



15 November 2018

Bodycote plc
Trading Update

Bodycote, the world's leading provider of heat treatment and specialist thermal processing services, is issuing this trading update covering the four month period from 1 July to 31 October 2018 ("the period").

Current trading

Group revenue for the period was £243.5m, 5% higher than the comparative period last year and 6% higher at constant currency, and in line with our expectations. This represents solid growth, particularly given the strong performance in the comparative period in 2017. Group revenue for the 10 months to 31 October 2018 grew 6% (8% at constant currency), with Specialist Technologies continuing its strong growth, up 11% at constant currency (both in the period and year-to-date).

All percentage movements in the following review of the Group's markets compare to the same period in 2017, at constant currency.

Car and light truck revenues grew 5%, notwithstanding weak background market demand in Europe and North America. The growth has been driven by continued strong performance in Emerging Markets and Specialist Technologies.

Civil aerospace revenues grew strongly at 14%, with North America and Western Europe both registering good growth. This reflects increasing output for the LEAP program and an easing in the OEM supply chain bottlenecks for Titanium castings.

Energy revenues grew 4%, as the Oil & Gas business continues to perform well, while our Industrial Gas Turbines (IGT) business weakened further with underlying revenues falling by more than 25% in the period.

General industrial revenues were 4% higher, in line with the general trends in industrial production.

On a divisional basis, ADE revenues were up 6% to £97.8m (up 6% at constant currency, and for the 10 months to 31 October 2018, 8% ahead), while AGI revenues were up 5% to £145.7m (up 6% at constant currency, and for the 10 months to 31 October 2018, up 8%).

Financial position

Net cash as at 31 October 2018 was £16.0m compared to net cash of £17.7m at 30 June 2018. During the period, we continued to invest in our network of new and existing

facilities, including a small acquisition in North America, as well as a £9m purchase of shares for our Employee Share Benefit Scheme. Underlying cash generation remains strong. The interim dividend of 5.7p per share was paid on 2 November 2018, at a cost of £10.1m.

Summary and outlook

As anticipated, the pace of revenue growth will moderate in the last two months given the strong prior year comparator. Bodycote's outlook for 2018 remains unchanged.

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Trading Update Conference Call

Stephen Harris and Dominique Yates will be hosting a conference call for analysts and investors at 8.00am today (Thursday 15 November 2018).

Participant's dial in number : +443333009260 (Direct)
Participants will be asked for names only, no PIN required

For further information, please contact:

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