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7 March 2024

## **ASX Release**

### **GWA Strategy Update and Site Tour**

GWA Group Limited (**GWA**) is hosting a Strategy Update and Site Tour on **Thursday, 7 March 2024**, at the company's Innovation and Distribution Centre, Prestons, Western Sydney, commencing at 10.00 am (AEDT).

Attached is a copy of the presentation to be given by the Managing Director and CEO, Urs Meyerhans, and the GWA executive team.

Any queries may be directed to Martin Cole, investor relations, on the details below:

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This document was authorised for release by GWA's Company Secretary and General Counsel.

Yours faithfully

*Ernie Lagis*

**E. Lagis**  
**Company Secretary and General Counsel**

# GWA Strategy Update and Site Tour

7 March 2024

# Agenda

## Strategic Update

5 Overview and safety focus

Urs Meyerhans

12 Strategic Plan

### GWA strategy by pillar

17 Win the plumber

Craig Norwell

22 Innovate through design and partnerships

Caroline Sunaryo

27 Grow aftermarket offerings

Craig Norwell

### Our foundations

32 Customer experience

Melissa Hayes

38 Digital

Ritesh Patel

43 Financial strength and capacity for growth

Calin Scott

47 Summary and Q&A

Urs Meyerhans

## Followed by Site Tour



# Executive Leadership Team



**URS MEYERHANS**

MANAGING DIRECTOR AND CEO



**CALIN SCOTT**

GROUP CHIEF FINANCIAL OFFICER



**CRAIG NORWELL**

GM SALES



**ERNIE LAGIS**

COMPANY SECRETARY



**CAROLINE SUNARYO**

GM SUPPLY CHAIN & INNOVATION



**RITESH PATEL**

CHIEF INFORMATION OFFICER



**MELISSA HAYES**

GM MARKETING

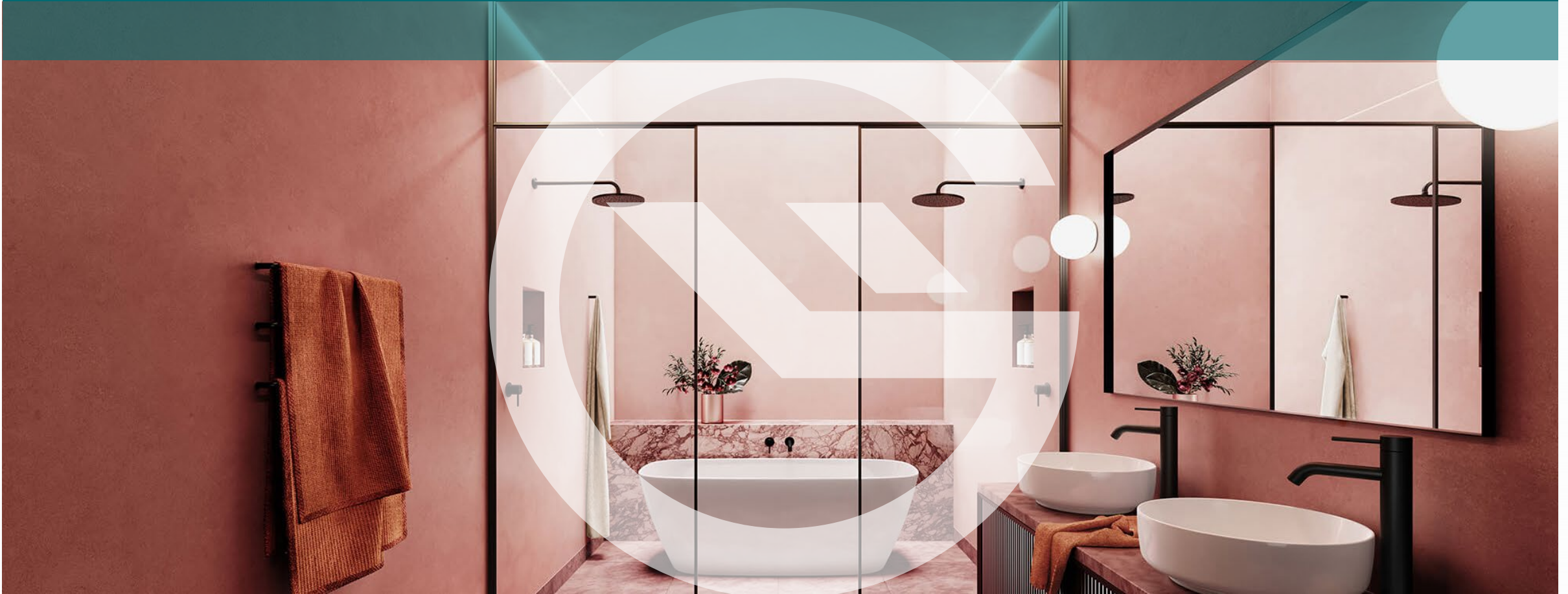


**PATRICIA OLIVER**

GM PEOPLE & PERFORMANCE



# Introduction to GWA



# Overview & Safety Focus

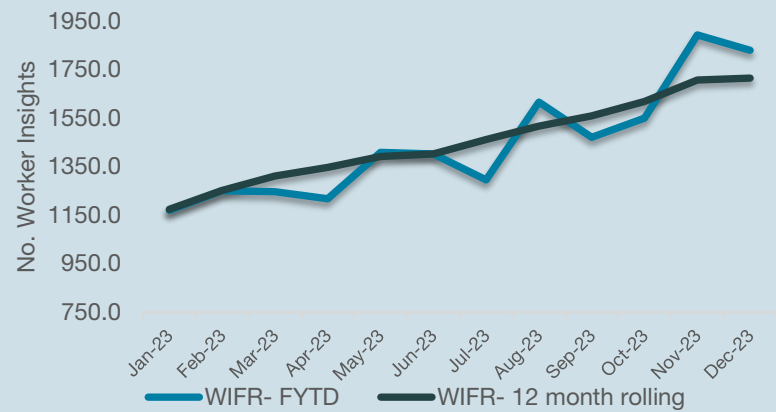
Urs Meyerhans



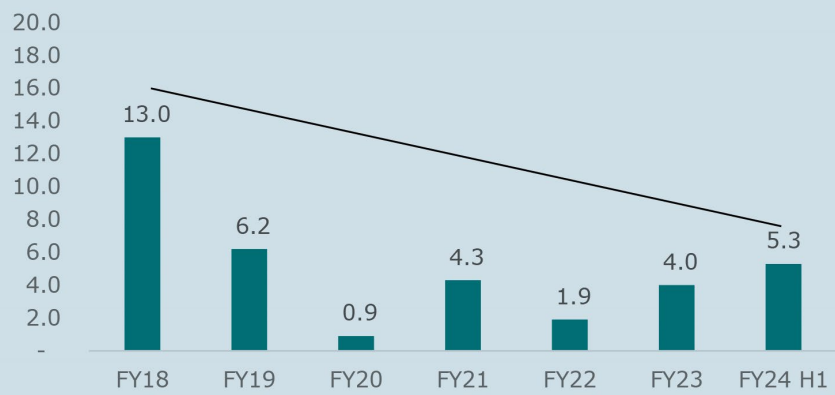
# Ongoing commitment

## Workplace Health and Safety

### Worker insights





### Total Injury Frequency Rate



- ➔ Worker insights (a leading indicator) continues to increase in FY24. Resulting in improved incidence reporting.
- ➔ Refreshed worker induction program implemented in H1.
- ➔ H2, FY24 focus – Chain of responsibility process review.



