



GWA
Group Limited

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10 October 2018

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

Morgans QLD Conference Presentation

10 October 2018



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GWA – about us

GWA - we make life better with superior solutions for water

Our business

- Leading designer and supplier of products, services and technology focused on Bathrooms & Kitchens (B&K)
- Owner and distributor of market leading brands in core \$1.4b B&K addressable market
- Management team with strong background in consumer markets
- Listed on ASX; ~A\$750 million market capitalisation (9 Oct 2018)

Our core brands



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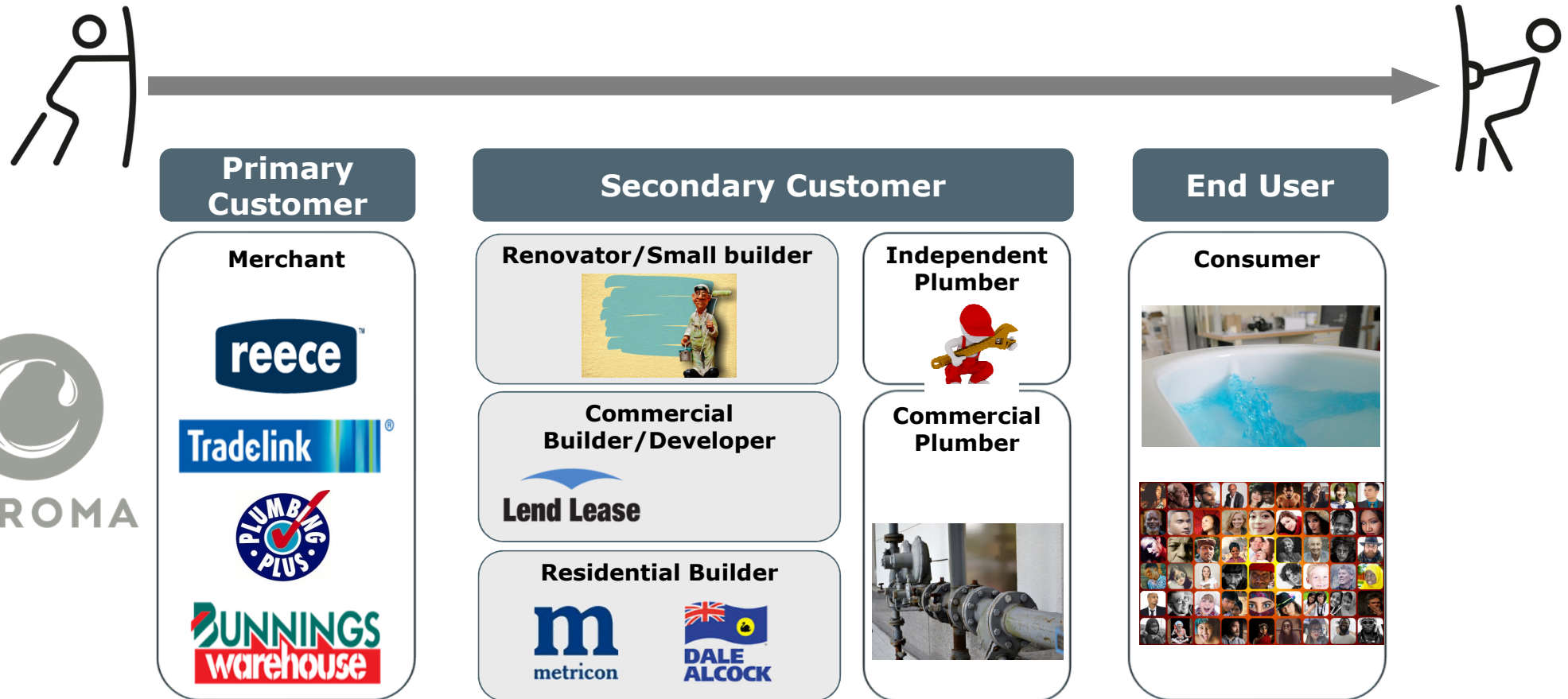
Our strengths

- Significant scale across key segments of B&K market
- Envable 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

GWA – a business repositioned for growth

	GWA 2014	GWA 2018 (today)
Operational focus	Diverse Building Products business spread across numerous segments	Focus on Bathrooms & Kitchens 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	Minimal debt with financial flexibility to pursue accretive growth opportunities

