



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

full year results 2021
Utrecht, 24 February 2022

agenda

Aalberts

operational development

financial development

outlook

questions & answers



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**
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

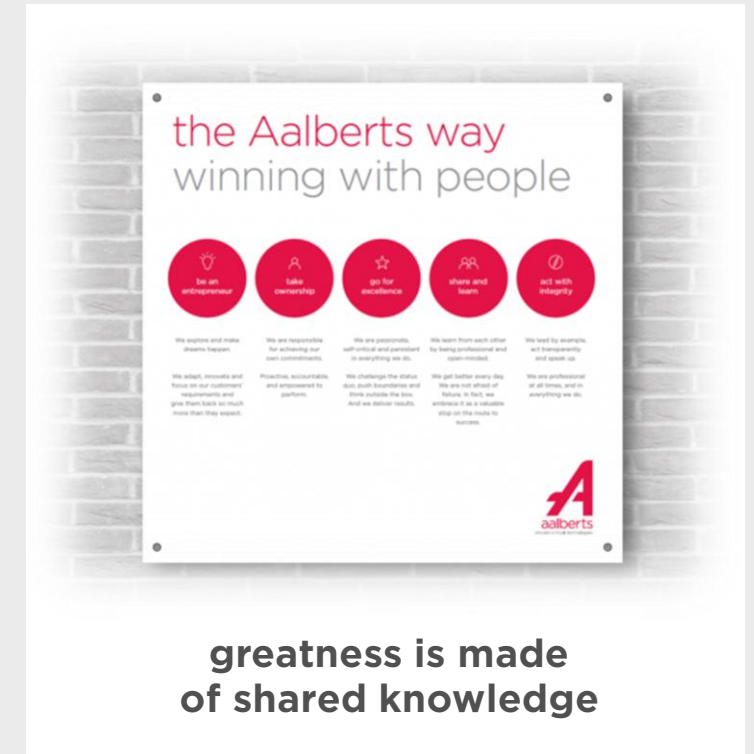
the Aalberts playing field



the Aalberts playbook



the Aalberts way



we are relentless in our pursuit of excellence

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

A white 3D architectural model of a city, featuring various buildings, roads, and green spaces. Several Aalberts logos are placed on different buildings. Four white text boxes with black text are overlaid on the model, highlighting specific areas of focus.

