

Algemene Vergadering

Utrecht, 27 mei 2021





1. Aalberts 2020

Wim Pelsma - CEO

“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**

we are relentless in our pursuit of excellence

our way of value creation

our essence



mission-critical
technologies



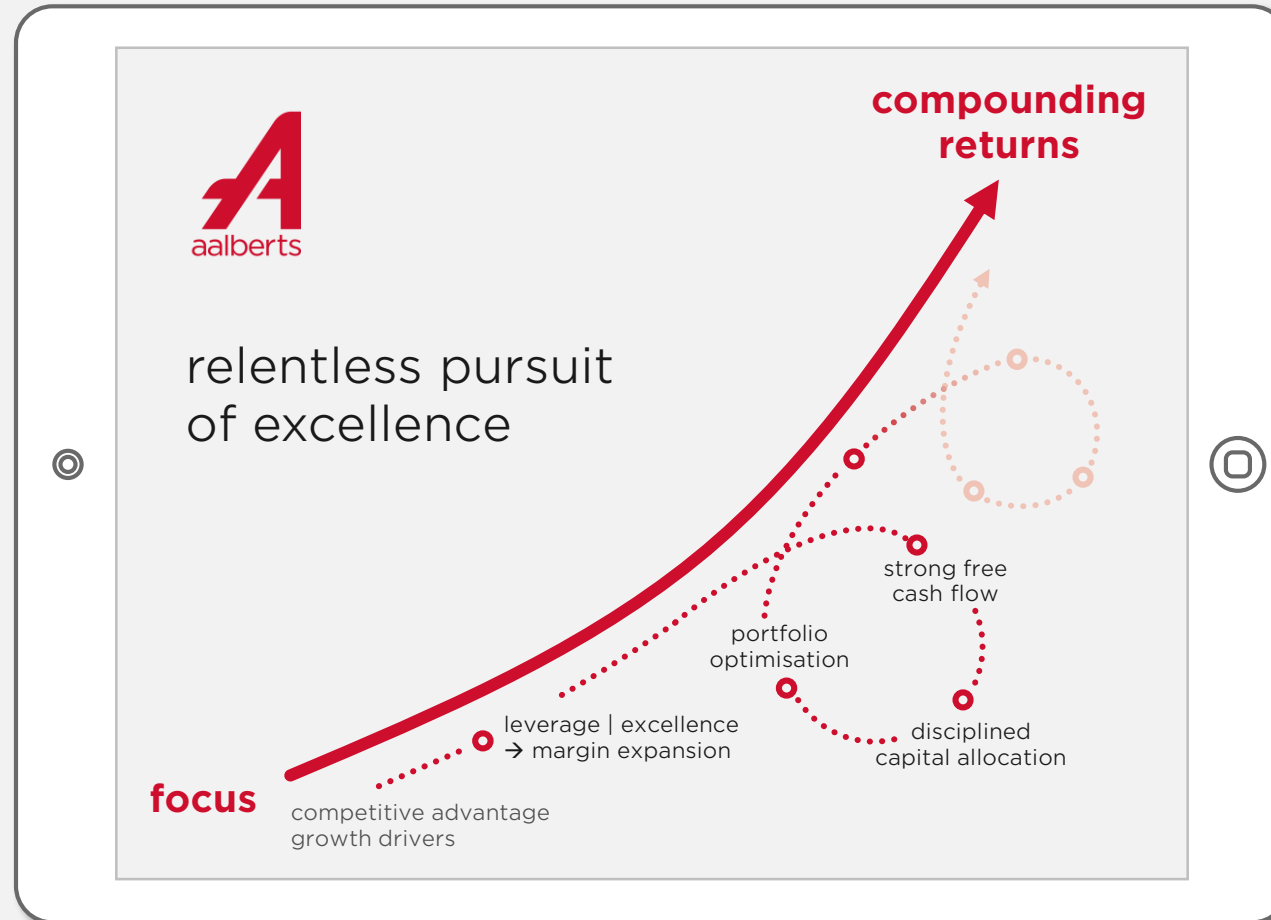
good is never
good enough



greatness is made of
shared knowledge

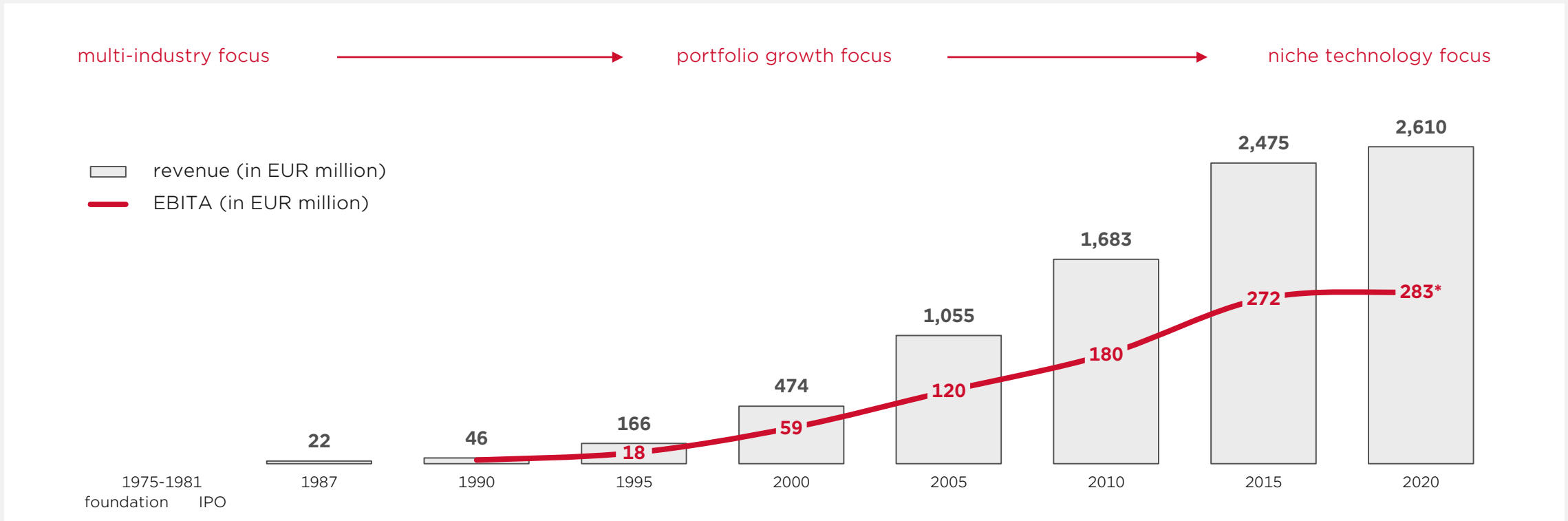
shareholder value

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



relentlessly creating long-term shareholder value

