



PRESS RELEASE

Brussels – March 1st, 2022

Outstanding results for 2021: doubling net income

Aliaxis, a world leader in fluid management solutions that enable access to water and energy, discloses excellent performance for 2021. The company has embarked on a positive and ambitious journey with its Growth with Purpose strategy, which involves ambitious targets for results, sustainability and innovation by 2025.

Highlights – 12 months period ended December 31, 2021 (versus 2020)

- Revenue of €3.7 billion, a like-for-like¹ increase of 31.0% and 33.8% vs 2020 and 2019 respectively
- Current EBITDA of €674.4 million, a like-for-like¹ increase of 46.6% and 60.9% vs 2020 and 2019 respectively
- CEBITDA margin of 18.3%, increase of 2.5% and 4.2% vs 2020 and 2019 respectively
- Net profit of €399 million, up 100.2% year-on-year and 116.7% vs 2019
- Net financial debt² of €99 million, a decrease of €338 million vs December 31, 2020
- The Americas achieved an extraordinary performance, growing sales by 47.5% and CEBITDA by 77.4% vs 2020 on a like-for-like¹ basis
- Closed divestment of SANIT in Germany in Q3 - Net proceeds and (pre-tax) capital gain of €88.7 million
- Leverage of 0.1x CEBITDA
- Increased proposed dividend: €0.782 gross (+18.8%)

¹ 2019 and 2020 adjusted to exclude impact of divestments. 2019 adjusted on a pro-forma basis to reflect the full year impact of the acquisition of Silver-Line Plastics in November 2019. Impact of FX excluded to reflect underlying performance at constant exchange rate.

² Includes IFRS 16 Leases



CEO Eric Olsen comments on the year:

“Our performance in 2021 has been outstanding. We doubled our net income with revenue growth of 31% and CEBITDA growth of 47% compared to 2020 (like-for-like¹ basis), which was already the previous record year. The Americas had extraordinary performance and the other regions performed well. Our 2021 results show that our Growth with Purpose strategy is already bearing fruit. Not only are we constructing a value-creating journey, but we are also making a strong and positive impact on sustainability.”

Strong financial performance in 2021

For the full year 2021, we reported top line growth of 31.0% on a like-for-like¹ basis compared to 2020, supported by all regions. The two most important drivers were the strong market momentum in North America, with robust housing market and a rise in infrastructure investment projects, and to a lesser extent, the revival of the Indian economy after the 2nd COVID wave in spring. Very strong commercial management and entering new business segments also contributed to these results.

Over the course of the year, our teams overcame several challenges: supply chain disruptions, substantial price increases of raw materials, as well as COVID-related shutdowns, notably in India (in April-May) and in New Zealand (in August-September).

Current EBITDA amounts to €674.4 million, an increase of 46.6% on a like-for-like¹ basis. Compared to 2019, the CEBITDA increase amounts to 60.9% on a like-for-like¹ basis. This is predominately driven by strong momentum in several markets, especially in the Americas, where the teams demonstrated a flexible and responsive approach to changing market conditions, next to operational performance. Our CEBITDA margin improved from 15.9% in 2020 to 18.3% in 2021.

Net profit amounts to €399.4 million, an increase of 100.2% compared to 2020.

2021 highlights by region

The Americas outperformed in 2021, with revenue up 47.5% and CEBITDA up 77.4% vs 2020 on a like-for-like¹ basis. In North America, we saw strong market momentum in the housing market, a rise in infrastructure investment projects and strong irrigation investment. Latin America started the year off with very high demand in most countries in Q1, which stabilised thereafter, despite lower investor confidence in Peru and a downturn in the infrastructure segment in Panama. A major investment in a new state-of-the-art injection moulding plant to be built in Pineville, North Carolina (USA), was announced, as well as the opening of 4 new distribution centres. Construction of the new plant in the US is to be finalised in late 2022, with full operations expected to start in early 2023.

¹ 2019 and 2020 adjusted to exclude impact of divestments. 2019 adjusted on a pro-forma basis to reflect the full year impact of the acquisition of Silver-Line Plastics in November 2019. Impact of FX excluded to reflect underlying performance at constant exchange rate.



