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PRESENTATION

Clara Valera - *Fluidra SA - Senior Director of Strategy, Investor Relations, and FP&A*

Good morning, and welcome to our first half 2026 results call. My name is Clara Valera, Strategy, Investor Relations and FP&A Senior Director. Joining me today on this call is our Executive Chairman, Eloy Planes; our CEO, Jaime Ramirez; and Xavier Tintore, our current CFO, who will step down on August 1. They will walk you through the presentation. And afterwards, we will open the floor for questions.

I am also pleased to have on the call Juan Graham, Fluidra's incoming CFO, who joined us on June 1. You can follow the presentation in either English or Spanish by selecting your preferred language in the drop-down menu at the bottom right-hand side of your screen. (Event Instructions) The presentation is available on our website, fluidra.com, and was filed with the Stock Exchange Commission earlier this morning. A replay of today's call will also be available on our website.

With that, I now hand over to our Executive Chairman, Eloy Planes.

Eloy Planes Corts - *Fluidra SA - Executive Chairman of the Board*

Thank you, Clara. Good morning, and thank you for joining our results call today and for your interest in Fluidra. Jaime and Xavier will provide more details shortly, but let me start with a few key points from my side. Our performance in the second quarter was outstanding, reflecting the effectiveness of our strategy and the quality of our business. This enable us to continue strengthening our leadership position and generating solid results across dynamic market conditions. Jaime will comment further on this.

We delivered continued sales growth and complemented this with initiatives to protect margins while continuing to invest in our strategic priorities. Over the six months period, sales were up 5% year-on-year at constant FX with positive volume and positive price. Adjusted EBITDA was up 6%. In a market that remains below historical new build levels, we continue to outperform through disciplined and consistent execution, strong customer focus and continued market share gains.

Cash generation was strong, allowing us to further strengthen our balance sheet and continue reducing leverage. Given our performance in the first half and current trading, we are maintaining our full year guidance. We remain focused on delivering the year with discipline and agility while closely monitoring the trading environment. I'm proud with how the team is executing in a volatile macro environment. We are making strong progress against our priorities, and we remain firmly focused on building a stronger and better Fluidra.

Supported by the structural attractiveness of our industry and the resilience of our business model, we remain confident in our ability to continue creating value for shareholders now and into the future. Finally, today, we are launching a EUR40 million share buyback to enhance shareholder remuneration. At current valuation levels, we believe buying back our own shares is an attractive investment and a clear demonstration of our confidence in Fluidra's long-term value.

Before I hand over to Jaime, I would like to take a moment to recognize Xavier's contribution over his 16 years at Fluidra. As you know, Xavier will be stepping down as CFO this August. 16 years leave a mark on any company. Xavier's mark on Fluidra will remain for many years to come. On behalf of the Board, the management team and everyone at Fluidra, I want to thank Xavier for his outstanding contribution. His leadership, professionalism, integrity and unwavering commitment have played a defining role in shaping the Fluidra we know today.

On a personal note, Xavier, it has been a genuine privilege to share this journey with you. We have grown alongside this company, faced many challenges together, celebrated many successes and always kept the long-term interest of Fluidra at the center of every decision. For that and for your friendship over all these years, I will always be grateful. We all wish you every success and happiness in the next chapter. Xavier from the bottom of my heart, thank you very much.

I'm also delighted to welcome Juan as our new CFO. Juan brings extensive international experience in finance, strategy and business leadership together with a strong track record of delivering profitable growth and creating shareholder value. Over the past weeks, he has been working closely with Xavier and the wider leadership team to ensure a smooth transition, and I'm pleased to have him on board as we continue executing our strategy and entering the next chapter of Fluidra's development.

Juan, welcome to the team.

Juan Graham - *Fluidra SA - Chief Financial Officer*

Thank you, Eloy Planes and the team for your warm welcome. I'm very pleased to be joining Fluidra as its next Chief Financial Officer, and I appreciate the opportunity to speak on this call for the first time today. Although I'm still early in my journey with the company, I have already spent considerable time with the leadership team, our finance organization and colleagues across the business.

My initial impressions are very positive. I have been particularly struck by the strength of the company's competitive position, global reach, its depth of its brands and customer relationships and the commitment of our people worldwide. There is a great deal of expertise throughout the organization, together with a clear understanding of the opportunities and challenges ahead.

I have also been positively impacted by the strategic direction of the business. Our priorities are clear: accelerating our growth, fostering competitive differentiation and enhancing operational excellence. As an organization, we have internalized these priorities into delivering on sustainable growth, expanding margins, improving cash generation and maintaining a disciplined capital allocation. These objectives are well understood across the leadership team, and I see good alignment around their execution.

