RELIANCE WORLDWIDE CORPORATION LIMITED

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FY2017 RESULTS PRESENTATION

28 August 2017

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This presentation forms part of a package of information about Reliance Worldwide Corporation Limited. It should be read in conjunction with the Appendix 4E, 30 June 2017 Financial Report and the Results Announcement also released on 28 August 2017.

Agenda

1. Highlights

FY2017 achievements

- ✓ **Exceeded Prospectus Forecasts for revenue, EBITDA, EBIT and NPAT**
- ✓ **Continued strong sales growth for core SharkBite PTC fittings and accessories in the Americas**
- ✓ **Phase 1 rollout to Lowe's stores completed, expanding USA retail distribution network**
- ✓ **Strong sales growth to The Home Depot for SharkBite PTC**
- ✓ **Holdrite acquisition completed in June 2017 accelerates entry into new construction markets**
- ✓ **EvoPEX successfully launched into residential new construction market**
- ✓ **Manufacturing capability continues to expand**
- ✓ **Cost reductions and operational efficiencies achieved**
- ✓ **Maintained strong health and safety track record**

FY2017 financial highlights

Net sales

$601.7 million

+13% growth vs PF FY2016[1]
(+17% on a constant currency basis)

EBITDA

$120.7 million

+22% growth vs PF FY2016[1]

NPAT

$65.6 million

+26% growth vs PF FY2016[1]

Strong net sales growth from Americas

+19% growth vs PF FY2016[1]

Strong balance sheet

Net leverage of 1.95x
Borrowings increased to fund Holdrite acquisition

Final dividend declared of 3 cps

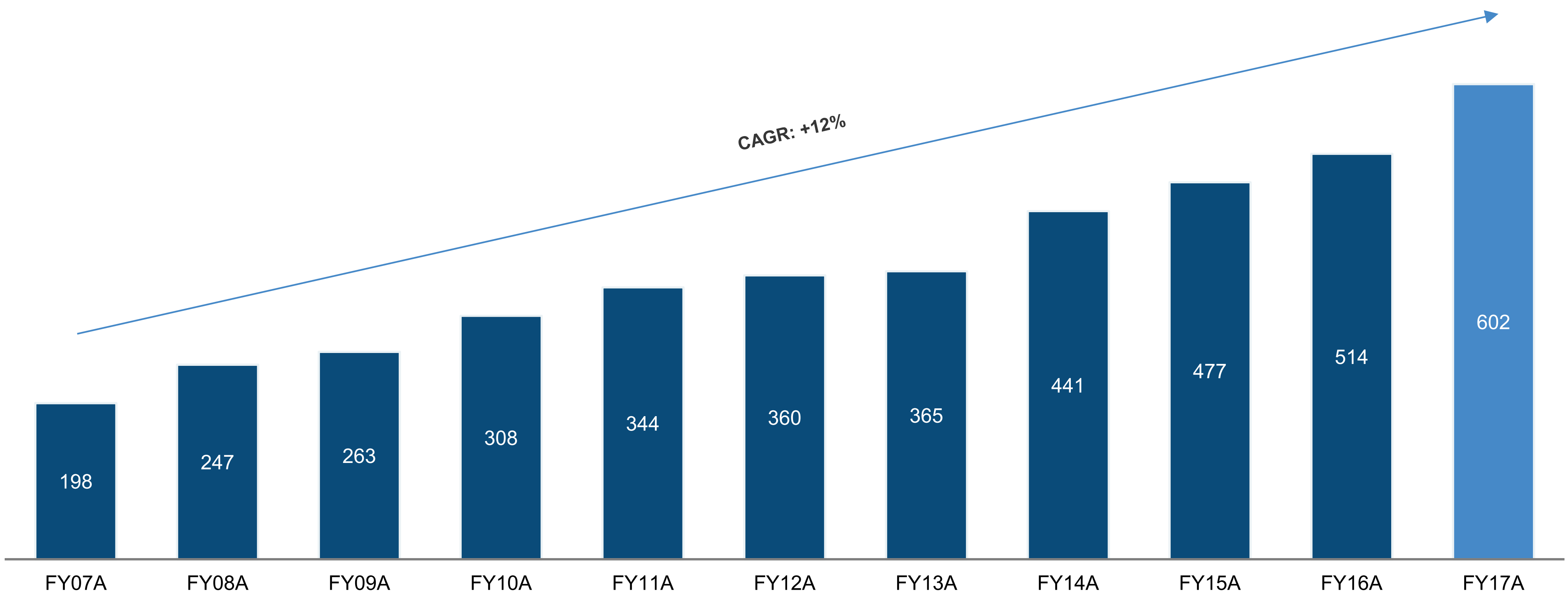
Total dividends of 6 cps for FY2017
NPAT payout ratio of 48%

