FLOWTECH
FLUIDPOWER PLC

HALF-YEAR REPORT

FOR THE SIX MONTHS ENDED 30 JUNE 2017

www.flowtechfluidpower.com

Stock Code: FLO

FLOWTECH
FLUIDPOWER PLC

WELCOME

Welcome to Flowtech Fluidpower plc's third Half-Year Report for the six months ended 30 June 2017

Who are we?

Flowtech Fluidpower plc, founded as Flowtech in 1983, is a leading specialist distributor of fluid power products. It has an international footprint with operations in the UK, ROI, Benelux and China.

The Group's largest site, including a Shared Logistics Centre, is in Skelmersdale, Lancashire and the business employed 400 people at the reporting date.

Our mission

Guided by its principles to build and maintain strong customer relations, the Group will continue to invest in its people, products and servicing requirements.

Our values

To create a key leader and to be the 'best in industry' for the fluid power sector.

Contents

Reasons to invest

1

Our Business

A focused Fluid Power Group delivering technical products, design, manufacturing and support to distributors, Industrial users and OEMs in the UK and Europe.

2

Growth

Developing a strong and focused offering across many channels and sectors, driven by organic growth and an acquisition strategy of adding technically based businesses from within the fluid power market in the UK and Europe.

3

Margins

Strong consistent GP% margins are the cornerstone, driven by a clear focus on the fluid power sector, this focus translates to consistent EBITA growth.

4

Workforce

The management team is highly experienced and works in an environment driven by collaboration, this is mirrored through the organisation delivering a market leading workforce committed to delivering excellence.

5

Market

The market is highly fragmented, with multi-branded businesses operating across multi-channels delivering market leading technical services, products and support across many sectors.

6

Customers

We operate across a wide and varied range of sectors through a diverse customer base.

7

Products

Through a strong technical product set, purchasing synergies and technical sales, the Group has been able to develop a reputation for delivering high quality and market leading services linked to wider added value offerings across many sectors.

8

Capabilities

Our organisational structure has been designed for growth, business units focused on sales and service supported by a strong central support team, allowing quick integration and consolidation.

Our competitive edge

Three divisional streams allowing a multi-channel approach to customer service:

Power Motion Control (PMC)

Adding value through design and assembly capabilities for specialist hydraulics

- Know-how – differentiated technical design, assembly and marketing
- Complementary business units creating wider and deeper added value services
- Centre of Engineering Excellence for hydraulic assembly
- Design, manufacture and installation of complete hydraulic systems

Flowtechnology

Best in industry providers of hydraulic, pneumatic and industrial components and service in the fluid power industry

- Scale – "one-stop shop" for fluid power products
- Stock availability – unrivalled width and depth of product range
- Outstanding Service quality – order by 10:00 pm for next-day delivery. 99% in stock availability
- 67% of orders are placed online B2B

Process

Focused on delivering quality branded and generic solutions across process industry sectors

- Established March 2016
- In-house valve actuation assembly facility
- Extended range of valves and associated products
- UK specialist in fluid movement technology acquired in July 2017

Enhancing our offering through acquisition

- January 2017, HTL, a UK distributor of hydraulic equipment and components predominantly to the mobile market, was acquired by the Power Motion Control division
- February 2017, Hewi Slangen, a Dutch specialist in hose production, was acquired by the Flowtechnology division
- June 2017, Hi-Power Limited, an ROI distributor of hydraulic equipment and components predominantly to the mobile and transport sectors, was acquired by the Power Motion Control division.
- July 2017, Orange County Limited, a UK specialist in fluid movement technology, was acquired by the Process division
- September 2017, The Hydraulic Group BV (t/as Hydraflex), a Dutch distributor of hydraulic equipment and components, was acquired by the Power Motion Control division
- Active acquisition pipeline

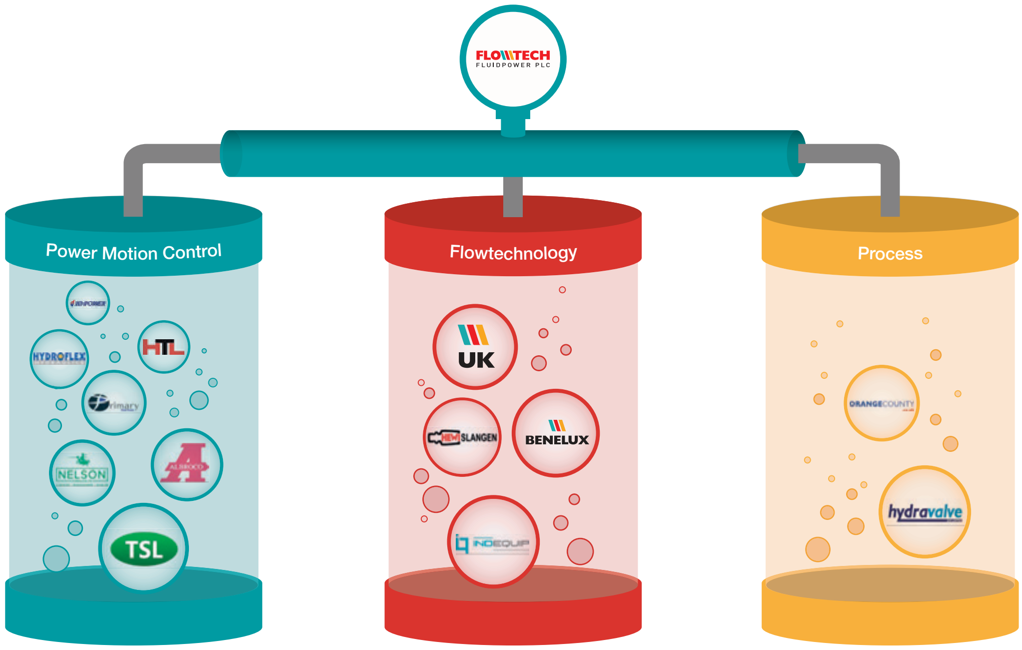
Group at a glance

The Group

Flowtech Fluidpower plc ("Flowtech" or "the Group") is the leading distributor of technical fluid power products to over 6,000 customers in the UK and Northern Europe. With modern distribution facilities in the UK, ROI and Benelux we offer an unrivalled range of both Original Equipment Manufacturer ("OEM") products, as well as our own ranges sourced exclusively to the Group ("Exclusive Brands").

During the year the Group had three operating divisions:

- Flowtechnology operating in the UK, Ireland and the Benelux
- Power Motion Control ("PMC") operating in the UK and Ireland
- Process operating in the UK



Power Motion Control (PMC)

The Power Motion Control division specialises in the design and assembly of engineering components and hydraulic systems, and further enhanced by component supply and a service and repair function. It is formed from **Primary Fluid Power**, **Nelson Hydraulics**, **Albroco**, **Triplesix (TSL)**, **Hydraulics and Transmissions (HTL)**, **Hi-Power** and **The Hydraulic Group BV**. Primary Fluid Power is a technically based hydraulics business supplying components and power packs to the OEM marketplace. Nelson Hydraulics is a distributor of hydraulic equipment, components and hose assemblies. Albroco supplies hydraulic components and electro-mechanical products to the on and off highway markets. TSL is a specialist designer and distributor of hydraulic cylinders and semi rotary actuators. HTL and Hi-Power distribute hydraulic equipment and components predominantly to the mobile and transport markets. The Hydraulic Group BV is a distributor of hydraulic equipment and components in the Netherlands.

