

Welcome to the Bondholder Results Communication

March 1, 2023



Agenda and speakers

1. 2022 Strategy Update
2. 2022 Annual Results
3. Questions & Answers



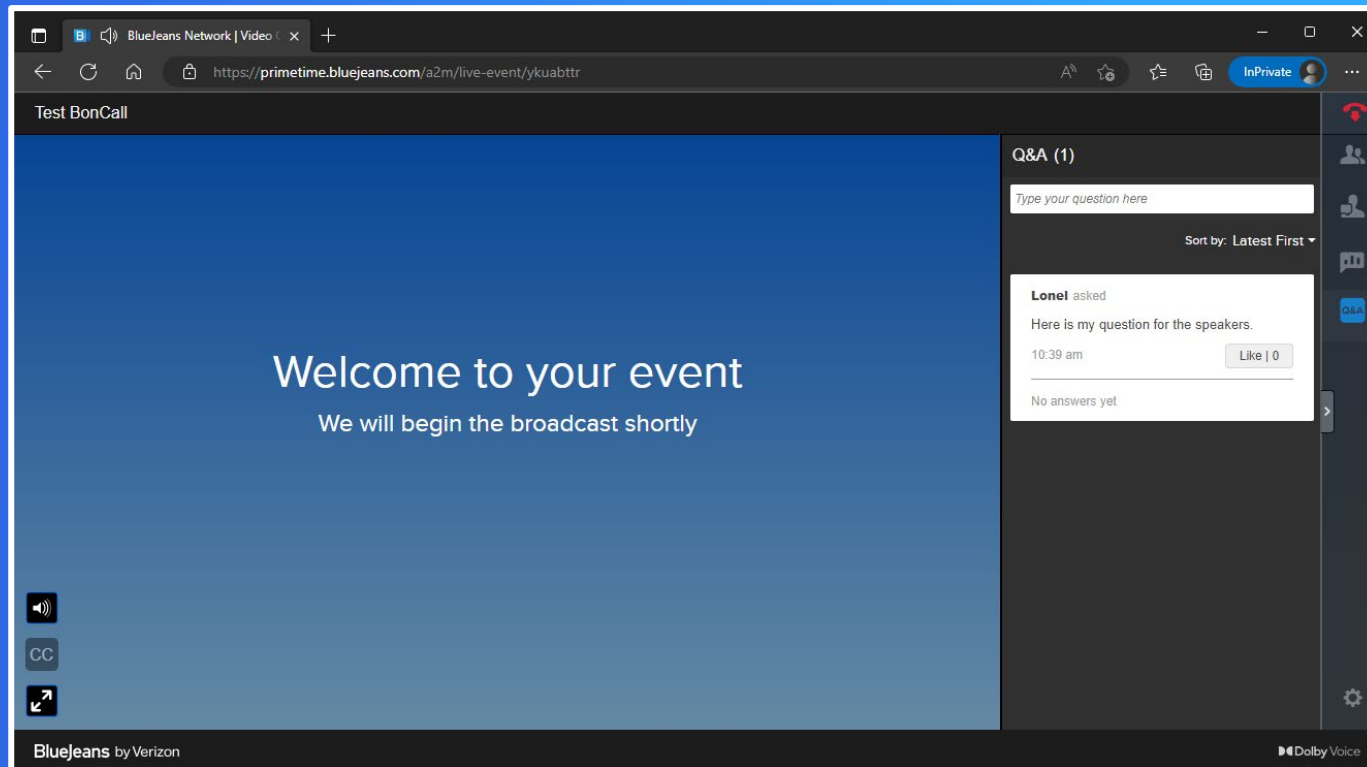
Eric Olsen
CEO



Koen Sticker
CFO

Please ask your questions

You're welcome to ask your questions by clicking on the **Q&A** button.



Disclaimer

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No representation or warranty, express or implied, is or will be made in relation to this release or in relation to any other information made available in relation to it.

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2022 Results – Basis of preparation

Financial information as of and for the financial year ended December 31, 2022

- This presentation includes (comments to) the audited condensed consolidated financial statements for 2022 including the income statement, financial position and cash flows as of and for the period ended December 31, 2022, which have been prepared in accordance with IFRS and the accounting principles of Aliaxis SA.
- Furthermore, this presentation includes non-accounting terms such as (C)EBITDA. These non-accounting terms are not defined under IFRS. We consider (C)EBITDA to be an important indicator of our representative recurring operations. Other companies in our industry may calculate these measures in a different way. Consequently, our presentation of (C)EBITDA may not be comparable to those of other companies.

Statement of the auditor

- The statutory auditor, KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises, represented by Filip De Bock, has confirmed that the audit procedures, which have been substantially completed, have not revealed any material misstatement in the accounting information included in the Company's press release.

2022 Condensed consolidated financial statements

- The condensed consolidated financial statements for 2022 for Aliaxis Holdings SA will be published on our website on April 28th, 2023. The difference with Aliaxis SA is immaterial : +€1 mio and +€24 mio at CEBITDA and net financial debt level respectively for Aliaxis Holdings SA vs Aliaxis SA

2022 Strategy Update

Eric Olsen



Recap: our Growth with Purpose strategy

GROWTH *with Purpose*



1. Achieve operational excellence, starting with safety



2. Drive high growth through innovation & marketing to delight our customers



3. Deliver a meaningfully positive impact on society



4. Develop people



5. Invest in internal & external growth

With ambition to **double CEBITDA** between 2020 & 2025 (€850 million)

1. Achieve operational excellence, starting with safety

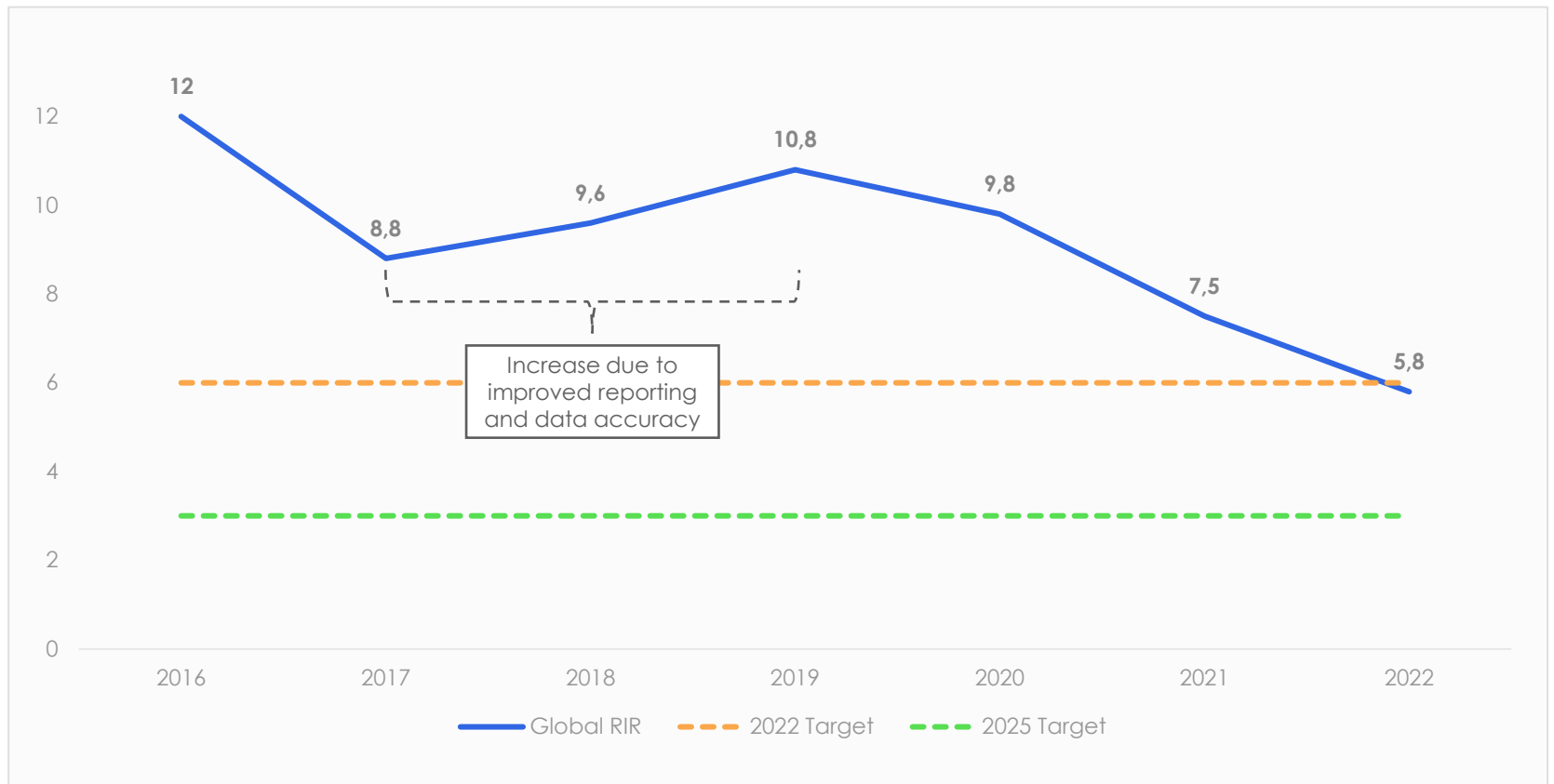
We continue to make excellent progress on our safety goals



