



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

full year results 2022

Utrecht, 23 February 2023

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



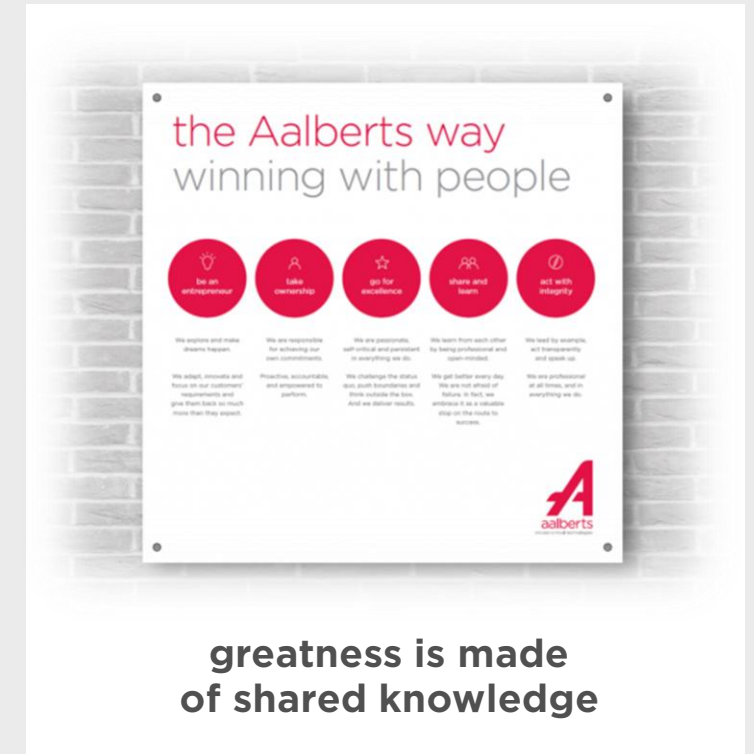
mission-critical technologies

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 architectural model of a city, featuring various buildings, roads, and green spaces. The Aalberts logo is placed on several buildings throughout the model. The background is a light gray gradient.

