

FLUIDRA

ROAD MAP TO 2020



September 2016



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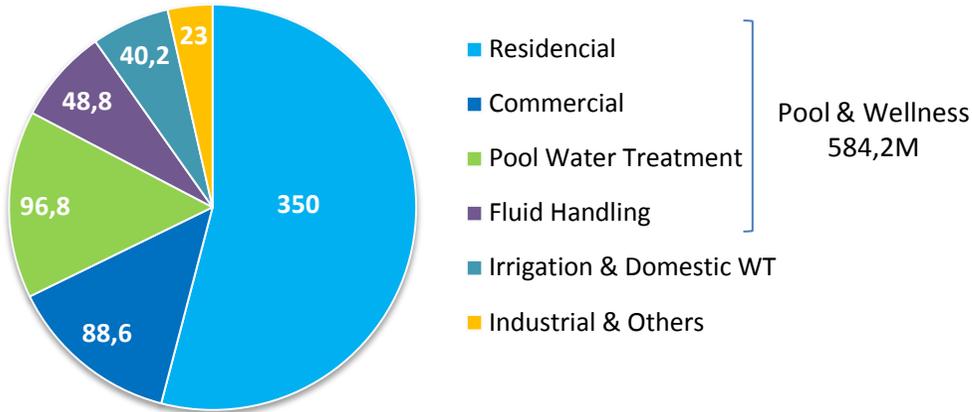


1. Introduction

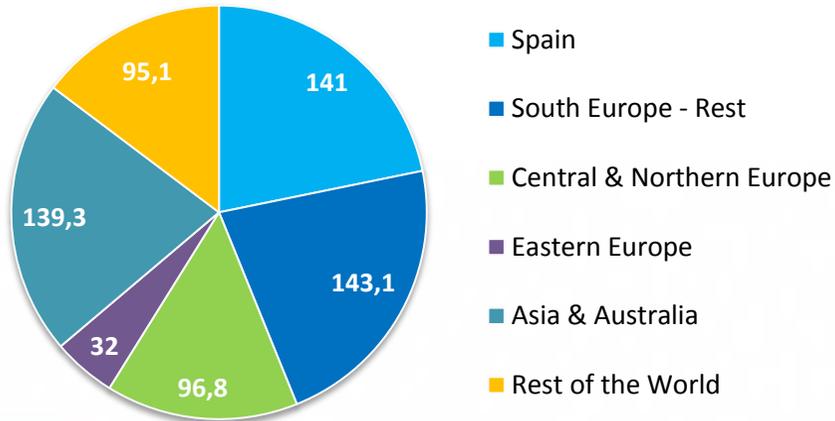


Fluidra in a snapshot

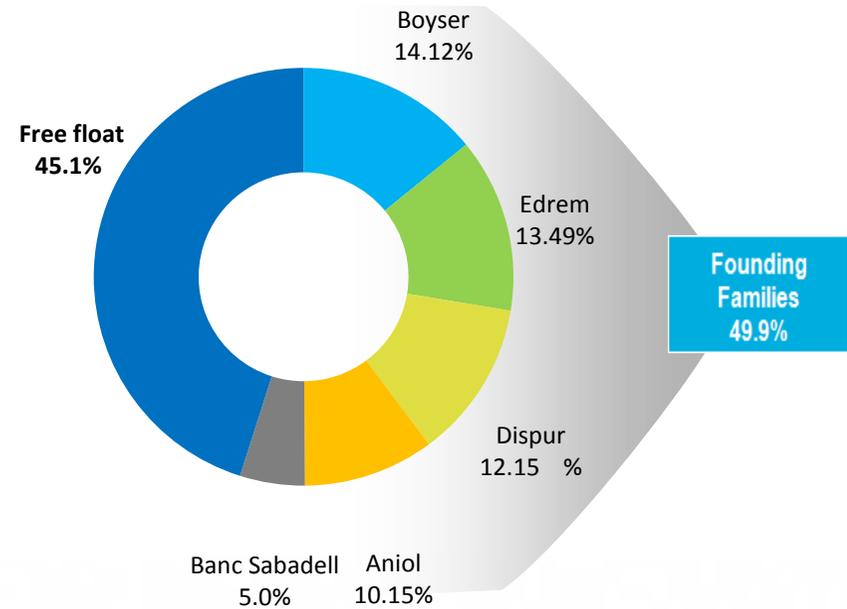
Fluidra Sales by Business Unit – 2015 (€M)



Fluidra Sales by Geographical Area 2015 (€M)

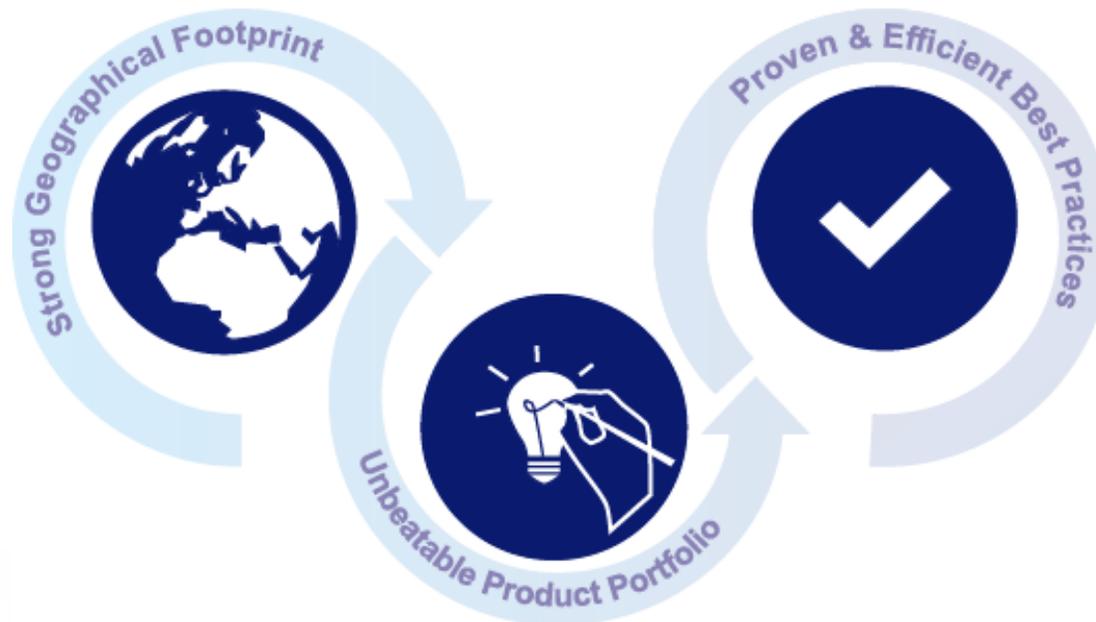


Shareholders structure



Fluidra today is a stronger company

...more balanced and with great potential



Why Fluidra?

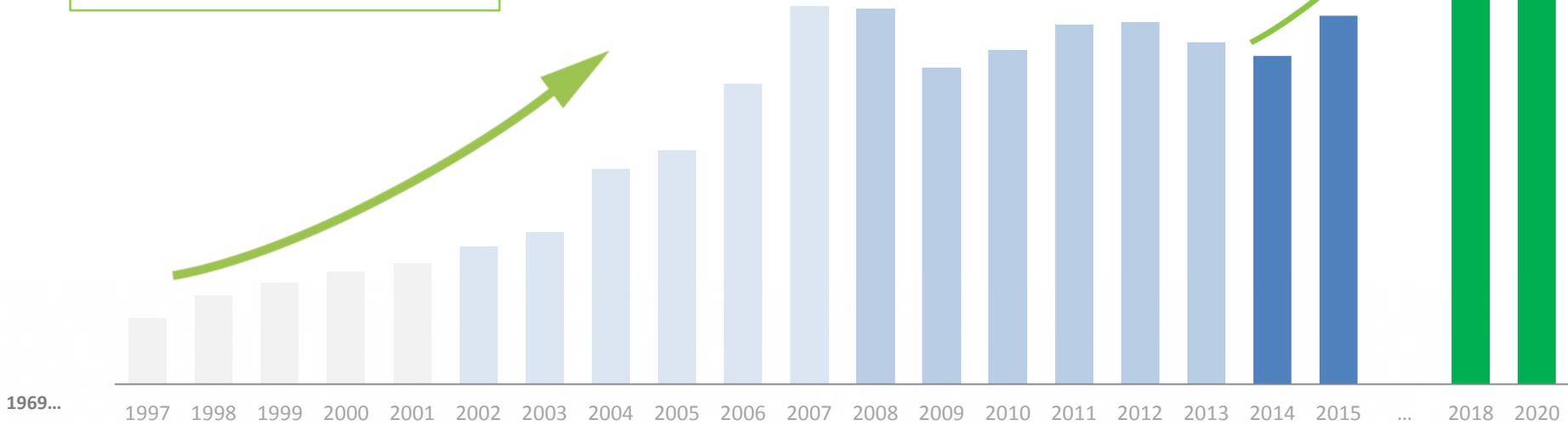


Fluidra evolution and market evolution

Growing with market
 **GDP 2.2%**
Sales Growth 22.3 %
Ebitda 14.0%

Balancing Markets
 **GDP: -0.2%**
 **GDP: +1.3%**
 **GDP: +6.8%**
Sales CAGR: -1.9%
Ebitda 10.6%

