



Jefferies Asia Forum

9 September 2021

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RELIANCE WORLDWIDE CORPORATION LIMITED
ABN 46 610 855 877



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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 Results Announcement dated 23 August 2021. These measures have not been subject to audit or review.

All figures are presented in Australian Dollars unless indicated otherwise. The sum totals throughout this presentation may not add exactly due to rounding differences.

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This presentation forms part of a package of information about Reliance Worldwide Corporation Limited. It should be read in conjunction with the Appendix 4E, 2021 Annual Report and the Results Announcement released on 23 August 2021.

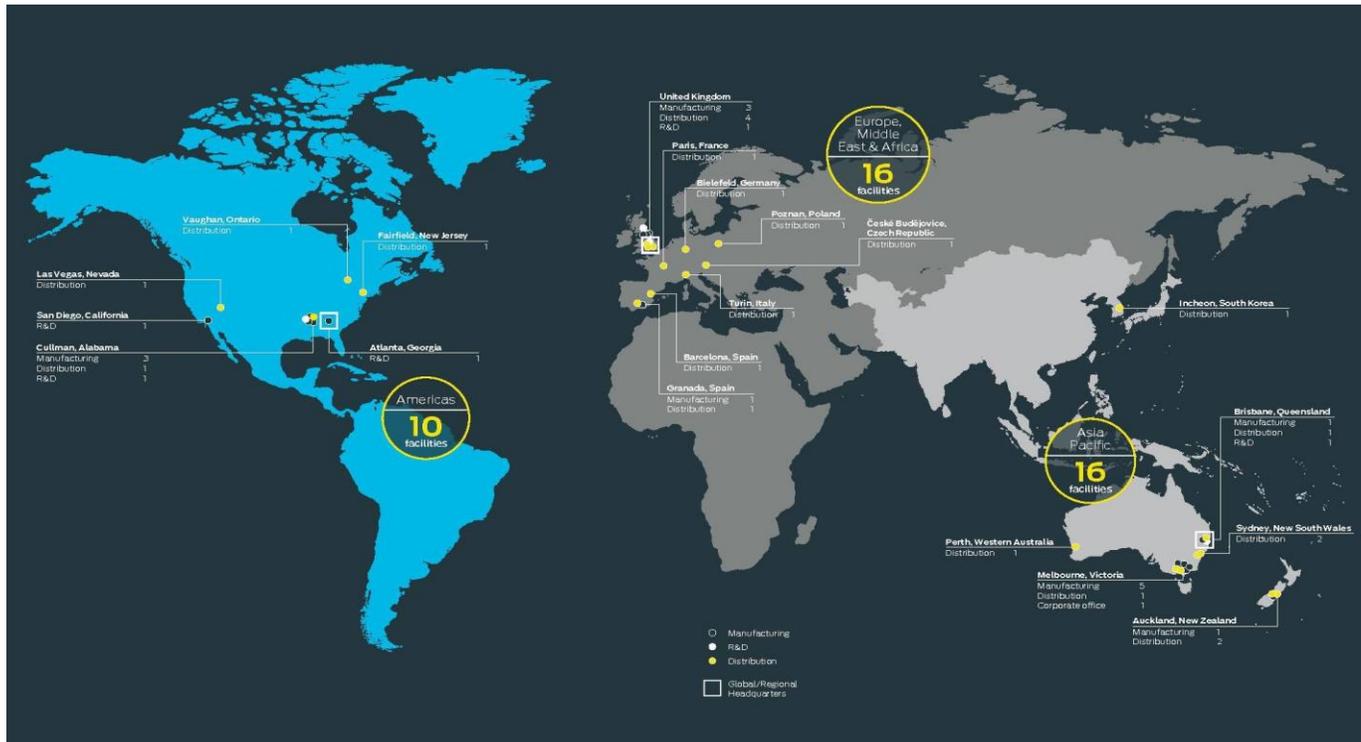
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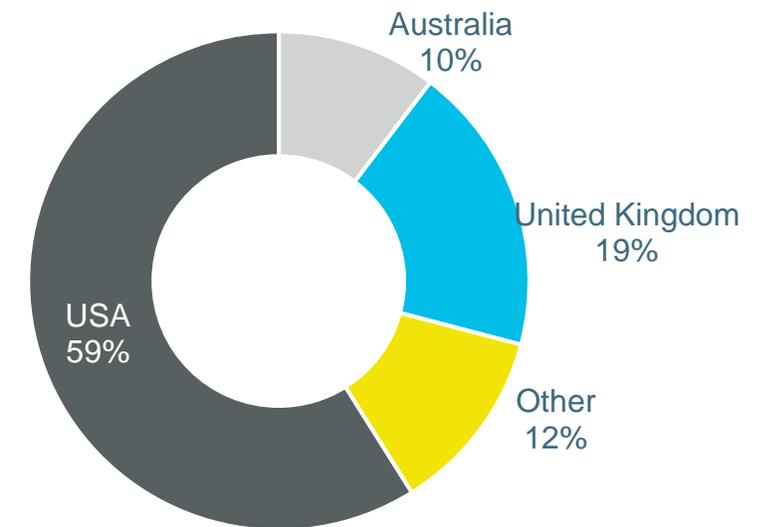
RWC Overview

RWC is a leader in the design, manufacture and supply of water flow and control products and solutions for use in the “behind the wall” plumbing sector

- The leader in brass and plastic push to connect (“PTC”) fittings in key geographies
- Majority of sales are to the repair and renovation (“R&R”) end market
- Vertically integrated global manufacturer with a strong culture of innovation, leading R&D and engineering capability
- Extensive distribution networks of channel partners in all key geographies
- Successful history of M&A to augment product range and build market positions in new geographies and end-markets



Geographic Sales Breakdown¹



¹ External sales for the year ended 30 June 2021

RWC product portfolio



RWC's brands transform performance and efficiency for plumbing and heating and specialist industries around the world