driving
sustainable transportation

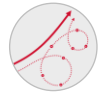
shaping
eco-friendly buildings

increasing
semicon efficiency

enhancing
industrial niches

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

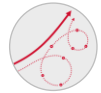
good is never good enough



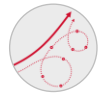
winning with the best teams



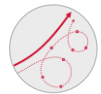
operational excellence | leverage



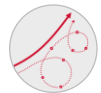
strong cash conversion



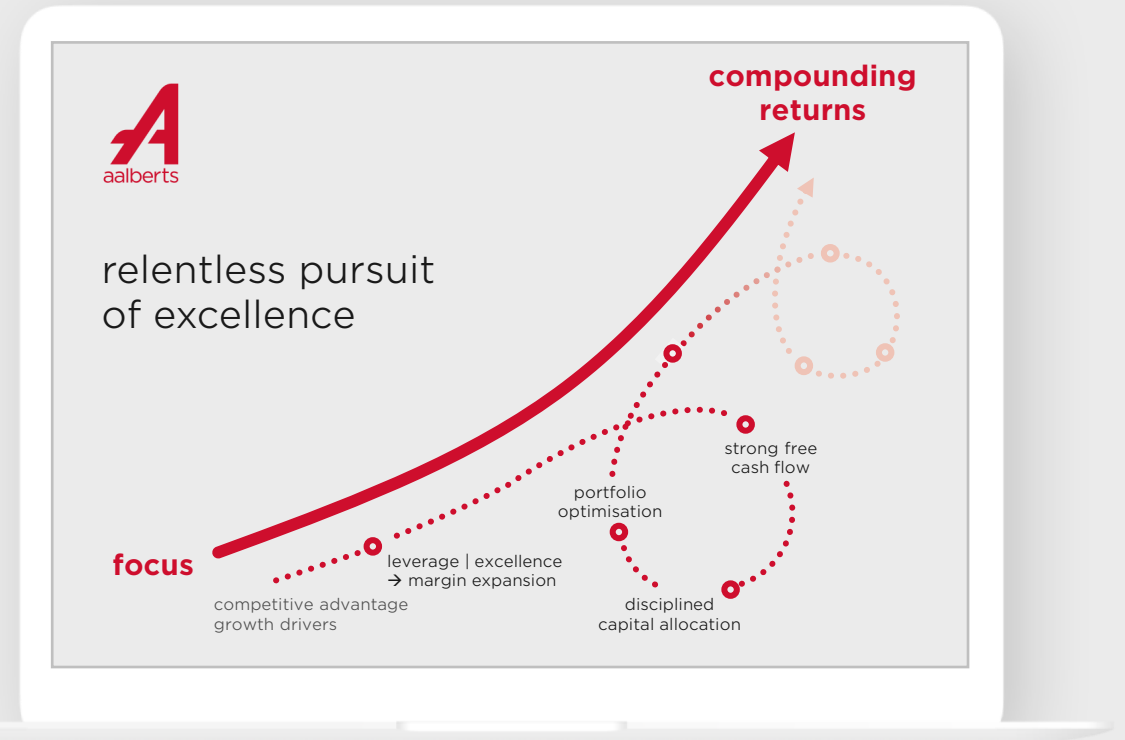
disciplined capital allocation



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 (%)	SDG rate (%)	leverage ratio
4-6%	16-18%	18-20%	>20%	>70%	<2.5

we are relentless in our pursuit of excellence

2. operational development

Wim Pelsma - CEO

Aalberts highlights



revenue
(in EUR million)

3,230
+8%

added-value
(% of revenue)

62.4
2021: 62.2

EBITA
(in EUR million)

500
+10%

EBITA %
(% of revenue)

15.5
2021: 15.2

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

372
+10%

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

3.37
2021: 3.05

capital expenditure
(in EUR million)

203
+38%

ROCE
(in %)

16.1
2021: 17.2

- revenue EUR 3,230 million; organic growth 8.7%
- orderbook increased with 37%
- EBITA EUR 500 million; EBITA margin 15.5%
- net profit before amortisation EUR 372 million; per share EUR 3.37
- free cash flow EUR 168 million
- capital expenditure increased to EUR 203 million
- innovation rate increased to 17%; SDG rate to 68%
- acquisitions ISEL, UWS and KML; divestments ETI and VTI

Aalberts realises 9% organic revenue growth and an EBITA margin of 15.5%

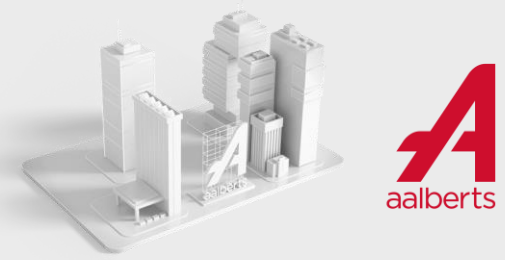
- delivered a strong and resilient performance in 2022
- ongoing pandemic, supply chain challenges, raw material and labour shortages and inflation
 - » leading to inefficiencies, additional costs and higher work in progress
- invested in additional inventory
 - » to secure customer deliveries, deliver strong orderbook and facilitate organic revenue growth plans
- Aalberts people did great job
 - » relentlessly finding solutions to continue the service to our customers
 - » driving the long-term business development plans
- we trained more than 550 talents of which 21% were promoted

Aalberts people delivered strong and resilient performance despite many challenges

- capital expenditure increased with 38%, capital was allocated to:
 - » long-term organic revenue growth plans and innovation roadmaps
 - » capacity increase fast-growing product lines and technologies
 - » many operational excellence initiatives, increasing manufacturing efficiency and reducing costs
 - » optimise and increase regional manufacturing (reshoring trend)
 - realising a more sustainable customer supply chain
 - optimising our own supply chain by insourcing
- operational excellence programme was accelerated to further optimise our structure and consolidate or close locations
- in 2022 we relentlessly executed our strategy Aalberts 'accelerates unique positioning' and started to implement the strategic actions 2022-2026 to achieve our objectives

capital expenditure increased to drive growth and operational excellence

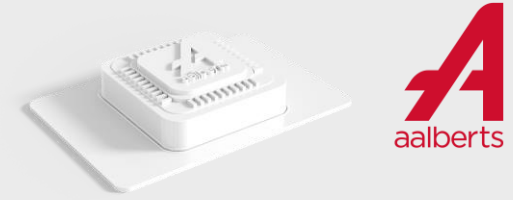
shaping eco-friendly buildings



- good start of the year in all regions
- second half of the year distributors reduced inventories
- served customers as good as possible despite labour constraints and supply chain disruptions
- renovation and new build of residential and commercial buildings
 - » driven by transition towards sustainable heating and cooling systems
 - » accelerated by governmental support programmes & legislation
- renovation projects to convert to sustainable energy systems in buildings were accelerating even faster
- innovations are driving our growth
- Aalberts hydronic flow control strengthened portfolio with acquisition of UWS

