

Methven Completes Acquisition of Premium Chinese Tapware Manufacturer

Methven is delighted to announce the completion of its acquisition of the premium tapware manufacturer Invention Sanitary on the 30th June 2014. Methven Group CEO David Banfield commented “The purchase of Invention Sanitary represents an important milestone for Methven. Our confidence remains high that the new business will deliver US\$2 million per annum in incremental net profit after tax from September 2014. This helps to ensure our ongoing competitiveness and gives added flexibility to our manufacturing and supply chain.”

The original deal announced on the 29th July 2013, is the culmination of more than 13 years working together. “The sense of commitment to our partnership has been even more evident over the past eleven months,” David Banfield says. “A dedicated team has worked within Invention Sanitary’s operation to help ensure a successful financial, cultural and operational transition. I am delighted to confirm that Invention Sanitary’s founder and owner, Mr Hui Zhuang will remain in the business as the CEO. I am equally delighted to warmly welcome all our new colleagues in China to the Methven family.”

Earnings from the business in the 12 months ended 30 June 2014 exceeded the maximum threshold, and as a result Methven has paid the maximum initial purchase price on completion of USD\$8 million (NZD\$10 million).

The initial purchase price was settled by payment of USD\$4 million (NZD\$5 million) in cash, and USD\$4 million (NZD\$5 million) from the issuance of new shares in Methven Limited. The cash consideration has been funded from Methven’s existing bank facilities.

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