Flowtechnology

The Flowtechnology division is formed from **Flowtechnology UK**, **Flowtechnology Benelux** and **Indequip**. All have the same business model and focus on supplying technical fluid power distributors and resellers, primarily serving urgent orders rather than bulk offerings. Flowtechnology offers an unrivalled range of OEM and Exclusive Brand products. During the year Flowtechnology Benelux acquired a specialist hose business, Hewi Slangen. Indequip is a UK distributor of pneumatic and hydraulic components and a leading catalogue brand.

Process

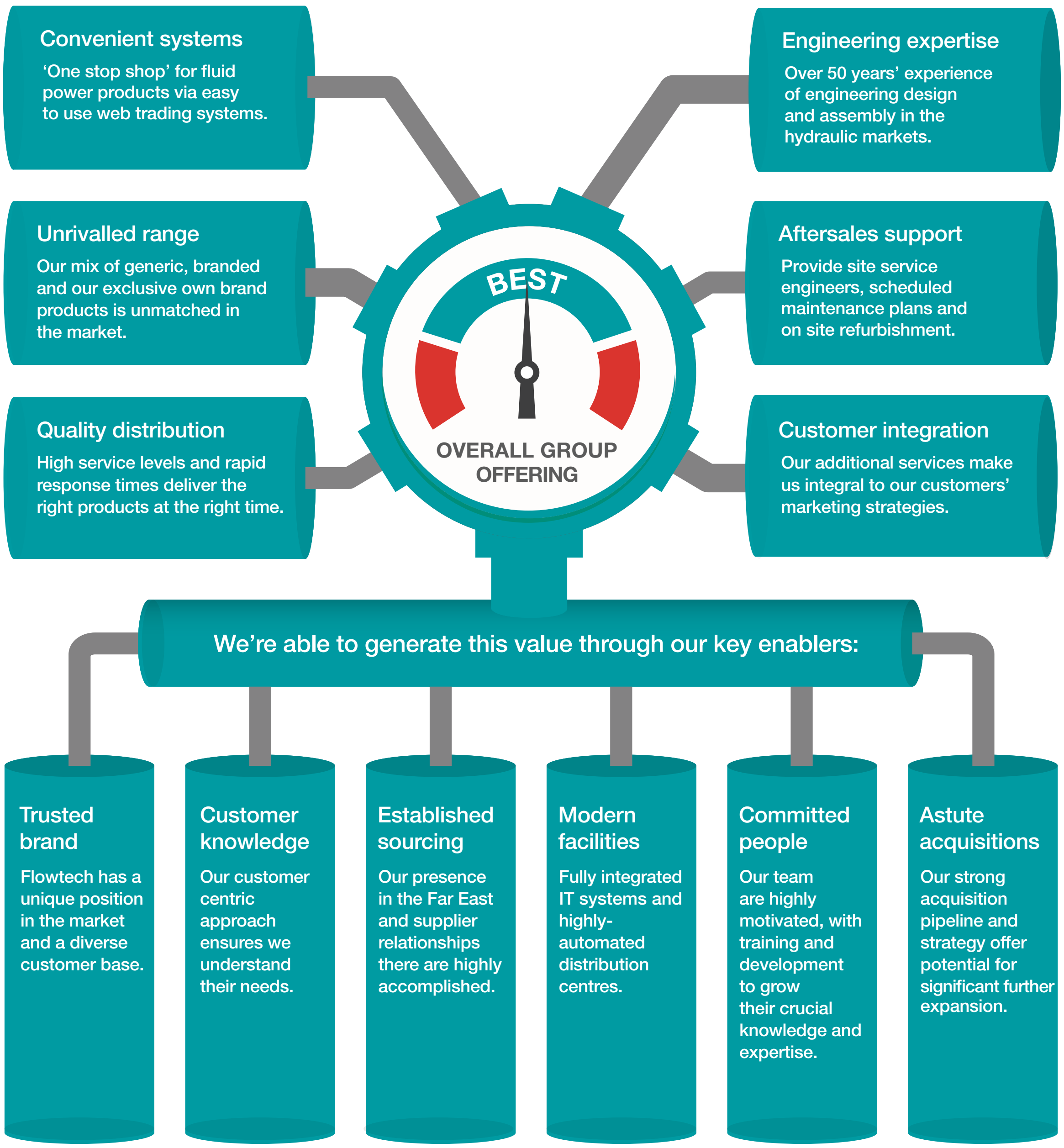
The Process division focuses on the distribution of valves and industrial components to the process sectors. It is formed from **Hydravalve** and **Orange County.** Hydravalve specialises in the distribution of a wide range of products from pneumatics and hydraulics to electric and pneumatic actuated valves to process industries. Orange County is a specialist in fluid storage and movement technology with a wide range of end users.

Our complementary divisions

The Group has three operating divisions: Flowtechnology; Power Motion Control ("PMC"); and Process. Flowtechnology operates the same business model in the UK and Northern Europe and focuses on supplying technical distributors and resellers, primarily serving urgent orders rather than bulk offerings. The PMC division specialises in the design and assembly of engineering components and hydraulic systems, which are further enhanced by component supply along with a service and repair function. The PMC division's aftersales supplies can be fulfilled by Flowtechnology which offers 99% service levels for next day delivery and ensures facility usage is optimised across the Group. With an overlapping product group, Process also benefits from Flowtechnology fulfilment and improved purchasing synergies.

The divisions are supported by a centralised back office team at the Skelmersdale site and a procurement and quality control team in Shanghai.

Overall group offering



Our strategy

Strategic focus	Description
Brand positioning	Brand and the ability to maintain and build a reputation is critical to our long term development. For all future acquisitions, brand and reputation will be paramount with the intention to maintain any local company branding and build on its existing position. Product brand expansion continues to be a key strategy for the Group.
Acquisition and integration	The strategy is to acquire complementary businesses operating in specific channels, highly focused, commercially independent operations delivering quality customer service at all times. Integration projects are ongoing to streamline all processes across the Group to ensure every operation can minimise its administration burden and concentrate on delivering growth.
E-commerce and Business intelligence	The Flowtechnology operation has always been innovative in its use of e-commerce and our website is fully integrated to our stock control systems. With 70% of Flowtechnology customers ordering online in the UK, this model will be rolled out to the other business units in the Group. Business intelligence initiatives create insight which enables us to improve our products, our inventory management and pricing strategies.
Products and sourcing	We aim to have a market position as a one-stop shop supplier of fluid power products. The ongoing expansion of ranges will see the Group capture a greater percentage of current customer spend and also open up new business opportunities in the wider market. The business nurtures its relationships with its OEM suppliers whilst developing its complementary Exclusive Brands.
Supply chain	We have built long term partnerships with our suppliers and quality logistics companies to enable us to provide the pace and responsiveness our customers demand. In the Flowtechnology segments we consistently achieve our service level targets of 99% orders delivered next day, this is underpinned by our strategy in products and sourcing and sound inventory management. Where acquisitions include distribution operations they will be integrated into the Flowtechnology segments to provide synergy savings for the benefit of all our stakeholders.
People	People are one of our strongest assets. As well as recruiting new talent, we are keen to acquire companies who value the importance of their workforce and share our values of continuing strong traditions. Investing in our management teams brings the benefits of improved retention and talent identification for succession planning. We see training and development of employees as key to our strategy to achieving our overall goals.

