

27 October 2022

Market Announcements Office  
Australian Securities Exchange Limited  
Exchange Centre  
20 Bridge Street  
Sydney, NSW 2000

Dear Sir/Ms,

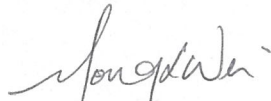
**Waterco Limited (ASX Code: WAT)  
Chairman's Address at the 2022 Annual General Meeting on 27 October 2022**

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Please find attached a copy of the Chairman's Address to be given at the 2022 Annual General Meeting of Waterco Limited at 3.00pm Australian Eastern Daylight Time on 27 October 2022.

This announcement has been approved for lodgement by the Board of Directors of Waterco Limited.

Yours faithfully,  
**WATERCO LIMITED**



**Sin Wei Yong**  
Company Secretary

**About Waterco Ltd – [www.waterco.com](http://www.waterco.com)**

*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, USA and the UK.*

## **CHAIRMAN'S ADDRESS AT 2022 ANNUAL GENERAL MEETING**

The Annual Report for the financial year ended 30 June 2022 has been made available to shareholders and other interested parties, as usual. Included in the report was the CEO's Review of Operations for the year which provided a summary of our operations and touched briefly on the outlook for the year ahead. I shall, therefore, avoid repeating what was written there and, in this address, I shall focus on providing more information on the factors that will influence our outlook for the financial year ending 30 June 2023.

We have completed the first quarter of trading in the new financial year. This quarter represents the pre-season in Australia and New Zealand and the end of the season in the northern hemisphere.

This quarter's results saw an increase in excess of 20% in Group external sales growth on the previous corresponding period (PCP). However, the increase in sales compared to PCP was based on subdued trading in NSW when there was a lockdown in place for all of the first quarter and Victoria for most of the first quarter, in the previous year. Margins were not to expectations as a result of a very strong U.S. Dollar against all major currencies (especially the Australian Dollar) and having to absorb excessively high shipping rates, globally.

It is clear that forward orders from Europe were not as buoyant as previous year's and manufacturing activities are expected to be subdued, compared to PCP. Overheads that were ramped up will need to be adjusted back to normal.

In light of the continued global uncertainty brought about by expectations of global recessions, the Board have decided not to issue a profit guidance for FY23 until economic conditions have returned to normal. However, we are quietly confident of the profitability of the Group for FY23.

Fundamentally, our operations have not changed. We continue to pursue innovation and improvement in our share of the water-treatment sector. There has been steady progress in these areas in the past few years and we expect to see that continue.

I would like to thank Waterco's shareholders for their continuing support, and my fellow directors, the management and the employees for the efforts they have put in during a very challenging year.