

STRATEGIC PLAN 2018

Executive Summary

ROAD MAP TO 2020



17 November 2015

FLUIDRA


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These risks include, among others, seasonal fluctuations that may change demand, industry competition, economic conditions and legal restrictions on free trade and / or political instability in the markets where the Group Fluidra is present or in those countries where the Group's products are manufactured or distributed. Fluidra Group makes no commitment to issue updates or revisions concerning the forward-looking statements included in this financial information, expectations or in events, conditions or circumstances on which underlying these forward-looking statements.

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1. Introduction
2. Pool Sector
3. Best practices for profitable growth
4. Gain penetration: geographical markets
5. Financial outlook & Closing





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Introduction



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 and Wellness, including Fluid Handling and Water Treatment
- Vertically integrated for Pool, Water Treatment and Fluid Handling

International Footprint

- Products sold in 170 countries
- Direct presence in 44 countries through 128 branches
- 80% of revenues generated outside of Spain and 33% outside Europe

Customers & Products

- Over 50,000 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%

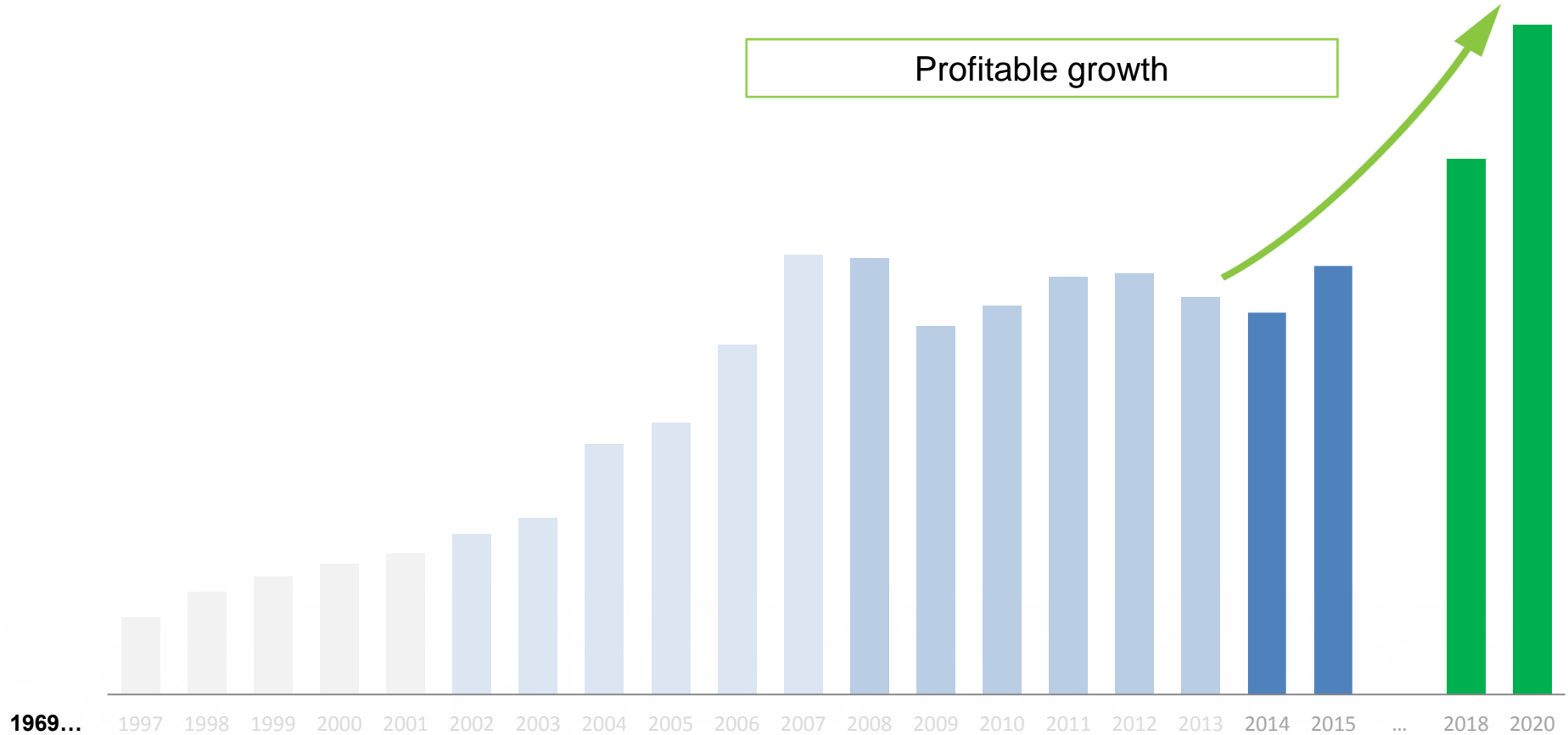
Fluidra evolution

 +1.7%

 +2.3%

 +7%

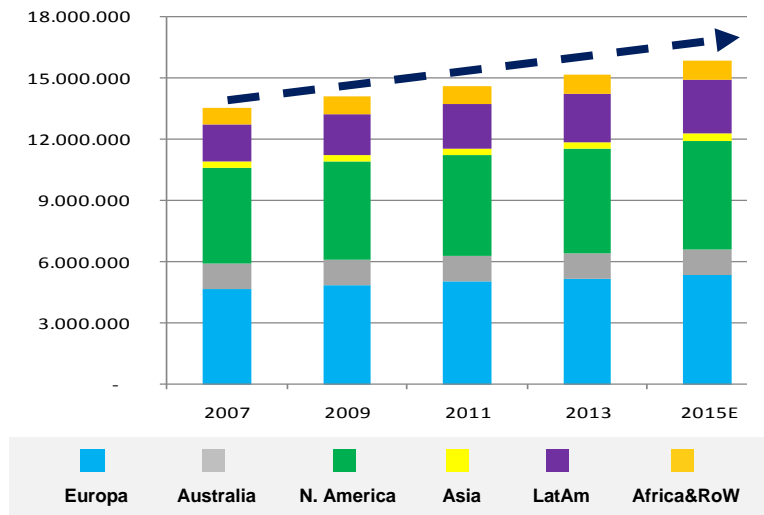
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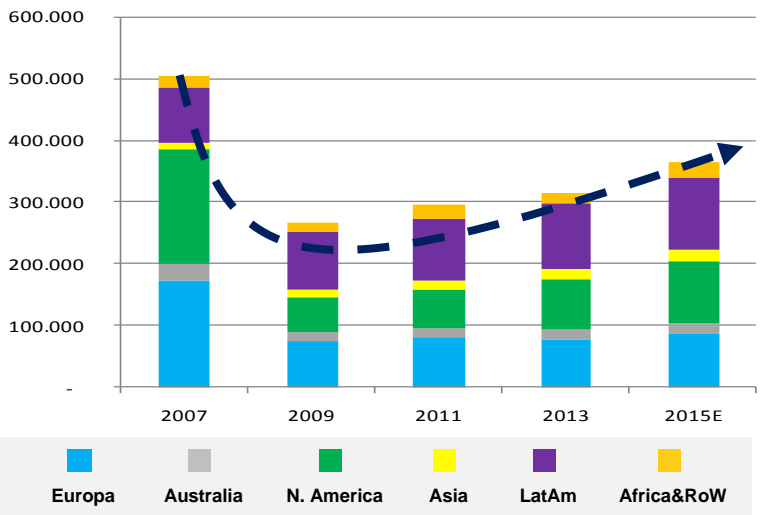
Source: IMF-WEO

Evolution of the Global Pool Market

Global Evolution of Total Pool Base



Global Evolution of New Pools



Continued recovery of global pool market after the 2008 financial crisis

Strong recovery expected in mature markets (Europe & North America). Sustained growth in emerging markets.

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

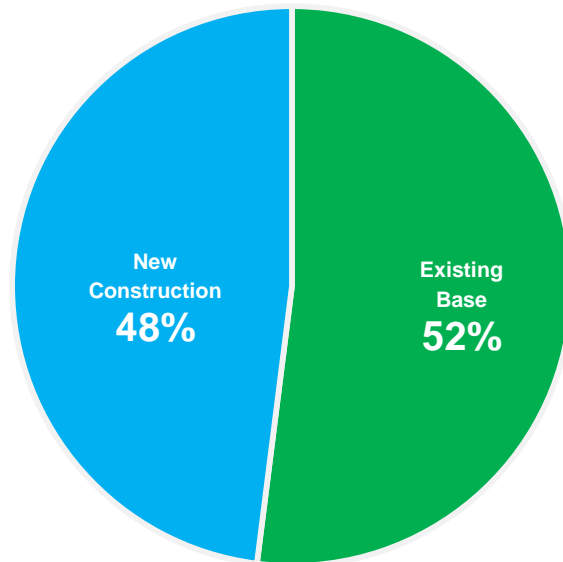
Source: Associations' reports, trade publications, annual reports, Internal studies & estimates

Note: Only refers to In Ground Pools

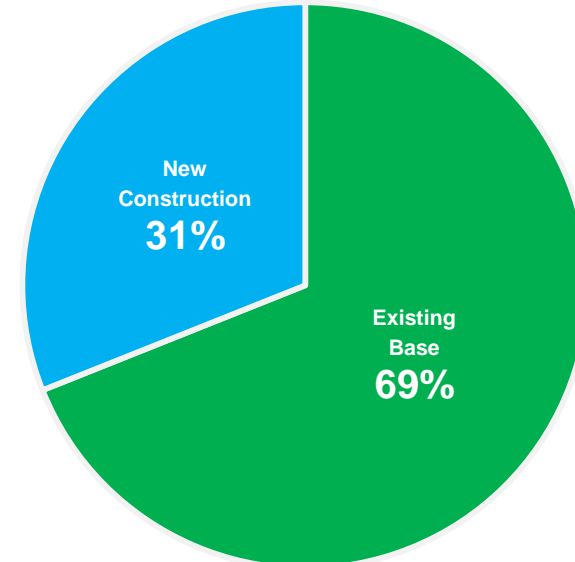


The Pool market is now healthier

European Pool Market Model (2008)