our track record - 45 years of sustainable profitable growth

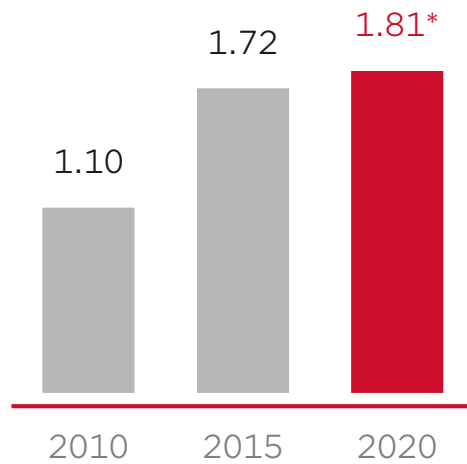


* before strategic restructuring cost

a proven sustainable business model

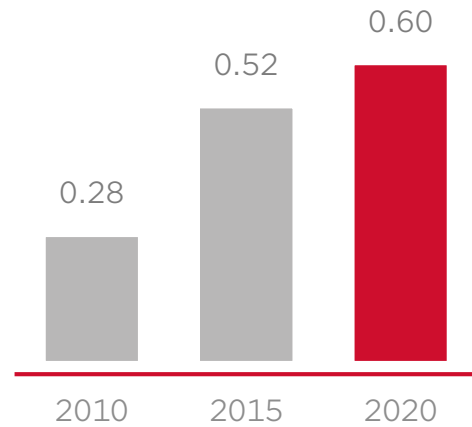
our track record - shareholder value creation

earnings per share (in EUR)



CAGR \nearrow 5%

dividend per share (in EUR)



CAGR \nearrow 8%

return on incremental capital employed (ROICE)

EBITA		capital employed
180	2010	1,339
283*	2020	2,406
103		1,067

9.7%

long-term shareholders (> 3% holdings)



