

The image features a dark blue background with a bright, circular light flare in the center. The word "FLUIDRA" is written in a bold, dark blue, sans-serif font across the middle of the flare. Below it, the text "Fluidra Q3 RESULTS 2019" is written in a bold, white, sans-serif font, followed by "November 11th 2019" in a smaller white font. The background is decorated with white curved lines and a fine, grainy texture.

**FLUIDRA**

**Fluidra Q3 RESULTS 2019**

November 11<sup>th</sup> 2019

# 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 9 month pro forma financial statements and provide a reconciliation to reported measures for Sales, EBITDA and Net Income.**

**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.**



FLUIDRA

# TODAY'S SPEAKERS



**Eloi Planes**  
*Executive Chairman*



**Bruce Brooks**  
*CEO*

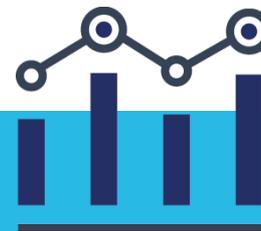


**Xavier Tintoré**  
*CFO*

# HIGHLIGHTS FOR Q3

1. **Strong Q3 performance in the Northern Hemisphere. US confirms recovery from poor weather, the change in distribution patterns and gas heater plant start up.**
2. **Momentum continues with synergies, achieving €26m full year run rate savings. Upgraded total 2022 Strategic Plan cost synergies from €35 to €40m.**
3. **This year marks Fluidra's 50<sup>th</sup> Anniversary. Barcelona's Pool & Wellness Trade Show gave us the opportunity to celebrate with some of our stakeholders.**
4. **Fundamentals of the business remain solid, and we are positioned to deliver our 2019 guidance; on track with 2022 Plan.**

# SUMMARY



January-September Main figures	PF 2018	PF 2019		IFRS 16 PF 2019
	€M	€M	Evol. 19/18	€M
Sales	1,028.9	1,062.7	3.3%	1,062.7
EBITDA	180.6	190.5	5.4%	208.2
EBITA	149.6	159.2	6.5%	160.9
Cash EPS	0.43	0.48	12.5%	0.47
Net Working Capital	286.4	303.4	6.0%	308.7
Net Debt	666.3	675.3	1.4%	782.6
Full year run rate synergies achieved		26.1		26.1

- **Sales** increased by 3.3%, with accelerated performance across the regions despite tough US comparable for 2018. Currency and perimeter adjusted growth of 3.0%.
- **EBITDA** expanded despite margin pressure due to mix and tariff through good Opex control and synergies.
- **Net Working Capital** reflects readiness for a standard 2019 Early Buy season, aligned to hit our year-end expectations.
- **Net Debt** was 2.4% lower than 2018 on constant currency.

# 50TH ANNIVERSARY AND IV INVESTOR'S DAY 2022 STRATEGIC PLAN GUIDANCE

## FLUIDRA'S 50<sup>th</sup> ANNIVERSARY

- **Barcelona's Pool & Wellness Trade Show gave us the opportunity to celebrate with some of our stakeholders.**

## IV INVESTOR'S DAY

- **Value initiatives and lean target revised upwards by €5m to €30m.**
- **Cost synergies revised upwards by €5m to €40m.**
- **Ambition of €59m revenue synergies to be reached by 2022, €42m net of dis-synergies.**
  - **North America: (i) expand residential pool offering and (ii) developing new commercial pool business unit leveraging existing manufacturing footprint and knowledge.**
  - **Europe and Southern Hemisphere: leverage distribution platform.**
- **Upwardly revised value initiatives and cost synergies, as well as revenue synergies provide upside opportunity / hedge for change in macro environment.**



