NEWS RELEASE

Issued on behalf of Flowtech Fluidpower plc
Tuesday, 9 September 2025

FLOWTECH FLUIDPOWER PLC

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

"a world of motion"

Everything we do at Flowtech is focused on keeping business moving, whether that is supplying a product or designing and building a complex engineering solution. Our vision is to be the trusted advisor in a world of motion.

2025 HALF-YEAR REPORT

For the six months ended 30 June 2025

"The Group delivered a performance for H1 25 in line with the Board's expectations with further improvements in gross margins and continued focus on cost control and overall customer service levels. Combined, the positive impact of these initiatives has served to offset ongoing challenging industrial market headwinds which have impacted top line growth, in particular through March and April. Momentum has improved during Q2 25 and into Q3 25 with self-help growth initiatives strengthening the sales pipeline and orderbook. This momentum in our top line, combined with improved gross margin and lower cost base, underpins the Boards confidence that H2 25 will be a period in which we see higher levels of profitability and strong cash generation. As such, the Group's performance is in line with the Board's full year expectations."

Mike England, Chief Executive Officer

SUMMARY HEADLINES

- Group revenue increased by 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, positive growth seen in all three Regional segments, with GB +11%, Island of Ireland +5.9% and Benelux +14.8%, demonstrating improved top line momentum resulting from the self-help growth initiatives.
  - The sales order book is more than 25% higher at the end of H1 25 compared to the start of 2025.
- Gross profit margin up 100bps to 39.2% against FY 24 as a result of self-help gross margin improvement initiatives.
- Tight cost control with underlying operating overheads £0.5m lower than H1 24 excluding costs associated with acquired businesses.
- Underlying EBITDA of £3.5m, £1.2m below a strong comparator in H1 24 and £2.3m more than H2 24 demonstrating improving momentum and drop through.
- All three acquisitions (Thorite, Allswage and Thomas) making a positive contribution with further gains expected in H2 25.
- £5.6m (15%) like for like reduction in working capital compared to end H1 24.
- Pre IFRS 16 net debt was £18.5m at end H1 25 (H1 24: £13.5m), providing headroom of £6.5m in the Group's £25m banking facilities.

Current trading and outlook

- 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.
- The carefully managed transition to the new website from July has progressed as planned with most customers already onboarded to the new site by the end of August. We expect to see improved momentum in this channel into Q4 25 and beyond.
- 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.
- We remain confident that the Performance Improvement Plan and Strategy for Growth (including the e-commerce upgrade) will continue to deliver progress and build towards our mid-term mid teen EBITDA goals.

FINANCIAL HIGHLIGHTS			
	Half year ended 30 June 2025 Unaudited	Half year ended 30 June 2024 Unaudited	Year ended 31 December 2024 Audited
• Revenue	**£56.9m**	£55.7m	£107.3m
• Gross profit	**£22.3m**	£21.4m	£41.0m
• Gross profit %	***39.2%***	38.4%	*38.2%*
• Underlying EBITDA*	**£3.5m**	£4.7m	£5.9m
• Underlying operating profit**	**£1.6m**	£2.9m	£2.7m
• Operating profit / (loss)	**£0.8m**	£1.2m	(£25.2m)
• Profit / (loss) before tax	**£0.1m**	£0.3m	(£27.1m)
• Earnings per share (basic)	**(0.23p)**	0.41p	(42.23p)
• Net debt***	**£18.5m**	£13.5m	£15.1m

*Underlying EBITDA is profit before interest, taxation, depreciation and separately disclosed items
**Underlying operating profit is operating profit for continuing operations before separately disclosed items (note 3)
***Net debt is bank debt less cash and cash equivalents. It excludes lease liabilities under IFRS 16

2025 HALF-YEAR FINANCIAL PERFORMANCE AND DIVISIONAL ANALYSIS

Revenue by current segment	**Six months ended 30 June 2025 £000**	Six months ended 31 December 2024 £000	**% Change**	Six months ended 30 June 2024 £000	**% Change**	Year ended 31 December 2024 £000
Great Britain	**41,738**	37,597	11.0%	**38,316**	8.9%	75,913
Island of Ireland	**10,152**	9,584	5.9%	**11,786**	-13.9%	21,370
Benelux	**5,007**	4,389	14.8%	**5,610**	-10.8%	9,999
Total Group revenue	**56,897**	51.570	10.3%	**55,712**	2.1%	107,282
Gross profit %	**39.2%**	38.0%		**38.4%**		38.2%

