

PRESS RELEASE

Plumbing New Heights

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Demand is running red-hot for the looming initial public offering of Reliance Worldwide, a plumbing industry juggernaut, with the deal likely to be covered at the low end of the valuation range when the books open on next week's \$715.1 million to \$918.8m equity raising.

Reliance, which is controlled by the low-profile Munz family from Melbourne, looks set to rank as the largest IPO of the year.

But its scale has been matched by extraordinary investor appetite, with the retail books swamped by demand by the time they were closed on Wednesday evening, and indications point to a similarly strong performance from institutional investors.

JPMorgan is the sole global lead manager to the Reliance IPO, which will have a market capitalisation of up to \$1.3bn when it lists on the stock exchange next month, while Macquarie is joint lead manager.

Evans & Partners, Ord Minnett and Morgans took charge of the retail component. Much of Reliance's attraction centres on strong growth prospects afforded by its exposure to the US residential market.

However, after a round of discussions with local fund managers in Sydney and Melbourne this week — the last stops in a global roadshow — a number of investors have raised concerns about the high exposure to a handful of customers, particularly Home Depot. Institutional investors also question the lofty valuation of 17-21 times forward earnings, and argue the deal will offer little upside post the debut if it is priced at the peak. However, cornerstone investors have already committed to the top valuation, signing up to \$165m at \$2.50 per share.

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