GWA Group Limited

Investor Market Briefing
Caroma on Collins

12th April, 2018

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This presentation contains non-IFRS 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.

Safety briefing



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Agenda

GWA transformation - strong progress made	Tim Salt
A business with significant growth opportunities	Tim Salt
Customer focus delivering growth	Craig Norwell
Consumer driven growth	Semée Dickerson
Leveraging our advantaged supply chain	Anthony Mortimer
Our financial strength	Patrick Gibson
GWA well positioned for growth	Tim Salt

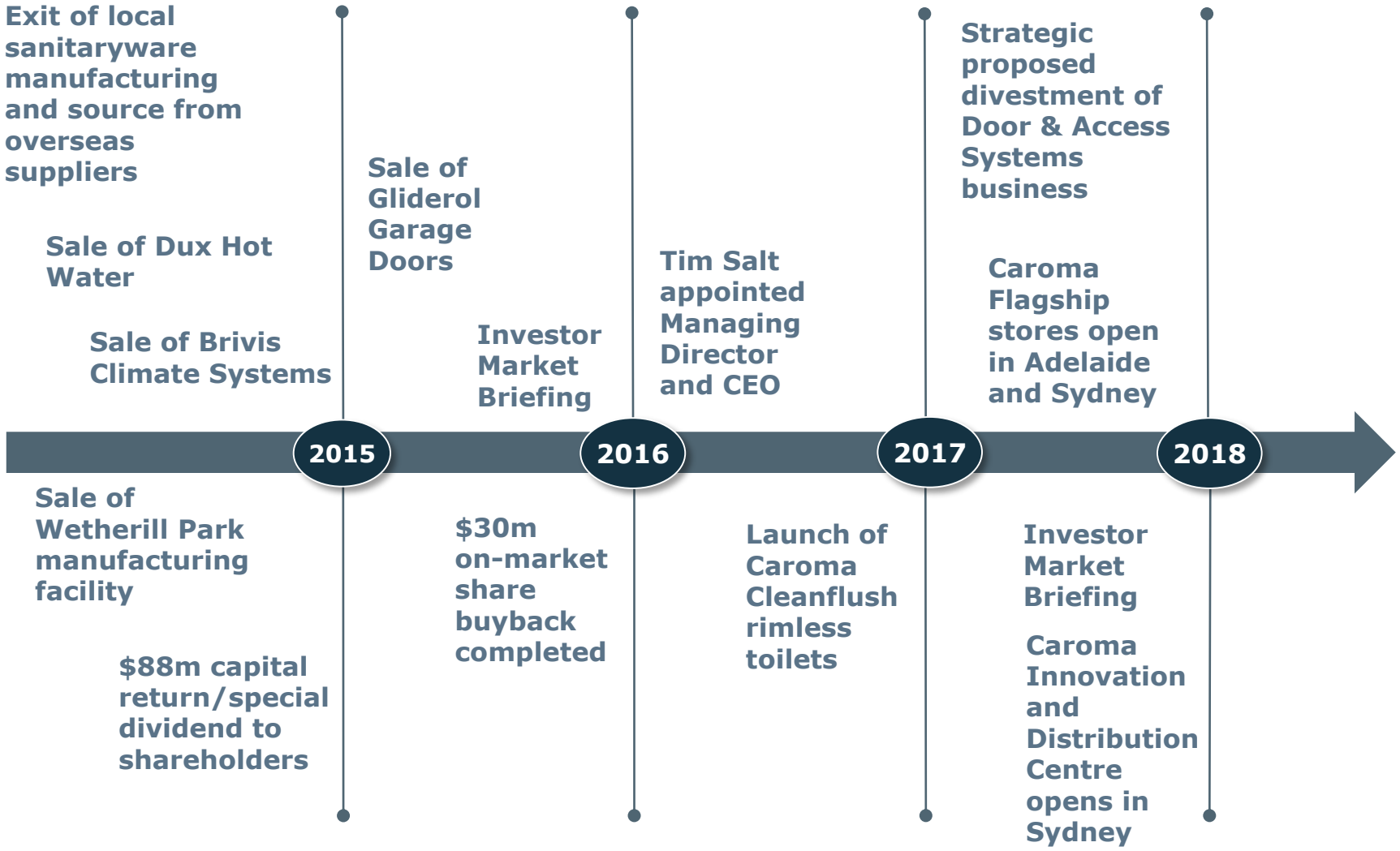
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GWA – making life better through superior solutions for water

1. Demonstrating ability to drive growth and improve shareholder returns
2. A more focused business with strong brands and leading market positions
3. Pursuing significant growth opportunities focused on superior solutions for water
4. Increased use of advanced technology to deliver innovative solutions for customers and consumers
5. Financial strength to fund investment in organic and inorganic opportunities
6. Making Life Better for all our stakeholders

Significant restructuring enables focus on water solutions' business



Years refer to 30th June of each year

Which has repositioned the business for growth

	GWA 2014	GWA 2018 (today)
Operational Focus	Diverse Building Products business spread across numerous segments	Clear focus on B&K segment - $1.4bn category
Manufacturing	Focus on local product manufacturing	Collaborative relationships with exclusive supply partners with global scale
Cost base	High fixed cost base to support manufacturing	Reduced cost base and lower fixed cost base
Customers	Transactional relationship with major customers	Improved customer engagement and more collaborative business planning
Market share	History of declining market share in Bathrooms & Kitchens (B&K)	Winning share in key segments in B&K
Financial strength	High debt, low growth	Low debt with financial flexibility to pursue accretive growth opportunities

Strengthened leadership team

	**Tim Salt** CEO	Extensive global experience in managing market leading branded portfolios - strong focus on product and brand innovation in B2B and B2C environments
	**Patrick Gibson** Group CFO	Extensive multi-country experience managing Finance and IT functions in: global B2B and FMCG companies; and listed companies in Australia
	**Craig Norwell** GM Sales – B&K	Experience across blue chip consumer goods companies, running large field sales forces and managing business development and key customers
	**Semée Dickerson** GM Marketing – B&K	Senior marketing professional with experience in the financial services, retail, arts and medical device industries
	**Anthony Mortimer** GM Supply Chain – B&K	Globally experienced executive who has worked across various blue chip organisations with market leading brands - wide ranging background in Supply Chain and Sales
	**Cara Reil** GM People & Performance	International experience leading Human Resource functions in global B2B and B2C organisations and listed companies in Australia
	**Malcolm Dagg** Commercial Manager – B&K	Extensive experience managing Finance, IT, Manufacturing and Logistics with Australian / New Zealand listed companies in the Building Materials, FMCG and Logistics sectors
	**Gary Woodhead** GM - Door & Access Systems	Experienced general manager with over twenty years of industrial manufacturing / trade experience in global public and private equity organisations across the Asia /Pacific region
	**Richard Thornton** Company Secretary	Chartered accountant with extensive management experience in finance, corporate compliance, governance and risk

Unique operating model meets local needs with global scale



Consumer insights	Innovation and product design	Manufacturing	Distribution	Solution expertise	Customer service
Local research drives consumer and market insights Also builds further insights into plumbers and secondary customers needs	Local R&D and design teams create and deliver contemporary Australian design solutions and ensure products excel and exceed Australian standards	Collaborative, exclusive relationships with superior scale manufacturers B&K partner with expertise in R&D, quality assurance, process improvement and innovation	Extensive coverage of merchant channel from national network of distribution centres	Add value to primary and secondary customers through service solutions and product and category knowledge	Market leading product support with un-matched commitment to after sales service Broad reach into all key market segments
Collaborating with industry experts and universities: UNSW and UTS	~91 patents and 317 registered designs support IP protection	17 B&K people in China to maintain standards	~1,895 invoiced deliveries per day	113 people sell or help sell in B&K	59 FTEs in team fielding ~2,200 calls per day

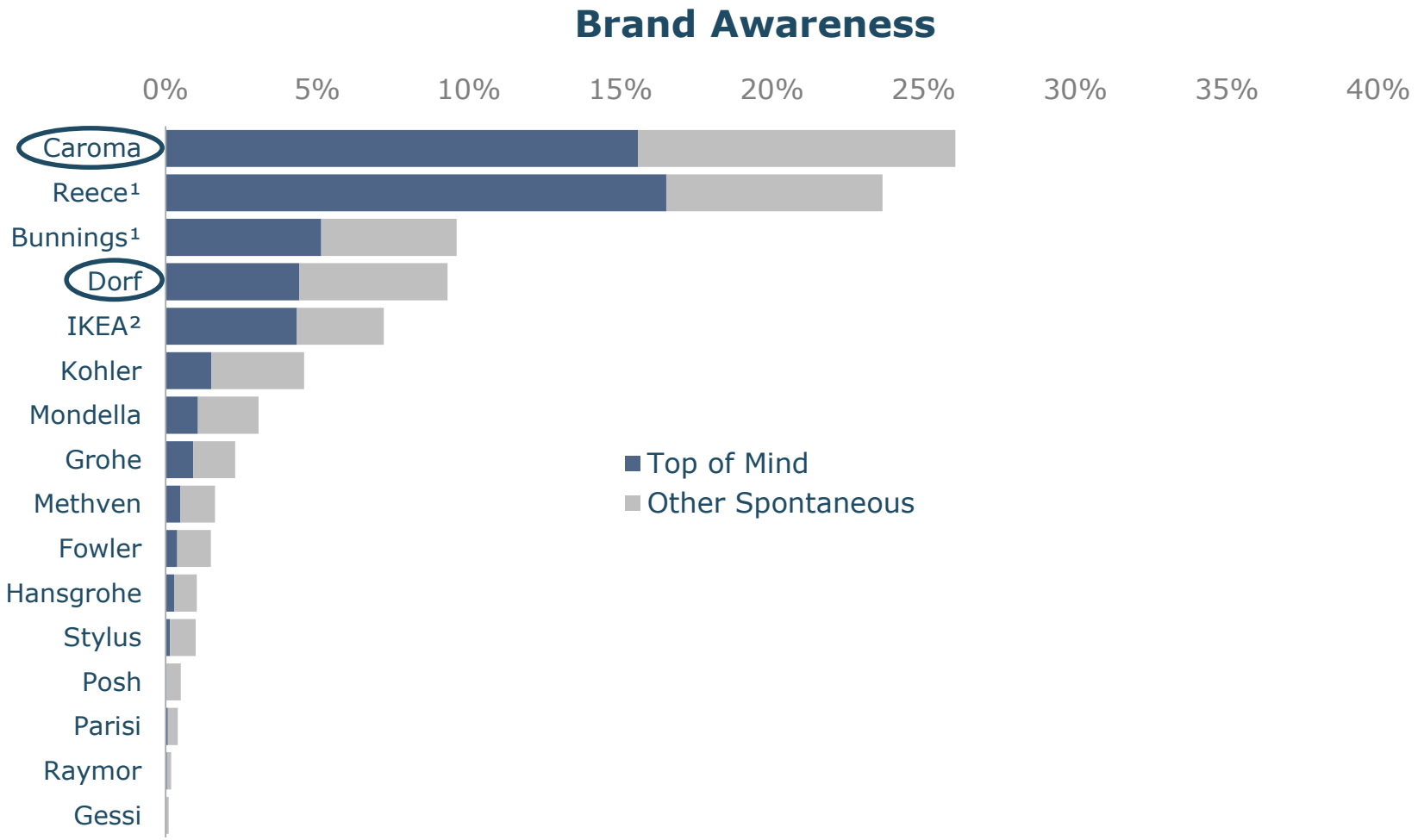
B&K data only

Significant progress on strategic goals[1]

Area of focus	Status	Specific initiatives
Leverage and build on core assets and brands to drive revenue and market share growth		Growing share consistently across core segments
Add value to customers through improved insights, analytics and processes		Joint business plans with major merchants driving agreed targets / initiatives
Build "fit for future" culture, engagement and capability		Building employee engagement and internal capability focused on sales and marketing
Build an advantaged Supply Chain to deliver superior NPD, Quality and Service at best cost		Enhanced supply continuity from dual sourcing and direct to port shipping
Drive cost out in SG&A and Supply Chain to improve profitability and allow selective reinvestment		Ahead of target to reduce costs by $13-15M by FY19

[1] As outlined at April 2016 Investor Briefing day

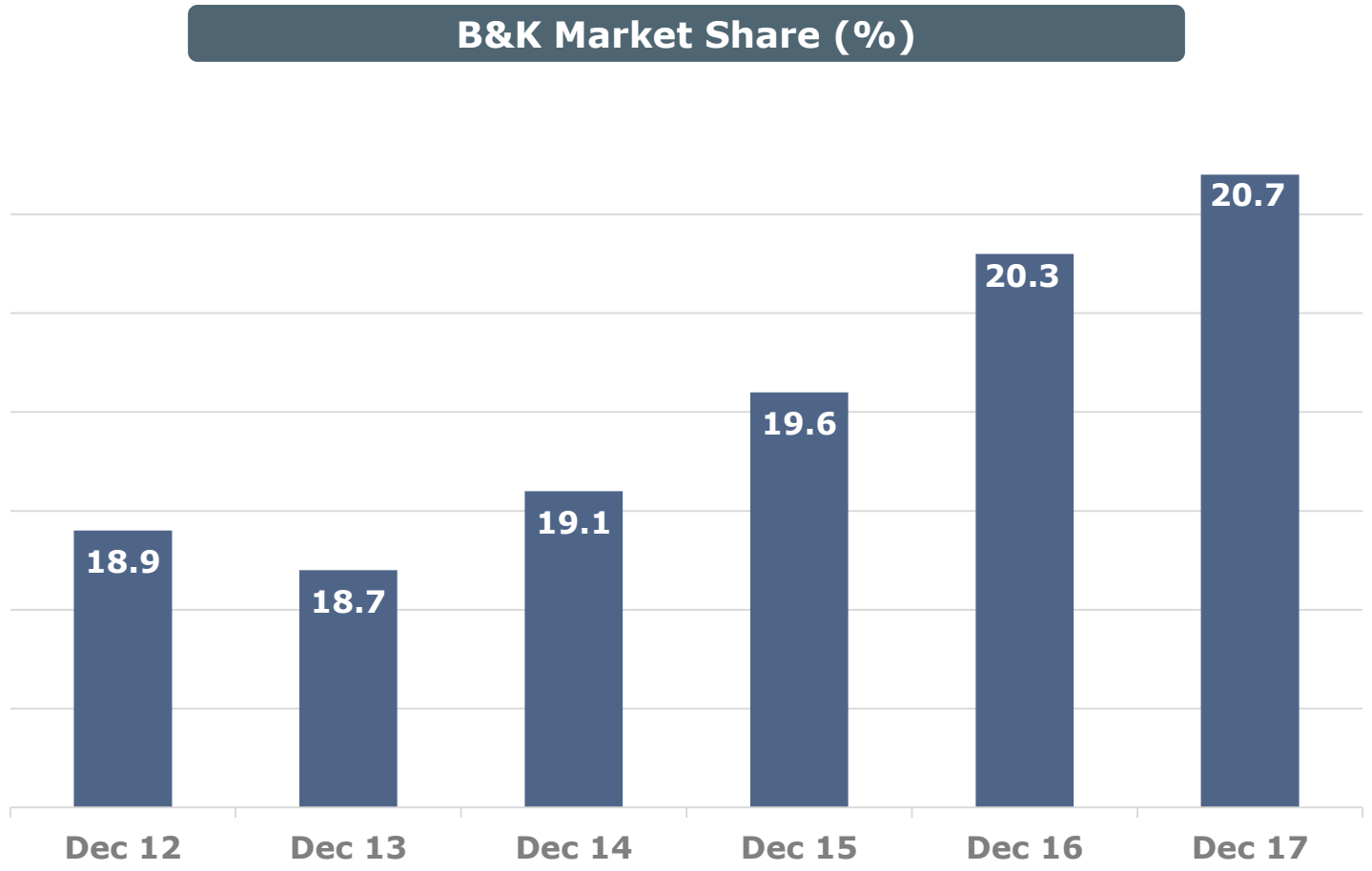
Continue to leverage and build on the strength of core brands Caroma and Dorf



¹ Reece and Bunnings are retailers not Bathroom & Kitchen brands.
² IKEA is both a retailer and a Bathroom & Kitchen brand.

Source: Nielsen

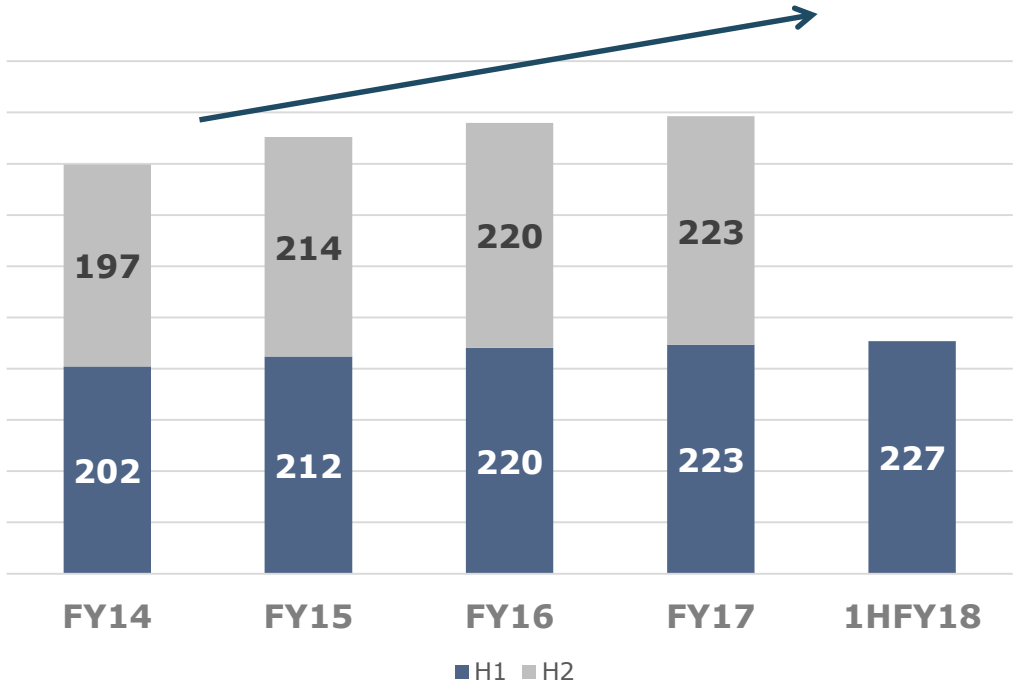
Consistent market share growth



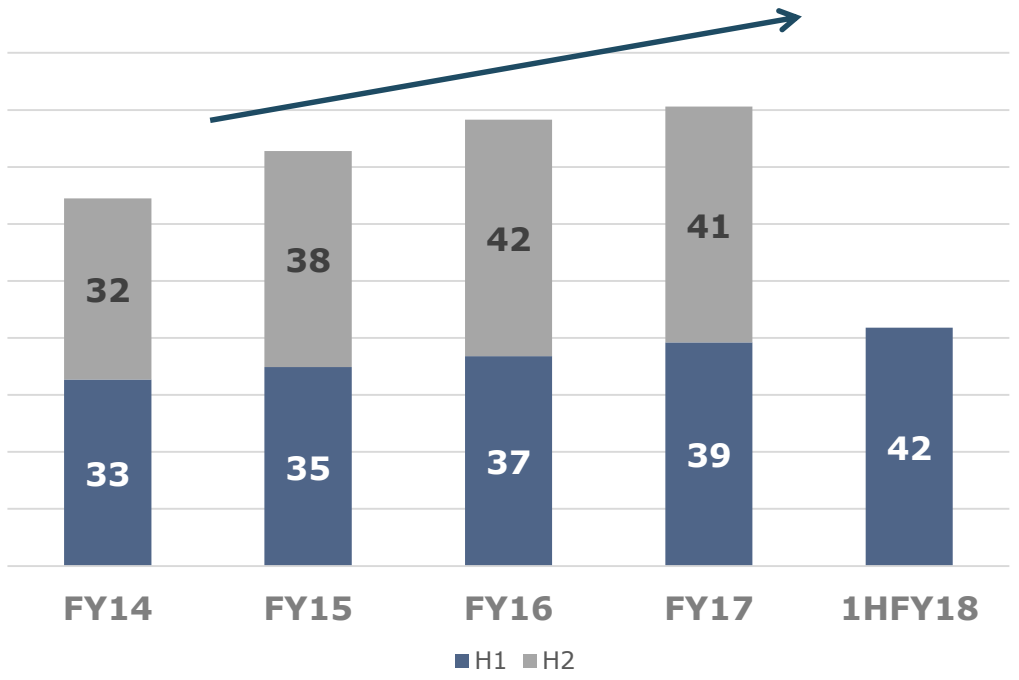
Source: GWA estimates – Australia market only, excludes NZ and Spares. Data is MAT to December each year

Improved operating results

Group Revenue (A$m)



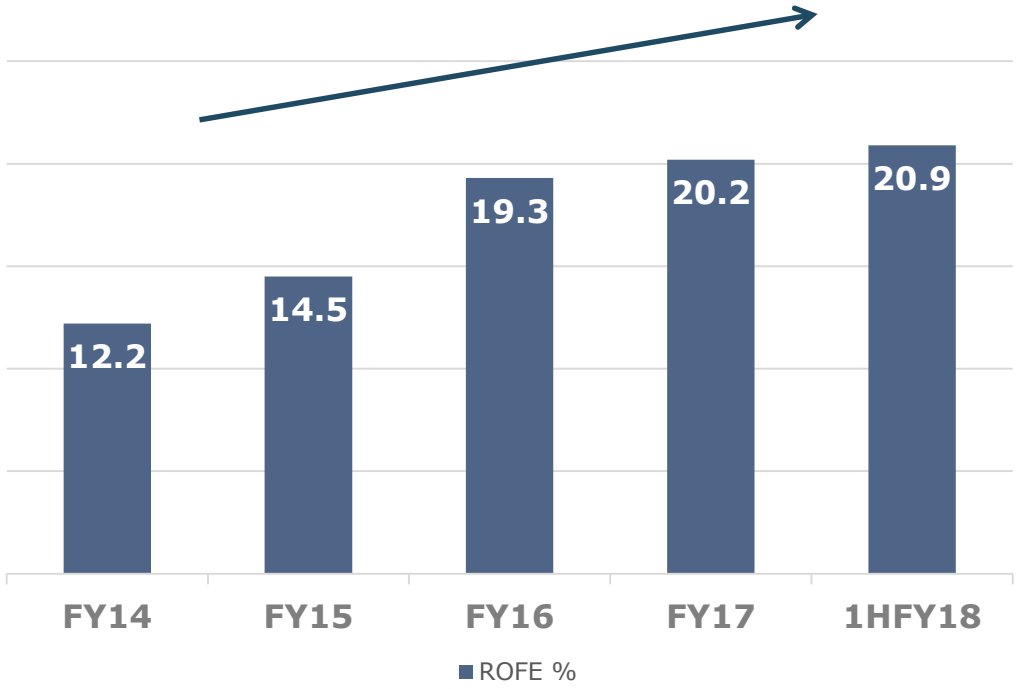
Group EBIT (A$m)



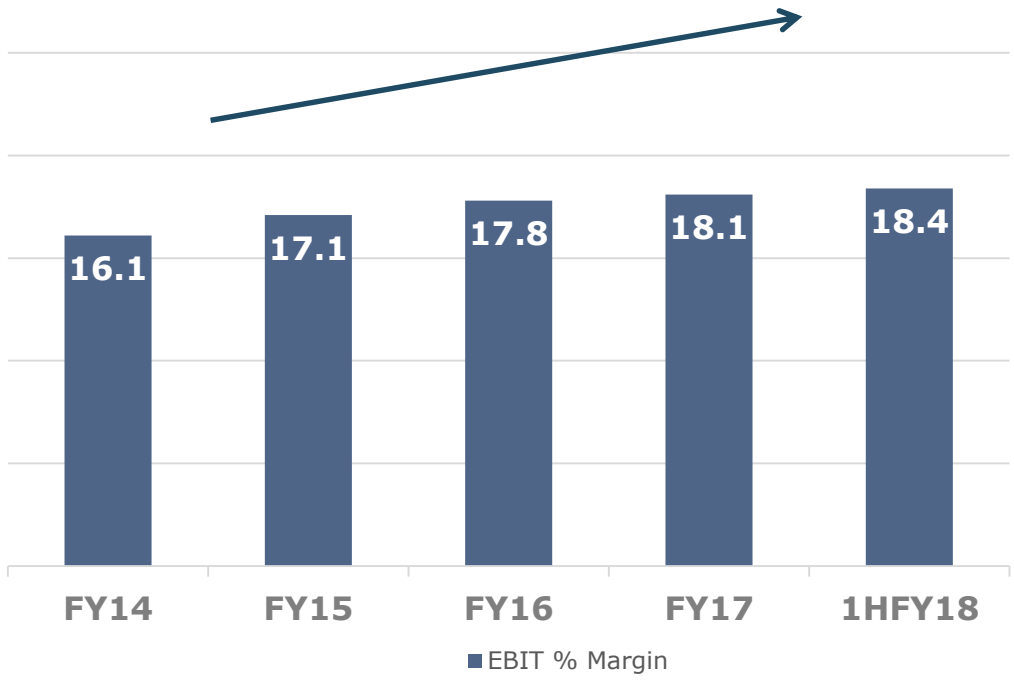
Source: GWA

Strengthening returns

Group Return on Funds Employed (%)



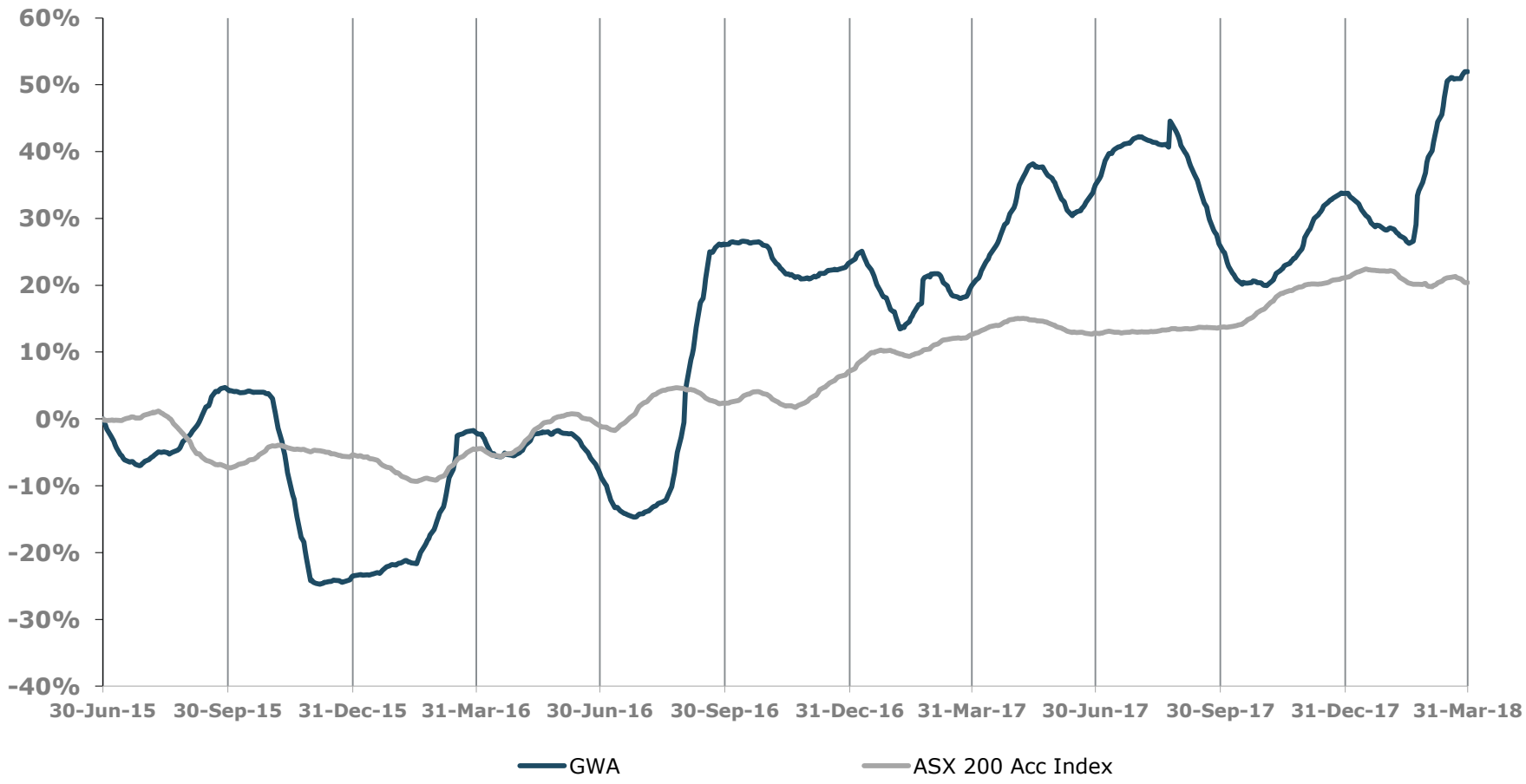
Group EBIT Margin (%)



Source: GWA

Leading to improved shareholder returns

Total Shareholder Return (TSR) GWA vs ASX 200 Acc Index



Source: miraqle metrics

Agenda

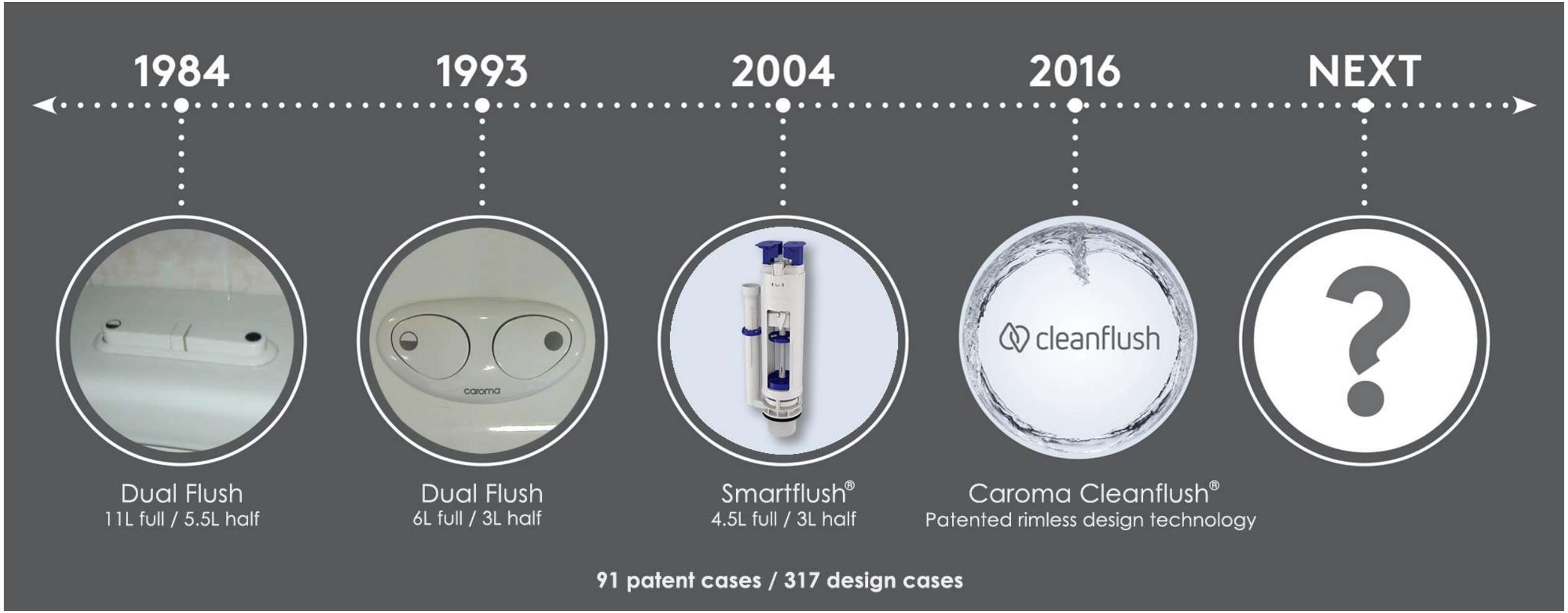
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GWA, a business with purpose

We make life better through the design and delivery of products, services and technologies that create superior solutions for people to enjoy and sustain water, our planet's most precious resource.

