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PRESENTATION

Clara Valera - *Fluidra SA - Strategy, Investor Relations and M&A Senior Director*

Good morning, and welcome to our third-quarter 2024 results call. I'm Clara Valera, Strategy, Investor Relations, and M&A Senior Director. Joining me today on this call is our Executive Chairman, Eloy Planes; our CEO, Jaime Ramirez; and Xavier Tintore, our CFO. They will walk you through a few slides on our results, and then they will be able to take your questions.

(Event Instructions)

The presentation is accessible via our website, fluidra.com and has also been uploaded to the Stock Exchange Commission this morning. A replay of today's presentation will be made available on our website later today.

With that, I hand over to our Executive Chairman, Eloy Planes.

Eloy Planes Corts - *Fluidra SA - Executive Chairman of the Board*

Thanks, Clara. Good morning and thank you for joining our call today and for your interest in Fluidra. Before to start, I just want to extend my thoughts to the victims and families to the extremes floods in Valencia yesterday.

Today, we are presenting our third quarter and year-to-date September 2024 results. Jaime and Xavier will provide more detail shortly. But first, let me summarize a few key points.

Our third-quarter performance was strong. Sales were up across all regions, with North America leading the way and delivering an outstanding performance. On the other hand, we are pleased to see Europe coming back to growth for the first time since early 2022. This is an excellent performance in an environment that remains mixed with lower demand for new build with a resilient aftermarket.

Gross margin continued with its solid development, mainly driven by a timely execution of our Simplification Program, which is well on track to deliver the savings expected for the remainder of the plan. Cash generation was strong. We have consolidated our progress in working capital management and continued to deleverage in the quarter.

With our performance year-to-date, we are updating our full-year guidance, raising the midpoint to sales between EUR2,060 million and EUR2,100 million and EBITDA between EUR460 million to EUR480 million.

We are reinforcing our leadership in a structurally attractive industry. We agreed in the quarter the acquisition of a couple of bolt-ons. This will expand our customer base in Portugal and complement our commercial product portfolio in Australia with a more sustainable regenerative media filtration system.

As a testament to our customer-centric approach, we have been awarded Vendor of the Year for the fourth year in a row by key distributors in the US.

Let me share with you that I'm delighted to have Jaime on Board. We are excited not just because he is a first-class operator, but also because he joined us at the right time.

Think about our evolution. Operating in a dynamic environment over the last years, we have focused sharply on optimizing and strengthening the group, the results you can see in our performance year-to-date. And now Fluidra is in a strong position to deliver on its strategic priorities and drive value for all stakeholders.

I'm confident Jaime is a tremendous asset to our team, bringing a breadth of experience that will move us ahead. With a deep understanding of global consumer and industrial products and a track-record of driving growth and transformation, he is well placed to lead us into the next chapter.

And then let me pass the floor to him to Jaime to present our Q3 results in more detail.

Jaime Ramirez - Fluidra SA - Chief Executive Officer

Thank you, Eloy. It is a pleasure to be here with all of you today. You can imagine that the first months of Fluidra have been very busy. And today, I'm even more excited about our opportunity than before I started. Why? I have the privilege of traveling across our diverse regions, visiting many of our operations, and most importantly, meeting our incredible employees, key customers, and suppliers.

On slide 5, you can see more of my thoughts in detail but let me take a moment to share with you what has really impressed me since I joined. First, the attractiveness of the pool industry. Every year, new pools are built around the world, driven by the desire to own a pool, which add to the global pool base. And that global pool base needs to be repaired and maintained.

Most of the demand for our products come from this less discretionary piece, the aftermarket, which I think is a fundamental strength. As you know, despite the correction seen in the last couple of years, Fluidra's aftermarket is very resilient. Believe me, when I said that not many industries have these characteristics.

Second, our global leading platform. With a diversified geographic footprint and wide innovative product range, Fluidra has built a strong foundation to serve customers around the world. And I see opportunity to continue to consolidate a fragmented market.

