Reliance Worldwide Corporation Limited
Level 26
140 William Street
Melbourne
Victoria 3000
Australia
Tel: +61 (0) 3 8352 1400
rwc.com

ASX ANNOUNCEMENT

29 April 2022

TRADING UPDATE FOR NINE MONTHS ENDED 31 MARCH 2022

Reliance Worldwide Corporation Limited (ASX: RWC) ("RWC" or "the Company") has today provided a trading update for the nine months ended 31 March 2022[1].

Sales for the nine-month period of $845.2 million[2] were 14% higher than the prior corresponding period ("pcp"). Sales included $69.7 million from EZ-FLO which was acquired in mid-November 2021. Excluding EZ-FLO, sales were 5% higher than pcp.

Sales growth was recorded in the Americas and Asia Pacific regions, while EMEA experienced a slight decline in revenues following strong activity levels in the pcp. Price increases were achieved in all regions to offset continued cost pressures, with weighted average price rises of 8.7% realised over the period. Volume growth in the Americas and APAC and new product revenues also contributed to sales growth. Sales in the third quarter of the pcp included an estimated $31 million resulting from a winter freeze event in Texas and surrounding US states. Adjusting for this, and excluding EZ-FLO, group sales were 9% higher than pcp.

Operating earnings[3] (Adjusted EBITDA) were $191.4 million, 4% lower than pcp[4]. RWC's ability to recover higher input and other costs through increased prices was further demonstrated in the third quarter. These price increases were necessary to cover input cost inflation particularly in copper, resins and steel. In the Americas, price rises were sufficient only to cover input cost increases with no margin contribution and thus were margin rate dilutive. Further price increases that took effect in the third quarter, and further price increases planned for the fourth quarter, are expected to positively impact fourth quarter margins.

Other cost pressures including shipping and freight and rising energy costs also negatively impacted margins. SG&A costs were also affected by inflationary pressures as well as higher activity levels.

Net debt of $555.2[5] million at 31 March 2022 was up slightly on 31 December 2021, reflecting higher accounts receivable balances resulting from growth in sales. Earlier this month, RWC completed a $250 million unsecured note issuance in the US private placement market. The notes have fixed coupon rates and maturities between 7 and 15 years. The funds raised provide RWC with long term debt funding which supplements other borrowing facilities. RWC now has access to debt facilities totalling US$1,050 million.

---

[1] The financial results are extracted from unaudited management accounts. RWC's standard processes were followed to confirm the material accuracy of the results.
[2] All figures are in US$ unless otherwise specified.
[3] EBITDA, Adjusted EBITDA, and Adjusted EBIT are non-IFRS measures used by RWC to assess operating performance and have not been subject to audit or audit review.
[4] EBITDA and EBIT adjustments for YTD FY22 comprise (i) Acquisition costs relating to LCL and EZ-FLO ($8.7 million); (ii) Inventory step up unwind ($2.4 million); (iii) Gain on sale of StreamLabs $2.5 million; (iv) Expensing of certain costs relating to previous debt facilities ($0.1 million).
[5] The increase in net debt on pcp was principally due to debt funding of two acquisitions in the period: LCL ($28 million) and EZ-FLO International ($332 million). Additionally, increased working capital primarily as a result of higher inventory holdings added to the net debt position.

ABN 46 610 855 877

KEY CONSOLIDATED GROUP RESULTS

Nine months ended: (US$million)	31-Mar-22	31-Mar-21	Variance FY22 v FY21 YTD	Variance FY22 v FY20 YTD	2 Year CAGR FY22 vs FY20 YTD
Net sales	**845.2**	**740.5**	**14.1%**	**41.2%**	**18.8%**
Net sales excluding EZ-FLO	**775.5**	**740.5**	**4.7%**	**29.6%**	**13.8%**
Reported EBITDA	**182.6**	**199.0**	**-8.2%**	**34.2%**	**15.9%**
EBITDA Margin (%)	21.6%	26.9%	-530 bps	-120 bps	
Adjusted EBITDA	**191.4**	**199.0**	**-3.8%**	**40.7%**	**18.6%**
Adjusted EBITDA Margin (%)	22.6%	26.9%	-430 bps	-10 bps	
Adjusted EBITDA Margin excluding EZ-FL(	23.9%	26.9%	-300 bps	120 bps	
Reported EBIT	**148.2**	**167.4**	**-11.5%**	**41.3%**	**18.9%**
EBIT Margin (%)	17.5%	22.6%	-510 bps	10 bps	
Adjusted EBIT	**157.0**	**167.4**	**-6.2%**	**49.7%**	**22.4%**
Adjusted EBIT Margin (%)	18.6%	22.6%	-400 bps	110 bps	
Adjusted EBIT Margin excluding EZ-FLO (¦	20.2%	22.6%	-240 bps	280 bps	
Net Debt[5]	**555.2**	**146.8**	**278.2%**		

RWC Group Chief Executive Officer, Heath Sharp, said the Company continued to experience strong demand in most markets, with ongoing price increases being applied to offset cost inflation.

