GWA
Group Limited

ABN 15 055 964 380
t 61 7 3109 6000
f 61 7 3852 2201
www.gwagroup.com.au

7 Eagleview Place
Eagle Farm QLD 4009

GPO Box 1411
Brisbane QLD 4001

28 April 2017

ASX On-Line
Manager Company Announcements
Australian Securities Exchange

Dear Sir

Goldman Sachs Small & Mid-Cap Conference Presentation

Attached is a copy of the presentation given by the Managing Director of GWA Group Limited, Tim Salt, at the Goldman Sachs Small & Mid-Cap Conference in Sydney today.

Yours faithfully

R J Thornton
Executive Director

GWA Presentation
Goldman Sachs Conference

28 April 2017

GWA Group Limited

gwagroup.com.au

Disclaimer

This presentation contains non-IFRS financial measures to assist users to assess the underlying financial performance of the Group.

The non-IFRS financial measures in this presentation were not the subject of a review or audit by KPMG.

Agenda

About GWA

Summary of Group Strategy

Progress on Group Strategy

Summary and Outlook

A focused business with strong market position

GWA Group Limited

About GWA | Group strategy | Strategic progress | Summary

GWA is a leading designer and supplier of branded building fixtures to households and commercial buildings

Our business

- Leading designer and supplier of branded building fixtures focused on Bathrooms & Kitchens and Door & Access Systems
- Owner and distributor of market leading brands in core categories in over $2 billion addressable market
- New management team with strong background in consumer markets
- Listed on ASX; ~A$750 million market capitalisation

Our Core Brands

Caroma (inspire)

dorf

CLARK

Gainsborough ENTER WITH STYLE

API Locksmiths

Our strengths

- Significant scale across key segments of building sector
- Enviable reputation within building sector for product quality, technical expertise and superior service
- Cost efficient long term supply agreements with selected, exclusive manufacturing partners
- Experienced senior management team in R&D, design, brand building/customer engagement, supply and distribution

Strongly re-positioned for growth

From	GWA today
Diverse Building Products business spread across numerous segments (Dux, Brivis, Gliderol exited)	Clear focus on two segments with strong market positions and market leading brands in $2bn category
Diverse business leveraged to building cycle	Strong ability to manage through the cycle ▪ Over 50% exposure to ~$900m Renovations and Replacement segment – (less cyclical segment) ▪ Business efficiency program in place – targeting ~$13-15m in cost savings by FY19 to provide investment and margin resilience
Focus on local product manufacturing	Focus on customer and consumer markets Collaborative partnerships with exclusive suppliers
Net Debt $176 million (June 2012) Capital investment required for manufacturing operations	Net Debt $92m (December 2016) Credit metrics in line with investment grade Low capital requirements enhances cash conversion

Operating model meets local needs with global scale

GWA Group Limited

Our Value Creating Operating Model

Consumer insights

Research drives consumer and market insights

Product Design

Local design team deliver contemporary Australian styles

Local R&D ensures products excel and exceed Australian standards

~500 patents and 1,000 registered designs support IP protection

Manu-facturing

Collaborative, exclusive relationships with specialist expertise in R&D, quality assurance, innovation, design, vitreous china, plastics, production, taps & locksmithing

17 GWA people in China to maintain standards

Distribution

Extensive coverage of merchant channel

National Distribution Centre network

Significant scale and expert salesforce

~1,100 deliveries per day

Solution Expertise

Ability to add value to customers through:

- Service solutions
- Product and category knowledge
- Quality products easy to install

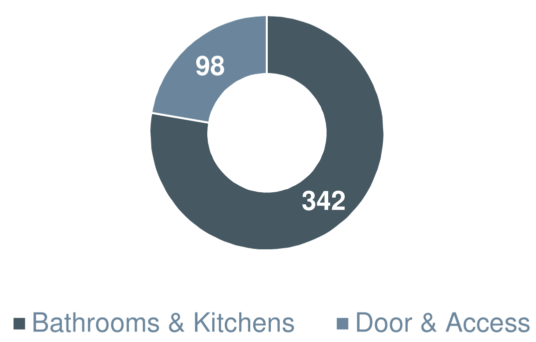
Customer Service

Market-leading product support

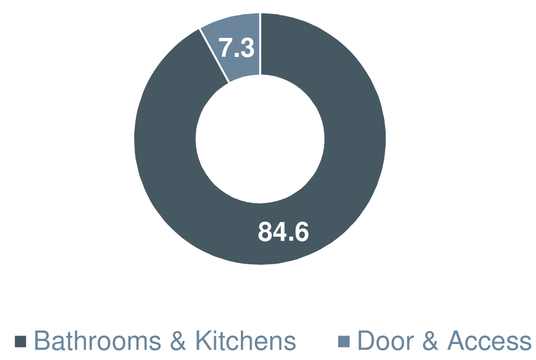
Commitment to after sales service (66 FTEs in team fielding 2,200 calls per day)

