

**FLUIDRA**

# Q1 RESULTS 2021

May 6<sup>th</sup> 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.
- CMP's acquisition was announced on March 10<sup>th</sup> 2021 and this results presentation includes CMP's contribution from March 11<sup>th</sup>. As per IFRS-3 the Purchase Price Allocation of CMP 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. Record Q1 results, driven by exceptionally strong demand in Residential Pool.
2. Strong accretive M&A activity & greater dividend payment announced.
3. Sharp focus on ESG. During our 5<sup>th</sup> Capital Markets Day we presented our new comprehensive ESG “Responsibility Blueprint” plan for 2020-2026, featuring the most efficient pool system in the planet.
4. Fundamentals of the business remain robust, very strong 2021 Residential Pool season expected in the Northern Hemisphere and promising long-term perspectives.
5. Continued strong execution, we will fulfill the 2022 Strategic Plan targets one year ahead of schedule.
6. Quarterly comparisons are unusual due to COVID-19 impacts.
7. We are raising our 2021 guidance.

# YTD Financial Highlights

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## Extraordinary Growth and Operating Leverage Compared to a Positive Q1 2020

€M	2020	2021	Evol. 21/20	Const. FX & Perimeter
Sales	315.8	508.4	61.0%	59.8%
EBITDA	51.4	134.8	162.0%	172.7%
EBITA	35.9	119.5	232.7%	255.9%
Cash EPS	0.09	0.42	359.9%	412.3%
Operating Net Working Capital	448.2	448.9	0.2%	(6.5%)
Net Debt	924.6	977.1	5.7%	7.1%

- Superb Sales growth in Q1 on the back of strong continued demand in Residential Pool and some pull forward in preparation for the season.
- EBITDA and EBITA showed outstanding operating leverage.
- Cash EPS increased very substantially as did Net Profit.
- Great evolution of Operating Net Working Capital, improving ratio to Sales by 600 bps.
- Leverage ratio reduced to 2.4x despite Net Debt increase due to strong M&A activity.
- Already surpassed our €40M target in Cost Synergies for the year.

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.



## Business Evolution

- Step change continues aided by the flight-to-the-suburbs with the pool as the anchor of backyard experience. This confirms the strong fundamentals of the business and resilience of the industry. Fluidra is very well-positioned to achieve medium term-targets shared at CMD.
- Quarterly comparisons are unusual due to COVID-19 impacts. Strong sell-through, Texas freeze disaster and anticipation of a strong season.
- Inflationary pressure on shipping, raw materials and components partly moderating gross margin expansion impact.
- Marginal supply chain impacts for the quarter as we continue to catch-up to the strong demand in our inventory levels.

## Accretive Capital Allocation: Ongoing M&A Activity & Greater Dividend Payment

- Proposal to increase dividend by 90% with a payout of €0.4 per share as part of our c.50% Cash Net Profit distribution policy.
- The company acquired CMP on 10<sup>th</sup> March 2021, a US manufacturer of pool and spa components, that will further strengthen our leadership position in the pool and wellness industry. The acquisition values CMP at €205M and is expected to be Cash EPS accretive from day one.
- Acquisition agreement for the “Splash” and “Zen” businesses (Belgium), incorporating a range of pool and spa maintenance products in the fast-growing mass market channel. Transaction is expected to close in the second half of 2021.

## IBEX 35 Inclusion

- Technical Advisory Committee announced that Fluidra was selected to become part of the main index of the Spanish Stock Exchange as of March 29<sup>th</sup> 2021.

## First Sustainable Financing Agreement

- Conversion of our syndicated credit line of €130M into green financing, also called ESG-linked loans.

# Sales by Geography

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Record Growth in All Geographies Boosted by Continued Momentum despite Positive Q1 2020 Comparable

YTD €M	2020	% Sales	2021	% Sales	Evol. 21/20	Const. FX & Perimeter
Southern Europe	94	30%	153	30%	63.2%	63.2%
Rest of Europe	56	18%	95	19%	67.4%	66.0%
North America	104	33%	191	38%	84.7%	86.2%
Rest of the World	62	20%	69	14%	12.0%	9.4%
<b>Total</b>	<b>316</b>	<b>100%</b>	<b>508</b>	<b>100%</b>	<b>61.0%</b>	<b>59.8%</b>

- **Southern Europe**, excellent performance in the quarter driven by France, Italy and Spain.
- **Rest of Europe**, continued its very strong evolution in the quarter, led by Germany.
- **North America**, superb evolution in the quarter. Both "flight to the sunbelt" trend and Texas freeze disaster boosted Aftermarket demand. CMP represents c.€10M.
- **Rest of the World**, double digit growth in Residential markets in the quarter, which more than offset the weaker performance in Commercial Pool driven markets.

