Reliance Worldwide
Corporation Limited

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Victoria 3000
Australia
Tel: +61 (0) 3 8352 1400

rwc.com

ASX Announcement

26 October 2023

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

Attached are the following documents to be presented at the Annual General Meeting (AGM) of Reliance Worldwide Corporation Limited which is being held at 10.00am today (Brisbane time):

- Chairman's address;
- Chief Executive Officer's address; and
- Presentation slides.

This year's AGM is being held at Raffles Rooms 1 & 2, Stamford Plaza Brisbane, Corner Edward and Margaret Streets, Brisbane QLD 4000.

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This announcement has been authorised for release by the Board.

ABN 46 610 855 877

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ANNUAL GENERAL MEETING

THURSDAY 26 OCTOBER 2023

Chairman's Address

Good morning, ladies and gentlemen. My name is Stuart Crosby. As chairman of directors, I welcome all shareholders and guests to the 2023 annual general meeting of Reliance Worldwide Corporation Limited. We are very pleased to be holding this meeting in Brisbane for the first time. RWC has a strong connection with the city. It is where the original Reliance business commenced operations more than 70 years ago. And it is where our Asia Pacific headquarters is located.

We are meeting today on the lands of the Jagera people and the Tuurbal people as the Traditional Custodians of Meanjin. We pay our respects to Jagera and Tuurbal Elders past present and emerging.

2023 was a challenging year. Higher interest rates adversely impacted consumer sentiment, and we experienced a softening in demand and slower growth than in previous years in most of our markets. RWC nonetheless performed well, and our business demonstrated tremendous resilience. Our volumes were underpinned by the orientation of our core business towards repair, maintenance and remodel work. Our people also continued to execute effectively in this challenging environment.

Financial performance

This is borne out by our financial performance for FY23.

Reported net profit after tax was 2% higher than the prior year at $139.7 million. Adjusting for one-off items, relating principally to a $15 million gain on the sale of a surplus property in the UK, and costs of $13.5 million incurred in the realisation of EZ-Flo cost synergies, restructuring and other one-off items, net profit after tax was down 4% at $155.7 million.

Sales growth of 6% reflected a full year's contribution from EZ-Flo while the prior year only included a partial contribution with EZ-Flo having been acquired in November 2021. The weaker Australian dollar and British pound versus the US dollar impacted reported sales performance. Constant currency sales were 9% higher than the prior comparative period. The sales results in each of our geographies represented out-performance by RWC compared with end-markets more broadly.

Cash flow and balance sheet

A highlight of the year was the very strong cash flow performance, with cash flow from operations of $292.7 million up 110% on 2022. This was driven by disciplined working capital management. Of particular note was the reduction in inventory levels, which we had built up during the prior year to mitigate shipping and logistics delays and other potential supply chain disruptions.

This strong cash flow performance enabled us to reduce net borrowings by $116 million. Our leverage ratio (net debt to EBITDA) reduced from 2.1 times to 1.69 times, which is towards the lower end of our target leverage range of 1.5 to 2.5 times net debt to EBITDA.

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Funding

We have continued to maintain a strong financial position. At year end we had access to debt facilities totalling US$1,050 million of which $451.7 million was drawn. Importantly, 55% of drawn debt at 30 June 2023 was at fixed rates. These were set in April 2022 and fixing the borrowing rate at that time has proven to be very advantageous relative to current floating rates.

The strength of our balance sheet means we are very well placed to pursue future growth initiatives.

Dividend

Total dividends declared for the year were US9.5 cents per share, representing a payout of 54% of Reported NPAT and 48% of Adjusted NPAT. This is in line with the dividends declared and paid for FY22. While the interim dividend was 10% franked, the final dividend was unfranked.

Dividends were paid in Australian dollars and the equivalent total Australian dollar dividend paid was 14.2 cents per share compared with 13.4 cents per share in FY22. This higher level is due to the depreciation of the Australian dollar versus the US dollar.

RWC's current dividend policy is to payout between 40% and 60% of annual NPAT. The continued growth of our activities beyond Australia has reduced the earnings generated from our Australian operations to less than 10 per cent of the group total. We therefore expect that future dividends will generally be unfranked. Given this change in RWC's ability to pay even partly franked dividends, we are reviewing our distribution policy settings. In particular, we are assessing the benefits of other forms of cash distribution, including on-market share buybacks compared with paying unfranked dividends. We expect to complete this review by the end of this calendar year.

Board

Brad Soller was appointed to the board as an additional independent director following last year's AGM. Brad will be succeeding Russell Chenu as chair of the Audit and Risk Committee as of today. Russell is remaining on the RWC board and as a member of the Audit and Risk Committee. Russell was an exemplary chair of the risk and audit committee. On behalf of the Board, I thank him for his contribution in that capacity. We are very glad that his wisdom and experience will continue to be part of board conversations.

More generally, I would like to thank all directors for their contribution over the past year. We have four board committees covering Health and Safety, ESG, Nomination and Remuneration, and Audit and Risk. Each of these committees are allowing the Company to make meaningful progress in their subject areas, and I thank the committee chairs for their leadership.

ESG

Today we released our FY23 ESG report, detailing the progress we have made in those areas which are most relevant to RWC and our operations.

Last year, we announced our commitment to reducing RWC's Scope 1 and Scope 2 emissions to net zero by 2050. We have also established an interim goal and will be targeting a minimum 42% reduction in Scope 1 and Scope 2 emissions by 2030.

In FY23, we exceeded our annual Scope 1 and Scope 2 emissions reduction target, having achieved a 27.5% reduction in Scope 1 and 2 emissions relative to our FY21 baseline. This exceeded our target by 9.3%.

The reduction was driven in the UK where the majority of our locations are now powered by electricity backed by Renewable Energy Certificates of Origin. The acquisition of renewable power decreases our market-based Scope 2 GHG emissions.

We have also decreased our Scope 1 and 2 emissions by upgrading manufacturing equipment and seeking out opportunities to decrease our energy usage. In FY24, we will continue this effort by executing energy audits at multiple high-usage sites. We are also evaluating on-site solar where appropriate.

