

Media Release

22 August 2022

**RWC REPORTS RESULTS FOR YEAR ENDED 30 JUNE 2022:
SALES RISE 17% TO US\$1,172.2 MILLION, NET PROFIT AFTER TAX OF US\$137.4 MILLION****Highlights:**

- 17% growth in reported Net Sales to US\$1,172 million over the prior corresponding period (“pcp”)
 - Americas recorded 26% sales growth over pcp including an initial contribution from EZ-FLO which was acquired in November 2021
 - Asia Pacific sales up 6%¹, with external sales up 12%¹ driven by strong Australian residential construction and remodel activity
 - Continental Europe sales up strongly, volumes in the UK lower following a strong period of growth in the pcp
- Adjusted EBITDA² of US\$268.7 million, up 3% on pcp
- Adjusted net profit after tax of US\$161.4 million, up 2% on pcp

Reliance Worldwide Corporation Limited (ASX: RWC) (“RWC” or “the Company”) today announced Reported Net Profit after Tax (“NPAT”) of US\$137.4 million for the year ended 30 June 2022, and Adjusted NPAT of US\$161.4 million.

RWC will pay a final dividend of US5.0 cents per share making total dividends for the year of US9.5 cents per share, compared with US9.3 cents per share for FY21.

Sales in the Americas were 26% higher than pcp, reflecting the inclusion of sales from EZ-FLO from November 2021 onwards and also the impact of price increases implemented during the year.

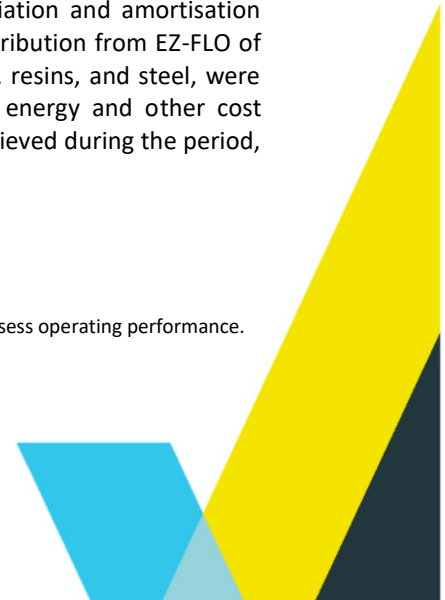
Asia Pacific sales were 6% higher on a constant currency basis, with external sales up 12% reflecting stronger Australian new housing construction and remodel markets. Intercompany sales were down 5%, with the prior year having been boosted by demand in the Americas as a result of the winter freeze in the US.

EMEA sales were up 1% on a constant currency basis, with lower volumes in the UK following strong sales in the pcp after COVID lockdowns in the UK, offset by increased sales in Continental Europe.

Adjusted operating earnings, measured by earnings before interest, tax, depreciation and amortisation (“Adjusted EBITDA”), were up 3% to US\$268.7 million and included an initial contribution from EZ-FLO of US\$15.6 million. Higher commodity costs for key materials including copper, zinc, resins, and steel, were experienced during the year together with higher costs for freight, packaging, energy and other cost inflation. Average price increases across the group of approximately 9.5% were achieved during the period, with price rises implemented in all key markets helping to offset cost increases.

¹ Constant currency sales growth

² EBITDA, Adjusted EBITDA, Adjusted NPAT and Adjusted EPS are non-IFRS measures used by RWC to assess operating performance. These measures have not been subject to audit or review.



RWC CEO Heath Sharp said the 2022 financial year had been another record for the Company:

“This was a year of significant operational challenges. Supply chain disruption, ongoing COVID outbreaks, and cost inflation were all prominent. Despite this, our team has guided the company effectively through these disruptions and delivered record underlying net earnings.

“The integration of two acquisitions, LCL in Australia and EZ-FLO in the US, has been a significant highlight of the year. LCL has enabled us to take full control of the supply of our brass requirements in Australia. With EZ-FLO, we now have the capability to serve the large appliance connector market. This is a significant market that is immediately adjacent to our core plumbing end-markets in North America.

“For a second consecutive year we have set new all-time volume records across many of our markets. At the same time, we have been able to implement price increases in all our markets to offset the significant cost inflation we encountered throughout the year”, Mr Sharp said.

Operating cash flow generation in FY22 was down on the prior year due to investment in higher inventory levels to counter shipping and logistics delays and other potential supply chain disruptions. With RWC’s low debt levels at the start of the year, the LCL and EZ-FLO acquisitions were able to be funded entirely with debt. Net debt to EBITDA was 2.1 times at year end, well within RWC’s target leverage range of 1.5 to 2.5 times.

Outlook

The short-term demand outlook for RWC’s key markets remains satisfactory. A backlog of work in core repair and maintenance markets, along with committed new home construction activity in Australia, is expected to support volumes in the short term. RWC’s end market exposure, which is predominantly repair and maintenance activity, should provide greater resilience to economic shocks compared with the more cyclical new residential construction market.

Given weaker global economic conditions and the risk of recessions in RWC’s key markets, however, the medium-term outlook is less certain. The company remains vigilant and is working to mitigate risks of rising interest rates, weaker consumer confidence, inflation and supply chain disruption in FY23.

Additional information

Please refer to the Appendix 4E, 2022 Annual Report, Results Announcement and presentation slides released today for additional information and analysis. These documents should be read in conjunction with this and each other document.

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This document was approved for release by the Board.