



2023 Annual General Meeting

26 October 2023

RELIANCE WORLDWIDE CORPORATION LIMITED
ABN 46 610 855 877



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Reliance Worldwide Corporation Limited uses non-IFRS measures such as EBITDA, Adjusted EBITDA, Adjusted EBIT and Adjusted NPAT to assess operating performance. These non-IFRS measures have not been subject to audit or audit review. Please refer to the Results Announcement dated 21 August 2023 for further detail on these non-IFRS measures.

RWC Board of Directors



Stuart Crosby
Non-Executive Chairman



Heath Sharp
Chief Executive Officer



Christine Bartlett
Independent Non-Executive Director



Russell Chenu
Independent Non-Executive Director



Darlene Knight
Independent Non-Executive Director



Sharon McCrohan
Independent Non-Executive Director



Ian Rowden
Independent Non-Executive Director



Brad Soller
Independent Non-Executive Director

Chairman's address

Stuart Crosby

FY23 Financial Highlights

All figures in US\$

Net sales

\$1,243.8 million

+6% growth overall¹
+9% constant currency growth

Adjusted EBITDA

\$274.6 million

+2% on pcp
+5% on pcp in constant currency

Adjusted NPAT

\$155.7 million

-4% on pcp

¹ Growth rates expressed as change over comparative period for the year ended 30 June 2022

Higher operating cash flow: net debt reduced by \$116m



Debt metrics

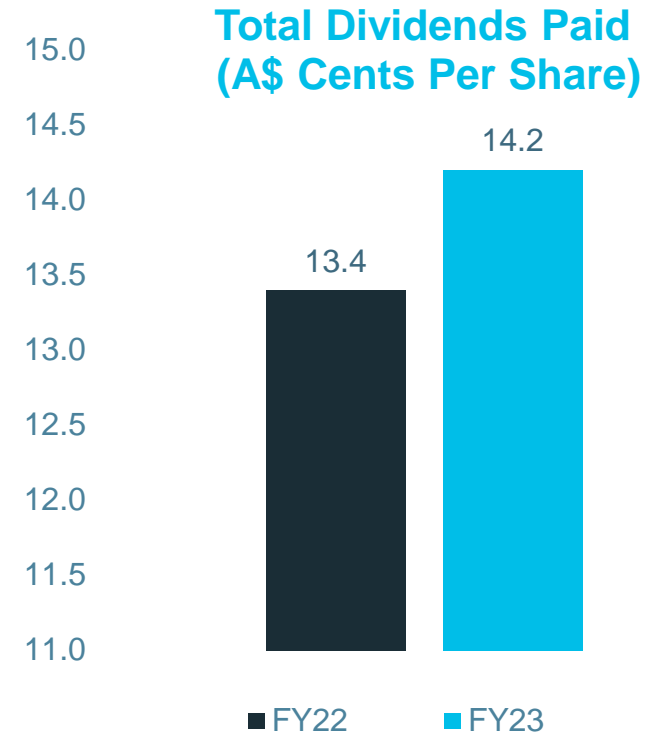
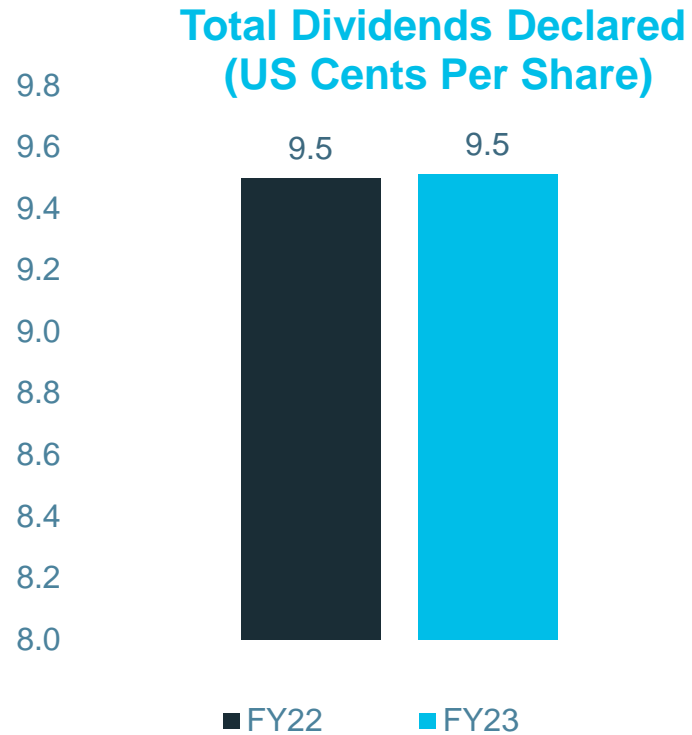
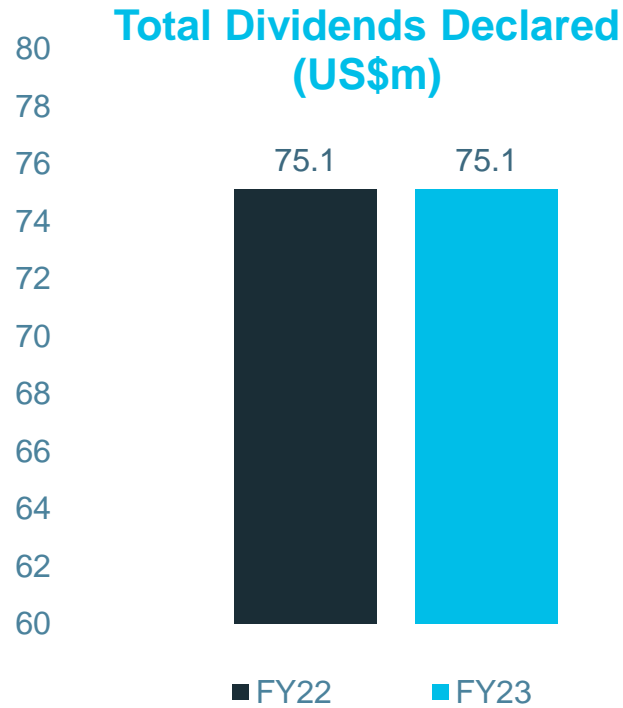
US\$m

