Fluidra FY RESULTS 2018

February 28th 2019

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In order to give a better understanding of the results, we comment on 12 month pro forma financial statements and provide a reconciliation to reported measures for Sales, EBITDA and Net Income, where Zodiac results for both the last 6 and 12 months are disclosed. In addition, in order to facilitate the business understanding, we have included the performance of Aquatron business in the regular operations. The consolidated financial statements under IFRS-UE have the Aquatron activity excluded from the continuing operations and included as discontinued activity.

TODAY'S SPEAKERS

Eloi Planes
Executive Chairman

Bruce Brooks
CEO

Xavier Tintoré
CFO

HIGHLIGHTS

- Guidance achieved. Performance accelerated throughout the year despite a slow start to the season and significant integration work.
- Surpassed targeted synergies (€8.7m vs €7.1m run rate)
  - Integration proceeding as planned
  - Strong visibility to deliver 2019 synergies target
- Management on track with 2022 Plan
  - Attractive industry that grows at c.2x GDP
  - Fluidra is the global leader in the Pool & Wellness industry
  - Compelling equity story with strong intrinsic value creation

SUMMARY

Pro forma 12 months Main figures

	2017	2018	
	€M	**€M**	**Evol. 18/17**
Sales	1,286.6	1,318.6	2.5%
EBITDA	210.5	223.7	6.3%
EBITA	171.6	183.6	7.0%
Cash EPS	0.47	0.51	9.6%
Net Working Capital	310.0	322.6	4.0%
Net Financial Debt	688.3	719.7	4.6%
Net Financial Debt / EBITDA	*3.3x*	*3.2x*	
Run rate synergies included	-	8.7	

- **Adjusted for currencies, Sales growth of 5.2% led by Europe and North America.**
- **Positive EBITDA and EBITA evolution due to Gross Margin expansion.**
- **Net Working Capital growth of 4.0%, that if adjusted for earn-outs represents an increase of 1.3%.**
- **Net Financial Debt adjusted for currency increased by 0.9%, influenced by non recurring refinancing, transaction and integration related expenses.**

INTEGRATION HIGHLIGHTS

SYNERGIES & INTEGRATION

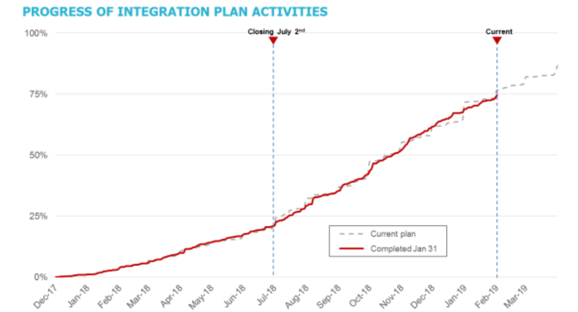
- **Integration progressing well, synergies achievement ahead of plan:**

€m	Achieved	Plan
Synergy	3.7	2.9
Run rate	8.7	7.1
Integ. non-recurring	18.8	12.5

- **20+ teams with over 200 team members, closely tracking execution.**
- **Focus on balancing integration, synergies and continued growth of the combined business.**
- **Over 4,400 total integration tasks, 75% complete.**
- **We reaffirm our guidance of €19m run rate cost synergies by 2019.**

AQUATRON

- **As part of the EU regulatory clearance, Fluidra reached an agreement with Austrian company BWT Aktiengesellschaft to divest Aquatron.**
- **Divestiture completed by February 1st.**
- **Initial price of 24 million euros, additional 4.3 million of deferred price to be received in the first quarter of 2022.**



	Working Group	Activities	Scheduled before Jan 31	Completed by Jan 31	Overall progress
Source of Supply					
1	Operations	205	168	169	82%
2	Logistics	261	233	235	90%
3	Quality	68	68	68	100%
4	R&D	83	70	67	81%
Countries					
5	Americas	75	72	64	85%
6	Iberia	250	185	185	74%
7	France	372	159	161	43%
8	Germany	285	207	213	75%
9	Italy	302	253	243	80%
10	Australia	813	594	546	67%
11	South Africa	374	269	276	74%
12	Export EEMENA	81	68	68	84%
13	Export NWE	92	77	77	84%
Support Functions					
14	HR	127	95	93	73%
15	Communication	39	33	28	72%
16	Finance/Accounting	152	118	125	82%
17	IT	152	108	109	72%
18	Tax	46	40	37	80%
19	Marketing – ESA	490	448	444	91%
20	Legal	62	47	47	76%
21	After-sales Europe	82	42	44	54%
	TOTAL	**4.411**	**3.354**	**3.299**	**75%**

