



# general meeting Aalberts N.V.

Utrecht, 25 May 2023

## agenda

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Aalberts highlights 2022

Aalberts 'accelerates unique positioning'

financial development 2022

trading update - first four months 2023

questions & answers





# 1. Aalberts highlights 2022

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%

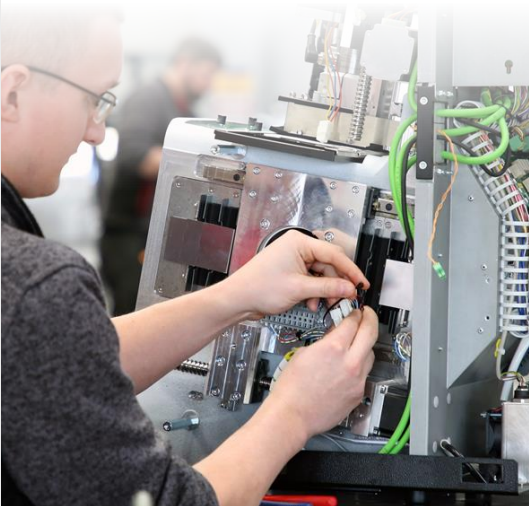
# Aalberts portfolio optimisation

## 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

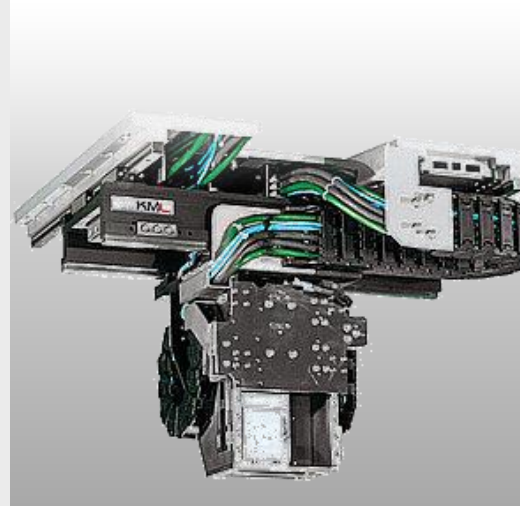
annual revenue approx. EUR 25 million



### **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





## 2. Aalberts 'accelerates unique positioning'

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



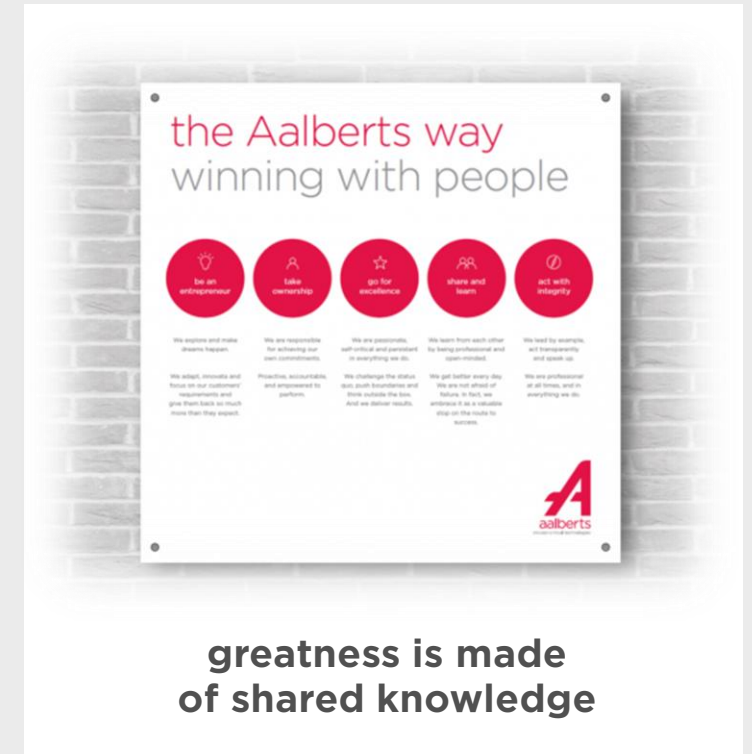
**mission-critical technologies**

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. Several Aalberts logos are placed on different buildings throughout the model.

