



Reliance Worldwide Corporation Limited

# Annual Report

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2024



**Plumbing Matters.  
We Make It Better.™**



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## Chairman and CEO Letter to Shareholders

Dear shareholders,

**We are pleased to present the annual report for the 2024 financial year. This year marks the 75<sup>th</sup> anniversary of the company's establishment in Brisbane in 1949.**

A year ago, we noted that the outlook for FY24 rested principally on global economic conditions which we expected to be challenging. This proved to be the case, with higher interest rates impacting housing markets through slowing house price appreciation or declining house values, lower turnover of existing houses, reduced consumer appetite for remodel activity, and lower residential new construction activity. As a result, volumes were lower in all of our regions in FY24 compared with the prior year.

The team at RWC have worked proactively to minimise the impact of these lower volumes. We introduced a range of new products in the Americas which drove an above-market sales performance. Cost reduction programs in all regions helped to mitigate the impact of lower volumes and offset cost inflation, and enabled RWC to achieve stable operating margins in line with the prior year. And our focus on working capital management helped to generate strong operating cash flow. We are proud of the performance we achieved in FY24 against challenging market conditions.

### Health and Safety

Health and safety remain RWC's highest priority. Our focus is on maintaining a safe and healthy workplace to ensure our people arrive home safely at the end of every day.

We have made strong progress this year in executing the multi-year safety improvement program we launched in FY23. Our focus on global collaboration, safety leadership, and identifying and controlling risk has resulted in a significant reduction in the number of injuries in our workplaces in FY24. The Recordable Injury Frequency Rate (RIFR) measures all recorded lost time injuries plus other injuries requiring medical treatment, per one million hours worked. Our score improved from 5.49 in FY23 to 2.62 in FY24, a reduction of 52%.

Other key achievements in FY24 have included enhanced safety governance; the implementation of global safety standards for three critical risks – mobile plant, drive safely, and height safety; the introduction of a global risk matrix to determine priorities; the establishment of a behavioural safety program; and standardised systems and reporting across all regions.

**‘We made strong progress this year in executing the multi-year safety improvement program launched in FY23.’**

### Financial Performance

Reported net earnings (NPAT) of \$110.1 million was 21% lower than the prior corresponding period (“pcp”). Adjusting for the one-off costs related to the closure of the Supply Smart business in the Americas, restructuring in EMEA and the impairment of manufacturing assets in Spain, and costs associated with the acquisition of Holman, NPAT was down 6% at \$146.9 million.

Americas sales were \$877.7 million, 1% lower than pcp. Weaker demand from discretionary remodel end-markets was largely offset by new product revenues.

We announced during the year that we would cease operating the Supply Smart sales model. Supply Smart sold 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. The orderly transition and sell down of Supply Smart inventory and closure of this business unit was completed during the year. Excluding the impact of the Supply Smart closure, America's sales were 0.6% lower than the pcp.

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Americas operating earnings were \$184.3 million, 16% higher than pcp. A higher operating margin was partly driven by the transfer of some SharkBite Max manufacturing and assembly from Australia to the US, as well as cost reduction initiatives.

Asia Pacific sales of \$190.3 million were up 3% in local currency versus FY23. Sales included \$32.1 million from Holman following completion of the acquisition on 1 March 2024. Excluding Holman, sales were down 15% in local currency. This was mainly due to the progressive transfer of some manufacturing and all assembly of SharkBite Max fittings to the Americas during the year, with inter-company sales down 35%. External sales were 3% lower in local currency, reflecting lower residential new construction activity in Australia.

Asia Pacific operating earnings for the period were \$22.0 million, 31% lower than pcp, with the shift in production of SharkBite Max components to the Americas negatively impacting performance.

**Stuart Crosby**  
Chairman

Sales in EMEA were \$263.6 million, 7% lower in local currency versus FY23. UK plumbing and heating sales were down 6% due to lower volumes in residential remodel and residential new construction. Continental Europe sales were 11% lower than pcp with weak economic conditions adversely impacting demand.

**‘Asia Pacific sales of \$190.3 million were up 3% in local currency versus FY23.’**

EMEA operating earnings of \$77.2 million were 16% lower in local currency and EMEA's operating margin also declined.

Overall, we have delivered a group result in line with our expectations and the guidance we set at the beginning of the year. Our resilient top line and careful cost control, coupled with disciplined working capital management, led to another period with strong operating cash flow which in turn enabled us to further strengthen our balance sheet.



## Chairman and CEO Letter to Shareholders

### Holman Industries

In February, we announced that we would be acquiring Holman Industries in Australia, and the acquisition was completed on 1 March. The purchase price of A\$160 million represented a multiple of seven times EBITDA of A\$22.9 million for the 12 months ended December 2023.

Combining Holman with RWC will double our external revenues for the Asia Pacific segment. Holman's complementary product range has effectively doubled the size of our target addressable market in Australia.

There were several strategic drivers for the acquisition. The primary driver was Holman's range of "water out" drain, waste and vent products. Holman have established a strong market position in this part of the plumbing market. This has been a part of the market that RWC has been looking to enter in each of our regions. In residential R&R, residential new construction, and commercial construction, water-out and water-in are closely coupled elements of the same plumbing market.

Adding the Holman product suite to our existing portfolio in the Australian market will create significant opportunities. We will be looking to expand the penetration of Holman plumbing products across our broader combined distribution footprint.

The second major driver has been the diversification of our channel mix in Australia. Holman has a strong position within retail distribution in Australia. By comparison, RWC has been traditionally centred around wholesale plumbing distribution. Holman has a formidable reputation for operational excellence in servicing the retail sector.

We have been really impressed with the culture of the business and depth of talent in Holman. Since completing the acquisition, we have successfully combined the RWC APAC business and Holman into a single organisation structure and integration of the two businesses is progressing well.

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## New product initiatives

Last year we announced the introduction of two important new product ranges in the Americas, SharkBite Max and PEX-a pipe and expansion fittings. We have made excellent progress in rolling out these new products, which contributed to the overall result, and particularly in the Americas.

We are particularly proud of our execution of the SharkBite Max rollout. This has been an immensely complex and challenging product implementation. Our people in both the Asia Pacific and Americas regions really stepped up to deliver this project. Importantly, the customer reaction has been tremendous. We have delivered a clearly better, simpler, faster to install product. And we are also putting more value on our distributors' shelves. The rollout of the full SharkBite Max range has now been substantially completed.

**Heath Sharp**  
Chief Executive Officer

The rollout of PEX-a pipe and expansion fittings was another highlight of FY24, with the rollout to 1,800 Lowe's stores in the US completed, followed by the roll out of the product to a number of wholesale channel partners.

In addition to these new product major product initiatives, we drove strong growth in the EZ-Flo gas appliance connector range and successfully launched new HoldRite products into the North American market.

‘The rollout of PEX-a pipe and expansion fittings was another highlight of FY24.’

## Changes to Distribution Policy

During the year we completed a review of our distribution policy settings. The review was prompted, in part, by the geographical change in earnings mix. With Australian earnings now accounting for a lower proportion of total group earnings, future dividends will generally be either unfranked or only partly franked.

RWC still intends to distribute between 40% and 60% of annual NPAT. However, following the review, the form of distribution now comprises a cash dividend component and an on-market share buy-back component. This new approach recognises the desire of some investors to continue receiving cash dividends, while also implementing a capital management strategy utilising on-market share buy-backs that are value accretive for shareholders. The Board's intention 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 final distribution amount of US5.0 cents per share (US\$39.3 million) has been declared, comprising an unfranked final cash dividend of US2.5 cents per share and the undertaking of an on-market share buy-back for US\$19.6 million (equivalent in total to US2.5 cents per share).

Total distributions declared for the year ended 30 June 2024 are US9.5 cents per share totalling \$74.8 million which represents 68% of Reported NPAT and 51% of Adjusted NPAT.

## Chairman and CEO Letter to Shareholders

### Cash Flow

We have recorded another year of exceptionally strong cash flow generation. Cash generated from operations was \$314.2 million, an increase of 7% on pcp. Operating cash flow conversion for the year was 114% of Adjusted EBITDA, with the improvement mainly due to the reduction in net working capital.

**‘Cash generated from operations was \$314.2 million, an increase of 7% on pcp.’**

The strength of our cash flow performance is demonstrated by the fact that we were able to fund the acquisition of Holman for A\$160 million and also further reduce our overall debt levels. Net debt at 30 June 2024 was \$421.1 million, down from \$435 million at the end of FY23. Our leverage ratio (net debt to EBITDA) reduced from 1.69 to 1.59 times. As a result of this strong cash generation, we are now close to the lower end of our target leverage range of 1.5 times to 2.5 times net debt to EBITDA.

### Sustainability

This year we have published our 2024 ESG Report concurrently with the release of this Annual Report. The ESG Report details the significant progress we have made across a range of environmental, social and governance areas.

Of particular note has been the reduction in our Scope 1 and 2 GHG emissions, with a cumulative reduction of 35% compared to our FY21 baseline. We exceeded our FY24 target and are on track to achieve or exceed our goal of a 42% reduction in Scope 1 and 2 emissions by 2030. We have also expanded our reporting of Scope 3 emissions and improved Scope 3 calculations by adding supplier-specific emission factors. This will ensure we are aligned with the draft Australian Sustainability Reporting Standards.

### Outlook

We expect that macroeconomic factors will again be a key driver of company performance in FY25. Any improvement in demand in FY25 will be partly dependent on an easing of interest rates in RWC's key geographies, particularly in the second half of FY25.

For the first six months of trading in FY25 we expect group external sales to be broadly flat, within a range of up or down by low single digit percentage points, relative to FY24, excluding the impact of Holman and Supply Smart. We expect a similar trajectory in each region. New product and revenue initiatives in each region are expected to help mitigate the impact of weaker end-markets. Cost reduction and efficiency measures will continue to be pursued and we are targeting an improvement in consolidated EBITDA margin in the first half of FY25 relative to the pcp. While we cannot determine the course of economic trends, we remain well placed with our local manufacturing operations and strong track record of class-leading customer service to navigate economic challenges and respond to customer needs. We expect our ongoing new product introductions will enable us to continue our long-standing record of delivering above-market growth with quality margins.

We look forward to presenting to shareholders at the annual general meeting to be held in Sydney on 24 October 2024. Full details including the time and venue will be outlined in the Notice of Meeting.



**Stuart Crosby**  
Chairman



**Heath Sharp**  
Chief Executive Officer





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# Introducing Holman Industries

Holman is a leading independent manufacturer and distributor of branded plumbing and watering products sold through retail and wholesale channels in Australia.





## RWC acquired the Holman Industries business in Australia on 1 March 2024.

The acquisition of Holman has expanded RWC's product offering and channel partner distribution reach and will help drive future growth in the Australian plumbing market. Approximately half of Holman revenues are generated from sales of plumbing products focused on drain, waste and vent (DWV) solutions, stormwater fittings, and PVC pressure fittings. The remaining revenues are generated by sales of watering products including a range of hose systems, fittings, timers, and garden products in retail and hardware. Holman is a long-term supplier to this segment with strong retail fulfilment execution expertise.

Holman PVC plumbing products for DWV solutions are manufactured at its plants in Western Australia and Queensland. Other products are sourced from trusted international suppliers. Holman has a network of seven distribution centres across Australia to service its channel partners.

Product innovation coupled with high levels of customer service have been instrumental in driving Holman's growth. This is strongly aligned with RWC's approach to growing its business.

The acquisition of Holman provides RWC with immediate and substantial access to the Australian water-out segment, allowing us to strengthen our overall offering and be an even better partner to our core plumbing wholesalers in Australia. Entering the DWV market is a strategic priority in each of our three regions. While we have looked at other opportunities globally, Holman marks our first foray into this end market. We expect it will help lead and catalyse our approach in other markets globally.

Holman also gives RWC significantly expanded access to the retail channel in Australia. This will provide us with the opportunity to grow our legacy RWC products within retail while also putting more scale and manufacturing capability behind Holman. We believe Holman's success is linked to its genuinely world class execution capabilities into retail and hardware. This acquisition will allow us to utilise Holman retail operational capabilities in other parts of the world, while also enabling us to look for opportunities to bring our US retail market expertise to Australia.

**HOLMAN**

# Holman ECO product range

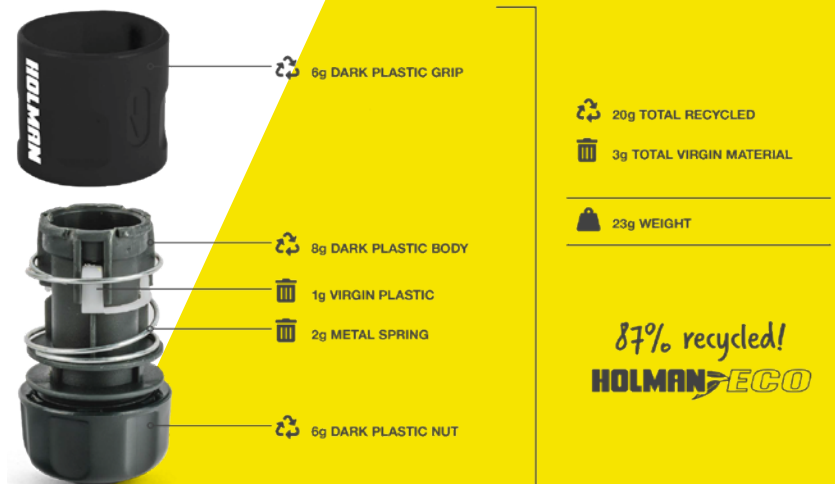
The ECO Watering Can is crafted from over 95% recycled plastic, including recycled local council wheelie bins, making it a great sustainable choice for the garden.



In 2022, Holman launched its ECO range of products.

The launch was in response to growing consumer demand for environmentally friendly products, and was driven by the desire to make products that are more sustainable by linking them to plastics recycling. The Holman ECO product family contains a minimum of 70% recycled materials by weight. All products labelled 'Holman ECO' are determined by the percentage of recycled materials relative to virgin materials used. Each part of the product is broken down by the different material inputs, allowing visibility of the total recycled percentage by material weight. This has provided the end-user with a high level of confidence around the extent to which recycled materials have been used. Holman ECO products made in Australia use recycled household plastic waste products.

In 2023, Holman took the concept further with the development of the ECO Watering Can. Designed by the Holman product team, the product is moulded, packaged and ready to be delivered to retailers on-site at the Holman plant in Western Australia. This range is crafted from over 95% recycled plastic, including recycled local council wheelie bins, making it a great sustainable choice for the garden. The unique shape and ergonomic handle make it easy to use and perfect for watering indoor and outdoor plants. Importantly, the design allows the watering cans to be stacked one inside the other, making it much easier to transport. This minimises the volume required for transportation, another sustainability benefit. The Holman ECO Watering Can is a great example of the Holman commitment to sustainability.



Holman ECO material breakdown



Recycling of agriculture film used in the manufacture of the Holman ECO range



# 75 Years of Innovation and Global Expansion

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In a journey spanning over seven decades, RWC commemorates its 75th anniversary in 2024, marking a legacy of innovation, expansion, and industry leadership.

Reliance Manufacturing Company Pty Ltd (RMC) was established in 1949 in Brisbane, Australia. Driven to make water heating systems safer, cleaner and less prone to failures, RMC's first products included a reengineered pressure reducing valve and the first low pressure relief valve.

Throughout the following decades, RWC continued to push the boundaries of innovation, introducing many industry firsts. In 1953, RMC revolutionised the industry by combining pressure reducing and relief valves into a pre-assembled unit. This removed the need for ventilation pipes and ceiling cistern tanks, all but eliminating faulty installations and associated dangers. This was a breakthrough product to protect homeowners and reduce installation time and cost.

A new and improved mixing valve for hot and cold water systems was launched in 1958 making it quick, easy and cost-effective to install, while being a stronger and more durable application. The first pressure-limiting valve followed in 1962 and temperature pressure relief valves in 1968.

By 1976, RMC had entered the European market and was instrumental in changing the UK from vented to unvented water heaters.

In 2002, RMC entered the US market with the acquisition of Cash Acme, the world's largest volume temperature and pressure valve manufacturer. During this period, a number of innovations were introduced to the US market: thermostatic mixing valves for safe and comfortable water temperature, and easy to service replaceable cartridge pressure reducing valves.

Following its initial success in Australia, RWC was the first to introduce a full range of push-to-connect (PTC) fittings, an innovative fittings technology, to the US plumbing industry in 2004, under the premium SharkBite brand. Following this, sales of PTC accessories in the US, such as ball valves, flexible connector hoses, and service stops, also grew rapidly. PEX pipe was also introduced into North America with RWC gaining a top 5 position in this market segment.

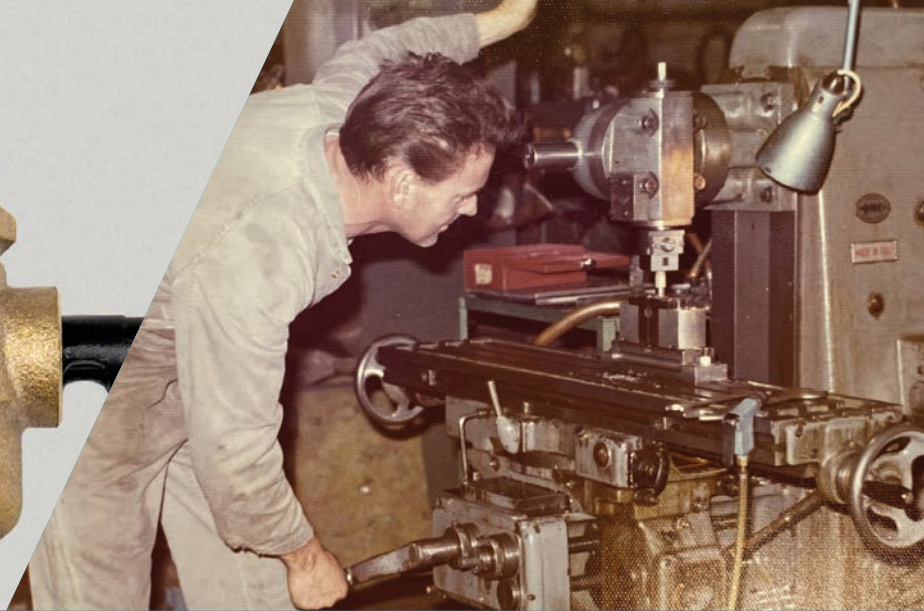
The acquisition of HoldRite in 2017 enabled RWC to broaden its offering to the commercial construction market. HoldRite products, including engineered plumbing support systems, fire stops, water heater accessories and acoustic pipe isolation solutions are complementary to RWC's traditional products.

Another major landmark for RWC came in 2018 with the UK acquisition of John Guest and its globally renowned Speedfit brand. Expanding RWC's footprint and intellectual property in the UK and Continental Europe, this strategic move elevated RWC to the world's largest manufacturer of brass and plastic push-to-connect technologies for plumbing and heating applications, as well as a diverse range of other industries.

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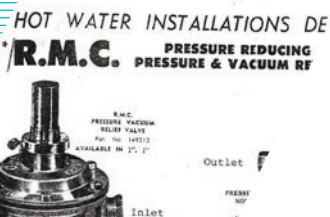
75 Years of  
Innovation and  
Global Expansion

BRISBANE  
MAN INVENTS  
NEW TYPE OF  
LATHE



From humble beginnings we've become a dynamic, growing group that's leading plumbing innovation to make lives easier for customers worldwide.

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**Reliance**  
WORLDWIDE

**1949**

RMC (Reliance Manufacturing Company) is established in Brisbane, Australia.

