

February 2015

MAKING
WATER
PERFORM



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1. Fluidra at a glance

Fluidra at a Glance

Strong Financial Performance

- 2014 Sales: €593.8M (0.2%)
- 2014 EBITDA: €65.7M (37.7%)
- 2014 Net Debt: €151.6M (-18.8%)

Business

- International leader in distribution of solutions for Pool, Fluid Handling, Water Treatment and Irrigation
- Vertically integrated for Pool, Water Treatment and Fluid Handling

International Footprint

- Products sold in 170 countries
- Direct presence in 43 countries through 128 branches
- 80% of revenues generated outside of Spain and 33% outside Europe

Customers & Products

- Over 41,000 clients worldwide
- Over 20,000 product references

Stock Information

- Listed in the Spanish Stock Exchange
- BOD: 4 founding families 49.9% and Banc Sabadell 5.0%
- Free float: 45.1%

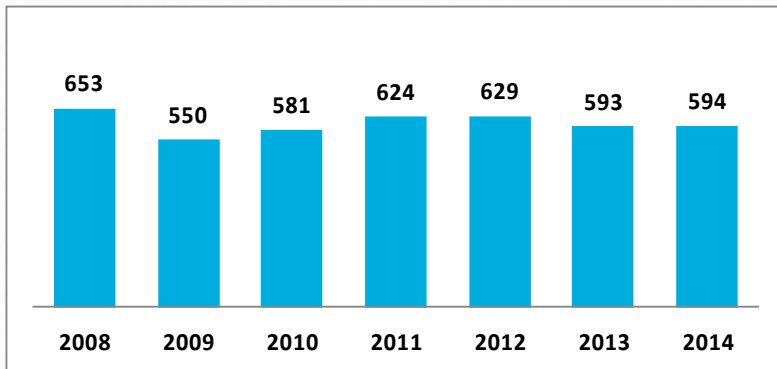
Fluidra at a Glance



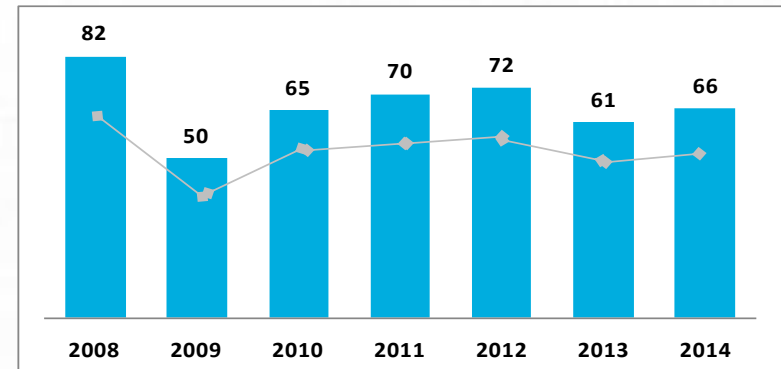
Summary Financials

- Improving efficiency
 - Centralization of distribution and commercial platforms, as well as manufacturing facilities
 - Consolidation of manufacturing plants
- Improvement in top line performance and EBITDA uplift

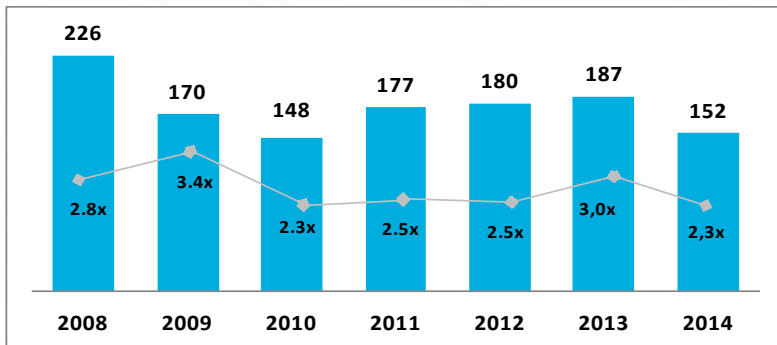
Sales (€m)



