

ANNUAL GENERAL MEETING

THURSDAY 29 OCTOBER 2020

CHAIRMAN'S ADDRESS

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

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

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

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

Health and Safety

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

Financial Performance

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

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



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

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

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

Cash Flow and Balance Sheet

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

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

Dividend

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

Board composition

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

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

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

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

Social Impact Report

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

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

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