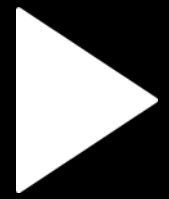


Purpose that builds on GWA's history of delivering innovative solutions for water

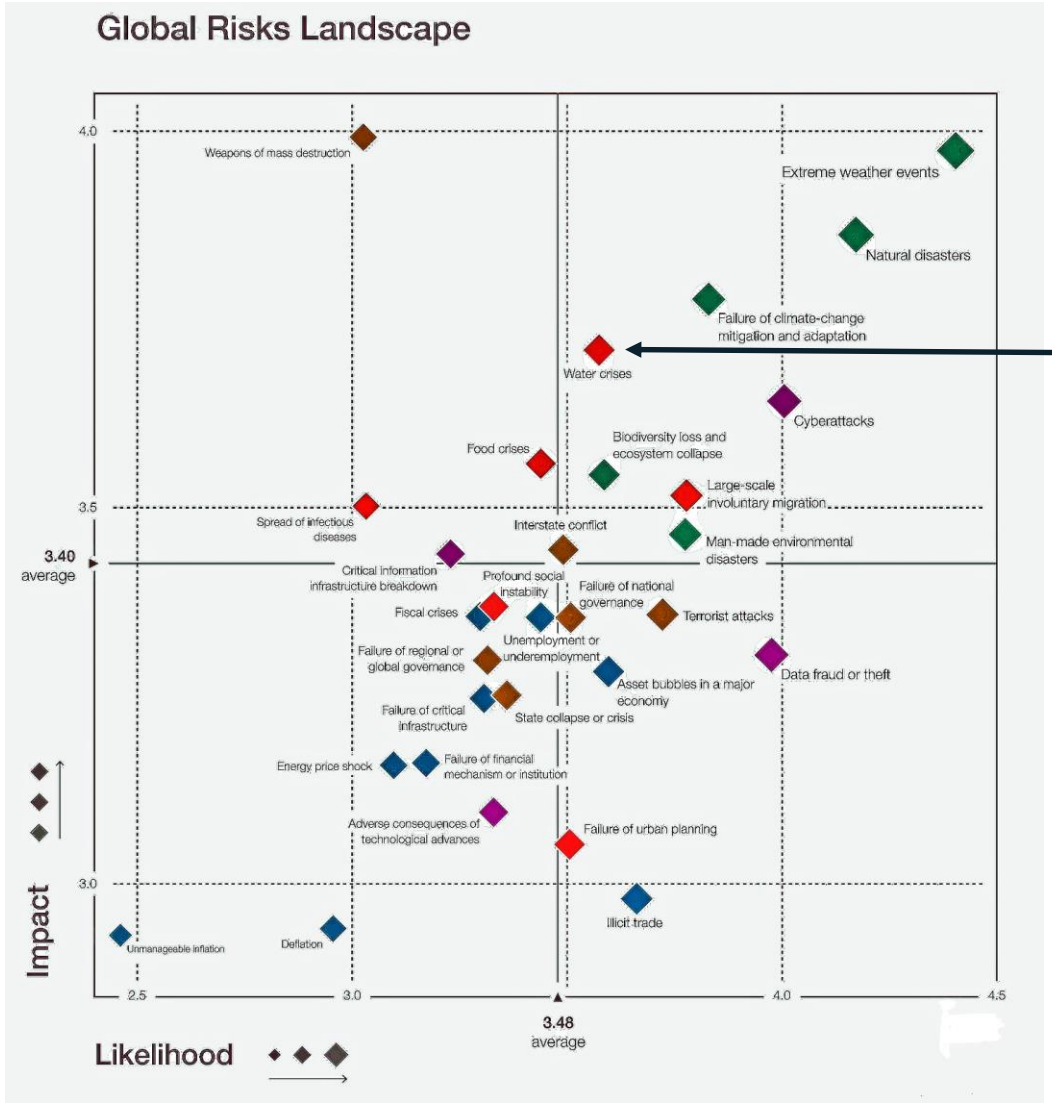


Source: GWA

Growth agenda focused on our understanding and passion for water



2018 World Economic Forum report highlights water as one of the most significant global risks



Water crises identified as the most impactful societal risk in 2018 by WEF

Source: The Global Risks Report 2018, World Economic Forum, Switzerland, 2018

Water crises already playing out globally

This Is What The Global Water Crisis Looks Like

More than 800 million people live without access to a safe water supply.

CAPE TOWN DROUGHT: CITY BEYOND 'POINT OF NO RETURN' AND WILL RUN OUT OF WATER IN APRIL, WARNS MAYOR

THE TIMES

Rome to lose water for eight hours a day as drought hits Italy

The New York Times | CLIMATE

Changing Climate, Changing Cities

Mexico City, Parched and Sinking, Faces a Water Crisis

Leer en español

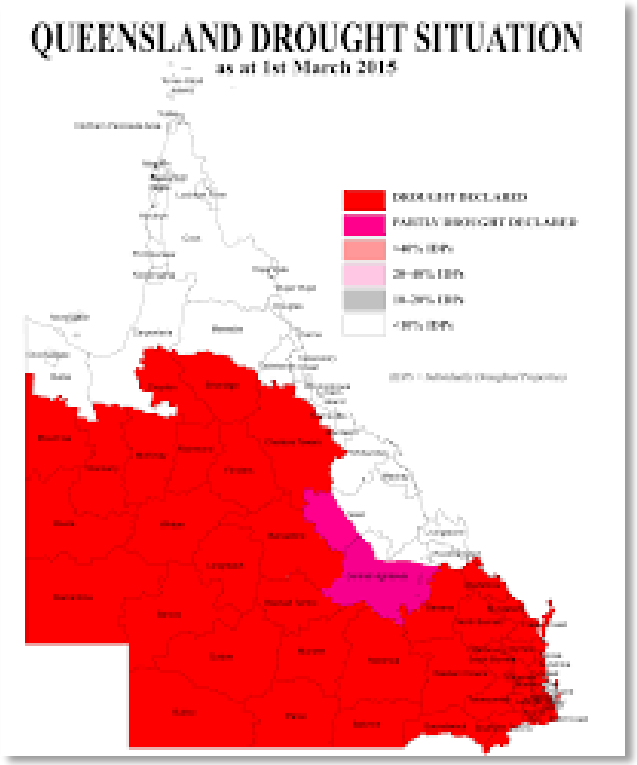
Worsening drought, clean water scarcity affect millions in Indonesia

World War III will be fought over water

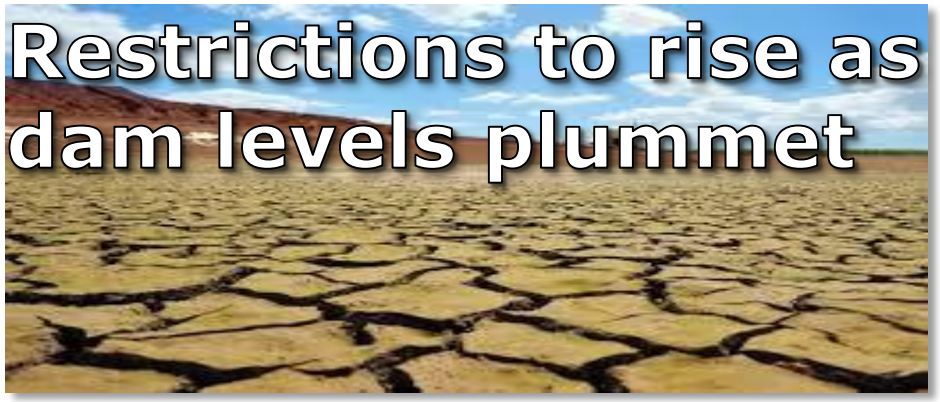
Increasingly impacting Australia, the planet's driest continent

Melbourne water supply could be under threat within a decade, water authority says





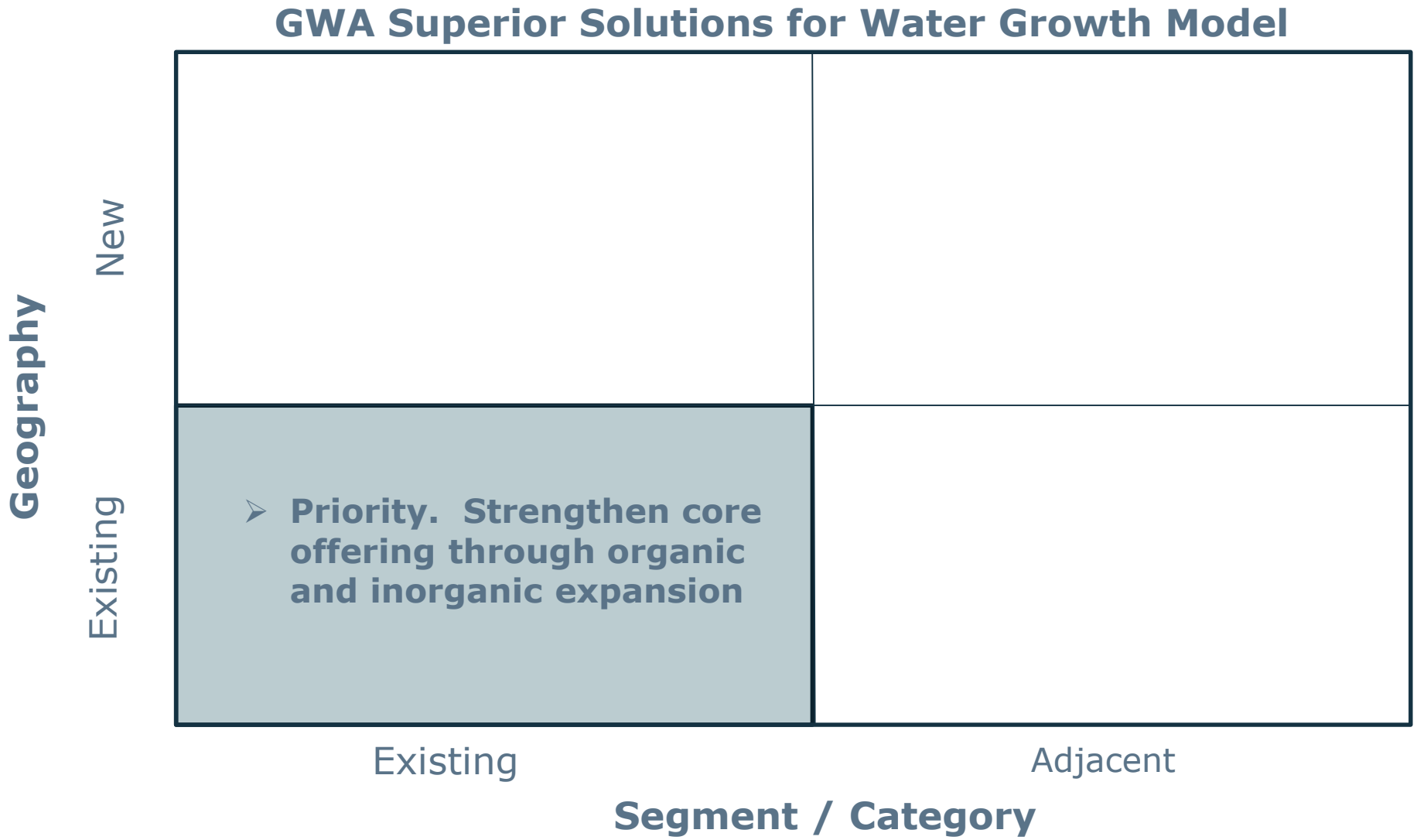
'Unprecedented' water shortages in south west Victoria expected to affect Australian red meat supply



How are we thinking about growth?

- Focus on superior solutions for water
- Play to our strengths
- Target where we can win

Priority is to leverage strengths in existing geographies, segments and categories



GWA operates in a large local market with significant growth opportunities

A$1.4 billion addressable market

Residential	Multi-Res	Comm	Commercial R&R	Residential R&R
$191m	$123m	$138m	$324m	$673m
13%	9%	10%	22%	46%

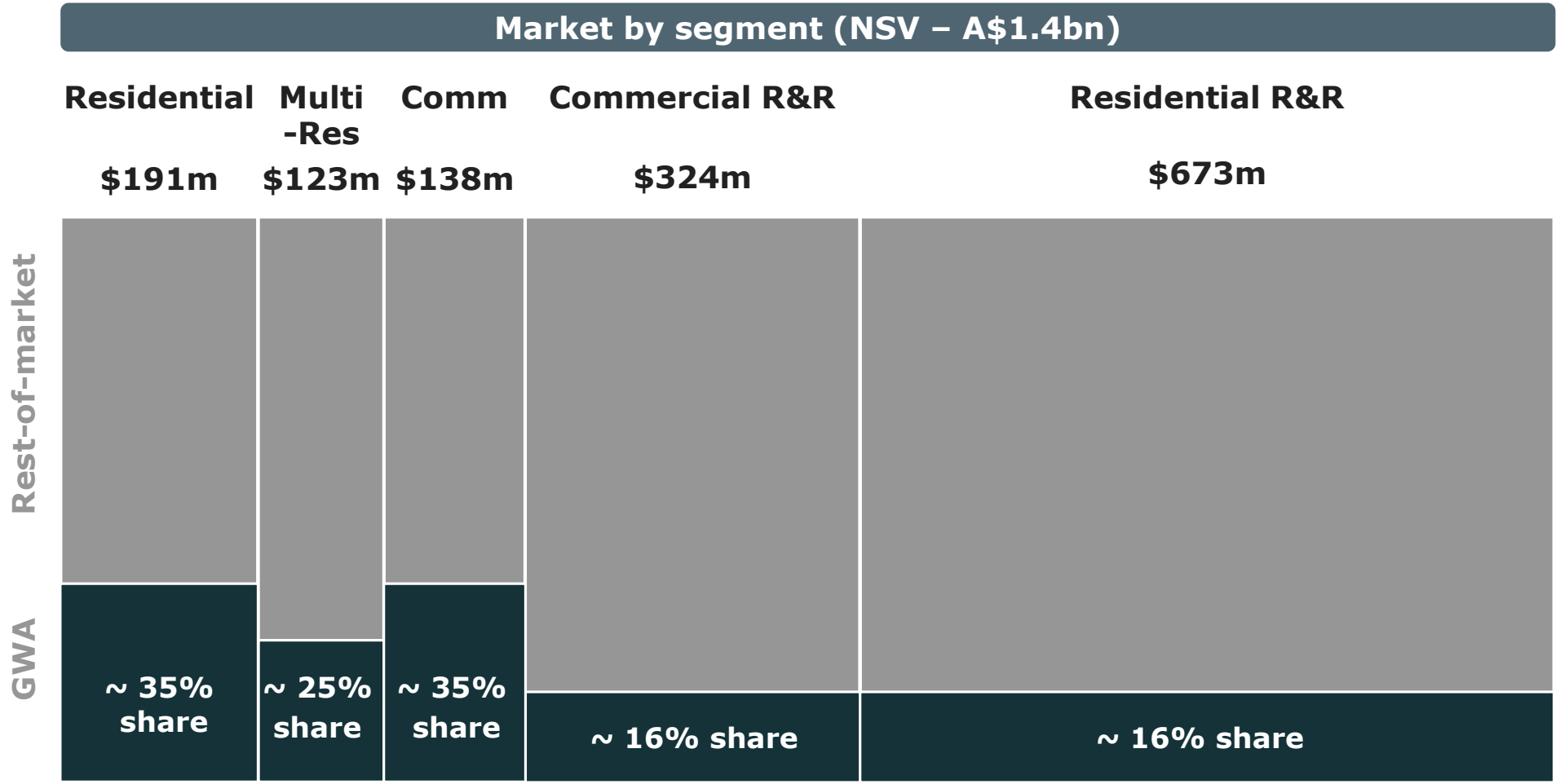
Source: GWA estimates – Australia market only, excludes NZ and Spares.

Macro factors point to stronger for longer

Driver[1]	Status
Population growth	+300,000-400,000 per annum
GDP	+2.6% year to December 2017
House Prices	Capital city prices up +5% year to Dec. 17
Interest Rates	Cash rate stable at 1.5% since August 2016
Age of housing stock	Stock of 30-35 year old houses expected to increase into the early 2020's
Consumer Sentiment	Continues to be strong
Lending for Renovation	Up +5.6% year to December 17
Major Renovations Approvals	Up +2.9% year to December 17

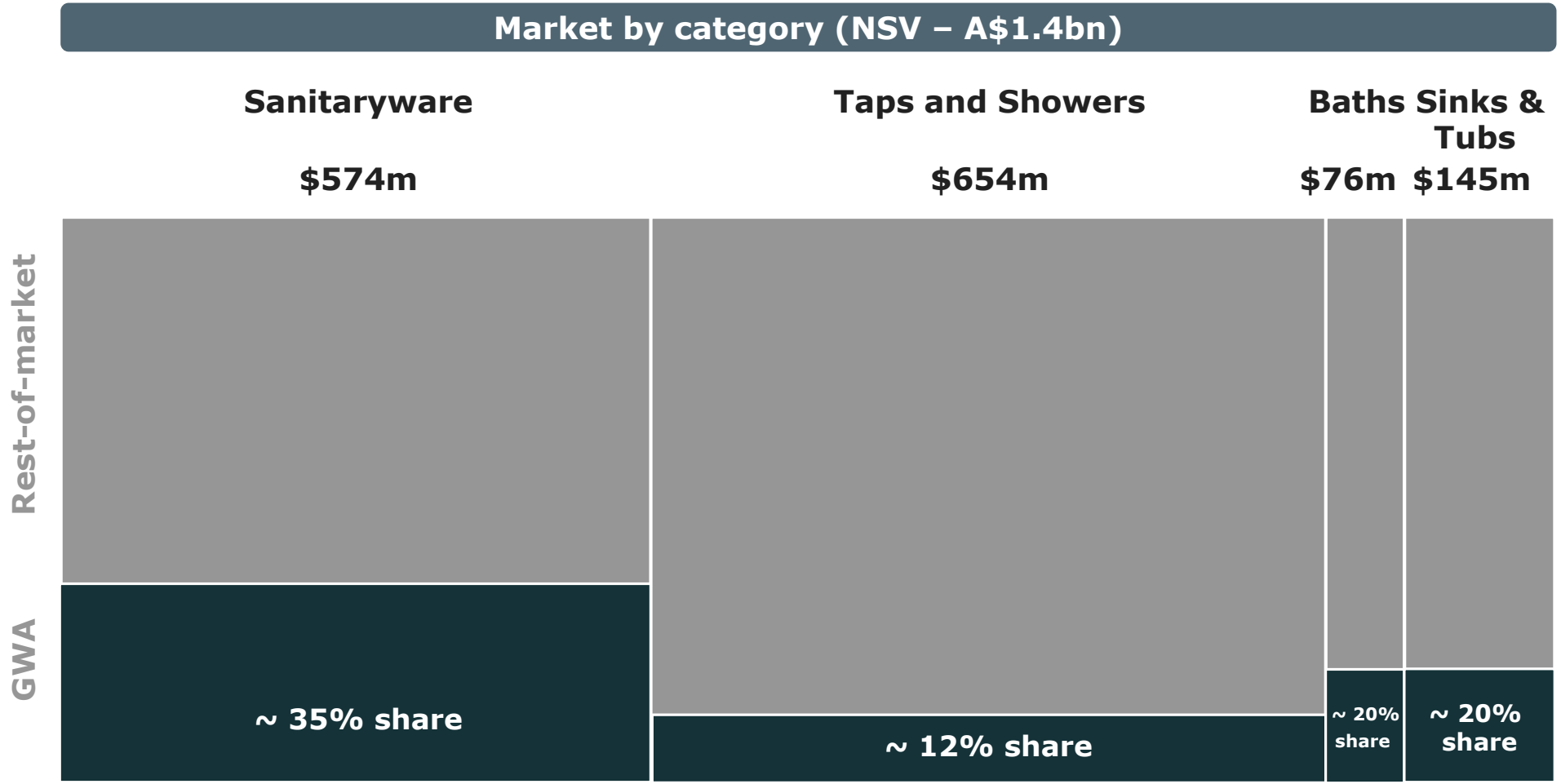
[1] Refer to appendix for charts and further details

Significant segment growth opportunities



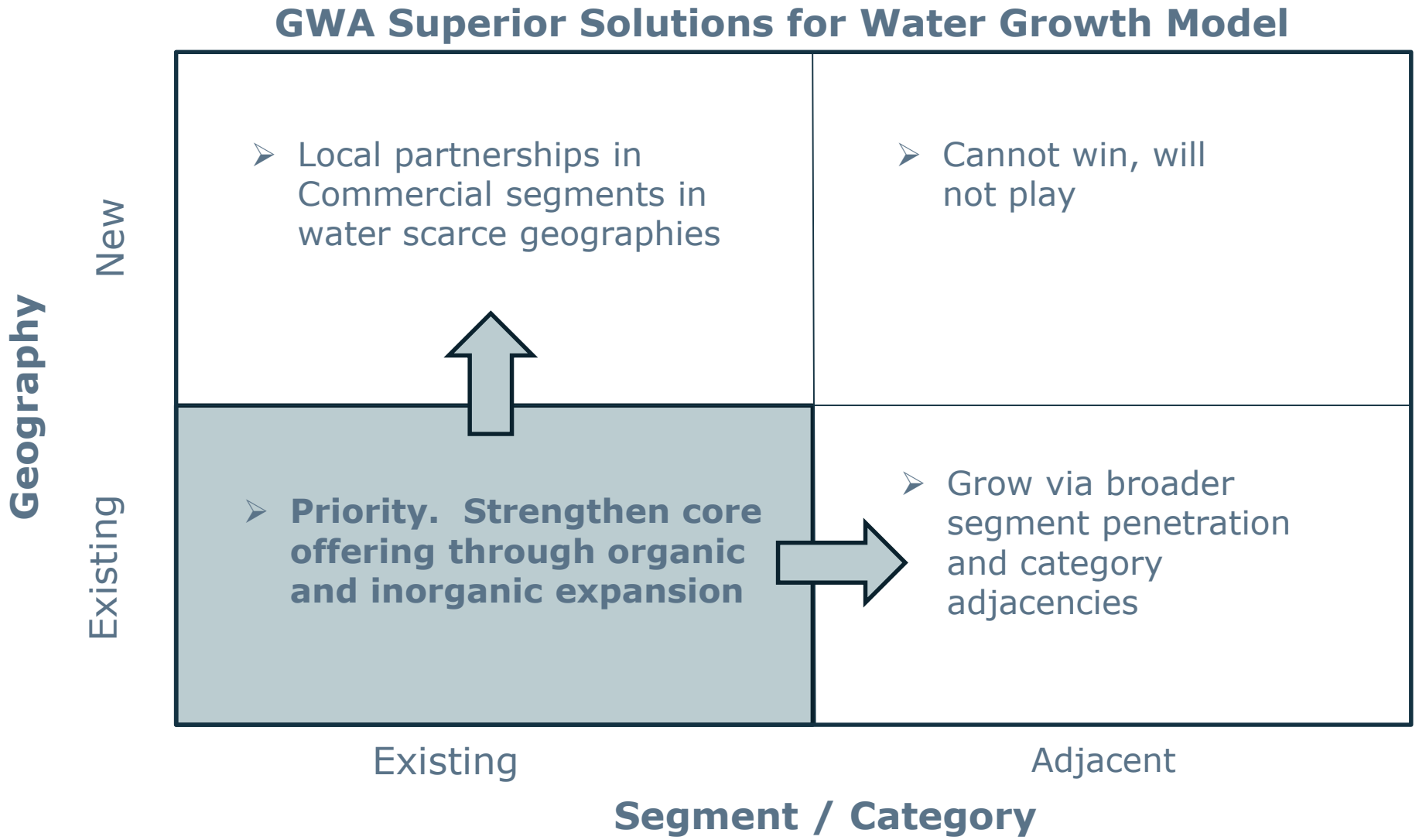
Source: GWA estimates – Australia market only, excludes NZ and Spares

Significant category growth opportunities



Source: GWA estimates – Australia market only, excludes NZ and Spares

And capability to extend into large water solutions adjacencies



Opportunities that play to our strengths in superior water solutions

Australia and NZ growth opportunities



Strengthen existing B&K core offering



Expand into water based category adjacencies

- Reinforce GWA's core business in ANZ
- Build scale in the near term and upside growth potential
- Investment in known market

Establish entry points into larger markets



Distribution partnerships



Overseas



Commercial water and bathrooms

- Opens up new large opportunities for expansion
- Very modest investment required
- Upside potential over the medium term

Access IP that gives a "right to play" globally





- Enables new foundations for long-term growth
- Access to IP and capability that enhances core business
- Modest investment
- Upside potential

Strategy positions GWA for growth

We make life better with superior solutions for water

Corporate Priorities

Build GWA as the most trusted and respected water solutions company
Maximise shareholder value creation – NPAT growth , ROFE, TSR

CUSTOMER FOCUSED
Add value to customers through superior insights, analytics and processes

CONSUMER DRIVEN
Deliver experiences to excite consumers and drive revenue and market share growth

BUSINESS EFFICIENCY : Simple, effective processes and plans delight consumers and customers

BEST COST : Continuous improvement to support profitability and fund selective reinvestment

GREAT PEOPLE : Continue to build "fit for future" culture, engagement and capability

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

Growth Drivers

SEGMENTS
Build on Commercial leadership and grow in R&R

CATEGORIES
Leverage sanitary to win all of bathrooms and kitchens

BRANDS
Deliver the best water experiences

SOLUTIONS
Lead "smart water management"

From push to pull



Primary Customer	Secondary Customer		End User
Merchant	Renovator/Small builder	Independent Plumber	Consumer
	Commercial Builder/Developer	Commercial Plumber	
	Residential Builder		











Transformation continues shift from push to pull



- Business first
- Making products
- Industrial business

From… To



- Consumer first
- Contributing to society
- Lifestyle brand business

We are well positioned for growth through strategic focus on superior solutions for water

- GWA is the leader in a large and robust local market
- Strong growth opportunities across segments and categories
- Own significant technical expertise in sanitaryware and water sustainability solutions
- Capability can be leveraged in local and overseas markets to step change growth
- Ambition to take leadership position in “superior solutions for water”

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Customer focused strategy to drive growth

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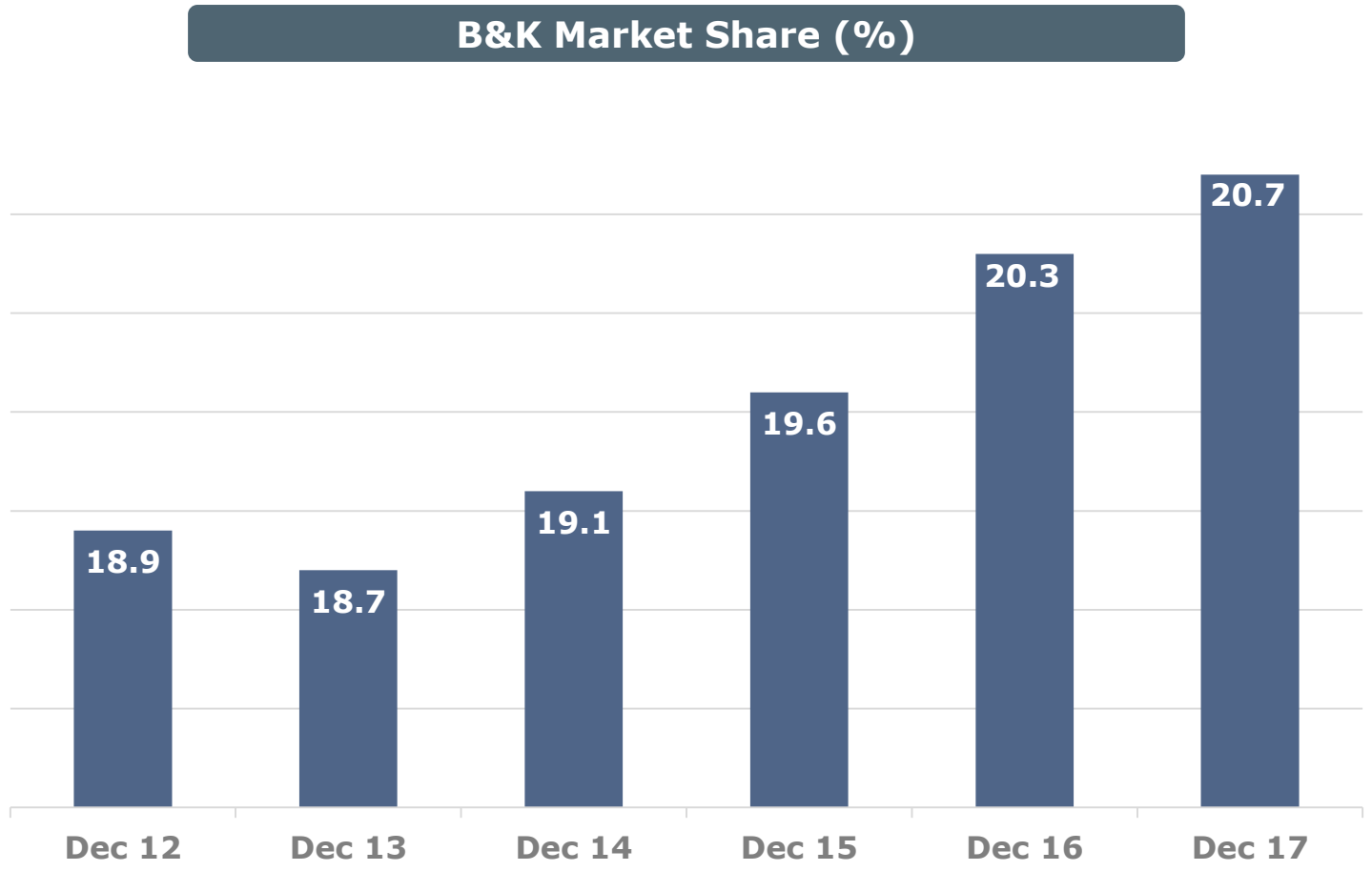
BRANDS
Deliver the best water experiences

SOLUTIONS
Lead "smart water management"

