



## Aliaxis maintains strong profitability in 2023 despite challenging market conditions

*Brussels – March 1<sup>st</sup>, 2024 – Aliaxis, a world leader in fluid management solutions that enable access to water and energy, maintains strong profitability for 2023 despite challenging market conditions.*

### Highlights – 12-month period ended December 31, 2023

- Revenue of €4.1 billion, a like-for-like<sup>1</sup> decrease of 5.3% vs 2022
- Recurring EBITDA<sup>2</sup> of €619.5 million, decrease of 12.9% on a like-for-like basis<sup>1</sup> vs 2022
- Recurring EBITDA margin of 15.3%, declined by 1.5 p.p. vs 2022 (margin of 15.8% excluding one off year-end adjustments in Asia region)
- Net profit of €324 million, down 12.7% vs 2022, including a realised net gain<sup>3</sup> of €76 million on disposal of shares in Uponor accounted for in the net result as a gain on financial assets with no impact on Recurring EBITDA
- Net financial debt<sup>4</sup> of €754 million, an increase of €12 million vs December, 2022. Our investments in acquisitions (€239 million) and capex (€331 million) were financed in part by improved working capital (€209 million). Leverage of 1.2x last-twelve-months Recurring EBITDA
- Strategic acquisitions of Valencia Pipe Company, expanding our presence in the West of the US, Zypho in Europe, at the forefront of drain water heat recovery solutions, and Comspec, a recycling specialist in New Zealand
- Proposed dividend of €0.9460 gross per share (10% increase)

### CEO Eric Olsen comments on the 2023 results:

*As anticipated, market conditions continued to be challenging throughout 2023, with volumes down globally. We have seen significant declines in housing starts in most of our relevant markets, ranging from 6% in Canada and 8% in the US, up to 19% in France. In the face of market slowdowns and the impact of high inflation, we maintained overall solid performance across the Group with robust profitability. Revenues were €4.1 billion with a Recurring EBITDA margin remaining above 15%. Since 2021, we have confirmed a step change, achieving Recurring EBITDA over €600 million for three years in a row.*

---

<sup>1</sup> 2022 adjusted on a pro-forma basis to reflect the impact of the acquisition of Harco Fittings LLC in April 2022, Aquarius Spectrum in August 2022, OptiRTC Inc. in November 2022, Lareter in December 2022, Zypho in May 2023, Valencia Fittings LLC in June 2023 and the discontinued operations in Russia in June 2022. Impact of FX excluded to reflect underlying performance at constant exchange rate.

<sup>2</sup> Recurring EBITDA is Operating income (EBIT) exclusive of adjusted items plus depreciation, amortisation, and impairment (other than goodwill impairment).

<sup>3</sup> Net gain after tax including dividends received and excluding bank fees, M&A transaction costs and interest expenses

<sup>4</sup> Includes IFRS 16 leases



*We were able to adapt to deteriorating market conditions in Latin America and the UK. Meanwhile, we continue to deliver strong results in North America and the Pacific, with excellent commercial management focused on delivering for our customers. It shows the strength of our regional teams as well as the advantage of having a globally diversified portfolio to weather economic challenges.*

*Our Growth with Purpose strategy, centered on sustainability and innovation, continues to progress. On the sustainability front, we achieved a Silver EcoVadis rating, and over a third of our operations are now powered by renewable electricity, against 22% in 2022. We are successfully bringing the new products and systems our customers need, with new-to-market solutions making up 8.6% of our sales.*

### **Solid 2023 results**

In the 12 months to 31 December 2023, we achieved a solid performance, with excellent commercial management in North America and the Pacific supporting strong profitability in the ongoing challenging market environment. Revenue was €4.1 billion, down 5.3% on a like-for-like<sup>1</sup> basis compared to the outstanding results from 2022.

Recurring EBITDA amounted to €619.5 million, a decrease of 12.9% on a like-for-like<sup>1</sup> basis from 2022. Our Recurring EBITDA margin decreased by 1.5 p.p. to 15.3%. Excluding one-off year-end adjustments in the Asia region, the margin was 15.8%, showing continued resilience in the challenging market. Regional dynamics varied significantly, with North America, the Pacific and EMEA delivering robust results, while other regions were more impacted by the difficult market conditions.

