# FY24 Results Presentation

20 August 2024


**RELIANCE WORLDWIDE CORPORATION LIMITED**
ABN 46 610 855 877

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All figures are presented in US Dollars unless indicated otherwise. The sum totals throughout this presentation may not add exactly due to rounding differences.

The information in this presentation remains subject to change without notice. Circumstances may change and the contents of this presentation may become outdated as a result.

This presentation forms part of a package of information about Reliance Worldwide Corporation Limited. It should be read in conjunction with the Appendix 4E, 2024 Annual Report and Results Announcement also released on 20 August 2024.

# FY24 Overview

## Strong execution offset soft residential new construction and remodel markets

### Strong financial performance

Resilient RMI end markets supported volumes despite higher interest rates and lower economic growth

$23 million cost reductions enabled stable margin performance despite lower volumes

Strong operating cash flow generation enabled further reduction in leverage while also funding Holman acquisition

### Successful new product rollouts boosted performance

SharkBite Max: solid operational execution, rollout schedule and commercial objectives met

PEX-a pipe and expansion fittings: retail rollout completed, wholesale underway

EZ-Flo gas appliance connectors: expanded retail distribution

### Holman acquisition completed and integration with RWC well advanced

Combined RWC and Holman organisation structure implemented

Revenue growth opportunities are being actively progressed

Planning around DC consolidation and manufacturing footprint optimisation underway

### Progress with group-wide operational projects that will underpin future performance

52% reduction in Recordable Injury Frequency Rate[1] to 2.62

35% reduction in Scope 1 and 2 GHG emissions compared to FY21 baseline, tracking to 42% reduction goal by 2030

Group-wide initiatives underway around:

- Supply Chain
- Strategic sourcing
- Operations and Fulfillment



[1] Measures all recorded lost time injuries plus other injuries requiring medical treatment, per one million hours worked

# FY24 Financial Highlights

## All figures in US$

**Net sales**

**$1,245.8 million**

+0.2% growth overall[1]

-2.4% excluding Holman

**Adjusted EBITDA**

**$274.6 million**

In line with pcp

Underlying Adjusted EBITDA margin: 22.3%[2]

**Adjusted NPAT**

**$146.9 million**

-5.7% on pcp

$23 million in cost savings partly mitigated impact of lower volumes

**Cash generated from operations**

**$314.2 million**

+7% versus pcp

Cash conversion: 114%[3]

**Net leverage ratio[4]**

**1.59x**

Net debt $421.1 million

Total debt facilities: $1,050 million

**Final distribution**

**US 5.0cps**

**Total FY24 distributions**

**US 9.5cps**

1 Growth rates expressed as change over comparative period for the year ended June 2023
2 Excluding Holman
3 Cash generated from operations/Adjusted EBITDA
4 Net Debt/12-month trailing EBITDA. Excludes leases.

# FY24 Performance Summary

| Year ended: US$m | 30 June 2024 | 30 June 2023 | % Change |
|---|---|---|---|
| **Net sales** | **1,245.8** | **1,243.8** | **0.2%** |
| **Reported EBITDA** | **247.5** | **276.1** | **(10.4%)** |
| Adjusted for one-off items[1] | 27.1 | (1.5) | |
| **Adjusted EBITDA** | **274.6** | **274.6** | **0.0%** |
| Depreciation and amortisation | (60.0) | (52.6) | 14.2% |
| **Adjusted EBIT** | **214.5** | **222.0** | **(3.4%)** |
| Net finance costs | (30.9) | (32.3) | (4.3%) |
| **Adjusted net profit before tax** | **183.6** | **189.7** | **(3.2%)** |
| Adjusted tax expense | (36.7) | (34.0) | 7.9% |
| **Adjusted net profit after tax** | **146.9** | **155.7** | **(5.7%)** |
| **Reported net profit before tax** | **156.5** | **191.2** | **(18.1%)** |
| Tax expense | (46.4) | (51.5) | (9.9%) |
| **Reported net profit after tax** | **110.1** | **139.7** | **(21.2%)** |
| Basic earnings per share | 14.0 cents | 17.8 cents | (21.3%) |
| **Adjusted earnings per share** | 18.7 cents | 19.8 cents | (5.6%) |

## Commentary

- Net sales up 0.2% on pcp, included a partial contribution from Holman
  - Excluding Holman, sales were 2.4% lower than the pcp
- Volumes were softer in all regions due to weaker remodel and residential new construction markets, offset by new product revenues and Holman acquisition
- Adjusted EBITDA was $274.6 million, in line with the pcp
- $27.1m in one-off costs incurred related to:
  - Closure of Supply Smart and US DC rationalisation ($11.0m)
  - EMEA restructure, impairment of Spain manufacturing assets ($8.4m)
  - Holman acquisition costs, Melbourne plant closure, ($7.7m)
- Adjusted EBITDA margin of 22.0% broadly in line with the pcp,
  - Excluding Holman, Adjusted EBITDA margin improved to 22.3%
- Cost savings of $23m achieved in the period, driven by prior period restructuring in the Americas, procurement savings, restructuring in EMEA, and other continuous improvement initiatives
- Depreciation and amortisation expense reflects impact of Holman acquisition and recent capital expenditure

