HY2021 Results Presentation

22 February 2021

RELIANCE WORLDWIDE CORPORATION LIMITED
ABN 46 610 855 877

Important Notice

This presentation contains general information about Reliance Worldwide Corporation Limited's activities at the date of presentation (22 February 2021). It is information given in summary form and does not purport to be complete.

The presentation is not an offer or invitation for subscription or purchase of or a recommendation of securities in any jurisdiction. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice, when deciding if an investment is appropriate.

Information, including forecast or forward looking information, in this presentation should not be considered as a recommendation in relation to holding, purchasing or selling shares, securities or other instruments in Reliance Worldwide Corporation Limited. Due care and attention has been used in the preparation of forecast and forward looking information. However, actual results may vary from forecasts and any variation may be materially positive or negative. Forecasts by their very nature are subject to uncertainty and contingencies many of which are outside the control of Reliance Worldwide Corporation Limited and Reliance Worldwide Corporation Limited cautions against reliance on any forward looking statements or forecasts, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by COVID-19. Past performance is not a reliable indication of future performance. Except as required by applicable regulations or laws, Reliance Worldwide Corporation Limited does not undertake any obligation to publicly update or review any forward looking statements whether as a result of new information or future events.

This presentation contains references to the following non-IFRS measures: EBITDA, EBIT, Adjusted NPAT and Adjusted EPS. These measures are used by RWC to assess operating performance and are defined in the accompanying Results Announcement dated 22 February 2021. These measures have not been subject to audit or review.

The sum totals throughout this presentation may not add exactly due to rounding differences.

The information in this presentation remains subject to change without notice. Circumstances may change and the contents of this presentation may become outdated as a result.

This presentation forms part of a package of information about Reliance Worldwide Corporation Limited. It should be read in conjunction with the Appendix 4D, 31 December 2020 Half Year Financial Report and the Results Announcement also released on 22 February 2021.

Agenda

HY2021 Results Overview

Introduction

Strong revenue and earnings growth driven by heightened repair and remodelling activity levels in all markets

- Net sales growth of 17% on a constant currency basis
  - Americas recorded 22% constant currency sales growth, US market especially strong
  - Asia Pacific constant currency sales 14% higher, partly driven by growth in Australian market
  - EMEA sales recovered strongly following COVID lockdowns, up 10% in constant currency
- Focus on execution enabled strong customer service and delivery performance in meeting increased demand despite manufacturing and logistics disruptions arising from COVID
- EBITDA margin expansion in all regions – Group EBITDA margin increased to 25.9%, 370 basis points higher than pcp
- Adjusted Net Profit after Tax of $99.3 million, up 56%
- Financial position strengthened, with net debt reduced by $76.2m, net leverage ratio of 0.88 times
- Cost reduction initiatives delivered savings of $9.5m in the half, on target to meet $25m cost reduction run rate target by the end of FY21

HY2021 Financial Highlights

Net sales
$642.4 million
+13% growth overall[1]
+17% in constant currency

EBITDA
$166.3 million
+32% on pcp

Adjusted NPAT
$99.3 million
+56% on pcp

Operating cash flow
$155.6 million
+17%
Cash conversion: 94%

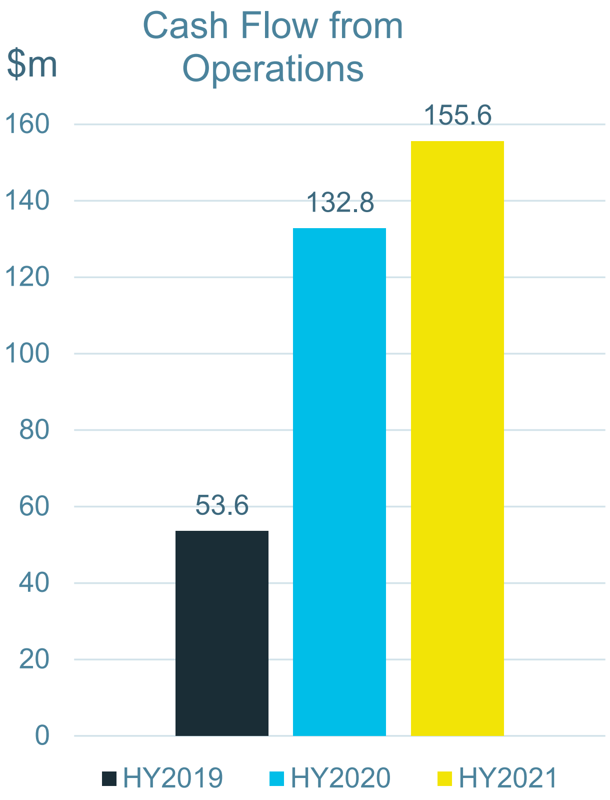
Net debt reduction
$76 million
Net debt $226 million
Net leverage ratio[2] at 0.88x

