Reliance Worldwide Corporation Limited

Level 26
140 William Street
Melbourne
Victoria 3000
Australia
Tel: +61 (0) 3 8352 1400

rwc.com

OPERATING AND FINANCIAL REVIEW

FOR SIX MONTHS ENDED 31 DECEMBER 2023

HIGHLIGHTS

Six months ended: US$ million	31 December 2023	31 December 2022	Variance
Net sales	**589.5**	**601.3**	**(2%)**
Reported EBITDA[1]	**112.6**	**139.3**	**(19%)**
Adjusted EBITDA[1, 2]	**124.8**	**128.1**	**(3%)**
Reported net profit before tax	69.6	98.3	(29%)
Tax Expense	(18.6)	(31.7)	41%
Reported net profit after tax	**51.0**	**66.6**	**(23%)**
Adjusted net profit after tax[1, 2]	**67.7**	**67.5**	**0.3%**
Basic earnings per share	**6.5 cents**	**8.5 cents**	**(24%)**
Adjusted earnings per share[1]	**8.6 cents**	**8.6 cents**	**0%**
Distribution per share (US$)	**4.5 cents**	**4.5 cents**	**0%**
Dividend per share	2.25 cents	4.5 cents	(50%)
On-market share buyback	2.25 cents	-	-

Net sales[3] were $589.5 million, down 2% on the prior corresponding period ("pcp"). Constant currency sales were down 3% on pcp. Sales in the Americas were in line with the pcp but were lower in the Asia Pacific and EMEA regions.

Reported EBITDA for the period was $112.6 million, 19% lower than the pcp. Results for the period included $12.2 million in one-off costs related to the closure of the Supply Smart business in the Americas, and restructuring in EMEA (described in more detail in the regional segment commentaries). Excluding these items, Adjusted EBITDA was $124.8 million, 3% lower than the pcp and down 5% on pcp in constant currency.

Adjusted EBITDA margin was 21.2% slightly down versus the pcp (21.3%) but ahead of our expectations at the time of the FY23 earnings announcement. Cost reduction measures helped to offset lower volumes in EMEA and APAC in the period and higher manufacturing costs. SG&A costs were impacted by increased employee costs in the period.

Cost savings of $11.8 million were achieved in the period, driven by prior period restructuring in the Americas, procurement savings, and other continuous improvement initiatives announced previously.

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[1] EBITDA, Adjusted EBITDA and Adjusted NPAT are non-IFRS measures used by RWC to assess operating performance. These measures have not been subject to audit or audit review.
[2] Refer to table on page 8 for adjustments.
[3] All figures are in US$ unless otherwise indicated.

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Reported NPAT of $51.0 million was 23% lower than pcp. Adjusting for the one-off items noted above and the cash tax benefit arising from the amortisation of goodwill, NPAT was $67.7 million, 0.3% higher than pcp. Higher depreciation and amortisation costs were offset by a lower adjusted tax charge for the period.

Subsequent to 31 December 2023, RWC announced the acquisition of Holman Industries. The acquisition is expected to complete in March 2024, subject to conditions precedent and customary closing conditions. The acquisition will expand RWC's offering to the wholesale channel in Australia and strengthen exposure to the retail channel. Please refer to the ASX announcement dated 13 February 2024 for additional information.

SEGMENT REVIEW - *AMERICAS*

Six months ended: **US$ million**	**31 December 2023**	**31 December 2022**	**Variance**
Net sales[4]	**426.4**	**427.3**	**0%**
Adjusted EBITDA[5]	**85.0**	**71.6**	**19%**
Adjusted EBITDA margin (%)	19.9%	16.8%	*310bps*
Adjusted EBIT [5]	**69.3**	**57.6**	**20%**
Adjusted EBIT margin (%)	16.3%	13.5%	*280bps*

Americas segment sales were in line with pcp. While trading conditions remained subdued, sales were positively impacted by new product revenues. These included the continued rollout of SharkBite Max, distribution expansion for EZ-Flo's gas appliance connectors, the rollout of PEX-a pipe and expansion fittings, and the launch of HoldRite fixture boxes. The SharkBite Max product rollout has continued to track to plan, with all five product rollout phases expected to be completed by June 2024.