Significant progress in customer engagement

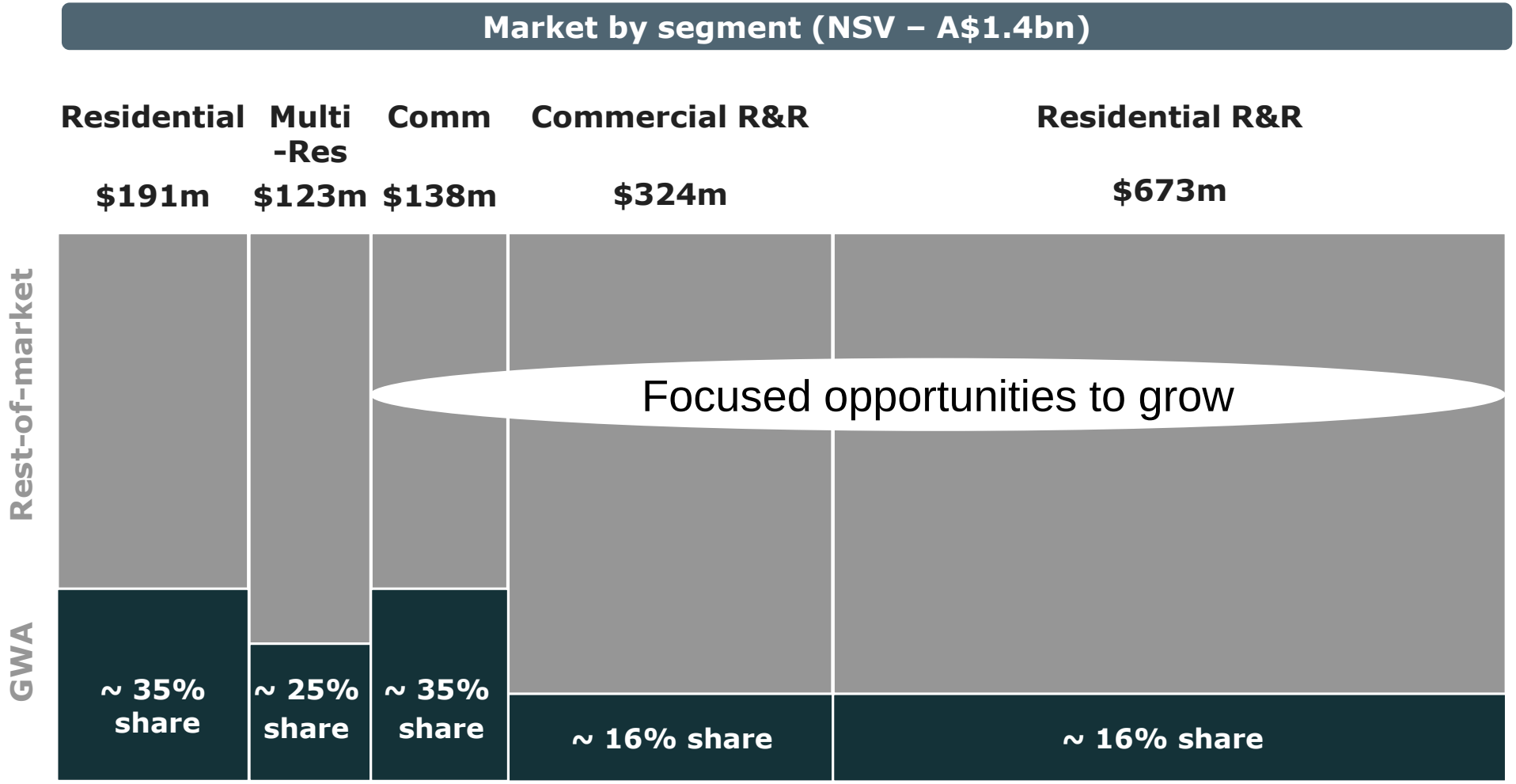
Area of focus	Progress	Specific initiatives
Increased understanding of key customers creating tailored plans and programs		Customer planning embedded business plans and review In store availability commitment
Clear value proposition for primary and secondary customers		Builders segmentation and value proposition Commercial value propositions Customer contact matrix / frequency
Use of technology to drive business growth and customer experience		Improved Salesforce.com utilisation Refinement of Specify / Revit / Plumbers App' E enabled bathrooms
Gain share via NPD and differentiated customer initiatives		Differentiated NPD, e.g. Cleanflush Tailored programs by customer Installation innovation
Build sales capability		Call efficiency and effectiveness Analytical skills development Competency assessment and development

Drives sustained share growth



Source: GWA estimates – Australia market only, excludes NZ and Spares

Opportunities to grow in a A$1.4bn market



Source: GWA estimates – Australia market only, excludes NZ and Spares

Critical to understand and engage with primary and secondary customers



Primary Customer

Merchant

reece

Tradelink

PLUMBING PLUS

BUNNINGS warehouse

Secondary Customer

Renovator/Small builder



Commercial Builder/Developer

Lend Lease

mirvac

Residential Builder

metricon

DALE ALCOCK

Independent Plumber



Commercial Plumber



End User

Consumer





CAROMA

GWA has scale to create demand for our brands across both large and small secondary customers



Secondary Customer

Renovator/Small builder



Create demand through brand marketing and merchant activation to generate sales

Commercial Builder/Developer

Lend Lease

mirvac

Residential Builder

metricon

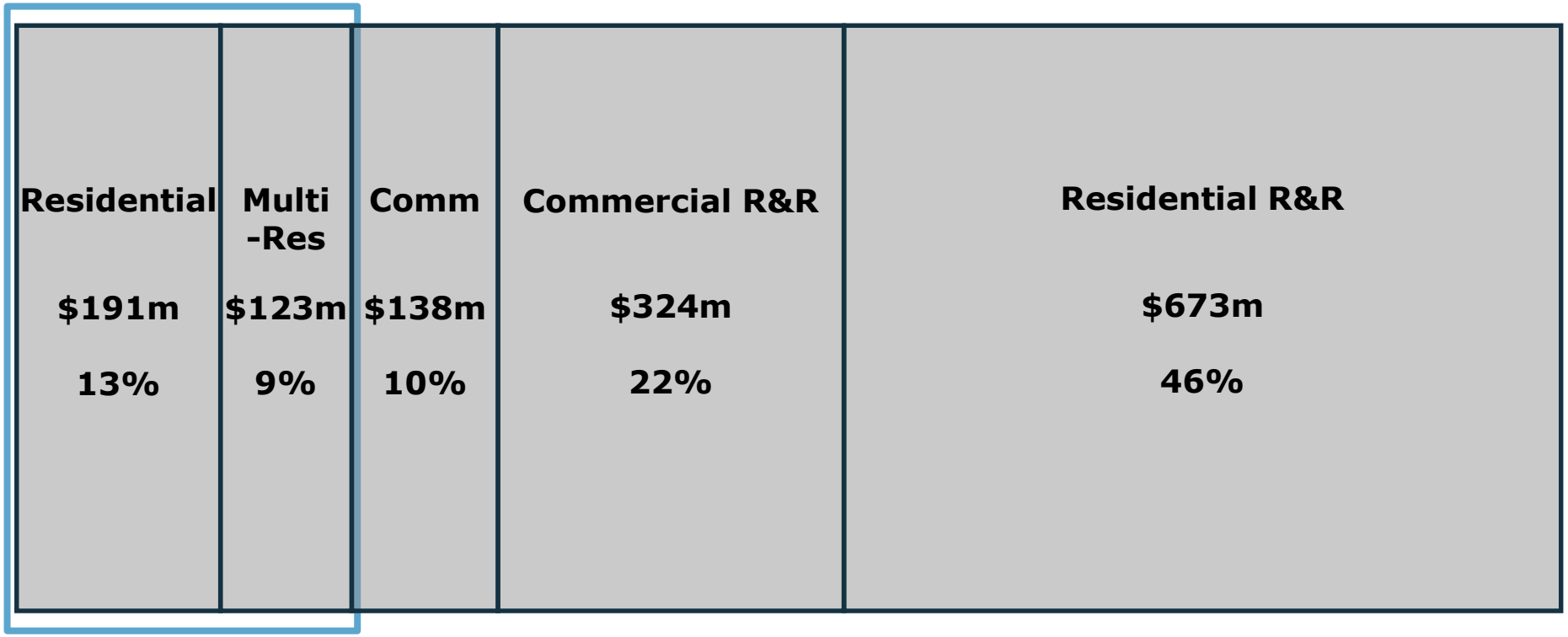
DALE ALCOCK

Create demand through direct engagement with builders and developers to secure specification for GWA

CAROMA

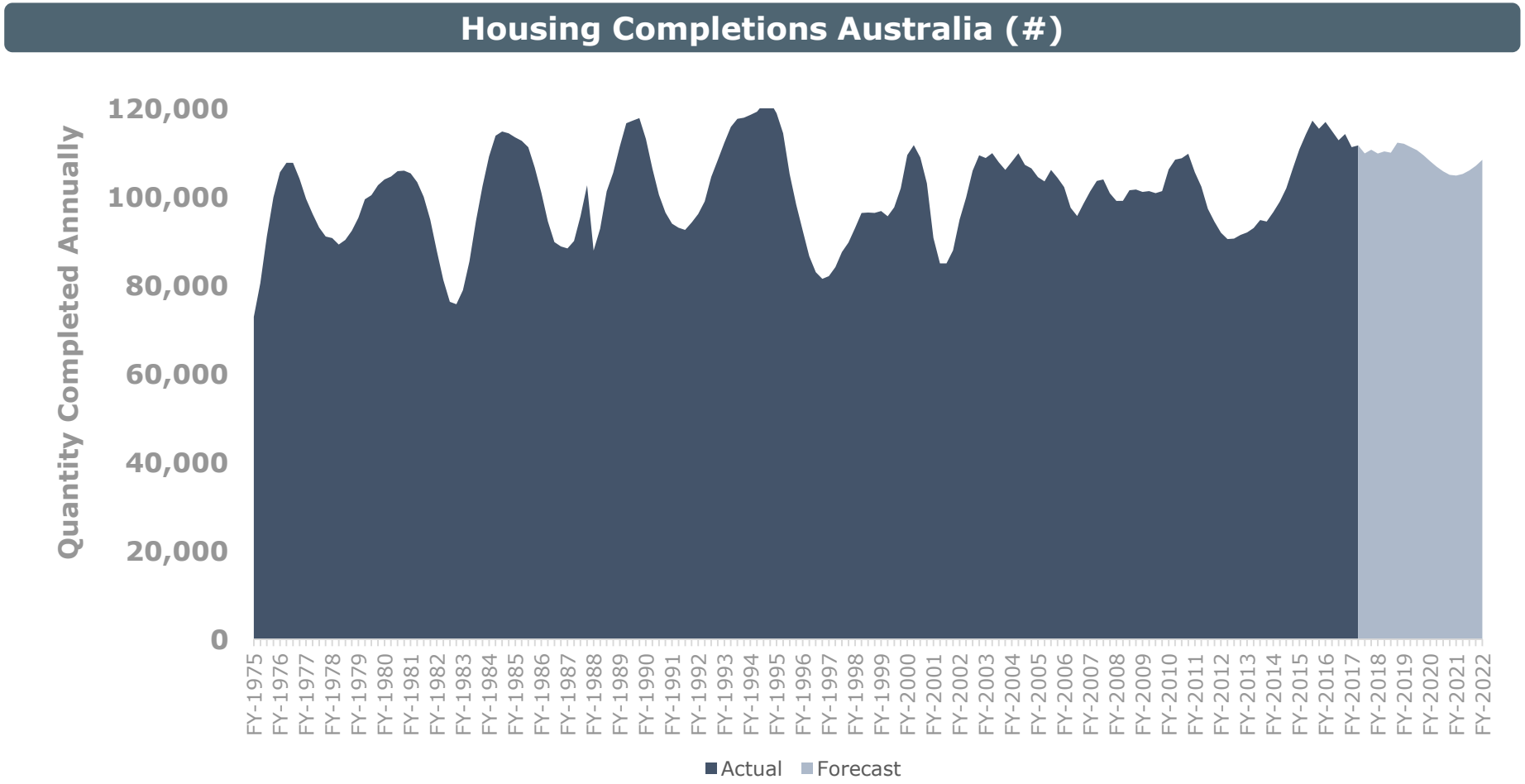
Residential and Multi-Residential housing

Market by segment (NSV – A$1.4bn)



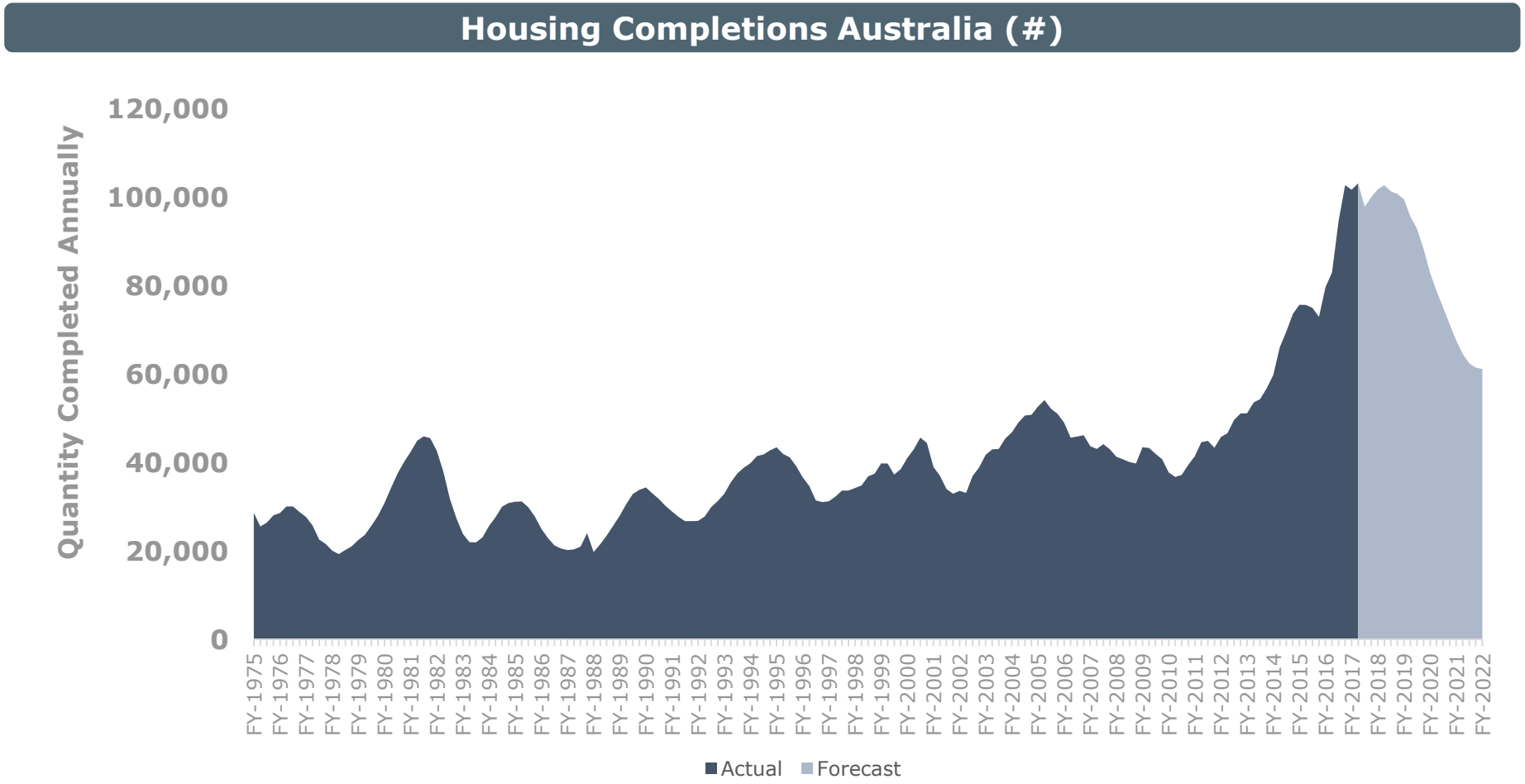
Source: GWA estimates – Australia market only, excludes NZ and Spares

Detached residential new build remains resilient



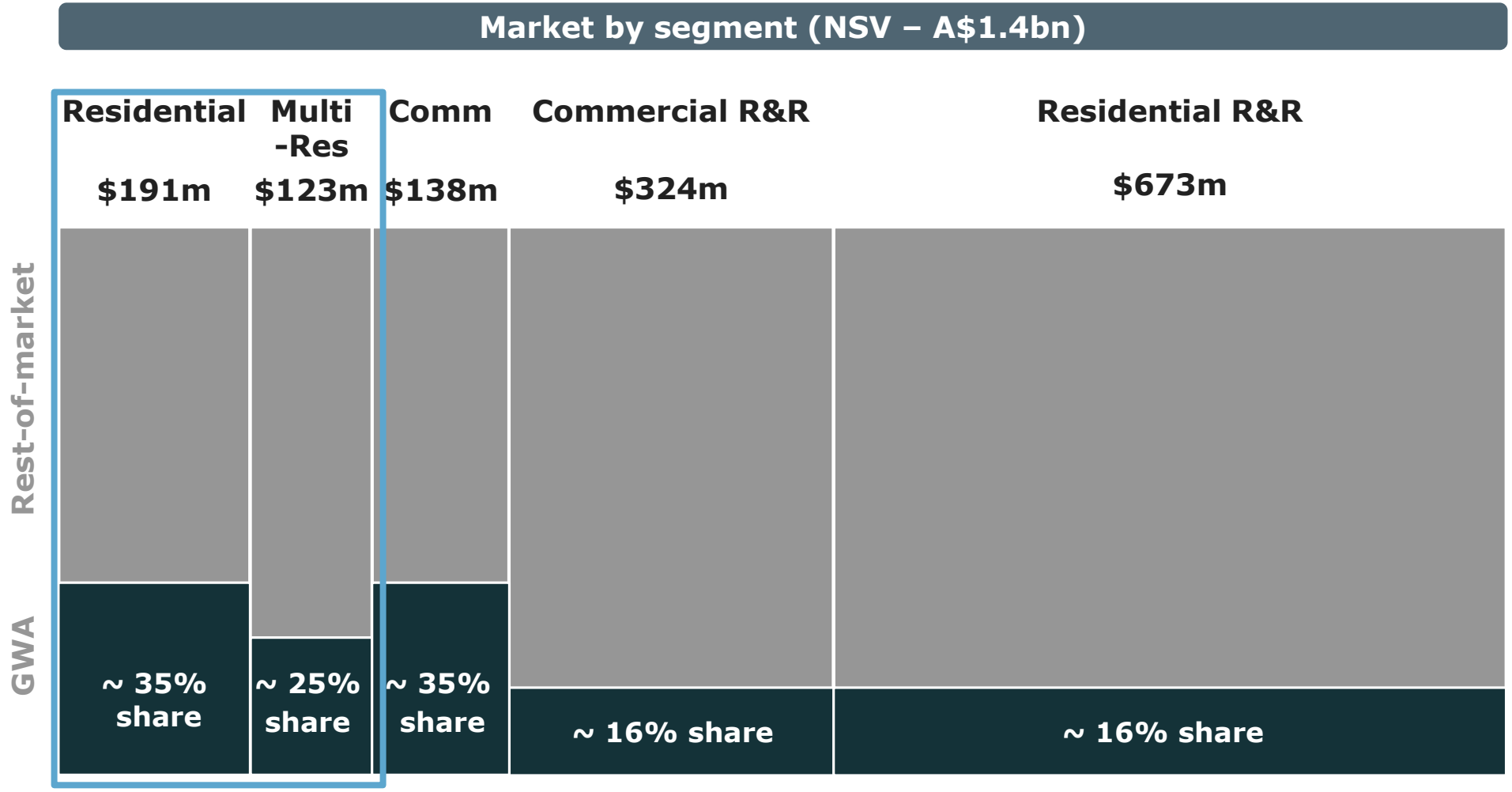
Source: BIS Oxford Economics: MAT, Actuals to September 2017, Forecast December 2017 – June 2022

Multi-residential declining from peak but presents opportunities for selective growth



Source: BIS Oxford Economics: MAT, Actuals to September 2017, Forecast December 2017 – June 2022

Ability to create demand evident in strength across the residential home segment



Source: GWA estimates – Australia market only, excludes NZ and Spares

Maintain strong position in Detached residential and compete selectively in Multi-residential

Growth Strategy

- Established deep knowledge of Builders, their strategies and needs
- Leverage trusted brands and quality to enhance the home-buyer experience
- Differentiate through broad brand portfolio and innovation capability
- Re-organised sales team into dedicated segment resource

metricon

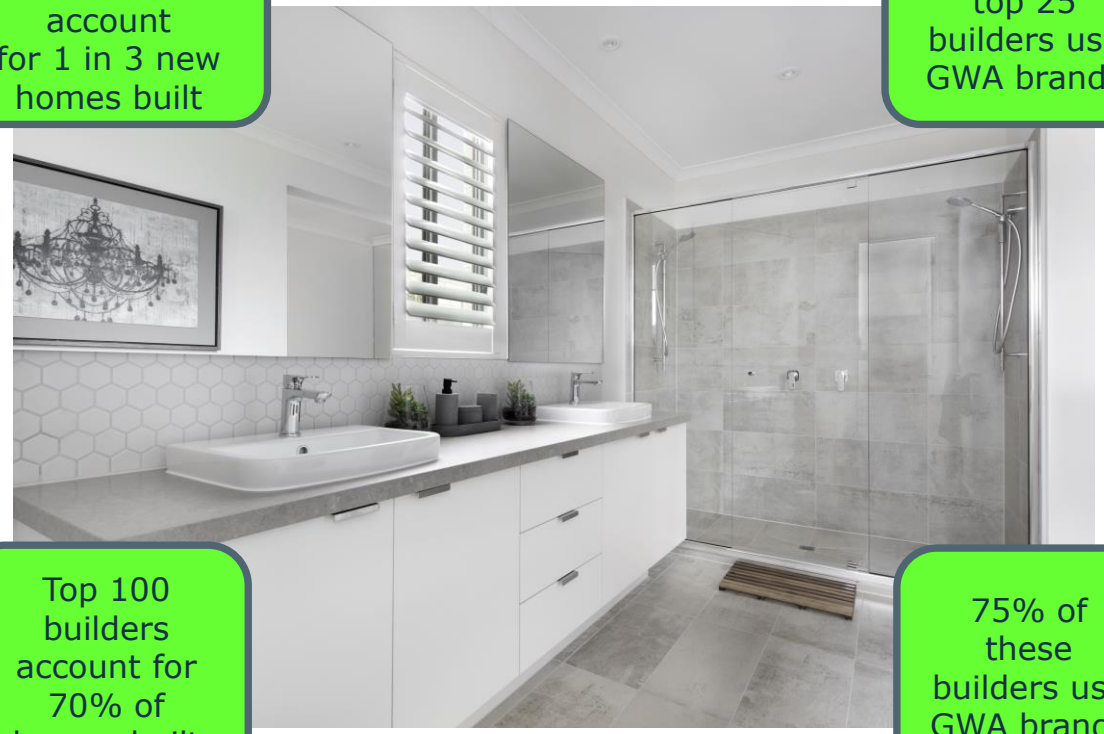
A=N GROUP

SIMONDS

Market leading penetration of Australia's top 25 builders

Top 25 home Builders account for 1 in 3 new homes built

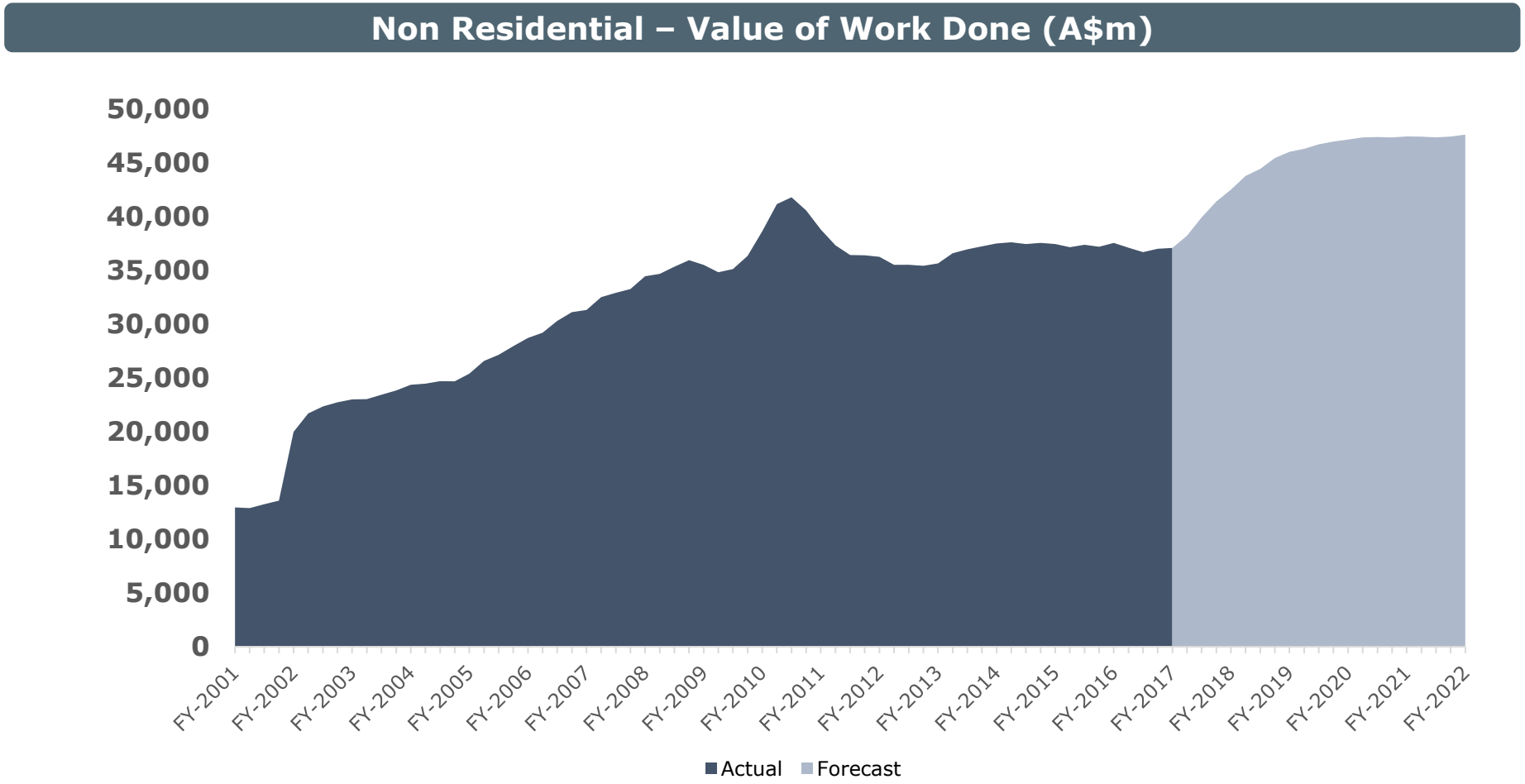
21 of these top 25 builders use GWA brands



Top 100 builders account for 70% of homes built

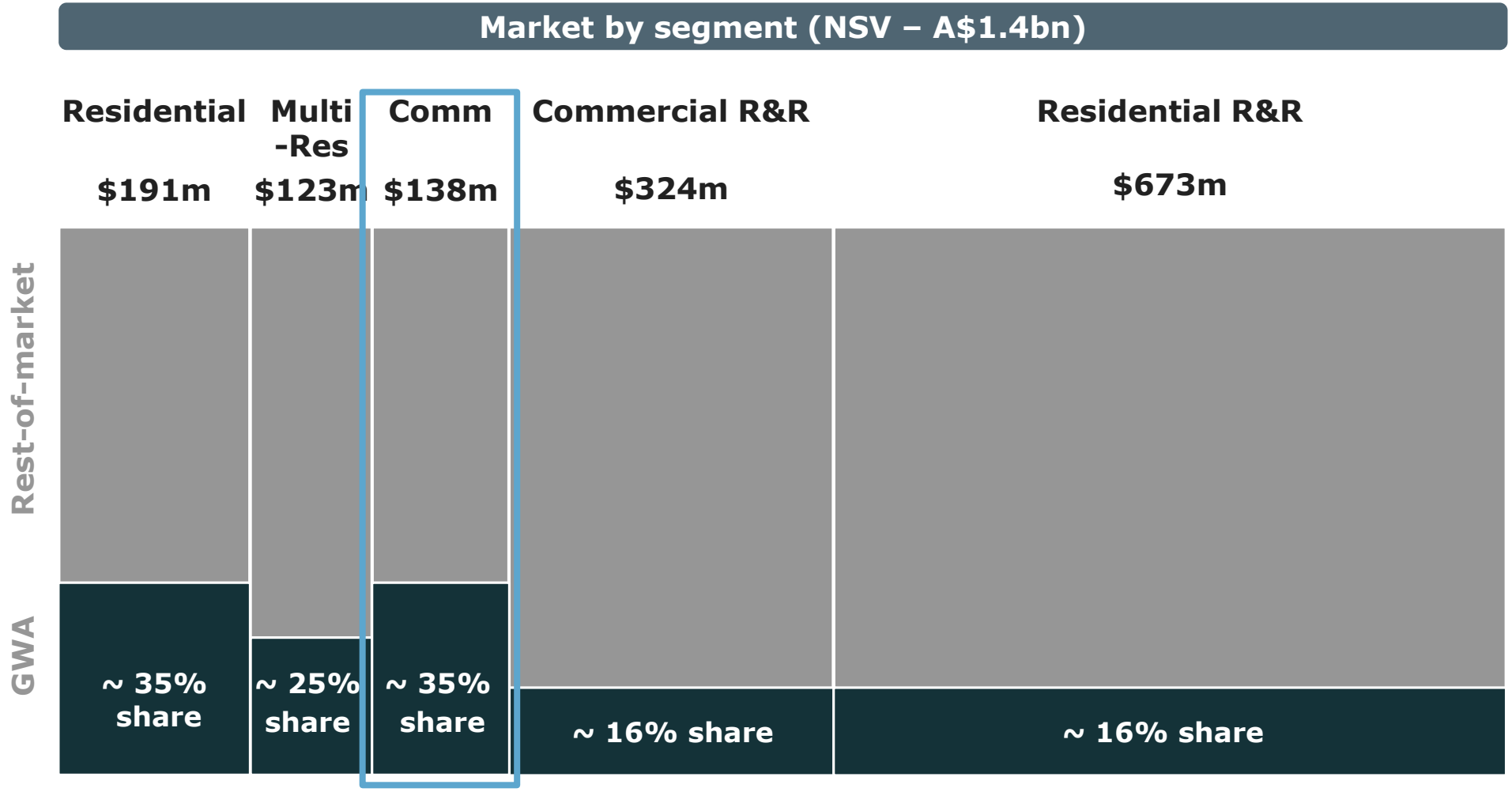
75% of these builders use GWA brands

Commercial new build sustaining long term growth trajectory



Source: BIS Oxford Economics: MAT, Actuals to June 2017, Forecast September 2017 – June 2022

