

# PRESS RELEASE

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## Reliance Set For Biggest ASX IPO Of 2016

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Australian plumbing supplies company Reliance Worldwide could raise more than \$900 million when it floats on the Australian stock exchange next week.

The Brisbane-based business is expected to list at \$2.27 to \$2.50 a share and generate up to \$919 million, making the April 29 listing the largest local listing of 2016 so far.

Reliance, which sells valves, pipe fittings and thermostatic products across the English-speaking world and in Europe, is forecast to have a total market capitalisation of up to \$1.3 billion.

Chairman Jonathan Munz, whose family has owned Reliance for 30 years, will retain at least 30 per cent of shares after the float.

Writing in the company prospectus, Mr Munz said the company had achieved average net sales growth of more than 13 per cent per annum over the past decade.

Mr Munz, a high-profile horse owner and breeder in Melbourne, said Reliance will use the additional capital to continue pursuing growth and increased market penetration in the United States and Canada.

"The purpose of the offer is to enable the existing owners to partially realise their investment in Reliance, provide Reliance with access to capital markets ... broaden the shareholder base and provide a liquid market for its shares," Mr Munz wrote in his letter to potential shareholders.

According to the prospectus, Reliance generated net sales of \$451.7 million in 2014-15, with almost 70 per cent in the US and Canada.

The company expects to generate sales of \$534.9 million in 2015-16 and \$587.8 million the year after.

Sales were contingent on the shape of renovation and construction markets around the world, the prospectus said, as well as changes in economic conditions.

The company intends to target a dividend payout ratio of at least 40 per cent of net profit after tax.

Heath Sharp, who has been with Reliance since 1990, will serve as chief executive.

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