 **GDP: +1.7%**
 **GDP: +2.3%**
 **GDP: +7%**
Profitable growth



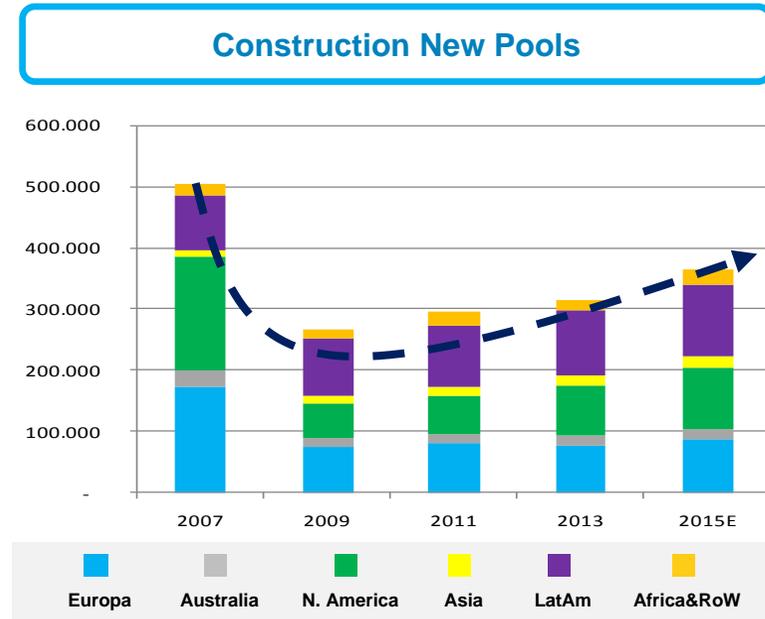
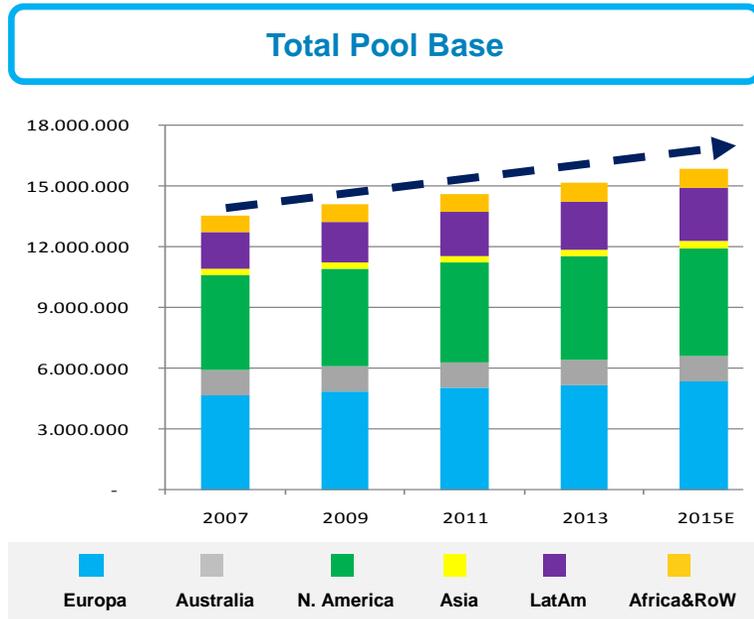
Source: IMF-WEO



2. Trends & Market and how we compete & win



Evolution of key pool market drivers



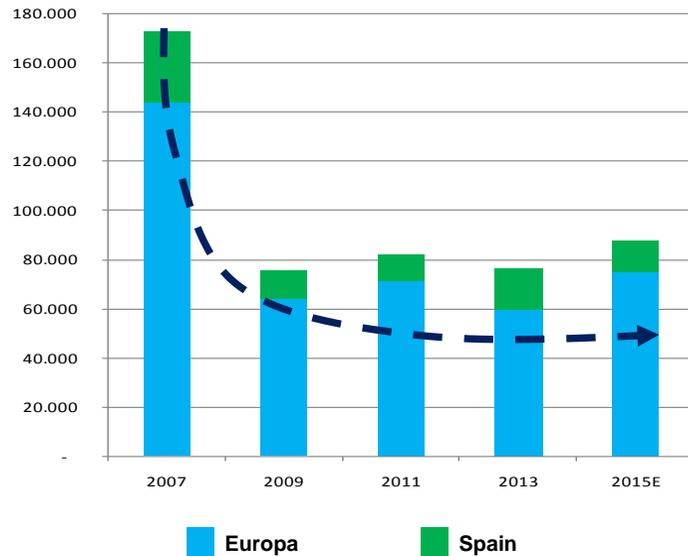
Growth of pool market across the board expected to boost the industry and increase the size of the potential market

Source: Associations' reports, trade publications, annual reports, Internal studies & estimates

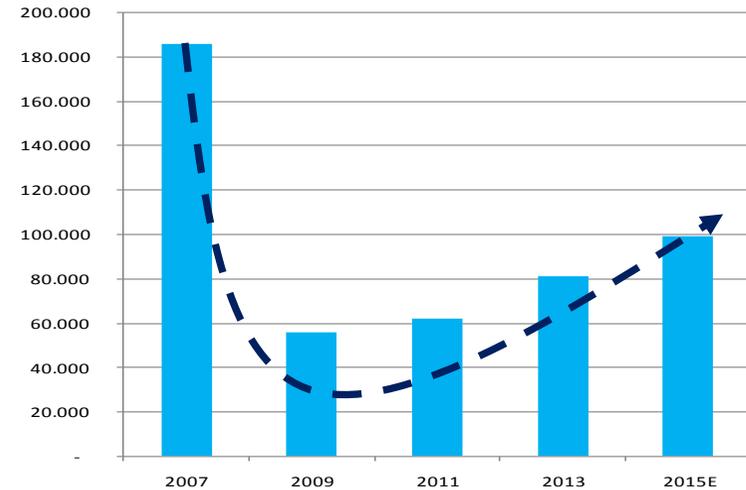
Note: Only refers to In Ground Pools

Evolution new pools in key markets

Europe-Evolution of New Pools



North America-Evolution of New Pools



New pool builds is at its lowest point and should recover in the next years reflecting a healthier industry

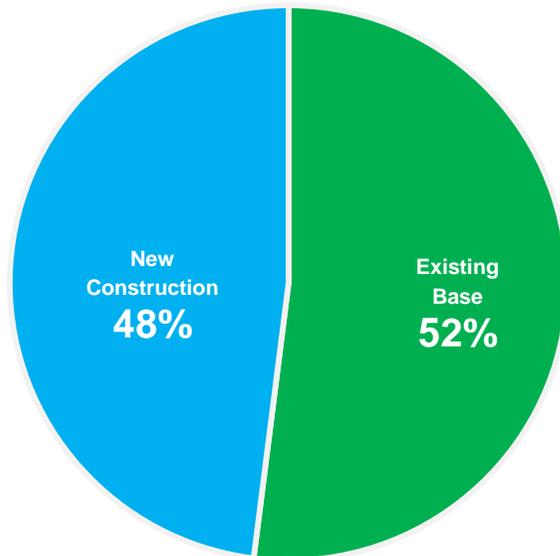
Source: Associations' reports, trade publications, annual reports, Internal studies & estimates

Note: Only refers to In Ground Pools

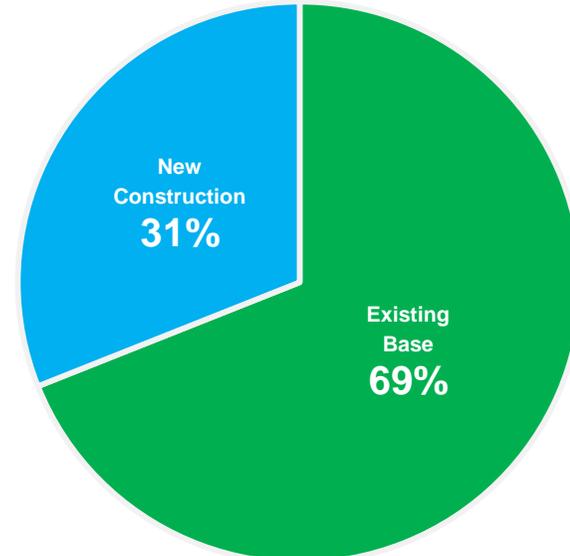
Fluidra is now stronger

...in a healthier market

European Pool Market Model (2008)



European Pool Market Model (2014)

