

# Q3 2024 RESULTS

October 31<sup>st</sup> 2024

**FLUIDRA**



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## **Alternative Performance Measures (APMs)**

This document and any related conference call or webcast (including a Q&A session) contain, in addition to the financial information prepared in accordance with IFRS, alternative performance measures ('APMs') as defined in the Guidelines issued by the European Securities and Markets Authority ('ESMA') on October 5, 2015.

APMs are used by Fluidra's management to evaluate the group's financial performance, cash flows or financial position in making operational and strategic decisions for the group and therefore are useful information for investors and other stakeholders. Certain key APMs form part of executive directors, management and employees' remuneration targets.

APMs are prepared on a consistent basis for the periods presented in this document. They should be considered in addition to IFRS measurements, may differ to definitions given by regulatory bodies relevant to the group and to similarly titled measures presented by other companies. They have not been audited, reviewed or verified by the external auditor of the Fluidra group. For further details on the definition, explanation on the use, and reconciliation of APMs, please see the appendix as well as the "Alternative performance measures" document from our website here ([link](#)).

# On the call today



**Eloi Planes**  
*Executive Chairman*

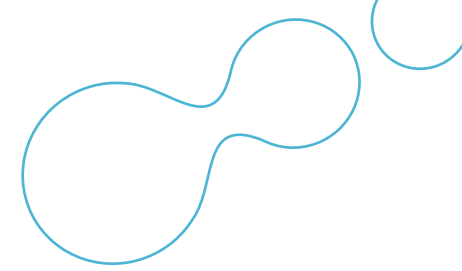


**Jaime Ramírez**  
*CEO*



**Xavier Tintoré**  
*CFO*

# Key messages



## .....● **1. Strong performance in Q3**

- Sales up across all regions driven by higher volumes
- Europe coming back to positive growth for the first time since Q1 2022
- Excellent gross margin, driven by the Simplification Program
- Strong cash generation with improved working capital and net debt levels YoY

## .....● **2. Updating 2024 guidance, raising mid-point**

- Sales €2,060-2,100 million; EBITDA €460-480 million

## .....● **3. Reinforcing our leadership in an attractive industry**

- Two bolt-on acquisitions in Portugal and Australia
- Awarded 'Vendor of the Year' by the US top distributors for the fourth year in a row

# CEO's early observations

- 1 Structurally attractive industry**, with long-term growth underpinned by resilient aftermarket and favourable structural growth drivers
- 2 Global leader** – based on unique footprint and offering – with significant scope to further consolidate a fragmented market
- 3 Focus on innovation and operational excellence**, with embedded **performance culture**
- 4 A dedicated and highly skilled team**, committed to tackling new industry challenges with passion and taking the business to new heights
- 5 Outstanding financial performance** with consistent growth, excellent profitability, solid cash generation and strong balance sheet, ensuring **long-term success and resilience**

'I am very excited to be here. We have an **exceptional opportunity** to build on our **strong foundation** as a global leader and continue to **deliver value to our stakeholders**'