renovation to sustainable energy systems in buildings accelerating even faster

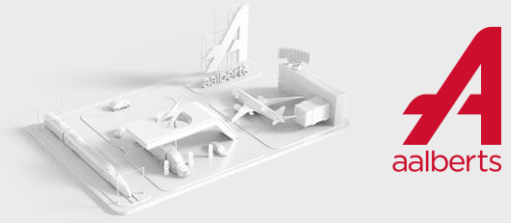
increasing semicon efficiency



- continued our strong growth, orderbook increased to record level
- customers served despite supply chain disruptions and high demand
- long-term growth drivers in semicon efficiency are strong
 - » microchip demand, e-mobility, IoT, new fabs and 5G roll-out
 - » these growth drivers are accelerating our business even faster
- increase in system refurbishment for a new life and a new purpose
- microchip manufacturers are expanding their regional capacity, accelerating additional investments
- Aalberts is a key enabler to realise capacity growth and new developments for customers in semicon efficiency
- continuous process of capacity expansions and organisation and efficiency improvements in all our locations
- strengthened portfolio with acquisitions ISEL and KML

continued strong growth with a record order book and strengthened portfolio

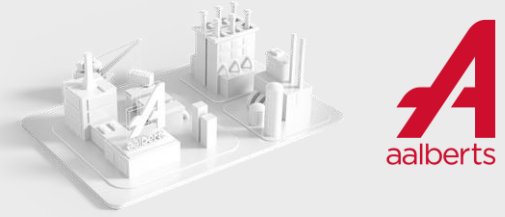
driving sustainable transportation



- good performance despite disruptions in supply chain customers
- strong demand passenger cars, motor bikes, commercial vehicles
 - » continuing need for precision manufactured parts and specialised surface technologies
- accelerated by many new developments in e-mobility
 - » need for lightweight materials
 - » connectors in combination with metal strip coatings
 - » many new passenger car and light truck models generate additional business
- aerospace and marine market performed very well
 - » orderbook further increased
 - » driven by sustainable solutions for lightweight materials and reduction of the carbon footprint
- continued operational excellence projects consolidating footprint

good performance despite disruptions, many new developments e-mobility

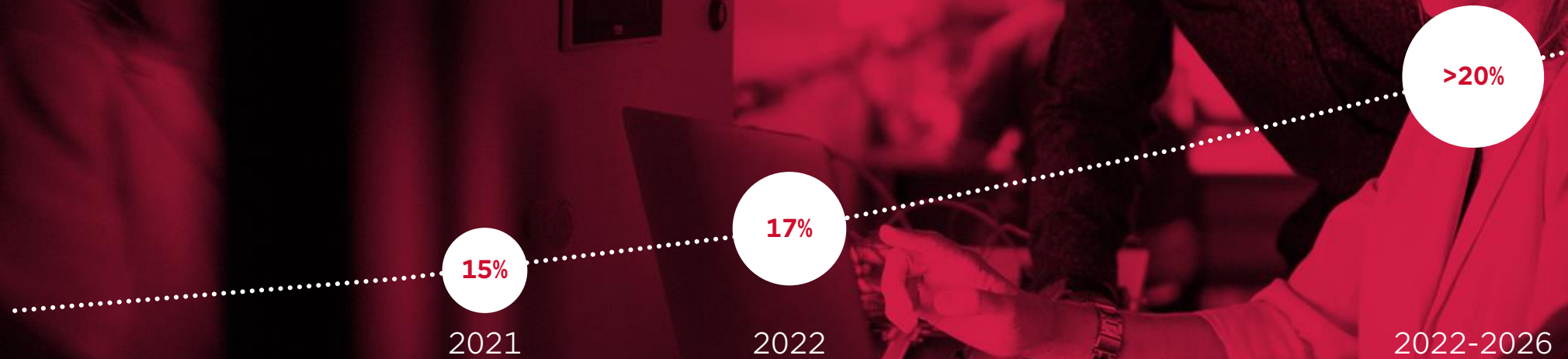
enhancing industrial niches



- strong growth and performance despite supply chain disruptions
- market recovered fast, orderbook increased strongly
- invested in many business development projects to facilitate growth
- further optimised surface technologies portfolio
- received several requests for customer reshoring projects
- expanded activities Eastern Europe, additional capital expenditure
- industrial valves North America realised strong growth
- launched new patented system of connections and valves for industrial market in North America

strong growth and performance, orderbook increased strongly

innovation drives our growth



innovation rate: LTM revenue from products launched in the last 48 months / LTM total revenue

innovation expenditure >5% of revenue

drive sustainable entrepreneurship

SDG impact increased to 68%

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	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 ▼ 29% 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		