driving
sustainable transportation

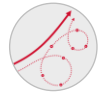
shaping
eco-friendly buildings

increasing
semicon efficiency

enhancing
industrial niches

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

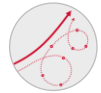
good is never good enough



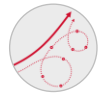
winning with the best teams



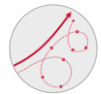
operational excellence | leverage



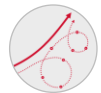
strong cash conversion



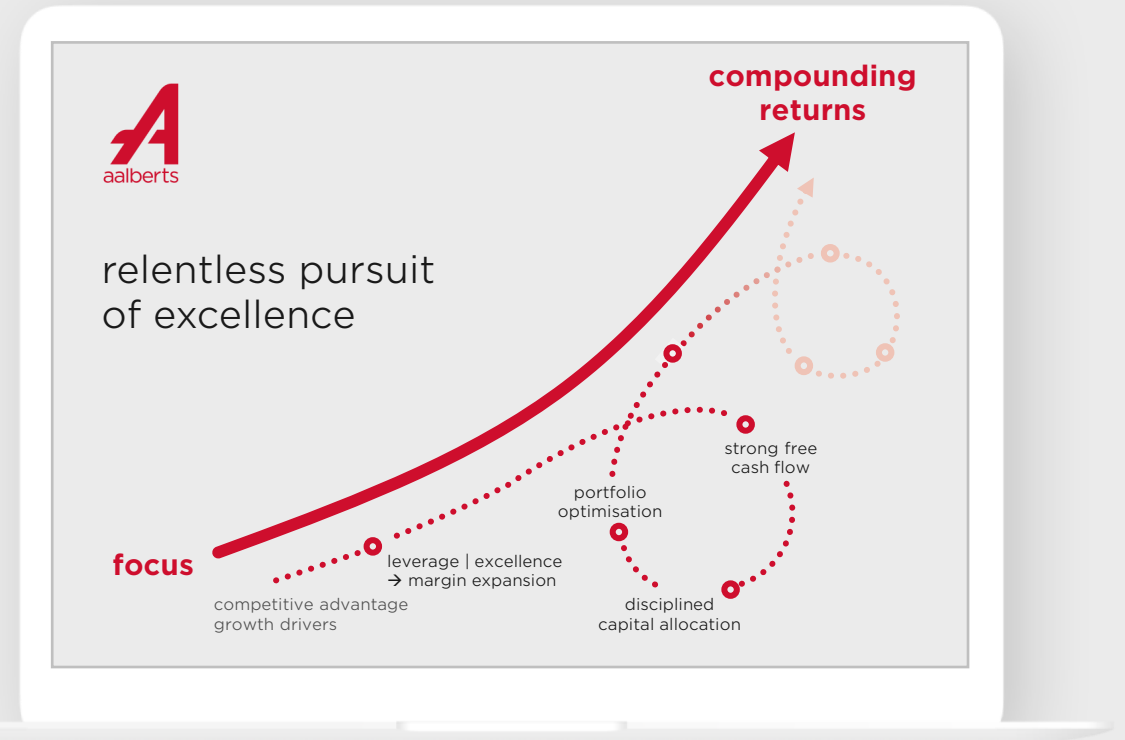
disciplined capital allocation



portfolio optimisation



drive innovations



driven by entrepreneurship and a relentless pursuit of excellence

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

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
4-6%	16-18%	18-20%	>20%	>70%	<2.5

we are relentless in our pursuit of excellence

drive sustainable entrepreneurship

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



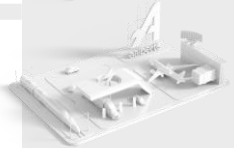
our playing field

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



2. operational development

Wim Pelsma - CEO

Aalberts highlights



revenue
(in EUR million)

2,979
+14%

added-value
(% of revenue)

62.2
2020: 61.6

EBITA
(in EUR million)

454
+61%

EBITA %
(% of revenue)

15.2
2020: 10.8

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

337
+69%

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

3.05
+69%

capital expenditure
(in EUR million)

147
+54%

ROCE
(in %)

17.2
2020: 11.7

- revenue EUR 2,979 million; organic growth 16.0%
- orderbook increased with 52%
- EBITA EUR 454 million; EBITA margin 15.2%
- net profit before amortisation EUR 337 million; per share EUR 3.05
- free cash flow EUR 310 million
- capital expenditure increased to EUR 147 million
- additionally: exceptional EBITA benefit of EUR 100 million
- acquisitions Sentinel and Premier Thermal
- divestments Adex, Lasco and Standard Hidráulica Group

Aalberts realises 16% organic revenue growth and an EBITA margin of 15.2%

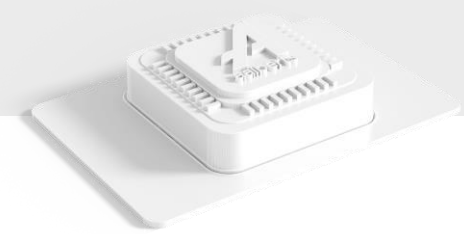
shaping eco-friendly buildings



- good performance in all regions, orderbook increased to a record level
- many growth drivers
 - » market recovery and restocking distribution channels after COVID-19 impact, still ongoing
 - » end users invest more in renovation, upgrading residential housing and commercial buildings
 - » innovations are driving our growth;
 - expansion connection and valve technology portfolio
 - integrated piping systems solutions with digital drawing services
 - hydronic flow control solutions combined with digital services
 - » governmental support programmes stimulating building efficiency
- good progress with many operational excellence initiatives
 - » become more efficient, leverage manufacturing locations, consolidate our distribution footprint
- acceleration of capital expenditure
 - » manufacturing capacity in fast-growing product lines, manufacturing efficiency

good performance, record orderbook, acceleration capital expenditure

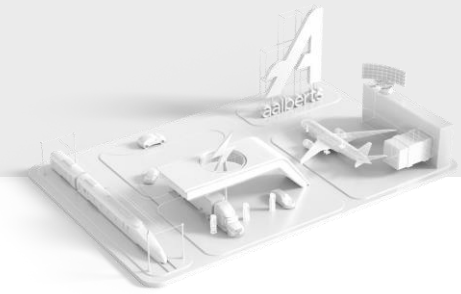
increasing semicon efficiency



- strong growth and good performance, orderbook further increased to record level
- long-term growth drivers
 - » strong microchip demand for computer logic and storage
 - » e-mobility developments, connectivity and IoT
 - » investments in new fabs and 5G roll-out
- microchip manufacturers expanding regional capacity to secure technology know-how and supply chain
- preparing capacity expansions and efficiency improvements in all locations
 - » exploring possibilities for greenfield manufacturing expansions
- new product introductions with key accounts
- further strengthened Aalberts advanced mechatronics organisation and management teams and recruited additional people to facilitate growth
- key enabler to realise capacity growth and new developments for customers

