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## TO THE SPANISH SECURITIES COMMISSION

Fluidra, S.A. ("**Fluidra**" or the "**Company**"), pursuant to the provisions of section 227 of Royal Legislative Decree 4/2015, of 23 October, which passed the amended text of the Securities Market Act, hereby issues the following:

## RELEVANT INFORMATION

As a continuation to material fact number 285874 published by the Company on 13 January 2020 in respect of the launch of a refinancing process by Fluidra seeking to reprice the existing tranches of its Credit and Guaranty Agreement dated as of 2 July 2018, it is hereby attached the Presentation to Lenders, a document that will support the repricing process and that has been published today on Fluidra's website (www.fluidra.com).

Sabadell, 14 January 2020

# Presentation to Lenders

14th January 2020

# Disclaimer

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 in accordance with International Financial Reporting Standards (IFRS). However, as it has not been audited, the information is not definitive and may be modified in the future.

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, and 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. 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. We invite all interested persons or entities to consult these documents.

**In order to give a better understanding of the results, we comment on 9month (defined as year-to-date (“YTD”)) and last twelve months (“LTM”) pro forma financial statements. Unless otherwise stated, all financial information is given on a pre-IFRS16 impact in order to facilitate the understanding of business evolution versus 2018 and prior years. Please refer to www.fluidra.com for further details on Fluidra results including quarterly disclosures reported to market.**

# Fluidra’s Management Present at Meeting

**Bruce Brooks**
**CEO**

- Over 30 years of experience in global consumer and industrial products industries
- Joined Zodiac as CEO in 2011 and became CEO of Fluidra at time of merger with Zodiac

**Xavier Tintoré**
**CFO**

- Over 25 years experience in corporate finance in multinationals and public companies
- Joined Fluidra as CFO in 2010

# Agenda

1. Transaction Overview
2. Business Update
3. Closing Remarks and Q&A

# Transaction Overview

# Executive Summary

- With global headquarters in Barcelona, Spain, Fluidra is the global leader in pool equipment and wellness solutions. Fluidra has posted strong performance post merger:
  - On a YTD basis, sales have grown by €34m (or 3.3% y-o-y) and EBITDA by €10m (or 5.4% y-o-y)
  - Sales and EBITDA up to €1350m and €231m (17.1% margin) respectively, for the LTM 30/09/2019 period (pre IFRS 16)
  - Excellent progress with synergies and integration: achieved €26m run rate synergies by Q3 2019, surpassing the full year guidance of €19m for FY 2019E, and increasing the total expected synergies to be achieved by 2022 by €5m to €40m
  - Pre-IFRS 16 net debt of €675m or 2.9x net leverage based on LTM 30/09/2019 pre-IFRS 16 EBITDA
- Fluidra is seeking to reprice its existing EUR tranche by [ ] bps and the existing USD tranche by [ ] bps in conjunction with a €[150]m (EUR-equivalent) prepayment of the existing facilities ([€90m] EUR / [€60m] USD) using existing cash on balance sheet; the company is in parallel seeking to reprice the RCF
  - Reduction in margin from current E + 275 bps to E + [ ] bps (EUR) and from L + 225 bps to L + [ ] bps (USD)
  - The proposed transaction will be leverage neutral
  - Commitments are due on Tuesday, January 21st
- Repricing of RCF from current E/L + 225 bps to E/L + [ ] bps
- The facilities are currently rated Ba3 and BB by Moody's and S&P respectively
- The maturity and rest of documentation terms will remain in place with no further amendments



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# Transaction Overview

## Sources and Uses

| Sources | (in €m) |
|---|---|
| Cash on balance sheet | 150 |
| **Total sources** | **150** |

| Uses | (in €m) |
|---|---|
| Partial repayment of EUR TLB | [90] |
| Partial repayment of USD TLB | [60] |
| **Total Uses** | **150** |

