



23 April 2015

Bodycote plc Trading Update

Bodycote is issuing a trading update covering the period from 1 January to 22 April 2015, ahead of the Company's 62nd Annual General Meeting, which will be held at 12.00pm today. The financial and operational data set out below are in respect of the Group's first quarter (1 January to 31 March 2015) unless otherwise stated.

Current trading

Group revenue for the three months ended 31 March 2015 was £151.6m, 0.9% lower than the same period last year but 1.9% higher at constant exchange rates. Aerospace, Defence & Energy business revenues were higher by 3.2% compared to the first quarter of 2014 (2.5% higher at constant exchange rates). Automotive & General Industrial business revenues decreased by 3.9% (although were 1.4% higher at constant exchange rates).

The following review of the Group's markets quotes all movements at constant exchange rates.

Civil aviation revenues grew by 2.7% year-on-year, while revenues to defence customers recorded an increase of 1.2%. Sales in oil and gas were higher by 18%. Revenues to the onshore sector have reduced, but this weakness was more than offset by some large subsea project shipments from the HIP PF business. HIP PF revenues in quarter two are expected to be similar to those of quarter one, but this will be lower than a very strong comparable in the same period of 2014. Revenues related to industrial gas turbines fell by 4.5% so that this sector now represents just 3% of Group revenues.

Car and light truck revenues increased by 6.2%, with double-digit growth in North America and the Emerging Markets. Heavy truck revenues were lower by 2.7%. General industrial demand was subdued, and revenues were 2.4% lower than in the same period last year, being affected notably by very weak agricultural equipment demand. Revenues into this sector have been adversely impacted by a number of global factors, including the decline in ethanol demand, and this sector now represents less than 3% of Group revenues.

The Group's Specialist Technologies have continued to grow in line with expectations.

Financial position

Net cash as at 31 March 2015 was £30.9m, compared to net cash of £35.7m at 31 December 2014 and is in line with our usual seasonal cash flow pattern. The final dividend for 2014 of 9.8p per share and a special dividend of 20p per share will be paid on 1 May 2015, at a total cost of £56.9m.

Board Composition

John Biles, the Senior Independent Director and Chairman of the Audit Committee, will retire at the 2015 AGM. Ian Duncan has been appointed Chairman of the Audit Committee and Raj Rajagopal will be appointed Senior Independent Director at the close of the 2015 AGM.

Outlook

While noting that the Group has limited forward visibility, given the performance in the first quarter of 2015, the Board's expectation is unchanged, on a constant currency basis, from the time of the 2014 annual results' announcement in February.



Investor conference call

Stephen Harris and David Landless will be hosting a conference call for analysts and investors at 0800 hours today (23 April 2015).

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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