Brussels, 24 March 2017

Aliaxis reports stable top line in 2016, following record prior year

Results impacted by investments in strategic transformation and write-downs

Aliaxis SA ('Aliaxis', 'the Group' or 'the Company'), a global leader in the manufacturing and distribution of advanced plastic piping systems, today announced its results for the full year 2016

Highlights – Financial year ended 31 December 2016

- Revenue of € 2,949.4 million, a decrease of 0.4% on a constant basis (after foreign exchange effects the decrease was 3.2%)
- Current EBITDA of € 358,8 million, down 9.1%
- Current EBIT of € 243.5 million, down 15.9%
- Net profit of € 108.7 million, down 33.9%, predominately driven by € 28.0 million one-off costs related to transformation and reorganisation initiatives and goodwill impairment of € 22.0 million
- Net financial debt decreased by € 44 million compared to 31 December 2015 – net leverage of 1.3, in line with 2015
- Completed integration of smaller bolt-on acquisition in Australia
- Company-wide transformation and strategy, 'D.N.A.' or Developing the New Aliaxis, defined and began journey to become a global integrated industrial group
- Significant investments to further strengthen the organisation and implement D.N.A.

CEO Laurent Lenoir comments on the results:

"2016 has been a year where we initiated a significant transformation in our journey to become a global, integrated industrial Group. Overall, our results are in line with historical average, yet down from last year's record achievement, and are negatively impacted by adverse exchange rate fluctuations, some write-downs in goodwill and inventories and significant investments related to D.N.A. (Developing the New Aliaxis)".

Divisional review

We have simplified our organisation around 3 divisions. Latin America and North America merged to form the Americas Division. Asia and Australasia now together make up the APAC division. This simplification allows us to leverage our scale and synergies while being faster and more agile, to the benefit of our customers.

Overall, while we benefited from our presence in growing emerging markets such as India, and robust leadership positions, such as in North America, we faced unexpected macro challenges in Latin America, overall weak recovery in Europe and very challenging market conditions in Australia, all having a negative impact on our performance.

1. EMEA

We were able to capture the positive trend in Spain, Brexit negatively affected our profitability in the UK and erratic market conditions in France did hinder the expected recovery. Overall, challenging market conditions and slower than expected recovery in most of our key markets negatively affected our top and bottom line. Our activities in Eastern Europe were also under pressure, as these markets have been slowing down in 2016.

Nevertheless, the company continues to invest in the development of innovative products and services. Some good examples are the launch of the Friaphon drainage system, the award winning Chutunic acoustic solution for high-rise buildings and some digital applications targeted at end-users.

2. AMERICAS

Our North American operations continued to perform strongly. Positive market conditions in Eastern Canada were tempered by the Western part of the country, where the energy and infrastructure sector contracted in 2016, while the US suffered from low energy prices and lower than expected housing starts. Our good performance in this region was strengthened by several major operational excellence initiatives and a dynamic innovation portfolio.

Our results in Latin America on the other hand are characterised by solid performance in Central America, while the rest of the region was faced with a number of geopolitical events and difficult market conditions that negatively affected our overall regional performance. The successful integration of Latin America in the Americas will however allow us to share best practice, leverage our scale and be more resilient to potential market disruptions.

We continued our investment in innovation in the regions and started the second phase of our R&D Centre expansion project in North America.

3. APAC

Within the APAC division, we have seen contrasted performance between the different countries.

In India, the division consolidated its leading position and achieved strong growth across product lines throughout the country and completed a new plant to manufacture solvent cement, so insourcing a key component of a piping system.

Our operations in South East Asia went through a transition year, especially in Singapore and Malaysia. The company centralised its manufacturing activities in South East Asia in a new facility in Batang Kali, Malaysia, generating direct synergies from the acquisition of Snow in Singapore last year.

Our operations in New Zealand overall performed well, predominately driven by the building segment, while our activities in Australia have been negatively impacted by a very challenging market environment, putting pressure on margins and leading to a deterioration of our business.

Nevertheless, the completion of the acquisition of the pipe business of Zezt in Australia and the continued development of innovative products demonstrate the Group's commitment to our Australian customers.

In Australia, we launched a new and innovative system for the energy and mining sector (Maxicoil®), while Ashirvad successfully introduced a series of innovative products, including a concealed diverter made from CPVC.