* tonnes CO₂ divided by total revenue in EUR million

committed to be net zero by 2050 or earlier

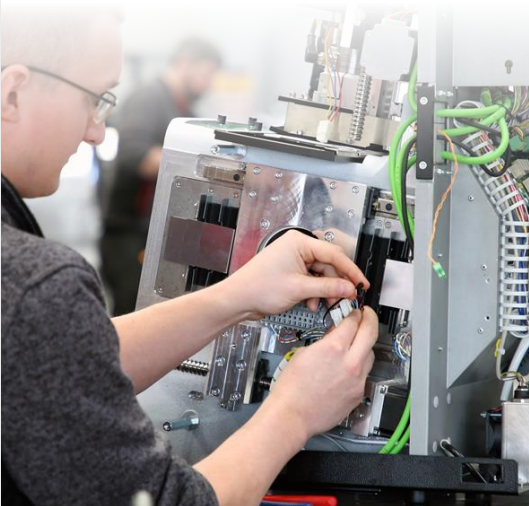
portfolio optimisations

acquisitions

ISEL Germany

specialised in wafer handling & robotics and machine systems with digital services

annual revenue approx. EUR 35 million



UWS Germany

water treatment systems and maintenance services for eco-friendly buildings

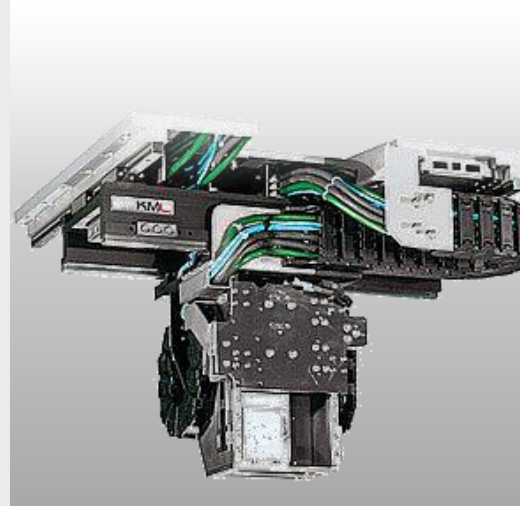
annual revenue approx. EUR 25 million