# Sales by Business Unit

Residential Aftermarket and New-Build Activities Drive Growth

YTD €M	2020	% Sales	2021	% Sales	Evol. 21/20
<b>Pool &amp; Wellness</b>	<b>306</b>	<b>97%</b>	<b>496</b>	<b>98%</b>	<b>62.3%</b>
Residential	219	69%	389	76%	77.8%
Commercial	26	8%	22	4%	(13.2%)
Pool Water Treatment	42	13%	59	12%	40.1%
Fluid Handling	19	6%	27	5%	36.6%
Irrigation, Industrial & Others	10	3%	12	2%	19.1%
<b>Total</b>	<b>316</b>	<b>100%</b>	<b>508</b>	<b>100%</b>	<b>61.0%</b>

- **Residential Pool** had an outstanding growth supported by outdoor living and flight to the suburbs.
- **Commercial Pool** new projects execution and leads remained soft.
- **Pool Water Treatment** saw strong growth. Very strong performance of Water Care Equipment and positive evolution of Chemicals.
- **Fluid Handling** experienced an excellent evolution, aided by North America's strong performance and the greater contribution of refurbishments and New-Builds.



# Q1 2021 Results

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## Very Strong Growth and Profitability

€M	2020	% Sales	2021	% Sales	Evol. 21/20
<b>Sales</b>	<b>315.8</b>	<b>100%</b>	<b>508.4</b>	<b>100%</b>	<b>61.0%</b>
Gross Margin	169.9	53.8%	274.3	53.9%	61.5%
Opex before Dep. & Amort.	116.6	36.9%	138.5	27.2%	18.8%
Provisions for Bad Debt	2.2	0.7%	1.0	0.2%	(53.3%)
<b>EBITDA</b>	<b>51.4</b>	<b>16.3%</b>	<b>134.8</b>	<b>26.5%</b>	<b>162.0%</b>
Depreciation	15.5	4.9%	15.3	3.0%	(1.4%)
<b>EBITA</b>	<b>35.9</b>	<b>11.4%</b>	<b>119.5</b>	<b>23.5%</b>	<b>232.7%</b>
Amortization (PPA related)	14.6	4.6%	12.7	2.5%	(13.0%)
Non-Recurring Expense and Run Rate Synergies	3.6	1.2%	7.0	1.4%	92.3%
Net Financial Result	14.8	4.7%	7.2	1.4%	(51.5%)
Tax Expense	0.8	0.3%	24.6	4.8%	2,834%
Minority Interest	0.4	0.1%	0.6	0.1%	39.1%
<b>Net Profit</b>	<b>1.6</b>	<b>0.5%</b>	<b>67.3</b>	<b>13.2%</b>	<b>4,156%</b>
<b>Cash Net Profit</b>	<b>17.7</b>	<b>5.6%</b>	<b>81.5</b>	<b>16.0%</b>	<b>359.9%</b>

- **Exceptional Sales evolution in Q1 led by Residential Pool.**
- **Gross Margin expansion, driven by price and value improvement initiatives, absorbing inflationary and mix pressures.**
- **Good Operating Expense leverage drove very strong EBITDA and EBITA performance.**
- **M&A related amortization line continued to decline.**
- **Cash Net Profit evolution showcasing outstanding operating leverage as well as lower cost of debt.**

*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 600 Bps in Q1

March €M	2020	2021	Evol. 21/20
Inventory	309.6	376.6	21.6%
Accounts Receivable	427.7	476.7	11.5%
Accounts Payable	289.1	404.4	39.9%
<b>Operating Net Working Capital</b>	<b>448.2</b>	<b>448.9</b>	<b>0.2%</b>
<b><i>Operating NWC / LTM Sales</i></b>	<b><i>32.7%</i></b>	<b><i>26.7%</i></b>	<b><i>(6.0%)</i></b>
Earn-Outs & Other Items	6.8	8.5	24.9%
Total Net Working Capital	441.4	440.4	(0.2%)

- **Operating Net Working Capital performed very well, improving ratio to LTM Sales by 600 bps.**
- **Inventory increased due to the preparation of the season in the Northern Hemisphere and the addition of c.€33M for CMP.**
- **Accounts Receivable grew slightly despite strong sales growth, helped by continued fast collections.**
- **Accounts Payable's great evolution driven by increased activity.**

# Cash Flow and Net Debt YTD

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## Further Deleverage Despite Strong M&A Activity

