



GWA
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18 August 2015

ASX On-Line

Manager Company Announcements
Australian Securities Exchange

Dear Sir

Annual Results Presentation for the Year Ended 30 June 2015

We enclose the following document for immediate release to the market.

- Annual Results Presentation

On 18 August 2015 at 10:00am, GWA will be hosting a webcast of its FY15 results briefing. The webcast is accessible via the GWA website at www.gwagroup.com.au.

Yours faithfully

R J Thornton
Executive Director



Results Presentation

18 August 2015



Given the significance of restructuring expenses and significant items, 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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Delivering the Strategy

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Objective	Update on Progress
<p>1 Focus the portfolio on core businesses ✓</p>	<ul style="list-style-type: none"> Strong momentum in Bathrooms & Kitchens business continues Successful divestments of Dux Hot Water, Brivis Climate Systems and Gliderol Garage Doors businesses Exit of manufacturing of vitreous china at Wetherill Park, phased exit from plastics at Norwood
<p>2 Returns to shareholders ✓</p>	<ul style="list-style-type: none"> Successful return of capital to shareholders: Capital Return – 22.8 cents per share Special Dividend – 6.0 cents per share
<p>3 Strengthen financial position ✓</p>	<ul style="list-style-type: none"> Net debt decreased by 37% Credit metrics continue to improve Refinanced syndicated debt facility to provide additional flexibility
<p>4 Restructure for future growth ✓</p>	<ul style="list-style-type: none"> Organisational restructure to focus on core businesses Cost base realigned - provides a more cost efficient and streamlined structure for GWA to compete Enhanced flexibility to invest in systems and product innovation and other value accretive opportunities

Overview of Continuing Operations

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Normalised from Continuing Operations*

Revenue
\$426.2m

↑ 6.7%

Gearing Ratio
23.7%

↓ 2.4pp

EBITDA
\$81.8m

↑ 6.5%

Operating Cashflow
\$81.7m

↑ 62.1%

EBIT
\$72.8m

↑ 12.9%

EPS
14.8 cents

↑ 19.3%

NPAT
\$45.2m

↑ 19.3%

ROFE
14.5%

↑ 2.3pp

*Continuing Operations exclude the Bravis Climate Systems and Dux Hot Water businesses which were divested during the year and the Gliderol Garage Doors business which was divested on 31 July 2015 and is classified as an asset held for sale in the FY15 financial report. Normalised is before Significant Items.

Reconciliation to guidance including Gliderol

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A\$m	Continuing Operations FY15	Gliderol	Adjusted FY15 including Gliderol FY15
Normalised EBIT	72.8	(4.7)	68.1

* Guidance provided on the 29 June 2015 including Gliderol but excluding the Dux and Bravis businesses, which were sold in FY15, was for Normalised EBIT of approximately \$67-69M. The guidance provided on the 29 June 2015 excluding Gliderol and excluding the Dux and Bravis businesses, was for Normalised EBIT of approximately \$71-73M.

** FY15 Normalised Continuing Operations EBIT of \$72.8M includes some costs previously allocated to Gliderol.

*** Continuing Operations exclude the Bravis Climate Systems and Dux Hot Water businesses which were divested during the year and the Gliderol Garage Doors business which was divested on 31 July 2015 and is classified as an asset held for sale in the FY15 financial report. Normalised is before Significant Items.

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A\$m	FY14			FY15		
	Continuing Operations	Discont'd Operations	Group Total	Continuing Operations	Discont'd Operations	Group Total
Normalised						
EBITDA	76.8	13.1	89.9	81.8	5.1	86.9
EBIT	64.5	7.8	72.3	72.8	1.5	74.3
NPAT	37.8	5.9	43.7	45.2	1.0	46.2
Significant Items						
Pre Tax	(9.4)	(19.2)	(28.6)	(51.5)	(30.2)	(81.7)
Post Tax	(6.6)	(18.5)	(25.1)	(34.8)	(27.6)	(62.4)
Reported						
EBITDA	67.4	(6.1)	61.3	30.3	(25.1)	5.2
EBIT	55.1	(11.4)	43.7	21.3	(28.7)	(7.4)
NPAT	31.2	(12.6)	18.6	10.4	(26.6)	(16.2)
EPS (cents)	10.2	(4.1)	6.1	3.4	(8.7)	(5.3)

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Continuing Operations A\$m	FY14	FY15	% Change
Revenue	399.4	426.2	6.7%
EBIT	64.5	72.8	12.9%
Interest Expense	(11.2)	(7.3)	-34.8%
Tax Expense	(15.5)	(20.3)	31.0%
NPAT (Normalised)	37.8	45.2	19.3%
Significant Items After Tax	(6.6)	(34.8)	427.3%
NPAT (Reported)	31.2	10.4	-66.7%