strong growth, good performance, order book further increased to record level

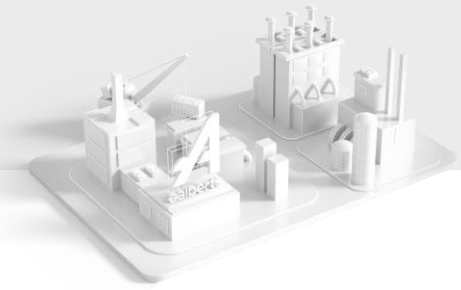
driving sustainable transportation



- good performance, despite supply chain disruptions at customer facilities
- end user demand passenger cars and commercial vehicles continued to be strong
- many new co-developments in progress for e-mobility and electrification of vehicles, accelerating even faster, giving many opportunities:
 - » need for lightweight materials, leading to increase of precision manufactured aluminium parts with additional surface technologies
 - » connectors are growing fast with high-specified precision manufactured parts in combination with metal strip coatings
 - » new passenger car and light truck models generate additional business opportunities
- additionally, aerospace and marine market are recovering fast
 - » increased order intake and strong orderbook
 - » driven by sustainable solutions for lightweight materials and reduction of carbon footprint of customers

good performance, many new co-developments e-mobility

enhancing industrial niches



- orderbook increased during the year in Europe and North America
 - » further recovery visible in order intake last months
- further optimised surface technologies portfolio
 - » invested more in specific industrial niche segments with higher margins
 - » additional investments in process to expand to other regions, utilising our service network
- additional equipment Eastern Europe to facilitate growth
 - » due to transfer of business of customers
- orderbook industrial valves North America increased during the year
 - » prepared additional investments to facilitate growth and increase manufacturing efficiency

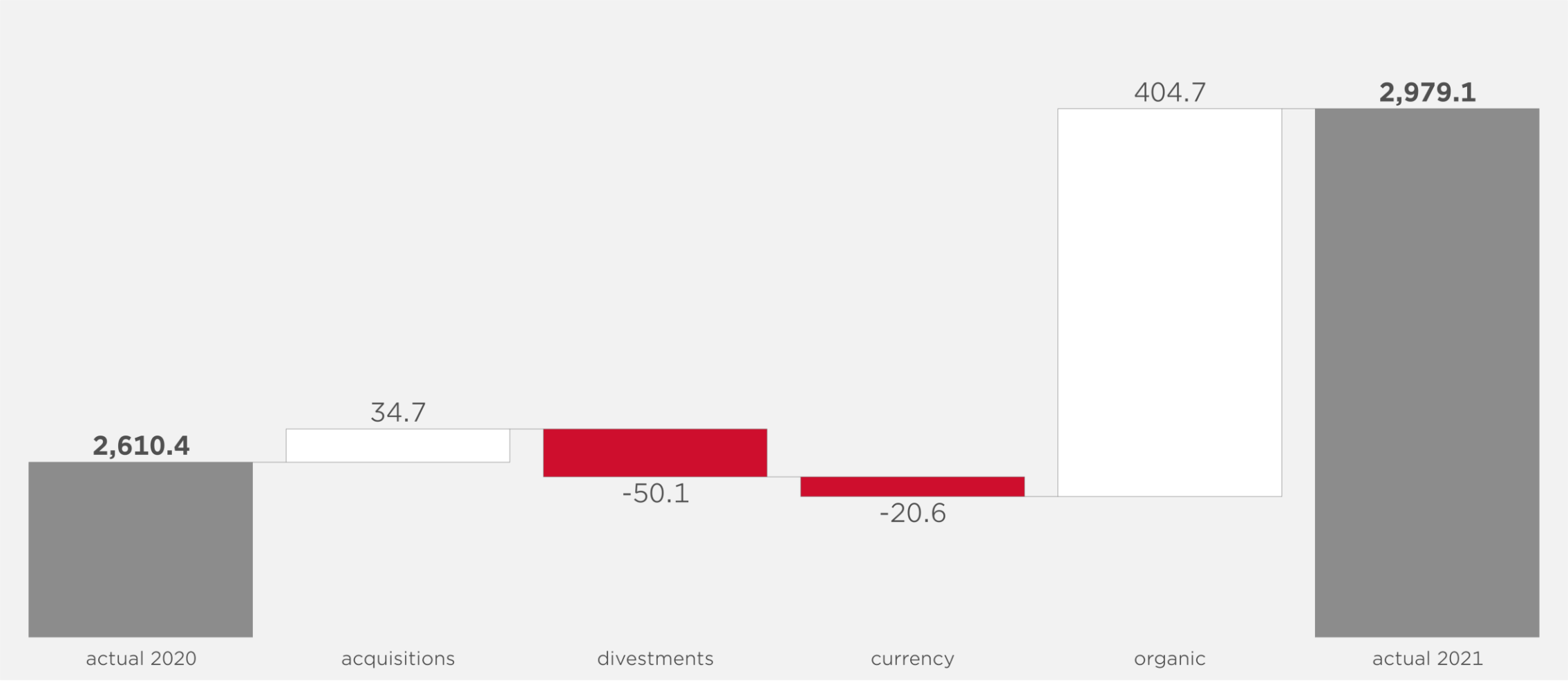
orderbook increased, further recovery visible



