

20 February 2023

Results for announcement to the market

Appendix 4D for the half year ended 31 December 2022

Reliance Worldwide Corporation Limited (ASX: RWC) (“Company”) announces the following financial results for the Company and its controlled entities (together “RWC”) for the six months ended 31 December 2022.

RWC is a global market leader and manufacturer of water delivery, control and optimisation systems for the modern built environment. RWC pioneers and innovates plumbing products for residential, commercial and industrial applications. RWC’s unique end-to-end meter to fixture and floor to ceiling plumbing and heating solutions target the repair, renovation, service, new construction and remodel markets. RWC manufactures and distributes products that disrupt and transform traditional plumbing methods by aiming to make the end user’s job quicker and easier. RWC is the leading manufacturer in the world of brass Push-to-Connect (“PTC”) plumbing fittings and a global leader in the manufacture and distribution of plastic PTC fittings and accessories. Following the acquisition of EZ-Flo International in November 2021, RWC is now also positioned as a leader in supporting those who service major appliance installations, including plumbed appliances, gas, hot water and dryer venting.

Extracted from the 31 December 2022 Interim Financial Report which has been reviewed by the Company’s auditor	Six months ended 31 Dec 2022 US\$ million	Six months ended 31 Dec 2021 US\$ million	Change
Revenue from ordinary activities	601.3	521.8	15.2%
Net profit from ordinary activities after tax attributable to members	66.6	63.7	4.6%
Net profit after tax attributable to members	66.6	63.7	4.6%



Comparison with prior period

Six months ended:	31 December 2022	31 December 2021	Variance
	US\$ million	US\$ million	
Net sales	601.3	521.8	15%
Reported EBITDA¹	139.3	119.6	16%
<i>Adjusted for one-time items:</i>			
- <i>Gain on sale of a UK property</i>	(15.0)	-	n/m
- <i>One-off costs to achieve EZ-Flo cost reduction synergies</i>	3.8	-	n/m
- <i>Net of EZ-Flo and LCL acquisition costs and debt financing costs expensed, partially offset by gain on sale of StreamLabs</i>	-	5.9	n/m
Adjusted EBITDA¹	128.1	125.5	2%
Reported net profit before tax	98.3	92.0	7%
Tax Expense	(31.7)	(28.3)	12%
Reported net profit after tax	66.6	63.7	5%
Adjusted net profit after tax^{1,2}	67.5	75.4	(10%)
Basic earnings per share	8.5 cents	8.1 cents	5%
Adjusted earnings per share ¹	8.6 cents	9.6 cents	(10%)
Dividend per share	4.5 cents	4.5 cents	-

n/m = not meaningful

Please also refer to the accompanying 31 December 2022 Interim Financial Report, Results Announcement, Operating and Financial Review and presentation slides released today for further information.

Earnings per share

Weighted average earnings per share (basic) for the six months ended 31 December 2022 were US8.5 cents (2021 – US8.1 cents). Adjusted earnings per share were US8.6 cents (2021 – US9.6 cents), down 10% on the prior period.

- 1 EBITDA means earnings before interest, tax, depreciation and amortisation; EBITDA, Adjusted EBITDA, Adjusted net profit after tax and Adjusted earnings per share are non-IFRS measures. These measures are used by RWC in order to enhance comparability from period to period and to assess operating performance. They have not been subject to audit or audit review.
- 2 Difference of \$0.9 million between Reported net profit after tax and Adjusted net profit after tax reflects the EBITDA adjusting items net of taxation expense impacts. Net adjustments comprise: (i) Gain on sale of a UK property (-\$9.7 million); (ii) One-off costs to achieve EZ-Flo cost reduction synergies (\$2.8m); and (iii) Goodwill amortisation available for tax (\$7.8 million). Please refer to page 7 of the accompanying Operating and Financial Review released today for further details.

Dividend for the six months ended 31 December 2022

Six months ended:	31 December 2022	31 December 2021	31 December 2022 Franked amount	31 December 2021 Franked amount
Interim	US4.5cps	US4.5cps	10%	20%
Amount payable or paid	US\$35.6m	US\$35.6m		

The interim dividend will be paid in Australian dollars at 6.493 cents per share.³ The record date for entitlement to receive the interim dividend is 10 March 2023. The payment date is 6 April 2023. The Company does not have a dividend reinvestment plan.

A final dividend for the 2022 financial year of US5.0 cents per share franked to 10% was paid to eligible shareholders on 7 October 2022. The dividend was paid in Australian dollars at the rate of 7.139 cents per share.

Net Tangible Assets per Share

Net tangible assets per share at 31 December 2022 were US\$0.10 (30 June 2022 - US\$0.06).

The remainder of the information requiring disclosure to comply with ASX Listing Rule 4.2A.3 is contained in the 31 December 2022 Interim Financial Report, Results Announcement, Operating and Financial Review and presentation slides released today. These documents should be read in conjunction with this and each other document.

For further information, please contact:

Phil King
Group Investor Relations Director
Tel: +61 499 986 189
Email: phil.king@rwc.com

This announcement has been authorised for release by the Board of Reliance Worldwide Corporation Limited.

³ Converted to Australian currency using the average exchange rate over the five business days ended 16 February 2023.



