

FLUIDRA

ROAD MAP TO 2020



May 2017



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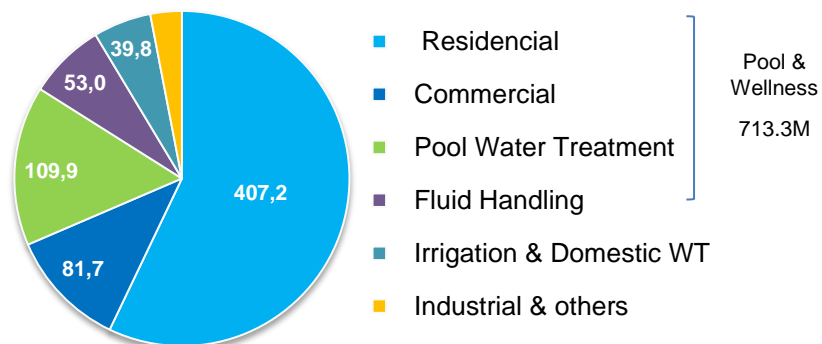


1. Introduction

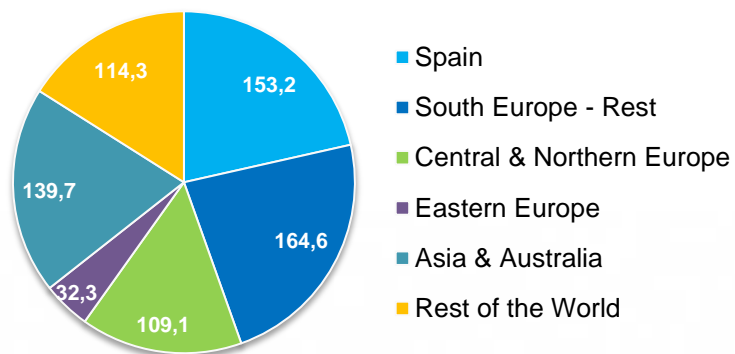


Fluidra in a snapshot

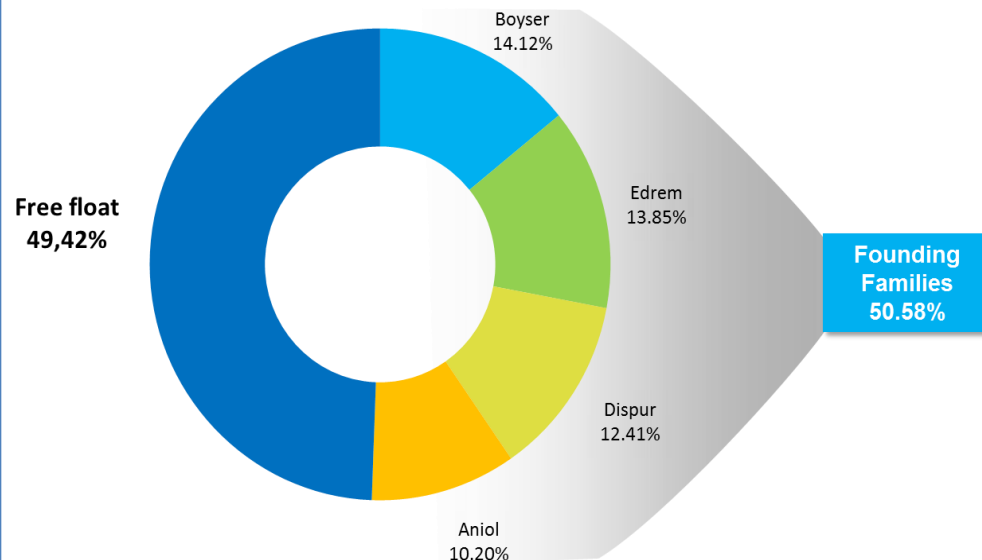
Fluidra Sales by Business Unit – 2016 (€M)



Fluidra Sales by Geographical Area 2016 (€M)

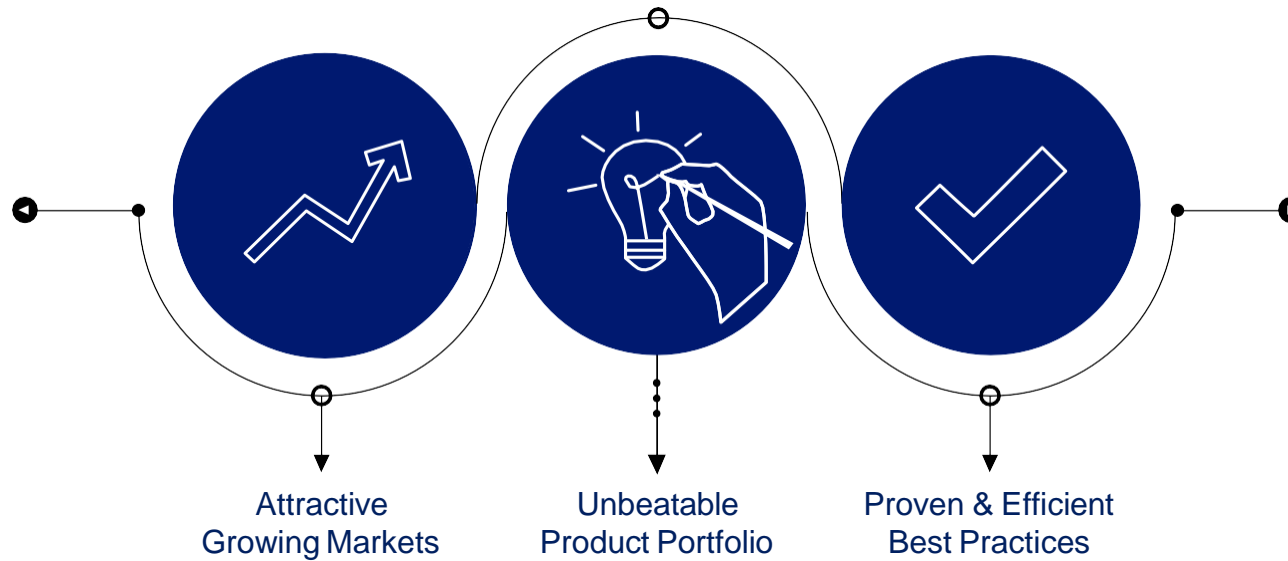


Shareholders structure

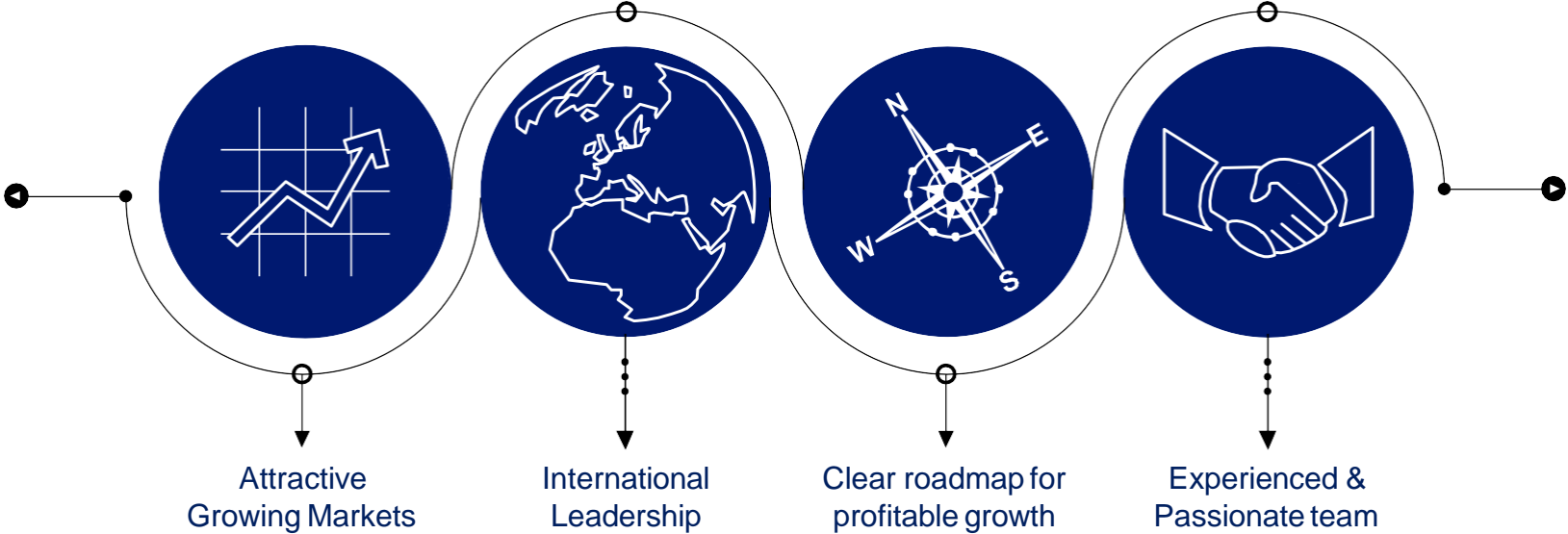


Fluidra today is a stronger company

...more balanced and with great potential



Why Fluidra?



