

Bondholder Presentation – 2021 Full year results Aliaxis SA

March 10, 2022



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2021 Results - Basis of preparation

Financial information as of and for the year ended December 31, 2021

- This presentation includes (comments to) the audited consolidated income statement, audited statements of financial position and cash flows as of and for the year period ended December 31, 2021, which have been prepared in accordance with IFRS and the accounting principles of Aliaxis SA
- Furthermore, this presentation includes non-accounting terms such as (C)EBITDA. These non-accounting terms are not defined under IFRS. We consider (C)EBITDA to be an important indicator of our representative recurring operations. Other companies in our industry may calculate these measures in a different way. Consequently, our presentation of (C)EBITDA may not be comparable to those of other companies

Statement of the auditor

- The statutory auditor, KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises, represented by Filip De Bock, 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 press release

2021 Annual Report

- The 2021 Annual Report for Aliaxis SA will be published on our website on March 28th, 2022
- The annual report for Aliaxis Holdings SA will be published on April 29th, 2022. The difference with Aliaxis SA is immaterial : +€2 mio and +€31 mio at CEBITDA and net financial debt level respectively for Aliaxis Holdings SA vs Aliaxis SA

2021 - Outstanding results – Step change in profitability

**Sales of
€3.7 billion**

**+31.0% vs 2020
+33.8% vs 2019
on LFL* basis**

**CEBITDA
margin of
18.3%**

**16.4% in 2020
15.3% in 2019
on LFL* basis**

**CEBITDA of
€674 million**

**+46.6% vs 2020
+60.9% vs 2019
on LFL* basis**

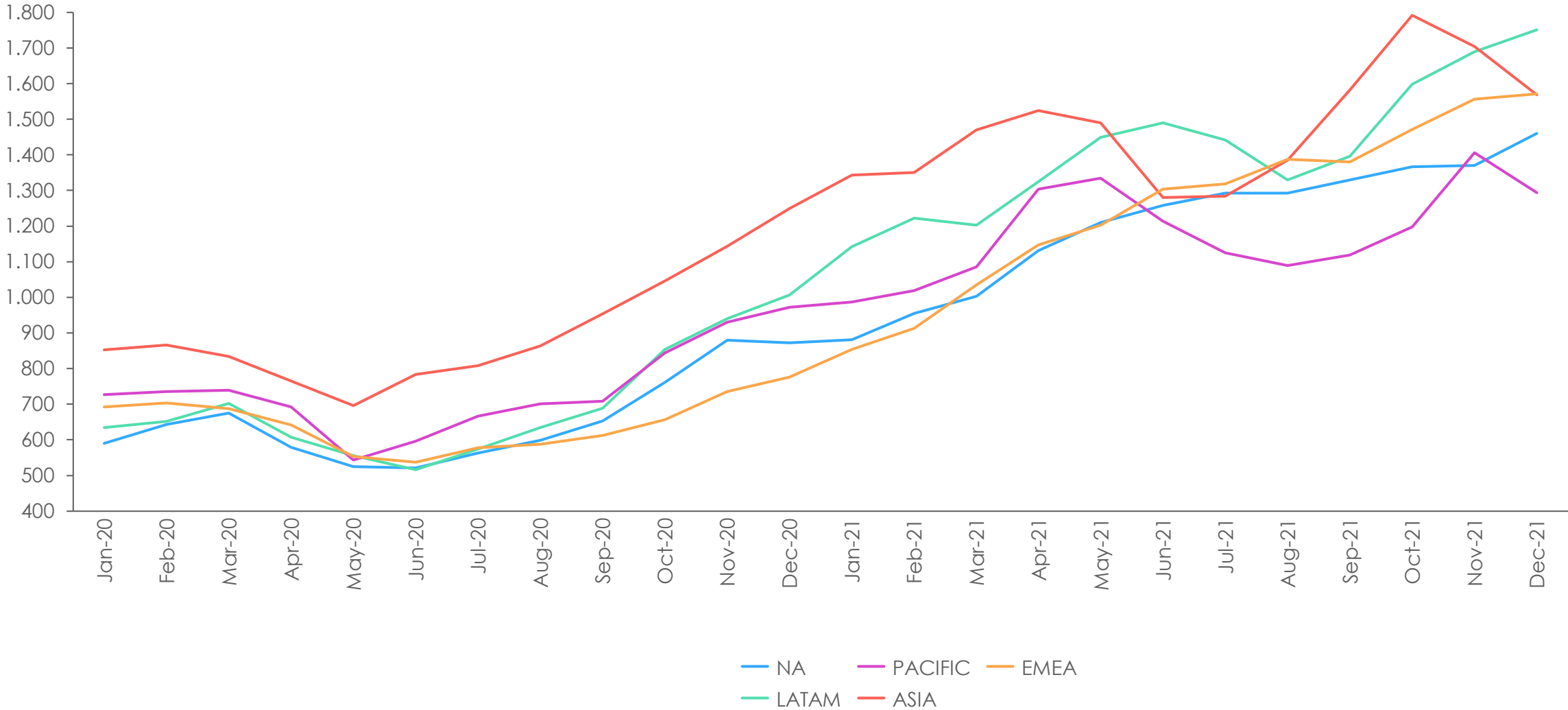
**Net profit of
€399 million**

+100.2% vs 2020

** 2020 and 2021 adjusted to exclude impact of divestments. Impact of Foreign Exchange excluded to reflect underlying performance at constant exchange rate*