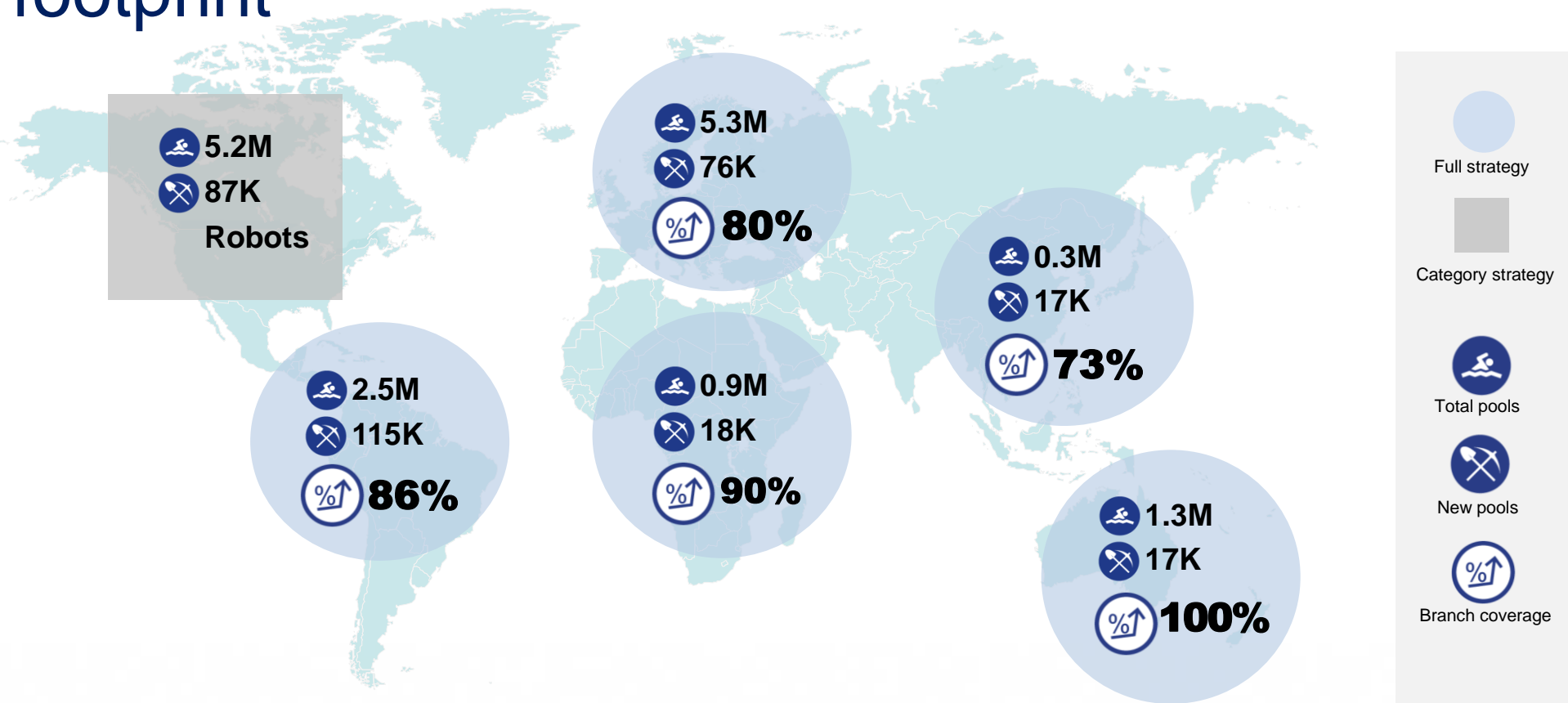
European Pool Market Model (2014)



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

Fluidra has a strong geographical footprint



International expansion in last years has developed a network that covers 89% of the park (Ex-US)