SALES BY GEOGRAPHY

Pro forma figures (12 months)	2017		2018			
	€M	**% sales**	**€M**	**% sales**	**Evol. 18/17**	**Constant FX**
Southern Europe	420.0	32.6%	447.9	34.0%	6.6%	6.6%
Rest of Europe	185.8	14.4%	198.6	15.1%	6.9%	8.4%
North America	396.5	30.8%	405.5	30.8%	2.3%	6.3%
Rest of the World	284.3	22.1%	266.6	20.2%	(6.2%)	(0.9%)
TOTAL	**1,286.6**	**100.0%**	**1,318.6**	**100.0%**	**2.5%**	**5.2%**

- **Southern Europe delivered strong growth at 6.6%, despite a slow start to the season this year.**
- **Rest of Europe, solid performance with Netherlands, Germany and UK performing above average.**
- **North America grew by 6.3% adjusted for currency and showed a positive performance with both Jandy and Polaris sales growing above 7%.**
- **Rest of the World segment was mainly affected by Asian region, which had a strong 2017 in Commercial Pool installations.**

SALES BY BUSINESS UNIT

Pro forma figures (12 months)	2017		2018		
	€M	% sales	€M	% sales	Evol. 18/17
Pool & Wellness	**1,235.8**	**96.1%**	**1,273.0**	**96.5%**	**3.0%**
Residential	886.5	68.9%	921.3	69.9%	3.9%
Commercial	99.6	7.7%	95.1	7.2%	(4.6%)
Pool Water Treatment	174.0	13.5%	179.5	13.6%	3.2%
Fluid Handling	75.6	5.9%	77.1	5.8%	1.9%
Irrigation, Industrial & Others	50.8	3.9%	45.6	3.5%	(10.1%)
TOTAL	**1,286.6**	**100.0%**	**1,318.6**	**100.0%**	**2.5%**

- **Excellent evolution in Residential Pool. Most categories growing well, aligned with overall growth.**
- **Commercial Pool decreased against a very strong 2017, which included several major Asian and Eastern European projects. Q4 started to show an improvement ahead of 2019 thanks to the strong project pipeline.**
- **Good performance of Pool Water Treatment with a nice evolution of Chemical Products.**
- Irrigation, Industrial & Others segment evolution was impacted by ATH divestiture, as per plan.

PRO FORMA PROFIT & LOSS

Pro forma figures (12 months)	2017		2018		
	€M	% sales	€M	% sales	Evol. 18/17
Sales	**1,286.6**	**100%**	**1,318.6**	**100%**	**2.5%**
Gross Margin	662.2	51.5%	683.3	51.8%	3.2%
Opex before Dep. & Amort.	450.0	35.0%	461.4	35.0%	2.5%
Provisions for Bad Debt	1.7	0.1%	3.4	0.3%	94.4%
EBITDA	**210.5**	**16.4%**	**223.7** (1)	**17.0%**	**6.3%**
Depreciation	38.8	3.0%	40.1	3.0%	3.2%
EBITA	171.6	13.3%	183.6	13.9%	7.0%
Amortization	33.6	2.6%	43.5	3.3%	29.4%
Net Financial Result	45.6	3.5%	48.1	3.6%	5.6%
Tax expense	27.4	2.1%	25.4	1.9%	(7.5%)
Net Profit	**65.0**	**5.1%**	**66.6**	**5.1%**	**2.5%**

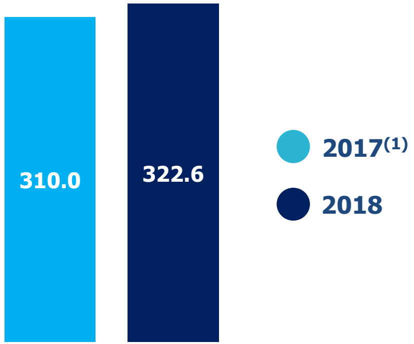
(1) EBITDA for 2018 includes €5m of run rate synergies

