Fluidra 1H RESULTS

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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.

Summary

1H RESULTS 2018

Main figures	2017	2018	
	€M	€M	Evol. 18/17
Sales	452.5	454.2	0.4%
EBITDA*	73.2	74.3	1.4%
EBITA*	58.7	60.0	2.2%
Net Profit*	32.9	37.3	13.3%
Reported EBITDA	70.9	64.2	-9.5%
Reported Net Profit	34.1	32.2	-5.7%
Net Financial Debt	192.1	202.3	5.3%
Net Working Capital	252.9	294.1	16.3%

*Adjusted items exclude non-recurring income & expenses

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- Adjusted for currencies, Sales growth is 2.7% in an irregular season impacted by weather in Spain, France, and the US, and a strong Commercial Pool business in H1 2017.
- Despite limited increase in volume, margin expands at EBITDA level and combined with lower interest expense, delivers strong performance at Net Income.
- Reported EBITDA and Reported Net Income are impacted by €6.8m of transaction expenses.
- Net Debt increases by 5.3% due to Net Working Capital investments, cash invested in earn-out payments and payments of transaction expenses.
- Net Working Capital is impacted by the irregular season in Q2, a cancellation of sale of receivable program and less earn-outs in short term payables.

Relevant Facts

1H 2018 RESULTS

MERGER COMPLETED, WORKING ON INTEGRATION NOW

- Merger deed was signed on July 2nd. Late June, all authorisations were obtained. New shares were listed on July 10th, increasing share count to 195.6m and market cap above €2.2b.
- The European Commission anti-trust approval has a condition to divest Aquatron, a manufacturing and R&D unit in the electronic cleaner category located in Israel. The unit represents less than 2% of combined sales and EBITDA, and it is not changing the strategic logic of the merger.
- From a business perspective, Zodiac business is impacted by similar trends to the ones seen by Fluidra. The US business has had a late start of the season but is showing a solid recovery in June & July. Last Twelve Months Sales growth is in mid single digit at constant currency rates.
- The new management team is already in place with the new organizational chart implemented and the team is executing the 100 day plan to integrate both companies.
- After several months of integration planning process and with anti-trust limitations lifted, we have validated our strategic assumptions. That is why we reaffirm our guidance of €35m with one time cost of €30m. We are working to prepare a new Strategic Plan that will be shared with the market on an Investor's day in November.

Profit & Loss Account

1H RESULTS 2018

	2017		2018		
	€M	**% sales**	**€M**	**% sales**	**Evol. 18/17**
Sales	**452.5**	**100.0%**	**454.2**	**100.0%**	**0.4%**
Gross Margin	229.5	50.7%	234.5	51.6%	2.2%
Opex before Dep. & Amort. *	154.9	34.2%	158.9	35.0%	2.6%
Provisions for Bad Debt	1.4	0.3%	1.4	0.3%	-5.9%
EBITDA*	**73.2**	**16.2%**	**74.3**	**16.4%**	**1.4%**
EBIT*	53.3	11.8%	57.3	12.6%	7.5%
Non-recurring Income/Expense	1.2	0.3%	-6.8	-1.5%	n/a
Net Financial Result	-5.6	-1.2%	-4.0	-0.9%	-27.6%
Net Profit*	**32.9**	**7.3%**	**37.3**	**8.2%**	**13.3%**
Reported EBITDA	**70.9**	**15.8%**	**64.2**	**14.3%**	**-9.5%**
Reported Net Profit	**34.1**	**7.6%**	**32.2**	**7.1%**	**-5.7%**

* Adjusted for non-recurring income / expense

- Sales are affected by late start in Northern Hemisphere, adjusted by FX, Sales growth is 2.7%
- Positive Gross Margin evolution thanks to mix and pricing increases that absorb commodity cost increases.
- EBITDA* and EBIT* show positive leverage despite the limited volume gains, thanks to margin evolution & good Opex control.
- Non-recurring expense reflects €6.8m of transaction related costs and costs to capture synergies.

