2022

FY22 Results Presentation

22 August 2022

RELIANCE WORLDWIDE CORPORATION LIMITED
ABN 46 610 855 877

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This presentation contains references to the following non-IFRS measures: EBITDA, Adjusted EBITDA, EBIT, Adjusted EBIT, Adjusted NPAT and Adjusted EPS. These measures are used by RWC to assess operating performance and are defined in the accompanying Results Announcement dated 22 August 2022. These measures have not been subject to audit or audit review.

All figures are presented in United States dollars unless indicated otherwise. The sum totals throughout this presentation may not add exactly due to rounding differences. Prior period comparative figures in US$ represent RWC management's translation of historical earnings and non-IFRS measures have not been subject to audit or audit review.

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This presentation forms part of a package of information about Reliance Worldwide Corporation Limited. It should be read in conjunction with the Appendix 4E, 2022 Annual Report and Results Announcement also released on 22 August 2022.

FY22 Results Overview

FY22: Record earnings despite unprecedented challenges

Built on the step-up in FY21 revenues and continued strong execution

Consolidation of activity levels and retention of FY21 volume gains

- Net sales growth of 17% versus pcp, different drivers in each region:
  - ***Americas*** 26% sales growth, 15% underlying growth excluding EZ-Flo, US freeze in pcp, Lowe's one-off changes
  - ***Asia Pacific*** sales up 6%: continued strong domestic Australian market[1]
  - ***EMEA*** sales up 1%: Continental Europe market offset lower UK sales[1]

Price increases realised progressively throughout the year to offset cost inflation impact

- Operating margin diluted 200 bps by cost recovery price increases

Sustained execution in a complex environment

- New Americas DC opened in Alabama with greater automation
- UK freight and logistics outsourcing completed

EZ-Flo and LCL integrations completed

- EZ-Flo revenue growth and cost reduction synergies on track
- LCL cost benefit savings and operational efficiencies now being delivered

[1] Sales growth in constant currency

FY22 Financial Highlights

All figures in US$

Net sales
$1,172.2 million
+17% growth overall[1]
+5% excluding EZ-Flo

Adjusted EBITDA
$268.7 million
+3% on pcp
-3% excluding EZ-Flo

Adjusted NPAT
$161.4 million
+2% on pcp

Operating cash flow
$139.6 million
-44% on pcp
Cash conversion: +52%[2]

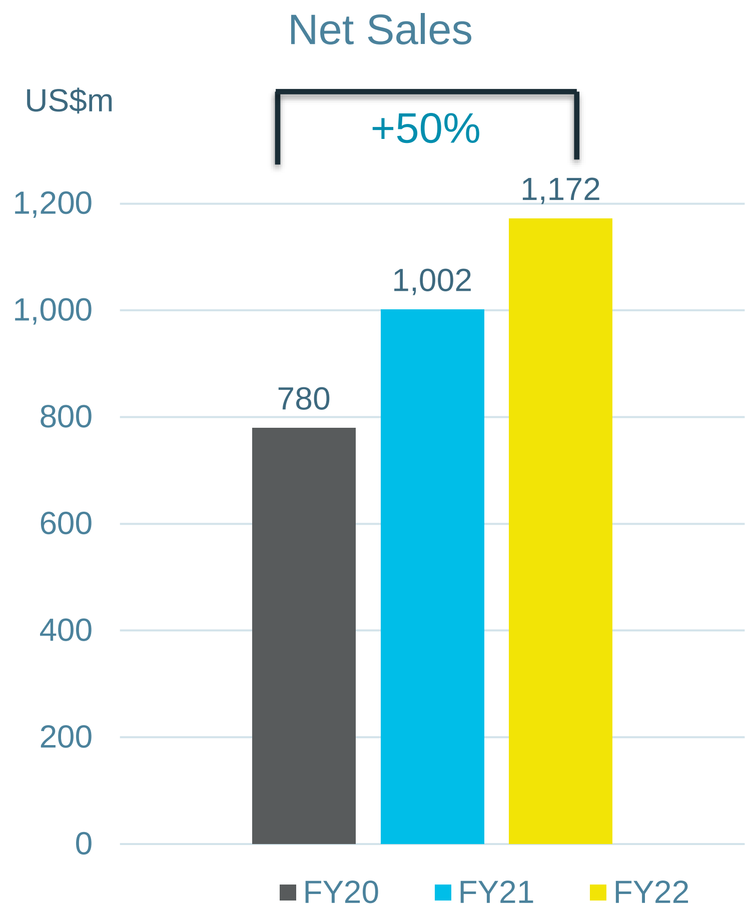
Net leverage ratio[3]
2.10x
Net debt $551.1 million
Total debt facilities: US$1,050 million

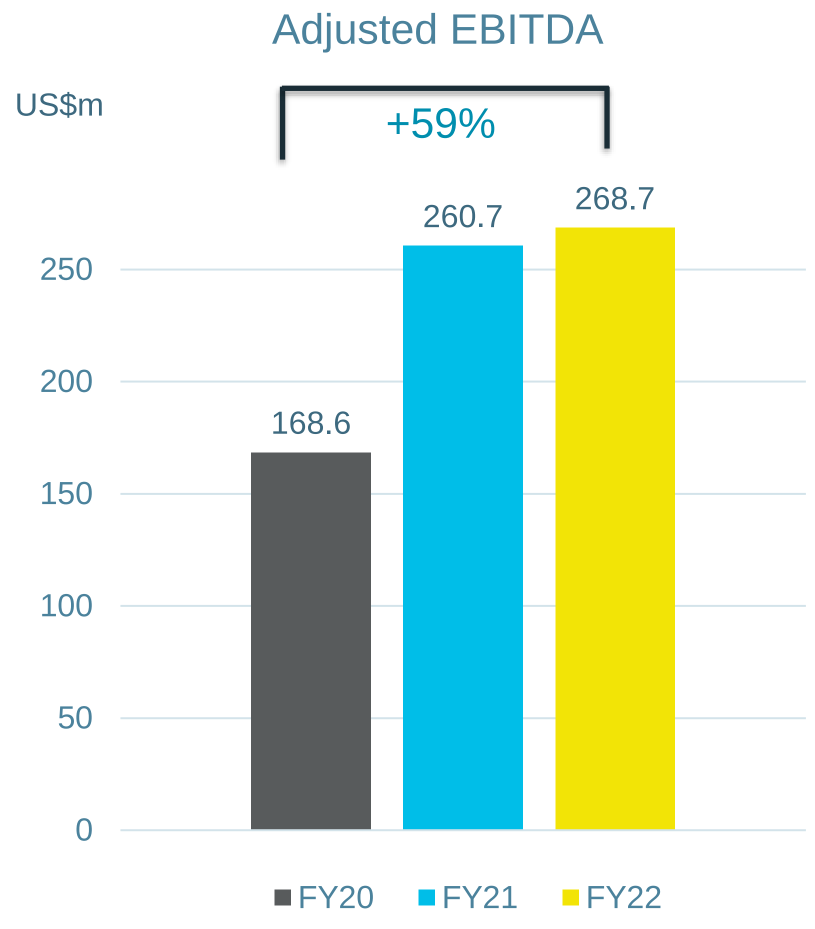
Final dividend
US5.0 cps
Total FY22 dividends
US9.5 cps

