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17 February 2025

ASX Announcement

GWA Group Limited – Financial results presentation for the half year ended 31 December 2024

GWA Group Limited (**GWA**) attaches the following document for immediate release to the market: "Results Presentation – Half Year ended 31 December 2024".

On 17 February 2025 at 10.00 am (AEDT), GWA is hosting a webcast of its FY25 half year results briefing. The webcast is accessible via the corporate website at www.gwagroup.com.au.

The release of this announcement was authorised by the Board.

Yours faithfully

Ernie Lagis

Ernie Lagis
Company Secretary & General Counsel

GWA Results Presentation

Half Year ended 31 December 2024

17th February 2025

GWA Group Limited

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Our Presenters Today

Urs Meyerhans
Managing Director and CEO

Calin Scott
Group Chief Financial Officer

Craig Norwell
Group Executive - Sales

Agenda

1. Overview

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FY25 H1 Headlines

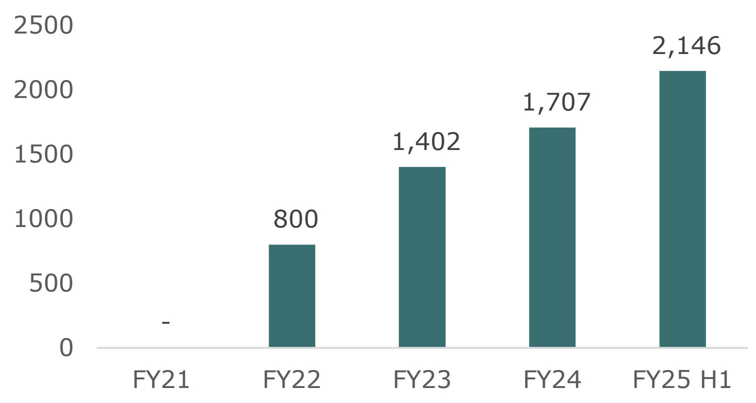
Volume growth in challenging markets

- **Performance FY25 H1 v FY24 H1**
  - Group volume growth of 3.4%
  - Group revenue increased 1.9%
  - Group Normalised EBIT up 3.2%
  - Increase in fully franked interim dividend of 7.1% on FY24 H1
- **Balance Sheet**
  - Working capital management contributed to strong cash conversion ratio of 116%
  - Continued balance sheet deleveraging with net debt at $92m and leverage at 1.2x
- **Continued execution of Strategy**
  - Disciplined execution of market initiatives focussed on ‘Profitable Volume Growth’ and ‘Customer First’

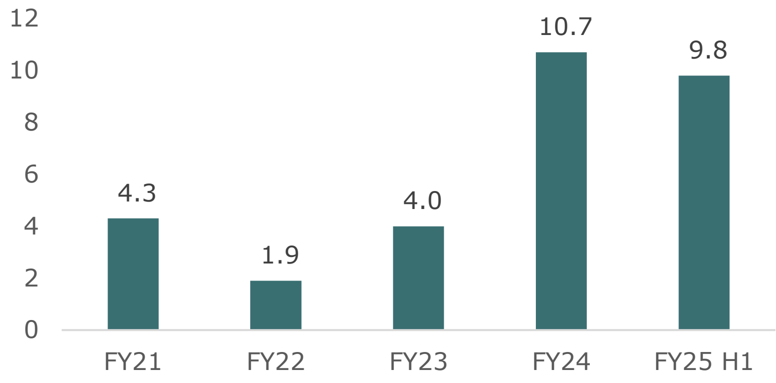
Commitment to safety

- Worker insights (lead indicator) continue to increase as a result of improved safety culture that celebrates open and transparent reporting
- Continued focus on building capability of our leaders and building cultural awareness to improve outcomes
- Continued focus on early intervention as part of our injury management strategy has resulted in decreasing injury severity rates (average days lost per injury)

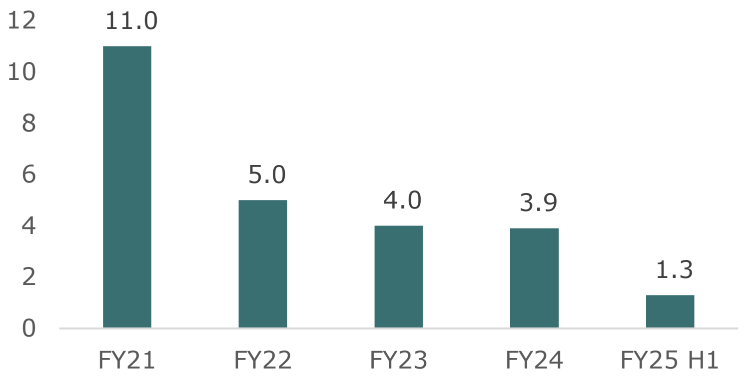
Worker Insight Frequency Rate[1]



Total Injury Frequency Rate[1]



Severity Rate (average days lost)[2]



[1] Worker Insight Frequency Rate & Total Injury Frequency Rate are rolling 12-month measures.

[2] The Severity Rate reflects the average days lost per injury in the 6 months for FY25, with the comparatives being the average for the full Financial Year.

2. Group Financial Results

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A$m Normalised[1]	1H FY25	1H FY24	% Change
Revenue	209.9	206.0	1.9%
EBITDA	46.3	46.9	-1.2%
EBIT	38.5	37.3	3.2%
EBIT Margin %	18.3%	18.1%	0.2pp
NPAT	23.8	23.4	1.6%
ROFE %	18.1%	17.1%	1.0pp
EPS	9.0c	8.8c	0.2c

Significant Items	1H FY25	1H FY24	
Pre-Tax	(3.2)	(0.3)	
Post Tax	(2.3)	(0.2)	

