

28 August 2015

## **Rotork plc**

### **Acquisition of Bifold Group**

Rotork p.l.c. ("Rotork"), the market leading actuator manufacturer and global flow control company, announces that it has acquired Bifold Group Limited ("Bifold") for up to £125m on a cash-free and debt-free basis.

Bifold is a leading manufacturer of pneumatic and hydraulic instrument valves and components focused on the oil and gas industry and wider industrial markets, with expertise in a number of niche sectors such as subsea and wellhead control systems. It also has market leading technology in areas that include the development of solenoid valves with ultra-low power requirements.

Bifold is headquartered in Manchester, UK, and employs approximately 300 people across its operations in Manchester and Taunton, UK. The company is being acquired from a consortium including LDC, current management and other shareholders. Bifold will sit within Rotork's Instruments division and its current management team will remain with the business.

The acquisition is in line with Rotork's strategy of strengthening its presence in the flow control market and broadening its product portfolio. Bifold has a strong market presence and excellent brand recognition within its end markets. Rotork estimates that the addition of Bifold will significantly increase Rotork's addressable market by approximately £750m to £4.3bn. As part of Rotork, Bifold will also be able to offer a broader product portfolio to its customers.

In the 12 months to 31 August 2014, Bifold generated EBITDA of £10.2m on revenue of £41.0m<sup>1</sup>. For the 12 months to 31 August 2015, Bifold is anticipated to generate EBITDA of £7.6m on revenue of £37.7m, reflecting the current market weakness. Whilst the current market remains challenging, and is anticipated to remain so in the short term, the timing of this acquisition will allow us to position the company for the long term growth opportunities this market presents.

The total consideration is for up to £125m in cash, comprising £115m on completion and £10m deferred for up to 2 years based on achieving specific financial targets. The acquisition is being financed from new committed debt facilities.

Commenting on the acquisition, Peter France, Chief Executive, said:

"The acquisition of Bifold represents an exciting step forward in the continued development of Rotork Instruments. This strategic acquisition of a long held target of Rotork's is directly in line with our core strategy of strengthening Rotork's presence in the flow control sector and broadening our product portfolio.

Bifold is a highly complementary business to Rotork with a well-regarded management team that provides Rotork with an enlarged platform to further offer its products and services to the oil and gas sector and wider industrial markets. The combination of Bifold's extensive product portfolio and leading technology with Rotork's international sales network and geographic reach will significantly strengthen our presence across the global flow control market."

### Footnote

1. The 2014 results stated above are on a management basis and best represent the ongoing performance of the business under Rotork ownership. The statutory accounts for August 2014 reported revenue of £41.1m with operating profit of £6.6m, a loss before taxation of £2.0m and gross assets of £40.6m.

### Conference call

Peter France, Chief Executive, and Jonathan Davis, Finance Director, will be hosting a conference call for analysts and investors at 8.30am today to discuss the acquisition. A short presentation will be made available on the company's website: <http://www.rotork.com>. To join the call, please dial in to the following number:

UK number +44 (0)203 139 4830

UK toll free number 0808 237 0030

Participant PIN 93209678#

A recording will be available shortly after the conclusion of the call on the following numbers:

UK number +44 (0)20 3426 2807

UK toll free number 0808 237 0026

Conference reference 661277#

### **For further information, please contact:**

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