

# FLOWTECH FLUIDPOWER PLC

## Half Year Results Presentation 2025

*six months ended 30 June*

FLO

Company Confidential



# AGENDA

Our Strategy  
Summary

Trading Highlights

Financial Update

Trading & Outlook



**Mike England**  
Group CEO



**Russell Cash**  
Group CFO

# FLOWTECH



# OUR STRATEGY

Unlocking Flowtech's full potential

## Strategy Framework

1

### CUSTOMER FIRST

Diverse customer base and omni-channel approach.

**x2**  
market growth rate.

2

### POWER OF ONE

Differentiated value proposition delivered through one team.

**Mid-teen**  
EBITDA margins.

3

### A WORLD OF MOTION

Expanding our products, services and geographical reach.

**£30bn**  
market opportunity.



## Margin growth engines:

1

Customer Growth

2

Commercial Excellence

3

Product & Service Expansion

4

Own Brand

5

Operate For Less

6

People, Talent & Capability

Digital & Data Enabled

# H1 SUMMARY

**Self-help initiatives deliver improved growth momentum, gross margins and operational gearing.**

- Performance is in line with expectations.
- Decline in EBITDA versus H1 24 is largely a function of the continued market headwinds.
- Self-help sales initiatives delivering strengthened sales pipeline, new contract wins and far stronger order book to drive further momentum into H2 25.

**Group sales**  
of £56.9m (+2.1%)

Persistent market headwinds impacted sales in all three geographies. Like for like Group sales reduced by 11.8% although up 5% on H2 24.

**Gross margin**  
of 39.2% (+100bps on FY 24)

Further improvements through management interventions on the buy and sell side. Continuing already strong progress made over previous 18 months.

**Self-help driving momentum**

Launched new UK Flowtech website and white label version. Sales pipeline, contract wins and orderbook materially strengthening.

**Underlying EBITDA**  
of £3.5m (-£1.2m)

The impact of reduced sales despite strong gross margin gains and cost control. Material improvement on H2 24 EBITDA of £1.2m.

**Net debt**  
Increased by £3.4m in H1 25

End of H1 25 Net Debt\* of £18.5m. Headroom of £6.5m in the Group's £25m banking facilities. Expect improved cash generation in H2 25.

**Acquisitions performing well**

Strong progress with integration of three acquisitions. All contributing positively to profit generation.

\*Net debt is bank debt less cash and cash equivalents. It excludes lease liabilities under IFRS 16



# TRADING HIGHLIGHTS

LAMMA // Flowtech Trade Exhibition

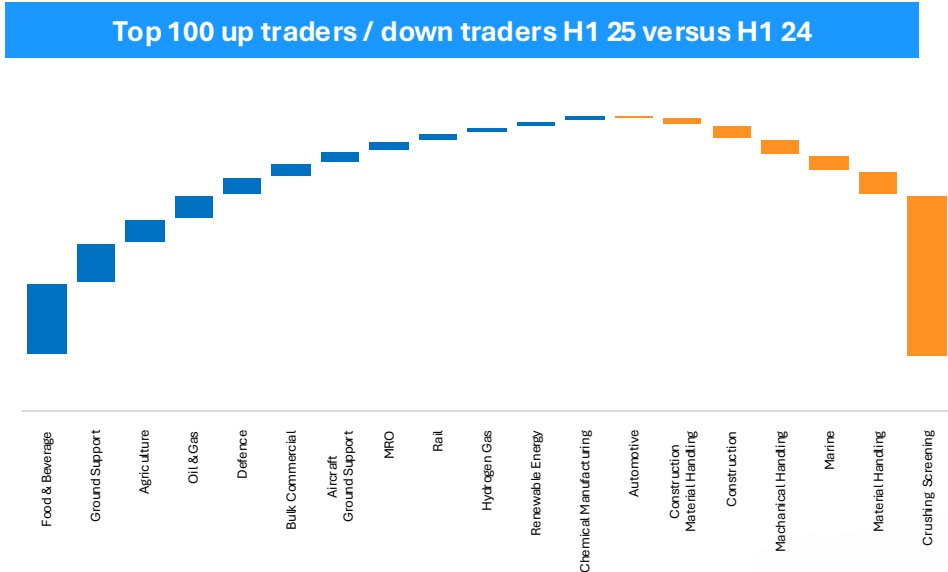


# SELF-HELP

## Helping us to outperform the market

Self-help focus is improving the growth from Top 100 customers.

