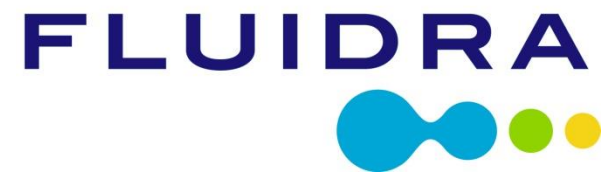


March 2014

MAKING  
WATER  
PERFORM



# Disclaimer

This document is for information only and does not constitute an offer to sell, exchange or buy, or an invitation to make offers to buy, securities issued by any of the companies mentioned. This financial information has been prepared in accordance with International Financial Reporting Standards (IFRS), however, not being audited information is not definitive information and may be modified in the future.

No representation or warranty is given by Fluidra S.A. as to the accuracy, completeness or fairness or any information contained in this document and nothing in this report should be relied upon as a promise or representation as to the past, current situation or future of the company and its group

The information contained in this document may contain statements regarding intentions, expectations or future prospects. All statements, other than those based on historical fact are forward-looking statements, including, without limitation, those regarding our financial position, business strategy, management plans and objectives for future operations. Such forward-looking statements are affected, as such, by risks and uncertainties that could cause what happens in reality does not correspond with them.

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.

In any case, Fluidra Group provides information on these and other factors that may affect forward-looking statements, business and financial results of the Company, in documents filed with the Comisión Nacional del Mercado de Valores of Spain. We invite all interested persons or entities to consult those documents.

# Table of Contents

1. Fluidra at a glance
2. Shareholder Structure
3. Business Model
4. Financial Performance
5. Strategy and Investment Highlights

# 1. Fluidra at a glance

# Fluidra at a Glance

## Strong Financial Performance

- 2013 Sales: €592.7M (-5.7%)
- 2013 EBITDA: €47.7M (-33.9%); normalized Ebitda: €61.3M)
- 2013 Net Debt: €186.8m (+3.4%)

## 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 41 countries through 125 branches
- 80% of revenues generated outside of Spain and 31% outside Europe

## Customers & Products

- Over 39,000 clients worldwide
- Over 20,000 product references

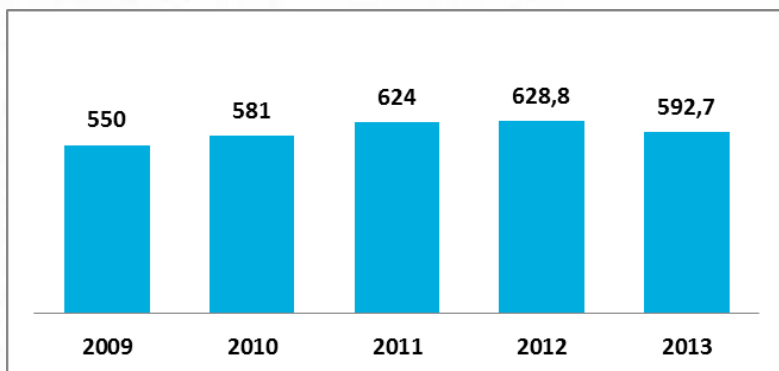
## Stock Information

- Listed in the Spanish Stock Exchange
- BOD: 4 founding families 49.9% and Banc Sabadell 9.7%
- Free float: 32.4%

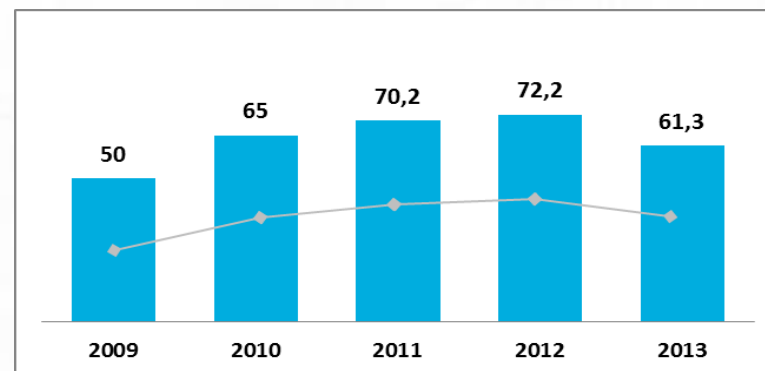
# Summary Financials

- 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

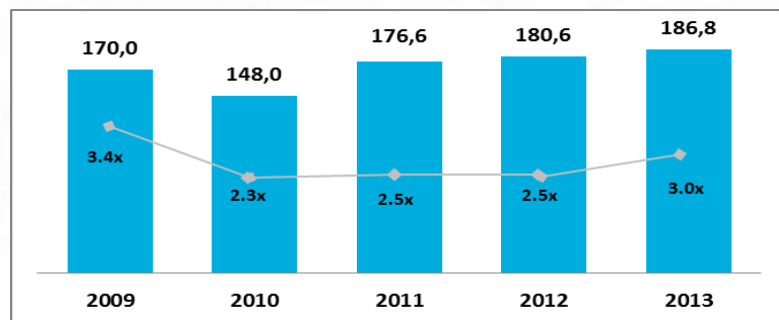
Sales (€m)



