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10 October 2019

**ASX On-Line**

Manager Company Announcements  
Australian Securities Exchange

Dear Sir

**Morgans Queensland Conference Presentation**

Attached is a copy of the presentation given by the Managing Director of GWA Group Limited, Tim Salt, at the Morgans Queensland Conference in Brisbane today.

Yours faithfully

**R J Thornton**  
**Executive Director**





**GWA**  
Group Limited

Superior solutions for water

## Presentation

Morgans QLD Conference

10 October 2019



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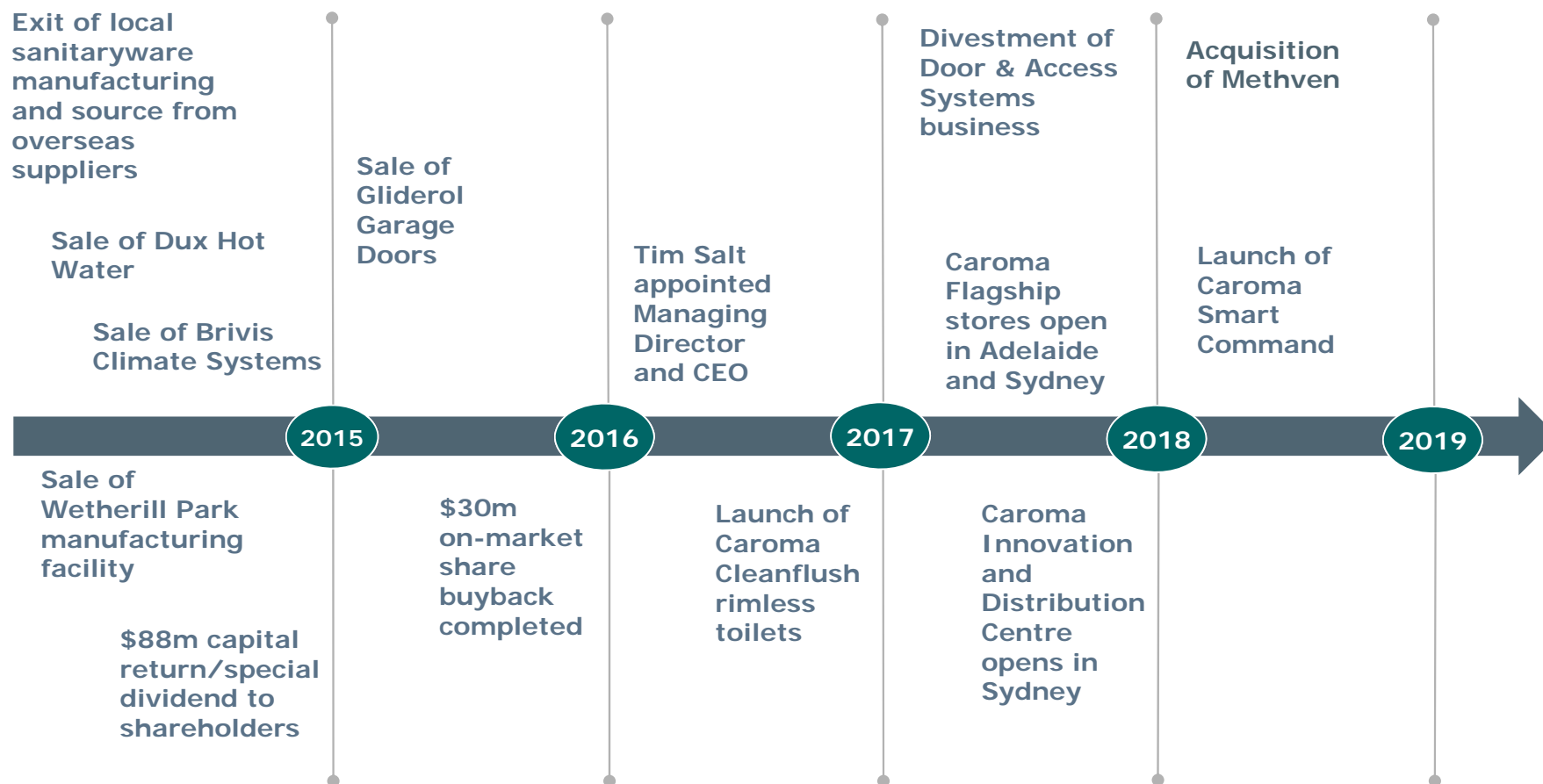
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## Disclaimer

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.