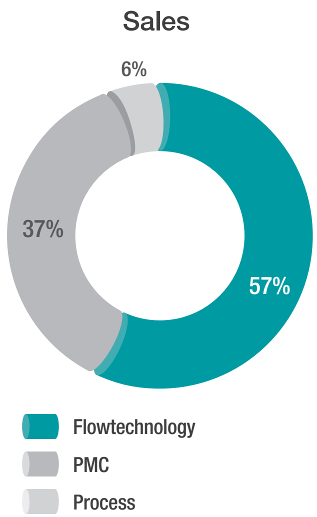
Financial and operational highlights

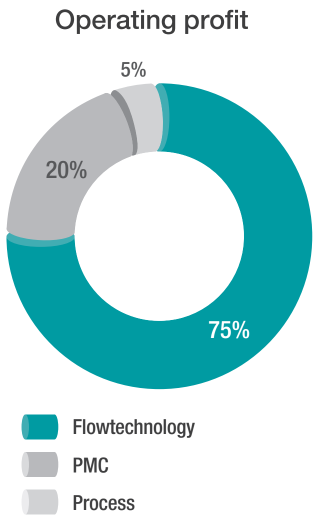
Financial highlights	HY2017 30.6.17 Unaudited	HY2016 30.6.16 Unaudited	Growth
Revenue	**£34.173m**	£27.387m	**24.8%**
Underlying operating result	**£4.504m**	£4.059m	**11.0%**
Operating profit	**£3.392m**	£3.290m	**3.1%**
Half-year dividend	**1.93p**	1.84p	**5.0%**
Earnings per share (basic) (note 1)	**5.22p**	5.91p	
Net debt (note 1)	**£8.4m**	£14.1m	

Operational highlights:

- Revenue reflects both good organic and acquisitive growth across all divisions
- Increasing technical depth across a greater range of customers
- Group procurement strategy beginning to deliver price and range benefits
- Strong leadership and network developed at profit centre level
- Acquisition strategy again delivering excellent opportunities:
  - Five completed in 2017 and 11 since becoming a plc in 2014
  - £10 million capital raise in March – £8.1m already invested
  - Confident of further acquisitive progress in HY2 with balance sheet strength to support
- Strong start to second half – confident of achieving full year market expectations

Note 1: On 30 March 2017, the Company completed a £10 million cash placing and issued 8,333,333 shares in consideration





"We are pleased to report an encouraging first half trading performance with turnover increased year on year by 24.8%, through a mixture of organic and acquisitive growth, and this has continued to reinforce our position as one of the leading players in the fluid power sector."

Malcolm Diamond
Non-Executive Chairman

Directors' statement

Nigel Richens, Non-Executive Director, **Malcolm Diamond MBE,** Non-Executive Chairman, **Sean Fennon,** Chief Executive Officer, **Bryce Brooks,** Chief Financial Officer

Introduction

It is pleasing to report that since joining AIM in 2014 the Group has:

- Expanded its portfolio extensively across existing and new product categories
- Completed 11 acquisitions
- Established three clearly focused divisions: Flowtechnology, Power Motion Control and Process
- Delivered synergies across the organisation – procurement, operational, commercial and back office
- Profit Sharing introduced at local level to focus on ROCE growth

As a business:

- Our strategy is to continue to enhance our unique position within the fluid power supply chain, and aligned to the global supply base thereby creating a multi-channelled access to a wide range of industrial and manufacturing customers. We are in an exciting phase. Our product set and technical competence continues to deepen, increasing our touch points within the varied industrial and manufacturing customers we supply every day around the UK and overseas.

As a Board:

- We remain confident that our wide range of revenue enhancing development programmes, when linked to our acquisition strategy based on a clear multi-channel approach, will continue to create significant opportunity for further growth and increased market penetration. By developing our offer, we ensure that the Group maintains its competitive advantage in each of the markets in which it trades.

"The Group's current underlying performance will deliver another year of solid progress. As a business, we are confident in our strategy, commercial opportunities and prospects, and with a strong start to the second half are on track to meet current market expectations for the year ending 31 December 2017."

Bryce Brooks
CFO

2017 Half-year financial performance

We are pleased to report an encouraging first half trading performance, all achieved against a backdrop where the economic conditions have remained challenging in most industrial markets, and particularly in the UK (British Fluid Power Distributors Association Market Survey indicates 2017 fluid power overall distributor sales growth was negative 1.0%‡). Overall, turnover increased year on year by 24.8%, through a mixture of organic and acquisitive growth, and this has continued to reinforce our position as one of the leading players in the fluid power sector.

Revenue	**Six months ended 30 June 2017 £000**	Six months ended 30 June 2016 £000	Change	Year ended 31 December 2016 £000
Flowtechnology	**19,336**	18,093	6.9%	35,113
Power Motion Control	**12,706**	8,268	53.7%	15,830
Process	**2,131**	1,026	107.4%	2,837
Total Group Revenue	**34,173**	27,387	24.8%	53,780
Gross Profit %	**34.1%**	34.9%	(0.8%)	35.5%

Although not defined under IFRS, the Directors believe that the underlying operating results give a better understanding of the business's profit performance. The table below details this in summary and further information is contained in note 3 of this Report.

Continuing operations Underlying operating result*	**Six months ended 30 June 2017 £000**	Six months ended 30 June 2016 £000	Change	Year ended 31 December 2016 £000
Flowtechnology	**4,138**	4,027†	2.7%	7,440
Power Motion Control	**1,088**	930	16.9%	1,823
Process	**278**	150	86.1%	402
Total Divisions	**5,504**	5,107	7.8%	9,665
Central Costs	**(1,000)**	(1,048)†	(4.7%)	(2,211)
Underlying operating result*	**4,504**	4,059	11.0%	7,454

* Underlying operating result is continuing operations' operating profit before acquisition costs, amortisation of acquired intangibles, share-based payment costs and restructuring costs. Underlying operating result is reconciled to statutory profit before tax in note 3 to the HY Report.

† Adjusted for £136,000 of costs previously shown as Central Costs and now borne by Flowtechnology division

‡ Source: British Fluid Power Distributors Association Monthly Survey January to July 2017 v 2016

Directors' statement continued

The **Flowtechnology** division has increased its revenues by 6.9%. The acquisition of Indequip in February 2016 contributed 1.6% of this growth, the balance of 5.3% reflects organic growth within the core business. The division has continued to develop the product set and service offering in its 2017 catalogues increasing its market opportunities. In the period since June, trading has remained in line with this growth pattern and we expect to make further positive progress over the remainder of the year.