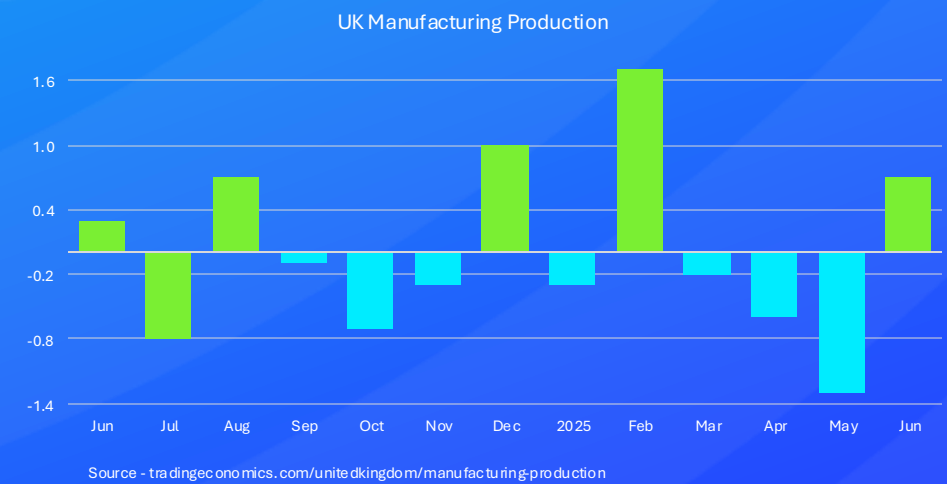
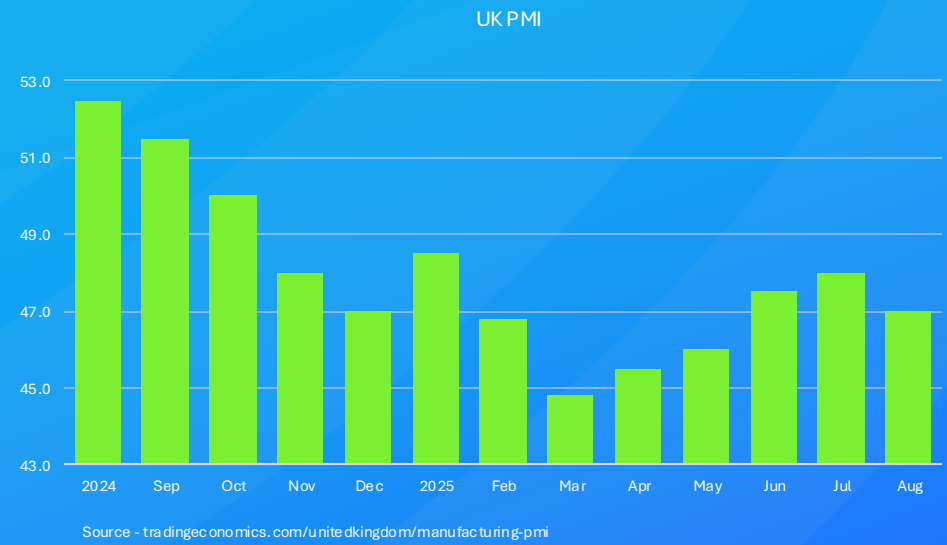
H1 25 versus H1 24, sales increased across a broader range of industry sectors. The share of wallet from these existing customers continues to improve with very high customer retention being maintained. Decline is concentrated to specific industry sectors and weighted more to larger OEMs and projects.



Tail of smaller customers with reduced order value, but with similar order frequency, reflecting the current market volatility.

The new website will provide an improved e-commerce platform to increase share of wallet here and accelerate new customer acquisition over time.

### Market indicators



# SELF-HELP

## Sales growth initiatives

### 1 New Digital Platform

**New white label and new UK website launched.**

Ireland, Benelux and Export to follow in H2 25.

### 2 Product & Service Expansion

**New product range launches including own brand expansion.**

Range expansion targeted towards high growth verticals.

### 3 Engineering Projects

**Strong projects sales pipeline with new contracts secured in H1 for H2 delivery.**

Improved project delivery capability; enhanced EBITDA.

### 4 Inorganic Opportunities

**Fragmented and volatile market presents increased opportunities.**

Need to be compelling and highly accretive in time.

**Focussed Growth Sectors:** Indirect Channel, Aerospace & defence, Infrastructure, Data-centres and Transportation.

**Help from the Market:** Outlook remains uncertain, given current market volatility. No expectation of market recovery in 2025.



