

ASX Announcement

7 May 2024

Presentation at Macquarie Australia Conference

Reliance Worldwide Corporation Limited (ASX: RWC) advises that Heath Sharp, Chief Executive Officer, will be presenting at the Macquarie Australia Conference today. A copy of the presentation is attached.

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This announcement has been authorised for release by the Disclosure Committee.





Investor Presentation May 2024

Heath Sharp
Chief Executive Officer

RELIANCE WORLDWIDE CORPORATION LIMITED
ABN 46 610 855 877



Important Notice

This presentation contains general information about Reliance Worldwide Corporation Limited's activities at the date of presentation (7 May 2024). It is information given in summary form and does not purport to be complete.

The presentation is not an offer or invitation for subscription or purchase of or a recommendation of securities in any jurisdiction. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice, when deciding if an investment is appropriate.

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The financial results are extracted from unaudited management accounts. RWC's standard processes were followed to confirm the material accuracy of the results. This presentation contains references to the following non-IFRS measures: EBITDA, Adjusted EBITDA and Adjusted EBIT. These measures are used by RWC to assess operating performance and are defined in the Operating and Financial Review dated 19 February 2024. These measures have not been subject to audit or audit review.

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 Circumstances may change and the contents of this presentation may become outdated as a result.

Introduction to RWC

Who we are, what we do, where we play

RWC delivers a broad portfolio of plumbing solutions

From the construction of new commercial and residential buildings to the repair and remodel of existing ones, RWC’s portfolio of innovative products and trusted brands make the job easier and more dependable

