

NEWS RELEASE

Issued on behalf of Flowtech Fluidpower plc
Immediate Release
Thursday 30 January 2025



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")

Our aim is to provide our customers with power, motion & control solutions, from a single component to integrated engineering systems, in the most cost-effective way, harnessing the best global brands & products, services and engineers in the market.

FULL YEAR TRADING UPDATE

"Underlying EBITDA is broadly in line with expectations in a year focused on controlling the controllables in a difficult market.

Strong progress has been made implementing our strategic plan with further operational improvements delivering enhancements to gross margins, working capital optimisation, service levels, and operational efficiencies. Group rebranding and restructuring are complete, and the successful integration of Thorite is well ahead of our expectations. With much of the business transformation concluded we have a firm, stable and scalable platform from which to deliver profitable growth into 2025 and beyond.

We are well on track with the development of our new digital platform to be launched to market in H125 and there is confidence that the broader strategy and actions taken to improve operational efficiency within the business will drive strong returns and improved shareholder value."

Mike England, CEO

The Board of Flowtech issues the following unaudited Trading Update ahead of the Group's 2024 annual results.

2024 TRADING UPDATE

The Board is reporting that underlying EBITDA for the year ended 31 December 2024 is expected to be broadly in line with market expectations. We have also achieved a significant one-off profit, which will be separately disclosed, in relation to the Thorite acquisition due to having purchased assets below fair market value and therefore is not included in underlying EBITDA.

Segment revenue:	FY 2024 Unaudited £m	FY 2023 Audited *	Change 2024 v 2023
Great Britain excluding Thorite	71.5	77.4	-7.6%
Thorite***	4.7	-	N/A
Island of Ireland	21.0	24.1	-12.9%
Benelux	10.0	10.6	-5.5%
Total Group revenue for the period	107.3	112.1	-4.3%
Net debt**	15.1	14.7	0.4

Notes

* Approximately £2m of revenue has been reallocated from GB to Island of Ireland to better reflect the manner in which revenue streams are now being reported within the business

** Excludes IFRS16 related debt

*** 18-week period

Consensus forecasts FY24 prior to this announcement were: revenue £109m, underlying EBITDA £6.5m and underlying operating profit £3.0m

The well-documented market headwinds persisted throughout the year, and as a result the Group experienced a revenue decline of 4.3%. The Thorite acquisition has been a great success: it is operating profitably, with the initial capital cost already repaid, and integration has exceeded expectations providing strong confidence in the stability and growth of this channel into 2025. Like for like revenue decline was 8.6% as customers reduced volumes, destocked, and delayed project timelines.

The British Fluid Power Association (BFPA) has consistently cited market decline of around 10% in Hydraulics and Pneumatics. As a result, we are pleased with our relative performance and confident that we have gained market share in an otherwise difficult year. Our sales pipeline and order book have continued to strengthen throughout the year, growing with a number of new exciting orders secured for execution in 2025.

Net debt** increased by £0.4m to £15.1m at year end (2023: £14.7m). As a board, we remain very focused on the management of working capital and are comfortable with the current debt profile of the business.

The team has worked tirelessly to improve the operational performance of the business, driving improved margins through commercial pricing and cost control, delivering enhanced service levels and on-time deliveries, strengthening the senior leadership team and optimising all aspects of the business. With the rebranding and restructuring now complete, and the new website launch expected in H1, we expect the improvements made across 2024 to bear fruit this year. We believe we have a strong, stable, and scalable platform for improved growth into 2025 and beyond.

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EDITORS NOTE:

Flowtech Fluidpower plc (AIM:FLO), 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.

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