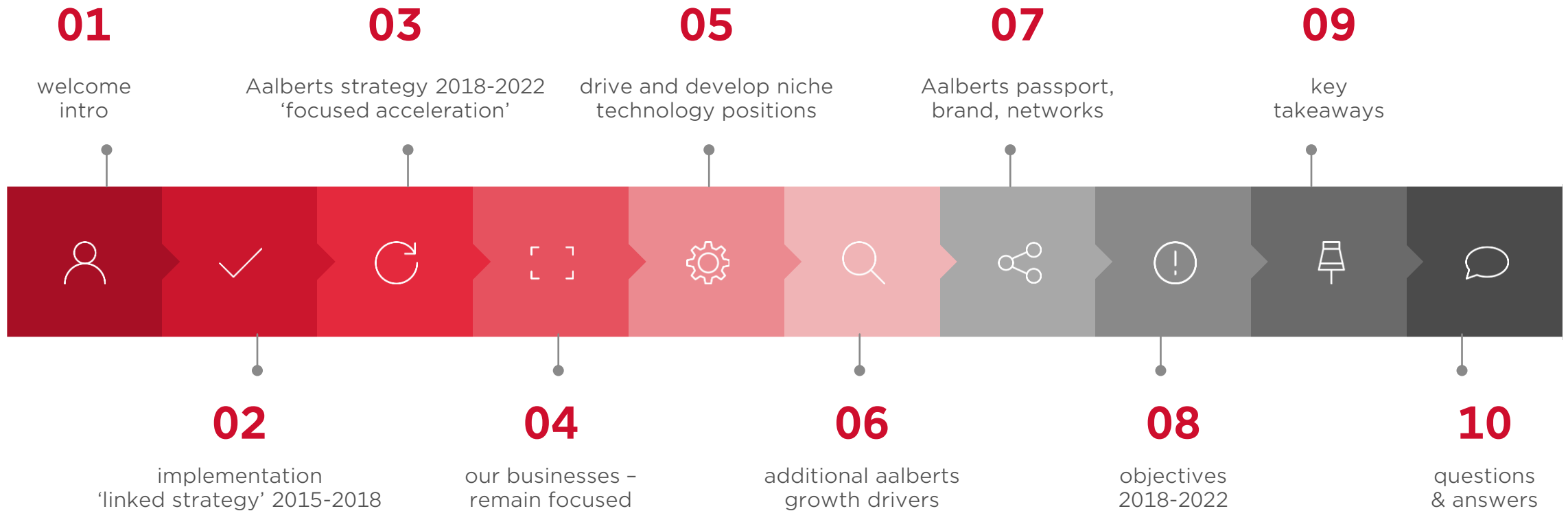


# ‘focused acceleration’ 2018-2022

capital markets day, 6 December 2017 (Utrecht)

2018-2022

# capital markets day - table of contents



## 02 | implementation 'linked strategy' 2015-2018



Aalberts transformed into  
**focused technology leader**

**strongly positioned**  
for accelerated growth

**still lot to improve**  
in operations and  
exchanging best practices

## 02 | the Aalberts way - winning with people

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**be an  
entrepreneur**

We explore and make  
dreams happen.  
We adapt and innovate  
with a clear focus on  
our customers.



**take  
ownership**

We are responsible  
for achieving our  
own commitments.



**go for  
excellence**

We are passionate,  
self-critical and persistent  
in everything we do.  
And we deliver results.



**share and  
learn**

We learn from each other  
by being professional  
and open-minded.  
We get better every day.



