



RELIANCE WORLDWIDE CORPORATION LIMITED

ACN 610855877

# Acquisition of John Guest and Entitlement Offer

Investor Presentation

24 May 2018



Not for release or distribution in the United States

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This investor presentation (**Presentation**) is dated 24 May 2018 and has been prepared by Reliance Worldwide Corporation Limited ACN 610 855 877 (**RWC**).

This Presentation has been prepared in relation to:

- RWC's acquisition of John Guest Holdings Limited (**John Guest**) (the **Acquisition**); and
- an accelerated non-renounceable entitlement offer of new fully paid ordinary shares in RWC (**New Shares**) to be made to eligible institutional shareholders of RWC (**Institutional Entitlement Offer**) and eligible retail shareholders of RWC (**Retail Entitlement Offer**) under section 708AA of the *Corporations Act 2001* (Cth) (**Corporations Act**) as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 (**Entitlement Offer**).

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The financial information for John Guest is based on audited financial statements for the financial years ended 31 December 2017, 31 December 2016 and 31 December 2015, as well as financial and operating data provided by John Guest. Adjusted EBITDA reflects normalisation adjustments made to John Guest's reported EBITDA for the impact of (i) certain John Guest family salaries and associated expenses that are not expected to be incurred post Acquisition; and (ii) additional management costs that are expected to be incurred post Acquisition. RWC has performed due diligence on the financial records of John Guest however this does not constitute an independent verification of the information provided by John Guest. John Guest's financial statements do not contain segment information. Information in this Presentation regarding revenue by end market, customer, geography, product category and channel is unaudited sales data provided by John Guest. Investors are cautioned that they should not place reliance on this information as if it were audited financial information.

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Further, the Joint Lead Managers and their related bodies corporate, affiliates, officers, directors, employees, agents and advisers do not accept any fiduciary obligations to or relationship with you, any investor or potential investor in connection with the Entitlement Offer or otherwise.

You acknowledge and agree that:

- determination of eligibility of investors for the purposes of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements and the discretion of RWC and the Joint Lead Manager; and
- each of RWC and the Joint Lead Manager and their related bodies corporate, affiliates, officers, directors, employees, agents and advisers disclaim any duty or liability (including for negligence) in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law.

The Joint Lead Managers may have interests in the securities of RWC, including by providing investment banking services to RWC. Further, they may act as market maker or buy or sell those securities or associated derivatives as principal or agent. The Joint Lead Managers may receive fees for acting in their capacity as joint lead manager to the Entitlement Offer.

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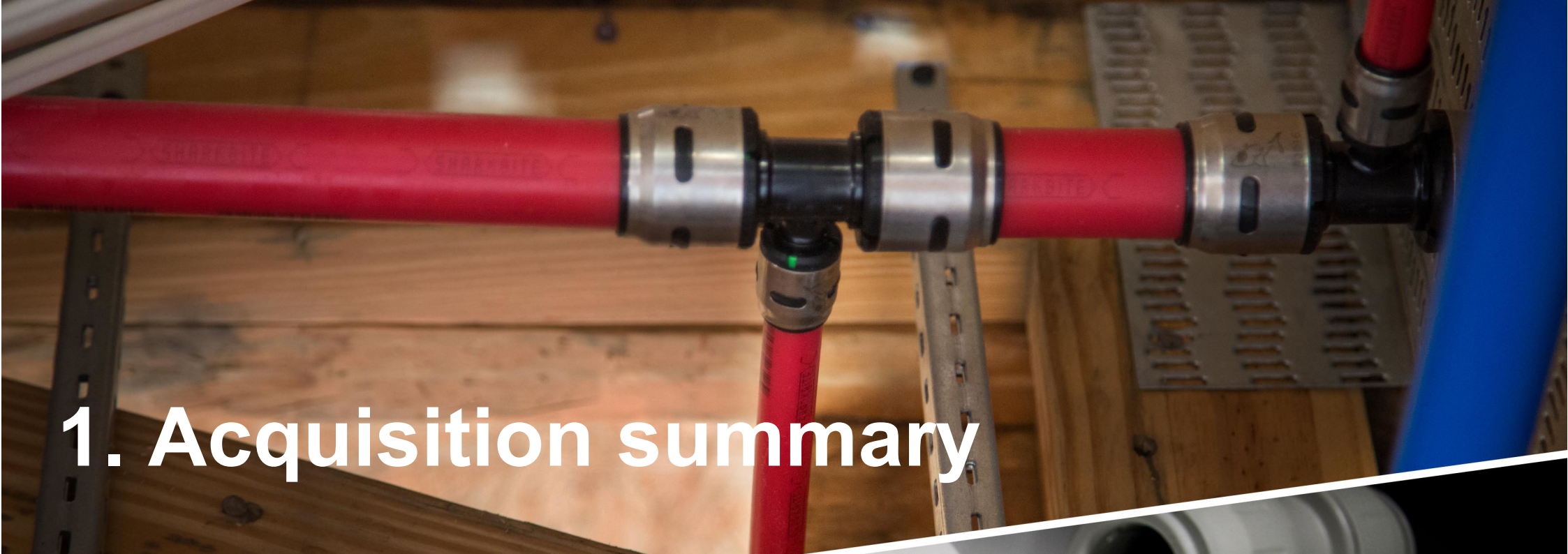




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# 1. Acquisition summary



# Overview

<b>Acquisition overview</b>	<ul style="list-style-type: none"><li>■ Reliance Worldwide Corporation (“RWC”) has entered into an unconditional agreement to acquire John Guest Holdings Limited (“John Guest”) for £687.5 million (A\$1.22 billion<sup>1</sup>) with completion to occur in June 2018 following settlement of the institutional component of the Entitlement Offer</li><li>■ Acquisition values John Guest at a multiple of 12.4x CY17A Adjusted EBITDA<sup>2</sup><ul style="list-style-type: none"><li>■ Multiple reduces to 10.3x incorporating expected total synergies<sup>3</sup></li></ul></li></ul>
<b>John Guest overview</b>	<ul style="list-style-type: none"><li>■ John Guest is a global leader in plastic push to connect (“PTC”) technology<ul style="list-style-type: none"><li>■ Services three end markets: Plumbing &amp; Heating, Water Quality &amp; Fluid Dispense and Industrial PTC</li></ul></li><li>■ Portfolio of well recognised brands, synonymous with quality and service excellence</li><li>■ Continuous innovation and new product development capabilities, high quality automated manufacturing facilities and strong customer relationships</li><li>■ Track record of consistent earnings growth, high EBITDA margins (30%+) and strong cash flow generation</li></ul>
<b>Strategic rationale</b>	<ul style="list-style-type: none"><li>■ Strong strategic fit, aligned with RWC’s growth and acquisition strategy</li><li>■ Attractive opportunity to consolidate RWC’s leading market position in PTC fittings globally</li><li>■ Transforms RWC’s UK business, provides a strong platform for further growth in Europe, and combines with RWC’s powerful existing positions in North America and Asia Pacific</li><li>■ Complements and diversifies RWC’s geographic, product and customer exposure</li><li>■ Enhances and accelerates RWC’s organic growth opportunities</li><li>■ Substantial synergies<sup>3</sup> expected from improved operational efficiency, integration benefits and product cross-selling opportunities</li></ul>

Note: <sup>1</sup>AUD/GBP exchange rate of 0.563 used to convert all GBP metrics in this Presentation; <sup>2</sup>Refer to basis of Adjusted EBITDA on page 12 of this Presentation; <sup>3</sup>Total synergies (EBITDA) in excess of A\$20 million per annum expected. Initiatives to deliver on the total synergies are expected to be mostly implemented and completed during the first year such that the majority of synergies should be achieved on a run rate basis at the end of year one following completion of the acquisition. RWC expects to incur one-off costs of approximately A\$10 million during the integration process.

## Overview (cont'd)

<h3>Funding</h3>	<ul style="list-style-type: none"> <li>■ Total purchase price of £687.5 million (A\$1.22 billion<sup>1</sup>)</li> <li>■ RWC is undertaking a 1 for 1.98 equity offering to raise up to approximately A\$1.10 billion             <ul style="list-style-type: none"> <li>■ Conducted via a pro-rata accelerated non-renounceable entitlement offer (“Entitlement Offer”)</li> <li>■ Institutional component underwritten<sup>2</sup>, representing proceeds to RWC of approximately A\$945 million                 <ul style="list-style-type: none"> <li>– An entity associated with Jonathan Munz (Chairman of RWC) has committed to take up its full pro rata entitlement (“GSA Commitment”)</li> </ul> </li> </ul> </li> <li>■ Balance funded through a new committed A\$750 million Syndicated Loan Facility fully underwritten by RWC’s existing relationship banks             <ul style="list-style-type: none"> <li>■ The initial drawing will be applied to refinance RWC’s existing debt facilities (which were drawn to A\$265 million as at 31 December 2017), partly fund the acquisition and provide working capital</li> <li>■ Following completion of the acquisition, RWC will have significant liquidity headroom</li> </ul> </li> </ul>
<h3>Expected financial impacts</h3>	<ul style="list-style-type: none"> <li>■ Improved scale and operating leverage, and accretive to RWC’s margins</li> <li>■ Expected EPS accretion in excess of 20% on a pro forma FY18F NPATA basis, before the expected impact of synergies<sup>3</sup></li> <li>■ Expected total synergies in excess of A\$20 million (EBITDA) per annum             <ul style="list-style-type: none"> <li>■ Most of the synergies relate to cost reductions from business integration and improved operating efficiency</li> <li>■ Initiatives to deliver on the total synergies are expected to be principally completed and implemented within the first year such that the majority of synergies should be achieved on a run rate basis by the end of year one</li> </ul> </li> <li>■ Expected EPS accretion in excess of 30% on a pro forma FY18F NPATA basis including expected total synergies<sup>3,4</sup></li> <li>■ Pro forma net debt / CY17A EBITDA of 2.3x<sup>5</sup> post acquisition             <ul style="list-style-type: none"> <li>■ Funding mix is designed to ensure RWC maintains a strong balance sheet</li> </ul> </li> </ul>
<h3>Timing and other</h3>	<ul style="list-style-type: none"> <li>■ Anticipated acquisition close in June 2018 following completion of the Institutional component of the Entitlement Offer</li> <li>■ Well developed integration plan designed to manage the transition and assist RWC to realise expected acquisition benefits</li> </ul>

Note: <sup>1</sup>AUD/GBP exchange rate of 0.563 used to convert the purchase price into Australian Dollars. Subject to customary completion adjustments for a transaction of this type; <sup>2</sup>The institutional component of the Entitlement Offer (other than the GSA commitment) is underwritten pursuant to the terms of the underwriting agreement. Refer to page 36 of this Presentation for the underwriting risk factors; <sup>3</sup>EPS is earnings per share and is calculated as NPATA per share outstanding. This excludes transaction costs and amortisation of acquired identifiable intangibles and assumes full take up under the retail component of the Entitlement Offer. The impact of the purchase price accounting has not been completed, which will in turn impact future depreciation and amortisation charges and RWC’s NPAT. In accordance with AASB 133, RWC pre-acquisition EPS has been restated based on an adjustment factor to take into account the bonus element of the Entitlement Offer; <sup>4</sup>Total synergies (EBITDA) in excess of A\$20 million per annum expected. Initiatives to deliver on the total synergies are expected to be principally completed and implemented within the first year such that the majority of synergies should be achieved on a run rate basis by the end of year one. RWC expects to incur one-off costs of approximately A\$10 million during the integration process; <sup>5</sup>Pro forma CY17 EBITDA based on RWC’s pre-acquisition EBITDA (including pro forma for Holdrite acquisition) and Adjusted EBITDA for John Guest for the twelve months ended 31 December 2017. Pro forma debt assumes no proceeds from the retail component of the Entitlement Offer. Any proceeds from the retail component of the Entitlement Offer will reduce the debt drawn under the Syndicated Loan Facility.



