

ASX Announcement

29 October 2020

CHAIRMAN'S AND CHIEF EXECUTIVE OFFICER'S ADDRESSES TO ANNUAL GENERAL MEETING

Attached are the following documents to be presented at the Annual General Meeting (AGM) of Reliance Worldwide Corporation Limited which is being held at 10.00am today:

- Chairman's address;
- Chief Executive Officer's address; and
- Presentation slides.

This year's AGM will be held online as a virtual meeting. Shareholders may participate in the AGM and watch the webcast online using one of the following methods:

- (1) **Computer: enter the following URL in your browser:** <https://web.lumiagm.com/379943038>;
- (2) **Mobile device - browser: enter the following URL:** <https://web.lumiagm.com/379943038>.

Shareholders should visit www.rwc.com/investors/annual-general-meeting for important information about the AGM.

For enquiries, please contact:

Phil King
Group Investor Relations Director
+61 499 986 189
phil.king@rwc.com

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



ANNUAL GENERAL MEETING**THURSDAY 29 OCTOBER 2020****CHAIRMAN'S ADDRESS**

Good morning ladies and gentlemen. My name is Stuart Crosby. As chairman of directors, I welcome all shareholders and guests to this virtual, online 2020 annual general meeting of Reliance Worldwide Corporation Limited.

What a year! In February when we released our results for the 6 months to December 2019, we referred - in what now looks like an aside - to the then recent emergence of COVID-19 and the uncertain potential impacts it might have. I'm sure that none of us had any conception of the exceptional circumstances we would live through subsequently.

At RWC we have had to respond to constantly changing business conditions. Despite these difficult times, the Company has performed well. There is a degree of good fortune in being in an industry that has experienced increases in demand in some places, and in having a strong presence in the places where that happened most, in particular, the USA.

But just as importantly we executed exceptionally well. This is testament to the quality of our business and the loyalty and support of our customers. Above all it reflects the commitment of RWC people to serve our customers and keep our operations going despite the many and unforeseeable challenges we faced. On behalf of the Board, I would like to formally record our appreciation for the efforts of everyone at RWC during the pandemic.

Health and Safety

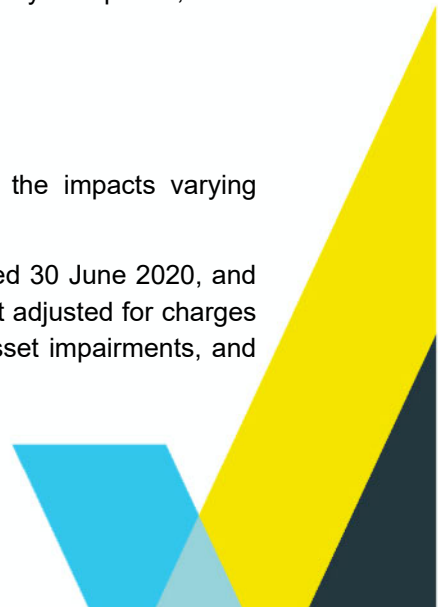
I am very glad to be able to report that the health impacts on our people have been relatively contained. This reflects the fact that the health and safety of our people has been our concern since the first arrival of the pandemic. We have instituted significant changes across our operations to ensure ongoing health and safety. We implemented across all locations on-site distancing protocols and daily temperature checks, and we have provided our employees with additional PPE for their safety. We have also instituted additional cleaning protocols. While there have been cases of COVID-19 amongst our staff, as a result of the speed and rigour of the Company's response, these have been limited and we have kept all our major facilities operating.

Financial Performance

Our results for the year were significantly impacted by COVID-19, with the impacts varying significantly across our three operating regions.

We reported Net Profit after Tax ("NPAT") of \$89.4 million for the year ended 30 June 2020, and Adjusted NPAT of \$130.3 million. Adjusted NPAT reflects the statutory result adjusted for charges incurred for restructuring initiatives we undertook in the US and Europe, asset impairments, and

For personal use only



adjustments for certain tax items and accounting treatments . Adjusted NPAT was 18% lower than the comparable figure of \$158.3 million recorded in the 2019 financial year.

