

## ASX Announcement

7 May 2024

### Presentation at Macquarie Australia Conference

Reliance Worldwide Corporation Limited (ASX: RWC) advises that Heath Sharp, Chief Executive Officer, will be presenting at the Macquarie Australia Conference today. A copy of the presentation is attached.

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This announcement has been authorised for release by the Disclosure Committee.





# Investor Presentation May 2024

Heath Sharp  
Chief Executive Officer

RELIANCE WORLDWIDE CORPORATION LIMITED  
ABN 46 610 855 877



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# Important Notice

This presentation contains general information about Reliance Worldwide Corporation Limited's activities at the date of presentation (7 May 2024). It is information given in summary form and does not purport to be complete.

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The financial results are extracted from unaudited management accounts. RWC's standard processes were followed to confirm the material accuracy of the results. This presentation contains references to the following non-IFRS measures: EBITDA, Adjusted EBITDA and Adjusted EBIT. These measures are used by RWC to assess operating performance and are defined in the Operating and Financial Review dated 19 February 2024. These measures have not been subject to audit or audit review.

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

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 Circumstances may change and the contents of this presentation may become outdated as a result.

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# Introduction to RWC

Who we are, what we do, where we play

# RWC delivers a broad portfolio of plumbing solutions

From the construction of new commercial and residential buildings to the repair and remodel of existing ones, RWC's portfolio of innovative products and trusted brands make the job easier and more dependable

## Plumbing Solutions

### Fittings



### Valves



### Pipe



### Integrated Installations Solutions



## Appliance Installation Solutions

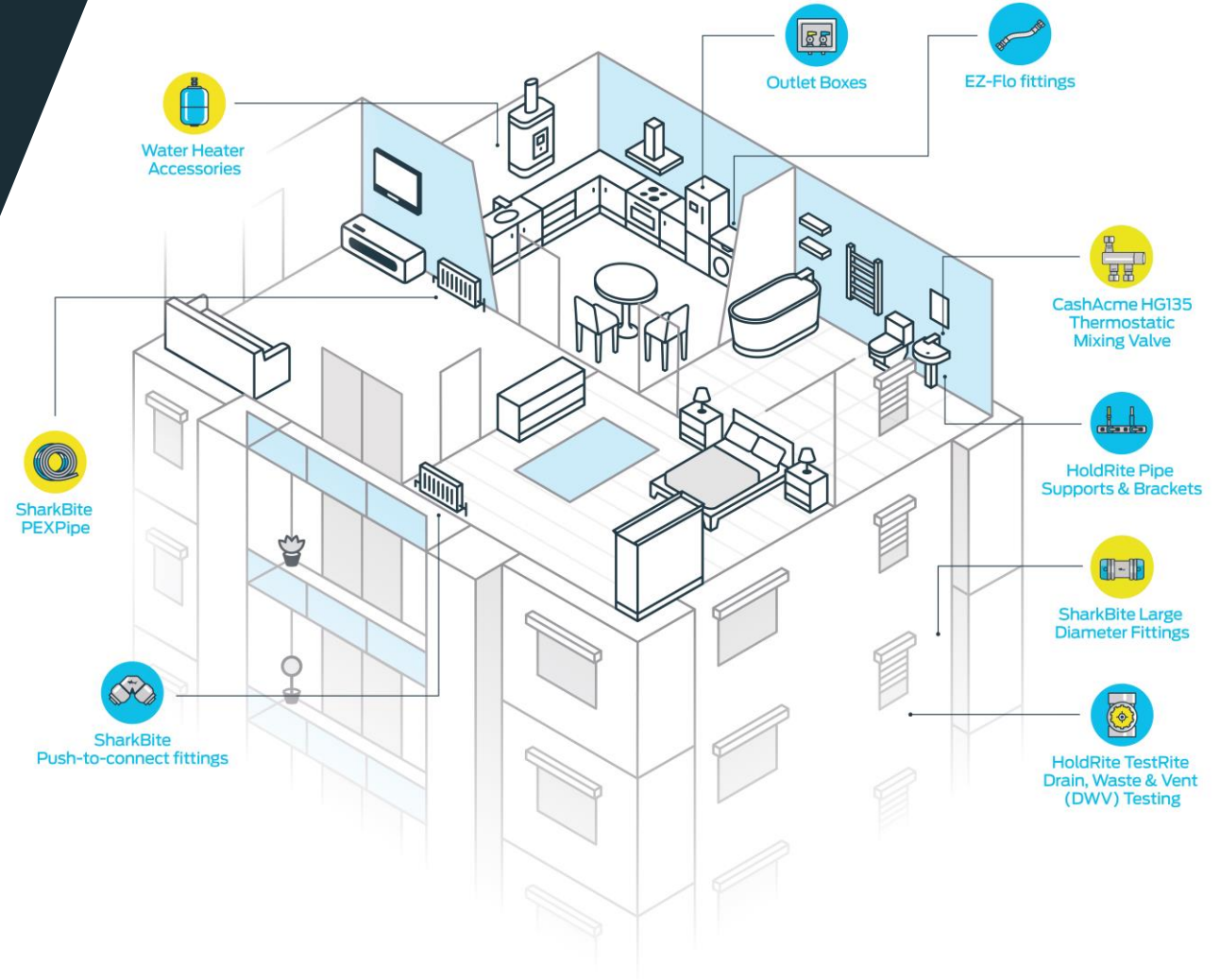
### Water Filtration and Drinks Dispense



