

Acquisition of Holman Industries



Investor Presentation
13 February 2024

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This presentation contains references to the following non-IFRS measures: EBITDA and Adjusted EBITDA. These measures are used by RWC to assess operating performance. All financial information is presented in Australian dollars (A\$ or AUD) unless otherwise stated.

Information about Holman Industries:

Certain information in this Presentation has been sourced from Holman, its representatives or associates. While steps have been taken to review that information, no representation or warranty, expressed or implied, is made as to its fairness, accuracy, correctness, completeness or adequacy. Certain market and industry data used in connection with this Presentation may have been obtained from research, surveys or studies conducted by third parties, including industry or general publications. Neither RWC nor its representatives have independently verified any such market or industry data provided by third parties or industry or general publications.

The financial information for Holman is based on unaudited financial statements for the financial years ended 30 June 2021, 30 June 2022, and 30 June 2023 and management financial reports for the twelve months ended 31 December 2023, as well as financial and operating data provided by Holman. Adjusted EBITDA reflects normalisation adjustments made to Holman reported EBITDA for the impact of non-recurring items, non-operating items, out of period items, and adjustments to align the accounting treatment of leases with AASB16: Leases. RWC has performed due diligence on the financial records of Holman however this does not constitute an independent verification of the information provided by Holman. Information in this Presentation regarding revenue by end market, customer, geography, product category and channel is unaudited sales data provided by Holman. Investors are cautioned that they should not place reliance on this information as if it were audited financial information.

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 Circumstances may change and the contents of this presentation may become outdated as a result.

This presentation should be read in conjunction with the ASX announcement titled "RWC TO ACQUIRE HOLMAN INDUSTRIES" also dated 13 February 2024.

Acquisition of Holman Industries: Overview



Leading manufacturer and distributor of branded plumbing and watering products in Australia

Transaction overview

- RWC to acquire Holman Industries for A\$160¹ million; completion expected to occur in March 2024
- Acquisition values business at a multiple of 7.0 times LTM EBITDA of A\$22.9m (12 months ended 31 Dec 2023)²
- EPS and ROCE³ accretive from first full year of ownership

Holman overview

- Holman is a leading manufacturer and distributor of branded plumbing and watering products in Australia
- Strong track record of driving double-digit sales growth through continued product innovation and expansion of product offerings
- Leading manufacturer of PVC plumbing fittings in Australian market, with a broad product suite serving the Drain, Waste and Vent (DWV) water-out end market
- Leading brands in watering and garden products in Australia with significant presence in Bunnings
- Very strong retail channel relationships, and a growing presence in wholesale plumbing distribution

Strategic rationale

- RWC and Holman's plumbing product ranges are complementary; the combined portfolio will create a comprehensive rough plumbing product offering for the Australian market
- Strengthens RWC exposure to the retail channel and broadens RWC's wholesale offering
- Provides opportunity for growth of legacy RWC products within retail while also putting more scale and manufacturing capability behind Holman
- Acquisition is aligned with RWC's strategy of providing complete plumbing solutions for water-in and water-out in residential and commercial

¹ Subject to conditions precedent and customary closing adjustments and conditions; all values are in Australian Dollars unless otherwise specified

² Source: Company financial statements, RWC management estimates. LTM EBITDA adjusted by RWC for AASB16 lease accounting requirements

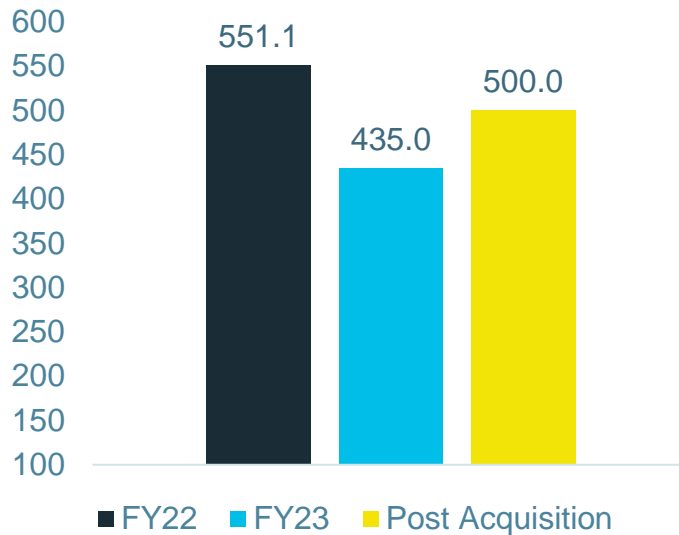
³ ROCE is Return on Capital Employed. Calculations exclude transaction costs, one-off costs to achieve synergies, any amortisation of identified intangible assets and is on a pre-tax basis.