Underlying segment operating profit	**Six months ended 30 June 2025 £000**	Return on revenue %	Six months ended 31 December 2024 £000	Return on revenue %	Six months ended 30 June 2024 (restated) £000	Return on revenue %	Year ended 31 December 2024 £000	Return on revenue %
Great Britain	**3,073**	**7.4%**	2,052	5.5%	**3,754**	9.8%	5,806	7.7%
Island of Ireland	**1,192**	**11.7%**	825	8.6%	**1,696**	14.4%	2,521	11.8%
Benelux	**333**	**6.6%**	(214)	(4.9%)	**577**	10.3%	363	3.6%
Central costs	**(3,031)**		(2,892)		**(3,148)**		(6,040)	
Underlying operating profit*	**1,567**		(229)		2,879		2,650	

REVENUE

Group revenue increased by 2.1% compared with H1 24. On a like-for-like basis, removing the contribution from acquisitions, revenue reduced by 11.8% compared with H1 24, with similar levels of decline in each of our three geographical segments. We have outperformed wider industry trends in the period and H1 25 delivered revenue growth of 5% on a like for like basis against H2 24, highlighting more positive momentum gains in the period with June representing the strongest month of revenue, gross margin, and EBITDA contribution for over 12 months. Compared with H2 24, we saw positive growth in all three Regional segments, with GB +11%, Island of Ireland +5.9% and Benelux +14.8%, demonstrating improved top line momentum of the self-help growth initiatives. As a result of our pro-active Strategy for Growth plan, and despite the challenging market backdrop, our sales pipeline and order book continue to strengthen which provides a foundation for a stronger H2 25 performance. The sales order book is more than 25% at the half year than at the start of 2025.

GROSS PROFIT MARGIN

Gross profit margin increased by 100bps to 39.2% compared with FY 24, building on the progress made in recent years. The H1 25 gross profit excluding the impact of acquisitions was 125bps more than H1 24 and 97bps up on H2 24, demonstrating the continued progress in this area.

UNDERLYING OPERATING OVERHEADS

Underlying operating overheads totalled £20.8m in H1 25, £2.3m up on H1 24. Excluding the impact of acquisitions, the H1 25 figure is £18.1m, an underlying reduction of £0.5m offsetting modest pay increases, the impact of employer national insurance and general inflationary pressures. Tight cost control has remained a focus and, as part of this, management actions include rightsizing FTE headcount in addition to attracting new talent in key areas to support our growth plan.

UNDERLYING OPERATING PROFIT

Underlying operating profit in H1 25 of £1.6m compares with £2.9m in H1 24 and a loss of £0.2m in H2 24. The £1.3m reduction compared with H1 24 primarily reflects the reduction in like-for-like revenue, with a £2.0m impact, which was mitigated by a combination of further improvements to gross margin, focus on all areas of cost reduction and modest contributions from the recently acquired businesses.

NET DEBT

Pre IFRS 16 net debt was £18.5m at 30 June 2025 (H1 24: £13.5m), leaving headroom of £6.5m in the Group's £25.0m banking facilities. The increase in debt over the 12-month period to June 2025 in part reflects the selective capital investment to support growth (£3.9m), costs associated with acquisitions (£1.7m) and the dividend paid (£1.4m) in H2 24. There has been a £5.6m reduction in working capital related to non-acquired businesses over the same period.

It is expected that improved levels of profitability combined with continued careful control over capital projects, costs and working capital, will lead to stronger cash generation in the second half of the year and beyond. Whilst we will make further investment in our e-commerce and technology platforms to drive customer service improvements and greater operational efficiency, spend will be materially lower than that incurred over recent years as we move into a maintenance/continuous improvement phase. The Board previously took the decision not to pay a dividend in 2025.

TRADING REVIEW

The Group continued to make progress in H1 25 despite challenging market conditions with our focus firmly on executing our Performance Improvement Plan, supported by selective M&A.

Well documented market headwinds have persisted during the first half. As a result, end customers are continuing to be prudent on expenditure, holding lower inventory levels, and delaying projects. However, in June, there were small signs of markets beginning to stabilise supported by improved economic indicators and corresponding market confidence across our three regions.

The Group sustained its focus on a number of defined self-help initiatives to deliver improved sales growth, gross margin and cost management, and described further below:

Self-help areas of sales growth

Four areas of concentrated effort delivered improved customer service and positive forward momentum with the sales pipeline and order book being at the highest level in recent times.

a) New digital platform

We have transformed our digital infrastructure presence with the new Flowtech website and e-commerce platforms being introduced to the market in the UK in July, with good initial uptake from our client base. A further roll out of the platform into our Ireland and Benelux markets is expected during H2 25. This exciting initiative will enhance digital growth, customer reach and efficiency which we will build upon as we move into 2026 and beyond. Our vision for Flowtech is to be the leading specialist in digitally enabled product and engineering Solutions across hydraulics, pneumatics, and process – www.flowtech.co.uk

b) Brand & product range expansion

A key part of our growth strategy is to expand our product and service offering to increase our customer penetration and reach. During H1 25, we have secured new, incremental strategic supplier agreements which will contribute to H2 25 growth and beyond. We have strengthened existing strategic supplier relationships and implemented more robust mid-term growth plans aligned to our refreshed go-to-market approach and proposition. In a difficult market, our own brand range is performing relatively well compared to the base business.

