

rotork®

QUALITY
DELIVER
INNOVATE
RES
P
GROWTH
INNOVATE
GLOBAL
ND



CAPITAL MARKETS DAY
18 November 2015

**Capital Markets Day
2015**
18th November 2015


QUALITY
DELIVER
INNOVATE
GLOBAL

RESP
GROW



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Rotork Corporate Video



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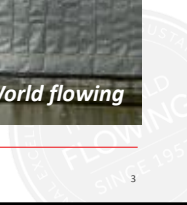
AGENDA

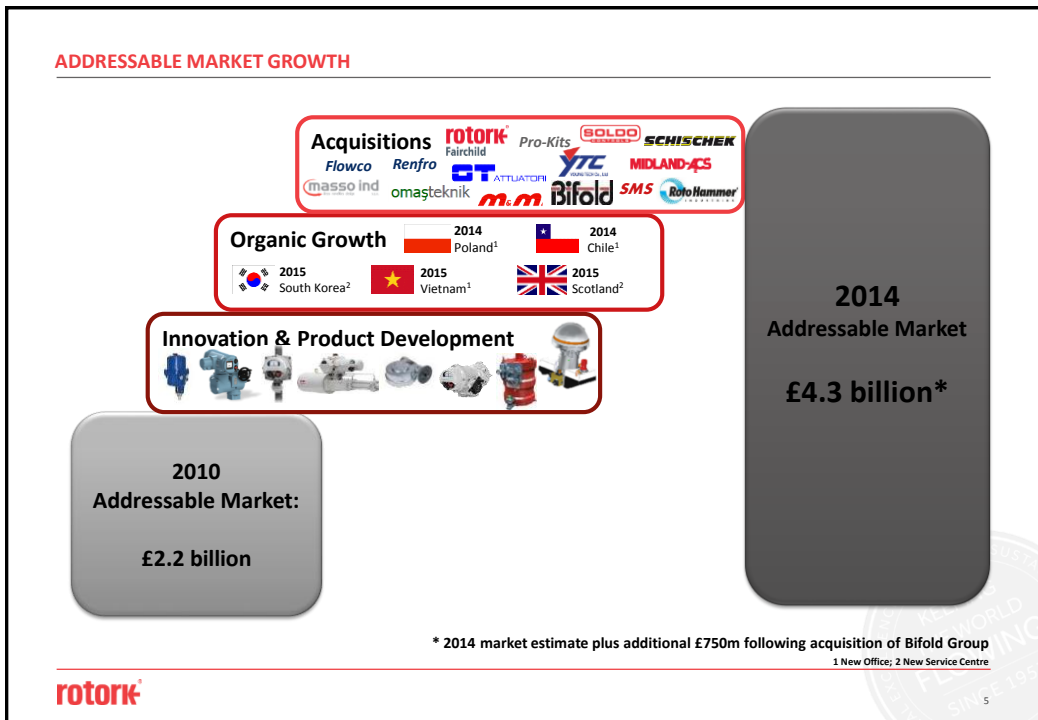
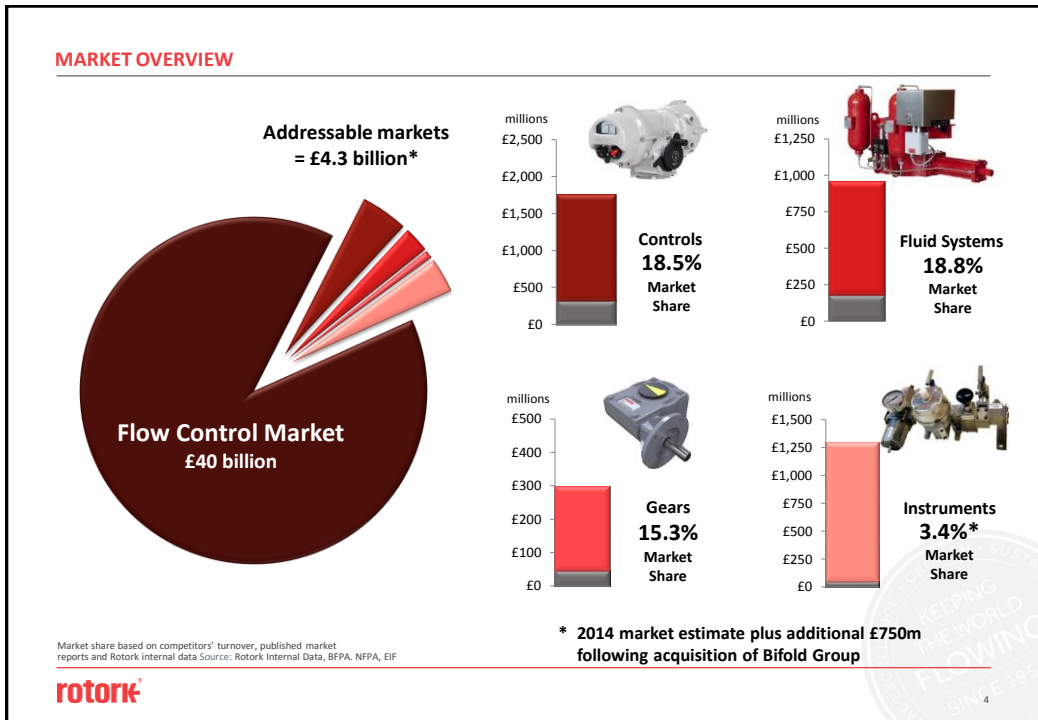
- 10.30 Health & Safety Briefing – Peter France
- 10.32 Welcome – Peter France
- 10.45 Our Markets – Carlos Elvira
- 11.15 Subsidiary Case Study: Rotork UK – Richard Holbrook
- 11.45 Site Tour
- 12.30 Lunch
- 13.15 Controls Division – Grant Wood
- 13.30 Fluid Systems Division – David Littlejohns
- 13.45 Gears Division – Pamela Bingham
- 14.00 Instruments Division – Alan Paine
- 14.15 Innovation – Gary Jacobson
- 14.45 Conclusions & Questions – Peter France
- 15.00 Bus to train station



ROTORK'S STRATEGY

- Providing high quality and innovative products and services to control the flow of fluids and gases
- Meeting customer needs through global expertise delivered locally
- Achieving consistent and sustainable profitable growth
- Being the employer of choice






KEY MESSAGES

- Customer focus
- Positive long term market drivers
- Strategic innovation

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OUR MARKETS

Carlos Elvira – Group Sales & Marketing Director

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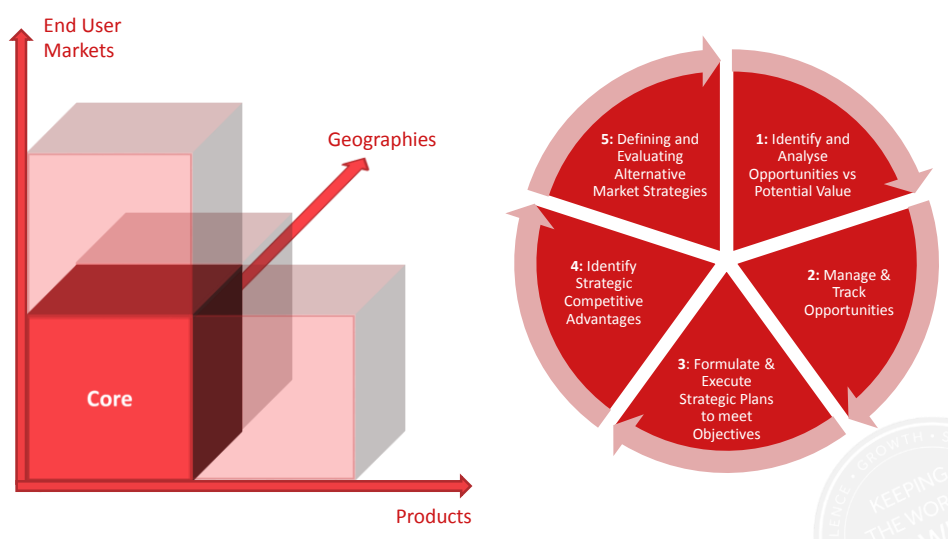


DIVISIONS

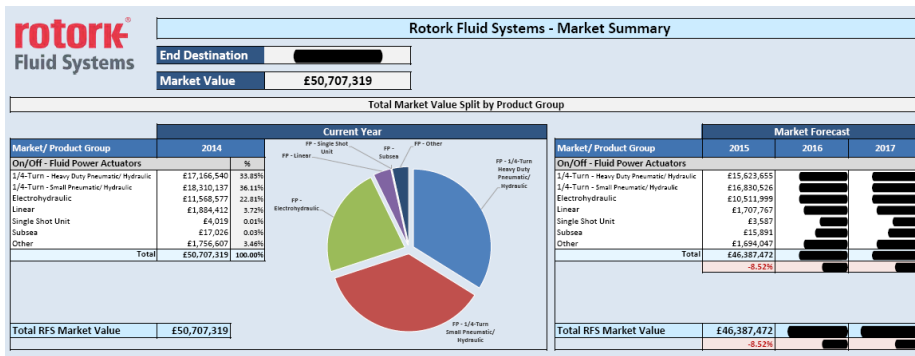
 <p>Rotork Controls</p>	<p>Design and manufacture of electric actuators for valve applications and network control systems serving a wide variety of end markets. Manufacturing facilities in the UK, USA, Germany, Spain, China, Malaysia and India.</p>
 <p>Rotork Fluid Systems</p>	<p>Design and manufacture of pneumatic, hydraulic and electro-hydraulic actuators and control systems. Manufacturing facilities in Germany, Italy, Sweden, China, UK and the USA.</p>
 <p>Rotork Gears</p>	<p>Design and manufacture of gearboxes, adaptations and accessories for the international valve and actuator industry. Manufacturing facilities in the UK, Netherlands, Italy, China, the USA and India.</p>
 <p>Rotork Instruments</p>	<p>Design and manufacture products for flow control, pressure control, flow measurement and pressure measurement wherever there is a need for high precision and reliability. Manufacturing facilities in the USA, Italy, Korea and UK.</p>



GROWTH FRAMEWORK



INTERNAL DATA – ANNUAL MARKET REVIEW

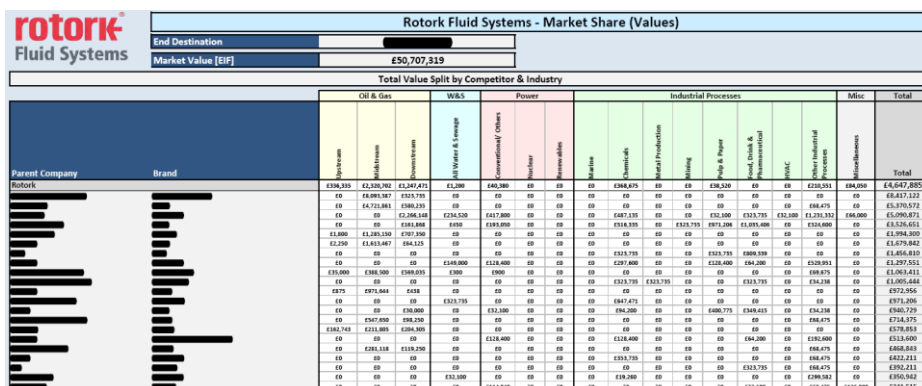


- Internal process for reviewing end user markets at product group and divisional level on an annual basis to determine market share and forecast growth
- Analysis of competitive position on a country by country basis
- Three year data forecasts
- Data consolidated at divisional, regional and end user market level

