

FLUIDRA



Fluidra

R E S U L T S

1 H 2 0 1 7

28 July 2017

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.



Summary

1 H 2017 RESULTS

Main figures

€M	2016	2017	Evolution
Sales	397.2	452.5	13.9%
EBITDA	58.4	74.4	27.3%
EBITA	42.8	59.9	40.0%
Net profit	24.5	34.1	39.2%
Net financial debt	212.4	192.1	-9.6%
Net Working Capital	233.0	252.9	8.6%
Free Cash Flow	-35.8	-22.3	13.5



- Excellent Sales performance, with 11.5% growth on a like-for-like basis and constant currency, with a noteworthy growth in Spain, France and Australia.
- Extraordinary EBITDA performance on the back of increased volume and an excellent operating leverage. EBITA, as an indicator of recurrent EBIT growth, multiplies by 3x the Sales growth.
- Very positive Net Profit development, driven by operational improvement of the entire company and on increased volumes of activity.
- Good performance of the Net Debt level,
- Excellent Working Capital and Free Cash Flow performance in line with the current period of the year, despite the sale's growth.

Highlights

1 H 2017 RESULTS



INVESTING IN RESIDENTIAL POOL

- Fluidra has acquired 90% of Piscine Laghetto, a high-end Italian manufacturer of top-design above ground swimming pools.
- Laghetto is a reference in high-end design, specially indicated for penthouses, ample halls as well as terraces and gardens. It has a turnover of 7 million euros and its main markets are Italy and France.



INVESTING IN THE FUTURE

- Fluidra has signed a contract for the purchase of 80% of the start-up Riio Labs, inventors of the smart device "Blue by Riio", innovative remote control technology for pool maintenance.
- The acquisition amounts to 3.3 million euros. A earn-out has been agreed based on the devices marketed in the next three years.
- Completes our offering of Internet of Pools solutions.



COMMERCIAL POOL

- Kazakhstan-Expo 2017, Astana: project for the design and installation of a spectacular fountain which includes an area of 1,523 m² with pedestrian walkways, a water show with an area of 2,630 m² equipped with all kinds of jets (rockets, fog, dance, vertical jets and fire) to create a unique show.
- <https://youtu.be/gHA9Nhv8T64>

Profit & Loss Account

1 H 2017 RESULTS

	2016		2017		
	€M	% sales	€M	% sales	Evol. 17/16
Sales	397.2	100.0%	452.5	100.0%	13.9%
Gross margin	204.5	51.5%	229.5	50.7%	12.2%
Opex before Dep.& Amort.	143.5	36.1%	153.7	34%	7.0%
Provisions for bad debt	2.6	0.6%	1.4	0.3%	-43.8%
EBITDA	58.4	14.7%	74.4	16.4%	27.3%
EBIT	40.0	10.1%	54.5	12.0%	36.1%
Net Financial Result	-2.6	-0.7%	-5.6	-1.2%	113.0%
Profit Before Taxes (PFT)	37.4	9.4%	48.9	10.8%	30.7%
Net profit	24.5	6.2%	34.1	7.5%	39.2%



- Sales perform positively in all geographies; on a like-for-like basis and constant currency, sales grows 11.5%.
- Gross Margin impacted by changes in perimeter effect and temporary effects that will be corrected throughout the year, like commercial pool projects in initial phases that incorporate a lower margin.
- Opex, on a like-for-like basis, increases to 6.4%, which adjusted for exchange rates is 5.2%, with excellent operating leverage which translates into a very good EBITDA performance.
- Net Profit has a very positive performance thanks to the increase in volumes and operating margin, despite higher of exchange rate differences.

Evolution of sales by geographical area

1 H 2017 RESULTS

	2016		2017		Evol. 17/16
	€M	% sales	€M	% sales	
Spain	92.9	23.4%	97.5	21.5%	4.9%
South Europe - Rest	109.5	27.6%	126.9	28.0%	15.8%
Central & Northern Europe	62.6	15.8%	72.4	16.0%	15.5%
Eastern Europe	19.0	4.8%	22.7	5.0%	19.7%
Asia & Australia	58.4	14.7%	69.5	15.4%	19.1%
Rest of the World	54.8	13.8%	63.5	14.0%	16.0%
TOTAL	397.2	100.0%	452.5	100.0%	13.9%



- Very positive performance of Southern Europe, driven by the Spanish, French and Italian markets, both in the professional channel and in mass market. Spain grows 12% on a like-for-like basis.
- Central and Northern Europe evolves positively driven by Germany and the Netherlands, thanks to the contribution of SIBO.
- Asia and Australia are driven by solid growth in the Asian region associated with Commercial Pool (Olympic swimming pools, hotels and fountains) and growth in Australia.
- Rest of the World segment presents an excellent performance driven by the Americas, thanks to the US, Mexico and Brazil.

