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EDITED TRANSCRIPT

FLUI.MC - Q3 2026 Fluidra SA Earnings Call

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PRESENTATION

Clara Valera Jaques - *Fluidra SA - Strategy, Investor Relations, and FP&A*

Good morning and welcome to our Q3 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, Eloi Planes, our CEO, Jaime Ramirez and Juan Graham, our Chief Financial Officer. They will walk you through the presentation and afterwards, we will open the floor for questions.

You can follow the presentation in either English or Spanish by selecting your preferred language in the dropdown menu at the bottom right-hand side of your screen. (Operator 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 will now hand over to our Executive Chairman, Eloi Planes.

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

Thank you, Clara. Good morning and thank you for joining our call today and for your interest in Fluidra. Before I begin, we would like to express our deepest condolences to everyone affected by yesterday's tragic train accident in Toledo. Our thoughts are with those who have lost their lives, the injured, and their families, as well as with the teams working to assist them.

And now, turning to our results, while Jaime and Juan will provide more detail shortly, let me start with a few key points from my side. We delivered a strong performance in the first nine months of the year in a soft and volatile macro environment.

Our performance has been resilient and consistent in the context of our industry and once again demonstrate the quality of our business, the effectiveness of our strategy and the organization's productivity in recent months under Jaime's and more recently also Juan's leadership.

Year-to-date, sales were up 4% at constant FX, with volume growth led by Southern Europe and North America and sequentially higher price contribution. We continue to outperform the market. Our efficiency plan continues to pay off with savings and diligent cost control offsetting higher inflation and unfavorable mix effects.

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In the third quarter, we delivered a good performance over a strong prior year comparable, with sales up 3% at constant FX and adjusted EBITDA up 7%, reaching EUR107 million. We remain confident to deliver within our existing full-year guidance. Given our performance year-to-date and the current market environment, we are narrowing our range. Jaime will take you through the details later in the presentation.

We are focused on finishing the year with discipline and agility while closely monitoring the trading environment. Our strategy to continue to win is driving growth, differentiation and competitiveness to deliver value today and into the future.

This year, for the sixth consecutive time, we have been recognized by leading US distributors, a clear testament to the strength of our customer relationship, our service, and our brands. I'm proud of how the team is executing.

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 our shareholders now and into the future. And with that, I hand over to Jaime.

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

Thank you, Eloi, and good morning, all. Let me start with the highlights of our nine-month performance before Juan takes you through the financials in more detail. Year-to-date, sales reached EUR1,780 million, up 4% at constant FX.

Growth was driven by solid aftermarket demand, good execution and the contribution from M&A with continued market share gains. That allow us to once again outperform the market. Adjusted EBITDA was up EUR428 million, up 6% at constant FX with a margin of 24.1%, 20 basis points above last year.

Diligent cost control and the EUR23 million savings delivered by our efficiency plan offset inflation, showing the further improved operating leverage of the business. Adjusted EPS was EUR1.15 per share, up 6% at constant FX.

Net debt stood at EUR1,145 million and leverage was broadly stable year-on-year at 2.2 times net debt to adjusted EBITDA after completing the EUR40 million share buyback program launched in July, the formalization of the lease coming from our plan in Tangiers and some FX impact.

Overall, these results show that we continue to execute our strategy well. We're growing ahead of the market, protecting and improving our profitability and maintaining a strong balance sheet that gives us strategic flexibility.

Turning to slide 6, on the right-hand side, you can see the impact of the 1% volume growth year-to-date and the positive 2% price contribution, which accelerated in the third quarter as the pricing actions implemented earlier in the year flow through.

M&A added around 1 point of growth, mainly from the Variopool acquisition, while FX had a negative effect of around 1 point, a lower impact than in the first half. In the third quarter, sales grew 1% at constant FX on perimeter against a strong prior year comparable across key markets, US and South Europe.

By region, North American sales grew 3.5% year-to-date and 2.6% in Q3 at constant FX on perimeter, with sell-through across our channels up mid to high single-digits, outperforming the market.

Let me remind you that Q3 last year was very strong with 13% organic growth, so a difficult comparable. Our performance reflects continued market share gains driven by our customer-centric model.