“Repair and remodelling activity levels have remained strong. In the Americas, Asia Pacific and Continental Europe, we have been able to grow revenues from the significantly higher base recorded in FY21. The UK has seen demand revert to longer term trend after a period of heightened activity last year following the COVID lockdowns in that market.

“We have been able to achieve further price increases to offset materials and other cost inflation, with prices on average up 8.7% for the nine months. Given the lag between cost rises and price increases, however, EBITDA margins were adversely impacted in the third quarter. Further price increases introduced in the third quarter and planned for the fourth quarter will deliver near double-digit price increases for the full year.

“Trading results in March showed improvement on January and February. We expect operating margins to improve in the fourth quarter as the full benefit of price increases come through and still expect to reach group margins solidly in the mid-20% range in the fourth quarter[6]. Further inflationary pressures and margin dilution due to additional price increases only offsetting costs mean, however, that we expect to fall a little short of our previously expressed goal of matching FY21 EBITDA margins in the fourth quarter.

“Integration of the EZ-FLO business with RWC is going well, and we are on track to deliver the revenue and cost synergies we outlined at the time of the acquisition”, Mr Sharp said.

---

[6] Adjusted EBITDA margin, excluding EZ-FLO.

SEGMENT RESULTS

AMERICAS Nine months ended: (US$ million)	31-Mar-22	31-Mar-21	Variance FY22 v FY21 YTD	Variance FY22 v FY20 YTD	2 Year CAGR FY22 vs FY20 YTD
Net sales	**562.2**	**469.4**	**19.8%**	**53.2%**	**23.8%**
- RWC	492.4	469.4	4.9%	34.2%	15.9%
- EZ-FLO	69.7	-			
Adjusted EBITDA	**92.3**	**92.8**	**-0.5%**	**61.0%**	**26.9%**
- RWC	85.9	92.8	-7.4%	49.9%	22.4%
- EZ-FLO	6.4	-			
Adjusted EBITDA Margin (%)	**16.4%**	**19.8%**	**-340 bps**	**80 bps**	
- RWC	17.4%	19.8%	-240 bps	190 bps	
- EZ-FLO	9.2%				
Adjusted EBIT	**76.6**	**80.3**	**-4.6%**	**73.4%**	**31.7%**
- RWC	71.5	80.3	-11.0%	61.8%	27.2%
- EZ-FLO	5.1	-			
Adjusted EBIT Margin (%)	**13.6%**	**17.1%**	**-350 bps**	**160 bps**	
- RWC	14.5%	17.1%	-270 bps	250 bps	
- EZ-FLO	7.3%	-			

- Sales in the **Americas** were 19.8% 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. The prior period included $31 million in sales arising from a winter freeze in Texas and surrounding states. Adjusting for this impact, underlying sales growth excluding EZ-FLO was 12.1%.

- Sales in the third quarter were up 0.9% excluding EZ-FLO. Adjusting for the impact of the winter freeze event in the third quarter of FY21, underlying sales growth excluding EZ-FLO was 22% for the quarter.

- Operating margins reduced largely as a result of the impact of higher prices which have only offset input cost inflation and were thus dilutive of overall margins.

- EZ-FLO’s operating margins were impacted by a government imposed two-week shutdown in Ningbo, China in January due to an outbreak of COVID. EZ-FLO’s operating margins are expected to improve in the fourth quarter following the introduction of price increases in the third quarter, with stronger margins evidenced in March and into April.

ASIA PACIFIC Nine months ended: (A$ million)	31-Mar-22	31-Mar-21	Variance FY22 v FY21 YTD	Variance FY22 v FY20 YTD	2 Year CAGR FY22 vs FY20 YTD
Net sales	**220.9**	**202.9**	**8.9%**	**20.2%**	**9.6%**
Adjusted EBITDA	**45.8**	**48.8**	**-6.1%**	**26.0%**	**12.2%**
Adjusted EBITDA Margin (%)	20.7%	24.1%	-340 bps	100 bps	
Adjusted EBIT	**35.4**	**39.1**	**-9.5%**	**37.9%**	**17.4%**
Adjusted EBIT Margin (%)	16.0%	19.3%	-330 bps	210 bps	

- **APAC** sales for the period were up 8.9% in constant currency, reflecting continued strong domestic demand in Australia driven by increased new residential construction and remodelling activity.