Plumbing Solutions

Fittings



Valves



Pipe



Integrated Installations Solutions



Appliance Installation Solutions

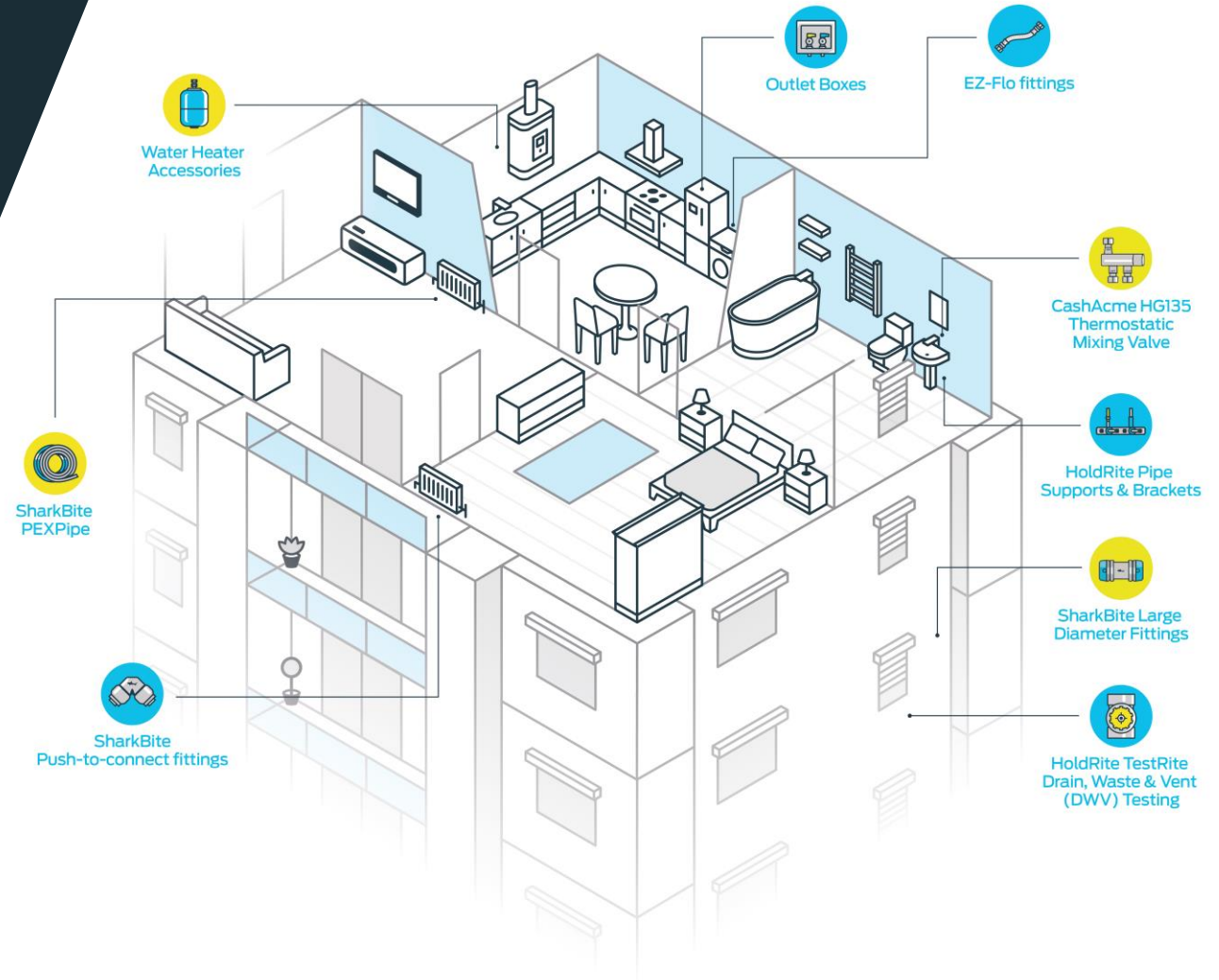
Water Filtration and Drinks Dispense



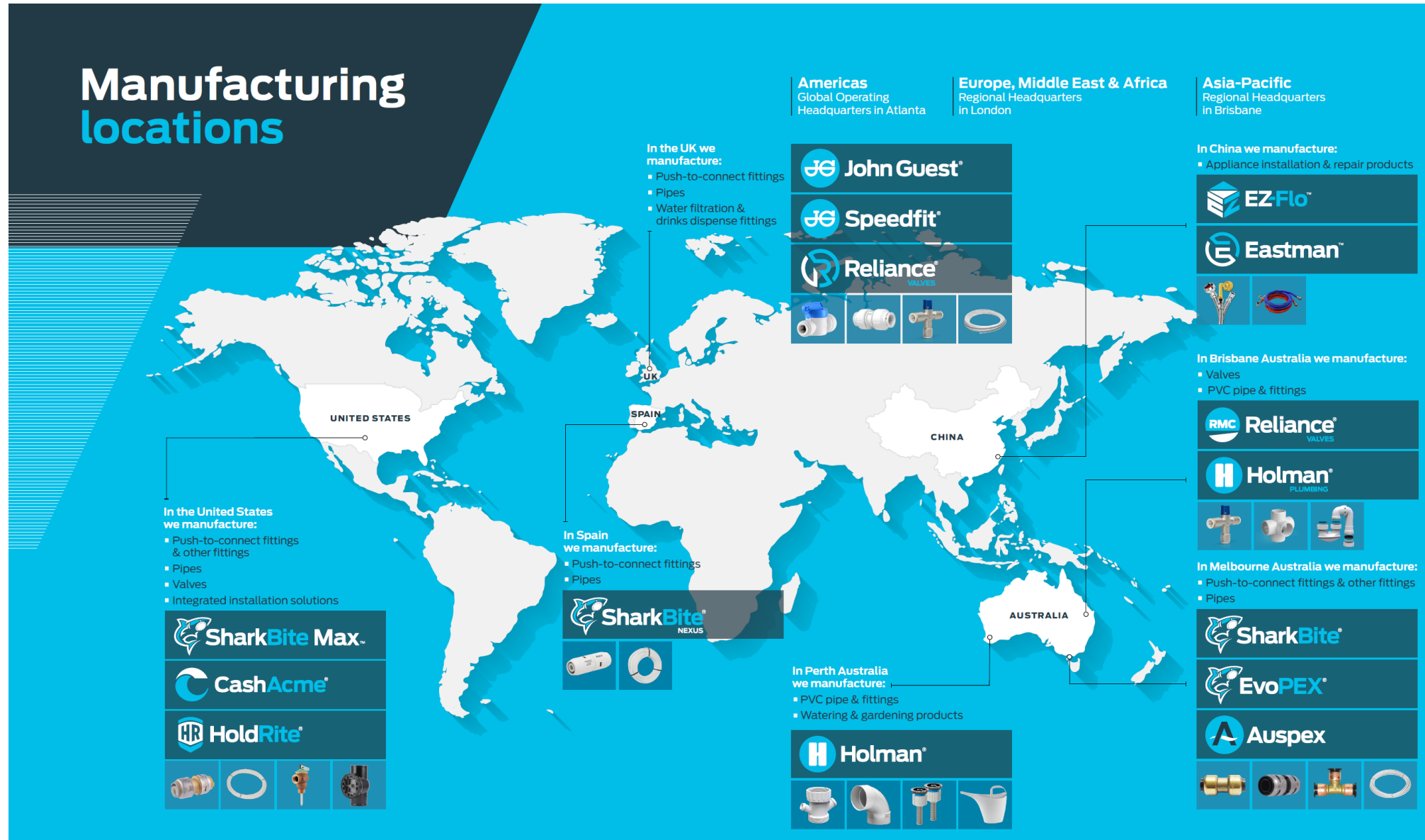
Water and Gas Appliance Connectors



RWC's portfolio of trusted products and brands deliver smart solutions that are the first choice for plumbers



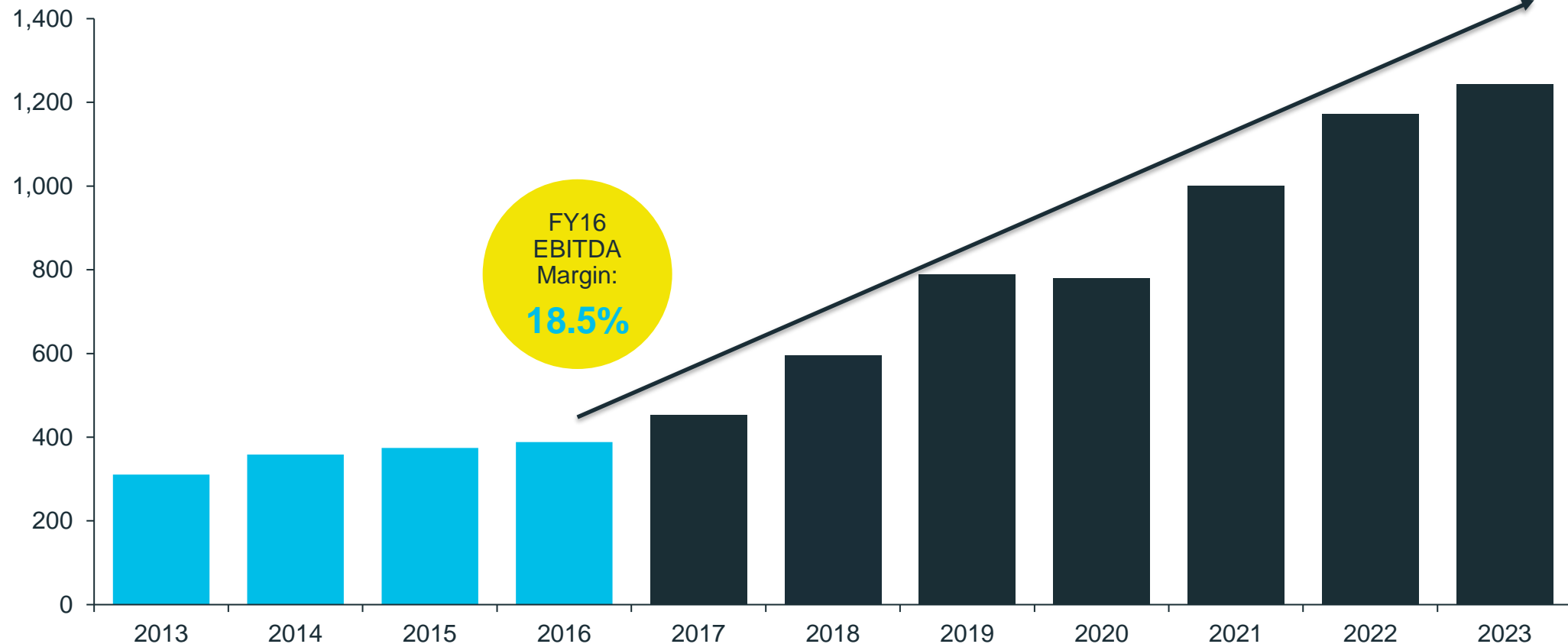
RWC manufactures in each of its major end markets



