

September 2015

MAKING
WATER
PERFORM



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In any case, Fluidra Group provides information on these and other factors that may affect forward-looking statements, business and financial results of the Company, in documents filed with the Comisión Nacional del Mercado de Valores of Spain. We invite all interested persons or entities to consult those documents.

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1. Fluidra at a glance

Fluidra at a Glance

Strong Financial Performance

- 2014 Sales: €593.8M (0.2%)
- 2014 EBITDA: €65.7M (37.7%)
- 2014 Net Debt: €151.6M (-18.8%)

Business

- International leader in distribution of solutions for Pool, Fluid Handling, Water Treatment and Irrigation
- Vertically integrated for Pool, Water Treatment and Fluid Handling

International Footprint

- Products sold in 170 countries
- Direct presence in 44 countries through 128 branches
- 80% of revenues generated outside of Spain and 33% outside Europe

Customers & Products

- Over 41,000 clients worldwide
- Over 20,000 product references

Stock Information

- Listed in the Spanish Stock Exchange
- BOD: 4 founding families 49.9% and Banc Sabadell 5.0%
- Free float: 45.1%

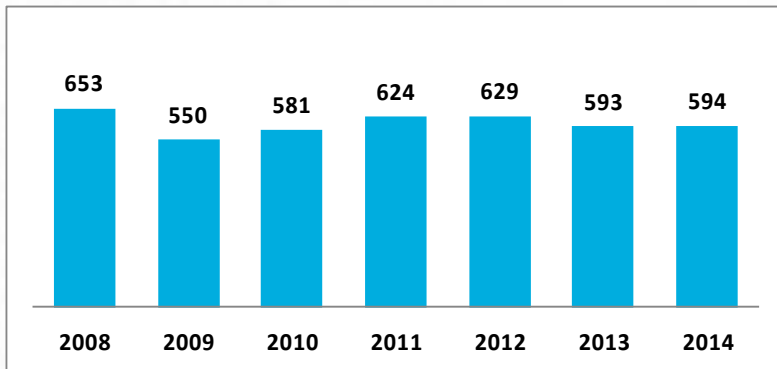
Fluidra at a Glance



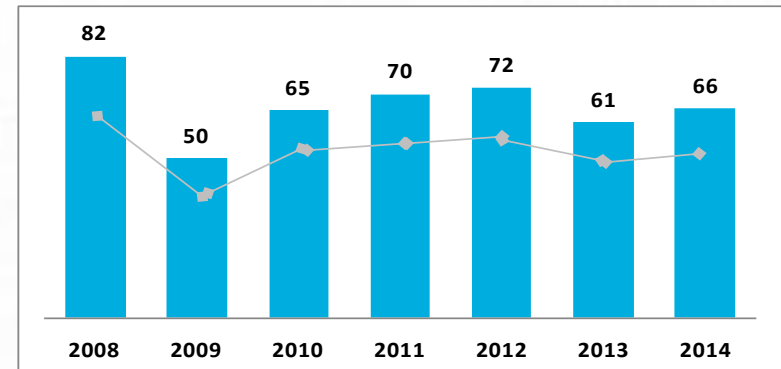
Summary Financials

- Improving efficiency
 - Centralization of distribution and commercial platforms, as well as manufacturing facilities
 - Consolidation of manufacturing plants
- Improvement in top line performance and EBITDA uplift

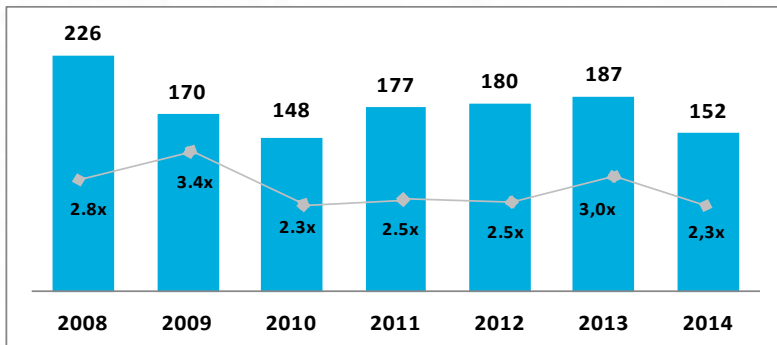
Sales (€m)



