

FLUIDRA

Q3 RESULTS 2021

October 28th 2021



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In any event, the Fluidra group provides information on these and other factors that may affect the company's forward-looking statements, business and financial results in documents filed with the Spanish national securities market commission. We invite all interested persons or entities to consult these documents.
- **SRS's acquisition was closed on August 31st 2021. This results presentation includes SRS's contribution from September 1st. As per IFRS-3 the Purchase Price Allocation of SRS acquisition is provisional.**
- **In order to give a better understanding of the results, we comment on adjusted financial statements and provide a reconciliation to reported measures in the appendix.**

Eloi Planes
Executive Chairman



Bruce Brooks
CEO



Xavier Tintoré
CFO



1. Continuation of strong growth experienced in 1H21 despite the more difficult comparison of 3Q20.
2. Fundamentals of the business remain robust. Constructive long-term perspectives.
3. Ongoing inflationary pressure on raw materials and shipping mostly offset by price increases and operating leverage.
4. High focus on supply chain management to minimize impact on both cost and availability.
5. Excellent cash generation enables strategic and accretive M&A activity combined with dividend payment, keeping leverage ratio within the target.
6. We are upgrading our 2021 sales growth guidance.

YTD Financial Highlights

FLUIDRA

Excellent Growth & Operating Leverage in Q3 2021

| €M | 2020 | 2021 | Evol. 21/20 | Const. FX & Perimeter |
|-------------------------------|---------|---------|----------------|--------------------------|
| Sales | 1,142.9 | 1,703.8 | 49.1% | 41.4% |
| EBITDA | 248.0 | 450.5 | 81.6% | 86.2% |
| EBITA | 202.1 | 399.9 | 97.9% | 105.4% |
| Cash EPS | 0.63 | 1.45 | 129.7% | 138.8% |
| Operating Net Working Capital | 241.5 | 305.2 | 26.4% | 3.0% |
| Net Debt | 583.6 | 933.2 | 59.9% | 55.4% |

- **Strong Sales growth in Q3 in all regions led by North America.**
- **EBITDA and EBITA showed excellent operating leverage driven by Gross Margin expansion.**
- **Read-through into Cash EPS, which grew substantially as did Net Profit.**
- **Great performance of Operating Net Working Capital, improving ratio to Sales by 178 bps.**
- **Leverage ratio slightly reduced despite absolute Net Debt increase due to M&A investments.**

Note: EBITDA and EBITA are adjusted to include Run Rate Synergies and exclude Non-Recurring Expense. For more details please refer to page 17.

For more details on Cash EPS please refer to page 18.

Robust Business Evolution

- Solid growth across all geographies in the third quarter with a tough 2020 comp. North America remains as main growth engine driven by demographic trends and builder backlog.
- Implementation of mid-to-high single digit price increase for the 2022 pool season to offset inflationary pressure on shipping, raw materials and components.
- Continuous efforts on supply chain as we face increasing demand combined with shortage of components and containers.
- Awarded “Vendor of the Year” by three of the largest distributors in the US.

Accretive Capital Allocation: Attractive Remuneration Policy and Ongoing M&A Activity

- Excellent cash generation enables increasing dividends combined with accretive M&A.
- €0.20 p.s. dividends were paid on July 6th, and an additional €0.20 p.s. will be paid on November 3rd, for a total of €78M outflow i.e. c.50% of 2020 Cash Net Profit.
- Recent acquisition of S.R. Smith for \$240M maintaining leverage within the target. S.R. Smith will help accelerate our growth in NA with highly complementary residential products and will increase our exposure to the Commercial Pool business. Expected to be cash EPS accretive already in 2021.
- Integration of BuiltRight, CMP, Splash&Zen and S.R. Smith on track. M&A activity remains high with strong pipeline.

ESG “Responsibility Blueprint” Plan for 2020-2026

- Improved our ESG risk rating by more than 7 points by Sustainalytics, moving from 31.7 to 24.6 and ranking Fluidra in the top 10% of our category.
- Climbed 7 positions to reach #7 in the Reporta 2021 ranking (and #1 for Transparency) among all companies listed in the Madrid stock exchange. Informe Reporta evaluates the quality of information that companies make available to their stakeholders for the AGM.