RWC has a strong growth track record

Since IPO in 2016, Net Sales has grown at an 18% CAGR driven by organic growth and M&A

RWC Net Sales US\$m



Strategy overview

What's the opportunity

RWC's Vision | Complete plumbing global leader

Everything rough plumbing:

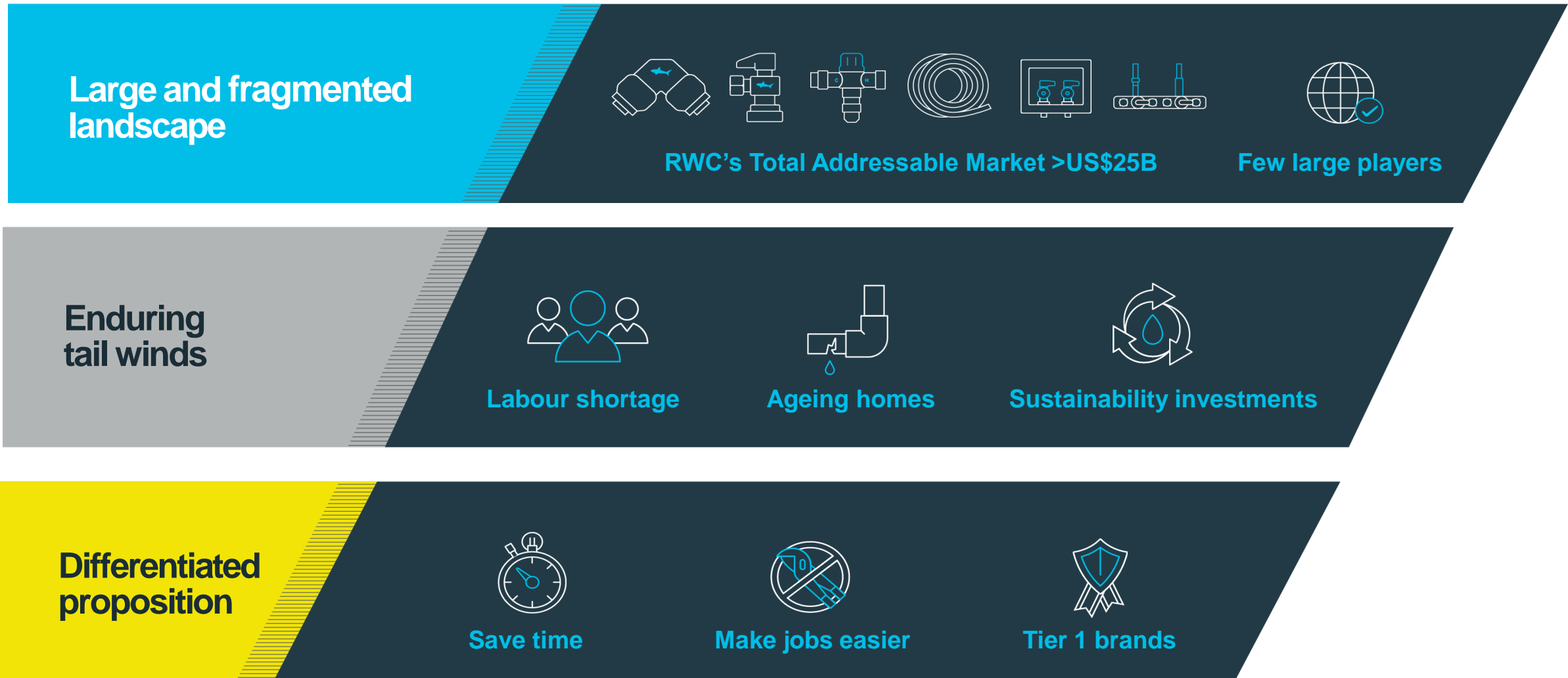
Broad portfolio of plumbing products and systems