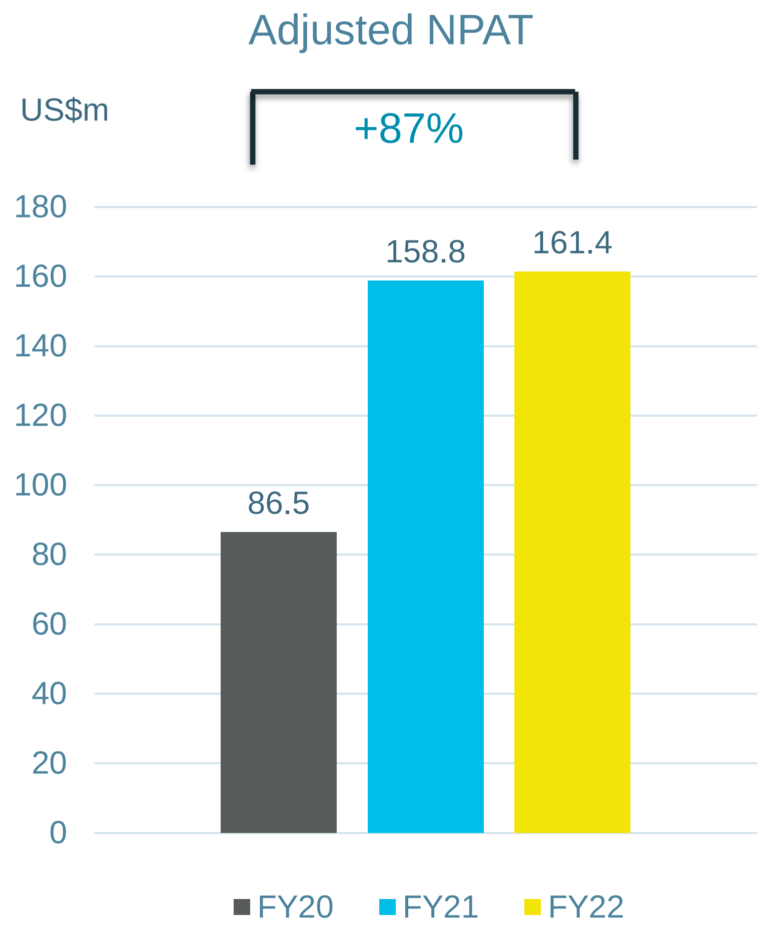
[1] Growth rates expressed as change over comparative period for the year ended 30 June 2021
[2] Cash generated from operations/Adjusted EBITDA
[3] Net Debt/12 month trailing EBITDA, including LCL and EZ-Flo earnings prior to acquisition

Strong 2-year performance record

FY22 performance has consolidated strong volume growth of FY21







The story of the year

We proved our ability to execute in challenging times and deliver for our customers

Health & Safety performance improved

- Reportable Injury Frequency Rate (RIFR)[1] reduced 15% to 5.17
- Board Health & Safety Committee established, best practice benchmarking review underway

COVID continued to impact operations

- Employees impacted in all regions, while Ningbo facility in China had a 2-week shut down in January

ESG agenda progressed

- Scope 1 and 2 GHG emissions captured, now actively developing plans and targets
- Increased actions on Employee Engagement, with a focus on DE&I
- Board ESG Committee established to provide appropriate oversight

LCL and EZ-Flo acquisitions: Integrated as planned and now functioning as one organisation

Unprecedented supply chain disruption

- Maintained industry leading delivery performance, solidifying customer relationships

[1] Rate of all recorded lost time injuries, cases or alternate work, and other injuries requiring medical treatment, per one million hours worked

Group Financial Performance

Summary of FY22 Performance

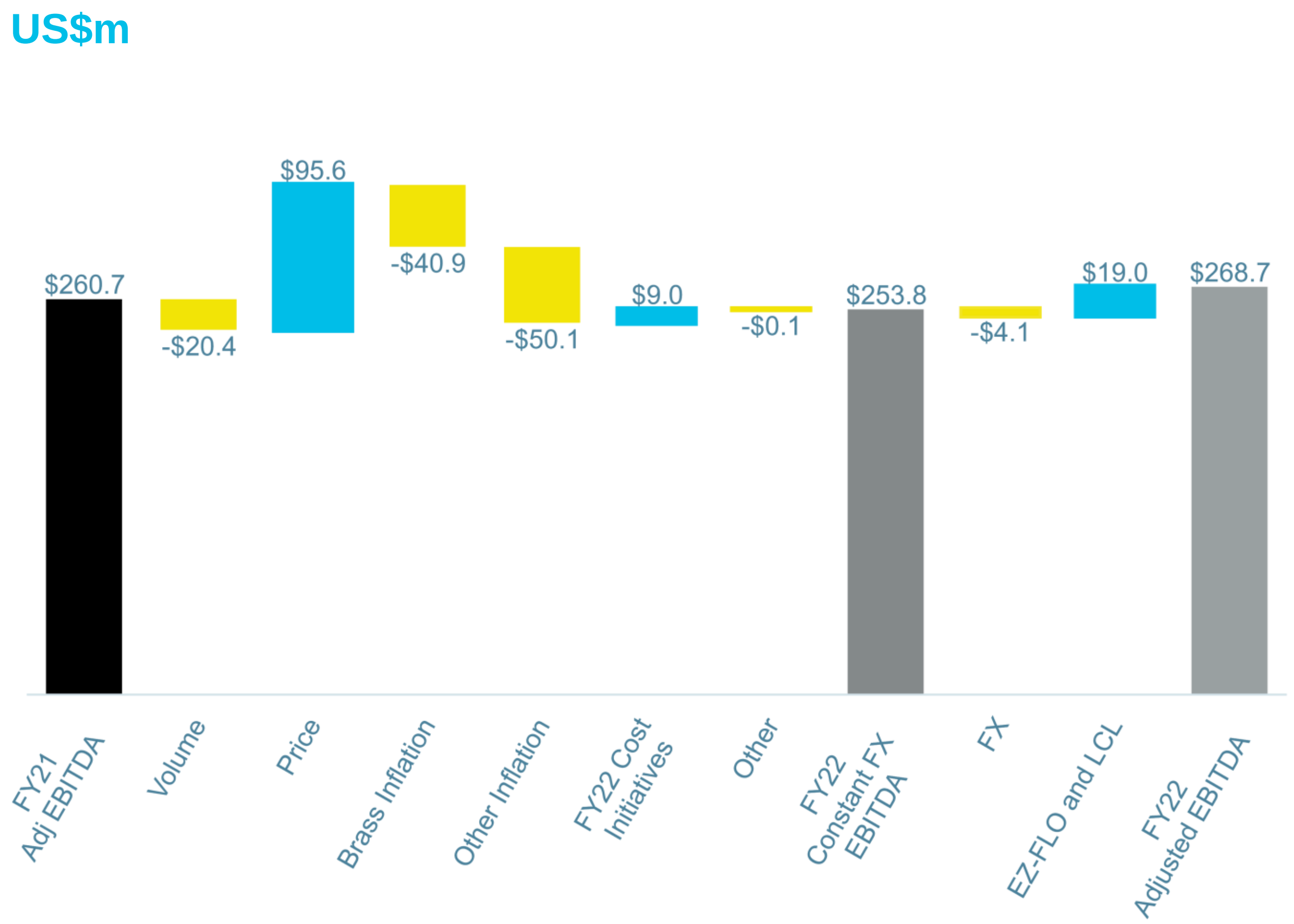
US$m	FY21[1]	FY22	% Change FY21	% Change FY20
Net Sales	**1,001.6**	**1,172.2**	**17%**	**50%**
Adjusted EBITDA	**260.7**	**268.7**	**3%**	**59%**
Adjusted EBITDA Margin	*26.0%*	***22.9%***	*-310bps*	*+130bps*
Adjusted EBITDA Margin excl. EZ-Flo	*26.0%*	***24.2%***	*-180bps*	*+260bps*
Adjusted EBIT	**220.8**	**221.5**	**0%**	**61%**
Adjusted EBIT Margin	*22.0%*	***18.9%***	*-310bps*	*+260bps*
Reported NPAT	**141.0**	**137.4**	**(3%)**	**133%**
Adjusted NPAT	**158.8**	**161.4**	**2%**	**85%**
Earnings per share (cps)	**18.0**	**17.5**	**(3%)**	**133%**
Adjusted earnings per share (cps)	**20.3**	**20.6**	**1%**	**85%**
Cash flow from operations	**249.6**	**139.6**	**(44%)**	**-**

