



Aalberts 'accelerates unique positioning'

capital markets day, 2 December 2021

agenda

Aalberts

strategy & objectives

financial development

key takeaways

questions & answers



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**
enabling a clean, smart and responsible future

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

mission-critical technologies

- unique positions with sustainable impact
- high entry barriers, pricing power, high added-value
- sustainable, profitable growth

good is never good enough

- operational excellence, world-class operations
- continuous EBITA margin improvement
- strong cash conversion, disciplined capital allocation

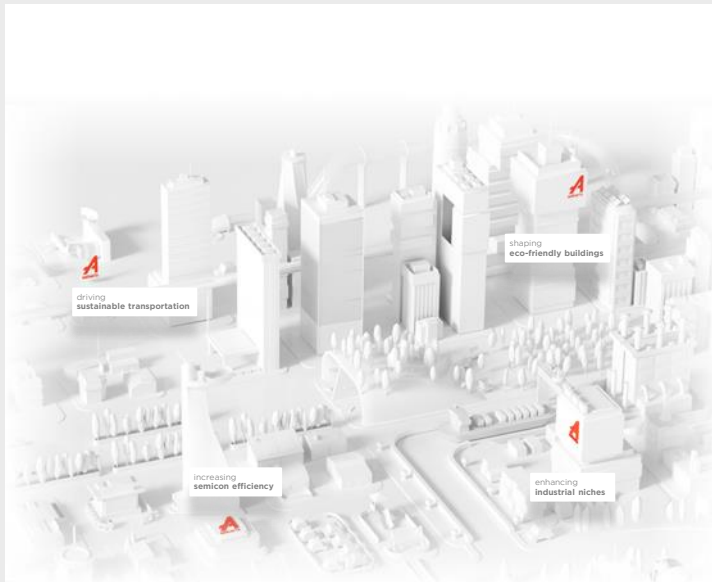
greatness is made of shared knowledge

- winning with the best teams
- technology exchange, innovation speed
- fast-learning, co-development and adaptation

we are relentless in our pursuit of excellence

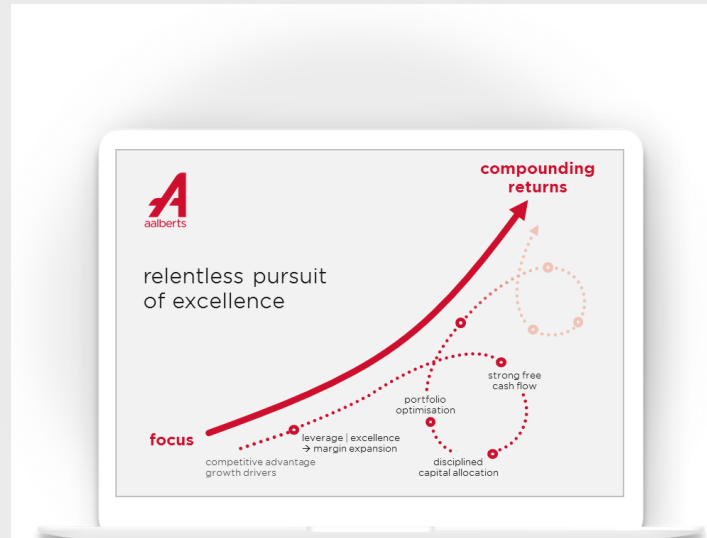
our way of value creation

the Aalberts playing field



mission-critical technologies

the Aalberts playbook



good is never good enough

the Aalberts way



**greatness is made
of shared knowledge**

we are relentless in our pursuit of excellence

we engineer mission-critical technologies
enabling a clean, smart and responsible future

A white 3D model of a city with various buildings, roads, and green spaces. Four red Aalberts logos are placed on different parts of the city. Each logo is accompanied by a white text box with black text.

