

FLUIDRA

1H RESULTS 2021

July 30th 2021



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- CMP's acquisition was announced on March 10th 2021 and this results presentation includes CMP's contribution from March 11th. As per IFRS-3 the Purchase Price Allocation of CMP acquisition is provisional.
- **In order to give a better understanding of the results, we comment on adjusted financial statements and provide a reconciliation to reported measures in the appendix.**

Eloi Planes
Executive Chairman



Bruce Brooks
CEO



Xavier Tintoré
CFO



1. Excellent first half results. Very strong Residential Pool season in the Northern Hemisphere that positions us well for the second half.
2. Fundamentals of the business remain solid and promising, our leading platform is ready to continue our growth, margin and cash expansion profile.
3. Investment for growth and continued strong execution reassure delivery of our medium term strategic and financial objectives.
4. Quarterly comparisons are unusual due to COVID-19 impacts.
5. We are raising our 2021 guidance.

YTD Financial Highlights

Excellent Growth & Operating Leverage in 1H 2021

€M	2020	2021	Evol. 21/20	Const. FX & Perimeter
Sales	771.3	1,186.7	53.9%	50.0%
EBITDA	169.4	330.1	94.9%	101.5%
EBITA	138.7	297.3	114.4%	125.9%
Cash EPS	0.43	1.11	156.7%	169.4%
Operating Net Working Capital	347.0	333.1	(4.0%)	(12.1%)
Net Debt	738.0	780.7	5.8%	7.6%

- Very strong Sales growth in 1H driven by both the Aftermarket and New Builds in Residential Pool.
- Excellent EBITDA and EBITA on strong Gross Margin and outstanding operating leverage.
- Read-through into Cash EPS, which grew substantially as did Net Profit.
- Great evolution of Operating Net Working Capital, improving ratio to Sales by 754 bps.
- Leverage ratio reduced one turn to 1.6x despite Net Debt increase due to significant investments on M&A.

Note: EBITDA and EBITA are adjusted to include Run Rate Synergies and exclude Non-Recurring Expense. For more details please refer to page 17.

For more details on Cash EPS please refer to page 18.

Business Evolution

- Step change continues helped by demographic trends. Business fundamentals remain very strong. Fluidra is optimally positioned to achieve its medium term-targets shared at CMD.
- Additional in-season price increase taken in order to offset inflationary pressure on shipping, raw materials and components.
- Marginal supply chain impacts for the quarter as we continue working to catch-up to the strong demand.

Accretive Capital Allocation: Attractive Remuneration Policy and Ongoing M&A Activity

- Excellent cash generation on a clear capital allocation policy. €0.20 p.s. dividends were paid on July 6th, and an additional €0.20 p.s. will be paid on November 3rd, for a total of €78M outflow i.e. c.50% of 2020 Cash Net Profit.
- Both Built Right and CMP acquisitions integrating well and performing ahead of plan.

Positive Evolution of Revenue Synergies and Commercial Pool

- Laghetto, the Italian firm acquired in 2017 specializing in high-end aboveground pools, is expanding into the US and Australia starting next year.
- Strong Robots recovery post Aquatron's spin-off.
- North America's Commercial Pool division performing nicely as the range of products expands.
- Good progress in Commercial Pool activity for Europe and Rest of the World. Aftermarket recovers and we see acceleration of New Project activity. We developed Fountain and Wellness projects in India, Dubai, Mexico, Serbia and Portugal, consolidating ornamental fountains as a cornerstone of the Commercial Pool division.

ESG "Responsibility Blueprint" Plan for 2020-2026

- On the "Social" front, the results of 2021 Engagement Survey are in, with an increase in both the participation and engagement rates.
- We launched an ESG training and awareness program for our employees tied to the Blueprint.

Sales by Geography

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Outstanding Performance in All Geographies

Q2 €M	2020	% Sales	2021	% Sales	Evol. 21/20	Const. FX & Perimeter
Southern Europe	180	40%	237	35%	31.5%	31.2%
Rest of Europe	106	23%	143	21%	35.0%	31.5%
North America	128	28%	234	35%	82.7%	70.4%
Rest of the World	41	9%	64	9%	56.6%	48.5%
Total	455	100%	678	100%	48.9%	43.3%

YTD €M	2020	% Sales	2021	% Sales	Evol. 21/20	Const. FX & Perimeter
Southern Europe	274	36%	390	33%	42.3%	42.1%
Rest of Europe	162	21%	237	20%	46.3%	43.4%
North America	232	30%	425	36%	83.6%	77.5%
Rest of the World	103	13%	134	11%	29.8%	25.2%
Total	771	100%	1,187	100%	53.9%	50.0%

- **Southern Europe**, superb evolution in the quarter driven by France, Italy and Spain.
- **Rest of Europe**, continued its very strong evolution in the quarter, led by Germany and Austria.
- **North America**, outstanding performance in the quarter bolstered by demographic trends and strong sell-through. Acquisitions represent €50M YTD.
- **Rest of the World**, very strong growth in the quarter, helped by the good performance in Australia's Residential Pool activity.