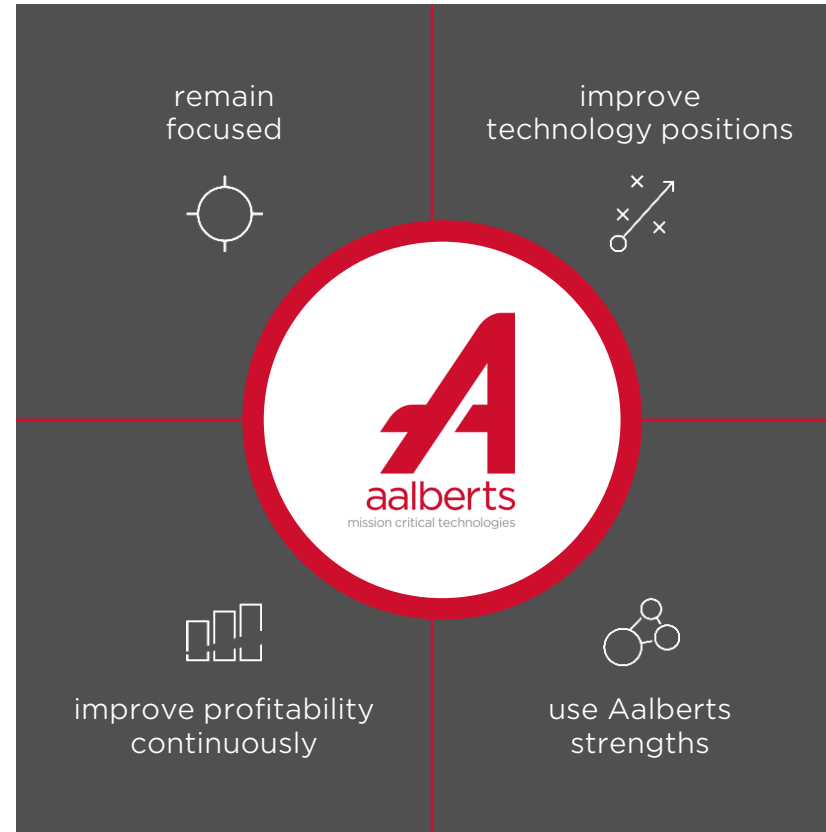
**act with  
integrity**

We lead by example,  
act transparently  
and speak up.

## 03 | Aalberts strategy 'focused acceleration' 2018-2022

continued focus on businesses, end markets and niche technologies with sustainable profitable growth potential, delivering high added value for our customers

relentlessly continue and expand our operational excellence programme through pricing excellence, make or buy decisions, further consolidation of locations, manufacturing and supply chain efficiency improvements



accelerate organic growth, increase game changing innovations executing our long-term innovation roadmap, combine our offerings to Key Accounts and strengthen our market positions with mainly bolt-on acquisitions

together, winning with people, by exchanging best practices of manufacturing technology, innovations, working methods & know-how utilising our Aalberts brand, global footprint, investment power, acquisition expertise and talented people

## 04 | our businesses - remain focused



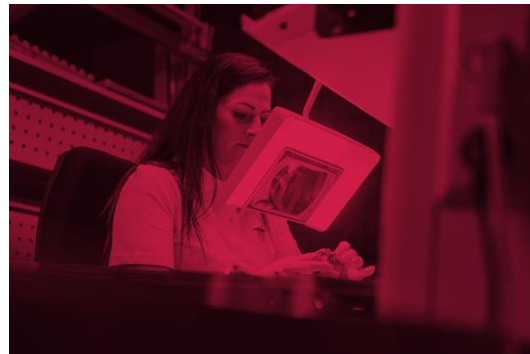
### installation technology

develops and manufactures integrated piping systems and plastic connection systems to distribute and control water or gas in heating, cooling, (drinking) water, gas and sprinkler systems in residential, commercial and industrial buildings and industrial installations



### material technology

offers a unique combination of advanced heat & surface treatment technology and highly specialised manufacturing expertise making use of a global network of locations with excellent local knowledge and service



### climate technology

develops and manufactures complete hydronic & air flow control systems and treatment solutions for heating, cooling, ventilation and drinking water. All designed for residential and commercial buildings



### industrial technology

engineers and manufactures (custom made) solutions for specific niche applications to regulate and control gasses and liquids under often severe and critical conditions and co-develops and integrates specialised manufacturing technologies



## 04 | installation technology



develops and manufactures integrated piping systems and plastic connection systems to distribute and control water or gas in heating, cooling, (drinking) water, gas and sprinkler systems in residential, commercial and industrial buildings and industrial installations

### our niche technologies & brands



### our end markets



commercial  
buildings



residential  
buildings



industrial  
installations



water & gas  
supply, irrigation



## 04 | material technology



offers a unique combination of advanced heat & surface treatment technology and highly specialised manufacturing expertise making use of a global network of locations with excellent local knowledge and service.

### our niche technologies & brands



### our end markets



automotive



machine  
build



power generation,  
aerospace



general  
industries



## 04 | climate technology



develops and manufactures complete hydronic & air flow control systems and treatment solutions for heating, cooling, ventilation and drinking water. All designed for residential and commercial buildings

### our niche technologies & brands



### our end markets



commercial  
buildings



residential  
buildings

## 04 | industrial technology



engineers and manufactures (custom made) solutions for specific niche applications to regulate and control gasses and liquids under often severe and critical conditions and co-develops and integrates specialised manufacturing technologies.

