



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

interim results 2021

Utrecht, 22 July 2021

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1. Aalberts

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

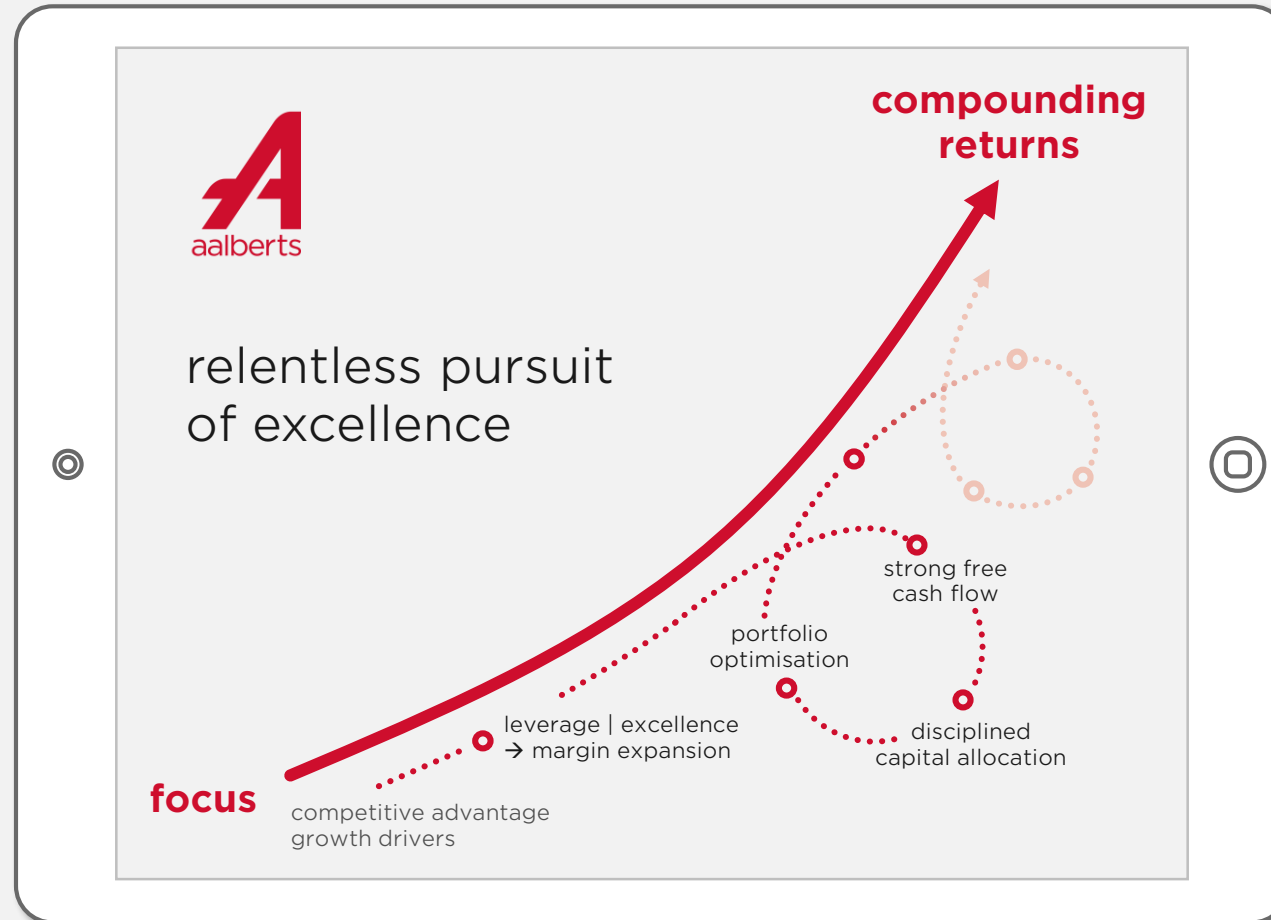


greatness is made of
shared knowledge

shareholder value

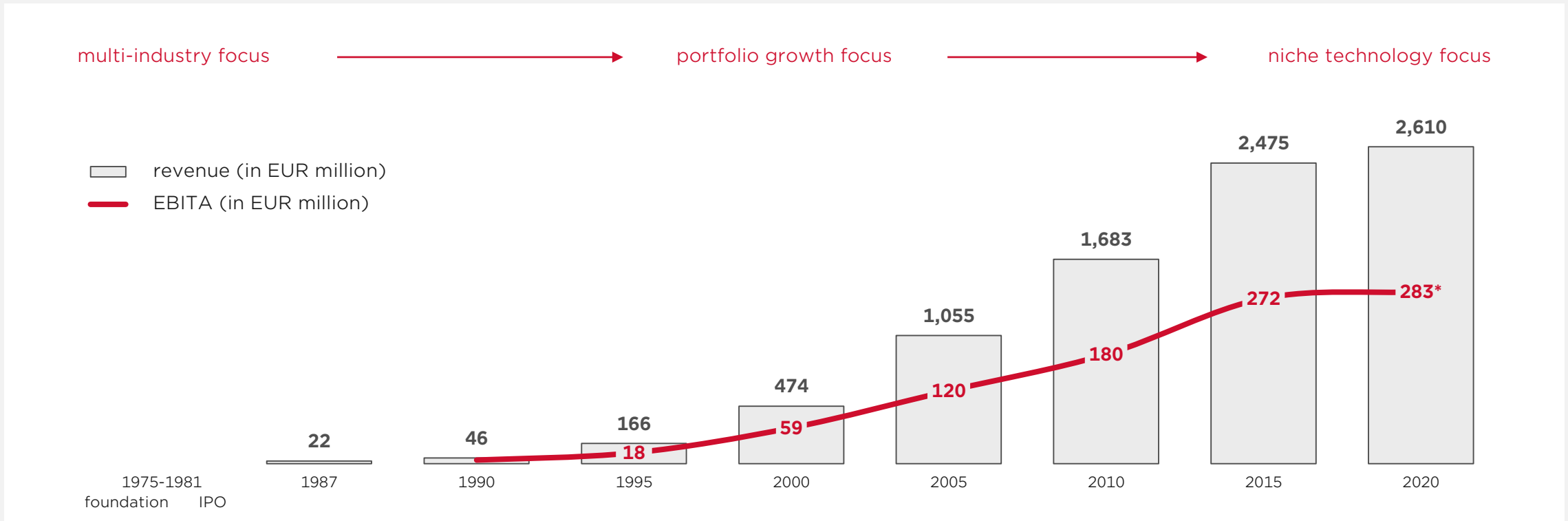
- leading niche technology positions
- high entry barriers, pricing power
- high added-value margins, sustainable growth
- operational excellence