# Key pillars to drive transformation and market leadership

## 1 Accelerate growth

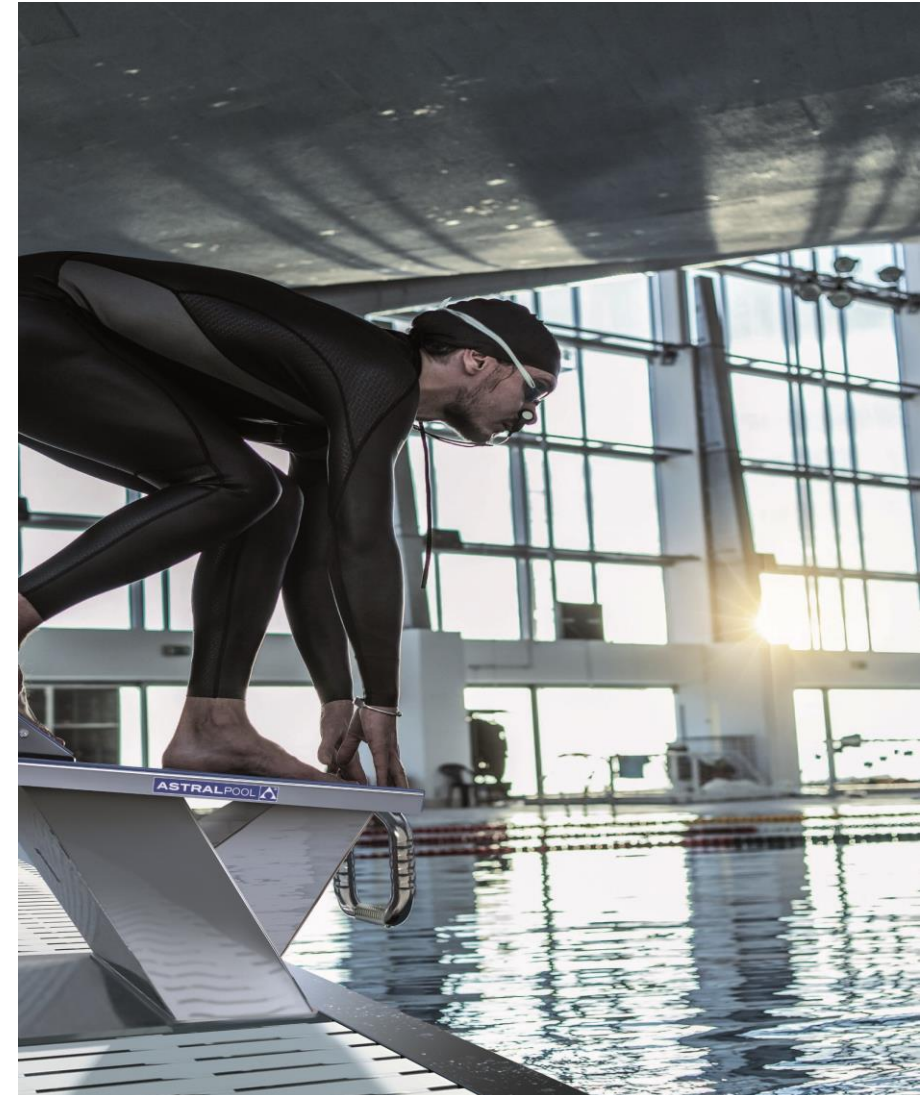
- Delivering **commercial excellence**
- Enhancing both **customer** and **end-user experience**
- Growing in **high potential markets** (organic and accretive M&A)

## 2 Enhance operational excellence

- **Maximizing productivity** and **efficiency** along the value chain
- Further improving **cost competitiveness** and **margins**
- Leveraging our **global footprint**

## 3 Create competitive differentiation

- Boosting **innovation, digital**, technology and product development
- Offering the highest **quality** and **service**
- Making pools more **efficient, sustainable** and **easy to use**



# Strong performance YTD

YTD financial highlights €M	2023	2024	Evol. 24/23	Const. FX & Perimeter
<b>Sales</b>	1,623	1,637	0.8%	0.9%
<b>EBITDA</b>	366	386	5.6%	6.1%
<b>EBITA</b>	299	315	5.1%	5.3%
<b>Cash EPS</b>	0.94	1.01	8.0%	
<b>Operating net working capital</b>	490	378	(22.9%)	(22.0%)
<b>Net debt</b>	1,230	1,069	(13.1%)	(11.5%)
<b>Net debt / LTM EBITDA</b>	2.9x	2.3x	(0.6x)	

- Sales up strongly in Q3, with +8% volume, returning to Group growth YTD
- EBITDA higher YoY, driven by higher gross margin despite inflation in Opex
- Cash EPS improved YoY
- Excellent working capital management: as % of LTM sales, operating NWC of c.18% improved 570 bps vs prior year
- Strong cash generation, reducing net debt by €161 million YoY
- Leverage ratio improved YoY