Excellent service, our focus on the Sunbelt region, and our positioning in the mid to high-end segments. With sell-through running ahead of selling, channeling inventory of our products remains at healthy levels.

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In Europe, Southern Europe sales are up 6% year-to-date after a strong first half and a good and early summer season compared to a season that started late last year. The rest of Europe was up 1% both year-to-date and, in the quarter, affected by mixed market demand and the timing of commercial pool projects.

Sales in the rest of the world grew 1% year-to-date at constant FX and perimeter were broadly flat in the quarter with continuous softness in the Middle East, offset by solid performance of the emerging markets.

Commercial pool sales are down 4% year-to-date. When a strong prior year period, driven by the timing of some of the projects. We firmly believe in the attractiveness of this segment. We have a strong pipeline of projects for the months ahead. It is a matter of timing.

In summary, while demand for newbuild remains soft across most of our markets, the aftermarket remains resilient and we continue to gain share in our core regions, reflecting our initiatives being executed on our strong leading platform.

Turning to slide 7. I would like to take a step back and remind you why Fluidra is a strong business today and increasingly strongly positioned for the future. We are the global leader in an attractive industry driven by structural long-term trends.

We are the number one player in pool and wellness worldwide with around 65% of our sales coming from the aftermarket, which means the maintenance and repair of the existing installed base pools.

This provides resilience as our results this year demonstrate. We have a clear strategy to strengthen our global platform that is delivering results. On accelerating growth, we continue to invest in commercial excellence and to grow both organically and through acquisitions.

Aiper continues to grow in line with our plan. We completed the acquisitions of Variopool in the Netherlands. And Riaan Pool in South Africa, while the Hydrapro acquisition in France remains on track to complete in early 2027.

On our differentiated offering, we're investing in innovation, the connected pool bundle and a digital offering to enhance the pool professional and pool owners' experiences. This sets us apart. I will come back in a moment to our focus on accelerating innovation. And on enhancing operational excellence. Our efficiency plan is on track to deliver with approximately EUR23 million of savings year-to-date.

Our new facility in Tangiers started production in the third quarter as we continue to optimize our manufacturing footprint. Lastly, we're achieving our results while currently operating at historical trough levels of new pool construction in our largest market, the US.

In 2026, we expect new pool construction could be around 55,000 to 56,000 units, about 30% below the 2016 to 2015 average of 80,000. Even in this context, we continue to grow and gain share.

When new construction returns to more normalized levels, we'll benefit from the operating leverage of a solid, more efficient platform. We are a strong leading business today and well positioned for the recovery.

Moving to the next slide. What makes us the partner of choice across the pool ecosystem? Industry-leading innovation with differentiated solutions across automation, water care and equipment designed to simplify pool ownership and professional service a connected digital ecosystem integrating equipment, apps and digital services that enables smarter pool management for both professional and pool owners.

Our loyalty programs and rewards with trade exclusive products, programs and support, and tools that help professionals grow their business. And last but not least, our best-in-class service and capability building.

We provide full technical support to improve our customers' productivity and hands-on training through our Fluidra Pro Academy centers in the US, which we have opened since 2018. The result is reflected in the recognition we received from our customers.

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For the sixth consecutive year, we have been recognized by leading US distributors, including receiving the 2026 Growth in Partnership Award by our largest customer, something we are very proud of.

Innovation is one of the key levers to winning the market, and on slide 9, we want to put a spotlight on it. This slide introduces Infinity, our new intelligent pool operating system for the North American market.

The ambition is to move beyond connected products and basic control towards a platform that uses data to make pool ownership and servicing smarter, simpler and more personalized. This is ahead of any other solution in the market.

Infinity brings together our next generation products with trackr iO, Fluidra Pro and Fluidra Pool. That means a better day-to-day experience for homeowners while helping poor professionals install systems faster and troubleshoot more easily.

The platform is coming to life through a range of product and system innovations, launching at the end of 2026 into 2027, from automation and water sensing to pump control, lighting, sanitation, and heating. These solutions address both new build and aftermarket opportunities across different price points and can scale to match each pool owner's needs.

