



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

interim results 2023
Utrecht, 27 July 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

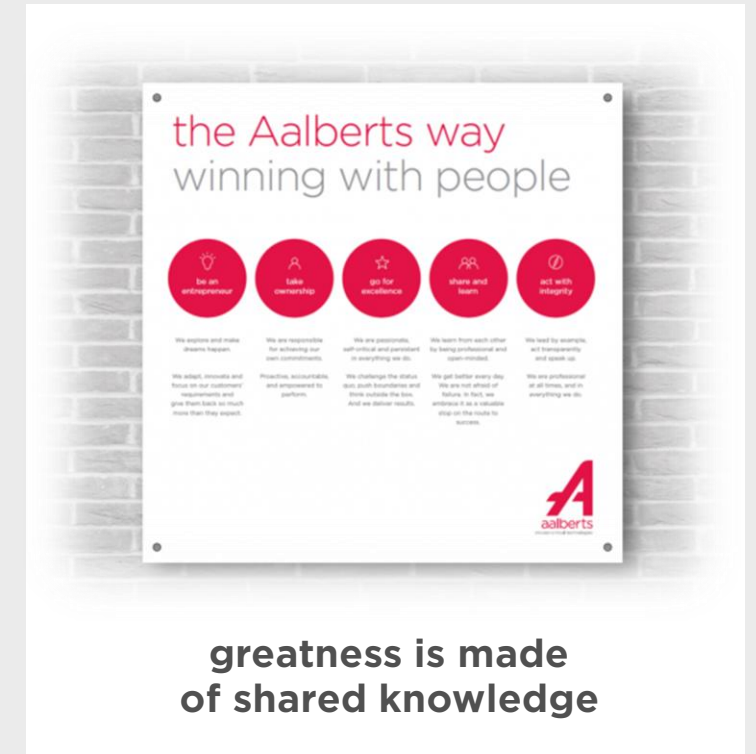
the Aalberts playing field



the Aalberts playbook



the Aalberts way



we are relentless in our pursuit of excellence

the Aalberts playing field



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



driving
sustainable transportation

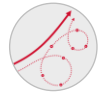
shaping
eco-friendly buildings

increasing
semicon efficiency

enhancing
industrial niches

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

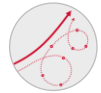
good is never good enough



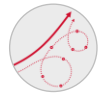
winning with the best teams



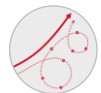
operational excellence | leverage



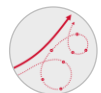
strong cash conversion



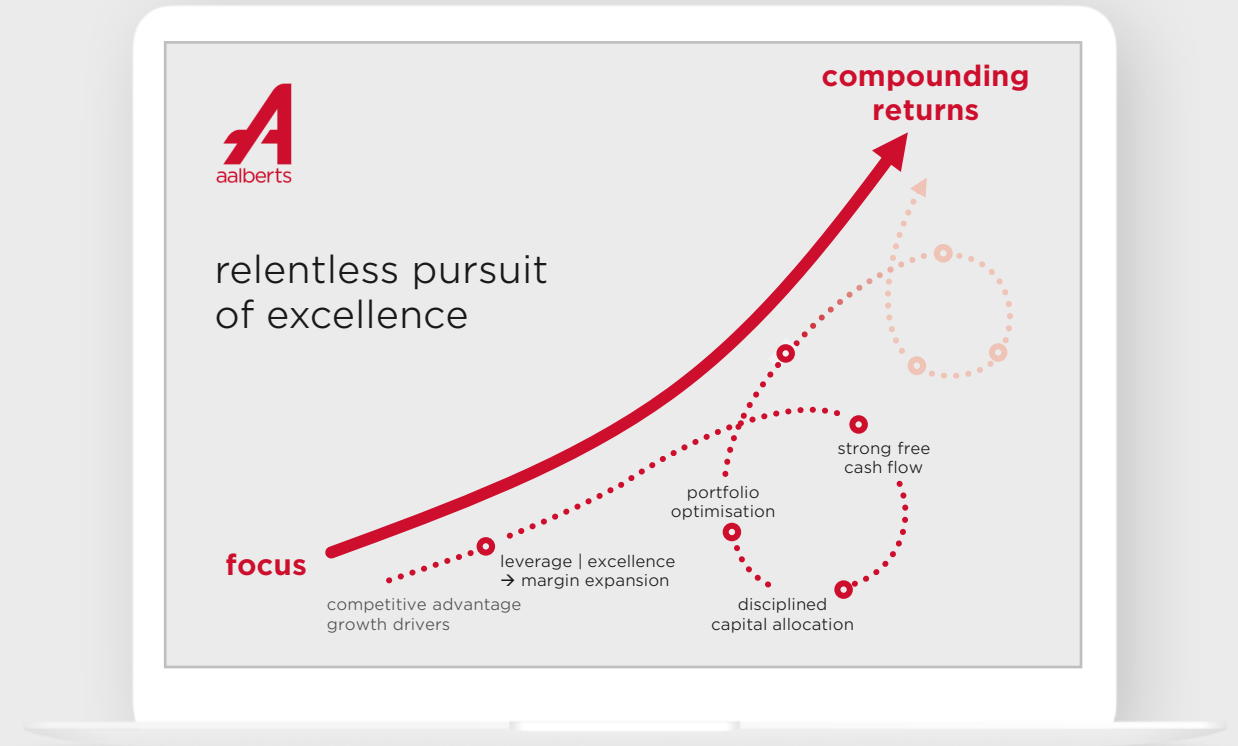
disciplined capital allocation



portfolio optimisation



drive innovations



driven by entrepreneurship and a relentless pursuit of excellence

innovation drives our growth



innovation rate

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

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	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

2. operational development

Wim Pelsma - CEO

Aalberts highlights



revenue
(in EUR million)

1,717
+6%

added-value
(% of revenue)

62.3
1H2022: 62.8

EBITA
(in EUR million)

264
+6%

EBITA %
(% of revenue)

15.4
1H2022: 15.5

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

189
+2%

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

1.71
1H2022: 1.68

capital expenditure
(in EUR million)

116
1H2022: 84

ROCE
(in %)

15.8
1H2022: 15.9

- organic revenue growth 5.6%
- EBITA EUR 264 million; EBITA margin 15.4%
- earnings per share before amortisation EUR 1.71 (+2%)
- cash flow from operations EUR 221 million (+146%)

Aalberts delivers strong performance with record EBITA and cash flow

- organic revenue +5.6%
- orderbook end of June at comparable high level as last year; +37% compared to end of June 2021
- customer service improved due to fewer supply chain issues
- results of our inventory reduction plans become visible in strong cash flow from operations