- FY22 net sales 17% higher than pcp, including contribution from EZ-Flo for 7.5 months
- Revenue growth driven by initial contribution from EZ-Flo, price increases, new product revenues, and core volume growth in some regions
- FY22 underlying sales growth of 9% excluding EZ-Flo and FY21 US freeze
- Underlying demand resilient - driven by investment in home repair and remodelling
- Final dividend of US5.0 cents declared, total dividend for the year of US9.5 cents: 55% of Reported NPAT, 47% of Adjusted NPAT
- Cash flow from operations 44% lower than pcp due to planned increase in inventory levels and higher receivables

[1] US$ figures represent RWC management's translation of historical earnings from Australian dollars. Non-IFRS measures have not been subject to audit or audit review

FY22 Adjusted EBITDA up 3%

Lower volumes due to US freeze in pcp; price increases offset higher costs

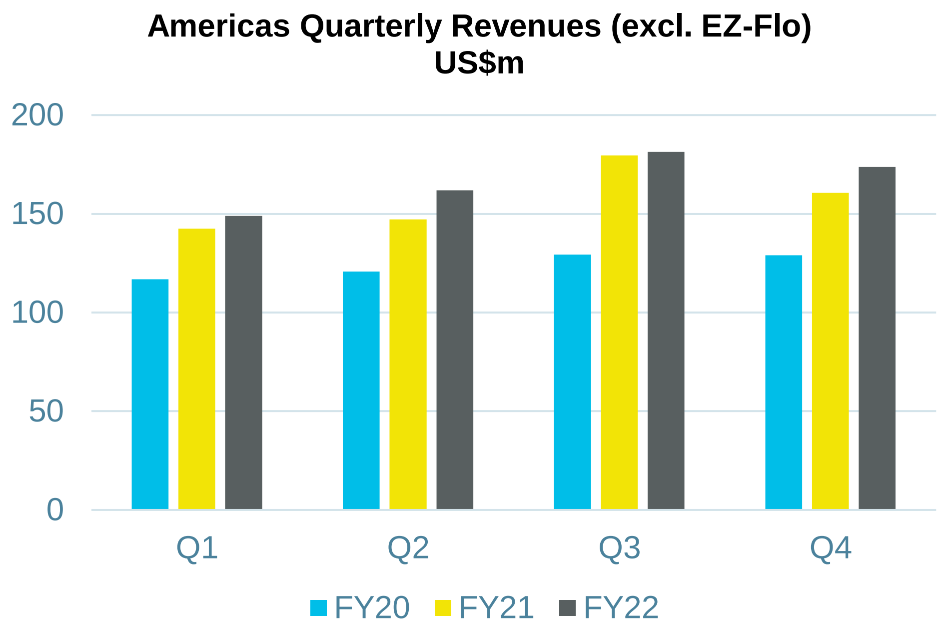


- FY22 Adjusted EBITDA increased 3% on pcp
- Realised price increases to offset cost inflation of 9.5% for the year
- Adjusted EBITDA margin of 22.9% reflects inclusion of EZ-Flo
- Excluding EZ-Flo, Adjusted EBITDA margin was 24.2% versus 26.0% in pcp:
  - Cost inflation offset price rises resulting in EBITDA margin dilution of 2%
- Other cost pressures including resins, steel, and transport also negatively impacted margins
- SG&A costs fell from 22.0% of revenue to 21.6%
  - Tight cost discipline despite inflationary pressures
- FY22 cost reduction initiatives realised $9.0m, full year run rate of $12.0m