## Attractive acquisition aligned with RWC's M&A strategy

RWC M&A strategy	John Guest alignment with RWC's strategy	
Target innovative solutions that make end-users more efficient	✓	<ul style="list-style-type: none"> <li>■ Highly engineered plastic PTC range which, like RWC's SharkBite range of brass PTC fittings, is a high growth product that provides significant advantages over traditional plumbing methods</li> <li>■ Improve end-user efficiency by reducing installation times, improved reliability and durability</li> </ul>
Highly complementary product range	✓	<ul style="list-style-type: none"> <li>■ Plastic PTC fittings highly complementary to RWC's existing brass PTC product range</li> <li>■ Broadens the solutions RWC can offer to end-users</li> <li>■ Strong fit with RWC applications envelope – meter to fixture, floor to ceiling</li> </ul>
Delivers scale, balance and diversification benefits	✓	<ul style="list-style-type: none"> <li>■ Transforms RWC's UK footprint, provides a solid platform to expand in the European market and enhances RWC's Asia Pacific presence</li> <li>■ Accelerates entry into high growth adjacencies in the USA (water quality and management)</li> <li>■ Enhances channel balance and diversity – across wholesale and retail</li> </ul>
Integrates further R&D and manufacturing capability	✓	<ul style="list-style-type: none"> <li>■ Strong engineering and innovation capability</li> <li>■ John Guest products have positively disrupted and transformed traditional plumbing methods with a proven track record of bringing innovative new products to market</li> <li>■ High quality, highly automated, high volume manufacturing platform – strongly aligned with RWC</li> </ul>
Potential cross-selling and integration benefits	✓	<ul style="list-style-type: none"> <li>■ John Guest's distribution strategy and end customers are consistent with and well understood by RWC and will enable RWC to further globalise its business</li> <li>■ Potential cross-selling opportunities utilising expanded product range and distribution channels</li> <li>■ Scope to improve John Guest operating efficiency and deliver integration benefits</li> </ul>



## 2. Overview of John Guest



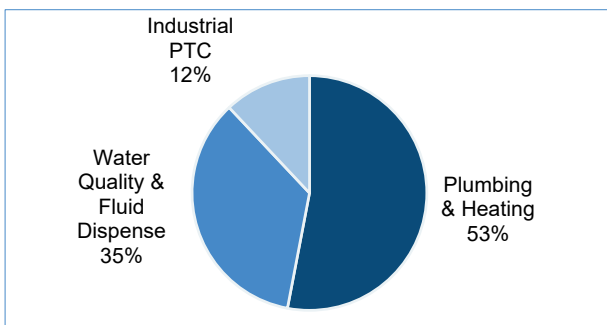


# Overview of John Guest

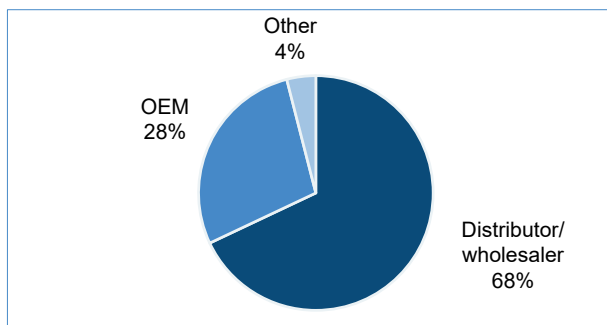


- Global leader in plastic PTC technology, selling ~145 million fittings in CY17
- Headquartered in the UK, with ~1,300 employees and exporting worldwide
- Generates demand via an end user focus with a diversified customer base across three end markets: Plumbing & Heating; Water Quality & Fluid Dispense and Industrial PTC
- John Guest and Speedfit brands are well recognised for innovative, high quality and reliable products
- Plumbing business heavily focused on the repair and remodelling market
- Strong engineering and innovation capability
- Highly automated, high volume manufacturing facilities incorporating a total of 336,000 sq ft across 3 sites, with a global sales and distribution network

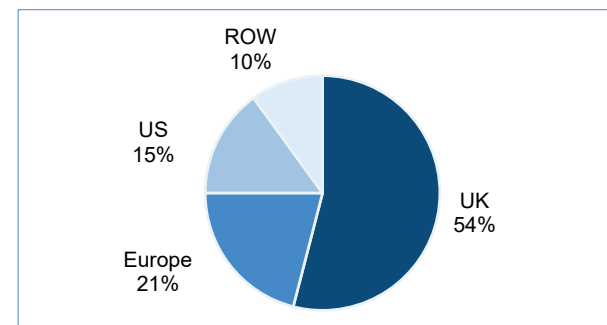
Revenue by end market (CY17A)<sup>1</sup>



Revenue by customer (CY17A)<sup>1</sup>






Revenue by geography (CY17A)<sup>1</sup>



Note: See "Information about John Guest" on page 2 of this Presentation. John Guest operational data are as at 31 December 2017; <sup>1</sup>John Guest financial data are for the year ended 31 December 2017.



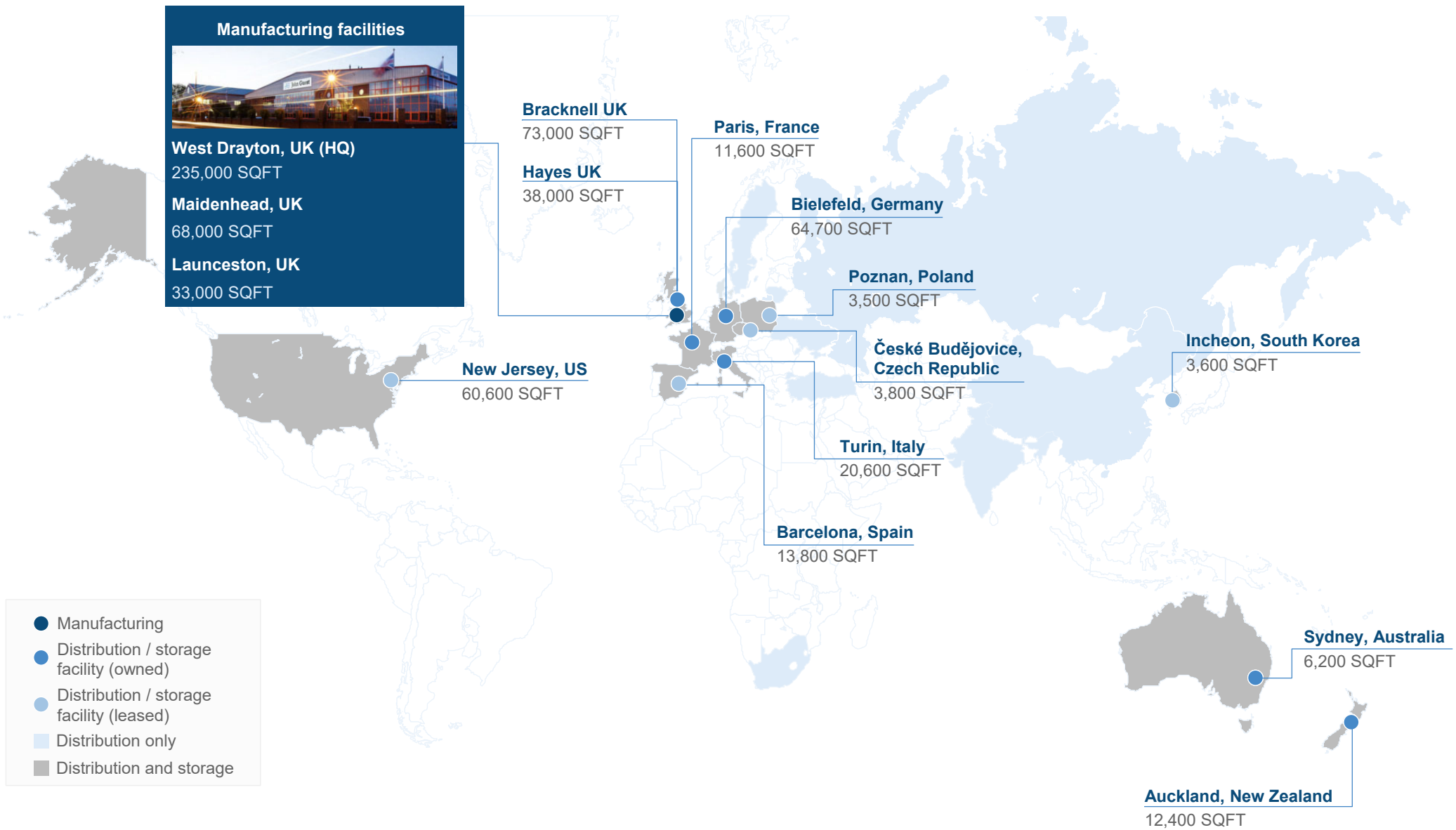
# John Guest is a highly attractive PTC business focused on fluid transfer

	Plumbing & Heating (53% of CY17A revenue)	Water Quality & Fluid Dispense (35% of CY17A revenue)	Industrial PTC (12% of CY17A revenue)
Market position	#1 global supplier in the Plumbing & Heating plastic PTC market <sup>1</sup>	Leading plastic PTC supplier for application in drinks dispense & pure water	Leading plastic PTC fittings supplier in the non-water market
Products	 Plumbing fittings  Manifolds   Flexi hoses	 White acetal fittings for pure water systems  Valves for use with brewing, soft drinks and potable water   Brass fittings for beverage dispense	 Air & pneumatics push-fit fittings  Brass fittings for air and pneumatics   PTC fittings – use in fuel, vacuums, air suspension and low pressure vehicle steering
Key brands	 Speedfit®  Layflat Pipe  ProLock  Speedfit UNDERFLOOR  aura	 John Guest®  Speedfit®   POLARCLEAN®	 John Guest®  Speedfit®
Select customers <sup>2</sup>	 Kingfisher  FERGUSON   SAINT-GOBAIN   Travis Perkins  Grafton Group plc	 Heineken®  AB InBev  THE HOME DEPOT   DIAGEO  GOOD  CPC CHESTER PAUL COMPANY	 3M  HUAWEI   Virgin  BT

John Guest is a global leader in plastic PTC technology, producing innovative products with strong brand recognition

Note: See "Information about John Guest" on page 2 of this Presentation. <sup>1</sup>Market position is based on management estimates for John Guest on a sales volume basis to the Plumbing and Heating end-market as at 31 December 2017. To calculate John Guest's share of a product within a particular end-market on a volume basis, RWC divided John Guest's sales volumes of a particular product category by RWC's estimate of the total number of units sold within that product category in the particular end market; <sup>2</sup>The logos are for illustrative purposes only and are not used as trade marks or to denote the origin of goods or services. These customers have not authorised or caused the issue of this Presentation nor have they made any statement in this Presentation. Accordingly, these customers make no representation regarding, and take no responsibility for, any statement or material in, or omission from, this Presentation.