Acquisition of Holman to be debt funded

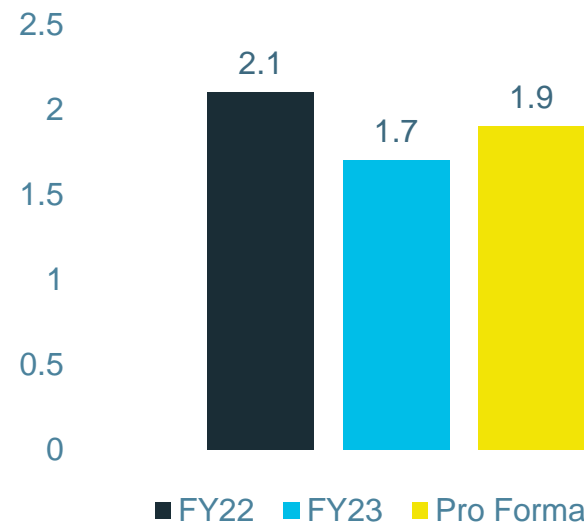
Leverage post-acquisition will be lower than pcp, and well within RWC's target range

- A\$160 million acquisition cost will be debt funded from existing committed facilities
- Pro forma leverage of 1.9 times based on HY24 period-end net debt and A\$160 million acquisition debt funding
- RWC's leverage will remain comfortably within the target range following completion of the transaction
 - Target range of Net Debt to EBITDA is 1.5 to 2.5 times
 - Undrawn committed borrowing facilities of approximately US\$550 million after funding Holman acquisition

Net Debt US\$m



Net Debt/EBITDA (times)



Holman acquisition will expand and diversify APAC business



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 will double RWC's Target Addressable Market in Australia
- APAC end market exposure will be more balanced between water-in and water-out product categories

Holman has a stronger relationship with Retail channel partners

- Holman will become 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 will be 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

Holman acquisition is strongly aligned with RWC's strategic pillars

Solutions for the job site



Water-out plumbing products focused on drain, waste and vent (DWV) solutions

DWV product suite strengthens RWC's total solution offering to the pro plumber

Strong culture of innovation and a commitment to supplying better-designed products

Value for the distributor



DWV offering will make RWC a better partner to core plumbing wholesalers in Australia

Holman significantly expands RWC access to the retail channel in Australia

Opportunity to grow legacy RWC products within retail

Industry leading execution



Strong local manufacturing capabilities in water-out products

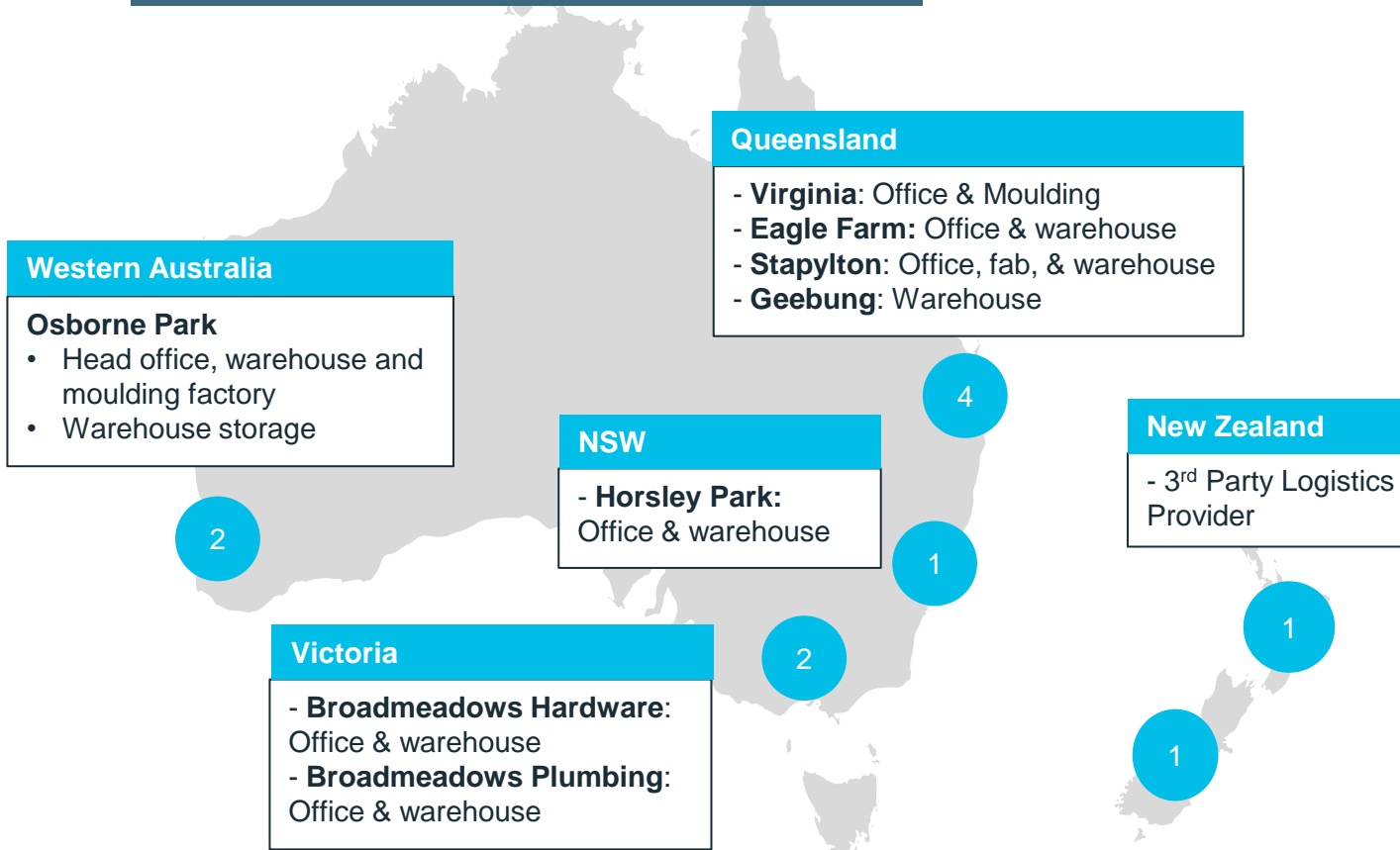
Excellence in retail channel fulfilment execution

