Reliance Worldwide Corporation Limited
Level 32, 140 William Street,
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ANNUAL GENERAL MEETING

THURSDAY 24 OCTOBER 2024

CHAIRMAN'S ADDRESS

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Good morning, ladies and gentlemen. My name is Stuart Crosby. As chair of directors, I welcome all shareholders and guests to the 2024 annual general meeting of Reliance Worldwide Corporation Limited. We are very pleased to be holding this meeting in Sydney for the first time. And we are proud to be commemorating RWC's 75th anniversary since our establishment in Brisbane in 1949.

We are meeting today on the lands of the Gadigal people of the Eora nation. We pay our respects to Elders past and present.

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I would like to introduce my fellow directors: Heath Sharp, our Chief Executive Officer, Christine Bartlett, Russell Chenu, Darlene Knight, Ian Rowden, and Brad Soller. Sharon McCrohan, whose term finishes at the conclusion of this meeting and is not standing for re-election, sends her apologies. Also present from RWC are Andrew Johnson, CFO, Sandra Hall-Mulrain, General Counsel, David Neufeld, Company Secretary, and Phil King, Head of Investor Relations

The notice calling this meeting was released on 23 September 2024. The Company Secretary has confirmed there is a quorum present, and I declare the meeting open.

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Let me start with some comments on FY24.

Global economic conditions were again challenging. Higher interest rates continued to impact housing markets, with reduced consumer appetite for remodel activity and lower residential new construction activity. As a result, we experienced lower volumes in all of our regions in FY24 compared with the prior year and consistent with our announced expectations. Our people worked proactively to ensure we minimised the impact of these lower volumes. We introduced a range of new products in the Americas which drove an above-market sales performance. Cost reduction programs helped to mitigate the impact of lower volumes and offset cost inflation. This enabled us to achieve stable operating margins in line with the prior year. And our focus on working capital management helped to generate strong operating cash flow.

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Financial performance

Reported net earnings (NPAT) of US $110.1 million was 21% lower than the prior corresponding period ("pcp"). Adjusting for the one-off costs related to the closure of the Supply Smart business in the Americas, restructuring in EMEA and the impairment of manufacturing assets in Spain, and costs associated with the acquisition of Holman, NPAT was down 6% at $146.9 million.

Net sales were $1,245.8 million, up 0.2% on the pcp. Sales included a partial contribution from Holman Industries, which was acquired on 1 March 2024. Excluding Holman, sales were 2% lower than the pcp, in line with the guidance we provided at the start of the year.

We believe that in the circumstances these are strong numbers, again demonstrating our ongoing execution focus and the resilience of our business due to our end-market exposure to repair and maintenance.

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Cash flow and balance sheet

We recorded another year of exceptionally strong cash flow generation. Cash generated from operations was $314 million, an increase of 7% on pcp. Operating cash flow conversion for the year was 114% of Adjusted EBITDA, with the improvement mainly due to the reduction in net working capital.

The strength of our cash flow performance is demonstrated by the fact that in the course of the year we were able to fund the acquisition of Holman for A$160 million while reducing our overall net debt levels. Our leverage ratio (net debt to EBITDA) reduced from 1.69 to 1.59 times. As a result of this strong cash generation, we are now close to the lower end of our target leverage range of 1.5 times to 2.5 times net debt to EBITDA.

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Dividend

At last year's AGM, we outlined a proposed review of our distribution policy settings. This review was prompted, in part, by the geographical change in earnings mix. With Australian earnings now accounting for a lower proportion of total group earnings, future dividends will generally be either unfranked or only partly franked.

We announced the outcome of the review in February 2024. Our intention to distribute between 40% and 60% of annual NPAT remains unchanged. However, the form of distribution now comprises a cash dividend component and an on-market share buy-back component. The Board's intention is that the total distribution amount for a period will be allocated approximately 50 per cent to a cash dividend and 50 per cent to on-market share buy-backs.

This new approach recognises the desire of some investors to continue receiving cash dividends, while also implementing a capital management strategy utilising on-market share buy-backs that are value accretive for shareholders.

