



# Company Profile

October 2023



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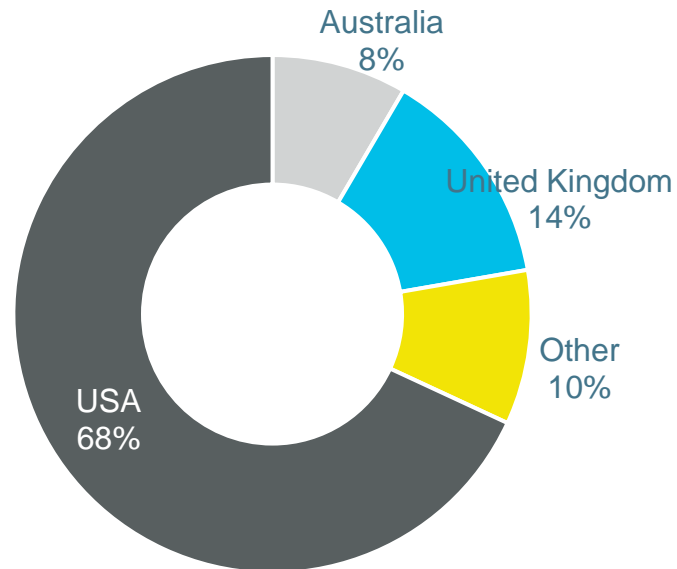
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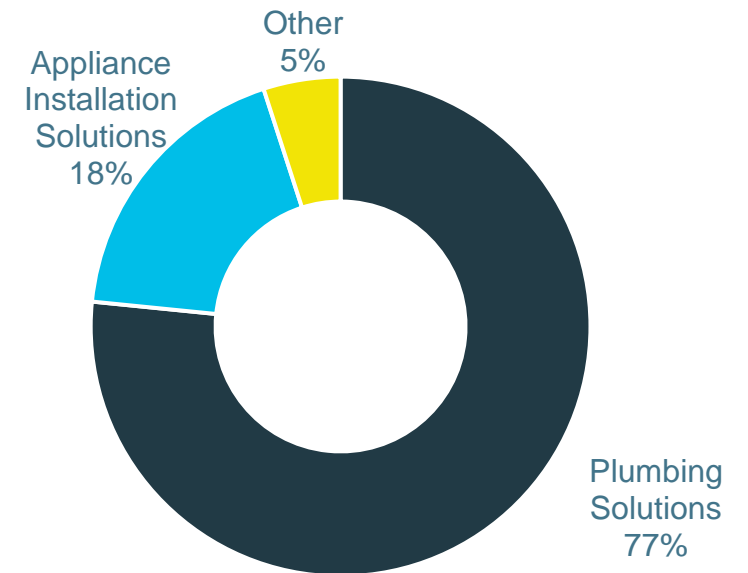
# RWC is a leader in the design, manufacture and supply of water flow and control products and solutions for use in the “behind the wall” plumbing sector

- The leader in brass and plastic push to connect (“PTC”) fittings in key geographies
- Majority of sales are to the repair and renovation (“R&R”) end market
- Vertically integrated global manufacturer with a strong culture of innovation, leading R&D and engineering capability
- RWC self-manufactures >80% of the products it sells
- Extensive distribution networks of channel partners in all key geographies
- Successful history of M&A to augment product range and build market positions in new geographies and end-markets