> 55%

* before strategic restructuring cost

a proven sustainable business model

our key strength - mission-critical people

the Aalberts way
winning with people

greatness is made of shared knowledge
our unique advantage



be an entrepreneur



take ownership



go for excellence



share and learn



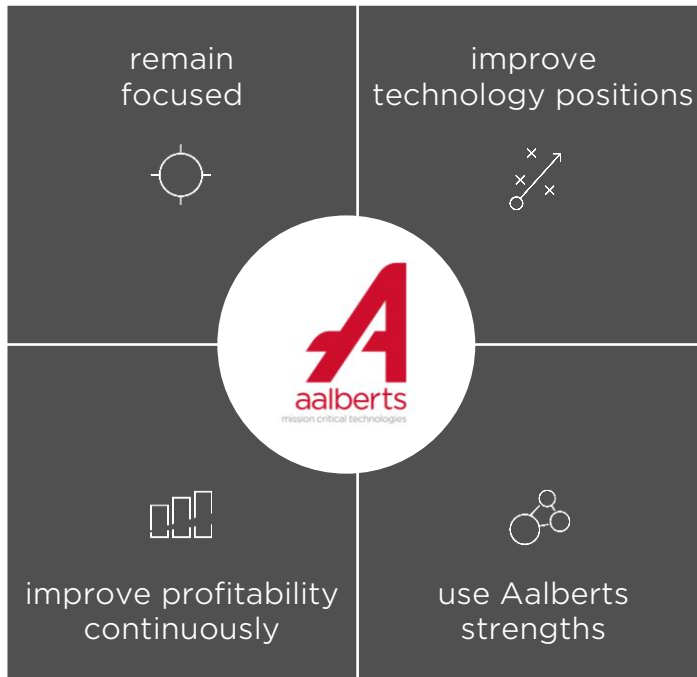
act with integrity



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%**

driven by entrepreneurship and a relentless pursuit of excellence

innovation drives organic revenue growth

continuous investments in R&D



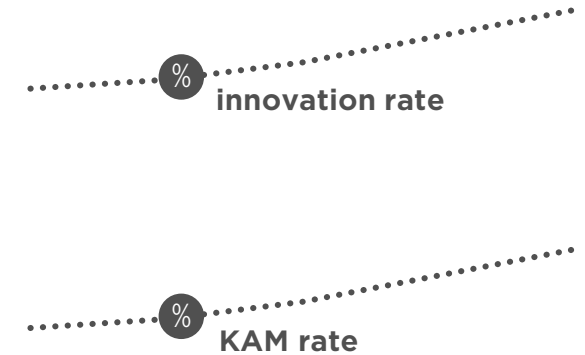
R&D investments increased
to > 4% of total revenue

megatrends shaping our future

-  rapid urbanisation
-  climate change resource scarcity
-  the internet of things