The prior period growth included additional sales from a winter freeze event which did not recur in the first half of FY24. Pricing overall was stable, with raw material input costs easing during the period to be in line with product pricing levels.

Adjusted EBITDA was 19% higher than pcp. Operating margins were higher, driven by the transfer of some SharkBite Max manufacturing and assembly from Australia to the US. As a result, the Americas benefitted from product manufacturing margins previously earned in the APAC region, with a positive EBITDA impact in the period of approximately $5 million. Cost reduction initiatives undertaken in FY23 also positively impacted margins in the period. These included a restructure of the Americas organisation as well as procurement savings and ongoing EZ-Flo cost synergies.

During the period, the decision was made to cease operating the Supply Smart sales model. The acquisition of EZ-Flo in November 2021 included a separate business, Supply Smart, selling products direct to plumbers in the US through an online website and a phone sales team. This is a different selling model compared with RWC's preferred selling model through distributors. RWC has been conducting an orderly transition selling down Supply Smart inventory and closing this business unit. Total one-off costs relating to the closure of Supply Smart consist of a non-cash impairment of intangible assets (write-down of customer relationship intangibles) of $9.4 million, and $0.4 million in severance costs.

[4] Prior to elimination of inter-segment sales
[5] Prior to elimination of profits made on inventory sales between segments

SEGMENT REVIEW - *ASIA PACIFIC*

Operating results for the Asia Pacific segment in US dollars were as follows:

Six months ended: US$ million	31 December 2023	31 December 2022	Variance
Net sales[6]	**78.9**	**103.1**	**(23%)**
Adjusted EBITDA[7]	**8.4**	**19.1**	**(56%)**
Adjusted EBITDA margin (%)	*10.6%*	*18.5%*	*(790bps)*
Adjusted EBIT[7]	**4.2**	**14.3**	**(71%)**
Adjusted EBIT margin (%)	*5.3%*	*13.9%*	*(860bps)*

Operating results for the Asia Pacific segment in Australian dollars were as follows:

Six months ended: A$ million	31 December 2023	31 December 2022	Variance
Net sales[6]	**121.0**	**153.6**	**(21%)**
Adjusted EBITDA[7]	**12.9**	**28.4**	**(55%)**
Adjusted EBITDA margin (%)	*10.7%*	*18.5%*	*(780bps)*
Adjusted EBIT[7]	**6.4**	**21.3**	**(70%)**
Adjusted EBIT margin (%)	*5.3%*	*13.9%*	*(860bps)*

Asia Pacific sales were down 23% on a reported basis (US$) and down 21% on a local currency basis (A$), mainly impacted by the operating restructure announced in March 2023. With the progressive transfer of some manufacturing and all assembly of SharkBite Max fittings to the Americas during the period, inter-company sales were down 47%.

External sales were 4% lower in local currency, reflecting lower new home construction activity. A significant proportion of RWC's external net sales in Australia are made in the new residential construction market. Total new dwelling units commenced in the 12 months ended 30 September 2023 were down 15% on pcp.[8]

Asia Pacific Adjusted EBITDA for the period was A$12.9 million, 55% lower than pcp in local currency. As foreshadowed in the FY23 earnings release, Adjusted EBITDA margin declined by 780 basis points from 18.5% to 10.7%.

6 Prior to elimination of inter-segment sales

7 Prior to elimination of profits made on inventory sales between segments

8 Source: Australian Bureau of Statistics

The decline was due mainly to the transfer of SharkBite production to the US and lower manufactured SharkBite volumes. Specifically:

- The shift in production of SharkBite Max components to the Americas compared with finished SharkBite products previously sold to the Americas negatively impacted EBITDA by approximately A$9 million. This is a long-term structural change in the APAC business that will also impact future operating margins.

- Lower volumes of SharkBite manufactured in the period adversely impacted manufacturing overhead recoveries and negatively impacted EBITDA. Additional SharkBite inventory was manufactured in the period ahead of the launch of SharkBite Max in March 2023. This was to ensure there was no disruption to supply of product during the manufacturing change from Australia to the US. This additional inventory was reduced in the first half with lower volumes manufactured during the period. This was a temporary reduction in volumes relating to the manufacturing change which is not expected to recur in future periods.