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

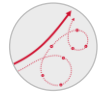
## good is never good enough



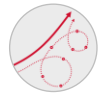
winning with the best teams



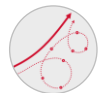
operational excellence | leverage



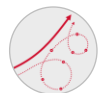
strong cash conversion



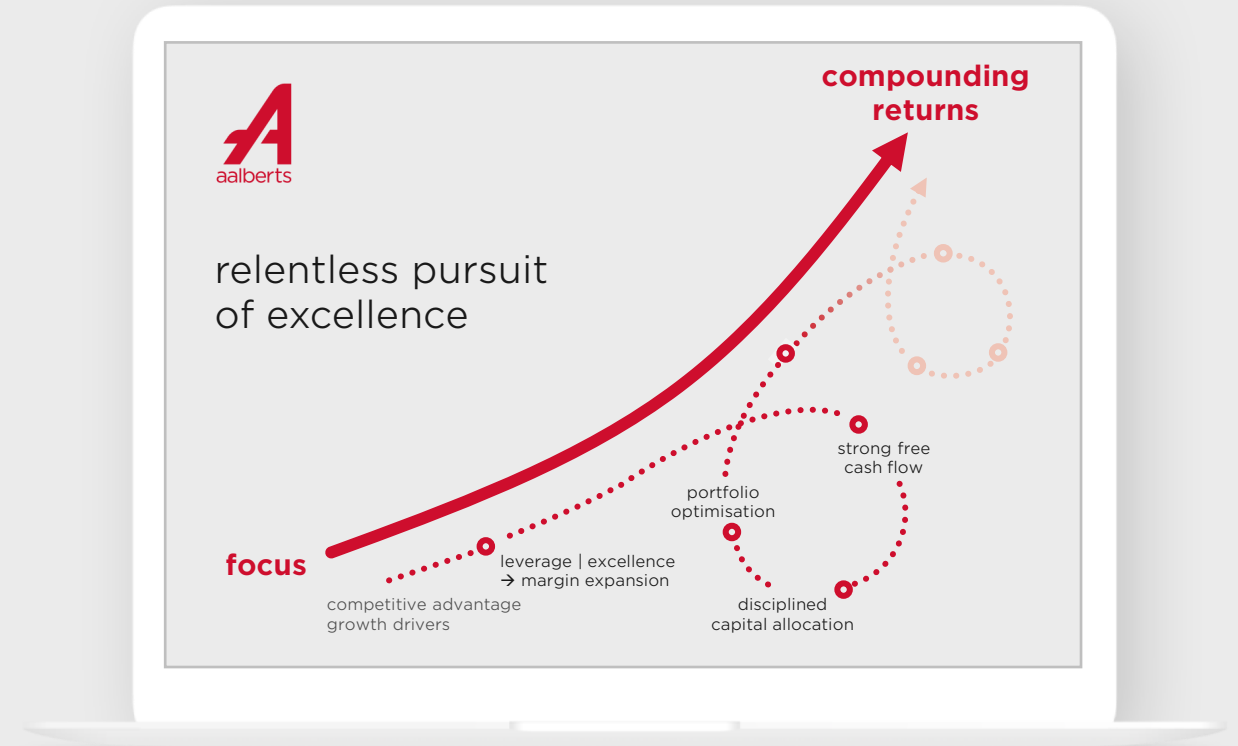
disciplined capital allocation



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

# 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	 <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 ▼ 29% 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		