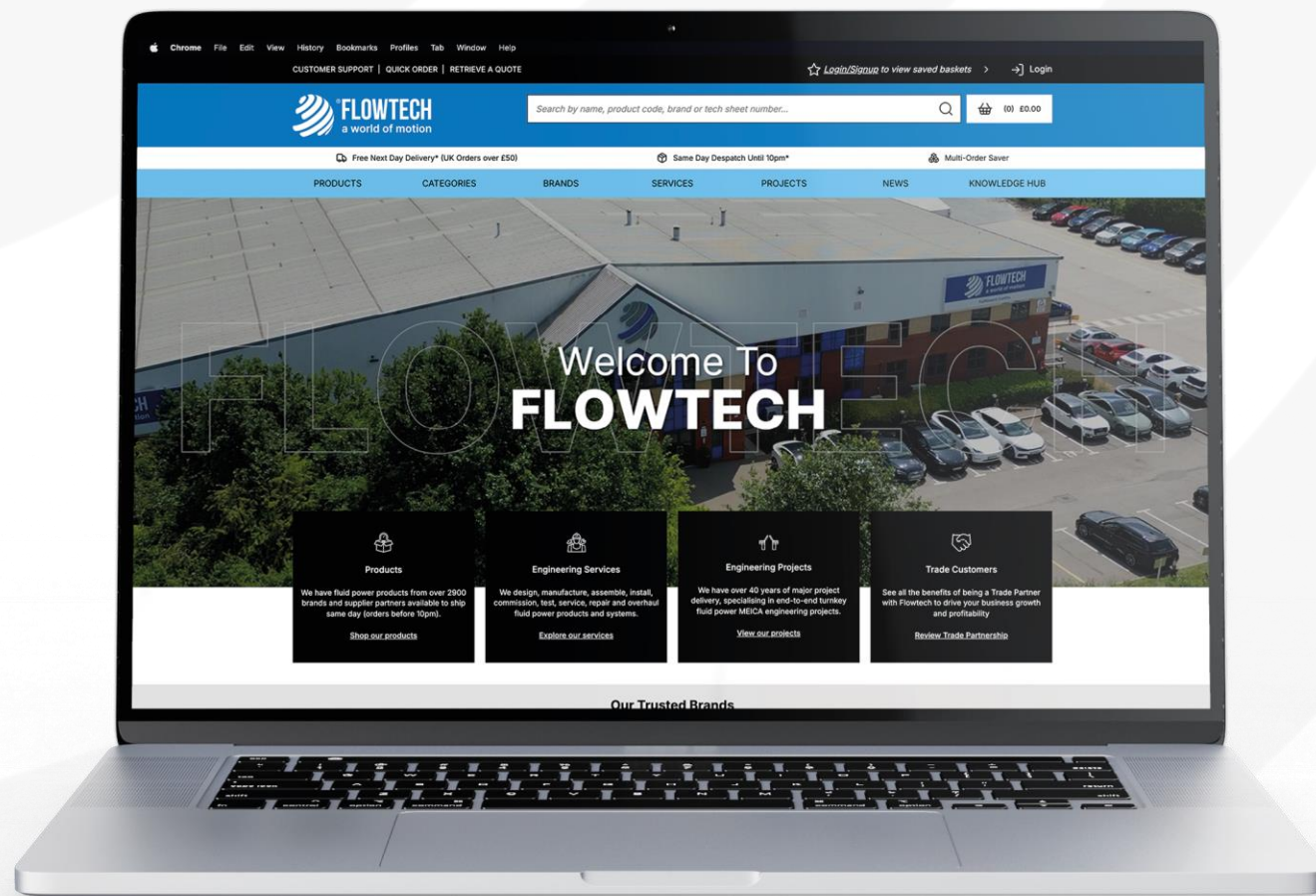
## 1

# NEW DIGITAL PLATFORM

**Our vision for Flowtech is to be the leading specialist in digitally enabled product and engineering solutions across hydraulics, pneumatics, and process.**

- New Flowtech website and e-commerce platforms 'live' in the UK from August 2025. Roll out to Ireland and Benelux during H2 25.
- Materially improved site speed, search, customer experience and security.
- Investment includes new Customer Data Platform and improved Product Master Data Management capability.
- Further introduction of AI enablement tools in H2 to enhance personalised customer experience and increase traffic / conversion.