At the same time, I'm approaching the role with an open mind. My focus has been on listening, understanding the business in detail and developing a fact-based view of where we are performing well and where we can raise the level of visibility and speed of execution. My initial experience has reinforced my enthusiasm about joining Fluidra and my confidence in its long-term potential.

I look forward to meeting many of you over the coming months, listening to your perspectives and building an open and constructive dialogue. I understand the importance of credibility and consistency in this role, and I'm committed to earning your trust through clear communication and strong execution. I also want to take this time to thank Xavier for his support through my transition and wish him the very best in his next chapter.

Thank you, and I will hand over the call to Jaime.

Jaime Ramirez - *Fluidra SA - Chief Executive Officer, Executive Director*

Thank you, Juan, and good morning, all. First, I would like to thank Xavier for his contribution and close collaboration since I joined Fluidra. It has been a real pleasure to work with you, and welcome aboard Juan.

Let me start with the highlights of our first half performance before Xavier takes you through the financials in more detail. We delivered another strong set of results, growing sales year-on-year 5% at constant currency. Adjusted EBITDA was up 6% with a stable margin year-on-year. This performance is driven by our relentless focus on serving customers, the resilience of the aftermarket and our ability to consistently gain market share across our key markets. This is not by coincidence, but by design.

For many years, Fluidra has been focused on being a reliable partner to customers around the world. We stand out for delivering on time, innovative, high-quality solutions that make the lives of pool professionals and pool owners easier. And we continue to work to make our platform stronger, more efficient and more effective. Of course, this goes hand-in-hand with sharp focus to deliver on our financial objectives for our investors.

In the second quarter, sales grew 5% at constant rate, while adjusted EBITDA increased 8%, demonstrating the operating leverage of the business. This reflects a strong sequential improvement in the second quarter, supported by pricing actions and the decisive cost measures we have implemented, which have successfully offset inflation and an unfavorable mix. Adjusted EPS increased by 7%, demonstrating the strength of our operating performance.

Finally, our balance sheet continues to strengthen. Strong cash generation and disciplined working capital management enabled us to further reduce net debt, bringing leverage down to 2.2 times net debt to adjusted EBITDA. Overall, these results demonstrate that we continue to execute our strategy well. We're growing ahead of the market, improving the quality of the business and creating value while remaining disciplined and well positioned for the remainder of the year.

Turning to Slide 6. On the right-hand side, you can see 3% volume growth in the period and a positive price contribution. M&A was small but positive, while FX had an overall negative effect on sales in the first half. However, this impact is lower than in the first quarter when it had a negative effect of 5%.

By region, North America achieved 4% growth year-to-date at constant FX and perimeter, with sell-through across our channels up high-single-digits, outperforming the market. This reflects consistent and continued market share gains and underscore the strength of our customer-centric model with excellent service, our strategic focus on the Sunbelt region and our position in the mid to high-end segments.We're managing well sell-in and sell-through dynamics across our customer network, and we feel confident with the level of inventory in the channel today.

In Europe, positive momentum continued in Southern Europe with a strong demand this summer season, supported by good weather and tourism. Sales were up approximately 8%. France delivered strong growth, continuing the positive trend we've seen in the last 12 months, driven by our commercial actions and some market recovery, while Spain continued its resilient growth trajectory.

The rest of Europe was affected by mixed demand and the timing of commercial pool projects. The rest of the world grew 3% at constant FX and perimeter, with impact in the second quarter from the situation in the Middle East, a region representing around 3% of group sales, which was offset by the solid performance in countries like South Africa, Morocco or Egypt.

In summary, while demand for new build remains soft across most of our markets, aftermarket activity is solid, and we continue to expand our share across core regions. We have the leading global platform with geographic diversification and a strong presence in key pool markets across the globe.

Turning to Slide 7. Let me walk you through how we are executing our strategy. First, on accelerating growth. We continue to sharpen our focus on commercial excellence initiatives that bring us closer to our customers and unlock our market potential, including further developing our pricing framework and strengthening our go-to-market strategy.

On the acquisition front, Aiper continues to perform well and remains in line with our expectations, with sales growing 21% year-on-year in the first half. As anticipated, profitability is modest at this early stage as they are investing in R&D and marketing, but we're working with the business to deliver the plan. Looking ahead, we expect to complete Phase 2 of the transaction by 2027, creating a leading global platform in robotic pool cleaners and strengthening Fluidra's leadership position in one of the fastest-growing categories within the industry.

At the end of July, we also signed the acquisition of Hydrapro in France, strengthening our water treatment platform and reinforcing our position in one of our key European markets. Subject to customary conditions, the deal is expected to complete in early 2027 and will add approximately EUR30 million of annual sales. In addition, we expect to complete the acquisition of Riaan Pool Group during the third quarter. With annual turnover of around EUR10 million, it further expands our presence in South Africa.

