

Alternative performance measures H1 2024

Alternative performance measures

Introduction

Fluidra's financial information contains, in addition to the financial information prepared in accordance with IFRS, alternative performance measures ("APMs") as defined in the Guidelines issued by ESMA.

APMs are used by Fluidra's management to evaluate the group's financial performance, cash flows or financial position in making operational and strategic decisions for the group and therefore are useful information for investors and other stakeholders. Certain key APMs form part of executive directors', management and employees' remuneration targets.

APMs are prepared on a consistent basis for the periods presented in this document. They should be considered in addition to IFRS measurements, may differ from definitions given by regulatory bodies relevant to the group and to similarly titled measures presented by other companies. They have not been audited, reviewed or verified by the external auditor of the Fluidra group. Rounding may explain any slight differences in the reconciliations.

Lists of measures

1. "Sales"

Definition

This refers to "sales of goods and finished products", the Group's main source of operating income.

Relevance of use

Simple abbreviation for clarity. Management considers "Sales" to be the Group's main source of income and analyses its performance over time.

2. "Gross margin"

Definition

This refers to "sales of goods and finished products" less "changes in inventories of finished goods and work in progress and raw material supplies", which is adjusted for the part of "Restructuring, M&A and integration expenses" (defined in point 6) relating to the inventory step-up as a result of business combinations. It is usually also presented as a ratio to sales.

Relevance of use

Management uses "gross margin" to evaluate the evolution of the revenue from the sale of products in relation to the cost attributable to the products sold. This shows the return on sales before operating costs.

Reconciliation

Figures in millions of euros	30/06/2024	30/06/2023
Sales of goods and finished products	1,171	1,186
Changes in inventories of finished goods and work in progress and raw material supplies	(518)	(564)
Restructuring, M&A and integration expenses relating to the inventory step-up as a result of business combinations (APM)	1	1
Gross margin (APM)	654	623
% Gross margin over sales (APM)	55.9%	52.5%

3. "Opex"

Definition

"Opex" ("operational expenditures") refers to the total operating expenses incurred to run the business. It includes "personnel expenses" plus "other operating expenses" net of i) "income from the rendering of services", ii) "work performed by the Group and capitalised as non-current assets", iii) "profit/(loss) from sales of fixed assets", iv) "stock based compensation" and v) the relevant portion of "restructuring, M&A and integration expenses" (defined in point 6) relating to "Opex".

Relevance of use

Management employs "Opex" to analyse the trend in both fixed and variable recurring operating expenses incurred to run the business from one year to the next, as well as the percentage variation in relation to sales. This is useful when analysing operating profitability.

Reconciliation

Figures in millions of euros	30/06/2024	30/06/2023
Personnel expenses	204	197
Other operating expenses	211	193
Income from the rendering of services	(20)	(19)
Work performed by the Group and capitalised as non-current assets	(11)	(9)
Profit/(loss) from sales of fixed assets	0	0
Restructuring, M&A and integration expenses relating to Opex (APM)	(24)	(21)
Stock based compensation (APM)	(2)	(6)
Opex (APM)	358	335
% Opex over sales (APM)	30.6%	28.2%

4. "EBITDA"

Definition

"EBITDA" means earnings before interest, taxes, depreciation and amortisation. It is calculated as "sales of goods and finished products" less i) "changes in inventories of finished goods and work in progress and raw material supplies", ii) "personnel expenses" and iii) "other operating expenses" net of i) "income from the rendering of services", ii) "work performed by the Group and capitalised as

non-current assets", iii) "profit/(loss) from sales of fixed assets" and iv) "share in profit/(loss) for the year from investments accounted for using the equity method".

The resulting figure is adjusted for "Stock based compensation" and "Restructuring, M&A and integration expenses".

Relevance of use

"EBITDA" is an indicator widely used by management and the financial and investment community when assessing the profitability of a company and its business. It is a metric reflecting the trend in the company's operating profitability from one year to the next, setting aside items that do not represent cash outflows. Management uses this metric periodically to set financial guidance of future performance.

It is also presented as a ratio to sales, allowing comparisons between companies, businesses and geographies.

