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ANNUAL GENERAL MEETING

THURSDAY 24 OCTOBER 2024

CHIEF EXECUTIVE OFFICER'S ADDRESS

Thank you, Stuart, and good morning, everyone.

It's fantastic to be meeting here in Sydney with shareholders for the first time.

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FY24 Overview

We are proud of the performance we achieved in FY24 against challenging market conditions, and that we were able to meet the revenue and operating margin guidance we provided at the start of the year. The work we've done across the business to drive further cost reductions enabled solid margin performance despite lower volumes in all regions. Our focus on working capital delivered strong operating cashflow, that enabled us to fully fund the acquisition of Holman while also reducing our net leverage by the end of the financial year.

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Americas

The Americas had a standout year operationally with the delivery of a number of key new product initiatives.

We substantially completed the rollout of the SharkBite Max product range in North America during the year. I am proud of how well we executed on this critical new product. The rollout was seamless. This is testament to the calibre of the people at RWC and the collaboration between the Australian and US teams. Importantly, SharkBite Max is delivering the commercial value we expected.

Another important initiative during FY24 was the rollout of PEX-a pipe and expansion fittings. During the year we completed the load-in to major US big box retailer, Lowe's, and also made inroads with a number of wholesale channel partners in the US.

Excluding Supply Smart, America's external sales were down 0.6% versus the pcp. The success we have had in rolling out new products have helped to offset lower volumes driven by weaker market activity.

A key highlight for the year of the Americas performance has been the EBITDA margin expansion. EBITDA margin increased from 17.9% in FY23 to 21.0% in FY24. This was partly due to the benefit of the transfer of SharkBite assembly and manufacturing from Australia to the US. The increase was also due to the cost reduction and efficiency initiatives in the Americas region.

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APAC

Asia Pacific external sales were down 3%. We feel this result outperformed the market given that Australian new housing commencements were down 13% in the year to the end of March. 60% of Australia's end-market exposure is to new home construction. We're really pleased with the performance of sales through our wholesale channel partners, with sales up year on year due to product initiatives and market share gains.

Where the transfer of SharkBite manufacturing to the US was a benefit for the Americas, it negatively impacted volumes and margins for the APAC region by approximately A$11m. Consequently, EBITDA declined by 29% to A$33 million.

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Holman

In February, we announced the acquisition of Holman Industries, and we completed the purchase on 1 March. We are excited by the opportunities that Holman brings to our Australian business. The combination of Holman and RWC provides us with multiple additional avenues for growth going forward.

The primary driver for us was Holman's range of "water out" drain waste and vent products. Holman have established a strong market position in the water-out part of the plumbing market. This has been a part of the market that RWC has been looking to enter in each of our regions. In residential R&R, residential new construction, and commercial construction, water-out and water-in are closely coupled elements of the same plumbing market.

Adding the Holman product suite to our existing portfolio in the Australian market will create significant opportunity. We are looking to expand the penetration of Holman plumbing products across our broader combined distribution footprint.

The second major driver for us is the diversification of our channel mix in Australia. Holman has a tremendously strong position within retail distribution in Australia. By comparison, RWC has historically been more focused on wholesale plumbing distribution. Holman has a formidable reputation for operational excellence in servicing the retail sector.

An early success has been the rollout of SharkBite push to connect products into 76 Bunnings stores, which started this month. This represents a new channel for this important RWC product.

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EMEA

EMEA was our most challenging region from a volume perspective. Sales overall in local currency were down 7% and external sales were down 10% relative to FY23. UK plumbing heating sales were down by 6% and specialty product sales were down by 20%. This latter category includes sectors which have been under some pressure including telecommunications, automotive and under-floor heating.

Continental European sales for the year were 11% lower than the pcp. What's encouraging is that we saw an improvement in the sales trend in Continental Europe in the second half. First half sales were down 21% while second half they were down just 1%.

Operating earnings were impacted by lower volumes, with Adjusted EBITDA down 15% to GBP61.3 million. Restructuring initiatives we have undertaken in EMEA, and ongoing cost reduction efforts, are expected to help improve operating margins even if there is no uplift in volumes in the short term.