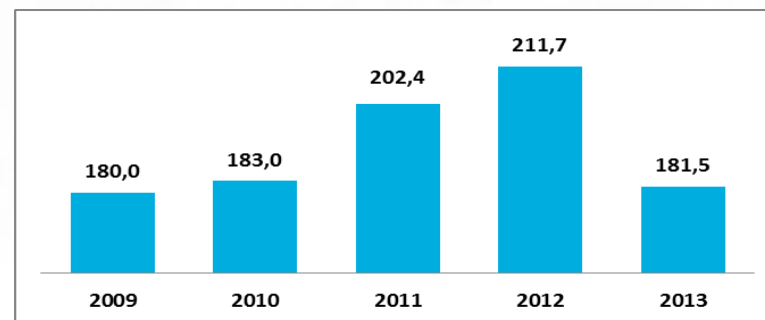
EBITDA (€m) & EBITDA Margin



Net Debt (€m) & Net Debt/EBITDA



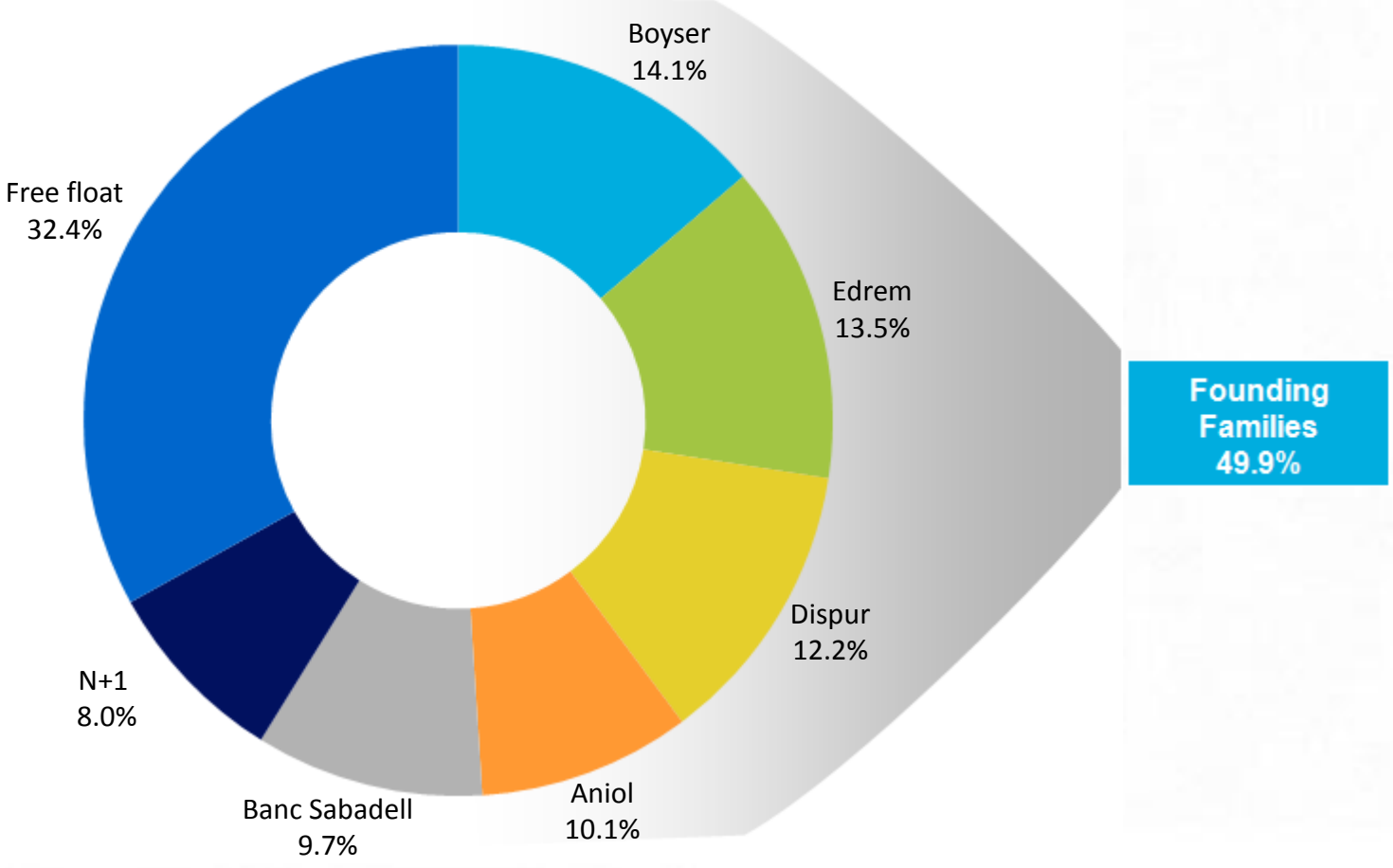
Working Capital (€m)



# 2. Shareholder Structure

# Shareholder Structure

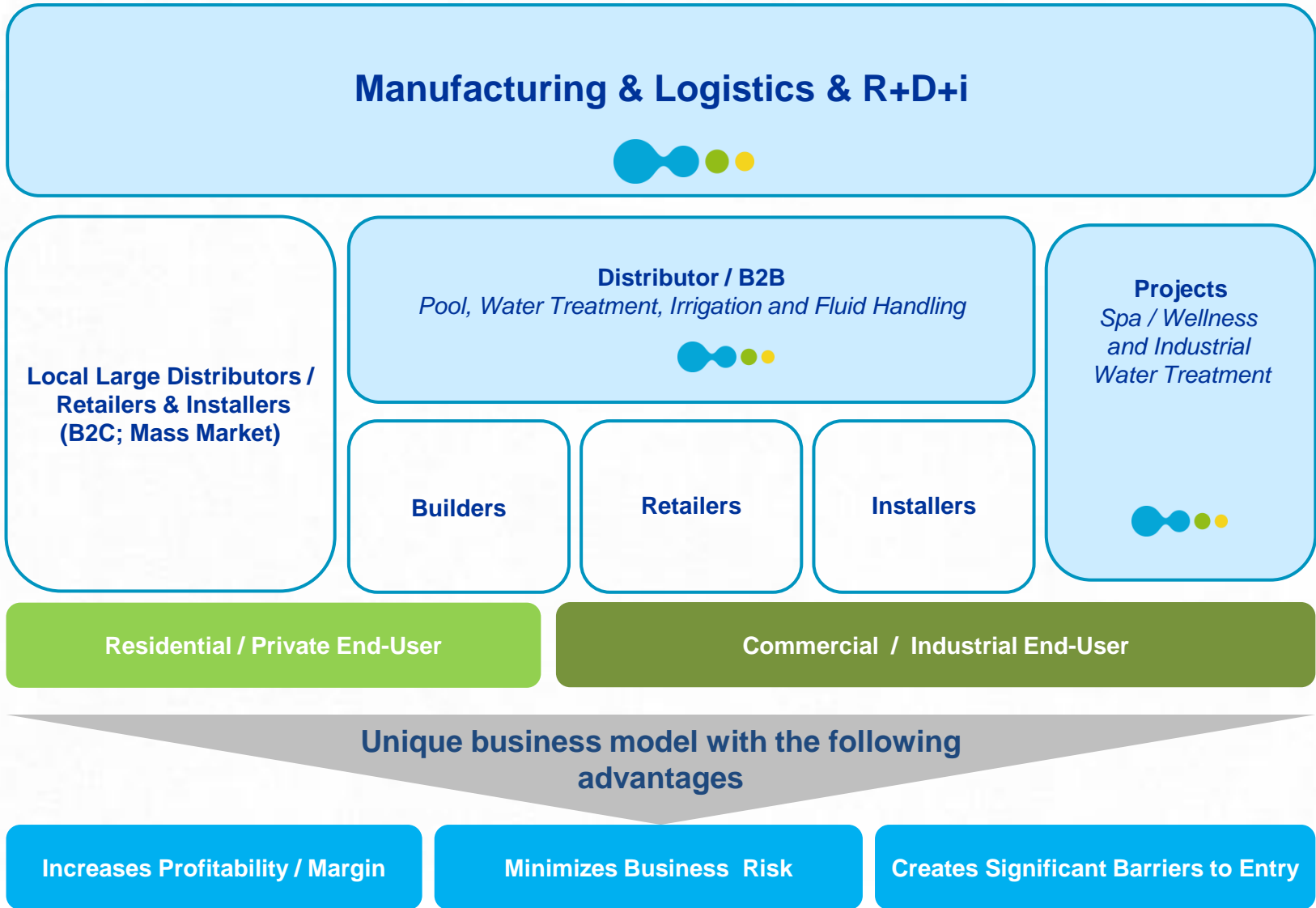
• The renewal of the shareholders' agreement by the founding families and Banc Sabadell reflects their confidence in Fluidra's growth strategy and in its future projects.



