Brussels, 23 March 2018

Group strategic transformation bringing positive results

Aliaxis SA ('Aliaxis', 'the Group' or 'the Company'), a global leader in the manufacturing and distribution of advanced plastic piping systems, today announced its results for the 12 months period ended December 31, 2017

Highlights – 12 months period ended December 31, 2017

- Revenue of €3,095 million, an increase of 4.9%
- Current EBITDA of €411 million, up 14.7%
- Current EBIT of €300 million, up 23.4%
- Net profit of €157 million, up 44.5%
- Net financial debt decreased by €107 million to €357 million at December 31, 2017 - Net leverage of 0.9
- Implementation of company-wide transformation and strategy, 'D.N.A.' (Delivering the New Aliaxis), on track
- Completed divestment of SED Flow Control GmbH to Frankfurt headquartered Samson AG in September 2017
- Acquisition of Studor, a highly specialised leader in drainage ventilation and air admittance valve technology, in Q4

CEO Laurent Lenoir comments on the results:

"I would like to thank the Aliaxis employees for their contribution to these record results, the highest ever in Aliaxis' history. This excellent performance, driven by our leadership positions combined with a number of consolidation or simplification initiatives, should further strengthen our transformation agenda and further materialise through an increasing number of initiatives."

Divisional review

Overall, we continue to benefit from our presence in growing emerging markets such as India, and robust leadership positions like in North America. EMEA is recovering in line with positive market developments in most countries and based on a strong focus to reduce complexity and cost. At the same time, we experienced very challenging market conditions in Latin America, South-East Asia and in Australia, especially in Coal Seam Gas, which had a negative impact on our performance.

1. EMEA

The market situation in EMEA was characterised by different underlying dynamics, varying depending on geography and market segment. Whilst the infrastructure market in the UK performed very well and whilst we have seen significant growth in the building market and new build in Spain and France respectively, the region faced a significant slowdown in infrastructure in Germany and Spain, and in renovation and refurbishment in France.

Overall, EMEA posted modest sales growth in this contrasted market environment thanks to a number of commercial excellence programs introduced throughout the year and further strengthening of the commercial and marketing teams. The acquisition of Studor, a highly specialised leader in drainage ventilation and air admittance valve technology, further complemented our solution offering for high-rise buildings.

Furthermore, the bottom line was positively impacted by various resource optimisation initiatives and other programs that were launched in line with the Group's strategy to become an integrated division.

Aliaxis reached an agreement on the sale of its German subsidiary SED Flow Control GmbH to Frankfurt headquartered Samson AG. The transaction was completed on September 7, 2017. Parties agreed not to disclose the transaction price.

2. Americas

In North America, the division continued to perform strongly. Sales grew on the back of favourable market conditions in Canada following healthy government infrastructure spending along with a robust increase in housing starts. In addition, new product development contributed significantly to top line growth in the region. In the US, our operations benefited from the fact that the economy grew faster than in 2016 and that business investment activities regained momentum. The top line growth associated therewith was however partly offset by slower than anticipated housing starts.

The overall performance in the region was further supported by several operational improvement initiatives, such as lean manufacturing, and by a further acceleration in innovation and R&D, supported by the completion of phase two of our regional R&D centre of excellence and further collaboration with for example Cornell University. Innovations like Aquarise, a unique potable water piping system for commercial, industrial & high buildings, further strengthened our commercial offering.

Latin America on the other hand faced difficult market conditions driven by reduced governmental spending in Mexico and Central America and geo-political challenges in other parts of the region, which led to overall lower sales levels in 2017. This was only partially offset by higher sales in specific projects or segments such as irrigation. In response, a number of initiatives around commercial excellence were implemented as part of a larger program to strengthen the foundation of sustainable and profitable growth in the region, starting with the roll-out of a new organisation structure.

Furthermore, the implementation of best practices and a number of resource and process optimisation programs led to significant efficiency gains.

Finally, the region started the roll-out of a new innovation strategy, leveraging the expertise and track record of the North American organisation. Even though the overall performance in the region was below 2016, we expect to improve our performance in the region in 2018.

3. APAC

In 2017, the APAC division was faced with contrasting performance between the different regions.

India had another strong year, supported by continued growth across product lines and despite some slowdown as of Q3 due to, amongst others, demonetisation. The construction of a new factory in Bhiwadi in Northern India was completed to support business development and to become more competitive in the northern and western regions of the country. In addition, the implementation of a new ERP system will further strengthen the organisation.

On the other hand, the overall performance in South-East Asia was below 2016, driven by difficult market conditions in Singapore and suboptimal performance of our factory in Malaysia. In response, various profit and cost improvement initiatives have been deployed, and will support turnaround of the region in coming years.

Australasia performed broadly in line with 2016, but driven by different underlying dynamics. Australia suffered from delayed activity in the Coal Seam Gas industry as a result of an overall restructuring of the industry, leading to lower sales levels. This was partially offset by sound improvements in other areas, such as plumbing, and continuous cost reduction and optimisation programs.

New Zealand on the other hand posted solid performance on the back of increased investment in irrigation systems following the overall recovery of the agricultural market.

