



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

interim results 2022

Utrecht, 21 July 2022

## agenda

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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



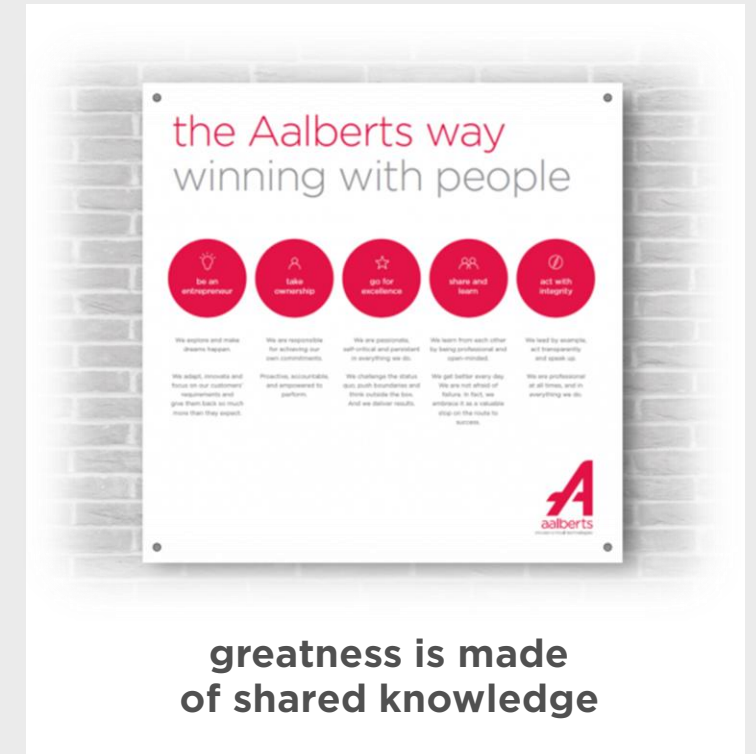
**mission-critical technologies**

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**

the Aalberts playing field

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



driving  
**sustainable transportation**

shaping  
**eco-friendly buildings**

increasing  
**semicon efficiency**

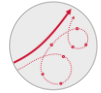
enhancing  
**industrial niches**

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

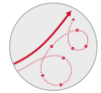
## good is never good enough



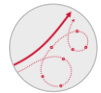
winning with the best teams



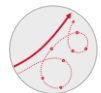
operational excellence | leverage



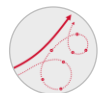
strong cash conversion



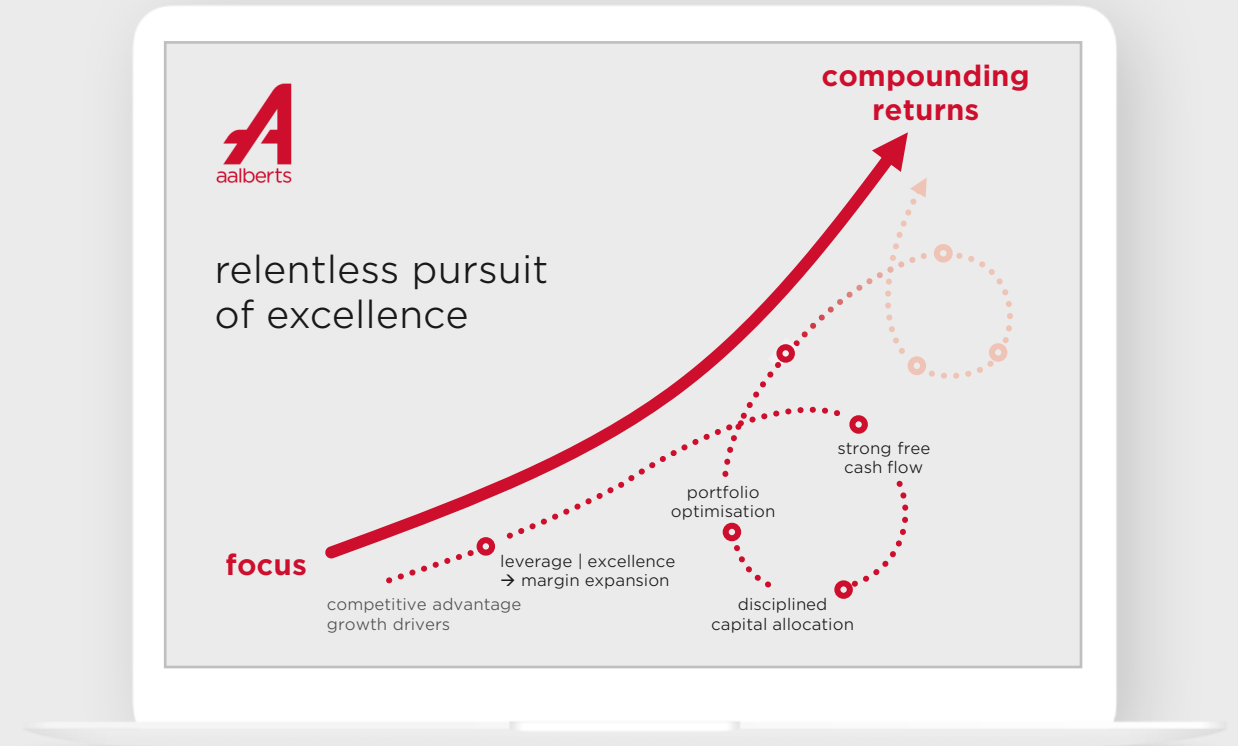
disciplined capital allocation



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)

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

# 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



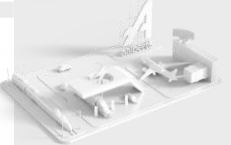
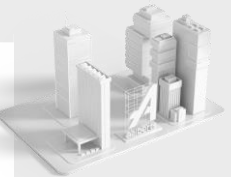