Second, on fostering competitive differentiation. Our digital road map continues to advance. PoolTrackr is now live in both the US and Australia, and we remain on track to launch in the first European markets in early 2027. Innovation remains a key differentiator for Fluidra. We have a good pipeline of breakthrough innovative products. For instance, we're excited to be launching in the second half our latest innovation, JANDY-EDGE, which reimagines pool automation with the aim of bringing a clean, modern, intelligent smart home style experience to the backyard that not only simplifies the pool experience but makes it enjoyable.

On top of that, we have been focusing on several aftermarket drop-in solutions that are easier for the pool professional to install and for the pool owner to use, launching for the 2027 season.

Finally, on enhancing operational excellence. We continue to execute the actions announced earlier this year to protect margins against higher inflation. Our efficiency plan continues to deliver as expected, generating approximately EUR15 million of savings year-to-date while improving the structural competitiveness of the business. Our plan to optimize our manufacturing footprint is on track. The new facility in Tangiers will start in Q3 to serve core global markets.

The fixed cost reduction initiatives announced in the first quarter are progressing well and are delivering the expected savings. During the quarter, we also completed the closure of our R&D center in France as part of our broader optimization efforts. Overall, we continue to make good progress across all three strategic pillars, giving us confidence that we're building a stronger, more competitive business with an even better platform for long-term profitable growth.

And now I'll turn it over to Xavier.

Xavier Tintore Segura - *Fluidra SA - Chief Financial & Sustainability Officer*

Thank you, Jaime. Let's turn to page 8 to start with the P&L. Sales of EUR1.258 billion represent a 4.9% increase year-on-year with significant negative FX impact of 230 basis points and positive impact from acquisitions of 50 basis points of growth. I will be commenting variances on constant currency. Gross margin performance was good and reached 56.5%, flat year-on-year with inflation and negative mix offset by the positive impact of pricing and the benefits of the efficiency measures.

Operating expenses amounted to EUR389 million, up 4.7%, with continued investments in digitalization and R&D to enhance the future growth of the business and general inflation in labor and other costs. As we indicated in our last result presentation, we are starting to see the benefits of the cost reduction measures executed, which will lead us to full year OpEx increases of around 3.5% at constant FX.

Adjusted EBITDA of EUR321 million was up 5.7% and adjusted EBITDA margin was 25.5%, flattish year-on-year. This is a strong performance considering the changing macro environment we have faced with higher inflation, lower activity in the Middle East in the second quarter and new build at the lower end of our expectations. Our decisive action on implementing price increases and restructuring initiatives together with some tariff recovery at the end of the period have supported this performance.

Adjusted EBITDA of EUR268 million is up 6% with a margin of 21.3%, which is 20 bps above last year's. Below the adjusted EBITDA line, PPA amortization is down 6.3% to EUR26 million. Restructuring, stock-based compensation and other expenses of EUR35 million are up year-on-year as we have executed a significant portion of the reorganization plans of the year, including the closure of an R&D center in France and headcount reduction.

Additionally, we continue to progress with our manufacturing footprint project, closing a plant in China and a plant in Oregon, USA. Financial result amounted to EUR34 million, slightly up at constant rate versus 2025 despite having executed the extension to January 2029 of the EUR450 million revolver credit facility, which included around EUR2 million in one-off costs. Tax rate was 26%, similar to the one of 2025. Net profit reached EUR126 million, a decrease of 2.9% as the increase in restructuring expense more than offsets the improvement of operational results.

As you know, we track adjusted net profit, a good indicator for Fluidra as we have a significant amortization charge, entirely purchase accounting related, that impacts our net profit and EPS calculation. Adjusted net profit amounted to EUR175 million, 7.1% higher than last year.

Page 9 shows the free cash flow evolution as well as the net debt position. Free cash flow generated in the period has been EUR16 million. That compares to a use of cash of EUR74 million last year. Let's look into the different components of this strong performance. Operating cash flow was EUR81 million versus EUR31 million last year due to better contribution of net working capital, thanks to higher payables driven by the increased activity in the quarter and some accruals associated to the restructuring actions, coupled with stable inventories and receivables.

Overall, the net working capital to sales ratio is at 22.5%, 230 bps lower than last year. On the investment front, we have used EUR40 million versus EUR80 million a year ago. The variance is generated due to the size of VarioPool, the acquisition that reinforces our commercial pool business versus the BAC acquisition and other investment cash flow last year. On the financing front, we have seen a flat evolution.