- Intercompany volumes were lower than pcp, with the third quarter in FY21 benefitting from increased sales to the Americas as a result of the freeze in Texas and surrounding US states.

- Operating margins were also impacted by lower intercompany volumes along with a negative profit in stock movement. Inventory levels were replenished in the Americas following the FY21 freeze leading to an increase in profit in stock for APAC, compared with a release of profit in stock in the pcp. The combined EBITDA impact of lower volumes and profit in stock movement over pcp was A$8 million.

EMEA Nine months ended: (£ million)	31-Mar-22	31-Mar-21	Variance FY22 v FY21 YTD	Variance FY22 v FY20 YTD	2 Year CAGR FY22 vs FY20 YTD
Net sales	**158.8**	**160.4**	**-1.0%**	**10.3%**	**5.0%**
Adjusted EBITDA	**51.6**	**54.4**	**-5.1%**	**14.5%**	**7.0%**
Adjusted EBITDA Margin (%)	32.5%	33.9%	-150 bps	120 bps	
Adjusted EBIT	**44.1**	**46.0**	**-4.1%**	**18.6%**	**8.9%**
Adjusted EBIT Margin (%)	27.8%	28.7%	-90 bps	200 bps	

- **EMEA** constant currency sales declined by 1% for the period. Continental Europe sales were higher driven by growth in demand for water filtration and drinks dispense products. UK plumbing and heating volumes were lower than pcp, reflecting a return to more typical demand levels following heightened activity in the pcp as the UK recovered from COVID lockdowns in 2020.

- During the third quarter the outsourcing of the UK's warehousing and logistics operations to a third-party provider was completed. The transition period resulted in temporary disruption to delivery timeframes and order fulfilment during the third quarter, but by period end delivery timeframes had improved significantly. It is estimated that sales in the third quarter were negatively impacted by approximately £3.2 million as a result of the transition, with these sales expected to be recovered in the fourth quarter.

- Supply chain constraints have continued to inhibit growth in remodelling activity in the UK, but underlying demand drivers remain sound. RWC believes it has maintained its share of the UK plumbing and heating market throughout this period.

OUTLOOK

The outlook for RWC's key markets remains positive from a demand perspective, underpinned by our core repair and maintenance concentration, and augmented by increased expenditure on home remodelling activity and heightened levels of new home construction.

RWC expects to achieve further price increases in the fourth quarter to offset cost inflation, with average price increases across the group expected to be close to 10% for the year as a whole. Operating margins are expected to improve in the fourth quarter from those achieved year to date. Cost out initiatives will continue to be pursued but current supply chain constraints have slowed progress in this area.

Rising interest rates, increases in input material costs and other inflationary pressures, together with supply chain constraints, remain potential headwinds for the medium term.

RWC believes it is well placed with its local manufacturing operations and strong track record of class-leading customer execution to navigate these challenges and respond to customer needs. We also expect our ongoing new product introductions will enable us to continue our long-standing record of delivering above-market growth with quality margins.

INVESTOR CALL

RWC management will conduct a conference call at 9.00am AEST on 29 April 2022 to answer questions relating to this trading update. Details are provided on the following page.

ENDS

For investor enquiries, please contact:

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

For media enquiries please contact:

Nick Howe
GRACosway
PH: + 61 407 183 221

This document was approved for release by the Board.

THIRD QUARTER FY22 TRADING UPDATE MANAGEMENT CALL DETAILS

TIME ZONE: MELBOURNE, SYDNEY (AEST)

DATE / START TIME: 29 APRIL 2022: 9:00AM

Webcast Details

https://event.webcasts.com/starthere.jsp?ei=1542087&tp_key=a6e523d598

Click on the link above to attend the presentation from your laptop, tablet or mobile device. Audio will stream through your selected device, so be sure to have headphones or your volume turned up. If you have technical difficulties, please click the "Listen by Phone" button on the webcast player and dial the number provided. A full replay of the presentation will be available at the same link shortly after the conclusion of the live presentation.