# Strong performance in all regions in Q3 driven by volume

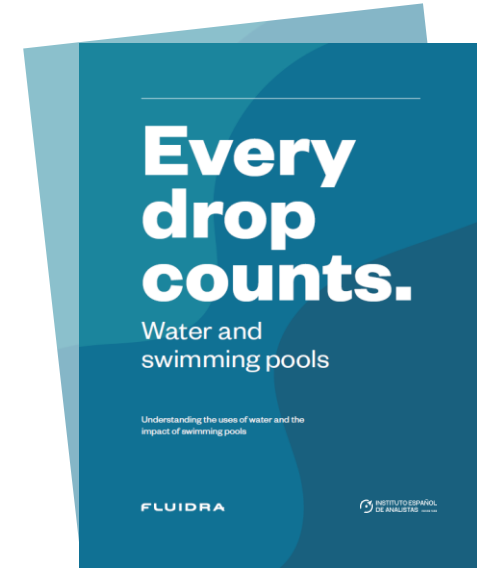
YoY growth (%)	Const. FX & Perimeter	
	Q3 2024	YTD 2024
Southern Europe	6.4%	(4.8%)
Rest of Europe	3.8%	(1.9%)
North America	9.3%	5.5%
Rest of the World	6.8%	2.6%
<b>Total</b>	<b>7.3%</b>	<b>0.9%</b>



**Sequential sales improvement across geographies  
Europe returning to growth**



# Highlights of the quarter



## Continued innovation

- **New Energy Connect & Clear Connect** platform for perfect water treatment
  - **Connected** with Fluidra Pool app
  - **Evolutive with pH & ORP kits** for complete treatment
  - **Improved digital** panel enhances user experience

## Customer centricity

- Awarded '**Vendor of the Year**' for the fourth year in a row by US top distributors - **focus on customers a key pillar of our success**

## Sustainability

- Deep dive report (link [here](#)), looking into water **as a scarce global resource** and swimming pools in context
- **Water for pools** represent **less than 0.5%** of total **water consumption**<sup>1</sup>

(1) Based on industry associations' estimates in Spain and France.

# Continued margin expansion

YTD results €M	2023	% Sales	2024	% Sales	Evol. 24/23
<b>Sales</b>	<b>1,623</b>	<b>100%</b>	<b>1,637</b>	<b>100%</b>	<b>0.8%</b>
Gross margin	851	52.4%	915	55.9%	7.5%
Opex	485	29.9%	528	32.3%	8.9%
<b>EBITDA</b>	<b>366</b>	<b>22.5%</b>	<b>386</b>	<b>23.6%</b>	<b>5.6%</b>
D&A (non-PPA related)	66	4.1%	72	4.4%	8.0%
<b>EBITA</b>	<b>299</b>	<b>18.4%</b>	<b>315</b>	<b>19.2%</b>	<b>5.1%</b>
Amortization (PPA related)	50	3.1%	47	2.9%	(6.1%)
Restructuring, M&A, integration expenses and SBC	38	2.3%	41	2.5%	7.8%
Financial result	60	3.7%	55	3.4%	(7.9%)
Income tax expense	41	2.5%	45	2.8%	10.3%
Profit/loss attributable to NCI	3	0.2%	3	0.2%	24.7%
<b>Profit/loss attributable to the parent</b>	<b>108</b>	<b>6.6%</b>	<b>123</b>	<b>7.5%</b>	<b>14.1%</b>
<b>Cash net profit</b>	<b>180</b>	<b>11.1%</b>	<b>194</b>	<b>11.9%</b>	<b>8.0%</b>