[www.flowtech.co.uk](http://www.flowtech.co.uk)



# 2 PRODUCT & SERVICE EXPANSION

**A key part of our growth strategy is to expand our product and service offering to increase our customer penetration and reach.**

- Secured new, incremental strategic supplier agreements, contributing to H2 25 growth and beyond e.g. SMC and HPC Kaeser.
- Strengthened existing strategic supplier relationships and implemented more robust mid-term growth plans aligned to our refreshed go-to-market approach and proposition.
- Our own brand, FT Pro, continues to build momentum, outperforming the base business with strong gross margins.

[New Contract wins & Partnerships](#)





# 3 ENGINEERING PROJECTS

Targeted sales focus on higher growth industry sectors and where there is increased Government investment in projects including wet infrastructure, aerospace, defence and transportation.

- Resulting in strengthened sales pipeline and forward order book. The sales order book is more than 25% higher at the end of H1 25 compared to the start of 2025.
- New significant contracts secured e.g. two new bridge projects with combined contract value totalling €9m over the next 24 months.
- Increased confidence in self-help growth momentum from Q2 and expected to continue in H2 25.

[Flowtech wins Waterside City bridge contract](#)



# 4 INORGANIC OPPORTUNITIES

Strong progress integrating the three recently acquired businesses and now generating positive contributions.

- Thorite well integrated as a Flowtech business and on plan to deliver expected profit contribution in 2025.
- Solid progress with the integration of Allswage and Thomas Group, both returning to profitability.
- Combined, deliver annualised revenue of approximately £18m - a key component of driving future organic growth and earnings.
- *All three businesses were purchased out of distressed situations meaning the consideration was minimal.*



[Flowtech capitalises on acquisitions opportunities](#)



**REACH // net +8 new locations established in H1**

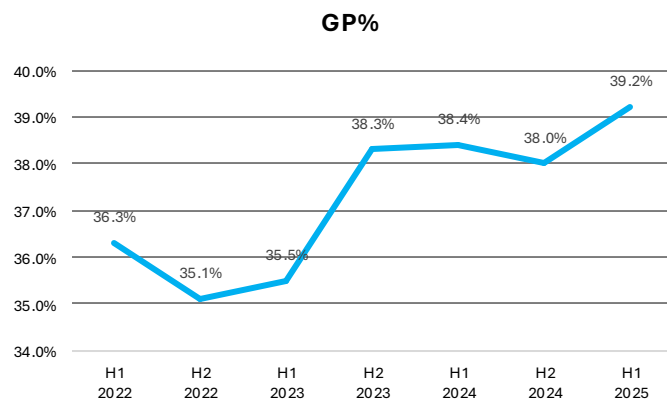
West Midlands | Ashford | Leicester | Bradford | Leeds | North Shields | Bolton | Sheffield | Bristol | Rotterdam



# SELF-HELP

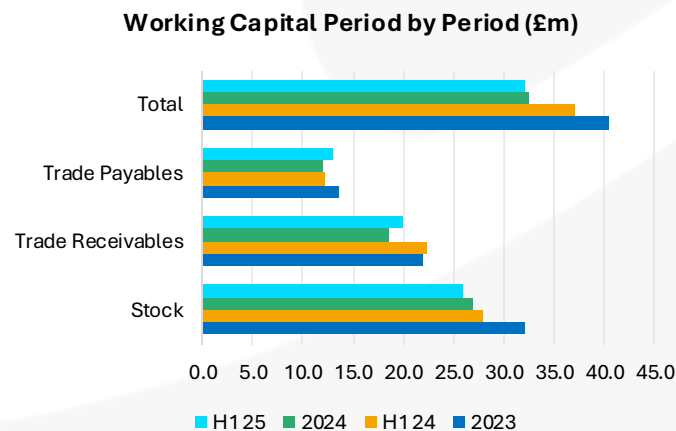
## Improved Gross Margins and Operational Gearing.

### Sustained gross margin improvement



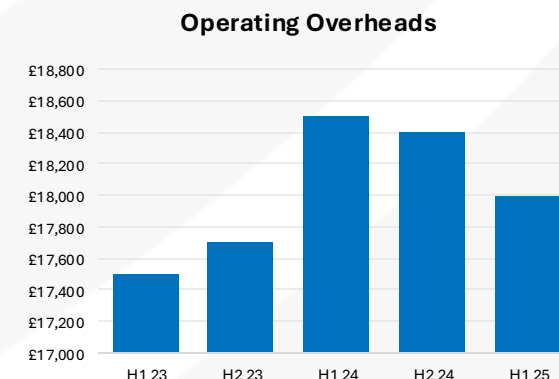
A further increase in GP% building on progress in recent years. Excluding acquisition 125 bps increase versus H1 24, 97bps versus H2 24.

