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"you will find Aalberts where technology matters and real progress can be made"

humanly, environmentally and financially





we engineer **mission-critical technologies** for ground-breaking industries and everyday life

we are a company of mission-critical people who can't resist going beyond the line of duty - **good is never good enough**

sharing and discussing 'bad' gets us to brilliant

- greatness is made of shared knowledge

our way of value creation



our essence



mission-critical technologies



good is never good enough



greatness is made of shared knowledge

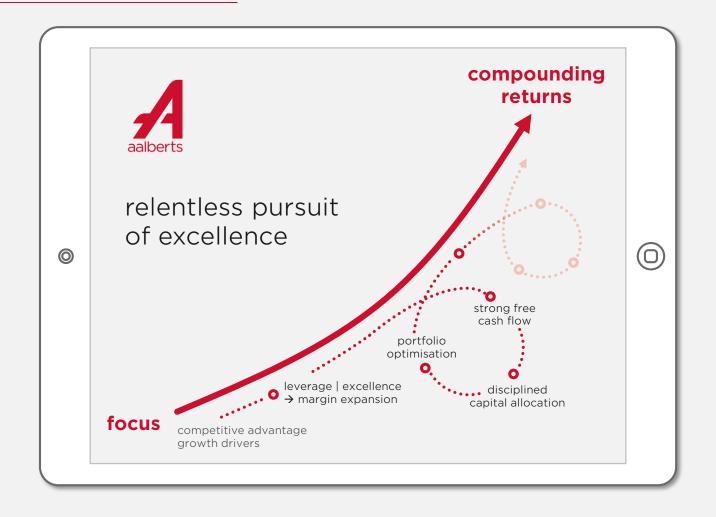
shareholder value

- leading niche technology positions
- high entry barriers, pricing power
- o high added-value margins, sustainable growth
- o operational excellence
- o improve EBITA margins, strong cash conversion
- disciplined capital allocation
- o technology exchange
- o innovation speed
- o fast learning & adaptation

