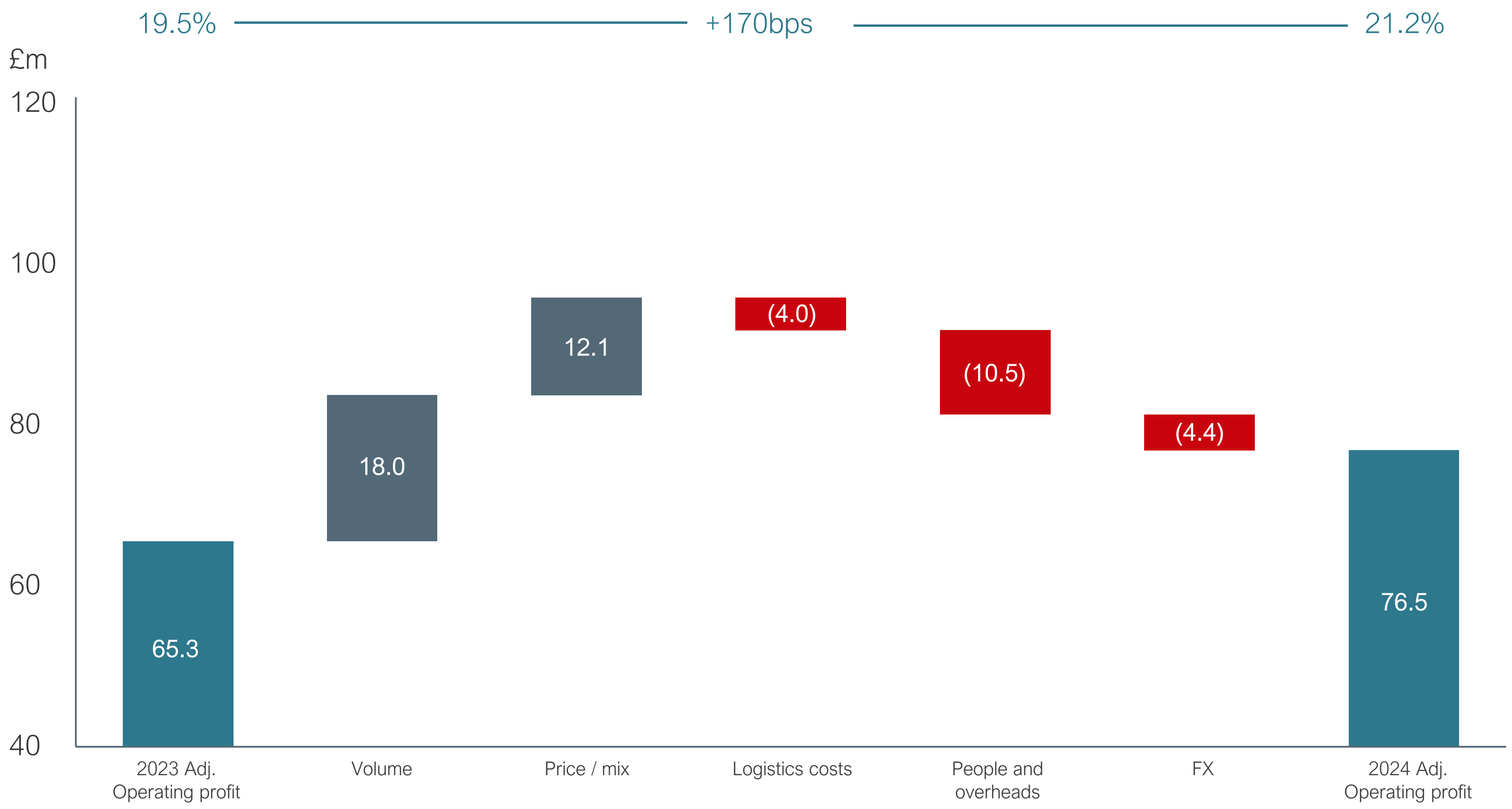
Note: 1. OCC results are excluding acquired businesses and restated at 2023 exchange rates 2. Adjusted figures exclude the amortisation of acquired intangible assets and other adjustments

Strong profit growth driven by increased revenues and positive operating leverage

Adjusted[1] operating profit bridge

Key takeaways:

- Price increases back to normal levels and cover increased people costs
- Mix reflects higher % of electric actuators
- People costs are a mix of inflation, higher variable compensation and additions to support Growth+
- Adjusted operating margin improvement +170bps