### Careful control of working capital



Underlying 15% reduction in working capital H1 25 versus H1 24, continuing good work in prior periods. Expect H2 25 to be a period of stronger cash generation.

### Interventions to further reduce overheads



Underlying overheads \* reduced by c.£0.5m Steps taken to manage all areas of cost in particular headcount where existing FTE headcount is over 5% below the peak position at September 2024.

\*Excludes impact of acquisitions

# FINANCIAL UPDATE



# FINANCIAL HIGHLIGHTS

## Headlines

Self-help drives Group revenue increase of 2.1% compared with H1 24 and 10.3% compared with H2 24.

- On a like-for-like basis, revenue reduced by 11.8% compared with H1 24 reflecting tougher market conditions.
- H1 25 delivered revenue growth of 5% on a like for like basis against H2 24, highlighting more positive momentum gains in the period which further strengthened in Q2 25.
- Compared with H2 24, growth seen in all three Regional segments, with GB +11%, Ireland +5.9% and Benelux +14.8%.

Improvement on already strong gross margins - 100bps improvement H1 25 versus FY 24.

- Good discipline in managing ongoing inflationary price changes and selling effectiveness. Margin improvement has continued throughout 2025.

Tightly managed operating overheads - £0.5m underlying reduction (H1 25 versus H1 24) notwithstanding inflationary pressures.

- £2.7m of the increase in overheads relates to acquisitions; excluding acquisitions, the underlying reduction is £0.5m; actions have been taken to reduce headcount over the last nine months.

£3.5m increase in net debt in H1 25, £5.0m over a 12-month period.

- Planned investment in capital projects has contributed to an increase in Bank debt.
- With profitability improving, capital investment requirements reducing and continued close management of working capital we are confident of increased cash generation in H2 25.

	H1 25	H2 24	H1 24
Revenue	£56.9m	£51.6m	£55.7m
Gross margin %	39.2%	38.0%	38.4%
Underlying operating overheads	£20.8m	£19.9m	£18.5m
Underlying EBITDA	£3.5m	£1.2m	£4.7m
Net cash from operating activities	£0.8m	£5.9m	£2.8m
Net debt*	£18.5m	£15.0m	£13.5m

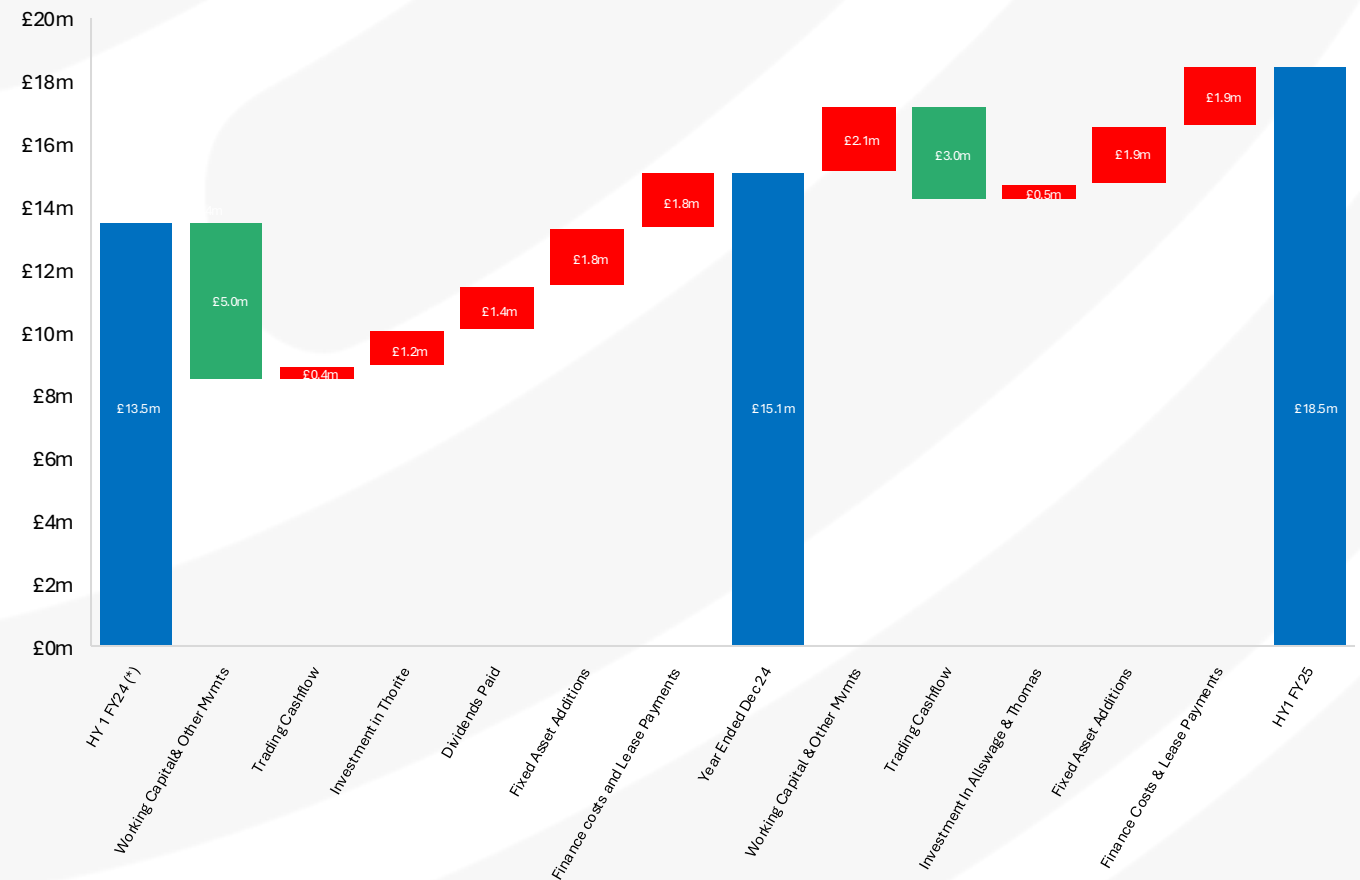
\*Net debt is bank debt less cash and cash equivalents. It excludes lease liabilities under IFRS 16