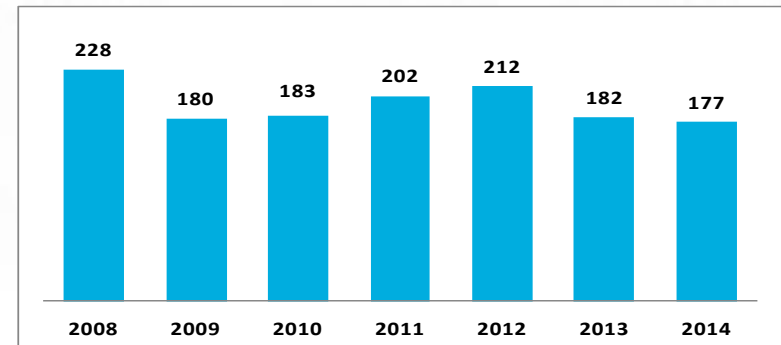
EBITDA (€m) & EBITDA Margin



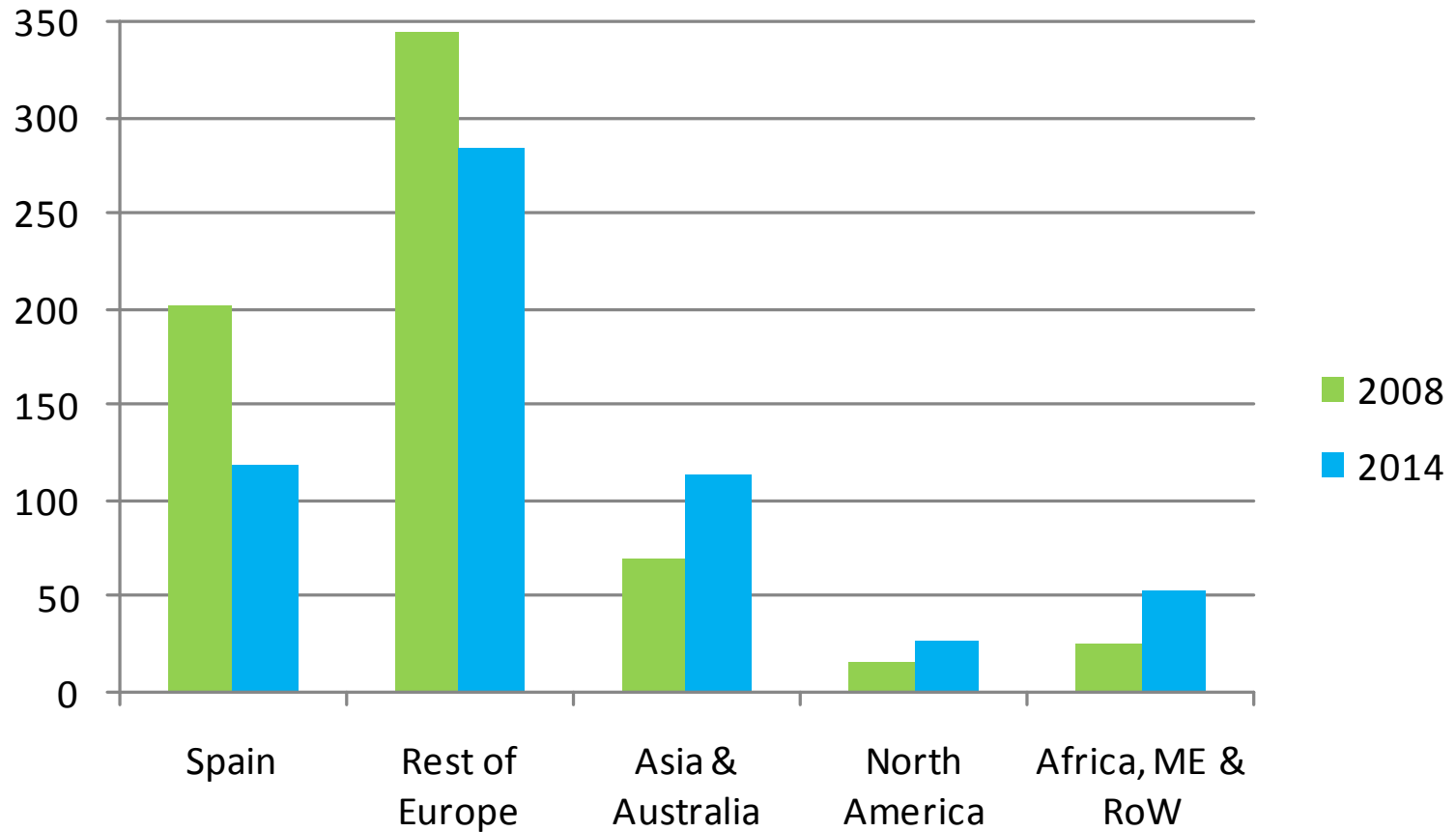
Net Debt (€m) & Net Debt/EBITDA



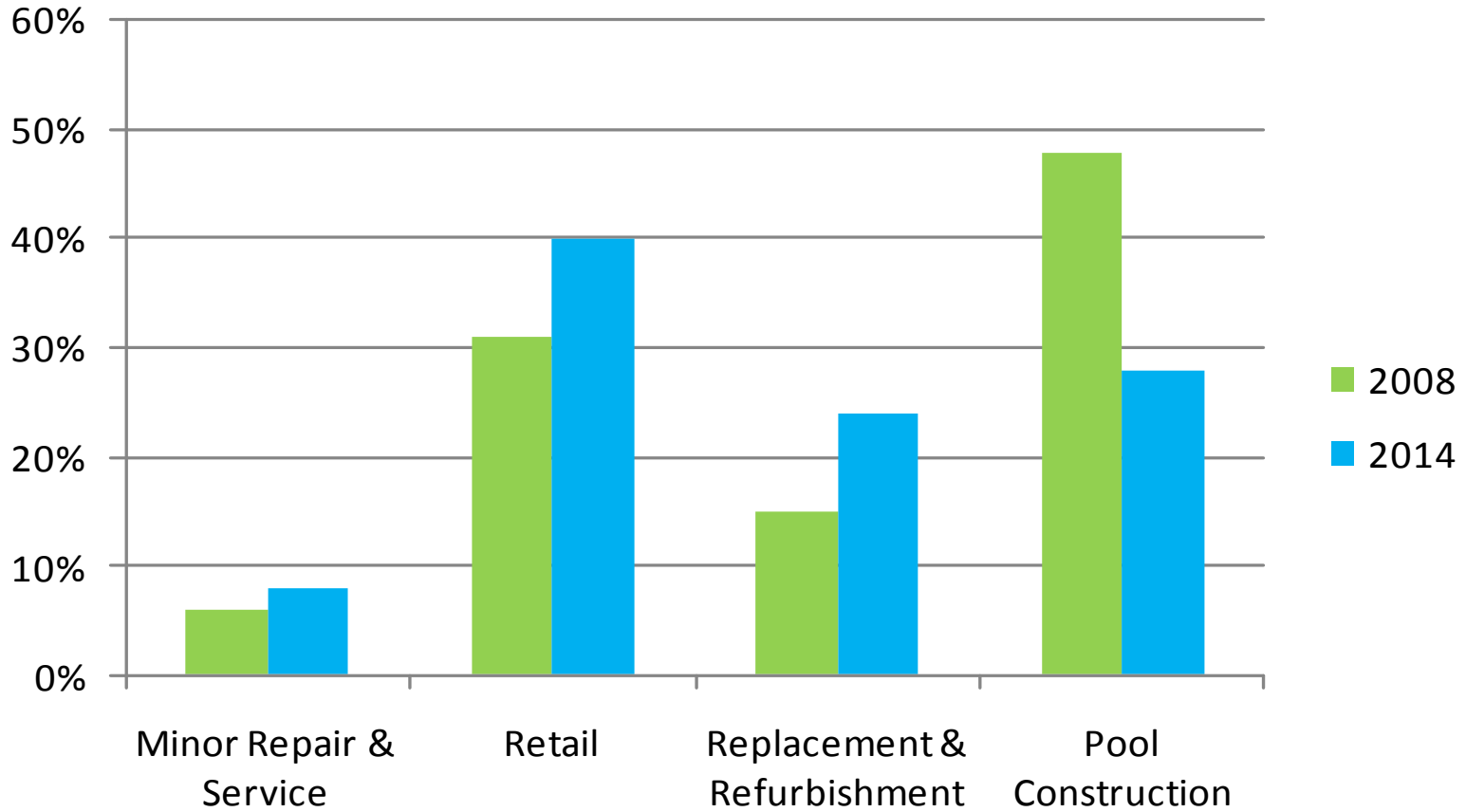
Working Capital (€m)