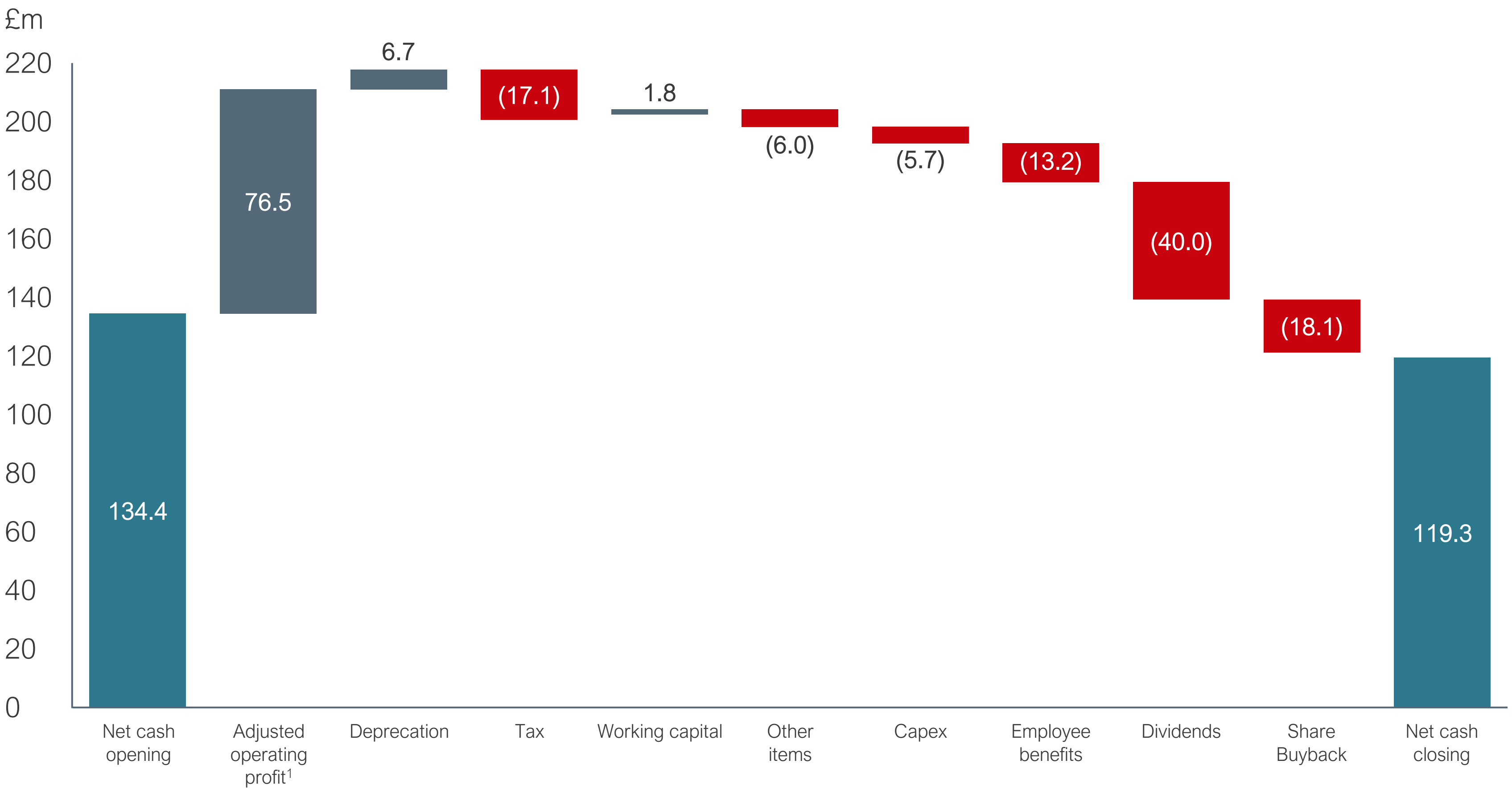
Note: 1. Adjusted figures exclude the amortisation of acquired intangible assets and other adjustments

Solid cash flow funding growth, investment and returns

Cash flow bridge

Key takeaways:

- Good working capital performance given revenue growth
- Working capital % revenue 26.4% (Dec 2023 27.3%)
- Other items includes Business Transformation investment
- £58m returned to shareholders
- Clear capital allocation policy unchanged



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

Reengineering our business processes and systems

Items below adjusted operating profit

Key takeaways:

- Investment in Business Transformation continues with more sites now progressing on their implementation journey
- Other costs include relocating manufacturing in China
- Effective tax rates expected to rise by 50-100bps in 2024