And last but not least, our people. It didn't take me long to notice the engaged and highly skilled team that works here, committed to tackling opportunities and challenges head on. Their passion and expertise are instrumental in driving our business.

I have very much enjoyed meeting the global Fluidra team across all regions. I want to personally thank each of you for your warm welcome and your ongoing dedication to our shared success. I'm thrilled to be here today. This is an exceptional opportunity to build upon our solid foundation as a global leader and keep driving value for all our stakeholders.

On slide number 6, let me take a moment to outline the core strategic pillars I will focus on to drive transformation and market leadership and deliver further shareholder value. Much of this will sound familiar to you, as I mentioned earlier.

We're building on our strong foundation. We will maximize the opportunity we have. Our first priority is to accelerate growth by delivering commercial excellence and improving both customer and end user experience. Expanding in high potential markets organically and via selective M&A will continue to be our focus.

Next, we'll concentrate on enhancing operational excellence by maximizing productivity, boosting efficiency, reducing costs, and further improving our competitiveness, leveraging our global footprint. This focus will enable us to strengthen margins and optimize our operations to stay agile in a dynamic market.

Our third area of focus is continuing to create competitive differentiation. I believe, for that innovation, digital, technology, and product development are key to achieving this, along with a relentless commitment to high quality and consistent excellent service to our customers. By focusing on these pillars, we're positioning ourselves for long-term success and ensuring that we remain at the forefront of our industry.

Moving to our quarterly and year-to-date performance on slide 7. I will provide some highlights and then turn it over to Xavier to provide more detail on the financial results.

Sales were up 1% in the first nine months of the year to EUR1,637 million. Performance in the third quarter was strong, as Eloy mentioned, with growth across all regions driven by 8% higher volumes. EBITDA was up 6% year on year to EUR386 million, which represents a 24% margin. This reflects the strength of our business model and the actions we have implemented with consistent improvement in gross margin, driven by the Simplification Program, partially offset by higher OpEx. Xavier will provide more color later.

Going down the P&L, cash EPS was up 8% year on year. We have managed working capital very well. Operating net working capital to sales in the last 12 months was around 18% compared to 24% at the same time last year, down 570 basis points. Cash generation in the period was strong. The ratio of net debt to last 12 months EBITDA at the end of September was around 2.3 times.

On slide 8, looking at Q3 standalone performance, sales grew by 7%, with all regions recording a positive performance on the back of 8% volume growth, which explains the recovery in the year-to-date bridge from a negative 3% in the first half of 2024 to flat as of the end of September.

North America was up 9% organically, a consistent sequential improvement with good sell-through across our customer base. This performance is a testament to our easy-to-do business with customer-centric approach, our exposure to the Sunbelt and our mid to high-end market positioning.

In Europe, with 5% organic growth in Q3, we saw recovery from the weather-affected sales in the second quarter and a good aftermarket demand. As Eloy mentioned earlier, this was the first positive quarter for Europe since early 2022.

Overall, new construction demand was still weaker year on year, but this was more than offset by resilient aftermarket demand, share gains, and the tailwind of not having the correction of inventory in the channel we faced last year.

With this performance year-to-date, we are updating our full year guidance from EUR2.06 billion to EUR2.1 billion of sales, EUR460 million to EUR480 million of EBITDA and EUR1.14 per share to EUR1.20 per share of cash EPS.

Moving to slide number 9. Let me talk about some of the highlights of the quarter. First, an example of our continued product innovation. This new saltwater coordinator delivers complete and hassle-free water treatment. It is connected for easy management and monitoring to our recently launched Fluidra app and features a smart digital interface for enhanced end user experience. This top-selling product has been very well received by our customers and pool owners and is also an excellent example of our continued innovation in connectivity for enhanced customer experience.

As Eloy mentioned earlier, we are proud to have awarded Vendor of the Year for the fourth consecutive year by top distributors in the US. This recognition underscores our commitment to putting customer at the heart of everything we do.