### our niche technologies & brands



**BROEN** VENTREX



### our end markets



semicon  
& science



district  
energy, gas



beverage  
dispense

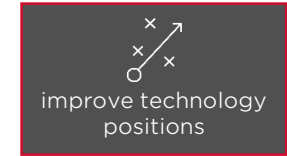


automotive

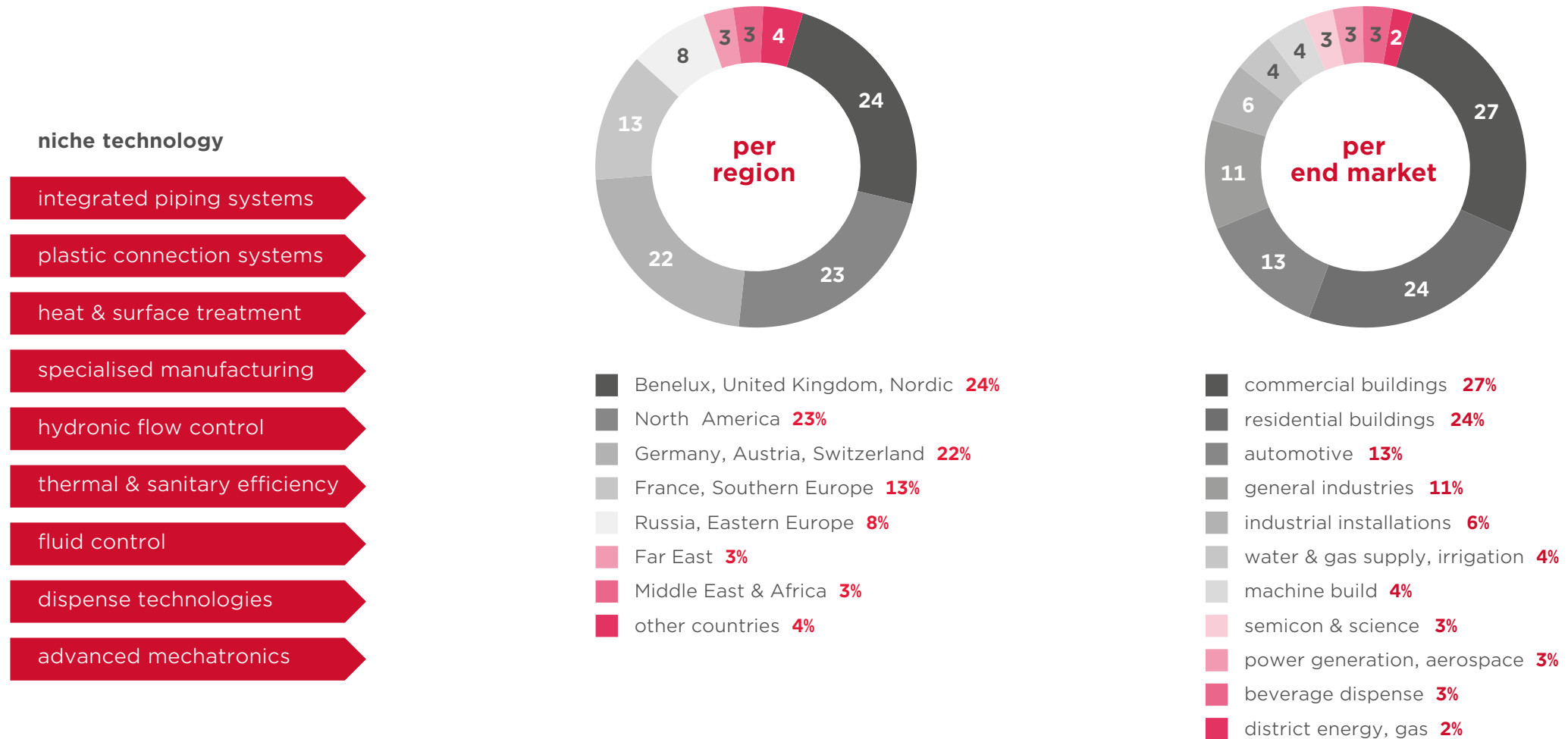


general  
industries

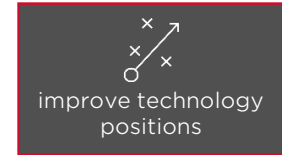
# 05 | drive and develop niche technologies



drive and develop niche technologies worldwide in defined end markets



## 05 | growth with business plans



accelerate organic growth per niche technology

... with focused five year business plans  
... with long-term innovation roadmaps  
... with bolt-on acquisitions

