Reliance Worldwide Corporation Limited

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

rwc.com

For personal use only

27 January 2021

TRADING UPDATE FOR SIX MONTHS ENDED 31 DECEMBER 2020

Net sales of $642 million, up 13% on the prior corresponding period ("pcp")

EBITDA[1] expected to be in the range of $164 million to $167 million, up at least 30% versus pcp

Strong cash generation with a further reduction in net debt of $76 million in the period

Reliance Worldwide Corporation Limited (ASX: RWC) ("RWC" or "the Company") has today provided a trading update for the six months ended 31 December 2020. These results remain subject to finalisation and audit review. The Company will release its 2021 half year financial results on Monday 22 February 2021.

RWC Group Chief Executive Officer, Mr. Heath Sharp said RWC had performed strongly in the first half of the 2021 financial year with every region recording strong sales and operating earnings growth and the Group continuing to generate strong cash flows.

"We achieved 13% net sales growth for the half, and 17% net sales growth on a constant currency basis. This has translated into strong operating earnings performance, with EBITDA expected to be up by at least 30% on the prior corresponding period. EBITDA margins have increased as a result of the strong operational leverage driven by higher volumes, and each region is expected to report strong margin expansion for the period. Despite the challenges presented by the COVID-19 pandemic, we have kept all our manufacturing facilities operating and our focus on execution has enabled us to meet the increased demand we have seen across our markets.

"At the same time, cost reduction initiatives have also helped to lift margins. We delivered cost savings in the first half and are on track to meet our target of $25 million in annual cost savings on a run rate basis by the end of the 2021 financial year. Cash generation has been another feature of the half with a further reduction in net debt of $76 million in the period. RWC's leverage ratio[2] at 31 December 2020 had reduced to 0.88 times from 1.57 times a year ago.

"The first half of the 2021 financial year has undoubtedly been a strong period for RWC and we are pleased with how the Group has performed in demanding circumstances. Given the continuing uncertainties in all our markets because of COVID-19 we would caution against extrapolating the first half sales performance for the full year. We note that copper cost increases will negatively impact earnings in the second half and currency translation impacts may also adversely impact reported earnings", Mr Sharp said.

GROUP PERFORMANCE SUMMARY

REVENUE

- Net sales of $642 million, up 13% on pcp.
- Net sales growth on a constant currency basis of 17% on pcp.

OPERATING EARNINGS

- EBITDA expected to be in the range of $164 million to $167 million, up at least 30% versus pcp.

[1] EBITDA means Earnings before interest, tax, depreciation and amortisation
[2] Net debt (excluding leases) to EBITDA, based on historical EBITDA for a 12-month period ended 31 December 2020

ABN 46 610 855 877

For personal use only

BALANCE SHEET

- Net debt reduction of $76 million since 30 June 2020.
- Leverage reduced from 1.57 times to 0.88 times at 31 December 2020.

SEGMENT PERFORMANCE

AMERICAS

Net sales growth in the Americas was 16% (22% on a constant currency basis) with the USA recording strong sales growth through retail and hardware channels driven by strong demand in the repair and remodel sectors.

ASIA PACIFIC

Asia Pacific sales were up 10%, with external sales up 8% reflecting strong Australian new housing construction and remodel markets. Inter-company sales were up 13% (up 20% on a constant currency basis) due to the strength of demand in the Americas.

EUROPE, MIDDLE EAST AND AFRICA ("EMEA")

EMEA sales were up 9% (up 11% on a constant currency basis) with a strong recovery in sales following the relaxation of UK Government restrictions to control the spread of COVID-19 at the beginning of the period.

INVESTOR CALL

RWC management will conduct a brief conference call at 11.00am AEDT on Wednesday 27 January 2021 to answer questions specific to this announcement. Details are provided on the following page.

HALF YEAR RESULTS ANNOUNCEMENT

The Company will release its audit reviewed results for the half year ended 31 December 2020 on Monday 22 February 2021. RWC management will host a briefing for investors and analysts that morning commencing at 9:00am AEDT to discuss the results. Please refer to RWC's announcement dated 19 January 2021 for details.

For enquiries, please contact:

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

This announcement has been authorised for release by the RWC Board.

For personal use only

RWC TRADING UPDATE - MANAGEMENT CALL DETAILS

TIME ZONE: MELBOURNE, SYDNEY (AEDT)

START TIME/DATE: 11:00 WEDNESDAY, JANUARY 27, 2021

Webcast Details:

https://globalmeet.webcasts.com/starthere.jsp?ei=1425542&tp_key=a750db47b5

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 (if applicable).

AUDIO CONFERENCE DETAILS

For those who like to join the conference via audio call, please join the event conference 5-10 minutes prior to the start time using the Participant Passcode listed below:

Participant Passcode: 670397

Location	Phone Type	Phone Number
Australia	Tollfree/Freephone	1800 850 171
Australia, Brisbane	Local	+61 (0)7 3105 0928
Australia, Melbourne	Local	+61 (0)3 8317 0930
Australia, Sydney	Local	+61 (0)2 9193 3758
Hong Kong, Hong Kong	Local	+852 3008 1515
New Zealand	Tollfree/Freephone	0800 968 400
New Zealand, Auckland	Local	+64 (0)9 9760 018
Singapore	Tollfree/Freephone	800 186 5105
Singapore, Singapore	Local	+65 6320 9091
United Kingdom	Tollfree/Freephone	0800 279 4827
United Kingdom, Local	Local	+44 (0)330 336 9401
United States, Los Angeles	Local	+1 323-794-2558
United States/Canada	Tollfree/Freephone	800-289-0459