



Wednesday 30 May 2018

**Bodycote plc**  
**Trading Update**

Bodycote, the world's leading provider of heat treatment and specialist thermal processing services, is issuing a trading update covering the four-month period from 1 January to 30 April 2018 ("the period"), ahead of the Company's 65<sup>th</sup> Annual General Meeting, which will be held at 12.00pm today.

**Current trading**

Group revenue for the four months ended 30 April 2018 was £243m, 7% higher than the same period last year and 10% higher at constant currency. On a divisional basis, ADE revenues were up 5% to £94m (up 10% at constant currency), while AGI revenues were up 9% to £149m (up 10% at constant currency). Within the overall Group result, Specialist Technologies' revenues grew 12% at constant currency.

The following review of the Group's markets quotes all movements based on growth against the same period in 2017, at constant currency.

Car and light truck revenues grew 8%, with continued strong growth in Emerging Markets and good growth in Western Europe, while North American revenues were down slightly.

Civil aerospace revenues grew 4%, held back by restrained demand in France stemming from capacity shortfalls in the aerospace industry supply chains.

Overall growth of energy revenues was 24%, with continued strong growth in onshore North American revenues, as well as early indications of an upturn in Western Europe oil & gas revenues. Large frame industrial gas turbine (IGT) revenues were down in North America in line with the cut backs in IGT production announced by the OEMs at the end of 2017. In Western Europe, the IGT declines were more than offset by the increase in business from the new Long Term Agreement with Doncasters.

General industrial revenues were 11% higher with good growth across all geographies.

Margins have continued to improve although the profit drop-through from incremental sales has been partially offset by increased investment in business development.



## **Financial position**

Net cash as at 30 April 2018 was £45m compared to £40m at 31 December 2017, reflecting continued strong underlying cash generation in light of the typical working capital outflows in the first few months of the year. The Board will pay a final dividend of 12.1p per share and the special dividend of 25.0p per share on 1 June 2018, at a total cost of £71m.

## **Summary and Outlook**

We have seen robust growth in the first four months of the year in spite of the foreign currency headwind. At this early stage, and notwithstanding the Group's limited visibility, the Board now expects full year revenue to be higher than previously expected and headline operating profit to be slightly ahead of current analysts' consensus<sup>1</sup>.

## **Trading Update Conference Call**

The Company will be hosting a conference call for analysts and investors at 0800am today (Wednesday 30 May 2018).

Participant's dial in number: +44 (0) 333 300 9260

Participants will be asked for names only, no PIN required

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

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<sup>1</sup> Company compiled consensus for headline operating profit is £133.1 million with a range of £124.5m - £140.0m