Reliance Worldwide Corporation Limited
ABN 46 610 855 877

Interim Financial Report

31 December 2022

Table of Contents

Directors' Report	2
Auditor's Independence Declaration	4
Financial Statements	
Consolidated Statement of Profit or Loss and Other Comprehensive Income	5
Consolidated Statement of Financial Position	6
Consolidated Statement of Changes of Equity	7
Consolidated Statement of Cash Flows	8
Notes to the Consolidated Financial Statements	9
Directors' Declaration	21
Independent Auditor's Review Report	22

Reliance Worldwide Corporation Limited

Directors' Report

For the half year ended 31 December 2022

The Directors present their report together with the consolidated Financial Report comprising Reliance Worldwide Corporation Limited ("the Company") and its controlled entities (together "the Group" or "RWC") for the half year ended 31 December 2022 and the Auditor's report thereon.

Directors

The Directors of the Company at all times during and since the end of the reporting period, unless otherwise indicated, were:

Stuart Crosby (Chairman)

Heath Sharp (Chief Executive Officer and Managing Director)

Christine Bartlett

Russell Chenu

Darlene Knight

Sharon McCrohan

Ian Rowden

Brad Soller (from 1 November 2022)

Review of Operations

The principal activities of the Group are the design, manufacture and supply of high quality, reliable and premium branded water flow control and monitoring products and solutions for the plumbing and heating industry.

All amounts reported in this Directors' Report and the 31 December 2022 interim financial statements are in US dollars unless stated otherwise.

Net sales for the half year ended 31 December 2022 were \$601.3 million, an increase of 15% over the prior corresponding period ("pcp"). Net sales include a full contribution from EZ-Flo. The pcp results include a partial contribution from EZ-Flo following completion of the acquisition on 17 November 2021. Sales growth in all regions was driven mainly by price increases introduced to offset rising input and other cost increases. RWC achieved average price increases across the group of approximately 8.5% during the period. Volumes were 11% higher overall, chiefly due to the EZ-Flo acquisition. Excluding EZ-Flo, volumes were down 2% overall.

Reported earnings before interest, tax, depreciation and amortisation ("EBITDA") was \$139.3 million, 16% higher than the pcp.¹ The result includes a \$15 million gain on the sale of a surplus property in the UK and costs of \$3.8 million incurred in the realisation of EZ-Flo cost reduction synergies. Excluding these items, Adjusted EBITDA¹ was \$128.1 million which is 2% higher than the pcp.

Lower volumes and higher costs negatively impacted margins. Adjusted EBITDA margin declined by 280 basis points from 24.1% to 21.3%, but margins improved sequentially from the first quarter to the second quarter. Higher commodity costs experienced in the first half of calendar 2022 also adversely impacted margins due to the timing lag between materials purchase and consumption and the sale of finished goods.

Cost savings of \$6.2 million were achieved in the period.

Reported net profit after tax ("NPAT") for the period was \$66.6 million, an increase of 5% on the pcp. Adjusted NPAT¹ was \$67.5 million, down 10% on the pcp.

A detailed review of the operations of the Group for the half year ended 31 December 2022, the results of those operations and the financial position of the Group at 31 December 2022 is contained in the accompanying Results Announcement (Operating and Financial Review) dated 20 February 2023 and should be read in conjunction with this report.

The Directors have determined not to provide earnings guidance for FY2023. Given the continuing uncertainties caused by the COVID-19 pandemic, geopolitical and macroeconomic events, we caution against extrapolating the first half sales performance or results for the full financial year.

¹ EBITDA, Adjusted EBITDA and Adjusted NPAT are non-IFRS measures used by the Group in order to enhance comparability from period to period and to assess operating performance. EBITDA, Adjusted EBITDA and Adjusted NPAT have not been subject to audit or audit review. Details of adjusting items are contained in the Results Announcement dated 20 February 2023.

Reliance Worldwide Corporation Limited

Directors' Report

For the half year ended 31 December 2022

In preparing the interim consolidated financial statements in conformity with Australian Accounting Standards, due consideration has been given to the judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. The Group has managed, and continues to manage, the risks arising from the continuing COVID-19 pandemic, geopolitical and macroeconomic events which are impacting the estimation uncertainty in the preparation of the consolidated financial statements. At 31 December 2022, the Group has reassessed all significant judgements, assumptions and critical estimates included in the consolidated financial statements, including but not limited to, provisions against trade debtors and inventory and impairment of non-current assets. Actual results may differ from these estimates. Details of the main judgements, estimates and assumptions applied are set out in the notes to the interim consolidated financial statements.

Dividends

A final dividend for the financial year ended 30 June 2022 of US\$0.05 per share franked to 10% was paid to eligible shareholders on 7 October 2022. The dividend was paid in Australian dollars at the rate of 7.139 cents per share.

Since the end of the financial period, the directors have resolved to declare an interim dividend of US\$0.045 per share franked to 10%. The dividend will be paid in Australian dollars at the rate of 6.493 cents per share. The dividend will be paid to eligible shareholders on 6 April 2023. The record date for dividend entitlement is 10 March 2023.

The Company does not have a dividend reinvestment plan.

Events subsequent to reporting date

The Directors are not aware of any matter or circumstance that has occurred since the end of the financial period which has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods and has not been covered in this report or the interim consolidated financial statements.