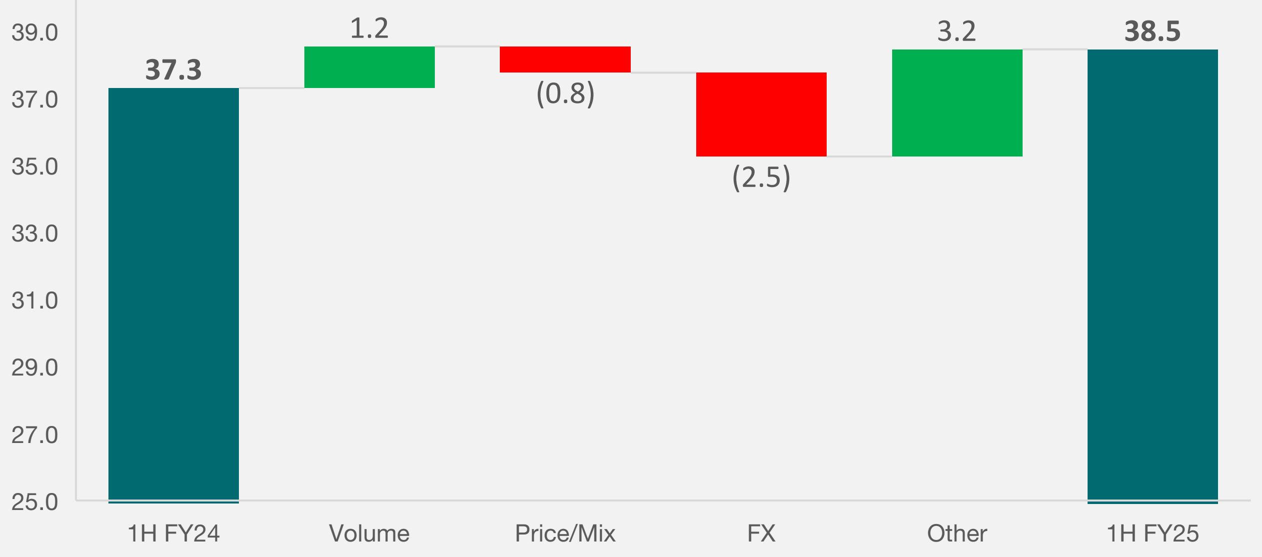
A$m Statutory	1H FY25	1H FY24	% Change
Revenue	209.9	206.0	1.9%
EBITDA	43.1	46.6	-7.4%
EBIT	35.3	37.0	-4.3%
EBIT Margin %	16.8%	18.0%	-1.2pp
NPAT	21.5	23.2	-7.2%
ROFE %	15.0%	16.7%	-1.7pp
EPS	8.1c	8.8c	-0.7c
Dividend / share	7.5c	7.0c	0.5c

[1] Normalised is before significant items

Revenue and EBIT growth in challenging markets

- **Normalised results**
  - Revenue up on FY24 H1 with increases in Australia and the UK offset by decline in New Zealand due to the economic climate;
  - Normalised EBIT up 3.2%, driven increased revenue, disciplined cost management and lower depreciation costs;
  - Normalised EBIT margin consistent with the prior comparative period.
- **Significant items**
  - Costs to date associated with the successful implementation of ERP system in the UK and investment in Digital Initiatives.

Normalised[1] EBIT Bridge (A$M)



[1] FY24 & FY25 Normalised are before significant items.

Controlling the Controllables

- **Underlying EBIT** improvement of 3.2% on prior half.
- **Volume:** group increase of 3.4% due to AU and UK, partially offset by NZ.
- **Price/Mix:** price increase (~4% in AU from Feb 2024) offset by anticipated change in product mix.
- **FX:** unfavourable (AUD:USD) FY25 H1: ~66c v FY24 H1: ~69c).
- **Other:** disciplined cost control.

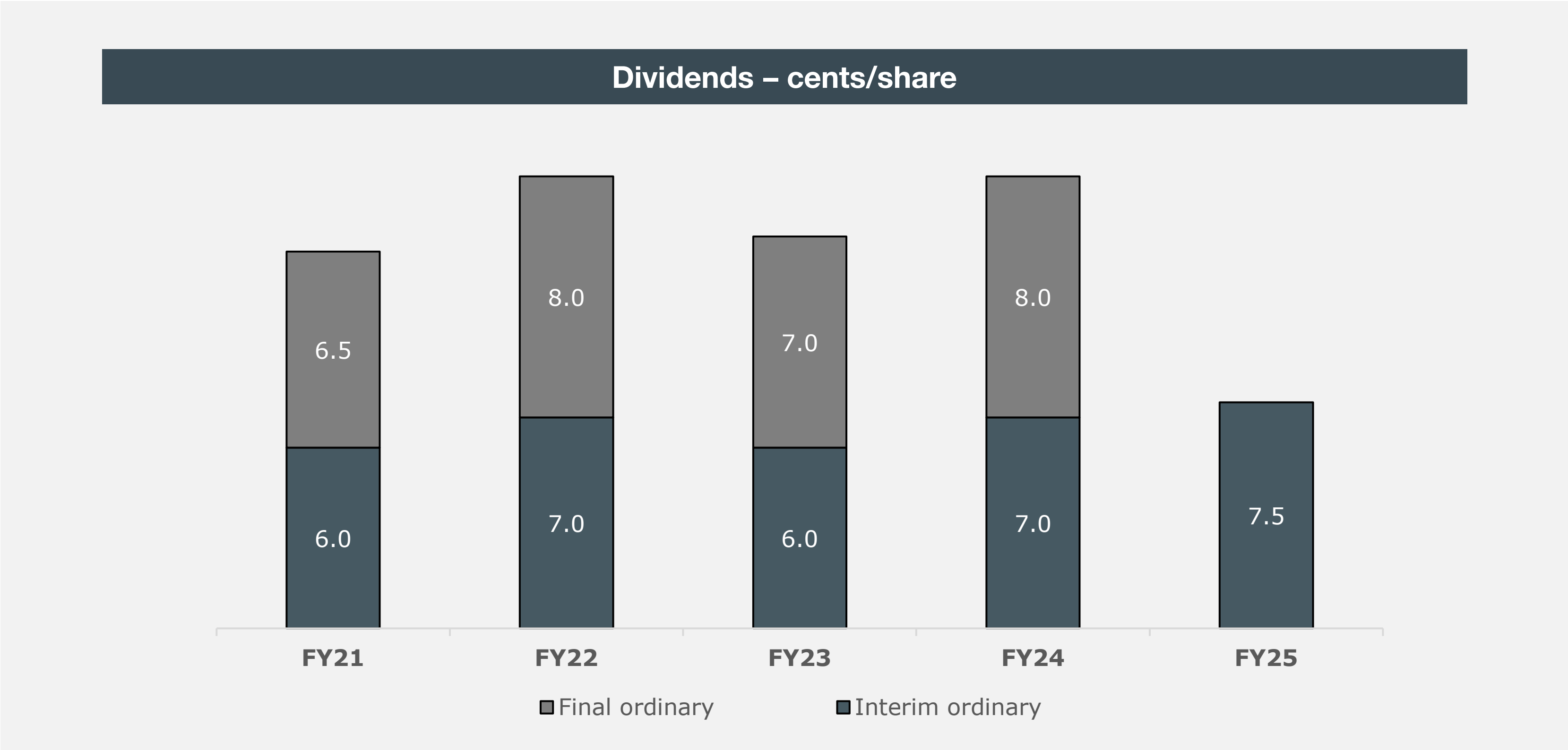
Cash flow from Operations A$M	FY25	FY24
EBITDA	**46.3**	**46.9**
Net movement in Working Capital	6.1	14.4
Other	1.3	(0.3)
Cash Flow from Operations	**53.7**	**61.0**
Capital Expenditure and other investing activities	(1.8)	(1.7)
Significant Items / Other costs	(2.6)	0.0
Net Interest Paid	(4.2)	(3.6)
Tax Paid	(12.8)	(10.8)
Lease Payments	(6.0)	(6.1)
Group Free Cash Flow	**26.2**	**38.8**