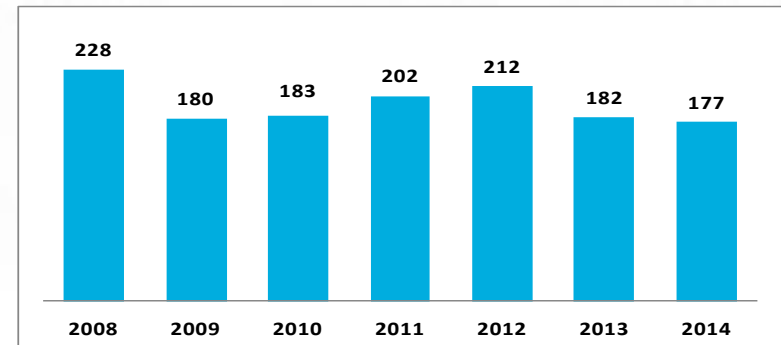
EBITDA (€m) & EBITDA Margin



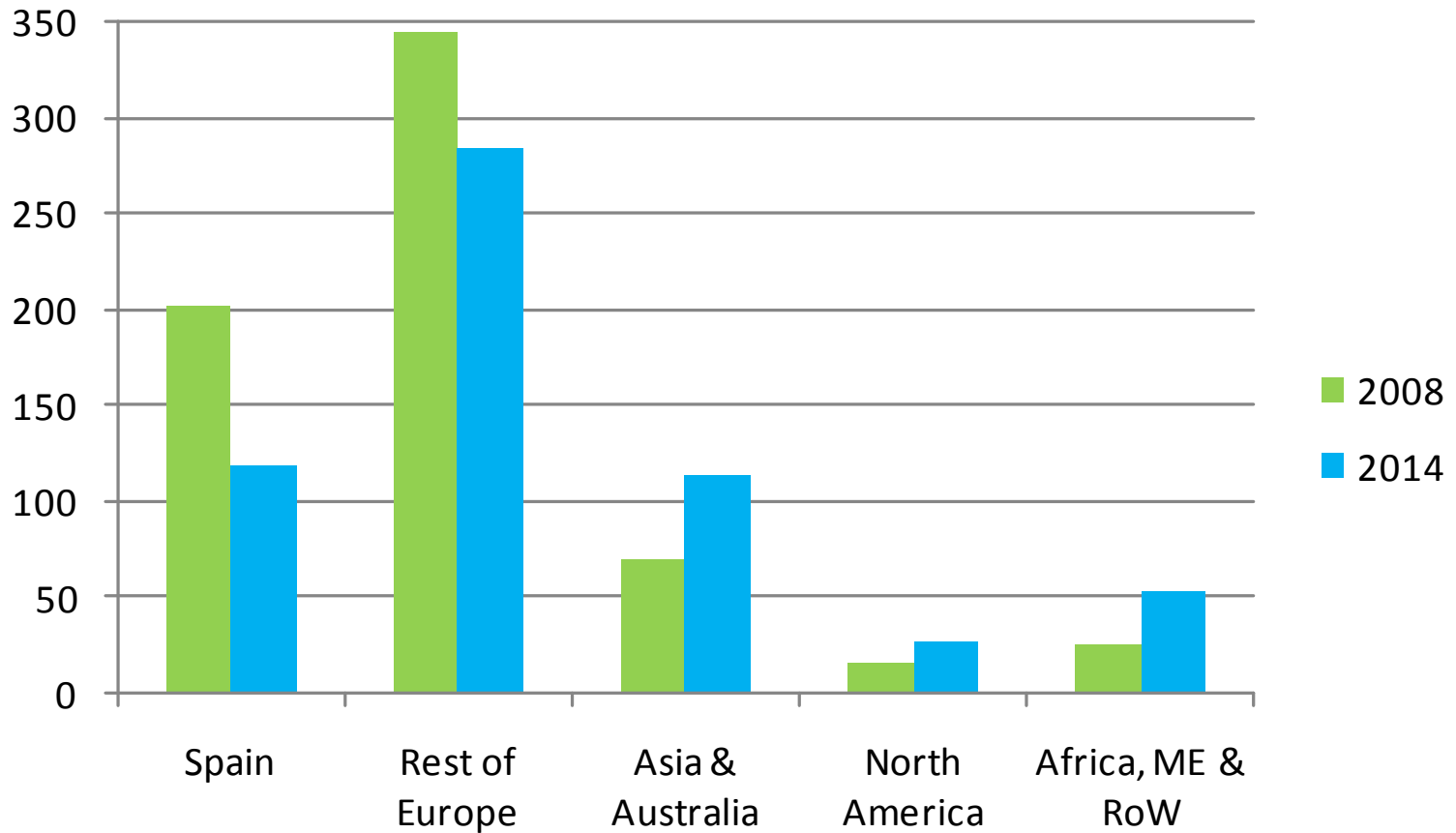
Net Debt (€m) & Net Debt/EBITDA



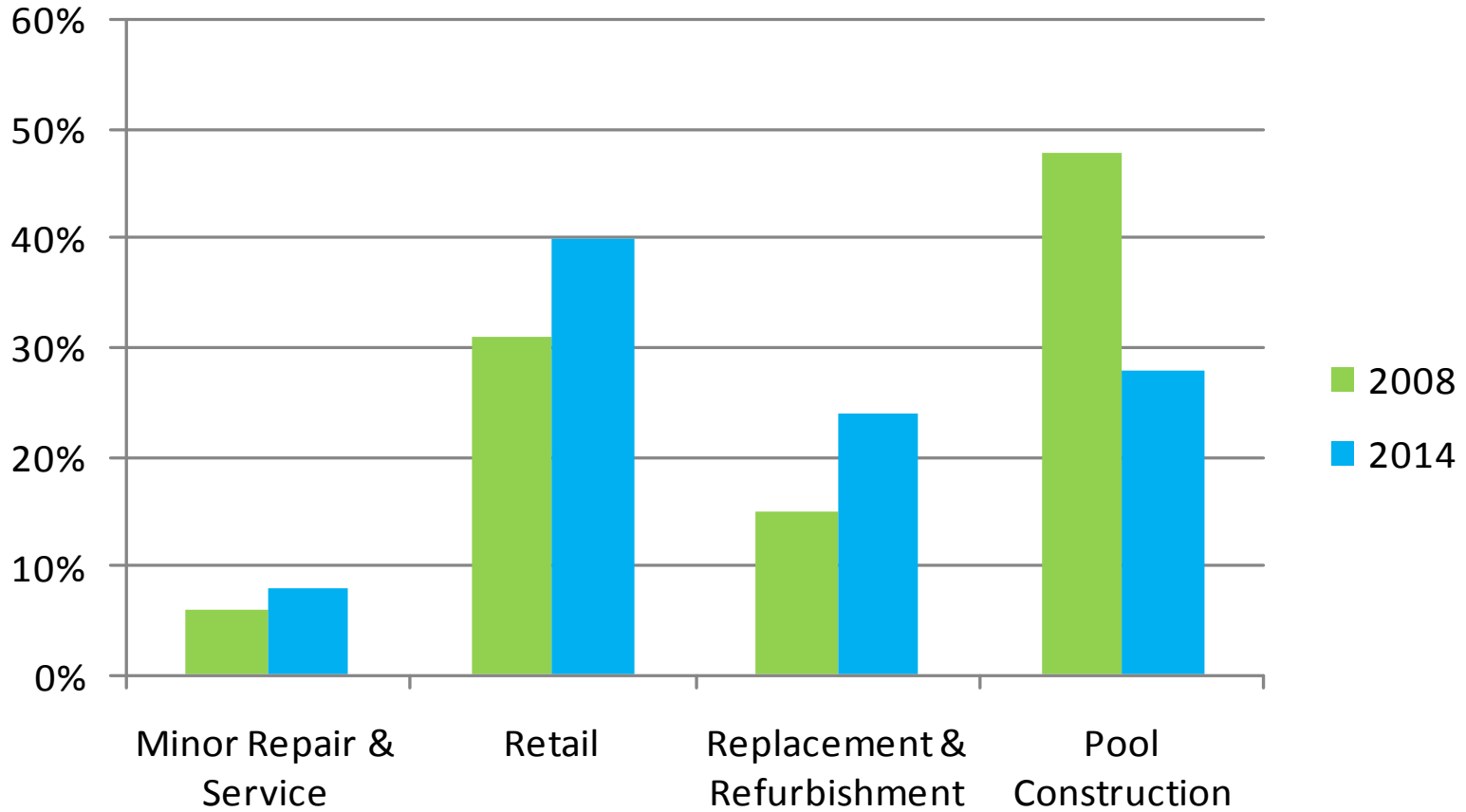
Working Capital (€m)



