

**FLUIDRA**

**TO CREATE THE PERFECT POOL & WELLNESS  
EXPERIENCE, RESPONSIBLY**

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Investor Relations Materials  
September 2021

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# ACCELERATING GROWTH & IMPROVING VALUE CREATION

**1** Global leader – at scale, in a long-term structural growth industry

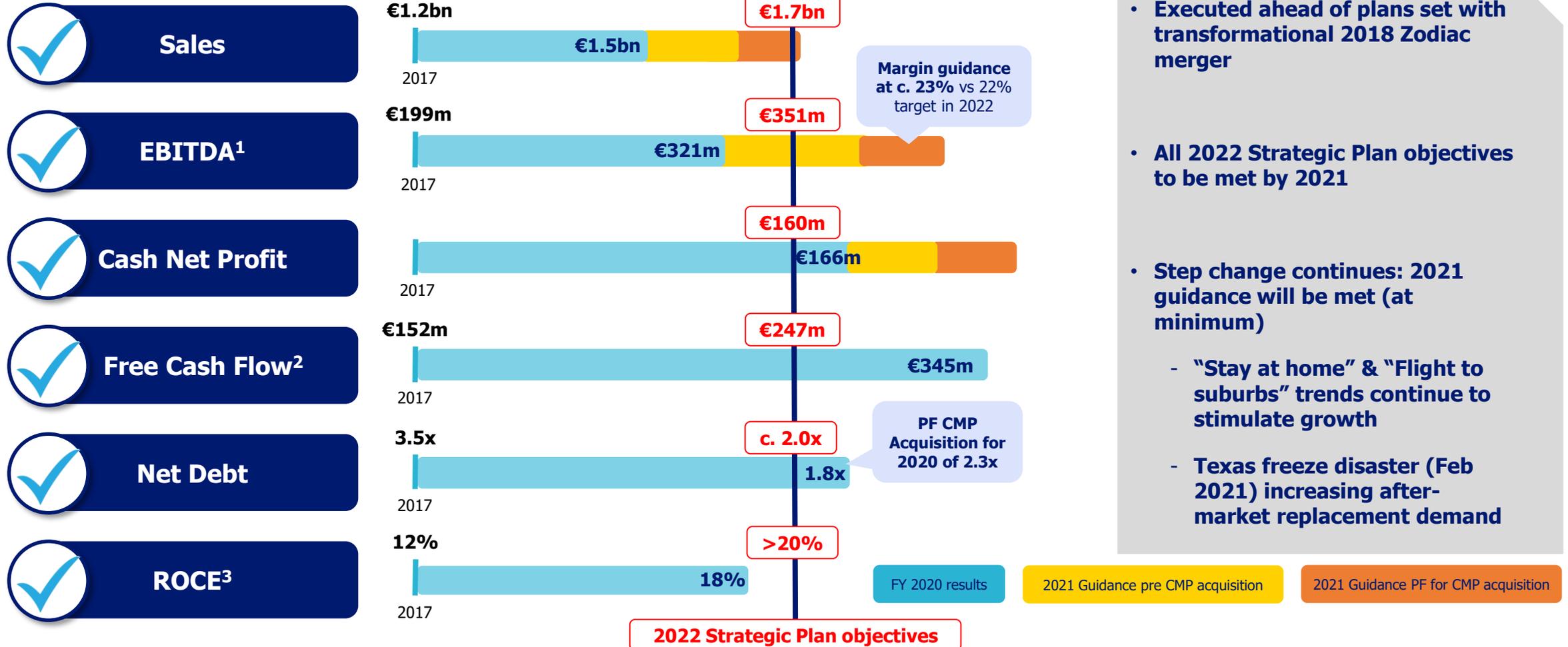
**2** Track record of delivery, expecting to fulfill 2022 Strategic Plan one year ahead of target

**3** Winning regional strategies for growth and profitability  
IoT increasing barriers to entry – Fluidra leading the transformation  
Significant inorganic growth opportunities in a fragmented industry  
ESG at the heart of Fluidra's activity

**4** Clear medium-term objectives based on improving outlook further enhanced by megatrends and current lifestyle shifts

# FLUIDRA CONTINUES TO DELIVER ON FINANCIAL OBJECTIVES – AHEAD OF PLAN

## Targets set – Strategic Plan 2018-2022



- Executed ahead of plans set with transformational 2018 Zodiac merger

- All 2022 Strategic Plan objectives to be met by 2021

- Step change continues: 2021 guidance will be met (at minimum)

- “Stay at home” & “Flight to suburbs” trends continue to stimulate growth

- Texas freeze disaster (Feb 2021) increasing after-market replacement demand

1: €351m EBITDA 2022 objective is pre IFRS 16, becoming €375m once adjusted, also to be achieved during 2021

2: FCF calculated as adjusted EBITDA – Capex +/- Changes in Operating Working Capital

3: ROCE is defined as adjusted EBITA / Cash Equity. Cash Equity includes (€527M) adjustment to reflect delta in between 6 months average share price pre-merger announcement (€7.37 p.s.) and share price pre closing (€13.72 p.s.) times 83 million issued shares. 18% ROCE on IFRS accounting, becoming 19% once measured as per US GAAP

# GLOBAL LEADER IN A GROWTH INDUSTRY

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**1**

**Structurally attractive industry – long-term growth, accelerated by recent lifestyle changes**

**2**

**Global leader – based on unique footprint and offering**

**3**

**Growth, improving margin and value creation for shareholders**



# 1 STRUCTURALLY ATTRACTIVE INDUSTRY

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FLUIDRA CAPITAL MARKETS DAY

# LONG-TERM STRUCTURAL GROWTH DRIVERS – CURRENTLY BOOSTED FURTHER

## Market Dynamics & Drivers

### Market



Large installed pool base with accelerating growth



Average selling price continues to grow



Innovation driving consumer demand for an upgraded pool experience



Despite step change, new construction below long-term historic average in USA, Spain & below peak globally

### Step Change Consumer trends



Flight to suburbs globally and in the USA to the sunbelt



Increasing tendency towards outdoor living



Pool as the anchor to the backyard experience



Strong equity in housing and consumer willingness to invest in their largest asset

**Pool unit value has grown > 60% in recent years and Fluidra's participation more than 2x**



Pre 2011 pool

**<€25k**

*Avg. cost for a pool in the USA*

**<10%**

*Fluidra's value*



Present day pool

**>€40k**

*Avg. cost for a pool in the USA*

**>15%**

*Fluidra's value*

# ATTRACTIVE INDUSTRY GROWTH RATE EXPECTED TO INCREASE FURTHER



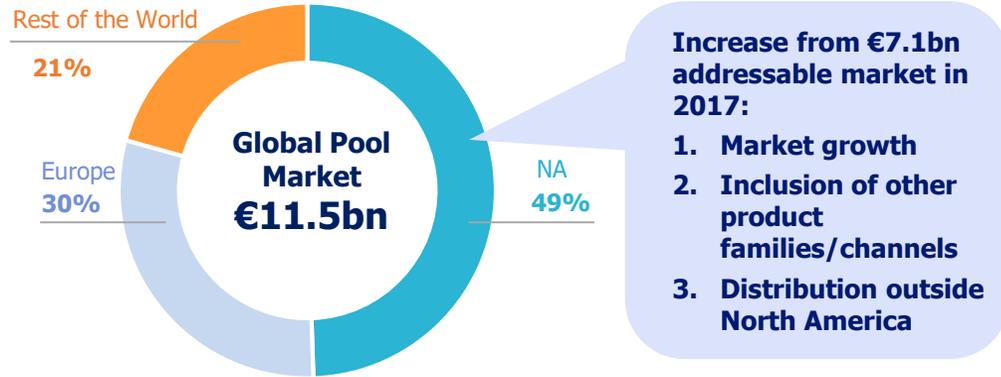
- 1** Underpinned by lifestyle / housing megatrends
- 2** Medium-term installed base growth gaining momentum
- 3** Driven by innovation and upgrades

**MARKET GROWTH OUTLOOK**

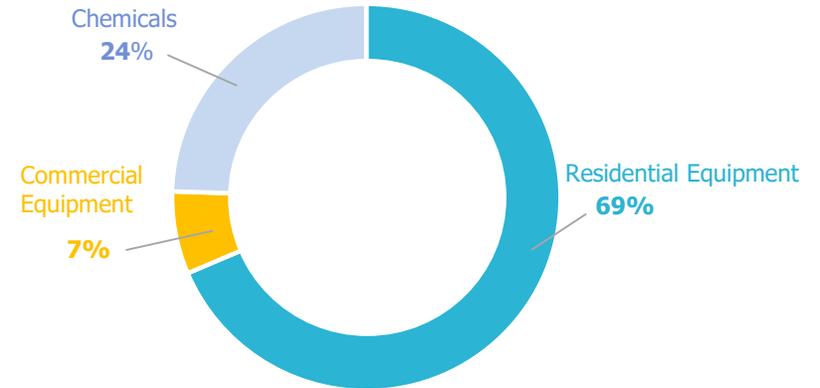
# LARGE GLOBAL MARKET – HIGHLY FRAGMENTED & LED BY FLUIDRA