Strong and growing continuing operations

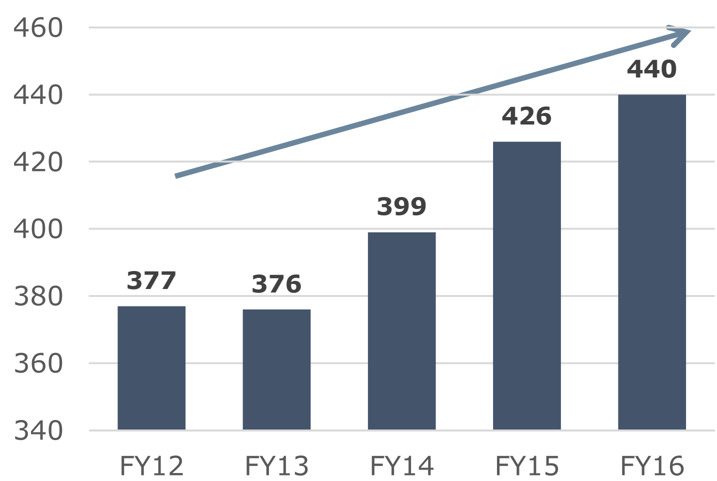
FY16 Revenue by Division (A$m)



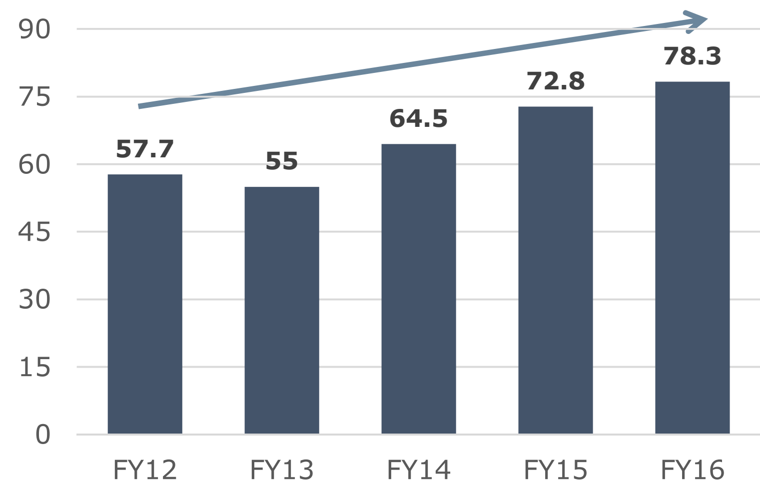
FY16 EBIT by Division (A$m)*



Group Revenue (A$m)



Group EBIT (A$m)



* Note: Excludes Corporate. Continuing Operations excluding Brivis Climate Systems, Dux Hot Water and Gliderol Garage Doors divested in FY15/FY16.

Strong financial position to fund growth

Metric	30 June 2014	30 June 2015	31 Dec 2015	30 June 2016	31 Dec 2016
Net Debt	149.4	94.8	90.8	88.4	92.0
Leverage Ratio *Net Debt / EBITDA*	1.7	1.1	1.2	1.1	1.1
Interest Cover *EBITDA / Net Interest*	8.5	12.8	14.8	14.3	15.8
Gearing *Net Debt / (Net Debt + Equity)*	26%	24%	22%	22%	23%

