



Acquisition of EZ-FLO International

Investor Presentation
26 October 2021

RELIANCE WORLDWIDE CORPORATION LIMITED
ABN 46 610 855 877



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This presentation contains references to the following non-IFRS measures: EBITDA and Adjusted EBITDA. These measures are used by RWC to assess operating performance. All financial information is presented in US dollars (US\$ or USD) unless otherwise stated.

Information about EZ-FLO International, Inc.

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The financial information for EZ-FLO is based on audited financial statements for the financial years ended 31 October 2020 and 31 October 2019 and management financial reports for the twelve months ended 31 July 2021, as well as financial and operating data provided by EZ-FLO. Adjusted EBITDA reflects normalisation adjustments made to EZ-FLO reported EBITDA for the impact of non-recurring items, non-operating items, out of period items, and adjustments to align the accounting treatment of leases with AASB16: Leases. RWC has performed due diligence on the financial records of EZ-FLO however this does not constitute an independent verification of the information provided by EZ-FLO. Information in this Presentation regarding revenue by end market, customer, geography, product category and channel is unaudited sales data provided by EZ-FLO. Investors are cautioned that they should not place reliance on this information as if it were audited financial information.

The sum totals throughout this presentation may not add exactly due to rounding differences.

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This presentation should be read in conjunction with the ASX announcement titled "RWC TO ACQUIRE EZ-FLO INTERNATIONAL, INC. FOR US\$325 MILLION" also dated 26 October 2021.

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Acquisition Summary

Acquisition of EZ-FLO: Overview

Leading manufacturer and distributor of plumbing products in North America

Acquisition overview

- RWC to acquire EZ-FLO International for US\$325¹ million; completion expected to occur in November 2021
- Acquisition values business at a multiple of 12.0x Pro Forma Adjusted EBITDA for 12 months to 31 July 2021²
- Acquisition multiple of 7.0x EBITDA² inclusive of expected revenue and cost synergies by end of Year 3
- EPS accretive from Year 1; return on investment will exceed RWC WACC in Year 1, expected to rise in subsequent years with synergies

EZ-FLO overview

- EZ-FLO is a leading manufacturer and distributor of plumbing supplies, including plumbing specialty products, appliance supply lines, flexible water connectors, gas connectors, stop valves and other accessories
- Strong long-term foundation through a demonstrated track record of robust, resilient growth: historic double-digit sales growth driven by an ability to win and maintain new business
- EASTMAN brand of products are rated #1 for appliance installations, Top 2 for US water plumbing connectors
- Extensive US distribution centre footprint enables high levels of customer service
- Manufacturing and bonded warehousing facilities in the Ningbo Free Trade Zone in China