We have also made progress in other areas of ESG.

Recently, RWC's UK operations were recognised in the British Quality Foundation Excellence awards, as finalists in four awards and a winner of two of these.

RWC was recognised for 'Excellence in Living Your Values' through embedding its culture and values into the very fabric of everything we do, including our sustainability and social impact initiatives.

Alongside this, RWC also won the 'Equality, Diversity and Inclusion' award. Through actions such as Employee Resource Groups and a Diversity & Inclusion Council, we have been able to recognise a wider range of perspectives, raise awareness and provide ongoing support to help individuals from all walks of life reach their potential.

We were also finalists in the Environmental Sustainability category, recognising the innovation and impact across energy, waste and packaging initiatives, and in the Excellence in Transformation Award.

On behalf of the Board, I extend our warmest congratulations to everyone within the EMEA region for their involvement and contribution to this success.

Health and Safety

Health and safety continues to be RWC’s highest priority. Our focus is always on maintaining a safe and healthy workplace.

We further improved our health and safety performance in FY23. The Reportable Injury Frequency Rate (RIFR) measures the rate of all recorded lost time injuries, cases or alternate work, and other injuries requiring medical treatment, per one million hours worked. In FY23 the group RFIR reduced by a further 5.6% to 4.9, making a total reduction of 22% over the past 3 years.

I am very pleased to report that we did not record any serious injuries in FY23 anywhere in the world. In addition, 74% of our sites received no reportable injuries.

During the year, we initiated a global benchmarking review of health and safety policies, procedures and, importantly, culture. As a result of this review, we have initiated a multi-year program to continue improving our workplace safety towards our goal of zero harm.

Remuneration

Before handing over to Heath, I would like to comment on the proposed FY24 Long Term Incentive award for the Chief Executive Officer which will be voted on shortly.

RWC's current remuneration framework has been in place since July 2021 and been endorsed by shareholders through voting on the 2021 and 2022 Remuneration Reports with over 99.5% of votes in favour in each year.

In 2022 we observed that the remuneration market for CEOs in the US had moved significantly, particularly for LTI awards, and stated that we would review this during FY2023. We undertook an extensive review of RWC’s remuneration framework including engagement with US and Australian based external consultants to provide advice on structure and benchmarking analysis. This review resulted in several changes to RWC's LTI award framework.

Key factors that we considered include:

- RWC is predominantly a US business whose shares are listed on the ASX;
- The group currently generates over 70% of external revenue from its Americas business in addition to having major manufacturing and distribution facilities in North America. Only about 10% of external revenue is currently generated in the Asia Pacific region;
- 75% of senior executives and other leaders are based in the Americas, including the CEO who has lived in the US since 2007;
- The vast majority of senior roles within RWC, other than regional roles, will be filled from the US employment market. Having US competitive employment terms is vital to recruiting and retaining talent.

Benchmarking analysis was undertaken against a peer group of 16 building materials companies (all NYSE listed) and 14 of which are US based.

As a result of this review, it was proposed that the quantum of LTI for the CEO be increased and an element of service period only stock be introduced in order to ensure we have a remuneration package that is appropriately market competitive in the US. While the quantum of LTI is high in an Australian context, it is consistent with the market median for the peer group CEOs, when adjusted for the relative size of the business. Although service period only stock is unusual in Australia, it is part of the packages for 13 of the 16 peer group CEOs.

The service period only component represents twenty five percent of the total LTI award. Seventy-five percent of the proposed award is subject to the achievement of performance conditions. Significant over-performance against the various targets is required to be achieved before the maximum amount of the proposed grant will vest. As such, the Board believes strongly that challenging stretch performance targets have been set, and that the proposed CEO remuneration arrangements are both appropriate and necessary for the company.

I thank those shareholders who have provided feedback on the proposed changes to the CEO's long term incentive remuneration arrangements. We appreciate the thoughtfulness of the discussions we have had and the constructive nature of our conversations. Shareholders can be assured that the board has been very concerned to balance the realities of the employment markets in which we operate across our geographic mix of businesses, particularly in the US, against Australian market norms. We appreciate the majority of shareholders' support for our proposals, which we know have challenged some shareholder expectations of an ASX listed company of our size.

Conclusion

Let me now had over to Heath Sharp to discuss the FY23 year more fully and our strategies and priorities for the future.

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ANNUAL GENERAL MEETING

THURSDAY 26 OCTOBER 2023

CEO's Address

Thank you, Stuart, and good morning, everyone.

It's fantastic to be meeting here in Brisbane where I started my career with RWC 33 years ago, as an engineering graduate.

FY23 Overview

Overall, we are pleased with how we finished FY23. Whereas markets in FY22 were up more than 10%, in FY23 they were down 5 to 15%. In that light, our final result with 9% constant currency revenue growth was gratifying. We have long presented that we believe we can consistently outperform the market. I believe we have shown that emphatically in FY23.

In FY23 the business demonstrated its resilience in the face of macroeconomic headwinds in most of the markets in which we operate. Our end-market exposure is predominantly to non-discretionary repair and remodel projects. This sector has underpinned our result in FY23 and will continue to do so going forward.

We have seen interest rates climb dramatically over the last 18 months. This has had a knock-on effect on new home construction and large remodel projects. Those parts of our business exposed to these sectors were certainly impacted.

This challenging environment demanded another year that prioritised execution. This enabled us to deliver a solid financial result. As Stuart has mentioned, a highlight of the year was the strength of our operating cash flow which was more than double the prior year.

We saw an improvement in operating margin performance throughout the year. Part of that improvement was due to the cost reduction initiatives we undertook during the year which totalled $18.3 million.

Another highlight of the year was the progress we have made with our ESG initiatives, which Stuart has already touched on.