## SALES BY GEOGRAPHY

January-  
SeptemberPF  
2018

2019

	€M	% sales	€M	% sales	Evol. 19/18	Constant FX
Southern Europe	378.5	36.8%	390.7	36.8%	3.2%	3.2%
Rest of Europe	181.7	17.7%	194.3	18.3%	6.9%	7.0%
North America	283.3	27.5%	294.5	27.7%	4.0%	(2.0%)
Rest of the World	185.4	18.0%	183.1	17.2%	(1.2%)	(0.5%)
<b>TOTAL</b>	<b>1,028.9</b>	<b>100.0%</b>	<b>1,062.7</b>	<b>100.0%</b>	<b>3.3%</b>	<b>1.7%</b>

- **Southern Europe** grew by 3.2%, accelerating growth in Q3 with a very solid evolution in France. Adjusted for perimeter, growth was 6.0%.
- **Rest of Europe**, continued outstanding performance in Northern Europe. Adjusted for FX and perimeter, the increase was 7.5%.
- **North America**, positive performance despite a difficult year-on-year quarter comparable, helped by gas heaters catch up and solid sell-through in the channel. Standalone FX and perimeter adjusted Q3 growth of 6.1%.
- **Rest of the World**, adjusted for currency and perimeter remained almost flat with good performance in Asia offset by weaker South Africa and merger related challenges in Australia.

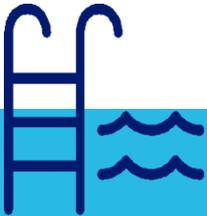
# SALES BY BUSINESS UNIT

January-  
September

PF  
2018

2019

	€M	% sales	€M	% sales	Evol. 19/18
<b>Pool &amp; Wellness</b>	<b>987.5</b>	<b>96.0%</b>	<b>1,023.8</b>	<b>96.3%</b>	<b>3.7%</b>
Residential	714.0	69.4%	736.1	69.3%	3.1%
Commercial	71.5	6.9%	74.1	7.0%	3.7%
Pool Water Treatment	145.0	14.1%	153.6	14.5%	5.9%
Fluid Handling	57.0	5.5%	59.9	5.6%	5.1%
Irrigation, Industrial & Others	41.4	4.0%	39.0	3.7%	(5.9%)
<b>TOTAL</b>	<b>1,028.9</b>	<b>100.0%</b>	<b>1,062.7</b>	<b>100.0%</b>	<b>3.3%</b>



- **Residential Pool** grew 3.1% with a very good evolution of gas heaters, pumps, lighting equipment and pool covers. Adjusted for change in perimeter growth would be 5.0%.
- **Commercial Pool** maintained the positive trend shown in H1 and good prospects for the year.
- **Pool Water Treatment** evolution showed good results for both chemicals and water care equipment.
- **Pool & Wellness Fluid Handling** maintained momentum with 5.1% growth.

# PRO FORMA PROFIT & LOSS



January-September	PF 2018 <sup>(2)</sup>		PF 2019		Evol. 19/18	IFRS 16 PF 2019
	€M	% sales	€M	% sales		
<b>Sales</b>	<b>1,028.9</b>	<b>100%</b>	<b>1,062.7</b>	<b>100%</b>	<b>3.3%</b>	<b>1,062.7</b>
Gross Margin	530.0	51.5%	544.2	51.2%	2.7%	544.2
Opex before Dep. & Amort.	349.4	34.0%	357.5	33.6%	2.3%	339.8
Provisions for Bad Debt	3.1	0.3%	3.3	0.3%	6.1%	3.3
<b>EBITDA<sup>(1)</sup></b>	<b>180.6</b>	<b>17.6%</b>	<b>190.5</b>	<b>17.9%</b>	<b>5.4%</b>	<b>208.2</b>
Depreciation	31.1	3.0%	31.3	2.9%	0.6%	47.3
EBITA	149.6	14.5%	159.2	15.0%	6.5%	160.9
Amortization	31.7	3.1%	47.4	4.5%	49.6%	47.4
Net Financial Result	34.7	3.4%	32.3	3.0%	(6.9%)	35.8
Tax expense	23.4	2.3%	22.3	2.1%	(4.9%)	21.7
<b>Net Profit</b>	<b>59.8</b>	<b>5.8%</b>	<b>57.3</b>	<b>5.4%</b>	<b>(4.2%)</b>	<b>55.9</b>

- Good Sales evolution benefited from our global reach.
- Gross Margin impacted by change in mix in the quarter, driven by higher gas heater sales and tariff impact.
- Opex increased slightly below H1 driven by investments in our key commercial initiatives and merger related inefficiencies, partially offset by cost synergies.
- EBITDA and EBITA expanded based on operating leverage despite lower YTD US volume.
- Amortization increased due to non-cash merger-related PPA accounting.
- Good performance of Net Financial Result driven by lower cost of debt.