c) New Engineering Project Wins

Sales focus on targeted industry sectors including areas of Government investment, with examples including infrastructure, aerospace, defence and transportation, has led to improved momentum towards the end of the second quarter, resulting in a strengthened sales pipeline and forward order book for H2 25 and beyond. This includes two bridge projects with combined contract value totalling €9m over the next 24 months.

d) Inorganic Growth

We have made good progress with each of the recently acquired businesses, now generating positive contributions. Thorite is now well integrated 12 months following acquisition, with progress being made with both Allswage and Thomas Group, the H1 25 acquisitions. We are confident that these three Businesses combined, which currently deliver annualised revenue of approximately £18m, will be an important component of driving our future organic growth and earnings. As a reminder, all three were purchased out of distressed situations meaning consideration was minimal.

Self-help in areas of gross margin and cost management

Management focus has been on improving commercial excellence in gross margin management and in identifying and executing efficiency and cost reduction initiatives as part of the plan. This has resulted in a further 100bps increase in gross margins against FY 24 and the careful management of the cost base, in particular people related costs, has reduced like for like overheads by £0.5m despite impact of modest pay increase, employer insurance contribution and general inflation.

ESG Strategy Progression and Health & Safety Focus

We continue to make strong and measurable progress in delivering our ESG strategy. Health and Safety performance remains robust, with expanded site representation now inclusive of all newly acquired locations. The integration of Health & Safety with Major Projects has created valuable synergies, enhanced operational efficiency and strengthened client collaboration.

To further elevate our standards, we have upgraded our external consultancy support, ensuring expert guidance across all areas. Looking ahead, health remains our strategic focus for 2025. We have launched a comprehensive Wellbeing Strategy, supported by a cross-functional Wellbeing Committee. Key priorities include mental health, charitable engagement, and the rollout of an enhanced Employee Assistance Programme, offering 24/7 access to GP services.

We are proud to have achieved Safe Contractor and Constructionline Gold accreditations, reinforcing our commitment to excellence. Capability development remains a core priority, with 100% of our Health & Safety representatives scheduled for IOSH training. Our continued membership in the 5% Club reflects our dedication to investing in early careers and long-term workforce development.

All targets set for environmental and sustainability activity plans are on track.

OUTLOOK

Continued focus on self-help growth initiatives and further improvements to customer service levels has led to a strengthening sales pipeline and order book which 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.

We remain steadfast and focussed on the self-help initiatives of sales growth, gross margin and cost management to deliver improved growth, operating leverage, profitability and cash generation in the second half including:

- **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**, entering H2 25 at 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 secured in H1 25,** increasing share of wallet with existing customers and improving new customer acquisition.
- **Further 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.

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

We remain confident that the Performance Improvement Plan and Strategy for Growth (including the e-commerce upgrade) will continue to deliver progress and build towards our mid-term mid teen EBITDA goals.

By order of the Board
9 September 2025

Notes

Prior to this announcement consensus market forecast for FY25 was revenue of £120.2m and adjusted EBITDA of £8.4m

The Company will be holding the following webcast presentations today (9 September 2025). These will be hosted by CEO Mike England and CFO Russell Cash. To join either or both events, follow the links below:

Platform:	UK time ***commencing at***	Link to register:
Investor Meet Company	**10.00 hrs**	https://www.investormeetcompany.com/flowtech-fluidpower-plc/register-investor
SparkLive	**13.00hrs**	Flowtech- FY25 - half-year results | SparkLive | LSEG

Further information on the recently key projects secured can be read here:

21 May 2025	RNS Reach:	Flowtech capitalises on acquisitions opportunities
18 June 2025	RNS Reach:	Flowtech wins Waterside City bridge contract
22 July 2025	RNS Reach:	New Contract wins & Partnerships

CONSOLIDATED INCOME STATEMENT
For the six months ended 30 June 2025

	Notes	**Unaudited Six months ended 30 June 2025 £000**	Unaudited Six months ended 30 June 2024 £000	Audited Year ended 31 December 2024 £000
Continuing operations				
Revenue		**56,895**	**55,712**	107,282
Cost of sales		**(34,577)**	**(34,301)**	(66,267)
Gross profit		**22,318**	**21,411**	41,015
Distribution expenses		**(2,188)**	**(2,188)**	(4,169)
Administrative expenses before separately disclosed items:		**(18,564)**	**(16,344)**	(34,196)
- separately disclosed items		**(765)**	**(1,663)**	(27,888)
Total administrative expenses		**(19,329)**	**(18,007)**	(62,084)
Operating profit / (loss)		**801**	**1,216**	(25,238)
Financial expenses		**(880)**	**(878)**	(1,839)
Profit / (loss) from continuing operations before tax		**(79)**	**338**	(27,077)
Taxation	**4**	**(67)**	**(87)**	671
Profit / (loss) from continuing operations		**(146)**	**251**	(26,406)
Earnings per share	**5**			
Basic earnings per share - continuing operations		**(0.23p)**	**0.41p**	(42.23p)
Diluted earnings per share - continuing operations		**(0.23p)**	**0.41p**	(42.23p)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2025