driving
sustainable transportation

shaping
eco-friendly buildings

increasing
semicon efficiency

enhancing
industrial niches

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

megatrends shaping our future

urbanisation

strong need for comfortable and healthy buildings and sustainable transportation

energy & resource scarcity

saving energy, lowering waste, reshoring and making materials lightweight and durable

internet of things

accelerating breakthroughs enabling autonomous driving, smart buildings, industry 4.0

shift towards co-development, connectivity and integration

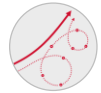
good is never good enough



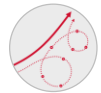
winning with the best teams



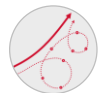
operational excellence | leverage



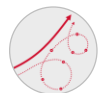
strong cash conversion



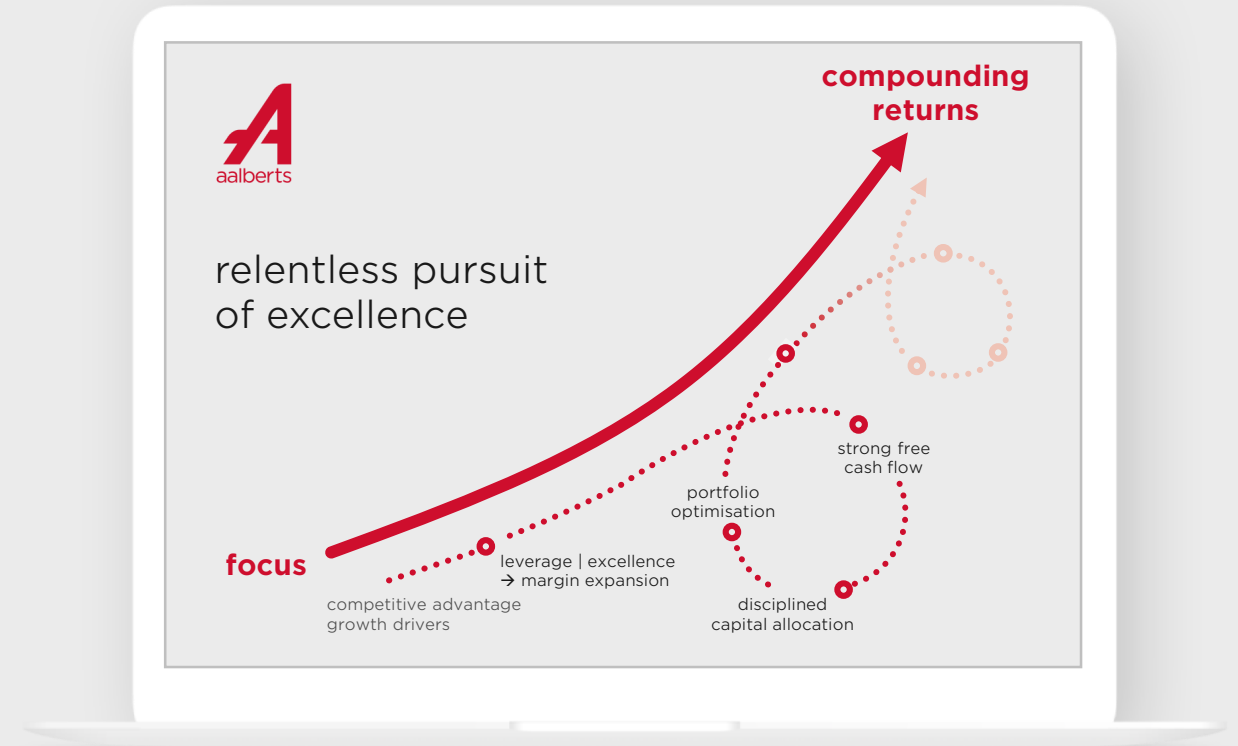
disciplined capital allocation



portfolio optimisation



drive innovations



driven by entrepreneurship and a relentless pursuit of excellence

innovation drives our growth



innovation expenditure >5% of revenue

greatness is made of shared knowledge



be an entrepreneur



take ownership



go for excellence



share and learn



act with integrity



the Aalberts way – winning with people

greatness is made of shared knowledge

“ our pragmatic culture and lean structure keep us ahead of the game, no matter how frequently or significantly the game is disrupted “