relentlessly creating long-term shareholder value

the Aalberts playbook

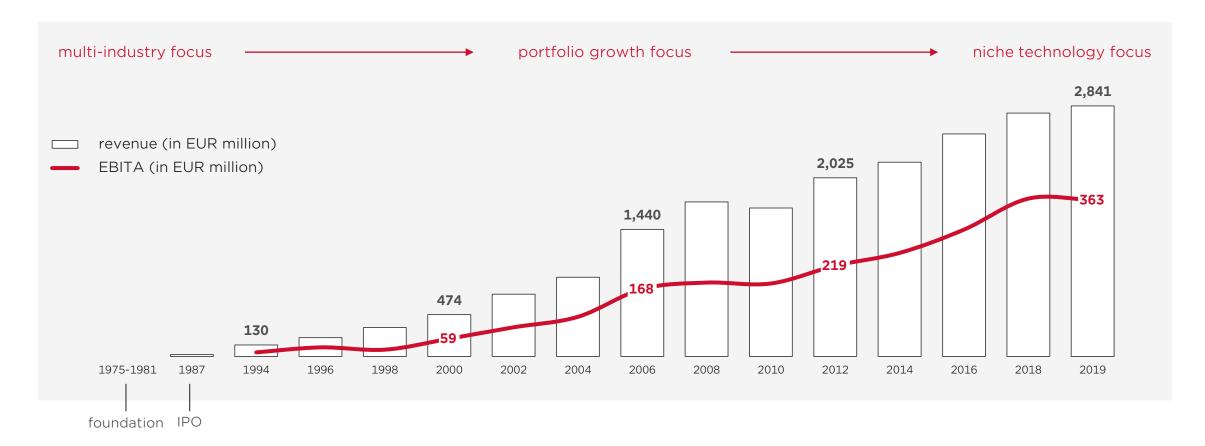




relentlessly creating long-term shareholder value

our track record - over 40 years of sustainable profitable growth

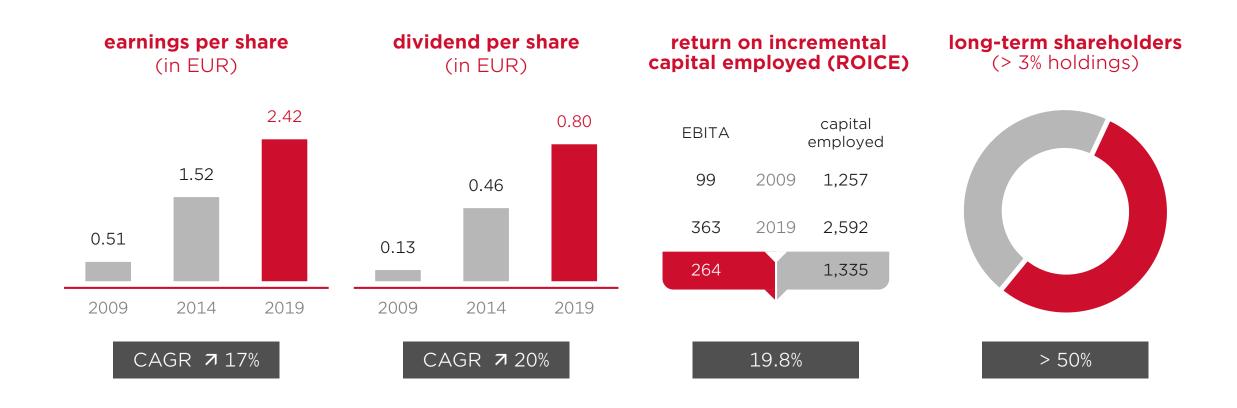




the Aalberts playbook: a proven sustainable business model

our track record - shareholder value creation





the Aalberts playbook: a proven sustainable business model

our key strength - mission-critical people



the Aalberts way winning with people

- be an entrepreneur
- 2 take ownership
- go for excellence
- share and learn
- act with integrity



the Aalberts way - winning with people

our strategy & objectives 2018-2022



strategy 'focused acceleration'



non-financial objectives

- worldwide leading niche technology positions
- creating sustainable profitable growth
- generating high added-value margins
- converting strong
 operational execution
 into free cash flow

financial objectives

(before IFRS 16)

- average organic revenue growth > 3%
- EBITA margin > 14%
- ROCE > 18%
- free cash flow conversion ratio > 70%
- leverage ratio < 2.5
- solvability > 40%

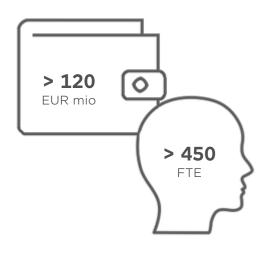
innovation drives organic revenue growth