Sales by Geography

Solid Performance in All Geographies on the Back of Strong Q3 2020

+25.2%⁽¹⁾
vs Q3 2019

| Q3 €M | 2020 | % Sales | 2021 | % Sales | Evol. 21/20 | Const. FX & Perimeter |
|-------------------|------------|-------------|------------|-------------|--------------|-----------------------|
| Southern Europe | 120 | 32% | 129 | 25% | 7.3% | 7.1% |
| Rest of Europe | 78 | 21% | 88 | 17% | 13.7% | 10.1% |
| North America | 107 | 29% | 220 | 43% | 105.4% | 60.2% |
| Rest of the World | 67 | 18% | 80 | 15% | 19.6% | 11.9% |
| Total | 372 | 100% | 517 | 100% | 39.1% | 23.9% |

| YTD €M | 2020 | % Sales | 2021 | % Sales | Evol. 21/20 | Const. FX & Perimeter |
|-------------------|--------------|-------------|--------------|-------------|--------------|-----------------------|
| Southern Europe | 395 | 35% | 519 | 30% | 31.6% | 31.4% |
| Rest of Europe | 240 | 21% | 326 | 19% | 35.7% | 32.5% |
| North America | 339 | 30% | 645 | 38% | 90.5% | 71.7% |
| Rest of the World | 170 | 15% | 213 | 13% | 25.8% | 19.9% |
| Total | 1,143 | 100% | 1,704 | 100% | 49.1% | 41.4% |

- **Southern Europe**, robust evolution with accelerated demand through the quarter.
- **Rest of Europe**, continued its solid evolution after extraordinary regional growth in 3Q20.
- **North America**, outstanding performance in the quarter chasing excellent sell-through in the channel. Acquisitions represent c.€98M YTD.
- **Rest of the World**, robust growth in the quarter, helped by the solid performance across Southern Hemisphere despite Commercial still weak in Asia.

(1) Adjusted for constant FX and perimeter

Residential Drives Growth with Commercial Pool in Recovery

| Q3 €M | 2020 | % Sales | 2021 | % Sales | Evol. 21/20 |
|---------------------------------|------------|-------------|------------|-------------|--------------|
| Pool & Wellness | 361 | 97% | 504 | 98% | 39.6% |
| Residential | 266 | 71% | 385 | 75% | 45.0% |
| Commercial | 22 | 6% | 29 | 6% | 35.6% |
| Pool Water Treatment | 53 | 14% | 65 | 13% | 21.3% |
| Fluid Handling | 20 | 5% | 25 | 5% | 22.3% |
| Irrigation, Industrial & Others | 11 | 3% | 13 | 2% | 21.2% |
| Total | 372 | 100% | 517 | 100% | 39.1% |

| YTD €M | 2020 | % Sales | 2021 | % Sales | Evol. 21/20 |
|---------------------------------|--------------|-------------|--------------|-------------|--------------|
| Pool & Wellness | 1,110 | 97% | 1,662 | 98% | 49.7% |
| Residential | 823 | 72% | 1,296 | 76% | 57.4% |
| Commercial | 68 | 6% | 83 | 5% | 21.9% |
| Pool Water Treatment | 157 | 14% | 199 | 12% | 26.8% |
| Fluid Handling | 62 | 5% | 85 | 5% | 36.6% |
| Irrigation, Industrial & Others | 33 | 3% | 42 | 2% | 26.8% |
| Total | 1,143 | 100% | 1,704 | 100% | 49.1% |

- **Residential Pool** grew strongly in the quarter backed by continuous robust demand and inorganic activity. Solid growth across all large category of products (Filters, Pumps, Automatic Cleaners, Heaters).
- **Commercial Pool** recovered well in Q3 over an easy comparable, also helped by recent acquisitions.
- **Pool Water Treatment** good performance of Water Care Equipment and flat evolution of Chemicals.
- **Fluid Handling** continued its excellent evolution.

Increasing Margins and Operating Leverage Lead to Higher Profitability

| €M | 2020 | % Sales | 2021 | % Sales | Evol. 21/20 |
|--|----------------|--------------|----------------|--------------|----------------|
| Sales | 1,142.9 | 100% | 1,703.8 | 100% | 49.1% |
| Gross Margin | 597.6 | 52.3% | 903.5 | 53.0% | 51.2% |
| Opex before Dep. & Amort. | 347.0 | 30.4% | 453.3 | 26.6% | 30.7% |
| Provisions for Bad Debt | 4.5 | 0.4% | 0.2 | 0.0% | (94.8%) |
| EBITDA | 248.0 | 21.7% | 450.5 | 26.4% | 81.6% |
| Depreciation | 46.0 | 4.0% | 50.6 | 3.0% | 10.0% |
| EBITA | 202.1 | 17.7% | 399.9 | 23.5% | 97.9% |
| Amortization (PPA related) | 42.9 | 3.7% | 41.0 | 2.4% | (4.3%) |
| Non-Recurring Expense and Run Rate Synergies | 13.4 | 1.2% | 35.8 | 2.1% | 166.8% |
| Net Financial Result | 33.6 | 2.9% | 30.2 | 1.8% | (10.2%) |
| Tax Expense | 32.3 | 2.8% | 68.4 | 4.0% | 111.5% |
| Minority Interest | 2.9 | 0.3% | 3.2 | 0.2% | 10.3% |
| Net Profit | 77.0 | 6.7% | 221.4 | 13.0% | 187.5% |
| Cash Net Profit | 123.9 | 10.8% | 284.5 | 16.7% | 129.7% |