KML Austria

mechatronic solutions performing linear and rotative high-speed movements

annual revenue approx. EUR 35 million



divestments

ETI Indiana, USA

annual revenue approx. USD 45 million

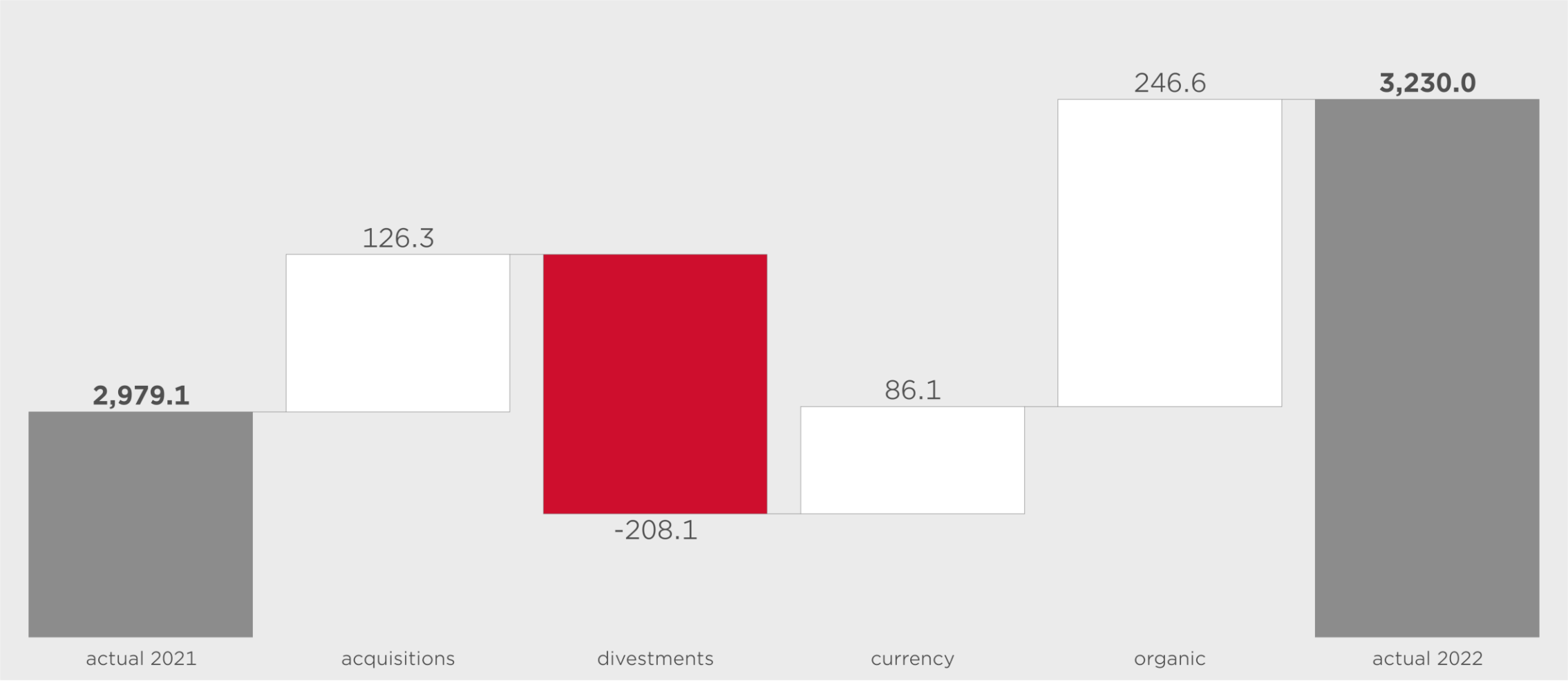
VTI Germany

annual revenue approx. EUR 20 million

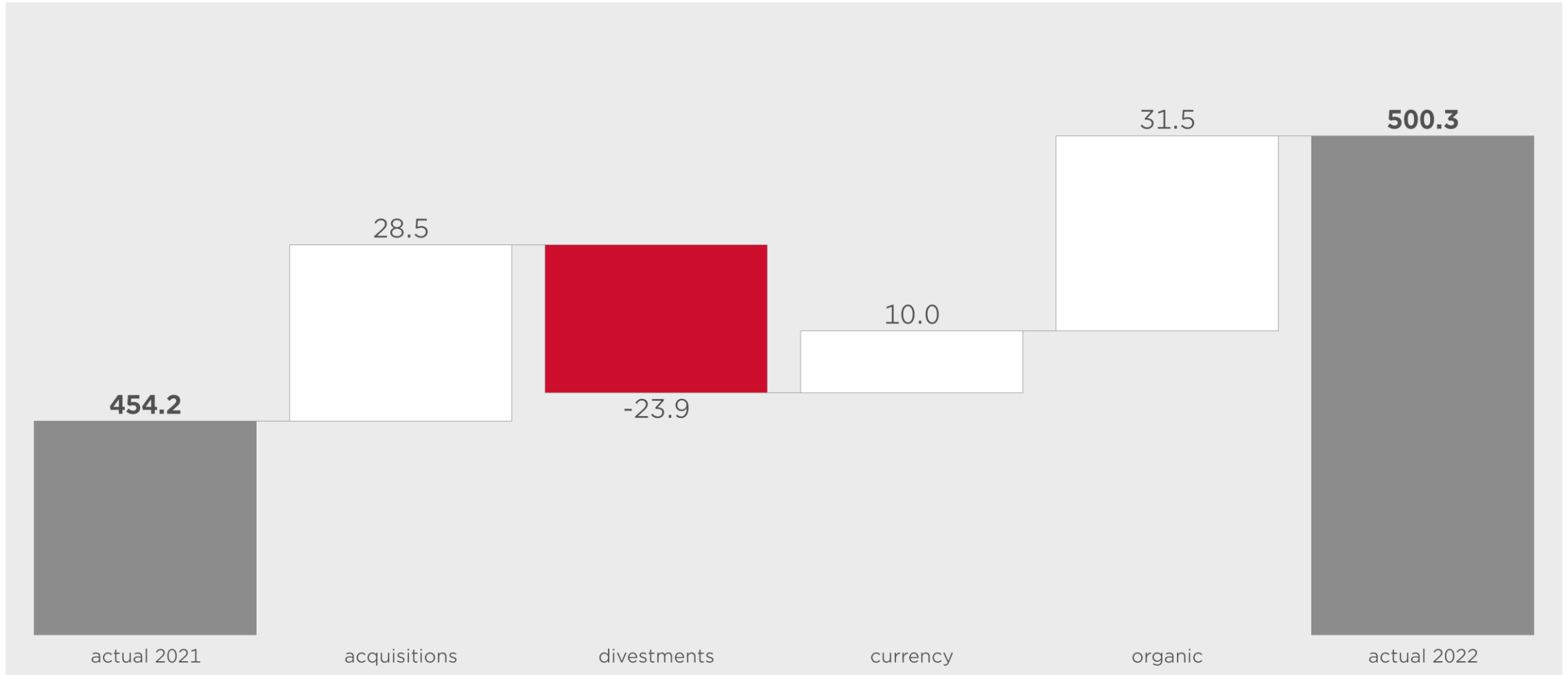
3. financial development

Arno Monincx - CFO

revenue bridge



EBITA bridge



condensed consolidated income statement



in EUR million (before exceptionals)