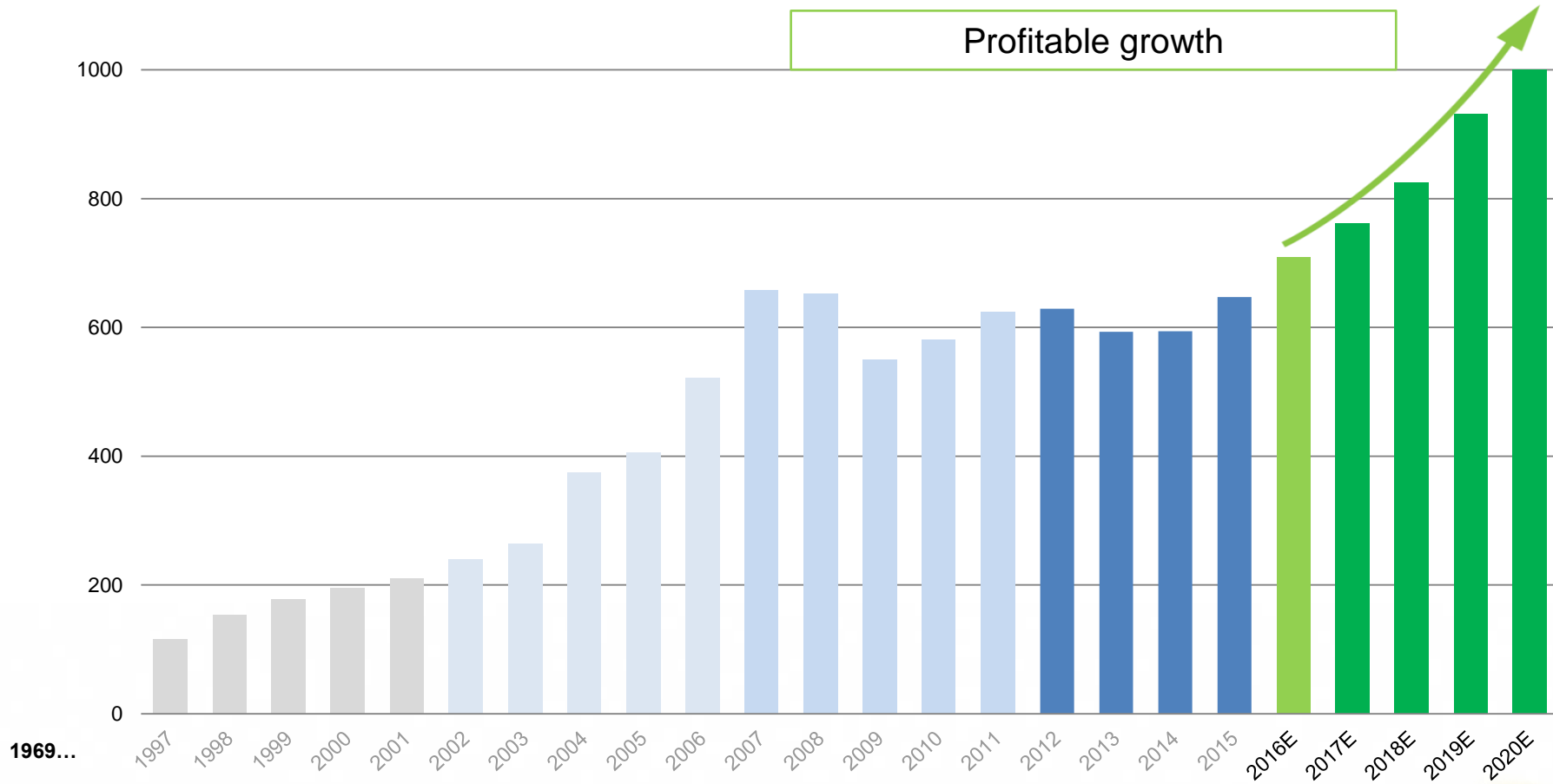
Fluidra Evolution Vs. Market Evolution


+1.5%


+2.0%


+5.9%

**G.D.P.
Forecast**



Source: IMF-WEO

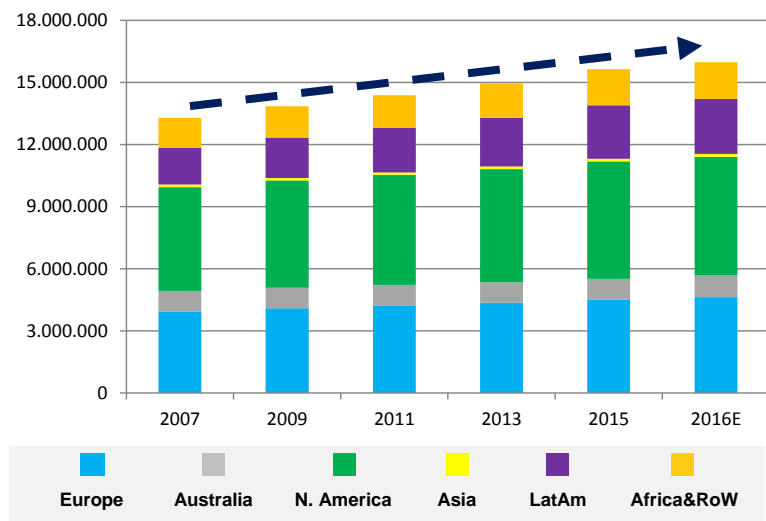
Note: GDP forecasts reflects GDP CAGR for the 2016-2020 period

2. Trends & Market and how we compete & win

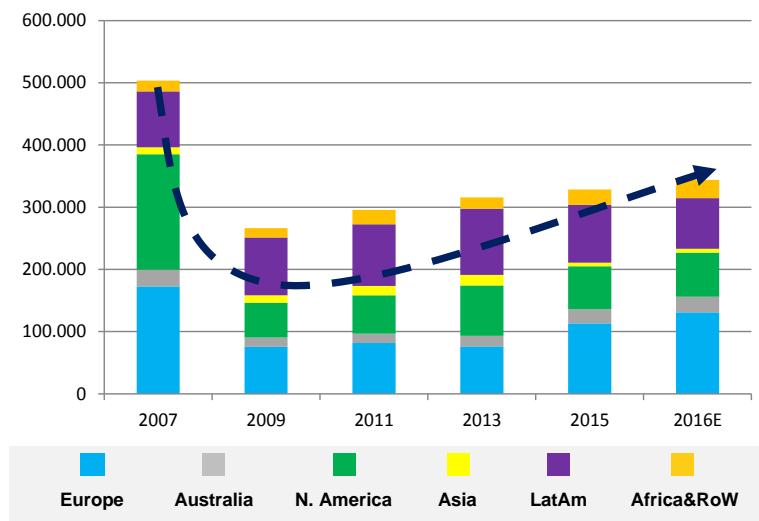


Evolution of the Pool Market

Total Pool Base



Construction of New Pools



Strong growth of global pool markets after the 2008 financial crisis.
Continued recovery expected in mature markets. Sustained growth in emerging markets.

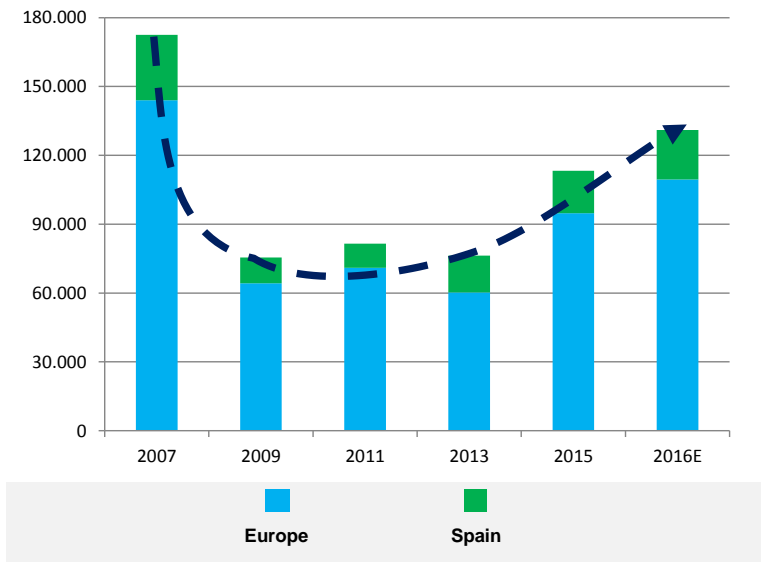
Growth of pool base expected to continue across the board.

New pools built showing recovery. Reflects a return to growth & a healthier industry.

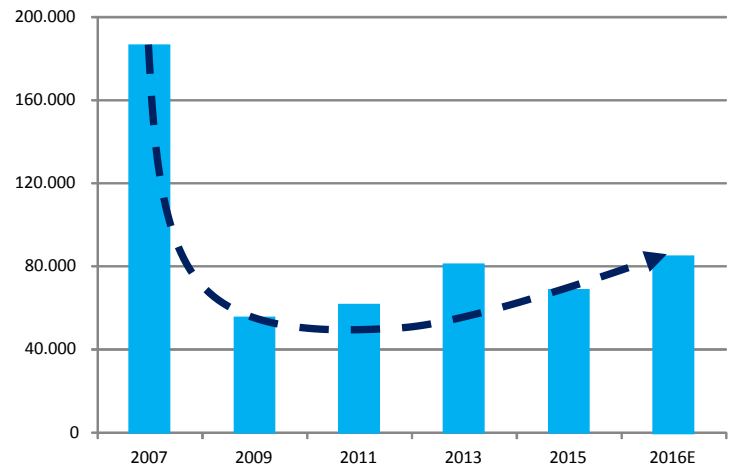
Source: Associations' reports, trade publications, annual reports, Internal studies & estimates
Note: Only refers to In Ground Pools

Evolution of the Pool Market

Europe-Evolution of New Pools



N. America-Evolution of New Pools



New pool builds is showing growth and continued recovery is expected, reflecting a healthier industry

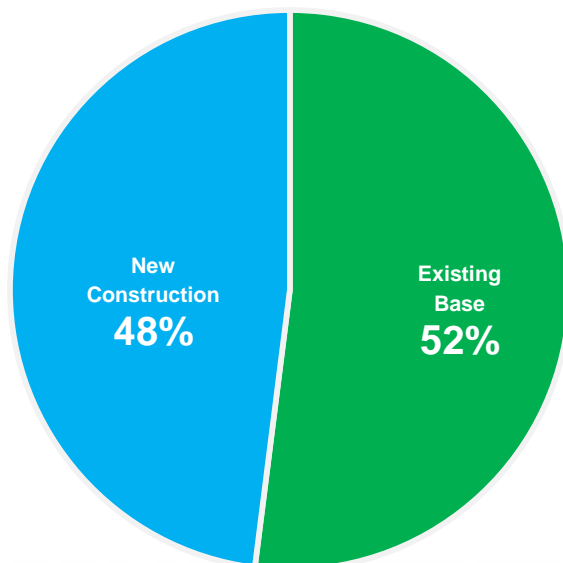
Source: Associations' reports, trade publications, annual reports, Internal studies & estimates
 Note: Only refers to In Ground Pools