Ultimately, Infinity is designed to connect the products and digital tools around the pool in one ecosystem, improving the experience for both professionals and consumers while supporting growth across the market. These launches will support growth and share gains in the coming seasons. With that, I will turn it over to Juan to explain the financial results in more detail.

Juan Graham - *Fluidra SA - Chief Financial Officer*

Thank you, Jaime, and good morning, everyone. As my first earnings call as Fluidra CFO, I would like to say that I'm pleased to be here. I have already had the opportunity to meet some of you, and I look forward to getting to know the wider analyst and investor community.

My priorities are straightforward, support profitable growth, translate operating performance into cash, and maintain discipline in how we allocate capital. In our conversations with you, my focus will be on explaining what is driving results, how we're responding to changing conditions, and eventually on how that translates into our outlook. With that, let me turn to the financial performance for the period.

I will walk you through the P&L on page 10. Unless I say otherwise, all variances are constant currency and in year-to-date timeframe. There are three points I would highlight in our third quarter performance. First, resilient sales growth. Sales reached EUR1,780 million, up 3.3% on a reported basis.

Foreign exchange was a headwind of around 100 basis points, while acquisitions at around 90 basis points. At constant currency, sales grew by 4.3%, volume expanded 140 basis points and price added 200 basis points year-over-year.

Second, we protected our margins in a more demanding cost environment. Gross margin held stable at 56% year-to-date. Higher inflation throughout the year and some negative mix effect has been offset by efficiencies driven by our operations team coordinated by effective price actions.

We maintain strong cost discipline with year-to-date OpEx of EUR569 million, up 3% below the rate of sales growth, reflecting the cost reduction measures implemented to date delivering on previously communicated reductions.

Operating expenses as a percentage of sales landed at 32% of sales, improving by 30 basis points. We remain on track to keep full-year OpEx growth within our expected range of 3.5% to 4%. Adjusted EBITDA grew 6% to EUR428 million year-to-date, with margin up 20 basis points to 24.1%. Reflecting a good dynamic between growth and leverage year-to-date.

After taking into account depreciation and purchase accounting amortization, adjusted EBITDA rose 7% to EUR348 million, a margin of 19.6%. Third, our bottom line reflects the investments we are making to transform the business.

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Restructuring and stock-based compensation amounted to EUR45 million compared to EUR17 million last year. The year-on-year change is primarily driven by our manufacturing footprint project, the closure of the French R&D center and the restructuring measures executed this year, and they are in line with our plan.

PPA amortization was EUR39 million. And the financial result was EUR50 million, up 5.5%. Our effective tax rate was roughly 27%. As a result, net profit was EUR154 million, down 3%. Adjusted net profit, which excludes restructuring costs and purchase accounting amortization, grew 6% to EUR221 million.

We believe this is a better reflection of the underlying earnings power of the business. Page 11 shows the free cash flow evolution as well as our net debt position. Free cash flow generated in the period was EUR12 million compared to EUR6 million last year.

Operating cash flow was EUR223 million versus EUR199 million last year, reflecting our continued focus on working capital management. As a result, on a percent to sales ratio, operating net working capital stood at 19.1% compared to 20% last year.

On the investment front, we deployed EUR68 million versus EUR99 million a year ago, including the completion of the Variopool acquisition in March and Riaan pools in the third quarter. Financing cash flow was EUR49 million higher year on year. This includes our recently completed EUR40 million share buyback, EUR5 million higher dividend paid and EUR4 million of higher lease payments.

Finally, net debt reached EUR1.145 billion. This includes cash flow movements I described earlier in addition to the Tangiers lease formalization. And a negative foreign exchange impact as the US dollar was stronger at the end of September 2026 compared to the same time last year.

Our leverage ratio remained broadly stable at 2.2 times net debt to adjusted EBITDA. And now, I will hand back to Jaime to talk about our outlook for the year.

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

Thank you, Juan. Turning to slide 12 and our outlook for the year. We remain confident to deliver within our existing full-year 2026 guidance. Based on our performance to date and the macro environment we have described, we're narrowing our guidance range.

Our full-year 2026 guidance is now for sales to grow between 3.5% to 5.5% at constant FX, adjusted EBITDA margin to be between 23.3% and 23.5%. And adjusted EPS to grow 5% to 9%. On sales, the market environment remains mixed.

