



# Investor Day

September 2019



# Important notice

This presentation contains general information about the activities of Reliance Worldwide Corporation Limited and its operating businesses at the date of presentation (18 September 2019). It is information given in summary form and does not purport to be complete. It should be read in conjunction with Reliance Worldwide Corporation Limited's periodic reporting and other announcements made to the ASX.

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

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

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 Circumstances may change and the contents of this presentation may become outdated as a result.



Investor Day  
**Welcome and Objectives**

Wednesday September 18, 2019



# Agenda

<b>Welcome and Safety</b>	<b>8:00am – 8:15am</b>	Heath Sharp, Rodney Maronay
<b>Strategy Overview</b>	<b>8:15am – 9:15am</b>	Heath Sharp, Gerry Bollman, Kal Nanji
<b>StreamLabs Product Showcase</b>	<b>9:15am – 10:00am</b>	Heath Sharp, Dixon Thuston, Sam Elia
<b>End User Markets</b>	<b>10:00am – 10:15am</b>	Heath Sharp
<b>Break</b>	<b>10:15am – 10:30am</b>	
<b>EMEA</b>	<b>10:30am – 11:15am</b>	Edwin de Wolf, Bart Maris, Matt Williams
<b>Americas</b>	<b>11:15am – 12:00pm</b>	Sean McClenaghan
<b>Operations</b>	<b>12:00pm – 12:30pm</b>	Tracy Scott, Matt Williams
<b>Tour</b>	<b>12:30pm – 1:30pm</b>	All, Operational Leads
<b>Lunch, Wrap Up, Q&amp;A</b>	<b>1:30pm – 2:30pm</b>	Heath Sharp, All

# Objectives

## Key insights that you will acquire today



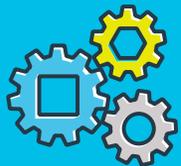
Clarity on our vision for growth driven by talented people, shared and consistent values, and a compelling value proposition



An understanding of how we leverage our growth platforms that include demand generation, distribution, innovation and M&A to deliver results



Greater understanding about our growing product portfolio that provides clever solutions for diverse end user segments across the globe



The value of our core competency enhancements across the organization and an appreciation of our investments in capability, processes and systems



# Investor Day Strategy Review

Wednesday September 18, 2019

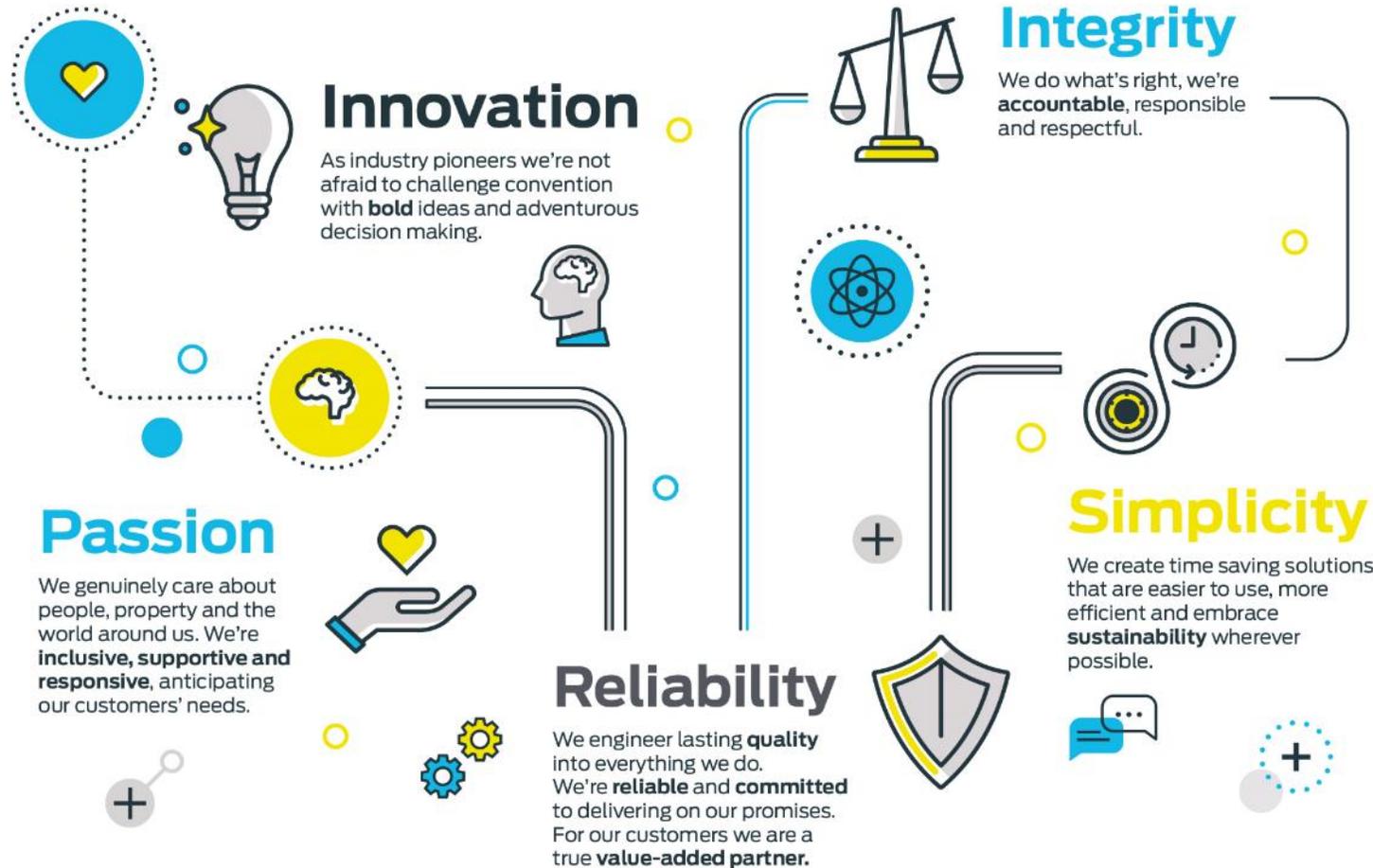


# Our strategy summary sets out our priorities

A clear growth plan focused on key customer segments underpinned by our values



# Our values represent the foundation of our strategy for success



# Values inform our talent initiatives

## Driving programs across the group



### Training

- Implementing leadership and supervisor development programs
- Utilize E-Learning courses for all employee compliance training and new course development



### Succession planning

- Identifying high potential and succession candidates for critical roles while creating individualized development plans to ensure their success



### Talent Development

- Cross functional development and mentoring programs
- Project opportunities to expand knowledge and capabilities



### Employee Engagement

- Conducting September 2019 global survey
- Implementing engagement programs and initiatives from feedback



# Values drive our commitment to social responsibility

Focused on enhancing shareholder returns through sustainable and responsible practices

- Diversity and inclusion initiatives underway
- Sustainable product development efforts
- Proactive recycling and waste management
- Ongoing energy and resource reduction
- Employee driven community engagement
- First ESG report on track for publication by end of FY20



# Values led us to unite our family of brands

A rebranding journey to live up to the brand and connect our people



# Branding challenge

Our ever-growing portfolio requires consistency and impact

## Our brands post 2017

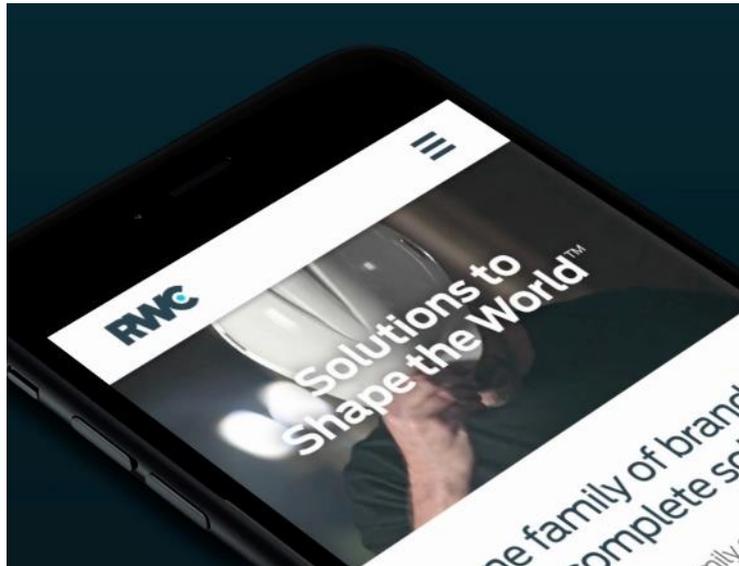
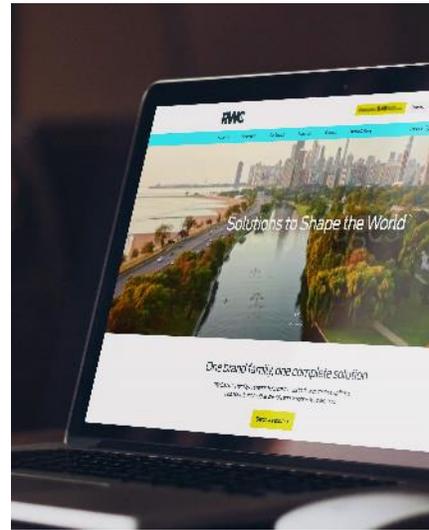


# One brand family



# Powerful branding... impactful execution

Aligned with our long-term objectives and brand values



# Shared brand values engage our greatest asset

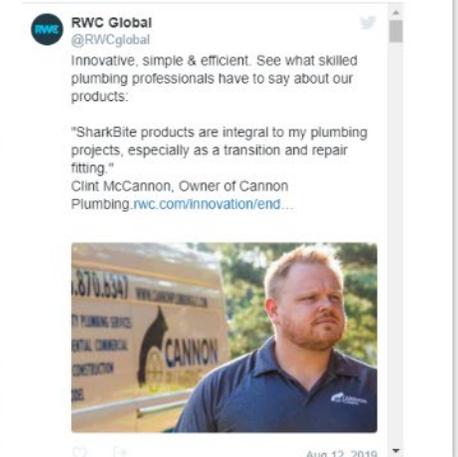
Firmly aligned with the brand, our values are engaging and connecting our people



## Featured Video



## Live Twitter Feed



# Our Priorities

And Our Growth Plan



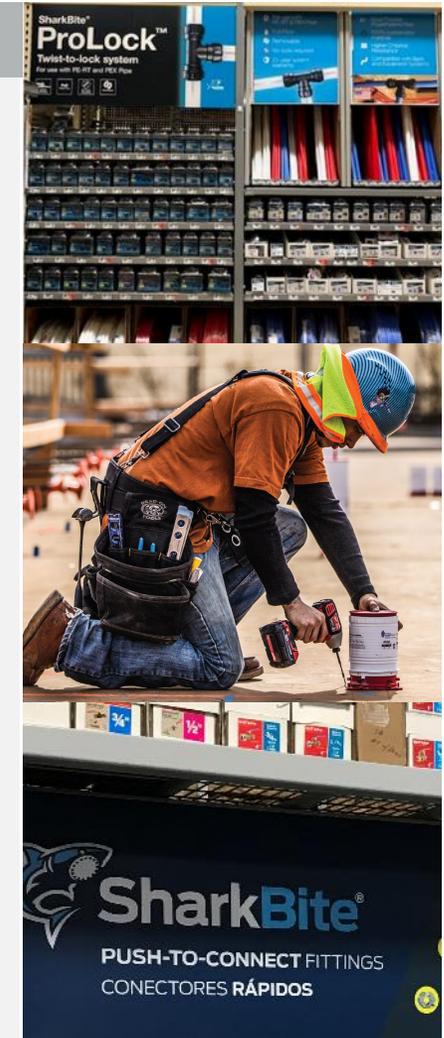
# Our strategic priorities



# Our strategic priorities

Enabling specific initiatives to accelerate, expand and access

	Goals	Example Activity
<p><b>Accelerate...</b></p>	<p>Achieve profitable growth in core, repair and maintenance markets in North America, UK and Australia</p>	<ul style="list-style-type: none"> <li>Expanding shelf space in distribution in the Americas</li> <li>Driving solution sales in the UK with JG and RWC combined portfolios</li> <li>Substantial new product additions in APAC meeting needs of our end users</li> </ul>
<p><b>Expand...</b></p>	<p>Grow into adjacent plumbing, heating and Fluid Technology end markets</p>	<ul style="list-style-type: none"> <li>Investing in adjacent categories like Firestopping to access commercial segment in Americas</li> <li>Creating growth strategy for expanded FluidTech opportunities in continental Europe</li> </ul>
<p><b>Access</b></p>	<p>Enter selected European, South American and Asian geographies</p>	<ul style="list-style-type: none"> <li>Partnering with leading LATAM distributor to access key markets in central and south America with complementary RWC products</li> </ul>



# Our growth plan

Using key levers across the organization to drive sustainable and impactful growth