PVC resin prices almost doubled in 2021

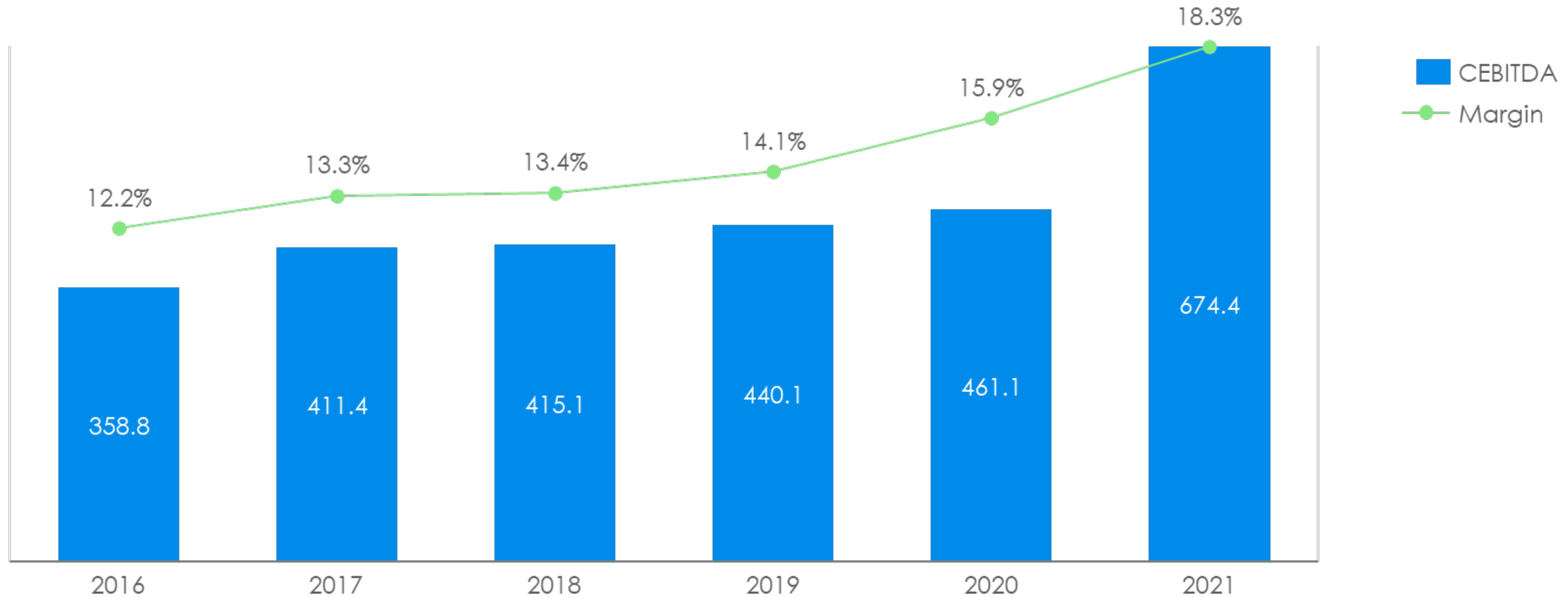
In euro @BU22
fx rates