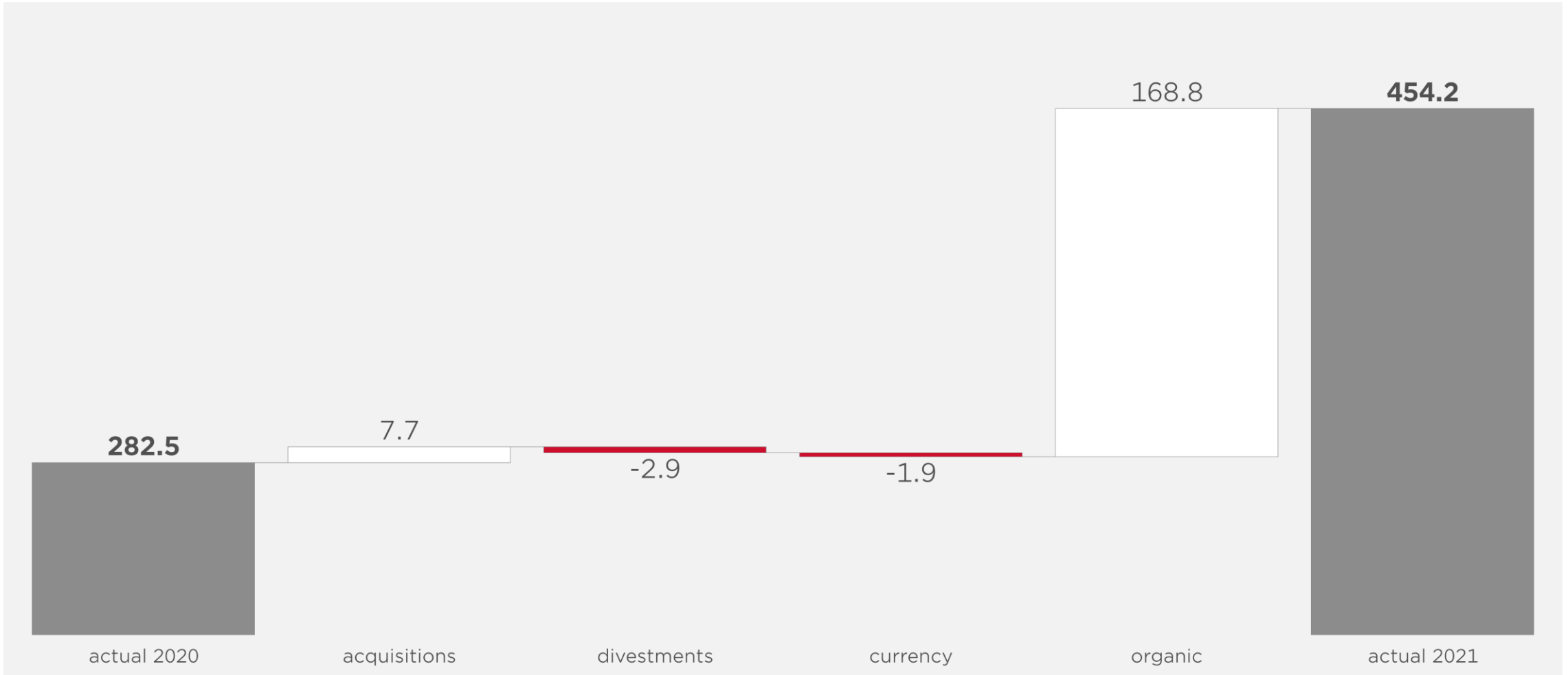
3. financial development

Arno Monincx - CFO

revenue bridge



EBITA bridge



all figures before exceptionals

condensed consolidated income statement



in EUR million (before exceptionals)	2021	2020
revenue	2,979.1	2,610.4
EBITDA	585.1	422.6
depreciation	(130.9)	(140.1)
EBITA	454.2	282.5
net finance cost	(13.2)	(22.4)
income tax expense (<i>ETR 2021: 24.5, 2020: 24.4</i>)	(96.0)	(52.7)
non-controlling interests	(7.7)	(7.8)
net profit before amortisation	337.3	199.6
EPS before amortisation in EUR	3.05	1.81