### Water and Gas Appliance Connectors



RWC's portfolio of trusted products and brands deliver smart solutions that are the first choice for plumbers



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# RWC manufactures in each of its major end markets

## Manufacturing locations

UNITED STATES

In the United States we manufacture:

- Push-to-connect fittings & other fittings
- Pipes
- Valves
- Integrated installation solutions



In the UK we manufacture:

- Push-to-connect fittings
- Pipes
- Water filtration & drinks dispense fittings



SPAIN

In Spain we manufacture:

- Push-to-connect fittings
- Pipes



Americas  
Global Operating  
Headquarters in Atlanta

Europe, Middle East & Africa  
Regional Headquarters  
in London

Asia-Pacific  
Regional Headquarters  
in Brisbane

In China we manufacture:

- Appliance installation & repair products



In Brisbane Australia we manufacture:

- Valves
- PVC pipe & fittings



In Melbourne Australia we manufacture:

- Push-to-connect fittings & other fittings
- Pipes



In Perth Australia we manufacture:

- PVC pipe & fittings
- Watering & gardening products

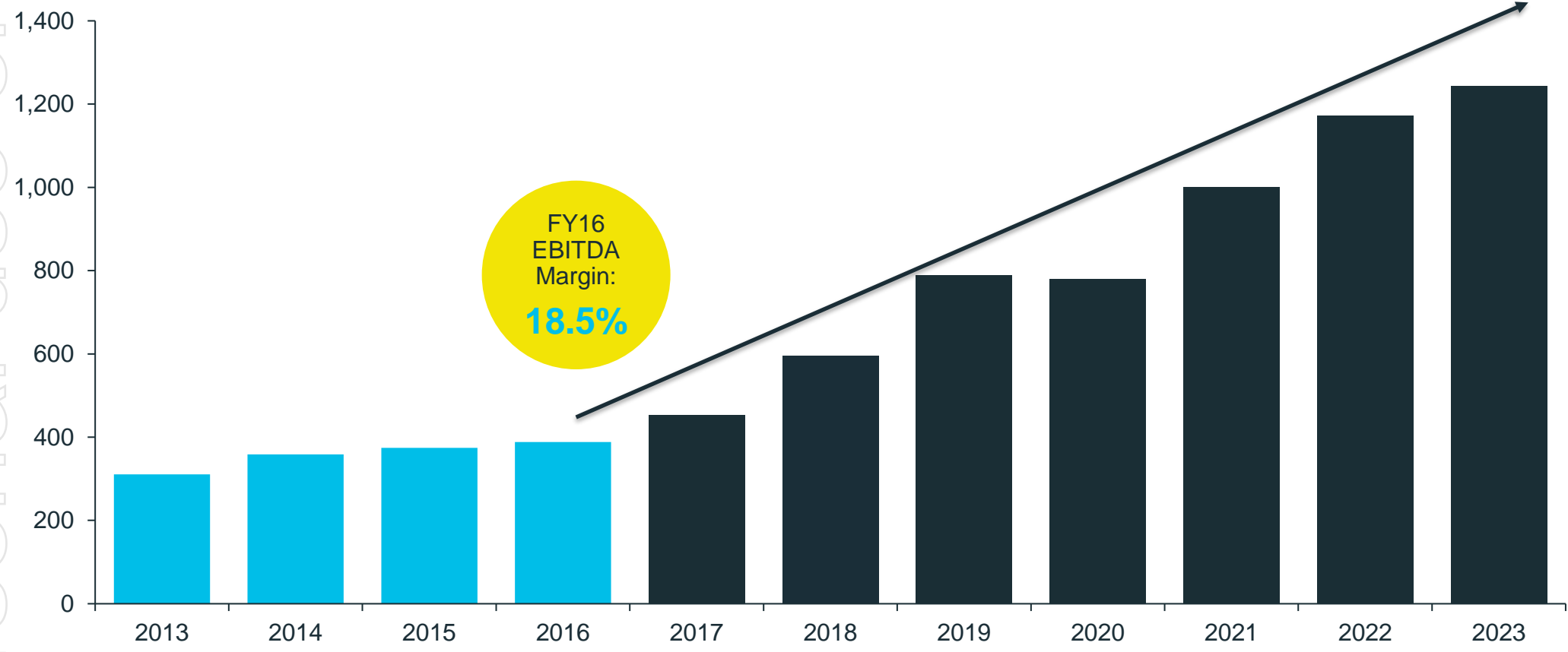


# RWC has a strong growth track record

Since IPO in 2016, Net Sales has grown at an 18% CAGR driven by organic growth and M&A