- **Positive Sales performance with 5.2% FX adjusted growth. Strong performance in Europe and North America.**
- **Solid Gross Margin evolution thanks to mix and price increases, that help absorb commodities cost increases.**
- **OPEX grew 2.5% mainly related to investments in the US for aftermarket and IoT initiatives.**
- **EBITDA and EBITA showed positive leverage, thanks to margin evolution.**
- **Net Financial Result reflects new capital structure costs as of July 2018.**

NET WORKING CAPITAL

December	2017[1]	2018	
	€M	€M	Evol. 18/17
Inventory	256.0	260.4	1.7%
Accounts Receivable	289.6	313.0	8.1%
Accounts Payable	235.6	250.9	6.5%
Net Working Capital	**310.0**	**322.6**	**4.0%**
NWC / Sales	**24.1%**	**24.5%**	**0.4%**

Net Working Capital

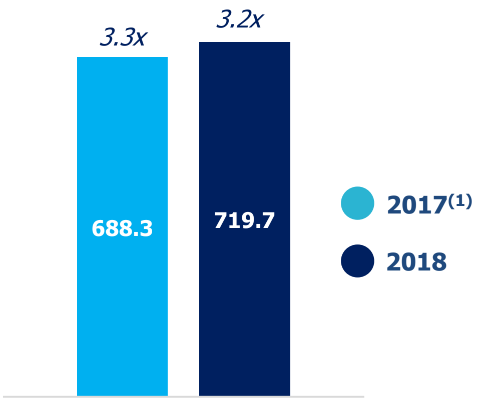


- **Last year NWC included €10.1m of short term earn-out payables, while this year only includes €1.5m, therefore adjusted NWC evolution has been +1.3%.**
- **Accounts Receivable is driven by two aspects: i) America's Q4 Early Buy season and ii) discontinuance of sale of receivables program due to the implementation of the new financing structure.**

(1) Pro forma figures

NET FINANCIAL DEBT AND FREE CASH FLOW

Net Financial Debt



Pro forma figures (12 months)	2017	2018	
	€M	€M	Evol. 18/17
EBITDA	**210.5**	**223.7**	**6.3%**
Increase (-) / Decrease (+) NWC	+12.2	(4.0)(2)	(133.1%)
Capex (-)	(44.5)	(48.3)	8.5%
Free Cash Flow of the business	**178.2**	**171.4**	**(3.8%)**

- **Good level of Pro forma Free Cash Flow at the end of the year, with a conversion >75%. 2017 had the one-time benefit of the Early Buy adjustment in Net Working Capital.**
- **Net Financial Debt evolution driven by one-offs on refinancing, transaction and non-recurrent integration related expenses. NFD/EBITDA ratio is 3.2, within the guidance set for 2018.**

(1) Pro forma Net Financial Debt
(2) Adjusted for earn-outs

CONCLUSIONS

1. Guidance achieved. Strong performance in 2018 despite a slow start to the season and all the integration work.

2. Integration is proceeding as planned. 20+ teams working to execute integration process, covering all countries and functions. 2018 synergies ahead of plan with clear visibility for 2019 target.

3. Confirming 2022 Strategic Plan guidance. With a seasonal business, divestments and the integration process, some quarters may show unusual comparisons. Management is confident on achieving the following full year 2019 targets:
   - Sales between €1,350 - €1,400 m
   - EBITDA between €240 - €260 m
   - Net Debt / EBITDA ratio below 2.6x