Strong cash flow from operations

- Cash Conversion 116% due to disciplined working capital management and 'right first-time initiative'
- Significant Items includes UK ERP and investment in Digital Initiatives
- Financial position allows for an interim dividend of 7.5c per share fully franked

*Cash Flow from Operations divided by normalised EBITDA

FY25 interim dividend of 7.5c per share fully franked



Metrics[1]	**30 June 2021**	**30 June 2022**	**30 June 2023**	**30 June 2024**	**31 Dec 2024**
Net Debt (A$M)	104.8	138.2	117.0	97.0	92.3
Leverage Ratio (times) *Net Debt / EBITDA[2]*	1.4	1.7	1.5	1.2	1.2
Interest Cover (times) *EBITDA[2] / Net Interest*	15.5	18.3	13.3	14.5	12.8
Gearing *Net Debt / (Net Debt + Equity)*	21.5%	26.2%	23.0%	19.9%	19.1%

Net Debt (A$M)					
Borrowings	146.1	168.3	159.1	137.7	136.9
Bank Guarantees	1.3	1.4	1.4	1.3	1.3
Cash	(42.6)	(31.4)	(43.4)	(42.0)	(45.8)
	104.8	**138.2**	**117.0**	**97.0**	**92.3**

[1] Metrics calculated as required for reporting to GWA's syndicated banking group and have not been adjusted for the impact of IFRS 16 Leases.

[2] Normalised EBITDA

Strengthening Financial Position

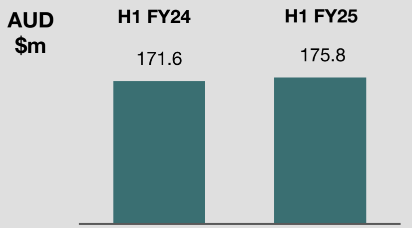
- Net debt at lowest level in 5+ years;
- Credit metrics at the lower end of target range;
- Banking facilities of $220m with headroom of $128m;
  - $180m multi-currency revolving facility expires October 2026; and
  - $40m bi-lateral facility matures October 2025 and will be reviewed prior to this date.

3. Business Performance

Revenue up on FY24 H1

H1 FY25 Revenue	Revenue commentary FY25 H1 v FY24 H1	$ Revenue & % of Group

H1 FY25 Revenue – Australia



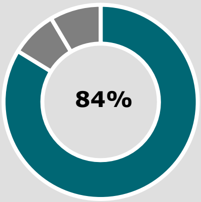
Australia

- Disciplined execution of strategy with focus on customer specific initiatives
- Sales & volume growth achieved on FY24 H1 in all states, except NSW, through the identification and execution of local market opportunities

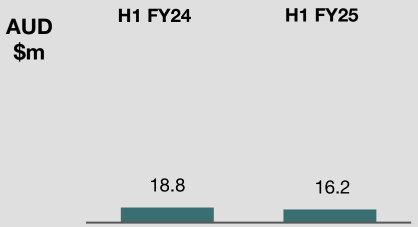
AUD $m

$175.8m

+2.4% on PcP



H1 FY25 Revenue – New Zealand



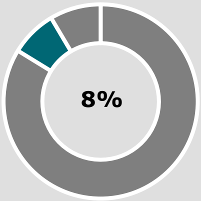
New Zealand

- Impacted by continued softness in housing and commercial markets
- Simplification and right-sizing of NZ operations to current market conditions

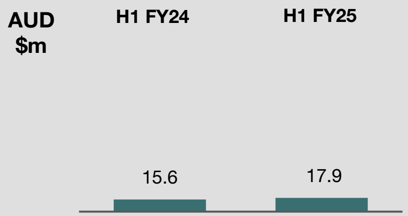
AUD $m

$16.2m

-13.3% on PcP



H1 FY25 Revenue – United Kingdom



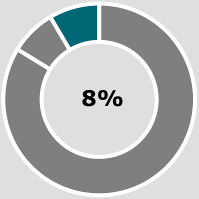
United Kingdom

- Benefit of 3 new customers won in late FY24

AUD $m

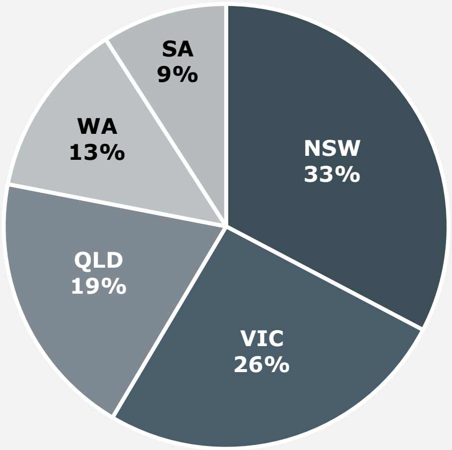
$17.9m

+14.5% on PcP



Revenue by State (AU)

A$m Revenue	1H FY25	1H FY24	Δ LY	% Change
NSW	57.5	60.2	(2.7)	-4.5%
VIC	45.4	43.2	2.2	5.1%
QLD	34.3	31.9	2.4	7.5%
WA	22.6	21.6	1.0	4.8%
SA	16.0	14.7	1.3	9.2%
Total	**175.8**	**171.6**	**4.2**	**2.4%**



Strong performance across Australia

NSW

- Growth in Maintenance Plumbers and Care unable to offset slowing detached Residential completions, softening Commercial new build with some loss of Volume home builder specification.

VIC

- Consistent execution across local growth initiatives led by several key project wins in Health-care, success with several targeted new Volume home builder agreements and Maintenance Plumber growth driving performance.

QLD

- Local sales initiatives with key merchants, and engagement of Maintenance Plumbers, offset softness in Residential detached and Commercial to achieve growth on prior period.