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RWC Net Sales US\$m





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# Strategy overview

What's the opportunity

# RWC's Vision | Complete plumbing global leader

## Everything rough plumbing:

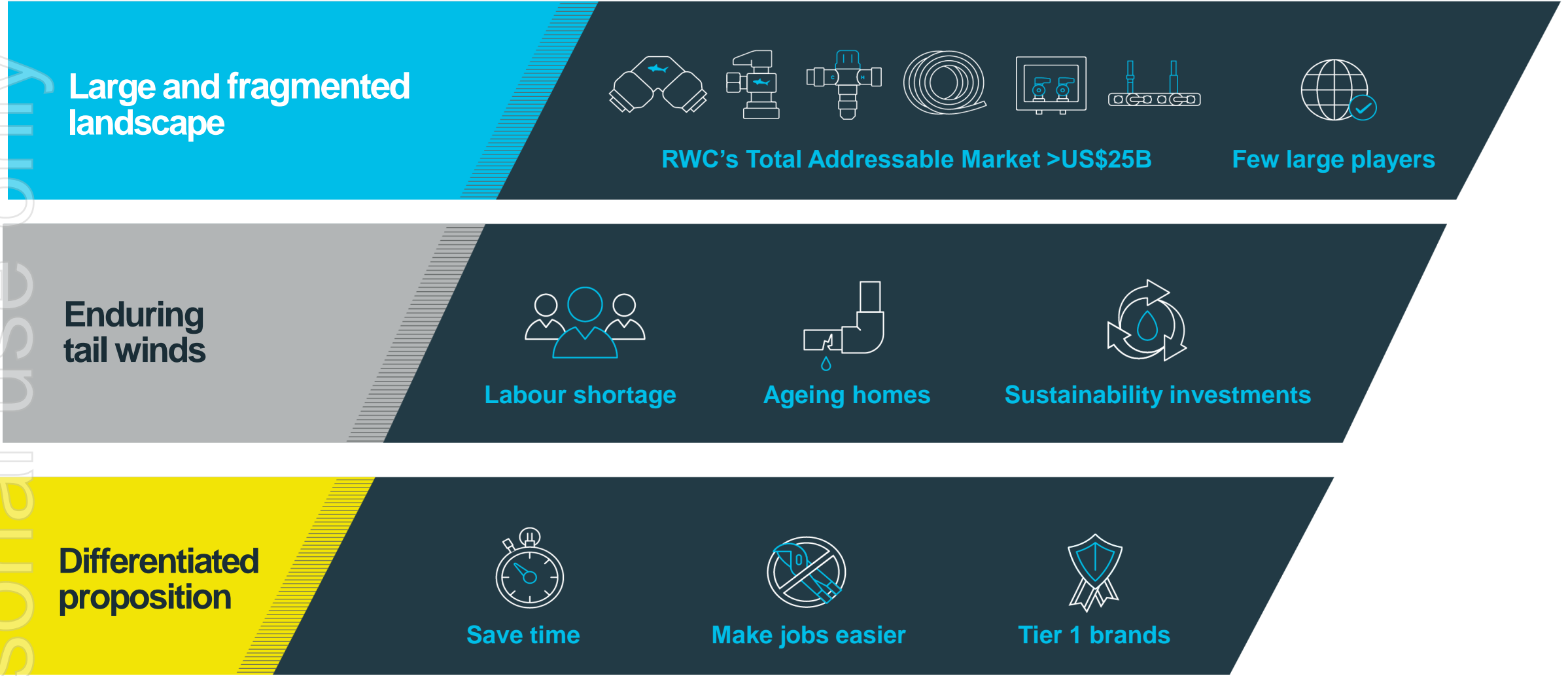
Broad portfolio of plumbing products and systems

Aimed at both Residential & Commercial end markets

Across new construction, repair and remodel

Distributed through wholesale, retail and OEM channels

# RWC is well positioned for long-term growth



# Strategy Overview

RWC seeks to create 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



# Ongoing product development underpins strategy

Product

**SharkBite MAX**



**PEX-a**



**HoldRite**



**Gas Appliance Connectors**



End Markets

- Residential repair and remodel

- Residential remodel
- Re-pipe
- Residential new construction

- Residential remodel
- Residential new construction

- Residential repair and remodel

Status

- Phase 4 rollout completed
- Final Phase 5 underway

- Retail rollout completed
- Wholesale load-in underway

- Successfully launched in 4th Quarter 2023

- Strong take-up in retail and OEM channels

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# Strategy implementation

How we are executing

# Market capture priority by region

Each region has different growth opportunities

## Americas

### Growth across three pillars

- Residential repair & remodel through continued channel partner expansion
- Commercial plumbing through a combination of new product development and bolt-on acquisitions
- Larger remodel and residential new construction

## EMEA

### Launch commercial offerings and expand geography:

- Operational excellence initiatives
- Commercial valve and fittings launch
- Continental Europe retail channel expansion for P&H products

## APAC

### Integrate Holman & capitalise on broader platform/portfolio:

- Water out (DWV) plumbing into professional wholesale channel
- Updated pipe and fitting ranges including AUSPEX range extensions
- Retail expansion in Bunnings
- Expansion of existing brands and products into Pro irrigation channels

# Global | Continuous Improvement



## Focus Area

## Description

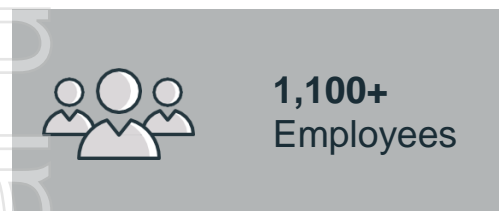
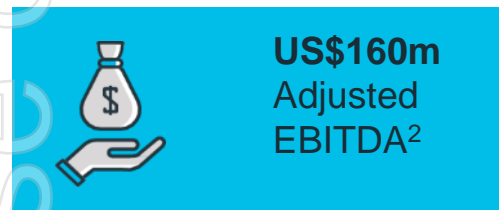
## Outcome