Over the last few years day-to-day execution has been our focus. But we have also continued to invest in products and the business during this time. It was very pleasing in FY23 to announce a couple of major developments. It really was a milestone year with the launch of SharkBite Max and PEX-a and expansion fittings in North America. We didn't see a significant financial contribution from these initiatives in FY23, but they are foundational product ranges which will be important parts of our future offering in the Americas.

I'll now cover off how each of our three regions performed, starting with the Americas.

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Americas

Americas recorded revenue growth of 13%. This included a full year contribution from EZ-Flo and the positive impact of price increases. Excluding EZ-Flo we achieved 4% sales growth. A stand-out of the Americas result was the growth in EBITDA which was up 19%, and the improvement in EBITDA margin to 17.9%. Margins were helped by lower costs for key inputs, cost reduction initiatives and the transfer of manufacturing of SB Max to the US from Australia.

Overall, we are satisfied with the progress we have made delivering on EZ-Flo's product and distribution synergies. We did see a slowdown in sales in the second half of the year as discretionary consumer spending on large appliance purchases declined, which impacted EZ-Flo’s appliance connector sales.

APAC

In Asia Pacific, FY23 was something of a transition year for our Australian operations.

External sales for APAC were down slightly which was a good performance given that Australian new housing commencements declined by 21%. We estimate that 60% of Australia's end market exposure is to new housing construction, both standalone and multi-family. Intercompany sales were 8 percent lower, mainly due to the partial transfer of SharkBite Max production to the US which commenced in the second half of FY23.

EMEA

EMEA local currency sales were up 3% overall, and UK sales were up 7% mainly driven by price. UK plumbing and heating sales performance proved resilient, up 12% in local currency terms. It's fair to say that the market held up better than we were expecting at the start of the year. We believe that the UK business has significantly outperformed the broader market, and this is a real credit to the EMEA team.

Macroeconomic conditions in much of Continental Europe have been challenging and sales were down 5%. Germany is our largest single market within Continental Europe and the German economy has been in a recession during this past year.

Adjusted EBITDA was down slightly, and the adjusted EBITDA margin was 32.3% which compared with 34% in FY22.

SharkBite Max and PEX-a

Moving on from our financial performance, I would like to discuss some of our other highlights for the year.

In March, we launched two new product ranges in the Americas: SharkBite Max, and PEX-a pipe and expansion fittings. The Max rollout is being undertaken in five phases, with a timeline out to the end of June 2024. We are really pleased with progress. The rollout is proceeding to plan, and we are on track to complete the full roll out by financial year end.

The response to the SharkBite Max product has been extremely positive. The findings of our extensive functional and pricing studies have been borne out. The improved utility of the product does support a higher price. Although we are only mid-roll-out, many distributors have already moved pricing and are seeing the benefit.

With PEX-a, we have commissioned the first two PEX-a extrusion lines at our plant in Alabama. We will ultimately have 6 extrusion lines commissioned in the first phase of our manufacturing program. We are now rolling product into 1,600 Lowes stores, and we expect to complete that by the end of calendar 2023. We are also starting to deploy this new product range to wholesale channel partners.

Changes to Australian manufacturing

During the year, we announced significant changes to our APAC manufacturing operations.

SharkBite Max has enabled us to transfer to Alabama all plastic component production and final assembly of the fittings for the North American market. Prior to Max, around half of SharkBite volumes were manufactured and assembled in Australia and exported to the US. With Max all assembly will be in the US. Australia will still manufacture the brass bodies for some SharkBite Max fittings.

This change means that we will have less inventory on the water and will have shorter supply lines. This will improve our flexibility and efficiency in servicing the North American market.

Here in Australia, we have a fully integrated copper processing and brass manufacturing operation in Melbourne. Australia will therefore continue to be the centre of excellence for brass production within the group. With the transfer of SharkBite component manufacturing and final product assembly to the US, the APAC business will now have the headroom to pursue greater growth within the region.

Another important development in the APAC region is a move to lead-free brass from 2026. RWC is in a very strong in position to lead this change. Now the standards have been agreed we're getting on and working with our customers to have products that conform with the new standard ready for market. 88% of the brass we manufacture in Australia is already lead-free and we have been supplying this to North America for over a decade.

Strategic Pillar: value for the distributor

One of our three strategic pillars is creating more value for our distributors. In each of our three regions we have extremely strong distributor networks. We put a lot of effort into ensuring that we are helping our channel partners grow value. A key element of our proposition is continually adding value to their shelves through a growing array of products that are increasingly attractive to end users and sought after by them. This is supported by strong customer service and continued support of our brands through innovative marketing and merchandising execution.

Lowe's Plumbing Vendor Partner of the Year

We were therefore incredibly proud to be named by one of our largest US distributors, Lowe's, as their Plumbing Vendor Partner of the Year for 2023. This is a massive accomplishment for the RWC team that work with, and support, Lowe's.

We have now won this award 4 times in our 7-year relationship with Lowe's, which is a fantastic achievement.

First Quarter Trading Update

I will now provide some commentary on our trading performance for the first three months of FY24.

Trading in the Americas has been in line with our expectations. In the outlook we issued with our annual results announcement in August, our expectation was that full year sales in the Americas would be down on the pcp by low single digit percentage points. Sales activity in the first quarter of FY24 has been consistent with this.

Overall market conditions in the US have remained stable relative to recent periods. However, residential remodelling activity in the US continues to face headwinds from high interest rates, softening house price appreciation, and lower existing home sales. The decline in existing home turnover is causing a decline in the remodelling and repair activity that typically occurs around the time of a home sale.

In Asia Pacific, trading is also in line with our expectations, with sales down by mid-single digit percentage points. Repair and remodel activity has remained resilient, partly offsetting the 17% decline in Australian new housing commencements[1]. Intercompany sales were also lower due to the transfer of SharkBite Max production to the US.

Our expectation for EMEA in FY24 was that macroeconomic conditions would be more challenging compared with RWC's other two regions. This has proven to be the case, and we have seen a further deterioration in trading conditions in both the UK and Continental Europe in the first quarter versus FY23.