Segment results: Americas

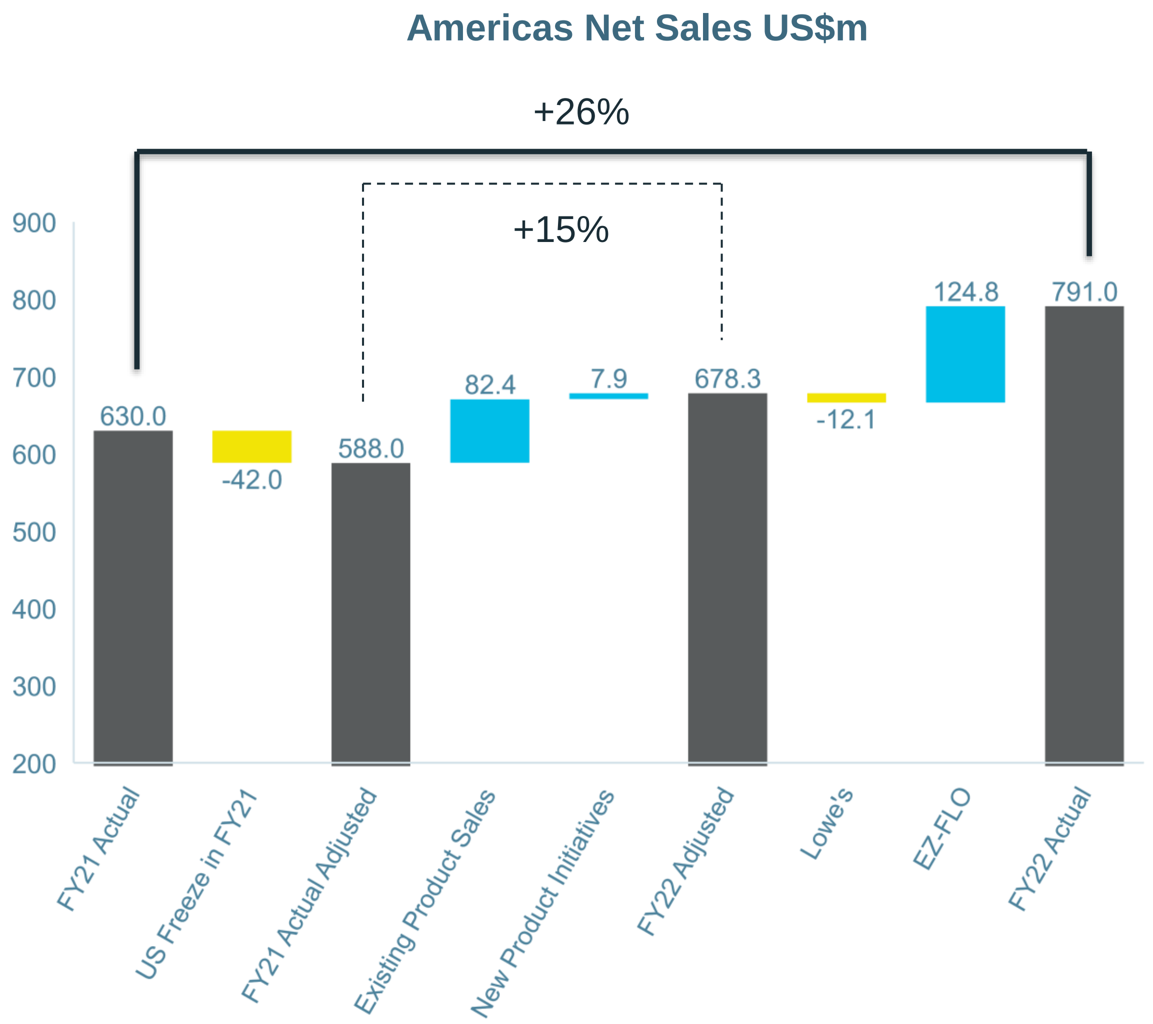
Reported net sales up 26% over pcp, underlying sales growth of 15%

US$m	FY21	FY22	% Change FY21	% Change FY20	*2-Year CAGR FY20:FY22*
Net Sales	**630.0**	**791.0**	**26%**	**60%**	**26%**
- RWC	**630.0**	**666.2**	**6%**	**34%**	**16%**
- EZ-Flo	**-**	**124.8**	**-**	**-**	**-**
Adjusted EBITDA	**121.3**	**133.8**	**10%**	**69%**	**30%**
- RWC	**121.3**	**118.2**	**-3%**	**49%**	**22%**
- EZ-Flo	-	**15.6**	-	-	-
Adjusted EBITDA Margin	*19.3%*	***16.9%***	*-240bps*	*+90bps*	-
Adjusted EBITDA Margin excl. EZ-Flo	*19.3%*	***17.7%***	*-160bps*	*+170bps*	-
Adjusted EBIT	**104.7**	**111.5**	**7%**	**81%**	**34%**
- RWC excl. EZ-Flo	**104.7**	**98.1**	**-6%**	**59%**	**26%**
Adjusted EBIT Margin	*16.6%*	***14.1%***	*-250bps*	*+160bps*	-
Adjusted EBIT Margin excl. EZ-Flo	*16.6%*	***14.7%***	*-190bps*	*+220bps*	-



Americas: 26% reported revenue growth in FY22

Includes contribution from EZ-Flo; underlying sales growth of 15%



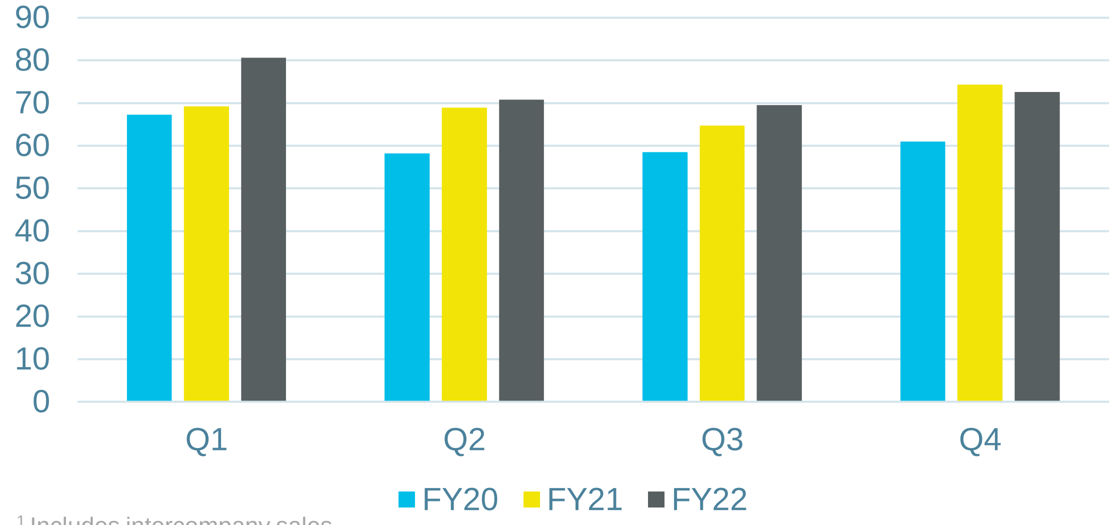
- Sales up 26% reflecting the inclusion of sales from EZ-Flo from Nov 2021 onwards and the impact of price increases
- Sales growth excluding EZ-Flo of 6% due to:
  - FY22 sales impacted by changes to Lowe's warehousing and cross-docking ($12.1m)
  - FY21 included $42m in sales from US freeze
- Adjusting for these two items and excluding EZ-Flo sales, America's like-for-like sales growth was 15% on pcp
- Sales reflect consolidation of volumes following significant growth in FY21
- Operating margins reduced as a result of dilution impact of price rises to offset commodity and other cost inflation
- EZ-Flo EBITDA margin of 12.5% for the period, improved to 16.8% in the 4th quarter as price increases realised

Segment results: Asia Pacific

Sales growth of 6% on pcp, up 20% on a 2-year pcp basis

A$m	FY21	FY22	% Change FY22 vs FY21	% Change FY22 vs FY20	2-Year CAGR FY20:FY22
Net Sales	**277.3**	**293.5**	**6%**	**20%**	**10%**
Adjusted EBITDA	**66.2**	**58.7**	**-11%**	**33%**	**15%**
Adjusted EBITDA Margin	*23.9%*	***20.0%***	*-390bps*	*+190bps*	-
Adjusted EBIT	**53.3**	**44.6**	**-16%**	**48%**	**22%**
Adjusted EBIT Margin	*19.2%*	***15.2%***	*-400bps*	*+290bps*	-

Asia Pacific Quarterly Revenues A$m[1]