Strategic rationale

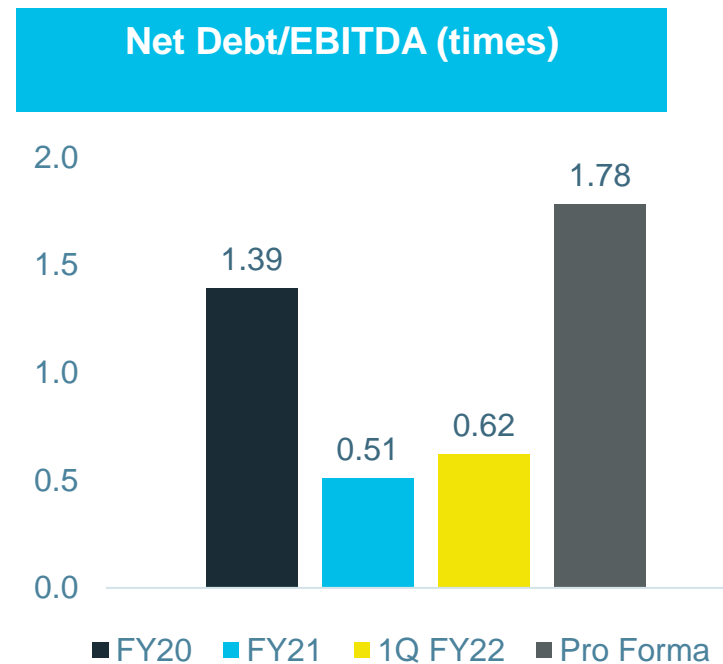
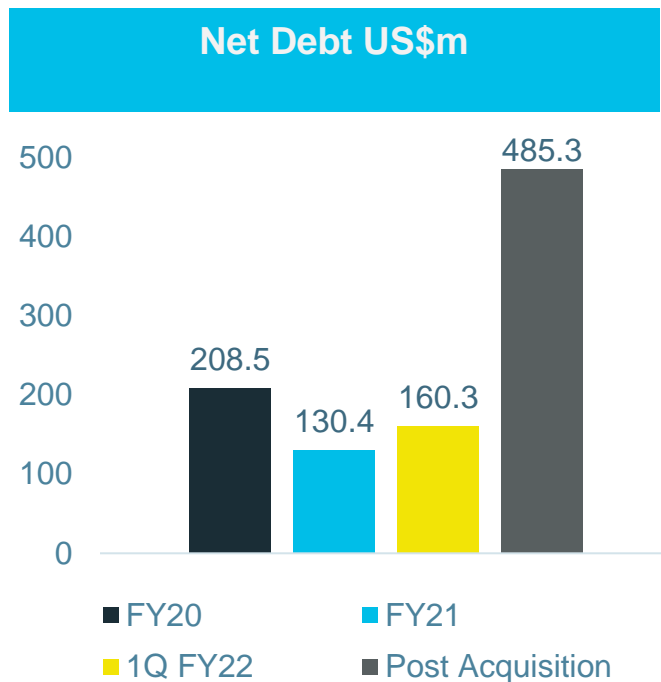
- EZ-FLO is a strong strategic fit and aligns with RWC's strategy to add complementary products that broaden the depth of solutions offered to end users and delivers additional shelf space in Retail
- EZ-FLO provides access to a new category with Retail channels - appliance installation
- RWC provides access into Hardware and Wholesale channels
- China manufacturing base and strong supplier relationships provide access to lower cost manufacturing
- Leveraging combined RWC and EZ-FLO retail teams will drive efficiencies and lift EZ-FLO operating margins

¹ Subject to customary closing adjustments and conditions; all values are in US Dollars unless otherwise specified

² Source: Company financial statements, RWC management estimates

Acquisition of EZ-FLO to be debt funded

- \$325 million acquisition cost will be debt funded from existing committed facilities
- Pro forma leverage of 1.78 times based on 1Q FY22 period end net debt and \$325 million acquisition debt funding
- RWC's leverage will remain comfortably within the target range following completion of the transaction
 - Target range of Net Debt to EBITDA is 1.5 to 2.5 times
- RWC has increased its syndicated bank debt facility by A\$100 million to A\$850 million
 - Undrawn committed borrowing facilities of approximately US\$127 million available at completion



Attractive acquisition aligned with RWC's M&A strategy



RWC Strategic Drivers	EZ-FLO alignment with RWC Strategy
Product portfolio diversification	<ul style="list-style-type: none">■ EZ-FLO will deliver multiple new dimensions to RWC's product range■ EASTMAN brand will immediately position RWC as a leader in Appliance Connectors:<ul style="list-style-type: none">■ Plumbed appliances, Gas, Hot Water, Dryer Venting■ RWC will leverage EZ-FLO products across its Wholesale and Hardware partner network
Broader relationship with Retail channel partners in the Americas	<ul style="list-style-type: none">■ EZ-FLO will provide RWC access to different product categories within Americas retail channel partners - Major Appliances Installation<ul style="list-style-type: none">■ Appliance connectors are critical in facilitating high dollar appliance purchase■ Increasing breadth and diversity of customer relationships - RWC will be dealing with new divisions and merchants for Appliances, Delivery/Install
China manufacturing facility and sourcing capability will improve RWC's competitiveness	<ul style="list-style-type: none">■ EZ-FLO's manufacturing and sourcing capability in China will provide access to lower cost manufacturing and will improve RWC's competitiveness in new plumbing categories■ Distribution centre location in China will provide differentiated logistics capabilities, including large customer shipments direct from Ningbo factory
Strong US distribution (DC) footprint will further enhance RWC's capability to serve customers in North America	<ul style="list-style-type: none">■ EZ-FLO's 7 DC's across the United States enable high levels of customer service with high fill rates and quick delivery■ Combined with RWC's 3 DC's will enable enhanced customer service and cost savings
Expand RWC's geographic presence in Central and South America	<ul style="list-style-type: none">■ Expanded geographic reach in the Caribbean and South America for wide range of plumbing products■ Further growth potential for RWC in Canada with EZ-FLO