On sustainability, we recently published a deep-dive report on the importance of water as a scarce global resource and the implications for swimming pools. I strongly encourage you to take a look. It sheds some light on general misconceptions. It is estimated that total water used for pools represents less than 0.5% of total water consumption. Nevertheless, we believe every drop counts.

At Fluidra, we're committed to deliver a more sustainable pool experience and have technologies to save energy and water. These efforts illustrate our ongoing efforts on innovation, customer experience and sustainable solutions, which are key to our long-term success.

With that, I will turn it over to Xavier to explain the financial results in more detail.

Xavier Tintore Segura - *Fluidra SA - Chief Financial, Sustainability & Transformation Officer*

Thank you, Jaime. Let's turn to page 10 to start with the P&L. Sales of EUR1,637 million in the first three quarters represent a 0.8% increase year on year. FX represented a negative impact of 70 basis points and acquisition added 70 basis points of growth. Sales growth in the third quarter was positive across all regions and improved sequentially. This was mainly driven by higher volumes.

Gross margin reached 55.9%, 300 basis points higher than in 2023, being the sixth consecutive quarter with gross margin higher than the prior year period. We have seen a positive contribution of the simplification program, favorable geographic mix and pricing read-through despite declines in chemicals, together with inflation on raw materials and limited impact from inflation in freight.

Operating expenses reached EUR528 million, up 9%, with enhanced investments in digitalization and R&D, inflation in labor costs and some increase in provisions. EBITDA of EUR386 million was up 6%, driven by higher gross margin despite flat volumes, OpEx inflation and some increased investments.

EBITDA margin was 23.6%, 110 basis points higher than 2023. EBITDA of EUR315 million is up 5% with a margin of 19.2%, which is 80 basis points higher than last year's. Below the EBITDA line, PPA amortization is down 6% to EUR47 million.

Restructuring, stock-based compensation, and other expenses of EUR41 million are up 8% with higher one-off costs from the simplification program and lower stock-based compensation. Net financial result amounted to EUR55 million, 8% lower than last year, driven by lower debt.

Tax rate was 26%, similar to the one of 2023. Net profit reached EUR123 million compared to [EUR108 million] in 2023. As you know, we track cash net profit, a good indicator for Fluidra as we have a significant amortization charge entirely purchase accounting related that impacts our net profit and EPS calculation. Cash net profit amounted to EUR194 million, 8% higher than last year's.

Next, on slide 11, I will quickly share our progress on the simplification program, which is delivering long-term value and structurally strengthening our business. We have achieved to-date EUR57 million in cumulative savings, and we are on track to finish 2024, delivering on our run rate of over EUR60 million savings. This year's incremental savings are driven by global strategic procurement efforts and product design to value initiatives.

Let me remind you that in total, the Simplification Program will deliver cost savings of around EUR100 million between 2023 and 2025 with total related one-off costs of approximately 1 times.

Page 12 shows the free cash flow statement as well as the net debt evolution. Free cash flow in the period of EUR113 million, higher than last year's EUR105 million cash generation. Operating cash flow was EUR252 million versus EUR276 million last year, mainly driven by the lower contribution from net working capital as in 2023, we generated significant cash from adjusting our inventory levels.

In terms of absolute net working capital numbers, we have continued with excellent execution with more than 570 basis points improvement, reaching net working capital to sales of 18%, driven by lower inventories and receivables and higher payables.

On the investment front, we have used EUR47 million, EUR27 million less than in the prior year when we closed the acquisition of Meranus. On the financing front, we are flat year on year. Finally, net debt reached EUR1,069 million, down around EUR160 million compared to the prior year period. Our leverage ratio is 2.3 times versus 2.9 times ratio last year, nicely trending down towards a 2 times target.

And now back to Eloy for closing comments.

Eloy Planes Corts - Fluidra SA - Executive Chairman of the Board

Thanks, Xavier. Let me summarize a few takeaways.