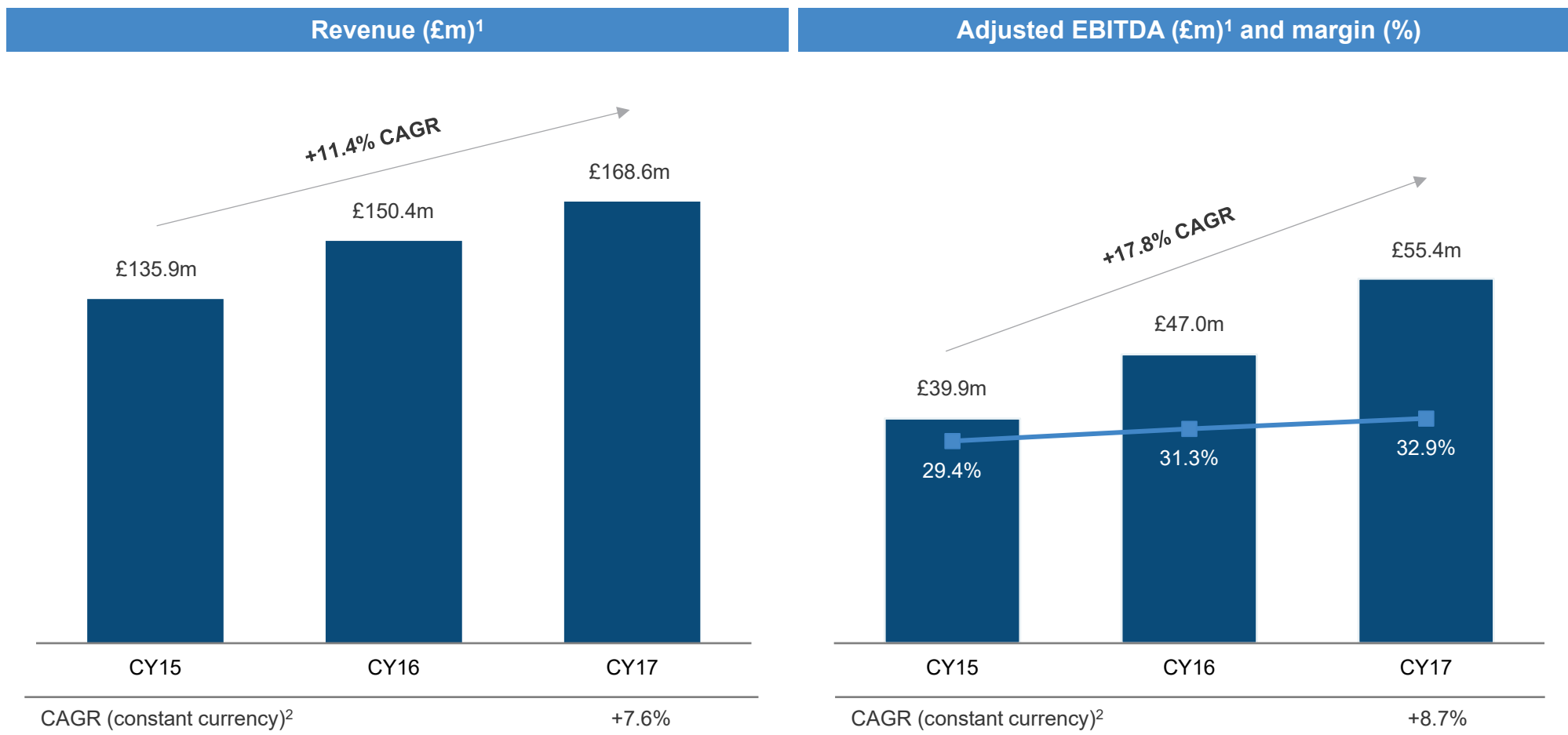
# John Guest global footprint



**John Guest has highly complementary manufacturing and distribution facilities, providing RWC with strong regional manufacturing capabilities and an enhanced, global distribution footprint**

Note: See "Information about John Guest" on page 2 of this Presentation. John Guest operational data is as at 31 December 2017.

## John Guest has a strong track record of financial performance



**John Guest has a track record of consistent earnings growth, high margins and strong cash generation, driven by similar underlying factors as RWC**

Note: See "Information about John Guest" on page 2 of this Presentation. <sup>1</sup>John Guest financials are based on a 31 December year end. Adjusted EBITDA reflects normalisation adjustments made to John Guest reported EBITDA for the impact of (i) certain John Guest family salaries and associated expenses that are not expected to be incurred post acquisition; and (ii) additional management costs that are expected to be incurred post acquisition; <sup>2</sup>Constant currency analysis is based on applying the following same exchange rates across all financial periods: GBP/EUR of 1.15; GBP/USD of 1.35; GBP/CZK of 30.00; GBP/PLN of 5.00; GBP/NZD of 2.00; GBP/RMB of 9.00 and GBP/WON of 1,400.



### 3. Strategic rationale

The image is a collage of industrial manufacturing scenes. The top portion features a robotic arm with a gripper holding a brass fitting. The bottom portion shows a robotic arm holding a white plastic fitting. In the foreground, there are several finished metal and plastic parts, including a white plastic fitting and a metal component. The background is a blurred factory floor with various machinery and equipment.

# Strategically compelling acquisition, positioning RWC for continued growth into the future

## 1 Creates

a global leader in PTC technology, with global distribution and strong regional manufacturing capabilities

## 2 Transforms

RWC's UK business, provides a strong platform for further growth in Europe, and combines with RWC's powerful existing positions in North America and Asia Pacific

## 3 Extension and diversification

of RWC's geographic, product and channel exposure

## 4 Enhances and accelerates

RWC's portfolio of highly attractive organic growth opportunities











## 5 Significant synergies

through improved operating efficiency, integration benefits and cross-selling opportunities

## 6 Financially attractive acquisition

delivering both margin and earnings accretion

# 1 Creates a global leader in PTC technology...

	Americas		EMEA			Asia Pacific
	USA	Canada	UK	Europe		Australia
				  	  	
<b>Brass PTC</b>	#1	#1	Launched	Minimal		#1
<b>Plastic PTC</b>	#1	#1	#1	Top 2-3		#1
<b>PEX pipe</b>	Top 3	Launched	Top 2	N.A.		#2
<b>Water heater valves<sup>1</sup></b>	#1	#1	#1	N.A.		#1

Shading represents key changes arising from the acquisition

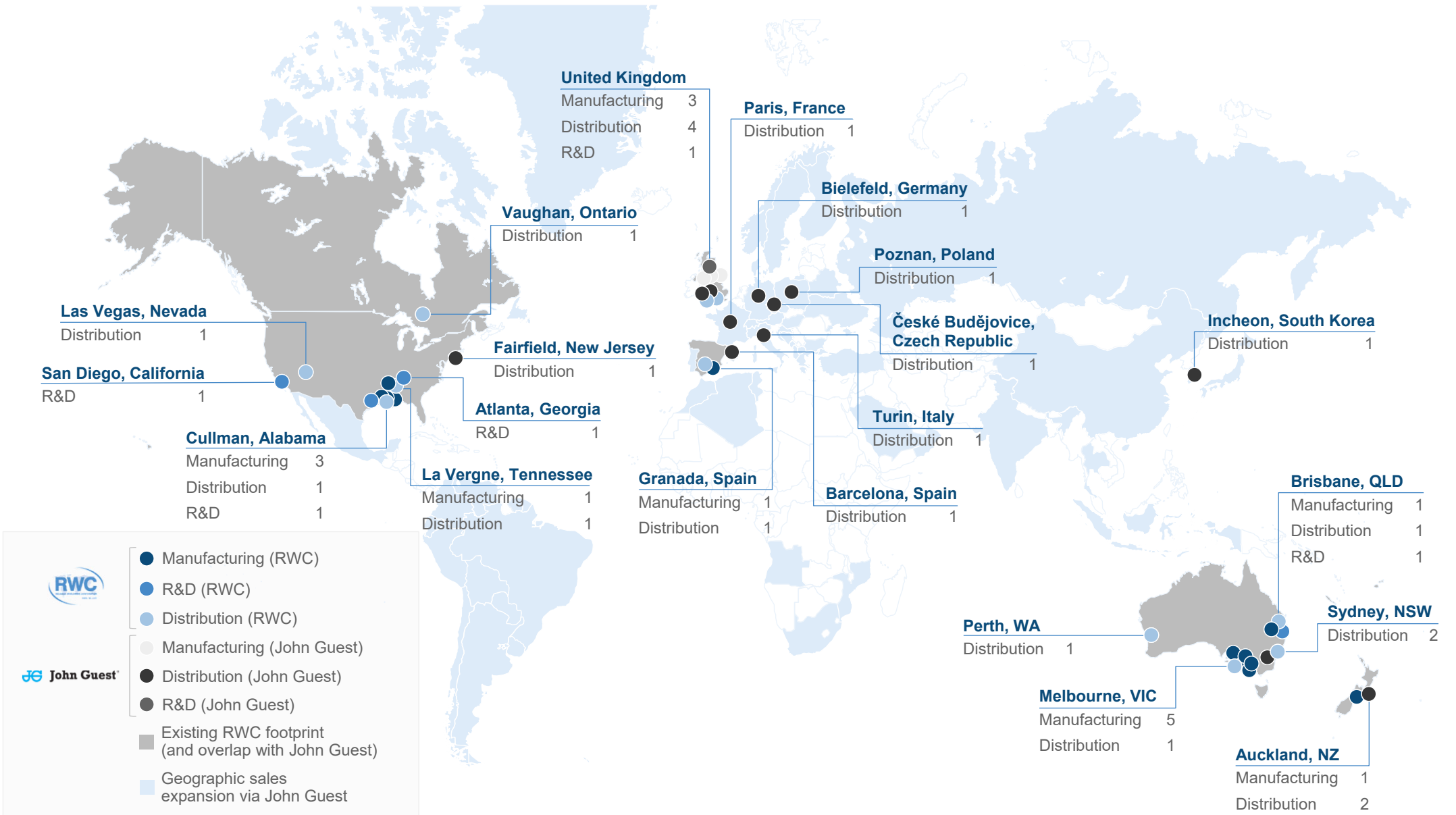
**RWC will become a global leader in PTC fittings, with a more expansive product offering for channel customers and end-users**

Note: See "Market and industry data based primarily on management estimates" on page 1 and "Information about John Guest" on page 2 of this Presentation. Market positions are based on management estimates for RWC post-acquisition of John Guest on a sales volume basis for CY2017. To calculate RWC's share of a product within a particular end-market on a volume basis, RWC divided its own sales volumes of a particular product category by RWC's estimate of the total number of units sold within that product category in the particular end market; <sup>1</sup>Water heater valves is comprised of temperature and pressure ("T&P") valves and thermostatic mixing valves.



1

# ...with global distribution and strong regional manufacturing capabilities

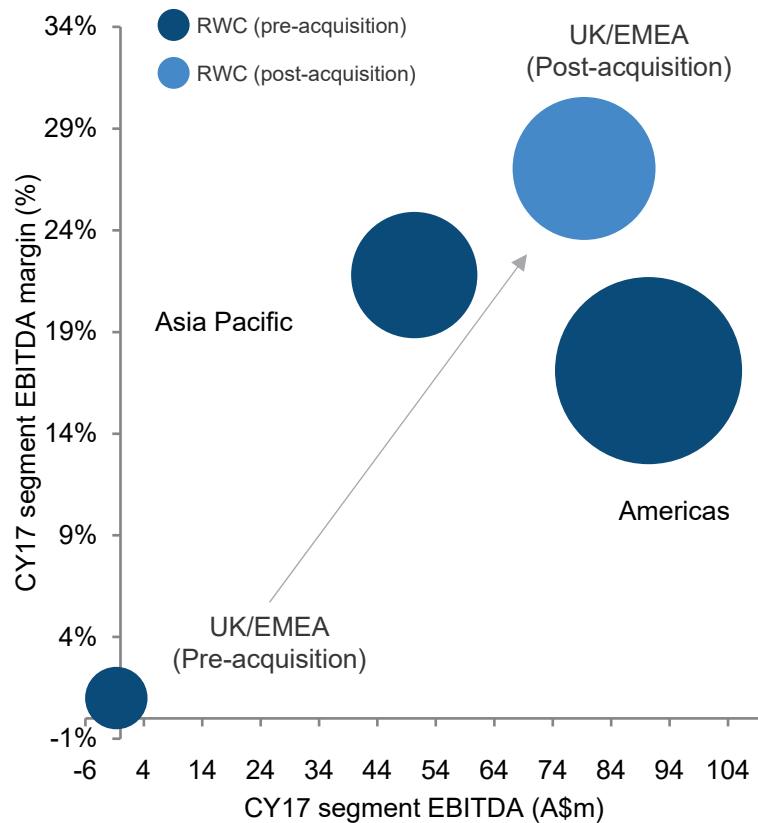


Note: See "Information about John Guest" on page 2 of this Presentation. Data are as at 31 December 2017, presented on a post-acquisition basis.