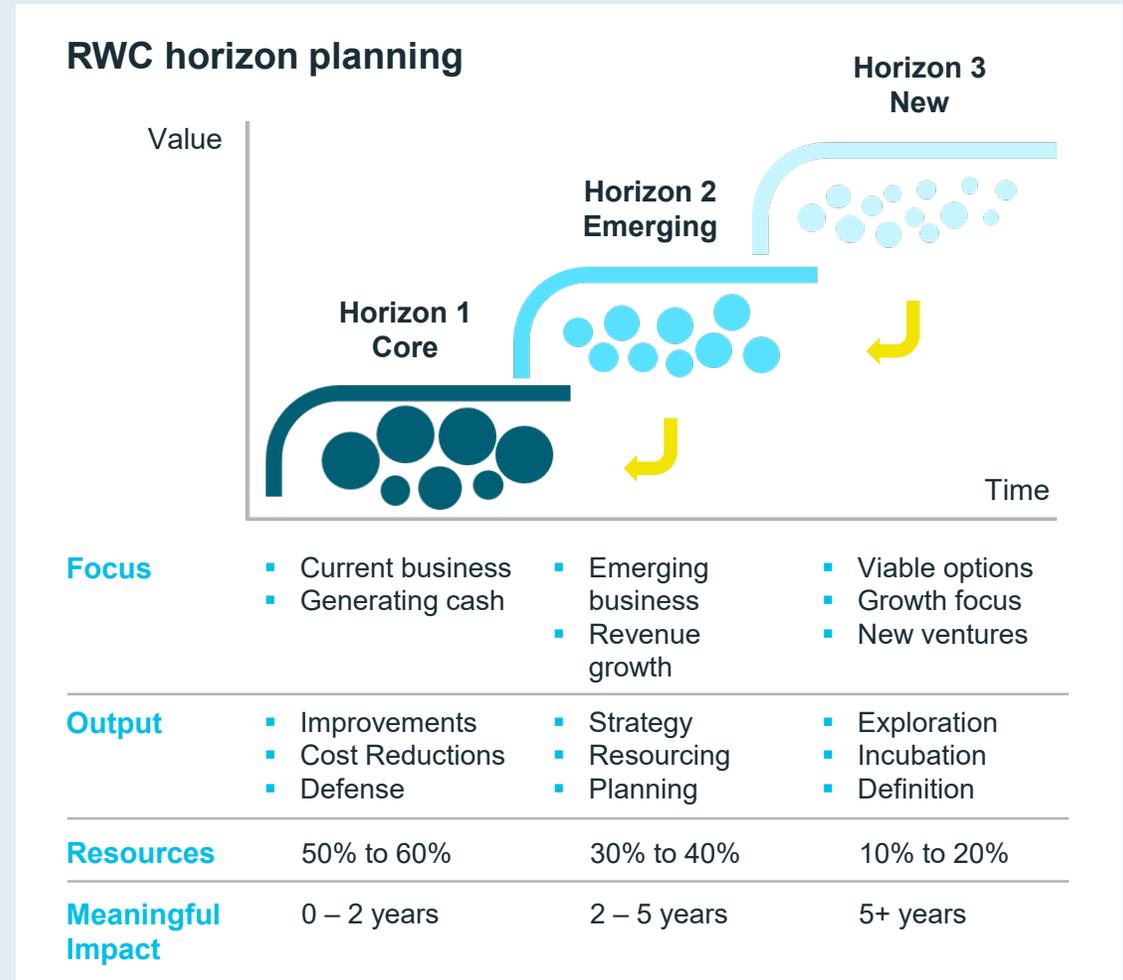
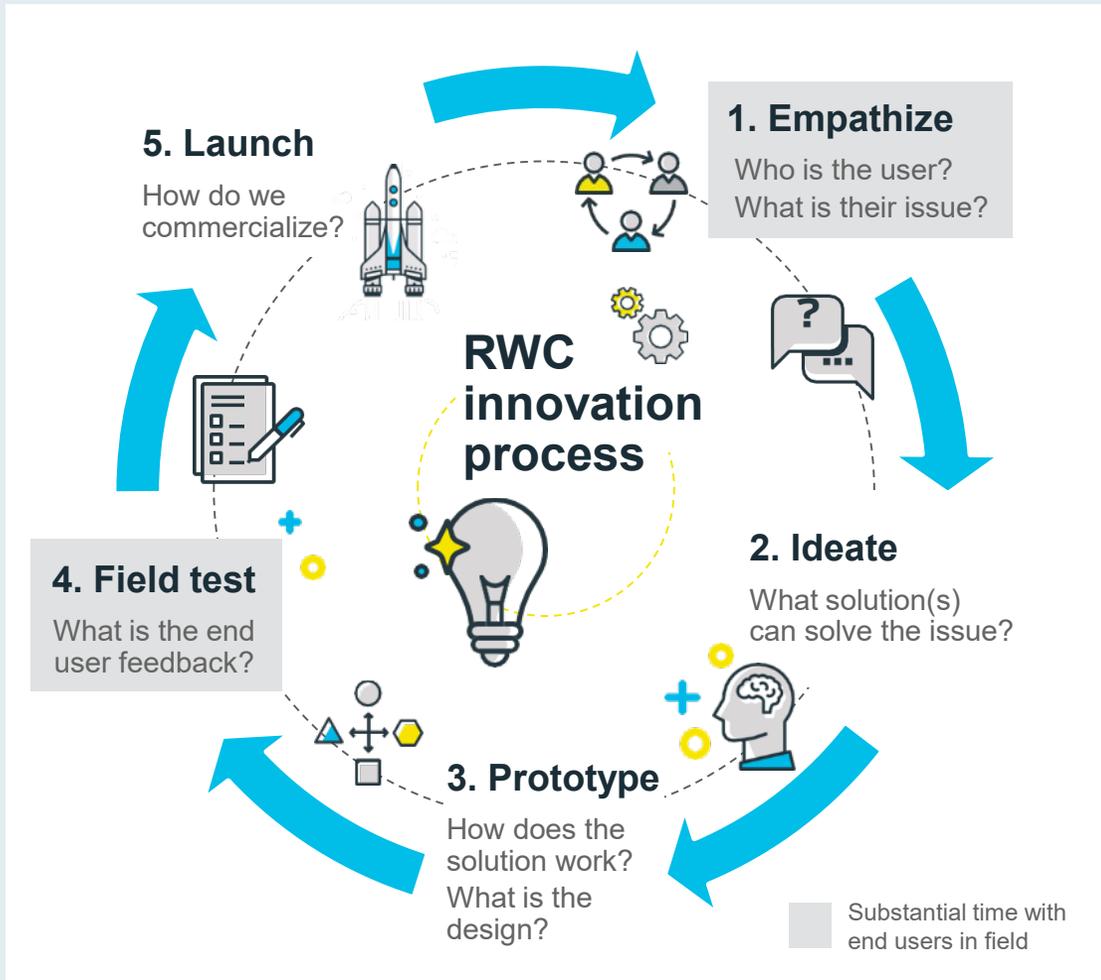
# RWC growth drivers

Focused activity supporting growth drivers are enabled by strong core competencies

	Goals	Key initiatives		
<p><b>Demand...</b></p>	Own the project with a family of compatible solutions	Combining our portfolio of brands, ensuring ease of compatibility, availability and support		Convert plumbers to our smart solutions and gain loyalty through quality, service and support
<p><b>Reach...</b></p>	Broaden through value creation for our partners	Solution focused merchandising and product sets delivering sales value		Pursuing new end markets such as commercial construction, multi-unit developers and Fluid Technology OEMs
<p><b>Innovation...</b></p>	Understand customer needs and deliver solutions	Gaining customer insights, understanding pain points	Delivering clever solutions to increase efficiency	Increasing pool of ideas and accelerating business development efforts
<p><b>M&amp;A</b></p>	Build growth capabilities and leverage	Diversify and further complete a set of clever solutions focused on end use segments across the globe		Further extend into select geographies, channels or end use segments

# Growth enablers – innovation

Development embedded in user insights to fill pipeline for current and future growth



# Growth enablers – M&A

Acquisitions will continue to be an important complement to organic growth efforts

## Historical Growth

- RWC has a successful track record of acquiring and integrating complementary products and businesses
- Acquisitions have expanded product lines, gained entry into new markets, and accelerated product innovation



## Driving Rationale

- Given underlying market growth rates, higher levels of growth will require gains from new products and/or M&A activity
- New product development and commercialization can be costly and time consuming, particularly when outside of core RWC strengths, making M&A an important complement

## Approach

### Value Creation Strategy

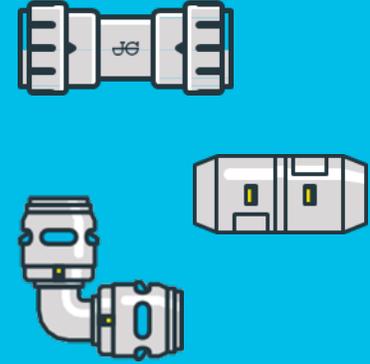
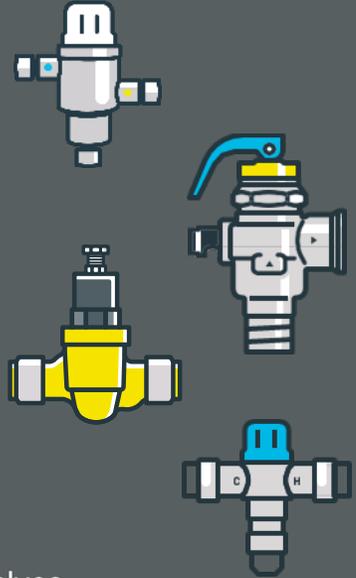
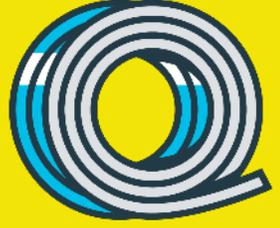
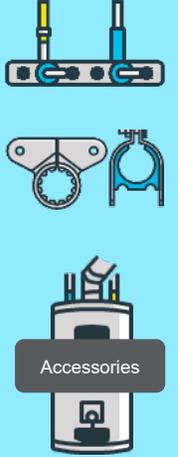
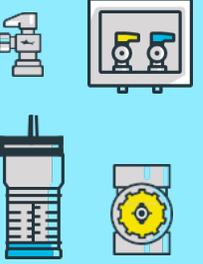
- RWC's emphasis on end customer needs requires programmatic review of acquisition targets to enhance our portfolio and market opportunities
- Strong distribution capability and industry leading execution amplifies growth of new or newly acquired products

### Target Attributes

- Clever or complementary products that allow us to expand our solution offering to the end user
- New geographies and/or distribution channels in existing geographies
- Goal supportive financials

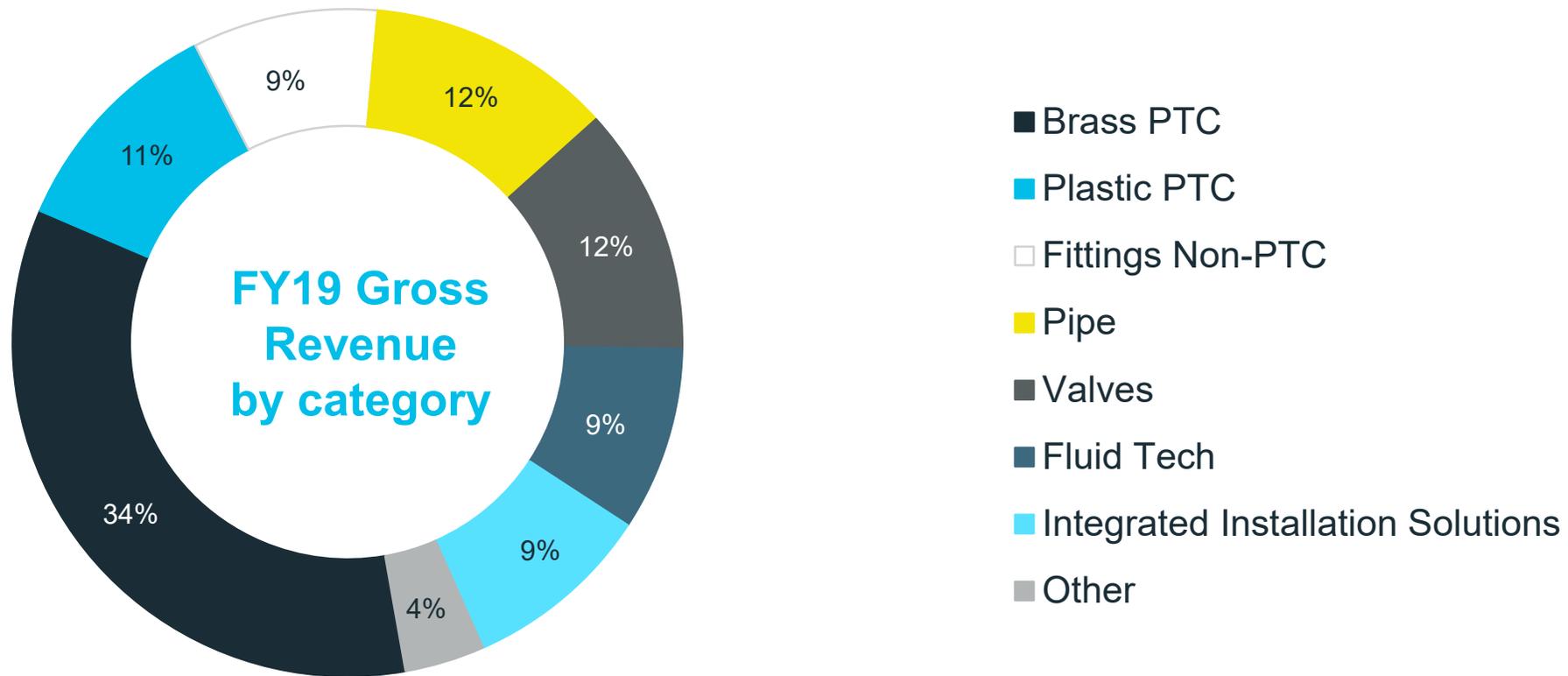
# Product, the building blocks

Innovation and M&A contribute to the fundamental building blocks of growth

 <p>Brass PTC</p>	 <p>Plastic PTC</p>	 <p>Valves</p>	 <p>Pipe</p>	 <p>Accessories</p>  <p>Integrated Installation Solutions</p>
 <p>Non PTC</p>	 <p>FluidTech</p>			

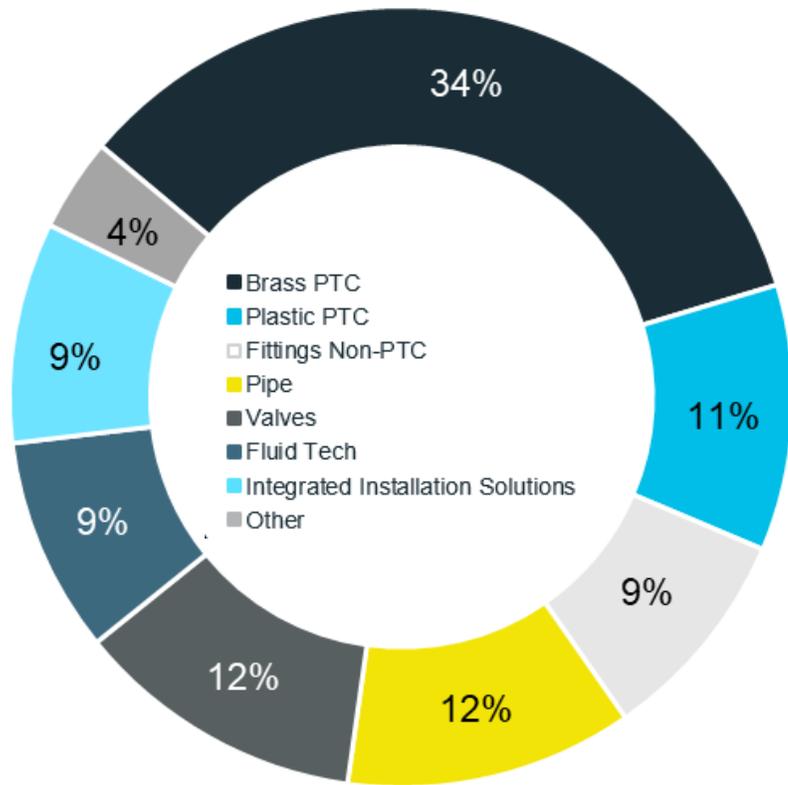
# Revenue by category

While PTC fittings are a large part of our business, we have a growing, diverse range of related solutions transforming productivity and efficiency for our end users



# Fittings provide a strong foundation

A variety of fittings solutions that deliver efficiency and reliability available through a vast network of outlets across markets and channels