Ability to create demand in Commercial new build drives strong share position



Source: GWA estimates – Australia market only, excludes NZ and Spares

Leverage expertise in Commercial new build to drive further growth

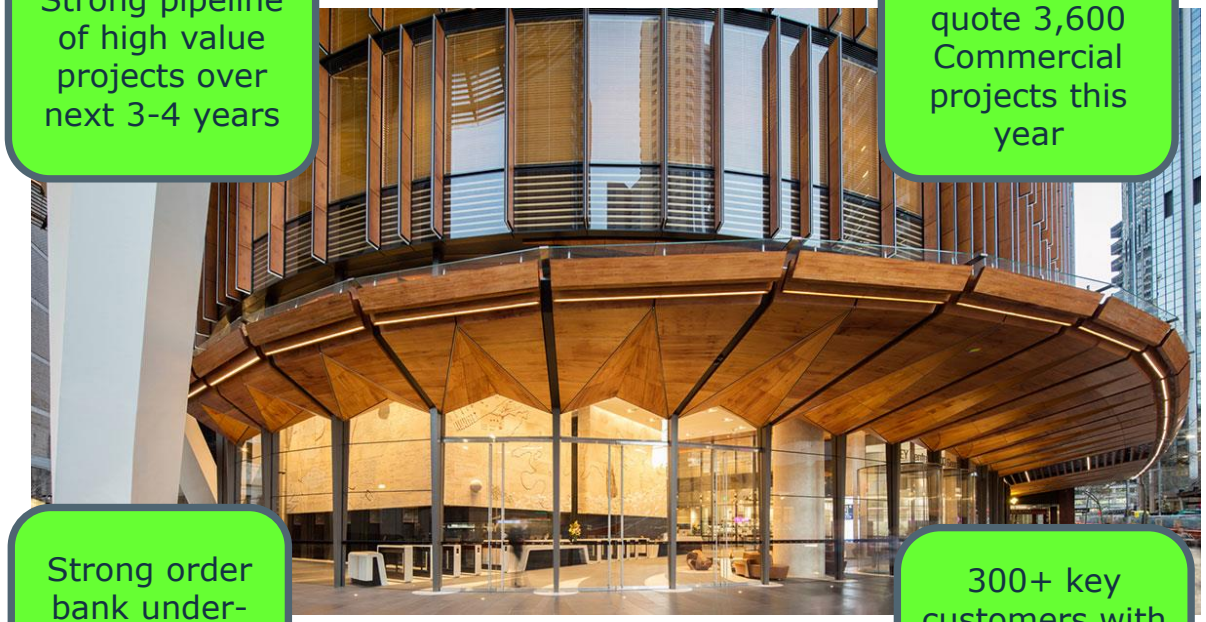
Growth Strategy

- Best lead identification and key decision maker engagement
- Complete product portfolio and solutions partner
- Superior, sustainable lifetime solutions for customers
- Comprehensive Merchant partnering for fulfilment and execution

Market leading penetration of Australia's biggest Projects & Customers

Strong pipeline of high value projects over next 3-4 years

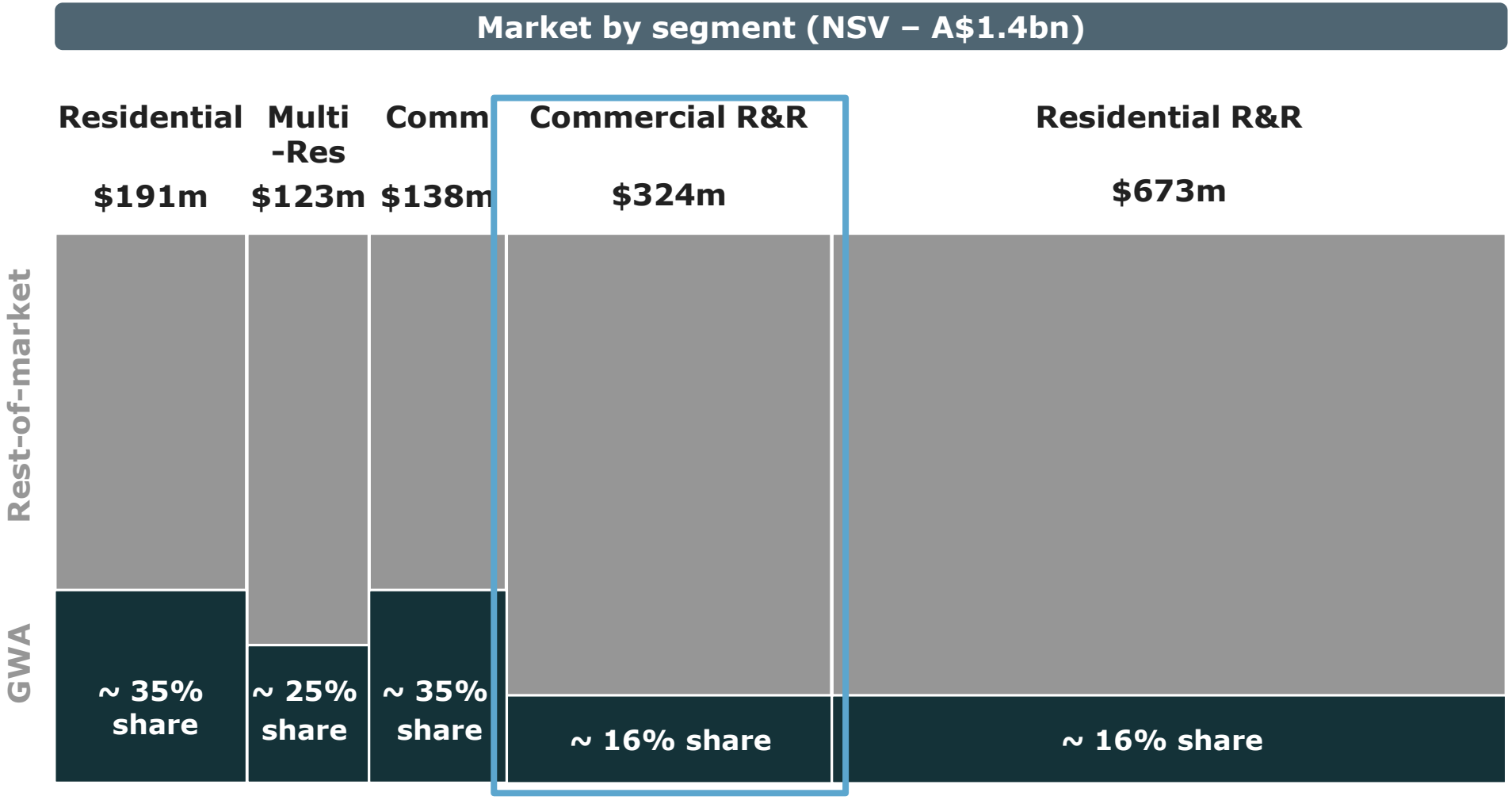
Forecast to quote 3,600 Commercial projects this year



Strong order bank under-pinning future sales

300+ key customers with minimum of monthly sales meeting

R&R is the largest segment opportunity across both Commercial and Residential



Source: GWA estimates – Australia market only, excludes NZ and Spares

Deeper market understanding has identified untapped opportunity in Commercial R&R

Growth Strategy

- Focused resource now targeting sizeable opportunity
- Leverage strong Commercial new build footprint and expertise into Commercial R&R
- Utilise Merchant partnerships to provide coverage and availability
- Innovate to reduce cost, improve efficiency and sustainability

New build drives future R&R, large less visible market

GWA supplies 1 in 2 toilets in Commercial new build. Future R&R opportunity

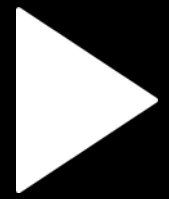
Only 15% of jobs require a DA. 85% below the radar



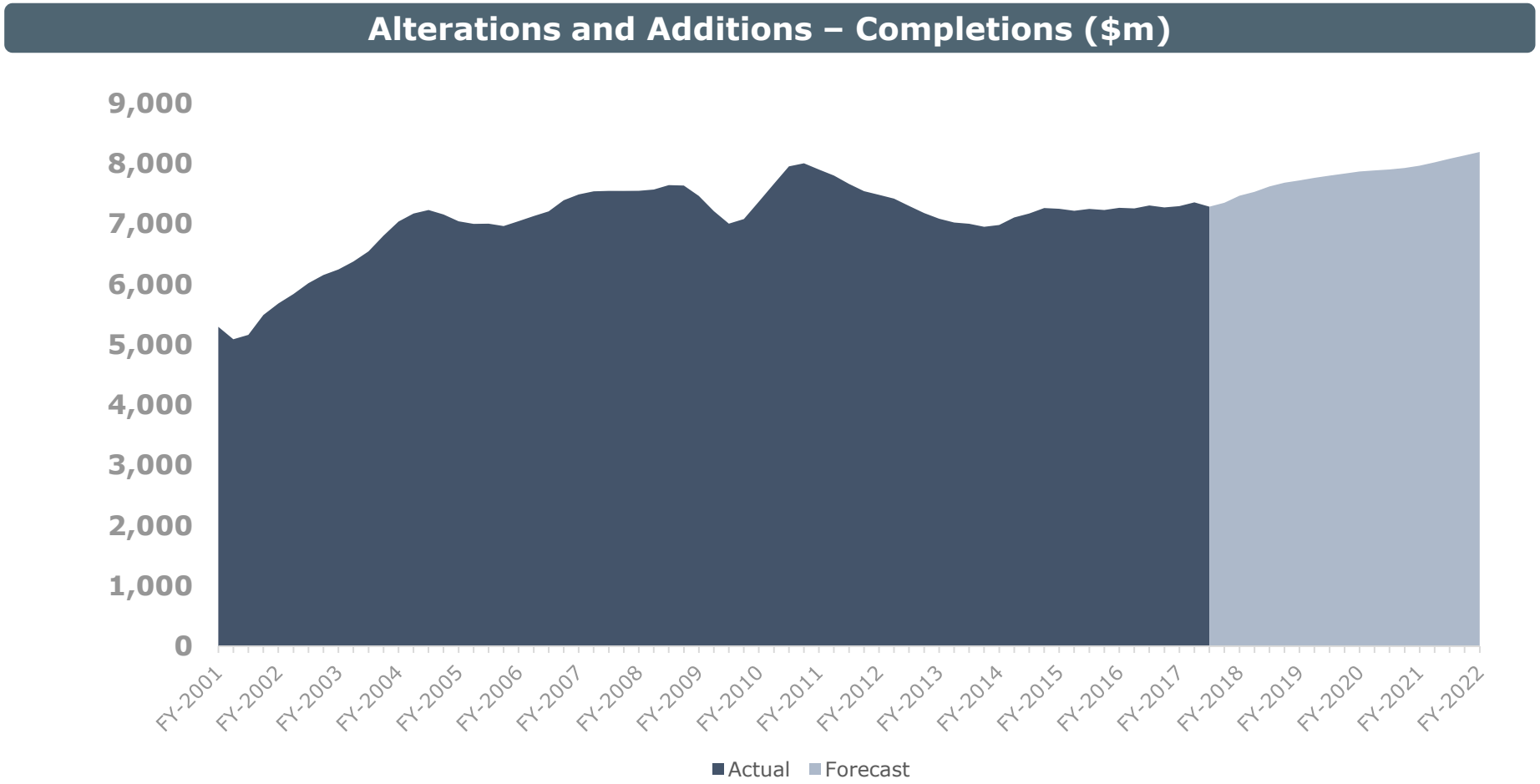
New sales model to hunt opportunities with new customers, different needs

Leverage GWA IP in customer collaborations to create R&R solutions

Deeper market understanding has identified untapped opportunity in Commercial R&R



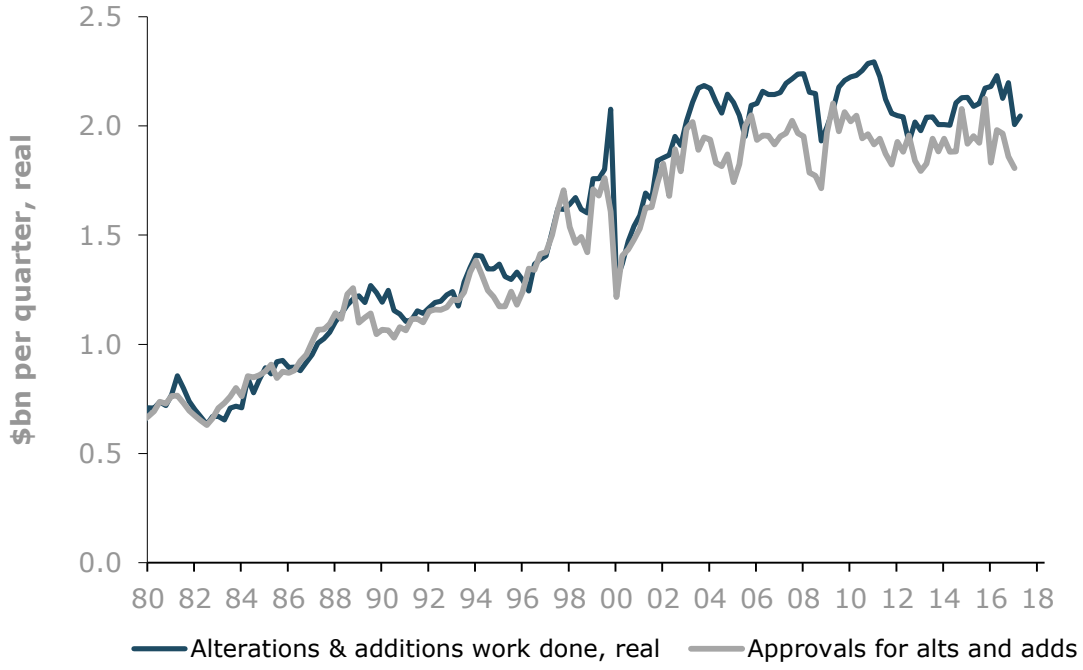
Residential R&R segment stability provides resilience through the cycle



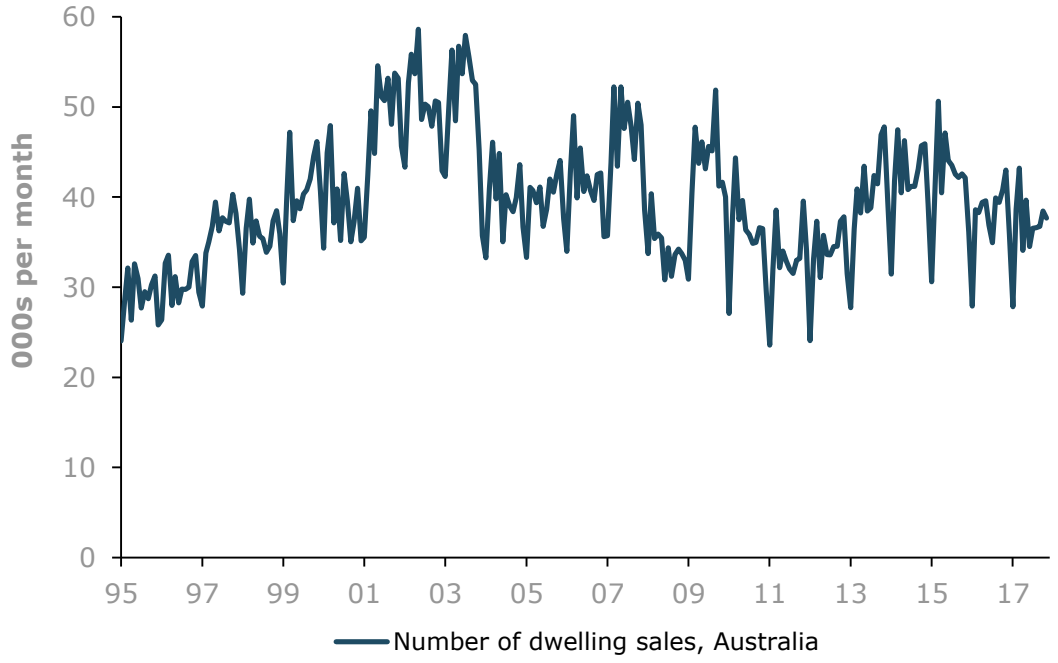
Source: BIS Oxford Economics: MAT, Actuals to December 2017, Forecast March 2018 – June 2022

Residential R&R segment is large and remains stable

Renovation Activity (A$bn)

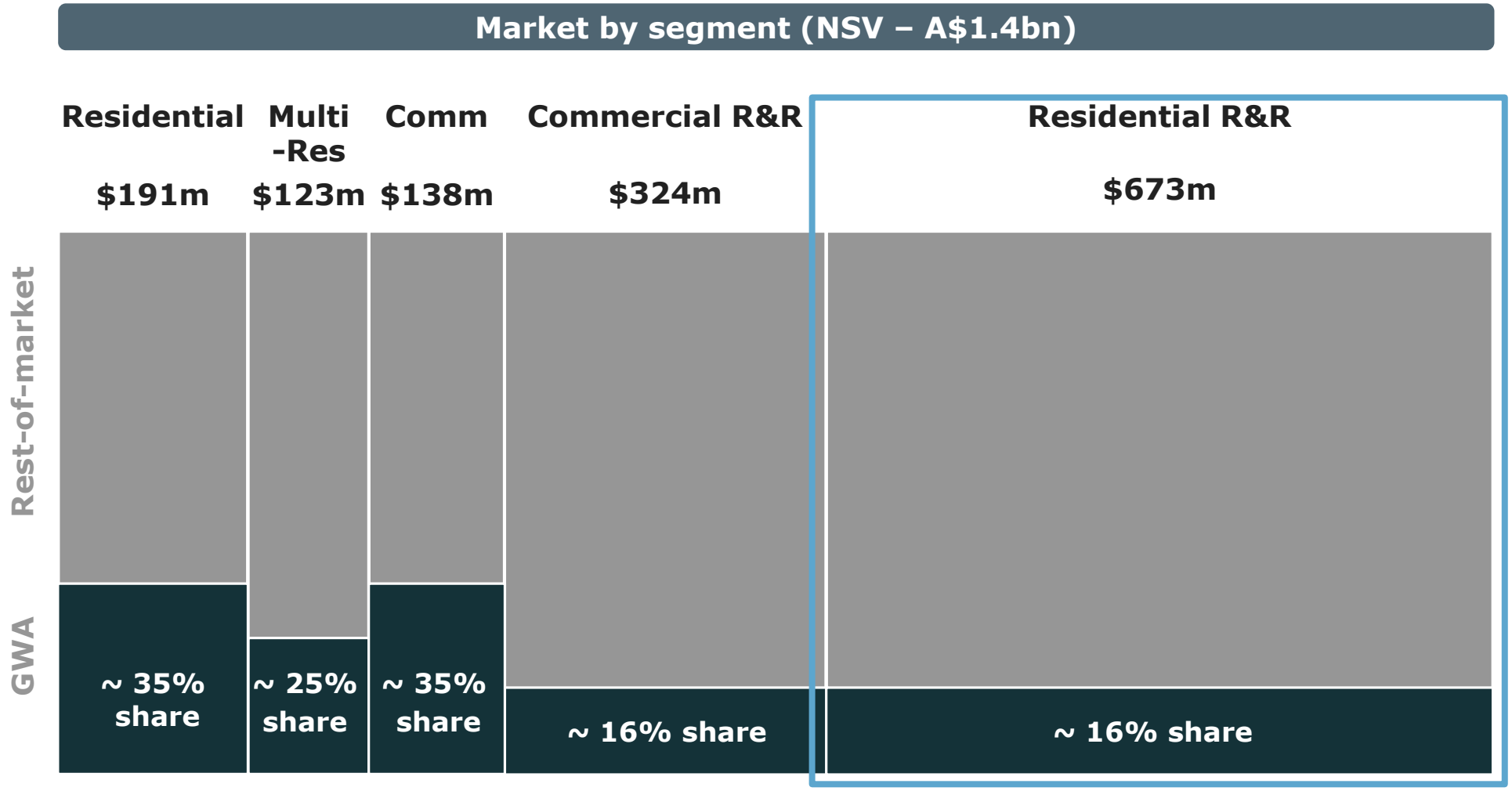


Housing sales (‘000s)



Source: ABS, ANZ

Significant growth opportunity in Residential R&R



Source: GWA estimates – Australia market only, excludes NZ and Spares

Residential R&R – customer strategies for growth

Growth Strategy

- Extend merchant partnerships to drive ranging, availability and coverage
- Create inspirational experiences in customers' showrooms
- Utilise Caroma Flagships to inspire architects, designers and consumer renovators
- Increased investment in digital tools to enhance ease of specifying and installing Caroma

Market leading visibility and availability

Caroma displayed in excess of 1,300 showrooms

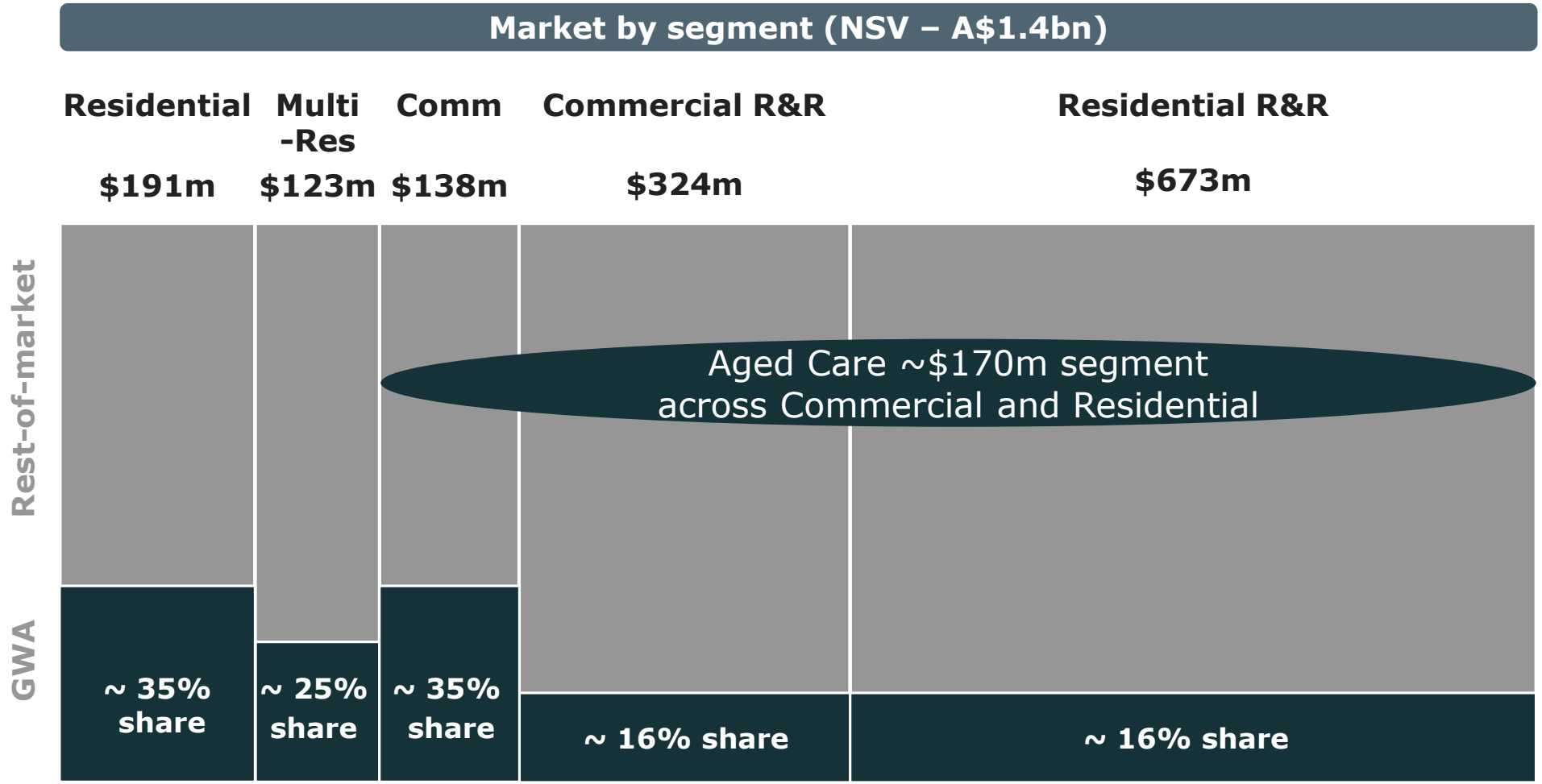
Foot traffic in Adelaide store +80% in first six months



10,000 specs via Caroma Specify last year

5,000 downloads of Caroma plumbers' app last year

Aged Care is a large and growing sector relatively untapped by GWA



Source: GWA estimates – Australia market only, excludes NZ and Spares

Driving our focus on Aged Care opportunity

Growth Strategy

- Built deep understanding of products, customers and consumers' needs
- Developed 'Care' range tailored to unique needs of users and decision makers
- Scale, coverage and technology to access large fragmented market
- Aged care initiatives with key merchant partners to penetrate all 3 aged care segments

Market leading visibility and availability

'Care' range increased to 150 SKUs. Expanding to 200+ in the next year



250 key projects identified across ANZ

Caroma Care SKUs available in 1,100 outlets across ANZ

Partnerships with top 10 Aged Care providers and 25 key Commercial customers

Engagement with merchant partners remains key

Growth Strategy

- Established clarity of each Merchant's differing business needs, strategies, priorities and processes
- Joint plans create growth and profitability that's win-win
- Leverage significant GWA demand creation with secondary customers
- Drive foot traffic in Merchants through R&R marketing initiatives

Market leading visibility, demand creation, availability and coverage

Specialist sales teams. 113 FTEs on the road supported by 57 FTEs in After Sales and Customer Service

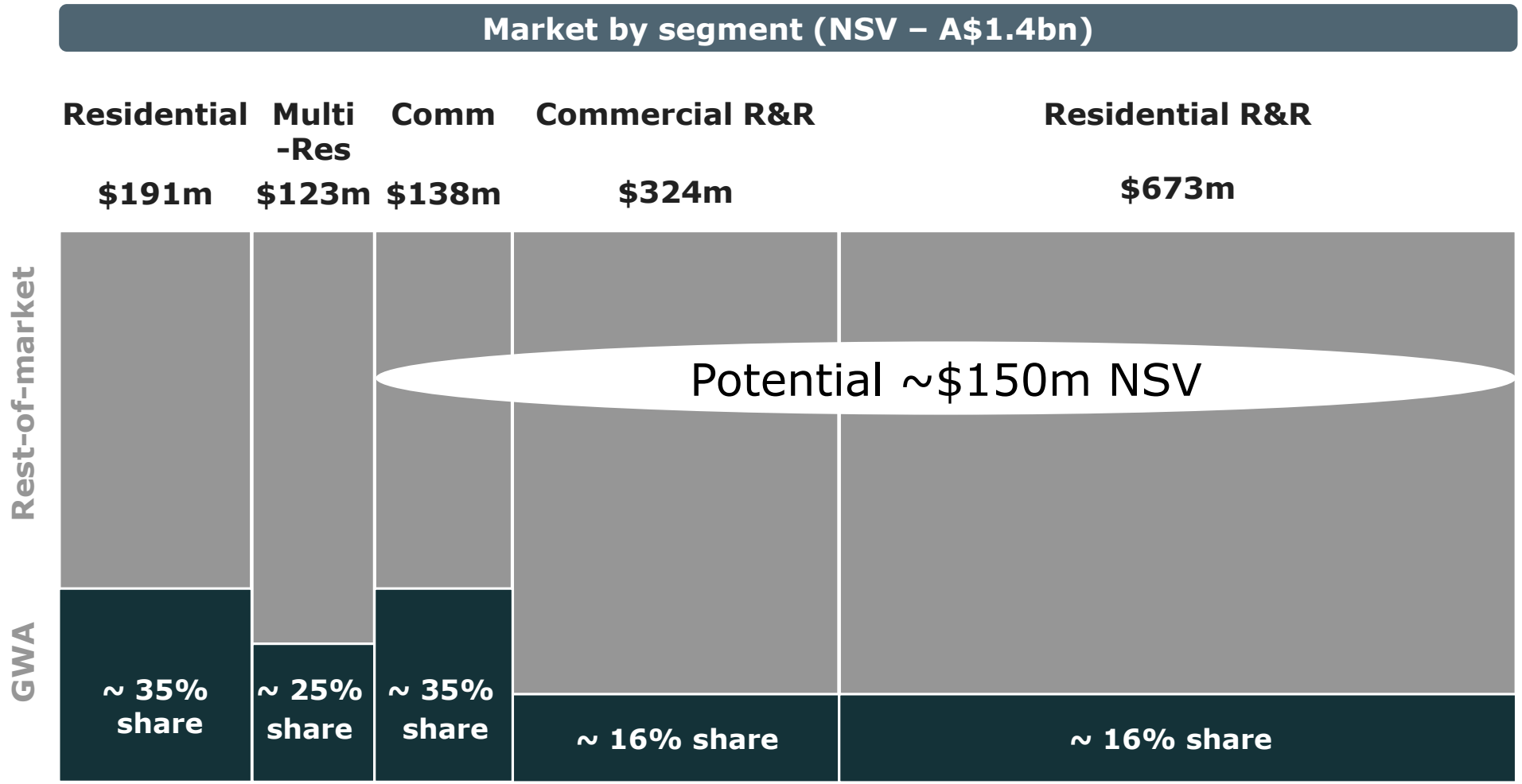
80% of Merchant customer stores called on at least monthly with call centre managing 2,200 calls a day



Business plans and trading terms with all major customers

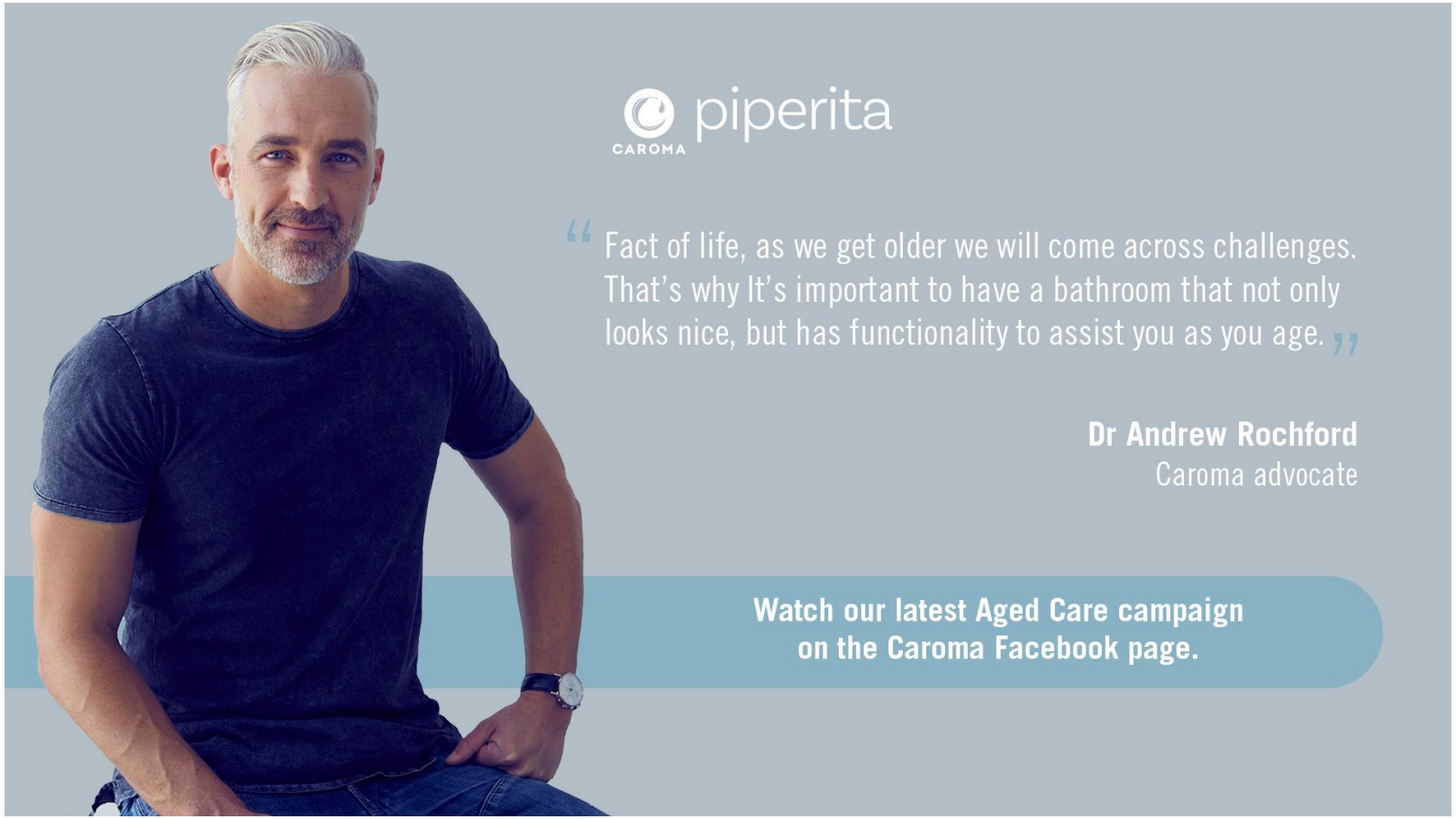
Key customer partnerships resulting in significant mutual share gains