Evolution of sales by business unit

1 H 2017 RESULTS

	2016		2017		Evol. 17/16
	€M	% sales	€M	% sales	
Pool & Wellness	363.3	91.5%	419.5	92.7%	15.5%
Residential	229.0	57.7%	265.2	58.6%	15.8%
Commercial	42.8	10.8%	51.2	11.3%	19.5%
Pool water treatment	61.7	15.5%	68.5	15.1%	11.0%
Fluid handling	29.7	7.5%	34.6	7.6%	16.2%
Irrigation and domestic water treatment	22.2	5.6%	17.9	4.0%	-19.6%
Industrial and other	11.6	2.9%	15.1	3.3%	29.5%
TOTAL	397.2	100.0%	452.5	100.0%	13.9%

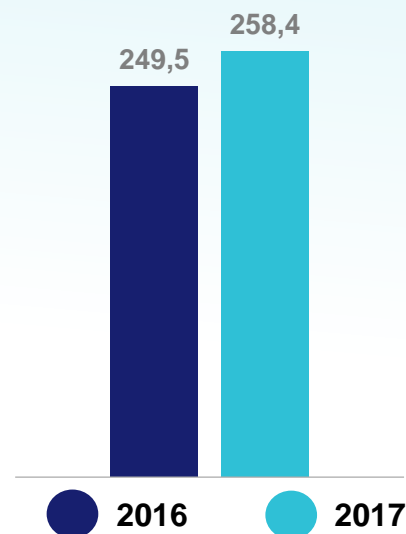


- Excellent performance in Residential Pool in all categories, specially in pumps, dosage systems and pool cleaning products.
- Commercial Pool includes the execution of new facilities in the Asian region and good progress in the fountain business.
- Pool water treatment posts a double-digit growth, with a very good performance of disinfection equipment (electrolysis).
- Good performance of Fluid Handling in Europe, accelerated by the incorporation of SIBO

Net working capital

1 H 2 0 1 7 R E S U L T S

Adjusted Net Working Capital (€M)



January - June

	€M	2016	2017	Evol. 17/16
Stocks		171.5	184.3	7.5%
Accounts receivable		238.5	259.3	8.7%
Accounts payable		177.0	190.7	7.7%
Net working capital		233.0	252.9	8.6%
Adjusted net working capital*		249.5	258.4	3.6%

* Adjusted Net Working Capital by perimeter and Aqua's earn-out

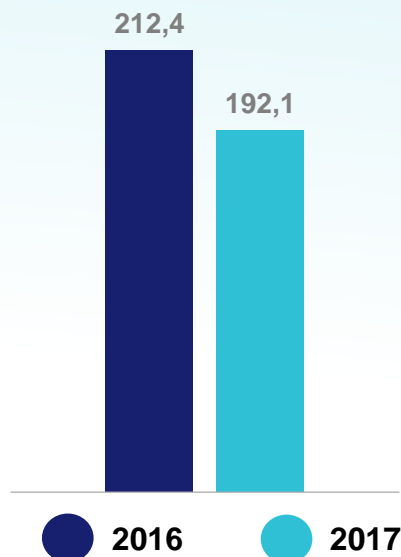


- Good performance in Adjusted Net Working Capital, which grows by 3.6%, significantly behind the growth in sales.
- The estimated NWC/Sales ratio for the whole year will exceed, as in 2016, our objectives in the 2018 Strategic Plan.

Net financial debt and free cash flow

1 H 2017 RESULTS

Net financial debt (€m)