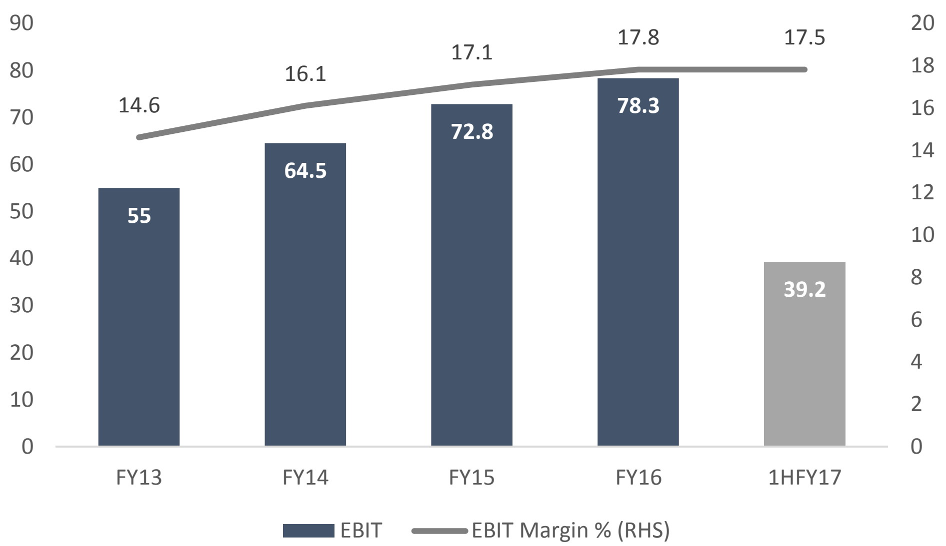
Strong credit metrics

- Credit metrics continue to be consistent with investment grade
- Syndicated banking facility extended in October 2016 – single 3-year revolving facility maturing October 2019
- GWA remains in strong financial position – provides enhanced financial flexibility

Source: GWA.

Margin resilience through the cycle

EBIT (A$m) and margin (%)

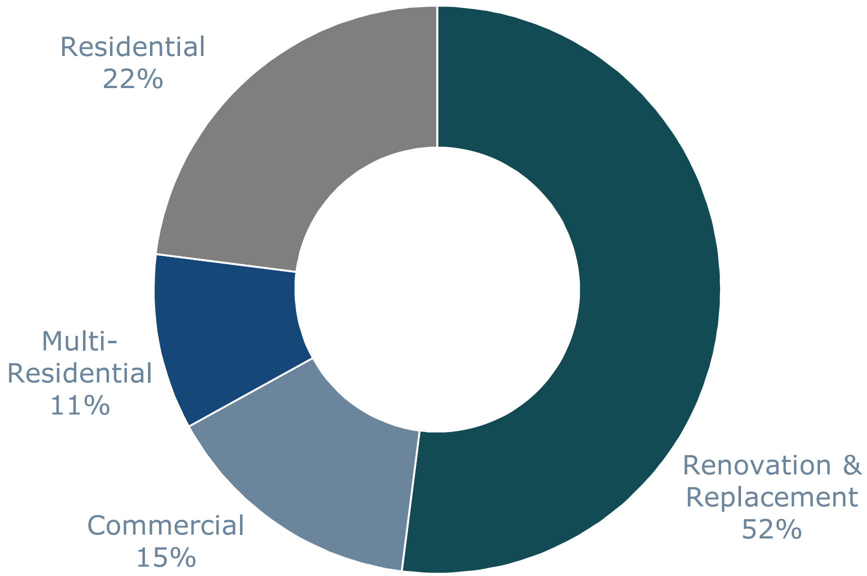


- GWA focused on maintaining margin resilience through the cycle:
- ~50% exposure to Renovations and Replacement market - less cyclical than new build market
- Market share initiatives to grow presence in key end markets
- Reduced cost base through SG&A and Supply Chain initiatives
- Lower fixed vs variable cost base from exit of manufacturing
- Low capex requirements and strong balance sheet enables continued strong cashflow generation

