

FLUIDRA



Fluidra

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30 October 2017

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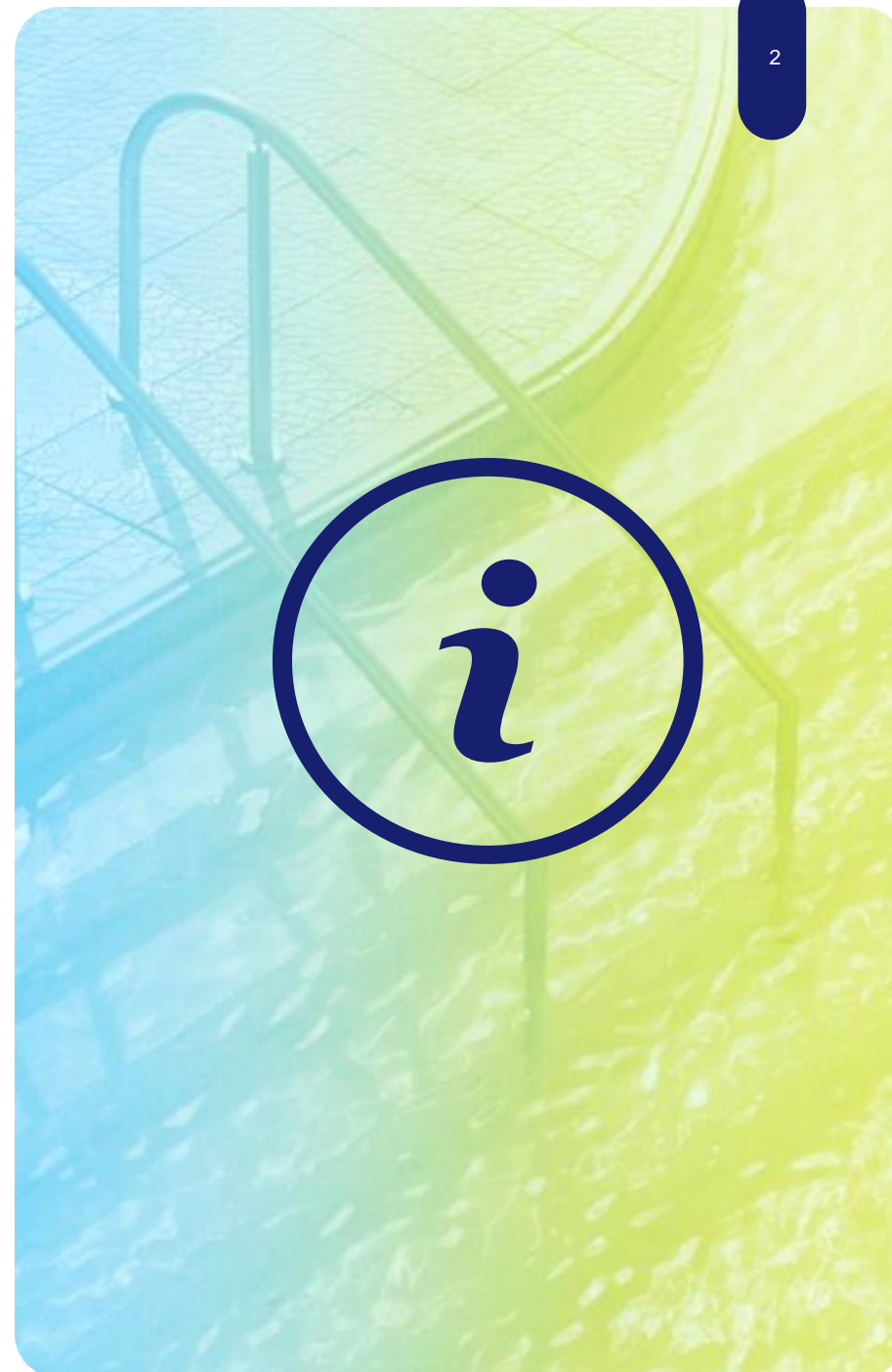
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Summary

3 Q 2017 RESULTS

Main figures

€M	2016	2017	Evolution
Sales	565,4	630,2	11,5%
EBITDA	76,1	94,5	24,1%
EBITA	54,1	70,9	31,0%
Net profit	26,4	38,1	44,4%
Net financial debt	183,9	150,4	-18,2%
Net Working Capital	204,3	197,0	-3,6%
Free Cash Flow	2,9	29,5	26,6*

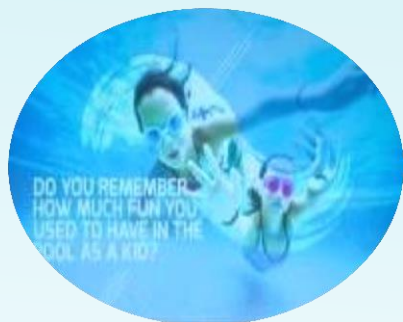
* €M



- Very positive Sales evolution, with a 10.6% increase both on a like-for-like basis and constant currency. Excellent growth in Europe, Latin America and Asia.
- Extraordinary performance of EBITDA, EBITA and Net Profit on the back of increased volume and an excellent operating leverage.
- Great Net Working Capital and Free Cash Flow performance, which leads to a good evolution of the Net debt level, with a €33 million reduction.