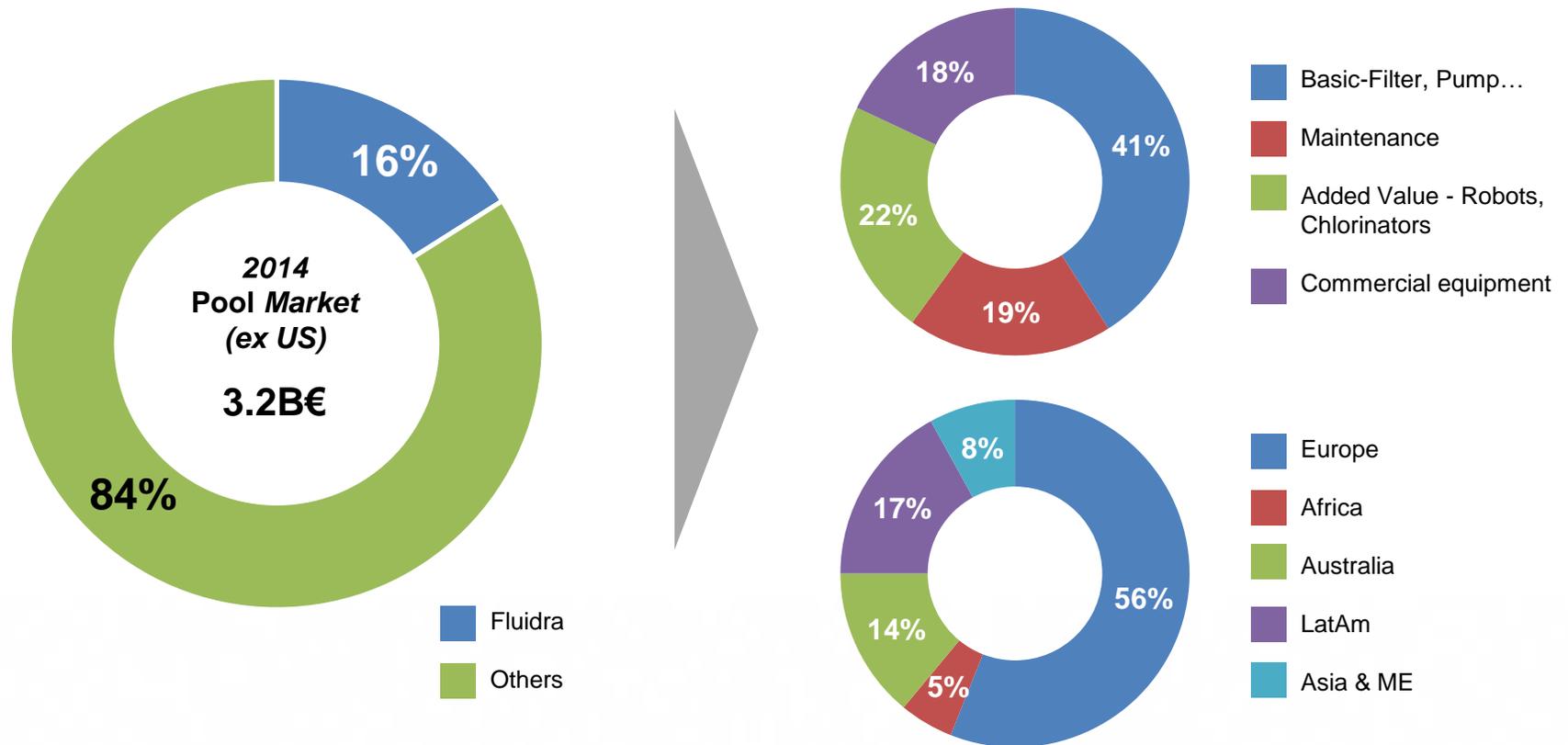


Fluidra benefits from recurring revenues coming from the pool base as well as from a recovery of new construction

Source: Associations' reports, trade publications, annual reports, Internal studies & estimates

The opportunity is significant...

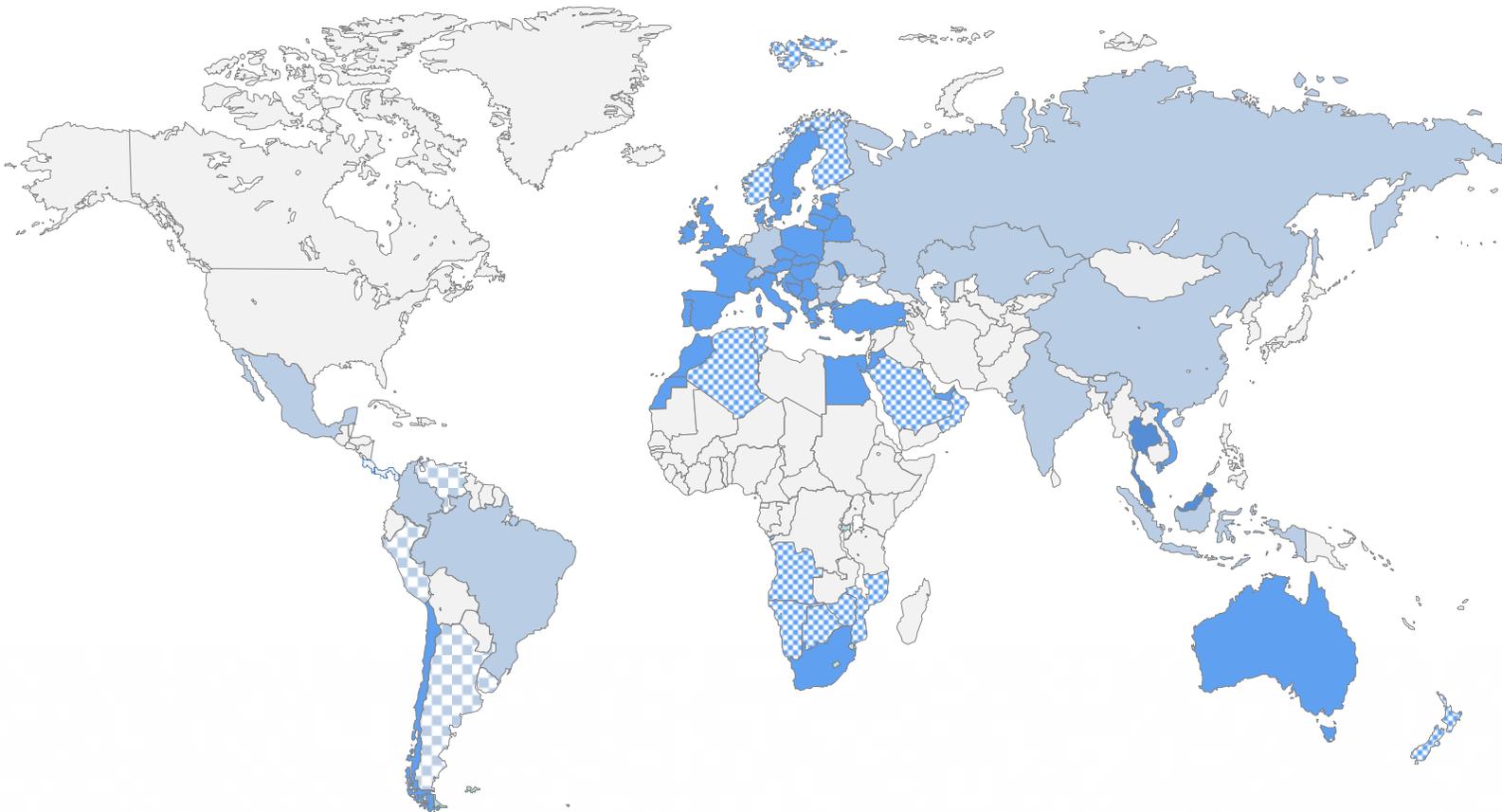
In terms of product and geographies



Source: Company elaboration based on country pool associations data and other public company data.

...to continue building our international leadership

Clear #1 in most relevant markets...



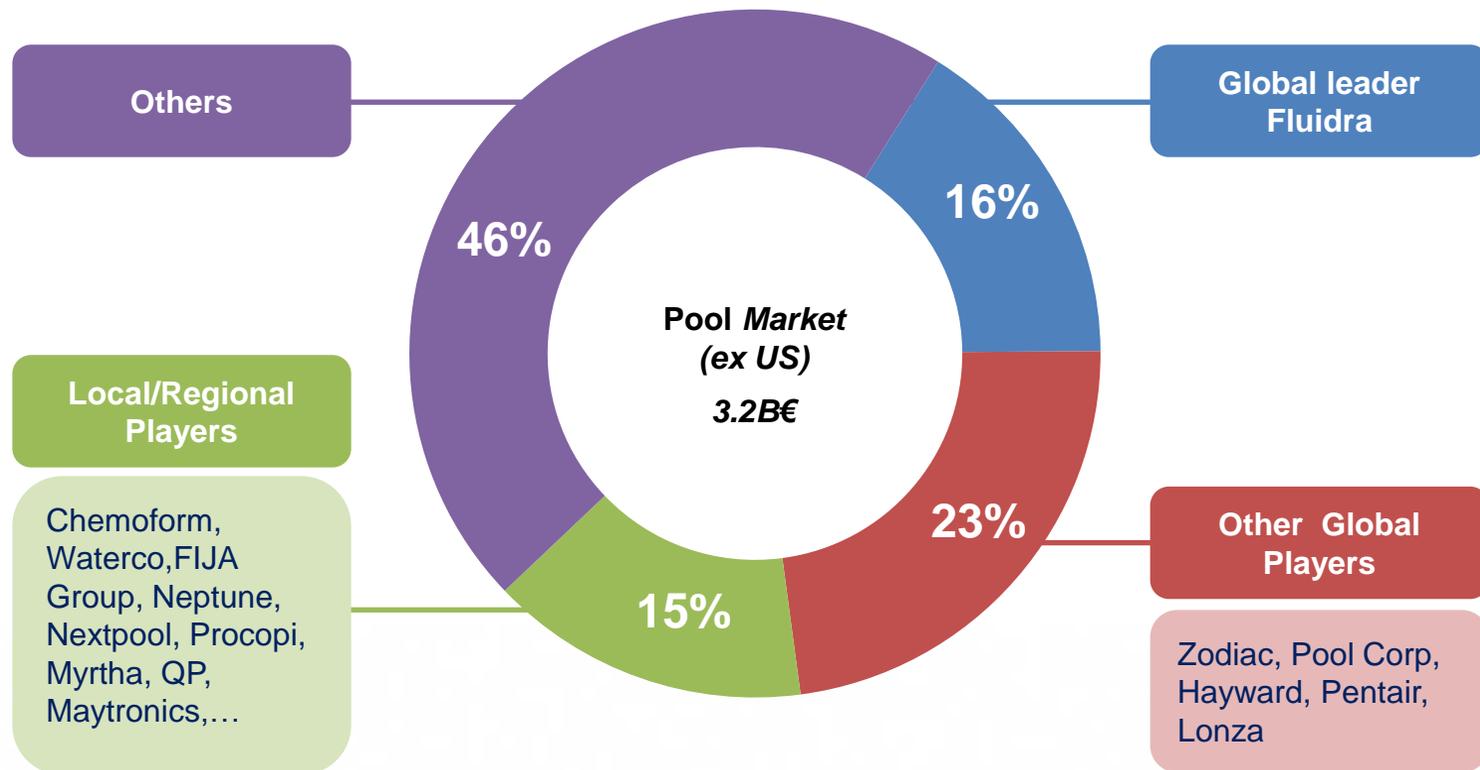
	No. of Countries	% of Global Pool Base
 Market Leader	31	40%
 Export Leader	12	1%
 Key Player	13	21%
 Export Player	4	5%