- Superb Sales performance activity in the Northern Hemisphere.
- Price and value improvement initiatives offsetting mix and increasing inflationary pressures on Gross Margin.
- Operating leverage driving strong EBITDA and EBITA growth, with quarterly performance also impacted by investments, capacity and shipping costs.
- Non-Recurring Expense increase is driven by stock based compensation with c.€22M, to reflect plan over performance.
- Tax Rate one-off benefit from Zodiac merger.
- Cash Net Profit evolution showcasing outstanding read-through.

Note: EBITDA and EBITA are adjusted to include Run Rate Synergies and exclude Non-Recurring Expense. For more details please refer to page 17.

For more details on Cash EPS please refer to page 18.

Net Working Capital

Outstanding Management of NWC, Improving Ratio to Sales by 178 Bps in Q3

| September €M | 2020 | 2021 | Evol. 21/20 |
|---|---------------------|---------------------|----------------------|
| Inventory | 272.0 | 421.2 | 54.9% |
| Accounts Receivable | 277.6 | 297.9 | 7.3% |
| Accounts Payable | 308.1 | 413.9 | 34.3% |
| Operating Net Working Capital | 241.5 | 305.2 | 26.4% |
| <i>Operating NWC / LTM Sales</i> | <i>16.7%</i> | <i>14.9%</i> | <i>(1.8%)</i> |
| Dividends, Earn-Outs & Others | 45.0 | 43.2 | (4.0%) |
| Total Net Working Capital | 196.5 | 262.0 | 33.4% |

- **Operating Net Working Capital performed very well, improving ratio to LTM Sales by 178 bps.**
- **Inventory increased driven by preparation for the Early Buy season, inflation and acquisitions (€65M).**
- **Accounts Receivable grew slightly despite strong sales growth, helped by continued fast collections.**
- **Accounts Payable's great evolution driven by increased activity.**
- **Dividend Payable of €39M, which will be liquidated in November.**

Cash Flow and Net Debt YTD

Further Deleverage Despite Strong M&A Activity

| €M | 2020 | 2021 | € Evol. 21/20 |
|---------------------------------|---------------|------------------------|----------------|
| Reported EBITDA | 234.6 | 414.7 | 180.1 |
| Net Interest Expense Paid | (28.4) | (24.4) | 4.0 |
| Corporate Income Tax Paid | (29.7) | (66.2) | (36.6) |
| Operating Working Capital | 26.1 | (43.5) | (69.6) |
| Other Operating Cash Flow | 21.1 | 36.0 | 14.9 |
| Operating Cash Flow | 223.8 | 316.6 | 92.8 |
| Capex | (25.0) | (39.2) | (14.2) |
| Acquisitions / Divestments | (19.0) | (426.1) ⁽¹⁾ | (407.1) |
| Other Investment Cash Flow | (0.8) | 1.1 | 1.8 |
| Net Investment Cash Flow | (44.8) | (464.2) | (419.4) |
| Lease Liability Payments | (15.5) | (17.9) | (2.4) |
| Treasury Stock | (0.1) | (86.2) | (86.1) |
| Dividends and Others | (1.4) | (36.4) | (35.0) |
| Financing Cash Flow | (17.0) | (140.5) | (123.6) |
| Free Cash Flow | 162.0 | (288.2) | (450.2) |
| Prior Period Net Debt | 756.8 | 581.9 | (174.9) |
| FX & Lease Changes | (11.1) | 63.2 | 74.3 |
| Free Cash Flow | (162.0) | 288.2 | 450.2 |
| Net Debt | 583.6 | 933.2 | 349.6 |
| Net Leases | (115.1) | (161.8) | (46.7) |
| Net Financial Debt | 468.5 | 771.4 | 302.9 |

- **Excellent Operating Cash Flow performance in Q3, mainly driven by operating performance.**
- **Investment Cash Flow is €419M higher than last year due to the acquisitions of S.R. Smith, CMP and BuiltRight.**
- **Purchase of Treasury Stock to fund our Long Term Incentive Plan.**
- **Lower Leverage ratio despite strong inorganic activity, from 1.9x in Q3 2020 to 1.8x in Q3 2021 (based on actual LTM EBITDA).**

(1) Includes €52.8M and €5.6M of cash used to cancel CMP and S.R. Smith's pre-takeover debts, respectively.

