

27 April 2017

FIRST QUARTER TRADING UPDATE FULL YEAR GUIDANCE UNCHANGED

The trading update covers the period from 1 January 2017 to 26 April 2017. Unless otherwise stated, figures quoted in this statement are for the quarter ended 31 March 2017.

Chris Weston, Chief Executive, commented: “I am pleased to see underlying growth in both business units, in particular in Power Solutions Industrial. We continue to execute on our business priorities: investing in technology; improving our customer focus; and delivering efficiencies. The new products have been well received in the market and it is good to see that our investment in technology is beginning to deliver results.”

Trading

Revenue excluding the impact of currency and pass-through fuel for the first quarter was 2% up on last year with reported revenue up 18%. Excluding the impact of re-pricing and off-hires in Argentina, revenue growth, was 7% and 25% respectively. All movements set out below exclude currency and pass-through fuel.

Business Unit Trading

Rental Solutions revenue was up 3% on last year. Oil and gas sector revenues in North America have stabilised and, although a third lower when compared to the first quarter of 2016, were up on the fourth quarter of 2016. All other sectors in North America grew; with revenue excluding oil and gas increasing 8%. The wider Rental Solutions business also contributed to the growth, with a strong performance in Europe and a solid performance in Australia Pacific.

Power Solutions Industrial revenue was 17% higher with strong performances in Eurasia and the Middle East and a good performance in our industrial business in Africa. Asia and Latin America continue to be more challenging and as we have previously announced action is being taken to right size these businesses.

Power Solutions Utility revenue was 7% lower than last year due to repricing and off-hires in Argentina. Excluding the impact of Argentina revenue grew 4%. Year to date order intake is 156MW (2016: 486MW, including 200MW Zimbabwe). Whilst the prospect pipeline continues to be healthy and is at a similar level to 2016, conversion rates are currently running at a lower level. The first quarter off hire rate was 10% and we continue to expect the full year off-hire rate to be around 25% to 30%.

Our investment in technology is starting to deliver and year to date we have signed around 50MW of next generation gas orders across the Group and we have signed our first solar diesel hybrid contract of 7MW, supplementing 20MW of diesel already on contract, for a period of 10 years. In addition we have been awarded two HFO projects, totalling over 50MW. These are not included in the order intake as both are subject to contract.

Outlook

The outlook for 2017 is unchanged. As we said in March we expect profit before tax and pre-exceptional items to be lower than 2016 given the significant impact of Argentina, absent this we expect to deliver growth across the group. Forecast fleet capital expenditure is also unchanged, at around £300 million.

Conference Call

A conference call will be held today for investors and analysts at 8am (GMT), hosted by Chris Weston, CEO and Carole Cran, CFO.

Dial in: + 44 20 3059 8125
Conference call name: Aggreko

Future Reporting

2 August 2017	Half year results for the period to 30 June 2017
November 2017	Q3 2017 trading update
Q4 2017	Capital Markets Day – Customer

Enquiries

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