**1960s**

Developing the first pressure limiting valve and temperature pressure relief valves.

**1999**

To support its global ambitions the parent company is named RWC (Reliance Worldwide Corporation).

**1953**

Launch of the world's first packaged unvented water heating storage system.

**1976**

RMC enters the European market and is instrumental in changing the UK from vented to unvented water heaters.

**2002**

RWC enters the US market with the acquisition of Cash Acme, the world's largest volume temperature and pressure valve manufacturer.



**CASH ACME**

In 2021, RWC became a leader in appliance connectors and supply lines in North America with the acquisition of EZ-Flo International. EZ-Flo, with the Eastman product line, is the number one brand for appliance connectors in the US.

RWC launched two important new product ranges in 2023 for the North American market. SharkBite Max fittings are RWC's next generation of industry leading push-to-connect fittings, building on the brand's trusted push-to-connect technology with key improvements for stronger, faster, and better connections.

PEX-a pipe, launched together with a full range of expansion fittings, is enabling RWC to provide the professional plumber in the Americas with the broadest range of pipe and fitting systems. PEX-a pipe and expansion fittings have augmented RWC's existing repair and maintenance end-user focus and enabled us to also supply the re-pipe, new commercial construction and new residential construction markets.



**2004**

SharkBite push-to-connect plumbing innovation is introduced to the US market.

**2018**

Acquisition of John Guest, elevating RWC to the world's largest manufacturer of brass and plastic push-to-connect products.

**2023**

Launch of RWC's next generation push-to-connect fittings, SharkBite Max.

**2017**

Acquisition of HoldRite for residential and commercial new build construction markets.

**2021**

Acquisition of EZ-Flo International with the leading appliance connectors and supply line brand Eastman.

**2024**

Acquisition of leading Australian 'water-out' business Holman Industries.



Most recently, Holman Industries was acquired in early 2024, providing RWC with access to the Australian water-out segment and allowing RWC to strengthen its overall product offering with wholesale customers. This marked RWC's first entry into the drain, waste and vent (DWV) end-market, a strategic priority in every region. Holman has also given RWC significantly expanded access to the retail channel in Australia and provided the opportunity to grow legacy RWC products within retail.

Today, 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 manufacturing facilities in the US, Europe, Australia and China and employs approximately 2,900 people worldwide.

# Manufacturing locations

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## In the United States we manufacture:

- Push-to-connect fittings & other fittings
- Pipes
- Valves
- Integrated installation solutions



## In Spain we manufacture:

- Push-to-connect fittings
- Pipes



## Americas

Global Operating  
Headquarters in Atlanta

## Europe, Middle East & Africa

Regional Headquarters  
in London

## Asia-Pacific

Regional Headquarters  
in Brisbane

**In the UK we manufacture:**

- Push-to-connect fittings
- Pipes
- Water filtration & drinks dispense fittings

 **John Guest®**

 **Speedfit®**

 **Reliance®**  
VALVES

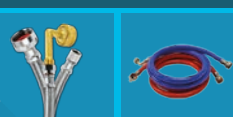


**In China we manufacture:**

- Appliance installation & repair products

 **EZ-Flo™**

 **Eastman™**



**In Brisbane Australia we manufacture:**

- Valves
- PVC fittings

 **Reliance®**  
VALVES

 **Holman®**



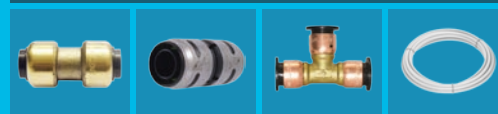
**In Melbourne Australia we manufacture:**

- Push-to-connect fittings & other fittings
- Pipes

 **SharkBite®**

 **EvoPEX®**

 **Auspex**



**In Perth Australia we manufacture:**

- PVC fittings
- Watering & gardening products

 **Holman®**



CHINA

AUSTRALIA

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# Strategy overview

RWC is a global market leader and manufacturer of plumbing and heating solutions.

Our plumbing systems target the repair and re-model, renovation and new construction markets and are essential to building and maintaining a sustainable built environment.

RWC has three key drivers of growth. The first of these is creating value through product leadership. We use deep customer insight to deliver smart product solutions for the end user, improve the productivity of the contractor and enable a DIY repair. Our products, like SharkBite and Speedfit push to connect fittings, HoldRite brackets, and John Guest FluidTech fittings, are better. They are quicker and easier to install. They enable the plumber to get each job done quicker, and get more work done in a day. We make it easier for them to do their work. That's why they choose our products. They know our brands represent efficiency. That our brand says that the products will work together to provide a complete solution, and that the quality leads the market.

Equally important are our channel partner relationships, the basis of our second pillar of growth. In each of our three regions – the Americas, Asia Pacific and EMEA – we have extremely strong distributor networks. We put a lot of effort into ensuring that we are helping our channel partners grow value. A key element of our value proposition

is to continually add value to their shelves through a growing array of products that are increasingly attractive to end users and sought after by them. This is supported by a high level of customer service that ensures we continue to be a trusted partner, and continued support of our brands through innovative marketing and merchandising execution.

The third element of our strategy is industry leading execution. This involves delivering the highest quality products via a strong logistics capability to ensure that our channel partners always have the right products in stock when they need them. Being operationally excellent, with efficient and low-cost operations, makes us better to do business with and should in turn translate into margin expansion for us. At the same time, we aim to be great stewards of the planet and our communities.

Underpinning all this is a strong, positive organisational culture. Our strategy ensures we provide a safe environment for our people and actively promote diversity and inclusion. Everyone at RWC is encouraged to be a real part of our business and to bring their whole self to work, and our goal is for RWC to be an organisation which is connected to the communities in which it operates. That makes it better for our employees, better for our customers, and better for the business.

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These three strategic pillars enable us to leverage our platform to drive organic growth. We seek to keep winning new opportunities in our channels while delivering differentiated products into the market. The pillars also set the foundation for inorganic growth through business acquisitions, leveraging our operational strength and channel access to boost the performance of acquired targets. By pursuing both organic and inorganic growth opportunities we are seeking to build a larger and more diversified business while simultaneously delivering superior returns to shareholders.

## Creating value through product leadership



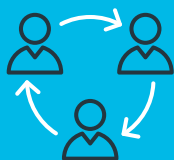
### Solutions for the job site

**Smart product solutions that improve contractor productivity, enable the DIYer, and make lives easier.**

Working in the field to understand job site requirements and challenges

Product engineering that is creating the future of plumbing

Market engagement to stay on top of trends and uncover acquisition opportunities



### Value for the distributor

**Increasing value for the distributor while providing broadest access to our products for the end-user.**

Superior customer service provides the foundation partners can count on

Differentiated brands that matter to the user and put more value on the shelf for the channel

Broad distribution puts products in reach of the end-user when they need them



### Industry leading execution

**Premium quality products and unrivalled operational efficiency delivering margin growth.**

Safety culture to ensure a work environment that protects our people

Lean manufacturing and strategic sourcing to drive quality, margins and resilience

Sustainability focus delivers a more efficient operation while reducing environmental impact



## Our Board Members

From left to right: Russell Chenu, Darlene Knight, Sharon McCrohan, Stuart Crosby, Heath Sharp, Ian Rowden, Brad Soller, Christine Bartlett.

### Stuart Crosby

Non-Executive Chairman

Member of Audit and Risk Committee

Member of ESG Committee

Appointed: 11 April 2016

### Heath Sharp

Chief Executive Officer

Managing Director

Appointed: 19 February 2016

### Russell Chenu

Independent Non-Executive Director

Member of Audit and Risk Committee

Member of Nomination and  
Remuneration Committee

Appointed: 11 April 2016

### Sharon McCrohan

Independent Non-Executive Director

Chair of ESG Committee

Member of Health and Safety Committee

Appointed: 27 February 2018

### Christine Bartlett

Independent Non-Executive Director

Chair of Nomination and  
Remuneration Committee

Member of ESG Committee

Member of Health and Safety Committee

Appointed: 6 November 2019

### Ian Rowden

Independent Non-Executive Director

Member of Audit and Risk Committee

Member of Health and Safety Committee

Member of Nomination and  
Remuneration Committee

Appointed: 6 July 2020

### Darlene Knight

Independent Non-Executive Director

Chair of Health and Safety Committee

Member of ESG Committee

Appointed: 14 April 2021

### Brad Soller

Independent Non-Executive Director

Chair of Audit and Risk Committee

Member of Nomination and  
Remuneration Committee

Appointed: 1 November 2022

See Directors' Report for further details  
on the Board Members.

## Senior Leadership Team



**Heath Sharp**  
CEO

Heath joined RWC in 1990 and has worked in each international division of the business during his career, holding senior management positions across multiple functions and geographies. Heath was President of the US business and global Chief Operating Officer prior to his current role as Group CEO, based in Atlanta. Heath holds a Bachelor of Mechanical Engineering degree.



**Andrew Johnson**  
Finance

Andrew joined RWC in 2010 and was appointed Group CFO in 2020 leading all aspects of RWC's financial activities. With over 30 years of finance and accounting leadership, he has a strong track record in both large and mid-size international manufacturing organisations. Andrew holds a Bachelor of Science degree and both CPA and CMA professional certifications.



**Gillian Chandrasena**  
People

Gillian joined RWC in April 2022 to develop our greatest asset – our People. Gillian has experience driving business performance improvement by strengthening human capital and organisational culture. She brings a broad range of experience – from growing businesses, integrating acquisitions, implementing a range of talent pipeline programs and strategic workforce planning. She holds a BA (Hons) in English & Politics and an MBA.



**Will Kilpatrick**  
Americas

Will joined RWC in 2018 in Strategy & Corporate Development. Shortly after joining, he led our John Guest deal in the UK on behalf of the RWC management team. Will relocated his family in 2019 to our EMEA region on a secondment opportunity as Business and Product Development lead. Will returned to the US as VP, Fulfilment and E-Commerce Operations in late 2021. He was appointed as EVP & President, Americas in January 2023.



**Nicole Sumich**  
Asia-Pacific

Nicole joined RWC in July 2022 to lead our APAC region. Nicole's deep experience spans the building products and manufacturing sectors, having held senior management roles at Carter Holt Harvey and most recently at Fletcher Building Limited. Nicole began her career as an Engineer with Caltex Australia and later served in consulting for Deloitte. Nicole holds a Chemical Engineering degree and a master's degree in Business Technology.



**Dixon Thurston**  
EMEA

Dixon joined RWC in 2009 and has held several roles, including product development, engineering, sales, operations, global manufacturing, strategic sourcing, and supply chain. He was instrumental in the launch of the SharkBite Max range in North America along with the rollout of PEX-a pipe and expansion fittings. Prior to joining RWC, Dixon spent 8 years with Honda in production engineer roles. He has a Bachelor of Science in Mechanical Engineering.



**Sandra Hall-Mulrain**  
Legal

Sandra joined RWC as General Counsel in October 2019. She is a seasoned corporate generalist with 20 years of diverse legal experience in Fortune 100 corporations and privately held companies. Sandra has played a key role as a member of the senior leadership team helping to drive strategic initiatives across the business. Sandra holds a B.A. degree, cum laude and a J.D. from Rutgers University.



**Simon Woods**  
Information Systems

Simon joined RWC in 2016 to lead our Information Systems function. Simon leads RWC's IT strategy to transform and optimise our technology architecture, infrastructure, and capabilities. Prior to joining RWC, Simon led an impressive track record of strategic leadership roles within the IT function of numerous banking and medical companies in the UK and North America, steadily developing his IT expertise and broader business acumen throughout his career.

## OPERATING AND FINANCIAL REVIEW

For financial year ended 30 June 2024

The financial results for the year ended 30 June 2024 are set out below. All figures are in US\$ unless otherwise indicated.

| Group overview                                   | Year ended<br>30 June 2024<br>US\$ million | Year ended<br>30 June 2023<br>US\$ million |
|--------------------------------------------------|--------------------------------------------|--------------------------------------------|
| <b>Net sales</b>                                 | <b>1,245.8</b>                             | <b>1,243.8</b>                             |
| <b>Reported net profit after tax</b>             | <b>110.1</b>                               | <b>139.7</b>                               |
| Americas                                         | 184.3                                      | 159.5                                      |
| Asia Pacific                                     | 22.0                                       | 31.9                                       |
| EMEA                                             | 77.3                                       | 87.8                                       |
| Corporate                                        | (8.8)                                      | (4.6)                                      |
| <b>Adjusted EBITDA<sup>1</sup></b>               | <b>274.6</b>                               | <b>274.6</b>                               |
| Depreciation                                     | (60.0)                                     | (52.6)                                     |
| <b>Adjusted EBIT<sup>1</sup></b>                 | <b>214.5</b>                               | <b>222.0</b>                               |
| Net finance costs                                | (30.9)                                     | (32.3)                                     |
| <b>Adjusted profit before tax</b>                | <b>183.6</b>                               | <b>189.7</b>                               |
| Tax expense on underlying profit                 | (36.7)                                     | (34.0)                                     |
| <b>Adjusted net profit after tax<sup>1</sup></b> | <b>146.9</b>                               | <b>155.7</b>                               |
| Significant items                                | (27.1)                                     | 1.5                                        |
| Tax benefit attributable to significant items    | 5.8                                        | (1.8)                                      |
| Tax benefit of goodwill amortisation             | (15.5)                                     | (15.7)                                     |
| <b>Reported net profit after tax</b>             | <b>110.1</b>                               | <b>139.7</b>                               |

**Net sales** were \$1,245.8 million, up 0.2% on the prior corresponding period ("pcp"). Sales include a partial contribution from Holman Industries (Holman) which was acquired on 1 March 2024. Excluding Holman, sales were 2.4% lower than the pcp. Sales in the Americas were down 1.4% on the pcp, Asia Pacific external sales excluding Holman were down 2.8% on the pcp, and EMEA external sales were 9.6% lower than the pcp. Volumes in all regions were softer due to weaker remodel and residential new construction markets, but new product revenues and the acquisition of Holman mitigated these impacts.

**Adjusted EBITDA** was \$274.6 million, in line with the pcp. Adjusted EBITDA margin of 22.0% was broadly in line with the pcp. Excluding Holman, Adjusted EBITDA margin improved to 22.3% compared with 22.1% in the pcp. Cost savings of \$23 million were achieved in the period, driven by prior period restructuring in the Americas, procurement savings, restructuring in EMEA, and other continuous improvement initiatives.

**Reported NPAT** of \$110.1 million, which includes \$21.3 million (post tax) of one -off items, was 21% lower than the pcp. The one-off items are summarised in the table below. Adjusting for these one-off items and the cash tax benefit arising from the amortisation of goodwill, NPAT was \$146.9 million, down 5.7% on pcp.

<sup>1</sup> 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.

## OPERATING AND FINANCIAL REVIEW

For financial year ended 30 June 2024

### Reconciliation of Reported versus Adjusted Operating Earnings and NPAT

| US\$ million                                                   | EBITDA       | EBIT         | Tax expense   | NPAT         |
|----------------------------------------------------------------|--------------|--------------|---------------|--------------|
| <b>FY24 Reported</b>                                           | <b>247.5</b> | <b>187.5</b> | <b>(46.4)</b> | <b>110.1</b> |
| Supply Smart closure of operations, DC rationalisation         | 11.0         | 11.0         | (2.8)         | 8.2          |
| <b>Americas Total</b>                                          | <b>11.0</b>  | <b>11.0</b>  | <b>(2.8)</b>  | <b>8.2</b>   |
| Holman acquisition and integration costs                       | 4.0          | 4.0          | (1.2)         | 2.8          |
| Holman acquisition – unwind of fair value inventory adjustment | 3.4          | 3.4          | (1.0)         | 2.4          |
| APAC Croydon plant final decommissioning                       | 0.3          | 0.3          | (0.1)         | 0.2          |
| <b>APAC Total</b>                                              | <b>7.7</b>   | <b>7.7</b>   | <b>(2.3)</b>  | <b>5.4</b>   |
| EMEA Restructure                                               | 4.1          | 4.1          | (0.7)         | 3.4          |
| Spain PP&E impairment                                          | 4.3          | 4.3          | –             | 4.3          |
| <b>EMEA Total</b>                                              | <b>8.4</b>   | <b>8.4</b>   | <b>(0.7)</b>  | <b>7.7</b>   |
| <b>Total one-off costs</b>                                     | <b>27.1</b>  | <b>27.1</b>  | <b>(5.8)</b>  | <b>21.3</b>  |
| Goodwill tax amortisation                                      | –            | –            | 15.5          | 15.5         |
| <b>FY24 Adjusted</b>                                           | <b>274.6</b> | <b>214.5</b> | <b>(36.7)</b> | <b>146.9</b> |

### Segment review

#### Americas

Americas sales were \$877.7 million, 1.4% lower than pcp. Weaker demand from discretionary remodel end-markets adversely impacted volumes, but this was largely offset 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 been substantially completed.

As previously announced, RWC ceased operating the Supply Smart sales model during the year. The orderly transition and sell down of Supply Smart inventory and closure of this business unit was completed during the year. Excluding the impact of the Supply Smart closure, America's sales were 0.6% lower than the pcp.

Adjusted EBITDA of \$184.3 million was 15.5% higher than pcp, and Adjusted EBITDA margin was 21.0% compared with 17.9% in the pcp. The higher margin was driven by the transfer of some SharkBite Max manufacturing and assembly from Australia to the US. As a result, the Americas benefited from product manufacturing margins previously earned in the APAC region, with a positive EBITDA impact in the period of approximately \$7 million. Cost reduction initiatives also positively impacted margins in the period. These included a restructure of the Americas organisation undertaken in FY23, procurement savings and ongoing EZ-Flo cost synergies.

Adjusted EBITDA reflects \$10.0 million in one-off costs relating to the closure of Supply Smart which was acquired with EZ-Flo. These consist of a non-cash impairment of intangible assets (write-down of customer relationship intangibles) of \$9.4 million, and \$0.6 million in severance costs. In addition, costs of \$1.0 million were incurred in the closure of two distribution centres in the US.

# OPERATING AND FINANCIAL REVIEW

For financial year ended 30 June 2024

## Segment review

### Asia Pacific

Asia Pacific sales of \$190.3 million were flat on a reported basis (US\$) and up 2.6% on a local currency basis (A\$) versus the pcp. Sales included \$32.1 million (A\$48.8 million) in sales from Holman following completion of the acquisition on 1 March 2024. Excluding Holman, sales were down 14.6% on a local currency basis. This was mainly due to the progressive transfer of some manufacturing and all assembly of SharkBite Max fittings to the Americas during the year, with inter-company sales down 34.9%.

External sales were 2.8% lower in local currency, reflecting lower new home construction activity in Australia. 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 31 March 2024 were down 12.6% on pcp<sup>2</sup>. Despite this decline, sales to RWC's wholesale channel partners were higher than the pcp due to new product initiatives and market share gains.

Asia Pacific Adjusted EBITDA was \$22.0 million, 31% lower than pcp. 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\$11 million. Adjusted EBITDA margin declined by 520 basis points from 16.7% to 11.5% due principally to lower intercompany volumes and the transfer of some SharkBite manufacturing to the US referenced above.

Adjusted EBITDA reflects \$7.4 million in one-off costs relating to the acquisition of Holman (\$4.0 million acquisition and integration costs, \$3.4 million relating to the unwind of inventory fair value step up), together with \$0.3 million in costs relating to the Croydon plant closure.

## Segment review

### Europe, Middle East, and Africa ("EMEA")

Reported net sales in EMEA were \$263.6 million, 3.1% lower in reported currency (US\$) and 7.3% lower in local currency (British Pounds).