- improve EBITA margins, strong cash conversion
- disciplined capital allocation
- technology exchange
- innovation speed
- fast learning & adaptation

relentlessly creating long-term shareholder value



relentlessly creating long-term shareholder value

our track record - 45 years of sustainable profitable growth

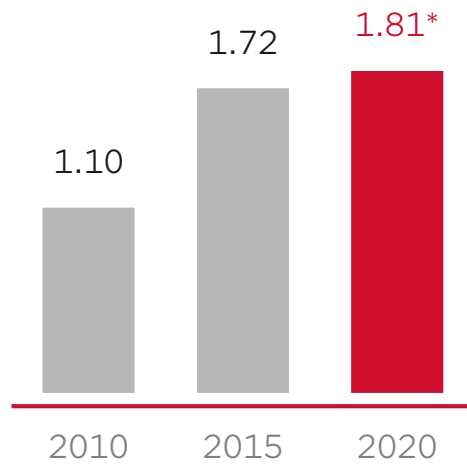


* before strategic restructuring cost

a proven sustainable business model

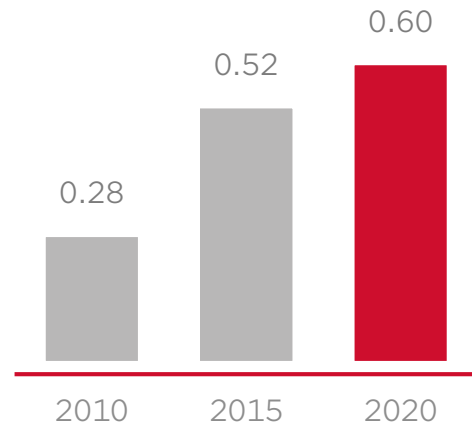
our track record - shareholder value creation