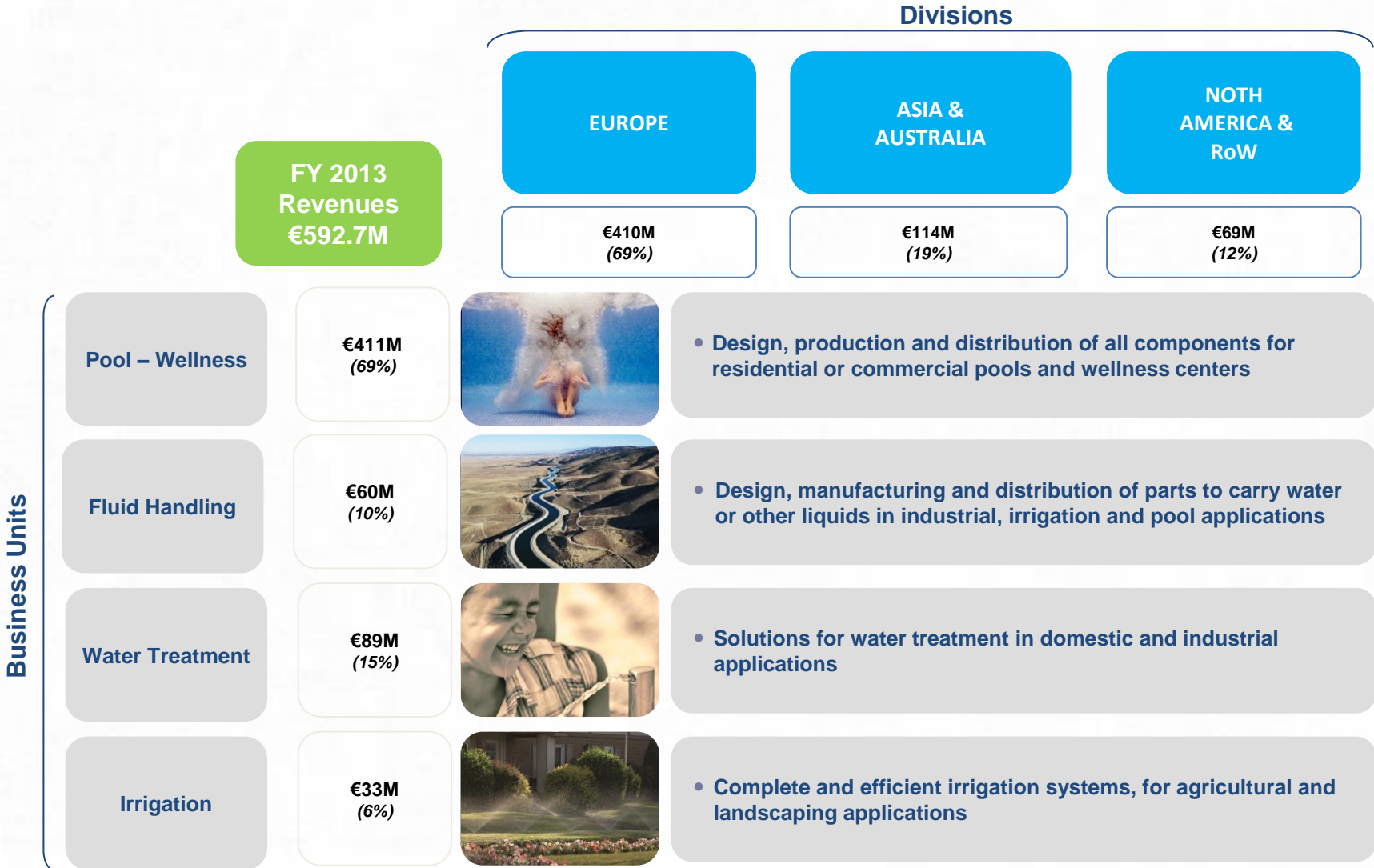


# 3. Business Model

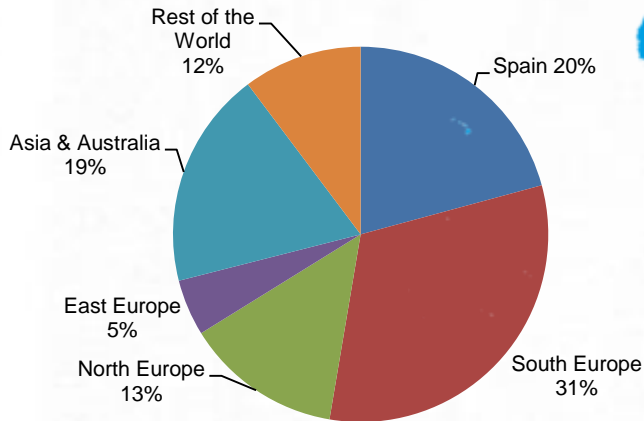
# Fluidra in the Business Value Chain: an integrated model



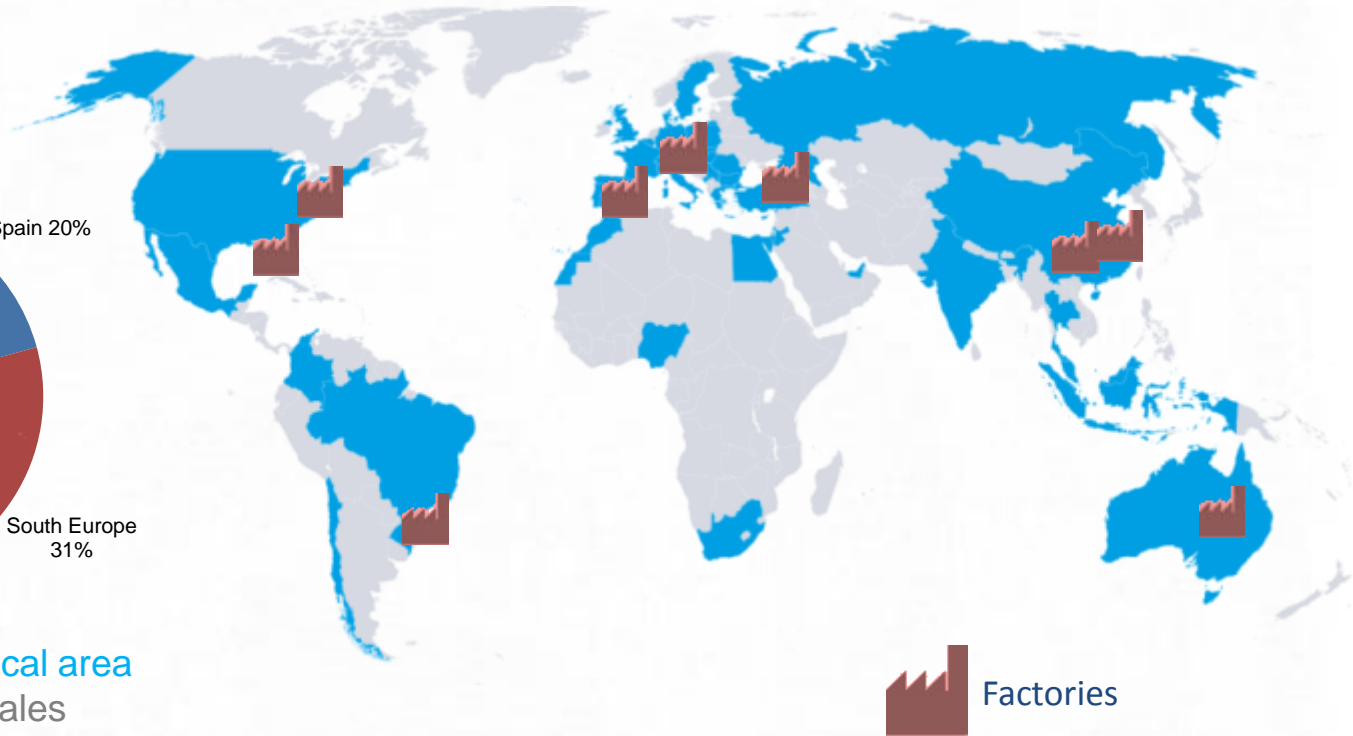
# Overview of Divisions and Business Units



