

WATER PIK TECHNOLOGIES INC
Form DEFA14A
April 07, 2004

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

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Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
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Water Pik Technologies, INC.

(Name of Registrant as Specified In Its Charter)

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Well-positioned for accelerated growth with earnings leverage

April 2004

Why Are We Here Today

Review Company performance

Review strategy that got us here

Describe where we go from here

Answer your questions

PIK Outperformed in a Tough Economy

[CHART]

Source: Yahoo.com Data 11/30/99 through 4/5/04

**3-Year Average Returns:
PIK Performance vs. Industry Groups**

[CHART]

Industry Group data as reported in *The Wall Street Journal*, Monday March 8, 2004

Results and Outlook are Strong

	2003	2002	Increase
<u>Actual Results Dec. Quarter</u>			
PHC Revenue	\$ 36.5	\$ 33.6	8.6%
PPHS Revenue	\$ 60.6	\$ 51.0	18.8%
PIK Revenue	\$ 97.1	\$ 84.6	14.8%
PIK EPS	\$ 0.47	\$ 0.32	46.8%
<u>Current Outlook Year Ended September</u>			
FY04 Revenue Growth Target		12-14%	
FY04 EPS Dollar Target		\$1.00 - \$1.05	
FY04 EPS Growth Target		37-44%	

Dollars in millions except EPS for fiscal year-end Sept. 30

At The Time of The Spin-off

Strengths

Several No. 1 market share positions

Well recognized consumer/trade brands

Broad-based distribution channels

Strong relationships with pool builders

Challenges

Flat/declining sales and profit

Low level of capital investment

Lack of new products in pipeline

No momentum with major retailers

High cost, U.S. based manufacturing capability

Lack of critical mass across business

Other

Establish public company infrastructure

Raise/spend capital in 24 months (IRS Ruling)

Our Chosen Strategy

Create critical mass in existing businesses

Drive growth through innovative new products

Extend proven brands into new categories

Become more important to major retailers

Participate in pool industry consolidation

Reduce manufacturing cost position

Drive business focus through strategic acquisitions

What We Have Accomplished

Performed through tough economic climate

Invested capital in new products/cost reduction

Maintained strong balance sheet

Launched new products into all categories

Re-established leadership position in retail categories

Developed complete pool equipment line

Completed two strategic acquisitions to drive business focus

Developed a global manufacturing capability

Consolidated/strengthened enterprise information systems

Increased Investment in Business

[CHART]

For fiscal year-end Sept. 30

Maintained Strong Balance Sheet

Debt to Total Capital

[CHART]

For fiscal year-end Sept. 30

10

New Products are Driving Growth

% of Sales from New Products Less than 3 Years old

[CHART]

For fiscal year-end Sept. 30

Markets in Which We Compete:
Pool Equipment

[CHART]

Markets in Which We Compete:
Water-heating Systems

[CHART]

Shower Price Points

	Under \$20.00	\$20.00-\$30.00	\$30.00-\$50.00	over \$50.00
Pulsating	Original Shower Products	Elements® March 2004	Original Shower Products	New Visions® August 2001
Pan Head		AquaFall® May 2001		Medallion Cascadia® May 2001

Summary of New Product Introductions 2000-2004

Oral Health products: SynchroSonic[®], Cordless Dental Water Jet, Flosser, Travelbrush and Vibe[®]

Shower products: AquaFall[®], Cascadia[®], New Visions[®], Shower Panel, Flexible Shower Massage[®], Misting Massage[®], Medallion , Element[®] and Shower Filter

Other products: AccuReach[®], Foot Spas and Aquia

Pool products: Pool Heaters (LX, LT and HotShot[®]), Heat Pumps, AquaLink[®], Pumps, Filters, ClorMatic[®], Aqua Accents , Deck Jets, Pool Maintenance Kit and Outdoor Shower

Water-heating systems: Rheos[®], Pennant[®] and Endurance

Rationalizing Manufacturing

1999	2000-04	2003-04	Beyond 2004
[GRAPHIC]	Secured offshore sources for lower cost product	[GRAPHIC]	Global supply chain expertise provides opportunity for additional rationalization
Reduced manufacturing facilities from 9 to 5		Added 2 manufacturing facilities through acquisitions	

Where Do We Go From Here

Continue sales momentum and leverage earnings

Focus R&D/capital on leadership positions

Launch PHC retail products to continue gains

Aggressively convert pool builders to Jandy System

Build on Heating Systems sales turnaround

Expand global manufacturing capability

Continue acquisition strategy to drive focus

Deliver consistent sales and earnings performance

Next Steps in Building Shareholder Value

Complete comprehensive business review to include:

Short and long-term business strategies

Contribution analysis of each product category

Opportunities to consolidate additional facilities

Overall financial analysis of all business options

Report findings/recommendations to Board

Maintain management continuity to deliver value

Forward-looking Statements

This presentation, and discussions related to this presentation, which are not historical facts may be considered forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. Actual results could differ materially from these forward-looking statements as a result of the risk factors described in the Company's filings with the Securities and Exchange Commission. In light of these risks and uncertainties, there can be no assurance that the forward-looking information expressed in this presentation will in fact transpire.

Proxy Information

Participants and additional information

Information regarding persons who may be deemed to be participants in the solicitation of proxies on behalf of Water Pik Technologies, Inc. (the Company) in connection with the 2004 Annual Meeting of Stockholders has been filed by the Company with the Securities and Exchange Commission on Schedule 14A. Please see Annex C to the Company's preliminary Proxy Statement filed with the Securities and Exchange Commission (SEC) on March 10, 2004, and updates to information regarding the participants as they are filed by the Company with the SEC.

Investors are urged to read the Company's Proxy Statement and additional solicitation materials when they become available and other relevant documents filed with the SEC by the Company because they will contain important information.

Investors will be able to obtain the Company's SEC filings free of charge at the SEC website (www.sec.gov). In addition, documents filed with the SEC by the Company will be available free of charge by contacting Water Pik Technologies, Inc., 23 Corporate Plaza, Suite 246, Newport Beach, California 92660, (949) 719-3700.

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