Net profit amounts to €323.9 million, down 12.7% compared to 2022, including a realised net gain of €76 million on the sale of shares held in Uponor. This sale was accounted for in the net result as a gain on Financial Assets with no impact on Recurring EBITDA.

### **Highlights by region**

In the Americas, strong commercial management in North America continues to support our performance, driving excellent profitability in the US and Canada despite reduced demand. We were able to capture new market share in the US, as additional capacity from recent investments came online, supporting a strong topline result in North America despite fewer housing starts. Severe economic challenges hit our operations in Chile, Peru and Colombia where we saw a sharp market decline, however, we moved quickly to adjust with a leaner organisation. Overall, Americas revenue was down 6.7% on a like-for-like<sup>1</sup> basis, and Recurring EBITDA down 6.7% on a like-for-like<sup>1</sup> basis.

Despite building markets in EMEA continuing to decline in the second half of 2023 our performance was slightly down, with Recurring EBITDA down just 5.2%. Revenue was down by 5.8% on a like-for-like<sup>1</sup> basis. The UK market suffered from a sharp decline in the local building segment, weighing down the overall result in the region significantly. Recently acquired pressure piping business, Lareter, is now fully integrated and performing above expectations, allowing us to provide an even more comprehensive offer to our industrial customers in the region.

The Pacific region achieved a robust result despite unfavorable market conditions. New Zealand in particular suffered due to adverse weather conditions in Q1 and challenging markets in the infrastructure and agriculture segments throughout the year. Despite a revenue decrease of 5.6%, the Recurring EBITDA increased by 6.6% on a like-for-like basis<sup>1</sup>.



The continued margin improvement resulted from strong commercial management and further benefits from our operational excellence programs.

The Asia region revenue was up 1.4% while Recurring EBITDA was down 48.5% on a like-for-like basis<sup>1</sup>. Volumes grew strongly but further declining resin prices and severe price competition resulted in flat revenue and decreasing margins before profitability stabilised in the second half of the year. Further impacting the overall result, we accounted for several one-off year-end adjustments totalling €22.3 million before tax during the year. This included a potential credit loss of €10.7 million, a €1.5 million inventory adjustment, as well as several adjustments to other provisions. In November, we welcomed new Divisional CEO, Arvind Chandra, who leads a strengthened management team including a new CFO and CHRO. The team is tackling the local challenges with a focus on delivering profitable growth.

### **Strong balance sheet and financial position**

Shareholders' Equity increased by €168 million to €2.4 billion at the end of December.

The Group's focus on reducing working capital has continued, with a significant reduction in inventory levels during 2023. As of 31 December, working capital was €741 million, a decline of €199 million since December 2022. We continue to target operational improvements to sustainably reduce working capital and support ongoing investment in our strategy.

Our net financial debt amounts to €754 million, an increase of €12 million vs December, 2022. Our investments in acquisitions (€239 million) and capex (€331 million) were financed in part by improved working capital (€209 million). Net financial leverage is 1.2x last-twelve months Recurring EBITDA compared to 1.0x Recurring EBITDA at the end of 2022.

### **Strategic acquisitions added to our portfolio**

Our strategy remains focused on organic and external growth. In 2023, we added several strategic targets to our portfolio. The acquisition of the manufacturing division of the US based Valencia Pipe Company, completed in June, was the most significant and added two manufacturing facilities and a distribution center to extend our footprint into the western US. In Portugal, we acquired Zypho, an innovative manufacturer of drain water heat recovery units. In New Zealand, we partnered with Waste Management New Zealand in a joint venture which acquired Comspec, a plastic recycler handling over 2000 tonnes of plastic resins each year. Harco and Lareter, acquired in 2022, delivered over and above their business case in 2023, a demonstration of our ability to identify and integrate strong businesses to expand our portfolio.

### **Dividend**

Aliaxis' Board of Directors proposes to pay a gross dividend of €0.9460 per share, representing 23.1% of the consolidated basic earnings per share of €4.10. This is a 10% increase on the prior year.

The dividend is subject to shareholder approval at the General Shareholders' Meeting on May 2, 2024.

