

26th February 2015

MAKING  
WATER  
PERFORM



# Disclaimer

This document is for information purposes 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, as it has not been audited, the information is not definitive and may be modified in the future.

The assumptions, information and forecasts contained herein do not guarantee future results and are exposed to risks and uncertainties; actual results may differ significantly from those used in the assumptions and forecasts for various reasons.

The information contained in this document may contain statements regarding future intentions, expectations or projections. All statements, other than those based on historical facts, 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, which could mean that what actually happens does not correspond to them.

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

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.

# 2014 Results – Summary

	Main Magnitudes		
	2013	2014	Evol.
€M			
Sales	592,7	593,8	0,2%
EBITDA	47,7	65,7	37,7%
Net Income	-10,2	6,6	164,9%
Net Working Capital	181,6	176,8	-2,6%
Free Cash Flow post acquisitions	16,8	30,3	13,5
Net Financial Debt	186,8	151,6	-18,8%

- Solid Sales performance marked by the impact of currencies and discontinued operations. Adjusted for these effects, sales for the year grew by 2.7%.
- Excellent EBITDA and Net Profit performance, which were impacted by the above mentioned points, restructuring plan and divestiture process. EBITDA increased profitability: 311 bps.
- Excellent Working Capital and Free Cash Flow performance, with the subsequent reduction in Net Debt beating the objective of 2.5x NFD/EBITDA.

# 2014 Results – Highlights



## France

- Fluidra sold *Irrigaronne*, its agricultural irrigation subsidiary, for €7.1m
- This divestiture reduces Group debt by approximately €9.2m



## Spain

- Fluidra has opened two new branches: Blanes and Puerto de Santa María (Cádiz)
- Both branches have a display area of 350m<sup>2</sup> and a warehouse of 150 m<sup>2</sup>

## Vietnam

- Fluidra has opened a subsidiary in Vietnam to drive its growth in the Asian market
- Fluidra is a leader in the pool sector in the country and has been awarded the construction of water features at resorts in 2014 and for 2015



## Kazakhstan

- Fluidra has opened a subsidiary in Kazakhstan to market its products throughout this transcontinental region with great prospects for our markets



# 2014 Results – Consolidated Profit and Loss Account

	2013		2014		Evol.14/13
	€ M	% sales	€ M	% sales	
Sales	592,7	100,0%	593,8	100,0%	0,2%
Gross Margin	291,3	49,1%	302,2	50,9%	3,7%
Opex before Dep.& Amort.	232,5	39,2%	227,7	38,3%	-2,1%
Provisions for bad debt	11,1	1,9%	8,9	1,5%	-20,0%
EBITDA	47,7	8,0%	65,7	11,1%	37,7%
EBIT	7,9	1,3%	24,7	4,2%	214,0%
Net Financial Result	-17,7	-3,0%	-9,4	-1,6%	46,8%
PBT	-15,8	-2,7%	12,1	2,0%	176,5%
Net Income	-10,2	-1,7%	6,6	1,1%	164,9%

- **Sales** remained virtually flat as a result of the performance in certain regions, exchange rates and discontinued operations. Adjusted for these effects, sales grew by 2.7%.
- Excellent **gross margin** performance, thanks to the work done in managing purchases and pricing.
- Good performance on **Opex**, which is reaping both the benefits of the restructuring and divestiture plan, despite one time costs involved in the divestiture process.
- **Provisions for bad debt** improved thanks to the general performance of the various regions, including the Middle East and North Africa.
- **Financial Results** were impacted by the revaluation of the earn-out for Aqua & Youli (€6.0m) and by debt reduction.

# 2014 Results – Sales Performance by Geographical Area

	Fluidra Sales by Geographical Area					
	€M	2013	%	2014	%	Evolution 14/13
Spain		122,2	20,6%	126,7	21,3%	3,7%
South Europe - Rest		174,1	29,4%	150,9	25,4%	-13,4%
Central & Northern Europe		82,6	13,9%	91,8	15,5%	11,1%
Eastern Europe		30,8	5,2%	30,8	5,2%	0,1%
Asia & Australia		113,7	19,2%	121,6	20,5%	7,0%
Rest of the World		69,3	11,7%	72,1	12,1%	4,0%
<b>TOTAL</b>		<b>592,7</b>	<b>100,0%</b>	<b>593,8</b>	<b>100,0%</b>	<b>0,2%</b>