The impact of COVID-19 was felt very strongly in the performance of UK and Continental European operations, with revenues falling at one point in the second half to just 35% of what they had been a year earlier. This was the single biggest factor that negatively impacted earnings in 2020. Heath will provide more detail on the performance in each of our geographic regions shortly.

The Board believes the earnings result for the 2020 financial year to have been very creditable in the light of the global pandemic and ensuing disruption.

Cash Flow and Balance Sheet

A standout feature of the result was our cash flow performance. Cash flow from operating activities was up 56% to \$278.3 million. We were very clear at the outset of the pandemic that preserving cash would be important for us to ensure we retained a strong financial position. As the operating cash flow result demonstrated, taking actions such as limiting capital expenditure, cutting back on discretionary expenditure as well as tight working capital management and strong debtor collection all bore fruit.

As a result of this strong cash performance, we saw the leverage ratio reduce from 1.67 times to 1.39 times, with a reduction in net debt of \$124.4 million. We continue to have significant headroom under our syndicated bank facility, and we remain comfortably in compliance with our financial covenants. We have emerged from the COVID-19 pandemic with a strong balance sheet which leaves us very well placed to pursue further growth opportunities that emerge. I am pleased to announce that we have reached agreement with our lending syndicate to extend the maturity date of the \$250 million Tranche A facility from 30 September 2021 to 30 September 2023.

Dividend

Total dividends declared for the 2020 financial year were \$55.3 million. This is lower than the dividends we paid in the prior year, reflecting a conservative stance on our part to preserve cash given the uncertain outlook for our major markets in the year ahead. Eligible shareholders will have received payment of the interim and final dividends on Friday 9 October, and I want to again thank shareholders for their patience and understanding of our decision to defer the interim dividend payment from April to October.

Board composition

We have a standing policy of regularly reviewing the composition of the Board with the aim of strengthening our capacity by adding members with relevant skills and experience. I am pleased that we were able to appoint two extremely capable new directors to the Board during the past 12 months.

Christine Bartlett joined the Board in November 2019. She is an experienced CEO and senior executive with extensive line management experience. Ian Rowden was appointed in July 2020.

Ian is an experienced leader in sales, marketing and commercial operations for large international organisations.

We have already benefited from Christine and Ian's deep and diverse international business experience since they joined the Board. Christine has been appointed Chair of the Nomination and Remuneration Committee. Ian has joined the Audit and Risk Committee. Christine and Ian, along with Russell Chenu and me, are standing for election as directors. We will each address you shortly in that regard.

Social Impact Report

In February this year, we released our first Social Impact Report, covering RWC's approach to areas including Community, Sustainability, Employee Engagement, Health and Safety, and Product Stewardship. The report can be viewed on the RWC website. While we acknowledge that this is just our initial step, we are pleased to have formally begun this journey. We are confident that the energy and passion our people have for this area will drive continually greater benefits for our stakeholders and the communities in which we operate. We expect to publish our next Social Impact Report during this financial year.

We will also be publishing our first statement on modern slavery in compliance with Australian legislation. Following an analysis of our existing approach, we have developed action plans to improve management of modern slavery risks in our supply chains and operations. We are looking to have appropriate and well-communicated policies, a due diligence program incorporating active monitoring of supplier performance, appropriate engagement and competence across the relevant regions and proactive engagement with external stakeholders.

Ladies and gentlemen, thank you for your attention. Let me now hand you over to our Group CEO Heath Sharp.

ANNUAL GENERAL MEETING**THURSDAY 29 OCTOBER 2020****CHIEF EXECUTIVE OFFICER**

Good morning everyone, and greetings from RWC's head office here in Atlanta.

I'd like to echo Stuart's opening remarks and thank our customers, our suppliers and our people for collectively helping us get through the challenges of 2020.

I would like to especially acknowledge the effort of RWC's people throughout the past year. I believe the team has done a tremendous job. They have carried us through the challenges of COVID-19 and as a result of their efforts we have remained focussed on meeting our customer's expectations and keeping ahead of our competition. I really could not be more proud.