- Normalised net profit from Continuing Operations up 19% on prior year
- Normalised EBIT increase driven by improved earnings in Bathrooms & Kitchens partially offset by reduction in Door & Access Systems EBIT
- Lower net interest expense reflects strong financial position from lower debt

Normalised EBIT – Continuing Operations

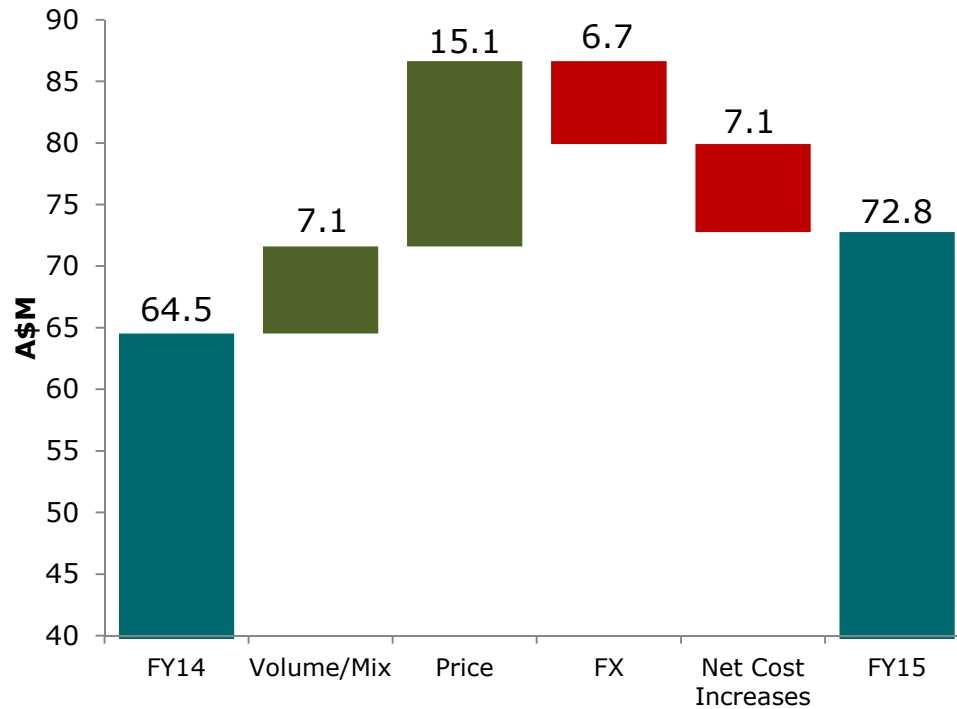
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- Improved volume and mix primarily in Bathrooms & Kitchens – improvement across most product categories
- Price increases implemented to mitigate lower A\$
- Net cost increases driven by under-recoveries in Bathrooms & Kitchens, increased stock provisions, partially offset by cost savings

Improved cash flow from operations

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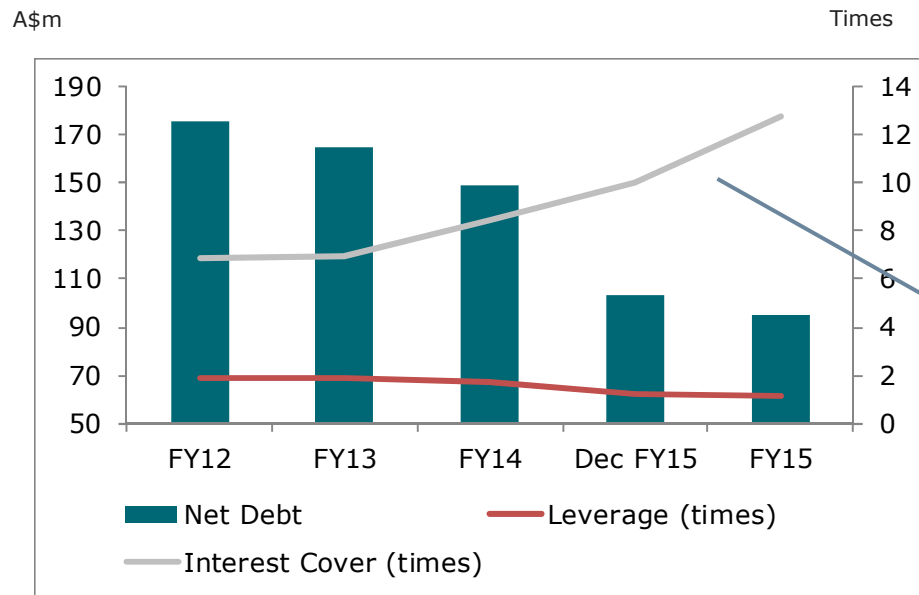
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Cash flow from Operations A\$M	FY14	FY15
EBITDA	76.8	81.8
Net movement in Working Capital	(27.8)	(1.8)
Other	1.4	1.8
Cash Flow from Operations	50.4	81.7
Capital Expenditure	(3.0)	(3.4)
Restructuring / Other costs	(0.8)	11.8
Net Interest Paid	(10.6)	(7.4)
Tax Paid	(10.0)	(11.4)
Other Non-operating Cash flow	(2.6)	0.0
Free Cash Flow from Continuing Operations	23.4	71.3
Discontinued Operations	11.7	88.8
Free Cash Flow	35.1	160.1