# Key take-aways from today

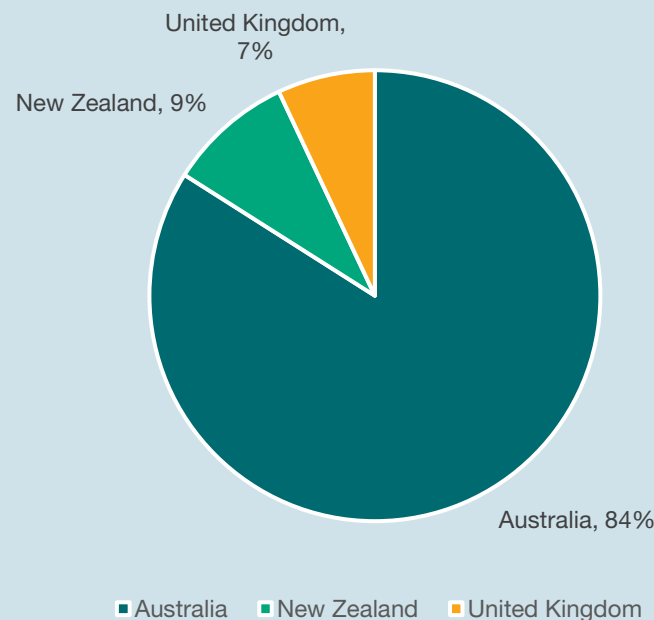
	GWA has established a strong position across our key target markets
	We have executed well through a period of subdued market conditions
	Financial and operating results in 1H24 reflect our disciplined approach
	Our strategic plans have established a strong platform for growth
	There is more we can do within our current strategic framework
	We see opportunities for further growth by executing well
	GWA is set to benefit from the recovery in our target markets



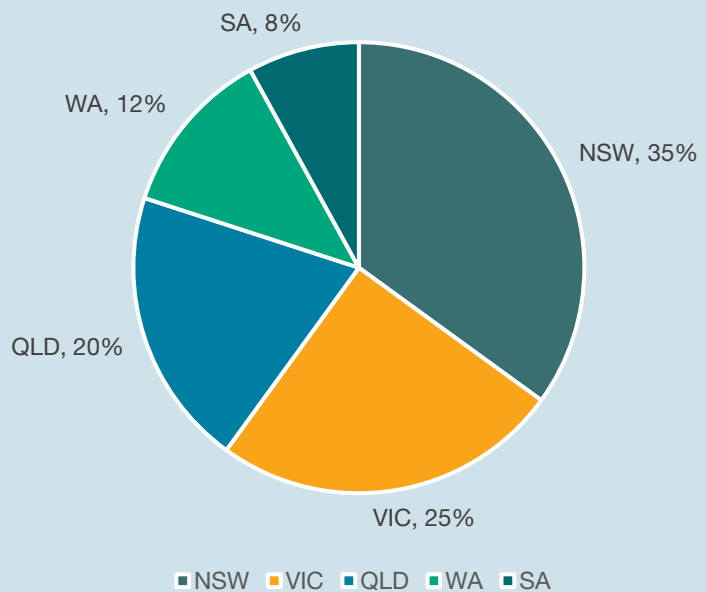
# Regional Diversification

Regional diversification reduces  
group risk to a single market

Group 1H FY24

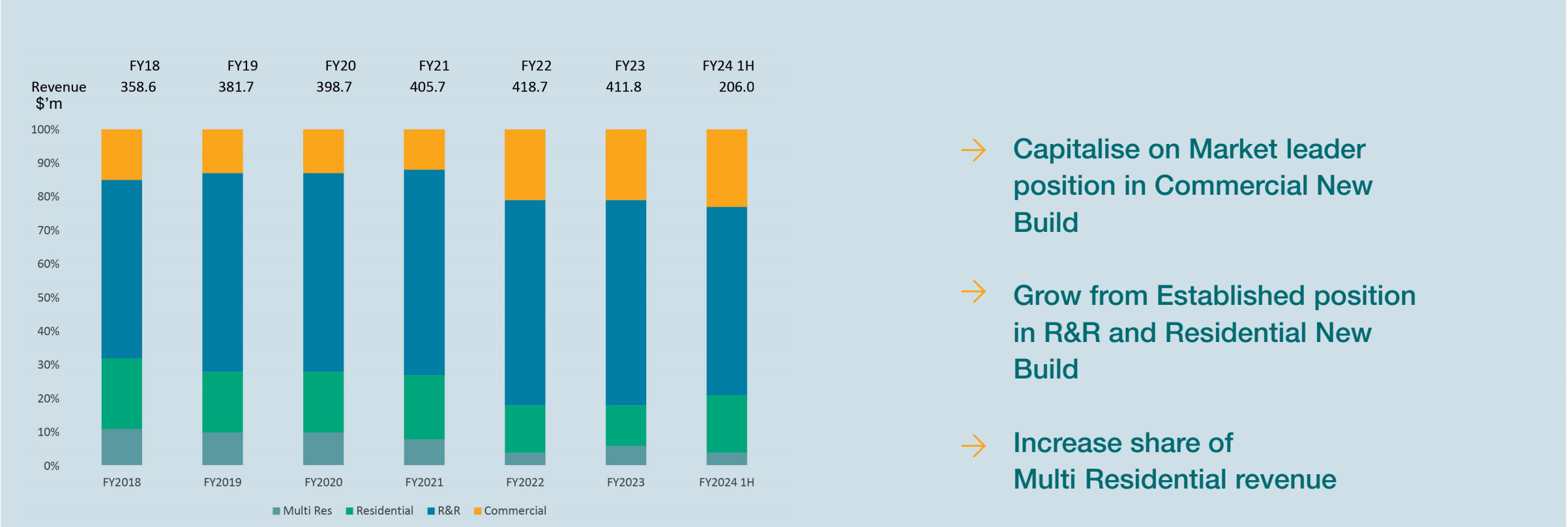


Australia 1H FY24



# Diverse markets across the Australian building sector

End market diversification provides stability through the cycle and provides the platform for growth.



1 Percentage of Australian sales revenue only and represent GWA's best estimate.



# Market outlook (AU)

## Repair & Renovation (R&R)

### Short term

- Subdued activity expected to continue in Residential R&R
- Solid pipeline in Commercial R&R

### Long term

- Volumes expected to recover in response to interest rate cycle and consumer confidence
- Increased engagement with maintenance plumber
- GWA well positioned to capitalise on recovery given progress on strategy

## Residential detached

### Short term

- Solid level of completions expected for FY24
- FY25 expected to return to long term averages

### Long term

- Expected to be supported by net migration and demand for housing
- GWA target volume builders through targeted price corridors

## Commercial

### Short term

- GWA expects to maintain positive momentum
- Currently seeing good momentum in health & aged care – expected to continue

### Long term

- Continue to benefit from our position across the commercial segments
- Expect to see an increase in demand in aged care due to an ageing population
- Increasing demand for Health care

## Multi Residential

### Short term

- Supported by completion of existing pipeline of projects
- Strong pipeline of work

### Long term

- Expected to be supported by the growing demand for:
  - Affordable housing;
  - Social housing; and
  - Build to rent.

# Supply Chain Update

Challenges managed with initiatives in place to mitigate risks

- + Shipping contracts in place
- + Access to multiple freight carriers
- + Dual sourcing capabilities
- + Healthy stock on hand levels with targeted stock build
- + Safety stock at manufacturing sites for fast moving products