### niche technology

integrated piping systems

plastic connection systems

heat & surface treatment

specialised manufacturing

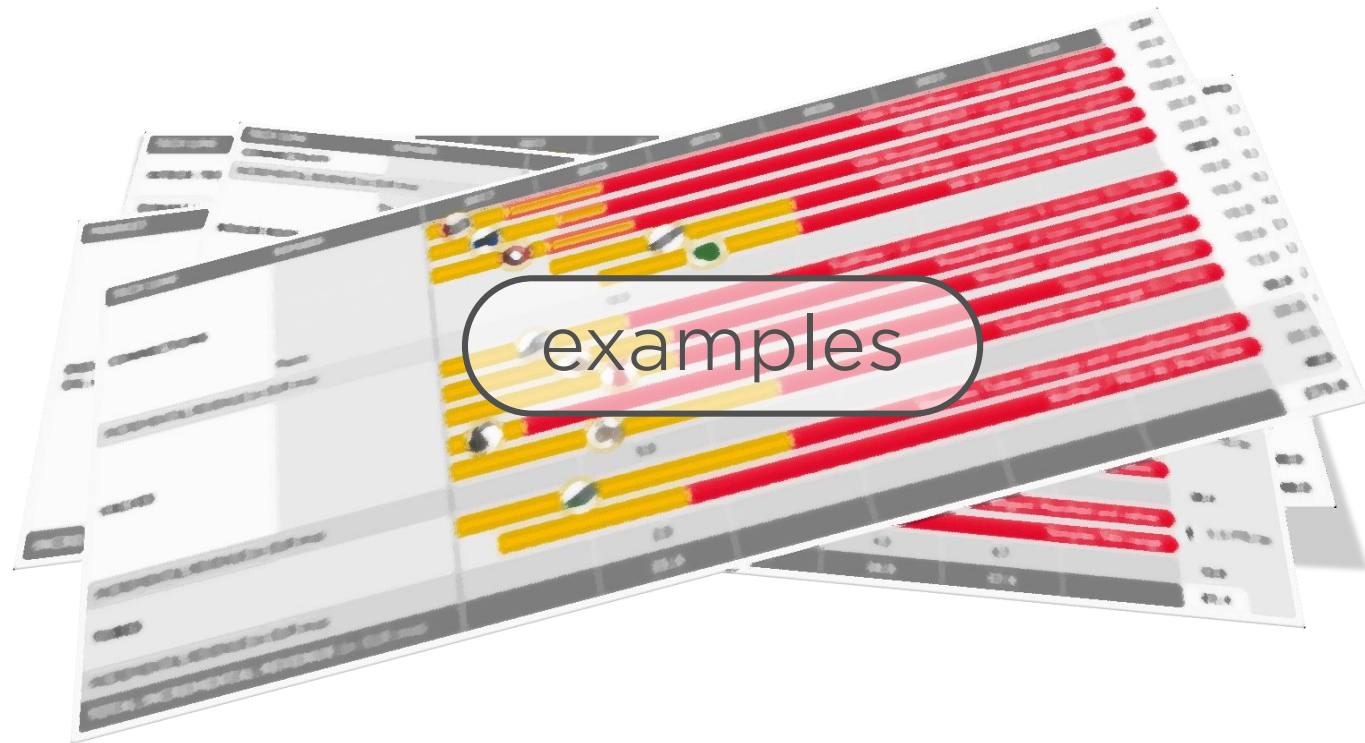
hydraulic flow control

thermal & sanitary efficiency

fluid control

dispense technologies

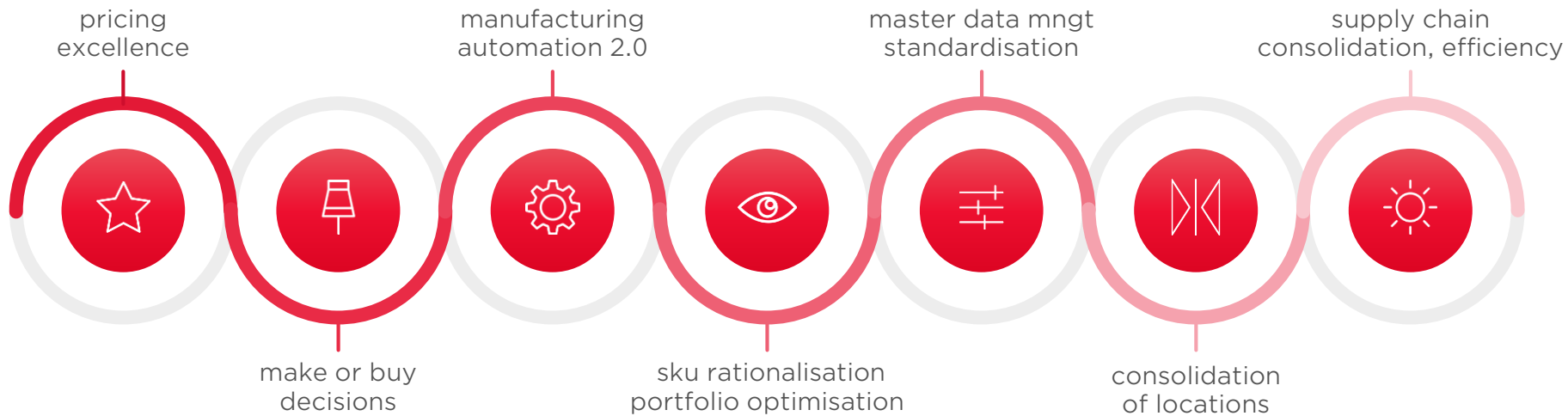
advanced mechatronics



## 05 | operational excellence



relentlessly continue and expand our **operational excellence programme**



the relentless pursuit of excellence

## 06 | market trends generate additional growth drivers



### market trends

### additional Aalberts growth drivers



climate change

- need for energy saving and efficiency in buildings
- more use of district heating and cooling
- more floor heating, irrigation, drainage systems
- transition to electrification of vehicles > parts, systems



urbanisation

- more residential homes | larger cities
- aging rich population > more comfort and services
- stronger need for air flow control and treatments
- more travel > increase of cars and aeroplanes



raw material scarcity