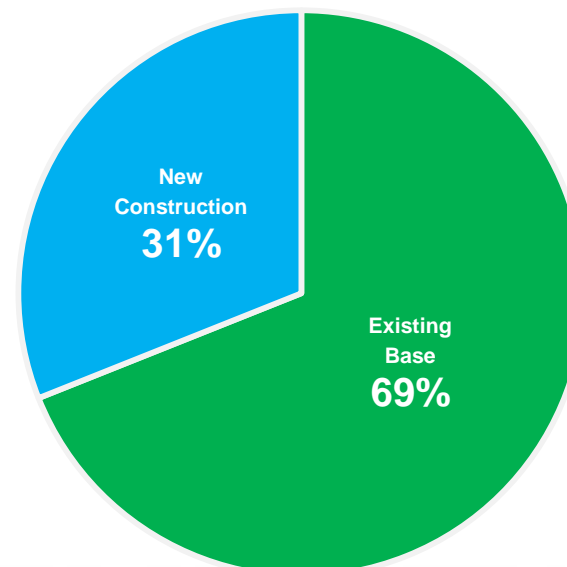
Fluidra is now stronger

...in a healthier market

European Pool Market Model (2008)



European Pool Market Model (2016)

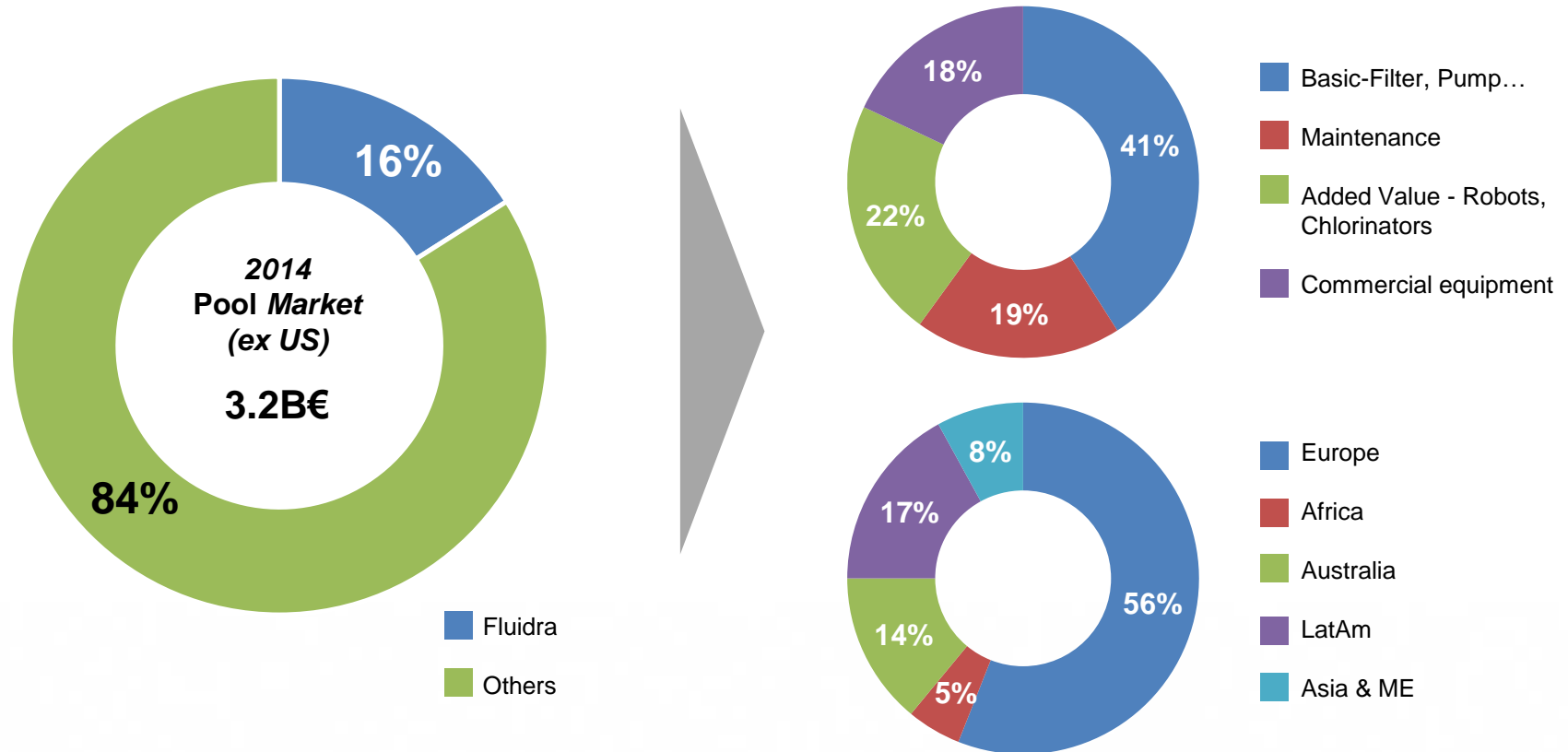


Fluidra benefits from recurring revenues coming from the pool base as well as from a recovery of new construction

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

The opportunity is significant...

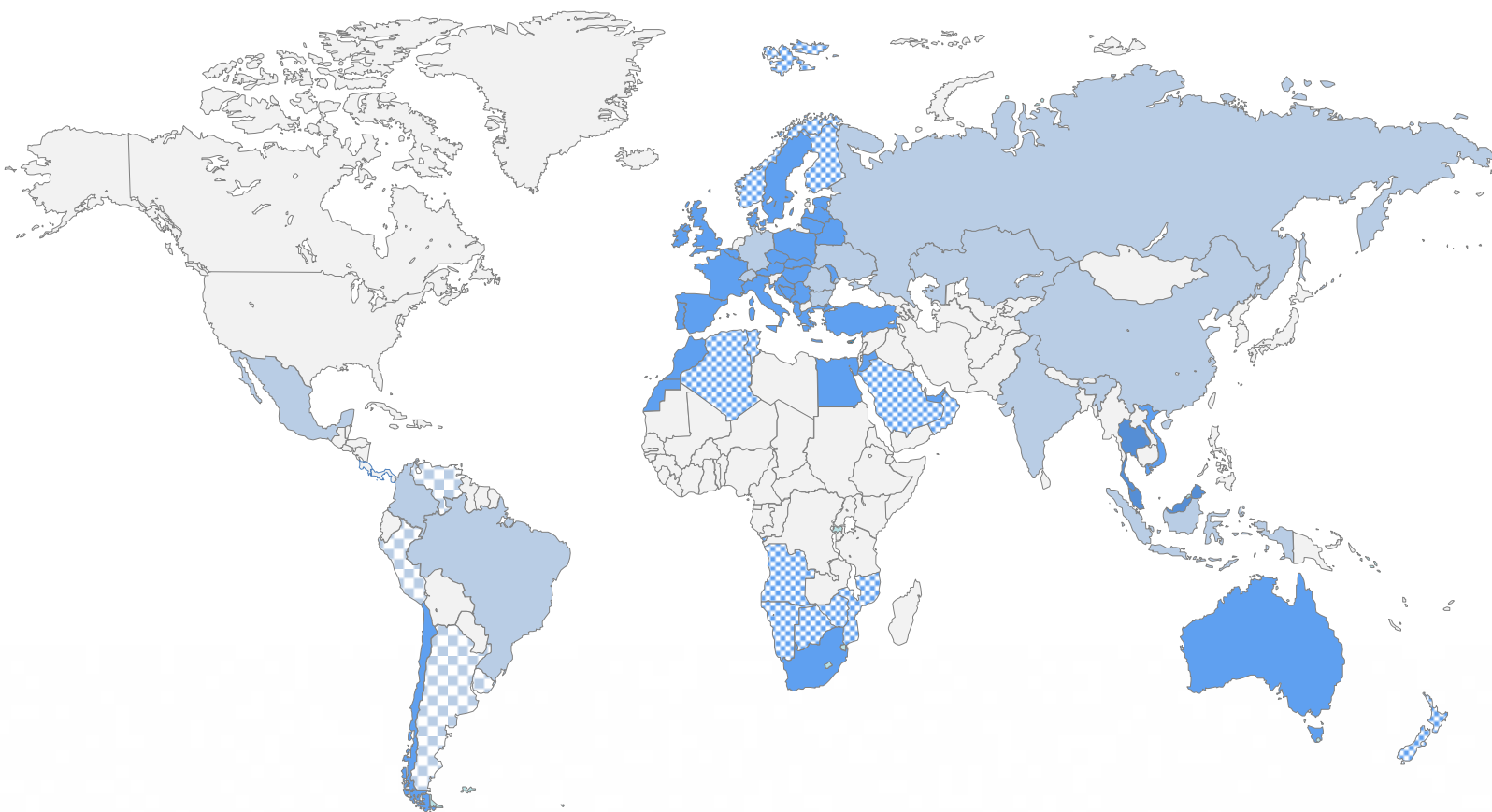
In terms of product and geographies



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...