Source: Company elaboration based on country pool associations data and other public company data.



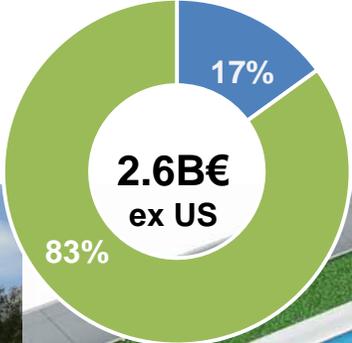
...to continue building our international leadership

Competing with different players in every geography



Source: Company elaboration based on country pool associations data and other public company data

Residential Pool



Unbeatable Product Portfolio

Residential-Split by Group and Application



Broad product portfolio that meets the needs of every step of the pool building & maintenance process



Business model: how we compete

Integrated value chain with own distribution

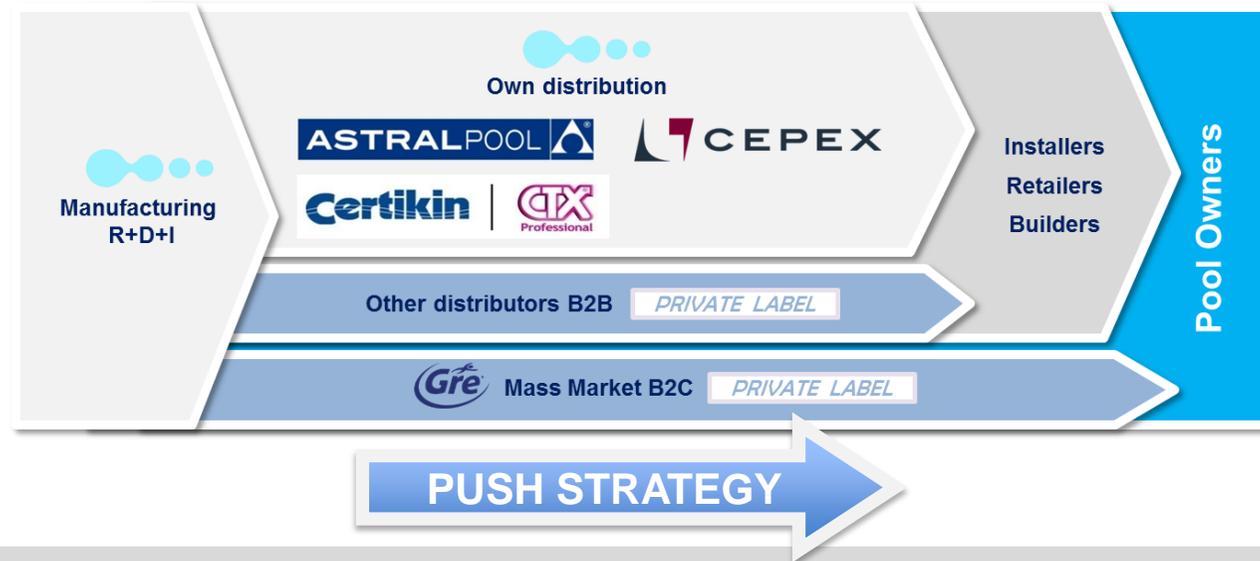


KEYS OF INTEGRATED MODEL

- Allows multichannel approach with differentiated brands & personalized product.
- Integrated margin
- High barrier to entry
- Minimizes business risk

A model that meets our customer needs

Excellent match of our model with industry success factors



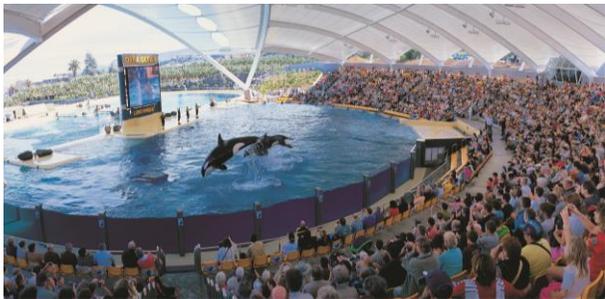
KEY SUCCESS FACTORS

- One stop shop: pool, irrigation, fluid handling, water treatment.
- Technical support & training
- Availability in branch/on time delivery
- After sales service