Adjustments to operating profit	H1 2024	H1 2023
Business Transformation investment	£7.6m	£5.9m
Amortisation of acquired intangibles	£1.3m	£0.6m
Other costs	£0.7m	£0.1m
Gain on property disposal		£(0.7)m
	£9.6m	£5.9m

Tax	H1 2024	H1 2023
Headline effective rate	25.3%	24.5%
Adjusted effective rate	25.3%	24.5%

Strong H1 performance – double-digit sales & profit growth OCC

Guidance and financial summary

Full year guidance

- Currency impact now estimated at c. 4% headwind
- Capex c. £15m
- Business transformation investment c. £20m
- China factory relocation c. £5m

Summary

- The outlook for our end markets remains positive
- Encouraging order intake in June and July
- Order book provides good visibility
- Anticipate 2024 to be another year of progress (OCC)

Outlook

Presented by
Kiet Huynh – Chief Executive Officer

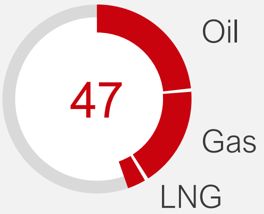
The outlook for our end markets remains positive

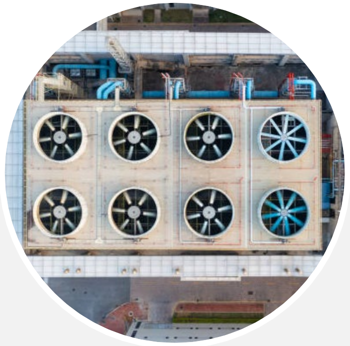
Market outlook

Oil & Gas

- Electrification of upstream and midstream operations an increased priority
- Gas and LNG represent close to half of Oil & Gas divisional sales

Revenue %

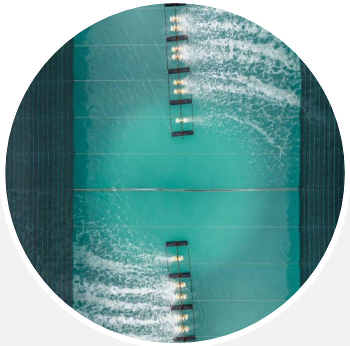




Chemical, Process & Industrial

- Structural growth in critical HVAC
- Specialty chemicals offsetting bulk chemicals
- Winning share in target segments and markets where Rotork has been historically under-represented
- H2 has easier prior year comparatives

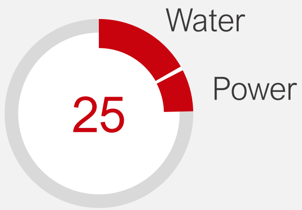
Revenue %



Water & Power

- Growth expected in water and wastewater markets in all key regions
- Positive outlook for both traditional and non-traditional power markets

Revenue %



The Growth+ strategy is delivering
Summary

- Double-digit increases in H1 revenue, adj. profit and EPS OCC
- Strong H1 returns on sales and capital employed
- Financial position supports organic investment, shareholder returns and M&A
- End market outlook remains positive
- Order book provides good visibility. Full year expectations unchanged

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Analysis of movements

	2024 as Reported	Adjust to OCC[1]	2024 at OCC[1]	2023 as Reported
Order intake	£374.4m	£13.4m	£387.8m	£386.9m
	-3.2%		+0.2%	
Revenue	£361.4m	£12.2m	£373.6m	£334.7m
	+8.0%		+11.6%	
Adjusted[2] operating profit	£76.5m	£3.3m	£79.8m	£65.3m
	+17.1%		+22.3%	
Adjusted[2] operating margin	21.2%		21.4%	19.5%
	+170bps		+190bps	

- Revenue split 39% US$, 26% Euro, 14% GBP and 21% other currencies
- Adjustments relate to intangible amortisation of £1.3m (2023: £0.6m) and other adjustments £8.3m (2023: £5.3m)

Note: 1. OCC results are excluding acquired businesses and restated at 2023 exchange rates 2. Adjusted figures exclude the amortisation of acquired intangible assets and other adjustments

Constant currency analysis

	2024 as Reported	Adjust to OCC[1]	2024 at OCC[1]	2023 as Reported
Revenue	£361.4m	£12.2m	£373.6m	£334.7m
Cost of sales	£(187.5)m	£(7.0)m	£(194.5)m	£(182.9)m
Gross profit	£173.9m	£5.1m	£179.0m	£151.8m
	48.1%		47.9%	45.4%
Overheads	£(97.4)m	£(1.8)m	£(99.2)m	£(86.5)m
	27.0%		26.6%	25.8%
Adjusted[2] operating profit	£76.5m	£3.3m	£79.8m	£65.3m
	21.2%		21.4%	19.5%