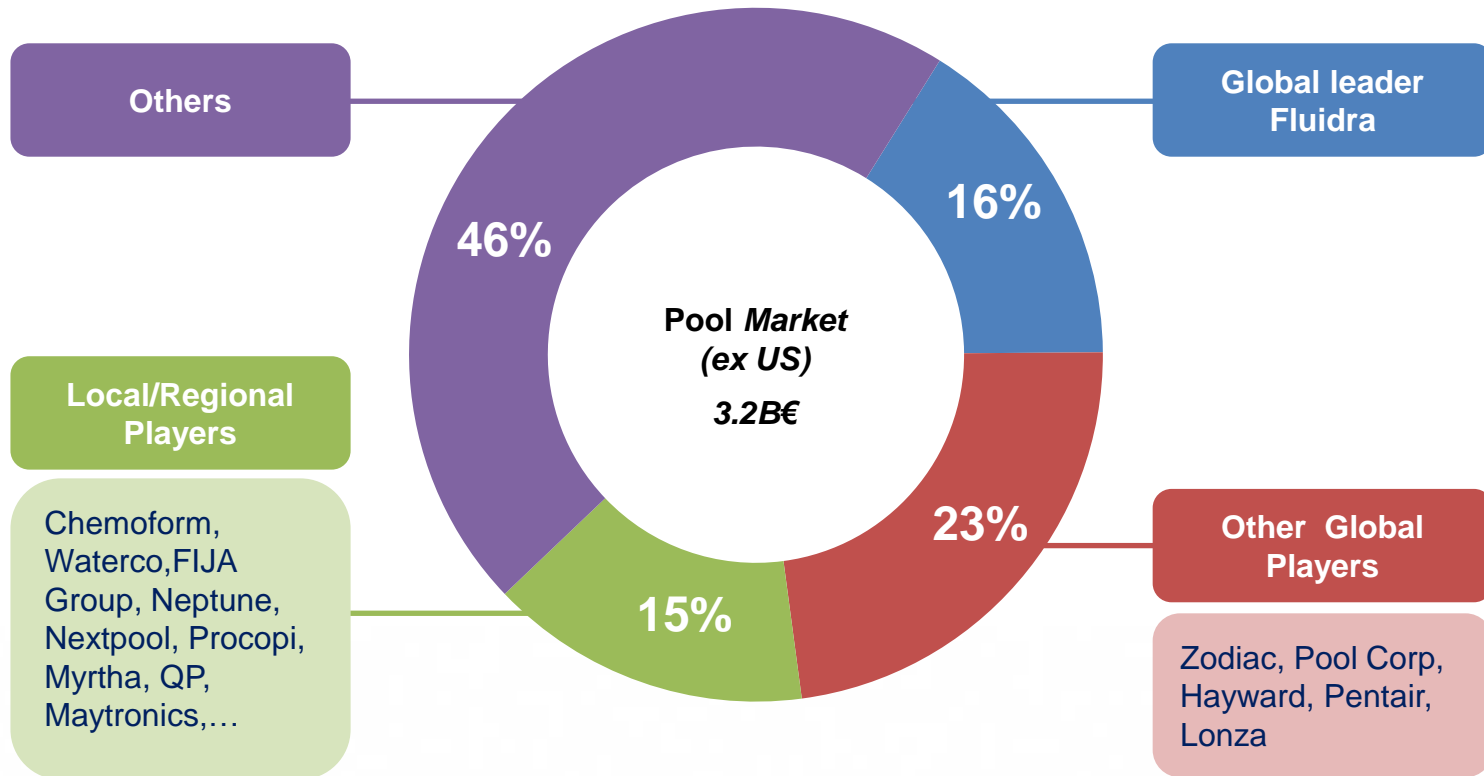


	No. of Countries	% of Global Pool Base
Market Leader	31	40%
Export Leader	12	1%
Key Player	13	21%
Export Player	4	5%

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

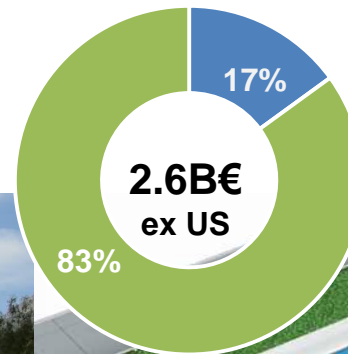
...to continue building our international leadership

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

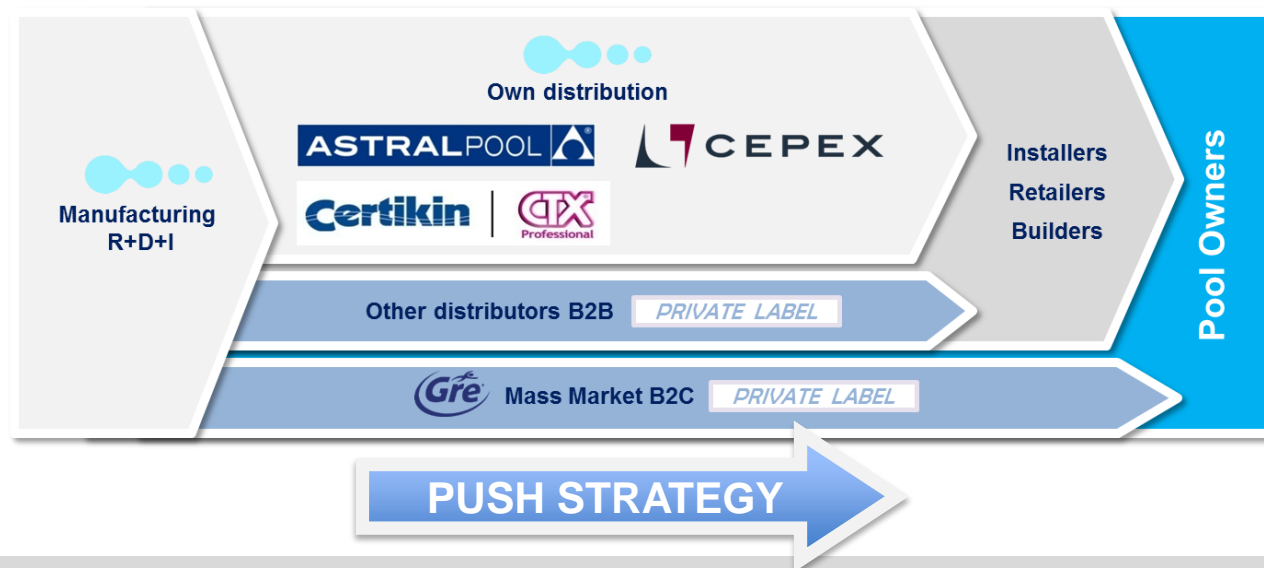


KEYS OF INTEGRATED MODEL

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

A model that meets our customer needs

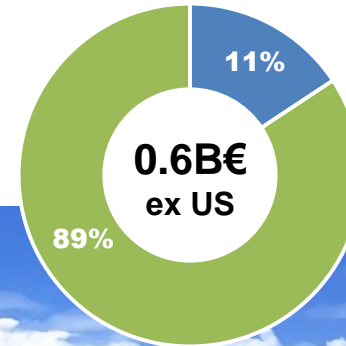
Excellent match of our model with industry success factors