globalisation & co-development
connectivity & integration

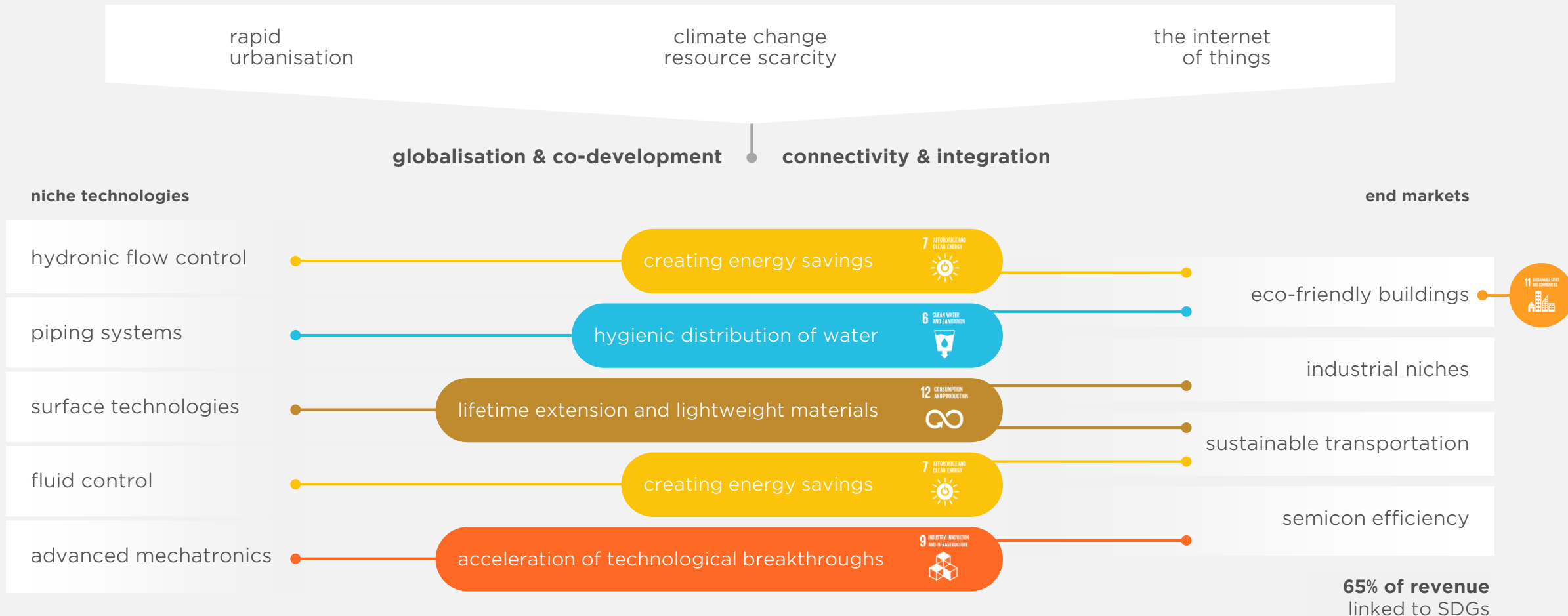
target rates



innovation and KAM rates
strongly increase

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

sustainable entrepreneurship



achieving unique market positions with sustainable impact

Aalberts highlights



revenue
(in EUR million)

2,610
-8%

added-value
(% of revenue)

61.6
2019: 62.8

EBITA
(in EUR million)

283*
-22%

EBITA %
(% of revenue)

10.8*
2019: 12.8

**net profit
before amortisation**
(in EUR million)

200*
-25%

**earnings per share
before amortisation**
(in EUR)

1.81*
-25%

capital expenditure
(in EUR million)

95
-36%

ROCE
(before IFRS 16 in %)

12.5*
2019: 15.1

* before strategic restructuring cost

- limited number of COVID-19 infections; continued operations in a safe way
- revenue EUR 2,610 million; organic decline 7.0%
- orderbook at year-end 9.3% higher than last year
- EBITA amounted to EUR 283* million; as a % of revenue 10.8*
- net profit before amortisation EUR 200* million; per share EUR 1.81*
- strong free cash flow of EUR 339 million
- net debt (before IFRS 16) reduced with 24% to EUR 444 million
- continued investments and innovations; capital expenditure EUR 95 million
- acceleration strategy: one-off full year strategic restructuring cost of EUR 51 million with an annual benefit of approx. EUR 50 million

Aalberts accelerates strategy and continues investments and innovations

operational development

- organic revenue decline amounted to 7.0%
- second quarter impacted by COVID-19 and temporary customer shutdowns
- second half business overall recovered
- year ended with strong orderbook, 9.3% higher than last year
- focused on cash management, cost optimisations and innovations
- continued our investments in growing product lines, future technologies
- R&D capacity strengthened
- some building, capacity investments postponed

year ended with strong orderbook, 9.3% higher than last year

overview end markets and regions

eco-friendly buildings

- recovered well from lower level 2Q
 - » due to innovations, reopening distribution channels, increase customer demand and inventory level
 - » continued in 2H
- orderbook increased to record level at year-end

semicon efficiency

- performed very well, strong growth
- new co-development projects initiated
- ended the year with record orderbook

sustainable transportation

- faced difficult circumstances 2Q due to customer shutdowns, inventory reduction
- after reopening customer locations, gradual recovery end of May for fluid control, followed by surface technologies
- 2H business further recovered due to increased demand and inventory level

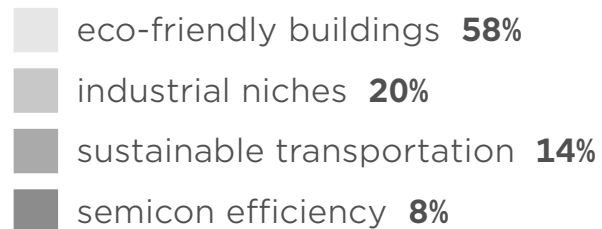
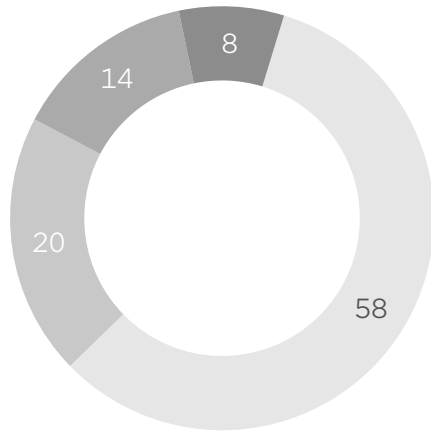
industrial niches