SEGMENT REVIEW - *EUROPE, MIDDLE EAST, AND AFRICA ("EMEA")*

Operating results for the EMEA segment in US dollars were as follows:

Six months ended: **US$ million**	**31 December 2023**	**31 December 2022**	**Variance**
Net sales[9]	**127.0**	**127.7**	**(1%)**
Adjusted EBITDA[10]	**36.7**	**40.8**	**(10%)**
Adjusted EBITDA margin (%)	*28.9%*	*31.9%*	*(160bps)*
Adjusted EBIT[10]	**29.1**	**34.4**	**(15%)**
Adjusted EBIT margin (%)	*22.9%*	*26.9%*	*(200 bps)*

Operating results for the EMEA segment in British Pounds were as follows:

Six months ended: **£ million**	**31 December 2023**	**31 December 2022**	**Variance**
Net sales[9]	**101.4**	**108.7**	**(7%)**
Adjusted EBITDA[10]	**29.2**	**34.7**	**(16%)**
Adjusted EBITDA margin (%)	*28.8%*	*31.9%*	*(310bps)*
Adjusted EBIT[10]	**23.2**	**29.3**	**(21%)**
Adjusted EBIT margin (%)	22.9%	27.0%	*(410bps)*

Reported net sales in EMEA were 1% lower in reported currency (US$) and 7% lower in local currency (British Pounds).

External sales in local currency were 12% lower than pcp. External sales in the UK were down 9% on pcp, with UK plumbing and heating sales down 6% in local currency due to lower volumes in residential remodel and reduced new house construction activity. Specialty and other product sales were down 20% with lower volumes in fibre optic, automotive, and underfloor heating product categories.

Continental Europe sales were 21% lower than pcp due to lower sales of water filtration and drinks dispense products. Recessionary economic conditions across much of Western Europe adversely impacted demand during the period.

Adjusted EBITDA of $36.7 million was 10% lower than the pcp, and 16% lower in local currency. Results for the year included one-off costs of US$2.4 million incurred in implementing a restructuring of the EMEA organisation. Adjusted EBITDA margin excluding these one-off costs declined from 31.9% to 28.8% due to lower sales volumes in EMEA.

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[9] Prior to elimination of inter-segment sales

[10] Prior to elimination of profits made on inventory sales between segments

GROUP PERFORMANCE

Six months ended: US$ million	31 December 2023	31 December 2022	Variance
Net sales	**589.5**	**601.3**	**(2%)**
Reported EBITDA	**112.6**	**139.3**	**(19%)**
Adjusted for one-off items	12.2	(11.2)	**-**
Adjusted EBITDA	**124.8**	**128.1**	**(3%)**
Depreciation and amortisation	(28.0)	(25.5)	**10%**
Adjusted EBIT	**96.8**	**102.5**	**(6%)**
Net finance costs	(15.0)	(15.4)	**(3%)**
Adjusted net profit before tax	**81.8**	**87.2**	**(6%)**
Adjusted tax expense	(14.1)	(19.7)	**-**
Adjusted net profit after tax	**67.7**	**67.5**	**0%**
Basic earnings per share	**6.5 cents**	**8.5 cents**	**(24%)**
Adjusted earnings per share	**8.6 cents**	**8.6 cents**	**0%**
Distribution per share (US$)	**4.5 cents**	**4.5 cents**	**0%**
Dividend per share	2.25 cents	4.5 cents	(50%)
On-market share buyback	2.25 cents	-	-

Depreciation and amortisation expense was 10% higher due to recent capital investments in manufacturing capacity.

Results for the half year ended 31 December 2023 were translated at the following exchange rates:

- The average Australian Dollar/US Dollar exchange rate in FY23 for earnings translation was US$0.6529 (US$0.6705 in the pcp).
- The average Pound Sterling/US Dollar rate in FY23 for earnings translation was GBP 1.2538 (GBP 1.1740 in the pcp).