Fluidra's evolution – Geographical overview



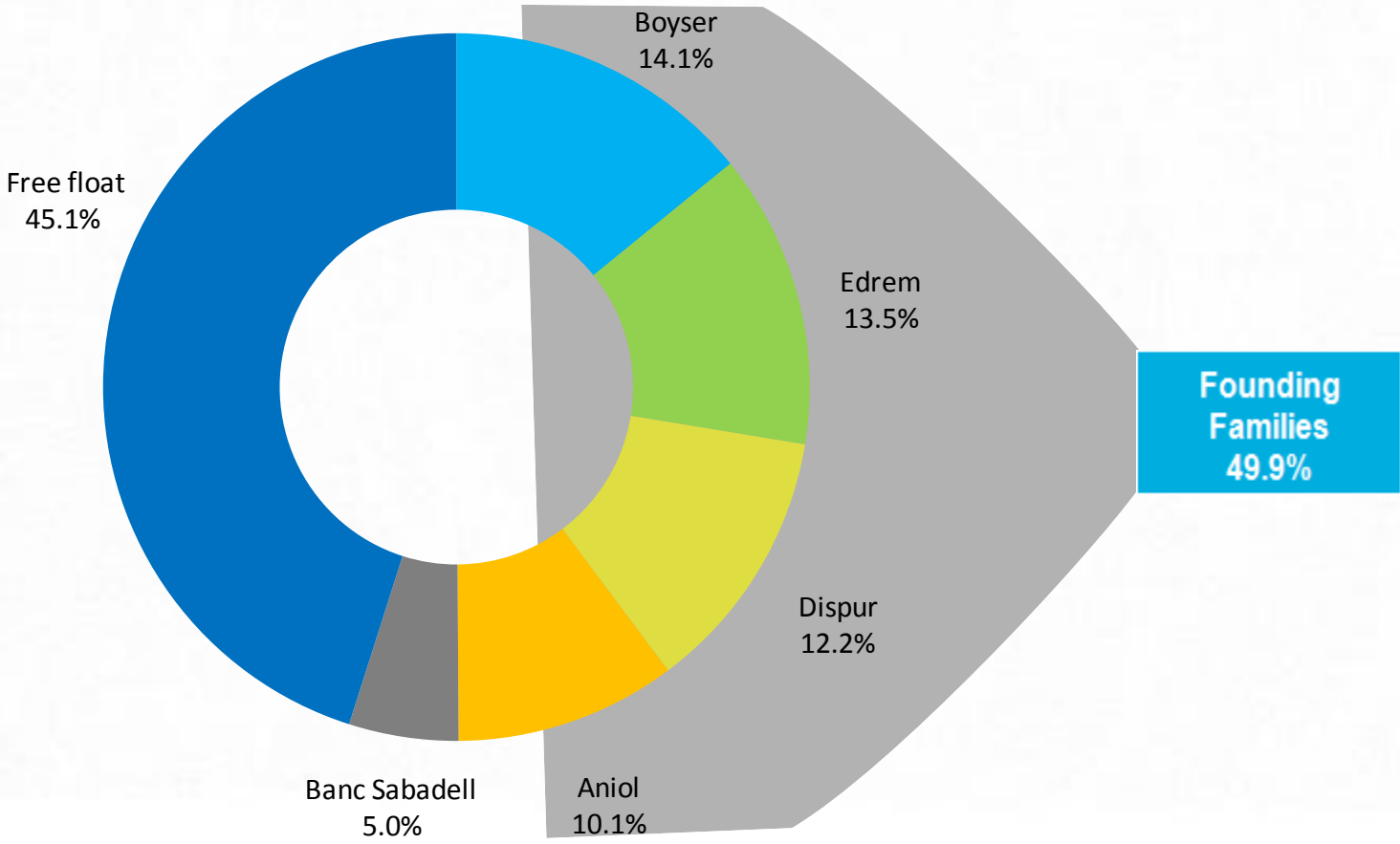
Fluidra's evolution – Product overview



2. Shareholder Structure

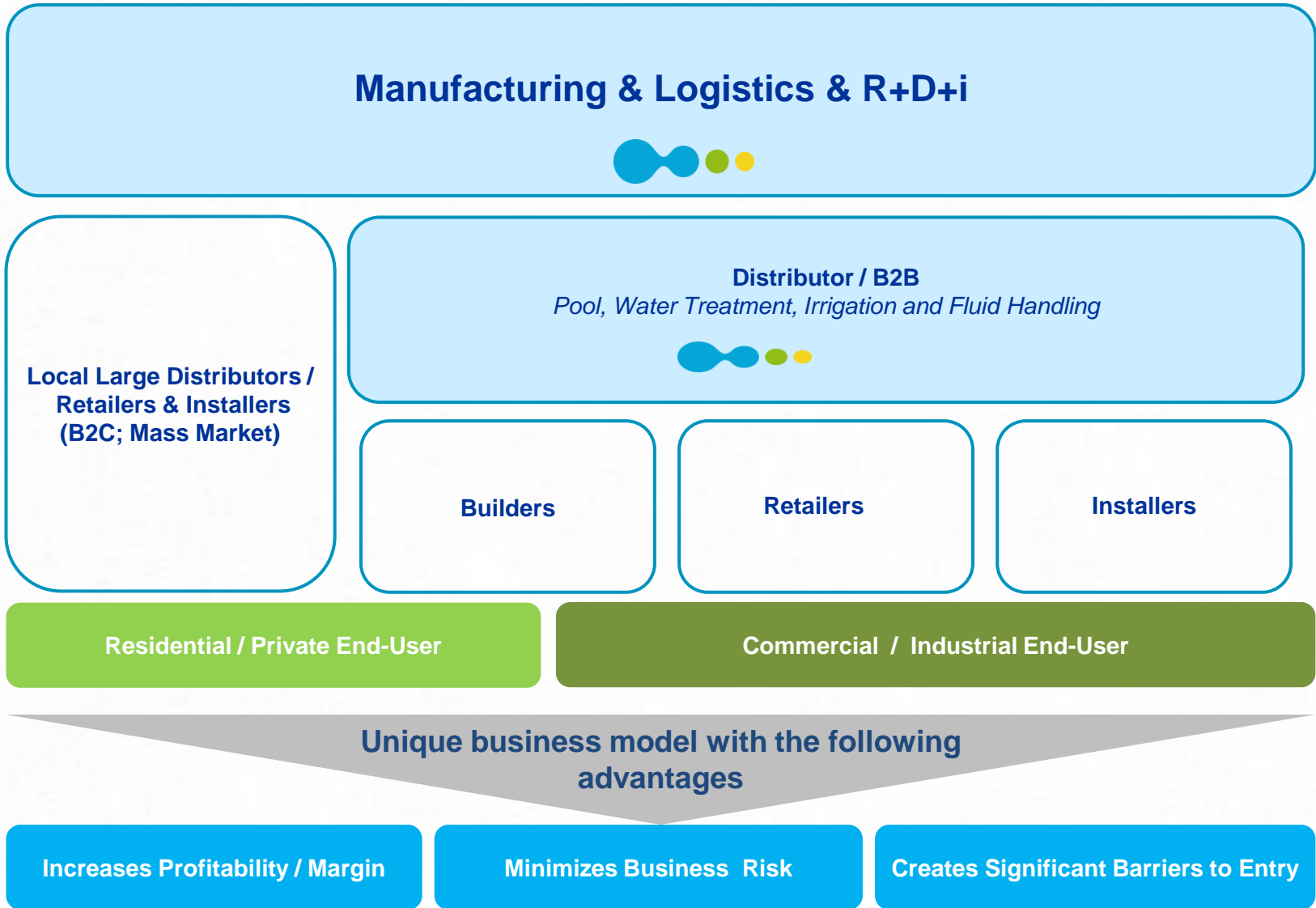
Shareholder Structure

● The shareholders' agreement by the founding families and Banc Sabadell reflects their confidence in Fluidra's growth strategy and in its future projects.