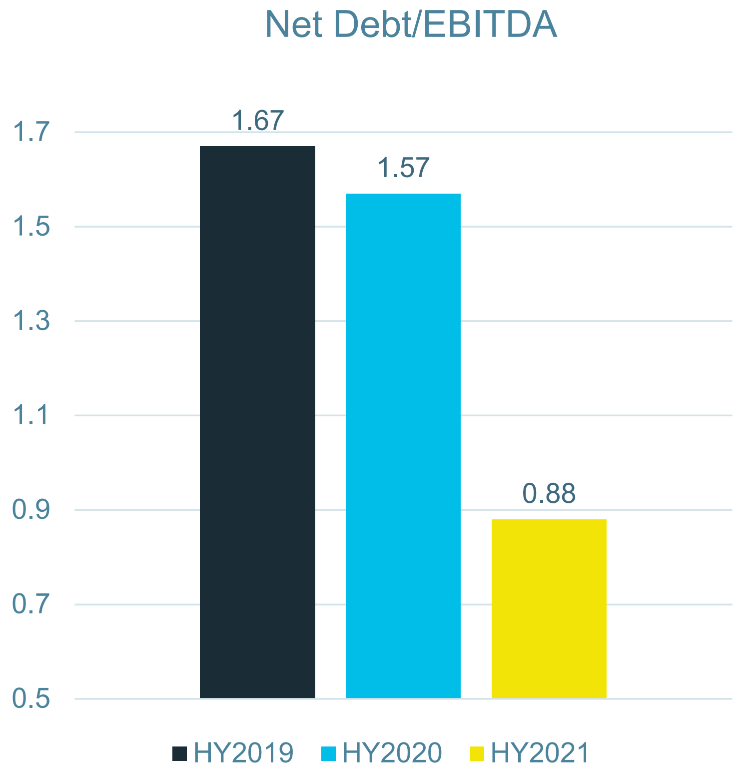
Interim dividend
6.0 cps
+33% on pcp
20% franked

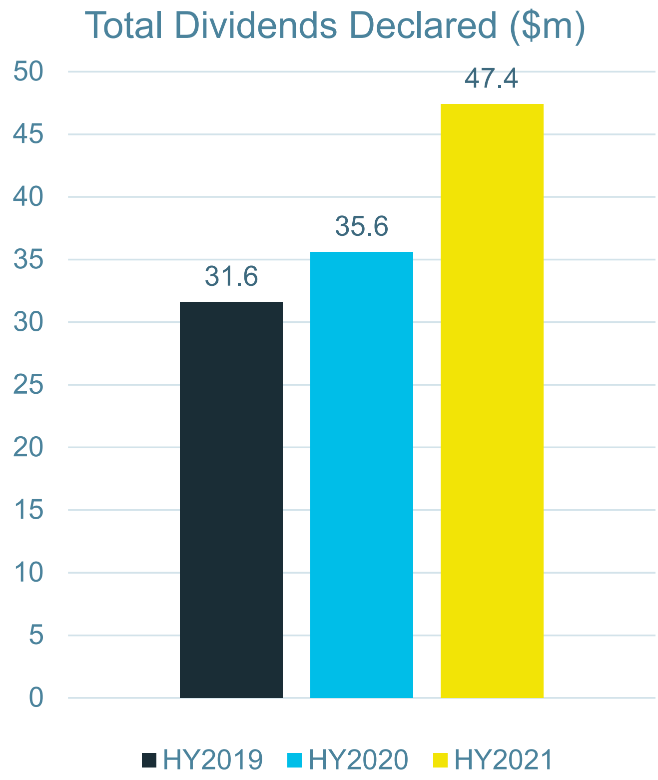
[1] Growth rates expressed as change over comparative period for the six months ended 31 December 2019
[2] Net Debt/12-month trailing EBITDA

Strong operating cash flow performance

Cash generated has enabled further reduction in net debt







The story of the first half

While COVID-19 presented significant operational challenges we continued to make progress on key initiatives

Markets

- Strong volume growth in all key markets – EMEA recovery evident from August onwards
- Repair and remodel markets were resilient – new housing construction has also performed stronger than expected
- Commercial sector has not yet fully recovered from COVID effects

Operations

- All major manufacturing facilities remained operational but COVID impacted productivity in the US and UK
- Consolidation of HoldRite manufacturing in Alabama completed in the half
- Cost reduction initiatives implemented in the half delivered $9.5m in benefits – on track to deliver $25m cost reduction on a run rate basis by the end of FY2021

Financial Performance

- Operating margin expansion as a result of volume driven operating leverage
- Continued strong cash generation enabled further debt and leverage reduction
- Significantly enhanced financial position for future growth

The story of the half

Strong service and delivery performance recognised by our channel partners

Lowe's USA:

- Building Products Vendor Partner of the Year
- Rough Plumbing Vendor Partner of the Year

The Home Depot Canada:

- Partner of the Year, D26 Plumbing

Group Financial Performance

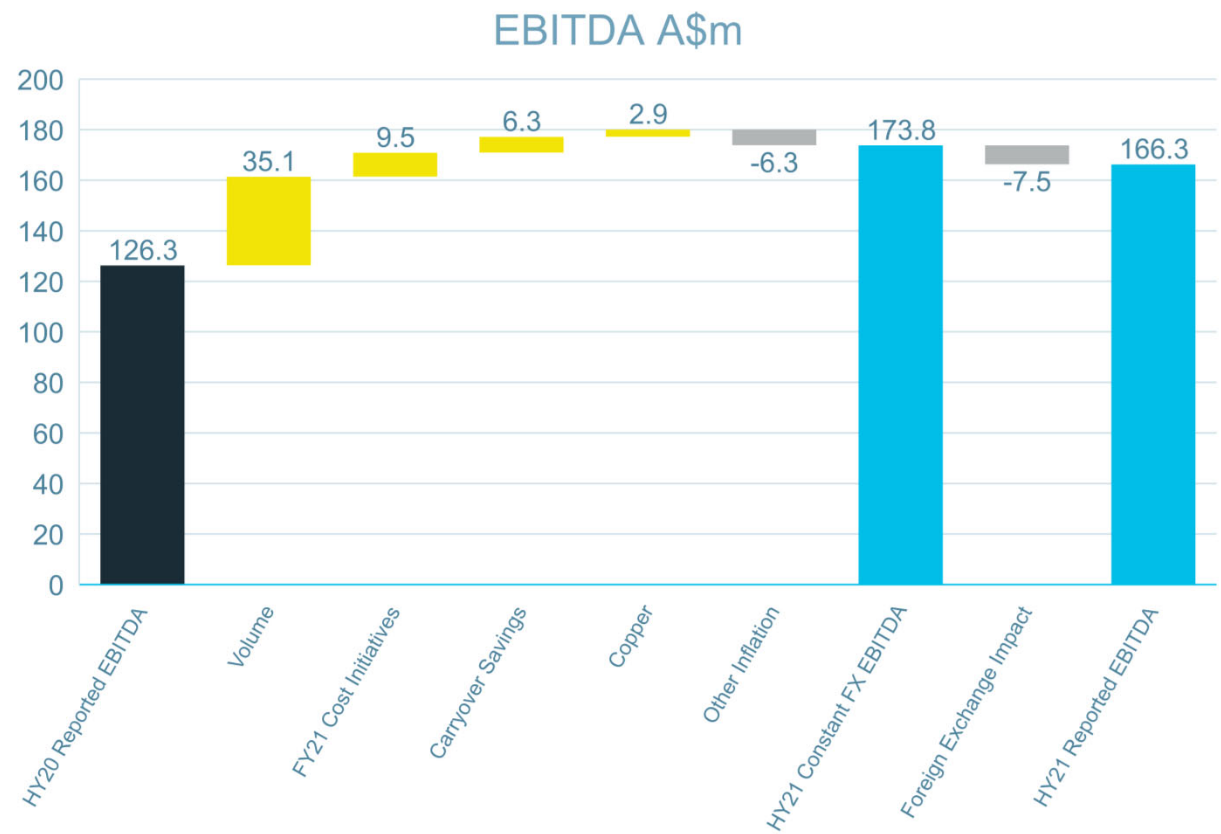
Summary of HY2021 Performance

A$m	HY2020	HY2021	% Change
Net Sales	**569.3**	**642.4**	**13%**
EBITDA	**126.3**	**166.3**	**32%**
EBITDA Margin	22.2%	25.9%	370bps
EBIT	**96.4**	**137.4**	**43%**
EBIT Margin	16.9%	21.4%	450bps
Reported NPAT	51.0	91.4	82%
Adjusted NPAT	**63.7**	**99.3**	**56%**
Earnings per share (cps)	6.4	11.7	82%
Adjusted earnings per share (cps)	8.1	12.7	56%
Cash flow from operations	**132.8**	**155.6**	**17%**

- Net sales for the six months ended 31 December 2020 of $642.4 million were 13% higher than pcp
  - On a constant currency basis, sales were up by 17%
- EBITDA increased 32% to $166.3m, driven by stronger sales
- EBITDA margins increased as a result of the strong operational leverage driven by higher volumes
- $9.5m cost savings from restructuring initiatives delivered in the first half, in addition to carryover savings included procurement savings and additional John Guest synergies
- Adjusted NPAT of $99.3m, up 56%
- Interim dividend of 6.0 cents declared, 52% of Reported NPAT
- Cash flow from operations up 17% from higher sales; inventory levels increased due to seasonal timing

HY2021 Group EBITDA margin drivers

Strong volume growth and cost reduction initiatives were the major drivers



- HY2021 EBITDA increased by 38% on a constant currency basis, EBITDA margin on a constant currency basis was 26.1%
- Carryover savings included procurement savings and additional John Guest synergies
- Cost reduction initiatives expected to yield $25m benefit on an annualised run rate basis by end of FY2021

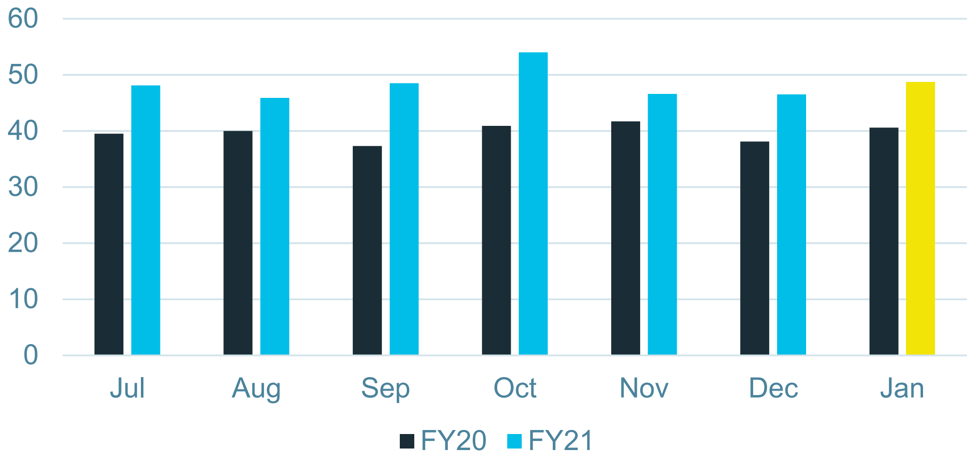
Cost Reduction Initiatives	Savings in HY21 ($m)
Product development savings	3.6
Relocation of HoldRite plant	0.9
US restructure	2.0
UK restructure	1.7
Other	1.3
TOTAL	9.5

Segment results: Americas

Consistently strong sales growth throughout the half, operating margin expansion

US$m	HY2020	HY2021	% over pcp
Net Sales	**237.4**	**289.6**	**22%**
EBITDA	36.7	54.8	49%
EBITDA margin	*15.5%*	*18.9%*	*340 bps*
EBIT	**28.1**	**46.5**	**66%**
EBIT margin	*11.8%*	*16.1%*	*430bps*