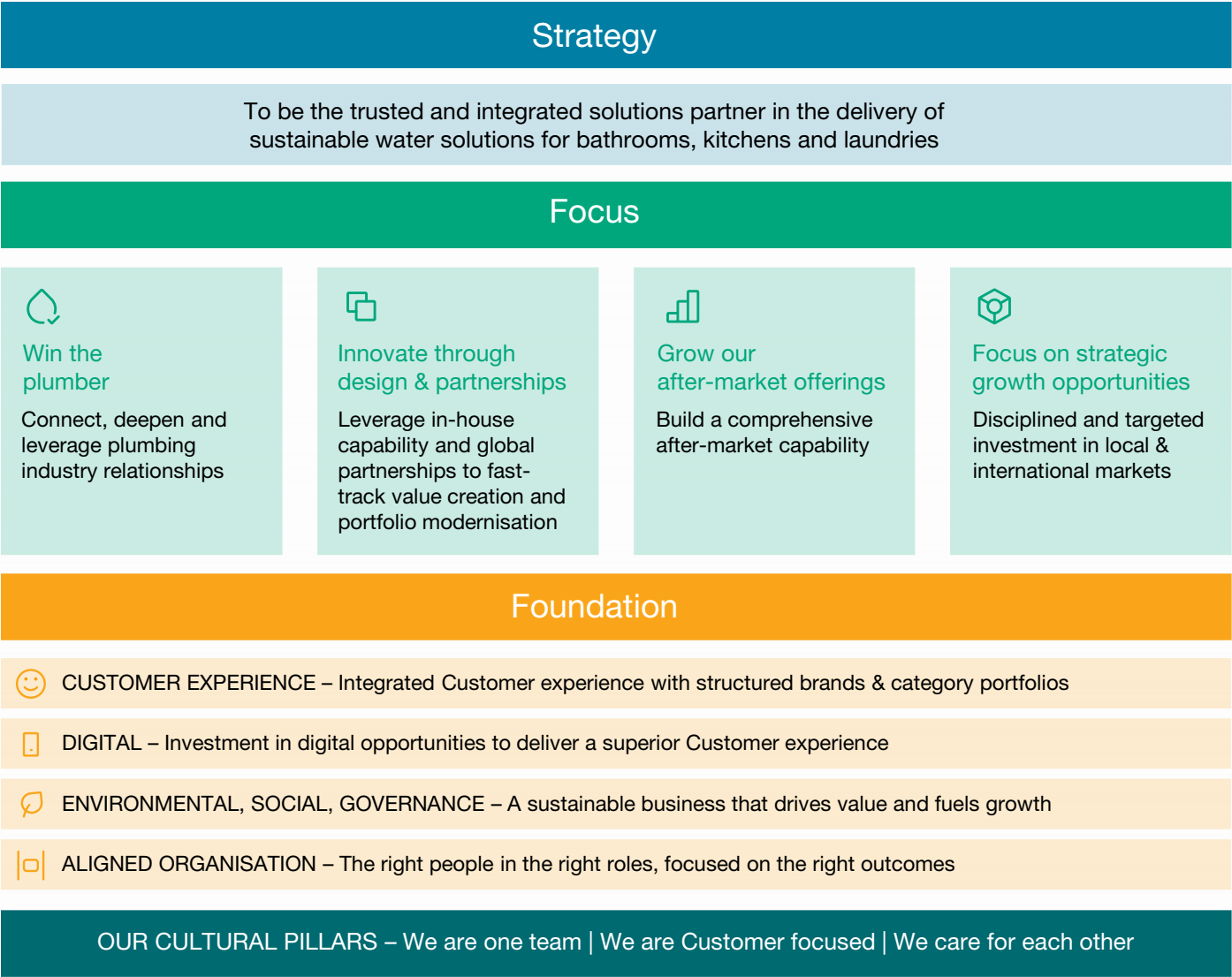


# Strategic Plan

Urs Meyerhans

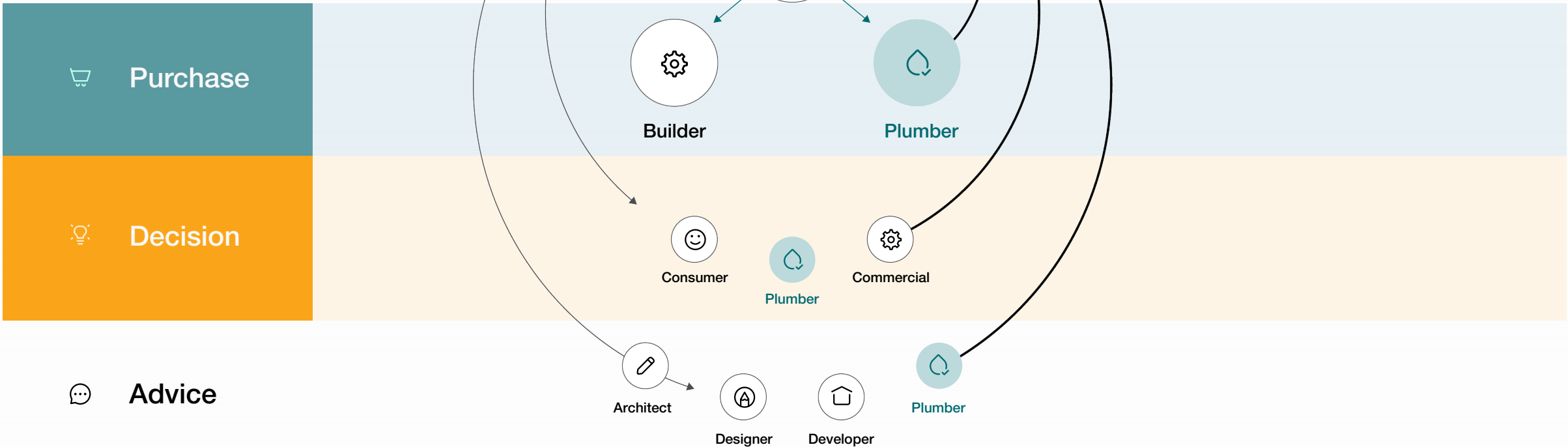






Making everyday water experiences extraordinary—today, and for tomorrow

Overarching objective  
of the strategy is to  
increase the Customer Pull



# Excellent progress made on Strategy

## KPM

## 2025 Targets

## Progress

### Win the Plumber

25,000+ plumbers engaged



Technical services provided (quantity)



### Innovate Through Design & Partnership

NPD sales >10% of overall Sales within 2 years



>20% improvement for NPD average speed to market



### Customer Experience

Improved DIFOT



Increased in Net Promotor Score



### Capital Management

EPS CAGR 5% to 10% FY23 to FY25



EPS CAGR 5% to 10% FY24 to FY26



Cash conversion -80 to 85%



Leverage 1.0 to 2.0 times EBITDA



### Win the Plumber

21,700+ plumbers signed up and categorized;

11,500 plumbers engaged in technical services:

- More than 1,000 plumbers trained in Q2;

### Innovate Through Design & Partnership

Vitality index tracking over 10%

NPD aligned with strategy.

### Customer Experience

DIFOT in ANZ improved to 84%;

Steady improvement of transactional NPS measure.





# Our FY24 Priorities to ensure Disciplined Execution

In the context of our overall strategy, we set two priorities:



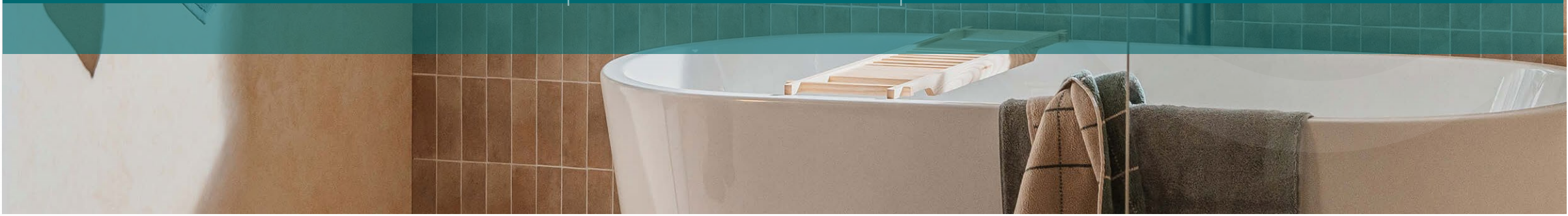
## Customer first

- Agile ways of working
- Customer first mindset
- Respond on time
- Deliver on time
- Right first time
- UK transition to Group ERP



## Profitable volume growth

- Big bets
- Win the core
- New Product launch
- Technical Services
- Caroma Smart Command