## NA & Europe make up for the bulk of the large Global market ...

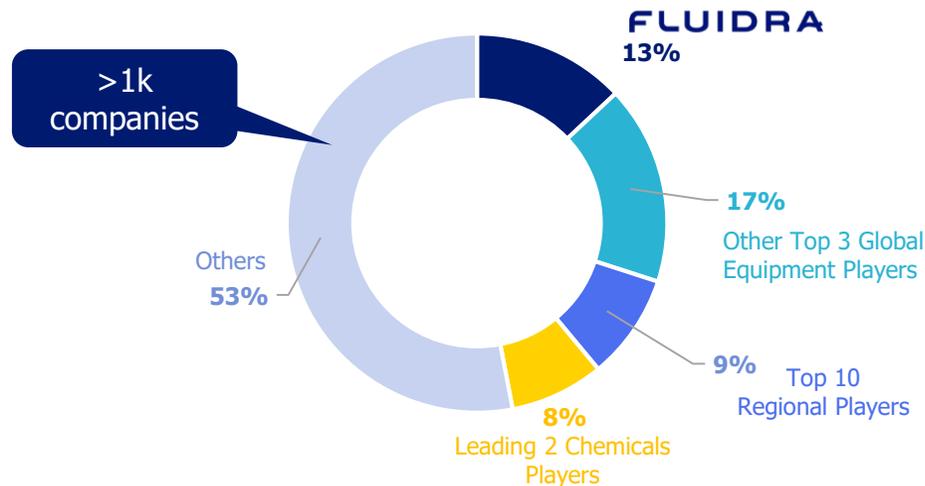
Split by market 2020



## ... as well as the dispersed residential segment



## Fluidra is the global leader in a fragmented industry



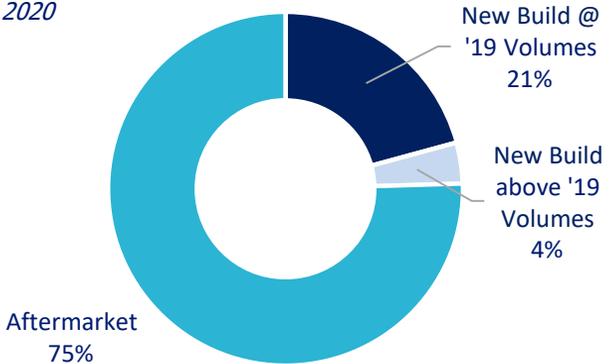
## Market share commentary

- Expanded addressable market provides plentiful growth opportunities
- Addressable market well-diversified by product category
- Robust market growth provides ample room to grow and capture market share
- Strong market shares greater than 20% in core product segments

# GROWING RESIDENTIAL INSTALLED BASE SOLIDIFYING REVENUE RESILIENCE AND VISIBILITY

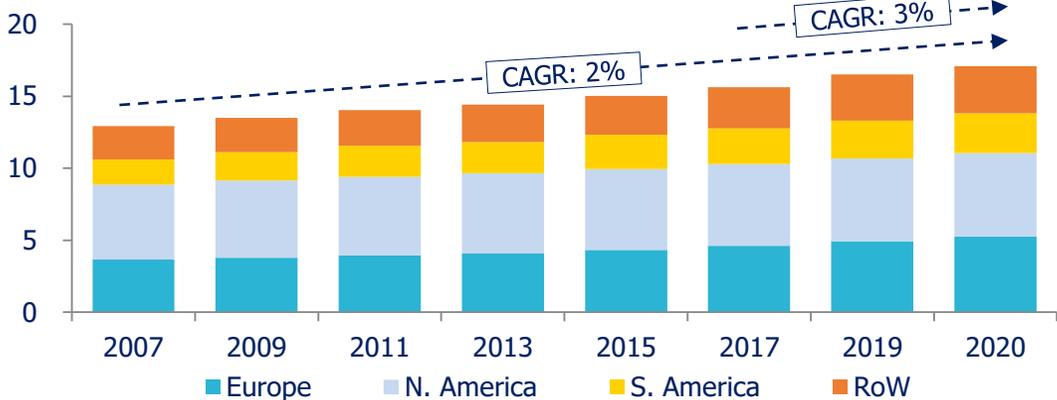
## Resiliency driven by large installed base

Split by market type 2020



## Acceleration in the evolution of the pool base

Residential inground pools in millions



## Life of residential pool & renewal cycle – leading to highly predictable unit economics

### Aftermarket



## Lower average global spend compared to that of N. America provides upside potential

1: Prices for inground pools at manufacturer level

# TOTAL ADDRESSABLE MARKET WELL-DIVERSIFIED BY SEGMENT

## New Build



**€2.9bn**

*c.94% Residential /  
c.6% Commercial*

## Consumables



**€2.8bn**

*c.74% Residential /  
c.26% Commercial*

## Maintenance & Upgrade



**€4.2bn**

*c.89% Residential /  
c.11% Commercial*

## Re-model



**€1.6bn**

*c.91% Residential /  
c.9% Commercial*

**Increasing Fluidra's ability to gain market share in all the pool industry's verticals**

**€11.5bn**

Total Addressable Market

# VERY ATTRACTIVE – AND IMPROVING – INDUSTRY DYNAMICS

- 1** Megatrends driving acceleration in medium-term structural growth
- 2** Unit value expanding materially (and Fluidra's share of it)
- 3** Addressable market well-diversified by category
- 4** Accelerating growth of installed base enhances resilience, visibility and repeatability of revenue
- 5** Fluidra is the global leader in a highly fragmented industry



# 2 GLOBAL INDUSTRY LEADER

FLUIDRA CAPITAL MARKETS DAY

# GLOBAL INDUSTRY LEADER – STRENGTHENED, AND INVESTED, TO WIN

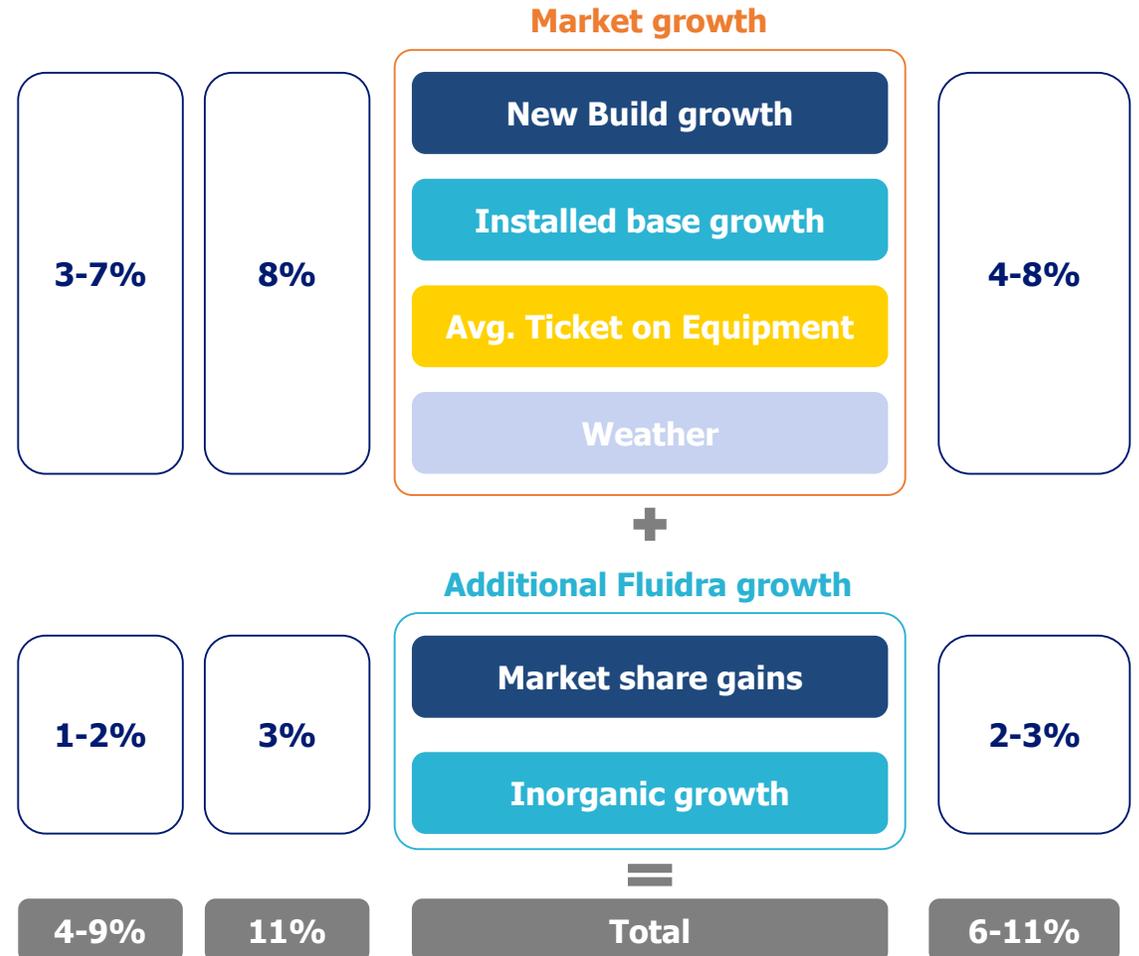
## WHY FLUIDRA WINS

- 1 Broadest geographic footprint – access to all markets for growth & diversification
- 2 Optimal business model and adapted “route to market” - Branded & Pool-Pro centric
- 3 Innovation / IoT leader – drives growth and margin
- 4 Continuous margin expansion – digitalize, simplify through Lean / Value Initiatives
- 5 Excellent M&A track record – consolidating a fragmented industry, creating value
- 6 Sharp focus on ESG – conducting our business the right way
- 7 Culture of fast and agile decision-making and execution