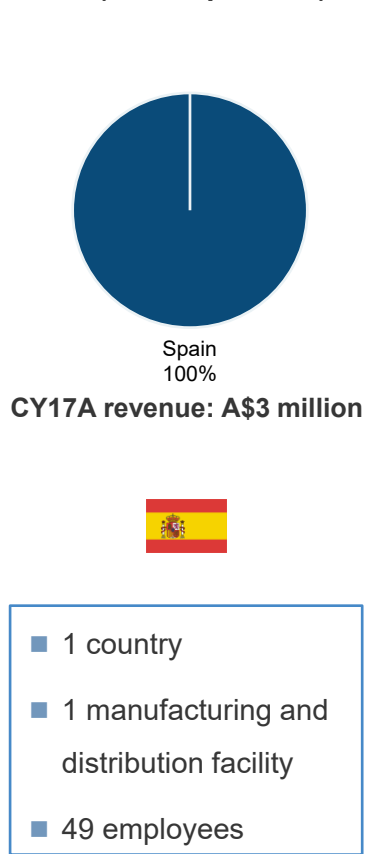
2 Transforms RWC's UK business, provides a strong platform for further growth in Europe, and combines with RWC's powerful existing positions in North America and Asia Pacific

Estimated impact on RWC EMEA segment<sup>1</sup> (A\$ millions)

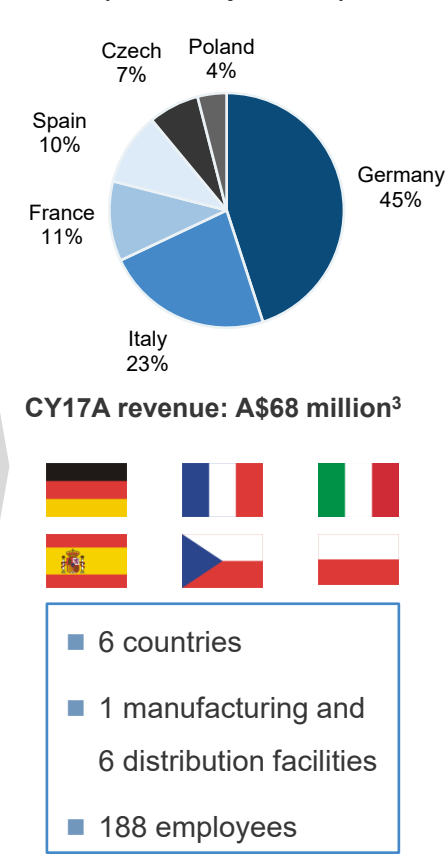


RWC presence in continental Europe<sup>2</sup>

RWC (Pre-acquisition)



RWC (Post-acquisition)



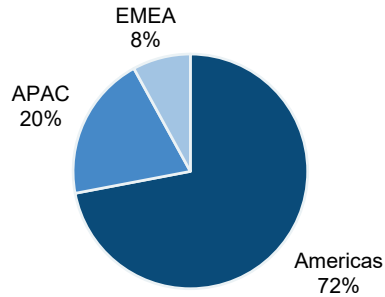
Acquisition will transform RWC's position in Europe, providing a strong platform for further growth

Note: See "Information about John Guest" on page 2 of this Presentation. <sup>1</sup>Size of bubble denotes CY17 segment sales. Chart does not reflect impact of John Guest on RWC's Asia Pacific and Americas segments. John Guest EBITDA is for the period ended 31 December 2017 and derived by multiplying John Guest Europe and UK sales by group EBITDA margin; <sup>2</sup>Operational and employee data are as at 30 April 2018; <sup>3</sup>CY17A revenue, excluding intra-subsiary trading and countries directly processed by, and exported to, from the UK office.

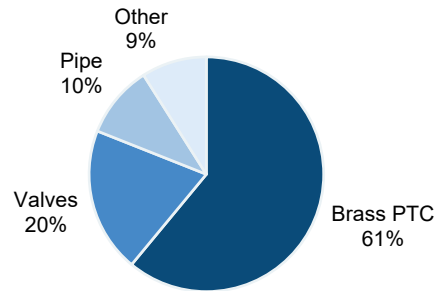
# Extension and diversification of RWC's geographic, product and channel exposure

Revenue by geography

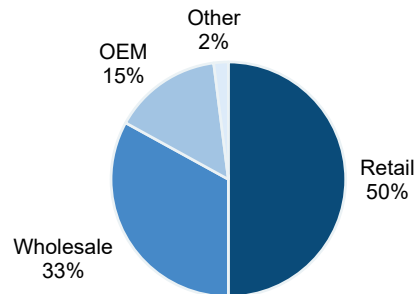
RWC (pre-acquisition)<sup>1</sup>



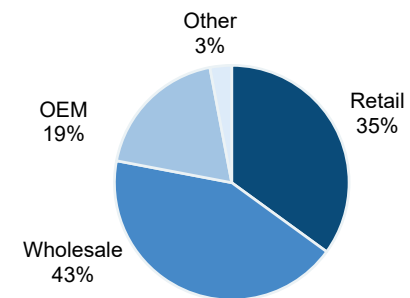
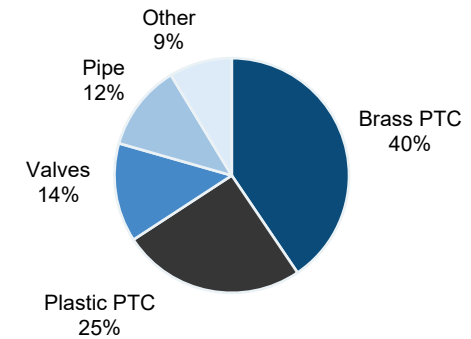
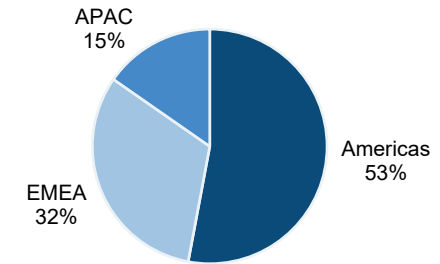
Revenue by product category



Revenue by channel



RWC (post-acquisition)<sup>1,2</sup>



Note: See "Information about John Guest" on page 2 of this Presentation. <sup>1</sup>RWC revenue split data is based on net sales for the twelve months ended 30 June 2017; <sup>2</sup>John Guest revenue split data is based on net sales for the twelve months ended 31 December 2017.

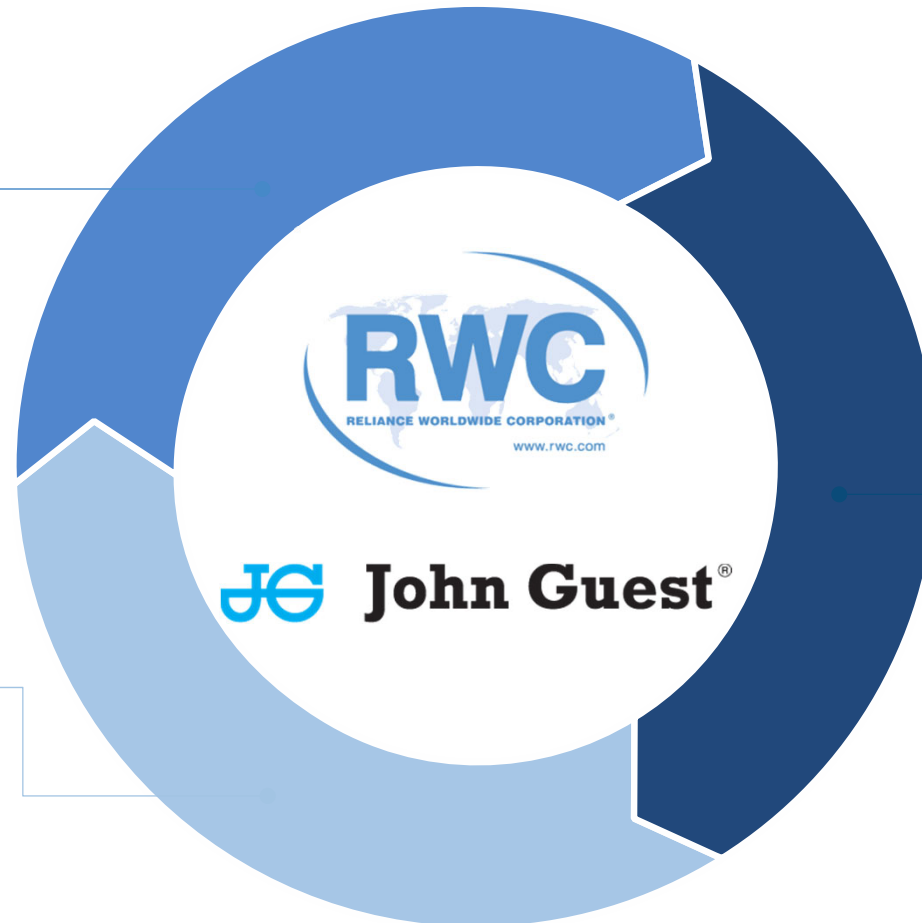
## Enhances and accelerates RWC's portfolio of highly attractive organic growth opportunities

### Common end-user focus

- RWC and John Guest both focus their demand generation on the end user
- This is done by identifying, understanding and solving end user problems
- Combination broadens the end user base and offers an expanded, complementary product range

### Global distribution capabilities

- Distribution network key to getting products to end users
- John Guest has a highly complementary footprint: enhances scale in the UK, provides a European platform and access to non-construction markets in the USA



### Enhanced R&D capabilities

- Strong R&D capability critical to developing products that meet end user needs with the overall objective of expanding the product offering within RWC's strategically targeted product categories
- John Guest enhances RWC's R&D and engineering capabilities, with a track record of successfully bringing new lines to market
- Combination enhances the new product development pipeline and speed to market



## Significant synergies through improved operating efficiency, integration benefits and cross-selling opportunities

<b>Integration benefits</b>	<ul style="list-style-type: none"> <li>■ John Guest significantly larger in the UK than RWC, while RWC significantly larger in the US than John Guest               <ul style="list-style-type: none"> <li>■ Integration of businesses within each region expected to generate material benefits</li> </ul> </li> <li>■ Head office / corporate overhead savings expected</li> <li>■ Potential for procurement savings</li> </ul>
<b>Operating efficiencies</b>	<ul style="list-style-type: none"> <li>■ Leverage RWC platform and systems to drive improved operating efficiency</li> <li>■ Implementation of a robust sales and operations planning process</li> <li>■ Integrate RWC's global supply chain capabilities</li> </ul>
<b>Cross-selling</b>	<ul style="list-style-type: none"> <li>■ Cross-selling opportunities and optionality utilising expanded product set and existing distribution channels</li> <li>■ Key opportunities include:               <ul style="list-style-type: none"> <li>■ Cross-selling of RWC products through John Guest's UK sales channels and other markets including APAC and EMEA</li> <li>■ Increased sales of John Guest's products into APAC, particularly China and India</li> <li>■ Increased sales of RWC products into the USA non-construction/water PTC markets</li> </ul> </li> </ul>
<b>Quantum, timing and cost to achieve</b>	<ul style="list-style-type: none"> <li>■ The integration of RWC and John Guest businesses is expected to deliver total synergies (EBITDA) in excess of A\$20 million per annum</li> <li>■ Majority of total synergies relate to cost reductions from business integration and improved operating efficiency</li> <li>■ Initiatives to deliver on the total synergies are expected to be principally completed and implemented within the first year such that the majority of synergies should be achieved on a run rate basis by the end of year one</li> <li>■ RWC expects to incur one-off costs of approximately A\$10 million during the integration process</li> </ul>

## Financially attractive acquisition accretive to margins and earnings

### Would materially enhance RWC's scale and margins

- Acquisition transforms RWC's scale and is expected to be accretive to margins on a pro forma basis
  - RWC's pro forma CY17A EBITDA margin would be expected to increase by ~4 percentage points<sup>1</sup>
  - RWC's pro forma CY17A EBITDA would be expected to increase by ~68%<sup>1</sup>

### Highly accretive to earnings

- Forecast EPS accretion in excess of 20% on a pro forma FY18F NPATA basis before the impact of synergies<sup>2</sup>
- Forecast EPS accretion increases to in excess of 30% on a pro forma FY18 NPATA basis including expected total synergies<sup>2,3</sup>

### Maintains strong balance sheet

- RWC is committed to maintaining a strong balance sheet
- Pro forma net debt / CY17A EBITDA following the acquisition is expected to be 2.3x<sup>4</sup>
- Strong cash flow generation to support deleveraging over time

Note: <sup>1</sup>Pro forma CY17 EBITDA based on RWC's pre-acquisition EBITDA and Adjusted EBITDA for John Guest for the twelve months ended 31 December 2017; <sup>2</sup>EPS is earnings per share and is calculated as NPATA per share outstanding. This excludes transaction costs and amortisation of acquired identifiable intangibles and assumes full take up under the retail component of the Entitlement Offer. The impact of the purchase price accounting has not been completed, which will in turn impact future depreciation and amortisation charges and RWC's NPAT. In accordance with AASB 133, RWC pre-acquisition EPS has been restated based on an adjustment factor to take into account the bonus element of the Entitlement Offer; <sup>3</sup>Total synergies (EBITDA) in excess of A\$20 million per annum. Initiatives to deliver on the total synergies are expected to be principally completed and implemented within the first year such that the majority of synergies should be achieved on a run rate basis by the end of year one. RWC expects to incur one-off costs of approximately A\$10 million during the integration process; <sup>4</sup>Pro forma CY17 EBITDA based on RWC's pre-acquisition EBITDA (including pro forma for Holdrite acquisition) and Adjusted EBITDA for John Guest for the twelve months ended 31 December 2017. Pro forma debt assumes no proceeds from the retail component of the Entitlement Offer. Any proceeds from the retail component of the Entitlement Offer will be applied to reduce the debt drawn under the Syndicated Loan Facility.