Experienced & passionate team

Board of directors

Mr. Joan Planes, *Chairman*

Mr. Eloi Planes, *Chief Executive officer*

Mr. Albert Collado, *Secretary*

Mr. Juan Ignacio Acha-Orbea, *Independent Director: Finance*

Mr. Gabriel López, *Independent Director: Audit*

Mr. Richard J. Cathcart, *Independent Director: US*

Mr. Jordi Constans, *Independent Director: Sales & Marketing*

Mr. Carles Ventura, *Director: Banc Sabadell*

Mr. Oscar Serra, *Director: Boyser*

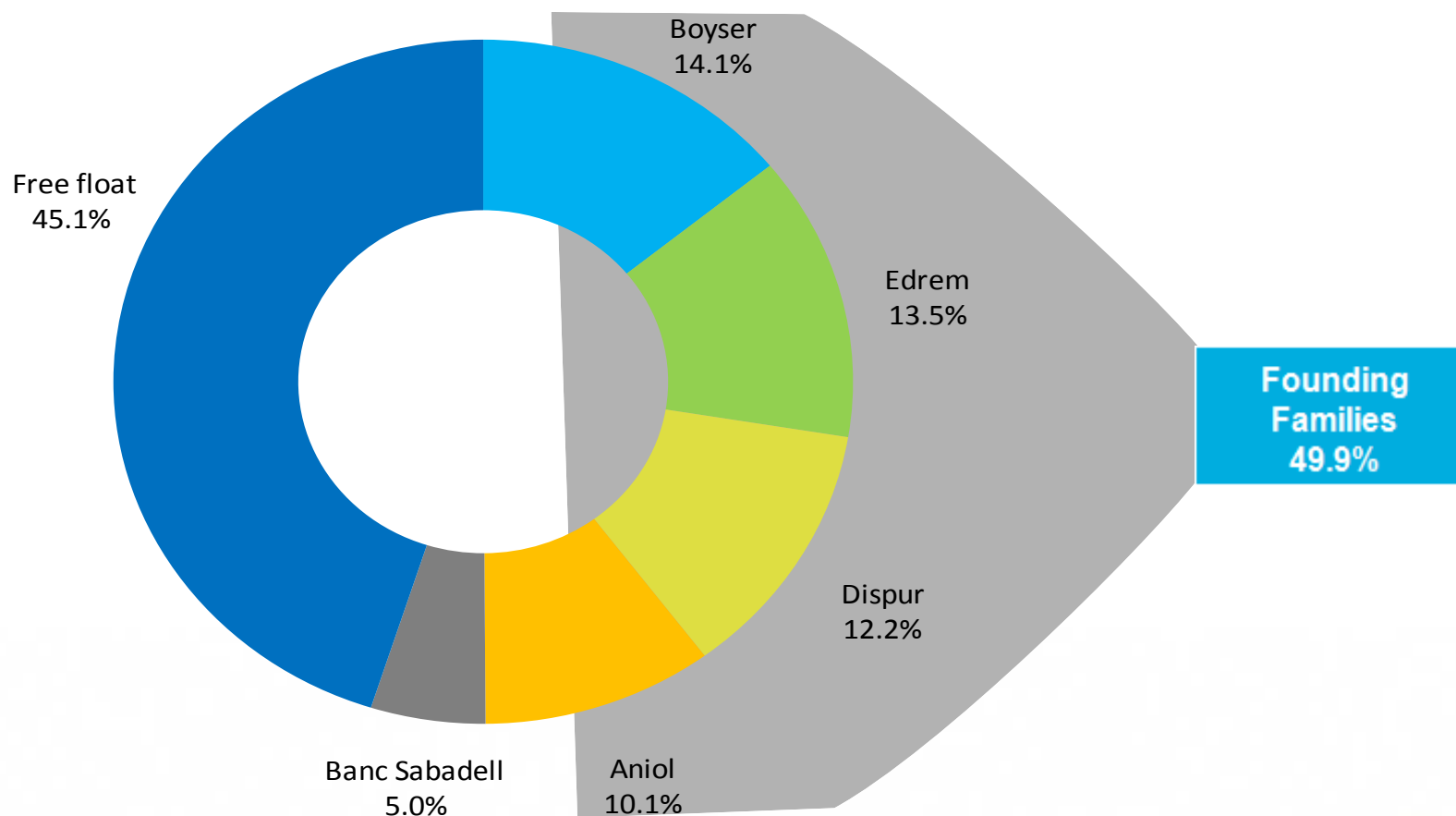
Mr. Bernat Corbera, *Director: Edrem*

Mr. Bernat Garrigós, *Director: Aniol*

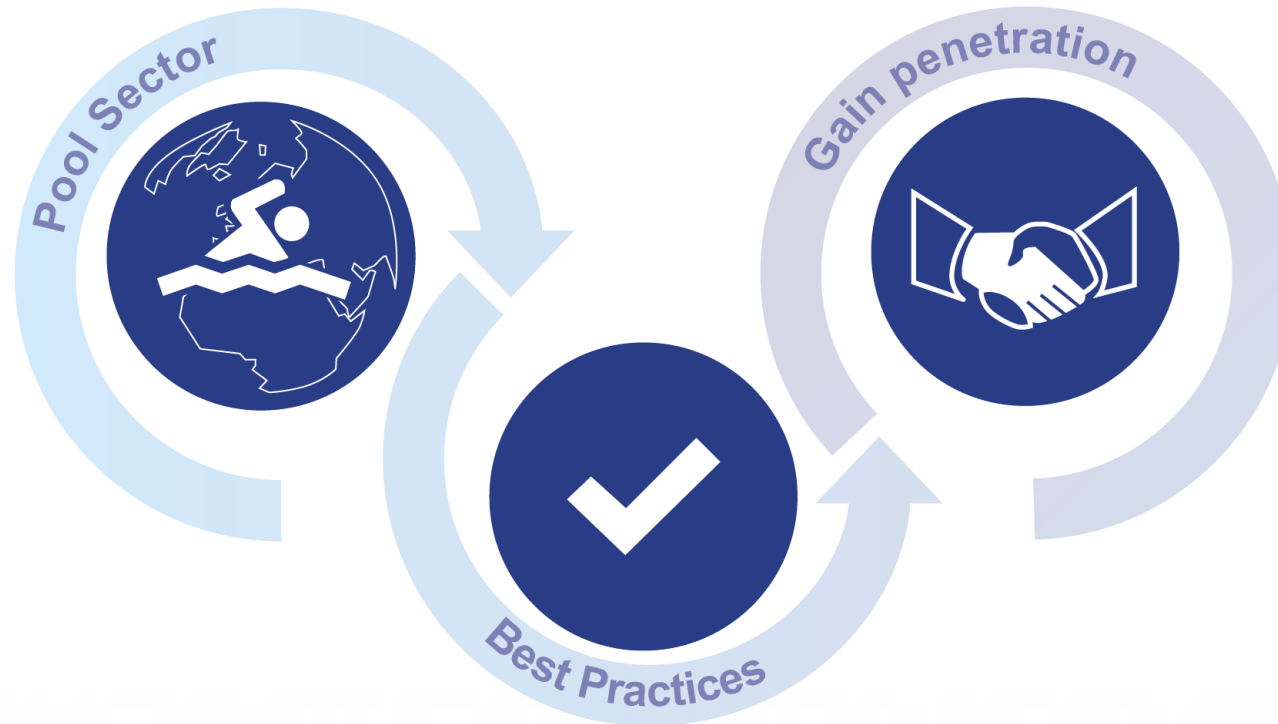


Shareholder Structure

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



Focus on profitable growth





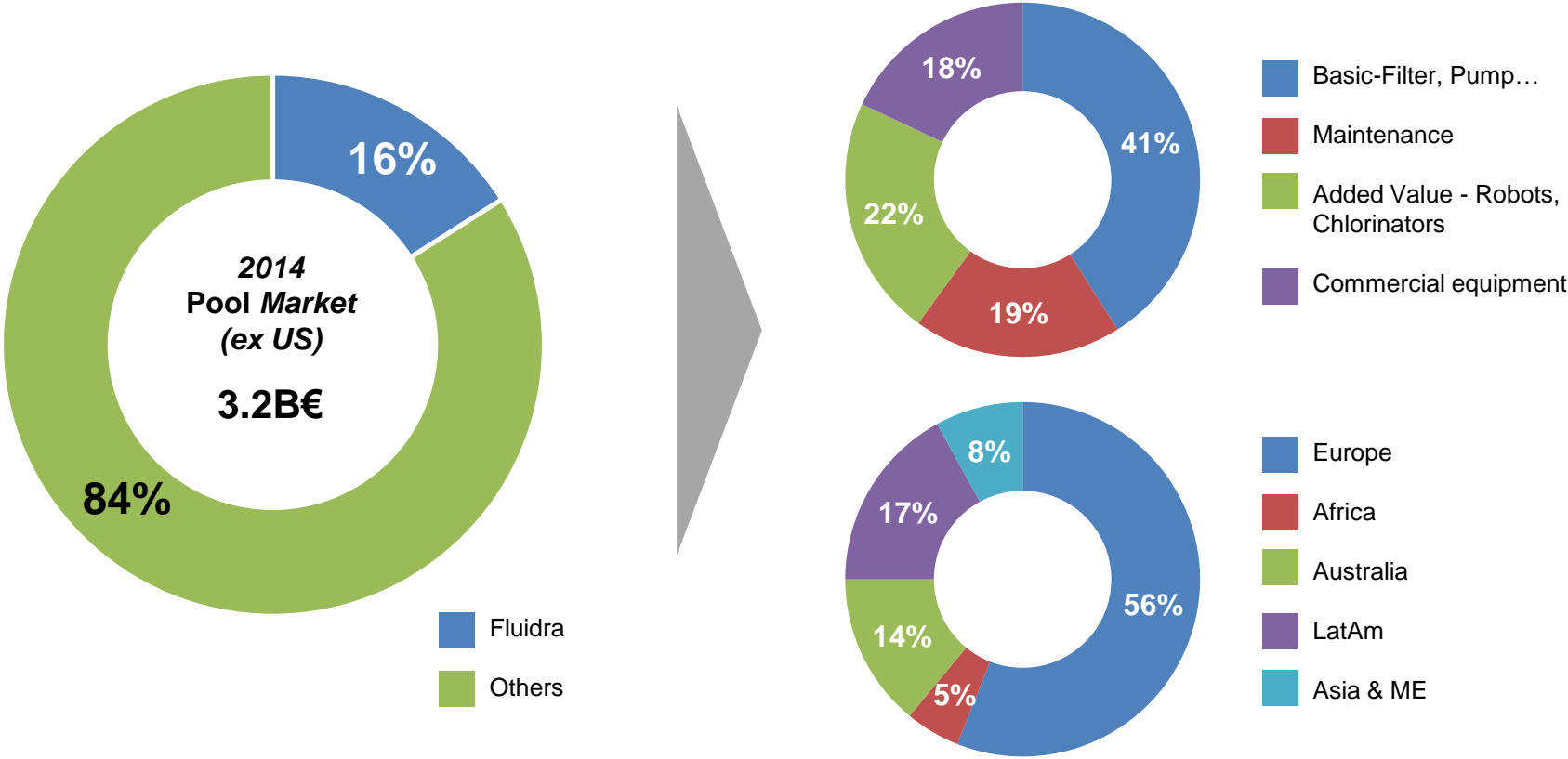
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Pool Sector



Market offers a significant opportunity...

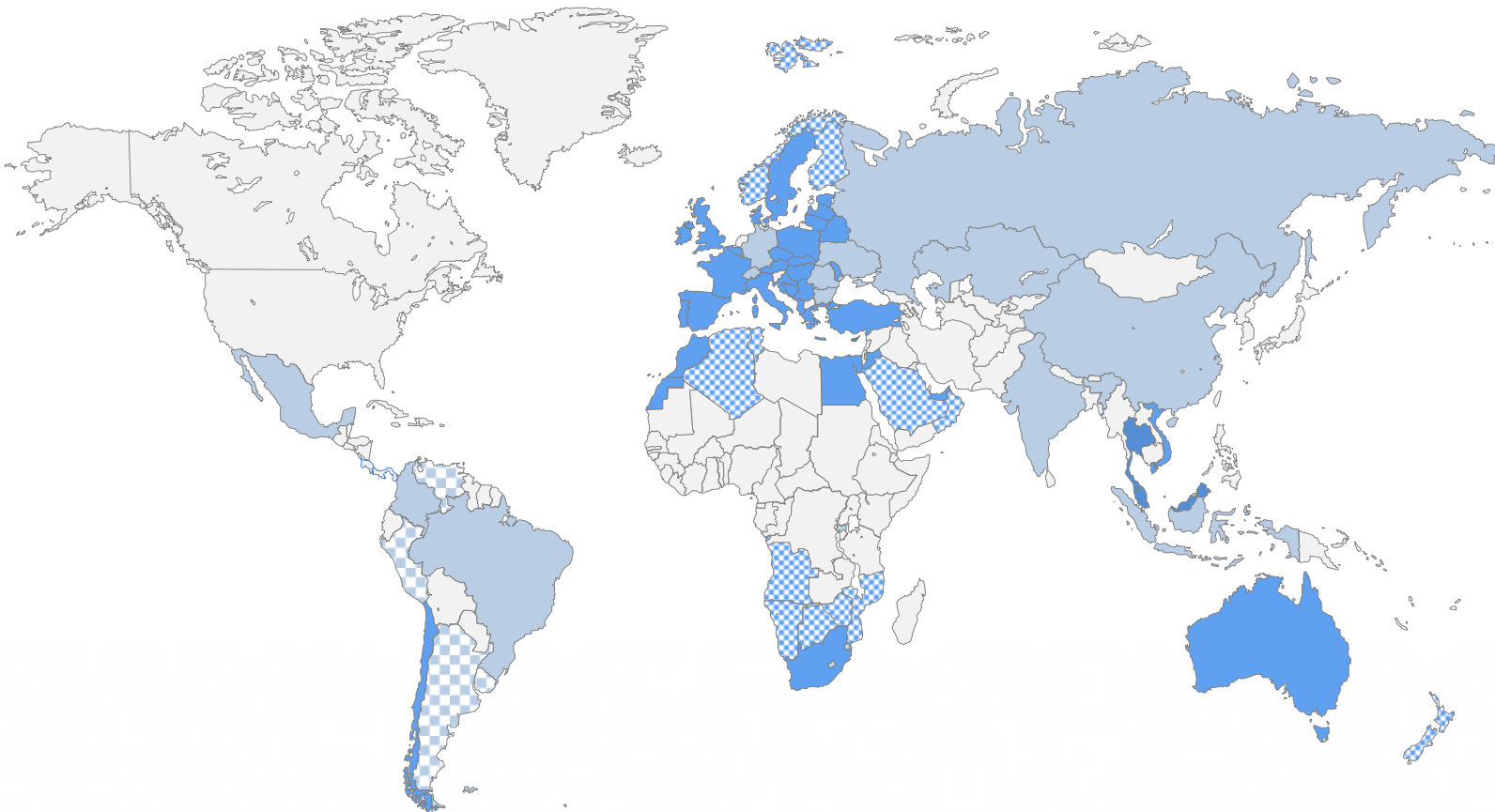
In terms of product and geographies







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...