# Distribution Network



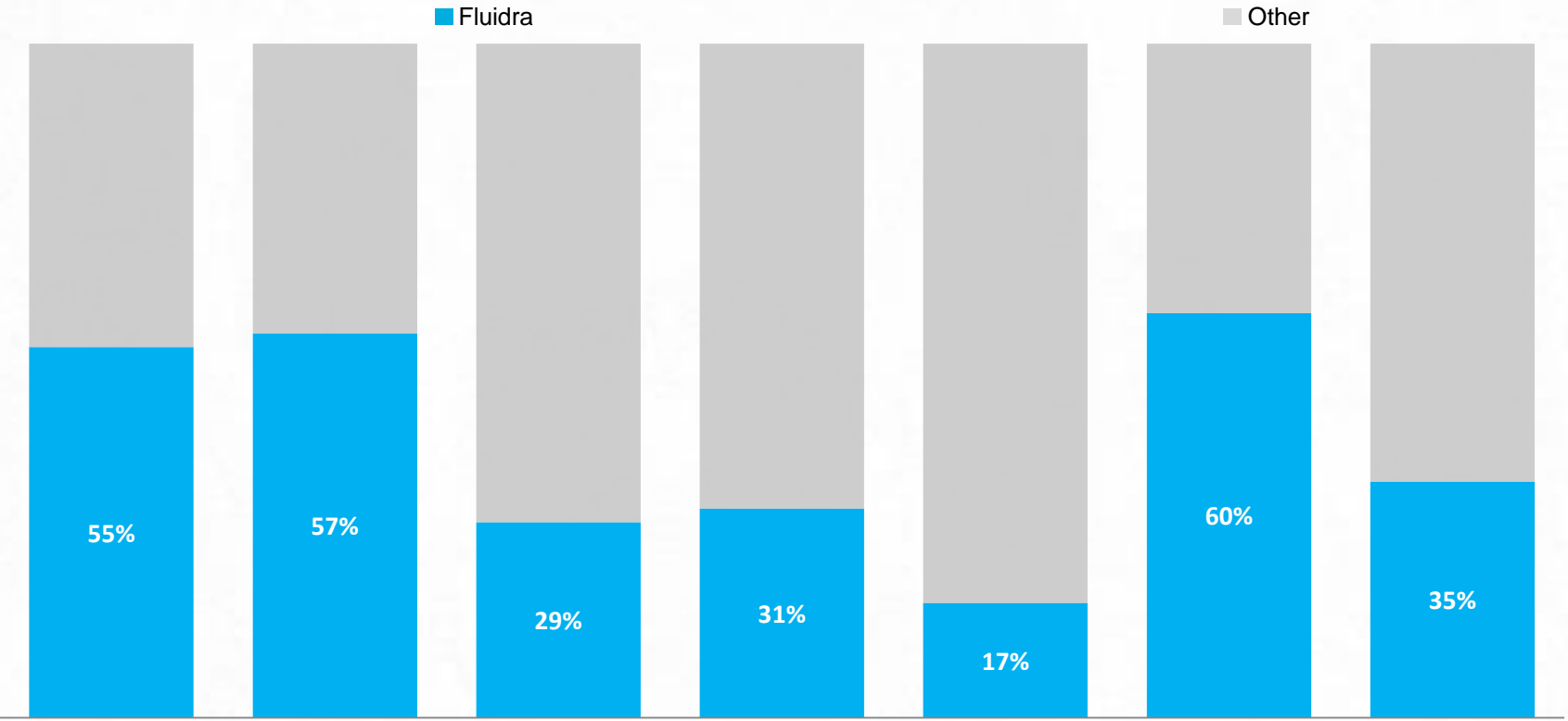
Sales by geographical area  
80% international sales



125 branches in 41 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, Malasia, Marruecos, México, Montenegro, Nigeria, Polonia, Portugal, Reino Unido, República Checa, Rumanía, Rusia, Serbia, Singapur, Sudáfrica, Suecia, Suiza, Tailandia y Turquía.

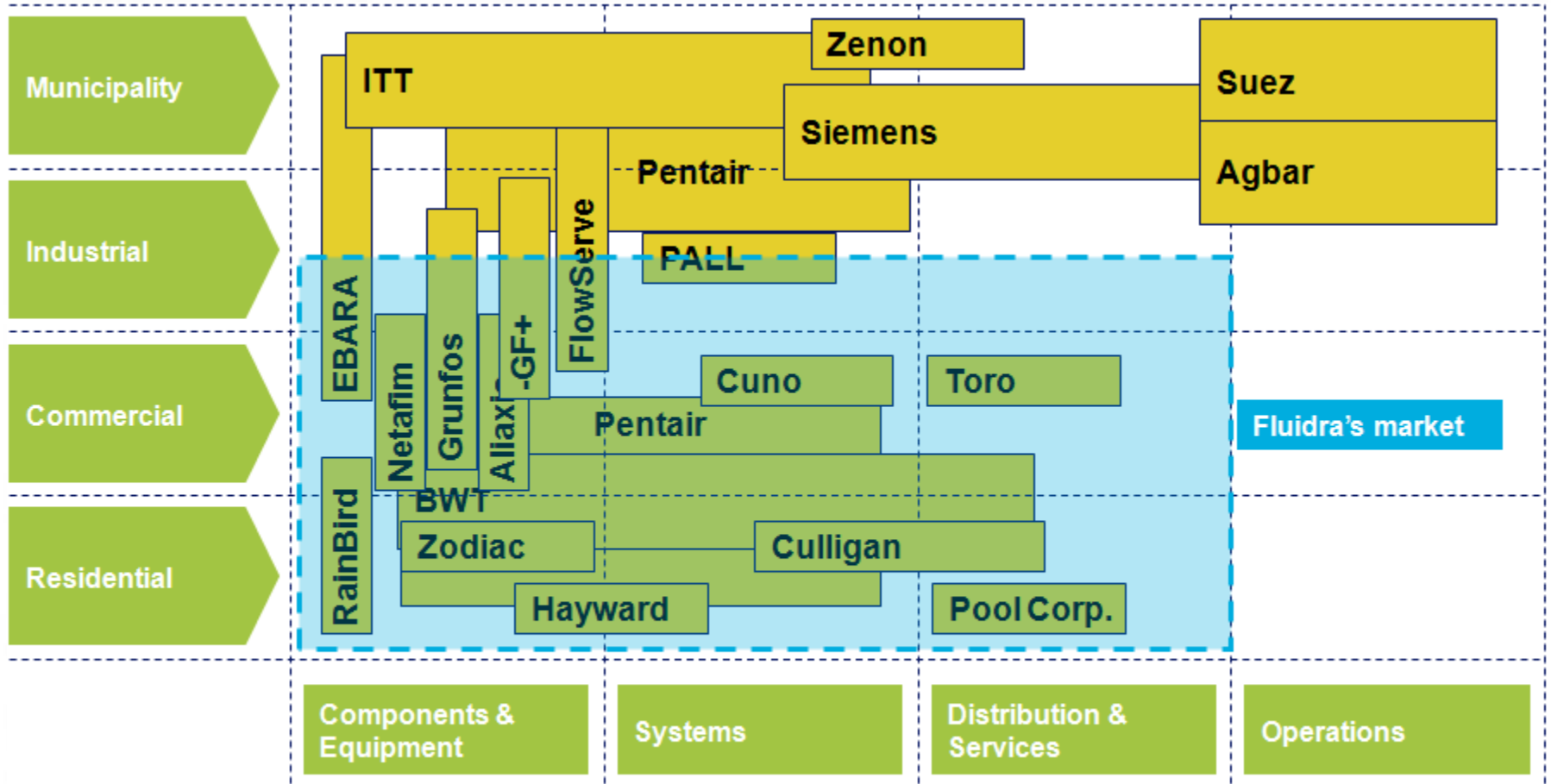
# Internationally recognized leadership on Pools