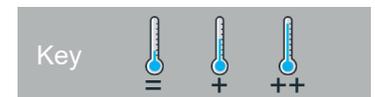


<p><b>Brass PTC</b></p> 	<p><b>Available across Americas, UK, and Australia</b></p> <ul style="list-style-type: none"> <li>#1 position in Americas</li> <li>#1 position in Australia</li> <li>Growing in UK and Europe</li> </ul>
<p><b>Plastic PTC</b></p> 	<p><b>The global leader</b></p> <ul style="list-style-type: none"> <li>#1 positions in Americas, UK, and Australia</li> <li>Top 3 in Europe and growing</li> </ul>
<p><b>Non-PTC</b></p> 	<p><b>Essential product to complete our portfolio</b></p> <ul style="list-style-type: none"> <li>Provides a fitting solution for multiple end use applications</li> <li>One of several products that complete a “basket” of solutions and drives sales across categories</li> <li>Leverages scale of our distribution network</li> </ul>

# Fittings provide a strong foundation

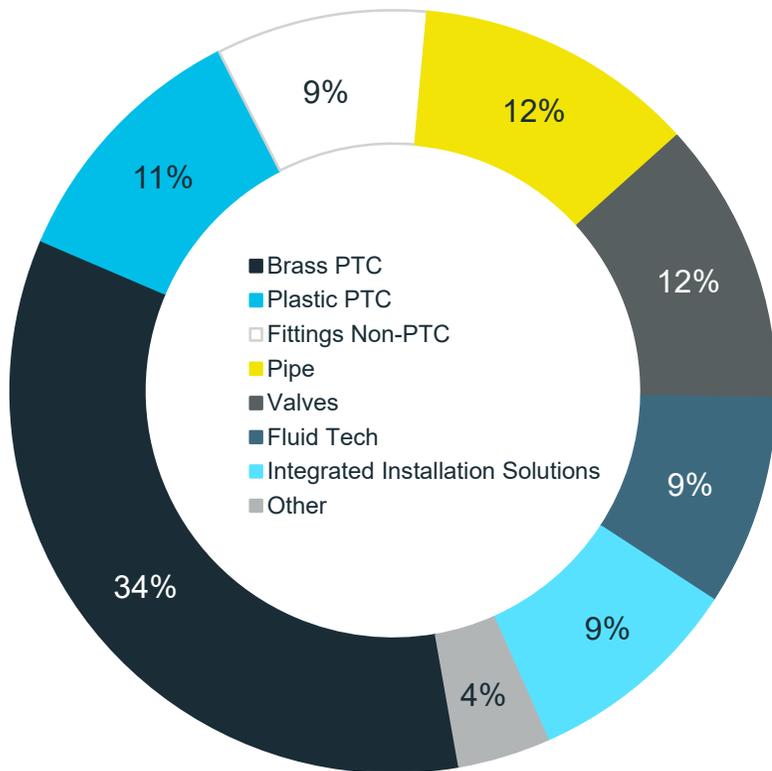
The fittings category, with an overall market growth of 4-5%, contribute to a solid and growing foundation

	Market Dynamics	Applications	Pipeline	Organic Growth	Margins
<b>Brass PTC</b>	<ul style="list-style-type: none"> <li>A\$1B global market size (inc. plastic)</li> </ul>	<ul style="list-style-type: none"> <li>Service and repair</li> <li>New construction</li> <li>Fixture installation</li> </ul>	<ul style="list-style-type: none"> <li>Extending size range</li> <li>Commercial applications</li> <li>Broadening availability</li> </ul>		
<b>Plastic PTC</b>	<ul style="list-style-type: none"> <li>A\$1B global market size (inc. brass)</li> </ul>	<ul style="list-style-type: none"> <li>New construction</li> <li>Service and repair</li> </ul>	<ul style="list-style-type: none"> <li>Extending sizes</li> <li>Expanding into commercial applications</li> </ul>		
<b>Non-PTC</b>	<ul style="list-style-type: none"> <li>A\$3B+ global market size (crimp)</li> </ul>	<ul style="list-style-type: none"> <li>Service and repair</li> <li>New construction</li> </ul>	<ul style="list-style-type: none"> <li>Expanded availability</li> <li>Extending SKU range</li> </ul>		



# Growing category diversification

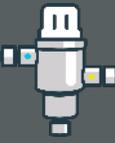
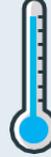
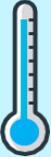
RWC has built a complete portfolio of solutions with top market positions - all aligned with the SharkBite value proposition – ease of use, efficiency, labor savings, and availability



<b>Pipe</b> 	<b>PEX pipe available across global regions</b> <ul style="list-style-type: none"> <li>Top 3 producer in US</li> <li>Top 2 in UK</li> <li>Top 2 in Australia</li> </ul>
<b>Valves</b> 	<b>Multiple valve types available across the globe</b> <ul style="list-style-type: none"> <li>#1 water heater valve producer across Americas, UK and Australia</li> <li>Top 2 Thermostatic position in the US</li> </ul>
<b>FluidTech</b> 	<b>Established in UK with global growth opportunity</b> <ul style="list-style-type: none"> <li>#1 position for drinks dispense in UK</li> <li>#1 position for water treatment in US</li> <li>Growing positions in Continental Europe</li> </ul>
<b>Integrated Installation Solutions</b> 	<b>Superior value proposition of developing “engineered solutions for makeshift methods”</b> <ul style="list-style-type: none"> <li>#1 position for pipe support in US</li> <li>#1 position for water heater accessories in US</li> <li>Growing Firestop category with innovative solutions</li> </ul>

# Growing category diversification

Portfolio of relevant product solutions in attractive and growing end use markets to help our end users deliver, control and optimize fluids in their projects

	Market Dynamics	Applications	Pipeline	Organic Growth	Margins
<b>Pipe</b> 	<ul style="list-style-type: none"> <li>A\$10B + global market size</li> <li>Growing 4% CAGR to 2023</li> </ul>	<ul style="list-style-type: none"> <li>Essential as component of system solution with fitting</li> </ul>	<ul style="list-style-type: none"> <li>Commercial applications</li> </ul>		
<b>Valves</b> 	<ul style="list-style-type: none"> <li>A\$3B+ global market</li> <li>Growing 4%+ CAGR to 2023</li> </ul>	<ul style="list-style-type: none"> <li>Temperature control</li> <li>Water and pressure relief valves</li> <li>Water pressure control</li> </ul>	<ul style="list-style-type: none"> <li>Point of use solutions</li> <li>Multi valve and component assemblies for ease of install</li> </ul>		
<b>FluidTech</b> 	<ul style="list-style-type: none"> <li>A\$3B+ global market size</li> <li>Growing 5%+ CAGR to 2023</li> </ul>	<ul style="list-style-type: none"> <li>Drinks dispensing</li> <li>Water treatment</li> <li>Air and pneumatics</li> <li>Blown fiber</li> </ul>	<ul style="list-style-type: none"> <li>PolarClean drinks dispensing</li> <li>High performance fittings</li> <li>Larger air fittings</li> <li>Hydroponics</li> </ul>		
<b>Integrated Installation Solutions</b> 	<ul style="list-style-type: none"> <li>A\$5B+ global market size</li> <li>Growing 5%+ CAGR to 2023</li> </ul>	<ul style="list-style-type: none"> <li>Firestopping</li> <li>Pipe support</li> <li>Outlet boxes</li> <li>Supply lines and stops</li> <li>Water heater accessories</li> </ul>	<ul style="list-style-type: none"> <li>Extended firestop solutions</li> <li>Commercial pipe support products</li> <li>Multi use outlet boxes</li> </ul>		

# StreamLabs

IOT platform vision, product, and technology



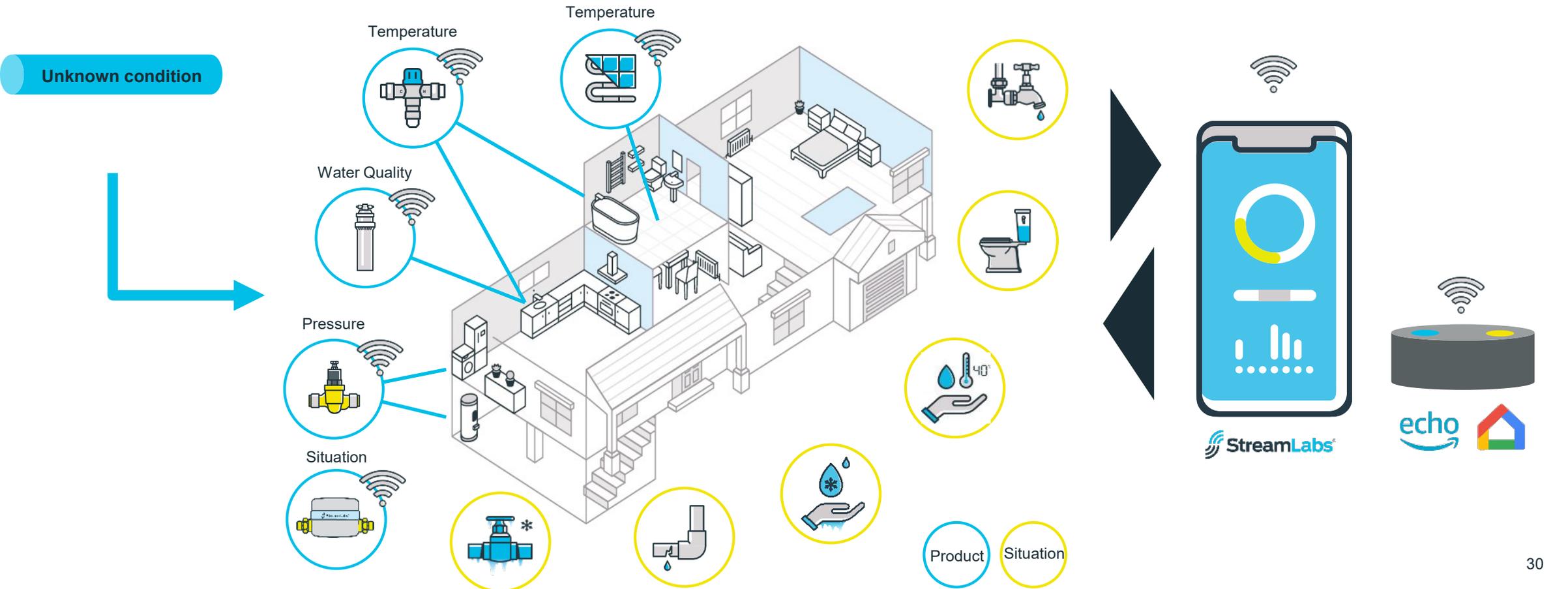
# RWC connected solution vision

RWC IoT (Internet of Things) platform enables development of connected products across major categories firmly positioning RWC at leading edge

## Municipal Water

## Ecosystem of Solutions Enabled by RWC IOT Platform

## Condition information and user action



# StreamLabs Product

Connected water leak detection product market and opportunity

# StreamLabs

Solutions for every homeowner and application

## Monitor



- Fast no plumber install
- Whole home water monitoring
- Learning leak alerts
- Smart home integrations

## Control



- Auto or manual water shutoff
- Temp & pressure monitoring
- Drip detect functionality
- Learning leak alerts

# Market dynamics

The potential market for leak detection/home protection is extremely attractive

The category is largely being driven by the insurance industry which has authority approaching a regulatory agency

**0**

Entrenched competitors to unseat but multiple organizations investing significant resources.

**800K**

US homes that will file a water insurance claim in 2019  
Average claim is \$10,000

**3.6M**

Vacation homes

Gateway into leak prevention is protecting vacation homes first

**37%**

US homeowners have experienced water damage  
One touch buyers who need peace of mind and prevention

**US\$8.0B**

Amount paid by insurance for plumbing related water damage

This is money that is paid out for a preventable issue

**2.0M**

Luxury homes

Many insurance companies now require leak protection

**US\$220M**

According to P&A the size of the IOT water market in 2020

Large potential market that is untapped

**5%-15%**

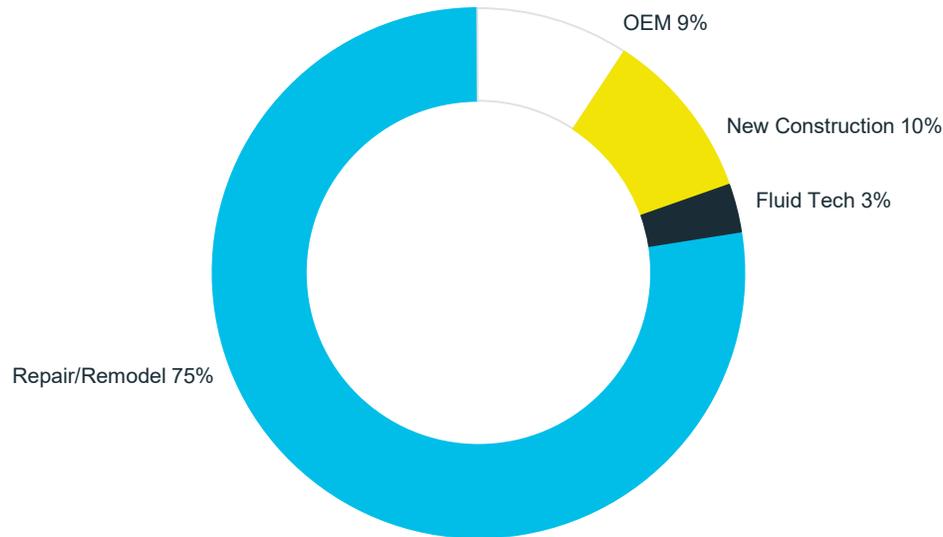
Potential homeowner's insurance premium savings

Payback to the homeowner for the unit

# Target customer

StreamLabs fits with RWC's targets: customers, segments, markets, solutions

RWC US existing market segments



StreamLabs brings added value into the plumbing/HVAC repair/remodel market by allowing installers to increase the value of a service call

## Which segments we target

### Core repair, maintenance and remodel

- Residential and commercial new construction
- Water heater OEMs
- Specialty solutions, including drinks dispense, water filtration and other niche products

## Where our products fit

### Behind-the-wall, rough plumbing

- "Meter to Fixture, Floor to Ceiling"