Total distributions declared for the year ended 30 June 2024 were US9.5 cents per share totalling $74.8 million which represents 68% of Reported NPAT and 51% of Adjusted NPAT.

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Board

Sharon McCrohan has decided not to seek a third term as a director and is retiring from the Board at the conclusion of this meeting.

Sharon has been a director of RWC since February 2018. During that time, Sharon has provided insightful and significant contributions to the Board's deliberations across a broad range of areas. In particular, Sharon was the inaugural Chair of the Board's ESG Committee and led the oversight of RWC's ESG related activities and reporting. We thank Sharon for her contribution to RWC and wish her well for the future.

Following Sharon's retirement from the Board, the total number of directors will reduce to seven. While we will continue to review the board's mix of skills and backgrounds, we see no urgency to add an additional director at this time.

I would like to thank all directors for their contribution over the past year. We have four board committees covering Health and Safety, chaired by Darlene Knight, ESG, where Ian Rowden will take over as chair, inheriting Sharon McCrohan's excellent inaugural work, Nomination and Remuneration, chaired by Christine Bartlett, and Audit and Risk, chaired by Brad Soller. Each of these committees is allowing the company to make meaningful progress in their subject areas, and I thank the committee chairs for their leadership.

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Health and Safety

Health and safety remain RWC's highest priority. Our focus is on maintaining a safe and healthy workplace to ensure our people arrive home safely at the end of every day.

This year saw excellent progress in executing the multi-year safety improvement program we launched in FY23. Our focus on global collaboration, safety leadership, and identifying and controlling risk has resulted in a significant reduction in the number of injuries in our workplaces in FY24. The Recordable Injury Frequency Rate (RIFR) measures all recorded lost time injuries plus other injuries requiring medical treatment, per one million hours worked. Our performance improved from 5.49 in FY23 to 2.62 in FY24, a reduction of 52%.

Other key achievements in FY24 have included enhanced safety governance; the implementation of global safety standards for three critical risks – mobile plant, drive safely, and height safety; the introduction of a global risk matrix to determine priorities; the

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establishment of a behavioural safety program; and standardised systems and reporting across all regions.

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ESG

This year we published our 2024 ESG Report concurrently with the release of the Annual Report. The ESG Report details the significant progress we have made across a range of environmental, social and governance areas.

Of particular note has been the reduction in our Scope 1 and 2 GHG emissions, with a cumulative reduction of 35% compared to our FY21 baseline. We exceeded our FY24 target and are on track to achieve or exceed our goal of a 42% reduction in Scope 1 and 2 emissions by 2030. We have also expanded our reporting of Scope 3 emissions and improved Scope 3 calculations by adding supplier-specific emission factors. This will assist us in complying with the requirements of the new Australian Sustainability Reporting Standards when they come into effect.

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Remuneration

Before handing over to Heath, I would like thank shareholders for their support of his Long Term Incentive grant for this year. We put in place RWC's current remuneration framework in July 2021 and modified it last year following a review undertaken in the prior year. The review was prompted by significant movements in the remuneration for CEOs in the US, particularly for LTI awards.

We engaged 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 with effect from 1 July 2023.

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;
- 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), 14 of which are US based.

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The revised CEO LTI framework that we introduced last year ensures that we have a remuneration package that is appropriately market competitive in the US. While large by Australian domestic company standards if the stretching performance hurdles are fully met, the quantum of LTI was consistent with the market median for the peer group CEOs, when adjusted for the relative size of the peer group companies. The package, which the Board strongly believe set very challenging stretch performance targets, does not change for FY2025, so we expect that it has slipped a little against the peer group due to inflation.

The Board believe that we would not be properly discharging our duties as directors if we failed to put the company in a position to attract and retain strong managers in the markets in which we operate; as noted above, that is predominantly the USA. Having kept things unchanged this year, we will be looking at the package this year to make sure that the size and performance targets remain appropriate and that we are providing as much information as we responsibly can on how allocations and outcomes are calculated. But our overriding objective has to remain being able to attract and retain the best people to manage our business in the market in which it is based.

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Let me now had over to Heath Sharp to discuss the FY24 year more fully and our strategies and priorities for the future.