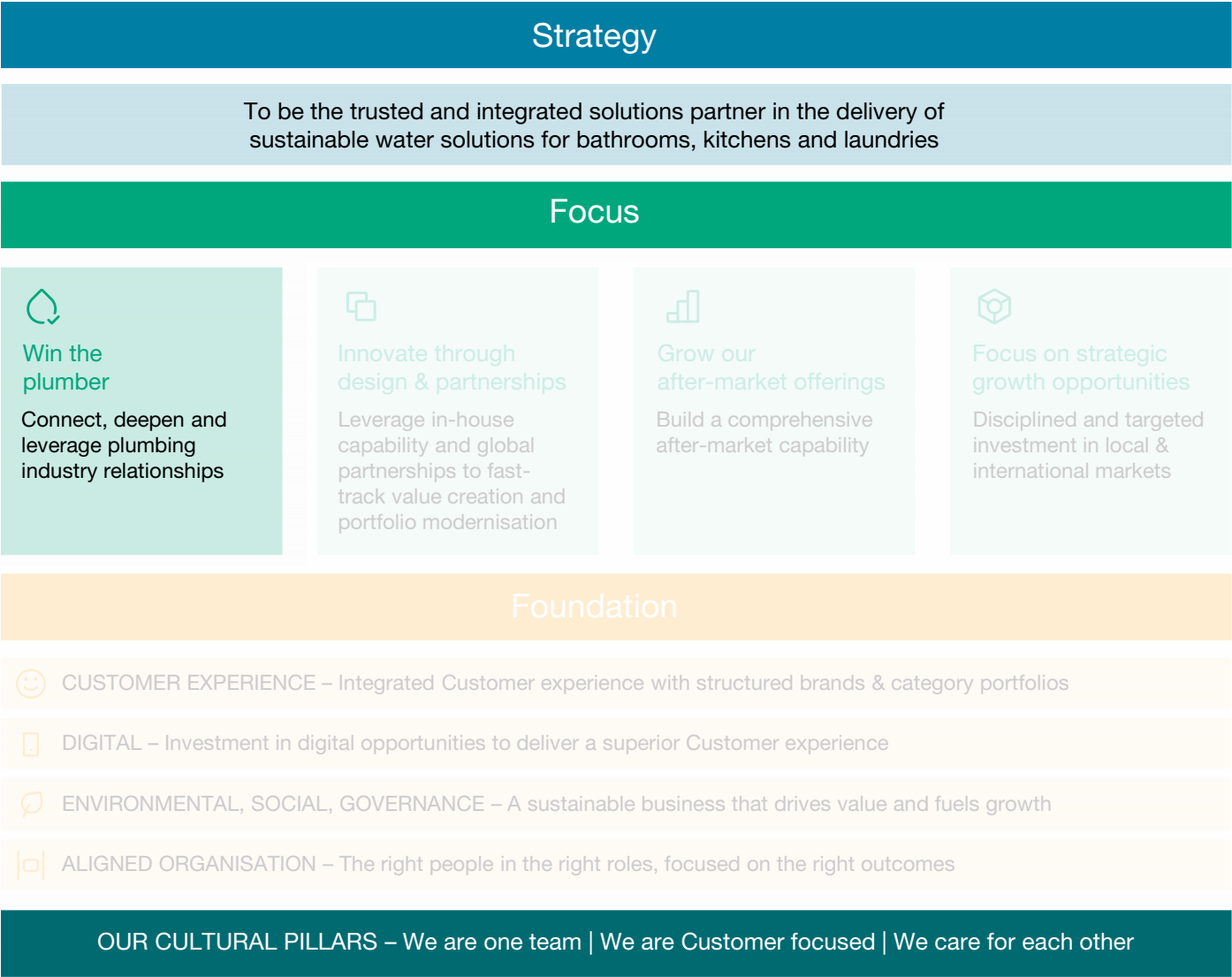


# GWA Strategy by Pillar

Win the Plumber

Craig Norwell





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# Win the plumber

Connect, deepen and leverage plumbing industry relationships

- + Common denominator in diverse customer base
- + Quality of Plumber + Products + Services defines customer experience
- + Trusted advisers
- + GWA's long-standing strength with large commercial plumbers, 40 years+
- + 36K plumbers in ANZ relevant to GWA
- + Single biggest opportunity to grow volume and share



**BY 2025**

#1 choice to plumbers as their technical partner delivering trusted, and valued, services and solutions.

## Our Competitive Advantage

Our technical expertise and the scale to partner with plumbers in ANZ without rival





# What we have achieved



Breakthrough in ANZ plumber customer base scale

Customer base now >21K plumbers  
Plumber Bundle sales growth +10%



Created superior technical services and training

11,500 technical interactions last 6 months  
>1,000 plumbers trained in FY24 Q2



Customer collaboration develop superior solutions

Expanded Caroma Accredited Research Customers (CARC) to Maintenance plumbers  
CARC collaborations on smart healthcare, modular and spare parts solutions

## Key Performance Measures

>25,000 plumbers engaged

Plumbers trained\*

Technical services provided\*

\*Number of + Quality (NPS) for each

# What's next



## Provide technical services and support

Technical services

Digital solutions through Plumber's HUB

Plumber's Centre of Excellence



## Own plumber training & accreditation

Foundation training for plumbers & apprentices

Local subject matter experts (industry endorsed)

Caroma accredited installers



## Create plumber loyalty

Coverage and engagement

Loyalty programs (inc. Caroma Accredited Research Customers (CARC))



## Superior plumbing solutions

Continuous improvement

Customer led innovation

Product 'plus' collaborations

Plumber Training Centre enabling accreditation

Scale plumber technical support (central & local, customer facing)

Plumbers HUB delivers 24/7 technical support

Achieve >25K plumber customer base

Market specific plumber ranges, available everywhere

CARC endorsed innovation

Product 'plus' solutions created with CARC

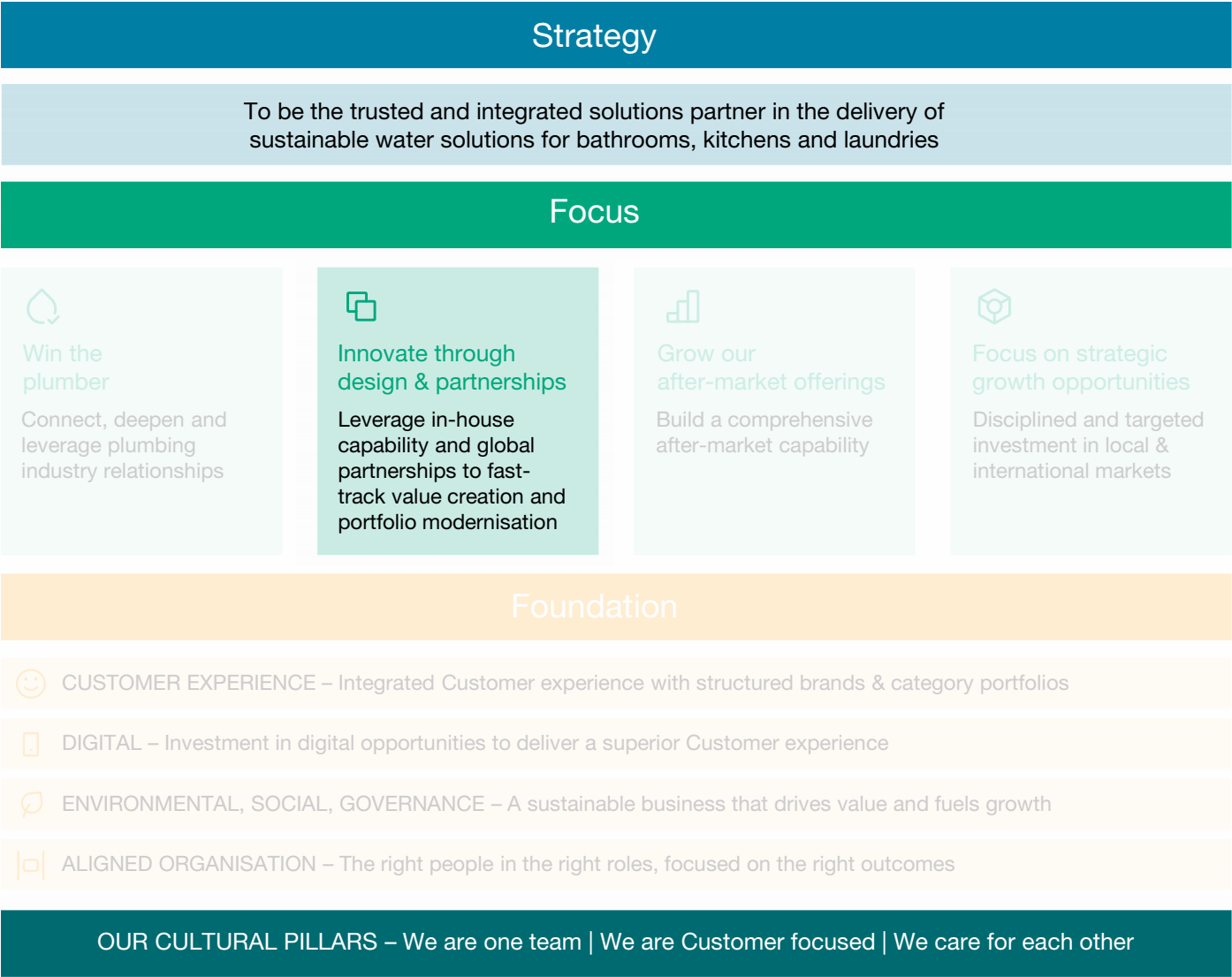


# GWA Strategy by Pillar

Innovate through Design & Partnership

Caroline Sunaryo





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# Innovation through design & partnership