Geographic Sales Breakdown<sup>1</sup>



Sales by Product Category<sup>1</sup>



<sup>1</sup> External sales for the year ended 30 June 2023

# Product Portfolio

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



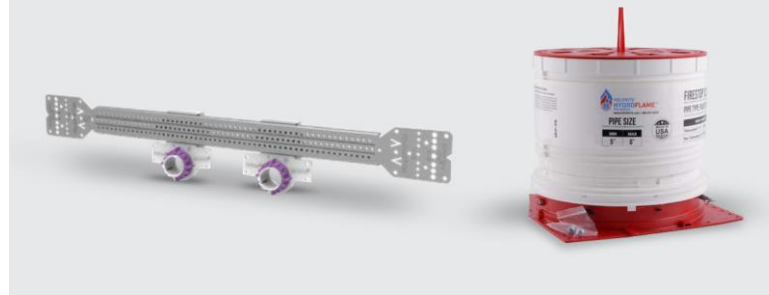
### Valves



### Pipe



### Integrated Installations Solutions



## Appliance Installation Solutions

### Water Filtration and Drinks Dispense



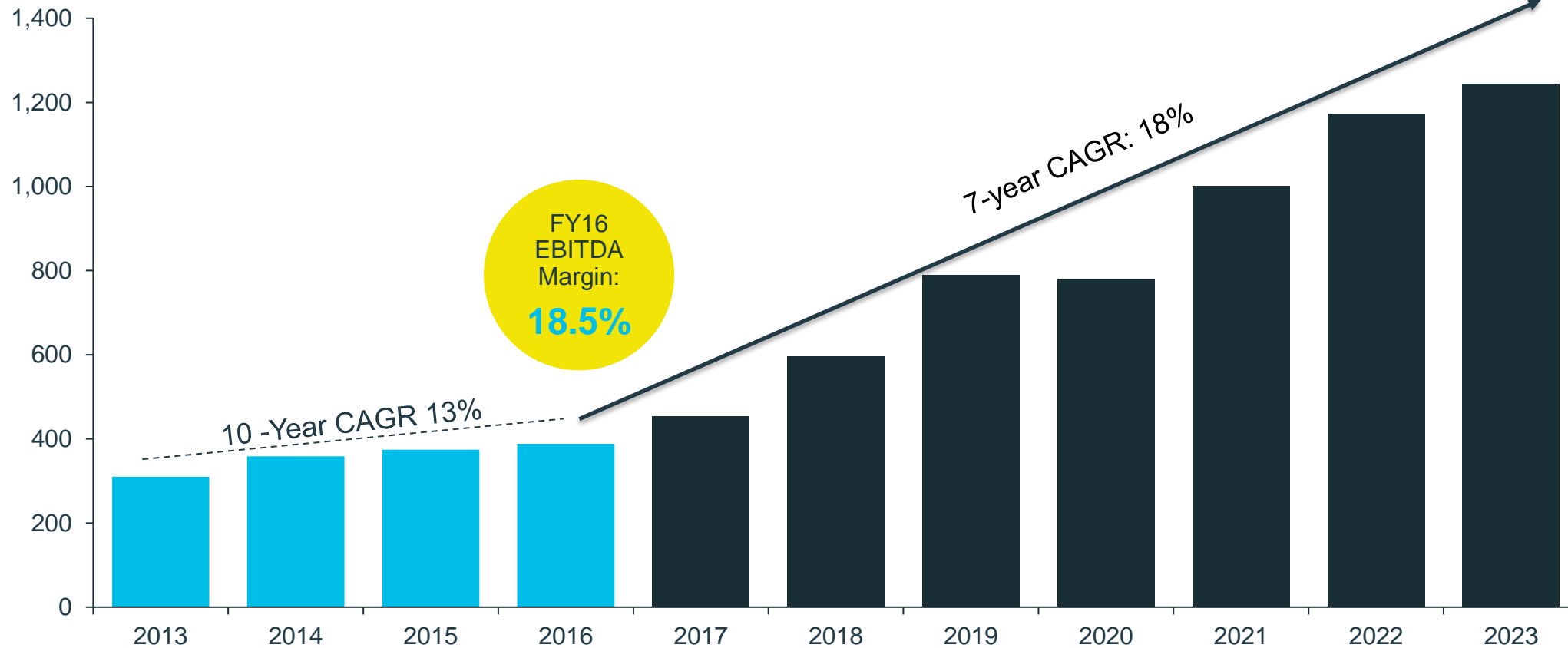
### Water and Gas Appliance Connectors



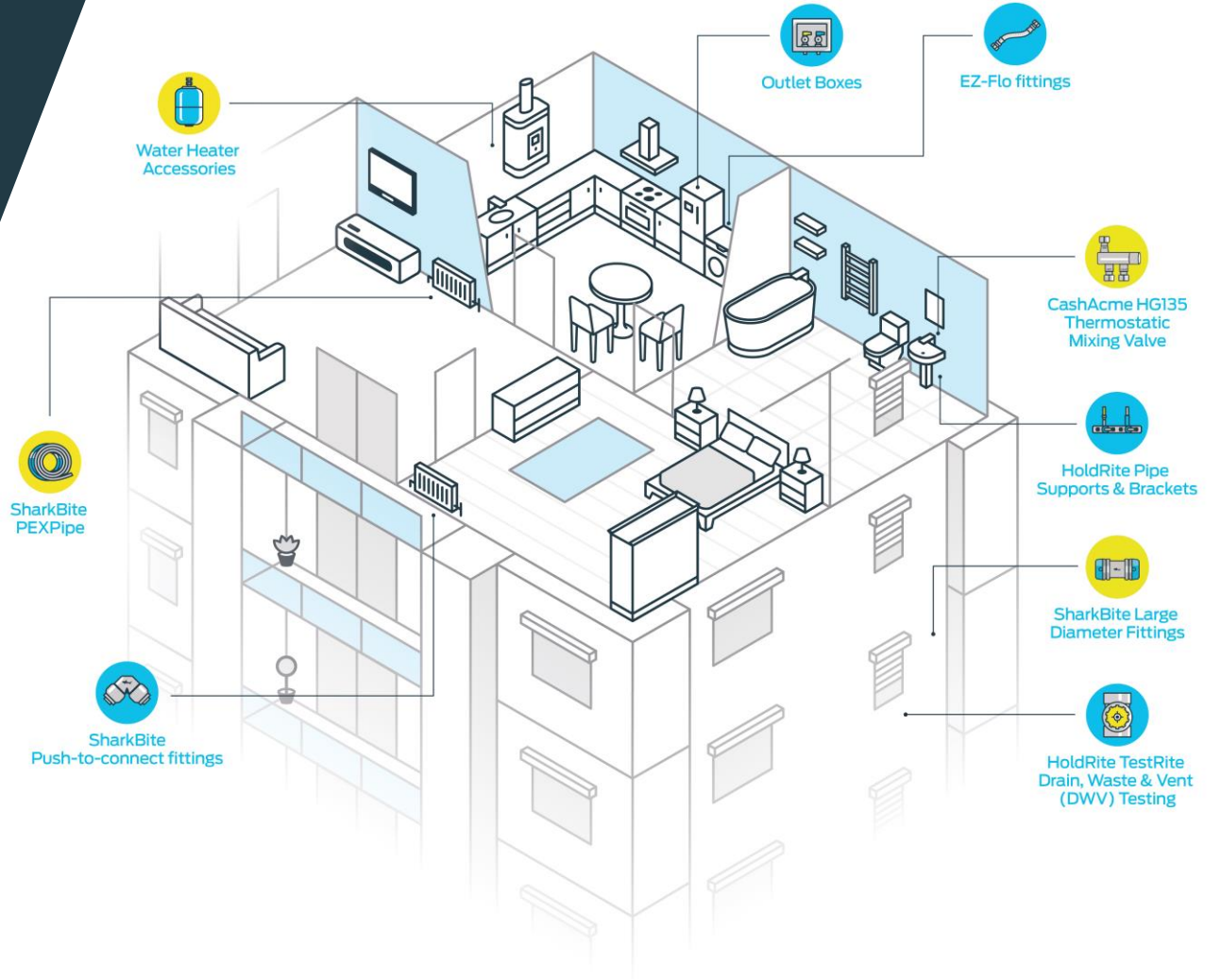
# Strong growth track record

Since the IPO in 2016, Net Sales has grown at an 18% CAGR

RWC Net Sales US\$m



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



# Manufacturing locations



# RWC's service and delivery performance are key competitive strengths

## Americas: 7 Distribution Centres

- New 600,000 sq ft facility in Alabama commissioned in 2022
- Enabled consolidation of multiple sites in Alabama into one location
- Increased size will meet long-term growth needs
- Improved operational efficiencies and lower fixed costs



## EMEA: Centralised UK warehouse

- 5 warehouse locations consolidated across the UK (130,000 sq ft) into single facility in centre of UK, in 2022
- Expansion capability from 140,000 sq ft to 280,000 sq ft
- Vehicle fleet to more efficient outsourced fleet
- Customers have real-time load visibility and customer order tracking





# 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.

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Working in the field to understand job site requirements and challenges

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Product engineering that is creating the future of plumbing

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

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### Value for the distributor



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

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Superior customer service provides the foundation partners can count on

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

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

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### Industry leading execution



Premium quality products and unrivalled operational efficiency delivering margin growth.