- activities increased gradually in 4Q
 - » except for beverage dispense, worldwide lockdowns resulted in difficult market situation

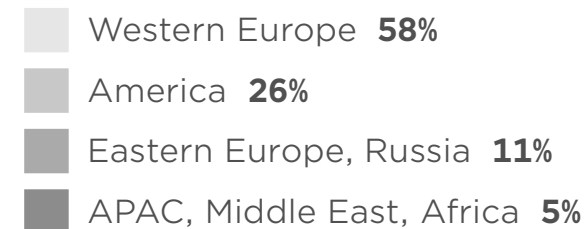
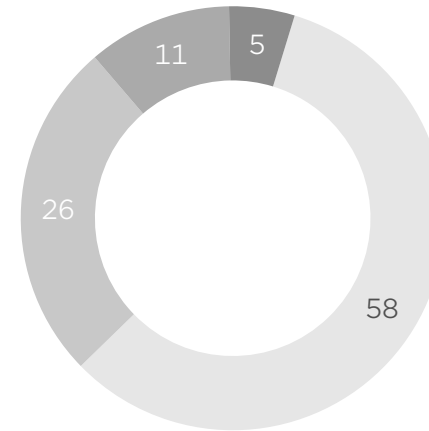
eco-friendly buildings and semicon efficiency record orderbook at year-end
sustainable transportation and industrial niches gradual recovery in 2H20

overview end markets and regions

revenue per end market (in %)



revenue per region (in %)



semicon efficiency end market strong growth, increased revenue %

operational excellence and portfolio optimisation

- we accelerated the action plan as presented during our Capital Markets Day
 - » focused, clustered and simplified organisation
 - » reduced overhead in all segments
 - » reduced net working capital structurally
 - » many projects implemented to optimise our operations
- strategic restructuring projects
 - » led to a one-off full year SRC of EUR 51 million in 2020
 - » annual benefit of approx. EUR 50 million, partly 2020, fully 2021
- further optimised portfolio following our divestment programme

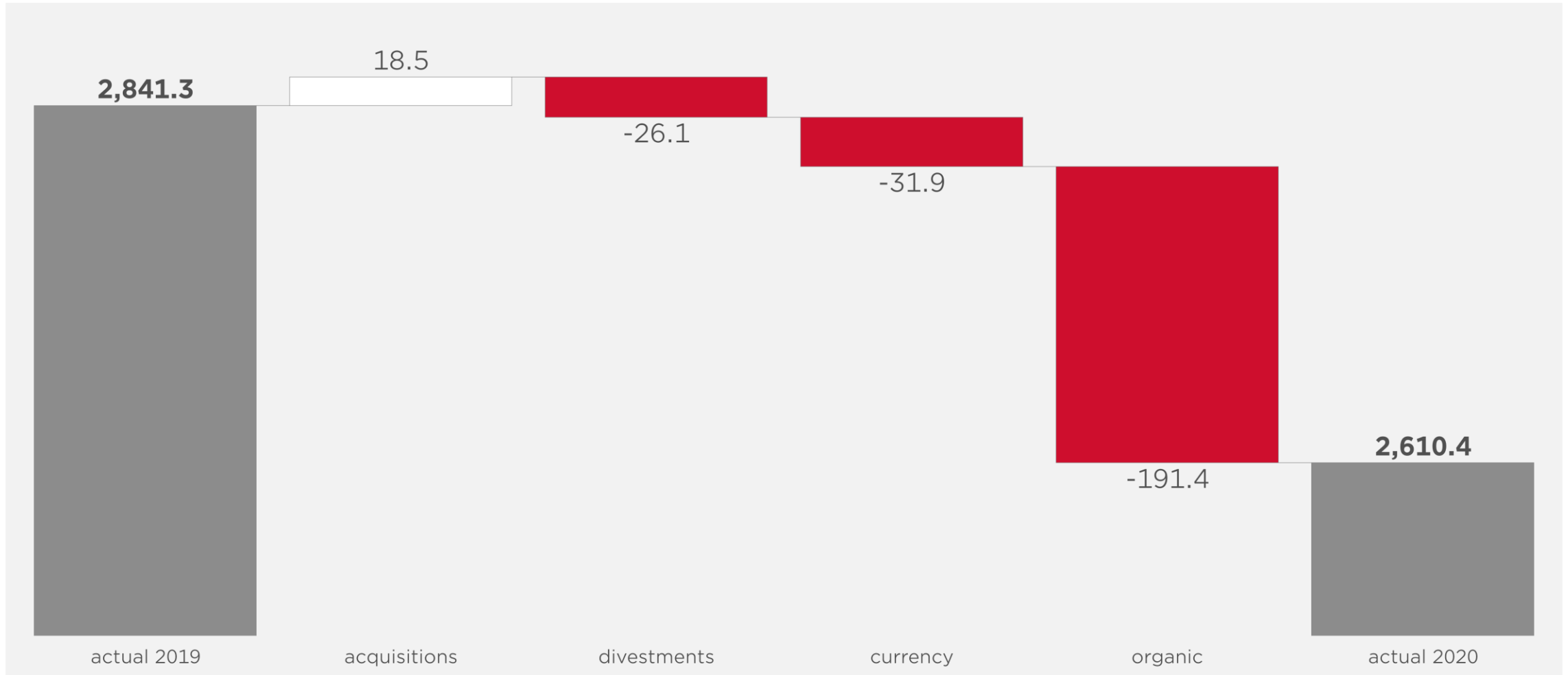
acceleration of the action plan as presented during Capital Markets Day