Leverage in-house capability and global partnerships to fast-track value creation and portfolio modernisation

- + Product trends are emerging and progressing faster than ever
- + Distinctive and purposeful innovative bathroom, kitchen and laundry solutions required to continue to lead in the market
- + GWA has strong technical capabilities and infrastructure in place
- + Opportunity to leverage long-term relationships with key customers, specifiers and world-class supply partners to fast-track new product introduction and grow market share

## Our Competitive Advantage

Our technical expertise, in-depth market knowledge, combined with supply network strength, enable us to design, source or collaborate to provide customisable products and solutions for our customers



**BY 2025**

Recognised as progressive industry leaders in sustainable bathroom, kitchen and laundry solutions.



# Our FY24 Priorities to ensure Disciplined Execution



## Faster to Market

4 months improvement in New Product Development (NPD)\* speed to market



## Vitality Index >10%\*

>150% growth of NPD revenue



## GWA Point of Differentiation Awareness

90+ Innovation & Technical tours and collaborations completed



## Portfolio Optimisation

Deletion of ~3,300 non-performing SKUs\*

## Key Performance Measures

Measures	FY25 Target
Vitality Index	>10%
NPD sales as a % of overall Sales within 2 years	
Speed to market average	>20%
speed to market of NPD projects (months)	



\* Quoted figures are against FY21 baseline

# What's next

Leverage strategic partnerships to deliver affordable and smart bathroom solutions within care, commercial and residential applications

	 Affordable	 Everyday Smart	 Connected	
 Care		Affordable Assistive Living and Aged Care Collection	Dementia & Mobility Support Collection	Connected Care Technology
 Commercial		Commercial & Build-to-Rent Collections	Installation & Retrofit Solutions Water Safety & Water Saving Technology	Caroma Smart Command Intelligent Product Extension
 Residential		Affordable Living Collection	Next Generation Spray & Flushing Technologies Customisable Bathroom & Kitchen Products	Connected Home Bathroom

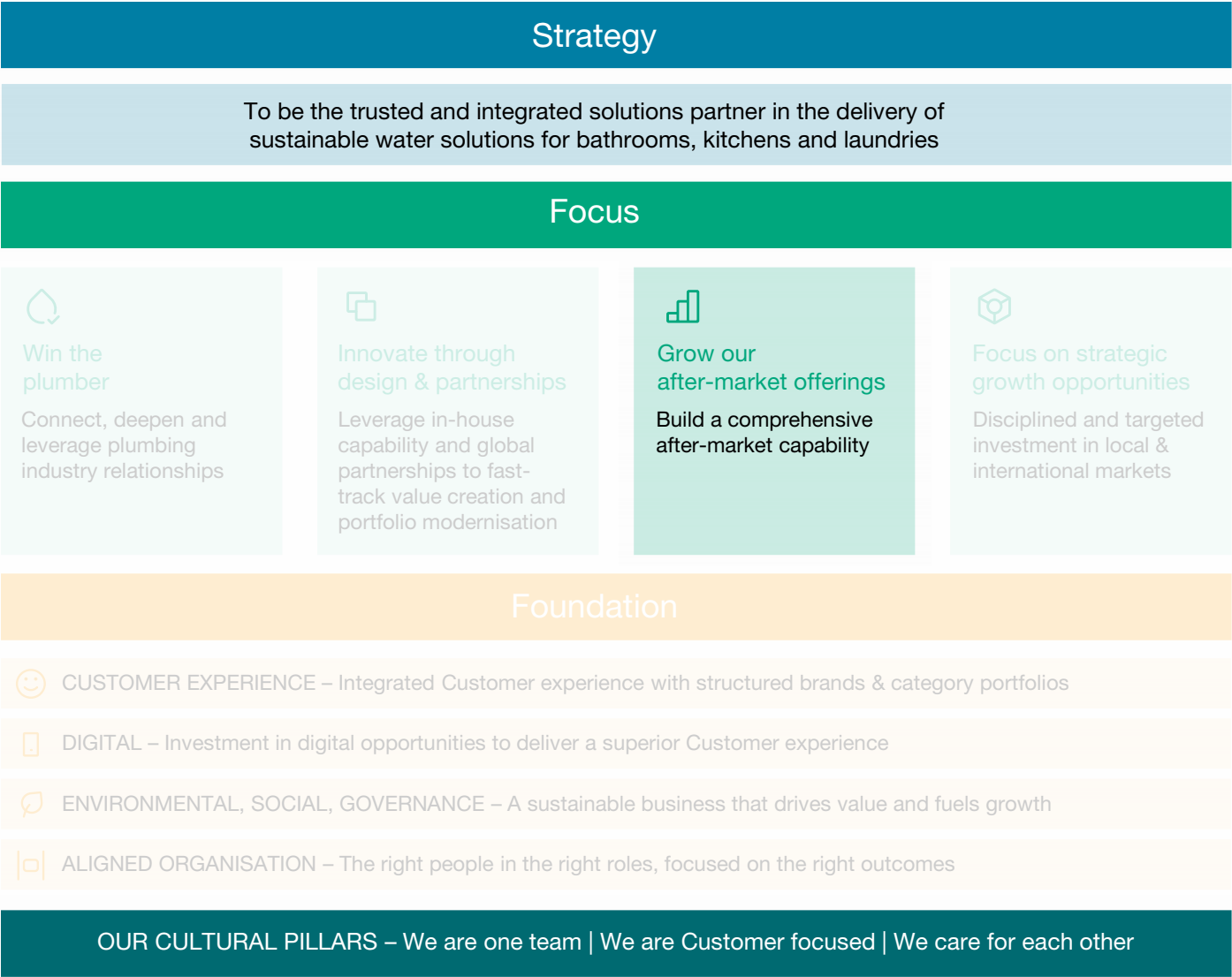
# GWA Strategy by Pillar

Grow After Market Offering

Craig Norwell







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# After-market

## Build a comprehensive after-market capability

- + ANZ bathroom replacement and renovation 3x new build value
- + GWA under-indexes our 'rightful share' in R&R
- + Competitive advantage servicing customers creates 'stickiness' & loyalty
- + Scale in after-market revenue will provide protection to AUS new build cycle
- + Aftermarket and R&R sales represent significant opportunity to GWA



**BY 2025**

Recognised for technical and service superiority for lifetime of our products and solutions

## Our Competitive Advantage

Scale of GWA's ANZ 'new-build' share, customer coverage and technical capabilities uniquely positions us to create and develop after-market services



# What we have achieved

## Embed the fundamentals

13.5k

Customer base

Establish customer base of maintenance plumbers

300 branches

Merchant partners

Partner with Merchants to deliver 'real-time' needs

> 80%

Service Levels

Improve DIFOT to meet customer expectations



Error rate halved

Data Integrity

Embed new ERP to deliver date that can be trusted

## Key customer collaborations

### Key Performance Measures

Growth in spare parts sales

Building services revenue



Spare parts  
(B2P)

Services  
(Asset owners & Property Managers)