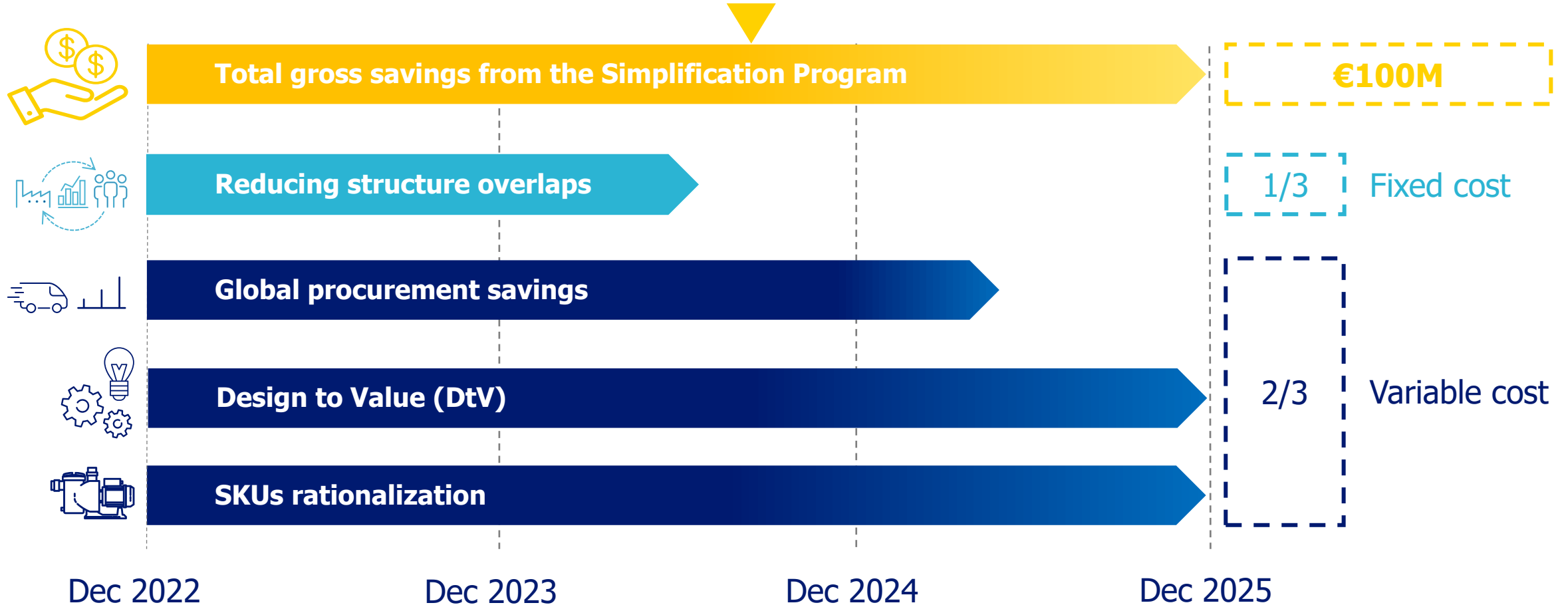
- Sales up 1% year-on-year, returning to growth, on the back of a strong Q3 performance driven by volumes
- Gross margin strongly improved YoY, benefitting from the Simplification Program, geographic mix and lower raw material costs
- Operating expenses reflect labor, logistics and general costs inflation together with continued investment in IT and R&D
- Higher EBITDA and margin YoY
- Restructuring, M&A and integration expenses up due to Simplification Program efforts
- Financial result lower YoY, with lower cash interest expense
- Cash net profit 8% higher YoY

Notes: SBC = Stock based compensation; NCI = Non-controlling interests

# Simplification Program on track and delivering

**€57M accumulated savings since start**  
(€31M in FY 2023 + €26M in YTD 2024)

>€60M run rate savings  
expected by the end of 2024



# Strong cash flow generation

Cash flow (abridged) and net debt YTD €M	2023	2024	Evol. 24/23
<b>EBITDA</b>	<b>366</b>	<b>386</b>	<b>21</b>
Net interest expense paid	(52)	(49)	4
Corporate income tax paid	(28)	(51)	(23)
Operating working capital	59	(5)	(64)
Other operating cash flow <sup>(1)</sup>	(68)	(29)	39
<b>CF from operating activities</b>	<b>276</b>	<b>252</b>	<b>(24)</b>
Capex	(42)	(51)	(9)
Acquisitions / divestments	(34)	(2)	32
Other investment cash flow	2	6	3
<b>CF from investing activities</b>	<b>(74)</b>	<b>(47)</b>	<b>27</b>
Payments for lease liabilities	(30)	(32)	(2)
Treasury stock, net	0	0	1
Dividends paid	(67)	(59)	7
<b>Financing cash flow</b>	<b>(97)</b>	<b>(91)</b>	<b>6</b>
<b>Free cash flow</b>	<b>105</b>	<b>113</b>	<b>8</b>
Prior period net debt	1,319	1,172	(147)
FX & lease changes	16	10	(6)
Free cash flow	(105)	(113)	(8)
<b>Net debt</b>	<b>1,230</b>	<b>1,069</b>	<b>(161)</b>
Lease liabilities	(203)	(192)	10
<b>Net financial debt</b>	<b>1,028</b>	<b>877</b>	<b>(151)</b>