FY2017 Net sales, EBITDA and NPAT all ahead of Prospectus Forecast

Note 1: Pro forma unaudited results for the 12 months ended 30 June 2016 prepared on the same basis as set out in the Prospectus dated 18 April 2016

Continuing RWC's long-term track record of strong growth

RWC historical net sales growth, constant currency basis[1] (A$m)



Note 1: Period from FY2007 to FY2017. Pro forma net sales calculated based on a constant currency basis of AUD/USD 0.7537, AUD/GBP of 0.5948, AUD/CAD of 1.0002, AUD/NZD of 1.0585 and AUD/EUR of 0.6919, being the average exchange rates in FY2017

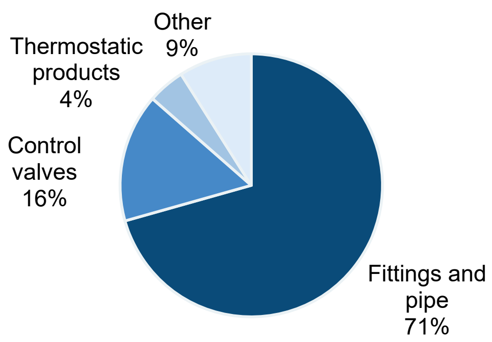
2. About RWC

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

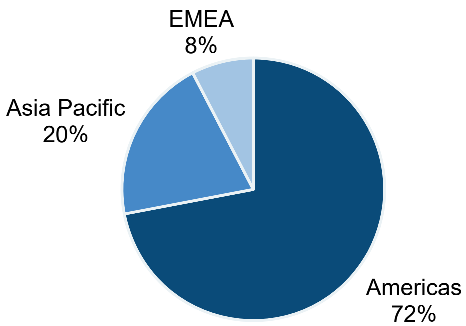
- Leader in high growth brass push-to-connect (“PTC”) fittings category in key geographies
- Majority of sales to the defensive repair and renovation end-market
- Vertically integrated, global manufacturer (12 facilities worldwide) with a strong culture of innovation, leading R&D and engineering capability
- Strong market positions across all key product lines and geographic regions
- Substantial barriers to entry and multiple avenues of future growth
- Holdrite acquisition accelerates entry into USA residential and commercial new construction markets with leading products
- Senior management is a mix of long tenure RWC executives and new talent

Net sales contribution (FY2017, percentages based on AUD)