Leveraging combined Holman and RWC expertise in sourcing from international suppliers

Holman overview

Holman sells plumbing and watering products through retail and wholesale channels

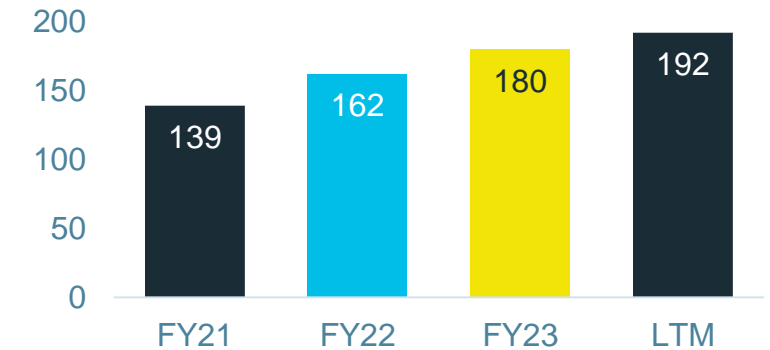
Holman Operations Overview



Holman Financial Snapshot

Financial Years ended 30 June

Annual Revenues A\$m¹



Operating earnings seasonality: 75% 1st Half / 25% 2nd Half

LTM EBITDA^{1,2}

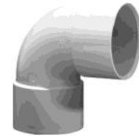
A\$22.9m

¹ Source: Holman unaudited financial statements for financial years ended 30 June 2021, 2022, and 2023, and unaudited management reports for Last Twelve Months (LTM) ended 31 December 2023

² Adjusted by RWC for AASB16 lease accounting requirements

Holman product 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

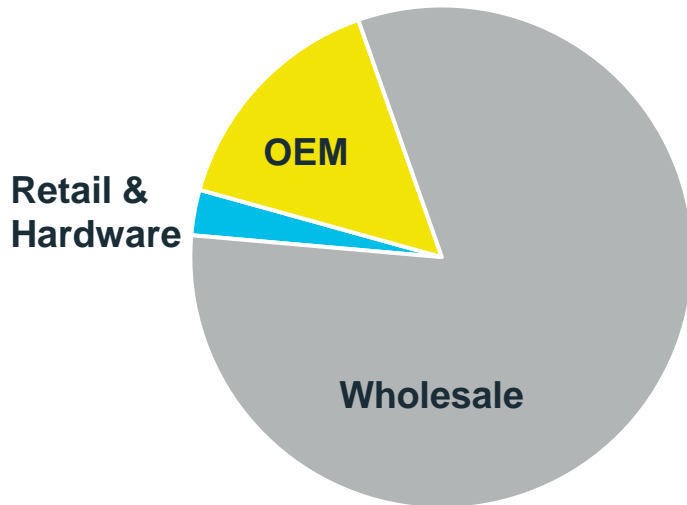
Garden hoses, retractable hose reels, hose fittings, tap timers, poly pipe fittings, sprinklers, garden systems, pumpless sprayers, weather stations

Plumbing Matters. We Make It Better.