The **Power Motion Control** division increased its revenues by 53.7%, of which 40.0% was via acquisition. The remaining growth has been most pronounced in our Irish operation, Nelson Hydraulics, which has been able to use the fact it now has the support of a wider network of resources to significantly increase market share, particularly in Northern Ireland. All the businesses within this division are highly technical and complementary to each other and under the PMC banner deliver a collaborative approach to our customers. This has been a key element in the division's progress. Like Flowtechnology, in the period since June, trading has remained buoyant and management are confident that further growth is achievable in Q3 and Q4.

Growth in the newest division **Process** reflects a mix of organic – 16.0% – and full year effects from the acquisition of Hydravalve in March 2016. The acquisition of Orange County in July 2017 will further enhance growth in the second half of 2017. Since June, trading has been strong and again the Board are confident of organic growth being achieved in Q3 and Q4.

The Group's ongoing focus on Gross Profit across all the divisions, linked to our flexible pricing models and specialised procurement programmes, has enabled the business to maintain and develop its gross margins in line with market expectations at 34.1%, with the reduction from last year's comparative of 34.9% being predominantly down to the mix effect of the PMC division acquisitions. Overall the Board is pleased with the pricing adjustments that have been made since the increase in the cost of USD and Euro sourced products seen post the Brexit result in the summer of 2016. Across the Group margins generally have returned to pre-Brexit levels.

The Board is pleased to report that in all divisions staff and other operational costs remain in line with expectations. In addition, the Group has been able to use some of the proceeds of this growth to enhance our staff and management bonus schemes at local level with a view to replacing our current share based option schemes (see below). The Group is therefore able to report an underlying operating result of £4.504m (2016: £4.059m), an increase of 11% year on year.

Financial position including cash flow and bank debt

Net cash generated from operating activities was £2.784m (note 9) (2016: £0.188m), an increase of £2.596m. This figure represents a return to a more "normalised" result with the comparative in 2016 being influenced by the expected build-up of working capital in Indequip following the purchase of the trade in February 2016, and the heavier bias in stock investment in early 2016 made to take advantage primarily of better pricing opportunities in the Far East at the time – a decision that also provided some advantage against currency movements following the Brexit vote in June 2016.

"Flowtech remains confident in its ability to develop a technically based full service Fluid Power group in the UK and internationally. The Group is recognised as a specialist and resilient business operating in a fragmented market. The development of our multi-channel strategy creates multiple touch points within the market increasing our overall penetration. In addition to organic sales growth our approach will create further revenue generating opportunities through: its investment in people and increased sales resource, the ongoing development of Exclusive Brand and OEM product offering, as well as through further earnings enhancing acquisitions."

Sean Fennon
CEO

Net borrowings at 30 June 2017 were £8.4m. Barclays Bank Plc has supported the Group's acquisition activity, and we remain well within agreed facilities and covenants. Overall the Board expects further strong operational cash generation in the second half of 2017, which will in turn support acquisition activity as well as future dividend payments (see below).

Our business strategy for growth

The raising of £10m of new capital at the end of March 2017 has already allowed us to complete several investments and these are included in the list below. The pipeline remains strong, continues to develop, and if brought to fruition will significantly enhance our current brand portfolio and offering. We remain confident that we will conclude more of these transactions over the coming months, and enhance organic growth through a mix of product development, value add services and new customer opportunities.

During the year to date the Group has invested a total of £8.1million in the following acquisitions:

- Hydraulics & Transmissions Limited ("HTL") acquired Jan 2017, division PMC. Day 1 cash outlay including assumed net debt £1.8m
- Hewi Slangen acquired Feb 2017, division Flowtechnology. Day 1 cash outlay £0.2m
- Hi-Power Limited acquired June 2017, division PMC. Day 1 cash outlay €1.9m
- Orange County Limited ("OCL") acquired July 2017, division Process. Day 1 cash outlay £1.5m
- The Hydraulic Group BV t/a Hydraflex Hydraulics acquired Sept 2017, division PMC. Day 1 cash outlay £2.7m

A further £3.5m is expected to be paid out in contingent consideration over the next two years (HTL – £0.9m, Hi-Power – £0.5m, OCL – £2.1m).

All the above businesses are trading strongly, and have further demonstrated that the acquisition and control processes which are in place allow integration to be progressed quickly and with little disturbance to customer facing operations. All have developed our range of options.

These acquisitions clearly reinforce the ongoing strategy set out by the Board, to develop a focused Fluid Power Group across a wide number of industry sectors taking advantage of the complementary technical and product offerings, and creating an opportunity to de-risk some of the cyclic nature of each business.

Investment for the future

As part of the ongoing development of the Group, the **Shared Logistics** Centre based at Skelmersdale is in the process of internal redesign increasing its capacity by over 40%. The total capital cost of this investment is c.£0.6m, and includes enhancement to both the automated picking lines and bulk storage, as well as office capacity. The project which will be completed by the end of September 2017 has been majority funded by a capital contribution from the landlord on signing a new fifteen-year lease in 2016, and along with efficiency savings already created will provide additional capacity for the Group to deliver operational and stocking improvements for use by all our Profit Centres. The Board believes this will also provide considerable scope for both the profitable integration of future acquisitions to the Group, and provide scope for further organic growth within the current portfolio.

Directors' statement continued

In addition, it is our intention to establish during the early part of 2018 a **Shared Engineering Centre** based on the current Primary Fluid Power operation in Knowsley, Merseyside to enhance our position as a complete service provider to the fluid power sector. Subject to the identification of a new leasehold site, a sale of the current site has been agreed with likely net cash proceeds of c.£0.9m. We expect to be able to confirm the new location by the time of our next trading update in mid-October.

Staff and management bonus schemes

The Group has expanded quickly over the past two years, and now has fifteen "Profit Centres" compared with two when we came to market in 2014. With further expansion planned, the Board believed it was important to introduce a bonus scheme that both focused on ensuring that management teams would continue to be rewarded for growth at local level, whilst at the same time exploiting the benefits of being part of the Group. In addition, it was important that each business was also accountable for the management of its own working capital, including the lifeblood of a successful distribution operation, inventory.

Therefore, from 1 January 2017, the Group introduced a bonus scheme that rewards at Profit Centre level and is based on a share of the operating profit produced above a threshold return on capital employed – an internal rate that is currently set at 20%. This capital excludes any bank or other similar financing. It therefore ensures that the Group has a bottom up approach to cash generation.

This scheme is also allowing the Group to quickly integrate acquisitions as new management teams have a simple reward programme to follow. We are creating "best practice" KPI comparisons within the Group, such as gross margin %, payroll efficiency and stock turns, which will create a drive to match the best performance in each division.

Whilst implementation of the profit sharing scheme has increased payroll costs when compared to 2016, the Board sees the adoption of this scheme as a fundamental for the future development of the Group; over time this scheme will replace the share-based reward systems that are currently in place for staff employed at Profit Centre level.

Our people

At Operating Board level, we congratulate Paul Smith on his promotion to Managing Director of TSL, and we welcome Managing Directors, Maurice Kearney (Hi-Power), Kirk Duncan (HTL), Spencer Rogers (OCL) and most recently, Leo Voogd (The Hydraulic Group – Hydroflex).