## What products and solutions we offer

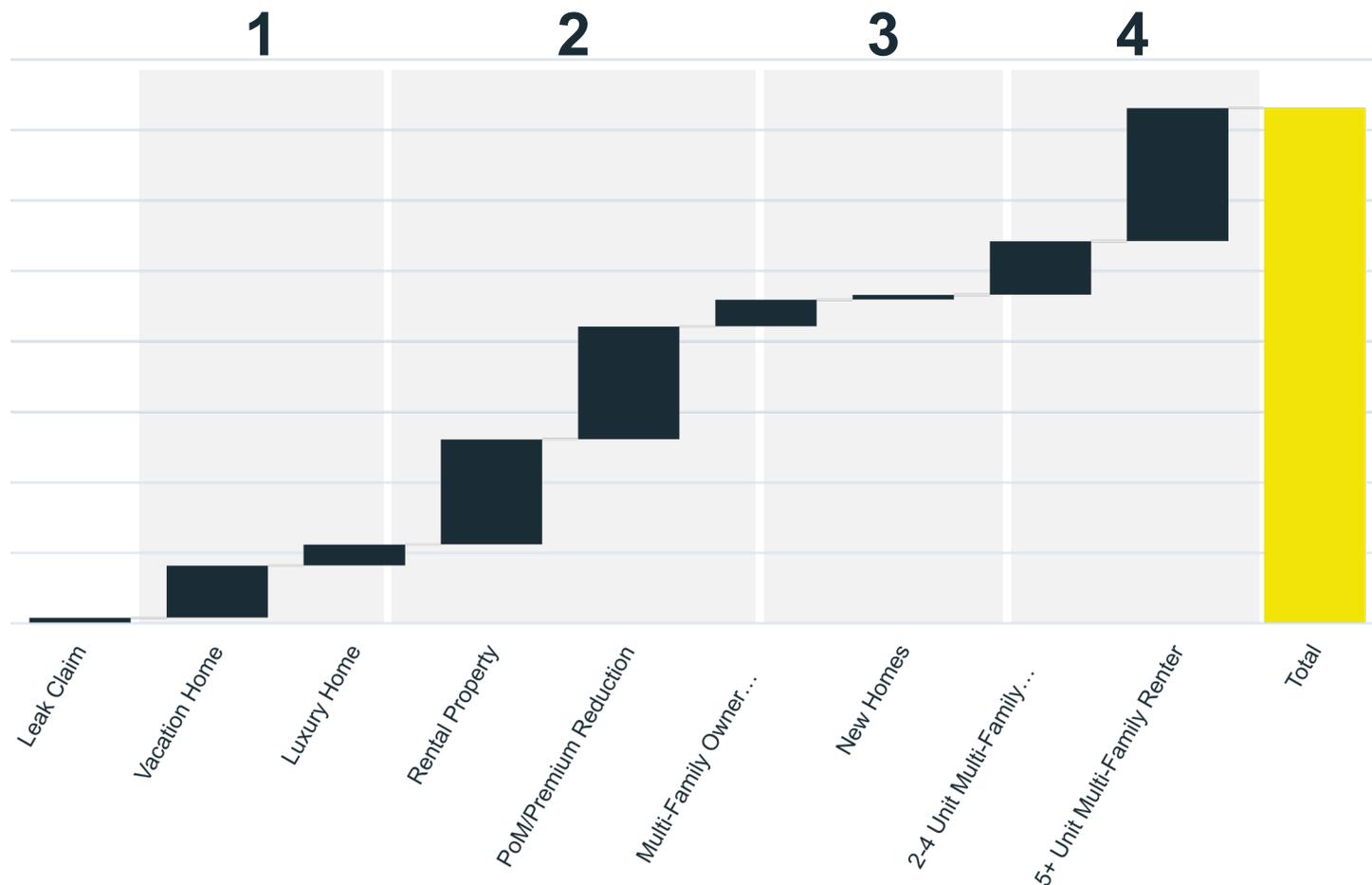
### Clever, innovative products that deliver, control, optimize and solve

- Pipes, valves, fittings and a range of ancillary products
- Obviate or reduce need for skilled labor

# Commercial approach

## Go-to-market plan: phased approach to market

StreamLabs addressable market segments and phasing



- Leak claim homeowners, one touch consumers, several hundred thousand people per year that have had a leak claim and are desperate for a solution
- Plumbing and HVAC contractors that incentivize their work force to additional revenue during the service call
- Vacation home, luxury home, rental property
- Peace of mind/insurance deduction, homes between \$500K and \$750K, want peace of mind but also want payback via insurance reduction
- Multi-family owner – high rise multi-family
- New homes – standardized options
- Multi-family renter – new technology on roadmap
  - 2-4 unit buildings
  - 5+ unit buildings

# StreamLabs summary

## Ready for a new and growing market

- RWC has a robust product offering in a growing market with no entrenched competitors, with other large respected plumbing companies pushing the market
- Strong platform that sets the foundation for growth and expansion of Internet of Plumbing
- Feature/benefit set that is compelling against competition
- Ready, addressable customer base needing a solution
- Sales in our existing channels, to our core target customer in repair/remodel/maintenance in the meter to fixture space

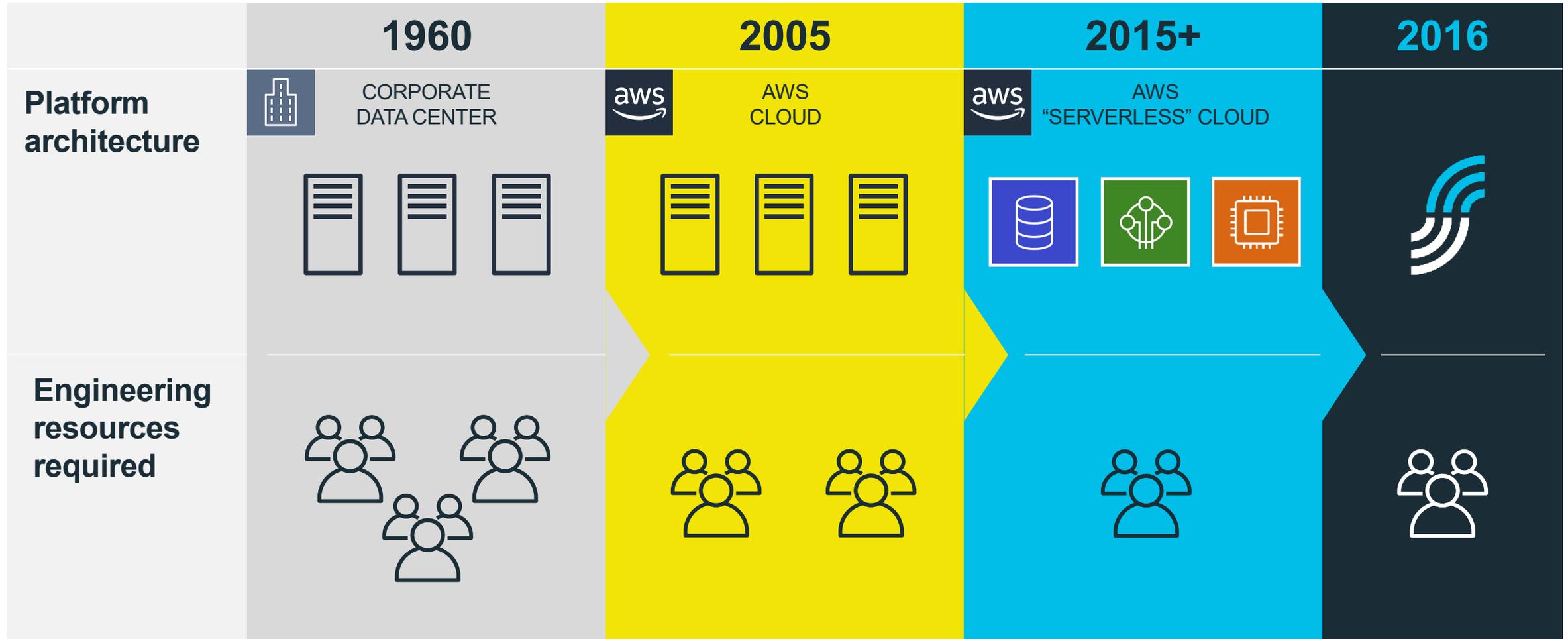


# StreamLabs Technology

Scalable and flexible platform to leverage  
across our portfolio

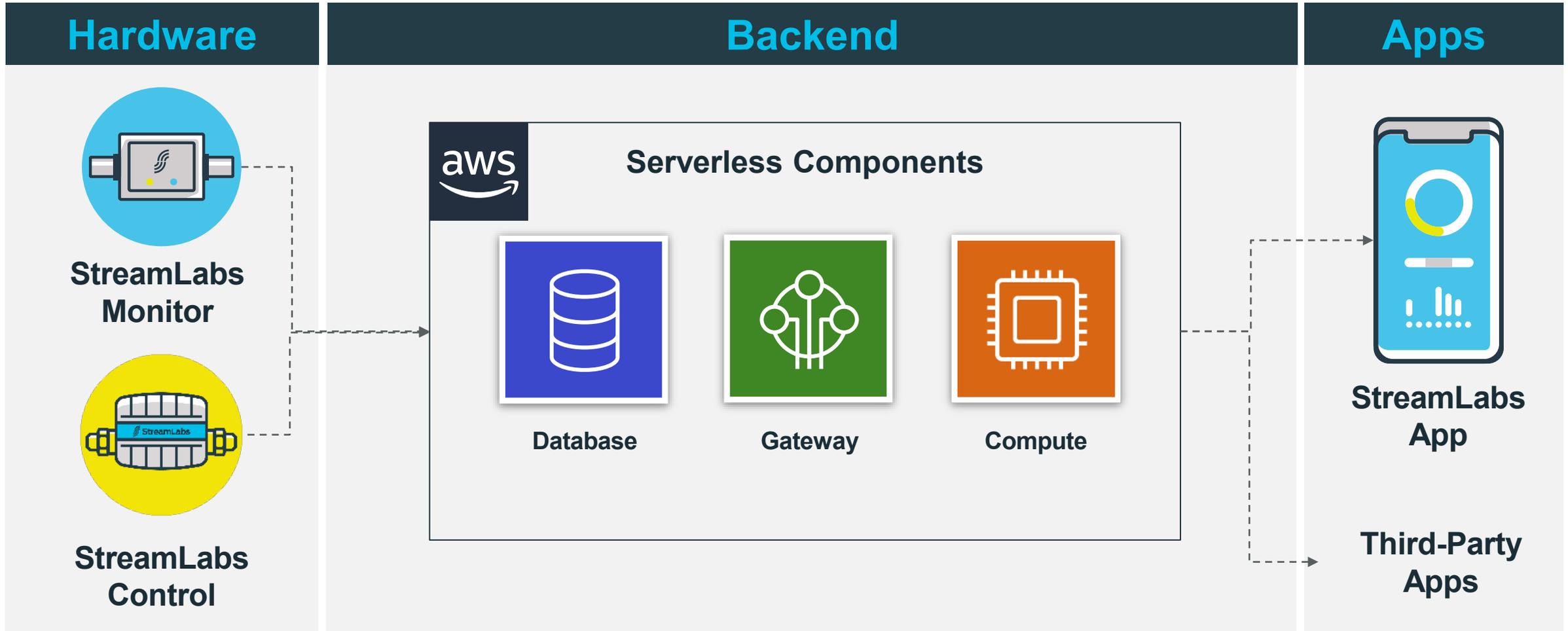
# StreamLabs

Born in the “serverless” cloud



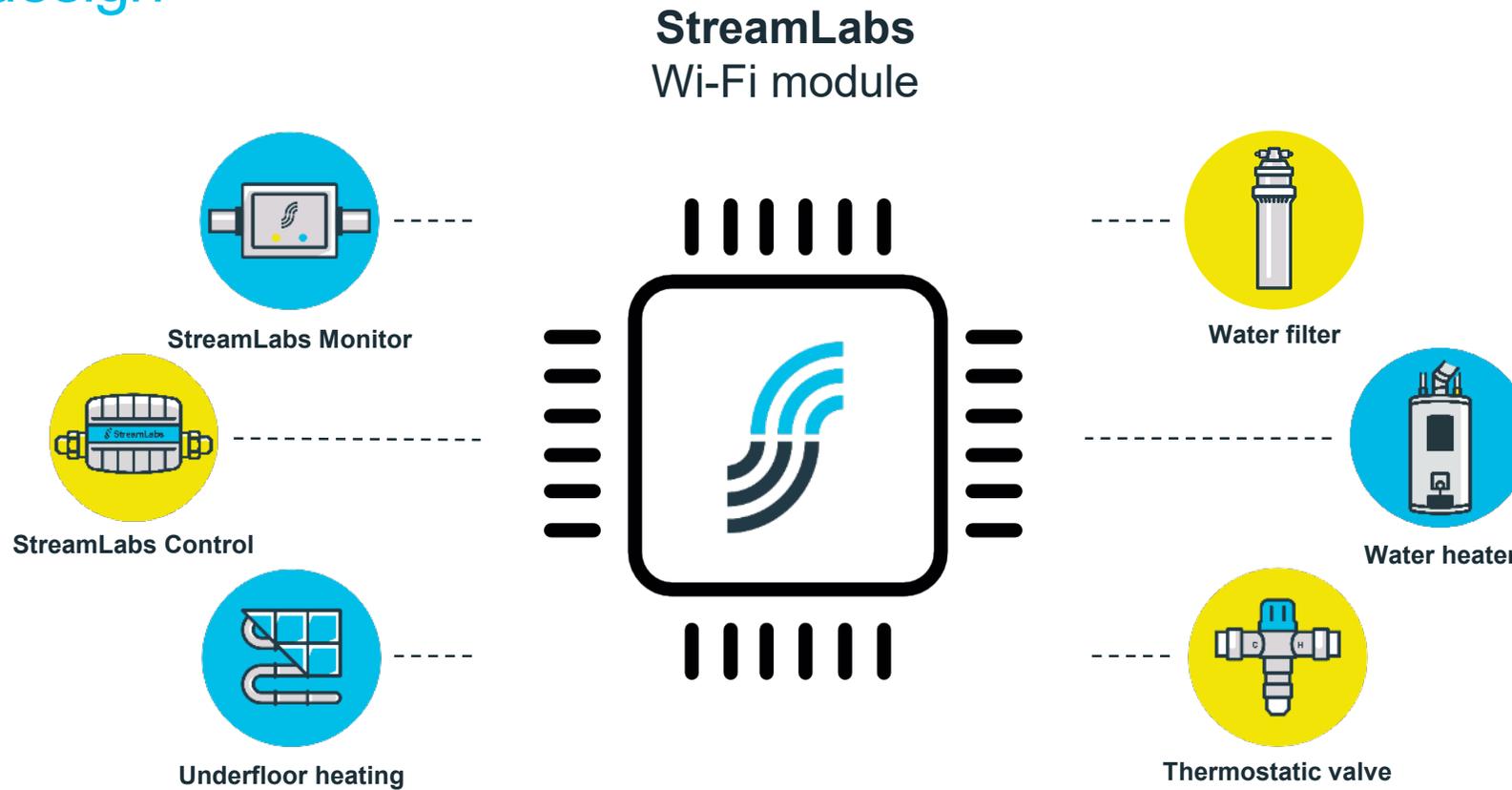
# StreamLabs

## Platform Overview



# StreamLabs

Modular by design



# StreamLabs

One App.....countless possibilities.





