# DIRECTORS' REPORT 2024



aliaxis



# DIRECTORS' REPORT

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# CORPORATE GOVERNANCE

The Board of Directors delegates responsibility for the development of the company strategy and for the day-to-day management of the Group to the Managing Director.

The Managing Director presides over the Executive Committee. Together with the Chief Legal & Insurance Officer, they are working closely to execute Aliaxis' strategy.

## 1. LEADERSHIP TEAM

The Executive Committee (ExCom) is responsible for driving performance and prioritising the efforts that lead to value creation for the whole Group; they ensure alignment, cascading and execution across functions and geographies.

The ExCom consisted of the following leadership positions in 2024:

- Managing Director, Thierry Vanlancker (Executive Chair between 1 May and 31 July, Managing Director since 1 August 2024)
- Chief Financial Officer, Koen Sticker
- Chief Human Resources Officer, Laurence Dallenogare (since 3 October 2024)
- Chief Growth Officer, Sophie Desormière
- Chief Operating Officer, Mathieu Rousseau
- Executive Vice President EMEA ad interim, Thierry Vanlancker (since 1 October 2024)
- Divisional CEO Americas, Alex Mestres
- Divisional CEO APAC, Mark Nykiel
- Executive Vice-President India, Partha Basu (since 8 October 2024)

Eric Olsen was Chief Executive Officer until 30 April 2024; Arvind Chandra was Divisional CEO India until 31 July 2024; Line De Decker was Chief People & Sustainability Officer until 31 July 2024; and Kati ter Horst was Divisional CEO EMEA until 30 September 2024.

## 2. COMPOSITION OF THE BOARD OF DIRECTORS AND COMMITTEES

- Jan Suykens – Chairperson (since 6 January 2025)
- Thierry Vanlancker (representing Tee & Tee BV), Chairperson (until 5 January 2025), Executive Chair (between 1 May and August 1) and Managing Director (since 1 August 2024)
- Myriam Beatove – Chairperson of the Sustainability Committee
- Guy della Faille (representing GDF Impact SRL)
- George Durman Esquivel
- Rajesh Jejurikar (until 4 December 2024)
- Thomas del Marmol
- Kieran Murphy – Chairperson of the Risk and Audit Committee
- Pierre-Alexandre Péters (representing Reinette Impact BV)
- Patrick Simonard
- Peter de Wit – Chairperson of the People Committee
- Eric Olsen – Chief Executive Officer (until 30 April 2024)

Aliaxis SA is a private company. Its shares are not listed on any regulated stock market. Nevertheless, the Board is committed to maintaining high standards of corporate governance.

The Board approves the overall strategy of the Group, oversees the major investments, and monitors the activities of the management in implementing the Group's strategy.

The Board of Directors met nine times in 2024. There were three standing committees as of 31 December 2024. Each of these committees supports the Board in specific aspects of its remit.

## 3. RISK AND AUDIT COMMITTEE

The Risk and Audit Committee aids the Board in its broad-based control function, which includes scrutinising and tracking the Group's accounting and financial reporting as well as evaluating the effectiveness and results of internal enterprise risk management systems. This committee also conducts reviews of the breadth and outcomes of Aliaxis' external and internal audit procedures.

The committee met six times in 2024. Its members were Kieran Murphy (Chairperson), Guy della Faille (representing GDF Impact SRL), Myriam Beatove, Patrick Simonard, Abhijit Bhattacharya (since 1 September 2024) and Thierry Vanlancker (representing Tee & Tee BV) (until 1 August 2024).

## 4. PEOPLE COMMITTEE

The People Committee advises the Board on all matters relative to the appointments and remuneration of the Directors, the Managing Director and the members of the ExCom.

The committee met five times in 2024, and its members were Peter de Wit (Chairperson), Myriam Beatove, Thierry Vanlancker (representing Tee & Tee BV) (until 1 August 2024) and Pierre-Alexandre Péters (representing Reinette Impact BV).

## 5. SUSTAINABILITY COMMITTEE

The role of the Sustainability Committee is to advise the Board on all matters related to sustainability, to review the sustainability strategy, oversee its implementation and examine and monitor the efficiency of internal processes related to sustainability matters within Aliaxis.

The committee was created in June 2024 and met three times in 2024. Its members were Myriam Beatove (Chairperson), Thierry Vanlancker (representing Tee & Tee BV) (until 1 August 2024), Pierre-Alexandre Péters (representing Reinette Impact BV), Patrick Simonard and Peter de Wit.

## 6. KEY GOVERNANCE DATES 2025

### ANNUAL GENERAL MEETING OF SHAREHOLDERS

Date: Wednesday 7 May 2025
Place: Crowne Plaza hotel
Leonardo Da Vincilaan 4, 1831 Diegem, BELGIUM

PAYMENT OF DIVIDEND – Tuesday, 1 July 2025

2025 HALF YEAR RESULTS – Monday, 1 September 2025
Board of Directors to approve 2025 Half Year results – Results announcement

2025 FULL YEAR RESULTS – Q1 2026
Board of Directors to approve 2025 Full Year results – Results announcement

# DIRECTORS' REPORT

## 1. TRADING REVIEW

In 2024, Aliaxis posted resilient results in the face of challenging market conditions. Revenue was €3.9 billion, representing a like-for-like[1] decrease of 4.5% compared to 2023. Recurring EBITDA (REBITDA) stood at €550 million, down 12.0% on a like-for-like basis[1], with a corresponding REBITDA margin decline of 1.2 percentage points to 14.1%. Recurring net profit amounted to €240 million, representing a 16.1% decline versus 2023.

Net financial debt increased by €215 million to €969 million as of year-end, resulting in a net financial leverage ratio of 1.8x last-twelve-months REBITDA. External factors also had a notable impact on financial results, including the severe flooding at the Asheville, North Carolina, plant in the U.S following Hurricane Helene in September. This event led to a business disruption of €11 million negatively affecting REBITDA, alongside one-off costs of €31 million.

In 2024, Aliaxis also pursued the strategic acquisition of the manufacturing assets of Johnson Controls' CPVC fire suppression systems business in the U.S. This bolt-on acquisition enables us to serve our U.S market with a more complete portfolio of products.

### AMERICAS

In the Americas, revenue was down 2.0% and REBITDA down 13.6% compared to 2023. Stable market conditions, combined with strong commercial management, supported solid results in Canada. In the U.S, average sales prices were under pressure as market conditions normalised, following the higher demand seen during 2022 and 2023. Fixed costs were impacted by investments to support growth, notably the Enterprise Resource Planning (ERP) implementation that will go live in the U.S in the first half of 2025. In addition, our Asheville operation was temporarily taken offline due to flooding caused by Hurricane Helene – impacting our U.S pipe production capacity in the last quarter of 2024, with an estimated impact of €11 million on REBITDA. Teams are working to restore operations by mid-2025, but the impact will continue to be felt into 2025. Market challenges continue to affect our businesses in Latin America, but in 2024 strong progress was made to streamline our business, resulting in strong REBITDA growth year-on-year.

### PACIFIC

In the Pacific region, revenue was down 8.0% and REBITDA down 21.3% compared to 2023. The slowdown in construction markets impacted volumes, leading to competitive price pressure. There was a decline in housing starts in the building segment and we faced weaker market conditions in the infrastructure segment in both Australia and New Zealand. Activity for our ERP project peaked in the lead up to the go-live in Australia in January 2025. This resulted in an increase in fixed costs year-on-year. The ERP went live in 2025 and will provide a strong platform for operations going forward.

### EMEA

In EMEA, revenue decreased by 5.8% and REBITDA by 18.9% versus 2023. We saw a continuation of the market challenges cited in 2023, particularly in France, with a drop in total construction volume and a ~19% decrease in building permits issued. The discontinuation of our Lenham site in the UK and the sale of our Wefatherm business in Germany contributed to a drop in total sales but supports the refinement and simplification of our EMEA business going forward. Despite strong commercial management, lower volumes negatively affected our top line. Maintaining revenue with a focus on fixed cost management and further refining our business and operations in the region will be our priority in 2025.

### ASIA

The Asia region shows an increase in REBITDA by 52.4% despite a slight decrease in revenues by 1.8% compared to 2023. This represents a strong turnaround after a particularly challenging 2023. Affecting the result were exceptional provisions of €13 million impacting REBITDA following withdrawals from specific market segments that were recognised during the year. The new management team has been focusing on operational discipline, process improvement and commercial management to return to a profitable growth trajectory, refining our product portfolio and stepping away from non-profitable business. Moreover, we continue to invest in expanding our footprint in attractive segments to capture further share of this growing market.

1 2023 adjusted on a pro-forma basis to reflect the impact of the acquisition of Zypho in May 2023, Valencia Fittings LLC in June 2023 and Johnson Controls in August 2024. Divestment excluded in all periods, predominantly Wefatherm. Impact of FX excluded to reflect underlying performance at constant exchange rate.

# 2. FINANCIAL REVIEW

## CHANGES IN THE SCOPE OF CONSOLIDATION

In July 2024 – Aliaxis divested Wefatherm
In August 2024 – Aliaxis acquired Johnson Controls (JCI) CPCV pipe and fittings, fire suppression business.

These transactions are described in more detail in Note 8 (Acquisitions and disposals of subsidiaries and non-controlling interests) of the consolidated financial statements.

## STATEMENT OF COMPREHENSIVE INCOME

In the 12-month period ending on 31 December 2024, Aliaxis reported revenue of €3,914 million, a decrease of 3.6% compared to 2023. Foreign exchange negatively impacted the Group's sales by -0.4% due to the weakening of the major trading currencies against the EUR, mainly the Canadian dollar (1.5%), Indian rupee (1.4%), Chilean peso (12.4%), Australian dollar (0.7%) and New Zealand dollar (1.5%).

Gross profit was €1,112 million (2023: €1,215 million), representing 28.4% (2023: 29.9%) of revenue. Commercial, administrative and other income and charges amounted to €890 million (2023: €794 million), or 22.7% (2023: 19.6%) of sales.

Operating profit (EBIT) for the year was €222 million, down by 47.4% compared to 2023. Foreign exchange negatively impacted the Group's EBIT by -0.4%.

The non-recurring items represented a net exceptional loss of -€121 million in 2024, compared to a net exceptional loss of -€20 million in 2023. The non-recurring items predominantly relate to impairment of intangible assets and goodwill (-€69 million), costs incurred by Hurricane Helene in Asheville (fixed assets and inventory impairments, one-off site remediation and clean-up cost (net of insurance proceeds) (-€31 million), restructuring initiatives in EMEA and in Latin America (-€20 million) and merger and acquisition costs (-€5 million) partly offset by the capital gain on sales of assets (€3 million).

Excluding the impact of the non-recurring items, REBIT amounted to €342 million, a decrease of €99 million or -22.5%. REBIT margin amounts to 8.7%, compared to 10.9% in 2023.

Excluding depreciation and amortisation, REBITDA amounted to €550 million, an overall decrease of €69 million or -11.2% as reported. Foreign exchange negatively impacted the Group's REBITDA by -0.5%. The REBITDA margin decreased from 15.3% in 2023 to 14.1% in 2024.

Finance income and expenses mainly consisted of net interest expenses of -€28 million (2023: -€34 million) and impairment on the minority investments in Aliaxis Next (-€17 million), offset by the exchange gain arising from the dissolution of U.S entities (€15 million). The decrease of the financial result (-€71.9 million) compared to 2023 is mainly driven by the 2023 non-recurring pre-tax capital gain on the disposal of shares in Uponor of €81.0 million. An analysis of finance income and expenses is given in Notes 14 (Finance expenses) and 15 (Finance income) of the consolidated financial statements.

The Group has an interest rate risk policy in place and uses derivatives to hedge interest rate risk exposure. A major part of its gross financial debt after hedges is at fixed rate. The management of interest rate exposure is explained in Note 5 (Financial risk management) and note 31 (Financial instruments) of the consolidated financial statements.

Income taxes, consisting of current and deferred taxes, amounted to €82 million (2023: €139 million), representing an effective income tax rate of 42.6% (2023: 30.1%). When normalising for non-recurring items, ETR was 32.6% (2023: 32.4%). The reconciliation of the aggregated weighted nominal tax rate (27.0%) with the effective tax rate is set out in Note 16 (Income taxes) of the consolidated financial statements.

The Group's share of the profit for 2024 was €108 million (2023: €322 million). The Group's earnings per share in 2024 were €1.39 (2023: €4.10), a decrease of -66.2%. Excluding non-recurring items, the Group's recurring net profit amounted to €239 million (2023: €285 million) and the Group's recurring earnings per share in 2024 were €3.06 (2023: €3.63).

Other comprehensive income for the period, net of income tax, increased by €107 million from -€69 million in 2023 to €38 million in 2024, mainly explained by the positive impact of exchange rate movements in 2024 compared to last year. The equity movement is explained below.

The Group's current taxes to the different local authorities in all the countries in which it operates were €113 million (excl.

withholding taxes on the Group dividend), total employers' social security contribution was €118 million (excl. employees' social security contribution and payroll taxes) and taxes to be considered as operating expenses were €8 million (excl. VAT, duties...).

### STATEMENT OF FINANCIAL POSITION

Our balance sheet remains solid with an increase of €72 million in shareholders' equity compared with 2023, to €2.5 billion at the end of December 2024. We have significantly de-risked our balance sheet by €85 million with impairments on intangible assets, goodwill and minority investments in Aliaxis Next.

We invested €306 million in capex, a reduction of €25 million versus 2023, as we reduce our investment programmes in view of current market conditions. Investments included our ERP projects in the Pacific (Australia) and in the Americas (U.S), two new distribution centres in North America, new plants in India and Australia and the rehabilitation investments for our site in Asheville (U.S).

Total working capital was €807 million, an increase of €66 million versus 2023, driven mainly by higher inventory to support growth in the U.S and India, and to minimise disruptions from the ERP implementations and hurricane Helene. Further improvement of our integrated business planning processes aims to drive a sustainable decrease in working capital going forward.

Total cashflow for 2024 is -€128 million for 2024, resulting from lower REBITDA, increase in working capital (representing €107 million cash-flow impact excluding the non-cash items), capex investment (€306 million) and dividends paid (€76 million). This resulted in an increase in net financial debt of €215 million when including IFRS 16 leases to €969 million. Net financial leverage is 1.8x last-twelve months REBITDA, compared to 1.2x last-twelve months REBITDA at the end of 2023.

The return on capital employed in 2024 was 5.7% (2023: 11.3%). When normalising for non-recurring items, return on capital employed was 9.5% (2023: 12.4%). The Group's share of return on equity was 4.5% (2023: 14.0%).

## 3. YEAR IN REVIEW

2024 has been a year of transition for Aliaxis. We are adapting to changing market realities by concentrating on efficiency, data and processes to ensure our long-term success.

In terms of leadership, Thierry Vanlancker transitioned from Chairperson of the Board to Managing Director. Other new members were welcomed into the Executive Committee: a new Chief Human Resources Officer and the Executive Vice-President India. The position of EMEA Lead has been held, ad interim, by Thierry Vanlancker since 1 October 2024.

Under this new leadership and in conjunction with the Executive Committee, Aliaxis' operating model has been reviewed, accounting for the global and local levers and stopgaps, so Aliaxis can continue serving our local customers while also leveraging the scale of the Group.

In 2024, we strengthened our processes and roadmaps, clarified responsibilities and adopted a more data-driven approach. As such, the Operations function now encompasses safety, operational excellence and sustainability.

Amid the transition, Aliaxis continues to advance on its core pillars:

- Drive operational excellence, starting with safety,
- Delight customers, thanks to commercial excellence and innovation,
- Positively contribute to society on sustainability, with a strong focus on climate change mitigation,
- Develop people and grow a performance culture.

Aliaxis expanded its footprint and product portfolio in the U.S with the acquisition of Johnson Controls' CPVC pipe and fitting business for residential and light commercial sprinkler systems. We also made significant investments in production facilities notably in Germany, India and Australia as well as two new distributions centres in North America.

With all this in place, everything is ready for Aliaxis to continue building on its expertise and leadership in the future.

# 4. OPERATIONS: SAFETY, OPERATIONAL EXCELLENCE AND SUSTAINABILITY

Operations is now a function encompassing safety, operational excellence and sustainability, with the overall objective of improving efficiency while ensuring the safety of our employees and maintaining premium quality and service for our customers.

## SAFETY

At Aliaxis, safety is our top priority. Our employees' well-being guides our business decisions as we strive to provide an injury-free workplace. Our primary indicator of safety performance is our reportable incident rate (RIR), defined as the number of reportable injuries and illnesses per million hours worked. Since 2020, we have reduced our RIR by over 50% to reach 4.3 at the end of 2024, down from 9.8 in 2020. Over the coming years we intend to further reduce our incident rate, continuing on our journey towards industry-best performance.

In addition to tracking injuries and illnesses, we also engage teams across the organisation to identify near misses and hazards so that safety is proactively improved, and learnings shared between sites and regions. In 2024, we identified and corrected over 85,000 hazards and recorded these actions in our new global safety management platform.

We also continued to strengthen our Group-wide health and safety guidelines in the areas of electricity and emergency preparedness, as well as our cross-regional audit process. In 2024, as every year, we celebrated the worldwide health and safety week and organised our annual best practices awards for safety.

## OPERATIONAL EXCELLENCE

In 2024, we maintained a strong focus on driving operational excellence across all our divisions, achieving excellent cost savings. This is primarily a result of our ongoing efforts to optimise material costs, enhance asset productivity and improve freight efficiency.

A cornerstone of this year's efforts was our EMEA Next Level Operational Excellence programme. This initiative not only focuses on identifying significant operational savings opportunities, but also places a strong emphasis on building critical capabilities within the teams involved, ensuring sustainable long-term improvements. Initially piloted at one of our Spanish sites at the beginning of the year, the programme has now been rolled out to most of our European plants, with plans underway to extend it to North America. In 2024, we made significant progress optimising our supply chain networks. By leveraging innovative new tools, we have been able to unlock new levels of efficiency, all while maintaining the high standards of service our customers expect. This approach reflects our commitment to continually enhancing our operations without compromising on quality and service. Another major milestone this year was the successful ramp-up of operations at our new Pineville 2 moulding facility in North Carolina (U.S.). This expansion will enable us to effectively meet growing customer demand in the U.S. In procurement, we had another successful year where we extracted value thanks to the strength of our global category management, cross-functional programmes and key capabilities developed in recent years both centrally and in the regions. All of which contributes to reducing costs while securing supply and improving overall performance.

## SUSTAINABILITY

With over 75% of our systems designed to transport, store or treat water, we are determined to become a trusted partner in sustainability for our customers, shareholders and employees.

We are committed to making our operations more sustainable. Climate change mitigation, primarily achieved through decarbonisation and the circular economy, remain a priority for us. We are contributing to global decarbonisation and the circular economy by developing ways to integrate recycled materials in our products, reducing our environmental impact with efficiency programmes, fostering sustainable practices and increasing the share of renewable electricity across our operations. In terms of governance, we are committed to upholding rigorous standards of business ethics and compliance while nurturing an equitable and supportive workplace culture for our employees, positioning sustainability as a core pillar of our operations through robust policies and inclusive practices.

In 2024, we completed our internal governance on sustainability by establishing a committee within the Board of Directors. This committee advises the Board on all matters related to sustainability, reviews the sustainability strategy and oversees its implementation. We continued to build strong foundations by adopting new environmental standards. Across the Group, we are implementing programmes to reduce our carbon emissions through initiatives around circularity, energy and materials, to name a few.

We promote product take-back programmes and strive to incorporate higher levels of recycled material in our products and systems.

Aliaxis continues to engage with globally recognised institutions such as the United Nation's Global Compact and the Sustainable Procurement Pledge and remain committed to transparency by reporting to the Carbon Disclosure Project (CDP).

**Reducing our carbon emissions and updating our environmental standards**

In 2024, the environmental team diligently worked towards creating, updating and implementing solid management standards in energy, greenhouse gas emissions, waste and water. We reached a 30% reduction in our Scope 1 and 2 emissions vs our 2021 baseline. This reduction was achieved through our transition to renewable electricity, which now comprises 29% of our total electricity consumption. In EMEA, we signed a ten-year virtual power purchasing agreement (VPPA) with an affiliate of Encavis to supply 50 GWh of renewable electricity per year. Other facility-specific initiatives include forklifts powered by hydrotreated vegetable oil in the United Kingdom, our lightweight products in India and Latin America, and co-developing rationalised shipping schemes with our customers in Germany. 30% of our capex has a direct positive impact on our footprint.

In May, we officially conveyed our intention to establish near-term and company-wide science-based decarbonisation targets under the Science Based Targets initiative (SBTi).

We are currently engaged in the development of these targets and underlying initiatives, employing a comprehensive, bottom-up approach that actively involves all our divisions towards the reduction of Aliaxis' carbon footprint. As part of our commitment to this objective, we anticipate submitting our detailed decarbonisation plan to SBTi during 2025 for their review and evaluation.

On energy efficiency, we have now finalised energy audits throughout the regions on most of our sites and have started to implement energy reduction initiatives that will drive improvements through the year.

**Compliance with the European Union legislation**

In view of the upcoming non-financial reporting requirements under the European Union's Corporate Sustainability Reporting Directive (CSRD), all functions and regions have contributed to the first double materiality analysis (DMA), led by the global sustainability team, to identify material ESG topics. In view of the strict reporting requirements, we have fully standardised our environmental data collection, leveraging an automated data collection system that has been deployed since 2023.

## 5. INNOVATION

At Aliaxis, innovation is a critical strategic driver enabling sustainable growth and maintaining our competitive edge in an ever-evolving landscape. By combining industry expertise, local insights and strategic partnerships, we provide high-performance systems tailored to the dynamic needs of our customers. Our commitment to operational excellence and advanced technologies ensures we remain leaders in the industry, delivering customer-centric solutions that create long-term value in our strategic markets.

A key differentiator is our ability to combine global expertise with a strong local presence, aligning products to market demands while optimising profitability. Our extensive knowledge of core processes such as extrusion, injection moulding and material science, coupled with digital technologies and sustainable practices, enables us to continuously evolve and deliver market-leading solutions.

In 2024, we expanded our core portfolio, which contributed more than 8.3% to revenue. Our innovation hubs in Bengaluru, Paris and Toronto played a significant role in this success, showcasing our ability to innovate across regions. A notable example is the NexGen Flexible Hot and Cold system, developed in Bengaluru. This market-first product features electrofusion technology, with field trials across multiple sites receiving exceptional customer feedback. Another standout innovation, RadonX™, a PVC system for sub-slab gas venting designed to reduce radon in low-rise buildings, was developed by our Toronto R&D hub and won the AQMAT 2024 Innovation Award.

We strengthen customer relationships through direct engagement and feedback loops, enhancing our agility to respond to market shifts. This customer-centric approach has driven consistent improvement in our Net Promoter Score, reaching 51 in 2024, and reflects steady growth over the past two years. For instance, our partnership with Swastik Assets in India has thrived, with successful pilots of new products such as siphonic roof drainage and sewage treatment plants. We have also expanded our collaborations with customers, distributors and installers to ensure our systems meet their evolving needs.

Initiatives such as our electrofusion training centre in Germany and plumbing school in India underscore our commitment to delivering customer-centric systems that address real-world challenges and create tangible business value.

Sustainability is integral to our innovation efforts. We prioritise energy-efficient products and embrace circular economy principles. This year, we made strides in recycling and lightweight product development, including the Virtuo® recycled range, a Next-Gen transition fitting with a 30% weight reduction, and the 3+ backing ring, which reduces $CO_2$ emissions by 20%.

# 6. PEOPLE

Our focus has been on reinforcing the core values that drive our organisation and repositioning the organisation for operational excellence.

Throughout the year, our strategic initiatives have revolved around our four primary pillars: leadership, inclusion and diversity, organisational effectiveness, and culture and management. Each of these areas has been vital to our progress, ensuring that we remain aligned with our mission while adapting to changing circumstances.

**Leadership and talent management**

In 2024, the third cohort of senior leaders started their development programme at Vlerick Business School in Belgium. With this programme, we aim to invest in our current talents and prepare them for future leadership roles. In addition, a new talent management methodology was launched to provide a clearer understanding of our high-potential employees. This framework ensures a consistent approach to assessing and developing talent across our organisation.

**Learning and development**

Our commitment to fostering a culture of continuous improvement was reinforced with the launch of our online "Learning for All" initiative delivered through LinkedIn Learning. This initiative provides extensive training and development opportunities for all employees, enabling them to enhance their skills and contribute more effectively to the organisation's growth.