Finally, net debt reached EUR1.101 billion, down EUR16 million compared to the prior year period, with FX starting to impact negatively as the euro has weakened versus the US dollar at the end of June versus the prior year period. Our leverage ratio is 2.2 times versus 2.3 times ratio last year.

And before I turn the call to Eloy, allow me to share one personal reflection. This is my 64 consecutive quarterly results presentation and my last one as CFO of Fluidra. Looking back, I realize the story of these years has never been about a single quarter. It has been about building a stronger company quarter after quarter, year after year.

Today marks a personal transition, but for Fluidra, it is simply the natural evolution of the company. I would like to thank our shareholders, analysts and the wider financial community for your professionalism, your challenging questions, and above all, for the constructive dialogue we have shared over the years. I have learned a great deal from those conversations.

I also want to recognize the Finance and Investor Relations teams. Behind every earnings release, every annual report and every presentation, there has been an extraordinary group of professionals committed to providing transparent, consistent and meaningful information so that investors can make well-informed decisions.

Finally, I leave with complete confidence in the future of Fluidra. The company has outstanding people, a clear strategy and a strong leadership team. Thank you for your trust over all these years.

And now, back to the Chairman to wrap up the presentation.

Eloy Planes Corts - *Fluidra SA - Executive Chairman of the Board*

Thank you, Xavier, and thank you again for being one of the people to help build a strong Fluidra year after year. Let me finish with a few key takeaways from today's presentation. We delivered a strong first half, growing ahead of the market and in line with our expectations despite a challenging macroeconomic environment. The resilience of the aftermarket, our strong focus on customers and continued market share gains once again demonstrates the strength of our business model. At the same time, we have continued to execute with discipline.

Our cost actions are delivering as planned, supporting profitability while allowing us to continue investing behind our strategic priorities. Combined with the strong cash generation and disciplined working capital management, this has further strengthened our balance sheet. Based on our first half performance and current trading, we are maintaining our full year guidance. We are focused on executing what we can control while closely monitoring the external environment and responding with agility. Today, we are launching a EUR40 million share buyback to enhance shareholders' remuneration.

This is a clear demonstration of our confidence in Fluidra's long-term value. Looking ahead, we remain confident in our future. We are consistently executing our strategy, accelerating growth, strengthening our competitive differentiation and enhancing operational excellence to build an even stronger business and continue delivering attractive returns. All of this supported by the structural attractiveness of our industry. All of that give us confidence in our ability to continue creating value.

Now I hand it over to Clara for the Q&A.

QUESTIONS AND ANSWERS

Clara Valera - *Fluidra SA - Senior Director of Strategy, Investor Relations, and FP&A*

Thank you, Eloi. We now begin the Q&A session. (Event Instructions)

Chitrita Sinha, JP Morgan.

Chitrita Sinha - *JPMorgan Chase & Co - Analyst*

Hi. Good morning, guys. Thank you for taking my questions. I have three please, and I'll take them one by one. So firstly, just regarding some inventory levels at the distributors. I know this is one of the concerns recently. Maybe if you could touch on your own view with regards to what you're seeing amongst your customers and if there's any risk into H2 here?

Jaime Ramirez - *Fluidra SA - Chief Executive Officer, Executive Director*

Okay. So on the inventory side, this is a great question, as we think about the nature of our business being a seasonal business, and we know there has been a lot of noise in the market on this topic. We feel very good about our inventory situation across the different channels. We work very closely with our customers. We have great relationship with all of them. And one of the key indicators to you is the sell-in and the sell-out numbers. So, we said at the beginning of the year in Q1 that our sell-out was up in double digits.

Our sell-out in Q2 is in the high single digits and our sell-in for the first half in North America is in the mid-single digits. So you see that there is a clear liquidation of inventory. So we're very comfortable with the level of inventories we have in the channel today.

And we feel very good about our position to get into the second half as we think about what's coming, getting ready for the next season. but also because we're very focused on launching, as you heard in the speech, a lot of new products, a lot of new things, especially in the North American market.

So we're very happy with where we are. We're very happy with the balance between sell-in and sell-out, and we look forward to a very good second half in terms of how healthy our position is in the channels.

Chitrita Sinha - *JPMorgan Chase & Co - Analyst*

Thank you so much. My second question is just on the margin. I'm just wondering if -- just in the quarter, if you saw any benefit from tariff refunds?

Xavier Tintore Segura - *Fluidra SA - Chief Financial & Sustainability Officer*

Yes, I'll take that second one. We are happy with the performance of the margins in the quarter. We saw positive impact of pricing. We saw the benefit of our efficiency plans, and that was coupled by, as I said in the call, a negative mix impact, especially highlight the pressure we are seeing on robots. But all in all, the performance is very good, and we are comparing to a very high comparable that we had a year ago.

