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Media Release

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RWC REPORTS STRONG RESULTS FOR SIX MONTHS ENDED 31 DECEMBER 2020:

REPORTED NET PROFIT AFTER TAX RISES 82% TO $91.4 MILLION, SALES 13% HIGHER

Highlights:

- 13% growth in reported Net Sales to $642.4 million over the prior corresponding period (pcp)
  - Strong Americas performance with 22% constant currency sales growth
  - Asia Pacific sales up 10% with a recovery in Australian new residential construction
  - UK and Europe recovered strongly following COVID lockdowns, up 10% for the half in constant currency
- Strong cash generation - cash flow from operating activities up 17% to $155.6 million
- Net debt reduced by $76 million and leverage down to 0.88 times Net Debt to EBITDA[1] (from 1.57 times)
- Interim dividend of 6.0 cents per share declared, up 33% on pcp

Reliance Worldwide Corporation Limited (ASX: RWC) ("RWC" or "the Company") today announced Reported Net Profit after Tax ("NPAT") of $91.4 million for the six months ended 31 December 2020, 82% higher than the prior corresponding period, and Adjusted NPAT up 56% to $99.3 million.

RWC will pay an interim dividend of 6.0 cents per share, up 33% on the 4.5 cents per share declared in the first half of FY2020.

In the Americas, RWC experienced sustained growth throughout the half at consistently high levels with constant currency sales up 22%. The US market has been particularly strong, driven by continued growth in home repair and remodel activity and the return of new home construction to pre-COVID levels. This has flowed through to stronger sales by RWC's retail and hardware channel partners of its core plumbing products.

In Asia Pacific, the Australian market performed stronger than expected at the start of the year, with home improvement activity remaining strong and new detached dwelling commencements rising. As a result, Asia Pacific external sales were up 8%, while export sales from RWC's Australian facilities to the Americas were up 20% on a constant currency basis.

The EMEA business saw a significant improvement in activity levels throughout the half. Sales at the beginning of the period were still recovering from the COVID lock-down in the UK in particular. As restrictions in the UK eased and distributors reopened, sales recovered quickly. This was due initially to satisfaction of pent-up demand but was then sustained by a lift in activity from home repair and remodelling that has also been experienced in other markets. Continental European sales also recovered strongly from suppressed levels at the start of the year.

[1] EBITDA, EBIT, and Adjusted NPAT 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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RWC CEO Heath Sharp said the first half of the year had been exceptionally strong for the Company.

"All regions recorded strong sales and operating earnings growth, driven by resilient repair and maintenance activity and the strength of home improvement markets. At the same time this was an extremely demanding period from an operational point of view and our manufacturing operations in the US and UK had to contend with a number of interruptions due to COVID. Despite this, we have been able to keep all of our facilities operating and meet the challenge of supporting increased demand for our products in all key markets," Mr Sharp said.

Operating earnings, measured by earnings before interest, tax, depreciation and amortisation ("EBITDA"), were up 32% to $166.3 million. The increase was driven by the strong growth in sales together with the successful implementation of various cost reduction initiatives. RWC is on track to deliver annualised cost savings of $25 million on a run rate basis by the end of the 2021 financial year.

Cash flow from operating activities was up 17% to $155.6 million, and the Company's balance sheet was further strengthened during the half with net debt reducing by $76.2 million. RWC has indicated that it will consider on-market share buybacks in the future as a means of distributing excess cash, in addition to maintaining a dividend payout ratio of 40% to 60% of Reported NPAT.

Outlook

Due to the considerable uncertainty surrounding market demand and the potential impacts of further COVID-19 outbreaks, RWC will not provide earnings guidance for FY2021.

Commenting on trading conditions since 31 December 2020, CEO Heath Sharp said: "Trading in January continued to show positive momentum, even though there were two fewer trading days in the month versus January last year. Sales on a constant currency basis were 14% higher than for the same month last year and 24% higher on a daily sales basis. We have continued to see positive sales growth in all regions during the first half of February".

Additional information

Please refer to the Appendix 4D, 31 December 2020 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.