*The Weir Group PLC trading update for the first quarter ending 31 March 2021[1]*

# Good order growth as mining and infrastructure markets strengthen

- Increase in Group orders[2] from continuing operations[3] of 11%
    - 67% increase in original equipment (OE) orders with project pipeline strength continuing
    - Aftermarket (AM) orders down 2% reflecting residual Covid disruption to ore production
        - Up 7% sequentially from Q4 2020 as activity continued to normalise
- Revenues stable reflecting highly resilient AM performance and OE project timing
- Pipeline and bid conversion developing positively, particularly for sustainable solutions
    - £36m Q1 order for energy-saving High Pressure Grinding Rolls (HPGRs) and screens
    - £32m April order for electric-powered mine de-watering pumps
- 2021 Outlook: Growth in constant currency profits in line with current market expectations

**Jon Stanton, Chief Executive, commented:**

*"The Group has had a good start to the year against the backdrop of ongoing Covid challenges. As expected, conditions continued to improve in both mining and infrastructure markets reflecting increasing customer confidence in a broad-based economic recovery and near record prices for commodities essential to growth and carbon transition. This was reflected in continued positive development in our project pipeline and improving order conversion of our early cycle product lines and technologies that deliver significant sustainability benefits.*

*Looking to the full year, we continue to expect to deliver growth in full year constant currency profits in line with current market expectations."*

## First quarter review – Continuing Operations

Conditions in mining markets continued to improve in the first quarter supported by commodity prices that remained close to multi-year highs for the Group's largest exposures of copper, iron ore and gold. Customers focused on maximising production and as a result, ore production volumes and machine utilisation continued to normalise, although remained below pre-Covid levels in some regions where the ongoing pandemic is restricting customer staffing levels. Demand was strongest in North America, Central Asia and Africa, but more subdued in Asia-Pacific and South America, with Australia affected by adverse weather and Chile by the build-up of safety stocks in Q1 2020 as the Covid-19 pandemic started to have an impact. Third-party access to sites improved overall, particularly in those regions with advanced Covid-19 vaccination programmes and low infections levels, but access remains an ongoing issue in some markets. Project quotation activity continued to be strong and while the rate of conversion remained slower than usual there was an acceleration in orders for our longer-lead time and therefore earlier cycle technologies such as GEHO® positive displacement pumps and Enduron® HPGRs. This was principally focused on brownfield expansions across a range of commodities, with greenfield activity remaining more limited.

Infrastructure markets, particularly sand and aggregates in North America and Europe, began to recover strongly as economic confidence increased and this was reflected in higher activity levels and restocking in third party distribution channels.

Group orders in the first quarter were up 11%, driven by OE which increased 67%, benefiting from a large order to supply energy-efficient HPGRs and screens to support the expansion of Ferrexpo's iron ore operations in the Ukraine. As expected, AM demand was down slightly against the prior year period, reflecting residual Covid disruptions, although continued to increase sequentially, up 7% on Q4 2020. The Group's book-to-bill was strong at 1.22, reflecting positive demand trends.

Operationally the Group continued to prioritise safety and well-being with ESCO making further meaningful progress in the first quarter. We have now completed plans for ESCO's new China foundry which will break ground in Q3, while Minerals upgraded its Australian foundry as part of our global initiative to optimise production of our largest castings. Our focus on sustainable solutions continues and we are now developing our CO2 product footprint tool for deployment later this year. There are now c.150 programmes underway across the Group to reduce energy, water and waste as part of our 2024 sustainability commitments and we remain on track to complete our Scope 3 study and first evaluation of Science Based Targets and Net Zero pathways in 2021. We are continuing the roll-out of our field-service technology to enhance delivery of on-site engineering and increase our installed base data. We also launched our new global learning system which will allow the accelerated deployment of training in areas such as safety, lean and sustainability.

## Divisional review

## Minerals

- Orders up 15%; revenues up modestly YoY
- OE orders up 66% as bid pipeline conversions gather momentum
- AM orders down 1% on Q1 2020 but up 3% sequentially on Q4 2020