We had a strong performance year-to-date with sequential improvement across all regions, driven by volume. The Simplification Program is well on track to deliver [planet] savings and drive margin improvements this and next year. Strong cash generation and effective working capital management have supported deleveraging to 2.3 times net debt to EBITDA.

With our performance to-date, we are updating our guidance for the year, raising the midpoint. Fluidra is in a great position to accelerate growth in a market that is beginning to show signs of stabilization and recovery. As Jaime outlined, we are excited about our future, and we remain focused on growing profitability and delivering improving returns on capital over the medium term in an industry with attractive structural growth.

Clara Valera - Fluidra SA - Strategy, Investor Relations and M&A Senior Director

Many thanks Eloy, Jaime, and Xavier for your presentation. For your information, we plan to hold a Capital Markets Day in the second quarter of 2025, where we will share with you more color on our industry, business, and strategy, and we will outline why Fluidra is well positioned to continue to be the global leader in the pool industry. We now begin the Q&A session.

QUESTIONS AND ANSWERS

Clara Valera - Fluidra SA - Strategy, Investor Relations and M&A Senior Director

(Event Instructions)

Jingyi Zheng, UBS.

Jingyi Zheng - UBS - Analyst

I wonder if you could give us an update on what you're seeing in the early buy season across regions. And I appreciate it's still a bit early, but I wonder what is your expectation for 2025 based on the trends you've seen so far across end markets, including new build, maintenance, repair, remodeling, and commercial.

Jaime Ramirez - Fluidra SA - Chief Executive Officer

On the early buy campaign, that's going really well for us as expected. It's still being finalized with our customers. And as you know, we use the early buy as a good way for us to have visibility on what our customers need and to better serve the customers and preparing our supply chain people.

So we believe that early buys will be okay for the balance of the year, number one. But number two, as you know, we also check early buys connected to sell-through in the market. So we're very happy with the progress we have made from that perspective.

On your second question on expectations for 2025, it's early to guide 2025, to be honest with you. However, we see this question from three different perspective. Number one, the market, the macroeconomic perspective, and then what we at Fluidra are doing.

So from the macroeconomic perspective, a lot of uncertainty. There is a lot going on around the globe. We have to see what happens with elections. We have to see what happens in other countries around the globe. So that piece is very uncertain still for us.

From the industry perspective, we feel good about the industry. We think the industry is stable. However, we have to see what happens with new pools. We have to see if the recovery of aftermarket continues. So more to come on that area.

And on what Fluidra is doing, we feel very good about what Fluidra is doing. You have seen the results. You have seen the positive trend, the positive momentum of the company in terms of volumes. The pricing execution year-to-date is very good, and we're very confident about that. All the different initiatives, the Simplification Program. So from our perspective, we feel very good about the 2025.

Clara Valera - Fluidra SA - Strategy, Investor Relations and M&A Senior Director

Chitrita, JPMorgan.

Chitrita Sinha - JPMorgan - Analyst

I have three questions, please. Starting with the first one, could you please provide more color on why pricing was negative in the quarter? And I guess, maybe even some regional color? And then what do we expect for Q4?

Jaime Ramirez - Fluidra SA - Chief Executive Officer

Okay. On pricing, first of all, we don't see price pressure. The dynamics of Q3 was mainly a mix situation driven by our chemical business, but that's very connected to the season and also a little bit of product and a little bit of channels around the globe.

We're very confident that price is going in the right direction. We just launched our price increase in the month of October, and that was very well taken from the market. So we're confident that execution on pricing will be good, and our Q4 expectations in terms of pricing are also very positive for us.

So I don't know, Xavier, if you want to add something on pricing?

Xavier Tintore Segura - Fluidra SA - Chief Financial, Sustainability & Transformation Officer

No, I think it's more of a seasonal point as you highlighted, Jaime. I just feel that the situation of the industry is that this is an industry at a price and no other comment to add.