New pools on remodel are flat to lower, while the aftermarket maintenance and repair remains strong, supported by our share gains and positive sell-through in the US. Commercial pools should be flat to lower following a strong 2025. And M&A will make a positive contribution.

On profitability, the additional pricing actions we have implemented offset higher inflation in absolute terms with some impact on the percentage margin. At the same time, our efficiency initiatives and disciplined cost control continue to support our profitability.

We continue to do the hard work even while industry conditions are not at their peak. And we expect this to position us strongly as the environment improves. Now back to Eloi to wrap up the presentation.

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

Thank you, Jaime. Thank you, Juan. Let me close with a brief summary. We delivered a strong performance in the first nine months despite macroeconomic headwinds. We continue to gain market share and the growth of the aftermarket more than offset the weaknesses in new construction.

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We continue to execute our efficiency plan together with diligent cost control. We expect full-year sales growth and margin expansion year on year. We remain focused on executing what we can control while closely monitoring the external environment and responding with agility.

Looking ahead, we are confident in our future. We are consistently executing our strategy, growing organically and inorganically and delivering improving returns on capital over the medium term in an industry with attractive structural growth. And now I hand it over to Clara for the Q&A.

QUESTIONS AND ANSWERS

Clara Valera Jaques - *Fluidra SA - Strategy, Investor Relations, and FP&A*

Many thanks, Jaime and Juan, for your presentation.

(Operator Instructions)

Chitrita Sinha, JP Morgan.

Chitrita Sinha - *JPMorgan Chase & Co. - Analyst*

Yeah, hi, good morning guys. Thank you for taking my questions. I have three please. First one, just maybe on the tariff refunds that you saw in the quarter, maybe both on gross impact and then net impact from maybe the increase in tariffs as well and then maybe also what you're expecting into Q4?

Juan Graham - *Fluidra SA - Chief Financial Officer*

Hey, Chitrita, thank you for the question. Look, I think as we have seen and as we have communicated throughout the year in regards to tariff refunds. On a gross basis, we have roughly in this quarter around EUR8 million in terms of the refunds, which is primarily offset by a few one-timer components as well as new tariffs that have been implemented, right? So on the tariff front, if you see the EUR8 million, those in the quarter are offset roughly by EUR2 million.

Giving us a net tariff refund of around EUR6 million. For the remainder of the year, we see another headwind of around EUR2 million in tariff refunds for a net of EUR4 million for the remainder of the year.

And as I was mentioning initially, we also in the quarter experienced some one-time items such as the CFO transition, as well as other items, which if you normalize all these components. We see EBITDA roughly flat to where we landed at EUR107 million. So that's particularly the walkthrough there in the explanation of all these components.

Chitrita Sinha - *JPMorgan Chase & Co. - Analyst*

My second question just on price volume development, maybe if you could touch on that by region. I mean, I think you said that volumes grew in North America, but maybe just by other regions as well. That would be helpful.

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

On price, Chitrita, thank you for the question. We're very pleased with the growth we're having. We're growing price and we're growing volume as you can see in our numbers. So in North America, we executed price increases during the year. We just launched also a new price increase between 3.5% to 5% in line with the beginning of the season for 2027.

Volume is up in North America as well. In Europe, our plan is to increase price. We're planning to increase pricing around 2%. But in general, we're very pleased with our performance between price and volume as we have to deal with the inflation and the targets that Juan just mentioned.

Chitrita Sinha - *JPMorgan Chase & Co. - Analyst*

And then my final question, just on commercial, I mean, this is second quarter of negative organic development now. You mentioned that there's some projects that you see in the pipeline, but I'm just thinking, are these being pushed to the right? I mean, what are you hearing from customers and what kind of growth can we expect here now?

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

That's a very good question. Let's start with the fact that last year was a great year for commercial. We grew commercial, I think, more than 10% in 2025. And this is interesting because this is part of the things that I'm still learning in this business. It's a seasonal business and it's very difficult to predict.

So 2025 was a great year. This year, as we got into also what happened in the Middle East, we started to see a lot of delay in some of the projects. So the phasing of the projects was not as expected because of the macro. And that's impacting the numbers.