Strong alignment with value creation model

The acquisition of EZ-FLO meets the strategic imperatives of RWC's M&A focus

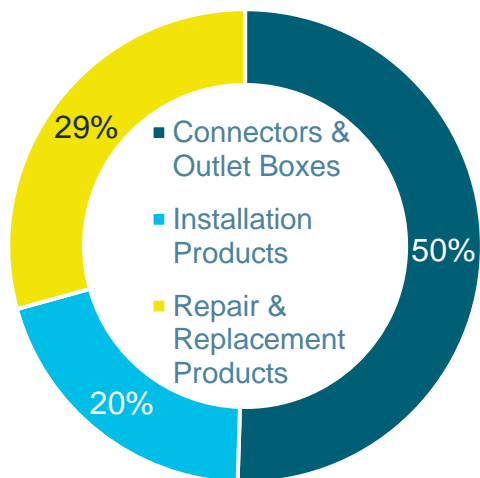
Strong Financial Focus	Value creation			Capital management		
Improving long term margins and returns	Organic Growth	Capital Investment	Acquisitions	Capital structure	Consistent dividends	Capital returns
<ul style="list-style-type: none"> Margin expansion through continuous improvement initiatives Strong operating cash flow performance Maintenance of investment grade equivalent credit metrics Improving return on equity 	Above-market growth in 3 regions: <ul style="list-style-type: none"> Americas APAC EMEA 	Ongoing investment in: <ul style="list-style-type: none"> capacity expansion core new product development <p>Ongoing assessment of operational footprint and supply chain optimisation</p>	M&A aligned with strategy: <ul style="list-style-type: none"> ✓ Fill gaps in product range ✓ Expand distribution or end-user scope ✓ Broaden geographic presence 	Target Leverage Range: <p>Net Debt to EBITDA of 1.5 - 2.5 times</p>	Target Dividend Payout Ratio: <p>40-60% of NPAT</p> <p>Franked to the extent possible – estimated at less than 30%</p>	On-market Share Buybacks: <p>Preferred means of distributing excess cash beyond dividends</p> <p>Assessed when appropriate</p>

Overview of EZ-FLO

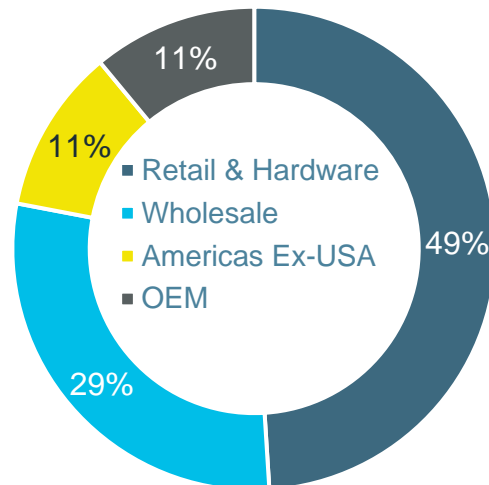
Overview of EZ-FLO

- Leading manufacturer and distributor of plumbing supplies, including plumbing specialty products, appliance supply lines, flexible water connectors, gas connectors, stop valves and other accessories
- Established in 1980, expanded rapidly by adding a wide range of products
- Acquired the EASTMAN brand in 2000, the #1 brand in the US appliance connector market
 - Total market size for US appliance connectors estimated ~ \$1.2 billion p.a. versus ~\$2.0 billion p.a. for residential pipes and fittings
- Strong distribution footprint, with ability to deliver full product range next day to 80% of US population
- Manufacturing and bonded warehousing facilities in the Ningbo Free Trade Zone in China
- Employees: ~550 of which ~350 are located in China