### our playing field

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	 <b>energy use</b> (in CO <sub>2</sub> intensity)**	<ul style="list-style-type: none"><li>• drive energy efficiency</li><li>• use renewable energy</li></ul>	progress ▼ 23%*  versus 2018	target ▼ 30%  versus 2018		
scope 3	 <b>raw materials, waste</b>  <b>travel, transport</b>  <b>end of life</b>	<ul style="list-style-type: none"><li>• reduce, reuse, recycle</li><li>• travel consciously</li><li>• perform life cycle and circular design assessments</li></ul>	measurement	target setting		

\* FY2022  
\*\* tonnes CO<sub>2</sub> 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)

**1,615**  
+7%

**added-value**  
(% of revenue)

**62.8**  
1H2021: 61.8

**EBITA**  
(in EUR million)

**250**  
+11%

**EBITA %**  
(% of revenue)

**15.5**  
1H2021: 14.9

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

**186**  
+11%

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

**1.68**  
1H2021: 1.52

**capital expenditure**  
(in EUR million)

**84**  
1H2021: 58

**ROCE**  
(in %)

**15.9**  
1H2021: 14.8

- revenue EUR 1,615 million
- organic revenue growth 9.8%
- orderbook +39%
- EBITA EUR 250 million; EBITA margin 15.5%
- net profit before amortisation EUR 186 million; per share EUR 1.68 (+11%)
- capital expenditure increased to facilitate growth plans
- continued investments in additional inventory
- acquisitions ISEL, UWS and KML; divestment ETI