A recording of the briefing will subsequently be made available on RWC website:
www.rwc.com/investors

Conference Call Details

Participant Passcode: :3:799

Location	Phone Type	Phone Number
Australia	Tollfree/Freephone	1 800 590 693
Australia, Brisbane	Local	+61 (0)7 3105 0937
Australia, Melbourne	Local	+61 (0)3 8317 0929
Australia, Sydney	Local	+61 (0)2 7250 5438
Hong Kong, Hong Kong	Local	+852 3008 1533
New Zealand	Tollfree/Freephone	0800 423 972
New Zealand, Auckland	Local	+64 (0)9 9133 624
Singapore	Tollfree/Freephone	800 120 7297
Singapore, Singapore	Local	+65 6703 6913
United Kingdom	Tollfree/Freephone	0800 358 6374
United Kingdom, Local	Local	+44 (0)330 165 3646
United States, Denver	Local	+1 720-543-0298
United States/Canada	Tollfree/Freephone	800-289-0459

FY22 Third Quarter Trading Update

29 April 2022

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 (29 April 2022). 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 Third Quarter Trading Update dated 29 April 2022. 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 Third Quarter Trading Update also released on 29 April 2022.

Summary of 9-Month FY22 Performance

Nine months ended: US$m	31 Mar 21[1]	31 Mar 22	Variance FY22 v FY21 YTD	Variance FY22 v FY20 YTD
Net Sales	**740.5**	**845.2**	**14%**	**41%**
Net Sales excl. EZ-FLO	**740.5**	**775.5**	**5%**	**30%**
Adjusted EBITDA	**199.0**	**191.4**	**-4%**	**41%**
Adjusted EBITDA Margin	*26.9%*	***22.6%***	*-430 bps*	*-10 bps*
Adjusted EBITDA Margin excl. EZ-FLO	*26.9%*	***23.9%***	*-300 bps*	*+120 bps*
Adjusted EBIT	**167.4**	**157.0**	**-6%**	**50%**
Adjusted EBIT Margin excl. EZ-FLO	*22.6%*	***20.2%***	*-240 bps*	*+280 bps*
Net Debt	**146.8**	**555.2**	**278%**	**-**

Commentary

- Sales growth recorded in Americas and Asia Pacific regions, slight decline in EMEA revenues following strong activity levels in the pcp
- Price increases averaging 8.7% achieved to offset cost inflation
- Volume growth in the Americas and APAC and new product revenues also contributed to sales growth
- Sales in the 3rd Quarter of FY21 included $31 million from US winter freeze event. Group sales excluding US freeze and EZ-FLO were 9% higher than pcp
- Americas price rises sufficient only to cover input cost increases and were margin rate dilutive
- Further price increases in 3rd quarter and planned for 4th quarter expected to positively impact 4th quarter margins
- Other cost pressures also negatively impacted margins along with higher SG&A costs

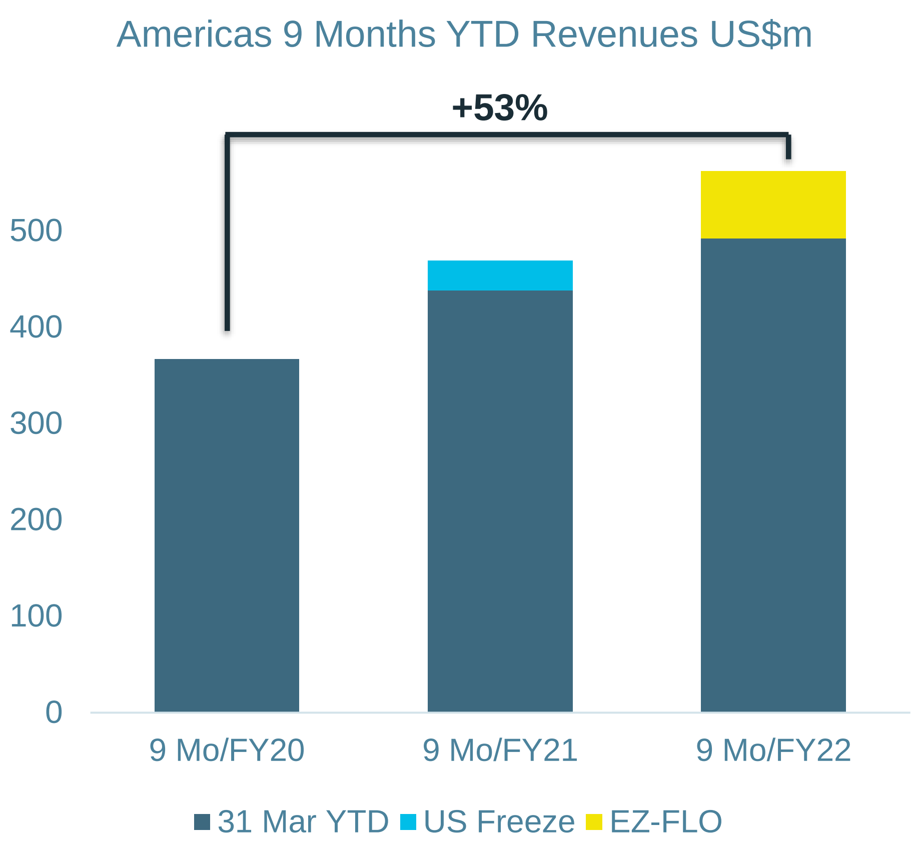
[1] US$ figures represent RWC management's translation of historical earnings from Australian dollars. Non-IFRS measures have not been subject to audit or audit review