## Pro Forma Capitalisation

| *(in €m)* | Actual 30/09/2019 | Net Leverage (Pre-IFRS 16 EBITDA) | Actual IFRS 16 Adj.Debt 30/09/2019 | Net Leverage (Post-IFRS 16 EBITDA) | Adj. | Pro Forma 30/09/2019 | Net Leverage (Pre-IFRS 16 EBITDA) | Pro Forma IFRS 16 Adj.Debt 30/09/2019 | Net Leverage (Post-IFRS 16 EBITDA) | Pricing | | Terms | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | Existing | Repriced | Floor | OID | Tenor |
| Revolver (€130m limit) | 14 | 0.1x | 14 | 0.1x | | 14 | 0.1x | 14 | 0.1x | E / L + 2.25% | E / L + []% | -- | NA | Jul-24 |
| ABL ($230m limit) | 4 | 0.0x | 4 | 0.0x | | 4 | 0.0x | 4 | 0.0x | L + 1.50% | -- | -- | NA | Jul-23 |
| USD TLB[(1)] | 453 | 2.0x | 453 | 1.8x | *(60)* | 393 | 1.7x | 393 | 1.6x | L + 2.25% | L + []% | -- | [ ] | Jul-25 |
| EUR TLB[(1)] | 395 | 1.7x | 395 | 1.6x | *(90)* | 305 | 1.3x | 305 | 1.2x | E + 2.75% | E + []% | -- | [ ] | Jul-25 |
| AUD TLB[(1)] | 46 | 0.2x | 46 | 0.2x | | 46 | 0.2x | 46 | 0.2x | L + 3.75% | -- | -- | NA | Jul-25 |
| **Total First Lien Debt** | **912** | **3.9x** | **912** | **3.7x** | | **762** | **3.3x** | **762** | **3.1x** | | | | | |
| ***Net Total First Lien Debt*** | ***651*** | ***2.8x*** | ***651*** | ***2.6x*** | | ***651*** | ***2.8x*** | ***651*** | ***2.6x*** | | | | | |
| Other debt | 24 | 0.1x | 24 | 0.1x | | 24 | 0.1x | 24 | 0.1x | | | | | |
| IFRS 16 Liabilites | -- | -- | 107 | 0.4x | | -- | -- | 107 | 0.4x | | | | | |
| **Total Debt** | **936** | **4.1x** | **1,044** | **4.2x** | | **786** | **3.4x** | **894** | **3.6x** | | | | | |
| Cash | (261) | (1.1x) | (261) | (1.0x) | *150* | (111) | (0.5x) | (111) | (0.4x) | | | | | |
| ***Net Total Debt*** | ***675*** | ***2.9x*** | ***782*** | ***3.1x*** | | ***675*** | ***2.9x*** | ***782*** | ***3.1x*** | | | | | |
| Market Capitalisation | 2,348 | 10.2x | 2,348 | 9.4x | | 2,348 | 10.2x | 2,348 | 9.4x | | | | | |
| **Total Capitalisation** | **3,023** | **13.1x** | **3,130** | **12.6x** | | **3,023** | **13.1x** | **3,130** | **12.6x** | | | | | |
| **Pre-IFRS 16 30/09/2019 LTM EBITDA** | | **231** | | | | | **231** | | | | | | | |
| **Post-IFRS 16 30/09/2019 Covenant EBITDA** | | | | **249** | | | | | **249** | | | | | |

Note: Market Capitalisation as of 10th January 2020. (1) Excludes amortization of €1m on the EUR TLB, $1.25m on the USD TLB and A$0.2m on the AUD TLB, as of 31/12/2019. Assuming USD/EUR FX rate of 1.09 and AUD/EUR FX rate of 1.61.

# Summary Terms – First Lien Term Loans

| | |
|---|---|
| **Borrowers** | Fluidra Finco SL and Zodiac Pool Solutions LLC |
| **Facilities** | €130m RCF<br>€304m EUR Term Loan B<br>$426m USD Term Loan B |
| **Maturity** | RCF: 2 July 2024 (Same as existing)<br>EUR / USD Term Loan B: 2 July 2025 (Same as existing) |
| **Interest Rate** | RCF: EURIBOR / LIBOR + [ ] bps (from EURIBOR / LIBOR + 225 bps)<br>EUR Term Loan B: EURIBOR + [ ] bps (from EURIBOR + 275 bps)<br>USD Term Loan B: LIBOR + [ ] bps (from LIBOR + 225 bps) |
| **Floor** | 0.00% |
| **Issue Price** | EUR: [ ]<br>USD: [ ] |
| **Amortization** | 0.25% per quarter, bullet at maturity |
| **Incremental Facilities** | Same as existing |
| **Call Protection** | 101 soft call repricing protection reset for 6 months |
| **Guarantors** | Same as existing |
| **Security** | Same as existing |
| **Mandatory Prepayments** | Same as existing |
| **Affirmative Covenants** | Same as existing |
| **Negative Covenants** | Same as existing |
| **Financial Covenants** | None (Same as existing) |