Aalberts realises 10% organic revenue growth and an EBITA margin of 15.5%

- added value margin 62.8% on good level
- many business development projects to drive organic revenue growth and operational excellence
- capital expenditure further accelerated
- able to manage the pandemic, supply chain disruptions, raw material | labour shortages and inflation
- invested in additional inventory to secure our customer deliveries
  - » in parallel, work in progress is increasing to facilitate growth and gain market share going forward
- regional manufacturing favourable to improve service, protect supply chains, reduce transport and energy

driving organic revenue growth and operational excellence

# shaping eco-friendly buildings

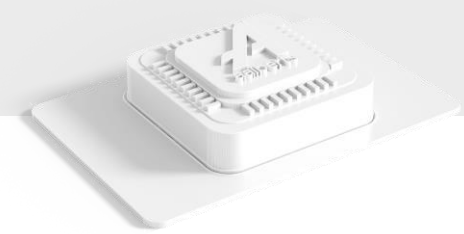


- activities continued to do well with a record orderbook
- to facilitate many business development plans manufacturing processes further optimised and capacity expanded
- renovation and new build of residential and commercial buildings is continuing
  - » driven by transition towards sustainable heating and cooling systems
  - » in addition, our continuous flow of innovations is driving our growth
- Aalberts hydronic flow control strengthened portfolio with acquisition of UWS (Germany)

renovation and new build continues, driven by transition towards sustainable systems



# increasing semicon efficiency



- continued strong growth and performance with a record orderbook
- serving customers as good as possible despite supply chain disruptions and high customer demand
- in parallel, capacity expansions and efficiency improvements are ongoing at all locations
- our focused long-term business approach leading to additional development projects with key accounts
- further strengthened portfolio with acquisitions ISEL (Germany) and KML (Austria)

strong growth and performance with record order book

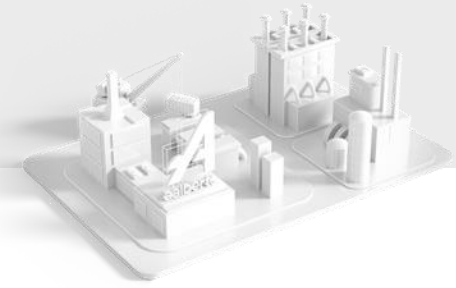
# driving sustainable transportation



- activities realised a strong performance with an increased orderbook
- demand for passenger cars, motor bikes and commercial vehicles remains strong
  - » continuing need for specialised surface technologies and precision manufactured parts
  - » accelerated by new developments in e-mobility, lightweight materials and energy efficiency
- markets in aerospace and marine recovering fast
  - » very good order intake in the first six months

strong performance with an increased orderbook

# enhancing industrial niches



- realised strong growth and performance
- market is recovering fast and orderbook increased
- in addition, innovations are driving our growth
- we are increasing manufacturing efficiency and capacity to facilitate growth