Segment results: Americas

Nine months ended: US$m	31 Mar 21	31 Mar 22	Variance FY22 v FY21 YTD	Variance FY22 v FY20 YTD
Net Sales	**469.4**	**562.2**	**20%**	**53%**
- RWC	**469.4**	**492.4**	**5%**	**34%**
- EZ-FLO	**-**	**69.7**	**-**	**-**
Adjusted EBITDA	**92.8**	**92.3**	**-1%**	**61%**
- RWC excl. EZ-FLO	**92.8**	**85.9**	**-7%**	**50%**
Adjusted EBITDA Margin	*19.8%*	***16.4%***	*-340 bps*	*+80 bps*
Adjusted EBITDA Margin excl. EZ-FLO	*19.8%*	***17.4%***	*-240 bps*	*+190 bps*
Adjusted EBIT	**80.3**	**76.6**	**-5%**	**73%**
- RWC excl. EZ-FLO	**80.3**	**71.5**	**-11%**	**62%**
Adjusted EBIT Margin	*17.1%*	***13.6%***	*-350 bps*	*+160 bps*
Adjusted EBIT Margin excl. EZ-FLO	*17.1%*	***14.5%***	*-260 bps*	*+250 bps*

Segment results: Americas

Sales growth of 34% on a 2-year basis excluding EZ-FLO



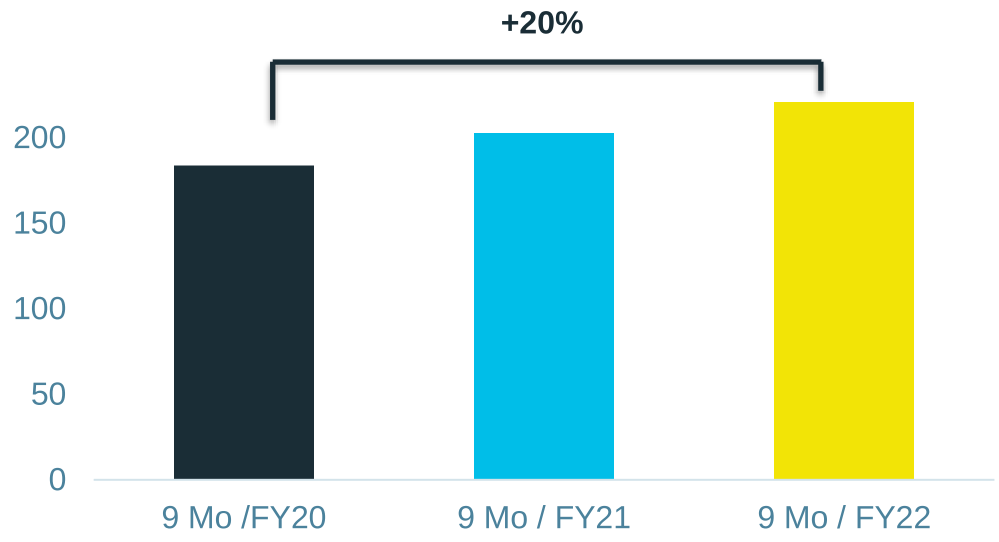
Commentary

- Sales in the Americas 20% higher than pcp, includes EZ-FLO from mid-Nov 2021 onwards, and impact of price increases
- Adjusting for $31 million in sales in prior period from US winter freeze, sales growth excl. EZ-FLO was 12%
- 3rd Quarter sales up 0.9% excl. EZ-FLO. Adjusting for US winter freeze, sales growth excl. EZ-FLO was 22%
- Operating margins diluted due to impact of higher prices that offset commodity cost inflation
- EZ-FLO's operating margins impacted by a 2-week shut down in Ningbo, China in January due to COVID
- EZ-FLO's operating margins expected to improve in the 4th quarter following price increases with stronger margins evidenced in March and into April