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Safety culture to ensure a work environment that protects our people

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

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Sustainability focus delivers a more efficient operation while reducing environmental impact


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# RWC Americas snapshot


Well positioned brands across a diverse product range serving multiple segments



**US\$890m**  
Net Sales<sup>1</sup>



**US\$160m**  
Adjusted EBITDA<sup>2</sup>









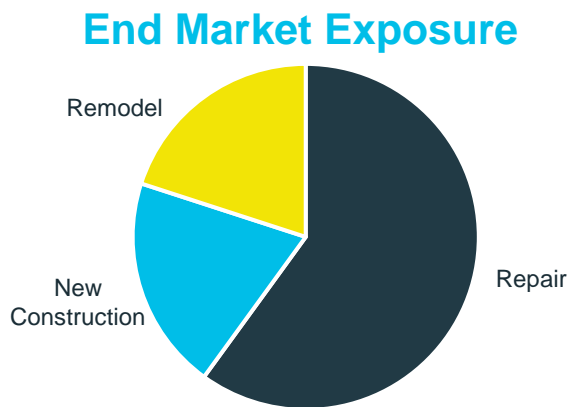
**1,100**  
Employees



**23,000+**  
Locations

### Brands

-  SharkBite<sup>®</sup>
-  CashAcme<sup>®</sup>
-  HoldRite<sup>®</sup>
-  John Guest<sup>®</sup>
-  Eastman<sup>™</sup>
-  EZ-Flo<sup>™</sup>




**UNITED STATES**

**In the United States we manufacture:**

- Push-to-connect fittings and other fittings
- Pipes
- Valves
- Integrated installation solutions












**CHINA**

**In China we manufacture:**

- Appliance installation and repair products







<sup>1</sup> Segment net sales includes \$3.5m of intercompany sales to other segments; FY23 Results

<sup>2</sup> Refer FY23 results announcement for EBITDA adjustments

# Americas snapshot: products and customers

RWC's Americas broad product portfolio is highly penetrated in all key distribution channels

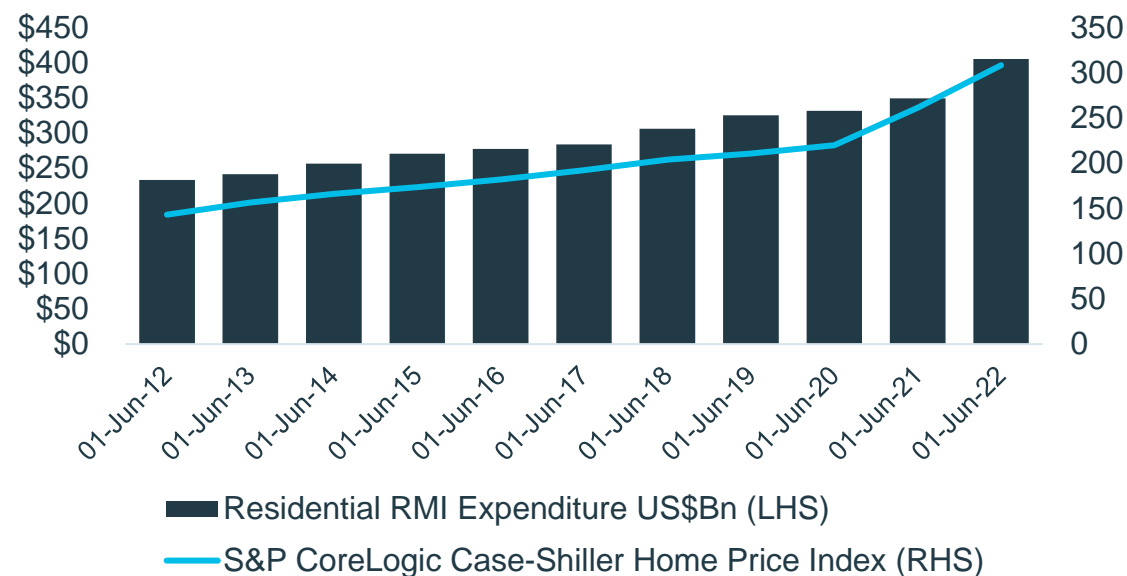


<sup>1</sup> Based on FY23 results

# US repair, maintenance and improvement (RMI) overview

Remodel activity has increased steadily, ageing housing stock underpins repair volumes

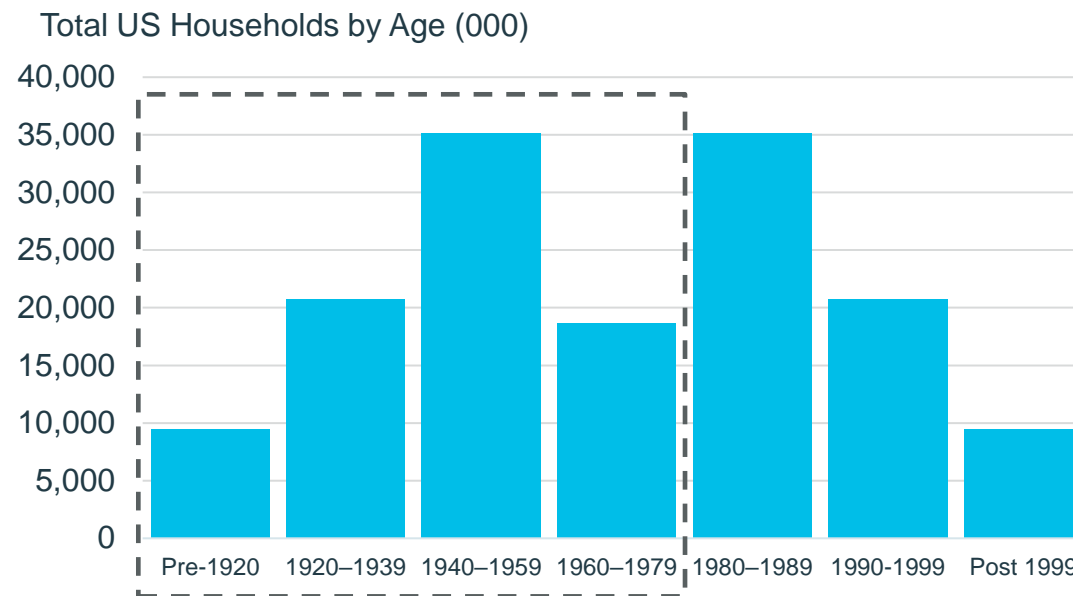
## US RMI highly correlated to home price appreciation