# Transaction Timeline

**January 2020**

| M | T | W | T | F | S | S |
|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 |
| 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| 13 | 14 | 15 | 16 | 17 | 18 | 19 |
| 20 | 21 | 22 | 23 | 24 | 25 | 26 |
| 27 | 28 | 29 | 30 | 31 | | |

UK / US / Spain public holidays

Syndication Relevant Date

| Date | Key Event |
|---|---|
| Monday 13th January | ▪ Launch Term Loan B repricing |
| Tuesday 14th January | ▪ Lender call |
| Tuesday 21st January | ▪ Commitments due |
| Tuesday 28th January | ▪ Closing |

# Business Update

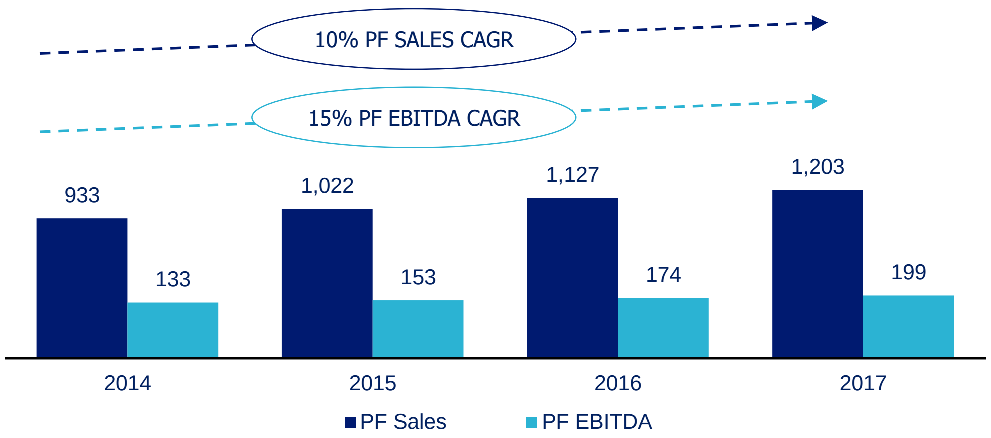
# The New Fluidra: Merger of Two Successful Companies

## Overview

- Global leader in pool equipment and wellness solutions
- Innovative, user-focused provider of highly engineered products and solutions
- Listed on the Spanish stock exchange, with a market capitalization of >€2.0B
- Global headquarters in Barcelona (Spain) and North American headquarters in San Diego (California)
- LTM 30/09/2019 sales of €1.3 billion and PF EBITDA of €231m (17.1% margin)

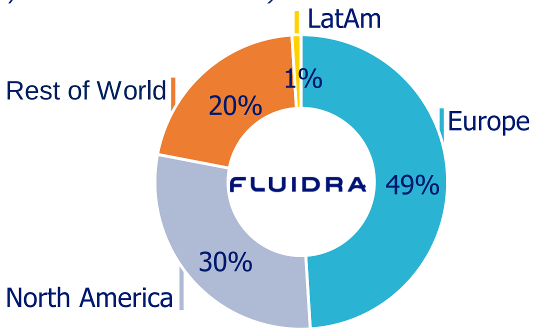
## Highly profitable and cash generating business