## 4. Integration plan



## A clear integration plan has been developed

### Overview

- Detailed due diligence completed on John Guest as part of acquisition by a large cross-function team from RWC
- RWC will be applying the same integration principles that have served it well in the past
  - Most recently with the successful Holdrite acquisition
- Clear “100 day” and medium term plans have been developed and are ready to be implemented upon completion
- Dedicated integration team, with direct oversight from RWC senior executives and Board
- Highly complementary footprints between RWC and John Guest reduces integration risk

### Key integration priorities

- Retain the key strengths that have made John Guest successful – brand, technical, operational and cultural
- Employee retention with key personnel under appropriate contracts
- A small number of targeted, complementary new hires will be made and select RWC employees will be seconded
- Synergy realisation

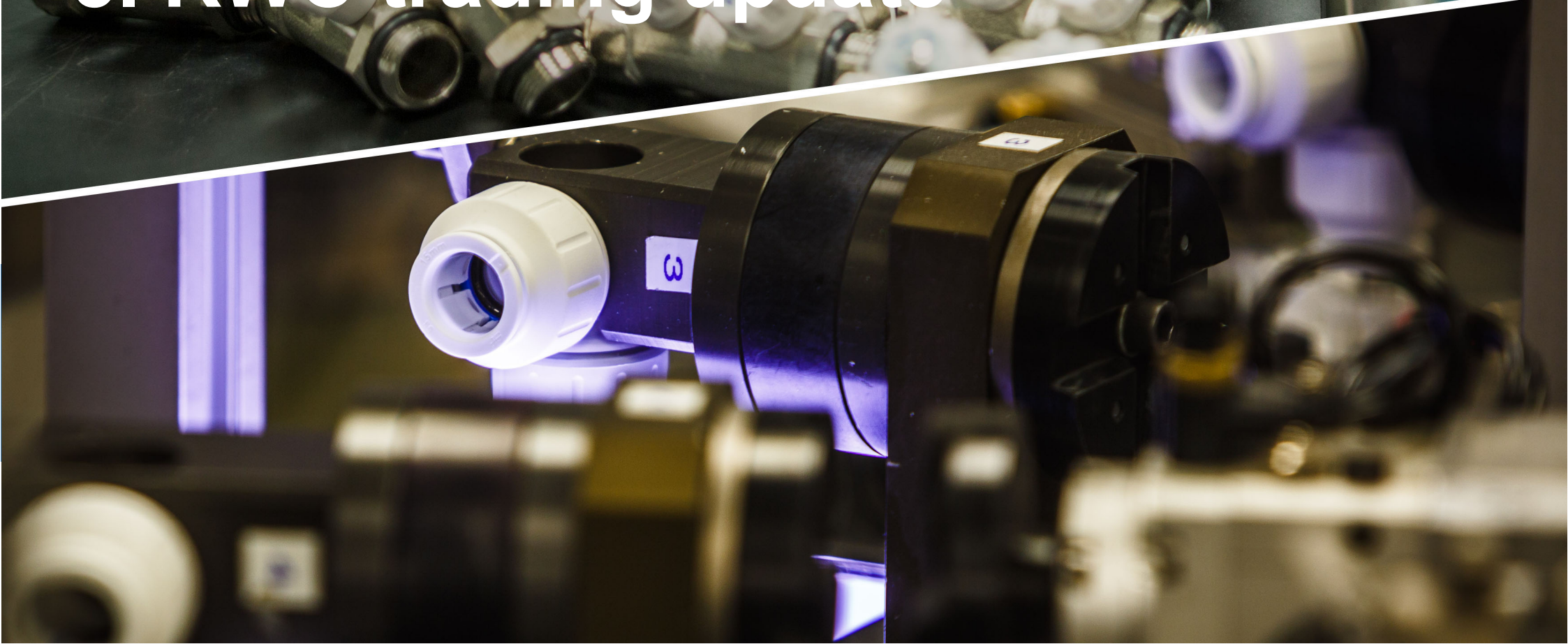
### Integration team leadership

- Combined UK and European businesses to be led by RWC’s current EMEA CEO Edwin de Wolf
  - Highly experienced executive with background in managing large pan-European businesses
  - Recruited by RWC specifically to lead an enlarged EMEA business
- Complemented with dedicated, internally led integration program office

**RWC has a strong track record of integrating and realising synergies from business combinations**



# 5. RWC trading update





# RWC FY2018 trading update

## Business and operational update

- Continued market penetration of SharkBite PTC fittings and accessories in the Americas
- The Americas segment realised a positive benefit in sales and EBITDA, predominantly in the third quarter of FY2018, driven by unseasonably cold weather in parts of the USA not accustomed to prolonged freezing temperatures
- At the same time the impact of higher input costs, particularly for copper, has been more pronounced in the second half of FY2018 compared to the first half, reflecting the lagged impact given RWC's purchasing patterns
- Movements in net working capital / inventory levels following the North American winter have been as expected
- Holdrite continues to perform in line with expectations at the time of the acquisition, as we are seeing the strategic benefits of combining our two product offerings, particularly in the commercial and new residential markets
- Increased penetration of residential new construction markets with EvoPEX and Holdrite products

## Financial guidance

- FY2018 EBITDA remains on track to deliver on guidance of between A\$150 million and A\$155 million (before transaction costs associated with the acquisition and assuming no earnings contribution from John Guest in FY2018)<sup>1</sup>
- Capital expenditure on track against guidance<sup>1</sup>
- FY2018 dividend is expected to be in line with the dividend policy payout ratio of 40-60% of NPAT<sup>1</sup>
- New shares issued under the Entitlement Offer will rank equally with existing shares including for all future dividends

Note: <sup>1</sup>The forecast assumes, among other things, that current general economic conditions are maintained, including in the geographies where RWC operates and no significant changes to current foreign currency exchange rates, particularly USD/AUD and GBP/AUD. RWC traditionally does not hedge foreign currency exposures. Unfavourable rate movements may erode the translated value of results from the Americas and EMEA segments. The forecast also assumes that copper and other input costs remain similar to current levels.





# 6. Acquisition funding





## Acquisition funding and terms

Key acquisition terms	
<b>Purchase price</b>	<ul style="list-style-type: none"> <li>■ Purchase price of £687.5 million, equivalent to A\$1.22<sup>1</sup> billion</li> </ul>
<b>Funding</b>	<ul style="list-style-type: none"> <li>■ RWC is undertaking a 1 for 1.98 equity offering to raise up to approximately A\$1.10 billion                             <ul style="list-style-type: none"> <li>■ Conducted via a pro-rata accelerated non-renounceable Entitlement Offer</li> <li>■ Institutional component underwritten<sup>2</sup>, representing proceeds to RWC of approximately A\$945 million                                     <ul style="list-style-type: none"> <li>– An entity associated with Jonathan Munz (Chairman of RWC) has committed to take up its full pro rata entitlement of A\$110 million under the institutional component of the Entitlement Offer</li> </ul> </li> <li>■ Retail component to raise up to approximately A\$155 million</li> </ul> </li> <li>■ Balance funded through a new committed A\$750 million Syndicated Loan Facility fully underwritten by RWC's existing relationship banks                             <ul style="list-style-type: none"> <li>■ The initial drawing will be applied to refinance RWC's existing debt facilities (which were drawn to A\$265 million as at 31 December 2017), to partly fund the acquisition and provide working capital</li> <li>■ Following completion of the acquisition, RWC will have significant liquidity headroom</li> </ul> </li> </ul>
<b>Timing considerations</b>	<ul style="list-style-type: none"> <li>■ Completion of the acquisition is expected to occur in June 2018 following settlement of the institutional component of the Entitlement Offer</li> </ul>

Sources and uses of funds			
Sources	A\$ million	Uses	A\$ million
Entitlement Offer <sup>3</sup>	945	Acquisition enterprise value	1,221
Committed A\$750 million Syndicated Loan Facility (drawn amount for acquisition at completion) <sup>3</sup>	362	Completion/balance sheet adjustments <sup>4</sup>	41
		Transaction costs and stamp duty	45
<b>Total sources</b>	<b>1,307</b>	<b>Total uses</b>	<b>1,307</b>

Note: <sup>1</sup>AUD/GBP exchange rate of 0.563 used to convert the purchase price; <sup>2</sup>The institutional component of the Entitlement Offer (other than the GSA commitment) is underwritten pursuant to the terms of the underwriting agreement. Refer to page 36 of this Presentation for the underwriting risk factors; <sup>3</sup>Excludes proceeds from the retail component of the Entitlement Offer. Any proceeds from the retail component of the Entitlement Offer will be applied to reduce the debt drawn under the Syndicated Loan Facility; <sup>4</sup>Represents customary completion adjustments for a transaction of this type.