Source: Rotork Internal Data



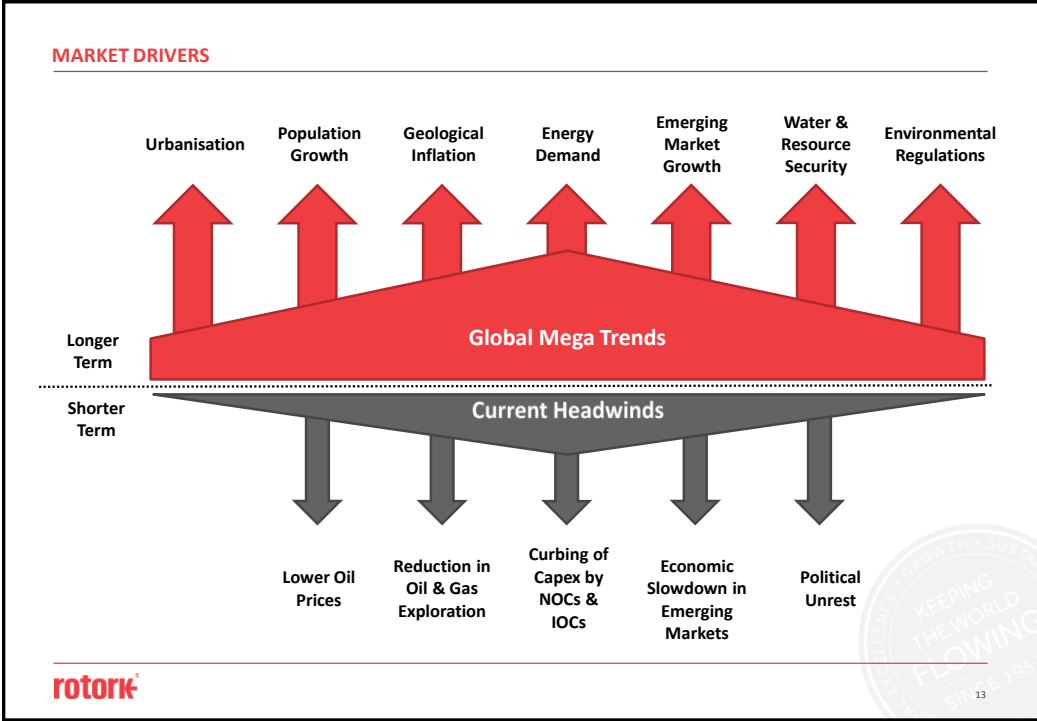
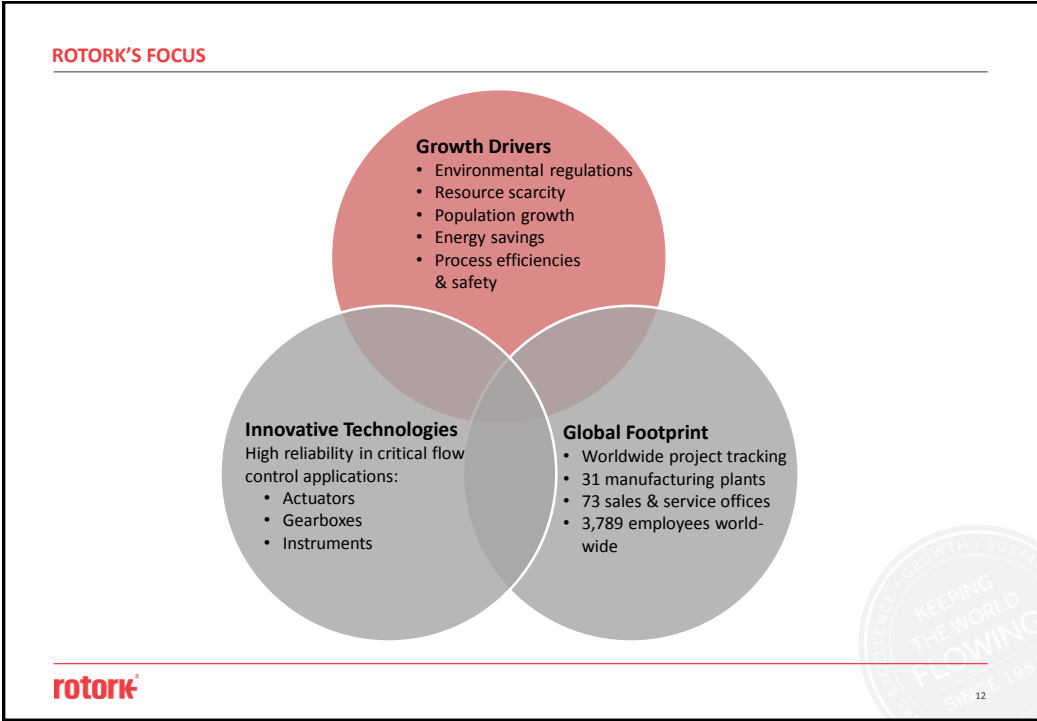
INTERNAL DATA – ANNUAL MARKET REVIEW



- Analysis of competitive position on a country by country basis
- Data consolidated at divisional, regional and end user market level
- Competitors analysed by both brand and parent company

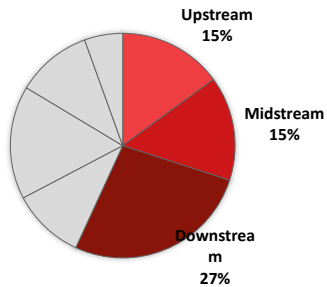
Source: Rotork Internal Data





MARKET OVERVIEW – OIL & GAS

2014 Group Revenue

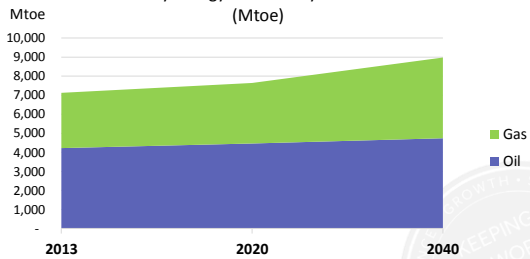


Compressor Station – Gas Pipeline in China

Market Drivers

- Global growth in demand for oil & gas
- Replacement of depleted fields
- Energy security
- Demand for processed and higher value products in emerging markets
- Global energy trade

World Primary Energy Demand by Fuel and Scenario (Mtoe)

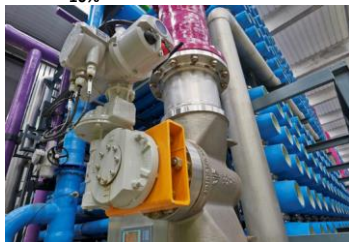
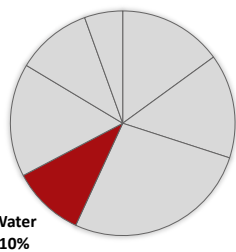


Source: Rotork Internal Data / IEA WEO 2015



MARKET OVERVIEW – WATER

2014 Group Revenue

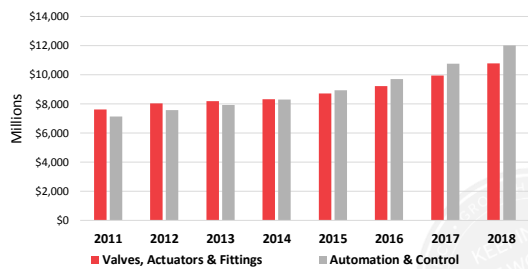


Water treatment plant in Spain

Market Drivers

- Population growth
- Water scarcity and urbanisation
- Industrialisation: water re-use and desalination
- Ageing assets in developed economies
- Tighter environmental regulations

Global Water and Waste Water Capex Forecast

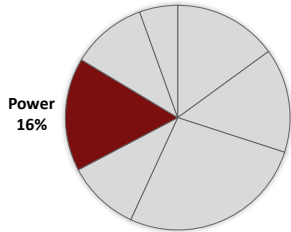


Source: Rotork Internal Data / GWI Global Water Market 2016



MARKET OVERVIEW – POWER

2014 Group Revenue

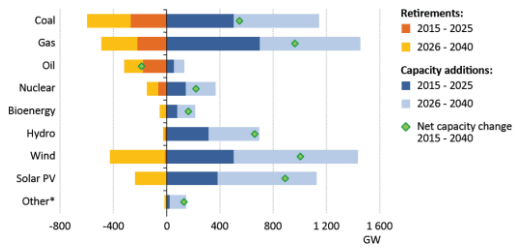


Power Station United Kingdom

Market Drivers

- Long term energy security
- Urbanisation & population growth
- Industrial growth in developing countries
- Emissions reductions - plant obsolescence; renewable energy
- Demand for increased generation efficiency
- Replacement of retired units

Global Power Generation Capacity Retirements and Additions, 2015-2040



* Other includes geothermal, concentrating solar power and marine.

Source: Rotork Internal Data / IEA WEO 2015



MARKET OVERVIEW – POWER - NUCLEAR



Nuclear Power Station

Market Drivers

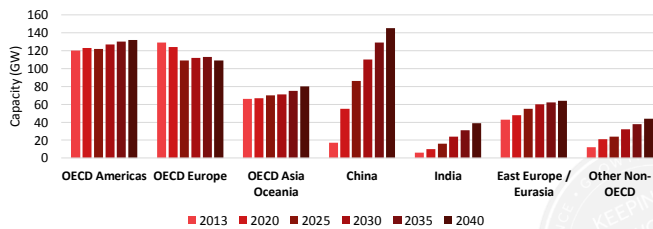
- Increasing electricity demand - increasing twice as fast as overall energy use
- Global pressure to reduce greenhouse gas emissions
- Energy security

“China plans more than a three-fold increase in nuclear capacity to at least 58 GWe by 2020-21” Source: WNA



Gen2 MSIV Actuator

Nuclear Electricity Generating Capacity

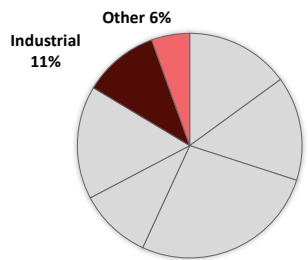


Source: IEA World Energy Outlook 2015 / EDF



MARKET OVERVIEW – INDUSTRIAL & OTHER

2014 Group Revenue



Market Drivers

- HVAC market driven by continued expansion in building activity worldwide; energy efficiency will drive smart building design and automation
- Replacement of ageing shipping fleets; trade in LNG and demand for more efficient vessels
- Urbanisation and population growth generating demand for processed food and drink, pharmaceuticals, medical equipment and transportation

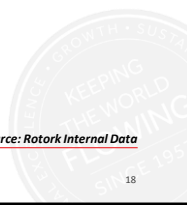


Damper on Ventilation System in Biogas Reactor

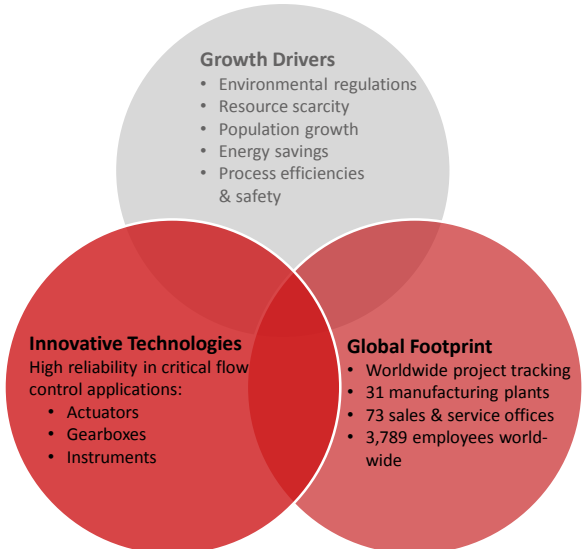


VRCS on Ship

Source: Rotork Internal Data



ROTORK'S FOCUS



Growth Drivers

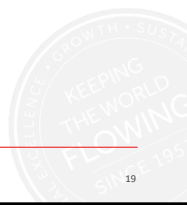
- Environmental regulations
- Resource scarcity
- Population growth
- Energy savings
- Process efficiencies & safety

Innovative Technologies

- High reliability in critical flow control applications:
- Actuators
 - Gearboxes
 - Instruments

Global Footprint

- Worldwide project tracking
- 31 manufacturing plants
- 73 sales & service offices
- 3,789 employees worldwide



INNOVATIVE TECHNOLOGIES



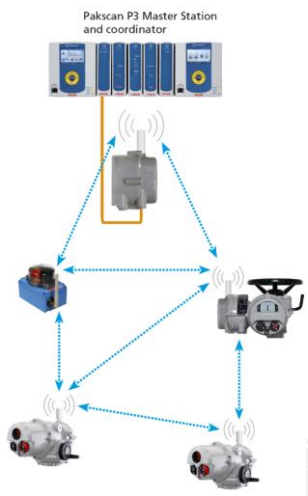
S13
Electro-hydraulic intelligent valve actuator



IQT3
Intelligent quarter-turn electric valve actuator



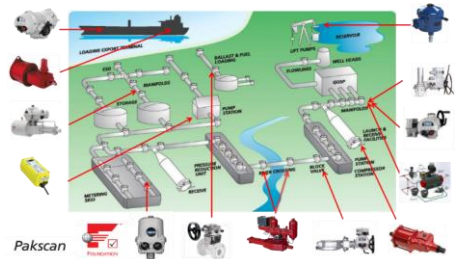
M55
Compact Precision Polymer Pressure Regulator



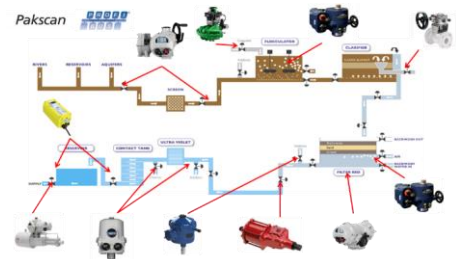
P3 Wireless
Smart process control network