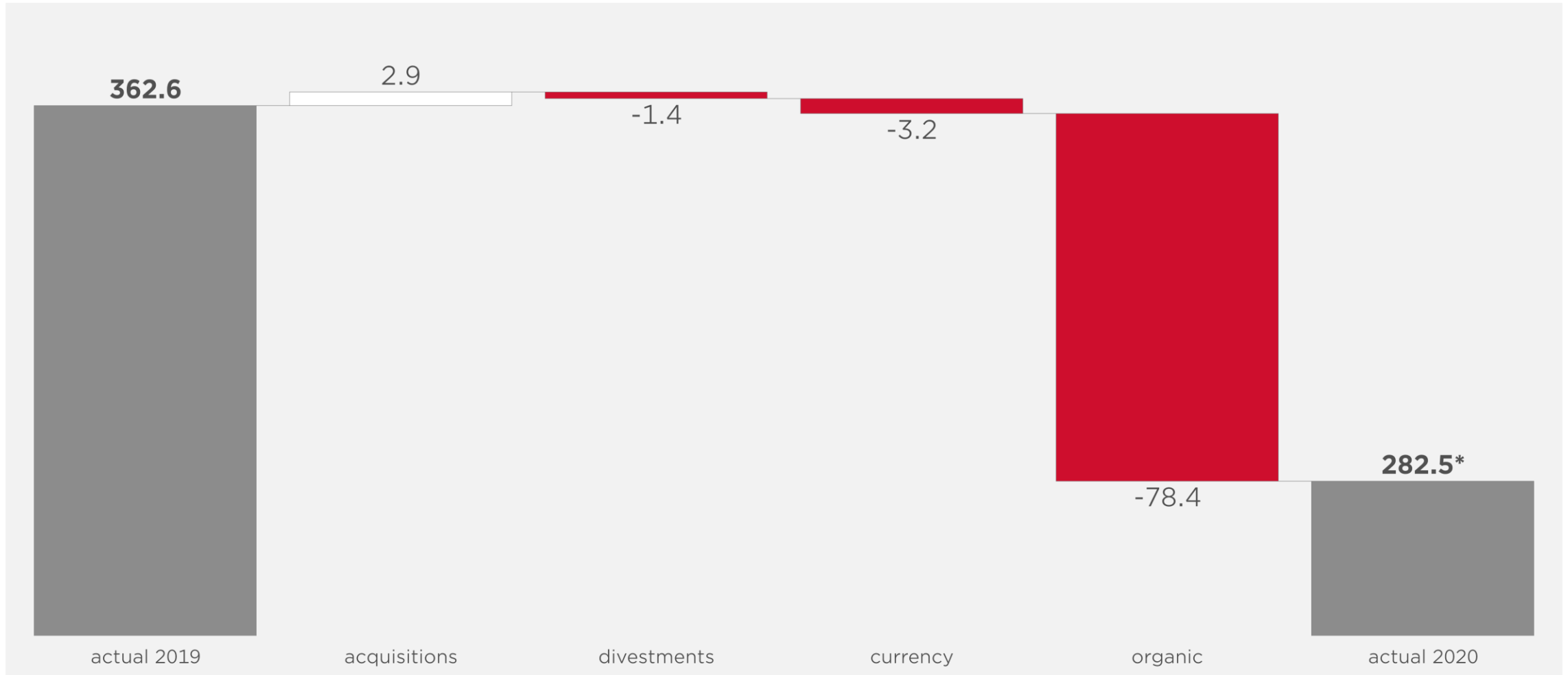
1. Aalberts 2020

Arno Monincx - CFO

revenue bridge



EBITA bridge



* before strategic restructuring cost

condensed consolidated income statement

in EUR million	2020	2019
revenue	2,610.4	2,841.3
EBITDA	422.6*	493.4
depreciation	(140.1)*	(130.8)
EBITA	282.5*	362.6
net finance cost	(22.4)	(23.2)
income tax expense (<i>ETR 2020: 24.4, 2019: 22.9</i>)	(52.7)*	(68.2)
non-controlling interests	(7.8)	(3.8)
net profit before amortisation	199.6*	267.4
EPS before amortisation in EUR	1.81*	2.42

- revenue decline 8.1% (-7.0% organic; FX impact -1.1%)
- FX impact EUR 31.9 million *negative* on revenue and EUR 3.2 million *negative* on EBITA

* before strategic restructuring cost (SRC)

solid and resilient performance

condensed consolidated balance sheet

in EUR million

	31.12.2020	31.12.2019
total non-current assets	2,263	2,383
total current assets	992	1,083
total assets	3,255	3,466
total equity	1,806	1,838
total non-current liabilities	588	793
total current liabilities	861	835
total equity and liabilities	3,255	3,466
net debt (before IFRS 16)	444	588
leverage ratio (before IFRS 16): net debt / EBITDA (12-months-rolling)	1.1	1.3
net working capital	399	490
days net working capital	55	61
solvability (total equity as a % of total assets)	55.5	53.0
return on capital employed (before IFRS 16)	12.5*	15.1

* before strategic restructuring cost (SRC)

net debt (before IFRS 16) reduced with 24%; leverage ratio reduced to 1.1

condensed consolidated cash flow statement

in EUR million

	2020	2019	delta
EBITDA	379.3	493.4	(114.1)
result on sale of equipment / changes in provisions	12.5	(13.1)	25.6
changes in working capital	61.9	(15.2)	77.1
cash flow from operations	453.7	465.1	(11.4)
purchase of property, plant and equipment	(104.6)	(139.3)	34.7