In the UK, higher interest rates are impacting house values, housing turnover, new home sales, and consumer confidence. We noted a slowing of UK demand in the fourth quarter of FY23 and demand has slowed further into FY24. While plumbing and heating sales in the UK are down by low single digits, we have seen a more significant decline in sales of other specialty products in the UK. FluidTech sales in Continental Europe are down as expected, reflecting weak trading conditions in key markets. EMEA external revenues for the first quarter were down by approximately 10%.

[1] Source: Australian Bureau of Statistics

Outlook

I will now provide an update on the outlook for FY24.

In the Americas, we continue to expect sales to be down on the pcp by low single digit percentage points. This is in line with the guidance we provided in August.

Similarly, our expectations around Americas operating margins are unchanged. For FY24 as a whole, we expect EBITDA margins to be higher than FY23, following the progressive transfer of SharkBite manufacturing and assembly from Australia. The phased timing means this will be more evident in the second half of FY24.

In Asia Pacific, the 17% decline in Australian new housing commencements will impact demand in FY24, and we expect APAC external sales in local currency to be down by low-single digit percentage points overall. Lower manufactured volumes will negatively impact operating margins through reduced manufacturing overhead absorption.

EMEA external sales in local currency are expected to be down by high-single digit percentage points in FY24 versus the pcp. While UK plumbing and heating sales are expected to be resilient, UK specialty sales and FluidTech sales in Continental Europe are expected to remain challenging. EMEA operating margins will be lower as a result of reduced volumes.

At a consolidated level, we continue to anticipate that revenues will be down by low to mid-single digit percentage points in FY24 compared with FY23 due to lower sales in most markets.

We are continuing to offset the impact of lower sales on operating margins through cost savings and price increases. The $18 million in incremental cost savings initiatives that we outlined in August are on track, and we are managing costs tightly. We continue to target stable operating margins for the full year compared with FY23.

As indicated in August, we expect FY24 first half operating margins will be lower than the pcp. Inventory reduction initiatives that commenced in FY23 have continued into the first half of FY24 and will adversely impact manufacturing overhead recoveries. First half margins are also likely to be impacted by lower sales and costs associated with the SharkBite Max and PEXa product rollouts.

Finally, we delivered a strong cash result in the first quarter assisted by further inventory reductions, and we are on track to meet our operating cash flow conversion target of better than 90% for the full year.

Priorities for FY24

In finishing, I'd like to make some comments on our focus for the coming year.

In FY24 we will continue our emphasis on safety. Everybody deserves to go home from work as healthy as they arrived. Our goal is zero harm. We are working hard to embed this approach throughout the organisation.

As we begin the new year, we are determined to continue outperforming the market and our direct peers. We do this via our innovative product solutions and our focus on creating value for our distribution partners. And of course, underpinned by day-in / day-out industry leading execution.

In terms of major projects, we will complete the planned SharkBite Max roll-out. We will also begin to take advantage our of new PEX-a pipe and expansion fittings and production capabilities in the US. In Australia, our major project efforts will continue with the transition to lead-free brass.

In a year when volumes incrementally declined in all our markets, we executed extremely well to hold margins at the level we have. One quarter into FY24, our balance sheet is strong, we have continued to reduce our net debt and are approaching the lower end of our target range. We will continue our strong cash generation in FY24.

It is clear we are operating in an uncertain environment. While we're not comfortable with this uncertainty, we are confident we can continue to execute at a high level and continue to outperform the market.

During FY23 we had to pull multiple leavers to sustain margins in a tough environment. This has us "match fit" and ideally positioned as we move forward. When we do eventually see a recovery in volumes, we are well positioned to enjoy the benefits of volume leverage across a very tight and efficient operating base. This should be reflected in further margin improvement.

And finally, we have and will continue to invest in our people, in our products and in our business generally. We are very confident that we are tremendously well positioned to reap the benefits of these investments in the future.

Thank you, let me now hand you back to the Chairman.

2023 Annual General Meeting

26 October 2023

RELIANCE WORLDWIDE CORPORATION LIMITED
ABN 46 610 855 877

Important notice

This presentation contains general information about the activities of Reliance Worldwide Corporation Limited and its operating businesses at the date of presentation (26 October 2023). 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.

Reliance Worldwide Corporation Limited uses non-IFRS measures such as EBITDA, Adjusted EBITDA, Adjusted EBIT and Adjusted NPAT to assess operating performance. These non-IFRS measures have not been subject to audit or audit review. Please refer to the Results Announcement dated 21 August 2023 for further detail on these non-IFRS measures.

RWC Board of Directors

Stuart Crosby
Non-Executive Chairman

Heath Sharp
Chief Executive Officer

Christine Bartlett
Independent Non-Executive Director

Russell Chenu
Independent Non-Executive Director

Darlene Knight
Independent Non-Executive Director

Sharon McCrohan
Independent Non-Executive Director

Ian Rowden
Independent Non-Executive Director

Brad Soller
Independent Non-Executive Director

Chairman's address

Stuart Crosby

FY23 Financial Highlights

All figures in US$

Net sales

$1,243.8 million

+6% growth overall[1]
+9% constant currency growth

Adjusted EBITDA

$274.6 million

+2% on pcp
+5% on pcp in constant currency

Adjusted NPAT

$155.7 million

-4% on pcp

[1] Growth rates expressed as change over comparative period for the year ended 30 June 2022