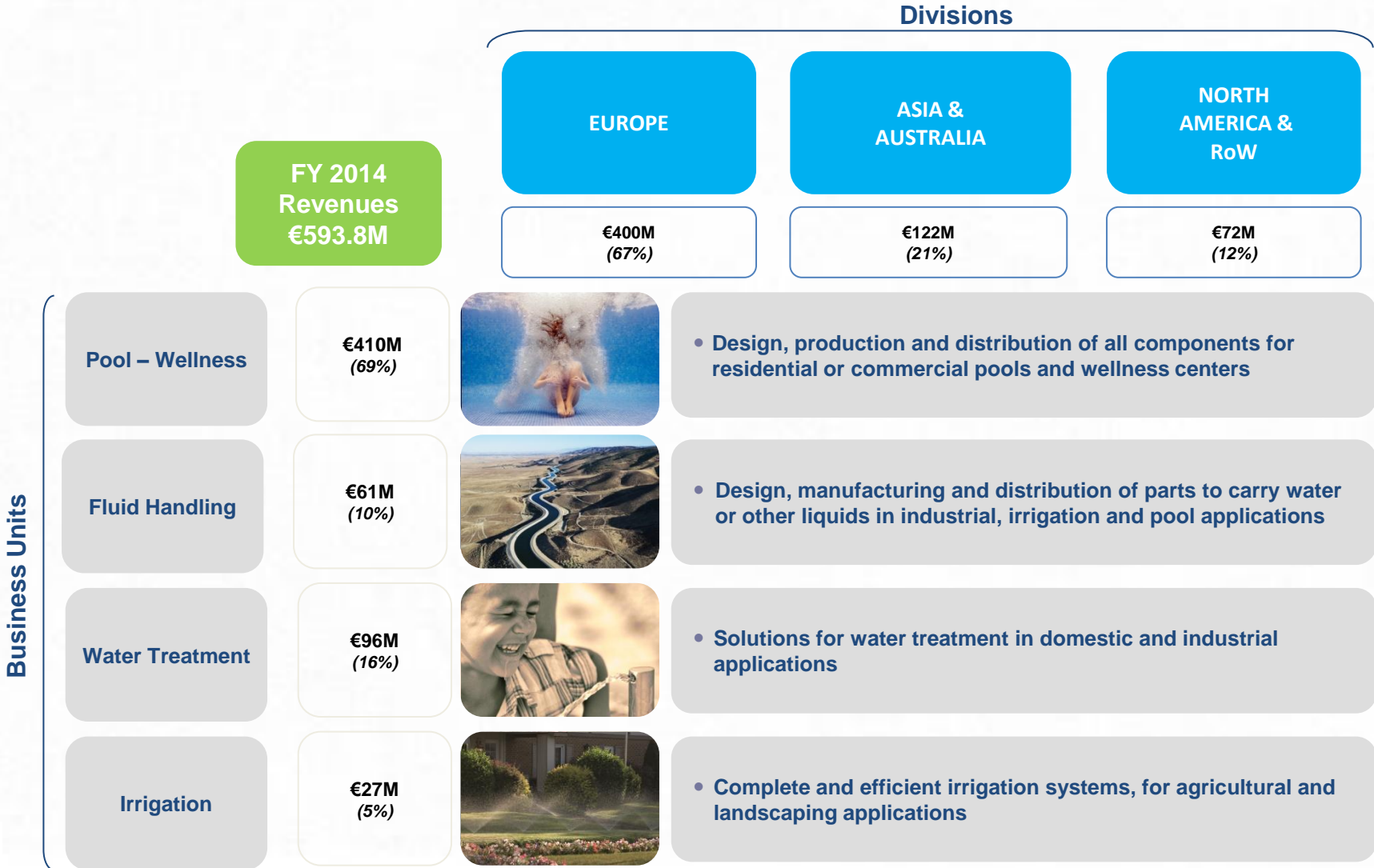


3. Business Model

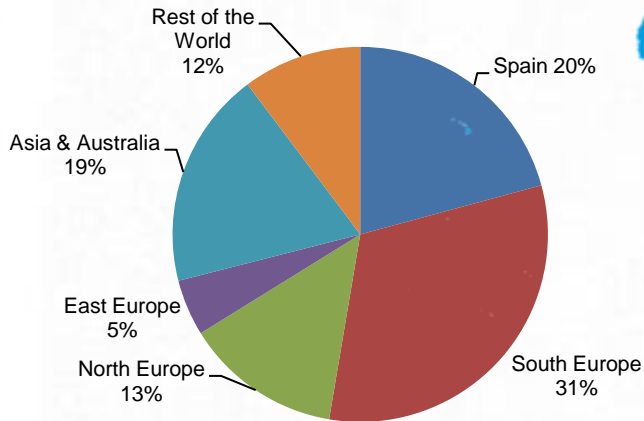
Fluidra in the Business Value Chain: an integrated model



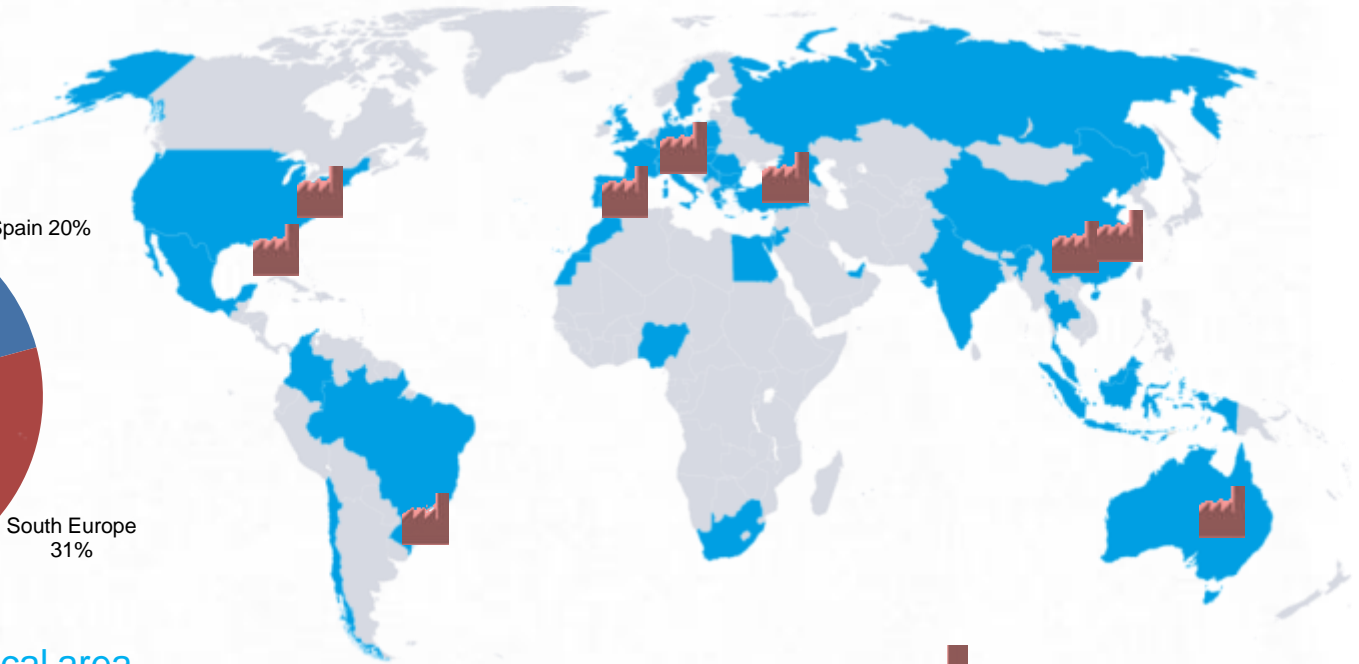
Overview of Divisions and Business Units



Distribution Network & Manufacturing Hubs



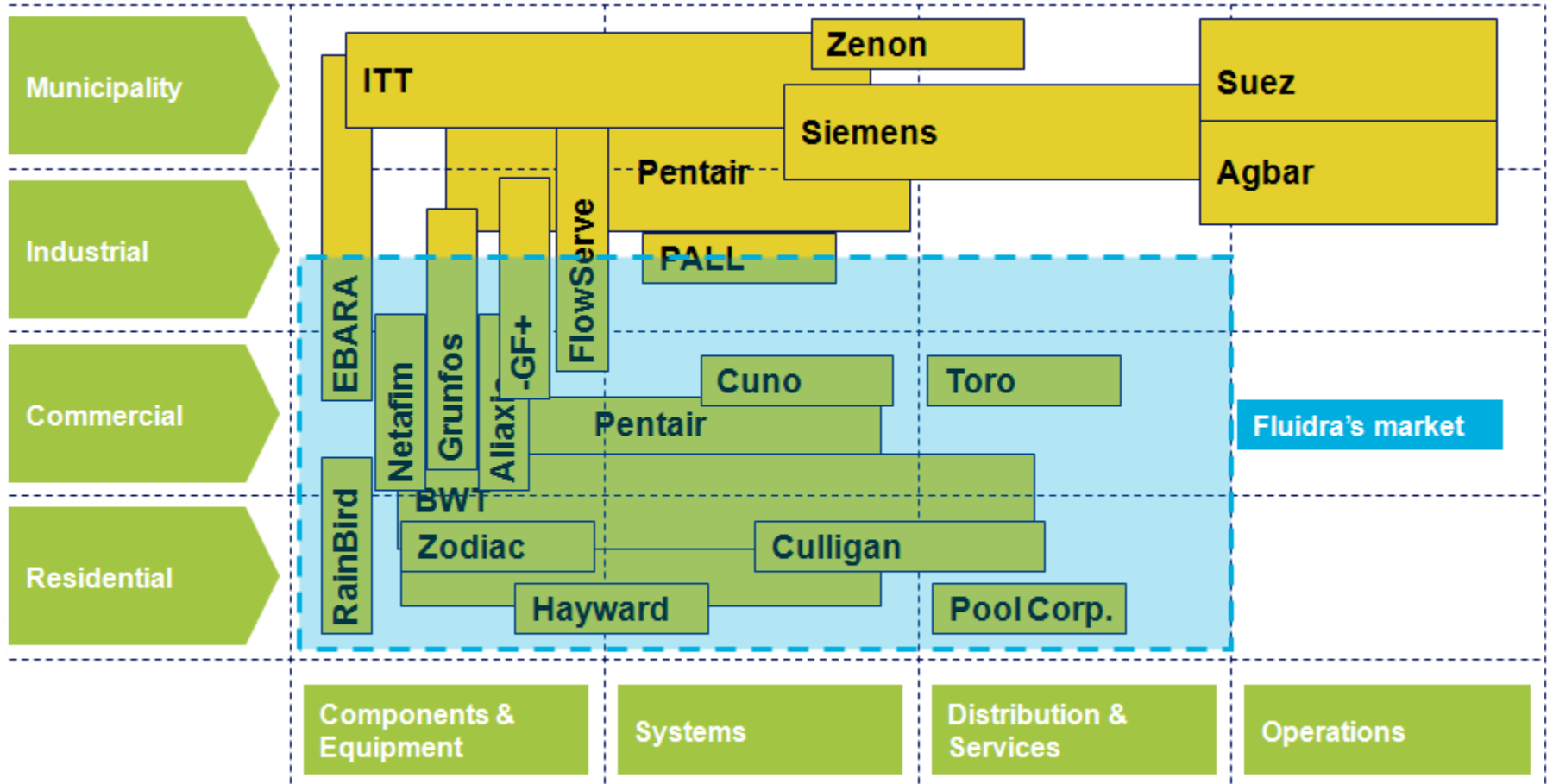
Sales by geographical area
80% international sales