**Inclusion and diversity**

Recognising the importance of diversity and being inclusive, we implemented several regional initiatives that celebrate local cultures and traditions while maintaining alignment with our global strategy. With a workforce that now includes 120 nationalities, we continue to value the unique perspectives brought by our diverse team. In 2024 alone, we welcomed 3,497 new hires, with women representing 23.5% of this group. Overall women represent 21.5% of the 2024 workforce, an increase compared to previous years (14.6% of office employees and 6.9% of frontline workers).

**Organisational effectiveness and culture**

We have placed significant emphasis on fostering a culture that encourages internal mobility and the sharing of knowledge across regions, facilitating collaboration and driving innovation. In the past year, we have had over 300 internal promotions, recognising and leveraging the unique strengths of our team members to achieve common organisational goals.

**2024 HR data**

The Americas division now accounts for 47% of all staff. EMEA ranks second with 27%, followed by India with 16%. Our businesses in Australia and New Zealand now account for 8% of our staff.

51.5% of our workforce is composed by frontline workers, of which 55% are in the Americas (40% in North America and 15% in Latin America).

# 7. RISKS AND UNCERTAINTIES

The risk profile of the companies within the Aliaxis Group is similar to that of other manufacturing and distribution companies operating in an international environment, which includes economic and sector risks as well as financial risks arising from exposure to currencies, interest rates and commodity prices. The Group is also exposed to more specific risks of, for example, public, product and employer's liability, IT security, property damage and business interruption, as well as risks arising from fiscal or legal proceedings. Developments in respect of administrative, fiscal and legal proceedings are described as appropriate in Notes 28 (Provisions) and 34 (Contingencies) of the consolidated financial statements.

### USE OF DERIVATIVE FINANCIAL INSTRUMENTS

Risks relating to creditworthiness, interest rate and exchange rate movements, commodity prices and liquidity arise in the Group's normal course of business. However, the most significant financial exposures for the Group relate to the fluctuation of interest rates on the Group's financial debt and to fluctuations in currency exchange rates.

The Group's approach to the management of these risks is described in Note 31 (Financial instruments).

# 8. OUTLOOK FOR 2025

We anticipate market challenges to continue across the Group in H1 2025 and we remain focused on recalibrating our investment strategy and our fixed costs to adjust, particularly in EMEA where the ongoing forecast is less promising. We continue to seek growth and to capture market share and profitability in North America and India. While significant efforts have been made to fill production gaps and restore operations, the impact from the damage in Asheville (U.S) will continue to be felt into 2025.

Additionally, since the publication of the 2024 full-year financial results, a series of geopolitical and economic factors have led to a more prudent outlook. In particular, the tariff uncertainty which may impact our North American business.

# 9. DIVIDEND

Aliaxis' Board of Directors proposes to pay a gross dividend of €0.9460 per share, representing 68.1% of the consolidated basic earnings per share of €1.39, and 30.9% of the recurring net profit. This dividend proposal is stable compared to the 2023 one.

The dividend is subject to shareholder approval at the Annual General Meeting of Shareholders on 7 May 2025.

# 10. STATUTORY APPOINTMENTS

The mandates of Myriam Beatove and Peter de Wit as Directors will expire at the next general meeting of shareholders on 7 May 2025. They are candidates for re-election. Upon recommendation of the People Committee, the Board proposes to the shareholders that they be re-elected for a three-year term of office, ending at the general meeting of shareholders in 2028.

The mandate of Thomas del Marmol as Director will expire at the next general meeting of shareholders on 7 May 2025. He is candidate for re-election. Upon recommendation of the People Committee, the Board proposes to the shareholders that he be re-elected for a two-year term of office, ending at the general meeting of shareholders in 2027.

Following the resignation of Rajesh Jejurikar effective on 4 December 2024, Jan Suykens has been co-opted as Director effective 6 January 2025 to pursue the mandate of Rajesh Jejurikar until the general meeting of shareholders on 7 May 2025. The Board proposes to the shareholders to ratify the co-optation of Jan Suykens and that he be re-elected for a three-year term of office, ending at the general meeting of shareholders in 2028.

Following the resignation of Pierre-Alexandre Péters effective on 27 June 2024, Reinette Impact BV (represented by Pierre-Alexandre Péters) has been co-opted as Director effective 27 June 2024 to pursue the mandate of Pierre-Alexandre Péters until the general meeting of shareholders in 2027. The Board proposes to the shareholders to ratify the co-optation of Reinette Impact BV and to appoint it to continue the mandate until the general meeting of shareholders of 2027.

In addition, the Board proposes to the shareholders to elect (i) Abhijit Bhattacharya as Director for a three-year term of office, ending at the general meeting of shareholders in 2028, and (ii) Toguémi SRL (represented by Francis Blake) as Director for a two-year term of office, ending at the general meeting of shareholders in 2027.





# FINANCIAL PERFOR-MANCE

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# CONSOLIDATED FINANCIAL STATEMENTS

## 1. CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

| For the year ended 31 December (in € thousand) | Notes | 2024 | 2023 |
|---|---|---|---|
| Revenue | 6, 7 | **3,913,944** | 4,059,002 |
| Cost of sales | | **(2,802,242)** | (2,844,005) |
| Gross profit | | **1,111,701** | 1,214,997 |
| Commercial expenses | | **(306,462)** | (316,367) |
| Administrative expenses | | **(398,715)** | (393,797) |
| R&D expenses | 6 | **(39,322)** | (37,207) |
| Other operating income / (expenses) | 9 | **(24,944)** | (26,011) |
| Operating profit exclusive adjusted items | 6 | **342,258** | 441,614 |
| Adjusted items: | | | |
| Restructuring costs | 6, 10 | **(19,522)** | (7,463) |
| Impairment on intangible assets and goodwill | 6, 11 | **(68,518)** | - |
| Other income / (expenses) | 6, 12 | **(32,580)** | (12,962) |
| Operating profit | 6 | **221,639** | 421,189 |
| Finance income | 15 | **42,034** | 113,705 |
| Finance expenses | 14 | **(71,850)** | (71,612) |
| Profit before income taxes | | **191,823** | 463,282 |
| Income tax expense | 16 | **(81,780)** | (139,395) |
| Profit for the period | | **110,043** | 323,888 |
| *of which attributable to Group equity holders* | | ***108,392*** | *322,196* |
| *of which attributable to non-controlling interests* | | ***1,652*** | 1,691 |
| | | | |
| Earnings per share (in €): | | | |
| Basic earnings per share | 24 | **1.39** | 4.10 |
| Diluted earnings per share | 24 | **1.39** | 4.10 |

The notes on pages 21 to 81 are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

| For the year ended 31 December (in € thousand) | Notes | 2024 | 2023 |
|---|---|---|---|
| Profit for the period recognised in the income statement | | **110,043** | 323,888 |
| | | | |
| ITEMS THAT WILL NEVER BE RECLASSIFIED TO PROFIT AND LOSS: | | | |
| Remeasurements of defined benefit liability (asset) (net of taxes) | 26b | **5,082** | (11,498) |
| | | | |
| ITEMS THAT ARE OR MAY BE RECLASSIFIED TO PROFIT AND LOSS: | | | |
| Foreign currency translation differences for foreign operations | 23 | **32,974** | (57,079) |
| Net profit/(loss) on hedge of net investment in foreign operations | | **-** | 406 |
| Cost of hedging reserves – changes in FV | 31 | **(140)** | 367 |
| Effective portion of changes in fair value of cash flow hedges | 31 | **3,244** | (3,065) |
| Change in fair value of cash flow hedges transferred to profit or loss | 31 | **(2,491)** | 2,079 |
| Deferred taxes related to hedges | 31 | **(343)** | (2) |
| Other comprehensive income for the period, net of income tax | | **38,327** | (68,792) |
| Total comprehensive income for the period | | **148,370** | 255,096 |
| *of which attributable to Group equity holders* | | ***147,244*** | *254,665* |
| *of which attributable to non-controlling interests* | | ***1,126*** | *430* |

The notes on pages 21 to 81 are an integral part of these consolidated financial statements.

# 2. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| As at 31 December (in € thousand) | Notes | 2024 | 2023 |
|---|---|---|---|
| Intangible assets and goodwill | 17 | **1,054,776** | 1,068,968 |
| Property, plant & equipment | 18 | **1,597,339** | 1,408,864 |
| Investment properties | 19 | **1,259** | 3,179 |
| Other assets | | **42,675** | 56,967 |
| Derivative financial instruments with positive fair values | 31 | **744** | 214 |
| Deferred tax assets | 27 | **39,369** | 23,018 |
| Employee benefits | 26b | **31,336** | 21,457 |
| Non-current assets | | **2,767,498** | 2,582,667 |
| Inventories | 20 | **946,674** | 888,171 |
| Current tax assets | | **52,827** | 63,012 |
| Amounts receivable | 21 | **590,544** | 559,874 |
| Derivative financial instruments with positive fair values | 31 | **5,776** | 309 |
| Cash & cash equivalents | 22 | **502,823** | 635,664 |
| Assets held for sale | | **6,096** | 3,653 |
| Current assets | | **2,104,741** | 2,150,682 |
| TOTAL ASSETS | 6 | **4,872,239** | 4,733,348 |

| As at 31 December (in € thousand) | Notes | 2024 | 2023 |
|---|---|---|---|
| Share capital | 23 | **62,666** | 62,666 |
| Share premium | 23 | **13,332** | 13,332 |
| Retained earnings and reserves | | **2,387,255** | 2,315,522 |
| Equity attributable to Group equity holders | | **2,463,253** | 2,391,520 |
| Non-controlling interests | 23 | **6,475** | 6,366 |
| TOTAL EQUITY | | **2,469,728** | 2,397,886 |
| Loans and borrowings | 25 | **1,046,180** | 1,071,728 |
| Lease liabilities | 32 | **255,527** | 190,847 |
| Employee benefits | 26b | **59,460** | 59,512 |
| Deferred tax liabilities | 27 | **48,547** | 60,525 |
| Provisions | 28 | **29,650** | 46,009 |
| Derivative financial instruments with negative fair values | 31 | **4,931** | - |
| Other amounts payable | 30 | **3,508** | 3,872 |
| Non-current liabilities | | **1,447,802** | 1,432,493 |
| Loans and borrowings | 25 | **121,933** | 83,097 |
| Lease liabilities | 32 | **35,182** | 31,460 |
| Bank overdrafts | 22 | **12,677** | 12,268 |
| Provisions | 28 | **21,065** | 26,521 |
| Derivative financial instruments with negative fair values | 31 | **2,270** | 6,174 |
| Current tax liabilities | 29 | **54,869** | 66,304 |
| Amounts payable | 30 | **706,713** | 677,146 |
| Current liabilities | | **954,709** | 902,970 |
| TOTAL LIABILITIES | 6 | **2,402,511** | 2,335,463 |
| TOTAL EQUITY & LIABILITIES | | **4,872,239** | 4,733,348 |

The notes on pages 21 to 81 are an integral part of these consolidated financial statements.

# 3. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

**2023**

| (in € thousand) | Notes | Share capital | Share premium | Hedging reserve | Reserve for own shares | Translation reserve | Retained earnings | Total capital & reserves | Non-controlling interests | TOTAL EQUITY |
|---|---|---|---|---|---|---|---|---|---|---|
| As at 1 January 2023 | | 62,666 | 13,332 | 283 | (166,861) | (55,363) | 2,369,095 | 2,223,152 | 6,542 | **2,229,694** |
| Profit for the period | | | | | | | 322,196 | 322,196 | 1,691 | **323,888** |
| Other comprehensive income: | | | | | | | | | | |
| Foreign currency translation differences | 23 | | | (63) | | (55,735) | (21) | (55,818) | (1,261) | **(57,079)** |
| Net gain on hedge of net investment (net of tax) | 23 | | | | | 406 | | 406 | | **406** |
| Cash flow hedges (net of tax) | 31 | | | (621) | | | | (621) | | **(621)** |
| Remeasurement IAS19 (net of tax) | 26b | | | | | | (11,498) | (11,498) | | **(11,498)** |
| Transactions with Group equity holders: | | | | | | | | | | |
| Own shares acquired | | | | | (18,871) | | | (18,871) | | **(18,871)** |
| Own shares sold | | | | | 38 | | 310 | 348 | | **348** |
| Dividends to shareholders | 23 | | | | | | (67,441) | (67,441) | (604) | **(68,045)** |
| Scope changes | | | | | (75) | | (260) | (335) | (2) | **(337)** |
| As at 31 December 2023 | | 62,666 | 13,332 | (400) | (185,769) | (110,692) | 2,612,381 | 2,391,519 | 6,367 | **2,397,885** |

**2024**

| (in € thousand) | Notes | Share capital | Share premium | Hedging reserve | Reserve for own shares | Translation reserve | Retained earnings | Total capital & reserves | Non-controlling interests | TOTAL EQUITY |
|---|---|---|---|---|---|---|---|---|---|---|
| As at 1 January 2024 | | 62,666 | 13,332 | (400) | (185,769) | (110,692) | 2,612,381 | 2,391,519 | 6,367 | **2,397,885** |
| Profit for the period | | | | | | | 108,392 | 108,392 | 1,652 | **110,043** |
| Other comprehensive income: | | | | | | | | | | |
| Foreign currency translation differences | 23 | | | 65 | | 33,427 | 7 | 33,500 | (525) | **32,974** |
| Net gain on hedge of net investment (net of tax) | 23 | | | | | - | | - | | **-** |
| Cash flow hedges (net of tax) | 31 | | | 271 | | | | 271 | | **271** |
| Remeasurement IAS19 (net of tax) | 26b | | | | | | 5,082 | 5,082 | | **5,082** |
| Transactions with Group equity holders: | | | | | | | | | | |
| Own shares acquired | | | | | (1,340) | | | (1,340) | | **(1,340)** |
| Own shares sold | | | | | 13 | | 38 | 51 | | **51** |
| Dividends to shareholders | 23 | | | | | | (73,839) | (73,839) | (1,023) | **(74,862)** |
| Scope changes | | | | | (203) | | (180) | (382) | 5 | **(377)** |
| As at 31 December 2024 | | 62,666 | 13,332 | (64) | (187,298) | (77,264) | 2,651,881 | 2,463,252 | 6,474 | **2,469,726** |

The notes on pages 21 to 81 are an integral part of these consolidated financial statements.

# 4. CONSOLIDATED STATEMENT OF CASH FLOWS

| For the year ended 31 December (in € thousand) | Notes | 2024 | 2023 |
|---|---|---|---|
| OPERATING ACTIVITIES | | | |
| Profit after income tax | | **110,043** | 323,888 |
| Depreciation | 18, 19 | **173,319** | 148,987 |
| Amortisation | 17 | **33,822** | 28,543 |
| Impairment losses on PP&E, intangible assets and assets held-for-sale | 18, 17 | **71,935** | 847 |
| Impairment losses on working capital and others | 20, 31 | **30,389** | 18,108 |
| Impairment losses on investment securities | 14 | **16,661** | - |
| Increase / (decrease) in provisions in profit and loss | 28 | **14,302** | 27,041 |
| Financial instruments – fair value adjustment through profit or loss | | **(1,738)** | 3,702 |
| Net interest (income) / expenses | 15, 14 | **28,595** | 34,282 |
| Dividend income | 15 | **-** | (5,581) |
| Loss / (gain) on sale of property, plant and equipment | 9 | **(697)** | (494) |
| Loss / (gain) on sale of assets held-for-sale | | **(647)** | (0) |
| Loss / (gain) on sale of businesses | | **(1,535)** | (571) |
| Loss /(gain) on de-recognition inv. securities | 15 | **-** | (81,690) |
| Income tax expense | 16 | **81,780** | 139,395 |
| Other – miscellaneous | | **2,980** | (6,434) |
| Gross cash flows from operating activities | | **559,210** | 630,024 |
| Decrease / (increase) in inventories | | **(58,812)** | 170,686 |
| Decrease / (increase) in amounts receivable | | **(27,460)** | (107,356) |
| Increase / (decrease) in amounts payable | | **17,568** | 150,067 |
| Increase / (decrease) in provisions | 28 | **(38,625)** | (4,026) |
| Changes in working capital and provisions | | **(107,330)** | 209,371 |
| Cash generated from operations | | **451,880** | 839,395 |
| Income tax paid | 16 | **(113,244)** | (221,990) |
| Net cash flows from operating activities | | **338,636** | 617,405 |

| For the year ended 31 December (in € thousand) | Notes | 2024 | 2023 |
|---|---|---|---|
| INVESTING ACTIVITIES | | | |
| Proceeds from sale of property, plant and equipment | 18 | **1,793** | 1,101 |
| Proceeds from sale of assets held-for-sale | | **1,580** | - |
| Proceeds from sale of investments | 15 | **0** | 418,909 |
| Repayment of loans granted | 25 | **102** | 100 |
| Sale of a business, net of cash disposed of | 8 | **2,298** | (1) |
| Acquisition of businesses, net of cash acquired | 8 | **(10,486)** | (226,531) |
| Acquisition of property, plant and equipment | 18 | **(238,020)** | (275,495) |
| Acquisition of intangible assets | 17 | **(68,437)** | (55,559) |
| Acquisition of other investments | 3g, 15 | **(2,315)** | (294,759) |
| Loans granted | 25 | **(1,678)** | (49) |
| Dividends received | 15 | **-** | 5,581 |
| Interest received | | **16,680** | 20,384 |
| Other – miscellaneous | | **99** | (0) |
| Net cash flows used in investing activities | | **(298,384)** | (406,321) |

The notes on pages 21 to 81 are an integral part of these consolidated financial statements.

| For the year ended 31 December (in € thousand) | Notes | 2024 | 2023 |
|---|---|---|---|
| FINANCING ACTIVITIES | | | |
| Proceeds from sale of treasury shares | | **13** | 348 |
| Proceeds from obtaining borrowings | 25 | **114,839** | 348,114 |
| Repurchase of treasury shares | | **(1,340)** | (18,871) |
| Repayment of borrowings | 25 | **(125,136)** | (489,433) |
| Repayment of leasing | 32 | **(48,729)** | (41,918) |
| Dividends paid | 23 | **(75,642)** | (68,906) |
| Interest paid | | **(32,787)** | (44,991) |
| Payment of transaction costs related to loans and borrowings | | **2** | (3) |
| Cash flows from financing activities | | **(168,780)** | (315,660) |
| | | | |
| NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS | | **(128,529)** | (104,575) |

## CASH AND CASH EQUIVALENTS

| For the year ended 31 December (in € thousand) | Notes | 2024 | 2023 |
|---|---|---|---|
| As at 1 January 2024 | 22 | **623,396** | 738,241 |
| Net (decrease) / increase in cash and cash equivalents | | **(128,529)** | (104,575) |
| Effect of exchange rate fluctuations on cash held | | **(4,719)** | (10,270) |
| As at 31 December 2024 | 22 | **490,148** | 623,396 |

The notes on pages 21 to 81 are an integral part of these consolidated financial statements.

# 5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS


| | | |
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| 19. | Investment properties | 54 |
| 20. | Inventories | 54 |
| 21. | Amounts receivable | 55 |
| 22. | Cash and cash equivalents | 55 |
| 23. | Equity | 55 |
| 24. | Earnings per share | 57 |
| 25. | Loans and borrowings | 57 |
| 26. | Employee benefits | 60 |
| 27. | Deferred tax assets and liabilities | 66 |
| 28. | Provisions | 67 |
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# 1. CORPORATE INFORMATION

Aliaxis SA ("the Company") is a company incorporated under the laws of Belgium, registered with the Crossroads Bank for Enterprises (Banque-Carrefour des entreprises / Kruispuntbank van Ondernemingen) under number 0860.005.067. The address of the Company's registered office is Avenue Arnaud Fraiteur, 15-23, 1050 Brussels. The consolidated financial statements of the Company as at and for the year ended 31 December 2024 comprise the Company, its subsidiaries and interest in equity accounted investees (together referred to as the "Group" or "Aliaxis").

In 2024, Aliaxis employed around 15,900 people, is present in more than 40 countries throughout the world, and is represented in the marketplace through more than 75 manufacturing and selling companies, many of which trade using their individual brand identities. The Group is primarily engaged in the manufacture and sale of plastic pipe systems and related building and sanitary products which are used in residential and commercial construction and renovation as well as in a wide range of industrial and public utility applications.

The financial statements have been authorised for issue by the Company's Board of Directors on 19 March 2025.

# 2. BASIS OF PREPARATION

## A. Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) effective and adopted by the European Union as at 1 January 2024.

The Company has not elected for early application of any of the standards or interpretations which were not yet effective on the reporting date.

## B. Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for the following:

- derivative financial instruments are measured at fair value;
- financial instruments at fair value through profit or loss are measured at fair value;
- share-based payment arrangements;
- employee benefits;
- assets held for sale.

## C. Functional and presentation currency

These consolidated financial statements are presented in euros, which is the Company's functional currency. All financial information presented in euros has been rounded to the nearest thousand, except when otherwise indicated.

## D. Use of estimates and judgments

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the consolidated financial statements, are described in the following notes:

- Note 17 – measurement of the recoverable amounts of cash-generating units;
- Note 26b – measurement of defined benefit obligations;
- Note 27 – use of tax losses;
- Notes 28 and 34 – provisions and contingencies;
- Note 29 – liabilities for uncertain tax positions;
- Note 31 – valuation of derivative financial instruments and determination of effectiveness for hedge accounting.

### MEASUREMENT OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair values of an asset and liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 19 – investment properties;
- Note 31 – financial instruments.

## 3. MATERIAL ACCOUNTING POLICIES

Except for the changes explained below, the accounting policies adopted are consistent with those of the previous financial year.

As of 1 January 2024, Aliaxis adopted the following new and amended IFRS standards and interpretations and considered that it did not result in significant changes in the consolidated financial statements:

Amendments to IAS 1 Presentation of Financial statements: Classification of Liabilities as Current or Non-current, issued on 23 January 2020, clarify a criterion in IAS 1 for classifying a liability as non-current: the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period.

The amendments:

- specify that an entity's right to defer settlement must exist at the end of the reporting period;
- clarify that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement;
- clarify how lending conditions affect classification; and
- clarify requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

On 15 July 2020, the IASB issued Classification of Liabilities as Current or Non-current – Deferral of Effective Date (Amendment to IAS 1) deferring the effective date of the January 2020 amendments with one year.

On 31 October 2022, the IASB issued Non-current liabilities with Covenants, which amends IAS 1 and specifies that covenants (i.e. conditions specified in a loan arrangement) to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require a company to disclose information about these covenants in the notes to the financial statements.

Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback, issued on 22 September 2022, introduce a new accounting model which will impact how a seller-lessee accounts for variable lease payments in a sale-and-leaseback transaction.

Under this new accounting model for variable payments, a seller-lessee will:

- include estimated variable lease payments when it initially measures a lease liability arising from a sale-and-leaseback transaction; and
- after initial recognition, apply the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains.

These amendments will not change the accounting for leases other than those arising in a sale and leaseback transaction.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements, issued on 25 May 2023, introduce additional disclosure requirements for companies that enter into supplier finance arrangements.

## A. Basis of consolidation

A list of the most important subsidiaries and equity accounted investees is presented in Note 36.

### SUBSIDIARIES

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

### NON-CONTROLLING INTERESTS

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

### TRANSACTIONS ELIMINATED ON CONSOLIDATION

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

### LOSS OF CONTROL

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any related, non-controlling interests and the other components of equity related to the subsidiary. Any resulting gain or loss is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost.

## B. Foreign currencies

### FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are translated to the respective functional currency of Aliaxis entities at exchange rates at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are carried at historical cost are translated at the reporting date at exchange rates at the dates of the transactions. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at the reporting date at the exchange rate at the date the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of equity instruments at FVOCI or a financial liability designated as a hedge of the net investment in a foreign operation (see below), which are recognised directly in other comprehensive income (OCI) under translation reserve.

## FOREIGN OPERATIONS

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to euros at exchange rates at the reporting date. The income and expenses of foreign operations are translated to euros at average exchange rates for the year approximating the foreign exchange rates at the dates of the transactions. The components of shareholders' equity are translated at historical exchange rates.

Foreign currency differences are recognised in OCI and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

## HEDGE OF NET INVESTMENT IN A FOREIGN OPERATION

The Group applies hedge accounting to foreign currency differences arising between the functional currency of the foreign operation and the euro regardless of whether the net investment is held directly or through an intermediate parent. Foreign currency differences arising on the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised directly in OCI under translation reserve, to the extent that the hedge is effective. To the extent that the hedge is ineffective, such differences are recognised in profit or loss. When an entity partially disposes of a subsidiary that includes a foreign operation, but retains control, the entity re-attributes a proportionate share of the cumulative amounts previously recognised in OCI to NCI.