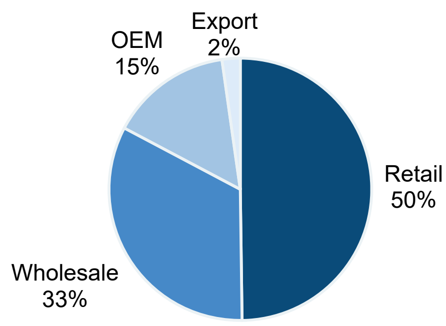
By product category



By operating segments

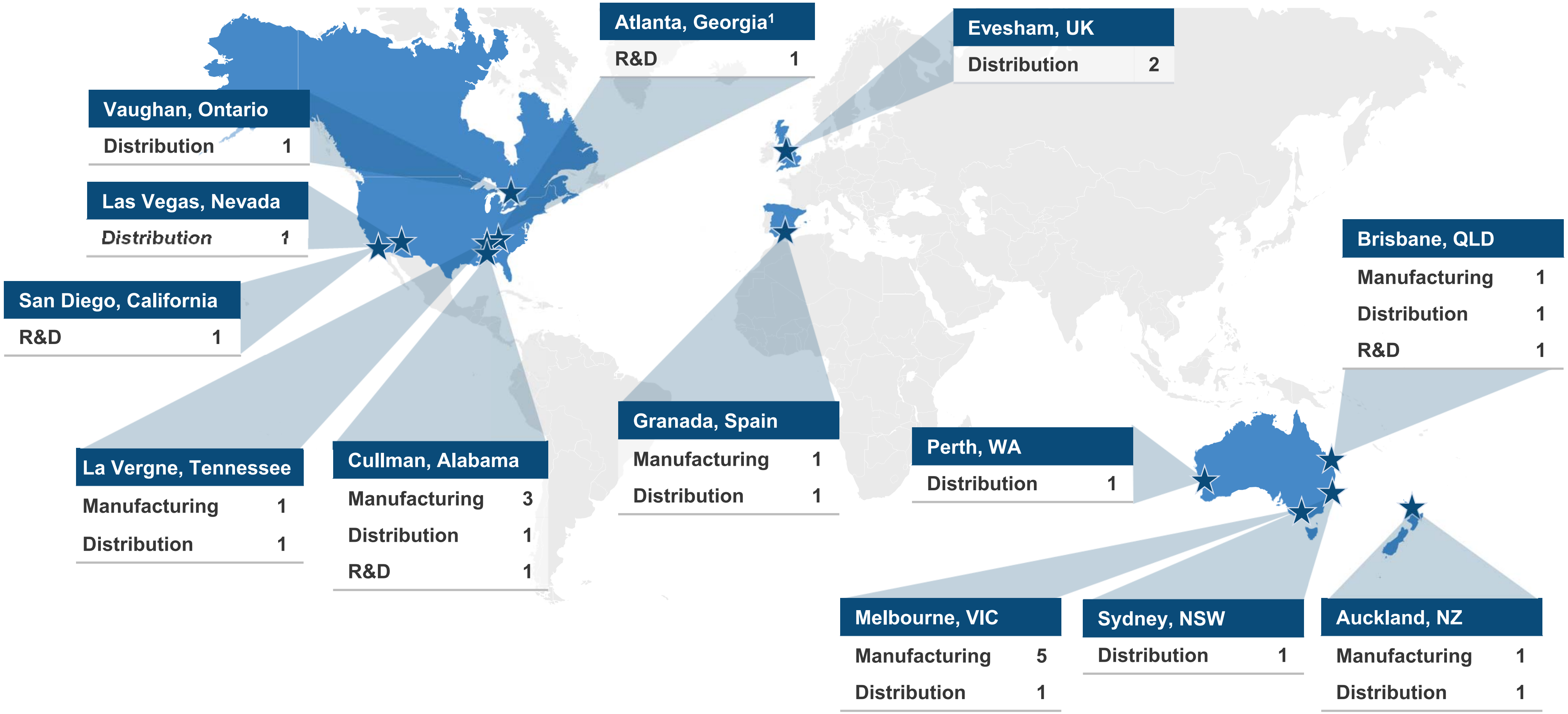


By sales channel



Note 1: Net sales after eliminating intercompany sales

Global manufacturing and distribution footprint, with infrastructure in place to support strong future growth



Note 1: Global headquarters

3. Financial performance

FY2017 results

June year end (A$m)	Actual FY2017	Pro forma FY2016[1]	Variance (%)	Prospectus Forecast FY2017[2]	Variance (%)
Net sales	601.7	534.4	*+ 13%*	587.8	*+ 2%*
EBITDA	120.7	99.1	*+ 22%*	117.7	*+ 3%*
EBIT	101.3	82.7	*+ 22%*	97.8	*+ 4%*
NPAT	65.6	52.1	*+ 26%*	62.6	*+ 5%*
Key metrics					
EBITDA margin	*20.1%*	*18.5%*	*+ 160 bps*	*20.0%*	*+ 10 bps*
EBIT margin	*16.8%*	*15.5%*	*+ 130 bps*	*16.6%*	*+ 20 bps*
NPAT margin	*10.9%*	*9.7%*	*+ 120 bps*	*10.6%*	*+ 30 bps*