Americas Monthly Revenues US$m

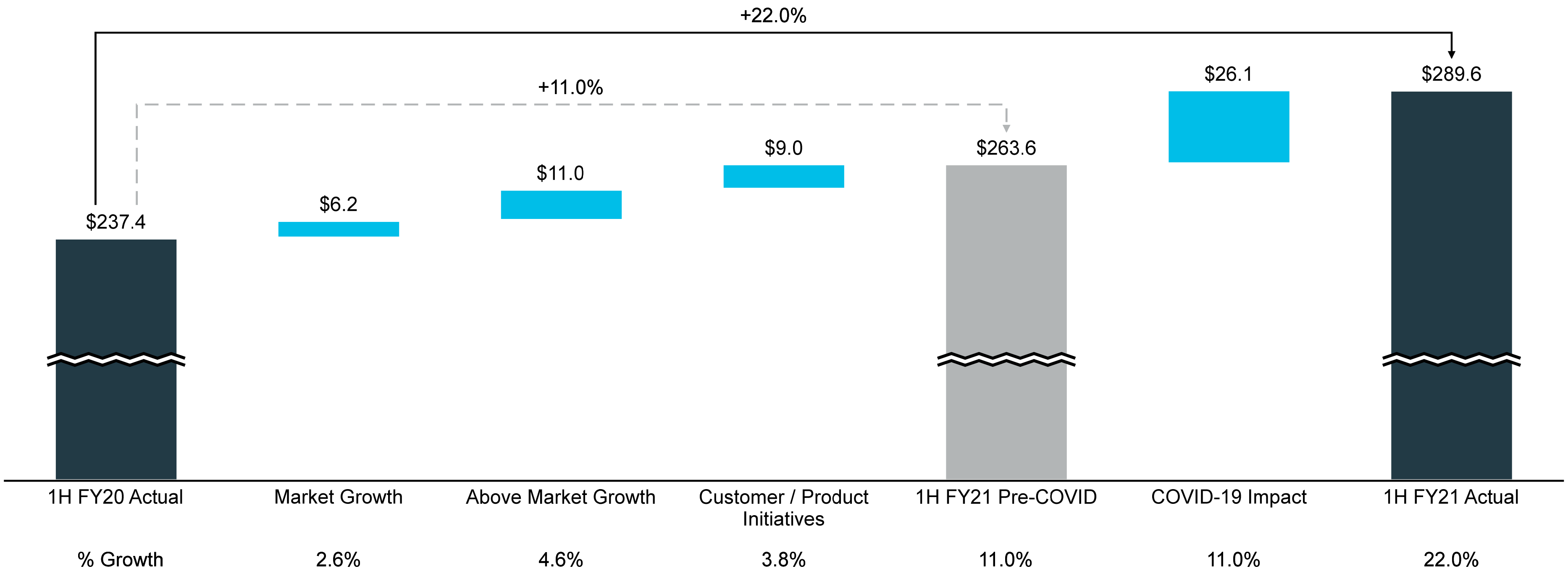


Commentary on 1st Half Performance

- US sales boosted by surge in residential repair and remodel activity
- Sales in retail and hardware channels of core plumbing products particularly strong. Sales boosted in the period by a new line of stop valves launched in the prior year through one retail channel partner
- OEM sales up strongly due to the high demand generated by home remodelling activity
- Sales in wholesale channels improved following softer trading patterns due to COVID-19 restrictions early in the period
- Recovery in sales experienced in the Canadian market, although sales growth lower than the US
- Strong volume growth in the period drove improved operating margins due to higher manufacturing overhead recoveries, along with cost reduction initiatives

Americas: 22% first half revenue growth

COVID -19 impact estimated to be half of Americas first half sales growth

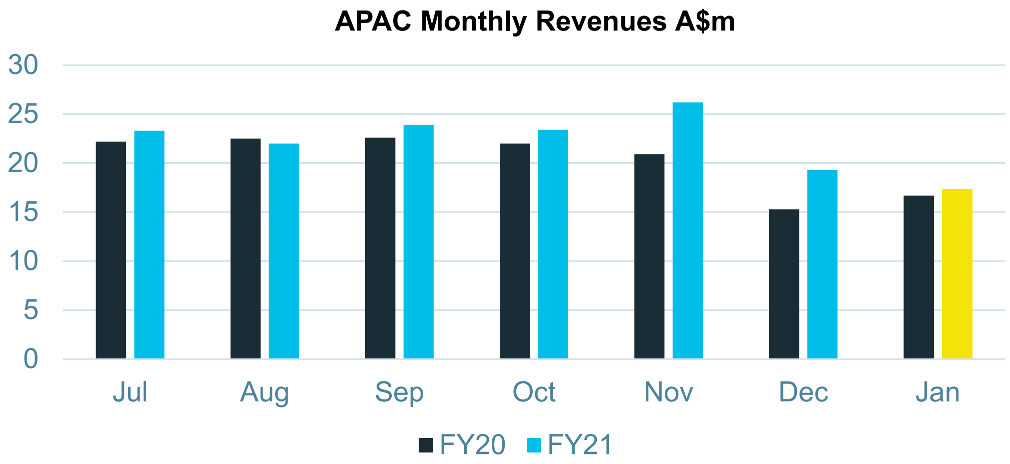


Figures are in US$m
Market growth – source: LIRA

Segment results: Asia Pacific

Stronger sales in Australian market boosted by remodelling activity and new housing construction