### **Statement of the auditor**

The statutory auditor, KPMG Bedrijfsrevisoren – Réviseurs d'Entreprises, represented by Jeroen Trumpener, has confirmed that the audit procedures, which have been substantially completed, have not revealed any material misstatement in the accounting information included in the Company's annual announcement.

Aliaxis S.A./N.V.  
Avenue Arnaud Fraiteur 15-23  
1050 Brussels, Belgium

+32 2 775 50 50  
hello@aliaxis.com  
aliaxis.com



## **Outlook for 2024**

We anticipate market demand to be flat across the group in 2024 but will continue to invest in our *Growth with Purpose* strategy, while remaining disciplined on cost. We expect to see further return on our investments worldwide, including market share gain in the US from recently added organic and external capacity, increased new product revenue from innovation, execution of our sustainability objectives, and the pursuit of our M&A pipeline.

## **2023 Annual Report**

The 2023 Annual Report will be published on our website on April 10, 2024.

## Key Financials

Consolidated income statement			
(in € million)	2023	2022	Change
<b>Revenue</b>	4,059.0	4,341.9	-6.5%
<b>Recurring EBITDA</b>	619.5	728.2	-14.9%
as % on sales	15.3%	16.8%	
<b>Recurring EBIT</b>	441.6	573.4	-23.0%
as % on sales	10.9%	13.2%	
<b>Operating income (EBIT)</b>	421.2	560.9	-24.9%
as % on sales	10.4%	12.9%	
<b>Profit before income taxes</b>	463.3	537.1	-13.7%
<b>Net result</b>	323.9	370.9	-12.7%
attributable to:			
- non-controlling interests	1.7	1.5	
- Group equity holders	322.2	369.4	

Earnings per share			
(in €)	2023	2022	Change
<b>Basic earnings</b>	4.10	4.69	-12.6%
<b>Proposed dividend</b>	0.9460	0.8600	10.0%



## About Aliaxis

*At Aliaxis, we design sustainable, easy to install, and innovative solutions to address the world's water challenges and accelerate the transition to clean energy.*

*Thanks to our 15,000+ employees, our pipes and fitting systems meet our customers' most demanding needs for the building, infrastructure, industrial and agriculture sectors. Operating in over 40 countries, the Company is active through leading local brands and generated €4.1 billion revenue in 2023.*

More on [www.aliaxis.com](http://www.aliaxis.com)

## Media Contact Aliaxis

Annamaija Bergius | Global Communications Director  
T: +32 (0)2 775 57 57 | E: [annamaija.bergius@aliaxis.com](mailto:annamaija.bergius@aliaxis.com)

## DISCLAIMER

*This release has been prepared by Aliaxis SA.*

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

*If this release contains express or implied statements or estimates about anticipated future performances, such statements and estimates are based on assumptions and assessments of known and unknown risks, uncertainties and other factors, which may or may not prove to be correct and may turn out to be materially different. No representations are made as to the accuracy or fairness of such statements and estimates.*

*No responsibility or liability in relation to this release (or errors or omissions in it) is or will be accepted by Aliaxis, its shareholders or by any of its directors, officers, employees or agents which expressly disclaim any and all liability.*

## Appendix to the press release

### 1. Financial Highlights 2023

#### Consolidated Statement of Profit or Loss

<i>(in € mio)</i>	2023	2022
<b>Revenue</b>	<b>4,059.0</b>	<b>4,341.9</b>
Cost of sales	-2,844.0	-3,085.1
<b>Gross profit</b>	<b>1,215.0</b>	<b>1,256.7</b>
Commercial expenses	-316.4	-281.4
Administrative expenses	-393.8	-344.8
R&D expenses	-37.2	-31.8
Other operating income / (expenses)	-26.0	-25.2
<b>Operating profit exclusive adjusted items</b>	<b>441.6</b>	<b>573.4</b>
Restructuring costs	-7.5	-0.1
Other income / (expenses)	-13.0	-12.4
<b>Operating profit</b>	<b>421.2</b>	<b>560.9</b>
Finance income	113.7	22.0
Finance expenses	-71.6	-45.8
<b>Profit before income taxes</b>	<b>463.3</b>	<b>537.1</b>
Income tax expense	-139.4	-166.2
<b>Profit for the period</b>	<b>323.9</b>	<b>370.9</b>
<i>of which attributable to Group equity holders</i>	322.2	369.4
<i>of which attributable to non-controlling interests</i>	1.7	1.5