	2022	2021
revenue	3,230.0	2,979.1
EBITDA	633.5	585.1
depreciation	(133.2)	(130.9)
EBITA	500.3	454.2
net finance cost	(20.8)	(13.2)
income tax expense	(102.3)	(96.0)
non-controlling interests	(5.0)	(7.7)
net profit before amortisation	372.2	337.3
EPS before amortisation in EUR	3.37	3.05

strong performance, 9% organic revenue growth and EBITA margin 15.5%

condensed consolidated balance sheet

in EUR million

	31.12.2022	31.12.2021
total non-current assets	2,732	2,460
total current assets	1,479	1,195
total assets	4,211	3,655
total equity	2,363	2,184
total non-current liabilities	852	525
total current liabilities	996	946
total equity and liabilities	4,211	3,655
net debt	794	492
leverage ratio: net debt / EBITDA (12-months-rolling)	1.3	0.9
net working capital	721	452
days net working capital	80	58
solvability (total equity as a % of total assets)	56.1	59.7
return on capital employed	16.1	17.2

increased net working capital due to investment in additional inventory

free cash flow

in EUR million (before exceptionals)

	2022	2021	delta
EBITDA	633.5	585.1	48.4
gain on disposal of subsidiaries	(34.4)	(13.1)	(21.3)
result on sale of equipment / changes in provisions	5.7	0.9	4.8
changes in working capital	(243.4)	(108.7)	(134.7)
cash flow from operations	361.4	464.2	(102.8)
purchase of property, plant and equipment	(188.7)	(144.6)	(44.1)
purchase of intangible assets	(13.3)	(12.2)	(1.1)
proceeds from sale of equipment	8.1	2.1	6.0
free cash flow	167.5	309.5	(142.0)

increased capital expenditure and additional inventory lead to reduced free cash flow

reporting per business segment

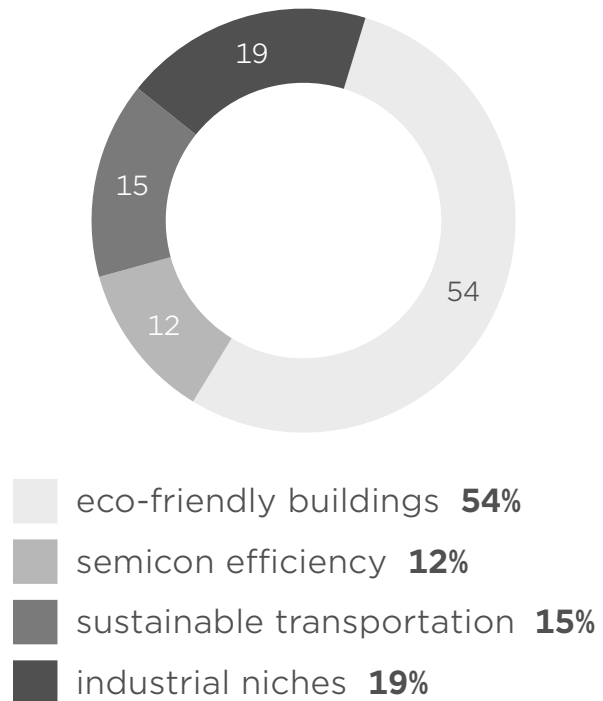
building technology	2022	2021*	delta
revenue (in EUR million)	1,841.8	1,856.1	(1%)
organic revenue growth (in %)	6.1	15.9	(9.8)
EBITA (in EUR million)	276.4	290.5	(5%)
EBITA as a % of revenue (in %)	15.0	15.6	(0.6)
capital expenditure (in EUR million)	94.3	75.8	24%

industrial technology	2022	2021*	delta
revenue (in EUR million)	1,388.2	1,123.0	24%
organic revenue growth (in %)	12.6	16.1	(3.5)
EBITA (in EUR million)	226.8	171.0	33%
EBITA as a % of revenue (in %)	16.3	15.2	1.1
capital expenditure (in EUR million)	108.3	68.0	59%