- continued our business development projects to drive organic growth and innovation
- operational excellence projects continued
- capital expenditure +38% to facilitate organic growth, innovation and operational excellence plans
- invested in several projects with our customers enabling their regional assembly and manufacturing

organic revenue +5.6%; capital expenditure +38%

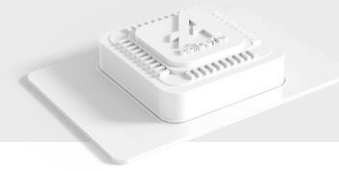
shaping eco-friendly buildings



- activities faced volume decline, continued inventory reduction of mainly our wholesale customers
- underlying demand installer end users is on a good level
- renovation of heating and cooling systems is continuing, with energy efficiency as a strong growth driver
- in new build we see postponement of projects
- implemented additional sales initiatives to gain market share
- our new factories in fast-growing product lines are making good progress and are ramping up to achieve organic growth
- action plans to further reduce costs, realise purchase savings and reduce inventories continued

renovation heating and cooling systems continuing, energy efficiency growth driver

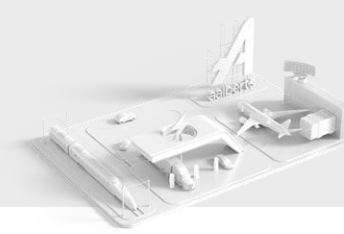
increasing semicon efficiency



- strong growth continued, realised good performance
- orderbook on very good level
- customer service improved due to better efficiency, strengthened management teams and fewer supply chain issues
- cash flow from operations improved strongly
- capacity expansions and efficiency improvements continued
- we gained several new development projects
- building preparations started of new factory for ultra-precision frames in the Netherlands
- ISEL and KML performed well, ramping up manufacturing in the second half to facilitate growth

strong growth continued, order book on a very good level

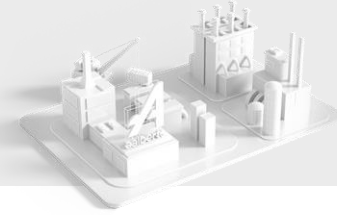
driving sustainable transportation



- order intake continued on good level, realised strong performance
- 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 in Europe and North America
- investing in building expansions and additional equipment this year and next year
- requests for sustainable electronic pressure regulator, safety valve applications for hydrogen and sustainable cooling fluids increased strongly
- aerospace and marine excellent performance, accelerated by sustainable system innovations