Sales by Business Unit

Residential Drives Growth with Commercial Pool in Recovery

Q2 €M	2020	% Sales	2021	% Sales	Evol. 21/20
Pool & Wellness	443	97%	661	98%	49.2%
Residential	339	74%	522	77%	53.9%
Commercial	20	4%	31	5%	51.8%
Pool Water Treatment	61	13%	75	11%	22.5%
Fluid Handling	22	5%	33	5%	49.7%
Irrigation, Industrial & Others	12	3%	17	2%	38.1%
Total	455	100%	678	100%	48.9%

YTD €M	2020	% Sales	2021	% Sales	Evol. 21/20
Pool & Wellness	749	97%	1,158	98%	54.6%
Residential	558	72%	910	77%	63.3%
Commercial	46	6%	53	4%	15.5%
Pool Water Treatment	103	13%	134	11%	29.6%
Fluid Handling	42	5%	60	5%	43.6%
Irrigation, Industrial & Others	22	3%	29	2%	29.5%
Total	771	100%	1,187	100%	53.9%

- **Residential Pool** grew strongly in the quarter backed by demographic trends and acquisitions. Led by Automatic Cleaners, Heaters and Spas.
- **Commercial Pool** recovered well in Q2 over an easy comparable. Aftermarket leads this unit contribution while new projects pipeline started to accelerate.
- **Pool Water Treatment** very nice performance of Water Care Equipment and positive evolution of Chemicals.
- **Fluid Handling** experienced an excellent evolution, aided by North America's strong performance and the greater contribution of refurbishments and New-Builds.

Increasing Margins and Operating Leverage Lead to Higher Profitability

€M	2020	% Sales	2021	% Sales	Evol. 21/20
Sales	771.3	100%	1,186.7	100%	53.9%
Gross Margin	401.6	52.1%	632.4	53.3%	57.5%
Opex before Dep. & Amort.	229.7	29.8%	302.6	25.5%	31.7%
Provisions for Bad Debt	4.2	0.5%	0.2	0.0%	(94.5%)
EBITDA	169.4	22.0%	330.1	27.8%	94.9%
Depreciation	30.8	4.0%	32.8	2.8%	6.7%
EBITA	138.7	18.0%	297.3	25.1%	114.4%
Amortization (PPA related)	29.1	3.8%	26.6	2.2%	(8.7%)
Non-Recurring Expense and Run Rate Synergies	8.3	1.1%	26.5	2.2%	219.2%
Net Financial Result	21.0	2.7%	18.3	1.5%	(12.9%)
Tax Expense	22.8	3.0%	49.7	4.2%	117.8%
Minority Interest	2.6	0.3%	2.0	0.2%	(22.1%)
Net Profit	54.9	7.1%	174.2	14.7%	217.5%
Cash Net Profit	84.3	10.9%	216.3	18.2%	156.7%

- Very strong Sales growth in 1H led by Northern Hemisphere.
- Gross Margin expansion, driven by price and value improvement initiatives, absorbing inflationary and mix pressures.
- Good Operating Expense leverage drove very strong EBITDA and EBITA performance.
- Non-Recurring Expense increase is driven by stock based compensation with c.€18M, to reflect EBITDA overperformance.
- Tax Rate one-off benefit from Zodiac merger.
- Cash Net Profit evolution showcasing outstanding read-through.

Note: EBITDA and EBITA are adjusted to include Run Rate Synergies and exclude Non-Recurring Expense. For more details please refer to page 17.

For more details on Cash EPS please refer to page 18.