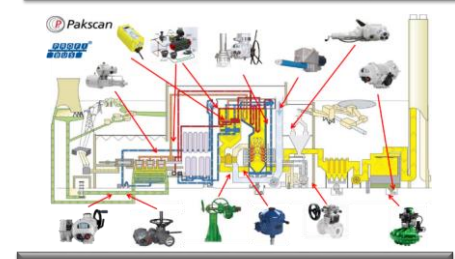
PRECISION FLOW CONTROL IN CRITICAL APPLICATIONS



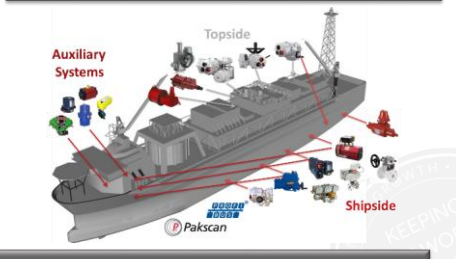
Oil & Gas



Water



Power



Marine



GLOBAL FOOTPRINT

- Worldwide geographic footprint
- Strategic manufacturing locations optimise supply chain management and productivity
- Global project tracking
- Extensive client support network
- Local support to customers via subsidiary offices in 38 countries



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**SALES SUBSIDIARY CASE STUDY:
ROTORK UK**

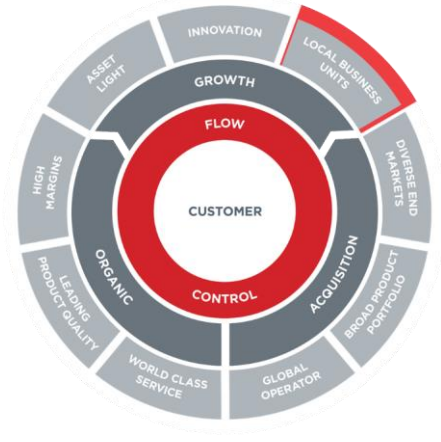
Richard Holbrook – Regional General Manager

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THE ROLE OF THE SALES SUBSIDIARY

The customer facing business providing products from all Rotork's divisions and Site Services locally



Local delivery of:

- Front to back sales and fulfilment process
- After sales care and service support
- Market intelligence gathering: competition, product development needs and acquisition targets

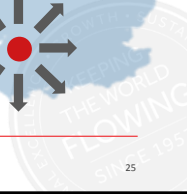
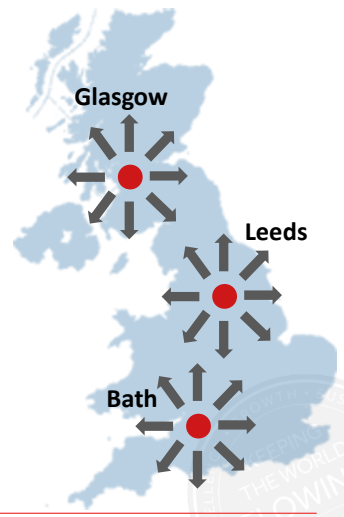
"As a sales subsidiary our added value is in the experience we provide to our customers"



ROTORK UK – BENEFITS OF THE SALES SUBSIDIARY BUSINESS MODEL

No two countries are the same, there isn't one size fits all for a sales subsidiary

- Local presence helps us to better understand market dynamics:
- Local language and culture
- Local support
- Close customer relationships
- One company for the suite of Rotork products
- Focus on adding value and providing complete solutions

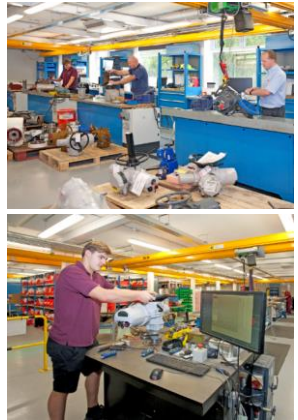


UK SERVICE CENTRES

Leeds



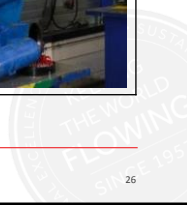
Bath



Glasgow



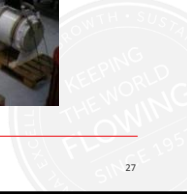
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RFS CENTRE OF EXCELLENCE – LEEDS

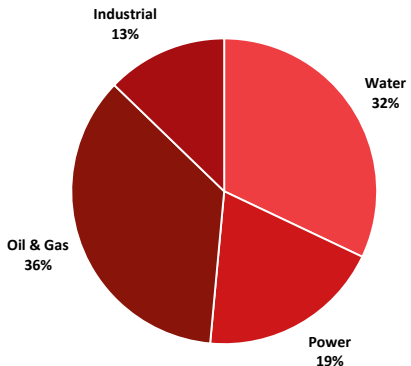


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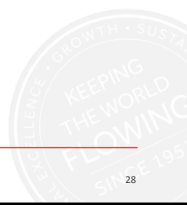


ROTORK UK MARKET OVERVIEW

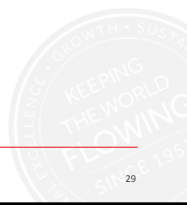
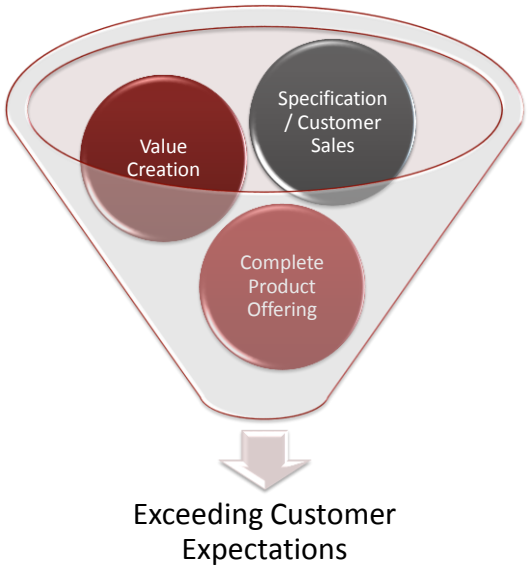
Rotork UK Revenue 2014



- Mature market
- Diverse end use industries
- Opportunities for growth



SALES PROCESS



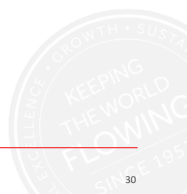
ROTORK UK – FRAMEWORKS

Water

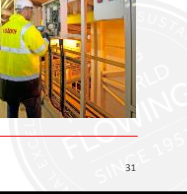
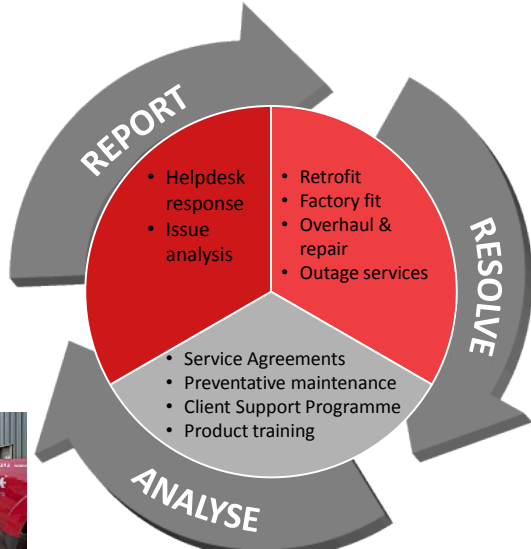
- Severn Trent Water
- Yorkshire Water
- Thames Water
- Northumbrian Water
- South West Water
- United Utilities
- Wessex Water
- South East Water

Power

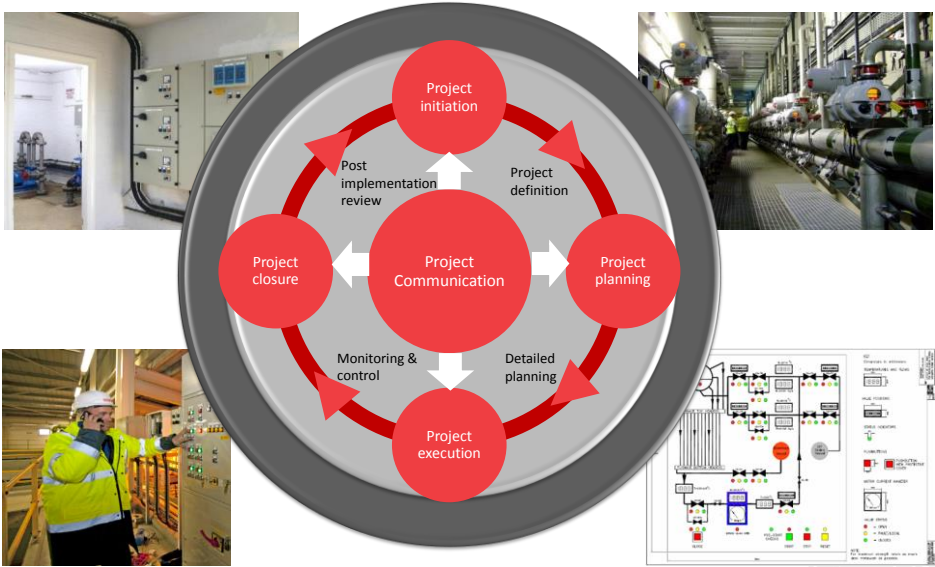
- Drax Power Limited
- EDF Energy
- RWE
- SSE
- E.ON
- GDF Suez
- Scottish Power



ROTORK UK – SITE SERVICES SCOPE



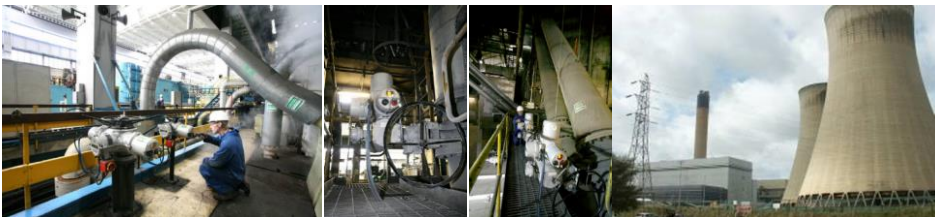
ROTORK UK – AUTOMATION PROJECTS



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ROTORK UK – SHUTDOWN / OUTAGE SERVICES

- For some power station customers, we remove, overhaul, reinstall and commission over 200 actuators in our workshops during a maintenance shutdown
- Where requested we carry out additional actuation projects simultaneously to ensure that customers make the most of their plant shutdown time:
 - Preventative maintenance
 - Making sure actuators are fully operational
 - Upgrade obsolete and inferior products
 - Overhaul and test both on and off site



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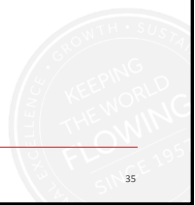
ROTORK UK: BEST IN CLASS SERVICE

- When an end user needs to replace an actuator or automate a manual valve there is typically more work required than just supplying the actuator
- As a sales subsidiary we have the capabilities to deliver complete mechanical and electrical design packages and system integration back to the clients control room



ROTORK UK: BEST IN CLASS SERVICE

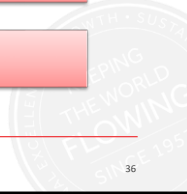
- Penstock and gantry installation to allow inspections and local control of actuators



KEY TAKEAWAYS

- Customer focus
- Local support
- Solution provider
- Sales, product & market coverage
- Technical excellence
- Innovation


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CONTROLS DIVISION

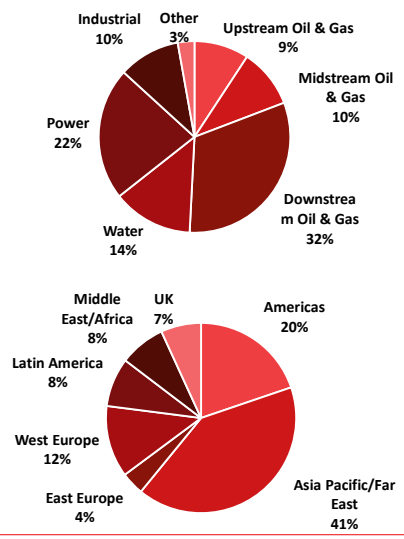
Grant Wood – Divisional Managing Director

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END MARKETS

Controls Division Revenue 2014

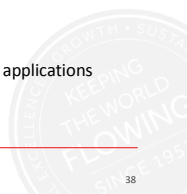


Despite diverse end markets the following headwinds are currently evident:

- ↓ Low oil prices
- ↓ Constrained infrastructure investments
- ↓ Weak Euro
- ↓ Regional sanctions and instabilities
- ↓ Customer delays due to government changes

Not all of these factors will continue to be significant headwinds in 2016. In addition, we have had some positive growth in:

- ↑ Process industries
- ↑ HVAC
- ↑ Economic watertight applications



IQ RANGE – THE WORLD’S BEST ELECTRIC ACTUATORS

Extension of the range to target profitable niche applications...