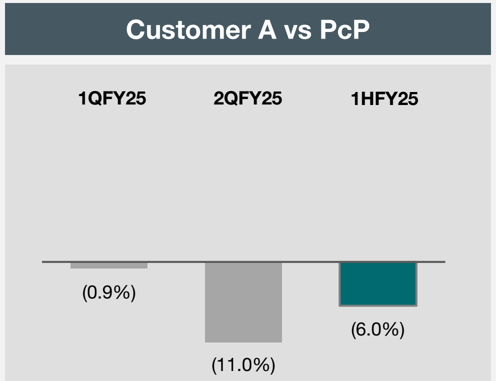
WA

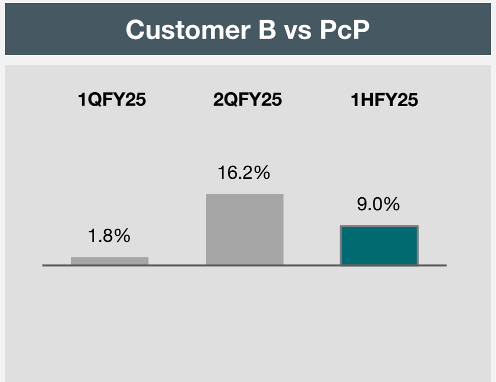
- New specification wins in Residential segments, key wins in Education and Maintenance Plumber growth offset slowing detached Residential completions to deliver growth in half.

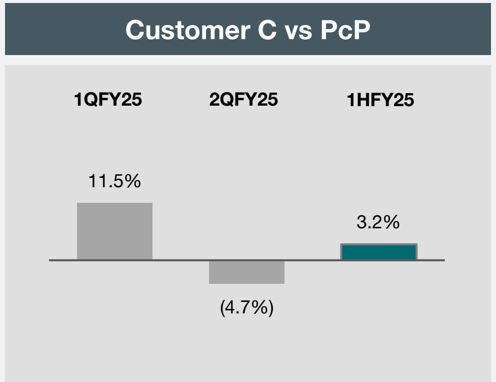
SA

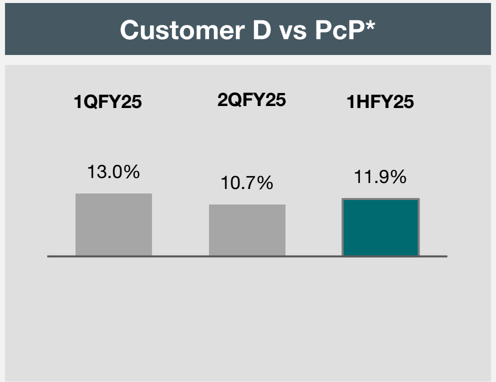
- Highest growth state, driven by strong performance in Residential segments.

Revenue by Merchant (AU)









Australia information only

* This customer is different to that reported at FY24 H1

Overall growth in merchants with 3 of top 4 merchant partners increasing on FY24 H1

- 'Win the Plumber' momentum continued into FY25 H1 with plumber bundle and spares sales up on the prior comparative period.
- Execution of sale initiatives through improved customer relationships, with the focus on local market opportunities.
- Strong care performance, led by Health-care.
- Noticeable market slowdown in Q2 in Residential detached and Commercial.

4. New Products

Innovative NPD launches featuring cutting-edge design and technology for residential, commercial, and entry-level markets

- Expansion of entry-level range to meet the growing ANZ needs for **cost-effective independent aging solutions**
- Refresh of iconic **Methven tapware ranges**, incorporating latest design and technology to enhance value
- Launch of **CleanFlush Urinal technology** to elevate our commercial product offer

Expansion into advanced technology to streamline water hygiene maintenance process

- Upcoming launch of **Smart Thermal Disinfection** technology to reduce dependance on current labour-intensive industry practices.
- ISO27001 Information Security Management certification for Caroma Smart Command

5. Strategy Update

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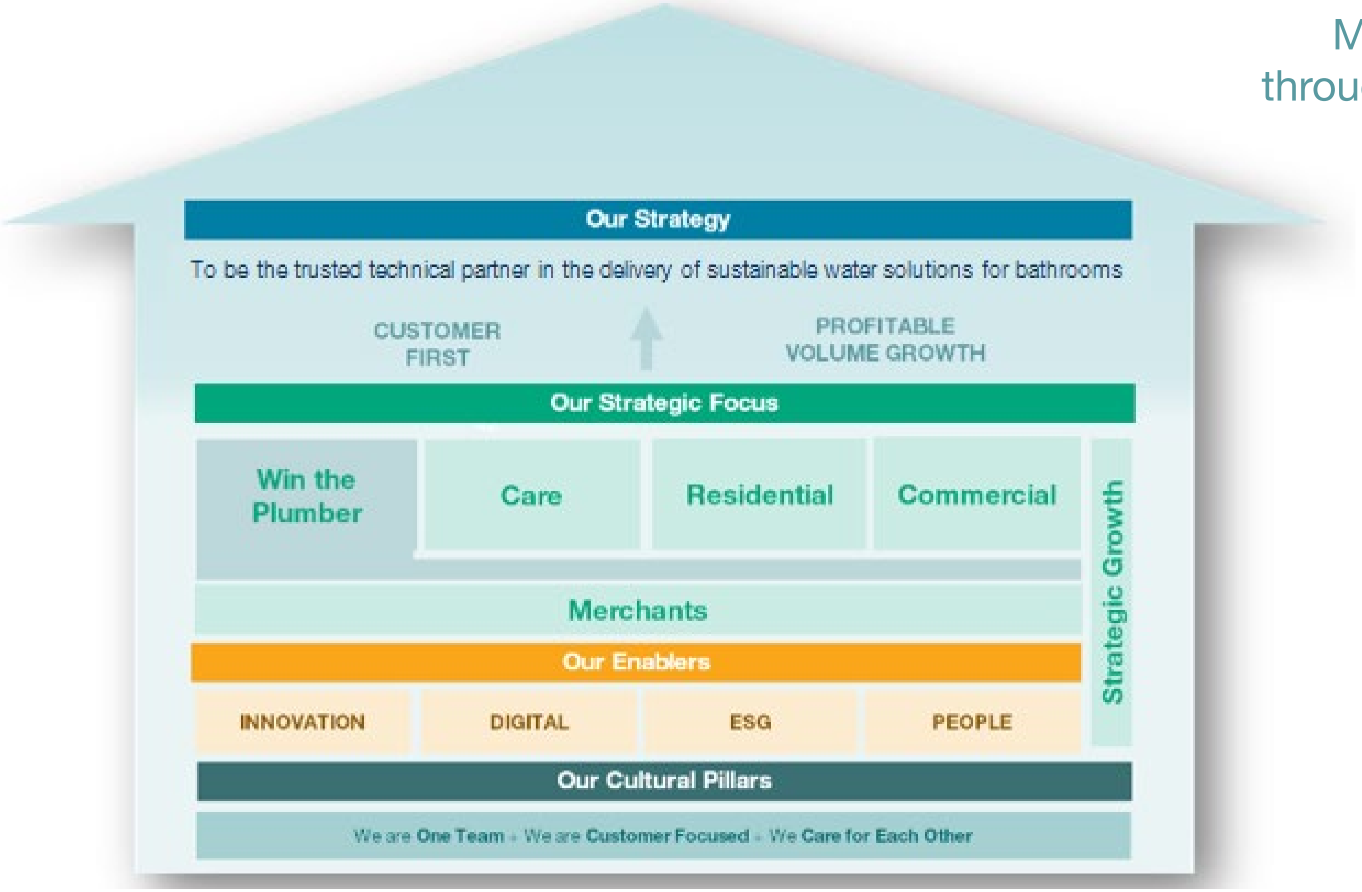
Strategy: Win The Plumber remains a focus

Our 2027 Strategy

- Affirming continued commitment to **Win the Plumber**
- Embedding focus on ***Customer First & Profitable Volume Growth***
- Confirming our position as the trusted technical partner.