In addition, monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future are a part of the Group's net investment in such foreign operation. Any foreign currency differences on these items are recognised directly in OCI under translation reserve, and the relevant cumulative amount in OCI is transferred to profit or loss when the investment is disposed of, in part or in full.

## EXCHANGE RATES

The following major exchange rates have been used in preparing the consolidated financial statements.

| | Average | | Reporting date | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| AUD | **1.640** | 1.629 | **1.673** | 1.621 |
| CAD | **1.481** | 1.459 | **1.489** | 1.462 |
| GBP | **0.847** | 0.870 | **0.827** | 0.867 |
| NZD | **1.788** | 1.762 | **1.851** | 1.747 |
| USD | **1.082** | 1.082 | **1.035** | 1.104 |
| INR | **90.534** | 89.326 | **88.635** | 91.852 |

## C. Intangible assets and goodwill

### GOODWILL

The carrying amount of goodwill is allocated to those reporting entities that are expected to benefit from the synergies of the business combination and those are considered as the Group's cash-generating units.

Goodwill is expressed in the functional currency of the reporting entity to which it is allocated and is translated to euros using the exchange rate at the reporting date.

In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment.

Goodwill is measured at cost less accumulated impairment losses (see Note 3k).

The Group elected not to restate those business combinations that occurred prior to the transition to IFRS; this goodwill represented the amount, net of accumulated amortisation, recognised under the Group's previous accounting framework, Belgian GAAP.

For acquisitions as of 1 January 2010, goodwill represents the excess of the consideration transferred with respect to the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess is negative (negative goodwill), it is recognised immediately in profit or loss.

### INTANGIBLE ASSETS ACQUIRED IN A BUSINESS COMBINATION

Intangible assets such as customer relationships, trademarks, patents acquired in a business combination initially are recognised at fair value. If the criteria for separate recognition are not met, they are subsumed under goodwill.

The calculation of the fair value of a customer list is based on the discounted cash flows (after tax) derived from the sales related to such customers after (i) applying an attrition rate (as observed over a relevant historical period of time), and (ii) accounting for all related operating costs (except financial) including specific contributory charges on assets and labour.

### RESEARCH AND DEVELOPMENT

Expenditure on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding is recognised in profit or loss when incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and Aliaxis intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes capitalised borrowing costs and the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. If the recognition criteria referred to above are not met, the expenditure is recognised in profit or loss as an expense when incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation (see below) and accumulated impairment losses (see Note 3k).

### OTHER INTANGIBLE ASSETS

Other intangible assets that are acquired by Aliaxis which have finite useful lives are measured at cost less accumulated amortisation (see below) and accumulated impairment losses (see Note 3k).

### SUBSEQUENT EXPENDITURE

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss when incurred.

### AMORTISATION

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets with a finite life, from the date that they are available for use. Goodwill is not amortised. The estimated useful lives are as follows:

- Patents, concessions and licenses 5 years
- Capitalised development costs 3-5 years
- IT software 5-7 years
- Drawings 25 years

The value of the customer list is amortised – with a straight-line method – along a useful life which corresponds to the number of years until the present value of the last individual cash-flow becomes insignificant.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

## D. Property, plant and equipment

### RECOGNITION AND MEASUREMENT

Items of property, plant and equipment are measured at cost less accumulated depreciation (see below) and impairment losses (see Note 3k). Aliaxis elected to measure certain items of property, plant and equipment at 1 January 2005, the date of transition to IFRS, at fair value and used those fair values as deemed cost at that date.

Cost includes expenditures that are directly attributable to the acquisition of the asset; e.g. cost of materials and direct labour, costs incurred to bring the asset to its working condition and location for its intended use, any relevant costs of dismantling and removing the asset and restoring the site on which the asset was located when the Group has an obligation. Purchased software that is integral to the functionality of the related equipment and borrowing costs are capitalised, as part of that equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the net proceeds from disposal with the carrying amount of property, plant and equipment and are recognised within other income/expenses in profit or loss.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

### SUBSEQUENT EXPENDITURE

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item only if it is probable that the future economic benefits embodied within such part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

### DEPRECIATION

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives, unless there is certainty that the Group will take ownership at the end of the lease term. Land is not depreciated.

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use.

The estimated useful lives are as follows:

- Buildings:
  - Structure 40-50 years
  - Roof and cladding 15-40 years
  - Installations 15-20 years
- Plant, machinery and equipment:
  - Silos 20 years
  - Machinery and surrounding equipment 10 years
  - Moulds 3-5 years
- Furniture 10 years
- Office machinery 3-5 years
- Vehicles 5 years
- IT & IS 3-5 years

Depreciation methods and useful lives, together with residual values if not insignificant, are reassessed at each reporting date and adjusted if appropriate.

## E. Right-of-use assets

Leases are recognised as a right-of-use asset and corresponding lease liability at the date of which the leased asset is available for use by the Group. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The Group elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of less than 12 months ("short-term leases") and lease contracts for which the underlying asset is of low value ("low-value assets"). Low value refers to assets with a value of €5,000 or less when they are new.

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate which has been determined along two dimensions:

- The currency in which the lease contract is denominated;
- The duration of the lease contract. For simplicity, durations have been grouped in categories with individual appropriate rates being extrapolated when necessary and averaged thereafter.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease payments that are due within 12 months are classified as current liabilities. All lease payments that are due at least 12 months after the balance sheet date are classified as non-current liabilities.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

Some of the car leases contain variable lease payments. These concern car lease agreements that contain a Terminal Rental Adjustment Clause (TRAC): a final settlement calculation is made at termination of the lease to determine the final rental adjustment. This final rent adjustment is a rent payment (or credit) that reflects actual usage of the vehicle while under lease. This final amount is not known at lease commencement. The rental adjustment amount is not a specified amount but depends upon known factors such as monthly depreciation and initial acquisition cost, and several unknown factors at lease commencement, such as mileage, condition of the vehicle, wear and tear, damage, geography of operation, disposal channel, and other factors. Together, these factors generally represent "use" of the vehicle. Payments that vary due to use of the underlying asset and vehicle mileage specifically are variable lease payments. The final rental adjustment is recognised as expense or, in case of a credit, as a reduction of expenses when realised.

## F. Investment properties

Investment property is property held either to earn rental income or for capital appreciation or for both. Investment property is measured at cost less accumulated depreciation and impairment losses (see Note 3k).

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful life of the property consistent with the useful lives for property, plant and equipment (see Note 3d).

The fair values, which are determined for disclosure purposes, are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. In the absence of current prices in an active market, the valuations are prepared by considering the aggregate of the estimated cash flows expected to be received from renting out the property. A yield that reflects the specific risks inherent in the net cash flows is then applied to the net annual cash flows to arrive at the property valuation.

## G. Other non-current assets

### INVESTMENTS IN EQUITY SECURITIES

Investments in equity securities are undertakings in which Aliaxis does not have significant influence or control. These investments are designated as financial assets at FVTPL which are, subsequent to initial recognition, measured at fair value, except for those equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured. Those equity instruments that are excluded from fair valuation are stated at cost.

### INVESTMENTS IN DEBT SECURITIES

Investments in debt securities are classified at fair value through profit or loss or fair value through OCI and are carried at fair value with any resulting gain or loss respectively recognised in profit or loss or directly in OCI. Impairment losses (see Note 3k) and foreign exchange gains and losses are recognised in profit or loss.

### OTHER FINANCIAL ASSETS

A financial asset is classified at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if Aliaxis manages such investments and makes purchase and sale decisions based on their fair value. Upon initial recognition, attributable transaction costs are recognised in profit or loss when incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

### OTHER ASSETS

These assets are measured at amortised cost using the effective interest rate method, less any impairment losses (see Note 3k).

## H. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average principle for raw materials, packaging materials, consumables, purchased components and goods purchased for resale, and on the first-in first-out principle for finished goods, work in progress and produced components.

The cost includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost also includes production costs and an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

## I. Amounts receivable

Amounts receivable comprise trade and other receivables. These amounts are carried at amortised cost, less impairment losses (see Note 3k).

## J. Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with final maturities of three months or less at acquisition date. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

The Group invests in money market funds (MMF). MMF are open-ended mutual funds that invest in short-term debt instruments such as treasury bills, certificates of deposit, bonds, government gilts and commercial paper. The main goals are the preservation of principal, high liquidity and a modest incremental return over short-term interest rates or a benchmark rate.

The Group only invests in MMF having high rating and daily liquidity. Those funds are considered as cash and cash

equivalent and classified under IFRS9 as:

(i) at "constant net asset value (NAV)", accounted for as money market funds through OCI.

(ii) at "variable net asset value (NAV)", accounted for as money market funds through PL.

## K. Impairment

### FINANCIAL ASSETS

For financial instruments and contract assets, the Group recognises loss allowances for ECLs on financial assets measured at amortised cost and debt investments measured at FVOCI. The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debts securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk has not increased significantly since initial recognition.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- The debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- The financial asset is more than 365 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. Twelve-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after reporting date. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flow due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether the financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is credit impaired when one or more events that have an impact on the estimated future cash flows of the financial assets have occurred.

Loss allowance for financial assets measured at amortised cost are deducted from the gross carrying amounts of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

### NON-FINANCIAL ASSETS

The carrying amounts of the Group's non-financial assets, other than inventories (see Note 3h) and deferred tax assets (see Note 3v), are reviewed at each reporting date to determine whether there is any external or internal indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit (CGU) exceeds its recoverable amount. A CGU is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

The Group's overall approach as to the level for testing goodwill impairment is at the lowest level at which goodwill is monitored for external reporting purposes, which is in general at CGU. The recoverable amount of the CGUs to which the goodwill belongs is based on a discounted free cash flow approach, based on acquisition valuation models. These calculations are corroborated by valuation multiples or other available fair value indicators.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## L. Discontinued operations and assets held for sale

### DISCONTINUED OPERATIONS

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period.

### ASSETS HELD FOR SALE

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group) are measured in accordance with the Group's accounting policies. Thereafter, the assets (or disposal group) are generally measured at the lower of their carrying amount and fair value less cost to sell.

Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and employee benefit assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss. Intangible assets and property, plant and equipment once classified as held for sale are not amortised or depreciated. In addition, equity accounting of equity-accounted investees ceases once classified as held for sale.

## M. Share capital

### ORDINARY SHARES

Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

### REPURCHASE OF SHARE CAPITAL

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own shares. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to/from retained earnings.

### DIVIDENDS

Dividends are recognised as liabilities in the period in which they are declared.

## N. Interest-bearing loans and borrowings

Interest-bearing loans and borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing loans and borrowings are stated at amortised cost with any difference between the initial amount and the maturity amount being recognised in profit or loss over the expected life of the instrument on an effective interest rate basis.

## O. Employee benefits

### DEFINED CONTRIBUTION PLANS

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in profit or loss in the period during which related services are rendered by employees.

### DEFINED BENEFIT PLANS

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on AA credit-rated bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by qualified actuaries using the projected unit credit method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised immediately in profit or loss.

The Group recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on curtailment or settlement comprises any resulting change in the fair value of plan assets and any change in the present value of the defined benefit obligation.

Remeasurements of the net defined benefit liability, which comprises actuarial gains and losses, the return on plan assets (excluding interests) and the effect of the asset ceiling (if any, excluding interests) are recognised immediately in OCI. The Group determines the net interest expenses (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expenses and other expenses related to defined benefit plans are recognised in profit or loss.

When the calculation results in a benefit to Aliaxis, the recognised asset is limited to the present value of any future refunds from the plan or reductions in future contributions to the plan.

In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the Group if it is realisable during the life of the plan, or on settlement of the plan liabilities.

### OTHER LONG-TERM EMPLOYEE BENEFITS

The Group's net obligation in respect of long-term employee benefits other than pension plans such as service anniversary bonuses is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on AA credit-rated bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid. Any actuarial gains or losses are recognised in profit or loss in the period in which they arise.

### TERMINATION BENEFITS

Termination benefits are recognised as an expense when Aliaxis is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognised if Aliaxis has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

### SHORT-TERM BENEFITS

Short-term employee benefit obligations such as bonuses are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if Aliaxis has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### SHARE-BASED PAYMENT TRANSACTIONS

The fair value of options granted to employees is measured at grant date. The amount is recognised as an employee expense, with a corresponding increase in equity within retained earnings, and spread over the period in which the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest.

The fair value of options granted to employees is measured using the Black & Scholes valuation model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

## P. Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

### WARRANTIES

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighing of all possible outcomes against their associated probabilities.

### RESTRUCTURING

A provision for restructuring is recognised when Aliaxis has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly before the reporting date. Future operating losses are not provided for.

### ONEROUS CONTRACTS

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured as the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with the contract.

## Q. Amounts payable

Amounts payable which comprise trade and other amounts payable represent goods and services provided to the Group prior to the end of the reporting date which are unpaid. These amounts are carried at amortised cost.

## R. Derivative financial instruments and hedge accounting

Aliaxis holds derivative financial instruments to hedge its exposure to foreign currency and interest rate risks arising from operational, financing and investment activities. As a policy, Aliaxis does not engage in speculative transactions and does not therefore hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

On initial designation of the derivative as the hedging instrument, the Group formally documents the relationship between the hedging instrument and hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be highly effective in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk, with the ultimate objective to validate the economic relationship between the hedging instrument and the hedged item. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported profit or loss.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

### CASH FLOW HEDGES

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative hedging instrument designated as a cash flow hedge is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in fair value is recognised in profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial items, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flow is no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit and loss.

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts is separately accounted for a cost of hedging and recognised in a costs of hedging reserve within equity.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

In other cases, the amount recognised in equity is transferred to profit or loss in the same period that the hedged item affects profit or loss.

### HEDGE OF NET INVESTMENT IN FOREIGN OPERATION

Where a derivative financial instrument hedges a net investment in a foreign operation, the portion of the gain or the loss on the hedging instrument that is determined to be effective is recognised directly in equity within the translation reserve, while the ineffective portion is reported in profit or loss.

The amount recognised in OCI is reclassified to profit or loss as a reclassification adjustment on disposal of the foreign operation.

### FAIR VALUE HEDGES

When a derivative financial instrument hedges the variability in fair value of a recognised asset or liability, any resulting gain or loss on the hedging instrument is recognised in profit or loss. The hedged item is also stated at fair value in respect of the risk being hedged, with any gain or loss being recognised in profit or loss.

### ECONOMIC HEDGES

Hedge accounting is not applied to derivative instruments that economically hedge monetary assets and liabilities denominated in foreign currencies. Changes in the fair value of such derivatives are recognised in profit or loss as part of foreign currency gains and losses.

## S. Revenue

### GOODS SOLD

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration and the existence of significant financing components (if any).

### RENTAL INCOME

Rental income from investment properties is recognised in profit or loss in other operating income on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

### GOVERNMENT GRANTS AND SUBSIDIES

Government grants are recognised initially as deferred income when there is reasonable assurance that they will be received and that Aliaxis will comply with the conditions associated with the grant. Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the same periods in which the expenses are recognised. Grants that compensate the Group for the cost of an asset are recognised in other operating income and expense on a systematic basis over the useful life of the asset.

Government subsidies that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the same periods in which the expenses are recognised.

## T. Adjusted items

Adjusted items are those items that are considered by management not to relate to items in the ordinary course of activities of the Group. They are presented separately as they are important for the understanding of users of the consolidated financial statements of the performance of the Group and this compared to the returns defined in the regulatory frameworks applicable to the Group and its subsidiaries. Adjusted items relate to:

- income and expenses resulting from the sale of businesses;
- restructuring costs linked to the transformation and restructuring initiatives of the Group;
- impairment of non-financial assets (incl. goodwill impairment); and
- other income and expenses related to items outside the ordinary course of activities of the Group.

## U. Finance income and expenses

Finance income comprises interest income on funds invested, dividend income, net gains on the disposal of financial asset measured at fair value through OCI, changes in the fair value of financial assets at fair value through profit or loss, foreign currency gains, and gains on hedging instruments that are recognised in profit or loss. Interest income is recognised as it accrues, using the effective interest method. Dividend income is recognised on the date that the Group's right to receive payment is established.

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions, foreign currency losses, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognised on financial assets (except losses on receivables) and losses on hedging instruments that are recognised in profit or loss. Borrowing costs that are not directly attributable to the acquisition or construction of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance expense depending on whether foreign currency movements are in a net gain or net loss position.

## V. Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity, or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes (including differences arising from fair values of assets and liabilities acquired in a business combination). Deferred tax is not recognised for the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and on the same taxable entity or group of entities.

In determining the amount of current and deferred tax the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

To address concerns about uneven profit distribution and tax contributions of large multinational corporations, various agreements have been reached at the global level, including an agreement by over 135 jurisdictions to introduce a global minimum tax rate of 15%. In December 2021, the Organisation for Economic Co-operation and Development (OECD) released a draft legislative framework, followed by detailed guidance released in March 2022 and January 2025, that is expected to be used by individual jurisdictions that signed the agreement to amend their local tax laws. Once changes to the tax laws in any jurisdiction in which the Group operates are enacted or substantively enacted, the Group may be subject to the top-up tax.

At the date on which the financial statements were authorised for issue, Pillar 2 guidelines, introducing top-up tax, have been enacted in Belgium as in several other countries. In this context, impact of Pillar 2 has been assessed for the Group as not material. Management is closely monitoring the progress of the legislative process in each jurisdiction the Group operates in.

## W. Contingencies

Contingent liabilities are not recognised in the consolidated financial statements, except if they arise from a business combination. They are disclosed, when material, unless the possibility of a loss is remote. Contingent assets are not recognised in the consolidated financial statements but are disclosed, when material, if the inflow of economic benefits is probable.

## X. Events after the reporting date

Events after the reporting date which provide additional information about the Group's position as at the reporting date (adjusting events) are reflected in the consolidated financial statements. Events after the reporting date which are non-adjusting events are disclosed in the notes to the consolidated financial statements, when material.

## Y. Earnings per share

Aliaxis presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

## Z. New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2024, and have not been applied in preparing these consolidated financial statements:

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability, issued on 15 August 2023, clarify when a currency is exchangeable into another currency (and when it is not). When a currency is not exchangeable, a company needs to estimate a spot rate. The company's objective when estimating a spot rate is that it reflects the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments contain no specific requirements for estimating a spot rate.

Under the amendments, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. The amendments are effective for annual reporting periods beginning on or after 1 January 2025, with early adoption permitted. These amendments are not expected to have a material impact on the Group's consolidated statements. These amendments have not yet been endorsed by the EU.

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7, issued on 30 May 2024, will address diversity in accounting practice by making the requirements more understandable and consistent. The amendments include:

- Clarifications on the classification of financial assets with environmental, social and corporate governance (ESG) and similar features – ESG-linked features in loans could affect whether the loans are measured at amortised cost or fair value. To resolve any potential diversity in practice, the amendments clarify how the contractual cash flows on such loans should be assessed.
- Clarifications on the date on which a financial asset or financial liability is derecognised. The IASB also decided to develop an accounting policy option to allow a company to derecognise a financial liability before it delivers cash on the settlement date if specified criteria are met.

The International Accounting Standards Board has also introduced additional disclosure requirements to enhance transparency for investors regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features, for example features tied to ESG-linked targets.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early adoption permitted. These amendments are not expected to have a material impact on the Group's consolidated statements. These amendments have not yet been endorsed by the EU.

Annual Improvements Volume 11, issued on 18 July 2024, include clarifications, simplifications, corrections and changes aimed at improving the consistency of several IFRS Accounting Standards. The amended Standards are:

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash Flows.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early adoption permitted. These amendments are not expected to have a material impact on the Group's consolidated statements. These amendments have not been endorsed by the EU.

IFRS 18 Presentation and Disclosure in Financial Statements, issued on 9 April 2024, will replace IAS 1 Presentation of Financial Statements. The new standard introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present newly defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.
- In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The standard is effective for annual reporting periods beginning on or after 1 January 2027, with early adoption permitted. These amendments are not expected to have a material impact on the Group's consolidated statements. The standard has not yet been endorsed by the EU.

IFRS 19 Subsidiaries without Public Accountability: Disclosures, issued on 9 May 2024, will allow eligible subsidiaries to apply IFRS Accounting Standards with reduced disclosure requirements. A subsidiary will be to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date:

- it does not have public accountability; and
- its parent produces consolidated financial statements under IFRS Accounting Standards.

The standard is effective for annual reporting periods beginning on or after 1 January 2027, with early adoption permitted. These amendments are not expected to have a material impact on the Group's consolidated statements. The standard has not yet been endorsed by the EU.

## 4. BUSINESS COMBINATIONS

### A. Acquisition method

Business combinations are accounted for using the acquisition method when control is transferred to the Group (definition of control: see 3a). The consideration transferred in the acquisition is measured at fair value, as are the identifiable net assets acquired.

Any goodwill that arises is tested annually for impairment.

Any gain on a bargain purchase is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Transaction costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration meets the definition of a financial instrument and is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Put options granted to non-controlling shareholders are recognised as a liability measured at the present value of the exercise price and accounted for using the present-access method when the NCI have present access to the returns that are the subject of the put options. Under this method, NCI continue to be recognised because the non-controlling shareholders still have present access to the returns associated with the underlying ownership interests. All changes in the carrying amount of the liability are recognised in equity. The financial liability arising from the put option is not included in the consideration transferred of a business combination but accounted for separately. If the put option expires unexercised, then the put liability is reversed against equity.

### B. Determination of fair values

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at acquisition date as follows:

- The fair value of property, plant and equipment is based on market values. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of items of plant, equipment, fixtures and fittings is based on the quoted market prices for similar items when available and depreciated replacement costs when appropriate.
- The fair value of patents and trademarks is based on the discounted estimated royalty payments that have been avoided as a result of the patent or trademark being owned. The fair value of other intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.
- The fair value of a customer list is based on the discounted cash flows (after tax) derived from the sales related to such customers after (i) applying an attrition rate (as observed over a relevant historical period of time), and (ii) accounting for all related operating costs (except financial) including specific contributory charges on assets and labour.
- The fair value of inventories is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.
- Contingent liabilities are recognised at fair value on acquisition, if their fair value can be measured reliably. The amount represents what a third party would charge to assume those contingent liabilities, and such amount reflects all expectations about possible cash flows and not the single most likely or the expected maximum or minimum cash flow.

# 5. FINANCIAL RISK MANAGEMENT

## A. Overview

This note presents information about the Group's exposure to credit, liquidity and market risks, the Group's objectives, policies and processes for measuring and managing risk, as well as the Group's management of capital. Further quantitative disclosures are included throughout the notes to the consolidated financial statements.

Risks relating to credit worthiness, interest rate and exchange rate movements, commodity prices and liquidity arise in the Group's normal course of business. However, the most significant financial exposures for the Group relate to the fluctuation of interest rates on the Group's financial debt and to fluctuations in currency exchange rates.

The Group addresses these risks and defines strategies to limit their economic impact on its performance in accordance with its financial risk management policy. Such policy includes the use of derivative financial instruments. Although these derivative financial instruments are subject to fluctuations in market prices subsequent to their acquisition, such changes are generally offset by opposite changes in the value of the underlying items being hedged.

The Audit Committee is responsible for overseeing how management monitors compliance with the Group's financial risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee relies on the monitoring performed by management.

## B. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

The Group's exposure to credit risk is influenced by the individual characteristics of each customer, its industry and the country or region where it operates. The Group's main sales distribution channels are wholesale and retail do-it-yourself (DIY) chains. Despite a trend towards consolidation in Europe and North America, the diversity of Aliaxis' product range helps it to maintain a wide customer portfolio and to avoid as much as possible exposure to any significant individual customer.

Aliaxis management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit above a certain amount. The Group does not require collateral, except in very rare circumstances, in respect of financial assets.

Investments are allowed only in liquid securities and only with counterparties that have a robust credit rating. Transactions involving derivatives are with counterparties with whom the Group has a signed netting agreement and who have sound credit ratings. Management does not expect any counterparty to fail to meet its obligations.

The Group establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables and investments. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivatives in the statement of financial position.

## C. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted.

The Group ensures access to Banking Facilities and Debt Capital Markets instruments.

- As for Banking Facilities, the Group has a multi-currency revolving credit facility of EUR 950 million maturing in October 2028 and other bilateral credit facilities

- As for Debt Capital Markets Instruments, the Group has issued:
  (i) USD 35 million of US Private Placement notes for a period of 10 years maturing in 2025
  (ii) EUR 18 million of US Private Placement (swap note) for a period of 12 years maturing in 2027
  (iii) a seven-year bond of EUR 750 million maturing in November 2028.