(1) EBITDA includes €3.2m of run rate synergies in 2018 and €7.1m in 2019

(2) PF 2018 financials include c.€2.3m IFRS 15 impact as well as slight gross margin and opex reclassification. For further quarterly details please see page 18 in appendix

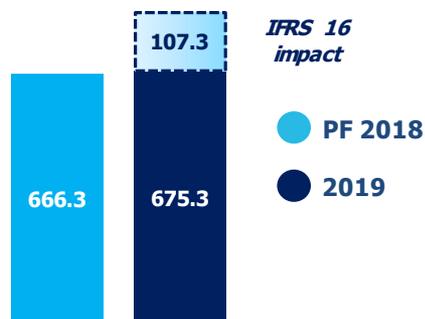
# NET WORKING CAPITAL

September	PF 2018	2019		IFRS 16 2019	Net Working Capital	
	€M	€M	Evol. 19/18	€M		
Inventory	263.9	286.4	8.5%	286.4		<ul style="list-style-type: none"> <li><span style="color: #00AEEF;">●</span> PF 2018</li> <li><span style="color: #002060;">●</span> 2019</li> </ul>
Accounts Receivable	278.7	277.8	(0.3%)	277.8		
Accounts Payable	256.2	260.8	1.8%	255.5		
<b>Net Working Capital</b>	<b>286.4</b>	<b>303.4</b>	<b>6.0%</b>	<b>308.7</b>		

- Net Working Capital is impacted by the combination of the readiness for a standard 2019 Early Buy season and a 2018 artificially low due to the “beat the price increase”. Current Net Working Capital levels are aligned to hit our year-end expectations.
- IFRS 16 Net Working Capital adjustment due to accounting treatment of lease discounts.

# NET DEBT AND FREE CASH FLOW

## Net Debt



## January-September

## PF 2018

## 2019

	€M	€M	Evol. 19/18
<b>EBITDA</b>	<b>180.6</b>	<b>190.5</b>	<b>5.4%</b>
Increase (-) / Decrease (+) NWC	23.6	19.2	(18.8%)
Capex (-)	31.4	31.9	1.6%
<b>Free Cash Flow</b>	<b>172.9</b>	<b>177.8</b>	<b>2.8%</b>

- Free Cash Flow grew 2.8% year-on-year despite higher Inventory levels driven by higher EBITDA generation.
- Net Financial Debt at constant currency rates shows a decrease of 2.4%.
- The IFRS 16 implementation adds €107.3m of lease liabilities to Net Debt.

# CONCLUSIONS

- 1. Solid Q3 performance in the Northern Hemisphere. US confirms recovery with solid sell-through in the channel and the elimination of the backlog generated by the gas heater plant.**
- 2. Very good progress with synergies, achieving €26m full year run rate savings; we are very well aligned with our updated guidance of €40m run rate cost synergies for the 2022 Plan.**
- 3. The US Early Buy orders received show solid increase and position us well to deliver a strong Q4.**
- 4. With a seasonal business, divestments and the integration process, some quarters may show unusual comparisons. Positioned to deliver our 2019 full year guidance:**
  - Sales between €1,350 - €1,400 m**
  - EBITDA between €240 - €260 m (€262 - €282 m post IFRS 16)**
  - Net Debt / EBITDA ratio below 2.6x (at 2.6x post IFRS 16)**

A young girl with blonde hair is swimming underwater. She is wearing pink swim goggles and a white and blue patterned swimsuit. She is smiling and giving a thumbs up with both hands. The background is a clear blue water surface with ripples. The entire image is framed by a white circular border.