Making life better through innovation in everyday water experiences

Good Progress on Strategy

Strategic Initiatives	Progress[1]
Win the Plumber	🟢
Care	🟢
Residential	🟠
Commercial	🔴
Merchants	🟢

[1] Progress is measured against the prior comparative period

Key Performance Indicators	Result
EPS CAGR 5% to 10% FY23 to FY25	🔴
EPS CAGR 5% to 10% FY24 to FY26	🟠
EPS CAGR 5% to 10% FY25 to FY27	🟠
DIFOT – 90%	🟢
NPD sales > 10% of overall Sales within 2 years	🟢
Net Promoter Score	🟢
Cash conversion – 80 to 85%	🟢
Leverage 1.0 to 2.0 times EBITDA	🟢

Win the Plumber

- AU Plumber Bundle and Spares parts sales growth +13% on PcP
- Strong adoption of Plumbers Hub
- WTP milestones
  - Onboarded Plumbing specialists in all ANZ markets
  - Targeted engagement of customer base, now greater than 28K plumbers
  - Over 6,000 plumber training and technical interactions

Care

- Major project wins, particularly eastern seaboard led by Victoria, driving sales growth

Residential

- Specification wins with Volume home builders helping to offset declining completions

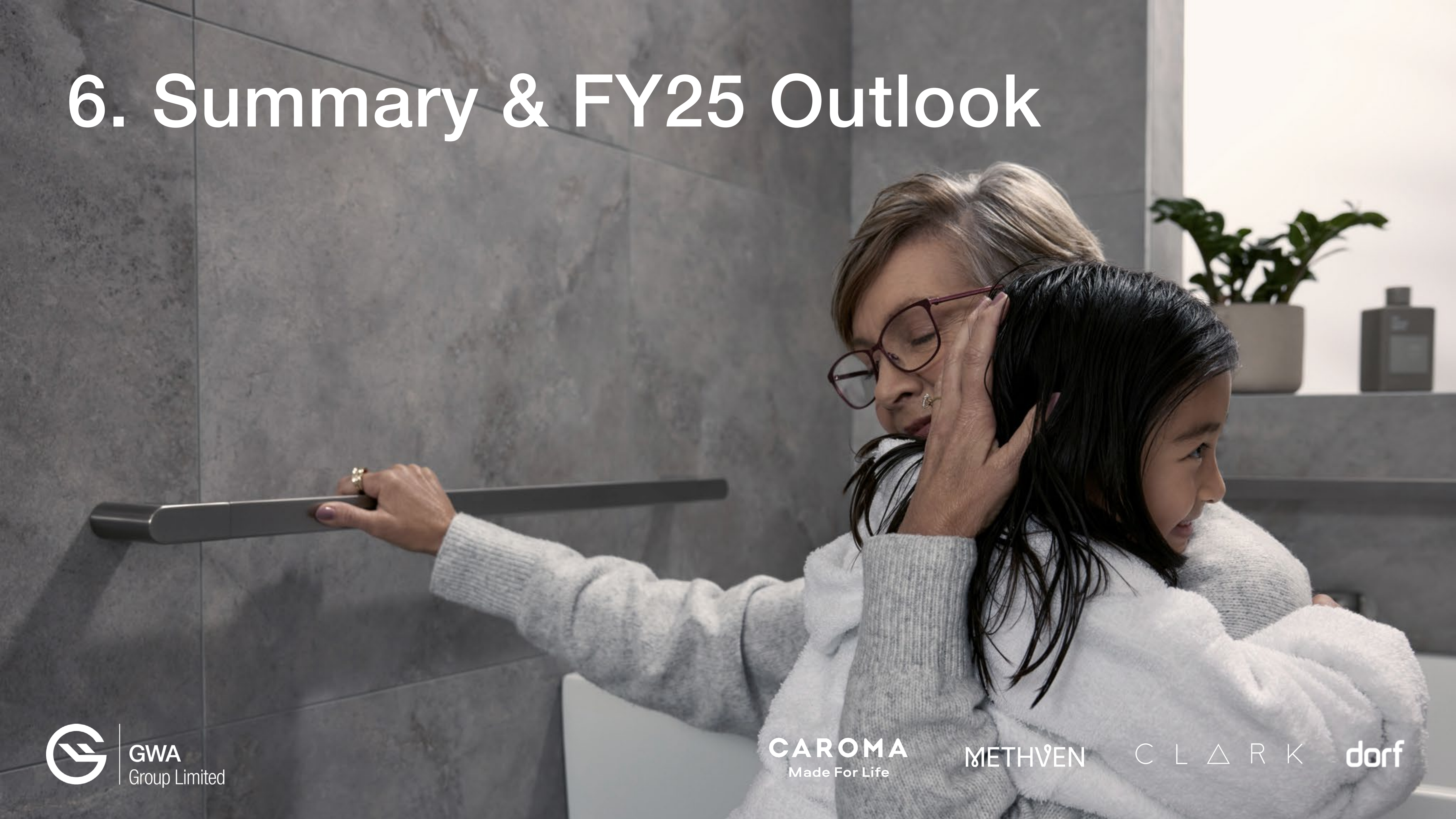
Commercial

- Subdued conditions in office new build impacting performance

Merchants

- Execution of sale initiatives through improved customer relationships, with the focus on local market opportunities
- Roll out of digital initiatives including Trade Hub

6. Summary & FY25 Outlook

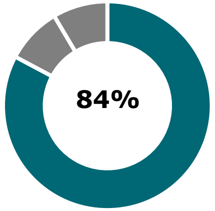
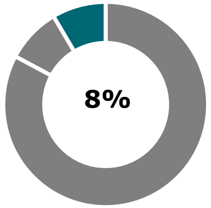
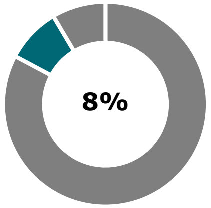