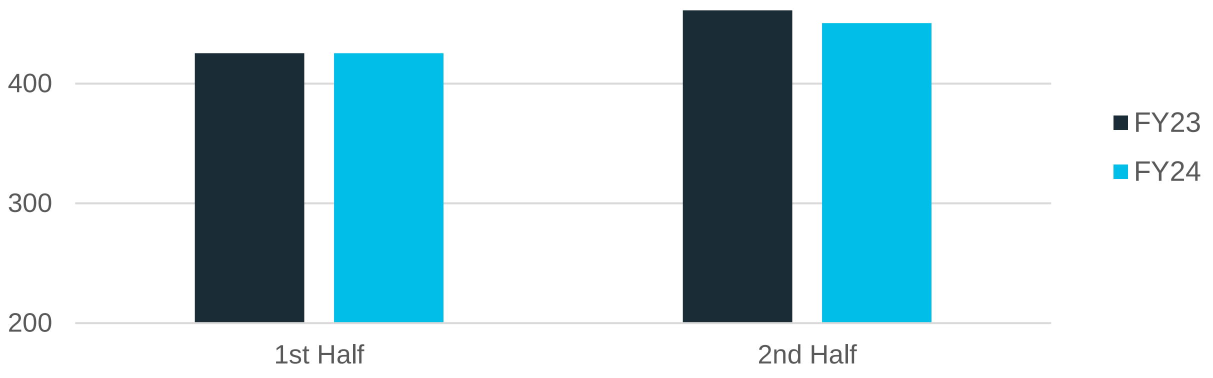
[1] Refer to Slide 17 for details of one-off costs, EBITDA, EBIT and NPAT adjustments

# Segment results: Americas

## Strong operating earnings growth

| Americas US$m | FY24 | FY23 | % Change |
|---|---|---|---|
| **Net Sales** | **877.7** | **890.1** | **(1.4%)** |
| **Adjusted EBITDA**[1,2] | **184.3** | **159.5** | **15.5%** |
| *Adjusted EBITDA margin (%)* | *21.0%* | *17.9%* | *310bps* |
| **Adjusted EBIT**[1,2] | **152.0** | **131.0** | **17.0%** |
| *Adjusted EBIT margin (%)* | *17.3%* | *14.7%* | *260bps* |

**Americas Half Year Revenue Trend (US$m)**
**Net External Sales**




### Commentary

- Weaker demand from discretionary remodel end-markets adversely impacted sales, but was largely offset by new product revenues:
  - Continued rollout of SharkBite Max, now substantially completed
  - Distribution expansion for EZ-Flo's gas appliance connectors
  - Rollout of PEX-a pipe and expansion fittings
  - Launch of HoldRite fixture boxes
- Closure of the Supply Smart sales model was completed during the year
  - Excluding Supply Smart, America's sales were 0.6% lower than pcp
- Adjusted EBITDA margin was 21.0% versus 17.9% in the pcp, driven by:
  - $7m benefit from the transfer of some SharkBite Max manufacturing and assembly from Australia to the US
  - Cost reduction initiatives, including Americas organisation restructure in FY23, procurement savings and ongoing EZ-Flo cost synergies
- Adjusted EBITDA excludes $11m in one-off costs:
  - Closure of Supply Smart ($10m): non-cash impairment of intangible assets (customer relationship intangibles), severance costs
  - $1m costs incurred in the closure of 2 US distribution centres

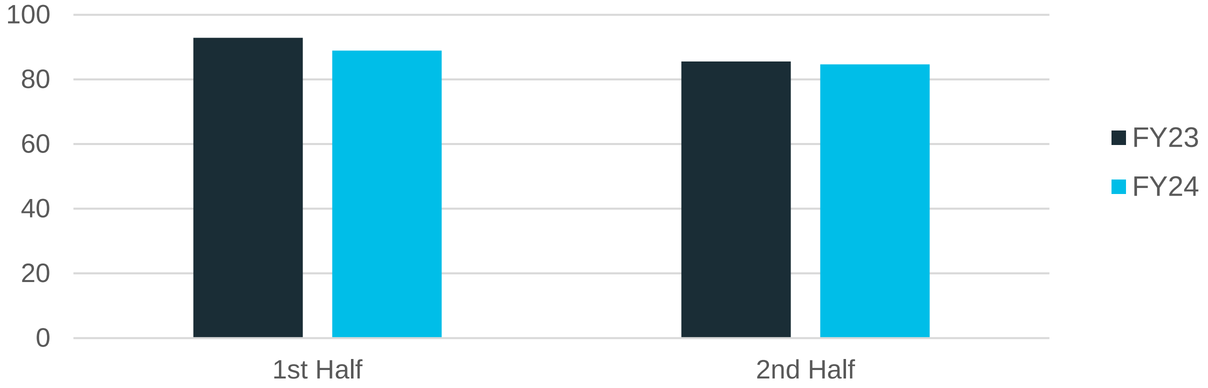
1 Refer to Slide 17 for details of one-off costs, EBITDA and EBIT adjustments
2 Prior to elimination of profits made on inventory sales between segments

# Segment results: Asia Pacific

## Transfer of SharkBite manufacturing to the US impacted volumes and margins

| Asia Pacific<br>A$m | FY24 | FY23 | % Change |
|---|---|---|---|
| **Net Sales** | **290.1** | **282.7** | **2.6%** |
| **Adjusted EBITDA[1,2]** | **33.3** | **47.2** | **(29.4%)** |
| *Adjusted EBITDA margin (%)* | *11.5%* | *16.7%* | *(520bps)* |
| **Adjusted EBIT[1,2]** | **15.8** | **33.2** | **(52.4%)** |
| *Adjusted EBIT margin (%)* | *5.4%* | *11.7%* | *(630bps)* |