A$m	HY2020	HY2021	% over pcp
Net Sales	**125.4**	**138.1**	**10%**
EBITDA	**22.8**	**29.9**	**31%**
EBITDA margin	*18.2%*	*21.6%*	*340 bps*
EBIT	**15.8**	**23.3**	**48%**
EBIT margin	*12.6%*	*16.9%*	*430bps*



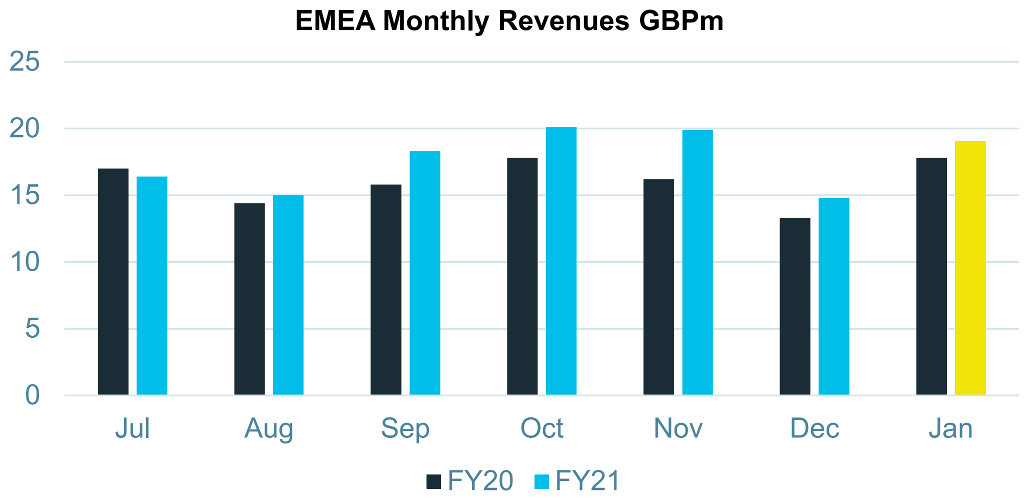
Commentary on 1st Half Performance

- External sales up 8% reflecting stronger Australian new housing construction and remodel markets and increased sales in China
- Decline in Australian multi-family construction volumes impacted product sales mix
- Inter-company sales up 13% (+ 20% on a constant currency basis) due to strong demand in the Americas
- EBITDA increased 31% driven by stronger volumes. Prior year EBITDA negatively impacted by lower sales to the Americas as part of inventory optimisation programme
- EBITDA margins improved from 18.2% to 21.6% due to operational leverage from higher manufactured volumes
- Margins positively impacted by the realisation of profit in stock arising from increased sales to the Americas and reduction in inventory levels

Segment results: EMEA

Strong sales recovery post COVID-19 lock down

GBPm	HY2020	HY2021	% over pcp
Net Sales	**94.4**	**104.6**	**11%**
EBITDA	**28.4**	**34.6**	**22%**
EBITDA margin	*30.1%*	*33.1%*	*300 bps*
EBIT	**23.2**	**29.0**	**25%**
EBIT margin	*24.6%*	*27.7%*	*310bps*



Commentary on 1st Half Performance

- Sales volumes recovered in July and August following easing of COVID-19 government restrictions
- Improved sales activity driven by pent-up demand following the COVID-19 lockdown and from channel partners rebuilding depleted inventory levels
- Sales growth driven by the strong repair and remodel markets in the UK
- Sales in Continental Europe were up slightly – lower pent-up demand from the initial lock downs due to a less pronounced downturn in the fourth quarter of FY20
- First half EBITDA margin increased by 300 basis points:
  - Higher volumes and operational leverage
  - Synergies delivered through the integration of the John Guest business and RWC
  - Other cost out initiatives including a restructure of manufacturing, administrative and support functions in the UK

Cash flow performance

Strong cash performance, cash conversion on target at 94%

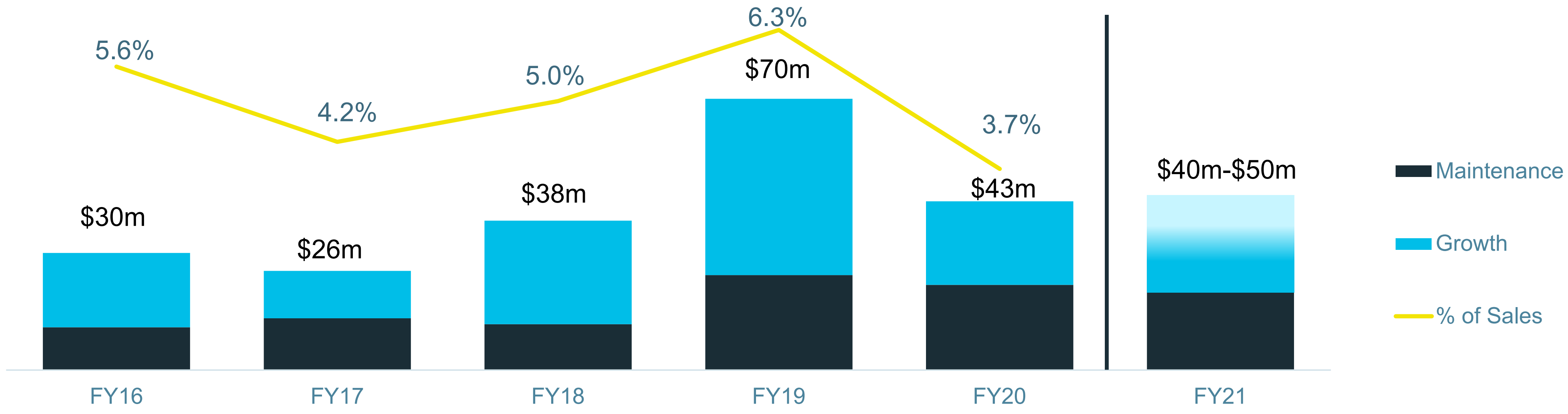
A$m	HY2020	HY2021	%
Reported EBITDA	126.3	166.3	32%
Changes in working capital	(6.5)	(10.7)	
Cash flow from operations	132.8	155.6	17%
Operating cash flow conversion	105%	94%	
Capital expenditure	25.4	11.9	-53%
Cash dividends paid	39.1	55.3	41%

