Reliance Worldwide Corporation Limited
ACN 610 855 877 | ABN 46 610 855 877
Level 54, 525 Collins Street Melbourne Vic 3000
Ph: +61 3 9099 8299 | Fax: +61 3 9099 8277

ASX Announcement

29 October 2018

CHAIRMAN'S AND CHIEF EXECUTIVE OFFICER'S ADDRESSES TO THE ANNUAL GENERAL MEETING

Attached are the Chairman's and Chief Executive Officer's addresses to be presented at the Annual General Meeting of Reliance Worldwide Corporation Limited which is being held at 11.00am on Tuesday 30 October 2018.

For further enquiries, please contact:
David Neufeld
Company Secretary, Investor Relations
+61 3 9099 8299

Reliance Worldwide Corporation Limited
ACN 610 855 877 | ABN 46 610 855 877
Level 54, 525 Collins Street Melbourne Vic 3000
Ph: +61 3 9099 8299 | Fax: +61 3 9099 8277

ANNUAL GENERAL MEETING

TUESDAY 30 OCTOBER 2018

CHAIRMAN'S ADDRESS

Good morning ladies and gentlemen. My name is Jonathan Munz. As chairman of directors, I welcome all shareholders and guests to the 2018 annual general meeting of Reliance Worldwide Corporation Limited.

John Guest acquisition

The Board continues to be pleased with the John Guest acquisition and progress being made in integrating the two businesses. Additional growth opportunities have been identified by management as they further build their understanding of the John Guest business through working closely with its people.

John Guest aligns with our growth strategy by combining RWC's strong positions in North America and Asia Pacific with John Guest's strength in the UK and continental Europe. Through this acquisition, RWC is the global leader in the manufacture and distribution of both brass and plastic PTC technology and related products. Consistent with the core RWC business, John Guest provides its customers with quality, disruptive products which reduce labour costs and make the contractor's job easier.

Financial performance

The Board was pleased to report that the FY2018 results continue the track record of the business in delivering strong sales and earnings

Reliance Worldwide Corporation Limited
ACN 610 855 877 | ABN 46 610 855 877
Level 54, 525 Collins Street Melbourne Vic 3000
Ph: +61 3 9099 8299 | Fax: +61 3 9099 8277

growth. Heath will speak about these results in more detail. On behalf of the Board, I acknowledge our management team and global workforce, which now exceeds 2,300 people, for their continuing efforts which deliver these operating and financial outcomes.

Growth outlook

We have provided EBITDA guidance for FY2019 of $280 million to $290 million. Heath will speak to the forecast and growth strategies shortly.

Capital management

We completed a 1 for 1.98 pro rata entitlement offer in June 2018 which raised $1.1 billion. Proceeds were used towards funding the John Guest acquisition and associated transaction costs. On behalf of the Board I would like to thank shareholders for their participation in the entitlement offer and ongoing support.

I am pleased to report that we paid fully franked dividends totalling $42.1 million for the 2018 financial year which represents a payout ratio of 63.8% of net profit after tax, ahead of the targeted payout ratio. The targeted payout range for FY2019 remains 40% to 60% of net profit after tax, subject to consideration of relevant factors. The change in geographic mix of earnings following acquisitions means that future dividends may not be fully franked.

Balance sheet

The balance sheet remains strong and continues to support business growth. In addition to undertaking the pro rata Entitlement Offer, we also entered into a new $750 million syndicated debt facility which expanded available facilities by $400 million and extended maturity periods to between 3 and 5 years. We used part of the facility towards funding the John Guest acquisition. Reliance is a company with low gearing and high cash generating capacity. On a net debt basis, approximately $300 million is available to be drawn under the facility as of today. Net free cash generation will continue to be used towards reducing borrowings.

I will now ask Heath to present on operational performance and outlook.