Net Working Capital

Outstanding Management of NWC, Improving Ratio to Sales by 754 Bps in 1H

June €M	2020	2021	Evol. 21/20
Inventory	274.0	357.0	30.3%
Accounts Receivable	393.6	406.9	3.4%
Accounts Payable	320.6	430.9	34.4%
Operating Net Working Capital	347.0	333.1	(4.0%)
<i>Operating NWC / LTM Sales</i>	<i>25.0%</i>	<i>17.5%</i>	<i>(7.5%)</i>
Earn-Outs & Other Items	4.8	82.9	nm
Total Net Working Capital	342.2	250.2	(26.9%)

- **Operating Net Working Capital performed very well, improving ratio to LTM Sales by 754 bps.**
- **Inventory increased in the peak of the season in the Northern Hemisphere. Acquisitions represent €36M of Inventory.**
- **Accounts Receivable grew slightly despite strong sales growth, helped by continued fast collections.**
- **Accounts Payable's great evolution driven by increased activity.**
- **Dividend Payable of €78M, which will be liquidated in July and November.**

Cash Flow and Net Debt YTD

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Further Deleverage Despite Strong M&A Activity

€M	2020	2021	€ Evol. 21/20
Reported EBITDA	161.1	303.6	142.5
Net Interest Expense Paid	(20.0)	(16.4)	3.6
Corporate Income Tax Paid	(11.6)	(43.6)	(32.0)
Operating Working Capital	(74.9)	(85.8)	(10.9)
Other Operating Cash Flow	11.3	30.4	19.1
Operating Cash Flow	66.0	188.3	122.3
Capex	(16.8)	(25.0)	(8.2)
Acquisitions / Divestments	(14.9)	(232.0) ⁽¹⁾	(217.0)
Other Investment Cash Flow	1.0	(0.3)	(1.4)
Net Investment Cash Flow	(30.7)	(257.3)	(226.5)
Lease Liability Payments	(10.6)	(11.4)	(0.8)
Treasury Stock	(0.1)	(86.1)	(86.0)
Dividends and Others	(1.1)	(0.1)	0.9
Financing Cash Flow	(11.7)	(97.6)	(85.9)
Free Cash Flow	23.5	(166.6)	(190.1)
Prior Period Net Debt	756.8	581.9	(174.9)
FX & Lease Changes	4.8	32.2	27.4
Free Cash Flow	(23.5)	166.6	190.1
Net Debt	738.0	780.7	42.6
Net Leases	(119.0)	(134.4)	(15.4)
Net Financial Debt	619.0	646.3	27.3

(1) Includes €52.8M of cash used to cancel CMP's pre-takeover debt.

- **Excellent Operating Cash Flow performance in 1H, mainly driven by operating performance.**
- **Investment Cash Flow is €227M higher than last year due to the acquisitions of CMP and Built Right.**
- **Purchase of Treasury Stock to fund our Long Term Incentive Plan.**
- **Moderate increase in Net Debt despite strong inorganic investment activity. Leverage ratio lowers by one turn, from 2.6x in 1H 2020 to 1.6x in 1H 2021.**

1. Expecting a strong finish to the 2021 Northern Hemisphere Residential Pool season in Q3. June and early data for July showed solid growth over a difficult step change comparable.
2. Momentum continues for New-Builds demographics, strong Aftermarket driven by average ticket increase, Commercial Pool recovery and M&A.
3. COVID-19 drove unusual quarterly performance in 2020, with lower than usual H1 and a stronger H2 reversal.
4. Management is upgrading guidance for 2021, as follows:

€M	2021 Previous Guidance	2021 1H Guidance	Key Assumptions
Sales growth	25% - 30%	35% - 40%	As reported growth rates including already executed M&A, which contributes 7%+ growth Not assuming any COVID-19 resurgence shut-downs Tax rate of c. 25% Assumed current FX rates
EBITDA margin	23.7% - 24.7%	25.0% - 25.5%	
Cash EPS growth	50% - 60%	80% - 90%	

1. Excellent 1H results. Very strong Residential Pool season in the Northern Hemisphere that positions us well for the 2H.
2. Step change continues helped by demographic trends. Business fundamentals and industry resilience are both very strong. Optimally positioned to achieve medium term targets shared at CMD.
3. Our strategy and investment thesis remains unchanged:
 - We are the global leader in a resilient market, exhibiting strong structural growth.
 - Driving sustainable growth through our customer-focused platform providing favorable competitive dynamics. Incremental investments for further long term growth.
 - Delivering margin expansion and strong cash conversion.
 - Growth, margin & accretive capital allocation provide attractive and improving returns on capital.