- Strong improvement in Operating cashflow – Continuing Operations up 62%
- Working Capital movement – more efficient utilisation compared to prior year
- Free Cash flow from Continuing Operations up 204%
- Discontinued Operations cashflow reflects proceeds from non-core business divestments

Strengthened Financial Position

Net debt reduced by 37%



Metric	30 June 2014	31 Dec 2014	30 June 2015
Net Debt	149.4	103.5	94.8
Leverage Ratio <i>Net Debt / EBITDA</i>	1.7	1.2	1.1
Interest Cover <i>EBITDA / Net Interest</i>	8.5	10.0	12.8

- Credit metrics continue to strengthen and consistent with investment grade
- Syndicated banking facility refinanced – enhanced financial flexibility to invest in core businesses
- GWA remains in strong financial position – Board continues to consider range of capital management initiatives in FY16

Significant Items

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Significant Items A\$m	FY14	FY15
<i>Continuing Operations</i>		
Factory Closures	0.0	(39.3)
Restructuring Costs	(3.4)	(13.3)
Other	(6.0)	1.1
Significant Items from Cont. Ops Pre Tax	(9.4)	(51.5)
<i>Discontinued Operations</i>		
Non cash impairment	(17.0)	(25.8)
Loss on Divestments / Other	(2.2)	(4.4)
Significant Items from Discontinued Ops Pre Tax	(19.2)	(30.2)
Group Total Significant Items Pre Tax	(28.6)	(81.7)
Tax benefit on Significant Items	3.5	19.3
Group Total Significant Items After Tax	(25.1)	(62.4)

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Bathrooms & Kitchens

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Continuing Operations A\$m	FY14	FY15	% Change
Revenue	306.6	330.0	7.6%
EBITDA	79.9	87.7	9.8%
EBIT	73.0	83.3	14.1%
EBIT Margin %	23.8%	25.2%	1.4pp
ROFE %	18.5%	22.5%	3.9pp

- Revenue and EBIT growth during significant year of restructuring activity
- Volume growth across most product categories drives 8% revenue increase
- Improved mix (sanitaryware, tapware) and pricing to mitigate against lower A\$
- Margin improvement provides stronger platform to deliver in FY16

Door & Access Systems

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Continuing Operations A\$m	FY14	FY15	% Change
Revenue	92.8	96.2	3.7%
EBITDA	9.7	8.6	-11.3%
EBIT	8.4	7.2	-14.3%
EBIT Margin %	9.1%	7.5%	-1.6pp
ROFE %	15.6%	13.2%	-2.4pp

- Revenue up 4%
- EBIT impacted by flat volume/mix in Gainsborough and higher FX charges for product purchases due to lower A\$
- One-off increase in Gainsborough stock provision impacts EBIT, partially offset by increased earnings in API

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Increased dwelling commencements