We do believe it's a key strategic area for us, it's a key strategic pillar for growth and what is very encouraging right now for us because we can see that is the pipeline. So we're signing projects for the future that will give us that revenue growth.

Again, the challenge with this is very connected to the macro situation and I have to say that the Middle East dynamics didn't help us in that specific segment. But we're very encouraged, we continue investing, and we see this as strategic pillar for growth.

Clara Valera Jaques - *Fluidra SA - Strategy, Investor Relations, and FP&A*

Carlos Caburrasi, Kepler Cheuvreux.

Carlos Caburrasi - *Kepler Cheuvreux SA - Analyst*

Thank you, Clara, and good morning, everyone. Thanks for the presentation and for taking my questions. Just two from my side. First, a follow-up on the tariff refunds, because I understand your revised EBITDA margin guidance includes the positive impact from the tariffs.

Therefore, if we exclude this one-off, the underlying margin would fall below 23%. Then how confident are you in achieving the current consensus expectations for margin in 2027, which is around 24%? And what would be the key drivers of that margin expansion?

And second, on Aiper, could you provide some color on the Q3 performance in terms of top-line growth, profitability on your expectations for the full year?

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Juan Graham - *Fluidra SA - Chief Financial Officer*

Hey Carlos, good hearing you as well, this Juan. Hey look, just let me clarify I think some of these components. I think as you mentioned for the remainder of the year, the tariff refunds, clearly I highlighted some of the components that I just mentioned.

That's why I also wanted to highlight the other one-timers that are important for us and for you guys to keep in mind, right, that there is incremental tariff refunds that we haven't had the chance as well to adjust pricing throughout the course of this year since they came in the middle of the year.

And certainly, as we head into 2027, those will be part of the consideration as we think about our price algorithm going into the next year. So that should be a piece there. The other one-time effect in which we consider as well the tariff refunds being a one-time effect, right, should also be netted out on a normalized basis as I just highlighted previously.

So going into the end of the year, we should see that the offsetting components of the benefit of tariff refunds that are also one-timers should also be taken into consideration and net-net what we see in the EBITDA margin for the end of the year is basically a true performance of the business, of the operations of the business.

So that's how I would see it. I think in 2027, we still need to evolve into our guidance and so on and take a look at all the components. So I'm not going to get into providing guidance into 2027, but certainly in 2027, we don't have tariff refunds.

As we said, we have new tariffs as well as we have new pricing coming on board. So our algorithm should enable us to maintain our ambition to continue to grow in EBITDA within the organization as we move forward.

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

Probably to add on that point for 2027, also it's kind of too early to tell, but as I said in the speech, we're very excited with the innovation, the new products, the materialization of our operational excellence projects with Tangiers now coming into action and also with all the initiatives we're working on, commercial excellence, revenue, growth management.

So those pieces for us are critical in terms of how we're going to protect and improve our gross margin. So that's part of what I was saying before about the strong position we're building and we have for 2027.

In regards to Aiper, we're very happy with the performance of Aiper. They continue growing. They grew 20% in Q3. They are working really hard on all the innovation on new products as we started getting ready for the new season. They are getting orders from customers. So we'll see a good performance for year-end and a very promising season in 2027.

Clara Valera Jaques - *Fluidra SA - Strategy, Investor Relations, and FP&A*

Francisco Ruiz, BNP Paribas.

Francisco Ruiz Martin - *Exane Bnp Paribas - Analyst*

Good morning. I have two questions, if I may. The first one is if you could give us some detail on early buys, although probably is too early in the US, and also some details or more specific details between the sell-through and the sell-in. During Q3 and how do you think it will evolve into the Q4?

And the second question is on the distribution situation in the US. Could you update it, what is the current relation between you and POOLCORP and Heritage? And what's your exposure to Leslie's and what is the situation of Leslie's?

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

So thank you very much. These are great questions. So I have to say that the way we think about success in gaining market share in the market is based on sell-through. And that, for us, is the real indicator of how good is the work we're doing in the market.

And we are very pleased. And as we said in the speech. Our sell-through is in the high-end single-digits in North America. This is information we got from our distributors. And we can say for sure that we are performing our competitors from that perspective.