Higher operating cash flow: net debt reduced by $116m

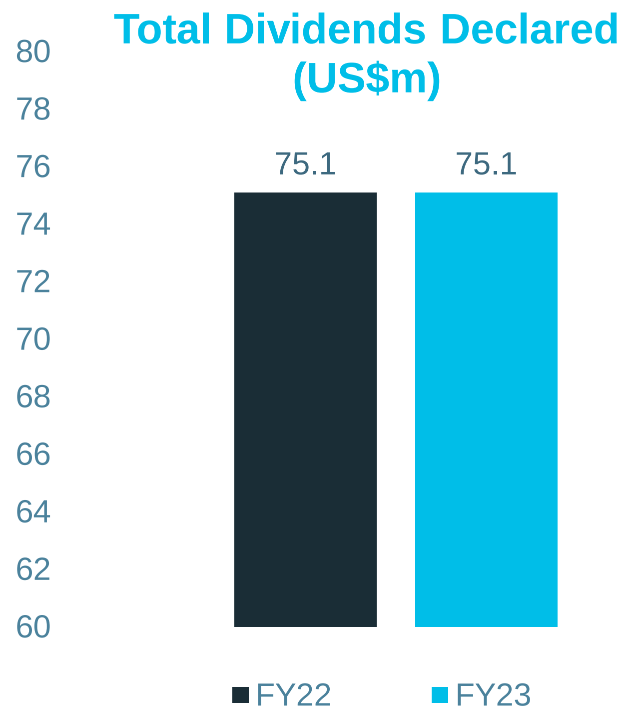
Debt metrics

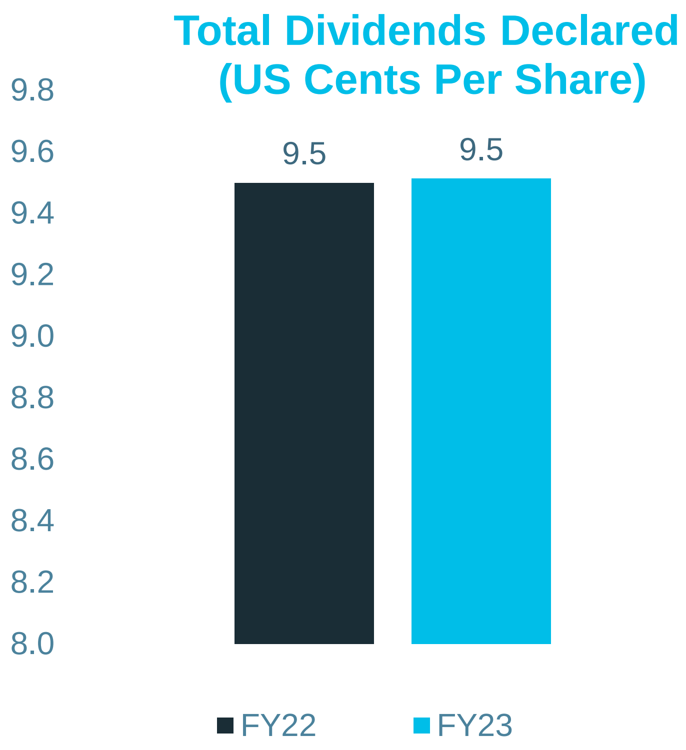
US$m	30-Jun-23	30-Jun-22
Cash and cash equivalents	16.6	27.7
Gross debt	451.7	578.7
Net debt[1]	**435.0**	**551.1**
Net debt / EBITDA[2]	1.69x	2.1x

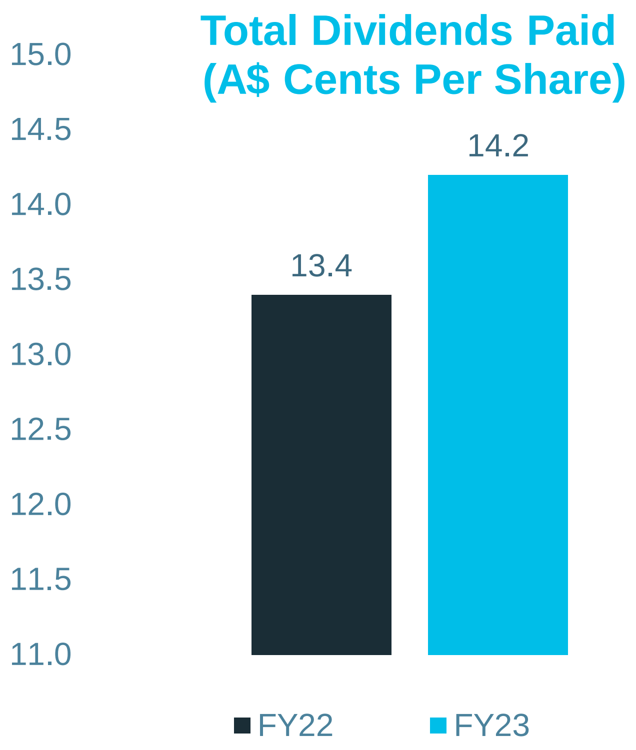
[1] Net debt excludes lease liabilities
[2] Net Debt/12 month trailing EBITDA

FY23 Dividend

FY23 Dividend pay-out ratio of 54% of Reported NPAT, 48% of Adjusted NPAT







RWC Board Committee Chairs

Sharon McCrohan

Chair – ESG Committee

Darlene Knight

Chair – Health & Safety Committee

Russell Chenu

Chair – Audit & Risk Committee (to 26 October 23)

