

May 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

Certikin

CTX

Gre

blaufish

ASTRALPOOL



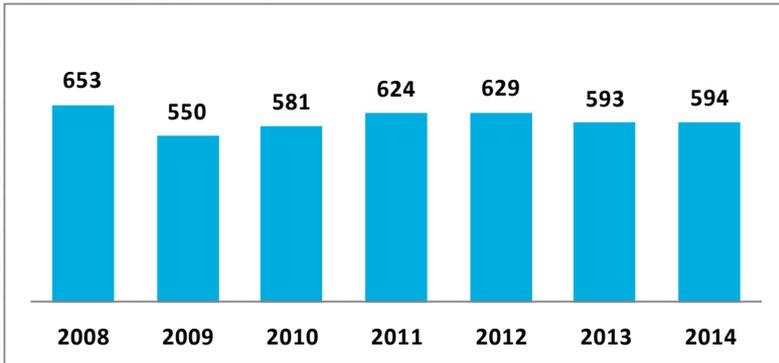
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CEPEX

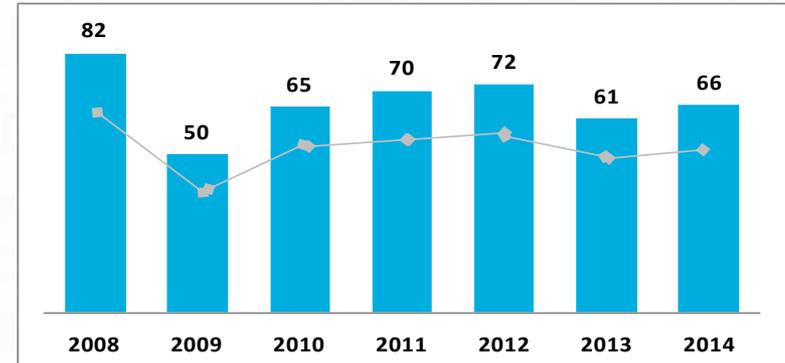
Summary Financials

- 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

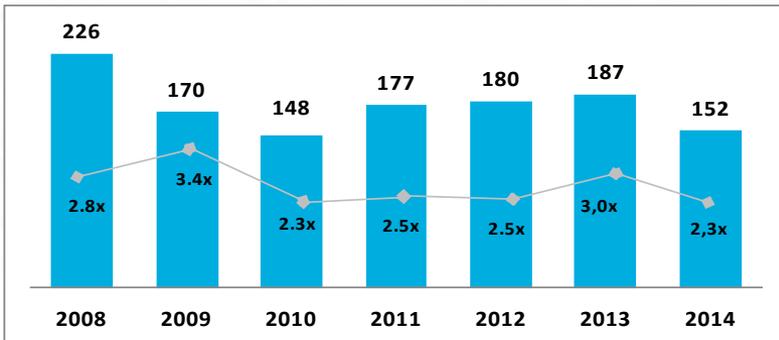
Sales (€m)