Focus Area	Description	Outcome
Supply Chain	<ul style="list-style-type: none"><li>Standardise and strengthen S&amp;OP process and tools</li><li>Supplier quality program</li></ul>	<ul style="list-style-type: none"><li>Continual focus on delivery performance</li><li>Optimise inventory levels globally</li></ul>
Strategic Sourcing	<ul style="list-style-type: none"><li>Strengthen sourcing operation across regions and optimise costs via scale leverage</li></ul>	<ul style="list-style-type: none"><li>Continuous cost improvement within a “quality first” approach</li><li>Increasing supply redundancies and responsiveness to demand changes</li></ul>
Manufacturing Footprint	<ul style="list-style-type: none"><li>Optimise global manufacturing footprint, leverage IP/capabilities internally for greatest return</li></ul>	<ul style="list-style-type: none"><li>Utilise global RWC IP and capabilities</li><li>Manufacture technical high-volume products where we have advantage, outsource labour-intensive product</li></ul>
Technology	<ul style="list-style-type: none"><li>SAP S/4 HANA upgrade</li></ul>	<ul style="list-style-type: none"><li>Low level background upgrade</li><li>Allows additional functionality to be turned on in future</li></ul>
Operations	<ul style="list-style-type: none"><li>Operations/Fulfillment improvements</li></ul>	<ul style="list-style-type: none"><li>Continuous improvement and automation, to drive lower cost manufacturing</li><li>Right levels of inventory in the right places, better fulfillment processes to support higher service rates</li></ul>

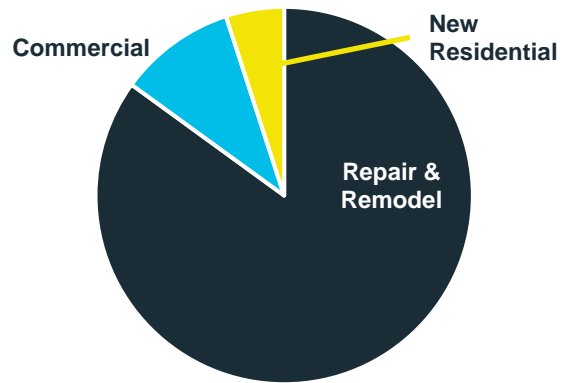


# Americas | Overview

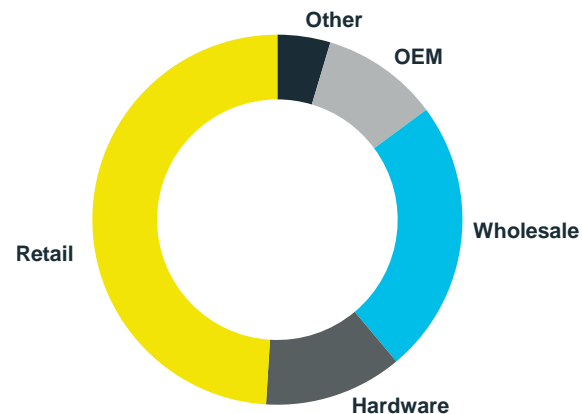
Strategy is to extend further into commercial plumbing and residential new construction while maintaining strong presence in residential repair and remodel



End Market Exposure



Channel Mix



America’s growth opportunities are centred on three pillars:

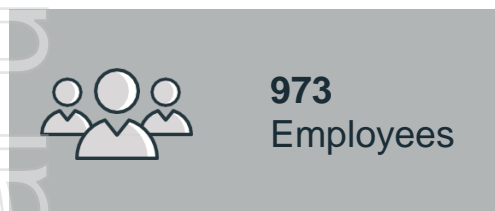
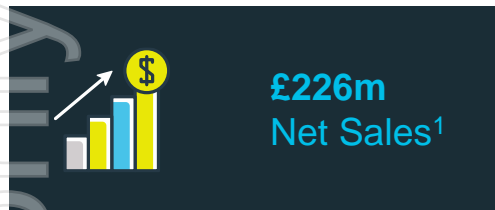
- Residential repair & remodel through continued channel partner expansion
- Commercial plumbing with new product development and bolt-on acquisitions
- New residential construction

**Estimated Total Addressable Market: US\$20B+**

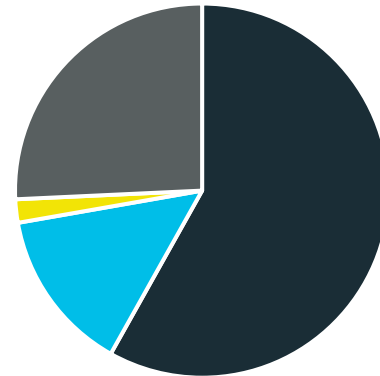
<sup>1</sup> Segment net sales includes \$3.5m of intercompany sales to other segments; FY23 Results

<sup>2</sup> Refer FY23 results announcement for EBITDA adjustments

EMEA is focused on driving operational efficiency ahead of market recovery

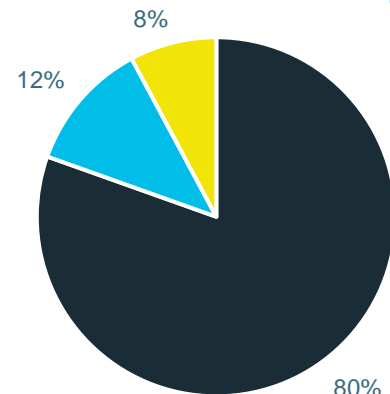


Category mix<sup>1</sup>



■ UK P&H ■ UK Fluidtech ■ UK Export ■ Cont Europe

UK End Use Market Exposure



■ UK RMI ■ UK New Build ■ UK Commercial

## Strategy

### Pursue organic growth initiatives

- Targeted new product development opportunities leveraged across existing sales channels

