

30 October 2020

Company Announcement Office
ASX Limited
Exchange Centre
20 Bridge Street
Sydney, NSW 2001

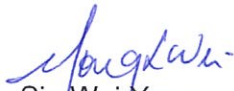
Dear Sir/Ms

**Waterco Limited (ASX Code: WAT)
Chairman's Address at the 2020 Annual General Meeting on 30 October 2020**

Please find attached a copy of the Chairman's Address to be given at the 2020 Annual General Meeting of Waterco Limited at 3.00pm Australian Eastern Daylight Time on 30 October 2020.

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

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 2020 ANNUAL GENERAL MEETING

The Annual Report for the financial year ended 30 June 2020 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, wherein our CEO 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 2021.

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

This quarter's results excluding sales gain from the acquisition of Auto Pool Products, show external sales growth of 10% on a Group Basis. Group average gross margin was steady. While there was an improvement in China, confidence is still affected by the continuing trade war between China and the USA.

The North America and Europe Division continue to improve on previous years with USA recording a significant increase in sales on the previous corresponding period. We are working towards bringing about a sustained increase in sales flowing through to the rest of the financial year.

Sales of the Group for the first quarter remain sound with consumers gravitating towards home improvements, in particular, their backyard swimming pools. We remain cautiously optimistic in relation to trading conditions for the rest of the financial year; Bank loans have been pared down and expenditure conserved in case trading conditions worsen.

In light of the continued uncertainty, the Board have decided not to issue a profit guidance for FY21 until economic conditions have returned to normal. However, we are quietly confident of the profitability of the Group for FY21.

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 the year.