External sales in local currency were 9.6% lower than pcp. External sales in the UK were down 9.2% on pcp, with UK plumbing and heating sales down 6.2% in local currency due to lower volumes in residential remodel and residential new construction. Specialty and other product sales were down 19.9% with lower volumes in telecommunications, automotive, and underfloor heating product categories.

Continental Europe sales were 10.8% lower than pcp due to lower sales of water filtration and other specialty products, and lower pipe sales to Eastern Europe. Weak economic conditions adversely impacted demand during the period. A gradual improvement was evident during the year, with first half sales in Continental Europe down 20.7% on pcp, while second half sales were down 1.4% on pcp.

Adjusted EBITDA of \$77.3 million was 12.1% lower than the pcp, and 15.9% lower in local currency. Results for the year included one-off costs of \$4.1 million incurred in implementing a restructuring of the EMEA organisation, and a \$4.3 million carrying value impairment of property, plant and equipment at RWC's manufacturing plant in Spain. Adjusted EBITDA margin excluding these one-off costs declined from 32.3% to 29.3% due to lower sales volumes.

<sup>2</sup> Source: Australian Bureau of Statistics.

## OPERATING AND FINANCIAL REVIEW

For financial year ended 30 June 2024

### Taxation

The accounting effective tax rate for the period was 29.6% compared with 26.9% in the pcpc. 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 \$15.5 million.

Adjusting for this item and the net tax effect of adjustments to EBITDA from one-off costs referenced earlier, tax expense for the period was \$36.7 million, representing an Adjusted effective tax rate of 20.0%.

### Cash flow

|                                                     | Year ended<br>30 June 2024 | Year ended<br>30 June 2023 |
|-----------------------------------------------------|----------------------------|----------------------------|
| Cash flow summary                                   | US\$ million               | US\$ million               |
| Net cash inflow from operating activities           | 274.4                      | 250.3                      |
| Net cash outflow from investing activities          | (38.5)                     | (14.5)                     |
| Acquisition of Holman Industries                    | (101.7)                    | –                          |
| Net cash inflow (outflow) from financing activities | (131.5)                    | (246.6)                    |
| <b>Net cash flow</b>                                | <b>2.8</b>                 | <b>(10.8)</b>              |

Cash generated from operations was \$314.2 million, an increase of 7.3% on pcpc. Net working capital reduced by \$16.4 million during FY24 due to reduced inventory levels, lower trade receivables and higher trade payables.

Operating cash flow conversion<sup>3</sup> for the year was 114% of Adjusted EBITDA versus 107% in the pcpc, with the improvement mainly due to the reduction in net working capital versus pcpc.

Capital expenditure payments for property, plant and equipment acquired during the year totalled \$41.3 million compared with \$42.5 million in the pcpc.

### Debt position and capital structure

Net debt<sup>4</sup> at 30 June 2024 was \$421.1 million (30 June 2023 – \$435.0 million). Net debt to EBITDA was 1.59 times at 30 June 2024 (based on historic EBITDA for a 12 month period ended 30 June 2024) compared with 1.69 times for the pcpc. Cash generated during the period was used to fund the acquisition of Holman and reduce net borrowings.

RWC's weighted average debt maturity was 6.3 years at 30 June 2024. At 30 June 2024, 57% of total drawn debt was at fixed rates. The weighted average cost of funding for FY24 was 5.09%.

During the year, the Company extended the maturity of its existing syndicated loan facility across two equal tranches of \$217.5 million with a revised maturity date of November 2027 and 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.

As a result of strong cash generation during the year, RWC is close to the lower end of its target leverage range of 1.5 times to 2.5 times net debt to EBITDA. 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.

RWC expects that it will remain in compliance with all borrowing facilities financial covenants.

<sup>3</sup> FY24: Cash flow from operations to Adjusted EBITDA of \$274.6 million

<sup>4</sup> Excludes leases

## OPERATING AND FINANCIAL REVIEW

For financial year ended 30 June 2024

### Final dividend and on-market share buy-back

Following a review of RWC's distribution policy settings during the year, changes to the form of distribution were implemented. While RWC still intends to distribute between 40% and 60% of annual NPAT, the Company intends that the total distribution amount for a period will be allocated approximately 50% to a cash dividend and 50% to on-market share buy-backs. Dividends are still expected to be either unfranked or only partly franked.

A final distribution amount of US5.0 cents per share (US\$39.3 million) has been declared, comprising an unfranked final cash dividend of US2.5 cents per share and the undertaking of an on-market share buy-back for US\$19.6 million (equivalent in total to US2.5 cents per share).

Total distributions declared for the year ended 30 June 2024 are US9.5 cents per share totalling \$74.8 million which represents 68% of Reported NPAT and 51% of Adjusted NPAT.

### FY25 Trading outlook

Trading conditions in FY25 will partly depend on economic conditions in RWC's key markets. Interest rate rises since 2022 have impacted residential markets through slowing house price appreciation or declining house values, lower turnover of existing houses, lower residential new construction and reduced home remodel activity. Consequently, any improvement in demand drivers in FY25 will be partly dependent on an easing of interest rates in RWC's key geographies, particularly in the second half of FY25.

For the first six months of trading in FY25 RWC expects group external sales to be broadly flat, within a range of up or down by low single digit percentage points, relative to the pcg, excluding the impact of Holman and Supply Smart. RWC expects a similar trajectory in each region. New product and revenue initiatives in each region are expected to help mitigate the impact of weaker end-markets. Cost reduction and efficiency measures will be pursued and RWC is targeting an improvement in consolidated EBITDA margin (excluding Holman) in the first half of FY25 relative to the pcg. Holman is on track to meet the expectations established at the time of its acquisition.

RWC believes that its end market exposure globally to the less cyclical repair and maintenance sector will continue to provide 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 work. Given uncertainty around the full year economic outlook and potential interest rate changes, however, RWC is not providing quantitative guidance for FY25 full year earnings expectations.

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## OPERATING AND FINANCIAL REVIEW

For financial year ended 30 June 2024

### Financial metrics

The following key assumptions are provided for FY25:

- Having achieved a reduction in working capital in FY24, RWC expects operating cash flow conversion in FY25 to be above 90%, consistent with our long-term target.
- Capital expenditure is expected to be in the range of \$40 million to \$45 million.
- Depreciation and amortisation expense is expected to be in the range of \$70 million to \$75 million.
- Net interest expense is expected to be in the range of \$28 million to \$30 million, inclusive of interest expense on lease liabilities.
- The adjusted effective tax rate is expected to be in the range of 18% to 21%.
- Cost reduction measures are expected to deliver \$10 million to \$15 million in savings for the full year.

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

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## DIRECTORS' REPORT

For the year ended 30 June 2024

The Directors present their report together with the Financial Report comprising Reliance Worldwide Corporation Limited ("the Company") and its controlled entities (together "RWC" or "the Group") for the financial year ended 30 June 2024 ("reporting period") and the Auditor's report thereon.

The following sections, which are presented separately, form part of and are to be read in conjunction with this Directors' Report:

- Operating and Financial Review (page 24); and
- Remuneration Report (page 44)

### Directors

The Directors of the Company at any time during or since the end of the reporting period were:

|                                                             | Appointed        |
|-------------------------------------------------------------|------------------|
| Stuart Crosby (Chairman)                                    | 11 April 2016    |
| Heath Sharp (Chief Executive Officer and Managing Director) | 19 February 2016 |
| Christine Bartlett                                          | 6 November 2019  |
| Russell Chenu                                               | 11 April 2016    |
| Darlene Knight                                              | 14 April 2021    |
| Sharon McCrohan                                             | 27 February 2018 |
| Ian Rowden                                                  | 6 July 2020      |
| Brad Soller                                                 | 1 November 2022  |

Details of the experience and qualifications of Directors in office at the date of this report are:

#### Stuart Crosby

*Independent Non-Executive Chairman*

*Member of Audit and Risk Committee*

*Member of Environment, Social and Governance Committee*

Mr. Crosby was the Chief Executive Officer and President of Computershare Limited for nearly eight years until June 2014.

Mr. Crosby previously held a number of senior executive positions across the Computershare business. Prior to joining Computershare, Mr. Crosby worked for the Australian National Companies and Securities Commission, the Hong Kong Securities and Futures Commission and at ASX Limited. Mr. Crosby is a former Chair of AMES Australia.

Other listed company directorships in the past 3 years: None

#### Heath Sharp

*Chief Executive Officer and Managing Director*

Mr. Sharp was appointed Chief Executive Officer in 2015. He joined RWC in 1990 as a Design Engineer in the Brisbane based Product Development team. He has worked in each international division of the business during his career, holding senior management positions in Engineering, Product Management, Sales and Operations. He was appointed General Manager of the Cash Acme facility in Alabama following its acquisition by RWC in 2002. He returned to lead the Australian division in late 2004, the largest operation at the time. Mr. Sharp moved back to the USA in 2007 to re-join the US business and steer its rapid growth in RWC's largest market. Mr. Sharp held the roles of President of the USA business and Chief Operating Officer prior to his current role as Chief Executive Officer. Mr. Sharp holds a Bachelor of Mechanical Engineering degree from the University of Southern Queensland.

Other listed company directorships in the past 3 years: None

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## DIRECTORS' REPORT

For the year ended 30 June 2024

### Christine Bartlett

*Independent Non-Executive Director*

*Chair of Nomination and Remuneration Committee*

*Member of Environment, Social and Governance Committee*

*Member of Health and Safety Committee*

Ms. Bartlett is an experienced CEO and senior executive with extensive line management experience gained through roles with IBM, Jones Lang LaSalle and National Australia Bank Limited. Her executive career has included Australian, regional and global responsibilities based in Australia, the USA and Japan. She is currently a Non-Executive Director of Mirvac Group, Australian Clinical Labs Limited and TAL; and was previously a director of GBST Holdings Limited, Sigma Healthcare Limited, PropertyLook, National Nominees Ltd, the Australian Custodial Services Association, icare and The Smith Family. She is a member of the UNSW Australian School of Business Advisory Council, Chief Executive Women and the Australian Institute of Company Directors. Ms. Bartlett holds a Bachelor of Science from the University of Sydney and has completed senior executive management programs at INSEAD.

Other listed company directorships in the past 3 years:

Australian Clinical Labs Limited (since August 2023)

Mirvac Group (since December 2014)

Sigma Healthcare Limited (March 2016 until December 2023)

### Russell Chenu

*Independent Non-Executive Director*

*Member of Audit and Risk Committee*

*Member of Nomination and Remuneration Committee*

Mr. Chenu is an experienced corporate and finance professional who held senior finance and management positions with a number of ASX listed companies. His last executive role was Chief Financial Officer of James Hardie Industries plc from 2004 to 2013. He is currently the Chair of Vulcan Steel Limited and a Non-executive Director of CIMIC Group Limited. Mr. Chenu holds a Bachelor of Commerce from University of Melbourne and an MBA from Macquarie Graduate School of Management, Australia.

Other listed company directorships in the past 3 years:

Vulcan Steel Limited (since 2021)

CIMIC Group Limited (since June 2014. The company delisted from the ASX in May 2022)

Metro Performance Glass Limited (July 2014 until August 2021)

### Darlene Knight

*Independent Non-Executive Director*

*Chair of Health and Safety Committee*

*Member of Environment, Social and Governance Committee*

Ms. Knight's operational experience was gained with multi-national manufacturing businesses, primarily in the automotive sector, where she held strategic and operations focused roles. Darlene has held senior leadership roles at both supplier and OEM organisations, including General Motors Corporation, EDSCHA GmbH, Johnson Controls, Inc. and Adient, Plc. She has experience in engineering, global manufacturing and quality. Her roles have included P&L responsibility. Darlene is a director of Fabrinet (NYSE: FN) and eLeapPower. Ms. Knight holds a Master of Science in Engineering Science from Rensselaer Polytechnic Institute and a Bachelor of Science in Industrial Administration from Kettering University.

Other listed company directorships in the past 3 years:

Fabrinet (since January 2022)

## DIRECTORS' REPORT

For the year ended 30 June 2024

### Sharon McCrohan

*Independent Non-Executive Director  
Chair of Environment, Social and Governance Committee  
Member of Health and Safety Committee*

Ms. McCrohan is an experienced media and strategic communications consultant with a career spanning almost 30 years. Ms. McCrohan has been an advisor to Federal and State government leaders and cabinets, private sector boards, sporting bodies, statutory authorities, charities and government agencies. Ms. McCrohan has extensive experience in media and communications, policy development, government and stakeholder relations and executive team leadership. Ms. McCrohan is a non-executive director of Racing Victoria Limited, the Ovarian Cancer Research Foundation Board and the Transport Accident Commission (Victoria). Ms. McCrohan holds a Bachelor of Arts (Journalism) from Royal Melbourne Institute of Technology and is a Graduate member of The Australian Institute of Company Directors.

Other listed company directorships in the past 3 years: None

### Ian Rowden

*Independent Non-Executive Director  
Member of Audit and Risk Committee  
Member of Health and Safety Committee  
Member of Nomination and Remuneration Committee*

Mr. Rowden's executive career included time as a CEO and in various senior executive roles at a regional and global level spanning commercial, strategy, M&A, marketing and operational leadership at The Coca-Cola Company, The Callaway Golf Company, Wendy's International, Saatchi and Saatchi and The Virgin Group.

Mr. Rowden is currently a non-executive director and Chair of the Nomination and Remuneration Committee of Eneo Group Limited (ASX: EGG), a non-executive director of Guzman y Gomez Limited (ASX: GYG), DuluxGroup International (UK) and was formerly a director of QMS Media Limited and Virgin Galactic (NYSE: SPCE). He also chairs the Murdoch Children's Research Institute Marketing Council and is a partner and investment advisory board member for Innovate Partners, a US based private equity/venture capital company, and a senior advisor to Bowery Capital.

Other listed company directorships in the past 3 years:

Eneo Group Limited (since November 2018)

Guzman y Gomez Limited (since April 2024)

### Brad Soller

*Independent Non-Executive Director  
Chair of Audit and Risk Committee  
Member of Nomination and Remuneration Committee*

Mr. Soller's career commenced with PriceWaterhouseCoopers in Johannesburg and London. He then spent over 25 years in corporate organisations, including Chief Financial Officer and other senior finance and/or leadership roles at Thorn plc, BAA McArthur Glen Limited, Lend Lease Group, David Jones and Metcash. Mr. Soller is a non-executive director and Chair of the Audit and Risk Committee of Bapcor Limited (ASX: BAP) and Big River Industries Limited (ASX: BRI). He is a Chartered Accountant (South Africa) and holds a Master of Commerce, Bachelor of Accounting and Bachelor of Commerce from the University of Witwatersrand (South Africa).

Other listed company directorships in the past 3 years:

Bapcor Limited (since November 2022)

Big River Industries Limited (since September 2021)

### Company Secretary

#### David Neufeld

Mr. Neufeld has been Company Secretary since April 2016. He has extensive experience in chartered accounting and corporate organisations, including nearly 20 years' experience as a Chief Financial Officer and/or Company Secretary of ASX listed companies. Mr. Neufeld is experienced in financial and management reporting, corporate compliance, governance and risk management, audit and business acquisitions and divestments. Mr. Neufeld holds a Bachelor of Commerce (Honours) from The University of Melbourne and is a member of Chartered Accountants - Australia & New Zealand and a Graduate member of The Australian Institute of Company Directors.

## DIRECTORS' REPORT

For the year ended 30 June 2024

### Meetings of Directors

The number of Board meetings and meetings of Board Committees held and the number of meetings attended by each of the Directors of the Company during the reporting period are listed below. The membership of each Board Committee was reviewed during the 2024 financial year.

| Director           | Board             |                       | Audit and Risk Committee |                       | ESG Committee     |                       | Health and Safety Committee |                         | Nomination and Remuneration Committee |                       |
|--------------------|-------------------|-----------------------|--------------------------|-----------------------|-------------------|-----------------------|-----------------------------|-------------------------|---------------------------------------|-----------------------|
|                    | Held <sup>1</sup> | Attended <sup>1</sup> | Held <sup>1</sup>        | Attended <sup>1</sup> | Held <sup>1</sup> | Attended <sup>1</sup> | Held <sup>1,2</sup>         | Attended <sup>1,2</sup> | Held <sup>1</sup>                     | Attended <sup>1</sup> |
| Christine Bartlett | 13                | 13                    | –                        | –                     | 5                 | 5                     | 5                           | 5                       | 7                                     | 7                     |
| Russell Chenu      | 13                | 13                    | 7                        | 7                     | –                 | –                     | –                           | –                       | 7                                     | 7                     |
| Stuart Crosby      | 13                | 13                    | 7                        | 7                     | 5                 | 5                     | –                           | –                       | –                                     | –                     |
| Darlene Knight     | 13                | 13                    | –                        | –                     | 5                 | 5                     | 5                           | 5                       | –                                     | –                     |
| Sharon McCrohan    | 13                | 13                    | –                        | –                     | 5                 | 5                     | 5                           | 5                       | –                                     | –                     |
| Ian Rowden         | 13                | 13                    | 7                        | 7                     | –                 | –                     | 5                           | 5                       | 7                                     | 7                     |
| Heath Sharp        | 13                | 13                    | –                        | –                     | –                 | –                     | –                           | –                       | –                                     | –                     |
| Brad Soller        | 13                | 13                    | 7                        | 7                     | –                 | –                     | –                           | –                       | 7                                     | 7                     |

Directors who are not members of Board Committees have a standing invitation to attend Committee meetings and do attend from time to time. The above table only reflects attendance at Committee meetings by members of the relevant Committees.

### Environmental regulation and performance

RWC's manufacturing operations have to date not been adversely affected by environmental laws and regulations. Manufacturing operations primarily involve brass forging and machining, PEX extrusion, plastic moulding and product assembly. Historically, the environmental impact of these processes has been minimal and RWC believes it meets current environmental standards in all material respects.

Environmental and social sustainability are core to RWC's operations and important to its strategy. An Environmental, Social and Governance ("ESG") Committee of the Board provides oversight on ESG initiatives, objectives, strategies and targets. We understand that running our business responsibly is vital to our long-term sustainability and the decisions we make have consequences for the economy, society and the environment. RWC releases annual ESG reports. Copies of these reports can be viewed on the Company's website at [www.rwc.com](http://www.rwc.com). The reports provide information on our approach to sustainability, identify our material topics and how they are currently managed, our achievements and areas for improvement.

Global macro trends related to water are creating challenges for the built environment that RWC can help to solve. There are opportunities for RWC to make a positive contribution through the products we design and manufacture. We have existing solutions that we can provide and are also continually investing in new products and solutions. These may have different applications across the regions in which we operate. In particular, RWC has a clear role in the provision of clean water and sanitation and also in developing sustainable and resilient infrastructure, particularly in the context of cities. Since water and energy are closely connected, water efficiency also contributes to energy efficiency.

As a manufacturer and distributor, we also recognise that our operations have an environmental footprint and that we need to manage the social and environmental impacts of our supply chain. We have committed to net zero for scope 1 and scope 2 GHG emissions by 2050. This commitment is backed by an actionable plan to achieve incremental reductions toward a 42% absolute reduction target by 2030 against an FY2021 baseline. These scope 1 and scope 2 targets are based on the Paris Climate Agreement goal to limit global warming to 1.5 °C. It is our aspiration to achieve net zero for all scopes by 2050. Details of our progress are provided in the 2024 ESG Report.

<sup>1</sup> Number of meetings held and attended during the period the Director was a member of the Board and/or each Committee.

<sup>2</sup> The Health and Safety Committee also conducted several site visits during the period which have not been recorded as formal meetings of the Committee.

## DIRECTORS' REPORT

For the year ended 30 June 2024

### Principal activities

The principal activities of RWC are the design, manufacture and supply of high quality, reliable and premium branded water flow, control and monitoring products and solutions for the plumbing and heating industry.