Plans targeting significant NSV growth opportunities



Source: GWA estimates – Australia market only, excludes NZ and Spares

Break



CAROMA



Agenda

GWA transformation - strong progress made	Tim Salt
A business with significant growth opportunities	Tim Salt
Customer focus delivering growth	Craig Norwell
Consumer driven growth	**Semée Dickerson**
Leveraging our advantaged supply chain	Anthony Mortimer
Our financial strength	Patrick Gibson
GWA well positioned for growth	Tim Salt

Consumer driven strategy to drive growth

We make life better with superior solutions for water

Corporate Priorities

Build GWA as the most trusted and respected water solutions company
Maximise shareholder value creation – NPAT growth , ROFE, TSR

CUSTOMER FOCUSED
Add value to customers through superior insights, analytics and processes

CONSUMER DRIVEN
Deliver experiences to excite consumers and drive revenue and market share growth

BUSINESS EFFICIENCY : Simple, effective processes and plans delight consumers and customers

BEST COST : Continuous improvement to support profitability and fund selective reinvestment

GREAT PEOPLE : Continue to build "fit for future" culture, engagement and capability

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

Growth Drivers

SEGMENTS	CATEGORIES	BRANDS	SOLUTIONS
Build on Commercial leadership and grow in R&R	Leverage sanitary to win all of bathrooms and kitchens	Deliver the best water experiences	Lead "smart water management"

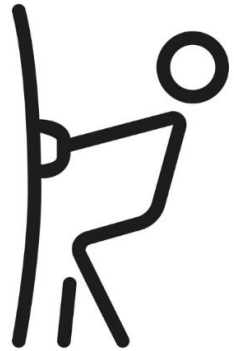
Why consumer driven?
The age of the empowered consumer



Ongoing commitment to build consumer insight

Becoming consumer driven

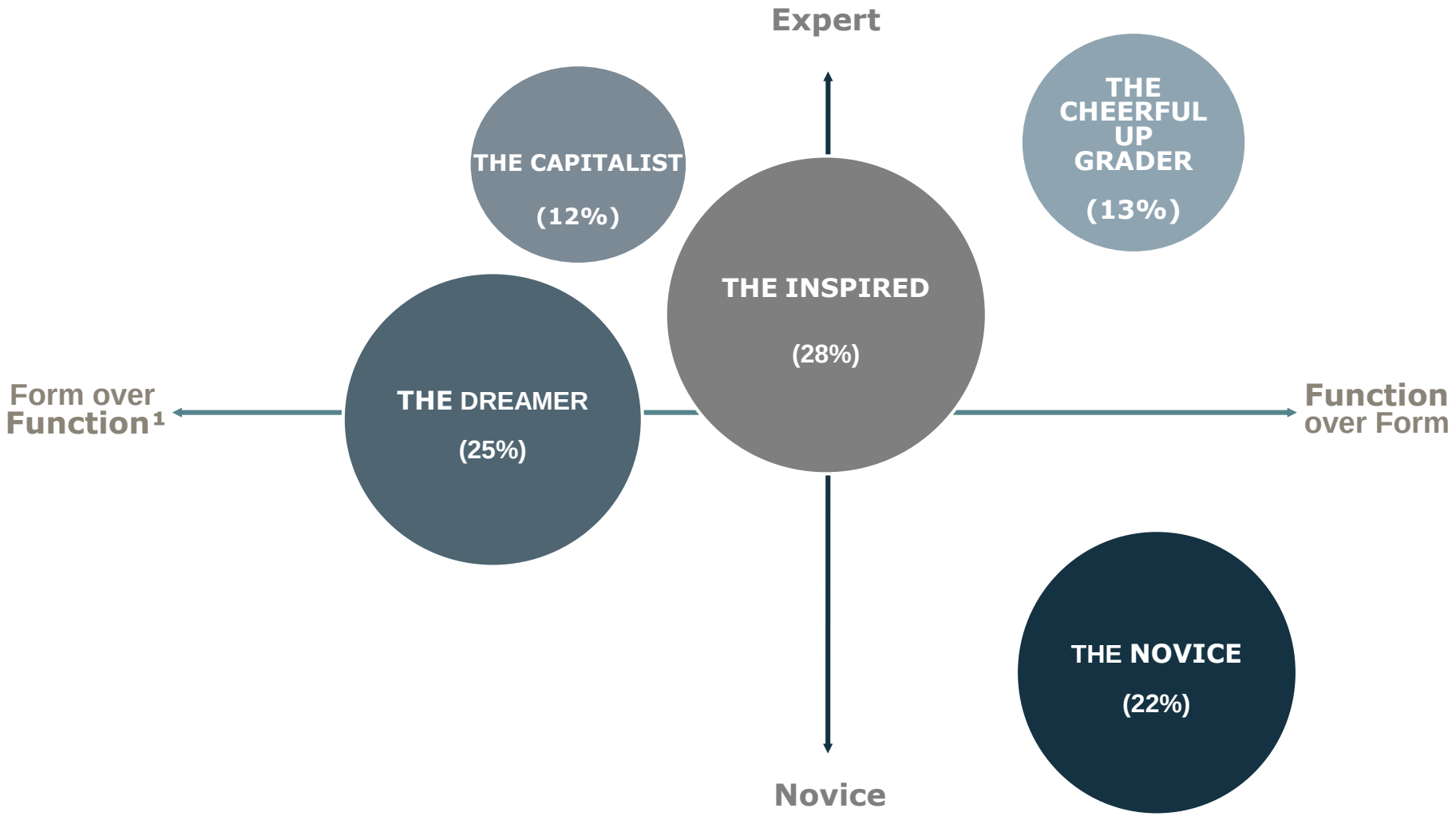
Consumer first	Deeper consumer insight and understanding
Contributing to society	Brands with purpose create stronger consumer relationships
Lifestyle brand business	Superior omni-channel brand experiences



Worked with the empowered consumer to build a deeper understanding of R&R journey

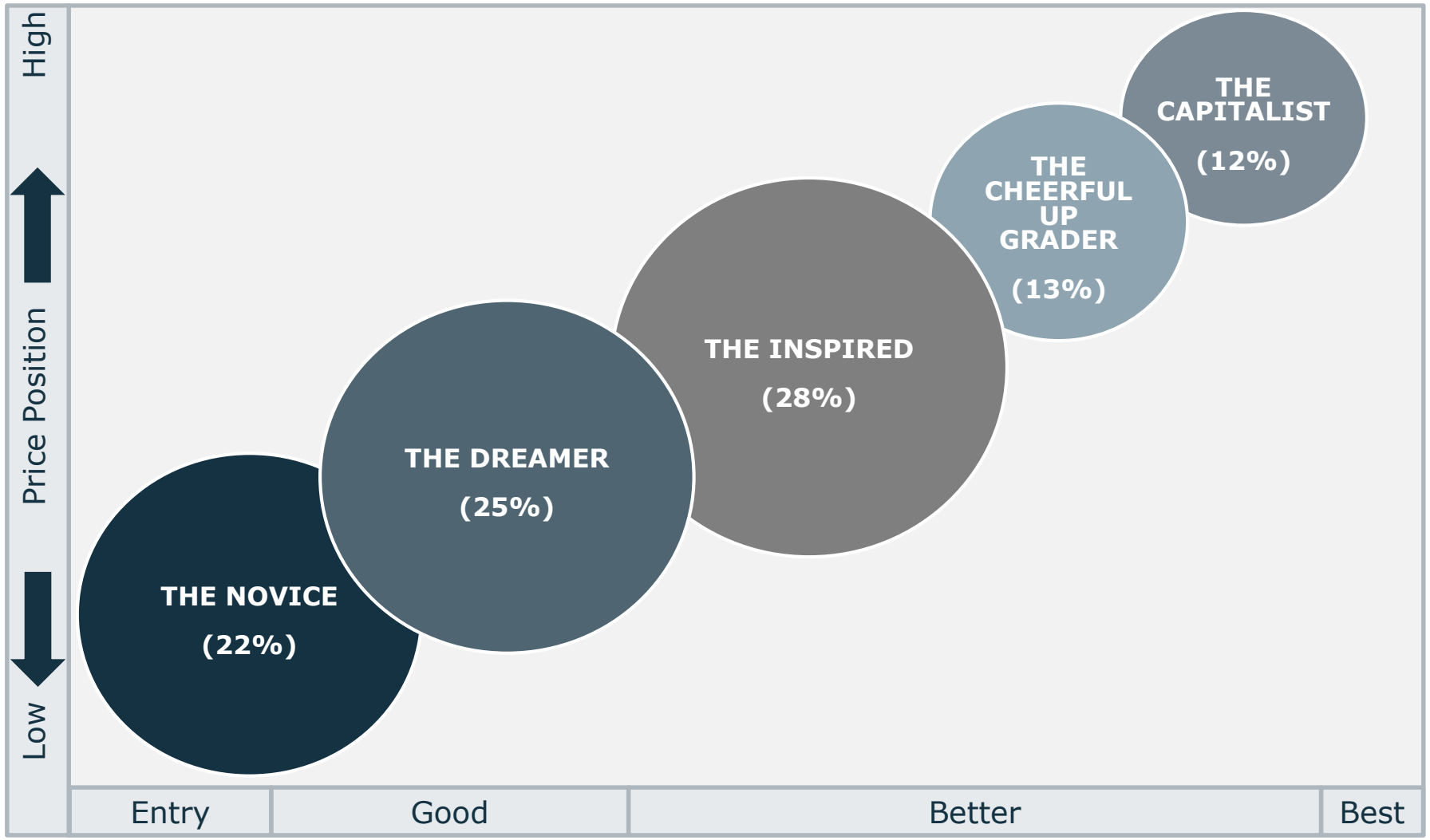
STAGES	TRIGGER/ IDEATION	RESEARCH	PROJECT PLANNING	CONSTRUCTION	COMPLETION
RENOVATION JOURNEY					

Identified five distinct consumer groups and insights into their approach to renovating



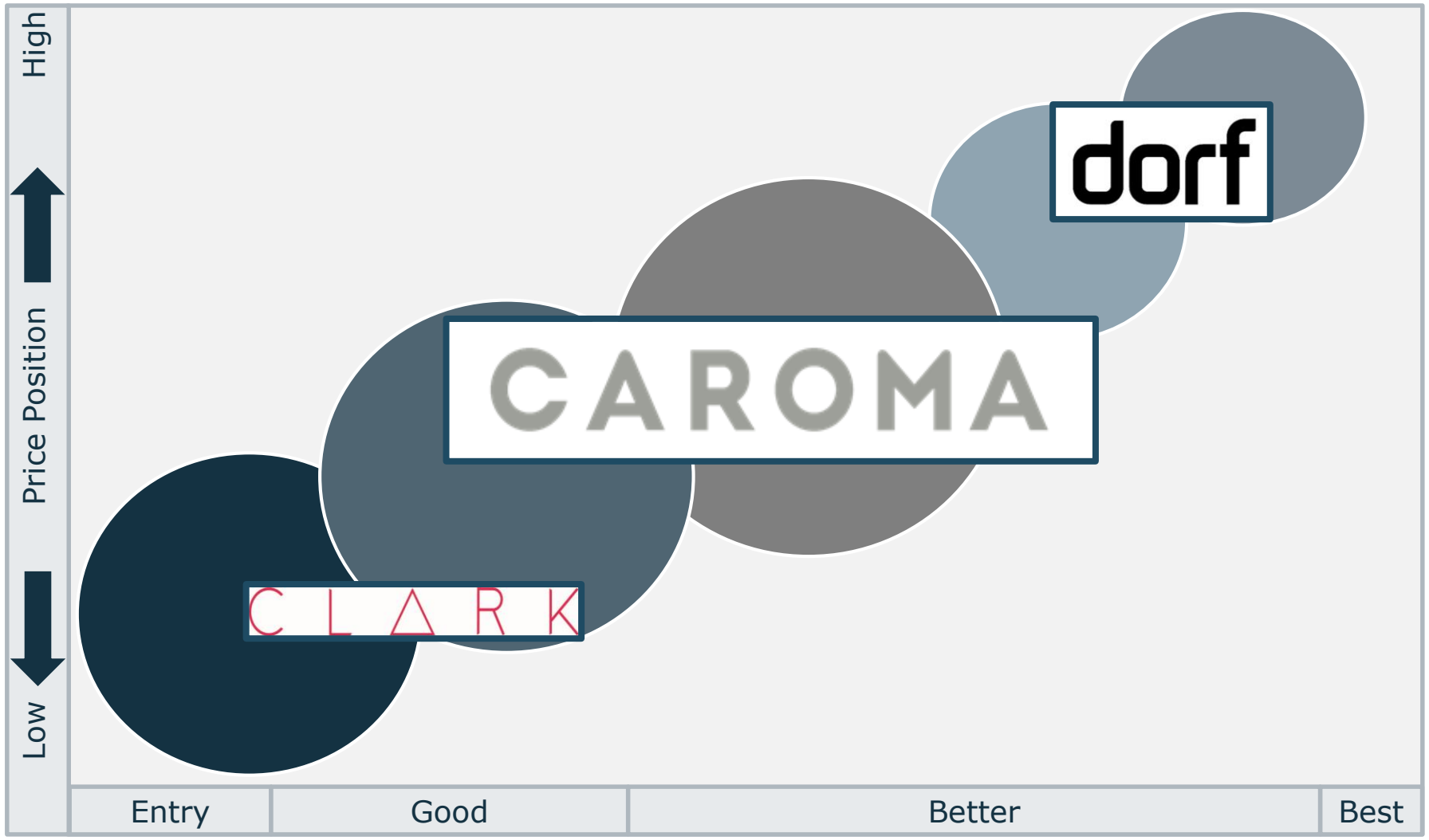
1 Function – Consumer attitude toward bathrooms is such that bathrooms must be primarily functional, durable, liveable, comfortable and aesthetically pleasing
Form – Consumer attitude toward bathrooms is such that bathroom renovations are an opportunity to express personal style. Bathrooms should be a personal oasis, follow latest trends, and be impressive to family and friends

Each group occupies a different place on the price ladder



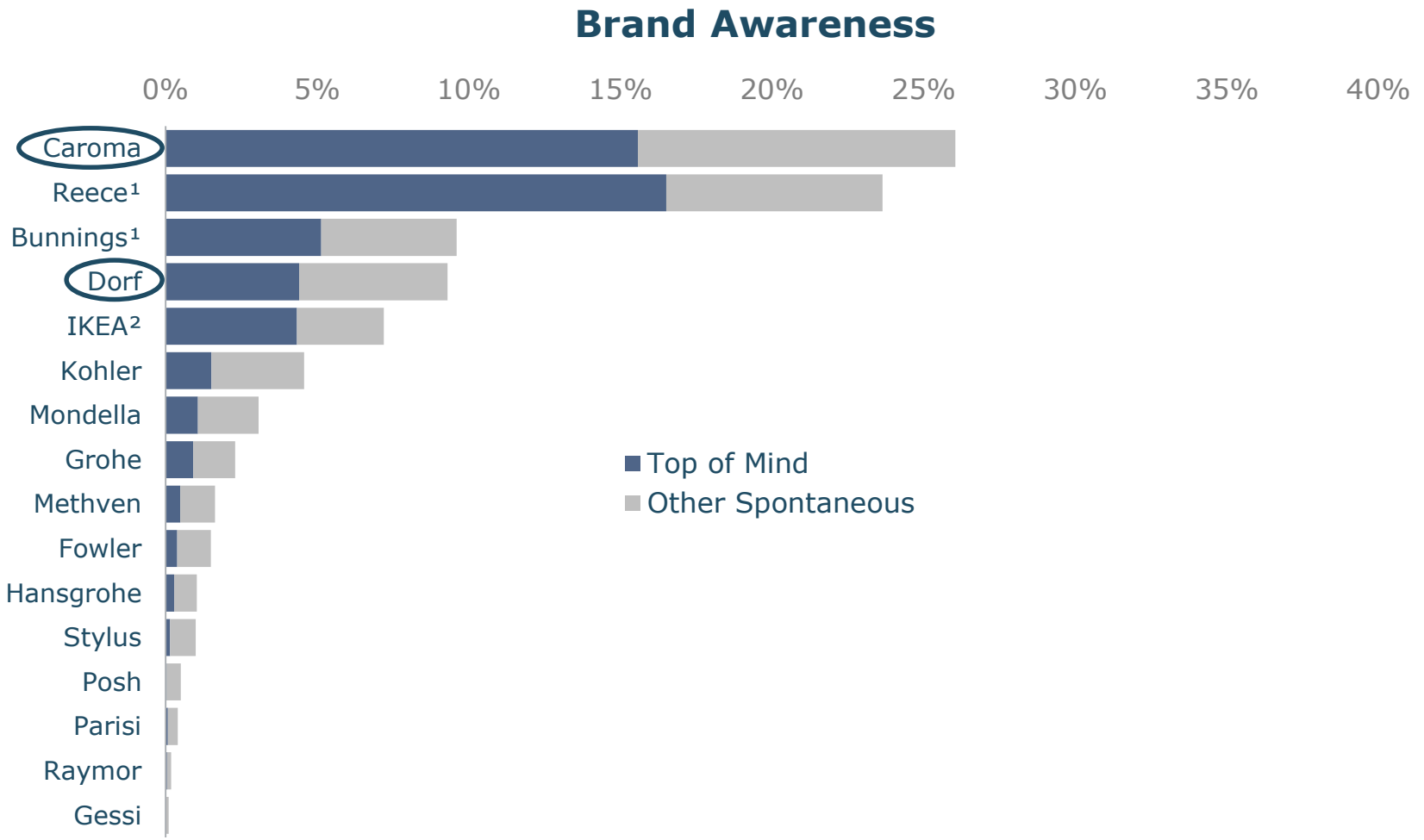
Source: GWA

Brand portfolio aligned to consumer groups



Source: GWA

Strength of Caroma and supporting brands creates growth platform



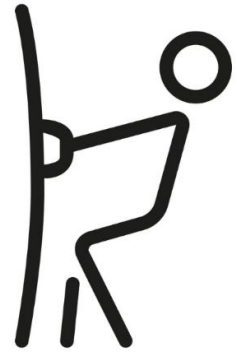
¹ Reece and Bunnings are retailers not Bathroom & Kitchen brands.
² IKEA is both a retailer and a Bathroom & Kitchen brand.

Source: Nielsen

The importance of building brands with purpose

Becoming consumer driven

Consumer first	Deeper consumer insight and understanding
Contributing to society	Brands with purpose create stronger consumer relationships
Lifestyle brand business	Superior omni-channel brand experiences



Reposition Dorf to delight “the capitalists”



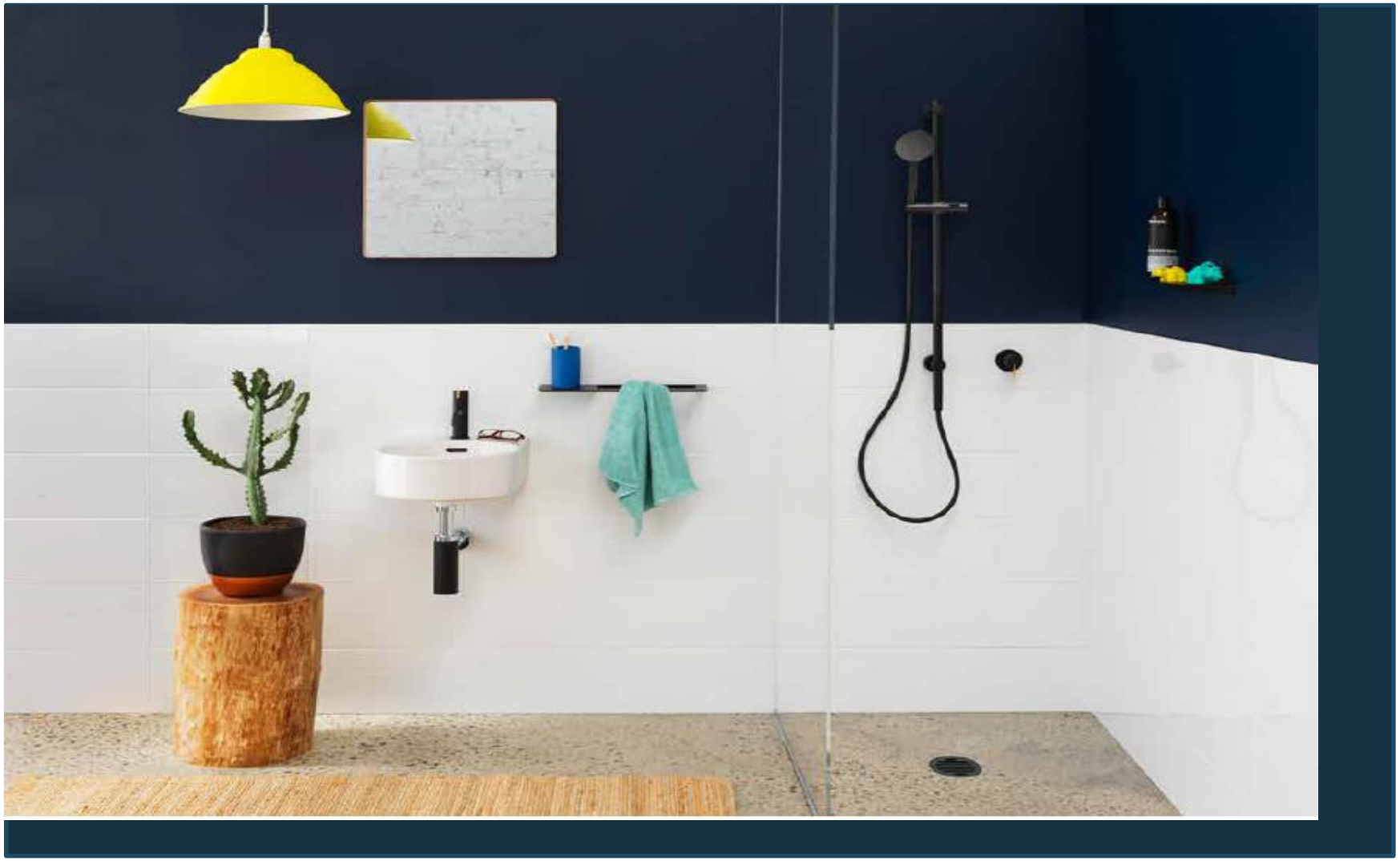
Unique styles for premium, style conscious consumers



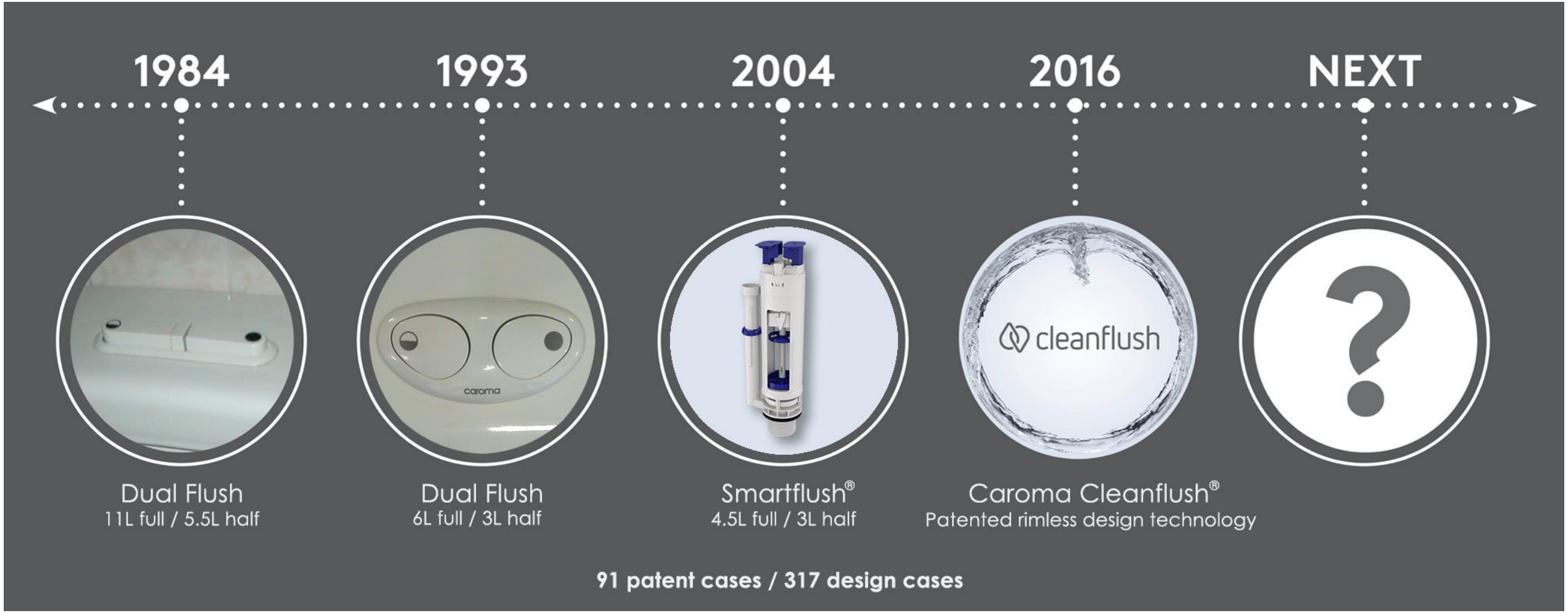
Re-invent Clark to offer a full bathroom solution



Stylish, affordable designs targeted at the “Novice” and “Dreamer” consumer groups



Building on Caroma's heritage and expertise to transform the future



Source: GWA

A culturally iconic and meaningful brand purpose



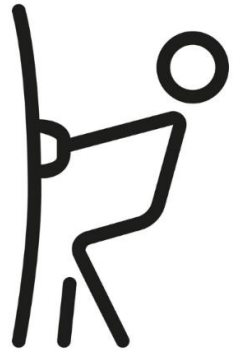
A visual identity that marks a new era for Caroma



Each and every consumer touch point must build a consistent and rewarding brand experience

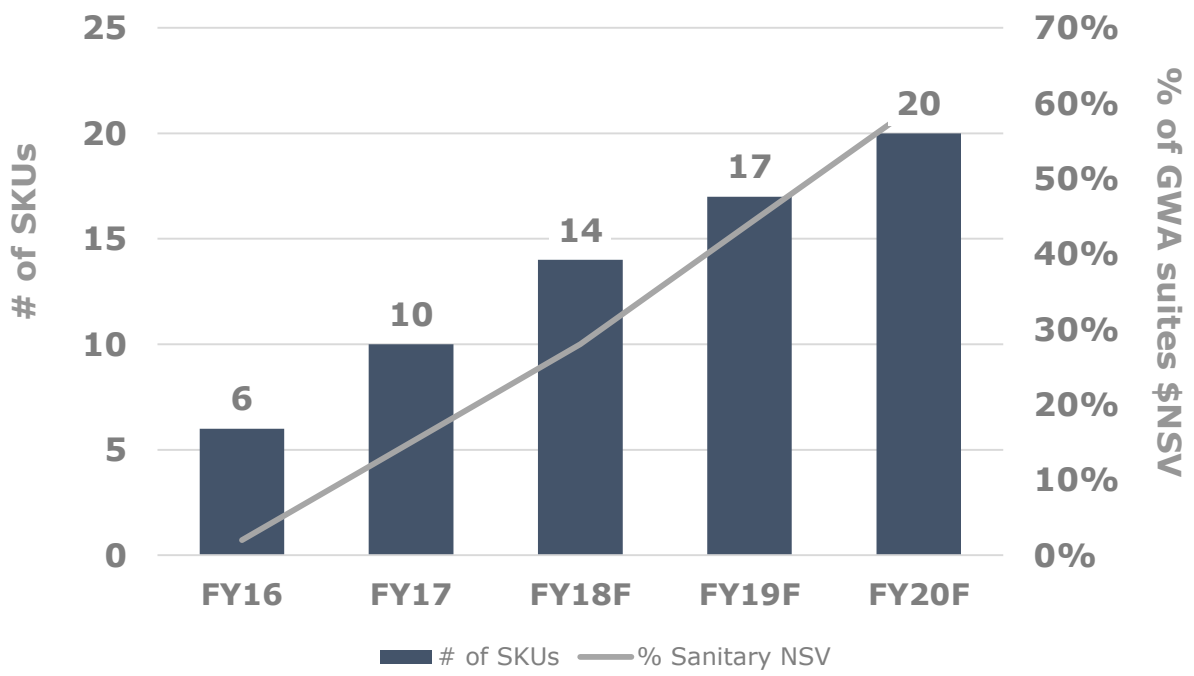
Becoming consumer driven

Consumer first	Deeper consumer insight and understanding
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Continuing to extend and leverage Cleanflush® innovation to strong effect

Caroma Cleanflush Sales
% of GWA suites ($NSV)