order intake continued on good level, realised strong performance

enhancing industrial niches



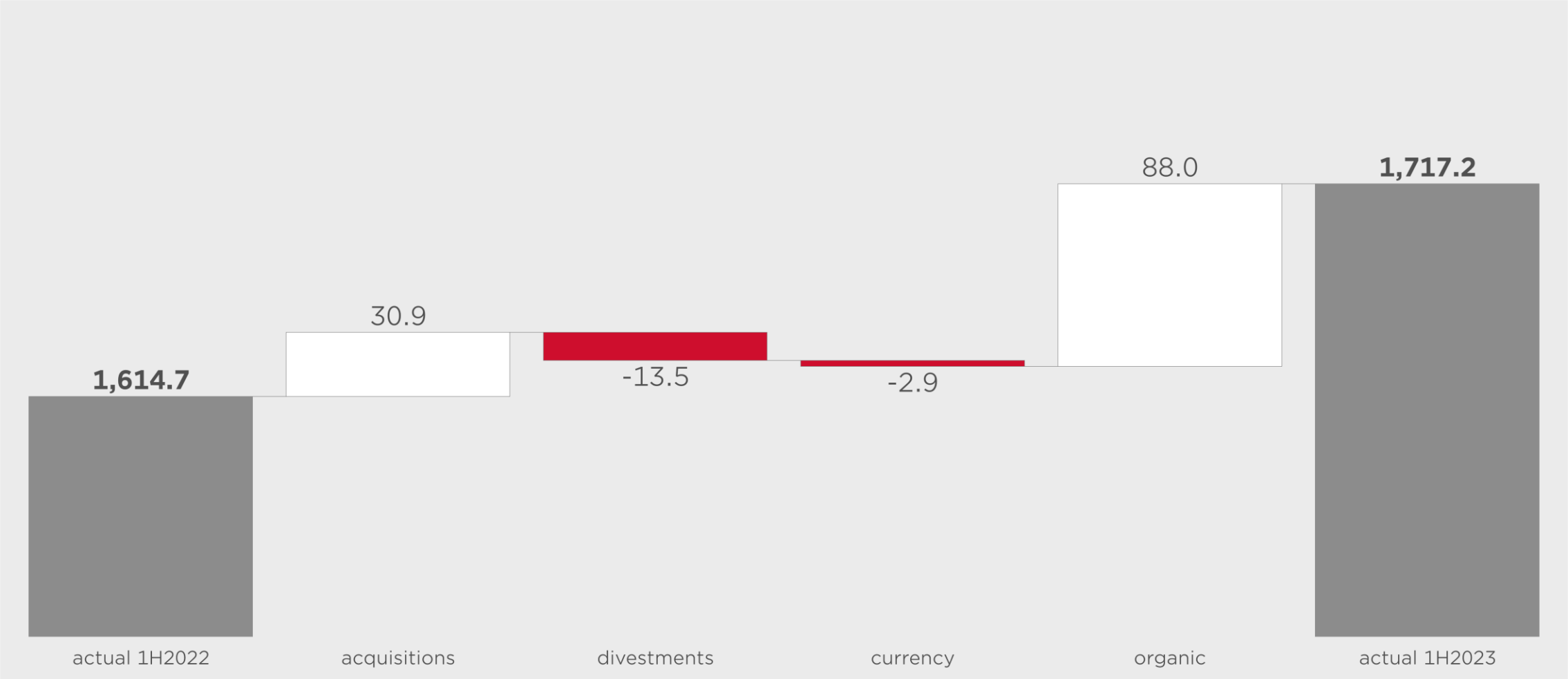
- order intake continued on a high level
- activities performed very well
- demand for precision extrusion parts and specialised surface technologies continued on a high level
- supply chain disruptions at the facilities of our customers reduced strongly, leading to higher shipments
- industrial valves business in Europe and North America made a good performance
 - » we faced inventory reductions the last months, where our customers optimised their working capital
- several initiatives were taken to gain market share coming periods