Segment results: Asia Pacific

Nine months ended: A$m	31 Mar 21	31 Mar 22	Variance FY22 v FY21 YTD	Variance FY22 v FY20 YTD
Net Sales	**202.9**	**220.9**	**9%**	**20%**
Adjusted EBITDA	**48.8**	**45.8**	**-6%**	**26%**
Adjusted EBITDA Margin	*24.1%*	***20.7%***	*-340 bps*	*+ 100 bps*
Adjusted EBIT	**39.1**	**35.4**	**-10%**	**38%**
Adjusted EBIT Margin	*19.3%*	***16.0%***	*-330 bps*	*+ 210 bps*

Asia Pacific 9 Month YTD Revenues A$m

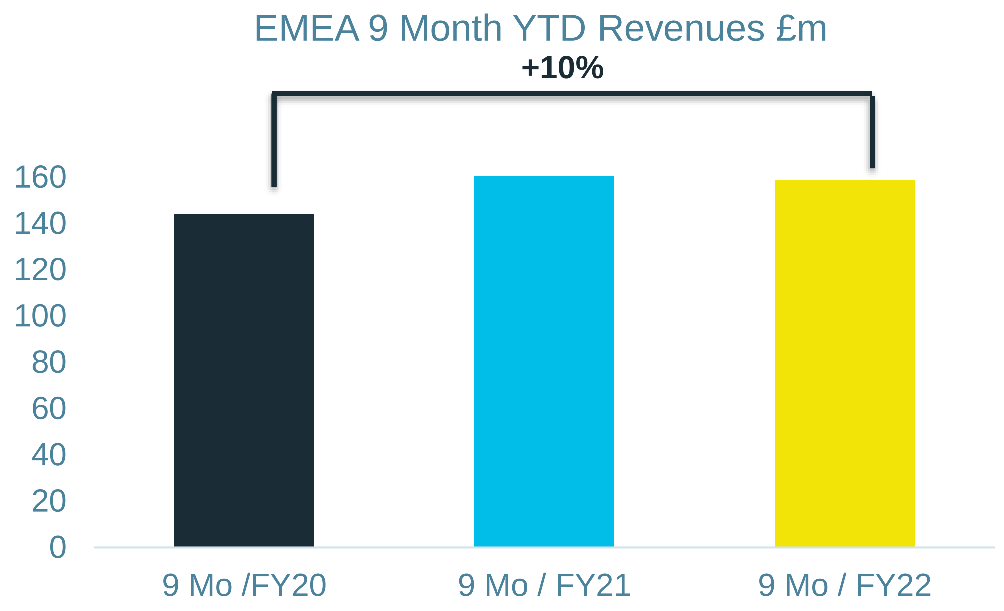


Commentary

- APAC sales for up 9% reflecting continued strong domestic demand in Australia driven by increased new residential construction and remodelling activity
- Intercompany volumes were lower versus pcp - 3rd quarter in FY21 benefitted from increased sales to the Americas in response to US freeze
- EBITDA margin adversely impacted by A$8m due to:
  - lower intercompany volumes versus pcp
  - negative profit in stock movement from pcp as inventory levels in the Americas replenished following the FY21 freeze

Segment results: EMEA

Nine months ended: £m	31 Mar 21	31 Mar 22	Variance FY22 v FY21 YTD	Variance FY22 v FY20 YTD
Net Sales	**160.4**	**158.8**	**-1%**	**10%**
Adjusted EBITDA	**54.4**	**51.6**	**-5%**	**15%**
Adjusted EBITDA Margin	*33.9%*	***32.5%***	*-140 bps*	*+ 120 bps*
Adjusted EBIT	**46.0**	**44.1**	**-4%**	**19%**
Adjusted EBIT Margin	*28.7%*	***27.8%***	*-90 bps*	*+ 200 bps*

