

FLUIDRA

2015 Results

29th February 2016



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2015 Results – Summary

	Main Magnitudes		
	€M	FY2014	FY2015
Sales	593,8	647,3	9,0%
EBITDA	65,7	72,2	9,9%
Net Income	6,6	13,0	95,7%
Adjusted Ebitda *	56,4	70,2	24,4%
Net Working Capital	176,8	170,0	-3,9%
Free Cash Flow	33,1	26,5	-6,6
Net Financial Debt	151,6	162,3	7,0%

- Positive Sales evolution, with a noteworthy growth rate in Europe and an excellent 4Q.
- Good EBITDA performance due to increased volume in an excellent 4Q. EBITDA grew 24.4% on a like-for-like basis.
- Net profit almost doubles driven by operational improvement.
- Good performance in Working Capital and in Net Debt level, which reflect the impact of the acquisition of Waterlinx in South Africa.
- Excellent performance in Free Cash Flow in a year of strong sales growth.

* Adjusted EBITDA for like-for-like basis, capital gains from divestitures and restructuring expenses, which in 2014 were excluded from EBITDA

2015 Results – Highlights

South Africa

- **Acquisition of 72% of Waterlinx**, market leader in South Africa, with a 32% share. It offers a wide range of products that allows access to all channels.
- **South Africa** is the sixth largest swimming pool market worldwide, with around **800,000 residential** and **2,000 public pools**. It is also the gateway to other markets in the continent, since it has great influence on neighbouring countries (Namibia, Botswana, Mozambique and Zimbabwe).



2018 Strategic Plan

- Focus on **Pool & Wellness**, to reinforce our clear leadership; penetration of all product categories; implementation of Best Practices.
- **2018 Objectives:** Sales €750 M; EBITDA €100 M; CTN/Sales 28%; NFD/EBITDA $\leq 2.2x$; ROCE 10%

2015 Results – Consolidated Profit & Loss Account

	FY2014		FY2015		Evol.15/14
	€ M	% sales	€ M	% sales	
Sales	593,8	100,0%	647,3	100,0%	9,0%
Gross Margin	302,2	50,9%	327,9	50,7%	8,5%
Opex before Dep.& Amort.	227,7	38,4%	250,7	38,7%	10,1%
Provisions for bad debt	8,9	1,5%	5,1	0,8%	-43,2%
EBITDA	65,7	11,1%	72,2	11,1%	9,9%
EBIT	24,7	4,2%	26,1	4,0%	5,9%
Net Financial Result	-9,4	-1,6%	-5,6	-0,9%	40,0%
PBT	12,1	2,0%	20,5	3,2%	69,6%
Net Income	6,6	1,1%	13,0	2,0%	95,7%

- Positive **Sales** evolution in line with our expectations. On a like-for-like basis, sales increased 8.7% and adjusted for FX impact, sales increased 5.4% approximately.
- OPEX**, adjusted on a like-for-like basis and FX impact grows at 4.2% in the period, below sales growth.
- Good **EBITDA** performance; adjusting profit from divestiture and restructuring expenses, on a like-for-like like basis, growth stood at 24.4%.
- Financial Result** is impacted by the costs of the cancellation of the financing agreement signed earlier this year (€4.8M) and the earn-out re-estimation of Aqua which generated an income of €9.1M, thus financial results stands at €5.6M.

2015 Results – Sales Performance by Geographical Area

	Fluidra Sales by Geographical Area				
	€M	FY2014	%	FY2015	%
Spain	126,7	21,3%	141,0	21,8%	11,4%
South Europe - Rest	150,9	25,4%	143,1	22,1%	-5,1%
Central & Northern Europe	91,8	15,5%	96,8	15,0%	5,4%
Eastern Europe	30,8	5,2%	32,0	4,9%	3,8%
Asia & Australia	121,6	20,5%	139,3	21,5%	14,6%
Rest of the World	72,1	12,1%	95,1	14,7%	31,9%
TOTAL	593,8	100,0%	647,3	100,0%	9,0%

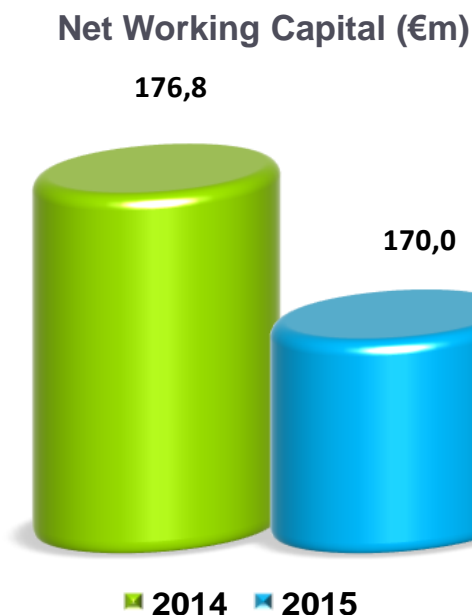
- Very positive market developments in **Spain**, which did not show such attractive growth rates since before the start of the crisis.
- **Rest of Southern Europe**, adjusted for divestiture (Irrigaronne), grows at 4.2%, confirming the recovery of the French market.
- Asia and Australia now account for 21.5% of group sales. The region displays mixed developments, highlighting China in decline and Australia with double digit growth.
- **Rest of the World** presents an excellent performance supported by the acquisition of Waterlinx (€18 M). Excluding this effect, growth stands at 7%.

