

ASX Announcement

18 February 2025

RWC REPORTS RESULTS FOR SIX MONTHS ENDED 31 DECEMBER 2024**SALES RISE 14.8% TO US\$676.5 MILLION****NET PROFIT AFTER TAX RISES 31.8% TO US\$67.2 MILLION****Highlights:**

- Net Sales up 14.8% to \$676.5 million over the prior corresponding period (“pcp”)
- Adjusted EBITDA¹ of US\$143.8 million, up 15.2% on pcp
- Adjusted net profit after tax¹ of US\$76.0 million, up 12.3% on pcp
- Adjusted earnings per share of US9.8 cents per share, up 14.0% on pcp
- Results reflect full period contribution from Holman, acquired in March 2024
- Continued strong cash generation with a reduction in net debt; leverage² reduced to 1.41 times
- Distribution of 5.0 cents per share: unfranked interim dividend of US2.50 cents per share and on-market share buyback of US\$19.5 million

Reliance Worldwide Corporation Limited (ASX: RWC) (“RWC” or “the Company”) today announced Net Profit after Tax (“NPAT”) of US\$67.2 million for the six months ended 31 December 2024 (up 31.8% on pcp) and Adjusted NPAT of US\$76.0 million (up 12.3% on pcp).

Net sales were \$676.5 million, 14.8% higher than pcp. Sales included a 6-month contribution from Holman Industries (Holman) which was acquired on 1 March 2024. Excluding Holman, and the impact from the closure of the Supply Smart³ sales model in FY24, sales were 3.8% higher than the pcp. Sales in the Americas were up 3.3% on the pcp, and up 5.4% excluding Supply Smart. Asia Pacific external sales excluding Holman were up 0.2% on the pcp, and EMEA external sales were 4.6% lower than the pcp.

Operating earnings (EBITDA) for the period were \$142.8 million, up 26.8% on the pcp reflecting the earnings contribution from Holman. Results for the period included \$1.0 million in one-off costs mainly related to the integration of Holman and synergies realisation costs. Excluding these cost items, Adjusted EBITDA was \$143.8 million, 15.2% higher than the pcp.

Operating margin of 21.3% was up slightly on the pcp. Excluding Holman, Adjusted EBITDA margin improved to 22.2% compared with 21.2% in the pcp. Cost savings of \$10.8 million were achieved in the period, driven by continuous improvement initiatives, the benefits of the restructuring in EMEA undertaken in FY24, and Holman synergies.

Cash generated from operations was \$127.0 million, 16.2% lower than the pcp. The reduction was mainly due to an increase in net working capital due to a general increase in inventory. Operating cash flow conversion for the period was 88.3% of Adjusted EBITDA versus 121.5% in the pcp.

¹ EBITDA (earnings before interest, tax, depreciation, and amortisation), Adjusted EBITDA, 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 audit review.

² Net debt to Adjusted EBITDA

³ In FY24 RWC ceased operating the Supply Smart sales model. Supply Smart was part of the EZ-Flo acquisition in November 2021, selling products direct to plumbers in the US through an online website and a phone sales team.

For the six months ended 31 December 2024 a total distribution amount of US5.0 cents per share has been declared, comprising an unfranked interim cash dividend of US2.5 cents per share and the undertaking of an on-market share buy-back for US\$19.5 million (equivalent in total to US2.5 cents per share).

RWC Chief Executive Officer Heath Sharp said the result reflected RWC's ongoing execution focus, a strong contribution from Holman, and robust sales performance despite subdued market conditions in the Americas.

"The seamless integration of Holman into RWC's Australian operations after acquisition in March 2024 has enabled us to perform strongly in the context of a weak Australian residential construction sector.

"In the Americas, we delivered underlying sales growth of 5.4% which was a good result in light of tough trading conditions. This was partly as a result of the pull-forward of demand from the second half to the first half due to the timing of future customer initiatives.

"EMEA continued to be our most challenging region. It was pleasing to see positive sales growth in Continental Europe, with all markets except Germany outperforming the prior period. The UK plumbing and heating sector, however, continued to be challenged by weak housing market conditions with RWC's UK sales down 6.9%. The team's operational improvements meant we were able to maintain operating margins despite market weakness.

"We have continued to generate strong cash flows enabling us to further reduce our borrowings. We ended the period with a significant reduction in leverage to 1.41 times compared with 1.56 times at the end of the pcp," Heath Sharp said.

For the full 2025 financial year, RWC expects group external sales to be up by mid-single digit percentage points relative to FY24. Excluding the impact of Holman and Supply Smart, full year group external sales are expected to be broadly flat, within a range of up or down by low single digit percentage points, relative to FY24. RWC is targeting an improvement in consolidated EBITDA margin (excluding Holman) through cost reduction and efficiency measures. RWC expects operating cash flow conversion in FY25 to be above 90%, consistent with our long-term target.

Additional information

Please refer to the Appendix 4D, 31 December 2024 Interim Financial Report, Operating and Financial Review (attached) and presentation slides released today for additional information and analysis. These documents should be read in conjunction with this and each other document.

ENDS

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This document was approved for release by the Board.