**APAC Half Year Revenue Trend (A$m)**
**Net External Sales[4]**




### Commentary

- Sales were up 2.6%, including A$48.8m in sales from Holman
  - Excluding Holman, sales were down 14.6%: inter-company sales down 34.9% due to the progressive transfer of some manufacturing and assembly of SharkBite Max fittings to the Americas during the year
  - External sales were 2.8% lower due to lower new home construction activity in Australia (new dwelling units commenced -12.6% vs pcp)[3]
  - Sales to RWC's wholesale channel partners were higher than pcp due to new product initiatives and market share gains
- Adjusted EBITDA 29.4% lower than pcp, with an A$11m impact from the shift in production of SharkBite Max components to the Americas
- $7.7m in one-off costs incurred in FY24:
  - $4.0m Holman acquisition and integration costs
  - $3.4m relating to the unwind of Holman inventory fair value step up
  - $0.3m in costs relating to the Croydon plant closure
- FY25 depreciation and amortisation expense will be impacted by Holman acquisition:
  - Holman: PP&E depreciation (A$3.6m), lease amortisation (A$6.0m), amortisation of intangible assets (A$3.4m)

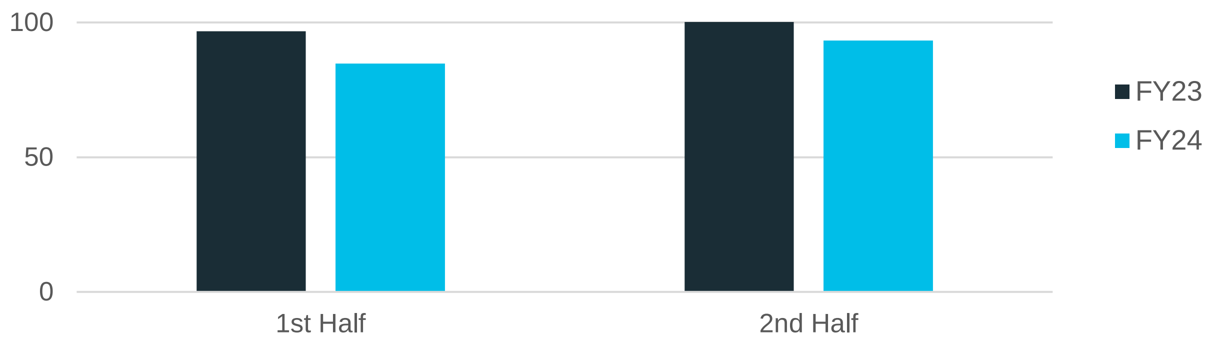
1 Refer to Slide 17 for details of one-off costs, EBITDA and EBIT adjustments
2 Prior to elimination of profits made on inventory sales between segments
3 Source: Australian Bureau of Statistics
4 Excludes Holman

# Segment results: EMEA

## Margins impacted by lower volumes in UK and Continental Europe

| EMEA £M | FY24 | FY23 | % Change |
|---|---|---|---|
| **Net Sales** | **209.4** | **226.0** | **(7.3%)** |
| **Adjusted EBITDA[1,2]** | **61.3** | **72.9** | **(15.9%)** |
| *Adjusted EBITDA margin (%)* | *29.3%* | *32.3%* | *(300bps)* |
| **Adjusted EBIT[1,2]** | **49.1** | **61.5** | **(20.2%)** |
| *Adjusted EBIT margin (%)* | *23.4%* | *27.2%* | *(380bps)* |

**EMEA Half Year Revenue Trend (£$m)**
**Net External Sales**




### Commentary

- Sales 7.3% lower than pcp, with external sales 9.6% lower than pcp:
  - UK external sales down 9.2% on pcp
    - UK plumbing and heating sales down 6.2% due to lower volumes in residential remodel and residential new construction
    - UK specialty product sales down 19.9%, lower volumes in telecommunications, automotive, and underfloor heating categories
  - Continental Europe sales 10.8% lower than pcp due to lower sales of water filtration and other specialty products, and lower pipe sales to Eastern Europe
  - A gradual improvement was evident during the year, with first half sales in Continental Europe down 20.7% on pcp, while second half sales were down 1.4% on pcp
- Adjusted EBITDA was 15.9% lower than pcp, adjusting for one-off costs:
  - $4.0m incurred in a restructuring of the EMEA organisation
  - $4.4m carrying value impairment of property, plant and equipment at RWC's manufacturing plant in Spain
- Adjusted EBITDA margin excluding these one-off costs declined from 32.3% to 29.3% due to lower sales volumes

1 Refer to Slide 17 for details of one-off costs, EBITDA and EBIT adjustments
2 Prior to elimination of profits made on inventory sales between segments

# FY24: strong operating cash flow performance

| Year ended: US$m | 30 June 2024 | 30 June 2023 | Variance |
|---|---|---|---|
| Cash generated from operations | 314.2 | 292.7 | 7.3% |
| Income tax paid | (39.8) | (42.4) | -6.1% |
| **Net cash inflow from operating activities** | **274.4** | **250.3** | **9.6%** |
| | | | |
| Capital Expenditure | (41.3) | (42.5) | -2.8% |
| Sale of property, plant & equipment | 2.9 | 28.0 | -89.8% |
| Acquisition of Holman Industries | (101.7) | - | - |
| **Net cash outflow from investing activities** | **(140.1)** | **(14.5)** | **-** |
| | | | |
| Net proceeds from (repayment of) borrowings | (13.6) | (127.6) | -89.3% |
| Net interest paid & lease payments | (43.1) | (43.1) | 0.0% |
| Dividends paid / payment for share buyback | (74.8) | (74.5) | 0.3% |
| **Net cash outflow from financing activities** | **(131.5)** | **(246.6)** | **-46.7%** |

| Cash flow performance US$m | FY24 | FY23 |
|---|---|---|
| **Adjusted EBITDA** | **274.6** | **274.6** |
| Cash generated from operations | 314.2 | 292.7 |
| ***Operating cash flow conversion*** | ***114%*** | ***107%*** |