- Strong cash generation YTD results in €161 million net debt reduction YoY and c.€80 million QoQ
- CF from operating activities reflects the usual seasonality in a normalized trading environment, compared to the prior year period when we were managing our inventory from higher levels
- CF from investing activities reflects usual capital expenditure
- Financing cash flow stable YoY

(1) Includes Restructuring, M&A and integration expenses

# Summary

- 1. Strong performance YTD, with sequential quarterly improvement across all regions**
- 2. Simplification Program well on track** to deliver 2024 and 2025 savings
- 3. Excellent improvement in net working capital and lower net debt** levels
- 4. Updated FY 2024 guidance, raising mid-point**

## Guidance for FY 2024

<b>Sales (€M)</b>	<b>2,060 - 2,100</b>
<b>EBITDA (€M)</b>	<b>460 - 480</b>
<b>Cash EPS (€/share)</b>	<b>1.14 - 1.20</b>

- 5. Confident in our future: focused on growing profitably** and delivering improving returns on capital over the medium term in an industry with attractive structural growth

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Appendix



# Sales by geography

Q3 €M	2023	% Sales	2024	% Sales	Evol. 24/23	Const. FX	Constant perimeter	Const. FX & Perimeter
Southern Europe	112	26%	119	26%	6.3%	6.4%	6.3%	6.4%
Rest of Europe	62	14%	68	15%	10.2%	9.5%	4.5%	3.8%
North America	179	41%	190	41%	6.5%	9.3%	6.5%	9.3%
Rest of the World	85	19%	88	19%	3.4%	6.8%	3.4%	6.8%
<b>Total</b>	<b>438</b>	<b>100%</b>	<b>466</b>	<b>100%</b>	<b>6.4%</b>	<b>8.1%</b>	<b>5.6%</b>	<b>7.3%</b>

YTD €M	2023	% Sales	2024	% Sales	Evol. 24/23	Const. FX	Constant perimeter	Const. FX & Perimeter
Southern Europe	498	31%	474	29%	(4.8%)	(4.8%)	(4.8%)	(4.8%)
Rest of Europe	220	14%	227	14%	3.4%	3.2%	(1.8%)	(1.9%)
North America	658	41%	690	42%	4.9%	5.5%	4.9%	5.5%
Rest of the World	247	15%	245	15%	(0.9%)	2.6%	(0.9%)	2.6%
<b>Total</b>	<b>1,623</b>	<b>100%</b>	<b>1,637</b>	<b>100%</b>	<b>0.8%</b>	<b>1.6%</b>	<b>0.1%</b>	<b>0.9%</b>

# Sales by business unit

Q3 €M	2023	% Sales	2024	% Sales	Evol. 24/23	Const. FX & Perimeter
<b>Pool &amp; Wellness</b>	<b>428</b>	<b>98%</b>	<b>457</b>	<b>98%</b>	<b>6.7%</b>	<b>7.7%</b>
Residential	299	68%	321	69%	7.4%	8.4%
Commercial	43	10%	44	9%	3.4%	5.9%
Residential Pool Water Treatment	70	16%	73	16%	5.1%	5.6%
Fluid Handling	17	4%	19	4%	10.2%	9.1%
Irrigation, Industrial & Others	10	2%	9	2%	(10.1%)	(12.3%)
<b>Total</b>	<b>438</b>	<b>100%</b>	<b>466</b>	<b>100%</b>	<b>6.4%</b>	<b>7.3%</b>