Reliance Worldwide Corporation Limited
ACN 610 855 877 | ABN 46 610 855 877
Level 54, 525 Collins Street Melbourne Vic 3000
Ph: +61 3 9099 8299 | Fax: +61 3 9099 8277

ANNUAL GENERAL MEETING

TUESDAY 30 OCTOBER 2018

CHIEF EXECUTIVE OFFICER'S ADDRESS

Thank you, Jonathan.

Good morning ladies and gentlemen.

As Jonathan mentioned, we are very pleased with our operating performance and financial results for FY2018

Our mission continues to be the development, manufacture and delivery of smart "behind the wall" plumbing and heating solutions that enhance end user productivity and efficiency. The repair, maintenance and remodel segments remain the core of our business and will do so for many years to come. This applies to both RWC and John Guest products. In the USA, about 85% of sales are in the defensive repair and maintenance segments. These segments are not exposed to new housing construction cycles.

Our activities are underpinned by being the leading and lowest cost global manufacturer of brass and plastic Push-to-Connect ("PTC") fittings and accessories. We are the only organisation manufacturing PTC products in the USA, Australia and Europe; and now also in the UK following the John Guest acquisition. The opportunity for PTC products to continue to displace traditional, less efficient methods remains a tailwind for future growth. RWC is the dominant player in the USA PTC market with approximately 90% market share driven by its SharkBite brand, innovative product range, delivery performance and customer service. Importantly, PTC represents only about 12% of the USA fittings market and, therefore, continues to have good sales growth runway, taking market share from more labour intensive and old style plumbing fittings.

RWC's recent expansion into new construction markets is off a very low base. As we are selling disruptive products which take market share from less efficient products and methods, we see the likelihood of substantial growth in these sales irrespective of the state of the new construction market. I view our expansion into new construction segments as a massive opportunity for RWC. The global trend towards an ongoing shortage of skilled labour is a fundamental driver of the demand for RWC's products, including the recently acquired Holdrite and John Guest suites of products.

Reliance Worldwide Corporation Limited
ACN 610 855 877 | ABN 46 610 855 877
Level 54, 525 Collins Street Melbourne Vic 3000
Ph: +61 3 9099 8299 | Fax: +61 3 9099 8277

We continue to drive the market forward through innovation and the evolution of our products. We do this through investment in people and R&D activities. We now have R&D locations across Australia, the USA and the UK. Our pipeline of emerging new products is genuinely exciting.

Our global platform of 15 manufacturing facilities and 24 distribution centres facilitate our growth. This enables us to meet demand at a very high delivery execution rate. We maintain a culture of providing superior service to enable best in class on time delivery and product support. This approach gives us a very meaningful point of difference from our competition.

Our activities globally are conducted under some of the most highly regarded brands in the industry.

These capabilities enable us to consistently win business against our competition, be that displacing traditional plumbing methods or winning against other PTC suppliers. In the Americas, where we have approximately 90% category share, we have been doing this successfully since creating the PTC category there in 2004. This same approach has underpinned the success of John Guest over the last few decades.

This success is possible through the efforts and dedication of our people. We have a diverse and extensive array of talent at all levels of the organisation. The calibre and capability of our people drives successful outcomes. I would like to thank the entire RWC team for their ongoing commitment.

Acquisitions

We completed the acquisition of John Guest in June, exactly 12 months after completing the acquisition of Holdrite. Both acquisitions bring us clever, high quality engineered product solutions and provide access to established distribution channels through which we can also sell RWC product. Most exciting is that both acquisitions have enhanced our talent pool with the addition of capable and highly motivated people.

Holdrite is now fully integrated and meeting our expectations. Its innovative culture and product range are now a key element of our push into the residential and commercial new construction segments in the Americas.

John Guest is a transformative acquisition which diversifies our business, provides a strong platform for further growth in Europe and combines with our existing positions in North America and Asia Pacific. The acquisition substantially diversifies our revenue by geography, product category and channel.

