



CSW Industrials Deploys \$40 Million of Acquisition Capital in Profitable Plumbing End Market

November 7, 2024

Investment Highlights

- Capital investment of \$40 million for acquisition of PF Waterworks, LP, which offers innovative, eco-friendly drain management solutions
- Valuation represents approximately 9.5x PF Waterworks' trailing twelve-months' EBITDA
- Expected to be accretive to earnings per share in the first full year of ownership
- \$695 million of cumulative acquisition capital investment since going public in October 2015

DALLAS, Nov. 07, 2024 (GLOBE NEWSWIRE) -- CSW Industrials, Inc. (Nasdaq: CSWI) today announced the strategic acquisition of PF Waterworks, LP, deploying \$40 million. This additional acquisition in our Contractor Solutions Segment represents the Company's commitment to allocate capital on a risk adjusted returns basis for innovative products which add vitality to our portfolio of products. CSWI funded the transaction with cash on hand.

Joseph B. Armes, Chairman, President, and Chief Executive Officer of CSW Industrials, said, "I am pleased to announce the acquisition of PF Waterworks, which is a synergistic acquisition within our existing plumbing end market, where we have opportunity for expansion. The addition of these new products to our portfolio expands our offering of innovative plumbing products and further fuels the opportunity for additional inorganic growth and market share gains."

Jeff Underwood, Senior Vice President of CSWI and General Manager, Contractor Solutions, commented, "We are thrilled to bring the PF Waterworks team to the CSWI family. I have known the company and owner for a number of years and watched PF Waterworks grow into a sizeable supplier to a number of shared customers based on product innovation and service, which are core values at CSWI."

PF Waterworks develops and manufactures revolutionary, problem-solving plumbing products targeting 'Clean and Green' for both residential and commercial applications. The advanced, proven technology used in these products is certified for public health and safety and provides dependable performance that promotes self-sufficiency and makes life easier for homeowners, contractors, property managers, and builders. PF Waterworks sets a new industry standard in drain management products while providing excellent value for partners and customers.

The \$40 million of capital for the acquisition of PF Waterworks, including estimated working capital adjustments but excluding future earn-outs, represents a valuation of approximately 9.5x PF Waterworks' trailing twelve-month adjusted earnings before interest, taxes, depreciation, and amortization (EBITDA).

Safe Harbor Statement

This press release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, as amended. Words or phrases such as "may," "should," "expects," "could," "intends," "plans," "anticipates," "estimates," "believes," "forecasts," "predicts" or other similar expressions are intended to identify forward-looking statements, which include, without limitation, earnings forecasts, effective tax rate, statements relating to our business strategy and statements of expectations, beliefs, future plans and strategies and anticipated developments concerning our industry, business, operations, and financial performance and condition.

The forward-looking statements included in this press release are based on our current expectations, projections, estimates, and assumptions. These statements are only predictions, not guarantees. Such forward-looking statements are subject to numerous risks and uncertainties that are difficult to predict. These risks and uncertainties may cause actual results to differ materially from what is forecast in such forward-looking statements, and include, without limitation, the risk factors described from time to time in our filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K.

All forward-looking statements included in this press release are based on information currently available to us, and we assume no obligation to update any forward-looking statement except as may be required by law.

About CSW Industrials

CSW Industrials is a diversified industrial growth company with industry-leading operations in three segments: Contractor Solutions, Specialized Reliability Solutions, and Engineered Building Solutions. CSWI provides niche, value-added products with two essential commonalities: performance and reliability. The primary end markets we serve with our well-known brands include: HVAC/R, plumbing, electrical, general industrial, architecturally-specified building products, energy, mining, and rail transportation. For more information, please visit www.cswindustrials.com.

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