January - June

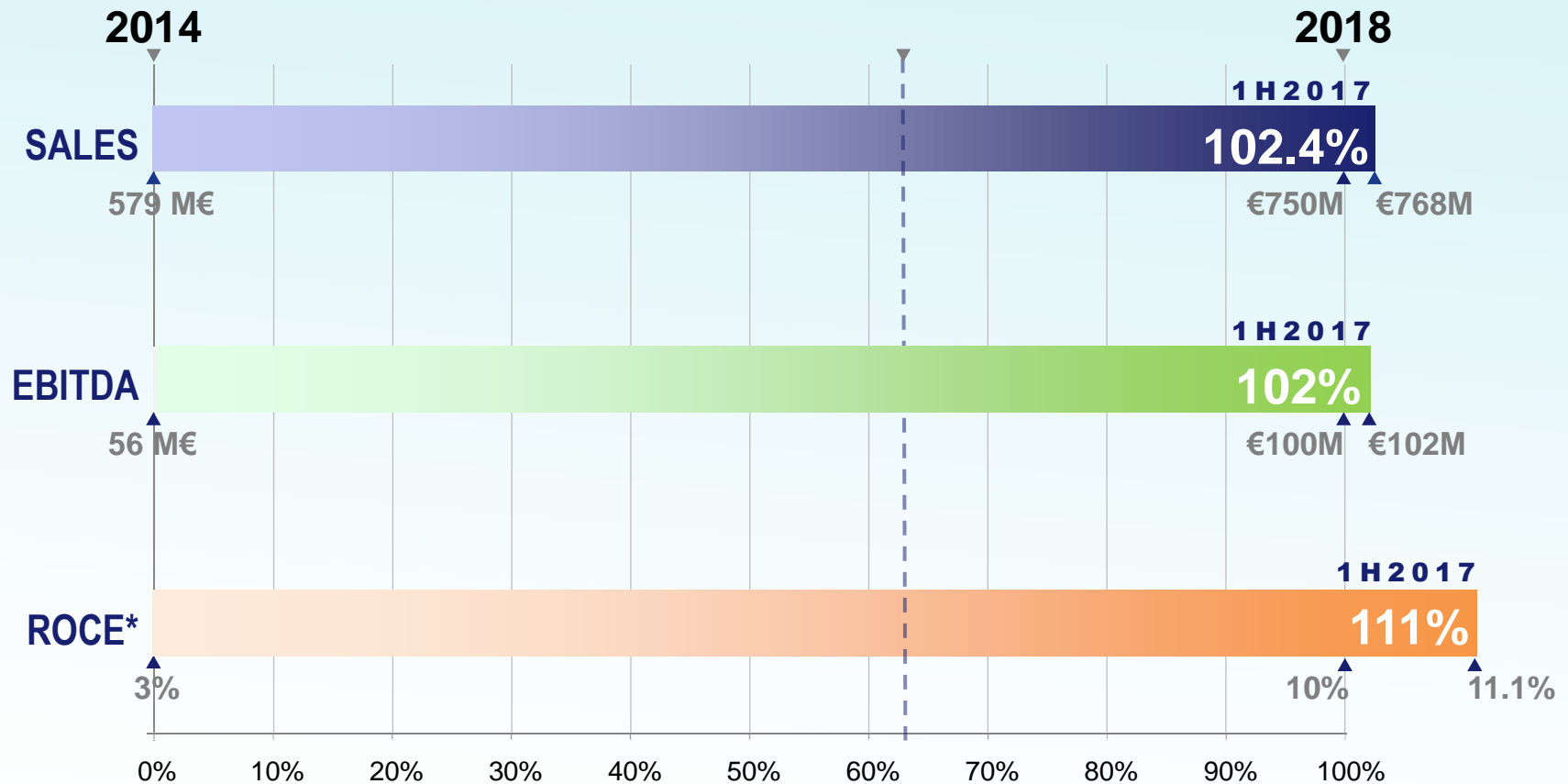
	€M	2016	2017	Evol. 17/16
Net profit		24.5	34.1	9.6
Depreciation (+)		18.4	19.9	1.5
Increase (-) / Decrease (+) adjusted NWC		-63.0	-63.7	-0.6
Investments (organic)		-15.7	-12.7	3.0
Free Cash Flow pre-acquisitions		-35.8	-22.3	13.5
Acquisitions		-4.3	0.7	5.0
Free Cash Flow post acquisitions		-40.1	-21.6	18.5



- Free Cash Flow is in line with the levels corresponding to a quarter of cash use due to the campaign in the northern hemisphere. The Acquisitions heading mainly includes the proceeds from ATH sale partially offset by Aqua's partial earn-out payment and the purchase of some minority shareholders of subsidiaries.
- Good evolution of Net Financial Debt, which coupled with the improved results, leads to a significant improvement in the debt to EBITDA ratio.

H1 2017 Results - LTM

Progress of the goals of the 2018 Strategic Plan



* ROCE calculated with EBIT adjusted by *impairments* of goodwill

Conclusions

1 H 2 0 1 7 R E S U L T S

- **Excellent performance in the first half of 2017, exceeding our estimates:**
 - Strong sales growth in practically all markets, among which Spain, France and Australia stand out.
 - Very good results thanks to volume and good operating leverage.

- **The consistency of our figures highlights the succesful implementation of our strategy:**
 - Focus on Pool & Wellness: acquisition of Piscine Laghetto; investment in future with "Blue by Riot".
 - Penetration in all markets and implementation of best practices.
 - Improvement of efficiency and profitability ratios: continuous improvement.


- **Based on this performance, we have revised upwards our estimates for the year: Sales between € 775 - 790 million; EBITDA between € 103 - 106 million and ROCE (EBIT) levels above 12%. This guidance means not only fulfilling the goals Strategic Plan 18 months in advance, but exceeding them.**

THANK YOU

Enjoying
Water

FLUIDRA



 (+34) (0)93 724 39 00

 Investors_relations@fluidra.com

 www.fluidra.com

 Av. Francesc Macià 60, planta 20 - 08208 Sabadell (Barcelona)