\* tonnes CO<sub>2</sub> divided by total revenue in EUR million

committed to be net zero by 2050 or earlier

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 “**

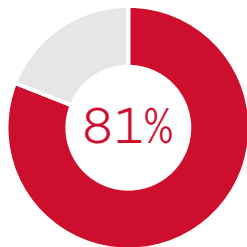


talent development

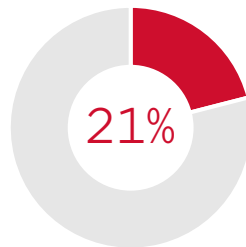
developed

556

retained



promoted

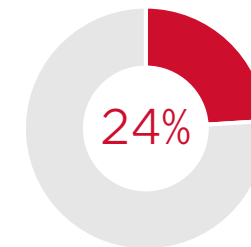


gender diversity

senior leadership



total workforce



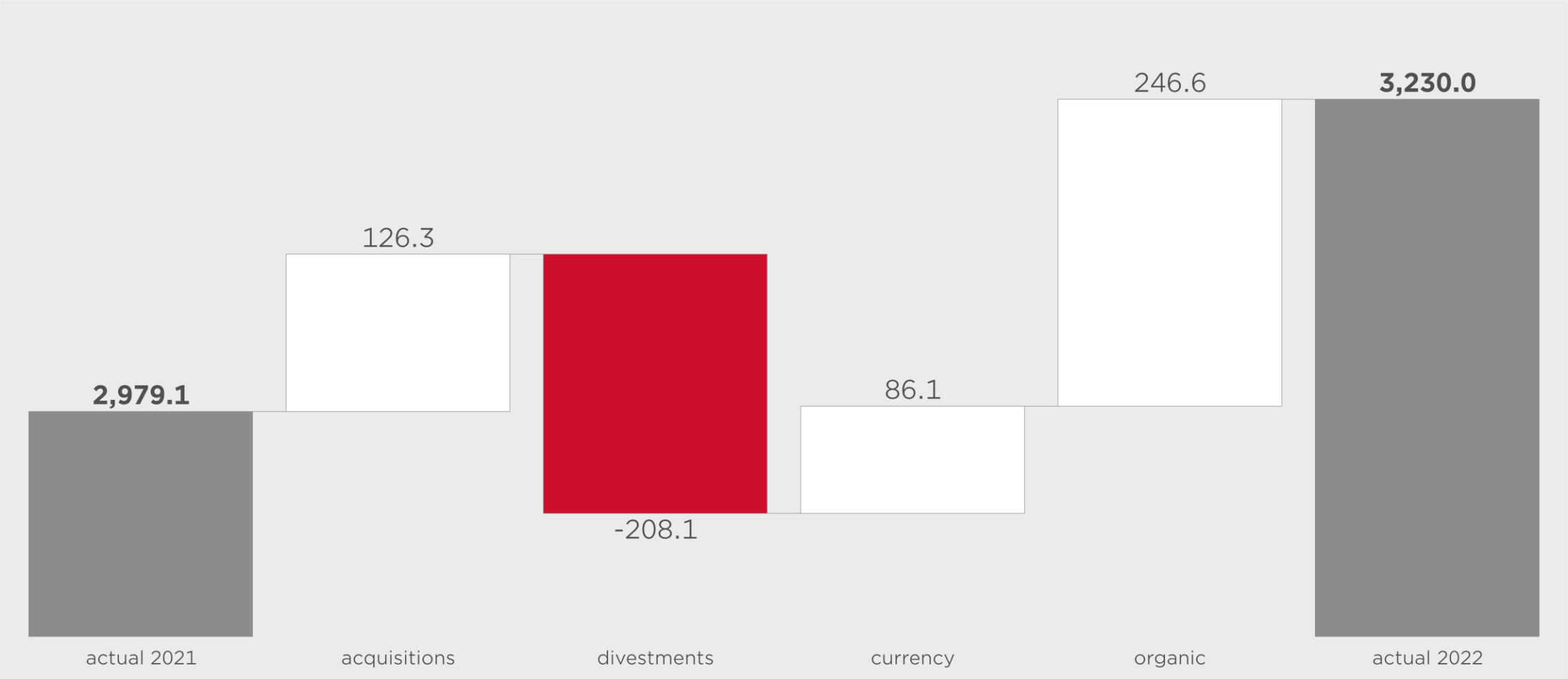
promotion of talents and leaders is increasing fast, generating energy and motivation



