

## NEWS RELEASE

Issued on behalf of Flowtech Fluidpower plc  
Immediate Release

*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" or the "Group")

### Acquisition of the business and certain assets of Thomas Wright/Thorite Group Limited and Notice of rescheduling half-year results

**London: Tuesday, 27 August 2024:** **Flowtech Fluidpower plc** (AIM: FLO), the specialist technical provider of fluid power and motion control products and engineering services announces the acquisition (the "Acquisition") of the business and certain assets of Thomas Wright/Thorite Group Limited ("Thorite"). The transaction completed immediately following the appointment of Administrators, Interpath Advisory to Thorite.

**Mike England, CEO of Flowtech said:**

*"We are delighted to acquire this well-respected brand and skilled workforce. On behalf of all of us at Flowtech we welcome our new colleagues to the Group. This is an exciting moment for us all as both businesses have a history of deep expertise and knowledge in power, motion and control. For us at Flowtech, adding Thorite's expertise in pneumatics, automation and compressed air capability is an excellent fit and aligns perfectly with our strategy - a world of motion - which will enhance our scale, margin profile, and help to accelerate market share gains."*

#### ACQUISITION RATIONALE

Thorite is a leading UK provider of pneumatics, compressed air, vacuum and fluid handling products and systems and has traded since 1850. It operates from seven sales and service centres across the UK.

There is a strong strategic rationale for the Acquisition and the potential for significant synergies for the combined businesses, with the benefits including:

- Significant operational efficiencies, procurement leverage opportunities and economies of scale, which will lead to material cost savings and improved margins for the Group over the medium term
- A well-developed value proposition, Thorite's trading locations and only limited product overlap with Flowtech will provide expansion into new and complementary geographies within the UK, together with new products and services; and
- It is anticipated that the enlarged business will also benefit from strong cross selling prospects across the respective complementary customer bases.

#### BASIS OF THE TRANSACTION

Under the terms of the Acquisition, Flowtech will acquire all the plant and machinery, vehicles, stocks, and intangible assets of Thorite for a total cash consideration of £350,000 which will be funded from the Group's existing bank facilities.

Flowtech has also repaid Thorite's outstanding debtor finance facility of c.£1.7m in return for an assignment to the Group of a debtor book totalling c.£2.6m; this has also been funded from the Group's bank facilities. A sharing arrangement relating to the excess of debtor book recoveries over and above the c.£1.7m paid has been agreed with the Administrator of Thorite.

In the audited accounts for the year ended 31 March 2023, Thorite generated revenue of £21.2m and delivered an operating profit of £79,000. The gross value of asset classes being acquired at the same date was £8.8m, inclusive of £3.8m in respect of the debtor book at that point in time. Thorite has since experienced cash flow challenges and incurred operating losses due to a combination of internal issues and market headwinds. Thorite's operating losses in the year to 31 March 2024 are estimated at £1.2m.

Through a combination of the strategic benefits and synergies already identified, the Board expects profitability to be restored in the first full year of ownership with the associated benefits to Group earnings.

#### HALF YEAR RESULTS ANNOUNCEMENT

To enable management to focus on the combined business at this early stage of ownership and subsequently provide shareholders with a greater insight into the Acquisition and its strategic benefits, the Company is rescheduling the release of its half-year results for the six months ended 30 June 2024.

A revised date together with the timings for the presentation webcast and investor roadshow will be announced as soon as practicable and will be no later than the 30 September 2024.

#### SUMMARY

As a Board, despite the continued strong market headwinds, we remain confident that the Performance Improvement Plan and Strategy for growth is set to deliver the mid-term value creation goals outlined in our annual report and this is further supported by the acquisition of Thorite.

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**EDITORS NOTE**

**Flowtech Fluidpower plc**, is the largest supplier of fluid power products, systems and solutions in the UK, Ireland, and Benelux. As a specialist we have the expertise and experience our customers need to help them minimise downtime, optimise performance and maximise the lifespan of operations. Today, the Company is a strong market leader in a highly fragmented £30bn European market. We work across virtually all industry sectors, serving the needs of our customers who are designing, building, maintaining, and improving industrial plant, equipment, and operations. To read more about the Group, please visit: [www.flowtechfluidpower.com](http://www.flowtechfluidpower.com).

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