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



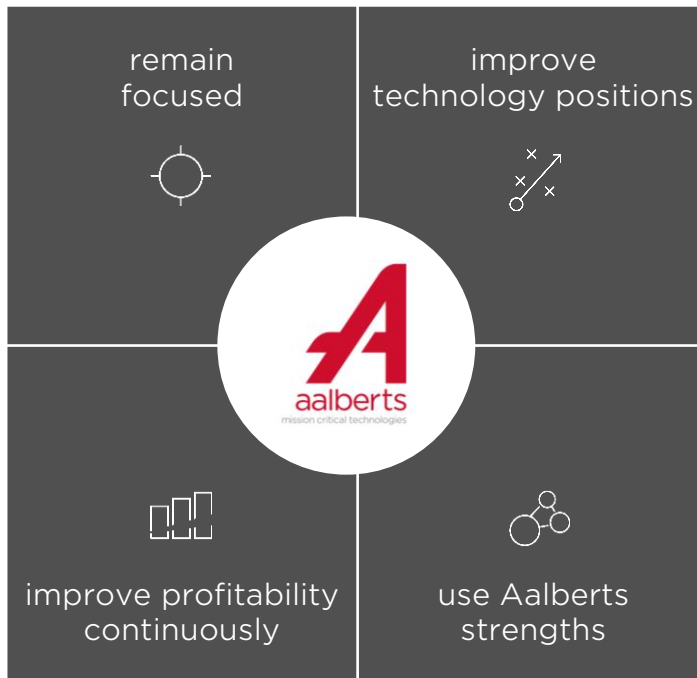
act with integrity



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%**

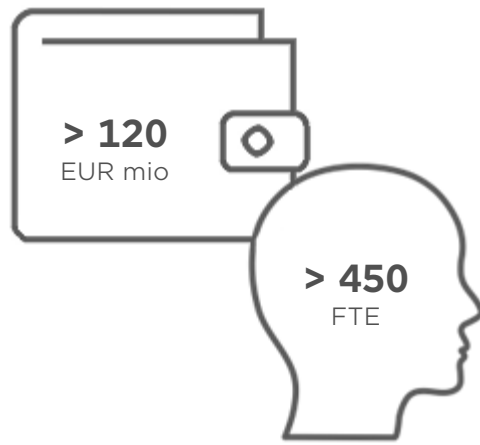
leverage ratio **< 2.5**

solvability **> 40%**

driven by entrepreneurship and a relentless pursuit of excellence

innovation drives organic revenue growth

continuous investments in R&D



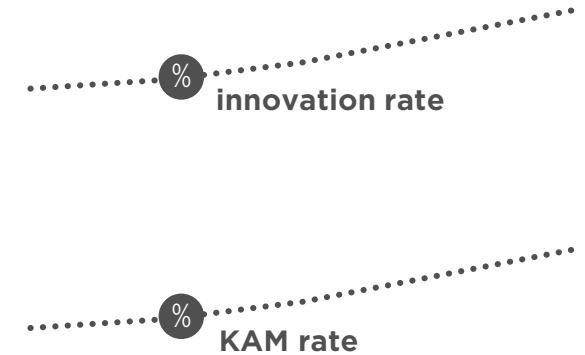
R&D investments increased to > 4% of total revenue