Key Financials

Consolidated income statement			
(in € million)	**FY2017**	**FY2016**	**Change**
Revenue	3,094.7	2,949.4	+4.9%
Current EBITDA	411.4	358.8	+14.7%
as % on sales	13.3%	12.2%	
Current EBIT	300.4	243.5	+23.4%
as % on sales	9.7%	8.3%	
Operating income (EBIT)	273.5	193.5	+41.4%
as % on sales	8.8%	6.6%	
Profit before income taxes	242.1	150.7	+60.6%
Net result	157.1	108.7	+44.5%
attributable to:			
- non-controlling interests	13.9	7.5	
- Group equity holders	143.2	101.2	

Earnings per share			
(in €)	**FY2017**	**FY2016**	**Change**
Basic earnings	1.82	1.26	+44.4%

Consolidated financial position		
(in € million)	**31 Dec. 2017**	**31 Dec. 2016**
Intangible assets	827.9	887.9
Property, plant & equipment	856.2	887.9
Investment properties	5.7	6.2
Other assets	18.6	22.9
Deferred tax assets	40.1	45.0
Derivatives	39.8	71.2
Employee benefits	27.9	27.5
Assets	1,816.1	1,948.6
Non-cash working capital	482.8	482.2
TOTAL	**2,298.9**	**2,430.8**
Equity attributable to Group equity holders	1,552.8	1,550.8
Non-controlling interests	71.4	71.8
Total equity	1,624.2	1,622.5
Deferred tax liabilities	82.6	96.5
Employee benefits	83.5	86.6
Derivatives	22.0	23.9
Other liabilities	129.2	137.6
Net financial debt	357.4	463.8
TOTAL	**2,298.9**	**2,430.8**

Financial review

Sales

In the 12 months period ended December 31, 2017, Aliaxis reported revenue of €3,095 million, an increase of €145 million or 4.9% compared to the same period last year, predominately driven by continued growth in North America and India. Foreign exchange impacted the Group's sales negatively by 0.4%, due to the weakening of the major trading currencies against the EUR, mainly GBP (7%) and USD (2.1%). When excluding the unfavourable exchange rate impact, sales grew by 5.4% in 2017.

EBIT

EBIT for the year was €274 million, an overall increase of €80 million or 41.4%. At constant exchange rates, EBIT increased by 42.7% as exchange rate movements had a negative impact of 1.3%. The increase in EBIT was mainly driven by healthy sales growth in North America and India, higher relative contribution margin and various resource and cost optimisation programs to drive synergies and leverage our global scale.

Non-recurring items were broadly in line with 2016 and amounted to €25 million. Non-recurring items mainly relate to transformation and restructuring initiatives. In addition, the Group reported goodwill impairment of €1 million in 2017 compared to €22 million in 2016.

When excluding the impact of non-recurring items and goodwill impairment, current EBIT amounted to €300 million, an increase of €57 million or 23.4% versus last year. The current EBIT margin amounted to 9.7%, compared to 8.3% in 2016.

Net Profit

The net profit attributable to the Group's equity holders amounted to €143.2 million, representing an increase of €42 million compared to the 12 months' period ended December 31, 2016, mainly driven by the underlying improvement in EBIT, the capital gain on the sale of SED (€11 million), and lower goodwill impairment (€21 million).

Financial position

Net Financial Debt

Net financial debt decreased by €107 million to €357 million at December 31, 2017, mainly driven by cash generated by the Group's operations. Net debt represented 0.9 times current EBITDA.

Dividend

Aliaxis' Board of Directors proposes to pay a net dividend of €0.37345 per share. The proposed gross dividend is €0.5335 per share, representing 29% of the consolidated basic earnings per share. The dividend is subject to shareholder approval at the General Shareholders' Meeting on May 23, 2018. The dividend would be payable on July 2, 2018.

Outlook

The Board of Directors and management believe that the Company is well positioned to invest further in growth, both in the short and in the long term and to become a strong global integrated leader in the manufacturing and distribution of advanced plastic piping systems.

The Company will continue to strengthen the business fundamentals and further roll-out its key initiatives, with greater emphasis on digitalisation and the further reshaping of the organisation.

Statement from the auditor

The statutory auditor, KPMG Bedrijfsrevisoren – Réviseurs d'Entreprises, represented by Filip De Bock, has issued an unqualified audit opinion on the consolidated financial statements, and has confirmed that the accounting data reported in this press release do not include any inconsistencies with the IFRS consolidated financial statements.

Subsequent events

On March 5, 2018 the minority shareholders in Ashirvad (India) gave notice of the exercise of their put option, triggering a contractual exit and valuation mechanism. This will determine the value at which Aliaxis will acquire said minority interest, which could ultimately differ from the debt that was recorded in the balance sheet to reflect the put option since the acquisition in 2013. Any difference between such debt and the price effectively paid will be recognized in equity only; there will be no changes in the carrying amounts of assets (including goodwill) or liabilities (other than the aforementioned debt) relating to the equity interest in Ashirvad.

About Aliaxis

Aliaxis is a global leader in the manufacturing and distribution of advanced plastic piping systems. The company provides people 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.
With a global workforce of about 16,000 employees, Aliaxis develops and produces both standard and tailored solutions that meet the client's most demanding expectations. Aliaxis is active through more than 100 manufacturing and commercial companies, operating in over 45 countries. The company is privately owned, with its global headquarters in Brussels, Belgium.

More on www.aliaxis.com

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