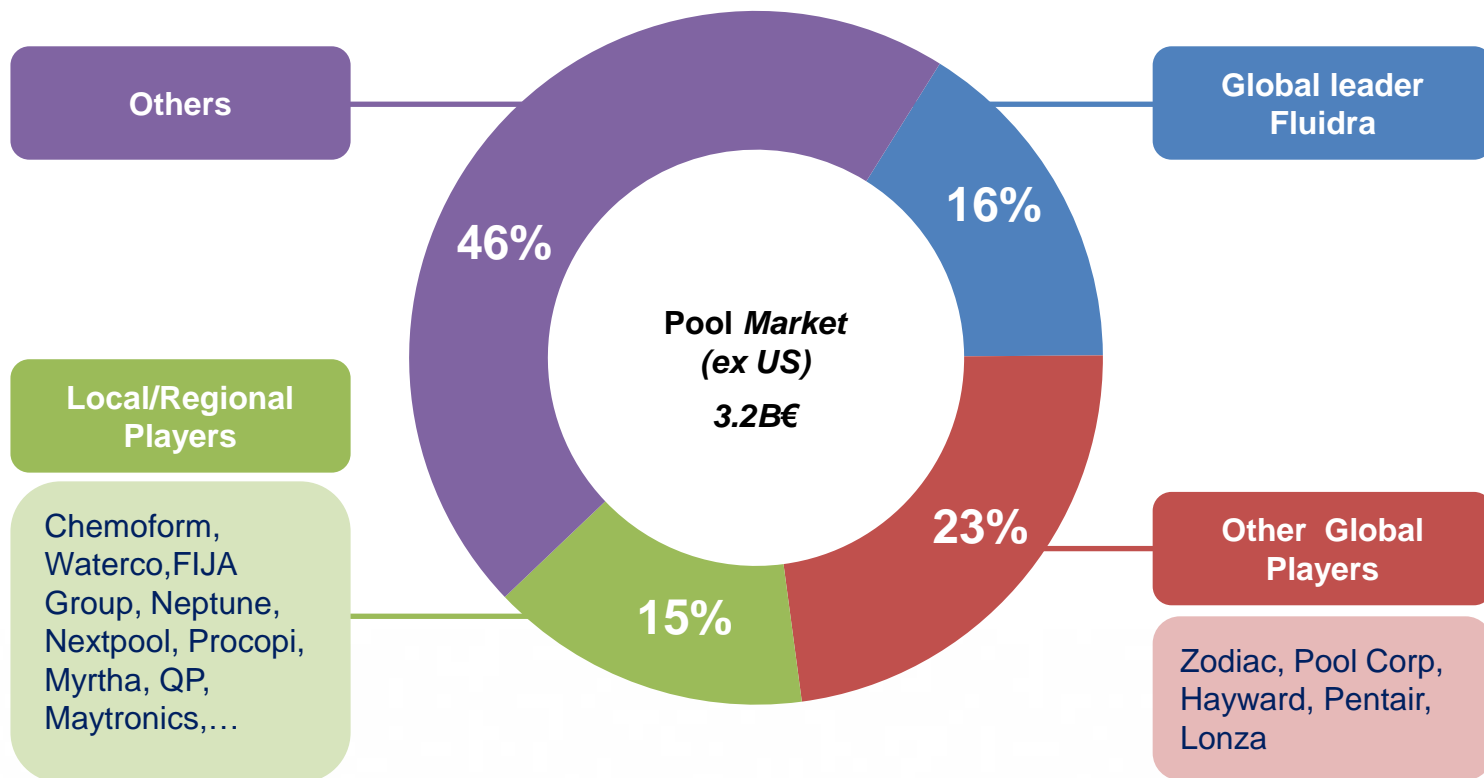


	No. of Countries	% of Global Pool Base
 Market Leader	31	40%
 Export Leader	12	1%
 Key Player	13	21%
 Export Player	4	5%

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



Competing with different players in every geography



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

A clear leader in innovation

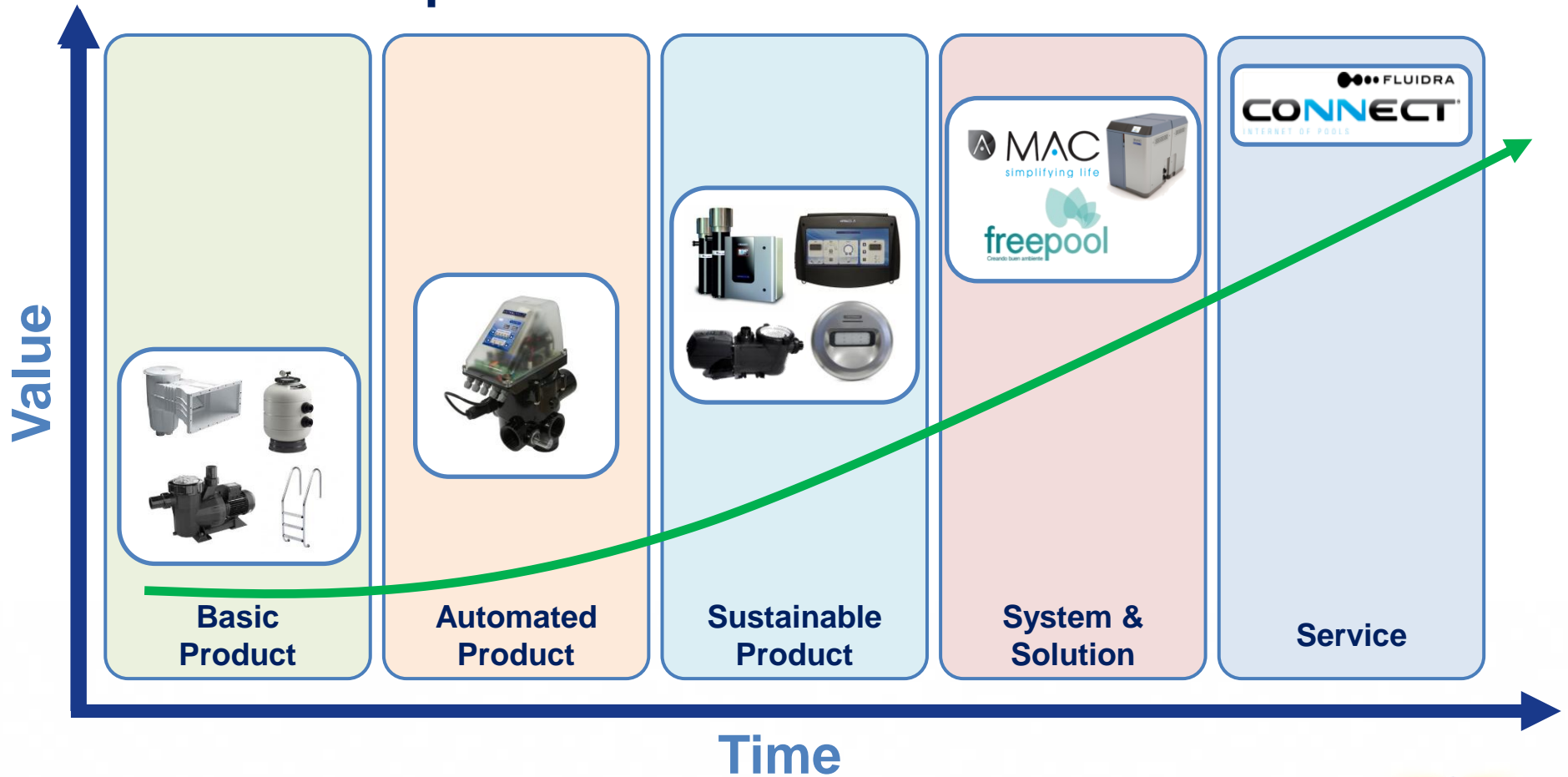
Multi-center & open R&D model



R&D Invested: 1,4% of sales
New Product Sales: 10% - 2015
15% - 2018

Delivering incremental value

From product to service and solutions



Fluidra Connect: the Internet of Pools

Potential for new revenue streams



The smart solution offering to the pool professional a complete online pool control, diagnosis and management.



Pool Professional

- 1. Expand Business
- 2. Gain efficiency
- 3. Increase customer loyalty

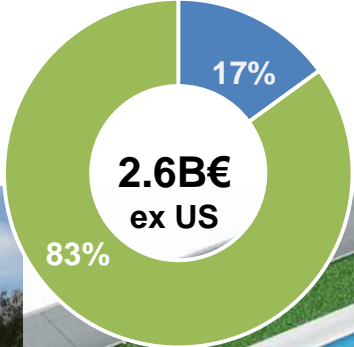


Pool owner

- 1. Peace of mind
- 2. Manage comfort features

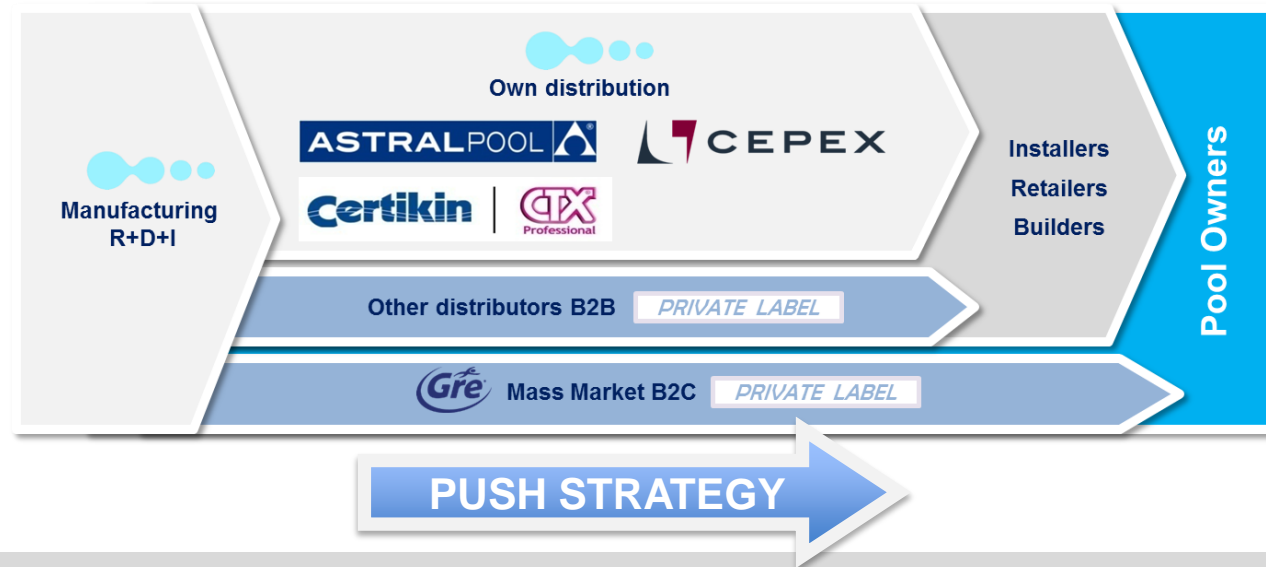


Residential Pool



A model that meets our customer needs

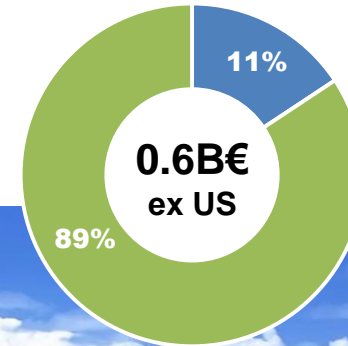
Excellent match of our model with industry success factors