### Significant changes in the state of affairs

During the reporting period, the Group completed the acquisition of the Holman Industries business for A\$160 million (US\$104 million). The acquisition was debt funded using the Group's existing committed borrowing facilities. Further details are contained in the Operating and Financial Review and the 30 June 2024 financial statements.

There were no other significant changes in the state of affairs of the Group during the reporting period. The Operating and Financial Review contains comments on external events which have impacted and continue to impact business activities and results.

In preparing the consolidated financial statements in conformity with Australian Accounting Standards, due consideration has been given to the judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. The Group has managed, and continues to manage, the risks arising from geopolitical and macroeconomic events which are impacting the estimation uncertainty in the preparation of the consolidated financial statements. At 30 June 2024, the Group has reassessed all significant judgements, assumptions and critical estimates included in the consolidated financial statements, including but not limited to, provisions against trade debtors and inventory and impairment of non-current assets. Actual results may differ from these estimates. Details of the main judgements, estimates and assumptions applied are set out in the notes to the consolidated financial statements.

### Material business risks

RWC continues to evolve its risk management policies and processes. Set out in the table below are:

- a summary of specific material business risks which could impact upon RWC's ability to achieve its business objectives and/or its financial results and position; and
- management plans to mitigate against each business risk listed.

The information is provided as a guide to RWC's current risk management focus. The list is provided in no particular order and is not exhaustive.

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## DIRECTORS' REPORT

For the year ended 30 June 2024

| Risk                                                                                                                                 | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Management plans                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|--------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| RWC is exposed to changes in general economic conditions, legislation and regulation which may impact activity in RWC's end-markets. | <ul style="list-style-type: none"> <li>RWC's financial performance is largely dependent on activity in the residential and commercial repair and renovation and new construction end-markets in the North American, Asia Pacific and European regions. Activities in these end-markets are impacted by changes in general economic conditions; and to legislation and regulation (for example, changes to building or plumbing codes; tariff rates and import duties; and trade and regulatory arrangements). Activities in the repair end-market may also be impacted by extreme weather events.</li> <li>A prolonged downturn in general economic conditions either globally or in any geographic region in which RWC operates may impact demand for plumbing services in RWC's end-markets, thereby decreasing demand for RWC's products. Ongoing geopolitical and macroeconomic events continue to cause business challenges and uncertainties which may continue for a substantial period of time. Any such downturn may have a material adverse impact on RWC's operations and financial results.</li> </ul> | <ul style="list-style-type: none"> <li>Processes are in place to be able to respond to changes in conditions and adjust production, delivery and raw materials purchasing requirements as well as manage operating and overhead costs as considered necessary and appropriate. RWC's systems and processes are supported by audit protocols and monitoring of key performance indicators.</li> <li>Key economic indicators are monitored for data which assist the business in being proactive in its decision making.</li> <li>RWC regularly reviews the inputs and methodologies of its forecasting and financial planning systems to improve reaction and response times to abnormal events.</li> </ul> |
| Loss of customer risk                                                                                                                | <ul style="list-style-type: none"> <li>There can be no guarantee that key customers will continue to purchase the same or similar quantities of RWC's products as they have historically. Competition, including the price of competing products relative to RWC's products, could impact demand for RWC's products.</li> <li>The loss of a key customer or a significant reduction in the volume of products purchased by one or more key customers may adversely impact RWC's financial performance.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <ul style="list-style-type: none"> <li>Maintain connections with, and deliver ongoing business opportunities to, key customers.</li> <li>Maintaining high levels of accurate and on-time delivery is valued by customers.</li> <li>Continuing focus on differentiated high quality products and solutions as well as customer service.</li> <li>Investment in research and development to provide high quality innovative products and remain the supplier of choice.</li> <li>Continued focus on diversifying the customer base to reduce the potential impact of this risk.</li> </ul>                                                                                                                   |

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## DIRECTORS' REPORT

For the year ended 30 June 2024

| Risk                            | Description                                                                                                                                                                                                                                                                                                                                                                        | Management plans                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|---------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Materials supply and price risk | <ul style="list-style-type: none"> <li>Any adverse change in RWC's ability to procure raw materials, a material increase in the cost of raw materials or any increase in indirect production costs would result in an increase in RWC's overall costs. RWC's profitability could be adversely impacted if it is unable to pass on such cost increases to its customers.</li> </ul> | <ul style="list-style-type: none"> <li>RWC aims to have appropriate agreements in place with major suppliers.</li> <li>Active management of procurement processes.</li> <li>Active in passing on higher costs to customers through price increases. These active processes are expected to continue.</li> <li>Continuing efforts to "multi source" key materials and components to enable price verification, quality control management and reduce risk of supplier concentration.</li> <li>RWC periodically benchmarks prices for key material/product supply.</li> </ul>                                                                                                                                                                                                                                                                |
| Foreign currency risk           | <ul style="list-style-type: none"> <li>RWC's results are impacted by exchange rate movements. In particular, exposure to USD, AUD, GBP, Euro and Yuan.</li> <li>Movements in exchange rates can impact profitability and cash flows.</li> </ul>                                                                                                                                    | <ul style="list-style-type: none"> <li>RWC does not typically hedge its foreign exchange exposures. RWC currently benefits from several "natural hedges" against currency movements. For example, the impact of foreign currency denominated purchases against foreign currency sales.</li> <li>Foreign currency risk is monitored and analysed with consideration given to alternative strategies to manage foreign exchange risk as the business expands and exposure to other currencies increases.</li> <li>Where appropriate, transaction timings are optimised to minimise impacts.</li> <li>RWC reports its financial results in US dollars consistent with the functional currency in which the majority of the business operates. This reporting reduces the impact of foreign currency movements on reported results.</li> </ul> |

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## DIRECTORS' REPORT

For the year ended 30 June 2024

| Risk                                                  | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Management plans                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Events affecting manufacturing or delivery capability | <ul style="list-style-type: none"> <li>The equipment and management systems necessary for the operation of RWC's facilities may break down, perform poorly, fail or be impacted by a fire, earthquake or major weather event (such as a snow storm, tornado, cyclone or flood) resulting in delays, increased costs or an inability to meet customer demand.</li> <li>Events could also arise which impact upon RWC's ability to ship and deliver product from its facilities in a timely manner. RWC has an increased supply chain risk in China following the EZ-Flo and Holman acquisitions. Current geopolitical actions are examples of events which can result in significant market disruption leading to increased risk around business planning and management.</li> <li>Any significant or sustained interruption to RWC's manufacturing or delivery processes may adversely impact RWC's net sales and profitability.</li> </ul> | <ul style="list-style-type: none"> <li>RWC has manufacturing facilities located in five countries. This geographic dispersion reduces the impact on total production output if an adverse event occurs at one or more of the sites.</li> <li>RWC has well established long term machine maintenance support programs with key suppliers.</li> <li>RWC carries stores of key maintenance spare parts to support timely repairs and maintenance of its production equipment and facilities.</li> <li>Continuing investment in high quality machinery enables machine substitution in the event of a breakdown.</li> <li>Extensive operator training enables rotation/substitution of machine operators.</li> <li>Safety hazard training undertaken and appropriate onsite procedures in place.</li> <li>Business interruption insurance in place.</li> </ul>                                                                                                                                                                                                                   |
| Climate related risks and impacts                     | <ul style="list-style-type: none"> <li>As a manufacturer and distributor, we recognise that RWC's operations have an environmental footprint and that we need to manage the social and environmental impacts of RWC's supply chain.</li> <li>There may be climate related factors which impact RWC's operations in both the near and longer term. For example, these impacts could be in areas such as availability and cost of materials used in RWC's products or manufacturing processes, transport and/or occurrence of extreme weather events. Any significant or sustained impacts could adversely affect RWC's financial performance and/or financial position.</li> </ul>                                                                                                                                                                                                                                                           | <ul style="list-style-type: none"> <li>Dedicated Board sub-committee monitors and oversees RWC's response to climate related risks and impacts.</li> <li>Continuing to assess climate related business risks and how best to mitigate these.</li> <li>An ongoing project to identify and capture emissions information and then set appropriate, practical targets and plans to achieve these. Committed to reduce Scope 1 and Scope 2 emissions to zero by 2050 (targeting minimum 42% reduction by 2030). Aspiration to achieve net zero for all scopes by 2050.</li> <li>Material climate related risks identified are incorporated into RWC's enterprise risk management processes. ESG considerations added to supply chain processes and capital expenditure approval requirements.</li> <li>RWC's annual ESG reports include information on the approach to managing and mitigating climate related risks and impacts.</li> <li>Working toward compliance with forthcoming reporting standards, including achieving required levels of external assurance.</li> </ul> |

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## DIRECTORS' REPORT

For the year ended 30 June 2024

| Risk                                                                                                                                         | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Management plans                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|----------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Impact of product recalls, product liability claims or claims against RWC where a product has not been correctly installed by a third party. | <ul style="list-style-type: none"> <li>RWC is exposed to the risk of product recalls and product liability claims where a defect in a product sold or supplied by RWC or incorrectly installed by a third-party contractor could result in, results in or is alleged to have resulted in, personal injury or property damage.</li> <li>RWC may suffer loss as a result of claims for which it is not insured or if cover is denied or exceeds available limits.</li> </ul> | <ul style="list-style-type: none"> <li>Continuing investment in production technology and quality control processes to minimise the risk of product defects.</li> <li>RWC maintains rigorous quality assurance accreditation in all its manufacturing/distribution locations. These quality systems are regularly audited by external third parties.</li> <li>Investment in training of professional contractors on correct installation and use of products.</li> <li>Maintain appropriate insurance policies.</li> </ul>                                                                                                                                        |
| Key personnel risk                                                                                                                           | <ul style="list-style-type: none"> <li>RWC's success depends on the continued active participation of its key personnel.</li> <li>If RWC were to lose any of its key personnel or if it were unable to employ appropriate additional or replacement personnel, its operations and financial results could be adversely affected.</li> </ul>                                                                                                                                | <ul style="list-style-type: none"> <li>RWC seeks to employ high quality personnel who are remunerated by market competitive arrangements.</li> <li>Historically, there is a good record of retaining key personnel.</li> <li>Succession planning, talent management and organisation design capabilities are a focus of the Board and overseen on its behalf by the Nomination and Remuneration Committee.</li> </ul>                                                                                                                                                                                                                                             |
| Information Technology (including cyber security)                                                                                            | <ul style="list-style-type: none"> <li>Technological advancements (for example, the increasing use of artificial intelligence products) and risks of cyber-crime can impact RWC's IT systems and processes and make them vulnerable to attack if appropriate security measures are not in place.</li> </ul>                                                                                                                                                                | <ul style="list-style-type: none"> <li>IT security policies and recovery plans in place.</li> <li>RWC has a dedicated cyber security team which conducts ongoing system monitoring and testing, including reviewing and regularly updating security protocols.</li> <li>Appropriate insurance policies.</li> <li>Employees are a critical line of defence in protecting against cyber-crime. Regular training is provided to employees. Alerts and reminders to remain vigilant are also regularly sent.</li> <li>Fully maintained hardware and software security measures provide a high watch status on illegal attempts to penetrate RWC's systems.</li> </ul> |

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## DIRECTORS' REPORT

For the year ended 30 June 2024

### Capital management: Dividends and on-market share buy-back

The Company's dividend policy has been an intention to distribute between 40% and 60% of annual NPAT. Following a review of its distribution policy settings the Company announced in February 2024 that it 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.

Dividends are still expected to be either unfranked or only partly franked.

Since the end of the reporting period, the directors have resolved to declare a final distribution amount for the year ended 30 June 2024 of US\$5.0 cents per share (US\$39.3 million), comprising an unfranked interim cash dividend of US\$2.50 cents per share and the undertaking of an on-market share buy-back for US\$19.6 million (equivalent in total to US\$2.50 cents per share). The aggregate distribution amount declared or paid for the year ended 30 June 2024 is US\$74.8 million which represents 68% of NPAT and 51% of Adjusted NPAT for the reporting period. The total distribution amount of US\$9.5 cents per share is consistent with the distribution for the prior period.

An on-market share buy-back was completed during March and April 2024. The Company bought back and cancelled 4,789,473 shares at a cost of A\$27.3 million.

### Cash dividends

An unfranked final dividend for the financial year ended 30 June 2023 of US\$5.0 cents per share, was paid to eligible shareholders on 6 October 2023. The dividend was paid in Australian dollars at the rate of 7.748 cents per share.

An unfranked interim dividend for the financial year ended 30 June 2024 of US\$2.25 cents per share was paid to eligible shareholders on 5 April 2024. The dividend was paid in Australian dollars at the rate of 3.459 cents per share.

As noted above, since the end of the reporting period, the Directors have resolved to declare an unfranked final dividend for the financial year ended 30 June 2024 of US\$2.5 cents per share. The dividend will be paid in Australian dollars at the rate of 3.781 cents per share. The record date for entitlement to the dividend is 6 September 2024. The dividend is payable to eligible shareholders on 4 October 2024.

The Company does not have a dividend reinvestment plan.

### Events subsequent to reporting date

As noted above, since the end of the reporting period, the Directors have resolved to declare an unfranked final dividend of US\$2.5 cents per share and that the Company will undertake an on-market share buy-back for US\$19.6 million.

The Directors are not aware of any matters or circumstances that have occurred since the end of the reporting period that have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial reporting periods which have not been covered elsewhere in this report or the financial statements.

### Likely developments and prospects

Details of likely developments for RWC and prospects for future financial reporting periods are contained in the Operating and Financial Review.

### Share options

Details of share options granted under the Company's Equity Incentive Plan are set out in the Remuneration Report. No other share options have been granted by the Company at the date of this report.

## DIRECTORS' REPORT

For the year ended 30 June 2024

### Directors' interests

Details of Directors' interests in the Company's issued securities are set out in the Remuneration Report.

### Corporate Governance Statement

The Company's Corporate Governance Statement can be viewed at [www.rwc.com/investors/corporate-governance](http://www.rwc.com/investors/corporate-governance).

### Indemnification and Insurance of Officers

The Company's Constitution provides that the Company may indemnify any current or former Director, Secretary or executive officer of the Company or of a subsidiary of the Company out of the property of the Company against every liability incurred by a person in that capacity whether civil or criminal or of an administrative or investigatory nature in which the person becomes involved because of that capacity.

In accordance with the provisions of the Corporations Act 2001, the Company has a Directors' and Officers' Liability policy which covers all past, present or future Directors, Secretaries and executive officers of the Company and its controlled entities. The terms of the policy specifically prohibit disclosure of details of the amount of the insurance cover and the premium paid.

The indemnification and insurances are limited to the extent permitted by law.

### Audit and non-audit services

Fees paid or payable by RWC for services provided by KPMG, the Company's auditor, during the reporting period were:

|                                                     | 2024<br>US\$     |
|-----------------------------------------------------|------------------|
| <b>KPMG Australia</b>                               |                  |
| Audit services                                      | 780,622          |
| Other assurance and non-audit services              |                  |
| ▪ Tax services                                      | 32,379           |
| ▪ Other assurance services                          | 31,549           |
| Total fees paid or payable to KPMG Australia        | 844,550          |
| <b>Overseas KPMG offices</b>                        |                  |
| Audit services                                      | 203,902          |
| Other assurance and non-audit services              |                  |
| ▪ Tax services                                      | 80,132           |
| Total fees paid or payable to overseas KPMG offices | 284,034          |
| <b>Total fees paid or payable to KPMG</b>           | <b>1,128,584</b> |

## DIRECTORS' REPORT

For the year ended 30 June 2024

The Directors, in accordance with advice from the Audit and Risk Committee which has considered the non-audit services provided by KPMG during the financial year ended 30 June 2024, are satisfied that the provision of those non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001 and did not compromise the auditor independence requirements of the Corporations Act 2001, for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Audit and Risk Committee to ensure they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor's independence as set out in APES110 - Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

### Lead auditor's independence declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration set out on page 68 forms part of this Directors' Report.

### Rounding off

In accordance with the Australian Securities and Investments Commission Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191 values are rounded to the nearest thousand dollars, unless otherwise stated. Where an amount is \$500 or less the amount is rounded to zero, unless otherwise stated.

This report is made in accordance with a resolution of the Directors.



**Stuart Crosby**

Chairman

Melbourne

20 August 2024



**Heath Sharp**

Chief Executive Officer  
and Managing Director

## SHAREHOLDER LETTER

Dear Shareholders,

On behalf of the Board, I am pleased to present RWC's Remuneration Report for the year ended 30 June 2024.

### Remuneration framework

We have now completed the transition to the revised remuneration framework that was introduced with effect from 1 July 2021. As I advised last year, several changes to performance measures for LTI grants were introduced from the commencement of FY2024. These related to an additional performance condition focused on return on capital employed and the introduction of a service period only component. The service period only component is consistent with remuneration package design for long term incentives awarded in the USA, being the primary peer group country which we compare against. It is usual practice in the USA to have remuneration packages with lower base salaries and higher at-risk components, including larger equity grants, than is typical in the Australian market. This includes equity grants which are not subject to performance conditions.

The Board believes that the remuneration framework meets the Company's objectives of:

- being structured to be equitable and aligned with the long term interests of the Company and shareholders;
- adequately balancing the need to attract and retain the best people to run RWC's business while ensuring that remuneration is linked clearly to shareholder returns; and
- remaining comparable with appropriate industry and geographical peer groups.

No changes to the remuneration framework or performance criteria are currently proposed. Some of the objectives of the Committee for FY2025 include:

- continuing to review remuneration arrangements to confirm that market competitive remuneration packages are in place to attract and retain high calibre executives;
- considering the process for measuring achievement of STI objectives, including if a balanced scorecard approach should be introduced; and
- reviewing performance criteria for LTI grants to confirm they remain appropriate.

Please refer to Section B of the Remuneration Report for further details on the remuneration framework.

### Financial and operating performance

FY2024 was another challenging year again impacted by geopolitical and economic factors. Notwithstanding, our trading results were in line with the expectations we had advised during the reporting period. Net sales for FY2024 were \$1,245.8 million, up 0.2% on the prior year. Sales included a partial contribution from Holman Industries which was acquired on 1 March 2024. Volumes in all regions were softer due to weaker remodel and residential new construction markets, but new product revenues and the acquisition of Holman mitigated these impacts. Over 70% of revenue is generated in the Americas region.

Reported EBITDA for the period was \$247.5 million, 10% lower than for FY2023. Excluding one-off items, Adjusted EBITDA was \$274.6 million, in line with FY2023. Adjusted EBITDA margin of 22.0% was broadly in line with FY2023.

Reported NPAT for FY2024 of \$110.1 million was 21% lower than FY2023. Adjusting for one-off items and the cash tax benefit arising from the amortisation of goodwill, NPAT was \$146.9 million, down 6% on FY2023.

Health and safety remains RWC's highest priority. The Board and management made strong progress in executing the multi-year safety improvement program launched in FY2023. This focus resulted in a significant reduction in the number of injuries in our workplaces.

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## SHAREHOLDER LETTER

### FY2024 remuneration outcomes

Section C of the Remuneration Report provides details on FY2024 remuneration outcomes. For Executive KMP, the mix of financial and non-financial criteria to be applied in determining STI awards is 70% Group EBIT and 30% Personal KPI goals.

For financial criteria, the minimum target for STI entitlement (90% x Budget EBIT) was achieved for FY2024 meaning an STI award for financial criteria was made to Executive KMP. Executive KMP also received STI awards after assessment of non-financial and personal objectives. In light of trading conditions in our major markets, the Board remains pleased with the performance of our senior executives.