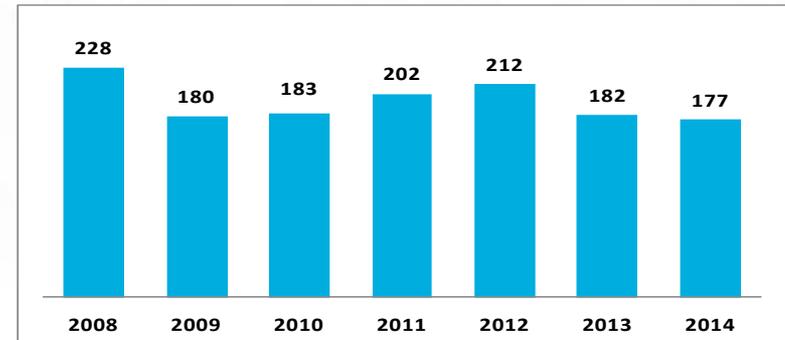
EBITDA (€m) & EBITDA Margin



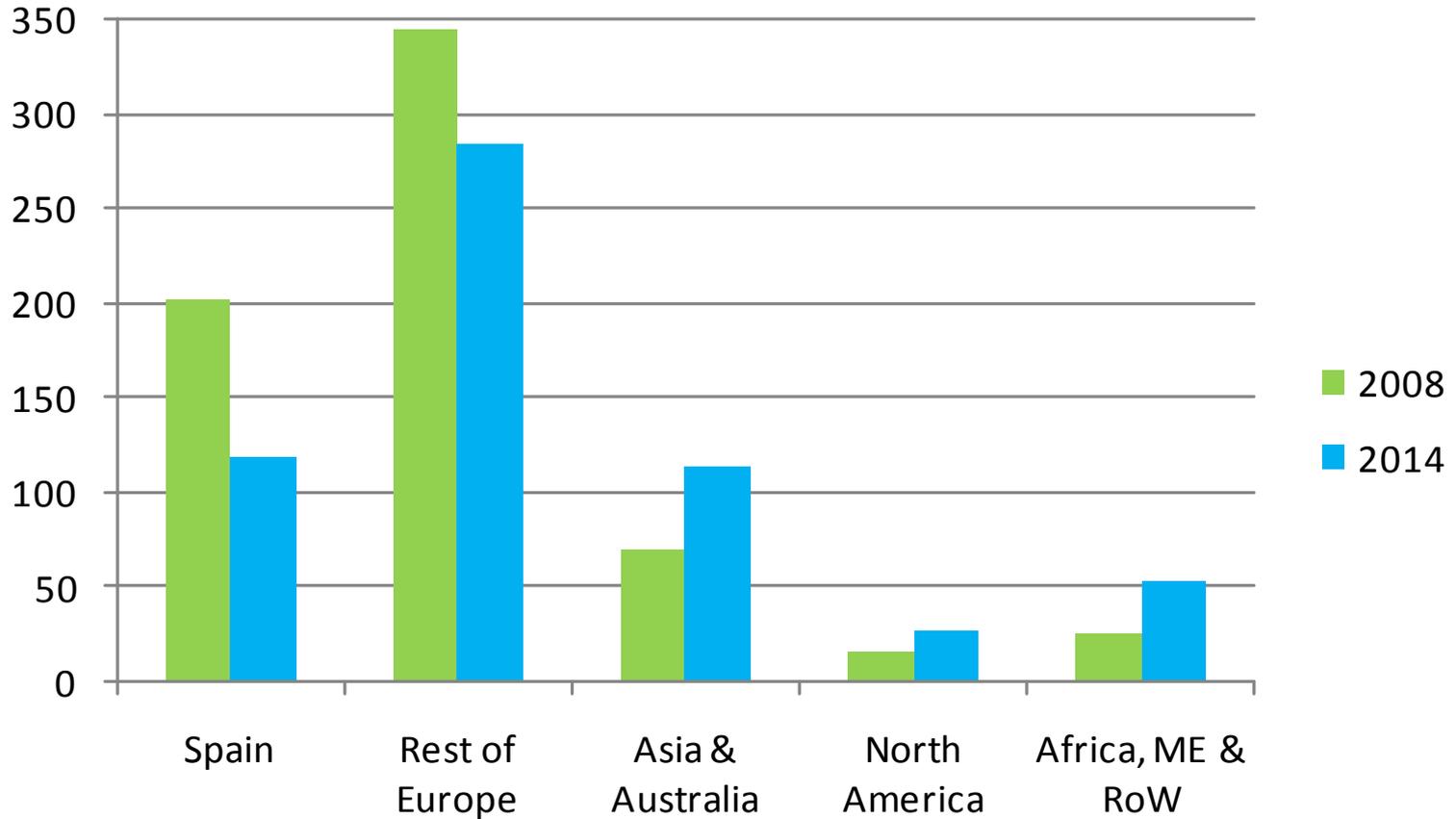
Net Debt (€m) & Net Debt/EBITDA



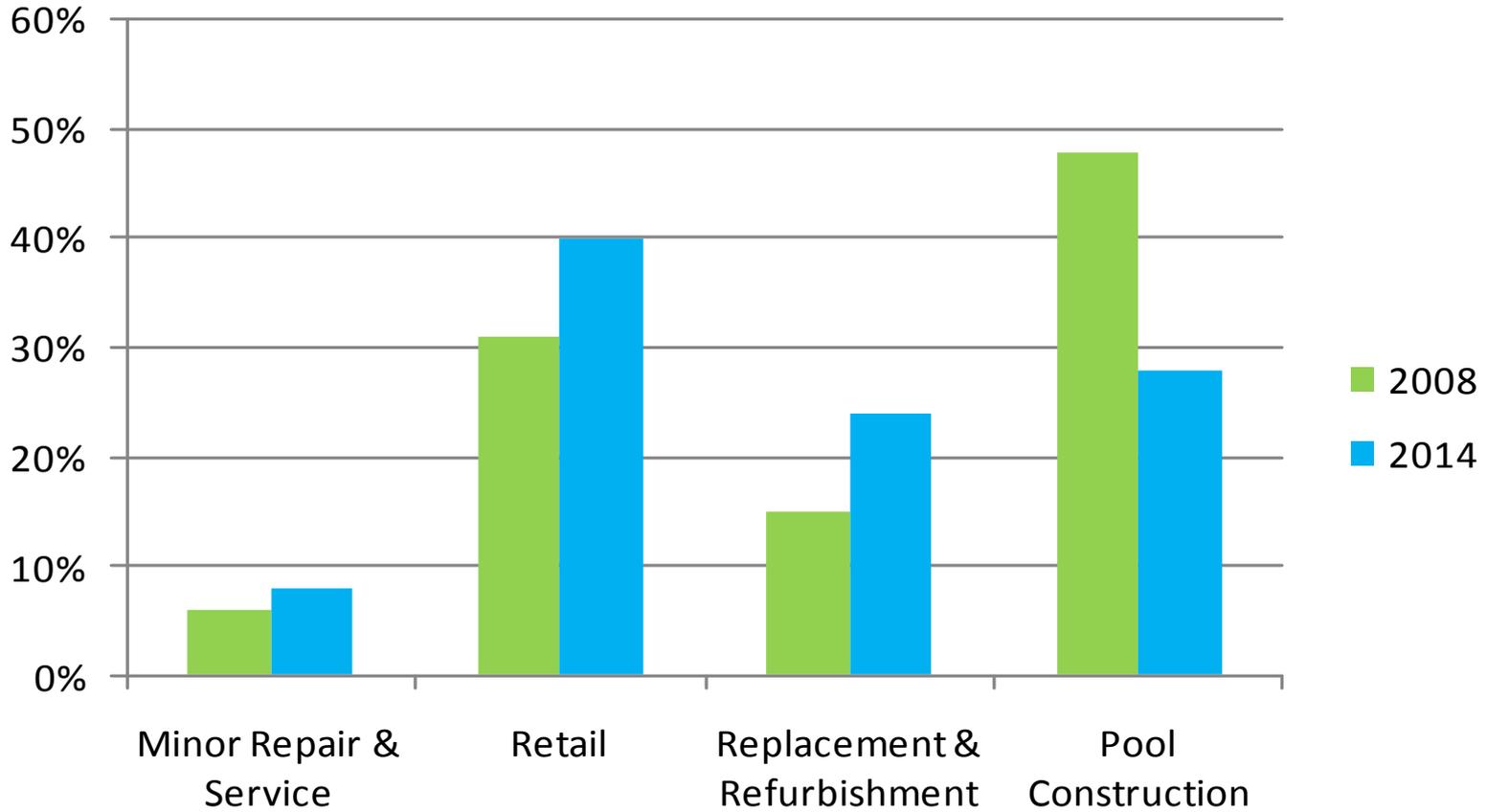
Working Capital (€m)