purchase of intangible assets	(10.4)	(13.7)	3.3
free cash flow	338.7	312.1	26.6
finance cost paid	(22.2)	(20.2)	(2.0)
income taxes paid	(53.9)	(67.1)	13.2
acquisition/disposal of subsidiaries	(7.8)	(110.6)	102.8
change of non-current borrowings	(131.5)	(5.9)	(125.6)
lease payments	(38.2)	(34.7)	(3.5)
dividends paid	(88.5)	(82.9)	(5.6)
settlement of share based payment awards and other	(3.8)	(0.2)	(3.6)
net increase/(decrease) in cash and current borrowings	(7.2)	(9.5)	2.3

strong cash flow from operations

revenue & capital expenditure

in EUR million	2020	2019	delta
installation technology	1,015.2	1,071.4	(5%)
material technology	664.7	772.0	(14%)
climate technology	633.8	690.7	(8%)
industrial technology	325.5	343.9	(5%)
<i>holding / eliminations</i>	<i>(28.8)</i>	<i>(36.7)</i>	
total revenue	2,610.4	2,841.3	(8%)

in EUR million	2020	2019	delta
installation technology	36.4	44.2	(18%)
material technology	36.4	66.8	(46%)
climate technology	13.1	15.0	(13%)
industrial technology	9.2	21.1	(56%)
<i>holding / eliminations</i>	<i>0.2</i>	<i>0.9</i>	
total capital expenditure	95.3	148.0	(36%)

2019 adjusted for comparison purposes due to movement of activities between business segments

continued investments and innovations

EBITA & EBITA margin

in EUR million	2020*	2019	delta
installation technology	110.1	129.6	(15%)
material technology	56.3	97.2	(42%)
climate technology	77.0	83.4	(8%)
industrial technology	46.4	64.1	(28%)
<i>holding / eliminations</i>	<i>(7.3)</i>	<i>(11.7)</i>	
total EBITA	282.5	362.6	(22%)

in % of revenue	2020*	2019	delta
installation technology	10.8	12.1	(1.3)
material technology	8.5	12.6	(4.1)
climate technology	12.1	12.1	-
industrial technology	14.3	18.6	(4.3)
total EBITA margin	10.8	12.8	(2.0)