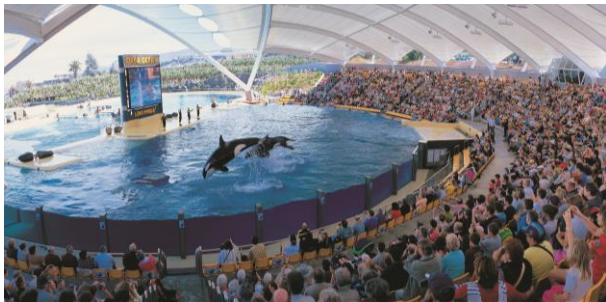
KEY SUCCESS FACTORS

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

Commercial Pool

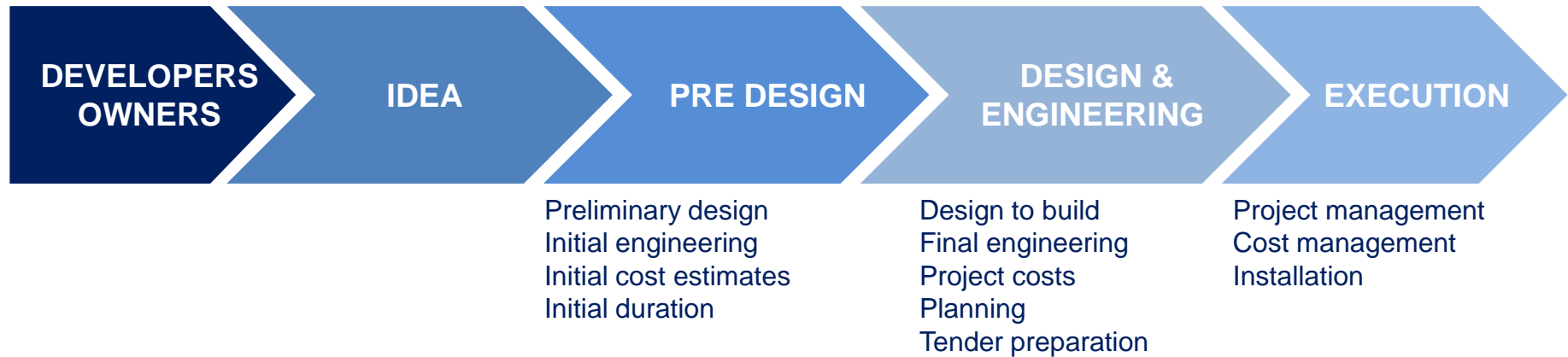


Commercial Pool covers a wide range of installations



Understanding decision making for commercial

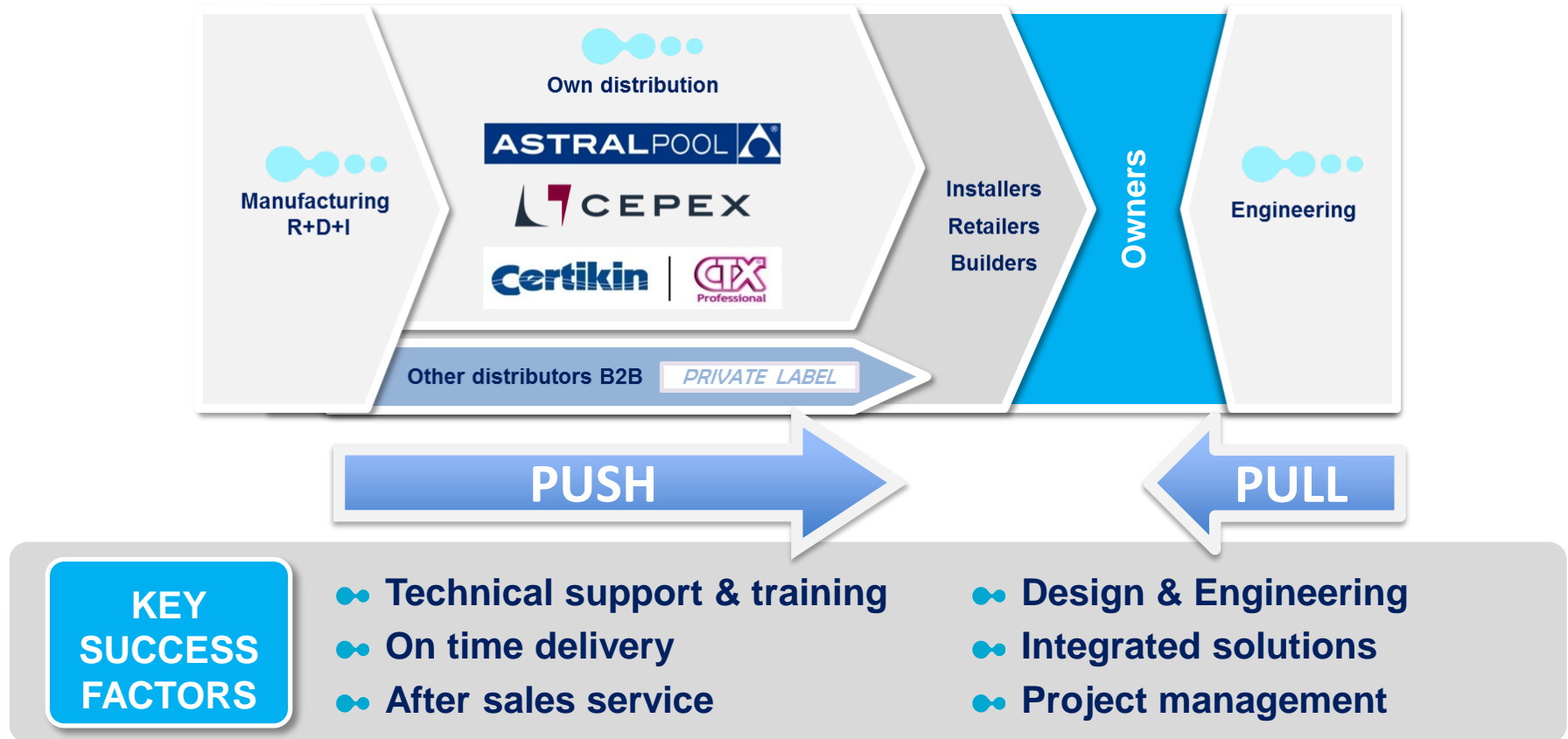
...owners play a key role on choosing the solution



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€
- c.80% of our sales

Emerging for pool: Mainly commercial pool business through projects



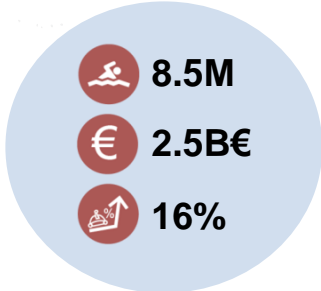
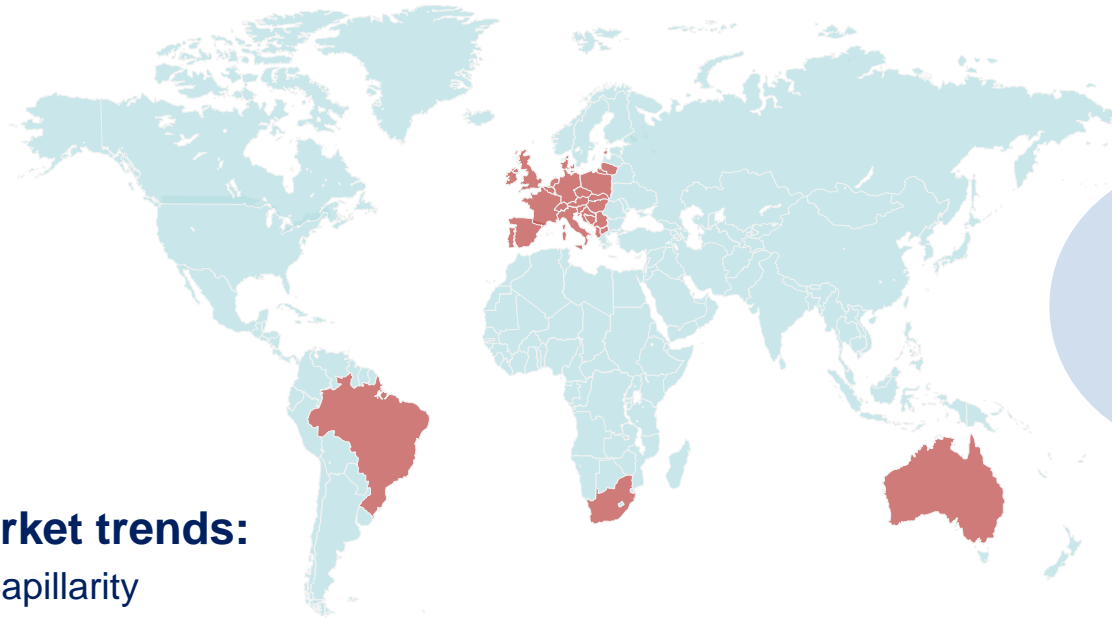
- Market size 684 M€
- c.15% of our sales

USA: Robotic cleaner niche strategy



- Market size 65 M€
- c.5% 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	●	●	●	●

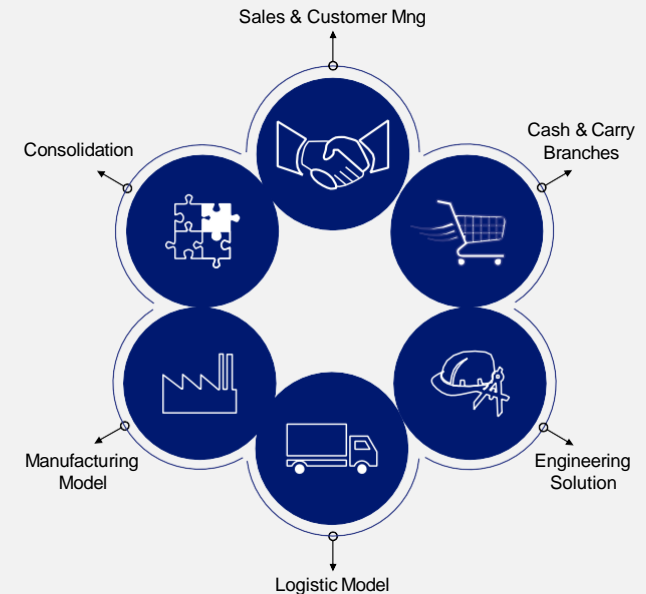
Increase penetration in all categories to minimum 20% is 210M€



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: 18.500 built in 2015 / 21.500 in 2016.
- Market trend is back to growth (+6%).
- Business remains on renovation/upgrade of the installed pool park.



Fluidra Comercial España



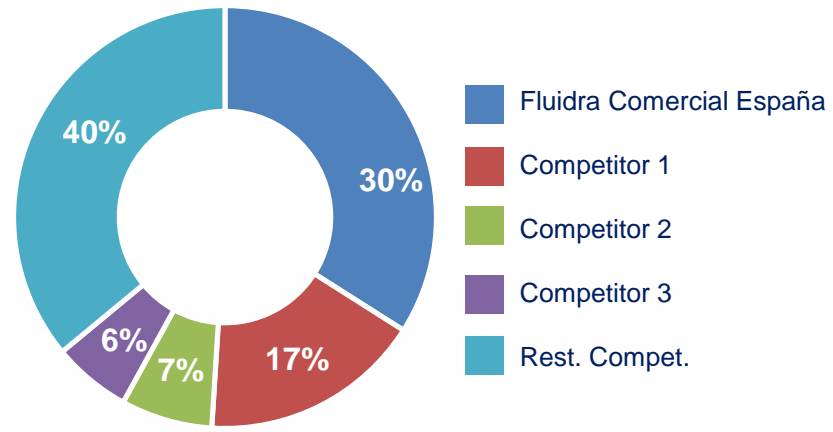
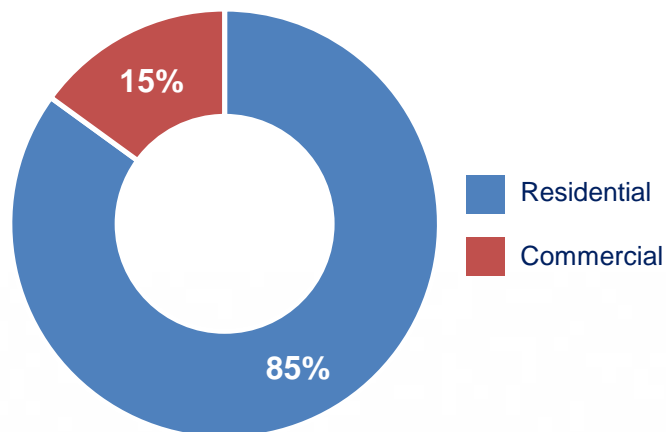
101M€



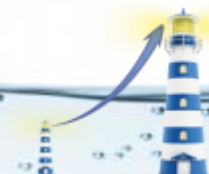
219 Employees



22 Branches



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



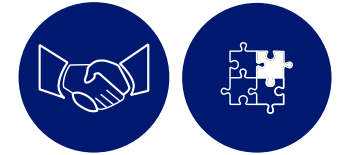
New logistic model



	2011	2016
Branches (From Old Branches to C&C)	30	19
Inventory level	17 M€	3,5 M€
Logistic FTEs (Average per Branch)	5.8	3.5
Transport Cost (% of Net Sales)	5.1%	3.0%
Service Level (% Perfect & Full Order delivery)	80%	90%