## Commentary

- Cash generated from operations was $314.2 million, an increase of 7.3% on pcp
- Net working capital reduced by $16.4 million during FY24 due to:
  - Reduced inventory levels (excluding Holman)
  - Lower trade receivables
  - Higher trade payables
- Operating cash flow conversion for the year was 114% of Adjusted EBITDA versus 107% in the pcp

# Working capital management underpinned cash flow

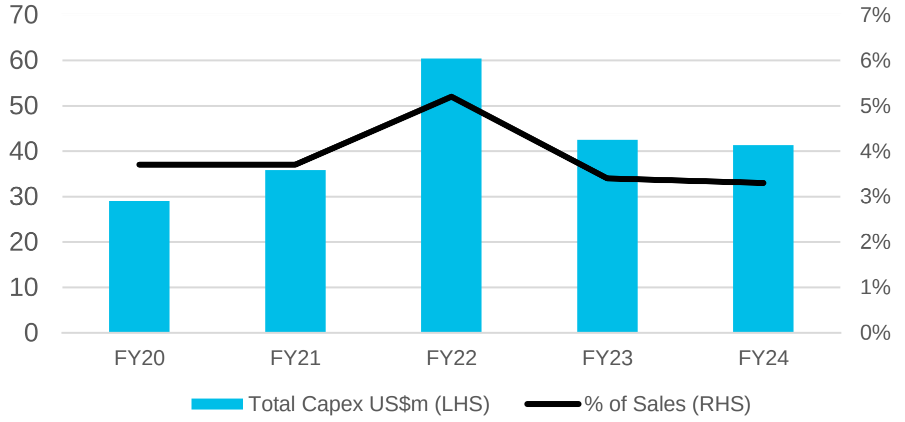
| Net working capital US$m | 30-Jun-24 | 30-Jun-23 |
| --- | --- | --- |
| Trade and other receivables | 238.8 | 246.0 |
| Inventories (excl. Holman) | 270.8 | 289.4 |
| Inventories (Holman) | 22.0 | - |
| Trade and other payables | (179.1) | (166.5) |
| **Net working capital** | **352.5** | **368.9** |

| Capex US$m | FY25 Forecast | FY24 | FY23 |
| --- | --- | --- | --- |
| Growth | 17 - 20 | 26.1 | 26.7 |
| Maintenance | 23 - 25 | 15.2 | 15.7 |
| **Total** | **40 - 45** | **41.3** | **42.5** |
| % of Sales | - | 3.3% | 3.4% |

## Commentary

- Net working capital reduced by $16.4m during FY24 due to reduced inventory levels, lower trade receivables and higher trade payables
  - Inventories include $22m of Holman inventory, excluding Holman inventory was $19m lower than pcp
- Operating cash flow conversion  for the year was 114% of Adjusted EBITDA versus 107% pcp
- Significant capital projects in FY24 included SharkBite Max production, PEX-a expansion, automation of US packaging operations, SAP for Homan

**Capex Trend (US$m)**



# Balance sheet strengthened through net debt reduction

| Debt metrics<br>US$m | 30-Jun-24 | 30-Jun-23 |
|---|---|---|
| Cash and cash equivalents | 19.9 | 16.6 |
| Gross debt | 441.0 | 451.7 |
| **Net debt[1]** | **421.1** | **435.0** |
| Net debt / EBITDA[2] | 1.59x | 1.69x |

### Commentary

- Net debt to Adjusted EBITDA was 1.59 times at 30 June 2024 (based on historic EBITDA for a 12-month period ended 30 June 2024) compared with 1.69 times for the pcp
- Cash generated during the period was used to fund the Holman acquisition and reduce net borrowings
- RWC's weighted average debt maturity was 6.3 years at 30 June 2024
- 57% of total drawn debt was at fixed rates. The weighted average cost of funding in FY24 was 5.09%

| US$ million | Facility Limit | Amount Drawn at 30 June 24 | Expiry |
|---|---|---|---|
| **Bank Facilities** | | | |
| Tranche B/Facility B | 320.0 | 91.0 | Nov-26 |
| Tranche A1/Facility A | 262.5 | 100.0 | Nov-27 |
| Tranche A2 | 217.5 | 0.0 | Nov-28 |
| **US Private Placement** | | | |
| 7 Years | 55.0 | 55.0 | Apr-29 |
| 10 Years | 65.0 | 65.0 | Apr-32 |
| 12 Years | 65.0 | 65.0 | Apr-34 |
| 15 Years | 65.0 | 65.0 | Apr-37 |
| **Total** | **1,050.0** | **441.0** | |

### Capital Management Policy

- RWC has assessed that its optimal capital structure will be achieved by maintaining its net debt levels to achieve a leverage ratio (net debt to EBITDA) in the range of 1.5 to 2.5 times
- Sustaining a level of debt within this range will ensure the Company optimises its cost of capital whilst at the same time targeting investment grade equivalent credit metrics, such that it will continue to be able to access long term debt markets and have acceptably low refinancing risk of its debt facilities.