So very solid performance. There has been a small refund in the last part of the quarter, but we report it under the OpEx line.

Chitrita Sinha - *JPMorgan Chase & Co - Analyst*

Okay. And then my final question is regarding the development in commercial, which I think was down about 10% in the quarter. So if you could just elaborate on the performance there?

Jaime Ramirez - *Fluidra SA - Chief Executive Officer, Executive Director*

Great question. So the commercial business continues to do really well. It's our project-oriented business. Last year, we had a very strong -- let me start with last year. Last year, we had a very strong Q2 in commercial projects.

What is going on this year is with the Middle East situation, we're seeing that, that was the most impacted business in Q2. And there is because of the uncertainty, some delay on the projects. The pipeline continues to be very good, but it's more about timing than the issue or the situation we face in Q2.

Chitrita Sinha - *JPMorgan Chase & Co - Analyst*

Thank you so much guys. And all the very best Xavier.

Clara Valera - *Fluidra SA - Senior Director of Strategy, Investor Relations, and FP&A*

Carlos Caburrasi, Kepler.

Carlos Caburrasi - *Kepler Cheuvreux SA - Analyst*

Thank you, Clara, and good morning, everyone. Thank you for the presentation and for taking my questions. I have three. But before I jump to it, Xavier, I just wanted to wish you all the best for the future. And now, coming back to the questions. First, I was wondering if you could walk us through the volume and pricing dynamics across the different markets.

Second, following the meaningful increase in restructuring costs, I was wondering if you could give us more color on the main moving parts of the development in Q2 and how you expect this cost to evolve over the coming quarters and into 2027. And here, are the EUR50 million announced in Q4 2025 still confirmed? Or should we now expect a larger impact?

And lastly, on shareholder remuneration, I was wondering if buybacks could eventually become a recurring piece of the capital allocation policy rather than remaining just opportunistic.

Xavier Tintore Segura - *Fluidra SA - Chief Financial & Sustainability Officer*

So let me start -- Carlos, thank you. Thank you for your nice wishes. And let me start going backwards on shareholder remuneration. As you see, we have shareholder remuneration on our capital allocation policy today is like what you have seen over the last few years, so a little bit more opportunistic, seeing when really we believe that this is a good deployment of cash based on where we see the value of the share. There's ongoing discussion about should we adjust or not our capital allocation? But at this point in time, this is what you should expect from us.

We have a consistent capital allocation policy. And today, buybacks are just a special consideration on an opportunistic cases. If we go to your second point, the restructuring cost evolution, as I said in the call, the big components of the impact that you see in the quarter is the closure of the R&D center in France, the closure of the plant in China, the closure of the plant in Oregon as well as the fixed cost restructuring plan that we indicated in Q1. We confirm that the impact for 2026 is going to be between EUR50 million to EUR55 million, including the stock-based compensation charge as we said.

And what is happening really is that we are anticipating some of the actions that we shared with you in our Capital Markets Day and at the beginning of the year. So some of these expenses were planned for 2027. And what is happening is that we are going slightly faster in the plan and recognizing those expenses than what we had anticipated.

Jaime Ramirez - *Fluidra SA - Chief Executive Officer, Executive Director*

So on the volume side, you saw the number, the total number for our company in Q2. We had 2% price and 3% volume. So if we go across the regions, and I will get a little bit deeper into the total numbers, we're very happy with the volume performance. Let me start with Europe. We had a phenomenal volume performance in Q2, almost 6% to 7% growth.

North America volume was around 1%, 1%-something. And in terms of pricing, if we go across the regions, we can call that, that 2% is kind of an average across with a little bit of ups and downs. On the pricing side -- so on the volume side, we're very happy. We continue gaining market share in North America. The share gains we're getting are reflected through the sell-out numbers that we're seeing that we're very happy.

And in terms of pricing, this is a combination of our mix, the impact of our robotics business that we were very happy with the performance of Aiper, but that business for the legacy Fluidra business has an impact in our numbers. And then the rest is geographic and product mix. some of the categories we have in the -- especially on chemicals in Europe. That's the performance across all the businesses. So happy with the volume piece and also very happy with the pricing given the market circumstances and what is going on with the mix.

Clara Valera - *Fluidra SA - Senior Director of Strategy, Investor Relations, and FP&A*

Rajesh Patki, Barclays.

Rajesh Patki - *Barclays Services Corp - Analyst*

Yes, good morning all. I've got three questions and would like to go one by one. Firstly, I think you mentioned small refund related to the tariffs. Could you please quantify? And is there more to come on this during the second half of the year? Just to understand what the total exposure there is.