Some examples on Country Market Share (%) on Pool activity



<p>Market Position</p>	Spain	Portugal	France	UK	Italy	Middle East	Australia
	#1	#1	#1	#1	#1	#1	#1

# Fluidra's Positioning in the Water Business



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

# 4. Financial Performance

# 2013 Results - Summary

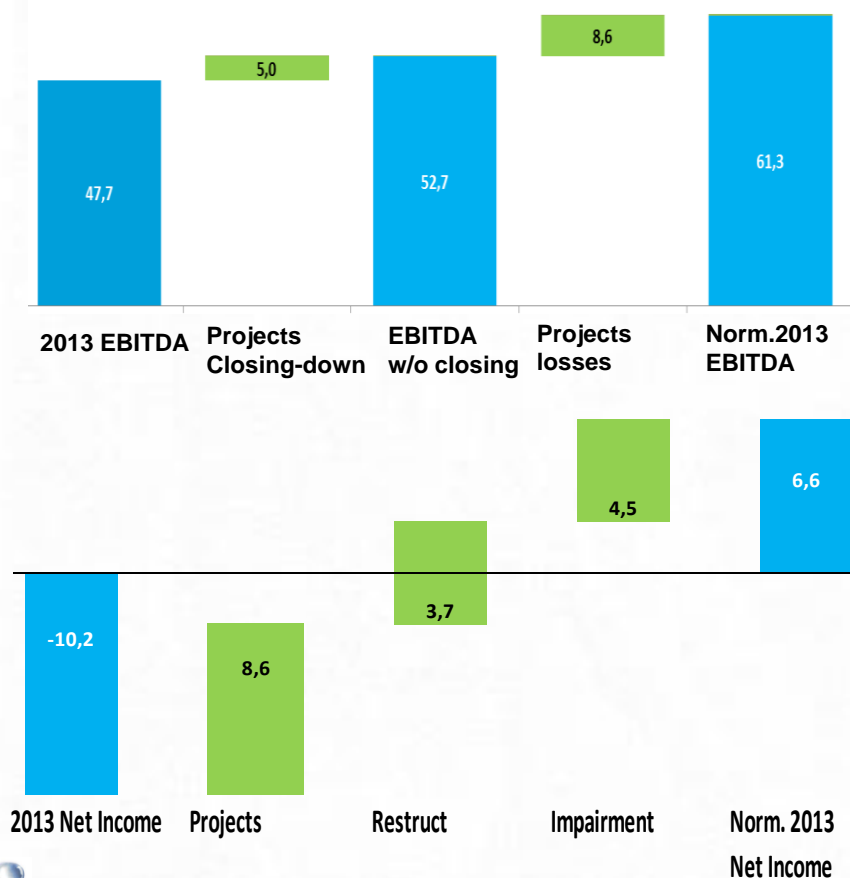
	Main Magnitudes		
	2012	2013	Evol.
€M			
Sales	628,8	592,7	-5,7%
EBITDA	72,2	47,7	-33,9%
Net Income	14,5	-10,2	-170,6%
Net Working Capital	200,8	181,6	-9,6%
Free Cash Flow post acquisitions	28,7	17,1	-11,6
Net Financial Debt	180,6	186,8	3,4%

- Sales: 2013 evolution is clearly impacted by FX (2.1%), Projects (1.4%) and economic situation and bad weather conditions at the beginning of the season.
- EBITDA includes the impact of the points mentioned above, plus the closing down costs of Projects.
- Net Income: in addition to the above mentioned it is affected by restructuring costs, goodwill impairment and closing-down of Projects.
- Lower generation of Free Cash Flow by P&L is partly compensated by good evolution of Working Capital, situating Net Financial Debt at 186,8 MEuros despite payments to Veico and Youli.



# 2013 Results – Normalization of EBITDA & Net Income

● In order to facilitate understanding of our accounts in this atypical year, we present a normalization of EBITDA and Net Profit.



● EBITDA reflects both the impact of closing-down of Projects, and of the losses generated by this activity during the year. Without these impacts, EBITDA would have reached Euro 61.3 M, within the guidance range communicated in the presentation of 3Q2013 results.

● Net Income: affected by restructuring costs, goodwill impairment and the closing-down of Projects.

# 2013 Results – Highlights

## Veico - Brasil

- Fluidra acquired **VEICO**, a company that manufactures pool accessories in the Brazilian state of Santa Caterina. It has sales figures of over **3 M euros** and industrial facilities of 1,500 m<sup>2</sup>.
- The estimated size of the Brazilian pool market is **200 M euros**.
- The **total investment** is **four times the EBITDA** in 2012.



## AstralPool MAC

- **AstralPool MAC** is the only compact device in the market that has all the components needed for the physical and chemical treatment of pool water in the most efficient way possible, thus **giving users total control over their pools**.
- AstralPool MAC can save up to **50% on energy** (water and electricity) and **90% on chemicals** in comparison with conventional pools.



# 2013 Results – Consolidated Profit & Loss Account

	2012		2013		Evol.13/12
	€ M	% sales	€ M	% sales	
Sales	628,8	100,0%	592,7	100,0%	-5,7%
Gross Margin	313,6	49,9%	291,3	49,1%	-7,1%
Opex before Dep.& Amort.	235,8	37,5%	232,5	39,2%	-1,4%
Provisions for bad debt	5,7	0,9%	11,1	1,9%	95,8%
EBITDA	72,2	11,5%	47,7	8,0%	-33,9%
EBIT	26,0	4,1%	7,8	1,3%	-70,0%
Net Financial Result	-0,7	-0,1%	-17,7	-3,0%	2407,1%
PBT	20,8	3,3%	-15,8	-2,7%	-175,9%
Net Income	14,5	2,3%	-10,2	-1,7%	-170,3%

- An atypical year marked by the closing down of Projects, weather, macroeconomics in Europe and currencies.
- Good margin evolution, which improves over the previous year, once excluded Projects impact.
- **Provisions for bad debt** reflects the impact of closing down of Projects Division; without it, the increase on the previous year is Euro 1.9 M.
- 2012 **Financial Results** included the income for Aqua's contract amendment, and this year includes the implicit costs of the earn-outs for Aqua, Veico and Fluidra Youli.