*(In €m)*



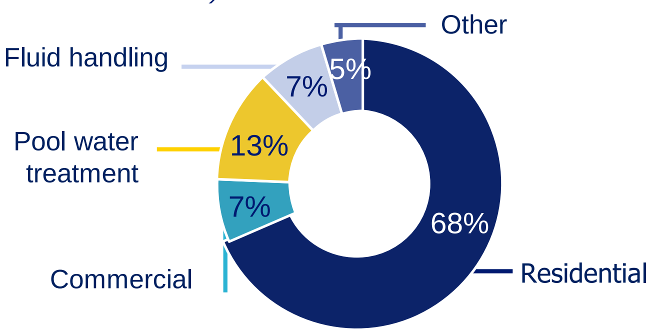

## Global & balanced presence

*(Sales by business unit PF FY2017A)*

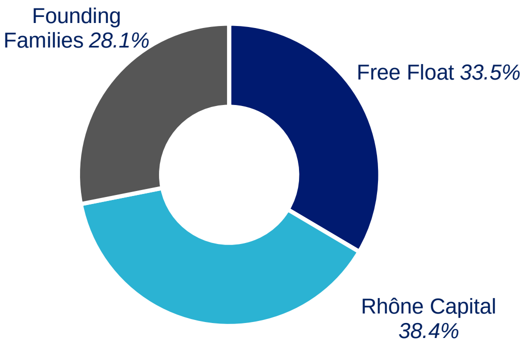



## Strong complementary business

*(Sales by business unit PF FY2017A)*




## Current Shareholder Structure



# Investment Highlights

## 1 Structurally Attractive Industry that Grows ~2x GDP

- Positive industry dynamics: new pool construction feeds ever growing installed base
- Large installed base drives annuity-like after market
- Double engine model: growth & resilience

## 2 Leading Global Platform

- Comprehensive line of pool solutions
- Leading global footprint
- Core competence in product development
- Experienced management team

## 3 Strong Financial and Operating Performance with a Resilient Business Model and Multiple Growth Levers…

- Strong sales growth with resilient business model: 6.7% top line CAGR (FY15A-FY18A)
- Investments in place to drive continued growth
- Enhancing margins through operating efficiencies: ~250 bps+ EBITDA margin expansion (FY15A-FY18A)
- €40m in run rate synergies by FY22E, with €26m run rate synergies already secured by September 2019
- Double-engine business profile, with ~66% aftermarket sales

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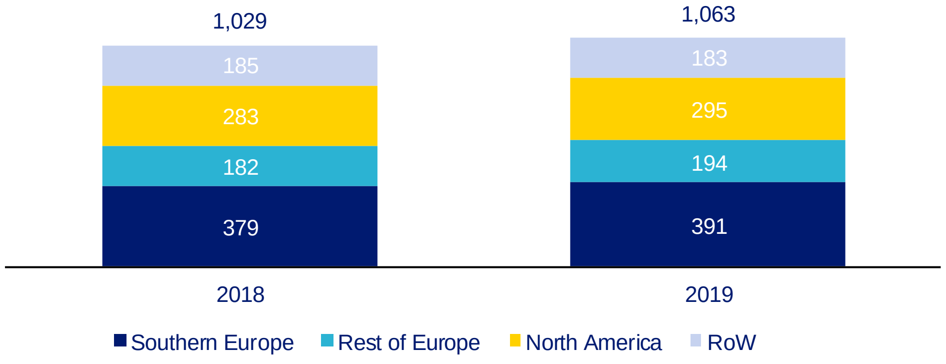
# Recent Results: YTD

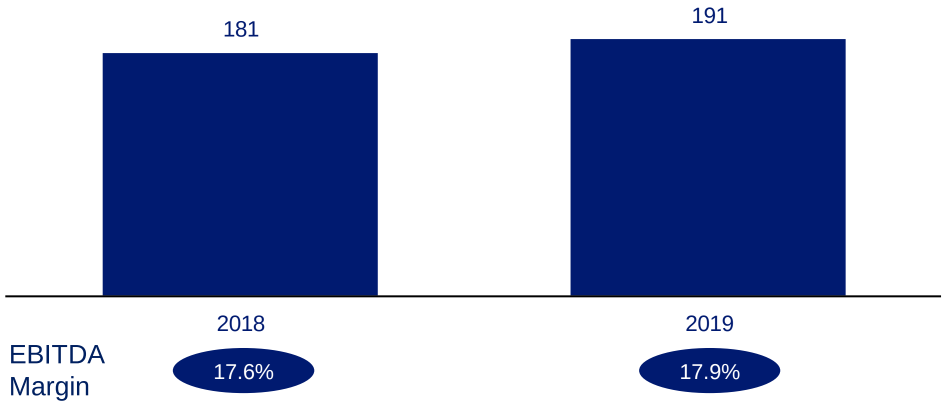
## YTD Sales by Region

(€ m)




## YTD EBITDA

(€ m)




- Sales increased €34m, or 3.3% y-o-y, driven by Southern Europe (+3.2%), Rest of Europe (+6.6%) and North America (+4.2%), partially offset by RoW (-1.1%). Sales at constant FX & perimeter grew by 3.0%
- Despite impacts of cleaner divestiture, very solid performance in Europe, with France and Northern Europe growing above that, positive recovery in Q3 in North America thanks to gas heater catch-up and solid sell-through in the channel

- EBITDA increased €10m, or 5.4% y-o-y, with a EBITDA margin of 17.9% achieved in YTD 2019 (~40 bps margin expansion) despite some headwinds from US tariffs
- Very good progress with synergies crystallization, having already achieved €26m full year run rate synergies, and revising the FY2022E guidance up to €40m (versus previous target of €35m)

Note: YTD as of 30/09/2019.