1. Strong finish to the 2021 Northern Hemisphere Residential Pool season in Q3.
2. Management is confident on delivering a solid Q4 despite challenging supply chain and inflationary environment. Positive early data for October.
3. Momentum continues for New Builds demographics, strong Aftermarket driven by average ticket increase, Commercial Pool recovery and M&A.
4. Upgrading our 2021 sales growth guidance on the back of strong demand from 37% - 42% to 40% - 45%

| €M | 2021 Guidance | Key Assumptions |
|------------------------|---------------|---|
| Sales growth | 40% - 45% | As reported growth rates including already executed M&A, which contributes 10%+ growth |
| EBITDA margin | 25.0% - 25.5% | Not assuming any COVID-19 resurgence shut-downs No major disruptions in the supply chain |
| Cash EPS growth | 83% - 93% | Tax rate of c. 25% Assuming current FX rates |

1. Confirmation of step change in the industry, with Q3 growth across all regions vs a high growth Q3 2020 comp.
2. Business fundamentals and industry resilience are both very strong. Optimally positioned to achieve medium term targets shared at CMD.
3. Continued efforts to navigate supply-challenged environment with new material price increases already in place in most key regions to offset inflationary pressures.
4. Strong market demand, price initiatives and run rate of recent M&A provide solid foundation to start 2022.
5. Our strategy and investment thesis remains unchanged:
 - We are the global leader in a market with structural growth.
 - Driving sustainable growth through our customer-focused platform. Incremental investments for further long term growth.
 - Delivering margin expansion and strong cash conversion.
 - Growth, margin expansion & accretive capital allocation provide attractive and improving returns on capital.



Appendix

Q3 RESULTS 2021

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(I) Sales by Geography

| Q3 | Evol. 21/20 | Const. FX | Constant Perimeter | Const. FX & Perimeter |
|-------------------|--------------|--------------|--------------------|-----------------------|
| Southern Europe | 7.3% | 7.3% | 7.1% | 7.1% |
| Rest of Europe | 13.7% | 12.6% | 11.2% | 10.1% |
| North America | 105.4% | 103.3% | 61.9% | 60.2% |
| Rest of the World | 19.6% | 15.6% | 15.7% | 11.9% |
| Total | 39.1% | 37.5% | 25.3% | 23.9% |

| YTD | Evol. 21/20 | Const. FX | Constant Perimeter | Const. FX & Perimeter |
|-------------------|--------------|--------------|--------------------|-----------------------|
| Southern Europe | 31.6% | 31.6% | 31.4% | 31.4% |
| Rest of Europe | 35.7% | 35.4% | 32.9% | 32.5% |
| North America | 90.5% | 101.0% | 62.7% | 71.7% |
| Rest of the World | 25.8% | 22.0% | 23.6% | 19.9% |
| Total | 49.1% | 50.6% | 39.9% | 41.4% |

(II) Reported Profit & Loss Account YTD

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| €M | 2020 | % Sales | 2021 | % Sales | Evol. 21/20 |
|----------------------------|----------------|--------------|----------------|--------------|---------------|
| Sales | 1,142.9 | 100% | 1,703.8 | 100% | 49.1% |
| Gross Margin | 596.6 | 52.2% | 896.3 | 52.6% | 50.3% |
| Opex before Dep. & Amort. | 357.4 | 31.3% | 481.4 | 28.3% | 34.7% |
| Provisions for Bad Debt | 4.5 | 0.4% | 0.2 | 0.0% | (94.8%) |
| Reported EBITDA | 234.6 | 20.5% | 414.7 | 24.3% | 76.7% |
| D&A | 88.8 | 7.8% | 91.6 | 5.4% | 3.1% |
| Net Financial Result | 33.6 | 2.9% | 30.2 | 1.8% | (10.2%) |
| PBT | 112.2 | 9.8% | 293.0 | 17.2% | 161.1% |
| Tax Expense | 32.3 | 2.8% | 68.4 | 4.0% | 111.5% |
| Minority Interest | 2.9 | 0.3% | 3.2 | 0.2% | 10.3% |
| NP from Cont. Oper. | 77.0 | 6.7% | 221.4 | 13.0% | 187.5% |
| NP from Disc. Oper. | 0.0 | 0.0% | 0.0 | 0.0% | - |
| Total Net Profit | 77.0 | 6.7% | 221.4 | 13.0% | 187.5% |