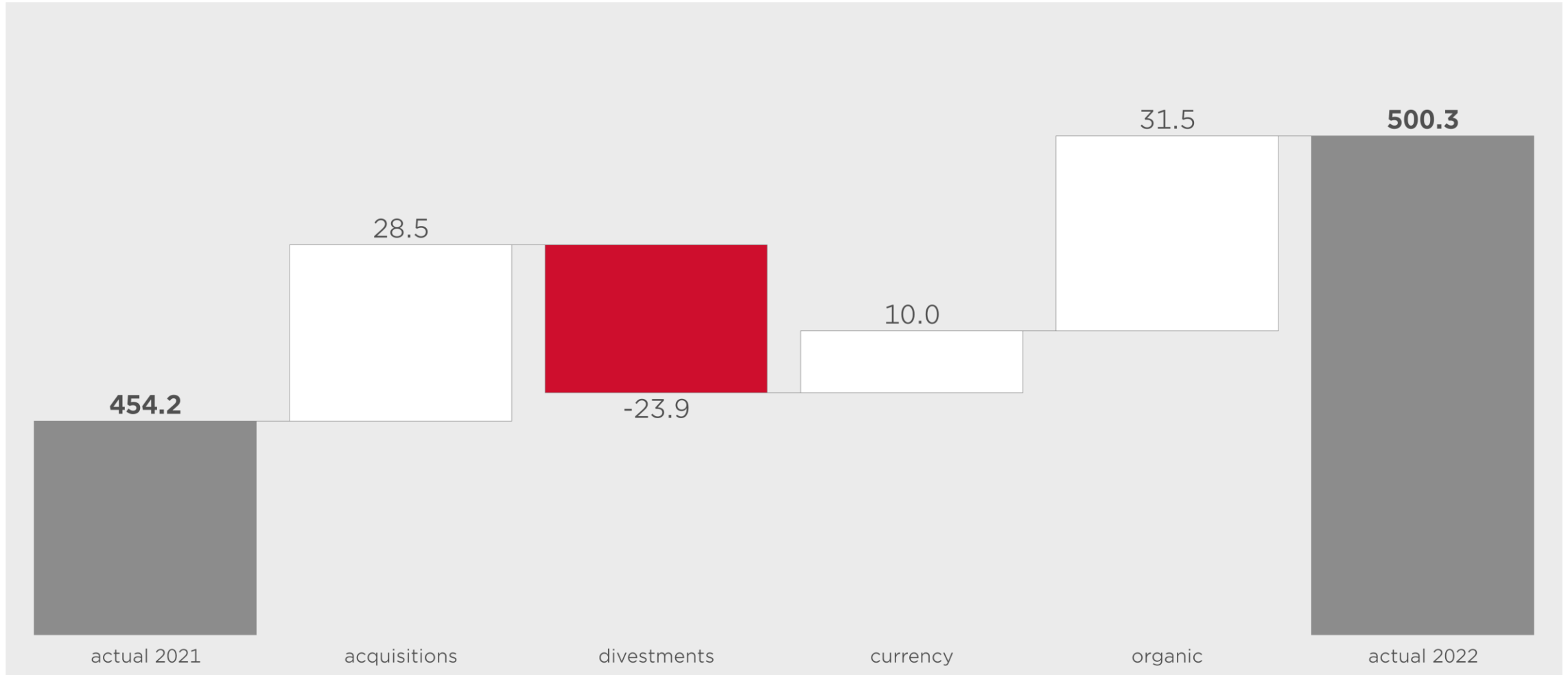
## 3. financial development 2022

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)
<b>net profit before amortisation</b>	<b>372.2</b>	<b>337.3</b>
<b>EPS before amortisation in EUR</b>	<b>3.37</b>	<b>3.05</b>

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
<b>total assets</b>	<b>4,211</b>	<b>3,655</b>
total equity	2,363	2,184
total non-current liabilities	852	525
total current liabilities	996	946
<b>total equity and liabilities</b>	<b>4,211</b>	<b>3,655</b>
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)
<b>cash flow from operations</b>	<b>361.4</b>	<b>464.2</b>	<b>(102.8)</b>
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
<b>free cash flow</b>	<b>167.5</b>	<b>309.5</b>	<b>(142.0)</b>

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

# reporting per business segment

<b>building technology</b>	<b>2022</b>	<b>2021*</b>	<b>delta</b>
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%