Optimised for water penstock applications



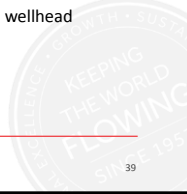
Tested to -61°C for extreme low temperature applications



Remote Hand Station for inaccessible locations



Optimised for small wellhead applications

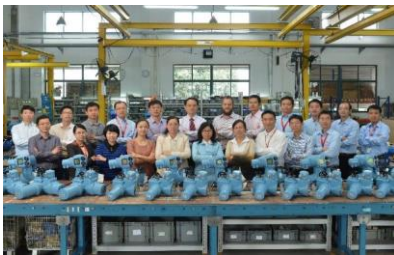


CENTORK

Targeting market expansion in watertight applications; prioritising the power and water sectors



Separate starter / plugs and sockets specification dominant



Centork production line in China

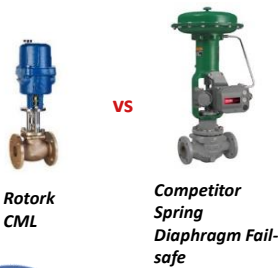
- ✓ Addressable market extended
- ✓ Project sales obtained

✚ Modulating and single phase variants available Q1 2016

➔ Volume valvemaker sales



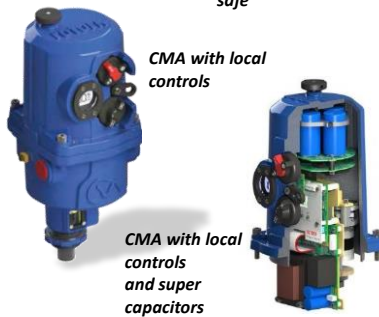
PROCESS CONTROL



Rotork CML

vs

Competitor Spring Diaphragm Fail-safe



CMA with local controls

CMA with local controls and super capacitors

- Process control additions enable us to target failsafe applications
- ✚ Local controls + super capacitors (fail-to-position) added to CMA in 2015
- ✓ More cost effective than industry norm spring diaphragm solution
- ✓ More compact than spring diaphragm
- CVA still seeing significant sales for precise high end applications
- Missionary selling still essential though to become the norm



SCHISCHEK

Target markets extended to non-HVAC applications. Growth opportunities in industrial plants and vehicles.



Schischeck ExMax on a process skid



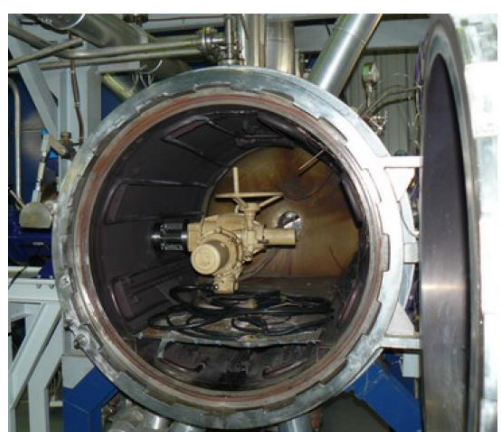
Schischeck ExMax on an LNG transportation tanker

- Weatherproof available Q1 2016
- ➔ Outside applications
- Range being extended to give higher torques and increasing scope of product portfolio



NUCLEAR

New nuclear actuator provides technical & commercial advantages



25NET Nuclear actuator following successful testing in LOCA (Loss Of Coolant Accident) chamber

- Patented torque limiting gives commercial savings
- Highest levels of external certification
- Quotations submitted for reactors including Hinkley C
- Will pull through standard actuators for balance of plant
- DC version available in 2016

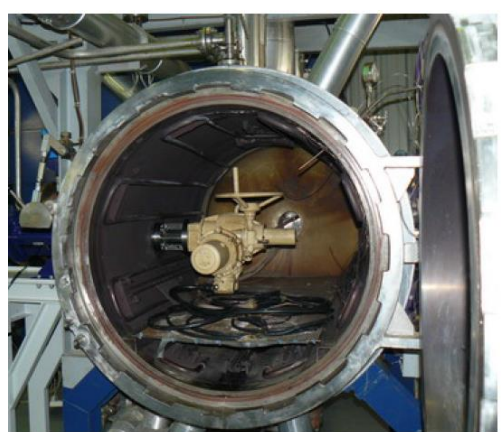


Controls Nuclear Video



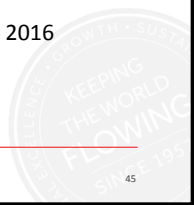
NUCLEAR

New nuclear actuator provides technical & commercial advantages



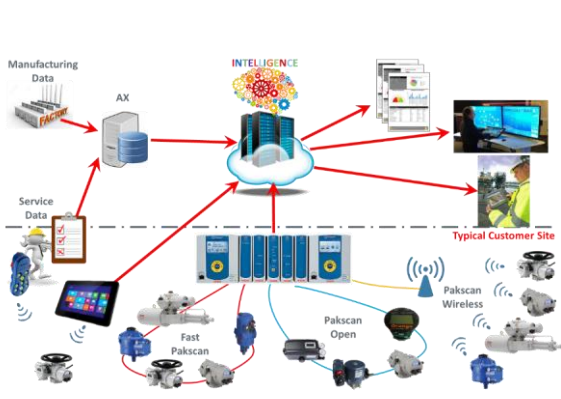
25NET Nuclear actuator following successful testing in LOCA (Loss Of Coolant Accident) chamber

- Patented torque limiting gives commercial savings
- Highest levels of external certification
- Quotations submitted for reactors including Hinkley C
- Will pull through standard actuators for balance of plant
- DC version available in 2016



CONTROL NETWORKS

Masterstations are critical hubs in connecting industrial plants to their control systems



- Masterstations provide loop back (failsafe) communications in industrial applications
- Can provide limited asset data back to control room
- Developments in 2016 will extend asset management information to control room and enable proactive service interventions



PRODUCT PORTFOLIO

Product range extended to target higher margin niches...

ON/OFF



Modulating/Process Control



Control Networks



PRODUCT DEVELOPMENT OR LAUNCH SINCE 2010

Product range extended to target higher margin niches... **Key:** New Product / Development

ON/OFF

IQ19/-61°C/RHS IQTF Choke Weatherproof High Torque



Modulating/Process Control









Control Networks



Rotork Site Services Client Service Programme 

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KEY TAKEAWAYS

-  Extending the world's best actuator range
-  Centork opening up new markets
-  Our process actuation solutions are slowly gaining traction
-  HVAC failsafe solutions now extending into outside applications
-  We expect our nuclear business to grow from 2016
-  Asset Management developments will link our product range and leverage our world-leading actuator service team


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FLUID SYSTEMS DIVISION

David Littlejohns – Divisional Managing Director



FACILITIES



USA - Pittsburgh

USA - Rochester

USA - Dallas

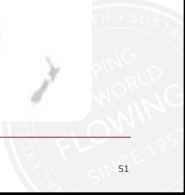

UK - Leeds

Sweden - Falun

Germany - Melle

Italy - Milan

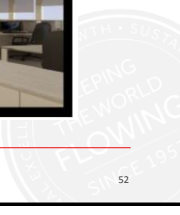
Italy - Lucca



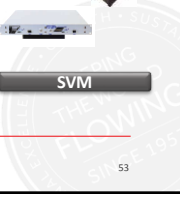
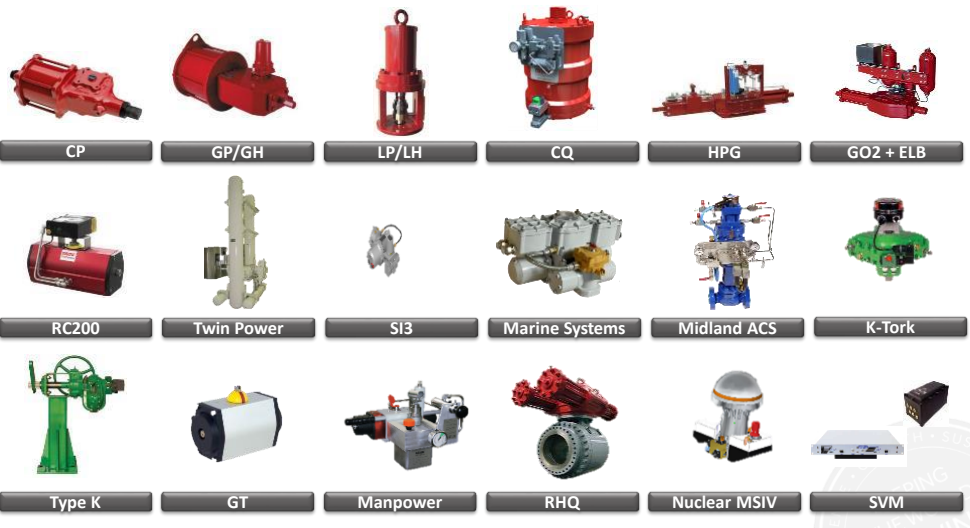
NEW LUCCA MANUFACTURING PLANT



New Lucca facility = 3 x new Leeds facility





















PRODUCT PORTFOLIO




PRODUCT PORTFOLIO

Key: ■ New Product / Development

					
CP	GP/GH	LP/LH	CQ	HPG	GO2 + ELB
					
RC200	Twin Power	S13	Marine Systems	Midland ACS	K-Tork
					
Type K	GT	Manpower	RHQ	Nuclear MSIV	SVM


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INCREASED PRODUCT DEVELOPMENT



```

graph TD
    A[Idea Generation] --> B[Idea Screening]
    B --> C[Concept Development]
    C --> D[Marketing Strategy]
    D --> E[Business Analysis]
    E --> F[Product Development]
    F --> G[Test Marketing]
    G --> H[Commercialisation]
            
```



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Fluid Systems

Introducing the CQ Range, single- and double-acting, pneumatic and hydraulic, compact helical actuators

The new CQ range is an innovative fully compact balanced design based on helical mechanisms, transforming the linear motion of the piston into a quarter-turn rotation of the valve stem to provide comprehensive range of angle types. The CQ range is a new variable, strong and proven design. The actuator is available in conventional and high torque versions which is suitable for both hydraulic and pneumatic applications. The CQ can be used in both environmental conditions where functional integrity and safety is required and where space is limited.

The unique design features provide a new and highly reliable actuation solution, capable of generating high torque for both hydraulic and pneumatic applications. All the within a compact design footprint and the best value for conventional system valve actuator control.

The variable mechanism allows the use of many cylinders for each mechanism size. CQ range features different actuator builds for many different applications. The CQ range offers a complete collection of the large portfolio to meet custom requirements.

Design: Pneumatic, hydraulic, single- and double-acting, standard configuration tailored to application e.g. for rods, seal body

Tonnes: Up to 600,000 Nm

Operating medium: Petroleum and mineral oil based, clean and dry natural gas/ nitrogen

Design: 1.2 barg for the pneumatic and 210 barg pressure for the hydraulic version


Stroke adjustment: 30° to 90°

Temperature range: Standard: -30 to 100 °C, 1.22 to 212 °F
 100 temperature: -20 to 100 °C, 68 to 212 °F
 Low temp: available down to -60 °C (-76 °F)

Certification: PED, ATEX, CE, SIL2, SIL3, SIL4, SIL5, SIL6, SIL7, SIL8, SIL9, SIL10, SIL11, SIL12, SIL13, SIL14, SIL15, SIL16, SIL17, SIL18, SIL19, SIL20, SIL21, SIL22, SIL23, SIL24, SIL25, SIL26, SIL27, SIL28, SIL29, SIL30, SIL31, SIL32, SIL33, SIL34, SIL35, SIL36, SIL37, SIL38, SIL39, SIL40, SIL41, SIL42, SIL43, SIL44, SIL45, SIL46, SIL47, SIL48, SIL49, SIL50, SIL51, SIL52, SIL53, SIL54, SIL55, SIL56, SIL57, SIL58, SIL59, SIL60, SIL61, SIL62, SIL63, SIL64, SIL65, SIL66, SIL67, SIL68, SIL69, SIL70, SIL71, SIL72, SIL73, SIL74, SIL75, SIL76, SIL77, SIL78, SIL79, SIL80, SIL81, SIL82, SIL83, SIL84, SIL85, SIL86, SIL87, SIL88, SIL89, SIL90, SIL91, SIL92, SIL93, SIL94, SIL95, SIL96, SIL97, SIL98, SIL99, SIL100

Materials: Pneumatic: Hydraulic cylinder: internally coated for enhanced corrosion protection, seal ring epoxy painted to customer requirements. Seal: available in NBR, Viton, UHMWPE / Fluorocarbon, etc.