30-Jun-23 30-Jun-22

	30-Jun-23	30-Jun-22
Cash and cash equivalents	16.6	27.7
Gross debt	451.7	578.7
Net debt¹	435.0	551.1
Net debt / EBITDA ²	1.69x	2.1x

FY23 Dividend

FY23 Dividend pay-out ratio of 54% of Reported NPAT, 48% of Adjusted NPAT



RWC Board Committee Chairs



Sharon McCrohan

**Chair – ESG
Committee**



Darlene Knight

**Chair – Health & Safety
Committee**



Russell Chenu

**Chair – Audit & Risk
Committee (to 26 October 23)**



Christine Bartlett

**Chair – Nomination &
Remuneration Committee**

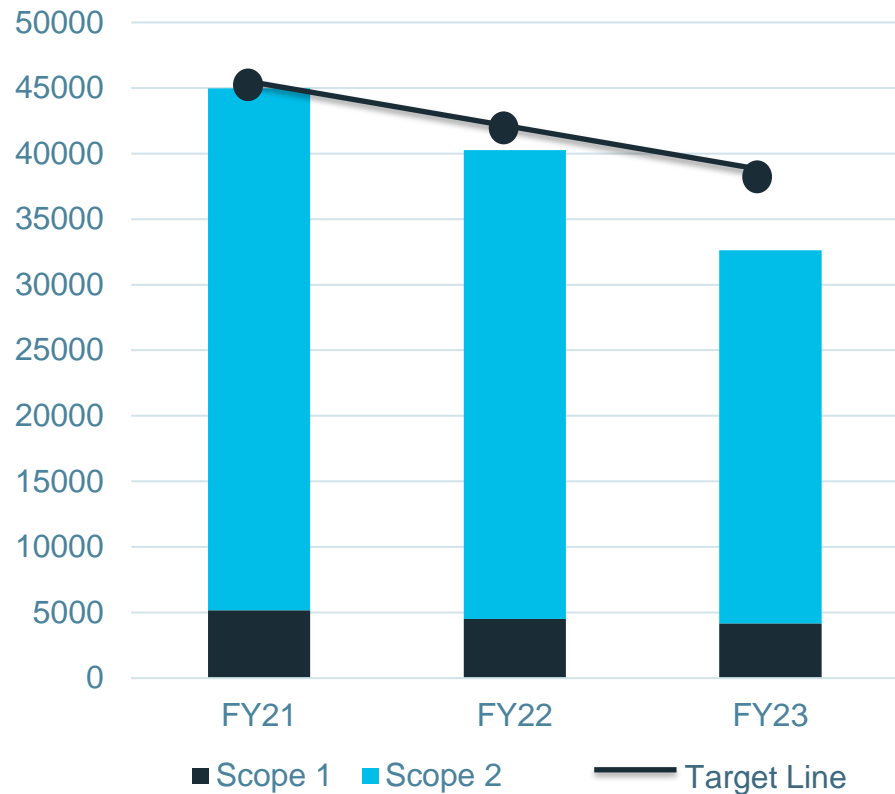


Brad Soller

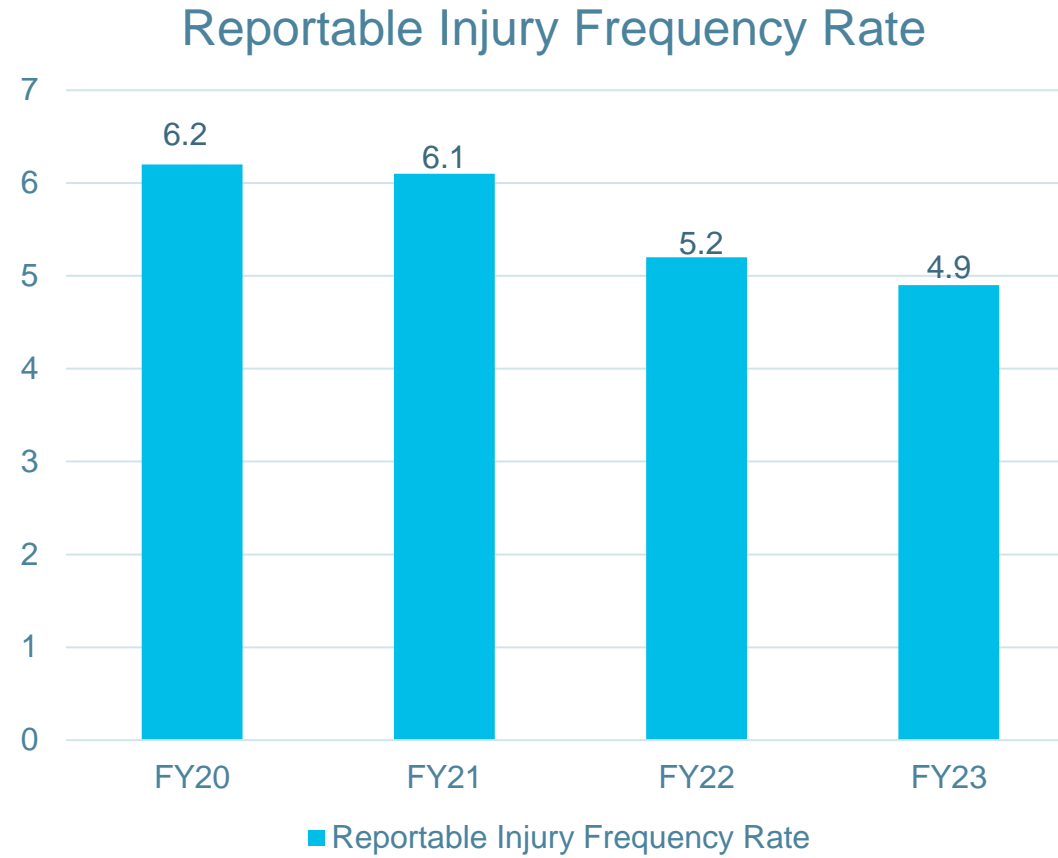
**Chair – Audit & Risk Committee
(from 26 October '23)**

ESG FY23 Highlights

GHG Scope 1 & 2 Results



Health & Safety



Remuneration

- The remuneration market for CEO's in the US has moved significantly since 2021, particularly for LTI awards
- A review of CEO remuneration arrangements, including LTI opportunity in FY23, resulted in several changes to RWC's LTI framework
- US and Australian external consultants provided advice on structure and benchmarking analysis as part of the review
- Key factors included:
 - RWC is predominantly a US business whose shares are listed on the ASX
 - Over 70% of external revenue is generated from its Americas business
 - 75% of senior executives and other leaders are based in the Americas, including CEO
 - Majority of senior roles within RWC, other than regional roles, will be filled from the US employment market. Having US competitive employment terms is vital to recruiting and retaining talent
 - Benchmarking analysis against a peer group of 16 building materials companies (all NYSE listed) and 14 of which are US based
- As a result of this review, the quantum of LTI for RWC CEO Heath Sharp has increased and an element of service period only stock has been introduced to have a remuneration package which is appropriately market competitive in the US