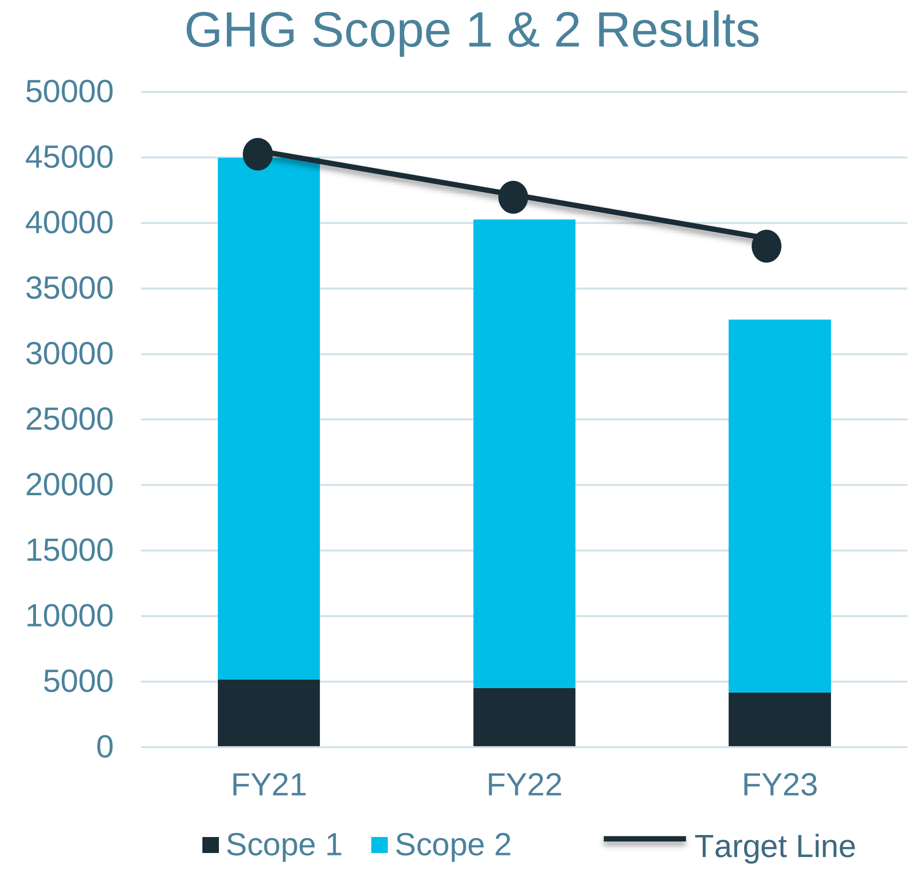
Christine Bartlett

Chair – Nomination & Remuneration Committee

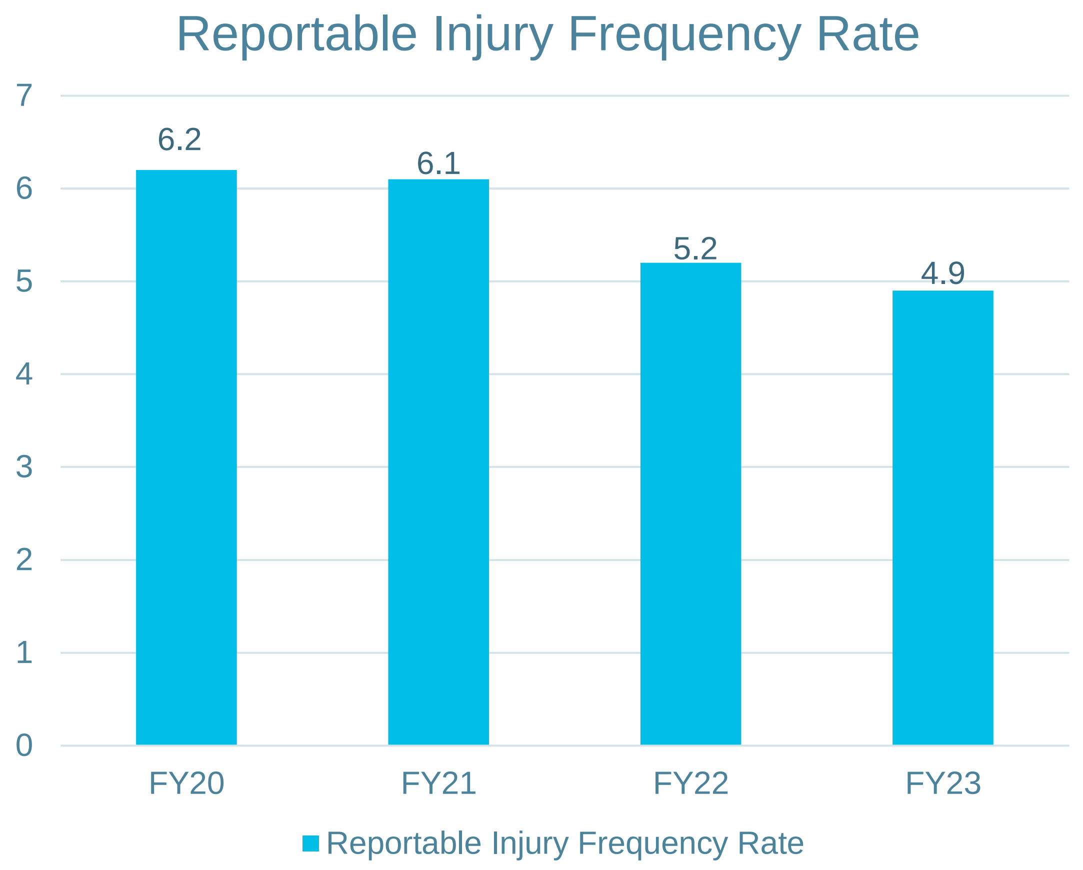
Brad Soller

Chair – Audit & Risk Committee (from 26 October '23)

ESG FY23 Highlights



Health & Safety



Remuneration

- The remuneration market for CEO’s in the US has moved significantly since 2021, particularly for LTI awards
- A review of CEO remuneration arrangements, including LTI opportunity in FY23, resulted in several changes to RWC’s LTI framework
- US and Australian external consultants provided advice on structure and benchmarking analysis as part of the review
- Key factors included:
  - RWC is predominantly a US business whose shares are listed on the ASX
  - Over 70% of external revenue is generated from its Americas business
  - 75% of senior executives and other leaders are based in the Americas, including CEO
  - Majority of senior roles within RWC, other than regional roles, will be filled from the US employment market. Having US competitive employment terms is vital to recruiting and retaining talent
  - Benchmarking analysis against a peer group of 16 building materials companies (all NYSE listed) and 14 of which are US based
- As a result of this review, the quantum of LTI for RWC CEO Heath Sharp has increased and an element of service period only stock has been introduced to have a remuneration package which is appropriately market competitive in the US