Fluidra's evolution – Geographical overview



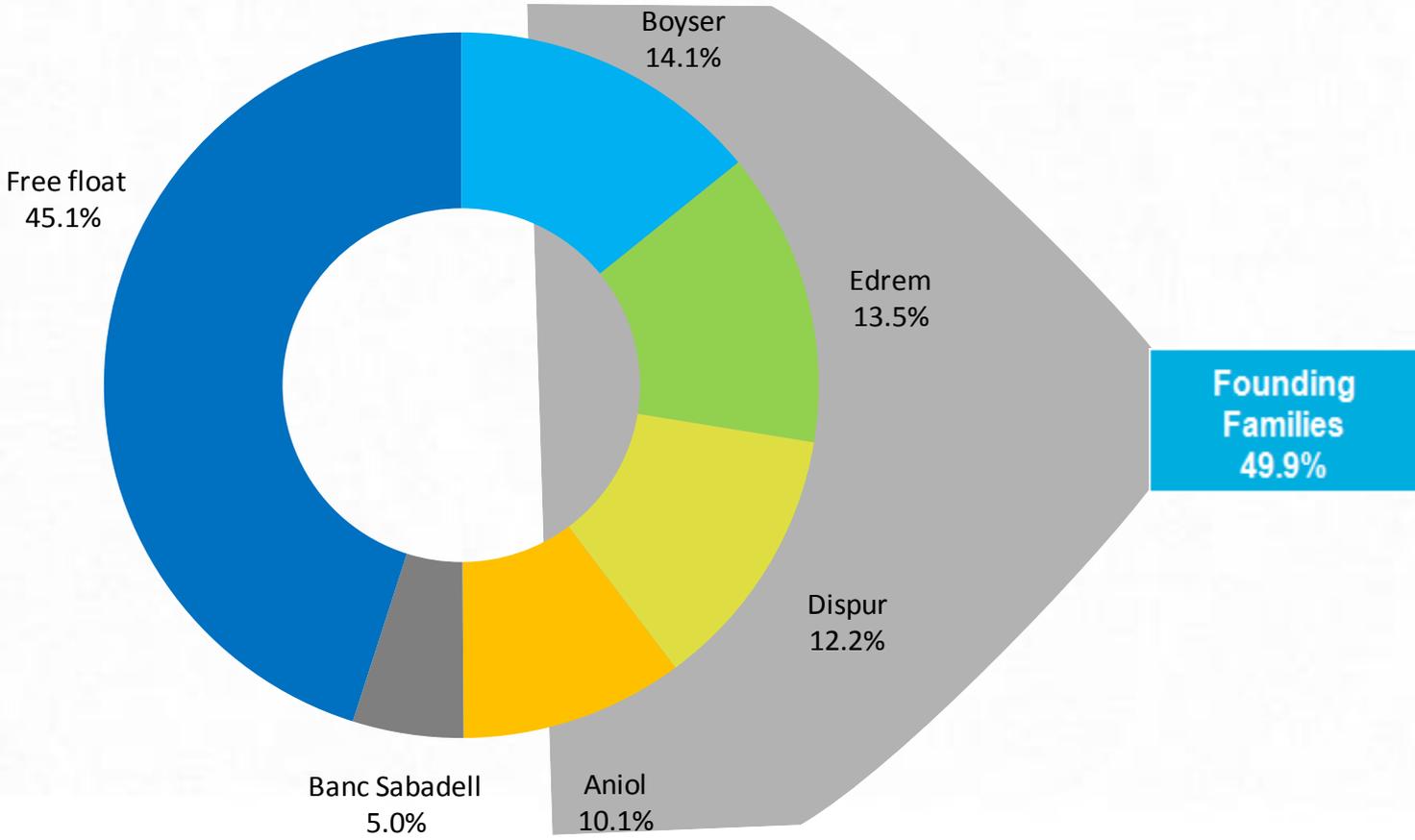
Fluidra's evolution – Product overview



2. Shareholder Structure

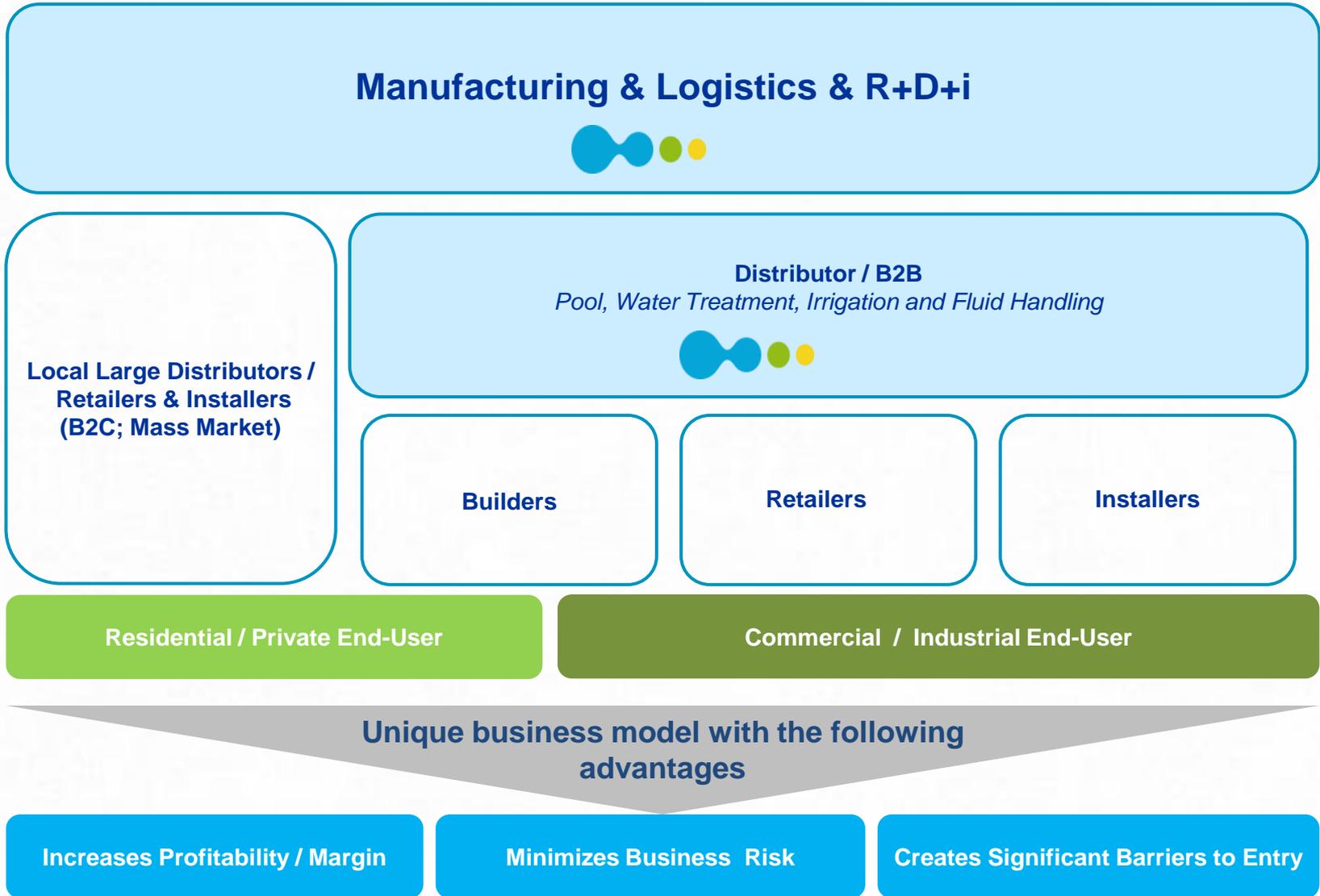
Shareholder Structure

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