EMEA posted solid performance, with revenue up 16.4% and CEBITDA up 12.2% vs 2020 on a like-for-like¹ basis. This was mainly driven by a strong start of the year, particularly in France, Spain and the UK, with a high demand in the building renovation & maintenance segment.

The Asia region saw revenue go up strongly by 34.3%, and CEBITDA by 29.7% vs 2020 on a like-for-like¹ basis. This performance was driven by the revival of the Indian economy post the second COVID wave in spring, owing to several cyclical tailwinds including pent-up demand and higher government spending on infrastructure. In an environment of high PVC price volatility, the teams managed to create growth in new segments, such as water storage and infrastructure. The team also launched its brand-new front of wall offering.

In Q4, a new plant opened in Durgapur, which is located along the national Delhi-Kolkata highway, allowing to better serve customers in the entire eastern part of India.

We also reported strong performance in the Pacific region, with revenue up 14.9% and CEBITDA up 13.3% vs 2020 on a like-for-like¹ basis. The region saw strong momentum in the building segment, driven by the Australian and New Zealand governments' stimulus packages and by homeowner cash reserves. Next to this, the Australian infrastructure segment also performed very well. The impact of lockdowns in New Zealand in August/September remained limited thanks to a strong rebound afterwards.

Strong balance sheet and financial position

Shareholders' equity increased by €511 million to €1,917.3 million at the end of 2021.

In Q4, Aliaxis successfully completed a €1.6 billion refinancing, comprised of a 5-year Revolving Credit Facility (RCF) of €850 million and the placement of a 7-year €750 million inaugural bond, with a coupon of 0.875% per annum. The bonds are rated Baa3 by Moody's with stable outlook on a forward-looking basis.

This refinancing process enables Aliaxis to enhance its funding flexibility, extend the average maturity of its debt and improve its average costs of capital. Proceeds were used to refinance existing debt and will be used going forward to fund accelerated CAPEX programs and external growth as part of our Growth with Purpose strategy.

The Group's working capital position increased by €128 million to €427 million at December 31st, 2021, largely driven by build-up of stock levels and a higher inventory valuation as a result of significant price increases for raw materials. Inventories were exceptionally low at the end of 2020 following significant supply chain disruptions.

Net financial debt further decreased by €338 million to €99 million at December 31st, 2021. Leverage amounts to 0.1x CEBITDA compared to 0.9x CEBITDA at the end of 2020. The Company has ample liquidity headroom to fund its Growth with Purpose Strategy going forward.

¹ 2019 and 2020 adjusted to exclude impact of divestments. 2019 adjusted on a pro-forma basis to reflect the full year impact of the acquisition of Silver-Line Plastics in November 2019. Impact of FX excluded to reflect underlying performance at constant exchange rate.



Major investments to support growth

In 2021, we invested significantly to support Aliaxis' growth, with total CAPEX (excl. leases) of €139 million, compared to €99 million in 2020. In addition to opening a new plant in Durgapur, India, we have accelerated our CAPEX program and spending in the USA, where the construction of a state-of-the-art new fittings plant is underway, on top of the opening of 4 new distribution centres. Significant investments were also made in digitalisation, automation, and in other operational excellence programs to improve our productivity and sustainability.

Dividend

Aliaxis' Board of Directors proposes to pay a gross dividend of €0.782 per share, representing 15.5% of the consolidated basic earnings per share of €5.06. This is an 18,8% increase.

The dividend is subject to shareholder approval at the General Shareholders' Meeting on May 25, 2022.

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.

Subsequent events

On January 19, 2022, Aliaxis announced the signing of an agreement to acquire Harco, a US manufacturer of gasketed fittings located in Virginia, USA. Harco brings over 55 years of industry expertise and will allow to further strengthen our position in the US market. Harco's annual revenues were roughly \$75 million in 2021. The transaction is still subject to customary regulatory approval and is expected to be closed in Q2.

Outlook 2022

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 and the evolution of COVID.

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.

2021 Annual Report

The 2021 Annual Report will be published on our website on March 28th, 2022.