THANK YOU!
FLUIDRA

APPENDIX (I): REPORTED PROFIT AND LOSS ACCOUNT

€M	2017	% of sales	2018	% of sales	Evol. 18/17
Sales	**776.5**	**100%**	**1,029.6**	**100.0%**	**32.6%**
Gross Margin	386.9	49.8%	491.4	47.7%	27.0%
OPEX	290.1	37.4%	422.8	41.1%	45.7%
Provision	1.6	0.2%	3.3	0.3%	105.2%
EBITDA	**95.2**	**12.3%**	**65.3**	**6.3%**	**(31.4%)**
D&A	36.1	4.7%	66.7	6.5%	84.6%
Financial Result	(13.1)	(1.7%)	(27.6)	(2.7%)	111.1%
PBT	**46.0**	**5.9%**	**(29.0)**	**(2.8%)**	**(163.0%)**
Taxes	13.0	1.7%	3.9	0.4%	(70.3%)
Minorities	1.8	0.2%	2.0	0.2%	13.6%
NP from Cont. Oper.	**31.2**	**4.0%**	**(34.8)**	**(3.4%)**	**(211.5%)**
NP from Disc. Oper.	(0.2)	0.0%	0.9	0.1%	(632.7%)
Total Net Profit	**31.1**	**4.0%**	**(33.9)**	**(3.3%)**	**(209.2%)**

Fluidra's reported P&L includes January to June results of former Fluidra on a standalone basis and the merged operations of Fluidra and Zodiac from July to December.

In addition, all non-recurring expenses are included in the corresponding P&L lines:

- **Gross Margin: inventory step-up**
- **OPEX: non-recurring expenses for transaction, integration, stock based compensation, etc.**
- **Financial result: includes breakage fees of the old debt structure.**
- **Tax is heavily affected by all extraordinary expenses, not representative of expected future rates**

APPENDIX (II): RECONCILIATION OF PRO FORMA TO REPORTED SALES

€M	2017	2018
Pro forma Sales	**1,286.6**	**1,318.6**
January to December Zodiac	479.4	-
Early Buy alignment	25.8	-
January to June Zodiac	-	286.0
Youli asset sales	-	(2.9)
Sales of discontinued operations (Aquatron)	4.9	5.8
Reported Sales	**776.5**	**1,029.6**

Full 2017 and January to June 2018 Zodiac Sales shall be excluded to reconcile Pro forma to Reported Sales

Another reconciliation factor is the Early Buy adjustment, included in the 2017 Pro Forma Sales to reflect Americas standard market practice of the pre-season sale campaign, adopted by Zodiac in 2017.

In addition, Aquatron is reported as discontinued operations in both years according to IFRS.

2017 and first six months of 2018 do not include IFRS 15 application.

APPENDIX (III): RECONCILIATION OF PRO FORMA TO REPORTED EBITDA AND NET INCOME

€M	2017	2018
Pro forma EBITDA	**210.5**	**223.7**
January to December Zodiac results	91.4	-
Early buy alignment	12.6	-
January to June Zodiac results	-	65.8
Transaction related non-recurring expense	2.7	22.0
Integration related non-recurring expense	0.5	18.8
Other & FX impact on non-recurring expense	(0.1)	4.0
EBITDA discontinued operations (Aquatron)	3.8	3.8
Stock based compensation	5.4	10.3
Profit/Loss from sales of subsidiaries	(1.2)	(2.7)
Inventory step-up (Purchase accounting adjustments)	-	31.5
Run rate synergies	-	5.0
Reported EBITDA	**95.2**	**65.3**
Depreciation	21.4	33.2
Amortization related to PPA and impairments	14.7	33.6
Financial Result	13.1	27.6
Tax expense (income)	13.0	3.9
Minority Interest	1.8	2.0
Reported Net Profit from continued operations	**31.2**	**(34.8)**

Reconciliation items from pro forma EBITDA which includes 12 months of merged operations to reported EBITDA/Net Profit that only includes 6 months of former Fluidra plus 6 months of combined operations of Fluidra and Zodiac in 2018.

Key reconciliation items are:

- **Results of Zodiac business not consolidated. 2017 and first six months of 2018 do not include IFRS 15 application. If it had been implemented, impact on EBITDA level for first half of 2018 would have been (€2.4m).**
- **Non-recurring expenses associated to executing the transaction and its refinancing.**
- **Non-recurring integration related expenses (i.e. one-offs to capture synergies).**
- **Purchase accounting related Inventory step-up.**
- **Run rate synergies, representing the full year impact of already captured synergies.**