I look forward to presenting the Remuneration Report at the Annual General Meeting.



**Christine Bartlett**

Chair, Nomination and  
Remuneration Committee

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# REMUNERATION REPORT

For the year ended 30 June 2024 (audited)

## Introduction

The Directors present the Remuneration Report for Reliance Worldwide Corporation Limited (“the Company”) and its controlled entities (together “RWC” or “the Group”) for the financial year ended 30 June 2024 (“FY2024” or “the reporting period”). This Remuneration Report forms part of the Directors’ Report and has been audited in accordance with the requirements of the Corporations Act 2001 (Cth).

This Remuneration Report sets out remuneration arrangements for RWC’s Key Management Personnel (“KMP”) for the reporting period

This Remuneration Report contains the following sections:

### A. Governance and general principles

### B. Principles of remuneration framework

### C. Remuneration outcomes for FY2024

### D. FY2025 objectives and Executive KMP remuneration arrangements

### E. Other required disclosures

All amounts reported in this Remuneration Report, including prior period comparatives, are presented in US dollars unless stated otherwise.

KMP for the reporting period are listed below. KMP are determined in accordance with accounting standard AASB 124: Related Party Disclosures (“AASB 124”). Under Australian Accounting Standards, the term KMP refers to directors (both non-executive directors and executive directors) and those persons having the authority and responsibility for planning, directing and controlling the activities of RWC, directly or indirectly. All KMP held their positions for the entire reporting period unless otherwise stated.

| Name                           | Executive role                                        |
|--------------------------------|-------------------------------------------------------|
| <b>Non-Executive Directors</b> |                                                       |
| Christine Bartlett             |                                                       |
| Russell Chenu                  |                                                       |
| Stuart Crosby                  |                                                       |
| Darlene Knight                 |                                                       |
| Sharon McCrohan                |                                                       |
| Ian Rowden                     |                                                       |
| Brad Soller                    |                                                       |
| <b>Executive KMP</b>           |                                                       |
| Heath Sharp                    | Managing Director and Chief Executive Officer (“CEO”) |
| Andrew Johnson                 | EVP and Chief Financial Officer (“CFO”)               |

For the remainder of this Remuneration Report and when appropriate, KMP are referred to as either Non–Executive Directors or Executive KMP as set out above.

The CEO and CFO were considered Executive KMP during FY2024 having regard to the Group’s management structure and the criteria in AASB 124. This assessment is consistent with prior years.

There have been no changes to KMP since the end of the reporting period to the date of this report.

# REMUNERATION REPORT

For the year ended 30 June 2024 (audited)

## A. Governance and principles

The Board believes that the Company's success depends upon the performance of all employees and that remuneration policies should be structured to deliver positive benefits for the Company, shareholders and employees.

The Nomination and Remuneration Committee ("NRC") is responsible for:

- reviewing and recommending to the Board the remuneration arrangements for the CEO and Non-Executive Directors;
- reviewing and approving the remuneration arrangements of the CEO's direct reports; and
- overseeing the operation of the Company's Equity Incentive Plan ("Plan"), including making recommendations to the Board about offers to be made under the Plan.

In discharging its responsibilities, the NRC must have regard to the following policy objectives:

- remuneration structures are to be equitable and aligned with the long-term interests of the Company and its shareholders;
- attract and retain skilled executives, especially in the main markets where RWC operates (North America, Asia Pacific and Europe). Benchmarking is undertaken periodically to confirm that arrangements are market competitive; and
- structure short-term and long-term incentives that are challenging and linked to the creation of sustainable shareholder returns.

The NRC conducts regular reviews and monitors the implementation of the Company's remuneration framework to confirm it:

- encourages and sustains a culture aligned with the Company's values;
- supports the Company's strategic objectives and long-term financial soundness; and
- is aligned with the Company's risk management framework and risk appetite.

All members of the NRC are independent, Non-Executive Directors. The NRC's Charter is viewable on the Company's website at [www.rwc.com](http://www.rwc.com).

### Remuneration consultants and other advisors

The NRC may seek independent advice from remuneration consultants and other advisors on various remuneration related matters to assist it in performing its duties and in making recommendations to the Board. Remuneration consultants and other advisors are required to engage directly with the Chair of the NRC as the first point of contact. No remuneration recommendations were received from remuneration consultants or other advisors during FY2024.

### Principles used to determine the nature and amount of remuneration

#### Non-Executive Directors' remuneration

Remuneration of Non-Executive Directors is not linked to Company performance and is comprised solely of cash fees (including applicable superannuation). This arrangement allows the Board to focus on governance and both short and long-term strategy free from any potential independence concerns.

The Company's remuneration policy for Non-Executive Directors aims to attract and retain suitably qualified and experienced Non-Executive Directors having regard to:

- the level of fees paid to non-executive directors of other peer group companies, including ASX listed companies;
- the size and complexity of RWC's multi-national operations; and
- the responsibilities and work requirements of Board members.

Please refer to Section C for further details on fees and arrangements for Non-Executive Directors during FY2024.

## REMUNERATION REPORT

For the year ended 30 June 2024 (audited)

### Executive KMP remuneration

The Board, through the NRC, is responsible for designing and reviewing remuneration policies which align the remuneration of executives with the long-term interests of shareholders. Remuneration packages for Executive KMP are set to reflect their duties and responsibilities and to be competitive in attracting, retaining and motivating appropriately qualified and experienced people capable of managing the Group's operations and achieving its business objectives. Remuneration arrangements are regularly reviewed having regard to various factors, including key performance objectives, an appraisal process and relevant comparable information.

Remuneration packages for Executive KMP comprise:

- fixed remuneration, represented by a base salary;
- payment of applicable contributions to superannuation or pension funds and other approved benefits;
- eligibility for short-term incentive ("STI") awards subject to approved criteria being met, with the Board retaining a discretion to adjust the award outcome based on achievements during a reporting period; and
- 'equity based' long-term incentives ("LTI").

Section B provides further details on the Group's remuneration framework. Section C provides details of remuneration outcomes for FY2024.

### Minimum Shareholding Policy

The Company has approved a Minimum Shareholding Policy which applies to all KMP and certain other senior executives. The policy requires KMP and other senior executives to hold and maintain a minimum number of RWC's ordinary shares based on:

- Non-Executive Directors – 100% of annual base fees (excluding additional Committee fees);
- CEO – 100% of Total Fixed Remuneration; and
- Other members of the senior executive team – 50% of Total Fixed Remuneration.

The minimum holding is required to be obtained within 5 years from the later of the date the policy commenced (1 July 2021) or appointment as either a Non-Executive Director or as a member of the senior executive team.

# REMUNERATION REPORT

For the year ended 30 June 2024 (audited)

## B. Principles of remuneration framework

The Board believes that the remuneration framework should adequately balance the need to attract and retain the best people to run RWC's business while ensuring that remuneration is linked clearly to shareholder returns and remains comparable with appropriate industry and geographical peer groups. A revised remuneration framework commenced with effect from 1 July 2021 with the changes to occur over several years. The transition to the new framework is now complete. It is designed to ensure RWC remains competitive in the USA, whilst being mindful of the Australian environment where total remuneration quantum is typically more restrained. This framework applies for less than 10% of the Group's employees.

RWC mostly competes for talent in the USA market, where remuneration is quite transparent and competitive in our sector and has established paradigms for the size, shape and description of remuneration packages that are different from usual practice for ASX listed companies. It is common practice in the USA to have remuneration packages with lower base salaries and higher at-risk components, including larger equity grants, than is typical in the Australian market. This includes service-based restricted equity grants which are not subject to performance conditions. In the USA, where the majority of RWC's senior executives are based, providing a component of remuneration via service-based restricted equity is market practice.

RWC's remuneration framework reflects the following:

- Market competitive and capable of being implemented across the Group in a consistent manner;
- Performance based with a target remuneration mix focused on incentive pay linked to operational performance and shareholder value creation;
- Referenced primarily against a USA peer group to recognise that:
  - International expansion has resulted in RWC's operating activities being less Australian based;
  - The majority of senior executives are US based with 75% of senior executive roles based there; and
  - The Group currently generates around 70% of external revenue from its Americas business in addition to having major manufacturing and distribution facilities in North America. Approximately 12% of external revenue was generated in the APAC region in FY2024;
- Aligned with shareholder expectations;
- Alignment of total remuneration for the CEO and other senior executives with market benchmarks;
- From FY2024, the Target Value will be allocated to Executive KMP as 75% Performance Rights (25% each for TSR Rights, EPS Rights and ROCE Rights) and 25% service period only Rights. The service period only Rights component is consistent with remuneration package design for long term incentives awarded in the USA, being the primary peer group market against which RWC compares itself. The change followed a review by the NRC during FY2023 as summarised in the 2023 Remuneration Report;
- Vesting for LTI awards granted to Executive KMP, Tier 2 executives and Tier 3 executives are subject to performance conditions and a service period requirement. The performance conditions applicable for FY2022 and FY2023 LTI grants are relative total shareholder return and earnings per share accretion. From FY2024, a return on capital employed performance condition has been added. Performance conditions are assessed over a 3 year performance horizon commencing 1 July each year. It is intended that LTI awards be made annually. Further details are provided below; and
- Alignment with industry practice in the USA, including a focus on "target" remuneration and plan design maximum incentive values at 200% of target for both STI and LTI.

## REMUNERATION REPORT

For the year ended 30 June 2024 (audited)

### STI Plan

The STI plan is designed to reward eligible participants, including Executive KMP, for achieving fiscal year financial, personal and strategic goals. STI awards are determined by the Board following satisfaction of specific performance conditions. The STI plan has the following design features as it applies to Executive KMP:

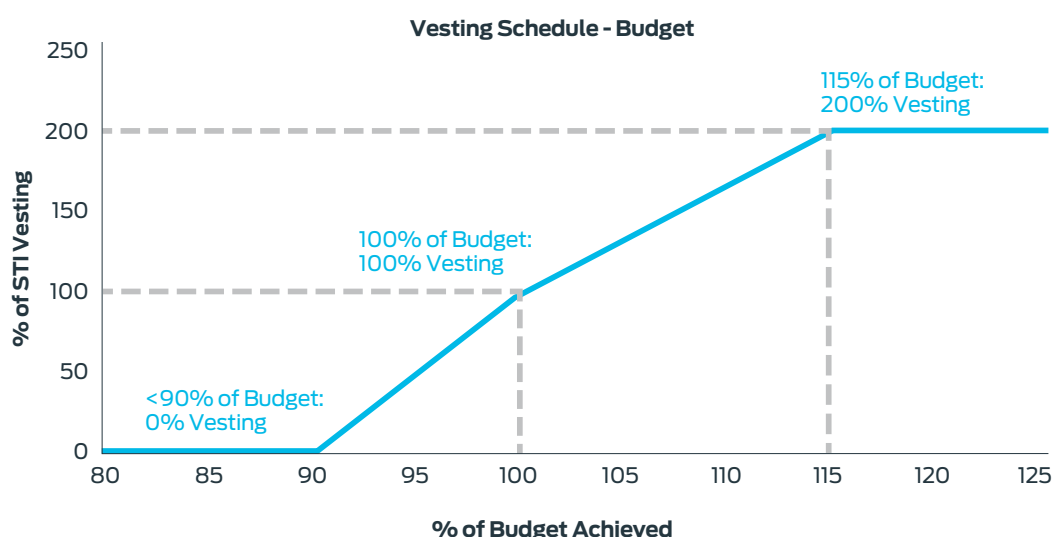
|                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Nature</b>                                | Paid in cash. Payment of cash only STI is consistent with USA market practice which for RWC is the country in which the majority of senior executives are based.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Target Opportunity for Executive KMP</b>  | CEO: 100% of fixed remuneration in FY2024.<br>CFO: 55% of fixed remuneration in FY2024.<br>Entitlement measured against the Performance Metrics and scaling criteria below.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Maximum Opportunity for Executive KMP</b> | CEO: 200% of fixed remuneration in FY2024.<br>CFO: 110% of fixed remuneration in FY2024.<br>Entitlement measured against the Performance Metrics and scaling criteria below.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Performance metrics mix</b>               | The mix of financial and non-financial criteria to be applied is:<br>Group EBIT – 70%<br>Personal KPI goals – 30%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Performance metrics</b>                   | <p><b>Financial metric – Earnings Before Interest and Tax (“EBIT”)</b></p> <p>For Executive KMP, the relevant portion of the STI award subject to financial performance is intended to be measured by reference to budgeted Group EBIT (“Budget”). The Board considers EBIT to be a clearly defined and objective measure which it monitors to measure operational management and performance. Actual EBIT and Budget are compared on a like for like basis.</p> <p>The Board considers the disclosure of the Budget to be commercially sensitive information and that disclosure of this Budget would not be in the Company’s and shareholders’ best interests.</p> <p>The EBIT metric may be adjusted at the Board’s discretion to exclude the effects of significant events deemed not appropriate to assess actual employee performance. These significant events may include:</p> <ul style="list-style-type: none"> <li>▪ Acquisition related charges and other items;</li> <li>▪ Restructuring and other charges;</li> <li>▪ Non-cash impairments;</li> <li>▪ Impacts resulting from material changes in foreign currency exchange rates; and</li> <li>▪ Any other significant items deemed appropriate by the Board.</li> </ul> <p>The Board retains a discretion to adjust the award outcome based on achievements during a reporting period. That discretion was not exercised in relation to FY2024 STI awards for Executive KMP.</p> |

## REMUNERATION REPORT

For the year ended 30 June 2024 (audited)

The following scale applies for the financial metric:

| % of Budget achieved                     | Payout (% of target)                                                    |
|------------------------------------------|-------------------------------------------------------------------------|
| Less than 90% of Budget                  | Nil                                                                     |
| Between 90% and less than 100% of Budget | Straight line pro-rating from Nil to Target Opportunity                 |
| 100% of Budget                           | 100% of Target Opportunity                                              |
| Above 100% and less than 115% of Budget  | Straight line pro-rating from Target Entitlement to Maximum Opportunity |
| 115% of Budget and greater               | 100% of Maximum Opportunity (200% x Target Opportunity)                 |



### Personal KPI goals

The relevant portion of the STI award subject to personal KPIs is intended to be measured by scorecard performance against role specific objectives to be settled with eligible participants annually. Personal objectives are set to measure the participant's performance against RWC's business strategies and core values. KPIs have been set based on:

| Criteria                             | Examples                                                                                                          |
|--------------------------------------|-------------------------------------------------------------------------------------------------------------------|
| ESG and culture                      | Living our values, culture, health & safety, diversity, equity and inclusion, ESG                                 |
| Business leadership                  | Team management, talent development, succession planning, training                                                |
| Personal objectives specific to role | Business development, product development, cost control, strategic growth, expansion of RWC's business activities |

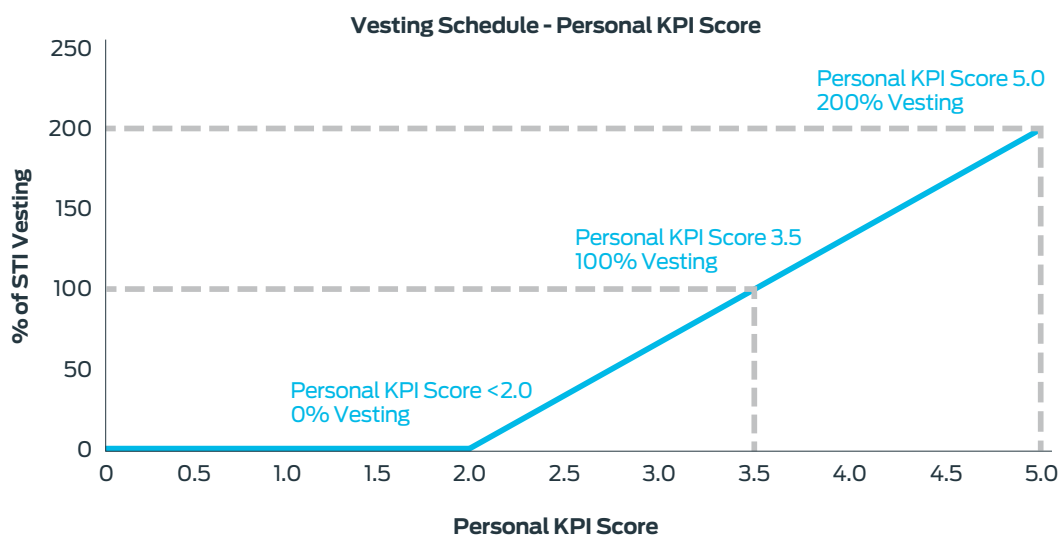
Personal KPIs are chosen to encourage the achievement of personal business goals consistent with the Group's overall objectives.

## REMUNERATION REPORT

For the year ended 30 June 2024 (audited)

The following scale applies for the personal KPI goals:

| Average personal KPI score  | Payout (% of target)                            |
|-----------------------------|-------------------------------------------------|
| Less than 2                 | Nil                                             |
| Between 2 and less than 3.5 | Straight line pro-rating from Nil to target     |
| 3.5                         | 100% of target                                  |
| Above 3.5 and less than 5   | Straight line pro-rating from target to maximum |
| 5                           | 100% of maximum (200% x target)                 |



A combination of financial and non-financial performance criteria were chosen because the Board believes that there should be a balance between short-term financial measures and more strategic non-financial measures which, in the medium to longer term, will ultimately drive future growth and returns for shareholders.

### Assessment of performance

Following the end of the financial year, performance against Budget is assessed by the NRC based on the Group's audited financial results.

Performance against personal KPIs is assessed annually as part of the broader performance review process for Executive KMP. These KPIs are assessed quantitatively against pre-determined benchmarks, where appropriate.

These methods of assessing performance are chosen as they are, as far as practicable, objective, measurable and capable of being independently audited.

### Clawback or withholding

Defined criteria are in place to prevent inappropriate benefits being paid. Under the current STI Plan, the Company can withhold payment of a cash award in certain defined circumstances. For example, breach of employment conditions, breach of company rules or ongoing employment related proceedings. In relation to any previous STI awards paid in equity, the Board may determine that allocated shares may be forfeited and/or require the Executive KMP to pay as a debt any part of the net proceeds of a sale of awarded shares, cash payment or dividends provided in respect of an STI award.