"Group organic growth and acquisition strategy underpins the platform for future development. As a business we will continue to grow, add niche businesses with good management while maintaining our margins - organic growth and the order book remain strong. Acquisitive growth will also play a part in our future and these could be overseas as we believe that our product and technical expertise can sit comfortably across many sectors and territories."

Sean Fennon
CEO


Flowtechnology Benelux Team

Delivering our goals and objectives we now have over 400 skilled staff employed across five countries and in eighteen locations, and we take this opportunity to welcome all new colleagues who joined us this year. The Board thanks everyone around the business for their continuous hard work, dedication and loyalty, which underpins both customer relationships and the Group's overall performance.

Outlook

The Group's current underlying performance will deliver another year of solid progress. As a business, we are confident in our strategy, commercial opportunities and the prospects, and with a strong start to the second half are on track to meet current market expectations for the year ending 31 December 2017.

Earnings per share and dividend

As shareholders are aware, the Board is focused on capital growth and increasing ROCE, now supported by our staff "Profit Sharing" bonus scheme. We are also committed to a progressive dividend policy based on the Group's operational performance whilst balancing our investments in the business for the future.

In the first half, Earnings Per Share has reduced to 5.22p from 5.91p in 2016, as a result of the fundraising in March which increased the weighted average number of shares in issue by 10.0% (see note 6), and the costs associated with our acquisition activity during the same period of £510,000 (2016 £238,000 – see note 3). With the full year effects of the investment of this capital now expected to be seen in late 2017 and 2018, the Board expects Earnings Per Share to return to growth. The Board is therefore pleased to declare a half-year dividend of 1.93p (2016: 1.84p), a 5% increase. This interim dividend will be paid on 24 October 2017 to Members on the Register at the close of business on 29 September 2017. The shares will become ex-dividend on 28 September 2017. The dividend is covered 2.5 times by earnings.

We look forward to keeping investors updated over the coming months, and will provide further information on our performance during Q3 on 17 October 2017.

By order of the Board
12 September 2017

Consolidated Income Statement

for the six months ended 30 June 2017

	Notes	**Unaudited Six months ended 30 June 2017 £000**	Unaudited Six months ended 30 June 2016 £000	Audited Year ended 31 December 2016 £000
Continuing operations				
Revenue	3	**34,173**	27,387	53,780
Cost of sales		**(22,519)**	(17,836)	(34,714)
Gross profit		**11,654**	9,551	19,066
Distribution expenses		**(1,452)**	(1,318)	(2,475)
Administrative expenses before separately disclosed items:		**(5,698)**	(4,174)	(9,137)
— Acquisition costs	3	**(510)**	(238)	(419)
— Amortisation of acquired intangibles	3	**(325)**	(264)	(569)
— Share based payment costs	3	**(172)**	(149)	(353)
— Restructuring costs	3	**(90)**	(118)	(84)
— (Under)/over accrued contingent consideration	3	**(15)**	—	108
Total administrative expenses		**(6,810)**	(4,943)	(10,454)
Operating profit	3	**3,392**	3,290	6,137
Financial income		**—**	—	1
Financial expenses		**(282)**	(223)	(611)
Net financing costs		**(282)**	(223)	(610)
Profit from continuing operations before tax	3	**3,110**	3,067	5,527
Taxation	4	**(634)**	(521)	(1,146)
Profit from continuing operations		**2,476**	2,546	4,381
Loss from discontinued operations, net of tax		**—**	—	(91)
Profit for the period attributable to the owners of the parent		**2,476**	2,546	4,290
Earnings per share				
Basic earnings/(loss) per share				
Continuing operations		**5.22p**	5.91p	10.17p
Discontinued operations		**—**	—	(0.21p)
Basic earnings per share	6	**5.22p**	5.91p	9.96p
Diluted earnings/(loss) per share				
Continuing operations		**5.17p**	5.86p	10.08p
Discontinued operations		**—**	—	(0.21p)
Diluted earnings per share	6	**5.17p**	5.86p	9.87p

Consolidated Statement of Comprehensive Income

for the six months ended 30 June 2017

	Unaudited Six months ended 30 June 2017 £000	Unaudited Six months ended 30 June 2016 £000	Audited Year ended 31 December 2016 £000
Profit for the period	**2,476**	2,546	4,290
Other comprehensive income			
— items that will be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations	**72**	302	350
Total comprehensive income in the period attributable to the owners of the parent	**2,548**	2,848	4,640

Consolidated Statement of Financial Position

as at 30 June 2017

	Unaudited 30 June 2017 £000	Unaudited 30 June 2016 £000	Audited 31 December 2016 £000
Assets			
Non-current assets			
Goodwill	**51,609**	48,312	47,927
Other intangible assets	**4,893**	4,889	4,780
Property, plant and equipment	**4,344**	3,702	3,899
Total non-current assets	**60,846**	56,903	56,606
Current assets			
Inventories	**17,317**	16,752	16,592
Trade and other receivables	**16,625**	14,718	13,012
Prepayments	**807**	725	304
Other financial assets	**—**	32	—
Cash and cash equivalents	**4,142**	1,711	3,824
Total current assets	**38,891**	33,938	33,732
Liabilities			
Current liabilities			
Interest-bearing loans and borrowings	**8,527**	10,905	12,888
Trade and other payables	**11,627**	9,313	8,625
Deferred and contingent consideration	**1,637**	1,068	1,420
Tax payable	**1,074**	937	975
Provisions	**—**	50	—
Other financial liabilities	**—**	16	57
Total current liabilities	**22,865**	22,289	23,965
Net current assets	**16,026**	11,649	9,767
Non-current liabilities			
Deferred and contingent consideration	**476**	2,789	212
Interest-bearing loans and borrowings	**4,000**	4,950	4,081
Provisions	**204**	130	212
Deferred tax liabilities	**1,039**	1,042	1,019
Total non-current liabilities	**5,719**	8,911	5,524
Net assets	**71,153**	59,641	60,849
Equity directly attributable to owners of the parent			
Share capital	**25,830**	21,539	21,539
Share premium	**52,435**	46,880	46,880
Share-based payment reserve	**690**	529	733
Merger reserve	**293**	293	293
Shares owned by the EBT	**(507)**	(338)	(338)
Merger relief reserve	**2,086**	2,086	2,086
Currency translation reserve	**329**	209	257
Retained losses	**(10,003)**	(11,557)	(10,601)
Total equity	**71,153**	59,641	60,849