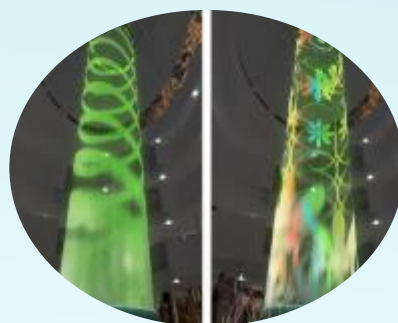
Highlights

3 Q 2017 RESULTS



INNOVATION: IMAGINE 2017

- Fluidra's participation in the Imagine Silicon Valley 2017's innovation project for the development of the disruptive innovation in the world of pool.
- Development of Fluid Reality's prototype: mixed reality experience for pool environment. Swimming goggles of mixed reality with helmet, for digital games inside and outside water, with connectivity between devices and parental control.



COMMERCIAL POOL

- Russia: fountain with digital curtain that falls through all floors of the Kashirskaya Mall (Moscow) creating images, logos or any kind of message. Complemented by a watershow with vertical and parabolic jets, with an Inmotion system that recognizes visitors' movements and allows interaction with the fountain.



FLUIDRA'S FOUNDATION

- Fluidra's Foundation has two basic commitments: a social one, with projects oriented to accessibility, awareness and education around the use of water; and a cultural one, mainly focused on promoting music.
- In this quarter, the KAG-25 project has been presented, which will rehabilitate a 25 hectare land in southern Senegal in order to turn it into a profitable horticultural land through a better use of water and facilitating agricultural education to 2,000 children and young people.

Profit & Loss Account

3 Q 2017 RESULTS

	2016		2017		
	€M	% sales	€M	% sales	Evol. 17/16
Sales	565,4	100,0%	630,2	100,0%	11,5%
Gross margin	290,0	51,3%	319,6	50,7%	10,2%
Opex before Dep.& Amort.	210,0	37,1%	222,6	35,3%	6,0%
Provisions for bad debt	3,9	0,7%	2,6	0,4%	-34,0%
EBITDA	76,1	13,5%	94,5	15,0%	24,1%
EBIT	48,1	8,5%	64,5	10,2%	34,2%
Net Financial Result	-5,4	-1,0%	-8,0	-1,3%	-46,3%
Profit Before Taxes (PBT)	42,6	7,5%	56,5	9,0%	32,7%
Net profit	26,4	4,7%	38,1	6,1%	44,4%



- Sales perform very well in all geographies; on a like-for-like basis and constant currency, sales grow by 10.6%.
- Gross Margin impacted by Sibos's perimeter effect and temporary effects that will be corrected throughout the year, like commercial pool projects in initial phases that incorporate a lower margin.
- Opex, on a like-for-like basis and constant currency, increases 5.2%, with a good operating leverage which translates into an outstanding EBITDA performance.
- Very good Net Profit performance thanks to increased volumes and operating leverage, despite the negative evolution of exchange rate differences.

Evolution of sales by geographical area

3 Q 2017 RESULTS

	2016		2017		Evol. 17/16
	€M	% sales	€M	% sales	
Spain	130,6	23,1%	131,3	20,8%	0,6%
South Europe - Rest	147,4	26,1%	169,6	26,9%	15,1%
Central & Northern Europe	90,7	16,0%	99,8	15,8%	10,1%
Eastern Europe	27,3	4,8%	33,6	5,3%	23,4%
Asia & Australia	91,5	16,2%	107,5	17,1%	17,5%
Rest of the World	78,0	13,8%	88,3	14,0%	13,2%
TOTAL	565,4	100,0%	630,2	100,0%	11,5%



- Excellent evolution of Spain, which grows by 9.0% on a like-for-like basis.
- Very positive performance of Southern Europe, driven by the French and Italian markets, both in the professional channel and in mass market.
- Central and Northern Europe evolves positively thanks to Sibos contribution in Germany and The Netherlands.
- Asia and Australia is driven by solid growth in the Asian region associated with Commercial Pool (Olympic swimming pools, hotels and fountains) and a good performance in Residential Pool in Australia.
- Rest of the World segment presents an outstanding performance boosted by the Americas, thanks to Brazil, Mexico and the US.