20 new Cleanflush variants
across sub categories by 2020

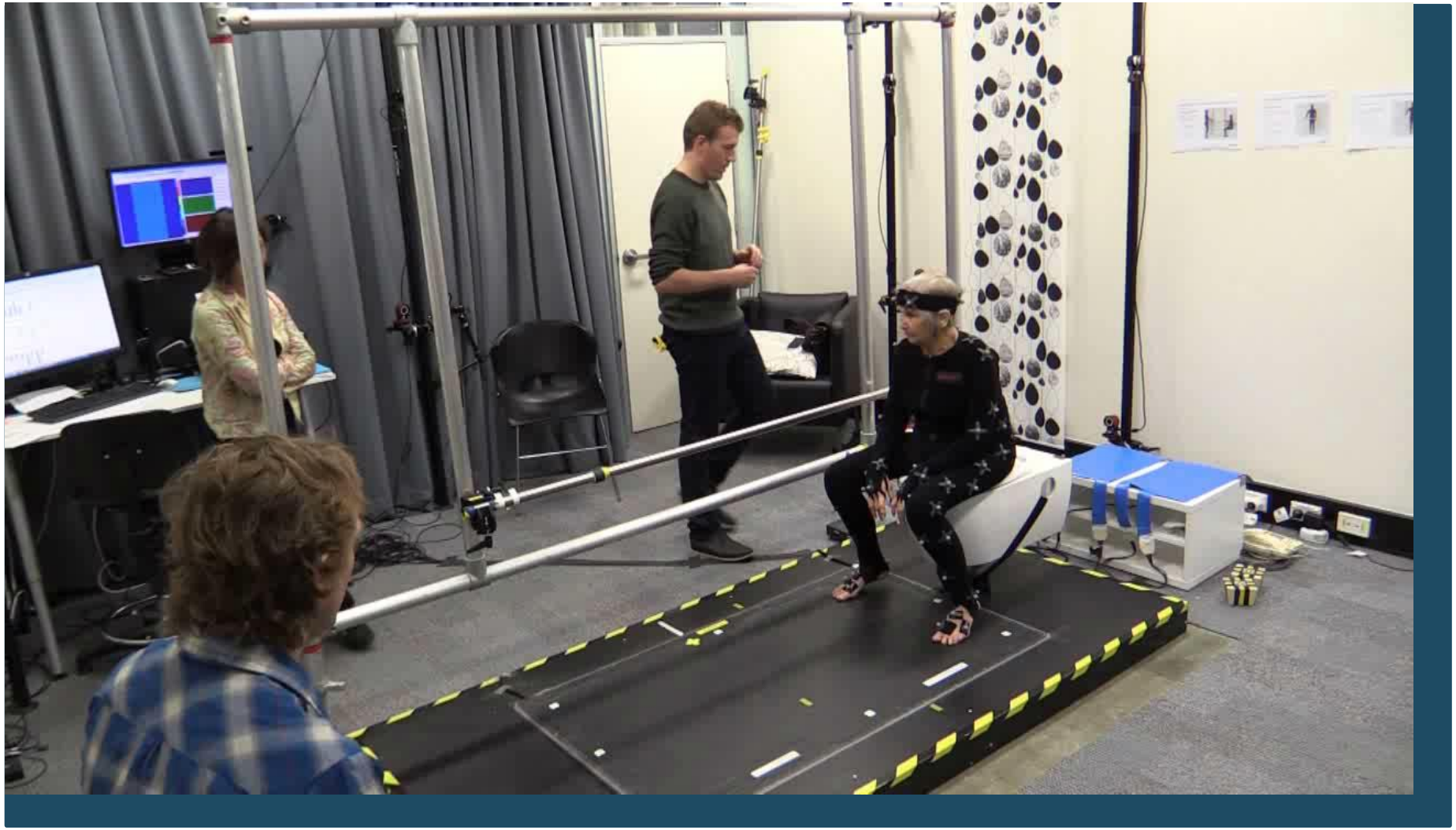


Source: GWA

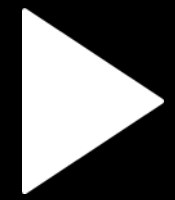
Creating inspirational premium solutions for “upgraders” and “capitalists”



Leading the thinking and development of solutions for the distinct needs of ageing consumers



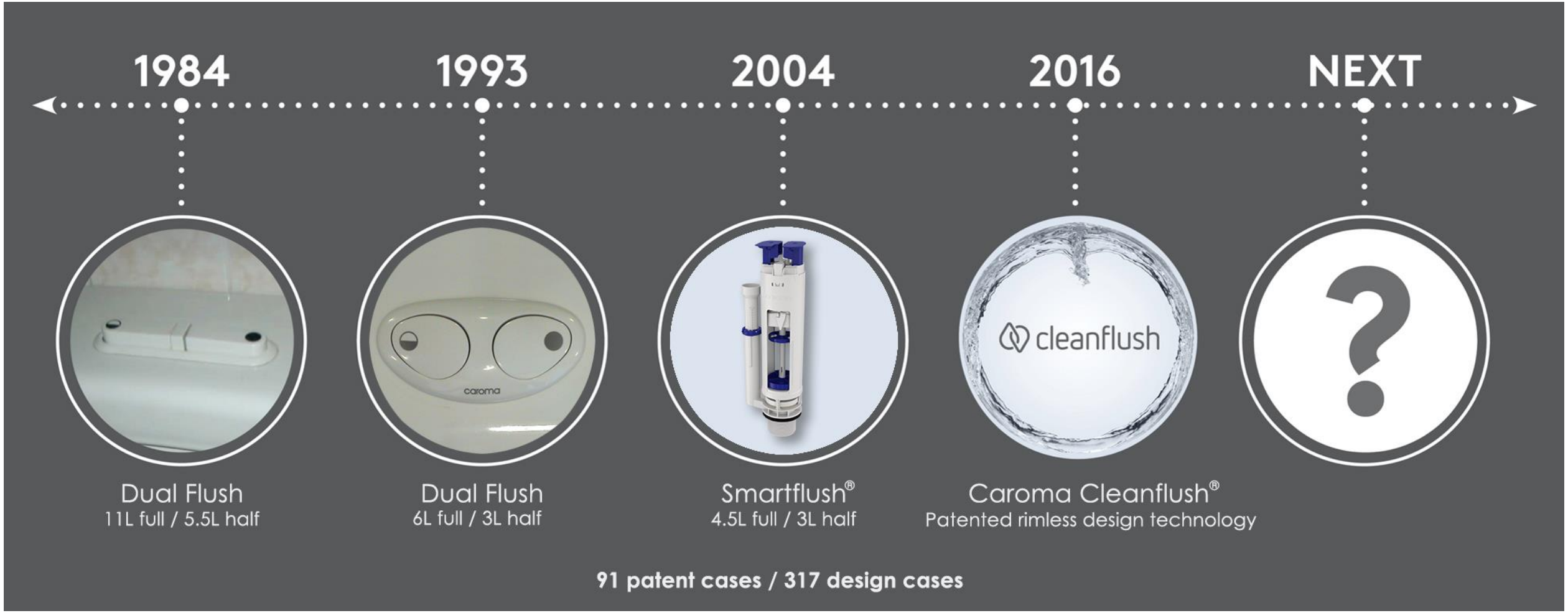
Leading the thinking and development of solutions for the distinct needs of ageing consumers



Empathetic design solutions that are flexible and create scale opportunities



Building on Caroma's heritage and expertise to transform the future



Source: GWA

World class innovation that changes the industry’s practice and expectation of water management



Caroma Smart Command® – changing standards in building water management

Key features of SmartCommand[1]

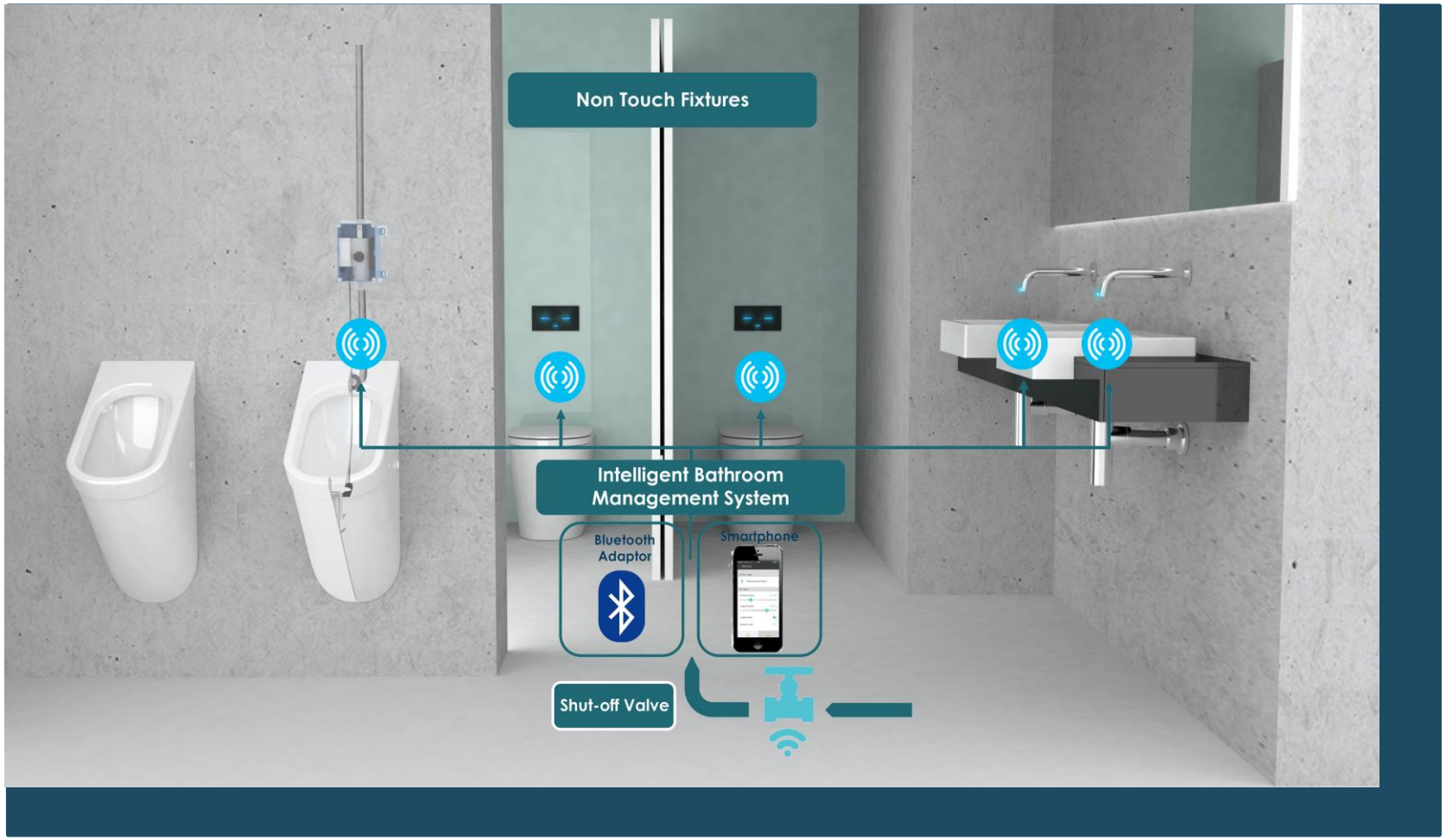
- Touchless bathroom products
- Remote BMS[2] connectivity to all bathrooms
- Remotely monitor and manage water usage including leaks
- Needs based real time bathroom cleaning schedule

Key benefits of SmartCommand[1]

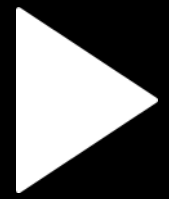
- Hygenic user experience
- Increased bathroom up time and better user experience
- Reduced water usage and rental benefit from Green Star rating
- Reduced costs via increased preventative maintenance
- Cost efficient remote monitoring and management
- Remote commissioning on install saves plumber time and money
- Reduced cleaning costs

[1] Patent pending
[2] Bathroom Management System

A robust system that is connected and flexible



A robust system that is connected and flexible



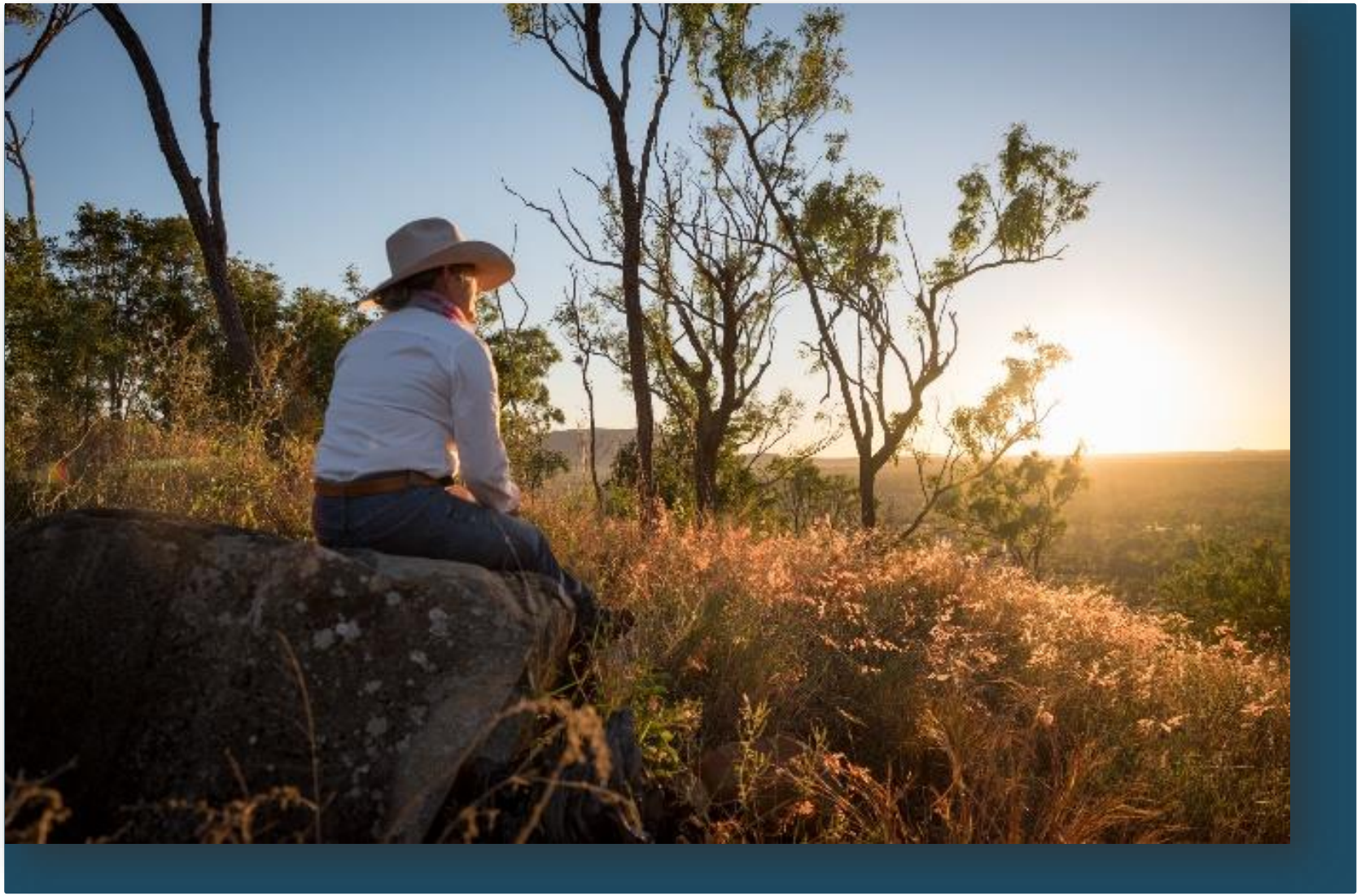
Evaluated and endorsed by key commercial customers

- ✓ Technology platform testing completed
- ✓ Key customer engagement undertaken
- ✓ 12 months testing completed in-situ – commercial office and shopping centre
- ✓ Patent applications in progress
- ✓ Full commercial installation at one site
- ✓ Further commercial roll out underway

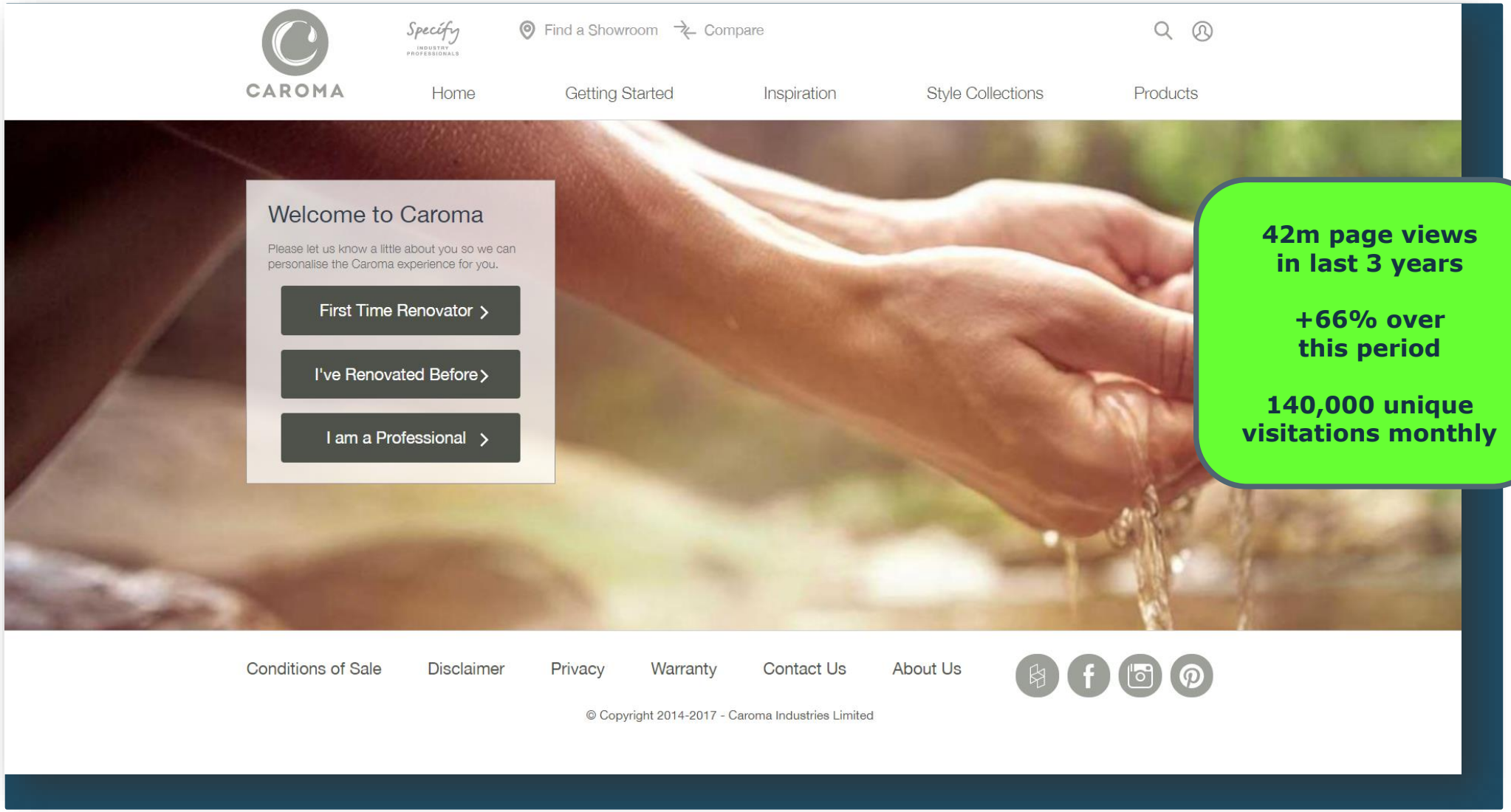
Seamless omni-channel brand experiences that delight and deliver value



Increased investment in targeted consumer campaigns with content that creates ‘talkability’



The new Caroma website understands and facilitates the renovation journey



42m page views in last 3 years

+66% over this period

140,000 unique visitations monthly

Leverage and grow best in-category social engagement



+76% in Facebook followers (last 3 years)

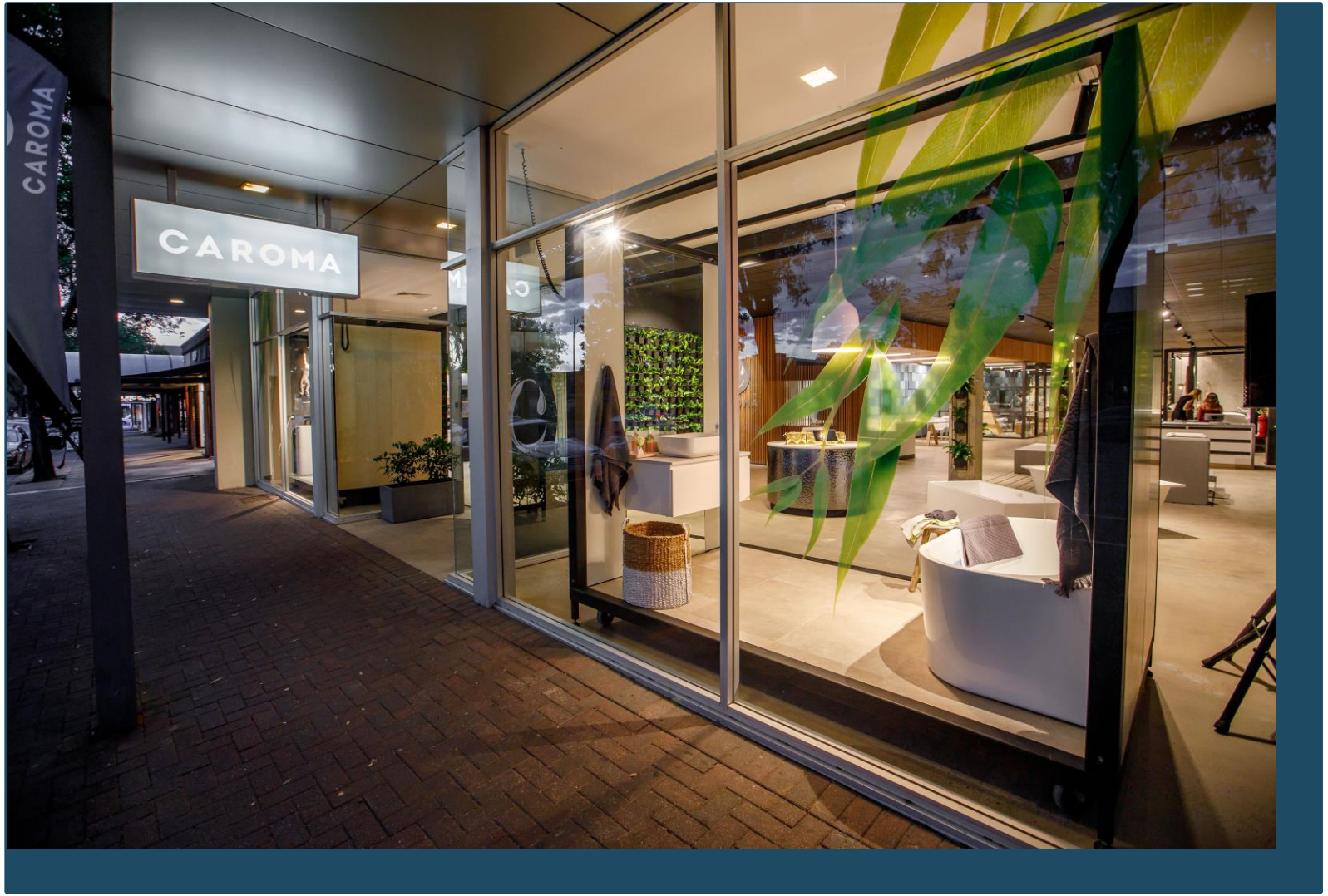
Engagement >3%
(Industry average[1] 0.17%)

+1,000% in Instagram followers (last 2 years)

Engagement >3%
(Industry average[1] 1.66%)

[1] All industry average

Importance of engaging and immersive physical brand experiences



Our new flagship store – Caroma on Collins, Sydney



Agenda

GWA transformation - strong progress made	Tim Salt
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GWA well positioned for growth	Tim Salt

Supply chain strategy to delight consumers and customers at best cost

We make life better with superior solutions for water

Corporate Priorities

Build GWA as the most trusted and respected water solutions company
Maximise shareholder value creation – NPAT growth , ROFE, TSR

CUSTOMER FOCUSED
Add value to customers through superior insights, analytics and processes

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

Growth Drivers

SEGMENTS
Build on Commercial leadership and grow in R&R

CATEGORIES
Leverage sanitary to win all of bathrooms and kitchens

BRANDS
Deliver the best water experiences

SOLUTIONS
Lead "smart water management"

Progress made in supply chain

Area of focus	Progress	Specific initiatives
World leading quality		Best in market reputation for product quality and performance
Service excellence		Integrated business planning to drive inventory management improvements
NPD pipeline delivery		Products matched with consumer insights delivering sales growth
Improve IP protection		Exited non-conforming suppliers and maintained IP
Reduce costs by $8-10M[1] from FY16 to FY19 for growth investment and margin resilience		Stock consolidation and direct shipping to state warehouses
Reduce supply chain risk		Dual sourcing capability and risk audits and action plans implemented

[1] $8-10M Supply Chain and $5M SG&A; Total $13-15M

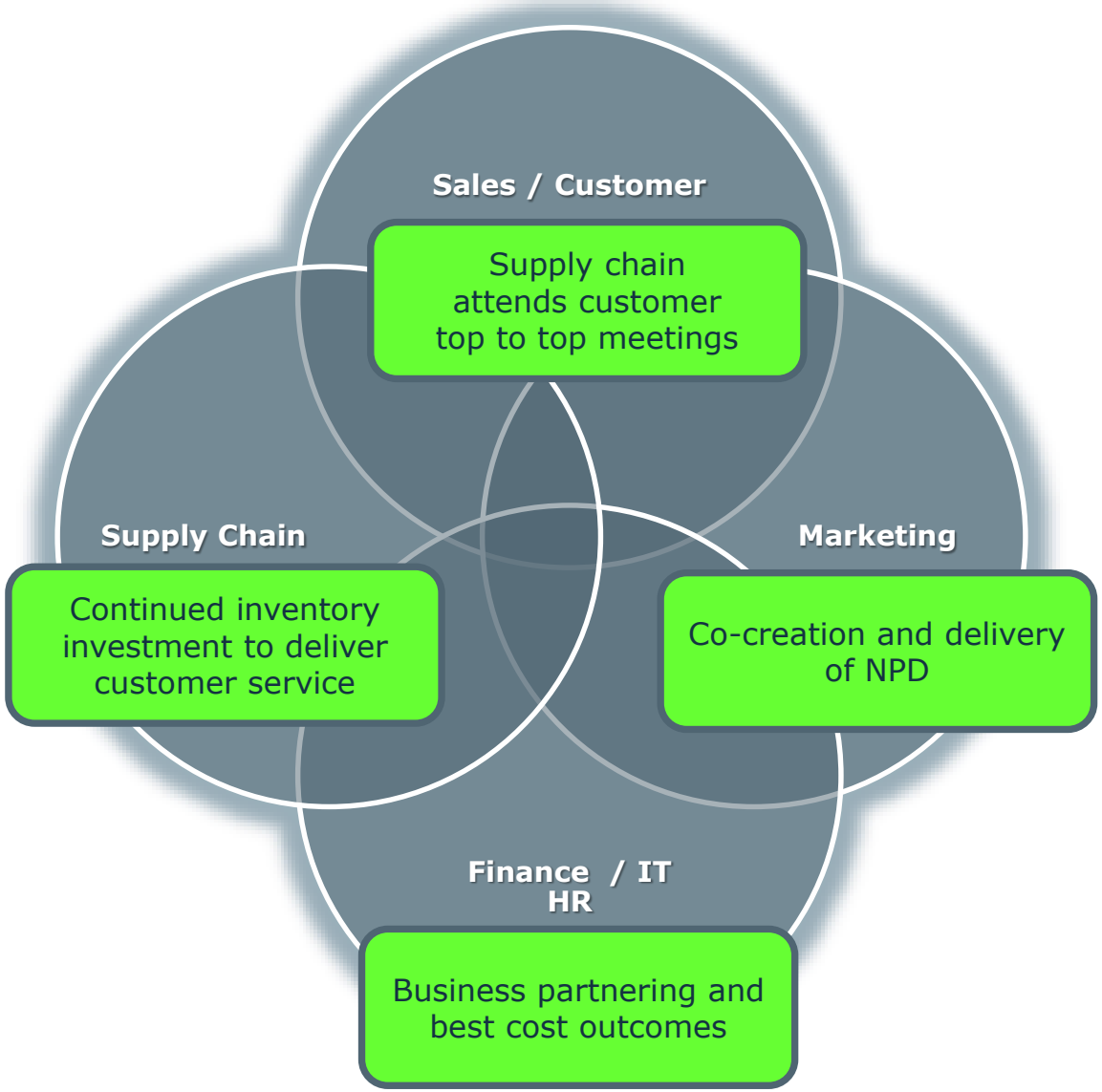
Supply chain creating competitive advantage



Creating a supply chain synchronised with the front end of our business

Growth enabler – JUBP[1]

- Customer focused - the right supply chain exceeding service and quality expectations
- Joint value creation – supply chain contributing to win / win with customers
- Consumer insight - creating and manufacturing products and solutions that consistently deliver and delight
- Continuous improvement approach - culture, attitude, capability and processes



[1] Joined Up Business Planning

Australian innovation - products designed for local market conditions and consumers

Growth enabler – innovation and product design

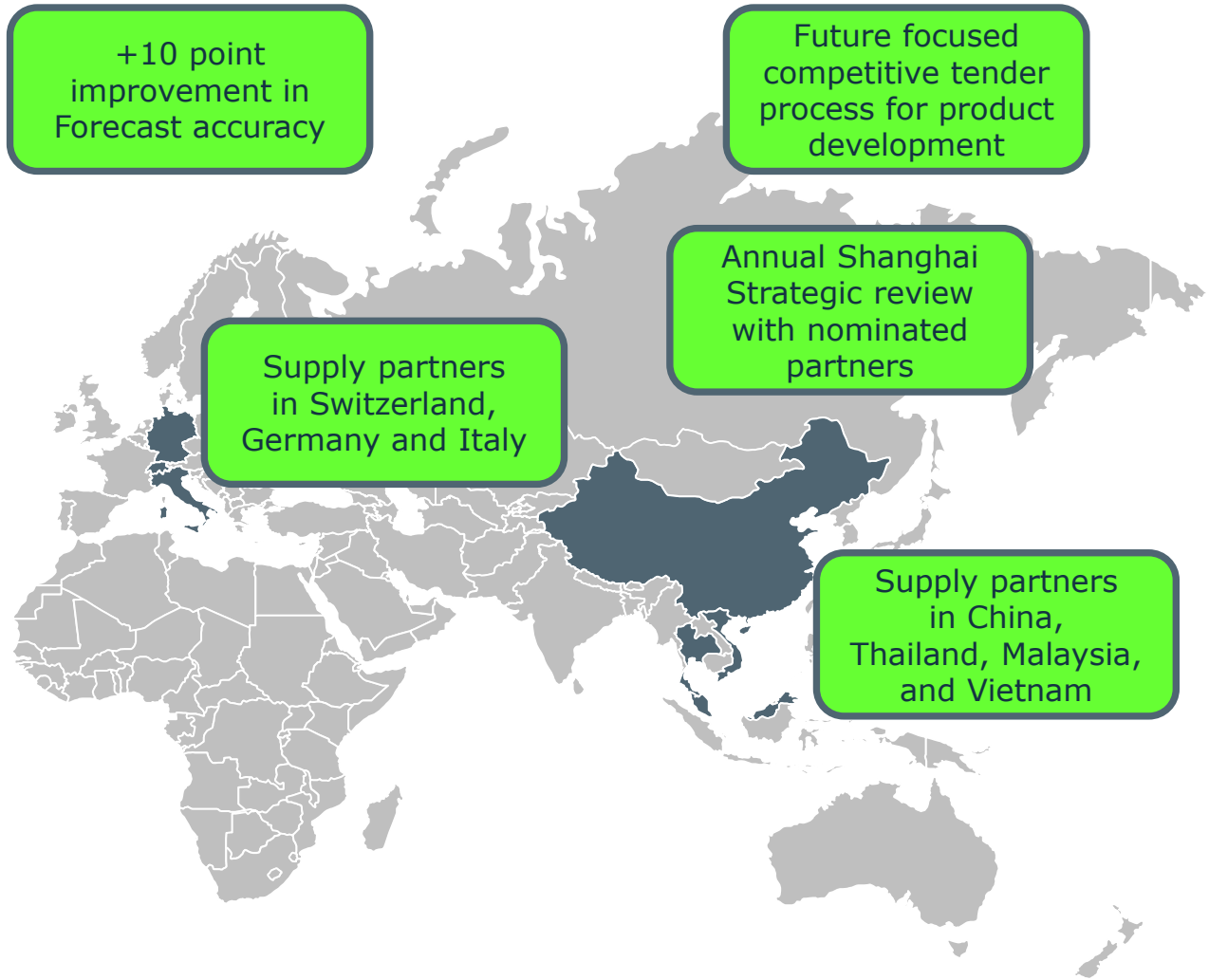
- Consumer expertise - continued investment in local design teams
- Support brand growth - new world class R&D facility
- Portfolio management - NPD mirrored with efficient SKU rationalisation
- Superior solutions - global strategic suppliers partnering with our local experts