Today I will briefly discuss our performance for the 2020 financial year and provide an update on trading in the first quarter of the current financial year. After that I'll touch on our strategy and management priorities for the year ahead.

Turning firstly to our performance for the year ended 30 June 2020.

We reported net sales of \$1.16 billion for the FY20 year¹, which were up 5% on the prior year. Stripping out the impact of foreign currency, the constant currency growth in net sales was 0.3%. We were heavily impacted by COVID in the second half, so it is more meaningful to look at each of our regional segments in order to better understand our performance for the year.

The Americas segment recorded 6% net sales growth for the full year and 11% net sales growth in the second half, both on a constant currency basis. This was due to the very strong sales through US retail and hardware channels in the second half. Partly offsetting this was a decline in wholesale channel sales due to restrictions on pro plumber activity in many parts of the US during this period. We estimate that around 3.4% of the growth was due to demand specifically arising from COVID.

In Asia-Pacific, net sales for the year were down 2% on a reported basis and flat in the second half. This primarily reflects lower internal segment sales in the first half. We recorded 3% external sales growth in the second half and 2% for the year overall. In Australia, we didn't see any significant impact from COVID-19 in the second half. We were able to offset the decline in housing commencements with revenues from expanded product offerings.

In EMEA, net sales revenue dropped significantly as a result of COVID-19. The decline started in late March and was very apparent in April and May followed by a recovery part way through June. Our net sales were down 23% in the second half and down 13% for the full year on a constant currency basis.

¹ Net sales after eliminating intercompany sales

For personal use only



In response to the impact of COVID-19 in EMEA, we scaled back our manufacturing operations in the UK for a period with over 400 employees furloughed. I want to acknowledge the sacrifice and commitment of the teams in the UK and Continental Europe during what was a very difficult period.

John Guest Integration

We have now owned the John Guest business for just over two years. It's easy to lose sight of the progress we have made with this business amidst the noise of COVID. We have successfully completed the integration of John Guest with our UK and US operations. On top of that we have driven improved operational performance in the UK manufacturing operations in terms of productivity and customer service levels. While some of this progress has been disrupted by COVID, we are now back into normal mode of operation as our teams have returned to work. We are confident that the John Guest business provides us with a strong platform from which to further grow in both the UK and Continental Europe.

Trading Update

While we have not given earnings guidance for the 2021 financial year due to the uncertainty surrounding trading conditions, we have committed to update shareholders on our performance as the year progresses.

The 2021 financial year has started positively, and the first quarter was particularly pleasing from a sales perspective. Group net sales for the quarter ended 30 September 2020 were up 14% on a reported basis and up 17% on a constant currency basis compared with the prior corresponding period².

Breaking this down further at a regional level, the results on a constant currency basis were²:

- Americas sales were up 22%
- Asia Pacific sales were up 3%
- EMEA sales were up 6%

I would note that the first quarter of FY21 contained one additional trading day relative to the prior corresponding period.

In the US, we have continued to benefit from strong sales growth in both retail and hardware channels, and this has combined with a recovery in both wholesale channels and in the Canadian market.

Within Asia Pacific, the key Australian market has continued to record positive sales growth despite the 13% decline in residential commencements recorded in the year to June 2020. Intercompany sales to the US are up strongly.

² Unaudited results for the quarter ended 30 September 2020. Numbers presented at the Investor Day on 1 October and which were not for the full quarter are now superseded.

In EMEA, we have continued to see a recovery in volumes in the UK and Continental Europe, with markets now reopened. The UK, in particular, has seen improved sales activity partly driven by pent-up demand following the COVID-19 lockdown period, and from channel partners rebuilding inventory levels which were depleted during the lockdown. UK sales in the month of September were up 26% and Continental Europe sales were 7% higher than the same month in the prior year. Inter-company sales were 5% lower due to reduced shipments in the month.

This positive sales momentum has been maintained through October across our three regions. The US market has continued to experience sales growth in line with that recorded in the first quarter of the new financial year. Australian sales are ahead of the same period last year boosted by the ongoing strength of intercompany sales. The recovery in the UK and Continental European markets has continued to drive positive sales growth consistent with the first quarter, while inter-company sales are also up on the same period last year.