### Operational Excellence

- Market leading customer service
- S&OP processes to further drive operational efficiency

### Margin focus

- Maintain and grow EBITDA margin through continuous improvement and cost reduction initiatives

**Estimated Total Addressable Market: £3.5B+**

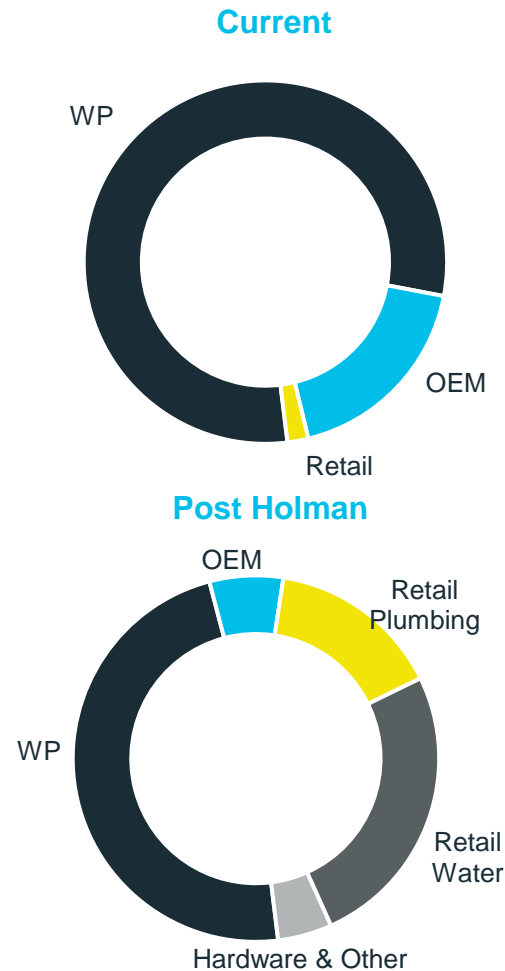
# Asia Pacific | Overview



## Holman significantly changes APAC's business growth profile

RWC	Holman
 <p><b>A\$283</b> Net Sales<sup>1</sup></p>	<p><b>A\$192m</b> Net Sales<sup>3</sup></p>
 <p><b>A\$47m</b> Adjusted EBITDA<sup>2</sup></p>	<p><b>A\$23m</b> Adjusted EBITDA<sup>3</sup></p>
 <p><b>450+</b> Employees</p>	<p><b>300+</b> Employees</p>
 <p><b>1500+</b> Locations</p>	<p><b>660+</b> Locations</p>

### Channel mix



### Strategy

#### Category leadership

- Lead the PEX market through wholesale partners, by bringing in global innovation and solutions that add most value to the end user

#### Channel and product diversification

- Pursue Holman Water-out (DWV) products through traditional wholesale targeted at the pro
- Longer term, pursue plumbing products via Retail
- Target pro irrigation channels

#### Holman integration

- Realise cost synergies announced at time of acquisition

**Estimated Total Addressable Market: A\$3B+**

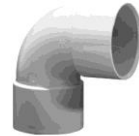
<sup>1</sup> Segment net sales includes A\$104 million of intercompany sales to other segments; FY23 results

<sup>2</sup> FY23 results. Refer to FY23 results announcement for EBITDA adjustments

<sup>3</sup> Holman: unaudited management reports for 12 Months ended 31 December 2023

# Holman overview

Two major revenue categories: Plumbing and Watering



## Plumbing

## Watering

Revenue  
(% of total)

47%

53%

SKUs

~1,300

~1,800

Channels

Wholesale  
Retail

Retail  
Hardware  
Landscape

Products

PVC pipe and fittings - DWV, stormwater, pressure, S&P traps, fabricated

Garden hoses, retractable hose reels, hose fittings, tap timers, poly pipe fittings, sprinklers, garden systems, pumpless sprayers, weather stations

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# Recap of Holman acquisition

## Holman broadens RWC's product offering and channel reach in APAC

<p><b>Holman's product portfolio will complement RWC's offering by adding water-out pipe &amp; fittings</b></p>	<ul style="list-style-type: none"> <li>▪ Holman's plumbing products portfolio complements RWC water-in portfolio with water-out products</li> <li>▪ Additional product ranges doubles RWC's Target Addressable Market in Australia</li> <li>▪ APAC end market exposure more balanced between water-in and water-out product categories</li> </ul>
<p><b>Holman has a stronger relationship with Retail channel partners</b></p>	<ul style="list-style-type: none"> <li>▪ Holman is now the retail arm of RWC APAC, creating a strong platform that is able to support and grow category share in both wholesale and retail channels in Australia</li> <li>▪ Increased product cross-sell opportunities with combined Holman/RWC product range</li> </ul>
<p><b>Holman products are category leaders in plumbing and watering in Bunnings</b></p>	<ul style="list-style-type: none"> <li>▪ Very strong track record of product innovation, breadth of offering and quality of product has built leading brand positions for Holman, particularly in retail</li> <li>▪ Established track record of world class retail execution capabilities</li> </ul>
<p><b>Broadens RWC's channel exposure in Australia</b></p>	<ul style="list-style-type: none"> <li>▪ Post acquisition, RWC's channel exposure is split broadly between wholesale and retail</li> <li>▪ Retail is a growing channel in the plumbing and heating space alongside wholesale</li> </ul>
<p><b>Improves RWC's cost position and enables RWC to better compete for new opportunities</b></p>	<ul style="list-style-type: none"> <li>▪ Holman and RWC have complementary sourcing capabilities from Asia</li> <li>▪ Rationalisation of overlapping footprint capable of consolidation to improve cost position</li> <li>▪ Opportunity to leverage RWC scale and manufacturing capability</li> </ul>

