Rotork plc
Trading update

Rotork plc ("Rotork"), the market-leading actuator manufacturer and flow control company, issues the following trading update covering the first quarter period from 1 January to 2 April 2017 ("first quarter") ahead of its Annual General Meeting to be held later today.

Group order intake and revenue in the first quarter increased 19.7% and 14.5% respectively, benefiting from favourable exchange rates and the contribution from acquisitions. Currency contributed 13.7% to order intake and 13.1% to revenue, with acquisitions contributing 3.3% to order intake and 2.7% to revenue. On an organic constant currency (OCC) basis, order intake increased by 2.7% and revenue was down 1.4%. The order book at 2 April 2017 was £203.3m, 12.5% (12.2% OCC) higher than at 31 December 2016.

Order intake	**Change**	**OCC[2] Change**
Controls	17.3%	3.2%
Fluid Systems	23.0%	8.6%
Gears	32.6%	-5.8%
Instruments	6.7%	-2.6%
Group	**19.7%**	**2.7%**

On an OCC basis, we saw improvements in order intake in our Controls and Fluid Systems divisions, albeit against soft comparatives for Fluid Systems in particular. Gears and Instruments order intake was lower than in the prior year period.

The end market trends seen towards the end of 2016 continued in the first quarter of 2017. Oil and gas remained challenging, with weakness evident in the downstream sector, although we have seen an improvement in levels of activity in upstream and midstream. There was good activity in the power and industrial markets while water remained flat. Geographically, we saw growth in the Middle East and parts of Asia while parts of North America, Europe and Latin America remained subdued. We remain well placed internationally to benefit from opportunities in our key markets.

Our cost reduction programme is progressing as planned and as detailed at the time of our full year results in February. Cost management remains a priority as we look to mitigate inflationary pressures through our operating base.

Financial position

The Group continues to be highly cash generative with a strong balance sheet and net debt of £44.7m at 2 April 2017 (£55.0m at 31 December 2016).

Outlook

We anticipate that any near-term growth in energy markets will remain modest. However, our strategy of expanding our end markets and products organically and through acquisition has resulted in a strong product portfolio, diverse end market exposure and a geographic presence that will generate continued opportunities.

Revenue is anticipated to be weighted to the second half of the year as usual and first half margins are expected to be lower than those for the comparative period. However we remain well placed to make progress in 2017 and management expectations for the full year are unchanged.

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Notes

1. 2017 figures quoted are at actual exchange rates and 2016 are as previously reported.

2. OCC (organic constant currency) growth rates remove the results of the business acquired during 2016 that were not consistently in both periods' results and restate 2017 at 2016 exchange rates.

3. Rotork will be announcing its half year results for the period ending 30 June 2017 on 8 August 2017.

4. 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 Trading Statement should be construed as a profit forecast.