Summary

Continued volume growth in FY25 H1

- **FY25 H1 – solid results in challenging market conditions**
  - Delivery of volume, sales and EBIT growth, primarily due to AU and UK results.
  - Controlling the Controllables
  - Execution of NZ reset & simplification of operations.
- **Balance Sheet is solid with net debt at 5+ year low**
- **Customer First & Profitable Volume Growth initiatives** remain strategic focus with most deliverables progressing as planned

Group Outlook FY25

Region	Commentary	% of Group Sales
Australia	• Mixed outlook for most market segments • Solid demand in Health and Aged care projects • Promising progress with Plumber bundle and Spare parts	 84%
New Zealand	• Slow recovery of economy late FY25 into FY26 • Simplified & streamlined business to focus on plumbing industry and health sector	 8%
UK	• Modest market recovery in FY25 across both new build and repair and renovation segments • Business to benefit from new customer wins during FY24	 8%

Australia FY25 Outlook

Market segment	GWA Focus	Link to Strategy
Commercial, new office build activities depressed, somewhat offset by positive outlook in health care and office refurbishment	• Health and Aged care projects • Increase product specification with existing builders/developers	Care Commercial Win the Plumber
Residential detached, decline in completions. Improvement in FY26/FY27 flowing from increasing approvals.	• Increase product specification with existing Volume home builders • Increase market penetration with Volume home builders	Residential Win the Plumber
Multi Residential, expected to increase driven by acute housing shortage – timing remains uncertain	• Social and affordable housing, and build to rent projects • Multi residential property developers	Residential Win the Plumber
Repair and Renovation, gradual improvement, constrained by economic uncertainties	• Increase coverage and share of wallet with maintenance plumbers	Win the Plumber

7. Q&A

Disclaimer

- This Presentation contains projections and other prospective statements that represent GWA's assumptions and views, including expectations and projections about GWA's business, the industry in which it operates and management's own beliefs and assumptions. Such matters require subjective judgement and analysis and may be based on assumptions which are incorrect. They may also be based on factors which are subject to significant uncertainties and contingencies which may be outside the control of GWA and are provided only as a general guide or statement and should not be relied upon as an indication or guarantee of future performance. As such, GWA's actual performance may differ from those assumptions or projections set out in this Presentation.

- This Presentation contains non-IFRS financial measures to assist users to assess the underlying financial performance of GWA. The non-IFRS financial measures in this presentation were not the subject of a review or audit by KPMG.

- Unless otherwise stated, financials (including comparatives) reflect the adoption of IFRS 16 Leases and the impact of the May 2020 IFRS Interpretation Committee decision relating to IAS 12 Income Taxes

8. Appendix

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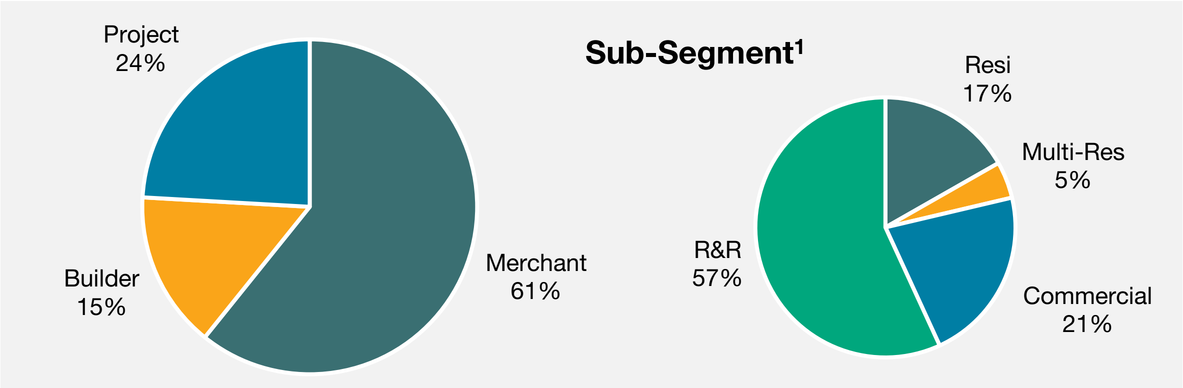
FY25 Key Assumptions[1]

Area	Assumption
Australian market backdrop	BIS total building activity data[2] is indicating a market decline of -1% in FY25 (constant prices)
Price increase	~4% implemented in Australia and UK from 1 February 2025
D&A (depreciation and amortisation)	~$4.0 - 6.0m excluding the impact of IFRS 16. Including the impact of IFRS 16 ~$15-17m
Interest costs	~$6.5 - $7.5m excluding lease interest. Including lease interest ~$8-9m.
FX	Currently 60% hedged at US$0.67 Full year negative impact ~$3.5m - $4.5m when compared to FY24
Effective Tax rate	~29.0 - ~30.0%
Working capital	Lower than June 2024
Capex	~$3.0 - $5.0m
Ocean freight cost increase	Full year negative impact ~$2.0 - $4.0m when compared to FY24
Significant items	~$5.0 – 6.0m for continuation of UK ERP implementation & investment in digital initiatives.

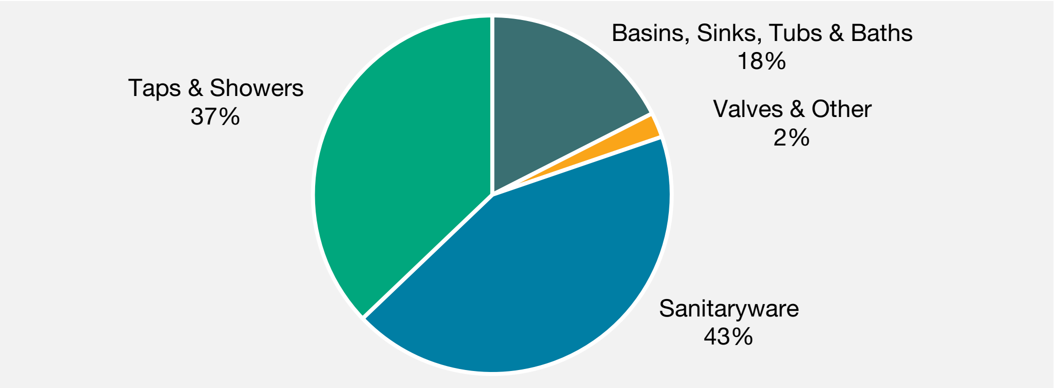
[1] Refer Disclaimer on slide 28
[2] BIS Oxford data, Australia market, November 2024 release