order intake on high level, activities performed very well

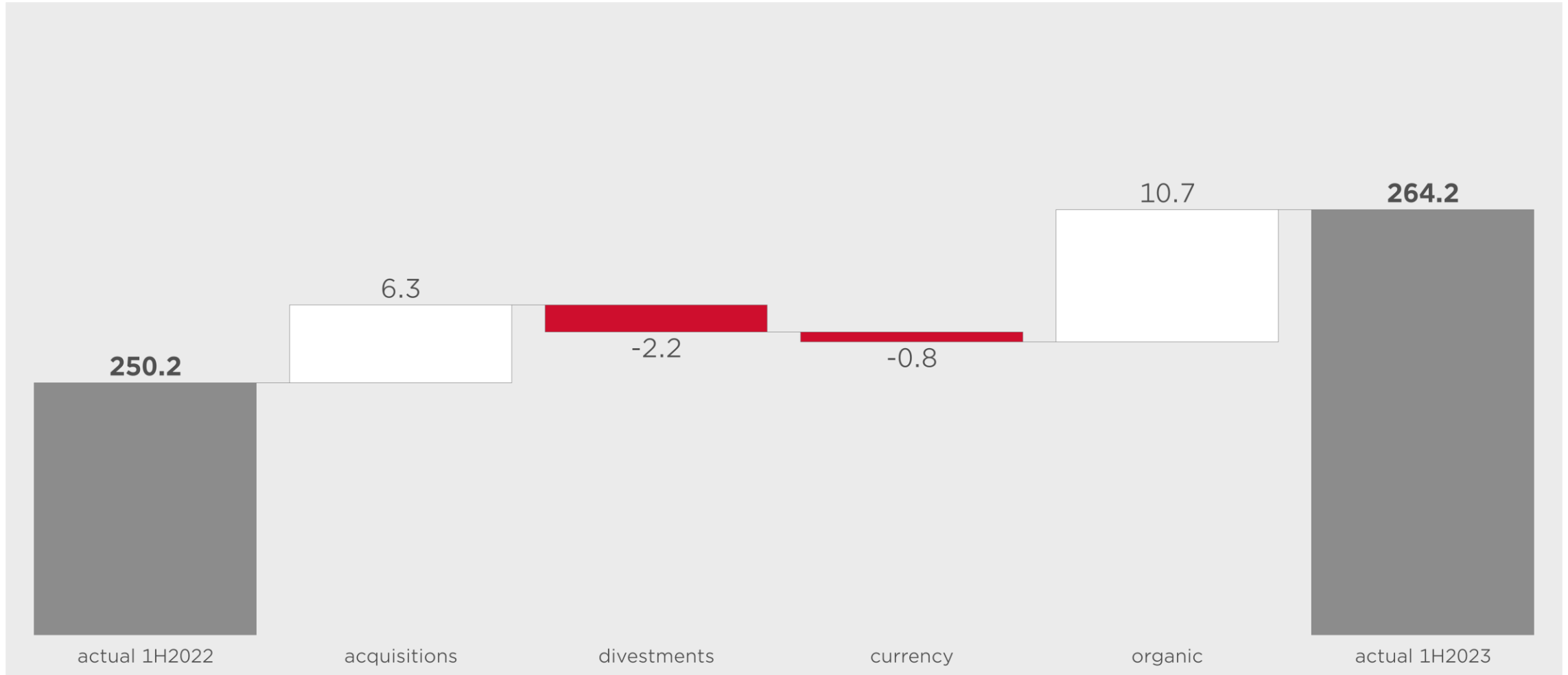
3. financial development

Arno Monincx - CFO

revenue bridge



EBITA bridge



condensed consolidated income statement

in EUR million	1H2023	1H2022
revenue	1,717.2	1,614.7
EBITDA	333.4	316.9
depreciation	(69.2)	(66.7)
EBITA	264.2	250.2
net finance cost	(20.2)	(8.0)
income tax expense	(52.8)	(52.3)
non-controlling interests	(2.5)	(3.6)
net profit before amortisation	188.7	186.3
EPS before amortisation in EUR	1.71	1.68

EPS growth, despite higher net finance cost

condensed consolidated balance sheet

in EUR million	30.6.2023	31.12.2022	30.6.2022
total non-current assets	2,731	2,732	2,631
total current assets	1,552	1,479	1,662
total assets	4,283	4,211	4,293
total equity	2,379	2,363	2,215
total non-current liabilities	811	852	881
total current liabilities	1,093	996	1,197
total equity and liabilities	4,283	4,211	4,293
net debt	773	794	652
leverage ratio: net debt / EBITDA (12-months-rolling)	1.2	1.3	1.1
net working capital	824	721	706
days net working capital (12-months-rolling)	89	80	83
solvability (total equity as a % of total assets)	55.5	56.1	51.6
return on capital employed (12-months-rolling)	15.8	16.1	15.9