# FINANCIAL HIGHLIGHTS

## Debt bridge

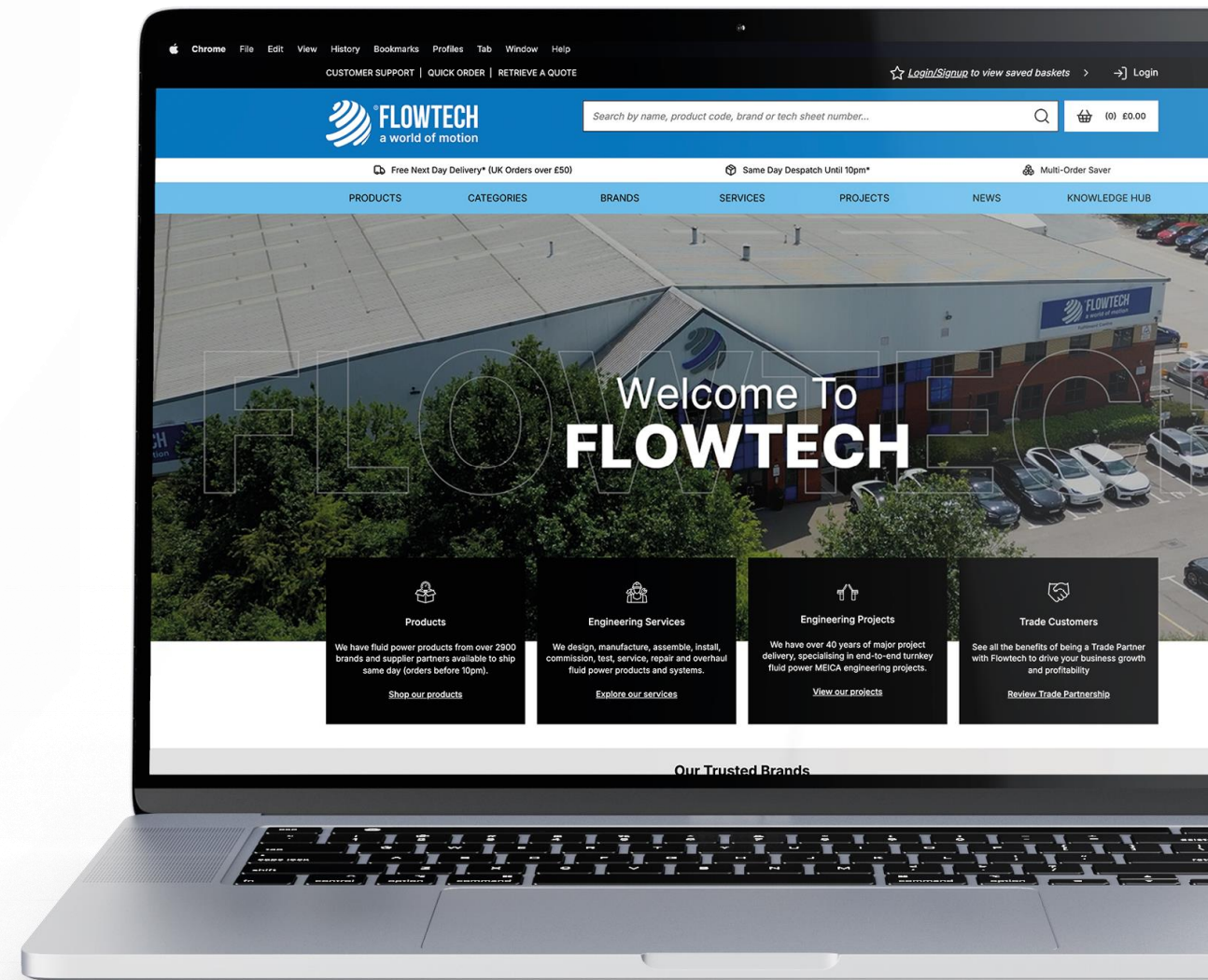
Over a 12-month period Bank debt has increased by a total of £5.0m.