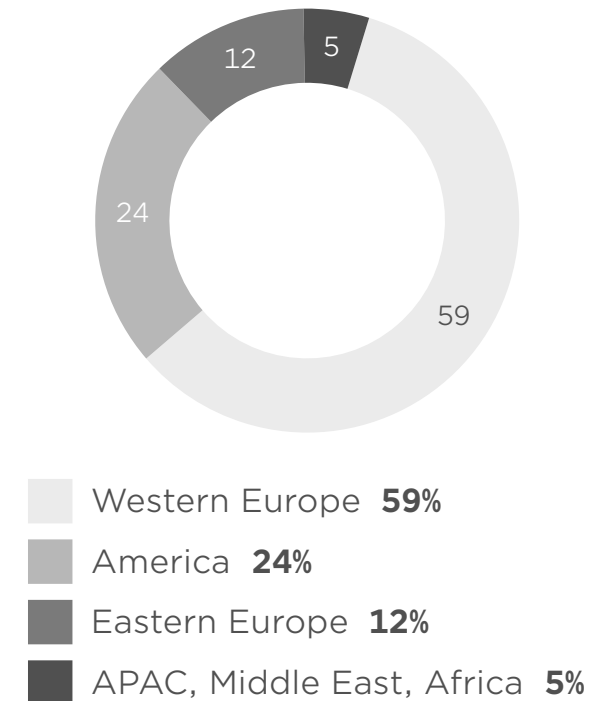
* adjusted for comparison purposes due to movement of activities between business segments

revenue per end market and region

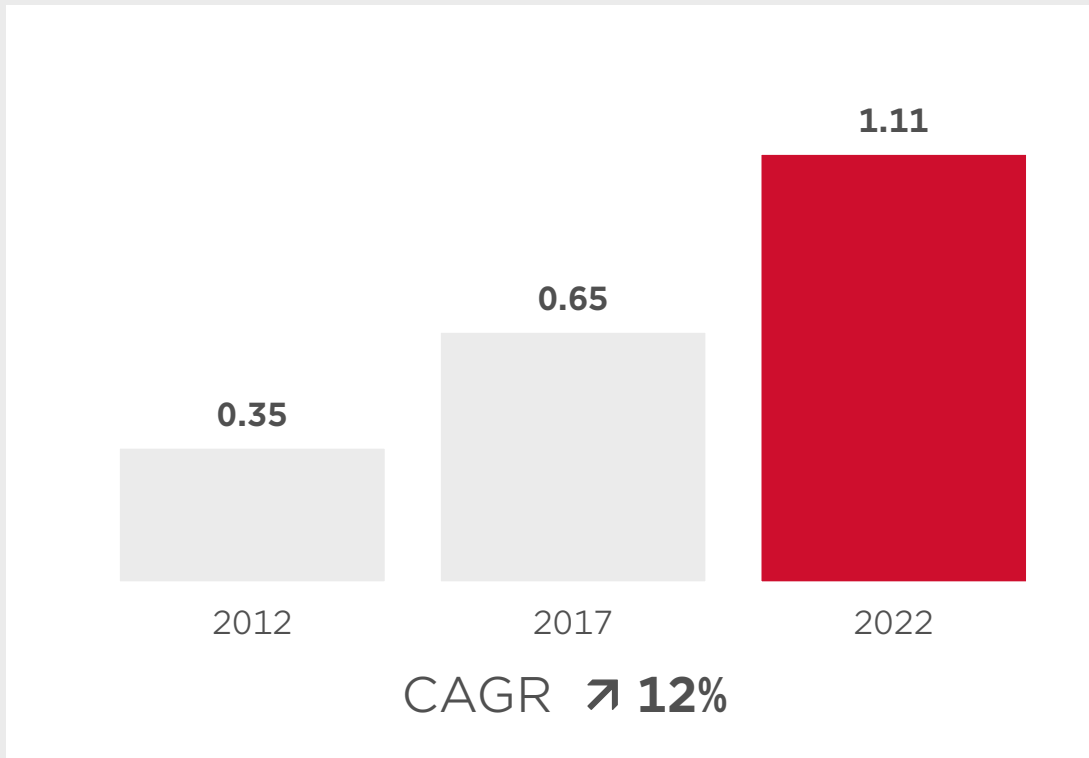
revenue per end market (in %)



revenue per region (in %)