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Sales by geographical area

1H RESULTS 2018

	2017		2018		
	€M	**% sales**	**€M**	**% sales**	**Evol. 18/17**
Spain	97.5	21.5%	98.0	21.6%	0.5%
Southern Europe – Rest	126.9	28.0%	139.5	30.7%	9.9%
Central & Northern Europe	72.4	16.0%	75.6	16.6%	4.4%
Eastern Europe	22.7	5.0%	24.6	5.4%	8.2%
Asia and Australia	69.5	15.4%	58.6	12.9%	-15.7%
Rest of the World	63.5	14.0%	58.0	12.8%	-8.7%
TOTAL	**452.5**	**100%**	**454.2**	**100%**	**0.4%**

- Europe presents an irregular season impacted by cold and wet spring. Spain grows by 3.0% adjusting for ATH divestiture. Rest of Southern Europe growth is half organic, half acquisitions.
- Central and Northern Europe, affected by the late start of the season and adverse weather conditions in Q1, has a strong recovery with double digit growth in the quarter.
- Asia and Australia, adjusted for currency, decreases 7.5%, with Australia growing in mid single digit and Asia impacted by a robust H1 2017 in Commercial Pool installations.
- Rest of the World segment, adjusted for FX, shows a decrease of 4.5%, due to a late start of the season in the US and weakness in South Africa, not compensated by good evolution in Latin America and Northern Africa.

Sales by business unit

1H RESULTS 2018

	2017		2018		
	€M	% sales	€M	% sales	Evol. 18/17
Pool & Wellness	**419.5**	**92.7%**	**425.0**	**93.6%**	**1.3%**
Residential	265.2	58.6%	270.6	59.6%	2.0%
Commercial	51.2	11.3%	47.3	10.4%	-7.7%
Pool Water Treatment	68.5	15.1%	73.4	16.2%	7.2%
Fluid Handling	34.6	7.6%	33.6	7.4%	-2.7%
Irrigation and Domestic Water Treatment	**17.9**	**4.0%**	**14.5**	**3.2%**	**-18.8%**
Industrial and Others	**15.1**	**3.3%**	**14.7**	**3.2%**	**-2.7%**
TOTAL	**452.5**	**100%**	**454.2**	**100%**	**0.4%**

- Mixed evolution of Residential Pool after a slow start of the season with great performance of above ground pool helped by Laghetto acquisition.
- Commercial Pool decreases due to the strong H1 2017, which included several major projects in the Asian region.
- Good evolution of Pool Water Treatment, with very good performance of disinfection equipment (salt chlorinators).
- Irrigation and Domestic Water Treatment segment evolution mainly impacted by ATH divestiture in Q1 2017.

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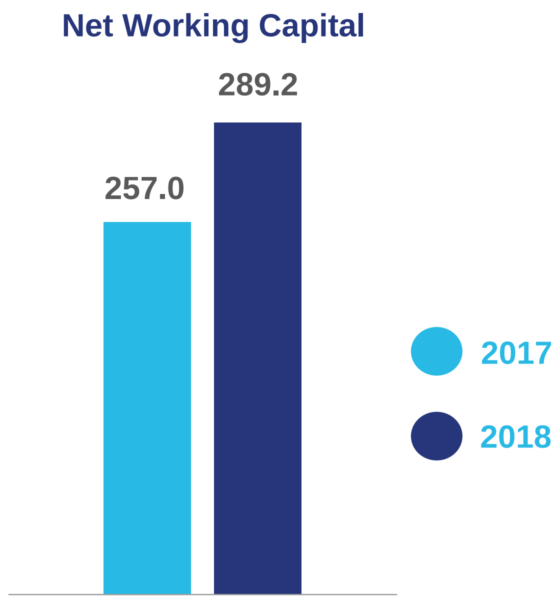
Net Working Capital

1H RESULTS 2018

June	2017	2018	
	€M	€M	Evol. 18/17
Inventory	184.3	203.4	10.4%
Accounts Receivable	259.3	272.4	5.1%
Accounts Payable	190.7	181.7	-4.7%
Net Working Capital	**252.9**	**294.1**	**16.3%**
Adjusted Net Working Capital	**257.0**	**289.2**	**12.5%**



- Inventories affected by the irregular season in Northern Hemisphere. Accounts Receivable is impacted by the cancellation of a sale of receivables program due to the implementation of the new financing contract. Without this impact, growth would have been 1.3%.