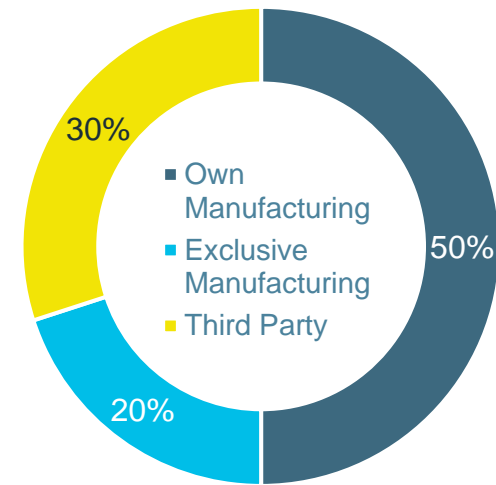
Sales by Product Category¹



Sales by Channel¹



Manufacturing Source¹



¹ Source: Company financial statements, RWC management estimates

EASTMAN and EZ-FLO Product Overview



EASTMAN® 90+ Year Professional Brand

EASTMAN
Connectors
and Outlet
Boxes

50% of
Sales¹



Steam Dryer

Dishwasher

Ice Maker

Washing Machine



Gas Connectors



Water Heater Connectors



Dryer Venting



Outlet Boxes

EASTMAN
Installation
Products

20% of
Sales



Stop Valves



Appliance Floor Pans



Expansion Tank



Electrical



Water Heater Pans



35+ Year Brand Leader in MRO

Repair and
Replacement
Products

29% of Sales



Valves



Tools



Tubular & Drainage



Toilet Repair

¹ Source: Company financial statements, RWC management estimates

EZ-FLO customer proposition strongly aligned with RWC

Delivering high quality products at an attractive value



Small proportion of overall cost



The average EZ-FLO product comprises ~2% of the cost of average appliance installation job

Intrinsic benefits to Distributors & End Users

Benefits to customers

- Market leading brand recognition
- Breadth of product offering
- Superior customer service
- New product innovations

Benefits to end-users

- Unwavering reliability
- Eliminates failure risks
- “First-time-right” performance enhances reputation of professionals

The three largest appliance sales outlets in the US are Lowe’s, The Home Depot and Best Buy. EZ-FLO supplies the associated installation and service components to all three.

Operations Overview

1 In-house China Manufacturing



Ningbo Facility – automated manufacturing

- ISO-Certified plant in China
- Located adjacent to bonded warehouse
- Manufactures both EASTMAN branded and OEM/private label products
- Nimble manufacturing provides production flexibility while ensuring consistently high quality

2 China Free Trade Zone Warehouse



Ningbo Facility – integrated distribution

- Bonded warehouse consolidates container load shipments
 - EASTMAN and third-party manufactured products
- EZ-FLO's export and consolidation licence allows for the re-exporting of consolidated goods

3 US Network of 7 Warehouses



Las Vegas NV warehouse facility

- “Hub and spoke” supply chain system utilises a national network of fully stocked distribution centres strategically located near major routes and ports
- Recently opened Las Vegas distribution centre expands next-day delivery across the Southwest and Western US

① In-house China Manufacturing

China manufacturing facility was opened in 2003 in Ningbo

Appliance and water supply lines manufacturing



PVC extrusion line



Braiding machines

- ISO-Certified plant, located adjacent to bonded warehouse
- Manufactures both EASTMAN branded and OEM/private label products
- Automated PVC extrusion lines for flexible hose production
- Stainless steel braiding applied to PVC hose
- Hoses are sent to assembly line for finishing: fully automated and semi automated assembly systems

Gas connectors manufacturing



Gas connector lines



Gas connector equipment

- Gas connectors manufacturing line commissioned in 2020
- Independently verified to the highest quality standards
- Capacity expansion came on line in August 2021
- Manufactures stainless steel and powder coated connectors in a range of sizes

② China Free Trade Zone Warehouse

Ningbo is a cost competitive location that efficiently manages tariffs and shipping costs

Sourcing

- EZ-FLO has long-standing China/Asia supply base for both purchased products and raw materials
- Opportunity to leverage supplier relationships to lower RWC costs on selected comparable RWC products
- Overlapping geographical areas between the EZ-FLO and RWC's top suppliers - potential supplier consolidation synergies



Bonded Warehouse

- Authorised to operate a warehouse in the Free Trade Zone (FTZ) with potential to scale up if needed
- Enables consolidation of products from China and other Asian countries for up to 90 days
- Drives efficiencies in export logistics - average 90 FEU's per month shipping to the US and load factor achieving 90%+ for each container
- Good relationship with the FTZ authorities with long established stable terms



