



## **Rotork plc**

### **Trading update**

Rotork p.l.c ("Rotork"), the market leading actuator manufacturer and flow control company, issues the following trading update covering the period from 1 July to 12 November 2015.

The trading environment has remained challenging across most of our key markets and geographies; however our expectations for the full year remain unchanged from the guidance issued on 17 September 2015.

Quotation activity in the third quarter was similar to the prior year but order intake was 17.2% lower (-17.3% OCC). Cumulative order intake in the ten months to 25 October was 12.5% lower (-15.1% OCC) than the same period in 2014. Revenue for the third quarter was 18.1% lower (-18.6% OCC) than the comparable period with cumulative revenue 7.1% lower (-10.0% OCC) than the prior year. The order book at 25 October was £185m, a 13.3% reduction (-13.1% OCC) compared with the same point last year.

Although our quote activity has remained encouraging, the timing of order placement and product delivery remains difficult to forecast.

We continue to implement our previously announced cost management initiatives and we are on track to achieve the savings indicated at the time of our half year results.

Today we are announcing the small acquisition of Eltav which provides wireless technology for the valve industry and will strengthen our wireless offering.

#### **Rotork Controls**

Order intake in the third quarter was down 17.5% (-15.9% OCC) on the same period last year. Cumulative order intake was down 13.3% (-13.2% OCC) on the prior year. The oil and gas market continues to be impacted by reduced levels of activity, with projects moving slowly or being postponed into next year. There are positive signs in power related markets, with recent project approvals supportive of our expectation of improved activity in 2016. We continue to expand our end market exposure as we look for areas of increased activity. Our products are often mission critical and this supports our after-market business which continues to see good levels of growth.

#### **Rotork Fluid Systems**

Trading in the period continued to be very challenging with order intake in the third quarter down 26.9% (-26.0% OCC) on the same period last year. Project deferrals and cancellations due to oil companies reassessing the feasibility of planned capital projects continue to impact all geographic regions of the business. We are planning for an extended period of weakness but see opportunities in areas where investment is still required, such as safety and cost reduction initiatives by our customers. Our global sales network continues to play an important part in winning projects and providing local support.

## **Rotork Gears**

Third quarter order intake was down 4.2% (+0.1 OCC). Cumulative order intake was down 3.0% (-1.3% OCC). All regions are performing at similar levels to the prior year with the exception of Asia, reflecting the weakness in the oil and gas market and the difficult trading environment in China. The integration of Roto Hammer, acquired in September, is progressing well.

## **Rotork Instruments**

The Instruments division continues to grow by acquisition and organically. Order intake in the third quarter was 7.0% higher (-12.5% OCC). Cumulative order intake was up 37.8% (-8.9% OCC) on the prior year. The division's results for the third quarter include first-time contributions from M&M, acquired on 3 August, and Bifold, acquired on 27 August. Good progress is being made on the integration of both companies. Central to the strategy of this division is to increase the geographical spread of the business and progress is being made in this regard.

## **Financial position**

The Group continues to be highly cash generative and maintains a strong balance sheet with a high return on capital employed. Net debt at 25 October was £86m.

## **Outlook**

Our expectations for the full year remain unchanged from our guidance of 17 September 2015 that, based on current exchange rates, revenue for the year will be in the range of £530-£555m with adjusted operating profit in the range of £120m-£130m.

For further information, please contact:

### **Rotork p.l.c.**

Peter France, Chief Executive  
Jonathan Davis, Finance Director

**Tel: 01225 733200**

### **FTI Consulting**

Nick Hasell / Susanne Yule

**Tel: 020 3727 1340**

## **Notes**

1. 2015 figures quoted are at actual exchange rates and 2014 are as previously reported.
2. OCC (organic constant currency) growth rates remove the results of the businesses acquired during 2014 and 2015 that were not consistently in both periods' results and restate 2015 at 2014 exchange rates.
3. Third quarter results refer to the period from 1 July to 27 September 2015. Cumulative results refer to the period from 1 January to 25 October 2015.
4. Rotork will be announcing its results for the period ending 31 December 2015 on 1 March 2016.
5. This announcement contains certain forward-looking statements with respect to the operations, performance and financial condition of the Group. By their nature, these statements involve uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated. The forward-looking statements reflect knowledge and information available at the date of preparation of this announcement and Rotork undertakes no obligation to update these forward-looking statements.