Reconciliation

Figures in millions of euros	30/06/2024	30/06/2023
Sales of goods and finished products	1,171	1,186
Changes in inventories of finished goods and work in progress and raw material supplies	(518)	(564)
Personnel expenses	(204)	(197)
Other operating expenses	(211)	(193)
Income from the rendering of services	20	19
Work performed by the Group and capitalised as non-current assets	11	9
Profit/(loss) from sales of fixed assets	0	0
Share in profit/(loss) for the period from investments accounted for using the equity method	0	0
Restructuring, M&A and integration expenses (APM)	26	22
Stock based compensation (APM)	2	6
EBITDA (APM)	296	288
% EBITDA over sales (APM)	25.3%	24.3%

5. "D&A"

Definition

"D&A" ("Depreciation and Amortization") relates to "Depreciation and amortization expenses and impairment losses". The Group divides this metric into "D&A (non-PPA related)" and "Amortization (PPA related)". The former refers to depreciation and amortization expenses and impairment losses that are not related to business combinations. The latter reflects accounting expenditure related to the amortization of intangible assets arising from business combinations as a result of the allocation of the purchase price to the assets and liabilities acquired, such as the amortization of the value of the customer portfolio acquired.

Relevance of use

Management employs this metric, separating "Amortization (PPA related)" from the total amount of "depreciation and amortization expenses and impairment losses" in order to assess business profitability excluding the accounting effect of

the acquisitions. This enhances the comparability of Fluidra's profitability over time, as well as in relation to other pool industry companies and the economy in general.

Reconciliation

Figures in millions of euros	30/06/2024	30/06/2023
D&A (non-PPA related) (APM)	46	44
Amortization (PPA related) (APM)	32	34
D&A (APM)	77	78

6. "Stock based compensation" and "Restructuring, M&A and integration expenses"

Definition

These expenses do not arise from ordinary business and, though they may be incurred in more than one period, they do not have continuity over time (unlike operating expenses) and they occur at a point in time or are related to a specific event.

"Stock based compensation" relates to the cost of management's long-term incentive plan.

"Restructuring, M&A and integration expenses" relates primarily to the integration of recently-acquired companies or to restructuring activities, such as the implementation of the Simplification Program that began in the second half of 2022. Most of these costs impact "Opex", although a relatively minor part affects the "Gross margin".

Relevance of use

The main performance measures employed by management exclude expenses of this kind, which arise at a point in time or relate to a specific event: "Gross margin", "Opex", "EBITDA", "EBITA", "Cash net profit", "Cash EPS" and "ROCE". This group of metrics is employed regularly by management to assess and analyse the Company's operating performance on a comparable basis over time.

7. "EBITA"

Definition

"EBITA" is another metric that reflects business performance and is defined as "EBITDA" less the portion of depreciation and amortisation unrelated to acquisitions.

Relevance of use

Management employs "EBITA" as a performance metric on the basis that it enhances the comparability of Fluidra's profitability over time, as well as in relation to other pool industry companies and the economy in general.

Reconciliation

Figures in millions of euros	30/06/2024	30/06/2023
EBITDA (APM)	296	288
Depreciation and amortisation expenses and impairment losses	(77)	(78)
Amortization (PPA related) (APM)	32	34
EBITA (APM)	250	244

8. “Profit/(loss) attributable to NCI”

Definition

This refers to “Profit/(loss) attributable to non-controlling interests”.

Relevance of use

Simple abbreviation for clarity.

9. “Profit/(loss) attributable to the parent”

Definition

This refers to “Profit/(loss) attributable to equity holders of the parent”.

Relevance of use

Simple abbreviation for clarity.

10. “Cash net profit” and “Cash EPS”

Definition

“Cash net profit” is defined as “Profit/(loss) attributable to equity holders of the parent” adjusted for i) “Restructuring, M&A and integration expenses”, ii) “Stock based compensation”, iii) “Amortization (PPA related)” and iv) the non-cash portion of the financial result. “Cash EPS” is “Cash net profit” divided by the number of Company shares outstanding at the period-end, excluding the effect of treasury shares.

Relevance of use

Management employs these metrics regularly as good indicators of the Company's actual performance, since they mainly exclude both the amortization related to the accounts of the companies acquired and the expenses that do not repeat over time by nature. Cash EPS is one of the main metrics of reference used by Fluidra's Board of Directors when preparing the dividend per share proposal to be submitted to the General Shareholders' Meeting.

Reconciliation

Figures in millions of euros	30/06/2024	30/06/2023
Profit/(loss) attributable to equity holders of the parent	112	104
Restructuring, M&A and integration expenses (APM)	26	22
Stock based compensation (APM)	2	6
Financial result	35	36
Net interest expense paid (APM)	(35)	(35)
Amortization (PPA related) (APM)	32	34
Cash adjustments (APM)	60	62
Tax rate (APM)	24.5%	24.9%
Taxed cash adjustments (APM)	45	47
Cash net profit (APM)	157	151
Share count (APM)	192	192
Cash EPS (APM)	0.82	0.79

11. “Net interest expense paid”

Definition

This is defined as “interest paid” in cash less “interest received” in cash, excluding any other financial expense or income. The purpose of this metric is to help to simplify the financial community's understanding of the cash flow statement.