 Factories

128 branches in 43 countries: Alemania, Australia, Austria, Bélgica, Brasil, Bulgaria, Colombia, Chile, China, Chipre, Dinamarca, Egipto, Emiratos Árabes Unidos, España, EE.UU., Francia, Grecia, Hungría, India, Indonesia, Israel, Italia, Jordania, Kazakhstan, Malasia, Marruecos, México, Montenegro, Nigeria, Polonia, Portugal, Reino Unido, República Checa, Rumanía, Rusia, Serbia, Singapur, Sudáfrica, Suecia, Suiza, Tailandia Turquía y Vietnam.

Fluidra's Positioning in the Water Business



Fluidra is present in growing, fragmented markets, through an integrated business model

4. Financial Performance

2014 Results – Summary

	Main Magnitudes		
	2013	2014	Evol.
€M			
Sales	592,7	593,8	0,2%
EBITDA	47,7	65,7	37,7%
Net Income	-10,2	6,6	164,9%
Net Working Capital	181,6	176,8	-2,6%
Free Cash Flow post acquisitions	16,8	30,3	13,5
Net Financial Debt	186,8	151,6	-18,8%

- Solid Sales performance marked by the impact of currencies and discontinued operations. Adjusted for these effects, sales for the year grew by 2.7%.
- Excellent EBITDA and Net Profit performance, which were impacted by the above mentioned points, restructuring plan and divestiture process. EBITDA increased profitability: 311 bps.
- Excellent Working Capital and Free Cash Flow performance, with the subsequent reduction in Net Debt beating the objective of 2.5x NFD/EBITDA.

2014 Results – Highlights



France

- Fluidra sold *Irrigaronne*, its agricultural irrigation subsidiary, for €7.1m
- This divestiture reduces Group debt by approximately €9.2m



Spain

- Fluidra has opened two new branches: Blanes and Puerto de Santa María (Cádiz)
- Both branches have a display area of 350m² and a warehouse of 150 m²

Vietnam

- Fluidra has opened a subsidiary in Vietnam to drive its growth in the Asian market
- Fluidra is a leader in the pool sector in the country and has been awarded the construction of water features at resorts in 2014 and for 2015



Kazakhstan

- Fluidra has opened a subsidiary in Kazakhstan to market its products throughout this transcontinental region with great prospects for our markets



2014 Results – Consolidated Profit and Loss Account

	2013		2014		Evol.14/13
	€ M	% sales	€ M	% sales	
Sales	592,7	100,0%	593,8	100,0%	0,2%
Gross Margin	291,3	49,1%	302,2	50,9%	3,7%
Opex before Dep.& Amort.	232,5	39,2%	227,7	38,3%	-2,1%
Provisions for bad debt	11,1	1,9%	8,9	1,5%	-20,0%
EBITDA	47,7	8,0%	65,7	11,1%	37,7%
EBIT	7,9	1,3%	24,7	4,2%	214,0%
Net Financial Result	-17,7	-3,0%	-9,4	-1,6%	46,8%
PBT	-15,8	-2,7%	12,1	2,0%	176,5%
Net Income	-10,2	-1,7%	6,6	1,1%	164,9%

- Sales remained virtually flat as a result of the performance in certain regions, exchange rates and discontinued operations. Adjusted for these effects, sales grew by 2.7%.
- Excellent **gross margin** performance, thanks to the work done in managing purchases and pricing.
- Good performance on **Opex**, which is reaping both the benefits of the restructuring and divestiture plan, despite one time costs involved in the divestiture process.
- **Provisions for bad debt** improved thanks to the general performance of the various regions, including the Middle East and North Africa.
- **Financial Results** were impacted by the revaluation of the earn-out for Aqua & Youli (€6.0m) and by debt reduction.

2014 Results – Sales Performance by Geographical Area

Fluidra Sales by Geographical Area					
€M	2013	%	2014	%	Evolution 14/13
Spain	122,2	20,6%	126,7	21,3%	3,7%
South Europe - Rest	174,1	29,4%	150,9	25,4%	-13,4%
Central & Northern Europe	82,6	13,9%	91,8	15,5%	11,1%
Eastern Europe	30,8	5,2%	30,8	5,2%	0,1%
Asia & Australia	113,7	19,2%	121,6	20,5%	7,0%
Rest of the World	69,3	11,7%	72,1	12,1%	4,0%
TOTAL	592,7	100,0%	593,8	100,0%	0,2%

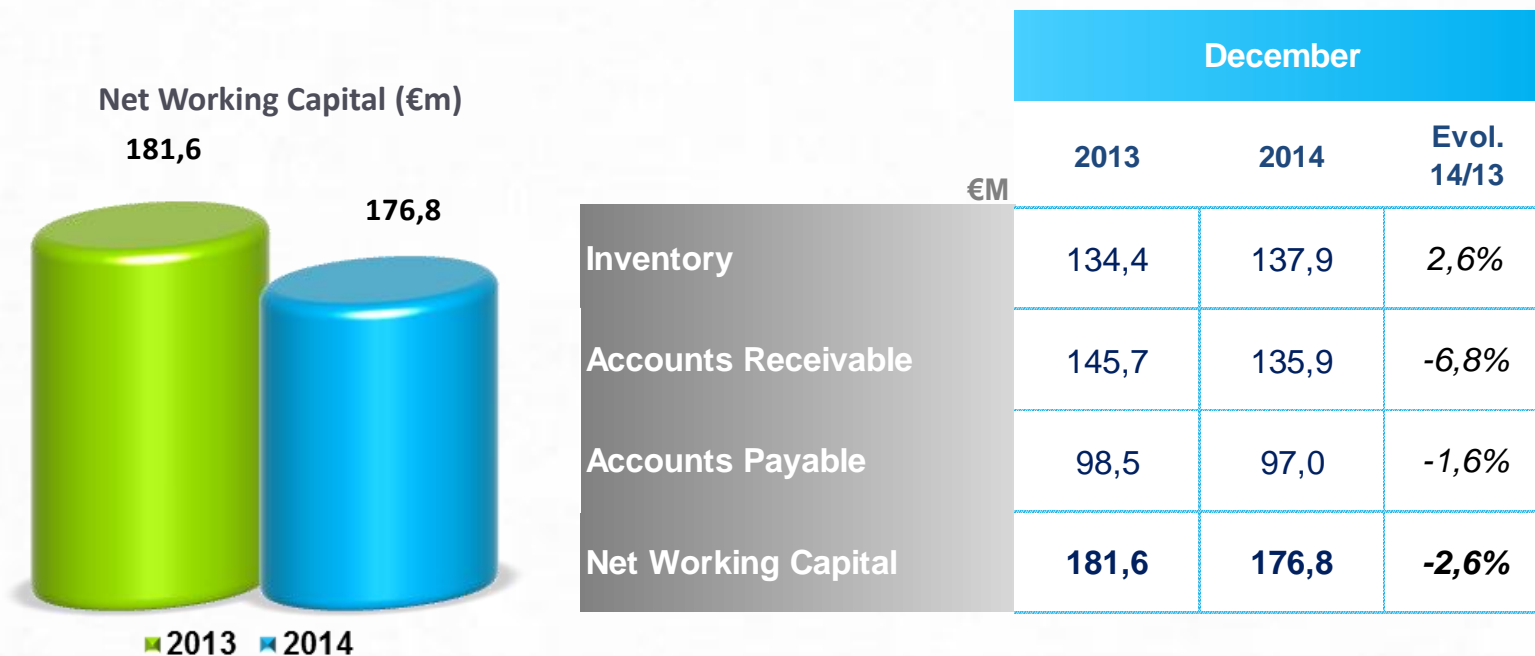
- Good market performance in **Spain** and most of the markets of **Southern Europe**, excluding France. The French market, adjusted for divestitures and discontinued operations, fell by 6%.
- Good international evolution affected by **currencies**: Eastern Europe adjusted for FX was up 7.6%; Asia and Australia 10.2%; and Rest of World 5.7%, thanks to the positive performance in Brazil.