- OCC[1] gross margin increased 250bps
- OCC[1] adjusted[2] operating profit margin increased 190bps

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Revenue and adjusted operating margins[2]

Revenue	H1 2024	H1 2024 OCC[1]	H1 2023	FY 2023
Oil and Gas	£170.2m	£175.9m	£146.1m	£328.4m
Chemical, Process & Industrial	£100.9m	£103.7m	£110.4m	£213.7m
Water & Power	£90.3m	£94.0m	£78.1m	£177.0m
Group	£361.4m	£373.6m	£334.7m	£719.1m

Adjusted operating profit %	H1 2024	H1 2024 OCC[1]	H1 2023	FY 2023
Oil and Gas	22.8%	22.9%	21.4%	25.5%
Chemical, Process & Industrial	23.5%	23.4%	22.7%	24.0%
Water & Power	26.9%	27.3%	21.8%	26.2%
Group	21.2%	21.4%	19.5%	22.9%

Note: 1. OCC results are excluding acquired businesses and restated at 2023 exchange rates 2. Adjusted figures exclude the amortisation of acquired intangible assets and other adjustments

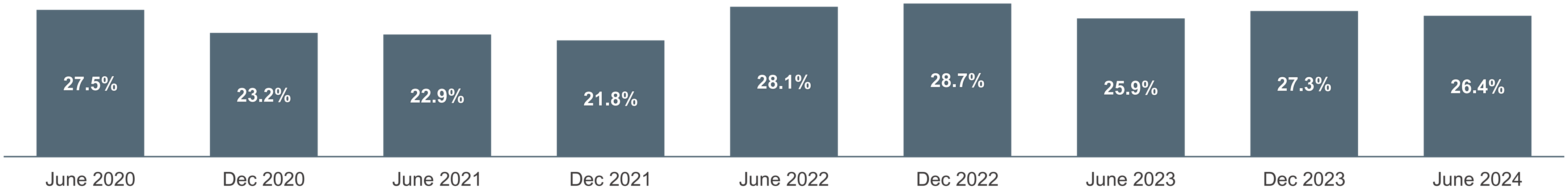
Earnings per share

	2024	2023	% Growth
PBT as reported	£69.7m	£60.2m	+15.6%
Adjusted[1] PBT	£79.3m	£66.1m	+19.9%
Effective tax rate	25.3%	24.5%	-
Adjusted[1] effective tax rate	25.3%	24.5%	-
Basic EPS as reported	6.0p	5.3p	+13.7%
Adjusted[1] basic EPS	6.9p	5.8p	+18.0%

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

Working capital

	June 2024	% Revenue	June 2023	% Revenue
Inventory	£93.9m	13.0%	£91.1m	13.6%
Trade Receivables	£137.4m	19.0% (61 D.S.O.)	£125.0m	18.7% (56 D.S.O.)
Trade Payables	£(40.4)m	5.6%	£(42.6)m	6.4%
Net Working Capital	£190.9m	26.4%	£173.5m	25.9%



Exchange rates

		USD	Euro
Average rates	H1 2023	1.23	1.14
	FY 2023	1.24	1.15
	H1 2024	1.27	1.17
	+ = GBP strengthening / - = GBP weakening		
	H1 2024 v H1 2023	+2.9%	+2.6%
	H1 2024 v FY 2023	+1.7%	+1.7%
Period end rates	June 2023	1.27	1.16
	December 2023	1.27	1.15
	June 2024	1.26	1.18
	+ = GBP strengthening / - = GBP weakening		
	June 2024 v June 2023	-0.5%	1.4%
	June 2024 v December 2023	-0.7%	2.3%

Dividends

Key takeaways:

- 2024 interim dividend increased 7.8% to 2.75p
- Dividend cover 2.2 times (adjusted cover 2.5 times)

Core dividend	Monthly paid / Payable	Amount	Cost
2022 Final	May 2023	4.30p	£36.9m
2023 interim	September 2023	2.55p	£21.9m
Paid in 2023		6.85p	£58.8m
2023 Final	May 2024	4.65p	£39.9m
2024 interim	September 2024	2.75p	£23.5m*
Payable in 2024		7.40p	£63.4m*

* Management estimates