2015-19

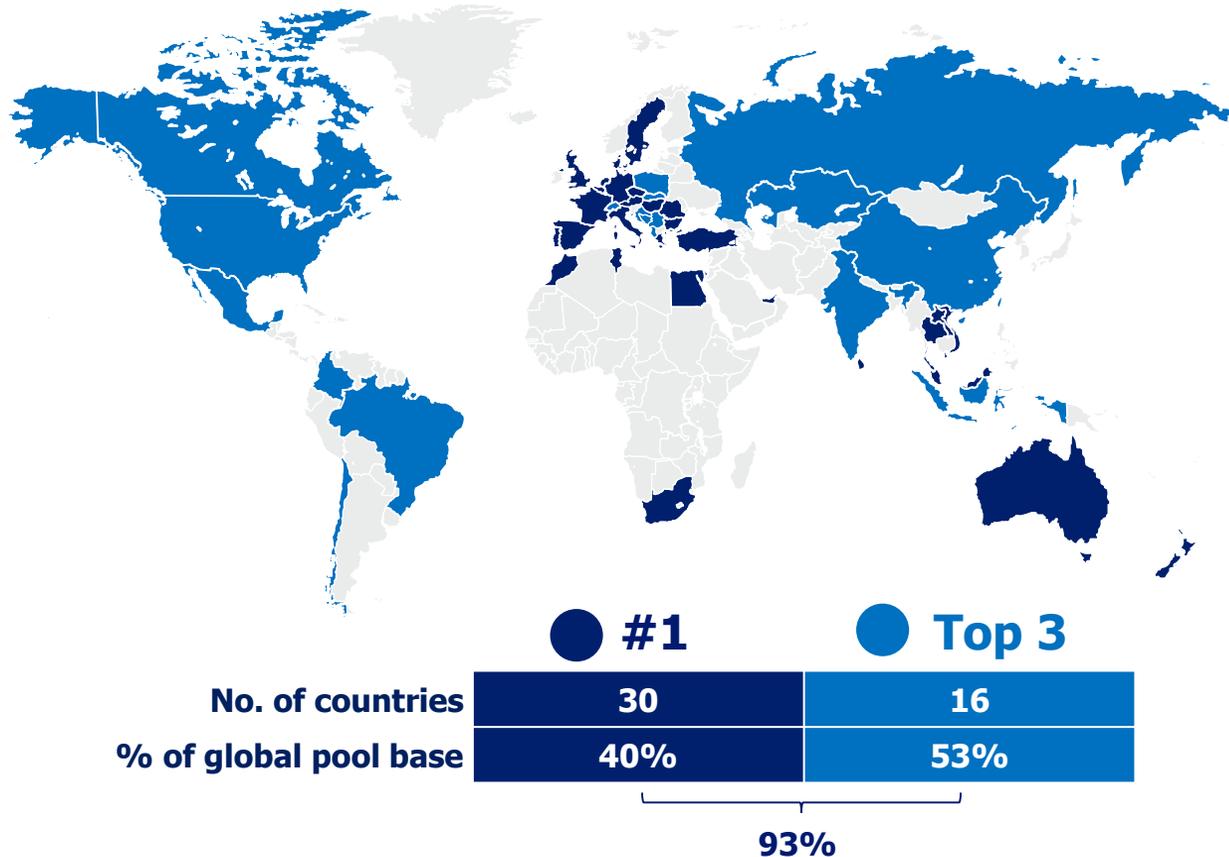
2020

Medium term growth Assumptions



# SIGNIFICANT SCOPE TO GAIN FURTHER MARKET SHARE, DRIVEN BY SCALE AND MARKET FRAGMENTATION

Fluidra is #1 in countries with 40% of global pool base... and top 3 in 93%



## Global diversified platform

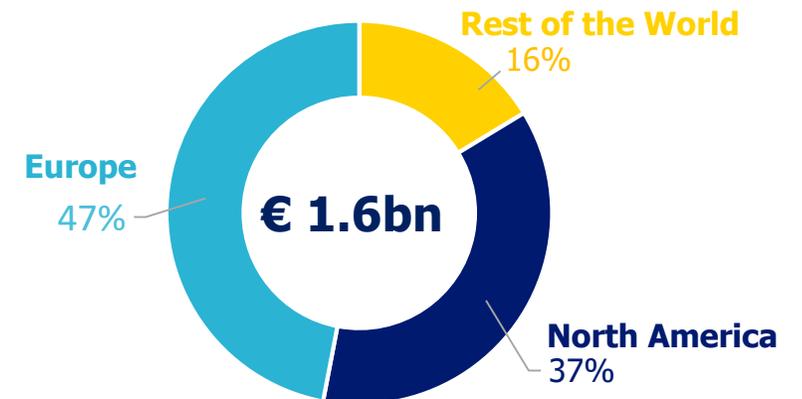
1

Fluidra generates 4x more revenue outside North America than next player...

2

... and now Fluidra has closed the gap to the #2 player in North America

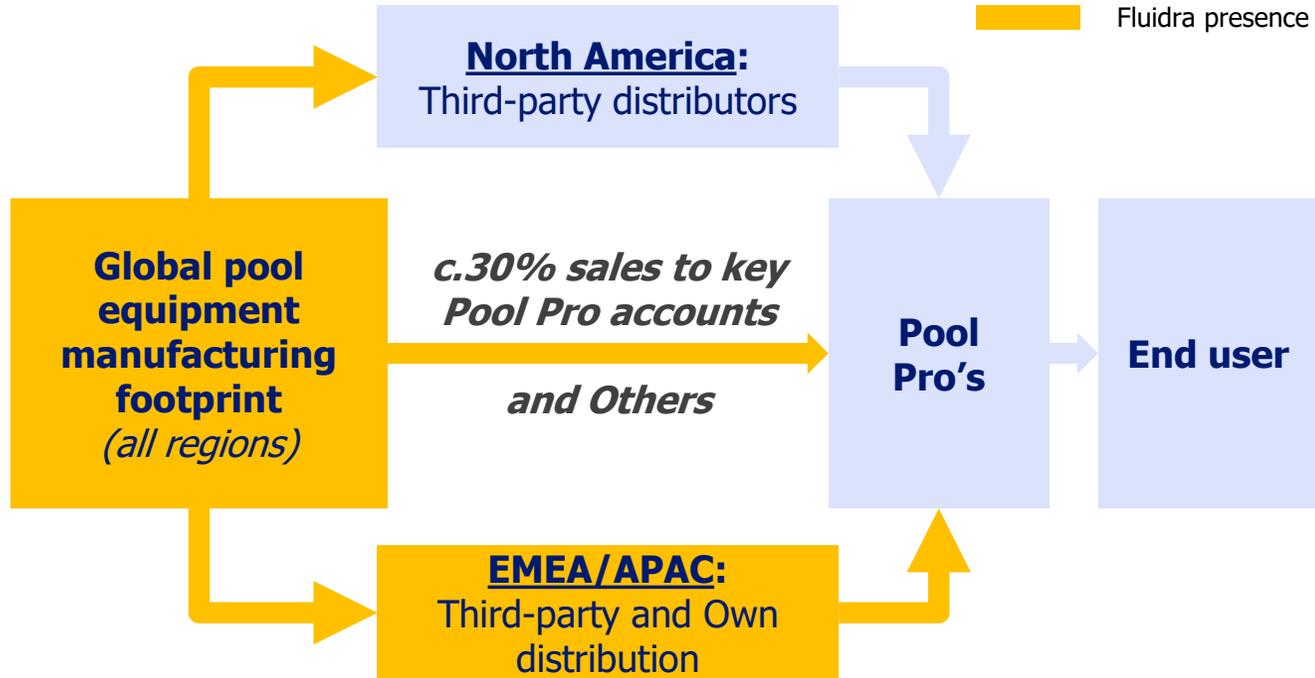
## Fluidra's 2020 sales by region<sup>1</sup>



1: Sales are proforma for CMP's acquisition

# BLENDING MODEL ADAPTS & OPTIMIZES ROUTE TO MARKET ACROSS GLOBE

Fluidra operates across the value chain with an adapted regional model



## Significance of Pool Pro

- Critical route to market > 70% of channel share
- Pool Pro is key decision-maker for product selection and service delivery
- Pool Pro can be a builder, maintainer, repairer, retailer or a combination of the above
- Others includes mass market and non-pool e-commerce players

## Why Fluidra "owns" the Pool Pro

- Widest product offering
- Quality branded products
- Product availability
- World class technical and aftersales service
- Leading loyalty and marketing programs

Long-lasting relationships built on trust and reliability

# GLOBAL INDUSTRY LEADER WITH WINNING REGIONAL STRATEGIES

## Accelerate growth in North America



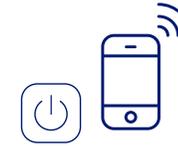
Strong product pipeline and new channels



Continue aftermarket penetration strategy



Expand into new residential categories from CMP acquisition and merger



Leverage connected pools for cross-selling and services



Develop commercial pool by growing in HMAC

## Leverage platform in EMEA



Accelerate growth in cleaners post remedy implementation



Optimize channel management



Continue distribution expansion of Fluidra Pro Centers



Rationalize product offering and footprint for increased profitability



Further develop commercial pool

## Profitable growth in APAC



Leverage product pipeline for profitable growth



Rationalize product offering for increased profitability



Integrate Fabtronics and deliver cost synergies



Leverage SE Asia expertise to develop commercial pool

# GLOBAL R&D LEADER – STRATEGIC INVESTMENTS IN INNOVATION AT OUR CORE

- **R&D capability with >200 engineers and >1,400 patents**
  - 3x more patents than the next industry player
- **Robust product roadmap based on key criteria**
  - Improving quality and user experience
  - Technology focused on increasing energy efficiency and sustainability
  - Global range expansion
  - Industry leader in connected pools (IoT)

R&D/ Sales<sup>1</sup>

1.7%

CapEx/Sales<sup>1</sup>

~ 3.0%

Cleaners



Hydraulics



Heating



Water Care



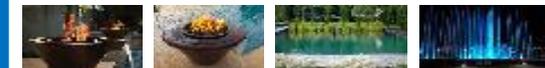
Lighting



White Goods and Valves



Outdoor Integration



Internet of Things (IoT)



Proven history of innovation helps us outgrow the market

1: 2020 figures pre CMP

# IoT STARTING MOMENTOUS TRANSFORMATION OF CUSTOMER DEMANDS & EXPECTATIONS FEWER PLAYERS CAN DELIVER - INCREASING BARRIER TO ENTRY / PARTICIPATION

## Core fundamentals of our IoT strategy

**1** Invest to lead the industry transformation over medium-term – digital ecosystem

**2** Optimize Pool Pro and End User outcomes – Fluidra grows with customers

**3** Enhance Revenue, Margin and RoCE performance

## IoT benefits the entire pool ecosystem

**1**

### Opportunity for End User

- Ease of use and peace of mind enhances experience
- Product and service optimization & flexibility
- Cost savings and efficiency

**2**

### Opportunity for Pool Pro's

- Efficiency and time-management / capacity
- Optimize product selection
- Speed of delivery for end-user

**3**

### Opportunity for Equipment Manufacturers

- Enhanced customer and product information
- Improve customer satisfaction and customer stickiness
- Potential for significant margin enhancement