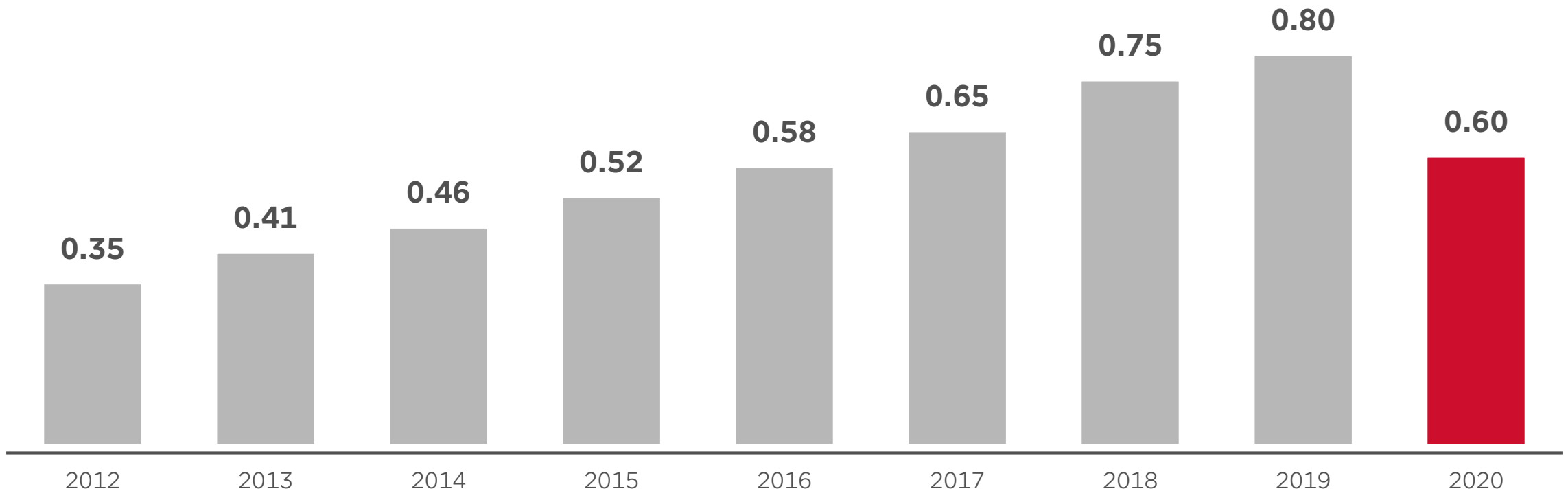
* before strategic restructuring cost (SRC)

2019 adjusted for comparison purposes due to movement of activities between business segments

solid and resilient performance

dividend proposal

dividend per share (in EUR)



we propose a cash dividend of EUR 0.60 per share (2019: EUR 0.80)

2. Aalberts trading update first four months 2021

Wim Pelsma - CEO

- **good start of the year, first four months**
 - » organic revenue growth 15% compared to last year
 - » orderbook end of April 30% higher than last year

- **activities eco-friendly buildings did very well in all regions**
 - » several growth drivers:
 - market recovery and restocking of distribution channels after COVID-19 impact
 - end users are investing more in renovation and upgrading of residential housing
 - our innovations launched the last years are driving our growth accelerated by governmental support programmes stimulating building efficiency and the transition towards sustainable heating and cooling systems

- **in semicon efficiency we again realised strong growth and performance**
 - » long-term growth drivers
 - strong microchip demand for computer logic and storage
 - e-mobility developments
 - investments in new fabs and 5G roll-out
 - » we expect a strong growth for this year and the years ahead
 - based on growth drivers, existing orderbook and discussions with key accounts
 - » preparing further expansions in all our locations, recruiting additional engineers

- **activities sustainable transportation showed strong recovery**
 - » driven by more customer demand, restocking supply chain and new technology developments in the electrification of vehicles
 - higher specifications for surface technologies for lightweight materials in combination with precision manufactured parts
 - » strong growth sustainable fluid control solutions for climate systems passenger cars
 - » aerospace market slight recovery order intake

- **industrial niches orderbook increased last months**
 - » expect further increase towards the second half of the year
 - » first signs of recovery within beverage dispense are visible
- so far, no severe issues with raw material shortages
 - » business teams are managing local situation with their suppliers
- evaluated business development and innovation roadmaps with our business teams
 - » accelerated and expanded existing projects, initiated additional developments
 - » to facilitate growth plans capital expenditure for this and coming years will increase
- strategic restructuring and inventory reduction projects: good progress and on track
- evolve faster into even stronger and better Aalberts, realising strategic objectives



3. questions & answers