continuous investments in R&D

megatrends shaping our future

target rates

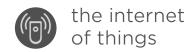


R&D investments increased

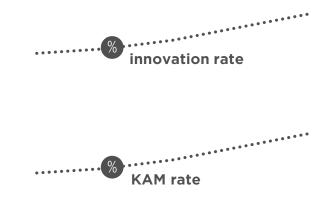
to > 4% of total revenue







globalisation & co-development connectivity & integration



innovation and KAM rates strongly increase

our pragmatic culture and lean structure keep us ahead of the game

megatrends shaping our future



rapid climate change the internet urbanisation resource scarcity of things

globalisation & co-development

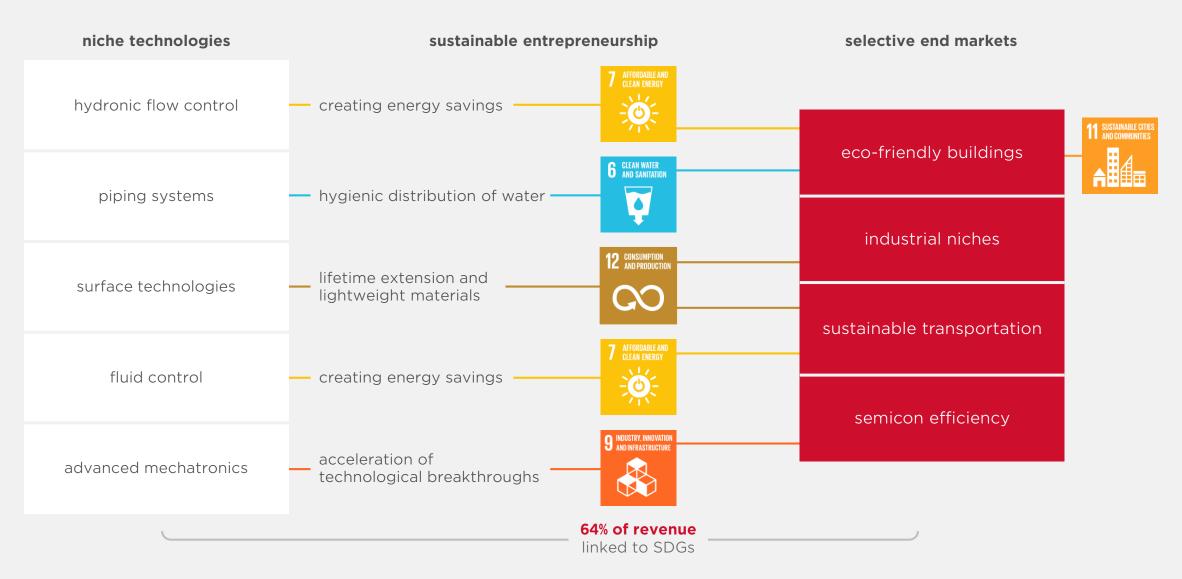
connectivity & integration



achieving unique market positions with sustainable impact

sustainable entrepreneurship





our segment reporting structure



installation technology



climate technology



material technology



industrial technology



Aalberts networks stimulate knowledge sharing, fast learning, innovations and entrepreneurship



Aalberts highlights



revenue

(in EUR million)

1,287

-10%

EBITA

(in EUR million)

122

-35%

net profit

(in EUR million)

86

-38%

capital expenditure

(in EUR million)

54

-25%

added-value

(% of revenue)

62.3

1H2019: 63.3

EBITA %

(% of revenue)

9.5

1H2019: 13.1

earnings per share

(in EUR)

0.77

-38

ROCE

(before IFRS 16 in %)

11.7

1H2019: 15.1

- o revenue EUR 1,287 million; organic -11.1%
- o perating profit (EBITA) EUR 121.7 million;
 EBITA-margin 9.5%
- net profit before amortisation EUR 85.6 million; per share EUR 0.77
- solid cash flow from operations EUR 68 million
- o orderbook end of June higher than last year
- continued investments and innovation initiatives; CAPEX EUR 53.8 million
- acceleration strategy: one-off full year strategic restructuring cost of approx. EUR 40 million with an annual benefit of approx. EUR 45 million

Aalberts accelerates strategy 'focused acceleration'



- o organic revenue decline amounted to 11%
- o orderbook end of June higher than last year
- o in addition to recently published trading update
 - » further increase order intake and sales piping systems and hydronic flow control
 - » surface technologies slight recovery order intake and sales; more customer activity
 - » advanced mechatronics strong growth semicon efficiency continued, orderbook on record level
 - » fluid control increase order intake and sales sustainable transportation; slight recovery order intake beverage dispense