Chitrita Sinha - JPMorgan - Analyst

And then second question on Europe. How do you see underlying demand here now, given we saw good growth in the quarter. Are customers still in the wait-and-see mode or things developing more positively?

Jaime Ramirez - Fluidra SA - Chief Executive Officer

We feel -- okay. So let's start with, first of all, we're so pleased and so happy that Europe was positive in Q3 after, I don't know how many quarters, nine quarters being negative. It's still soon to say, but we think we're gaining market share in Europe. Aftermarket is strong. And as you heard from the presentation, we got impacted in Q2 by weather. Weather was good in Q3, so that helped the results that we had in Q3.

We see the trend continuing for the balance of the year. We're very pleased with the positive sequential improvement and the trend we're seeing in the region. But of course, again, it's early to guide and to talk about 2025, but we're very positive about the trend in Europe.

Chitrita Sinha - JPMorgan - Analyst

Perfect. And then finally on a bigger picture, I guess, question for Jaime on M&A. You commented on it still being quite a fragmented market, and there's significant scope to further consolidate. How do you see your strategy on M&A? And is there scope for bigger deals or do you see more bolt-ons?

Jaime Ramirez - Fluidra SA - Chief Executive Officer

And let me start by saying that for us, it's very clear that M&A is going to be a critical part of how we're going to accelerate growth in the company. Fluidra has been an acquisitive company. So this company knows how to acquire the right companies and how to integrate those companies.

So for us, it's very clear and for me coming to the company, the acquisitions have to be strategic, add value to the company, being financially compelling and of course, helping us to consolidate the fragmented market. If those are big or large, it will depend on the sector.

You have a lot of opportunities on the commercial sector. Those are not large acquisitions but are strategic and can help to get the platform stronger. Then we're going to see some opportunities from the regional perspective. But it's tough to say if they are large or small, which way to go because it will depend on what we're trying to accomplish.

Clara Valera - Fluidra SA - Strategy, Investor Relations and M&A Senior Director

Francisco Ruiz, BNP Paribas.

Francisco Ruiz - Exane BNP Paribas - Analyst

I have three questions, if I may. The first one is if you could give us a more detail on the split between prices and volumes by geography this quarter.

The second one is on the simplification plan, as you have reached already EUR26 million, it looks like you are ahead of your plan. This could mean that this year, you are accelerating this, or it is probably because the EUR100 million is going to be a floor for the future savings of the plan?

And the third question is on OpEx. I mean, OpEx has grown significantly versus last quarters in this quarter. Could you give us the reason for such a big increase?

Xavier Tintore Segura - Fluidra SA - Chief Financial, Sustainability & Transformation Officer

Let me start going backwards on the OpEx front. You are absolutely right. I mean we are happy to see the performance in terms of EBITDA, which is coming with a slightly different mix than what we had expected at the beginning of the year with gross margin performing better and operating expenses performing slightly higher than anticipated.

As I shared in the call, we are seeing some, as anticipated, inflation on labor and general cost. We are also seeing some accelerated expenses associated to higher volumes of production, the investments on IT and R&D and probably in the last couple of quarters, we have also had some higher-than-expected provisions on warranties as we have had some quality issues with a batch of products that have implicated a higher run rate of OpEx.

And last but not least, bonus has also had an impact. Last year, we were releasing accruals because our performance was weaker than expected, below plan. And this year, we are accruing as we're having a stronger year. All-in-all, as I said, great EBITDA with a little bit of a different mix.

On your second question, Simplification, we are happy with the performance. As you said, we have had an acceleration in the last couple of quarters. I mean we are committed to deliver the EUR100 million, and I think it's a little bit too early to see. We continue to see opportunity beyond the plan, but it's a little bit too early to talk about expectations.

And then last but not least, on the first question, we've seen sort of a similar impact. We've seen volumes up both in -- across the world really with North America a little bit higher than Europe, but Europe volumes are up as same as rest of the world. And we've seen negative impact, obviously, on pricing due to the chemicals as Jaime has explained a little bit earlier.