57% of Net Sales:
- Push to Connect: 47%
- Other Fittings: 10%



12% of Net Sales



12% of Net Sales



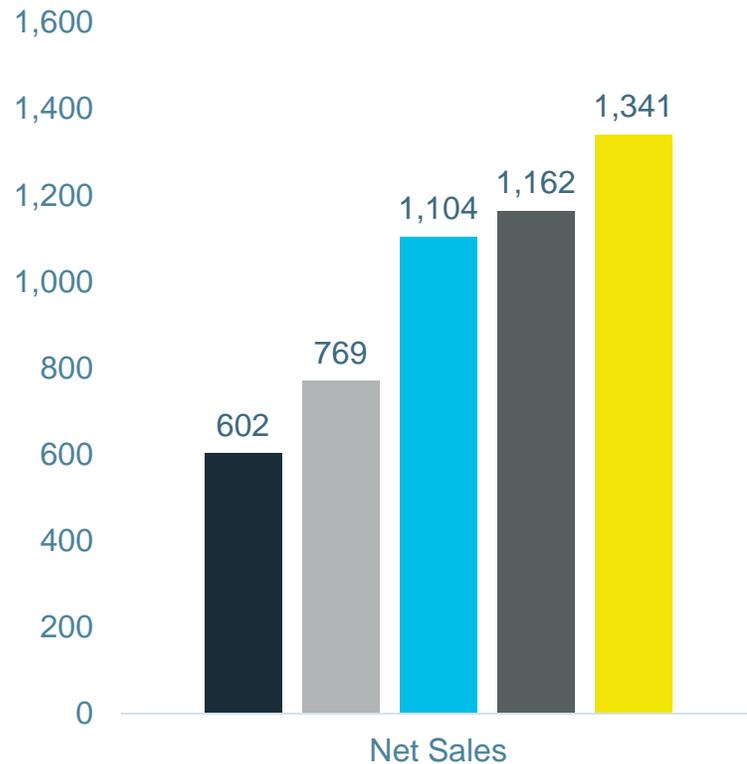
9% of Net Sales



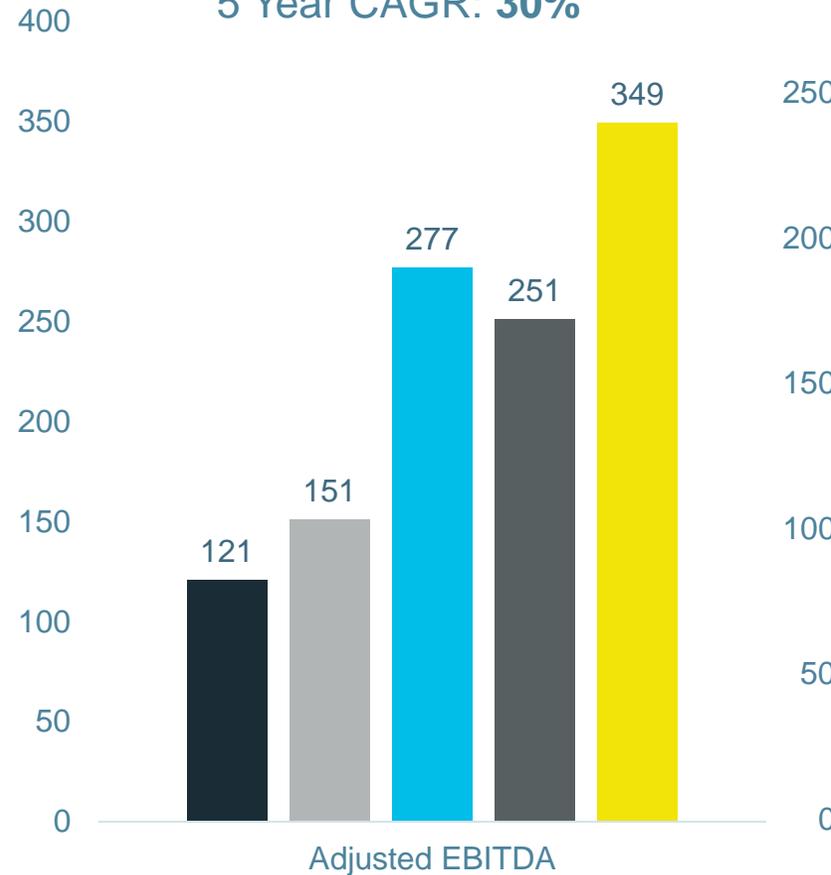
10% of Net Sales

RWC 5-Year Post-IPO Performance History

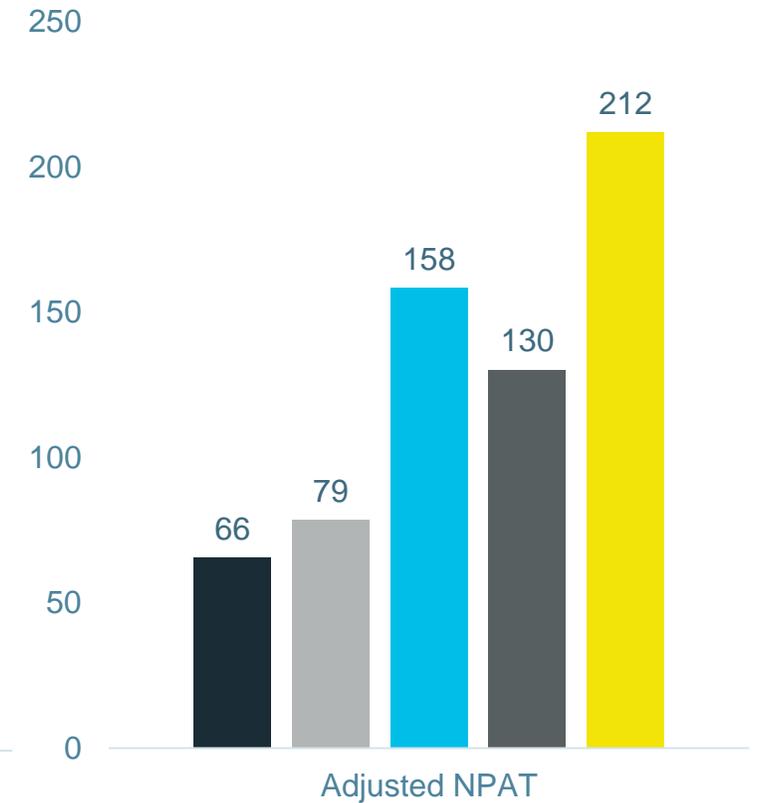
Net Sales A\$m
5 Year CAGR: **22%**



Adjusted EBITDA A\$m
5 Year CAGR: **30%**



Adjusted NPAT A\$m
5 Year CAGR: **34%**



Strategy Overview

Creating Value through Product Leadership

Create and deliver plumbing products that are the first choice for users



Solutions for the end-user

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

End user insights

New product development

Acquisitions



Distributor Relationships

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

Superior service

High value product

Brand management



Operational Excellence

Premium quality products and outstanding delivery performance, yielding margin expansion.