CEO's address

Heath Sharp

FY23 Overview

Resilient performance despite significant economic headwinds

Ongoing outperformance relative to market

- 9% constant currency sales growth including EZ-Flo¹, 3% excluding EZ-Flo

Resilience of core R&M market sector reconfirmed

- Focus on non-discretionary repair projects and backlog of remodel work supported volume in the face of higher interest rates and lower economic growth

Strong financial performance

- Significant improvement in operating cash flow generation up 110%, cash conversion of 107%
- Operating margin improvement during the course of the year
- \$18.3 million cost reductions enabled stable margin performance despite lower volumes

Successful major product and operational projects

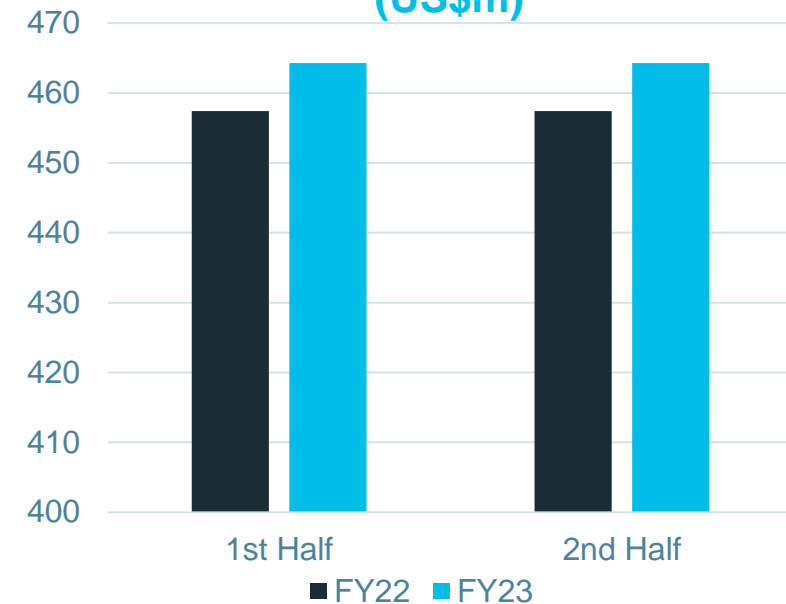
- Successful launch of 2 new product ranges in the Americas – SharkBite Max and PEX-a
- Major investments in US manufacturing and reconfiguration of Australian manufacturing operations

Segment results: Americas

Revenue and EBITDA growth from EZ-Flo acquisition

US\$m	FY23	FY22	% Change
Net Sales	890.1	791.0	13%
Adjusted EBITDA^{1, 2}	159.5	133.8	19%
<i>Adjusted EBITDA margin (%)</i>	<i>17.9%</i>	<i>16.9%</i>	<i>100bps</i>
Adjusted EBIT^{1, 2}	131.0	111.5	17%
<i>Adjusted EBIT margin (%)</i>	<i>14.7%</i>	<i>14.1%</i>	<i>60bps</i>

Americas Half Year Revenue Trend (US\$m)