megatrends shaping our future

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

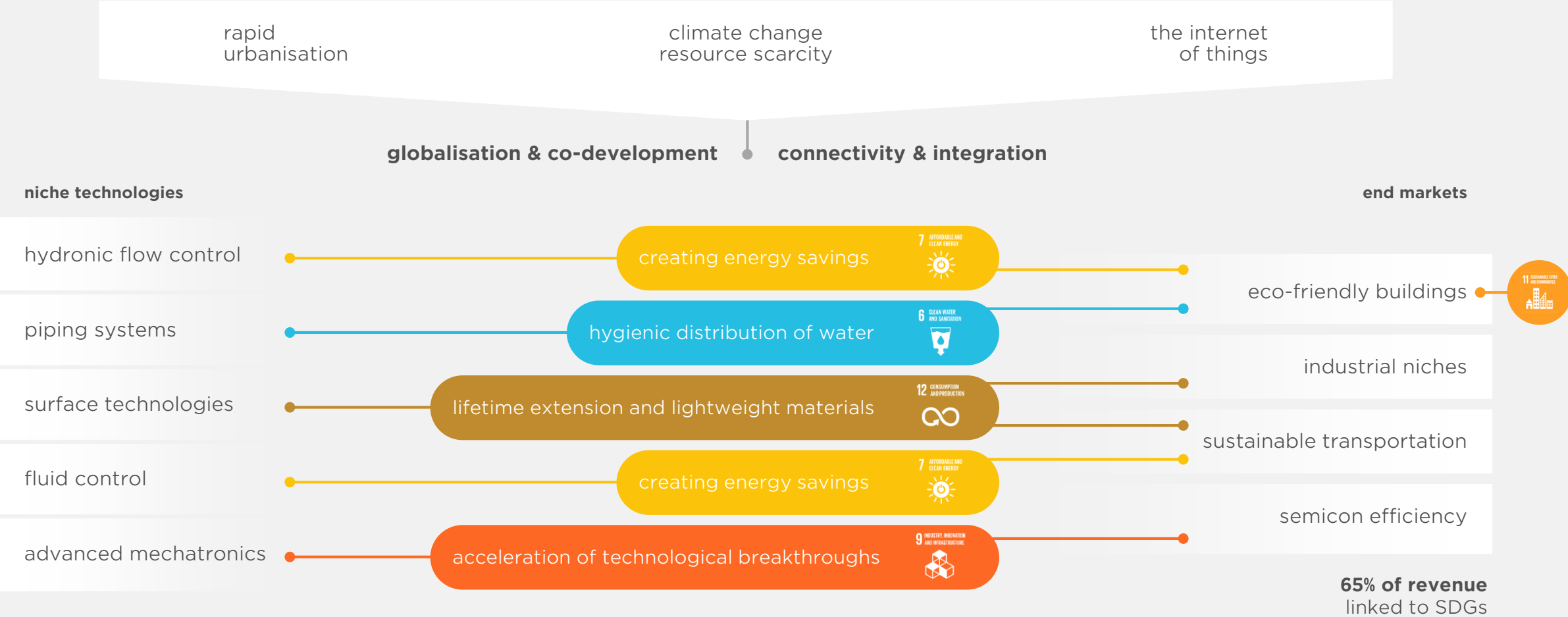
globalisation & co-development connectivity & integration

target rates



innovation and KAM rates strongly increase

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



achieving unique market positions with sustainable impact

2. operational development

Wim Pelsma - CEO

Aalberts highlights



revenue
(in EUR million)

1,511
+17%

added-value
(% of revenue)

61.8
1H2020: 62.3

EBITA
(in EUR million)

226
+86%

EBITA %
(% of revenue)

14.9
1H2020: 9.5

net profit
(in EUR million)

169
+97%

earnings per share
(in EUR)

1.52
1H2020: 0.77

capital expenditure
(in EUR million)

58
+8%

ROCE
(before IFRS 16 in %)

15.9
1H2020: 11.7

- revenue EUR 1,511 million
- organic revenue growth +20.1%
- orderbook +59%
- EBITA EUR 226 million; EBITA margin 14.9%
- net profit before amortisation EUR 169 million; per share EUR 1.52 (+97%)
- increasing capital expenditure for this year and coming years
- acquisitions Sentinel and Premier Thermal, divestments Adex and Lasco

Aalberts realises EUR 1.51 billion revenue with an EBITA margin of 14.9%

operational development

- organic revenue growth +20.1% compared to last year; +6.4% compared to 2019
- orderbook end of June +59% compared to last year; +66% compared to 2019
- no severe issues till now, related to supply chain disruptions and raw material shortages
- based on business evaluations and market trends, we will increase our capital expenditure this year and coming years
- implementation strategic restructuring programme, inventory reduction projects and divestment programme made good progress and are on track
 - » our goal is to evolve faster into an even stronger and better Aalberts, realising our strategic objectives

orderbook end of June +59%; increasing capital expenditure this year and coming years