Aimed at both Residential & Commercial end markets

Across new construction, repair and remodel

Distributed through wholesale, retail and OEM channels

RWC is well positioned for long-term growth



Strategy Overview

RWC seeks to create value through product leadership

<div data-bbox="135 342 458 449" data-label="Section-Header"> <h2>Solutions for the job site</h2> </div> <div data-bbox="682 335 810 464" data-label="Image"> </div> <div data-bbox="135 521 744 635" data-label="Text"> <p>Smart product solutions that improve contractor productivity, enable the DIYer, and make lives easier.</p> </div> <hr/> <div data-bbox="135 721 705 806" data-label="Text"> <p>Working in the field to understand job site requirements and challenges</p> </div> <hr/> <div data-bbox="135 863 677 949" data-label="Text"> <p>Product engineering that is creating the future of plumbing</p> </div> <hr/> <div data-bbox="135 1006 738 1092" data-label="Text"> <p>Market engagement to stay on top of trends and uncover acquisition opportunities</p> </div>	<div data-bbox="914 342 1230 449" data-label="Section-Header"> <h2>Value for the distributor</h2> </div> <div data-bbox="1465 335 1600 456" data-label="Image"> </div> <div data-bbox="914 521 1498 635" data-label="Text"> <p>Increasing value for the distributor while providing broadest access to our products for the end-user.</p> </div> <hr/> <div data-bbox="914 721 1457 806" data-label="Text"> <p>Superior customer service provides the foundation partners can count on</p> </div> <hr/> <div data-bbox="914 863 1567 949" data-label="Text"> <p>Differentiated brands that matter to the user and put more value on the shelf for the channel</p> </div> <hr/> <div data-bbox="914 1006 1508 1092" data-label="Text"> <p>Broad distribution puts products in reach of the end-user when they need them</p> </div>	<div data-bbox="1689 342 2091 449" data-label="Section-Header"> <h2>Industry leading execution</h2> </div> <div data-bbox="2254 328 2382 449" data-label="Image"> </div> <div data-bbox="1689 521 2170 635" data-label="Text"> <p>Premium quality products and unrivalled operational efficiency delivering margin growth.</p> </div> <hr/> <div data-bbox="1689 721 2303 806" data-label="Text"> <p>Safety culture to ensure a work environment that protects our people</p> </div> <hr/> <div data-bbox="1689 863 2313 949" data-label="Text"> <p>Lean manufacturing and strategic sourcing to drive quality, margins and resilience</p> </div> <hr/> <div data-bbox="1689 1006 2331 1092" data-label="Text"> <p>Sustainability focus delivers a more efficient operation while reducing environmental impact</p> </div>
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Ongoing product development underpins strategy

Product	SharkBite MAX	PEX-a	HoldRite	Gas Appliance Connectors
				
End Markets	<ul style="list-style-type: none"> Residential repair and remodel 	<ul style="list-style-type: none"> Residential remodel Re-pipe Residential new construction 	<ul style="list-style-type: none"> Residential remodel Residential new construction 	<ul style="list-style-type: none"> Residential repair and remodel
Status	<ul style="list-style-type: none"> Phase 4 rollout completed Final Phase 5 underway 	<ul style="list-style-type: none"> Retail rollout completed Wholesale load-in underway 	<ul style="list-style-type: none"> Successfully launched in 4th Quarter 2023 	<ul style="list-style-type: none"> Strong take-up in retail and OEM channels

Strategy implementation

How we are executing

Market capture priority by region

Each region has different growth opportunities

Americas

Growth across three pillars

- 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

EMEA

Launch commercial offerings and expand geography:

- Operational excellence initiatives
- Commercial valve and fittings launch
- Continental Europe retail channel expansion for P&H products

APAC

Integrate Holman & capitalise on broader platform/portfolio:

- Water out (DWV) plumbing into professional wholesale channel
- Updated pipe and fitting ranges including AUSPEX range extensions
- Retail expansion in Bunnings
- Expansion of existing brands and products into Pro irrigation channels

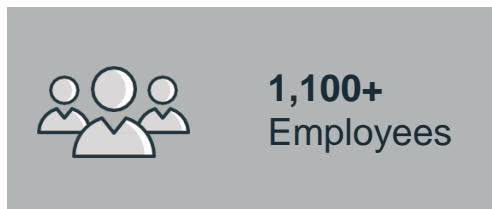
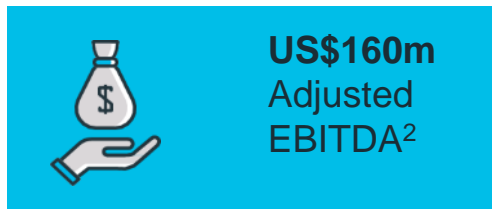
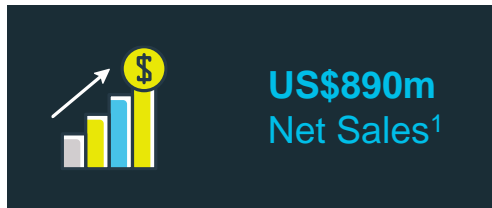
Global | Continuous Improvement



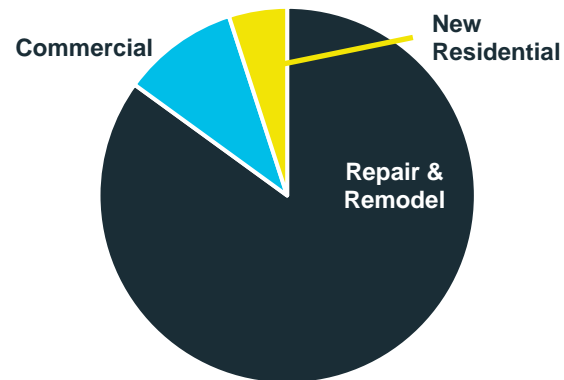
Focus Area	Description	Outcome
Supply Chain	<ul style="list-style-type: none">Standardise and strengthen S&OP process and toolsSupplier quality program	<ul style="list-style-type: none">Continual focus on delivery performanceOptimise inventory levels globally
Strategic Sourcing	<ul style="list-style-type: none">Strengthen sourcing operation across regions and optimise costs via scale leverage	<ul style="list-style-type: none">Continuous cost improvement within a “quality first” approachIncreasing supply redundancies and responsiveness to demand changes
Manufacturing Footprint	<ul style="list-style-type: none">Optimise global manufacturing footprint, leverage IP/capabilities internally for greatest return	<ul style="list-style-type: none">Utilise global RWC IP and capabilitiesManufacture technical high-volume products where we have advantage, outsource labour-intensive product
Technology	<ul style="list-style-type: none">SAP S/4 HANA upgrade	<ul style="list-style-type: none">Low level background upgradeAllows additional functionality to be turned on in future
Operations	<ul style="list-style-type: none">Operations/Fulfillment improvements	<ul style="list-style-type: none">Continuous improvement and automation, to drive lower cost manufacturingRight levels of inventory in the right places, better fulfillment processes to support higher service rates