2014 Results – Sales Performance by Business Unit

		Sales by business units				
		2013	% of Total	2014	% of Total	Evolution %
€ M						
Pool		401,0	67,7%	407,2	68,6%	1,5%
- Private		332,3	56,1%	335,1	56,4%	0,8%
- Commercial		68,7	11,6%	72,1	12,1%	5,0%
Water Treatment		89,3	15,1%	96,0	16,2%	7,5%
Irrigation		33,1	5,6%	27,4	4,6%	-17,2%
Fluid Handling		60,0	10,1%	60,7	10,2%	1,2%
Projects		9,2	1,6%	2,4	0,4%	-73,7%
TOTAL		592,7	100,0%	593,8	100,0%	0,2%

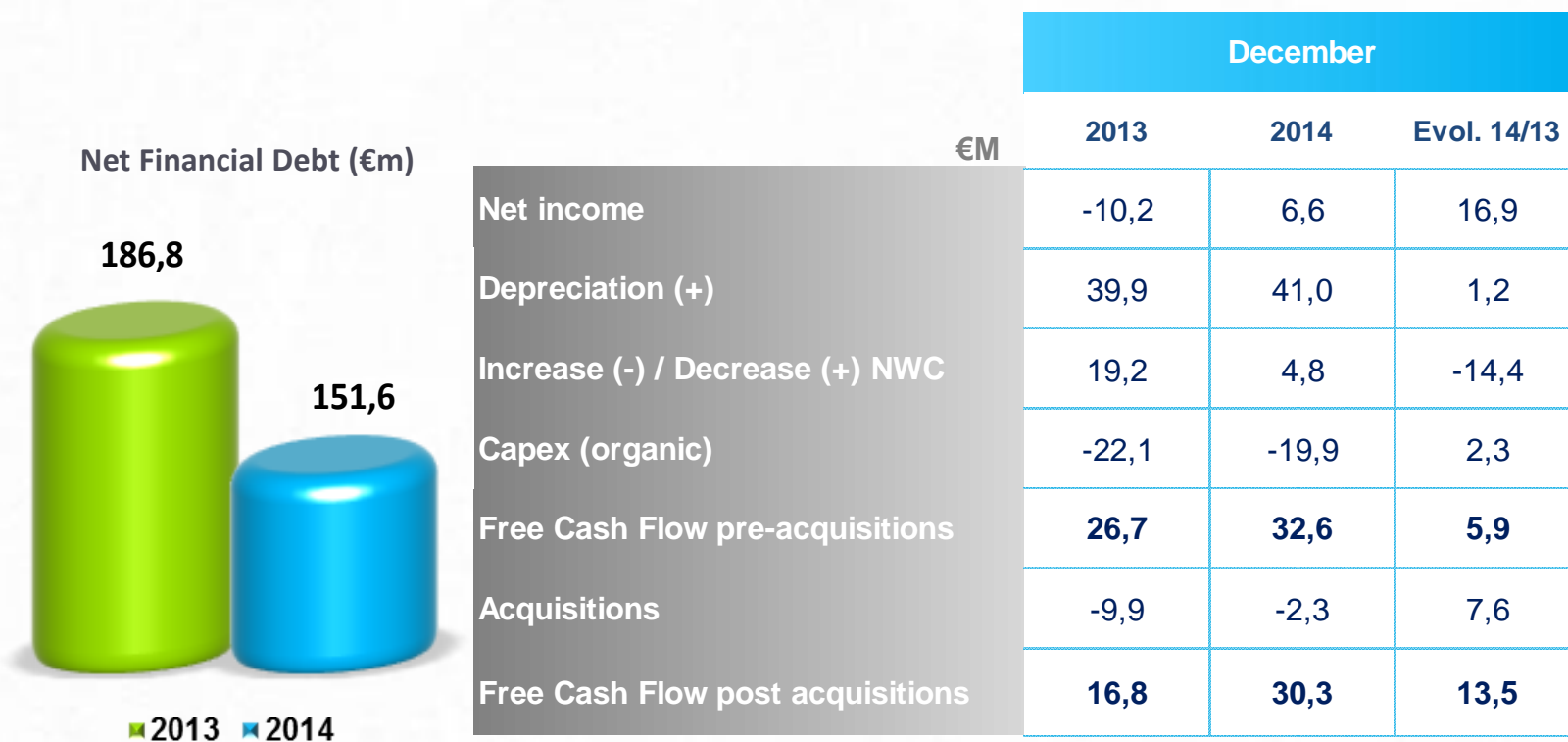
- Good **Commercial Pool** performance, driven by the development of Latin America. **Residential Pool** performed well in spite of the weakness of the French market.
- **The Irrigation Unit** was affected by the divestiture of the agricultural irrigation line of business in France in June 2014. Business activity on the green spaces and residential markets turned in a favourable performance.
- **Water Treatment**, supported by residential activity, performed positively.
- **Fluid Handling** presented solid growth in Asia, offsetting slight declines in Europe.

2014 Results – Net Working Capital



- Excellent **Net Working Capital** performance. The sale of *Irrigaronne* and efforts made to manage the balance sheet enabled us to improve the NWC/Sales ratio to 29.8%.

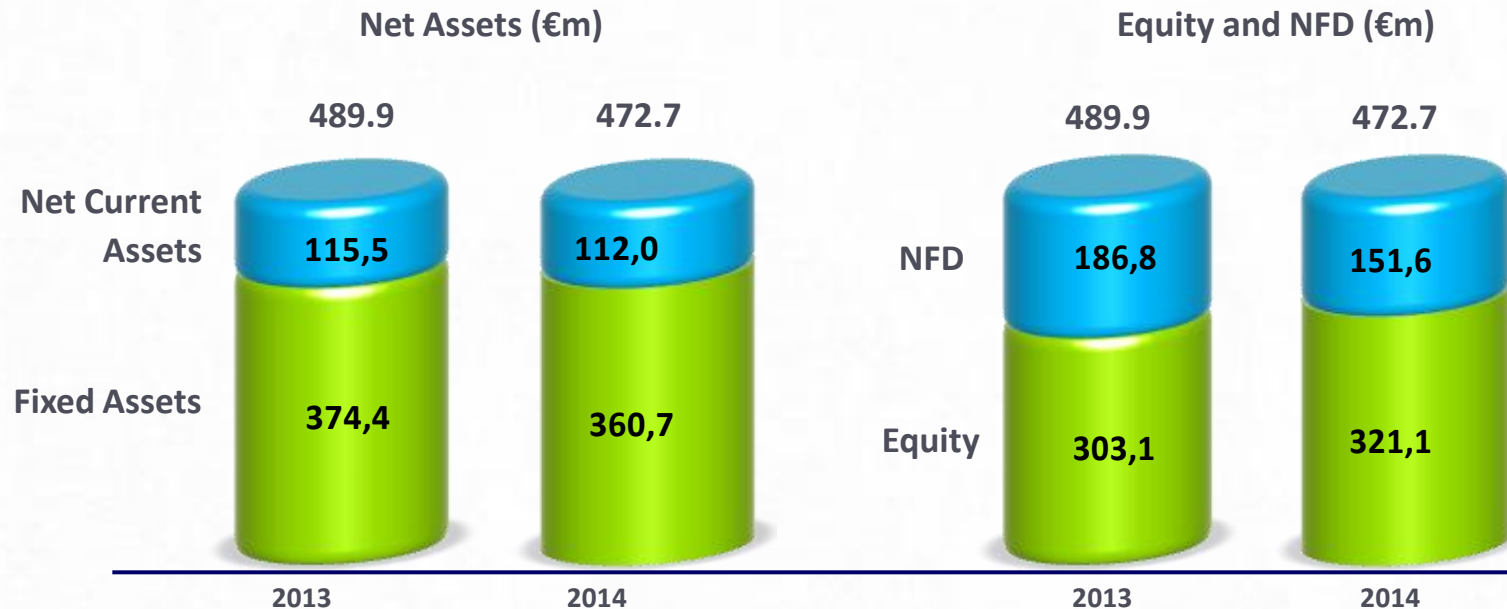
2014 Results – Net Financial Debt and FCF