# REMUNERATION REPORT

For the year ended 30 June 2024 (audited)

## LTI Plan

The LTI plan is designed to assist in the motivation, retention and reward of eligible employees and align the interests of employees with the interests of shareholders by providing an opportunity for eligible employees to receive an equity interest in the Company. The LTI plan has the following design features:

|                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Nature</b>                                        | Annual grants of Rights. Each Right entitles the participant to one ordinary share in the Company on vesting. An offer constitutes a long-term incentive component of the participant's remuneration from the grant date until the end of the vesting period. Rights are granted at no cost and there will be no amount payable on vesting.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Eligible participants</b>                         | Executive KMP and other eligible executives and employees subject to Board approval.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Vesting criteria applicable for Executive KMP</b> | <p>Subject to Board approval and the terms of the offer:</p> <ul style="list-style-type: none"> <li>Continuous service period of 3 years; and</li> <li>Total Shareholder Return ("TSR"), Earnings per Share ("EPS") and Return on Capital Employed ("ROCE") performance conditions as described below.</li> </ul> <p>Performance conditions do not apply to continuous service period only grants.</p> <p>TSR and EPS performance conditions apply for LTI grants made from FY2022 onwards.</p> <p>The ROCE performance condition applies for LTI grants made from FY2024 onwards.</p> <p>Any Rights which do not vest will immediately lapse.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Number of Rights to be granted</b>                | <p>The number of Rights to be granted is calculated using independently assessed fair values. The assessment is made as at the commencement of the Performance Period Measurement date (1 July). For FY2024 grants to Executive KMP:</p> <ul style="list-style-type: none"> <li>The number of TSR Rights = <math>(25\% \times \text{Target Value}) / \text{TSR Rights fair value}</math>;</li> <li>The number of EPS Rights = <math>(25\% \times \text{Target Value}) / \text{EPS Rights fair value}</math>;</li> <li>The number of ROCE Rights = <math>(25\% \times \text{Target Value}) / \text{ROCE Rights fair value}</math>; and</li> <li>The number of Service Period Only Rights = <math>(25\% \times \text{Target Value}) / \text{Service Period Only Rights fair value}</math>.</li> </ul> <p>Target Values for Executive KMP for FY2024 are shown in section (c) below.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Performance conditions and assessment</b>         | <p>Rights granted to Executive KMP are subject to performance conditions in addition to a continuous service period. The Board considers these vesting conditions to be an appropriate combination of stretch financial hurdles directly linked to the Group's performance and reflecting shareholder interests. The performance conditions applying for FY2024 grants to Executive KMP are:</p> <ul style="list-style-type: none"> <li>25% of the Rights ("TSR Rights") are subject to a relative total shareholder return ("TSR") performance condition, which compares the TSR performance of the Company with the TSR performance of each of the entities in a comparator group over the Performance Measurement Period ("TSR Hurdle").</li> </ul> <p>TSR measures the growth in the Company's share price together with the value of dividends over the measurement period (assuming that all those dividends are reinvested into new shares) against the Company's chosen comparator group, being companies comprising the ASX200 index, excluding mining and energy companies. The comparator group may be adjusted by the Board or NRC in their reasonable discretion to take into account corporate actions, including but not limited to takeovers, mergers, de-mergers or de-listings.</p> <p>Relative TSR was chosen because, in the opinion of the Board, it provides the most direct link to shareholder return.</p> |

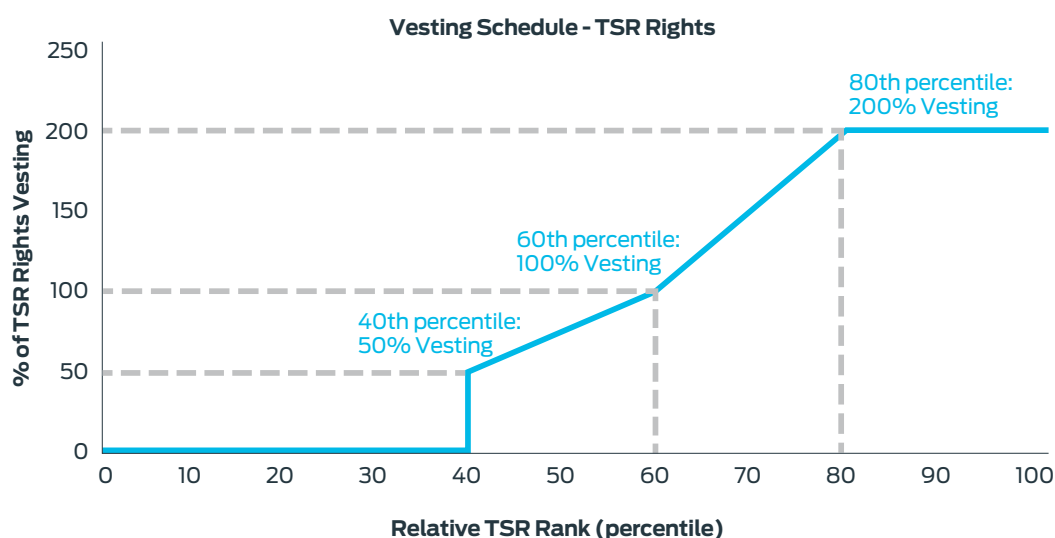
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## REMUNERATION REPORT

For the year ended 30 June 2024 (audited)

The number of TSR Rights which will be eligible to vest in relation to the TSR Hurdle will be determined by reference to the following schedule:

| Relative TSR Ranking                     | % TSR Rights eligible to vest                                   |
|------------------------------------------|-----------------------------------------------------------------|
| Below 40th percentile                    | Nil                                                             |
| 40th percentile                          | 50%                                                             |
| Above 40th and less than 60th percentile | Pro rata straight line vesting between 40th and 60th percentile |
| 60th percentile                          | 100% (target amount)                                            |
| Above 60th and less than 80th percentile | Pro rata straight line vesting between 60th and 80th percentile |
| 80th percentile or above                 | 200% (maximum amount)                                           |



25% of the Rights ("EPS Rights") are subject to an earnings per share compound average growth rate ("CAGR") performance condition ("EPS Hurdle"). This condition measures earnings per share growth over the Performance Measurement Period. It was chosen as a performance condition because, in the opinion of the Board, it is a measure of the success of Executive KMP and other participants in generating continued business growth.

Earnings per share is determined by dividing net profit after tax ("NPAT") into the weighted average number of issued shares. The EPS CAGR will be measured on a point to point basis over the Performance Measurement Period.

NPAT may be adjusted at the Board's discretion to exclude the effects of significant events deemed not appropriate to assess actual employee performance. These significant events may include:

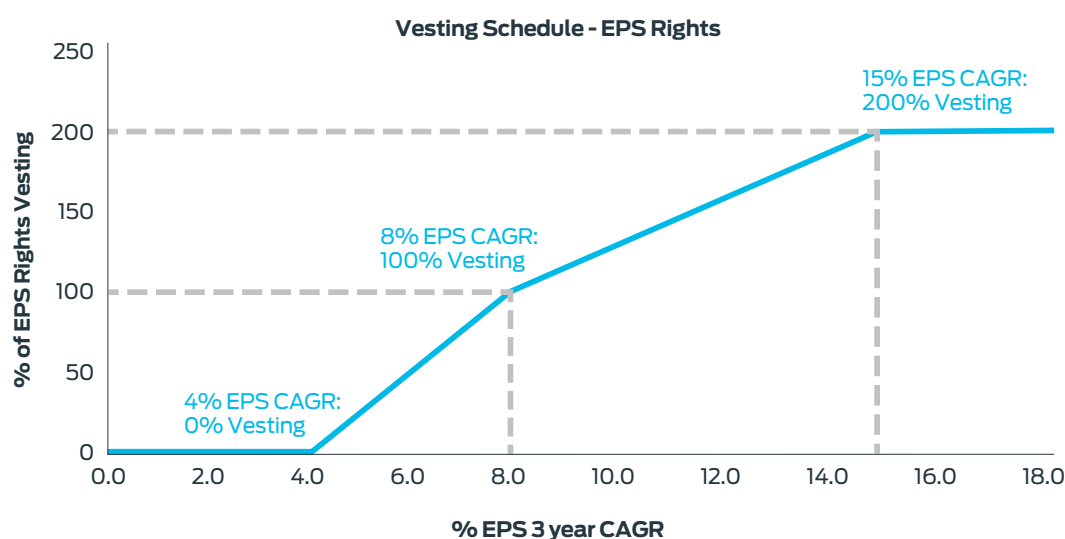
- Acquisition related charges and other items;
- Restructuring and other charges;
- Non-cash impairments;
- Impacts resulting from material changes in foreign currency exchange rates;
- Impact of statutory tax rate changes enacted during the performance period; and
- Any other significant items deemed appropriate by the Board.

## REMUNERATION REPORT

For the year ended 30 June 2024 (audited)

The number of EPS Rights which will be eligible to vest in relation to the EPS Hurdle will be determined by reference to the following schedule:

| % growth                   | % EPS Rights eligible to vest                         |
|----------------------------|-------------------------------------------------------|
| 4% (threshold)             | Nil                                                   |
| Above 4% and less than 8%  | Pro rata straight line vesting from Nil to target     |
| 8% (target)                | 100% (target amount)                                  |
| Above 8% and less than 15% | Pro rata straight line vesting from target to maximum |
| 15% (maximum)              | 200%                                                  |



25% of the Rights ("ROCE Rights") are subject to a return on capital employed performance condition ("ROCE Hurdle"). This condition measures return on capital employed over the Performance Measurement Period. It was chosen as a performance condition because, in the opinion of the Board, it is a measure of the success of Executive KMP and other participants in managing the capital employed in the Group's business.

The ROCE performance measure is defined as Adjusted EBIT / Capital Employed where:

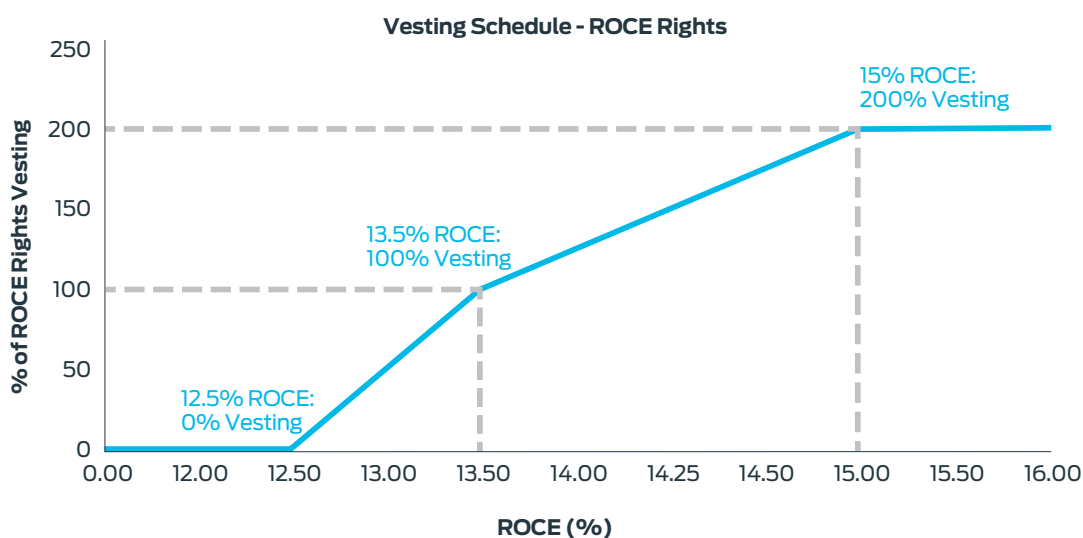
- Adjusted EBIT = Reported earnings before interest and tax adjusted for approved exceptional items. (For example: large gains/losses on sales of assets, restructuring costs, costs incurred to realise synergies, and one-time costs related to mergers and acquisitions); and
- Capital Employed = Net Intangible Assets (including Goodwill) plus Fixed Assets (including Right of Use Assets) plus defined Net Working Capital;

## REMUNERATION REPORT

For the year ended 30 June 2024 (audited)

Adjusted EBIT and Capital Employed will both be averaged across each measurement period. The number of ROCE Rights which will be eligible to vest in relation to the ROCE Hurdle will be determined by reference to the following schedule:

| ROCE for a three year measurement period | % ROCE Rights eligible to vest                          |
|------------------------------------------|---------------------------------------------------------|
| Below 12.5%                              | Nil                                                     |
| 12.5% and less than 13.5%                | Pro rata straight line vesting between 12.5% and Target |
| 13.5% (Target)                           | 100% (Target Amount)                                    |
| Above 13.5% and less than 15%            | Pro rata straight line vesting from Target to Maximum   |
| 15% (Maximum)                            | 200%                                                    |



Assessment of each performance condition will occur after the end of the Performance Measurement Period.

These methods of assessing performance are chosen as they are, as far as practicable, objective, measurable and capable of being independently audited.

|                                       |                                                                                                                                                   |
|---------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Performance Measurement Period</b> | Three years commencing 1 July each year. For FY2024 grants, the Performance Measurement Period commenced on 1 July 2023 and ends on 30 June 2026. |
| <b>Assessment of performance</b>      | Performance Conditions will be independently assessed following the end of the Performance Measurement Period.                                    |
| <b>Voting and dividend rights</b>     | Rights do not carry any voting or dividend rights prior to vesting.                                                                               |
| <b>Clawback</b>                       | Defined criteria are in place to prevent inappropriate benefits being paid.                                                                       |

# REMUNERATION REPORT

For the year ended 30 June 2024 (audited)

## C. Remuneration outcomes for FY2024

### (a) Company performance

The following table shows the financial performance of the Group during the last five financial years.

| Key Performance Indicators                               | FY2024  | FY2023  | FY2022  | FY2021  | FY2020 |
|----------------------------------------------------------|---------|---------|---------|---------|--------|
| Sales revenue (\$m)                                      | 1,245.8 | 1,243.8 | 1,172.2 | 1,001.6 | 779.7  |
| Reported EBITDA (\$m) <sup>1,6</sup>                     | 247.5   | 276.1   | 258.9   | 254.3   | 146.2  |
| Adjusted EBITDA (\$m) <sup>2,6</sup>                     | 274.6   | 274.6   | 268.7   | 260.7   | 168.6  |
| Operating profit ("EBIT") (\$m)                          | 187.5   | 223.5   | 211.6   | 212.2   | 104.6  |
| Net profit before tax (\$m)                              | 156.5   | 191.2   | 195.8   | 203.4   | 91.2   |
| Net profit after tax ("NPAT") (\$m)                      | 110.1   | 139.7   | 137.4   | 141.0   | 60.0   |
| Adjusted net profit after tax (\$m) <sup>3,6</sup>       | 146.9   | 155.7   | 161.4   | 158.8   | 87.4   |
| Share price at beginning of year (A\$)                   | 4.10    | 4.04    | 5.26    | 2.94    | 3.52   |
| Share price at end of year (A\$)                         | 4.52    | 4.10    | 4.04    | 5.26    | 2.94   |
| Financial year distributions declared (\$m) <sup>4</sup> | 74.8    | 75.1    | 75.1    | 77.0    | 37.1   |
| Total distributions declared / NPAT ratio (%)            | 67.9    | 53.8    | 54.7    | 54.6    | 61.9   |
| Basic earnings per share (cents) <sup>5</sup>            | 14.0    | 17.8    | 17.5    | 18.0    | 7.6    |
| Adjusted earnings per share (cents) <sup>5,6</sup>       | 18.7    | 19.8    | 20.6    | 20.3    | 11.1   |

Net sales for FY2024 were \$1,245.8 million, up 0.2% on the prior year. FY2024 sales included a partial contribution from Holman Industries which was acquired on 1 March 2024. Excluding Holman, sales were 2.4% lower than the prior period. Sales in the Americas were down 1.4% on the prior period, Asia Pacific external sales excluding Holman were down 2.8% and EMEA external sales were 9.6% lower than the prior period. Volumes in all regions were softer due to weaker remodel and residential new construction markets, but new product revenues and the acquisition of Holman mitigated these impacts.

Reported EBITDA for the period was \$247.5 million, 10% lower than for FY2023. The result for FY2024 included \$27.1million in one-off costs related to the closure of the Supply Smart business in the Americas, restructuring in EMEA and the impairment of manufacturing assets in Spain, and costs associated with the acquisition of Holman. Excluding these items, Adjusted EBITDA was \$274.6 million, in line with FY2023. Adjusted EBITDA margin of 22.0% was broadly in line with FY2023. Excluding Holman, Adjusted EBITDA margin improved to 22.3%. The methodology applied in determining adjusting items is applied consistently from year to year. Proposed adjusting items are presented to the Audit and Risk Committee for review and approval.

Reported NPAT for FY2024 of \$110.1 million was 21% lower than FY2023. Adjusting for the one-off items noted above and the cash tax benefit arising from the amortisation of goodwill, NPAT was \$146.9 million, down 5.7% on FY2023.

Total distributions declared for the year ended 30 June 2024 are 9.5 cents per share (\$74.8 million) which represents 68% of Reported NPAT and 51% of Adjusted NPAT (FY2023 – 9.5 cents per share, \$75.1 million). The share price increased 10% year on year (from A\$4.10 at 30 June 2023 to A\$4.52 at 30 June 2024).

1 EBITDA means earnings before interest, tax, depreciation and amortisation. For FY2024, Reported EBITDA reconciles as NPAT (\$110.1m) before interest (\$30.9m), tax (\$46.4m) depreciation and amortisation (\$60.1).

2 Adjusted EBITDA for FY2024 is Reported EBITDA (\$247.5m) before net costs associated with closure of Supply Smart (\$11.0m), costs and product related costs associated with the Holman acquisition (\$7.4m), restructuring and impairment costs in EMEA and APAC (\$8.7m). Adjusted EBITDA for FY2023 is Reported EBITDA (\$276.1m) excluding the profit on sale of surplus property (\$15.0m) and before restructuring costs, costs incurred to achieve EZ-Flo synergies and one-off product related costs (\$13.5 m). Adjusted EBITDA for FY2022 is Reported EBITDA (\$258.9m) before net EZ-Flo and LCL acquisition costs, gain on sale of Streamlabs and debt financing costs expensed (\$9.9 m). Adjusted EBITDA for FY2021 is Reported EBITDA (\$254.3m) before restructuring and asset impairment charges (\$6.4m). Adjusted EBITDA for FY2020 is Reported EBITDA (\$146.2m) before restructuring and asset impairment charges (\$22.4m).

3 Adjusted Net profit after tax reflects the reconciliation items (tax effected) which determine Adjusted EBITDA for each reporting period as applicable. Adjusted NPAT for FY2024 is NPAT (\$110.1m) adjusted for the reconciliation items (tax effected) which determine Adjusted EBITDA (\$21.3m net) and other specific tax related adjustments (\$15.5m).

4 Financial year distributions comprise interim and final dividends declared plus, from FY2024, an on-market share buy-back component following a change to the way that total distributions are to be made as announced in February 2024. Further explanation is contained in the Directors' Report.

5 Based on weighted average number of shares for the reporting period.

6 EBITDA, Adjusted EBITDA, Adjusted net profit after tax and Adjusted earnings per share are non-IFRS measures used by RWC to assess operating performance and enhance comparability from period to period. These measures have not been subject to audit or review.

## REMUNERATION REPORT

For the year ended 30 June 2024 (audited)

### (b) Non-Executive Directors' fees and arrangements

The Board, in accordance with the terms of the Company's Constitution, determines the remuneration to which each Non-Executive Director is entitled for services as a Director. The aggregate amount provided to all Non-Executive Directors for their services as Directors in any financial year must not exceed the amount fixed by the Company at a general meeting of shareholders. This maximum aggregate amount is presently fixed at A\$2,000,000 as approved by shareholders at the 2022 Annual General Meeting.

Approved Non-Executive Directors' fees for FY2024 were:

| Role                                                  | Annual base fees | Additional fees for Committee Chair | Total annual fees |
|-------------------------------------------------------|------------------|-------------------------------------|-------------------|
| Chair                                                 | A\$380,000       | –                                   | A\$380,000        |
| Chair of a Board Committee                            | A\$180,000       | A\$30,000                           | A\$210,000        |
| Non-Executive Directors (other than Committee Chairs) | A\$180,000       | –                                   | A\$180,000        |

All fees include applicable superannuation.

Details of fees paid or payable to each Non-Executive Director for FY2024 are shown in section (h). Fees are paid in cash only. Committee Chairs receive an additional fee. No additional fees are paid for only being a member of a committee. Fee arrangements were the same in FY2024 and FY2023.

The current fee arrangements will continue to apply in FY2025, subject to any further review and recommendation by the NRC which is accepted by the Board.

The Company's Constitution provides that any Non-Executive Director who performs extra services, makes any special exertions for the benefit of the Company or who otherwise performs services which, in the opinion of the Board, are outside the scope of the ordinary duties of a Non-Executive Director, may, as determined by the Board, be remunerated for those services out of funds of the Company. Any such amounts paid will not form part of the aggregate permitted maximum remuneration amount. No such fees were paid or are payable for FY2024.

