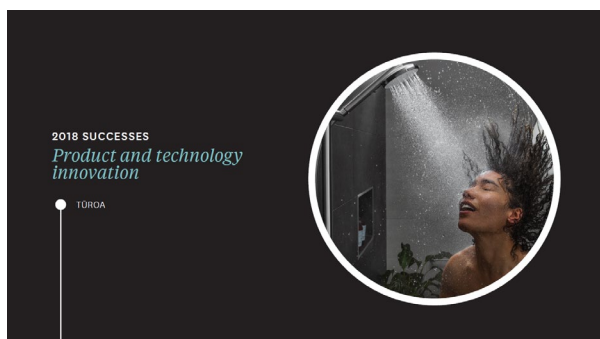


**METHVEN LIMITED - 2018 ANNUAL SHAREHOLDERS MEETING**  
**Wednesday 31 October 2018**  
*Opening Speech – Alison Barrass*

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**SLIDE 1 – 2018 successes**



**SLIDE 2 – Disclaimer**

— Disclaimer

This presentation contains not only a review of operations, but also some forward-looking statements about Methven Limited and the environment in which the company operates. Because these statements are forward looking, Methven Limited's actual results could differ materially.

Although management and directors may indicate and believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward-looking statements will be realised.

Please read this presentation in the wider context of material previously published by Methven Limited.

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**SLIDE 3-4 – Cover page and ASM 2018 key topics**



— ASM 2018

Key topics

- FY18 performance highlights and update on focus from ASM 2017
  - Fix New Zealand
  - Transform through Fit for the Future
  - Grow international
- Focus on China
- Disrupting the global plumbing industry from New Zealand

- General business
- Refreshments and site tours

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Shareholders, ladies and gentlemen, welcome to our 2018 Annual Shareholder Meeting.

I'm your Chair, Alison Barrass, and it's my pleasure to be here today with your Board and members of the Methven team, hosting you at our Methven Experience Centre here in Avondale. After over 130 years, we are proud to showcase our innovation here with you today and to provide an opportunity for you to tour the site.

At today's meeting, I will give you a topline review of Methven's 2018 performance. You will see how the business responded to our last year's result by focusing on the core business and commencing the work to streamline Methven, creating a simple and efficient platform for long-term, profitable growth.

David will then share our results and performance versus our goals in more detail. I am pleased to say that our international performance in particular, coupled with the successful execution of our Fit 4 the

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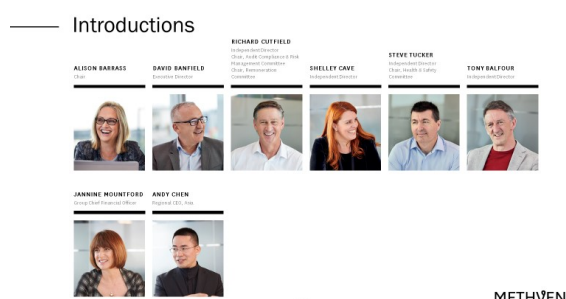
Future business improvement programme, has delivered the planned turnaround this year. In addition, throughout last year, we invested heavily in accelerating innovation across all categories and as this flows into the market, we expect to see further positive impacts on top line growth and core market share positions.

We will then move on to General Business and the Resolutions as detailed in the Notice of Meeting. We are voting by poll, and this will be conducted at the end of the formal business. There'll be time after this for your questions and comments before I close the meeting, and invite you to join us for refreshments.

Before we start the formalities I'd just like to mention a few housekeeping matters:

- **Mobile phones** – Can I please ask that phones are in silent or flight mode.
- **Bathrooms** – Toilets are located through the door behind me, behind the doors to the first and second right in the corridor.
- For your **safety**, you must not enter the office area upstairs, factory or warehouse area unless you are accompanied by a Methven member of staff and wearing appropriate Hi-viz clothing. Our site is a manufacturing site, and we do take Health & Safety extremely seriously. As such, you are required to be accompanied by a Methven member of staff for any areas outside this function space and the toilets.
- **Evacuation Procedure** – in the event of an emergency which requires us to evacuate, please proceed through the closest safe exit, and assemble outside the gates on the footpath to the right of the cul-de-sac. Methven staff will be available to direct you to the assembly point.
- Methven is a **smoke free** workplace. No smoking is allowed anywhere on the site either inside or outside the building.