**By 2025, become a
recognized leader in our
sector in safety**

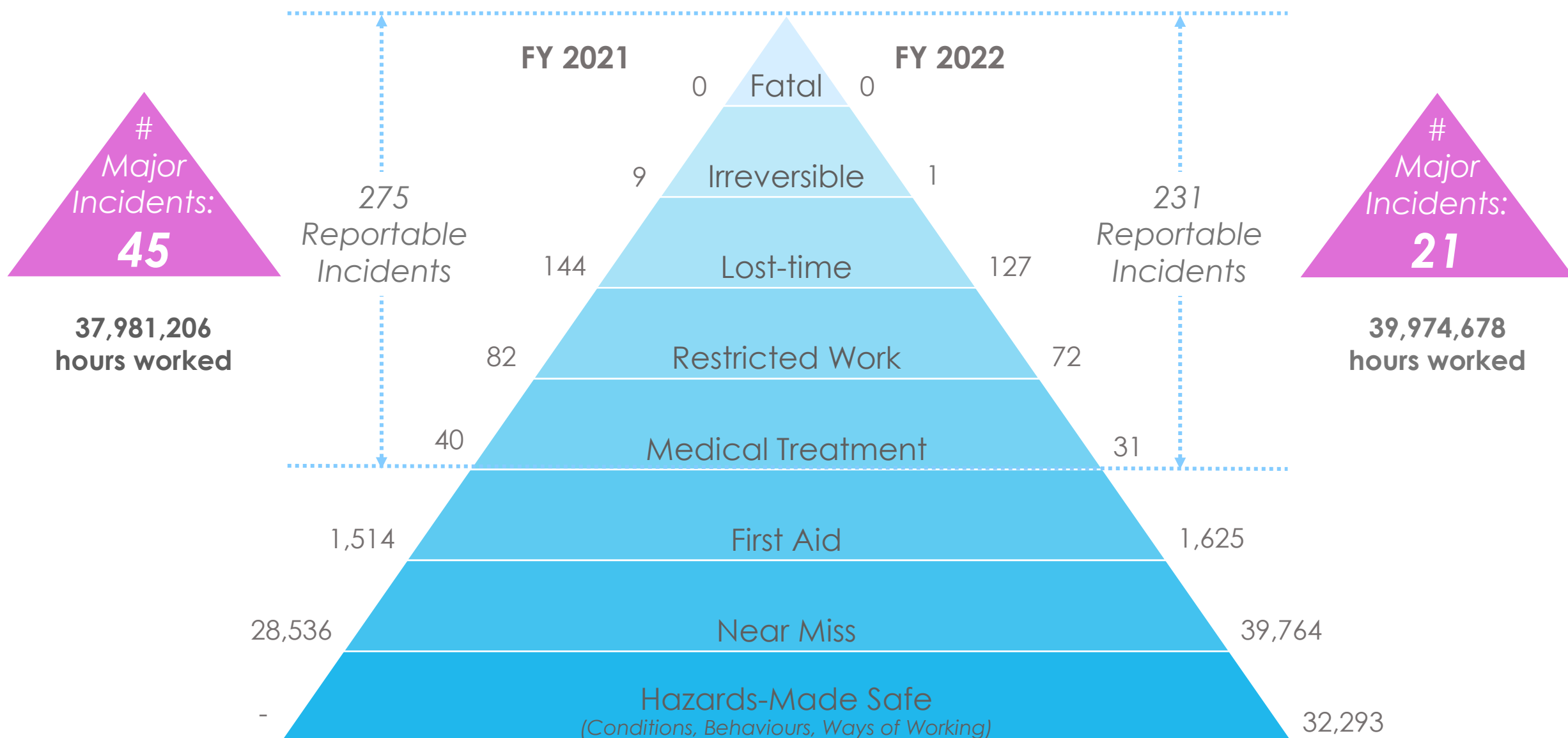
- Target of **3 RIR** (Recordable Incident Rate) by 2025

Reportable Incident Rate (incidents per million hours worked)



➔ Improved performance in 2022 with an RIR: 5.8 versus 7.5 in 2021

Major Incidents Reported shows 53% reduction



2. Drive innovation to ensure customer satisfaction

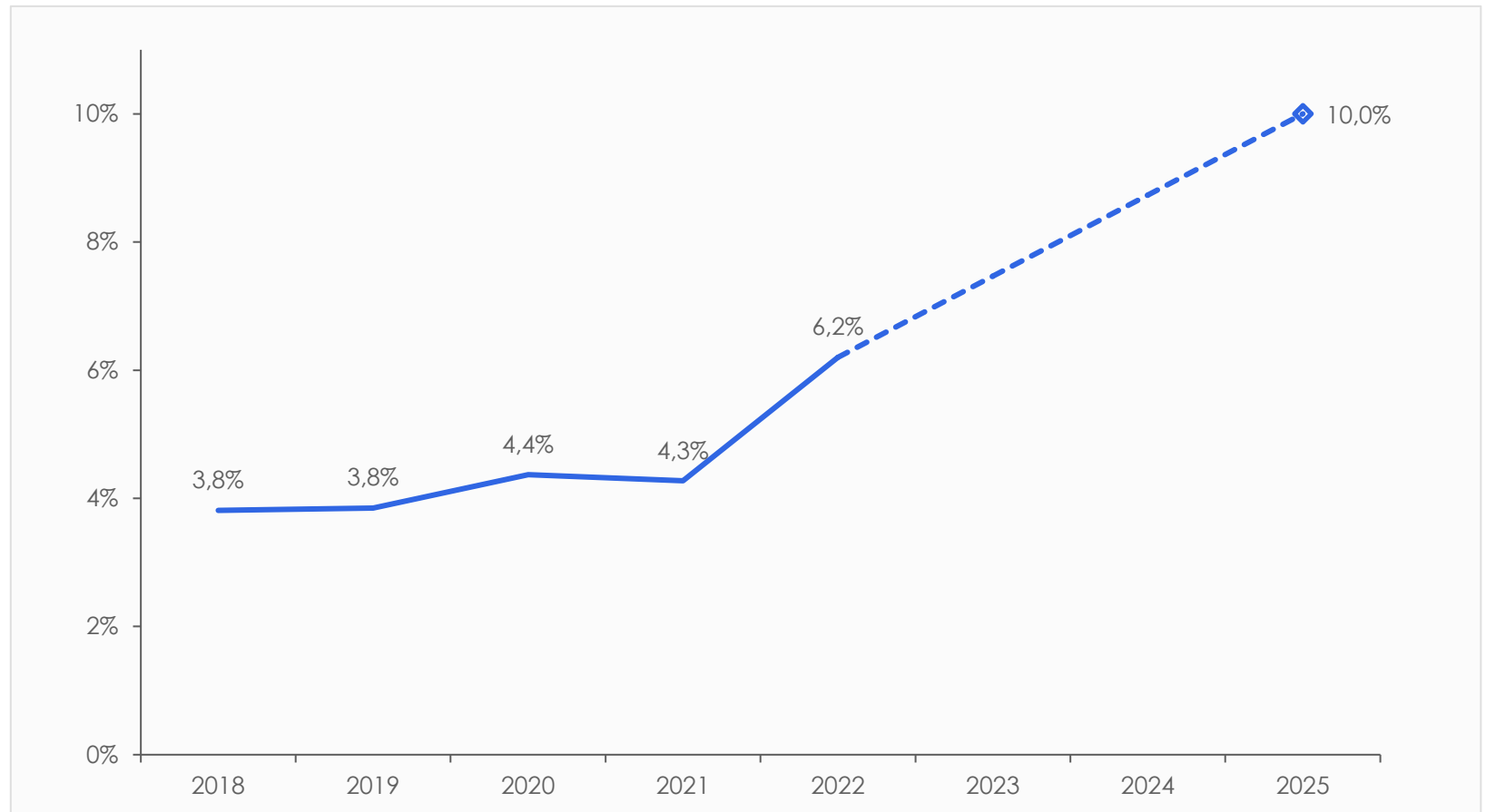
On track to reach 10% new product sales by 2025



Drive high growth through innovation & marketing to delight our customers

- **Increase R&D investment** by 50% in 2022 and triple investment in R&D by 2025
- Quicker time to market, targeting **10% new product** sales by 2025

Step up in new product sales – on track for our 2025 target of 10%



➤ **New product sales of 6.2% versus 4.3% in 2021**

Our commitment to innovation drove an increase in sales of new products in 2022, new product pipeline shows more growth to come

2022 New Product Examples



Drain water heat recovery



3D printed PVC vortex aerators



Slim water tanks



Bio-attributed PVC

3. We are making progress on our sustainability objectives

Delivering the first steps of our strategy

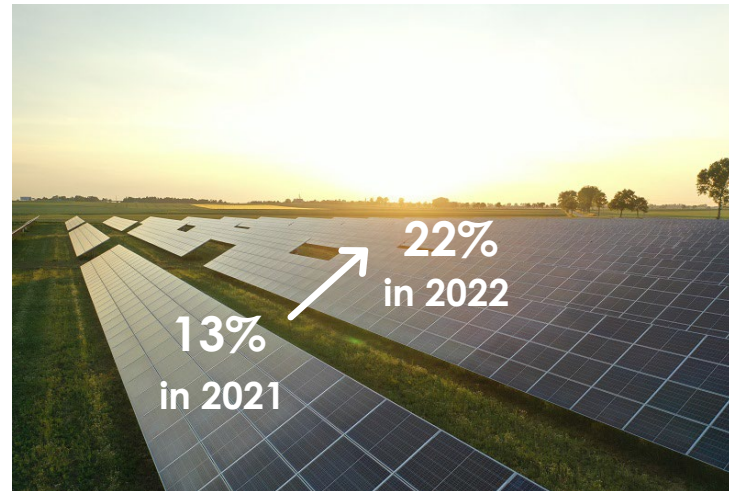


Deliver a meaningfully positive impact on society

Sustainability targets by 2025:

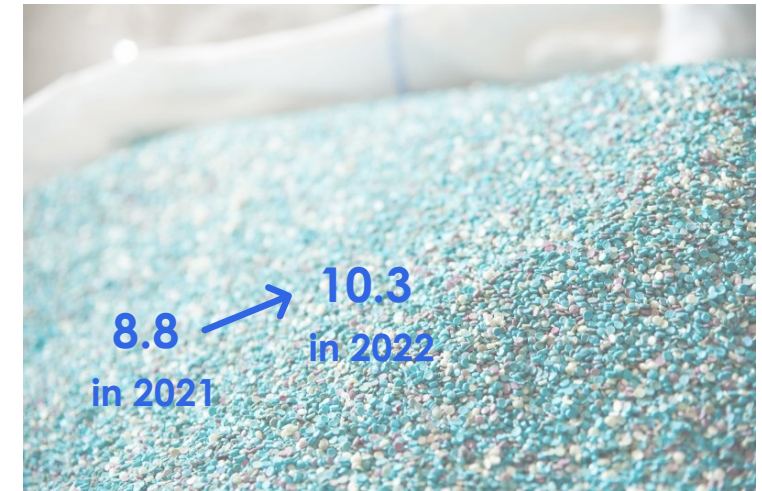
- CO₂ emissions: 75% reduction per ton of production by transitioning to 100% renewable electricity
- 4 times more recycled content to reach 50% of what is allowed under current standards
- Water management solutions: access to clean water, sanitation, water preservation

Renewable Electricity as % of Total



➤ **Renewable electricity of 22% versus 13% in 2021**

External Recyclate Used ('000 Tonnes)



➤ **10,300 tonnes of recyclate used in 2022**

And we're investing in new businesses to bring solutions to the world's water challenges with Aliaxis Next

We had many impactful sustainability initiatives launch in 2022

Examples of Sustainability Initiatives



**Waste Management
New Zealand
Partnership**



**Light-weight products
- India**



**New Circular
Economy Sanitary Line**



**New Solar Panel
Projects**

4. Develop people and a performance mindset

We have further strengthened our leadership team



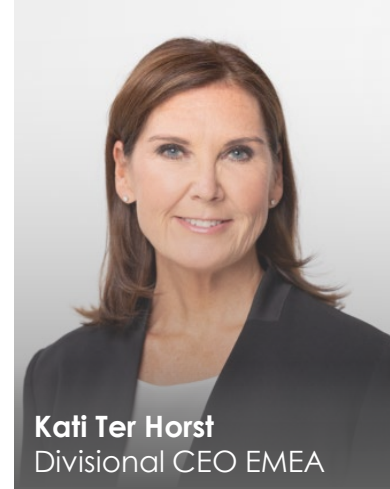
Develop people

- Focus on **building capacity and capability** to accelerate growth
- **Attract, retain and develop talents**
- Building a **strong culture of performance**, going above and beyond, whilst putting people first: **empowerment, accountability and transparency**



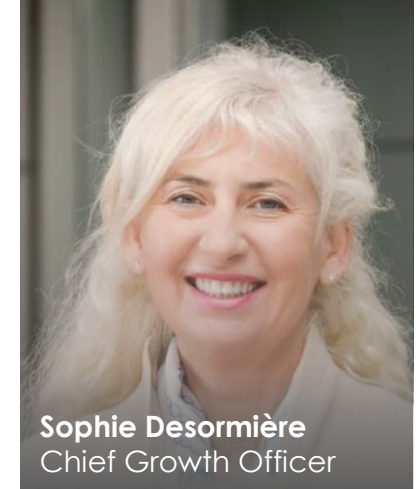
Line De Decker
Chief People and
Sustainability Officer

- Joined in April 2022
- Highly experienced, internationally recognized HR professional
- Previously SVP, Head of Transformation Office at GSK



Kati Ter Horst
Divisional CEO EMEA

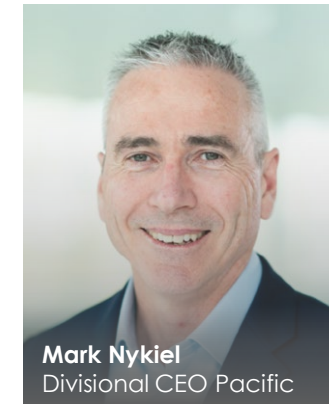
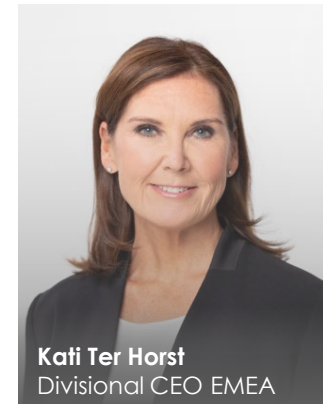
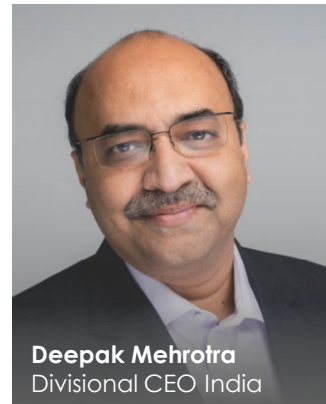
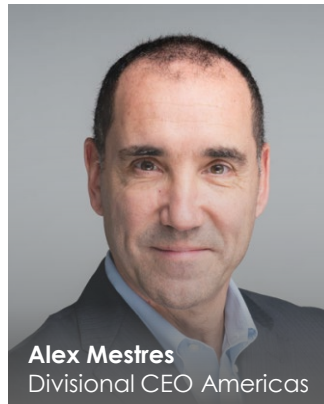
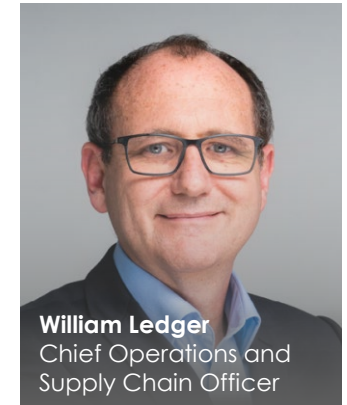
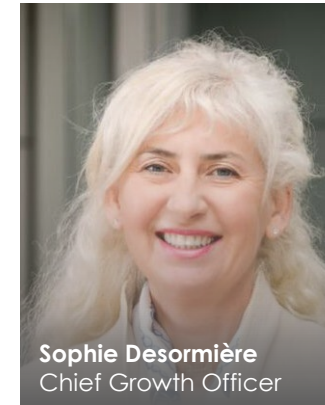
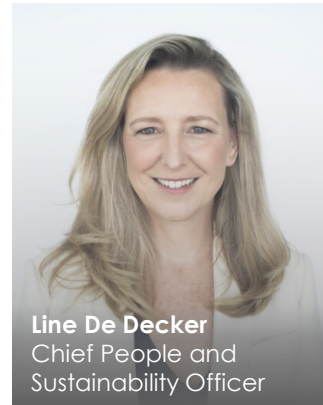
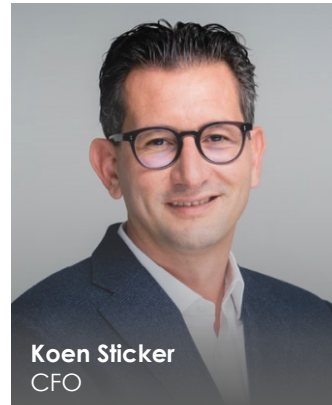
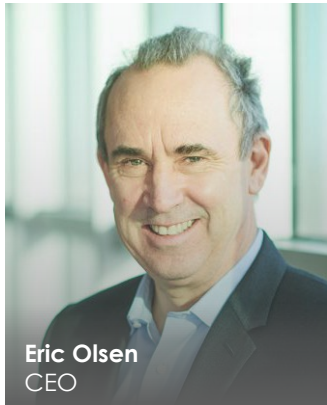
- Joined in October 2022
- Strong track record in strategic development
- Previously EVP Paper Division and member of the Group Leadership Team at Stora Enso



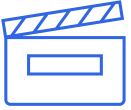
Sophie Desormière
Chief Growth Officer

- Joined in January 2023
- Highly experienced executive in driving business strategies, innovation & marketing
- Previously CEO of NAVYA, CEO AALPS Capital and Senior EVP Marketing and Sales at Solvay

Our Executive Committee now has stronger leadership capabilities and greater diversity than ever before



...and rolled out our new culture and values



We dare...to challenge the status quo, to innovate and to learn fast



We care...For the environment, our customers and each other



We deliver...by taking accountability for our actions



5. We completed two significant acquisitions to complement and strengthen our core business in North America and Europe...



Invest in internal & external growth

- Internal growth will be supported by over **€1 billion** in CAPEX (2022-2025)
- Accelerate **external growth through M&A**
- Invest in **adjacent high-growth** opportunities for generational growth through Aliaxis Next



- #4 in North American municipal sewer fittings and leader in the turf irrigation market segment
- Diverse product mix that complements Aliaxis' product portfolio and creates a significant market position in the NA municipal segment
- Net sales of ~€70 million in 2021



- Family-owned European leader in industrial pressure piping located in Veneto region, Italy
- Adds pressure pipe to the EMEA portfolio, creating significant cross selling synergies and supporting our solution selling strategy
- Net sales of ~€32 million in 2021

We started Aliaxis Next to build and invest in businesses to solve the world's water challenges...