strategy & objectives

Wim Pelsma - CEO

Aalberts strategy & objectives



accelerating unique positions with mission-critical technologies, high entry barriers and pricing power



creating sustainable profitable growth with high added-value margins, EBITA margins and innovation rates



driving operational excellence and portfolio optimisation converting into free cash flow, achieving world-class operations



allocating capital in a disciplined way strengthening our unique positions



realising sustainable entrepreneurship with clear impact and commitment



ensuring an open, pragmatic culture and lean structure, using the Aalberts strengths

organic revenue growth
(% annually)

EBITA margin
(% of revenue)

ROCE

innovation rate
(% of revenue)

SDG rate
(% of revenue)

leverage ratio

we are relentless in our pursuit of excellence

strategic actions 2022-2026

1 **continue portfolio optimisation**

- » further optimise existing portfolio
- » finalise existing divestment programme
- » additional divestment programme EUR 250-300 million revenue
- » strengthen positions through bolt-on acquisitions, EUR 250-500 million revenue

2 **increase organic revenue growth**

- » focus on 4 technology clusters and 4 end markets
- » drive business plans, allocate capital and management accordingly
- » increase innovation expenditure to >5% of revenue
- » increase capital expenditure to EUR 200-250 million per year

3 **relentless pursuit of operational excellence**

- » additional operational excellence programme
- » further consolidate | reduce locations from 135 (end of 2021) to 108 (end of 2026)
- » realise 'world-class' operations: highly automated, efficient, excellent service
- » drive pricing excellence continuously

4 **drive sustainable entrepreneurship**

- » accelerate unique positions, capitalise market opportunities
- » increase SDG impact to >70% of total revenue in 2026
- » commit to net zero carbon in 2050 or earlier
- » execute sustainability improvement plans

Aalberts 'accelerates unique positioning'

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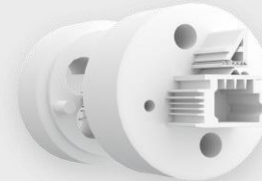
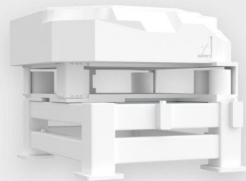
continue portfolio optimisation