- semicon efficiency
 +19%
- eco-friendly buildings
 -8%
- industrial niches
 -15%
- sustainable transportation -23%

increase of order intake and sales



organic growth and innovation initiatives

- o innovation initiatives continued; strengthened and expanded R&D and engineering force in growing product lines and technologies
- o piping systems
 - » expanded press product ranges
 - » full flow valve line with press connections launched last year did well; expanded portfolio
 - » launched patented balancing valve and composite gate valve for below ground water and gas
 - » new plastic manifold and connection systems
- surface technologies
 - » opened HIP facility for additive manufactured parts in America, expand coming years
 - » integrated austempering and reel-to-reel plating activities (Applied and PPC)
 - » in process to bundle and strengthen R&D organisation in Switzerland
 - » continued initiatives to expand footprint in Eastern Europe

innovation is driving organic revenue growth











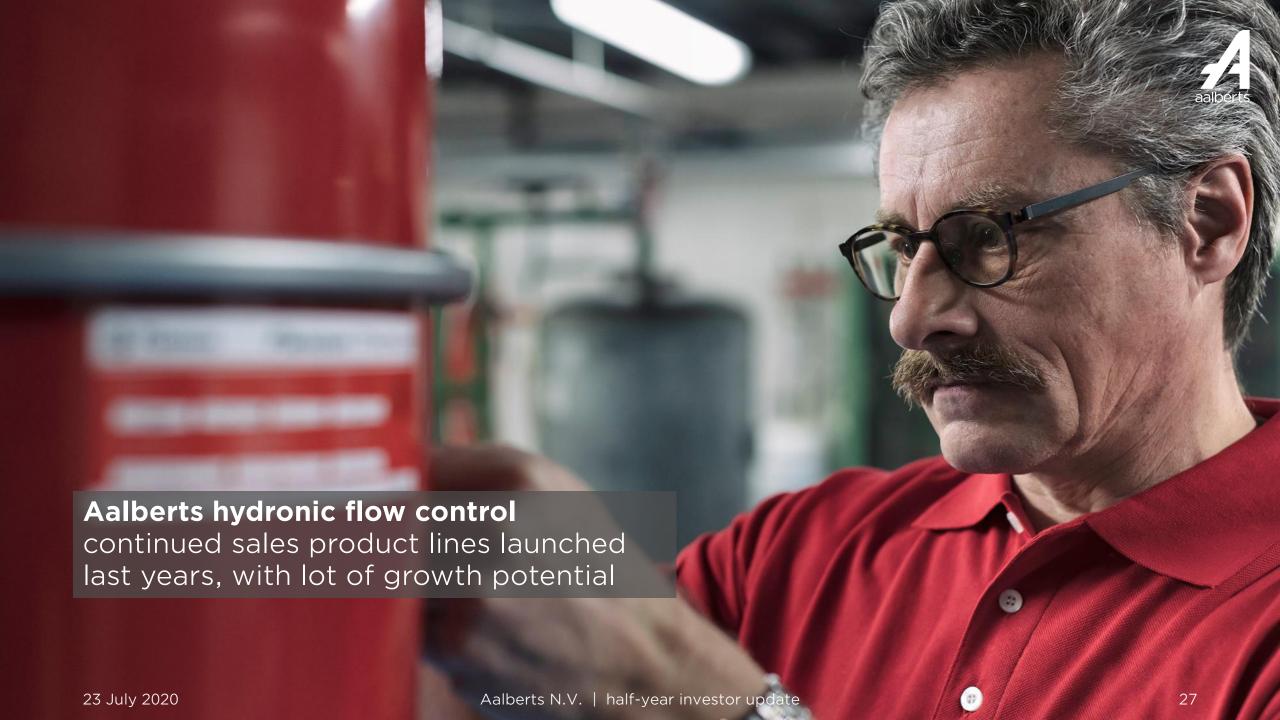




organic growth and innovation initiatives

- hydronic flow control
 - » continued sales product lines launched last years, with lot of growth potential
 - » strong increase digital solutions and services heating and cooling systems
 - services include data information and remote control, utilising our digital platform
 - still small amount of revenue but fast-growing
 - » further strengthened digital R&D developments and capacity
- advanced mechatronics
 - » managing record orderbook
 - » several new co-development programs with key accounts in semicon efficiency
- fluid control
 - » development patented valve line for district heating and gas
 - » innovations in sustainable transportation and industrial niches