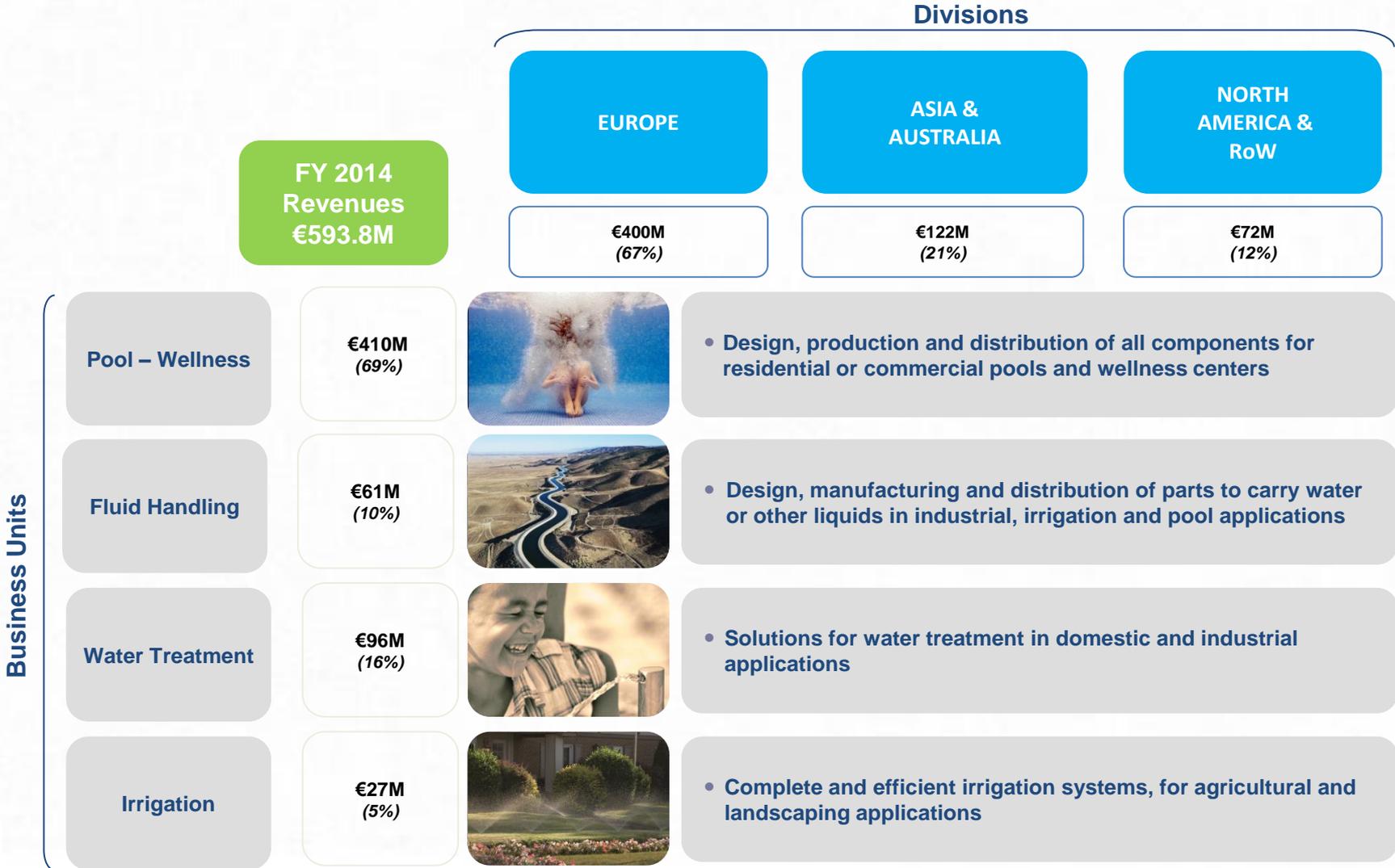


3. Business Model

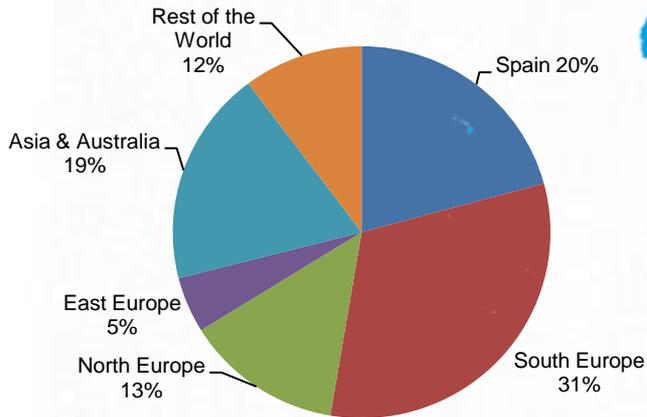
Fluidra in the Business Value Chain: an integrated model



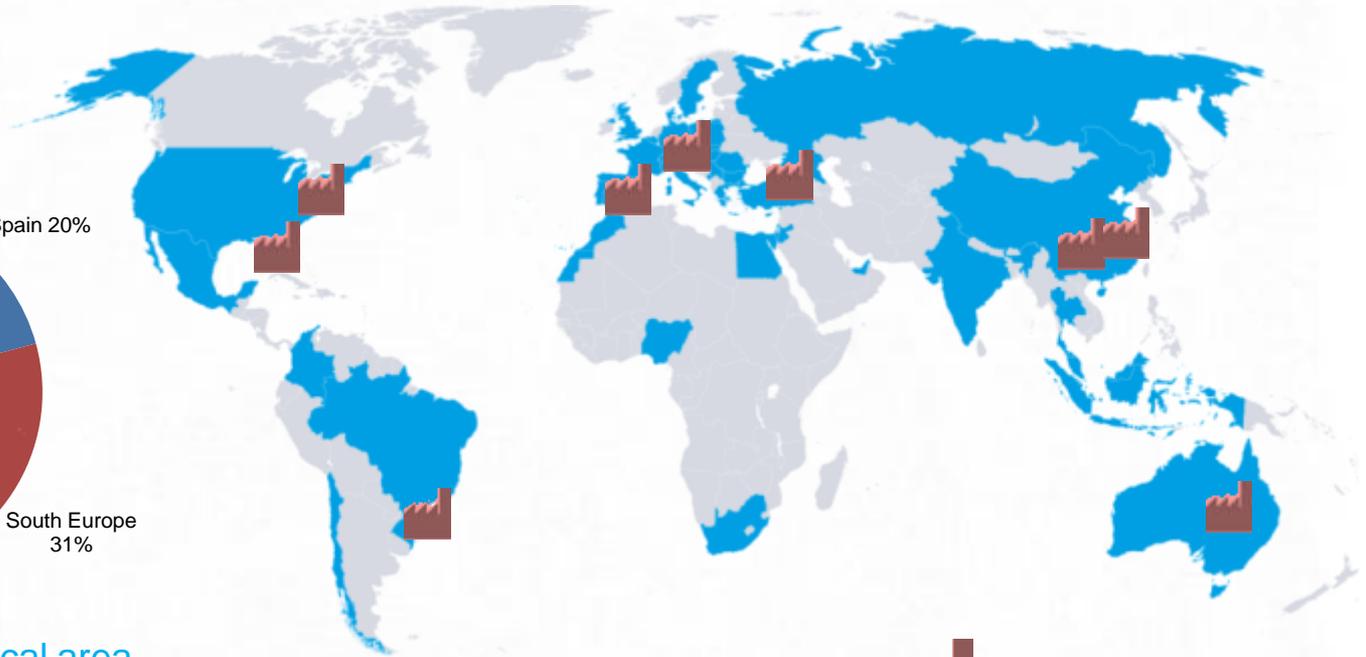
Overview of Divisions and Business Units