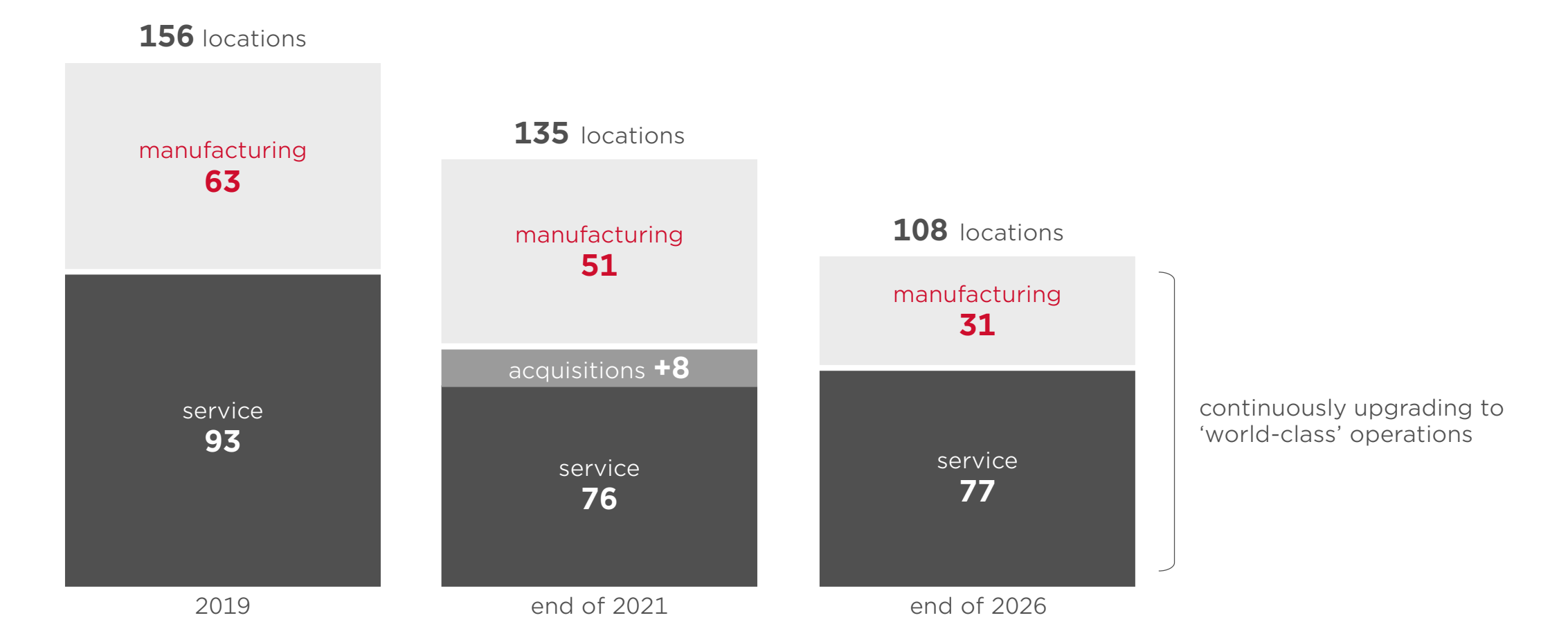
mission-critical technologies



unique positions with high growth potential and sustainable impact



unique positions with high growth potential and sustainable impact



continuously improving portfolio and upgrading to 'world-class' operations

SDG impact increases to >70%

mission-critical technologies



hydraulic flow control

creating energy savings



integrated piping systems

hygienic distribution of water



advanced mechatronics

acceleration of technological breakthroughs



surface technologies

lifetime extension and lightweight materials



our playing field

eco-friendly buildings





semicon efficiency

sustainable transportation

industrial niches

we engineer mission-critical technologies enabling a clean, smart and responsible future

net zero carbon roadmap

	focus	projects per business team	2018-2022	2022-2026	2040	net zero carbon 2050
scope 1+2	 energy use (in CO ₂ intensity)**	<ul style="list-style-type: none"> • drive energy efficiency • use renewable energy 	progress ▼ 8%* versus 2018	target ▼ 30% versus 2018		
scope 3	 raw materials, waste  travel, transport  end of life	<ul style="list-style-type: none"> • reduce, reuse, recycle • travel consciously • perform life cycle and circular design assessments 	measurement	target setting		

* FY2020
** tonnes CO₂ divided by total revenue in EUR million

committed to be net zero by 2050 or earlier



financial development

Arno Monincx - CFO

- **continue portfolio optimisation**
 - » finalise existing divestment programme
 - » additional divestment programme EUR 250-300 million revenue
 - » strengthen positions through bolt-on acquisitions, EUR 250-500 million revenue
- **increase organic revenue growth**
 - » increase innovation expenditure to >5% of revenue
 - » increase capital expenditure to EUR 200-250 million per year
- **relentless pursuit of operational excellence**
 - » additional operational excellence programme
 - » one-off exceptional cost in 2021 of approx. EUR 50 million, funded by exceptional disposal benefits, with an annual benefit of approx. EUR 25 million, partly in 2021 and mainly in the coming three years
 - » operational excellence | leverage; 'drop through' 25%
- **drive sustainable entrepreneurship**
 - » increase SDG impact to >70% of total revenue in 2026

Aalberts objectives



organic revenue growth
(% annually)

4-6%

EBITA margin
(% of revenue)

16-18%

ROCE

18-20%

innovation rate
(% of revenue)