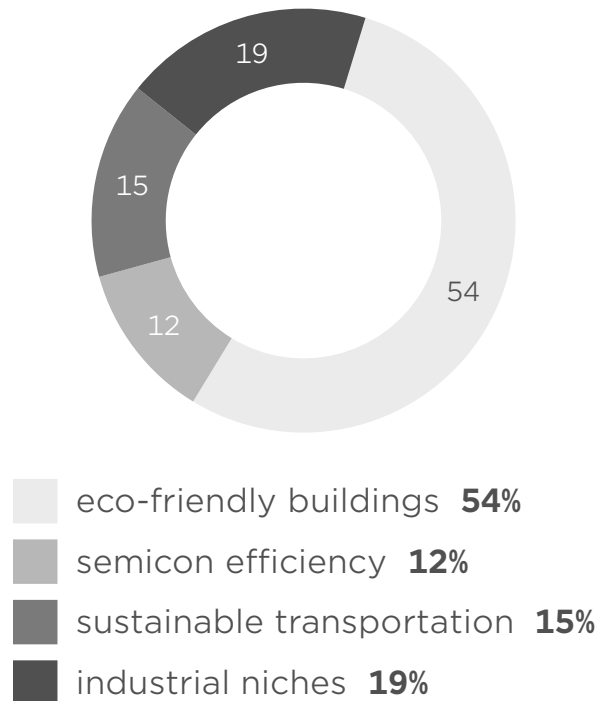
<b>industrial technology</b>	<b>2022</b>	<b>2021*</b>	<b>delta</b>
revenue (in EUR million)	1,388.2	1,123.0	24%
organic revenue growth (in %)	12.6	16.1	(3.5)
EBITA (in EUR million)	226.8	171.0	33%
EBITA as a % of revenue (in %)	16.3	15.2	1.1
capital expenditure (in EUR million)	108.3	68.0	59%

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

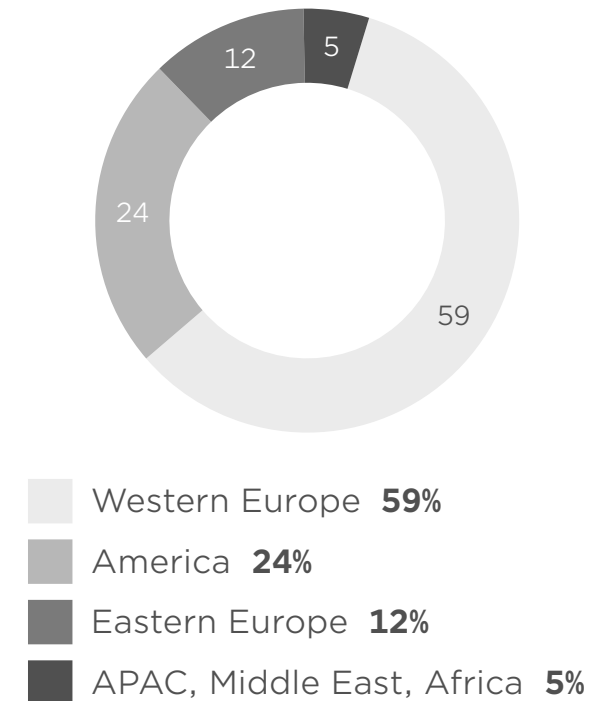


# revenue per end market and region

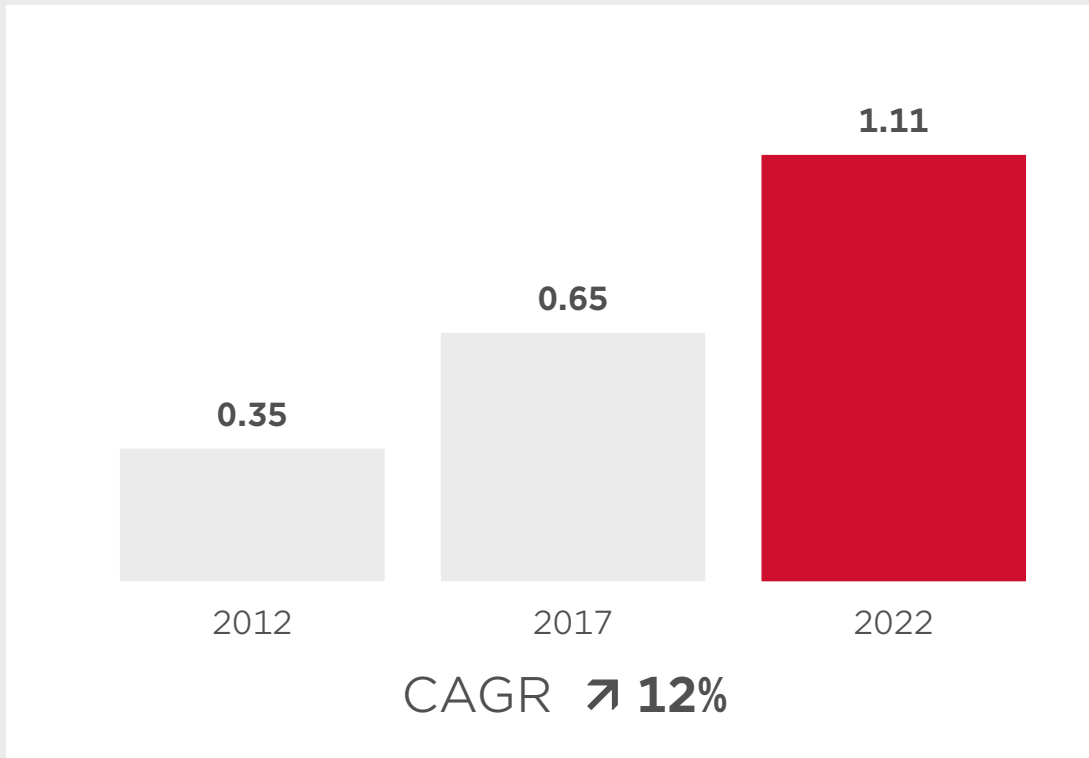
revenue per end market (in %)