Caroma remains our leading brand

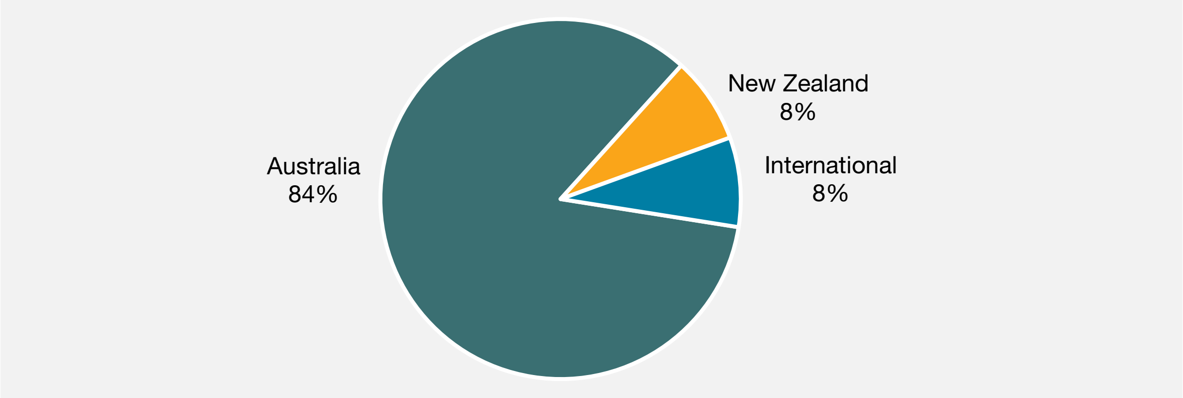
Segment



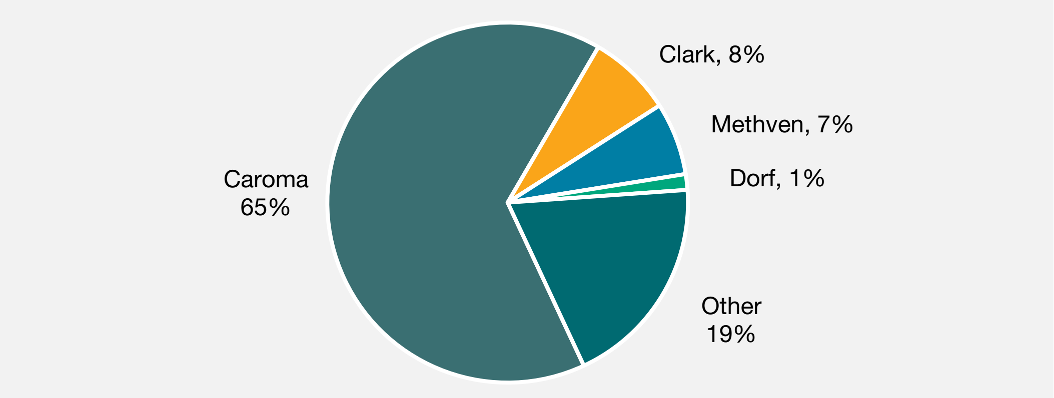
Category



Geography



Brand

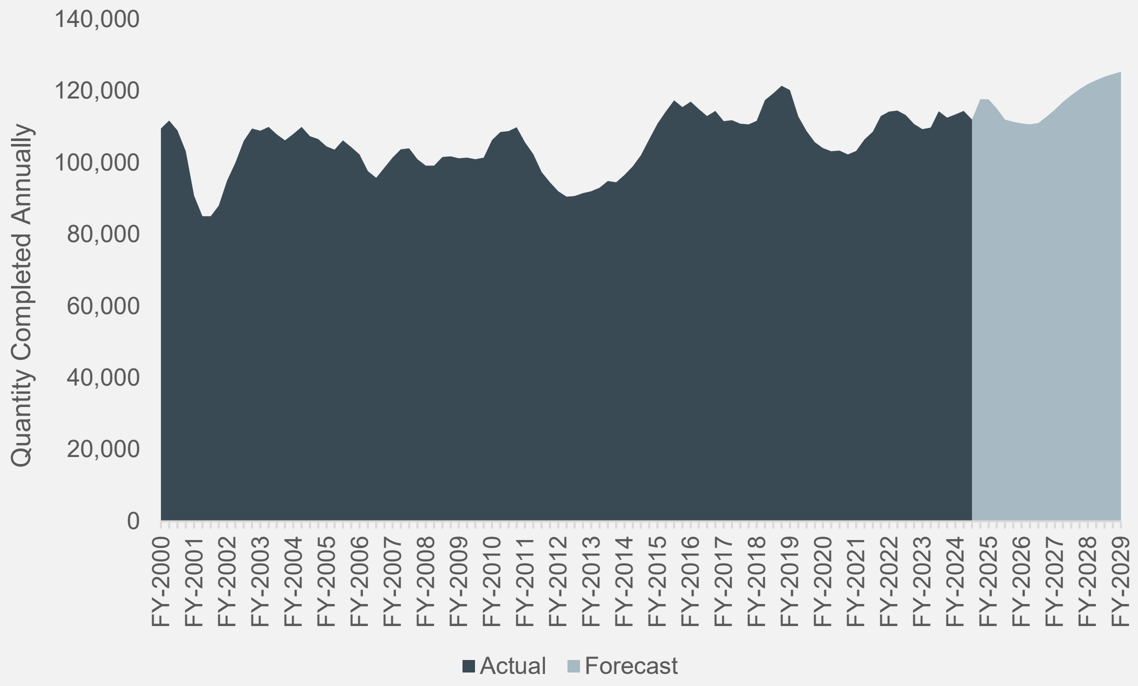


[1] Percentage of Australian sales revenue only and represent GWA's best estimate. Segment, Category, Geography and Brand are percentage of group sales revenue