¹ 2019 and 2020 adjusted to exclude impact of divestments. 2019 adjusted on a pro-forma basis to reflect the full year impact of the acquisition of Silver-Line Plastics in November 2019. Impact of FX excluded to reflect underlying performance at constant exchange rate.



Key Financial Performance

Consolidated income statement					
(in € million)	2021	2020	Change	2019	Change
Revenue	3,675.1	2,907.7	+26.4%	3,117.6	+17.9%
Current EBITDA	674.4	461.1	+46.3%	440.1	+53.2%
as % on sales	18.3%	15.9%		14.1%	
Current EBIT	537.2	315.5	+70.3%	300.1	+79.0%
as % on sales	14.6%	10.9%		9.6%	
Operating income (EBIT)	612.4	330.6	+85.3%	323.6	+89.3%
as % on sales	16.7%	11.4%		10.4%	
Profit before income taxes	592.2	308.7	+91.8%	293.6	+101.7%
Net result	399.4	199.5	+100.2%	184.3	+116.7%
attributable to:					
- non-controlling interests	1.6	1.0		1.3	
- Group equity holders	397.8	198.5		183.0	

Earnings per share					
(in €)	2021	2020	Change	2019	Change
Basic earnings	5.06	2.54	+99.4%	2.33	+116.8%
Proposed	0.782	0.658	+18.8%	0.587	+33.2%



Aliaxis is a global leader in fluid management systems for building, infrastructure, industrial and agriculture applications. The company provides communities 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 and of society. With a global workforce of 14,000+ employees, Aliaxis offers specific solutions that meet our customers' most demanding needs across the globe. Aliaxis is active through leading local brands and operating in over 40 countries, combining local solutions with global innovation and operational excellence. The company is privately owned, with its global headquarters in Brussels, Belgium.

More on www.aliaxis.com

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Appendix to the press release

1. Financial highlights 2021

Consolidated Statement of Profit or Loss

<i>(in € mio)</i>	2021	2020
Revenue	3,675.1	2,907.7
Cost of sales	-2,584.7	-2,085.0
Gross profit	1,090.3	822.7
Commercial expenses	-236.4	-218.6
Administrative expenses	-272.5	-241.8
R&D expenses	-25.6	-23.2
Other operating income / (expenses)	-18.6	-23.5
Operating profit exclusive adjusted items	537.2	315.5
Net result on sale of businesses	88.9	98.3
Restructuring costs	-4.3	-14.2
Impairment of non-financial assets	-4.9	-64.0
Other income / (expenses)	-4.5	-5.1
Operating profit	612.4	330.6
Finance income	4.6	12.2
Finance expenses	-24.9	-34.0
Profit before income taxes	592.2	308.7
Income tax expense	-192.8	-109.3
Profit for the period	399.4	199.5
<i>of which attributable to Group equity holders</i>	397.8	198.5
<i>of which attributable to non-controlling interests</i>	1.6	1.0

Consolidated Statement of Financial Position

<i>(in € mio)</i>	2021	2020
Intangible assets and goodwill	721.3	702.7
Property, plant & equipment	940.2	882.2
Investment property	3.3	3.3
Other assets	20.6	32.6
Derivatives financial instruments with positive fair values	24.3	19.0
Deferred tax assets	12.4	13.4
Employee benefits	58.8	46.6
Non-current assets	1,780.9	1,699.9
Inventories	736.8	506.6
Current tax assets	9.3	10.1
Amounts receivable	389.6	340.0
Derivatives financial instruments with positive fair values	0.2	23.0
Cash & cash equivalents	1,111.3	642.7
Assets held for sale	2.7	4.7
Current assets	2,249.9	1,527.1
TOTAL ASSETS	4,030.8	3,227.0
Share capital	62.7	62.7
Share premium	13.3	13.3
Retained earnings and reserves	1,841.3	1,329.9
Equity attributable to Group equity holders	1,917.3	1,405.9
Non-controlling interests	6.9	6.9
Total Equity	1,924.2	1,412.8
Loans and borrowings	1,005.6	781.2
Lease liabilities	109.2	95.3
Employee benefits	76.0	81.2
Deferred tax liabilities	82.6	61.0
Provisions	21.6	18.3
Derivative financial instruments with negative fair values	3.4	7.8
Other amounts payable	2.8	2.5
Non-current liabilities	1,301.3	1,047.3
Loans and borrowings	69.4	151.0
Lease liabilities	22.9	22.3
Bank overdrafts	3.7	30.5
Provisions	41.2	33.0
Derivative financial instruments with negative fair values (Current)	1.3	5.1
Current tax liabilities	102.0	74.4
Amounts payable	565.0	450.6
Current liabilities	805.4	767.0
Total liabilities	2,106.6	1,814.3
TOTAL equity & liabilities	4,030.8	3,227.0