- Our EBITDA combined with working capital reduction was not sufficient to offset the aggregation of outflows, notably £3.9m capital expenditure and £1.4m in respect of the dividend payment.
- We expect capital expenditure to materially reduce following the launch of the new website and we have chosen not to pay a dividend in 2025.
- As our level of profitability recovers, our focus on working capital continues and our level of capital investment reduces we are expecting H2 25 to be a strong cash generative period.





# TRADING & OUTLOOK



# OUTLOOK

Steadfast focussed in H2 25 on the defined self-help initiatives.



- **Continued focus on self-help growth initiatives** and further improvements to customer service levels has led to a strengthening sales pipeline and order book.
- **The order book has improved 25%** compared to January 2025, including securing a number of new, higher value contracts.
- Despite the expectation of continuing challenging and volatile industrial markets, this momentum in our top line, combined with improved gross margin and lower cost base, underpins the Board's confidence that **H2 25 will be a period in which we see higher levels of profitability and strong cash generation.**

The Group continues to trade in line with the Board's expectations for the full year ending 31 December 2025.

## Capitalising on the investment in the new digital platform

Trading the new Flowtech website and rolling out the platform into Ireland and Benelux markets.

## Forward momentum from the strong sales pipeline and order book

The highest level in recent times, with new, incremental larger engineering projects secured, such as the two bridge projects with combined contract value totalling €9m over the next 24 months.

## Exploiting new, incremental strategic supplier agreements

Increasing share of wallet with existing customers and improving new customer acquisition.

## Value creation and growth momentum from the three, recently acquired businesses

To deliver annualised revenue of approximately £18m and continue to identify further inorganic growth opportunities.

# QUESTION TIME



We provide power, motion and control solutions, keeping industry moving and creating a more sustainable world.





# APPENDIX

Top Shareholders

Consolidated Statement of Cash Flows

Statement of Financial Position





# SHAREHOLDERS

62% of shares are held by the top 10 shareholders

Shareholders – as at 29 August 2025	Number of shares held	% of share capital
Odyssean Capital	10,500,000	16.59
Harwood Capital	6,500,000	10.27
TrinityBridge	4,689,217	7.41
Downing	3,854,659	6.09
Charles Stanley	3,169,015	5.01
Lazard Freres Gestion	2,489,563	3.93
Interactive Investor	2,301,774	3.64
Raymond James Investment Services	1,944,739	3.07
BGF Investments	1,896,724	3.00
Hargreaves Lansdown Asset Management	1,686,296	2.67

# CASH FLOW

## Consolidated Statement of Cash Flows

Unaudited 30 June

	2025 £000	2024 £000
Cash flow from operating activities		
<b>Net cash from operating activities</b>	888	2,799
<b>Cash flow from investing activities</b>		
Payment for acquisition	(306)	-
Repayment of Credit facility from acquisition	(200)	-
Acquisition of property, plant and equipment	(694)	(822)
Acquisition of intangible assets	(1,264)	(633)
Proceeds from sale of property, plant and equipment	9	20
<b>Net cash used in investing activities</b>	(2,455)	(1,435)