## Consolidated Statement of Financial Position

(in € mio)	2023	2022
Intangible assets and goodwill	1,069.0	875.4
Property, plant & equipment	1,408.9	1,202.0
Investment property	3.2	3.2
Other assets	57.0	43.1
Derivatives financial instruments with positive fair values	0.2	1.6
Deferred tax assets	23.0	16.9
Employee benefits	21.5	33.5
<b>Non-current assets</b>	<b>2,582.7</b>	<b>2,175.7</b>
Inventories	888.2	1,061.6
Current tax assets	63.0	29.8
Amounts receivable	559.9	533.8
Derivatives financial instruments with positive fair values	0.3	29.8
Cash & cash equivalents	635.7	744.2
Assets held for sale	3.7	4.6
<b>Current assets</b>	<b>2,150.7</b>	<b>2,403.9</b>
<b>TOTAL ASSETS</b>	<b>4,733.3</b>	<b>4,579.6</b>
Share capital	62.7	62.7
Share premium	13.3	13.3
Retained earnings and reserves	2,315.5	2,147.2
<b>Equity attributable to Group equity holders</b>	<b>2,391.5</b>	<b>2,223.2</b>
Non-controlling interests	6.4	6.5
<b>Total Equity</b>	<b>2,397.9</b>	<b>2,229.7</b>
Loans and borrowings	1,071.7	1,081.5
Lease liabilities	190.8	143.9
Employee benefits	59.5	59.7
Deferred tax liabilities	60.5	73.8
Provisions	46.0	34.0
Other amounts payable	3.9	3.8
<b>Non-current liabilities</b>	<b>1,432.5</b>	<b>1,396.8</b>
Loans and borrowings	83.1	228.6
Lease liabilities	31.5	26.1
Bank overdrafts	12.3	6.0
Provisions	26.5	38.7
Derivative financial instruments with negative fair values (Current)	6.2	5.3
Current tax liabilities	66.3	100.8
Amounts payable	677.1	545.8
Liabilities held for sale	-	1.9
<b>Current liabilities</b>	<b>903.0</b>	<b>953.1</b>
<b>Total liabilities</b>	<b>2,335.5</b>	<b>2,349.9</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>4,733.3</b>	<b>4,579.6</b>



## Consolidated Statement of Cashflows

For the year ended 31 December (in € mio)	2023	2022
<b>OPERATING ACTIVITIES</b>		
Profit after income tax	323.9	370.9
Depreciation	149.0	132.6
Amortisation	28.5	21.5
Impairment losses on PP&E, intangible assets and assets held-for-sale	0.8	0.8
Impairment losses on working capital and others	18.1	21.3
Increase / (decrease) in provisions in profit and loss	27.0	37.5
Financial instruments - fair value adjustment through profit or loss	3.7	-0.1
Net interest (income) / expenses	34.3	19.6
Dividend income	-5.6	-
Loss / (gain) on sale of property, plant and equipment	-0.5	-1.7
Loss / (gain) on sale of assets held-for-sale	-	0.0
Loss / (gain) on sale of businesses	-0.6	0.0
Loss/(gain) on de-recognition inv securities	-81.7	-
Income tax expense	139.4	166.2
Other - miscellaneous - mainly FX	-6.4	-0.4
<b>Gross cash flows from operating activities</b>	<b>630.0</b>	<b>768.3</b>
Decrease / (increase) in inventories	170.7	-305.9
Decrease / (increase) in amounts receivable	-107.4	-116.5
Increase / (decrease) in amounts payable	150.1	-43.4
Increase / (decrease) in provisions	-4.0	-29.8
Changes in working capital and provisions	209.4	-495.7
<b>Cash generated from operations</b>	<b>839.4</b>	<b>272.6</b>
Income tax paid	-222.0	-203.2
<b>Net cash flows from operating activities</b>	<b>617.4</b>	<b>69.4</b>
<b>For the year ended 31 December (in € mio)</b>	<b>2023</b>	<b>2022</b>
<b>INVESTING ACTIVITIES</b>		
Proceeds from sale of property, plant and equipment	1.1	3.1
Proceeds from sale of assets held-for-sale	-	0.0
Proceeds from sale of investments	418.9	0.8
Repayment of loans granted	0.1	-
Sale of a business, net of cash disposed of	0.0	0.0
Acquisition of businesses, net of cash acquired	-226.5	-211.7
Acquisition of property, plant and equipment	-275.5	-282.3
Acquisition of intangible assets	-55.6	-42.8
Acquisition of other investments	-294.8	-28.4
Loans granted	0.0	-0.3
Dividends received	5.6	-
Interest received	20.4	12.1
Other - miscellaneous	0.0	-
<b>Net cash flows used in investing activities</b>	<b>-406.3</b>	<b>-549.5</b>