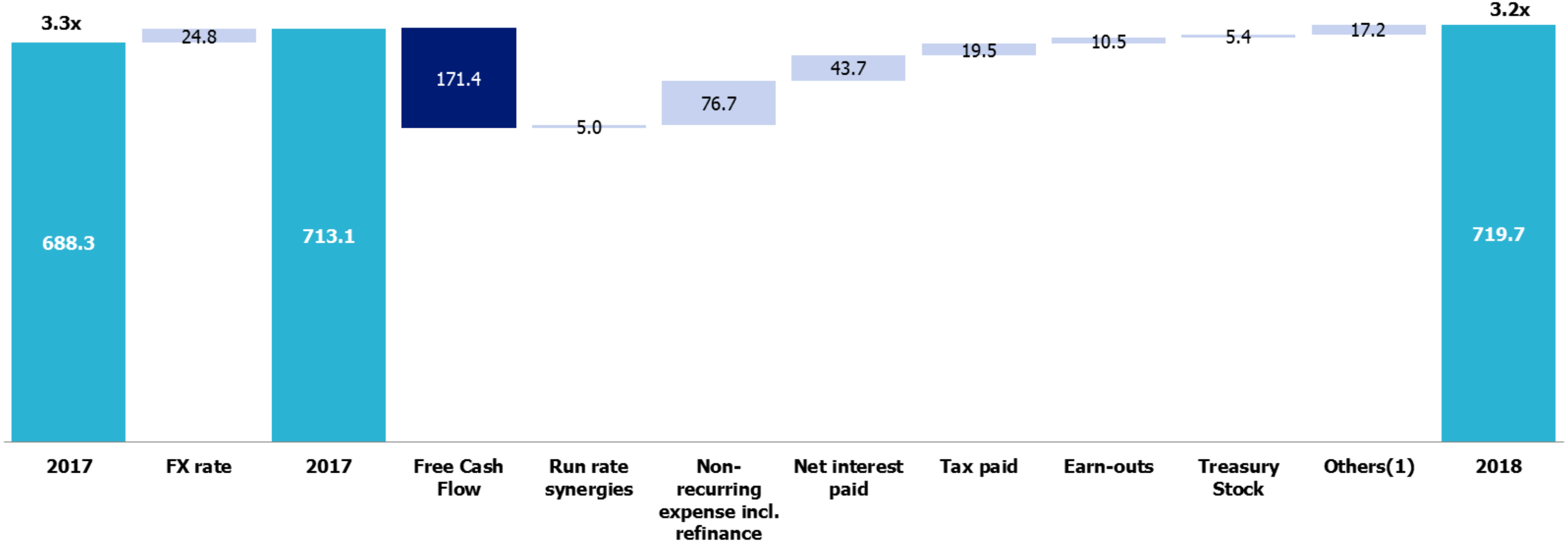
Key below Reported EBITDA items are the captions mentioned for former Fluidra in the first 6 months of the 2018 year and combined operations in the period June to December.

APPENDIX (IV): REPORTED BALANCE SHEET

ASSETS	12/2017	12/2018
PPE	101.8	119.4
Goodwill	196.2	1,093.7
Other intangible assets	35.2	787.3
Other non-current assets	29.6	94.1
Total non-current assets	**362.8**	**2,094.6**
Non-curr. assets held for sale	-	43.9
Inventory	172.8	253.3
Accounts Receivable	160.0	312.1
Other current assets	4.2	5.3
Cash	64.8	170.1
Total current assets	**401.7**	**784.6**
TOTAL ASSETS	**764.5**	**2,879.2**

LIABILITIES	12/2017	12/2018
Share capital	112.6	195.6
Share premium	92.8	1,148.6
Retained earnings	136.1	107.3
Treasury shares	(6.9)	(13.7)
Other Comprehensive Income	(1.1)	(5.3)
Minorities	10.0	8.2
Total Equity	**343.7**	**1,440.7**
Bank borrowings + Loans	137.8	856.5
Other non-current liabilities	60.6	252.7
Total non-current liabilities	**198.4**	**1,109.2**
Liab. linked to non-curr. assets held for sale	-	5.8
Bank borrowings + Loans	79.3	51.6
Accounts payable	135.4	247.7
Other current liabilities	7.7	24.1
Total current liabilities	**222.5**	**329.3**
TOTAL EQUITY & LIABILITIES	**764.5**	**2,879.2**

PRO FORMA NET FINANCIAL DEBT EVOLUTION 2017-2018



(1) Includes Minorities, Non-current balance sheet changes, FX and other.

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