strong growth and performance, orderbook increased



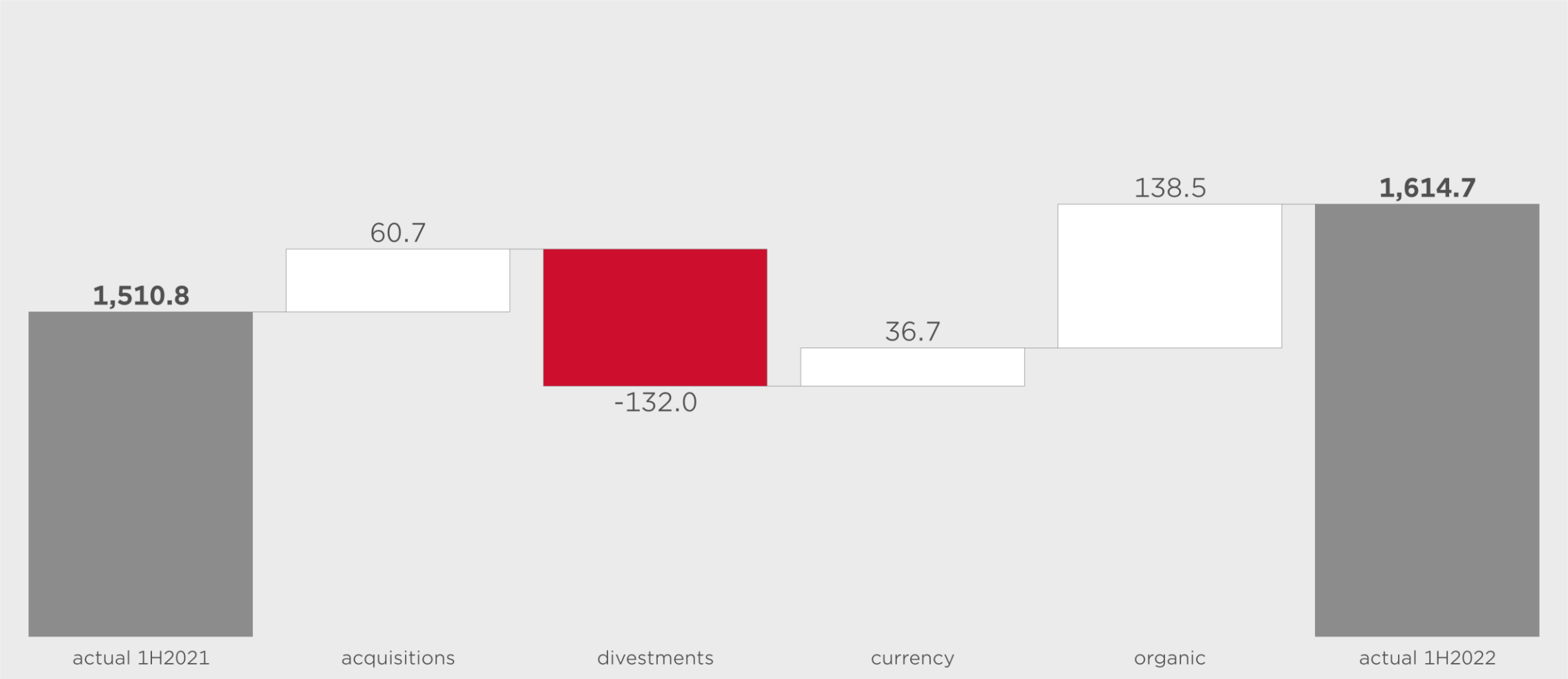


# 3. financial development

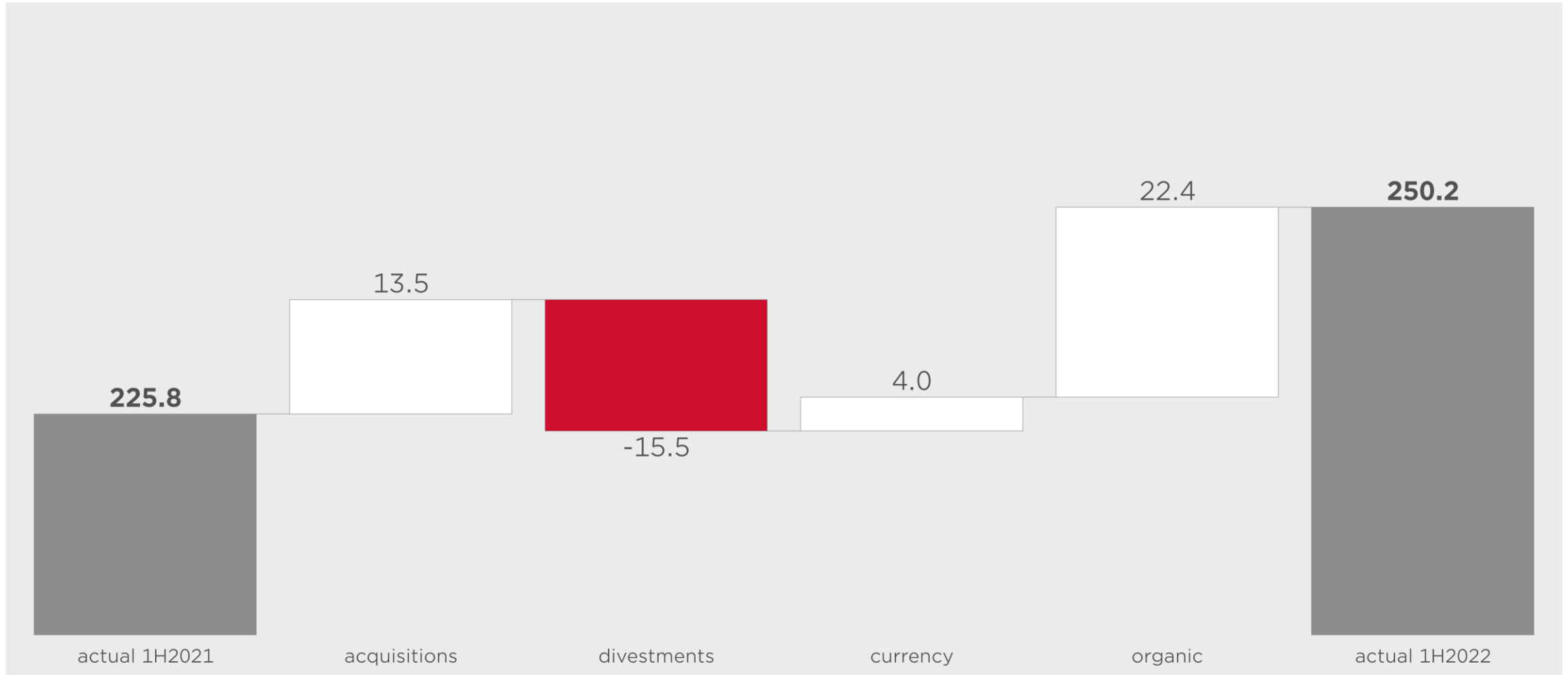
Arno Monincx - CFO



# revenue bridge



# EBITA bridge



# condensed consolidated income statement

in EUR million	1H2022	1H2021
revenue	1,614.7	1,510.8
EBITDA	316.9	294.7
depreciation	(66.7)	(68.9)
EBITA	250.2	225.8
net finance cost	(8.0)	(6.9)
income tax expense	(52.3)	(46.2)
non-controlling interests	(3.6)	(4.1)
<b>net profit before amortisation</b>	<b>186.3</b>	<b>168.6</b>
<b>EPS before amortisation in EUR</b>	<b>1.68</b>	<b>1.52</b>

10% organic revenue growth and EBITA margin 15.5%

# condensed consolidated balance sheet

in EUR million	30.6.2022	31.12.2021	30.6.2021
total non-current assets	2,631	2,460	2,312
total current assets	1,662	1,195	1,292
<b>total assets</b>	<b>4,293</b>	<b>3,655</b>	<b>3,604</b>
total equity	2,215	2,184	1,918
total non-current liabilities	881	525	572
total current liabilities	1,197	946	1,114
<b>total equity and liabilities</b>	<b>4,293</b>	<b>3,655</b>	<b>3,604</b>
net debt	652	492	658
leverage ratio: net debt / EBITDA (12-months-rolling)	1.1	0.9	1.3
net working capital	706	452	516
days net working capital (12-months-rolling)	83	58	68
solvability (total equity as a % of total assets)	51.6	59.7	53.2
return on capital employed (12-months-rolling)	15.9	17.2	14.8

return on capital employed increased to 15.9%

# free cash flow

in EUR million (before exceptionals)

	1H2022	1H2021	delta
EBITDA	316.9	294.7	22.2
gain on disposal of subsidiaries	(7.0)	-	(7.0)
result on sale of equipment / changes in provisions	6.4	(10.0)	16.4
changes in working capital	(222.4)	(122.0)	(100.4)
<b>cash flow from operations</b>	<b>93.9</b>	<b>162.7</b>	<b>(68.8)</b>
purchase of property, plant and equipment	(87.1)	(61.0)	(26.1)
purchase of intangible assets	(7.4)	(4.5)	(2.9)
proceeds from sale of equipment	4.2	2.8	1.4
<b>free cash flow</b>	<b>3.6</b>	<b>100.0</b>	<b>(96.4)</b>