Appendix

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(I) Sales by Geography

Q2	Evol. 21/20	Const. FX	Constant Perimeter	Const. FX & Perimeter
Southern Europe	31.5%	31.5%	31.2%	31.2%
Rest of Europe	35.0%	34.7%	31.8%	31.5%
North America	82.7%	98.5%	56.8%	70.4%
Rest of the World	56.6%	49.5%	55.7%	48.5%
Total	48.9%	51.6%	40.7%	43.3%

YTD	Evol. 21/20	Const. FX	Constant Perimeter	Const. FX & Perimeter
Southern Europe	42.3%	42.3%	42.1%	42.1%
Rest of Europe	46.3%	46.4%	43.3%	43.4%
North America	83.6%	99.8%	63.0%	77.5%
Rest of the World	29.8%	26.2%	28.7%	25.2%
Total	53.9%	57.1%	46.9%	50.0%

(II) Reported Profit & Loss Account YTD

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€M	2020	% Sales	2021	% Sales	Evol. 21/20
Sales	771.3	100%	1,186.7	100%	53.9%
Gross Margin	400.9	52.0%	627.8	52.9%	56.6%
Opex before Dep. & Amort.	235.6	30.6%	324.0	27.3%	37.5%
Provisions for Bad Debt	4.2	0.5%	0.2	0.0%	(94.5%)
Reported EBITDA	161.1	20.9%	303.6	25.6%	88.5%
D&A	59.9	7.8%	59.4	5.0%	(0.8%)
Net Financial Result	21.0	2.7%	18.3	1.5%	(12.9%)
PBT	80.2	10.4%	225.9	19.0%	181.5%
Tax Expense	22.8	3.0%	49.7	4.2%	117.8%
Minority Interest	2.6	0.3%	2.0	0.2%	(22.1%)
NP from Cont. Oper.	54.9	7.1%	174.2	14.7%	217.5%
NP from Disc. Oper.	0.0	0.0%	0.0	0.0%	-
Total Net Profit	54.9	7.1%	174.2	14.7%	217.5%

(III) Reconciliation to Reported EBITDA YTD

€M	2020	2021	Evol. 21/20
EBITDA	169.4	330.1	94.9%
Integration Related Non-Recurring Expense	(2.2)	(7.7)	249.6%
Profit/Loss from Sales of Subsidiaries	(0.7)	-	(100.0%)
Stock Based Compensation	(3.8)	(18.3)	381.7%
Run Rate Synergies	(1.6)	(0.5)	(67.8%)
Reported EBITDA	161.1	303.6	88.5%

(IV) Reconciliation of Reported to Cash Net Profit and Cash EPS YTD **FLUIDRA**

€M	2020	2021	Evol. 21/20
Reported Net Profit from Continued Operations	54.9	174.2	217.5%
Integration Related Non-Recurring Expense	2.2	7.7	249.6%
Stock Based Compensation	3.8	18.3	381.7%
Run Rate Synergies	1.6	0.5	(67.8%)
P&L Financial Result	21.0	18.3	(12.9%)
Cash Interest Paid	(20.0)	(16.4)	(18.0%)
Amortization (PPA related)	29.1	26.6	(8.7%)
Perimeter	0.7	-	(100.0%)
Cash Adjustments	38.5	55.0	43.1%
Tax Rate	23.6%	23.5%	0.0%
Taxed Cash Adjustments	29.4	42.1	43.2%
Cash Net Profit	84.3	216.3	156.7%
Share Count	195.6	195.6	-
Cash EPS	0.43	1.11	156.7%

(V) Reported Balance Sheet

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Assets	06/2020	06/2021	Liabilities	06/2020	06/2021
PPE & Rights of Use	227.9	254.1	Share Capital	195.6	195.6
Goodwill	1,112.7	1,145.0	Share Premium	1,148.6	1,148.6
Other Intangible Assets	713.2	759.6	Retained Earnings	172.6	322.2
Other Non-Current Assets	90.8	103.2	Interim Dividends	-	-
Total Non-Current Assets	2,144.6	2,261.9	Treasury Shares	(14.5)	(142.5)
			Other Comprehensive Income	(14.0)	(45.2)
			Minorities	7.1	8.6
			Total Equity	1,495.5	1,487.3
Non-Curr. Assets Held for Sale	0.6	5.0	Bank Borrowings + Loans	733.4	680.3
Inventory	273.8	356.3	Other Non-Current Liabilities Incl. Lease	334.0	314.3
Accounts Receivable	393.4	405.4	Total Non-Current Liabilities	1,067.5	994.6
Other Current Assets	10.3	11.2	Liab. Linked to Non-Curr. Assets Held for Sale	0.7	2.8
Cash	172.6	99.8	Bank borrowings + Loans	53.5	69.2
Total Current Assets	850.6	877.7	Accounts Payable	325.2	511.8
Total Assets	2,995.2	3,139.6	Other Current Liabilities Incl. Lease	52.8	73.8
			Total Current Liabilities	432.2	657.7
			Total Equity & Liabilities	2,995.2	3,139.6

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Thanks For Your Attention