Distribution Network & Manufacturing Hubs



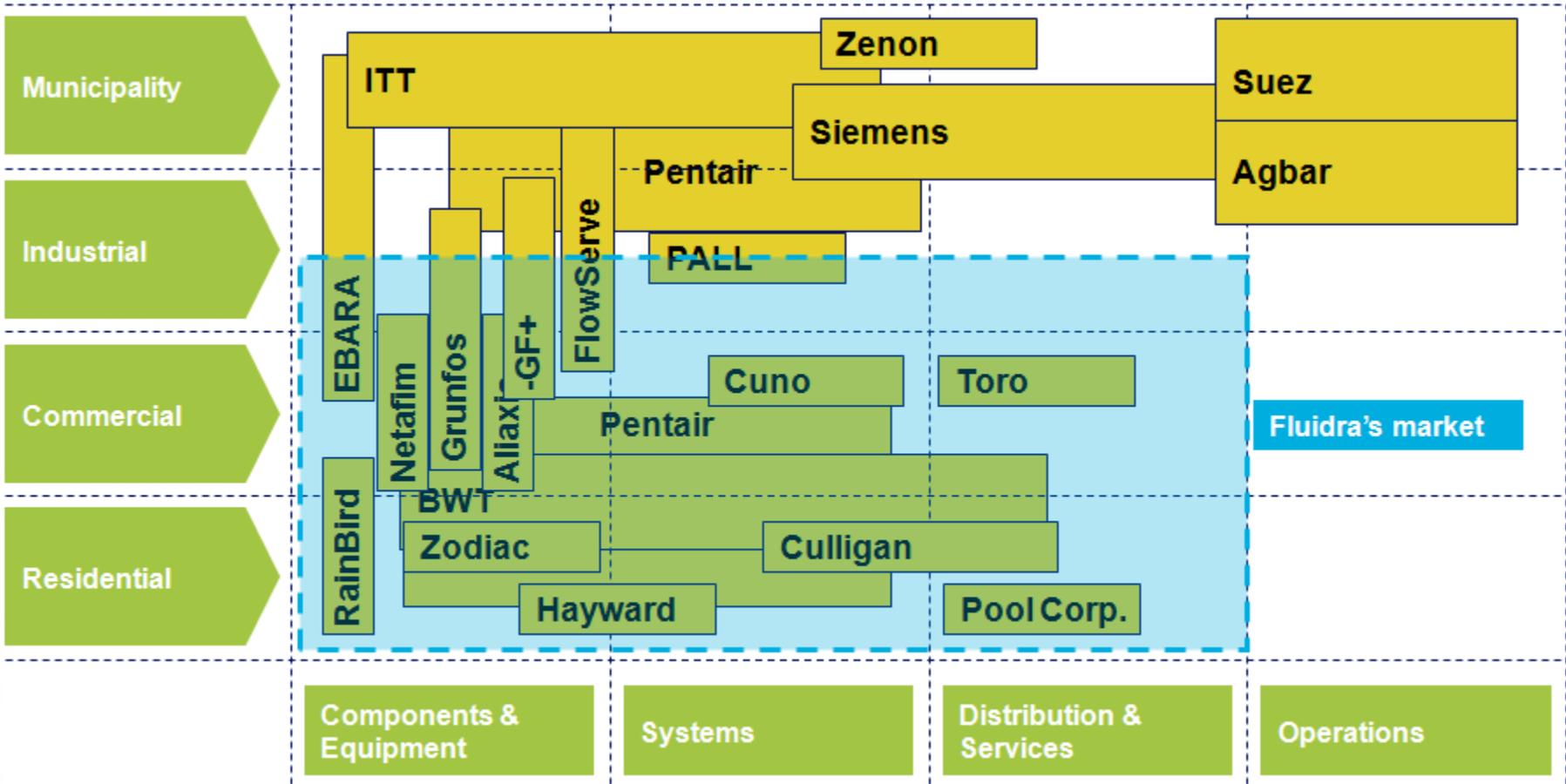
Sales by geographical area
80% international sales



 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, Kazakstán, 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

1Q2015 Results – Summary

	Main Magnitudes		
	1Q2014	1Q2015	Evol.
€M			
Sales	130,6	134,7	3,2%
EBITDA	9,2	10,3	11,7%
Net Income	-3,7	-5,5	-48,5%
Adjusted Net Income *	-3,7	-2,0	46,0%
Net Working Capital	228,8	233,6	2,1%
Free Cash Flow post acquisitions	-46,7	-61,7	-15,0
Net Financial Debt	231,5	206,0	-11,0%

* Net Profit adjusted for fees

- Sales in line with our expectations, with a very good season start in Europe.
- Excellent performance of EBITDA (+51bps), thanks to evolution due to price and managing purchasing.
- Net Profit impacted by syndicated loan fees and by tax rate that was unusually high for the quarter. Tax rate will go back to usual in next quarter.
- Good Working Capital performance and Net Debt.

1Q2015 Results – Highlights

Fluidra Group

- Fluidra has signed a new syndicated loan under more favourable conditions, which will be reflected in a significant drop in financing costs in 2015.
- This new agreement consists of a loan of €155M, with an average lifetime of 4.125 years, and a 5 year revolving credit line of €55M.



Australia

- Acquisition of Price Chemicals, a company specialised in manufacturing and distribution of products for the chemical treatment of water.
- Price Chemicals has turnover of approximately €7M and has one of the most well known brands in the sector, Purex.