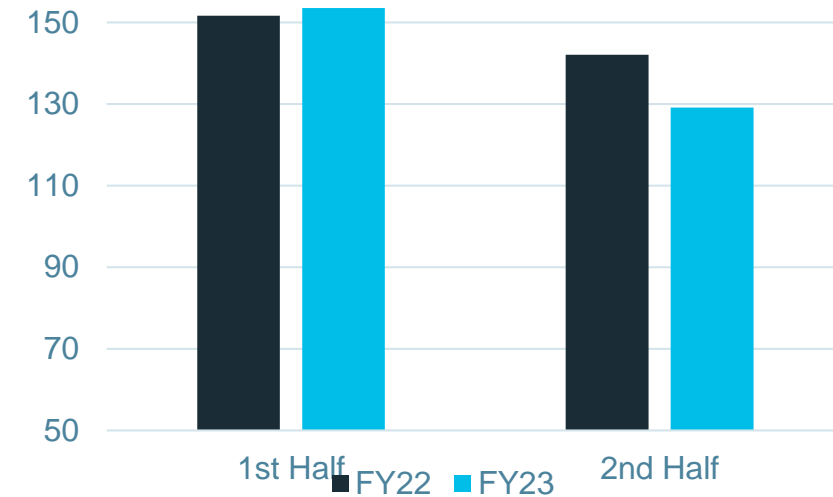
¹ EBITDA and EBIT adjustments for FY23 comprise one-off costs to achieve EZ-Flo cost reduction synergies (\$4.3 million), restructuring costs (\$1.3 million) and one-off costs incurred in the introduction of SharkBite Max (\$1.6m)
² Prior to elimination of profits made on inventory sales between segments

Segment results: Asia Pacific

Transfer of SharkBite manufacturing to the US impacted volumes

A\$m	FY23	FY22	% Change
Net Sales	282.7	293.5	(4%)
Adjusted EBITDA¹	47.2	58.7	(20%)
<i>Adjusted EBITDA margin (%)</i>	<i>16.7%</i>	<i>20.0%</i>	<i>(330bps)</i>
Adjusted EBIT¹	33.2	44.6	(26%)
<i>Adjusted EBIT margin (%)</i>	<i>11.7%</i>	<i>15.2%</i>	<i>(350bps)</i>

APAC Half Year Revenue Trend (A\$m)



¹ EBITDA and EBIT adjustments for FY23 comprise one-off costs associated with the transition to lead-free brass (US\$1.6 million) and restructuring costs resulting from the transfer of some SharkBite manufacturing to the US (US\$1.7 million)

² Prior to elimination of profits made on inventory sales between segments

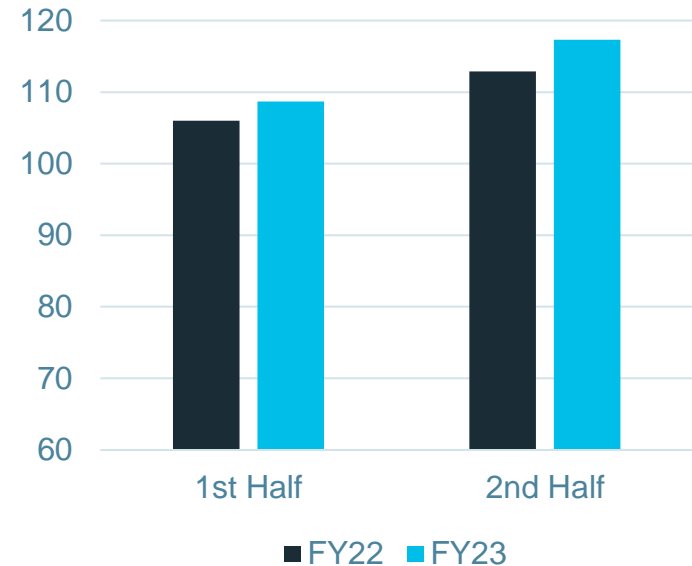
³ Source: Australian Bureau of Statistics

Segment results: EMEA

UK sales up 7%, Continental Europe sales down 5% on pcp

£m	FY23	FY22	% Change
Net Sales	226.0	218.8	3%
Adjusted EBITDA^{1, 2}	72.9	74.3	(2%)
<i>Adjusted EBITDA margin (%)</i>	<i>32.3%</i>	<i>34.0%</i>	<i>(170bps)</i>
Adjusted EBIT^{1, 2}	61.5	64.2	(4%)
<i>Adjusted EBIT margin (%)</i>	<i>27.2%</i>	<i>29.3%</i>	<i>(210bps)</i>

EMEA Half Year Revenue Trend (£m)



¹ EBITDA and EBIT adjustments for FY23 comprise \$15.0 million gain on sale of surplus UK property, and one-off restructuring costs (\$3.0million)

² Prior to elimination of profits made on inventory sales between segments

FY23 Operational Highlight: 2 new product ranges launched

SharkBite Max and PEX-a/Expansion Fitting range launched in Americas



- North American launch on 23 March 2023
- 5-phase SKU rollout over 15 months, completion expected end of FY24
- Phases 1 and 2 completed, Phase 3 now underway
- Transfer of SharkBite assembly from Australia to US being managed progressively
- Price uplift will be realised in line with rollout progression