Sustainable Water Management



3.9 Billion
people will live in
water stressed areas
by 2030

Resilient Water Infrastructure



35 %
of the water
distributed in
networks is lost
through leakages

Water For Food



70 %
of the water
withdrawn from the
planet is used to
produce food

Access to Water








2.2 Billion
people lack access
to safely managed
water in their homes

... And we invested €60 mio in adjacent high-growth targets to that will create new engines of growth

	Sustainable Water Management	Resilient Water Infrastructure	Water For Food	Access to Water
2021		<div>APX10</div> Waste water pollutant tracking <div>kends</div> Water network data insights		
2022	<div>HydroPoint</div> Building leak detection, irrigation optimization <div>PulPac</div> Dry moulded fibre packaging tech	<div>Aquarius Spectrum</div> Identifies&locates leakages in the water network <div>Opti</div> Software for smart stormwater mgt	<div>cropx</div> Optimizes irrigation, fertilization and crop yield	

We have made excellent progress in only the 2nd year of our Growth with Purpose strategy

GROWTH WITH PURPOSE	ACHIEVEMENTS IN 2022
 <ol style="list-style-type: none">1. Become a recognized leader in our sector in safety and drive operational excellence	<ul style="list-style-type: none">▪ Reduction in RIR to 5.8 (vs 7.5 in 2021), on track for 2025 target▪ Operational excellence initiatives delivered >€20 mio EBITDA impact
 <ol style="list-style-type: none">2. Drive high growth through innovation & marketing to delight our customers	<ul style="list-style-type: none">▪ Realized 6.2% new product revenues¹ (4.3% in 2021) and increased pipeline of new products to be launched in coming years
 <ol style="list-style-type: none">3. Deliver a meaningfully positive impact on society	<ul style="list-style-type: none">▪ Renewable electricity use reached 22% (13% in 2021), on track for 100% in 2025▪ Increased usage of external recycle by 16%
 <ol style="list-style-type: none">4. Develop people	<ul style="list-style-type: none">▪ We Dare, We Care, We Deliver launched to underpin the Aliaxis culture▪ Key leadership positions have been filled
 <ol style="list-style-type: none">5. Invest in internal & external growth	<ul style="list-style-type: none">▪ More than €300 mio CAPEX deployed and strategic growth projects launched across the globe▪ Acquired Harco, Lareter, strengthening positions in North America, Europe▪ ERP implementation: HQ and NA on-track for go-live in 2023▪ Aliaxis Next invested in 5 companies, including 2 acquisitions (Opti, Aquarius Spectrum), increasing funds invested by €60 mio to reach €62 mio invested (including 2021 investments in Kando, APX10).



2022 Annual Results

Koen Sticker



Delivered strong financial results in a challenging environment

Sales of €4.3 billion

*+11.3% vs 2021
on LFL* basis*

CEBITDA margin of 16.8%

18.3% in 2021

CEBITDA of €728 million

*Stable vs 2021
on LFL* basis*

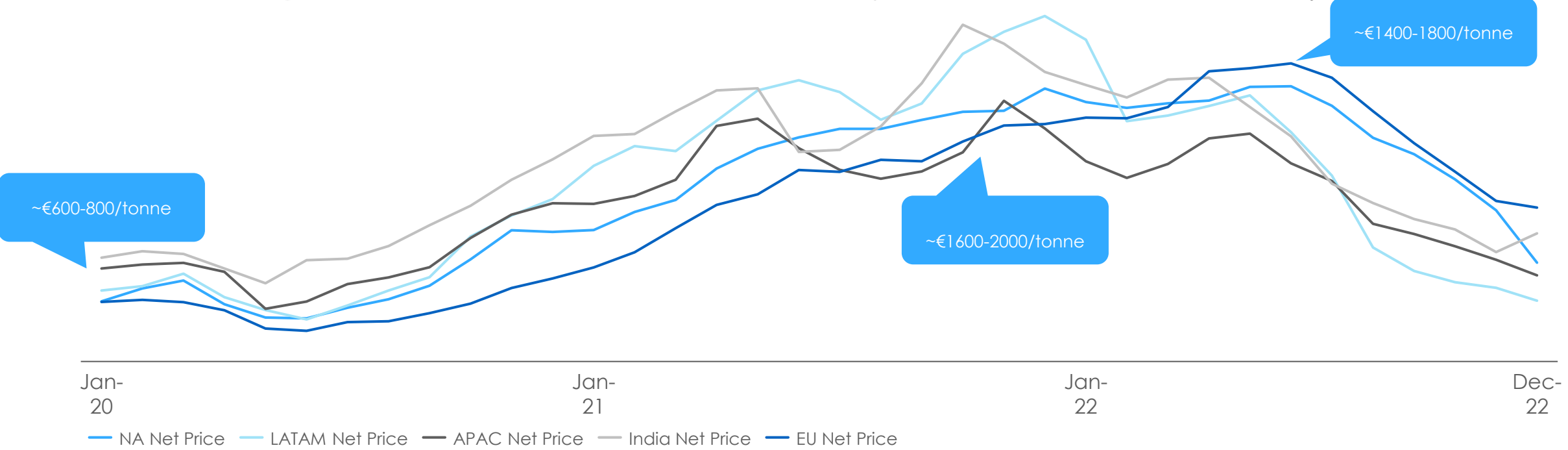
**Net profit of €371 million
(EPS of €4.69)**

-7.2% vs 2021

Resin prices continued to stay elevated in Q1 before decreasing as of Q2, some stabilisation in Q4

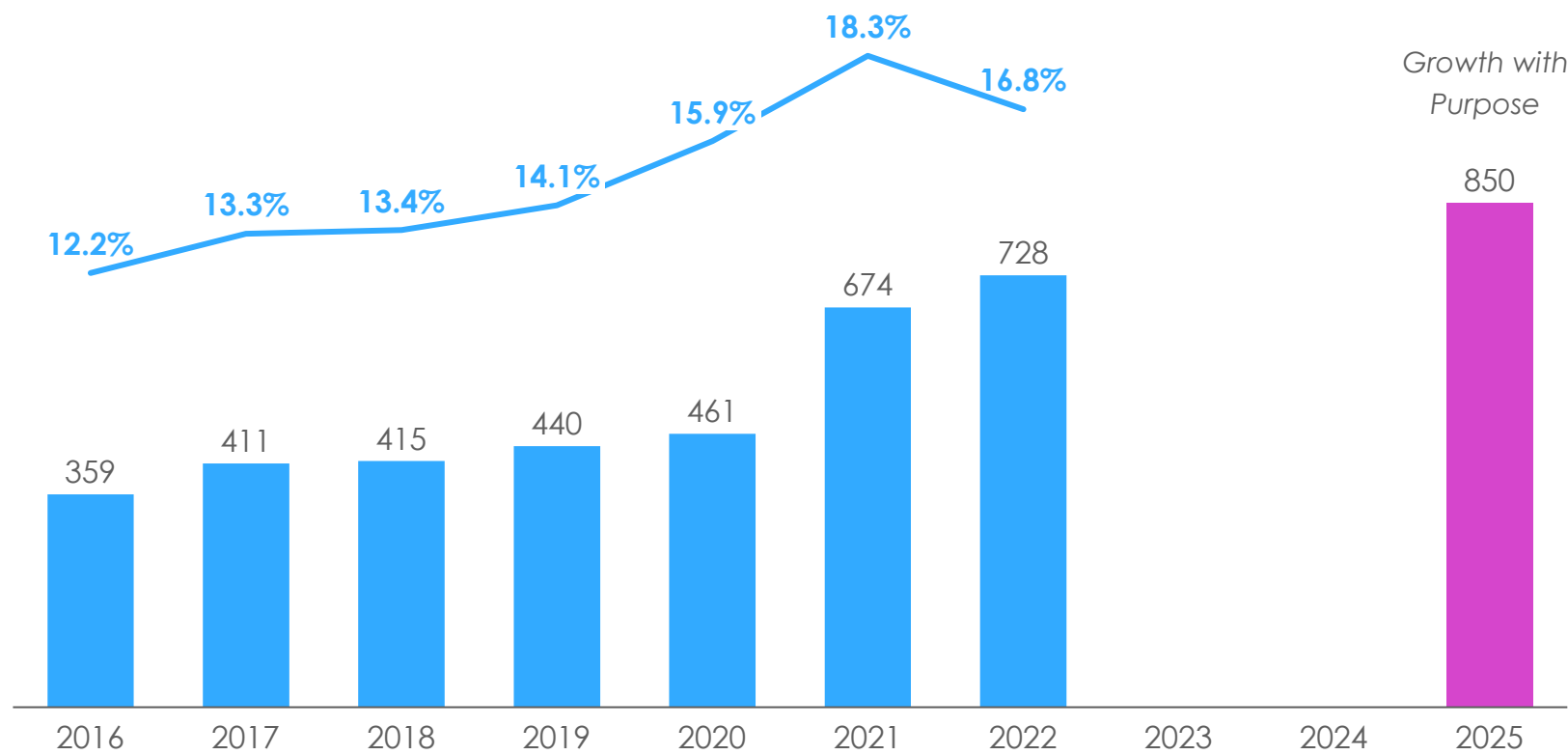
PVC net prices, in €/tonne

- COVID lock down, halted production
 - High demand recovery, price increase
 - Hurricane season and logistics challenges drove volume shortage
- US hurricane in Jul 21, freeze in Feb 22
 - Chinese capacity soared in Oct 21 due to coal shortage
 - Market slowdown in H2 2022
 - Geopolitical tension
- Inflation, market slowdown
 - Ongoing geopolitical uncertainty



Despite a very challenging economic environment, we are on track towards our €850 mio CEBITDA target