① & ② China operational profile

EZ-FLO's operational profile is consistent with RWC's approach

- EZ-FLO's manufacturing plant and warehouse are leased from a government authority
 - Annual lease renewed based on comprehensive evaluation results of Ningbo Bonded Zone with rankings of A-D
 - EZ-FLO is currently rated an "A" based on: tax generation, value creation, labour productivity, energy consumption, emissions and % of R&D expenditure
 - Ranking reflects strong operational performance by EZ-FLO across a range of attributes including: • Strong health and safety record; • No environmental breaches; • High level of compliance with finance, taxation, labour and social security departments
- Ningbo Free Trade Zone (NFTZ) is located ~ 200kms from Shanghai which is an economically developed region of China
 - Labour costs and living standards in this region are higher with better labour practices
- Top 5 suppliers have been with EZ-FLO for 20 years and are located near the NFTZ
- EZ-FLO has been routinely audited by large US customers who conduct ethical and modern slavery assessments across areas covering:
 - Laws and regulations; • Child labour; • Forced labour; • Harassment and abuse; • Compensation; • Hours of work; • Non-discrimination; • Freedom of association; • Health and Safety; • Environment; • Communication; • Business ethics; • Monitoring & Compliance

③ US Network of 7 Warehouses

EZ-FLO and RWC distribution footprint will improve customer service



California



Florida



Indiana



North Carolina



New Jersey



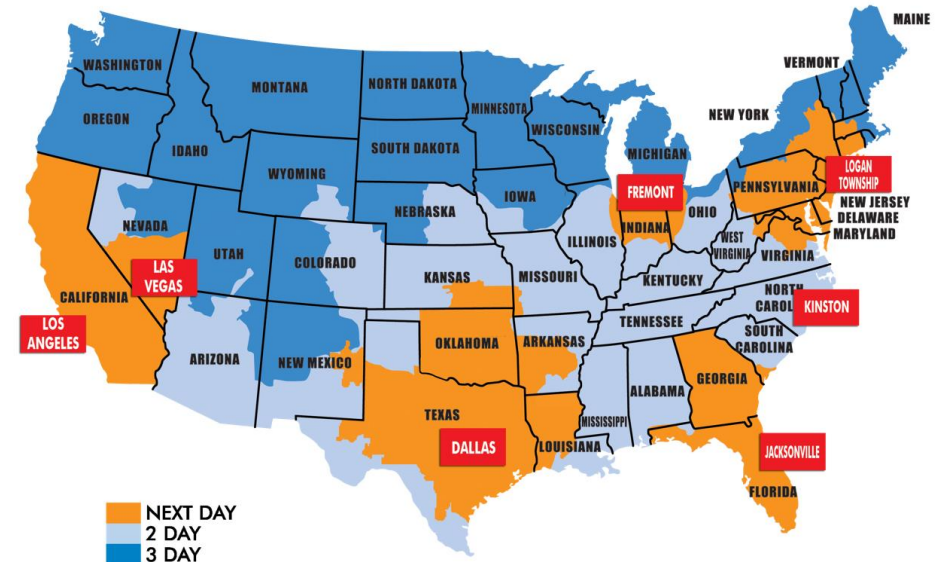
Texas



Nevada

- EZ-FLO has extensive distribution footprint with 7 US Distribution Centres (“DC”), 5 leased and 2 owned
- Full SKU range “always in stock” drives high fill rates
- Synergy opportunities identified based on customer, geography, product portfolios, and handling overlaps
- Combined DC network will allow RWC and EZ-FLO to balance customer service levels and costs to serve
- The combined network will place RWC in key strategic geographies that provide cost and customer service advantages and also support future growth opportunities
- Network will be optimised over time to drive further efficiencies

EZ-FLO delivery timeframes



Customer Overview

Retail
49% of Sales

Wholesale
29% of Sales

Americas Ex-USA
11% of Sales

OEM / Private Label
11% of Sales



Integration Plan

Integration Plan

A detailed integration plan has been developed for “Day 1” and longer term integration

Overview

- Detailed due diligence has been led by the RWC Americas team, supported by broader RWC resources
- Strong team in place at RWC to lead integration effort
- EZ-FLO has a strong and proven team with similar customer-centric values to RWC