Commentary

- Working capital down by $15.1 million since 30 June 2020 due to foreign currency translation impacts
- Inventory levels higher due to the seasonal build-up of finished goods and raw materials primarily in the Americas, largely offset by increased payables and accrual increases
- Trade and other receivables were broadly flat excluding foreign currency translation impacts
- Cash dividend payments higher due to payment of FY20 deferred interim dividend and FY20 final dividend in the period

Capital expenditure

FY2021 forecast capital expenditure of $40m to $50m



FY16

Cullman Phase 1 expansion completed, increasing brass PTC fittings production capacity

Potential to further increase capacity with incremental capital outlay

FY17

Property acquisition in Cullman

Capacity expansion following regular review of capital plan

FY18

Capacity expansion supporting core PTC product growth in the USA

FY19

Expansion of product range, capacity and efficiency in PEX pipe, HydroFlame Pro and EvoPEX

Planned expansion at John Guest

New ERP system for APAC

FY20

Production expansion in the USA and UK

New product development including HydroFlame

New ERP system for EMEA

Balance Sheet further strengthened

Debt metrics

A$m	31 Dec 2019	31 Dec 2020
Cash and cash equivalents	24.4	39.6
Gross debt	419.1	265.7
Net debt[1]	**394.7**	**226.0**
Net debt / EBITDA	1.57x	0.88x

Net working capital

A$m	31 Dec 2019	31 Dec 2020
Trade and other receivables	214.7	247.0
Inventories	239.1	244.1
Trade and other payables	(139.5)	(196.0)
Net working capital	**314.4**	**295.1**

Commentary

- Strong balance sheet with net leverage of 0.88x as at 31 December 2020
- Net debt reduced by $168.7m since 31 December 2019, and by $76.2m in 1H21:
  - $34.0 m reduction due to foreign currency translation impacts
- Syndicated bank debt facility of $750m:
  - Facility is in 3 tranches: $250m expires 30/9/22 and $500m expires 30/9/23
- Headroom of $558m available in cash and undrawn committed debt funding
- Continue to remain comfortably in compliance with financial covenants

[1] Net debt excludes lease liabilities

Capital Management

RWC's Capital Management approach

Capital management approach aims to minimise the cost of capital and ensure ongoing access to funding to meet future requirements

Strong Financial Focus	Value creation			Capital management		
Improving long term margins and returns	**Organic Growth**	**Capital Investment**	**Acquisitions**	**Capital structure**	**Consistent dividends**	**Capital returns**
• Margin expansion through continuous improvement initiatives • Strong operating cash flow performance • Maintenance of investment grade equivalent credit metrics • Improving return on equity	**Above-market growth in 3 regions:** • Americas • APAC • EMEA	**Ongoing investment in:** • capacity expansion • core new product development Ongoing assessment of operational footprint and supply chain optimisation	**M&A aligned with strategy:** • Fill gaps in product range • Expand distribution or end-user scope • Broaden geographic presence	**Target Leverage Range:** Net Debt to EBITDA of 1.5 - 2.5 times	**Target Dividend Payout Ratio:** 40-60% of NPAT Franked to the extent possible – estimated at less than 30%	**On-market Share Buybacks:** Preferred means of distributing excess cash beyond dividends Assessed when appropriate

Capital Management

Considerations in setting leverage targets and distribution strategy

- RWC will target a leverage ratio (Net Debt to EBITDA) in the range of 1.5x to 2.5x
- Maintaining leverage within this range will ensure the company has ready access to debt markets with appropriately low levels of refinancing risk
- The key objectives of RWC's approach to capital management are:
  - Funding on-going capital re-investment in the company
  - Enabling the company to take advantage of ongoing growth opportunities and to respond to changing operating conditions
  - Preserving balance sheet flexibility to maintain ready access to debt markets and ensuring liquidity
  - Maximising returns to shareholders
- If leverage drops below lower end of target range and near-term investment opportunities that meet return requirements are limited, RWC will consider returning surplus capital to shareholders in addition to dividends
- An on-market share buyback would be most effective means of distributing excess cash and would contribute to positive earnings accretion on an Earnings Per Share (EPS) basis
- Share buybacks will be considered in future having regard to level of earnings, operating performance, economic outlook, and capital requirements to support organic growth and other investment opportunities including M&A

Strategy and Outlook

Strategy overview

Our strategy is unchanged but with a near term focus on execution

- Creating value through Product Leadership
  - Solutions for the end-user: improving contractor productivity, empowering the DIYer
  - Value for the distributor: increasing value on their shelf, providing broadest access (to our product) for the end-user
  - Industry leading execution: premium quality, outstanding delivery performance, margin expansion
- Underpinned by a people focus: supporting and developing our people, supporting and caring for the broader community
- Near term priorities for FY21
  - Continued emphasis on execution, achieving exceptional delivery performance while balancing inventory levels and seeking cost savings and efficiencies
  - Renewed focus on M&A, now that COVID has stabilised and we have our arms around the UK as a platform