Source: S&P CoreLogic Case-Shiller Home Price Index

- Strong historical correlation of home improvement expenditure to home values

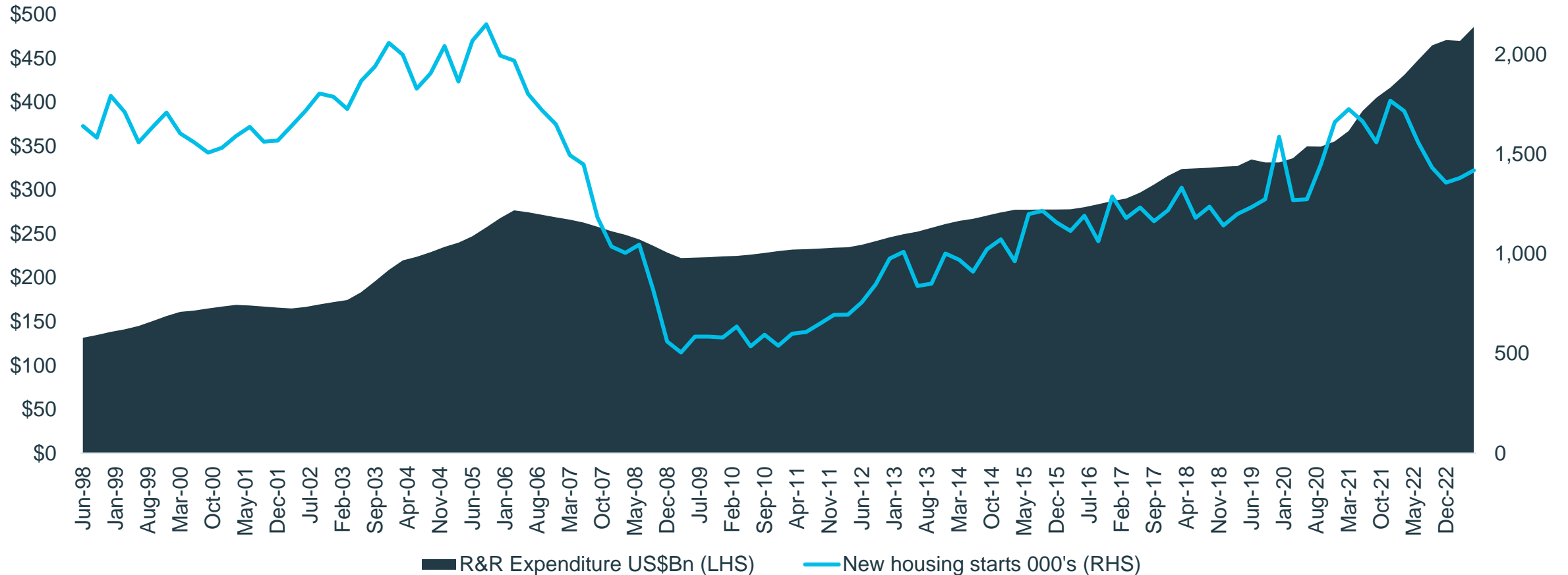
## 74m US homes are over 40 years old



- Median year of construction was 1977
- 53% of homes were built before 1980

# US Repair & Remodel sector is less cyclical than new construction










New housing starts have been more volatile over past quarter century



Sources: Joint Center for Housing Studies of Harvard University (four-quarter moving totals), United States Census Bureau

# Americas growth priorities

Leverage innovation, brand strength and product offering across all channels to optimise growth opportunities and share gain

Key Enablers	Demand	Reach	Innovation	M&A
<ul style="list-style-type: none"> <li>Strong brands</li> <li>Broad product offering</li> <li>Sales, marketing and merchandising expertise</li> <li>Best in class customer service and support</li> <li>Programmatic approach to M&amp;A, including integration</li> </ul> 	 <p><b>“Own the Project”</b> A basket of solutions</p> <p><b>Opportunity Generation</b> Commercial new construction demand fueled by end-to-end sales &amp; marketing process capabilities.</p> <p><b>HoldRite – New Build Leader</b> HoldRite products lead the full portfolio for all phases of commercial construction.</p>  <p><b>Multiple categories on every project</b></p>	 <p><b>Distribution</b> Available everywhere</p> <p><b>Channel Dominance</b> Gain new market share with EZ-FLO product offerings across all channels.</p> <p><b>#1 Partner</b> RWC continues to be recognized as a leading supplier partner across channels/customers.</p>  <p><b>Award winning customer partner</b></p>	 <p><b>Insights</b> Customer/end user needs</p> <p><b>Drive Value-Adds</b> Core products further strengthened with value added feature sets. Use “Second with an edge” model to differentiate in new categories.</p> <p><b>Increase Share-of-Wallet</b> Align with plumbers’ traditional methods to increase share-of-mind and share-of-wallet.</p>  <p><b>New Expansion fitting system</b></p>	 <p><b>Programmatic</b> Strategic opportunities</p> <p><b>Catalyze Opportunities</b> Strategic programmatic M&amp;A both creates and captures opportunities.</p> <p><b>Drive Optimization</b> RWC has demonstrated success in creating incremental value of acquired companies both market facing and operationally.</p>  <p><b>Multi-integration Successes</b></p>

# Two new product ranges in the Americas announced March 2023

## SharkBite Max

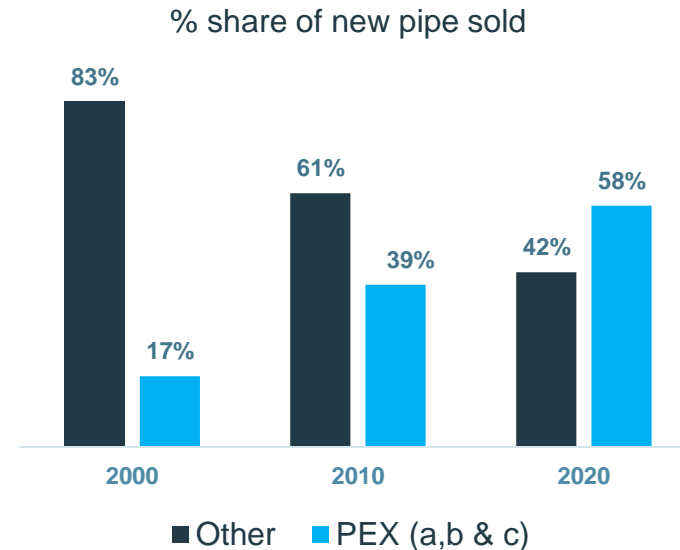


## PEX-a pipe and Expansion Fittings



<b>2X THE BURST PRESSURE</b>	<b>PATENTED SHARKBITE™ TECHNOLOGY</b>
<b>1/2 THE INSERTION FORCE</b>	<b>STAINLESS STEEL RETAINER FOR ADDED STRENGTH &amp; DURABILITY</b>
<b>25 YEAR WARRANTY</b> <small>WHEN USED WITH PEX, COPPER, CPVC &amp; PE-RT PIPE</small>	<b>NO SPECIAL TOOLS, CRIMPING, SOLDERING OR GLUE REQUIRED</b>

Comparisons are in relation to 1<sup>st</sup> generation SharkBite.



PEX-a is the fastest growing pipe and fittings system and key to addressing residential construction and major remodel markets

# Value for the distributor

RWC's PEX-a and Expansion Fittings are being launched in retail

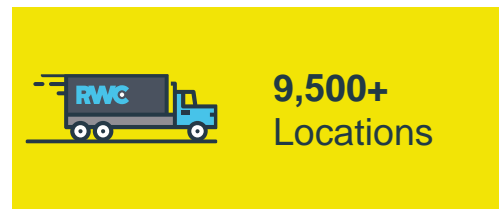
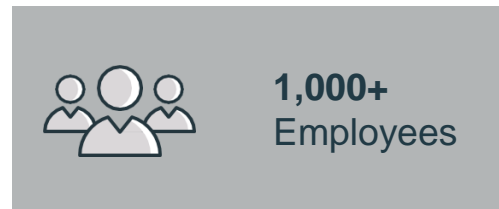


In-store Retail demonstration. Being rolled out progressively in 2023.