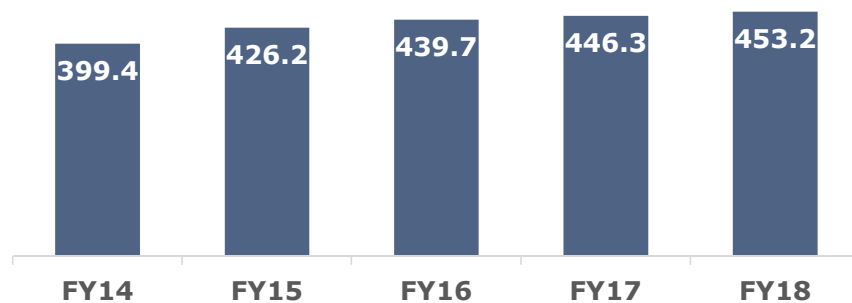
Transformation from Push to Pull



Improved operating results and returns

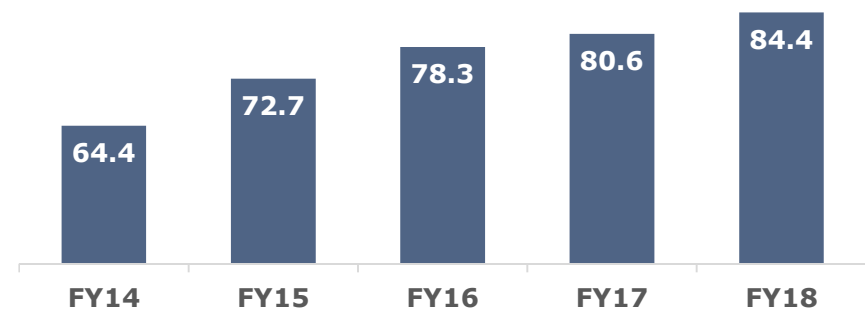
Group Revenue (A\$m)

■ Revenue



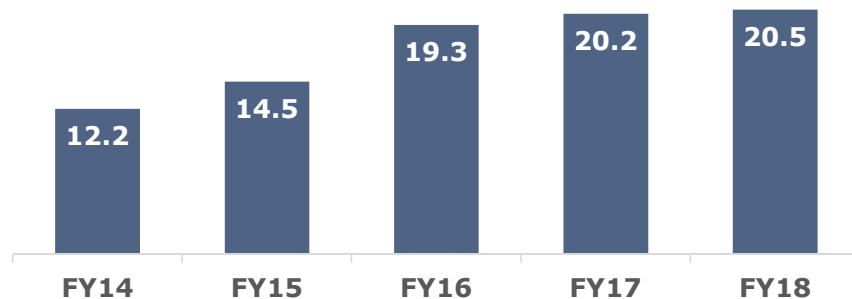
Group EBIT (A\$m)

■ EBIT



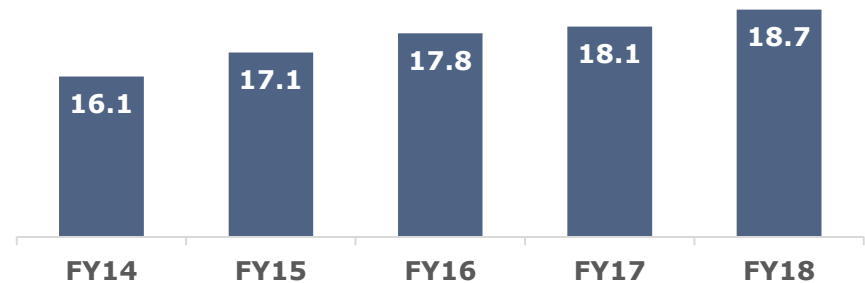
Group Return on Funds Employed (%)

■ ROFE %



Group EBIT Margin (%)

■ EBIT Margin %



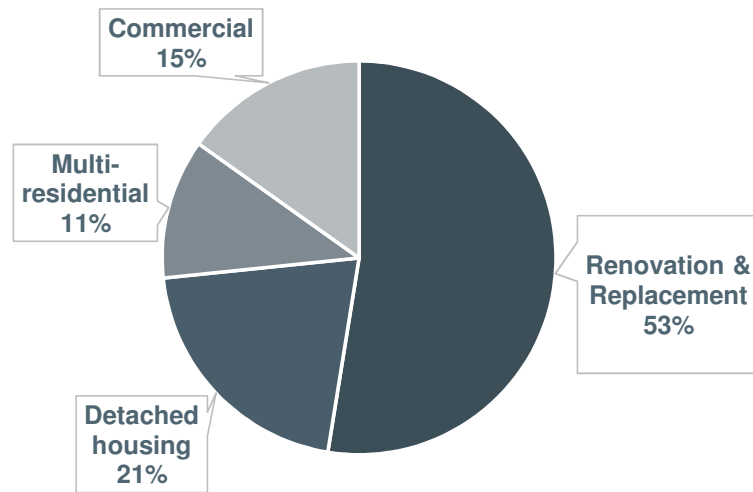
GWA operates in a large local market with significant growth opportunities