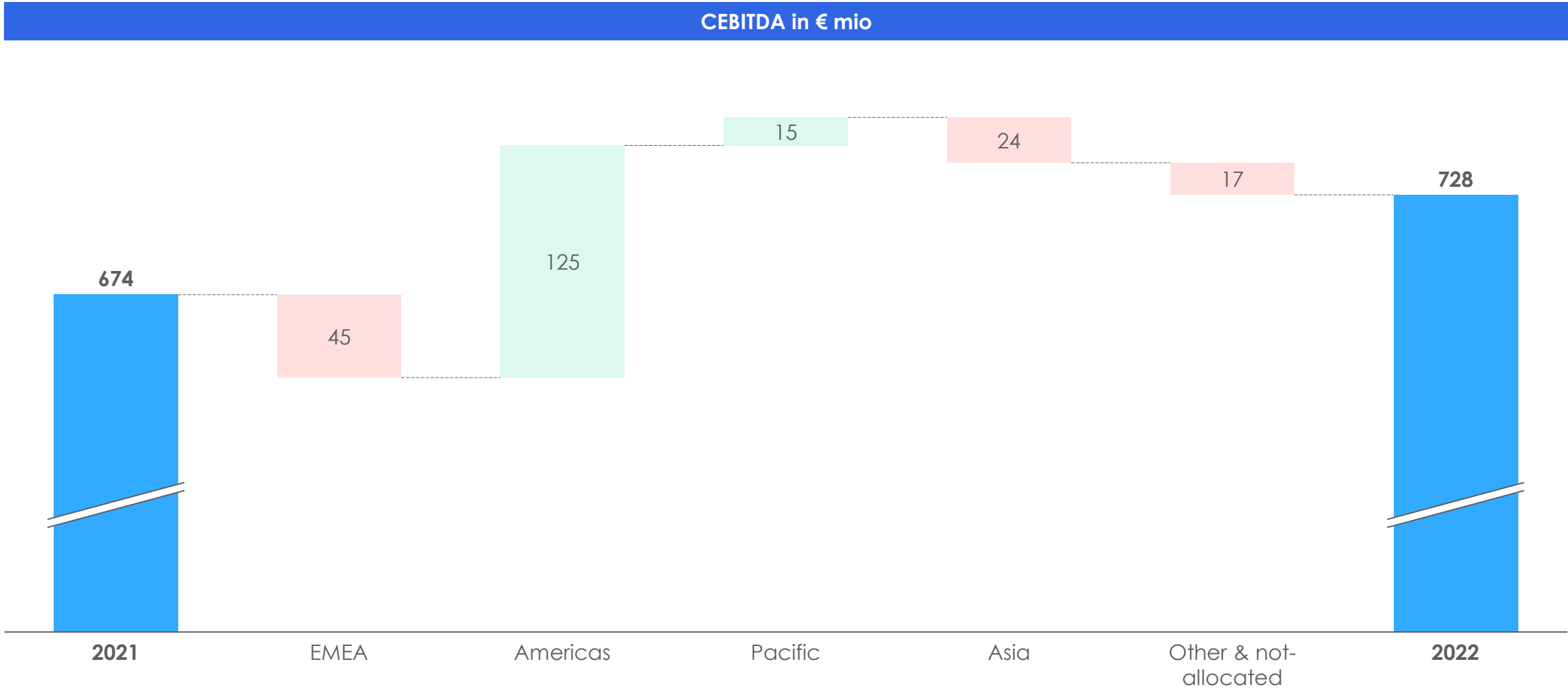
CEBITDA in € mio and CEBITDA margin as % of net sales



Highlights

- Step change in profitability of 2021 confirmed in 2022, on track to deliver 2025 Growth with Purpose ambition
- CEBITDA increase with €54 mio or 8% mainly driven by Americas
- Succeeded to keep CEBITDA margin at 16.8%, above historical results whilst we have made significant investments to support our Growth with Purpose strategy and despite the volatile raw material prices and high inflationary environment

Strong performance in Americas drives majority of CEBITDA growth



Note: Americas include Harco acquisition

All regions supported topline growth, strong performance in Americas and Pacific supported CEBITDA growth

EMEA



	2022	LFL* vs 2021
Net sales (€ mio)	€985	+5.3%
CEBITDA (€ mio)	€89	-23.5%
CEBITDA margin	9.0%	

- Challenging year with high inflation and market demand drop in H2 resulting in lower volumes
- Despite challenges, net sales grew supported by price management

Asia



	2022	LFL* vs 2021
Net sales (€ mio)	€598	+17.8%
CEBITDA (€ mio)	€67	-26.8%
CEBITDA margin	11.2%	

- PVC price volatility and agriculture demand drop impacted CEBITDA result
- Top line growth driven in part by new product innovation and growth in new segments

Americas



	2022	LFL* vs 2021
Net sales (€ mio)	€2164	+12.9%
CEBITDA (€ mio)	€527	+14.8%
CEBITDA margin	24.4%	

- North America experienced strong Q1 but challenging H2 due to market slowdown. Due to strong commercial management, we were able to grow top line
- In Latin America economic headwinds in Chile and Peru impacted performance

Pacific



	2022	LFL* vs 2021
Net sales (€ mio)	€548	+11.3%
CEBITDA (€ mio)	€66	+22.5%
CEBITDA margin	12.0%	

- Resilient momentum in building and infrastructure segments, and price management supported strong result
- Topline growth and operational excellence drove 23% CEBITDA increase

Sales and CEBITDA up 18.1% and 8% respectively

In € mio	2022	%	2021	%	Δ Last Year	
	Actual	of net sales	Y - 1	of net sales	M EUR	%
Net sales	4,341.9	100.0%	3,675.1	100.0%	666.8	18.1%
Direct cost of goods sold	(2,752.0)	(63.4%)	(2,314.3)	(63.0%)	(437.7)	18.9%
Contribution	1,589.9	36.6%	1,360.8	37.0%	229.1	16.8%
Fixed costs	(999.3)	(23.0%)	(810.3)	(22.0%)	(189.0)	
Current EBIT	590.6	13.6%	550.4	15.0%	40.2	7.3%
Amortisation M&A related intangibles	(17.2)	(0.4%)	(13.3)	(0.4%)	(3.8)	
Restructuring costs & exceptional items	(12.5)	(0.3%)	75.2	2.0%	(87.7)	
Management fees	0.0	0.0%	0.1	0.0%	(0.1)	
EBIT	560.9	12.9%	612.4	16.7%	(51.5)	(8.4%)
Financial results	(23.8)		(20.2)		(3.6)	
Income taxes	(166.2)		(192.8)		26.5	
Net income	370.9	8.5%	399.4	10.9%	(28.6)	(7.2%)
Share of minority interests	1.5		1.6		(0.1)	
Share of the Group	369.4		397.8		(28.4)	
Current EBITDA	728.2	16.8%	674.4	18.3%	53.9	8.0%

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Management fees	0.0	0.0%	0.1	0.0%	(0.1)	
EBIT	560.9	12.9%	612.4	16.7%	(51.5)	(8.4%)
Financial results	(23.8)		(20.2)		(3.6)	
Income taxes	(166.2)	ETR – 31.0%	(192.8)	ETR – 32.6%	26.5	
Net income	370.9	8.5%	399.4	10.9%	(28.6)	(7.2%)
Share of minority interests	1.5		1.6		(0.1)	
Share of the Group	369.4		397.8		(28.4)	
Current EBITDA	728.2	16.8%	674.4	18.3%	53.9	8.0%

Sales and CEBITDA up 18.1% and 8% respectively

In € mio	2022	%	2021	%	Δ Last Year	
	Actual	of net sales	Y-1	of net sales	M EUR	%
Net sales	4,341.9	100.0%	3,675.1	100.0%	666.8	18.1%
Direct cost of goods sold	(2,752.0)	(63.4%)	(2,314.3)	(63.0%)	(437.7)	18.9%
Contribution	1,589.9	36.6%	1,360.8	37.0%	229.1	16.8%
Fixed costs	(999.3)	(23.0%)	(810.3)	(22.0%)	(189.0)	
Current EBIT	590.6	13.6%	550.4	15.0%	40.2	7.3%
Amortisation M&A related intangibles	(17.2)	(0.4%)	(13.3)	(0.4%)	(3.8)	
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Share of minority interests

1.5

1.6

(0.1)

Share of the Group

369.4

397.8

(28.4)

Current EBITDA	728.2	16.8%	674.4	18.3%	53.9	8.0%
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Maintained strong balance sheet while investing for growth through CAPEX and M&A