Xavier Tintore Segura - *Fluidra SA - Chief Financial & Sustainability Officer*

Yes. As I said, in the last part of Q2, we received some refund, around EUR5 million of refund in the quarter. We have additional refunds to receive in the -- well, I mean, the situation, obviously, is a little bit unknown because we don't have the timing. But we expect potentially anywhere between additional EUR5 million to EUR10 million. However, let me also be clear that, I mean, the situation is there's a lot of moving parts.

First, it's not clear when and how we will receive those refunds. There were new tariffs also announced recently as of the last weekend, which also have an impact on our numbers. And in addition, the situation with the conflict in the Middle East and inflation is also not clear.

So, all in all, although there's going to be positive and negative impacts, we believe that there is not going to be a very significant impact coming in the second half of the year. However, also, let me be clear that regardless of whatever the situation is with tariffs, we don't need those to be within our guidance.

Rajesh Patki - *Barclays Services Corp - Analyst*

That's very clear. The second question is about the US and the dislocation seen at your competitor, do you believe you have gained market share there? And would you say this is structural?

Jaime Ramirez - *Fluidra SA - Chief Executive Officer, Executive Director*

Yes. We're -- as I said before, we are very confident on the market share gains we've been having in the North American business. And let me kind of give you a little bit of color on this. Fluidra has been very careful and very thoughtful after what happened during COVID with how the company has managed inventory, how the company has managed the balance between sell-in and sell-out.

So we're not worried about the inventory in channels, and we've been working very closely with our customers to make sure that we have good sell-in connected to absolutely the sell-out. At the same time, this is part of how we structurally work the business and work with our customers in terms of proximity, in terms of how we continue working on demand generation, converting products into our products, in terms of the quality of our products, in terms of how we support inventory.

So, for Fluidra, the situation, as I said before, in the market is very healthy, getting out of the season, and I think that's a very important point. As we get ready for the second half, we feel in a very good position. And we have very good plans in terms of new products and innovation for the second half of the year as we get ready for the early buy and the beginning of the 2027 season.

Rajesh Patki - *Barclays Services Corp - Analyst*

Sorry, can I add a follow-up on that? Have you already started thinking about next year's pricing strategy? Some of your peers seem to suggest that pricing needs to be lower than prior years. Any thoughts on how you're thinking about market share versus margin dynamic for next year? That would be great.

Jaime Ramirez - *Fluidra SA - Chief Executive Officer, Executive Director*

That's a great question. As Xavier said before, I mean, we're -- the market is very dynamic. We're having a lot of moving pieces. So, we're working in that process internally and also talking to our customers. So more to come on that topic, but we cannot be specific right now.

Rajesh Patki - *Barclays Services Corp - Analyst*

Very clear. And my last question is about the buyback announcement, which was a surprise today. Are you seeing the valuation on potential M&A opportunities to be at premium to Fluidra's share price? And if the financial markets continue to be unappreciated, how far are you willing to go with the buybacks?

Xavier Tintore Segura - *Fluidra SA - Chief Financial & Sustainability Officer*

Yes. I'll take that one. Look, the buyback, as I said, is opportunistic. It's EUR40 million, around 2.1 million shares. So it's fine.

And as I said earlier in my reply to one other colleague, it's part of our capital allocation that we take those opportunities when they come. As to how we see the market and we see M&A, I mean, clearly, if I look at how we have completed the recent acquisitions, we have acquired them at multiples around 5 to 6, 6.5. So, clearly below our multiple. So I think that's what I can tell you from that front.

Rajesh Patki - *Barclays Services Corp - Analyst*

It's all very clear. Thank you very much and all the very best of you.

Clara Valera - *Fluidra SA - Senior Director of Strategy, Investor Relations, and FP&A*

Juan Canovas, Bestinver.

Juan Canovas - *Bestinver - Analyst*

Hi, good morning. Thank you for taking my question. I have a couple. The first one, on the improvement in payment conditions, can you comment whether this is something that we are likely to continue to see in the future or it is a one-off? Second, on Aiper, could you provide some hard figures rather than the sales growth figure? I mean it would be great if you could give us the sales for the year-to-date.

Third, on the -- I mean, going back to the share buyback comments. I take it is because you see your valuation very low. In the past, it has been commented that you might have been looking at US listing. And I wanted to ask Eloy whether you consider this as closer than a year ago or you are still considering this as a potential long-term initiative, but nothing over the short term?

Xavier Tintore Segura - *Fluidra SA - Chief Financial & Sustainability Officer*

Let me start by taking the first one. Improvement in payables, as I said in the call, -- there is a little bit of one-off benefit as we have significant accruals coming from the process of closing the R&D center in France and the plants in China and in the US. Is there opportunity in terms of trade payables?