Francisco Ruiz - *Exane BNP Paribas - Analyst*

Xavier, can I make a follow-up here? I think it's quite difficult, but could you quantify how much of this volume is coming from a restocking effect?

Xavier Tintore Segura - *Fluidra SA - Chief Financial, Sustainability & Transformation Officer*

How much of the volume is coming from?

Clara Valera - *Fluidra SA - Strategy, Investor Relations and M&A Senior Director*

(inaudible) we didn't hear you.

Francisco Ruiz - *Exane BNP Paribas - Analyst*

Sorry. It's how much of the volume growth has come as a consequence of the restocking effect?

Clara Valera - *Fluidra SA - Strategy, Investor Relations and M&A Senior Director*

It's not a restocking, it's the tailwind of not having the destocking last year, but --

Francisco Ruiz - *Exane BNP Paribas - Analyst*

Yeah. More or less.

Xavier Tintore Segura - *Fluidra SA - Chief Financial, Sustainability & Transformation Officer*

Yeah. More than restocking is the fact that you have a lower comparable if you will, because last year, you had the inventory correction. This in Europe is negligible in the quarter. And I would say that it's part of the performance of North America is due to that easier comparable from the fact that Q3 last year had an impact of the inventory correction, but it's very difficult to quantify exactly the impact.

Clara Valera - Fluidra SA - Strategy, Investor Relations and M&A Senior Director

Christoph Greulich, Berenberg.

Christoph Greulich - Berenberg - Analyst

Two from my side, please. I will take them one by one. Firstly, on the price increases, you already mentioned them. Could you just remind us of the magnitude of the price increases that you have implemented now for the different regions for next year? And what price impact do you expect on your top line next year?

Jaime Ramirez - Fluidra SA - Chief Executive Officer

Okay. So in the US, as I said, we executed across the globe the price increases in October. So in the US, we launched price increases in the low to mid-single digits and in the rest of Europe in the 1% to 2%. From the expectation, we have -- can you repeat that part of the question?

Christoph Greulich - Berenberg - Analyst

Just on your sales figure for next year, what will be the magnitude of the pricing tailwind?

Jaime Ramirez - Fluidra SA - Chief Executive Officer

We believe that the impact in the top line is going to be between 1% to 2%, coming from the total number.

Christoph Greulich - Berenberg - Analyst

Great. And then just the next one on Florida. Firstly, if you could let me know what is the rough weight of Florida within your North America revenues? And then just on the extreme weather events that we've seen in October, if you could give me any indication what will be the impact for the business from that?

Jaime Ramirez - Fluidra SA - Chief Executive Officer

Okay. So first of all, I mean, our thoughts with all those affected by this terrible event in Florida, it was really bad. The way I would describe it is Sunbelt represents 80% of our total revenue in our business in North America. Florida is a big part of that business. The trend we're seeing in Florida from permits is getting better.

Quantifying specifically what part of the business goes to Florida for us is very difficult. So from that perspective, we think the trend is going in the right direction. And of course, Florida is always a very important state for the pool business.

Xavier Tintore Segura - Fluidra SA - Chief Financial, Sustainability & Transformation Officer

Maybe just to add from an impact from a timing perspective, Christoph, in the very near future, this is going to be a little bit of a headwind as people focus on rebuilding the house and the infrastructure and so on, but probably on a more medium term, this is going to be a tailwind as people will replace damaged equipment and so on.

But obviously, due to the size of the area impacted by this is not going to be a massive impact, but we expect some positive tailwind from this front.

Clara Valera - Fluidra SA - Strategy, Investor Relations and M&A Senior Director

Alvaro Lenze, Alantra.

Alvaro Lenze Julia - Alantra Equities - Analyst

Just I wanted to ask you again on the early buy program because I don't know if it was just my land line, but I didn't hear your response to the first question on if you could provide some additional color on how the early buy has gone.