Evolution of sales by business unit

3 Q 2017 RESULTS

	2016		2017		
	€M	% sales	€M	% sales	Evol. 17/16
Pool & Wellness	517,3	91,5%	585,0	92,8%	13,1%
Residential	322,9	57,1%	363,2	57,6%	12,5%
Commercial	64,1	11,3%	72,9	11,6%	13,7%
Pool water treatment	88,6	15,7%	101,1	16,0%	14,0%
Fluid handling	41,7	7,4%	47,8	7,6%	14,8%
Irrigation and domestic water treatment	31,4	5,6%	24,3	3,8%	-22,8%
Industrial and other	16,7	3,0%	21,0	3,3%	25,5%
TOTAL	565,4	100,0%	630,2	100,0%	11,5%



- Excellent performance in Residential Pool in all categories, specially in dosage systems, pumps, pool cleaning products and above-ground pools.
- Commercial Pool includes the execution of new facilities in the Asian region and the progress in the fountain business.
- Pool water treatment posts a double-digit growth, with a very good performance of disinfection equipment (electrolysis).
- Good performance of Fluid Handling in Europe, accelerated by the incorporation of SIBO.

Net working capital

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Adjusted Net Working Capital (€M)



January - September

	€M	2016	2017	Evol. 17/16
Stocks		169,2	177,5	4,9%
Accounts receivable		182,6	196,5	7,6%
Accounts payable		147,4	177,0	20,0%
Net working capital		204,3	197,0	-3,6%
Adjusted net working capital*		215,9	213,4	-1,2%

* Adjusted Net Working Capital by perimeter and Aqua's earn-out

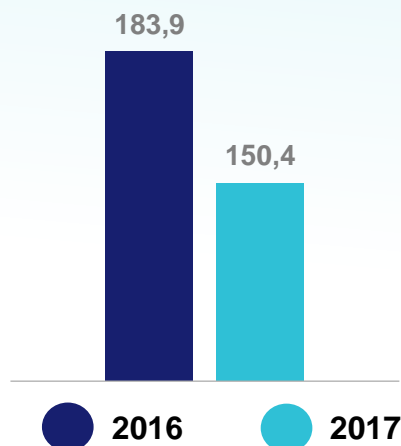


- Good performance in Net Working Capital, which decreases by 3.6%. Adjusted Net Working Capital shows a decrease of 1.2% on a like-for-like basis and excluding earn-outs, significantly behind the growth in sales.
- The estimated NWC/Sales ratio for the whole year will improve, as in 2016, our objectives for the 2018 Strategic Plan.

Net financial debt and free cash flow

3 Q 2017 RESULTS

Net financial debt (€m)



January - September

	€M	2016	2017	Evol. 17/16
Net profit		26,4	38,1	11,7
Depreciation (+)		28,0	30,0	2,0
Increase (-) / Decrease (+) adjusted NWC		-29,3	-18,7	10,5
Investments (organic)		-22,3	-19,9	2,4
Free Cash Flow pre-acquisitions		2,9	29,5	26,6
Acquisitions		-11,8	-4,5	7,3
Free Cash Flow post acquisitions		-8,9	25,0	33,9



- Excellent Free Cash Flow evolution, based on the improvement in all headings. P&L generation rises almost €14 million and adjusted NWC improves in €10 million. The Acquisitions heading mainly includes Aqua's partial earn-out payment, the purchase of Laghetto, Riio and some minority shareholders of subsidiaries, net of the proceeds from ATH sale.
- Good evolution of Net Financial Debt, which coupled with improving results, leaves the debt ratio at 1.4x EBITDA for the last 12 months.

Conclusions

3 Q 2017 RESULTS

- **Excellent performance in the third quarter of 2017:**
 - Strong sales growth in practically all markets, among which Europe, Asia and Australia stand out.
 - Very good results thanks to a good operating leverage, improving EBITDA margin by 150 basis points.
 - Outstanding reduction in Net Financial Debt, close to €34 million.

- **Our strategy keeps on adding value:**
 - Focus on Pool & Wellness, which accounts for more than 90% of our business.
 - Penetration in all markets and implementation of “Best practices”.
 - Efficiency and profitability ratios: continuous improvement.

- **Based on this data, we reiterate our estimates for the whole year:**
 - Sales between € 775 - 790 million.
 - EBITDA between € 103 - 106 million.
 - ROCE (EBIT) levels above 12%.

THANK YOU

Enjoying
Water

FLUIDRA



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