Yes, there is a little bit of opportunity in continuing to improve trade payables as we evolve as a company. And -- but that will be part of our improvement in how we manage capital. And if you look at our history, we have a history of improving our net working capital to sales ratio step by step. If I go back to my early -- 64 quarters ago, we were above -- well above 30% at year-end. And as you know, last year, we closed around 17%.

So there's been significant improvement. If I look at the second question, just to giving you hard figures, that 21% growth means that Aiper has delivered sales of around $180 million, as I said, with around 6% EBITDA IFRS margin. So very pleased with the growth story. They are on an improving trends on EBITDA margins, but they are still investing on -- investing heavily on R&D and marketing to develop the brand and to continue to fuel growth.

Jaime Ramirez - *Fluidra SA - Chief Executive Officer, Executive Director*

Yes. Just to add on Aiper, that number, as Xavier said, is a 20% revenue growth versus last year. And as we monitor the market, they continue to gain market share and perform really, really well.

Xavier Tintore Segura - *Fluidra SA - Chief Financial & Sustainability Officer*

As to the US listing, I mean, this is an option that is always there. As we have said over the last year, it's something that we continue to work, that we continue to develop, and we'll keep you posted as soon as there's news on that front, Juan. Thank you.

Juan Canovas - *Bestinver - Analyst*

Thank you, Xavier. All the best in the future.

Clara Valera - *Fluidra SA - Senior Director of Strategy, Investor Relations, and FP&A*

Francisco Ruiz, BNP Paribas.

Francisco Ruiz Martin - *Exane Bnp Paribas - Analyst*

Thank you very much. First of all, probably this is my 64th quarterly presentation as well with you, Xavier. So I would like to thank you for all these time we have together. Wish you the best in the future and hope to have some time to catch up in the future with less pressure than during these calls.

So getting back to my questions. I mean, I have two, which are follow-up as many others have been already answered. So the first one is, again, on the sell-in, sell-out situation. I mean, Jaime, you commented that there is, I mean, a gap between mid-single digit and high single digit between the 2, but you already reported a 1.5% volume growth, so a deceleration from this mid-single digit. This could imply certain level of risk for the coming quarters in a row.

The second question is on this refund of the tariffs. I mean, while, of course, the new tariffs will go on the gross margin, this refund goes on the OpEx. Is this 5% to 10% additional refund included in the 3.5% increase on OpEx growth for the year?

Jaime Ramirez - *Fluidra SA - Chief Executive Officer, Executive Director*

So Paco, thank you for the question. It's exactly the opposite the way we see it as we finish the season. What we're doing and we're very confident is we're liquidating inventory in the channel as the sell-out is higher than the sell-in. So we're very pleased on how inventory is performing and how the team continues to perform in the US. And this is the ideal situation as you finish the season.

When we start the season, selling is strong. But as you finish the season, this is exactly where you want to go, higher sell-out and lower sell-in.

Xavier Tintore Segura - *Fluidra SA - Chief Financial & Sustainability Officer*

As to your second question, Paco, no, we don't need that -- we don't need the tariff refund to get to that 3.5%. That would be incremental or lower reduction, let's say, in the back half.

Francisco Ruiz Martin - *Exane Bnp Paribas - Analyst*

Thank you.

Clara Valera - *Fluidra SA - Senior Director of Strategy, Investor Relations, and FP&A*

Christoph Greulich, Berenberg.

Christoph Greulich - *Joh Berenberg Gossler & Co KG - Equity Analyst*

Good morning and thanks for taking my questions. It's two from my side, please. Firstly, I wanted to ask about the distribution side of the industry in North America. It seems like there have been some shifts in the market shares among some of the leading players. And I was just wondering if you think that has any positive or negative implications for your business? And then I wanted to also ask about the latest trends in Europe.

So we've seen quite a bit of extreme heat. We have seen quite a lot of wildfires. Do you see any impact there on your business?

Jaime Ramirez - *Fluidra SA - Chief Executive Officer, Executive Director*

On the first question, we see it in a very simple way, which is we have great relationship with all our customers, and we work very closely with them. And that's exactly how we work with the team. So, from that perspective, whatever trend we have in the market, we're going to be very aligned. We'll continue working on the strategic partnerships, and we will stay very close and build business plans together. So the shift in the market is -- it is natural.

That's the way it has to be or it is. We just got to have to continue supporting them, delivering good service, good quality products, good innovation. So on the -- and you can help me on this. On the fires, first of all, we feel very sorry about that situation. It's really a shame and it's affecting a lot of peoples and our thoughts are with them.

So the reality of warm weather, that brings opportunities for this business and the season from that perspective has been very positive. We can call it that way for the business, not positive from the people perspective, given the situation. But the season so far from that perspective has been very good.