And this is where also our sell-in numbers make total sense as you think about that we're not in decision, that we're getting out of decision. So the better the sell-through and a decent sell-in shows you that our inventory position is very healthy from that perspective.

With regards to distribution, let me start with Leslie's. All of us know it's public that they filed Chapter 11. I have to say that working with Leslie's before and now as we go through Chapter 11 has been great. They have been very open and the relationship has been fantastic.

We did a phenomenal job working with them to minimize risk, to try to support them as they were going into this process, to maintain sell-through, to have products, but minimizing risk. And I can tell you that we don't have any significant risk in our P&L because of what happened.

With the Chapter 11, we're in conversations to see how this is going to evolve. It's too soon to say, but we're very pleased. And with regard to POOLCORP Heritage, we have relationship with both distributors and we continue growing with them, we continue developing strategic programs, we feel very encouraged about the future with them.

And this is a great opportunity also for me to share with all of you that we won the growth revenue award from our number one distributor, which is a sentiment and is connected to what I just said about the sell-through performance of Fluidra in the North American market.

Clara Valera Jaques - *Fluidra SA - Strategy, Investor Relations, and FP&A*

Juan Canovas, Bestinver.

Juan Canovas - *Bestinver Sociedad de Valores SA - Analyst*

Hi, good morning. Yeah, I have a couple of follow-ups. The first one, I'm not sure you mentioned the how the early buy is developing in the US, that was a question. So if you could specify that, I would be very grateful.

Also on the sell-in, I think POOLCORP mentioned that they want to cut inventories next year. So, I mean, how might that impact you? Remember that in the first two conference calls of the years, you were mentioning that you wanted to, you were seeing an increase in sell-in in the second-half of 2026, which I guess would not happen.

And then I also wanted to touch base on gross margins. I mean, they have been falling across the entire industry. So, I mean, it seems that you have one of that better than most. But if you could give us an indication of what you expect, I mean, it seems now that price increases are not enough to cover the increase in expenses.

So if you can give it some color, that would be very good as well. Yes, I'll stop here. Otherwise, I'll monopolize the call.

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

On the early buy and I'm going to. And Juan will cover the gross margin question. On the early buy helps us to manage our supply chain and prepare really well for the next season. The early buy campaign is going well. It's in line with our expectations.

We're still finalizing that. So we feel good about the early buy and where we are for the Q4 and for the beginning of '27. In regards to the POOLCORP comment that you mentioned, we have a great relationship with POOLCORP.

We have a great program. Both companies are very pleased with the sellout of our products. So we will continue working strategically for 2027 on all the programs we have. And it's a great question because with all the innovation and all the things that are coming, we have a lot of ammunition to have a great 2027.

We believe in working with them that the inventory levels are where they need to be, and we're just working to maintain them healthy. So, Juan, on the gross margin question.

Juan Graham - *Fluidra SA - Chief Financial Officer*

Hi, Juan. Yeah, look, I think on the gross margin question that you highlight, I think we've -- coming into the company and looking at our gross margin performance over the year, I think it looks -- certainly, we're doing all the right things in an inflationary environment.

I think there's a couple of themes there in order for us to continue on our path to maintain or increase as well our gross margins. Certainly, I think the inflation environment is not helping with what we think is roughly around 4% inflation year over year as well as some mix impacting us unfavorably.

But on the other side, I think as Jaime alluded, we're not just doing the year-to-year efficiencies that we look at, but also we're doing structural changes to our operational excellence pillar in our core strategy that is also giving us additional levers for us to combat the increase in cost and so on.

That in addition to the commercial component of doing price increases is helping us really, quite frankly, weather the storm really well. And basically, I believe that we have a great performance in this environment, which is, as we all know, very challenging, but I think structurally and executionally, the business and the team are doing really well in order to deliver on our targets.

Clara Valera Jaques - *Fluidra SA - Strategy, Investor Relations, and FP&A*

You can go ahead if you have a follow-up.

Juan Canovas - *Bestinver Sociedad de Valores SA - Analyst*

Yeah, I have a follow-up. In terms of market shares, every quarter you mentioned you are gaining market share, I mean, could you. Give some sort of color to that, quantify perhaps? I mean, how much is the market growing versus new performance, especially in North America?