Lean manufacturing

Strategic sourcing

Logistics capability

Our Team

Supporting and developing our people, supporting and caring for the broader community



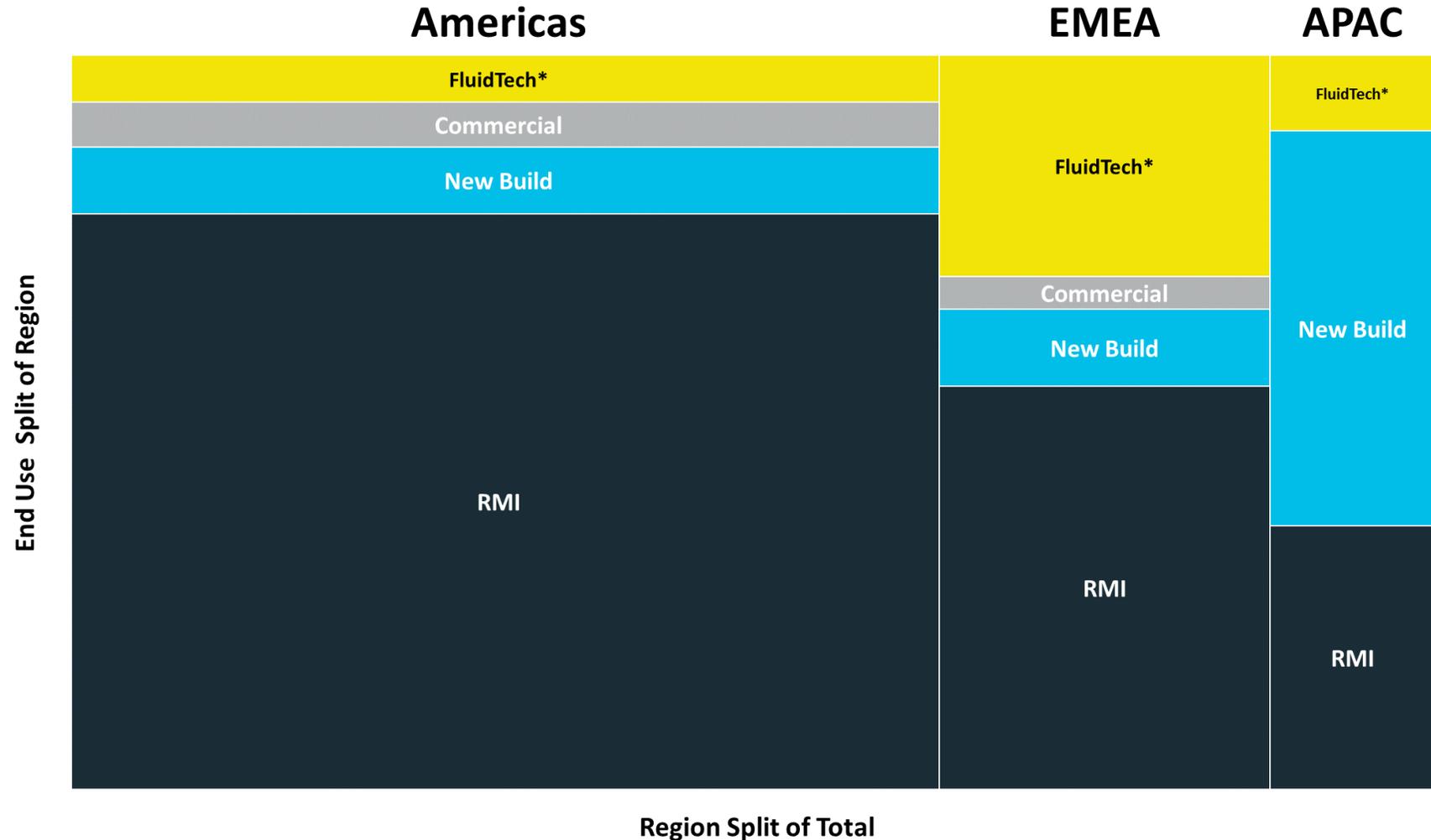
Our Values (our S.P.I.R.I.T.)



Together
we are one
Team

End Use by Region

Core RMI market represents significant share of global end use segments



Note* - FluidTech segment includes water treatment, drinks and dispense, air and pneumatics, and blown fibre applications; Segment splits based on Group FY20 net external sales

Regional Strategies

Americas: stable historical growth and key fundamentals support core repair segment

Long term market growth of 2% to 3% annually

Highly Correlated Indicators for RMI

- Increasing Home Values
- Existing Home Sales



Residential Maintenance and Improvement
2.5% CAGR
(1995 to 2019)

Historical Category Focused Metrics

- Non-Discretionary (Repair)
- Kitchen and Bath Remodel



Internal water pipes (and fittings) repaired or replaced
3% CAGR
Plumbing Fixtures
7% CAGR
(1995 -2019)



Kitchen and Bath Remodels
4% CAGR
(1995 -2019)

Key Driving Fundamentals

- Median Age of Housing Stock
- Household Formations



Median age of housing stock
2% CAGR
Total housing stock
1% CAGR
(2001 – 2019)



Data shows RMI activity follows household formation spikes
Household Formation
1% CAGR
(1995 -2019)
2018 to 2028
12M new households:
1% CAGR

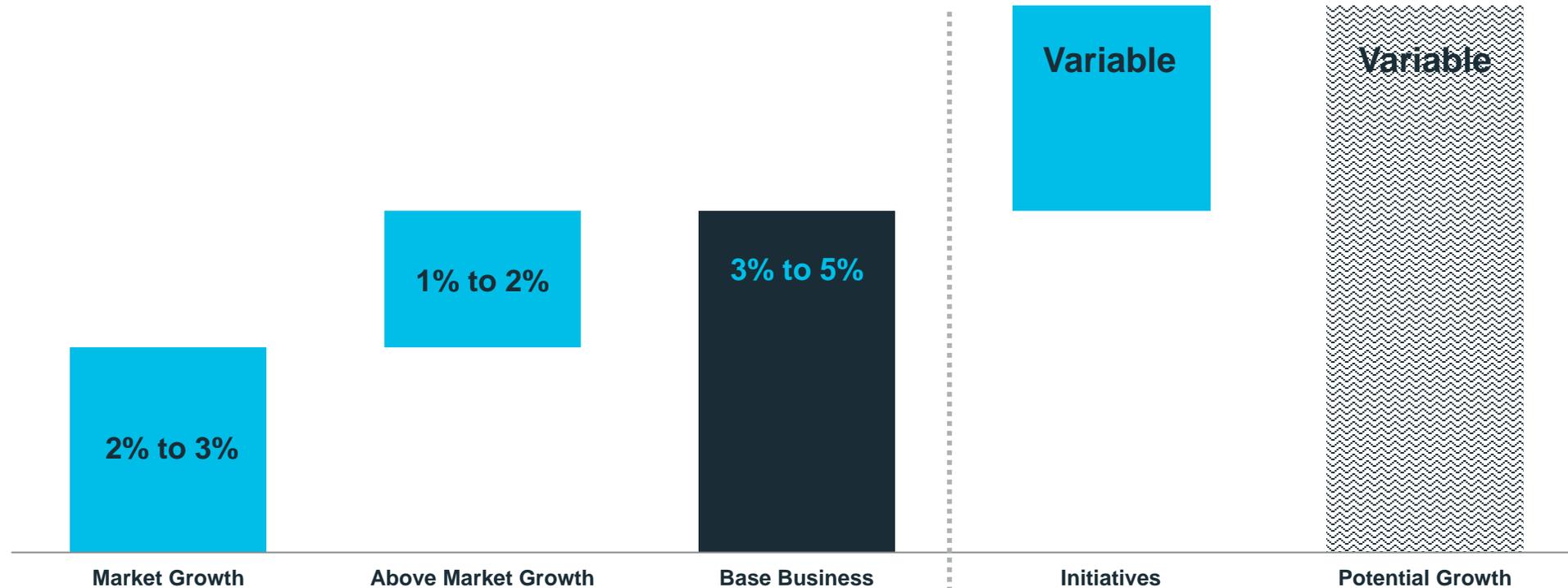
Americas growth plan

Utilise strength of brand, product offering and focused innovation approach across distribution network to expand market share