Xavier Tintore Segura - *Fluidra SA - Chief Financial & Sustainability Officer*

Yes. I think clearly, pool is a climate refuge and that's something that is positive for the business from that perspective. It's an area where people can really feel better in the current weather environment. And clearly, that's a long-term opportunity for the company.

Christoph Greulich - *Joh Berenberg Gossler & Co KG - Equity Analyst*

Thanks a lot, and all the best to you Xavier.

Clara Valera - *Fluidra SA - Senior Director of Strategy, Investor Relations, and FP&A*

We seem to have a couple of follow-up questions if I'm not mistaken.

Chitrita, would you like to go ahead?

Chitrita Sinha - *JPMorgan Chase & Co - Analyst*

Hi, thank you for taking my follow-up. I just wanted to dig deeper into that tariff refund comment. So just so I'm clear, there was a EUR5 million impact, and that was -- that increased adjusted EBITDA a bit by EUR5 million. And similarly, your comment into H2, we can expect another EUR5 million to EUR10 million benefit maybe Q3, Q4. Is that right? Thank you.

Xavier Tintore Segura - *Fluidra SA - Chief Financial & Sustainability Officer*

Yes, Chitrita, that's right. That's what I said. Also coupled with the fact that there's a lot of moving parts in that second half of the year with incremental tariffs that were recently announced by the Trump administration. inflation associated to the conflict in the Middle East, which -- it seems to finish and then it seems to continue. So there's a lot of moving parts.

Yes, there's a potential benefit in the second half of the year associated to the refund, which I remind everyone that we don't control the timing of the refunds. But I would say that even with the refund, if you take that out, the performance in the second quarter has been fantastic.

Chitrita Sinha - *JPMorgan Chase & Co - Analyst*

And if I could just follow up with regards to the unchanged guidance for the full year. I mean, just maybe if you could touch on some of the moving parts with regards to maybe the low end and the high end of the margin guidance, just given that refund commentary. Thank you.

Xavier Tintore Segura - *Fluidra SA - Chief Financial & Sustainability Officer*

Clearly the -- probably the refund is the moving part. We have -- when we look at guidance, we have confidence in the midpoint of the sales range. On the margin side, as we expressed in the Q1 call and we have expressed today, we're probably more in the low-to-mid-end due to the impact of inflation, which we are offsetting with pricing, but we are offsetting in absolute. So therefore, it has an impact on a margin percentage. And then clearly, the potential tariff refund will be helpful.

Again, putting that caveat up front of -- there's incremental tariffs, there's inflation. So the situation has a lot of moving pieces in it.

Chitrita Sinha - *JPMorgan Chase & Co - Analyst*

Very clear. Thank you so much.

Clara Valera - *Fluidra SA - Senior Director of Strategy, Investor Relations, and FP&A*

Thank you, Chitrita. And we have one last question from a follow-up from Rajesh.

Rajesh, is that right? Would you like to go ahead?

Rajesh Patki - *Barclays Services Corp - Analyst*

Yes, please. I've got two follow-ups. First one, again, going back to the US. One of your channel partners had said their medium-term growth ambition of 6% to 9% might be challenging if conditions remain as they are currently. So interested to hear your thoughts on that.

Jaime Ramirez - *Fluidra SA - Chief Executive Officer, Executive Director*

Well, we continue with our plan in the US. The reality is, as you're seeing, I mean, the market is not helping new construction, is not getting better. But aftermarket continues to be a huge opportunity for us, and we have gained market share in aftermarket. At the same time, as I said before, working closely with our customers, improving how we serve the market, bringing new products, bringing new innovation. We see our objectives of growth in the midterm and long term in North America that will continue.

So we're very confident about what the team is doing. And probably the right way to put this is we focus on what we can control, not expecting that the market is going to change dramatically. We haven't seen that in the last 2 years.

Rajesh Patki - *Barclays Services Corp - Analyst*

Got it. Very clear. And a couple of housekeeping questions on cash flow. Do you expect the working capital to sales ratio to normalize in the second half? Or do you expect it to remain lower than last year? And can you remind us of the guidance on CapEx as well?

Xavier Tintore Segura - *Fluidra SA - Chief Financial & Sustainability Officer*

Yes. I would say that from a working capital perspective, at year-end, we would be around the same ratio as we were a year ago. And then in terms of CapEx, we would be around 3.5% of sales, more or less.

Clara Valera - *Fluidra SA - Senior Director of Strategy, Investor Relations, and FP&A*

Thank you. And thank you all for your questions and your interest in Fluidra. This marks the end of today's presentation. As always, the Investor Relations team is here if you have any further queries, and goodbye.