- Good **Free Cash Flow** performance thanks to P&L account and NWC, in addition to the lower investments made in acquisitions.
- As a result, **Net Financial Debt** performed well, with the NFD/EBITDA ratio at 2.3x.

2014 Results – Main Items on the Balance Sheet

- Fluidra has a **solid balance sheet structure**, which allows us to continue developing our diversification and internationalization plan.



	FY2013	FY2014
NFD/EQUITY	0,6	0,5
NFD /EBITDA	3,9x	2,3x

2014 Results – Subsequent events

- **New syndicated loan:** Fluidra has signed a new syndicated loan agreement to take advantage of the market situation to reduce costs and amortize the syndicated loan of 2012:
 - €155m loan – average term: 4.125 years
 - Revolving credit line of €55m over 5 years
- **Fluidra** has moved the maturity of most of this transaction to 2019, which will provide much greater free cash flow over the next few years.
- Accounting implications for Q1 2015: write-off of upfront fees from the 2012 deal, as well as costs associated to this new deal. For full year 2015, in spite of the impact in Q1 2015, bank financing costs will be lower.
- Banking pool includes BBVA , Santander, Caixabank, Sabadell, Popular, Bankinter, March and Bankia.

2014 Results – Conclusions

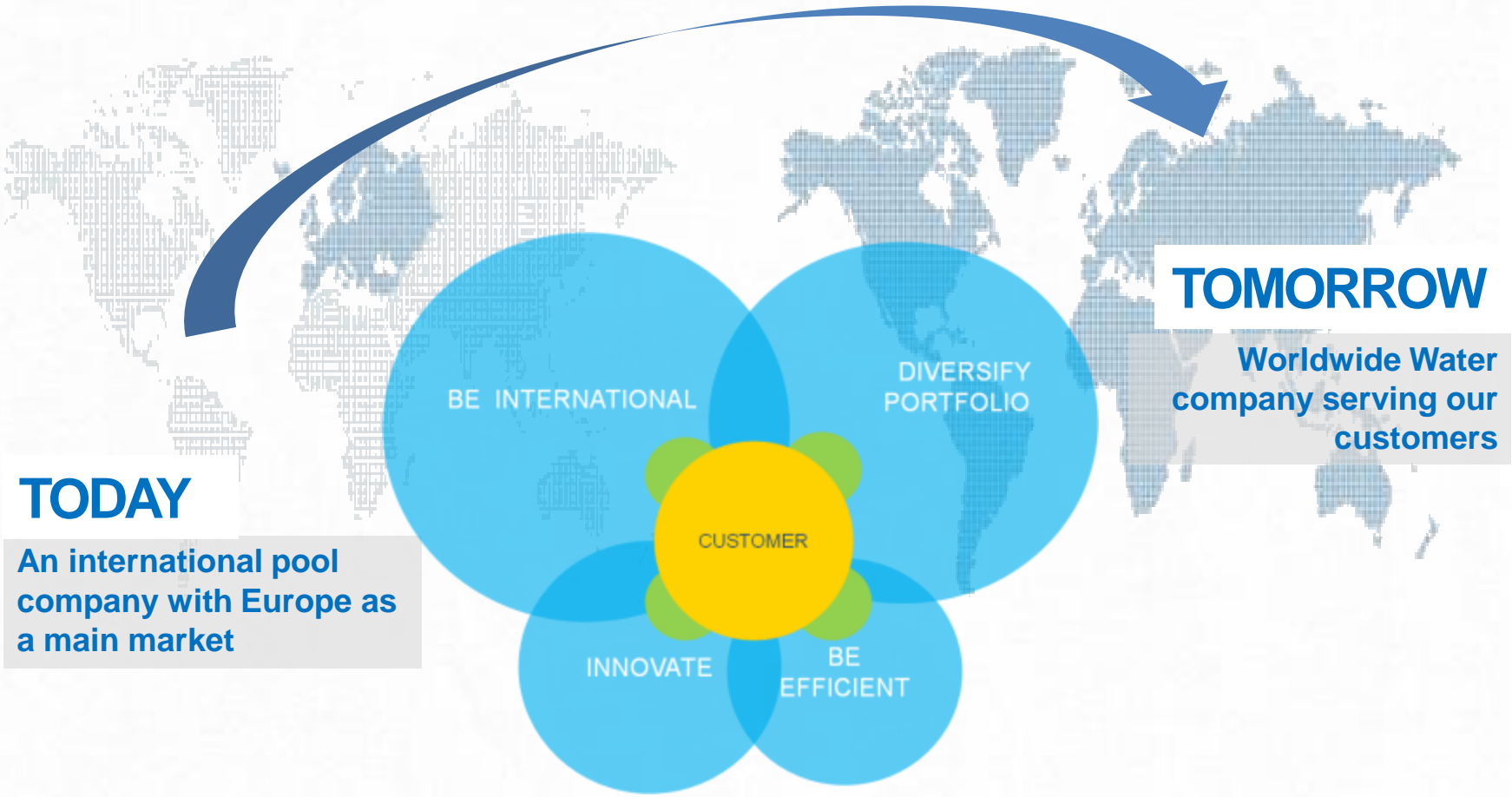
- 2014 Performance is in line with our forecasts:
 - Strong **cash flow generation**.
 - **Debt** reduction.
 - Recovery of **profitability**.

- In 2015, the company focuses on **growth and improved profitability** through:
 - Increase market share in Europe and Australia, taking advantage of our **operating leverage**.
 - Maintain our growth in emerging markets like **Asia, Middle East and Africa**
 - Move forward with our development plans in **Latin America**

- **Guidance for 2015:** Sales between €605m and €625m; EBITDA between €70m and €74m; and DFN/EBITDA debt levels below 2.5x.