Lead auditor's independence declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 4 and forms part of this Directors' Report.

Rounding off

In accordance with the Australian Securities and Investments Commission Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191, values reported in this Directors' Report are rounded to the nearest million dollars, unless otherwise stated. Where an amount is \$500 or less the amount is rounded to zero, unless otherwise stated.

This report is made in accordance with a resolution of the Directors.



Stuart Crosby
Chairman



Heath Sharp
Chief Executive Officer
and Managing Director

Melbourne
20 February 2023



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Reliance Worldwide Corporation Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Reliance Worldwide Corporation Limited for the half-year ended 31 December 2022 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

Tony Romeo

Partner

Melbourne

20 February 2023

Reliance Worldwide Corporation Limited

Consolidated Statement of Profit or Loss
and Other Comprehensive Income

For the half year ended 31 December 2022

	Note	31 December 2022 US\$000	31 December 2021 US\$000
Revenue			
Revenue from sale of goods	3	601,300	521,835
Cost of sales		(375,264)	(308,425)
Gross profit		226,036	213,410
Other income	4	19,730	3,844
Product development expenses		(5,507)	(5,703)
Selling, warehousing and marketing expenses		(74,700)	(63,520)
Administration expenses		(50,457)	(49,197)
Other expenses		(1,382)	(922)
Operating profit		113,720	97,912
Finance income		87	24
Finance costs		(15,468)	(5,895)
Net finance costs		(15,381)	(5,871)
Profit before tax		98,339	92,041
Income tax expense	6	(31,717)	(28,305)
Profit for the period attributable to the Owners of the Company		66,622	63,736
Other Comprehensive profit			
Items that may be classified to profit or loss:			
Foreign currency translation differences		(5,887)	(26,338)
Total comprehensive profit for the period attributable to the Owners of the Company		60,735	37,398
		US Cents	US Cents
Earnings per share			
Basic earnings per share attributable to ordinary equity holders	5	8.5	8.1
Diluted earnings per share attributable to ordinary equity holders	5	8.4	8.1

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Reliance Worldwide Corporation Limited
Consolidated Statement of Financial Position
At 31 December 2022

	Note	31 December 2022 US\$000	30 June 2022 US\$000
Assets			
Current Assets			
Cash and cash equivalents		34,922	27,679
Trade and other receivables		243,748	266,223
Inventories	9	344,756	315,536
Current tax assets		23,025	9,523
Other current assets		16,879	14,419
Assets held for sale		-	9,924
Total Current Assets		663,330	643,304
Non-current Assets			
Property, plant and equipment	7	224,863	224,987
Right-of-use assets	11	96,610	108,821
Deferred tax assets		28,602	25,723
Goodwill	10	753,821	758,574
Other intangible assets	10	322,314	322,425
Lease receivable		3,648	-
Total Non-current Assets		1,429,858	1,440,530
Total Assets		2,093,188	2,083,834
Liabilities			
Current liabilities			
Trade and other payables		172,014	173,166
Current tax liabilities		2,452	5,103
Employee benefits		5,652	6,414
Lease liabilities	11	14,880	16,067
Total Current Liabilities		194,998	200,750
Non-current Liabilities			
Borrowings	8	566,645	576,594
Deferred tax liabilities		83,588	70,395
Employee benefits		4,725	4,865
Lease liabilities	11	91,966	100,647
Total Non-current Liabilities		746,924	752,501
Total Liabilities		941,922	953,251
Net Assets		1,151,266	1,130,583
Equity			
Share capital		1,741,375	1,738,846
Reserves		(910,314)	(902,289)
Retained earnings		320,205	294,026
Total Equity		1,151,266	1,130,583

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Reliance Worldwide Corporation Limited
Consolidated Statement of Changes in Equity
For the half year ended 31 December 2022

Note	Share Capital	Foreign Currency Translation Reserve	Merger Reserve	Share Based Payment Reserve	Hedging Reserve	Retained Earnings	Total Equity
	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000
Balance at 1 July 2021	1,738,067	60,202	(840,544)	14,331	(8,190)	228,450	1,192,316
Profit for the period	-	-	-	-	-	63,736	63,736
Foreign currency translation Reserve	-	(26,338)	-	-	-	-	(26,338)
Total comprehensive income	-	(26,338)	-	-	-	63,736	37,398
Transactions with owners of the Company							
Treasury shares	1,520	-	-	-	-	-	1,520
Share based payments	-	-	-	869	-	-	869
Dividends paid	-	-	-	-	-	(39,835)	(39,835)
Total transactions with owners of the Company	1,520	-	-	869	-	(39,835)	(37,446)
Balance at 31 December 2021	1,739,587	33,864	(840,544)	15,200	(8,190)	252,351	1,192,268
Balance at 1 July 2022	1,738,846	(71,750)	(840,544)	18,195	(8,190)	294,026	1,130,583
Profit for the period	-	-	-	-	-	66,622	66,622
Foreign currency translation Reserve	-	(5,887)	-	-	-	-	(5,887)
Total comprehensive income	-	(5,887)	-	-	-	66,622	60,735
Transactions with owners of the Company							
Treasury shares	2,529	-	-	-	-	-	2,529
Share based payments	-	-	-	(2,138)	-	(1,194)	(3,332)
Dividends paid	-	-	-	-	-	(39,249)	(39,249)
Total transactions with owners of the Company	2,529	-	-	(2,138)	-	(40,443)	(40,052)
Balance at 31 December 2022	1,741,375	(77,637)	(840,544)	16,057	(8,190)	320,205	1,151,266