Consolidated Statement of Changes in Equity

for the six months ended 30 June 2017

	Share capital £000	Share premium £000	Share-based payment reserve £000	Merger reserve £000	Merger relief reserve £000	Currency translation reserve £000	Shares owned by EBT £000	Retained losses £000	Total equity £000
Six months ended 30 June 2016 – unaudited									
Balance at 1 January 2016	21,539	46,880	380	293	2,086	(93)	(338)	(12,604)	58,143
Profit for the period	—	—	—	—	—	—	—	2,546	2,546
Other comprehensive income	—	—	—	—	—	302	—	—	302
Total comprehensive income for the period	—	—	—	—	—	302	—	2,546	2,848
Transaction with owners									
Share-based payment charge	—	—	149	—	—	—	—	—	149
Equity dividends paid (note 5)	—	—	—	—	—	—	—	(1,499)	(1,499)
Total transactions with owners	—	—	149	—	—	—	—	(1,499)	(1,350)
Balance at 30 June 2016	**21,539**	**46,880**	**529**	**293**	**2,086**	**209**	**(338)**	**(11,557)**	**59,641**
Year ended 31 December 2016 – audited									
Balance at 1 January 2016	21,539	46,880	380	293	2,086	(93)	(338)	(12,604)	58,143
Profit for the year	—	—	—	—	—	—	—	4,290	4,290
Other comprehensive income	—	—	—	—	—	350	—	—	350
Total comprehensive income for the year	—	—	—	—	—	350	—	4,290	4,640
Transaction with owners									
Share-based payment charge	—	—	353	—	—	—	—	—	353
Equity dividends paid (note 5)	—	—	—	—	—	—	—	(2,287)	(2,287)
Total transactions with owners	—	—	353	—	—	—	—	(2,287)	(1,934)
Balance at 31 December 2016	**21,539**	**46,880**	**733**	**293**	**2,086**	**257**	**(338)**	**(10,601)**	**60,849**
Six months ended 30 June 2017 – unaudited									
Balance at 1 January 2017	21,539	46,880	733	293	2,086	257	(338)	(10,601)	60,849
Profit for the period	—	—	—	—	—	—	—	2,476	2,476
Other comprehensive income	—	—	—	—	—	72	—	—	72
Total comprehensive income for the period	—	—	—	—	—	72	—	2,476	2,548
Transaction with owners									
Issue of share capital	4,291	5,555	—	—	—	—	—	—	9,846
Shares owned by the EBT	—	—	—	—	—	—	(244)	—	(244)
Share-based payment charge	—	—	172	—	—	—	—	—	172
Share options settled	—	—	(215)	—	—	—	75	—	(140)
Equity dividends paid (note 5)	—	—	—	—	—	—	—	(1,878)	(1,878)
Total transactions with owners	4,291	5,555	(43)	—	—	—	(169)	(1,878)	7,756
Balance at 30 June 2017	**25,830**	**52,435**	**690**	**293**	**2,086**	**329**	**(507)**	**(10,003)**	**71,153**

OUR FINANCIALS

Consolidated Statement of Cash Flows

for the six months ended 30 June 2017

	Notes	**Unaudited Six months ended 30 June 2017 £000**	Unaudited Six months ended 30 June 2016 £000	Audited Year ended 31 December 2016 £000
Cash flow from operating activities				
Net cash from operating activities	9	**2,784**	188	4,166
Cash flow from investing activities				
Acquisition of subsidiaries, net of cash/(debt) acquired		**(4,345)**	(3,309)	(3,677)
Acquisition of property, plant and equipment		**(669)**	(353)	(858)
Proceeds from sale of property, plant and equipment		**14**	22	52
Payment of deferred consideration		**(411)**	—	(1,031)
Net cash used in investing activities		**(5,411)**	(3,640)	(5,514)
Cash flows from financing activities				
Net proceeds from the issue of share capital		**9,602**	—	—
Repayment of long term borrowings		**(429)**	—	(857)
Net change in short term borrowings		**(4,000)**	5,000	7,000
Repayment of finance lease liabilities		**(13)**	(18)	(37)
Net cash settled share options		**(140)**	—	—
Interest received		**—**	—	1
Interest paid		**(186)**	(110)	(302)
Dividends paid		**(1,878)**	(1,499)	(2,287)
Net cash generated from financing activities		**2,956**	3,373	3,518
Net change in cash and cash equivalents		**329**	(79)	2,170
Cash and cash equivalents at start of period		**3,824**	1,725	1,725
Exchange differences on cash and cash equivalents		**(11)**	55	(71)
Cash and cash equivalents at end of period		**4,142**	1,701	3,824

Notes to the Half-Year Report

for the six months ended 30 June 2017

1. General Information

The principal activity of Flowtech Fluidpower plc (the "Company") and its subsidiaries (together, the "Group") is the distribution of engineering components, concentrating on the fluid power industry. The Company is incorporated and domiciled in the UK. The address of its registered office is Pimbo Road, Skelmersdale, Lancashire, WN8 9RB. The registered number is 09010518.

As permitted, this Interim 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 Interim Report and the financial information for the six months ended 30 June 2017 does not constitute full statutory accounts within the meaning of section 434 of the Companies Act 2006 and are unaudited. This unaudited Interim Report was approved by the Board of Directors on 12 September 2017.

The Group's financial statements for the year ended 31 December 2016 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 is not proposing to bulk print and distribute hard copies of this Interim Report for the six months ended 30 June 2017 unless specifically requested by individual shareholders.

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.flowtechfluidpower.com. Copies can also be requested from; The Company Secretary, Flowtech Fluidpower plc, Pimbo Road, Skelmersdale, Lancashire, WN8 9RB. email: info@flowtechfluidpower.com

2. Accounting Policies

Basis of Preparation

The financial information set out in this consolidated Interim Report has been prepared under International Financial Reporting Standards (IFRS) as adopted by the European Union 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 2017. These are consistent with the accounting policies used in the Financial Statements for the year ended 31 December 2016, except for taxes; taxes on income in the interim periods are accrued using the rate of tax that would be applicable to expected total annual earnings.

Going Concern

The Group meets it day-to-day working capital requirements through its bank facilities. The Directors have carefully considered the banking facilities and their future covenant compliance in light of the current and future cash flow forecasts and they believe that the Group is appropriately positioned to ensure the conditions of its funding will continue to be met and therefore enable the Group to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment.

Notes to the Half-Year Report continued

for the six months ended 30 June 2017

3. Operating Segments

The Group comprises of the following three operating segments which are defined by trading activity:

- **Flowtechnology** – distribution and assembly of engineering components, principally to distributors and end users in the UK, Ireland and the Benelux.
- **Power Motion Control Division** – based in the UK and Eire, distribution and assembly of engineering components and hydraulic systems to distributors and end users in the international market.
- **Process Division** – the distribution and supply of industrial components to the process sectors, principally in the UK

The Board is considered to be the chief operating decision maker (CODM). The CODM manages the business using an underlying profit figure. Only finance income and costs secured on the assets of the operating segment are included in the segment results. Finance income and costs relating to loans held by the Company are not included in the segment result that is assessed by the CODM. Transfer prices between operating segments are on an arm's length basis.