Creating sustainable supply solutions in partnership with our strategic suppliers

Growth enabler – supply solutions

- Exclusive supply partnerships – long term commitment to quality, service, best cost and innovation
- Enhancing supply partner capability – 17 GWA staff in Asia building supply partner expertise
- Three year volume signals - enabling supply partners to focus on long term service, yield and waste elimination opportunities



Designing a global distribution network that delights customers and supports growth

Growth enabler – network alignment

- Business efficiency - optimising service at best cost across our end to end network
- Increased use of technology solutions - integrating systems and processes with suppliers and customers
- Service policy - continuously evolving to meet changing customer expectations

30,000m² streamlined purpose built warehousing facility

5* Green Rating



Warehouse Management System driving service and efficiency

1,895 invoiced deliveries per day

Continuous commitment to drive further cost efficiencies

Growth enabler – best cost

- Driving continued business efficiency - focused on Waste, Yield and COGS
- Distribution network alignment - cost to serve project initiated February 2018 for cost out and customer satisfaction
- Evolving sourcing structures – establish the next geographic supply source with current partners
- $8-10m Supply Chain cost savings FY19-FY21

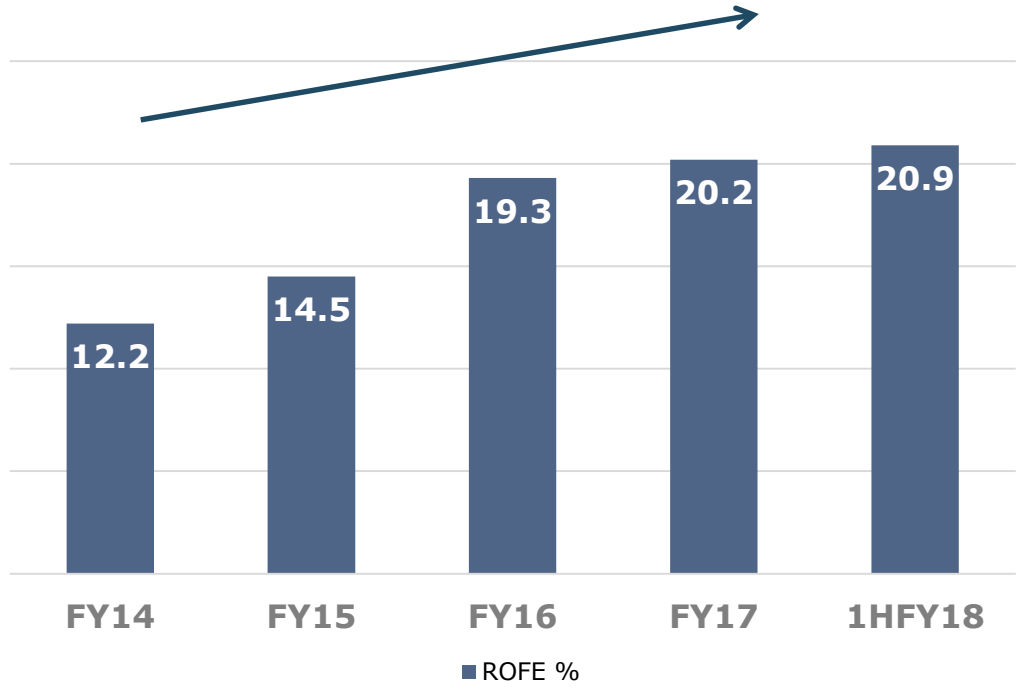


Agenda

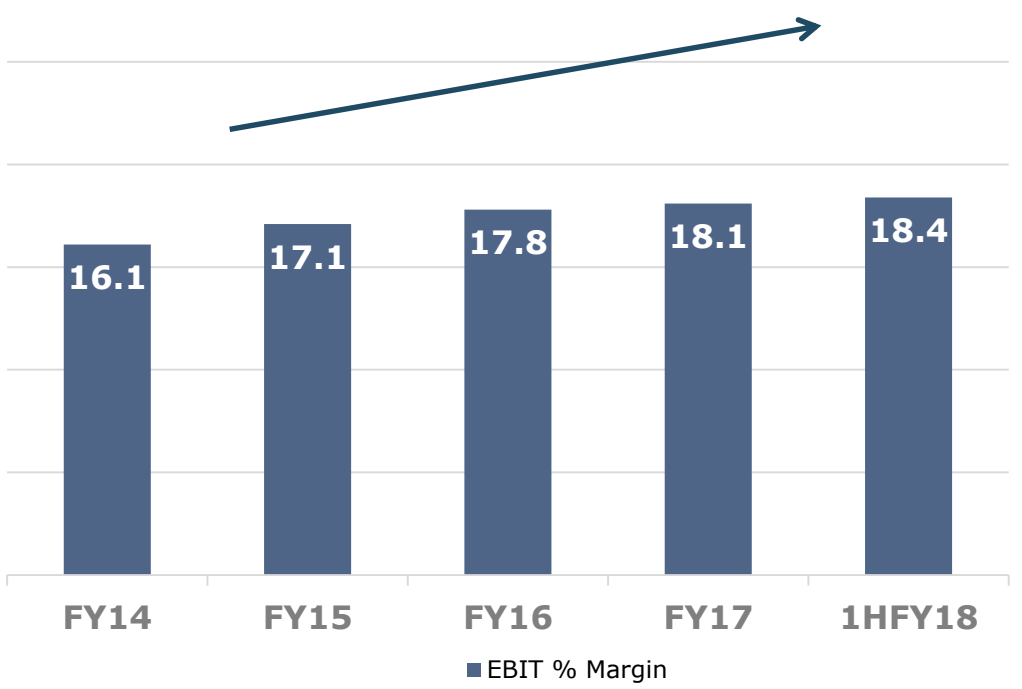
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Consistently strengthening returns

Group Return on Funds Employed (%)



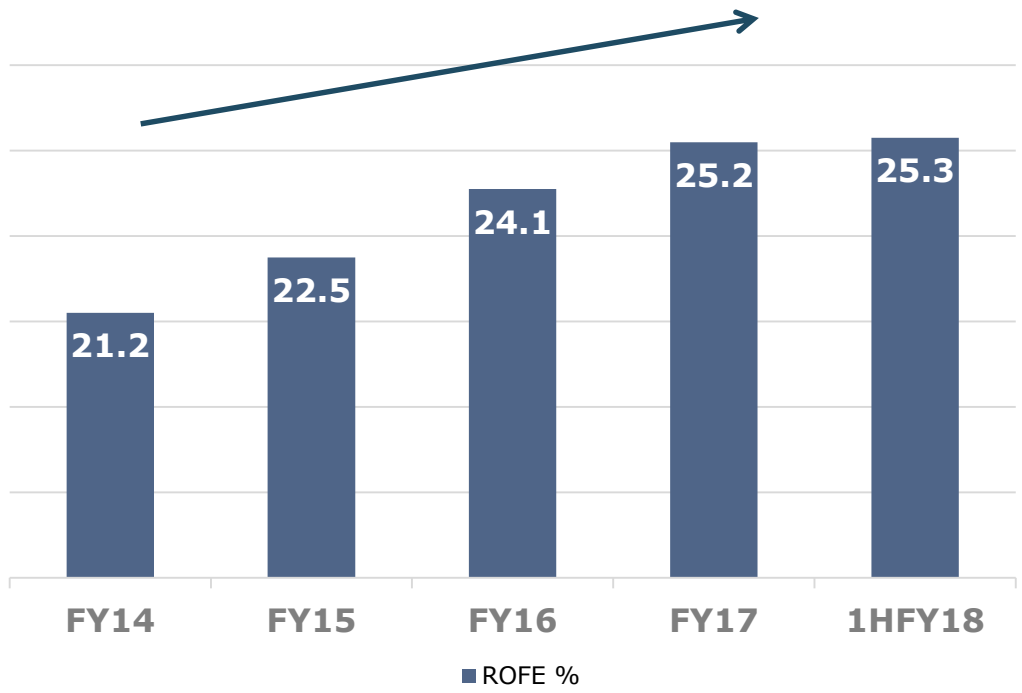
Group EBIT Margin (%)



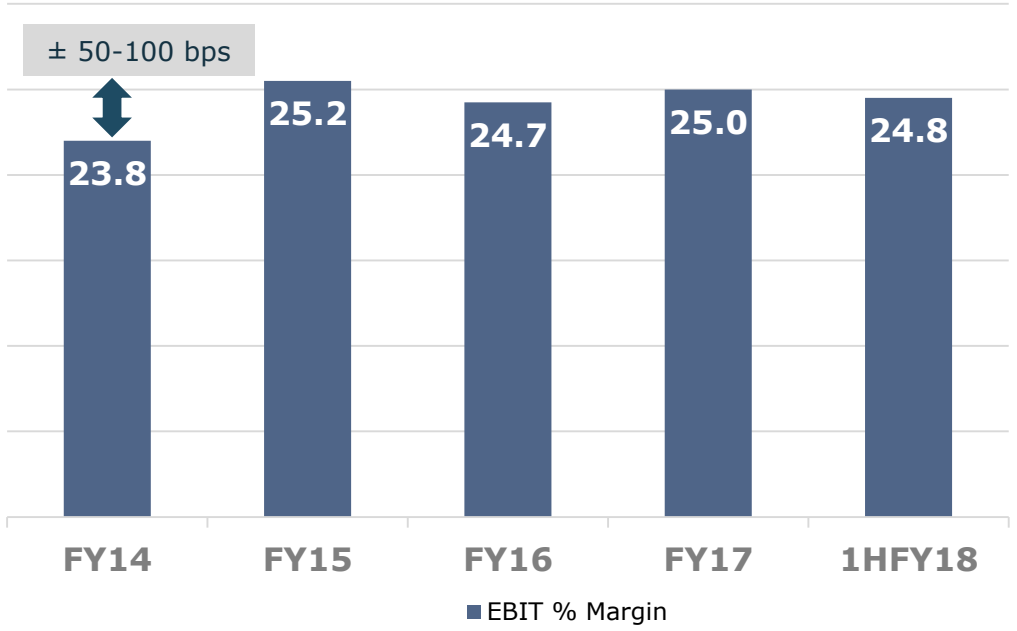
Source: GWA

B&K strong returns with margin resilience

B&K Return on Funds Employed (%)



B&K EBIT Margin (%)



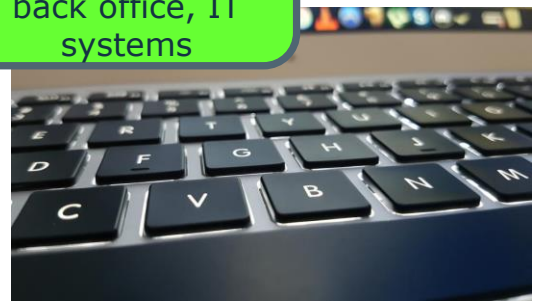
Source: GWA

Implement next phase of cost savings

Growth enabler – cost savings

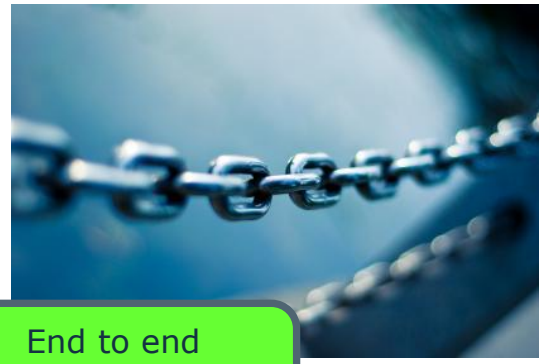
- Total cost savings of $9-$12M FY19-FY21 (3 year target)
- Operational efficiency – continue to reduce cost base through back office and execution efficiency improvements
- Supply Chain – targeting supply chain efficiencies with strategic partners: COGS; sourcing; NPD etc.
- Cost savings:
  - Re-invested to fund growth initiatives
  - Provide margin resilience through the cycle
  - Offset inflation

Automation and efficiency improvements in back office, IT systems



Stock consolidation and direct shipping state warehouses





End to end approach to supply chain cost out



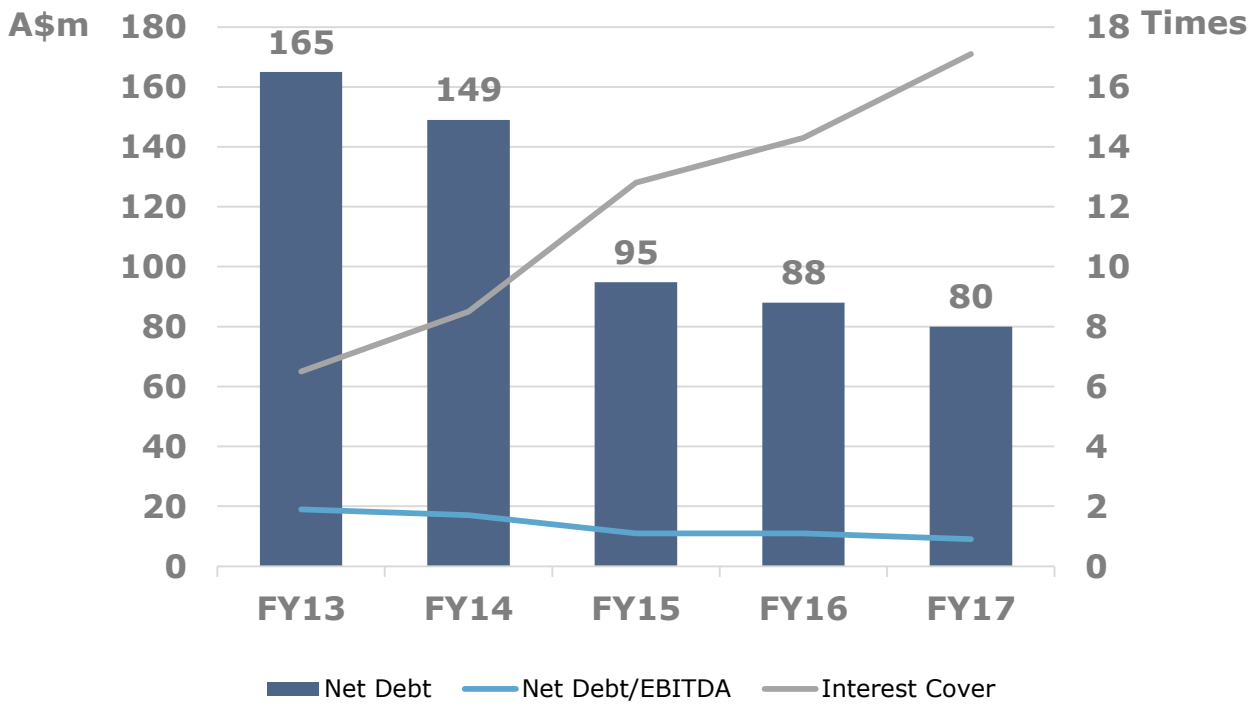
Procurement expertise recruited to lift capability

Strong financial position to fund growth

Growth enabler – strong credit metrics

- Credit metrics continue to be consistent with investment grade
- Syndicated banking facility extended in October 2017 – single 3-year revolving facility maturing October 2020
- GWA remains in strong financial position
  - provides enhanced financial flexibility for investment in both organic and inorganic growth opportunities and potential capital management

Continued low debt



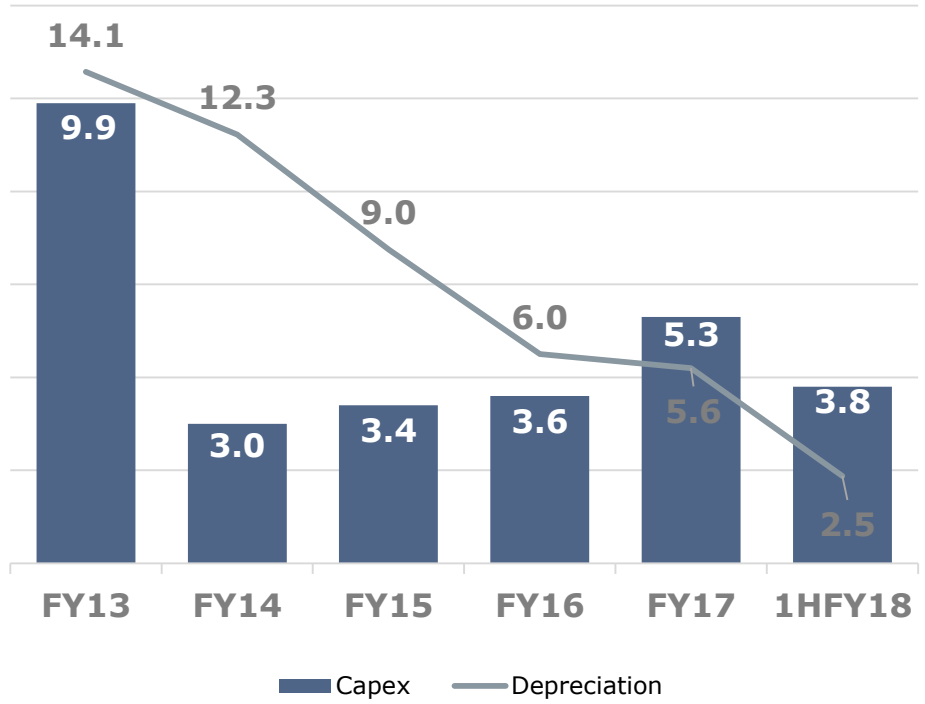
Source: GWA

Disciplined capital expenditure focused on growth initiatives

Growth enabler – disciplined capital expenditure

- Continued disciplined approach to Capital Expenditure
- Exit of manufacturing reduced capital requirements and increased more flexible cost structure
- Now enables higher capex focused on growth initiatives in key areas:
  - Consumer engagement (flagship stores)
  - NPD and R&D
  - Customer service (distribution and warehouse management)
- Higher capex in FY18 reflects focus on growth initiatives, timing, and under-investment in prior years

Capital expenditure profile (A$m)



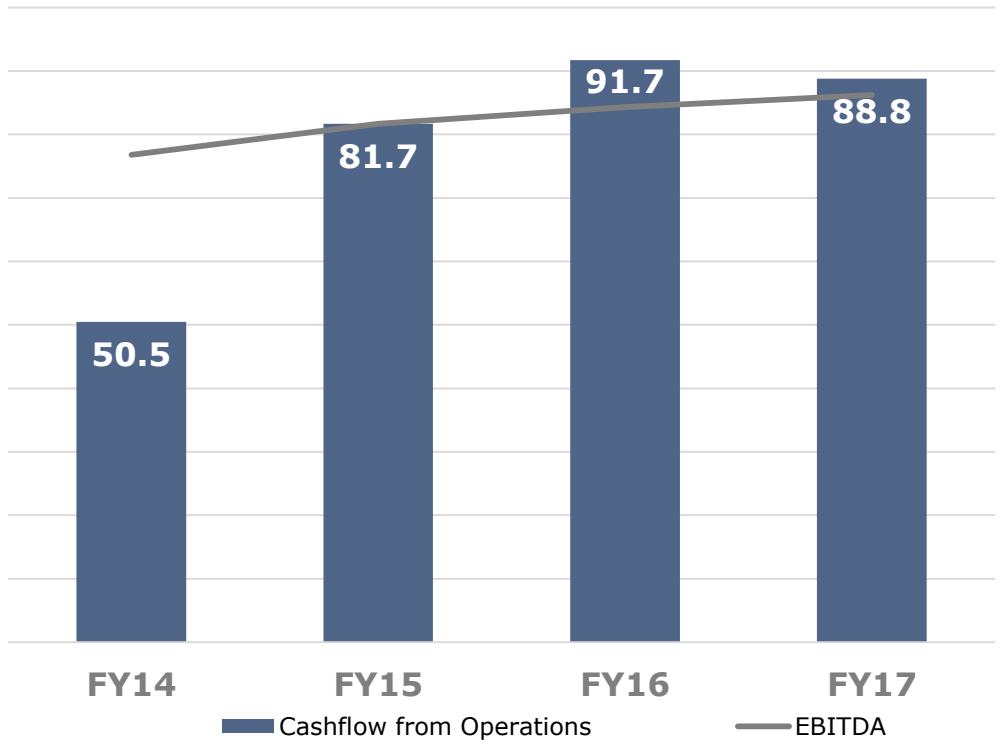
Source: GWA

Strong cash generation through the cycle

Growth enabler – strong operating cash flow

- GWA continues to generate strong operating cash through the cycle
- Operating cash conversion at high levels
- Continued focus on working capital management to drive operating cash

Cashflow from operations (A$m)



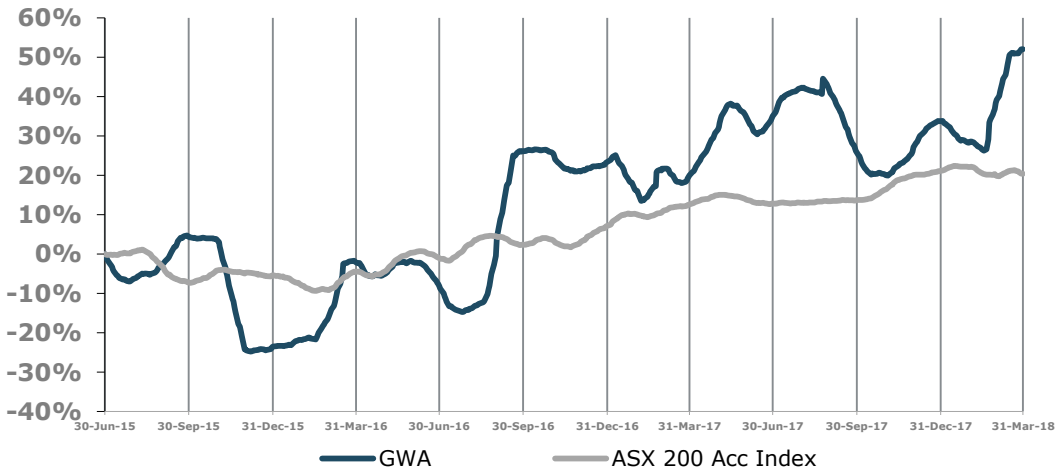
Source: GWA

Strong focus on shareholder returns

Strong sustainable shareholder returns

- Board focus on providing strong returns to shareholders
- Dividend policy: 65-85% of NPAT, subject to prevailing market conditions
- Dividend Policy balances shareholder value creation with continuing strong financial position

Dividends and returns to shareholders



Source: miraqle metrics

Agenda

GWA transformation - strong progress made	Tim Salt
A business with significant growth opportunities	Tim Salt
Customer focus delivering growth	Craig Norwell
Consumer driven growth	Semée Dickerson
Leveraging our advantaged supply chain	Anthony Mortimer
Our financial strength	Patrick Gibson
GWA well positioned for growth	Tim Salt

Strategy creates focus and positions GWA for growth

We make life better with superior solutions for water

Corporate Priorities

Build GWA as the most trusted and respected water solutions company
Maximise shareholder value creation – NPAT growth , ROFE, TSR

CUSTOMER FOCUSED
Add value to customers through superior insights, analytics and processes

CONSUMER DRIVEN
Deliver experiences to excite consumers and drive revenue and market share growth

BUSINESS EFFICIENCY : Simple, effective processes and plans delight consumers and customers

BEST COST : Continuous improvement to support profitability and fund selective reinvestment

GREAT PEOPLE : Continue to build "fit for future" culture, engagement and capability

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

Growth Drivers

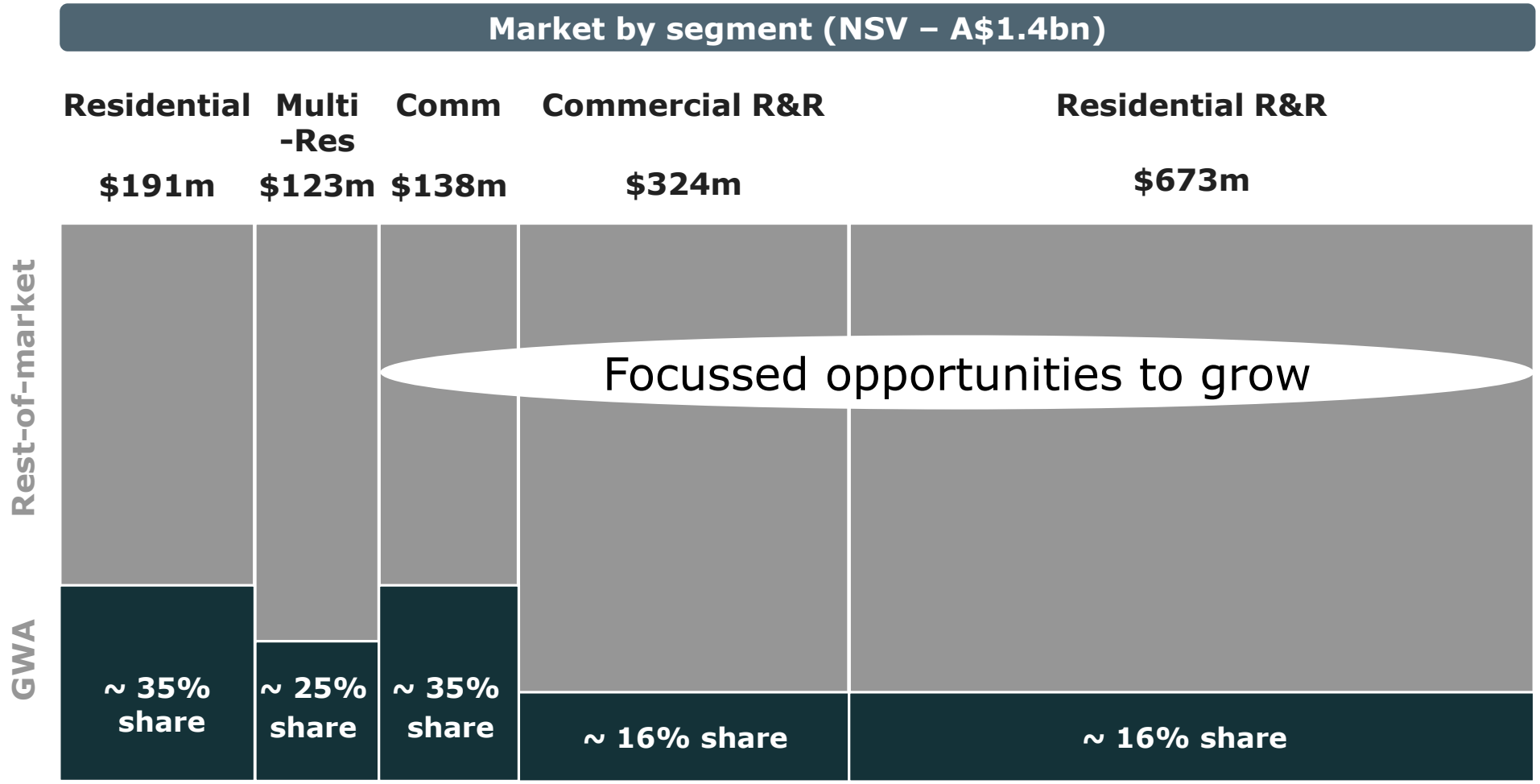
SEGMENTS
Build on Commercial leadership and grow in R&R

CATEGORIES
Leverage sanitary to win all of bathrooms and kitchens

BRANDS
Deliver the best water experiences

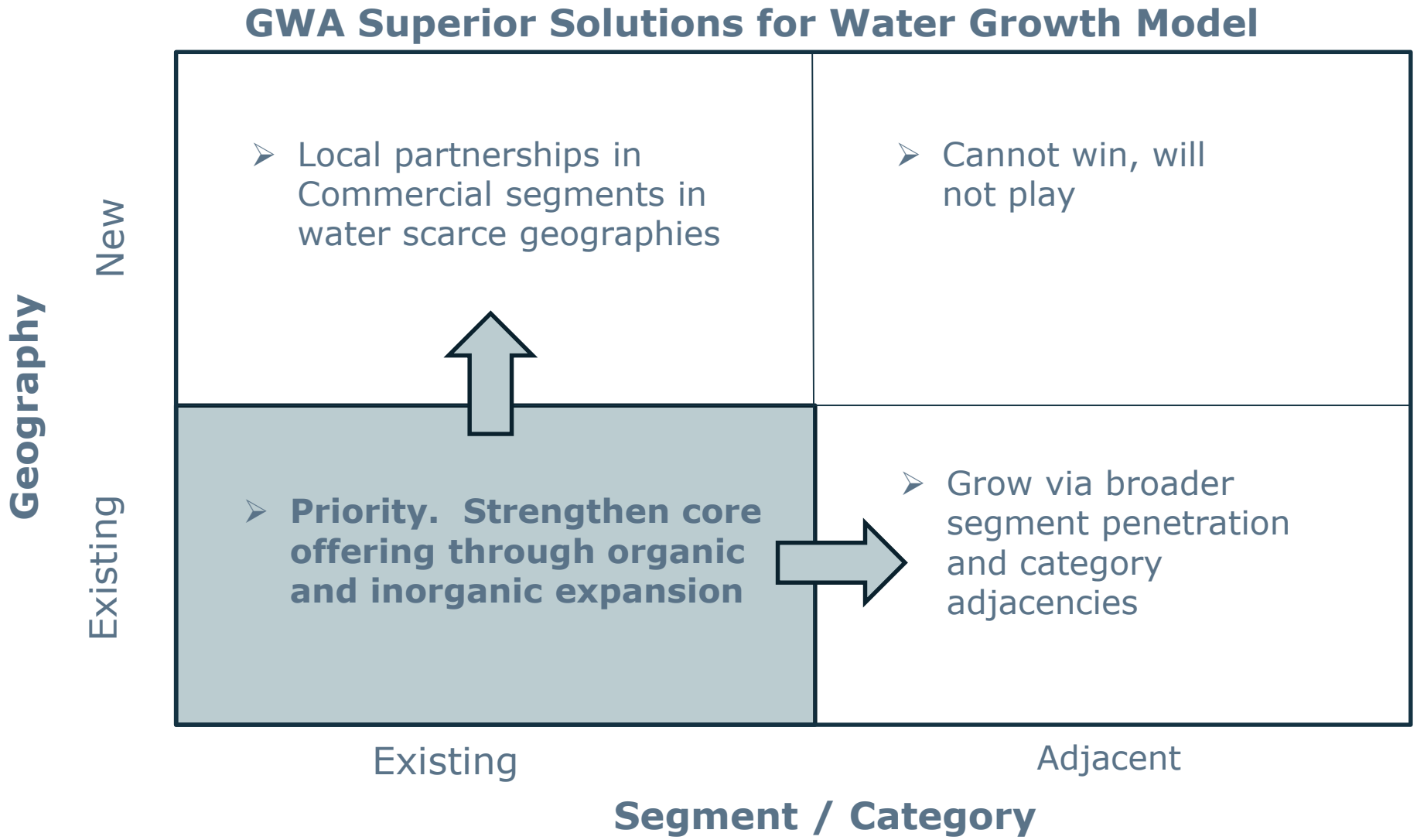
SOLUTIONS
Lead "smart water management"

GWA has significant growth opportunities across core segments in a A$1.4bn market



Source: GWA estimates – Australia market only, excludes NZ and Spares

And opportunities to extend into large water solutions adjacencies



GWA Making life better through superior solutions for water

- Demonstrating ability to drive growth and improve shareholder returns
- A more focused business with strong brands and leading market positions
- Pursuing significant growth opportunities focused on superior solutions for water
- Increased use of technology to create solutions for customers and consumers
- Financial strength to fund investment in organic and inorganic opportunities

GWA, *Making Life Better* for all stakeholders

We make life better through the design and delivery of products, services and technologies that create superior solutions for people to enjoy and sustain water, our planet's most precious resource.