YTD €M	2023	% Sales	2024	% Sales	Evol. 24/23	Const. FX & Perimeter
<b>Pool &amp; Wellness</b>	<b>1,590</b>	<b>98%</b>	<b>1,610</b>	<b>98%</b>	<b>1.2%</b>	<b>1.3%</b>
Residential	1,139	70%	1,155	71%	1.4%	1.3%
Commercial	140	9%	143	9%	2.1%	4.0%
Residential Pool Water Treatment	242	15%	241	15%	(0.6%)	(0.5%)
Fluid Handling	70	4%	72	4%	2.8%	2.9%
Irrigation, Industrial & Others	33	2%	27	2%	(19.4%)	(20.0%)
<b>Total</b>	<b>1,623</b>	<b>100%</b>	<b>1,637</b>	<b>100%</b>	<b>0.8%</b>	<b>0.9%</b>



# Reconciliation of PBT to EBITDA

YTD €M	2023	2024	Evol. 24/23
<b>Profit/loss before tax</b>	<b>151</b>	<b>171</b>	<b>13.3%</b>
Financial result	60	55	(7.9%)
D&A	117	119	1.9%
Restructuring, M&A and integration expenses	31	37	22.1%
Stock based compensation	8	4	(50.4%)
<b>EBITDA</b>	<b>366</b>	<b>386</b>	<b>5.6%</b>

# Reconciliation of Profit attributable to the parent to Cash EPS

YTD €M	2023	2024	Evol. 24/23
<b>Profit/loss attributable to the parent</b>	<b>108</b>	<b>123</b>	<b>14.1%</b>
Restructuring, M&A and integration expenses	31	37	22.1%
Stock based compensation	8	4	(50.4%)
Financial result	60	55	(7.9%)
Net interest expense paid	(52)	(49)	(6.8%)
Amortization (PPA related)	50	47	(6.1%)
<b>Cash adjustments</b>	<b>96</b>	<b>95</b>	<b>(1.3%)</b>
Tax rate	24.6%	24.4%	(0.2%)
<b>Taxed cash adjustments</b>	<b>72</b>	<b>71</b>	<b>(1.1%)</b>
<b>Cash net profit</b>	<b>180</b>	<b>194</b>	<b>8.0%</b>
Share count	192	192	-
<b>Cash EPS</b>	<b>0.94</b>	<b>1.01</b>	<b>8.0%</b>

# Net working capital

September €M	2023	% LTM sales	2024	% LTM sales	Evol. 24/23
Inventories	498	24.3%	466	22.6%	(6.4%)
Trade and other receivables	309	15.1%	257	12.4%	(16.8%)
Trade payables	316	15.5%	345	16.7%	9.0%
<b>Operating net working capital</b>	<b>490</b>	<b>24.0%</b>	<b>378</b>	<b>18.3%</b>	<b>(22.9%)</b>
Dividends, earn-outs & others	69	3.4%	51	2.5%	(26.3%)
<b>Total net working capital</b>	<b>421</b>	<b>20.6%</b>	<b>327</b>	<b>15.8%</b>	<b>(22.3%)</b>

# Interim financial position (abridged)

Assets	09/2023	09/2024
PPE & rights of use	366	360
Goodwill	1,339	1,288
Other intangible assets	906	829
Non-current financial assets	60	22
Other non-current assets	122	102
<b>Total non-current assets</b>	<b>2,793</b>	<b>2,601</b>
Non-curr. assets held for sale	9	-
Inventories	498	466
Trade and other receivables	309	257
Other current financial assets	7	2
Cash and cash equivalents	85	198
<b>Total current assets</b>	<b>908</b>	<b>923</b>
<b>Total assets</b>	<b>3,701</b>	<b>3,524</b>