Smart solutions



# What's next



## Spare parts (B2P)

Issue identification  
Fulfillment / Delivery  
Installation

Plumber services

Spares for product's  
lifetime & everyday  
availability



## Services (Asset owners & Property Managers)

Asset Services  
agreements

Whole of Life solutions

Specification  
Development  
Property management



## Smart Solutions (Connected & Modular)

Modular  
bathrooms &  
installation

Smart connected  
bathrooms



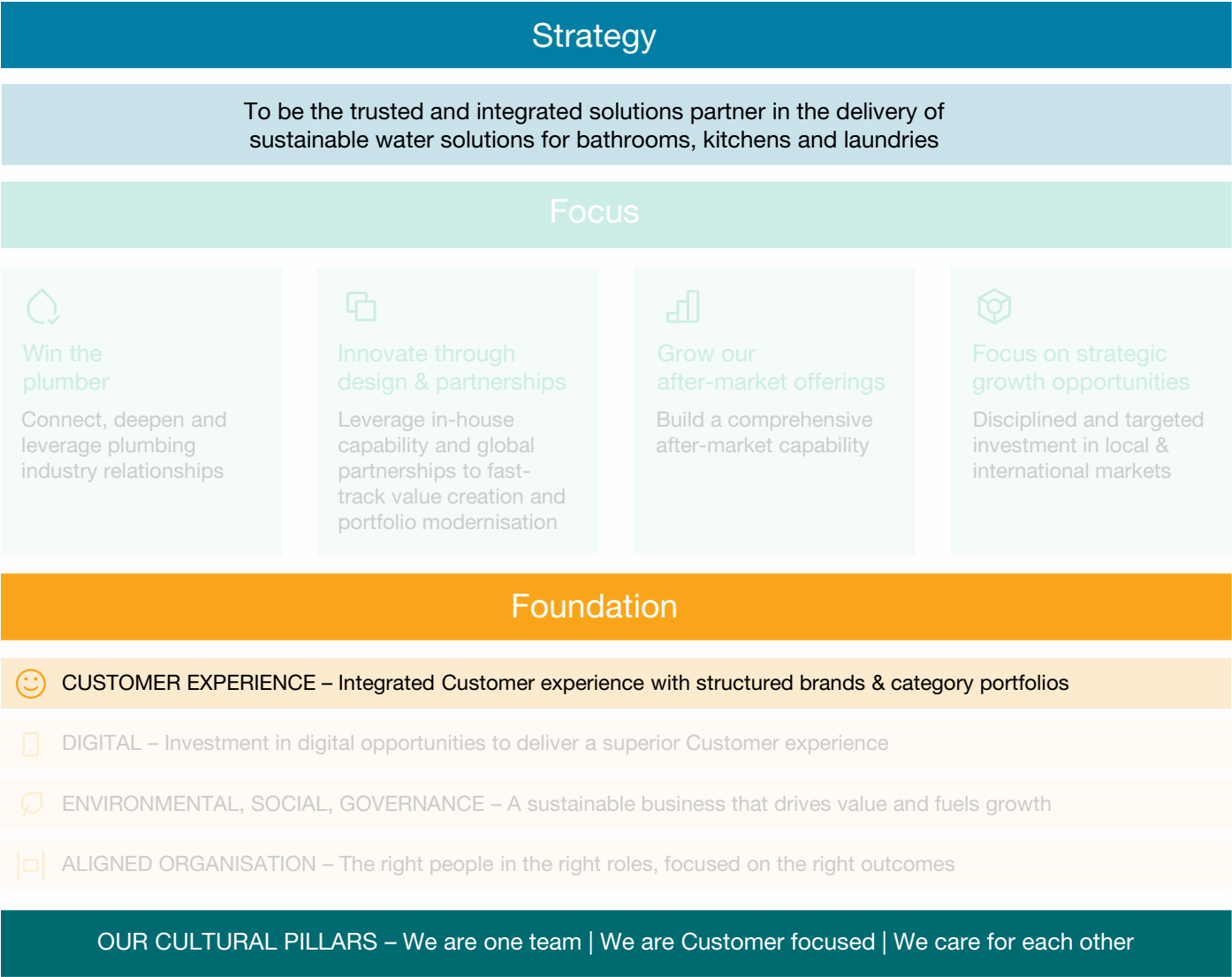


# Our Foundations

## Customer Experience

Melissa Hayes





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# Customer experience

## Delivering “Integrated Customer Experience with structured brands and category portfolios”

- + To be the brand of choice
- + Our Customers’ journey involves many critical, and oftentimes challenging, moments that matter
- + To answer this, and deliver great Customer experiences, we need propositions that are truly valued & deliver ways of engaging Customers throughout their journeys to ensure confidence in their choice of ‘us’

**BY 2025**

We provide customers’ product, services and purchase experiences that set the enviable benchmark.

## Our Competitive Advantage

We deliver solutions, through our market leadership brands, that are the choice of plumbers



# What we have achieved



Ensure a compelling market proposition



Create easy & engaging channel experiences



Ensuring complete, correct and connected data

## Key Performance Measures

Brand Equity Increase with measurement through bi-annual brand equity surveying

Increase in Net Promoter Score across Merchants and Plumbers

Developed a new Caroma brand platform

Delivered new brand guidelines and materials

Reviewed and refocused our range.

Reviewed our experience centre portfolio and launched new Experience Centre in Perth & exited our Sydney location

Planning additional training centres

Refreshed the existing Caroma website in anticipation of our multi-site migration project

Defined & implemented our Product Information framework

Reviewed product data requirements to support of launch of our new Caroma Plumbers Hub

## Tracking against key performance measures

Initial Brand Equity monitoring conducted (2023) to establish benchmark.

ANZ Brand Consideration: Ranking #1  
Preference Score: 52%

Transactional NPS increased to 54%



# What's next?



Ensure a compelling market proposition



Create easy & engaging channel experiences



Ensuring complete, correct and connected data

Caroma - Made for Life  
(Customer Launch -  
Merchant Channels)

Caroma - Made for Life  
(Market Launch - Contura II  
& Urbane II Accessories)

Create training hubs

Finalise and execute  
NSW Experience Centre  
approach

Delivery of integrated  
(multi-site) platform  
migration program

Deliver product information  
in support of launching the  
Caroma Trade Hub for  
Merchants

Product Information health  
metrics dashboard reporting  
established



# Customer Experience

## Breathing life into our Caroma market proposition

We simplified our offering, make it easier to choose Caroma as aligned to needs of our defined Customer profiles & reaffirmed our reason for being the bathroom leader.

Breathing life to our brand, through imagery that connects by being *relatable* and *enduring*