Fluidra's evolution – Geographical overview



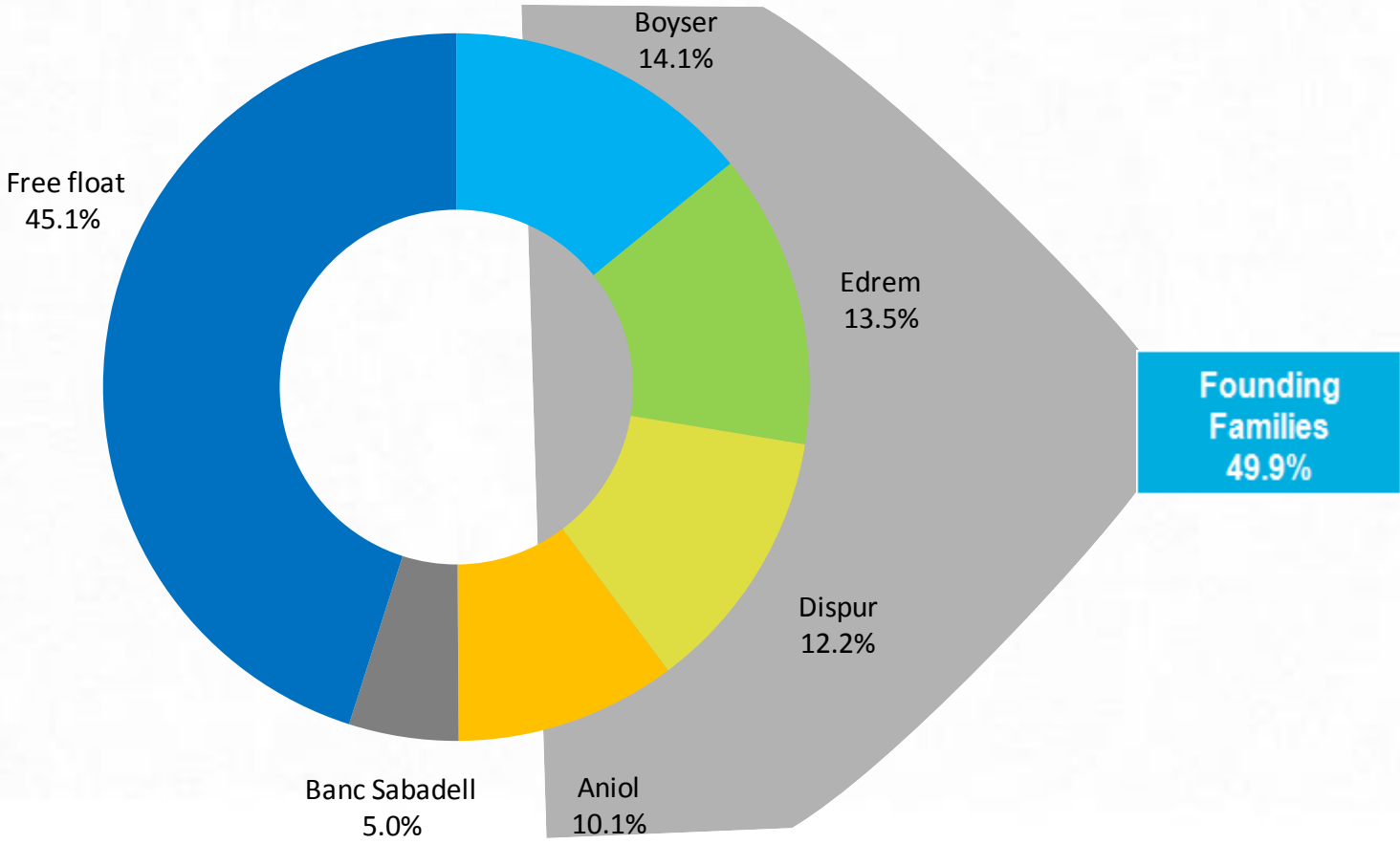
Fluidra's evolution – Product overview



2. Shareholder Structure

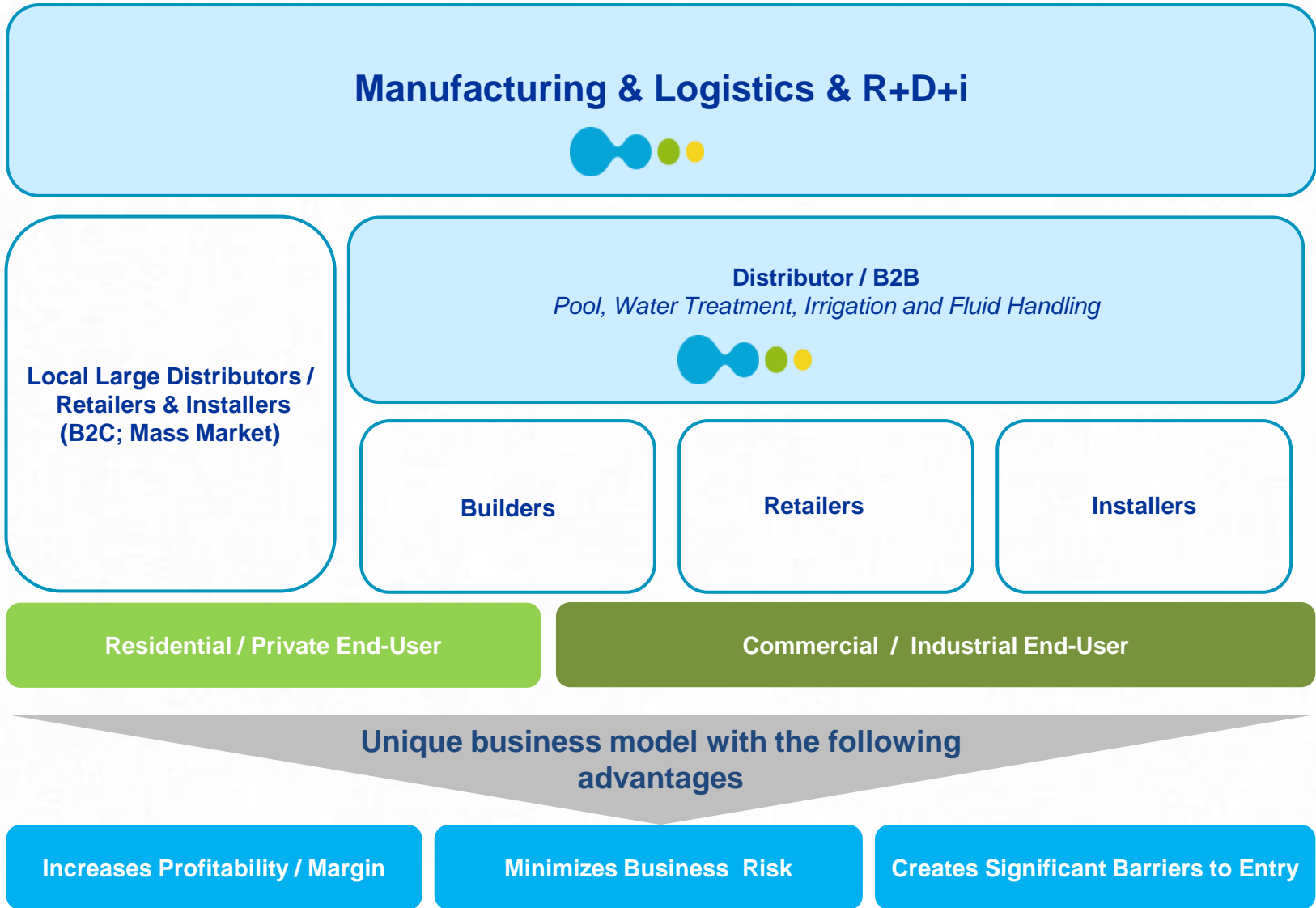
Shareholder Structure

● The shareholders' agreement by the founding families and Banc Sabadell reflects their confidence in Fluidra's growth strategy and in its future projects.