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# Focused on delivering for shareholders

Capital Management approach

# 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 returns	Capital returns
<ul style="list-style-type: none"> <li>• Margin expansion through continuous improvement initiatives</li> <li>• Strong operating cash flow performance</li> <li>• Maintenance of investment grade equivalent credit metrics</li> <li>• Improving return on capital employed</li> </ul>	<p><b>Above-market growth in 3 regions:</b></p> <ul style="list-style-type: none"> <li>• Americas</li> <li>• APAC</li> <li>• EMEA</li> </ul>	<p><b>Ongoing investment in:</b></p> <ul style="list-style-type: none"> <li>• capacity expansion</li> <li>• core new product development</li> </ul> <p><b>Ongoing assessment of operational footprint and supply chain optimisation</b></p>	<p><b>M&amp;A aligned with strategy:</b></p> <ul style="list-style-type: none"> <li>• Fill gaps in product range</li> <li>• Expand distribution or end-user scope</li> <li>• Broaden geographic presence</li> </ul>	<p><b>Target Leverage Range:</b></p> <p>Net Debt to EBITDA of 1.5 - 2.5 times</p>	<p><b>Target Payout Ratio:</b></p> <p>40-60% of NPAT:            ~Half to be paid as Dividends            ~Half to be distributed via on-market share buyback</p> <p>Dividends will generally be unfranked</p>	<p><b>On-market Share Buybacks:</b></p> <p>Preferred means of distributing excess cash beyond dividends</p> <p>Assessed when appropriate</p>

# RWC: committed to making a positive, lasting impact



Environment

**Net Zero by 2050**

Committed to reducing Scope 1 and Scope 2 emissions to Net Zero by 2050

**42% reduction in Scope 1 and Scope 2 emissions by 2030**

**Scope 3**

Continue to measure Scope 3 emissions with an aspiration of setting targets to achieve net zero by 2050



Social

Driving diversity, equity and inclusion in a safe and inspiring workplace

**40/40/20**

Gender diversity targets

**4.9**

Recordable incidences per 1 million hours worked



Governance

Oversight and alignment  
Ensuring our performance

3 female Board members, representing **43%** of Non Executive Directors

**ESG Performance**

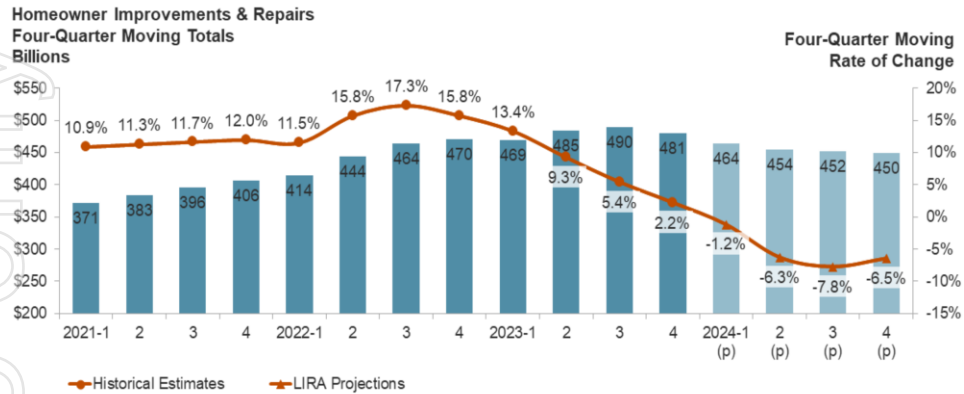
linked to executive remuneration

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# Outlook

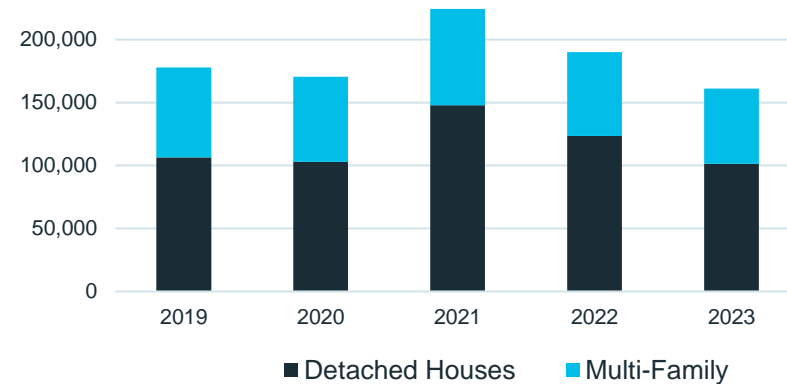
# Short term market challenges due to higher interest rates...