Key integration priorities

- **Channel Sales:** teams and go-to-market capabilities to be combined under common leadership leveraging each organization’s strengths
 - RWC’s U.S. Retail, Hardware, Plumbing Wholesale, and Canadian sales teams will be leveraged as will EZ-FLO’s Direct Marketing, Latin American, and Appliance Wholesale sales capabilities
- **Marketing** functions will be combined under common leadership supporting larger number of brands, products and channels; expectation to increase marketing programs effectiveness and ROI
- **Distribution & Supply Chain:** key priority to combine RWC’s and EZ-FLO’s distribution capability
 - Goal is a lower cost and higher service distribution capability serving multiple channels
 - Combined procurement and S&OP planning efforts to drive cost savings, service levels and inventory optimisation
- **Manufacturing:** retention of China leadership team, opportunities to insource RWC products to drive cost savings

Other considerations

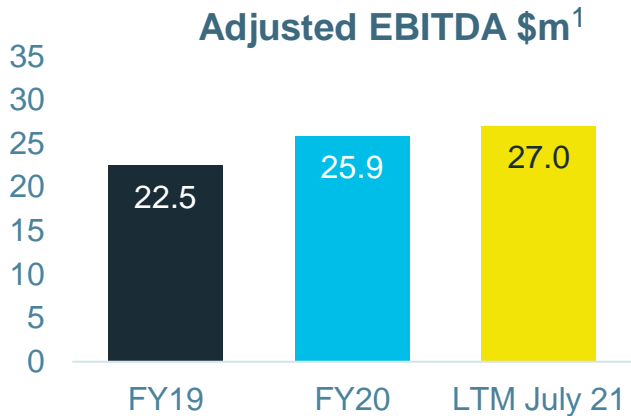
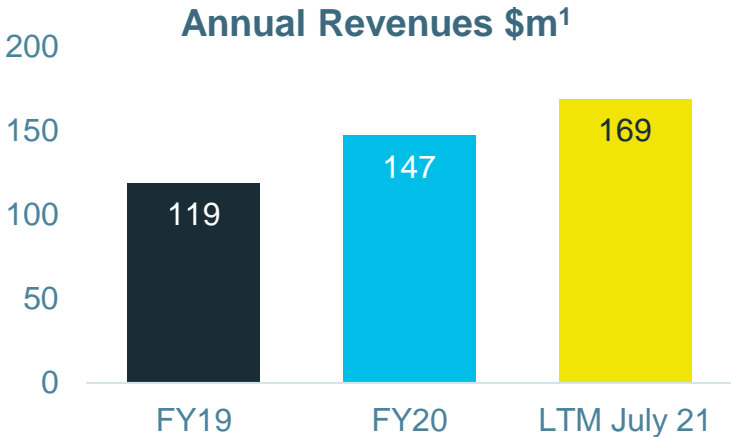
- Key senior leadership to remain with EZ-FLO
- EZ-FLO will be brought within RWC’s Modern Slavery compliance protocols

Financial Metrics

EZ-FLO Financial Snapshot

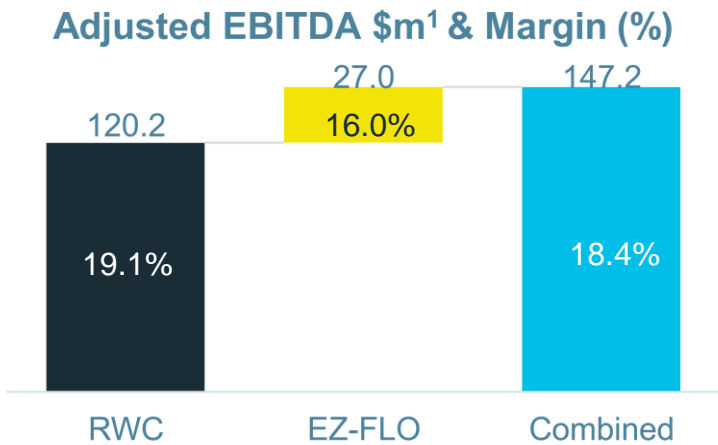
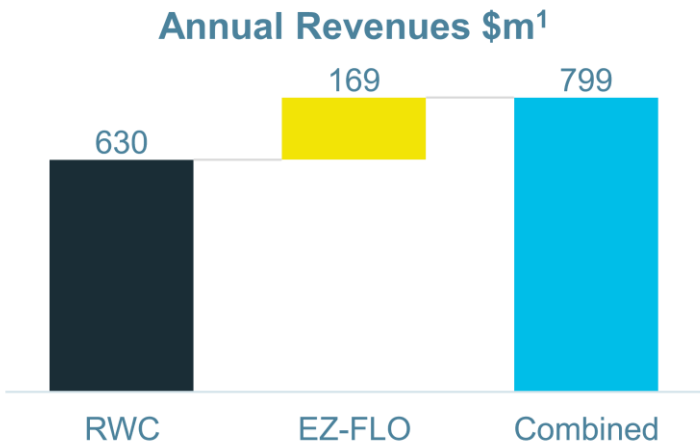
3-year revenue growth of 10%+ p.a. in FY16 - FY19. Strong execution to meet COVID demand and product/customer initiatives drove higher growth rates in FY20 and FY21