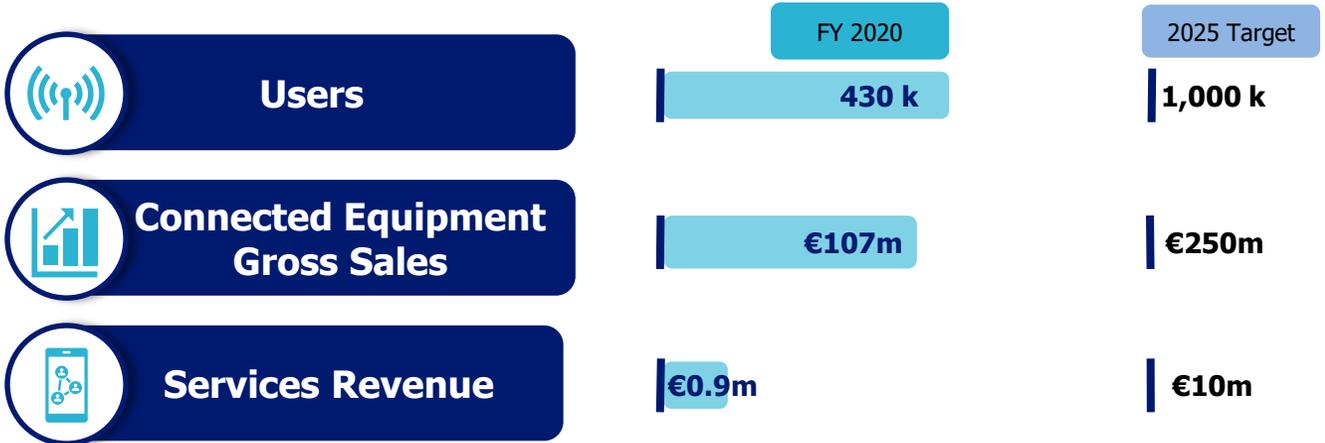
# IoT SET TO DELIVER MEANINGFUL VALUE FOR CUSTOMERS AND INVESTORS FLUIDRA THE CLEAR LEADER IN CONNECTED EQUIPMENT

**Connected bundle drives ASP of Pool Pad >20% plus additional product sales**

Non-connected

Connected

## IoT 2025 Ambition vs. Current



## Leadership in a growing market

- Strong penetration with c.65% of US new builds including connectivity
- Accelerating demand with >35% CAGR 18-20 in # connected users
- Clear leader in connected equipment >40% over next competitor

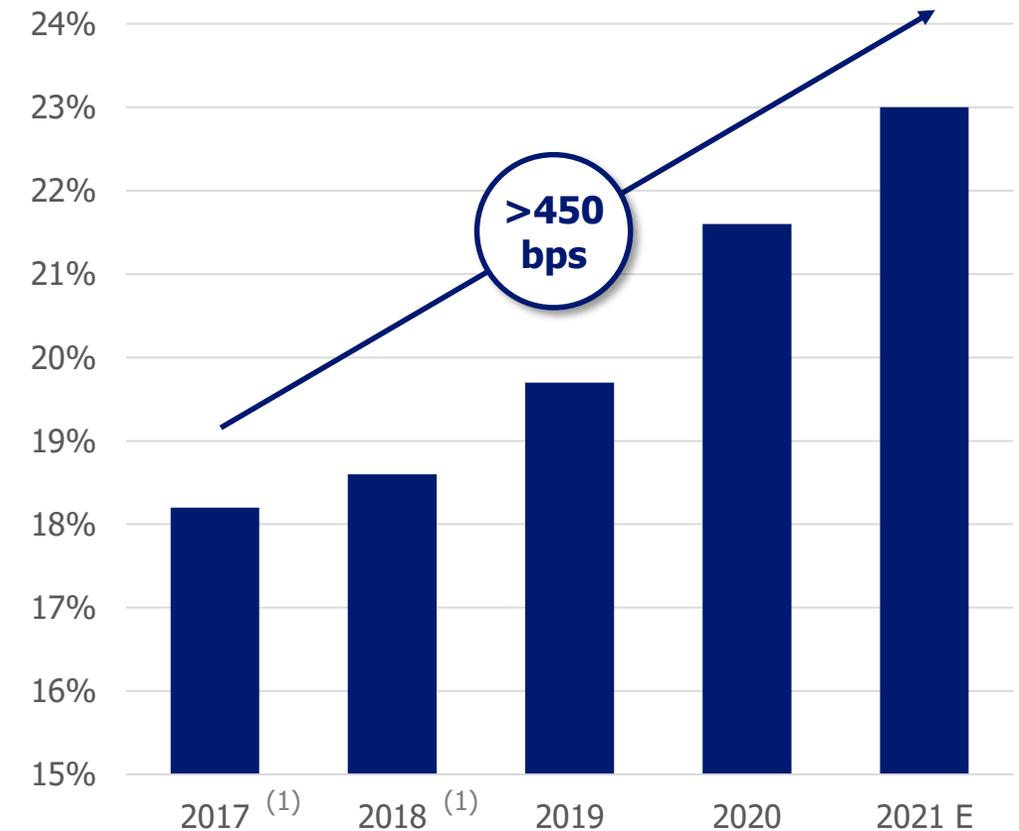
# PROVEN TRACK RECORD ON MARGIN EXPANSION - SET TO CONTINUE

## Clear competencies to drive margin

- Lean and Value Initiatives as a constant process taking cost out of products mainly through:
  - Product or component redesign
  - Supplier change or cost renegotiation
  - Lean process
- M&A cost synergies are a recurring feature within margin expansion
  - >€6.3m cost synergies through CMP and €2.8m remaining from the Zodiac merger
- Good operating leverage driven by fixed nature of approx. 60% of Opex base
- Digitization of internal operations
- Simplification as a future opportunity for further margin expansion

## Proven Margin Expansion

(Adjusted EBITDA % Sales)



1: 2017 and 2018 adjusted for IFRS16 implementation considering 2019 lease volume

# M&A TRACK RECORD: REGULAR, SYSTEMATIC PROCESS - CREATING VALUE

## Clear acquisition parameters



Opportunity for product range & customer expansion



Culturally aligned



Immediately identifiable synergies



Overweight North America



ROCE threshold as guiding metric



Balance exposure to commercial pool

## Disciplined M&A strategy in a largely fragmented market

- Objective to generate additional annual sales growth of c. 1-2% per annum
- Large opportunity list, generally <€25m sales and <7x EV/EBITDA
- Leverage proven competencies and group capabilities
- Centralized deal team ensures discipline and increases capacity for local teams, who prospect and own the opportunities
- Established market reputation for bolt-on acquisitions

## Proven inorganic track record – plentiful future opportunities

												
												
2014	2015	2016	2016	2017	2017	2017	2020	2020	2020	2021	2021	2021

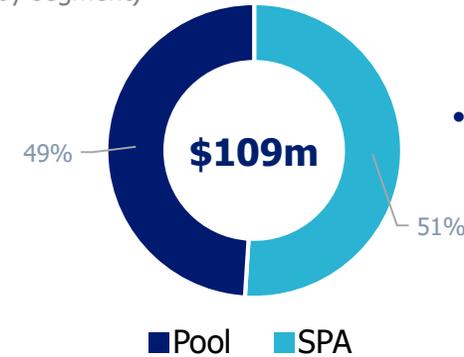
# CMP ACQUISITION CASE STUDY (Q1 2021) – MEETS ALL OUR CRITERIA

## Our Criteria & CMP Opportunity

- 1 **Expands Group North America Footprint:** US manufacturer of solutions for recreational water industry
- 2 **Product range expansion:** Range of new and complementary products
- 3 **Strong entrance into SPA OEM market:** attractive adjacent SPA components segment >\$500m
- 4 **Immediately identifiable synergies:** \$10m revenue (sanitizers / white goods / lighting) + \$7.5m cost (procurement/logistics) by 2024
- 5 **RoCE Threshold:** Guiding metric for our valuation approach
- 6 **Culturally aligned:** Strong leadership team committed to manage through integration

## Fast-growing business - attractive adjacent segment

(sales by segment)



- 2016-20 Sales CAGR of 10%, excl. M&A

## Highly complementary offering

*Sanitization & White Goods*

*Lighting, Fire & Water Features*

*SPA/Pool OEM Products*

DEL: + POWERCLEAN

NATURAL WONDERS

SpaMASTER

ASO

Brilliant Wonders LED PRODUCTS

AIR: X

SGS

bobé

CMP

SQR

# STRONG CULTURE REINFORCED BY ESG – MISSION, VISION AND VALUES

## MISSION

TO CREATE  
THE PERFECT  
**POOL & WELLNESS**  
EXPERIENCE  
**RESPONSIBLY**

## VISION

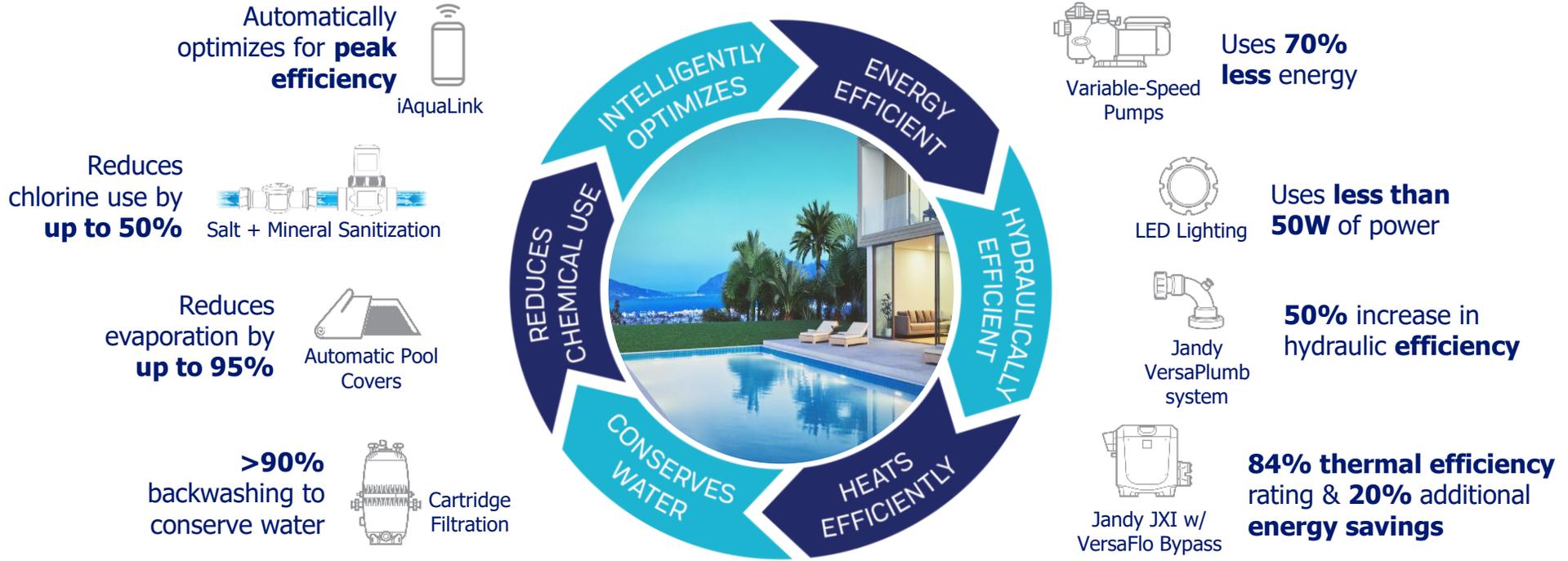


To enhance lives through innovative and sustainable solutions that **transform the way people enjoy water** for recreation and health