eco-friendly buildings

- did very well in all regions
- many growth drivers contributing to good performance:
 - » market recovery and restocking distribution channels after COVID-19 impact last year
 - » 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
- our operational excellence initiatives and the consolidation of our distribution footprint are making good progress
- investment plans to expand our manufacturing and assembly capacity in fast-growing product lines in Europe and North America are accelerated

many growth drivers; investment plans are expanded

- again strong growth and performance
- long-term growth drivers:
 - » strong microchip demand for computer logic and storage, e-mobility developments, connectivity and IoT, investments in new fabs, 5G roll-out
- these growth drivers are accelerating our business even faster than expected
- microchip manufacturers are expanding their regional capacity to secure their own technology know-how and supply chain; this accelerates additional investments
- based on growth drivers, additional customer investments, record orderbook and conversations with key accounts we expect strong growth this year and years ahead
 - » preparing capacity expansions and efficiency improvements in all our locations
- working on new product introductions with our key accounts; further strengthening organisation, recruiting additional engineers and preparing additional expansions

we expect strong growth this year and years ahead; preparing capacity expansions

- strong market recovery, driven by
 - » more customer demand, restocking of supply chain
 - » new developments for electrification of vehicles
 - need for lightweight materials leading to increase of aluminium parts and combinations of metal and composite
 - connectors are growing fast with high-specified precision stamping parts in combination with metal strip coatings
 - many new passenger car and light truck models generate new business
- strong growth sustainable fluid control solutions for climate systems in passenger cars
 - » in process of developing new applications for electrical vehicles
- co-developing new regulators and valves for hydrogen and gas applications
- aerospace is recovering with increased order intake

strong market recovery; many innovation and application developments

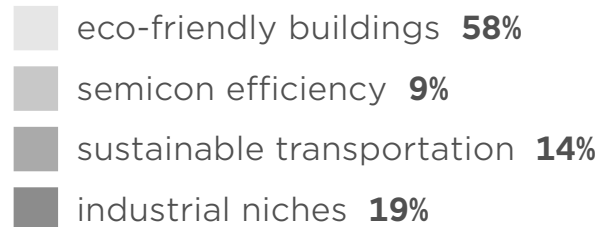
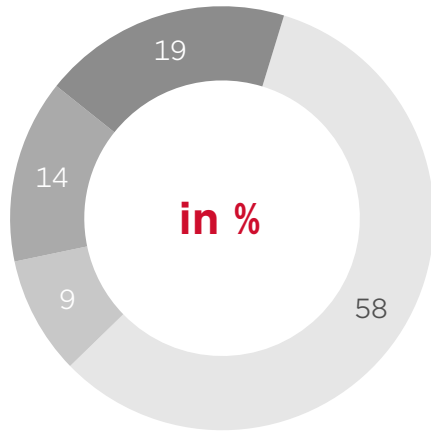
industrial niches

- orderbook increased last quarter
- expect further increase in 2H2021 in Europe and North America
- our investments in specialised surface technologies getting traction
 - » installed additional equipment in Eastern Europe and North America
 - » gained many new customers
 - » expanding these technologies to other regions, utilising our service network
 - » additional investments in process

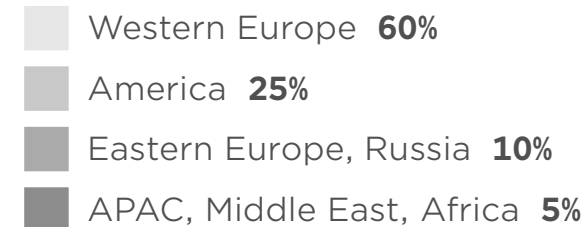
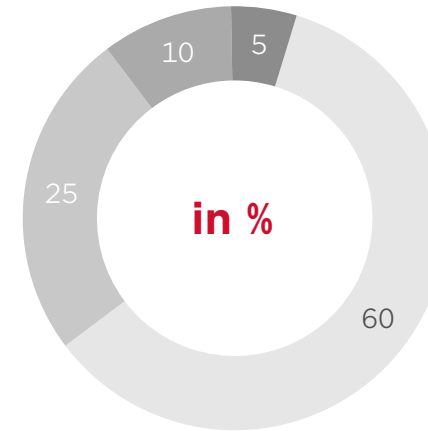
orderbook increased, expect further increase in second half of the year

