Brussels, September 22, 2017

Aliaxis reports solid half-year results

Aliaxis SA ('Aliaxis', 'the Group' or 'the Company'), a global leader in the manufacturing and distribution of advanced plastic piping systems, today announced its results for the six months period ended June 30, 2017.

Highlights – Six months period ended June 30, 2017

- Revenue of € 1,582.7 million, an increase of 6.1% (3.5% on a like for like basis)
- Current EBITDA of € 223.1 million, up 10.4% (8.3% on a like for like basis)
- Current EBIT of € 166.1 million, up 12.6% (10.6% on a like for like basis)
- Net profit of € 97.5 million, up 24.2%, predominately driven by higher CEBIT, lower non-recurring costs and favourable exchange rate fluctuations
- Net financial debt amounts to € 548 million and is in line with June 30, 2016
- Implementation of company-wide transformation and strategy, 'D.N.A.', on track
- Completed divestment of SED Flow Control GmbH to Frankfurt headquartered Samson AG in September 2017

The unaudited interim financial information for the six months period ended June 30, 2017 was presented to the Board of Directors on September 21, 2017.

CEO Laurent Lenoir comments on the results:

"The growth achieved over the first 6 months this year both top and bottom line versus a solid performance in H1 2016 and in spite of resin price increase, is a positive signal. It reflects our ability to capture growth organically or through innovation - predominantly in India and North America - while rationalising our cost base."

Divisional review

The simplification of our organisation around 3 divisions which was completed in 2016 and the transformation engaged starts to deliver synergies. It enhances sharing best practise, innovation and product portfolio to the benefit of our customers all over the world.

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

1. EMEA

Sales in EMEA were broadly in line with last year, while further focus on cost and simplification have driven bottom line improvement. In addition, our European operation has initiated various commercial excellence and resource optimisation programs that will enhance the efficiency of our operations.

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

2. Americas

Our North American operations continued to perform strongly. Positive market conditions (driven by new infrastructure spending and higher than anticipated housing starts) in Canada were further strengthened by several innovation successes. In the US, we have generated growth despite lower than expected housing starts, unfavourable product mix and price pressure due to lower than anticipated demand. Our good performance in this region was supported by several operational excellence initiatives.

In Latin America, the solid performance in Central America was contrasted by the challenging economic environment in the rest of the region, affecting our overall regional performance. In response, a number of specific programs have been put in place around commercial strategy, the implementation of a new innovation organisation and resource optimisation.

3. APAC

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

In India, the division further consolidated its position and achieved growth across product lines. Construction of a new factory in the North of the country is on track – with start of production planned early 2018 – to support the development of the business in this region. In addition, the implementation of a new ERP system, which is expected to go live in April 2018, will further strengthen our organisation.

Our operations in South East Asia (SEA) are facing difficult market conditions in Singapore. In response, a number of profit and cost improvement initiatives have been initiated.

Our operations in New Zealand overall performed well, while our activities in Australia continue to be negatively impacted by a very challenging market environment and low demand in Coal Seam Gas specifically, putting pressure on margins and leading to a deterioration of our business. As in SEA, various initiatives have been put in place to improve the overall profitability.

Key Financials

Consolidated income statement				
(in € million)	1HY2017	1HY2016	Change[1]	FY2016
Revenue	1,582.7	1,491.8	+6.1%	2,949.4
Current EBITDA[2]	223.1	202.1	+10.4%	358.8
as % on sales	14.1%	13.5%		12.2%
Current EBIT[3]	166.1	147.5	+12.6%	243.5
as % on sales	10.5%	9.9%		8.3%
Operating income (EBIT)	161.3	138.6	+16.4%	193.5
as % on sales	10.2%	9.3%		6.6%
Profit before income taxes	142.7	116.5	+22.4%	150.7
Net result	97.5	78.5	+24.2%	108.7
attributable to:				
- non-controlling interests	7.1	3.4		7.5
- Group equity holders	90.5	75.1		101.2

Earnings per share			
(in €)	1HY2017	1HY2016	FY2016
Basic earnings	1.15	0.94	1.26

[1] All comparisons are made relative to the first half of 2016
[2] Current EBITDA being EBITDA before non-recurring items
[3] Current EBIT being profit from operations (EBIT) before non-recurring items

Consolidated financial position			
(in € million)	30 June 2017	31 Dec. 2016	30 June 2016
Intangible assets	854	888	900
Property, plant & equipment	850	888	862
Investment properties	6	6	6
Other assets	24	23	24
Deferred tax assets	45	45	21
Derivatives	53	71	70
Employee benefits	27	28	34
Non-current assets	1,859	1,949	1,917
Non-cash working capital	670	482	629
TOTAL	**2,529**	**2,431**	**2,546**
Equity attributable to Group equity holders	1,576	1,551	1,573
Non-controlling interests	73	72	65
Total equity	1,649	1,623	1,638
Deferred tax liabilities	93	96	98
Employee benefits	85	87	93
Derivatives	18	24	37
Other non-current liabilities	135	137	132
Net financial debt	548	464	548
TOTAL	**2,529**	**2,431**	**2,546**

Financial review

Sales

In the 6 months period ended June 30, 2017, Aliaxis reported revenue of € 1,583 million, an increase of 3.5% on a like for like basis compared to the same period last year, largely driven by continued strong growth in India and Canada, and higher PVC resin prices. The underlying growth is also strengthened by a positive currency effect of 2.6%.

EBIT

We see different underlying dynamics in the different regions and divisions where we operate. The underlying improvement in EBIT is supported by almost all regions, strengthened by favourable exchange rate fluctuations and a decrease in non-recurring items. When excluding the impact of one-off items, Current EBIT amounts to € 166.1 million, or an increase of € 18.6 million or 12.6% versus last year. Non-recurring costs amount to € 4.8 million in the period under review and mainly relate to a number of transformation and restructuring initiatives. The Current EBIT margin amounts to 10.5%, 0.6% higher than last year.

Net Profit

The net profit attributable to the Group's equity holders amounted to € 90.5 million, representing an increase of € 15.4 million compared to the 6 months period ended June 30, 2016. The increase is predominately driven by the improvement in EBIT and lower exceptional costs in comparison with last year and a favourable impact of exchange rate fluctuations.

Financial position

Net Financial Debt

Net financial debt amounts to € 548 million, in line with last year, and increased by € 84 million compared to December 31, 2016 following the usual seasonal pattern.

Outlook 2017

Year on year growth is expected to continue in the second half of 2017. The Board of Directors and Management are committed to continue to invest in the Group transformation going forward, to become a strong global integrated leader in the manufacturing and distribution of advanced plastic piping systems.

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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