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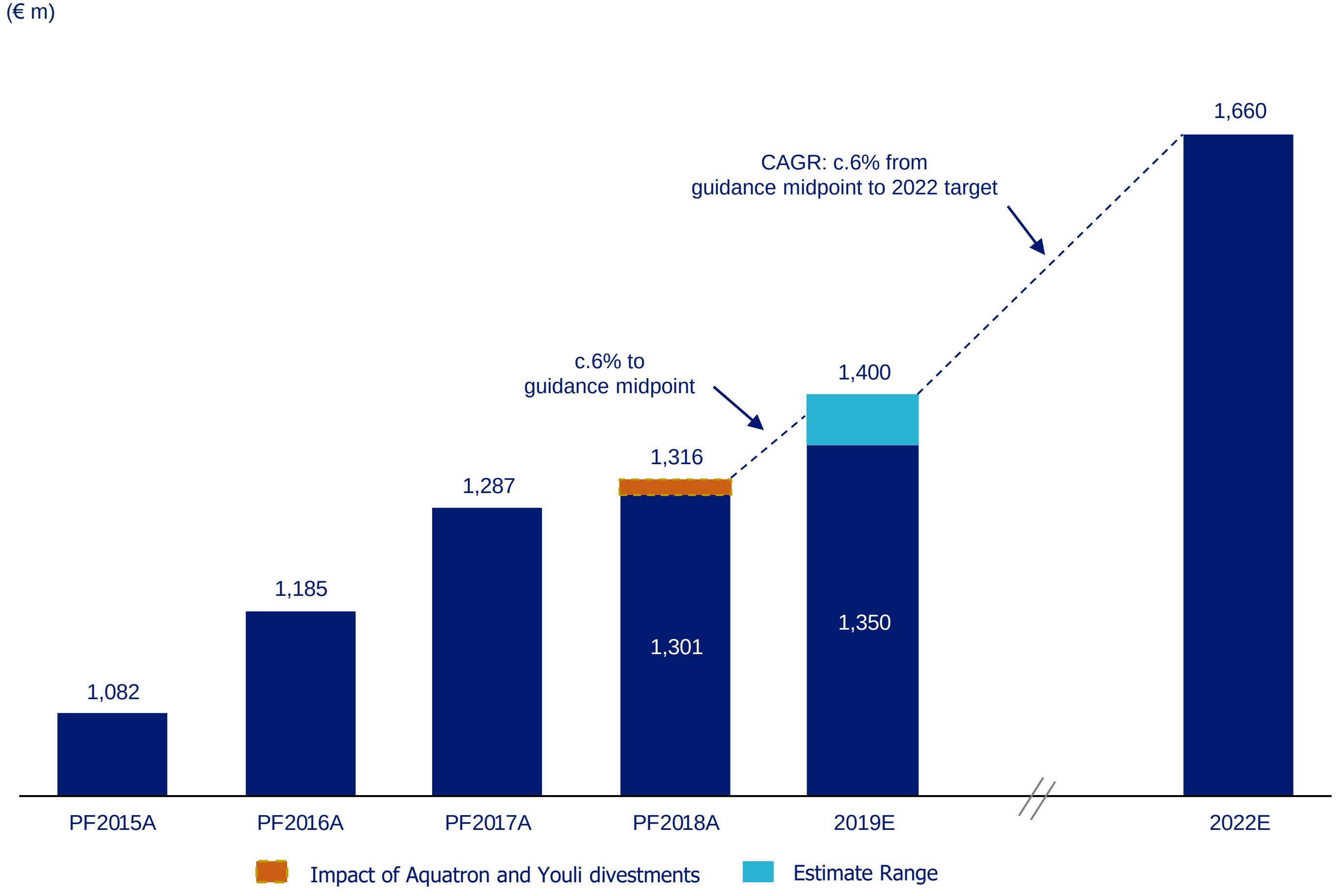
# Strong Sales Growth with Resilient Business Model