## SLIDE 5 – Introductions



Before we start I'd like to make some introductions.

To my immediate left is DAVID BANFIELD, our Group CEO, and a director since 2015.

Next to David is:

- RICHARD CUTFIELD, an independent director since 2001. Chair of Audit and Rem
- Next to Richard is SHELLEY CAVE, our most recently appointed independent director, who joined the Board on 1 April 2018;
- Next to Shelley is STEVE TUCKER, an independent director appointed to the Board in 2017, and chair of Health & Safety;
- Next to Steve is TONY BALFOUR, an independent director appointed to the Board in 2017;
- Seated beside Tony is JANNINE MOUNTFORD, our Company Secretary and Methven Group CFO.
- And lastly, seated beside Jannine is Andy Chen, Regional CEO of our China operation.

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—— Formalities

- Notice of meeting
- Quorum
- Proxies
- Health and Safety
- Annual financial statements

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We have a quorum present. So I declare Methven's 2018 Annual Shareholder Meeting to be properly constituted and open for business.

The financial statements for the period together with the auditor's report, are set out in our Annual Report. The Annual Report was made available on Methven's website on 28 September 2018 and hard copy reports were sent to all shareholders who requested one. A limited number of hard copies are still available in the registration area.

There will be opportunity to ask any questions on these, at the end of the formal business.

As a board here at Methven, we are committed to delivering a high standard of governance across Environmental, Social and core Governance functions. I'd like to update you on our progress in these areas over the last year.

## SLIDE 7 – Health & Safety



We continue to invest heavily in the health and welfare of all our people who work here at Methven. With the move last year from lag to lead measures, we are delighted to see our total recordable injuries down 57% from prior year. In addition, we continue to invest in training to support our drive for a continuous improvement culture in this area. We've also completed 100% documentation of standard operating procedures across the business which means that key tasks and process are documented to ensure they are done correctly and safely, and that we can train to a standard to minimise the risk of injury.

## SLIDE 8 – Environment



We are focused on living our purpose by working hard to minimise our environmental impact. This year we've saved one Olympic pool's worth of water here at Jomac Place through recycling. We've also added to our electric car fleet, and continued to support the restoration of the Whau River through planting over 3,000 trees. Our care for the planet is a cornerstone of our culture here at Methven, and we will continue to make significant and tangible inroads in this area.

## SLIDE 9 – People & Culture



In the area of people and culture, our key focuses have been improved engagement, increasing diversity, and ensuring that we have measurable pay equity across the business. Our engagement across the business has improved year-on-year, however we still believe that we can make further inroads on this through employee communication and programmes, particularly here at Jomac Place.

We employ 290 people across NZ, Australia, UK and China, and believe that diversity and diverse thinking is crucial to the long term success of any organisation. With 30% of our New Zealand team being female, and 23 different heritages being represented, we recognise that this diversity helps Methven produce such world-relevant solutions.

## SLIDE 10 – People & Culture (continued)



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The introduction of manufacturing apprenticeships has been a step that we have been proud of here at Methven, as we are acutely aware of the skills shortages that many manufacturing businesses face in specialty areas. Methven's first apprentice successfully completed his apprenticeship, and is now a Trade Qualified engineer in Plastics Injection Moulding. Our plan is to have at least 5 employees enrolled in the apprenticeship programme by 2020.