Relevance of use

Management employs this metric regularly when assessing the Company's financial situation.

Reconciliation

Figures in millions of euros	30/06/2024	30/06/2023
Interest paid	36	36
Interest received	(1)	(1)
Net interest expense paid (APM)	35	35

12. “Operating net working capital”

Definition

This is defined as the sum of the balance sheet items i) “inventories” and ii) “trade and other receivables”, less “trade payables”, which excludes a part of “trade and other payables” that is not entirely related to trading activities (mainly future payments of ordinary dividends and/or future payments of the acquisition price or options agreed with companies acquired, or earn-outs). This adjustment may have a relatively minor impact at the year-end, although it could be particularly relevant to some of the quarterly closings during the year.

Relevance of use

Management employs this metric regularly when analysing the Company's balance sheet and the ability to generate cash resources. As it focuses on operating activities, it provides a view of the Group's financial situation.

It is also presented as a ratio to last 12 months sales, allowing comparisons between enterprises, businesses and geographies by both management and the investment community.

Reconciliation

Figures in millions of euros	30/06/2024	30/06/2023
Trade and other payables	534	500
Dividends, earn-outs and others (APM)	(107)	(137)
Trade payables (APM)	427	363
Inventories	470	546
Trade and other receivables	443	466
Trade payables (APM)	(427)	(363)
Operating net working capital (APM)	485	649
% Operating net working capital over sales (APM)	23.8%	30.5%

13. "ROCE"

Definition

"Return on Capital Employed" is a return-on-capital measure used in the business. It is calculated as last 12 months "EBITA" divided by the sum of "cash equity" and "net debt". Net debt is defined in the following section.

"Cash equity" refers to "total equity" adjusted by €527 million, which reflects the difference between the average share price for the six-month period prior to the announcement of the merger with Zodiac (€7.4 per share, the share exchange value in the merger) and the share price on the completion date (€13.7 per share, the carrying amount of the Zodiac acquisition under IFRS), multiplied by 83 million new shares issued.

"Cash equity" plus "net debt" in the denominator reflects the capital actually employed by the Company in the transaction.

"EBITA" is a performance metric which, as indicated, excludes expenses not arising in the ordinary course of business and the expense related to the amortization of intangible assets obtained through acquisitions. This enhances the comparability of returns over time, as well as in relation to other pool industry companies. The ratio is based on last 12 months EBITA.

Relevance of use

Management analyses ROCE regularly when assessing the Company's profitability. This measure is also widely used by the investment community when evaluating companies from different industries and geographies.

Reconciliation

Figures in millions of euros	30/06/2024	30/06/2023
EBITA (APM)	361	344
Total equity	1,619	1,588
Equity adjustments (APM)	(527)	(527)
Cash equity (APM)	1,092	1,061
Net debt (APM)	1,151	1,300
ROCE (%) (APM)	16.1%	14.6%

14. "Net debt", "Net debt/EBITDA ratio" and "Net financial debt"

Definition

"Net debt" is calculated as the sum of i) "current and non-current bank borrowings and other marketable securities", ii) "current and non-current lease liabilities" and iii) "derivative financial liabilities", net of i) "cash and cash equivalents", ii) "non-current financial assets", iii) "other current financial assets" and iv) "derivative financial instruments".

"Net financial debt" is simply "Net debt" excluding lease liabilities. The "net debt/EBITDA ratio" is calculated as "Net debt" divided by last 12 months "EBITDA".

Relevance of use

"Net debt" is the main APM used by management to measure the Company's indebtedness over time. To supplement the total debt figure presented under IFRS, management analyses the

"net debt/EBITDA ratio" to assess indebtedness over time. Both metrics are broadly employed by the financial community to evaluate leverage and facilitate comparisons over time and with other businesses, as well as to value the Company.

Reconciliation

Figures in millions of euros	30/06/2024	30/06/2023
Bank borrowings and other marketable securities	1,120	1,262
Lease liabilities	201	193
Derivative financial instruments	0	0
Cash and cash equivalents	(126)	(89)
Non-current financial assets	(4)	(4)
Other current financial assets	(4)	(7)
Derivative financial instruments	(37)	(55)
Net debt (APM)	1,151	1,300
Net debt/EBITDA ratio (APM)	2.5x	3.0x
Lease liabilities	201	193
Net financial debt (APM)	949	1,106

15. "CapEx"

Definition

"CapEx" or "capex" ("Capital Expenditures") is defined as the "acquisition of property, plant and equipment" plus the "acquisition of intangible assets".

