

## ASX Announcement

23 February 2026

# HY26 Results Announcement

## Financial Highlights

- Sales revenue down 1.6% to \$130.3 million
- EBITDA up 10.9% to \$17.3 million
- EBIT up 15.3% to \$11.3 million
- NPAT up 13.4% to \$6.7 million
- EPS of 19.2 cents
- An interim dividend of 7 cents per share declared, fully franked

Waterco Limited (**Waterco** or the **Company**) (**ASX: WAT**) today announces its financial results for the half-year ended 31 December 2025 (**HY26**).

Soon Sinn Goh, Chairman/Group CEO, said:

*“The first half of FY26 delivered resilient profitability despite softer revenue in a competitive and challenging global economic environment, particularly across Europe and parts of Asia. A key driver of our improved margins and earnings was the continued strategic insourcing of manufacturing — shifting critical components away from external suppliers into our own operations, primarily in Malaysia. This initiative has enhanced Group profitability and operational control.*

*Looking ahead, we are mindful of uncertainties in the global economic outlook for the remainder of FY26 and will continue to focus on further insourcing opportunities where they add value, alongside targeted overhead cost reductions. We are, nevertheless, excited by growth prospects in Australia and internationally through ongoing product innovation, market share expansion, and increased production capacity in the medium term. These efforts position Waterco to build greater resilience and deliver sustained profitability improvements in a dynamic market.”*

## HY26 Financial Summary<sup>1</sup>

|                               | Metric (\$ million)    | HY26       | HY25       | % Change     |
|-------------------------------|------------------------|------------|------------|--------------|
| <b>Reported</b>               | EBIT                   | 11.3       | 9.8        | 15.9%        |
|                               | NPBT                   | 9.2        | 7.7        | 18.9%        |
|                               | <b>NPAT</b>            | <b>6.7</b> | <b>5.9</b> | <b>13.4%</b> |
|                               | EPS (cents)            | 19.2       | 16.7       | 15.0%        |
| <b>Underlying<sup>1</sup></b> | Underlying EBIT        | 12.3       | 10.7       | 14.2%        |
|                               | Underlying NPBT        | 10.2       | 8.7        | 16.9%        |
|                               | <b>Underlying NPAT</b> | <b>7.4</b> | <b>6.6</b> | <b>12.2%</b> |
|                               | Underlying EPS (cents) | 21.1       | 18.8       | 12.3%        |

<sup>1</sup> Non-IFRS ‘Underlying’ metrics are statutory metrics adjusted to exclude pre-tax business integration & transformation one-off costs: \$0.97m (HY25: \$Nil), and pre-tax foreign exchange losses(gains): \$Nil (HY25: \$0.99m).

## First Half Overview

### Segment Performance

**ANZ:** Sales decreased by 3.9% to \$105.0 million (HY24: \$109.2 million) arising largely from realigning part of our European supply chain from Australia back into our European division. The associated decline in EBIT was \$1.5 million, down to \$7.6 million. However, with the supply chain migration into Malaysia now broadened we see significant future growth opportunities for the ANZ business.

**North America and Europe (combined):** Sales saw an 18% increase to \$18.3 million (HY24: \$15.4 million), and a 219% increase in EBIT to \$1.7 million. This was driven by improved demand for our Waterco branded products in Europe. Otherwise, the European business faced challenging market conditions from both increased competition from Asian based suppliers and a depressed economic environment. North American sales during HY26 were slightly down by \$0.37 million from the prior period.

On a positive, new distribution channels were opened in Europe which should help offset headwinds going forward. For North America, we see significant growth opportunities for our customised product for commercial applications. Improved production capacity and lead times through the planned expansion of our manufacturing facilities in the medium term should enable this.

**Asia:** External sales saw an 8.6% decrease to \$7.0 million (HY24: \$7.7 million), reflecting depressed capital flows into the region. Otherwise, this segment overall performed well from a Group perspective. Executing on the insourcing of strategic plastic components for Davey products into the Group's Malaysian manufacturing operations contributed towards a strong EBIT uplift from \$0.2 million in HY24 to \$2.0 million, and margin growth for the Group overall. Completion of the land acquisition in Malaysia during the period and the acquisition of additional machinery for in-sourcing manufacturing drove the increase in capital expenditure of \$8.7m. Necessary approvals to develop the land to expand production capacity over the medium term are progressing.

### Davey Integration Update

The successful in-sourcing of Davey plastics manufacturing into the Group and efficiencies in transportation logistics had a positive impact on the Group's EBIT for the period. In New Zealand, Davey Water Products (NZ) Ltd amalgamated into Waterco NZ Ltd during HY26, with IT systems and warehouse integration scheduled to complete during the second half of FY26.

The rollout of a unified global IT platform across the Group will commence during the second half of the year and should be completed during FY27. This should drive long-term efficiencies, transparency over Davey's operations, and ultimately, growth in sales and profitability.

## **Second Half Priorities**

Waterco will look to expand market reach, diversify product offerings, and maximize operational efficiencies through warehouse and storage optimization across Australia.

Opportunities for collaboration with commercial partners to expand distribution outside of ANZ will continue to be pursued during the second half of the year.

Alongside these efforts, the company will continue to invest in future growth by strengthening internal capabilities, upgrading systems and processes, and expanding manufacturing operations in Malaysia to meet increasing demand in the US and Europe.

## **Trading Update and Outlook**

Waterco expects to further consolidate its manufacturing throughput in Malaysia and secure margin improvements across second half year sales. However, we are cautious on the global economic outlook over the remainder of FY26.

For the full year FY26 the Group will be aiming for an increase in the statutory EBIT from \$16.7 million in FY25.

## **Dividend**

The Board has declared an interim fully franked dividend of 7.0 cents per share (7.0 cents in HY24), payable on 15 May 2026.

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

## **For further information, please contact:**

Sin Wei Yong  
Company Secretary  
t: +61 2 9898 8629  
e: [sinwei.yong@waterco.com](mailto:sinwei.yong@waterco.com)

**-Ends-**

## **About Waterco Limited – [www.waterco.com.au](http://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 leading 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 and 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.

Waterco's subsidiary operations include the Davey group. Davey is Australia's leading manufacturer of residential and commercial pumps, with a proud legacy spanning 91 years. Founded in Australia, Davey has earned a trusted reputation for delivering reliable, high-quality products. The brand is also well-known for its long-standing, multi-generational relationships with Australian dealers, further solidifying its position as a dependable partner in the industry. Traditionally focused on domestic water pumping, water treatment, and swimming pool & spa markets, Davey has expanded its product portfolio in recent years to encompass commercial pumping, irrigation, and commercial pool markets, broadening its reach and impact.