## RWC balance sheet (post-acquisition, pre Retail Entitlement Offer)

A\$ million	RWC (as at 31 Dec 2017) <sup>1</sup>	John Guest (as at 31 Dec 2017) <sup>2</sup>	Acquisition adjustments <sup>3</sup>	Pro forma combined group
Core Cash	25.0	80.3		105.4
Trade & Other Receivables	112.8	40.5		153.3
Inventory	170.0	26.4		196.4
Other Current Assets	10.0	3.9		13.9
<b>Total Current Assets</b>	<b>317.8</b>	<b>151.1</b>		<b>468.9</b>
Property, Plant, & Equipment	115.9	110.5		226.5
Goodwill	85.3		1,072.2	1,157.5
Intangible Assets	70.1			70.1
Deferred Tax Assets	14.0			14.0
<b>Total Assets</b>	<b>603.1</b>	<b>261.6</b>		<b>1,936.9</b>
Current Borrowings & Overdraft	6.8			6.8
Trade & Other Payables	89.5	20.2		109.8
Borrowings	2.6	13.5		16.1
Current Tax Liabilities	0.2	11.7		12.0
Employee Benefits	5.2			5.2
<b>Total Current Liabilities</b>	<b>104.3</b>	<b>45.5</b>		<b>149.8</b>
Borrowings	259.0	23.7	357.9	640.6
Deferred Tax Liability	5.2			5.2
Employee Benefits	4.7			4.7
Other Noncurrent Liabilities	0.0	2.4		2.4
<b>Total Liabilities</b>	<b>373.2</b>	<b>71.6</b>		<b>802.7</b>
<b>Net Assets</b>	<b>229.9</b>	<b>190.0</b>		<b>1,134.2</b>
Share Capital	1,261.4	40.6	904.4	2,206.4
Reserves	(1,105.5)	6.3	(6.3)	(1,105.5)
Retained Earnings	74.1	143.0	(183.8)	33.4
<b>Total Liabilities &amp; Equity</b>	<b>603.1</b>	<b>261.6</b>		<b>1,936.9</b>

Note: See "Information about John Guest" on page 2 of this Presentation. <sup>1</sup>Extracted from RWC's 31 December 2017 reviewed financial statements; <sup>2</sup>Extracted from John Guest's 31 December 2017 audited financial statements; <sup>3</sup>Acquisition adjustments represent the premium of the purchase price over the net assets of John Guest at 31 December 2017, the recognition of borrowings associated with the acquisition, equity raised and associated transaction costs. The borrowings adjustment is net of the debt fees amortised. The purchase price accounting for the acquisition has been shown on an illustrative basis by allocating the difference between the purchase consideration and the carrying value of John Guest's assets and liabilities at 31 December 2017 to Goodwill. The acquisition adjustments to reflect the estimated financial effect of the accounting for the business combination are illustrative only. Australian Accounting Standards require an allocation of fair value of assets and liabilities acquired. RWC will undertake a formal allocation of its acquisition subsequent to the date when the acquisition completes. Accordingly, that allocation may give rise to material differences in values allocated to the above balance sheet line items which may give rise to an amortisation charge impacting EPS outcome. Transaction costs will be offset against equity or expensed based on their nature and have been recorded against equity or debt (as appropriate) for the purposes of the pro forma balance sheet. Excludes proceeds from the retail component of the Entitlement Offer. Any proceeds from the retail component of the Entitlement Offer will be applied to reduce the debt drawn under the Syndicated Loan Facility.





# 7. Entitlement Offer





## Entitlement Offer details

<b>Entitlement Offer structure and size</b>	<ul style="list-style-type: none"> <li>■ 1 for 1.98 pro-rata accelerated non-renounceable Entitlement Offer to raise up to approximately A\$1.10 billion             <ul style="list-style-type: none"> <li>■ Institutional component underwritten<sup>1</sup>, representing proceeds to RWC of A\$945 million</li> </ul> </li> <li>■ Up to 265 million New Shares expected to be issued (equivalent to approximately 50.5% of existing shares on issue)</li> </ul>
<b>Offer Price</b>	<ul style="list-style-type: none"> <li>■ The Entitlement Offer will be conducted at A\$4.15 per New Share (“Offer Price”), representing a:             <ul style="list-style-type: none"> <li>■ 9.0% discount to the last traded price of A\$4.56 on 23 May 2018</li> <li>■ 6.2% discount to TERP<sup>2</sup> of A\$4.42</li> <li>■ 11.4% discount to 5-day VWAP<sup>3</sup> of A\$4.68</li> </ul> </li> </ul>
<b>Use of proceeds</b>	<ul style="list-style-type: none"> <li>■ Proceeds from the Entitlement Offer will be used to fund the acquisition of John Guest and pay associated transaction costs</li> </ul>
<b>Institutional Offer</b>	<ul style="list-style-type: none"> <li>■ The Institutional component of the Entitlement Offer is underwritten<sup>1</sup> and will be conducted from Thursday, 24 May 2018 and close on Friday, 25 May 2018</li> </ul>
<b>Retail Offer</b>	<ul style="list-style-type: none"> <li>■ The Retail component of the Entitlement Offer is not underwritten and will be conducted from Thursday, 31 May 2018 and close on Thursday, 14 June 2018</li> <li>■ The retail component of the Entitlement Offer will include an oversubscription facility under which eligible retail shareholders who take up their full entitlement may apply for additional New Shares to the extent there are entitlements that are not taken up by eligible retail shareholders</li> </ul>
<b>Ranking</b>	<ul style="list-style-type: none"> <li>■ New Shares issued under the Entitlement Offer will rank equally with existing shares including for all future dividends</li> </ul>
<b>Shareholder participation</b>	<ul style="list-style-type: none"> <li>■ All directors of RWC intend to fully participate in the Entitlement Offer</li> <li>■ An entity associated with Jonathan Munz (Chairman of RWC) has committed to take up its full pro rata entitlement of A\$110 million, under the Institutional component of the Offer</li> </ul>

Note: <sup>1</sup>The institutional component of the Entitlement Offer (other than the GSA commitment) is underwritten pursuant to the terms of the underwriting agreement. Refer to page 36 of this Presentation for the underwriting risk factors; <sup>2</sup>Theoretical ex-rights price (“TERP”) includes shares issued under the Institutional Entitlement Offer and the Retail Entitlement Offer. TERP is a theoretical calculation only and the actual price at which RWC shares trade immediately following the ex-date for the Entitlement Offer may be different from TERP; <sup>3</sup>Volume weighted average price (“VWAP”).

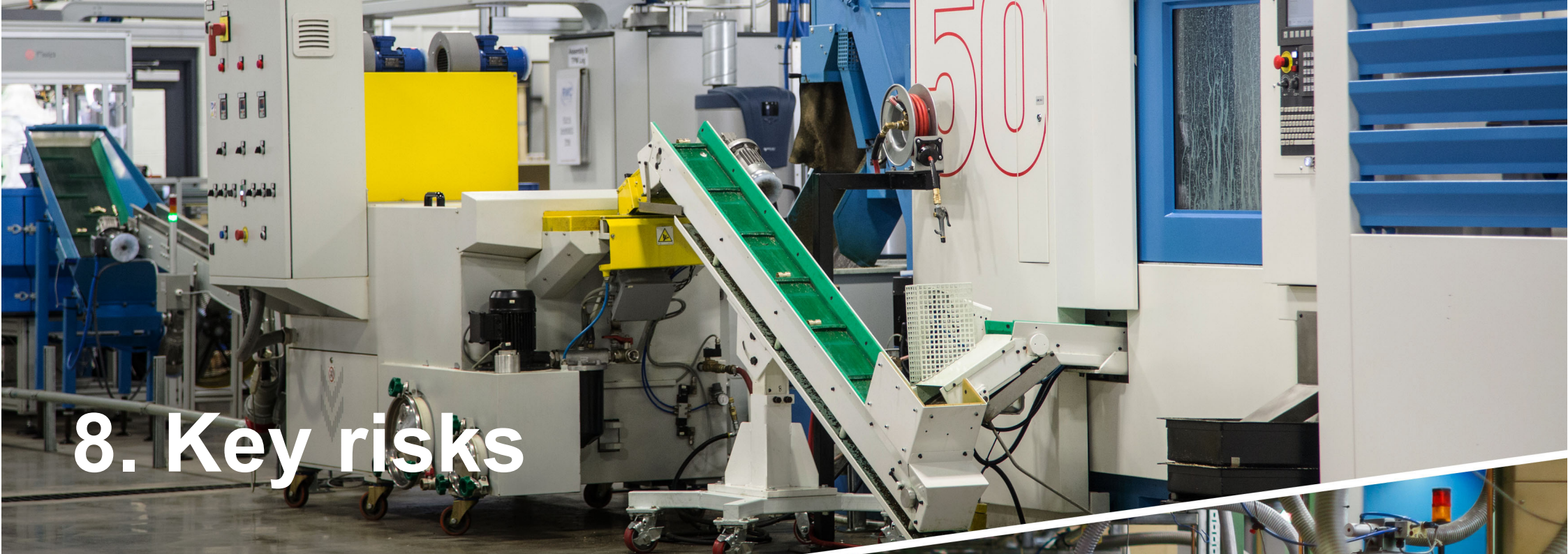


## Entitlement Offer timetable

Event	Date <sup>1</sup>
<b>Trading halt and announcement of the Acquisition and Entitlement Offer and Institutional Entitlement Offer opens</b>	<b>Thursday, 24 May 2018</b>
<b>Institutional Entitlement Offer closes</b>	<b>Friday, 25 May 2018</b>
Announcement of results of Institutional Entitlement Offer	Monday 28 May 2018
Trading halt lifted – shares recommence trading on ASX on an “ex-entitlement” basis	Monday, 28 May 2018
Record Date for Entitlement Offer (7.00 pm Melbourne time)	Monday, 28 May 2018
<b>Retail Offer Booklet dispatched and Retail Entitlement Offer opens</b>	<b>Thursday, 31 May 2018</b>
Settlement of Institutional Entitlement Offer	Monday, 4 June 2018
Allotment and normal trading of New Shares under the Institutional Entitlement Offer	Tuesday, 5 June 2018
<b>Retail Entitlement Offer closes</b>	<b>Thursday, 14 June 2018</b>
Settlement of New Shares under the Retail Entitlement Offer	Thursday 21, June 2018
Allotment of New Shares under the Retail Entitlement Offer	Friday, 22 June 2018
Normal trading of New Shares issued under the Retail Entitlement Offer	Monday, 25 June 2018
Dispatch of holding statements	Tuesday, 26 June 2018

Note: <sup>1</sup>All dates and times are indicative and subject to change without notice; Melbourne Time.





# 8. Key risks





# Key Risks

This section discusses some of the key risks associated with any investment in RWC, which may affect the value of RWC securities. The risks set out below are not listed in order of importance and do not necessarily constitute an exhaustive list of all risks involved with an investment in RWC. Before investing in RWC, you should be aware that an investment in RWC has a number of risks, which are specific to RWC and listed securities generally, and which are beyond the control of RWC.

Before investing in New Shares, you should consider whether this investment is suitable for you. Potential investors should consider publically available information on RWC (such as that available on the websites of RWC and ASX), carefully consider their personal circumstances and consult their stockbroker, solicitor, accountant or other professional adviser before making an investment decision.

## **Risks relating to RWC**

### ➤ **RWC is exposed to changes in general economic conditions, legislation and regulation which may impact activity in RWC's end-markets**

RWC's financial performance is largely dependent on activity in the residential and commercial repair and renovation and new construction end-markets. Activities in these end-markets are impacted by changes in general economic conditions, such as movements in inflation and interest rates, the level of business spending and consumer confidence, and to changes to fiscal or monetary policies, legislation and regulation (including plumbing codes). Activities in the repair end-market may also be impacted by extreme weather events (for example severe winter storms can cause pipes to freeze and break, which may increase repair activity).

A prolonged downturn in general economic conditions either globally or in any geographic region in which RWC operates may therefore impact demand for plumbing services in RWC's end-markets, thereby decreasing demand for RWC's products and services. Any such downturn may have a material adverse impact on RWC's operations and financial results.

### ➤ **RWC may lose a key customer or customer support more generally**

There can be no guarantee that key customers will continue to purchase the same or similar quantities of RWC's products as they have historically. For example, as previously announced to the market, from the middle of 2017, RWC ceased supplying PEX pipe and crimp fittings to all but a small number of The Home Depot outlets as part of The Home Depot's previously announced decision to destock these products. Furthermore, competition, including the price of competing products relative to RWC's products, could impact upon customer demand for RWC's products.

The loss of any of RWC's key customers or a significant reduction in the volume of products purchased by one or more key customers may adversely impact RWC's financial performance.

### ➤ **There may be adverse exchange rate movements**

The financial information in RWC's financial statements is presented in Australian dollars, while the majority of RWC's net sales are currently generated in the Americas segment, denominated in USD or CAD. RWC also generates net sales in the EMEA segment, denominated in GBP or Euros. RWC also sources raw materials and finished goods in USD, Yuan and Euros. The non-Australian Dollar denominated net sales, expenditures, cash flows and financial position of RWC's non-Australian operations are translated into Australian Dollars for the purposes of presenting the consolidated RWC group financial performance and position.

Accordingly, RWC is subject to adverse exchange rate movements, particularly, adverse movements in the USD:AUD exchange rate, the GBP:AUD exchange rate and the CAD:AUD exchange rate. An adverse movement in the exchange rate (ie an increase in the Australian dollar relative to the USD, GBP, Yuan or CAD) may have an adverse impact on RWC's future reported financial performance (ie reduce its reported net sales, profitability, cash flows and financial position). Furthermore, as RWC expands globally, including through the acquisition of John Guest (which generates sales in a number of currencies including GBP, Euros and USD), it will be exposed to additional currencies and a higher proportion of its net sales, profitability, cash flows and financial position will be affected by exchange rate movements.