EZ-FLO
Financial Years
ended 31 October



**Pro-Forma: RWC
Americas & EZ-FLO**

RWC: FY21
EZ-FLO: LTM July 21



Source: EZ-FLO audited financial statements for financial years ended 31 October 2019 and 31 October 2020, and unaudited management reports for Last Twelve Months (LTM) ended 31 July 2021

Synergies

Synergy Realisation

Significant revenue and cost synergies identified

Revenue: EZ-FLO offers significant top-line growth opportunities, expected to yield 10% p.a. EZ-FLO sales growth

- Pursue further Appliance Installation programmes across Retail and Wholesale channels
- Drive Gas Connector market share gains with Retail, Wholesale and OEMs
- Leverage combined RWC / EZ-FLO product basket across channels
- Product line extensions - toilet/faucet connector, outlet boxes
- Leverage RWC Canada footprint
- Grow Spanish language Direct Marketing activities

Cost synergies are expected to yield \$10 million in annual savings by end of Year 3 on a run rate basis

- Organisation overlap and go-to-market similarities provide cost reduction opportunities
- Manufacturing capabilities present opportunity to produce existing RWC product resulting in reduction on current RWC 3rd party spend
- Access to low cost suppliers in China expected to yield procurement opportunities for high volume SKU's
- Distribution: combined US DC footprint will allow for optimised solution for customers and reduced freight costs
- Freight costs: Free trade zone in Ningbo will allow for consolidation of existing RWC shipments out of China and future freight cost savings
- One-off costs to achieve cost synergy realisation estimated to be \$10 million

Example Revenue Synergy: Water Heater Installation

Combined RWC and EZ-FLO will be powerhouse in water heater installation market

- EZ-FLO and RWC combined now have the full product range to offer 100% of products needed to support Water Heater installation
- Investments in China manufacturing have added Gas Connectors to product range, completes EZ-FLO's installation offering
- Supply chain disruptions with other players have created an opportunity for EZ-FLO to accelerate share growth
- Installation business opportunity at US Retail, Wholesale and Hardware channels
- Opportunity to supply to EZ-FLO's existing OEM Customers and also to target RWC's OEM Water Heater Manufacturer customer base
- Potential to add CSST¹ and polyethylene pipe and fittings range to complete gas offering

Full Range of Gas Appliance Connectors



RWC and EZ-FLO have full suite of Water Heater installation products



Product extension opportunities



Polyethylene Pipe & Fittings

CSST¹ Flexible Pipe & Fittings

¹Corrugated Stainless-Steel Tubing

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Summary

Summary

Strength of EZ-FLO's growth pipeline combined with RWC's go-to-market strengths will add significant top line potential through the next 3 – 5 years

- EZ-FLO is a logical acquisition for RWC Americas given its proximity to RWC's products, key customers, and core competencies
- With the acquisition, RWC will secure EASTMAN, the #1 brand in the US appliance connector market
 - RWC will be the leader in supporting all those who service Major Appliance installations
- EZ-FLO will improve RWC's ability to serve customers, enhancing our value proposition to retail channel partners:
 - Higher delivery performance through extensive DC network
 - Relevance on new aisles and with new merchants
 - Supportive of strategic growth areas for Retail (last mile delivery and home installation services)
- With revenue and cost synergies, we expect EZ-FLO will be margin accretive
- China manufacturing facility and sourcing capability will improve RWC's competitiveness





Q&A

Appendix

Key Appliance Connector Types

Plumbed Appliances



Gas Appliances



Water Heaters



Connectors



Dryers & Fan Ducting



In-Store Merchandising





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