CAPEX of €325 million

ROCE of 21.9%

30.8% in 2021

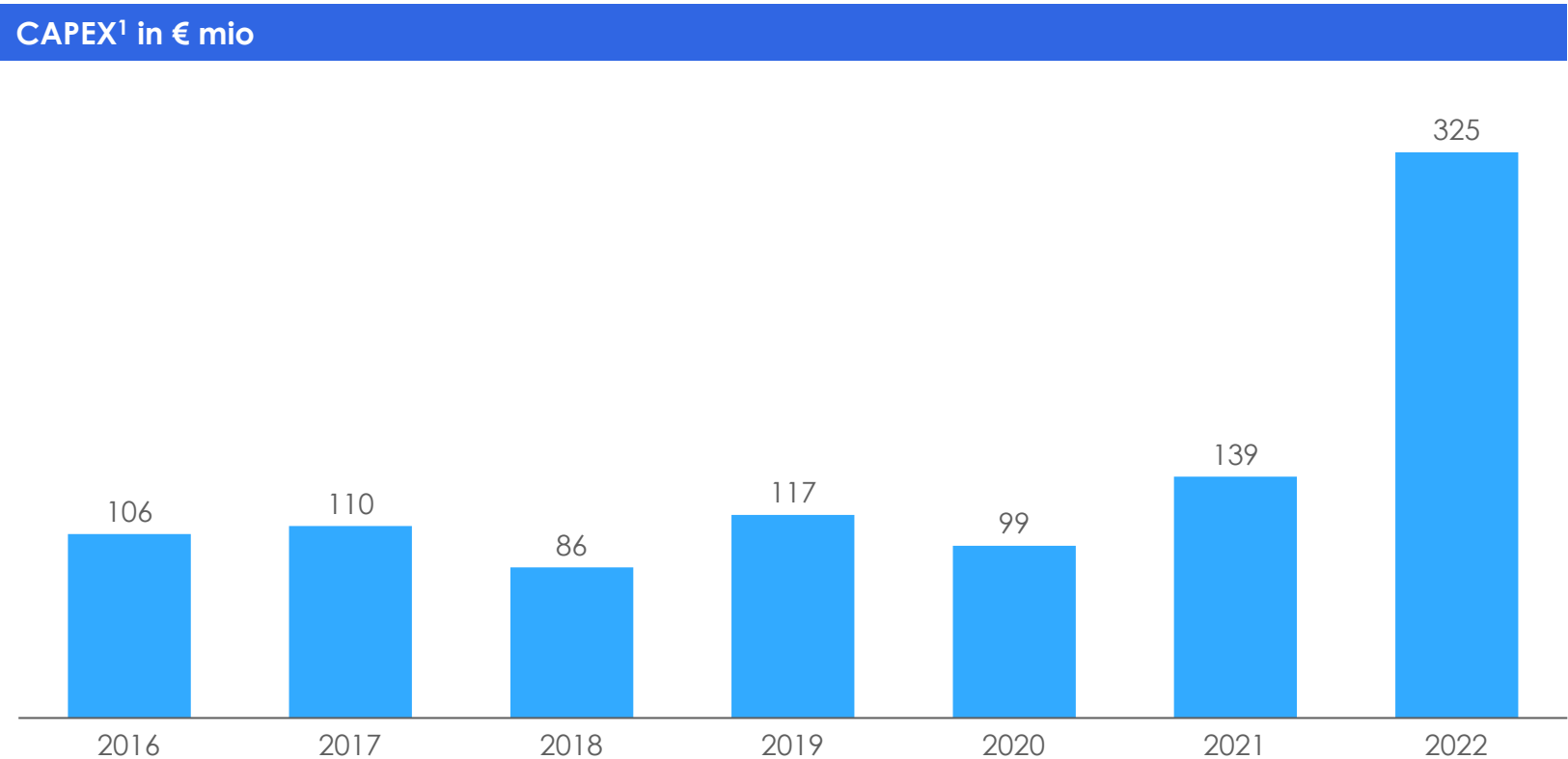
**Working capital of
€940 million**

€427 million in 2021

**Net financial debt of
€742 million**

Leverage of 1.0x CEBITDA

Significant increase in CAPEX in growth and productivity initiatives to deliver Growth with Purpose strategy



Highlights

- All regions increased growth and productivity investments
- €250 mio invested in value creating projects (growth, productivity, sustainability)
- Key projects include US Injection Moulding expansion, US extrusion expansion and Electrofusion 2.0 in Germany

1. Excluding lease CAPEX

Examples of major investments: US moulding and extrusion capacity, and electrofusion in Germany will drive future growth

US Injection Moulding expansion

- State-of-the-art injection moulding plant, one of the most advanced plastics manufacturing facilities in the industry
- Significant investment in capacity for fittings for different applications

Total Investment

~€110 mio

Run rate EBITDA benefit

~€35 mio

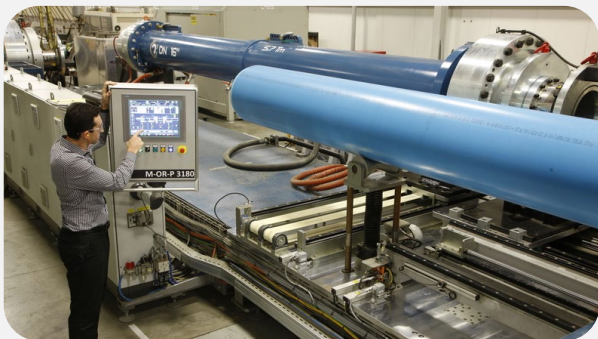


US extrusion expansion

- Expansion with 12 new extrusion lines in Fort Pierce, Asheville and Lawton plants
- Enable significant projected growth in PVC pipe business

~€110 mio

~€30 mio



Electrofusion 2.0, Germany

- Investment in next generation product line with important impact reduce labour and energy use
- Supports ambitious volume growth

~€45 mio

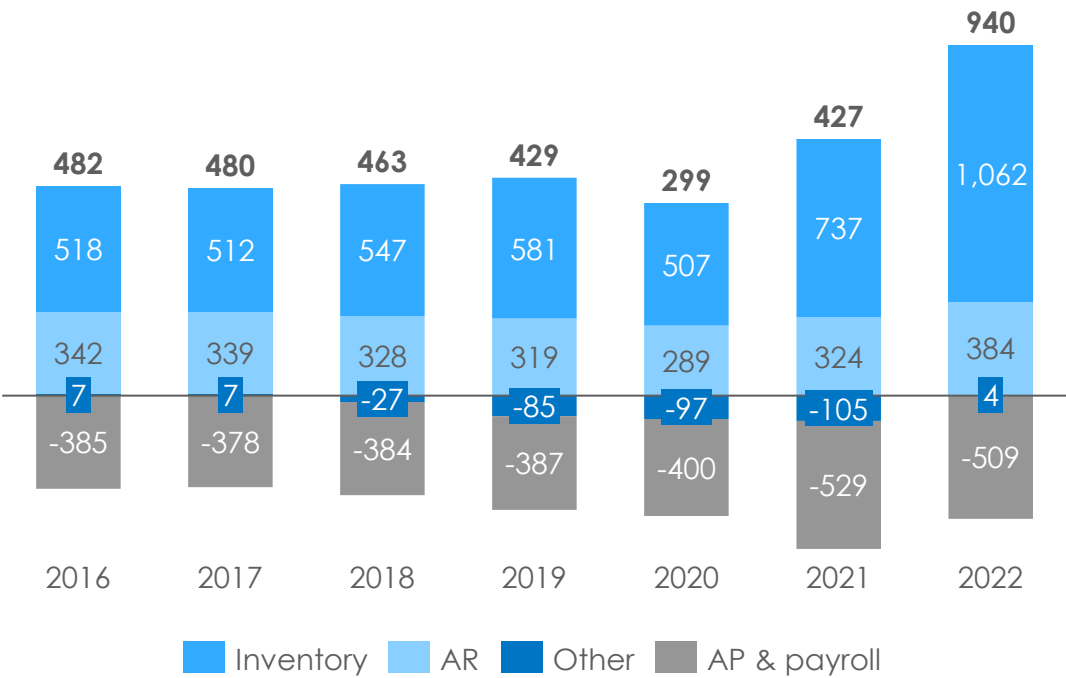
~15 € mio



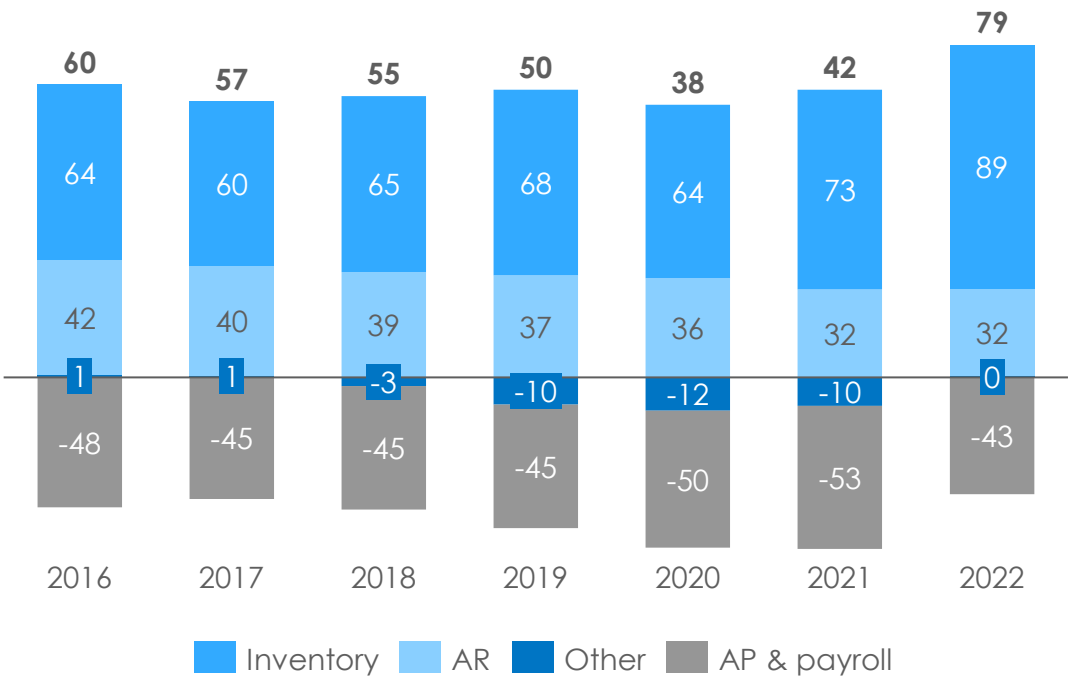
Weight & size: -15 to 20%
Labour: -75%
Energy: -65%
Maintenance: -70%

Exceptional working capital increase due to higher raw material prices and higher days of inventory, expected to normalize going forward

