



27 May 2016

Bodycote plc Trading Update

Bodycote is issuing a trading update covering the period from 1 January to 30 April 2016, ahead of the Company's 63rd Annual General Meeting, which will be held at 12.00pm today.

The Board's expectation for results in 2016, at current exchange rates, is unchanged from the time of the 2015 annual results announcement in February.

Current trading

Group revenue for the four months ended 30 April 2016 was £192.4m, 4.9% lower than the same period last year and 9.1% lower at constant exchange rates. After taking into account the Group's exit from Brazil and the restructuring actions announced in 2015, like-for-like revenues were lower by 2.7% (7.0% lower at constant exchange rates). The restructuring programme announced at the time of the 2015 interim results is now essentially complete with the associated costs and benefits accruing in accordance with the guidance given at our full year results announced on 25 February 2016.

On a like-for-like basis, the Aerospace, Defence & Energy business revenues were lower by 6.7% compared to the same period of 2015 (11.1% lower at constant exchange rates) and the Automotive & General Industrial business revenues were higher by 0.5% (3.8% lower at constant exchange rates).

The following review of the Group's markets quotes all movements on a like-for-like basis and at constant exchange rates:

Aerospace revenues were flat year-on-year, however, sequentially the run rate is notably higher than in the final quarter of 2015. Sales to the Oil & Gas sector were lower by 51.2%, reflecting weak demand and a strong comparable in the equivalent period of 2015.

Car and light truck revenues increased by 3.6%, with a solid performance in North America and Europe and strong growth in the Emerging Markets. Heavy truck revenues were lower by 14.0%. General industrial demand remains weak, and revenues were 6.5% lower than in the same period last year, being affected notably by weak demand in sectors which, directly or indirectly, support Oil & Gas, Mining and Agriculture.

Financial position

Net cash as at 30 April 2016 was £9.4m, compared to net cash of £12.3m at 31 December 2015 and is in line with our usual seasonal cash flow pattern. The 2015 final dividend of 10.3p per share and a special dividend of 10p per share will be paid on 3 June 2016, at a total cost of £38.6m.

Outlook

While noting the Group's limited forward visibility, given the performance in the first four months of 2016, the Board's expectation for results in 2016, at current exchange rates, is unchanged from the time of the 2015 annual results announcement in February.

Trading update conference call

Stephen Harris and David Landless will be hosting a conference call for analysts and investors at 8.00am BST today (27 May 2016).

Participant's dial in number: +44 (0) 20 3426 2886

Participants will be asked for names only, no PIN required

For further information, please contact:

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