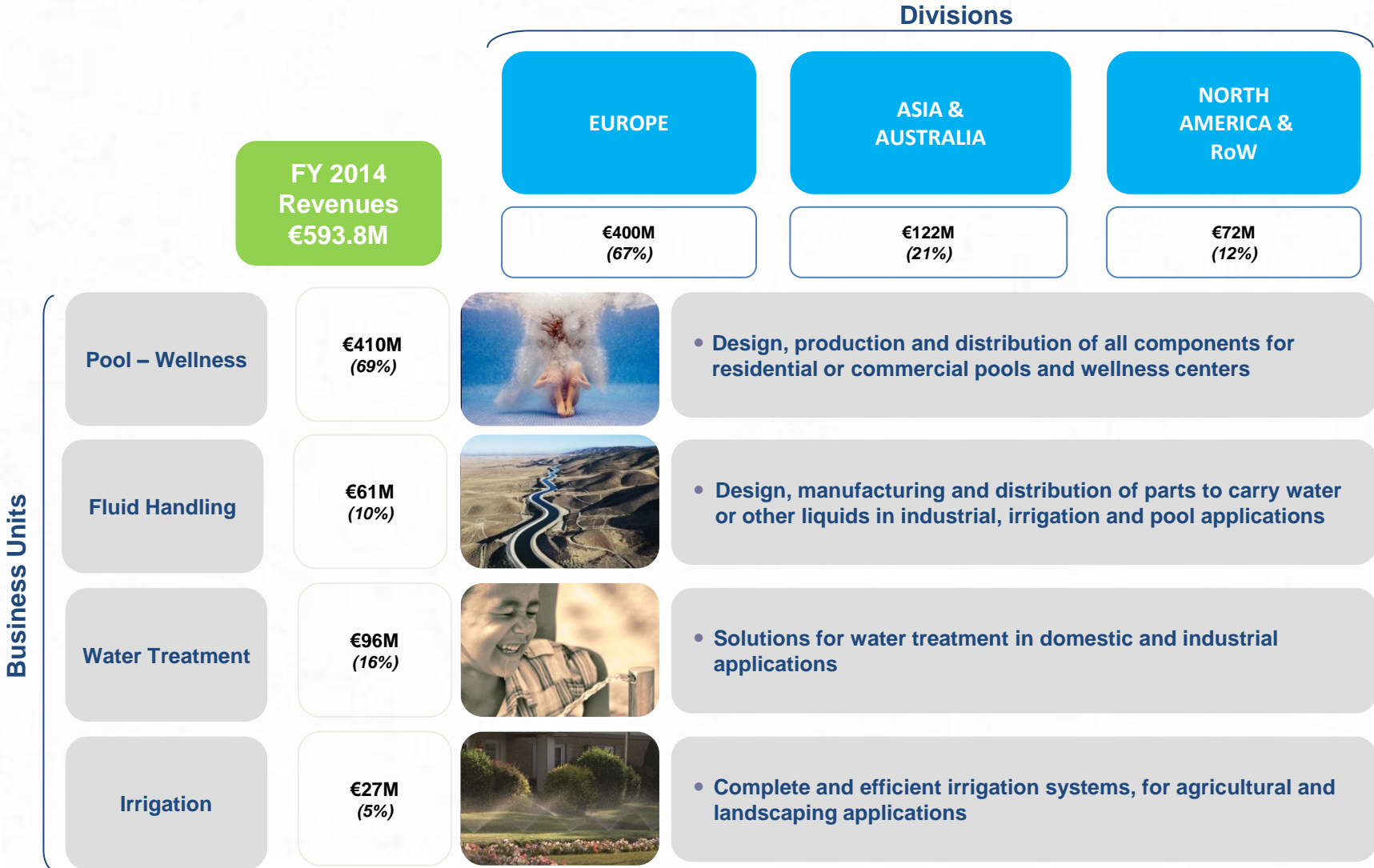


3. Business Model

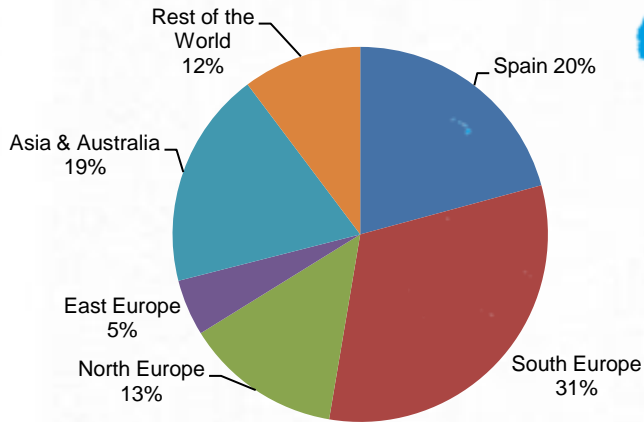
Fluidra in the Business Value Chain: an integrated model



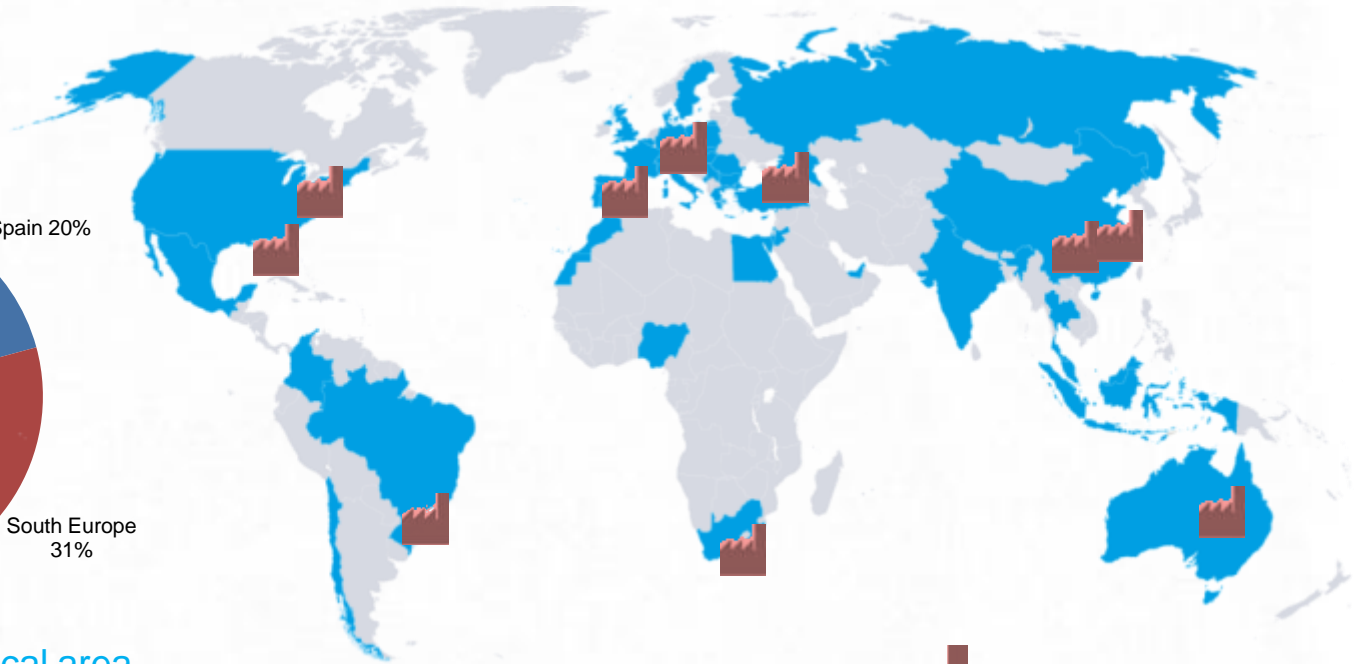
Overview of Divisions and Business Units