**THANK YOU!**

**FLUIDRA**

# APPENDIX (I): REPORTED PROFIT AND LOSS ACCOUNT

€M	2018	% of sales	IFRS 16 2019	% of sales	Evol. 19/18
<b>Sales</b>	<b>741.5</b>	<b>100%</b>	<b>1,062.7</b>	<b>100.0%</b>	<b>43.3%</b>
Gross Margin	341.4	46.0%	541.4	50.9%	58.6%
OPEX	294.0	39.6%	369.0	34.7%	25.5%
Provision	3.4	0.5%	3.3	0.3%	(2.5%)
<b>EBITDA</b>	<b>44.0</b>	<b>5.9%</b>	<b>169.1</b>	<b>15.9%</b>	<b>284.1%</b>
D&A	45.5	6.1%	94.7	8.9%	108.4%
Financial Result	17.3	2.3%	35.8	3.4%	106.9%
<b>PBT</b>	<b>(18.8)</b>	<b>(2.5%)</b>	<b>38.5</b>	<b>3.6%</b>	<b>NM</b>
Taxes	(1.7)	(0.2%)	11.3	1.1%	NM
Minorities	1.8	0.2%	3.2	0.3%	78.6%
<b>NP from Cont. Oper.</b>	<b>(18.9)</b>	<b>(2.5%)</b>	<b>24.1</b>	<b>2.3%</b>	<b>NM</b>
NP from Disc. Oper.	0.4	0.1%	(0.1)	0.0%	(127.7%)
<b>Total Net Profit</b>	<b>(18.5)</b>	<b>(2.5%)</b>	<b>24.0</b>	<b>2.3%</b>	<b>NM</b>

Fluidra's reported P&L for 2018 includes January to June results of legacy Fluidra on a standalone basis and the merged operations of Fluidra and Zodiac from July to September.

For 2019 it includes merged operations with all non-recurring expenses shown in the corresponding P&L lines. In addition, it includes impacts of IFRS 16.

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

€M	2018	2019
<b>Pro forma Sales</b>	<b>1,028.9</b>	<b>1,062.7</b>
January to June Zodiac	284.5	-
IFRS 15 on Zodiac Sales	(2.3)	-
Sales of discontinued operations (Aquatron)	5.2	-
<b>Reported Sales</b>	<b>741.5</b>	<b>1,062.7</b>

January to June 2018 Zodiac Sales are excluded to reconcile Pro forma to Reported Sales.

In addition, due to Zodiac's fiscal year starting in October 2017, IFRS 15 had not been implemented in 2018.

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

€M	2018	IFRS 16 2019
<b>Adjusted EBITDA</b>	<b>180.6</b>	<b>208.2</b>
January to June Zodiac results	66.0	-
IFRS 15	(2.3)	-
Transaction related non-recurring expense	21.1	-
Integration related non-recurring expense	7.8	16.2
Other & FX impact on non-recurring expense	0.3	4.1
EBITDA discontinued operations (Aquatron)	4.7	(0.1)
Stock based compensation	4.5	10.5
Profit/Loss from sales of subsidiaries	-	1.2
Inventory step-up	31.4	-
Run rate synergies	3.2	7.1
<b>Reported EBITDA</b>	<b>44.0</b>	<b>169.1</b>
Depreciation	22.5	47.3
Amortization	22.9	47.4
Financial Result	17.3	35.8
Tax expense (income)	(1.7)	11.3
Minority Interest	1.8	3.2
<b>Reported Net Profit from continued operations</b>	<b>(18.9)</b>	<b>24.1</b>

### Key reconciliation items for 2018 are:

- January to June 2018 Zodiac EBITDA.
- In addition, due to Zodiac's fiscal year starting in October 2017, IFRS 15 had not been implemented in 2018.
- Non-recurring integration and transaction related expenses.
- Inventory step-up due to purchase accounting.