“Closer to market”, better service and more efficiently

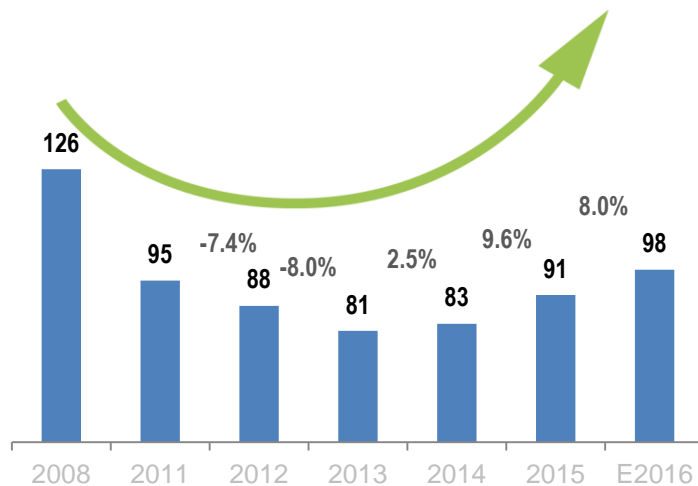
New customer approach



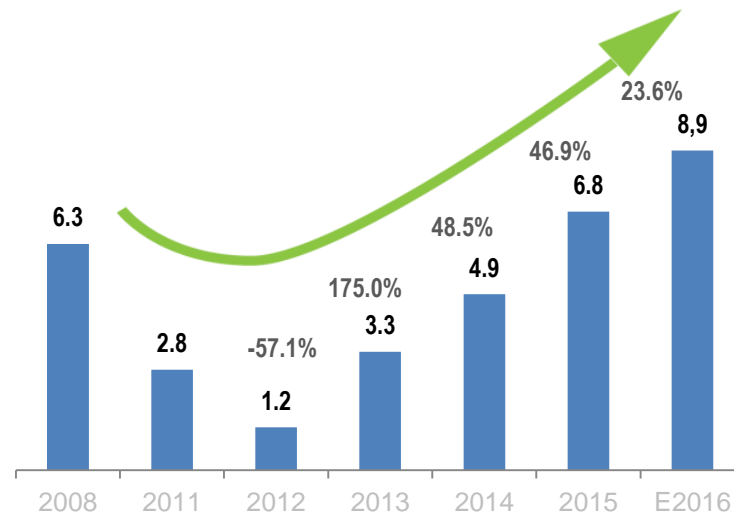
	2011	2016
Company Consolidation (From Companies to Business Units)	3	1
Sales Network (Number of Reps)	79	67
Sales Activity Model (Commercial Tools)	GENERALIST 3 COMPANIES	SPECIALIST Trade Efficiency
Capillarity and Efficiency (Average num. Customers per Rep)	200-250	140
Inside Sales (Num. Customer / Contacts per Day)	---	6,300 / 73
Market share	28%	30%

“Closer to market”, better service and more efficiently

Results 2008 - 2016



SALES



EBITDA

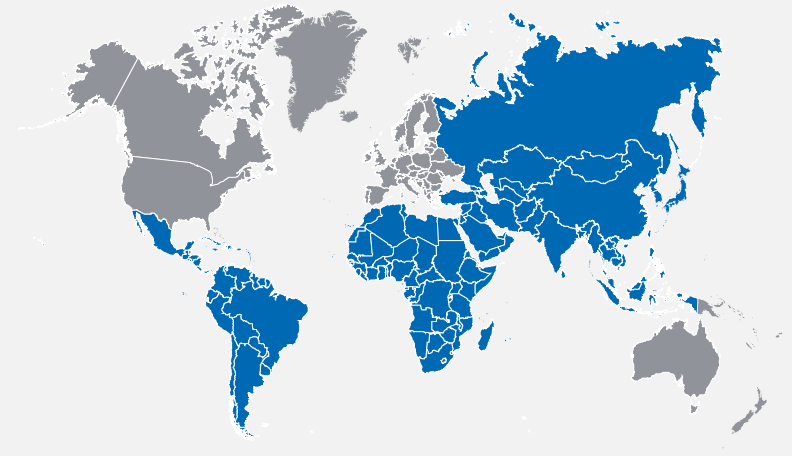
Proven best practices deliver excellent operating leverage