KEY SUCCESS FACTORS

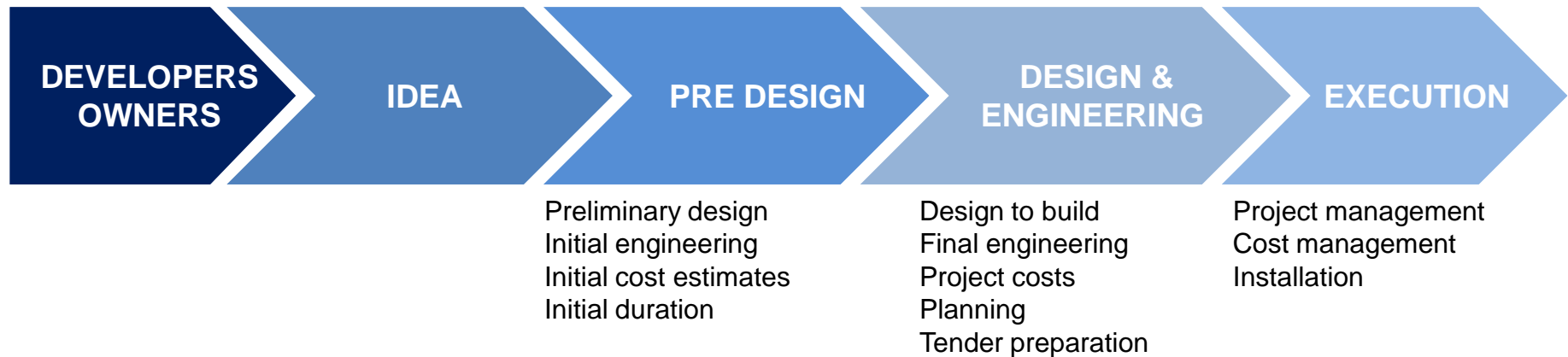
- One stop shop: pool, irrigation, fluid handling, water treatment.
- Technical support & training
- Availability in branch/on time delivery
- After sales service

Commercial Pool



Understanding decision making for commercial

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

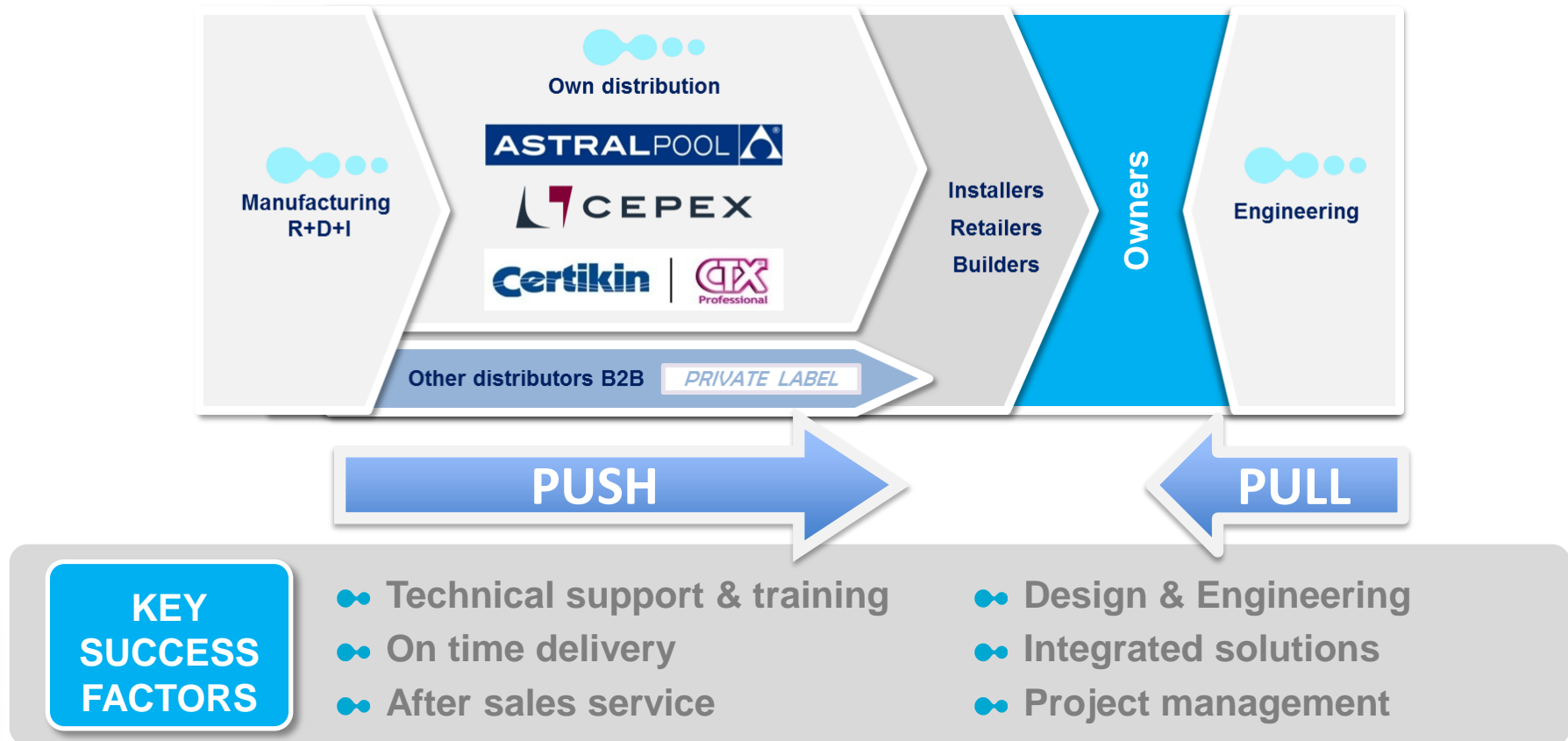


Provide **Engineering Services** to prescribe the use of **Fluidra** products as the **best solution** for **Commercial pool installations**



A model that delivers to our customer needs

Complete match of industry success factor and our model



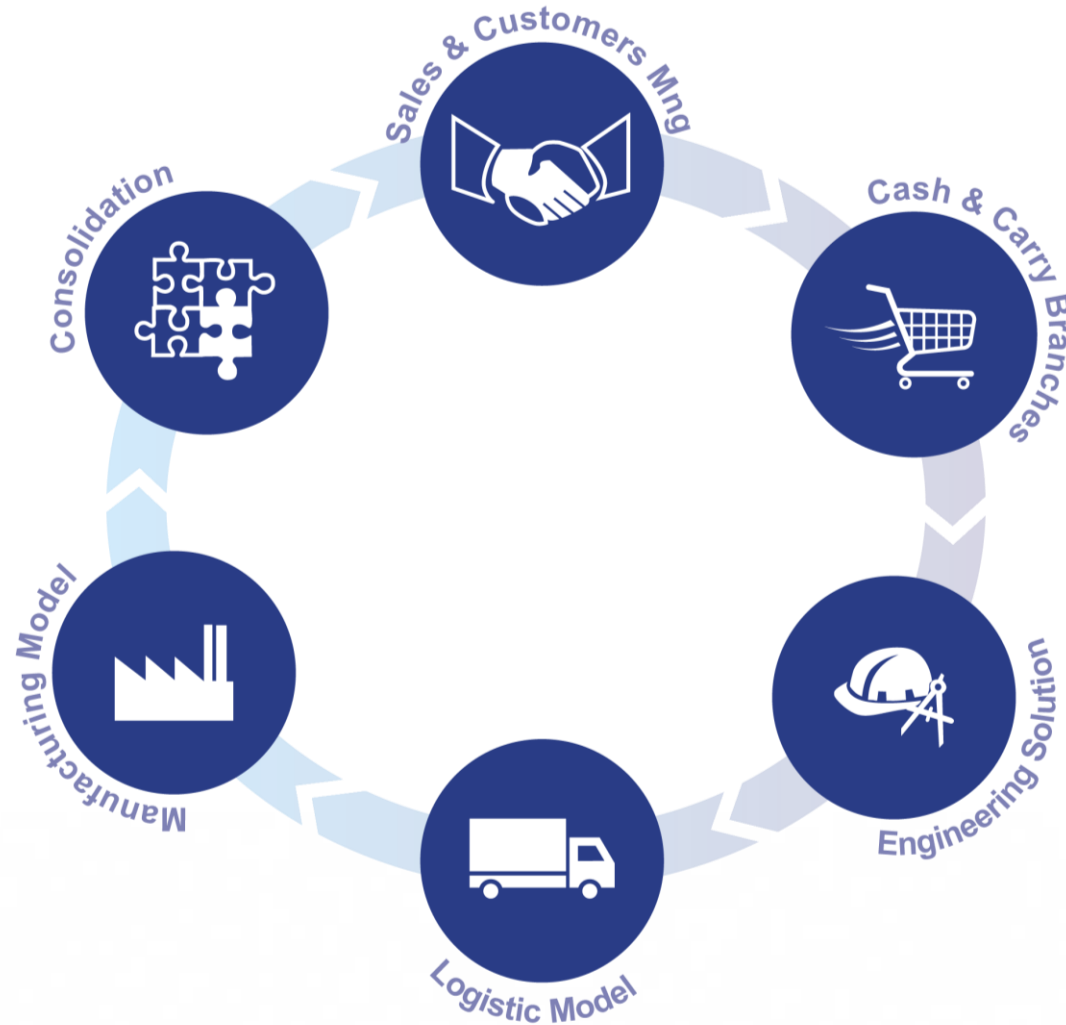


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Best practices for profitable growth



Proven & Efficient Best Practices

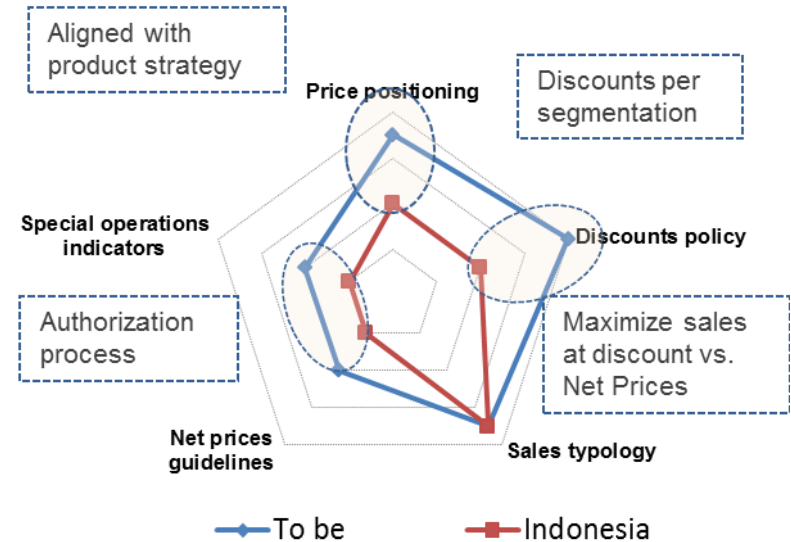


Sales & Customer Management



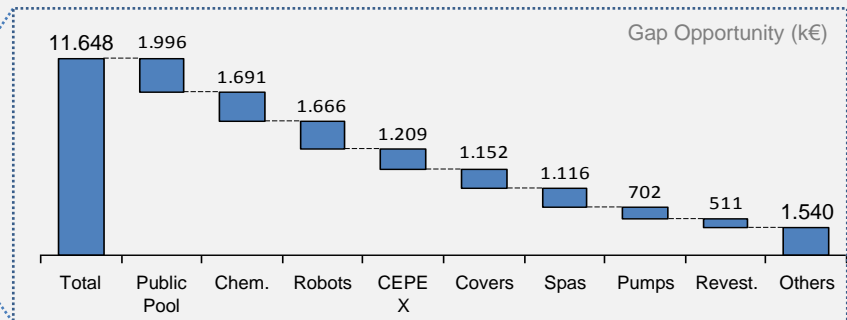
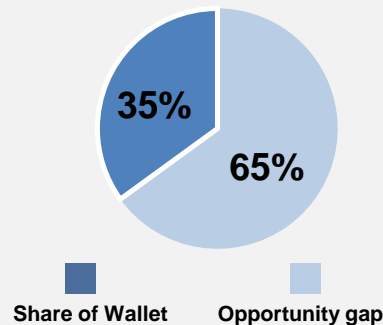
Set of practices to maximize sales impact:

- Professional **pricing** management by product and client segment
- **Sales Activity Management (SAM):** Understand in every client where we have **opportunities to grow** and how to attack them. Sales Reps or **Inside Sales** for smaller customers.



Sales Activity Management:

- 278 Customers Qualified
- Potential Turnover: 18M€

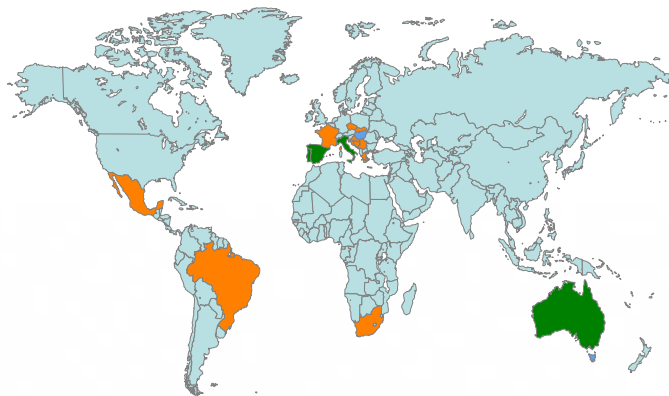


Cash & Carry Branch



From old distribution warehouse branch to cash and carry concept:

	Warehouse	Cash & Carry
Concept	Order & Wait	Self -service
Size	1.200-1.500m ²	600-800m ²
# SKU	9.000	1.500
Headcount	6-7	3-4
	Long waiting time	Brand awareness Cross – selling Promotion



Expand concept from 37 branches to 88 in next 3 years

Gain market share

Fluidra Engineering Solutions



...a model to serve commercial pool customers

A team of people focused on:

- *Developing pre-design and final design & engineering proposals.*
- *Developing integrated solutions.*
- *Project Management.*
- *Project Installation (if needed).*



From 35% of markets to 100% of markets covered.

**Integrated
Solutions for
Verticals**

Hotels
Wellness centers
Aquatic Parks
Aquariums
Gyms & Clubs



Logistic Model



Our model 2015-2018

Expand Fluidra Direct where possible opening Regional Distribution Center

Direct shipment from Regional Distribution Center to customer

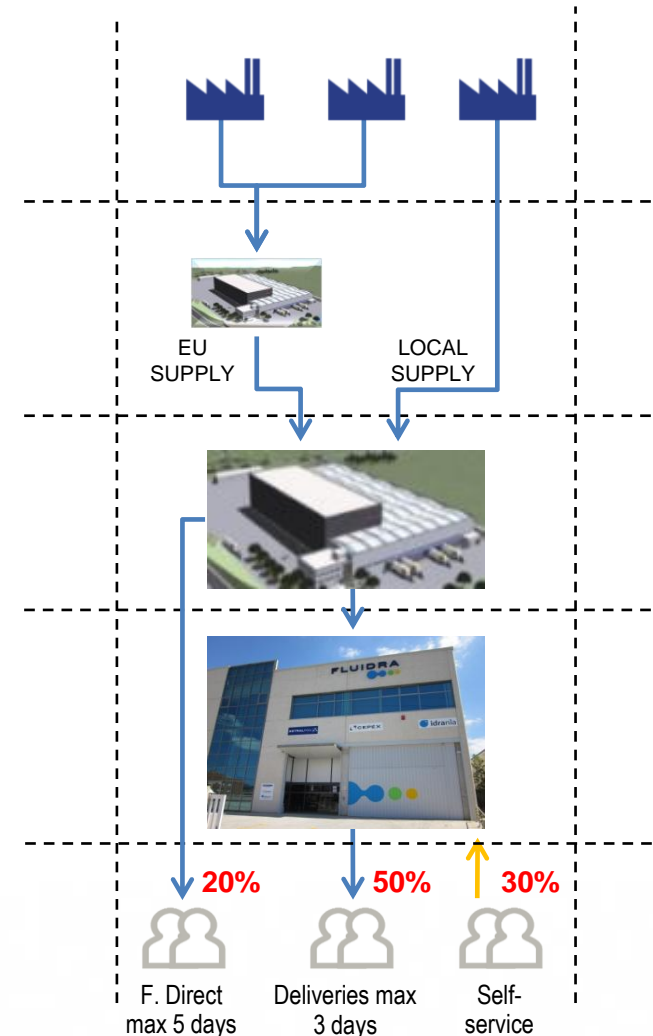
Maintains Country Traditional Branch

Cash& Carry where possible

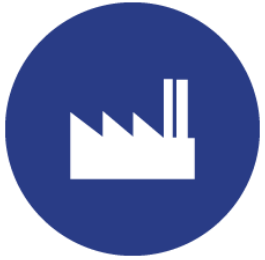
Next Distribution Centers:

- Australia 2016
- India 2016
- Central Europe 2017
- South Africa 2017

Maintain our focus on Service and Working Capital



Manufacturing Model



3 practices to maximize Efficiency expanding them worldwide:

Footprint consolidation

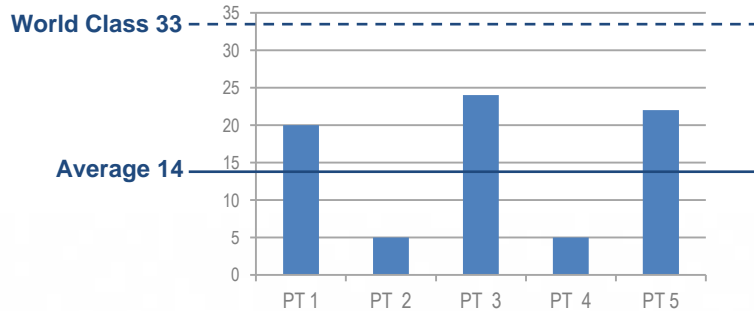
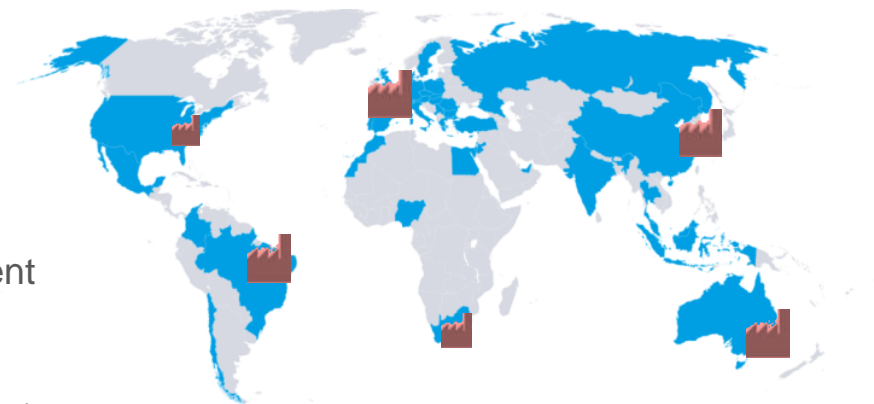
Product Category rationalization

Lean Manufacturing: Continuous improvement and total quality.

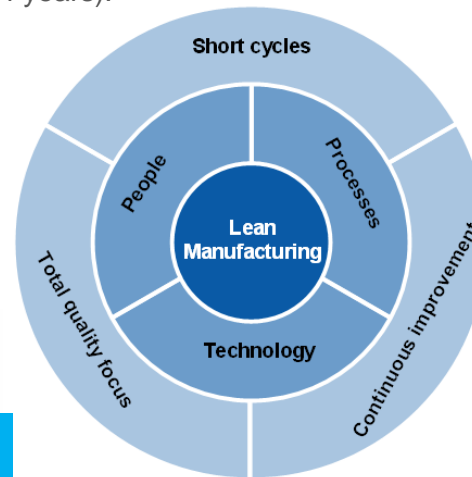
(Productivity from 2010: 2% annual in Europe)

(Quality: Claimed order lines from 1,5% to 1,1% in 4 years).

(From 39 to 21 plants in 5 years)



Gain productivity



Drivers for our manufacturing model:

- Product range
- Competitive cost
- Flexibility

Consolidator in a fragmented industry

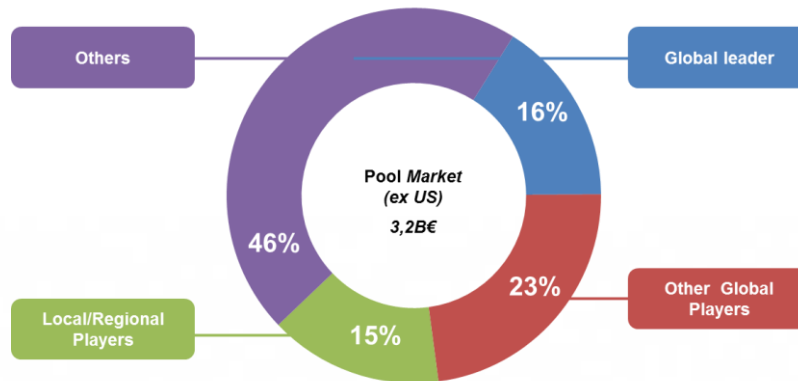


Fluidra has been the **consolidator** of the industry outside of the US since year 2000 with:

Technology: Salt chlorinators, Robots.