A\$1.4 billion addressable market

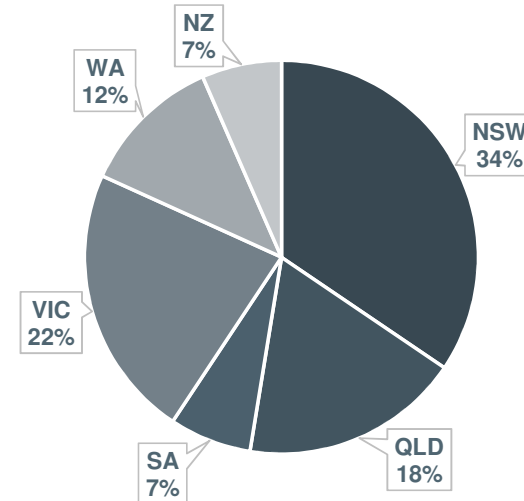
Residential	Multi -Res	Comm ercial	Commercial R&R	Residential R&R
\$191m	\$123m	\$138m	\$324m	\$673m
13%	9%	10%	22%	46%

...with higher exposure to the more stable R&R segment

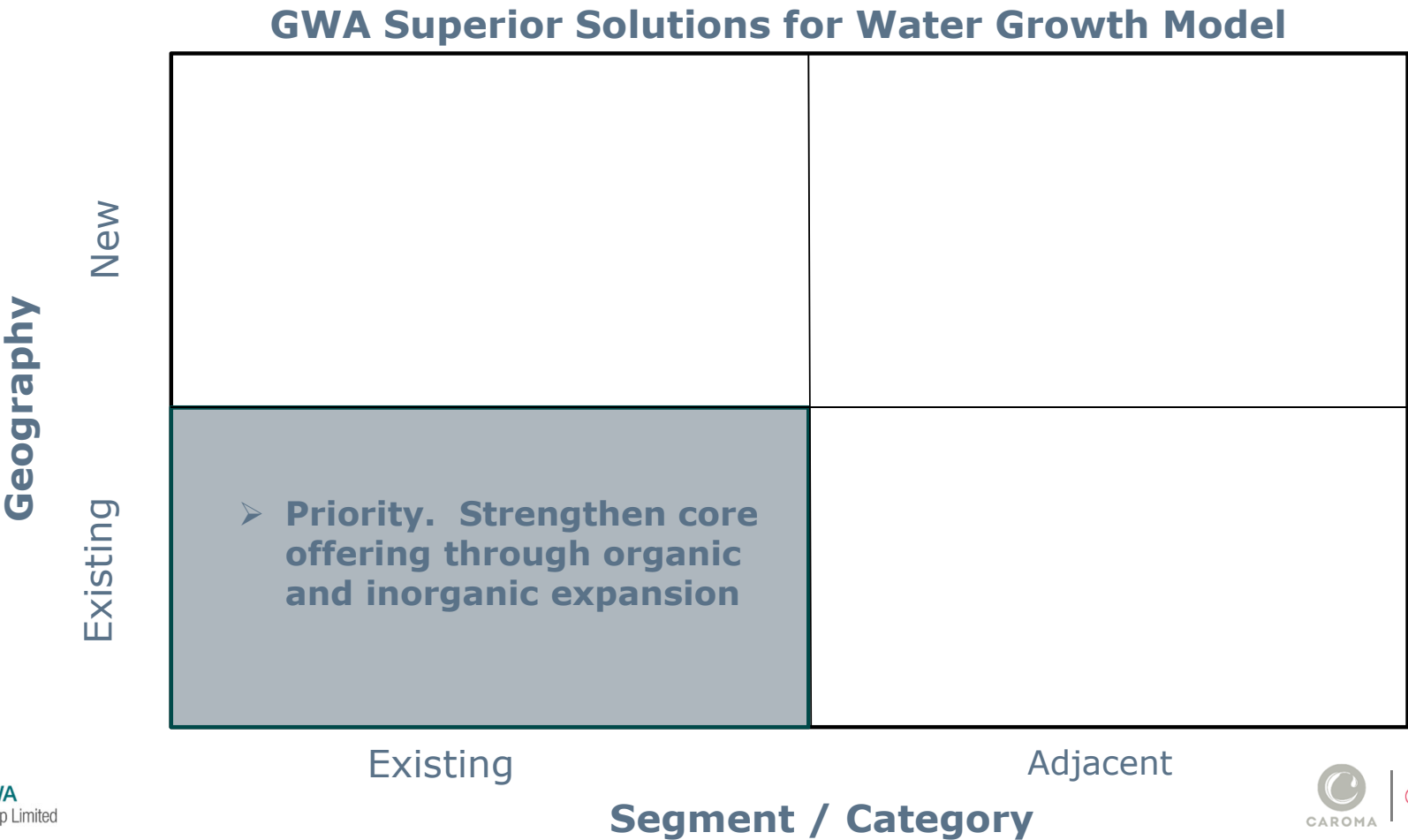
B&K sales by segment %



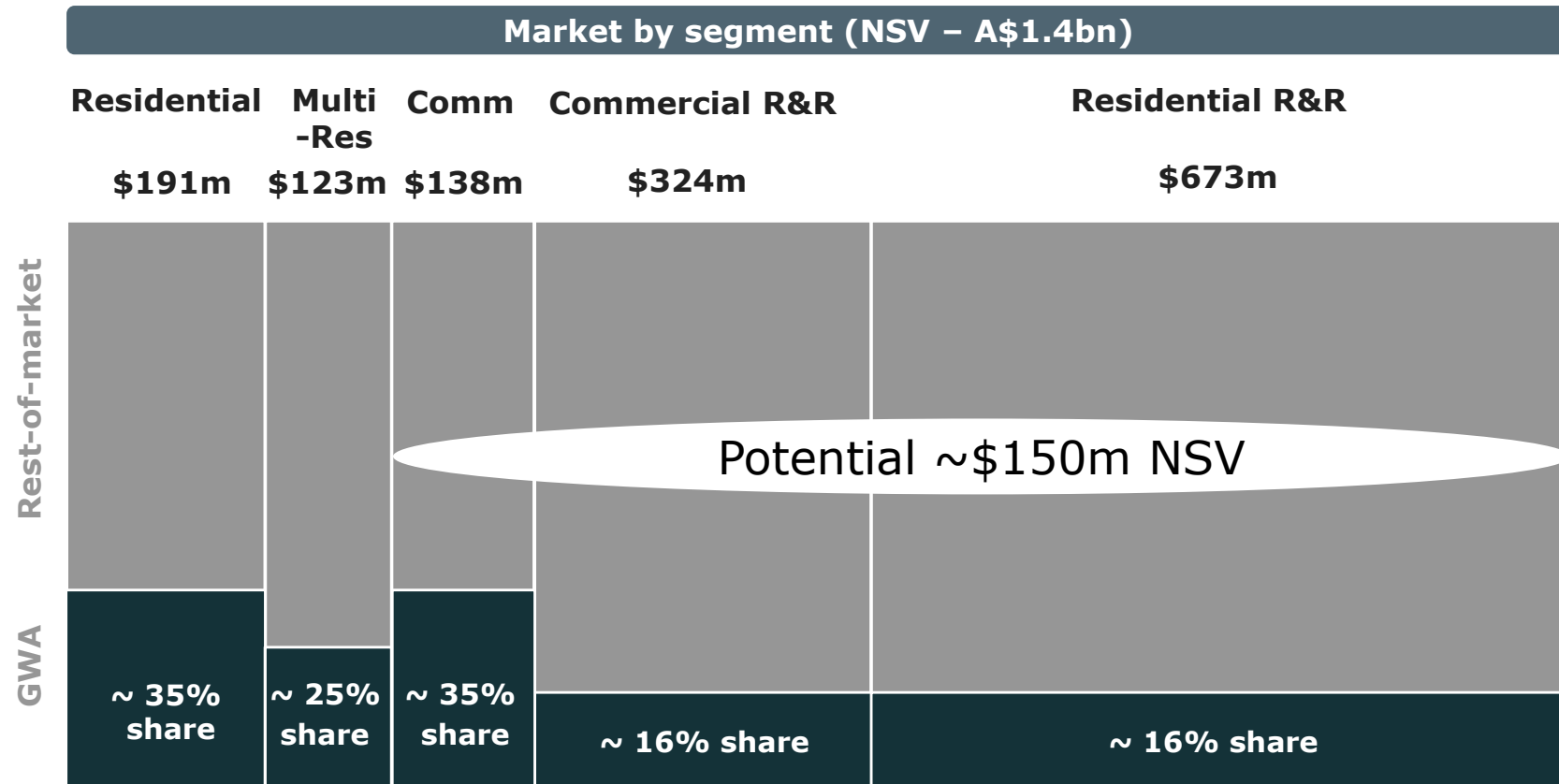
