

## TO THE SPANISH SECURITIES COMMISSION

Fluidra, S.A. ("**Fluidra**" or the "**Company**"), pursuant to the provisions of section 226 of Royal Legislative Decree 4/2015, of 23 October, which passed the amended text of the Securities Market Act, hereby issues the following:

### INSIDER INFORMATION

Fluidra Holdco North America, Inc., an indirectly wholly-owned subsidiary of Fluidra, signed a unit purchase agreement by virtue of which it acquired one hundred percent (100%) of the units of membership interest of the US company SRS Holdco, LLC ("**SRS**").

SRS is an Oregon-based firm considered one of the leading manufacturers specializing in commercial and residential pool deck equipment. SRS operates manufacturing facilities from multiple locations in the United States and Australia. Their products are supported by distributors around the world, with a focus in the United States, Canada, Australia and Europe. Their product portfolio is extensive and includes starting blocks, rails, ladders, slides, diving boards, ADA-compliant lifts, swimwall systems, thermal cover systems and in-pool furniture.

The acquisition was valued at \$240 million and was fully settled at closing with Fluidra's existing cash and debt facilities. The transaction also includes a standard net working capital adjustment mechanism to address the fluctuation of working capital.

The acquisition is expected to be accretive to Fluidra's Cash EPS from day one. Fluidra is raising its 2021 guidance based on the expected positive contribution from SRS's acquisition as follows:

- Sales growth from 35-40% to 37-42%
- EBITDA margin stays at 25% to 25.5%
- Cash EPS growth increases from 80-90% to 83-93%

A press release and a presentation with additional details on SRS and the transaction are enclosed.

Sant Cugat del Vallès, 1 September 2021

## PRESS RELEASE

### Fluidra continues to accelerate growth with acquisition of S.R. Smith

- **Addition of the US-based manufacturer of commercial and residential pool deck equipment and accessories will bolster Fluidra's position in the commercial and residential pool segments.**
- **S.R. Smith's product offering and manufacturing expertise are highly complementary to Fluidra's business, expanding growth prospects and creating value for existing and new customers.**
- **The acquisition values S.R. Smith at \$240 million and is expected to be cash EPS accretive to Fluidra in 2021.**

**September 1, 2021** – Fluidra S.A. (BME: FDR), the Spanish listed global leader in pool and wellness equipment and connected solutions, today announced it has acquired S.R. Smith, a US-based manufacturer of commercial and residential pool deck equipment and accessories, from Champlain Capital, a private equity fund based in San Francisco and Boston.

Founded in 1932, S.R. Smith is a leading global manufacturer specializing in commercial and residential pool deck equipment and accessories. Their product portfolio, which is complementary to Fluidra's offering, is extensive and includes starting blocks, rails, ladders, slides, diving boards, ADA-compliant lifts, swimwall systems, thermal cover systems and in-pool furniture.

Headquartered in Canby, Oregon, S.R. Smith operates manufacturing facilities from multiple locations in the United States and Australia. Their products are supported by distributors around the world, with focus in the United States, Australia, Canada and Europe. With the addition of S.R. Smith, Fluidra will further expand its existing operational network, increasing the company's overall product delivery capability.

The acquisition was valued at \$240 million and was fully settled at closing with existing cash and debt facilities. The transaction is expected to be accretive to Fluidra's cash EPS from day one. Fluidra is raising its 2021 guidance based on the expected positive contribution from the S.R. Smith acquisition as follows:

- Sales growth will increase from 35-40% to 37-42%
- EBITDA margin will stay between 25% to 25.5%
- Cash EPS growth will increase from 80-90% to 83-93%

"Our ultimate goal is to be the best partner in the industry for our customers. In the past year, we've doubled down on our commitment to grow in different market segments and product categories and have made strategic acquisitions in North America of Built Right Pool Heaters LLC's business and Custom Molded Products LLC to bring us closer to that goal," said Bruce Brooks, Chief Executive Officer of Fluidra. "This latest acquisition of S.R. Smith doesn't just move us one step closer, it propels us. S.R. Smith is an exceptional

company with a talented team and stellar reputation. Their specialized expertise and comprehensive portfolio of products will accelerate our future growth in the commercial and residential pool segments and will ultimately allow us to better serve our customers in North America and around the world.”

“We are excited to join the Fluidra family,” said Rich Laitta, Chief Executive Officer of S.R. Smith. “With their strong dedication to meeting customer needs, focus on innovative solutions and services, and global market expertise, we believe this move will facilitate the next evolution of growth for S.R. Smith.”

Following the acquisition, S.R. Smith will continue to operate independently from its Oregon headquarters.

McGuireWoods LLP acted as lead legal advisor to Fluidra. Prestwick Partners acted as sell-side advisor to S.R. Smith, while Troutman Pepper Hamilton Sanders LLP acted as their legal advisor.

#### **About Fluidra**

Fluidra, a Spanish listed firm, is the global leader in the pool and wellness equipment business. It provides innovative products, services and Internet of Things (IoT) solutions. The company operates in over 45 countries and owns a portfolio of some of the industry’s most recognized and trusted brands, including Jandy®, AstralPool®, Polaris®, Cepex®, Zodiac®, CTX Professional® and Gre®. To learn more about Fluidra, visit [www.fluidra.com](http://www.fluidra.com)

#### **Media Contacts:**

##### **Global**

Sarah Estébanez, [sestebanez@tinkle.es](mailto:sestebanez@tinkle.es), +34 636 62 80 41

Xana Pena, [xpena@tinkle.es](mailto:xpena@tinkle.es), +34 674 73 47 82

Laura Gil, [lgil@tinkle.es](mailto:lgil@tinkle.es), +34 673 631 814

##### **North America**

Jacque Edelman, [jedelman@fluidra.com](mailto:jedelman@fluidra.com), 760 390 1458