Distribution Network & Manufacturing Hubs



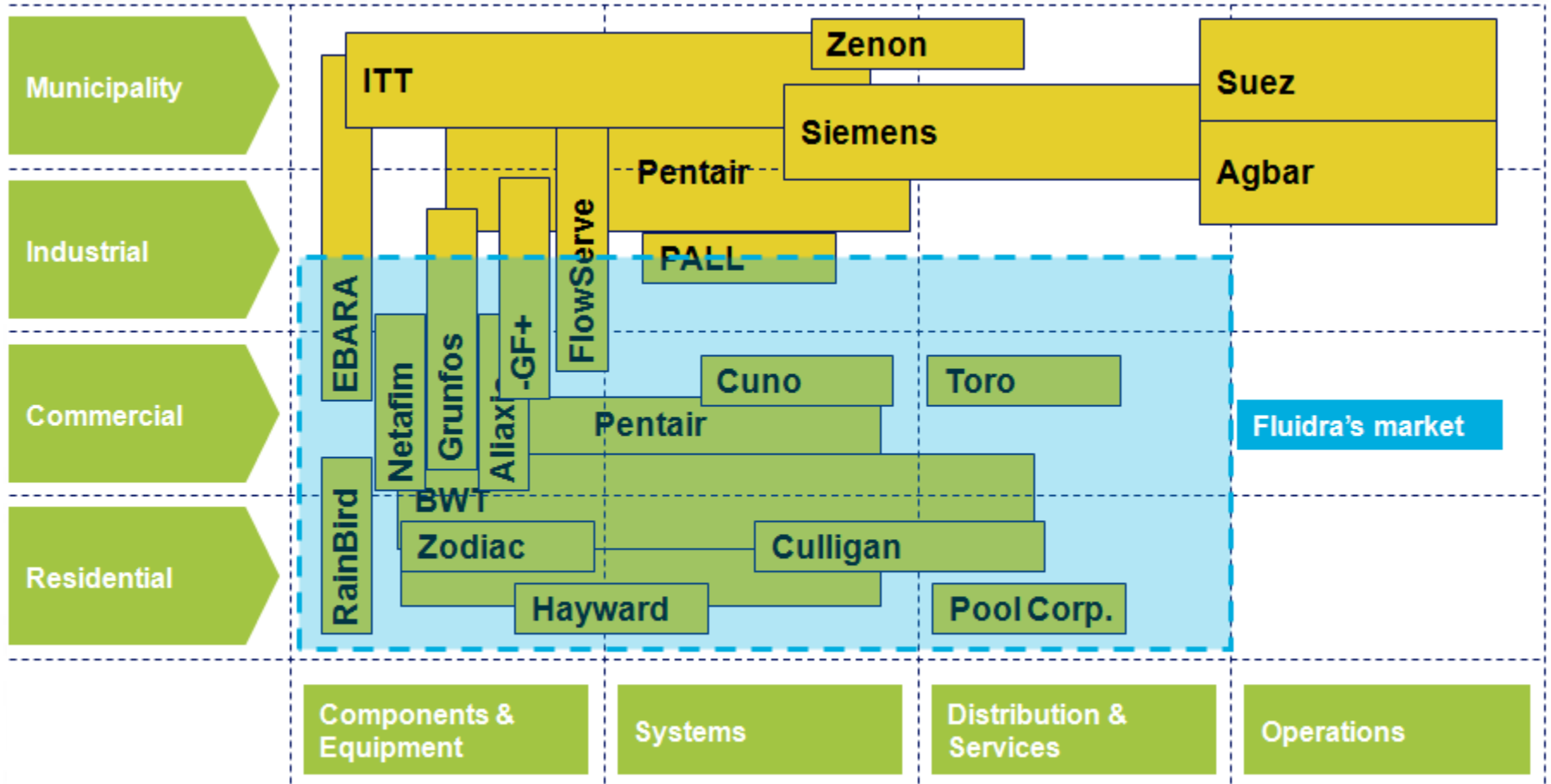
Sales by geographical area
80% international sales



 Factories

128 branches in 44 countries: Alemania, Australia, Austria, Bélgica, Brasil, Bulgaria, Colombia, Chile, China, Chipre, Dinamarca, Egipto, Emiratos Árabes Unidos, España, EE.UU., Francia, Grecia, Hungría, India, Indonesia, Israel, Italia, Jordania, Kazakstán, Malasia, Marruecos, México, Montenegro, Nigeria, Polonia, Portugal, Reino Unido, República Checa, Rumanía, Rusia, Serbia, Singapur, Sudáfrica, Suecia, Suiza, Tailandia Turquía y Vietnam.

Fluidra's Positioning in the Water Business



Fluidra is present in growing, fragmented markets, through an integrated business model

4. Financial Performance

3Q2015 Results – Summary

	Main Magnitudes		
	3Q2014	3Q2015	Evol.
€M			
Sales	477,9	509,0	6,5%
EBITDA	63,3	65,8	3,9%
Net Income	14,4	16,2	13,0%
Adjusted Ebitda *	57,9	65,6	13,5%
Adjusted Net Income *	11,0	19,5	77,3%
Net Working Capital	216,5	203,4	-6,0%
Free Cash Flow post acquisitions	-6,2	-16,3	-10,1
Net Financial Debt	181,0	181,9	0,5%

- Like-for-like Sales grew by 8.7%, helped by a successful season in Europe.
- Good Ebitda and Net Profit performance, thanks sales volume. Adjusted for divestitures, Ebitda grew by 13.5%. Adjusted for divestitures and banking fees, Net Profit grew by 77%.
- Good Working Capital performance and positive level of Net Debt, which already reflects the acquisition of WaterLinx in South Africa.
- Free Cash Flow reflects greater use of funds due to the acquisition of *Waterlinx*. Excluding acquisitions, FCF improves in €9M.

* EBITDA and Net Profit adjusted for capital gains on the divestments and write-off of bank fees.

3Q2015 Results – Consolidated Profit and Loss Account

	3Q2014		3Q2015		Evol.15/14
	€ M	% sales	€ M	% sales	
Sales	477,9	100,0%	509,0	100,0%	6,5%
Gross Margin	242,8	50,8%	258,9	50,9%	6,6%
Opex before Dep.& Amort.	172,1	36,0%	188,3	37,0%	9,5%
Provisions for bad debt	7,4	1,5%	4,8	0,9%	-35,7%
EBITDA	63,3	13,3%	65,8	12,9%	3,9%
EBIT	35,8	7,5%	38,4	7,6%	7,2%
Net Financial Result	-12,3	-2,6%	-13,3	-2,6%	-7,9%
PBT	21,8	4,6%	25,1	4,9%	15,3%
Net Income	14,4	3,0%	16,2	3,2%	13,0%

- Sales grew in line with forecasts. On a like-for-like basis, sales grew by 8.7%, whilst growth at constant currencies is 5.2%.
- Opex, adjusted for like-for-like basis and constant currencies, increased by 4.1% in the period, below the sales evolution.
- Good Ebitda performance, which was impacted by €5.5M in 2014 due to divestitures. Adjusting this effect, Ebitda growth reached 13.5%.
- Costs associated to the cancellation of the syndicated loan agreement signed at the beginning of the year impacted on Financial Results (€4.8M).
- Net Profit, despite the early cancellation of the aforementioned loan agreement, grew by 13%.

3Q2015 Results – Sales Performance by Geographical Area

Fluidra Sales by Geographical Area					
€M	3Q2014	%	3Q2015	%	Evolution 15/14
Spain	107,5	22,5%	121,1	23,8%	12,6%
South Europe - Rest	134,6	28,2%	125,8	24,7%	-6,6%
Central & Northern Europe	76,2	15,9%	80,7	15,8%	5,9%
Eastern Europe	25,3	5,3%	25,5	5,0%	0,8%
Asia & Australia	83,1	17,4%	93,0	18,3%	11,9%
Rest of the World	51,2	10,7%	63,0	12,4%	23,1%
TOTAL	477,9	100,0%	509,0	100,0%	6,5%