Consolidated Statement of Cashflows

For the year ended 31 December (in € mio)	2021	2020
OPERATING ACTIVITIES		
Profit before income tax	592.2	308.7
Depreciation	119.2	121.2
Amortisation	17.1	22.7
Impairment losses on PP&E intangible assets and assets held-for-sale	6.0	64.8
Impairment losses on working capital and others	9.2	10.6
Increase / (decrease) in provisions in profit and loss	38.2	25.4
Financial instruments - fair value adjustment through profit or loss	-3.2	0.6
Net interest (income) / expenses	11.9	13.6
Dividend income	-0.5	-0.4
Loss / (gain) on sale of property, plant and equipment	-0.2	-0.8
Loss / (gain) on sale of assets held-for-sale	-1.5	0.0
Loss / (gain) on sale of businesses	-88.9	-98.3
Other - miscellaneous - mainly FX	8.4	-16.5
Gross cash flows from operating activities	707.8	451.8
Decrease / (increase) in inventories	-225.5	1.9
Decrease / (increase) in amounts receivable	-51.0	-30.1
Increase / (decrease) in amounts payable	106.8	45.4
Increase / (decrease) in provisions	-12.2	-26.2
Changes in working capital and provisions	-181.9	-9.0
Cash generated from operations	526.0	442.7
Income tax paid	-132.9	-89.7
Net cash flows from operating activities	393.0	353.1
For the year ended 31 December (in € mio)		
INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	1.6	2.6
Proceeds from sale of assets held-for-sale	3.5	1.9
Proceeds from sale of investments	0.3	0.2
Repayment of loans granted	0.1	0.0
Sale of a business, net of cash disposed of	120.4	169.2
Acquisition of businesses, net of cash acquired	0.0	-1.0
Acquisition of property, plant and equipment	-125.9	-80.4
Acquisition of intangible assets	-12.7	-18.6
Acquisition of other investments	-0.9	-1.7
Loans granted	-0.2	0.0
Dividends received	0.5	0.4
Interest received	4.0	5.7
Net cash flows used in investing activities	-9.2	78.2



For the year ended 31 December (in € mio)	2021	2020
FINANCING ACTIVITIES		
Proceeds from sale of treasury shares	9.1	0.2
Proceeds from obtaining borrowings	751.8	26.2
Repurchase of treasury shares	-0.3	-0.6
Repayment of borrowings	-595.4	-195.9
Repayment of leasing	-30.3	-32.7
Dividends paid	-52.9	-47.5
Interest paid	-11.8	-19.9
Payment of transaction costs related to loans and borrowings	-9.9	-
Cash flows from financing activities	60.2	270.2
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	444.1	161.1

Cash and cash equivalents

For the year ended 31 December (in € mio)	2021	2020
As at 1 January 2021	612.3	473.4
Net (decrease) / increase in cash and cash equivalents	444.1	161.1
Cash and cash equivalents resulting from scope changes and A/L HFS transfers	-6.7	-0.3
Effect of exchange rate fluctuations on cash held	58.0	-21.8
As at 31 December 2021	1,107.7	612.3