[1] Includes intercompany sales

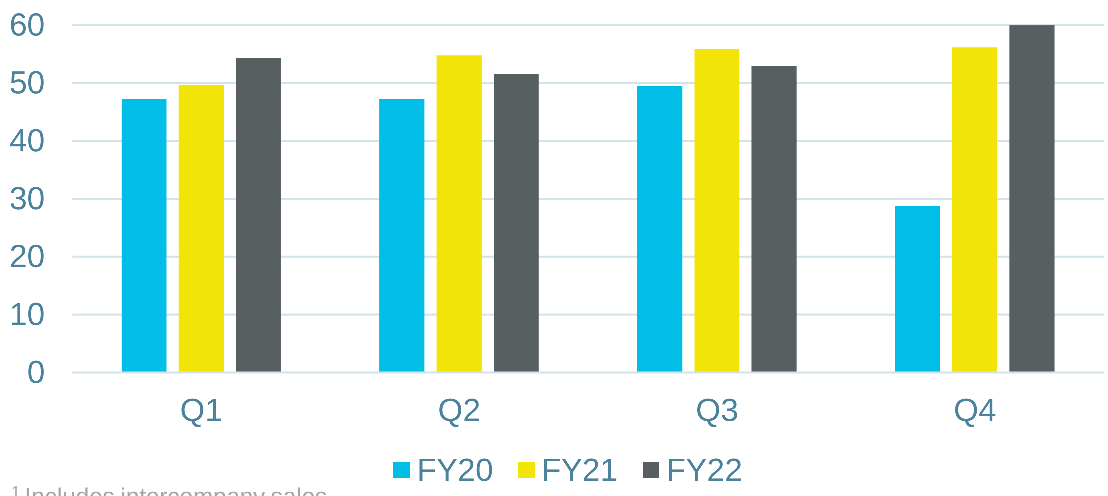
- APAC external sales growth of 12% driven by strong new residential construction activity and remodelling activity in Australia
- Intercompany sales 2% lower than pcp: FY21 benefitted from higher volumes sold to the Americas following the US freeze
- Profit in stock negatively impacted EBITDA by A$9.2m due to higher intercompany inventory levels
- Initial contribution from LCL of A$4.6m – reflects half year benefit of LCL acquisition
- LCL acquisition has enabled all Australian-manufactured brass products to be made with recycled copper

Segment results: EMEA

Net sales up 1% on pcp, up 27% on a 2-year pcp basis

£m	FY21	FY22	% Change FY22 vs FY21	% Change FY22 vs FY20	2-Year CAGR FY20:FY22
Net Sales	**216.6**	**218.8**	**1%**	**27%**	**13%**
Adjusted EBITDA	**71.6**	**74.3**	**4%**	**50%**	**23%**
Adjusted EBITDA Margin	*33.1%*	***34.0%***	*+90bps*	*+530bps*	-
Adjusted EBIT	**60.8**	**64.2**	**6%**	**66%**	**29%**
Adjusted EBIT Margin	*28.0%*	***29.3%***	*+130bps*	*+690bps*	-

EMEA Quarterly Revenues £m[1]



[1] Includes intercompany sales

- EMEA net sales up 1% on pcp
- 4th quarter sales up 7% on pcp - catch up of sales delayed in Q3 as a result of UK warehousing and logistics changes
- UK plumbing and heating volumes were down on pcp. Pcp comparatives were particularly strong following end of UK lockdown
- UK plumbing and heating sales up 30% on a 2-year comparative basis
- Continental Europe sales up 17% on pcp driven by growth in demand for water filtration and drinks dispense products
- Adjusted EBITDA was up 4% on pcp
- Adjusted EBITDA margin up 90 basis points to 34% – cost inflation offset with price increases and cost savings

Operating cash flow impacted by inventory increases

Cash flow performance

US$m	FY21	FY22
Adjusted EBITDA	260.7	268.7
Changes in working capital	(11.1)	(129.1)
Cash flow from operations	**249.6**	**139.6**
Operating cash flow conversion	*96%*	*52%*[1]
Cash dividends paid	**76.0**	**76.8**

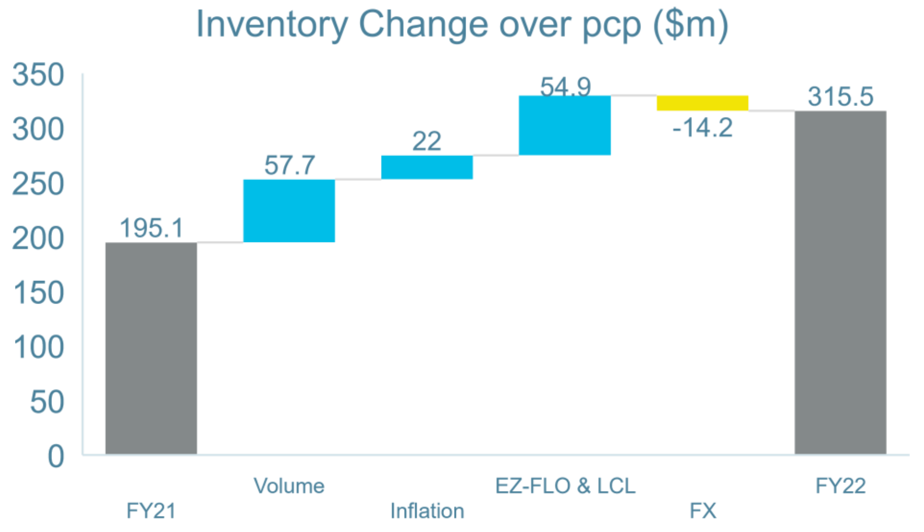
Net working capital

US$m	30 Jun 2021	30 Jun 2022
Trade and other receivables	219.9	266.2
Inventories	195.1	315.5
Trade and other payables	(180.0)	(173.2)
Net working capital	**235.0**	**408.5**

[1] FY22: Cash flow from operations to Adjusted EBITDA of $268.7m.

Commentary

- Cash flow from operations down 44% due to increase in working capital
- Higher inventory levels maintained to ensure continuity of supply to key channel partners, US inventory levels rebuilt from low levels following winter freeze in FY21
- Higher sales drove increased receivables balances in FY22
- LCL and EZ-Flo acquisitions also impacted working capital levels
- Cash conversion improved in 4th Quarter to 82%



Increase in net debt to fund acquisitions in FY22

Debt metrics

US$m	30 Jun 2021	30 Jun 2022
Cash and cash equivalents	21.3	27.7
Gross debt	151.7	578.7
Net debt[1]	**130.4**	**551.1**
Net debt / EBITDA[2]	0.51x	2.10x

Capex

US$m	FY21	FY22	FY23 Forecast
Growth	19.3	37.4	-
Maintenance	16.5	23.0	-
Total	**35.8**	**60.4**	**60 - 70**
% of Sales	3.6%	5.2%	-

Commentary

- Net debt increased by $420.6m since 30 Jun 21
- Increase is mainly due to acquisition of LCL ($28m) and EZ-Flo ($332m)
- $800m in new committed borrowing facilities with maturities split between Nov 2024 and Nov 2026
- US$250m USPP issuance with maturities of 7 to 15 years
- 43% of borrowings were fixed rate at 30 Jun 22

