



FY22 First Quarter Trading Update

26 October 2021

RELIANCE WORLDWIDE CORPORATION LIMITED
ABN 46 610 855 877



Important Notice

This presentation contains general information about Reliance Worldwide Corporation Limited's activities at the date of presentation (26 October 2021). It is information given in summary form and does not purport to be complete.

The presentation is not an offer or invitation for subscription or purchase of or a recommendation of securities in any jurisdiction. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice, when deciding if an investment is appropriate.

Information, including forecast or forward looking information, in this presentation should not be considered as a recommendation in relation to holding, purchasing or selling shares, securities or other instruments in Reliance Worldwide Corporation Limited. Due care and attention has been used in the preparation of forecast and forward looking information. However, actual results may vary from forecasts and any variation may be materially positive or negative. Forecasts by their very nature are subject to uncertainty and contingencies many of which are outside the control of Reliance Worldwide Corporation Limited and Reliance Worldwide Corporation Limited cautions against reliance on any forward looking statements or forecasts, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by COVID-19. Past performance is not a reliable indication of future performance. Except as required by applicable regulations or laws, Reliance Worldwide Corporation Limited does not undertake any obligation to publicly update or review any forward looking statements whether as a result of new information or future events.

The financial results are extracted from unaudited management accounts. RWC's standard processes were followed to confirm the material accuracy of the results. This presentation contains references to the following non-IFRS measures: EBITDA, Adjusted EBITDA and Adjusted EBIT. These measures are used by RWC to assess operating performance and are defined in the accompanying First Quarter Trading Update dated 26 October 2021. These measures have not been subject to audit or review.

All figures are presented in US Dollars unless indicated otherwise. The sum totals throughout this presentation may not add exactly due to rounding differences.

The information in this presentation remains subject to change without notice. Circumstances may change and the contents of this presentation may become outdated as a result.

This presentation forms part of a package of information about Reliance Worldwide Corporation Limited. It should be read in conjunction with the First Quarter Trading Update also released on 26 October 2021.

Summary of Q1 FY22 Performance

US\$m	Q1 FY21	Q1 FY22	% Change	2-Year CAGR Q120 – Q122
Net Sales	227.1	246.0	8.3%	13.4%
Reported EBITDA	63.5	66.3	4.4%	28.7%
Adjusted EBITDA	63.5	65.5	3.1%	28.0%
<i>Adjusted EBITDA Margin</i>	28.0%	26.6%	-140bps	
Reported EBIT	53.3	56.2	5.4%	33.5%
Adjusted EBIT	53.3	55.4	3.9%	32.6%
<i>Adjusted EBIT Margin</i>	23.5%	22.5%	-100bps	
Net Debt	178.3	160.3	-10.1%	

Commentary

- Sales growth in all 3 regions - underlying demand remained strong driven by investment in home repair and remodelling
- Supply chain issues relating to shipping and freight delays, materials shortages, and construction sector delays constrained sales growth rates
- Operating margins were impacted by price rises introduced to cover input cost inflation
- Other cost pressures including shipping, freight and energy costs also negatively impacted margins.
- Net debt was lower than the pcp but was \$29.9 million higher than at 30 June 2021, mainly due to payment of \$28 million for LCL acquisition
- High capital expenditure and inventory increases also impacted net debt
- Committed funding increased by A\$100 million – pro forma headroom of US\$127 million following completion of the EZ-FLO International acquisition