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Outlook

I will now talk briefly to the outlook for FY25.

As we noted in August at the announcement of RWC's full year results, the uncertainty around the timing of interest rate cuts, their magnitude, and how quickly they might feed through into positive demand, has meant that we have confined our guidance to the first half of FY25.

Overall, the guidance provided at that time is unchanged. For the first six months of trading in FY25 we expect group external sales to be broadly flat, within a range of up or down by low single digit percentage points, relative to the prior corresponding period, excluding the impact of Holman and Supply Smart. We expect a similar trajectory in both the Americas and Asia Pacific regions. EMEA revenues are expected to be at the lower end of this range due to continued weakness in the UK plumbing and heating market. This guidance excludes both the impact of Holman, which will be positive for revenues, and the closure of Supply Smart in the US.

We continue to target an improvement in EBITDA margin for the first six months of FY25 relative to the pcp, excluding Holman. Despite a subdued volume outlook for the first half, we believe that our ongoing cost management initiatives will enable us to achieve margin expansion in the first half. We are targeting an additional $10 to $15 million of cost-out in FY25.

We continue to be pleased with the Holman acquisition. In this first full year of ownership, we expect to realise results in line with the numbers we presented at the time of the acquisition.

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Strategic growth priorities in each region

Our strategic growth priorities in each of our three regions are aligned with our global growth strategy but the execution is Regional. Market conditions and sector maturity dictate the local priorities.

For the Americas, our efforts will continue in our core residential repair and remodel market. We will expand our offering through our channel partners, both in-store and on-line. Further penetration of the commercial plumbing market will continue to be a priority in the Americas. Our PEX-a pipe and expansion fittings offering will lead our incremental growth within the larger remodel and residential new construction markets.

In Asia Pacific, the prime opportunities centre on the integration of Holman and delivering on the revenue synergies from the combined RWC and Holman businesses, as I outlined earlier.

In EMEA, we will continue to focus on driving day-to-day operational performance. This ensures we maintain margins despite the volume outlook, and also positions us well for the future market recovery. Beyond that, we continue to work on new product developments that will help drive incremental organic growth.

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Priorities for FY25

Finally, I'll discuss the key focus areas we have set for FY25.

We will continue the progress we have made in the critical area of health and safety. Over the last couple of years we have made great strides in terms of our safety culture. We are developing effective and authentic safety leadership at all levels of the organization. This is beginning to shine through in our injury numbers. But, of course, there is always more we can do, and the health and wellbeing of our employees remains a clear priority. We will maintain our focus on risk, our culture and our people, and maintain our commitment to ensure everyone safe, every day.

Additionally, we will continue to pursue the ESG priorities we've outlined in our ESG report.

In terms of supply chain, we have a group-wide project centred around strengthening and standardising our Sales & Operations Planning processes. The benefit of this will be improving delivery performance to our customers while also optimising our inventory levels.

We're working to strengthen our strategic sourcing operations to ensure that we are leveraging our scale across the group. We are increasingly taking a global approach to sourcing to enable us to achieve optimum cost while also maintaining highest quality. Another key benefit will be increasing supplier redundancy and ensuring we can respond quickly to changes in demand.

Coupled with this is our increased attention to supplier ESG practices including modern slavery and greenhouse gas emissions.

From an operations perspective, we're doing a lot of work around our global manufacturing footprint. Our priority at the moment is Australia, following the SharkBite Max transition, coupled with the Holman integration. Our work in Australia is catalysing a broader review across the globe. It is critical that we continue to challenge ourselves and to always strive to achieve the lowest cost of manufacture.

Finally, in terms of innovation, we will continue to work on new product releases, product updates and range extensions, as we do every year. Beyond ongoing incremental product

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releases, we also have a longer-term R&D program in place. This program seeks to create solutions that improve the productivity of end users and increases the value on the shelves of our distributors.

In summary, we will continue working on the business driving efficiencies and chasing cost out, while ensuring we are ready to capture the upturn in demand when it eventuates.

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