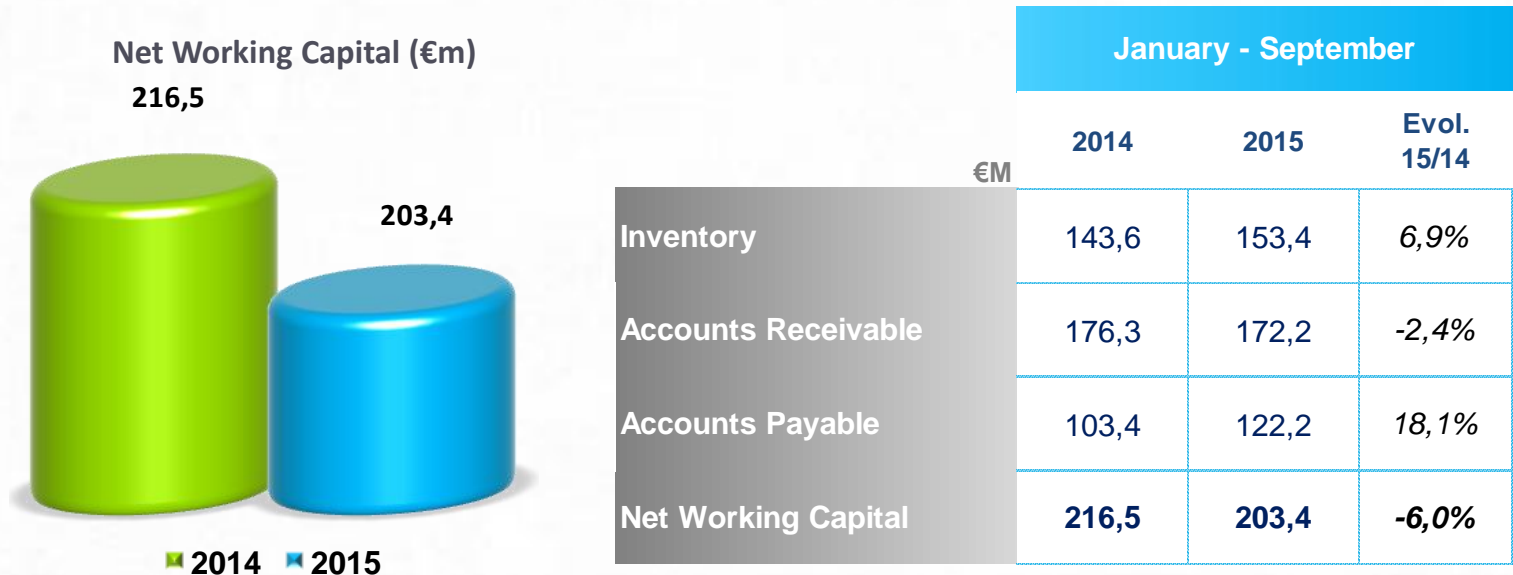
- Very positive evolution of the **Spanish** market, which has not shown such strong growth in this period of the year since the start of the crisis.
- **Southern Europe**, adjusted for divestitures (*Irrigaronne*), grew by 4%, which confirms the signs that were seen in the second quarter of a better performance of the French market.
- **RoW**: Excellent international performance, in all of our markets, including North America, which is partly on the road to recovery from the decline in previous quarters. *WaterLinx* accounted for €5M in this period.

3Q2015 Results – Sales Performance by Business Unit

		Sales by business units				
		3Q2014	% of Total	3Q2015	% of Total	Evolution %
€ M						
Pool		325,9	68,2%	346,3	68,0%	6,3%
- Private		276,5	57,9%	287,1	56,4%	3,8%
- Commercial		49,4	10,3%	59,1	11,6%	19,8%
Water Treatment		76,4	16,0%	95,1	18,7%	24,5%
Irrigation		24,3	5,1%	16,6	3,3%	-31,7%
Fluid Handling		48,3	10,1%	45,2	8,9%	-6,4%
Projects		3,0	0,6%	5,9	1,2%	97,6%
TOTAL		477,9	100,0%	509,0	100,0%	6,5%

- Good performance of **Commercial Pool** driven by sales of filtration, pumping and wellness equipment. **Residential pool** evolves positively, with strong performance in the categories of heat pumps, pumping and filtration.
- **Irrigation** is affected by the divestiture of the business in France in June 2014. Business in the green spaces and residential pool markets makes favourable progress.
- **Water Treatment** shows positive performance in chemicals, as well as domestic water treatment.
- **Fluid Handling** shows a decline associated with slowdown business in China.

3Q2015 Results – Net Working Capital



●● Good performance in this period of the year for **Net Working Capital**, which now includes *WaterLinx's* NWC in the amount of €5.1M. It would otherwise have been -8.4%.

3Q2015 Results – Net Financial Debt and FCF



	January - September		
	2014	2015	Evol. 15/14
	€M		
Net income	14,4	16,2	1,9
Depreciation (+)	27,5	27,4	-0,1
Increase (-) / Decrease (+) NWC	-34,8	-26,6	8,2
Capex (organic)	-12,2	-18,3	-6,0
Free Cash Flow pre-acquisitions	-5,2	-1,3	3,9
NWC from acquisitions	0,0	-5,1	-5,1
Acquisitions capex	-1,0	-9,9	-8,9
Free Cash Flow post acquisitions	-6,2	-16,3	-10,1

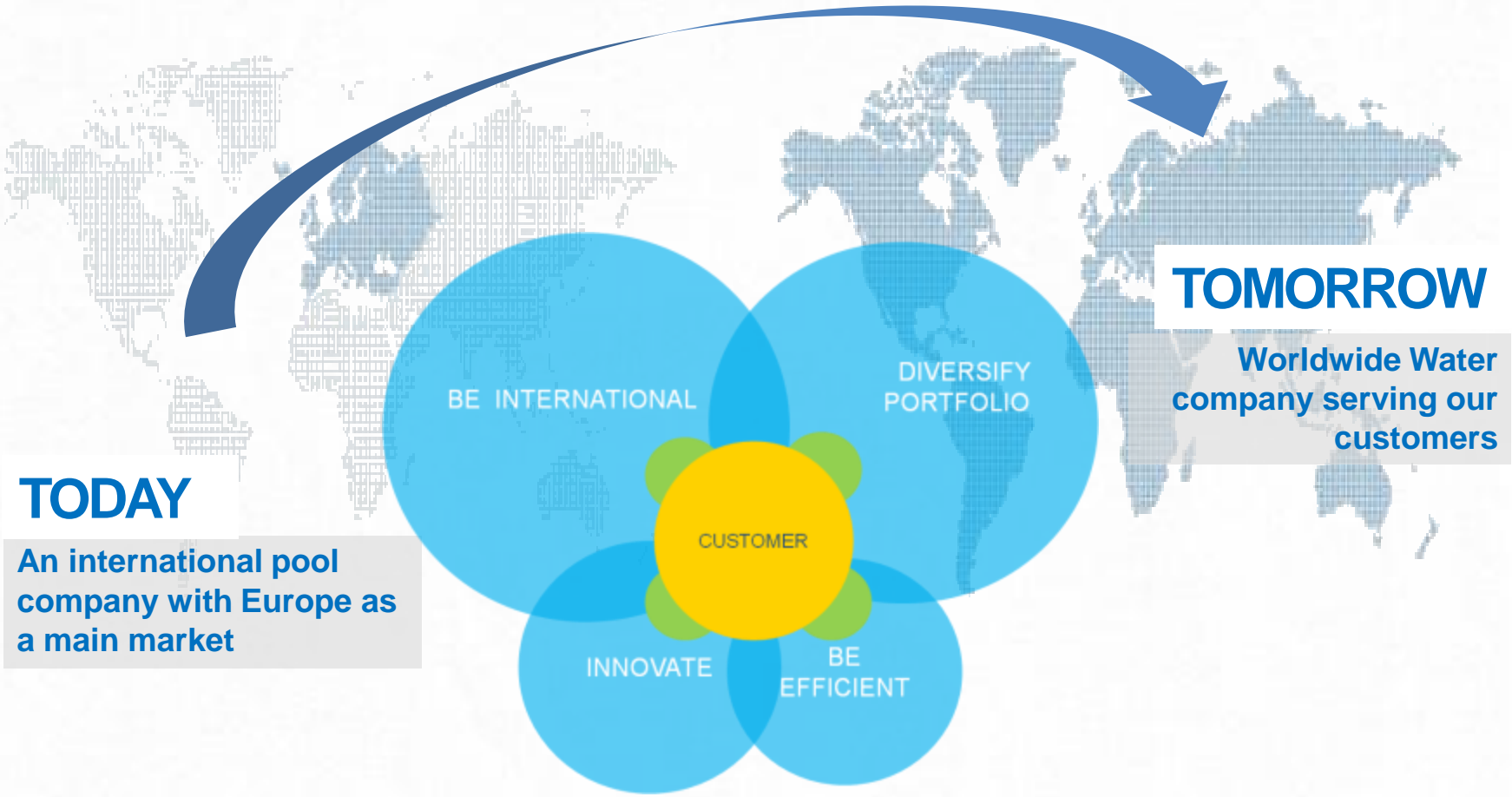
- Very good improvement of organic **Free Cash Flow**, €9M better than the previous year thanks to NWC. The quarter reflects the addition of *Waterlinx*, without it, FCF would be -0,3MEur.
- Positive **Net Financial Debt** performance in line with our NFD/Ebitda target ratio at the end of the business year.