Non-Executive Directors may also be reimbursed for travel and other expenses incurred in attending to the Company's affairs, including attending and returning from general meetings of the Company or meetings of the Board or committees of the Board.

There are no retirement benefit schemes for Non-Executive Directors other than applicable statutory superannuation contributions.

### c) Summary of statutory remuneration outcomes for Executive KMP for FY2024

The remuneration outcomes for Executive KMP for FY2023 reflect the framework outlined above and include:

#### Fixed remuneration

CEO: US\$1,100,000. The CEO's fixed remuneration reduced by around 20% over the period from FY2022 to FY2024 as part of the transition to the new framework.

CFO: US\$600,000

#### STI award

CEO: US\$1,326,729

CFO: US\$413,199

The key criteria for the FY2024 STI award are set out in section B. Details of the assessment of the FY2024 STI awards are set out in section (d).

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## REMUNERATION REPORT

For the year ended 30 June 2024 (audited)

### LTI awards

For FY2024, the Company granted:

- 1,430,987 Rights (target opportunity) to the CEO. The Target Value is \$3,200,000. The maximum opportunity is 2,540,990 Rights. Shareholder approval was obtained at the 2023 Annual General Meeting (in compliance with Listing Rule 10.14); and
- 402,466 Rights (target opportunity) to the CFO. The Target Value is \$900,000. The maximum opportunity is 714,655 Rights.

Key criteria for these awards are set out in section B.

Target Value for the CEO's FY2024 LTI grant is as specified in his employment agreement. Target Value for the CFO's FY2024 LTI grant is set at 150% of fixed remuneration as approved by the Board.

Details of LTI awards granted to Executive KMP which vested during FY2024 are shown in (f) below.

No other Rights awarded to Executive KMP vested or were cancelled or forfeited during FY2024 or through to the date of this report.

The remuneration mix for Executive KMP for FY2024, based on statutory remuneration as set out in section (h), was:

| Senior Executive | Fixed remuneration and benefits (%) | STI (%) | LTI (%) | Cash (%) | Non-cash (%) | "At Risk" remuneration (%) |
|------------------|-------------------------------------|---------|---------|----------|--------------|----------------------------|
| Heath Sharp      | 34                                  | 37      | 29      | 71       | 29           | 66                         |
| Andrew Johnson   | 44                                  | 28      | 28      | 72       | 28           | 56                         |

### (d) STI awards to Executive KMP for FY2024

STI for Executive KMP is designed to be evaluated based on the achievement of agreed key performance measures. Following the end of the financial year, the NRC considered whether or not STI awards should be made to Executive KMP. The NRC approved the STI award to the CFO and made a recommendation to the Board for the CEO's STI award. The recommendation was accepted by the Board.

The mix of financial and non-financial criteria to be applied is:

Group EBIT – 70%

Personal KPI goals – 30%

#### Financial criteria

As mentioned in Section B, for Executive KMP the relevant portion of the STI award subject to financial performance is intended to be measured by reference to a comparison of actual EBIT and budgeted EBIT ("Budget") on a like for like basis. Budget details are not disclosed as the Board considers this information to be commercially sensitive. The minimum target for STI entitlement (90% x Budget) was achieved for FY2024 meaning an STI award for financial criteria was made to Executive KMP. Summary comments on the Group's financial performance are provided in section (a) above.

#### Personal KPIs criteria

Achievement of Personal KPIs was measured against the criteria listed in Section B describing the STI Plan.

The CEO's Personal KPIs covered areas including safety management, progress on reducing greenhouse gas emissions towards RWC's stated targets, progress on improving diversity in the business, talent management and succession, successful implementation of the PEX-a product program in the Americas region, and strategy development/implementation. The CEO achieved an average personal KPI score of 4.10 out of 5.0.

The Group has made significant progress in health and safety management during the reporting period. Despite the significant progress made, incidents did occur where people suffered injury. This is not our desired outcome and the CEO's personal KPI score was reduced accordingly.

The CFO's KPIs covered areas including ESG and culture targets, gender diversity improvement, talent management and succession, financial related performance targets and objectives. The CFO achieved an average personal KPI score of 4.33 out of 5.0.

The Company's 2024 annual report, corporate governance statement and ESG report provide information on the progress and outcomes on several of the KPI objectives listed above.

## REMUNERATION REPORT

For the year ended 30 June 2024 (audited)

### Total STI award

The total STI award to Executive KMP for FY2024 as a proportion of Target STI is:

CEO: 120.6%

CFO: 125.2%

The STI award is payable in cash for the reasons explained in section B.

### (e) Vested LTI options grants

The CEO was awarded 4,000,000 options ("CEO Options") in FY2016. The CEO Options vested on 30 June 2022 after testing of all performance and service conditions. The CEO is presently entitled to exercise the CEO Options and acquire ordinary shares in the Company on a 1 for 1 basis subject to payment of the exercise price. The CEO Options were granted for nil consideration as they formed part of the CEO's remuneration. The CEO may exercise the vested CEO Options by 30 June 2031. After 30 June 2031, any unexercised CEO Options will lapse. No CEO Options have been exercised to date.

Additional information:

- Exercise price is A\$2.32 per CEO Option.
- CEO Options do not carry any voting or dividend rights prior to vesting and exercise.
- Cessation of employment:
  - Where the CEO is terminated for cause, vested but unexercised CEO Options will lapse unless the Board determines otherwise; and
  - Where the CEO ceases employment for any other reason, vested but unexercised CEO Options will remain on foot for the original exercise period.
- Change of Control:
  - Vested CEO Options will be exercisable for a period notified to the CEO by the Board. Vested CEO Options will lapse after the end of that period.
- Clawback: Defined criteria are in place to prevent inappropriate benefits being paid. In such circumstances, the Board may determine that:
  - vested but unexercised options will lapse;
  - shares allocated upon exercise of options will be forfeited; and/or
  - require the CEO to pay as a debt any part of the net proceeds of a sale of awarded shares, cash payment or dividends provided in respect of an award made under the Plan.

No other options have been granted to any Executive KMP.

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# REMUNERATION REPORT

For the year ended 30 June 2024 (audited)

## (f) Share Rights

The Board has approved that nominated, eligible executives and employees, including Executive KMP, be invited to participate in the Plan as a means of attracting, retaining and motivating key employees in the Group. Participants are granted rights to be awarded fully paid ordinary shares in the Company ("Rights") in accordance with the rules of the Plan and subject to the offer terms ("Offer"). Each Right entitles the participant to one ordinary share in the Company on vesting. An Offer constitutes a long-term incentive component of the participant's remuneration from the grant date until the end of the vesting period. Rights are granted at no cost and there will be no amount payable on vesting. There are no voting or dividend rights attaching to Rights prior to vesting.

The number of unvested Rights which had been granted by the Company to all participants at 30 June 2024 was 9,805,684 (30 June 2023 – 8,197,016).

The opening and closing balances of all unvested Rights granted are reconciled for the reporting period as follows:

|                                              | Number of Rights |
|----------------------------------------------|------------------|
| <b>Granted and unvested at 30 June 2023</b>  | <b>8,197,016</b> |
| Granted during FY2024                        | 4,847,211        |
| Vested during FY2024                         | (2,537,279)      |
| Forfeited, Cancelled or Lapsed during FY2024 | (701,264)        |
| <b>Unvested at 30 June 2024</b>              | <b>9,805,684</b> |

Subsequent to 30 June 2024 through to the date of this report:

- No additional Rights have vested or been granted;
- 40,026 Rights have vested; and
- A further 23,321 Rights have lapsed or been forfeited or cancelled.

Details of Rights granted to Executive KMP, including vested or forfeited Rights, are shown below.

Vesting conditions for granted Rights include continuous service periods ranging between two and five years.

## Other key terms of the Rights grants

### *Cessation of employment*

Unless the Board determines otherwise, if a participant ceases employment with the Group prior to the Vesting Date and any of the following has occurred, then a pro rata portion of the unvested Rights may remain on foot and vest in the ordinary course as though the participant had not ceased employment:

- The participant's employment is terminated by RWC without cause; or
- The participant terminates employment for a defined good reason.

The remainder of the Rights will lapse.

### *Change of control*

In summary, in the event of a takeover bid or other transaction, event or state of affairs that in the Board's opinion is likely to result in a change in control of the Company or should otherwise be treated as a change of control event in accordance with rule 9 of the Company's Equity Incentive Plan Rules, the Board has a discretion to determine how the Rights should be treated for the purpose of vesting.

## Rights granted to Executive KMP

Rights granted to Executive KMP contain a continuous service period vesting condition and performance vesting conditions except as indicated below. Each Right entitles the participant to one ordinary share in the Company on vesting. Rights are granted at no cost and there will be no amount payable on vesting. There are no voting or dividend rights attaching to Rights prior to vesting. Rights will vest at the end of the continuous service period (being the Vesting Date) subject to the terms of the award, including achievement of any performance conditions.

# REMUNERATION REPORT

For the year ended 30 June 2024 (audited)

The number of unvested Rights granted to Executive KMP at 30 June 2023 are shown in the following table.

| Executive KMP  | Grant date      | Vesting date                   | Unvested Rights at 30 June 2023 | Granted during FY2024 | Vested during FY2024 | Number of Rights lapsed during FY2024 | Unvested Rights at 30 June 2024 | Fair value per Right at Grant Date <sup>2</sup> |
|----------------|-----------------|--------------------------------|---------------------------------|-----------------------|----------------------|---------------------------------------|---------------------------------|-------------------------------------------------|
| Heath Sharp    | 30 October 2018 | 30 October 2023                | 611,201 <sup>1</sup>            | –                     | (611,201)            | –                                     | –                               | A\$4.29                                         |
|                | 1 October 2021  | 30 September 2024 <sup>9</sup> | 140,310                         | –                     | –                    | –                                     | 140,310                         | A\$5.43 <sup>3</sup>                            |
|                | 1 October 2021  | 30 September 2024 <sup>9</sup> | 175,680                         | –                     | –                    | –                                     | 175,680                         | A\$4.61 <sup>4</sup>                            |
|                | 1 October 2022  | 30 September 2025              | 225,994                         | –                     | –                    | –                                     | 225,994                         | A\$4.12 <sup>3</sup>                            |
|                | 1 October 2022  | 30 September 2025              | 417,670                         | –                     | –                    | –                                     | 417,670                         | A\$3.10 <sup>4</sup>                            |
|                | 1 October 2023  | 30 September 2026              | –                               | 279,181               | –                    | –                                     | 279,181                         | A\$3.64 <sup>3</sup>                            |
|                | 1 October 2023  | 30 September 2026              | –                               | 412,536               | –                    | –                                     | 412,536                         | A\$3.09 <sup>4</sup>                            |
|                | 1 October 2023  | 30 September 2026              | –                               | 418,286               | –                    | –                                     | 418,286                         | A\$3.09 <sup>5</sup>                            |
|                | 1 October 2023  | 30 September 2026              | –                               | 320,984               | –                    | –                                     | 320,984                         | A\$3.09 <sup>6</sup>                            |
|                |                 |                                | <b>1,570,855</b>                | <b>1,430,987</b>      | <b>(611,201)</b>     | <b>–</b>                              | <b>2,390,641</b>                |                                                 |
| Andrew Johnson | 27 August 2018  | 27 August 2023 <sup>7</sup>    | 86,400                          | –                     | (86,400)             | –                                     | –                               | A\$5.17                                         |
|                | 1 January 2021  | 1 January 2024 <sup>8</sup>    | 331,263                         | –                     | (331,263)            | –                                     | –                               | A\$2.99                                         |
|                | 1 October 2021  | 30 September 2024 <sup>9</sup> | 44,543                          | –                     | –                    | –                                     | 44,543                          | A\$5.43 <sup>3</sup>                            |
|                | 1 October 2021  | 30 September 2024 <sup>9</sup> | 55,772                          | –                     | –                    | –                                     | 55,772                          | A\$4.61 <sup>4</sup>                            |
|                | 1 October 2022  | 30 September 2025              | 88,050                          | –                     | –                    | –                                     | 88,050                          | A\$4.12 <sup>3</sup>                            |
|                | 1 October 2022  | 30 September 2025              | 162,729                         | –                     | –                    | –                                     | 162,729                         | A\$3.10 <sup>4</sup>                            |
|                | 1 October 2023  | 30 September 2026              | –                               | 78,520                | –                    | –                                     | 78,520                          | A\$4.20 <sup>3</sup>                            |
|                | 1 October 2023  | 30 September 2026              | –                               | 116,026               | –                    | –                                     | 116,026                         | A\$3.43 <sup>4</sup>                            |
|                | 1 October 2023  | 30 September 2026              | –                               | 117,643               | –                    | –                                     | 117,643                         | A\$3.43 <sup>5</sup>                            |
|                | 1 October 2023  | 30 September 2026              | –                               | 90,277                | –                    | –                                     | 90,277                          | A\$3.43 <sup>6</sup>                            |
|                |                 |                                | <b>768,757</b>                  | <b>402,466</b>        | <b>(417,663)</b>     | <b>–</b>                              | <b>753,560</b>                  |                                                 |
|                |                 |                                | <b>2,339,612</b>                | <b>1,833,453</b>      | <b>1,028,864</b>     | <b>–</b>                              | <b>3,144,201</b>                |                                                 |

No Rights granted to Executive KMP were forfeited, cancelled or lapsed during FY2024 or subsequent to the date of this report.

<sup>1</sup>Original grant was 987,800 Rights. 376,599 Rights lapsed in FY2021 after assessment of applicable performance conditions at the end of the relevant Performance Measurement Period (30 June 2020).

<sup>2</sup>Based on an independent valuation which used Black Scholes and/or Monte Carlo models and complies with the requirements of AASB2.

<sup>3</sup>TSR Rights. Performance conditions are set out in section B.

<sup>4</sup>EPS Rights. Performance conditions are set out in section B.

<sup>5</sup>ROCE Rights. Performance conditions are set out in section B.

<sup>6</sup>Service period only Rights.

<sup>7</sup>Only a continuous service period vesting condition applies to these grants which were made prior to Mr. Johnson becoming a member of KMP.

<sup>8</sup>Vested after testing of the relative TSR performance condition and meeting the continuous service period vesting condition.

<sup>9</sup>Performance conditions tested subsequent to 30 June 2024. rTSR ranking for the performance period at the 40.5th percentile meaning 50.6% of TSR Rights remain eligible to vest. No EPS Rights remain eligible to vest.

## REMUNERATION REPORT

For the year ended 30 June 2024 (audited)

### Shares purchased to meet vesting obligations

The Company has established a subsidiary, Reliance Employee Share Investments Pty Ltd ("Trustee"), to act as trustee of the Reliance Employee Share Investments Trust. The Trustee will acquire RWC shares on-market on behalf of the Trust to meet any obligations to deliver shares to a participant in the Plan where the applicable vesting conditions are met. The Trustee is also entitled to participate on behalf of the Trust in certain equity raisings undertaken by the Company.

The movement in the number of shares held during the reporting period is:

|                                                  | Number           |
|--------------------------------------------------|------------------|
| <b>Shares held at 30 June 2023</b>               | <b>5,435,049</b> |
| Shares allocated and transferred to participants | (1,973,466)      |
| <b>Shares held at 30 June 2024</b>               | <b>3,461,583</b> |

No shares were acquired on behalf of the Trust during FY2024. Vesting obligations will be met in accordance with the terms of the Plan rules.

### (g) Share match plan

The Group has a share match plan to encourage employees to own shares in the Company. Eligible employees can acquire up to A\$5,000 of shares in RWC per plan year from post tax income with contributions made via a regular salary deduction ("Purchased Shares"). The Company will match the shares acquired on a 1:2 basis up to a cap A\$2,500 of Purchased Shares subject to the terms of the Share Match Plan ("Matching Rights"). There is a minimum holding period for Purchased Shares of 2 years and a continuous service obligation for Matching Rights to convert into shares on a 1:1 basis ("Matched Shares"). There are no performance conditions. Participants receive dividends and have voting rights on their Purchased Shares. Matching Rights have no voting or dividend entitlements prior to vesting. The total number of Matching Rights granted at 30 June 2024 was 116,000.

Mr. Sharp is not a participant in this plan. Mr. Johnson ceased participating in this plan during FY2022. Mr. Johnson holds 1,213 Shares from when he was a participant in this plan.

### (h) KMP remuneration

Details of the remuneration of each member of KMP are set out below. The table includes the statutory disclosures required under the Corporations Act and is in accordance with Australian Accounting Standards. All figures are in US dollars and relate to the period of the year in which the person was a KMP.

The increase in FY2024 remuneration compared with FY2023 for Executive KMP reflects:

- 1 STI for FY2024 includes an award for achievement of Financial Criteria. There was no award for Financial Criteria in FY2023; and
- 2 LTI grants for FY2024 increased substantially following the review undertaken by the Nomination and Remuneration Committee in FY2023. This increase flows through to the associated accounting expense.