Redefining Flow Control



CQ

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INCREASED PRODUCT DEVELOPMENT



K-Tork



INCREASED PRODUCT DEVELOPMENT



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Fluid Systems

Introducing the 3rd generation of Skilmatic SI self-contained electric fail-safe actuators.

The SI range of self-contained electro-hydraulic actuators combining the simplicity of electrical operation with the precision of hydraulic control and the reliability of mechanical spring-actuation.

Building on the success of the Skilmatic SI range of actuators, Rotork has announced the launch of introducing the new SI-3 generation which includes an extended range of spring-actuator actuators with a torque range of 2,000 Nm to 30,000 Nm.

The new range of electro-hydraulic actuators offers a wide range of operating speeds, additional ESD options with single or dual inputs, enhanced panel area layout and communication capabilities to meet a wide range of applications.

SI-3 continued range of actuators with torque up to 30,000 Nm will be introduced in 2015.

Key Benefits of the 3rd Generation SI Actuators

- Fail safe, Closed, Open or in bet position
- On-line electrical power
- Manufactured to a BS6C 754 & Watermark to a minimum IP67
- Additional ESD options including dual inputs
- Hydraulic Safety to SI-1 and SI-2 certified to EN ISO 12100
- Remote Stroke Sense (RSS) can be performed either via the Skilmatic RSMP setting the length or sensing from the DDC or through network cards
- PTT (Pressure to Trip) feature to allow a set position while monitoring the pressure
- All four elements are tested as part of the PTT

Redefining Flow Control

Skilmatic SI-3
Electric Fail-Safe Actuators

- PTT (Pressure to Trip) feature to allow a set position while monitoring the pressure
- Advanced dual stroke sensing prevents valve and process stop or start management and data analysis
- Large information-rich backlit display
- Long power-on-time available for most applications
- Non-volatile setting – no clear required against wrong valve Skilmatic RSMP reverse connection
- Continuous data logging functionality including service alarm
- Increased reliability over previous generations including: Pressure, Temperature, Humidity, Shock and Vibration
- Operating temperature: 0 to 70°C

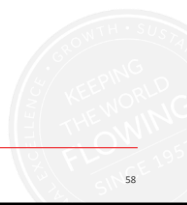
SI3



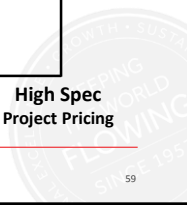
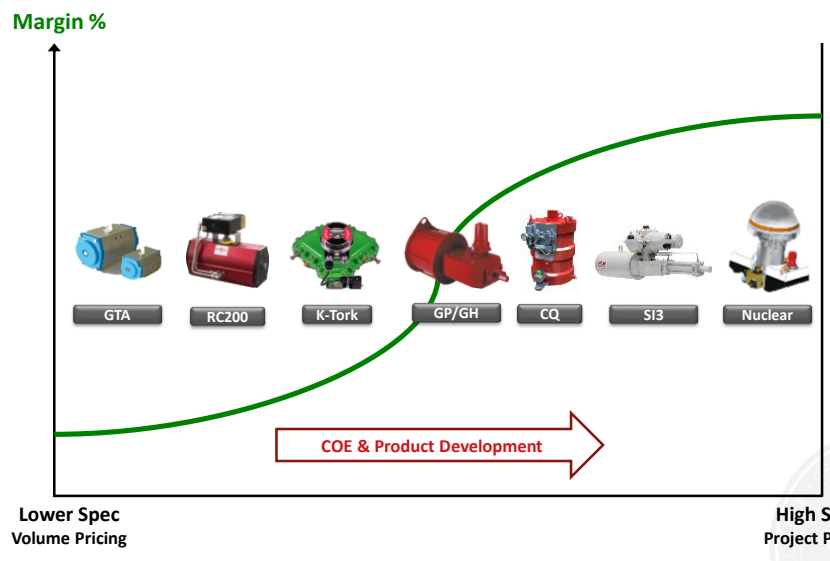
INCREASED PRODUCT DEVELOPMENT

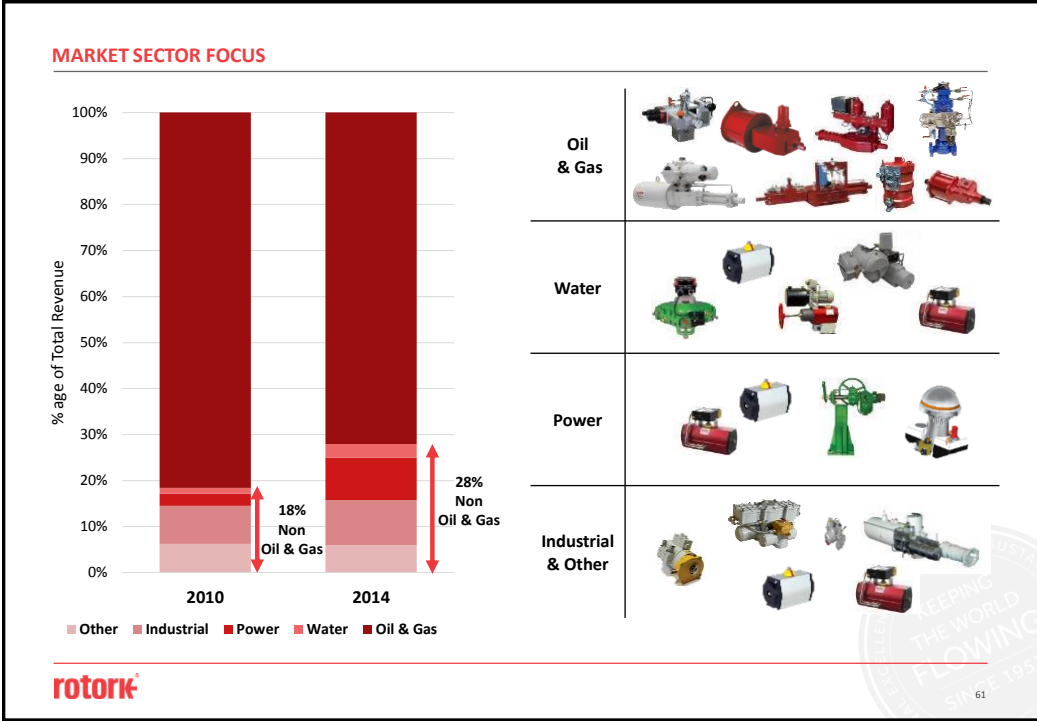
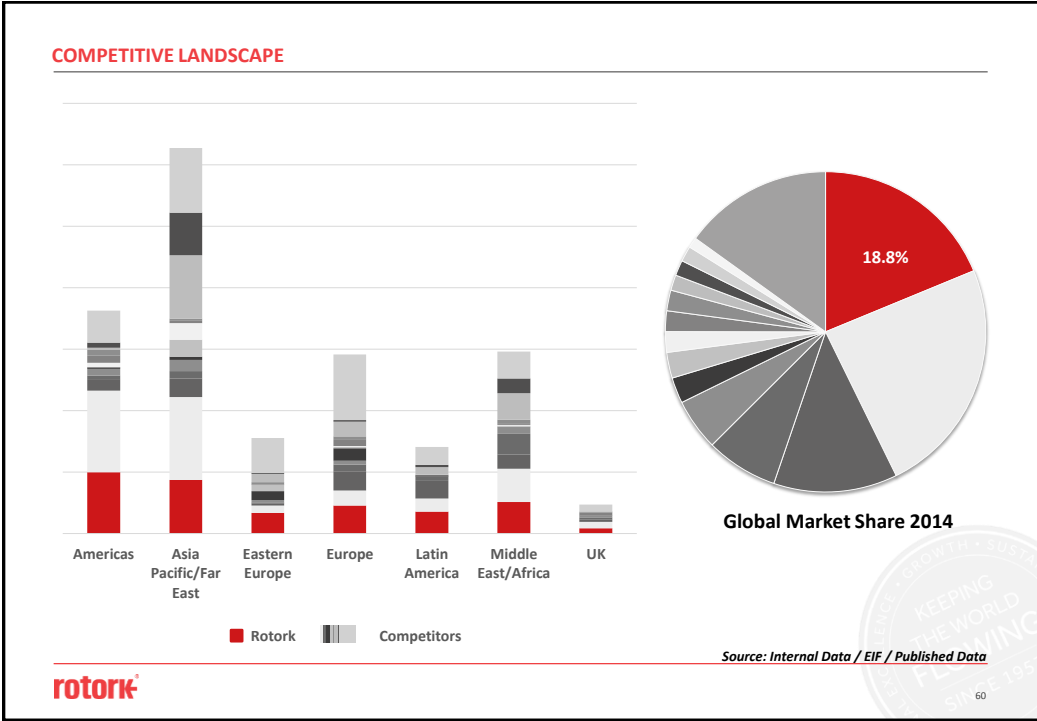


Nuclear MSIV



PRODUCT POSITIONING





COST MANAGEMENT

Facility Consolidation

In Q1 2016, we will complete the integration of our 3 existing Milan facilities down to 1 combined site.

By the end of 2016, we expect to complete the consolidation of our 3 existing Tulsa facilities down to 1 combined site.

Organisational Efficiency

In addition to the facility consolidation listed above, we are also consolidating our RFS Divisional R+D resource to our Lucca base.

Supply Chain Initiatives

RFS continues to develop both the India and China supply chains for our higher volume products. This remains a work in progress and we will see further development in pursuit of controlled and managed material cost reduction.

Our new Lucca facility will permit in-house paint capability that will reduce our production lead-times.

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KEY TAKEAWAYS

- ← Strength of global sales network
- ← Oil & gas markets challenging but ongoing opportunities
- ← Opportunities by markets: power, water, industrial and marine
- ← Opportunities by region: Americas, Middle East and Asia
- ← New products released providing growth opportunities
- ← World-class manufacturing

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GEARS DIVISION

Pamela Bingham – Divisional Managing Director



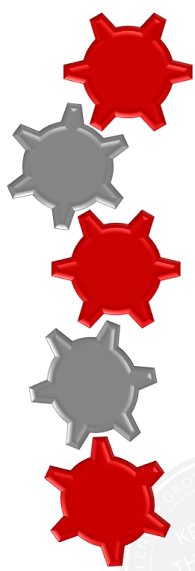
GEARS DIVISION

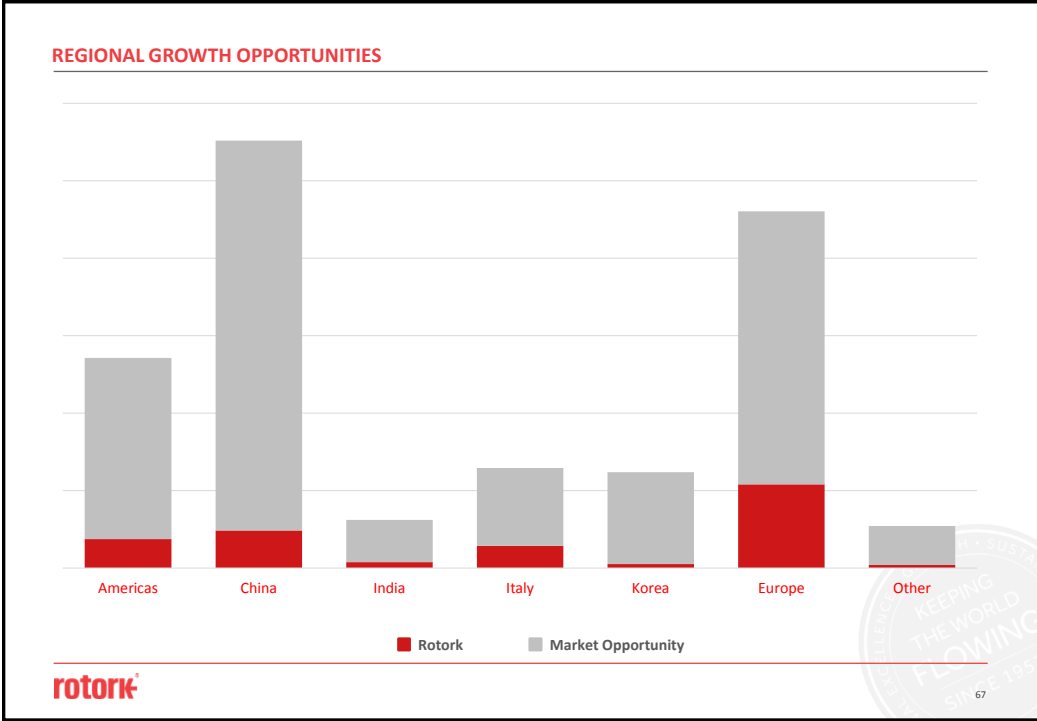
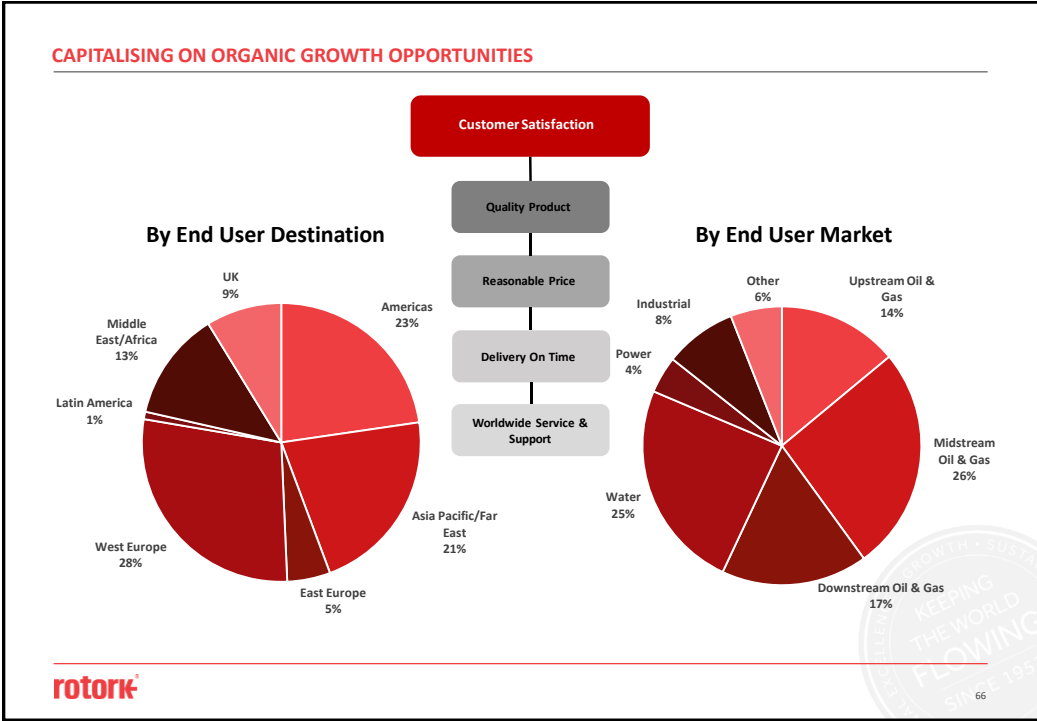
Sales Model