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 profit / (loss) from continuing operations is shown below. The principal adjustments made are in respect of the separately disclosed items are as detailed at the end of this note. Segment information for the reporting periods is as follows:

	Flowtechnology £000	Power Motion Control £000	Process £000	Inter-segmental transactions £000	Central costs £000	**Total continuing operations £000**
Six months ended 30 June 2017						
Income statement – continuing operations:						
Revenue from external customers	19,336	12,706	2,131	—	—	**34,173**
Inter segment revenue	823	159	40	(1,022)	—	**—**
Total revenue	20,159	12,865	2,171	(1,022)	—	**34,173**
Underlying operating result	**4,138**	**1,088**	**278**	**—**	**(999)**	**4,504**
Net financing costs	—	(10)	(4)	—	(268)	**(282)**
Underlying segment result	**4,138**	**1,078**	**274**	**—**	**(1,267)**	**4,222**
Separately disclosed items	(154)	(48)	—	—	(910)	**(1,112)**
Profit/(loss) before tax	**3,984**	**1,030**	**274**	**—**	**(2,177)**	**3,110**
Specific disclosure items						
Depreciation	203	50	14	—	—	**267**
Amortisation	10	271	44	—	—	**325**
Reconciliation of underlying operating result to operating profit:						
Underlying operating result	4,138	1,087	278	—	(999)	**4,504**
Separately disclosed items	(154)	(48)	—	—	(910)	**(1,112)**
Operating profit/(loss)	**3,984**	**1,039**	**278**	**—**	**(1,909)**	**3,392**

3. Operating Segments continued

	Flowtechnology £000	Power Motion Control £000	Process £000	Inter-segmental transactions £000	Central costs £000	**Total continuing operations £000**
Six months ended 30 June 2016						
Income statement – continuing operations:						
Revenue from external customers	18,093	8,268	1,026	—	—	**27,387**
Inter segment revenue	859	327	24	(1,210)	—	**—**
Total revenue	18,952	8,595	1,050	(1,210)	—	**27,387**
Underlying operating result	**4,164**	**930**	**150**	**—**	**(1,185)**	**4,059**
Net financing costs	(92)	(1)	5	—	(135)	**(223)**
Underlying segment result	**4,072**	**929**	**155**	**—**	**(1,320)**	**3,836**
Separately disclosed items	(138)	(27)	(37)	—	(567)	**(769)**
Profit/(loss) before tax	**3,934**	**902**	**118**	**—**	**(1,887)**	**3,067**
Specific disclosure items						
Depreciation	195	55	8	—	—	**258**
Amortisation	6	236	22	—	—	**264**
Reconciliation of underlying operating result to operating profit:						
Underlying operating result	4,164	930	150	—	(1,185)	**4,059**
Separately disclosed items	(138)	(27)	(37)	—	(568)	**(769)**
Operating profit/(loss)	**4,026**	**903**	**113**	**—**	**(1,753)**	**3,290**

	Flowtechnology £000	Power Motion Control £000	Process £000	Inter-segmental transactions £000	Central costs £000	**Total continuing operations £000**
Year ended 31 December 2016						
Income statement – continuing operations:						
Revenue from external customers	35,113	15,830	2,837	—	—	**53,780**
Inter segment revenue	1,645	585	199	(2,429)	—	**—**
Total revenue	36,758	16,415	3,036	(2,429)	—	**53,780**
Underlying operating result	**7,626**	**1,823**	**402**	**—**	**(2,397)**	**7,454**
Net financing costs	(1)	(65)	(39)	—	(505)	**(610)**
Underlying segment result	**7,625**	**1,758**	**363**	**—**	**(2,902)**	**6,844**
Separately disclosed items	(180)	40	(58)	—	(1,119)	**(1,317)**
Profit/(loss) before tax	**7,445**	**1,798**	**305**	**—**	**(4,021)**	**5,527**
Specific disclosure items						
Depreciation	389	113	24	—	—	**526**
Amortisation	16	488	65	—	—	**569**
Reconciliation of underlying operating result to operating profit:						
Underlying operating result	7,626	1,823	402	—	(2,397)	**7,454**
Separately disclosed items	(180)	40	(58)	—	(1,119)	**(1,317)**
Operating profit/(loss)	**7,446**	**1,863**	**344**	**—**	**(3,516)**	**6,137**

Notes to the Half-Year Report continued

for the six months ended 30 June 2017

3. Operating Segments continued

Separately Disclosed Items

- Acquisition costs relate to stamp duty, due diligence, legal fees, finance fees and other professional costs incurred in the acquisition of businesses
- 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 relate to restructuring activities of an operational nature following acquisition of business units and other restructuring activities in established businesses. Costs include employee redundancies and IT integration.

	Six months ended 30 June 2017 £000	Six months ended 30 June 2016 £000	Year ended 31 December 2016 £000
Separately disclosed items within administration expenses:			
— Acquisition costs	**510**	238	419
— Amortisation of acquired intangibles	**325**	264	569
— Share based payment costs	**172**	149	353
— Restructuring	**90**	118	84
— Under/(over) accrued contingent consideration	**15**	—	(108)
Total separately disclosed items	**1,112**	769	1,317

4. Taxation

	Six months ended 30 June 2017 £000	Six months ended 30 June 2016 £000	Year ended 31 December 2016 £000
Current tax on income for the period – continuing operations:			
UK tax	**680**	620	1,285
Foreign tax	**—**	—	20
Deferred tax credit	**(46)**	(45)	(171)
Adjustments in respect of prior years	**—**	(54)	12
Total taxation	**634**	521	1,146

The taxation for the period has been calculated by applying the estimated tax rate for the financial year ending 31 December 2017. Deferred tax liabilities have also been adjusted to £1,039,000 to reflect capital allowances in excess of depreciation and other short term timing differences.

5. Dividends

	Six months ended 30 June 2017 £000	Six months ended 30 June 2016 £000	Year ended 31 December 2016 £000
Final dividend of 3.67p (2016: 3.50p) per share	**1,878**	1,499	1,499
Interim dividend of 1.84p per share	**—**	—	788
	1,878	1,499	2,287

In addition, the Directors are proposing a half-year dividend in respect of the financial year ended 31 December 2017 of 1.93p per share which will absorb an estimated £1.0 million of shareholders' funds. It will be paid on the 24 October 2017 to Shareholders who are on the Register of Members on 29 September 2017.

6. Earnings Per Share

Basic earnings/(loss) per share is calculated by dividing the earnings/(loss) attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

For diluted earnings/ (loss) 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.

	Six months ended 30 June 2017			Six months ended 30 June 2016			Year ended 31 December 2016		
	Earnings £000	**Weighted average number of shares 000's**	**Earnings per share Pence**	Earnings £000	Weighted average number of shares 000's	Earnings per share Pence	Earnings £000	Weighted average number of shares 000's	Earnings per share Pence
Basic earnings/(loss) per share									
Basic earnings/(loss) per share	**2,476**	**47,402**	**5.22**	2,546	43,078	5.91	4,381	43,078	10.17
Discontinued operations	**—**	**47,402**	**—**	—	43,078	0.00	(91)	43,078	(0.21)
Basic earnings per share	**2,476**	**47,402**	**5.22**	2,546	43,078	5.91	4,290	43,078	9.96
Diluted earnings/(loss) per share									
Continuing operations	**2,476**	**47,886**	**5.17**	2,546	43,472	5.86	4,381	43,456	10.08
Discontinued operations	**—**	**47,886**	**—**	—	43,472	0.00	(91)	43,456	(0.21)
Diluted earnings per share	**2,476**	**47,886**	**5.17**	2,546	43,472	5.86	4,290	43,456	9.87