Outlook

While we are pleased to have started the year so strongly, forward visibility remains limited in most markets due to the ongoing impacts of COVID-19. Looking ahead, we remain cautious. The US has been boosted by the surge in DIY activity and the return of construction activity to pre-COVID levels, but without further government stimulus measures this growth may slow. We continue to expect some softening in the Australian market as the reduction in new housing construction approvals leads to lower building activity.

In the UK we are uncertain as to where underlying demand levels will settle once the pent-up demand for products and plumbing services has been satisfied. We are also carefully watching for any potential impact the increase in COVID-19 case numbers may have on demand and plumbing activities there and in Continental Europe. We remain fully operational in the UK at this time. Recent Government measures to limit the spread of the virus in the UK have been targeted towards social activities and are not currently impacting manufacturing, distribution or construction activities.

So, I would reiterate that current trading conditions in our regions are somewhat abnormal as a result of COVID. Given this uncertainty around what these conditions will be for the remainder of the financial year, we continue to caution against extrapolating the first quarter's sales performance for the full year.

Strategy

Let me touch briefly on our strategy.

Our overarching goal remains to increase the value of RWC through achieving above market growth and strong margins. Key to this are three distinctive capabilities: product leadership, strong distribution networks and industry leading execution. These capabilities are augmented by two cornerstones which underpin our performance. Firstly, a focus on the needs of our customers that allows us to generate sustainable demand for the products we make. Secondly, a focus on our people. Attracting and retaining the best people in our industry enables us to outperform the competition and sustain our success over the long term.

In terms of product leadership, we are the world leader in the manufacture and distribution of push to connect plumbing solutions with our SharkBite and John Guest branded products, alongside our well-established reputation as a high-quality valve manufacturer. This has been augmented by product extensions including the HoldRite suite of plumbing installation solutions.

Our strong distribution networks and channel partner relationships have ensured that we are able to continue to grow above market.

Similarly, our operational excellence has meant that we were able to continue executing at a high level despite the numerous challenges and supply chain disruptions of COVID-19. In the US that allowed us to maintain delivery service levels approaching 98% in full and on time for our core products to key retail channel partners.

As a testament to this, earlier this month we were awarded Divisional Partner of the Year in the Building Products category by Lowe's Corporation, one of our largest retail channel partners in North America. This is a huge accolade and is validation of our achievements in customer service excellence that we have built over many years.

Priorities for FY21

In FY21 our focus will continue to be on execution - in our factories, with our customers and with our distributors. We will continue to provide industry leading customer service and support and believe these things will assist us in achieving above market growth rates in all our markets.

We will also pursue ongoing margin expansion through continuous improvement initiatives, ongoing supply chain improvements and general cost management.

And finally, we will continue to allocate capital appropriately given the uncertainty. But we will also closely watch demand and adjust our production capacity as necessary. The strength of the volume growth recorded over the past few months has encouraged us to invest in additional capacity in all regions, and as a consequence we now expect our capital expenditure for the year to be close to the top end of the range we indicated in August, of \$35 million to \$55 million.

Conclusion

In conclusion, RWC's business remains robust. Our markets are resilient, particularly our core repair and maintenance markets focused on plumbing and heating. While there is no clarity around macro-economic conditions in the year ahead, RWC is well positioned and appropriately structured to move through the near-term challenges. We have a clear plan to grow the business and increase profitability and to create value for all stakeholders.

Thank you and now let me hand back to Stuart.



2020 Annual General Meeting

29 October 2020

personal use only



Important notice

This presentation contains general information about the activities of Reliance Worldwide Corporation Limited and its operating businesses at the date of presentation (29 October 2020). It is information given in summary form and does not purport to be complete. It should be read in conjunction with Reliance Worldwide Corporation Limited's periodic reporting and other announcements made to the ASX.

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.