Outlook for FY 2021

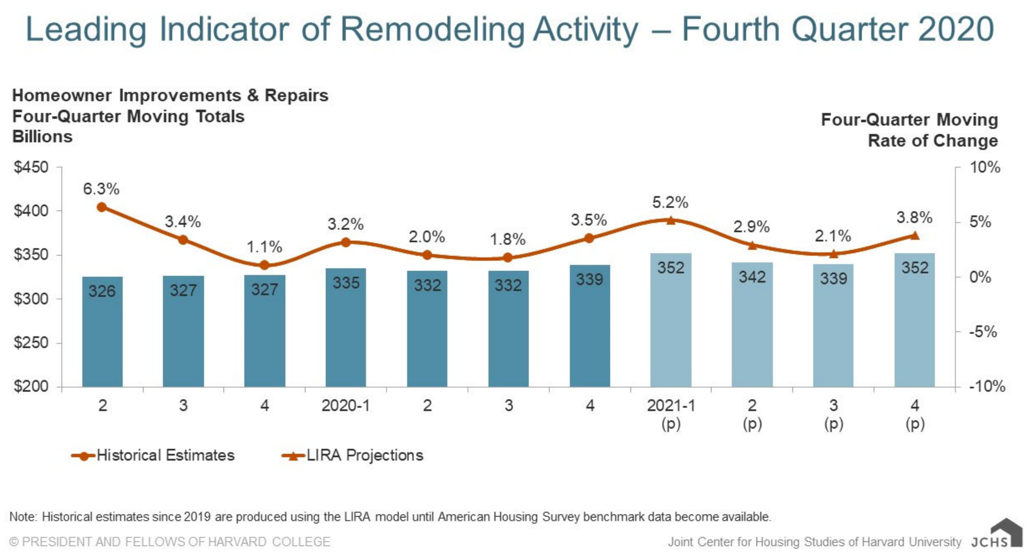
RWC is not providing earnings guidance due to the continued uncertain market outlook and potential impacts of further COVID-19 outbreaks[1]

- We will ensure the market has appropriate visibility on trading conditions as FY2021 progresses
- Sales growth rates may change materially from March onwards due to the impact of COVID-19 on sales in pcp:
  - US sales lifted significantly from March 2020: pcp sales growth comparisons likely to moderate from March 2021 onwards
  - UK sales adversely impacted by lockdown from March to June 2020: pcp sales comparisons expected to be favourable
- Inflation pressure on raw materials (zinc, steel and resins), freight and packaging may adversely impact 2H earnings
- **January** 2021 sales relative to the pcp have continued to show positive momentum:
  - There were 2 fewer trading days in the month versus pcp. Sales on a constant currency basis were 14% higher than for the same month last year but 24% higher on a daily sales basis
  - **Americas** sales remained strong, up 20% on pcp, with retail sales again driving strong growth
  - **APAC** external sales up 1%, intercompany sales significantly higher than pcp due to sustained strength in the US
  - **EMEA** external sales up 6% on pcp. UK plumbing and heating sales up 18%, Continental Europe sales up 6% on pcp
- Positive sales growth in all regions during the first half of **February**

[1] Key assumptions for FY2021 are set out in the Results Announcement dated 22 February 2021

Segment performance drivers: Americas

Outlook for US home improvement in 2021 has strengthened



Key indicators:

- Leading Indicator of Remodelling Activity (LIRA)
- Home value trends: R&R activity has tracked home values historically
- New housing permits and commencements
- Household formations
- Activity in sales of existing homes

Market backdrop:

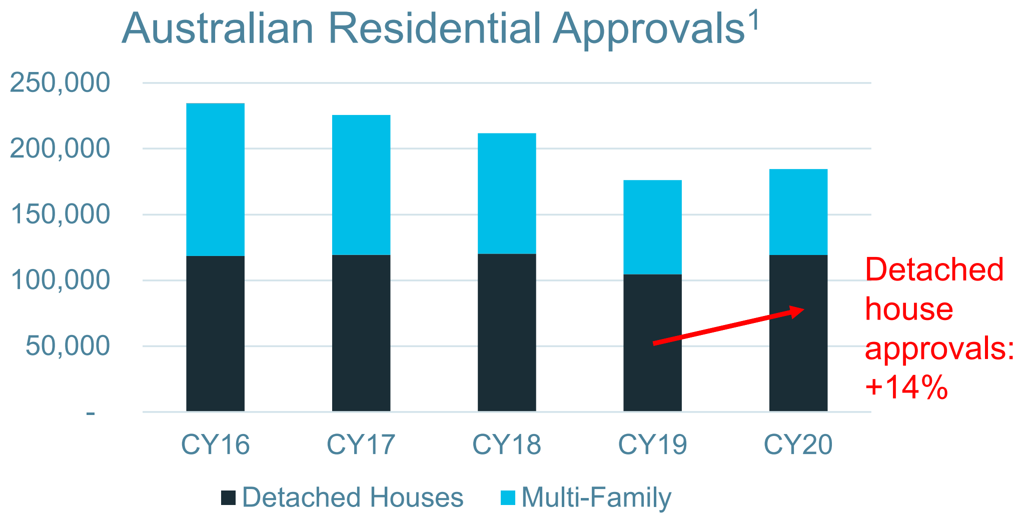
- US gains in homeowner spending for improvements and repairs expected to continue in 2H21
- The surge in DIY and small project activity also expected to continue lifting the remodelling market
- Surge in single-family home construction contrasting with changing preferences away from apartments - new multi-family to break ground in the fourth quarter of calendar 2020 the fewest since 2011
- Non-residential construction continues to be adversely impacted by COVID-19 - construction spending on hotels, retail stores, office buildings and educational facilities has fallen in recent months

What we will be watching for:

- Continued elevated demand at retail and hardware
- Continued strength of residential new construction
- Bounce back of commercial construction

Segment performance drivers: Asia Pacific

Improving Australian new residential construction should positively impact volumes



Key indicators:

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

Market backdrop:

- Residential demand proved resilient throughout COVID
- Government stimulus has boosted house construction and is expected to offset most of the weakness in commercial and apartment activity for FY21
- Unwinding of HomeBuilder program and state govt incentives: new dwelling starts may decline beyond FY21
- Population forecasts indicate migration and population growth may not return to pre-COVID levels until 2024
- Construction activity could be impacted by future state lock down restrictions owing to outbreaks of COVID-19

What we will be watching for:

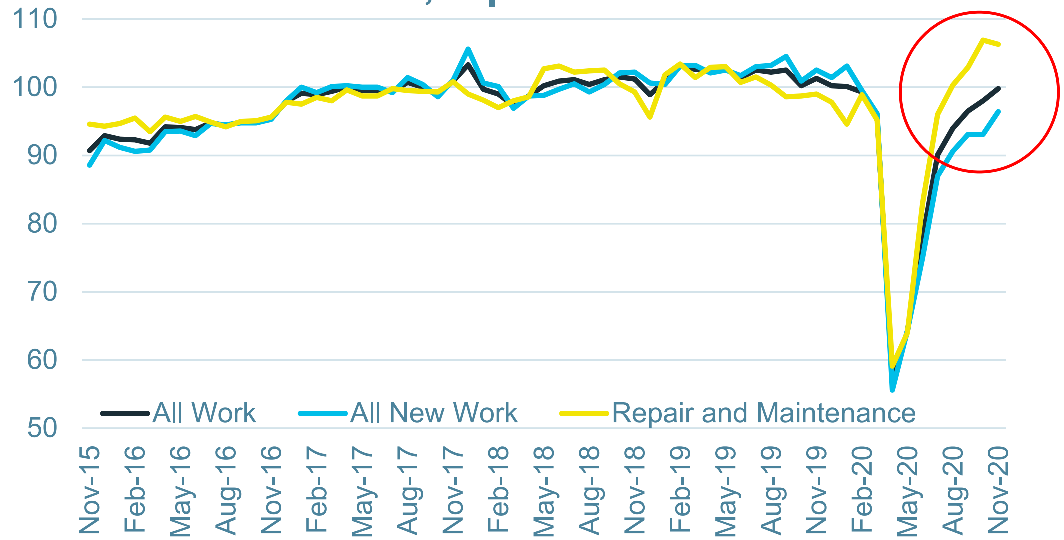
- Continuation of strong trends in detached dwelling new residential construction
- Any recovery in multi-family / apartment approvals
- Potential impact on manufacturing recoveries as we manage US inventory back down

[1] Source: Australian Bureau of Statistics: total number of dwelling units, all sectors, seasonally adjusted

Segment performance drivers: EMEA

Strong rebound in repair and maintenance activity in the UK

UK new work, repair and maintenance[1]



Key indicators:

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

[1] Source: UK Office of National Statistics

Market backdrop:

- First half demand in the UK driven by plumbing and heating volume growth with restocking of distributors and a strong recovery in the repair and remodelling market
- Market conditions in 2H expected to remain positive, total construction output expected to return to 2019 levels
- New residential construction has already recovered to pre-COVID levels, recovery in commercial slower
- The repair and remodelling sectors are expected to stay positive, boosted by stay-at-home trends
- Continental Europe expected to deliver 2H sales growth. Drinks dispense likely to remain sluggish, other OEM sectors have a positive outlook

What we will be watching for:

- Evidence that pent-up demand has been met, and demand slows
- Continuation of lock-down and any impact on attitudes towards investment in home (as observed in the US)
- Impact of COVID on discretionary drinks dispense products

Copper Cost Impacts

RWC consumes c.8,000 tonnes of brass p.a. of which copper is the main input

	Average Copper Price (US$/tonne)			FY EBIT Impact
	1H	2H	FY	YoY (A$m)
FY2020	6,167	5,843	6,005	5.9
FY2021	5,490	6,869[1]	6,179[1]	(1.8)[1]
FY2022[2]	7,800	7,800	7,800	(18.5)[3]

- Earnings Sensitivity: every US$100 / tonne change in the copper price impacts EBITDA by A$1.2m to $1.3M
- FY22: aiming to achieve offsets to largely mitigate cost impacts

[1] Forecast
[2] Figures are for illustrative purposes only and do not represent forecasts
[3] Gross impact without mitigating actions, assuming average copper price of US$7,800 throughout FY22

Managing copper cost impacts – a multi-pronged approach:

- Price increases - depending on region (incl. currency) and product mix, with indexing where appropriate
- Supply chain mitigation efforts - including sourcing and greater management of the recycling process
- Product design – improved features and benefits also resulting in potential methods of reducing amount of brass in fitting and/or use of alternative materials:
  - Plastic PTC fittings already in market and under assessment: EvoPEX and ProLock
  - John Guest engineering expertise - multiple designs and options
  - Next generation designs – clear roadmap around future designs and costs

Priorities for FY2021

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

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

Summary

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

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

2020 Social Impact Report

Released recently along with RWC's first Modern Slavery Statement

- RWC's approach integrates our strategy and our ESG approach through the lens of product leadership, operational excellence, supporting our people, and robust governance
- Diversity and Inclusion: framework established across RWC in 2020
- Modern Slavery: work plan drafted with short and long-term goals to address modern slavery
- Our focus on product leadership and operational excellence has been mapped to the relevant United Nations Sustainable Development Goals.

Q&A