## Historical Sales Evolution and Strategic Plan

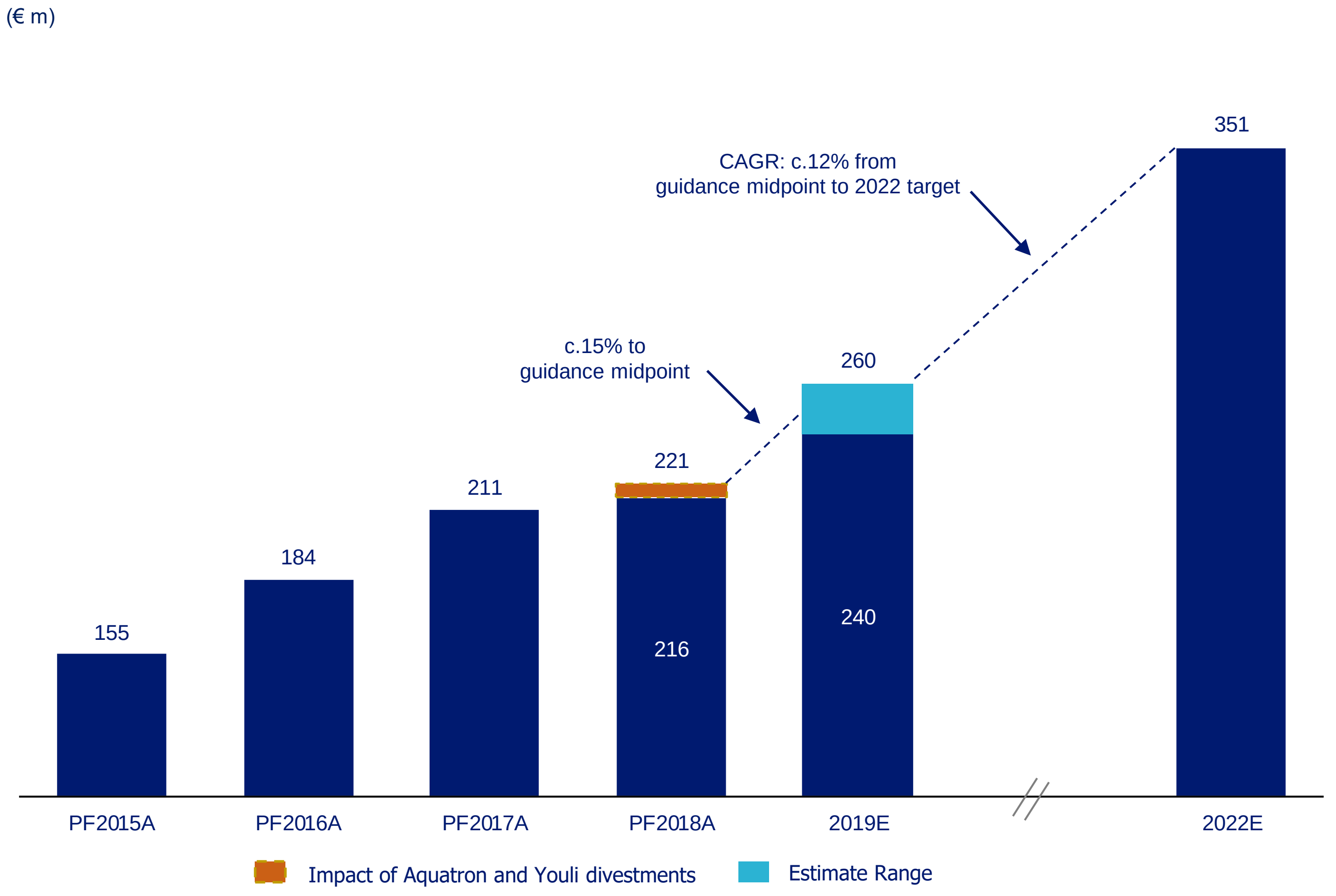



- 2019 sales figures will be within the €1350m-€1400m range despite higher than expected impact of remedy implementation for electric cleaners
- Long-term sales outlook remains unchanged for the 2022 Plan despite recently disclosed sales synergies net c. €40m
- Sales synergies are significant and have already started to materialize in 2019
- Bolt-on acquisitions will provide incremental sales

**Note:** c. 4% growth in 2019E midpoint once FX adjusted

# Compelling Business Case with Strong Value Creation

## Historical EBITDA Evolution and Strategic Plan




- 2019 EBITDA will be in the range of €240m-€260m despite the higher impact of remedy implementation and US tariffs
- EBITDA outlook for the 2022 Strategic Plan remains unchanged
- Good cost synergies, value initiatives and lean results offset by tariff impact in 2019 but will read-through in 2020-2022

Note: c. 12% to 2019E midpoint adjusted to FX.