	Unaudited Six months ended 30 June 2025 £000	Unaudited Six months ended 30 June 2024 £000	Audited Year ended 31 December 2024 £000
Profit / (loss) for the period	**(146)**	**251**	(26,406)
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss			
-Exchange differences on translating foreign operations	**283**	**(158)**	(359)
Total comprehensive income in the period	**137**	**93**	(26,765)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

	Unaudited 30 June 2025 £000	Unaudited 30 June 2024 £000	Audited 31 December 2024 £000
Assets			
Non-current assets			
Goodwill	14,996	40,066	14,996
Other intangible assets	4,608	2,644	3,776
Right of use assets	7,040	4,307	4,806
Property, plant, and equipment	7,743	7,848	7,546
Total non-current assets	34,387	54,865	31,124
Current assets			
Inventories	28,388	27,948	29,263
Trade and other receivables	25,597	24,260	22,740
Prepayments	2,476	1,653	1,052
Cash and cash equivalents	422	6,367	1,839
Total current assets	56,883	60,228	54,894
Liabilities			
Current liabilities			
Interest bearing borrowings	-	-	-
Lease liability	1,467	1,568	1,694
Trade and other payables	21,713	18,378	20,866
Tax Payable	19	720	228
Total current liabilities	23.199	20,666	22,788
Net current assets	33,684	39,562	32,106
Non-current liabilities			
Interest-bearing borrowings	18,958	19,883	16,913
Lease liability	6,163	3,436	3,743
Provisions	176	361	179
Deferred tax liabilities	735	1,422	791
Total non-current liabilities	26,032	25,102	21,626
Net assets	42,039	69,325	41,604
Equity directly attributable to owners of the parent			
Share capital	31,637	31,637	31,637
Share premium	61,662	61,662	61,662
Other reserves	187	187	187
Shares owned by the Employee Benefit Trust (EBT)	(54)	(124)	(54)
Merger reserve	293	293	293
Merger relief reserve	3,646	3,646	3,646
Currency translation reserve	(88)	(135)	(336)
Retained losses	(55,244)	(27,841)	(55,431)
Total equity attributable to the owners of the parent company	42,039	69,325	41,604

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six months ended 30 June 2025