innovation is driving organic revenue growth











operational leverage and excellence

- o accelerated action plan as presented during our CMD:
 - » further focused, clustered and simplified the organisation
 - concentrated all Aalberts group activities in our lean head office
 - reduced head office staff and costs
 - consolidated activities and reduced overhead in all business segments
 - » divested and closed several sites; more site closures and consolidations in preparation
 - » initiated lot of projects to structurally reduce net working capital
- will lead to
 - » one-off full year strategic restructuring cost approx. EUR 40 million in 2020
 - » an annual benefit of approx. EUR 45 million, partly in 2020 and fully in 2021



allocation of capital and portfolio optimisation

- o focused on cash management, cost optimisations and innovations
- CAPEX continued in growing product lines, future technologies and innovations; building and capacity expansions are postponed
- o expect lower CAPEX cash out in 2H2020 than last year
- o capital was allocated to
 - » press product range expansions in piping systems
 - » hot isostatic pressing for additive manufactured parts in surface technologies
 - » digital solutions and services in hydronic flow control
 - » machining and cleaning capacity in advanced mechatronics
 - » new and existing valve lines in fluid control

focus on cash management and cost optimisations; continued CAPEX and innovations



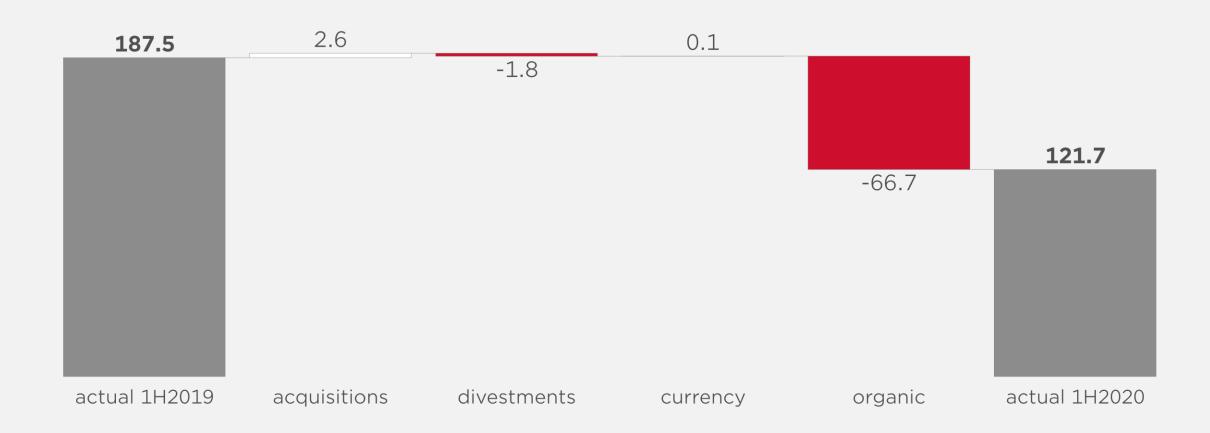
revenue bridge





EBITA bridge





condensed consolidated income statement



in EUR million	1H2020	1H2019
revenue	1,287.1	1,435.7
operating profit (EBITDA)	192.1	251.9
depreciation	(70.4)	(64.4)
operating profit (EBITA)	121.7	187.5
net finance cost	(11.6)	(9.7)
income tax expense (ETR 1H2020: 24.8%; 1H2019: 24.1%)	(21.9)	(38.0)
non-controlling interests	(2.6)	(2.0)
NET PROFIT BEFORE AMORTISATION	85.6	137.8
EPS before amortisation (in EUR)	0.77	1.25