Commentary

- FY2017 results ahead of Prospectus Forecast
- Achieved a 13% increase in net sales vs PF FY2016 (+17% on a constant currency basis)
  - Solid performance from Americas (+19%) and Asia Pacific (+9%)
  - EMEA sales down 2% on translation to AUD, although up 19% in local currencies
  - Continued strong demand from Retail and Hardware channels in the USA
- Ongoing production efficiencies and procurement savings have supported margin expansion
- FY2017 net finance costs lower than Prospectus Forecast

Note 1: Pro forma unaudited results for the 12 months ended 30 June 2016 prepared on the same basis as set out in the Prospectus dated 18 April 2016
Note 2: Prospectus issued by RWC dated 18 April 2016

Segment results – Americas

June year end (A$m)	Actual FY2017	Pro forma FY2016	Variance (%)	Prospectus Forecast FY2017	Variance (%)
Net sales[1]	435.3	365.0	*+ 19.3%*	397.6	*+ 9.5%*
EBITDA	74.6	58.4	*+ 27.7%*	69.3	*+ 7.6%*
EBITDA margin	*17.1%*	*16.0%*	*+ 110 bps*	*17.4%*	*- 30 bps*

Financial commentary

- FY2017 results ahead of Prospectus Forecast
- Achieved a 19% increase in net sales vs PF FY2016 driven by:
  - Continued market penetration of SharkBite products
  - Strong demand from the Retail channel
  - Continued strong growth in sales to The Home Depot
  - Commencement of sales to Lowe's
- EBITDA margin was slightly lower than Prospectus Forecast largely as a result of Holdrite related transaction costs and set up costs associated with the rollout to Lowe's

Operational commentary

- First stage of rollout to Lowe's successfully completed
- Maintained delivery performance with order fill rate >99% in the Retail channel
- Continued expansion of production of SharkBite PTC fittings at Cullman, Alabama
- Acquisition of Holdrite completed in June 2017; accelerates RWC's expansion into residential and commercial new construction markets
- Controlled launch of EvoPEX into residential new construction market consistent with strategic plan

Note 1: Segment net sales includes intercompany sales between segments

Segment results – Asia Pacific

June year end (A$m)	Actual FY2017	Pro forma FY2016	Variance (%)	Prospectus Forecast FY2017	Variance (%)
Net sales[1]	218.1	201.0	*+ 8.5%*	209.8	*+ 4.0%*
EBITDA	47.5	39.3	*+ 20.9%*	45.6	*+ 4.2%*
EBITDA margin	*21.8%*	*19.6%*	*+ 220 bps*	*21.7%*	*+ 10 bps*

Financial commentary

- FY2017 results ahead of Prospectus Forecast
- Achieved a 9% increase in net sales vs PF FY2016 driven by:
  - Increase in intersegment sales to the Americas driven by market penetration of SharkBite products
  - Demand from Wholesale customers partially offset by somewhat lower demand in the OEM channel
- EBITDA increased by 220 bps over PF FY2016, benefiting from procurement savings, ongoing manufacturing efficiencies and other cost saving initiatives

Operational commentary

- Production volumes higher aided by build for Lowe's
- Operational efficiencies and procurement savings achieved
- Third finished goods warehoused leased in Melbourne to facilitate growth in fittings and pipe products
- Continued expanding product range of valves

Note 1: Segment net sales includes intercompany sales between segments

Segment results – EMEA

June year end (A$m)	Actual FY2017	Pro forma FY2016	Variance (%)	Prospectus Forecast FY2017	Variance (%)
Net sales[1]	50.1	51.1	*-2.0%*	67.2	*- 25.4%*
EBITDA	0.5	3.8	*- 86.8%*	5.2	*- 90.4%*
EBITDA margin	*1.0%*	*7.4%*	*- 640 bps*	*7.7%*	*- 670 bps*