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Reliance Worldwide Corporation Limited
Consolidated Statement of Cash Flows
For the half year ended 31 December 2022

	31 December 2022 US\$000	31 December 2021 US\$000
Cash flows from operating activities		
Receipts from customers	617,154	509,685
Payments to suppliers, employees and for customer rebates	(522,893)	(449,721)
Cash generated from operations	94,261	59,964
Income taxes paid	(23,944)	(31,334)
Transaction costs associated with business combinations	-	(6,954)
Net cash inflow from operating activities	70,317	21,676
Cash flows from investing activities		
Payments for purchase of property, plant and equipment	(16,969)	(27,059)
Proceeds from sale of property, plant and equipment	31,031	375
Payments for intellectual property and other intangible assets acquired	(4,860)	(198)
Net cash outflow upon acquisition of business combinations	-	(359,823)
Net cash inflow/(outflow) from investing activities	9,202	(386,705)
Cash flows from financing activities		
Purchase of treasury shares	(1,415)	-
Proceeds from borrowings	50,344	432,052
Repayment of borrowings	(61,293)	(11,008)
Interest received	87	24
Interest paid	(12,749)	(3,379)
Dividends paid	(39,249)	(40,354)
Lease payments	(7,725)	(6,260)
Net cash inflow/(outflow) from financing activities	(72,000)	371,075
Net change in cash and cash equivalents	7,519	6,046
Cash and cash equivalents at 1 July	27,679	21,319
Effects of movements in exchange rates on cash held	(276)	(974)
Cash and cash equivalents at 31 December	34,922	26,391
Represented by:		
Cash at bank	34,922	26,391
Cash and cash equivalents at 31 December	34,922	26,391

Reliance Worldwide Corporation Limited
Notes to the Consolidated Financial Statements
For the half year ended 31 December 2022

1 Basis of preparation

(a) **Reporting Entity**

Reliance Worldwide Corporation Limited (“the Company”) is a limited liability company domiciled in Australia. These consolidated interim financial statements comprise the Company and its subsidiaries (together referred to as “the Group”). The Company’s registered office is at 28 Chapman Place, Eagle Farm, Queensland 4009, Australia.

The principal activities of the Group are the design, manufacture and supply of high quality, reliable and premium branded water flow, control and monitoring products and solutions for the plumbing and heating industry.

(b) **Statement of Compliance**

These consolidated, condensed interim financial statements are general purpose financial statements prepared in accordance with AASB 134 *Interim Financial Reporting*, the *Corporations Act 2001* (“Corporations Act”) and IAS 34 *Interim Financial Reporting*. They do not include all of the information required for a complete set of annual financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of changes in the Group’s financial position and performance since the last annual consolidated financial statements as at and for the year ended 30 June 2022. Accordingly, this report is to be read in conjunction with the 30 June 2022 consolidated financial report and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act.

(c) **Basis of preparation**

These consolidated interim financial statements:

- have been prepared on a going concern basis using historical cost conventions unless otherwise stated;
- have been prepared in accordance with the Australian Securities and Investments Commission Corporations (Rounding in Financial / Directors’ Reports) Instrument 2016/191. Values are rounded to the nearest thousand dollars, unless otherwise stated;
- adopt all new and amended AASBs and Interpretations issued by the AASB that are relevant to the operations of the Group and effective for reporting periods beginning on or after 1 July 2022; and
- do not early adopt any AASBs and Interpretations that have been issued or amended but are not yet effective.

The Company is a for-profit entity. These interim financial statements are presented in US dollars, which is the Group’s presentation currency.

The interim financial statements were authorised for issue by the Board of Directors on 20 February 2023.

(d) **Use of estimates and judgements**

The preparation of consolidated financial statements in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The significant judgements made by management in applying the RWC group accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual financial statements as at and for the year ended 30 June 2022.

(e) **New Standards, interpretations and amendments adopted by the Group**

The accounting policies and methods of computation applied by the Group in this Interim Financial Report are consistent with those applied by the Group in its 30 June 2022 Financial Report. There have been no new or revised accounting standards that materially impacted the interim financial report.

Standards not yet applicable are not expected to have a material impact on the Group.

Reliance Worldwide Corporation Limited
Notes to the Consolidated Financial Statements
For the half year ended 31 December 2022

1 Basis of preparation (continued)

(f) Going concern

These consolidated financial statements have been prepared on a going concern basis, having regard to the financial performance of the Group and consideration of the financial position at 31 December 2022.

The Group has managed, and continues to manage, the risks arising from the continuing impacts of the global COVID-19 pandemic, geopolitical and macroeconomic events, with any known impacts included in this interim financial report. The Group continues to respond to the current global supply chain disruptions, particularly expected delays in shipping cargo movements in and out of China with the easing of its zero-COVID policy.

2 Segment reporting

Segment information is presented in a manner which is consistent with internal reporting to the Chief Executive Officer, who is the chief operating decision maker ("CODM") in the allocation of resources and assessing the performance of the operating segments of the Group.