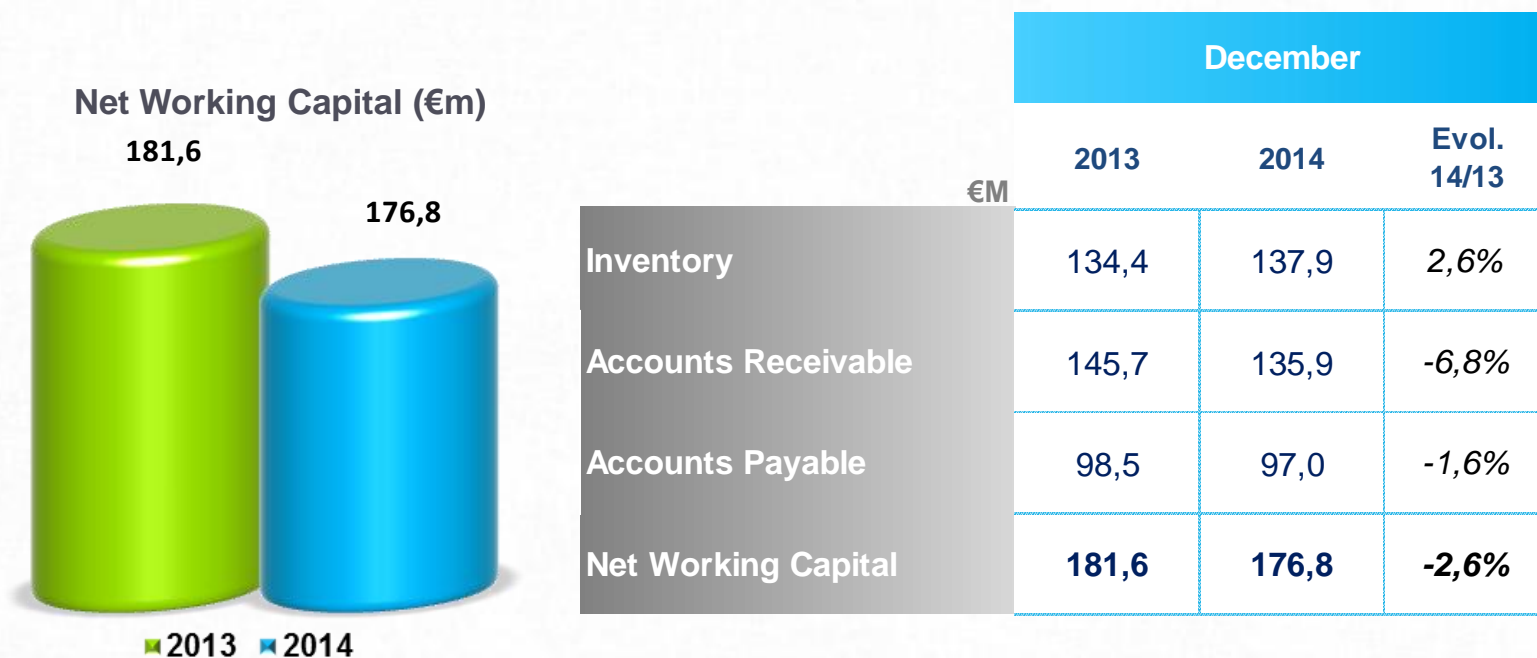
- Good market performance in **Spain** and most of the markets of **Southern Europe**, excluding France. The French market, adjusted for divestitures and discontinued operations, fell by 6%.
- Good international evolution affected by **currencies**: Eastern Europe adjusted for FX was up 7.6%; Asia and Australia 10.2%; and Rest of World 5.7%, thanks to the positive performance in Brazil.

## 2014 Results – Sales Performance by Business Unit

		Sales by business units				
		2013	% of Total	2014	% of Total	Evolution %
€ M						
Pool		401,0	67,7%	407,2	68,6%	1,5%
	- Private	332,3	56,1%	335,1	56,4%	0,8%
	- Commercial	68,7	11,6%	72,1	12,1%	5,0%
Water Treatment		89,3	15,1%	96,0	16,2%	7,5%
Irrigation		33,1	5,6%	27,4	4,6%	-17,2%
Fluid Handling		60,0	10,1%	60,7	10,2%	1,2%
Projects		9,2	1,6%	2,4	0,4%	-73,7%
<b>TOTAL</b>		<b>592,7</b>	<b>100,0%</b>	<b>593,8</b>	<b>100,0%</b>	<b>0,2%</b>

- Good **Commercial Pool** performance, driven by the development of Latin America. **Residential Pool** performed well in spite of the weakness of the French market.
- **The Irrigation Unit** was affected by the divestiture of the agricultural irrigation line of business in France in June 2014. Business activity on the green spaces and residential markets turned in a favourable performance.
- **Water Treatment**, supported by residential activity, performed positively.
- **Fluid Handling** presented solid growth in Asia, offsetting slight declines in Europe.