## D. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, commodity prices, interest rates or equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group uses derivatives, and also incurs financial liabilities, in order to manage market risks. All such transactions are carried out within the financial risk management policies. Generally, the Group seeks to apply hedge accounting in order to manage volatility in profit or loss.

### CURRENCY RISK

The Group is exposed to foreign currency risk on transactions such as sales, purchases, borrowings, dividends, fees and interests, denominated in non-euro currencies. Currencies giving rise to such risk are primarily the Canadian dollar (CAD), the Australian dollar (AUD), the New Zealand dollar (NZD), the pound sterling (GBP), the Indian rupee (INR) and the US dollar (USD). Where there is no natural hedge, the foreign currency risk is primarily managed by the use of forward exchange derivatives contracts. All contracts have maturities of less than one year.

Foreign currency risk on firm commitments and forecast transactions is subject to hedging (in whole or in part) when the underlying operating transactions are reasonably expected to occur within a determined time frame. Hedge accounting is not applied to derivative instruments that economically hedge monetary assets and liabilities, other than loans granted to Group companies, denominated in foreign currencies. Changes in the fair value of such derivatives are recognised in profit or loss as part of foreign exchange gains and losses. For some derivative instruments hedging loans granted to Group companies and denominated in foreign currencies, hedge accounting applies, with forward component accounted for in equity (cost of hedge reserve) and foreign exchange impact directly recycled in profit and loss.

The Group's policy is to partially hedge the risk arising from consolidating net assets denominated in non-euro currencies by permanently maintaining liabilities through borrowings or cross currency swaps in such non-euro currencies. Where a foreign currency borrowing, or cross currency swaps are used to hedge a net investment in a foreign operation, exchange differences arising on translation of the borrowing are recognised directly in OCI within translation reserve.

Interests on borrowings are denominated in currencies that match the cash flows generated by the underlying operations of the Group, primarily CAD, EUR, GBP, AUD, INR and USD. This provides an economic hedge and no derivatives are entered into.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

### COMMODITY RISK

Raw materials used to manufacture the Group's products mainly consist of plastic resins such as polyvinylchloride (PVC), polyethylene (PE) and polypropylene (PP), which are a significant element of the cost of the Group's products. The prices of these raw materials are volatile and tend to be cyclical, and Aliaxis is generally able to recover raw material price increases through higher product selling prices, although sometimes after a time lag. The Group increasingly seeks to optimise its resin purchases thanks to a centralised approach to the procurement of major raw materials.

In addition, the Group is also exposed to the volatility of energy prices (particularly electricity). In February 2024, the Group entered a Virtual Power Purchase Agreement (VPPA) with a developer based in Italy for a period of 10 years, exposing the Group to decreasing prices for renewable electricity.

### INTEREST RATE RISK

The Group policy is to hedge its interest rate risk through swaps, cross currency swaps and other derivatives. No derivatives are ever acquired or maintained for speculative or leveraged transactions.

Most of the interest rate risk exposure is hedged via fixed rate debt instruments or using cross-currency swaps. However, the Group has floating-rate instruments exposed to interest rates.

### OTHER MARKET PRICE RISK

Demand for the Group's products is principally driven by the level of construction activity in its main markets, including new housing, repairs, maintenance and improvement, infrastructure and industrial markets. Its geographical and industrial spread provides a degree of risk diversification. Demand is influenced by fluctuations in the level of economic activity in individual markets, the key determinants of which include GDP growth, changes in interest rates, the level of new housing starts and industrial and infrastructure investment.

## E. Capital management

The Board's policy is to maintain a strong capital base so as to maintain the confidence of investors, creditors and other stakeholders and to sustain future development of the business. The Board of Directors monitors the return on equity (profit of the year attributable to equity holders of the Group divided by the average of equity attributable to equity holders of Aliaxis at the beginning and end of the reporting period).

The Board of Directors also monitors the level of dividends to ordinary shareholders. The Group's present intention is to recommend to the Shareholders' Meeting a dividend increasing in line with past practice and subject to annual review in light of the future profitability of the Group.

No assurance can however be given that the Company will pay dividends in the future. Such payments will depend upon a number of factors, including prospects, strategies, results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions and other factors considered relevant by the Board.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. In 2024, the Group share of return on equity was 4.5% (2023: 14.0%). In comparison, the weighted average interest rate of the gross financial interest-bearing indebtedness (including interest expense on lease liabilities) was 3.3% (2023 3.2%)

There were no changes in the Group's approach to capital management during the year, which will remain prudent given the current economic circumstances.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

# 6. OPERATING SEGMENTS

The Group has the following four strategic divisions, which are its reportable segments:

- Americas
- Pacific
- EMEA
- Asia

These divisions are managed separately because they require different marketing strategies. The Group's chief operating decision maker reviews the internal management reports of each division at least quarterly.

Other segments include minor business in China and South Africa. None of these segments met the quantitative thresholds for reportable segments in 2024 or 2023.

There are few intersegment relationships which are limited to some transfers of raw materials and shared distribution services. Information related to each reportable segment is set out below. Segment adjusted EBITDA is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

| (in € thousand) | Americas | | Pacific | | EMEA | | Asia | | Other segments | | Not allocated to operating segments | | TOTAL GROUP | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** | **2024** | **2023** | **2024** | **2023** | **2024** | **2023** | **2024** | **2023** | **2024** | **2023** |
| External revenues | **1,972,697** | 2,013,708 | **444,546** | 483,117 | **902,080** | 957,842 | **550,683** | 560,942 | **43,937** | 43,391 | **-** | - | **3,913,944** | 4,059,002 |
| Adjusted EBIT | **304,455** | 387,596 | **23,512** | 36,962 | **28,388** | 49,313 | **5,987** | (2,288) | **(6,286)** | (3,901) | **(13,797)** | (26,069) | **342,258** | 441,614 |
| Depreciation and amortisation | **97,271** | 77,409 | **27,375** | 27,700 | **43,786** | 39,632 | **28,672** | 25,035 | **2,411** | 2,164 | **8,602** | 5,936 | **208,117** | 177,876 |
| Adjusted EBITDA | **401,725** | 465,004 | **50,887** | 64,662 | **72,174** | 88,946 | **34,660** | 22,747 | **(3,875)** | (1,737) | **(5,195)** | (20,132) | **550,375** | 619,490 |
| Restructuring costs | **(1,454)** | (2,262) | **-** | - | **(18,068)** | (5,059) | **-** | - | **-** | (142) | **-** | - | **(19,522)** | (7,463) |
| Impairment on goodwill and intangible fixed assets | **(50,686)** | - | **-** | - | **(4,200)** | - | **-** | - | **(13,631)** | - | **-** | - | **(68,518)** | - |
| Other income /(expenses) | **(32,975)** | (3,159) | **(250)** | - | **2,474** | (952) | **-** | - | **-** | - | **(1,828)** | (8,851) | **(32,580)** | (12,962) |
| Segment result (EBIT) | **219,339** | 382,175 | **23,262** | 36,962 | **8,593** | 43,302 | **5,987** | (2,288) | **(19,917)** | (4,043) | **(15,626)** | (34,919) | **221,639** | 421,189 |
| | | | | | | | | | | | | | | |
| Segment assets | **2,231,870** | 2,164,450 | **421,225** | 433,377 | **717,294** | 729,808 | **549,285** | 500,256 | **47,393** | 52,186 | **905,173** | 853,271 | **4,872,239** | 4,733,348 |
| Segment liabilities | **656,232** | 601,751 | **105,665** | 120,494 | **234,675** | 242,310 | **193,809** | 157,525 | **17,960** | 17,363 | **1,194,170** | 1,196,020 | **2,402,511** | 2,335,463 |
| Capital expenditures | **165,255** | 178,164 | **42,324** | 45,532 | **54,235** | 59,645 | **31,130** | 27,493 | **1,927** | 552 | **11,585** | 19,669 | **306,457** | 331,054 |
| Capital employed | **1,806,128** | 1,751,790 | **349,879** | 349,229 | **552,783** | 558,034 | **398,427** | 366,475 | **34,191** | 40,473 | **776,131** | 764,376 | **3,917,539** | 3,830,378 |
| R&D expenses | **8,042** | 7,472 | **4,042** | 2,728 | **10,508** | 9,674 | **3,381** | 2,748 | **2,773** | 2,299 | **10,576** | 12,287 | **39,322** | 37,207 |
| Average number of employees (FTE) | **6,954** | 6,678 | **1,381** | 1,343 | **4,170** | 4,437 | **2,598** | 2,622 | **571** | 557 | **272** | 221 | **15,946** | 15,857 |

Unallocated assets mainly relate to financial intercompany transactions, cash and cash equivalent, derivatives, intangible fixed assets and receivables.

Unallocated liabilities mainly relate to financial debts, current and deferred tax liabilities and payables.

Refer to the Directors' Report (section 2 of the Annual Report) for an explanation of the major evolutions by segment.

In 2024, the definition of capital employed has been revised to total assets minus current liabilities, differing from last year's definition (the aggregate of (I) intangible assets, (II) property, plant and equipment, (III) investment properties, (IV) inventories and (V) amounts receivable, less the aggregate of (a) current provisions, and (b) current amounts payable).

## 7. REVENUE

In 2024, the Group revenue decreased compared to 2023 due to challenging market conditions throughout the year.

### A. Revenue from external customers by activity

| (in € thousand) | 2024 | 2023 |
|---|---|---|
| Building | **1,703,714** | 1,759,461 |
| Infrastructure | **1,354,253** | 1,407,554 |
| Industry | **575,840** | 612,132 |
| Agriculture | **246,200** | 243,475 |
| Other | **33,937** | 36,379 |
| Total revenue | **3,913,944** | 4,059,002 |

## B. Revenue from external customers by geographical area

| (in € thousand) | 2024 | 2023 |
|---|---|---|
| North America | **1,641,478** | 1,672,937 |
| India | **541,784** | 549,950 |
| Australia | **325,890** | 355,577 |
| France | **262,947** | 282,909 |
| United Kingdom | **135,936** | 163,948 |
| Germany | **141,629** | 140,714 |
| New Zealand | **112,588** | 122,248 |
| Peru | **65,810** | 65,901 |
| Spain | **70,516** | 67,914 |
| Chile | **34,463** | 41,178 |
| Italy | **74,469** | 77,349 |
| Rest of the world | **506,432** | 518,376 |
| Total revenue | **3,913,944** | 4,059,002 |

# 8. ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND NON-CONTROLLING INTERESTS

## A. Johnson Controls

In August 2024, Aliaxis closed the deal to acquire Johnson Controls' CPVC pipe and fittings business for residential and light commercial sprinkler systems. This acquisition bolsters the North American product range in fire suppression systems and expands our presence in the Southern US.

The asset deal was completed by IPEX USA LLC on 29 August 2024 for an amount of €10 million and the assets are fully integrated in the North America business.

€23 million revenue is included in the consolidated income statement for the reporting period since acquisition. Except for transaction and acquisition costs, the income of Johnson Controls included in the consolidated income statement for the reporting period since acquisition is not material.

The values of assets recognised on acquisition are their estimated fair values amounting to €8.5 million (see Note 2 for method used in determining fair values).

Goodwill of €1.5 million is attributable to the profitability and the growth potential of the acquired assets.

The Group incurred acquisition-related costs of €1 million (see Note 12).

## B. Wefatherm

In July 2024, the Group completed an asset deal for Wefatherm business in Germany for a total consideration, net of transaction costs, of €2.2 million and results in a net gain of disposals of €1.9 million.

## 9. OTHER OPERATING INCOME AND EXPENSES

| (in € thousand) | 2024 | 2023 |
|---|---|---|
| Government grants | **820** | 488 |
| Rental income from investment properties | **1,108** | 1,110 |
| Operating costs of investment properties | **(118)** | (112) |
| Gain / (loss) on the sale of fixed assets | **(104)** | 21 |
| Restructuring costs | **57** | (252) |
| M&A-related intangibles amortisation | **(25,648)** | (22,204) |
| Taxes to be considered as operating expenses | **(7,541)** | (7,153) |
| Other rental income | **578** | 548 |
| Insurance recovery | **8,653** | 2,011 |
| Impairment on fixed assets | **(983)** | (237) |
| Other | **(1,766)** | (230) |
| Other operating income / (expenses) | **(24,944)** | (26,011) |

The M&A costs related to intangibles amortisation, amounting to -€25.6 million, mainly relate to customer lists in Ipex USA, Ashirvad and Vinidex.

The insurance recoveries mainly include compensation for defective materials identified in a significant wastewater management project in North America and a fire insurance income in Australia.

## 10. RESTRUCTURING COSTS

The restructuring expenses for the year ended 31 December 2024 amounted to €19.5 million. These expenses related mainly to further transformation and restructuring initiatives in EMEA and Latin America.

In 2023, the restructuring expenses amounted to €7.5 million. These expenses related mainly to further transformation and restructuring initiatives in EMEA and Latin America.

## 11. IMPAIRMENT OF INTANGIBLE ASSETS AND GOODWILL

The impairment testing of intangible assets at year-end led to a write-down of €50.7 million related to the customer list of Valencia Pipes. This adjustment aligns with revised expectations regarding the future economic benefits of this asset, mainly driven by price and margin erosion in 2024 and, to a lesser extent, volume shortfall (see Note 17).

The impairment of intangible assets and goodwill also consists of goodwill impairment of Aquarius (€13.6 million) and Zypho (€4.2 million) (see Note 17).

## 12. OTHER INCOME AND EXPENSES

The total other income and expenses amounted to -€32.6 million primarily due to the severe damage to our Asheville (US) plant caused by flooding from Hurricane Helene in September 2024, resulting in one-off costs of -€31.2 million. These one-off costs related mainly to impairments in fixed assets and inventory (-€18.8 million), site remediation, clean-up and maintenance related costs (-€32.8 million), net of insurance proceeds (+€25.0 million). Additionally, this includes merger and acquisition costs of -€4.6 million, partially offset by the capital gain from the asset deal of our Wefatherm business (+€1.9 million) and the capital gain on the sale of PP&E (+€1.4 million).

In 2023, the total other income and expense amounted to €13.0 million and mainly related to merger and acquisition costs of Valencia Pipes (USA) and Zypho (Portugal), as well as costs on the aborted transaction of Uponor (Finland).

## 13. ADDITIONAL INFORMATION ON OPERATING EXPENSES

The following personnel expenses are included in the operating result:

| (in € thousand) | Notes | 2024 | 2023 |
|---|---|---|---|
| Wages & salaries | | **776,416** | 748,226 |
| Social security contributions | | **117,687** | 102,906 |
| Net change in restructuring provisions | | **6,645** | 478 |
| Expenses related to defined benefit plans | 26b | **5,912** | 5,143 |
| Expenses related to defined contribution plans | 26a | **24,842** | 23,589 |
| Other personnel expenses | | **42,243** | 34,971 |
| Personnel expenses | | **973,744** | 915,313 |

The total average number of personnel was as follows:

| (in units) | Notes | 2024 | 2023 |
|---|---|---|---|
| Production | | **11,017** | 10,926 |
| Sales and marketing | | **2,785** | 2,889 |
| R&D and administration | | **2,143** | 2,042 |
| Total workforce | 6 | **15,945** | 15,857 |

Personnel expenses, depreciation, amortisation and impairment charges are included in the following line items of the consolidated statement of profit and loss:

| (in € thousand) | Personnel expenses | Depreciation and impairment of property, plant & equipment, investment property and assets held for sale | Amortisation and impairment of intangible assets | Total depreciation, amortisation and impairment |
|---|---|---|---|---|
| Cost of sales | 550,004 | 143,898 | 1,092 | 144,990 |
| Commercial expenses | 176,577 | 8,930 | 178 | 9,109 |
| Administrative expenses | 210,702 | 16,169 | 6,665 | 22,834 |
| R&D expenses | 20,859 | 3,848 | 139 | 3,987 |
| Other operating (income) / expenses | 1,979 | 1,107 | 26,089 | 27,197 |
| Adjusted items | 13,622 | 2,442 | 68,517 | 70,959 |
| Total | 973,744 | 176,395 | 102,681 | 279,076 |

## 14. FINANCE EXPENSES

| (in € thousand) | 2024 | 2023 |
|---|---|---|
| Interest expense on financial borrowings | **(34,204)** | (42,022) |
| Interest expense on lease liabilities | **(12,476)** | (8,785) |
| Amortisation of deferred arrangement fees | **(1,681)** | (1,666) |
| Interest expense on other liabilities | **(6)** | (115) |
| Net change in the fair value of hedging derivatives – ineffective portion | **-** | (212) |
| Net foreign exchange loss | **-** | (6,091) |
| Bank fees | **(4,162)** | (9,003) |
| Loss on financial investments | **(16,661)** | - |
| Other | **(2,660)** | (3,718) |
| Finance expenses | **(71,850)** | (71,612) |

The loss on financial investments related to the impairment of our investments associated with Aliaxis Next amounted to €16.7 million, in which Aliaxis does not have significant influence or control. The loss resulted from the revised expectations regarding the economic benefits of these investments.

## 15. FINANCE INCOME

| (in € thousand) | 2024 | 2023 |
|---|---|---|
| Interest income from cash & cash equivalents | **19,051** | 16,644 |
| Interest income on other assets | **730** | 674 |
| Dividend income | **-** | 5,581 |
| Net foreign exchange gain | **4,557** | - |
| Gain on sale of financial investments | **-** | 81,032 |
| Other | **17,697** | 9,775 |
| Finance income | **42,034** | 113,705 |

In 2024, "Other" can mainly be explained by the dissolution of Glynwed Inc (a US entity) within the Group that resulted in a gain of €15.4 million related to favourable fluctuations in exchange rates during the process of consolidating equity.

In 2023, the gain on sales of financial investments relates to the gain realised on the sales of shares held in Uponor. The 2023 dividend income mainly relates to Uponor shares. The Uponor transaction was also the main driver in the acquisition of other investments as well as in the proceeds from sales of investment as included in the consolidated statement of cash flows.

## 16. INCOME TAXES

Income taxes recognised in the profit or loss can be detailed as follows:

| (in € thousand) | 2024 | 2023 |
|---|---|---|
| Current taxes for the period | **(114,968)** | (165,479) |
| Adjustments to current taxes in respect of prior periods | **2,198** | 11,316 |
| Total current tax expense | **(112,770)** | (154,162) |
| Origination and reversal of temporary differences | **31,159** | 16,674 |
| Impact of change in enacted tax rates | **(783)** | (857) |
| Adjustment of deferred taxes in respect of prior periods | **614** | (1,049) |
| Total deferred tax income / (expense) | **30,990** | 14,768 |
| | | |
| Income tax expense in profit and loss | **(81,780)** | (139,395) |

The reconciliation of the effective tax rate with the aggregated weighted nominal tax rate can be summarised as follows:

| (in € thousand) | 2024 | | 2023 | |
|---|---|---|---|---|
| Profit before income taxes | **191,823** | | 463,282 | |
| Tax at aggregated weighted nominal tax rate | **(51,827)** | **27.0%** | (120,300) | 26.0% |
| Tax effect of: | | | | |
| Non-deductible expenses | **(3,950)** | **2.1%** | (4,043) | 0.9% |
| Non-deductible impairment of goodwill | **(4,017)** | **2.1%** | - | - |
| Non-deductible interest expenses | **-** | **-** | (783) | 0.2% |
| Tax credits and tax deductions | **2,878** | **(1.5%)** | 1,903 | (0.4%) |
| Current year losses for which no deferred tax asset is recognised | **(11,218)** | **5.8%** | (10,459) | 2.3% |
| Change in enacted tax rates | **(783)** | **0.4%** | (857) | 0.2% |
| Taxes on distributed and undistributed earnings | **(13,767)** | **7.2%** | (9,943) | 2.1% |
| Withholding taxes | **(7,328)** | **3.8%** | (7,566) | 1.6% |
| Other taxes on income | **(6,239)** | **3.3%** | (473) | 0.1% |
| Utilisation of tax losses not previously recognised | **430** | **(0.2%)** | 4,519 | (1.0%) |
| Current tax adjustments in respect of prior periods | **11,383** | **(5.9%)** | 11,316 | (2.4%) |
| Deferred tax adjustments in respect of prior periods | **614** | **(0.3%)** | (1,049) | 0.2% |
| Recognition of previously unrecognised tax losses and tax credits | **-** | **0.0%** | - | 0.0% |
| Other | **2,044** | **(1.1%)** | (1,659) | 0.4% |
| Income tax expense in profit and loss | **(81,780)** | **42.6%** | (139,395) | 30.1% |

Income taxes, consisting of current and deferred taxes, amounted to €82 million (2023: €139 million), representing an effective income tax rate of 42.6% (2023: 30.1%). Impact of Pillar 2 has been assessed for the Group as not material.

## 17. INTANGIBLE ASSETS AND GOODWILL

| (in € thousand) | Goodwill | Intangible assets (finite life) | 2024 Total Intangible assets | 2023 Total Intangible assets |
|---|---|---|---|---|
| **Cost** | | | | |
| As at 1 January | **777,150** | **615,101** | **1,392,251** | 1,175,004 |
| Changes in the consolidation scope & asset deals | **1,915** | **1,645** | **3,560** | 187,596 |
| *– Acquisitions* | ***2,034*** | ***1,645*** | ***3,678*** | *187,670* |
| *– Deconsolidation* | ***(119)*** | **-** | ***(119)*** | *(73)* |
| Acquisitions | **-** | **68,437** | **68,437** | 55,559 |
| Disposals & retirements | **-** | **(1,449)** | **(1,449)** | (767) |
| Transfers | **-** | **2,304** | **2,304** | 401 |
| Exchange difference | **12,060** | **10,695** | **22,754** | (25,543) |
| As at 31 December | **791,124** | **696,732** | **1,487,856** | 1,392,251 |
| | | | | |
| Amortisation and impairment losses | | | | |
| As at 1 January | **(81,058)** | **(242,225)** | **(323,283)** | (299,629) |
| Changes in the consolidation scope | **-** | **-** | **-** | (85) |
| *– Acquisitions* | **-** | **-** | **-** | *(145)* |
| *– Deconsolidation* | **-** | **-** | **-** | *59* |
| Charge for the period | **(17,831)** | **(84,850)** | **(102,681)** | (28,541) |
| *– Amortisation* | **-** | ***(33,822)*** | ***(33,822)*** | *(28,543)* |
| *– Impairment (recognised) / reversed* | ***(17,831)*** | ***(51,028)*** | ***(68,859)*** | *2* |
| Disposals & retirements | **-** | **1,283** | **1,283** | 767 |
| Transfers | **-** | **-** | **-** | (146) |
| Exchange difference | **(6,102)** | **(2,297)** | **(8,399)** | 4,352 |
| As at 31 December | **(104,991)** | **(328,089)** | **(433,080)** | (323,283) |
| | | | | |
| Carrying amount at the end of the period | **686,134** | **368,643** | **1,054,776** | 1,068,968 |
| | | | | |
| Carrying amount at the end of the previous period | **696,092** | **372,876** | **1,068,968** | 875,376 |

The changes in the consolidation scope and asset deals mainly relate to the acquisitions of Johnson Controls' CPVC (see Note 8).

During 2024, an impairment of goodwill has been recognised for Aquarius Spectrum (€13.6 million) and Zypho (€4.2 million) based on revised expectations regarding the future economic benefits of these companies.

The impairment of intangible fixed assets consists of impairment of a customer list in Valencia for €50.7 million. The impairment of the customer list was based on a DCF model, considering the respective remaining lifetime of the customer intangible asset, with a pre-tax WACC of 11%.

The acquisitions of intangible assets are mainly driven by the new ERP system that is currently being implemented and that will go-live in the US in the first half of 2025. In addition, the ERP system went live in Australia in January 2025.

The carrying amounts of goodwill allocated to each CGU at 31 December is as follows:

| (in € thousand) | | 2024 | 2023 |
|---|---|---|---|
| **CGU** | **Country** | | |
| Aliaxis North America and subsidiaries | Canada and US | **408,758** | 400,377 |
| FIP | Italy | **61,887** | 61,887 |
| Ashirvad | India | **34,383** | 33,179 |
| New Zealand and subsidiaries | New Zealand | **33,338** | 35,320 |
| Nicoll | France | **32,701** | 32,701 |
| Aliaxis Deutschland GmbH Technical Plastics | Germany | **31,712** | 31,712 |
| Philmac | Australia | **25,446** | 26,269 |
| Marley Deutschland Gmbh | Germany | **19,402** | 19,402 |
| Aliaxis Iberia | Spain | **9,429** | 9,429 |
| Nicoll Perù SA | Peru | **8,893** | 8,469 |
| La.Re.Ter | Italy | **8,125** | 8,125 |
| Zypho | Portugal | **4,200** | 7,901 |
| Aquarius | Israel | **-** | 13,667 |
| Other (1) | Other | **7,859** | 7,655 |
| Goodwill | | **686,134** | 696,092 |

(1) Carrying amount of goodwill for various CGUs of which none is individually significant.