Vietnam

- Fluidra has opened a new branch in Vietnam to boost its growth in the Asian market.
- As a leader in the country's pool sector, Fluidra has been awarded several contracts for installing water features in resorts in 2014 and 2015.



1Q2015 Results – Consolidated Profit and Loss Account

	1Q2014		1Q2015		Evol.15/14
	€ M	% sales	€ M	% sales	
Sales	130,6	100,0%	134,7	100,0%	3,2%
Gross Margin	68,8	52,7%	72,8	54,0%	5,9%
Opex before Dep.& Amort.	57,9	44,4%	60,8	45,1%	4,9%
Provisions for bad debt	1,6	1,2%	1,7	1,3%	7,4%
EBITDA	9,2	7,1%	10,3	7,6%	11,7%
EBIT	0,5	0,4%	2,0	1,5%	267,7%
Net Financial Result	-3,8	-2,9%	-6,8	-5,0%	-80,4%
PBT	-4,0	-3,0%	-4,8	-3,6%	-21,9%
Net Income	-3,7	-2,8%	-5,5	-4,1%	-48,5%

- Sales grew in line with our internal forecast. Like-for-like sales grew more than 7%, which is near 2% if adjusted also for currency.
- Excellent performance of the **gross margin**, which reflected the work done in price and managing purchases.
- Financial results include a €4.8M charge of syndicated loan fees due to new agreement signed. The improvement of the new terms will be shown in the following quarters. In this third quarter, the costs associated with the previous syndicated loan agreement had an impact on **Financial Results**. The improved conditions of this new agreement will be reflected as lower financial costs over the business year.
- **Net Profit** was impacted by the early cancellation fees of the previous syndicated loan agreement, as well as by rates of tax. This impact on Net Profit amounted to -€2.0M.

1Q2015 Results – Sales Performance by Geographical Area

€M	Fluidra Sales by Geographical Area				
	1Q2014	%	1Q2015	%	Evolution 15/14
Spain	26,4	20,2%	29,8	22,1%	12,9%
South Europe - Rest	36,0	27,6%	31,0	23,0%	-13,9%
Central & Northern Europe	19,2	14,7%	21,7	16,1%	13,0%
Eastern Europe	6,0	4,6%	6,3	4,7%	5,0%
Asia & Australia	26,0	19,9%	29,3	21,8%	12,7%
Rest of the World	16,9	12,9%	16,6	12,3%	-1,8%
TOTAL	130,6	100,0%	134,7	100,0%	3,2%

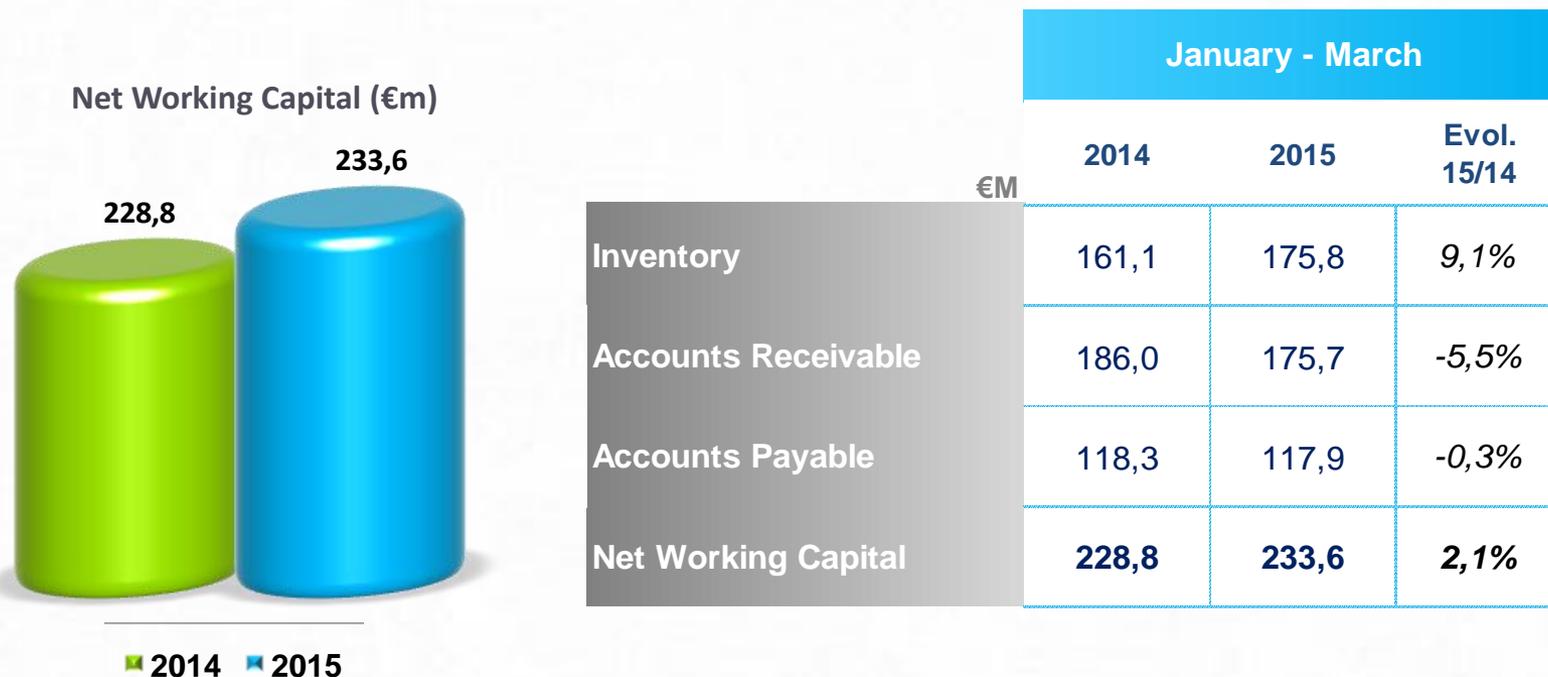
- Very positive evolution of the **Spanish** market, which had not shown such strong growth since the start of the crisis.
- Once adjusted for divestments (Irrigaronne), **Southern Europe** remained stable, with the French market showing good performance in comparison with previous quarters.
- Excellent international markets evolution, with the exception of North America, which was affected by a weak start of the season. Asia and Australia, and Latin America showed double digit growth.