# 2013 Results – Sales by Geographical Area

	Fluidra Sales by Geographical Area				
	€M	2012	%	2013	%
Spain	130,7	20,8%	122,2	20,6%	-6,5%
South Europe - Rest	200,5	31,9%	174,1	29,4%	-13,2%
Central & Northern Europe	85,0	13,5%	82,6	13,9%	-2,8%
Eastern Europe	30,5	4,8%	30,8	5,2%	1,0%
Asia & Australia	112,1	17,8%	113,7	19,2%	1,4%
Rest of the World	70,1	11,1%	69,3	11,7%	-1,1%
<b>TOTAL</b>	<b>628,8</b>	<b>100,0%</b>	<b>592,7</b>	<b>100,0%</b>	<b>-5,8%</b>

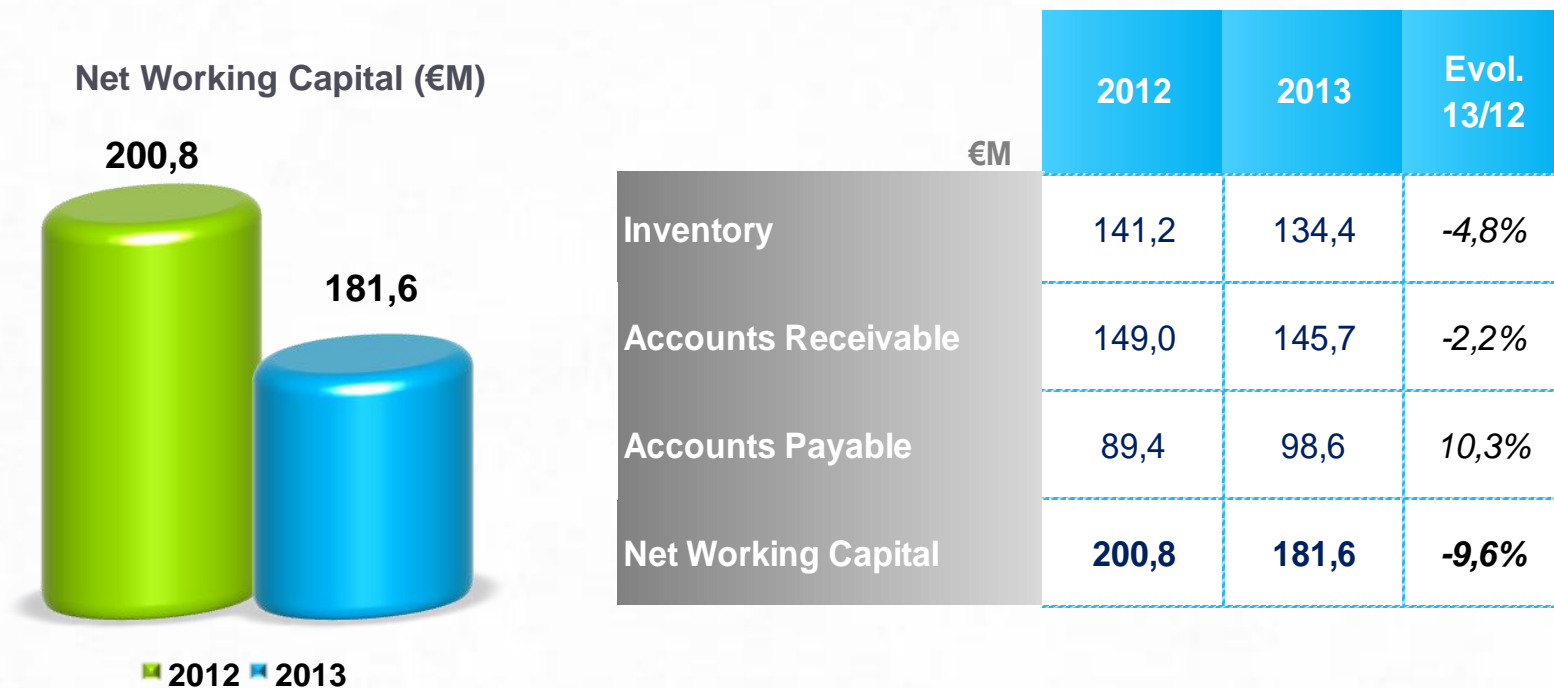
- The contraction in the **South of Europe**, due by weather, macroeconomic developments and Projects, thereby reducing its weight below 50%, which helps to increase the contribution of **Asia and Australia** in the Group.
- Good international evolution strongly affected by currency. **Asia and Australia** growth adjusted for FX is 8.3%, Eastern Europe 3.7%, and Rest of World 3.0%.

# 2013 Results – Sales by Business Unit

		Sales by business units				
		2012	% of Total	2013	% of Total	Evolution %
€ M						
Pool		421,0	67,0%	401,0	67,7%	-4,7%
- Private		344,2	54,7%	332,3	56,1%	-3,5%
- Commercial		76,8	12,2%	68,7	11,6%	-10,5%
Water Treatment		94,5	15,0%	89,3	15,1%	-5,5%
Irrigation		33,3	5,3%	33,1	5,6%	-0,5%
Fluid Handling		62,1	9,9%	60,0	10,1%	-3,3%
Projects		17,9	2,8%	9,2	1,6%	-48,5%
<b>TOTAL</b>		<b>628,8</b>	<b>100,0%</b>	<b>592,7</b>	<b>100,0%</b>	<b>-5,7%</b>

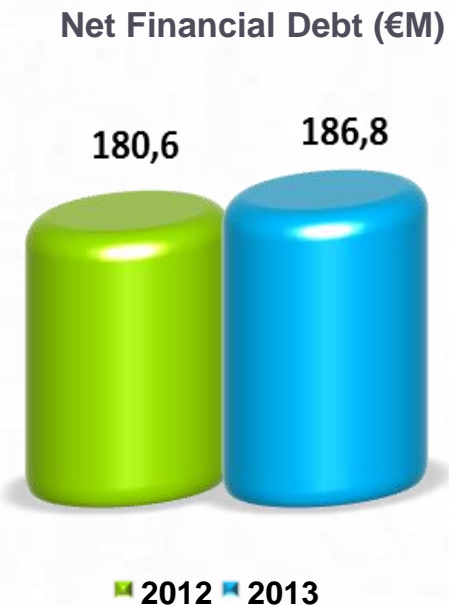
- **Pool** maintains an acceptable performance in 2013, despite macro-economic situation and adverse weather. **Commercial Pool** is impacted consumption reduction in Southern Europe.
- **Irrigation** has been able to compensate a slow start in the First Half.
- **Fluid Handling**, thanks to Fluidra Youli, increases its contribution to Fluidra Group sales, although it does not show due to unfavourable exchange rates.
- **Turnkey projects** is affected by definitive close down of this activity.

