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Water Intelligence PLC  
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**Water Intelligence plc**  
("Company" or the "Group")

**1H Trading Update; Reacquisition of Northern Virginia franchise**

Water Intelligence plc (AIM: WATR.L), a leading provider of precision, minimally-invasive leak detection and remediation solutions is pleased to provide a trading update for the period January to June 2017. The Group's Interim Results for the six months ending 30 June 2017 are anticipated to be released early in September. This update reaffirms the guidance provided in April that the growth of the business is continuing to accelerate.

Trading Update. Through June, sales reached approximately \$8.5 million representing 50% growth over the same period during 2016. This growth path compares favourably with full year 2016 sales growth of 38% (2015: 23%). Moreover, through June, the key drivers underlying the Group's sales are also accelerating. Royalty growth from the American Leak Detection ("ALD") franchise business is running at approximately 10% reaching \$3.2 million. Such royalty income implies that system-wide sales for the franchise business, from which royalty income is derived, are passing \$80 million notwithstanding the continued reacquisition of select franchise territories. The acceleration in growth has been largely a result of sales through national channels, led by insurance companies, as well as continued strong local progress. Sales from ALD's corporate stores are running at 70% growth reaching \$3.1 million, demonstrating our ability to accelerate growth in operating units following reacquisition and additional investment. Further, UK sales from NRW's municipal business continue to grow reaching \$0.7 million for the first half of 2017. We expect to leverage this business line through the ALD network, especially Australia, in future periods. Profits before tax remain in line with expectations, reflecting the Company's choice to fuel further growth through reinvestment in both additional staff and marketing efforts in order to capitalise on the market opportunity in its geographies: United States, United Kingdom, Canada and Australia.

New Reacquisition. The Group continues to fuel its corporate growth strategy by selectively reacquiring franchisees from its pool of \$80 million in franchise sales. In June, the Group reacquired its Indianapolis franchise and strengthened its growth path in the Midwest towards launching a Chicago regional location in 2018. On August 8, 2017 the Group reacquired its franchise located in Northern Virginia. Revenue and earnings from that franchise's operations will be added to corporate operations that were launched in Washington D.C. during May and which have been immediately profitable. Combined with Northern Virginia, there is a critical mass of revenue and earnings for establishing a regional corporate hub that will also support franchise operations located in the mid-Atlantic states.

The Group continues to have sufficient cash reserves to execute its growth plan. Cash at the end of June was a little over \$1.0 million, which is consistent with year-end 2016 levels.

The 1H results provide the Group confidence that it should continue with its "multinational growth" plan, a direction indicated in the Outlook section of the Chairman's Statement for the 2016 Report. As noted in the 2016 Statement, we continue to believe that the milestone of \$20 million in annual sales for Water Intelligence is within sight, up from \$7.2 million at year-end 2014.

Commenting on the Group's trading performance, Dr. Patrick DeSouza, Executive Chairman of the Company, stated:

"We are pleased that sales growth continues to accelerate along all key dimensions and that we are in range of tripling our level of sales in three years. Importantly, we are maintaining healthy levels of profitability despite significant investment in pushing and sustaining our growth path. Because of the size and importance of the market for water loss solutions, our goal remains to create a valuable multinational growth company."

The information communicated in this announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No. 596/2014.

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