- revenue growth 14.1% (16.0% organic)
- FX impact EUR 20.6 million *negative* on revenue and EUR 1.9 million *negative* on EBITA

strong performance, 16% organic revenue growth and EBITA margin 15.2%

condensed consolidated balance sheet

in EUR million

	31.12.2021	31.12.2020
total non-current assets	2,460	2,273
total current assets	1,195	982
total assets	3,655	3,255
total equity	2,184	1,806
total non-current liabilities	525	588
total current liabilities	946	861
total equity and liabilities	3,655	3,255
net debt	492	600
leverage ratio: net debt / EBITDA (12-months-rolling)	0.9	1.4
net working capital	452	399
days net working capital	58	55
solvability (total equity as a % of total assets)	59.7	55.5
return on capital employed	17.2	11.7

return on capital employed increased to 17.2%

free cash flow

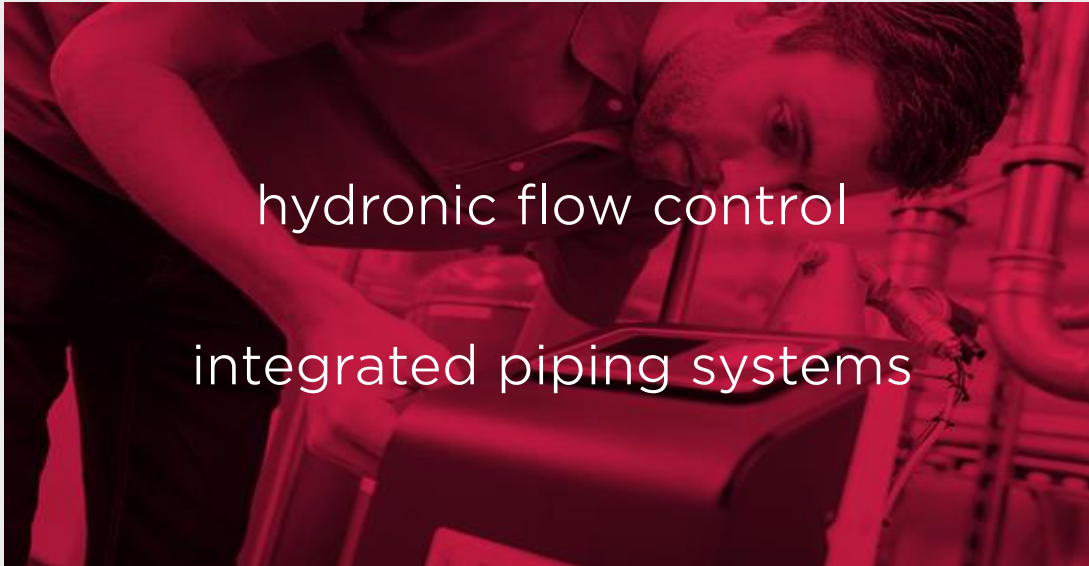
in EUR million (before exceptionals)

	2021	2020	delta
EBITDA	585.1	422.6	162.5
gain on disposal of subsidiaries	(13.1)	-	(13.1)
result on sale of equipment / changes in provisions	0.9	(9.6)	10.5
changes in working capital	(108.7)	61.9	(170.6)
cash flow from operations	464.2	474.9	(10.7)
purchase of property, plant and equipment	(144.6)	(107.6)	(37.0)
purchase of intangible assets	(12.2)	(10.4)	(1.8)
proceeds from sale of equipment	2.1	3.0	(0.9)
free cash flow	309.5	359.9	(50.4)

solid free cash flow despite increase working capital and CAPEX cash out

segment reporting structure

building technology



industrial technology



revenue (in EUR million)	organic growth (% of revenue)	EBITA margin (% of revenue)	capital expenditure (in EUR million)
-----------------------------	----------------------------------	--------------------------------	---

revenue (in EUR million)	organic growth (% of revenue)	EBITA margin (% of revenue)	capital expenditure (in EUR million)
-----------------------------	----------------------------------	--------------------------------	---