RECONCILIATION OF REPORTED NPAT AND ADJUSTED NPAT

As noted earlier, results for the period included $12.2 million in one-off costs related to the closure of the Supply Smart business in the Americas and restructuring in EMEA. The impact of these items, together with the amortisation of goodwill for US tax purposes (described further below) on reported and adjusted EBITDA, EBIT and NPAT is summarised in the following table:

US$ million	HY24 EBITDA	HY24 EBIT	HY24 Tax Expense	HY24 NPAT
HY24 Reported	**112.6**	**84.6**	**(18.6)**	**51.0**
Adjusted for:				
Supply Smart closure of operations	9.8	9.8	(2.7)	7.1
EMEA restructure	2.4	2.4	(0.6)	1.8
Total one-off costs	**12.2**	**12.2**	**(3.3)**	**8.9**
Goodwill tax amortisation	**-**	**-**	**7.8**	**7.8**
HY24 Adjusted	**124.8**	**96.8**	**(14.1)**	**67.7**

TAXATION

Six months ended: US$ million	31 December 2023	31 December 2022	Variance
Reported net profit before tax	**69.6**	**98.3**	**(29%)**
Tax Expense	(18.6)	(31.7)	**(41%)**
Reported net profit after tax	**51.0**	**66.6**	**(23%)**
Accounting effective tax rate	**26.7%**	**32.2%**	-
Reported tax expense	**(18.6)**	**(31.7)**	**(41%)**
Adjusted for:			
Cash tax benefit of goodwill amortisation for tax purposes	7.8	7.8	**0%**
Supply Smart closure of operations	(2.7)	-	-
EMEA restructuring	(0.6)	-	-
Gain on sale of UK property, one-off costs to achieve EZ-Flo synergies	-	4.2	-
Adjusted tax expense	**(14.1)**	**(19.7)**	**(28%)**
Adjusted net profit after tax	**67.7**	**67.5**	**0.3%**
Adjusted effective tax rate	**17.2%**	**22.6%**	-

The accounting effective tax rate for the period was 26.7% compared with 32.2% in the pcp. This rate excludes RWC's entitlement to claim amortisation of certain intangibles for taxation purposes under longstanding tax concessions available in the USA. Goodwill is not amortised for accounting purposes under accounting standards. The benefit arising from the amortisation of goodwill for cash tax purposes in the period was $7.8 million.

Adjusting for this item and the net tax effect of adjustments to EBITDA from the costs of the Supply Smart closure and EMEA restructuring referenced previously, tax expense for the period was $14.1 million, representing an Adjusted effective tax rate of 17.2%.

The reduction in tax rate versus pcp can be attributed to lower earnings in EMEA and the consequent reduction in foreign income subject to US tax, together with the exclusion of a tax charge on UK property sale which applied in the pcp, impacted the tax expense for HY24.

Adjusted effective tax rate best represents the rate of tax paid by the Group. RWC expects that the Adjusted effective rate for FY24 will be around 17% to 20% due to the reasons noted above.

INTERIM DIVIDEND AND ON-MARKET SHARE BUY-BACK

RWC's distribution policy has been an intention to distribute between 40% and 60% of annual NPAT by way of cash dividend. Changes which have occurred over time in the composition of RWC's geographic business have resulted in Australian earnings now accounting for less than 10% of total group earnings. Consequently, it is expected that future dividends will generally be either unfranked or only partly franked. RWC announced in August 2023 that it would review its distribution policy settings.

The outcome of the review is that RWC still intends to distribute between 40% and 60% of annual NPAT. However, the form of the distribution will be altered so that the total distribution amount will comprise a cash dividend component and an on-market share buy-back component. The Board recognises the desire of some investors to continue receiving cash dividends. The Board also considers that a capital management strategy utilising on-market share buy-backs will be value accretive for shareholders. The Board's intention, therefore, is that the total distribution amount for a period will be allocated approximately 50 per cent to a cash dividend and 50 per cent to on-market share buy-backs.

A total distribution amount for the six months ended 31 December 2023 of US4.5 cents per share (US$35.6 million) has been declared, comprising an unfranked interim cash dividend of US2.25 cents per share and the undertaking of an on-market share buy-back for US$17.8 million (equivalent in total to US2.25 cents per share). The total distribution amount represents 70% of NPAT and 53% of Adjusted NPAT for the six months ended 31 December 2023.