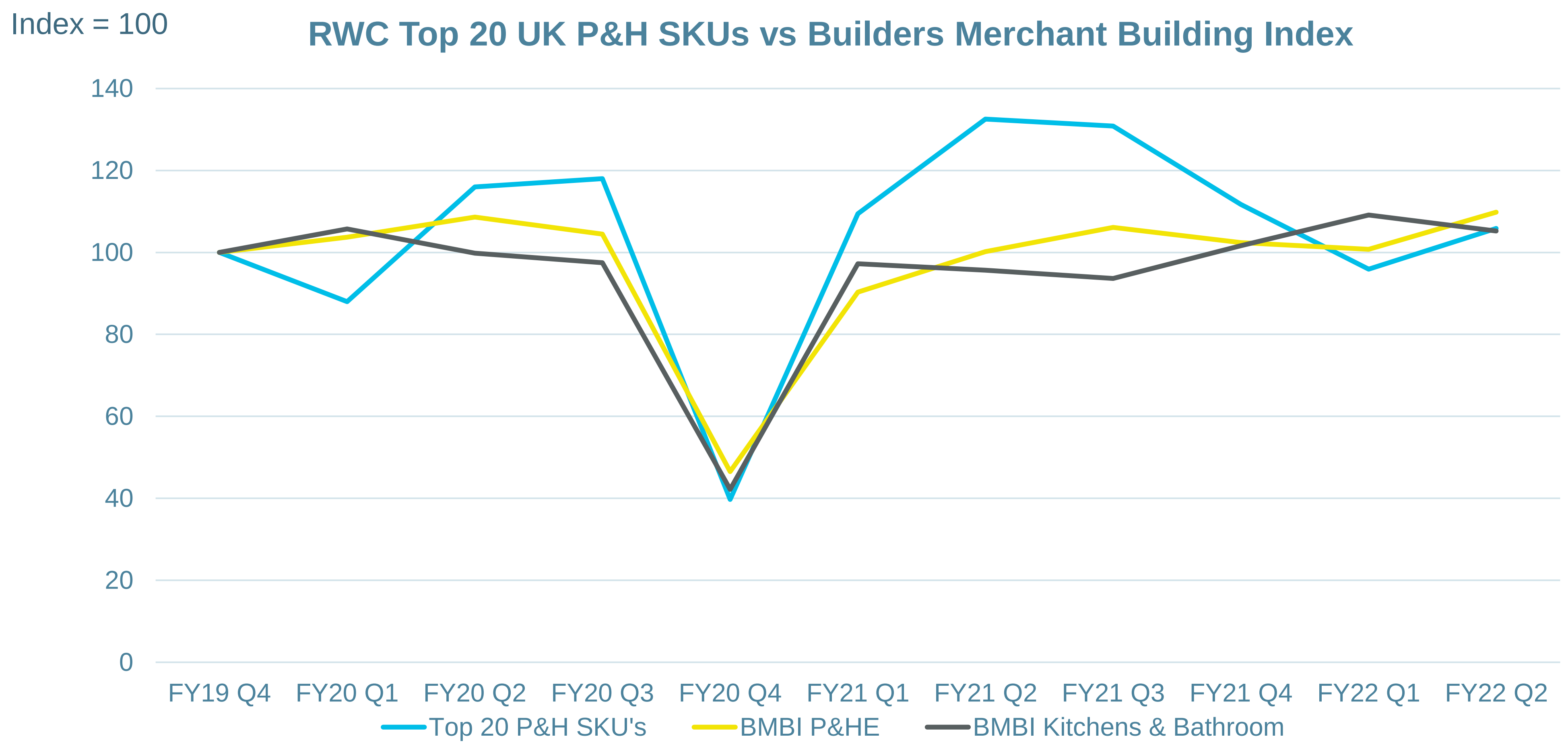


Commentary

- EMEA sales declined by 1% for the period
- Continental Europe sales higher driven by growth in demand for water filtration and drinks dispense products
- UK plumbing and heating volumes lower than pcp, reflecting a return to more typical demand levels following heightened activity in the pcp as the UK recovered from COVID lockdowns in 2020
- Outsourcing of UK's warehousing and logistics operations completed in 3rd quarter:
  - Temporary disruption to delivery timeframes and order fulfilment during the quarter but improved significantly by end of quarter
  - 3rd Quarter sales quarter negatively impacted by approximately £3.2 million as a result of the transition - sales expected to be recovered in 4th Qtr.
- EMEA quality and service excellence recognised by FORTIS Merchants with RWC winning Pipe, Fittings, Valves, and Tools supplier of 2021