Step change in profitability in 2021

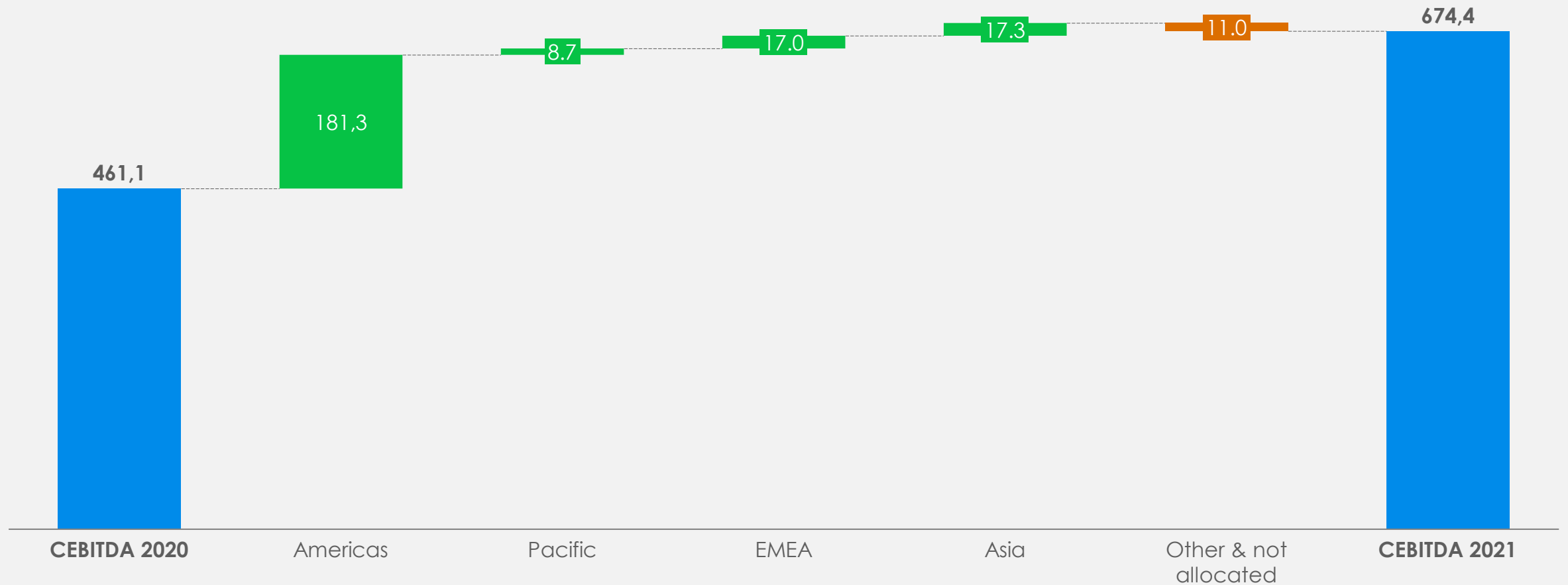
CEBITDA (€ mio @ historical rate) and CEBITDA margin (%)