Six months ended:	**31 December 2023**		**31 December 2022**	
	US$	**US Cents per share**	**US$**	**US Cents per share**
Total distribution amount payable	**$35.6m**	**4.5**	**$35.6m**	4.5
Interim dividend	**$17.8m**	**2.25**	**$35.6m**	4.5
On-market share buyback	**$17.8m**	**2.25**	**-**	-
Interim dividend				
Dividend per share	**2.25cps**		**4.5cps**	
Dividend payable in Australian Dollars	**3.459cps**		**6.285cps**	
Interim dividend franked amount	**0%**		**10%**	

The interim cash dividend will be paid in Australian dollars at 3.459 cents per share. The amount has been converted to Australian currency using the average exchange rate over the five business days ended 15 February 2024.

The record date for entitlement to the interim cash dividend is 7 March 2024. The payment date is 5 April 2024.

Details of the on-market share buy-back are contained in the Appendix 3C released today.

CASH FLOW

A summary of the consolidated statement of cash flows is provided in the following table.

Six months ended: US$ million	31 December 2023	31 December 2022	Variance
Cash generated from operations	151.6	94.3	61%
Income tax paid	(29.6)	(23.9)	24%
Net cash inflow from operating activities	**122.0**	**70.4**	**73%**
Capital Expenditure	21.2	21.8	(3%)
Sale of property, plant & equipment	0.2	31.0	-
Net cash outflow from investing activities	**(21.0)**	**9.2**	-
Net interest paid & lease payments	(20.4)	(20.5)	0%
Dividends paid	(39.3)	(39.2)	0%
Net cash inflow (outflow) from financing activities	**(59.5)**	**(61.1)**	(3%)
Reduction (increase) in net borrowings	**41.6**	**18.6**	-

Cash generated from operations was $151.6 million, an increase of 61% on pcp. Net working capital reduced by $77.2 million over pcp due mainly to a reduction of $51.9 million in inventory levels. Reducing inventory levels has been a priority over the past year, following the improvement in global supply chain and logistics conditions.

Operating cash flow conversion[11] for the period was 121% of Adjusted EBITDA versus 74% in the pcp, with the improvement mainly due to the reduction in net working capital versus pcp.

Capital expenditure payments for property, plant and equipment acquired during the year totalled $21.2 million compared with $21.8 million in the pcp. Capital expenditure totalling $10.0 million was focused on growth initiatives for key projects including SharkBite Max and PEX-a manufacturing initiatives. Additionally, investment was made in automating product bagging and packaging operations in the Americas. Capital expenditure for FY24 is expected to be in the range of $50 million to $55 million.

[11] HY24: Cash flow from operations to Adjusted EBITDA of $124.8 million.

DEBT POSITION AND CAPITAL STRUCTURE

Net debt[12] at 31 December 2023 was $394.7 million (31 December 2022 - $533.5 million). Net debt to EBITDA was 1.56 times[12] at 31 December 2023 (based on historic EBITDA for a 12-month period ended 31 December 2023) compared with 2.12 times for the pcp. Cash generated during the period was used to reduce net borrowings.

RWC's weighted average debt maturity was 6.9 years at 31 December 2023. At 31 December 2023, 59% of total drawn debt was at fixed rates. The weighted average cost of funding was 5.09%

During the period, the Company extended the maturity of Tranche A of its existing syndicated loan facility (initially maturing in November 2024) across two equal tranches, A1 ($217.5) million with a revised maturity date of November 2027 and A2 ($217.5 million) with a revised maturity date of November 2028. The maturity of Tranche A of the existing bilateral US dollar facility ($45 million) was also extended by three years to November 2027.

RWC's committed borrowing facilities are summarised in the following table.

US$ million	Facility Limit	Amount Drawn at 31 Dec 23	Expiry
Bank Facilities			
2026 Tranche (B)	320.0	146.0	Nov-26
2027 Tranche (A1)	262.5	25.9	Nov-27
2028 Tranche (A2)	217.5	-	Nov-28
US Private Placement			
7 Years	55.0	55.0	Apr-29
10 Years	65.0	65.0	Apr-32
12 Years	65.0	65.0	Apr-34
15 Years	65.0	65.0	Apr-37
Total	**1,050.0**	**421.9**	

The Company is comfortably within its target leverage ratio of 1.5 times to 2.5 times net debt to EBITDA. RWC expects that it will remain in compliance with all borrowing facilities financial covenants.