Segment results: Americas

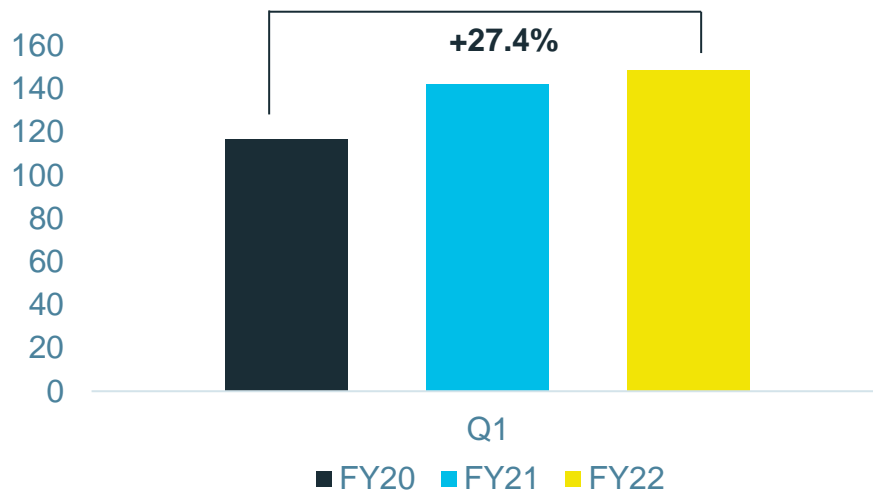
Net sales up 4.5% over pcp, up 27.4% on a 2-year pcp basis

US\$m	Q1 FY21	Q1 FY22	%
Net Sales	142.5	148.9	4.5%
Adjusted EBITDA	29.9	27.7	-7.4%
<i>Adjusted EBITDA Margin</i>	<i>21.0%</i>	<i>18.6%</i>	<i>-240bps</i>
Adjusted EBIT	25.8	23.6	-8.5%
<i>Adjusted EBIT Margin</i>	<i>18.1%</i>	<i>15.8%</i>	<i>-230bps</i>

Commentary

- Sales growth driven primarily by price increases and new product revenues.
- Product volumes slightly lower than pcp due to supply chain impacts on raw materials and components availability
- Warehousing and logistics changes by Lowe’s adversely impacted volumes:
 - Inventory is now cross-docked same-day through Lowe’s DC network and on-forwarded to branches
 - Lowe’s has been able to reduce inventory levels in its DC’s while maintaining stock availability in store
 - Adjusting for this one-off impact, sales growth would have been approximately 12% for the quarter
- RWC named Lowe’s Vendor of the Year in the Rough Plumbing Category, and Plumbing Vendor of the Year by Do It Best
- Operating margins reduced due to price rises that offset commodity cost inflation

Americas First Quarter Revenues US\$m



Segment results: Asia Pacific

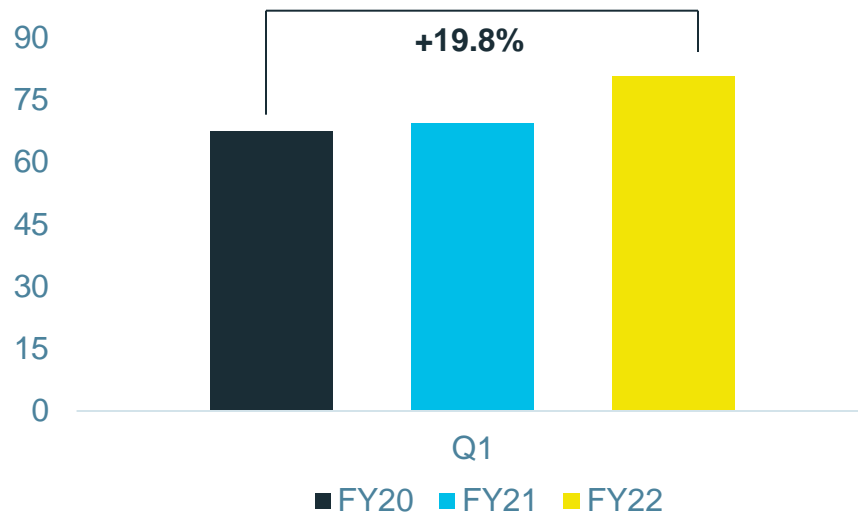
Strong sales growth of 16.5% on pcp, up 19.8% on a 2-year pcp basis

A\$m	Q1 FY21	Q1 FY22	%
Net Sales	69.2	80.6	16.5%
Adjusted EBITDA	16.6	18.3	10.2%
<i>Adjusted EBITDA Margin</i>	<i>24.0%</i>	<i>22.7%</i>	<i>-130bps</i>
Adjusted EBIT	13.4	14.9	11.2%
<i>Adjusted EBIT Margin</i>	<i>19.4%</i>	<i>18.5%</i>	<i>-90bps</i>