Divisional orders increased 15% YoY supported by strong demand for more sustainable and longer lead time solutions, particularly the Enduron® range of HPGRs that reduce energy consumption in comminution (grinding and crushing) by up to 40%. Orders in the period included a large £36m contract to supply HPGRs and screens to Ferrexpo which is expanding its capacity in the Ukraine from 32m tonnes of iron ore pellets per year to 80m tonnes. This supported a 66% increase in OE orders which also included good demand for GEHO® piston diaphragm pumps and solutions that support debottlenecking as miners focused on productivity improvements. The gradual easing of mine access restrictions supported the division's Integrated Solutions strategy which is focused on offering a range of technologies that increase mine capacity, particularly for smaller or brownfield projects. As expected, aftermarket demand was down slightly (-1%) YoY as a result of residual Covid challenges, including restricted mine-site access and some customers operating with skeleton crews. However, there was a continued improvement in AM trends with sequential orders up 3% from Q4 2020 and the division's book-to-bill increased to 1.27, with the growing order book reflecting increasing conversion of the project pipeline. This was also reflected in April where the division won a £32m order in Asia-Pacific to replace a fleet of diesel-powered dewatering pumps with electric alternatives.

## ESCO

- ESCO orders up 2%; revenues were down mid-single-digits YoY but up sequentially
- AM down 2% YoY but up 16% sequentially

Divisional orders increased 2% against the prior year but were up 19% sequentially, principally due to the strong recovery in infrastructure markets. Mining activity continued to gradually recover as customers progressively ramped up activity to rebuild stockpiles. Conversions to the division's Nemisys® ground engaging tools (G.E.T.) also continued to increase and there was good growth in demand for the division's range of buckets, particularly in Africa, as it broadens its addressable markets. The division also leveraged Minerals global service network to expand into new territories, including securing market share gains in North Africa and Western Europe. Revenues were down mid-single-digits against a prior year when customers were forward-purchasing ahead of Covid-related lockdowns. The sequential order growth from Q4 2020 was reflected in the division's book-to-bill of 1.11, which was the highest since acquisition in 2018.

## Net debt

Net debt has reduced significantly since the year end due to the £256m net proceeds and £66m reduction in lease liabilities from the sale of the Oil & Gas division, which completed on 1 February 2021. Excluding the impact from the sale of the Oil & Gas division, net debt would have been higher than 31 December 2020, reflecting normal seasonal working capital patterns.

**Notes:**

1. Financial information is given for the three months ended 31 March 2021 and relates to continuing operations.
2. Orders are reported on a constant currency basis at Q1 2021 average exchange rates.
3. Continuing Operations excludes the Oil & Gas division which was sold on 1 February 2021.

## Analyst and investor conference call

A conference call for analysts and investors will be held at 0800 BST on Thursday 29 April 2021 to discuss this statement. Participants can join the call by registering in advance by visiting www.global.weir/investors and following the link on the page. A recording of this conference call will be available until Thursday 14 May 2021.


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## About The Weir Group PLC

Founded in 1871, The Weir Group PLC is one of the world's leading engineering businesses with a purpose to make its mining and infrastructure customers' operations more sustainable and efficient. Weir's highly engineered technology enables critical resources to be produced using less energy, water and waste while reducing customers' total cost of ownership. The Group is ideally positioned to benefit from structural trends that support long-term demand for its technology including the need for more essential metals to support economic development and carbon transition. The Group has c.11,000 employees operating in over 60 countries with a presence in every major mining region of the world.

Weir's ordinary shares trade on the London Stock Exchange (ticker: **WEIR LN**) and its American Depositary Receipts trade over-the-counter in the USA (ticker: **WEGRY**).

## Appendix 1 – Continuing Operations[1] quarterly order trends (constant currency)

**Reported growth**

| **Division** | **2020 Q1** | **2020 Q2** | **2020 Q3** | **2020 Q4** | **2021 Q1** |
|---|---|---|---|---|---|
| Original Equipment | -13% | -9% | -57% | -18% | 66% |
| Aftermarket | -1% | -6% | -5% | -3% | -1% |
| **Minerals** | **-5%** | **-7%** | **-27%** | **-8%** | **15%** |
| | | | | | |
| Original Equipment | 25% | 16% | -23% | 6% | 76% |
| Aftermarket | -8% | -28% | -24% | -2% | -2% |
| **ESCO** | **-7%** | **-26%** | **-24%** | **-2%** | **2%** |
| | | | | | |
| Original Equipment | -11% | -8% | -55% | -17% | 67% |
| Aftermarket | -4% | -13% | -12% | -3% | -2% |
| **Continuing Ops** | **-5%** | **-12%** | **-26%** | **-7%** | **11%** |
| **Book to Bill** | **1.10** | **1.03** | **0.82** | **0.87** | **1.22** |