overview end markets and regions

revenue per end market



revenue per region



semicon efficiency end market strong growth, increased revenue %

acquisitions & divestments

acquisition Sentinel

- United Kingdom
- specialised in cleaning, protecting and maintenance of heating and cooling systems
- annual revenue approx. GBP 20 million



acquisition Premier Thermal

- Michigan, USA
- leading aluminium treatment provider in North America, serving various end markets
- annual revenue approx. USD 60 million



divestment Adex

- the Netherlands
- annual revenue approx. EUR 10 million

divestment Lasco

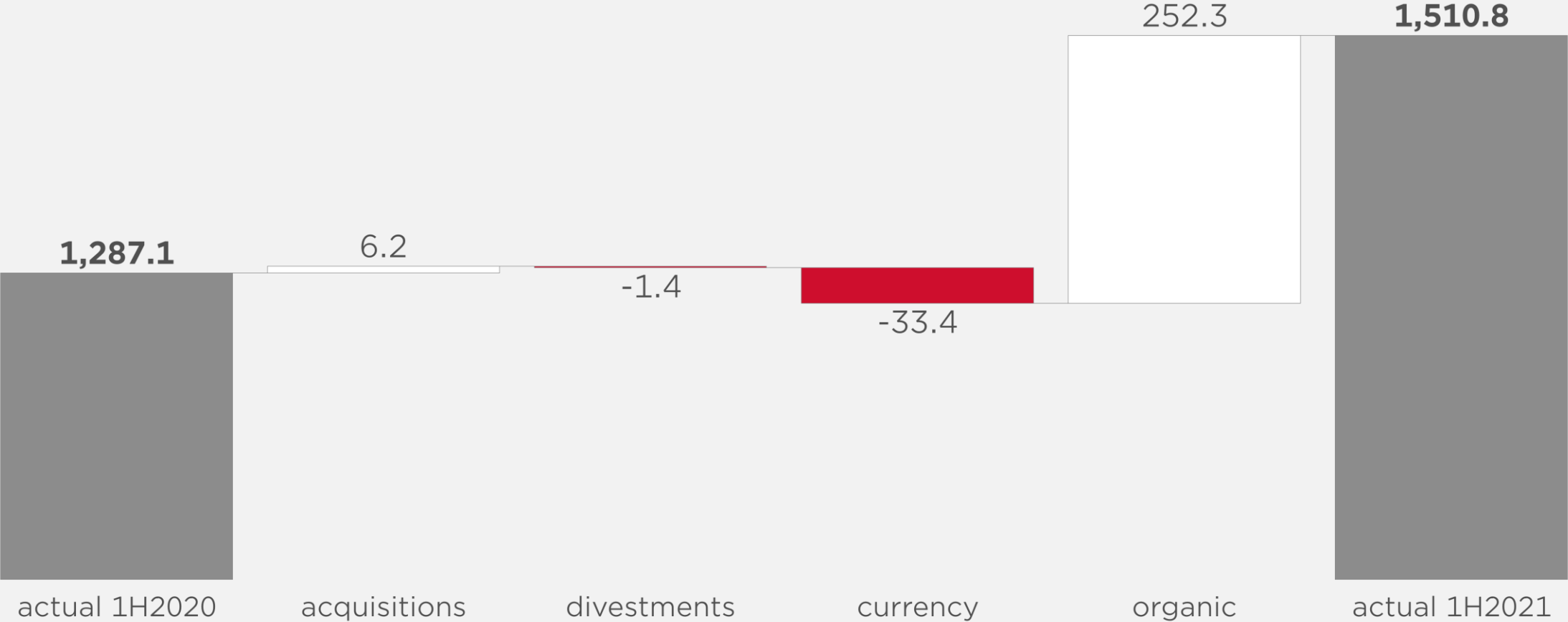
- Tennessee, USA
- annual revenue approx. USD 150 million