investments in additional inventories and capital expenditure



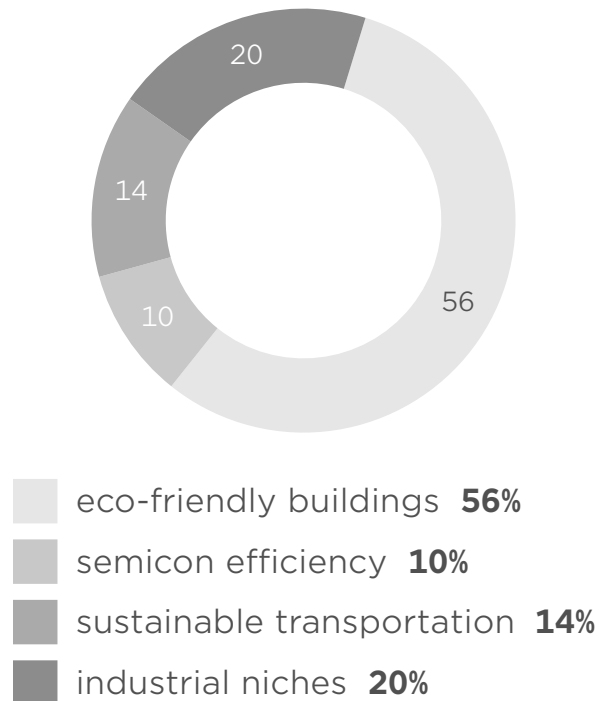
# reporting per business segment

<b>building technology</b>	<b>1H2022</b>	<b>1H2021</b>	<b>delta</b>
revenue (in EUR million)	935.3	941.1	(1%)
organic revenue growth (in %)	9.7	-	
EBITA (in EUR million)	141.5	144.5	(2%)
EBITA as a % of revenue	15.1	15.4	(0.3)
capital expenditure (in EUR million)	43.1	32.6	32%

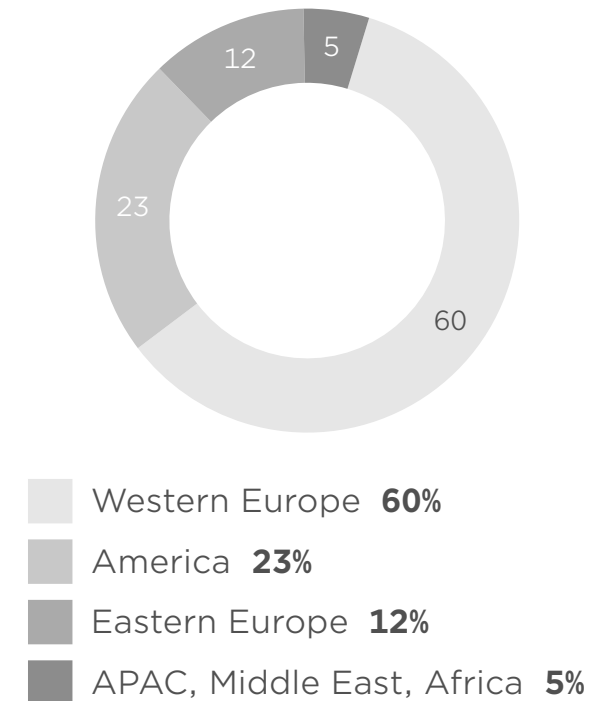
<b>industrial technology</b>	<b>1H2022</b>	<b>1H2021</b>	<b>delta</b>
revenue (in EUR million)	679.4	569.7	19%
organic revenue growth (in %)	10.0	-	
EBITA (in EUR million)	113.1	84.5	34%
EBITA as a % of revenue	16.6	14.8	1.8
capital expenditure (in EUR million)	40.0	23.1	73%

# revenue per end market and region

revenue per end market (in %)



revenue per region (in %)





## 4. outlook

Wim Pelsma - CEO

## outlook

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





## 5. questions & answers