€M	2020	2021	€ Evol. 21/20
<b>Reported EBITDA</b>	<b>47.8</b>	<b>127.8</b>	<b>80.0</b>
Net Interest Expense Paid	(10.7)	(8.3)	2.5
Corporate Income Tax Paid	(0.8)	(3.5)	(2.7)
Operating Working Capital	(170.7)	(220.2)	(49.5)
Other Operating Cash Flow	4.3	9.4	5.1
<b>Operating Cash Flow</b>	<b>(130.1)</b>	<b>(94.7)</b>	<b>35.4</b>
Capex	(9.4)	(9.9)	(0.5)
Acquisitions / Divestments	(15.5)	(224.9) <sup>1</sup>	(209.5)
Other Investment Cash Flow	0.8	(0.4)	(1.3)
<b>Net Investment Cash Flow</b>	<b>(24.1)</b>	<b>(235.3)</b>	<b>(211.2)</b>
Lease Liability Payments	(5.7)	(5.6)	0.1
Treasury Stock	(0.2)	(29.6)	(29.4)
Dividends and Others	(0.1)	0.0	0.1
<b>Financing Cash Flow</b>	<b>(6.0)</b>	<b>(35.2)</b>	<b>(29.2)</b>
<b>Free Cash Flow</b>	<b>(160.2)</b>	<b>(365.2)</b>	<b>(205.0)</b>
Prior Period Net Debt	756.8	581.9	(174.9)
FX Impacts	7.6	30.0	22.4
Free Cash Flow	160.2	365.2	205.0
<b>Net Debt</b>	<b>924.6</b>	<b>977.1</b>	<b>52.5</b>
Net Leases	(120.7)	(134.8)	(14.2)
<b>Net Financial Debt</b>	<b>804.0</b>	<b>842.3</b>	<b>38.3</b>

(1) Includes €52.8M of cash used to cancel CMP's pre-takeover debt.

- **Excellent Operating Cash Flow performance in Q1, mainly driven by results improvement.**
- **Investment Cash Flow is €211M higher than last year due to the acquisitions of CMP and Built Right.**
- **Purchase of Treasury Stock to fund our Long Term Incentive Plan.**
- **Moderate increase in Net Debt despite strong inorganic investment activity. Leverage ratio lowers by more than a turn, from 3.4x in Q1 2020 to 2.4x in Q1 2021.**

1. April followed the strong Sales growth trend on an easier comparable.
2. COVID-19 drove unusual quarterly performance in 2020, with lower than usual H1 and a stronger reversal H2.
3. Investments in Opex and Capex to fund long term growth initiatives. Capex to remain in the 3-3.5% of Sales range including capacity expansion to support the step change of demand.
4. Management is upgrading guidance for 2021, as follows:

€M	2021 Previous Guidance	2021 Q1 Guidance	Key Assumptions
<b>Sales growth</b>	15%	25% - 30%	Growth rates at constant FX including already executed M&A, which contributes 6%+ growth Not assuming any COVID-19 resurgence shut-downs Tax rate of c. 28% Assumed current FX rates
<b>EBITDA margin</b>	23.0%	23.7% - 24.7%	
<b>Cash EPS growth</b>	25%	50% - 60%	

1. Outstanding Q1 results. Very strong 2021 Residential Pool season expected in the Northern Hemisphere.
2. Step change continues aided by the flight-to-the-suburbs with the pool as the anchor of backyard experience confirming the strong fundamentals of the business and the resilience of the industry, positioning us well to achieve our targets.
3. Our strategy and investment thesis remains unchanged:
  - We are Global leader in a resilient market, exhibiting strong structural growth
  - Driving growth through our customer-focused platform, investing in IoT
  - Delivering margin expansion and strong cash conversion
  - Growth, margin & accretive capital allocation delivering attractive and improving ROCE



# Appendix

Q1 RESULTS 2021

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# (I) Sales by Geography

YTD	Evol. 21/20	Const. FX	Constant Perimeter	Const. FX & Perimeter
Southern Europe	63.2%	63.2%	63.2%	63.2%
Rest of Europe	67.4%	68.7%	64.7%	66.0%
North America	84.7%	101.4%	70.8%	86.2%
Rest of the World	12.0%	10.3%	11.1%	9.4%
<b>Total</b>	<b>61.0%</b>	<b>65.2%</b>	<b>55.7%</b>	<b>59.8%</b>