3. financial development

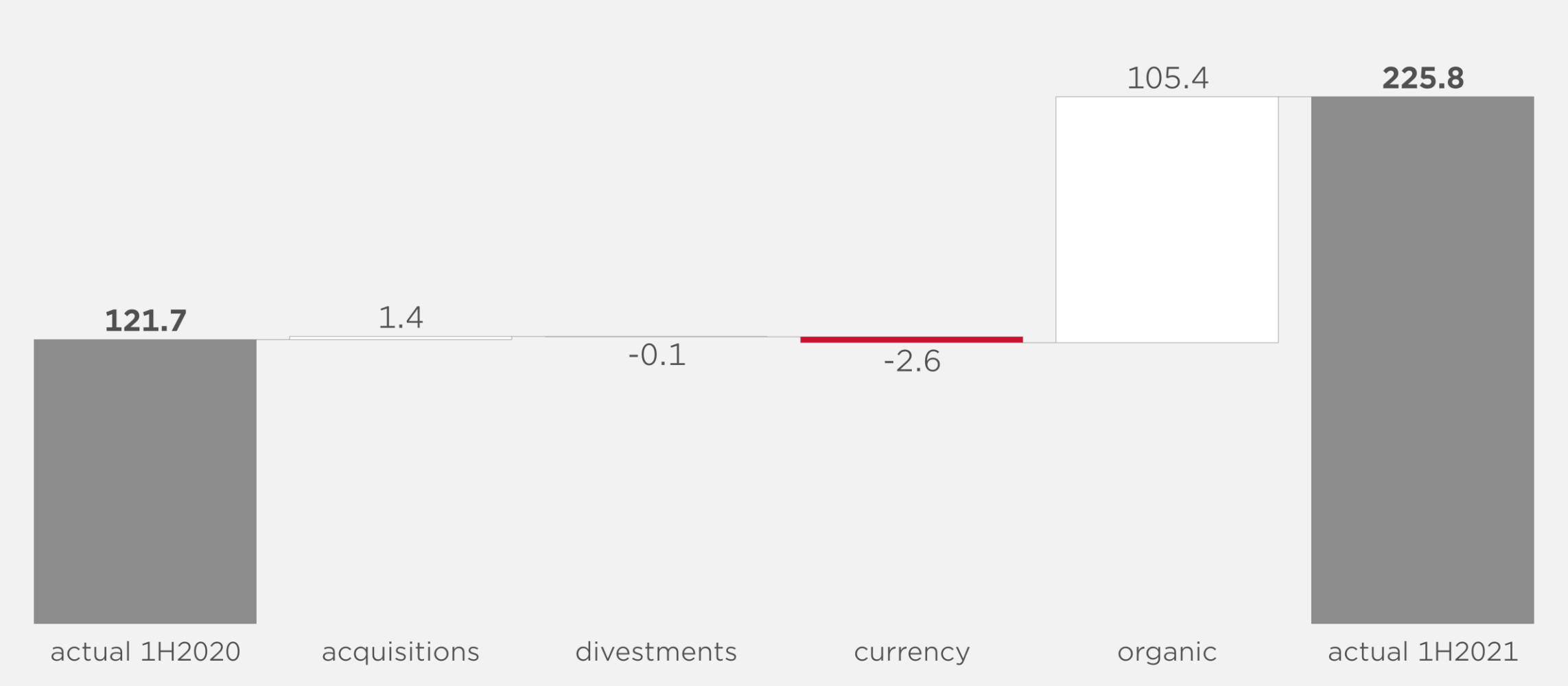
Arno Monincx - CFO



revenue bridge



EBITA bridge



condensed consolidated income statement

in EUR million

	1H2021	1H2020
revenue	1,510.8	1,287.1
EBITDA	294.7	192.1
depreciation	(68.9)	(70.4)
EBITA	225.8	121.7
net finance cost	(6.9)	(11.6)
income tax expense (<i>ETR 1H2021: 23.5%; 1H2020: 24.8%</i>)	(46.2)	(21.9)
non-controlling interests	(4.1)	(2.6)
net profit before amortisation	168.6	85.6
EPS before amortisation in EUR	1.52	0.77