Distribution: Australia, Austria, Brazil, Indonesia, China, UK, Russia, South Africa.

Acquisition approach: Small size acquisitions of family run businesses with a risk/benefit sharing approach that fits well with our industry.









	Acquisition plan 2018
Sales size	1-35M€
Type	Distribution, [Technology]
Valuation criteria	Target ≤4X EBITDA in 3 years
Number	8-10
Inorganic growth %	2-4% per year
Geography	Europe, LatAm, Asia

Gain market share



Roadmap for 2018: best practices

	2015	2018
 Sales & Customer Mng (Number of countries implemented)	5 countries	25 countries
 Cash & Carry (C&C over total branches)	37	88
 Engineering Solutions (% regions implementing)	35%	100%
 Logistic Model (% perfect delivery)	84%	95%
 Manufacturing Model (Level of excellence)	14 over 33	22 over 33
 Consolidator (Acquisitions)		8-10



4

Gain penetration: Geographical markets



Geographical Markets

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

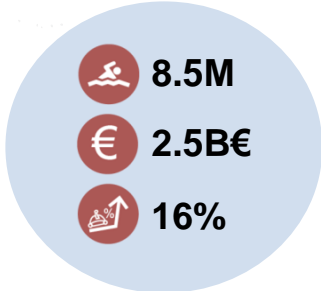
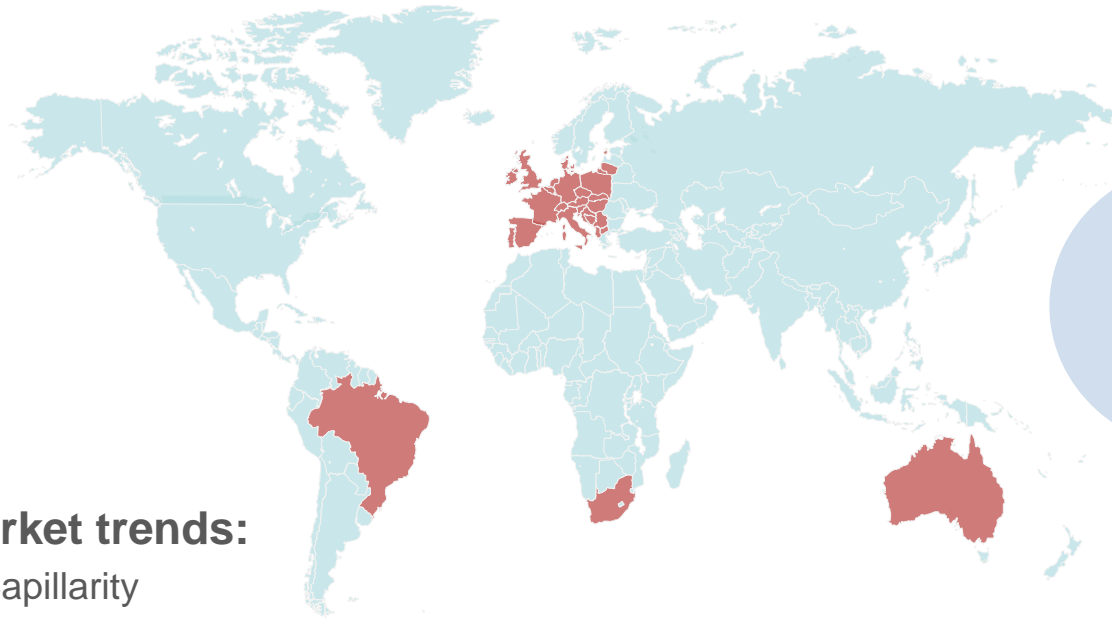
USA: Robotic cleaner niche strategy



- 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: 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 and Australia

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

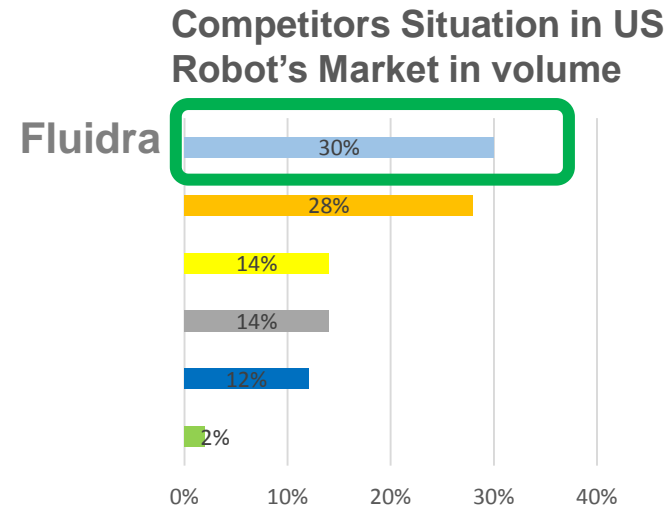


USA: Niche strategy - Robotic cleaners market



- Market size 2014 estimated in **65 M€**
- **Only 10% penetration of robots per installed pool.**
Expected to grow in coming years.

US Robot's Market in units		
2014 Segments	Market % segment	Fluidra market share
Entry-mid	53%	59%
Mid- high	47%	12%
Total	100%	34%



Our opportunity is to consolidate our predominant position in entry-mid and gain market share in mid-high segment.



USA: Robotic cleaner strategy



Continue introducing new products from Israel to the mid-high segment.



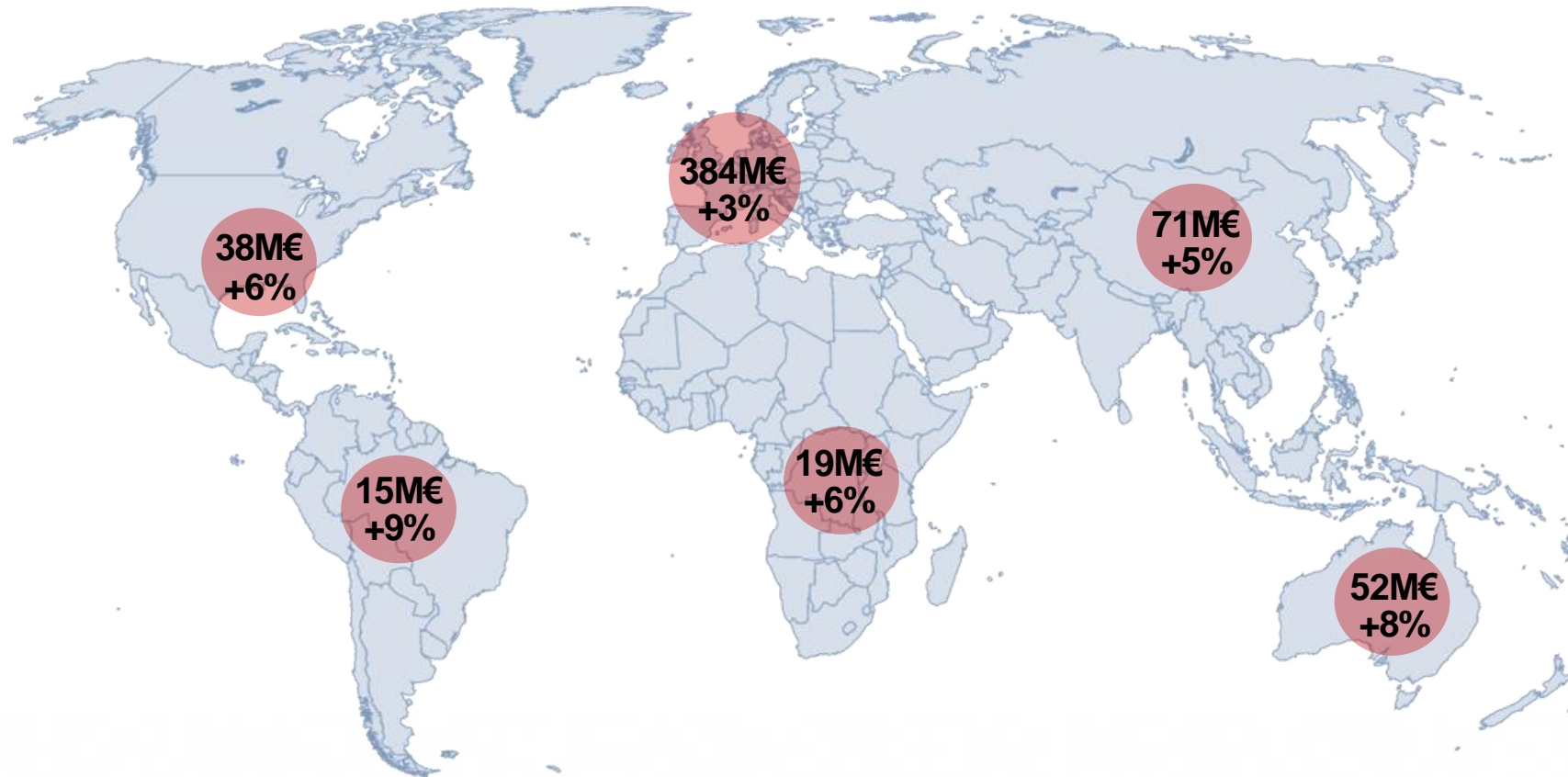
Implement Fluidra's best practices to reinforce our sales activity in the country.