Key Financials

Consolidated Income Statement			
(in € million)	**FY2016**	**FY2015**	**Change**
Revenue	2,949.4	3,046.5	-3.2%
Current EBITDA *as % on sales*	358.8 12.2%	394.6 13.0%	-9.1%
Current EBIT *as % on sales*	243.5 8.3%	289.7 9.5%	-15.9%
Operating income (EBIT) *as % on sales*	193.5 6.6%	287.7 9.4%	-32.8%
Profit before income taxes	150.7	237.1	-36.4%
Net result *attributable to:* *- non-controlling interests* *- Group equity holders*	108.7 7.5 101.2	164.5 4.6 159.9	-33.9%

Consolidated financial position		
(in € million)	31 Dec. 2016	31 Dec. 2015
Intangible assets	887.9	893.2
Property, plant & equipment	887.9	875.3
Investment properties	6.2	6.9
Other assets	22.9	25.6
Deferred tax assets	45.0	20.6
Derivatives	71.2	70.0
Employee benefits	27.5	37.3
Non-current assets	1,948.6	1,928.9
Non-cash working capital	482.2	491.9
TOTAL	**2,430.8**	**2,420.8**
Equity attributable to Group equity holders	1,550.8	1,506.8
Non-controlling interests	71.8	66.6
Total equity	1,622.5	1,573.4
Deferred tax liabilities	96.5	98.3
Employee benefits	86.6	81.9
Derivatives	23.9	30.4
Other non-current liabilities	137.6	129.1
Net financial debt	463.8	507.8
TOTAL	**2,430.8**	**2,420.8**

Earnings per share		
(in €)	FY2016	FY2015
Basic earnings	1.26	2.00

Financial review

Sales

In the 12 months' period ended 31 December 2016, Aliaxis reported revenue of € 2,949.4 million, a decrease of € 97.1 million or 3.2% compared to the same period last year, predominately driven by adverse foreign currency fluctuations, such as the weakening of the pound sterling, Indian Rupee and the Canadian dollar. Most regions have reported slightly declining sales, with the exception of Canada and India. On a like-for-like basis, revenue is down 0.4% compared to 2015.

EBIT

EBIT for the year was € 193.5 million, an overall decrease of 32.8%. The decrease is mainly driven by challenging market conditions in some specific segments or geographies where the Company operates, continuous increase in raw material prices since the second quarter of the year, some operational inefficiencies that are currently being addressed, further write-downs in inventories, and significant investments to further strengthen and align the organisation with D.N.A. The decrease in underlying EBIT is aggravated by unfavourable exchange rate fluctuations, € 28.0 million of non-recurring items, mainly related to transformation and restructuring initiatives, and goodwill impairment of € 22.0 million. When excluding the impact of one-off items and impairment of goodwill, Current EBIT amounts to € 243.5 million, or a decrease of € 46.2 million or 15.9% versus last year. The Current EBIT margin amounts to 8.3%, compared to 9.5% in 2015.

Net Profit

The Net Profit attributable to the Group's equity holders amounted to € 101.2 million, representing a decrease of € 58.7 million compared to the 12 months period ended 31 December 2015. The decrease is mainly driven by a decrease in CEBIT (€ 46.2 million), exceptional costs (€ 28.0 million) and goodwill impairment (€ 22.0 million), partially offset by lower financing costs (€ 7.8 million) and income taxes (€ 30.6 million). The effective tax rate improved from 30.7% in 2015 to in 27.9% 2016.

Financial position

Net Financial Debt

Net financial debt decreased from € 508 million at 31 December 2015 to € 464 million at 31 December 2016, mainly driven by continuous working capital improvement initiatives and lower capex levels. Leverage is 1.3 and is in line with 2015.

Dividend

Aliaxis' Board of Directors proposes to pay a net dividend of € 0.3395 per share. The proposed gross dividend is € 0.485 per share, representing 38% of the consolidated basic earnings per share. The dividend is subject to shareholder approval at the General Shareholders' Meeting on 24 May 2017. The dividend would be payable on 3 July 2017.

Outlook 2017

The Company has launched a transformation process to become a strong global, integrated leader in the manufacturing and distribution of advanced plastic piping systems.

The Board of Directors and management are committed to this strategy, and will make available resources, funding and investments in 2017 and beyond.

In 2017, the effect of the anticipated recovery of the construction sector might be impacted by continuously increasing raw material prices.

Statement from the auditor

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

About Aliaxis

Aliaxis is a global leader in the manufacturing and distribution of advanced plastic piping systems. The company provides people around the world with sustainable innovative solutions for water and energy, leading the industry in a way that anticipates the rapidly evolving needs of its customers.
With a global workforce of about 16,000 employees, Aliaxis develops and produces both standard and tailored solutions that meet the client's most demanding expectations. Aliaxis is active through more than 100 manufacturing and commercial companies, operating in over 45 countries. The company is privately owned, with its global headquarters in Brussels, Belgium.

More on www.aliaxis.com

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