The Company has assessed that its optimal capital structure will be achieved by maintaining its net debt levels to achieve a leverage ratio (net debt to EBITDA) in the range of 1.5 to 2.5 times. Sustaining a level of debt within this range will ensure the Company optimises its cost of capital whilst at the same time maintaining investment grade equivalent credit metrics, such that it will continue to be able to access long term debt markets and have acceptably low refinancing risk of its debt facilities.

[12] Excludes leases.

FY2024 OUTLOOK AND GUIDANCE

RWC believes that its end market exposure globally to the less cyclical repair and maintenance sector provides greater resilience to economic downturns compared with the more cyclical new residential construction market. RWC's products feature in non-discretionary repair projects and our brands are recognised "go to" products for repair and remodelling.

RWC is confident that it is well placed with its local manufacturing operations and strong track record of class-leading customer service to navigate economic 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.

We remain cautious about the economic outlook for the balance of FY24, with expectations of lower interest rates yet to translate into stronger demand. Cost inflation pressures have persisted, particularly labour costs, while shipping and logistics costs are starting to rise due to geopolitical factors. Raw material input costs have retreated from their peaks and are now aligned with pricing levels. RWC's cost management programs and operational productivity initiatives will continue to help in mitigating cost inflation.

At a consolidated level RWC expects that its revenues will be down by low single digit percentage points in FY24 compared with FY23. We continue to target stable operating margins for the full year compared with FY23, with the impact of lower volumes on operating margins to be offset by cost savings. This guidance excludes any contribution from Holman Industries in FY24.

Specific commentary for each of RWC's three regions is provided below.

AMERICAS

Remodelling activity levels are not expected to increase over the balance of FY24, with lower turnover of existing housing stock remaining a headwind for remodel activity.[13] [14] Improving new home construction in the US is not expected to materially impact RWC in FY24.

RWC now expects sales in the Americas to be broadly in line with the pcp, after adjusting for the impact on sales of the closure of Supply Smart. Previous guidance had been for a low-single digit decline in sales. Operating margins are expected to be higher than for FY23 and consistent with HY24, following the progressive transfer of some SharkBite manufacturing and assembly from Australia to the US.

ASIA PACIFIC

In Australia, it is estimated that current end-market exposure is 60% to new housing construction and 40% to repair, maintenance and remodel activity. The 15% decline in new housing commencements in the year to 30 September 2023 will likely suppress demand from this end market in FY24.

APAC external sales, excluding the contribution from Holman Industries, are expected to be down by low single digits, with repair and remodel helping to offset the decline in new home construction. Intercompany sales will be significantly lower in FY24 following the transfer of some SharkBite Max production to the US.

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[13] Source: Leading Indicator of Remodel Activity (LIRA), Joint Centre for Housing Studies of Harvard University

[14] US Department of Housing and Urban Development

For Asia Pacific overall, operating margins in FY24 excluding the contribution from Holman Industries are expected to be around one third lower than in FY23 due to lower demand in the Australian market, along with the major changes in manufacturing orientation away from exports to the US. Lower manufactured volumes will negatively impact operating margins through reduced manufacturing overhead absorption.

EMEA

Macroeconomic conditions are expected to be more challenging in EMEA compared with RWC's other two regions in the second half of FY24.

In the UK, a combination of lower new home construction activity[15] and weaker demand for home remodelling activity is likely to reduce sales of plumbing and heating products. Demand for specialty products is likely to be impacted by weakness in the broader UK economy. In Continental Europe, depressed economic conditions are expected to continue adversely impacting demand for water filtration and drinks dispense products.

Consequently, external sales in local currency are now expected to be down by low double-digit percentage points in FY24 versus the pcp, consistent with the first half of FY24. Operating margins are also expected to be lower than pcp. Further cost reduction initiatives are planned to help mitigate the impacts of lower volumes.

FY24 GUIDANCE

The following key assumptions are provided for FY24:

- Consolidated revenues are expected to be down by low single digit percentage points in FY24.
- RWC is targeting stable operating margins for full year FY24 vs FY23, with lower sales targeted to be offset by cost savings.
- RWC expects operating cash flow conversion in the second half to be above 90% for the period.
- Capital expenditure is expected to be in the range of $50 million to $55 million.
- Depreciation and amortisation expense is expected to be in the range of $50 million to $55 million.
- Net interest expense is expected to be in the range of $26 million to $29 million, including the cost of additional borrowings to fund the acquisition of Holman Industries.
- The adjusted effective tax rate is expected to be in the range of 17% to 20%.
- Cost saving measures are expected to deliver $20 million in savings for the full year, an increase from the previous guidance of $18 million as a result of further cost savings targeted in EMEA.