2016-2018 pre-IFRS 16



Exceptional performance in Americas drives majority of CEBITDA growth

Current EBITDA, € mio @ historical rate



Sales and CEBITDA growth supported by all regions

EMEA

Sales: €885 mio (+12.4%)
CEBITDA: €128 mio (+15.2%)

Americas

Sales: €1,691 mio (+43.9%)
CEBITDA: €403 mio (+82.0%)

Asia

Sales: € 480 mio (+29.9%)
CEBITDA : €92 mio (+23.4%)

Pacific

Sales: €478 mio (+17.8%)
CEBITDA : €50 mio (+20.7%)

2021 and 2020 presented as reported

Step change in financial results compared to 2020 and 2019. Reported CEBITDA of €674.3 mio, an increase of 46,3% and 53.2% vs 2020 and 2019 respectively. Net result amounts to €399.4 mio

In € mio	2021 Actual	%	2020 Y-1	%	Δ Last Year		2019 Y-2	%	Δ 2019	
					M EUR	%			M EUR	%
Net sales	3,675.1	100.0%	2,907.7	100.0%	767.4	26.4%	3,117.6	100.0%	557.5	17.9%
Direct cost of goods sold	(2,314.3)	(63.0%)	(1,829.6)	(62.9%)	(484.7)	26.5%	(2,017.6)	(64.7%)	(296.7)	14.7%
Contribution	1,360.8	37.0%	1,078.1	37.1%	282.6	26.2%	1,100.0	35.3%	260.8	23.7%
Fixed costs	(810.3)	(22.0%)	(745.8)	(25.7%)	(64.5)		(789.9)	(25.3%)	(20.5)	
Current EBIT	550.4	15.0%	332.3	11.4%	218.1	65.6%	310.1	9.9%	240.3	77.5%
Amortisation M&A related intangibles	(13.3)	(0.4%)	(16.9)	(0.6%)	3.6		(10.1)	(0.3%)	(3.2)	
Restructuring costs & exceptional items	75.2	2.0%	53.3	1.8%	21.9		62.5	2.0%	12.7	
Management fees	0.1	0.0%	0.2	0.0%	(0.0)		0.1	0.0%	0.0	
Total impairment goodwill/badwill	-	-	(38.3)	(1.3%)	38.3		(39.0)	(1.3%)	39.0	
EBIT	612.4	16.7%	330.6	11.4%	281.9	85.3%	323.6	10.4%	288.9	89.3%
Financial results	(20.2)		(21.8)		1.6		(30.0)		9.8	
Income taxes	(192.8)		(109.3)		(83.5)		(109.3)		(83.5)	
Net income	399.4	10.9%	199.5	6.9%	200.0	100.2%	184.3	5.9%	215.1	116.7%
	Share of minority interests		1.6		1.0		1.3		0.4	
	Share of the Group		397.8		198.5		183.0		214.8	
Current EBITDA	674.3	18.3%	460.9	15.9%	213.4	46.3%	440.1	14.1%	234.2	53.2%

When excluding the impact on non-recurring items, incl gain on divestment and tax provisions, net result amounts to €364.1 mio (vs €399.4 mio on a reported basis). No impact on CEBITDA

In € mio	2021 Actual	From reported to normalised net profit				2021 Recurring
		Restructuring & M&A	Capital gain / (Loss) Divestments	Impairment Global ERP	Tax Provisions	
Net sales	3,675.1					3,675.1
Direct cost of goods sold	-2,314.3					-2,314.3
Contribution	1,360.8	0.0	0.0	0.0	0.0	1,360.8
Fixed costs	-810.3					-810.3
Current EBIT	550.4	0.0	0.0	0.0	0.0	550.4
Amortisation M&A related intangibles	-13.3					-13.3
Restructuring costs & exceptional items	75.2	5.7	-88.9	8.0		0.0
Management fees	0.1					0.1
Total impairment goodwill/badwill	0.0					0.0
EBIT	612.4	5.7	-88.9	8.0	0.0	537.2
Financial results	-20.2					-20.2
PBT	592.2	5.7	-88.9	8.0	0.0	517.0
Income taxes	-192.8	-0.8	0.7		40.0	-152.9
Net income	399.4	4.9	-88.2	8.0	40.0	364.1
CEBITDA	674.3					674.3