(III) Reconciliation to Reported EBITDA YTD

| €M | 2020 | 2021 | Evol. 21/20 |
|--|--------------|--------------|--------------|
| EBITDA | 248.0 | 450.5 | 81.6% |
| Integration Related Non-Recurring Expense | (3.1) | (13.9) | 344.2% |
| Other & FX impact on Non-Recurring Expense | (0.2) | 0.5 | (330.8%) |
| Profit/Loss from Sales of Subsidiaries | (1.0) | - | (100.0%) |
| Stock Based Compensation | (7.2) | (21.8) | 202.6% |
| Run Rate Synergies | (1.9) | (0.5) | (71.5%) |
| Reported EBITDA | 234.6 | 414.7 | 76.7% |

(IV) Reconciliation of Reported to Cash Net Profit and Cash EPS YTD **FLUIDRA**

| €M | 2020 | 2021 | Evol. 21/20 |
|--|--------------|--------------|---------------|
| Reported Net Profit from Continued Operations | 77.0 | 221.4 | 187.5% |
| Integration Related & Other Non-Recurring Expense | 3.3 | 13.5 | 303.1% |
| Stock Based Compensation | 7.2 | 21.8 | 202.6% |
| Run Rate Synergies | 1.9 | 0.5 | (71.5%) |
| P&L Financial Result | 33.6 | 30.2 | (10.2%) |
| Cash Interest Paid | (28.4) | (24.4) | (14.0%) |
| Amortization (PPA related) | 42.9 | 41.0 | (4.3%) |
| Perimeter | 1.0 | - | (100.0%) |
| Cash Adjustments | 61.5 | 82.5 | 34.3% |
| Tax Rate | 23.8% | 23.5% | (0.3%) |
| Taxed Cash Adjustments | 46.8 | 63.1 | 34.7% |
| Cash Net Profit | 123.9 | 284.5 | 129.7% |
| Share Count | 195.6 | 195.6 | - |
| Cash EPS | 0.63 | 1.45 | 129.7% |

(V) Reported Balance Sheet

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| Assets | 09/2020 | 09/2021 | Liabilities | 09/2020 | 09/2021 |
|---------------------------------|----------------|----------------|--|----------------|----------------|
| PPE & Rights of Use | 220.7 | 292.1 | Share Capital | 195.6 | 195.6 |
| Goodwill | 1,095.5 | 1,278.8 | Share Premium | 1,148.6 | 1,148.6 |
| Other Intangible Assets | 675.6 | 831.6 | Retained Earnings | 206.1 | 388.8 |
| Other Non-Current Assets | 94.0 | 108.0 | Interim Dividends | (40.7) | - |
| Total Non-Current Assets | 2,085.8 | 2,510.5 | Treasury Shares | (16.0) | (157.5) |
| | | | Other Comprehensive Income | (51.7) | (22.0) |
| | | | Minorities | 6.9 | 8.7 |
| | | | Total Equity | 1,448.8 | 1,562.2 |
| Non-Curr. Assets Held for Sale | - | - | Bank Borrowings + Loans | 710.4 | 687.8 |
| Inventory | 272.0 | 421.2 | Other Non-Current Liabilities Incl. Lease | 318.8 | 363.3 |
| Accounts Receivable | 277.6 | 297.9 | Total Non-Current Liabilities | 1,029.2 | 1,051.1 |
| Other Current Assets | 10.7 | 11.2 | Liab. Linked to Non-Curr. Assets Held for Sale | - | - |
| Cash | 288.2 | 118.1 | Bank borrowings + Loans | 44.3 | 207.2 |
| Total Current Assets | 848.5 | 848.4 | Accounts Payable | 353.1 | 457.1 |
| Total Assets | 2,934.3 | 3,358.8 | Other Current Liabilities Incl. Lease | 58.9 | 81.2 |
| | | | Total Current Liabilities | 456.4 | 745.5 |
| | | | Total Equity & Liabilities | 2,934.3 | 3,358.8 |

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Thanks For Your Attention