greatness is made of shared knowledge

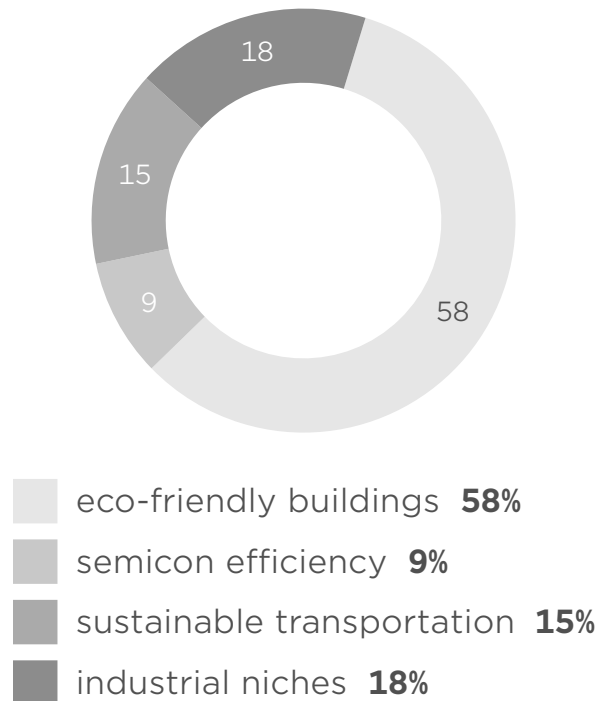
reporting per business segment

building technology	2021	2020	delta
revenue (in EUR million)	1,837.9	1,623.8	13%
organic revenue growth (in %)	16.2	-	
EBITA (in EUR million)	285.7	187.1	53%
EBITA as a % of revenue (in %)	15.5	11.5	4.0
capital expenditure (in EUR million)	75.7	49.5	53%

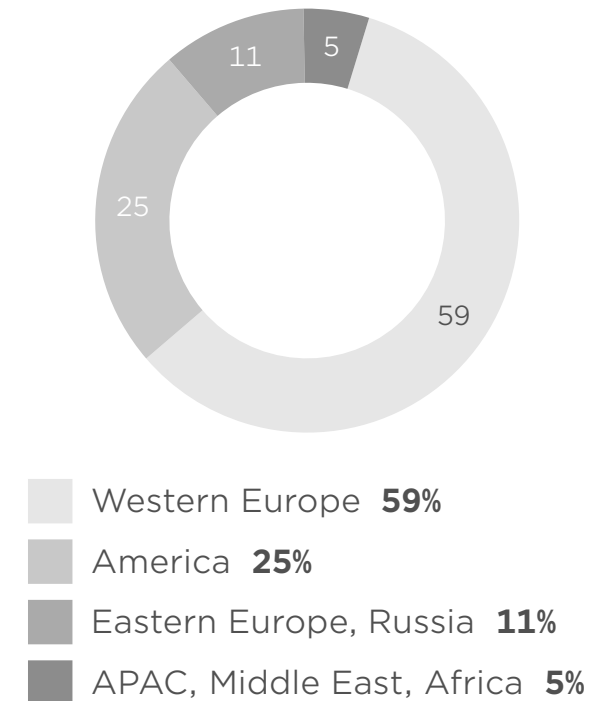
industrial technology	2021	2020	delta
revenue (in EUR million)	1,141.2	986.6	16%
organic revenue growth (in %)	15.6	-	
EBITA (in EUR million)	175.8	102.7	71%
EBITA as a % of revenue (in %)	15.4	10.4	5.0
capital expenditure (in EUR million)	68.1	45.6	49%