GWA Group Limited

Investor Market Briefing
Caroma on Collins

12th April, 2018

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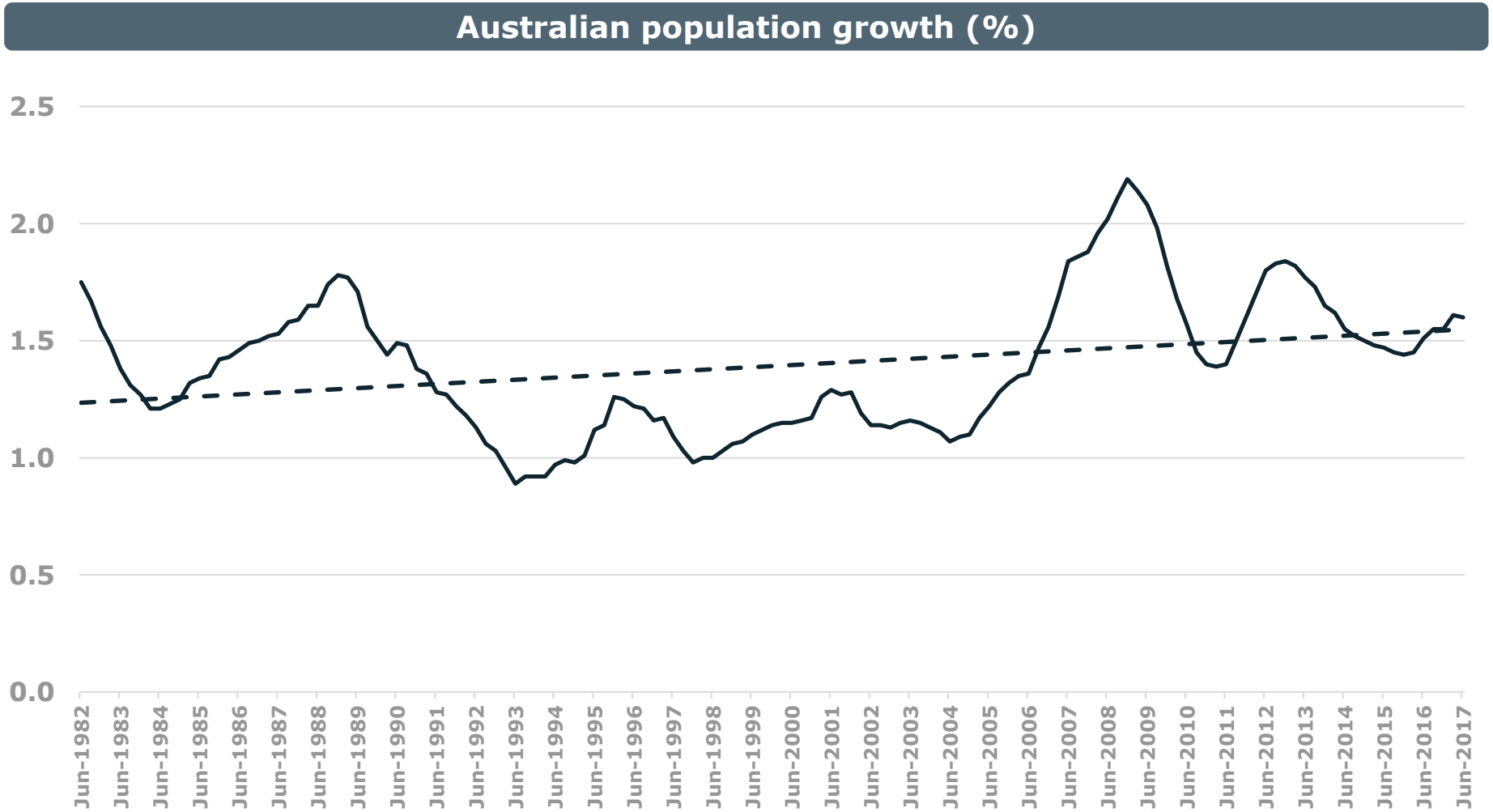
Proforma 5 year summary

A$m	FY13	FY14	FY15	FY16	FY17	Half Year Dec 16	Half Year Dec 17
Revenue							
Bathrooms & Kitchens	286.3	306.6	330.0	342.0	350.4	174.3	178.9
Door & Access Systems	89.8	92.8	96.2	97.7	95.9	49.1	48.2
Total Cont'd Ops	***376.1***	***399.4***	***426.2***	***439.7***	***446.3***	***223.4***	***227.1***
Discontinued Ops **	*189.2*	*178.6*	*121.6*	*4.8*	*0.0*	*0.0*	*0.0*
Group Total	565.3	578.0	547.8	444.5	446.3	223.4	227.1
Normalised EBIT							
Bathrooms & Kitchens	60.4	73.0	83.3	84.6	87.6	43.4	44.4
Door & Access Systems	11.8	8.4	7.2	7.3	6.3	2.5	4.1
Corporate *	(17.2)	(16.9)	(17.7)	(13.6)	(13.3)	(6.7)	(6.7)
Total Cont'd Ops	***55.0***	***64.5***	***72.8***	***78.3***	***80.6***	***39.2***	***41.8***
Discontinued Ops **	*11.8*	*7.8*	*1.5*	*(0.6)*	*0.0*	*0.0*	*0.0*
Group Total	66.8	72.3	74.3	77.7	80.6	39.2	41.8

* Corporate Costs include some costs previously allocated to Discontinued Operations
** FY15 / FY16 Discontinued Operations represents only part year contribution of divested businesses

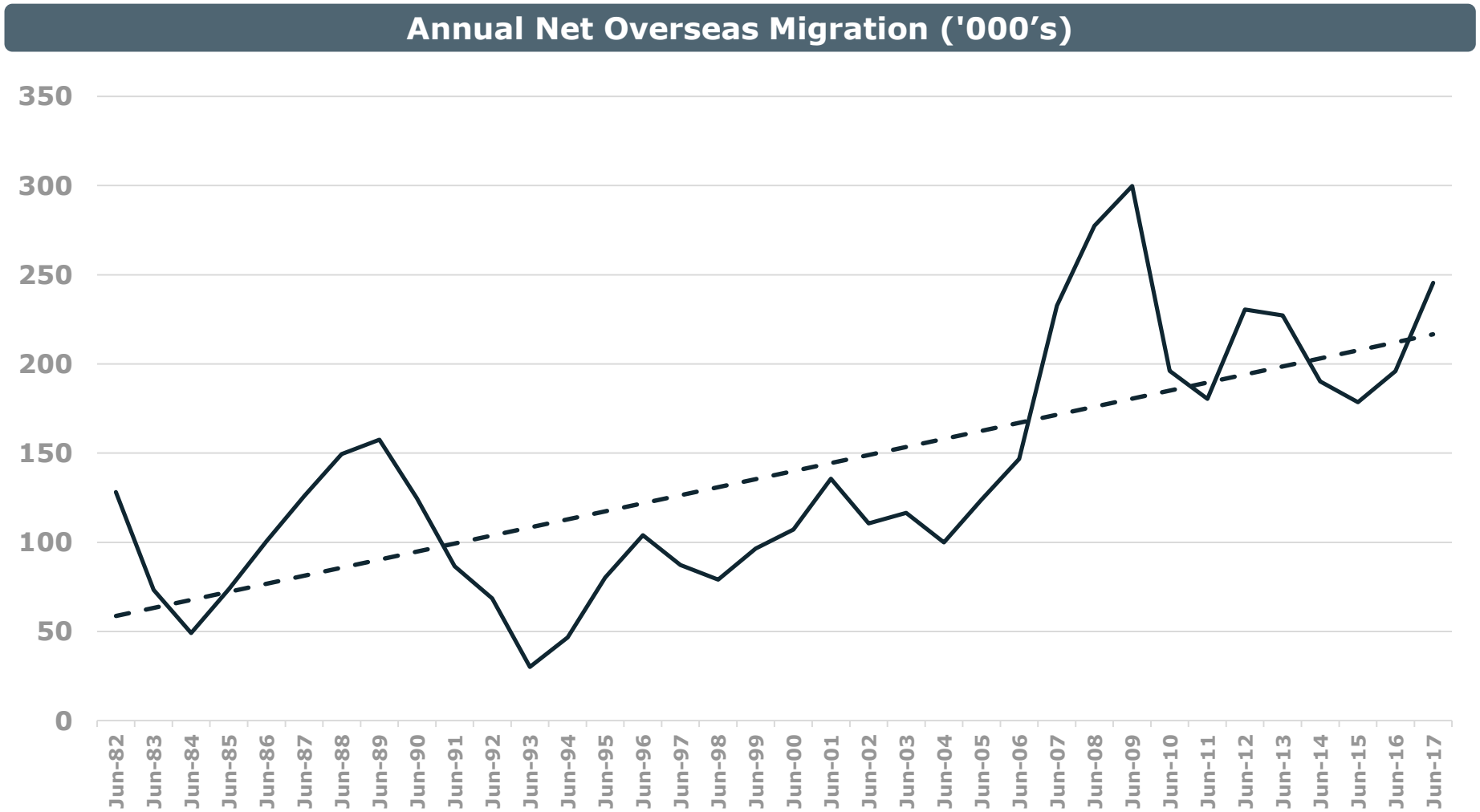
Source: GWA

Australian population growth



Source: ABS

Annual net overseas migration

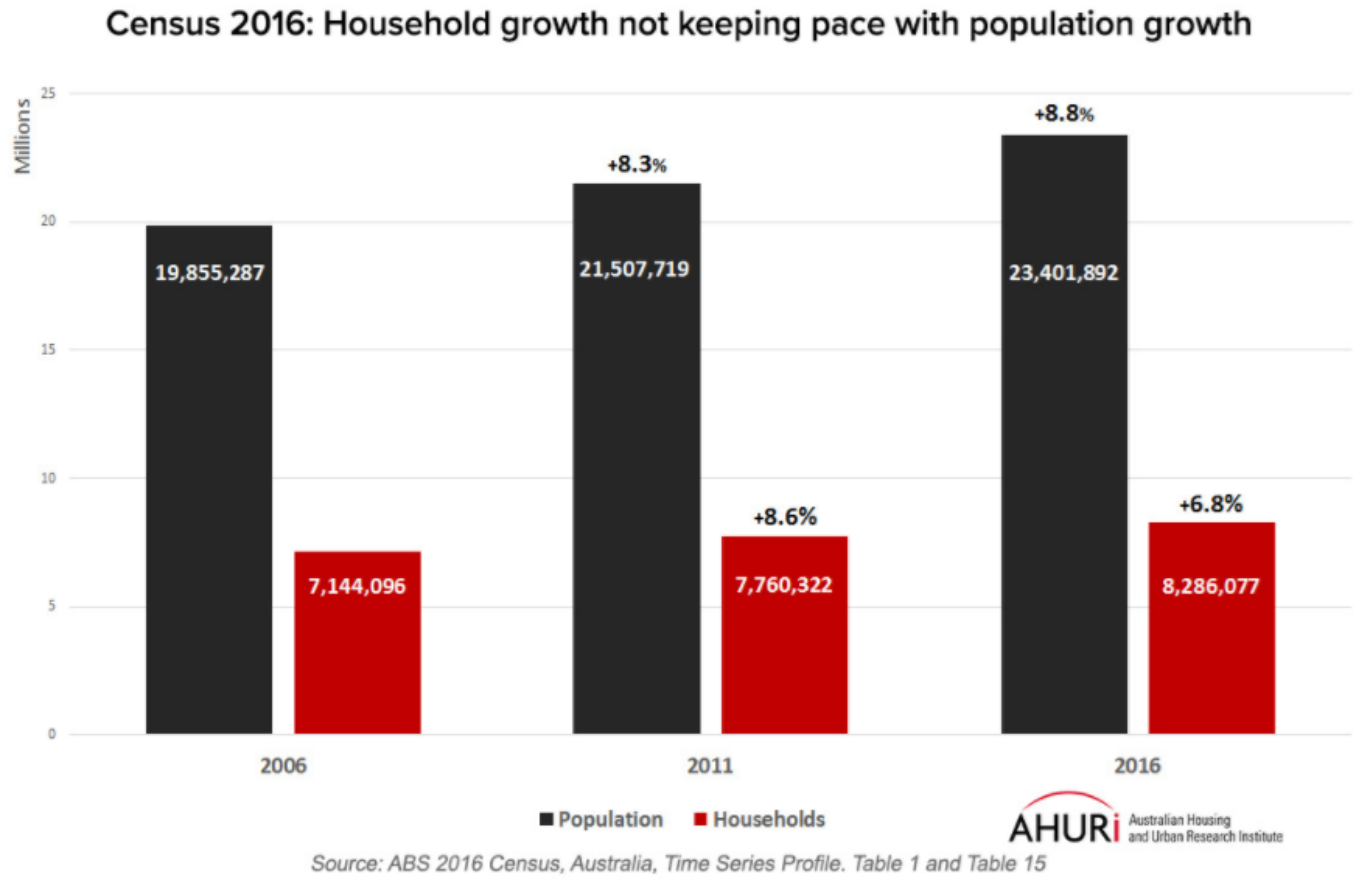


Source: ABS

Population growing faster than dwelling stock - increases demand for housing

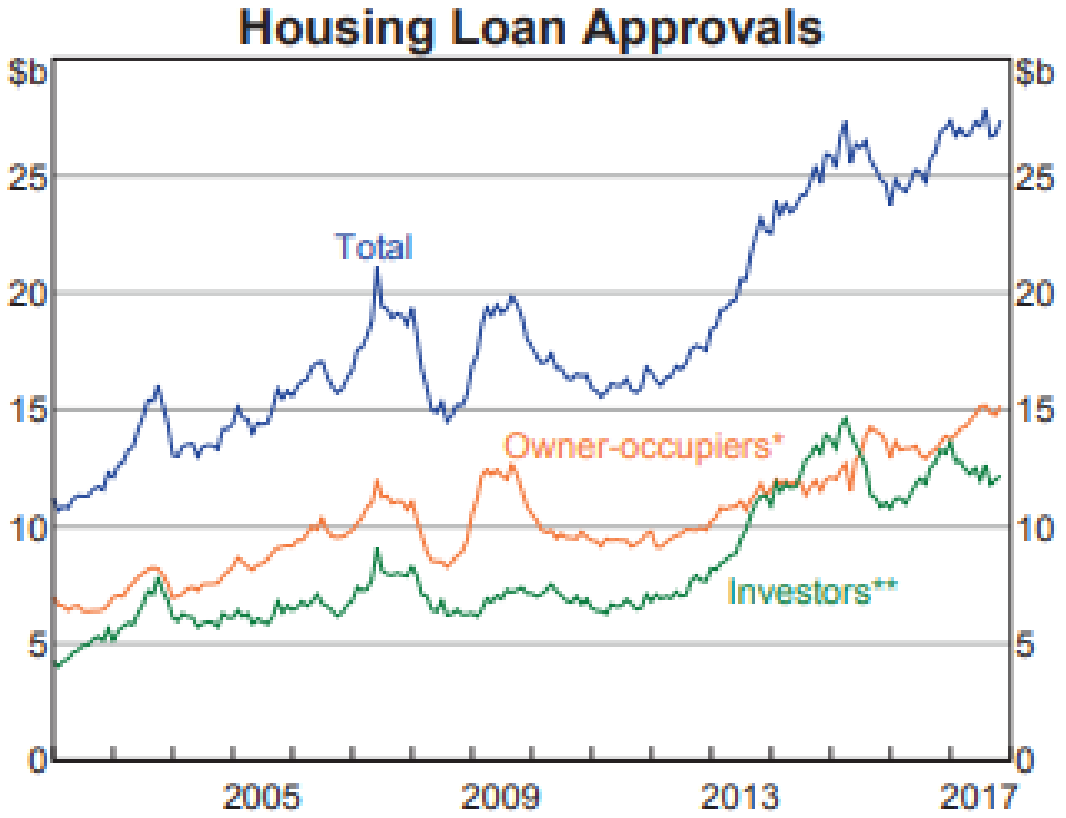
Between 2006 and 2011, the rate of growth in Australia's population (8.3%) was slightly lower than the rate that new households formed (8.6%). This indicates that although the population was increasing the new households kept forming at a faster rate, meaning that there were sufficient dwellings available and affordable for them to move in to and 'form' households in.

Between 2011 and 2016, however, this trend reverses. The rates of population increase was slightly greater (8.8%) but the rate of new household formation was much lower at 6.8 per cent. This data may indicate that a considerable number of people are not forming new households due to a shortage of sufficient and affordable dwellings.

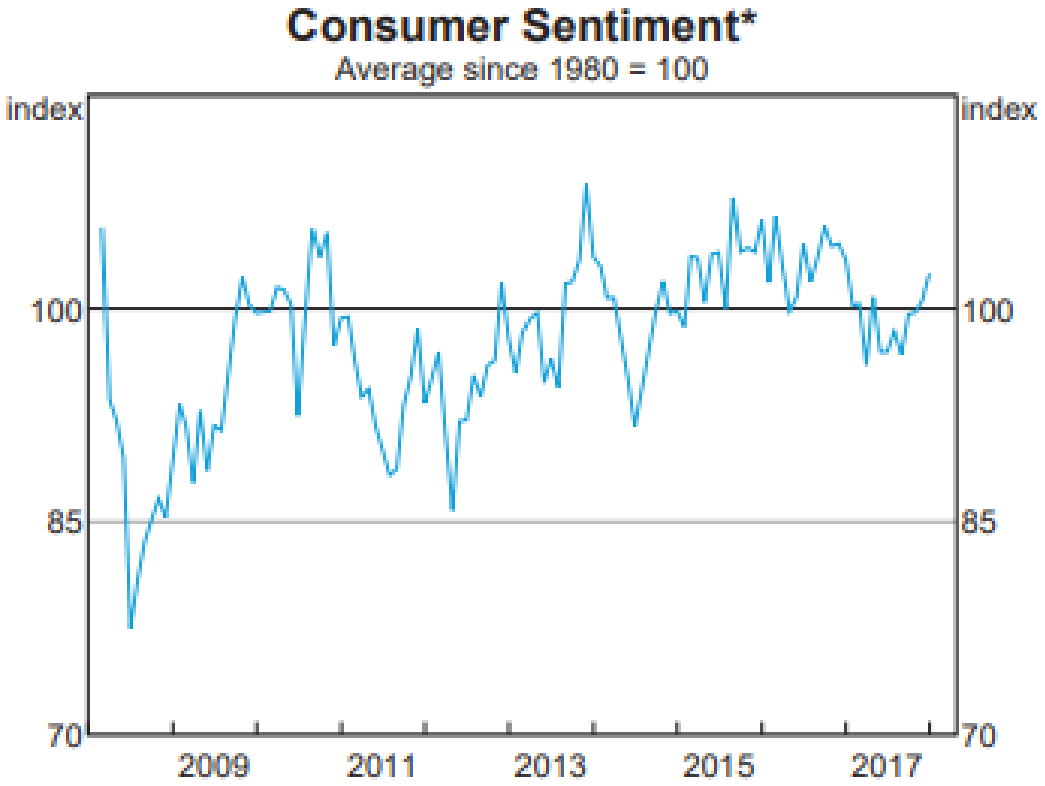


Source: ABS 2016 Census, Australia, Time Series Profile. Table 1 and Table 15

Strong consumer sentiment

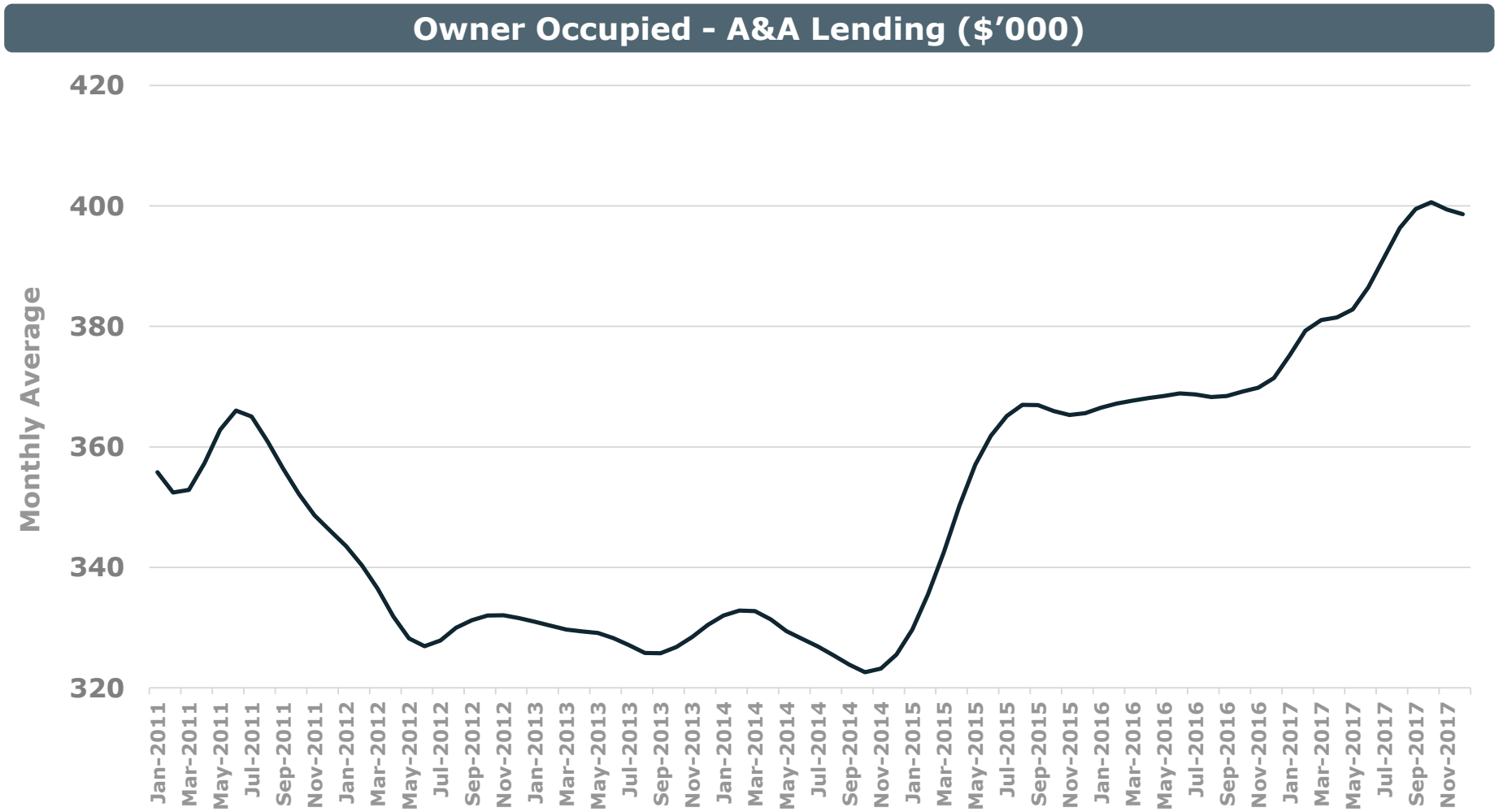


* Excludes refinancing
** Includes refinancing
Sources: ABS; RBA



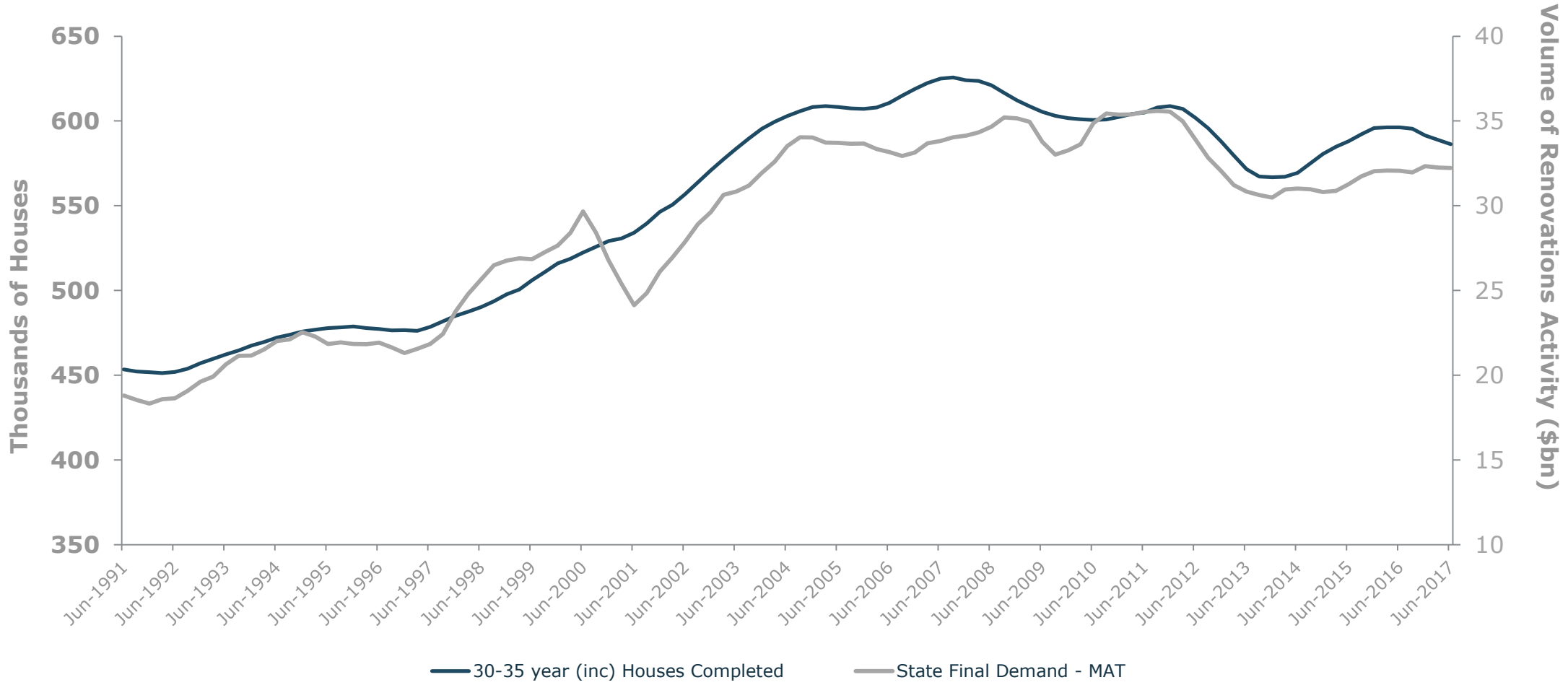
* Average of the ANZ-Roy Morgan and Westpac-Melbourne Institute consumer sentiment measure of respondents' perceptions of their personal finances relative to the previous year; ANZ-Roy Morgan index rescaled to have the same average as the Westpac-Melbourne Institute index since 1996
Sources: ANZ-Roy Morgan; RBA; Westpac and Melbourne Institute

Renovation Lending



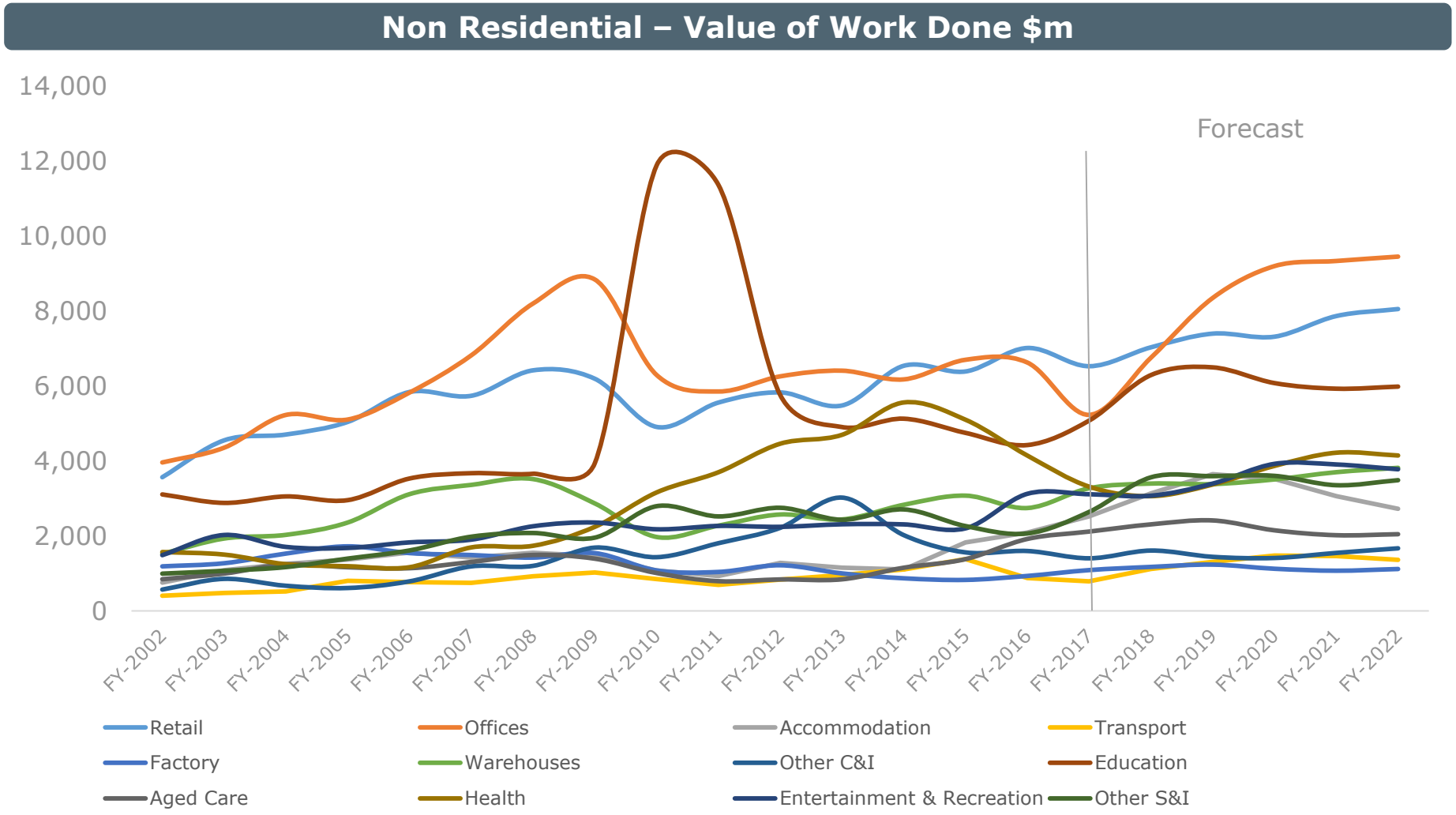
Source: ABS

30-35 year old detached house stock closely correlated with renovations activity and expected to grow into the early 2020s



Source: ABS, HIA Economics

Non Residential by sector



Source: BIS Oxford Economics: MAT, Actuals to June 2017, Forecast September 2017 – June 2022

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