Working capital in € mio



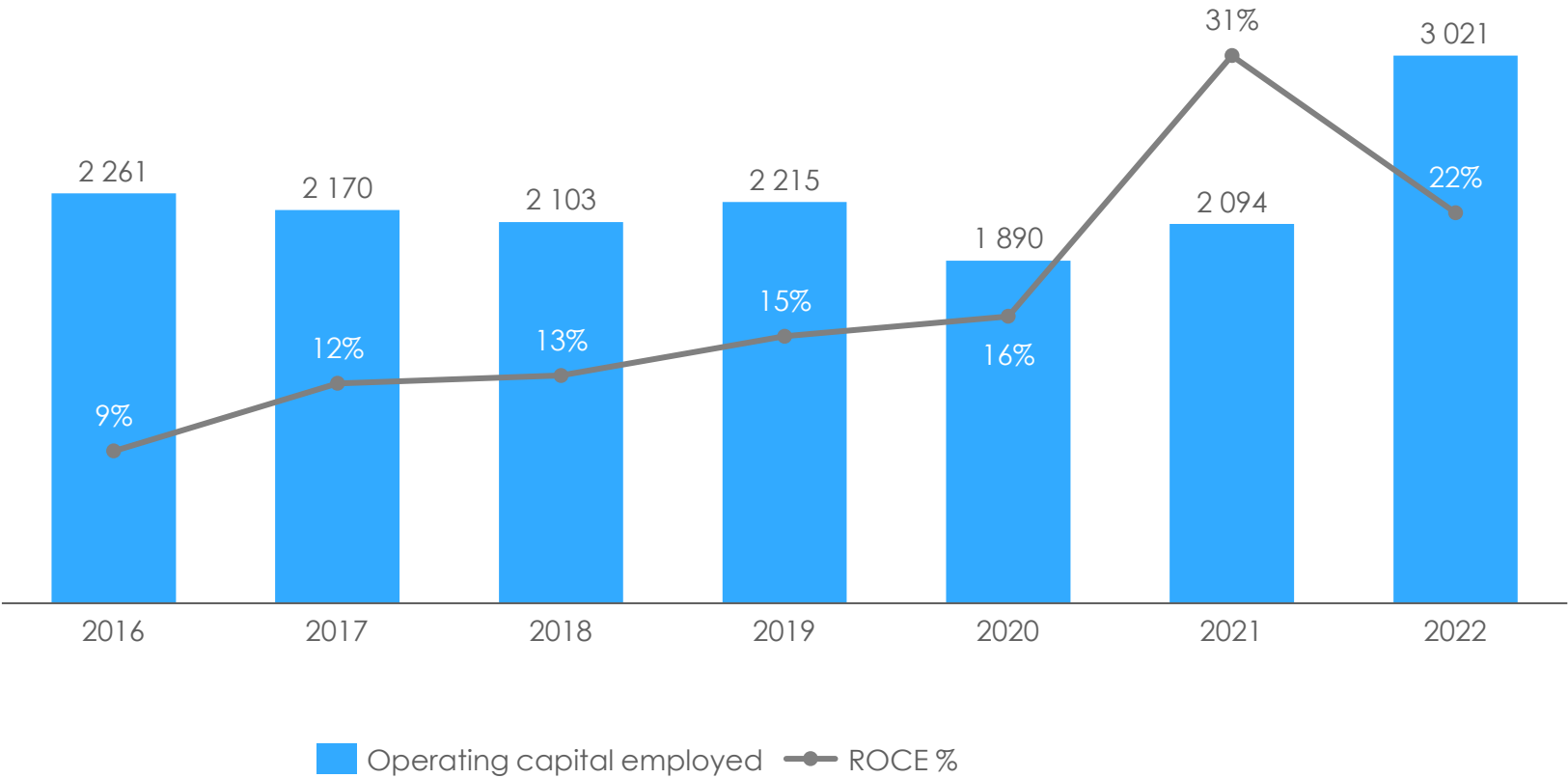
Working capital in days of sales



- Higher working capital driven mainly by inventory increases as raw material prices increased and higher inventory was held
- In Q4 working capital started to decrease, and to normalize going forward

Organic and inorganic investments grew capital employed to €3 bn while ROCE at 22% remains above historical performance

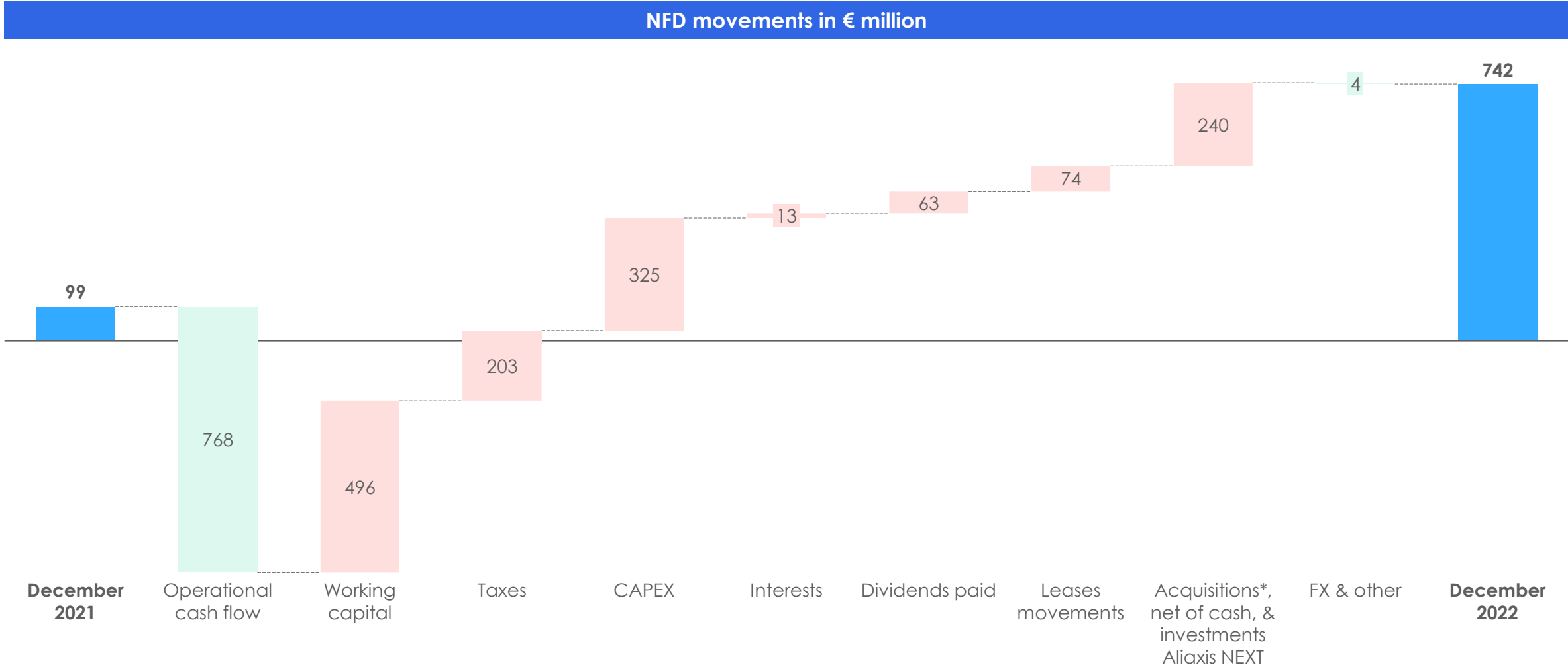
Capital employed in € mio and ROCE in %



Highlights

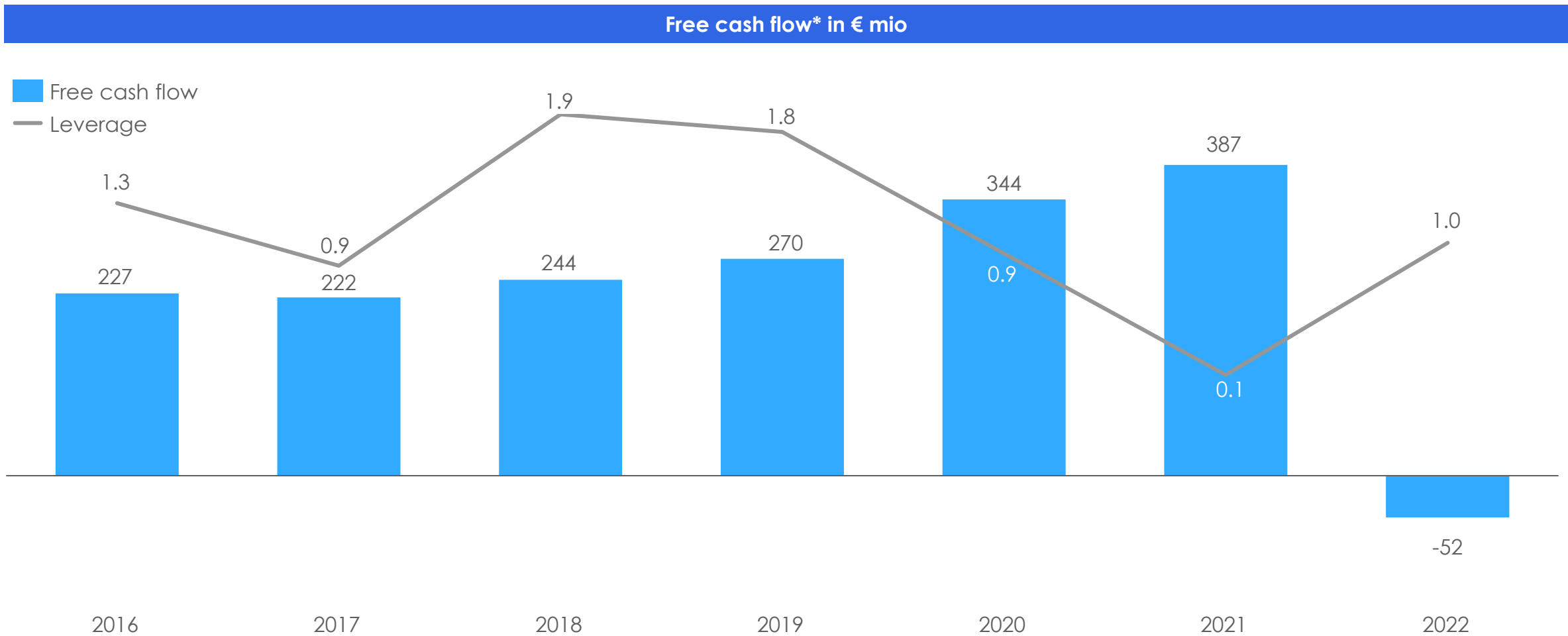
- Grew capital employed to €3 bio through CAPEX and acquisitions
- Strong financials result in ROCE above historical performance