### ➤ **RWC's manufacturing facilities may break down, perform poorly, fail or be impacted by a fire or major weather event**

The equipment and management systems necessary for the operation of RWC's manufacturing facilities may break down, perform poorly, fail, or be impacted by a fire or major weather event (such as a snow storm, tornado, cyclone or flood), resulting in manufacturing delays, increased manufacturing costs or an inability to meet customer demand. Events could also arise which impact upon RWC's ability to ship and deliver product from its facilities in a timely manner.

Any significant or sustained interruption to RWC's manufacturing or delivery processes may adversely impact RWC's net sales and profitability.

### ➤ **The costs of raw materials may increase or the availability of raw material supplies may decrease**

Any adverse change in RWC's ability to procure raw materials (such as brass (copper), PEX resin and engineered plastics) required to manufacture its products, a material increase in the cost of raw materials or any increase in indirect production input costs of such raw materials (such as freight and electricity), would result in an increase in RWC's overall manufacture costs. If RWC is unable to pass on such cost increases to its customers, RWC's profitability may be adversely impacted.

### ➤ **RWC may be adversely affected by product recalls or product liability claims**

RWC is exposed to the risk of product recalls and product liability claims where a defect in a product sold or supplied by RWC or incorrectly installed by a third party contractor results in, or is alleged to have resulted in, personal injury or property damage. RWC may suffer loss as a result of claims for which it is not insured or coverage being denied or in connection with a loss that exceeds RWC's insured limits.

In addition, a product recall may expose RWC to financial liability, decrease demand for its products or damage RWC's business reputation, brand names or its relationships with its customers. If any of those events were to occur, they may result in RWC losing market share and may adversely affect its net sales and profitability.

### ➤ **RWC may be unable to attract or retain key personnel**

RWC's success depends on the continued active participation of its key personnel, including the senior management team and members of the R&D team.

If RWC were to lose any of its key personnel or if it were unable to employ additional or replacement personnel, its operations and financial results could be adversely affected.



# Key Risks (cont'd)

## **Risks relating to RWC (cont'd)**

### ➤ **RWC's IT systems may fail and are subject to attack**

RWC relies on third party IT software and service providers to support its business operations, including its manufacturing operations (most of which are highly automated). RWC also holds sensitive employee and customer data, including such individuals' and entities' financial data. RWC's IT systems may be adversely affected by damage to computer equipment or network systems, equipment faults, power failures, computer viruses, cyber-attack from malicious third parties, misuse of systems or inadequate business continuity planning. Any failure of RWC's IT systems as a result of these factors may compromise RWC's data integrity (which may result in an inadvertent security breach in relation to such employee or customer data) or the automated aspects of its manufacturing, which may in turn adversely affect RWC's reputation, business operations, and financial performance and profitability or expose RWC to third party liability.

### ➤ **RWC may be unable to refinance, repay or renew its debt**

RWC utilises debt to partially fund its business operations and may need to access additional debt financing to grow its operations. If RWC is unable to refinance, repay or renew its debt facilities or otherwise obtain debt finance on favourable terms, RWC may not meet its growth targets, which may adversely impact its financial performance.

### ➤ **RWC's competitive position may deteriorate**

RWC operates in a competitive and relatively highly regulated industry that requires manufacturers to respond to frequent product specification changes driven by customer preferences, plumbing codes and regulatory agencies.

RWC's competitive position may deteriorate as a result of, for example, the emergence of new competitors, new competing products, the introduction of imported products, or RWC's failure to successfully adapt to changing market conditions, customer demands, pricing and technological developments. For instance, an existing or new competitor may develop a new product that is more effective than an existing RWC product or develop a similar product that is sold at a cheaper price. There could also be a technological innovation that RWC may be slow to adopt, such as the development of a new raw material, and this may allow a competitor to gain a first mover advantage over RWC.

Furthermore, if RWC's existing or new products do not achieve or maintain market acceptance or necessary regulatory approvals, or if RWC is unable to introduce new products in a timely manner, RWC's operating and financial performance may be adversely impacted.

### ➤ **Risks in respect of foreign operations**

Aside from RWC's operations located in Australia, RWC also has operations in the USA, Canada, the UK, New Zealand and Spain. Accordingly, RWC is exposed to risks relating to changes to, or uncertainty in, the relevant legal and regulatory regimes in those jurisdictions (including in relation to taxation and foreign investment and the practices of government and regulatory authorities). RWC is also potentially exposed to prolonged political uncertainty in the geographic regions in which it operates. Furthermore, as RWC expands globally, it will be exposed to similar risks in new jurisdictions. For example, John Guest has operations in places where RWC currently does not, such as Germany, Poland, France, Italy, Czech Republic and South Korea.

Changes in the legal and regulatory regimes of any of the jurisdictions in which RWC operates, or prolonged political uncertainty in particular geographic regions may increase RWC's costs, reduce its ability to grow the business or disrupt or otherwise adversely affect RWC's operations. Any of these factors could reduce RWC's financial performance and profitability.

### ➤ **Workplace incidents or accidents may occur**

Most of RWC's operations facilities are equipped with advanced manufacturing tooling and assembly equipment, enabling highly automated manufacturing processes. Nevertheless, RWC's manufacturing processes still require people to be involved in the manufacturing process.

The manufacture of RWC products involves heavy machinery and hazardous processes. There may be an incident or accident at a facility that results in serious injury or damage to property, which in turn may result in a fine imposed by a regulatory authority, an interruption of manufacturing operations, a worker's compensation claim, a work health and safety claim or a damages claim against RWC. Such claims or events may not be covered by RWC's insurance or may exceed RWC's insured limits. They may also adversely impact RWC's business reputation. Any such occurrences could therefore adversely impact RWC's operations and profitability.

### ➤ **RWC may be involved in disputes or litigation**

In addition to the risk of product recall claims or product liability claims described above, RWC may also be involved in other types of disputes or litigation, including disputes or litigation with customers or suppliers, disputes relating to RWC's alleged infringement of a third party's intellectual property rights and industrial action or disputes involving RWC's employees or former employees. If RWC is involved in any such litigation, disputes or protracted settlement negotiations, this may disrupt RWC's business operations, cause RWC to incur significant legal costs, and may divert management's attention away from the daily operations of the business.

### ➤ **Environmental compliance costs and liabilities**

RWC's operations and properties are subject to environmental protection laws and regulations, including those regulating air emissions, water discharges, waste management and disposal, and workplace safety. Similar laws and regulations apply to John Guest's operations and properties. Some of these laws and regulations impose substantial fines and sanctions for non-compliance or breaches. If Reliance were to breach or otherwise fail to comply with any such law or regulation, the cost of curing a breach or resolving associated enforcement actions initiated by government authorities could be substantial and may materially reduce Reliance's profit in a given reporting period.

### ➤ **Accounting Standards**

Changes to accounting standards issued by the Australian Accounting Standards Board may impact adversely upon RWC's reported financial position or results of operations.

# Key Risks (cont'd)

## Risks relating to the Acquisition

### ➤ **Due diligence – information provided by the vendor**

RWC undertook a due diligence process in respect of John Guest, which relied in part on the review of financial and other information provided by the vendors of John Guest. Despite making reasonable efforts, RWC has not been able to verify the accuracy, reliability or completeness of all the information which was provided to it against independent data. Similarly, RWC has prepared (and made assumptions in the preparation of) the financial information relating to John Guest (on a stand-alone basis and also to RWC post-acquisition of John Guest) included in this Presentation from financial and other information provided by the vendors of John Guest. RWC is unable to verify the accuracy or completeness of all of this information. If any of the data or information provided to and relied upon by RWC in its due diligence process and its preparation of this Presentation proves to be incomplete, incorrect, inaccurate or misleading, there is a risk that the actual financial position and performance of John Guest and the combined group may be materially different to the financial position and performance expected by RWC and reflected in this Presentation.

Investors should also note that there is no assurance that the due diligence conducted was conclusive and that all material issues and risks in respect of the acquisition of John Guest have been identified and avoided or managed appropriately. Therefore, there is a risk that unforeseen issues and risks may arise, which may also have a material impact on RWC. This could adversely affect the operations, financial performance or position of RWC.

The information reviewed by RWC includes forward looking information. While RWC has been able to review some of the foundations for the forward looking information relating to John Guest, forward looking information is inherently unreliable and based on assumptions that may change in the future.

### ➤ **Analysis of the Acquisition**

RWC has undertaken financial, business and other analyses of John Guest in order to determine its attractiveness to RWC and whether to pursue the acquisition of John Guest. It is possible that such analysis, and the best estimate assumptions made by RWC, has resulted in conclusions and forecasts that are inaccurate or which will not be realised in due course. To the extent that the actual results achieved by John Guest are different than those indicated by RWC's analysis, there is a risk that the profitability and future earnings of the operations of the combined group may be materially lower than the profitability and earnings reflected in this Presentation.

### ➤ **Financial capacity of, and recourse to, vendors and warranty and indemnity insurer**

Following the acquisition of John Guest, there can be no guarantee as to the on-going financial capacity of the vendors of John Guest (and in any case recourse against the vendors, as opposed to warranty and indemnity insurance, is in many instances limited). In these circumstances, if a warranty or other claim was made under the share sale agreement in respect of the acquisition of John Guest, to the extent that any warranty and indemnity insurance does not cover the particular claim (or is not met by the insurer), there is a risk that funds may not be available to meet that claim. Any inability to recover amounts claimed could materially adversely affect the RWC's financial position and performance.

### ➤ **Integration risk**

The integration of a business of the size of John Guest carries risk, including potential delays or additional costs in implementing necessary changes, and difficulties in integrating various operations. The success of the John Guest acquisition, and the ability to realise the expected synergy benefits of the acquisition outlined in this Presentation, will be dependent on the effective and timely integration of John Guest's business alongside RWC's business following completion of the acquisition.

While RWC has undertaken analysis in relation to the synergy benefits of the John Guest acquisition, they remain RWC's estimate of the synergy benefits expected to be achievable as part of the John Guest acquisition, and there is a risk that the actual synergies able to be realised as part of the acquisition may be less than expected or delayed, or that the expected synergy benefits of the acquisition may not materialise at all or cost more to achieve than originally expected. These risks include, amongst others, unforeseen costs relating to integration of some systems (including information technology systems) of both of the businesses.

A failure to fully integrate the operations of John Guest, or a delay in the integration process, could impose unexpected costs that may adversely affect the financial performance and position of RWC.

### ➤ **Historical liabilities**

Following the acquisition of John Guest, RWC will become directly or indirectly liable for any liabilities that John Guest has incurred in the past, including liabilities which were not identified during its due diligence or which are greater than expected, for which insurance may not be adequate or available, and for which RWC may not have post-completion recourse under the share sale agreement. These could include liabilities relating to faulty products, environmental claims, breaches or contamination, current or future litigation, regulatory actions, health and safety claims, warranty or performance claims and other liabilities. Such liabilities may adversely affect the financial performance or position of RWC post-acquisition.

### ➤ **Acquisition accounting**

RWC is required to undertake an assessment of the fair value of the tangible and intangible assets acquired as well as the actual and contingent liabilities of John Guest at the date of acquisition. Accounting Standards provide twelve months from completion for this assessment to be finalised. The outcome of this assessment could give rise to different values being applied than those used in the pro-forma financial information contained in this Presentation. Such an outcome will impact the values of assets and liabilities reported in the consolidated balance sheet by RWC. There will also be differences in the depreciation and amortisation charges recognised in the consolidated profit or loss account which may impact reported profit before tax and net profit after tax.