1Q2015 Results – Sales Performance by Business Unit

Sales by business units					
€ M	1Q2014	% of Total	1Q2015	% of Total	Evolution %
Pool	90,2	69,1%	92,8	68,9%	2,9%
- Private	74,3	56,9%	75,8	56,3%	2,0%
- Commercial	15,9	12,2%	17,0	12,6%	6,9%
Water Treatment	18,4	14,1%	23,3	17,3%	26,6%
Irrigation	6,5	5,0%	3,9	2,9%	-40,0%
Fluid Handling	15,2	11,6%	14,0	10,4%	-7,9%
Projects	0,3	0,2%	0,7	0,5%	133,3%
TOTAL	130,6	100,0%	134,7	100,0%	3,2%

- Good performance of the **Commercial Pool Unit**, driven by expansion in Latin America. The **Private Pool Unit** showed positive performance, thanks to the Spanish market and international trade.
- **Irrigation Unit** was affected by the divestment of business in France in June 2014. Business on the green spaces and residential pool markets made favourable progress.
- **Water Treatment Unit** showed positive performance in Spain, Australia & Asia, thanks to business in the residential sector.
- **Fluid Handling Unit** reflects mainly delayed activity in China.

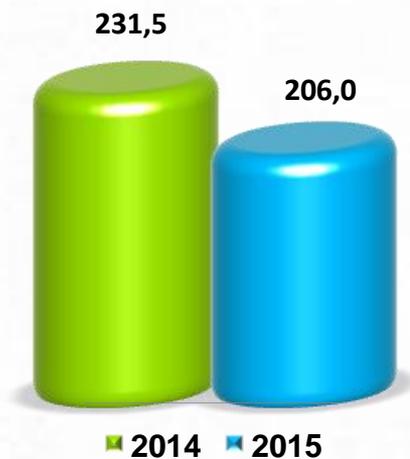
1Q2015 Results – Net Working Capital



- Good performance in this period of the year for **Net Working Capital**. Excellent evolution of accounts receivable collection reducing its value by 5.5% despite currency impact.

1Q2015 Results – Net Financial Debt and FCF

Net Financial Debt (€m)



€M

	January - March		
	2014	2015	Evol. 15/14
Net income	-3,7	-5,5	-1,8
Depreciation (+)	8,7	8,3	-0,4
Increase (-) / Decrease (+) NWC	-47,2	-56,7	-9,6
Capex (organic)	-4,4	-5,5	-1,0
Free Cash Flow pre-acquisitions	-46,6	-59,4	-12,8
Acquisitions	-0,1	-2,3	-2,2
Free Cash Flow post acquisitions	-46,7	-61,7	-15,0

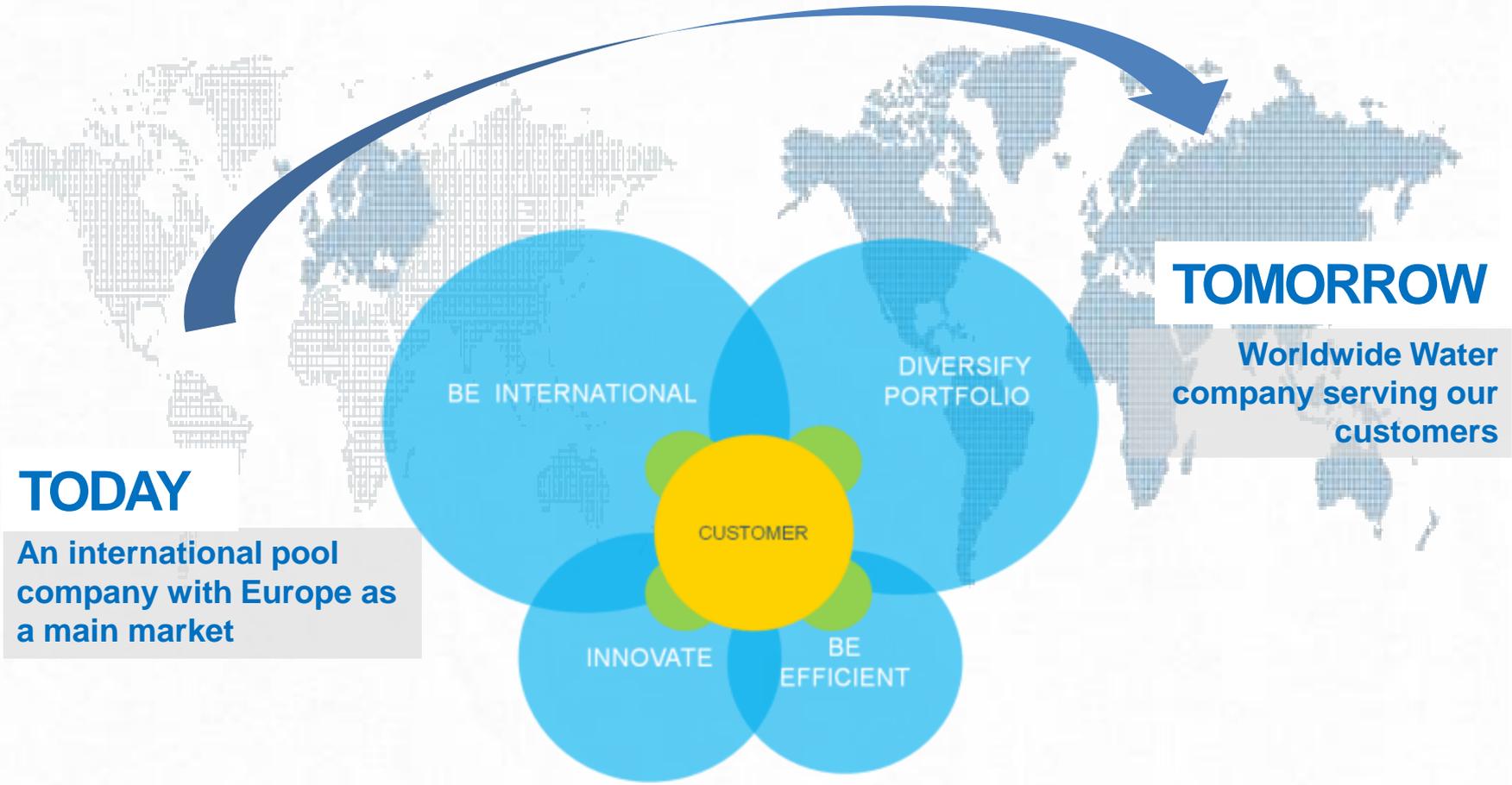
- Free Cash Flow for the quarter reflected normal evolution at the start of the season.
- Net Financial Debt evolution in line with our NFD/EBITDA ratio target at the end of the year.

