



Media Release

28 August 2017

RWC FY2017 results exceed prospectus forecast and strong growth forecast to continue in FY2018¹

Reliance Worldwide Corporation Limited (ASX: RWC) (“RWC” or “the Company”), a leading global designer, manufacturer and supplier of premium-branded engineered water flow and control products and solutions for the plumbing industry, continues to perform strongly. RWC’s FY2017 results exceeded its prospectus sales and profit forecasts and the Company is forecasting further strong growth for FY2018.

Features of RWC’s FY2017 result were:

Compared with FY2016 pro forma²

- Net sales up 12.6%, to \$A601.7 million (+17.2% on a constant currency basis)
- EBITDA up 21.8%, to \$A120.7 million
- Net after tax profit up 25.9%, to \$A65.6 million

Prospectus forecast³ exceeded

- Net sales +2.4%
- EBITDA +2.5%
- Net after tax profit +4.8%

FY2017 dividends

- Final declared of 3.0 cents per share, fully franked
- Total FY2017 dividends of 6.0 cents per share, franked to 70%

RWC announced consolidated results today for the financial year ended 30 June 2017¹, the first full-year financial results since its shares listed on the ASX on 29 April 2016. The Company reported operating and financial results that exceed FY2017 financial forecasts contained in its 18 April 2016 Prospectus and continue RWC’s track record of strong annual growth in net sales and earnings.

Financial highlights	Actual FY2017 (\$Am)	Pro Forma FY2016² (\$Am)	Change (%)	Prospectus Forecast³ FY2017 (\$Am)	Change (%)
Net sales	601.7	534.4	+12.6	587.8	+2.4
EBITDA ⁴	120.7	99.1	+21.8	117.7	+2.5
EBIT ⁴	101.3	82.7	+22.5	97.8	+3.6
Net profit after tax	65.6	52.1	+25.9	62.6	+4.8



Comments from Heath Sharp, RWC Group Chief Executive Officer:

“We are pleased to be able to report such excellent results in a prospectus year. Our team rose to the challenge and performed well across all our geographic and market segments” commented Heath Sharp, RWC’s Chief Executive Officer.

“We are continuing to disrupt and transform the global plumbing industry with our SharkBite Push-to-Connect (“PTC”) plumbing fittings. This theme continues with our recent acquisition of Holdrite, which similarly provides products which make work easier and quicker for plumbers and contractors, as well as by launching the EvoPEX PTC system for new construction. Those new products and our efforts in commercialising the latest Internet of Things (“IoT”) applications for water flow monitoring and control demonstrate our company wide commitment to delivering innovative plumbing solutions to our end users and allow us to look forward with confidence to future growth.”

FY2017 Operational highlights

- Net sales of RWC’s core SharkBite PTC products increased by 19% in the Americas compared to Pro Forma FY2016².
- Rollout of full range of SharkBite products (PTC fittings, PTC accessories, PEX pipe and crimp fittings) successfully completed in approximately half of Lowe’s 1,700+ home improvement centres in the US.
- The Home Depot continues to stock and support SharkBite PTC fittings and accessories across its national US network of stores, excluding a small number of outlets in one region, delivering steady sales growth.
- Improvements in gross margin continue, driven by cost reductions, procurement savings and operational efficiencies, and remain a key priority.
- RWC’s acquisition of Holdrite was successfully completed in June 2017.
- The Holdrite acquisition also enhanced RWC’s already strong Research and Development team, powering a focus on creating innovative engineered product solutions.
- To meet expected future demand, RWC continues to invest in additional production capacity, particularly in PTC fittings capacity in the USA and Australia and PEX production capacity in Spain.
- Financing facilities increased by \$100 million and maturity extended to 30 September 2020.

FY2018 Outlook

RWC currently anticipates FY2018 EBITDA of \$A145-\$A150 million⁵, driven by strong top-line growth resulting from ongoing expansion of the PTC business in the Americas, inclusion of a full year of Holdrite results and targeted opportunities to gain market share in Asia Pacific and EMEA.



About RWC

RWC is a global provider of water control systems and plumbing solutions for domestic, commercial and industrial applications, including its SharkBite PTC Plumbing Solutions, the labour saving substitute for traditional crimp-and-expand PEX systems and copper solder fittings. The majority of current PTC sales are into the maintenance, repair and renovation end markets. With its launch of the EvoPEX PTC system this year, RWC also entered the residential new construction market in North America, a sector where it has also expanded as a result of the Holdrite acquisition.

About Holdrite

A market leader in providing innovative engineered product solutions for professional plumbers and contractors, Holdrite offers a portfolio of patented time-saving products that convert makeshift methods into engineered solutions and complement RWC's existing product range. Holdrite sells mainly through wholesale distribution channels to the plumbing and mechanical contractor markets for use in residential and commercial new construction and renovation applications. More than 98% of its product sales occur in the US and Canada. RWC's acquisition not only allows Holdrite to benefit from RWC's extensive distribution channels but also increases RWC's access to new markets and distribution channels.

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1. For full details, please refer to Results Announcement released by RWC dated 28 August 2017.
2. Pro forma unaudited results for the 12 months ended 30 June 2016 prepared on the same basis as set out in the Prospectus dated 18 April 2016. Comparison is made to the Pro Forma FY2016 results as comparison with the FY2016 Statutory Period results is not considered meaningful. The FY2016 Statutory Period covered the period from incorporation of the Company on 19 February 2016 to 30 June 2016 with Australian trading operations consolidated from 6 April 2016 and non-Australian trading operations consolidated from 3 May 2016. The FY2016 Statutory Period results are presented in the 30 June 2017 Financial Report and the Appendix 4E.
3. Forecast results presented in the Prospectus dated 18 April 2016.
4. Before significant items (including non-operating foreign exchange gains and losses) in Pro Forma FY2016.
5. The forecast assumes, among other things, that current general economic conditions are maintained, including in the geographies where RWC operates and no significant changes to current foreign currency exchange rates, particularly USD/AUD and GBP/AUD. RWC traditionally does not hedge foreign currency exposures. Unfavourable exchange rate movements may erode the translated value of results in the Americas and EMEA segments. We have also assumed the copper price in FY2018 to be similar to prices experienced during the second half of FY2017 noting that we buy brass bar from our suppliers who in turn mainly use scrap brass in their production cycle (with swarf from brass machining being the largest constituent).