And the second question would be on the restructuring charges and other non-recurring expenses. What do you expect that line of the P&L evolving in 2025 now that I would assume that the bulk of the Simplification Program has been executed.

Jaime Ramirez - Fluidra SA - Chief Executive Officer

Okay. So I will take the first question and then Xavier will respond to the second one.

So as I said before, the early buy campaign is going really, really well as expected, still being finalized, as I said before, but it's likely to be ahead of last year, which is very good news. It's a sign of confidence from our customers.

What I also said is that early buys is giving us very good visibility on how we can prepare our supply chain to serve our customers. And what is really good is that it is very well connected to sell-through in our Q1. So we're very positive. Having this better than last year is a very good signal for our business.

Xavier Tintore Segura - Fluidra SA - Chief Financial, Sustainability & Transformation Officer

Alvaro, on your second question, you are absolutely right. The bulk of the expense in terms of restructuring and the Simplification related charges is going to be completed in 2024. We expect a significant decline as we look at 2025, there will be just a tail of expense, but really significantly lower to the levels in which we are today.

Clara Valera - Fluidra SA - Strategy, Investor Relations and M&A Senior Director

Tim Lee, Barclays.

Timothy Lee - Barclays - Analyst

I would like to ask a little bit about distributors' strategy. I think since this year, they are trying to be a bit more cautious or like placing more stringent control in terms of inventory, although they have cleared up the channel inventory, but I think they are trying to be a little bit more just in time in terms of inventory management.

So I'm trying to see if you see any change in terms of the buying strategies from the distributors, whether they will be still to be cautious on that front or you see they are trying to be a little bit more aggressive in building the inventory?

Xavier Tintore Segura - Fluidra SA - Chief Financial, Sustainability & Transformation Officer

I think as you point out, we cleared inventories -- excess inventory in the channel in Q3 last year, in North America, Q2 last year in Europe. So we are fully aligned. As part of the difficulties that we experienced during the inventory buildup and so on associated to COVID and the situation we faced in '23 and '24, we have strengthened our relationship with distribution.

We shared a lot of information in terms of what our inventory levels by product type, by location, what is the sell-through and so on in order to make sure that we don't face a similar situation to the one we faced a couple of years ago.

So we are fully aligned with them in terms of inventory and tracking that very closely. And we don't see any significant modifications in policy in terms of inventory levels at distribution channels.

Jaime Ramirez - Fluidra SA - Chief Executive Officer

Probably, what I would add to that is where we can see sell-through is positive. So that inventory that is getting into the channel is selling out.

Clara Valera - Fluidra SA - Strategy, Investor Relations and M&A Senior Director

[Anna Radcliffe, Bank of America].

Unidentified Participant

I was just hoping to get an updated view on new build. It sounds like it's stabilizing at that negative 15% you expected at the start of the year and maybe not worsening. And I guess, firstly, can you give us maybe any regional color there? How long maybe would it take positive permit data to flow through and drive growth? And then maybe just to sneak one more in. Any color on remodeling would be helpful.

Jaime Ramirez - Fluidra SA - Chief Executive Officer

Okay. So in terms of new build, I would say it's too early to talk about that. And as we've been hearing from the market, there is a certain level of confidence that new build is going to get better. The question is when is that going to happen, but we don't see that impacting the business in the short-term. But we're going to have to keep monitoring that and stay very close to what happens.

In terms of aftermarket and remodeling, we're seeing a very good trend, very positive. We do believe that's going to continue. Probably it's going to have the potential to get better even before new build. But we see the trend continuing for 2025.

Clara Valera - Fluidra SA - Strategy, Investor Relations and M&A Senior Director

Thank you. I think we have no more questions. Maybe I give a couple of seconds in case there is another question coming up, but it seems not.

So thank you so much all for your attention today. This marks the end of our presentation, and we'd like -- I'd like to thank our speakers and all the participants. And as always, please feel free to reach out to the Investor Relations team. We are here to help. So thank you, and goodbye.

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