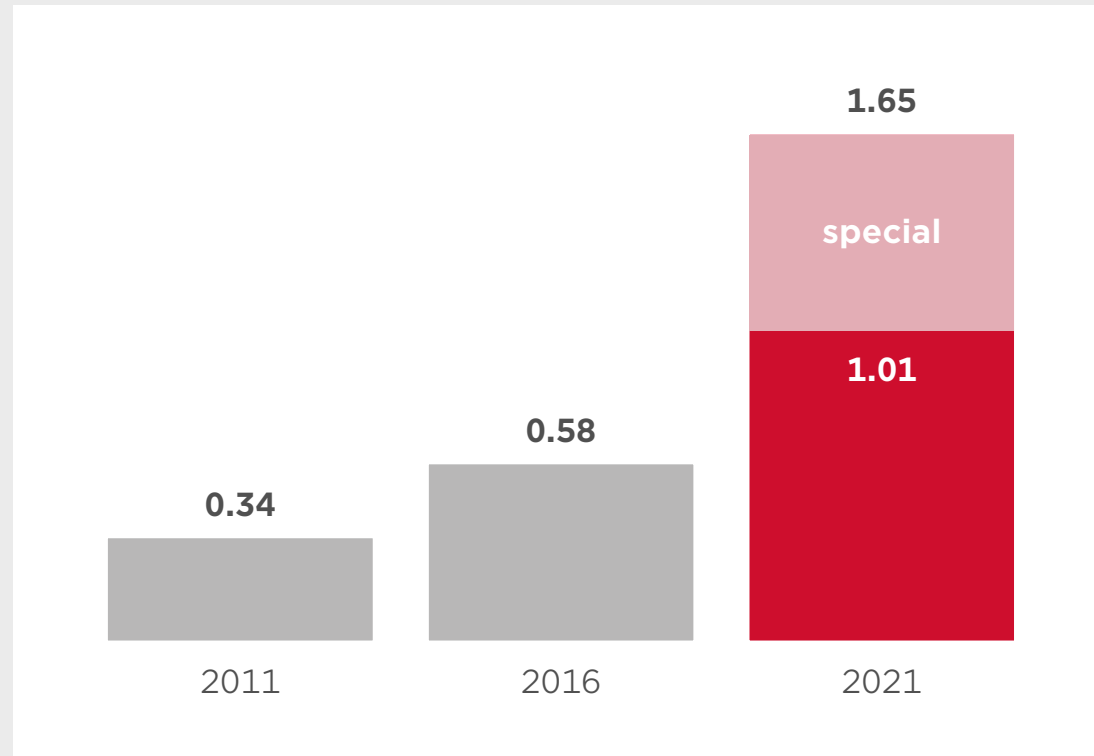
revenue per end market and region

revenue per end market (in %)



revenue per region (in %)





dividend proposal:

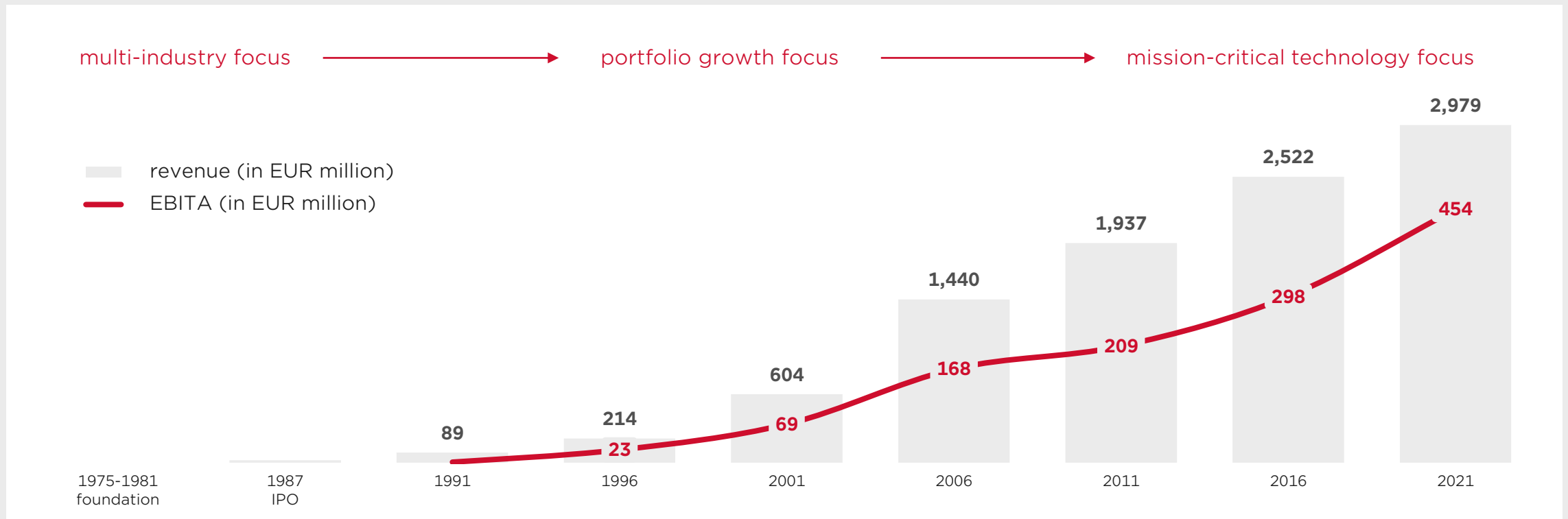
cash dividend of EUR 1.01 per share
(2020: EUR 0.60), an increase of 68%