3Q2015 Results – Conclusions

- Performance over 3Q2015 was in line with our forecast:
 - Growth in **sales** in practically all markets. Excellent growth in Spain.
 - Good evolution of margins.
- Recap of our forecast for 2015: Sales between €625M and €645M; Ebitda between €72M and €76M and NFD/Ebitda ratio around 2.5x.
- Presentation of the **2018 Strategic Plan**, in which we will explain our targets and plans for **growth** and **higher profitability** over the coming three years.
 - Borsa de Barcelona, 17 November at 11 a.m.

5. Strategy and Investments Highlights

Strategy



Strategy guidelines



Residential Pool

Internationalization

- USA, CSA & Africa

Market Penetration

- Channels and focus on internet channel evolution
- Strategic product categories & bundling offers (beyond crossselling)
- Product & Service Innovation
- Pricing Strategy
- Technical Support & Service Strategy



Commercial Pool

- Develop business model around providing solutions that increase ROI for final owners (hotels, camping, gyms, parks) without construction risk



Industrial FH

- Develop industrial market through Cepex & Youli

Strategy guidelines



Other BU

Leverage distribution network and improve competitive position in cost and branding

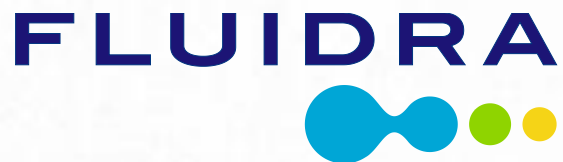


Operational Excellence

Build Fluidra of the XXI century:

1. Lean manufacturing strategy: value, cost, quality
2. Global logistics & warehousing strategy
3. Knowledge strategy: training, technical support & after sales service
4. Sales & marketing strategy: channels, pricing, sales force mng, bundling (beyond crossselling)
5. Lean processes: global standard processes supported by integrated single ERP
6. People strategy: attract, hire, develop & retain motivated employees to execute strategy
7. Finance strategy: provide value added analysis and efficient & compliant transaction processing
8. Corporate Social Responsibility Strategy: legal & environmental compliance





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6. Annex

International Leadership

- Fluidra signs (July 2015) an agreement to acquire a 72% stake in WaterLinx, a company that manufactures pool and water treatment components.
- WaterLinx is South Africa's market leader, with a 32% market share and has a wide range of products and operates across all sales channels.
- WaterLinx has 4 production plants and 10 distribution branches in South Africa. It took over the assets of Control Chemicals in April, which has strengthened its position in the pool chemical sector.
- South Africa has the sixth largest pool park in the world, with around 800,000 residential pools and 2,000 commercial pools. Moreover, it is a gateway to other markets on the continent, as it exerts a huge influence on its neighbouring countries (Namibia, Botswana, Mozambique and Zimbabwe).
- South Africa accounts for 23% of GDP in Africa as a whole. It has a population of 52 million inhabitants and its middle class is on the rise. Furthermore, it is one of the BRICS countries with the greatest potential for growth and is the only African country that belongs to the G20.



International Leadership

- WaterLinx proforma sales for 2015 are €32M and its EBITDA is €4.3M. Fluidra has valued the company at €13M, plus a debt of €11M, so the EV is €24M.
- Fluidra currently has bought a stake of 72% in the company. The remaining 28% is still in the hands of its founding partners and directors. There are put and call options in place that would enable Fluidra to increase its ownership to up to 90%, with the remainder in the hands of its directors.
- The purchase is subject to the usual clauses in this type of operation, which we estimate will be concluded in the next two months.

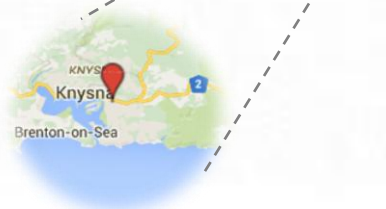
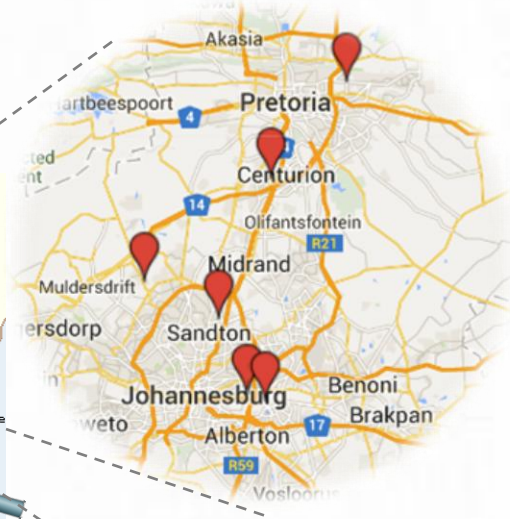
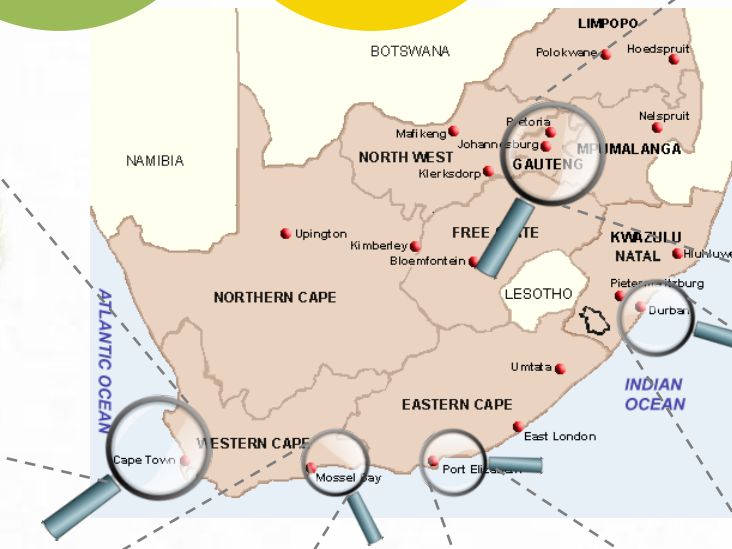


International Leadership

TURNOVER
+32
MILLIONS

INDUSTRIAL
2 INJECTION
MOULDING PLANTS
ASSEMBLY PLANT
CHEMICAL MIXING PLANT

COMERCIAL
10
BRANCHES



International Leadership

Veico - Brasil

- Fluidra acquired **VEICO (February 2013)**, company that makes accessories for pools in the Brazilian state of Santa Caterina.
- Veico has a **turnover of more than Euro 3M** and industrial facilities of 1,500 square meters.
- **Veico** gives us manufacturing capabilities in a country where the construction of new pools has increased over 10% in recent years, with a park estimated of **1.4 million units**
- The estimated market size is about **Euro 200M**.
- The total **investment** represents a multiple of **4.0x EBITDA 2012**.