	Goals	Representative initiatives		
<p>Demand...</p>	<p>Own the project</p> <p>Available</p> <p>Customer needs</p> <p>Build offering</p>	<ul style="list-style-type: none"> Commercial end market selling investment Extend brands to new categories Add proven solutions requested by the Pro Expand access to acquired product offering (HoldRite and JG) Capture additional shelf space Creative SKU placement and merchandising Continued expansion of HoldRite providing differentiated entry point into commercial Continue innovating within fittings Programmatic M&A linked to strategy filling product and capability gaps 		
<p>Reach...</p>				
<p>Innovation...</p>				
<p>M&A</p>				

US Growth Estimate – Potential Upside

In any given period, targeted base business growth rate with upside from specific customer and product initiatives



Based on US core market growth, we can target 3% to 5% annual growth rate

Potential customer and product initiatives targeted on regular basis can provide upside but not possible to achieve every period

EMEA strategy

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

Key underlying drivers

Expand basket for existing end users with focus on driving innovative, time saving product

Leverage strength of **brands**

Utilise **core operational and execution** competencies



Accelerate...



Expand...

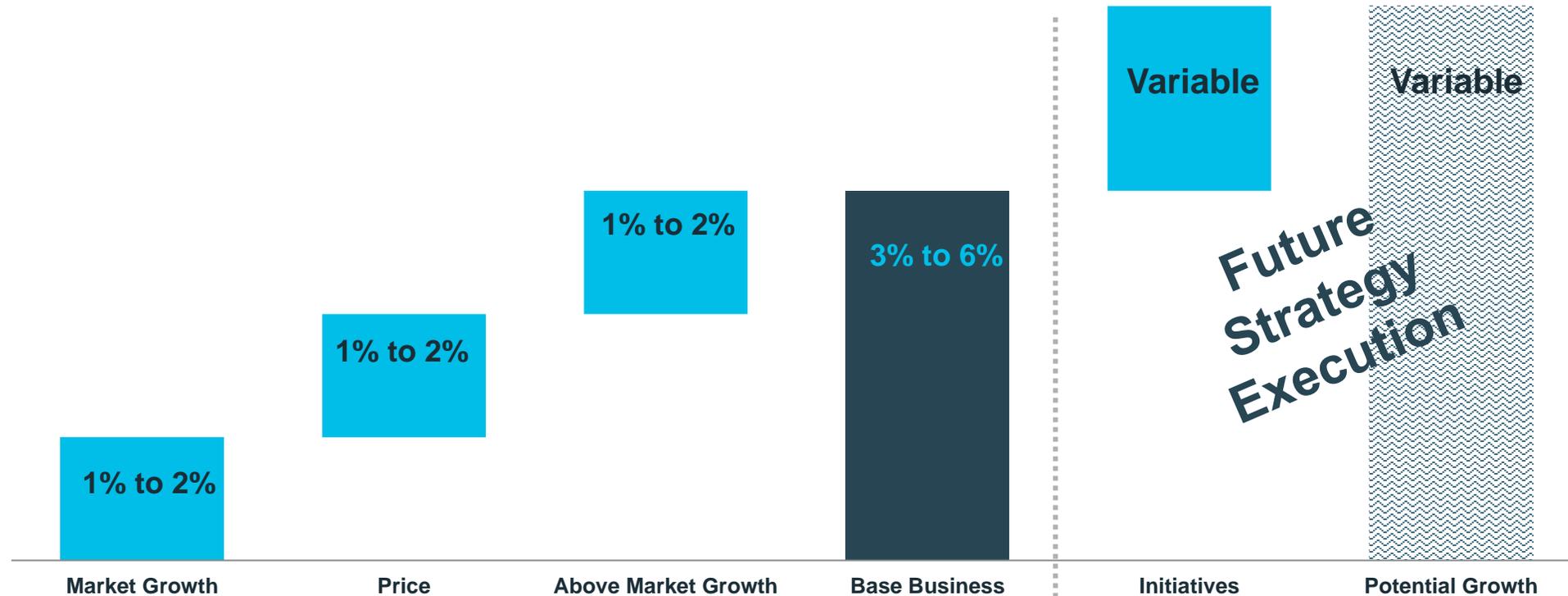


Access

	UK		Continental Europe	
	Goals	Plans	Goals	Plans
Accelerate...	Achieve profitable growth in core, repair and maintenance market	<ul style="list-style-type: none"> ▪ P&H RMI: 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 ▪ P&H domestic new build: supplement existing regional builder accounts with select national, volume developers ▪ P&H commercial: evaluate product and capability requirements to further penetrate adjacent commercial market 	Continue to develop FluidTech markets in Europe	<ul style="list-style-type: none"> ▪ FluidTech: further develop existing markets with required product development and support
Expand...	Grow into adjacent plumbing and heating end use segments		Grow into adjacent Fluid Technology end markets in Europe	<ul style="list-style-type: none"> ▪ FluidTech: develop new FluidTech end markets and support global penetration (Americas, APAC) of existing markets
Access			Enter select European geographies	<ul style="list-style-type: none"> ▪ P&H RMI: prioritize specific European geographies for penetration of P&H markets organically and/or inorganically

UK Growth Estimate – Potential Upside

In any given period, targeted base business growth rate with upside from specific customer and product initiatives



Based on UK core market growth, we can target 3% to 6% annual growth rate

Potential customer and product initiatives targeted on regular basis can provide upside but not possible to achieve every period

APAC: Australian Core Growth Initiatives

Evolving market conditions and new opportunities drive our growth in our core market



End users and channels

Wholesale

We support the [Licensed Plumber](#) network through a broad range of Wholesalers.