1 Net debt excludes lease liabilities
2 Net debt/12-month trailing EBITDA

## Outlook for FY25[1]

**For the first six months of trading in FY25:**

- RWC expects consolidated external sales to be broadly flat, within a range of up or down by low single digit percentage points, relative to the pcp, excluding the impact of Holman and Supply Smart
- RWC expects a similar trajectory in each region
- New product and revenue initiatives in each region are expected to help mitigate the impact of weaker end markets
- Cost reduction and efficiency measures will be pursued and RWC is targeting an improvement in consolidated EBITDA margin (excluding Holman) in the first half of FY25 relative to the pcp
- Holman is on track to meet the expectations established at the time of its acquisition

**Trading conditions in FY25 will partly depend on interest rate settings in RWC's key markets**

- Given uncertainty around the full year economic outlook and potential interest rate changes, RWC is not providing quantitative guidance around FY25 full year earnings expectations

## FY25 Specific Guidance

**The following key assumptions are provided for FY25:**

- Operating cash flow conversion expected to be above 90%
- Capital expenditure expected to be in the range of $40 million to $45 million
- Depreciation and amortisation expense expected to be in the range of $70m to $75m
- Net interest expense expected to be in the range of $28m to $30m, inclusive of interest expense on lease liabilities
- Adjusted effective tax rate expected to be in the range of 18% to 21%
- Cost reduction measures expected to deliver $10m to $15m in savings in FY25

[1] Key assumptions for FY25 are set out in the Operating and Financial Review dated 20 August 2024

# Strategic growth initiatives

## Global strategy, local execution

| | | | |
|---|---|---|---|
| **Americas:** Growth across three areas<br><br>**Estimated Total Addressable Market: US$20B+** | **Residential repair & remodel** through continued channel partner expansion | **Commercial plumbing** through a combination of new product development and bolt-on acquisitions | Larger remodel and **residential new construction** |
| **Asia Pacific:** Integrate Holman & capitalise on broader platform/portfolio<br><br>**Estimated Total Addressable Market: A$3B+** | **Drain, Waste and Vent (DWV)** plumbing into professional wholesale channel | **Retail expansion** | Expansion of existing brands and products across channels including **Pro irrigation** |
| **EMEA:** Launch commercial offerings and expand geography<br><br>**Estimated Total Addressable Market: £3.5B+** | **Operational excellence** initiatives to drive market leading customer service | **Maintain and grow EBITDA margin** through continuous improvement and cost reduction initiatives | **Organic growth** through new product developments into existing channels and Europe retail |

**RWC's Vision: Complete plumbing global leader**

# Our Focus for 2025

## Execution excellence

| Focus area | Activity | Outcome |
|---|---|---|
| **People, Safety & Culture** | ▪ Keep safety our No.1 priority<br>▪ Progress our ESG priorities | ▪ Everyone safe, every day<br>▪ Positive impact on our people, our communities and the environment |
| **Supply Chain** | ▪ Standardise and strengthen S&OP process and tools<br>▪ Supplier ESG initiatives | ▪ Continual focus on delivery performance<br>▪ Optimise inventory levels globally<br>▪ Enhanced sustainability and social impact |
| **Strategic sourcing** | ▪ Strengthen sourcing operation across regions and optimise costs via scale leverage | ▪ Continuous cost improvement within a “quality first” approach<br>▪ Increasing supply redundancies and responsiveness to demand changes |
| **Operations** | ▪ Optimise global manufacturing footprint, leverage IP/capabilities internally for greatest return<br>▪ Operations/Fulfillment improvements<br>▪ Utilise global RWC IP and capabilities | ▪ Drive lowest cost of manufacture<br>▪ Right levels of inventory in the right places, better fulfillment processes to support higher service rates<br>▪ Technical high volume in-house, source labour intensive |
| **Innovation** | ▪ Ongoing new product releases, product updates and range extensions<br>▪ Long term R&D | ▪ Create solutions to improve the productivity of the trade<br>▪ Increase the shelf value of our distributors |

**Our focus will continue to be on product innovation, customer service, and operational efficiency.**
**We will ensure RWC is positioned to take advantage of the future upswing in demand.**

Plumbing Matters.
We Make It Better.™

# Supplementary Financial Information

# FY24 Shareholder Distributions

| | FY24 Interim | | FY24 Final | | FY24 Total | | FY23 Total | |
|---|---|---|---|---|---|---|---|---|
| | US$m | CPS | US$m | CPS | US$m | CPS | US$m | CPS |
| **Total Distribution Amount** | **35.6** | **4.5** | **39.3** | **5.0** | **74.9** | **9.5** | **75.1** | **9.5** |
| - Dividend | 17.8 | 2.25 | 19.6 | 2.5 | 37.4 | 4.8 | 75.1 | 9.5 |
| - On-market Share Buyback | 17.8 | 2.25 | 19.6 | 2.5 | 37.4 | 4.8 | - | - |
| **Dividend Paid/Payable in A$** | | **3.459** | | **3.781** | | **7.240** | | **14.241** |
| Dividend Franked Amount | | 0% | | 0% | | 0% | | ~5%[1] |

- The final cash dividend will be paid in Australian dollars at 3.781 cents per share. The amount has been converted to Australian currency using the average exchange rate over the 5 business days ended 16 August 2024
- Record date for entitlement to the final cash dividend is 6 September 2024
- Payment date is 4 October 2024

**Distribution Policy**

- Revised distribution policy settings introduced in February 2024
- RWC still intends to distribute between 40% and 60% of annual NPAT
- The total distribution amount for a period will be allocated approximately 50% to cash dividends and 50% to on-market share buy-backs
- Policy reflects the desire of some investors to continue receiving cash dividends while also enabling a capital management strategy utilising on-market share buy-backs that will be value accretive for shareholders