Relevance of use

It is a measure of the investment effort made in each period in terms of assets for the various businesses. It reveals the allocation of resources and facilitates comparisons of investment efforts made in different periods. CapEx is made up of maintenance and growth investments. It is a common metric used by both management and the financial community.

Reconciliation

Figures in millions of euros	30/06/2024	30/06/2023
Acquisition of property, plant and equipment	15	16
Acquisition of intangible assets	19	11
CapEx (APM)	34	27

Note: As from 31/12/2023, the adjustment for changes under fixed asset suppliers is no longer made when calculating CapEx

16. "Free cash flow"

Definition

"Free cash flow" is defined as the sum of: i) "CF from operating activities", ii) "CF from investing activities" and iii) "financing cash flow", which excludes the net effect of bank borrowings.

Relevance of use

Management considers this measure to be useful for understanding the Company's ability to generate available cash for distribution to shareholders, reduction of leverage and/or external growth opportunities.

Reconciliation

Figures in millions of euros	30/06/2024	30/06/2023
EBITDA (APM)	296	288
Net interest expense paid (APM)	(35)	(35)
Corporate income tax paid	(32)	(22)
Operating working capital	(114)	(105)
Other operating cash flow	(19)	(59)
CF from operating activities	96	68
CapEx (APM)	(34)	(27)
Acquisitions / divestments (APM)	(2)	(10)
Other investment cash flow	5	1
CF from investing activities	(31)	(36)
Payments for lease liabilities	(22)	(20)
Treasury stock, net (APM)	0	1
Dividends paid	(2)	0
Financing cash flow (APM)	(24)	(19)
Free cash flow (APM)	41	13

Profit /(loss) for the period before tax to EBITDA reconciliation	30/06/2024	30/06/2023
Profit /(loss) for the period before tax	156	147
Financial result	35	36
D&A (APM)	77	78
Restructuring, M&A and integration expenses (APM)	26	22
Stock based compensation (APM)	2	6
EBITDA (APM)	296	288

Condensed Consolidated Interim Financial Statements

The financial statements included in this document are an extract from Fluidra's H1 2024 condensed consolidated interim financial statements

Fluidra, S.A. and Subsidiaries - Condensed Consolidated Interim Statement of Financial Position 30 June 2024 and 2023

(Expressed in thousands of euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Assets	6/30/2024	6/30/2023
Property, plant, and equipment	186,928	178,822
Investment property	2,726	2,792
Goodwill	1,318,931	1,296,808
Other intangible assets	876,551	901,323
Right-of-use assets	180,538	172,988
Investments accounted for using the equity method	725	796
Non-current financial assets	4,321	4,471
Derivative financial instruments	36,987	55,201
Other receivables	1,784	3,158
Deferred tax assets	101,978	118,554
Total non-current assets	2,711,469	2,734,913
Non-current assets held for sale	—	7,712
Inventories	469,933	545,514
Trade and other receivables	442,509	466,481
Other current financial assets	3,569	7,197
Derivative financial instruments	—	46
Cash and cash equivalents	126,278	89,233
Total current assets	1,042,289	1,116,183
TOTAL ASSETS	3,753,758	3,851,096
Equity		
Share capital	192,129	192,129
Share premium	1,148,591	1,148,591
Retained earnings and other reserves	234,595	197,700
Treasury shares	(46,646)	(38,160)
Other comprehensive income	80,691	78,938
Equity attributable to equity holders of the parent	1,609,360	1,579,198
Non-controlling interests	9,158	8,734
Total equity	1,618,518	1,587,932
Liabilities		
Bank borrowings and other marketable securities	1,103,436	1,102,859
Lease liabilities	153,354	150,824
Deferred tax liabilities	207,647	237,948
Provisions	10,941	10,464
Government grants	104	148
Other non-current liabilities	2,817	4,773
Total non-current liabilities	1,478,299	1,507,016
Liabilities linked to non-current assets held for sale	—	3,616
Bank borrowings and other marketable securities	16,965	159,242
Lease liabilities	48,004	42,673
Trade and other payables	534,072	499,861
Provisions	57,820	50,579
Derivative financial instruments	80	177
Total current liabilities	656,941	756,148
Total liabilities	2,135,240	2,263,164
TOTAL EQUITY AND LIABILITIES	3,753,758	3,851,096

Fluidra, S.A. and Subsidiaries - Condensed Consolidated Interim Income Statement for the six-month periods ended 30 June 2024 and 2023