## Leading Indicator or Remodelling Activity – Fourth Quarter

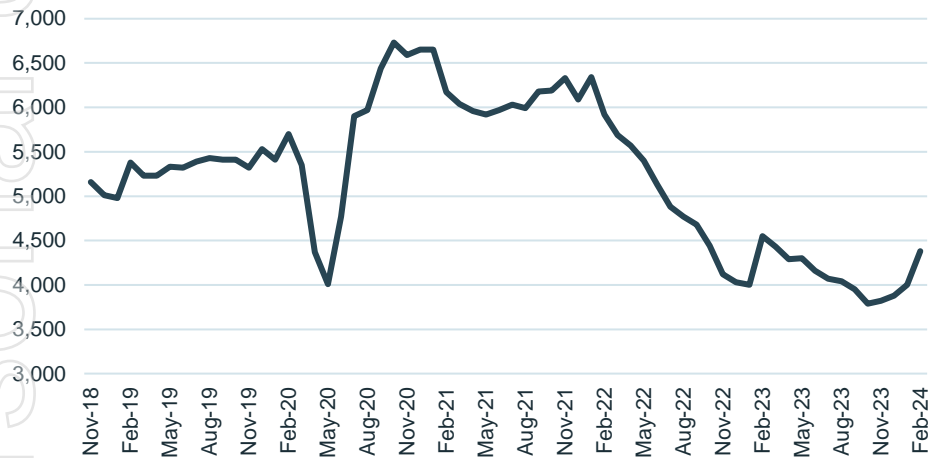


Notes: Improvements include remodels, replacements, additions, and structural alterations that increase the value of homes. Routine maintenance and repairs preserve the current quality of homes. Historical estimates since 2021 are produced using the LIRA model until American Housing Survey benchmark data become available.  
 © PRESIDENT AND FELLOWS OF HARVARD COLLEGE Joint Center for Housing Studies of Harvard University JCHS

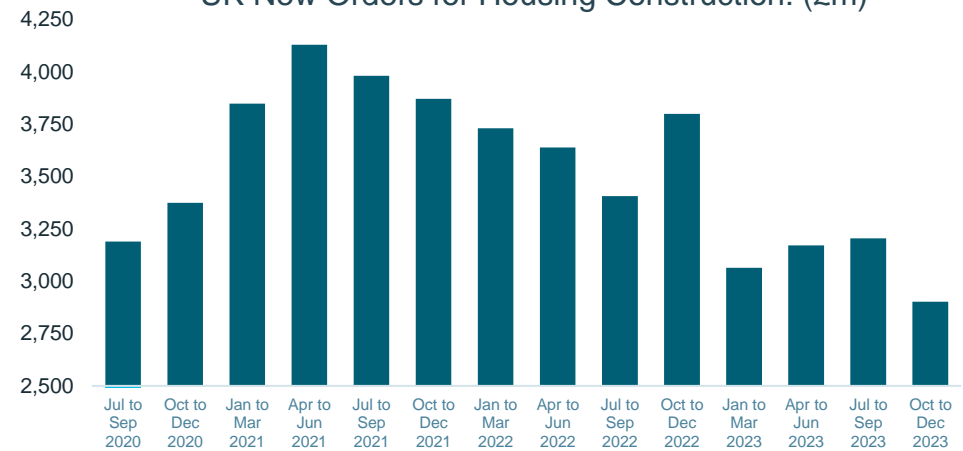
## Australian New Dwelling Commencements<sup>1</sup>



## US Existing Home Sales<sup>2</sup> (000)



## UK New Orders for Housing Construction: (£m)<sup>3</sup>



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<sup>1</sup> Source: Australian Bureau of Statistics

<sup>2</sup> Source: US Department of Housing and Urban Development

<sup>3</sup> Source: UK Office of National Statistics

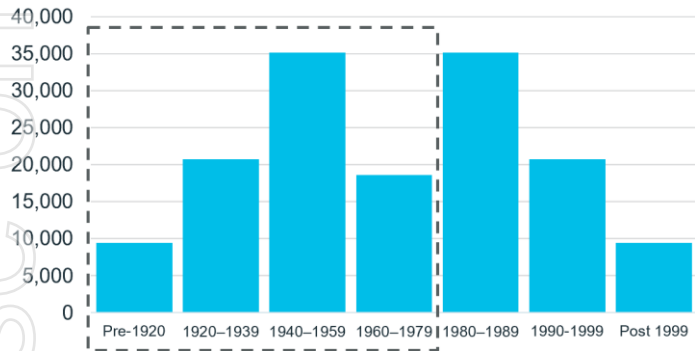


# ...but long-term fundamentals remain strong

Aging housing stock supports R&R activity

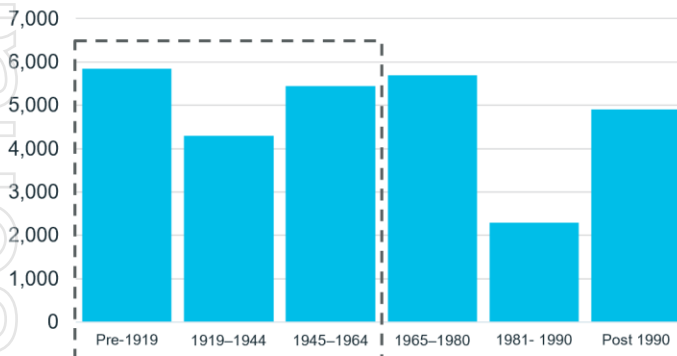
74m US homes are over 40 years old

Total US Households by Age (000)