- life time extension materials > heat & surface treatments
- water saving, quality and optimised dispensing
- additive manufacturing combined with post treatments
- possibility to optimise local inventory portfolio with additive manufacturing



internet of things

- hardware becomes connected | smart driving
- need for optimised system performance and services
- data management and storage > semicon OEM equipment
- new distribution, retail and e-commerce channels



globalisation  
co-development

- need for worldwide active partners, investment power and strong financials
- supply chain optimisation supported with integrated systems
- OEM customers increase focus on core technologies
- efficiency, integration plug & play system design

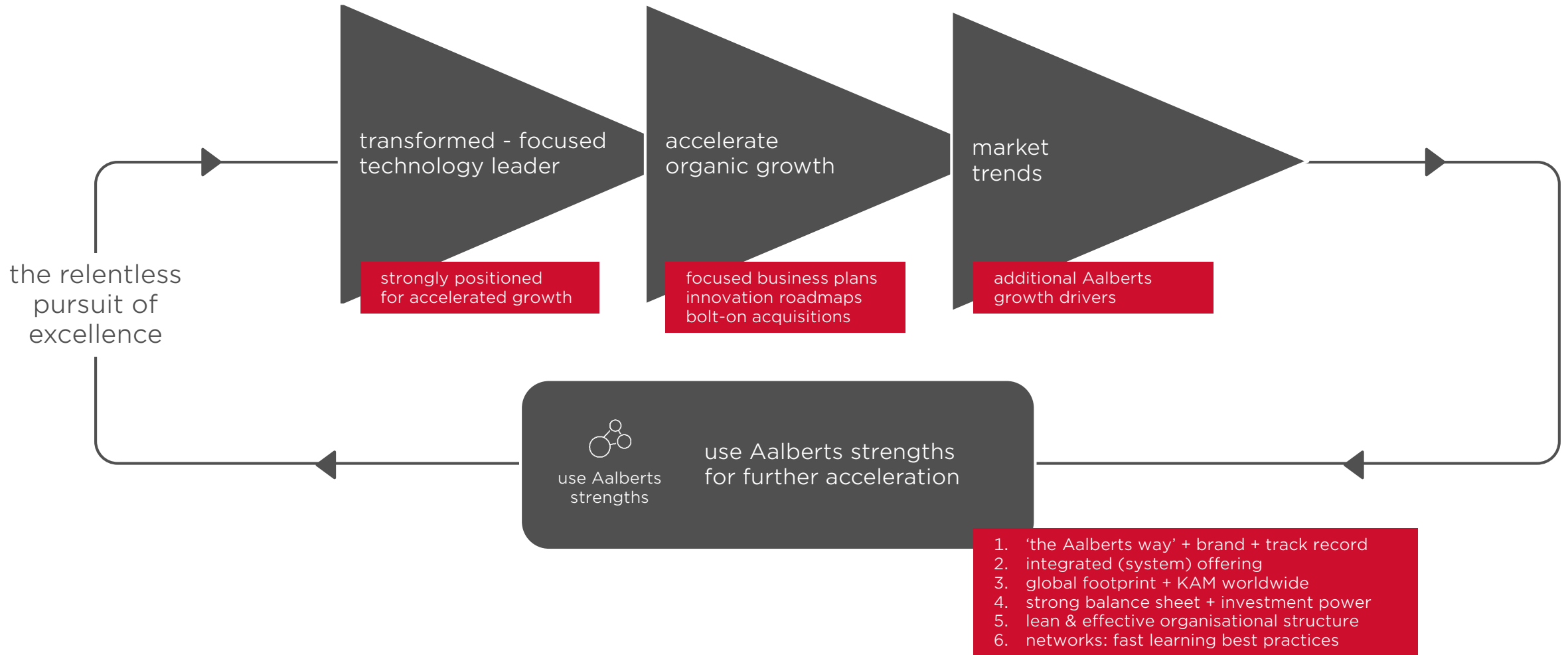


## 06 | exciting market dynamics... we are at the heart of it



our open and pragmatic culture helps us exchange fresh thinking and embrace new technologies. it keeps us ahead of the game, **no matter how frequently or significantly the game is disrupted.**