Commentary

- APAC sales growth reflected strong domestic demand in Australia and continued growth in inter-company sales to the Americas
- Strong domestic demand in Australia driven by increased new residential construction activity and growth in remodelling activity
- No material impact from construction industry shutdowns in New South Wales and Victoria as a result of COVID restrictions
- Operating margins adversely impacted by margin dilutive price increases together with negative profit in stock adjustments

Asia Pacific First Quarter Revenues A\$m



Segment results: EMEA

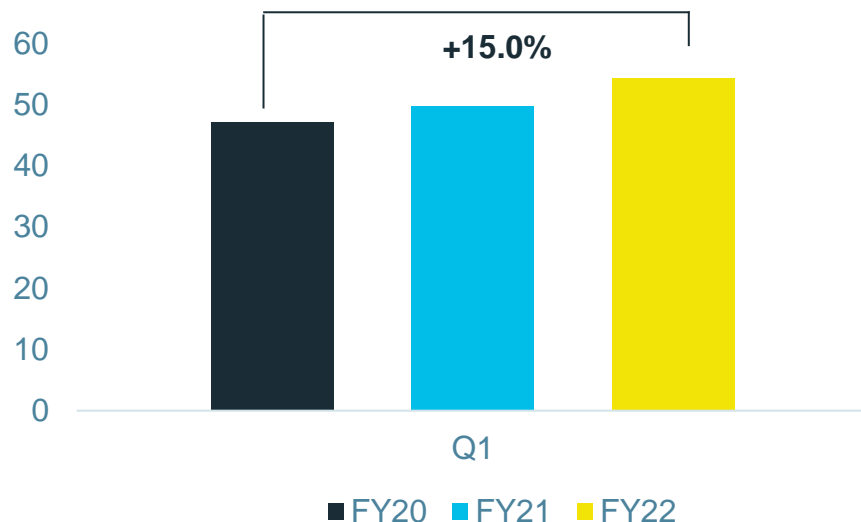
Net sales up 9% on pcp, up 15% on a 2-year pcp basis

GBPm	Q1 FY21	Q1 FY22	%
Net Sales	49.8	54.3	9.0%
Adjusted EBITDA	16.7	17.6	5.4%
<i>Adjusted EBITDA Margin</i>	33.5%	32.4%	-110bps
Adjusted EBIT	14.0	15.2	8.6%
<i>Adjusted EBIT Margin</i>	28.1%	28.0%	-10bps

Commentary

- Continental Europe sales up strongly as economies opened up - water filtration and drinks dispense product volumes positively impacted
- Volumes in the UK were impacted in July and August by a return to typical vacation patterns in the UK with lower activity than pcp
- Underlying demand drivers in the UK remain robust, but supply chain constraints continue to be challenges in the construction sector.
- Transport driver shortages, availability of materials, and other supply chain impacts adversely impacting activity levels - some residential construction and remodelling activity being postponed

EMEA First Quarter Revenues GBPm



Outlook for FY22¹

Demand steady, rising costs to be mitigated by prices increases and cost-out actions

- The outlook for RWC's key markets in FY2022 remains positive from a demand perspective:
 - Market fundamentals signal steady demand underpinned by increased home remodelling activity and higher levels of new home construction
- Supply chain constraints likely to smooth overall activity levels and should help to prolong current demand levels
- Shipping delays, materials shortages, rising costs for copper, steel, resins and packaging, higher freight and energy costs, likely to remain headwinds for much of FY2022
- Price increases are being implemented and further cost reduction activities are being pursued to offset these cost increases:
 - Headwinds likely to be strongest in Q2 and then improve in Q3 as we recover those increased costs
- RWC's local manufacturing operations and strong track record of class-leading customer service is well placed to navigate these challenges and respond to customer needs

¹ Key assumptions for FY2022 are set out in the Results Announcement dated 23 August 2021