>20%

SDG rate
(% of revenue)

>70%

leverage ratio

<2.5

we are relentless in our pursuit of excellence

disciplined capital allocation

cash dividend policy

30% of net profit before amortisation

organic revenue growth

capital expenditure EUR 200-250 million per year

acquisitions | bolt-on 'sweetspot'

size EUR 20-100 million annual revenue

deployment EUR 50-250 million per year

acquisitions | strategic footprint

size EUR 100+ million annual revenue

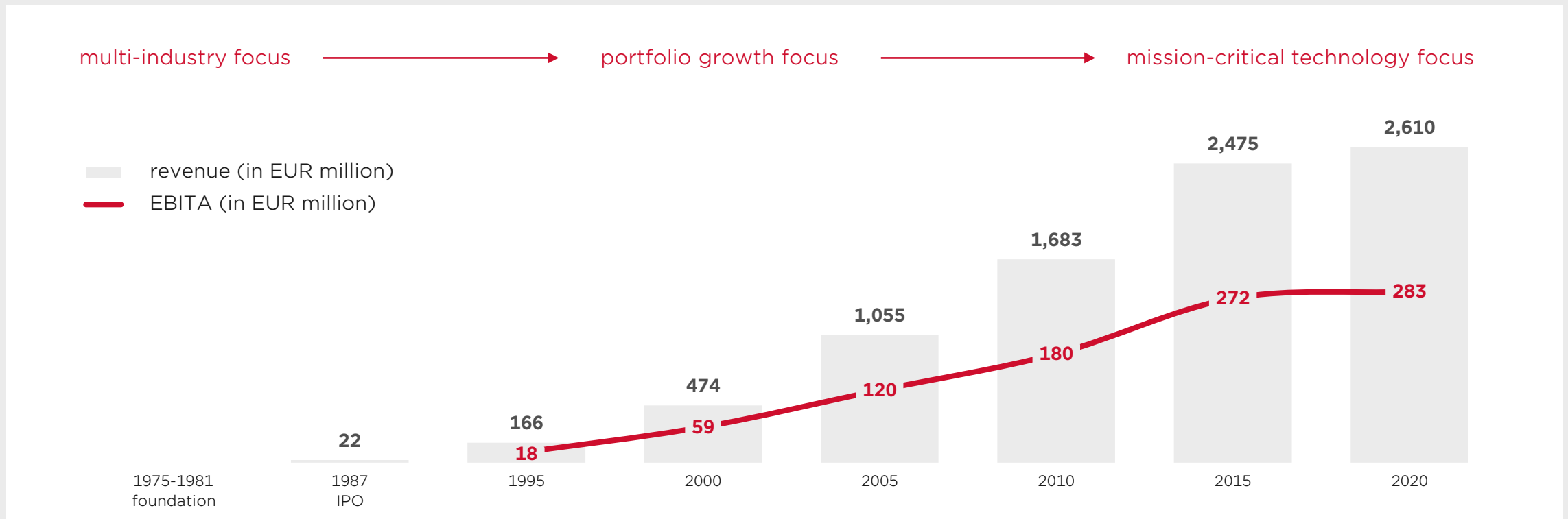
deployment EUR 250+ million

depending on opportunity

strengthening our unique positions with mission-critical technologies

our track record

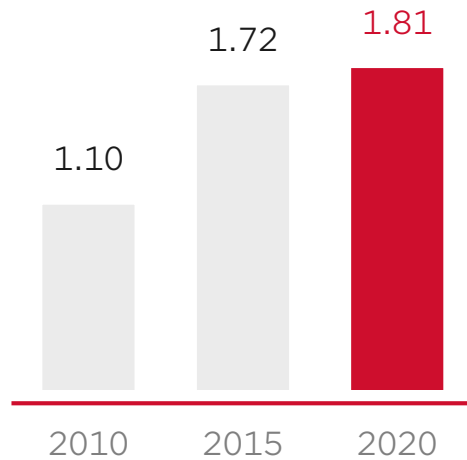
over 45 years of sustainable profitable growth



