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FLOWTECH FLUIDPOWER PLC
 ("Flowtech", the "Group" or "Company")

Q1 2018 Trading Update

London: Tuesday 17 April 2018: AIM listed specialist technical fluid power products supplier **Flowtech Fluidpower plc (LSE: symbol FLO)**, is pleased to announce the following unaudited update on its performance for the three months ended 31 March 2018 and to the period up to this announcement:

GROUP TRADING UPDATE AND FINANCIALS

Group revenue during the first three months of the current year increased by 49.7%, of which 6.3% was organic, with the balance representing acquisitive growth from the six deals completed in the past twelve months. We continue to have positive momentum across all divisions. Our Flowtechnology operation in the UK went through its annual catalogue launch and general sales price increase on 1 April, which will provide further uplift in Q2, and with order books for our more "project based" profit centres remaining ahead of the same point last year, the short-term outlook is encouraging.

Revenue for Q1 2018			
Divisions:	Q1 2018 Unaudited £m	Q1 2017 Unaudited £m	Growth
Flowtechnology	10.7	10.1	5.9%
Power Motion Control (PMC)	13.9	6.3	120.6%
Process	1.9	1.1	72.7%
Total Group revenue for the period	26.5	17.5	51.4%
Net debt	18.4	5.5	

Group gross margin % achieved again remains in line with market expectations.

Net debt at c.£18.4 million is in line with management expectations and reflects payments for the initial consideration on the acquisition of Balu in March, further payments for the contingent consideration of Hi-Power and Orange County, as well as the receipt of the initial 50% tranche from our recent equity placing. Following the General Meeting on 3 April 2018, the Group received a further c.£5.2 million (after costs) under this placing, and therefore at the date of reporting the Group now sits with comfortable headroom within its £20 million banking facility .

ACQUISITIONS

On 19 March 2018 the Group successfully completed the acquisition of Balu Ltd, and its two trading businesses Beaumanor Engineering and Derek Lane & Co. for a total consideration of approximately £10.2 million. The unaudited financial statements of Balu for the year to 31 January 2018 showed revenue of £11.4 million and proforma EBIT of £1.4 million. Unaudited net assets excluding net debt at the same date were £5.9 million.

Beaumanor, founded in 1974 and based in Leicester, is an importer and distributor of fluid power equipment in the UK. It has a large customer base with no major customer concentration and sources products from a range of suppliers. The business was one of Flowtech's largest competitors in the "catalogue-based" market and has now become part of the Flowtechnology Division, with local management under the leadership of Profit Centre Director, Mark Cropper, reporting directly to Flowtech CEO, Sean Fennon.

Derek Lane, founded in 1979 and based in Newton Abbot, Devon, is a supplier of fluid power products and engineered solutions, and its largest customer supports Ministry of Defence naval contracts in the Devon area. Derek Lane has become part of the PMC Division and local management under the leadership of Profit Centre Director, Mark Venn, will report directly to Nick Fossey, Managing Director UK & Ireland.

This acquisition provides a further complementary business to the Group, creating a co-ordinated approach to three major catalogue brands in the UK market place. It has widened our target customer base using separate trading “styles” from the same platform and will now look to replicate the wider Flowtechnology model to deliver cost and service synergies. It also creates a second logistics centre in Leicester to deliver stock optimisation and supply chain improvements across the Group, as well as establishing a substantial site in the important Midlands region of the UK that operationally de-risks the main Skelmersdale site.

The Board is pleased to report that in the four weeks since the acquisition was announced, the reaction from staff, customers and suppliers has been positive, initial integration work on procurement and IT integration is proceeding as expected, and the scope for further sales enhancement due to cross selling opportunities is encouraging.

OUTLOOK

The Board’s view on the Outlook for 2018 and the broader strategy to be pursued by the Group is outlined in the Operational Review released today as part of the final statement of results for the year ended 31 December 2017, which can be viewed by following the link -

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EDITORS NOTES

About Flowtech Fluidpower plc

Founded as Flowtech in 1983, the Flowtech Group is the UK's leading specialist supplier of technical fluid power products. The business joined AiM in 2014. Today, the Group has four distinct divisions:

Division:	What we do:	Locations:
Flowtechnology	Focus on supplying distributors and resellers of industrial MRO products, primarily serving urgent orders rather than bulk offerings. It offers an unrivalled range of OEM and Exclusive Brand products to over 3,400 distributors and resellers. The division has created a definitive co-ordinated approach to three major catalogue brands in the UK market place, providing the definitive source for fluid power products, containing over 100,000 individual product lines and are distributed to more than 80,000 industrial MRO end users.	Flowtechnology Benelux (Deventer) Flowtechnology China (Guangzhou) Flowtechnology UK (Skelmersdale) Indequip (Skelmersdale) Beaumanor (Leicester)
Power Motion Control (PMC)	Specialise in the design, assembly and supply of engineering components and hydraulic systems and is further enhanced by a service and repair function.	Primary Fluid Power (Knowsley) Nelson Fluid Power (Dublin, Dungannon, Lisburn,) TripleSix (West Yorkshire) Albroco (Knowsley) Hydraulics & Transmissions (Ludlow) HiPower Hydraulics (Belfast, Cork, Dublin, Manchester) Hydroflex (Brussels, OudBeijerland, Rotterdam) Hydraulic Equipment Supermarkets (Birmingham, Durham, Gloucester, Leeds) Branch Hydraulics (Gloucester) Derek Lane (Newton Abbot)
Process	Focus on the supply of industrial components and solutions to the process sectors.	Hydravalve (Willenhall) Orange County (Spennymoor)
Onsite Services	In 2018, the Group will extend its service offering to include Onsite Technical Maintenance through highly skilled engineers.	HES Onsite (Birmingham, Durham, Leeds, Gloucester)

All four of the Group's divisions have overlapping product sets, allowing procurement synergies to be maximised.

The above divisions are supported by a centralised back office team at the Skelmersdale operation, shared logistics centres in Skelmersdale and Leicester and, a procurement and quality control team in Shanghai. In total, the business employs over 550 people.

For more information please visit, www.flowtechfluidpower.com