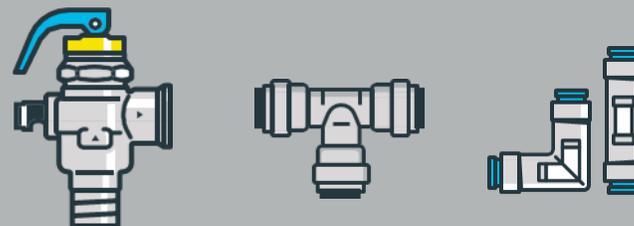
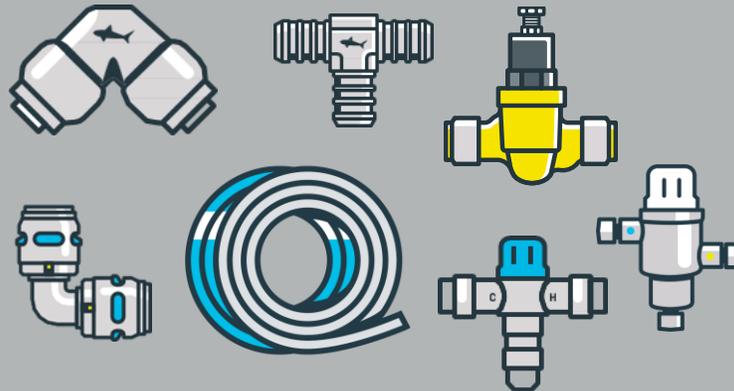
Hardware

We leverage a limited product range to [DIY](#) and emergency repairs through key Hardware chains.

OEM

We partner with several targeted OEMs to provide key components and [partnered product development services](#).

What We Deliver



Value Creation

- Full Wholesaler support package including training and full customer care service
- Broad product offering covering all 'back of wall' needs.
- Optimized order administration and management.
- Targeting 100% delivery in full on time.
- Intimate interactions in supply chain efficiency and engineering support to optimize product integration.
- High volume capacity to match all levels of demand.

APAC growth strategies and priorities

Driving core product initiatives to serve existing markets and emerging opportunities

	Goals	APAC plans	
<p>Accelerate</p>	<p>Achieve profitable growth in core, new build markets in Australia and New Zealand, and continue to develop FluidTech markets in Asia</p>	<ul style="list-style-type: none"> Australia/New Zealand: expand share and offering in core market piping systems market across domestic and high-density housing applications for complete mains to outlet solutions 	
<p>Expand</p>	<p>Grow into adjacent plumbing end use segments in the Australia and adjacent FluidTech end user markets in Asia</p>	<ul style="list-style-type: none"> Asia FluidTech: further develop existing markets and expanded applications utilizing existing product ranges 	
<p>Access</p>	<p>Continue to evaluate other market opportunities for core products in Asia</p>	<ul style="list-style-type: none"> Asia: continue to monitor evolving market trends 	

FY21 Financial Performance

RWC financial snapshot for year ended 30 June 2021

Net sales

\$1,341 million

+15% growth overall¹
+25% in constant currency

Adjusted EBITDA

\$349.2 million

+39% on pcp

Adjusted NPAT

\$211.9 million

+63% on pcp

Operating cash flow

\$334.3 million

+20%
Cash conversion: 98%

Net debt reduction

\$128.3 million

Net debt \$173.9 million
Net leverage ratio² at 0.51x

Final dividend

7.0 cps

Total FY21 dividends

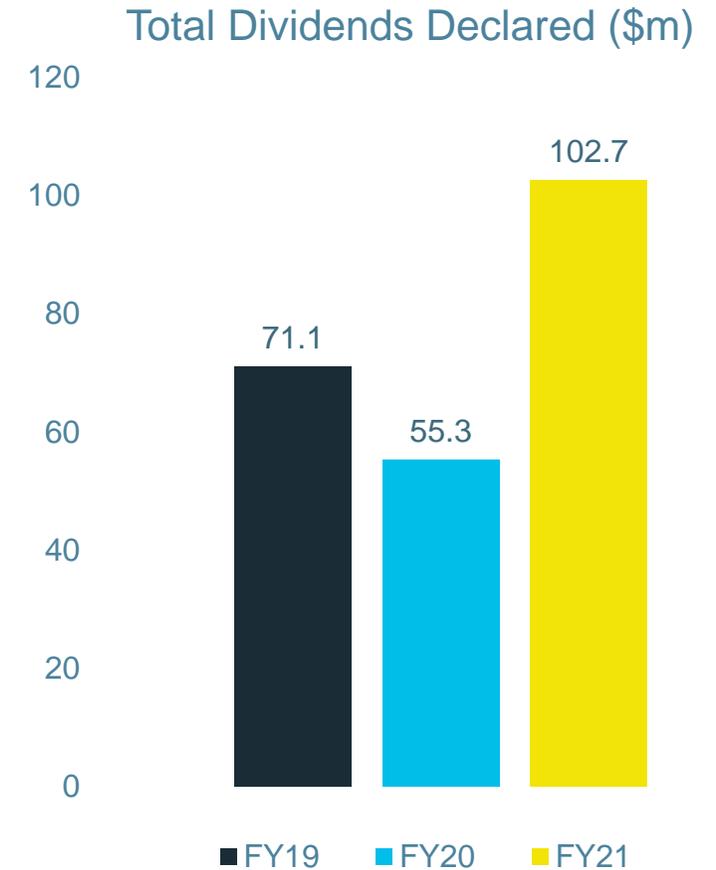
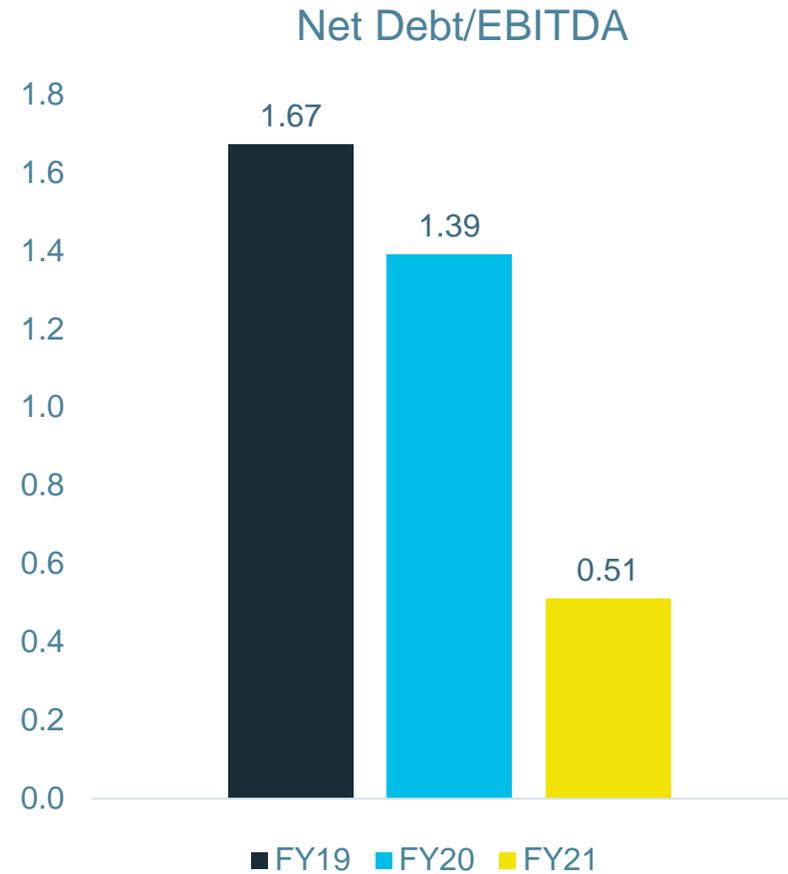
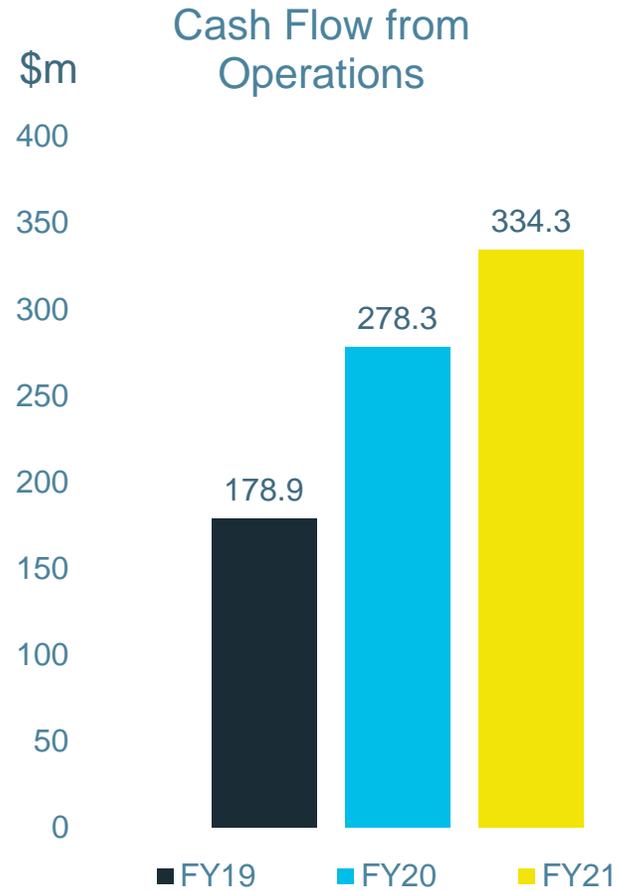
13.0 cps