Sales increased by 31.0% on a LFL basis (26.4% as reported) compared to 2020, whilst CEBITDA is broadly in line. LFL increase vs 2019 is more significant following multiple scope changes

	in € mio	2021	2020	Var %	2019	Var %
NET SALES	Net sales, as reported	3,675.1	2,907.7	26.4%	3,117.6	17.9%
	Pro forma adj acquisitions				93.5	
	Net sales, Rebaselined	3,675.1	2,907.7		3,211.0	
	Divestments	-51.8	-137.8		-416.8	
	FX		-4.3		-85.7	
	Net sales, like-for-like	3,623.2	2,765.6	31.0%	2,708.5	33.8%
CEBITDA	CEBITDA, as reported	674.4	461.1	46.3%	440.1	53.2%
	Pro forma adj acquisitions				13.9	
	CEBITDA, Rebaselined	674.4	461.1		454.0	
	Divestments	-7.7	-8.3		-30.7	
	FX		2.1		-8.9	
	CEBITDA, like-for-like	666.7	454.9	46.6%	414.4	60.9%
EBIT	EBIT, as reported	612.4	330.6	85.3%	323.6	89.3%
	Pro forma adj acquisitions				11.9	
	EBIT, Rebaselined	612.4	330.6		335.5	
	Divestments	-5.2	7.4		12.2	
	FX		8.3		-5.6	
	EBIT, Like-for-like	607.2	346.3	75.4%	342.1	77.5%

Net financial expenses decreased by €1.6 mio following lower FX results and interest cost, partly offset the gain on sale of shares in non-core asset in 2020

(in MEUR)	2021	2020
Net interest expenses on financial borrowings excluding arrangement fees & leases	(8,3)	(10,3)
Financial charges on leases	(4,0)	(3,9)
Arrangement fees	(0,9)	(1,0)
Other net interest income / (charges)	0,3	0,5
Gains / (losses) on derivatives	(0,0)	(0,6)
Gains / (losses) on sales of investments	(0,0)	5,9
Net foreign exchange gain / (loss)	(3,1)	(7,0)
Bank fees	(3,8)	(4,0)
Other financial income / (charges)	(0,5)	(1,4)
Financial results	(20,2)	(21,8)

Further strengthened balance sheet - strong foundations to support and invest for growth going forward