# GWA is now focused on superior solutions for water



# GWA today

## Making life better with superior water solutions

- Leading designer and supplier of products, services and technology focused on Bathrooms & Kitchens (B&K)
- Owner and distributor of market leading brands in core ~\$1.7b B&K addressable market<sup>1</sup> focused on sanitaryware, taps / showers and valves
- Methven acquisition enhances scale across key segments of B&K market in Australia and New Zealand with presence in the UK and China
- Enviably reputation within building sector for product quality and innovation, 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
- Listed on ASX - Market capitalisation \$866m<sup>2</sup>

## Key brands



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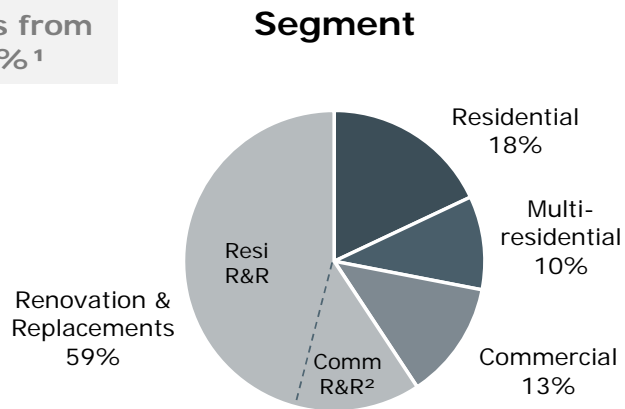
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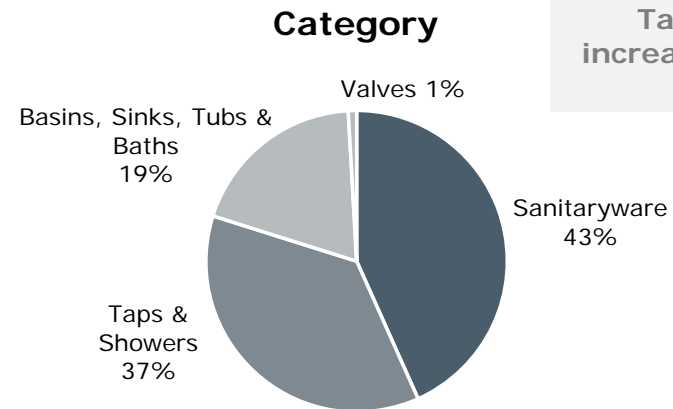
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# Methven acquisition increases presence in robust R&R segment and taps / showers and improves geographic diversification

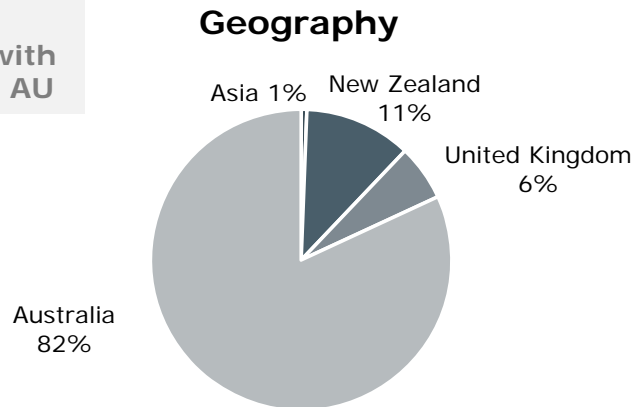
R&R increases from 52% to 59%<sup>1</sup>



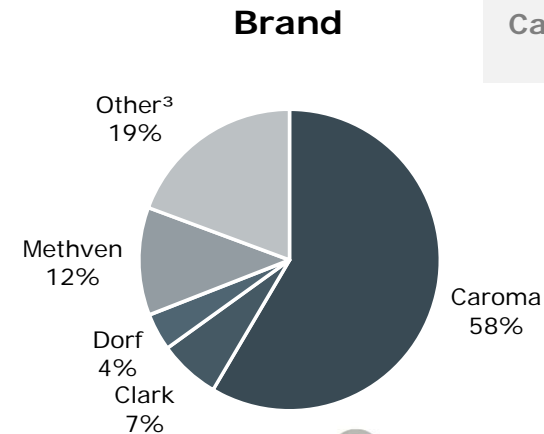
Taps & showers increases from 21% to 37%



Improved diversification with less reliance on AU



Caroma decreases from 74% to 58%



<sup>1</sup>Percentages are of total GWA revenue and assume 12 months Methven contribution

<sup>2</sup>Commercial R&R in Australia only

<sup>3</sup>Others includes: Flexispray, Deva, NEFA, Stylus



CLARK

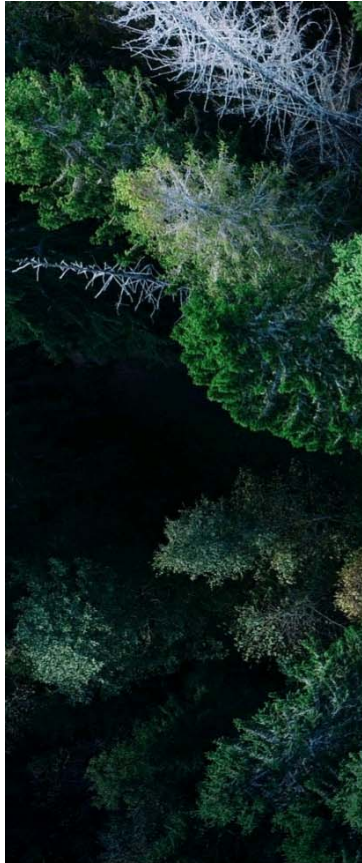
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# Strengthened and repositioned to manage through the cycle

