



Reliance Worldwide Corporation Limited

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ASX Announcement

9 November 2016

CHAIRMAN'S AND CHIEF EXECUTIVE OFFICER'S ADDRESSES TO THE ANNUAL GENERAL MEETING

Attached are the Chairman's and Chief Executive Officer's addresses to be presented at the Annual General Meeting of Reliance Worldwide Corporation Limited which is being held at 2.30pm today.

For further enquiries, please contact:
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RELIANCE WORLDWIDE CORPORATION LIMITED

ANNUAL GENERAL MEETING

WEDNESDAY 9 NOVEMBER 2016

CHAIRMAN'S ADDRESS

Good afternoon ladies and gentlemen. My name is Jonathan Munz. As chairman of directors, I welcome all shareholders and guests to this inaugural annual general meeting of Reliance Worldwide Corporation Limited.

Successful IPO

The IPO of the Company in April was extremely successful with very high demand from Australian and international institutional investors and excellent retail demand. We remain very pleased with the ongoing support and confidence of our shareholders as we continue to strive to build shareholder value.

Financial Performance

Heath will shortly speak about our operational performance and outlook. The Board was pleased to report that the FY2016 results were in line with or ahead of forecast with all segments delivering significant growth against prior period results. Our management team and workforce are dedicated and professional people who continue to deliver strong operating and financial outcomes. On behalf of the Board, I thank them for their continuing efforts.

Growth outlook

We remain confident that the Company has the appropriate strategies in place to continue to grow the financial results of the business. We are well positioned with a strong balance sheet and have significant liquidity available to fund the projected growth.

Dividend

It remains the Board's intention to declare an interim dividend for the half year ending 31 December 2016 in line with our dividend policy to target a payout ratio of 40% to 60% of the Company's annual net profit after tax. The amount of any interim dividend will be determined by the Board when the half year results are known and other relevant factors are considered.

I will now ask Heath to present on operational performance and outlook.

RELIANCE WORLDWIDE CORPORATION LIMITED

ANNUAL GENERAL MEETING

WEDNESDAY 9 NOVEMBER 2016

CHIEF EXECUTIVE OFFICER'S ADDRESS

Thank you Jonathan.

Good afternoon ladies and gentlemen.

As Jonathan indicated, we were pleased with the interest and support for the Company at the time of the IPO. I have since spoken with many of our shareholders and remain pleased with the continuing support for our overall strategy.

Financial Results and Outlook

In relation to our results for FY2016, these were in line with or ahead of the forecasts contained in the IPO prospectus. Pleasingly, for FY2016 we reported double digit growth in net sales, EBITDA and EBIT compared with pro forma FY2015. The growth was underpinned by strong demand from our Retail and Wholesale channels across the year. We saw continued strong growth in our core SharkBite business. An ongoing focus on cost reductions, procurement savings and operational efficiencies helped drive margin expansion.

Trading for FY2017 to date has been solid. We remain on track to deliver the full year profit forecast provided in the Prospectus assuming that current general economic conditions are maintained, including in the geographies where Reliance operates, and there being no significant changes to foreign currency exchange rates, particularly USD/AUD. The Prospectus forecast assumes a USD/AUD exchange rate of 75 cents. Every 1 cent movement in that exchange rate impacts NPAT by approximately \$600,000.

We continue to focus on building brand awareness for the SharkBite Push-To-Connect (**PTC**) fittings and associated accessories. SharkBite products have been the primary driver of the business over several years and will continue to be so going forward, particularly in the Americas, our largest segment. We are a leader in the PTC fittings category in our largest markets in the Americas and Asia-Pacific segments. The majority of PTC sales continue to be into the repair and maintenance and renovation end markets.

Complementing the PTC products are our traditional control valves and thermostatic mixing valves, as well as PEX pipe and crimp fittings. The control valves remain a very solid base for the business. Thermostatic products are growing very well and are a strategically important

product for all our segments. The PEX pipe and fittings are providing their ongoing roles as support to the PTC products. We have seen time and time again the benefit to PTC growth when PEX pipe and fittings are sold as a system and displayed adjacent to PTC in a clear and coherent SharkBite brand presentation.

Our balance sheet is strong with significant liquidity in place to support continued growth. In terms of working capital, we are growing our inventory towards 31 December as we do each year in readiness for any freeze event which may occur in North America during the northern hemisphere winter. This year we have also commenced building inventory for delivery to Lowe's. If no freeze event occurs, as was the case this year, then we will manage down our inventory levels in the second half of FY2017. Our operational teams achieved this in FY2016 and we would expect to do so again next year if required.