# Key Risks (cont'd)

## Risks relating to the Entitlement Offer

### ➤ **Risks associated with an investment in shares**

There are general risks associated with investments in equity capital such as RWC shares. The trading price of RWC shares may fluctuate with movements in equity capital markets in Australia and internationally. This may result in the market price for the New Shares being less or more than the Offer Price. Generally applicable factors that may affect the market price of shares include:

- general movements in Australia and international stock markets;
- investor sentiment;
- Australian and international economic conditions and outlooks;
- changes in interest rates and the rate of inflation;
- changes in government legislation and policies, in particular taxation laws;
- announcement of new technologies;
- geo-political instability, including international hostilities and acts of terrorism;
- demand for and supply of RWC shares;
- announcements and results of competitors; and
- analyst reports.

No assurance can be given that the New Shares will trade at or above the Offer Price. None of RWC, its directors or any other person guarantees the performance of the New Shares.

The operational and financial performance and position of RWC and RWC's share price may be adversely affected by a worsening of general economic conditions in Australia, as well as international market conditions and related factors. It is also possible that new risks might emerge as a result of Australian or global markets experiencing extreme stress, or existing risks, may manifest themselves in ways that are not currently foreseeable. The equity markets have in the past and may in the future be subject to significant volatility.

### ➤ **Underwriting risk**

RWC has entered into an underwriting agreement under which the Joint Lead Managers have agreed to underwrite the Institutional Entitlement Offer (except the GSA Commitment), subject to the terms and conditions of the underwriting agreement. The Retail Entitlement Offer is not underwritten.

The Joint Lead Managers' obligation to underwrite the Institutional Entitlement Offer is conditional on certain conditions precedent being satisfied, for example, RWC delivering a shortfall certificate, and various other sign-offs, reports and opinions, and the share purchase agreement for the acquisition and the Syndicated Loan Facility not having been terminated or breached, rescinded or varied in a material respect.

Prior to settlement of the Institutional component of the Entitlement Offer, there are certain events which, if they were to occur, may affect the Joint Lead Managers' obligation to underwrite the Institutional Entitlement Offer at all (in the case of termination events) or at the Offer Price and on the terms and conditions of the Offer (in the case of restructuring events, including market disruptions, changes in laws that regulate the Entitlement Offer or the acquisition of John Guest and regulatory action by a third party in connection with the Entitlement Offer). In the event of a restructuring event, the Joint Lead Managers and RWC may be required to work together to agree amendments to the underwriting agreement to implement an alternative capital raising that enables RWC to pursue the John Guest acquisition. In such circumstances, there is no guarantee that the Joint Lead Managers and RWC will be able to agree appropriate and timely amendments to the underwriting agreement, which may adversely impact the timing and success of the capital raising, the proceeds raised by RWC and RWC's cost or access to funding for the John Guest acquisition.

The ability of the Joint Lead Managers to terminate the underwriting agreement in respect of some events will depend on whether the event has or is likely to have a material adverse effect on the success or settlement of the Institutional component of the Entitlement Offer, or where they may give rise to material liability for the Joint Lead Managers.

The events which may trigger termination of the underwriting agreement in the period from execution of the underwriting agreement to settlement of the Institutional Entitlement Offer include where:

- the share purchase agreement for the acquisition or the Syndicated Loan Facility are terminated, rescinded or varied in any material respect without the Joint Lead Managers' consent;
- failure to obtain quotation approval of the New Shares to be issued under the Institutional Entitlement Offer by ASX;
- RWC is suspended from the official list of ASX for one or more trading days (other than in connection with the Entitlement Offer) or its securities are removed from quotation;
- RWC alters its capital structure (other than as permitted under the Underwriting Agreement);
- RWC takes steps (other than restructuring steps in the ordinary course of its business) that is reasonably likely to result in RWC or any of its related bodies corporate becoming insolvent;
- RWC withdraws the Offer;
- RWC is unable to issue the New Shares in accordance with law;
- RWC does not provide the Joint Lead Managers with the necessary certificate;
- certain orders are made by ASIC;
- it becomes illegal to perform the obligations under the Underwriting Agreement;
- material breaches of law by RWC;
- a scheme of arrangement or reconstruction is announced by RWC which, if implemented, may result in a person and their associates acquiring a beneficial interest in, or voting power of, 50% or more of the interests in RWC;
- there is a change in RWC's chief executive officer; and
- RWC or any of its directors and officers engage in fraudulent conduct or activity.

Termination of the underwriting agreement would have an adverse impact on the proceeds raised under the Institutional Entitlement Offer and RWC's ability to fund the John Guest acquisition. If the underwriting agreement is terminated, RWC will remain bound to complete the John Guest acquisition pursuant to the terms of the share purchase agreement. In these circumstances, RWC may need to find alternative funding to meet its contractual obligations. Termination of the underwriting agreement could materially adversely affect RWC's business, cash flow, financial condition and results of operations.



# Key Risks (cont'd)

## Risks relating to the Entitlement Offer (cont'd)

### ➤ **Debt financing risk**

RWC has entered into financing arrangements (the Syndicated Loan Facility) pursuant to which financiers have agreed to provide A\$750 million of debt financing for, amongst other things, the refinancing of RWC's existing debt facilities and financing part of the consideration payable for the John Guest acquisition, subject to the terms and conditions of those agreements. If certain events occur (e.g. breach of undertakings, misrepresentations, insolvency, non-compliance with bank covenants etc.), the financiers may cancel the debt financing agreements. Cancellation of the debt financing agreements would have an adverse impact on RWC's sources of funding for the acquisition.

Post acquisition of John Guest, there will be an increase in RWC's debt levels. The use of debt financing to partially fund the acquisition means that RWC will be more exposed to risks associated with gearing. For example, RWC will be more exposed to any movements in interest rates. In addition, RWC will be more exposed to general risks relating to any refinancing of its debt facilities. It may be difficult for RWC to refinance all or some of these debt facilities and an inability to secure new debt facilities at a similar quantum and cost to existing debt facilities may adversely affect the financial performance of RWC.

### ➤ **Risk of dilution**

Investors who do not participate in the Entitlement Offer, or do not take up all of their entitlement under the Entitlement Offer, will have their percentage security holding in RWC diluted by not participating to the full extent in the Entitlement Offer. Investors may also have their investment diluted by future capital raisings by RWC. RWC may issue new shares to finance future acquisitions or pay down debt which may, under certain circumstances, dilute the value of an investor's interest. RWC will only raise equity if it believes that the benefit to investors of conducting the capital raising is greater than the short term detriment caused by the potential dilution associated with a capital raising.

### ➤ **Taxation changes**

There is the potential for changes to taxation laws and changes in the way taxation laws are interpreted. Any change to the current tax rates imposed on RWC (including the foreign jurisdictions in which RWC operates, such as the US, Canada and the UK) is likely to affect returns to RWC's shareholders.

An interpretation of taxation laws by the relevant tax authority that is contrary to RWC's view of those laws may increase the amount of tax to be paid or cause changes in the carrying value of tax assets in RWC's financial statements. In addition, any change in tax rules and tax arrangements could have an adverse effect on the level of dividend franking and shareholder returns.

An investment in shares involves tax considerations that differ for each investor. Investors are encouraged to seek professional tax advice in connection with any investment in RWC.

### ➤ **Laws and regulations may change**

In the ordinary course of its business, RWC is subject to a range of laws and regulations. These laws and regulations include, but are not limited to, those relating to consumer protection, product safety, plumbing codes, employment, property, taxation (including GST and stamp duty), customs and tariffs.

Changes to laws and regulations in these areas may adversely affect RWC, including by increasing its costs either directly (eg by increasing a tax RWC is required to pay) or indirectly (eg by increasing the cost of complying with a particular legal requirement). Any such change may adversely affect RWC's future financial performance.



# 9. International offer restrictions

# International Offer Restrictions

This document does not constitute an offer of new ordinary shares (**New Shares**) of RWC in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

<b>United States</b>	<p>This document may not be released or distributed in the United States.</p> <p>This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or any other jurisdiction in which such an offer would be illegal. Neither the New Shares nor the entitlements have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the <b>Securities Act</b>) or the securities laws of any state or other jurisdiction of the United States. Accordingly, neither the New Shares nor the entitlements may be offered or sold, directly or indirectly, to persons in the United States unless they have been registered under the Securities Act (which RWC has no intention or obligation to do or procure), or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and the applicable securities laws of any state or other jurisdiction of the United States.</p>
<b>Hong Kong</b>	<p>WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the <b>SFO</b>). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).</p> <p>No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.</p> <p>The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.</p>
<b>New Zealand</b>	<p>This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the <b>FMC Act</b>).</p> <p>The New Shares are not being offered to the public within New Zealand other than to existing shareholders of RWC with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the FMC Act and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.</p> <p>Other than in the Entitlement Offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:</p> <ul style="list-style-type: none"><li>▪ is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;</li><li>▪ meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;</li><li>▪ is large within the meaning of clause 39 of Schedule 1 of the FMC Act;</li><li>▪ is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or</li><li>▪ is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.</li></ul>
<b>Norway</b>	<p>This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.</p> <p>The New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).</p>



## International Offer Restrictions (cont'd)

### Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under the listing rules of any stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland.

The New Shares will only be offered to regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations. This document is personal to the recipient and not for general circulation in Switzerland.

Neither this document nor any other offering or marketing material relating to the New Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority.

### United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the New Shares.

This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to RWC.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "**relevant persons**"). The investments to which this document relates are available only to, and any offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

### Ireland

The information in this document does not constitute a prospectus under any Irish laws or regulations and this document has not been filed with or approved by any Irish regulatory authority as the information has not been prepared in the context of a public offering of securities in Ireland within the meaning of the Irish Prospectus (Directive 2003/71/EC) Regulations 2005, as amended (the **Prospectus Regulations**). The New Shares have not been offered or sold, and will not be offered, sold or delivered directly or indirectly in Ireland by way of a public offering, except to "qualified investors" as defined in Regulation 2(l) of the Prospectus Regulations.

### Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of RWC's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

## International Offer Restrictions (cont'd)

### Canada (British Columbia, Ontario and Quebec provinces)

This document constitutes an offering of New Shares only in the Provinces of British Columbia, Ontario and Quebec (the **Provinces**) and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such New Shares. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of NI 45-106 – *Prospectus Exemptions*, of the Canadian Securities Administrators.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements. These resale restrictions may in some circumstances apply to resales of the New Shares outside Canada and, as a result, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

RWC as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon RWC or its directors or officers. All or a substantial portion of the assets of RWC and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against RWC or such persons in Canada or to enforce a judgment obtained in Canadian courts against RWC or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

#### *Statutory rights of action for damages and rescission*

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defenses contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the New Shares purchased pursuant to this document (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against RWC if this document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against RWC. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that, if this document contains a misrepresentation, a purchaser who purchases the New Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against RWC, provided that (a) RWC will not be liable if it proves that the purchaser purchased the New Shares with knowledge of the misrepresentation; (b) in an action for damages, RWC is not liable for all or any portion of the damages that RWC proves does not represent the depreciation in value of the New Shares as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which the New Shares were offered.

Section 138 of the *Securities Act* (Ontario) provides that no action shall be commenced to enforce these rights more than (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action or (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action. These rights are in addition to and not in derogation from any other right the purchaser may have.

*Certain Canadian income tax considerations.* Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the transaction, holding or disposition of the New Shares as any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

*Language of documents in Canada.* Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

## Glossary

### **IMPORTANT NOTICE:**

RWC presents financial information in accordance with Australian Accounting Standards. RWC also chooses to include certain non-IFRS financial information in this Presentation. This information has been included to allow investors to relate the performance of RWC to measures which are used by the company's board and management to assess performance.

- **EBITDA** is earnings before interest, tax, depreciation and amortisation.
- **NPAT** is net profit after tax.
- **NPATA** is net profit after tax before amortisation of acquired identifiable intangibles.
- **EPS** is earnings per share.
- **TERP** is theoretical ex-rights price. TERP is the theoretical price at which shares should trade after the ex-date for the Entitlement Offer based only on the last traded price and issuance of shares at the Offer Price in the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which shares trade immediately following the ex-date for the Entitlement Offer may be different from TERP.