Americas | Overview

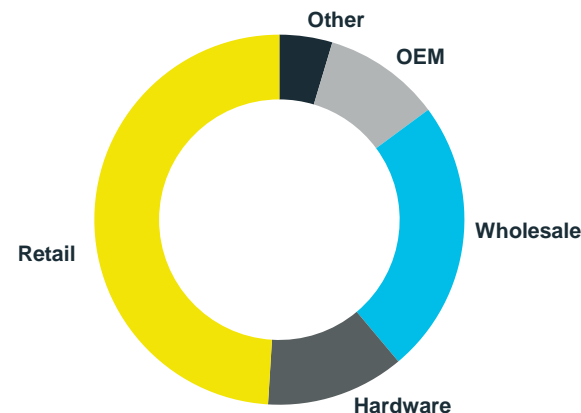
Strategy is to extend further into commercial plumbing and residential new construction while maintaining strong presence in residential repair and remodel



End Market Exposure



Channel Mix

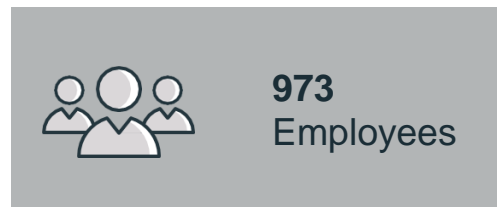
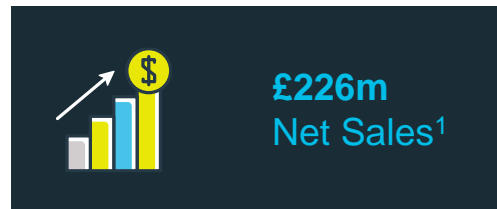


America's growth opportunities are centred on three pillars:

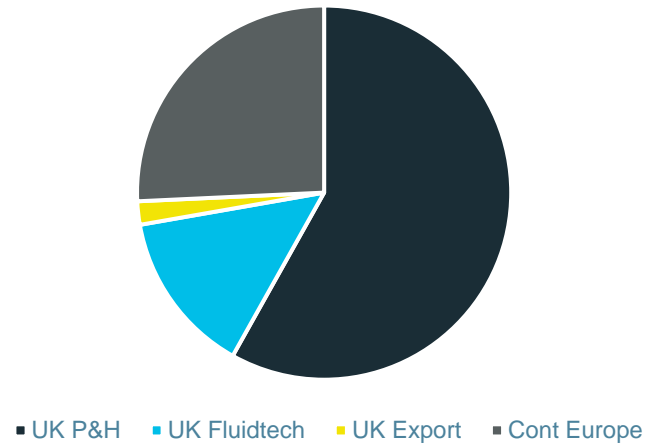
- Residential repair & remodel through continued channel partner expansion
- Commercial plumbing with new product development and bolt-on acquisitions
- New residential construction

Estimated Total Addressable Market: US\$20B+

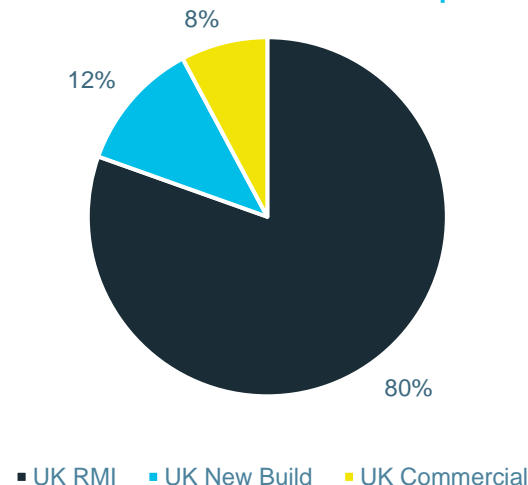
EMEA is focused on driving operational efficiency ahead of market recovery



Category mix¹



UK End Use Market Exposure



Strategy

Pursue organic growth initiatives

- Targeted new product development opportunities leveraged across existing sales channels

Operational Excellence

- Market leading customer service
- S&OP processes to further drive operational efficiency

Margin focus









- Maintain and grow EBITDA margin through continuous improvement and cost reduction initiatives