# EMEA business snapshot

Exceptionally strong brands in a diverse set of markets and geographies

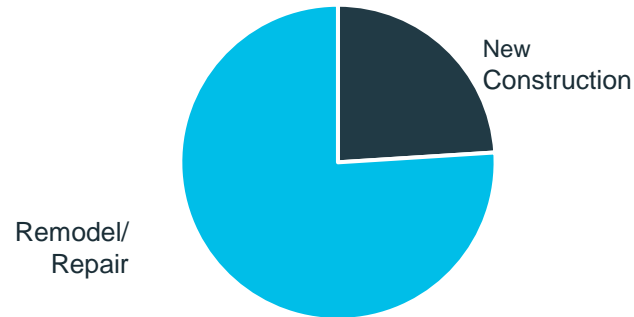


### Brands

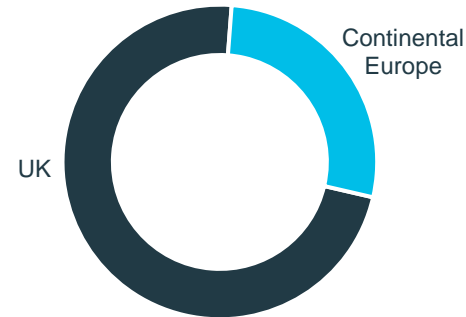
- Speedfit<sup>®</sup>
- John Guest<sup>®</sup>
- Reliance<sup>®</sup> VALVES
- SharkBite<sup>®</sup>



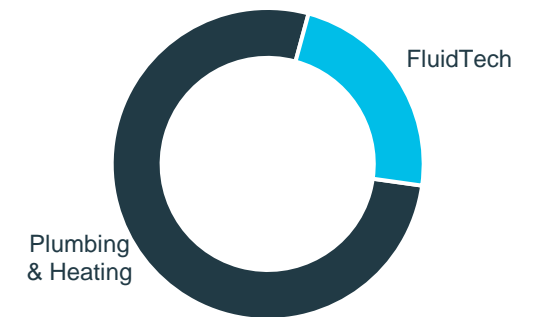
End Market Exposure



Geographic mix<sup>2</sup>



Category mix<sup>2</sup>



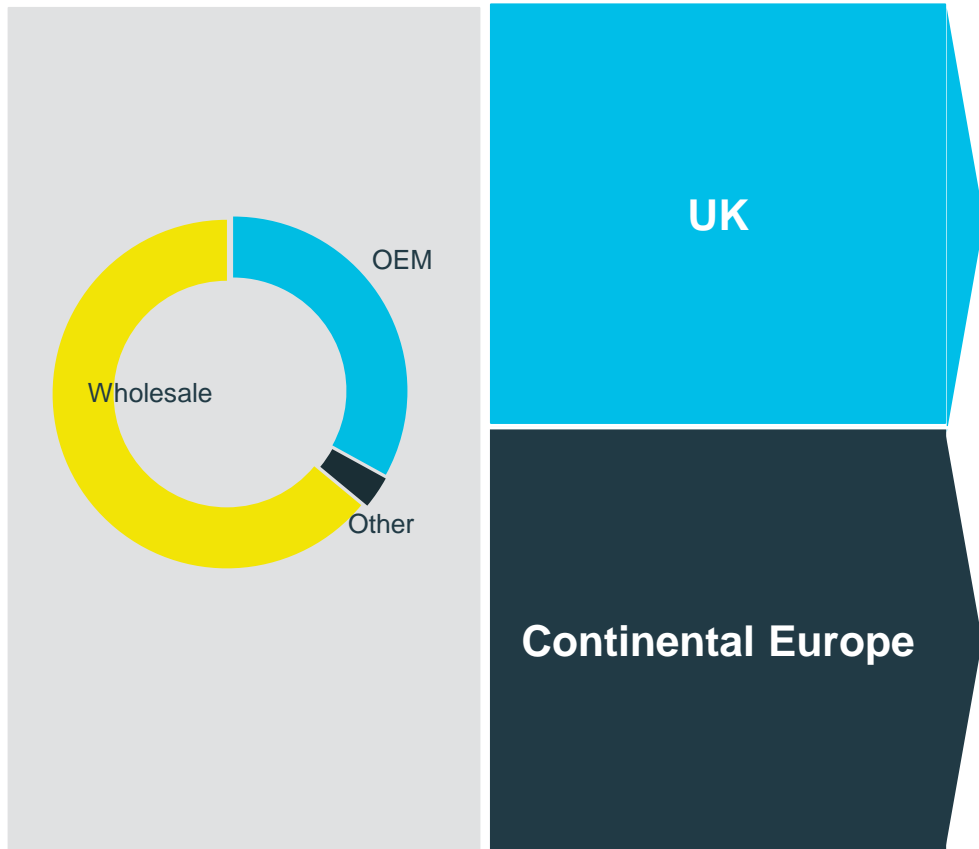
1. FY23 results. Refer to FY23 results announcement for EBITDA adjustments.

2. Based on FY23 external sales only and excludes intercompany sales to Americas / APAC

# EMEA snapshot: products and customers

RWC's UK plumbing and heating market benefits from a high presence in wholesale, whereas Continental Europe is focused on OEMs in FluidTech markets

## Channel Mix<sup>1</sup>



## Example customers

<b>Travis Perkins</b>	<b>innserve</b>
<b>WOLSELEY</b>	<b>EMTELLE</b>
<b>SAINT-GOBAIN</b>	<b>Kingfisher</b>
<b>Grafton Group plc</b>	<b>HEATRAE</b>
<b>Distributors</b>	<b>OEMs</b>
<b>Heineken</b>	<b>Culligan</b>
<b>SMB</b> Société Matériel Brasserie	<b>AC Smith</b>
<b>RIEGLER</b> Compressed air and Pneumatics	<b>truma</b>
<b>HORNBACH</b>	<b>BWT</b>
	<b>FESTO TOOLTECHNIC</b>

## Representative products

Speedfit	Underfloor Heating	
Drinks and Dispense	Pneumatics	
SharkBite	PolarClean	Blown Fibre