Investor Day  
**End Use Market and  
Regional Review**

Wednesday September 18, 2019



# Our customers



# End use market focus

Product development and innovation driven by robust understanding of end use market challenges; bundled solutions aimed at target end users



# Solutions for the built environment

Wide ranging applications across multiple segments drive our future growth

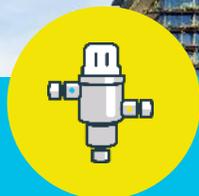
## Cygnus Homes, Duxford, UK

SharkBite® push-to-connect fittings reduced installation time by 75% and was flexible enough to seamlessly fit within each of their 25 floor plans and over 100 unique house configuration designs



## Central Park, Sydney, AUS

Consistent temperature and flow rates are delivered to individual buildings using RMC Pressure Reducing Valves (PRVs) and Heatguard® Tempering Valves (HTVs).



## Tru by Hilton, Idaho, US

Designed to reduce installation time and improve performance efficiency, RWC's SharkBite and SharkBite EvoPEX ranges proved to be the best plumbing solution.



## Heineken, Worldwide

PolarClean, a tube-in-tube connector keeps beer lines consistently cool at brand specification temps, mitigating microbiological activity, while improving carbonation control and reducing product waste.



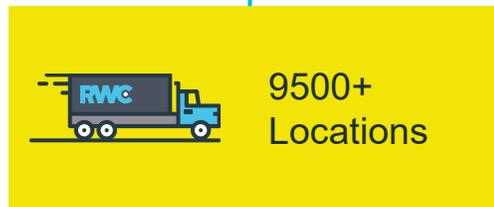
# EMEA Review

# Agenda

1. EMEA business snapshot
2. Market update
3. Growth initiatives
4. Talent
5. Operations
6. Integration update

# RWC EMEA snapshot

Exceptionally strong brands in a diversified set of markets, products and geographies



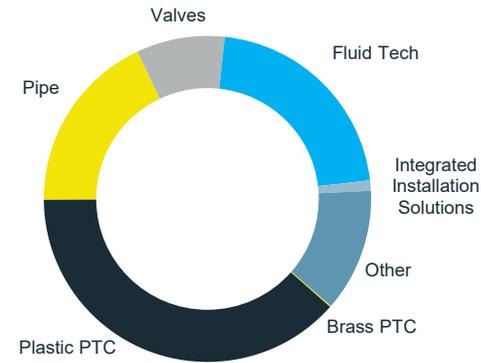
### Brands

- Speedfit<sup>®</sup>**
- John Guest<sup>®</sup>**
- Reliance<sup>®</sup>  
VALVES**
- SharkBite<sup>®</sup>**

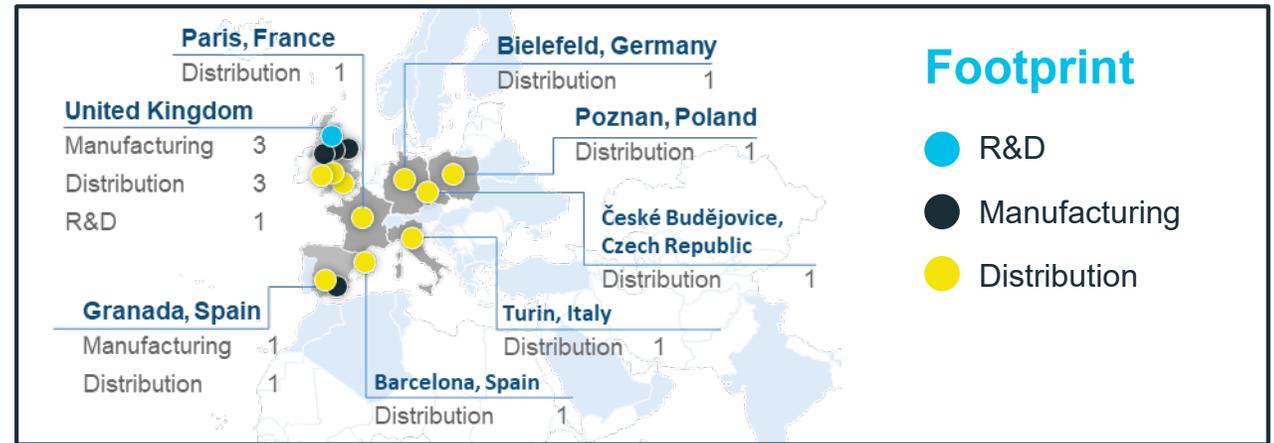
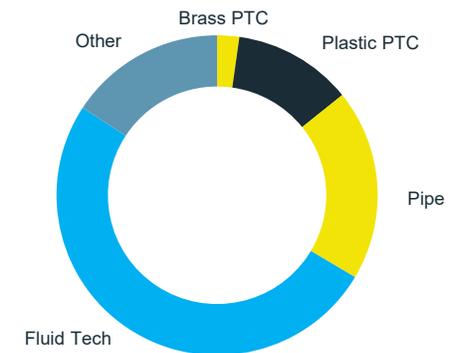
### End Use Segments

- Residential
- Multi Unit
- Commercial
- OEM

**Category Mix - UK**



**Category Mix - Europe**



<sup>1</sup>Segment net sales includes \$50.4 million of intercompany sales to other segments; FY19 results

<sup>2</sup> EBITDA before one-time charge for purchase price accounting impacts and costs to achieve synergies; FY19 results

Category Mix data from FY19 Results

# EMEA snapshot: products and customers

RWC's stronghold in UK plumbing and heating market is similar to the Americas whereas continental Europe is focused on OEMs in FluidTech markets



<sup>1</sup> Based on FY19 results

# EMEA market update

Short-term outlook clouded by economic and political uncertainty, but long-term fundamentals remain strong

## Short term macro trends

- **Brexit** introduces significant uncertainty
- **UK 2020** growth forecast 1.3% but a 33% chance of recession
- **EU 2020** growth forecast 1.6% but key countries struggling
- Purchasing Managers Index' for UK manufacturing remains slightly negative at 48 (minor variance from neutral of 50)

## Long term fundamentals strong

- **Long term RMI outlook is positive** with low correlation to GDP or construction cycles
- **UK housing market fundamentals strong** with aging stock and growing population
- **Skilled labor shortage** will drive demand for RWC's labor saving product solutions
- **Low penetration of plastic fittings** supports ongoing trend of substituting plastic for metal
- Positive real GDP growth forecast to continue across all major EMEA markets
- Proportion of investments delayed by Brexit will be made once situation is clearer

# Brexit update and planning

RWC continues to evaluate potential implications of Brexit and has executed several initiatives to mitigate impact to the business

## Situation

- 31<sup>st</sup> October – UK due to leave European Union
- UK & EU strongly disagree on key aspects of a potential ‘withdrawal agreement’
- UK Government has vowed to take the UK out and trade on WTO rules if necessary

## Implications to RWC

- **Raw material:** Potential disruption in raw material supply from Europe
- **Finished goods:** Potential disruption in shipping finished goods to Europe
- **Tariffs:** EU imposing import tariffs on UK goods sold to EU (estimated impact £1.9m pa)
- **Economy:** Risk of reduced economic activity
- **GBP devaluation:** Affect on FX

## Impact mitigation plan

- **Short term:** Increase raw material inventory in UK and finished products in Europe to mitigate impact of customs/border issues
- **Longer terms:** Assess based on developments in UK-EU relationship including longer term pricing, location of manufacture and approach to logistics

# Our growth priorities

Enabling specific initiatives in UK and Europe to accelerate, expand and access

	Goals	EMEA plans
<p><b>Accelerate...</b></p>	<p>Achieve profitable growth in core, repair and maintenance markets in the UK and continue to develop FluidTech markets in Europe</p>	<ul style="list-style-type: none"> <li>UK: expand share and offering in core market through continued focus on Speedfit range, underfloor heating, and leveraging combined RWC and JG portfolios for complete solutions</li> <li>Europe FluidTech: further develop existing markets with required product development and support</li> </ul>
<p><b>Expand...</b></p>	<p>Grow into adjacent plumbing and heating end use segments in the UK and adjacent FluidTechnology end markets in Europe.</p>	<ul style="list-style-type: none"> <li>UK residential new build: supplement existing regional builder accounts with select national, volume developers</li> <li>UK commercial: evaluate product and capability requirements to further penetrate adjacent commercial market</li> <li>EMEA: develop new FluidTech end markets and support global penetration (Americas, APAC) of existing markets</li> </ul>
<p><b>Access</b></p>	<p>Enter select European geographies</p>	<ul style="list-style-type: none"> <li>Europe: prioritize specific European geographies for penetration of P&amp;H markets organically and/or inorganically</li> </ul>



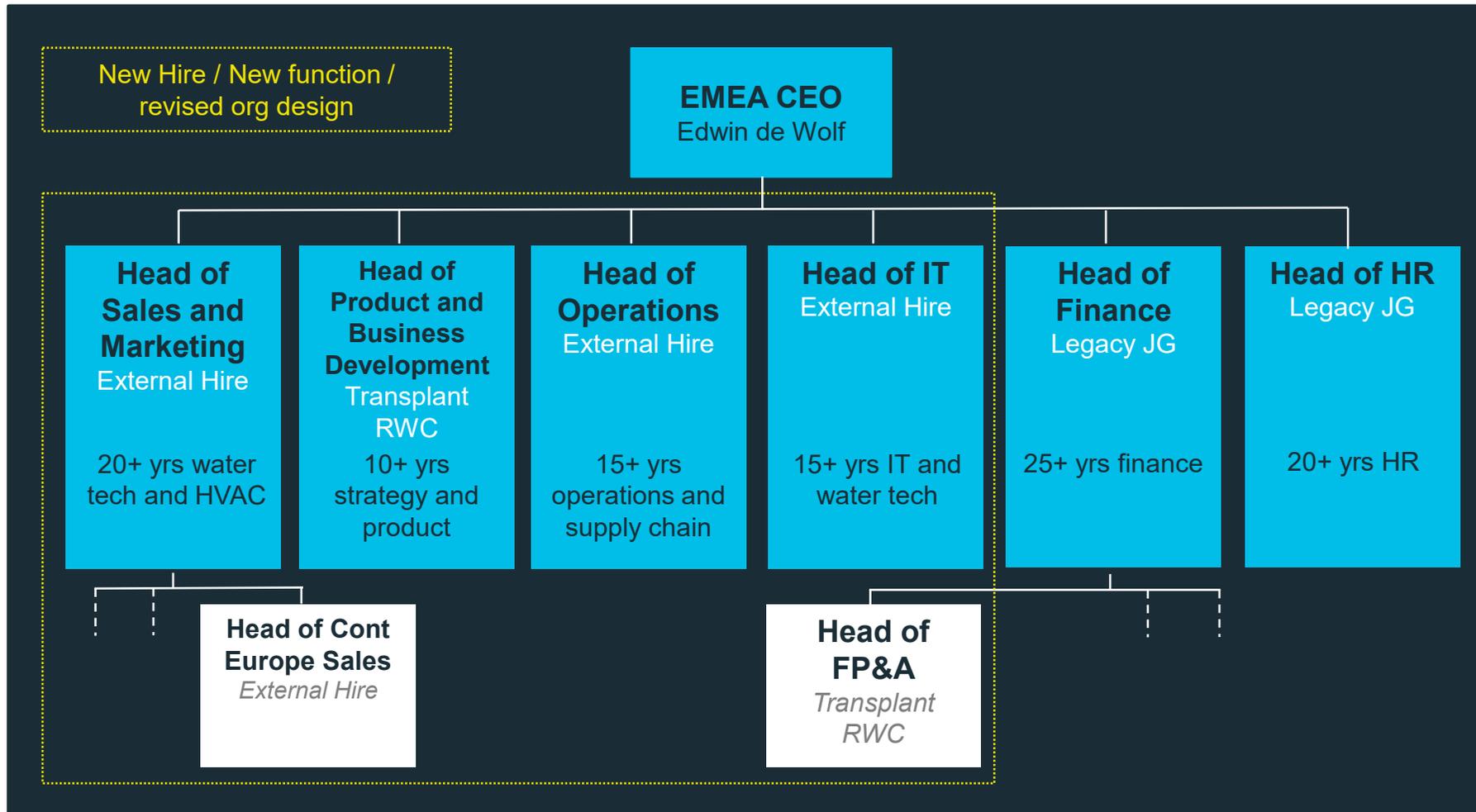
# Growth initiative – FluidTech markets

Attractive market opportunity that will drive growth through greater focus on the right end use segments, product fit, and resource allocation

Focus Area	Markets	End Use	Plan
<p>Further develop existing markets</p>	<p>Develop focus and support FluidTech segments in Germany, Italy, and France to take share in largest, growing markets</p>	<p><b>Drinks and Dispense and Pure Water</b></p>  <p><b>Air and Pneumatics</b></p>  <p><b>Cartridges</b></p> 	<ul style="list-style-type: none"> <li>▪ Prioritize NPD and fill product gaps</li> <li>▪ Further resource sales and marketing</li> <li>▪ Focused sales development by geography and segment</li> </ul>
<p>Develop new FluidTech end markets</p>	<p>Adjacent market opportunities in growing end use segments</p>	<p><b>High Performance Range</b></p>  	<ul style="list-style-type: none"> <li>▪ Innovation and development of required products</li> <li>▪ Development of sales and marketing strategy and tactics</li> </ul>
<p>Support global penetration</p>	<p>Greater resources focused on current global markets to grow share</p>	<ul style="list-style-type: none"> <li>▪ Increase Americas FluidTech share in Pure Water through increased product and marketing support</li> <li>▪ Expand into adjacent Americas end use markets such as hydroponics, appliances, and compressed air with existing product ranges</li> </ul>	

# Talent and organization

Strengthened leadership team and UK organizational structure to better support growth and collaboration



## Additional keys to leadership and structural changes:

- Leverage strong roster of talent from legacy JG business
- Drive professional development to increase bench depth
- Enable culture of collaboration, transparency and decision-making

# RWC EMEA operations snapshot

Robust operations footprint producing over 1B finished components annually



## LAUNCESTON

33k sq ft manufacturing

- Molding, welding & assembly
- Produces plastic fittings and flexi-hoses

## WEST DRAYTON

200k sq ft manufacturing

- Main UK manufacturing site
- Produces plastic fittings & brass components
- Tool design & manufacture

## MAIDENHEAD

c60k sq ft manufacturing

- Pipe extrusion facility
- Autoclaves (PEX production)

## VALE PARK

c2k sq ft manufacturing

- OEM assembly
- Small warehouse (RWC products)

## HAYES

c3k sq ft manufacturing

- Underfloor Heating assembly
- Goods In

## BRACKNELL

c70k sq ft distribution

- Primary finished goods warehouse

## Key performance objectives

- Continued improvement on HSE with focus on leadership
- Deliver Continuous Improvement program to improve efficiency
- Roll out and integrate ERP

## Production

In FY19:

- Over 1.1B components
- Over 155 million finished fittings
- Over 110 million feet of pipe

## Delivery

- 50k Orders shipped
- OTIF up to 95%

## Capacity

- 223 total machines
- 8% increases in FY19
- 432k total sf under roof including EMEA