Estimated Total Addressable Market: £3.5B+

Asia Pacific | Overview

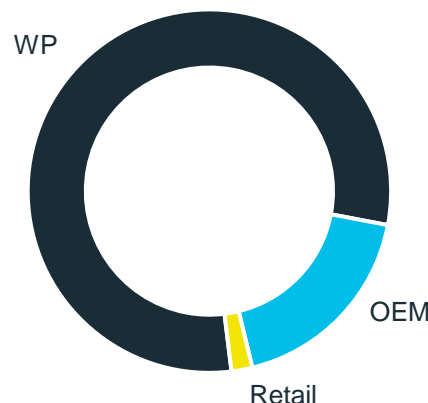


Holman significantly changes APAC's business growth profile

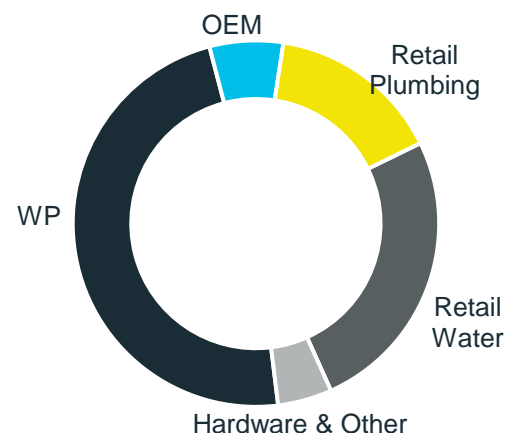
RWC	Holman
 A\$283 Net Sales ¹	 A\$192m Net Sales ³
 A\$47m Adjusted EBITDA ²	 A\$23m Adjusted EBITDA ³
 450+ Employees	 300+ Employees
 1500+ Locations	 660+ Locations

Channel mix

Current



Post Holman



Strategy

Category leadership

- Lead the PEX market through wholesale partners, by bringing in global innovation and solutions that add most value to the end user

Channel and product diversification

- Pursue Holman Water-out (DWV) products through traditional wholesale targeted at the pro
- Longer term, pursue plumbing products via Retail
- Target pro irrigation channels

Holman integration

- Realise cost synergies announced at time of acquisition

Estimated Total Addressable Market: A\$3B+

Holman overview

Two major revenue categories: Plumbing and Watering



Plumbing



Watering

Revenue
(% of total)

47%

53%

SKUs

~1,300

~1,800

Channels

Wholesale
Retail

Retail
Hardware
Landscape

Products

PVC pipe and fittings - DWV, stormwater, pressure, S&P traps, fabricated

Garden hoses, retractable hose reels, hose fittings, tap timers, poly pipe fittings, sprinklers, garden systems, pumpless sprayers, weather stations

Plumbing Matters. We Make It Better.

Source: Holman management reports and RWC analysis; Excludes NZ business.

Recap of Holman acquisition

Holman broadens RWC's product offering and channel reach in APAC

Holman's product portfolio will complement RWC's offering by adding water-out pipe & fittings

- Holman's plumbing products portfolio complements RWC water-in portfolio with water-out products
- Additional product ranges doubles RWC's Target Addressable Market in Australia
- APAC end market exposure more balanced between water-in and water-out product categories

Holman has a stronger relationship with Retail channel partners

- Holman is now the retail arm of RWC APAC, creating a strong platform that is able to support and grow category share in both wholesale and retail channels in Australia
- Increased product cross-sell opportunities with combined Holman/RWC product range

Holman products are category leaders in plumbing and watering in Bunnings

- Very strong track record of product innovation, breadth of offering and quality of product has built leading brand positions for Holman, particularly in retail
- Established track record of world class retail execution capabilities

Broadens RWC's channel exposure in Australia

- Post acquisition, RWC's channel exposure is split broadly between wholesale and retail
- Retail is a growing channel in the plumbing and heating space alongside wholesale

Improves RWC's cost position and enables RWC to better compete for new opportunities

- Holman and RWC have complementary sourcing capabilities from Asia
- Rationalisation of overlapping footprint capable of consolidation to improve cost position
- Opportunity to leverage RWC scale and manufacturing capability

Focused on delivering for shareholders




Capital Management approach

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
<ul style="list-style-type: none"> • Margin expansion through continuous improvement initiatives • Strong operating cash flow performance • Maintenance of investment grade equivalent credit metrics • Improving return on capital employed 	Above-market growth in 3 regions: <ul style="list-style-type: none"> • Americas • APAC • EMEA 	Ongoing investment in: <ul style="list-style-type: none"> • capacity expansion • core new product development Ongoing assessment of operational footprint and supply chain optimisation	M&A aligned with strategy: <ul style="list-style-type: none"> • Fill gaps in product range • Expand distribution or end-user scope • Broaden geographic presence 	Target Leverage Range: Net Debt to EBITDA of 1.5 - 2.5 times	Target Payout Ratio: 40-60% of NPAT: ~Half to be paid as Dividends ~Half to be distributed via on-market share buyback Dividends will generally be unfranked	On-market Share Buybacks: Preferred means of distributing excess cash beyond dividends Assessed when appropriate

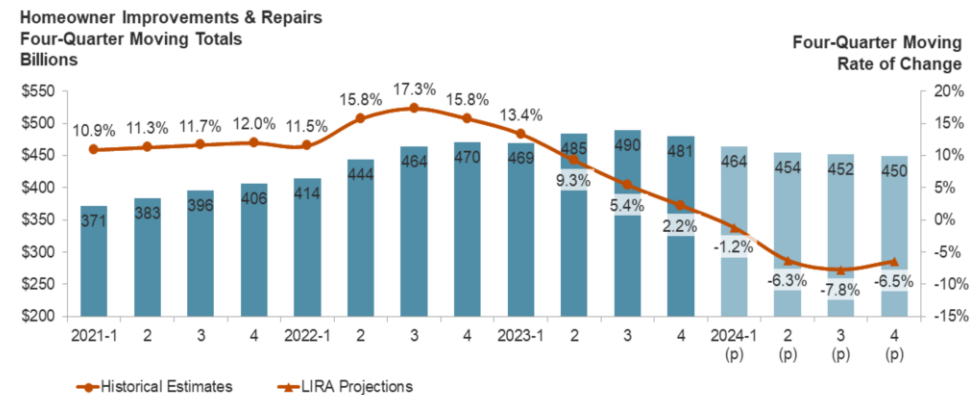
RWC: committed to making a positive, lasting impact