## VALUES



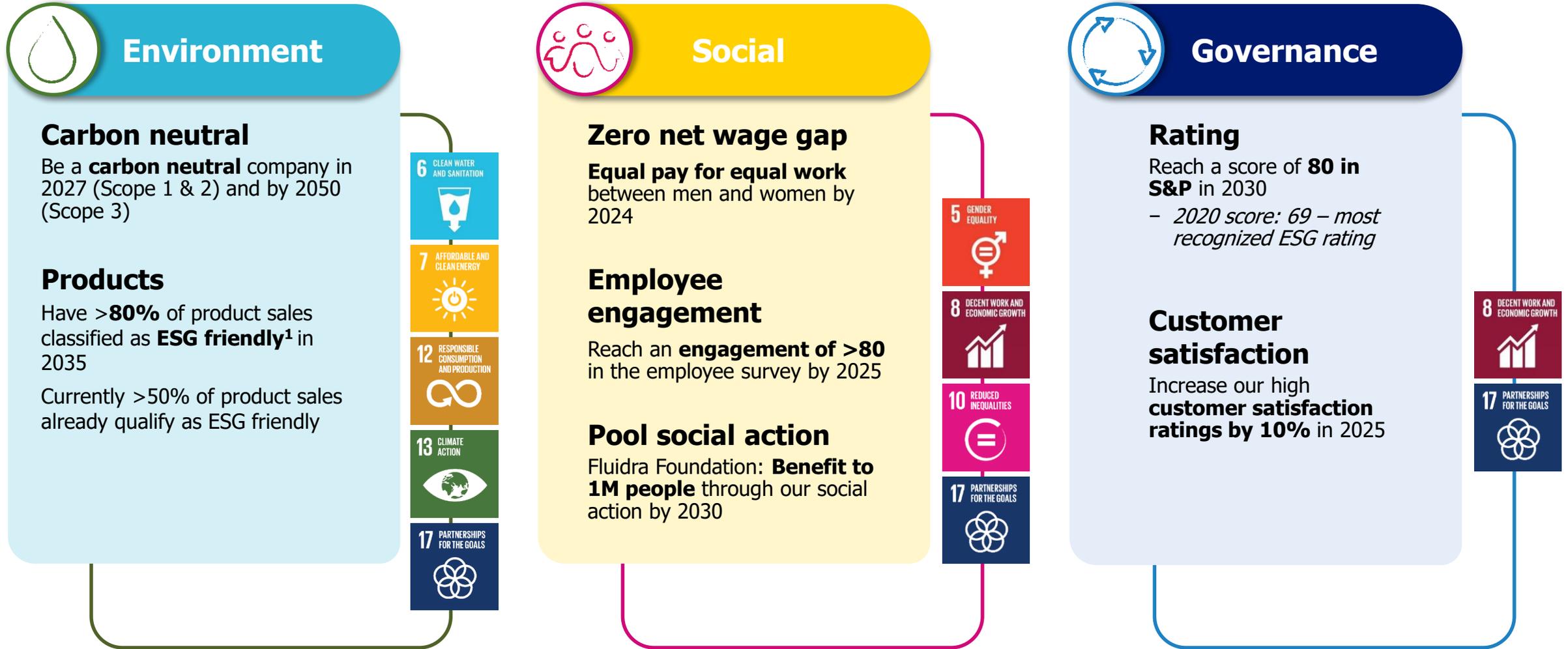
# ESG CASE STUDY – THE MOST EFFICIENT POOL SYSTEM ON THE PLANET



## Old vs New: Efficiency Comparison

Old	Totals Comparison	% savings	New
 <ul style="list-style-type: none"> <li>2 Single-speed pumps 5000W</li> <li>1 Incandescent light 300W</li> <li>Plumbing head loss 150W</li> <li>Traditional chlorine</li> <li>No cover</li> </ul>	<ul style="list-style-type: none"> <li><b>5.45KW</b> avg <b>Power</b> <b>1.6KW</b> avg</li> <li><b>3 PPM</b> avg <b>Chlorine</b> <b>1.5 PPM</b> avg</li> <li><b>&gt;680</b> liter loss per week <b>Water</b> <b>38</b> liter loss per week</li> </ul>	<ul style="list-style-type: none"> <li><b>71%</b></li> <li><b>50%</b></li> <li><b>94%</b></li> </ul>	<ul style="list-style-type: none"> <li>2 VS pumps 1400W</li> <li>3 LED lights 144W</li> <li>VersaPlumb head loss 40W</li> <li>Salt + Mineral sanitizers</li> <li>Automatic cover</li> </ul> 

# RESPONSIBILITY BLUEPRINT: CLEAR COMMITMENTS IN EACH ESG VERTICAL



1: ESG friendly includes low carbon, avoiding-emissions, carbon neutral, water savings, chemical savings and circular products

# FLUIDRA IS THE ONLY GLOBAL PLAYER WITH AN INTEGRATED MODEL

- 1** **Broadest geographic footprint – access all markets for growth & diversification**
- 2** **Optimal business model and adapted “route to market” - Branded & Pool-Pro centric**
- 3** **Innovation / IoT leader – drives growth and margin**
- 4** **Continuous margin expansion – digitalize and simplify through Lean / Value Initiatives and footprint optimization**
- 5** **Excellent M&A track record – consolidating a fragmented industry, creating value**
- 6** **Sharp focus on ESG – conducting our business the right way**
- 7** **Culture of fast and agile decision-making and execution**



# 3 GROWTH, QUALITY & VALUE CREATION

FLUIDRA CAPITAL MARKETS DAY

# FLUIDRA'S PROPOSITION OF GROWTH & QUALITY OF RETURNS IS A RARE COMBINATION - WARRANTS A WIDER PEER SET

Very few companies offer similar investment attractions

## Global Equity Universe

Consistent structural revenue/ Profit growth

Strong and improving margins

Deleveraging enhances cash EPS growth

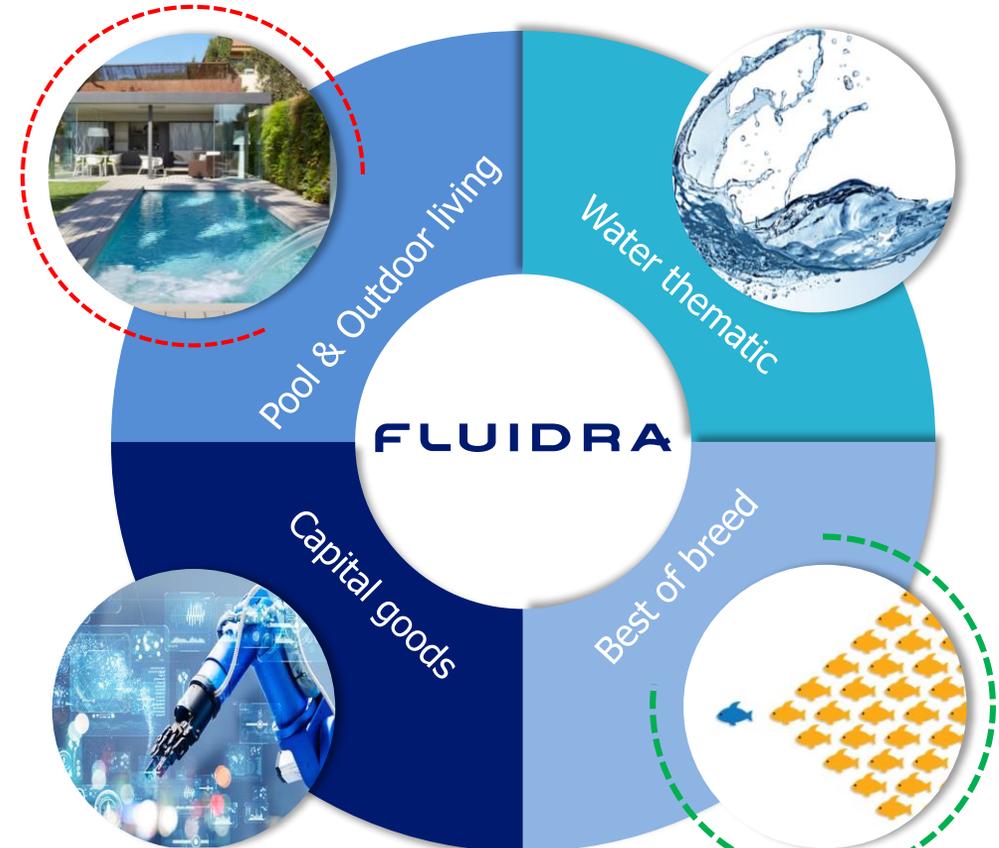
High cash conversion

Strong and rising ROCE

Growing liquidity

**FLUIDRA**  
*... fits in a selected peer set*

Wider relevant peer set for consideration



 Default sector peer group

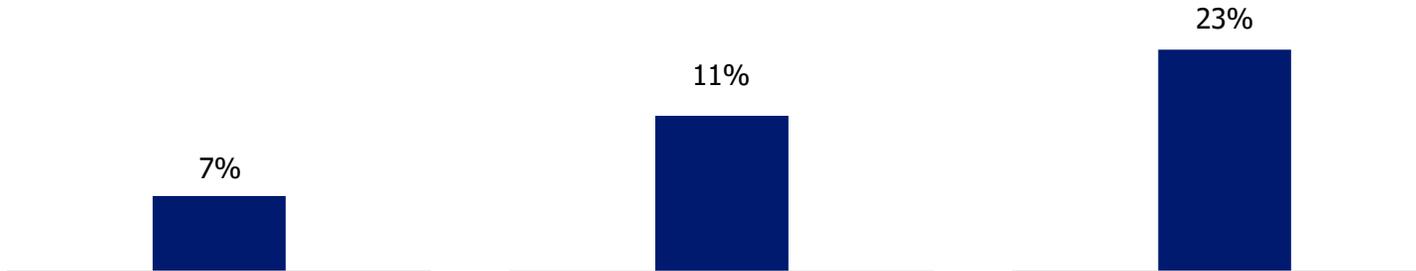
# STRONG TRACK RECORD - GROWTH, DIVERSIFICATION & RESILIENCE