# EMEA integration update

Significant integration effort in FY19 and continuing into FY20 to accelerate growth and drive synergy realization

## Scale of acquisition

- Innovative leader in plastic push to connect (PTC) fittings with significant brand loyalty
- A\$1.2 billion acquisition in June 2018
- As of June 2018:
  - £168.6 million turnover (CY17)
  - 1,300 employees
  - 3,000+ SKUs
  - 1.1 billion components
  - Export to 100+ countries
  - 3 manufacturing facilities
  - 12 distribution facilities

## Completed in FY19

- Consolidated legacy RWC into JG infrastructure
- Strengthened leadership team and functional design to support growth (e.g. product development, European central sales structure)
- Optimized operational structure to increase output and reduce costs
- Relationship development between legacy JG business and broader RWC business

## Continued efforts in FY20+

- Transition to ERP platform
- Execute revenue synergies
- Longer term (3+ years) leverage legacy RWC growth approach in other geographies (e.g. USA) in categories and segments and replicate where appropriate in EMEA

### Common denominator

All efforts focused on creating more collaboration, transparency and communication to better leverage capabilities and innovation

# Americas Review

# Agenda

1. Americas business snapshot
2. Market update
3. Growth initiatives
4. Talent
5. Operations
6. Integration update

# RWC Americas snapshot

Well positioned brands across a diverse product range serving multiple segments

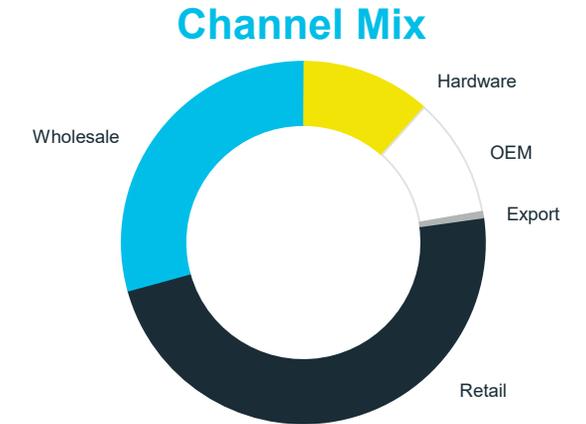
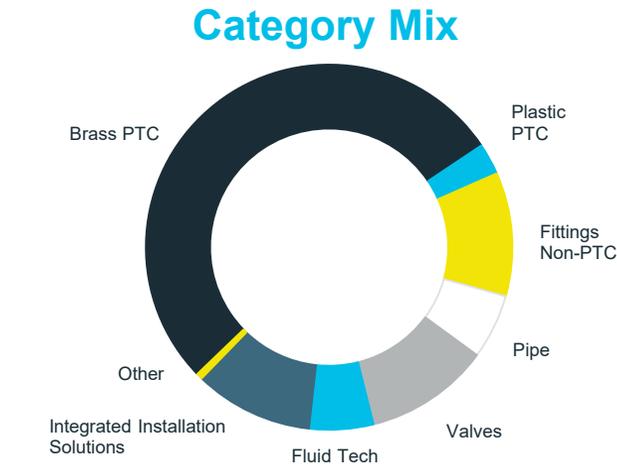


### Brands

- SharkBite<sup>®</sup>
- CashAcme<sup>®</sup>
- HoldRite<sup>®</sup>
- John Guest<sup>®</sup>
- StreamLabs<sup>®</sup>

### End Use Segments

- Residential
- Multi Unit
- Commercial
- OEM



<sup>1</sup> Segment net sales includes \$3.1 million of intercompany sales to other segments; FY19 Results

<sup>2</sup> EBITDA before one-time charge for purchase price accounting impacts and costs to achieve synergies; FY19 Results  
Category and Channel Mix data from RWC FY19 results

# Americas market update

Conditions that drive demand for our solutions are positive overall and across key segments

## Overall

### Americas economy is relatively healthy and large

- Ongoing job growth, consumer sentiment and a low-interest rate environment generally supportive
- Favorable demographics supporting a strong rate of household formation creating new demand above current housing supply
- Labor shortage of plumbing trade labor is getting worse and will drive demand for RWC's labor saving product solutions
- Canada presents largest headwind; growing consensus that economy risks slipping into recession driven by high consumer debt

## Core segments

### Repair and remodel activity slower but positive

- Cooling house price gains, home sales activity, and remodeling permitting are lowering expectations for home improvement and repair spending this year and next
- But fundamentals of aging U.S. housing stock with 70% of approximately 135M housing units over 30 years old will continue to drive service and repair
- New and existing housing affordability challenges resulting in increased "stay in place" remodeling activity
- Slowing but still solid US homecenter growth forecast for rough plumbing estimated for 2020
- Moderating Canada economy still supportive of core repair/remodel activity

## New construction

### Weakening demand with inherent volatility

- Residential construction demand weakening while grappling with chronic shortage of construction workers and buildable lots
- Commercial construction robust but project based and unpredictable
- Effect of volatility on RWC low due to low market share in new construction, but growing

# Americas growth plan

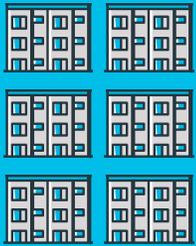
Leverage innovation, strength of brand and product offering across distribution network to expand market share

	Goals	Highlighted initiatives	
<p><b>Demand...</b></p>	Own the project with a basket of solutions	<ul style="list-style-type: none"> <li>Investment in commercial end market selling and marketing capabilities designed to pull demand of RWC's solutions</li> <li>Grow core product offering with creative SKU placement and merchandising highlighting the benefit of the total solution</li> </ul>	
<p><b>Reach...</b></p>	Available everywhere	<ul style="list-style-type: none"> <li>Leveraging existing distribution network to expand HoldRite and John Guest product offering</li> <li>Utilizing repair and replacement relationships to drive StreamLabs sales</li> </ul>	
<p><b>Innovation...</b></p>	Understand customer needs and deliver solutions	<ul style="list-style-type: none"> <li>Continued expansion of HydroFlame Pro for leadership position in the Americas and entry point into commercial market</li> <li>Building StreamLabs portfolio and setting the foundation for RWC's Connected Device strategy</li> </ul>	
<p><b>M&amp;A</b></p>	Build growth capabilities and leverage	<ul style="list-style-type: none"> <li>Double digit growth in FluidTech market</li> <li>Addition of sales and marketing resources servicing the FluidTech wholesale and OEM channels</li> </ul>	

# Growth initiative - commercial market

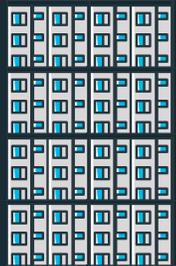
Attractive market opportunity that will require investment in product and sales talent

## Potential revenue opportunity per project



**US\$155k**

5 Story, multi-building, 200-unit wood, multi-family structure



**US\$250k**

15 Story, 200-unit, concrete multi-family structure

Ability to sell  
(specifications, relationships)

## RWC addressable products by construction phase

1	2	3	4	5
	 DWV		Firestopping (caulks, collars)	 Accy.
			Firestopping (caulks, collars)	 Accy.



Product additions

Capability improvements

# Growth initiative – residential service and repair

Water heater replacement involves multiple, high value, RWC solutions

## Market Opportunity for RWC

- More than 7.5 million water heaters are replaced annually in the US
- RWC products support plumbing contractors with labor saving installation solutions
- Growing sales with merchandising, displays, partner promotions, digital campaigns, counter training at wholesalers



## Potential water heater replacement value to RWC



**US\$671** Optimal Tank Water Heater Installation

**11** RWC Basket of Addressable Products



**US\$602** Optimal Tankless Water Heater Installation

**7** RWC Basket of Addressable Products

# Growth initiative – leveraging reach

RWC Americas well positioned to Pro customer with changing buying preferences

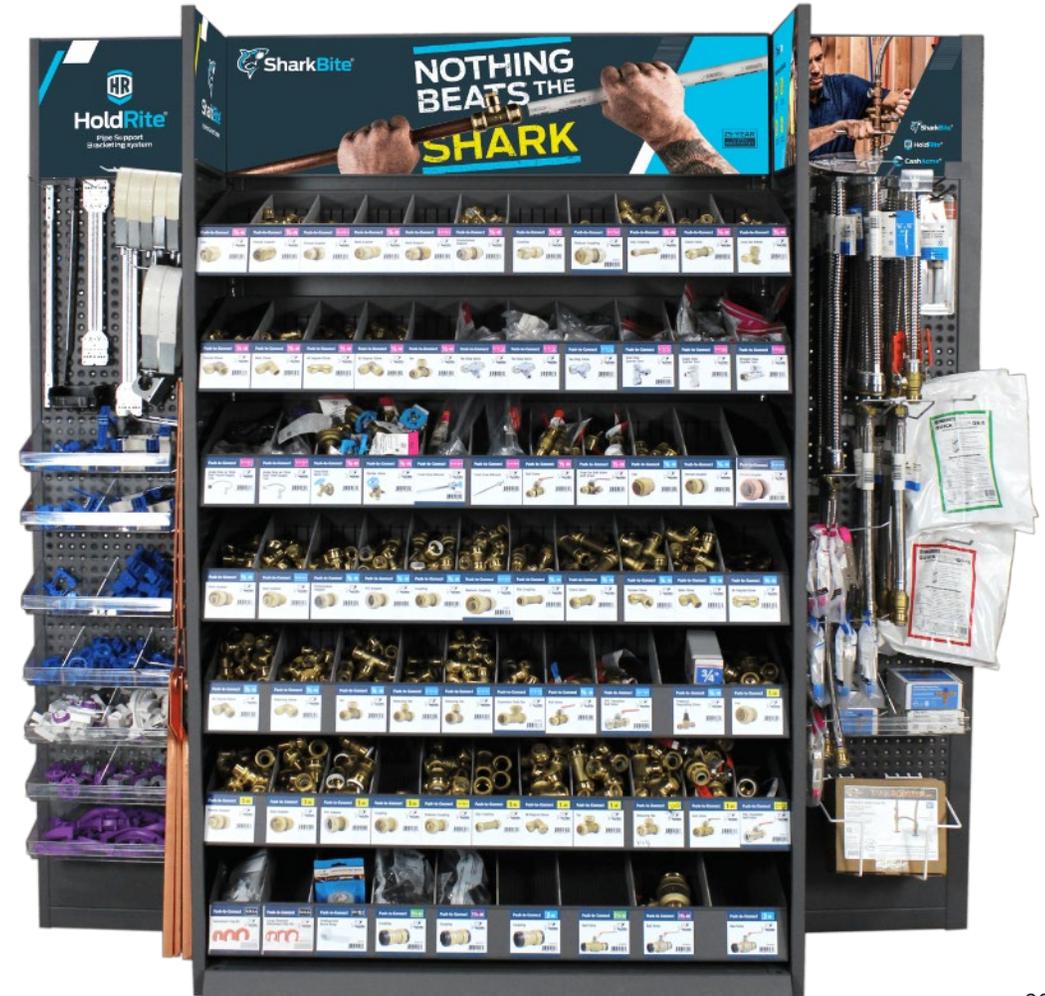
## Pro buying preferences are changing

- Location, availability and convenience drive purchase habits<sup>1</sup>
- Pros generally avoid private label rough plumbing products<sup>1</sup>

## Key RWC point of differentiation

- Well positioned to target Pro in retail and wholesale with trusted, high awareness brands
- Expanding range of solutions to meet Pro needs in retail – HoldRite, ProLock

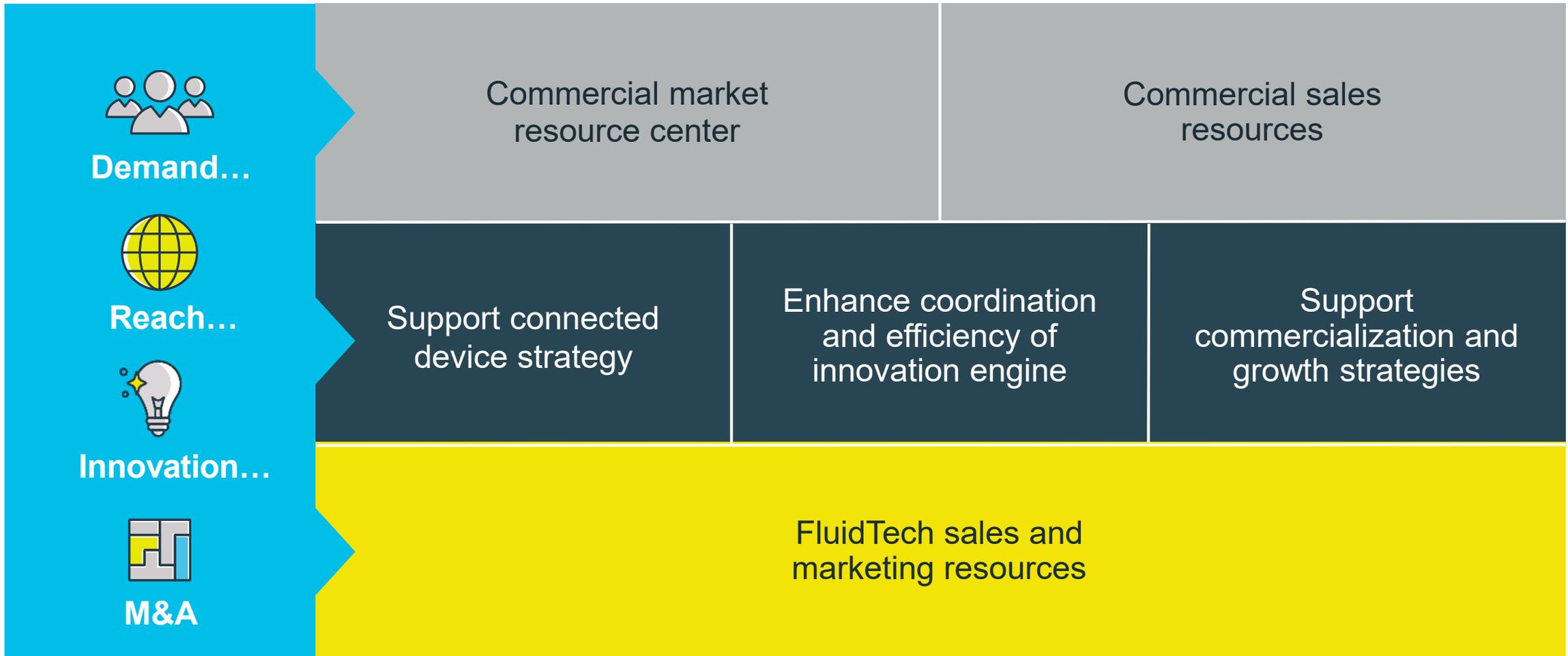
Further expanding reach to Pro through increased access and availability with “merchandiser”



<sup>1</sup>Per RWC commissioned research and interviews of professional plumbers