# (II) Reported Profit & Loss Account YTD

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€M	2020	% Sales	2021	% Sales	Evol. 21/20
<b>Sales</b>	<b>315.8</b>	<b>100%</b>	<b>508.4</b>	<b>100%</b>	<b>61.0%</b>
Gross Margin	169.8	53.8%	272.4	53.6%	60.4%
Opex before Dep. & Amort.	119.8	37.9%	143.6	28.2%	19.9%
Provisions for Bad Debt	2.2	0.7%	1.0	0.2%	(53.3%)
<b>Reported EBITDA</b>	<b>47.8</b>	<b>15.1%</b>	<b>127.8</b>	<b>25.1%</b>	<b>167.4%</b>
D&A	30.1	9.5%	28.0	5.5%	(7.0%)
Net Financial Result	14.8	4.7%	7.2	1.4%	(51.5%)
<b>PBT</b>	<b>2.9</b>	<b>0.9%</b>	<b>92.6</b>	<b>18.2%</b>	<b>3,140%</b>
Tax Expense	0.8	0.3%	24.6	4.8%	2,834%
Minority Interest	0.4	0.1%	0.6	0.1%	39.1%
<b>NP from Cont. Oper.</b>	<b>1.6</b>	<b>0.5%</b>	<b>67.3</b>	<b>13.2%</b>	<b>4,156%</b>
NP from Disc. Oper.	0.0	0.0%	0.0	0.0%	na
<b>Total Net Profit</b>	<b>1.6</b>	<b>0.5%</b>	<b>67.3</b>	<b>13.2%</b>	<b>4,156%</b>

# (III) Reconciliation to Reported EBITDA YTD

€M	2020	2021	Evol. 21/20
<b>EBITDA</b>	<b>51.4</b>	<b>134.8</b>	<b>162.0%</b>
Integration Related Non-Recurring Expense	(0.9)	(3.5)	295.4%
Other & FX impact on Non-Recurring Expense	(0.1)	0.1	(170.1%)
Stock Based Compensation	(2.3)	(3.6)	54.8%
Run Rate Synergies	(0.4)	(0.1)	(84.6%)
<b>Reported EBITDA</b>	<b>47.8</b>	<b>127.8</b>	<b>167.4%</b>

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

€M	2020	2021	Evol. 21/20
<b>Reported Net Profit from Continued Operations</b>	<b>1.6</b>	<b>67.3</b>	<b>4,156%</b>
Integration Related & Other Non-Recurring Expense	1.0	3.4	245.5%
Stock Based Compensation	2.3	3.6	54.8%
Run Rate Synergies	0.4	0.1	(84.6%)
P&L Financial Result	14.8	7.2	(51.5%)
Cash Interest Paid	(10.7)	(8.3)	(22.9%)
Amortization (PPA related)	14.6	12.7	(13.0%)
<b>Cash Adjustments</b>	<b>22.3</b>	<b>18.6</b>	<b>(16.6%)</b>
Tax Rate	27.8%	24.1%	(3.7%)
<b>Taxed Cash Adjustments</b>	<b>16.1</b>	<b>14.1</b>	<b>(12.3%)</b>
<b>Cash Net Profit</b>	<b>17.7</b>	<b>81.5</b>	<b>359.9%</b>
Share Count	195.6	195.6	-
<b>Cash EPS</b>	<b>0.09</b>	<b>0.42</b>	<b>359.9%</b>

# (V) Reported Balance Sheet

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<b>Assets</b>	<b>03/2020</b>	<b>03/2021</b>	<b>Liabilities</b>	<b>03/2020</b>	<b>03/2021</b>
PPE & Rights of Use	234.2	254.7	Share Capital	195.6	195.6
Goodwill	1,124.5	1,218.8	Share Premium	1,148.6	1,148.6
Other Intangible Assets	742.0	710.5	Retained Earnings	117.7	303.6
Other Non-Current Assets	106.0	100.8	Interim Dividends	-	(40.8)
<b>Total Non-Current Assets</b>	<b>2,206.6</b>	<b>2,284.8</b>	Treasury Shares	(14.3)	(70.6)
			Other Comprehensive Income	5.1	(36.8)
			Minorities	6.1	7.4
			<b>Total Equity</b>	<b>1,458.8</b>	<b>1,507.1</b>
			Bank Borrowings + Loans	708.6	687.2
			Other Non-Current Liabilities Incl. Lease	348.9	317.4
			<b>Total Non-Current Liabilities</b>	<b>1,057.5</b>	<b>1,004.6</b>
Inventory	309.6	376.6	Bank borrowings + Loans	211.1	247.0
Accounts Receivable	427.7	476.7	Accounts Payable	295.9	412.9
Other Current Assets	11.2	11.5	Other Current Liabilities Incl. Lease	52.1	68.9
Cash	120.2	90.8	<b>Total Current Liabilities</b>	<b>559.0</b>	<b>728.7</b>
<b>Total Current Assets</b>	<b>868.8</b>	<b>955.6</b>	<b>Total Equity &amp; Liabilities</b>	<b>3,075.3</b>	<b>3,240.4</b>
<b>Total Assets</b>	<b>3,075.3</b>	<b>3,240.4</b>			

**FLUIDRA**

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Thanks For Your Attention