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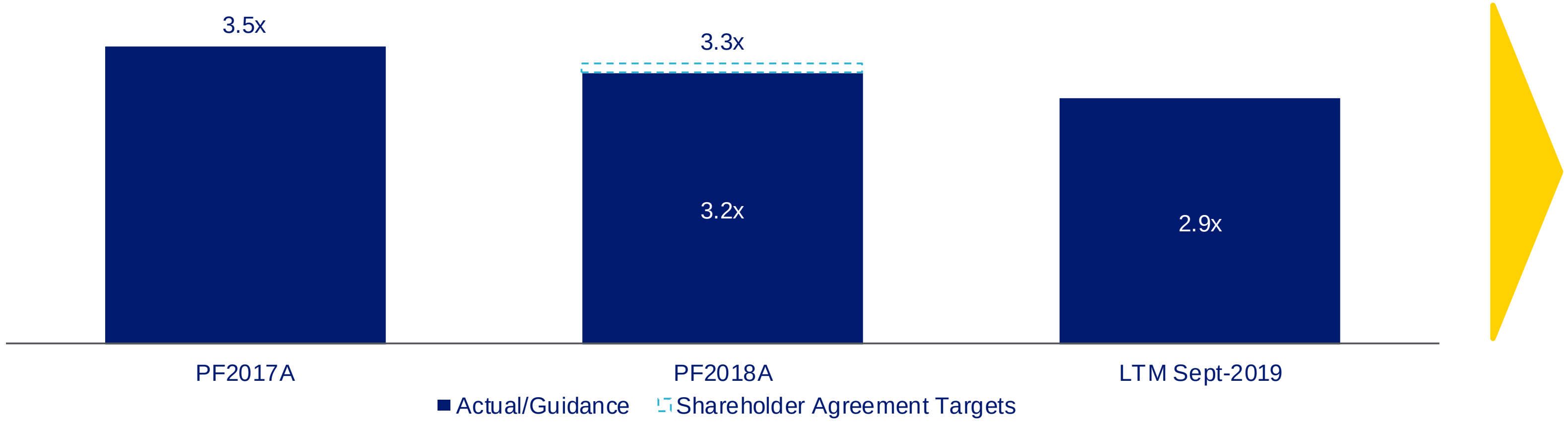
# Excellent Cash Generation to Fund Value Accretive Initiatives

- Financial policy is to operate company at ≈ 2x Net Financial Debt / EBITDA leverage
- Ample liquidity and flexible long-term financing in-place
- Cash allocation priorities once below agreed maximum targets in shareholders' agreement:
    - Dividends: €30m - €50m per year
    - Bolt-on acquisitions: €10m - €25m per year
- Year end leverage target for 2019 of c. 2.6x NFD/EBITDA, below the 2.8x NFD/EBITDA on the shareholders' agreement

**Cash generation outlook**

*Net Financial Debt / Adjusted EBITDA*




***Long-term net leverage target of 2.0x***

**Excellent progress, deleveraging c.1.0x in 18 months**



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# Closing Remarks and Q&A

# Key Takeaways

- ✓ Structurally attractive industry that grows at ~2x GDP
- ✓ A global leader in pool equipment and solutions through the successful merger and integration with Zodiac, that enabled access to the US market, the largest pool market
- ✓ Solid YTD business performance, with 3.3% and 5.4% y-o-y sales and EBITDA growth, respectively
- ✓ After 18 months of integration, the most challenging period is behind us and we have already achieved €26m of run-rate synergies by September 2019, which has led to upgrading 2022 target by €5m to €40m cost synergies
- ✓ Compelling business case, with expected CAGRs of ~6% and ~12% in terms of 2019-22 sales and EBITDA CAGRs respectively, coupled with potential bolt-on acquisitions that provide an upside / hedge to the plan
- ✓ Excellent cash generation that has allowed for ~1.0x deleveraging in 18 months and a €150m repayment