(Expressed in thousands of euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	6/30/2024	6/30/2023
Operating income		
Sales of goods and finished products	1,171,000	1,185,601
Income from the rendering of services	19,782	18,648
Work performed by the Group and capitalised as non-current assets	11,338	9,346
Total operating income	1,202,120	1,213,595
Operating expenses		
Changes in inventories of finished goods and work in progress and raw material supplies	(518,028)	(563,539)
Personnel expenses	(204,177)	(197,103)
Depreciation and amortisation expenses and impairment losses	(77,446)	(77,657)
Other operating expenses	(211,410)	(193,180)
Total operating expenses	(1,011,061)	(1,031,479)
Other gains and losses		
Profit/(loss) from sales of fixed assets	(291)	195
Total other gains and losses	(291)	195
Operating profit	190,768	182,311
Finance income / (cost)		
Finance income	984	1,228
Finance cost	(32,255)	(33,584)
Right-of-use finance cost	(4,425)	(3,842)
Exchange gains/(losses)	810	666
Financial result	(34,886)	(35,532)
Share in profit/(loss) for the period from investments accounted for using the equity method	(43)	(9)
Profit/(loss) before tax from continuing operations	155,839	146,770
Income tax expense	(41,541)	(40,855)
Profit/(loss) after tax from continuing operations	114,298	105,915
Profit/(loss) attributable to non-controlling interests	2,380	1,844
Profit/(loss) attributable to equity holders of the parent	111,918	104,071
Basic earnings/(loss) per share (euros)	0.58957	0.54934
Diluted earnings/(loss) per share (euros)	0.58957	0.54934

Fluidra, S.A. and Subsidiaries - Condensed Consolidated Interim Statement of Cash Flows for the six-month periods ended 30 June 2024 and 2023

(Expressed in thousands of euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	6/30/2024	6/30/2023
Cash flows from operating activities		
Profit /(loss)for the period before tax	155,839	146,770
Adjustments for:		
Amortisation and depreciation	77,403	77,606
Adjustments due to impairment of receivables	(1,555)	1,185
Provision for/(reversal of) impairment losses on assets	43	51
Provision for/(reversal of) losses on risks and expenses	5,942	(1,282)
Provision for/(reversal) of losses on inventories	1,705	2,677
Income from financial assets	(822)	(1,169)
Finance cost	36,568	36,950
Exchange (gains)/losses	(810)	(666)
Share in profit/(loss) for the period from associates accounted for using the equity method	43	9
(Profit)/loss on the sale of property, plant and equipment and other intangible assets	79	(234)
(Profit)/loss on the sale of subsidiaries	212	39
Government grants recognised in profit and loss	(22)	(25)
Share-based payment expenses	2,120	(33,148)
(Profit)/loss on financial instruments at fair value through profit or loss	(50)	417
Operating profit before changes in working capital	276,695	229,180
Changes in working capital, excluding effects of acquisitions and currency translation differences		
Increase/decrease in trade and other receivables	(161,027)	(206,821)
Increase/(decrease) in inventories	(42,977)	55,353
Increase/(decrease) in trade and other payables	90,106	46,864
Utilisation of provisions	(482)	(725)
Cash from operating activities	162,315	123,851
Interest paid	(35,549)	(35,827)
Interest received	822	1,169
Corporate income tax paid	(31,515)	(21,649)
Cash flows from operating activities (*)	96,073	67,544

	6/30/2024	6/30/2023
Cash flows from investing activities		
From the sale of property, plant and equipment	1,747	1,127
From the sale of other intangible assets	86	274
From the sale of financial assets	11,185	2,916
Dividends received	72	—
Acquisition of property, plant and equipment	(15,437)	(15,861)
Acquisition of intangible assets	(18,535)	(10,991)
Acquisition of other financial assets	(8,461)	(3,289)
Payments for acquisitions of subsidiaries, net of cash and cash equivalents	—	(3,399)
Payments for acquisitions of subsidiaries in prior years	(1,679)	(6,883)
Cash flows from investing activities (*)	(31,022)	(36,106)
Cash flows from financing activities		
Payments for repurchase of treasury shares	(55,751)	(89,599)
Proceeds from the sale of treasury shares	56,006	90,707
Proceeds from bank borrowings	—	11,459
Payments for bank borrowings	(29,372)	(5,802)
Payments for lease liabilities	(21,792)	(19,666)
Dividends paid	(2,153)	(124)
Cash flows from financing activities (*)	(53,062)	(13,025)
Net increase/(decrease) in cash and cash equivalents	11,989	18,413
Cash and cash equivalents at 1 January	112,880	78,656
Effect of currency translation differences on cash flows	1,409	(4,859)
Cash and cash equivalents at 30 June	126,278	92,210

(*) Includes the cash flows arising from continuing and discontinued operations (Note 13).