- B2B business direct selling to valve makers principally in three segments: water, oil & gas and industrial process
- Sell change to customers who have gearboxes already
- High level of customer service

Competitive Offering

- Both commodity gearboxes and highly engineered products (buried service, nuclear and subsea gearboxes)
- Competitive pricing
- Full range of gearboxes to provide a one-stop engineering solution
- Quality product fully tested
- Global warranty





MARKET POSITIONING

Product / Market Mix

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GROWTH IN WATER AND POWER IN CHINA

- Customer base of over 3,000 Chinese valve makers
- Integrated local supply chain
- Steady market demand growth
- Large potential to acquire further market share - currently only 8% market share
- New markets in other Asian countries: Taiwan, Korea and Japan
- New products: ABPR, HOB/HOS/IW-MPR, 242, FB, Rotohammer chainwheels
- New products in development

"Gas-fired generation will grow at an annual average rate of 12.5% between 2015 & 2024"
BMI Oct 2015

China Water Utility Capital Expenditure Forecast, 2012-2019

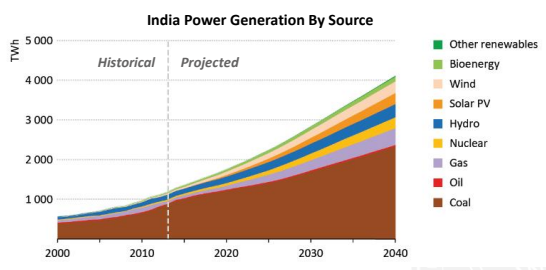
Year	Water resources	Water treatment plants	Water networks	Desalination
2012	5,000	10,000	10,000	0
2013	5,000	10,000	10,000	0
2014	5,000	10,000	10,000	0
2015	5,000	10,000	10,000	0
2016	5,000	10,000	10,000	0
2017	5,000	10,000	10,000	0
2018	5,000	10,000	10,000	0
2019	5,000	10,000	10,000	0

Source: Global Water Intelligence

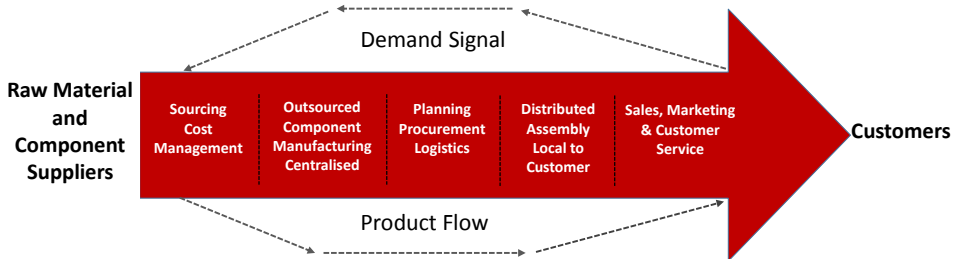
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GROWTH OPPORTUNITY – INDIA

- Manufacturing facility in Bangalore established over 5 years ago
- Indian economy has an attractive growth rate
- Integrated local supply chain
- Large customer base



SUPPLY CHAIN OPTIMISATION



Integrating factors

- Integrated planning
- Detailed cost management
- Organisational alignment
- Performance management

COST MANAGEMENT

Facility Consolidation

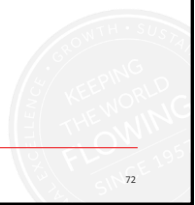
- We have identified a number of long-term solutions to bring employees together from multiple work sites

Organisational Efficiency

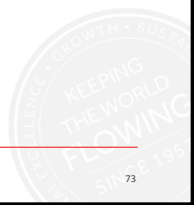
- We continue to improve organisational efficiency, considering the division’s restructuring and overhead cost reduction

Supply Chain Initiatives

- Driving towards increasing productivity and stream lining workflows
- Our aim is cost reduction, without sacrificing quality and service
















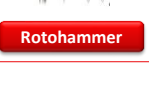
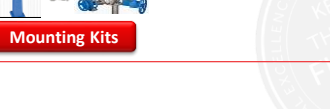


PRODUCT PORTFOLIO



PRODUCT DEVELOPMENT OR LAUNCH SINCE 2010

Key: New Product / Development




 IW	 IB	 IS		
 AB	 232	 242	 HOB	 NTB
 WGS - Subsea	 NA - Nuclear	 FB - Firesafe	 Rotorlok	 HOS
 MPR	 ILG	 Rotohammer	 Mounting Kits	

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ROTO HAMMER CHAINWHEELS & ACCESSORIES

October 2015 – Rotork acquires Roto Hammer, manufacturer of custom-designed chainwheel manual valve operators

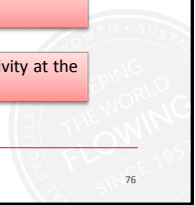




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KEY TAKEAWAYS

-  Strong customer relationships
-  Significant organic growth opportunities in end users markets and destinations
-  Opportunities for diversification and product & market developments
-  China and India remain attractive growth countries
-  Achieving best in class operational performance
-  Supply chain management ensures parts are manufactured by the optimal method to assure quality and repeatability
-  Cost management to ensure the highest possible level of quality, reliability and productivity at the lowest overall cost



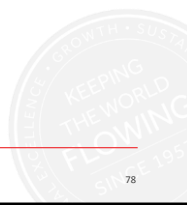
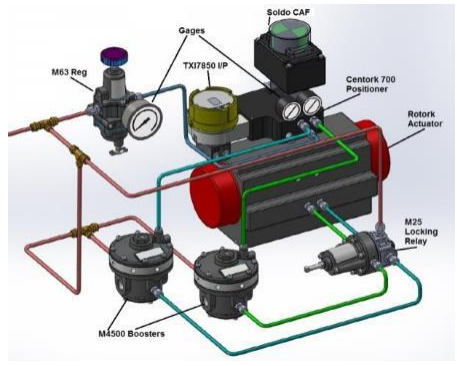
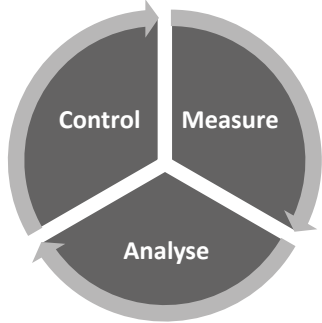
INSTRUMENTS DIVISION

Alan Paine – Divisional Managing Director



WHAT ARE INSTRUMENTS?

The measurement and control of process variables



INSTRUMENTS STRATEGY

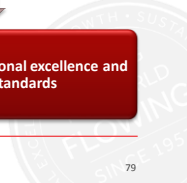
Group Strategy

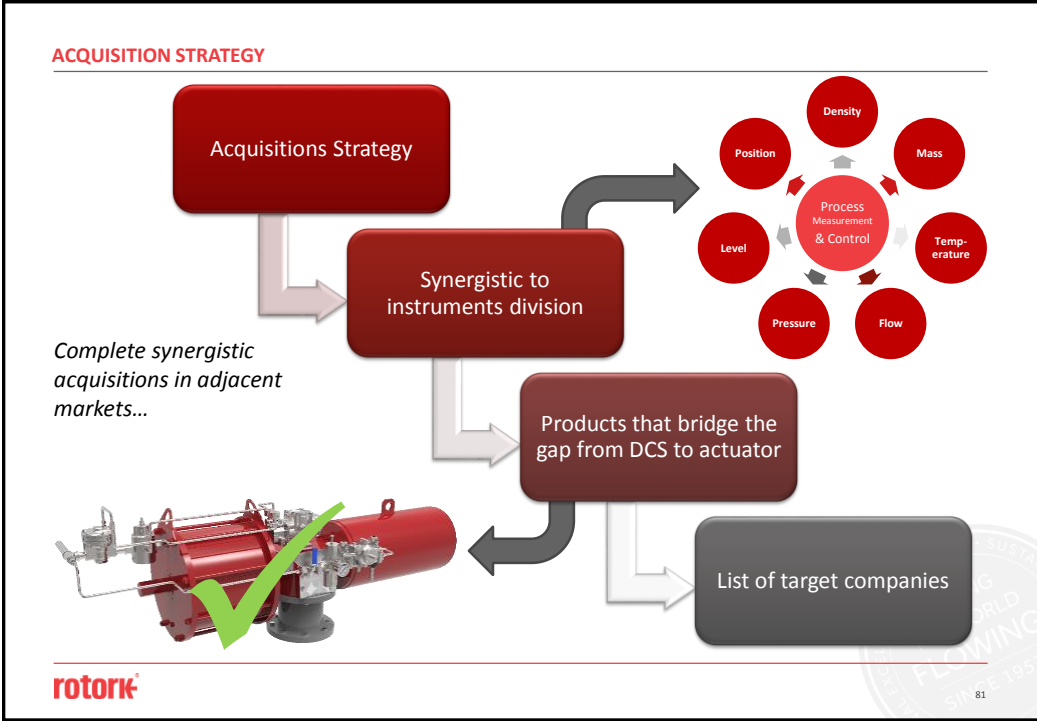
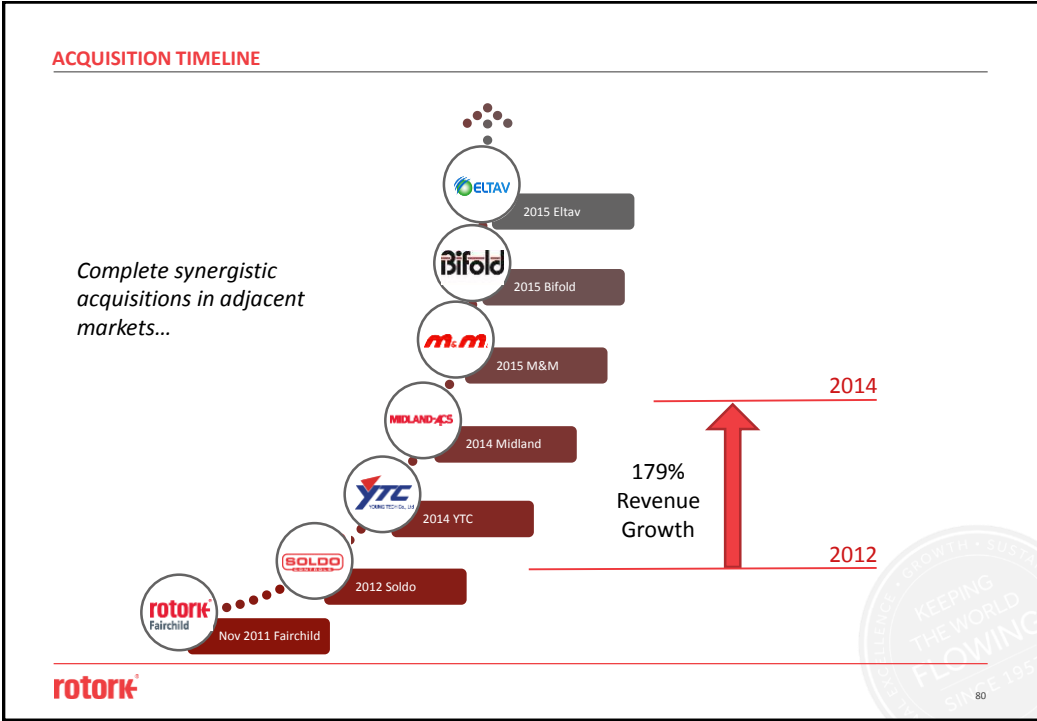


Providing high quality and innovative products and services to control the flow of fluids and gases.
 Meeting customer needs through global expertise delivered locally.
 Achieving consistent and sustainable profitable growth.
 Being the employer of choice.