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.**

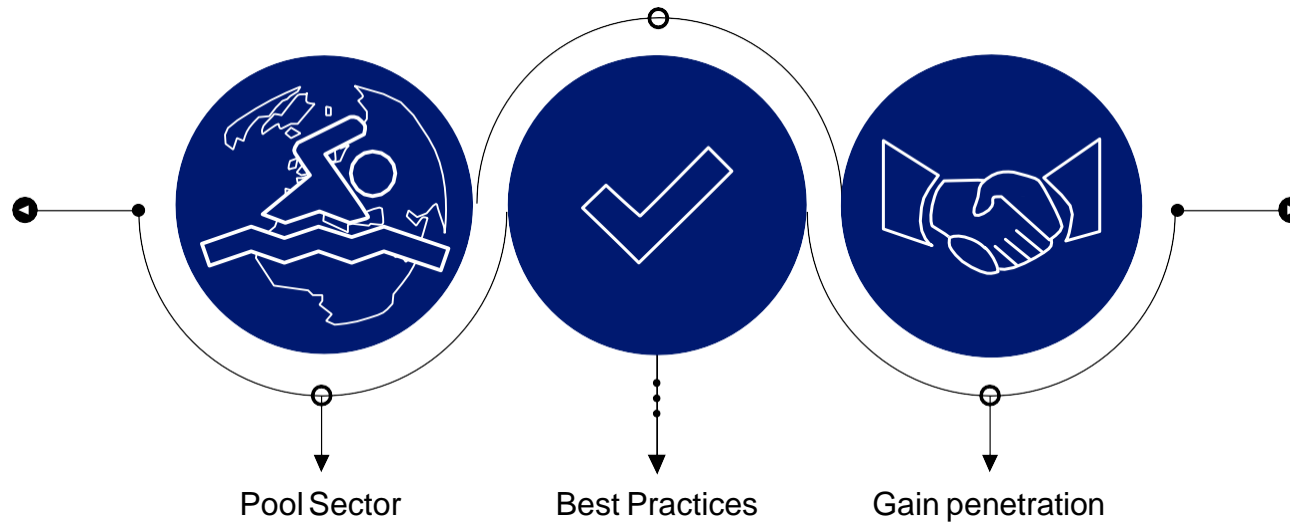


**Further development of regional centres
of engineering** (existing in Dubai and Singapore).

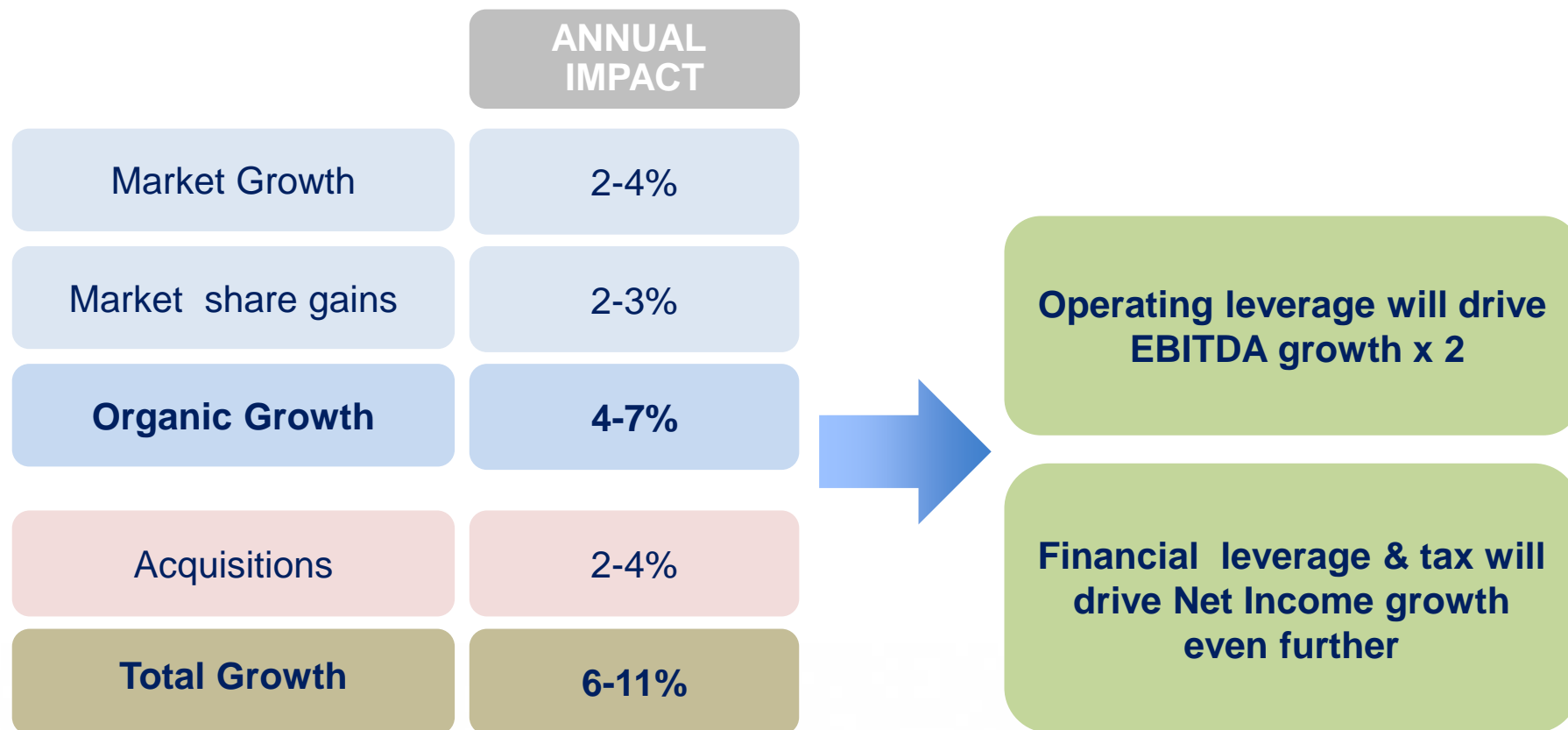
Global leader in Commercial Pool



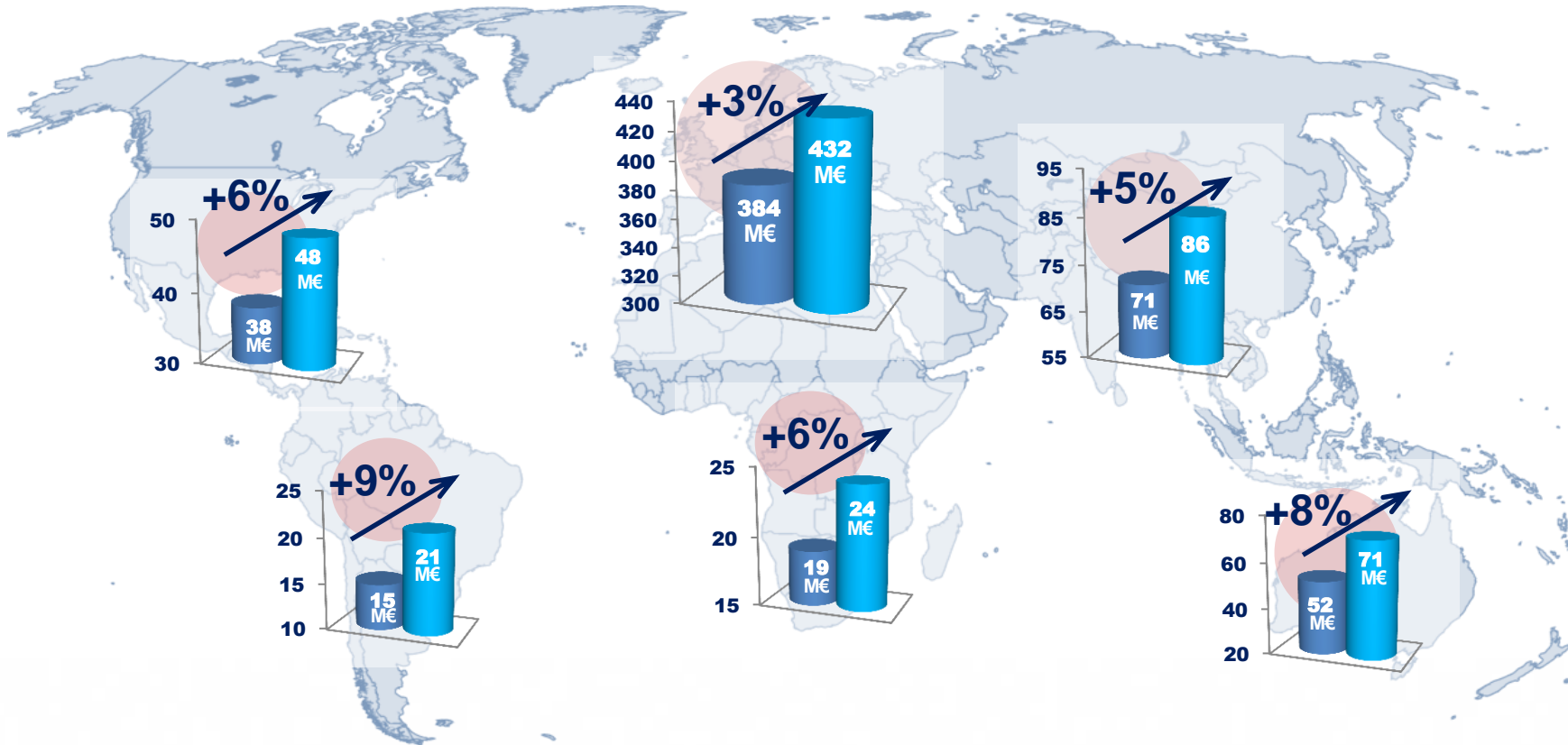
Focus on profitable growth



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

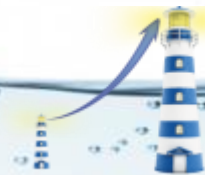
	2014	TARGET 2018
Net Working Capital	176M€	210M€
Net Financial Debt	151M€	220M€

Cash generation & uses of cash

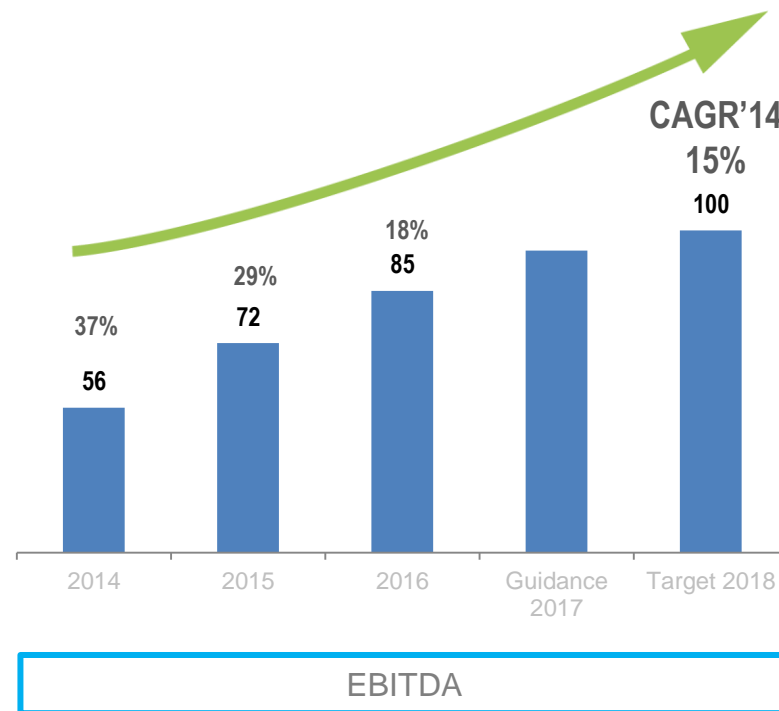
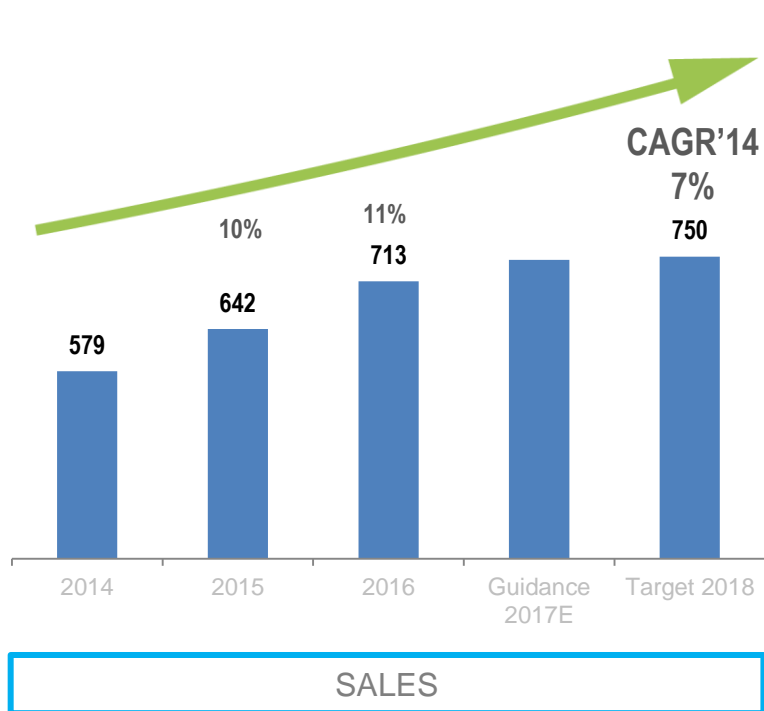
	ACCUMULATED 2018		ACCUMULATED 2018
Free Cash Flow	123M€	Dividends	52M€
Change in NFD	68M€	Acquisitions	80M€
	191M€	Minority interest	15M€
		Earn out	31M€
		Other cash items	13M€
			191M€

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?

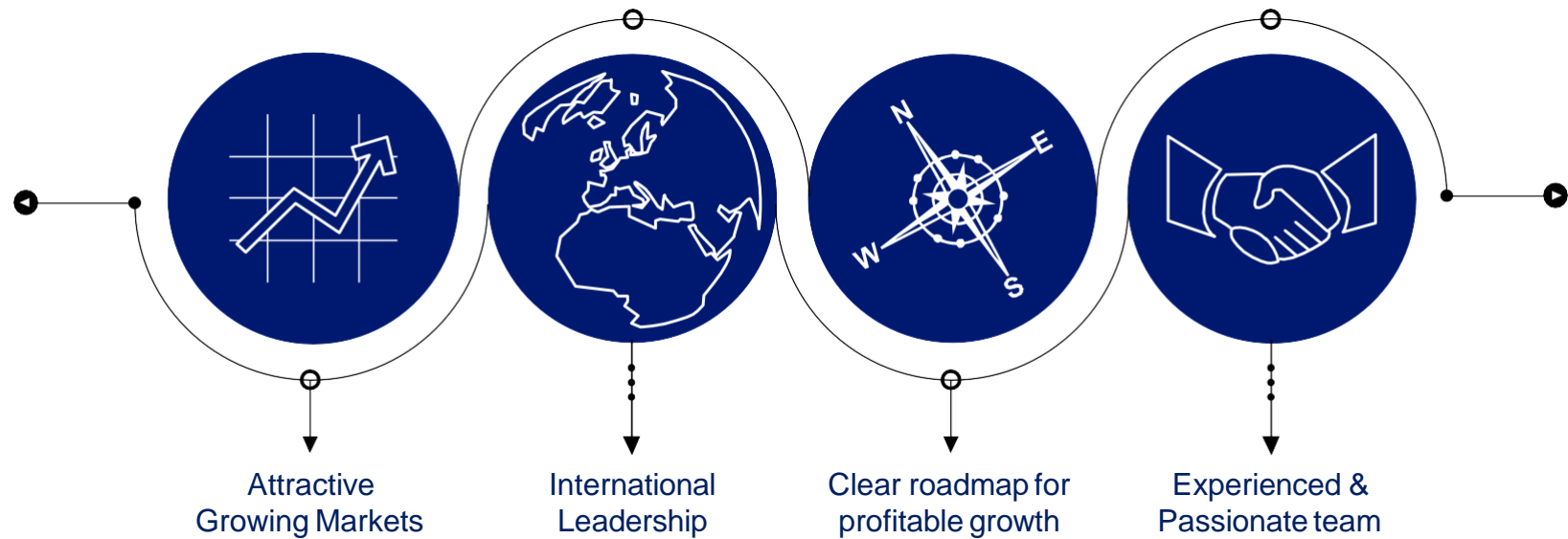


The evolution of 2015 and for 2016 show that we are on the path to achieving targets in 2017

Note: 2014 adjusted for divestitures and extraordinary expenses



In summary: Why Fluidra?