## **SLIDE 11 – Governance**



Over the last year, we have continued our process to refresh the Board in line with good governance practice. I'm delighted with our 2 new directors, Tony Balfour and Shelley Cave, and the significant contribution that they are already making to the Board. Both bring a unique range of skills to the board table that enhance our overall capability as an organisation. Through their appointment, we have added to our global brand capability and our legal and financial capability. This provides strong governance support for David and the management team as they tackle the many opportunities that we are presented within Methven's local and global markets.

## **SLIDE 12 – 2018 in review**

### — 2018 in review

- Results in line with guidance
- NZ market stabilising
- Fit for the Future on track to deliver
- Acceleration of international performance
  - Contribution and market share growth in all markets outside NZ
- Acceleration of innovation pipeline

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Let me now move on to the 2018 results.

It is pleasing to report that in line with our guidance, our results reflect the effort that has gone into restoring a strong underlying performance to the Methven business. David will update you in more detail, but as we intended, we have focused the business this year on stabilising New Zealand, executing Fit for the Future, and accelerating international performance.

Both Fit for the Future and our international markets have delivered significant performance improvement this year, with China and the UK in particular increasing their contributions to the group.

In New Zealand, we have been building a pipeline of innovation that we began to bring to market towards the end of last year, and which we will continue to see flow into the market through 2019. The stabilisation of the market in New Zealand is still below our expectations of where we believe Methven should be trading, however with our current innovation, we expect to see growth return in the second half of 2019.

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In 2019, our primary focus as a Board is to close out our 2-year programme to ensure that Methven has a strong core business, a growing international business, and a healthy margin structure to support future investment. By building an accelerated innovation pipeline, we are working to ensure that the core business performance is sustainable over time.

In conjunction with this, we also need to begin preparing ourselves for the next stage in our journey. As a Board, we have been reviewing our 5-year horizon, and have set ourselves some parameters for context as we build up the detailed business plan that will continue to deliver profitability and growth.

The foundation for our plan begins with our strategic beliefs and these form the basis of our forward programme.

### **Slide 13 – Our strategic beliefs**

#### — Our strategic beliefs

- Our moment of truth is when a consumer experiences a Methven shower.
- Consumers will increasingly choose sustainable solutions and materials that don't cost the earth, though not at the expense of their water experience.
- New Zealand is our home. We will extend our market leadership through rapid consumer-centric innovation.
- International growth will drive long term profitability. China is key.
- Digital manufacturing at Methven in New Zealand will disrupt the global plumbing industry.
- Radical simplification of our operations will make us more responsive to customer and consumer needs
- Our talented team, driven by and aligned to our cause, will deliver world-leading innovation.

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These beliefs then led us to 4 key business pillars around which Methven will build detailed plans to deliver quantum improvements.

### **SLIDE 14 – Our 4 Strategic PILLARS**

#### — Our 4 strategic pillars

- World-class consumer-centric product innovation
- Revolutionary digital manufacturing in NZ disrupting global industry
- Sustained double digit international revenue and earnings transformation
- Unrelenting focus on simplification, cost and efficiency

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### **SLIDE 15 – Accelerating growth**

#### — Accelerating growth

- Board reviewing a range of strategic options to deliver enhanced shareholder return, including
  - Partnership
  - Acquisition
  - Other

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The Board believe that Methven is poised to participate in a radical shift in industry dynamics as new technologies disrupt the industry in which we are in. It is our goal to be a leader in this disruption and to set the standards by which the industry will be benchmarked in the future. We have the local strength, the global reach and the appropriate scale to be able to do this, with minimum risk to our core performance and significant upside to our current business model over time.

In addition, should we have the opportunity to accelerate our plans in this area through acquisition or strategic partnership, we will explore opportunities to do so as a way of enhancing shareholder value.

Finally, I'd like to thank David and the management team for their hard work this year. It has been a watershed year for Methven and the commitment from the team to delivering the programme has been rewarding to see.

Thank you for your attention this morning. I'd now like to pass over to David to update you on the year's results.

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