The valuation parameters (WACC and growth rates) of goodwill allocated to each CGU at 31 December is as follows:

| (in € thousand) | | Growth beyond forecast periods | WACC pre-tax | WACC post-tax |
|---|---|---|---|---|
| **CGU** | **Country** | | | |
| Aliaxis North America and subsidiaries | Canada | 1.00% | 11.00% | 8.10% |
| Aliaxis North America and subsidiaries | USA | 2.00% | 12.10% | 8.85% |
| FIP | Italy | 2.00% | 11.00% | 8.40% |
| New Zealand and subsidiaries | New Zealand | 2.00% | 12.80% | 9.20% |
| Ashirvad | India | 3.50% | 16.00% | 11.20% |
| Nicoll | France | 2.00% | 10.80% | 7.80% |
| Aliaxis Deutschland GmbH Technical Plastics | Germany | 2.00% | 10.10% | 7.10% |
| Philmac | Australia | 2.00% | 12.50% | 8.75% |
| Marley Deutschland Gmbh | Germany | 2.00% | 10.10% | 7.10% |
| Aliaxis Iberia | Spain | 2.00% | 10.50% | 7.85% |
| Nicoll Perù SA | Peru | 2.50% | 14.30% | 10.10% |
| Durman Esquivel and subsidiaries | Central America | 2.50% | 17.60% | 12.35% |
| La.Re.Ter | Italy | 2.00% | 11.00% | 8.40% |
| Aquarius | Israel | 2.00% | 15.70% | 12.30% |
| Zypho | Portugal | 3.00% | 10.40% | 7.90% |

For the purpose of impairment testing, goodwill is allocated to the Group's operating units which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The recoverable amounts of the CGUs are, through calculation methods consistent with past practice, determined from value-in-use calculations. These value-in-use calculations use five-year free cash flow projections, starting from 2025 budget information and extrapolated for the four years thereafter. For Chile, the recoverable amounts of this CGU were assessed by the fair value of assets less cost of disposal.

Assumptions were made for each CGU taking into account past performance and management expectation of market developments, generally implying a stable operating performance vs. the 2025 budget and growth of 2% to 4% per year, and 7.5% for India (reflecting India's specific market characteristics). Deviations from such general assumptions were made for certain CGUs to deal with specific circumstances applying to such units, in particular for the investments of Aliaxis Next (CAGR of 30%-50%) Peru (CAGR of 6.5%), North America (CAGR of 5.5%) and the UK (CAGR of 7.5%).

The terminal value is based on the normalised cash flows at the end of the last projected period for each business and a sustainable nominal growth rate (including the expected inflation rate) of on average 1.5% for North America, 2% for Europe, Australia and New Zealand, 2.5% for Latin American (Peru and Central America) and 3.5% in India to reflect the higher growth prospects for the latter.

The cash flows are discounted at the average weighted cost of capital. Depending on the countries involved, the pre-tax weighted average cost of capital ranged between 10% and 17.6%, higher than previous years and reflecting the higher inflation and risk-free interest rates. The cost of equity component for developed economies is based on a risk-free rate and an equity risk premium of 4.8%. For emerging economies, a country risk premium is added. The cost of debt component for both types of economies reflects the estimated long-term cost of funding in the corresponding economies.

The results of the impairment test are sensitive to the assumptions used. An increase of 1% in the weighted average cost of capital or a 0.5% decrease in terminal growth would have resulted in a number of impairment losses, which, in aggregate, would amount to €9 million. This risk is related to Australia and Peru.

## 18. PROPERTY, PLANT AND EQUIPMENT

| (in € thousand) | Land & buildings | Plant, machinery & equip-ment | Other | Under construction & advance payments | 2024 Total | 2023 Total |
|---|---|---|---|---|---|---|
| Cost or deemed cost | | | | | | |
| As at 1 January | **951,672** | **1,663,897** | **145,305** | **341,798** | **3,102,672** | 2,795,650 |
| Changes in the consolidation scope & asset deals | **5,191** | **4,410** | **(59)** | **(159)** | **9,383** | 15,600 |
| *– Acquisitions* | ***5,191*** | ***6,158*** | **-** | **-** | ***11,349*** | 16,177 |
| *– Deconsolidation* | **-** | ***(1,748)*** | ***(59)*** | ***(159)*** | ***(1,966)*** | *(577)* |
| Acquisitions | **122,766** | **79,727** | **27,879** | **107,007** | **337,379** | 365,156 |
| Disposals & retirements | **(8,862)** | **(25,075)** | **(12,383)** | **(523)** | **(46,843)** | (38,065) |
| Transfers | **32,586** | **106,404** | **3,895** | **(154,316)** | **(11,432)** | (3,084) |
| Exchange difference | **14,588** | **10,300** | **1,345** | **8,352** | **34,585** | (32,586) |
| As at 31 December | **1,117,941** | **1,839,663** | **165,982** | **302,158** | **3,425,744** | 3,102,672 |
| Depreciation and impairment losses | | | | | | |
| As at 1 January | **(346,515)** | **(1,246,082)** | **(100,651)** | **(560)** | **(1,693,808)** | (1,593,633) |
| Changes in the consolidation scope | **-** | **1,748** | **59** | **159** | **1,966** | 477 |
| *– Acquisitions* | **-** | **-** | **-** | **-** | **-** | *(60)* |
| *– Deconsolidation* | **-** | ***1,748*** | ***59*** | ***159*** | ***1,966*** | *537* |
| Charge for the period | **(53,700)** | **(101,848)** | **(20,492)** | **(240)** | **(176,280)** | (149,725) |
| *– Depreciation* | ***(53,601)*** | ***(100,090)*** | ***(19,514)*** | **-** | ***(173,205)*** | *(148,988)* |
| *– Impairment (recognised) / reversed* | ***(99)*** | ***(1,759)*** | ***(978)*** | ***(240)*** | ***(3,076)*** | *(737)* |
| Disposals & retirements | **8,227** | **18,334** | **11,314** | **-** | **37,875** | 35,130 |
| Transfers | **1,511** | **5,998** | **107** | **(40)** | **7,576** | 1,876 |
| Exchange difference | **(2,341)** | **(2,802)** | **(577)** | **(13)** | **(5,733)** | 12,068 |
| As at 31 December | **(392,817)** | **(1,324,653)** | **(110,240)** | **(694)** | **(1,828,404)** | (1,693,808) |
| Carrying amount at the end of the period | **725,123** | **515,010** | **55,742** | **301,464** | **1,597,339** | 1,408,864 |
| Carrying amount at the end of the previous period | **605,157** | **417,815** | **44,654** | **341,238** | **1,408,864** | 1,202,017 |
| Of which: | | | | | | |
| Right-of-use assets at the end of the period | **251,566** | **12,571** | **17,243** | **-** | **281,380** | 219,961 |
| Right-of-use assets at the end of the previous period | **193,482** | **11,655** | **14,824** | **-** | **219,961** | 161,916 |

Management considers that residual values of depreciable property, plant and equipment are insignificant.

The total acquisition of property, plant and equipment excluding leasing amounts to €238.0 million. These investments mainly relate to two new distribution centres in North America, new plants in India and Australia, and the rehabilitation investments for our site in Asheville (US).

The disposal and retirement flows include the reversals of the fully depreciated property, plant and equipment both at the level of the gross book values and of the impairment values.

The changes in the consolidation scope and asset deals relate to the acquisition of Johnson Controls' CPVC and the asset deal of Wefatherm.

## 19. INVESTMENT PROPERTIES

| (in € thousand) | 2024 | 2023 |
|---|---|---|
| Cost | | |
| As at 1 January | **10,317** | 9,947 |
| Transfers | **(6,425)** | - |
| Exchange difference | **104** | 370 |
| As at 31 December | **3,996** | 10,317 |
| | | |
| Depreciation and impairment losses | | |
| As at 1 January | **(7,138)** | (6,774) |
| Charge for the period | **(115)** | (112) |
| *– Depreciation* | ***(115)*** | *(112)* |
| Transfers | **4,589** | - |
| Exchange difference | **(73)** | (253) |
| As at 31 December | **(2,737)** | (7,138) |
| | | |
| Carrying amount as at 31 December | **1,259** | 3,179 |

At the end of December 2024, investment property comprises three commercial properties which are leased (in whole or in part). The fair value, based on external valuation report, of those investment properties is categorised as level 3 and is estimated at €6.2 million (2023: €7.9 million). In 2024, the investment property in the UK has been transferred to non-current assets-held-for-sale.

## 20. INVENTORIES

| As at 31 December (in € thousand) | 2024 | 2023 |
|---|---|---|
| Stock in transit | **34,634** | 25,229 |
| Raw materials, packaging materials and consumables | **262,435** | 259,417 |
| Components | **46,807** | 44,072 |
| Work in progress | **22,865** | 21,347 |
| Finished goods | **516,292** | 467,937 |
| Goods purchased for resale | **63,641** | 70,169 |
| Inventories, net of write-down | **946,674** | 888,171 |

The total write-down of inventories amounts to €69.7 million at 31 December 2024 (2023: €46.1 million).

The cost of write-downs recognised in profit or loss (Cost of sales) during the period amounted to €25.6 million (2023: €8.9 million) and increased when compared to prior year primarily due to the severe damage to our Asheville (US) plant caused by flooding from Hurricane Helene which resulted in an inventory impairment of €11 million.

## 21. AMOUNTS RECEIVABLE

| As at 31 December (in € thousand) | Notes | 2024 | 2023 |
|---|---|---|---|
| Trade receivables – gross | 31 | **522,679** | 503,421 |
| Impairment losses | 31 | **(30,984)** | (27,561) |
| Trade receivables | | **491,695** | 475,860 |
| | | | |
| Taxes (other than income tax) receivable | | **49,106** | 48,413 |
| Other | | **49,742** | 35,601 |
| Other amounts receivable | | **98,849** | 84,014 |
| | | | |
| Amounts receivable | | **590,544** | 559,874 |

Information about the Group exposure to credit market risk and impairment losses on amounts receivable is included in Note 31.

## 22. CASH AND CASH EQUIVALENTS

| As at 31 December (in € thousand) | 2024 | 2023 |
|---|---|---|
| Short-term bank deposits | **90,425** | 95,812 |
| Bank balances | **348,348** | 458,409 |
| Cash | **83** | 92 |
| Money market fund | **63,968** | 81,351 |
| Cash & cash equivalents | **502,823** | 635,664 |
| Bank overdrafts | **(12,677)** | (12,268) |
| Cash & cash equivalents in the statement of cash flows | **490,146** | 623,396 |

Short-term deposits are held with counterparties which have a robust credit rating, with maturities of three months or less, and remunerated at money market rates.

Most significant amounts are denominated in CAD, EUR and USD.

The Group invests in money market funds (MMF), having high rating, daily liquidity and classified as cash and cash equivalent. Those MMFs are used as a short-term cash management vehicle.

MMF are open-ended mutual funds that invest in short-term debt instruments such as treasury bills, certificates of deposit, bonds, government gilts and commercial paper. The main goals are the preservation of principal, high liquidity and a modest incremental return over short-term interest rates or a benchmark rate.

## 23. EQUITY

### SHARE CAPITAL AND SHARE PREMIUM

The share capital and share premium of the Company as of 31 December 2024 amount to €76.0 million (2023: €76.0 million), represented by 91,135,065 fully paid ordinary shares without par value (2023: 91,135,065).

The holders of ordinary shares are entitled to receive dividends as declared. Nominative shares are granted a double vote, provided that certain conditions are fulfilled.

### HEDGING RESERVE

Hedging reserves as presented in the consolidated statement of changes in equity include the cash flow hedging reserves, as well as the cost of hedging reserve. Note 31 provides further details regarding this breakdown.

The cash flow hedging reserve comprises the effective portion of the accumulated net change in the fair value of cash flow hedge instruments for a total positive amount of €0.8 million (2023: -€1.0 million). At the end of 2024, the cost of hedging reserves amounts to zero. Net of tax, the hedging reserves amount to a total negative amount of -€0.1 million.

### RESERVE FOR OWN SHARES

At 31 December 2024, the Group held 13,079,681 of the Company's shares (2023: 13,040,981). Senior managers have had the opportunity to build an equity interest in one of the subsidiaries (Aliaxis Management Company SRL which owns 2,000,000 Aliaxis SA shares) in accordance with long-term incentive plans.

In 2024, Société Financière du Val d'Or SA sold 1,300 (2023: 3,796) nominative shares it held in Aliaxis SA to some members of the management of the Aliaxis Group. Currently, management's equity interests represent 0.32% of Aliaxis Management Company SRL. In addition, Société Financière du Val d'Or SA acquired 40,000 shares within the same timeframe.

In 2021, Société Financière du Val d'Or SA sold 431,000 nominative shares it held in Aliaxis SA to some members of the management of the Group. The purchasers received the opportunity to pay for their shares in a maximum of five instalments, with a minimum upfront payment of 20% of the purchase price for the acquired shares. Until the purchase price and related interest for deferred payments are received in full, a pledge is granted on such shares to Société Financière du Val d'Or SA.

In addition to the pledge, the purchasers agreed to confer a repurchase right to Société Financière du Val d'Or SA in case of conversion into dematerialised shares or intent to sell. Applicable until 2041, Société Financière du Val d'Or SA will have the right to repurchase the Aliaxis SA shares at the then prevailing Euronext Expert Market price.

### TRANSLATION RESERVE

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign entities of the Group as well as from the translation of liabilities that hedge the Company's net investment in a foreign operation and the translation impacts resulting from net investment hedges. The positive change in the translation reserve during 2024 amounts to €33.4 million, mainly due to the strengthening of some major trading currencies against the EUR at year end rate, such as the United States dollar (6.2%), the Indian rupee (3.5%) and pound sterling (4.6%) partly offset by the weakening of the Canadian dollar (1.9%).

In 2023, the negative change in the translation reserve amounted to -€55.3 million, due to the weakening of some major trading currencies against the EUR at year end rate, such as the United States dollar (5.8%), the Indian rupee (4.2%) and the Canadian dollar (1.2%).

### DIVIDENDS

In 2023, an amount of €86.2 million was declared and paid by Aliaxis (a gross dividend of €0.9460 per share). Excluding the portion attributable to treasury shares, the amount is €73.8 million.

An amount of €86.2 million (a gross dividend of €0.9460 per share) is proposed by the directors to be declared and paid as dividend for the current year. Excluding the portion attributable to treasury shares, the amount is €73.8 million. This dividend has not been provided for.

### NON-CONTROLLING INTERESTS

Non-controlling interests amount to €6.5 million, in line with last year.

## 24. EARNINGS PER SHARE

### BASIC EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to equity holders of Aliaxis of €108.4 million (2023: €322.2 million) and the weighted average number of ordinary shares outstanding during the year net of treasury shares, calculated as follows:

Weighted average number of ordinary shares, net of treasury shares

| (in thousands of shares) | 2024 | 2023 |
|---|---|---|
| Issued ordinary shares | **91,135** | 91,135 |
| Treasury shares | **(13,041)** | (12,450) |
| Issued ordinary shares at 1 January, net of treasury shares | **78,094** | 78,685 |
| Effect of treasury shares sold / (acquired) during the period | **(24)** | (162) |
| Weighted average number of ordinary shares at 31 December, net of treasury shares | **78,070** | 78,523 |

## 25. LOANS AND BORROWINGS

| As at 31 December (in € thousand) | 2024 | 2023 |
|---|---|---|
| Non-current | | |
| Secured bank loans | **159** | 1,309 |
| Unsecured bank loans & other | **284,295** | 279,484 |
| US private placements | **18,051** | 49,757 |
| Bond | **746,768** | 745,925 |
| Deferred arrangement fees | **(3,092)** | (4,747) |
| Non-current loans and borrowings | **1,046,180** | 1,071,728 |
| | | |
| Current | | |
| Secured bank loans | **1,271** | 906 |
| Unsecured bank loans & other | **88,494** | 83,856 |
| US private placements | **33,807** | - |
| Deferred arrangement fees | **(1,639)** | (1,666) |
| Current loans and borrowings | **121,933** | 83,097 |
| | | |
| Loans and borrowings | **1,168,113** | 1,154,825 |

The breakdown of changes on loans and borrowings into cash flows and non-cash changes can be detailed as follows:

| | | Cash flows | | Non-cash changes | | | |
|---|---|---|---|---|---|---|---|
| **As at 31 December (in € thousand)** | **2023** | **In** | **Out** | **Transfer / Scope changes** | **FX impact** | **Amortisation / impairment** | **2024** |
| Non-current | | | | | | | |
| Secured bank loans | 1,309 | - | (1,190) | 40 | - | - | **159** |
| Unsecured bank loans & other | 279,484 | 16,578 | (29,433) | - | 17,665 | - | **284,295** |
| US private placements | 49,757 | - | - | (33,806) | 2,100 | - | **18,050** |
| Bond | 745,924 | - | - | - | - | 843 | **746,768** |
| Deferred arrangement fees | (4,747) | - | - | 1,654 | - | - | **(3,092)** |
| Non-current financial debt | **1,071,728** | **16,578** | **(30,623)** | **(32,112)** | **19,765** | **843** | **1,046,180** |
| | | | | | | | |
| Current | | | | | | | |
| Secured bank loans | 906 | 405 | - | (40) | - | - | **1,271** |
| Unsecured bank loans & other | 83,856 | 97,957 | (96,191) | - | 2,871 | - | **88,494** |
| US private placements | 0 | - | - | 33,806 | - | - | **33,806** |
| Deferred arrangement fees | (1,666) | - | - | (1,654) | - | 1,681 | **(1,639)** |
| Current loans and borrowings | **83,096** | **98,363** | **(96,191)** | **32,112** | **2,871** | **1,681** | **121,933** |
| | | | | | | | |
| Loans and borrowings | **1,154,825** | **114,941** | **(126,815)** | **-** | **22,637** | **2,525** | **1,168,113** |

On 31 December 2024, the financial debt of the Group consisted of:

- A five-year committed multi-currency revolving credit facility (with two one-year extensions) between Aliaxis Finance / Aliaxis North America / Glynwed USA Inc and a syndicate of 15 banks for a total of €950 million (after the Accordion clause being activated in 2023). The maturity of the facility has been twice fully extended to bring the final maturity to October 2028.
- On 31 December 2024, €269 million of the syndicated facility was drawn (2023: €279 million).
- A seven-year bond for €750 million with a coupon of 0.875% per annum and a maturity in November 2028 (issue price of 99.213%).
- Two tranches of US Private Placement issuance notes for approximately USD 55 million:
  - USD 35 million at 4.26% maturing in 2025
  - EUR 18 million at 2.64% maturing in 2027
- A cross-currency swap for USD 35 million is hedging the USD denominated tranche, swapped into EUR at a fixed interest rate.

These USPP and committed multi-currency revolving credit facility are unsecured, subject to covenants (including, inter alia, financial covenants based on interest cover and leverage ratios) and standard undertakings for this type of financing, and were not subject to any breach of covenants as at 31 December 2024.

Other facilities of Aliaxis Finance S.A. and other subsidiaries of the Group include a few additional bilateral credit facilities.

The terms and conditions of significant loans and borrowings were as follows:

| | | | | 2024 | | 2023 | |
|---|---|---|---|---|---|---|---|
| **As at 31 December (in € thousand)** | **Curr.** | **Nominal interest rate** | **Year of maturity** | **Face value** | **Carrying amount** | **Face value** | **Carrying amount** |
| Secured bank loans | | | | | | | |
| | EUR | Euribor + margins | 2026-2029 | **1,430** | **1,430** | 2,215 | 2,215 |
| Unsecured syndication bank facility | | | | | | | |
| | USD | Libor + 0.65% | 2028 | **269,003** | **269,003** | 279,470 | 279,470 |
| Other unsecured bank facility | | | | | | | |
| | CLP | 7.32% | 2025 | **2,434** | **2,434** | - | - |
| | COP | 11.97%-13.20% | 2025 | **9,420** | **9,420** | - | - |
| | PEN | 5.30% -6.56% | 2025 | **15,808** | **15,808** | 21,855 | 21,855 |
| | INR | 7.43% – 8.37% | 2025-2027 | **66,001** | **66,001** | 53,594 | 53,594 |
| | USD | 4.7% – 10.35% | 2025 | **7,631** | **7,631** | 7,247 | 7,247 |
| | CRC | 9.00% | | **-** | **-** | 1,765 | 1,765 |
| | GTQ | 10.00% | 2025 | **4,638** | **4,638** | - | - |
| | EUR | Euribor + margins | 2025 | **33** | **33** | 69 | 69 |
| Bond | | | | | | | |
| | EUR | 0.875% | 2028 | **750,000** | **750,000** | 750,000 | 750,000 |
| US private placements | | | | | | | |
| | USD | 4.26% | 2025 | **33,806** | **33,806** | 31,706 | 31,706 |
| | EUR | 2.64% | 2027 | **18,051** | **18,051** | 18,051 | 18,051 |
| Others (*) | | | | **(10,143)** | **(10,143)** | (11,148) | (11,148) |
| Total loans and borrowings | | | | **1,168,112** | **1,168,112** | 1,154,825 | 1,154,825 |

(*) Other interest-bearing loans and borrowings include loans, deferred arrangement fees and bond premium.

The debt repayment schedule is as follows:

| **(in € thousand)** | **Total** | **1 year or less** | **1-2 years** | **2-5 years** | **>5 years** |
|---|---|---|---|---|---|
| Secured bank loans | **1,430** | 1,271 | 159 | - | - |
| Unsecured bank loans & other | **372,788** | 88,494 | - | 284,295 | - |
| US private placements | **51,857** | 33,807 | - | 18,051 | - |
| Bond | **746,768** | - | - | 746,768 | - |
| Deferred arrangement fees | **(4,731)** | (1,639) | (1,508) | (1,584) | - |
| Total as at 31 December | **1,168,112** | 121,933 | (1,349) | 1,047,529 | - |

## 26. EMPLOYEE BENEFITS

Aliaxis maintains benefit plans such as retirement and medical care plans, termination plans and other long-term benefit plans in several countries in which the Group operates. In addition, the Group also has share-based payment plans and a long-term incentive scheme.

The Group operates a number of defined benefit and defined contribution plans throughout the world, the assets of which are generally held in separate trustee-administered funds. The pension plans are generally funded by payments from employees and the company. Aliaxis maintains funded and unfunded pension plans.

### A. Defined contribution plans

For defined contribution plans, the Group companies pay contributions to pension funds or insurance companies.

Once the contributions have been paid, the Group companies have no further payment obligation. The regular contributions constitute an expense for the period in which they are due. In 2024, the defined contribution plan expenses for the Group amounted to €24.8 million (2023: €23.6 million).

### B. Defined benefit plans

Aliaxis reports on a total of 47 defined benefit plans over 2024, which provide the following benefits:

- Retirement benefits: 32
- Long service awards: 11
- Medical benefits: 4

All the plans have been established in accordance with common practice and legal requirements in each relevant country.

The defined benefit retirement plans generally provide a benefit related to years of service and rates of pay close to retirement.

The retirement plans in Australia, Belgium, India, Switzerland and the UK are separately funded through external insurance contracts or pension funds legally separate from the Group. In Canada, the Group operates two funded base retirement plans and two unfunded supplementary retirement plans. In Germany, the Group operates one funded and two unfunded retirement plans.

The funding requirements are stipulated in the insurance contract or, in the case of pension funds, based on the pension fund's actuarial measurement framework set out in the funding policies of the plan, and comply with the local minimum funding requirements. For the two funded plans in Canada, a recovery contribution plan is in place to attain the minimum funding requirements.

Belgian legislation requires employers to guarantee a minimum return on defined contributions payments that are made by both employer and employee. The requirement to guarantee a minimum return exposes the Group to an underfinancing risk for such plans in place. The risk depends on the actual investment return on the assets and on the evolution of legal minimum guarantee. For IFRS reporting purposes, this hybrid defined contribution plans are classified and reported as defined benefit plans.

The retirement plans in Italy, Austria, France and New Zealand are unfunded.

The medical plans provide medical benefits after retirement to former employees in Canada, France, the UK and the US.

Long service awards are granted in Australia, Austria, France, Germany, India and New Zealand.

These defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

The Group has more than one defined benefit plan in place and has generally provided aggregated disclosures in respect of these plans, on the basis that these plans are not exposed to materially different risks.