The Group's regional segments are based on geographical operation of the business and comprise:

- Americas, including the United States of America and Canada¹
- Asia Pacific, including Australia, New Zealand, Korea and China
- EMEA, including the United Kingdom, Germany, Spain, Italy, Poland, France and Czech Republic

Segment revenues, expenses, assets and liabilities are reported on a gross basis. Segment results are presented before the elimination of profits made on inventory sales between segments, with a total deduction for intersegment profits to arrive at the Group's consolidated operating profit.

¹ Ningbo Rockwall Manufacturing business in China is reported under the Americas segment consistent with internal reporting to the CODM.

Reliance Worldwide Corporation Limited
Notes to the Consolidated Financial Statements
For the half year ended 31 December 2022

2 Segment reporting (continued)

	Americas		Asia Pacific		EMEA		Corporate/Other		Elimination		Total	
	31-Dec	31-Dec	31-Dec	31-Dec	31-Dec	31-Dec	31-Dec	31-Dec	31-Dec	31-Dec	31-Dec	31-Dec
	2022	2021 ²	2022	2021 ²	2022	2021 ²	2022	2021	2022	2021 ²	2022	2021
	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000
Revenue												
From external customers	425,321	332,379	62,443	66,567	113,536	122,889	-	-	-	-	601,300	521,835
From other segments	2,013	1,198	40,665	44,361	14,147	21,693	-	-	(56,825)	(67,252)	-	-
Segment revenues	427,334	333,577	103,108	110,928	127,683	144,582	-	-	(56,825)	(67,252)	601,300	521,835
Cost of sales	(291,019)	(224,994)	(75,798)	(78,096)	(65,249)	(68,064)	-	-	56,802	62,729	(375,264)	(308,425)
Gross Profit	136,315	108,583	27,310	32,832	62,434	76,518	-	-	(23)	(4,523)	226,036	213,410
Other income	3,613	3,375	301	289	15,816	180	-	-	-	-	19,730	3,844
Product development expenses	(3,198)	(3,288)	(1,186)	(1,064)	(1,123)	(1,351)	-	-	-	-	(5,507)	(5,703)
Selling, warehousing and marketing expenses ³	(52,524)	(39,239)	(6,907)	(7,335)	(14,969)	(16,425)	(300)	(521)	-	-	(74,700)	(63,520)
Administration expenses ³	(29,533)	(25,302)	(5,127)	(6,984)	(12,732)	(14,427)	(3,065)	(2,484)	-	-	(50,457)	(49,197)
Other expenses	(862)	(553)	(136)	-	-	-	(384)	(369)	-	-	(1,382)	(922)
Segment operating profit/(loss)	53,811	43,576	14,255	17,738	49,426	44,495	(3,749)	(3,374)	(23)	(4,523)	113,720	97,912
	31-Dec	30-Jun	31-Dec	30-Jun	31-Dec	30-Jun	31-Dec	30-Jun	31-Dec	30-Jun	31-Dec	30-Jun
	2022	2022 ²	2022	2022 ²	2022	2022 ²	2022	2022	2022	2022 ²	2022	2022
	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000
Segment assets	999,326	956,731	253,422	255,834	794,280	812,194	1,057,157	1,056,236	(1,010,997)	(997,161)	2,093,188	2,083,834
Segment liabilities	591,259	556,063	81,202	91,663	68,238	80,340	1,212,220	1,208,247	(1,010,997)	(983,062)	941,922	953,251

² Prior period comparatives for segments have been restated as the segment results are now reviewed by the CODM before the elimination of profits made on inventory sales between segments.

³ EZ-Flo integration costs of \$3.8 million (\$2.8 million post-tax) were recorded in Administration expenses and Selling, warehousing and marketing expenses in the Americas segment during the period.

Reliance Worldwide Corporation Limited
Notes to the Consolidated Financial Statements
For the half year ended 31 December 2022

2 Segment reporting (continued)

	Americas		Asia Pacific		EMEA		Corporate/Other		Elimination		Total	
	31-Dec	31-Dec	31-Dec	31-Dec	31-Dec	31-Dec	31-Dec	31-Dec	31-Dec	31-Dec	31-Dec	31-Dec
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000
EBITDA ^{4,5}	67,748	52,999	19,017	22,761	55,836	51,091	(3,314)	(2,762)	(23)	(4,523)	139,264	119,566
Depreciation of property, plant and equipment	(10,160)	(7,757)	(4,448)	(4,656)	(5,677)	(5,886)	(83)	(90)	-	-	(20,368)	(18,389)
Amortisation of intangible assets	(3,777)	(1,665)	(314)	(367)	(733)	(710)	(352)	(523)	-	-	(5,176)	(3,265)
Finance income	52	20	3	3	-	-	32	1	-	-	87	24
Finance costs	(11,827)	(1,815)	(792)	(647)	(224)	(150)	(2,625)	(3,283)	-	-	(15,468)	(5,895)
Income tax expense	(16,264)	(14,860)	(4,005)	(4,809)	(10,549)	(7,951)	(906)	(821)	7	136	(31,717)	(28,305)

⁴ Prior period comparatives for segments have been restated as the segment results are now reviewed by the CODM before the elimination of profits made on inventory sales between segments.

⁵ EBITDA is operating profit before interest, tax, depreciation and amortisation.