Financial commentary

- Segment sales increased 19% in constant currencies
- Lower translated net sales impacted by:
  - Materially stronger AUD/GBP exchange rate
  - Uncertainty following Brexit, particularly in the first half
  - Partially offset by strong demand from Wholesale customers, and improved conditions in the second half relative to first half
- EBITDA and margin impacted by:
  - Lower net sales
  - Higher cost of goods sold related to the weakening of the GBP
  - One-off non-cash expense in the second half associated with restructuring and business improvement initiatives

Operational commentary

- Continued successful delivery of PEXa product to Australia
- PEXa production in Spain expanded to meet demand in both local and export markets, including Australia
- Continuing focus on branding and marketing
- Growth in thermostatics sales continuing
- Continued refinement of business focus to optimise product offering for maximum return

Note 1: Segment net sales includes intercompany sales between segments

Strong free cash flow conversion

June year end (A$m)	Actual FY2017	Pro forma FY2016	Variance (%)	Prospectus Forecast FY2017	Variance (%)
EBITDA	120.7	99.1	*+ 22%*	117.7	*+ 3%*
Non-cash items in EBITDA	(0.1)	(0.3)	*- 67%*	0.1	*nm*
Changes in working capital	(21.1)	(15.3)	*+ 38%*	(10.3)	*+ 105%*
Cash flow from operations[1]	**99.5**	**83.5**	***+ 19%***	**107.5**	***- 7%***
Maintenance capital expenditure	(13.3)	(11.0)	*+ 21%*	(16.9)	*- 21%*
Growth capital expenditure	(12.2)	(19.1)	*- 36%*	(6.9)	*+ 77%*
Acquisitions	(122.3)	-	*nm*	-	*nm*
Proceeds from sale of assets	0.5	3.9	*- 87%*	0.1	*+ 400%*
Net Investing cash flow	**(147.3)**	**(26.2)**	***nm***	**(23.7)**	***nm***
Net cash flow (before financing and taxation)	**(47.8)**	**57.3**	***nm***	**83.8**	***nm***
Free cash flow conversion	*82.4%*	*84.2%*	*- 2%*	*91.3%*	*- 9%*

Commentary

- Underlying cash flow performance continues to be strong
- Change in working capital driven by an increase in inventory related to the Lowe's rollout
  - Inventory expected to reduce as roll out occurs
- Capital expenditure was incurred to build additional capacity to meet expected future demand following regular review of our capital plan
- Growth capital expenditure includes
  - Building acquisition in Cullman, Alabama, utilised as a warehouse / distribution facility
  - Payments for additional machinery expanding manufacturing capacity
- Acquisition of Holdrite included in Investing cash flows

nm = Not meaningful
Note 1: Before significant items, capex and taxation

Capital expenditure[1]