	2025 £000	2024 £000
<b>Cash flows from financing activities</b>		
Net proceeds from issue of share capital	-	1,393
Repayment of lease liabilities	(978)	(854)
Drawdown / (Repayment) of bank loan	2,000	
Interest on lease liabilities	(146)	(117)
Other interest	(748)	(792)
Proceeds from sale of shares held by EBT	-	200
Dividends paid	-	-
<b>Net cash generated from / (used in) financing activities</b>	128	(170)
<b>Net change in cash and cash equivalents</b>	(1,439)	1,194
<b>Cash and cash equivalents at start of year</b>	1,839	5,184
<b>Exchange differences on cash and cash equivalents</b>	22	(11)
<b>Cash and cash equivalents at end of year</b>	422	6,367
Net debt	£18.5m	£13.5m

# STATEMENT OF FINANCIAL POSITION

Unaudited 30 June

	2025 £000	2024 £000
<b>Assets</b>		
<b>Non-current assets</b>		
Goodwill	14,996	40,066
Other intangible assets	4,608	2,644
Right-of-use assets	7,040	4,307
Property, plant and equipment	7,743	7,848
Total non-current assets	34,387	54,865
<b>Current assets</b>		
Inventories	28,388	27,948
Trade and other receivables	25,597	24,260
Prepayments	2,476	1,653
Cash and cash equivalents	422	6,367
Total current assets	56,883	60,228
<b>Liabilities</b>		
<b>Current liabilities</b>		
Lease liability	1,467	1,568
Trade and other payables	21,713	18,378
Tax payable	19	720
Total current liabilities	23,199	20,666

	2025 £000	2024 £000
<b>Net current assets</b>	33,684	39,562
<b>Non-current liabilities</b>		
Interest-bearing borrowings	18,958	19,883
Lease liability	6,163	3,436
Provisions	176	361
Deferred tax liabilities	735	1,422
Total non-current liabilities	26,032	25,102
<b>Net assets</b>	42,039	69,325
<b>Equity directly attributable to owners of the Parent</b>		
Share capital	31,637	31,637
Share premium	61,662	61,662
Other reserves	187	187
Shares owned by the Employee Benefit Trust (EBT)	(54)	(124)
Merger reserve	293	293
Merger relief reserve	3,646	3,646
Currency translation reserve	(88)	(135)
Retained losses	(55,244)	(27,841)
<b>Total equity attributable to the owners of the Parent</b>	42,039	69,325

# APPENDIX

Additional information on  
Flowtech customer mix and  
how we go to market.





# OUR MARKET

## What is Fluid Power?



**Fluid Power describes hydraulic and pneumatic technologies which use fluid (liquid or gas) to generate, control and transmit power.**

- Hydraulics the fluid is a liquid (oil or water) whereas pneumatics uses a gas.
- Fluid Power is one of three types of power transmission technology, the other two being electrical and mechanical.

	Hydraulics	Pneumatics
Market breakdown	c.78%	c.22%
Supplier base	Fragmented supplier base	More concentrated supplier base
Core products	Pumps, motors, valves, cylinders, filters, hose & tubing, fittings equipment	Compressors, filtration, valves, cylinders, vacuum products
Key end-users	Construction, agriculture, defense, aerospace, oil & gas, heavy machinery	Food processing, electronics, medical, automotive, packaging

*Source: Company data, British Fluid Power Association.*

# FLOWTECH

## At a glance

### The leading Fluid Power product and service specialist

- >25 Operational locations in UK, Ireland and Benelux.
- >600 highly skilled technical people.
- Leading global brands and broad product range.
- High service product distribution capability.
- Manufacturing, service & repair capability.

#### Big fragmented market

**£30bn\***

European market

**<1%**

European  
market share

**<10%**

UK market share

\*Total Addressable Market (TAM) across Motion Control technologies including Fluid Power



# OUR PLAN

Focussed, staged delivery

Market  
Self-help  
Capex help  
Margin





# SAFE HARBOUR

This document contains certain forward-looking statements which reflect the knowledge and information available to the Company during the preparation and up to the publication of this document.

By their very nature, these statements depend upon circumstances and relate to events that may occur in the future and thereby involve a degree of uncertainty. Therefore, nothing in this document should be construed as a profit forecast by the Company.

**Merchant Bridge Project // London**



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