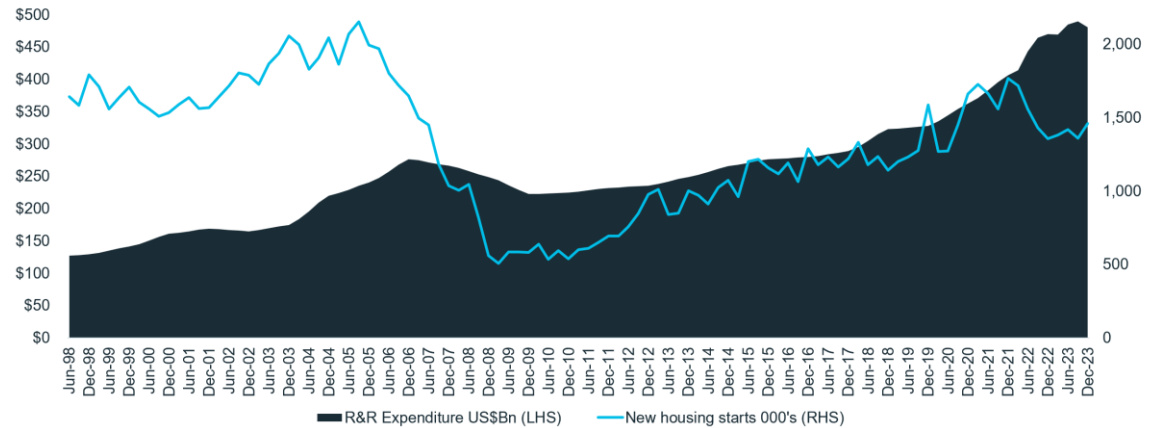
55% of homes in UK >50 years of age

Total UK Households by Age (000)



Repair & Remodel sector is less cyclical than new construction

US new housing starts have been more volatile over past quarter century



# FY24 Outlook: guidance maintained<sup>1</sup>



Group	February 2024 Guidance	Trading Outlook	Status
<b>Net Sales</b>	Down low to mid-single digits on FY23	Unchanged	●
<b>Operating Margin</b>	Group EBITDA margin stable on FY23	Unchanged	●
<b>Operating Cash Flow</b>	2 <sup>nd</sup> Half operating cash flow conversion of 90%+	Unchanged	●
Americas	February 2024 Guidance	Trading Outlook	Status
<b>Net Sales</b>	Broadly in line with FY23 after adjusting for Supply Smart closure	Unchanged	●
<b>Operating Margin</b>	EBITDA margin higher than FY23	Unchanged	●
Asia Pacific	February 2024 Guidance	Trading Outlook	Status
<b>Net Sales</b>	External sales down low single digits on FY23	Unchanged	●
<b>Operating Margin</b>	EBITDA margin 1/3 <sup>rd</sup> lower than FY23	Unchanged	●
EMEA	February 2024 Guidance	Trading Outlook	Status
<b>Net Sales</b>	External sales down low double digits on FY23, consistent with HY24	Unchanged	●
<b>Operating Margin</b>	EBITDA margin lower than FY23 on lower volumes	Unchanged	●

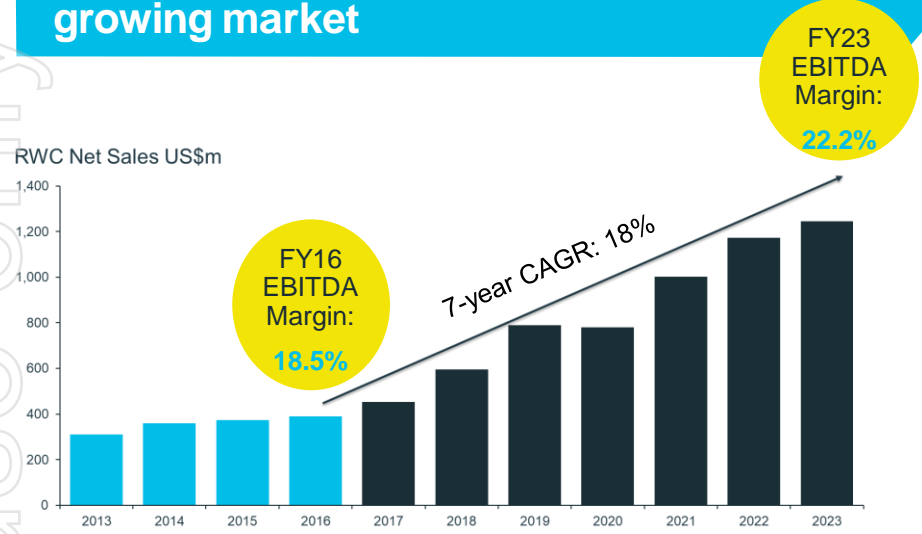
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# Conclusion

# RWC is a global growth-orientated building products company with defensive end-market exposures



## Global plumbing solutions in a large and growing market



## Portfolio of plumbing solutions underpinned by in-house R&D



## Track record of creating value from M&A



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## Resilient earnings profile due to R&R exposure