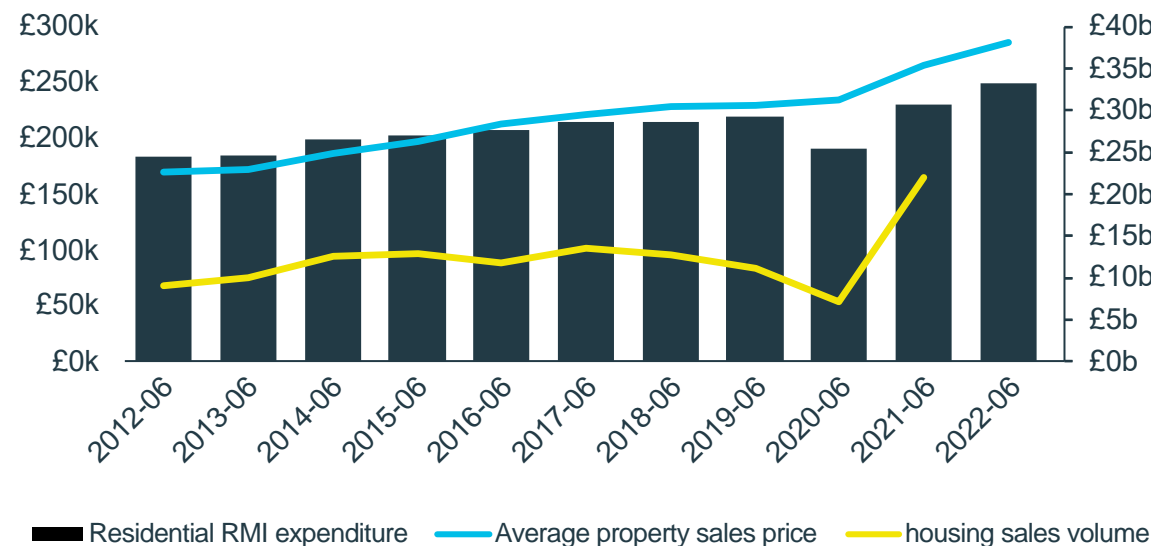
<sup>1</sup> Based on FY23 results

# UK repair, maintenance and improvement (RMI) overview

RWC highly penetrated in sectors offering strong resilience

## UK RMI highly correlated to home price appreciation

UK RMI expenditure against average home price

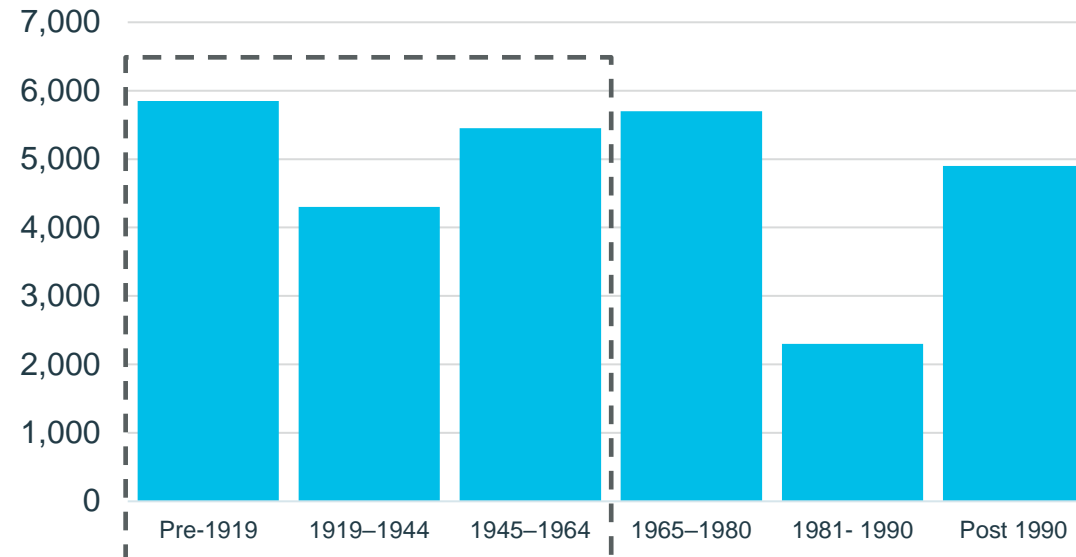


Source: ONS and "EMEA pipe and fittings market insights forecast till 2026"

- Home prices have appreciated significantly in the last two years
- Will underpin a strong RMI tailwind for a period of time

## 55% of homes in UK >50 years of age

Total UK Households by Age (000)



- Housing stock UK very mature vs Europe average
- RMI sectors long term resistance to macro pressures

# EMEA growth priorities

Enabling specific initiatives in UK and Europe to accelerate, expand and access

## Key Enablers

- Leverage strength of brands in **both P&H and Fluid Tech** markets
- Capitalise on being a **'full solutions provider'**
- Focus on key **M&A targets** to support growth



## Plumbing & Heating

### UK



#### Accelerate RMI

- **Creating value** for the distributors
- Focused **product development**



#### Access Commercial

- **Develop and grow** pipe & fittings and valves

### Continental Europe



#### Expand RMI

- **Expansion into Retail** with PushFit fittings

## Fluid Tech

### UK + Cont. Europe

#### Accelerate Key Applications

- **Focus on business & product development** for 5 key applications

#### Expand

- **Specific market focus on new business development** in 2 key applications

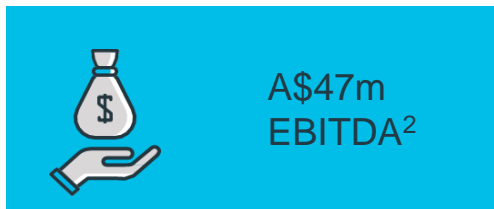
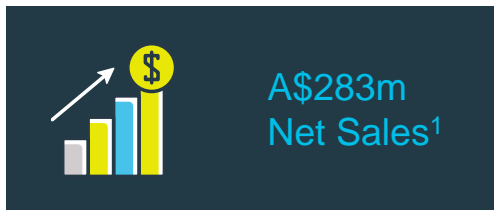


#### Expand New Build

- Build on our **UFH position**
- **Complete the offer** for new build

# RWC APAC snapshot

Exceptionally strong brands in a diversified set of markets, and geographies



### Brands

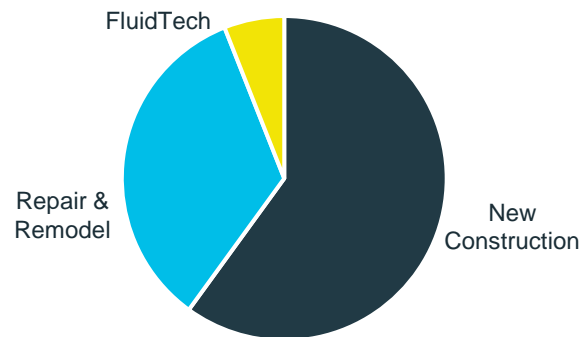
SharkBite<sup>®</sup>  
Reliance<sup>®</sup> VALVES  
Auspex  
John Guest<sup>®</sup>

In Melbourne Australia we manufacture:  
• Push-to-connect fittings and other fittings  
• Pipes

In Brisbane Australia we manufacture:  
• Valves

Logos for SharkBite, EvoPEX, Auspex, and RMC Reliance are shown.