revenue per region (in %)



# dividend



## dividend proposal

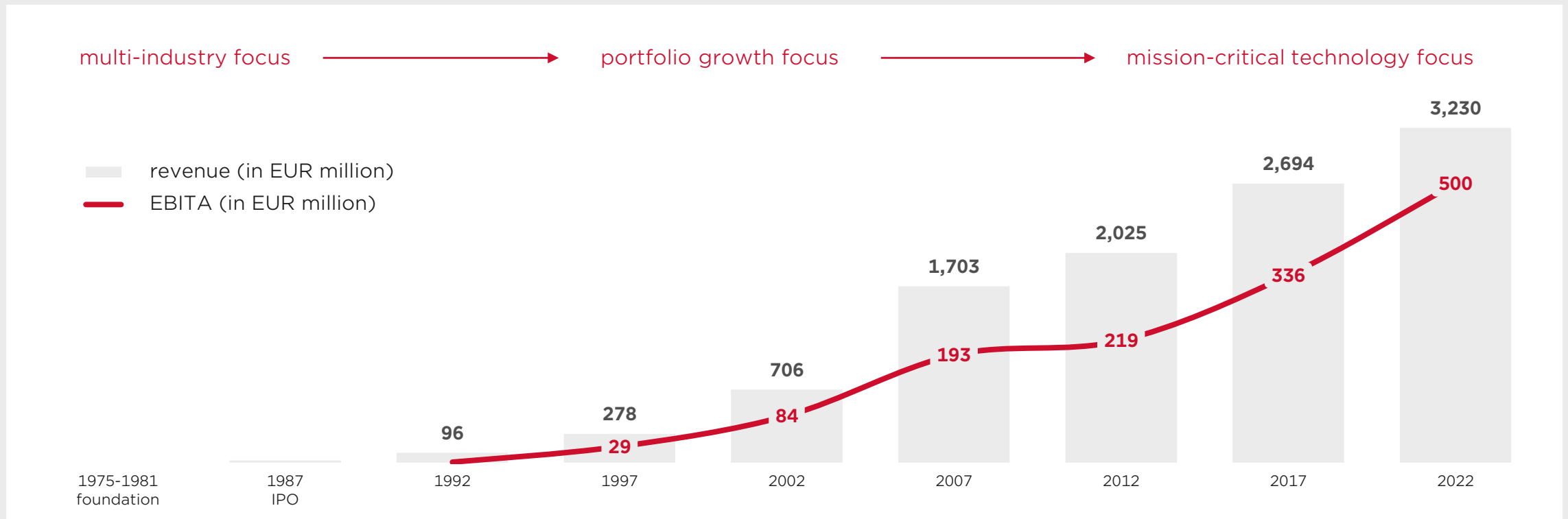
cash dividend EUR 1.11 per share  
(2021: EUR 1.01), increase of 10%