1 FY23: Interim Dividend 10% franked, Final Dividend unfranked

# FY 24 Adjustment Items

| US$ million | EBITDA | EBIT | Tax Expense | NPAT |
|---|---|---|---|---|
| **FY24 Reported** | **247.5** | **187.5** | **(46.4)** | **110.1** |
| Americas: Supply Smart closure of operations, DC rationalisation | 11.0 | 11.0 | (2.8) | 8.2 |
| **Americas Total** | **11.0** | **11.0** | **(2.8)** | **8.2** |
| Holman acquisition & integration costs | 4.0 | 4.0 | (1.2) | 2.8 |
| Holman acquisition - unwind of fair value inventory adjustment | 3.4 | 3.4 | (1.0) | 2.4 |
| APAC Croydon plant final decommissioning | 0.3 | 0.3 | (0.1) | 0.2 |
| **APAC Total** | **7.7** | **7.7** | **(2.3)** | **5.4** |
| EMEA Restructure | 4.1 | 4.1 | (0.7) | 3.4 |
| Spain PP&E impairment | 4.3 | 4.3 | - | 4.3 |
| **EMEA Total** | **8.4** | **8.4** | **(0.7)** | **7.7** |
| **Total one-off costs** | **27.1** | **27.1** | **(5.8)** | **21.3** |
| Goodwill tax amortisation | - | - | 15.5 | 15.5 |
| **FY24 Adjusted** | **274.6** | **214.5** | **(36.7)** | **146.9** |

# Taxation

| Year ended: US$m | 30 June 2024 | 30 June 2023 | % Change |
|---|---|---|---|
| **Reported net profit before tax** | **156.5** | **191.2** | **(18.1%)** |
| Tax Expense | (46.4) | (51.5) | (9.9%) |
| **Reported net profit after tax** | **110.1** | **139.7** | **(21.2%)** |
| **Accounting effective tax rate** | **29.6%** | **26.9%** | **-** |
| | | | |
| **Reported tax expense** | **(46.4)** | **(51.5)** | **(9.9%)** |
| ***Adjusted for:*** | | | |
| *Cash tax benefit of goodwill amortisation for tax purposes* | *15.5* | *15.7* | **(1.3%)** |
| *One-off costs detailed on Slide 17* | *(5.8)* | *(3.2)* | - |
| *Gain on sale of UK property* | *-* | *5.0* | - |
| **Adjusted tax expense** | **(36.7)** | **(34.0)** | **7.9%** |
| **Adjusted net profit after tax** | **146.9** | **155.7** | **(5.7%)** |
| **Adjusted effective tax rate** | **20.0%** | **17.9%** | **-** |

- The accounting effective tax rate for the period was 29.6% compared with 26.9% in the pcp
- This rate excludes RWC's entitlement to claim amortisation of certain intangibles for taxation purposes under longstanding tax concessions available in the USA. Goodwill is not amortised for accounting purposes under accounting standards. The benefit arising from the amortisation of goodwill for cash tax purposes in the period was $15.5m
- Adjusting for this item and the net tax effect of adjustments to EBITDA from one-off costs, tax expense for the period was $36.7m, representing an Adjusted effective tax rate of 20.0%
- The adjusted effective tax rate for FY25 is expected to be in the range of 19% to 21%

# Segment results in US$

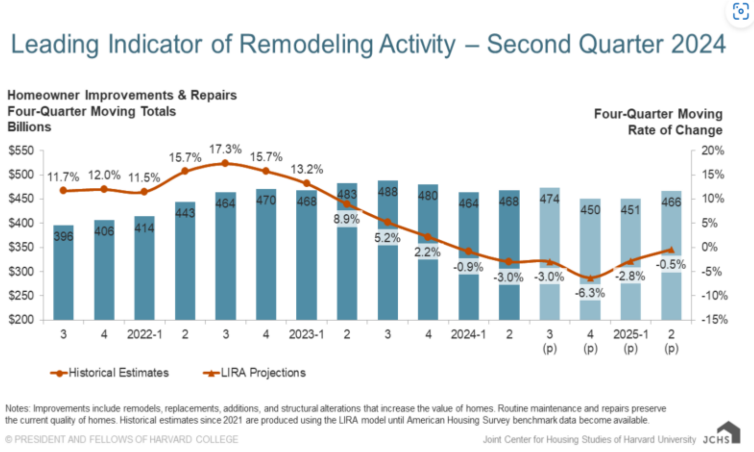
| Asia Pacific<br>US$m | FY24 | FY23 | % Change |
|---|---|---|---|
| **Net Sales** | **190.3** | **190.4** | **-0.1%** |
| **Adjusted EBITDA[1,2]** | **22.0** | **31.9** | **(31.0%)** |
| *Adjusted EBITDA margin (%)* | *11.6%* | *16.8%* | *(530bps)* |
| **Adjusted EBIT[1,2]** | **10.4** | **22.5** | **(53.8%)** |
| *Adjusted EBIT margin (%)* | *5.5%* | *11.8%* | *(630bps)* |