¹ Growth rates expressed as change over comparative period for the year ended 30 June 2020

² Net Debt/FY21 Reported EBITDA of \$340.7m

Strong operating cash flow performance

Cash generated enabled further reduction in net debt and higher FY21 dividend



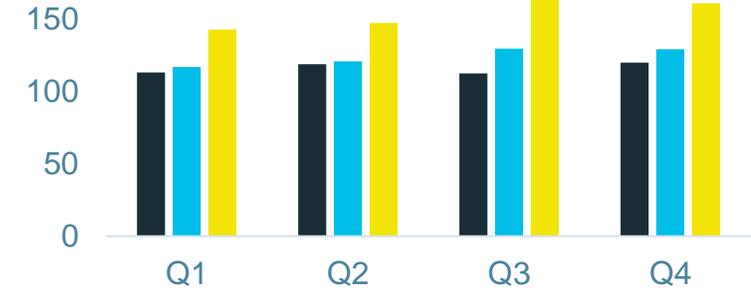
FY21 Revenues reflect COVID and US freeze impacts

Strong growth on a 2-year basis in all regions

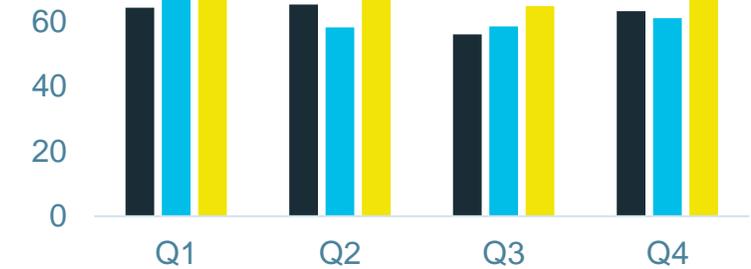
RWC Quarterly Revenues A\$m



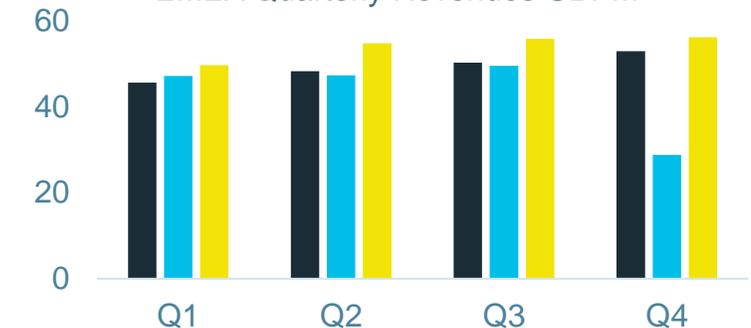
Americas Quarterly Revenues US\$m



Asia Pacific Quarterly Revenues A\$m



EMEA Quarterly Revenues GBPm



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
<ul style="list-style-type: none"> • Margin expansion through continuous improvement initiatives • Strong operating cash flow performance • Maintenance of investment grade equivalent credit metrics • Improving return on equity 	<p>Above-market growth in 3 regions:</p> <ul style="list-style-type: none"> • Americas • APAC • EMEA 	<p>Ongoing investment in:</p> <ul style="list-style-type: none"> • capacity expansion • core new product development <p>Ongoing assessment of operational footprint and supply chain optimisation</p>	<p>M&A aligned with strategy:</p> <ul style="list-style-type: none"> • Fill gaps in product range • Expand distribution or end-user scope • Broaden geographic presence 	<p>Target Leverage Range:</p> <p>Net Debt to EBITDA of 1.5 - 2.5 times</p>	<p>Target Dividend Payout Ratio:</p> <p>40-60% of NPAT</p> <p>Franked to the extent possible – estimated at less than 30%</p>	<p>On-market Share Buybacks:</p> <p>Preferred means of distributing excess cash beyond dividends</p> <p>Assessed when appropriate</p>

Outlook

Outlook for FY 2022¹

RWC will provide expanded quarterly trading updates from the first quarter of FY2022

PRICES:

- Average price rises announced in FY2021 of 6% will mitigate inflation impacts
- Price increases will flow through to Sales in FY22, regional variations will reflect different product mix and cost bases
- Price increases may be margin dilutive by up to 1% where they are applied to offset equivalent cost increases with no net contribution to gross margins

COSTS:

- Price increases are expected to fully offset commodity input cost increases
- Commodity prices and other cost inflation will require a dynamic approach to pricing and cost management
- Expenditure on travel, entertainment and marketing expected to increase in FY22 from suppressed levels in FY21

CASH FLOW:

- Cash flow from operations will be impacted as we re-build inventory levels in the first half
- Cash for investing activities will include:
 - Payment on completion of LCL acquisition for A\$37m
 - Increased capital expenditure of A\$80m to A\$90m

¹ Key assumptions for FY2022 are set out in the Results Announcement dated 23 August 2021

Regional outlook for FY 2022¹

AMERICAS:

- COVID brought about a step change in residential remodelling activity in FY21
- Home remodelling activity is expected to remain strong given fundamentals in core US residential segments
- FY22 sales (excl freeze) expected to continue to grow at above market rates, but growth rate expected to moderate from the abnormally high rates of FY21
- Sales growth drivers will include price impacts, new products and marketing initiatives, overall market growth (excl. price)

ASIA PACIFIC:

- Increases in residential dwelling approvals in Australia expected to translate into ongoing strong construction activity levels
- House price appreciation and low interest rates should remain supportive of continued growth in the repair and remodelling sector
- Operating earnings will include contribution from LCL acquisition

EMEA:

- Repair and remodel activity expected to continue to be a strong performing sector within the UK construction industry
- Continental Europe demand expected to improve further with economies increasingly opening up

¹ Key assumptions for FY2022 are set out in the Results Announcement dated 23 August 2021

Summary

Summary

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

- RWC is focused on creating value through product leadership
 - Solutions for the end-user: improving contractor productivity, enabling the DIYer
 - Value for distributors: increasing value on their shelf, providing broadest access to our product for end-users
 - Industry leading execution: premium quality, outstanding delivery performance, margin expansion
- Each region offers unique growth opportunities:
 - **Americas:** highest medium term growth potential from continued product range expansion and leveraging of strong brands and channel partner network
 - **APAC:** key Australian market relatively mature but ongoing new product opportunities
 - **EMEA:** leveraging John Guest brand and distribution network with expanded product range in the UK is highest strategic priority
- Selective M&A will be targeted to help achieve strategic objectives

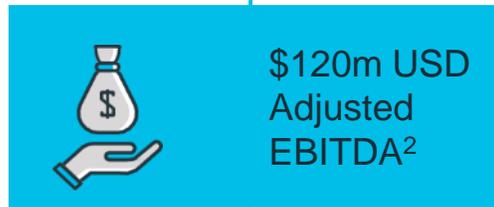
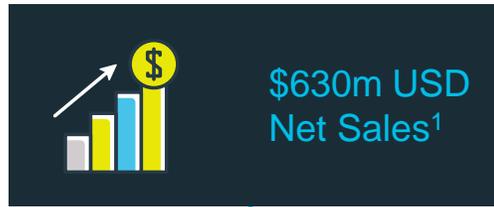


Q&A

Appendix

RWC Americas snapshot

Well positioned brands across a diverse product range serving multiple segments

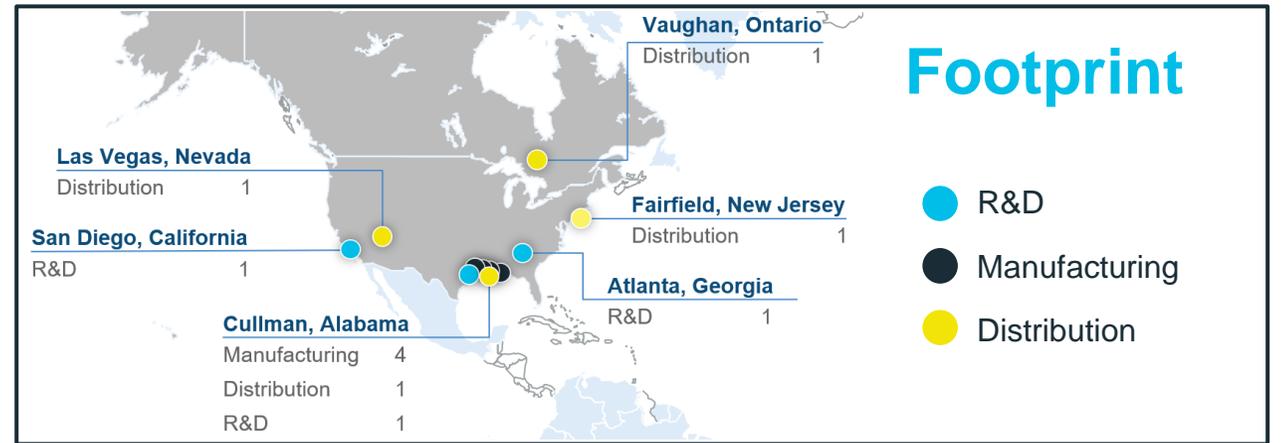
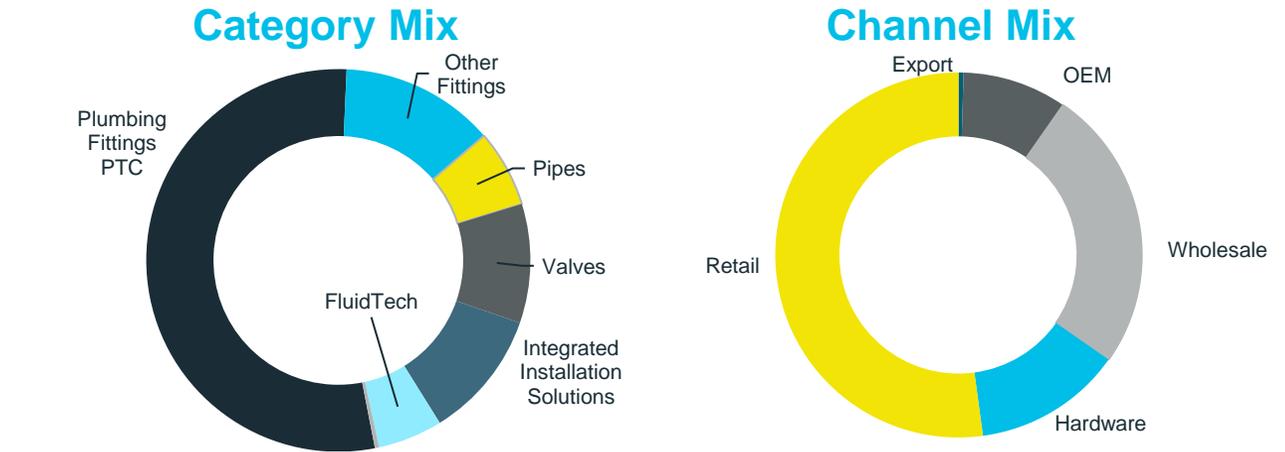


Brands

- SharkBite[®]
- CashAcme[®]
- HoldRite[®]
- John Guest[®]

End Use Segments

- Residential
- Multi-Unit
- Commercial
- OEM



¹ Segment net sales includes \$2.5 million of intercompany sales to other segments; FY21 Results