With rollout progressing across our **Owned & Earned** platforms



With rollout progressing across our **Owned & Earned** platforms

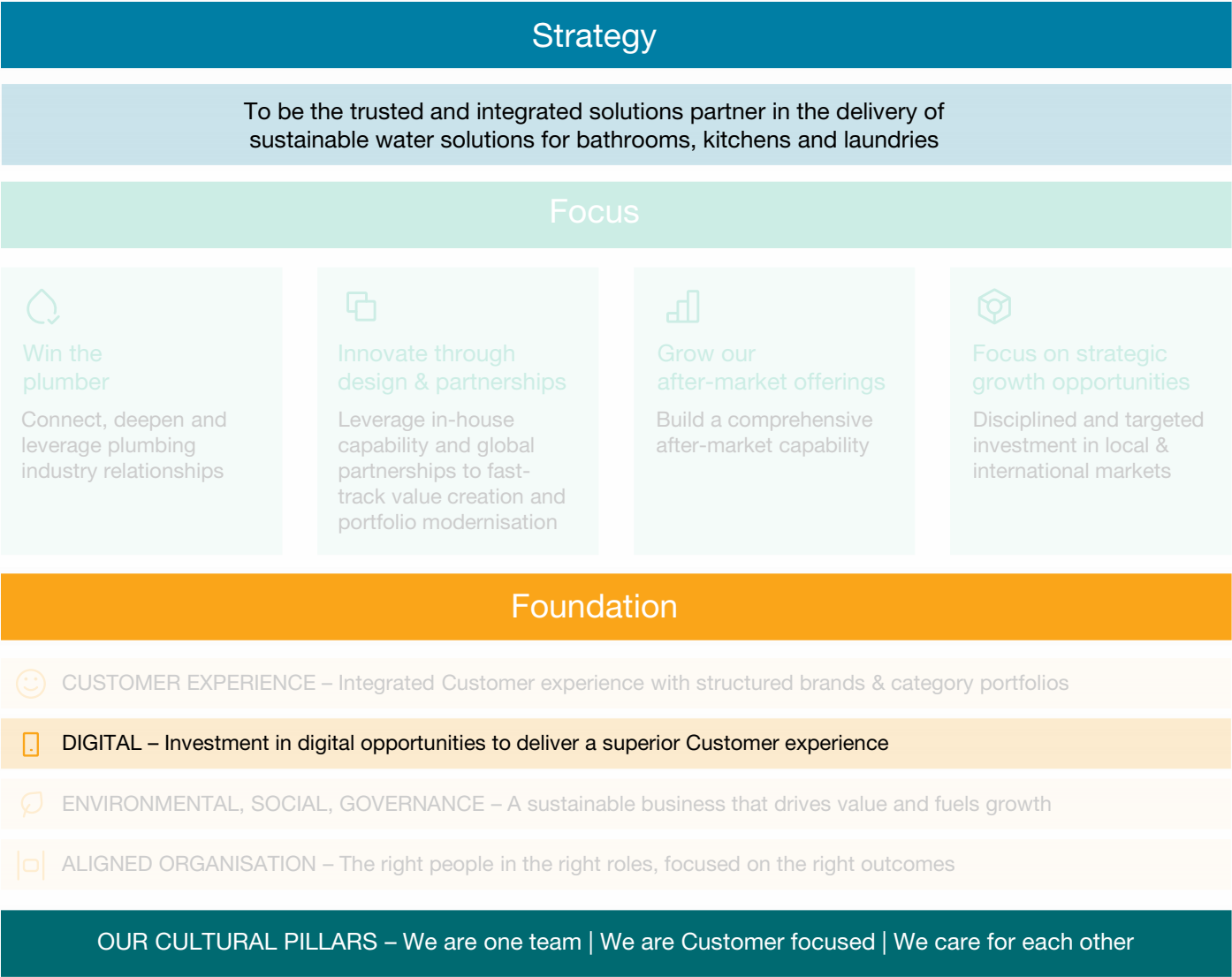


# Our Foundations

## Digital

Ritesh Patel





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# Investment in digital opportunities to deliver superior customer experience

## Our Competitive Advantage

Deep industry knowledge, relationships and partners, combined with speed to market, shaping the digital marketplace providing convenience.



### BY 2025

A technologically connected experience, bringing purchasing convenience across the entire bathroom, kitchen and laundry.



A stronger emphasis on digital channels is crucial, re-thinking the way we connect with Customers



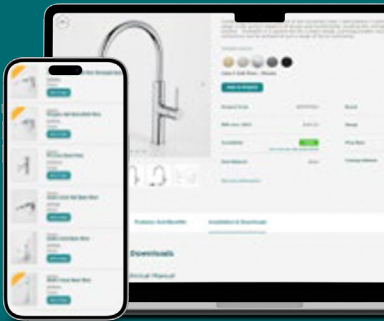
Harness digital for greater customer reach and building advocacy and delivery of a great Customer experience



Enable future growth opportunities through new channels and engagements

# What we have achieved

**Digital**  
New Digital Plumbers Hub was launched with over 2,000 registered plumbers.



What does this spare part look like ?

How can I find the dimensions of this Luna Toilet how far from the wall does it have to be?



What is this tap ? I can't find its logo?

How much is Turoa? I need to know so I can tell the customer know how much I can get it for?

**ERP Modernization**  
Over 200+ improvements and 14 version updates have been deployed since Go-Live, improving GWA efficiency and productivity.



**Customer Service**  
Transactional NPS Consistently above 50%+



**Supply Chain**  
Backorder Reduction by 66%



**Finance**  
Reduction in claims by 80%



**Sales**  
EDI Orders and ETA Accuracy Improvement

# What's next

Customer Segment	Horizon – 2024 (H1)	Horizon 2 – 2024 (H2)	Horizon 3 – 2025 (H3)
Merchant	Serve Me	Grow Me	Innovate with Me
Plumber	Find & Spec Products	Install & Maintain Products	Grow Me & My Business
Consumer	Inform Me	Help Me	Connect Me
Specifier	Inform Me	Help Me	Teach Me



CAROMA

METHVEN

CLARK

dorf

Caroma B2C

Multi Brand Platform

"Consolidation on a modern cyber secure platform"



Caroma Trade Hub

"B2B Merchant/Trade 24/7 Self-Serve App"

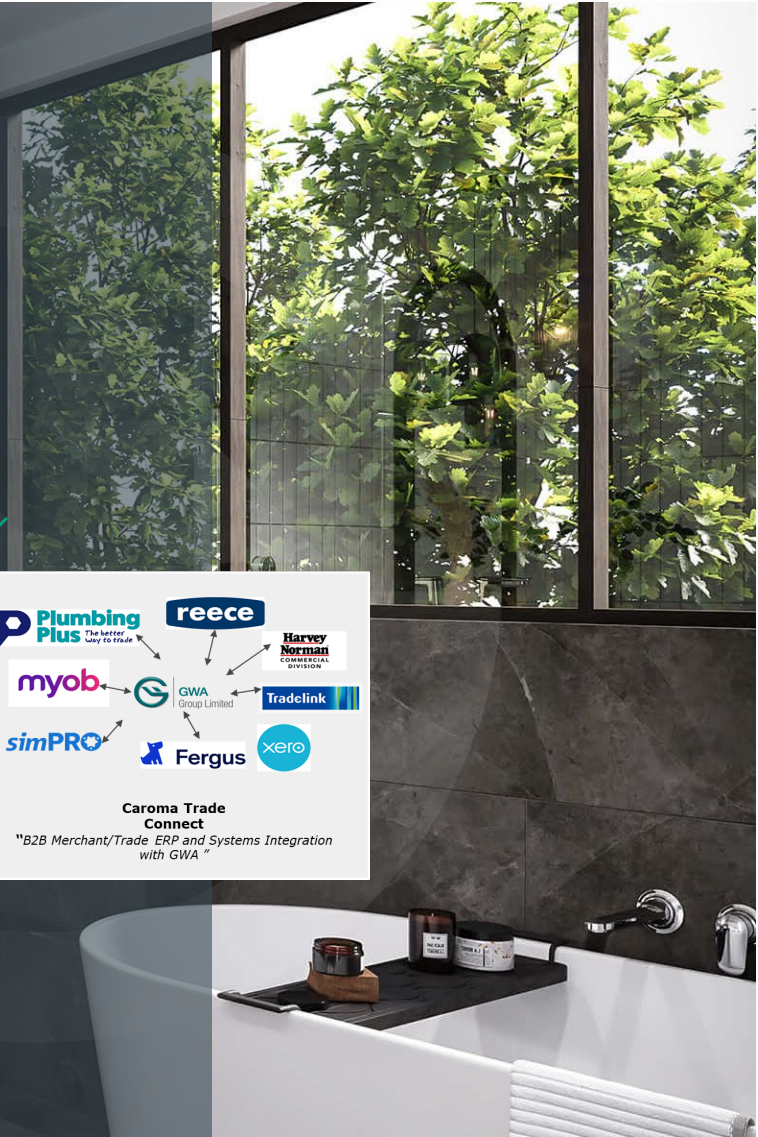


Caroma Trade Connect

"B2B Merchant/Trade ERP and Systems Integration with GWA"



New Caroma Hub IoT Transformation with our partnership with Microsoft and adding ISO27001 security standards. Improved scalability and reliability.