**FLUIDRA**

# SR Smith Acquisition

September 1<sup>st</sup> 2021



- This document is for information purposes only and does not constitute an offer to sell, exchange or buy, or an invitation to make offers to buy, securities issued by any of the companies mentioned. This financial information has been prepared by Fluidra, S.A. ("Fluidra", and with all its subsidiaries, the "Fluidra Group").
- The assumptions, information and forecasts contained herein do not guarantee future results and are exposed to risks and uncertainties; actual results may differ significantly from those used in the assumptions and forecasts for various reasons.
- The information contained in this document may contain statements regarding future intentions, expectations or projections. All statements, other than those based on historical facts, are forward-looking statements, including, without limitation, those regarding our financial position, business strategy, management plans and objectives for future operations. Such forward-looking statements are affected, as such, by risks and uncertainties, which could mean that what actually happens does not correspond to them.
- These risks include, amongst others, seasonal fluctuations that may change demand, industry competition, economic and legal conditions, restrictions on free trade and/or political instability in the markets where the Fluidra Group operates or in those countries where the Group's products are manufactured or distributed, and those that may arise from potential COVID-19-related contingencies. The Fluidra Group makes no commitment to issue updates or revisions concerning the forward-looking statements included in this financial information or concerning the expectations, events, conditions or circumstances on which these forward-looking statements are based.
- In any event, the Fluidra Group provides information on these and other factors that may affect the Company's forward-looking statements, business and financial results in documents filed with the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*). We invite all interested persons or entities to consult these documents.

- 
- 1** Complementary pool deck business accelerates our growth in the US
  - 2** Accelerate commercial pool business in NA and provides a start in Australia
  - FLUIDRA 3** Significant revenue synergies (>\$10 MM) as well as cost synergies (\$2.5 MM)
  - 4** Acquisition at attractive multiple and expected Cash EPS accretive from day one
  - 5** Resulting leverage within objective and with strong cash generation profile

**Unique opportunity to create value for our customers and investors through SRS's acquisition**

## Terms

\$ 240 million Enterprise Value

Low double digit and into single digit EBITDA multiple for '20A and '21E respectively, excluding synergies

Expected to be accretive to Cash EPS from day one

Paid with existing cash and debt facilities, 0 debt upon acquisition

Fluidra leverage within the  $\approx$  2x objective and with strong cash generation profile

## Target

Large and fast-growing business with LTM sales of c.\$120M, helping accelerate our growth in NA

Focus on pool deck equipment highly complementary with our existing product range

Large Commercial Pool business will accelerate our growth through a range of new and complementary products

Strong and dynamic management team which will play a part in the future development of Fluidra NA

## Synergies

Merger related integration expertise to successfully achieve the numerous synergies identified

>\$10 million revenue synergies by the end of 2024

c.\$2.5 million run rate cost synergies by the end of 2024

One-off investment of up to \$6 MM during next four years in order to achieve identified synergies

## Guidance

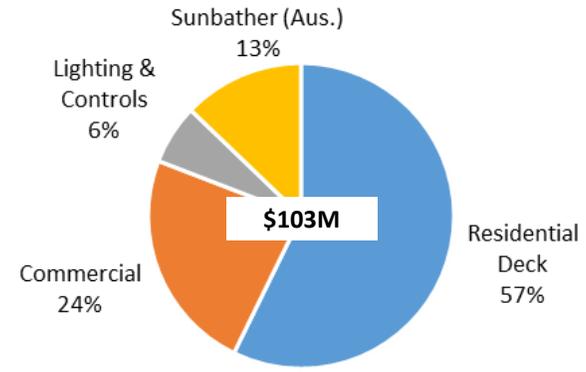
Raising 2021 guidance based on the expected positive contribution from SRS as follows:

- Sales growth increases from 35-40% to 37-42%
- EBITDA margin stays between 25% to 25.5%
- Cash EPS growth increases from 80-90% to 83-93%

## Company Overview

- SR Smith (SRS) is a leading US based manufacturer of residential and commercial pool deck equipment and accessories
- Based in Canby, Oregon, SRS was founded in 1932
- 2020 pro forma revenues of \$103M
- Complimentary product range includes pool slides, lighting, ladders and rails, access lifts, diving boards, pool games, swim walls, bulkheads, solar and thermal heating solutions, lifeguard chairs, and competitive equipment, such as starting blocks
- Three manufacturing facilities in the USA: Canby, OR, Tucson, AZ, and Orinda, TN, and three in Australia: Richlands, QLD, Hastings, VIC, and Arlington, WA
- Several acquisitions completed in the recent past:
  - Stark Bulkheads (bulkheads) – 2021
  - Sunbather (covers and solar heaters) – 2019
  - T-Star (thermal covers and storage systems) – 2019
  - Interfab (in-pool furniture and residential deck) – 2018
- Strong management team committed to lead through integration period and will enhance our NA Leadership team in future

## Sales by Segment



Segment	Residential Deck Equipment	Commercial		Lighting and Controls	Sunbather		
		Deck Equipment	Access Equipment				
Representative Products	 Slides	 Rails	 Blocks	 Removable	 Portable	 MOD-LITE®	 Pool Heating
	 Rails	 Games	 Slides	 Boards	 Fixed	 Parts	 Controls

**FLUIDRA**

📞 +34 93 724 39 00

✉️ [Investor\\_relations@fluidra.com](mailto:Investor_relations@fluidra.com)

📍 Av. Alcalde Barnils, nº 69 - 08174 Sant Cugat del Vallès (Barcelona)

🌐 [www.fluidra.com](http://www.fluidra.com)

Thanks For Your Attention