For the year ended 31 December (in € mio)	2023	2022
<b>FINANCING ACTIVITIES</b>		
Proceeds from sale of treasury shares	0.3	0.0
Proceeds from obtaining borrowings	208.1	316.4
Repurchase of treasury shares	-18.9	-
Repayment of borrowings	-349.4	-91.4
Repayment of leasing	-41.9	-36.0
Dividends paid	-68.9	-63.0
Interest paid	-45.0	-25.5
Payment of transaction costs related to loans and borrowings	0.0	0.0
<b>Cash flows from financing activities</b>	<b>-315.7</b>	<b>100.5</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>-104.6</b>	<b>-379.5</b>

### Cash and cash equivalents

For the year ended 31 December (in € mio)	2023	2022
<b>As at 1 January</b>	<b>738.2</b>	<b>1,107.7</b>
Net (decrease) / increase in cash and cash equivalents	-104.6	-379.5
Cash and cash equivalents resulting from scope changes and A/L HFS transfers	-	-1.1
Effect of exchange rate fluctuations on cash held	-10.3	11.1
<b>As at 31 December</b>	<b>623.4</b>	<b>738.2</b>

## Segment information

(In € mio)	Americas		Pacific		EMEA		Asia	
	2023	2022	2023	2022	2023	2022	2023	2022
External revenues	2,013.7	2,163.7	483.1	548.1	957.8	984.8	560.9	597.6
Adjusted EBIT	387.6	464.9	37.0	37.4	49.3	54.3	-2.3	44.0
Depreciation and amortisation	77.4	62.3	27.7	28.2	39.6	35.0	25.0	23.2
<b>Adjusted EBITDA</b>	<b>465.0</b>	<b>527.2</b>	<b>64.7</b>	<b>65.6</b>	<b>88.9</b>	<b>89.3</b>	<b>22.7</b>	<b>67.2</b>
Restructuring costs	-2.3	-0.2	-	0.1	-5.1	-	-	-
Other income / (expenses)	-3.2	1.6	-	0.0	-1.0	-4.0	-	0.0
<b>Segment result (EBIT)</b>	<b>382.2</b>	<b>466.4</b>	<b>37.0</b>	<b>37.4</b>	<b>43.3</b>	<b>50.3</b>	<b>-2.3</b>	<b>44.0</b>
Segment assets	2,164.4	2,137.9	433.4	422.4	729.8	768.9	500.3	512.8
Segment liabilities	601.8	497.4	120.5	119.7	242.3	245.9	157.5	146.8
Capital expenditures	178.2	191.5	45.5	21.7	59.6	55.3	27.5	41.9
Capital employed	1,734.8	1,441.9	328.6	339.1	622.6	634.2	421.2	467.7
R&D expenses	7.5	6.4	2.7	1.8	9.7	9.2	2.7	2.1