Instruments Division Strategy





MAIN SITES

Global expansion of sales channels and key industries...

Meeting customer needs through global expertise delivered locally:

- 7 manufacturing sites

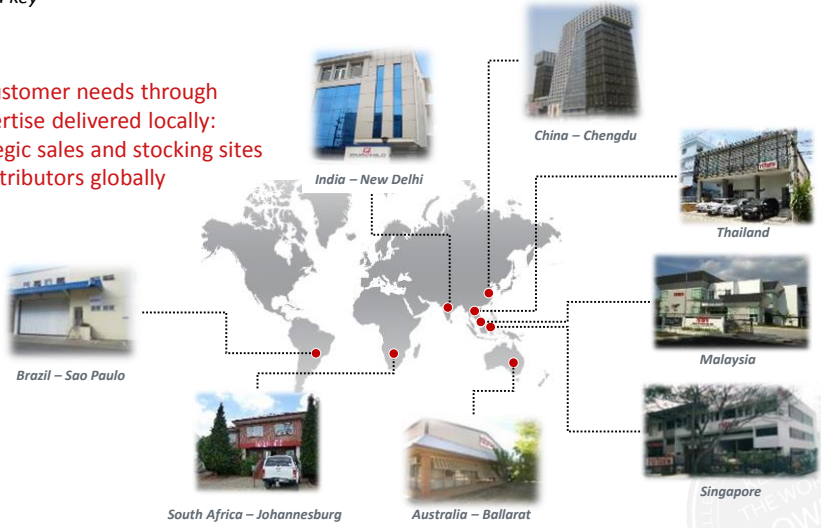


CHANNEL DEVELOPMENT

Global expansion of sales channels and key industries...

Meeting customer needs through global expertise delivered locally:

- 8 strategic sales and stocking sites
- 166 distributors globally



MARKET POSITIONING

Product development to support global expansion and key industries

Margin %

Low Spec Volume Pricing

High Spec Project Pricing

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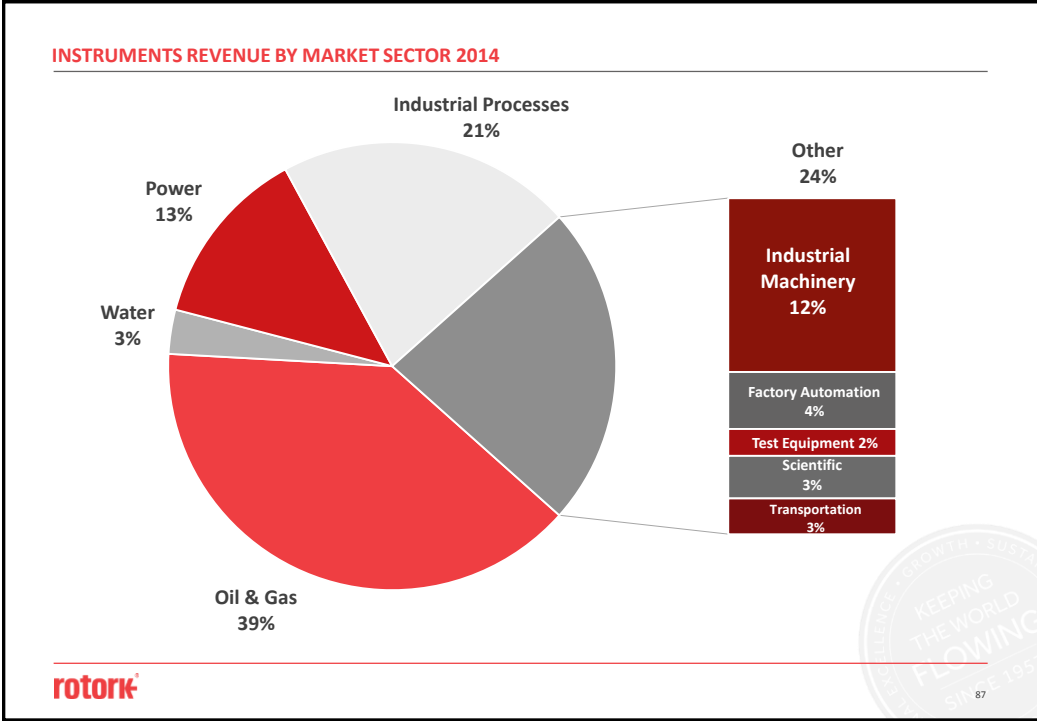
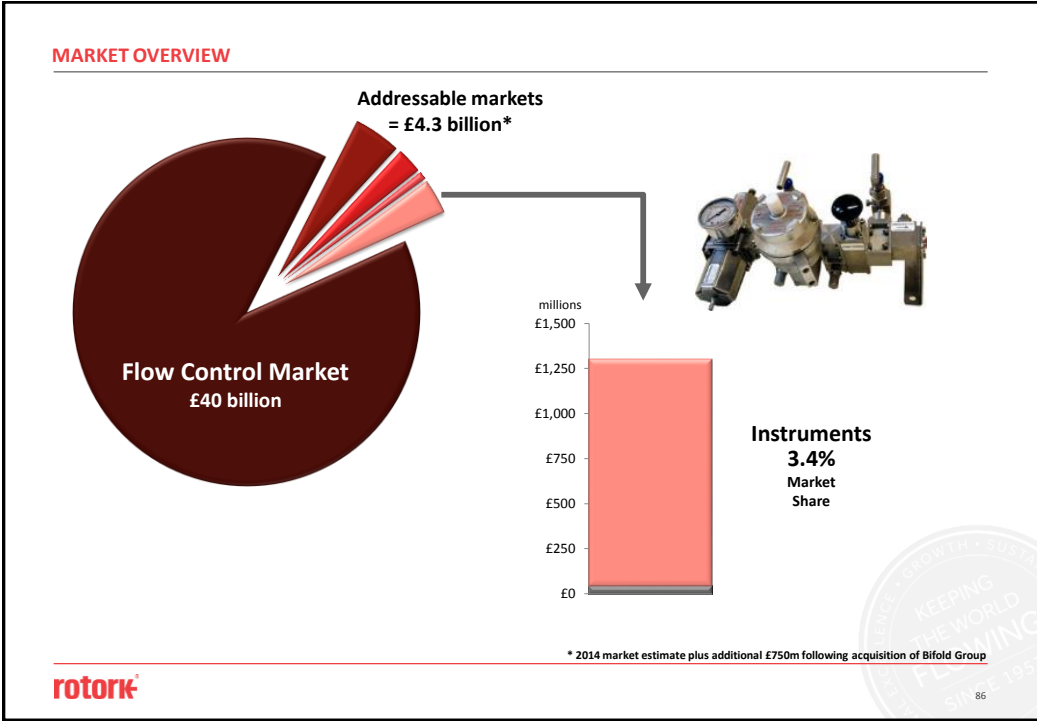
MARKET OPPORTUNITIES

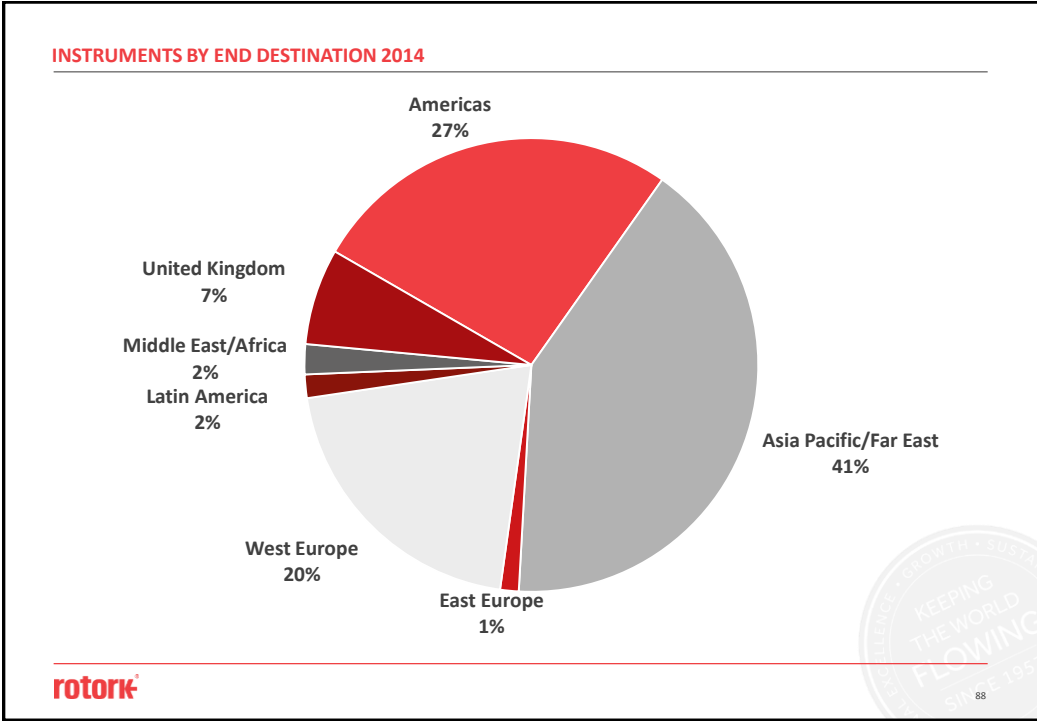
Product development to support global expansion and key industries...

Instrument Measurement and Control	Percentage used in Process control systems
Density	34%
Temperature	86%
Flow	88%
Pressure	93%

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- ### KEY TAKEAWAYS
- ← Instruments provide critical process control
 - ← Maintaining world class operational excellence - QDCS
 - ← Global customer satisfaction delivered locally
 - ← Continued expansion of sales channels and key industries
 - ← Product development supporting high specification, high margin products
 - ← Strategic acquisitions to further expand our addressable market
- rotork**
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INNOVATION

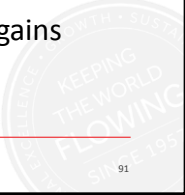

Gary Jacobson – Group Innovation Director

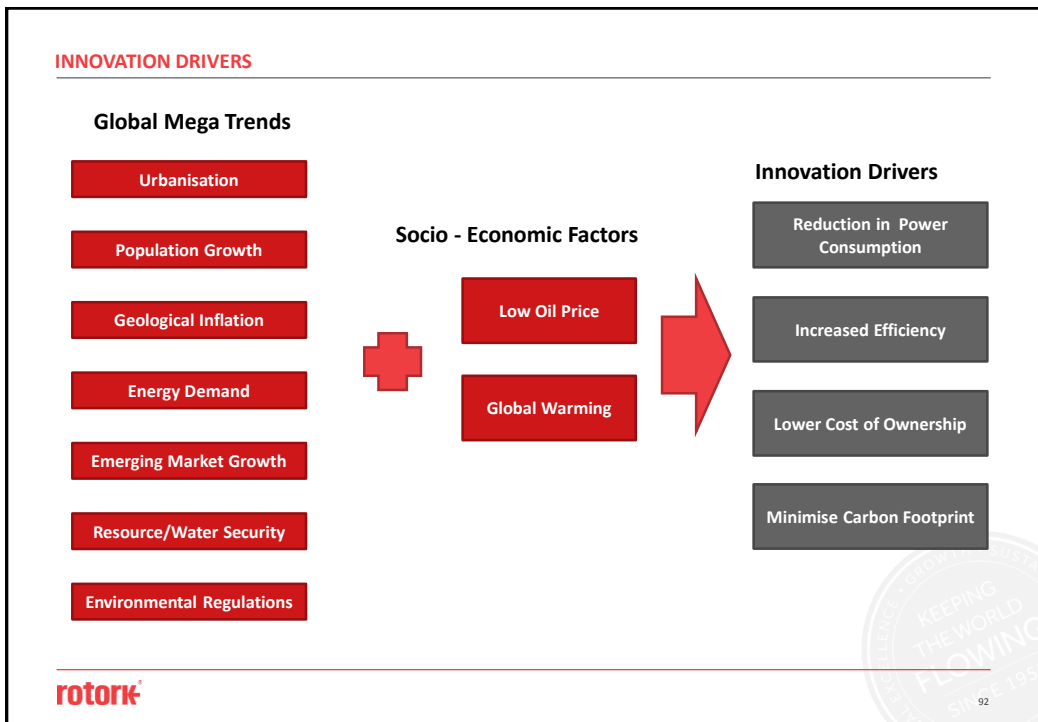


THE GAME OF INCHES

“The game of inches”
*Humphrey Walters, Project Manager
England Rugby Union World Cup
winning team 2003 and the London Olympics 2012*

