

ASX Announcement

1 October 2020

RWC PROVIDES TRADING UPDATE AS PART OF INVESTOR STRATEGY BRIEFING

Reliance Worldwide Corporation Limited (ASX: RWC) (“RWC” or “the Company”) has today provided a trading update for the period up to and including 25 September 2020. The update is being provided as part of the Company’s investor strategy briefing, which Group CEO Heath Sharp and members of the senior leadership team are presenting today.

Overall, sales performance in each of the three regions has continued to track in line with what was reported at the time of the FY2020 annual earnings announcement on 24 August 2020. A summary of revenue trends for July, August and part of September in each of RWC’s key regions is provided in the table below:

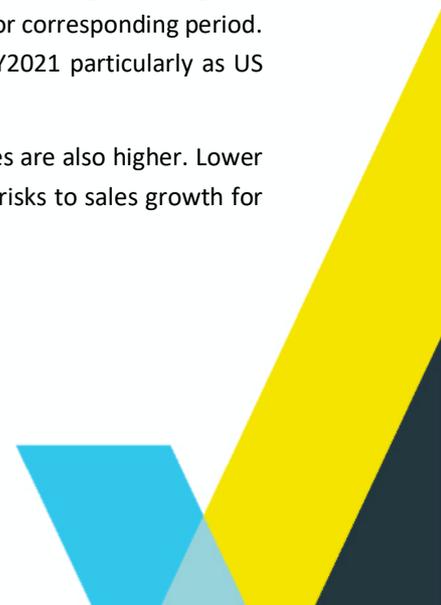
Region	Net Sales % change over pcp (constant currency) ¹					
	July	Trading days difference over pcp	August	Trading days difference over pcp	September ²	Trading days difference over pcp
Americas	+22%	0	+15%	-1	+29%	+1
APAC	+5%	0	-2%	-1	+4%	+1
EMEA	-4%	0	+5%	-1	+24%	+1

Sales in the **Americas** have continued to grow strongly in September with improved sales in wholesale channels and continued recovery in the Canadian market. US retail and hardware point of sales growth in September has been relatively consistent with July and August trends. The increased rate of sales growth in September is primarily explained by the carryover of orders from August as a result of general logistics timing, and one additional trading day in the September 2020 period versus the prior corresponding period. We do not currently expect this elevated level of demand to continue through FY2021 particularly as US Government COVID-19 stimulus measures wind down.

APAC external sales in September are up slightly, while intercompany sales volumes are also higher. Lower housing approvals and new dwelling commencements in Australia continue to be risks to sales growth for the balance of the financial year.

¹ Prior to elimination of inter-segment sales

² September sales are for the period up to and including 25 September 2020



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EMEA has continued to see a recovery in volumes in the UK and Continental Europe, with markets now largely reopened. Improved sales activity has been partly driven by pent-up demand following the COVID-19 lockdown period, particularly in the UK, and from channel partners rebuilding inventory levels which were depleted during the lockdown. The comparisons with the prior period also reflect the fact that August is seasonally the lowest sales month of the year due to the timing of European summer vacations, whereas this pattern was disrupted this year due to COVID-19. September sales also reflect one additional trading day compared with the prior corresponding period.

Mr. Sharp said the FY2021 year has started well but forward visibility remains limited in most markets due to the ongoing impacts of COVID-19.

“The first quarter of the 2021 financial year has been particularly strong from a sales perspective. Looking ahead, we remain cautious. The US has been boosted by the surge in DIY activity and the return of construction activity to pre-COVID levels, but without further government stimulus measures this growth is likely to slow. We expect some softening in the Australian market as the reduction in new housing construction approvals leads to lower building activity. In the UK we are uncertain as to where underlying demand levels will settle once the pent-up demand for products and plumbing services has been satisfied. We are also watchful as to the impact the recent rise in COVID-19 case numbers may have on demand and plumbing activities there.

“Given the continuing uncertainties in all our markets as a result of COVID-19 we would caution against extrapolating the first quarter’s sales performance for the full year.” Mr Sharp said.

A live webcast of the investor day presentation will commence at 8.30am AEST and can be viewed via this link:

REGISTRATION LINK: [CLICK HERE](#)

A replay of the presentations will be available following the end of the event at:

<https://rwc.com/investors/financial-reports-and-presentations>

The investor day presentation slides have been released to the ASX today in a separate announcement.

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This document was approved for release by the Board.