² EBITDA before one-off charge for warehouse consolidation

EMEA business snapshot

Exceptionally strong brands in a diversified set of markets and geographies

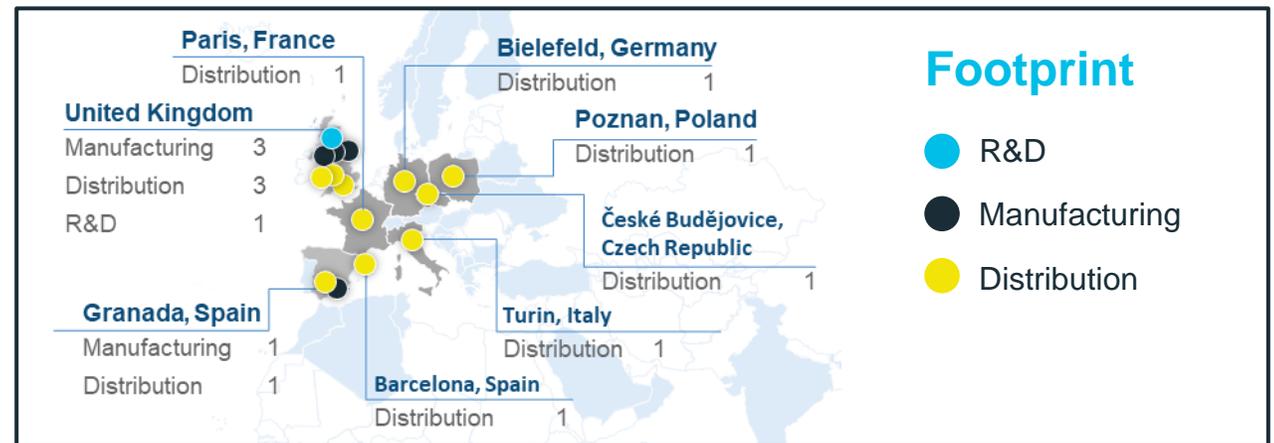
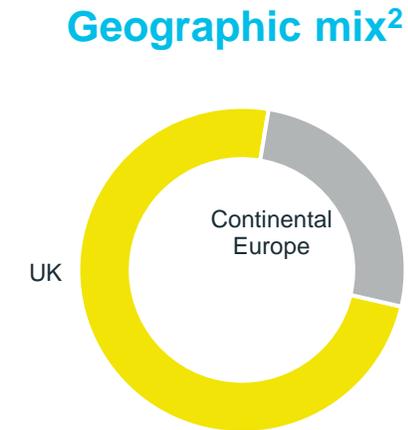
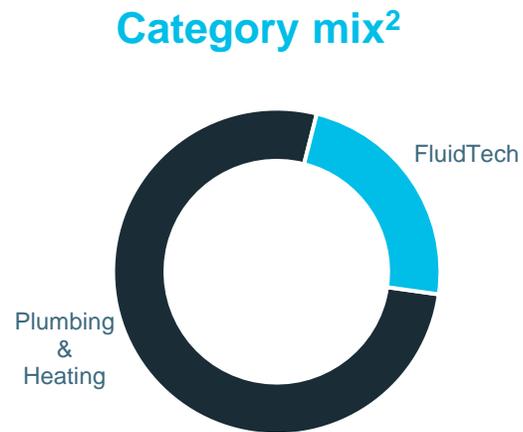


Brands

- Speedfit[®]
- John Guest[®]
- Reliance[®] VALVES
- SharkBite[®]

End Use Segments

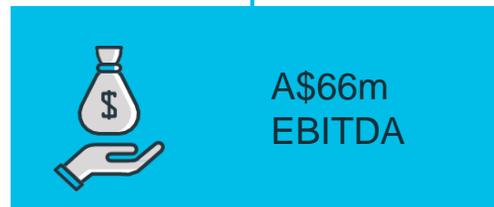
- Residential
- Multi Unit
- Commercial
- OEM



1. FY21 actual results
2. Based on FY21 external sales only and excludes intercompany sales to Americas / APAC

RWC APAC snapshot

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

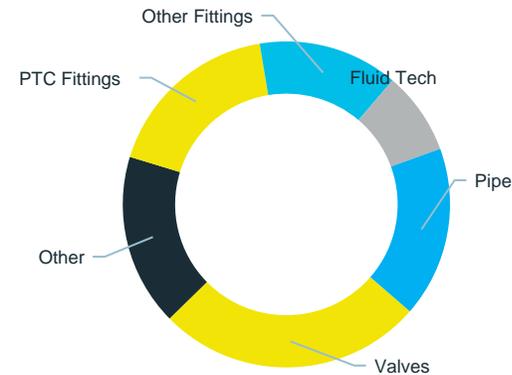


Brands

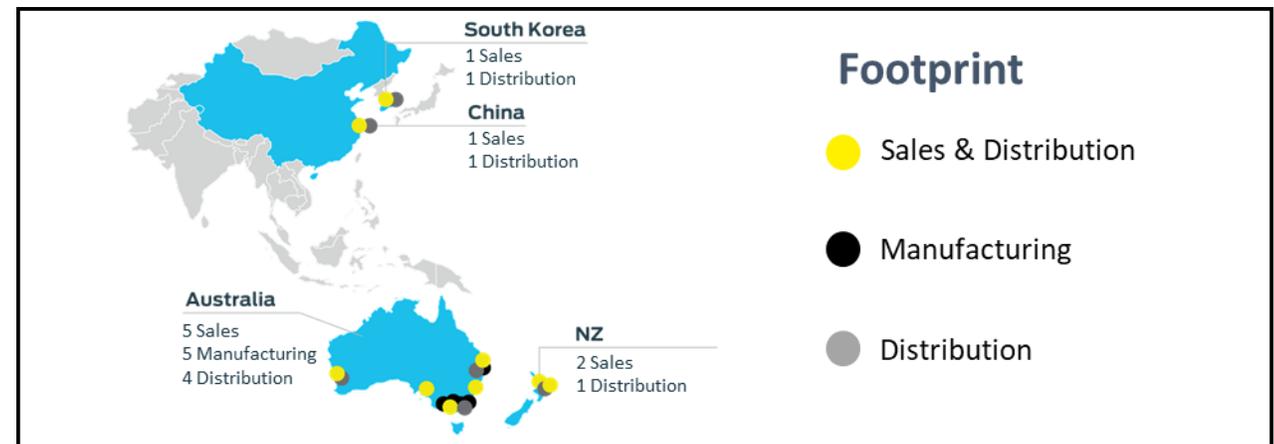
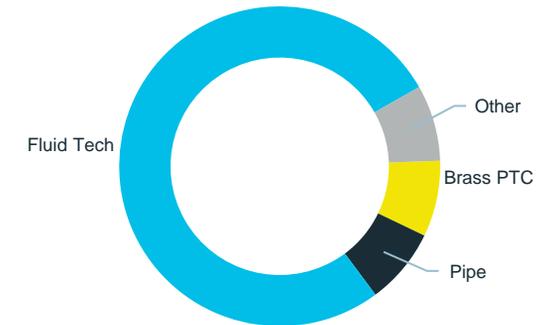
End Use Segments

 Residential
 Multi Unit
 Commercial
 OEM

Category Mix – AUS/NZ



Category Mix - Asia



¹Segment net sales includes \$116 million of intercompany sales to other segments; FY21 results