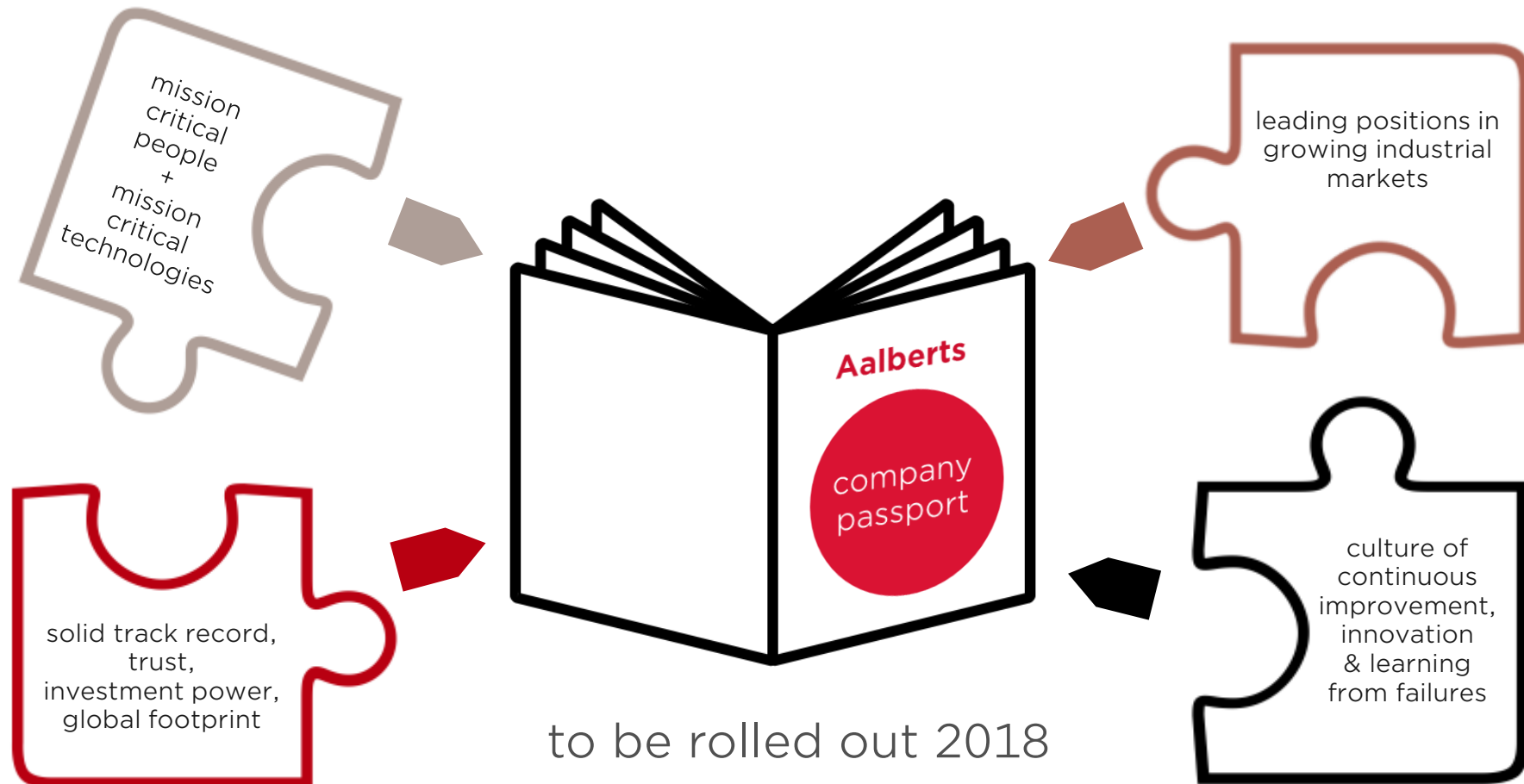
## 06 | 'focused acceleration' 2018-2022