International Leadership

Presence of Fluidra in Latam

Latam Division

- **Latam Division**, Fluidra has decided to extend his presence in this area, with the aim to promote activities in the Latin America market. This new market will bring capability of growth and development on the continent.



Product Innovation

AstralPool MAC

- AstralPool MAC is the only compact, modular device in the market that has all the components needed for the physical and chemical control of pool water in the most efficient way possible.
- Its smart software enables all settings to be adjusted from a touchscreen and users thus have **total control over their pools**.
- AstralPool MAC is **an innovative product and a new concept** in understanding the way pools are managed.
- AstralPool MAC can make savings of up to **50% on energy (electricity and water)** in comparison with conventional pools systems.
- As a result, AstralPool MAC received an honourable mention at the prestigious **Red Dot Design Awards**.
- Success at its presentation in international fairs: **Lyon and Pekin**

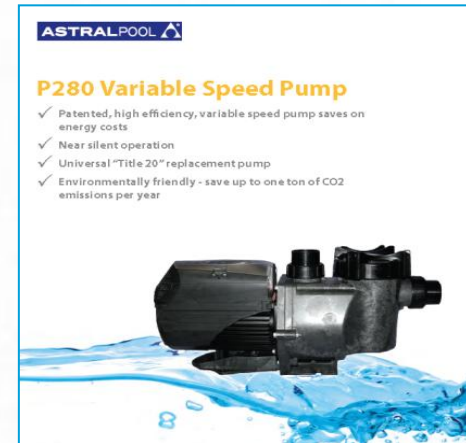



 reddot design award
 honourable mention 2013

Product Innovation

Viron

- **Launch of high range products "Viron"** for U.S. and Australian residential markets, consisting of pumps, cartridge filters, control system with touchpad's, air conditioning, etc.. And characterized by a commitment to sustainability, energy efficiency and cutting edge technology, according to the commitment and strategic approach of Fluidra.
- **Maximum energy efficiency recognition.** The Australian authorities have qualified Viron P600 Pump as a pump eVo more energy efficient, according to the criteria of the **MEPS** (Minimum Energy Performance Standards) ([http://www.energyrating.gov.au/products-themes/other/swimming-pool-pumps / Voluntary-labeling](http://www.energyrating.gov.au/products-themes/other/swimming-pool-pumps/Voluntary-labeling)).



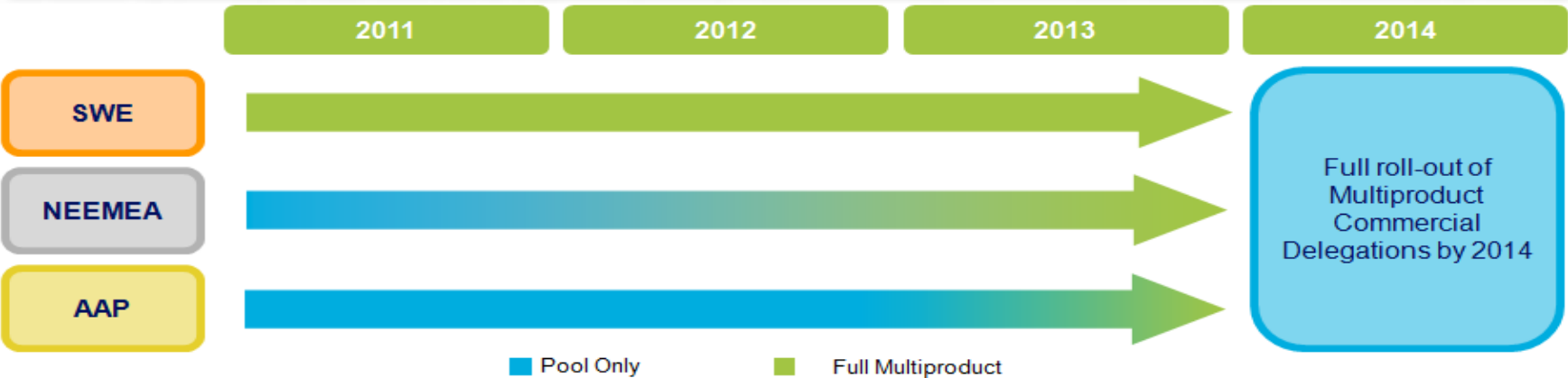
Leverage Pool Distribution Network

∞ Distribution: New branch format

- Old Model: branch with relatively large storage surface and just want point for customer attention
- New Model: Self service format, with different areas for training, show room and exhibits
 - Promotes cross-selling, becoming a one-stop shop for irrigation, water treatment, fluid handling and pool products
 - Improved brand awareness
 - Operational efficiency in opex and working capital, simplifying stock management



∞ Roll-out of Multiproduct Commercial Delegations



Become a player in Industrial FH in Asia

Fluidra Youli

- Fluidra closed the signature of a joint venture in China, **Fluidra Youli Fluid Systems (Wenzhou)**, dedicated to fluid handling in the Asian market and an initial focus in the Chinese market

FH Chinese Market

- **Industrial Fluid Handling - China:** fragmented market of Euro 300 -350M of local competitors with limited technology.
- **Constitution of Fluidra Youli Fluid Systems (Wenzhou):** Fluidra will participate with 70% in the Joint Venture and the remaining 30% belongs to a local partner, Youli, who contributes a manufacturing facility and the distribution network. Youli is dedicated to extrusion and injection of C-PVC and U-PVC.
- **Fluidra Youli** will manufacture valves, fittings and pipes both American and metric measures. Fluidra Youli will be the platform to develop the distribution of our Industrial Fluid Handling activity in Asia and in markets as Mexico and USA.



Become a player in Industrial FH in Asia

Fluidra Youli Operation

- **Constitution of the Joint Venture (October 2012):** Fluidra contributes Euro 4,8M and Youli contributes the manufacturing facility.

- There are several **earn out payments** conditional on results up to a maximum limit of Euro 14,9M

- **2012:** Euro 2,1M
- **2013:** Euro 5,5M
- **2014:** Euro 7,3M

- The total amount represent a multiple of **4,2x Ebitda-2012**.



Strategic Fit

- The Joint Venture is one additional step in Fluidra's **strategic plan**.

- This operation reinforces the Group **Internationalization** process, strengthening its market share in Asia where it is already leader in Pool. In addition, this is an important step in the business **Diversification**, increasing the Fluid Handling contribution, which today represents slightly more than 8%.

- **Materialization** of the joint venture in China: The creation of the Fluidra Youli joint venture underpins the company's growth potential in China and Asia, strengthening our international expansion strategy and consolidating our fluid handling business.



Operational Excellence

Asia Division

- **Asia Division**, Fluidra has created this new division to promote activities in the Asian market. This new structure will bring together the operations on the continent.

Presence of Fluidra in Asia



Improve Margins and Cash Flow Generation

Lean Management Program: Key Principles

Commitment

- Commitment from senior and middle management, as well as employees
- Pragmatic approach: focus on “real-life” issues

Potential to Improve

- Aggressive optimization objectives
- “Sky is the limit” in terms of potential to improve efficiency

Maximise Efficiency

- Optimize production and supply chain processes
- Restructure and minimize all functions without value-added

Fluidra Direct

- Old Model: shipments to delegations and from delegation to customers
- New Model: direct shipment to customers from central warehouse
 - Better service
 - Lower inventory requirements
 - Enables for new delegation concept



Supply Chain

- Focus on reducing share of non-value added processes in lead time (time from order reception to delivery)



Investment Highlights