2015 Results – Sales Performance by Business Unit

	Sales by business units					
	M€	2014	% s/vtas	2015	% s/vtas	Evolution 15/14
Pool & Wellness		523,2	88,1%	584,2	90,2%	11,6%
Residencial		321,7	54,2%	350,0	54,1%	8,8%
Commercial		74,6	12,6%	88,6	13,7%	18,9%
Pool Water Treatment		79,9	13,5%	96,8	15,0%	21,1%
Fluid Handling		47,0	7,9%	48,8	7,5%	3,7%
Irrigation & Domestic WT		43,5	7,3%	40,2	6,2%	-7,7%
Industrial & others		27,1	4,6%	23,0	3,5%	-15,2%
TOTAL		593,8	100,0%	647,3	100,0%	9,0%

- Good performance in **Pool & Wellness**, driven by the acquisition of Waterlinx, which represents 3.4 points of growth.
- **Pool water treatment** grows above 20% on the back of Waterlinx and a long and positive campaign in Europe and Australia.
- **Commercial pool** also posted great growth based on wellness equipment, pumping and filtration equipment.
- **Irrigation and domestic water treatment** decreased due to Irrigaronne's divestiture. Without it, both units grow.
- **Industrial & other**, shows a decrease associated with evolution of China.

2015 Results – Net Working Capital



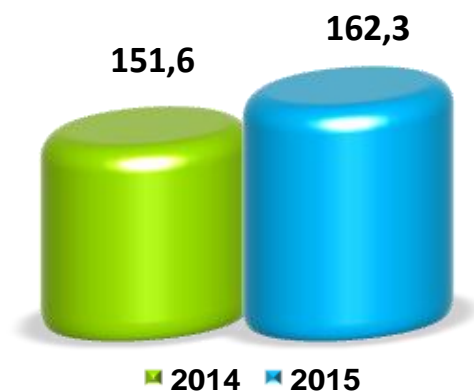
January - December

	2014	2015	Evol. 15/14
Inventory	137,9	148,2	7,5%
Accounts Receivable	135,9	146,2	7,6%
Accounts Payable	97,0	124,4	28,3%
Net Working Capital	176,8	170,0	-3,9%
Adjusted Net Working Capital	176,8	182,5	3,2%

- **NWC** includes Aqua's earn-out amounting to €16.9 M. Since we are within the execution period it has been booked as short-payables. In addition, NWC includes € 4.3M from initial Waterlinx acquisition. Therefore Adjusted NWC for these one-off effects, reaches €182,5M..
- Excluding those effects, good performance during the year of **Net Working Capital**, which posted a growth of 3.2%, outperforming the sales growth.
- The **NWC/Sales ratio**, without the earn-out effect, stood at 28.9%, in line with the objectives of the Strategic Plan.

2015 Results – Net Financial Debt & FCF

Net Financial Debt (€m)



	2014	2015
NFD/EBITDA	2,3x	2,2x

€M

January - December

	2014	2015	Evol. 15/14
Net income	6,6	13,0	6,4
Depreciation (+)	41,0	46,0	5,0
Increase (-) / Decrease (+) NWC (adjusted)	4,8	-5,7	-10,5
Capex (organic)	-19,4	-26,9	-7,4
Free Cash Flow pre-acquisitions	33,1	26,5	-6,6
Acquisitions capex	-2,3	-15,4	-13,1
Free Cash Flow post acquisitions	30,8	11,1	-19,7

- In a year with excellent sales growth, cash generation amounts to €26.5 M, even with the increased investment in capex, due to the investment in Australia for the new plant and information systems.
- Good performance of **Net Financial Debt**, with an improvement in debt ratio despite investments in acquisitions.
- The difference between Cash generated and NFD is mainly explained by dividends (€ 6.7m) and the assumption of debt of acquisitions (€ 10.6m).

