



Hawkins, Inc. Expands Water Treatment Offerings with Complementary Acquisition of WaterSurplus

ROSEVILLE, Minn., April 25, 2025 -- Hawkins, Inc. (Nasdaq: HWKN), a leading water treatment and specialty ingredients company, has completed the acquisition of the assets of Surplus Management, Inc., doing business as WaterSurplus. WaterSurplus delivers sustainable water treatment solutions throughout the United States focused on membrane separation systems, engineering and design services, media filtration systems, new equipment and rental unit manufacturing and sales, along with rapid-response PFAS removal solutions for “forever chemicals”.

“WaterSurplus is an excellent addition to our portfolio as we continue our strategy to grow our higher-margin business and expand our portfolio of value-added products. The company shares our culture, quality, and our high bar on customer service. We previously partnered with WaterSurplus to be our trusted partner for large-scale equipment opportunities. By combining Hawkins’ chemistry, service, and technical expertise with WaterSurplus’ design, engineering, and filtration systems, Hawkins will now have a full-service equipment and chemical offering for water treatment customers throughout the U.S.,” said Hawkins’ Chief Executive Officer Patrick H. Hawkins.

Mr. Hawkins continued, “We have completed 13 acquisitions of varying sizes over the last 5 years to rapidly build our growing Water Treatment business that we expect to exceed \$500 million in revenue in fiscal year 2026. While this is on the higher end of our recent acquisitions, we have done deals of similar scope, and WaterSurplus is a great fit with us. Over the past decade, integrating acquired companies has become a core competency of our organization, and it will continue with WaterSurplus. We believe that this business will allow us to increase the growth of our Water Treatment segment at a faster organic rate than in the past as we can make strategic investments to maximize the significant potential in this key business and provide valuable solutions to our customers and long-term value to our shareholders.”

Mr. Hawkins concluded, “Just like us, WaterSurplus places the customer first and has built high-quality products and solutions serving a large number of long-term customers, including a number of Fortune 500 customers. WaterSurplus serves not only municipal water customers but also has a significant presence in the food and beverage industry. Both companies are committed to a seamless transition for our customers, suppliers and employees. On behalf of the entire Hawkins organization, I welcome the WaterSurplus team to the Hawkins family and look forward to our continued growth together.”

John Barelli, Founder and President, of WaterSurplus said, “This acquisition is not just a major milestone for WaterSurplus and our team, it is a launchpad for our new intellectual property into existing and new water process treatment market segments. Joining forces with Hawkins gives us the scale and resources to accelerate our vision to build and implement the most efficient and sustainable reverse osmosis systems in the marketplace.”

Mr. Barelli continued, “Our technology addresses many existing global water issues such as high-salinity water, and contaminants such as iron, manganese, radium, PFAS and future emerging contaminants. It is an honor that Patrick and his team chose WaterSurplus to invest in the process equipment solutions marketplace. I am incredibly proud of what our team has accomplished over

the last 35 years and look forward to working with the entire Hawkins crew to continue delivering top-tier equipment solutions with unmatched customer service.”

Key financial highlights:

- The Company also closed on an amended \$400 million revolving credit facility with U.S. Bank National Association, JP Morgan Chase Bank, N.A., Wells Fargo Bank, N.A., and Associated Bank, N.A., increasing the size from \$250 million and with rates similar to our previous credit facility.
- Hawkins intends to use the cash on hand and available borrowings to fund the acquisition.
- Hawkins proforma leverage ratio will be approximately 1.7x trailing 12-month proforma adjusted EBITDA, leaving significant availability for future tuck-in acquisitions.
- WaterSurplus generated adjusted EBITDA of approximately \$10 million for the fiscal year ending December 31, 2024.
- The acquisition is expected to be accretive to Hawkins’ earnings per share in fiscal year 2027, and improves the margin profile of Hawkins’ current Water Treatment business.

Key business highlights:

- WaterSurplus was founded in 1989, is based in Loves Park, IL (near Rockford) and has consistently generated strong cash flows from operations.
- Hawkins’ Water Treatment Group has over 10,000 active customers that now have the ability to buy or rent WaterSurplus equipment units, along with its design and engineering services.
- WaterSurplus offers patented products within its filtration business that reduce the frequency of membrane cleaning resulting in lower energy costs, downtime, and lower overall operational costs, including NanoStack™, ImpactRO™, and NanoScope™.
- By adding WaterSurplus’ offerings to Hawkins traditional chemistry and technical expertise, Hawkins can now offer a scope of services and products that few competitors can match.
- Similar to Hawkins, WaterSurplus excels at servicing their customers and has developed long-term, loyal customer and supplier relationships.
- For more information on WaterSurplus’ products and services, please visit www.watersurplus.com.

About Hawkins, Inc.

Hawkins, Inc. was founded in 1938 and is a leading water treatment and specialty ingredients company that formulates, distributes, blends, and manufactures products for its Water Treatment, Industrial, and Health & Nutrition customers. Headquarters in Roseville, Minnesota, the Company has 63 facilities in 28 states and creates value for its customers through superb customer service and support, quality products and personalized applications. Hawkins, Inc. generated \$919 million of revenue in fiscal 2024 and has approximately 1,100 employees. For more information, including registering to receive email alerts, please visit www.hawkinsinc.com/investors.

Forward-Looking Statements. Various remarks in this press release constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements include those relating to the size of our Water Treatment business, the growth of our business, leverage ratios, and the acquisition’s impact on our financials. These statements are not historical facts, but rather are based on our current expectations, estimates and projections, and our beliefs and assumptions.

Forward-looking statements may be identified by terms, including “anticipate,” “believe,” “can,” “could,” “expect,” “intend,” “may,” “predict,” “should,” or “will” or the negative of these terms or other comparable terms. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and other factors, some of which are beyond our control and are difficult to predict. Actual results may vary materially from those contained in forward looking statements based on a number of factors, including, but not limited to, changes in competition and price pressures, our ability to integrate the acquired business, changes in demand and customer requirements or processes for our products, availability of product and disruptions to supplies, interruptions in production resulting from hazards, transportation limitations or other extraordinary events outside our control that may negatively impact our business or the supply chains in which we participate, changes in imported products and tariff levels, the availability of products and the prices at which they are available, the acceptance of new products by our customers and the timing of any such acceptance, and changes in product supplies. Additional information concerning potential factors that could affect future financial results is included in our [Annual Report on Form 10-K for the fiscal year ended March 31, 2024](#), as updated from time to time in amendments and subsequent reports filed with the SEC. Investors should take such risks into account when making investment decisions. Shareholders and other readers are cautioned not to place undue reliance on forward-looking statements, which reflect our management’s view only as of the date hereof. We do not undertake any obligation to update any forward-looking statements.

Contact: Jeffrey P. Oldenkamp
 Executive Vice President and Chief Financial Officer
 612/331-6910
 ir@hawkinsinc.com