Optimisation of multiple parameters is delivering 10x to 73x gains
Passion for Flow Control





INNOVATION DRIVERS

Low Oil Price

- Slow down in high cost markets and growth in lower cost markets.
- Reduce Costs
 - Make things more efficient
 - Reduce installed cost with wireless power and communications
 - Sell more products and features at each site

Environment

$CO_2 + H_2O \rightarrow CH_4 + O_2$
 $6CO_2 + 6H_2O \rightarrow C_6H_{12} + 9O_2$

Legislative EU and EPA

- Target reduced CO₂

“Energy and mining companies are ignoring the ‘existential threat’ from climate change and must change the way they operate.” Lord Brown

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PASSION FOR FLOW CONTROL

Optimisation of multiple parameters has made possible a zero carbon well site
Wireless power and communications makes possible remote powered actuation

- Rotork has actuator with 1/10th power and 1/73rd of the battery size
- Rotork has chemical injection with 1/10th of required power
- Rotork has super capacitor technology
- Rotork has remote RF communications
- Rotork has enhanced diagnostics



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WIRELESS TECHNOLOGY

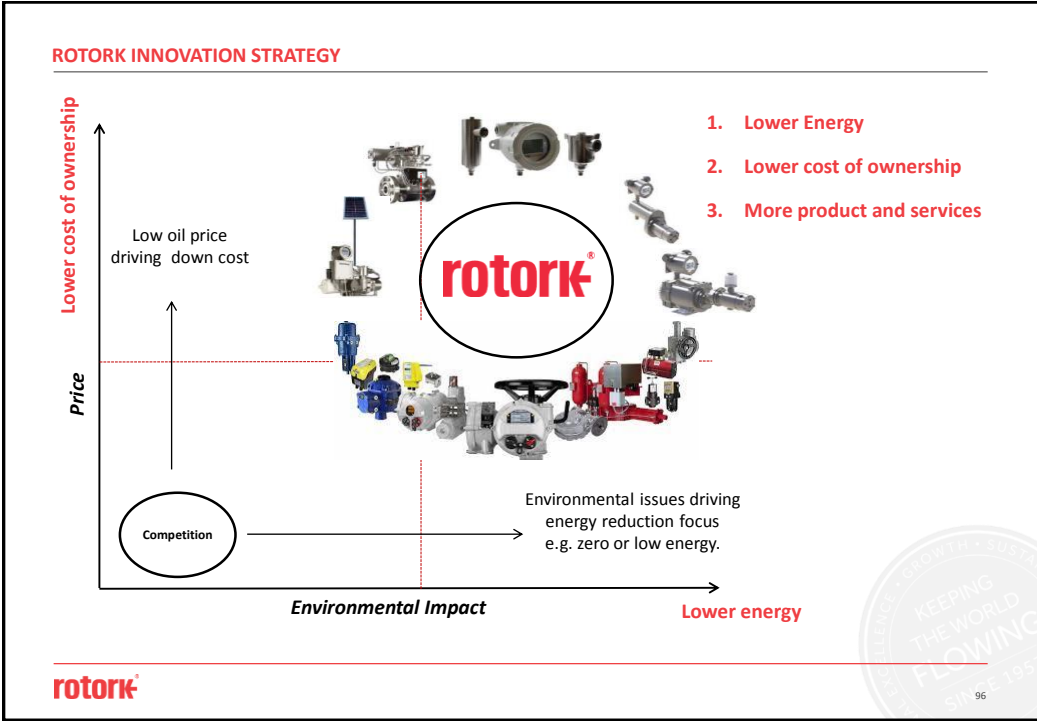


Wireless starting to be applied on battery powered transmitters

Wiring Cost reduced from \$75,000 to \$500

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SALES PROPOSITION – HOW DOES ROTORK DIFFERENTIATE ITSELF?

<p>Customer Service</p> <ul style="list-style-type: none"> • One stop shop (extending product range) • Customer Intimacy • World class customer service and support. • 48 hour despatch? • Competitive price 	<p>Technical Excellence</p> <ul style="list-style-type: none"> • The Best Technology • Tailored solutions • Greater product efficiency “game of inches” • Wireless communications • Market leading Reliability • Enhancing Safety and diagnostics
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48 Hours Video


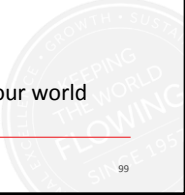
PASSION FOR PHYSICS OF FLOW CONTROL



Our Engineers see the size of gains in technology in their free time activities - cyclists

-  is 1.6MJ of CH gives 20miles but a car needs 84MJ (x52.5)
- Carbon fibre
 - new materials
- Power meters and GPS timing
 - data comms and analysis
- Time trial bars and riding position analysis
 - innovations
- Elliptical cranks
 - innovations
- Electronic shifters
 - digital technology

• A passion for physics, a creative environment, speed of innovation can change our world

ROTORK ELECTRIC ACTUATORS AND ELECTRIC CARS



20kW



415Vac



Super Capacitors
 Efficient motors
 Variable speed drives
 Minimised parasitic demand
 Communications

0.2kW



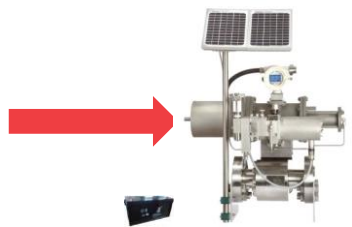
24Vdc



24Vdc



PASSION FOR PHYSICS OF FLUID CONTROL – ACTUATION



Reduce parasitic power demand from 30W to 0.15W - Enables effective solar power
 The battery can be 1/73rd of size

Lower cost to clients, higher sales to Rotork



PASSION FOR PHYSICS

Use all the modern techniques available to us

Reduce Parasitic Demand (W)

- Spring and Fluid
- Clever solenoids
- Zero leak valves
- Clever control

Efficient Delivery of Power (W)

- Spring and Fluid Energy (MJ)
- Configurable Circuits
- Mechanical Efficiency
- Pressure, viscosity, bore size - power W



Super Capacitor and Motor

- Clever control



Super Capacitor (J) and Motor

- Configurable Construction
- Mechanical Efficiency
- Voltage, Amps, cable size - power W



POSITIONER MARKET

Current Market Offering



Air consumption 0.5m³/hour
0.5 tonnes of CO₂ per year

New Controls



Air consumption 0m³/hour
No CO₂

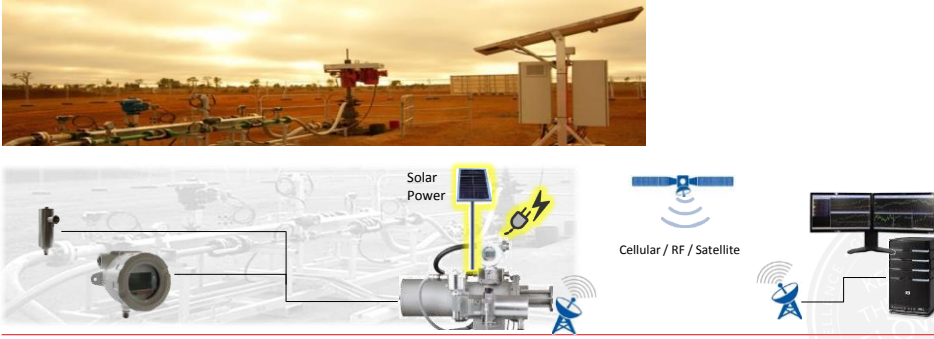


WIRELESS FUTURE

Pressure Transmitter, Tank Farms – Battery power, Bluetooth, wifi, zigbee



Site Location – Solar power, RF/cellular/sat communications, locally wired



KEY TAKEAWAYS

- ← Rotork has leading edge technology
- ← Working together, optimising parameters – “Game of inches” for the low carbon world
- ← Wireless power and communication
- ← Configurable structures
- ← Increasing the portfolio, selling more
- ← Significant increase in our accessible market

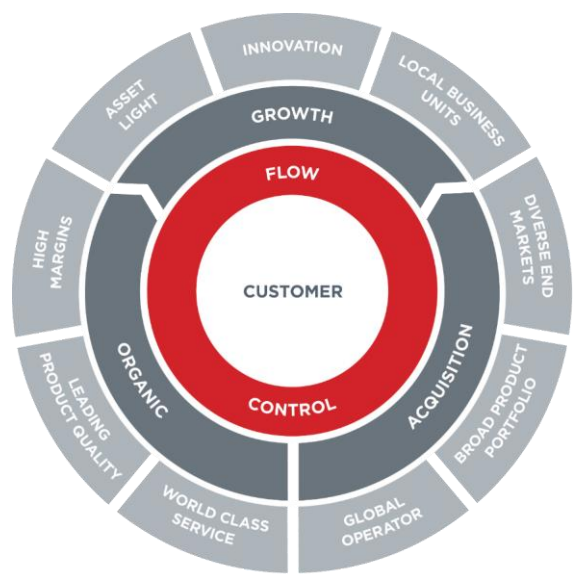


CONCLUDING REMARKS

Peter France – Chief Executive




ROTORK GROWTH STRATEGY




Questions

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Additional Information

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BIOGRAPHIES



Peter France
Chief Executive

Peter was appointed as Chief Executive of Rotork plc in 2008. He joined Rotork in 1989 as an Inside Sales Engineer. In 1998, he was appointed Director and General Manager at Rotork Singapore before becoming MD of RFS and then Chief Operating Officer.



Carlos Elvira
Group Sales & Marketing Director

Carlos joined in 1981 as the first Graduate Trainee in International Sales. He became International Sales Manager in 1989. In 1999 he became Controls Sales & Marketing Director and joined the RMB. In January 2011, he was appointed Group Sales & Marketing Director.



Richard Holbrook
Regional General Manager

Richard was appointed UK Regional General Manager in 2015. He joined Rotork in 1994 as an Apprentice. In 2008, he was appointed RSS Manager at Rotork Controls in Bath, before becoming General Manager of Rotork UK in 2012.

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BIOGRAPHIES



Grant Wood
MD Rotork Controls

Grant joined Rotork in 2006 as Director of Rotork Site Services (RSS) before being appointed as Managing Director of Rotork's Controls Division and joining the Rotork Management Board in March 2011. Before joining Rotork Grant gained considerable experience in the utility, financial and energy sectors.



David Littlejohns
MD Rotork Fluid Systems

David joined the engineering design department in 1985 and he moved to Rochester, USA in 1996 as an engineer. He moved into sales before becoming General Manager in California. In 2006 he was appointed Managing Director of the Gears Division and joined the RMB.



Pamela Bingham
MD Rotork Gears

Pamela joined Rotork as Group Business Development Director and the RMB in March 2012. She has gained a wealth of experience in legal, commercial and business development roles. Pamela has worked in the engineering, mining, renewable energy and oil & gas sectors.

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BIOGRAPHIES



Alan Paine
MD Rotork Instruments

Alan joined Rotork in November 2011 as Managing Director for Rotork Fairchild. He was appointed as Managing Director of the Instruments Division and joined the RMB in January 2013. Before joining Rotork, Alan managed several international companies in the automotive and linear bearings industries.




Gary Jacobson
Group Innovation Director

Gary joined Rotork in September 2015 as General Manager of the Bifold Group, a role he retains as well as the position of Group Innovation Director. Innovative design engineering has been a major area of activity in his career, where he has gained a wealth of experience and knowledge of products and markets relevant to Rotork.

DISCLAIMER

This information includes 'forward-looking statements'. All statements other than statements of historical fact included in this presentation, including, without limitation, those regarding Rotork's ("the Company") financial position, business strategy, plans (including development plans and objectives relating to the Company's products and services) and objectives of management for future operations, are forward-looking statements. These statements contain the words "anticipate", "believe", "intend", "estimate", "expect" and words of similar meaning. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. These forward-looking statements speak only as at the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. Past business and financial performance cannot be relied on as an indication of future performance.



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EXCELLENCE • GROWTH • SUCCESS
KEEPING THE WORLD
FLOWING

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