# Talent and organization

Organizational capability enhancement firmly aligned with key Americas growth drivers



# RWC Americas operations snapshot

## Growth supportive operations and distribution facilities



### Key performance objectives

- Creating a safety focused culture
- Implementing Sales & Operating Planning (S&OP)
- Continuous improvement to drive costs out

### Production

- 14M SharkBite Classic Fittings
- 140M Feet of PEX Pipe
- 8M T&P Valves

### Delivery

- 130K Shipments
- 99%+ OTIF<sup>1</sup>

### Capacity

- 116 Machines in Cullman
- 12% Increases in FY19
- 978k sq ft Under Roof

<sup>1</sup> Into retail channel

# Americas integration update

Primary integration efforts completed in FY19 with FY20 focused on accelerating growth

## Completed in FY19

- Consolidated legacy JG USA infrastructure into RWC Americas; transition to RWC ERP
- Functionalized JG USA organization into Americas leadership which is designed to support growth
- Utilized JG USA sales team to staff new RWC Americas sales channel supporting wholesale and OEM FluidTech markets
- Increased inventory to support growing customer base

## Continued efforts in FY20

- Drive growth in FluidTech end markets for John Guest branded product as well as other RWC branded product
- Leverage John Guest product offering into legacy RWC retail and wholesale plumbing channels

Common denominator

Quick integration in the Americas has allowed for a focus on market share growth



# Investor Day Operations Review

Wednesday September 18, 2019



# Agenda

1. Safety
2. Lean Management
3. Continuous Improvement
4. Procurement
5. Strategic Topics

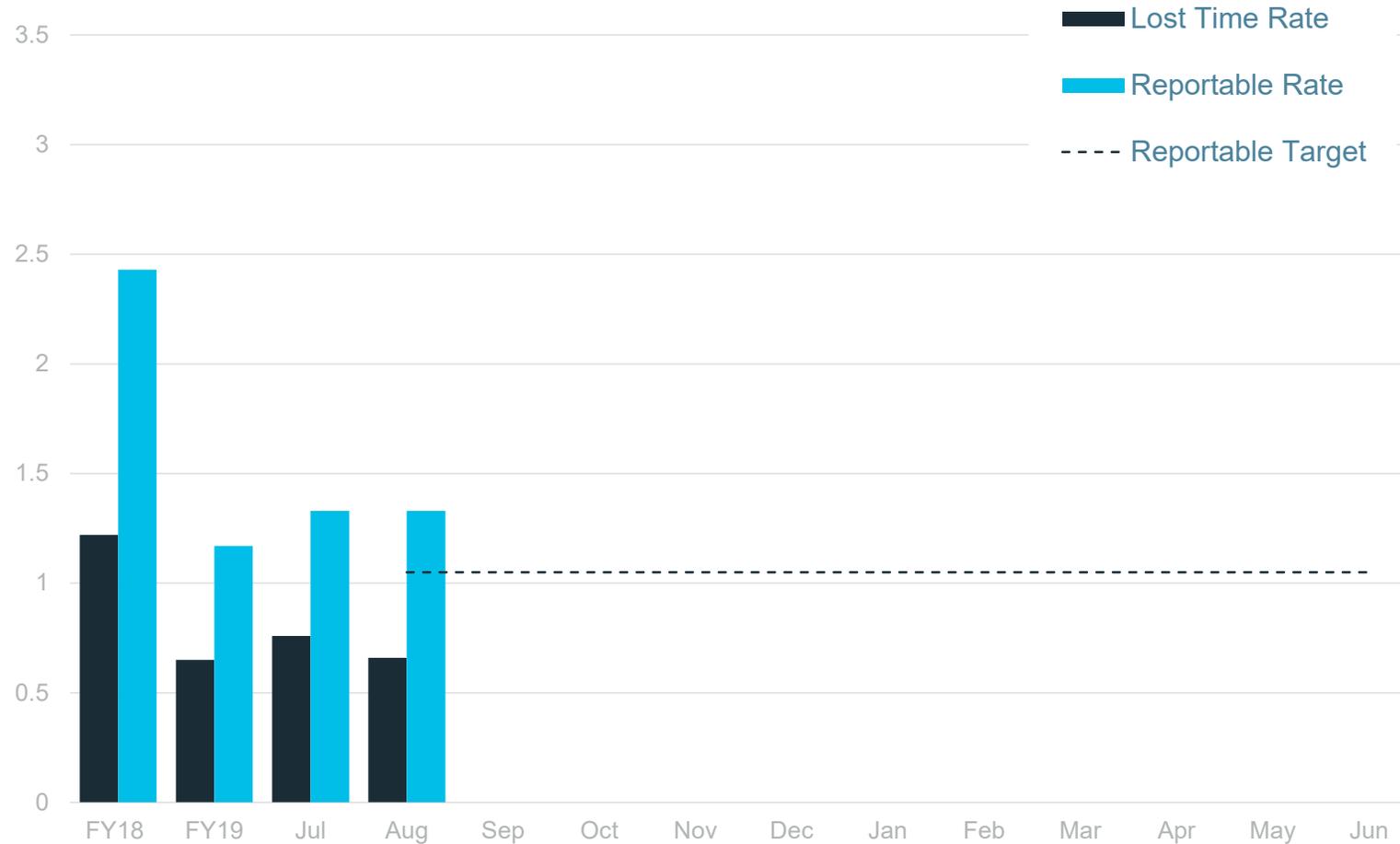
# Safety

Global Improvement Strategy

# Injury Rate

52% reduction in injury rate in FY19

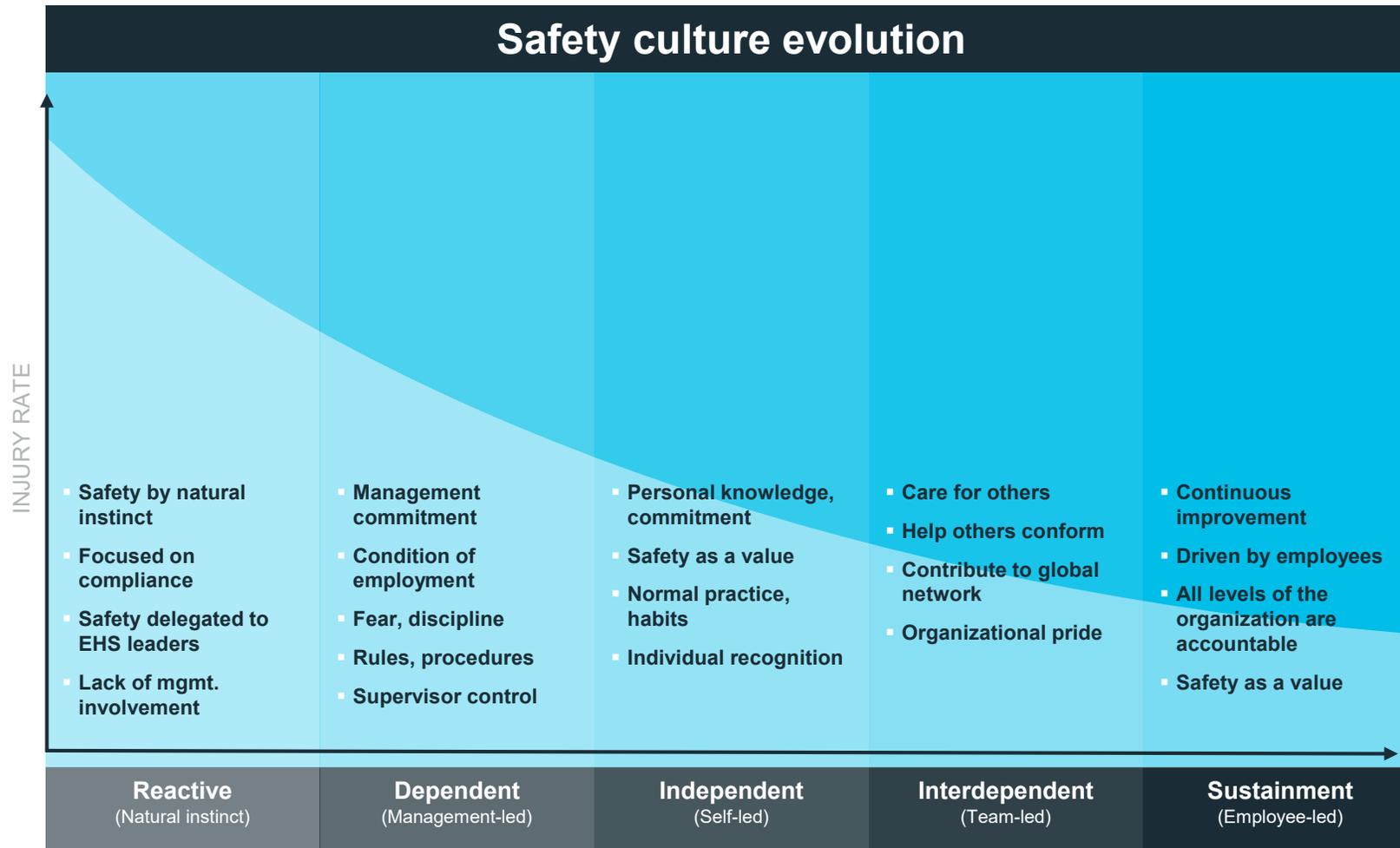
## Group



Note: Vertical axis measures Incident Rate (Rolling 12 months sum of injuries x 100 / avg HC YTD)

# Safety Strategy

Build a world-class safety culture to drive performance



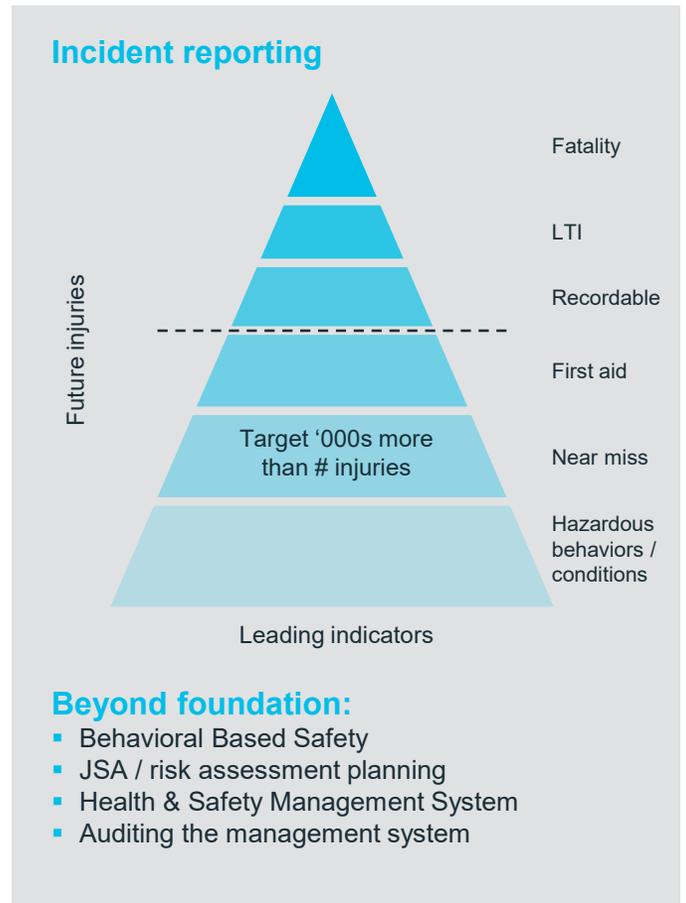
## Goals

- Zero injuries
- Safety as a value
- Employee-led safety culture
- Continuous improvement

# Safety Foundation

Emphasis on leadership, employee engagement, and key policies/procedures

<b>Leadership</b>	<ul style="list-style-type: none"> <li>- Strong top leadership priority</li> <li>- <b>Increase ownership from operations managers / supervisors</b> (OSHA training, goals &amp; objectives, accountability)</li> </ul>
<b>Incident reporting</b>	<ul style="list-style-type: none"> <li>- In place at top of the pyramid and visible to leadership team</li> <li>- Lacking at bottom of pyramid, which are the future injuries (leading indicators)</li> <li>- Increase <b>emphasis on First aid/Near miss/Hazard reporting</b> to drive prevention</li> </ul>
<b>Incident investigation</b>	<ul style="list-style-type: none"> <li>- More robust, standardized investigation procedure to <b>address root causes</b></li> <li>- Document and track closure of actions from all incidents</li> <li>- <b>Share and implement learnings</b> across the globe to prevent recurrence</li> </ul>
<b>Employee engagement</b>	<ul style="list-style-type: none"> <li>- Near miss/hazard <b>reporting will increase engagement</b></li> <li>- Proper follow-up and communication will sustain engagement and lead to increased employee ownership</li> <li>- Employee-led Safety Committees drive positive, <b>proactive ownership</b></li> </ul>
<b>Policies and procedures</b>	<ul style="list-style-type: none"> <li>- Initial emphasis on <b>life critical policies</b> (eg. LOTO, working from heights, electrical safety, forklift/pedestrian interaction, management of change)</li> <li>- <b>Define global standards</b> and ensure all employees understand requirements</li> </ul>
<b>Global communication</b>	<ul style="list-style-type: none"> <li>- Build <b>global safety community</b> where standards are developed</li> <li>- Accelerate improvements by sharing incidents and best practices</li> <li>- Leverage global team for proactive site assessment</li> </ul>



# FY20 safety objectives

Continued injury reduction with actions to evolve the safety culture

## Safety starts with people...



**Cullman Employee  
Safety Committee**

## creating awareness...

**Near Miss Report**

Name: \_\_\_\_\_ Date: \_\_\_\_\_

Work Location: \_\_\_\_\_

Category:  HSE  Quality

Risk Rating: **Green** **Yellow** **Amber** **Red**

**SEE IT** (describe what, where, when, who, how)

**SORT IT** (what did you do to resolve it?)

AGREED ACTIONS (ensure actions have been agreed & who with)

**NOW REPORT IT!**

## and delivering results

- 10% reduction in injury rate
- Deploy safety leadership training
- Implement near miss/hazard reporting – leading indicator
- Develop global standard for incident investigation / communication
- Develop implementation plan for global policies
- Implement global HSE software platform

# Lean Management

KPIs and Visual Factory

# Operations KPIs

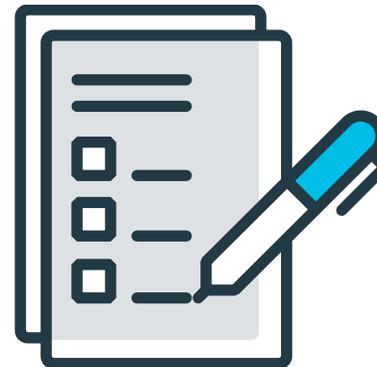
## Developing global metrics and approach to driving continuous improvement