## Growth dynamics

Revenues<sup>1</sup> CAGR 17-20

Adj. EBITDA<sup>2</sup> CAGR 17-20

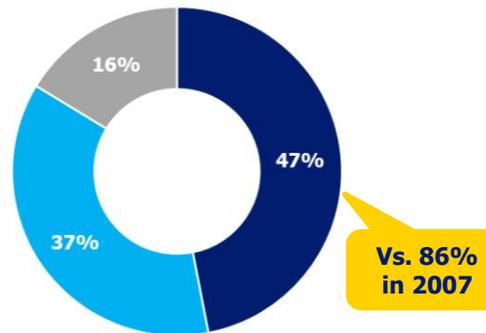
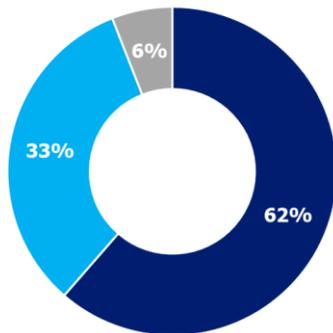
Cash EPS<sup>3</sup> CAGR 17-20



## Increasingly resilient and diversified business model

Sales by market segment (2020)

Sales by geography (2020)<sup>4</sup>



■ Aftermarket ■ New Build @ '19 volumes ■ New Build above '19 volumes

■ Europe ■ North America ■ Rest of the World

- Strong and consistent top-line growth above market
- Resilience founded on megatrends, and growing installed base
- Global footprint diversifies exposure and optimizes growth opportunities
- EBITDA growth stimulated by business improvement initiatives
- High and improving cash conversion, and growth

1: Constant FX and perimeter. Revenues CAGR adjusted for Aquatron remedy implementation

2: 2017 and 2018 adjusted for IFRS16 implementation considering 2019 lease volume

3: Based on '17 and '18 PF figures. Assuming '19 Cash Interest Paid of €47m for '17 and '18, as well as 28% PF tax rate for years '17 and '18

4: PF for CMP acquisition

# HIGH QUALITY CASH RETURNS ON INVESTMENT – SET TO IMPROVE FURTHER

## Very strong operating, cash conversion and returns dynamics ...

Avg. EBITDA<sup>1</sup> Mgn. 17-20

Avg. FCF conversion<sup>2</sup> 17-20

ROCE<sup>3</sup> 2020

Significant operating leverage

+330 bps



>90%



19% as measured by US GAAP

18%



### • Delivering Growth & Quality of Returns

- Fluidra leads a fast-growing industry
- And generates high-quality, repeatable returns
- Our model is a “Best-of-Breed” long-term value creator / Compounder

## ... generate resources to reinvest in growth and optimise funding structure

3.7x



2017PF

3.3x



2018PF

2.6x



2019A

2022E targeted leverage position already achieved

1.8x



2020A

### • We are Committed to

- Further value-accretive investment
- Compounding value-creation for shareholders (systematic ROCE>WACC)
- Appropriate and attractive cash returns to shareholders

1: 2017 and 2018 adjusted for IFRS16 implementation considering 2019 lease volume

2: FCF calculated as adjusted EBITDA – Capex +/- Changes in Operating Working Capital. FCF conversion calculated as FCF/ Adj. EBITDA

3: ROCE is defined as adjusted EBITA / Cash Equity. Cash Equity includes (€527M) adjustment to reflect delta in between 6 months average share price pre-merger announcement (€7.37 p.s.) and share price pre closing (€13.72 p.s.) times 83 million issued shares

# WE TAKE A DISCIPLINED APPROACH TO CAPITAL ALLOCATION, TO OPTIMIZE RETURNS

INVESTMENT PRIORITY	CONSIDERATIONS
<b>Reinvest in the business to drive organic revenue growth and margin improvement</b>	<ul style="list-style-type: none"><li>• Optimize market entry and expansion</li><li>• R&amp;D investment at 1.5-2% sales p.a.</li><li>• Optimize efficiency via digitalization and invest in simplification</li></ul>
<b>Invest in acquisitions to supplement Fluidra's existing strategy and capabilities</b>	<ul style="list-style-type: none"><li>• Maintain disciplined M&amp;A approach and focus on transactions with high strategic value</li><li>• Conservative approach to anticipated synergies, and vigorous focus on execution and realization</li><li>• 2021 acquisition of CMP for total consideration of c.€205m</li></ul>
<b>Return cash to shareholders via dividends</b>	<ul style="list-style-type: none"><li>• Target dividend payout ratio of c. 50% Cash Net Profit</li><li>• Dividend per share grown at 16% p.a. since 2017<sup>1</sup></li></ul>

1: 2017 dividend paid in 2017 as a distribution of 2016 results

# MEDIUM-TERM STRATEGIC & FINANCIAL OBJECTIVES SUMMARY

## Growth

- > Industry, leveraging global footprint
- Focus on North America expansion
- Drive by innovation, IoT, Commercial Pool

## Margin Expansion

- Continued execution – Simplify / Lean / Digitalize
- Scale central functions of global platform
- Optimize brand & sales channel management

## Cash Generation & Leverage

- Tight focus on WC and Capex control
- Ensure cash conversion remains high
- Leverage +/- 2x may vary temporarily with inorganic growth

## Returns on Investment

- Value accretive M&A pipeline
- Growth investment = / > Target returns
- Manage funding to optimize WACC

## Operating and financial performance

	Past	Step change		Future
	2017-19	2020 <sup>2</sup>	2021E	Medium Term
Sales Growth	5.1% <sup>1</sup> p.a.	11.2%	37-42%	>6% p.a.
EBITDA Margin expansion	~75 bps p.a.	190 bps	340-390 bps	>50 bps p.a.
Cash EPS growth	8.9% p.a.	57.4%	83-93%	>15% p.a.
Dividends % of Cash Net Profit	n.a.	~40%	~50%	~50%

1: As reported growth of 3.1% increases to 5.1% on constant currency and perimeter, including Aquatron's remedy implementation

2: At constant FX

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**3** Winning regional strategies for growth and profitability  
IoT increasing barriers to entry – Fluidra leading the transformation  
Significant inorganic growth opportunities in a fragmented industry  
ESG at the heart of Fluidra's activity

**4** Clear medium-term objectives based on improving outlook further enhanced by megatrends and current lifestyle shifts

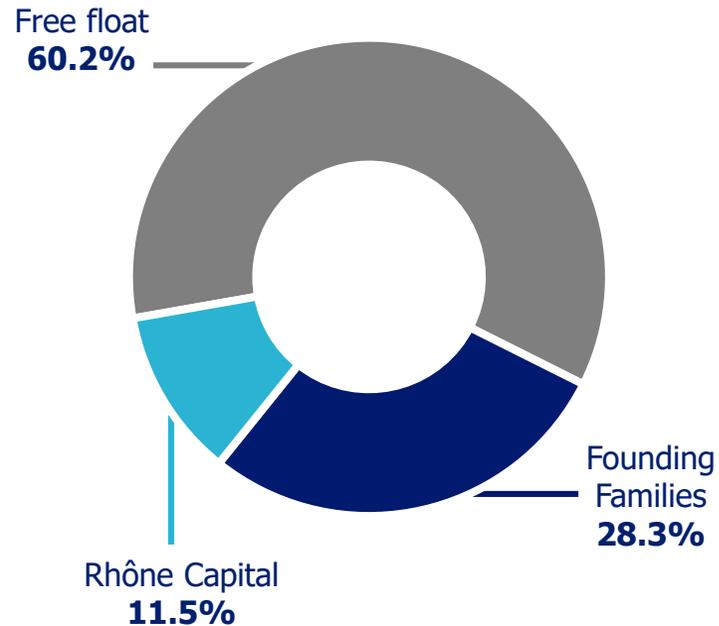
A modern villa with a swimming pool and outdoor seating area. The villa features a white facade, large windows, and a balcony with a glass railing. The pool is surrounded by a concrete deck and has a blue tiled interior. The outdoor seating area includes wicker armchairs and a ottoman. The villa is surrounded by lush greenery, including palm trees and flowering plants. The sky is overcast with grey clouds.

# APPENDIX

FLUIDRA CAPITAL MARKETS DAY

# OWNERSHIP STRUCTURE AND SHAREHOLDERS' AGREEMENT

## Ownership structure



## Shareholders' agreement<sup>(1)</sup>

### Rhône Capital:

- Prohibition to sell to a single acquirer (i) more than 20% or (ii) any number of shares if this would legally oblige the acquirer to launch a tender offer
  - Once funds managed by Rhône  $\leq 20\%$  but  $> 7\%$ :
    - Free transfers: (i) transfers made through an accelerated bookbuild offering, block trade or other similar transactions ("ABB") in which no single acquirer is entitled to acquire 3% or more (ii) transfers, whether in single or several transactions, representing a maximum aggregate of 3% within any 6 month period
    - Founding families have a right to participate on same terms on (i) above and right of first offer on any other transfers of shares
  - Once funds managed by Rhône  $\leq 7\%$ : Free transfers provided that in transfers made through ABB no single acquirer is entitled to acquire 3% or more and founding families have a right to participate on same terms

### Founding Families:

- Lock-up period until July 2021 except for (i) sales up to a maximum of 5% in aggregate or (ii) among families

1: Full detail of the Shareholders' agreement can be found on our website: <https://www.fluidra.com/shareholders/shareholder-agreements>

# US GAAP TO IFRS - KEY FINANCIAL DIFFERENCES FOR FLUIDRA

€M	2020	
<b>Adjusted EBITDA</b>	<b>320.8</b>	
Lease expense	(24.7)	Lease expenses not included in P&L under IFRS 16
R&D expense	(12.5)	Capitalized R&D expenses
<b>Adjusted EBITDA (US GAAP comparable)</b>	<b>283.6</b>	
Depreciation	(20.4)	
<b>Adjusted EBITA (US GAAP comparable)</b>	<b>263.1</b>	

**FLUIDRA**

# 1H RESULTS 2021

July 30<sup>th</sup> 2021



1. Excellent first half results. Very strong Residential Pool season in the Northern Hemisphere that positions us well for the second half.
2. Fundamentals of the business remain solid and promising, our leading platform is ready to continue our growth, margin and cash expansion profile.
3. Investment for growth and continued strong execution reassure delivery of our medium term strategic and financial objectives.
4. Quarterly comparisons are unusual due to COVID-19 impacts.
5. We are raising our 2021 guidance.