Commercial Pool

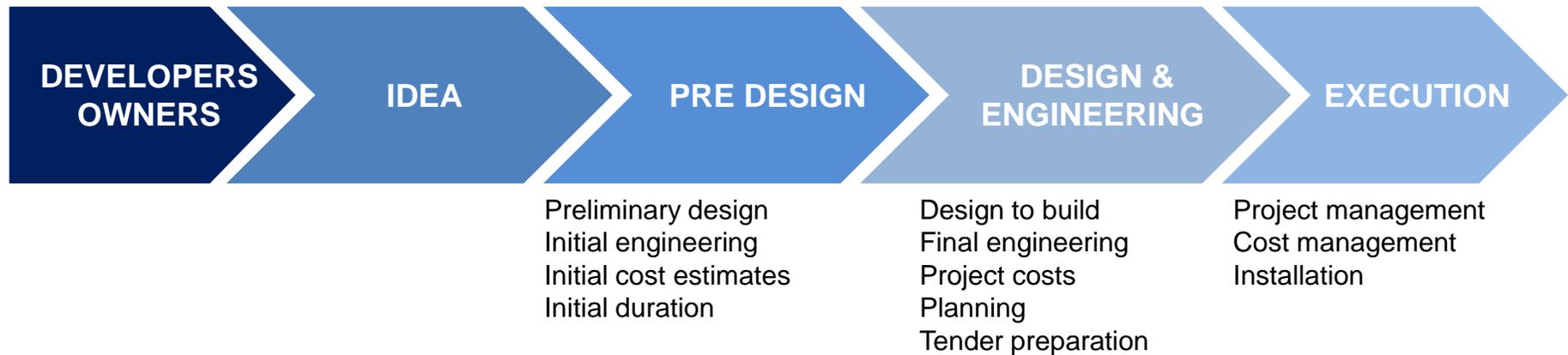


Commercial Pool covers a wide range of installations



Understanding decision making for commercial

...owners play a key role on choosing the solution

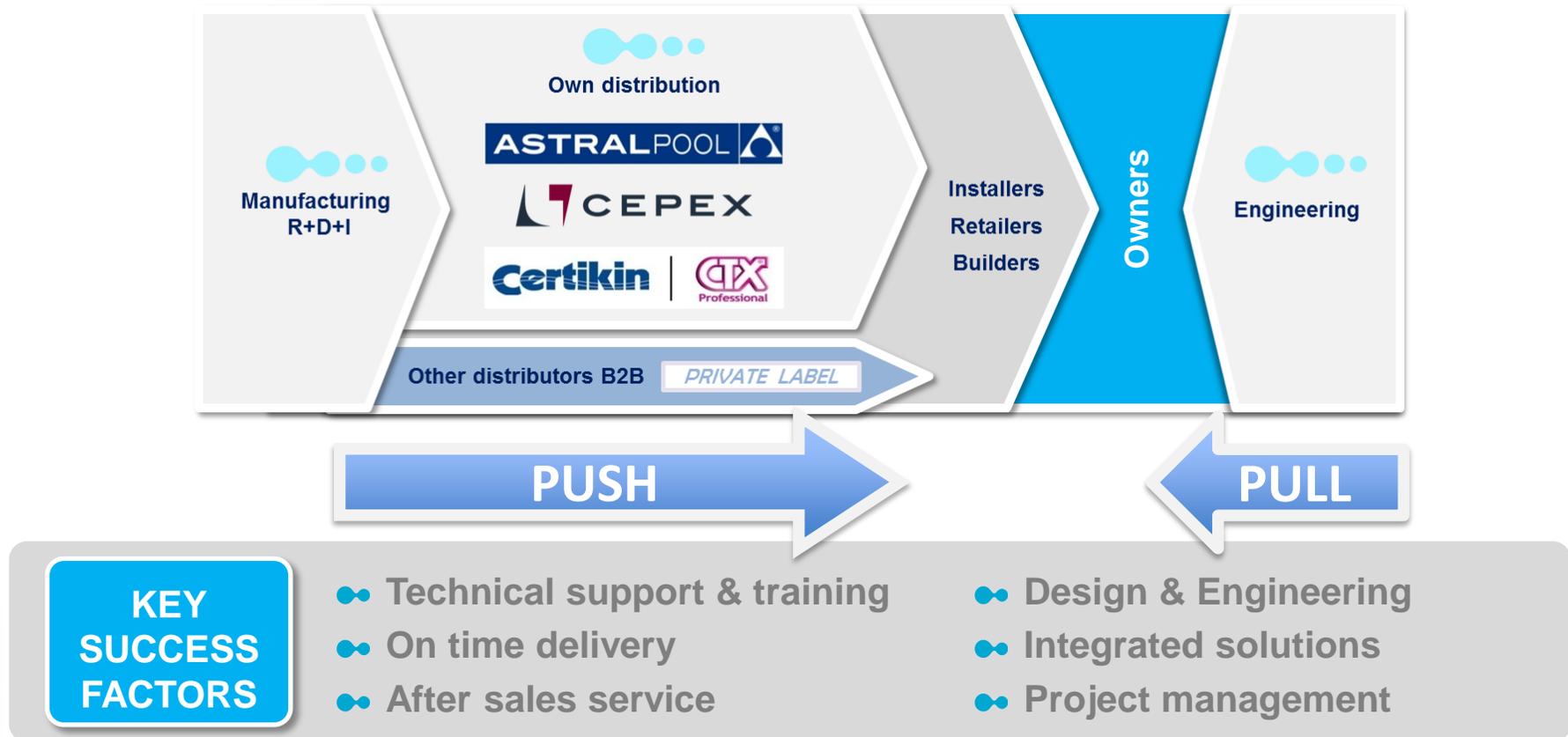


Provide **Engineering Services** to prescribe the use of **Fluidra** products as the **best solution** for **Commercial pool installations**



A model that delivers to our customer needs

Complete match of industry success factor and our model



3. Opportunities for profitable growth



Strategic approach by geographical market

Core for pool: Mainly business of residential pool and a huge base of professional customers



- Market size 2.5B€
- 77% of our sales

Emerging for pool: Mainly commercial pool business through projects



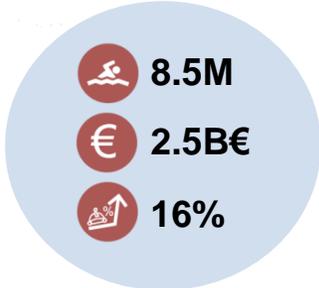
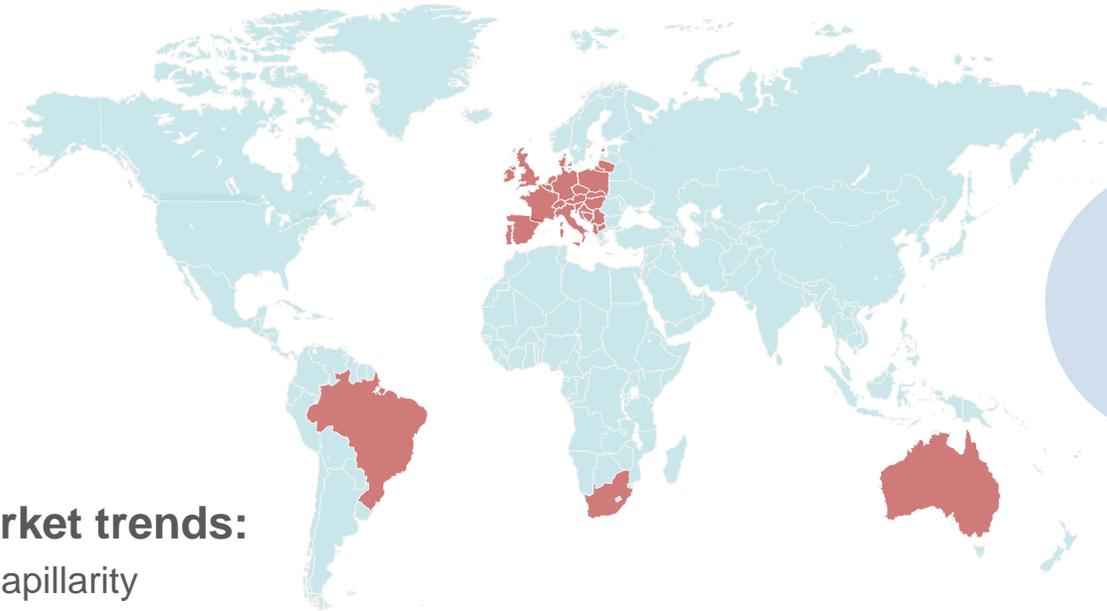
- Market size 684 M€
- 19% of our sales

USA: Robotic cleaner niche strategy



- Market size 65 M€
- 4% of our sales

Core Pool Markets: Penetration



Market trends:

- Capillarity
- Focus on installed base pools: Added value
- Perfect service level
- Commercial market already developed by actual customers
- Few global players & major competitors are locals

Total pools

Market size

Market share

Our opportunity is to further develop our business model to gain penetration



Core Pool Markets: Share by category



	EUROPE	AUSTRALIA	S. AFRICA	BRAZIL
Category 1	●	●	●	●
Category 2	●	●	●	●
Category 3	●	●	●	●
Category 4	●	●	●	●
Category 5	●	●	●	●
Category 6	●	●	●	●
Category 7	●	●	●	●

Increase penetration in all categories to minimum 20% is 210M€



Core Pool Markets: Best practices at full speed



- Gain capillarity by opening new cash & carry branches.
- Perfect delivery to our customers.
- Customer management to optimize share.
- Introduce new product in added value categories.
- Engineering solutions to improve penetration.



Expand success story of Spain

Spain: Pool Market today

The Spanish pool market is valued at € 300M

- On average, Spain has 1 pool for every 37 people.
- New Pools: 16.000 built in 2014 / (estim.) 18.000 in 2015.
- Market trend is back to growth (+2%).
- Business remains on renovation/upgrade of the installed pool park.



Fluidra Comercial España



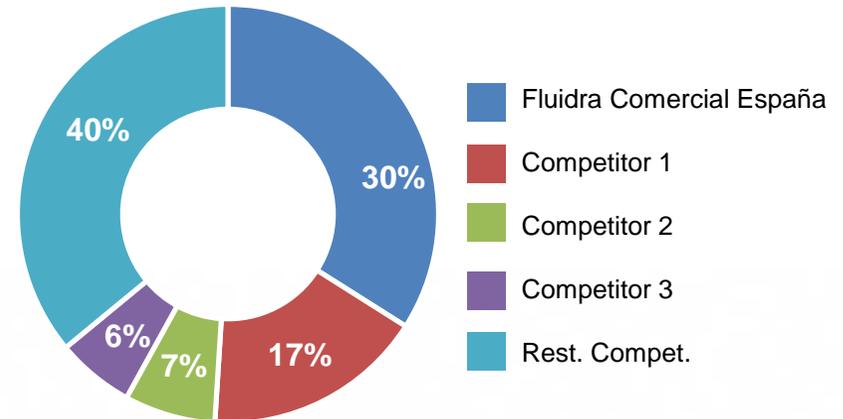
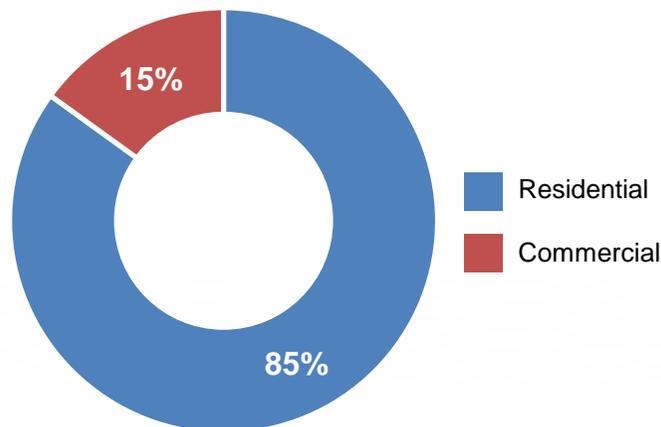
90M€



208 Employees



19 Branches



Note: Fluidra's share does not include sales done in Spain through other channels by other group companies..