...with an attractive valuation



THANK YOU

4. Appendix



Fluidra – Q1 2017 Results



Summary

Q1 2017 RESULTS

Main figures

€M	2016	2017	Evol.
Sales	156.5	183.2	17.1%
EBITDA	13.1	19.6	48.9%
EBITA	6.7	13.0	92.9%
Net profit	0.4	4.5	n/a
Net financial debt	220.9	212.6	-3.7%
Net Working Capital	224.9	251.7	11.9%
Free Cash Flow	-52.7	-53,6	-0,9



- Excellent Sales performance, with 15.9% growth on a like-for-like basis, with a noteworthy growth in Europe, Australia and the US.
- Extraordinary EBITDA performance on the back of increased volume and operating leverage improvement. EBITA, as an indicator of recurrent EBIT growth, reaching € 13M.
- Remarkable Net Profit evolution, on the back of the operational improvement of the Group and on increased volumes of activity.
- Good performance of Net Debt,
- Working Capital and Free Cash Flow evolve in the preparation for the start of the campaign.

Highlights

Q1 2017 RESULTS



FOCUS ON POOL & WELLNESS

- Following the strategy of divesting non-strategic activities, Fluidra has disinvested ATH (domestic water treatment). Sales impact amount of € 12M. This operation was closed at c. € 10M, of which around € 2.9M are outstanding.



INVESTING IN GROWTH

- Cash&Carry: opening of 4 new cash & carry in La Puglia (Italy), Aix le Milles (France), Leiria (Portugal) and Hermosilla (Mexico) to be closer to the professional installers in those areas.
- Operations: Consolidating and extending Sacopa facilities (thermoplastic injection), to meet the growth demand and improve efficiency.



COMMERCIAL POOL

- Marina Bay Resort, Philippines: contract for the construction of 3 commercial swimming pools, 5 individual pools for villas, different units of spas and water games: € 5.6M to execute during 2017

Profit & Loss Account

Q1 2017 RESULTS

	2016		2017		
	€M	% sales	€M	% sales	Evol. 17/16
Sales	156.5	100.0%	183.2	100.0%	17.1%
Gross margin	83.2	53.2%	94.6	51.7%	13.7%
Opex before Dep.& Amort.	68.1	43.5%	74.1	40.4%	8.9%
Provisions for bad debt	2.0	1.3%	1.0	0.5%	-51.4%
EBITDA	13.1	8.4%	19.6	10.7%	48.9%
EBIT	3.9	2.5%	10.0	5.5%	153.2%
Net Financial Result	-1.4	-0.9%	-2.8	-1.5%	-95.3%
Profit Before Taxes (PFT)	2.5	1.6%	7.2	3.9%	186.1%
Net profit	0.4	0.3%	4.5	2.5%	n/a



- Sales evolve favourably in all geographies; on a like-for-like basis, sales increase 15.9% and adjusted for FX effect, sales increase 13.5%.
- Gross margin decrease includes timing effects that will be corrected in next quarters (-90 bps), acquisitions (-30 bps) and increased costs (-30 bps)
- Opex, on a like-for-like basis, increases 8.5%, adjusted for exchange rates is 6.3%. Good EBITDA performance due to increase in volume and positive operating leverage.
- Net Profit has an extraordinarily positive performance, due to the expansion of the operating result and increased volumes of activity.

Evolution of sales by geographical area

Q1 2017 RESULTS

	2016		2017		
	€M	% sales	€M	% sales	Evol. 17/16
Spain	33.8	21.6%	36.6	20.0%	8.6%
South Europe - Rest	39.1	25,0%	44.0	24.0%	12.5%
Central & Northern Europe	23,7	15.2%	27.0	14.7%	13.6%
Eastern Europe	6.2	4.0%	7.4	4.0%	19.5%
Asia and Australia	30.1	19.2%	35.3	19.3%	17,3%
Rest of the World	23.6	15,1%	32.9	18.0%	39,4%
TOTAL	156.5	100.0%	183.2	100.0%	17.1%



- Very positive performance of Southern Europe, driven by the Spanish, French and Italian markets, both in the professional channel and in mass market.
- Central and Northern Europe evolve very positively driven by Germany and the Netherlands, thanks to the contribution of SIBO.
- Asia and Australia show solid growth in the Asian region associated with Commercial Pool (Olympic swimming pools, hotels and fountains).
- The Rest of the World segment presents an excellent performance driven by the Americas, thanks to the US, Brazil and Mexico.

Evolution of sales by business unit

Q1 2017 RESULTS

	2016		2017		
	€M	% sales	€M	% sales	Evol. 17/16
Pool & Wellness	141,3	90,3%	168,3	91,9%	19,1%
Residential	87,3	55,8%	104,1	56,8%	19,2%
Commercial	17,6	11,3%	20,2	11,0%	14,7%
Pool Water Treatment	23,2	14,8%	28,2	15,4%	21,4%
Fluid Handling	13,1	8,4%	15,8	8,6%	20,2%
Irrigation and Domestic Water Treatment	9,7	6,2%	7,7	4,2%	-20,0%
Industrial and other	5,5	3,5%	7,1	3,9%	29,9%
TOTAL	156,5	100,0%	183,2	100,0%	17,1%

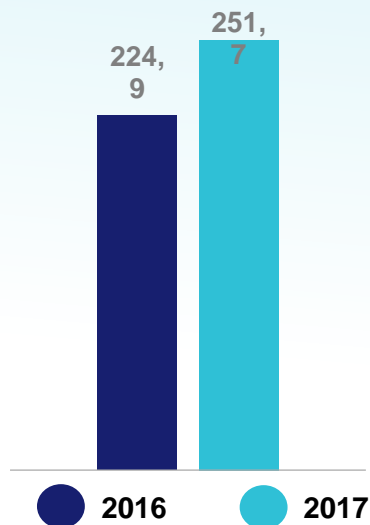


- Excellent evolution in Residential Pool in all categories in general, specially in pumps, filters and pool cleaning products.
- Commercial Pool includes the execution of new facilities in the Asian region.
- Pool Water Treatment posted a double-digit growth, with a very good performance of disinfection equipment (salt chlorinators).
- Good performance of Fluid Handling in Europe, accelerated by the SIBO acquisition.

Net working capital

RESULTS
Q1 2017

Net Working Capital (€m)



January - March

	€M	2016	2017	Evol. 17/16
Inventory		182.7	200.5	9.8%
Accounts receivable		190.5	215.8	13.2%
Accounts payable		148.3	164.6	11.0%
Net working capital		224.9	251.7	11.9%
Adjusted net working capital		241.0	256,2	6,3%

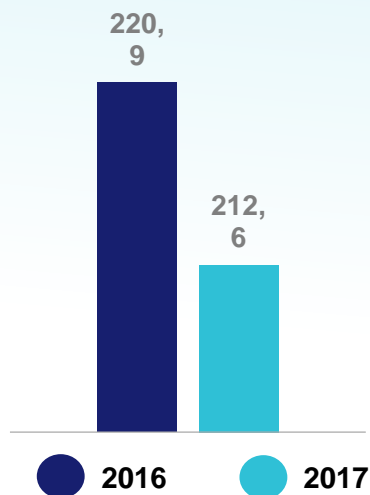


- Good performance of Adjusted Net Working Capital, which posts a 6,3% growth, well below sales growth in the period of preparation of the campaign in the Northern hemisphere.
- Our estimated NWC/Sales ratio for the whole year will exceed, as in 2016, our objectives in the 2018 Strategic Plan.

Net financial debt and free cash flow

RESULTS
Q1 2017

Net financial debt (€m)



January - March

	€M	2016	2017	Evol. 17/16
Net profit		0.4	4.5	4.1
Depreciation (+)		9.2	9.6	0.4
Increase (-) / Decrease (+) adjusted NWC		-54.9	-61,5	-6,6
Capex (organic)		-7.4	-6.2	1.2
Free Cash Flow pre-acquisitions		-52.7	-53.6	-0,9
Acquisitions		-3.4	-1.9	1.5
Free Cash Flow post-acquisitions		-56.1	-55,5	0,6



- Q1 is a quarter of investments to prepare for the campaign in the Northern hemisphere, therefore FCF is negative. The Acquisitions heading mainly covers Aqua's earn-out partial payment and the proceeds for ATH's sale.
- Good development of Net Financial Debt, which coupled with the improved results, leads to a significant improvement in the debt ratio.

Conclusions

Q1 2017 RESULTS

- **Excellent performance in the first quarter of 2017, exceeding our expectations for this period:**
 - Strong sales growth in virtually all markets, based on the preparation of the campaign in the northern hemisphere.
 - Very good results thanks to good operating leverage in the pre-season quarter.

- **The consistent implementation of our strategy is worth noting:**
 - Focus on Pool & Wellness: divestitures in ATH and Calplas.
 - Penetration in all markets and implementation of "Best Practices": opening of new cash & carry centers.
 - Improvement in efficiency and profitability ratios: investment in a new Sacopa plant.

- **With the results of this first quarter, we reiterate our estimates for the whole 2017, despite the divestments already executed: Sales between € 745 - € 765 M; EBITDA between € 94- € 100 M; and ROCE (EBIT) levels at around 11%. These figures mean reaching our Strategic Plan targets one year before our initial Plan.**

THANK YOU

Enjoying
Water

FLUIDRA



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