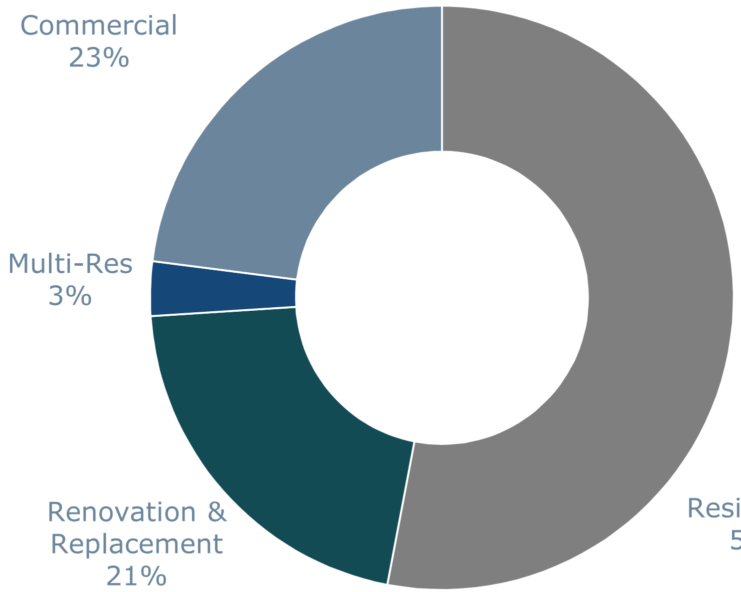
Source: GWA. Continuing Operations excluding Brivis Climate Systems, Dux Hot Water and Gliderol Garage Doors divested in FY15/FY16.

Strong presence in R&R, low exposure to multi-res

B&K revenue by end market (%)



D&A revenue by end market (%)



Source: GWA estimates

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GWA Group Limited

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Strategy – transformation from push to pull

From Push

To Pull

Caroma
dorf

reece
Tradelink
Plumbtec
Bunnings Warehouse

metricon
Lend Lease
Dale Alcock

mirvac

Past: Manufacturing Driven

Current: Customer focused

Future: Customer and consumer centric

Group strategy on a page

GWA Group Limited

Our Mission:
To build GWA as the most trusted and respected company in the building sector

Our Purpose: MAKING LIFE BETTER …….

with simple, superior water solutions	with a superior range of access and security systems
Bathrooms & Kitchens	**Door & Access Systems**

GWA Operational Measures
Market share, NSV, EBIT, ROFE, DIFOT, NPS, Safety, Engagement

Corporate Priorities

- **Leverage and build on core assets & brands to drive revenue and market share growth**
- **Add value to customers through improved insights, analytics and processes**
- **Build "fit for future" culture, engagement and capability**
- **Build an advantaged Supply Chain to deliver superior NPD, Quality and Service at best cost**
- **Drive cost out in SG&A and Supply Chain to improve profitability and allow selective reinvestment**

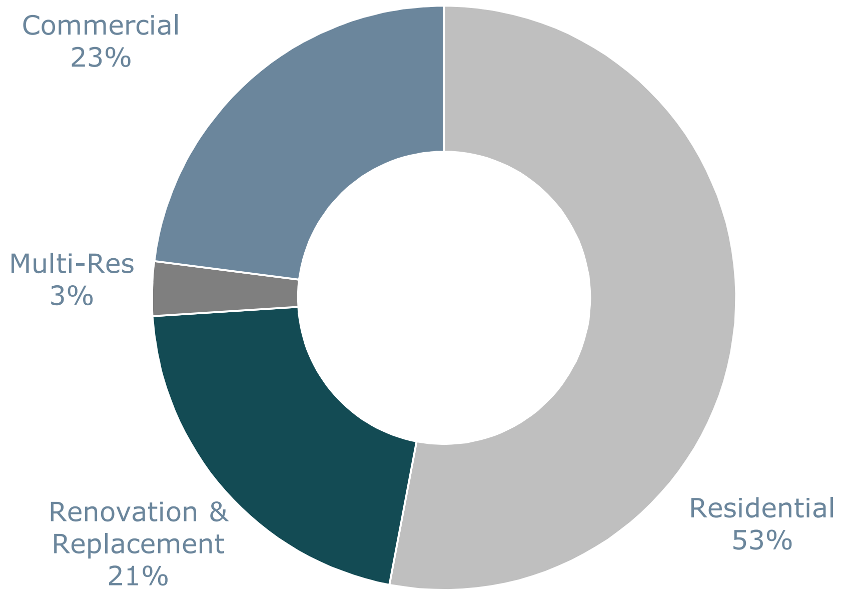
Maximise Shareholder Value Creation
Key Financial Measures – NPAT Growth, TSR, ROFE