Reliance Worldwide Corporation Limited
Notes to the Consolidated Financial Statements
For the half year ended 31 December 2022

3 Revenue

The major products from which the aforementioned segments derive revenue are:

- **Push to Connect Fittings** – brass and plastic push-to-connect plumbing fittings (primarily sold under the SharkBite and JG Speedfit brands) for the installation and repair of water reticulation systems in both domestic and commercial applications;
- **Other Fittings** – brass and plastic crimp fittings, expansion fittings and accessories;
- **Pipe** – coiled and straight length tubing manufactured from cross-linked polyethylene and designed for high temperature and pressure domestic and commercial applications; polybutylene pipe for domestic water and central heating systems; LLDPE tubing for fluid control applications; rigid nylon and aluminium piping for air and pneumatic systems;
- **Valves** – temperature and pressure relief valves, pressure regulation valves and thermostatic mixing valves that protect and safeguard hot water systems;
- **Fluid Tech** – plastic push-to-connect technologies for drink dispense, pure water, air and pneumatics, blown fibre, automotive, and OEM solutions;
- **Integrated Installation Solutions** – engineered plumbing and mechanical solutions that support the delivery of water and firestop solutions; and
- **Appliance Installation & Repair** – appliance connectors, cords, ducts, tubing, pans and other appliance accessories; and
- **Other Products** – including backflow preventers, expansion vessels, underfloor heating components and kit systems, kitchen and bath accessories, water meters, water mains connection fittings and repair sleeves.

Revenue by product group for the period ended 31 December:

	2022 US\$000	2021 ⁶ US\$000
Push to Connect Fittings	210,652	212,553
Other Fittings	56,450	49,445
Pipes	64,757	62,811
Valves	63,050	61,476
Fluid Tech	46,624	57,209
Integrated Installation Solutions	67,061	51,565
Appliance Installation and Repair	59,814	12,989
Other Products	32,892	13,787
	601,300	521,835

Revenue by geography:

	2022 US\$000	2021 US\$000
Australia	54,524	56,980
United Kingdom	94,987	87,042
United States of America	407,753	313,085
Other	44,036	64,728
	601,300	521,835

⁶ Prior period comparatives have been restated due to a change in the product group categories with the addition of the 'Appliance Installation and Repair' product group.

Reliance Worldwide Corporation Limited
Notes to the Consolidated Financial Statements
For the half year ended 31 December 2022

3 Revenue (continued)

Seasonality of operations

The Group's results may be affected by seasonal influences in each segment. In the Americas, sales demand in the quarter ending 31 December is generally strong as retail and wholesale outlets typically build their inventory in anticipation of higher demand for repair and maintenance products during winter. The quarter ending 31 March may be affected by higher demand for repair and maintenance products as a result of unusually colder weather. Milder weather conditions can also result in lower sales during this period as retailers and wholesalers normalise their stock levels.

The EMEA segment usually derives stronger revenue in the January to June period.

In Asia Pacific, more favourable results can be achieved during the period from August to November when this segment usually increases production volumes to meet the demand for America's winter. Typically, the quarter ending 31 March may be slower for Asia Pacific owing to the effect of summer holidays and as demand from the Americas normalises.

4 Other income

	31 December 2022 US\$000	31 December 2021 US\$000
Net gain on sale of property, plant and machinery	14,604	2,342
Other	5,126	1,502
	19,730	3,844

The Group completed the sale of a property in the U.K. for a total consideration of \$25.3 million and recognised a pre-tax gain on sale of \$15.0 million (\$9.7 million post-tax) in the half-year ended 31 December 2022. This property was classified as Assets held for sale as at 30 June 2022.

Reliance Worldwide Corporation Limited
Notes to the Consolidated Financial Statements
For the half year ended 31 December 2022

5 Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share has been based on the following profit attributable to ordinary shareholders and weighted average number of shares.

	31 December 2022 US\$000	31 December 2021 US\$000
Profit attributable to ordinary shareholders	66,622	63,736
Weighted average number of ordinary shares at 31 December (basic)		
	Number of shares	Number of shares
Issued ordinary shares (weighted average)	790,094,765	790,094,765
Treasury shares (weighted average)	(5,216,589)	(6,683,648)
	784,878,176	783,411,117
	US Cents	US Cents
Basic earnings per share	8.5	8.1

(b) Diluted earnings per share

The calculation of diluted earnings per share has been based on the following profit attributable to ordinary shareholders and weighted average number of shares after adjustment for the effects of all dilutive potential ordinary shares.

	31 December 2022 US\$000	31 December 2021 US\$000
Profit attributable to ordinary shareholders	66,622	63,736
Weighted average number of ordinary shares at 31 December (diluted)		
	Number of shares	Number of shares
Issued ordinary shares (weighted average)	790,094,765	790,094,765
Effect of share options on issue	4,300,000	4,400,000
Treasury shares (weighted average)	(5,216,589)	(6,683,648)
	789,178,176	787,811,117
	US Cents	US Cents
Diluted earnings per share	8.4	8.1

Reliance Worldwide Corporation Limited
Notes to the Consolidated Financial Statements
For the half year ended 31 December 2022

6 Income tax expense

Reconciliation of prima facie tax expense to income tax expense recognised in the Consolidated Statement of Profit or Loss