1Q2015 Results – Conclusions

- 1Q2015 Performance is in line with our forecasts:
 - Growth in **sales** practically in all markets, except the US. Excellent double digit rate growth in Spain.
 - Good evolution of margins, which enable us to recover **profitability**.
- Targets for 2015: **growth and higher profitability**
 - By increasing the market share in **Europe and Australia**.
 - By boosting growth in emerging markets (**Asia, the Middle East and Africa**).
 - By expanding in focus markets in **Latin America**.
- **Recap of our guidance for 2015:** Sales between €605M and €625M; EBITDA between €70 M and €74M; and NFD/EBITDA debt levels below 2.2x, excluding potential acquisitions.

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
Business Units

Other BU

Leverage distribution network and improve competitive position in cost and branding

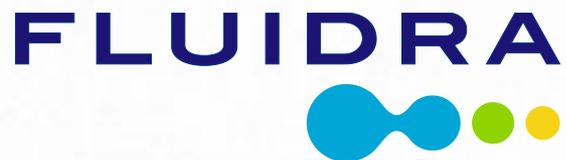


Operations

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

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.

Presence of Fluidra in Latam



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**

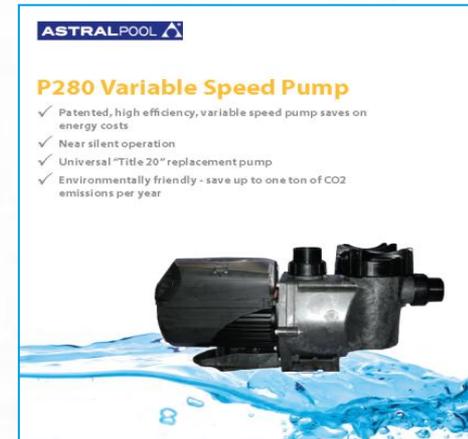


reddot design award
honourable mention 2013

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)).



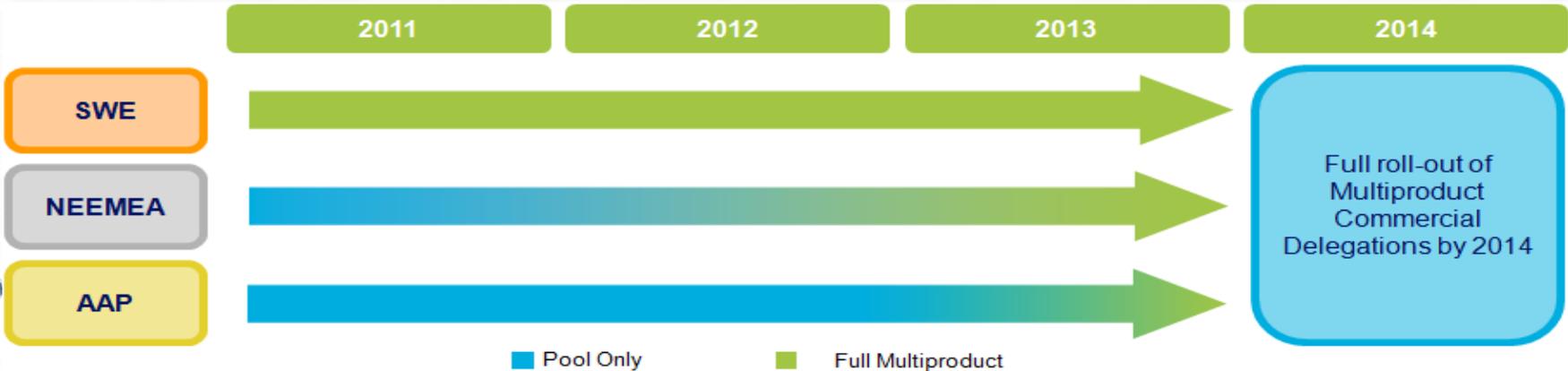
Leverage Pool Distribution Network

∞ 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.

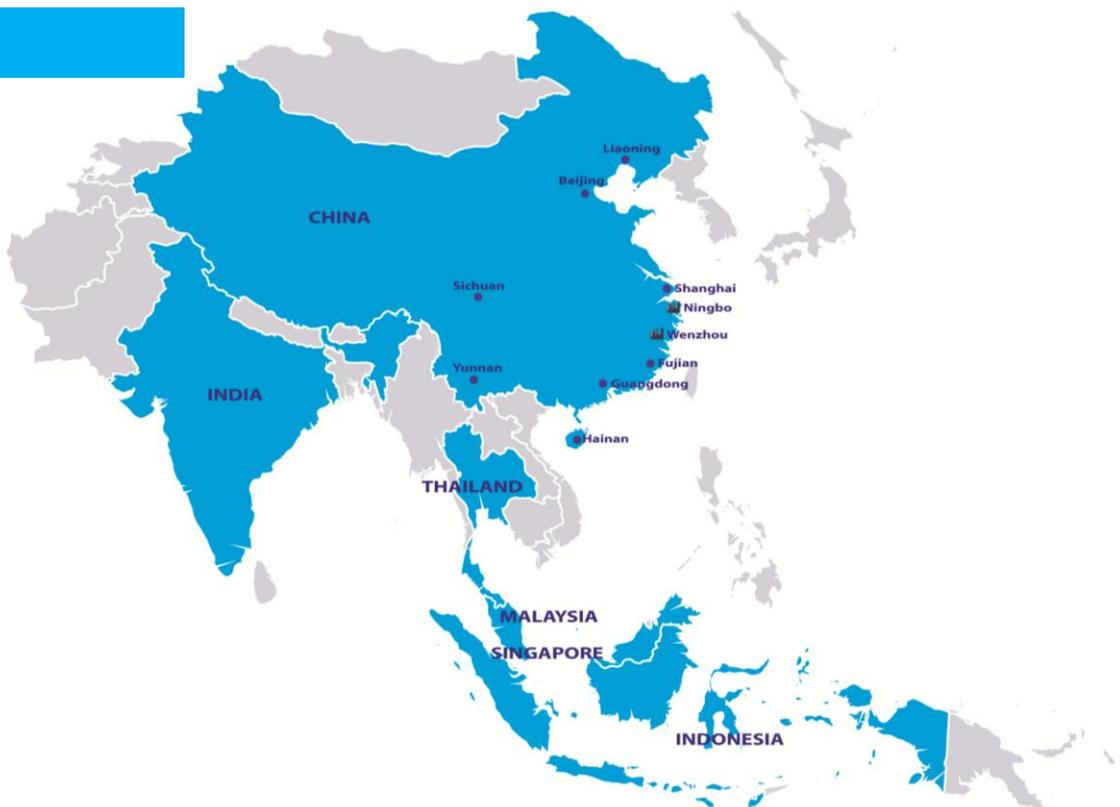


Operational Excellence

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