Liabilities	09/2023	09/2024
Share capital	192	192
Share premium	1,149	1,149
Retained earnings and other reserves	207	248
Interim dividends	-	-
Treasury shares	(42)	(47)
Other comprehensive income	109	26
Non-controlling interests	10	10
<b>Total equity</b>	<b>1,624</b>	<b>1,577</b>
Bank borrowings and other marketable securities	1,118	1,072
Other non-current liabilities incl. lease	411	350
<b>Total non-current liabilities</b>	<b>1,528</b>	<b>1,422</b>
Liab. linked to non-curr. assets held for sale	4	-
Bank borrowings & loans	63	26
Trade and other payables	386	396
Other current liabilities incl. lease	95	103
<b>Total current liabilities</b>	<b>548</b>	<b>525</b>
<b>Total equity &amp; liabilities</b>	<b>3,701</b>	<b>3,524</b>

# Alternative Performance Measures

Fluidra's financial statements are prepared according to IFRS and other applicable regulation. The financial information presented in this document also includes Alternative Performance Measures ('APMs') prepared according to the group's reporting model. For further details on the definition, explanation on the use, and reconciliation of APMs, please see the document "Alternative Performance Measures" that can be found within the "Shareholders and Investors" section from the Group's website here ([link](#)).


- **'Opex'** (Operational expenditure): refers to the total amount of operating expenses incurred to run the business. It includes 'personnel expenses' plus 'other operating expenses' net of i) 'income from the rendering of services', ii) 'work performed by the group and capitalized as non-current assets', iii) 'profit/loss from sales of fixed assets', iv) 'stock based compensation' and v) the relevant portion of 'Restructuring, M&A and integration expenses related' to 'Opex'
- **'EBITDA'**: means earnings before interests, taxes, depreciation and amortization. It is calculated as 'sales of goods and finished products' less i) 'changes in inventories of finished goods and work in progress and raw material supplies', ii) 'personnel expenses' and iii) 'other operating expenses' net of i) 'income from the rendering of services', ii) 'work performed by the group and capitalized as non-current assets', iii) 'profit/loss from sales of fixed assets' and iv) 'Share in profit/(loss) for the year from investments accounted for using the equity method'. The resulting figure is adjusted for 'Stock based compensation' and 'Restructuring, M&A and integration expenses'
- **'Stock based compensation' and 'Restructuring, M&A and integration expenses'**: these expenses do not arise from ordinary business and, though they may be incurred in more than one period, they do not have continuity over time (unlike operating expenses) and they occur at a point in time or are related to a specific event. 'Stock based compensation' relates to the cost of management's long-term incentive plan. 'Restructuring, M&A and integration expenses' relates primarily to the integration of recently-acquired companies or to restructuring activities, such as the implementation of the Simplification Program that began in the second half of 2022. Most of these costs impact 'Opex', although a relatively minor part affects the 'Gross margin'
- **'Cash net profit' and 'Cash EPS'**: 'Cash net profit' is defined as 'Profit/(loss) attributable to equity holders of the parent' adjusted for i) 'Restructuring, M&A and integration expenses', ii) 'Stock based compensation', iii) 'Amortization (PPA related)' and iv) the non-cash portion of the financial result. 'Cash EPS' is 'Cash net profit' divided by the number of Company shares outstanding at the year-end, excluding the effect of treasury shares
- **'Operating net working capital'**: is defined as the sum of the balance sheet items i) 'inventories' and ii) 'trade and other receivables', less 'trade payables', which excludes the part of 'trade and other payables' that is not entirely related to trading activities (mainly future payments of ordinary dividends and/or future payments of the acquisition price or options agreed with companies acquired, or earn-outs). This adjustment may have a relatively minor impact at the year-end, although it could be particularly relevant to some of the quarterly closings during the year
- **'Net debt', 'Net debt to EBITDA ratio' and 'Net financial debt'**: 'Net debt' is calculated as the sum of i) 'current and non-current bank borrowings and other marketable securities', ii) 'current and non-current lease liabilities' and iii) 'derivative financial liabilities', net of i) 'cash and cash equivalents', ii) 'non-current financial assets', iii) 'other current financial assets' and iv) 'derivative financial instruments'. 'Net financial debt' is simply 'Net debt' excluding lease liabilities. The 'net debt/EBITDA ratio' is calculated as 'Net debt' divided by 'EBITDA' generated in the past 12 months

# FLUIDRA

Thanks for your attention

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