New logistic model



	2011	2015
Branches (From Old Branches to C&C)	30	19
Inventory level	17 M€	6 M€
Logistic FTEs (Average per Branch)	5.8	3.5
Transport Cost (% of Net Sales)	5.1%	4.0%
Service Level (% Perfect & Full Order delivery)	80%	90%

“Closer to market”, better service and more efficiently

New customer approach

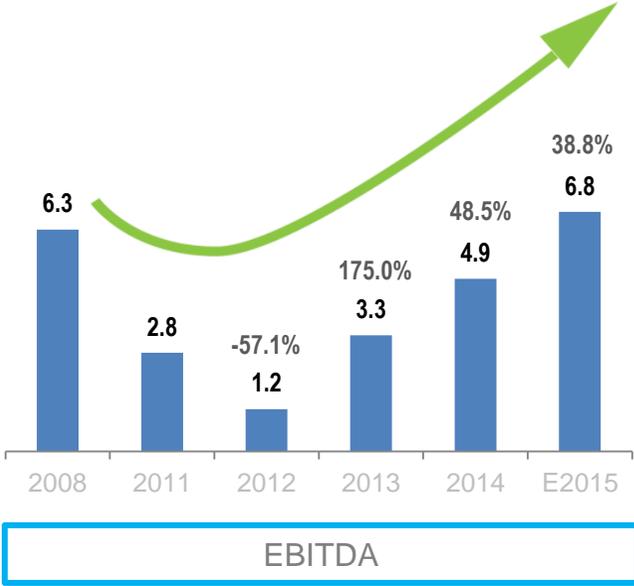
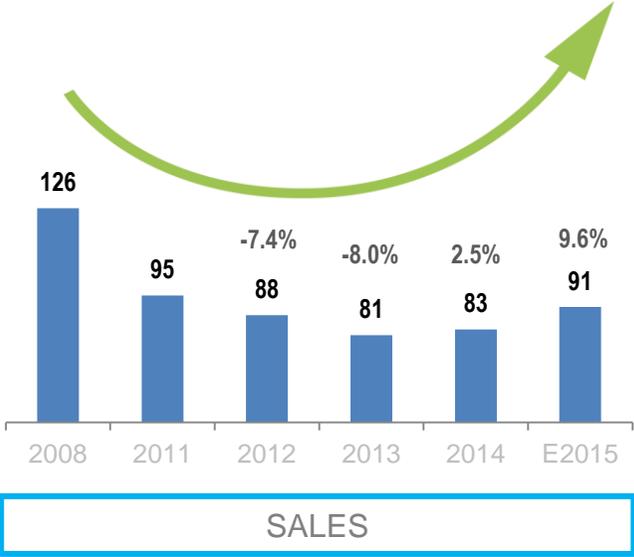


	2011	2015
Company Consolidation (From Companies to Business Units)	3	1
Sales Network (Number of Reps)	79	68
Sales Activity Model (Commercial Tools)	GENERALIST 3 COMPANIES	SPECIALIST Force Manager, Mobility
Capilarity and Efficiency (Average num. Customers per Rep)	200-250	150
Inside Sales (Num. Customer / Contacts per Day)	---	3,500 / 22
Market share	28%	30%

“Closer to market”, better service and more efficiently



Results 2008 - 2015



Proven best practices deliver excellent operating leverage



Emerging Pool Markets: Focus on Commercial Pool



- Market based on Commercial Pool
- Residential market is not relevant
- Highly fragmented markets
- Market size: 684 M€
- Fluidra share: 15%
- Fluidra Coverage from 73% to 90%



Market trends:

- Tourism is the major driver
- Prescription in Developers/Engineering companies

Our opportunity is to become a reference in Engineering Solutions



Emerging Pool Markets: Our strategy



**Develop Engineering solutions concept:
From product prescription to project
management.**

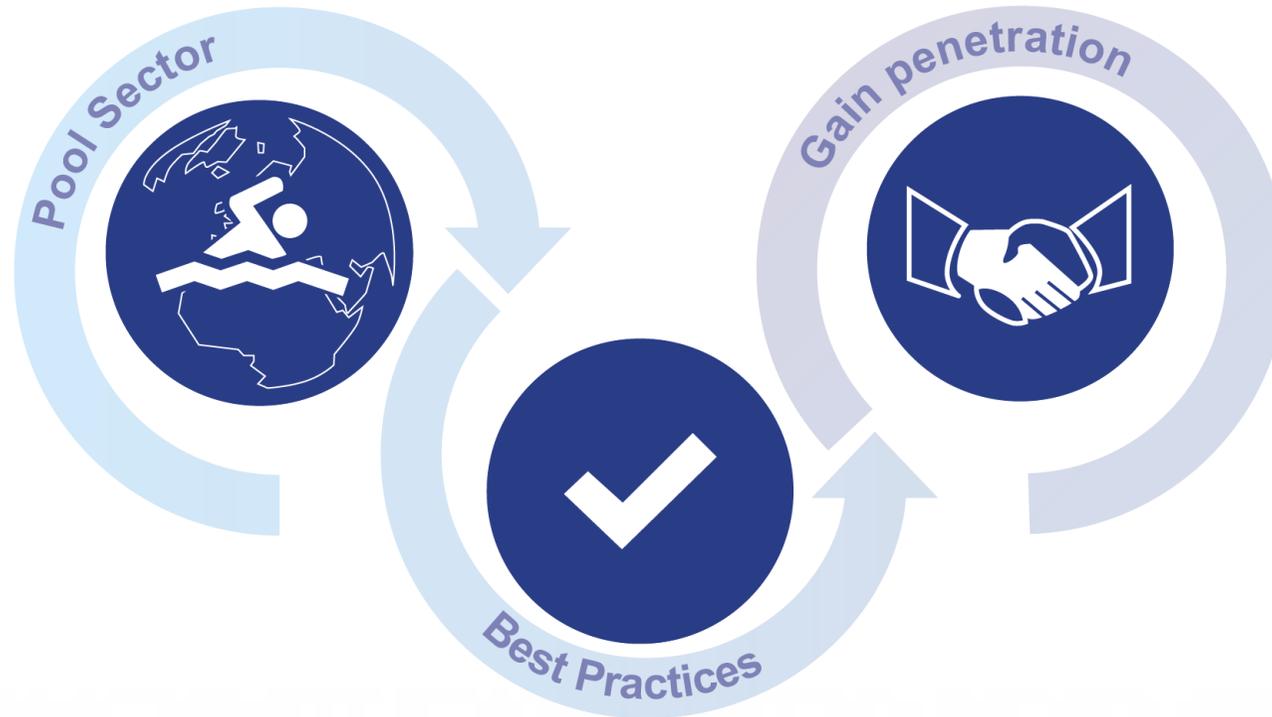


**Further development of regional centres
of engineering** (existing in Dubai and Singapore).

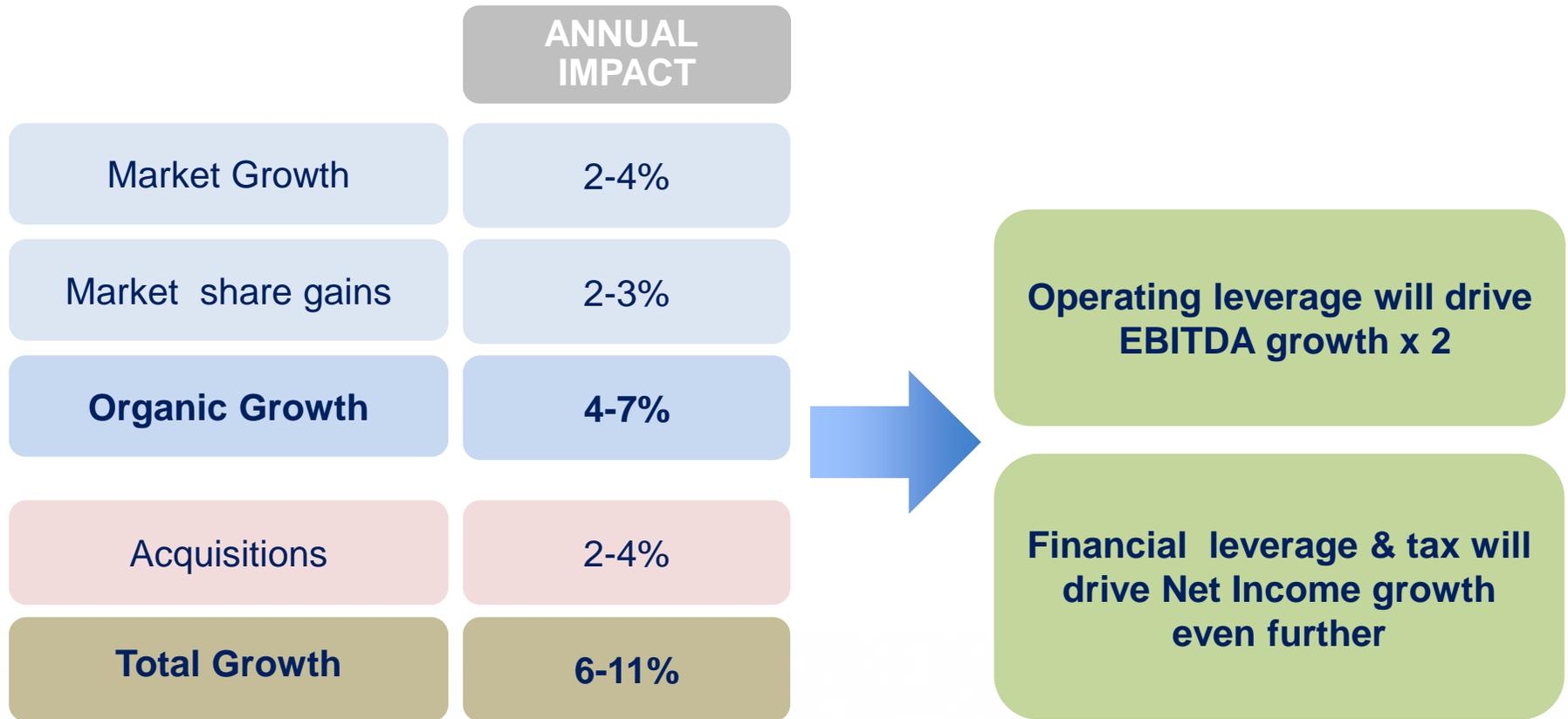
Global leader in Commercial Pool



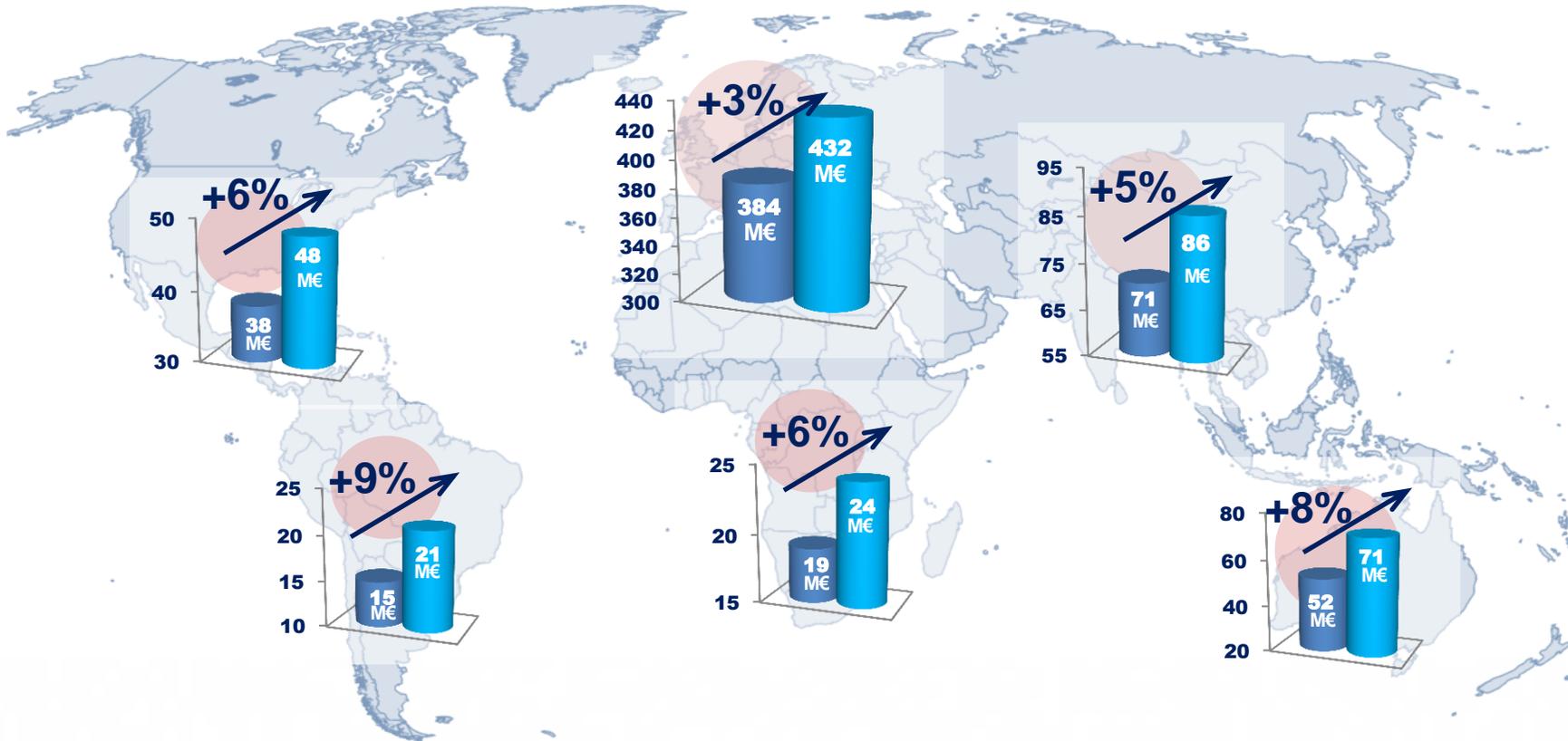
Focus on profitable growth



Accelerated growth & operating leverage



Organic growth expected in all continents



Note: Net sales for 2014 adjusted for divestitures. Expected organic CAGR from 2014 to 2018.

Outlook of increasing returns for shareholders

		2014(*)	TARGET 2018	CAGR'14- 18
Profitable Growth	Sales	579	750	7%
	EBITDA	56	100	15%
	Net Income	0	30	100%
Generating More value	ROCE	3%	10%	
	<i>NWC/Sales</i>	31%	28%	
	<i>Capex/Sales</i>	4%	4%	
	NFD/EBITDA	2.7X	≤2.2X	

(*) Adjusted for divestitures and extraordinary expenses



Self funded strategic plan

Clear uses of Cash

	POLICY	TARGET 2018
Dividends	50% payout	15M€
Acquisitions	Target $\leq 4X$ EBITDA in 3 years	10-20M€/year

Financial debt finances liquid assets

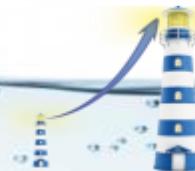
	2014	TARGET 2018
Net Working Capital	176M€	210M€
Net Financial Debt	151M€	220M€

Cash generation & uses of cash

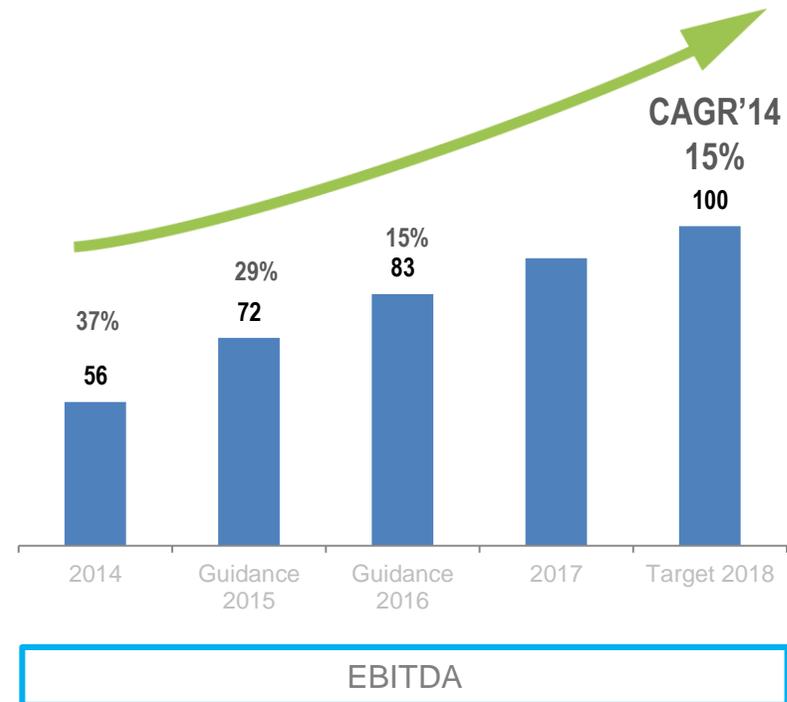
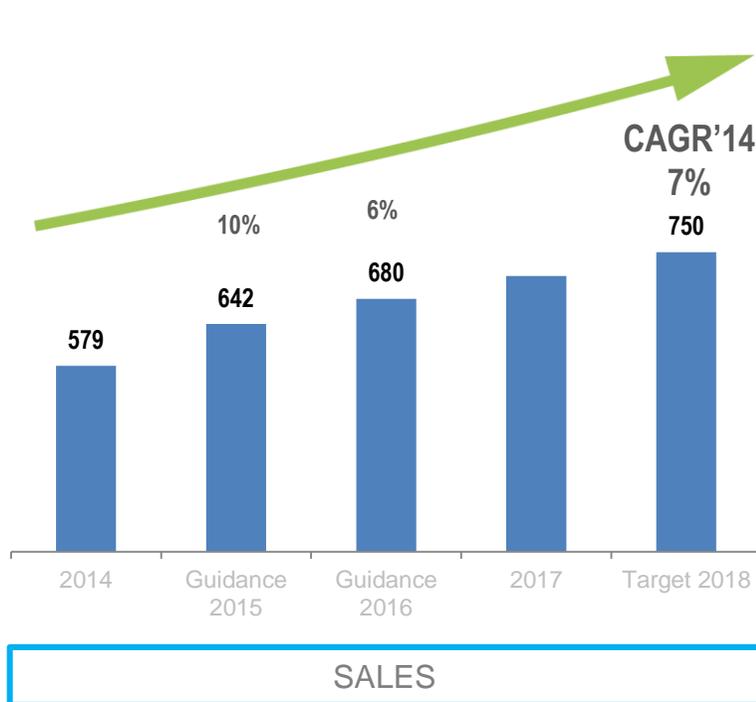
	ACCUMULATED 2018		ACCUMULATED 2018
Free Cash Flow	123M€	Dividends	52M€
Change in NFD	68M€	Acquisitions	80M€
	191M€	Minority interest	15M€
		Earn out	31M€
		Other cash items	13M€
			191M€

Note 1: Minority interest reflects cash used to purchase shares from minority owners in subsidiaries.

Note 2: Other cash items includes bank refinancing fees, purchase of shares and other balance sheet accounts of minor value.



Are we on the right track for 2018?



The evolution of 2015 and guidance for 2016 show that we are on the path to achieving targets

Note: 2014 adjusted for divestitures and extraordinary expenses



In summary: Why Fluidra?