### Australia End Market Exposure






<sup>1</sup>Segment net sales includes A\$104 million of intercompany sales to other segments; FY23 results

<sup>2</sup>FY23 results. Refer to FY23 results announcement for EBITDA adjustments

# APAC to focus on local growth

With the operational reconfiguration following the launch of SharkBite Max, APAC's focus is turning to realising growth within the Australian market and APAC region.

Where	ANZ				Export and other APAC regions
	Residential	Commercial	OEM	Utilities and councils	
	Wholesale				
	Retail				
How	Solutions for the job site 		Value for the distributor 	Industry leading execution 	

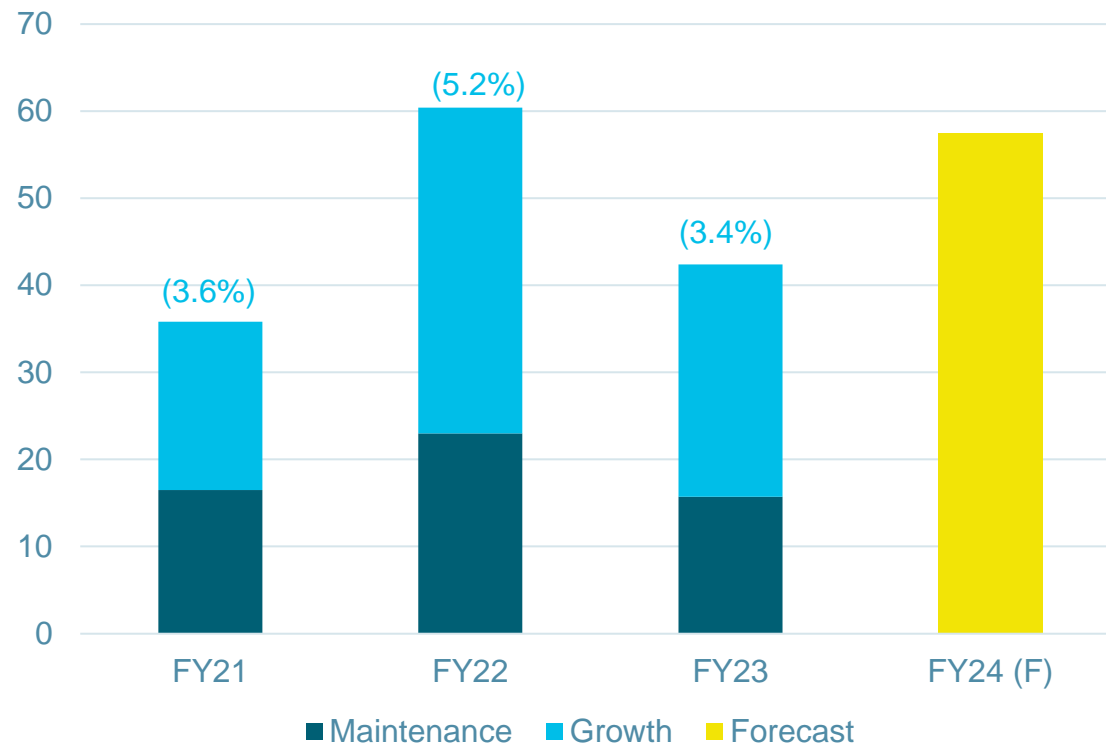
# Capital Management approach

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

# Capital expenditure is typically within a range of 4 - 6% of Sales

Capital Expenditure US\$m  
(% of Sales)



## Commentary

- FY24 Capex forecast to be in the range of \$55 million to \$60 million
- FY24 Projects:
  - Completion of SharkBite Max and PEXa and Expansion Fitting projects
  - Investment in further plant automation in Americas and EMEA



# Summary of FY23 Performance

## US\$ million

	FY23	FY22	% Change
<b>Net Sales</b>	<b>1,243.8</b>	<b>1,172.2</b>	<b>6%</b>
<b>Adjusted EBITDA<sup>1</sup></b>	<b>274.6</b>	<b>268.7</b>	<b>2%</b>
<i>Adjusted EBITDA margin (%)</i>	<i>22.1%</i>	<i>22.9%</i>	<i>(80bps)</i>
<b>Adjusted EBIT<sup>1</sup></b>	<b>222.0</b>	<b>221.5</b>	<b>0%</b>
<i>Adjusted EBIT margin (%)</i>	<i>17.8%</i>	<i>18.9%</i>	<i>(110bps)</i>
<b>Reported NPAT<sup>1</sup></b>	<b>139.7</b>	<b>137.4</b>	<b>2%</b>
<b>Adjusted NPAT<sup>1</sup></b>	<b>155.7</b>	<b>161.4</b>	<b>(4%)</b>
<b>Earnings per share (cps)</b>	<b>17.8 cents</b>	<b>17.5 cents</b>	<b>2%</b>
<b>Adjusted earnings per share (cps)</b>	<b>19.8 cents</b>	<b>20.6 cents</b>	<b>(4%)</b>
<b>Cash flow from operations</b>	<b>292.7</b>	<b>139.6</b>	<b>110%</b>