# YTD Financial Highlights

FLUIDRA

Excellent Growth & Operating Leverage in 1H 2021

€M	2020	2021	Evol. 21/20	Const. FX & Perimeter
Sales	771.3	1,186.7	53.9%	50.0%
EBITDA	169.4	330.1	94.9%	101.5%
EBITA	138.7	297.3	114.4%	125.9%
Cash EPS	0.43	1.11	156.7%	169.4%
Operating Net Working Capital	347.0	333.1	(4.0%)	(12.1%)
Net Debt	738.0	780.7	5.8%	7.6%

- Very strong Sales growth in 1H driven by both the **Aftermarket** and **New Builds** in Residential Pool.
- Excellent EBITDA and EBITA on strong **Gross Margin** and outstanding operating leverage.
- Read-through into Cash EPS, which grew substantially as did **Net Profit**.
- Great evolution of Operating Net Working Capital, improving ratio to Sales by 754 bps.
- Leverage ratio reduced one turn to **1.6x** despite Net Debt increase due to significant investments on **M&A**.

*Note: EBITDA and EBITA are adjusted to include Run Rate Synergies and exclude Non-Recurring Expense. For more details please refer to page 17.*

*For more details on Cash EPS please refer to page 18.*

## Business Evolution

- Step change continues helped by demographic trends. Business fundamentals remain very strong. Fluidra is optimally positioned to achieve its medium term-targets shared at CMD.
- Additional in-season price increase taken in order to offset inflationary pressure on shipping, raw materials and components.
- Marginal supply chain impacts for the quarter as we continue working to catch-up to the strong demand.

## Accretive Capital Allocation: Attractive Remuneration Policy and Ongoing M&A Activity

- Excellent cash generation on a clear capital allocation policy. €0.20 p.s. dividends were paid on July 6<sup>th</sup>, and an additional €0.20 p.s. will be paid on November 3<sup>rd</sup>, for a total of €78M outflow i.e. c.50% of 2020 Cash Net Profit.
- Both Built Right and CMP acquisitions integrating well and performing ahead of plan.

## Positive Evolution of Revenue Synergies and Commercial Pool

- Laghetto, the Italian firm acquired in 2017 specializing in high-end aboveground pools, is expanding into the US and Australia starting next year.
- Strong Robots recovery post Aquatron's spin-off.
- North America's Commercial Pool division performing nicely as the range of products expands.
- Good progress in Commercial Pool activity for Europe and Rest of the World. Aftermarket recovers and we see acceleration of New Project activity. We developed Fountain and Wellness projects in India, Dubai, Mexico, Serbia and Portugal, consolidating ornamental fountains as a cornerstone of the Commercial Pool division.

## ESG "Responsibility Blueprint" Plan for 2020-2026

- On the "Social" front, the results of 2021 Engagement Survey are in, with an increase in both the participation and engagement rates.
- We launched an ESG training and awareness program for our employees tied to the Blueprint.

## Outstanding Performance in All Geographies

Q2 €M	2020	% Sales	2021	% Sales	Evol. 21/20	Const. FX & Perimeter
Southern Europe	180	40%	237	35%	31.5%	31.2%
Rest of Europe	106	23%	143	21%	35.0%	31.5%
North America	128	28%	234	35%	82.7%	70.4%
Rest of the World	41	9%	64	9%	56.6%	48.5%
<b>Total</b>	<b>455</b>	<b>100%</b>	<b>678</b>	<b>100%</b>	<b>48.9%</b>	<b>43.3%</b>

YTD €M	2020	% Sales	2021	% Sales	Evol. 21/20	Const. FX & Perimeter
Southern Europe	274	36%	390	33%	42.3%	42.1%
Rest of Europe	162	21%	237	20%	46.3%	43.4%
North America	232	30%	425	36%	83.6%	77.5%
Rest of the World	103	13%	134	11%	29.8%	25.2%
<b>Total</b>	<b>771</b>	<b>100%</b>	<b>1,187</b>	<b>100%</b>	<b>53.9%</b>	<b>50.0%</b>

- **Southern Europe**, superb evolution in the quarter driven by France, Italy and Spain.
- **Rest of Europe**, continued its very strong evolution in the quarter, led by Germany and Austria.
- **North America**, outstanding performance in the quarter bolstered by demographic trends and strong sell-through. Acquisitions represent €50M YTD.
- **Rest of the World**, very strong growth in the quarter, helped by the good performance in Australia's Residential Pool activity.

# Sales by Business Unit

## Residential Drives Growth with Commercial Pool in Recovery

Q2 €M	2020	% Sales	2021	% Sales	Evol. 21/20
<b>Pool &amp; Wellness</b>	<b>443</b>	<b>97%</b>	<b>661</b>	<b>98%</b>	<b>49.2%</b>
Residential	339	74%	522	77%	53.9%
Commercial	20	4%	31	5%	51.8%
Pool Water Treatment	61	13%	75	11%	22.5%
Fluid Handling	22	5%	33	5%	49.7%
Irrigation, Industrial & Others	12	3%	17	2%	38.1%
<b>Total</b>	<b>455</b>	<b>100%</b>	<b>678</b>	<b>100%</b>	<b>48.9%</b>
YTD €M	2020	% Sales	2021	% Sales	Evol. 21/20
<b>Pool &amp; Wellness</b>	<b>749</b>	<b>97%</b>	<b>1,158</b>	<b>98%</b>	<b>54.6%</b>
Residential	558	72%	910	77%	63.3%
Commercial	46	6%	53	4%	15.5%
Pool Water Treatment	103	13%	134	11%	29.6%
Fluid Handling	42	5%	60	5%	43.6%
Irrigation, Industrial & Others	22	3%	29	2%	29.5%
<b>Total</b>	<b>771</b>	<b>100%</b>	<b>1,187</b>	<b>100%</b>	<b>53.9%</b>

- **Residential Pool** grew strongly in the quarter backed by demographic trends and acquisitions. Led by Automatic Cleaners, Heaters and Spas.
- **Commercial Pool** recovered well in Q2 over an easy comparable. Aftermarket leads this unit contribution while new projects pipeline started to accelerate.
- **Pool Water Treatment** very nice performance of Water Care Equipment and positive evolution of Chemicals.
- **Fluid Handling** experienced an excellent evolution, aided by North America's strong performance and the greater contribution of refurbishments and New-Builds.

## Increasing Margins and Operating Leverage Lead to Higher Profitability

€M	2020	% Sales	2021	% Sales	Evol. 21/20
<b>Sales</b>	<b>771.3</b>	<b>100%</b>	<b>1,186.7</b>	<b>100%</b>	<b>53.9%</b>
Gross Margin	401.6	52.1%	632.4	53.3%	57.5%
Opex before Dep. & Amort.	229.7	29.8%	302.6	25.5%	31.7%
Provisions for Bad Debt	4.2	0.5%	0.2	0.0%	(94.5%)
<b>EBITDA</b>	<b>169.4</b>	<b>22.0%</b>	<b>330.1</b>	<b>27.8%</b>	<b>94.9%</b>
Depreciation	30.8	4.0%	32.8	2.8%	6.7%
<b>EBITA</b>	<b>138.7</b>	<b>18.0%</b>	<b>297.3</b>	<b>25.1%</b>	<b>114.4%</b>
Amortization (PPA related)	29.1	3.8%	26.6	2.2%	(8.7%)
Non-Recurring Expense and Run Rate Synergies	8.3	1.1%	26.5	2.2%	219.2%
Net Financial Result	21.0	2.7%	18.3	1.5%	(12.9%)
Tax Expense	22.8	3.0%	49.7	4.2%	117.8%
Minority Interest	2.6	0.3%	2.0	0.2%	(22.1%)
<b>Net Profit</b>	<b>54.9</b>	<b>7.1%</b>	<b>174.2</b>	<b>14.7%</b>	<b>217.5%</b>
<b>Cash Net Profit</b>	<b>84.3</b>	<b>10.9%</b>	<b>216.3</b>	<b>18.2%</b>	<b>156.7%</b>

- Very strong Sales growth in 1H led by Northern Hemisphere.
- Gross Margin expansion, driven by price and value improvement initiatives, absorbing inflationary and mix pressures.
- Good Operating Expense leverage drove very strong EBITDA and EBITA performance.
- Non-Recurring Expense increase is driven by stock based compensation with c.€18M, to reflect EBITDA overperformance.
- Tax Rate one-off benefit from Zodiac merger.
- Cash Net Profit evolution showcasing outstanding read-through.

Note: EBITDA and EBITA are adjusted to include Run Rate Synergies and exclude Non-Recurring Expense. For more details please refer to page 17.

For more details on Cash EPS please refer to page 18.