CEO’s address

Heath Sharp

FY23 Overview

Resilient performance despite significant economic headwinds

Ongoing outperformance relative to market

- 9% constant currency sales growth including EZ-Flo[1], 3% excluding EZ-Flo

Resilience of core R&M market sector reconfirmed

- Focus on non-discretionary repair projects and backlog of remodel work supported volume in the face of higher interest rates and lower economic growth

Strong financial performance

- Significant improvement in operating cash flow generation up 110%, cash conversion of 107%
- Operating margin improvement during the course of the year
- $18.3 million cost reductions enabled stable margin performance despite lower volumes

Successful major product and operational projects

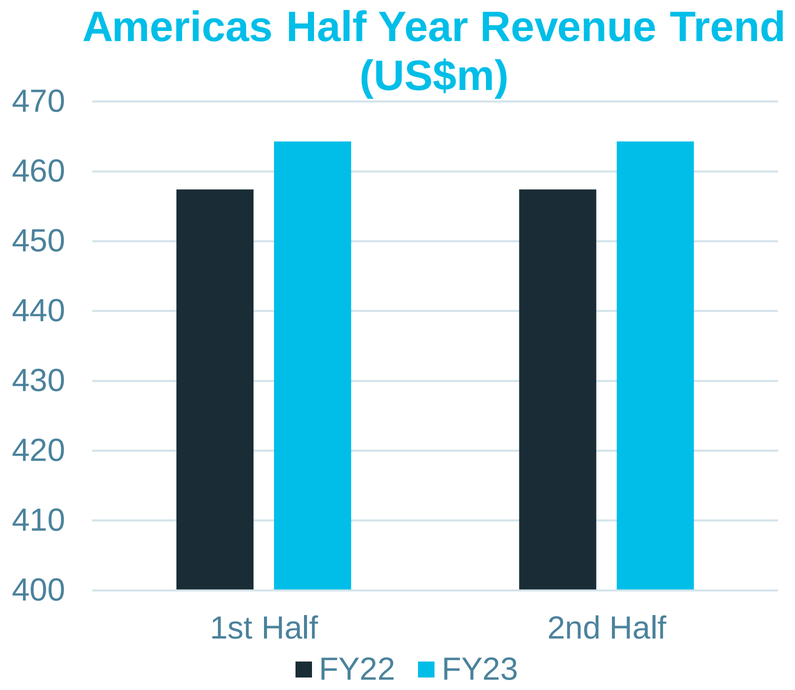
- Successful launch of 2 new product ranges in the Americas – SharkBite Max and PEX-a
- Major investments in US manufacturing and reconfiguration of Australian manufacturing operations

[1] EZ-Flo was acquired in November 2021

Segment results: Americas

Revenue and EBITDA growth from EZ-Flo acquisition

US$m	FY23	FY22	% Change
Net Sales	**890.1**	**791.0**	**13%**
Adjusted EBITDA[1, 2]	**159.5**	**133.8**	**19%**
Adjusted EBITDA margin (%)	*17.9%*	*16.9%*	*100bps*
Adjusted EBIT[1, 2]	**131.0**	**111.5**	**17%**
Adjusted EBIT margin (%)	*14.7%*	*14.1%*	*60bps*



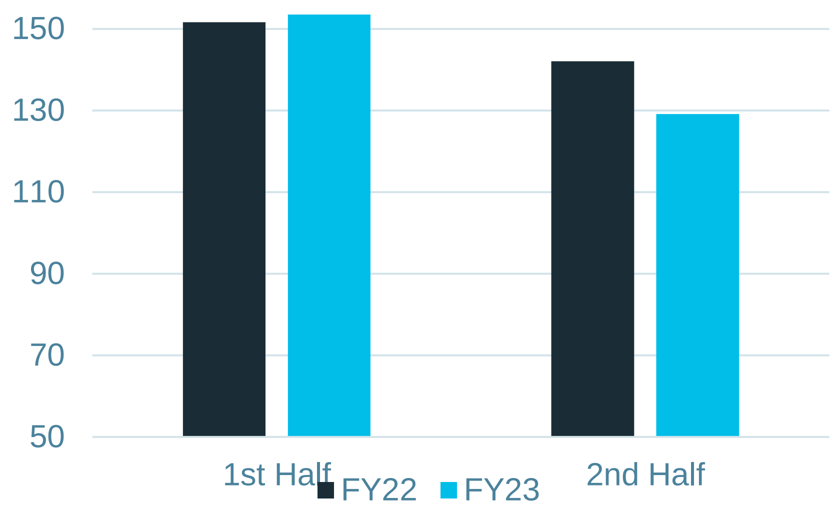
[1] EBITDA and EBIT adjustments for FY23 comprise one-off costs to achieve EZ-Flo cost reduction synergies ($4.3 million), restructuring costs ($1.3 million) and one-off costs incurred in the introduction of SharkBite Max ($1.6m)
[2] Prior to elimination of profits made on inventory sales between segments

Segment results: Asia Pacific

Transfer of SharkBite manufacturing to the US impacted volumes

A$m	FY23	FY22	% Change
Net Sales	**282.7**	**293.5**	**(4%)**
Adjusted EBITDA[1]	**47.2**	**58.7**	**(20%)**
Adjusted EBITDA margin (%)	*16.7%*	*20.0%*	*(330bps)*
Adjusted EBIT[1]	**33.2**	**44.6**	**(26%)**
Adjusted EBIT margin (%)	*11.7%*	*15.2%*	*(350bps)*

APAC Half Year Revenue Trend (A$m)