Information, including forecast information, in this presentation should not be considered as a recommendation in relation to holding, purchasing or selling shares, securities or other instruments in Reliance Worldwide Corporation Limited. Due care and attention has been used in the preparation of forecast information. However, actual results may vary from forecasts and any variation may be materially positive or negative. Forecasts by their very nature are subject to uncertainty and contingencies many of which are outside the control of Reliance Worldwide Corporation Limited. Past performance is not a reliable indication of future performance. Except as required by applicable regulations or laws, Reliance Worldwide Corporation Limited does not undertake any obligation to publicly update or review any forward-looking statements whether as a result of new information or future events.

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.

Reliance Worldwide Corporation Limited uses non-IFRS measures such as EBITDA, Adjusted EBITDA and Adjusted NPAT to assess operating performance. These non-IFRS measures have not been subject to audit or review. Please refer to the Results Announcement dated 24 August 2020 for further detail on these non-IFRS measures.

personal use only

Chairman's address

Stuart Crosby

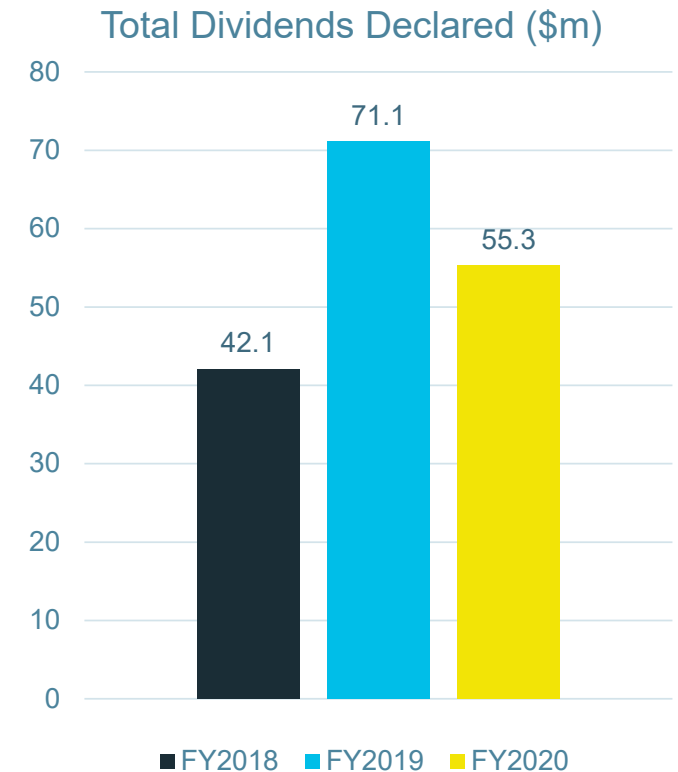
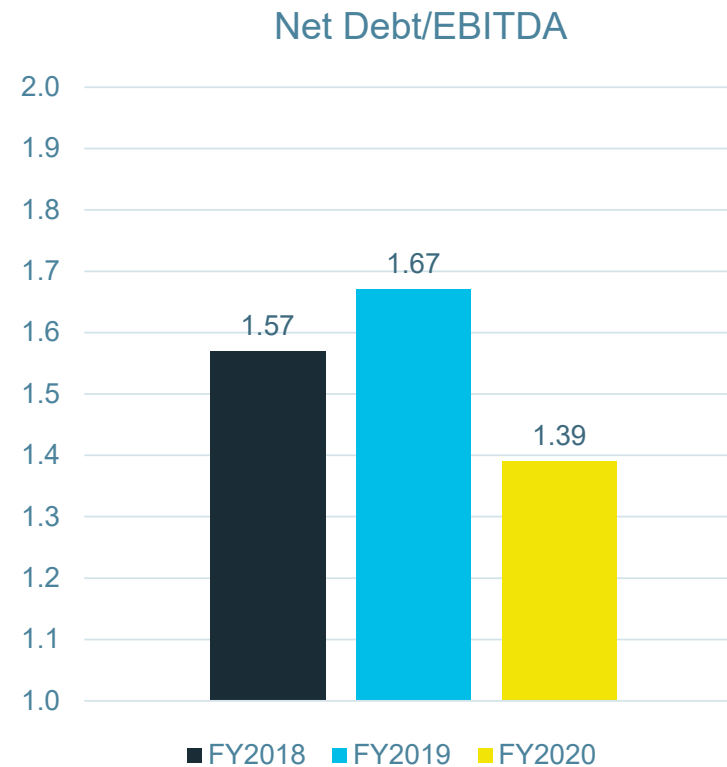
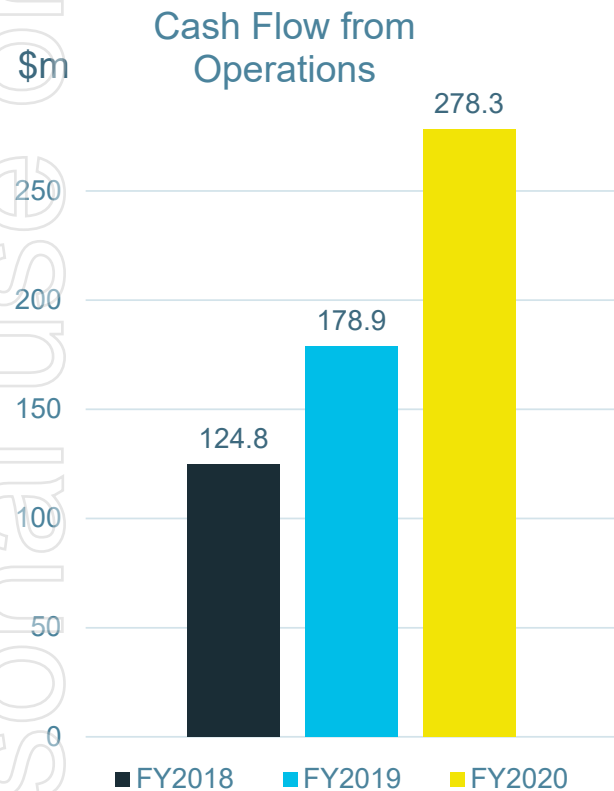
Employee Health and Safety

