

NEWS RELEASE

Issued on behalf of Flowtech Fluidpower plc

Immediate Release

Thursday, 26 January 2023



The information contained within this announcement is deemed by the Company to constitute inside information stipulated under the Market Abuse Regulation (EU) No. 596/2014 as amended by the Market Abuse (Amendment) (EU Exit) Regulations 2019. Upon the publication of this announcement via the Regulatory Information Service, this inside information is now considered to be in the public domain.

FLOWTECH FLUIDPOWER PLC

("Flowtech", the "Group" or "the Company")

Specialist full-service supplier of technical fluid power products and services

"I am pleased to report Flowtech has made good progress in 2022. Whilst very conscious of the actions needed to further improve, I am confident in our team and their capability. I remain optimistic for 2023 and beyond."

Roger McDowell, Non-Executive Chair

TRADING UPDATE AND NOTICE OF RESULTS

The Board of Flowtech issues the following unaudited Trading Update ahead of the Group's preliminary results for the year ended 31 December 2022.

2022 TRADING UPDATE

The Board is pleased to report that the underlying profit * for the year ended 31 December 2022 is expected to be in line with market expectations. Group revenue of c£114.8m is a 5.2% increase on the prior year.

Segment revenue:	FY 2022 Unaudited £'m	FY 2021 Audited** £'m	Change 2022 v 2021
Flowtech	55.6	57.3**	-3.0%
Fluidpower Group Solutions	38.1	34.4**	10.6%
Fluidpower Group Services	21.1	17.4	21.4%
Total Group revenue for the period	114.8	109.1	5.2%
Net debt***	16.0	15.4	0.6

Notes

* Underlying profit is profit before finance costs, tax and separately disclosed items which comprise costs relating to amortisation, impairment of intangibles, restructuring, acquisition and share based payments.

** 2021 disclosed split between Flowtech and Fluidpower Group Solutions has been restated to reflect the fact that part of our business has transitioned from Fluidpower Group Solutions to Flowtech during the course of 2022.

*** Excludes IFRS16 related debt.

Overall, the Board is satisfied with the trading performance in the year and pleased with the progress made against our key strategic objectives. Actions taken to pass on inflationary cost pressures and actively manage our cost base, notably the reduction in headcount, have assisted in returning the business to pre-pandemic levels of profitability. The performance across our segments is varied but shows strong correlation to the relative strength of the Pneumatics and Hydraulics markets in which they operate.

NET DEBT

Net debt*** at 31 December 2022 was £16.0m; this represents a reduction of £3.7m in the second half of 2022. We expect this trend to continue into 2023 as inventory continues to be reduced.

NOTICE OF RESULTS

The Company will update shareholders further at the time of the 2022 preliminary results announcement, scheduled to be released by the end of March 2023.

ENQUIRIES:

Flowtech Fluidpower plc

Roger McDowell, Chair
Bryce Brooks, Chief Executive
Russell Cash, Chief Financial Officer
Tel: +44 (0) 1695 52759
Email: info@flowtechfluidpower.com

Liberum (Nominated adviser and Sole Broker)

Richard Lindley / Ben Cryer / Will King
Tel: +44 (0) 20 3100 2000

TooleyStreet Communications (IR and media relations)

Fiona Tooley
Tel: +44 (0) 7785 703523
or email: fiona@tooleystreet.com

ABOUT FLOWTECH FLUIDPOWER PLC

Founded as Flowtech in 1983, the Flowtech Fluidpower Group is a group of specialist fluid power businesses. Working in partnership

with customers and suppliers, we deliver essential components, customer solutions and high-quality servicing support to keep global industry moving. The business joined the AIM market in 2014.

To read more about the Group please visit www.flowtechfluidpower.com.

Segment:	What we do:	Locations:
Flowtech	<p>Our focus Supply of both hydraulic and pneumatic consumables, predominantly through distribution for maintenance and repair operations across all industry markets but supported by supply agreements direct to a broad range of original equipment manufacturers (OEMs)</p> <p>Channels to market: E-commerce websites, customer white label e-commerce websites, 70,000+ catalogues, own and customer trade counters</p>	<p>Flowtech (Skelmersdale, Leicester, Birmingham) Flowtechnology Benelux (Deventer)</p>
Fluidpower Group Solutions	<p>Our focus Supply specialist technical hydraulic components & systems, predominantly into OEMs and end-user channels to all industry markets, supported by supply agreements with a broad range of manufacturer brands</p> <p>Channels to market: Engineering collaboration through sales offices providing national and local coverage. In 2022 enhanced by new e-commerce capabilities</p>	<p>Primary Fluid Power Components (Skelmersdale) Nelson Hi-Power (Dublin, Cork, Dungannon) HTL (Ludlow) Hydroflex (Brussels, Rotterdam and OudBeijerland) Derek Lane & Co (Newton Abbot) HES Tractec (Gloucester)</p>
Fluidpower Group Services	<p>Our focus Bespoke design, manufacturing, commissioning, installation, and servicing of systems to manufacturers of specialised industrial and mobile hydraulic OEMs, and additionally a wide range of industrial end users. Capital project-based revenue.</p> <p>Channels to market: In-house design and build, combined with on-site installation, servicing and support</p>	<p>Primary Fluid Power Systems (Knowsley) Branch Hydraulic Systems (Gloucester) HES Onsite (Leeds, Gloucester) Orange County (Spennymoor) Hi Power Transport (Dublin, Cork, Belfast)</p>

All the Group's divisions have overlapping product sets, allowing procurement synergies to be maximised. The above segments are supported by a centralised back-office teams based at Skelmersdale and Wilmslow sites in the UK. In total, the business employs 572 people.

For more information please visit, [Our business | Flowtech Fluidpower plc](#)

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