# 2013 Results – Net Working Capital



- Positive evolution of **NWC**. Our efforts made in balance sheet management have allowed to improve **NWC/Sales ratio**, reducing it from 31,9% to 30,6%.

# 2013 Results – Net Financial Debt & FCF

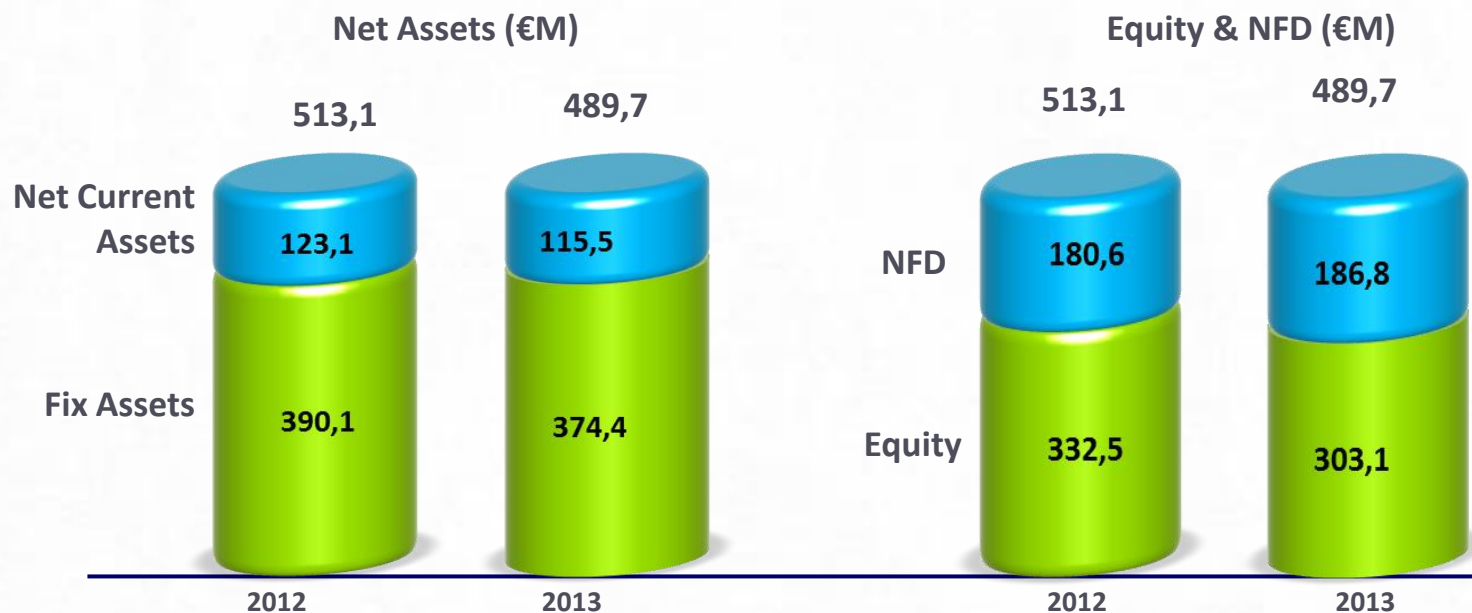


	2012	2013	Evol. 13/12
Net income	14,5	-10,2	-24,7
Depreciation (+)	46,3	39,9	-6,4
Increase (-) / Decrease (+) NWC	1,6	19,2	17,6
Capex (organic)	-22,3	-22,1	0,3
Free Cash Flow pre-acquisitions	<b>40,1</b>	<b>26,7</b>	<b>-13,4</b>
Acquisitions	-11,4	-9,9	1,5
Free Cash Flow post acquisitions	<b>28,7</b>	<b>16,8</b>	<b>-11,9</b>

- **Free Cash Flow** is impacted by minor cash generation from P&L in this period, partly compensated by the positive evolution of **Net Working Capital**.
- **Acquisitions** include payments corresponding to Veico (Brazil) and Fluidra Youli (China) investments.

# 2013 Results – Balance Sheet

• The group's Balance Sheet includes all adjustments of the closing-down of Projects. Nevertheless, Fluidra maintains a **sound structure** which allows us to continue developing our business through of diversification and internationalization.



	2012	2013
NFD/EQUITY	0,5	0,6
NFD /EBITDA	2,5x	3,9x
NFD/NORMALIZED EBITDA	2,5x	3,0x



## 2013 Results – Highlights

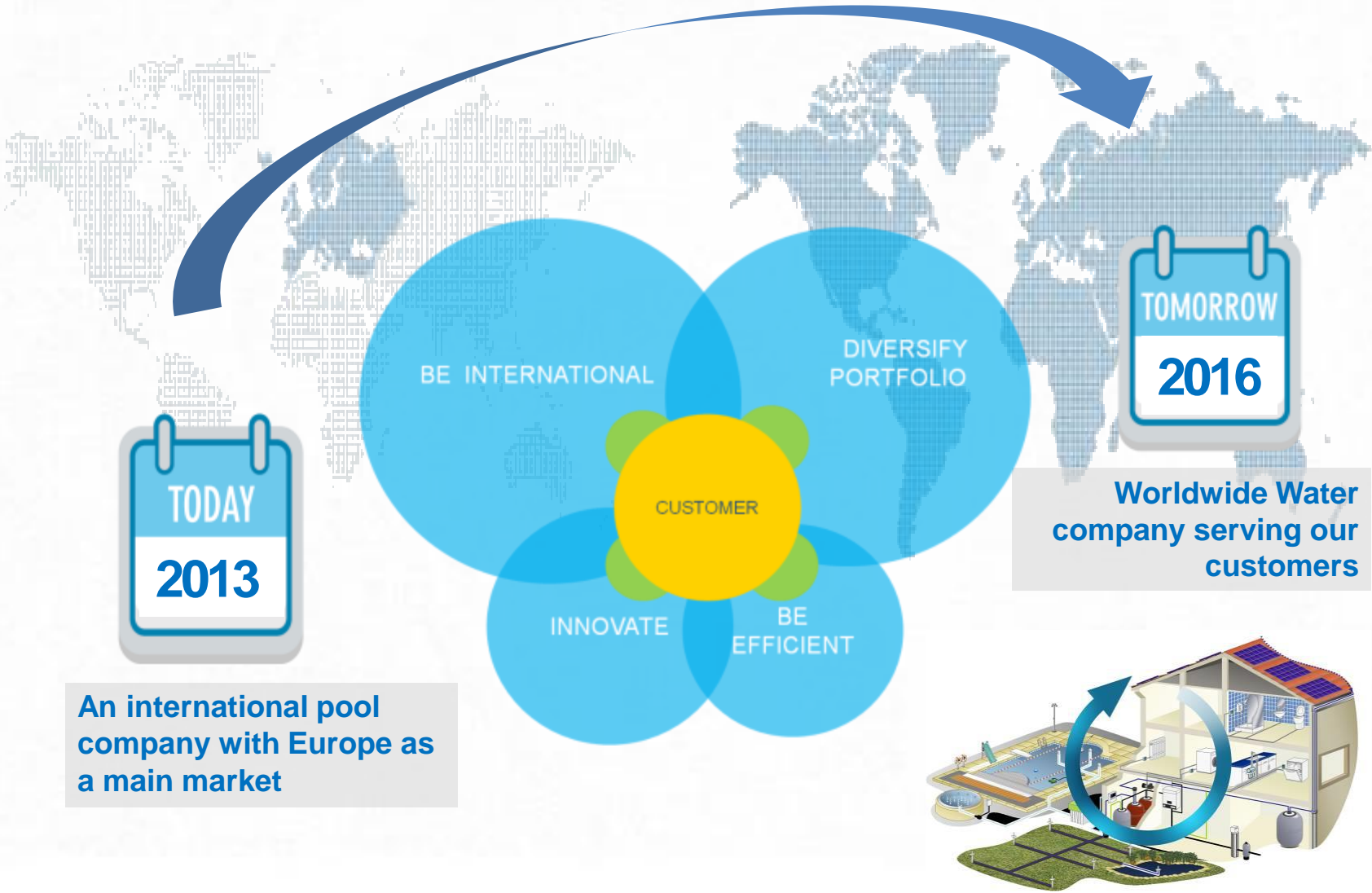
- Fluidra has decided to close down the activities of **Turn Key Projects** division. The Group will continue prescribing solutions and providing products and systems in this channel, although Fluidra leaves the civil works activities linked to it.
- The Group has implemented a major part of the **restructuring program** announced in the third quarter of 2013, during the fourth quarter of last year and the first quarter of 2014. Reduction target of 15 million Euros, 90% will be achieved in 2014.
- In order to contribute to reposition the ratio **NFD / EBITDA** below 2.5x, Fluidra has launched the sale of certain non-strategic assets. At the end of 2013 no transaction had materialized yet, but there are processes in place.