Key area	Progress
<p>Focused on superior solutions for water</p>	<ul style="list-style-type: none"> <li>Focus on \$1.7b Bathrooms &amp; Kitchens addressable market with room to grow</li> <li>Continued market share growth over four consecutive periods</li> <li>Methven provides platform for broader portfolio into Asia and UK</li> <li>Increased presence in more stable R&amp;R segment from 52% to 59% globally</li> </ul>
<p>Strengthened business capability</p>	<ul style="list-style-type: none"> <li>Improved engagement with merchant channel through joint business planning</li> <li>Engaging directly with Secondary customers (builders/developers) to create demand</li> <li>Stronger consumer engagement (brand investment, flagship stores) for demand pull</li> </ul>
<p>Cost out programme assists margin resilience and funds investment</p>	<ul style="list-style-type: none"> <li>On track for \$9 - 12m cost savings by FY21</li> <li>On track to realise at least NZ\$5m cost synergies from Methven acquisition by FY21</li> <li>Innovation &amp; Distribution Centre (Prestons, NSW) delivering reduced inventory and improved customer service</li> </ul>
<p>Revenue growth in selected segments and geographies</p>	<ul style="list-style-type: none"> <li>ANZ: Delivering revenue growth targeting high value/less cyclical segments:               <ul style="list-style-type: none"> <li>Specific product ranges/customer partnerships in aged care/health care</li> <li>Dedicated resource targeting ~\$325m Commercial R&amp;R segment</li> <li>Caroma Smart Command® generating positive market engagement</li> </ul> </li> <li>International: Leverage Methven geographic footprint for international expansion:               <ul style="list-style-type: none"> <li>SE Asia in premium commercial and retail</li> <li>UK in whole of bathroom; focused on commercial</li> <li>Continue to establish Caroma Smart Command®</li> </ul> </li> </ul>

# Caroma Smart Command®



## Smart water savings through sustainable innovation



**Bathrooms are one of the primary points of water use in a building. A typical bathroom without showers goes through 309KL of water per year.**

By upgrading to Caroma Smart Command and its compatible fixtures you can expect water savings of approximately 23% in bathrooms.<sup>2</sup>



**Water leaks can account for approximately 15-30% of a building's total water consumption.**

This can be managed through Caroma Smart Command, boosting your entire building's water savings up to 25%.<sup>3</sup>

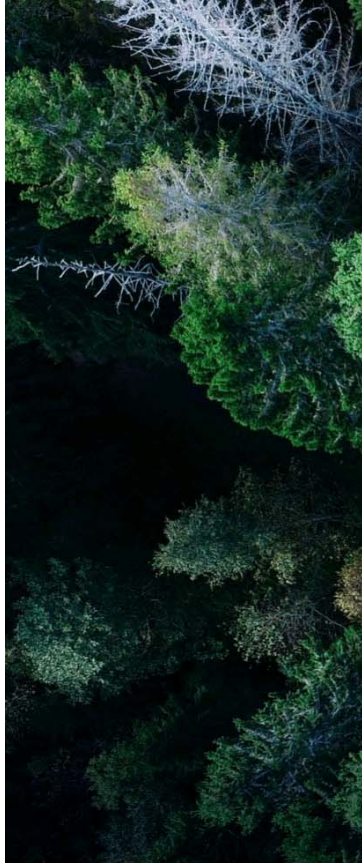
2. A bathroom without showers has been determined based on 8 toilets, 2 urinals and 6 basin taps. Usage rates are based on data for a work day in a typical office building. Caroma Smart Command water efficiency is compared to an existing building water consumption.  
3. Figures have been calculated based on the assumption that Caroma Smart Command can reduce leakage by 50%.  
Please refer to the Caroma Smart Command Sustainability Case Study Report for full calculation details.



CAROMA SMART COMMAND: COMMERCIAL OFFICE BUILDING



# Caroma Smart Command®



## 8 Green Star credits can be impacted

With Caroma Smart Command, you'll receive recognition across **major sustainability ratings** such as Green Star, NABERS water and WELL.



Caroma Smart Command can contribute to key ratings' requirements which can be strong drawcards for potential occupants and owners.

Refer to the full Sustainability Case Study on how the 8 Green Star credits are impacted.



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