B&K sales by geography %



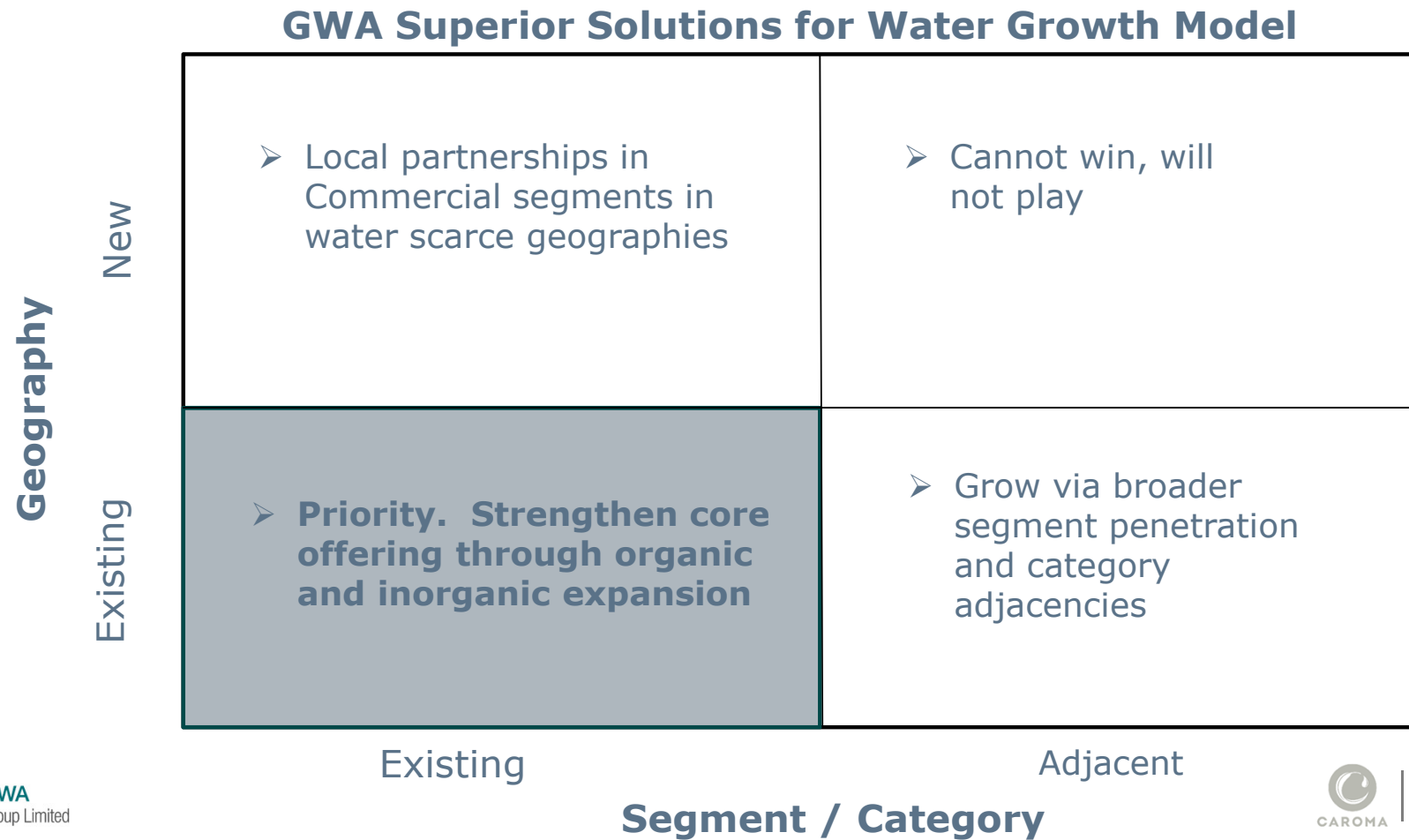
Priority is to leverage strengths in existing geographies, segments and categories



Significant segment growth opportunities



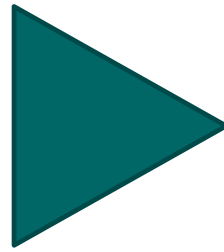
...and capability to extend into large water solutions adjacencies



Intelligent bathroom system using Bluetooth integration within the bathroom connected to the Building Management System (BMS)/Cloud



Caroma Smart Command Video



Benefits that Smart Command unlocks



Strategy positions GWA for growth



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**

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.