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

Let's start with the fact that the market is not really growing based on what we're seeing on new pool construction. So we're in a market and you know the numbers. I mean, new pools are between the 55,000 to 58,000 pools which is number is either flat or down.

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So the market is not growing. It's really the market share gain that we can have in aftermarket. There is not like an official number that we can take and we can make a comparison. The key indicator for us is the sell-through and how that continues to be in the high single-digits for us, specifically in North America, because that's information that we got from our distributors.

So from a global perspective, we have a platform, we have statistics and numbers that we're tracking and they show that we continue to outperform in all the markets. Our presence in Europe is fantastic. When you think about the penetration of Fluidra across all the markets, France, Spain, all the big. We're number one in all those markets.

Clara Valera Jaques - *Fluidra SA - Strategy, Investor Relations, and FP&A*

Rajesh Patki, Barclays.

Rajesh Patki - *Barclays Services Corp - Analyst*

Yes, good morning, everyone. I've got two as well. First one, I think you mentioned the price increase plan for 2% in Europe for next year. What are your thoughts for the US market and particularly in light of the competitive environment after the volatility or dislocation that we saw during the second quarter?

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

So now the plan, we already implemented in North America a 3.5% to 5% price increase, which is in line with what is going on in the market. We again, I go back to the same comment I made before, we feel very good about our market share and we continue very focused on how we serve our customers, how we bring new products to the market.

So the correlation between the sell-out and the sell-in for us is very healthy and the growth and the number we had in Q3 is in line with our full year expectations. We have communicated in the guidance.

Rajesh Patki - *Barclays Services Corp - Analyst*

Thank you. And after the conclusion of the EUR40 million buyback during the third quarter, what are your thoughts for the current quarter and next year?

Juan Graham - *Fluidra SA - Chief Financial Officer*

Hey, Rajesh, so this is Juan. Look, I think as you highlight over the course of the third quarter and as we communicated during our Q2 release, we executed on our EUR40 million share buyback, as we mentioned during that time, and as our capital allocation policy states that we would be in the market if we saw special opportunities to remunerate our shareholders, and we executed based on that premise.

Nothing is changed from that perspective, right? We will continue to evaluate as we move forward. We clearly want to make sure that we have a balanced capital allocation framework, which we discuss often. And if anything were to be executed going forward, we will certainly communicate it at that time.

Clara Valera Jaques - *Fluidra SA - Strategy, Investor Relations, and FP&A*

Manuel Lorente, Santander.

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Manuel Lorente - *Santander Osbkinc - Analyst*

Yes, hello, good morning. So my first question probably is on the pricing algorithm for next year. What are your thoughts of a lower price hike in Europe versus the US? My understanding of current circumstances is that input cost stocks are greater in the Europe than in the US. So that might imply, let's say, a higher competitive backdrop.

So I was wondering why prices should be lower in Europe than in the US I don't know if part of the answer is that the savings are also greater in Europe than in the US, but any comment will be helpful.

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

First of all, we manage pricing not across the markets. When we work on pricing, we see the competitive landscape, the market situation and with the teams, this is where we see we can go for next year.

It's part of also our cost infrastructure, cost basis, but this is related to the market dynamics and that's how we see there is not a single difference in terms of the analysis, you got to be aware of the landscape. You got to be aware of the competitors. All of you know that the mix also we have is different. We have chemicals in Europe. We don't have chemicals in North America. Those things make a difference.

So from that perspective, we feel those are the right price ranges. And let's also be very open on the fact that Europe is a more open market. We have a lot of Chinese competitors or the brands or the companies that we don't have in the US. So it's based on the market competitive landscape and the opportunity we can have.

Manuel Lorente - *Santander Osbkinc - Analyst*

Okay. And then my second question probably it's on the Infinity ecosystem. Do you believe that that might be a growth accelerator for next year, that it will require any additional capital allocation, investments or?

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

I love that question. So I have to say that the team in Fluidra, our engineers, our product people have done a phenomenal job bringing this product into life. By the way, it has been developed for years. It didn't happen from one day to another.