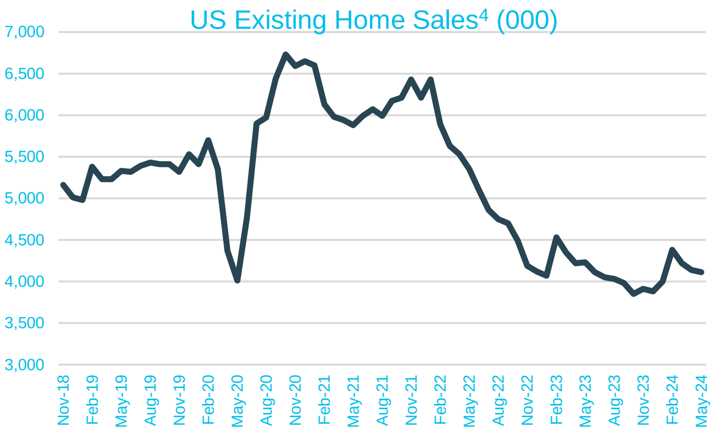
| EMEA<br>US$M | FY24 | FY23 | % Change |
|---|---|---|---|
| **Net Sales** | **263.6** | **272.1** | **(3.1%)** |
| **Adjusted EBITDA[1,2]** | **77.3** | **87.8** | **(12.0%)** |
| *Adjusted EBITDA margin (%)* | *29.3%* | *32.3%* | *(300bps)* |
| **Adjusted EBIT[1,2]** | **61.8** | **74.1** | **(16.6%)** |
| *Adjusted EBIT margin (%)* | *23.4%* | *27.2%* | *(380 bps)* |

1 Refer to Slide 17 for details of one-off costs, EBITDA and EBIT adjustments
2 Prior to elimination of profits made on inventory sales between segments

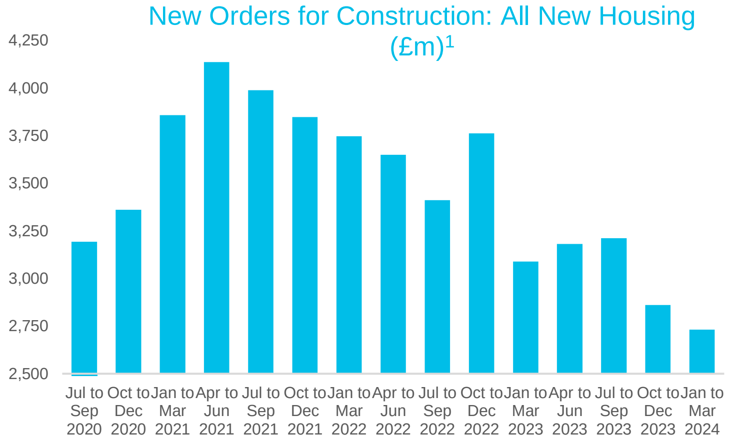
# Macro-economic indicators

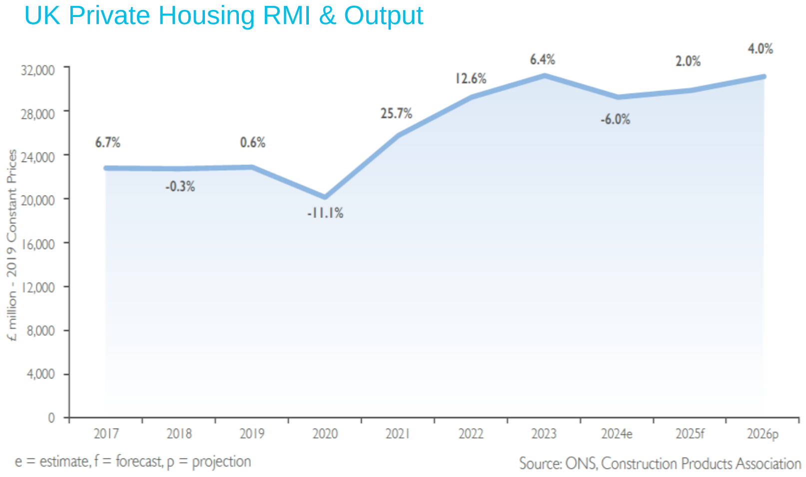
## Americas



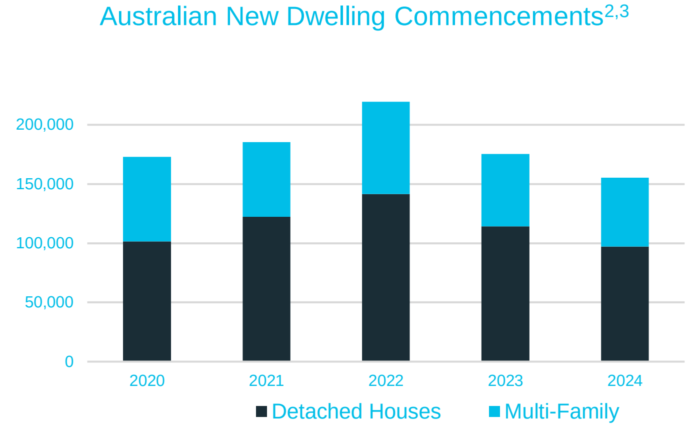



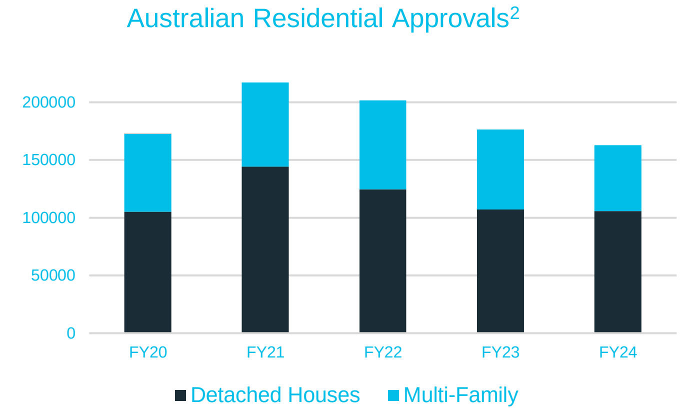

## EMEA




## APAC




[1] Source: UK Office of National Statistics Australian Bureau of Statistics
[2] Source: Australian Bureau of Statistics: total number of dwelling units, all sectors, seasonally adjusted
[3] 12 months ended 31 March
[4] Source: US Department of Housing and Urban Development