(In € mio)	Other		Not allocated		TOTAL	
	2023	2022	2023	2022	2023	2022
External revenues	43.4	47.7	0.0	0.0	4,059.0	4,341.9
Adjusted EBIT	-3.9	-2.1	-26.1	-25.0	441.6	573.4
Depreciation and amortisation	2.2	2.0	5.9	4.0	177.9	154.7
<b>Adjusted EBITDA</b>	<b>-1.7</b>	<b>0.0</b>	<b>-20.1</b>	<b>-21.0</b>	<b>619.5</b>	<b>728.2</b>
Restructuring costs	-0.1	-	-	-	-7.5	-0.1
Other income / (expenses)	-	0.0	-8.9	-10.1	-13.0	-12.4
<b>Segment result (EBIT)</b>	<b>-4.0</b>	<b>-2.1</b>	<b>-34.9</b>	<b>-35.1</b>	<b>421.2</b>	<b>560.9</b>
Segment assets	52.2	61.1	853.3	676.6	4,733.3	4,579.6
Segment liabilities	17.4	15.2	1,196.0	1,324.8	2,335.5	2,349.9
Capital expenditures	0.6	0.7	19.7	14.0	331.1	325.1
Capital employed	35.0	38.1	81.9	100.5	3,224.1	3,021.4
R&D expenses	2.3	0.3	12.3	12.0	37.2	31.8

## 2. Alternative Performance Measures

### Reported to Like-For-Like Reconciliation

	in € mio	2023	2022	Var %
<b>NET SALES</b>	<b>Net sales, as reported</b>	<b>4,059.0</b>	<b>4,341.9</b>	<b>-6.5%</b>
	Pro forma adj acquisitions	-	108.1	
	Net sales, Rebaselined	4,059.0	4,450.0	
	Divestments	-	-4.0	
	FX	-	-160.4	
	<b>Net sales, like-for-like<sup>1</sup></b>	<b>4,059.0</b>	<b>4,285.6</b>	<b>-5.3%</b>
<b>Recurring EBITDA</b>	<b>Recurring EBITDA, as reported</b>	<b>619.5</b>	<b>728.2</b>	<b>-14.9%</b>
	Pro forma adj acquisitions	-	14.0	
	Recurring EBITDA, Rebaselined	619.5	742.1	
	Divestments	1.0	0.8	
	FX	-	-30.8	
	<b>Recurring EBITDA, like-for-like<sup>1</sup></b>	<b>620.4</b>	<b>712.2</b>	<b>-12.9%</b>
<b>EBIT</b>	<b>EBIT, as reported</b>	<b>421.2</b>	<b>560.9</b>	<b>-24.9%</b>
	Pro forma adj acquisitions	-	13.4	
	EBIT, Rebaselined	421.2	574.3	
	Divestments	-4.1	0.9	
	FX	-	-25.5	
	<b>EBIT, Like-for-like<sup>1</sup></b>	<b>417.1</b>	<b>549.7</b>	<b>-24.1%</b>

<sup>1</sup> 2022 adjusted on a pro-forma basis to reflect the impact of the acquisition of Harco Fittings LLC in April 2022, Aquarius Spectrum in August 2022, OptiRTC Inc. in November 2022, Lareter in December 2022, Zypho in May 2023, Valencia Fittings LLC in June 2023 and the discontinued operations in Russia in June 2022. Impact of FX excluded to reflect underlying performance at constant exchange rate.

### Recurring EBITDA

<i>(in € mio)</i>	2023	2022
Operating profit exclusive adjusted items	441.6	573.4
Amortisation	28.5	21.5
Depreciation	149.0	132.6
Impairment	0.8	0.8
Impairment of non-financial assets (adj items)	-0.5	-0.3
<b>Adjusted EBITDA</b>	<b>619.5</b>	<b>728.2</b>

### Working Capital

<i>(in € mio)</i>	2023	2022
Inventories	888.2	1,061.6
Current tax assets	63.0	29.8
Amounts receivable	559.9	533.8
Provisions	-26.5	-38.7
Current tax liabilities	-66.3	-100.8
Amounts payable	-677.1	-545.8
<b>Working Capital</b>	<b>741.1</b>	<b>939.9</b>

### Net Financial Debt

<i>(in € mio)</i>	2023	2022
Cash & cash equivalents	635.7	744.2
Loans and borrowings non-current	-1,071.7	-1,081.5
Lease liabilities non-current	-190.8	-143.9
Loans and borrowings current	-83.1	-228.6
Lease liabilities current	-31.5	-26.1
Bank overdrafts	-12.3	-6.0
<b>Net Financial Debt</b>	<b>-753.7</b>	<b>-741.9</b>