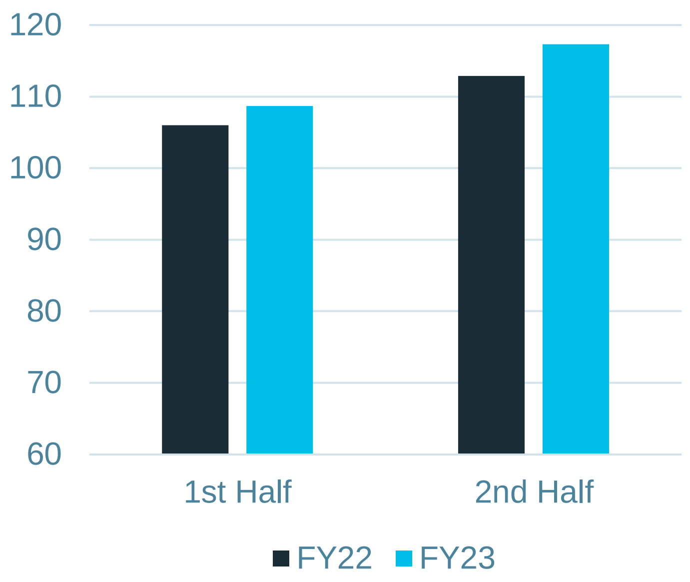
[1] EBITDA and EBIT adjustments for FY23 comprise one-off costs associated with the transition to lead-free brass (US$1.6 million) and restructuring costs resulting from the transfer of some SharkBite manufacturing to the US (US$1.7 million)
[2] Prior to elimination of profits made on inventory sales between segments
[3] Source: Australian Bureau of Statistics

Segment results: EMEA

UK sales up 7%, Continental Europe sales down 5% on pcp

£m	FY23	FY22	% Change
Net Sales	**226.0**	**218.8**	**3%**
Adjusted EBITDA[1, 2]	**72.9**	**74.3**	**(2%)**
Adjusted EBITDA margin (%)	*32.3%*	*34.0%*	*(170bps)*
Adjusted EBIT[1, 2]	**61.5**	**64.2**	**(4%)**
Adjusted EBIT margin (%)	*27.2%*	*29.3%*	*(210bps)*

EMEA Half Year Revenue Trend (£m)



[1] EBITDA and EBIT adjustments for FY23 comprise $15.0 million gain on sale of surplus UK property, and one-off restructuring costs ($3.0million)
[2] Prior to elimination of profits made on inventory sales between segments

FY23 Operational Highlight: 2 new product ranges launched

SharkBite Max and PEX-a/Expansion Fitting range launched in Americas

- North American launch on 23 March 2023
- 5-phase SKU rollout over 15 months, completion expected end of FY24
- Phases 1 and 2 completed, Phase 3 now underway
- Transfer of SharkBite assembly from Australia to US being managed progressively
- Price uplift will be realised in line with rollout progression

- Commissioning of new PEX-a pipe manufacturing lines in Cullman plant underway
- Rollout to 1,600 Lowe's stores on schedule for completion by end of calendar 2023
- Rollout to Wholesale to follow

FY23 Operational Highlight: manufacturing reconfiguration

Reshaping of Australia manufacturing footprint with production transferred to the US

- SharkBite Max design has enabled some manufacturing and all assembly of North American product to shift from Australia to the US
  - Injection moulding of all components has transferred
  - Cartridge assembly equipment has also been installed and is fully operational
  - Next generation assembly machines installed and operational in the US
- Elbows, tees, complex shapes will continue to be forged in Australia
- Compresses length of RWC's supply chain for these products, reduces inventory levels
- Australia will remain RWC's centre of excellence for all brass manufacturing activities and valve development
- RWC is positioned to lead Australia and New Zealand's transition to lead-free brass plumbing fittings in new potable water applications by May 2026

Strategy Overview

Creating 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

RWC named Lowe's Plumbing Vendor Partner of the Year

2023 was the 4th time RWC has achieved this in our 7-year relationship

First quarter trading update

Ongoing resilience of R&R globally continues to underpin the business

Americas	▪ Trading is in line with expectations ▪ Sales down low single-digit percentage points ▪ Lower remodelling activity levels
Asia Pacific	▪ Trading is in line with expectations, sales down mid-single digit percentage points ▪ R&R resilient, partly offsetting 17% decline in home commencements in y/e 30 June 23[1] ▪ Lower intercompany sales due to transfer of SharkBite Max assembly to the US
EMEA	▪ UK plumbing & heating sales down by low single digit percentage points ▪ More significant decline in specialty product sales in the UK and FluidTech in Continental Europe ▪ Total EMEA external sales down ~10%
Group	▪ Strong cash result in the 1st Quarter assisted by inventory reductions ▪ Further net debt reduction in the 1st Quarter

[1] Source: Australian Bureau of Statistics

Outlook for FY24

Americas	▪ Expect sales to be down by low single-digit percentage points ▪ EBITDA margins in FY24 expected to be higher than FY23, following SharkBite Max production transfer from Australia to the US ▪ Phased timing means this will be more evident in the 2nd Half
Asia Pacific	▪ External sales expected to be down by low single-digit percentage points ▪ Lower external and inter-company volumes will negatively impact operating margins
EMEA	▪ External sales expected to continue to be down by high single-digit percentage points ▪ Expect core UK P&H sales to be resilient, UK Speciality Sales and FluidTech sales in Continental Europe to remain challenging ▪ Operating margins will be lower due to reduced volumes
Group	▪ Anticipate consolidated sales will be down by low to mid single digit percentage points ▪ Cost saving initiatives are on track, continued tight cost management ▪ Continue to target stable Group EBITDA margin in line with FY23 ▪ Expect 1st Half margin to be lower than pcp ▪ On track to meet operating cash flow conversion target of 90% or better for the full year

Our Focus for 2024

Position RWC to reap benefits of a stronger, fitter business once demand returns

- Everyone safe every day: deliver further progress in Health and Safety performance
- Continue above market growth in all key geographies
- Execute on new product initiatives launched in 4th Quarter of FY23:
    - SharkBite Max
    - PEX-a pipe and expansion fittings
- Execute transition to lead-free brass in APAC
- Disciplined cost focus, and maintain operating margins
- Deliver another year of strong cash flow performance through working capital management, continue to build balance sheet strength
- Continue to invest in our people, products and the business

While the outlook for FY24 is uncertain, our focus will ensure that RWC continues to outperform the market and is positioned to take advantage of any upswing in demand

RWC

Plumbing matters. We make it better.