D&A – build on residential strength; grow in commercial/multi-res

D&A approach by market segment

Oportunity to grow in Commercial /Multi-Res Segment

Continue to grow in Commercial Locksmithing Services



Leverage Gainsborough brand to grow in R&R and residential new build segments

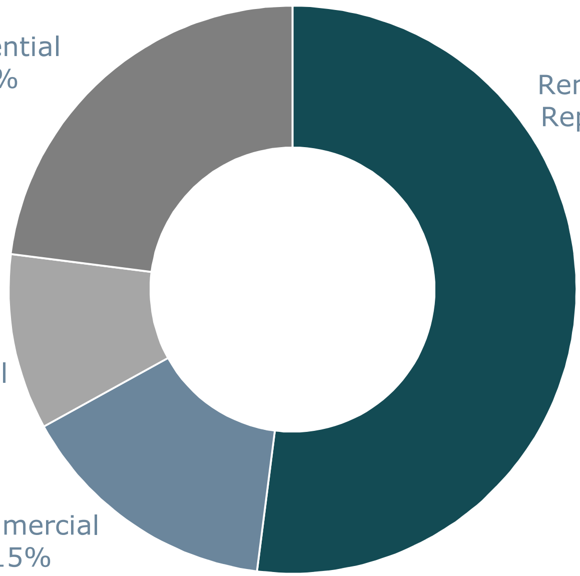
Source: GWA estimates

B&K - refocus on R&R, grow in commercial, be selective in multi-res

B&K approach by market segment

Grow effectively in Residential segment

Compete selectively in Multi-Residential segment



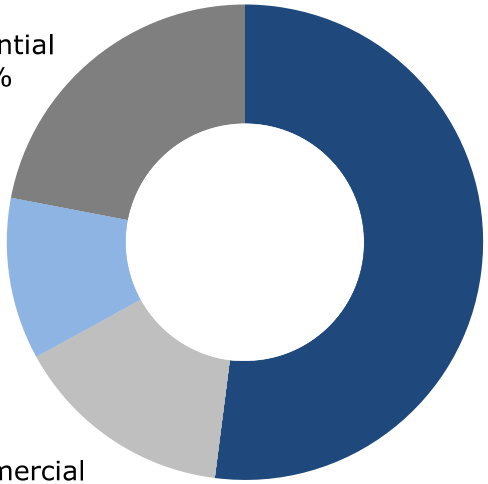
Refocus on R&R segment – largest and less cyclical segment