EMEA trends through COVID

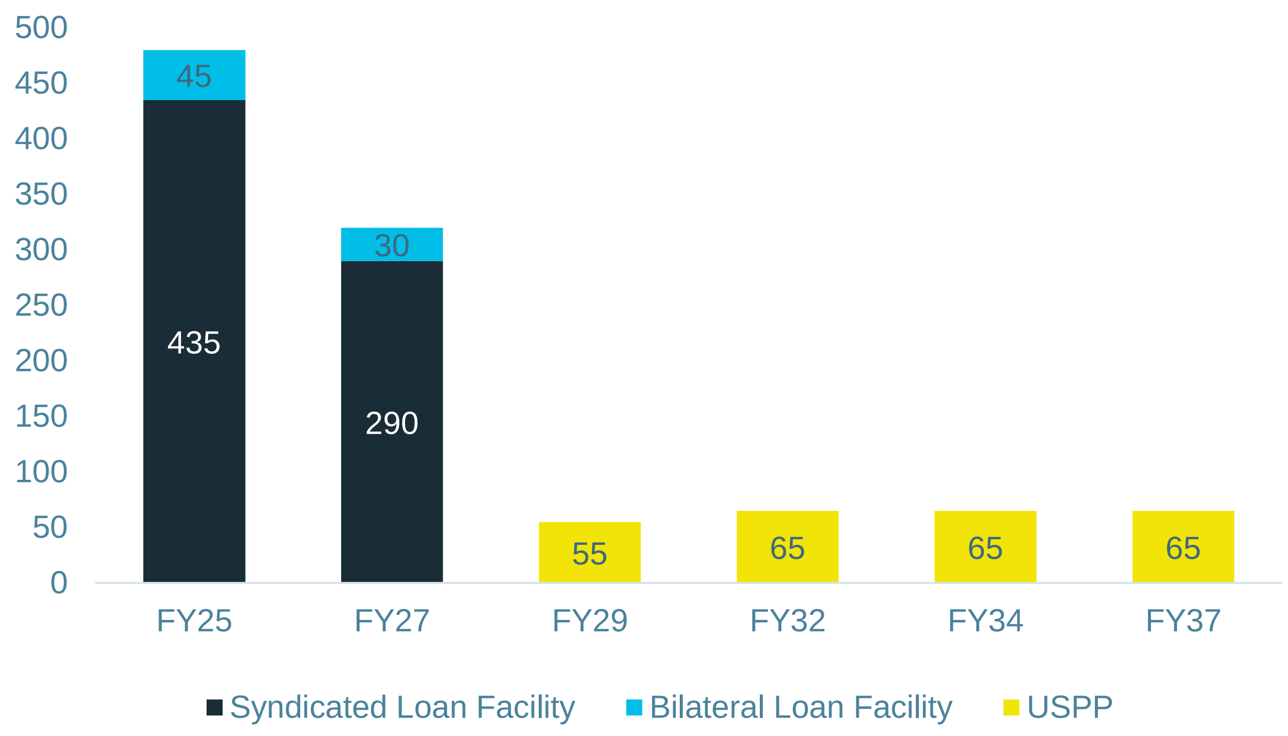
Restocking by UK distributors post COVID lockdowns in July – Dec '20 drove strong volume growth with reversion to long term trend subsequently



Source: Builders Merchant Building Index, RWC data

RWC's debt facilities increased in April

RWC Debt Facilities Maturity Profile (US$m)



- Net debt of $555.2 million at 31 March 2022 up slightly on 31 Dec 2021 reflecting higher accounts receivable balances resulting from growth in sales
- During April, RWC completed a $250 million unsecured note issuance in the US private placement market
  - The notes have fixed coupon rates and maturities between 7 and 15 years
  - The funds raised provide RWC with long term debt funding which supplements other borrowing facilities
  - RWC now has access to debt facilities totalling US$1,050 million
- Cash conversion in second half may be impacted by ongoing supply chain disruption and need to maintain higher inventory levels

Outlook for FY22[1]

Outlook for RWC's key markets remains positive from a demand perspective

- Demand underpinned by RWC's core repair and maintenance concentration and augmented by increased expenditure on home remodelling activity and heightened levels of new home construction.
- Operating margins expected to improve as full benefit of further price increases introduced in 3rd quarter and planned for 4th quarter are realised
- Expect to achieve margins in the mid-20% range in the 4th quarter - further inflationary pressures and margin dilution due to additional price increases only offsetting costs mean that 4th quarter margins will not match FY21 margins
- RWC well placed with its local manufacturing operations and strong track record of class-leading customer execution to navigate these challenges and respond to customer needs
- We also expect our ongoing new product introductions will enable us to continue our long-standing record of delivering above-market growth with quality margins

[1] Key assumptions for the second half of FY2022 are set out in the Half Year Results Announcement dated 21 February 2022