2015 Results – Subsequent events

Sunbay EGT Aqua

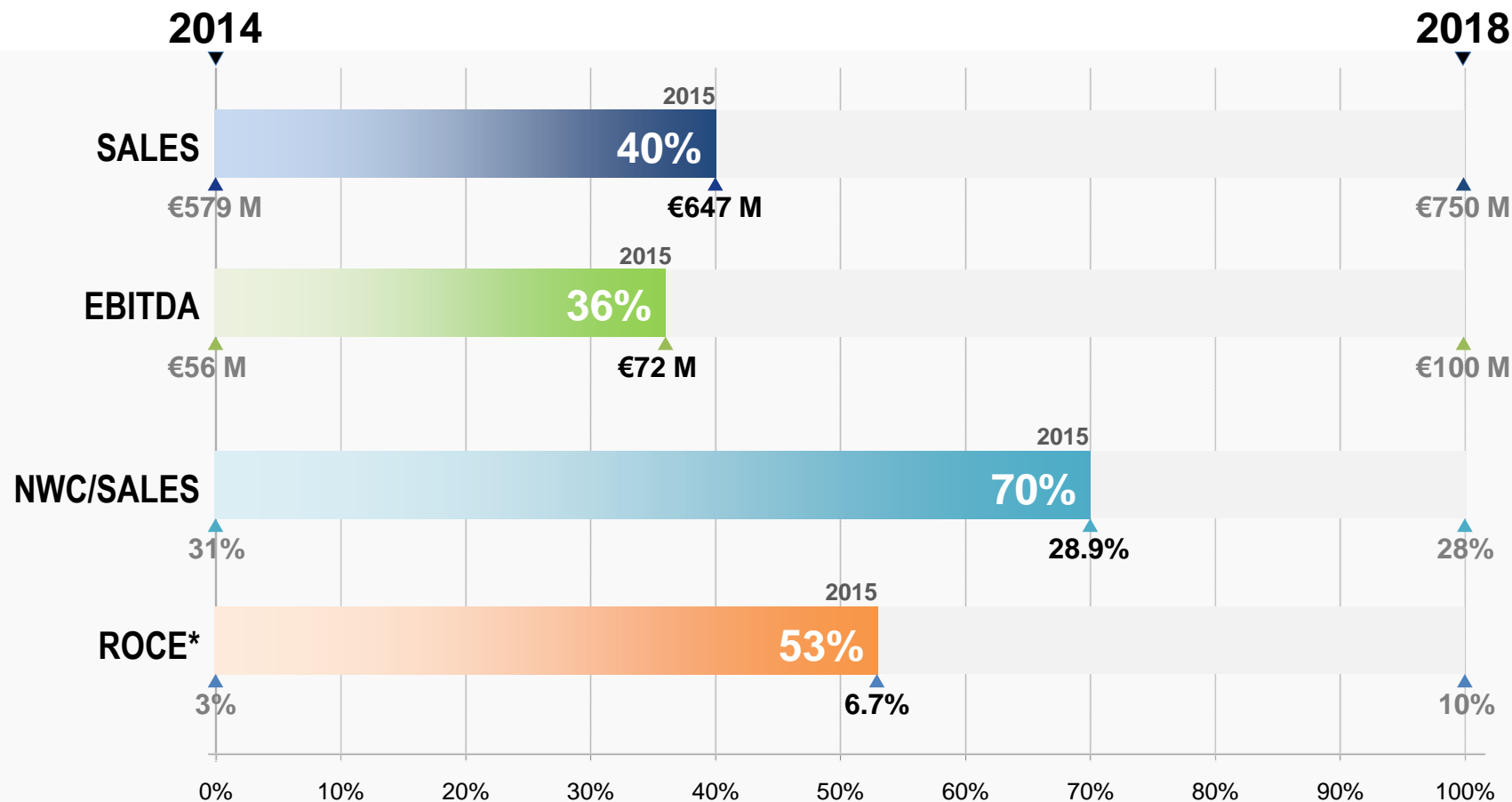
- Fluidra enters the **wooden pools** segment with the acquisition of the goodwill of French company **EGT Aqua** for the commercialisation of wooden pools in Europe in both massmarket and professional channels.
- The transaction, valued at approximately 1 million euros, includes customer portfolio, pool designs and extensive experience in selling these products in mass market channel. EGT Aqua sells **5,000 pools a year** and has a **market share** exceeding **30%** in this segment, which reinforces Fluidra's leading position of in France.



Somhidros

- Fluidra buys leading Spanish **fountain** company to grow in the **commercial pool sector**. With more than 400 fountains built around the world, **Somhidros** is one of the most prestigious companies in its sector.
- The transaction, valued at approximately 1 million euros, will provide Fluidra inventories, machinery and the extensive knowledge of the company. Fluidra strengthens its **leadership** in the **commercial pool** sector and takes a leap in its 2018 Strategic Plan.

2015 Results 2015 - Progress towards the 2018 Strategic Plan goals



* ROCE calculated with EBIT adjusted for Goodwill impairments

2015 Results – Conclusions

- **Good 2015 performance:**
 - Strong **sales** growth in all markets. Excellent growth in Spain and Europe.
 - Excellent **net income** performance.
- Results from 2015 confirm our **strategy**, as communicated in our **Investor Day**. Key highlights are:
 - Focus on pool & wellness,
 - Penetration in all product categories and implementation of best practices to increase our leadership,
 - And to enhance efficiency and profitability ratios
- **2015 results** and early 2016 performance, give us comfort to reiterate our **2016 Guidance** included in the 2018 Strategic Plan: Sales between €675 to €690 M; EBITDA between €81- €85 M and NFD/EBITDA levels at around 2.2x.

FLUIDRA

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