The Group's net liability for retirement, medical, termination and other long-term benefit plans comprises the following at 31 December:

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| **(in € thousand)** | **Retirement and medical plans** | **Termination benefits & other long-term benefits** | **TOTAL** | **Retirement and medical plans** | **Termination benefits & other long-term benefits** | **TOTAL** |
| Defined benefit obligations for funded plans | **191,665** | **-** | **191,665** | 199,519 | - | 199,519 |
| Fair value of plan assets | **(211,969)** | **-** | **(211,969)** | (215,314) | - | (215,314) |
| Funded status for funded plans | **(20,304)** | **-** | **(20,304)** | (15,795) | - | (15,795) |
| Defined benefit obligations for unfunded plans | **38,401** | **10,027** | **48,428** | 39,133 | 9,850 | 48,983 |
| Total funded status at 31 December | **18,097** | **10,027** | **28,124** | 23,338 | 9,850 | 33,188 |
| Irrecoverable asset at end of year | **-** | **-** | **-** | 4,867 | - | 4,867 |
| Net liability as at 31 December | **18,097** | **10,027** | **28,124** | 28,205 | 9,850 | 38,054 |
| Liabilities | **49,433** | **10,027** | **59,460** | 49,662 | 9,850 | 59,512 |
| Assets | **(31,336)** | **-** | **(31,336)** | (21,457) | - | (21,457) |
| Net liability as at 31 December | **18,097** | **10,027** | **28,124** | 28,205 | 9,850 | 38,054 |
| Current liabilities | **12,186** | **1,191** | **13,377** | 11,190 | 755 | 11,945 |
| Non-current liabilities | **5,911** | **8,836** | **14,747** | 17,015 | 9,094 | 26,109 |

The movements in the net liability for defined benefit obligations recognised in the statement of financial position at 31 December are as follows:

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| **(in € thousand)** | **Retirement and medical plans** | **Termination benefits & other long-term benefits** | **TOTAL** | **Retirement and medical plans** | **Termination benefits & other long-term benefits** | **TOTAL** |
| As at 1 January | **28,205** | **9,850** | **38,054** | 16,958 | 9,292 | 26,250 |
| Employer contributions | **(6,588)** | **(929)** | **(7,515)** | (6,181) | (864) | (7,045) |
| Expense recognised in the income statement | **4,556** | **1,351** | **5,907** | 3,465 | 1,677 | 5,142 |
| Amount recognised in other comprehensive income | **(6,840)** | **-** | **(6,840)** | 14,970 | - | 14,970 |
| Exchange difference | **(1,238)** | **(244)** | **(1,483)** | (1,007) | (255) | (1,262) |
| As at 31 December | **18,095** | **10,027** | **28,124** | 28,205 | 9,850 | 38,054 |

The changes in the present value of the defined benefit obligations are as follows:

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| **(in € thousand)** | **Retirement and medical plans** | **Termination benefits & other long-term benefits** | **TOTAL** | **Retirement and medical plans** | **Termination benefits & other long-term benefits** | **TOTAL** |
| As at 1 January | **238,652** | **9,850** | **248,502** | 226,220 | 9,292 | 235,512 |
| Current service cost | **4,011** | **1,285** | **5,296** | 3,665 | 1,554 | 5,219 |
| Employee contributions | **729** | **-** | **729** | 656 | - | 656 |
| Interest cost | **9,680** | **152** | **9,832** | 9,760 | 141 | 9,901 |
| Actuarial (gains)/losses on liabilities arising from changes in financial assumptions | **(15,162)** | **(22)** | **(15,184)** | 7,142 | (20) | 7,122 |
| Actuarial (gains)/losses on liabilities arising from changes in demographic assumptions | **(411)** | **(6)** | **(417)** | (1,684) | 40 | (1,644) |
| Actuarial (gains)/losses on liabilities arising from experience | **1,447** | **(53)** | **1,393** | 4,687 | (41) | 4,646 |
| Settlement and past service cost (incl. curtailment) | **(992)** | **(5)** | **(997)** | (1,406) | 3 | (1,403) |
| Benefits paid | **(13,106)** | **(929)** | **(14,034)** | (13,703) | (864) | (14,568) |
| Exchange difference | **5,218** | **(244)** | **4,974** | 3,315 | (255) | 3,060 |
| As at 31 December | **230,066** | **10,027** | **240,093** | 238,652 | 9,850 | 248,502 |

The changes in the fair value of plan assets are as follows:

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| **(in € thousand)** | **Retirement and medical plans** | **Termination benefits & other long-term benefits** | **TOTAL** | **Retirement and medical plans** | **Termination benefits & other long-term benefits** | **TOTAL** |
| As at 1 January | **(215,314)** | **-** | **(215,314)** | (215,474) | - | (215,474) |
| Interest income | **(9,069)** | **-** | **(9,069)** | (9,726) | - | (9,726) |
| Employer contributions | **(6,586)** | **(929)** | **(7,515)** | (6,181) | (864) | (7,045) |
| Employee contributions | **(729)** | **-** | **(729)** | (656) | - | (656) |
| Benefits paid (direct & indirect, including taxes on contributions paid) | **13,106** | **929** | **14,034** | 13,703 | 864 | 14,568 |
| Return on assets, excl. interest income | **12,261** | **-** | **12,261** | 6,446 | - | 6,446 |
| Actual administration expenses & settlements | **741** | **-** | **741** | 931 | - | 931 |
| Exchange difference | **(6,379)** | **-** | **(6,379)** | (4,358) | - | (4,358) |
| As at 31 December | **(211,969)** | **-** | **(211,969)** | (215,314) | - | (215,314) |

During 2024, the net defined benefit liability decreased by €10.0 million from €38.1 million to €28.1 million. There were various events that led to this increase. The changes in the financial assumptions (mainly the increase of the discount rate from 4.0% to 4.4%) led to a decrease of the defined benefit obligation by €15.2 million. This was in part offset by a loss of €12.3 million on the assets. The impact of asset ceiling in Canada and Switzerland decreased the net liability by €4.9 million. Currency movements resulted in an exchange rate gain of €1.5 million. The remaining €0.6 million decrease in net liability is the combination of demographic assumption changes (€0.4 million decrease), experience impacts (€1.4 million increase), and recurring expense items (€5.9 million increase) offset by employer contributions (€7.5 million decrease).

The total contributions amounted to €8.2 million (2023: €7.7 million) of which €7.5 million was contributed by the employer (2023: €7.0 million) and €0.7 million was contributed by the employees (2023: €0.7 million). Furthermore, a total of €14.0 million benefits was paid out (2023: €14.6 million). As a result, the funded position, i.e. the ratio of assets to the defined benefit obligation, has increased from 87% to 88%.

The Group expects to contribute approximately €8.4 million to its defined benefit plans in 2025.

| (in € thousand) | 2024 Retirement and medical plans | 2024 Termination benefits & other long-term benefits | 2024 TOTAL |
|---|---|---|---|
| Expected employer contributions | **7,212** | **1,191** | **8,403** |
| Expected employee contributions | **737** | **-** | **737** |
| Expected benefits paid (direct & indirect) | **12,186** | **1,191** | **13,377** |

The expense (income) recognised in the statement of comprehensive income with regard to defined benefit plans can be detailed as follows:

| (in € thousand) | 2024 Retirement and medical plans | 2024 Termination benefits & other long-term benefits | 2024 TOTAL | 2023 Retirement and medical plans | 2023 Termination benefits & other long-term benefits | 2023 TOTAL |
|---|---|---|---|---|---|---|
| Service cost: | | | | | | |
| Current service cost | **4,011** | **1,285** | **5,296** | 3,665 | 1,554 | 5,219 |
| Past service cost (incl. curtailments) | **(992)** | **(5)** | **(997)** | (1,406) | 3 | (1,403) |
| Administration expenses | **741** | **-** | **741** | 931 | - | 931 |
| Net interest cost: | | | | | | |
| Interest cost | **9,680** | **152** | **9,832** | 9,760 | 141 | 9,901 |
| Interest income | **(9,069)** | **-** | **(9,069)** | (9,726) | - | (9,726) |
| Interest on asset ceiling | **185** | **-** | **185** | 241 | - | 241 |
| Remeasurements | | | | | | |
| Actuarial (gains)/losses due to changes in financial assumptions | **-** | **(22)** | **(22)** | - | (20) | (20) |
| Actuarial (gains)/losses due to changes in demographic assumptions | **-** | **(6)** | **(6)** | - | 40 | 40 |
| Actuarial (gains)/losses due to experience | **-** | **(53)** | **(53)** | - | (41) | (41) |
| Pension expense recognised in profit and loss | **4,556** | **1,351** | **5,907** | 3,465 | 1,677 | 5,142 |
| Remeasurements in other comprehensive income | | | | | | |
| Return on plan assets (in excess of)/below that recognised in net interest | **12,261** | **-** | **12,261** | 6,446 | - | 6,446 |
| Actuarial (gains)/losses due to changes in financial assumptions | **(15,162)** | **-** | **(15,162)** | 7,142 | - | 7,142 |
| Actuarial (gains)/losses due to changes in demographic assumptions | **(411)** | **-** | **(411)** | (1,684) | - | (1,684) |
| Actuarial (gains)/losses due to experience | **1,447** | **-** | **1,447** | 4,687 | - | 4,687 |
| Adjustments due to the limit in paragraph 64, excl. amounts recognised in net interest | **(4,974)** | **-** | **(4,974)** | (1,622) | - | (1,622) |
| Total amount recognised in other comprehensive income | **(6,840)** | **-** | **(6,840)** | 14,970 | - | 14,970 |
| Total amount recognised in profit and loss and other comprehensive income | **(2,284)** | **1,351** | **(933)** | 18,435 | 1,677 | 20,112 |

The employee benefit expense is included in the following line items of the statement of comprehensive income:

| (in € thousand) | 2024 | 2023 |
|---|---|---|
| Cost of sales | **2,179** | 1,350 |
| Commercial expenses | **311** | 79 |
| Administrative expenses | **3,385** | 3,706 |
| R&D expenses | **28** | 11 |
| Other operating income / (expenses) | **8** | (3) |
| Total at 31 December | **5,912** | 5,142 |

The principal actuarial assumptions at the reporting date (expressed as weighted averages) can be summarised as follows:

| | 2024 | 2023 |
|---|---|---|
| Discount rate as at 31 December | **4.42%** | 4.02% |
| Rate of salary increases | **2.76%** | 2.74% |
| Inflation | **2.87%** | 2.93% |
| Initial medical trend rate | **5.70%** | 5.91% |
| Ultimate medical trend rate | **4.50%** | 4.49% |
| Pension increase rate | **2.86%** | 2.88% |

The discount rate and the salary increase rate have been weighted by the defined benefit obligation.

The medical trend rate has been weighted by the defined benefit obligation of those plans paying pensions rather than by lump sums on retirement.

At 31 December, the plan assets are broken down into the following categories according to the asset portfolios weighted by the amount of assets:

| | 2024 | 2023 |
|---|---|---|
| Government bonds | **39.20%** | 40.28% |
| Corporate bonds | **4.75%** | 4.56% |
| Equity instruments | **10.32%** | 8.28% |
| Insurance contracts | **34.35%** | 34.68% |
| Property | **2.79%** | 2.54% |
| Cash | **8.28%** | 7.94% |
| Other | **0.31%** | 1.72% |
| | **100.00%** | 100.00% |

The plan assets do not include investments in the Group's own shares or in property occupied by the Group.

The weighted average duration of the defined benefit obligation (this is the average term of the benefit payments weighted for their size) is 12.0 years.

At 31 December, the weighted average life expectancy is as follow:

| | Man | Woman |
|---|---|---|
| Of a 65-year-old | 21.4 | 24.2 |
| Of a 45-year-old at the age of retirement | 22.8 | 25.6 |

The total defined benefit obligation amounts to €240.1 million and can be split as follows between active members, members with deferred benefit entitlements and pensioners:

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| **(in € thousand)** | **Retirement and medical plans** | **Termination benefits & other long-term benefits** | **TOTAL** | **Retirement and medical plans** | **Termination benefits & other long-term benefits** | **TOTAL** |
| Active members | **56,377** | **10,027** | **66,405** | 53,676 | 9,850 | 63,525 |
| Members with deferred benefit entitlements | **69,556** | **-** | **69,556** | 74,599 | - | 74,599 |
| Pensioners/Beneficiaries | **104,173** | **-** | **104,173** | 110,378 | - | 110,378 |
| Taxes relating to past service benefits | **(41)** | **-** | **(41)** | - | - | - |
| As at 31 December | **230,066** | **10,027** | **240,093** | 238,652 | 9,850 | 248,502 |

A 0.25 percentage point change in the assumed discount rate and inflation rate would have the following effect on the defined benefit obligation:

| **(in € thousand)** | **2024** | **2023** |
|---|---|---|
| Current defined benefit obligation at 31 December | **240,093** | 248,502 |
| % increase following a 0.25% decrease in the discount rate | **2.67%** | 2.86% |
| % decrease following a 0.25% increase in the discount rate | **(2.53%)** | (2.72%) |
| % increase following a 0.25% increase in the inflation rate | **1.69%** | 1.35% |

The defined benefit obligation of post-employment medical plans amounts to €3.1 million. A one percentage point increase or decrease in the assumed healthcare trend (i.e. medical inflation) rate would have the following effect:

| **(in € thousand)** | **2024** | **2023** |
|---|---|---|
| Current defined benefit obligation at 31 December for Post-Retirement Medical Plans | **3,101** | 3,839 |
| Effect on the aggregate of the service cost and the interest cost of a 1% increase | **41** | 377 |
| Effect on the defined benefit obligation of a 1% increase | **273** | 177 |
| Effect on the aggregate of the service cost and the interest cost of a 1% decrease | **(38)** | 323 |
| Effect on the defined benefit obligation of a 1% decrease | **(259)** | (168) |

For plans where a full valuation has been performed, the sensitivity information shown above is exact and based on the results of this full valuation. For plans where results have been roll forwarded from the last full actuarial valuation, the sensitivity information above is approximate and considers the duration of the liabilities and the overall profile of the plan membership.

## C. Long-term incentive scheme

The LTI plan has a four-year vesting period. The payout under this plan is conditional upon realisation of a target value creation as well as achieving other financial and non-financial objectives over a four-year period.

In total on 31 December 2024, there were 181 active employees participating in the current LTI plan. On the basis that targets are achieved, this would lead to payments at the end of the four-year cycle. The grant of this long-term incentive represents 41.10% of the participants' 2024 fixed salaries.

The total long-term incentive provisions recorded in the statement of financial position as at 31 December 2024 amounts to €23.0 million.

## 27. DEFERRED TAX ASSETS AND LIABILITIES

The change in deferred tax assets and liabilities is as follows:

| | Assets | | Liabilities | | Net | |
|---|---|---|---|---|---|---|
| **(in € thousand)** | **2024** | **2023** | **2024** | **2023** | **2024** | **2023** |
| As at 1 January | **120,312** | 92,099 | **(157,820)** | (148,979) | **(37,508)** | (56,880) |
| Recognised in profit or loss | **43,611** | 30,159 | **(12,621)** | (15,392) | **30,990** | 14,768 |
| Recognised directly in OCI | **767** | 414 | **(2,843)** | 3,115 | **(2,076)** | 3,529 |
| Scope change | **-** | (484) | **-** | 666 | **-** | 182 |
| Other movements | **(15)** | (314) | **19** | 346 | **4** | 32 |
| Exchange difference | **2,989** | (1,562) | **(3,577)** | 2,423 | **(588)** | 862 |
| As at 31 December | **167,664** | 120,312 | **(176,842)** | (157,820) | **(9,178)** | (37,508) |

Deferred tax assets and liabilities are attributable to the following items:

| | Assets | | Liabilities | | Net | |
|---|---|---|---|---|---|---|
| **As at 31 December (in € thousand)** | **2024** | **2023** | **2024** | **2023** | **2024** | **2023** |
| Intangible assets | **18,317** | 3,176 | **(37,467)** | (30,379) | **(19,150)** | (27,203) |
| Property, plant and equipment | **12,613** | 6,429 | **(103,078)** | (94,976) | **(90,465)** | (88,547) |
| Inventories | **14,446** | 13,577 | **(6,892)** | (10,997) | **7,555** | 2,580 |
| Post employment benefits | **12,440** | 12,393 | **(9,114)** | (5,906) | **3,326** | 6,487 |
| Provisions | **47,277** | 37,141 | **(61)** | (184) | **47,216** | 36,957 |
| Financial debts | **5,706** | 5,944 | **(5)** | (11) | **5,701** | 5,933 |
| Undistributed earnings | **-** | - | **(7,384)** | (6,036) | **(7,384)** | (6,036) |
| Other assets and liabilities | **28,042** | 26,501 | **(12,842)** | (9,330) | **15,200** | 17,171 |
| Loss carry forwards | **28,823** | 15,151 | **-** | - | **28,823** | 15,151 |
| Tax assets / (liabilities) | **167,664** | 120,312 | **(176,843)** | (157,820) | **(9,178)** | (37,508) |
| Set-off of assets and liabilities | **(128,295)** | (97,295) | **128,295** | 97,295 | **-** | - |
| Net tax assets / (liabilities) | **39,369** | 23,018 | **(48,548)** | (60,525) | **(9,178)** | (37,508) |

Tax losses carried forward on which no deferred tax asset is recognised amount to €505 million (2023: €495 million). €382 million of these tax losses do not have any expiration date. €123 million will expire at the latest by the end of 2043.

Deferred tax assets have not been recognised on these tax losses available for carry forward because it is not probable that future taxable profits will be available against which these tax losses can be used.

## 28. PROVISIONS

| (in € thousand) | Product liability | Restructu-ring | Other | 2024 TOTAL | 2023 TOTAL |
|---|---|---|---|---|---|
| As at 1 January | **8,947** | **2,955** | **60,629** | **72,530** | 72,697 |
| Change in consolidation scope | **-** | **-** | **-** | **-** | 137 |
| Provisions created | **10,820** | **12,162** | **14,636** | **37,618** | 28,370 |
| Provisions used | **(8,694)** | **(3,928)** | **(18,489)** | **(31,111)** | (22,538) |
| Provisions reversed | **(4,399)** | **(2,258)** | **(22,291)** | **(28,947)** | (6,472) |
| Transfer and other movements | **-** | **-** | **740** | **740** | 316 |
| Exchange difference | **(45)** | **(207)** | **137** | **(115)** | 21 |
| As at 31 December | **6,629** | **8,725** | **35,361** | **50,715** | 72,530 |
| | | | | | |
| Non-current balance at the end of the period | **1,876** | **-** | **27,774** | **29,650** | 46,009 |
| Current balance at the end of the period | **4,752** | **8,725** | **7,587** | **21,065** | 26,521 |

The product liability provision provides a warranty for the products that the company sells or for the services it delivers. The provision has been estimated based on historical product liability associated with similar products and services. The Group expects to settle the majority of the liability over the next year.

Provisions included in restructuring mainly relate to programs that are planned and controlled by Management and that generate material changes either in the scope of the business or in the manner of conducting the business. The restructuring costs were expensed as incurred and included in other operating income and expenses and non-recurring items.

Other provisions mainly include long-term incentive schemes obligations. See also Note 26c.

## 29. CURRENT TAX LIABILITIES

Due to the scale and global presence of Aliaxis, the Group is operating in many jurisdictions. The increased complexity of tax law, the continuous evolution of tax law and of its interpretation specifically with respect to matters such as transfer pricing as well as the involvement of Aliaxis Group subsidiaries in long lasting tax audits related to prior years adds uncertainty over certain income tax treatments. Uncertain Tax Positions have been assessed in detail taking into account, where required, the statutes of limitation of the relevant jurisdictions. This detailed analysis resulted in a partial reversal of the tax provisions. The Group strictly follows up on the Uncertain Tax Positions which are recorded as current tax liabilities in an amount of €48.2 million as at 31 December 2024 (2023: €54.3 million).

# 30. AMOUNTS PAYABLE

## A. Non-current other amounts payable

| As at 31 December (in € thousand) | 2024 | 2023 |
|---|---|---|
| Other | **3,508** | 3,872 |
| Other amounts payable | **3,508** | 3,872 |

## B. Current amounts payable

Information about the Group exposure to currency and liquidity risk is included in Note 31.

| As at 31 December (in € thousand) | 2024 | 2023 |
|---|---|---|
| Trade payables | **528,698** | 485,963 |
| Payroll and social security payable | **134,770** | 150,948 |
| Taxes (other than income tax) payables | **11,770** | 15,098 |
| Interest payable | **5,641** | 4,093 |
| Other payables | **25,834** | 21,044 |
| Amounts payable | **706,713** | 677,146 |

Payables increased mainly driven by higher resin purchase in North America.

# 31. FINANCIAL INSTRUMENTS

## A. Currency risk

### EXPOSURE

Currency risk arises from transactions and financial instruments that are denominated in a currency other than the functional currency in which they are measured.

The Group's most significant exposure to foreign currency risk arises from trade sales and purchases denominated in USD, and from the USD denominated Private Placement notes.

To mitigate the Group's exposure to foreign exchange currency risk, cross currency swaps and foreign exchange forward contracts are entered into in accordance with the Group's risk policy.

The following table sets out the Group's total exposure to major foreign currency risk, based on notional amounts, and the net FX exposure for those currencies.

| (in thousands of currency) | 31 December 2024 | | | | | | 31 December 2023 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | EUR | USD | CAD | GBP | AUD | NZD | EUR | USD | CAD | GBP | AUD | NZD |
| Trade and other receivables | **11,360** | **109,165** | **(4,865)** | **4,290** | **(604)** | **-** | 7,607 | 118,701 | 24 | 1,164 | 921 | 6,550 |
| Financial assets | **10,138** | **103,539** | **36** | **9,634** | **267,810** | **56,930** | 12,196 | 53,272 | 109 | 17,721 | 232,337 | 71,987 |
| Trade and other payables | **(44,240)** | **(100,167)** | **(4,270)** | **(379)** | **(16,687)** | **(234)** | (48,901) | (121,363) | (26,681) | (389) | (2,225) | (2,079) |
| Financial liabilities | **-** | **(55,087)** | **-** | **(141,817)** | **(391)** | **(62)** | (11) | (56,432) | - | (331,368) | 390 | - |
| Gross balance sheet exposure | **(22,743)** | **57,450** | **(9,098)** | **(128,272)** | **250,128** | **56,634** | (29,109) | (5,823) | (26,549) | (312,872) | 231,422 | 76,459 |
| Forward FX contracts | **4,717** | **(36,678)** | **-** | **129,300** | **(216,650)** | **(32,900)** | 1,250 | 13,049 | - | 309,682 | (231,600) | (73,153) |
| Cross currency interest rate swaps (CCRS) | **-** | **22,334** | **-** | **-** | **(50,000)** | **(25,000)** | - | 35,000 | - | - | - | - |
| Net exposure | **(18,026)** | **43,106** | **(9,098)** | **1,028** | **(16,522)** | **(1,266)** | (27,859) | 42,226 | (26,549) | (3,190) | (178) | 3,306 |
| FX derivatives hedging forecasted trade positions | | | | | | | | | | | | |
| Forward FX contracts | **6,550** | **1,674** | **-** | **-** | **-** | **-** | 8,941 | 8,095 | - | - | - | - |
| FX options | **8,000** | **-** | **-** | **-** | **-** | **-** | 12,700 | - | - | - | - | - |

The impact on INR is limited and therefore not included in the table above.

### SENSITIVITY ANALYSIS

A 10% strengthening on 31 December of the currencies listed above would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. A 10% weakening of the same currencies would have had the equal but opposite effect.