- revenue growth 17.4% (20.1% organic; acquisitions/divestments -0.1%; FX impact -2.6%)
- FX impact EUR 33.4 million *negative* on revenue and EUR 2.6 million *negative* on EBITA

organic revenue growth 20%; EBITA growth 86%; EPS growth 97%

condensed consolidated balance sheet

in EUR million

	30.6.2021	31.12.2020	30.6.2020
total non-current assets	2,312	2,273	2,351
total current assets	1,292	982	1,092
total assets	3,604	3,255	3,443
total equity	1,918	1,806	1,784
total non-current liabilities	572	588	691
total current liabilities	1,114	861	968
total equity and liabilities	3,604	3,255	3,443
net debt (before IFRS 16)	465	444	648
leverage ratio (before IFRS 16): net debt / EBITDA (12-months-rolling)	1.0	1.1	1.6
net working capital	516	399	598
days net working capital	68	55	80
solvability (total equity as a % of total assets)	53.2	55.5	51.8
return on capital employed (before IFRS 16)	15.9	12.5*	11.7

* before strategic restructuring cost (SRC)

net debt (before IFRS 16) reduced with 28%; DWC reduced to 68; ROCE 15.9%

condensed consolidated cash flow statement

in EUR million

	1H2021	1H2020	delta
EBITDA	294.7	192.1	102.6
changes in provisions / result on sale of equipment	(19.7)	(4.4)	(15.3)
changes in working capital	(122.0)	(119.7)	(2.3)
cash flow from operations	153.0	68.0	85.0
purchase of property, plant and equipment	(58.2)	(67.0)	8.8
purchase of intangible assets	(4.5)	(4.7)	0.2
free cash flow	90.3	(3.7)	94.0
finance cost paid	(7.3)	(10.3)	3.0
income taxes paid	(33.3)	(17.3)	(16.0)
acquisition / divestment of subsidiaries	(51.2)	(5.2)	(46.0)
change in non-current borrowings	(76.6)	(63.6)	(13.0)
lease payments	(17.5)	(18.0)	0.5
settlement of share based payment awards and other	(0.1)	(0.1)	-
net increase / (decrease) in cash and current borrowings	(95.7)	(118.2)	22.5

strong cash flow from operations

revenue & CAPEX

in EUR million

	1H2021	1H2020*	delta
installation technology	589.4	505.6	17%
material technology	386.9	332.7	16%
climate technology	370.3	301.3	23%
industrial technology	184.6	161.6	14%
<i>holding / eliminations</i>	(20.4)	(14.1)	
total revenue	1,510.8	1,287.1	17%

in EUR million

	1H2021	1H2020*	delta
installation technology	21.4	22.1	(3%)
material technology	18.6	22.4	(17%)
climate technology	11.2	5.3	111%
industrial technology	4.5	4.0	13%
<i>holding / eliminations</i>	2.5	0.0	
total capital expenditure	58.2	53.8	8%

* 1H2020 adjusted for comparison purposes due to movement of activities between business segments

revenue growth 17%; capital expenditure continued

EBITA & EBITA margin

in EUR million

	1H2021	1H2020*	delta
installation technology	85.4	49.3	73%
material technology	56.3	23.7	138%
climate technology	59.1	32.5	82%
industrial technology	28.2	23.4	21%
<i>holding / eliminations</i>	(3.2)	(7.2)	
total EBITA	225.8	121.7	86%

in % of revenue

	1H2021	1H2020*	delta
installation technology	14.5	9.8	4.7
material technology	14.6	7.1	7.5
climate technology	16.0	10.8	5.2
industrial technology	15.3	14.5	0.8
total EBITA margin	14.9	9.5	5.4

* 1H2020 adjusted for comparison purposes due to movement of activities between business segments

EBITA margin 14.9%; all segments EBITA margin improved

4. outlook

Wim Pelsma - CEO

outlook

- we continue our business development and innovation initiatives, driving our sustainable profitable growth
- we started the second half of the year with a good orderbook
- our capital expenditure in organic growth, innovations and operational excellence will be increased
- we continue to optimise our portfolio and strengthen our market positions with bolt-on acquisitions

capital markets day

- on Thursday 2 December 2021 Aalberts will give an update of the Aalberts strategy 'focused acceleration'
- capital markets day, combined with an innovation experience and factory tour
- will take place in our new facility of Aalberts hydronic flow control in Almere (the Netherlands)



5. questions & answers