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ASX/MEDIA RELEASE

GWA announces sale of Door & Access Systems business

- **GWA to sell Door & Access Systems to Allegion (Australia) Pty Ltd**
- **Purchase price of \$107 million comprising:**
 - **An upfront payment of \$102 million;**
 - **A contingent payment of \$5 million, subject to meeting certain transitional arrangements; and**
 - **A standard post completion working capital adjustment**
- **Transaction enables strategic focus on superior solutions for water within GWA's Bathrooms & Kitchens business**
- **Sale expected to be completed shortly after GWA's FY18 year-end, subject to conditions precedent usual for transaction of this nature**

GWA Group Limited (ASX: GWA) today announced that it has entered into a binding agreement to sell its Door & Access Systems business to Allegion (Australia) Pty Ltd for a purchase price of \$107 million comprising: an upfront payment of \$102 million; a contingent payment of \$5 million, subject to meeting certain transitional arrangements; and a standard post completion working capital adjustment.

GWA Managing Director, Tim Salt, said he was pleased with the outcome of the transaction.

"The sale enables our strategic focus on superior solutions for water within our Bathrooms & Kitchens business where we have strong market positions, market-leading brands and where we have identified significant growth opportunities.

"As we have previously indicated, while Door & Access Systems is a good business, it is not core to our superior water solutions strategy and therefore we believe the business can be maximised under different ownership."

Allegion is a leading global security products and solutions provider with 30 brands sold in almost 130 countries across the globe.

The book value of the Door & Access Systems business is approximately \$53 million.

The GWA Board will review options regarding the use of net proceeds from the sale, including investment in the Bathrooms & Kitchens' growth strategy.

"At our investor market briefing in April, we detailed the significant opportunities we have identified to grow our Bathrooms & Kitchens business, including organic and potential inorganic opportunities in existing and adjacent segments.

"As a more focused business, we will leverage the strong platform we have created over the past two years to drive further growth in our business," Mr Salt said.

At its interim results on 19 February 2018, GWA announced that the transaction was expected to take approximately six months. The sale process remains consistent with that timeline and is expected to complete shortly after GWA's FY18 year-end, subject to the satisfaction of the conditions precedent.

Greenstone Partners and Clayton Utz are advising GWA on the transaction.

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