



## Aliaxis reports solid performance in a challenging COVID-19 context

*Brussels – March 26<sup>th</sup>, 2021 – Aliaxis SA, global leader in the manufacturing and distribution of advanced piping systems, demonstrates resilience through its 2020 results, disclosed today.*

### Highlights – 12 months period ended December 31, 2020

- Revenue of €2.9 billion, decrease of 6.7%. Increase of 1.6% on a like-for-like<sup>1</sup> basis.
- Current EBITDA of €461 million, increase of 4.8%. Increase of 11.3% on a like-for-like<sup>1</sup> basis.
- EBIT of €331 million, increase of 2.2%.
- Net profit of €199 million, up 8.2%.
- Net financial debt of €438 million, a decrease of €333 million vs 2019.
- Closed divestment of Harrington Industrial Plastics in Q1 and of Aliaxis Singapore in Q4. Net proceeds and (pre-tax) capital gain in excess of €150 million.
- Proposed dividend: €0.658 gross or €0.4606 net after Belgium withholding tax.

### CEO Eric Olsen comments on the results

*“Performance in 2020 demonstrated resilience and potential. Our teams improved on safety, went to extraordinary lengths to serve our customers in challenging circumstances, and reacted quickly to adapt our business plans to a volatile situation during the year. This resulted in solid earnings growth and debt reduction, leaving us in a strong financial position. Building on solid foundations, anticipating more stability and visibility, we are preparing a new chapter of profitable growth.”*

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<sup>1</sup> 2019 and 2020 adjusted to exclude impact of divestments. 2019 adjusted on a pro-forma basis to reflect the full year impact of the acquisition of Silver-Line Plastics in November 2019. Impact of FX excluded to reflect underlying performance at constant exchange rate.



## **Disciplined cost control in times of uncertainty**

In the pandemic shock of the first half of 2020, government support helped a number of Aliaxis' businesses to bridge the time necessary to benefit from disciplined cost control and delaying non-critical investments.

## **Second half rebound**

The second half of the year rebounded with real strength. Growth accelerated in the Americas and India, whilst recovery was slower in Europe, Australia and New Zealand.

## **Healthy balance sheet**

The discipline of cost control, optimising working capital, and delaying non-critical investments, as well as the divestment of Harrington Industrial Plastics helped to reduce net financial debt, which decreased by €333 million. Pro-forma leverage at the end of December was 0.7 CEBITDA vs 1.6x CEBITDA at prior year-end.

## **Outlook 2021**

The positive momentum should continue through Q1 2021. Visibility on Q2 and the second half of 2021 remains limited with high uncertainty. Further, we expect raw materials (resins) supply and conditions to be challenging.

## **Financial review**

### *Revenue*

In the 12 months period ended December 31, 2020, revenue was €2.9 billion, 6.7% below 2019. The weakening of the major trading currencies against the EUR (mainly the Indian rupee, Canadian and US dollar, and currencies in the Latin American region) affected sales by 2.9%.

### *Current EBITDA*

Operating profit (EBIT) for the year was €331 million, an overall increase of €7 million or 2.2%. Foreign exchange negatively impacted the Group's EBIT by 1.2%.

Current EBITDA amounted to €461 million, an overall increase of €21 million or 4.8%. Foreign exchange negatively impacted the Group's Current EBITDA by 2.9%. The Current EBITDA margin increased from 14.1% in 2019 to 15.9% in 2020.

### *Net Profit*

The net profit attributable to the Group's equity holders amounted to €198 million, representing an increase of €15 million versus 2019.

### *Equity*

In 2020, the foreign currency translation negatively impacted the Equity and OCI of the Group by €150 million, due to the weakening of some major trading currencies against EUR at year-end rate.



## Financial position

### Net Financial Debt

Net financial debt at the end of 2020 decreased by € 333 million, supported by business divestments. Leverage amounted to 0.7 recurring EBITDA (pre-IFRS 16), allowing to pursue our growth strategy.

### Key Financials - IFRS

| Consolidated income statement     |         |         |        |
|-----------------------------------|---------|---------|--------|
| (in € million)                    | 2020    | 2019    | Change |
| <b>Revenue</b>                    | 2,907.7 | 3,117.6 | -6.7%  |
| <b>Current EBITDA</b>             | 461.1   | 440.1   | +4.8%  |
| as % on sales                     | 15.9%   | 14.1%   |        |
| <b>Current EBIT</b>               | 315.5   | 300.1   | +5.1%  |
| as % on sales                     | 10.9%   | 9.6%    |        |
| <b>Operating income (EBIT)</b>    | 330.6   | 323.6   | +2.2%  |
| as % on sales                     | 11.4%   | 10.4%   |        |
| <b>Profit before income taxes</b> | 308.7   | 293.6   | +5.2%  |
| <b>Net result</b>                 | 199.5   | 184.3   | +8.2%  |
| attributable to:                  |         |         |        |
| - non-controlling interests       | 1.0     | 1.3     |        |
| - Group equity holders            | 198.5   | 183.0   |        |

| Earnings per share       |       |       |        |
|--------------------------|-------|-------|--------|
| (in €)                   | 2020  | 2019  | Change |
| <b>Basic earnings</b>    | 2.54  | 2.33  | 8.7%   |
| <b>Proposed dividend</b> | 0.658 | 0.587 | 12.1%  |



| <b>Consolidated financial position</b>      |                |                |
|---|----------------|----------------|
| <b>(in € million)</b>                       | <b>2020</b>    | <b>2019</b>    |
| Intangible assets                           | 702.7          | 814.7          |
| Property, plant & equipment                 | 882.2          | 963.5          |
| Investment properties                       | 3.3            | 3.5            |
| Other assets                                | 32.6           | 34.4           |
| Deferred tax assets                         | 13.4           | 35.2           |
| Derivatives                                 | 42.0           | 50.4           |
| Employee benefits                           | 46.6           | 48.7           |
| Assets held for sale                        | 4.7            | 6.1            |
| <b>Assets</b>                               | <b>1,727.6</b> | <b>1,956.5</b> |
| Non-cash working capital                    | 298.7          | 429.0          |
| <b>TOTAL</b>                                | <b>2,026.3</b> | <b>2,385.5</b> |
|   |                |                |
| Equity attributable to Group equity holders | 1,405.9        | 1,401.3        |
| Non-controlling interests                   | 6.9            | 7.2            |
| <b>Total equity</b>                         | <b>1,412.8</b> | <b>1,408.5</b> |
| Deferred tax liabilities                    | 61.0           | 66.9           |
| Employee benefits                           | 81.2           | 79.0           |
| Derivatives                                 | 12.9           | 13.8           |
| Other liabilities                           | 20.8           | 46.3           |
| Net financial debt                          | 437.6          | 771.0          |
| <b>TOTAL</b>                                | <b>2,026.3</b> | <b>2,385.5</b> |



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*Aliaxis is a global leader in advanced piping systems for building, infrastructure, industrial and agriculture applications. The company provides communities around the world with sustainable innovative solutions for water and energy, leading the industry in a way that anticipates the rapidly evolving needs of its customers and of society. With a global workforce of 14,000+ employees, Aliaxis offers specific solutions that meet our customers' most demanding needs across the globe. Aliaxis is active through leading local brands and operating in over 40 countries, combining local solutions with global innovation and operational excellence. The company is privately owned, with its global headquarters in Brussels, Belgium.*

More on [www.alixis.com](http://www.alixis.com)

### **Media Contact Aliaxis**

Lars Vervoort | Group Corporate Communications Manager  
T: +32 (0)2 775 57 33 | E: lvervoort@alixis.com

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