	Share capital £000	Share premium £000	Other reserves £000	Shares owned by EBT £000	Merger reserve £000	Merger relief reserve £000	Currency translation reserve £000	Retained losses £000	Total equity £000
Six months ended 30 June 2025 ***Unaudited***									
Balance at 1 January 2025	**31,637**	**61,662**	**187**	**(54)**	**293**	**3,646**	**(336)**	**(55,431)**	**41,604**
Profit for the period	-	-	-	-	-	-	-	(146)	(146)
Other comprehensive income	-	-	-	-	-	-	248	35	283
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**248**	**(111)**	**137**
Transaction with owners									
Issue of share capital	-	-	-	-	-	-	-	-	-
Share options settled	-	-	-	-	-	-	-	-	-
Share-based payment charge	-	-	-	-	-	-	-	298	298
Balance at 30 June 2025	**31,637**	**61,662**	**187**	**(54)**	**293**	**3,646**	**(88)**	**(55,244)**	**42,039**
Six months ended 30 June 2024 ***unaudited***									
Balance at 1 January 2024	**30,746**	**60,959**	**187**	**(124)**	**293**	**3,646**	**23**	**(28,331)**	**67,399**
Profit for the period	-	-	-	-	-	-	-	251	251
Other comprehensive income	-	-	-	-	-	-	(158)	-	(158)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**(158)**	**251**	**93**
Transaction with owners									
Issue of share capital	891	703	-	(200)	-	-	-	-	1,394
Share-based payment charge	-	-	-	200	-	-	-	(71)	129
Share options settled	-	-	-	-	-	-	-	310	310
Balance at 30 June 2024	**31,637**	**61,662**	**187**	**(124)**	**293**	**3,646**	**(135)**	**(27,841)**	**69,325**
Twelve months ended 31 December 2024 ***audited***									
Balance at 1 January 2024	**30,746**	**60,959**	**187**	**(124)**	**293**	**3,646**	**23**	**(28,331)**	**67,399**
Profit for the year	-	-	-	-	-	-	-	(26,406)	(26,406)
Other comprehensive income	-	-	-	-	-	-	(359)	-	(359)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**(359)**	**(26,406)**	**(26,775)**
Transaction with owners:									
Issue of share capital	891	703	-	(200)	-	-	-	-	1,394
Share-based payment charge	-	-	-	-	-	-	-	730	730
Dividends paid	-	-	-	-	-	-	-	(1,383)	(1,383)
Share options settled	-	-	-	270	-	-	-	(41)	229
Total transactions with owners	**891**	**703**	**-**	**70**	**-**	**-**	**-**	**(695)**	**969**
Balance at 31 December 2024	**31,637**	**61,662**	**187**	**(54)**	**293**	**3,646**	**(336)**	**(55,431)**	**41,604**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Note	**Unaudited Six months ended 30 June 2025 £000**	Unaudited Six months ended 30 June 2024 £000	Audited Year ended 31 December 2024 £000
Net cash from operating activities	6	**888**	**2,799**	8,706
Cash flow from investing activities				
Payment for acquisition		**(306)**		(832)
Repayment of Credit facility from acquisition		**(200)**	**-**	(1,694)
Acquisition of property, plant, and equipment		**(694)**	**(822)**	(1,547)
Acquisition of intangible assets		**(1,264)**	**(633)**	(1,764)
Proceeds from sale of property, plant, and equipment		**9**	**20**	31
Net cash used in investing activities		**(2,455)**	**(1,435)**	(5,806)
Cash flows from financing activities				
Net proceeds from issue of share capital		**-**	**1,393**	1,393
Repayment of lease liabilities		**(978)**	**(854)**	(1,663)
Drawdown / (Repayment) of bank loan		**2,000**		(3,000)
Interest on lease liabilities		**(146)**	**(117)**	(225)
Other interest		**(748)**	**(792)**	(1,616)
Proceeds from sale of shares held by EBT		**-**	**200**	270
Dividends paid		**-**	**-**	(1,383)
Net cash generated from / (used in) financing activities		**128**	**(170)**	(6,225)
Net change in cash and cash equivalents		**(1,439)**	**1,194**	(3,225)
Cash and cash equivalents at start of period		**1,839**	**5,184**	5,184
Exchange differences on cash and cash equivalents		**22**	**(11)**	(20)
Cash and cash equivalents at end of period		**422**	**6,367**	1,839

	Short-term borrowings £000	**Long-term borrowings £000**	**Lease liabilities £000**	**Total £000**
At 1 January 2025	-	16,913	5,437	22,350
Cash flows				
Repayment	-	-	(1,123)	(1,123)
Movement between short-term and long-term	-	-	-	-
Addition		2000	3,160	5,160
Other movements	-	45	146	191
Non-cash				
Foreign exchange	-	-	10	10
At 30 June 2025	**-**	**18,958**	**7,610**	**26,568**

NOTES TO THE HALF-YEAR REPORT
For the six months ended 30 June 2025

1. GENERAL INFORMATION

The principal activity of Flowtech Fluidpower plc (the "Company") and its subsidiaries (together, the "Group") is the distribution of engineering components and assemblies, concentrating on the fluid power industry. The Company is a public limited company incorporated and domiciled in the United Kingdom. The address of its registered office is Bollin House, Wilmslow, SK9 1DP.

The registered number is 09010518.

As permitted, this Half-year report has been prepared in accordance with the AIM rules and not in accordance with IAS 34 "Interim Financial Reporting".

The consolidated financial statements are prepared under the historical cost convention, as modified by the revaluation of certain financial instruments.

This consolidated Half-year report and the financial information for the six months ended 30 June 2024 does not constitute full statutory accounts within the meaning of section 434 of the Companies Act 2006 and are unaudited. This unaudited Half-Year Report was approved by the Board of Directors on 27 September 2024.

The Group's financial statements for the year ended 31 December 2023 have been filed with the Registrar of Companies. The Group's auditor's report on these financial statements was unqualified and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

Electronic communications
The Company does not intend to bulk print and distribute hard copies of this Half-year report, although copies can be requested by contacting: The Company Secretary, Flowtech Fluidpower plc, Bollin House, Bollin Walk, Wilmslow, SK9 1DP. Email: investorrelations@flowtech.co.uk.

The Board believes that by utilising electronic communication it delivers savings to the Company in terms of administration, printing and postage, and environmental benefits through reduced consumption of paper and inks, as well as speeding up the provision of information to shareholders. News updates, regulatory news, and financial statements can be viewed and downloaded from the Group's website: www.flowtech.co.uk.