**Net financial
debt of
€99 million**

Leverage of 0.1x

**ROCE of
30.8%**

Up 14.6%

**Working
capital 11.6%
of sales**

*Up 1.4%
as % of sales*

**CAPEX of
€139 million**

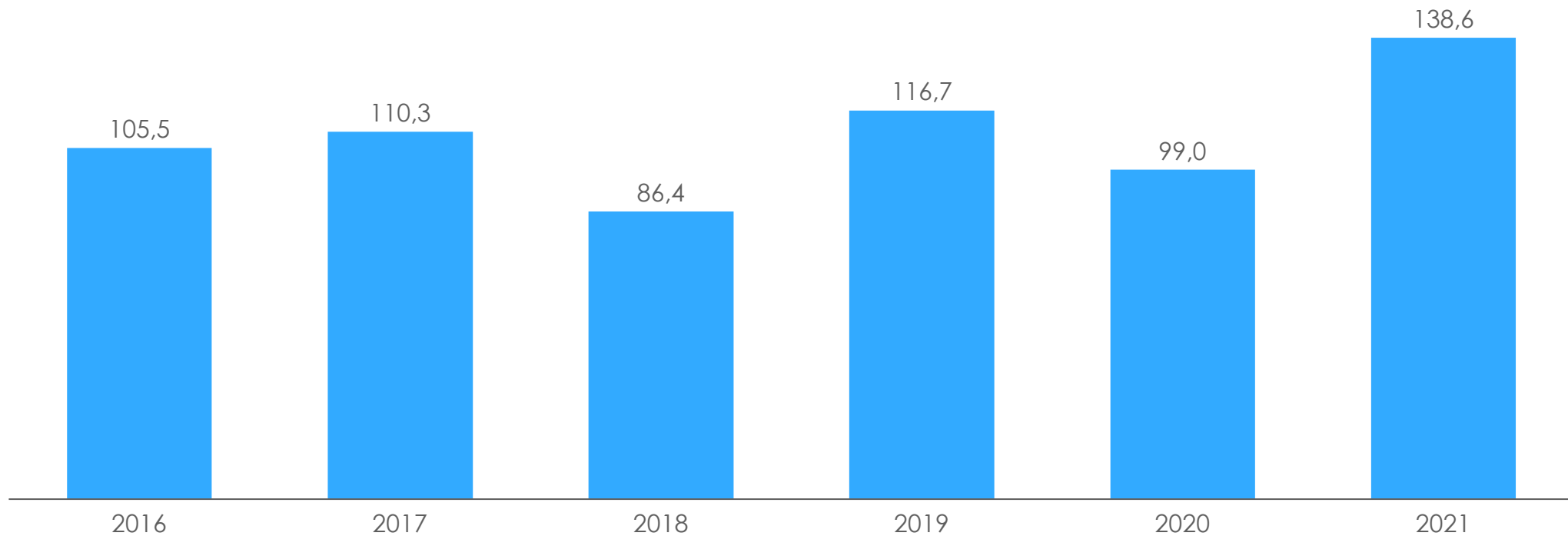
Solid balance sheet at December 31, 2021. Shareholders' equity of €1.9 bio.

Balance sheet significantly de-risked in recent years

in € mio	2021 Actual	2020 Actual	in € mio	2021 Actual	2020 Actual
Intangible fixed assets	158	165	Equity - Group	1,917	1,406
Goodwill	563	537	Equity - Minority interests	7	7
Tangible fixed assets	940	882	Total Equity	1,924	1,413
Investments - Investment properties	3	3	Governement grants	2	2
Investments - Financial investments	7	6	Net PEEBs (assets) / liabilities	17	35
Assets held for sale	3	5	Net deferred taxes (assets) / liabilities	70	48
Other non-current assets (net)	33	55	Other non-current provisions	22	18
Assets	1,707	1,654	Net financial debt	99	438
Non-cash working capital	427	299			
Total	2,134	1,953	Total	2,134	1,953

We invested significantly in 2021 to support Aliaxis' growth

CAPEX (excl leases), € mio @ historical rate



2 strategic investments in additional capacity in our core markets (NA and Asia)

Durgapur (India)

- New plant opened in Durgapur, in north-eastern India, manufacturing High Density Polyethylene (HDPE) pipes
- Allowing to better serve customers in the entire eastern part of India
- Model for future expansion



Pineville, USA

- Single largest investment ever
- State-of-the-art injection moulding plant being built in Pineville, North Carolina
- Significant increase of capacity for fittings for plumbing, electrical, industrial and municipal applications.
- Technological flagship – one of the most advanced plastics manufacturing facilities in the industry