	Six months ended 30 June 2017 £000	Six months ended 30 June 2016 £000	Year ended 31 December 2016 £000
Weighted average number of ordinary shares for basic and diluted earnings per share	**47,402**	43,078	43,078
Impact of share options	**484**	394	378
Weighted average number of ordinary shares for diluted earnings per share	**47,886**	43,472	43,456

Notes to the Half-Year Report continued

for the six months ended 30 June 2017

7. Acquisitions

7.1 Hydraulics & Transmissions Limited

On 20 January 2017, the Group acquired 100% of the share capital of Hydraulics & Transmissions Limited ("HTL"), a UK-based company. HTL provides fluid power solutions predominantly to the mobile market segment and supplies some of the market leaders such as JCB, McConnell and Alamo. The acquisition strengthens our position with key global suppliers including Eaton, Walvoil and Casappa, and complements our previous acquisitions of Primary Fluid Power and Nelson Hydraulics. The total consideration was £1,669,000. This comprised £777,000 in cash and £892,000 contingent cash consideration. The additional consideration is based on profit targets for the Company's customer base and is payable in three instalments over the next two years. The fair value of £892,000 has been calculated using management forecasts of HTL's performance discounted at the weighted average cost of capital.

Goodwill

Goodwill of £1,551,000 is primarily related to expected future profitability and expected cost synergies. Goodwill has been allocated to the Power Motion Control operating segment and is not expected to be deductible for tax purposes.

Intangible Asset

An intangible asset of £438,000 has been provisionally identified related to customer relationships. The estimated useful life has been determined as ten years based on the expected future cash flows that they would generate in arriving at their fair value. The customer relationships considered in the valuation comprise the sales to significant customers. Long term sales growth over the ten-year period has been assumed to be 5.2% with an attrition rate of 12.8% for customers. Growth and attrition rates are based on management experience and expectations. Amortisation of customer relationships is not expected to be deductible for tax purposes.

Details of the provisional fair value of identifiable assets and liabilities acquired, purchase consideration, goodwill and intangible assets are as follows:

	Book value £000	Fair value adjustment £000	Intangible asset recognised on acquisition £000	Provisional fair value £000
Property, plant and equipment	30	—	—	30
Intangible assets	322	(322)	438	438
Inventories	1,226	—	—	1,226
Trade and other receivables	1,019	—	—	1,019
Cash and cash equivalents	(1,010)	—	—	(1,010)
Trade and other payables	(1,456)	—	—	(1,456)
Current tax balances	(45)	—	—	(45)
Deferred tax liability	(5)	—	(79)	(84)
Total net assets	**81**	**(322)**	**359**	**118**

	£000
Fair value of consideration paid	
Amount settled in cash	777
Fair value of contingent consideration	892
Total consideration	1,669
Less net assets acquired	(118)
Goodwill on acquisition	**1,551**

7. Acquisitions continued

7.2 Hewi Slangen

On 7 April 2017, the Group acquired the trade and certain assets of Hewi Slangen B.V., a Dutch based business. Complementary to the existing Dutch division, Flowtechnology Benelux, Hewi Slangen brings synergistic savings through relocation of operations and additional abilities and skills in hose production. The total consideration was £217,000 fully settled in cash. The provision fair value of assets acquired was £170,000. Goodwill of £47,000 is primarily related to expected future profitability, technical know-how and expected cost synergies from the closure of the operational site and transfer of activities into existing Group locations. Goodwill has been allocated to the Flowtechnology operating segment and is not expected to be deductible for tax purposes.

7.3 Hi-Power Limited

Hi-Power Limited was acquired on 23 June 2017 for an initial consideration of €1.9 million in cash with contingent consideration of £0.5million anticipated to be paid over the next two years. The cash consideration was funded out of existing Group resources. It is a specialist distributor of hydraulic equipment components predominantly to the mobile and transport sectors. It is based in Cork, Dublin and Belfast. In addition the trade and certain assets of Hi-Power Hydraulics Limited, a UK division of Hi-Power Limited were acquired on 30 June 2017 for a total cash consideration of £300,000. The cash consideration was funded out of existing Group resources. This division is based in Stockport. These acquisitions are complementary to the PMC division and will strengthen the Group position with key European suppliers.

The Group will disclose the book value of the identifiable assets and liabilities and their fair values in the 2017 full year financial statements as required under IFRS 3 “Business Combinations”. The initial accounting and fair value exercise is incomplete at the time of this announcement due to the proximity of the accounting date.

8. Subsequent Events

Orange County Limited was acquired on 7 July 2017 for an initial consideration of £1.5 million in cash with contingent consideration of £2.1million anticipated to be paid over the next two years. The cash consideration was funded out of existing Group resources. It is a specialist supplier and distributor of high quality products for the storage and movement of fuel, liquid and gases based in Spennymoor, County Durham. Orange County provides a further complementary business to the Group and establishes relationships with world-leading manufacturers of pipes, valves, gauges and leak detection equipment. It is focused on technical sales to a wide range of end users from fuel supply systems for the automotive industry to cooling systems on the London Underground, as well as large Data Centres across the UK. The business will form part of the Process division.

The Hydraulic Group BV was acquired on 7 September 2017 for an initial consideration of £2.7 million comprising in cash and £0.6 million in shares. The cash consideration was funded out of existing Group resources. Based in Rotterdram, with a sales presence in Brussels, it is a distributor of hydraulic equipment and components, predominantly to the mechanical engineering, marine and agricultural sectors in both Maintenance Repair and Operations applications, as well as Original Equipment Manufacturers. The business will form part of the PMC division.

For both these acquisitions the Group will disclose the book value of the identifiable assets and liabilities and their fair values in the 2017 full year financial statements as required under IFRS 3 “Business Combinations”. The initial accounting and fair value exercises were incomplete at the time of the announcement due to the proximity of the accounting date.

9. Net Cash From Operating Activities

	Six months ended 30 June 2017 £000	Six months ended 30 June 2016 £000	Year ended 31 December 2016 £000
Reconciliation of profit before taxation to net cash flows from operations:			
Profit from continuing operations before tax	**3,110**	3,067	5,527
Loss from discontinued operations before tax	**—**	—	(113)
Depreciation	**267**	258	526
Financial income	**—**	—	(1)
Financial expense	**282**	223	611
Profit on sale of plant and equipment	**—**	(8)	(21)
Amortisation	**325**	264	569
Equity settled share-based payment charge	**172**	149	353
Under/(over) accrued contingent consideration	**15**	—	(108)
Operating cash inflow before changes in working capital and provisions	**4,171**	3,953	7,343
Change in trade and other receivables	**(2,569)**	(3,696)	(1,384)
Change in stocks	**452**	(1,299)	(1,486)
Change in trade and other payables	**1,383**	1,915	1,126
Change in provisions	**(9)**	(36)	(86)
Cash generated from operations	**3,428**	837	5,513
Tax paid	**(644)**	(649)	(1,347)
Net cash generated from operating activities	**2,784**	188	4,166

FLOWTECH
FLUIDPOWER PLC

Registered office
Pimbo Road
Skelmersdale
Lancashire
WN8 9RB

www.flowtechfluidpower.com
Email: info@flowtechfluidpower.com