Be the leader in all segments



Organic growth expected in all continents



Global organic growth will be around 4-7% annually

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



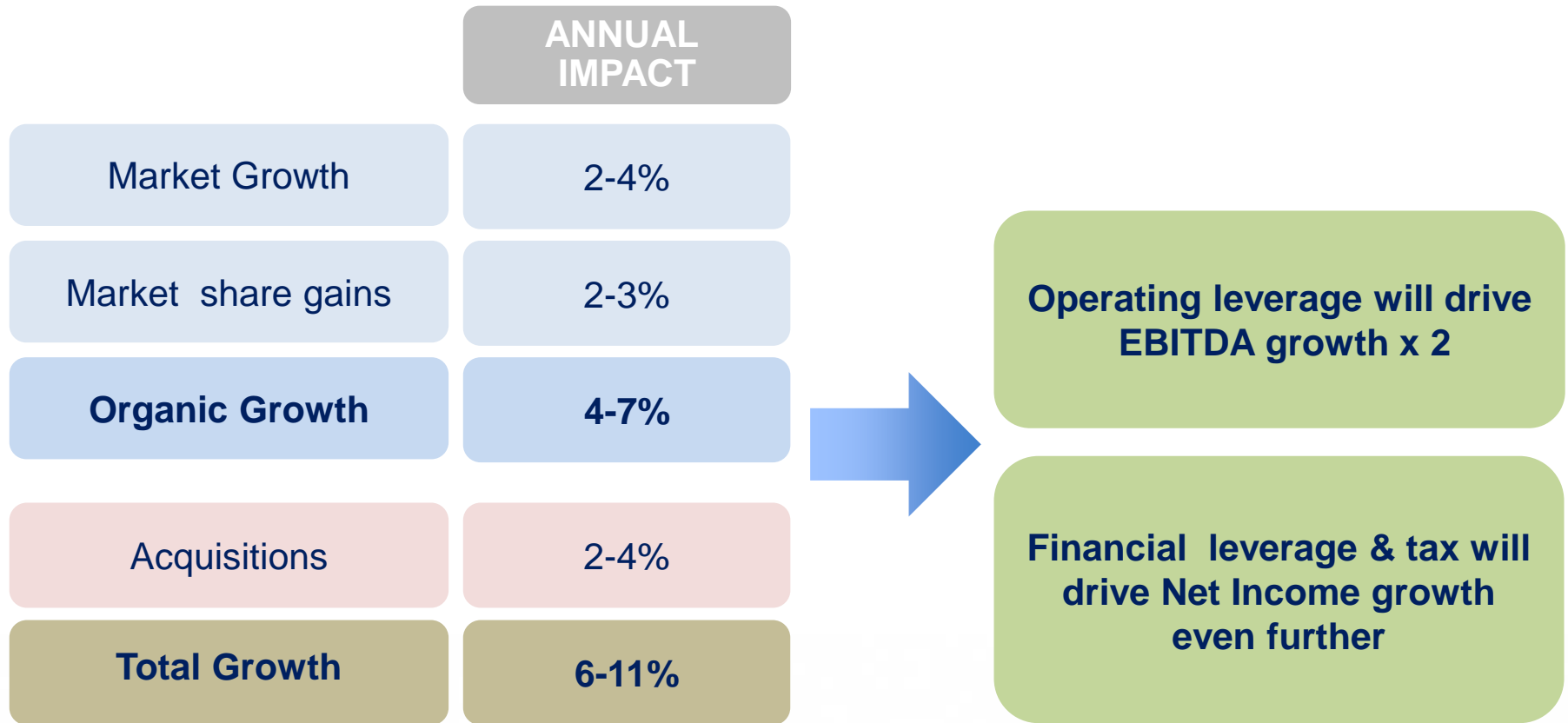


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Financial outlook & Closing



Accelerated growth & operating leverage



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

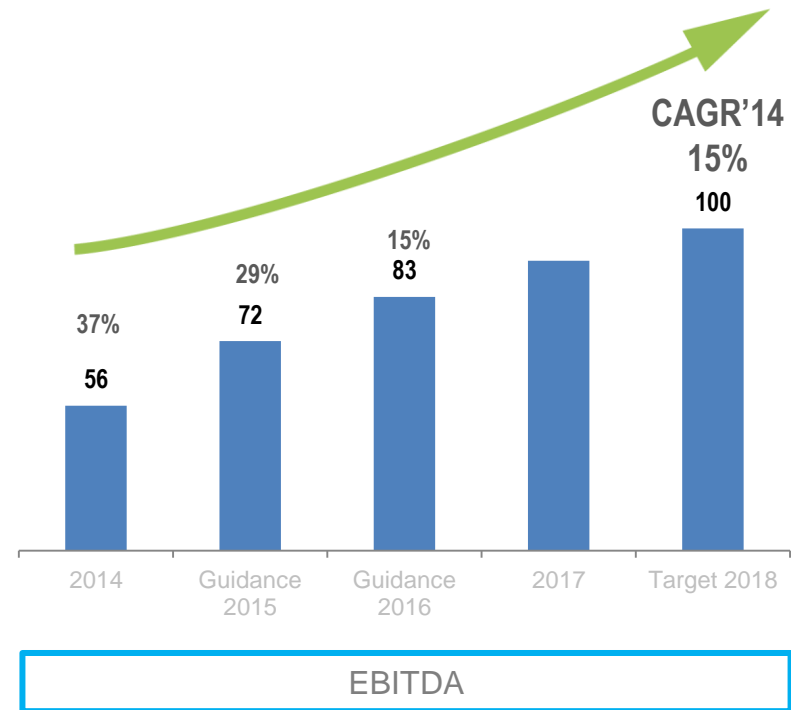
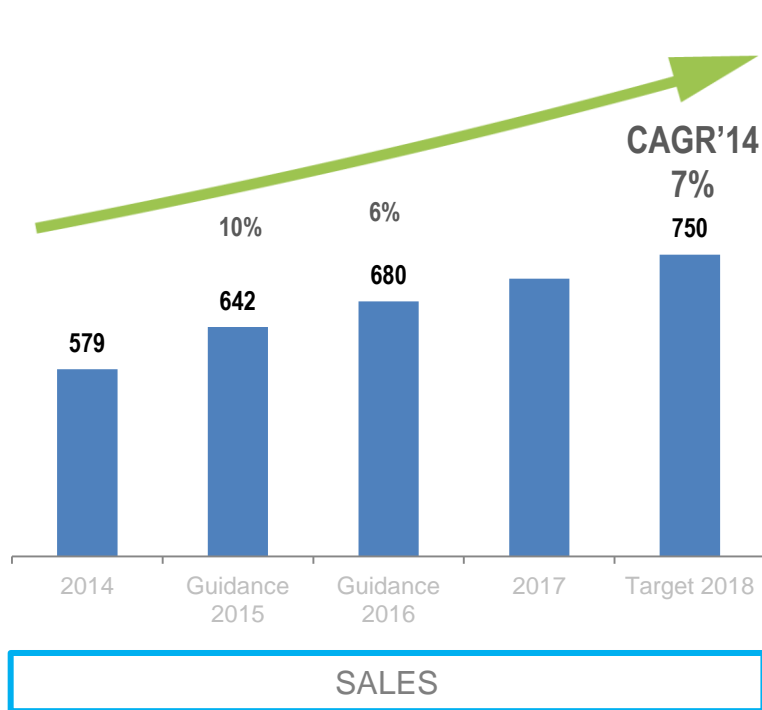
Clear uses of Cash

	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€

Are we on the right track for 2018?

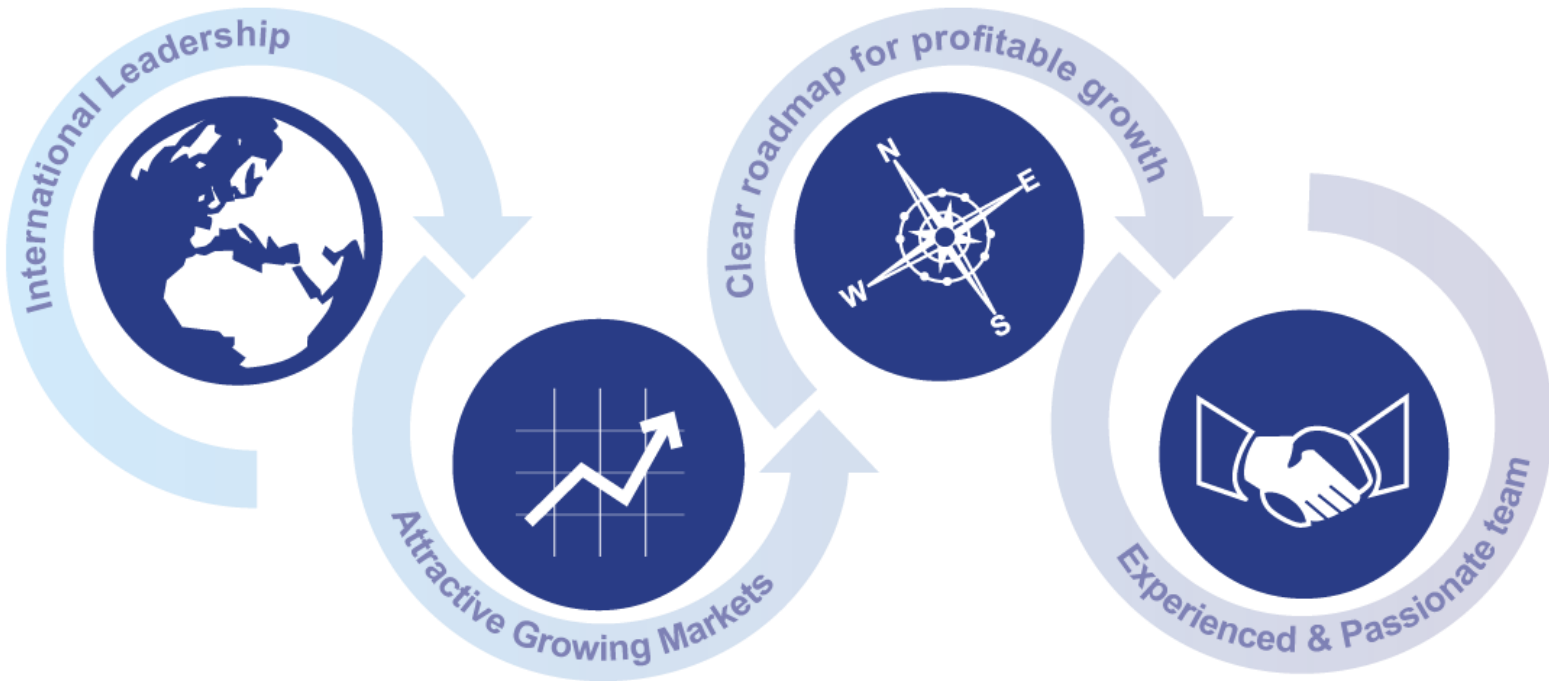


The evolution of 2015 and preliminary guidance for 2016 show that we are on the path to achieving targets

Note: 2014 adjusted for divestitures and extraordinary expenses



In summary: Why Fluidra?



...with an attractive valuation

**STRATEGIC
PLAN 2018**

ROAD MAP TO 2020



THANK YOU

FLUIDRA
