

## Interview to Carlos Franquesa, FLUIDRA

10 November 2021



*"With now more than 450,000 connected pools, we've set our sights on winning the connectivity race, with our goal now to reach one million before 2025"*

The multinational group Fluidra will be at the upcoming **Piscina & Wellness Barcelona** trade fair, a very special edition, as it will be the meeting point for the sector after the period of the pandemic. We spoke to **Carlos Franquesa**, General Manager EMEA, of the company's plan for expansion and how business has fared in recent months, as well as the importance of digitalisation and sustainability as the drivers of sector growth.

### How would you evaluate the current state of the industry in the wake of the pandemic?

The pandemic has brought with it a series of changes in all senses of the word, and with respect to our sector in particular, these have led to trends clearly favourable to our business that have help spur our growth.

The "stay-at-home" mentality, the tendency toward living outside the city thanks to teleworking options, and the migration towards the warmer climes of the southern US states have positively impacted on both new pool construction and pool maintenance.

### Has the greater demand for home pools resulting from this change in habits derived from the pandemic had an influence on the company's sales?

At Fluidra we have experienced record growth, in part, due to the pandemic as mentioned above. The company was affected during the months of confinement, but when the restrictions began to be lifted, just before summer, the market recovery was quickly felt in areas where the measures were being relaxed, with a sustained growth in demand. The "cocooning" effect, that is, the fact of wanting to stay more at home, has meant that the summer season, although shortened, was very positive for business at Fluidra since people, not being able to travel and having to spend the summer at home, either chose to buy a pool or improve their existing one. On the other hand, we have the commercial swimming pool market, which took a hit, particularly with regard to tourism, which we are just beginning to recover from.

### Moving onto Fluidra's experience, have any of the work dynamics in the company changed due to the pandemic?

At the time of confinement, the company began to telework across the board in positions where this was applicable. After a few months, we started back at the office with a hybrid model with shifts, coordinating teleworking with being at the office, and we have kept that up until now. Despite all this, we have managed to keep work flows and dynamics within normality.

### Some companies have taken advantage of a certain slowdown in their activity with their clients to devote more time to other equally important issues such as R&D or investments in factories. Has this been the case with Fluidra?

At Fluidra, R&D has always played a very important role in helping to find innovative solutions and being able to offer the best products and solutions in the sector. It is critical that R&D and Marketing teams listen to the market, specifically pool professionals and pool owners, to understand their needs and what they see as impediments to a better pool experience. Once we understand their needs, we can begin to identify ways to meet them by offering a solution or service that improves the customer and user experience.

We have indeed increased our R&D efforts, focusing largely on the Internet of Things. We certainly want to win the race in pool connectivity. The connected pool is a win-win. The end user wins because they gain an easier relationship with their pool, knowing what is happening at all times, with information in real time and receiving recommendations to improve maintenance and energy efficiency. The professional who provides service also wins because they are aware of what is happening and can do preventive maintenance. As for manufacturers, it allows them to monitor what is happening and add elements to improve products. It is a winning option for the entire sector that will help it grow, because a more technological pool is one with greater added value.

### The company continues with its international expansion plan and proof of this is the recent acquisition of the American firm S.R. Smith. What do you hope to achieve with acquisitions like this in terms of business expansion? Are you planning more acquisitions in the short term, as well as reinforcing international expansion or opening new markets?

Indeed, we recently closed the purchase of SR Smith, in addition to others such as Built Right and CMP (all in the US), the Belgian Aquafive, the Splash and Zen businesses. At Fluidra, we remain open to possible acquisitions, as this is part of the company's strategy, although we would not be talking about large-scale operations. It is hard to know how many will be made, but they will be coming up.

Currently, the geographic focus is on the United States and France, looking for firms that strengthen the company either by expanding the range of products or by geographic location in order to increase our market share. These are the two largest world markets and it is where we seek to gain greater penetration, so we are working according to both organic and inorganic growth plans.

### The group have recently launched a pilot project with Eco Intelligent Growth to devise more efficient cleaning robots and pumps which can be recycled when their service life ends. How important are sustainability and efficiency?

As you mentioned, the group has started this pilot project, which will last until mid-2022, with the aim of designing bottom cleaning robots and pumps that are the top sellers for the company. The idea is to create more efficient products with a clear recycling protocol after their life cycle. In general, sustainability and efficiency are two very important keys, both for Fluidra and for society in general.

Our ESG 2020-2026 Master Plan "Responsibility Blueprint", approved by the Board of Directors last year, includes our commitments to environmental, social and good governance matters, with the aim of contributing to sustainable development through our products and our activity; we want to improve the well-being of our employees, our value chain and society, while integrating the best corporate governance practices. Together with the new plan, we have reformulated Fluidra's mission and vision to adapt them to our current reality.

At the same time, we remain committed to the Ten Principles of the Global Compact and the United Nations Sustainable Development Goals (SDGs). Due to the nature of the company's services and products, we are especially focused on sustainable water management, but it is not the only sustainable facet in which we are striving to make progress on to, in addition to offering good financial results, achieve a positive impact on our environment, in line with the interests of those investors seeking sustainable performance.

### Given Fluidra's international presence, do you note significant differences among countries in terms of what they're most looking for? Which countries have the most growth potential?

It's important to bear in mind that the pool industry is incredibly diverse. Each pool is unique in terms of size, shape and surroundings, and as such, the markets for each pool are unique as well. Growth has been noteworthy in the countries of Northern Europe; after two unusual summers, they are seeing very significant growth.

### Do you think that we have made progress in recent years so that connected pools are a reality implemented in most pool installations? Are we going to continue to see advances in what is known as the Internet of Pools?

We currently have more than 450,000 connected pools and our goal is to reach one million by 2025. Controlling the pool from the customer's or end user's mobile phone is a key factor in adding product value in the coming years.

For its part, with the arrival of 5G, Internet of Things (IoT) technology will make a qualitative leap when it comes to increasing the profitability of the pool professional's business, who will be able greater and better control over the pool installation they are in charge of, and for owners, who will have their pool "control panel" and the services connected to it in their pocket for much more convenient access.

### What trends would you highlight in the pools of the future?

In addition to connected pools, we are seeing a clear trend towards creating more efficient and sustainable products. A clear example of this is the project we mentioned on Eco Intelligent Growth to devise more efficient cleaning robots and pumps which can be recycled when their service life ends.

### Can you tell us about some of the novelties that will be presented at the Piscina & Wellness Barcelona show?

In line with our ESG strategic plan, we are presenting ourselves in this edition with two "sustainable" stands using recyclable materials. Visitors will be able to visit our stands and pick up one of the 3,000 units of charity candies commissioned from the Sant Joan de Déu social entity, whose mission, in line with ours, is to work for a more just, sustainable and inclusive world.

From a product novelty point of view, we will present different solutions that aim to make the pool a more sustainable and more connected place. In the area of commercial swimming pools, the new range of electric pool cleaners stands out, as well as comprehensive solutions for sustainable public projects. For residential swimming pools under the Fluidra umbrella you will find the news on our top brands: AstralPool, Zodiac, Laghetto, Cepex, CTX, IML, Sibo and GRE.

### The group has been participating in the show for several years. What do you make of your experience over all these years?

The show has become an international meeting point, so it offers us a direct point of contact with our clients, reinforcing our strong commitment to continue working hand in hand with the professional channel, one we are highly focused on. It is also important to note that this fair is exceeded itself in every edition, not only in numbers but also in quality with an agenda that includes top-level events and presentations.