The major components that reconcile the expected income tax expense based on the Australian statutory rate of tax of the Group at 30% to the reported actual income tax expense in the consolidated statement of profit or loss are as follows:

	31 December 2022 US\$000	31 December 2021 US\$000
Profit before income tax	98,339	92,041
Prima facie income tax expense at 30%	(29,502)	(27,612)
<i>Tax effect of items which (increase) / decrease tax expense:</i>		
Effect of tax rates in foreign jurisdictions	6,028	7,233
Non-deductible expenses	(599)	(1,225)
Net (under) over provision from prior years	-	184
Foreign income subject to US tax	(9,073)	(7,437)
Other	1,429	552
Actual income tax expense reported in the consolidated statement of profit or loss and other comprehensive income	(31,717)	(28,305)

7 Property, plant and equipment

	31 December 2022 US\$000	30 June 2022 US\$000
<i>Carrying amounts of:</i>		
Freehold land	18,053	18,129
Buildings	32,837	38,544
Leasehold improvements	6,162	6,980
Plant and equipment	167,811	161,334
	224,863	224,987

Reliance Worldwide Corporation Limited
Notes to the Consolidated Financial Statements
For the half year ended 31 December 2022

8 Net Debt

(a) Borrowings	31 December 2022 US\$000	30 June 2022 US\$000
Non-Current		
Bank borrowings – Unsecured	318,416	328,737
Guaranteed Senior Notes/US Private Placement (USPP) – Unsecured	250,000	250,000
	568,416	578,737
Less: Transaction costs capitalised	(1,771)	(2,143)
Total borrowings	566,645	576,594

(b) Net Debt

At 31 December 2022	Facility Limit	Borrowings	Cash	Net cash/(debt) Balance
	US\$000	US\$000	US\$000	US\$000
Syndicated Loan Facility (Tranche A)	(435,000)	(246,515)	-	(246,515)
Syndicated Loan Facility (Tranche B)	(290,000)	(10,901)	-	(10,901)
Bilateral US Dollar Facility (Tranche A)	(45,000)	(45,000)	-	(45,000)
Bilateral US Dollar Facility (Tranche B)	(30,000)	(16,000)	-	(16,000)
Guaranteed Senior Notes/US Private Placement (USPP)	(250,000)	(250,000)	-	(250,000)
Cash and cash equivalents	-	-	34,922	34,922
Total RWC Group	(1,050,000)	(568,416)	34,922	(533,494)

At 30 June 2022	Facility Limit	Borrowings	Cash	Net cash/(debt) Balance
	US\$000	US\$000	US\$000	US\$000
Syndicated Loan Facility (Tranche A)	(435,000)	(254,475)	-	(254,475)
Syndicated Loan Facility (Tranche B)	(290,000)	(17,262)	-	(17,262)
Bilateral US Dollar Facility (Tranche A)	(45,000)	(45,000)	-	(45,000)
Bilateral US Dollar Facility (Tranche B)	(30,000)	(12,000)	-	(12,000)
Guaranteed Senior Notes/US Private Placement (USPP)	(250,000)	(250,000)	-	(250,000)
Cash and cash equivalents	-	-	27,679	27,679
Total RWC Group	(1,050,000)	(578,737)	27,679	(551,058)

The syndicated multi-currency loan facility and bilateral US dollar facility are governed by a Common Terms Deed and are unsecured. The facilities contain financial covenants which the Company is in compliance with. The facilities have the following maturities:

- \$480 million to mature in November 2024 (Tranche A); and
- \$320 million to mature in November 2026 (Tranche B).

The US Private Placement (USPP) notes are unsecured and have fixed coupon rates with the following maturities:

- \$55 million to mature in April 2029;
- \$65 million to mature in April 2032;
- \$65 million to mature in April 2034;
- \$65 million to mature in April 2037.

The key terms of the USPP notes are consistent with the Common Terms Deed which governs RWC's bank loan facilities. RWC's weighted average debt maturity is 4.6 years at 31 December 2022.

Reliance Worldwide Corporation Limited
Notes to the Consolidated Financial Statements
For the half year ended 31 December 2022

9 Inventories

	31 December 2022 US\$000	30 June 2022 US\$000
<i>At cost</i>		
Raw materials and stores	110,516	111,118
Work in progress	35,142	37,513
Finished goods	214,551	179,420
	360,209	328,051
Less: provision for diminution	(15,453)	(12,515)
	344,756	315,536

10 Goodwill and intangible assets

	31 December 2022 US\$000	30 June 2022 US\$000
<i>Carrying value</i>		
Goodwill	753,821	758,574
Identified intangible assets		
- Intellectual property, trade names, brand names and trademarks	220,930	222,122
- Product technology	14,594	15,181
- Customer relationships	68,200	71,164
- Licence fees, software and other	18,590	13,958
	322,314	322,425
	1,076,135	1,080,999

The Group assesses whether there are indicators that goodwill and other intangible assets have suffered any impairment at each reporting date and believes that no impairment charge is required for any significant asset or Cash Generating Unit in the half year ended 31 December 2022.