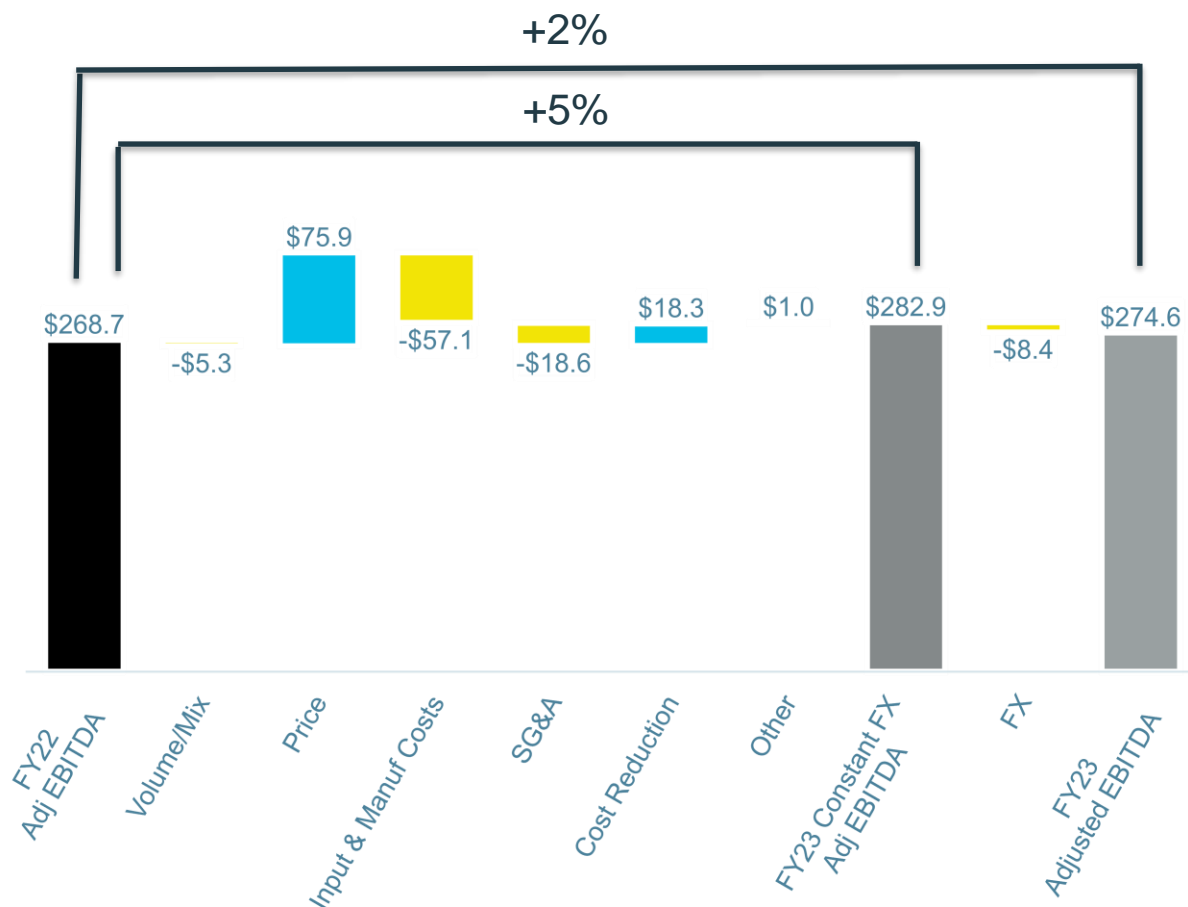
## Commentary

- Constant currency sales growth of 9%
  - Constant currency sales growth of 3% excl. EZ-Flo<sup>2</sup>
- Stronger US\$ adversely impacted reported results from APAC and EMEA
- Price increases averaged 6.5% in the period versus pcp
- Sequential margin improvement from the 1<sup>st</sup> half to 2<sup>nd</sup> half
- Adjusted EBITDA, Adjusted EBIT, and Adjusted NPAT exclude:
  - (i) \$15.0 million gain on UK property sale
  - (ii) \$13.5 million one-off costs to achieve EZ-Flo cost synergies, restructuring and other costs
- Cash flow from operations up 110% on pcp, cash conversion of 107%

<sup>1</sup> EBITDA and EBIT adjustments for HY23 comprise one-off costs to achieve EZ-Flo cost reduction synergies (\$3.8 million), and the gain on sale of a UK property (\$15.0 million)

# FY23 Adjusted EBITDA

Operating margin improvement in 2<sup>nd</sup> half



## Commentary

Constant currency Adjusted EBITDA up 5%

FX translation headwinds due to US\$ strength vs A\$ and £

Adjusted EBITDA margin improved in second half as sales of lower cost brass inventory flowed through to COGS

Higher SG&A costs mainly due to inclusion of EZ-Flo<sup>1</sup>

Cost reduction initiatives delivered \$18.3m savings in FY23:

- \$9.4m from continuous improvement initiatives
- \$5.8m from EZ-Flo cost synergies realisation
  - On track to deliver \$10.0m annualised cost savings by end of FY24
- \$3.1m from new cost reduction program
  - \$15.0m of annualised cost savings from FY24 onwards

# Outlook for FY 2024<sup>1</sup>

## Continued resilience of R&M market tempered by uncertainty around larger remodel

### Overall Commentary

- RWC consolidated revenues expected to be down by low single digit percentage points in FY24, lower sales in most markets
- Targeting stable operating margins for full year FY24 vs FY23, with lower sales to be offset by cost savings and price increases
- FY24 first half operating margins expected to be lower than pcp due to inventory reduction initiatives, lower sales and costs associated with introduction of new products

### Americas Outlook

- Overall remodelling activity in the US is expected to decline by mid-single digits in FY24
- Lower turnover of existing housing stock a potential headwind for remodel activity in FY24
- New home construction in the US expected to rise based on recent approvals data
- RWC sales expected to be down on the pcp by low single digit percentage points
- Operating margins expected to be higher than pcp following transfer of some SharkBite Max production to the US from Australia - phasing means this will be more evident in 2<sup>nd</sup> half of FY24

<sup>1</sup> Key assumptions for FY23 are set out in the Operating and Financial Review dated 21 August 2023

# Outlook for FY 2024<sup>1</sup>

## Asia Pacific Outlook

- Current end-market exposure is 60% new housing, 40% repair, maintenance and remodel
- 21% decline in Australian new housing commencements – sales are expected to be lower in FY24
- Inter-company sales will also be significantly lower in FY24 due to transfer of SharkBite Max assembly to the US
- Lower manufactured volumes will negatively impact operating margins
- EBITDA margin expected to be down by ~1/3<sup>rd</sup> due to lower volumes and the transfer of some SharkBite production to the US

## EMEA Outlook

- UK new home construction activity has been tracking lower
- FY24 sales are expected to be down on pcp by low single digit percentage points
- Operating margins will be impacted by lower sales
- EMEA is highest margin region: 5% decline in volume has potential EBITDA margin impact of -100 to -150 basis points

<sup>1</sup> Key assumptions for FY23 are set out in the Operating and Financial Review dated 21 August 2023

# RWC: committed to making a positive, lasting impact



## Environment

### Net Zero by 2050

Committed to reducing  
Scope 1 and Scope 2  
emissions to Net Zero  
by 2050

**42% reduction  
in Scope 1 and  
Scope 2  
emissions by  
2030**

### Scope 3

Continue to measure Scope 3  
emissions with an aspiration of  
setting targets to achieve net  
zero by 2050



## Social

Driving diversity,  
equity and  
inclusion in a  
safe and inspiring  
workplace

**40/40/20**

Gender diversity targets

**4.9**

Recordable incidences per 1 million  
hours worked



## Governance

Oversight  
and alignment  
Ensuring our  
performance

3 female Board members,  
representing

**43%**

of Non Executive Directors

**ESG  
Performance**

linked to executive remuneration