The exchange impact on the net exposure is reflected in profit or loss as shown in the following table. The exchange impact on Items that are hedge accounting compliant is reflected in equity.

| (in € thousand) | 2024 | | | | | | 2023 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | EUR | USD | CAD | GBP | AUD | NZD | EUR | USD | CAD | GBP | AUD | NZD |
| Equity | **(1,132)** | **(8)** | **-** | **-** | **-** | **-** | (1,574) | (728) | - | - | - | - |
| Profit or loss | **(2,047)** | **6,038** | **(672)** | **89** | **(877)** | **2,481** | (3,432) | 4,284 | (2,053) | (299) | (12) | 341 |

## B. Credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

| (in € thousand) | 2024 | 2023 |
|---|---|---|
| | Carrying amount | |
| Other non-current assets | **44,308** | 56,803 |
| Current amounts receivable | **541,407** | 511,456 |
| Forward exchange contracts used for hedging | **3,563** | 309 |
| CCRS | **2,969** | 214 |
| Cash and cash equivalents | **502,823** | 635,664 |
| Total | **1,095,070** | 1,204,446 |

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

| | 2024 | 2023 |
|---|---|---|
| **(in € thousand)** | **Carrying amount** | |
| Eurozone countries | **69,795** | 74,117 |
| United Kingdom | **18,607** | 24,909 |
| United States | **126,807** | 121,060 |
| Canada | **81,821** | 82,246 |
| New Zealand and Australia | **52,536** | 55,082 |
| Latin America | **51,997** | 49,903 |
| India | **73,872** | 52,184 |
| Other regions | **16,231** | 16,358 |
| Total | **491,665** | 475,860 |

The ageing of trade receivables at the reporting date was:

| | 2024 | | 2023 | |
|---|---|---|---|---|
| **(in € thousand)** | **Gross** | **Impair-ment** | **Gross** | **Impair-ment** |
| Not past due | **384,480** | **396** | 372,656 | 667 |
| Past due 0-30 days | **73,076** | **138** | 76,567 | 220 |
| Past due 31-90 days | **27,315** | **1,156** | 26,474 | 1,185 |
| Past due 91-365 days | **13,742** | **4,116** | 6,132 | 3,896 |
| Past due more than one year | **24,036** | **25,178** | 21,593 | 21,593 |
| Total | **522,649** | **30,984** | 503,421 | 27,561 |

The movement of impairment in respect of trade receivables during the year was as follows:

| **(in € thousand)** | **2024** | **2023** |
|---|---|---|
| As at 1 January | **27,561** | 18,251 |
| Change in the consolidation scope | **-** | (20) |
| Recognised | **4,612** | 14,828 |
| Used | **(640)** | (761) |
| Reversed | **(1,233)** | (4,202) |
| Exchange difference | **684** | (535) |
| Total | **30,984** | 27,561 |

The Group believes that the unimpaired amounts that are past due by more than 30 days are still collectable, based on historical payment behaviour and analysis of customer credit risk.

## C. Commodity risk

In February 2024, the Group entered a Virtual Power Purchase Agreement (VPPA) with a developer based in Italy for a period of 10 years and for an estimated annual electricity volume of 65,000 MWh.

## D. Interest rate risk

At reporting date, around 68% of the gross financial debt, excluding leases and after derivatives, were at fixed rates.

### SENSITIVITY TO INTEREST RATE VARIATIONS

A change of 50 basis points in interest rates at the reporting date would have increased (respectively decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

The analysis was performed on the same basis as in 2023.

| | 2024 | | | | 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| | Profit or loss | | Equity | | Profit or loss | | Equity | |
| As at 31 December (in € thousand) | 50 bp increase | 50 bp decrease | 50 bp increase | 50 bp decrease | 50 bp increase | 50 bp decrease | 50 bp increase | 50 bp decrease |
| Variable rate instruments | **(1,934)** | **1,934** | **-** | **-** | (1,881) | 1,881 | - | - |
| Cash flow sensitivity (net) | **(1,934)** | **1,934** | **-** | **-** | (1,881) | 1,881 | - | - |

| | 2024 | | | | 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| | Profit or loss | | Equity | | Profit or loss | | Equity | |
| As at 31 December (in € thousand) | 50 bp increase | 50 bp decrease | 50 bp increase | 50 bp decrease | 50 bp increase | 50 bp decrease | 50 bp increase | 50 bp decrease |
| Interest rate derivatives | **-** | **-** | **(46)** | **46** | - | - | 2 | (2) |
| Fair value sensitivity (net) | **-** | **-** | **(46)** | **46** | - | - | 2 | (2) |

## E. Liquidity risk

The following are the contractual maturities of financial liabilities, including interest payments:

| | At 31 December 2024 | | | | |
|---|---|---|---|---|---|
| (in € thousand) | Carrying amount | Contractual cash flows | 1 year or less | 1 to 5 years | More than 5 years |
| Non-derivative financial liabilities | | | | | |
| Unsecured bank facilities and others | **(372,788)** | **(426,000)** | **(104,399)** | **(321,601)** | **-** |
| Secured bank loans | **(1,430)** | **(1,493)** | **(1,307)** | **(166)** | **-** |
| US private placement | **(51,857)** | **(53,891)** | **(35,095)** | **(18,796)** | **-** |
| Bond | **(750,000)** | **(776,250)** | **(6,563)** | **(769,688)** | **-** |
| Lease liabilities | **(290,709)** | **(374,977)** | **(48,939)** | **(147,646)** | **(178,392)** |
| Trade and other payables | **(708,630)** | **(708,630)** | **(706,713)** | **(1,917)** | **-** |
| Bank overdrafts | **(12,677)** | **(12,677)** | **(12,677)** | **-** | **-** |
| Derivative financial instruments | | | | | |
| Forward exchange derivatives used for hedging – outflows | **(2,270)** | **(371,226)** | **(371,226)** | **-** | **-** |
| Forward exchange derivatives used for hedging – inflows | **3,551** | **372,854** | **372,854** | | |
| Other derivatives (*) | **(4,931)** | **-** | **-** | **-** | **-** |
| CCRS – outflows | **-** | **(96,590)** | **(34,749)** | **(61,841)** | **-** |
| CCRS – inflows | **2,968** | **96,522** | **36,436** | **60,086** | **-** |
| | **(2,188,772)** | **(2,352,358)** | **(912,377)** | **(1,261,569)** | **(178,392)** |

(*) Virtual Power Purchase Agreement (VPPA) contracts

| (in € thousand) | At 31 December 2023<br>Carrying amount | Contractual cash flows | 1 year or less | 1 to 5 years | More than 5 years |
|---|---|---|---|---|---|
| Non-derivative financial liabilities | | | | | |
| Unsecured bank facilities and others | (363,341) | (416,029) | (95,213) | (320,816) | - |
| Secured bank loans | (2,215) | (2,332) | (952) | (1,367) | (13) |
| US private placement | (49,757) | (53,568) | (1,827) | (51,740) | - |
| Bond | (750,000) | (782,813) | (6,563) | (776,250) | - |
| Lease liabilities | (222,306) | (280,521) | (41,169) | (112,674) | (126,678) |
| Trade and other payables | (679,435) | (679,435) | (677,146) | (2,289) | - |
| Bank overdrafts | (12,268) | (12,268) | (12,268) | - | - |
| Derivative financial instruments | | | | | |
| Forward exchange derivatives used for hedging – outflows | (6,174) | (30,733) | (30,733) | - | - |
| Forward exchange derivatives used for hedging – inflows | 309 | 27,827 | 27,827 | - | - |
| Interest rate swaps or options used for hedging | - | - | - | - | - |
| CCRS – outflows | - | (32,803) | (795) | (32,007) | - |
| CCRS – inflows | 214 | 33,819 | 1,351 | 32,468 | - |
| | (2,084,973) | (2,228,855) | (837,489) | (1,264,675) | (126,691) |

In particular, the following table indicates the periods in which the cash flows associated with derivatives that are cash flow hedges, are expected to occur and the fair value of the related instruments:

| (in € thousand) | At 31 December 2024<br>Carrying amount | Expec-ted cash flows | 1 year or less | 1 to 5 years | More than 5 years |
|---|---|---|---|---|---|
| FX derivatives – outflows | **(2,007)** | **(370,963)** | **(370,963)** | **-** | **-** |
| FX derivatives – inflows | **3,563** | **372,866** | **372,866** | **-** | **-** |
| CCRS – outflows | **-** | **(96,590)** | **(34,749)** | **(61,841)** | **-** |
| CCRS – inflows | **2,968** | **96,522** | **36,436** | **60,086** | **-** |
| | **4,524** | **1,835** | **3,590** | **(1,756)** | **-** |

| (in € thousand) | At 31 December 2023<br>Carrying amount | Expec-ted cash flows | 1 year or less | 1 to 5 years | More than 5 years |
|---|---|---|---|---|---|
| FX derivatives – outflows | (2,291) | (26,850) | (26,850) | - | - |
| FX derivatives – inflows | 96 | 27,614 | 27,614 | - | - |
| CCRS – outflows | - | (32,803) | (795) | (32,007) | - |
| CCRS – inflows | 214 | 33,819 | 1,351 | 32,468 | - |
| | (1,981) | 1,781 | 1,320 | 461 | - |

The following table indicates the periods in which those cash flows are expected to impact profit or loss:

| (in € thousand) | At 31 December 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Carrying amount | Expec-ted cash flows | Impact already in P&L | 1 year or less | 1 to 5 years | More than 5 years |
| FX derivatives – outflows | **(2,007)** | **(370,963)** | **-** | **(370,963)** | **-** | **-** |
| FX derivatives – inflows | **3,563** | **372,866** | **-** | **372,866** | **-** | **-** |
| CCRS – outflows | **-** | **(96,590)** | **-** | **(34,749)** | **(61,841)** | **-** |
| CCRS – inflows | **2,968** | **96,522** | **2,638** | **34,190** | **59,694** | **-** |
| | **4,524** | **1,835** | **2,638** | **1,344** | **(2,147)** | **-** |

| (in € thousand) | At 31 December 2023 | | | | | |
|---|---|---|---|---|---|---|
| | Carrying amount | Expec-ted cash flows | Impact already in P&L | 1 year or less | 1 to 5 years | More than 5 years |
| FX derivatives – outflows | (2,291) | (26,850) | - | (26,850) | - | - |
| FX derivatives – inflows | 96 | 27,614 | - | 27,614 | - | - |
| CCRS – outflows | - | (32,803) | - | (795) | (32,007) | - |
| CCRS – inflows | 214 | 33,819 | 147 | 1,351 | 32,322 | - |
| | (1,981) | 1,781 | 147 | 1,320 | 314 | - |

## F. Description and fair value derivatives

The table below provides an overview of the nominal amounts (by maturity) of the derivative financial instruments used to hedge the interest rate risk associated to the interest-bearing loans and borrowings (as presented in Note 25).

| (in € thousand) | Nominal amount 2024 | | | Nominal amount 2023 | | |
|---|---|---|---|---|---|---|
| | 1 year or less | 1 to 5 years | More than 5 years | 1 year or less | 1 to 5 years | More than 5 years |
| CCRS | **31,560** | **56,019** | **-** | - | 31,560 | - |
| FX derivatives | **413,787** | **-** | **-** | 654,566 | - | - |

The table below presents the positive and negative fair values of derivative financial instruments as reported in the statement of financial position. Also included are the notional amounts of the derivative financial instruments per maturity as presented in the statement of financial position.

| | Fair value | | | | Notional amount | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Positive | | Negative | | < 6 months | 6 to 12 months | 1 to 5 years | > 5 years | Total |
| (in € thousand) | Current | Non-current | Current | Non-current | | | | | |
| FX derivatives | 3,563 | - | 2,007 | - | 364,340 | 8,690 | - | - | 373,030 |
| CCRS | 2,225 | 744 | - | - | - | 31,560 | 56,019 | - | 87,579 |
| Derivatives held as cash flow hedges | 5,787 | 744 | 2,007 | - | 364,340 | 40,250 | 56,019 | - | 460,609 |
| FX derivatives | (11) | - | 263 | - | 40,757 | - | - | - | 40,757 |
| Other derivatives (*) | | | | 4,931 | | | | - | |
| Derivatives not under hedge accounting | (11) | - | 263 | 4,931 | 40,757 | - | - | - | 40,757 |
| Total | 5,776 | 744 | 2,270 | 4,931 | 405,097 | 40,250 | 56,019 | - | 501,366 |
| Total current and non-current | | 6,520 | | 7,200 | | | | | |

(*) Virtual Power Purchase Agreement (VPPA) contracts with a value based on estimated volumes and prices. Given the characteristics of such contracts, a nominal amount cannot be defined.

Fair values of derivatives are determined by using the discounted cash-flows valuation method.

## G. Accounting for derivatives

The Group uses derivative instruments to hedge its exposure to foreign exchange and interest rate risks. As at 31 December, the Group applied the following types of hedge accounting:

- Cash flow hedge, for derivative financial instruments with a total notional amount of €460.6 million (2023: €326 million). The fair value adjustment for the effective portion of those derivatives is recognised directly via Other Comprehensive Income in the hedging reserve.

The evolution in the hedging reserve is as follows:

| | 2024 | | 2023 | |
|---|---|---|---|---|
| **(in € thousand)** | **Hedging reserve** | **Cost of hedging reserve** | **Hedging reserve** | **Cost of hedging reserve** |
| As at 1 January | **(497)** | **97** | 553 | (269) |
| Effective portion of changes in fair value of new instruments added | **732** | **-** | - | - |
| Effective portion of changes in fair value of existing instruments | **2,512** | **(606)** | (3,859) | 453 |
| Existing instruments settled | **-** | **-** | 794 | **-** |
| Fair value of cash flow hedges transferred to income statement | **-** | **466** | - | **(86)** |
| Deferred tax related to hedges | **(343)** | **-** | (2) | **-** |
| Foreign currency translation differences | **67** | **(1)** | (62) | (1) |
| Recycling to income statement of FX impact on CCRS | **(2,491)** | **-** | 2,079 | - |
| As at 31 December | **(19)** | **(44)** | (497) | 97 |

The fair value adjustment for the ineffective portion of those derivatives is accounted for as a Finance Income or Expense.

The derivative financial instruments which cease to meet the criteria to be eligible for hedge accounting are accounted for as derivatives held-for-trading and the changes in fair value of those instruments are accounted for in profit or loss.

In 2024, the net fair value adjustment through Financial Income or Expense was a loss of €0.02 million (2023: loss of €0.2 million).

Following the issuance of the US private placement, the Group entered cross-currency swaps (CCRS) with external counterparts to convert the USD denominated cash flows from the USPP into EUR, for which cash flow hedge accounting is applied for a nominal amount of USD 35 million with effective portion of change in fair value recorded in equity.

The foreign exchange impact of those CCRS is immediately recycled to profit and loss to offset the foreign exchange impact of the debt originating from the US private placement.

The foreign exchange risk resulting from long-term financing at fixed interest rate granted to group companies and denominated in AUD, NZD and USD is mitigated through cross-currency swaps (CCRS), with effective portion of change in fair value being recorded in equity.

The foreign exchange impact of those CCRS is immediately recycled to profit and loss to offset the foreign exchange impact of the intercompany loans.

The table below summarises for those CCRS their respective fair values with evidence of the foreign exchange (FX) component, interest (Intr.) component and the basis spread component, as they arise from the hedging type being applied.

| (in € thousand) | Currency | Notional amount | EUR | Total | Fair value (€) FX impact | Intr. Impact | Basis spread impact |
|---|---|---|---|---|---|---|---|
| Cash flow hedge – USPP | USD | 35,000 | 31,560 | 2,225 | 2,247 | (60) | 38 |
| Cash flow hedge – IC loan | USD | 12,666 | 11,342 | (521) | (892) | 369 | 1 |
| Cash flow hedge – IC loan | AUD | 50,000 | 30,605 | 1,041 | 720 | 317 | 5 |
| Cash flow hedge – IC loan | NZD | 25,000 | 14,071 | 224 | 563 | (344) | 5 |
| | | | 87,579 | 2,968 | 2,638 | 281 | 49 |

## H. Fair value hierarchy

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

| (in € thousand) | 31 December 2024 Carrying amount | Fair value level 1 | Fair value level 2 | Fair value level 3 | 31 December 2023 Carrying amount | Fair value level 1 | Fair value level 2 | Fair value level 3 |
|---|---|---|---|---|---|---|---|---|
| Cash and cash equivalent | **502,823** | **-** | **502,823** | **-** | 635,664 | - | 635,664 | - |
| Trade receivables | **590,544** | **-** | **590,544** | **-** | 559,874 | - | 559,874 | - |
| Secured bank facilities | **(1,430)** | **-** | **(1,430)** | **-** | (2,215) | - | (2,215) | - |
| Unsecured bank facilities and others | **(372,788)** | **-** | **(372,788)** | **-** | (363,341) | - | (363,341) | - |
| US private placement | **(51,857)** | **-** | **(49,602)** | **-** | (49,757) | - | (49,247) | - |
| Bond | **(750,000)** | **-** | **(687,503)** | **-** | (750,000) | - | (637,463) | - |
| Trade and other payables | **(708,630)** | **-** | **(708,630)** | **-** | (679,435) | - | (679,435) | - |
| Bank overdraft | **(12,677)** | **-** | **(12,677)** | **-** | (12,268) | - | (12,268) | - |
| Forward exchange derivatives used for hedging – positive value | **3,551** | **-** | **3,551** | **-** | 309 | - | 309 | - |
| Forward exchange derivatives used for hedging – negative value | **(2,270)** | **-** | **(2,270)** | **-** | (6,174) | - | (6,174) | - |
| Other derivatives (*) | **(4,931)** | **-** | **(4,931)** | **-** | - | - | - | - |
| CCRS – outflows | **2,968** | **-** | **2,968** | **-** | - | - | - | - |
| CCRS – inflows | **-** | **-** | **-** | **-** | 214 | - | 214 | - |
| | **(804,696)** | **-** | **(739,943)** | **-** | (667,129) | - | (554,082) | - |

(*) Virtual Power Purchase Agreement (VPPA) contracts

All derivatives are carried out at fair value and as per the valuation method being used to determine such fair value, the inputs are based on data observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). As such, the level in the hierarchy into which the fair value measurements are categorised, is level 2.

Non derivatives assets and liabilities are recognised at amortised cost.

The fair value is assessed using the common discounted cash-flow method based on market conditions existing at the balance sheet date. Therefore, the fair value of the fixed interest-bearing liabilities is within level 2 of the fair value hierarchy. Floating rate interest-bearing financial liabilities and all trade and other receivables and payables have been excluded from the analysis as their carrying amounts are a reasonable approximation of their fair values.

# 32. LEASES

## AMOUNTS RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION

The carrying amounts of right-of-use assets and the movements during the period:

| | | | | 2024 | 2023 |
|---|---|---|---|---|---|
| **(in € thousand)** | **Land & buildings** | **Plant, machinery & equipment** | **Other** | **Total Right-of-use assets** | **Total Right-of-use assets** |
| **Right-of-use assets** | | | | | |
| As at 1 January | **193,482** | **11,655** | **14,824** | **219,961** | 161,916 |
| Changes in the consolidation scope & asset deals | **-** | **-** | **-** | **-** | (22) |
| *– Deconsolidation* | **-** | **-** | **-** | **-** | *(22)* |
| Additions | **83,252** | **5,835** | **10,272** | **99,359** | 89,661 |
| Disposal | **(223)** | **(52)** | **(363)** | **(639)** | (1,274) |
| Depreciations | **(30,282)** | **(4,702)** | **(7,562)** | **(42,547)** | (36,117) |
| Impairment | **-** | **-** | **-** | **-** | 30 |
| Other movements | **-** | **(8)** | **8** | **-** | 9,974 |
| Exchange difference | **5,338** | **(156)** | **65** | **5,246** | (4,207) |
| As at 31 December | **251,566** | **12,571** | **17,243** | **281,380** | 219,961 |

Additions to the right-of-use assets during the 2024 financial year amounted to €99.4 million (2023: €89.7 million). The addition is mainly related to new distribution centres in North America and the execution of extension options that were previously not considered reasonably certain.

The carrying amounts of lease liabilities and the movements during the period:

| **(in € thousand)** | **2024** | **2023** |
|---|---|---|
| **Lease liabilities** | | |
| As at 1 January | **222,306** | 170,036 |
| Changes in the consolidation scope & asset deals | **-** | (23) |
| *– Deconsolidation* | **-** | *(23)* |
| Additions | **99,359** | 89,661 |
| Accretion of interest | **12,476** | 8,899 |
| Payments | **(48,733)** | (41,917) |
| Transfer | **-** | 114 |
| Exchange difference | **5,301** | (4,463) |
| As at 31 December | **290,709** | 222,306 |
| Current | **35,182** | 31,460 |
| Non-current | **255,527** | 190,847 |
| Total lease liabilities | **290,709** | 222,306 |

The total cash outflow for lease liabilities in 2024 was €49 million (2023: €42 million).

The lease liabilities maturity analysis is noted below:

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| **(in € thousand)** | **Minimum lease payments** | **Interest** | **Principal** | **Minimum lease payments** | **Interest** | **Principal** |
| Less than 1 year | **48,939** | **13,757** | **35,182** | 41,169 | 9,709 | 31,460 |
| Between 1 and 5 years | **147,646** | **40,380** | **107,266** | 112,674 | 27,508 | 85,166 |
| More than 5 years | **178,392** | **30,131** | **148,261** | 126,678 | 20,998 | 105,681 |
| Total as at 31 December | **374,977** | **84,268** | **290,709** | 280,521 | 58,215 | 222,306 |

### AMOUNT RECOGNISED IN THE INCOME STATEMENT

The income statement shows the following amounts relating to leases:

| **(in € thousand)** | **2024** | **2023** |
|---|---|---|
| Depreciation charge of right-of-use assets | **(42,547)** | (36,117) |
| Land & buildings | **(30,282)** | (24,934) |
| Plant, machinery & equipment | **(4,702)** | (4,528) |
| Other | **(7,562)** | (6,655) |
| Impairment | **-** | 30 |
| Interest expense on lease liabilities | **(12,476)** | (8,899) |
| Total expense related to leases | **(55,023)** | (44,986) |

In 2024, the right-of-use assets depreciation amounted to €42.5 million (2023: €36.1 million).

There was no material income from subleasing in 2024.

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased asset portfolio and align with the Group's business needs.

## 33. GUARANTEES, COLLATERAL AND CONTRACTUAL COMMITMENTS

| **As at 31 December (in € thousand)** | **2024** | **2023** |
|---|---|---|
| Commitments secured by real guarantees | **2,248** | 305 |
| Contractual commitments to acquire assets | **158,741** | 158,059 |

## 34. CONTINGENCIES

In the first quarter of 2015, a Group company in Costa Rica received a provisional tax assessment from the tax authorities relating to the tax year 2009. The total claim including penalties and interest as per the tax notice amounted to €29 million in 2019. The same year, taking advantage of a temporary tax amnesty to limit the exposure, the company opted to pay an amount of €14 million to the tax authorities in Costa Rica. The company continues to challenge the decision on the merits in the judicial courts with the objective to recover all amounts paid.

Along with other defendants, Ipex USA Llc has been named a defendant in several class action complaints in the US District Court for the Northern District of Illinois, each alleging violations of antitrust laws. Additionally, it received a grand jury subpoena from the Antitrust Division of the US Department of Justice relating to an investigation into PVC pipe and PVC fittings and joints. Ipex USA Llc is responding to the subpoena, disputing the allegations of the plaintiffs, and will defend itself accordingly.

# 35. RELATED PARTIES

## KEY MANAGEMENT COMPENSATION

The total remuneration costs of the Board of Directors and the Executive Committee (ExCom) of Aliaxis SA during 2024 amounted to €28.4 million (2023: €16.1 million). For members of the Board of Directors, this predominantly related to directors' fees. For members of the Executive Committee this comprised fixed base salaries, variable remuneration, termination payments and pension service costs. It also includes the settlement agreement for CEO as well as full payout of the long-term incentive plan over previous years.

| (in € thousand) | 2024 | 2023 |
|---|---|---|
| Salaries (fixed and variable) | **27,941** | 15,544 |
| Retirement benefits | **451** | 516 |
| Total | **28,392** | 16,060 |

# 36. ALIAXIS COMPANIES

The most important direct and indirect subsidiaries of Aliaxis SA are listed below. An exhaustive list of the Group companies with their registered office will be filed at the Belgian National Bank together with the consolidated financial statements.