Grow in commercial leveraging strong GWA offer

Source: GWA estimates

1HFY17 revenue growth ahead of weighted end market growth

GWA end market exposure[1]



Market activity FY17[2]

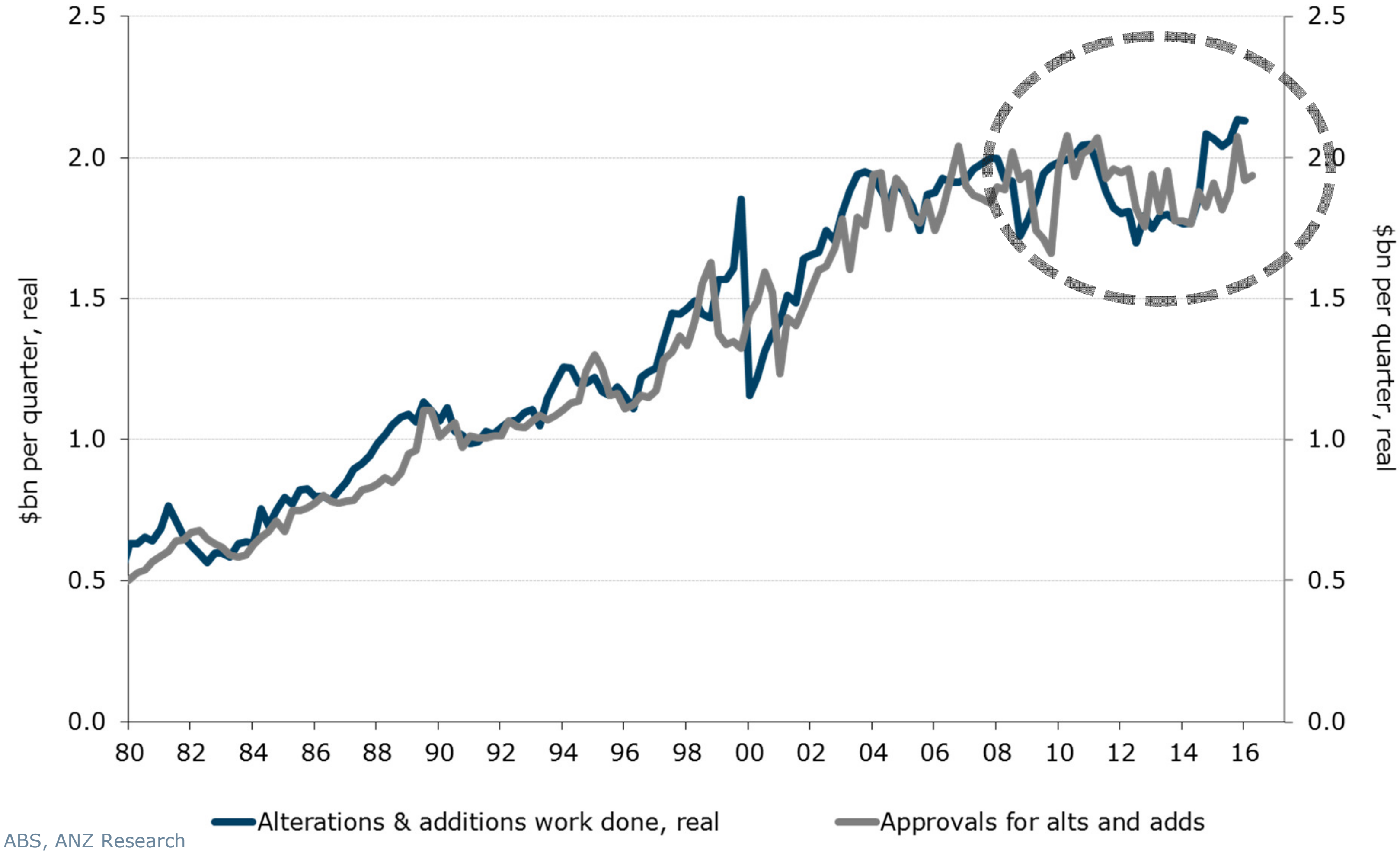
Renovation & Replacement	Overall market remains relatively flat Increased by 1% (MAT)
Residential detached house completions	Strong pipeline remains from lag between approvals and completions Decreased by 5% (MAT)
Multi-Residential completions	Activity increased Increased by 20% (MAT)
Commercial	Increase in aged care, offset by reduced activity in health care Declined by 2% (MAT)