Segment information

(In € mio)	Americas		Pacific		EMEA		Asia	
	2021	2020	2021	2020	2021	2020	2021	2020
External revenues	1,691.0	1,175.1	477.9	405.8	885.2	787.9	479.8	369.3
Adjusted EBIT	352.2	168.5	24.3	15.1	94.8	73.9	71.9	55.9
Depreciation and amortisation	50.4	52.8	26.1	26.7	33.6	37.5	19.6	18.3
Adjusted EBITDA	402.5	221.2	50.5	41.8	128.4	111.4	91.5	74.2
Net results on sales of businesses	0.0	0.0	0.0	-6.1	0.2	0.0	0.0	0.0
Restructuring costs	-0.1	0.8	-0.5	-1.3	-3.7	-7.4	0.0	0.0
Impairment of non-financial assets	0.0	-53.5	0.0	0.0	0.0	-0.5	0.0	0.0
Other income /(expenses)	-0.4	-0.1	0.0	0.0	1.2	-1.1	0.0	0.0
Segment result (EBIT)	351.7	115.7	23.9	7.8	92.5	64.9	71.9	55.9
Segment assets	1,820.6	1,334.1	415.5	363.5	712.9	732.0	426.8	352.0
Segment liabilities	432.5	285.3	131.2	104.8	236.2	225.1	73.9	73.0
Capital expenditures	62.8	36.5	13.6	8.0	25.2	12.8	24.0	20.9
R&D expenses	4.5	3.8	1.6	1.5	8.9	9.7	1.4	0.8

(In € mio)	Other		Not allocated		TOTAL	
	2021	2020	2021	2020	2021	2020
External revenues	141.1	169.7	0.0	0.0	3,675.1	2,907.7
Adjusted EBIT	7.4	12.4	-13.4	-10.3	537.2	315.5
Depreciation and amortisation	3.6	4.8	3.8	5.6	137.1	145.5
Adjusted EBITDA	11.0	17.2	-9.5	-4.7	674.4	461.1
Net results on sales of businesses	0.0	0.0	88.7	104.4	88.9	98.3
Restructuring costs	0.0	-2.4	0.0	-4.1	-4.3	-14.2
Impairment of non-financial assets	0.0	0.0	-4.9	-10.0	-4.9	-64.0
Other income /(expenses)	-0.2	0.1	-5.1	-3.9	-4.5	-5.1
Segment result (EBIT)	7.2	10.1	65.3	76.1	612.4	330.6
Segment assets	78.5	77.5	576.5	368.0	4,030.8	3,227.0
Segment liabilities	35.6	36.2	1,197.1	1,089.8	2,106.6	1,814.3
Capital expenditures (excl. leasing)	2.8	3.0	10.2	17.9	138.6	99.0
R&D expenses	0.3	0.3	9.0	7.1	25.6	23.2

2. Alternative Performance Measures (APM)

Reported to LFL reconciliation

	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-like¹	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-like¹	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-like¹	607.2	346.3	75.4%	342.1	77.5%

Current EBITDA

(in € mio)	2021	2020
Operating profit exclusive adjusted items	537.2	315.5
Amortisation	17.1	22.7
Depreciation	119.2	121.2
Impairment	6.0	64.8
Impairment of non-financial assets (adj items)	-4.9	-64.0
Other impairment	-0.3	0.8
EBITDA exclusive adjusted items	674.4	461.1

¹ 2019 and 2020 adjusted to exclude impact of divestments. 2019 adjusted on a pro-forma basis to reflect the full year impact of the acquisition of Silver-Line Plastics in November 2019. Impact of FX excluded to reflect underlying performance at constant exchange rate.



Working Capital

(in € mio)	2021	2020
Inventories	736.8	506.6
Current tax assets	9.3	10.1
Amounts receivable	389.6	340.0
Provisions	-41.2	-33.0
Current tax liabilities	-102.0	-74.4
Amounts payable	-565.0	-450.6
Working Capital	427.5	298.7

Net Financial Debt

(in € mio)	2021	2020
Cash & cash equivalents	1,111.3	642.7
Loans and borrowings non-current	-1,005.6	-781.2
Lease liabilities non-current	-109.2	-95.3
Loans and borrowings current	-69.4	-151.0
Lease liabilities current	-22.9	-22.3
Bank overdrafts	-3.7	-30.5
Net Financial Debt	-99.4	-437.6