### Key reconciliation items for 2019 are:

- Non-recurring integration related expenses (i.e. one-offs to capture synergies).
- Stock based compensation.
- Run rate synergies, representing the YTD impact of synergies captured during 2019.

Key below Reported EBITDA items are the captions already shown in 2018 FY results.

# APPENDIX (IV): REPORTED BALANCE SHEET

ASSETS	IFRS 16		LIABILITIES	IFRS 16	
	09/2018	09/2019		09/2018	09/2019
PPE & rights of use	119.1	219.8	Share capital	195.6	195.6
Goodwill	1,115.0	1,094.2	Share premium	1,148.6	1,148.6
Other intangible assets	778.6	772.5	Retained earnings	118.3	126.1
Other non-current assets	94.3	104.3	Treasury shares	(8.5)	(14.0)
<b>Total non-current assets</b>	<b>2,106.9</b>	<b>2,190.8</b>	Other Comprehensive Income	(3.0)	(12.2)
			Minorities	8.0	8.1
			<b>Total Equity</b>	<b>1,459.1</b>	<b>1,452.2</b>
Non-curr. assets held for sale	42.1	-	Bank borrowings + Loans	856.0	871.8
Inventory	255.1	286.4	Other non-current liabilities incl. lease	258.3	332.9
Accounts Receivable	276.8	277.8	<b>Total non-current liabilities</b>	<b>1,114.3</b>	<b>1,204.7</b>
Other current assets	5.6	8.3	Liab. linked to non-curr. assets held for sale	5.8	-
Cash	195.0	263.2	Bank borrowings + Loans	29.2	64.7
<b>Total current assets</b>	<b>774.6</b>	<b>835.6</b>	Accounts payable	253.1	255.5
			Other current liabilities incl. lease	20.0	49.3
<b>TOTAL ASSETS</b>	<b>2,881.6</b>	<b>3,026.4</b>	<b>Total current liabilities</b>	<b>308.2</b>	<b>369.5</b>
			<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>2,881.6</b>	<b>3,026.4</b>

# APPENDIX (V): QUARTERLY DETAILS

€M	PF 2018				2019			IFRS 16 2019		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q1	Q2	Q3
<b>Sales</b>	<b>316.6</b>	<b>735.6</b>	<b>1,028.9</b>	<b>1,316.2</b>	<b>313.1</b>	<b>753.2</b>	<b>1,062.7</b>	<b>313.1</b>	<b>753.2</b>	<b>1,062.7</b>
Gross Margin	165.8	380.2	530.0	681.0	168.1	389.7	544.2	168.1	389.7	544.2
Opex before Dep. & Amort.	118.8	241.7	349.4	461.3	123.3	246.7	357.5	117.6	235.3	339.8
Provisions for Bad Debt	0.3	1.4	3.1	3.4	1.2	2.3	3.3	1.2	2.3	3.3
<b>EBITDA<sup>(1)</sup></b>	<b>46.7</b>	<b>137.1</b>	<b>180.6</b>	<b>221.3</b>	<b>44.3</b>	<b>142.6</b>	<b>190.5</b>	<b>50.0</b>	<b>154.0</b>	<b>208.2</b>
EBITA <sup>(1)</sup>	37.8	119.4	149.6	181.3	34.5	122.5	159.2	35.0	123.5	160.9
<b>Net Working Capital</b>	<b>437.6</b>	<b>392.6</b>	<b>286.4</b>	<b>322.6</b>	<b>446.1</b>	<b>385.5</b>	<b>303.4</b>	<b>450.4</b>	<b>390.3</b>	<b>308.7</b>
<b>Net Financial Debt</b>	<b>799.8</b>	<b>729.4</b>	<b>666.3</b>	<b>719.7</b>	<b>857.1</b>	<b>740.2</b>	<b>675.3</b>	<b>959.5</b>	<b>847.9</b>	<b>782.6</b>

(1) Includes run-rate synergies

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