2. ACCOUNTING POLICIES

2.1 Basis of preparation

The financial information set out in this consolidated Half-year report has been prepared under International Accounting Standards in conformity with the requirements of the IFRIC interpretations issued by the International Accounting Standards Board (IASB) and the Companies Act 2006 and in accordance with the accounting policies which will be adopted in presenting the Group's Annual Report and Financial Statements for the year ended 31 December 2024. These are consistent with the accounting policies used in the Financial Statements for the year ended 31 December 2023.

2.2 Going concern

The financial statements are prepared on a going concern basis. The Directors believe this to be the most appropriate basis for the following reasons:

- The Group generated underlying operating profit of £1.6m in the six months ended 30 June 2025.
- The Group is financed by revolving credit facilities totalling £20m until February 2027 and £5m overdraft facility, repayable on demand.
- The Group has operated, and is expected to continue to operate, within its Banking facilities.

The Directors have revisited the forecasts and continue to anticipate a profitable performance in the second half of 2025. Updated cash flow forecasts continue to show the business operating within the limits of its Banking facilities.

Naturally, these forecasts include a number of key assumptions relating, inter alia, to revenue, margins, costs and working capital. In any set of forecasts there are inherent risks relating to each of these assumptions. As such there is always a degree of uncertainty; if market conditions were such that it materially impacted on the ability to generate expected levels of revenue, without appropriate action, this could lead to pressure on the Group's ability to operate within its existing banking facilities. Of course, in such a set of circumstances management would take action to mitigate the impact of this, in particular by careful management of the Group's cost base and working capital. Doing so would assist in seeking to ensure all bank covenants were complied with and the business continued to operate within its aggregate £25m banking facility. The Group therefore continues to adopt the going concern basis in preparing its financial statements.

3. OPERATING SEGMENTS

The operations of the business are reviewed based on three geographical segments – Great Britain, Island of Ireland and Benelux (as explained in note 3 Segment Reporting (page 98) of the Annual report 2023). These geographical segments are monitored by the Group's Chief Operating Decision Maker and strategic decisions are made on the basis of adjusted segment operating results. Inter-segment revenue arises on the sale of goods between Group undertakings.

Segment information for the reporting periods is as follows:

Half year ended 30 June 2025	Great Britain £000	Island of Ireland £000	Benelux £000	Inter-segmental transactions £000	Central Costs £000	Total continuing operations £000
Income statement – continuing operations:						
Revenue from external customers	41,738	10,152	5,007	-	-	56,897
Inter segment revenue	2,699	287	933	(3,919)	-	-
Total revenue	**44,437**	**10,439**	**5,940**	**(3,919)**	**-**	**56,897**
Underlying operating result*	3,073	1,192	333	-	(3,031)	1,567
Net financing costs	(250)	(9)	(23)	-	(599)	(881)
Underlying segment result	2,823	1,183	310	-	(3,630)	686
Separately disclosed items (see below)	(118)	(4)	(229)	-	(414)	(765)
Profit before tax	**2,705**	**1,179**	**81**	**-**	**(4,044)**	**(79)**
Specific disclosure items						
Depreciation on owned plant ,property and equipment	678	50	33	-	1	761
Depreciation on right-of-use assets	682	139	64	-	56	941
Accelerated depreciation of old website	197	-	-	-	-	197
Negative goodwill	(646)	-	-	-	-	(646)
Amortisation	517	-	49	-	-	566
Reconciliation of underlying operating result to operating profit:						
Underlying operating result*	3,073	1,192	333	-	(3,031)	1,567
Separately disclosed items (see below)	**(118)**	**(4)**	**(229)**	**-**	**(414)**	**(765)**
Operating profit/ (loss)	**2,955**	**1,188**	**104**	**-**	**(3,445)**	**801**

(*) Underlying operating result is continuing operations' operating profit before separately disclosed items

The Directors believe that the Underlying Operating Profit provides additional useful information on underlying trends to Shareholders. The term 'underlying' is not a defined term under IFRS and may not be comparable with similarly titled profit measurements reported by other companies. A reconciliation of the underlying operating result to operating result from continuing operations is shown below. The principal adjustments made are in respect of the separately disclosed items as detailed later in this note; the Directors consider that these should be reported separately as they do not relate to the performance of the segments.