## 07 | the Aalberts company passport



together, winning with people **by 'nailing' the Aalberts brand essence**



## 07 | the Aalberts brand - creative articulation



together, winning with people **by 'living' the Aalberts brand**

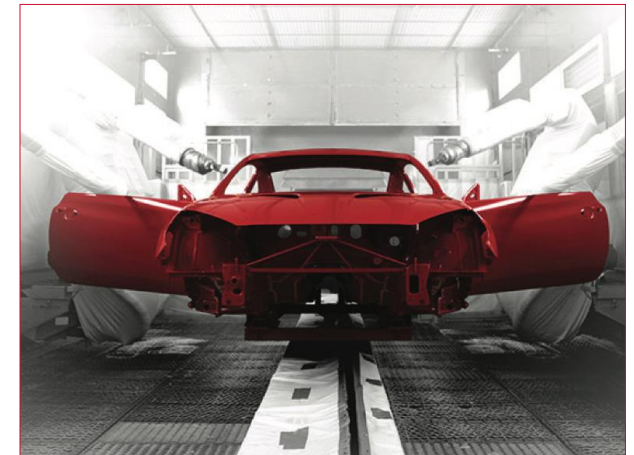
**excellence  
reveals itself  
in every detail**



**celebrating what  
we create by those  
who create it**



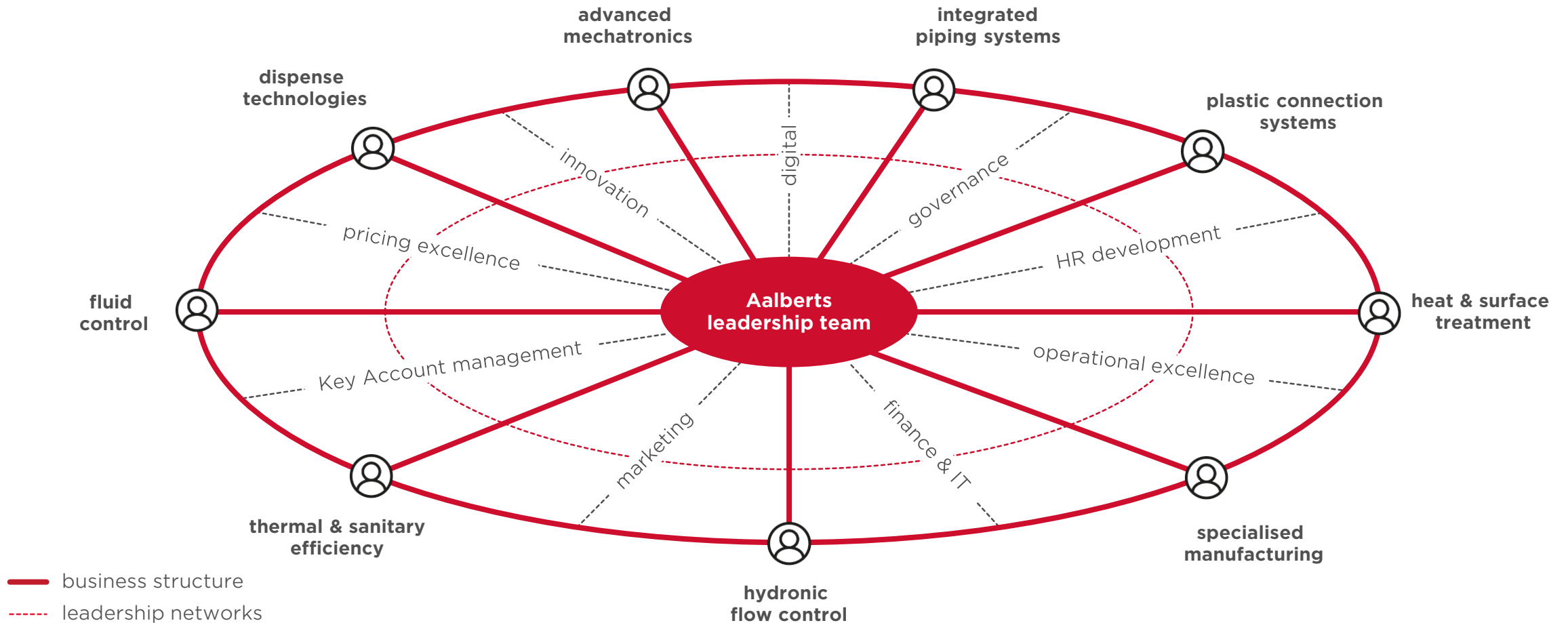
**owning  
the red**




# 07 | our leadership 'Aalberts networks'



together, winning with people **with a lean and effective organisational structure**



## 08 | objectives 2018-2022

 <b>worldwide leading niche technology positions</b>	 <b>creating sustainable profitable growth</b>	 <b>generating high added- value margins</b>	 <b>converting strong operational execution into free cash flow</b>	 <b>achieving following financial ratios</b>
in the defined end markets and businesses supported by strong brand names, serving a variety of global end markets.	in earnings per share with a good spread in businesses, technologies, end markets and geographical regions with good growth potential.	by creating leading niche technology-end market positions, operational excellence, providing excellent services to our customers and continuously driving innovations.	to reinvest in selected businesses and technologies, with disciplined allocation of capital, to accelerate organic growth, innovations and acquisitions.	average organic revenue growth > 3% EBITA margin > 14% ROCE > 18% FCF conversion ratio > 70% leverage ratio < 2.5 solvability > 40%