We already invested the capital. We accelerated investments. If you remember last year and also at the beginning of the year, when we were talking about SG&A investments, we said we're investing in innovation. Those were the investments we were doing on this kind of products, bringing engineers and bringing people.

And so it's in the numbers. We do believe this is a product that is going to bring a great solution. It's part of our innovation and the new products launch that we have for 2027. It's already been presented to the market.

What is great about that solution, as I said in the speech, it's a scale-up solution. So you're going to have a solution that could be for [$70,000] pool and can be also for [$300,000] pool. So we have that flexibility with the ecosystem.

So very encouraged, very happy with that coming. The team is excited. And by the way, the market, the dealers and the distributors are also very excited with that coming into 2027.

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Manuel Lorente - *Santander Osbkinc - Analyst*

And this will be only available in 2027 in North America, right?

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

This is North America. As we started to work on this, we focus first on the North American market and then it will come to Europe.

Manuel Lorente - *Santander Osbkinc - Analyst*

Okay, great. And just probably my final question on North American trends as well. Okay, new build segment, it's muted, it's volatile, it's complex. From your point of view. Are you experiencing also some consumer down trading, so any mix regarding consumers' preference on indications of early buys or any other metric? So do you expect any potential mix effect as we move toward '27, '28?

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

Let me see if I understand your question from the mix. We don't see -- I mean, we're dealing with mix dynamics today as we speak in an inflationary environment, in an environment where we've been increasing pricing. I don't see any significant difference going forward of us having to deal with mix management, with pricing.

What I see different, and I'm sorry to go back to the same point, is everything we're doing from innovation, new products and differentiation to really protect our growth and our profitability. That's one piece, and the other one is everything we're doing from the productivity perspective.

Clara Valera Jaques - *Fluidra SA - Strategy, Investor Relations, and FP&A*

Christoph Greulich, Berenberg.

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

Hi, good morning and thanks a lot for taking my questions. It's two from my side please. Can you share any kind of early view on the general sector backdrop that you anticipate for 2027? And then secondly, a follow-up on Aiper. Do you have any additional visibility on the timeline for the Phase 2. And yes, what would be the potential impact on Fluidra's EPS stemming from that transaction?

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

Christoph, can you repeat the first question, please? I didn't get exactly the question.

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

Just wondering with regard to the general sector backdrop that you anticipate for 2027, if you could share any early views on that?

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

It's tough to talk about 2027 right now with a high level of certainty to be honest with you. But what we're seeing is that we don't see a significant change in the new pool dynamics. It's going to be more about how we continue our focus on market share conversion in the aftermarket. That's where we do believe there is a huge opportunity.

And that's why, again, we are very focused on how we can generate fresh revenue through new products and innovation. The reality is that if you think about our growth this year, the growth is coming from gaining market share. It's not from any tailwind we're getting from the market. We do believe that's more or less the same situation for 2027. And then the second question is on.

Juan Graham - *Fluidra SA - Chief Financial Officer*

On Aiper Phase 2, well, I think generally on Aiper, I don't think we expect anything in the short-term here, Christoph, so nothing to anticipate for 2027. We will continue obviously working. We believe that we have a great growth platform here and great investment in Aiper. They continue to grow very attractively, but nothing in the horizon at this point in terms of Phase 2.

Clara Valera Jaques - *Fluidra SA - Strategy, Investor Relations, and FP&A*

Thank you, Christoph. I believe you have a follow-up because I see you here on the queue. Please go ahead.

That might be wrong. Okay. Thank you, everyone, for participating in the call today. And I would like to also thank our speakers. As always, feel free to reach out to the Investor Relations team if you have any further questions. And before I hand over -- before I close the call, I hand it over to Jaime for some closing remarks.

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

Thank you, Clara. So I really want to close with a big thank you to our employees, our customers, our investors, our dealers around the globe. Fluidra continues to demonstrate that he is the global leader in the poor industry.

We are committed to do our best possible job to elevate our customer centricity and customer and consumer experience to bring the best and most innovative products to the market as we presented today. We're very excited about the future and the opportunity to keep growing and winning together. Thank you very much.

Clara Valera Jaques - *Fluidra SA - Strategy, Investor Relations, and FP&A*

Thank you, Jaime. Thank you, everyone. Goodbye.

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