

14 November 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 July to 13 November 2014.

Order intake for the third quarter was up 4.3% (+5.6% OCC) on the comparable period in 2013, with cumulative order intake to 26 October ahead 3.2% (+6.0% OCC) on last year.

Revenue for the third quarter was down 1.0% (-0.5% OCC) on the comparable period, reflecting the timing of deliveries. Cumulative revenue was up 0.1% (+2.2% OCC) on the prior year, and revenue is expected to display its traditional weighting to the fourth quarter. The order book at 26 October was £213.2m, 4.1% (+5.8% OCC) ahead of the same point last year.

#### **Rotork Controls**

Order intake for the third quarter was up 8.7% (+15.9% OCC). Activity levels have continued to increase throughout the year and cumulative order intake was 3.8% ahead (+11.4% OCC) of the prior year. We continued to see strong demand for our products in the Americas and Asia Pacific whilst Europe remained subdued. Downstream and midstream oil and gas remained our most active markets, with variable levels of activity in water and power.

#### **Rotork Fluid Systems**

Trading in the period was challenging, and order intake in the third quarter was down 18.3% (-12.0% OCC). This decline in order intake reflects a strong comparable period in 2013 and the delay and, in some cases, the loss of orders caused by the tightening of trade sanctions on Russia, which resulted in a negative impact of £6m in the quarter. Order intake in Europe was affected the most. Asia Pacific was flat year on year, whilst we saw growth in order intake in the Americas. Cumulatively order intake was 5.7% lower (-1.9% OCC) than the prior year. However, the order book is currently at a record high, leading us to expect that trading in the fourth quarter will be strong.

#### **Rotork Gears**

Third quarter order intake was strong, up 16.3% (+23.2% OCC) against the same period in the prior year. Regional activity was similar to that seen in the other divisions, with Europe down and the Americas and Asia Pacific showing growth. Cumulative order intake was 2.5% ahead (+5.5% OCC) of the prior year. We continue to expect the division to benefit from the product development and sales activity undertaken in recent years.

#### **Rotork Instruments**

Instruments has benefited the most from acquisitions in the period with YTC acquired in March 2014 and Midland acquired in July 2014. Order intake in the third quarter is 115.9% higher but 5.8% lower

on an organic constant currency basis. Cumulative order intake was 69.2% ahead (+3.0% OCC). The integration of both businesses into the Rotork Group is progressing well and to plan.

### **Financial position**

The Group continues to be highly cash generative and maintains a strong balance sheet with a high return on capital employed. Net cash balances at 26 October 2014 were £8.3m.

### **Outlook**

Based on the performance year to date, our strong order book and diverse end market exposure, the Board continues to expect to make further progress in the full year, with margins anticipated to be similar to those seen in 2013.

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 and 2014 that were not consistently in both periods' results and restate 2014 at 2013 exchange rates.
3. Third quarter results refer to the period from 1 July to 28 September 2014.
4. Cumulative results refer to the period 1 January to 26 October 2014.
5. Rotork will be announcing its preliminary results for the year ending 31 December 2014 on 3 March 2015.
6. 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. Nothing in this interim management statement should be construed as a profit forecast.