- Health and safety of RWC employees has been our number one priority
- On-site social distancing, daily temperature checks, provision of additional PPE
- Cleaning protocols initiated to deal with any outbreak at all manufacturing/distribution locations
- Incidences of COVID-19 experienced but dealt with expeditiously

FY20 Financial Performance

A\$m	FY19	FY20	% Change
Reported NPAT	133.0	89.4	-33%
Adjusted NPAT	158.3	130.3	-18%

Strong operating cash flow enabled reduction in net debt and payment of final dividend



RWC Board of Directors



Stuart Crosby
Non-Executive Chairman



Heath Sharp
Group CEO



Christine Bartlett
Independent Non-Executive Director



Russell Chenu
Independent Non-Executive Director



Ross Dobinson
Independent Non-Executive Director



Sharon McCrohan
Independent Non-Executive Director



Ian Rowden
Independent Non-Executive Director

personal use only

RWC's Social Impact Report



personal use only



personal use only

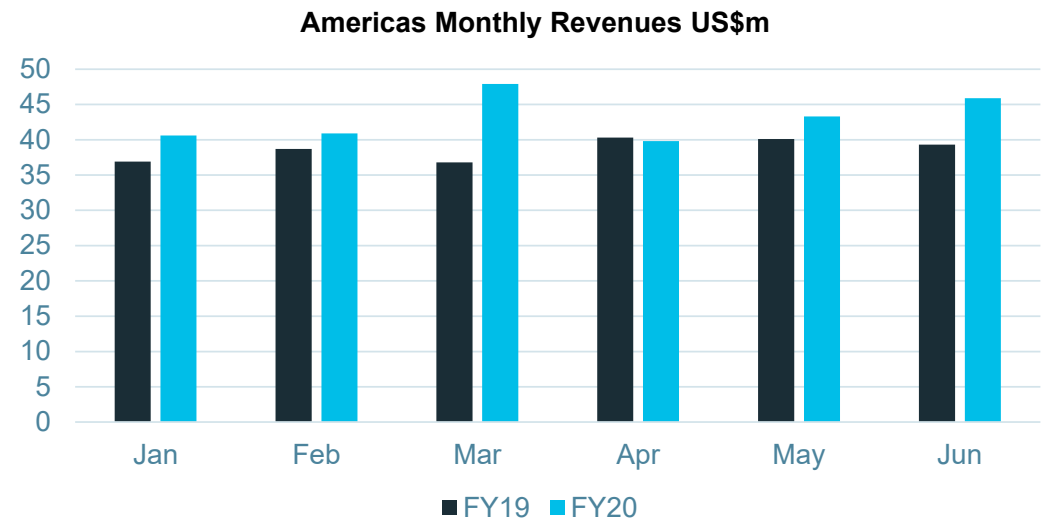
CEO's address

Heath Sharp

Segment results: Americas

Resilience of the US market and repair and remodel sector demonstrated

US\$m	FY20	2H20
Net Sales¹	+6%	+11%

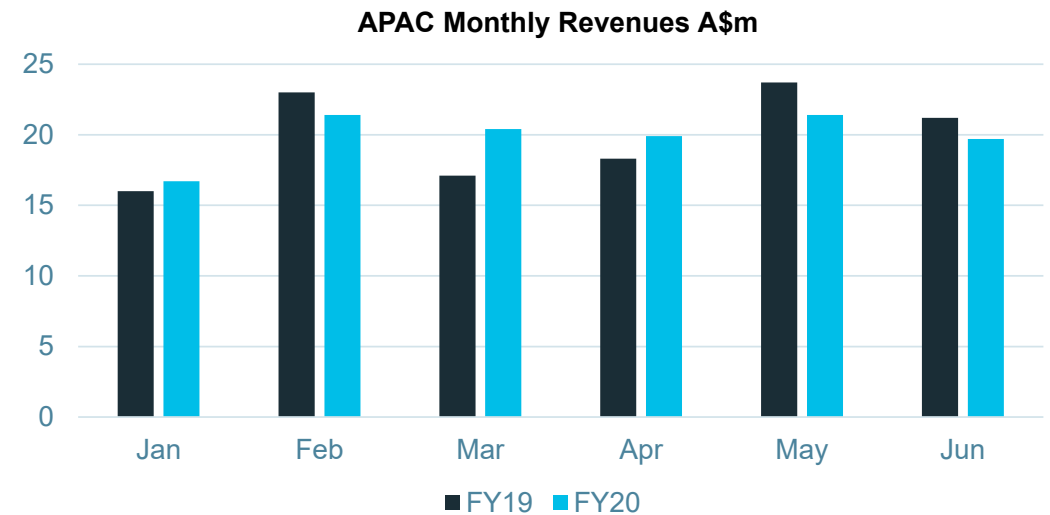


¹Net Sales prior to elimination of inter-segment sales

Segment results: Asia Pacific

Sales performance reflects success of product diversification

A\$m	FY20	2H20
Net Sales¹	-2%	+0.1%



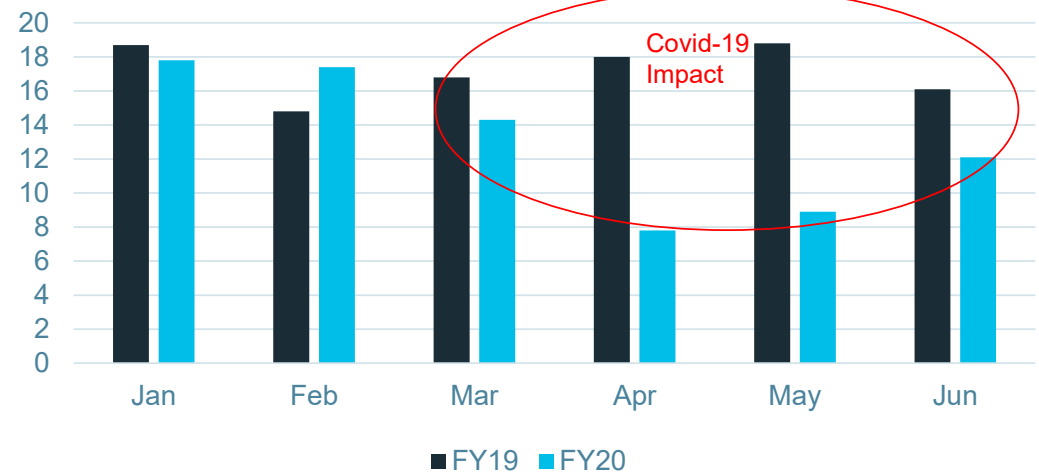
¹Net Sales prior to elimination of inter-segment sales