3. OPERATING SEGMENTS...*continued*

Half year ended 30 June 2024 (Restated)	Great Britain £000	Island of Ireland £000	Benelux £000	Inter-segmental transactions £000	Central Costs £000	Total continuing operations £000
Income statement – continuing operations:						
Revenue from external customers	38,316	11,786	5,610	-	-	55,712
Inter segment revenue	2,078	226	260	(2564)	-	-
Total revenue	**40,394**	**12,012**	**5,819**	**(2,564)**	**-**	**55,712**
Underlying operating result*	3,754	1,696	577	-	(3,148)	2,879
Net financing costs	(89)	(16)	(3)	-	(770)	(878)
Underlying segment result	3,663	1,680	574	-	(3,916)	2,001
Separately disclosed items (see below)	(516)	(66)	(49)	-	(1,032)	(1,663)
Profit before tax	**3,155**	**1,614**	**525**	**-**	**(4,948)**	**338**
Specific disclosure items						
Depreciation on owned plant, property and equipment	634	48	36	-	-	718
Depreciation on right-of-use assets	550	178	64	-	73	865
Amortisation	462	59	49	-	-	570
Reconciliation of underlying operating result to operating profit:						
Underlying operating result*	**3,754**	**1,696**	**577**	**-**	**(3,148)**	**2,879**
Separately disclosed items (see below)	**(516)**	**(66)**	**(49)**	**-**	**(1,032)**	**(1,663)**
Operating profit/ (loss)	**3,238**	**1,630**	**528**	**-**	**(4,180)**	**1,216**

(*) Underlying operating result is continuing operations' operating profit before separately disclosed items

For the year ended 31 December 2024	Great Britain £000	Island of Ireland £000	Benelux £000	Inter-segmental transactions £000	Central Costs £000	Total continuing operations £000
Income statement – continuing operations:						
Revenue from external customers	75,913	21,370	9,999	-	-	112,095
Inter segment revenue	4,451	585	378	(4,378)	-	-
Total revenue	**80,454**	**21,839**	**10,377**	**(4,378)**	**-**	**112,095**
Underlying operating result*	5,806	2,521	363	-	(5,302)	5,989
Net financing costs	(325)	(23)	(6)	-	(1,525)	(1,735)
Underlying segment result	5,481	2,498	357	-	(6,827)	4,254
Separately disclosed items (see below)	(21,715)	(218)	(3,823)	-	(1,745)	(16,356)
Profit before tax	**(16,234)**	**2,278**	**(3,466)**	**-**	**(8,572)**	**(12,102)**
Specific disclosure items						
Depreciation on owned plant, property and equipment	1,375	96	70	-	1	1,363
Depreciation on right-of-use assets	1,109	165	112	-	139	1,810
Accelerated depreciation on old website	241					
Impairment of right of use assets	61		20	-	-	456
Negative Goodwill	(2,205)					
Impairment of goodwill	22,005	-	3,065	-	-	13,026
Impairment of intangible assets			284			
Impairment of fixed assets			246			
Amortisation	877	99	73	-	-	1,116
Reconciliation of underlying operating result to operating profit:						
Underlying operating result*	**5,806**	**2,521**	**363**	**-**	**(6,040)**	**2,650**
Separately disclosed items (see below)	**(21,715)**	**(218)**	**(3,823)**	**-**	**(2,133)**	**(27,888)**
Operating profit/ (loss)	**(15,909)**	**2,303**	**(3,460)**	**-**	**(8,173)**	**(25,238)**

(*) Underlying operating result is continuing operations' operating profit before separately disclosed items

Reconciliation of re-stated segment information for the period ended 30 June 2024	Great Britain £000	Island of Ireland £000	Benelux £000	Inter-segmental transactions £000	Central Costs £000	Total continuing operations £000
Underlying operating results in Half year 30 June 2024						
Underlying operating results in prior year report	4,900	1,802	738	-	(4,561)	2,879
Central costs reclassified across the Geographical segments	(1,146)	(106)	(161)	-	1,413	-
Underlying operating results, re-stated	**3,754**	**1,696**	**577**	**-**	**(3,148)**	**2,879**

SEPARATELY DISCLOSED ITEMS	Six months ended 30 June 2025 £000	Six months ended 30 June 2024 £000	Year ended 31 December 2024 £000
Separately disclosed items within administrative expenses:			
Acquisition costs	**142**	**3**	41
Amortisation of acquired intangibles	**369**	**453**	820
Accelerated depreciation of old website	**197**		241
Impairment of fixed assets			246
Impairment of goodwill	**-**	**-**	25,070
Impairment of right of use asset	**-**	**-**	81
Negative goodwill	**(646)**		(2,205)
Share-based payment costs	**297**	**310**	729
Restructuring costs	**406**	**897**	2,581
Total	**765**	**1,663**	27,888

- Acquisition costs relate to outline research into potential acquisition opportunities which are presented to us.
- Share-based payment costs relate to the provision made in accordance with IFRS 2 "Share-based payment" following the issue of share options to employees.
- Restructuring costs related to restructuring activities of an operational nature following acquisition of business units and other restructuring activities in established businesses. Costs include restructuring advice, service contract termination costs and employee redundancies.