Historical capex (A$m) and capex as % of depreciation

Commenced construction of Cullman facility

Completion of Spain acquisition

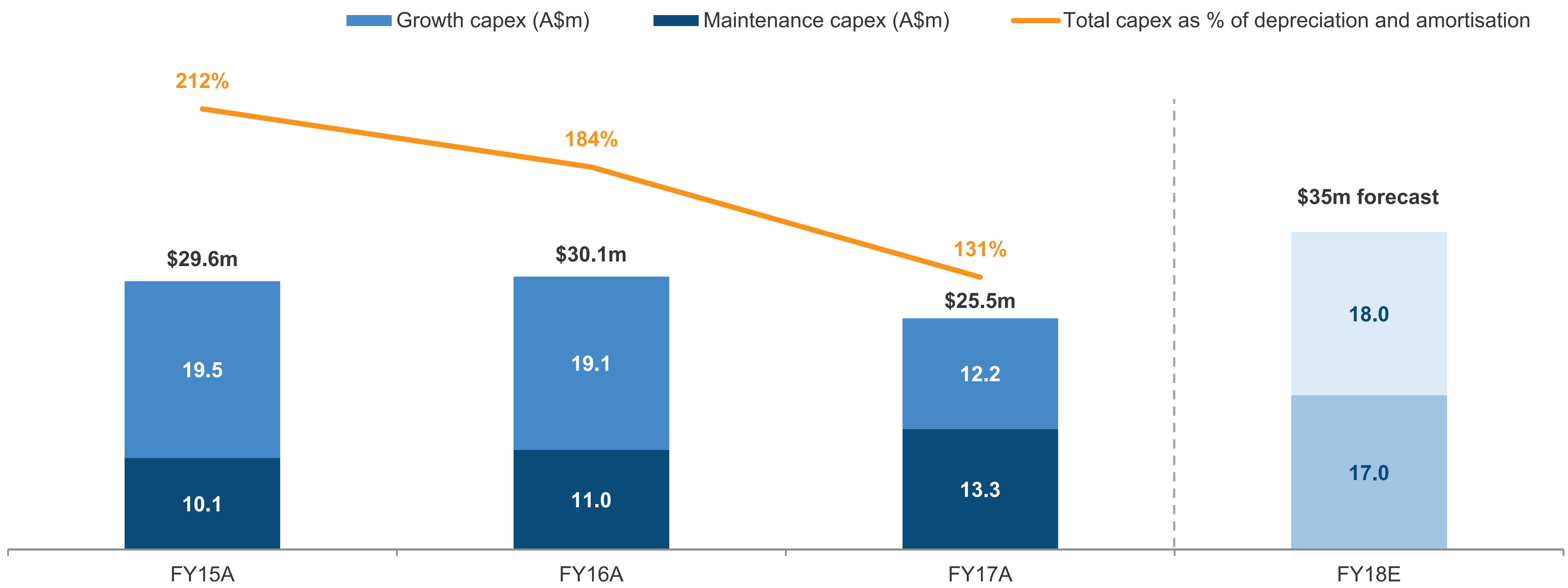
Cullman Phase 1 expansion completed, increasing brass PTC fittings production capacity

Potential to further increase capacity with incremental capital outlay

Property acquisition in Cullman

Capacity expansion following regular review of capital plan

Growth capital expenditure planned for FY2019 has been brought forward to FY2018, driven by growth in core PTC products in the USA



Note 1: Excludes acquisitions

Balance sheet strength

Capitalisation

A$m	30 June 2017	30 June 2016
Cash and cash equivalents	35.0	35.6
Total debt	270.4	163.5
Net debt[1]	**235.4**	**127.9**
Net debt[1] / EBITDA[2]	*1.95x*	*1.29x*
EBIT[2] / Net finance costs	*20.2x*	*13.1x*

Net working capital

A$m	30 June 2017	30 June 2016
Trade and other receivables	109.7	95.0
Inventories	162.4	119.1
Trade and other payables	(97.9)	(64.8)
Net working capital	**174.2**	**149.3**

Commentary

- Strong balance sheet position
- Net debt increase reflects funding of Holdrite acquisition, partially offset by use of net operating cash inflows to repay borrowings
- Financing facilities increased by $100 million and maturity extended to 30 September 2020
- Higher inventories reflects stock carried for phase 2 of Lowe's rollout, expected to reduce as the rollout occurs
- Strong and effective management of receivables and payables