net debt reduced compared to end of last year

free cash flow

in EUR million (before exceptionals)	1H2023	1H2022	delta
EBITDA	333.4	316.9	16.5
gain on disposal of subsidiaries	-	(7.0)	7.0
result on sale of equipment / changes in provisions	(6.7)	6.4	(13.1)
changes in working capital	(105.1)	(222.4)	117.3
cash flow from operations	221.6	93.9	127.7
purchase of property, plant and equipment	(124.7)	(87.1)	(37.6)
purchase of intangible assets	(6.4)	(7.4)	1.0
proceeds from sale of equipment	19.1	4.2	14.9
free cash flow	109.6	3.6	106.0

free cash flow EUR 110 million, including EUR 38 million more CAPEX cash out

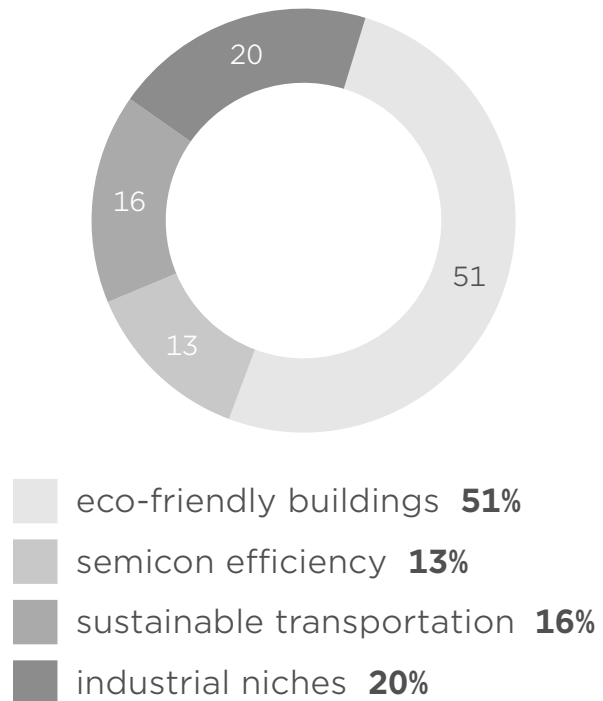
reporting per business segment

building technology	1H2023	1H2022	delta
revenue (in EUR million)	931.9	946.8	(2%)
organic revenue growth (in %)	(1.5)	9.9	(11.4)
EBITA (in EUR million)	130.9	145.5	(10%)
EBITA as a % of revenue	14.0	15.4	(1.4)
capital expenditure (in EUR million)	41.2	43.1	(4%)

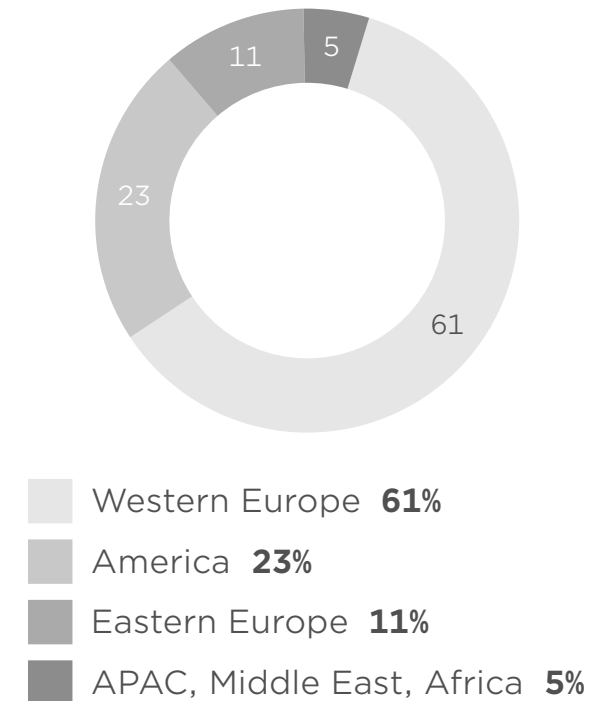
industrial technology	1H2023	1H2022	delta
revenue (in EUR million)	785.3	667.9	18%
organic revenue growth (in %)	16.0	9.7	6.3
EBITA (in EUR million)	137.2	109.1	26%
EBITA as a % of revenue	17.5	16.3	1.2
capital expenditure (in EUR million)	75.2	40.0	88%

revenue per end market and region

revenue per end market (in %)



revenue per region (in %)



4. outlook

Wim Pelsma - CEO

outlook

- in the second half of 2023
 - » we will continue our many business development projects driving organic growth, innovation and operational excellence
 - » capital expenditure to facilitate these plans will increase and the inventories will be further reduced
- we are relentlessly executing our strategy Aalberts 'accelerates unique positioning', realising our objectives





5. questions & answers

aalberts.com/investors