2021: special dividend of EUR 0.64

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

# our track record

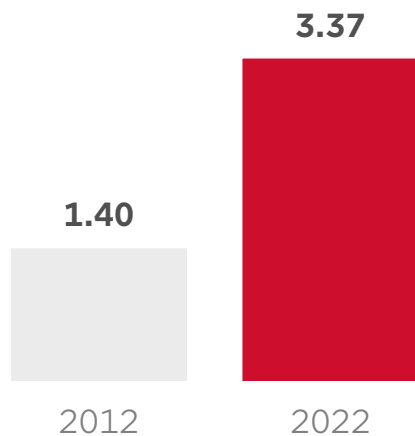
## over 45 years of sustainable profitable growth



a proven sustainable business model

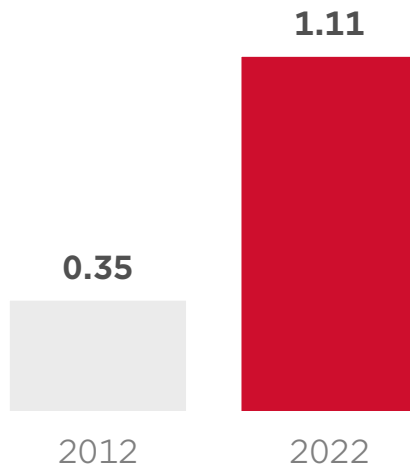
## shareholder value creation

### earnings per share (in EUR)



CAGR  $\uparrow$  9%

### dividend per share (in EUR)



CAGR  $\uparrow$  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. trading update - first four months 2023

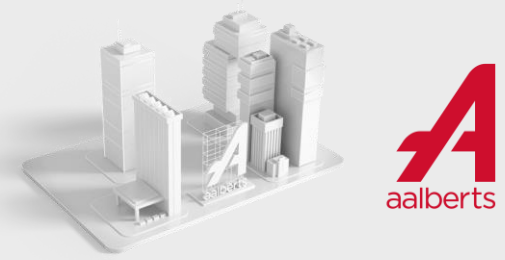
Wim Pelsma - CEO

# trading update - first four months 2023

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- organic revenue growth 6.4%
- orderbook end of April 4% higher
- added value margin on a good level
- customer service improved due to fewer supply chain issues
- business development and innovation plans continued
- operational excellence projects continued
  - » improve efficiency, optimise footprint and realise purchase savings
- capital expenditure further increased to facilitate organic growth, operational excellence plans
- regional manufacturing becomes favourable
  - » to improve service, protect supply chains, reduce transport and energy use

# trading update - first four months 2023



## shaping eco-friendly buildings

- volume decline due to continued inventory reduction of our wholesale customers
- renovation heating and cooling systems is continuing, energy efficiency strong growth driver
- postponements in new build projects
- pricing initiatives continued
- additional sales initiatives to gain market share
- continued operational excellence, cost reduction and purchase saving initiatives

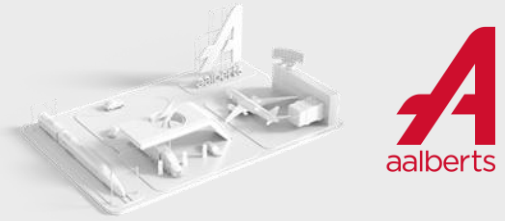




## increasing semicon efficiency

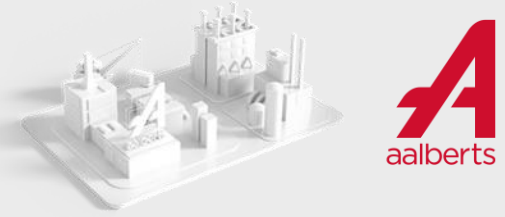
- strong growth continued
- our service improved due to
  - » fewer supply chain issues, capacity expansions and efficiency improvements
- orderbook is on a very good level
- working on further expansions of our footprint and manufacturing capacity
- gained several development projects
- acquisitions ISEL and KML are doing well
- preparing ourselves at KML for a fast ramp-up during the second half of the year





## driving sustainable transportation

- strong performance with a good orderbook
- realised good added value margins due to timely pricing initiatives
- supply chain disruptions at facilities of our customers reduced
- demand for precision manufactured parts and specialised surface technologies continued
  - » accelerated by new developments in e-mobility, lightweight materials, sustainability and reshoring
- gained several new and larger projects
- requests for sustainable valve applications for hydrogen increased strongly
- capital expenditure increased to facilitate many business development projects
- aerospace and marine excellent performance



## enhancing industrial niches

- order intake continued on a high level
- our activities performed very well
- record orderbook in several industrial niches
- demand precision extrusion parts and specialised surface technologies continued on high level
- our industrial valves business in North America made a good performance

**We are relentlessly executing our strategy  
Aalberts 'accelerates unique positioning'**



## 5. questions & answers