Weighted average of end markets up 1.3%

1. Source: GWA estimates, Australia market B&K only
2. Source: BIS Shrapnel - (Dec 2017 MAT)

R&R segment remains stable

Renovation Activity (A$bn)



Sources: ABS, ANZ Research

…expected to remain stable as housing turnover below peak

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Housing sales ('000s)

Sources: ABS, ANZ Research

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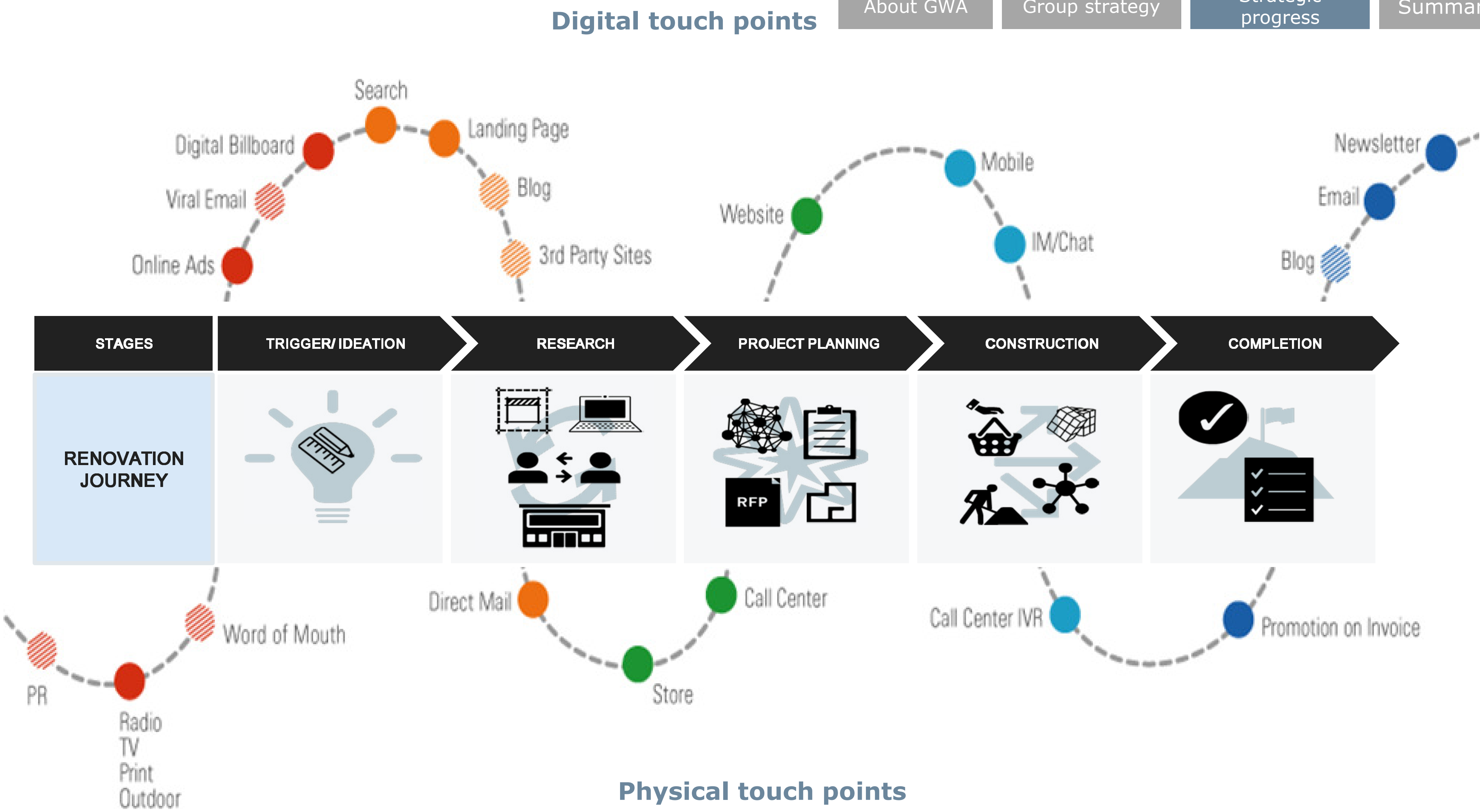
Deliver consistent consumer experience to grow R&R



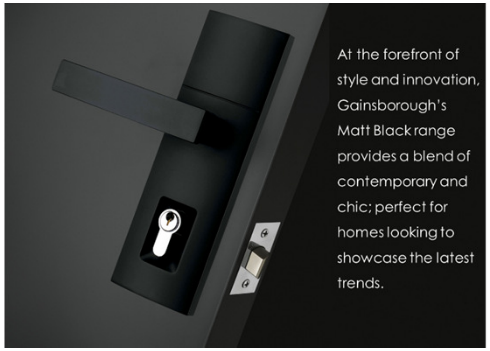
Build on core assets and brands to drive revenue

Territories shaping our innovation and NPD pipeline

Ease of installation

Taps as fashion

Style leadership



Aged care

Ongoing efficiency

Customer segment opportunities

NPD and innovation leveraging strong brands

Innovative technology in sanitaryware

- Caroma Cleanflush – innovative technology, combining rimless bowl with Caroma flush and flow technology
- Creates superior flushing performance and better hygienic experience
- Launched to Australian market in 2016; 400,000 downloads of Cleanflush video from Caroma site
- Awarded 2016 Good Design Award - Best in Category, Product Design - Hardware and Building
- Product successfully ranged in major customer showrooms
- New versions launching in Q4FY17 for commercial segment

Innovative Caroma Flow Splitter

Flush channel & superior washdown performance

Caroma Flow Balancer (Pat. Pend) Controls and directs flush

Caroma Cleanflush video

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Summary - solid progress on group strategy

GWA significantly re-positioned for growth

- Clear focus on two core divisions with strong ability to compete in ~$2 billion addressable market
- Solid financial position supports growth agenda with strong cashflow generation

Focus on margin resilience to manage through the cycle

- Over 50% exposure to ~$900m Renovations and Replacement segment – (less cyclical segment)
- Remain on track for $13-15m in cost savings by FY19

Significant progress on strategic priorities

- Continued momentum in 'back to basics' execution
- NPD pipeline focused on R&R segment, consumer experience and digital engagement
- Joint business planning and product innovation with major customers
- Supply chain initiatives focused on lower costs, improved service/delivery and supply assurance

FY17 outlook unchanged from half year results

- Based on current market conditions, expect 2nd half Group EBIT to be at or slightly ahead of 1st half EBIT FY17

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