### Plant operations metrics

- Weekly/monthly tool for operations management to drive performance
- Emphasis on performance vs. machine capability
- Measure performance vs. target and reasons for variances
- Data directly drives action plans for continuous improvement
- Creates common platform for global collaboration / reporting
- Deployment underway in each region

### Safety, quality, delivery and cost

#### Scorecard



#### Analysis / Actions



# Daily Lean management

## Connecting Ops KPIs with shop-floor visual management and accountability

### Shop floor visual factory

- Shift/daily visual tool for short-interval accountability and control
- Operator ownership for achieving KPI targets, reporting results, and raising barriers
- Supervisors and support groups (e.g. maintenance) take short-term action with clear owners and target dates
- Continuous follow-up with shift/daily stand-up meetings
- Deployed and maturing in each region
- Building a culture of engagement and accountability



# Continuous Improvement

Driving cost out and Operations efficiency

# Continuous Improvement (CI)

## Building CI culture and processes

### Foundation

- The right leadership to build the culture and implement the process
- Metrics and visual factory approach is first step
- CI resources to focus on improvement every day
- Involve Operators to feed ideas and take CI actions every shift

### Structuring the process

- Established goal to offset non-commodity inflation with cost reduction
- Structured approach to develop project pipeline/estimated savings
- Monthly project review and tracking savings vs. forecast

### Key focus areas

#### Procurement

- New VP Procurement on-boarded
- Supporting regional execution and implementing new processes

#### Scrap

- Reduce rejects through machine optimization
- Molding tool modifications

#### Substitution

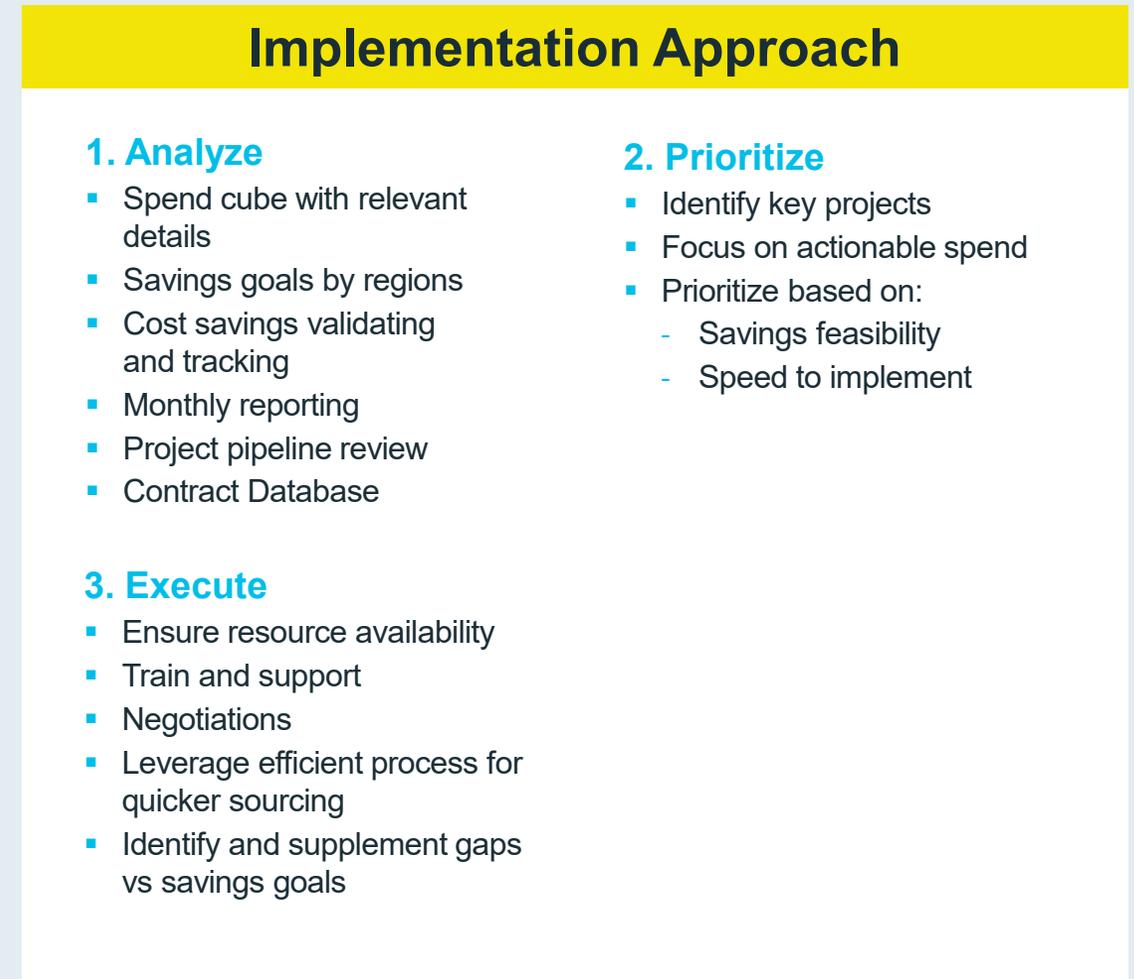
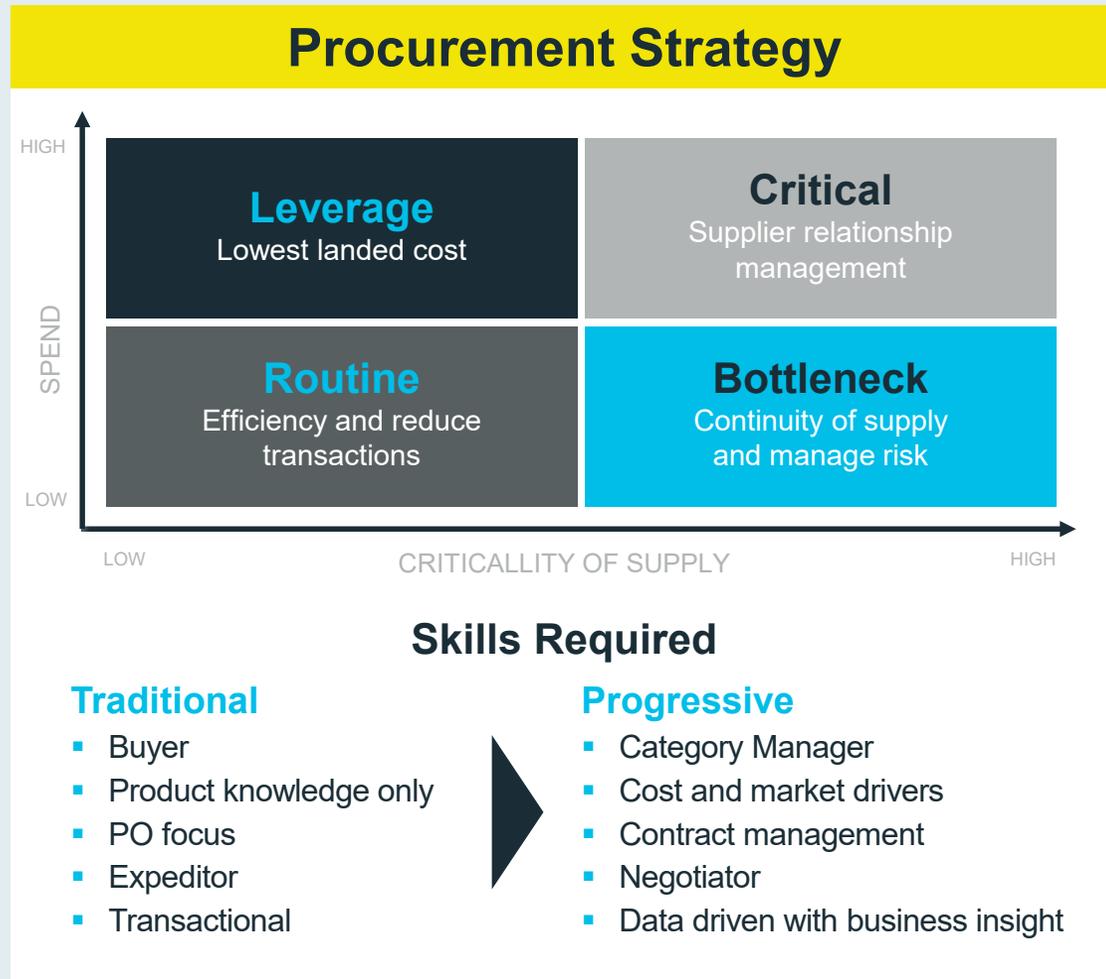
- Alternative suppliers to drive efficiency and competition
- Redesign packaging for lower cost

#### Labor costs

- Automation of manual processes
- Improved plant OEE to reduce production hours required

# Global Procurement

Driving cost savings and implementing procurement processes



# Cost savings project tracking

## Project execution and visibility to results

### Idea Pipeline



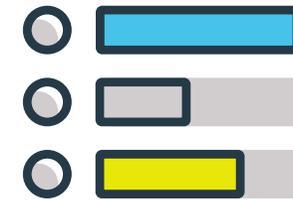
- Project ideas developed with estimated financial impact
- Clear owners, timing and targets assigned
- Collaboration with all plant functions to maximize impact

### Project Tracking



- Tracking templates underway to summarize project, savings forecast, and status / actions
- Bi-weekly / monthly updates with Executive team to report status of projects and any roadblocks

### Financial Reporting



- Consolidation of project savings for monthly reporting
- Summary of financial impact and forecast vs. budget
- Monitor execution and quickly identify any gaps

# Supply Chain process improvement

## Enabled by S&OP

- Need for Sales and Operations Planning (S&OP) process to drive efficiency through the supply chain
- Engaged leading third-party consultant to conduct a diagnostic in the Americas and provide recommendations
- Retained a consultant trained by leading third-party consultant with experience at Coca-Cola to support the Americas implementation
- EMEA and APAC have supply chain leaders with strong S&OP experience who will lead implementation and align with the Americas process
- Targeting improvements in on-time delivery, production efficiency, transportation costs and inventory

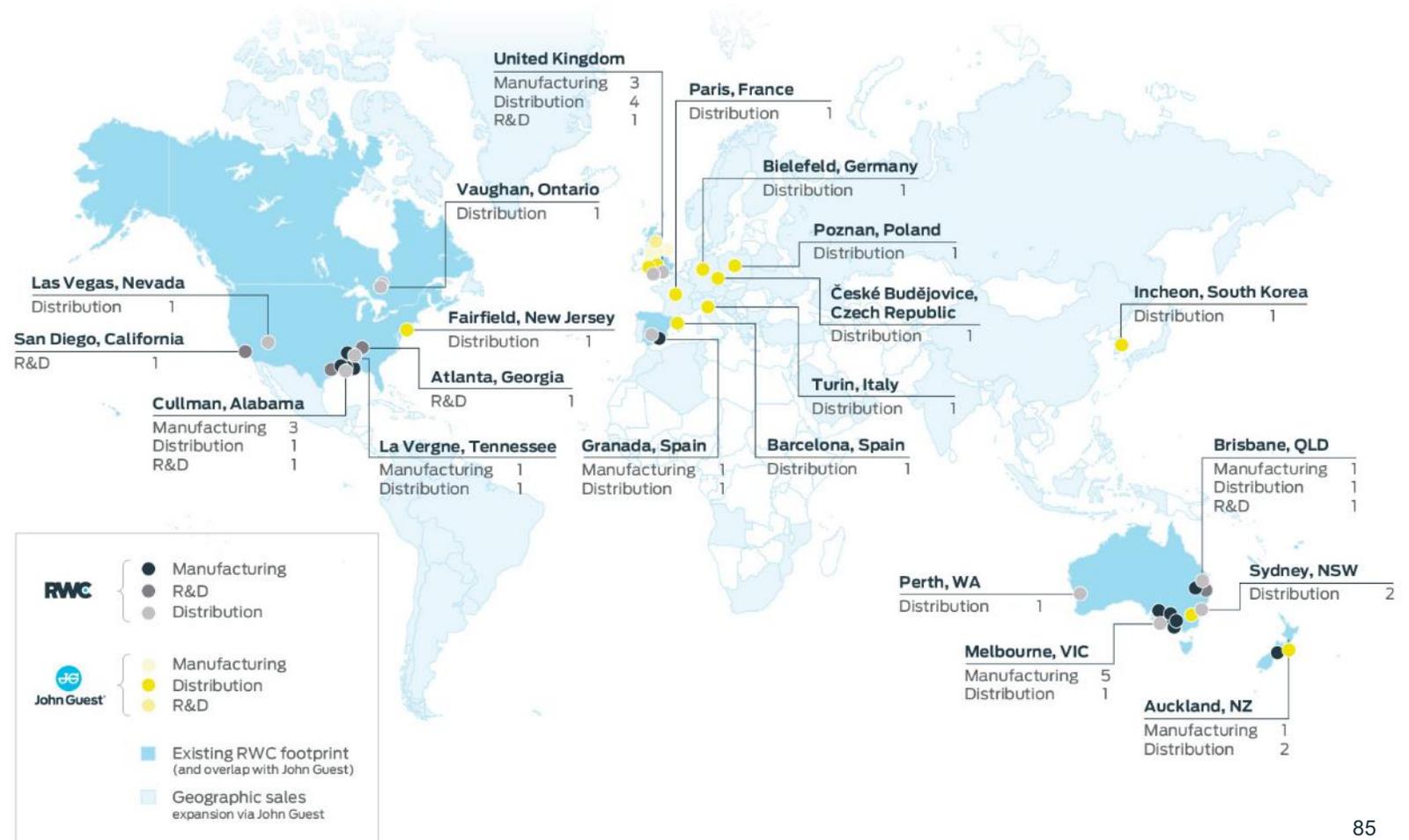


S&OP Process

# Long term strategic opportunities

## Driving optimization across the Group

- Make vs. buy  
(e.g. brass components, flexi hoses)
- Leverage John Guest tooling and automation expertise across the Group
- Manufacturing and distribution footprint strategy
- Alternate manufacturing technologies  
(e.g. forging process)
- Standardize and leverage global spend  
(e.g. resins, o-rings, molding machines)
- Sharing expertise and best practices across the Group





# Investor Day Q&A and Wrap Up

Wednesday September 18, 2019



# In Summary



## The fundamentals of our business are stronger than ever



The diversity of our business – across geographies, end users, channels to market, products, raw materials – both reduces risk and provides more growth opportunities



The strength of, and growth runway for, our core push-to-connect businesses are complemented by the growth potential of new and emerging products and product categories



The business is delivering solid above market top line growth...with strong, sustainable margins



We generate strong cash flows, prudently allocate capital expenditure, and have a track record of growing dividends



We are making the investments required to sustain organic growth over the medium to long term...while remaining alert to attractive inorganic growth opportunities with the demonstrated capability to deliver successful acquisitions

# Q&A



Solutions to Shape the World™

# Appendix

# RWC Group snapshot

Global operations across the Americas, EMEA and APAC



<sup>1</sup>FY19 Consolidated Results