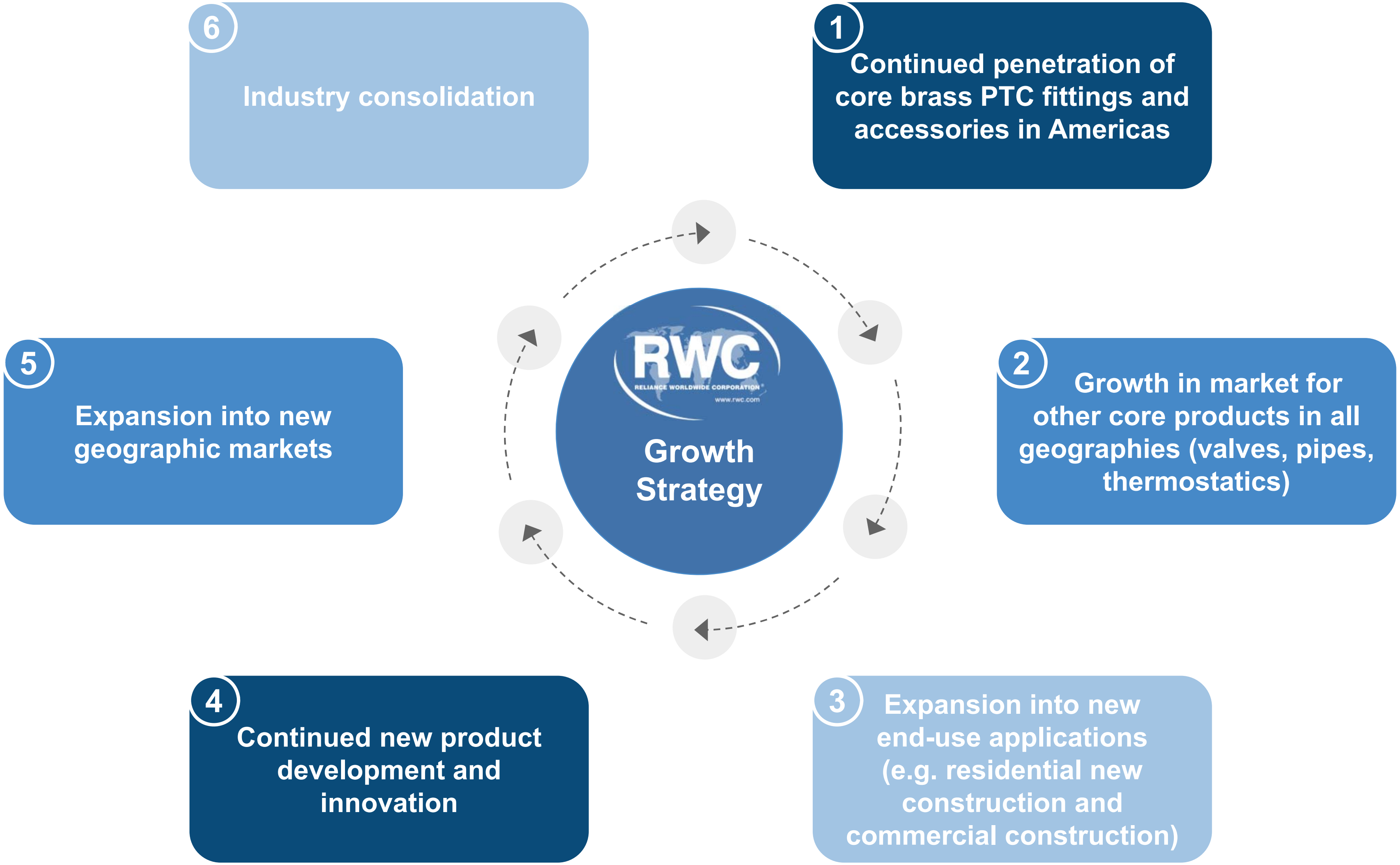
Note 1: Net debt includes the effect of Holdrite funding
Note 2: EBITDA and EBIT reflect contributions from Holdrite only for the post acquisition period from 12 June 2017 to 30 June 2017

4. Strategy

Our Direction

Why we do what we do	To profitably revolutionise and **disrupt** the plumbing industry by commercialising solutions that **make the trade more effective and efficient**
What we want to become	The "behind the wall" sector **leader**
How we will achieve it	By developing and deploying **differentiated** capabilities, people and products focused on attractive end-markets and leading distribution and channel partners
How we gauge our degree of success	Achieving and **sustaining** industry leading growth and profitability; delivering strong shareholder returns

Overview of growth strategy



Update on USA retail distribution

Lowe's

- Lowe's rolling-out full SharkBite Plumbing Solutions range, including PTC fittings and accessories, PEX pipe and crimp fittings
- Roll-out to 1,700+ Lowe's stores commenced with approximately half the stores fully stocked by June 2017
- Final phase commenced and expected to be completed in 1HFY2018

