

ASX release
2 June 2020

Business Update

Waterco enters into agreement to purchase the business of Automated Pool Products Pty Ltd

Waterco Limited ACN 002 070 733 (ASX: WAT) (**Company**) today announces that it has on 2 June 2020 entered into an agreement to purchase the business of Automated Pool Products Pty Ltd (**APP**).

The Company has entered into the agreement to purchase the business of APP as part of its strategy to increase its market share (especially in Western Australia and Queensland). The purchase price payable to APP upon completion of the sale will be approximately \$3.085m (including Inventory) subject to certain typical adjustments and achieving future earnings targets. The purchase of the business is to be funded by a combination of bank loans and working capital.

Under the terms of the agreement and subject to satisfactory due diligence on the business of APP and all required approvals, the sale completion is expected to take place by 30 June 2020.

APP is a leading distributor of hardware for the domestic pool market. Through a network of independent shops and dealers, they provide a range of high quality products.

The purchase of APP is expected to add in excess of \$300,000 to the Company's EBITDA in FY21 and incremental earnings going forward.

This announcement has been authorised for release by the Board of Directors of Waterco Limited.

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About Waterco Ltd – www.waterco.com.au

Established in 1981 and listed on the ASX in 1989, Waterco (ASX:WAT) manufactures and distributes a diverse range of products for the international swimming pool and water treatment markets. Waterco is also the franchisor of Swimart, Australia and New Zealand's largest network of pool and spa retail outlets, and is also the distributor of Zane Pool Heating solutions via a network of Australian dealerships.

Waterco delivers high quality, innovative products at exceptional value in over 40 countries. This includes a comprehensive range of swimming pool & spa equipment and chemicals as well as domestic and industrial water treatment equipment. The company's head office is in Sydney, Australia with international offices, manufacturing plants and warehouses located in Australia, New Zealand, Malaysia, Indonesia, Singapore, China, US and the UK.