Reliance Worldwide Corporation Limited
ACN 610 855 877 | ABN 46 610 855 877
Level 54, 525 Collins Street Melbourne Vic 3000
Ph: +61 3 9099 8299 | Fax: +61 3 9099 8277

The integration activities for John Guest are progressing well. Financial results since completion have met expectations and we are on track to realise the projected annual run-rate synergies of $30 million by the end of FY2020.

FY2018 Financial Results

We again delivered strong annual growth in FY2018, with our decade long record of growth in net sales continuing. Net sales[1] grew 28% compared with FY2017. Net sales[1] increased 30% on a constant currency basis, with growth in all operating segments. The Compound Annual Growth Rate for the past 10 financial years continues to be around 12%.

A number of factors contributed to this sales growth, including:

- Strong external sales growth in each operating segment with low double digit organic sales growth from traditional RWC products;
- Continued expansion of the SharkBite PTC business in the Americas;
- The first full year contribution from Holdrite and a one month contribution from John Guest;
- Benefits from completing the roll-out to Lowe's stores and an extremely cold winter in North America.

Earnings before interest, tax, depreciation and amortisation was $150.9 million before any contribution from John Guest and before expensed transaction costs in relation to that acquisition of $20.5 million. This is an increase of 25% on FY2017.

Net profit after tax, before any contribution from John Guest, expensed transaction costs and associated financing costs, was $78.6 million, an increase of 20% on FY2017.

FY2019 Outlook

We remain on track to deliver full-year FY19 EBITDA of between $280 million and $290 million[2]. The result will be driven by:

- Continued low double digit growth in sales revenue from traditional RWC activities measured against the underlying base business. This is consistent with what we have seen for more than a decade in the USA where the vast majority of our sales continue to be for service, repair and maintenance applications;
- High single digit sales growth in the acquired John Guest business; and
- $10 million of actual synergies expected to be realised in FY2019 following the John Guest acquisition (and excluding one-off integration costs to be incurred to achieve the synergies). As of that date, annual synergies of $20 million are expected to have been realised on a run rate basis.

We remain confident that annual synergy realisation from the John Guest acquisition will exceed $30 million on a run rate basis by the end of FY2020, consistent with the statements contained in the 27 August 2018 results announcement.

Heading into FY19, we are very pleased with how the business is positioned. We are projecting strong top-line growth driven by ongoing expansion of the PTC business in the Americas, inclusion of a full year of John Guest results, targeted opportunities to gain market share across new platforms and continued growth in the Asia-Pacific and EMEA geographic regions. A commitment to delivering innovative smart solutions that enhance end users' productivity and efficiency will continue to underpin our business growth.

FY18 was a tremendous year in the Americas segment, where a number of one-off projects helped push revenue growth in North America beyond 30% on a constant currency basis. Importantly, even excluding those one-off projects, the underlying growth rate for FY18 was in the low double digits and we expect this to continue. So looking forward, this underlying double digit growth will yield a positive increase in FY19 over the reported FY18 revenue number.

We expect to see continued growth in the Asia Pacific segment. This segment achieved double digit growth in external sales in FY2018. The John Guest business is on target to grow sales at a high single digit rate consistent with its historic average. About 75% of these sales will be reported in our EMEA operating segment.

Customer Relationships

Customer relationships remain critical to our success. This is equally true of the end users who ultimately buy our products as well as our distribution partners. We work closely with end users to demonstrate the benefits of using our products and, in doing so, generate demand for those products. That demand is then filled via distributors who place our products on their shelves. We highly value the partnerships we have built across our distribution network and remain comfortable with our relationships across all channels.

I appreciate your time and interest today. I look forward to reporting on our progress in the half-year results announcement next February.

Thank you.

Reliance Worldwide Corporation Limited
ACN 610 855 877 | ABN 46 610 855 877
Level 54, 525 Collins Street Melbourne Vic 3000
Ph: +61 3 9099 8299 | Fax: +61 3 9099 8277

1. Net sales after eliminating intercompany sales
2. Please refer to the key assumptions impacting upon the forecast FY2019 EBITDA contained in the FY2018 results announcement released on 27 August 2018.