Plumbing Matters.
We Make It Better.™

# RWC strategy

# RWC is well positioned for long-term growth

## Large and fragmented landscape

RWC's Total Addressable Market >US$25B

Few large players

## Enduring tail winds

Labour shortage

Ageing homes

Sustainability investments

## Differentiated proposition

Save time

Make jobs easier

Tier 1 brands

# Strategy Overview

## Creating value through product leadership

### Solutions for the job site

**Smart product solutions that improve contractor productivity, enable the DIYer, and make lives easier.**

Working in the field to understand job site requirements and challenges

Product engineering that is creating the future of plumbing

Market engagement to stay on top of trends and uncover acquisition opportunities

### Value for the distributor

**Increasing value for the distributor while providing broadest access to our products for the end-user.**

Superior customer service provides the foundation partners can count on

Differentiated brands that matter to the user and put more value on the shelf for the channel

Broad distribution puts products in reach of the end-user when they need them

### Industry leading execution

**Premium quality products and unrivalled operational efficiency delivering margin growth.**

Safety culture to ensure a work environment that protects our people

Lean manufacturing and strategic sourcing to drive quality, margins and resilience

Sustainability focus delivers a more efficient operation while reducing environmental impact

# RWC's Capital Management approach

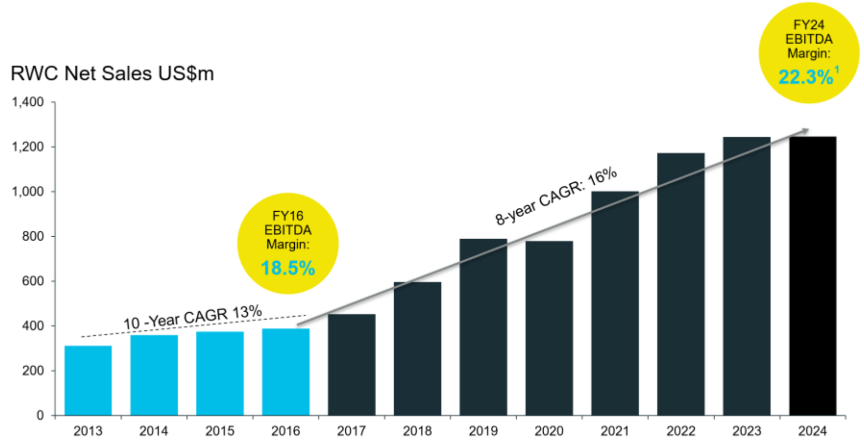
## Capital management approach aims to minimise the cost of capital and ensure ongoing access to funding to meet future requirements

| Strong Financial Focus | Value creation | | | Capital management | | |
|---|---|---|---|---|---|---|
| **Improving long term margins and returns** | **Organic Growth** | **Capital Investment** | **Acquisitions** | **Capital structure** | **Consistent returns** | **Capital returns** |
| • **Margin expansion through continuous improvement initiatives**<br>• **Strong operating cash flow performance**<br>• **Maintenance of investment grade equivalent credit metrics**<br>• **Improving return on capital employed** | **Above-market growth in 3 regions:**<br>• Americas<br>• APAC<br>• EMEA | **Ongoing investment in:**<br>• capacity expansion<br>• core new product development<br><br>**Ongoing assessment of operational footprint and supply chain optimisation** | **M&A aligned with strategy:**<br><br>• Fill gaps in product range<br>• Expand distribution or end-user scope<br>• Broaden geographic presence | **Target Leverage Range:**<br><br>Net Debt to EBITDA of 1.5 - 2.5 times | **Target Payout Ratio:**<br>40-60% of NPAT:<br>~Half to be paid as dividends<br>~Half to be distributed via on-market share buybacks<br><br>Dividends will generally be unfranked | **On-market Share Buybacks:**<br><br>Preferred means of distributing excess cash<br><br>Assessed when appropriate |

# RWC is a global growth-orientated building products company with defensive end-market exposures

RWC

## Global plumbing solutions in a large and growing market

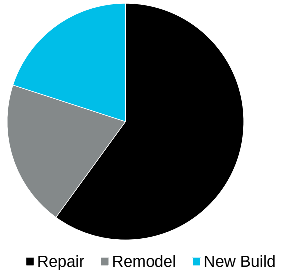



## Portfolio of plumbing solutions underpinned by in-house R&D

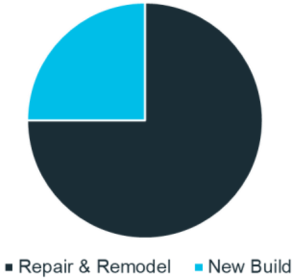
## Track record of creating value from M&A

SharkBite
Speedfit
Reliance VALVES
John Guest
HoldRite
EZ-Flo

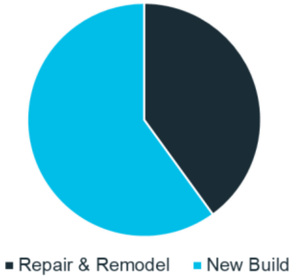
## Resilient earnings profile due to R&R exposure




Americas end-market exposure




EMEA end-market exposure




APAC end-market exposure

[1] Adjusted EBITDA margin, excluding Holman