The Home Depot

- The Home Depot continues to support SharkBite PTC across its network, with continued strong growth
  - SharkBite PTC no longer being distributed to The Home Depot's Pacific Northwest locations
- The Home Depot is replacing RWC's supporting PEX pipe and crimp fittings in all but a small number of stores
- Above changes commenced being phased in during June 2017 and are expected to be completed during 1HFY2018

5. New market opportunities

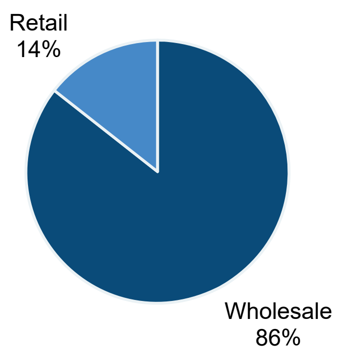
Holdrite acquisition overview

Overview

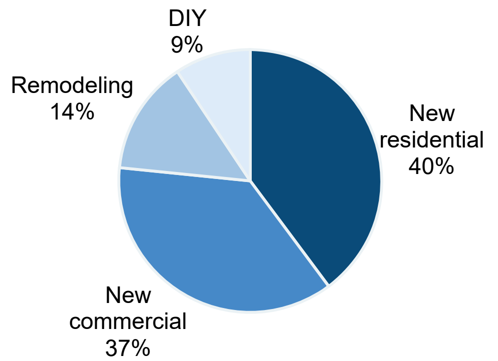
- Holdrite acquired in 2HFY17 for total consideration of US$92.5 million[1]
- North American market leader in providing engineered solutions to solve everyday problems of plumbers and contractors
- Largely patented product portfolio sold mainly through wholesale distribution channels
- Strong historical earnings growth, revenue CAGR of more than 20% over the 3 years to 31 December 2016
- Acquisition completed 12 June 2017

Sales mix (CY2015, percentages based on USD)

By sales channel

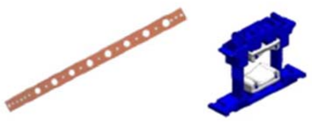


By end market



Select product groups

Pipe support solutions



Firestop solutions

Water heater accessories

DWV products

Strategic rationale / benefits

- ✓ Consistent with RWC's growth strategy of acquiring businesses which deliver innovative solutions that make the trade more efficient
- ✓ Builds upon mutual customer base, adding complementary and adjacent products to RWC's existing product range
- ✓ Holdrite will bring further scale to the wholesale sales channel in the USA, as well as accelerating entry into residential and commercial new construction and re-model markets
- ✓ Expands footprint in the USA, with manufacturing and distribution facilities in Tennessee and Nevada
- ✓ Enhanced R&D and innovation capability

Note 1: Subject to customary completion adjustments

Expansion into new end-use applications through innovation and development

- Innovation and product development a key pillar of RWC's growth strategy
- Focus on developing innovative engineered product solution to solve everyday problems for plumbers and contractors and facilitate professional and time saving installations
- Holdrite, with its strong innovation culture, adds to this capability

<u>Residential new construction</u> **EvoPEX fittings**	**<u>Commercial new construction</u>** **Firestop solutions**

- ✓ Lower installed cost
- ✓ Made from engineered plastics and stainless steel materials
- ✓ Intended to win market share from more basic fittings
- ✓ Fully automated assembly line ordered
- ✓ Officially launched into target markets in January 2017

- ✓ Holdrite HydroFlame patented cast-in-place technology
- ✓ Engineered, lab-tested and UL-rated
- ✓ Installs up to six times faster than makeshift methods
- ✓ Access to commercial market to bring through additional products such as 2XL

6. Outlook

FY2018 outlook

- **FY2018 forecast EBITDA of between \$145 million and \$150 million[1]**
- **Expect continued strong growth in sales of SharkBite PTC fittings and accessories in the Americas**
- **Penetration of residential and commercial new construction markets with EvoPEX and Holdrite products in the Americas**
- **Further procurement and cost savings**
- **Capital expenditure estimated at \$35 million**

Note 1: Forecast assuming, among other things, that current general economic conditions are maintained, including in the geographies where RWC operates, and no significant changes to foreign currency exchange rates, particularly USD/AUD and GBP/AUD

RWC

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