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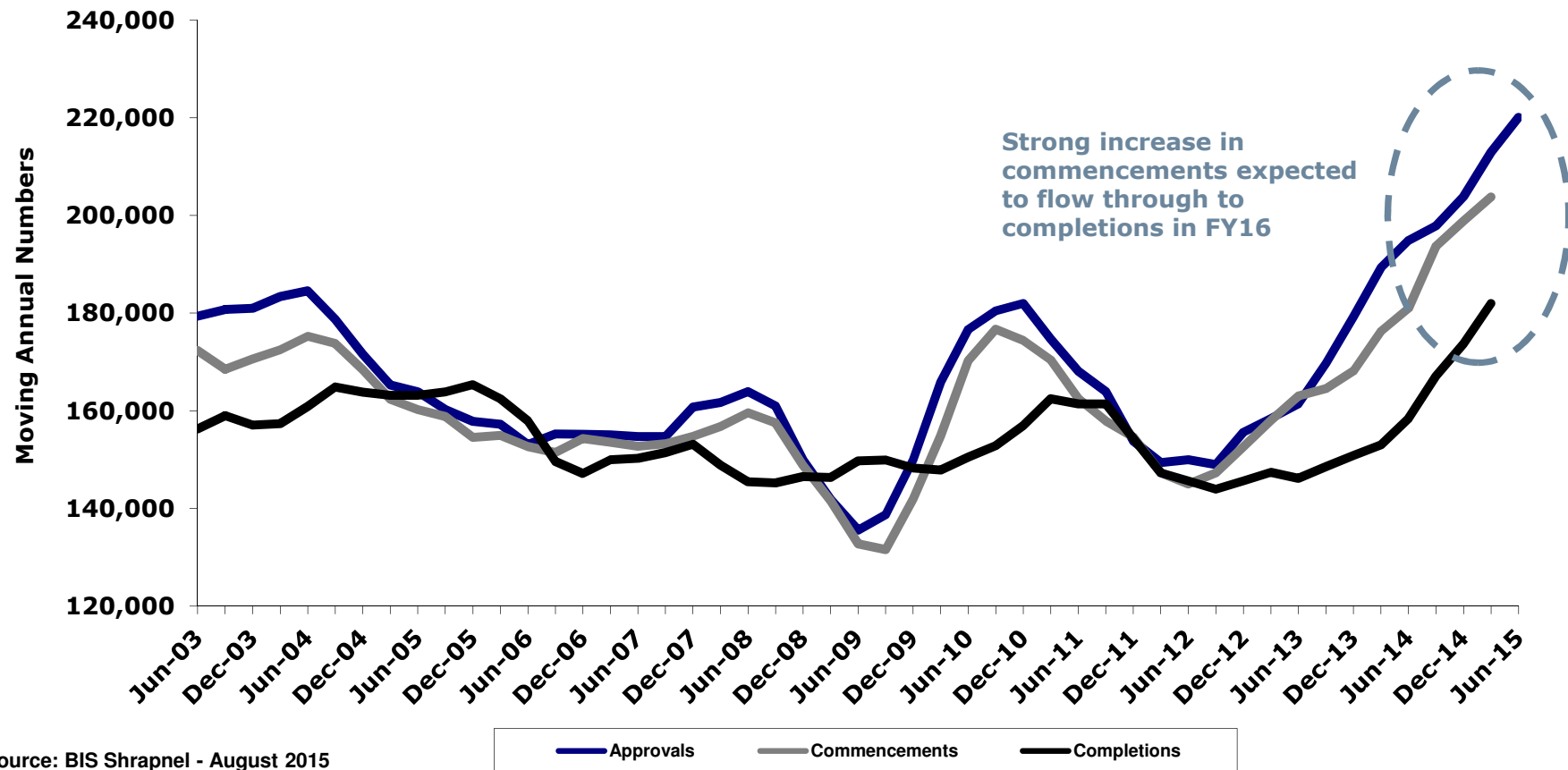
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Australia - New Dwelling Activity 12 Month Moving Annual



Source: BIS Shrapnel - August 2015

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Outlook		Commentary
1	Improved market activity	<ul style="list-style-type: none"> ▪ Increase in new dwelling commencements in FY15 expected to flow through to increased new dwelling completions in FY16 ▪ Non residential activity expected to recover through FY16
2	Refocused business and realigned cost base	<ul style="list-style-type: none"> ▪ Business has been successfully refocused on core operations with strong platforms to compete ▪ Corporate restructure being implemented to realign and reduce cost base, capture supply chain efficiencies
3	Strong financial position supports growth plans	<ul style="list-style-type: none"> ▪ Low debt, cashflow generation supports strong financial position ▪ Disciplined approach to invest in systems/product innovation and accretive growth options in core businesses ▪ Board continues to consider available capital management initiatives with a view to maximising shareholder returns. Separately, Board expects to resume ordinary dividends with the interim FY16 dividend, subject to prevailing market and trading conditions
4	Market Updates	<ul style="list-style-type: none"> ▪ Update on market and trading activity at AGM in October

Appendix – Proforma 5 year summary

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A\$m	FY11	FY12	FY13	FY14	FY15
Revenue					
Bathrooms & Kitchens	332.4	297.8	286.3	306.6	330.0
Door & Access Systems	85.1	78.9	89.8	92.8	96.2
Total Cont'd Ops	417.5	376.7	376.1	399.4	426.2
<i>Discontinued Ops **</i>	<i>224.1</i>	<i>225.4</i>	<i>189.2</i>	<i>178.6</i>	<i>121.6</i>
Group Total	641.6	602.1	565.3	578.0	547.8
Normalised EBIT					
Bathrooms & Kitchens	76.2	60.9	60.4	73.0	83.3
Door & Access Systems	14.4	12.0	11.8	8.4	7.2
Corporate *	(12.7)	(15.2)	(17.2)	(16.9)	(17.7)
Total Cont'd Ops	77.9	57.7	55.0	64.5	72.8
<i>Discontinued Ops **</i>	<i>22.0</i>	<i>17.7</i>	<i>11.8</i>	<i>7.8</i>	<i>1.5</i>
Group Total	99.9	75.4	66.8	72.3	74.3

* Corporate Costs include some costs previously allocated to Discontinued Operations

** FY15 Discontinued Operations represents only part year contribution of divested businesses