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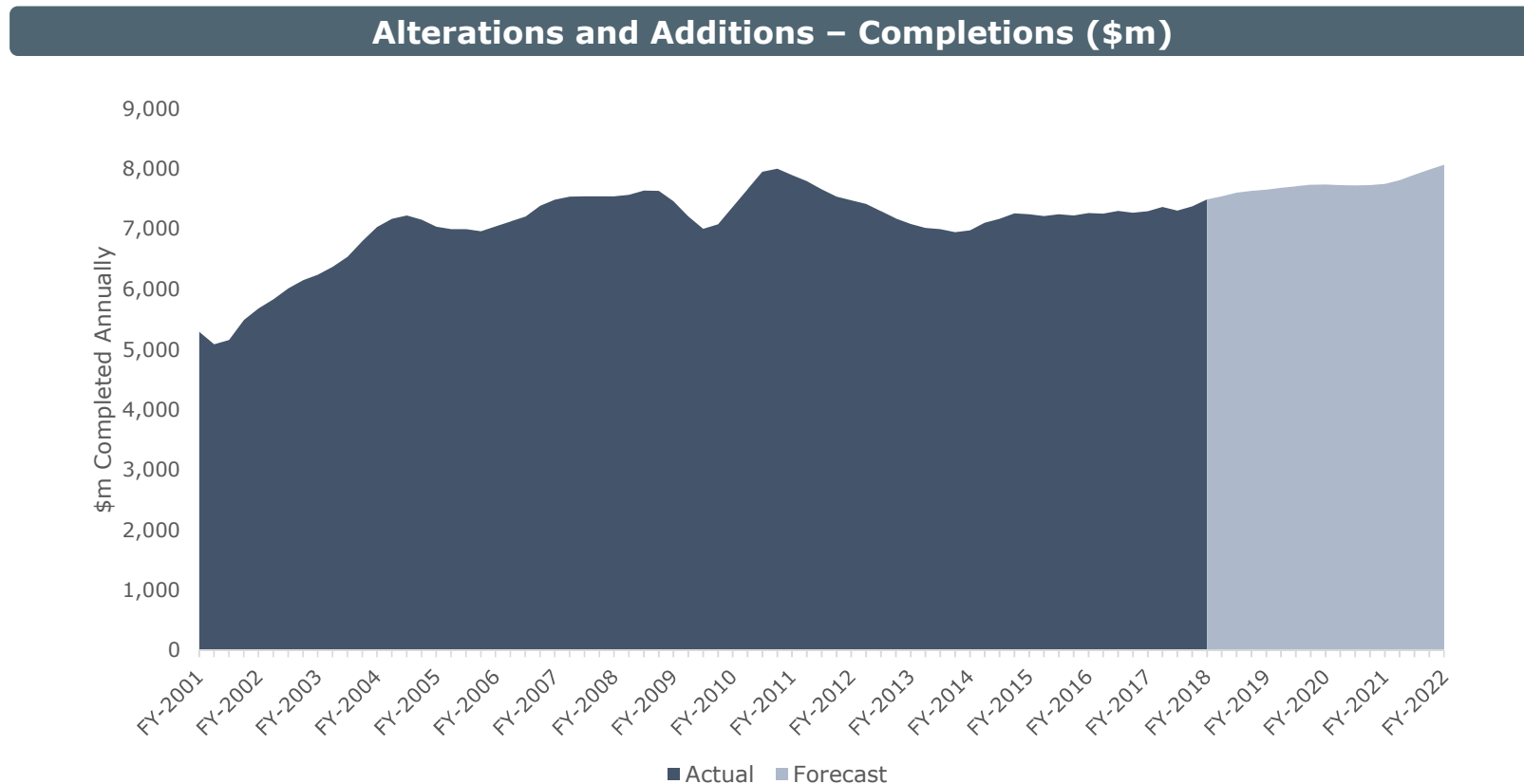


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Appendix - Residential R&R segment stability provides resilience through the cycle



Appendix - Commercial new build sustaining long term growth trajectory