special cash dividend of EUR 0.64 per share,
due to exceptional EBITA benefit

cash dividend EUR 1.01 per share and special cash dividend EUR 0.64 per share

our track record

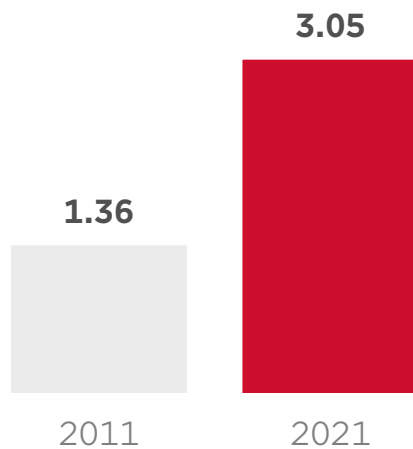
over 45 years of sustainable profitable growth



a proven sustainable business model

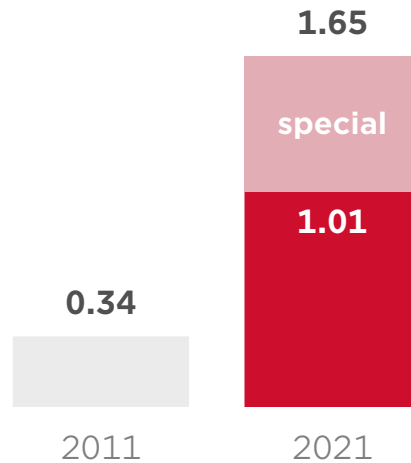
shareholder value creation

earnings per share (in EUR)



CAGR \uparrow 8%

dividend per share (in EUR)



CAGR \uparrow 12%

return on incremental capital employed

EBITA		capital employed
209	2011	1,464
454	2021	2,676
(1)	IFRS 16	(174)
244		1,038

23.5%

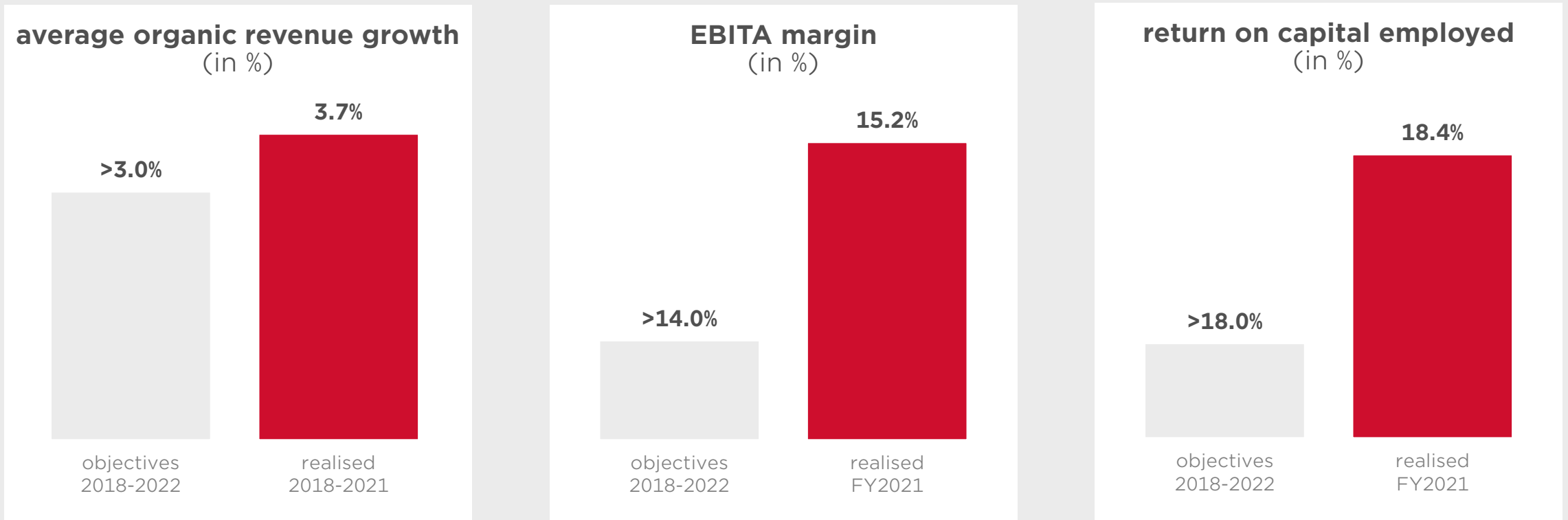
long-term shareholders (>3% holdings)



>50%

a proven sustainable business model

review objectives 2018-2022



a proven sustainable business model

all figures before IFRS 16



4. outlook

Wim Pelsma - CEO

outlook

- in 2022, we started with a strong orderbook
- we will relentlessly execute our updated strategy Aalberts 'accelerates unique positioning'



5. questions & answers

aalberts.com/investors