76 new products were launched in 2021 – 20% increase vs. 2020



DAV tapping valves



PE twin wall drainage



Front-of-the-wall solutions



Rainwater harvesting



Low weight PVC fittings



Workflow



HDPE pipes



Radon gas venting system



Concealed cisterns



Agriculture solutions

Working capital increased by €128 mio compared to December 2020, mainly driven by (partial) inventory normalisation post COVID and increased input costs

in € mio	December 2021		December 2020	
	Actual	DOS	Y-1	DOS
Inventories	737	72	507	63
Current trade receivables	324	32	289	36
Current trade payables	(387)	(38)	(287)	(36)
Payroll & social security payables	(142)	(14)	(113)	(14)
Operating working capital	532	52	396	49
Net corporate taxes receivables / (payables)	(93)		(64)	
Net interests receivables / (payables)	(3)		(3)	
Current provisions for liabilities & charges	(41)		(33)	
Other amount receivables / (payables)	32		3	
Non operating working capital	(105)		(97)	
Total Working Capital	427	42	299	37

* All on sales over the period

Net financial debt decreased by €338 mio to €99 mio at December 31, 2021. Leverage of 0.1x CEBITDA

In € mio



Overview of committed financing at December 31, 2021

USPP		RCF		Schuldschein		Bond	
\$ 147 m + EUR 18 m		€ 845 m available *		€ 67 m		€750 m	
Floating		Floating		Floating		Floating	
	€m		€m		€m		€m
EUR mat. July 2023	27	AUD mat. Oct 2026	115	EUR mat. July 2022	27		
		CAD mat. Oct 2026	7				
	<hr/> 27		<hr/> 122		<hr/> 27		<hr/> 0
Fixed rate		Fixed rate		Fixed rate		Fixed rate	
	€m		€m		€m		€m
EUR mat. July 2023	50			EUR mat. July 2022	40	EUR mat. Nov 2028	750
EUR mat. July 2025	32						
EUR mat. July 2027	18						
	<hr/> 100		<hr/> 0		<hr/> 40		<hr/> 750
Total USPP	127	Total RCF	122	Total facility	67	Total facility	750
79% fixed		100% floating		60% fixed		0% fixed	
		* excluding 5M ancillary facilities					
				2021 refinancing			

ROCE increased to 30.8% at the end of 2021, compared to 16.1% in 2020. Ample covenant headroom (only applicable to surviving USPP and SS post refinancing)

Performance indicators		
	2021	2020
Net profit - Group share	397.8	198.5
Number of outstanding shares at the end of the period, net of treasury shares	78,681,987	78,270,500
Basic earning per share (EUR / Share)	5.06	2.54
Working capital / Net Sales	11.6%	10.3%
Net sales / Capital employed including goodwill	1.85	1.42
EBIT / Net Sales	16.7%	11.4%
ROCE (incl. GW)	30.8%	16.1%

Financial Covenants (USPP & SS only)		
	2021	2020
Interest cover	73.4	41.9
Bank covenant (min)	4.5	4.5
Leverage	0.0	0.7
Bank covenant (max)	3.5	3.5

Subsequent Events - Acquisition of Harco and strategic investment in HydroPoint



- Bold-on acquisition in line with our strategy
- Acquisition of Harco, a producer of fittings located in Virginia, USA
- Over 55 years of industry expertise in producing plastic sewer fittings and turf irrigation
- Annual revenue of about \$75 million
- Deal expected to be closed early April



- Within Aliaxis Next, a strategic investment and collaboration agreement with HydroPoint
- Smart water management focusing on innovative water solutions for the last mile
 - Smart irrigation systems
 - Leak and flow monitoring services for the building industry
- Signed on March 10th, 2022

Outlook

- We expect the positive momentum to continue through Q1 2022
- Visibility beyond Q1 remains limited, with uncertainty with regards to raw materials supply, cost inflation, the evolution of COVID and the situation in Ukraine / Russia
- Our focus in 2022 will be on continuing to deliver our Growth with Purpose strategy
- Besides internal growth, we will pursue external opportunities, both within our core business and beyond as we develop our new division Aliaxis Next targeting adjacent markets with growth tailwinds and creating a positive impact on society, notably for water management

Thank you.



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