## FULLY CONSOLIDATED COMPANIES

| Company | Financial interest % | City | Country |
|---|---|---|---|
| **HOLDING AND SUPPORT COMPANIES** | | | |
| Aliaxis Finance SA | 100.00 | Brussels | Belgium |
| Aliaxis Global Procurement Company S.à.r.l. | 100.00 | Strassen | Luxembourg |
| Aliaxis Group SA | 100.00 | Paris | France |
| Aliaxis Holding Germany GmbH | 100.00 | Mannheim | Germany |
| Aliaxis Holding Italia Spa | 100.00 | Bologna | Italy |
| Aliaxis Holdings Australia Pty Ltd | 100.00 | Darlinghurst | Australia |
| Aliaxis Holdings SA | 100.00 | Brussels | Belgium |
| Aliaxis Holdings UK Ltd | 100.00 | Maidstone | UK |
| Aliaxis Ibérica S.L. | 100.00 | Alicante | Spain |
| Aliaxis Investments SA | 100.00 | Brussels | Belgium |
| Aliaxis Latinoamerica Coöperatief UA | 100.00 | Panningen | The Netherlands |
| Aliaxis Luxembourg S.à.r.l. | 100.00 | Luxembourg | Luxembourg |
| Aliaxis Management Company SRL | 99.68 | Brussels | Belgium |
| Aliaxis North America Inc | 100.00 | Saint-John | Canada |
| Aliaxis Research & Technology S.A.S. | 100.00 | Elancourt | France |
| Aliaxis Services SA | 100.00 | Paris | France |
| Aliaxis Ventures SA | 100.00 | Brussels | Belgium |
| Aliaxis Ventures USA Inc. | 100.00 | Wilmington | US |
| GDC Holding Ltd | 100.00 | Maidstone | UK |
| Glynwed Dublin Corporation | 100.00 | Dublin | Ireland |
| Glynwed Holding B.V. | 100.00 | Panningen | The Netherlands |
| Glynwed Overseas Holdings Ltd | 100.00 | Maidstone | UK |
| Glynwed Pacific Holdings Pty Ltd | 100.00 | Adelaide | Australia |
| Glynwed USA Inc | 100.00 | Wilmington | US |
| GPS Beteiligungs GmbH | 100.00 | Mannheim | Germany |

| | | | |
|---|---|---|---|
| GPS GmbH & Co.KG | 100.00 | Mannheim | Germany |
| GPS Holding Germany GmbH | 100.00 | Mannheim | Germany |
| IPLA B.V. | 100.00 | Panningen | The Netherlands |
| Marley European Holdings GmbH | 100.00 | Wunstorf | Germany |
| Marley Holdings Pty Ltd | 100.00 | Nigel | South Africa |
| Marley Trust Holding Company (Pty) | 100.00 | Nigel | South Africa |
| New Zealand Investment Holdings Ltd | 100.00 | Auckland | New Zealand |
| Nicoll Do Brasil Participações Ltda | 100.00 | São Paulo | Brazil |
| Panningen Finance BV | 100.00 | Panningen | The Netherlands |
| Société Financière du Héron SA | 100.00 | Brussels | Belgium |
| Société Financière du Val d'Or SA | 100.00 | Brussels | Belgium |
| The Marley Company (NZ) Ltd | 100.00 | Manurewa | New Zealand |
| **OPERATING COMPANIES** | | | |
| Aliaxis Belgium SA | 100.00 | Herstal | Belgium |
| Aliaxis Bulgaria EOOD | 100.00 | Sofia | Bulgaria |
| Aliaxis Ceska Republika Sro | 100.00 | Vestec | Czech Rep. |
| Aliaxis Nederland B.V. | 100.00 | Panningen | The Netherlands |
| Aliaxis Deutschland GmbH | 100.00 | Mannheim | Germany |
| Aliaxis Greece Ltd | 100.00 | Athens | Greece |
| Aliaxis Hungary SEE Kft. | 100.00 | Biatorbagy | Hungary |
| Aliaxis Iberia S.A.U. | 100.00 | Alicante | Spain |
| Aliaxis Latin American Services SA | 100.00 | San José | Costa Rica |
| Aliaxis Poland Sp.z.o.o. | 100.00 | Olesnica | Poland |
| Aliaxis Sweden AB | 100.00 | Spaanga | Sweden |
| Aliaxis UK Ltd | 100.00 | Maidstone | UK |
| Aliaxis Utilities & Industry Private Ltd | 100.00 | Goa | India |
| Aliaxis Utilities and Industry AG | 100.00 | Wangs | Switzerland |
| Aliaxis Utilities and Industry GmbH | 100.00 | Vienna | Austria |
| Aliaxis Utilities and Industry S.A.S. | 100.00 | Mèze | France |
| Aquarius Spectrum Ltd | 100.00 | Yakum | Israël |
| Ashirvad Pipes Private Ltd | 100.00 | Bangalore | India |
| Canplas Industries Ltd | 100.00 | Barrie | Canada |
| Corporacion de Inversiones Dureco SA | 100.00 | Guatemala | Guatemala |
| Dureco de El Salvador SA de CV | 100.00 | San Salvador | El Salvador |
| Dureco Honduras SA | 100.00 | Comayaguela | Honduras |
| Durman Colombia SAS | 100.00 | Cundinamarca | Colombia |
| Durman Esquivel Industrial de Nicaragua SA | 100.00 | Managua | Nicaragua |
| Durman Esquivel SA | 100.00 | Panama | Panama |
| Durman Esquivel SA | 99.99 | San José | Costa Rica |
| Durman Esquivel SA de CV | 100.00 | Mexico DF | Mexico |
| Dynex Extrusions Ltd | 100.00 | Auckland | New Zealand |
| Fip Formatura Inezione Polimeri spa | 100.00 | Casella | Italy |
| FRIATEC S.A.R.L. | 100.00 | Cholet | France |
| Girpi S.A.S. | 100.00 | Harfleur | France |
| Glynwed Malaysia Sdn Bhd | 100.00 | Petaling Jaya Selangor | Malaysia |
| GPS Shanghai Co Ltd | 100.00 | Shanghai | China |

| | | | |
|---|---|---|---|
| Hamilton Kent Inc | 100.00 | Toronto | Canada |
| Hamilton Kent LLC | 100.00 | Wilmington | US |
| Harco Fittings LLC | 100.00 | Lynchburg | US |
| Harrington Industrial Plastics de Mexico de RL De CV | 100.00 | Querétaro | Mexico |
| Innoge PE Industries S.A.M. | 100.00 | Monaco | Monaco |
| IPEX Branding Inc. | 100.00 | Toronto | Canada |
| IPEX de Mexico SA de CV | 100.00 | Querétaro | Mexico |
| IPEX Electrical Inc. | 100.00 | Toronto | Canada |
| IPEX Inc | 100.00 | Toronto | Canada |
| IPEX Management Inc./IPEX Gestion Inc. | 100.00 | Toronto | Canada |
| IPEX Technologies Inc. | 100.00 | Toronto | Canada |
| IPEX USA LLC | 100.00 | Wilmington | US |
| Marley Deutschland GmbH | 100.00 | Wunstorf | Germany |
| Marley Magyarorszag ZRT | 100.00 | Szekszard | Hungary |
| Marley New Zealand Ltd | 100.00 | Manurewa | New Zealand |
| Marley Pipe Systems (Namibia) (Pty) Ltd | 100.00 | Windhoek | Namibia |
| Marley Pipe Systems (SA) (Pty) Ltd | 100.00 | Nigel | South Africa |
| Multi Fittings Corporation | 100.00 | Wilmington | US |
| Nicoll Industria Plastica Ltda | 100.00 | São José dos Pinhais | Brazil |
| Nicoll Nordic A/S | 100.00 | Koege | Denmark |
| Nicoll Peru S.A. | 100.00 | Lima | Peru |
| Nicoll S.A. | 99.99 | Buenos Aires | Argentina |
| Nicoll Uruguay S.A. | 100.00 | Montevideo | Uruguay |
| OptiRTC, Inc. | 100.00 | Boston | US |
| Philmac Pty Ltd | 100.00 | North Plympton | Australia |
| Raccords et Plastiques Nicoll S.A.S. | 100.00 | Cholet | France |
| Redi Spa | 100.00 | Bologna | Italy |
| RX Plastics Limited | 100.00 | Ashburton | New Zealand |
| SCI Frimo | 100.00 | Darvault | France |
| SCI LAML | 100.00 | Darvault | France |
| Silver-Line Plastics LLC | 100.00 | Asheville | US |
| Straub Werke AG | 100.00 | Wangs | Switzerland |
| The Universal Hardware and Plastic Factory Ltd | 51.00 | Kowloon | Hong Kong |
| Vinidex Pty Ltd | 100.00 | Darlinghurst | Australia |
| Vinilit SA | 100.00 | Santiago | Chile |
| Wunstorf PPR pipes and fittings GmbH | 100.00 | Wunstorf | Germany |
| Zhongshan Universal Enterprises Ltd | 51.00 | Zhongshan City | China |
| Zypho SA | 100.00 | Vila Nova de Gaia | Portugal |

In February 2024, Aliaxis Group SA transferred its seat from Belgium to France.
Durman Esquivel Guatemala SA merged into Corporación de Inversiones Dureco SA in March 2024.
Dux Industries Ltd merged into Marley NZ Ltd in May 2024.
In May 2024, Durman Esquivel Puerto Rico SA was dissolved.
In July 2024, Wefatherm GmbH changed its name into Wunstorf PPR pipes and fittings GmbH.
In October 2024, Sociedad Industrial Tuboplast S.A. was dissolved.
In December 2024, Glynwed Inc. was dissolved.
Lareter Spa merged into Fip Formatura Inezione Polimeri spa in December 2024.

## 37. SERVICES PROVIDED BY THE STATUTORY AUDITOR

| (in € thousand) | 2024 | 2023 |
|---|---|---|
| **Audit:** | | |
| Audit services | | |
| – KPMG in Belgium | **531** | 470 |
| – Other offices in the KPMG network | **2,719** | 2,568 |
| Audit-related procedures and services | | |
| – KPMG in Belgium | **287** | 281 |
| – Other offices in the KPMG network | **296** | 287 |
| Sub-total | **3,833** | 3,606 |
| Other services: | | |
| Tax | **158** | 289 |
| Other services | **51** | 85 |
| Sub-total | **209** | 374 |
| Services provided by the Statutory Auditor | **4,042** | 3,980 |

## 38. SUBSEQUENT EVENTS

We are not aware of any significant event that have occurred between the closing date of the financial statements and the date on which they have been drawn by the board.

# 6. AUDITOR'S REPORT

**Statutory auditor's report to the general meeting of Aliaxis SA on the consolidated financial statements as of and for the year ended 31 December 2024**

In the context of the statutory audit of the consolidated financial statements of Aliaxis SA ("the Company") and its subsidiaries (jointly "the Group"), we provide you with our statutory auditor's report. This includes our report on the consolidated financial statements and the other legal and regulatory requirements. Our report is one and indivisible.

We were appointed as statutory auditor by the general meeting of 2 May 2024, in accordance with the proposal of the board of directors issued on the recommendation of the audit committee. Our mandate will expire on the date of the general meeting deliberating on the annual accounts for the year ended 31 December 2026. We have performed the statutory audit of the consolidated financial statements of the Group for 22 consecutive financial years.

## Report on the consolidated financial statements

### Unqualified opinion

We have audited the consolidated financial statements of the Group as of and for the year ended 31 December 2024, prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium. These consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended and notes, comprising material accounting policies and other explanatory information. The total of the consolidated statement of financial position amounts to EUR 4.872.239 ('000) and the consolidated statement of profit or loss and other comprehensive income shows a profit for the year of EUR 110.043 ('000).

In our opinion, the consolidated financial statements give a true and fair view of the Group's equity and financial position as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium.

### Basis for our unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") as adopted in Belgium. In addition, we have applied the ISAs as issued by the IAASB and applicable for the current accounting year while these have not been adopted in Belgium yet. Our responsibilities under those standards are further described in the "Statutory auditors' responsibility for the audit of the consolidated financial statements" section of our report. We have complied with the ethical requirements that are relevant to our audit of the consolidated financial statements in Belgium, including the independence requirements.

We have obtained from the board of directors and the Company's officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

*Impairment of goodwill*

We refer to note 17 – 'Intangible assets and goodwill' of the consolidated financial statements.

- Description

As described in note 17 – 'Intangible assets and goodwill' of the consolidated financial statements, the Company has recorded a goodwill for an amount of EUR 686.134 ('000) as per 31 December 2024. Goodwill is assessed for impairment on an annual basis in accordance with IAS 36 "Impairment of Assets". Management prepares an analysis in which the recoverable amount is assessed by discounting future cashflow projections at the level of the cash generating units. This recoverable amount is compared to the carrying amount at balance sheet date in order to determine if goodwill is impaired as well as the level of impairment charge to be recognized, if any.

Due to its significance to the balance sheet total and the significant degree of judgement required by management in developing the estimate, which mainly relates to the inputs used in forecasting as well as discounting the future cash flows in order to determine the recoverable amount, we determined goodwill impairment as a key audit matter.

- Our audit procedures

We have performed the following audit procedures:

- We assessed the process of cash flow forecasting by management, including testing the underlying calculations and reconciling them to financial targets and plans approved by the board of directors;
- We analysed the Group's previous ability to forecast cash flows accurately and challenged the reasonableness of current forecasts by comparing the key assumptions to historical results;
- We challenged management's identification of cash generating units with reference to our understanding of the Group's business and the requirements of the prevailing accounting standards;
- We evaluated the Group's valuation methodology and its determination of discount rates and growth rates by involving valuation specialists in our audit team;
- Furthermore, we challenged the appropriateness of the sensitivity analysis performed by management by performing further sensitivity analyses around the key assumptions used by management, in particular discount rates;
- We evaluated whether judgements and decisions made by management when measuring recoverable amount are indicators of possible management bias; and
- We evaluated the completeness and appropriateness of the Group's disclosures in respect of impairment, as included in note 17 to the consolidated financial statements.

## Board of directors' responsibilities for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium, and for such internal control as board of directors determines, is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the board of directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

## Statutory auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of these consolidated financial statements.

When performing our audit, we comply with the legal, regulatory and professional requirements applicable to audits of the consolidated financial statements in Belgium. The scope of the statutory audit of the consolidated financial statements does not extend to providing assurance on the future viability of the Group nor on the efficiency or effectivity of how the board of directors has conducted or will conduct the business of the Group. Our responsibilities regarding the going concern basis of accounting applied by the board of directors are described below.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also perform the following procedures:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by board of directors;
- Conclude on the appropriateness of board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other legal and regulatory requirements

### Responsibilities of the Board of directors

The board of directors is responsible for the preparation and the content of the board of directors' annual report on the consolidated financial statements and the other information included in the annual report on the consolidated financial statements.

### Statutory auditor's responsibilities

In the context of our engagement and in accordance with the Belgian additional standard (revised version 2025) which is complementary to the International Standards on Auditing as applicable in Belgium, our responsibility is to verify, in all material respects, the board of directors' annual report on the consolidated financial statements, and the other information included in the annual report, and to report on these matters.

**Aspects concerning the board of directors' annual report on the consolidated financial statements and other information included in the annual report on the consolidated financial statements**

Based on specific work performed on the board of directors' annual report on the consolidated financial statements, we are of the opinion that this annual report is consistent with the consolidated financial statements for the same period and has been prepared in accordance with article 3:32 of the Companies' and Associations' Code.

In the context of our audit of the consolidated financial statements, we are also responsible for considering, in particular based on the knowledge gained throughout the audit, whether the board of directors' annual report on the consolidated financial statements and other information included in the annual report on the consolidated financial statements, being:

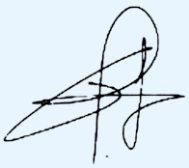
- Corporate governance
- Key figures

contain material misstatements, or information that is incorrectly stated or misleading. In the context of the procedures carried out, we did not identify any material misstatements that we have to report to you.

**Information about the independence**

- Our audit firm and our network have not performed any engagement which is incompatible with the statutory audit of the consolidated accounts and our audit firm remained independent of the Group during the term of our mandate.
- The fees for the additional engagements which are compatible with the statutory audit referred to in article 3:65 of the Companies' and Associations' Code were correctly stated and disclosed in the notes to the consolidated financial statements.

Zaventem, 3 April 2025
KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises Statutory Auditor
represented by



**Jeroen Trumpener**
Bedrijfsrevisor / Réviseur d'Entreprises

# 7. NON-CONSOLIDATED ACCOUNTS, PROFIT DISTRIBUTION AND STATUTORY APPOINTMENTS

The annual statutory accounts of Aliaxis SA are summarised below.

In accordance with the Belgian Companies and Associations Code, the annual accounts of Aliaxis SA, including the Directors' Report and the Auditor's Report, will be registered at the Belgian National Bank within the required legal timeframe.

These documents are also available upon request at:

Aliaxis SA
Group Finance Department
Avenue Arnaud Fraiteur, 15-23
1050 Brussels – Belgium

The Auditor, KPMG Bedrijfsrevisoren / Réviseurs d'Entreprises, has expressed an unqualified opinion on the annual statutory accounts of Aliaxis SA.

## SUMMARISED BALANCE SHEET AFTER PROFIT APPROPRIATION

| As at 31 December (in € thousand) | 2024 | 2023 |
|---|---|---|
| Financial assets | **1,462,349** | 1,462,349 |
| Non-current loans and borrowings | **1,462,349** | 1,462,349 |
| | | |
| Current assets | **17,769** | 3,034 |
| | | |
| Total assets | **1,480,118** | 1,465,383 |
| | | |
| Equity and liabilities | | |
| Capital | **62,666** | 62,666 |
| Share premium | **13,332** | 13,332 |
| Revaluation reserve | **92** | 92 |
| Reserves | **1,048,922** | 1,048,922 |
| Profit carried forward | **267,390** | 251,905 |
| Capital and reserves | **1,392,402** | 1,376,917 |
| | | |
| Liabilities | **87,715** | 88,466 |
| | | |
| Total equity and liabilities | **1,480,118** | 1,465,383 |

## SUMMARISED PROFIT AND LOSS ACCOUNT

| As at 31 December (in € thousand) | 2024 | 2023 |
|---|---|---|
| Operating expenses | **(3,442)** | (3,363) |
| Operating loss | **(3,442)** | (3,363) |
| Financial result | **105,142** | 85,056 |
| Profit for the period | **101,700** | 81,693 |

## PROFIT DISTRIBUTION

Aliaxis' Board of Directors proposes to pay a net dividend of €0.6622 per share. The proposed gross dividend is €0.9460 per share, representing 68.1% of the consolidated basic earnings per share of €1.39, and 30.9% of the adjusted net profit. The dividend is subject to shareholder approval at the General Shareholders' Meeting on 7 May 2025.

The dividend will be paid on 1 July 2025 at the following premises:

- Banque Degroof Petercam S.A.;
- BNP Paribas Fortis S.A.;
- Belfius Banque S.A.;
- as well as at our registered office.

The profit appropriation would be as follows:

| As at 31 December (in € thousand) | 2024 | 2023 |
|---|---|---|
| Profit brought forward | **251,904** | 256,426 |
| Profit for the period | **101,700** | 81,692 |
| Gross dividend | **(86,214)** | (86,214) |
| Profit carried forward | **267,390** | 251,904 |

## STATUTORY APPOINTMENTS

The mandates of Myriam Beatove and Peter de Wit as Directors will expire at the next general meeting of shareholders on 7 May 2025. They are candidates for re-election. Upon recommendation of the People Committee, the Board proposes to the shareholders that they be re-elected for a three-year term of office, ending at the General Shareholders' Meeting in 2028.

The mandate of Thomas del Marmol as Director will expire at the next general meeting of shareholders on 7 May 2025. He is candidate for re-election. Upon recommendation of the People Committee, the Board proposes to the shareholders that he be re-elected for a two-year term of office, ending at the general meeting of shareholders in 2027.

Following the resignation of Rajesh Jejurikar effective on 4 December 2024, Jan Suykens has been co-opted as Director effective 6 January 2025 to pursue the mandate of Rajesh Jejurikar until the General Shareholders' Meeting on 7 May 2025. The Board proposes to the shareholders to ratify the co-optation of Jan Suykens and that he be re-elected for a three-year term of office, ending at the General Shareholders' Meeting in 2028.

Following the resignation of Pierre-Alexandre Péters effective on 27 June 2024, Reinette Impact BV (represented by Pierre-Alexandre Péters) has been co-opted as Director effective 27 June 2024 to pursue the mandate of Pierre-Alexandre Péters until the general meeting of shareholders in 2027. The Board proposes to the shareholders to ratify the co-optation of Reinette Impact BV and to appoint it to continue the mandate until the General Shareholders' Meeting in 2027.

In addition, the Board proposes to the shareholders to elect (i) Abhijit Bhattacharya as Director for a three-year term of office, ending at the general meeting of shareholders in 2028, and (ii) Toguémi SRL (represented by Francis Blake) as Director for a two-year term of office, ending at the general meeting of shareholders in 2027.

# GLOSSARY

### EBIT
Operating income

### EBITDA
EBIT before charging depreciation, amortisation and impairment

### RECURRING / ADJUSTED EBITDA
Recurring / adjusted EBIT plus depreciation, amortisation and impairment (other than goodwill impairment)

### RECURRING / ADJUSTED EBIT
Operating profit exclusive non-recurring/adjusted items

### NET PROFIT (GROUP SHARE)
Profit of the year attributable to equity holders of the Group

### RECURRING/ADJUSTED NET PROFIT
Net profit excluding all non-recurring/adjusted items

### LIKE-FOR-LIKE BASIS
Previous year adjusted on a pro-forma basis to reflect the impact of acquisition. Divestment excluded in all periods. Impact of FX excluded to reflect underlying performance at constant exchange rate

### CAPITAL EXPENDITURE
Expenditure on the acquisition of property plant and equipment, investment properties and intangible assets

### NET FINANCIAL DEBT
The aggregate of (i) non-current and current interest-bearing loans and borrowings and (ii) bank overdrafts, less (iii) cash and cash equivalents

### CAPITAL EMPLOYED
Total assets less current liabilities

### NON-CASH WORKING CAPITAL
The aggregate of (i) inventories and (ii) amounts receivable, less the aggregate of (a) current provisions, and (b) current amounts payable

### RETURN ON CAPITAL EMPLOYED (%)
EBIT / average of capital employed between 1 January and 31 December x100

### RETURN ON EQUITY (GROUP SHARE) (%)
Net profit (Group share) / average of equity attributable to equity holders of Aliaxis between 1 January and 31 December x 100

### EFFECTIVE INCOME TAX RATE (%)
Income taxes / profit before income taxes x 100

### PAY-OUT RATIO (%)
Gross dividend per share / basic earnings per share x 100

### RECURRING / ADJUSTED PAYOUT RATIO (%)
Gross dividend per share / recurring / adjusted basic earnings per share x 100

### REVENUE (SALES)
Amounts invoiced to customers for goods and services provided by the Group, less credits for returns, rebates and allowances and discounts for cash payments

# KEY FIGURES

| | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| | **€ million** | **€ million** | **€ million** | **€ million** | **€ million** |
| Revenue* | **3,913.9** | 4,059.0 | 4,341.9 | 3,675.1 | 2,907.7 |
| Recurring EBITDA* | **550.4** | 619.5 | 728.2 | 674.4 | 461.1 |
| % of revenue | **14.1%** | 15.3% | 16.8% | 18.3% | 15.9% |
| Recurring EBIT* | **342.3** | 441.6 | 573.4 | 537.2 | 315.5 |
| % of revenue | **8.7%** | 10.9% | 13.2% | 14.6% | 10.9% |
| EBIT* | **221.6** | 421.2 | 560.9 | 612.4 | 330.6 |
| % of revenue | **5.7%** | 10.4% | 12.9% | 16.7% | 11.4% |
| Net profit (Group share)* | **108.4** | 322.2 | 369.4 | 397.8 | 198.5 |
| Recurring net profit (Group share) | **238.7** | 284.8 | 374.2 | 362.5 | 199.4 |
| Capital expenditure* (including leasing) | **405.8** | 420.7 | 390.6 | 175.5 | 148.7 |
| % of depreciation and amortisation | **196%** | 237% | 253% | 129% | 103% |
| % of Recurring EBITDA | **74%** | 68% | 54% | 26% | 32% |
| Total equity | **2,470** | 2,398 | 2,230 | 1,924 | 1,413 |
| Net financial debt* | **969** | 754 | 742 | 99 | 438 |
| Return on capital employed* | **5.7%** | 11.3% | 16.4% | 21.5% | 12.9% |
| Return on equity (Group share)* | **4.5%** | 14.0% | 17.8% | 23.9% | 14.1% |
| Average number of employees | **15,945** | 15,857 | 15,212 | 14,442 | 14,473 |
| | **2024** | 2023 | 2022 | 2021 | 2020 |
| | **€ million** | € million | € million | € million | € million |
| Earnings | | | | | |
| Basic | **1.39** | 4.10 | 4.69 | 5.06 | 2.54 |
| Diluted | **1.39** | 4.10 | 4.69 | 5.06 | 2.54 |
| Gross dividend | **0.9460** | 0.9460 | 0.860 | 0.782 | 0.658 |
| Net dividend | **0.6622** | 0.6622 | 0.602 | 0.5474 | 0.4606 |
| Payout ratio* | **68.1%** | 23.1% | 18.3% | 15.5% | 26.0% |
| Recurring net profit payout ratio* | **30.9%** | 26.1% | 18.1% | 16.9% | 25.8% |
| Outstanding shares at 31 December (net of treasury shares) | **78,055,384** | **78,094,084** | 78,685,288 | 78,681,987 | 78,270,500 |

* Definitions of these terms can be found in the glossary



April 2025 —**Aliaxis Group Communications and Finance Directions**
**Credits:** Aliaxis DR.