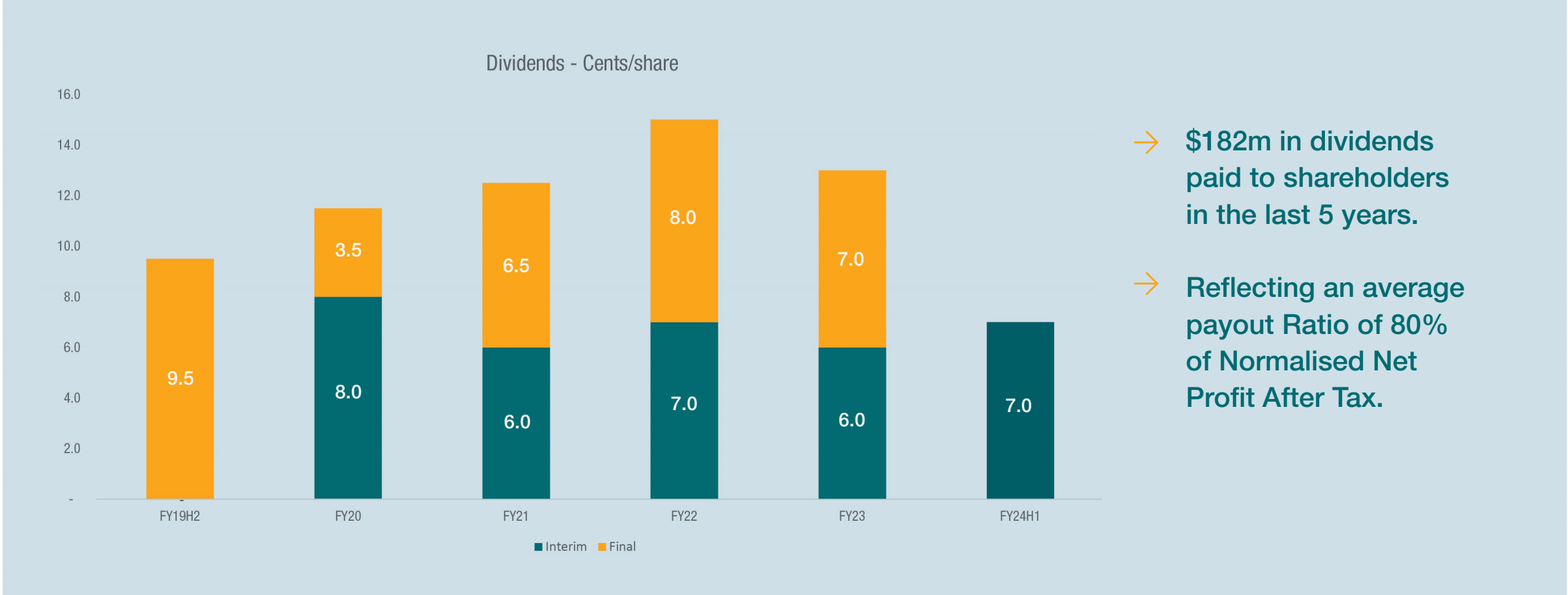
# Financial Strength & Capacity for Growth

Calin Scott



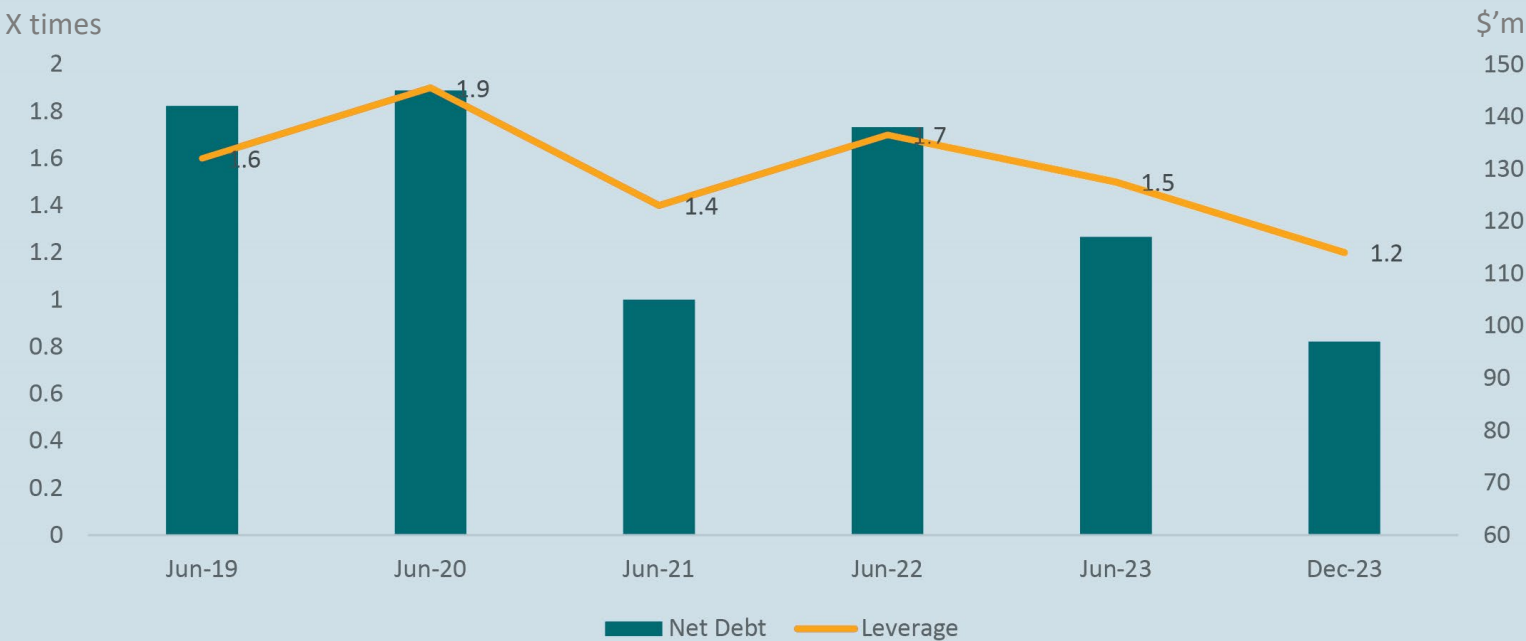


# Returns to shareholders



# Strong financial position

GWA remains in a strong financial position to fund investment in both organic and inorganic opportunities



**\$180m multi-currency facility recently renewed and expires in October 2026**

**\$40m bi-lateral facility renewed matures October 2024**

**Facility headroom of \$123m**

# Capital management aligned to growth strategy

## Shareholder returns

Target: EPS 5%-10% CAGR  
Target: Cash conversion\* ~80-85%

## Funding capacity

\$220m in facilities with \$180m  
not maturing until October 2026

## Capital expenditure

~\$4-6m per annum

## Investment in growth

Strategic investment in growth initiatives:

- + Win the plumber
- + Innovate through design and partnerships
- + Grow after market
- + Strategic growth opportunities
- + Profitable volume growth
- + Customer first initiatives

## Leverage

Target range ~1.0 – 2.0 times  
EBITDA (excluding impact of IFRS 16 Leases)

## Dividends

Pay-out policy 65-85% of NPAT

\* Cash flow from operations divided by Normalised EBITDA

# Summary & Conclusion

Urs Meyerhans





## Key take-aways from today



GWA has established a strong position across our key target markets



We have executed well through a period of subdued market conditions



Financial and operating results in 1H24 reflect our disciplined approach



Our strategic plans have established a strong platform for growth



There is more we can do within our current strategic framework



We see opportunities for further growth by executing well



GWA is set to benefit from the recovery in our target markets



# In Summary

## A more focused business positioned for growth

Clear and focused strategy – targeting above market revenue and profit growth

Strong financial position and disciplined capital allocation supports growth investment and sustainable value creation for shareholders



### BY 2025

GWA to be the trusted and integrated solutions provider in the delivery of sustainable water solutions for bathrooms, kitchens and laundries

# Questions and Answers

# Site Tour



**ANDY GRIGOR**

HEAD OF DESIGN & INNOVATION



**JOHANN KARUNARATNE**

HEAD OF DESIGN  
OF PRODUCT EXCELLENCE



**SCOTT IRVING**

NATIONAL LOGISTICS MANAGER



**DR STEVE CUMMINGS**

INNOVATION DIRECTOR –  
SMART SOLUTIONS