

25 April 2014



## **Rotork plc**

### **Interim Management Statement**

Rotork p.l.c. ("Rotork"), the market leading actuator manufacturer and flow control company, today issues its Interim Management Statement covering the period from 1 January to 24 April 2014. All financial information relates to the period 1 January to 30 March 2014.

Demand for the Group's products has remained strong and our expectations for the full year remain unchanged. As anticipated in our Full Year results statement in March, we have experienced a headwind from currency and this is reflected in our results for the first quarter.

Order intake of £140m was 7.3% lower than the first quarter of 2013 (-2.2% OCC), reflecting the very strong comparative period.

Revenue was a record for the first quarter and 2.4% higher than the prior year (+7.4% OCC). However the timing of orders and the currency impact mean we are expecting a greater second half revenue weighting.

The order book now stands at £191m, 1.7% higher (6.6% OCC) than at the year end.

#### **Rotork Controls**

Rotork Controls order intake in the first quarter was down 4.9% (+ 3.1% OCC). We saw a good level of activity across most of the sectors and geographies that we serve. In particular, India, Australia and China are performing well with the Oil and Gas, Power and Water markets remaining active. Project visibility and quotation activity support our view of ongoing improvement during the year. We continue to develop our product offering and are planning further product launches in the second half of the year.

#### **Rotork Fluid Systems**

Fluid Systems results are often affected by the timing of large projects and that can be seen in the first quarter results, with order intake 13.5% lower (-11.7% OCC) because of the record first quarter in 2013. The Oil and Gas market remains the main market for Fluid Systems and this continues to be active. In our other markets we have recently secured a large opportunity for pneumatic actuators on damper controls in the Power market. Project activity remains strong.

#### **Rotork Gears**

Rotork Gears continues to develop its customer base. Order intake saw a slight decline, 3.2% lower (-2.9% OCC), despite an improved performance from North America and Asia. As well as developing the gearbox business we are continuing to strengthen our presence in the valve adaption sector through the acquisition of Renfro in August 2013.

## **Rotork Instruments**

Rotork Instruments order intake was 5.4% higher (+13% OCC). We continue to see opportunities to expand our product offering and strengthen our sales channels. The integration of YTC, our recent Korean acquisition, is already underway. Due to the timing of the acquisition it did not contribute to the results of the quarter.

## **Financial Position**

The Group continues to be highly cash generative and maintains a strong balance sheet. Net cash balances at 30 March were £69m with the £60m payment on completion of the acquisition of YTC taking place shortly after the quarter end.

## **Board composition**

Graham Ogden, who joined Rotork in 1985 and has been an executive Director since 2005, has decided to retire at the end of March 2015 and so will step down from the Board at that time.

## **Outlook**

The global markets that we serve remain active, providing further opportunities for growth. Currency will continue to be a headwind although we anticipate that the impact will slightly reduce as the year progresses and comparisons become easier. The Board remains confident of achieving further progress in the year.

For further information, please contact:

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## **Notes**

1. 2014 figures quoted are at actual exchange rates and 2013 are as previously reported.
2. OCC (organic constant currency) growth rates remove the results of the businesses acquired during 2013 that were not in both years results and restate 2014 at 2013 exchange rates.