FY22 Key Capital Projects

Americas:

- Expansion of SharkBite capacity
- Increased PEX pipe manufacturing capacity

EMEA:

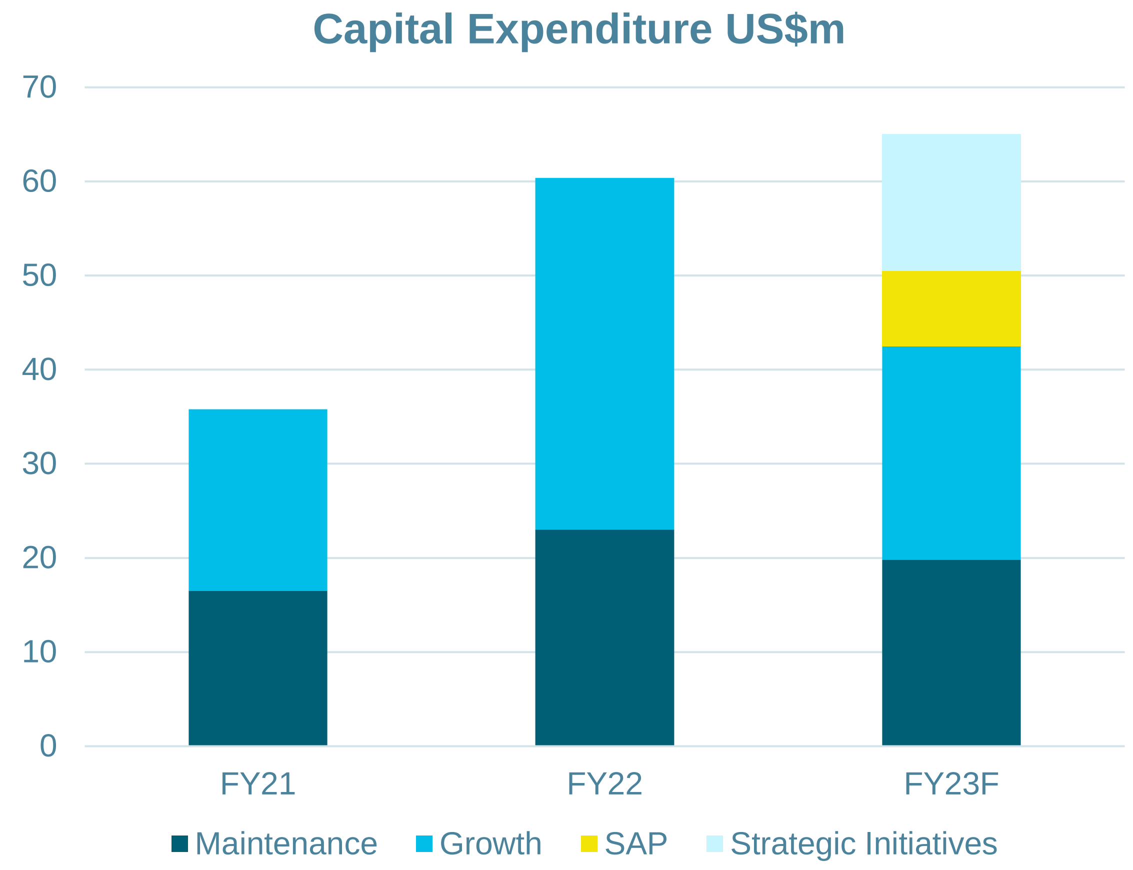
- New pipe and fittings products tooling/production

APAC:

- Moulding and curing capacity expansion

[1] Net debt excludes lease liabilities
[2] Net Debt/12 month trailing EBITDA, including LCL and EZ-Flo earnings prior to acquisition

FY23 capital expenditure outlook



Commentary

- FY23 Capex forecast to be in the range of $60 million to $70 million
- Group-wide SAP upgrade to S/4 variant a generational change in financial IT platform
- Strategic initiatives planned for FY23:
    - New product initiatives within RWC's core pipe and fittings categories
    - Capex primarily targeted at investment in new manufacturing capability

EZ-Flo Update

Integration of EZ-Flo with RWC has been completed

- Net Sales of $124.8m in 7.5 months since acquisition by RWC
  - Period prior to RWC ownership: $169m for 12 months to July 21
- EBITDA of $15.6m (for 7.5 months since acquisition by RWC)
- Price increases implemented in 3rd Quarter have flowed through to operating margins
  - EBITDA margin of 12.5% for FY22, 4th Quarter Margin of 16.8%
- Revenue and cost synergies on track:
  - 10% sales growth per annum over 3 years from October 2021
  - $10m p.a. in cost savings
- Key customer / product gains since acquisition:
  - Gas appliance connectors – share gains
  - Increased business with OEM customer
- China operations – 2 week shut down in Ningbo region in January due to COVID

Strategy and Outlook

RWC strategy summary

Creating value through product leadership

Solutions for the job site

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

- Market research 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 protocols 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

Strategy overview

Our strategy remains focused on driving growth in core and adjacent markets

- **Solutions for the end customer: Pro-plumbers and DIY customers**
  - Smart product solutions which make the lives of our end customers easier and improves their productivity
- **Strong Distributor relationships: helping our channel partners grow value through**
  - Expanding product ranges available on their shelves
  - Offering industry leading service
  - Investing in our brands to ensure that they continue to attract end-users into their stores
- **Operational excellence: delivering margin expansion through efficient and low-cost operations**
  - Delivering highest quality products via a strong logistics capability
  - Ensuring channel partners always have the right products in stock when they need them
- **Underpinned by our people focus: supporting and developing our people, supporting and caring for the broader communities in which we operate**
- **M&A remains a potential growth path in addition to the pursuit of organic growth initiatives**

Outlook for FY 2023[1]

Uncertain economic and geopolitical outlook, R&R indicators remain robust

Positive Outlook Factors:

- Backlog of repair and remodel work should underpin volumes in the short term
- Consumer / household balance sheets are generally strong post-COVID and unemployment is near record lows
- RWC's exposure globally is predominantly to the less cyclical Repair and Remodel sector
- RWC's global manufacturing operations ensure a high degree of control over product quality and availability
- We have proven adept at managing through the supply chain challenges and maintaining high service levels

Outlook Risk Factors:

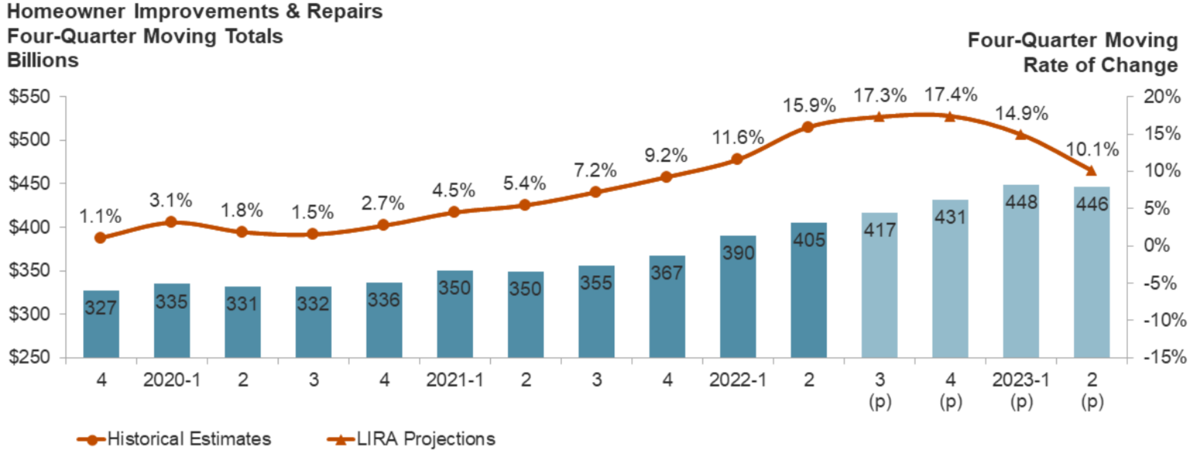
- Growth outlook for all key markets has become less certain since 1HY22
- Rising interest rates and continued inflationary pressures are impacting consumer confidence
- Further risk of supply chain disruption and potentially higher materials, freight and energy costs as a result of geopolitical tensions
- COVID variants continue to impact operations and markets globally

[1] Key assumptions for FY23 are set out in the Results Announcement dated 22 August 2022

Segment performance drivers: Americas

Slowing growth outlook for US home improvement in FY23

Leading Indicator of Remodeling Activity – Second Quarter 2022



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 2019 are produced using the LIRA model until American Housing Survey benchmark data become available.

Joint Center for Housing Studies of Harvard University JCHS

LIRA inputs and outputs are nominal (i.e. not inflation adjusted)

Key indicators:

- Leading Indicator of Remodelling Activity (LIRA)
- Home value trends: R&R activity tends to track home values over time
- New housing permits and commencements
- Household formations
- Activity in sales of existing homes

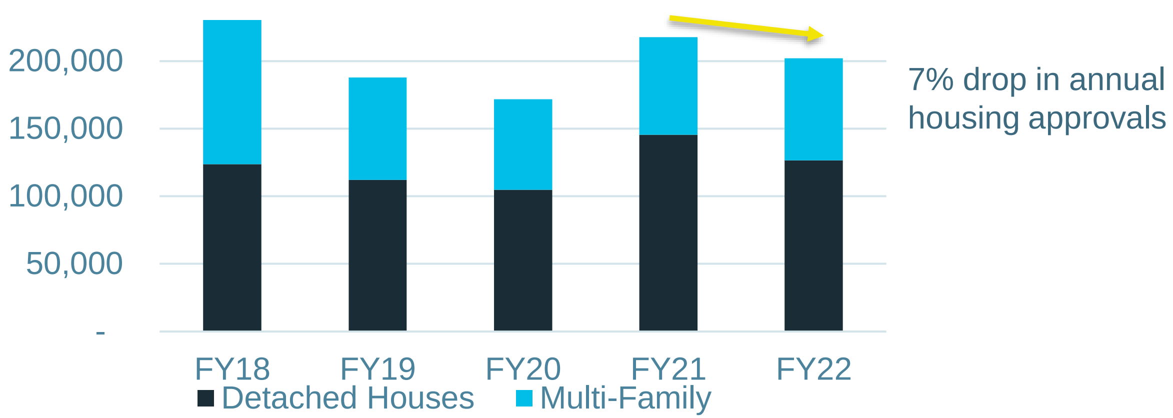
Outlook:

- Economic outlook for the US and Canada has softened since 1HY22
- Rising interest rates and declining consumer sentiment are potential headwinds for R&R activity
- RWC is mainly exposed to less cyclical repair and remodel end-markets
- Mix of Pro- and DIY end users should mitigate downside risk
- Home remodelling activity also expected to be underpinned by outstanding backlog of work
- Turnover of existing home sales and house price trends will influence remodel market
- Growth in new residential construction activity likely to slow

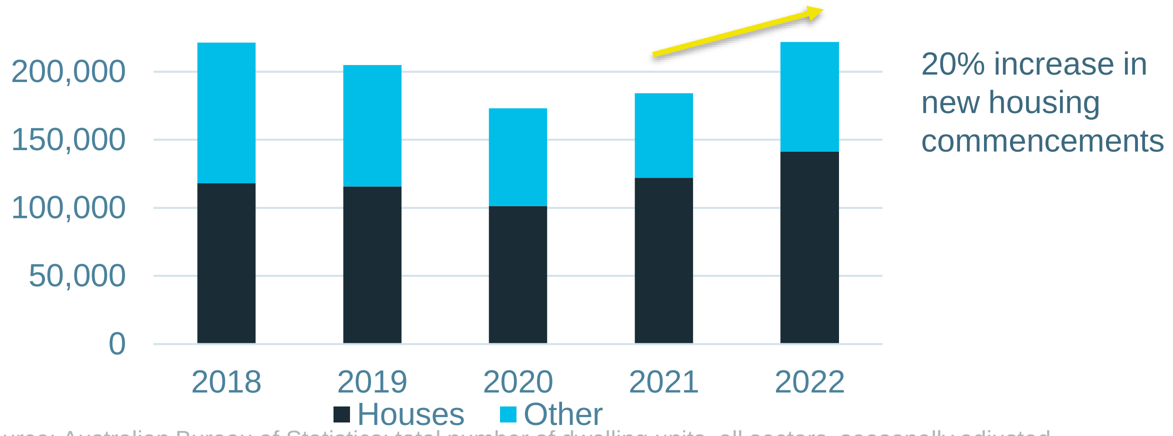
Segment performance drivers: Asia Pacific

Australian new residential construction activity should underpin volumes in FY23

Australian Residential Approvals[1]



Australian New Dwelling Commencements[1,2]



Outlook:

- Increases in new residential dwelling commencements should underpin volumes despite recent declines in new residential approvals in Australia
- House price declines and rising interest rates potential headwinds in FY23
- Remodelling activity should be sustained by backlog of work, with little easing of supply chain pressures and labour shortages