dividend



dividend proposal

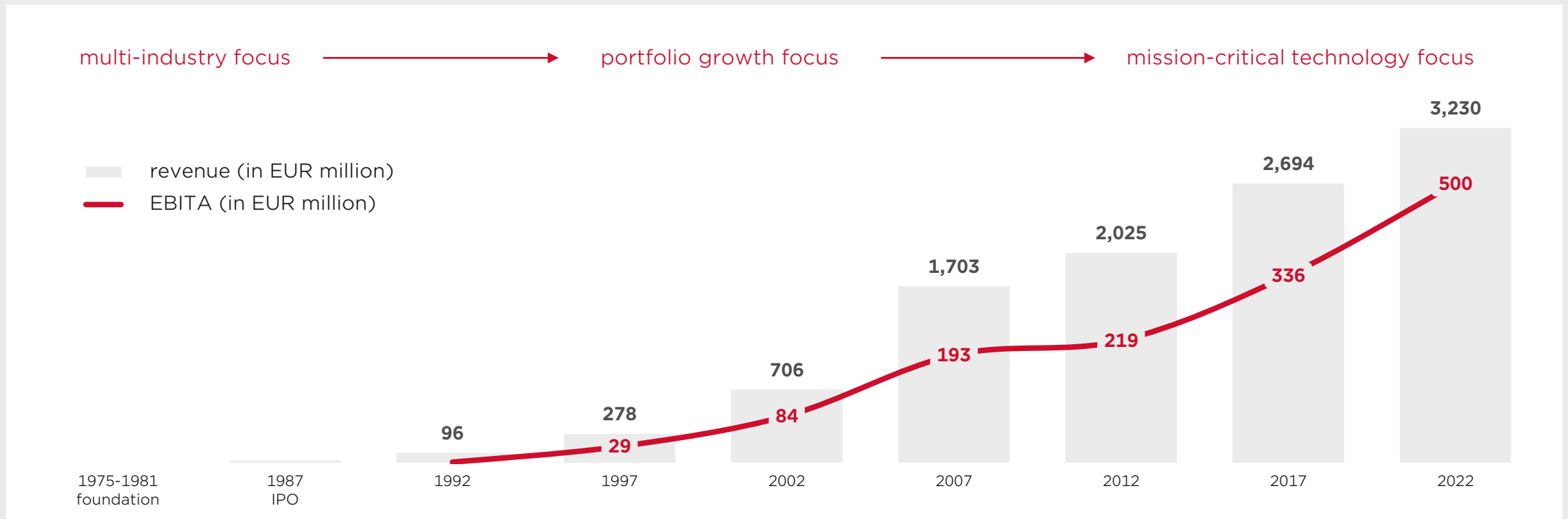
cash dividend EUR 1.11 per share
(2021: EUR 1.01), increase of 10%

2021: special dividend of EUR 0.64

cash dividend proposal EUR 1.11 per share, increase of 10%

our track record

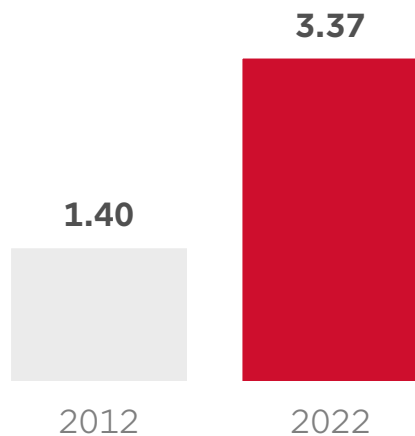
over 45 years of sustainable profitable growth



a proven sustainable business model

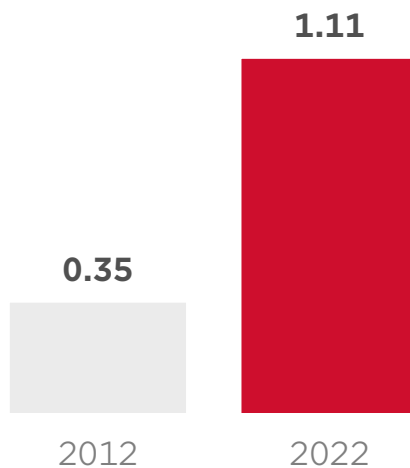
shareholder value creation

earnings per share (in EUR)



CAGR \nearrow 9%

dividend per share (in EUR)



CAGR \nearrow 12%

return on incremental capital employed

EBITA		capital employed
219	2012	1,492
500	2022	3,156
(1)	IFRS 16	(166)
280		1,498

18.7%

long-term shareholders (>3% holdings)



~50%

a proven sustainable business model



4. outlook

Wim Pelsma - CEO

outlook

- in 2023, we started with a strong orderbook
- we will relentlessly execute our strategy Aalberts 'accelerates unique positioning'





5. questions & answers