## 2013 Results – Conclusions

- Year 2013 is affected by the closing-down of **Projects**. All related costs and expenses are included in 2013 accounts.
- **Fluidra** continues to develop its **strategy** deleveraging in Europe and investing internationally, within a framework of stable financial situation:
  - Implement in 2014 the **restructuring plan** announced in November 2013, with a target to reduce the cost base of 2012 by **Euro15M**.
  - Develop the investments done over the past years (Fluidra Youli and Veico) to broaden our **international business**, with particular emphasis on Latin America and Asia.
- For 2014, our guidance is sales between Euro 580 – 600 M; Ebitda between Euro 65 - 69M; and NFD/Ebitda ratio at 2,5x.

# 5. Strategy and Investments Highlights

# Strategy



# Strategy guidelines



Pool

**International leadership**

- Focus on emerging markets, both organic and through acquisitions

**Product Innovation**

- Expand product range for the park driven by sustainability criteria

**Leverage pool distribution network**

- Increase penetration of irrigation, domestic WT and fluid handling
- Develop channels based on current structure



Other Business Units

**Become a player in Industrial Fluid Handling in Asia**

- Acquisition strategy focused on China, building on solid position in Europe

**Develop Industrial Water Treatment business model**

- Specialization in middle size plants
- Organic and inorganic growth



Operations

**Improve margins and cash flow generation**

- Implementation of Lean Program

**Operational Excellence**

- Implementation of IT strategy
- Develop global organization

# 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 Peking**





# Product Innovation

## Viron

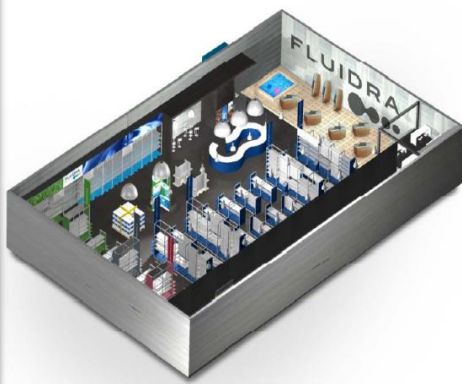
- **Launch of high range products "Viron"** for U.S. and Australian residential markets, consisting of pumps, cartridge filters, control system with touchpad's, air conditioning, etc.. And characterized by a commitment to sustainability, energy efficiency and cutting edge technology, according to the 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)).



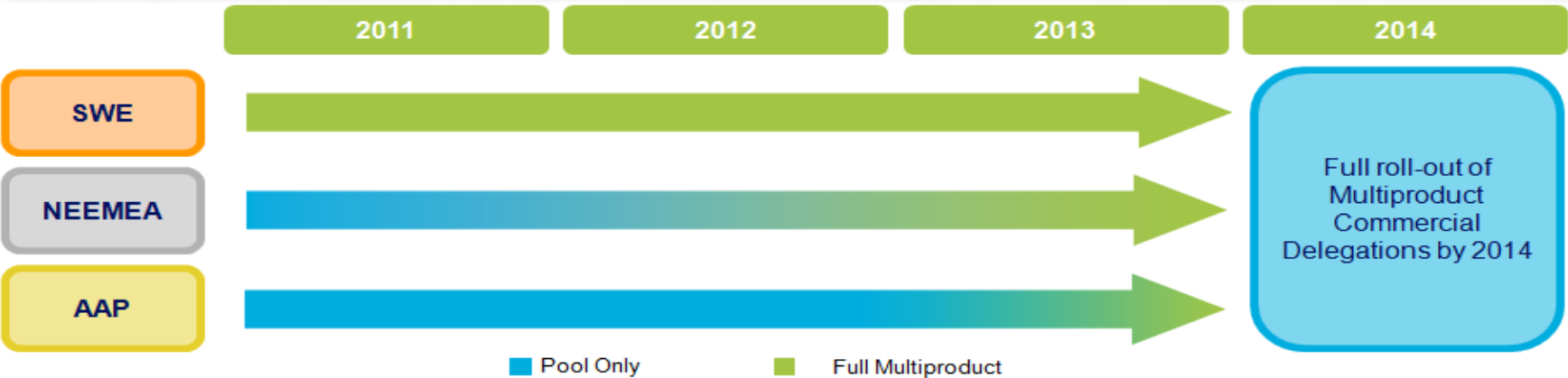
# Leverage Pool Distribution Network

∞ 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

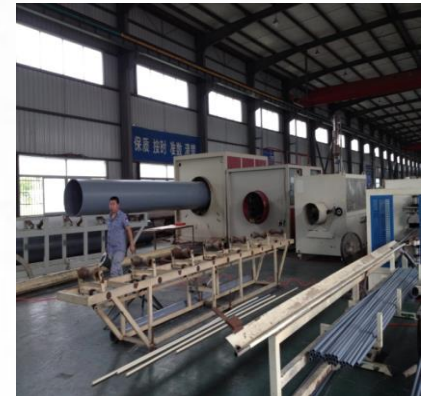
## Fluidra Youli Operation

- **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



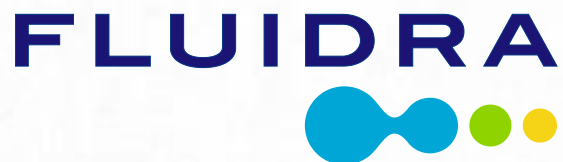
## Supply Chain

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



# Investment Highlights





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