Reliance Worldwide Corporation Limited
Notes to the Consolidated Financial Statements
For the half year ended 31 December 2022

11 Leases

The Group leases various properties, equipment and vehicles. Property leases typically are for a period of 5 to 15 years and often have extension options. Equipment and vehicle leases are typically for a period of 3 to 5 years. Lease terms are negotiated on an individual basis and contain a range of different terms and conditions.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of profit or loss over the lease period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured at present value. The lease payments are discounted using the Group's incremental borrowing rate. The Group has elected not to recognise right of use assets or lease liabilities for payments associated with short-term leases (with a term of 12 months or less) and leases of low-value assets. Payments relating to these items are recognised on a straight-line basis as an expense in the statement of financial performance.

Amounts recognised in the statement of financial position

	31 December 2022 US\$000	30 June 2022 US\$000
<i>Right-of-use assets</i>		
Properties	93,814	105,678
Equipment	1,430	1,834
Vehicles	1,366	1,309
Total right-of-use assets	96,610	108,821
<i>Lease liabilities</i>		
Current	14,880	16,067
Non-current	91,966	100,647
Total Lease liabilities	106,846	116,714

Amounts recognised in the statement of profit or loss

	31 December 2022 US\$000	31 December 2021 US\$000
<i>Depreciation charge for right-of-use assets</i>		
Properties	4,950	5,167
Equipment	421	441
Vehicles	282	293
Total depreciation charge for right-of-use assets	5,653	5,901
Expense relating to short term and low value leases	1,276	1,393
Interest expense on lease liabilities	1,965	1,315

The statement of cash flows for 31 December 2022 includes cash outflows for lease payments of \$7.7 million (2021 - \$6.3 million) within 'Cash flows from financing activities'.

During the period, the Group entered into a sub-lease agreement for an existing warehouse facility in the US.

Reliance Worldwide Corporation Limited
Notes to the Consolidated Financial Statements
For the half year ended 31 December 2022

12 Contingent liabilities

Financial guarantees

The Company has agreed to provide guarantees to third parties for certain commitments made or entered into by subsidiary entities in the ordinary course of business. The Company does not consider these guarantees to be material in the context of the Group's business.

The Group has provided bank guarantees at 31 December 2022 totalling \$0.7 million (30 June 2022 – \$0.9 million).

General contingencies

The Company has entered into a Deed of Cross Guarantee ("Deed") with two of its subsidiaries, Reliance Worldwide Group Holdings Pty Ltd and Reliance Worldwide Corporation (Aust.) Pty Ltd. The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of either of these subsidiaries under certain provisions of the Corporations Act. If a winding up occurs under other provisions of the Corporations Act, the Company will only be liable in the event that after six months any creditor has not been paid in full. These subsidiaries have also given similar guarantees in the event the Company is wound up.

The Group may be involved in legal claims, administrative actions and proceedings related to the normal conduct of its business including, among other things, general liability, commercial, employment, intellectual property, and products liability matters such as the proceeding listed below. Based upon existing information, it is not possible to predict with certainty the outcome or cost of current legal claims, actions and proceedings. The Group establishes accruals for estimated costs associated with such matters in a manner which complies with applicable accounting standards. The Directors believe that current matters of which they are aware should not significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

The Company is aware of a legal proceeding filed in the United States federal district court in Atlanta, Georgia, against Reliance Worldwide Corporation, a member of the Group, ("RWC USA") purporting to assert a putative class action in connection with alleged product liability claims. At this stage, it is not possible to provide a reasonable or accurate assessment of RWC USA's potential exposure, if any. In any event, RWC USA does not accept any liability and continues to vigorously defend this matter.

The Directors are not aware of any other material contingent liabilities at balance date or arising since the end of the financial period.

13 Related Party Transactions

There were no related party transactions entered into by the Group during the period other than the ongoing trading operations between certain Group companies.

14 Subsequent events

On 20 February 2023, the directors resolved to declare an interim dividend of US 4.5 cents per share franked to 10%. The dividend will be paid in Australian dollars at the rate of 6.493 cents per share. The dividend will be paid to eligible shareholders on 6 April 2023. The record date for dividend entitlement is 10 March 2023. The Company does not have a dividend reinvestment plan.

The Directors are not aware of any other matters or circumstances that have occurred since the end of the financial period that have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

15 Group entities

During the interim period ended 31 December 2022, EZ FLO International LLC merged into Reliance Worldwide Corporation effective 31 October 2022.

Reliance Worldwide Corporation Limited
Directors' Declaration
For the half year ended 31 December 2022

In the opinion of the Directors of Reliance Worldwide Corporation Limited ("the Company"):

1. the consolidated interim financial statements and notes that are set out on pages 5 to 20 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the period from 1 July 2022 to 31 December 2022;
 - (ii) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001;
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



Stuart Crosby
Chairman



Heath Sharp
Chief Executive Officer
and Managing Director

Melbourne
20 February 2023



Independent Auditor's Review Report

To the shareholders of Reliance Worldwide Corporation Limited

Report on the Interim Financial Report

Conclusion

We have reviewed the accompanying **Interim Financial Report** of Reliance Worldwide Corporation Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Reliance Worldwide Corporation Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Consolidated statement of financial position as at 31 December 2022
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the half-year ended on that date
- Notes 1 to 15 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

The **Group** comprises Reliance Worldwide Corporation Limited (the Company) and the entities it controlled at the half-year's end or from time to time during the half-year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



KPMG



Tony Romeo

Partner

Melbourne

20 February 2023