 <p>Environment</p>	<p>Net Zero by 2050</p> <p>Committed to reducing Scope 1 and Scope 2 emissions to Net Zero by 2050</p>	<p>42% reduction in Scope 1 and Scope 2 emissions by 2030</p>	<p>Scope 3</p> <p>Continue to measure Scope 3 emissions with an aspiration of setting targets to achieve net zero by 2050</p>
 <p>Social</p>	<p>Driving diversity, equity and inclusion in a safe and inspiring workplace</p>	<p>40/40/20</p> <p>Gender diversity targets</p>	<p>4.9</p> <p>Recordable incidences per 1 million hours worked</p>
 <p>Governance</p>	<p>Oversight and alignment Ensuring our performance</p>	<p>3 female Board members, representing</p> <p>43%</p> <p>of Non Executive Directors</p>	<p>ESG Performance</p> <p>linked to executive remuneration</p>

Outlook

Short term market challenges due to higher interest rates...

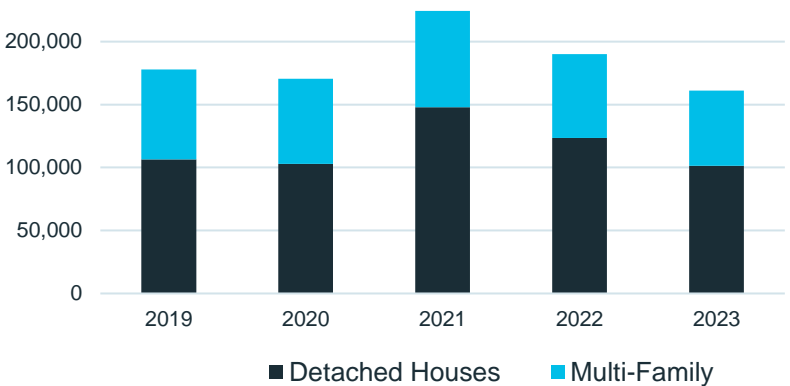
Leading Indicator or Remodelling Activity – Fourth Quarter



Notes: Improvements include remodels, replacements, additions, and structural alterations that increase the value of homes. Routine maintenance and repairs preserve the current quality of homes. Historical estimates since 2021 are produced using the LIRA model until American Housing Survey benchmark data become available.

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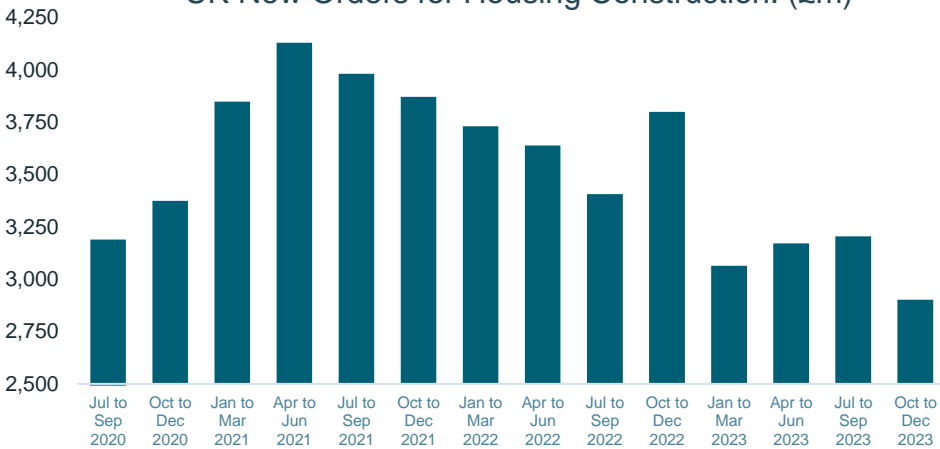
Australian New Dwelling Commencements¹



US Existing Home Sales² (000)



UK New Orders for Housing Construction: (£m)³



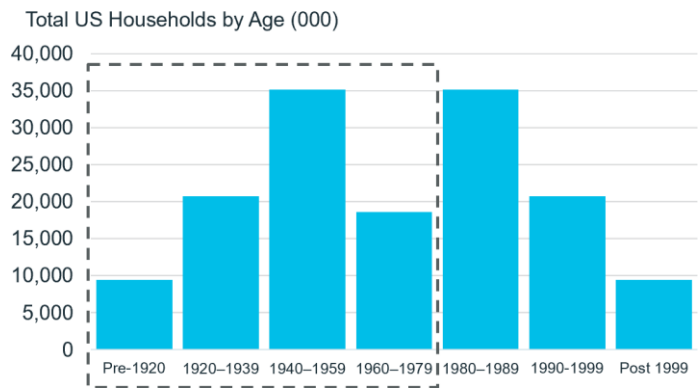
Plumbing Matters. We Make It Better.

¹ Source: Australian Bureau of Statistics
² Source: US Department of Housing and Urban Development
³ Source: UK Office of National Statistics

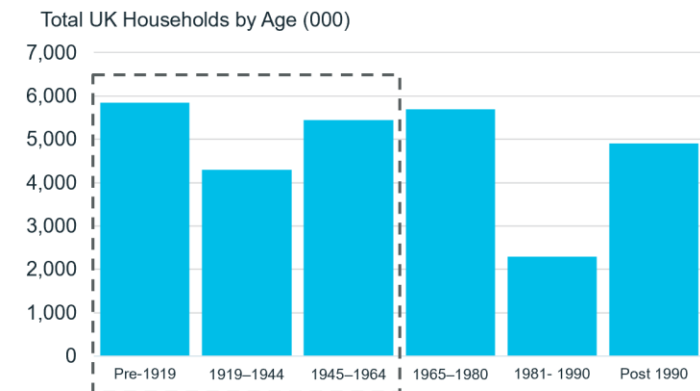
...but long-term fundamentals remain strong