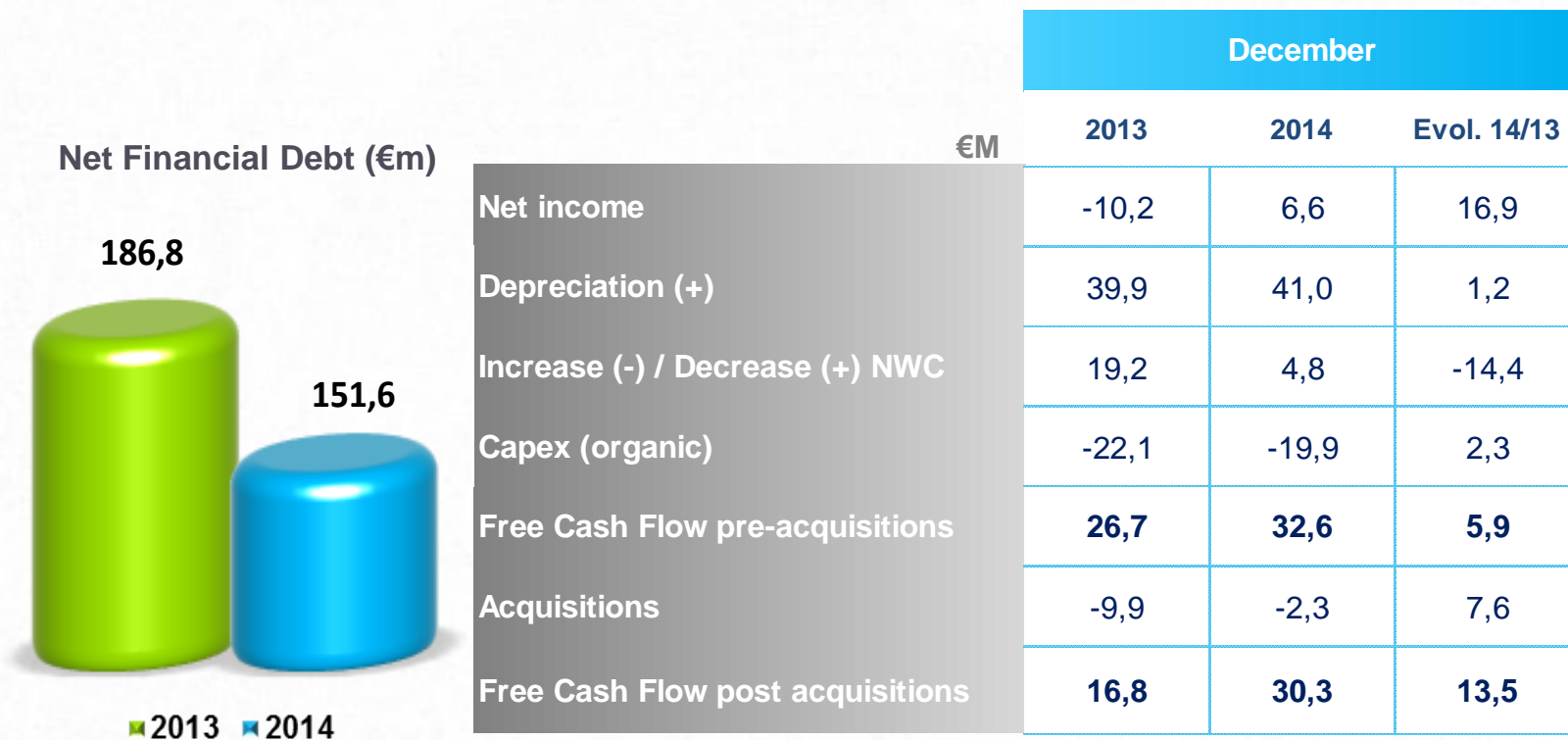
# 2014 Results – Net Working Capital



●● Excellent **Net Working Capital** performance. The sale of *Irrigaronne* and efforts made to manage the balance sheet enabled us to improve the NWC/Sales ratio to 29.8%.