## 09 | key takeaways

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### **1. Aalberts transformed into focused technology leader**

- » strongly positioned for accelerated growth

### **2. still lot to improve in operations | exchanging best practices**

- » relentlessly continue and expand our operational excellence programme

### **3. drive and develop niche technologies – worldwide in defined end markets**

- » focused five year business plans | long-term innovation roadmaps | bolt-on acquisitions

### **4. market trends generate additional growth drivers**

- » exciting market dynamics... we are at the heart of it

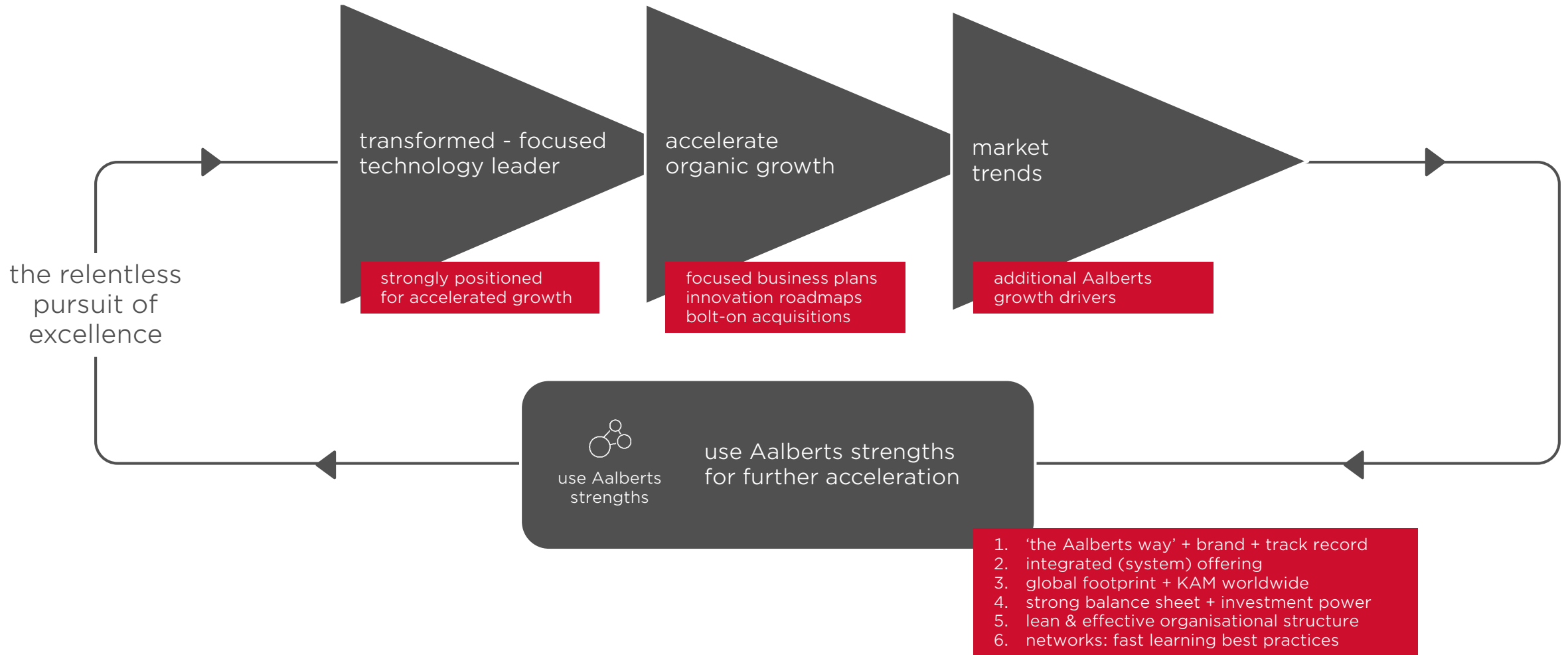
### **5. use Aalberts strengths for further acceleration**

- » utilising Aalberts company passport, brand and networks

### **6. objectives 2018-2022**

- » average organic revenue growth, further increase of EBITA margin and ROCE

## 09 | 'focused acceleration' 2018-2022



The background of the slide is a photograph of a man in a dark shirt working on a piece of equipment. The image is heavily tinted with a red color and has a large, dark, abstract shape overlaid on the left side, resembling a stylized 'A' or a large bracket.

# 10 | questions & answers