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Media Release

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RWC REPORTS RESULTS FOR SIX MONTHS ENDED 31 DECEMBER 2021:

SALES RISE 12% TO US$522 MILLION, NET PROFIT AFTER TAX OF US$63.7 MILLION

Highlights:

- 12% growth in reported Net Sales to US$522 million over the prior corresponding period ("pcp")
  - **Americas** growth of 15% over pcp including an initial contribution from EZ-FLO which was acquired in November 2021
  - **Asia Pacific** constant currency sales up 10% on pcp driven by strong Australian residential construction and remodel activity
  - **Continental Europe** sales up strongly, while the UK saw lower volumes following a strong period of growth in the pcp
- Adjusted EBITDA[1] of US$125.5 million, up 5% on pcp
- Adjusted net profit after tax[1] of US$75.4 million, up 5% on pcp

Reliance Worldwide Corporation Limited (ASX: RWC) ("RWC" or "the Company") today announced Net Profit after Tax ("NPAT") of US$63.7 million for the six months ended 31 December 2021 and Adjusted NPAT up 5% to US$75.4 million. RWC changed its presentation currency from Australian Dollars to US Dollars during the current financial year.

RWC will pay an interim dividend of US4.5 cents per share.

RWC Chief Executive Officer Heath Sharp said the first half had been underpinned by continued strong demand for RWC's products.

"We continued to experience robust market conditions and demand for our products. The trend of increased spending on home remodelling activity, coupled with strong new residential construction markets, has underpinned record levels of demand. We were able to consolidate our volumes following a period of exceptional growth in 2021. Importantly, we were able to meet our customer's service and delivery expectations despite the increased incidence of COVID and supply chain challenges."

The Americas segment recorded growth of 15% including EZ-FLO, and underlying growth in sales of 12% excluding EZ-FLO and adjusting for the one-off distribution logistics change by a key US channel partner. Sales growth on a constant currency basis in Asia Pacific was 10% and 1% in EMEA.

The first half was characterised by continued strength in underlying demand for RWC products driven by buoyant repair and remodel activity and high levels of new residential construction. RWC was able to consolidate higher volumes in the first half following 25% growth in sales in the prior financial year.

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[1] EBITDA, Adjusted EBITDA, EBIT, Adjusted EBIT, 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.

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Mr Sharp said the stronger revenues in the period had reflected price increases introduced to offset cost inflation.

Rising costs associated with higher commodity prices for key materials including copper, resins, and steel, were experienced during the period together with higher costs for freight, packaging, energy and other costs. Price rises were implemented during the period to substantially offset these increased costs, although the timing lag between higher input costs being incurred and offsetting price increases negatively impacted operating margins. Further price increases will take effect in the second half and RWC expects these increases will offset cost inflation on a run rate basis by the end of the fourth quarter of FY22.

Operating earnings (Adjusted EBITDA) of US$125.5 million were 5% higher than pcp. Adjustments included one-off costs relating to the acquisition of LCL and EZ-FLO, unwinding an inventory fair value step up associated with those acquisitions, a one-off gain on the sale of StreamLabs, and expensing of certain costs associated with RWC's previous debt facilities.

Tight cost control kept core SG&A growth (excluding EZ-FLO and one-off costs) to 2% for the period. Cost reduction initiatives delivered savings of $3.1 million in the first half and further measures being pursued in the second half are expected to result in a full year cost savings run rate of $10 million by year end. Measures to lower costs in the first half included changes in manufacturing operations to drive efficiencies, procurement gains, and a reduction in the use of temporary labour.

"We have acted decisively to address input cost pressures now being experienced, principally through passing on higher prices, cost control and operational savings. We expect operating margin dilution to correct in the second half as additional price rises agreed with our channel partners positively impact results," Mr Sharp said.

The period included a contribution from EZ-FLO which was acquired in November 2021, with sales of US$22.5 million and EBITDA of US$2.3 million recorded for the 6-week period post- acquisition.

"It's very early days for us with EZ-FLO but we remain excited about the prospects that the business offers. We have made very good progress integrating EZ-FLO's operations and are now starting to focus on pursuing the growth opportunities that attracted us to the business," Mr Sharp said.

Planned increased investment in inventories to maintain customer service levels resulted in a reduction in net cash flow from operations to $60 million. Net debt increased by $371.1 million to $545.3 million following completion of the LCL and EZ-FLO acquisitions in the period.

Commenting on trading conditions since 31 December 2021, Mr Sharp said:

"Trading in January 2022 was broadly consistent with the trends seen in the first half. Americas sales, excluding EZ-FLO, were higher than the same month last year reflecting ongoing strong demand and performance ahead of market. APAC external sales continued to benefit from ongoing strength in the residential construction and remodelling markets in Australia. EMEA also continued the trajectory of the first half with the overall result in line with the prior January."

Additional information

Please refer to the Appendix 4D, 31 December 2021 Interim Financial 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.