organic revenue decline of 11.1%

condensed consolidated balance sheet



in EUR million	30.6.2020	31.12.2019	30.6.2019
total non-current assets	2,343	2,383	2,249
total current assets	1,100	1,083	1,211
TOTAL ASSETS	3,443	3,466	3,460
total equity	1,784	1,838	1,717
total non-current liabilities	691	793	742
total current liabilities	968	835	1,001
TOTAL EQUITY AND LIABILITIES	3,443	3,466	3,460
net debt	807	755	905
net debt (before IFRS 16)	648	588	778
leverage ratio: net debt / EBITDA (before IFRS 16)	1.6	1.3	1.7
net working capital	598	490	640
days net working capital	80	61	82
total equity as a % of total assets	51.8%	53.0%	49.6%
return on capital employed (before IFRS 16)	11.7	15.1	15.1

net debt (before IFRS 16) reduced with 17%

condensed consolidated cash flow statement



in EUR million	1H2020	1H2019	delta
operating profit (EBITDA)	192.1	251.9	(59.8)
result on sale of equipment / changes in provisions	(4.4)	(5.8)	1.4
changes in working capital	(119.7)	(171.8)	52.1
CASH FLOW FROM OPERATIONS	68.0	74.3	(6.3)
net capital expenditure	(71.7)	(77.2)	5.5
FREE CASH FLOW	(3.7)	(2.9)	(8.0)
finance cost paid	(10.3)	(8.2)	(2.1)
income taxes paid	(17.3)	(37.0)	19.7
acquisition/disposal of subsidiaries	(5.2)	(46.0)	40.8
change of non-current borrowings	(63.6)	(11.4)	(52.2)
lease payments	(18.0)	(13.5)	(4.5)
dividends paid	-	(82.9)	82.9
settlement of share based payment awards and other	(0.1)	(0.1)	-
NET INCREASE/(DECREASE) IN CASH AND CURRENT BORROWINGS	(118.2)	(202.0)	83.8

free cash flow on same level as last year

revenue & CAPEX



in EUR million	1H2020	1H2019	delta
installation technology	531.5	573.5	(7%)
material technology	332.7	392.4	(15%)
climate technology	234.7	277.7	(15%)
industrial technology	203.4	215.6	(6%)
holding / eliminations	(15.2)	(23.5)	
TOTAL REVENUE	1,287.1	1,435.7	(10%)

in EUR million	1H2020	1H2019	Delta
installation technology	22.7	25.0	(9%)
material technology	22.4	30.2	(26%)
climate technology	3.3	3.9	(15%)
industrial technology	5.4	12.5	(57%)
holding / eliminations	0.0	0.3	
TOTAL CAPEX	53.8	71.9	(25%)

CAPEX continued in growing product lines, technologies and innovations

operating profit (EBITA) & EBITA margin



in EUR million	1H2020	1H2019	delta
installation technology	53.2	69.7	(24%)
material technology	23.7	54.0	(56%)
climate technology	25.6	33.4	(23%)
industrial technology	26.4	34.3	(23%)
holding / eliminations	(7.2)	(3.9)	
TOTAL EBITA	121.7	187.5	(35%)

in % of revenue	1H2020	1H2019	delta
installation technology	10.0	12.2	(2.2)
material technology	7.1	13.8	(6.7)
climate technology	10.9	12.0	(1.1)
industrial technology	13.0	15.9	(2.9)
TOTAL EBITA MARGIN	9.5	13.1	(3.6)

EBITA margin 9.5% including strategic restructuring cost of EUR 4.5 million



4. Aalberts looking forward

Wim Pelsma - CEO

Aalberts looking forward - outlook

- we will continue our operations in a safe way to serve our customers and are prepared for a possible 'second' wave of COVID-19 infections
- our focus continues to be on cash management, cost optimisations and innovation initiatives
- CAPEX continues in growing product lines, future technologies and innovations, building and capacity expansions will be postponed
- we expect a lower CAPEX cash out in 2H2020 than last year
- we accelerate the strategy 'focused acceleration' to evolve faster into a stronger and better Aalberts, realising our strategic objectives