a proven sustainable business model

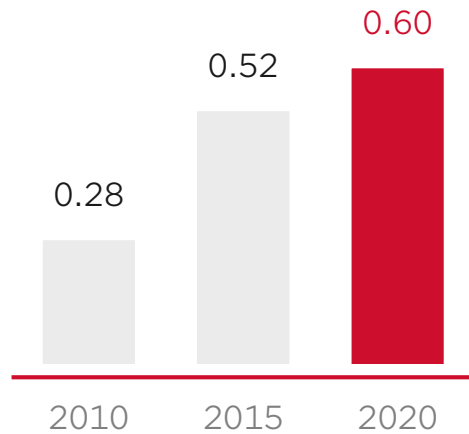
shareholder value creation

earnings per share (in EUR)



CAGR ↗ 17%

dividend per share (in EUR)



CAGR ↗ 20%

ROICE (before IFRS 16)

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

9.7%

long-term shareholders (>3% holdings)

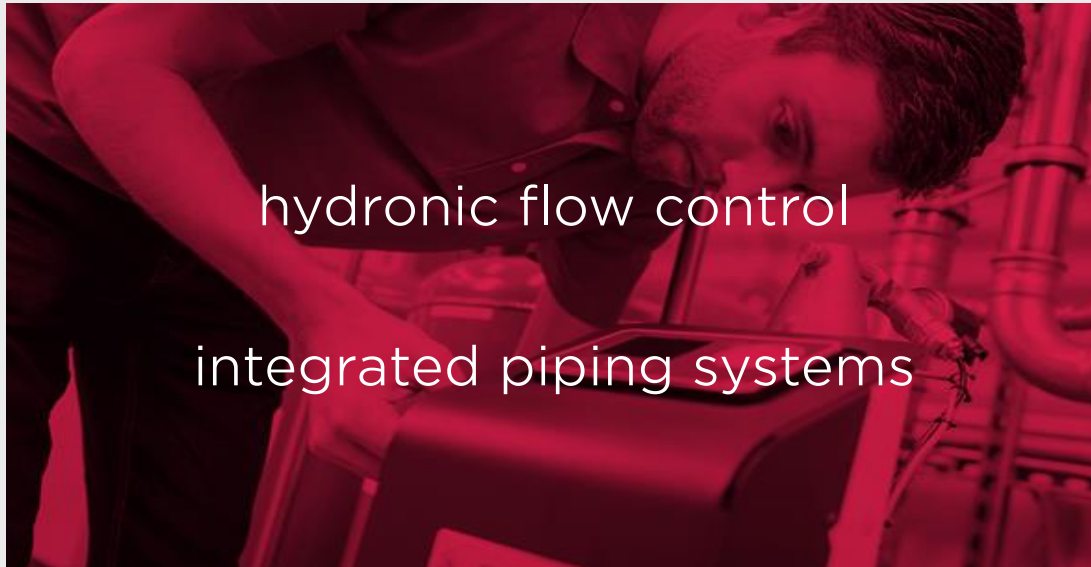


>50%

a proven sustainable business model

our segment reporting structure

building technology



industrial technology



revenue (in EUR million)	organic growth (% of revenue)	EBITA margin (% of revenue)	capital expenditure (in EUR million)
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revenue (in EUR million)	organic growth (% of revenue)	EBITA margin (% of revenue)	capital expenditure (in EUR million)
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greatness is made of shared knowledge



key takeaways

Wim Pelsma - CEO

- ① continue optimising our portfolio
- ② accelerate our unique positions with high growth potential and sustainable impact
- ③ allocate our capital and management accordingly
- ④ increase organic revenue growth
- ⑤ continue our relentless pursuit of operational excellence
- ⑥ drive sustainable entrepreneurship
- ⑦ updated Aalberts objectives 2022-2026

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questions & answers