EvoPEX

The EvoPEX PTC fitting is being designed for the new housing construction and major renovation markets in North America. EvoPEX is currently the main focus of new product development. The product remains on target to becoming broadly available in 2017. We expect to see some revenue impact in the second half of FY2017 with solid revenue growth expected from FY2018. The EvoPEX fittings will also pull through sales of PEX pipe, as it is presented to the market as a pipe and fittings system. We also see that every crimp fitting we sell today as an opportunity for conversion to an EvoPEX fitting in the future.

Lowe's

We are now very much involved in the process of working with Lowe's on the rollout into more than 1,700 of their Home Improvement Centers across the USA. The Lowe's rollout will be a phased process which is expected to commence in the second half of this financial year with the full rollout aiming to be completed across 2017/18. The rollout timing is under the control of Lowe's and any changes to the rollout schedule may impact our 30 June 2017 inventory level. This would correct as the rollout proceeds.

The arrangement with Lowe's involves a multi-year relationship. Reliance will be the sole supplier to Lowe's of PTC fittings and accessories and related products. Importantly, this arrangement does not prevent us from supplying to other retailers and wholesalers.

The agreement with Lowe's is a clear confirmation of the quality and value of our SharkBite brand and products, as well as our marketing and execution capability. Access to the Lowe's network across the USA provides an excellent opportunity for Reliance, ensuring our products are marketed across the broadest possible network of retail and wholesale channel partners in the

USA. This will aid our efforts to increase the growth of the PTC category in North America. Our focus remains on creating brand awareness leading to category growth.

One of the reasons we are able to handle a new customer the size and complexity of Lowe's is because the investment we have made into expansion of our facilities in Cullman, Alabama has provided us with the capacity to meet the increased production requirements. As we continually review our production requirements, the expected increase in volume to support Lowe's may require that we bring forward some of the capital expenditure planned for FY2019 into FY2018 and require us to pay deposits on new machinery during FY2017.

The Home Depot

The agreement with Lowe's was entered into after The Home Depot (**THD**) elected to terminate the exclusive supply agreement which was in place. THD terminated the exclusive agreement on the basis of the change of control event which triggered when the IPO completed. The effect of termination is that THD is able to source PTC products and accessories from other suppliers and Reliance is able to supply its SharkBite PTC products and accessories to other home improvement retailers. It is important to stress that our general supply agreement with THD remains in force.

I am pleased to say that to date it has been business as usual with THD. That is not to say that we won't be subject to business reviews which may result in some pricing or product supply changes. But to date we continue to work with THD to grow their business, including continuation of major projects.

The Home Depot is a tremendously impressive organisation, with extremely strong servicing of the pro contractor in the home improvement sector. They have been an important part of building the SharkBite franchise and remain a highly valued, long-term partner of ours. Going forward, there are many more years of strong growth of SharkBite PTC fittings and related products at THD. We remain committed to them and will continue to support and drive their growth in the same manner we have up to this point, offering our full range of SharkBite branded PTC and related products, complemented with strong marketing support and delivery and supply chain excellence.

Other distributors

As well as supporting THD and Lowe's, we will also continue our efforts with all of our other retail and wholesale distributors across all segments. We take a great deal of satisfaction from helping our customers grow their businesses with the high value, rapidly growing SharkBite system of behind-the-wall plumbing solutions

Innovation

A key element of our success to date is our product innovation, which has allowed us to disrupt the existing market. Our core objective in the market is to make our professional contractors' life easier, while creating value for our distributors. To do this we continue to focus on innovation and new product development. This will always be a primary activity for Reliance. We are pushing ahead with new products, most notably EvoPEX and 2XL, in the near term. We are also continuing our work to further integrate SharkBite PTC technology into our traditional valves and controls, to deliver a more systemised solution for our contractors. Going forward, we will continue this convergence of our water conveyance and water control products and also expect and intend to progress in overlaying them with "smart controls" to allow comprehensive visibility and control via an Internet-of-Things (IoT) platform.

Global Chief Financial Officer

On Monday we announced that Terry Scott will be stepping down as Global CFO and that Gerry Bollman has been appointed as Global CFO commencing 5 December 2016. The change is part of our succession planning with the timing driven by us having been able to identify and then secure Gerry very early in the search process.

I would like to thank Terry for his contribution to Reliance over the past 27 years. Terry has had an integral role in making Reliance the company it is today. Terry will remain with Reliance full time for the next several months to ensure a smooth transition. He will then continue as a consultant to the Company.

We look forward to Gerry commencing with Reliance in December. Gerry brings significant international experience and is well qualified to step into the Global CFO role. He is well known to the Australian investor community through his previous role with Fletcher Building Limited. Gerry will be based in Atlanta. I look forward to introducing Gerry to you after he commences.

All in all, we are very pleased with how we are currently positioned, and look forward to providing a more detailed update of our financial progress in our half year results announcement.

Thank you.