5. Strategy and Investments Highlights

Strategy



Strategy guidelines



Residential Pool

Internationalization

- USA, CSA & Africa

Market Penetration

- Channels and focus on internet channel evolution
- Strategic product categories & bundling offers (beyond crossselling)
- Product & Service Innovation
- Pricing Strategy
- Technical Support & Service Strategy



Commercial Pool

- Develop business model around providing solutions that increase ROI for final owners (hotels, camping, gyms, parks) without construction risk



Industrial FH

- Develop industrial market through Cepex & Youli

Strategy guidelines



Other BU

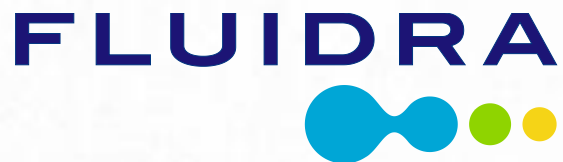
Leverage distribution network and improve competitive position in cost and branding



Operational Excellence

Build Fluidra of the XXI century:

1. Lean manufacturing strategy: value, cost, quality
2. Global logistics & warehousing strategy
3. Knowledge strategy: training, technical support & after sales service
4. Sales & marketing strategy: channels, pricing, sales force mng, bundling (beyond crossselling)
5. Lean processes: global standard processes supported by integrated single ERP
6. People strategy: attract, hire, develop & retain motivated employees to execute strategy
7. Finance strategy: provide value added analysis and efficient & compliant transaction processing
8. Corporate Social Responsibility Strategy: legal & environmental compliance



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6. Annex

International Leadership

Veico - Brasil

- Fluidra acquired **VEICO (February 2013)**, company that makes accessories for pools in the Brazilian state of Santa Caterina.
- Veico has a **turnover of more than Euro 3M** and industrial facilities of 1,500 square meters.
- **Veico** gives us manufacturing capabilities in a country where the construction of new pools has increased over 10% in recent years, with a park estimated of **1.4 million units**
- The estimated market size is about **Euro 200M**.
- The total **investment** represents a multiple of **4.0x EBITDA 2012**.



International Leadership

Presence of Fluidra in Latam

Latam Division

- **Latam Division**, Fluidra has decided to extend his presence in this area, with the aim to promote activities in the Latin America market. This new market will bring capability of growth and development on the continent.



Product Innovation

AstralPool MAC

- AstralPool MAC is the only compact, modular device in the market that has all the components needed for the physical and chemical control of pool water in the most efficient way possible.
- Its smart software enables all settings to be adjusted from a touchscreen and users thus have **total control over their pools**.
- AstralPool MAC is **an innovative product and a new concept** in understanding the way pools are managed.
- AstralPool MAC can make savings of up to **50% on energy (electricity and water)** in comparison with conventional pools systems.
- As a result, AstralPool MAC received an honourable mention at the prestigious **Red Dot Design Awards**.
- Success at its presentation in international fairs: **Lyon and Pekin**



 **reddot design award**
honourable mention 2013

Product Innovation

Viron

- **Launch of high range products "Viron"** for U.S. and Australian residential markets, consisting of pumps, cartridge filters, control system with touchpad's, air conditioning, etc.. And characterized by a commitment to sustainability, energy efficiency and cutting edge technology, according to the commitment and strategic approach of Fluidra.
- **Maximum energy efficiency recognition.** The Australian authorities have qualified Viron P600 Pump as a pump eVo more energy efficient, according to the criteria of the **MEPS** (Minimum Energy Performance Standards) ([http://www.energyrating.gov.au/products-themes/other/swimming-pool-pumps / Voluntary-labeling](http://www.energyrating.gov.au/products-themes/other/swimming-pool-pumps/Voluntary-labeling)).



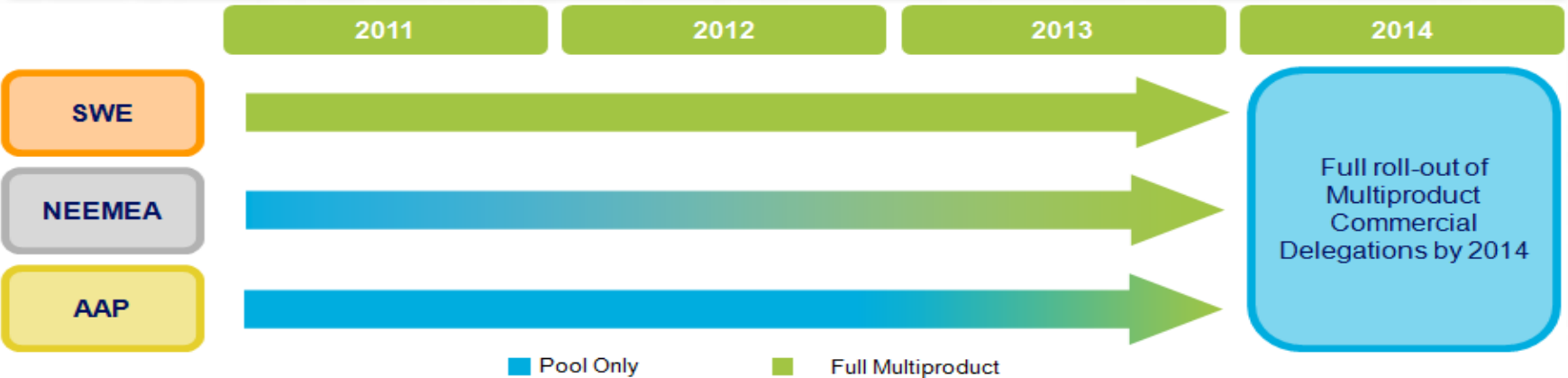
Leverage Pool Distribution Network

∞ Distribution: New branch format

- Old Model: branch with relatively large storage surface and just want point for customer attention
- New Model: Self service format, with different areas for training, show room and exhibits
 - Promotes cross-selling, becoming a one-stop shop for irrigation, water treatment, fluid handling and pool products
 - Improved brand awareness
 - Operational efficiency in opex and working capital, simplifying stock management



∞ Roll-out of Multiproduct Commercial Delegations



Become a player in Industrial FH in Asia

Fluidra Youli

- Fluidra closed the signature of a joint venture in China, **Fluidra Youli Fluid Systems (Wenzhou)**, dedicated to fluid handling in the Asian market and an initial focus in the Chinese market

FH Chinese Market

- **Industrial Fluid Handling - China:** fragmented market of Euro 300 -350M of local competitors with limited technology.
- Constitution of **Fluidra Youli Fluid Systems (Wenzhou):** Fluidra will participate with 70% in the Joint Venture and the remaining 30% belongs to a local partner, Youli, who contributes a manufacturing facility and the distribution network. Youli is dedicated to extrusion and injection of C-PVC and U-PVC.
- **Fluidra Youli** will manufacture valves, fittings and pipes both American and metric measures. Fluidra Youli will be the platform to develop the distribution of our Industrial Fluid Handling activity in Asia and in markets as Mexico and USA.



Become a player in Industrial FH in Asia

Fluidra Youli Operation

- **Constitution of the Joint Venture (October 2012):** Fluidra contributes Euro 4,8M and Youli contributes the manufacturing facility.
- There are several **earn out payments** conditional on results up to a maximum limit of Euro 14,9M
 - **2012:** Euro 2,1M
 - **2013:** Euro 5,5M
 - **2014:** Euro 7,3M
- The total amount represent a multiple of **4,2x Ebitda-2012**.



Strategic Fit

- The Joint Venture is one additional step in Fluidra's **strategic plan**.
- This operation reinforces the Group **Internationalization** process, strengthening its market share in Asia where it is already leader in Pool. In addition, this is an important step in the business **Diversification**, increasing the Fluid Handling contribution, which today represents slightly more than 8%.
- **Materialization** of the joint venture in China: The creation of the Fluidra Youli joint venture underpins the company's growth potential in China and Asia, strengthening our international expansion strategy and consolidating our fluid handling business.



Operational Excellence

Asia Division

- **Asia Division**, Fluidra has created this new division to promote activities in the Asian market. This new structure will bring together the operations on the continent.

Presence of Fluidra in Asia



Improve Margins and Cash Flow Generation

Lean Management Program: Key Principles

Commitment

- Commitment from senior and middle management, as well as employees
- Pragmatic approach: focus on “real-life” issues

Potential to Improve

- Aggressive optimization objectives
- “Sky is the limit” in terms of potential to improve efficiency

Maximise Efficiency

- Optimize production and supply chain processes
- Restructure and minimize all functions without value-added

Fluidra Direct

- Old Model: shipments to delegations and from delegation to customers
- New Model: direct shipment to customers from central warehouse
 - Better service
 - Lower inventory requirements
 - Enables for new delegation concept



Supply Chain

- Focus on reducing share of non-value added processes in lead time (time from order reception to delivery)



Investment Highlights