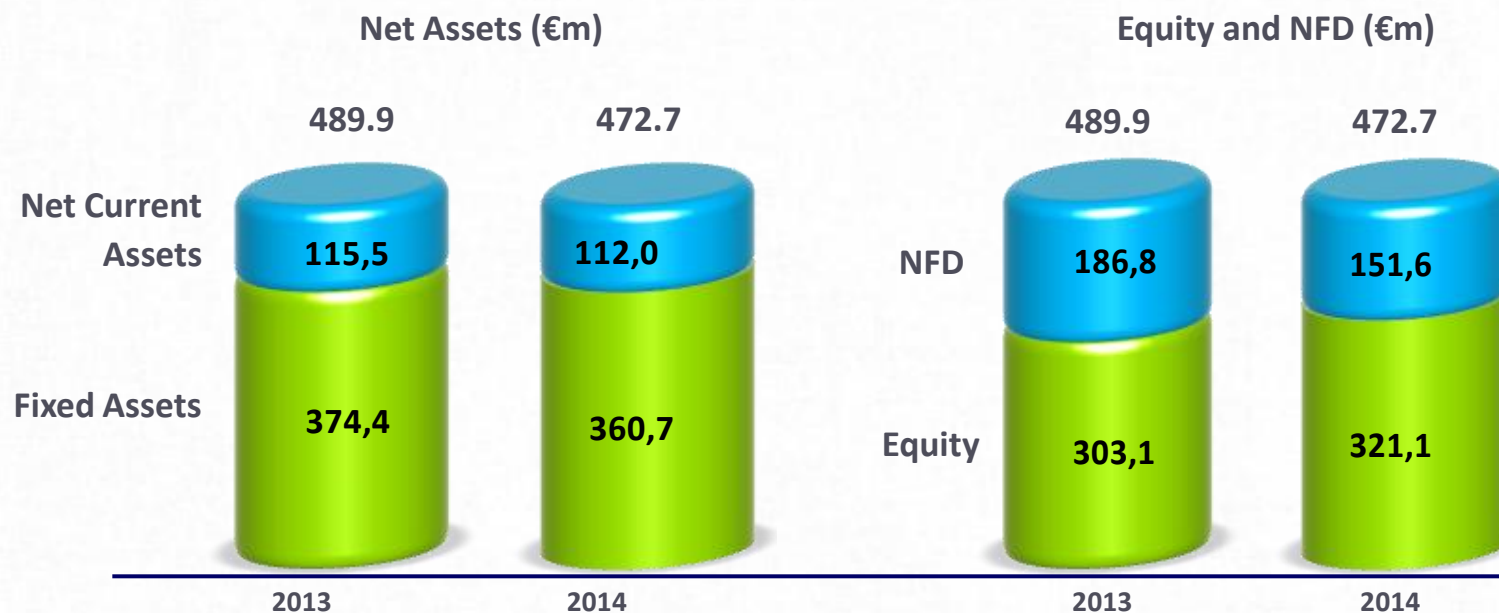
# 2014 Results – Net Financial Debt and FCF



- Good **Free Cash Flow** performance thanks to P&L account and NWC, in addition to the lower investments made in acquisitions.
- As a result, **Net Financial Debt** performed well, with the NFD/EBITDA ratio at 2.3x.

# 2014 Results – Main Items on the Balance Sheet

- Fluidra has a **solid balance sheet structure**, which allows us to continue developing our diversification and internationalization plan.



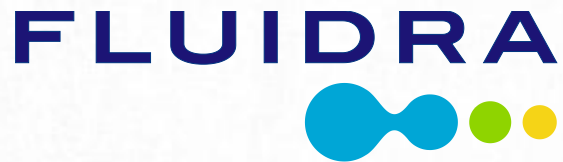
	FY2013	FY2014
NFD/EQUITY	0,6	0,5
NFD /EBITDA	3,9x	2,3x

## 2014 Results – Subsequent events

- **New syndicated loan:** Fluidra has signed a new syndicated loan agreement to take advantage of the market situation to reduce costs and amortize the syndicated loan of 2012:
  - €155m loan – average term: 4.125 years
  - Revolving credit line of €55m over 5 years
- **Fluidra** has moved the maturity of most of this transaction to 2019, which will provide much greater free cash flow over the next few years.
- Accounting implications for Q1 2015: write-off of upfront fees from the 2012 deal, as well as costs associated to this new deal. For full year 2015, in spite of the impact in Q1 2015, bank financing costs will be lower.
- Banking pool includes BBVA , Santander, Caixabank, Sabadell, Popular, Bankinter, Banca March and Bankia.

# 2014 Results – Conclusions

- **2014 Performance** is in line with our forecasts:
  - Strong **cash flow generation**.
  - **Debt reduction**.
  - Recovery of **profitability**.
  
- **In 2015**, the company focuses on **growth and improved profitability** through:
  - Increase market share in Europe and Australia, taking advantage of our **operating leverage**.
  - Maintain our growth in emerging markets like **Asia, Middle East and Africa**
  - Move forward with our development plans in **Latin America**
  
- **Guidance for 2015**: Sales between €605m and €625m; EBITDA between €70m and €74m; and DFN/EBITDA debt levels below 2.5x.



Contact: Avda. Francesc Macià, 60, planta 20  
08208 Sabadell (Barcelona)  
Tel: +34 937 243 900

Email: [investor\\_relations@fluidra.com](mailto:investor_relations@fluidra.com)