# Net Working Capital

Outstanding Management of NWC, Improving Ratio to Sales by 754 Bps in 1H

June €M	2020	2021	Evol. 21/20
Inventory	274.0	357.0	30.3%
Accounts Receivable	393.6	406.9	3.4%
Accounts Payable	320.6	430.9	34.4%
<b>Operating Net Working Capital</b>	<b>347.0</b>	<b>333.1</b>	<b>(4.0%)</b>
<b><i>Operating NWC / LTM Sales</i></b>	<b><i>25.0%</i></b>	<b><i>17.5%</i></b>	<b><i>(7.5%)</i></b>
Earn-Outs & Other Items	4.8	82.9	nm
Total Net Working Capital	342.2	250.2	(26.9%)

- **Operating Net Working Capital performed very well, improving ratio to LTM Sales by 754 bps.**
- **Inventory increased in the peak of the season in the Northern Hemisphere. Acquisitions represent €36M of Inventory.**
- **Accounts Receivable grew slightly despite strong sales growth, helped by continued fast collections.**
- **Accounts Payable's great evolution driven by increased activity.**
- **Dividend Payable of €78M, which will be liquidated in July and November.**

# Cash Flow and Net Debt YTD

FLUIDRA

## Further Deleverage Despite Strong M&A Activity

€M	2020	2021	€ Evol. 21/20
<b>Reported EBITDA</b>	<b>161.1</b>	<b>303.6</b>	<b>142.5</b>
Net Interest Expense Paid	(20.0)	(16.4)	3.6
Corporate Income Tax Paid	(11.6)	(43.6)	(32.0)
Operating Working Capital	(74.9)	(85.8)	(10.9)
Other Operating Cash Flow	11.3	30.4	19.1
<b>Operating Cash Flow</b>	<b>66.0</b>	<b>188.3</b>	<b>122.3</b>
Capex	(16.8)	(25.0)	(8.2)
Acquisitions / Divestments	(14.9)	(232.0) <sup>(1)</sup>	(217.0)
Other Investment Cash Flow	1.0	(0.3)	(1.4)
<b>Net Investment Cash Flow</b>	<b>(30.7)</b>	<b>(257.3)</b>	<b>(226.5)</b>
Lease Liability Payments	(10.6)	(11.4)	(0.8)
Treasury Stock	(0.1)	(86.1)	(86.0)
Dividends and Others	(1.1)	(0.1)	0.9
<b>Financing Cash Flow</b>	<b>(11.7)</b>	<b>(97.6)</b>	<b>(85.9)</b>
<b>Free Cash Flow</b>	<b>23.5</b>	<b>(166.6)</b>	<b>(190.1)</b>
Prior Period Net Debt	756.8	581.9	(174.9)
FX & Lease Changes	4.8	32.2	27.4
Free Cash Flow	(23.5)	166.6	190.1
<b>Net Debt</b>	<b>738.0</b>	<b>780.7</b>	<b>42.6</b>
Net Leases	(119.0)	(134.4)	(15.4)
<b>Net Financial Debt</b>	<b>619.0</b>	<b>646.3</b>	<b>27.3</b>

(1) Includes €52.8M of cash used to cancel CMP's pre-takeover debt.

- **Excellent Operating Cash Flow performance in 1H, mainly driven by operating performance.**
- **Investment Cash Flow is €227M higher than last year due to the acquisitions of CMP and Built Right.**
- **Purchase of Treasury Stock to fund our Long Term Incentive Plan.**
- **Moderate increase in Net Debt despite strong inorganic investment activity. Leverage ratio lowers by one turn, from 2.6x in 1H 2020 to 1.6x in 1H 2021.**

1. Expecting a strong finish to the 2021 Northern Hemisphere Residential Pool season in Q3. June and early data for July showed solid growth over a difficult step change comparable.
2. Momentum continues for New-Builds demographics, strong Aftermarket driven by average ticket increase, Commercial Pool recovery and M&A.
3. COVID-19 drove unusual quarterly performance in 2020, with lower than usual H1 and a stronger H2 reversal.
4. Management is upgrading guidance for 2021, as follows:

€M	2021 Previous Guidance	2021 1H Guidance	Key Assumptions
<b>Sales growth</b>	25% - 30%	35% - 40%	As reported growth rates including already executed M&A, which contributes 7%+ growth Not assuming any COVID-19 resurgence shut-downs Tax rate of c. 25% Assumed current FX rates
<b>EBITDA margin</b>	23.7% - 24.7%	25.0% - 25.5%	
<b>Cash EPS growth</b>	50% - 60%	80% - 90%	

1. Excellent 1H results. Very strong Residential Pool season in the Northern Hemisphere that positions us well for the 2H.
2. Step change continues helped by demographic trends. Business fundamentals and industry resilience are both very strong. Optimally positioned to achieve medium term targets shared at CMD.
3. Our strategy and investment thesis remains unchanged:
  - We are the global leader in a resilient market, exhibiting strong structural growth.
  - Driving sustainable growth through our customer-focused platform providing favorable competitive dynamics. Incremental investments for further long term growth.
  - Delivering margin expansion and strong cash conversion.
  - Growth, margin & accretive capital allocation provide attractive and improving returns on capital.



# Appendix

1H RESULTS 2021

**FLUIDRA**

# (I) Sales by Geography

Q2	Evol. 21/20	Const. FX	Constant Perimeter	Const. FX & Perimeter
Southern Europe	31.5%	31.5%	31.2%	31.2%
Rest of Europe	35.0%	34.7%	31.8%	31.5%
North America	82.7%	98.5%	56.8%	70.4%
Rest of the World	56.6%	49.5%	55.7%	48.5%
<b>Total</b>	<b>48.9%</b>	<b>51.6%</b>	<b>40.7%</b>	<b>43.3%</b>

YTD	Evol. 21/20	Const. FX	Constant Perimeter	Const. FX & Perimeter
Southern Europe	42.3%	42.3%	42.1%	42.1%
Rest of Europe	46.3%	46.4%	43.3%	43.4%
North America	83.6%	99.8%	63.0%	77.5%
Rest of the World	29.8%	26.2%	28.7%	25.2%
<b>Total</b>	<b>53.9%</b>	<b>57.1%</b>	<b>46.9%</b>	<b>50.0%</b>

# (II) Reported Profit & Loss Account YTD

**FLUIDRA**

€M	2020	% Sales	2021	% Sales	Evol. 21/20
<b>Sales</b>	<b>771.3</b>	<b>100%</b>	<b>1,186.7</b>	<b>100%</b>	<b>53.9%</b>
Gross Margin	400.9	52.0%	627.8	52.9%	56.6%
Opex before Dep. & Amort.	235.6	30.6%	324.0	27.3%	37.5%
Provisions for Bad Debt	4.2	0.5%	0.2	0.0%	(94.5%)
<b>Reported EBITDA</b>	<b>161.1</b>	<b>20.9%</b>	<b>303.6</b>	<b>25.6%</b>	<b>88.5%</b>
D&A	59.9	7.8%	59.4	5.0%	(0.8%)
Net Financial Result	21.0	2.7%	18.3	1.5%	(12.9%)
<b>PBT</b>	<b>80.2</b>	<b>10.4%</b>	<b>225.9</b>	<b>19.0%</b>	<b>181.5%</b>
Tax Expense	22.8	3.0%	49.7	4.2%	117.8%
Minority Interest	2.6	0.3%	2.0	0.2%	(22.1%)
<b>NP from Cont. Oper.</b>	<b>54.9</b>	<b>7.1%</b>	<b>174.2</b>	<b>14.7%</b>	<b>217.5%</b>
NP from Disc. Oper.	0.0	0.0%	0.0	0.0%	-
<b>Total Net Profit</b>	<b>54.9</b>	<b>7.1%</b>	<b>174.2</b>	<b>14.7%</b>	<b>217.5%</b>

# (III) Reconciliation to Reported EBITDA YTD

€M	2020	2021	Evol. 21/20
<b>EBITDA</b>	<b>169.4</b>	<b>330.1</b>	<b>94.9%</b>
Integration Related Non-Recurring Expense	(2.2)	(7.7)	249.6%
Profit/Loss from Sales of Subsidiaries	(0.7)	-	(100.0%)
Stock Based Compensation	(3.8)	(18.3)	381.7%
Run Rate Synergies	(1.6)	(0.5)	(67.8%)
<b>Reported EBITDA</b>	<b>161.1</b>	<b>303.6</b>	<b>88.5%</b>

# (IV) Reconciliation of Reported to Cash Net Profit and Cash EPS YTD **FLUIDRA**

€M	2020	2021	Evol. 21/20
<b>Reported Net Profit from Continued Operations</b>	<b>54.9</b>	<b>174.2</b>	<b>217.5%</b>
Integration Related Non-Recurring Expense	2.2	7.7	249.6%
Stock Based Compensation	3.8	18.3	381.7%
Run Rate Synergies	1.6	0.5	(67.8%)
P&L Financial Result	21.0	18.3	(12.9%)
Cash Interest Paid	(20.0)	(16.4)	(18.0%)
Amortization (PPA related)	29.1	26.6	(8.7%)
Perimeter	0.7	-	(100.0%)
<b>Cash Adjustments</b>	<b>38.5</b>	<b>55.0</b>	<b>43.1%</b>
Tax Rate	23.6%	23.5%	0.0%
<b>Taxed Cash Adjustments</b>	<b>29.4</b>	<b>42.1</b>	<b>43.2%</b>
<b>Cash Net Profit</b>	<b>84.3</b>	<b>216.3</b>	<b>156.7%</b>
Share Count	195.6	195.6	-
<b>Cash EPS</b>	<b>0.43</b>	<b>1.11</b>	<b>156.7%</b>

# (V) Reported Balance Sheet

FLUIDRA

<b>Assets</b>	<b>06/2020</b>	<b>06/2021</b>	<b>Liabilities</b>	<b>06/2020</b>	<b>06/2021</b>
PPE & Rights of Use	227.9	254.1	Share Capital	195.6	195.6
Goodwill	1,112.7	1,145.0	Share Premium	1,148.6	1,148.6
Other Intangible Assets	713.2	759.6	Retained Earnings	172.6	322.2
Other Non-Current Assets	90.8	103.2	Interim Dividends	-	-
<b>Total Non-Current Assets</b>	<b>2,144.6</b>	<b>2,261.9</b>	Treasury Shares	(14.5)	(142.5)
			Other Comprehensive Income	(14.0)	(45.2)
			Minorities	7.1	8.6
			<b>Total Equity</b>	<b>1,495.5</b>	<b>1,487.3</b>
Non-Curr. Assets Held for Sale	0.6	5.0	Bank Borrowings + Loans	733.4	680.3
Inventory	273.8	356.3	Other Non-Current Liabilities Incl. Lease	334.0	314.3
Accounts Receivable	393.4	405.4	<b>Total Non-Current Liabilities</b>	<b>1,067.5</b>	<b>994.6</b>
Other Current Assets	10.3	11.2	Liab. Linked to Non-Curr. Assets Held for Sale	0.7	2.8
Cash	172.6	99.8	Bank borrowings + Loans	53.5	69.2
<b>Total Current Assets</b>	<b>850.6</b>	<b>877.7</b>	Accounts Payable	325.2	511.8
<b>Total Assets</b>	<b>2,995.2</b>	<b>3,139.6</b>	Other Current Liabilities Incl. Lease	52.8	73.8
			<b>Total Current Liabilities</b>	<b>432.2</b>	<b>657.7</b>
			<b>Total Equity &amp; Liabilities</b>	<b>2,995.2</b>	<b>3,139.6</b>

# THANK YOU FOR YOUR ATTENTION!

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**David Herrerias**

**IR & Corporate Communications Director**

[dherrerias@fluidra.com](mailto:dherrerias@fluidra.com)

T: +34 93 724 39 00 | [www.fluidra.com/shareholders](http://www.fluidra.com/shareholders)

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