Variations in economic conditions, trading conditions or other circumstances may cause these key assumptions to change.

[15] Source: UK Office of National Statistics

Additional information

Please refer to the Appendix 4D, 31 December 2023 Interim Financial Report and presentation slides released today for additional information and analysis. These documents should be read in conjunction with each other document.

For further enquiries, please contact:

Phil King
Group Investor Relations Director
Mob: +61 (0) 499 986 189
Email: phil.king@rwc.com

This document was approved for release by the Board.

Appendix 1: RWC Overview

RWC is a global market leader and manufacturer of water delivery, control and optimisation systems for the modern built environment. Established in Brisbane, Australia in 1949, today RWC continues to pioneer and innovate plumbing products for residential, commercial and industrial plumbing applications. Its unique plumbing solutions target the repair and re-model, renovation service and new construction markets.

RWC is a preferred supplier of high-quality products, including its brass and plastic Push-to-Connect ("PTC") fittings, PEX pipes, valves, manifolds, underfloor heating components and various accessories to the plumbing and heating, ventilation and air conditioning (HVAC) industry globally. RWC markets its products under industry-trusted brands such as SharkBite, Cash Acme, Reliance Water Controls, RMC Water Valves, HoldRite, JG Speedfit, ProLock and Eastman through wholesale, OEM and retail channels.

RWC established the global market for brass PTC products and today is the largest manufacturer in the world of brass PTC products; SharkBite is the number one brass PTC brand. Since its introduction in the US in 2004, PTC has grown to approximately 15% of the USA fittings market by volume. PTC systems disrupt and replace the traditional labour-intensive fittings, significantly increasing job throughput for contractors and satisfaction ratings from end users. The majority of SharkBite PTC sales are in the defensive repair, maintenance and renovation end markets. In March 2023, RWC launched the next generation of PTC products in North America, SharkBite Max.

RWC looks to achieve sales growth on top of broader market growth through a combination of end user conversion from more traditional methods to RWC's products and systems, market share gains, new products introduced to the market and acquisitions. RWC's distribution networks in each of its core markets provide a strong platform that can be leveraged to accelerate growth of new or newly acquired products.

Product development is central to RWC's longer-term strategic plan. Our objective is to positively disrupt sectors within which we operate through developing and launching innovative, differentiated solutions that improve the productivity of our professional trade customers and end users. With commercialisation of new products becoming increasingly costly, particularly for entirely new product categories, RWC has continued to explore M&A, focused on acquiring products that add to RWC's range and growth.

The acquisition of HoldRite in 2017 enabled RWC to broaden its offering to the commercial construction market. HoldRite products, including engineered plumbing support systems, fire stops, water heater accessories and acoustic pipe isolation solutions are complementary to RWC's traditional products. They are designed for both residential and commercial new construction market segments and generally sold and installed alongside RWC's traditional products.

RWC acquired John Guest, the largest manufacturer in the world of plastic PTC products in June 2018, to become the global leader in plastic as well as brass PTC fittings technology. UK-based John Guest is a leading manufacturer of plastic PTC fittings and pipe for a diverse range of industries, including plumbing and heating, water quality and fluid dispense and other PTC applications. John Guest is a clear market leader in the UK and has a solid European distribution platform.

EZ-Flo International was acquired by RWC in November 2021. EZ-Flo is a leading manufacturer and distributor of plumbing specialty products, appliance supply lines, flexible water connectors, gas connectors, and other accessories. The acquisition included Eastman, the leading brand in large appliance connectors in the US. With Eastman, RWC is positioned as a leader in supporting those who service major appliance installations including plumbed appliances, gas, hot water, and dryer venting.

The combined RWC business has an enlarged global footprint and manufacturing capabilities to reach more markets and customers with an enhanced portfolio of complementary products. RWC's footprint today includes 12 manufacturing facilities, 22 distribution centres and 4 R&D locations across its Americas, Asia Pacific and EMEA operating segments. The combined business employs approximately 2,600 people.