Segment results: EMEA

Significant impact in UK and Europe from Covid-19

GBPm	FY20	2H20
Net Sales¹	-13%	-24%

EMEA Monthly Revenues GBPm



¹Net Sales prior to elimination of inter-segment sales

John Guest Integration

Business quality and successful integration despite COVID-19

- Integration successfully completed with improved operational performance
- John Guest and RWC cultures successfully meshed together
- Synergies: delivered \$31.3m run rate at end of FY20. Further operational savings opportunities identified to be delivered
- EPS accretion in FY19 of 23% after one year of ownership
- John Guest capabilities have proven to be world class (design, tooling, injection molding, etc.)
- Investment made in upgraded equipment and systems (e.g. ERP)
- Operational and management capabilities pressure-tested and proven during March-June period

First Quarter Trading Update

Positive revenue growth recorded in all regions

Quarter ended 30 September 2020	Reported A\$m	Constant Currency
Net Sales – RWC Group¹	+14%	+17%
Regional Trends:		
Americas		+22%
Asia Pacific		+3%
EMEA		+6%

Given the continuing uncertainties in all our markets as a result of COVID-19 we continue to caution against extrapolating the first quarter’s sales performance for the full year.

¹Net Sales prior to elimination of inter-segment sales

October has seen continued strong sales growth

Positive sales momentum maintained through October across all regions

- US market has continued to experience sales growth in line with that recorded in the first quarter
- Australian sales are ahead of the same period last year boosted by the ongoing strength of intercompany sales
- UK and Continental European recovery has continued to drive positive sales growth consistent with the first quarter; inter-company sales are up on the prior corresponding period

Outlook

Forward visibility remains limited due to the ongoing impacts of COVID-19

■ Americas

- US sales have been boosted by the surge in DIY activity and the return of construction activity to pre-COVID levels
- Without further government stimulus measures this growth may slow

■ Asia Pacific

- A softening in the Australian market is expected as the reduction in new housing construction approvals leads to lower building activity, particularly in multi-family dwellings

■ EMEA

- UK underlying demand levels - uncertain where these will settle once the pent-up demand for products and plumbing services has been satisfied
- Increasing COVID-19 case numbers may adversely impact demand and plumbing activities in the UK and in Continental Europe

Strategy Summary

A focused plan to generate shareholder value through growth and profitability



RWC's channel partner focus and operational excellence recognised

Awarded Divisional Vendor Partner of the Year for Building Products by Lowe's Corp.



Priorities for FY21

We will continue investing in the future growth of the business while meeting the operational challenges and market uncertainties of the current environment

- Health & safety and wellbeing of our people, especially in the context of ongoing COVID-19, including enhanced communication and efforts to maintain strong employee engagement
- Continued focus on operational excellence and execution, remaining agile and acting quickly in the face of changing external factors
- Delivery of above market top line growth in all key geographies
 - Margin expansion through continuous improvement initiatives
 - Prudent management of costs to aid margin expansion
- Supply chain improvements including sourcing security and overall planning and efficiency improvements
 - Utilising new tools, including ERP, to begin yielding anticipated long-term benefits
 - Prudent capital expenditure allocation

Summary

We remain well positioned for future growth and the resilience of the business has been demonstrated through the COVID-19 pandemic

- The RWC business is robust, successfully weathering recent extreme challenges
- The plumbing & heating market, and especially our primary repair and maintenance category, is highly resilient
- Our focus over the last several months has been on execution and will continue to be so into the near future
- The RWC business is well positioned and appropriately structured to navigate the near-term challenges and to accelerate out as visibility improves
- There remains significant uncertainty in the future, with the potential to dramatically impact our trading results, but we are confident in our ability to successfully work through these impacts

personal use only



Solutions to Shape the World™