- Commissioning of new PEX-a pipe manufacturing lines in Cullman plant underway
- Rollout to 1,600 Lowe's stores on schedule for completion by end of calendar 2023
- Rollout to Wholesale to follow

FY23 Operational Highlight: manufacturing reconfiguration

Reshaping of Australia manufacturing footprint with production transferred to the US



- SharkBite Max design has enabled some manufacturing and all assembly of North American product to shift from Australia to the US
 - Injection moulding of all components has transferred
 - Cartridge assembly equipment has also been installed and is fully operational
 - Next generation assembly machines installed and operational in the US
- Elbows, tees, complex shapes will continue to be forged in Australia
- Compresses length of RWC's supply chain for these products, reduces inventory levels
- Australia will remain RWC's centre of excellence for all brass manufacturing activities and valve development
- RWC is positioned to lead Australia and New Zealand's transition to lead-free brass plumbing fittings in new potable water applications by May 2026



Strategy Overview

Creating value through product leadership

Solutions for the job site



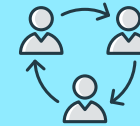
Smart product solutions that improve contractor productivity, enable the DIYer, and make lives easier.

Working in the field to understand job site requirements and challenges

Product engineering that is creating the future of plumbing

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

Value for the distributor



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

Superior customer service provides the foundation partners can count on

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

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

Industry leading execution



Premium quality products and unrivalled operational efficiency delivering margin growth.

Safety culture to ensure a work environment that protects our people

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

Sustainability focus delivers a more efficient operation while reducing environmental impact

RWC named Lowe's Plumbing Vendor Partner of the Year

2023 was the 4th time RWC has achieved this in our 7-year relationship



First quarter trading update

Ongoing resilience of R&R globally continues to underpin the business

Americas

- Trading is in line with expectations
- Sales down low single-digit percentage points
- Lower remodelling activity levels

Asia Pacific

- Trading is in line with expectations, sales down mid-single digit percentage points
- R&R resilient, partly offsetting 17% decline in home commencements in y/e 30 June 23¹
- Lower intercompany sales due to transfer of SharkBite Max assembly to the US

EMEA

- UK plumbing & heating sales down by low single digit percentage points
- More significant decline in specialty product sales in the UK and FluidTech in Continental Europe
- Total EMEA external sales down ~10%

Group

- Strong cash result in the 1st Quarter assisted by inventory reductions
- Further net debt reduction in the 1st Quarter

Outlook for FY24

Americas

- Expect sales to be down by low single-digit percentage points
- EBITDA margins in FY24 expected to be higher than FY23, following SharkBite Max production transfer from Australia to the US
- Phased timing means this will be more evident in the 2nd Half

Asia Pacific

- External sales expected to be down by low single-digit percentage points
- Lower external and inter-company volumes will negatively impact operating margins

EMEA

- External sales expected to continue to be down by high single-digit percentage points
- Expect core UK P&H sales to be resilient, UK Speciality Sales and FluidTech sales in Continental Europe to remain challenging
- Operating margins will be lower due to reduced volumes

Group

- Anticipate consolidated sales will be down by low to mid single digit percentage points
- Cost saving initiatives are on track, continued tight cost management
- Continue to target stable Group EBITDA margin in line with FY23
- Expect 1st Half margin to be lower than pcp
- On track to meet operating cash flow conversion target of 90% or better for the full year

Our Focus for 2024

Position RWC to reap benefits of a stronger, fitter business once demand returns

- Everyone safe every day: deliver further progress in Health and Safety performance
- Continue above market growth in all key geographies
- Execute on new product initiatives launched in 4th Quarter of FY23:
 - SharkBite Max
 - PEX-a pipe and expansion fittings
- Execute transition to lead-free brass in APAC
- Disciplined cost focus, and maintain operating margins
- Deliver another year of strong cash flow performance through working capital management, continue to build balance sheet strength
- Continue to invest in our people, products and the business

While the outlook for FY24 is uncertain, our focus will ensure that RWC continues to outperform the market and is positioned to take advantage of any upswing in demand



Plumbing matters. We make it better.