**Quarterly orders £m**

| **Division** | **2020 Q1** | **2020 Q2** | **2020 Q3** | **2020 Q4** | **2021 Q1** |
|---|---|---|---|---|---|
| Original Equipment | 81 | 102 | 76 | 111 | 135 |
| Aftermarket | 255 | 272 | 228 | 244 | 251 |
| **Minerals** | **336** | **374** | **304** | **355** | **386** |
| | | | | | |
| Original Equipment | 6 | 6 | 6 | 7 | 11 |
| Aftermarket | 120 | 94 | 95 | 101 | 117 |
| **ESCO** | **126** | **100** | **101** | **108** | **128** |
| | | | | | |
| Original Equipment | 87 | 108 | 82 | 118 | 146 |
| Aftermarket | 375 | 366 | 323 | 345 | 368 |
| **Continuing Ops** | **462** | **474** | **405** | **463** | **514** |

1. Continuing Operations excludes the Flow Control division which was sold in June 2019 and the Oil & Gas division which was sold in February 2021.

## Appendix 2 – Continuing Operations[1] historical quarterly order trends

### At constant currency

| Division | 2019 Q1 | 2019 Q2 | 2019 Q3 | 2019 Q4 | 2019 FY | 2020 Q1 | 2020 Q2 | 2020 Q3 | 2020 Q4 | 2020 FY | 2021 Q1 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Original Equipment | 94 | 114 | 176 | 136 | 520 | 81 | 102 | 76 | 111 | **370** | 135 |
| Aftermarket | 259 | 291 | 242 | 251 | 1,043 | 255 | 272 | 228 | 244 | **999** | 251 |
| **Minerals** | **353** | **405** | **418** | **387** | **1,563** | **336** | **374** | **304** | **355** | **1,369** | **386** |
| Original Equipment | 5 | 5 | 8 | 7 | 25 | 6 | 6 | 6 | 7 | **25** | 11 |
| Aftermarket | 130 | 131 | 125 | 103 | 489 | 120 | 94 | 95 | 101 | **410** | 117 |
| **ESCO** | **135** | **136** | **133** | **110** | **514** | **126** | **100** | **101** | **108** | **435** | **128** |
| Original Equipment | 99 | 119 | 184 | 143 | 545 | 87 | 108 | 82 | 118 | **395** | 146 |
| Aftermarket | 389 | 422 | 367 | 354 | 1,532 | 375 | 366 | 323 | 345 | **1,409** | 368 |
| **Continuing Ops** | **488** | **541** | **551** | **497** | **2,077** | **462** | **474** | **405** | **463** | **1,804** | **514** |

### As reported

| Division | 2019 Q1 | 2019 Q2 | 2019 Q3 | 2019 Q4 | 2019 FY | 2020 Q1 | 2020 Q2 | 2020 Q3 | 2020 Q4 | 2020 FY | 2021 Q1 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Original Equipment | 99 | 118 | 186 | 142 | 545 | 83 | 104 | 78 | 112 | **377** | 135 |
| Aftermarket | 274 | 305 | 264 | 259 | 1,102 | 260 | 276 | 232 | 247 | **1,015** | 251 |
| **Minerals** | **373** | **423** | **450** | **401** | **1,647** | **343** | **380** | **310** | **359** | **1,392** | **386** |
| Original Equipment | 5 | 6 | 9 | 7 | 27 | 7 | 6 | 7 | 8 | **28** | 11 |
| Aftermarket | 139 | 140 | 140 | 111 | 530 | 129 | 105 | 101 | 105 | **440** | 117 |
| **ESCO** | **144** | **146** | **149** | **118** | **557** | **136** | **111** | **108** | **113** | **468** | **128** |
| Original Equipment | 104 | 124 | 195 | 149 | 572 | 90 | 110 | 85 | 120 | **405** | 146 |
| Aftermarket | 413 | 445 | 404 | 370 | 1,632 | 389 | 381 | 333 | 352 | **1,455** | 368 |
| **Continuing Ops** | **517** | **569** | **599** | **519** | **2,204** | **479** | **491** | **418** | **472** | **1,860** | **514** |

1. Continuing Operations excludes the Flow Control division which was sold in June 2019 and the Oil & Gas division which was sold in February 2021.

This information includes 'forward-looking statements'. All statements other than statements of historical fact included in this presentation, including, without limitation, those regarding The Weir Group PLC's ("the Company") financial position, business strategy, plans (including development plans and objectives relating to the Company's products and services) and objectives of management for future operations, are forward-looking statements. These statements contain the words "anticipate", "believe", "intend", "estimate", "expect" and words of similar meaning. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. These forward-looking statements speak only as at the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. Past business and financial performance cannot be relied on as an indication of future performance.