Australian Market Context

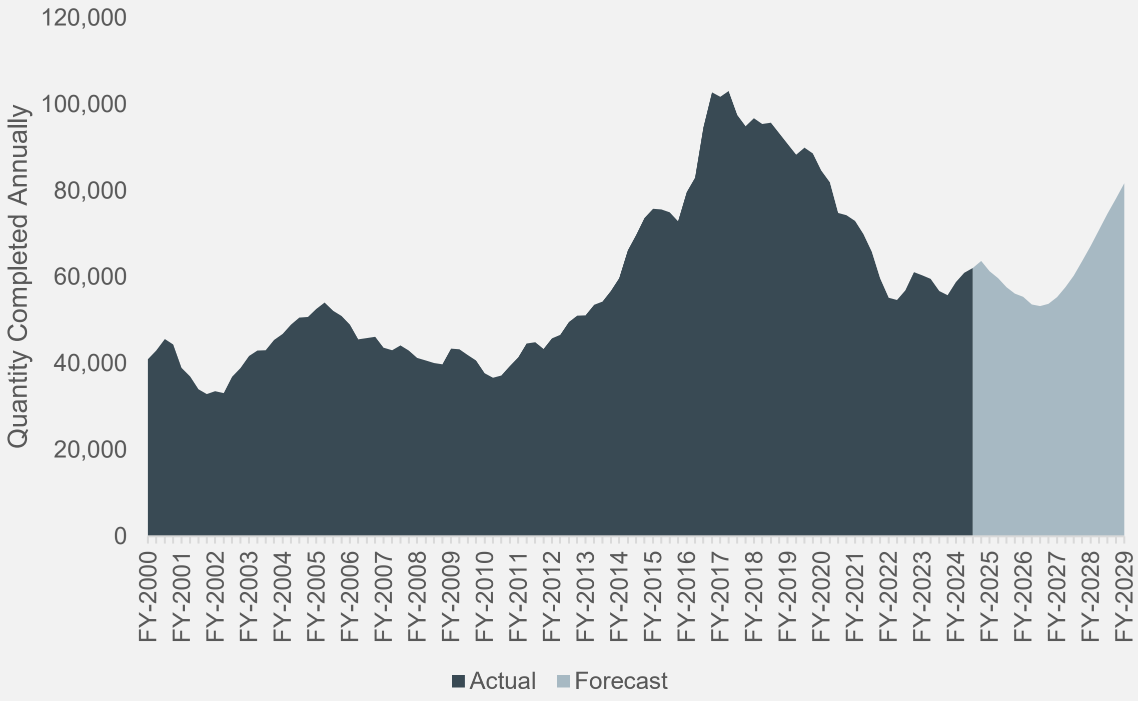
Residential and Multi-Residential completions recovery from FY27

Residential[1]



[1] Approximately 17% of GWA's Australian revenue

Multi - Residential[2]

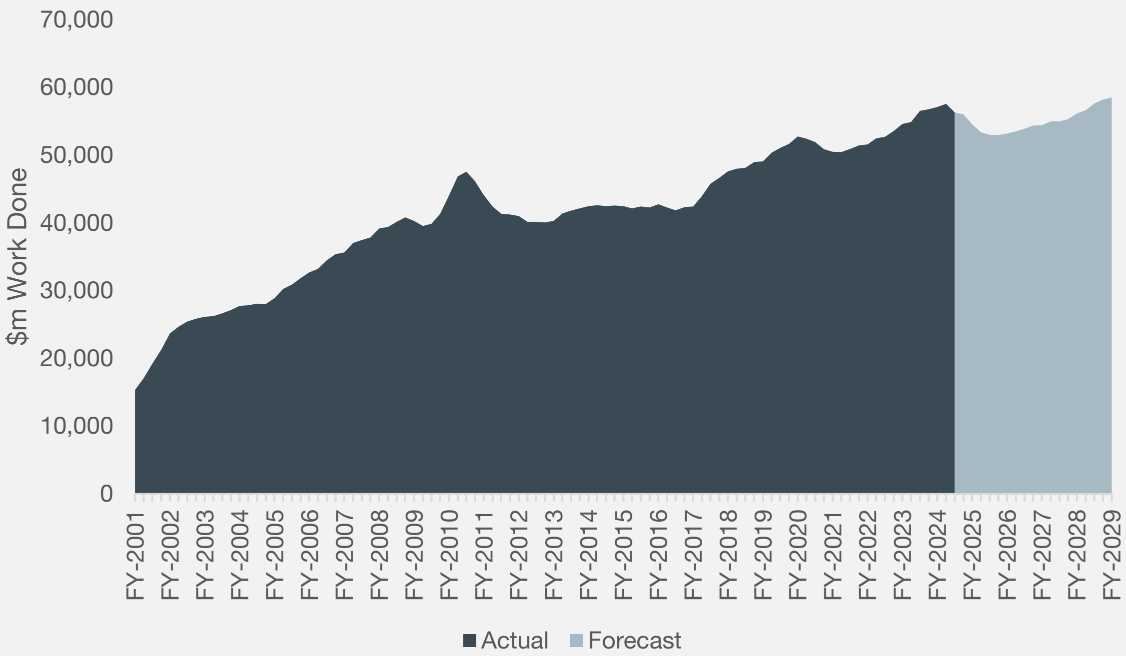


[2] Approximately 5% of GWA's Australian revenue

Australian Market Context

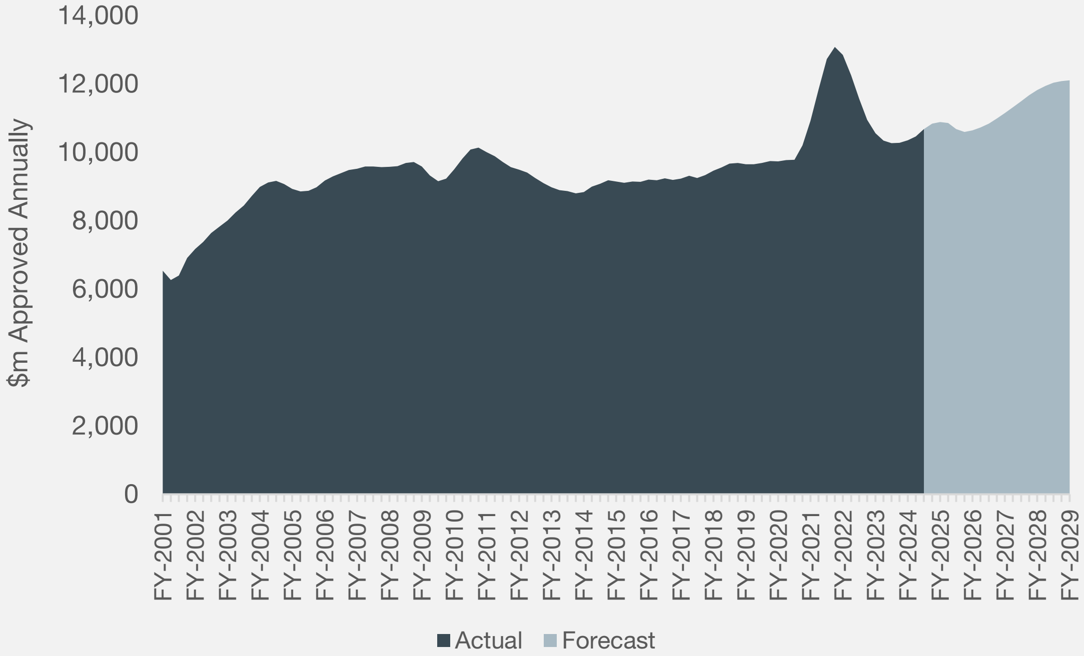
Commercial work done and R&R expected to improve from FY26

Commercial[1]



[1] Approximately 21% of GWA's Australian revenue

Repair and Renovation[2]



[2] Approximately 57% of GWA's Australian revenue

Thank you

GWA Results Presentation

Half Year ended 31 December 2024

17th February 2025

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