Aging housing stock supports R&R activity

74m US homes are over 40 years old

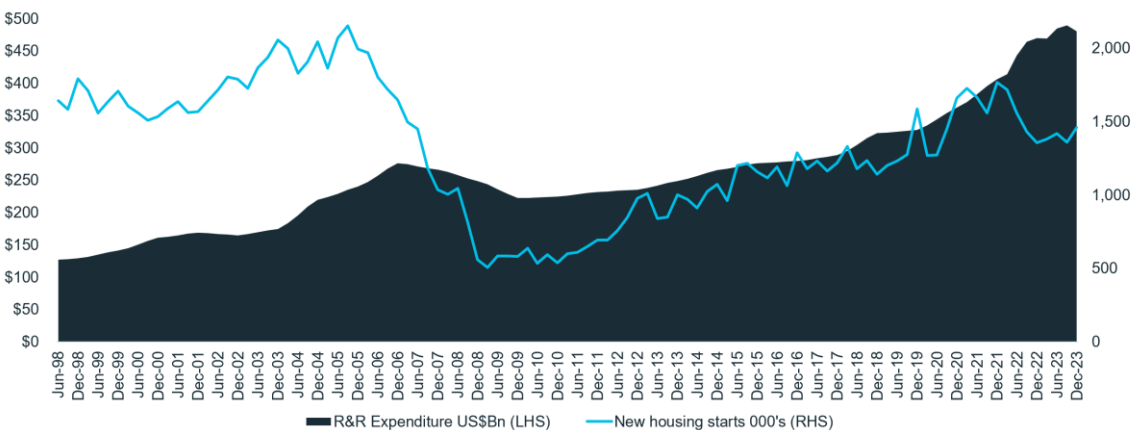


55% of homes in UK >50 years of age



Repair & Remodel sector is less cyclical than new construction

US new housing starts have been more volatile over past quarter century



FY24 Outlook: guidance maintained¹



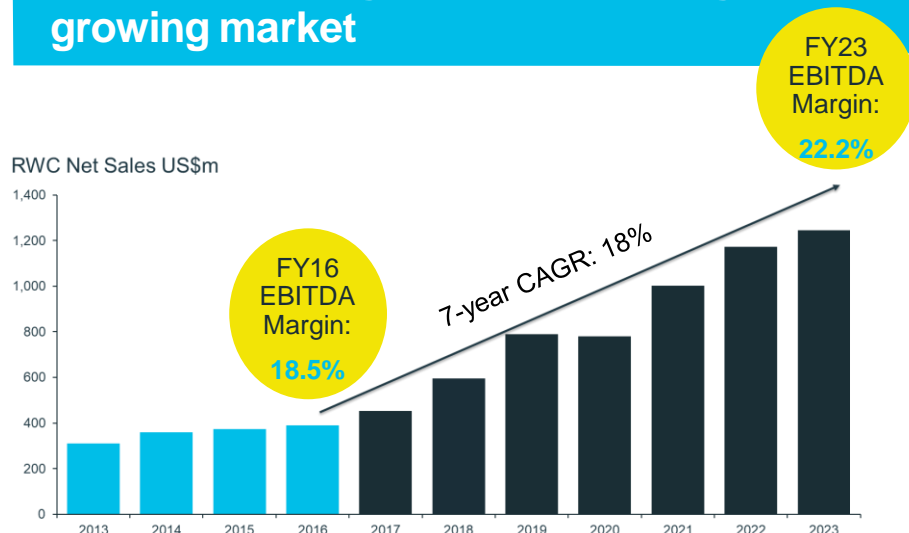
Group	February 2024 Guidance	Trading Outlook	Status
Net Sales	Down low to mid-single digits on FY23	Unchanged	●
Operating Margin	Group EBITDA margin stable on FY23	Unchanged	●
Operating Cash Flow	2 nd Half operating cash flow conversion of 90%+	Unchanged	●
Americas	February 2024 Guidance	Trading Outlook	Status
Net Sales	Broadly in line with FY23 after adjusting for Supply Smart closure	Unchanged	●
Operating Margin	EBITDA margin higher than FY23	Unchanged	●
Asia Pacific	February 2024 Guidance	Trading Outlook	Status
Net Sales	External sales down low single digits on FY23	Unchanged	●
Operating Margin	EBITDA margin 1/3 rd lower than FY23	Unchanged	●
EMEA	February 2024 Guidance	Trading Outlook	Status
Net Sales	External sales down low double digits on FY23, consistent with HY24	Unchanged	●
Operating Margin	EBITDA margin lower than FY23 on lower volumes	Unchanged	●

Conclusion

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



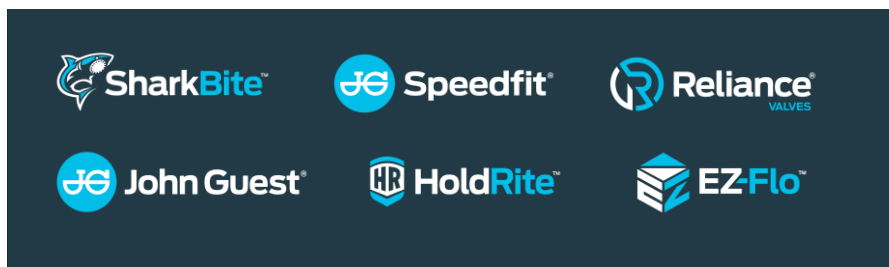
Global plumbing solutions in a large and growing market



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



Track record of creating value from M&A



Resilient earnings profile due to R&R exposure