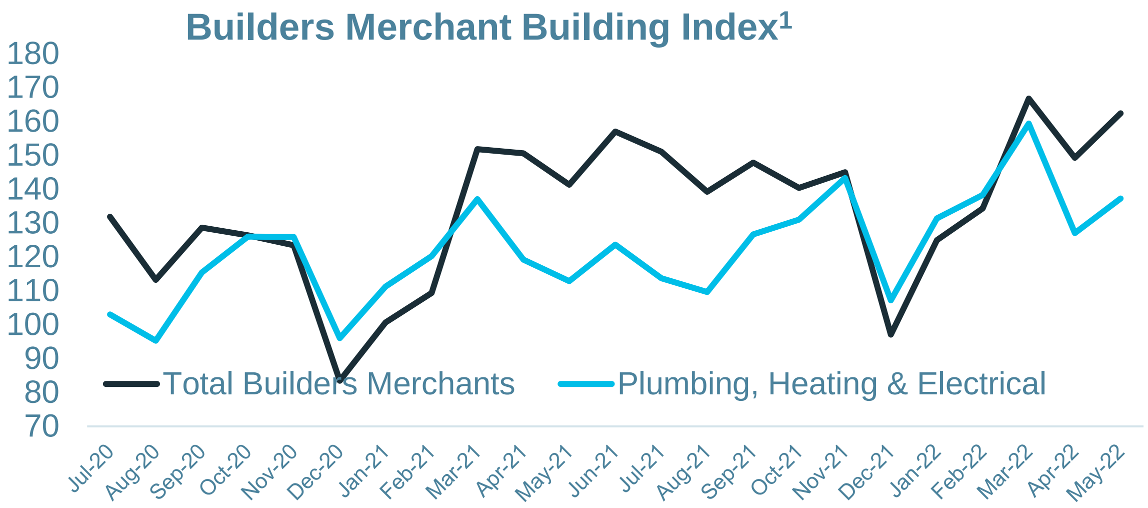
Key indicators:

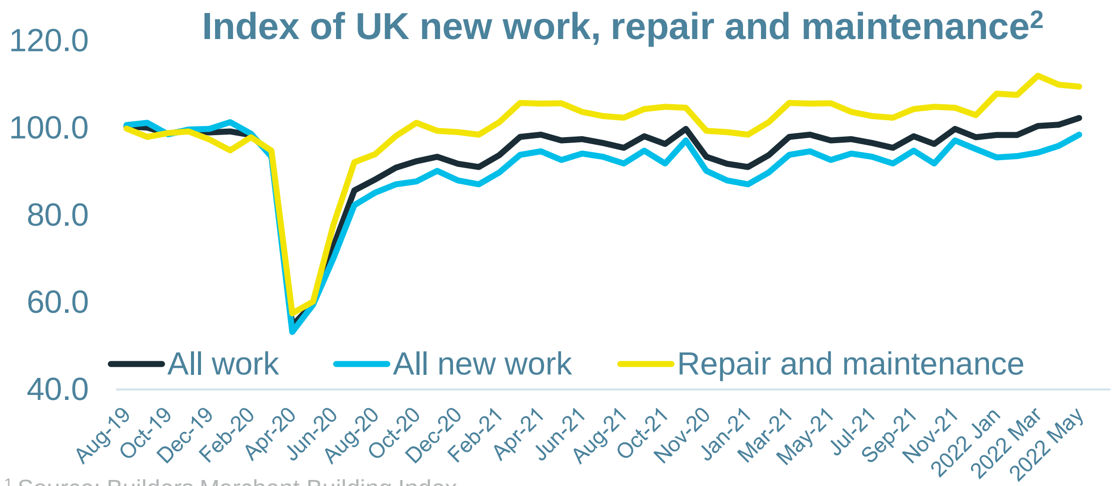
- Multi-family and stand alone residential approvals
- New housing commencements
- Residential construction drivers: unemployment, government stimulus measures, net migration levels, foreign student enrolments, returning expatriates

[1] Source: Australian Bureau of Statistics: total number of dwelling units, all sectors, seasonally adjusted
[2] 12 months ended 31 March

Segment performance drivers: EMEA

Inflation and recession risk are headwinds for UK repair and remodel activity





[1] Source: Builders Merchant Building Index
[2] Source: UK Office of National Statistics

Outlook

- Remodel demand in the UK may be challenged by high rates of inflation, supply chain bottlenecks and skilled labour shortages
- UK economic conditions, rising interest rates and the duration of any recession are potential headwinds for FY23
- Continental European markets:
  - Stable outlook for volumes in France, Germany and Italy
  - Geopolitical tensions and energy supply constraints represent potential downside risk factors

Key indicators:

- UK repair and maintenance activity statistics
- Sales performance of UK distributors
- British Merchants Federation sales trends

Priorities for FY23

Regardless of economic conditions our focus will be on growing market share and leveraging our channel partner relationships

- Continue above-market growth in all key geographies
- Continued focus on operational excellence and execution, remaining agile and responsive to changing market conditions
- Delivering on EZ-Flo's revenue opportunities and cost synergies
- Further investment in capacity expansion to support volume growth, drive manufacturing efficiencies and enable introduction of new products
- Managing inflationary pressures, particularly input costs, through price increases, continuous improvement initiatives and prudent management of discretionary costs
- Improving cash flow and cash conversion through working capital management
- Ongoing imperative: health & safety and wellbeing of our people as we manage through COVID in a post-vaccination environment

Summary

Resilience of the business has been demonstrated through the past two years

- RWC is focused on creating value through product leadership
  - Solutions for the end-user: improving contractor productivity, enabling the DIYer
  - Value for distributors: increasing value on their shelf, providing broadest access to our product for end-users
  - Industry leading execution: premium quality, outstanding delivery performance, margin expansion
- Each region offers unique growth opportunities:
  - **Americas:** highest medium term growth potential from continued product range expansion and leveraging of strong brands and channel partner network
  - **APAC:** key Australian market relatively mature but ongoing new product opportunities
  - **EMEA:** leveraging John Guest brand and distribution network with expanded product range in the UK is region’s highest strategic priority
- Selective M&A will be targeted to help achieve strategic objectives

Q&A

Appendix:

Reconciliation of FY22 Reported NPAT and Adjusted NPAT

	FY22 EBITDA Impact ($m)	FY22 EBIT Impact ($m)	FY22 NPAT Impact ($m)
Streamlabs sale – gain on disposal of assets	(2.4)	(2.4)	(1.9)
LCL acquisition:			
Transaction costs	1.7	1.7	1.7
Inventory Step Up - unwound over 3 months	0.3	0.3	0.3
EZ-Flo acquisition:			
Transaction costs	5.3	5.3	4.1
Inventory Step Up – unwound over 3 months	2.0	2.0	2.0
Integration costs	2.5	2.5	2.2
Debt refinancing	0.1	0.1	0.9
Europe Distribution restructuring	0.4	0.4	0.4
Goodwill tax amortisation	-	-	14.3
Total	9.9	9.9	24.0
Reported	258.9	211.6	137.4
Adjusted	268.7	221.5	161.4

Appendix: 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 dividends	Capital returns
• Margin expansion through continuous improvement initiatives • Strong operating cash flow performance • Maintenance of investment grade equivalent credit metrics • Improving return on equity	**Above-market growth in 3 regions:** • Americas • APAC • EMEA	**Ongoing investment in:** • capacity expansion • core new product development **Ongoing assessment of operational footprint and supply chain optimisation**	**M&A aligned with strategy:** • 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 Dividend Payout Ratio:** 40-60% of NPAT Franked to the extent possible – estimated at less than 20%	**On-market Share Buybacks:** Preferred means of distributing excess cash beyond dividends Assessed when appropriate