4. TAXATION

	Six months ended 30 June 2025 £000	Six months ended 30 June 2024 £000	Year ended 31 December 2024 £000
Current tax on income for the period - continuing operations:			
UK tax	**119**	145	130
Overseas tax	**25**	55	93
Adjustments in respect of prior periods/ other differences	**-**	-	47
Deferred tax charge	**(49)**	(113)	(941)
Total taxation	**67**	87	671

The taxation for the period has been calculated by applying the estimated tax rate for the financial year ending 31 December 2024.

5. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. For diluted earnings per share the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The dilutive shares are those share options granted to employees where the exercise price is less than the average market price of the Company's ordinary shares during the period. For diluted loss per share the weighted average number of ordinary shares in issue is not adjusted.

	Six months ended 30 June 2025			Six months ended 30 June 2024			Year ended 31 December 2024		
	Earnings	Weighted ·age number of shares	rnings per share	Earnings	Weighted rage number of shares	rnings per share	Earnings	Weighted average number of shares	Earnings per share
	£000	000's	Pence	£000	000's	Pence	£000	000's	Pence
Basic earnings per share									
Continuing operations	**(146)**	**63,275**	**(0.23p)**	251	61,763	0.41p	(26,406)	62,526	(42.23p)

	Six months ended 30 June 2025 £000	Six months ended 30 June 2024 £000	Year ended 31 December 2024 £000
Weighted average number of ordinary shares for basic and diluted earnings per share	**63,275**	61,763	62,526
Impact of share options	**33**	85	85
Weighted average number of ordinary shares for diluted earnings per share	**63,308**	61,848	62,441

6. NET CASH FROM OPERATING ACTIVITIES

	Six months ended 30 June 2025 £000	Six months ended 30 June 2024 £000	Year ended 31 December 2024 £000
Reconciliation of profit before taxation to net cash flows from operations:			
Profit / (loss) from continuing operations before tax	**(79)**	338	(27,077)
Depreciation and impairment on property, plant, and equipment	**761**	717	1,537
Depreciation on right-of-use assets (IFRS 16)	**941**	864	1,526
Impairment of right-of-use assets (IFRS16)	**-**	-	82
Finance costs	**881**	910	1,839
(Gain) / Loss on sale of plant and equipment	**(6)**	(2)	-
Loan arrangement fee charged to income statement	**-**	(32)	-
Amortisation of intangible assets	**763**	569	1,289
Impairment of fixed assets	**-**	-	246
Impairment of intangible assets	**-**	-	284
Negative goodwill	**(646)**	-	(2,205)
Impairment of goodwill	**-**	-	25,070
Equity settled share-based payment charge	**296**	310	729
Settled share options	**-**	(75)	(45)
Exchange différences on non-cash balances	**58**	(29)	(128)
Operating cash inflow before changes in working capital and provisions	**2,969**	3,570	3,147
Change in trade and other receivables	**(4,219)**	(1,407)	3,310
Change in stocks	**1,889**	3,964	4,864
Change in trade and other payables	**297**	(3,112)	(1,562)
Change in provisions	**(2)**	31	(239)
Cash generated from operations	**934**	3,046	9,520
Tax paid	**(46)**	(247)	(814)
Net cash generated / (used) from operating activities	**888**	2,799	8,706

7. PRINCIPAL RISKS AND UNCERTAINTIES

In common with all organisations, Flowtech faces risks which may affect its performance. The Group operates a system of internal control and risk management to provide assurance that we are managing risk whilst achieving our business objectives. No system can fully eliminate risk and therefore the understanding of operational risk is central to management processes. The long-term success of the Group depends on the continual review, assessment, and control of the key business risks it faces. The Directors set out in the 2024 Annual Report and Financial Statements the principal risks identified during this exercise, including quality control, systems and site disruption and employee retention. The Board does not consider that these risks have changed materially in the last six months.

8. FORWARD-LOOKING STATEMENTS

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 thereby involving a degree of uncertainty. Although the Group believes that the expectations reflected in these statements are reasonable, it can give no assurance that these expectations will prove to have been correct. Given that these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements. The Group undertakes no obligation to update any forward-looking statements whether because of new information, future events or otherwise.

FURTHER ENQUIRIES TO:
Flowtech Fluidpower **plc**
Mike England, Chief Executive Officer
Russell Cash, Chief Financial Officer
Tel: +44 (0) 1695 52759
Email: investorrelations@flowtech.co.uk

Panmure Liberum Limited *(Nominated adviser and joint broker)*
Nicholas How, Director Investment Banking
Will King, Assistant Director, Investment Banking
Tel: +44 (0) 20 3100 2000

Singer Capital Markets *(Joint broker)*
Tom Salvesen, Head of Investment Banking
James Todd, Associate, Investment Banking
Tel: +44 (0) 207 496 3000

TooleyStreet Communications *(IR and media relations)*
Fiona Tooley
Tel: +44 (0) 7785 703523 or email: fiona@tooleystreet.com

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.flowtech.co.uk.