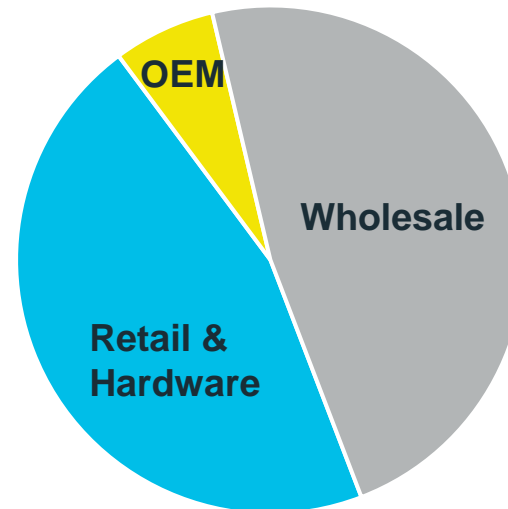
Channel & product diversification

The combination of Holman and RWC will diversify the overall channel mix into retail and adds water-out products to the portfolio

RWC APAC Customer Base

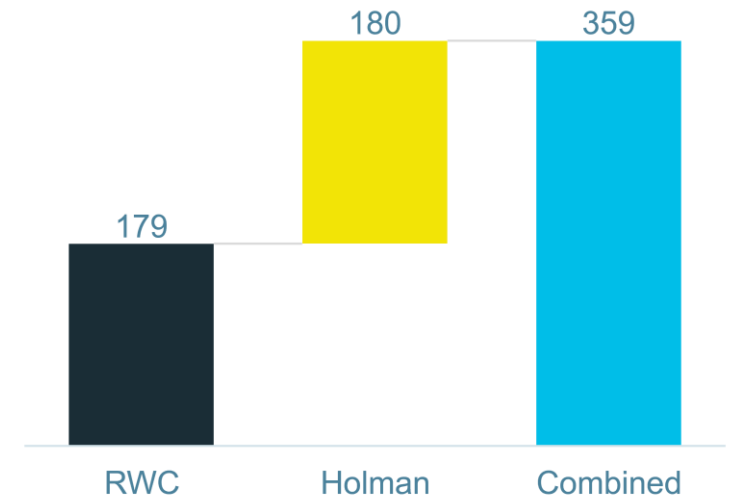


Combined RWC and Holman Customer Base



Pro-Forma: RWC APAC & Holman

FY23 Annual Revenues A\$m¹



RWC: FY23 External Sales
Holman: FY23 Sales

Synergies realisation and integration plan

Holman and RWC business will run side by side during the integration phase

- Holman has a complementary culture and its values are similar to RWC. Their vision is to be a world class supplier of plumbing and watering products, and like RWC, they are committed to providing exceptional service and leadership to our chosen markets
- Integration approach will acknowledge, embrace and preserve the success and strengths of both companies
- Complementary strengths will see Holman become the retail arm of RWC in the APAC region
- Holman founder Wally Edwards will remain with the business for 2 years to oversee the transition and support ongoing customer relationships and innovation initiatives
- We see a significant amount of very capable talent within Holman that will augment RWC's global capabilities
- Opportunities to expand combined RWC and Holman product offerings across channels will be actively pursued – revenue synergies are a key part of the investment case
- A\$5 million in annual cost synergies expected to be realised by end of Year 3 through distribution footprint rationalisation and optimisation

Summary

Holman Industries will broaden RWC's product offering and channel reach in APAC

- Holman has a comprehensive product offering of branded plumbing and watering products that complements RWC's existing product range
- Holman's leading brand positions within retail will diversify RWC's channel mix in the Australian market and provide additional growth opportunities
- Holman has a strong internal culture built around product excellence, innovation and high levels of customer service strongly aligned with RWC
- Holman is a long-term supplier to retail and hardware segment with strong retail fulfilment execution expertise
- Management and operational team strength within Holman team will combine powerfully with RWC's APAC team capabilities
- Transaction financial drivers are strong:
 - EPS and ROCE accretive in first full year of ownership
 - Revenue and cost reduction synergies expected to further enhance return on investment
 - Debt funded utilising existing committed borrowing facilities and balance sheet capacity



Appendix

APAC strategy now focused on local growth

Following the operational reconfiguration and transfer of some SharkBite manufacturing to the US, APAC's focus is on 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	

In-Store Merchandising



In-Store Merchandising