...with an attractive valuation



FLUIDRA

ROAD MAP TO 2020



THANK YOU



4.APPENDIX



Fluidra *Q3 2016 Results*



Q3 2016 Results – Summary

	Main Magnitudes			
	€M	3Q2015	3Q2016	Evol.
Sales		509,0	565,4	11,1%
EBITDA		65,8	76,1	15,7%
Net Income		16,2	26,4	62,9%
Net Working Capital		203,4	204,3	0,5%
Free Cash Flow		3,8	2,9	-0,9
Net Financial Debt		181,9	183,9	1,1%

- Positive Sales performance, with 9% growth on a like-for-like basis and constant currency, with excellent growth in Spain, France and Australia.
- Good EBITDA performance despite the impact of the new facilities in Australia and South Africa. Good operating leverage in stand alone third quarter, sales grew by 7.3% and EBITDA by 19.6%.
- Improvement in financial results helps the excellent performance of Net Profit.
- Good performance of all Balance sheet magnitudes, very much in line with previous year, including the SIBO acquisition.

3Q2016 Results – Highlights

Development of FES activity in Commercial Pool, one of our key best practices in the 2018 Strategic Plan

Taipei 2017 Summer Universiades

- Fluidra won the tender for the design, supply and installation of an Olympic pool and training pool, for the celebration of the 29th Summer Universiades. Both pools will be dismantled after the competition and transferred to a final location in southern Taiwan
- Contract amount: €5 M

Asian Games 2018 Yakarta

- Fluidra has been chosen to install the pools for the Asian Games 2018 in a renovation project of the Gelora Bung Karno sports facilities.
- Fluidra will install four pools to be used for water sports in the games in the Indonesian capital: a competition pool, a water polo pool, a diving pool and a training swimming pool.
- Contract amount: €4 M



Q3 2016 Results – Consolidated Profit & Loss Account

	3Q2015		3Q2016		Evol.16/15
	€ M	% sales	€ M	% sales	
Sales	509,0	100,0%	565,4	100,0%	11,1%
Gross Margin	258,9	50,9%	290,0	51,3%	12,0%
Opex before Dep.& Amort.	188,3	37,0%	210,0	37,1%	11,5%
Provisions for bad debt	4,8	0,9%	3,9	0,7%	-17,3%
EBITDA	65,8	12,9%	76,1	13,5%	15,7%
EBIT	38,4	7,6%	48,1	8,5%	25,1%
Net Financial Result	-13,3	-2,6%	-5,4	-1,0%	59,1%
PBT	25,1	4,9%	42,6	7,5%	69,6%
Net Income	16,2	3,2%	26,4	4,7%	62,9%

- Favourable **Sales** performance, exceeding our expectations. On a like-for-like basis, sales increase 7% and adjusted for this effect and currencies, sales increase 9%.
- **Gross margin** continues its positive evolution explained by price management activities.
- Good **EBITDA** performance, recovering operating leverage in the third quarter, after the inauguration of the new facilities in Australia and South Africa.
- **Financial Result** improves considerably thanks to the elimination of last year's one-offs.
- **Net Profit** evolves favourably as a result of increased volume and the company's operational and financial improvements.

Q3 2016 Results – Sales Performance by Geographical Area

Fluidra Sales by Geographical Area					
€M	3Q2015	%	3Q2016	%	Evolution 16/15
Spain	121,1	23,8%	130,6	23,1%	7,9%
South Europe - Rest	125,8	24,8%	147,4	26,1%	17,1%
Central & Northern Europe	80,7	15,8%	90,7	16,0%	12,5%
Eastern Europe	25,5	5,0%	27,3	4,8%	7,0%
Asia & Australia	89,2	17,5%	91,5	16,2%	2,5%
Rest of the World	66,8	13,1%	78,0	13,8%	16,7%
TOTAL	509,0	100,0%	565,4	100,0%	11,1%

- Positive performance in **Southern Europe** in general, driven by a very good campaign in Italy, France and Spain, both in the professional and mass market channels.
- **Central and Northern Europe** includes two months of SIBO's activity, representing 6 point of growth, and the impact of the pound's devaluation. Constant currency growth is 18%
- **Asia and Australia:** the region displays mixed developments, with China in decline and Australia posting an excellent performance in local currency.
- **Rest of the World** shows excellent performance supported by the acquisition of Waterlinx.

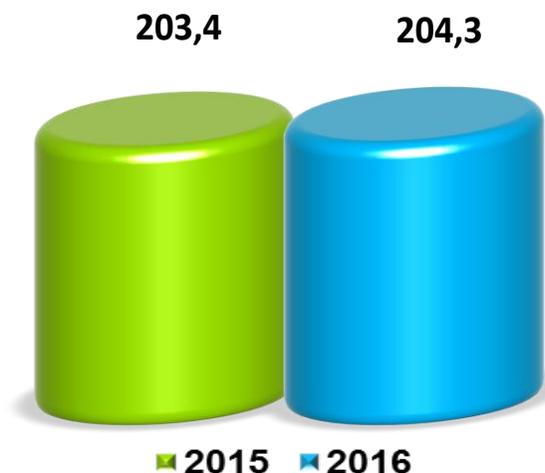
Q3 2016 Results – Sales Performance by Business Unit

Sales by business units					
M€	3Q2015	% s/vtas	3Q2016	% s/vtas	Evolution 16/15
Pool & Wellness	461,0	90,6%	517,3	91,5%	12,2%
Residential	277,4	54,5%	322,9	57,1%	16,4%
Commercial	67,3	13,2%	64,1	11,3%	-4,7%
Pool Water Treatment	77,2	15,2%	88,6	15,7%	14,8%
Fluid Handling	39,1	7,7%	41,7	7,4%	6,6%
Irrigation & Domestic WT	32,2	6,3%	31,4	5,6%	-2,5%
Industrial & others	15,8	3,1%	16,7	3,0%	5,7%
TOTAL	509,0	100,0%	565,4	100,0%	11,1%

- Good organic performance in **Pool & Wellness**, driven additionally by the acquisitions of Waterlinx and SIBO.
- **Residential Pool** posts excellent performance in all categories in general, specially in above-ground pools, filters and pool robots.
- Performance in **Commercial Pools**, impacted by the completion of several major facilities in the Americas in 2015, and which still does not display the new contracts in Asian region.
- **Pool water treatment** grows thanks to a positive campaign in Europe and Waterlinx.

Q3 2016 Results – Net Working Capital

Net Working Capital (€m)



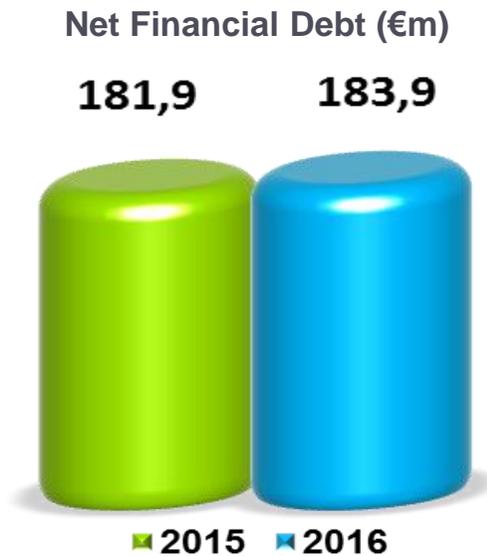
January - September

	2015	2016	Evol. 16/15
Inventory	153,4	169,2	10,3%
Accounts Receivable	172,2	182,6	6,0%
Accounts Payable	122,2	147,4	20,6%
Net Working Capital	203,4	204,3	0,5%
Adjusted Net Working Capital	203,4	215,9	6,1%

•• Good Net Working Capital performance in this period. NWC in Accounts Payable includes Aqua's earn-out; similarly, all headings are affected by the acquisition of Sibio, so comparable NWC is € 215.9 M, with a 6% increase below sales growth.



Q3 2016 Results – Net Financial Debt & FCF



	January - September		
	2015	2016	Evol. 16/15
Net income	16,2	26,4	10,2
Depreciation (+)	27,4	28,0	0,7
Increase (-) / Decrease (+) NWC	-21,5	-29,3	-7,8
Capex (organic)	-18,3	-22,3	-4,0
Free Cash Flow pre-acquisitions	3,8	2,9	-0,9
NWC from acquisitions	-5,1	-5,1	0,0
Acquisitions capex	-9,9	-11,8	-1,9
Free Cash Flow post acquisitions	-11,2	-14,0	-2,8

- Free Cash Flow supported by good generation in P&L.
- CAPEX includes investments in Australia and South Africa to equip new plants and the expansion of the logistics centre in Southern Europe.
- Good performance of **Net Financial Debt** including payment for 70% of SIBO.

Q3 2016 Results – Conclusions

- Excellent performance in the third quarter of 2016:
 - Great **Sales** growth in Spain, France and Australia, and good performance in other geographies.
 - Good performance of **results** thanks to operating leverage and improved financial costs.
- Q3 evolution confirms the value of our 2018 Strategic Plan to improve **Fluidra's fundamentals**:
 - Focus on pool & *wellness*,
 - Penetration in all product categories to increase our leadership,
 - And implementation of *Best Practices* to improve efficiency and profitability ratios.
- Based on this results, we reiterate our **estimates for the whole of 2016**: Sales between €675M and €690M; EBITDA between €81M and €85M and NFD/EBITDA levels of around 2.2x.





FLUIDRA