- Adjusted Net Working Capital better reflects the evolution of the business as it adjusts for acquisitions, divestitures and earn-out payments. The irregularity of the season has impacted the efficiency of capital usage in the quarter, but plans are in place to get back to usual NWC/Sales ratio.

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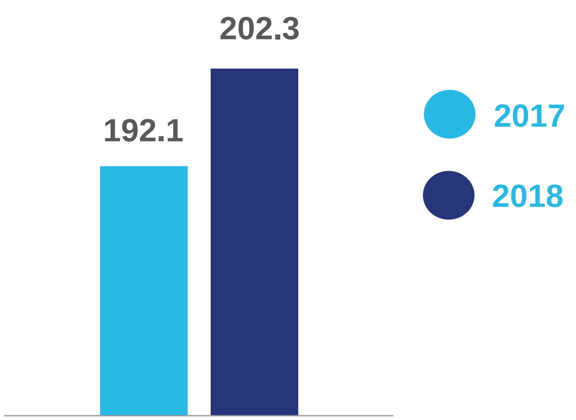
Net Financial Debt and Free Cash Flow

1H RESULTS 2018

Net Financial Debt



January - June	2017	2018	
	€M	**€M**	**Evol. 18/17**
Reported Net Profit	34.1	32.2	-1.9
Depreciation & Amortization (+)	19.9	17.0	-2.9
Increase (-) / Decrease(+) Adjusted NWC	-63.7	-88.4	-24.7
Investments (organic)	-12.7	-12.9	-0.1
Free Cash Flow pre-acquisitions	**-22.3**	**-52.1**	**-29.8**
Acquisitions & Divestitures	0.7	-8.7	-9.5
Free Cash Flow post-acquisitions	**-21.6**	**-60.8**	**-39.2**

- Free Cash Flow for H1 is impacted by the slow start of the season that is reflected in NWC usage and the non-recurring expenses associated to the Zodiac merger that have impacted Net Profit.
- The Acquisitions & Divestitures heading mainly covers SIBO's and Waterlinx's earn-out payments, while last year included an inflow as a net result of the ATH divestiture and the Aqua's earn out.
- As of July 2nd with the completion of the merger, the syndicated loan and several other facilities were paid down and the new financing for the combined company became effective.

Conclusions

1H RESULTS 2018

- **Industry fundamentals continue to be healthy and positive, however, the year has been affected by rainy and cold spring in some of our key markets. In addition, currency is having an impact on reported growth. This is an unusual year with some temporary effects but we remain confident in our outlook for the next quarters.**

- **To provide transparency on the new Fluidra, on a pro-forma basis, the 2018 estimates are Sales between €1,310 - 1,340 m; Adjusted Ebitda between €215 - 230 m; and Net Debt/Adjusted Ebitda ratio between 3.0 - 3.3x.**

- **With the merger closed, we are working on creating the best pool company in the industry, with strong focus on delivering value to our customers, employees and shareholders:**
  - **The new management team is in place and working on having a smooth integration, capturing the €35m cost synergies and accelerating sales growth through the implementation of sales synergy plans.**
  - **Pool & Wellness is an industry with healthy fundamentals and now, that we are working together, we reaffirm the strategic rational of the merger.**
  - **We are preparing a new Strategic Plan to present to the market in November in which we will share with you how are we creating the best pool company.**

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