Net financial debt increased by €643 mio to €742 mio at December mainly driven by investments in CAPEX, acquisitions, and exceptional working capital increase. Pro forma leverage of 1.0x CEBITDA



* Harco, Acquarius, Lareter and OptiRTC

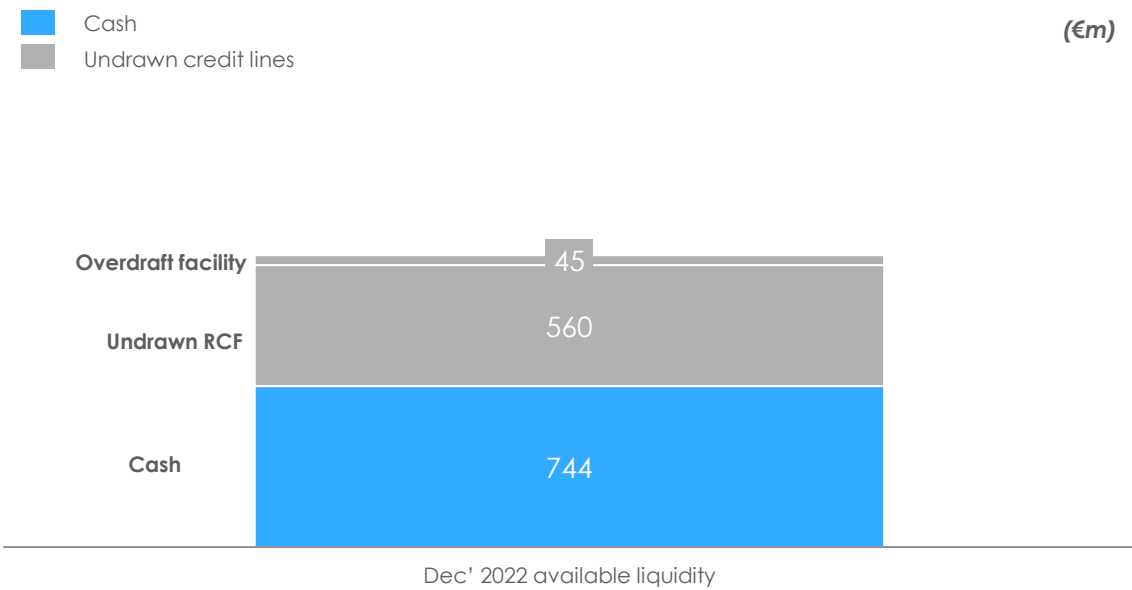
Strong history of cash flow generation, 2022 impacted by CAPEX investments and exceptional working capital increase



* Free cash flow calculated as Cash Flow Generated from Operations less Capex investment

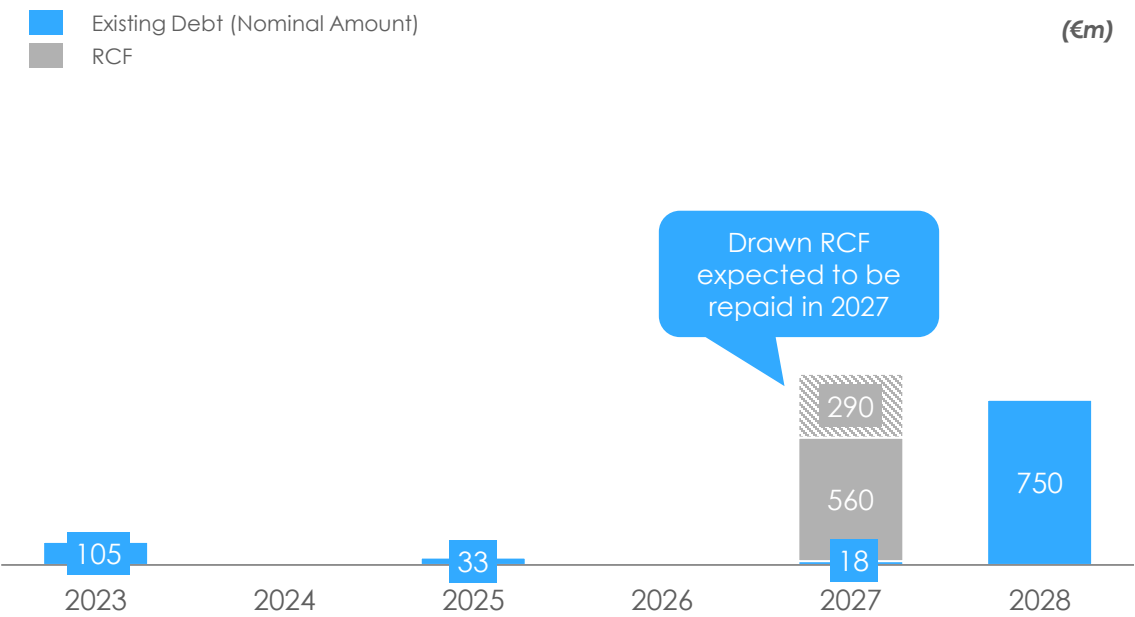
We have more than €1.3 billion liquidity headroom to continue to invest and weather any negative economic impacts

Liquidity as of Dec 2022



- Majority of undrawn credit lines composed of RCF with €850m total (€560m undrawn) of commitment and maturity in 2027. An accordion clause is available for an additional €100m (not yet exercised).

Debt Maturity profile as of Dec 22



- For liquidity analysis, we have assumed that the RCF is repaid under the current terms for illustrative purposes, there is also an extension option of 1 year available

ROCE decreased to 21.9% at the end of 2022, compared to 30.8% in 2021.

Ample covenant headroom (USPP only)

Performance indicators

	2022	2021
Net profit - Group share	369.4	397.8
Number of outstanding shares at the end of the period, net of treasury shares	78,685,288	78,681,987
Basic earning per share (EUR / Share)	4.69	5.06
Working capital / Net Sales	21.6%	11.6%
Net sales / Capital employed including goodwill	1.70	1.85
EBIT / Net Sales	12.9%	16.7%
ROCE (incl. GW)	21.9%	30.8%

Financial Covenants Pro forma

	2022	2021
Interest cover	40.0	73.4
Bank covenant (min)	4.5	4.5
Leverage	0.8	0.0
Bank covenant (max)	3.5	3.5

Strong balance sheet with equity of €2.2 mio, leverage of 1.0x CEBITDA

in € mio	2022 Actual	2021 Actual
Intangible fixed assets	244	158
Goodwill	632	563
Tangible fixed assets	1,202	940
Investments - Investment properties	3	3
Investments - Financial investments	34	7
Assets held for sale	5	3
Other non-current assets (net)	33	33
Assets	2,152	1,707
Non-cash working capital	940	427
Total Assets	3,092	2,134
Equity - Group	2,223	1,917
Equity - Minority interests	7	7
Total Equity	2,230	1,924
Government grants	2	2
Net PEEBs (assets) / liabilities	26	17
Net deferred taxes (assets) / liabilities	57	70
Liability held for sale	2	-
Other non-current provisions	34	22
Net financial debt	742	99
Total Debt and Equity	3,092	2,134

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Financial policies – commitment to investment grade rating

Leverage

- Management objective is to operate the business at a leverage level consistent with an investment grade rating profile

Capex

- Support organic growth and strategic initiatives
- Flexibility to address any operational shocks (as during 2020 with Covid and 2008-2009 Financial Crisis)

Liquidity Reserves

- Sources of liquidity include €850m⁽¹⁾ revolving credit facility with a further €100m accordion feature, as well as a €45m overdraft facility
- Ample existing liquidity reserves available

Dividends

- Shareholder remuneration covered by free cash-flow at all times, up to 30% of recurring net profit
- Minimal increase of 10% YoY
- Flexibility to address any operational shocks (as during 2020 with Covid)

M&A

- Company could undertake opportunistic M&A while maintaining a prudent financial policy and investment grade
- Strong management team with track record of successful integration

Dividend proposed for 2022 is in line with policy – increase of 10%

- Historically Aliaxis has paid a **10% increase in dividend year-on-year**, in line with policy
- **Growth was withheld due to COVID** for the 2019 dividend payment. This was fully compensated for in 2020, 2021
- The proposed dividend is €0.860 per share (gross), an increase of 10% on the prior year and representing 18.3% of the consolidated basic earnings per share of €4.7. This is subject to shareholder approval at the General Shareholders' Meeting on **May 3, 2023**.
- Proposed dividend achieves a **CAGR of 10.1%** for the period 2012-2022
- The dividend will be paid on July 3, 2023

Outlook 2023

- On our revenues, we expect moderate market headwinds in 2023 in North America and Europe. In our other regions, we expect positive growth for the year overall. To in part offset the market headwinds, we count on our Growth strategy delivery and increased focus on cost and efficiencies.
- We remain committed to implementing and delivering all of the objectives of our Growth with Purpose strategy, focused on continued investments to support both organic and external growth in a responsible way, including doubling CEBITDA between 2020 and 2025.

Appendix



Aliaxis SA to Aliaxis Holdings SA – Key variances

In € mio	2022 Aliaxis SA	Scope change	2022 Aliaxis Holdings SA
Current EBITDA	728.1	1.9	730.0
Net financial debt	741.9	19.3	761.2

Aliaxis Holdings SA holds the financial arm of the Group and is guarantor of the borrowing entities and credit rated issuer