# REMUNERATION REPORT

For the year ended 30 June 2023 (audited)

|                                | Cash salary & fees<br>US\$ | Cash STI award<br>US\$ | Short-term<br>Non-monetary<br>benefits<br>US\$ | Other short-term<br>benefits<br>US\$ | Post-employment<br>Superannuation or pension plan<br>benefits<br>US\$ | Other post<br>employment<br>US\$ | Termination<br>benefits<br>US\$ | Other long-term<br>statutory benefits | Long<br>service leave<br>US\$ | Share-based<br>payments <sup>1</sup><br>US\$ | Share Rights<br>US\$ | Total<br>US\$    |
|--------------------------------|----------------------------|------------------------|------------------------------------------------|--------------------------------------|-----------------------------------------------------------------------|----------------------------------|---------------------------------|---------------------------------------|-------------------------------|----------------------------------------------|----------------------|------------------|
| <b>Non-Executive Directors</b> |                            |                        |                                                |                                      |                                                                       |                                  |                                 |                                       |                               |                                              |                      |                  |
| Christine Bartlett             | <b>FY2024</b>              | <b>125,657</b>         | –                                              | –                                    | <b>13,822</b>                                                         | –                                | –                               | –                                     | –                             | –                                            | –                    | <b>139,479</b>   |
|                                | FY2023                     | 126,756                | –                                              | –                                    | 13,309                                                                | –                                | –                               | –                                     | –                             | –                                            | –                    | 140,065          |
| Russell Chenu                  | <b>FY2024</b>              | <b>113,690</b>         | –                                              | –                                    | <b>12,506</b>                                                         | –                                | –                               | –                                     | –                             | –                                            | –                    | <b>126,196</b>   |
|                                | FY2023                     | 126,756                | –                                              | –                                    | 13,309                                                                | –                                | –                               | –                                     | –                             | –                                            | –                    | 140,065          |
| Stuart Crosby                  | <b>FY2024</b>              | <b>234,193</b>         | –                                              | –                                    | <b>18,198</b>                                                         | –                                | –                               | –                                     | –                             | –                                            | –                    | <b>252,391</b>   |
|                                | FY2023                     | 236,582                | –                                              | –                                    | 16,869                                                                | –                                | –                               | –                                     | –                             | –                                            | –                    | 253,451          |
| Darlene Knight                 | <b>FY2024</b>              | <b>139,479</b>         | –                                              | –                                    | –                                                                     | –                                | –                               | –                                     | –                             | –                                            | –                    | <b>139,479</b>   |
|                                | FY2023                     | 140,065                | –                                              | –                                    | –                                                                     | –                                | –                               | –                                     | –                             | –                                            | –                    | 140,065          |
| Sharon McCrohan                | <b>FY2024</b>              | <b>125,657</b>         | –                                              | –                                    | <b>13,822</b>                                                         | –                                | –                               | –                                     | –                             | –                                            | –                    | <b>139,479</b>   |
|                                | FY2023                     | 126,756                | –                                              | –                                    | 13,309                                                                | –                                | –                               | –                                     | –                             | –                                            | –                    | 140,065          |
| Ian Rowden                     | <b>FY2024</b>              | <b>119,554</b>         | –                                              | –                                    | –                                                                     | –                                | –                               | –                                     | –                             | –                                            | –                    | <b>119,554</b>   |
|                                | FY2023                     | 120,056                | –                                              | –                                    | –                                                                     | –                                | –                               | –                                     | –                             | –                                            | –                    | 120,056          |
| Brad Soller                    | <b>FY2024</b>              | <b>119,673</b>         | –                                              | –                                    | <b>13,164</b>                                                         | –                                | –                               | –                                     | –                             | –                                            | –                    | <b>132,837</b>   |
|                                | FY2023                     | 72,432                 | –                                              | –                                    | 7,605                                                                 | –                                | –                               | –                                     | –                             | –                                            | –                    | 80,037           |
| <b>Executive KMP</b>           |                            |                        |                                                |                                      |                                                                       |                                  |                                 |                                       |                               |                                              |                      |                  |
| Heath Sharp                    | <b>FY2024</b>              | <b>1,100,000</b>       | <b>1,326,729</b>                               | –                                    | <b>84,573</b>                                                         | <b>13,200</b>                    | –                               | –                                     | –                             | <b>1,035,636</b>                             | –                    | <b>3,560,138</b> |
|                                | FY2023                     | 1,175,000              | 508,305                                        | –                                    | 83,935                                                                | 13,200                           | –                               | –                                     | –                             | 755,265                                      | –                    | 2,535,705        |
| Andrew Johnson                 | <b>FY2024</b>              | <b>600,000</b>         | <b>413,199</b>                                 | –                                    | <b>31,006</b>                                                         | <b>13,200</b>                    | –                               | –                                     | –                             | <b>408,898</b>                               | –                    | <b>1,466,303</b> |
|                                | FY2023                     | 600,000                | 154,000                                        | –                                    | 45,332                                                                | 13,200                           | –                               | –                                     | –                             | 435,592                                      | –                    | 1,248,124        |
| <b>Total</b>                   | <b>FY2024</b>              | <b>2,677,903</b>       | <b>1,739,928</b>                               | –                                    | <b>115,579</b>                                                        | <b>97,912</b>                    | –                               | –                                     | –                             | <b>1,444,534</b>                             | –                    | <b>6,075,856</b> |
|                                | FY2023                     | 2,724,403              | 662,305                                        | –                                    | 129,267                                                               | 90,801                           | –                               | –                                     | –                             | 1,190,857                                    | –                    | 4,797,633        |

<sup>1</sup> Reflects the accounting expense for the reporting period based on the fair value at grant dates.

# REMUNERATION REPORT

For the year ended 30 June 2024 (audited)

## (i) Actual remuneration received by Executive KMP in FY2024

Details of actual remuneration received by each Executive KMP for FY2024 are shown in the following table. This information is provided as a voluntary disclosure to show the actual FY2024 remuneration and benefits for Executive KMP. This table differs from the statutory remuneration table shown in section (h) which is prepared to comply with the requirements of Australian Accounting Standards and relevant legislation.

| Executive KMP  | Cash salary & fees<br>US\$ | FY2024 STI award<br>US\$ | Other short term benefits<br>US\$ | Superannuation or pension plan benefits<br>US\$ | Vested LTI awards <sup>1</sup><br>US\$ | Total<br>US\$ |
|----------------|----------------------------|--------------------------|-----------------------------------|-------------------------------------------------|----------------------------------------|---------------|
| Heath Sharp    | 1,100,000                  | 1,326,729                | 84,573                            | 13,200                                          | 1,335,025                              | 3,859,527     |
| Andrew Johnson | 600,000                    | 413,199                  | 31,006                            | 13,200                                          | 1,224,993                              | 2,282,398     |

## D. FY2025 NRC objectives and KMP remuneration arrangements

### (j) NRC's objectives for FY2025

No further significant changes to the remuneration framework are expected during FY2025. The NRC expects its primary focus during FY2025 will be on:

- continuing to review remuneration arrangements of executives, including Executive KMP, to confirm that market competitive remuneration packages are in place to attract and retain high calibre executives;
- confirming 'at risk' variable remuneration arrangements remain appropriately aligned with business strategies and outcomes;
- considering the process for measuring achievement of STI objectives, including if a balanced scorecard approach should be introduced;
- reviewing performance criteria for LTI grants to confirm they remain appropriate;
- overseeing the processes to manage and administer the STI and LTI plans; and
- monitoring succession planning and talent management.

### (k) Executive KMP remuneration for FY2025

The remuneration arrangements for Executive KMP for FY2025 include:

#### Fixed remuneration

CEO: US\$ 1,100,000

CFO: US\$ 600,000

There has been no change in fixed remuneration for Executive KMP for FY2025.

#### STI opportunity

The key criteria for the FY2025 STI opportunity are set out in section B. There is no change to STI criteria for FY2025. Any STI awards will be paid in cash.

#### LTI award for FY2025

The Company intends offering a FY2025 LTI award to both the CEO and CFO. The Target Values are:

CEO: \$3,200,000

CFO: \$900,000

The Target Values remain the same as for FY2024 grants.

The award to the CEO will be subject to shareholder approval. Details of the proposed award to the CEO will be advised in the Notice of Meeting for the 2024 Annual General Meeting.

The Performance Measurement Period will be for the three years commencing on 1 July 2024. Key conditions are summarised in section B and above.

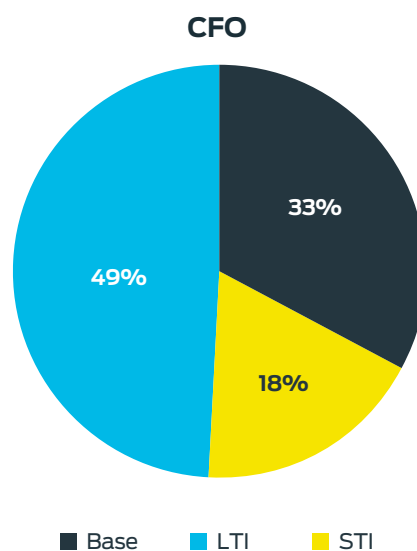
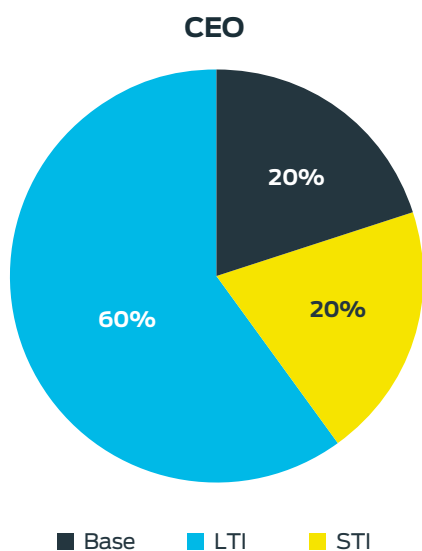
<sup>1</sup> Vested LTI awards reflects Share Rights which vested during FY2024. Values calculated using market value at the various vesting dates. Details of Share Rights are shown in section (f).

## REMUNERATION REPORT

For the year ended 30 June 2024 (audited)

### Remuneration mix for Executive KMP

The intended remuneration mix by the end of FY2025 for each Executive KMP for on-target performance is:



# REMUNERATION REPORT

For the year ended 30 June 2024 (audited)

## E. Other disclosures

### (I) Service agreements with Executive KMP

Employment and remuneration arrangements of the Executive KMP are formalised in written service agreements between the executive and a member of the Group. The key terms and conditions of the current employment arrangements for Executive KMP are set out below, excluding remuneration arrangements which are presented and explained in other sections of this Remuneration Report.

#### Heath Sharp, Managing Director and Chief Executive Officer

|                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Term</b>                             | Mr. Sharp is employed by Reliance Worldwide Corporation (a company in the Group which carries on operations in the USA). The service agreement has an initial term of five years from 1 July 2021. Thereafter, automatically extended for one year rolling terms unless and until either party gives notice of an intention not to renew. The employer shall give any such non-renewal notice at least 90 days prior to the end of the then applicable term. Mr. Sharp shall give any such non-renewal notice at least 12 months prior to the end of the then applicable term.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Notice</b>                           | <p><i>Termination by the employer</i></p> <ul style="list-style-type: none"> <li>Mr. Sharp's employment may be terminated by the employer without cause (excluding due to death or disability) upon giving 90 days' written notice; and</li> <li>may be terminated by the employer for cause at any time.</li> </ul> <p><i>Termination by Heath Sharp</i></p> <ul style="list-style-type: none"> <li>Mr. Sharp may terminate his employment with good reason upon giving 90 days written notice and allowing a cure period.</li> <li>Where he terminates without good reason, 12 months written notice is required to be provided.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Termination payments<sup>1</sup></b> | <ul style="list-style-type: none"> <li>Where Mr. Sharp's employment is terminated by the employer without cause or by Mr. Sharp with good reason, he is entitled to 12 months' severance pay (in addition to any notice period) plus accrued entitlements (comprising accrued but unpaid annual base salary, accrued unused vacation pay and unreimbursed properly incurred business expenses) plus he remains eligible for a pro rata bonus for the days he was employed during the applicable fiscal year and payment of certain health insurance premiums.</li> <li>Where his employment is terminated due to death or disability, Mr. Sharp is entitled to accrued entitlements, remains eligible for a pro rata bonus for the days he was employed during the applicable fiscal year and to a continuation of applicable welfare and health benefits entitlements.</li> <li>Where the employment agreement is terminated by the employer for cause or by Mr. Sharp without good reason, then the employer shall have no further payment obligations other than for accrued entitlements and continuation of applicable welfare and health benefits entitlements.</li> <li>Where Mr. Sharp provides notice of non-renewal, then no severance amount will be payable.</li> </ul> |
| <b>Restraint</b>                        | Mr. Sharp's employment agreement contains a restraint of trade, which operates for a maximum period of 24 months following cessation of employment.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

<sup>1</sup> The Corporations Act restricts the termination benefits that can be provided to KMP on cessation of their employment, unless shareholder approval is obtained. The shareholders of the Company and of Reliance Worldwide Corporation, as applicable, have approved the giving of benefits to all current and future members of KMP in connection with that person ceasing to hold a managerial or executive office (as defined in section 200AA of the Corporations Act) in the Company or a related body corporate.

## REMUNERATION REPORT

For the year ended 30 June 2024 (audited)

### Andrew Johnson, Chief Financial Officer

|                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Term</b>                             | Mr. Johnson is employed by Reliance Worldwide Corporation (a company in the Group which carries on operations in the USA). The service agreement contains no fixed term.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Notice</b>                           | <p><i>Termination by the employer</i></p> <ul style="list-style-type: none"> <li>▪ Mr. Johnson's employment may be terminated by the employer without cause (excluding due to death or disability) upon giving 3 months written notice; and</li> <li>▪ may be terminated by the employer for cause at any time.</li> </ul> <p><i>Termination by Andrew Johnson</i></p> <ul style="list-style-type: none"> <li>▪ Mr. Johnson may terminate his employment with good reason upon giving 3 months written notice and allowing a cure period.</li> <li>▪ Where he terminates without good reason, 3 months written notice is required to be provided.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Termination payments<sup>1</sup></b> | <ul style="list-style-type: none"> <li>▪ Where Mr. Johnson's employment is terminated by the employer without cause or by Mr. Johnson with good reason, he is entitled to 9 months' severance pay (in addition to any notice period) plus accrued entitlements (comprising accrued but unpaid annual base salary, accrued unused vacation pay and unreimbursed properly incurred business expenses) plus he remains eligible for a pro rata bonus for the days he was employed during the applicable fiscal year and payment of certain health insurance premiums.</li> <li>▪ Where his employment is terminated due to death or disability, Mr. Johnson is entitled to accrued entitlements, remains eligible for a pro rata bonus for the days he was employed during the applicable fiscal year and to a continuation of applicable welfare and health benefits entitlements.</li> <li>▪ Where the employment agreement is terminated by the employer for cause or by Mr. Johnson without good reason, then the employer shall have no further payment obligations other than for accrued entitlements and continuation of applicable welfare and health benefits entitlements.</li> </ul> |
| <b>Restraint</b>                        | Mr. Johnson's employment agreement contains non-compete and non-solicitation clauses which operate for a period of 12 months following his ceasing to work for RWC.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

<sup>1</sup>The Corporations Act restricts the termination benefits that can be provided to KMP on cessation of their employment, unless shareholder approval is obtained. The shareholders of the Company and of Reliance Worldwide Corporation, as applicable, have approved the giving of benefits to all current and future members of KMP in connection with that person ceasing to hold a managerial or executive office (as defined in section 200AA of the Corporations Act) in the Company or a related body corporate.

## REMUNERATION REPORT

For the year ended 30 June 2024 (audited)

### (m) KMP shareholdings

Movements in the number of shares held by KMP directly, indirectly (through personally related entities) or nominally during FY2024 are set out below.

| Name                       | Held at 1 July 2023 | Net change <sup>1</sup> | Held at 30 June 2024 |
|----------------------------|---------------------|-------------------------|----------------------|
| Christine Bartlett         | 50,000              | –                       | 50,000               |
| Russell Chenu <sup>2</sup> | 170,217             | 15,000                  | 185,217              |
| Stuart Crosby <sup>2</sup> | 201,756             | –                       | 201,756              |
| Darlene Knight             | 37,000              | 13,000                  | 50,000               |
| Sharon McCrohan            | 52,000              | –                       | 52,000               |
| Ian Rowden                 | 35,000              | 15,000                  | 50,000               |
| Heath Sharp                | 1,423,397           | 335,417                 | 1,758,814            |
| Brad Soller                | 15,000              | 10,000                  | 25,000               |
| Andrew Johnson             | 171,236             | 229,105                 | 400,341              |

### (n) Material contracts with related parties

There were no material contracts between a KMP or a related party and the Company or any of its subsidiaries entered into during the reporting period. Key terms and conditions of employment agreements with Executive KMP are summarised throughout this report.

### (o) Loans with KMP

No KMP has entered into a loan made, guaranteed or secured, directly or indirectly, with or by the Company or any of its subsidiaries during the reporting period.

<sup>1</sup>Includes the purchase (sale) of shares during the reporting period and transfers in (out) upon becoming or ceasing to be a member of KMP. For Executive KMP, includes shares received upon vesting of Rights and Matching Rights.

<sup>2</sup>Includes 20,000 shares received in April 2016 under specific arrangements for Non-Executive Directors in connection with the IPO, as disclosed in the Prospectus.



# Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Reliance Worldwide Corporation Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Reliance Worldwide Corporation Limited for the financial year ended 30 June 2024 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Vicky Carlson

*Partner*

Melbourne

20 August 2024

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# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2024

|                                                                                            | Note | 2024<br>US\$000 | 2023<br>US\$000 |
|--------------------------------------------------------------------------------------------|------|-----------------|-----------------|
| Revenue from sale of goods                                                                 | 4    | 1,245,754       | 1,243,802       |
| Cost of sales                                                                              |      | (756,992)       | (765,596)       |
| <b>Gross profit</b>                                                                        |      | <b>488,762</b>  | <b>478,206</b>  |
| Other income                                                                               | 7    | 6,041           | 18,991          |
| Product development expenses                                                               |      | (12,988)        | (11,846)        |
| Selling, warehousing and marketing expenses                                                |      | (160,610)       | (151,117)       |
| Administration expenses                                                                    |      | (116,548)       | (107,121)       |
| Other expenses                                                                             | 8    | (17,182)        | (3,611)         |
| <b>Operating profit</b>                                                                    |      | <b>187,475</b>  | <b>223,502</b>  |
| Finance income                                                                             | 6    | 626             | 346             |
| Finance costs                                                                              | 6    | (31,568)        | (32,688)        |
| <b>Net finance costs</b>                                                                   |      | <b>(30,942)</b> | <b>(32,342)</b> |
| <b>Profit before tax</b>                                                                   |      | <b>156,533</b>  | <b>191,160</b>  |
| Income tax expense                                                                         | 9    | (46,388)        | (51,510)        |
| <b>Profit for the period attributable to the owners of the Company</b>                     |      | <b>110,145</b>  | <b>139,650</b>  |
| <b>Other comprehensive profit</b>                                                          |      |                 |                 |
| Items that may be classified to profit or loss:                                            |      |                 |                 |
| Foreign currency translation differences                                                   | 17   | (4,147)         | 33,592          |
| <b>Total comprehensive profit for the period attributable to the owners of the Company</b> |      | <b>105,998</b>  | <b>173,242</b>  |
|                                                                                            |      |                 |                 |
|                                                                                            |      | US Cents        |                 |
| <b>Earnings per share</b>                                                                  |      |                 |                 |
| Basic earnings per share attributable to ordinary equity holders                           | 5    | 14.0            | 17.8            |
| Diluted earnings per share attributable to ordinary equity holders                         | 5    | 14.0            | 17.7            |

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

|                                      | Note | 2024<br>US\$000  | 2023<br>US\$000  |
|--------------------------------------|------|------------------|------------------|
| <b>Assets</b>                        |      |                  |                  |
| <b>Current assets</b>                |      |                  |                  |
| Cash and cash equivalents            | 14   | 19,915           | 16,617           |
| Trade and other receivables          | 10   | 238,812          | 246,044          |
| Inventories                          | 10   | 292,780          | 289,399          |
| Current tax assets                   |      | 20,289           | 25,302           |
| Other current assets                 |      | 10,083           | 11,776           |
| <b>Total current assets</b>          |      | <b>581,879</b>   | <b>589,138</b>   |
| <b>Non-current assets</b>            |      |                  |                  |
| Property, plant and equipment        | 11   | 240,120          | 231,138          |
| Right-of-use assets                  | 12   | 109,888          | 95,561           |
| Deferred tax assets                  | 9    | 57,815           | 31,695           |
| Goodwill                             | 13   | 818,826          | 780,711          |
| Other intangible assets              | 13   | 331,859          | 326,968          |
| Other non-current assets             |      | 4,112            | 3,374            |
| <b>Total non-current assets</b>      |      | <b>1,562,620</b> | <b>1,469,447</b> |
| <b>Total assets</b>                  |      | <b>2,144,499</b> | <b>2,058,585</b> |
| <b>Liabilities</b>                   |      |                  |                  |
| <b>Current liabilities</b>           |      |                  |                  |
| Trade and other payables             | 10   | 179,099          | 166,541          |
| Current tax liabilities              |      | 3,158            | 4,110            |
| Employee benefits                    | 18   | 6,738            | 8,319            |
| Lease liabilities                    | 15   | 20,769           | 15,459           |
| <b>Total current liabilities</b>     |      | <b>209,764</b>   | <b>194,429</b>   |
| <b>Non-current liabilities</b>       |      |                  |                  |
| Borrowings                           | 14   | 438,327          | 450,165          |
| Deferred tax liabilities             | 9    | 125,763          | 86,734           |
| Employee benefits                    | 18   | 4,567            | 4,503            |
| Lease liabilities                    | 15   | 101,710          | 91,396           |
| <b>Total non-current liabilities</b> |      | <b>670,367</b>   | <b>632,798</b>   |
| <b>Total liabilities</b>             |      | <b>880,131</b>   | <b>827,227</b>   |
| <b>Net assets</b>                    |      | <b>1,264,368</b> | <b>1,231,358</b> |
| <b>Equity</b>                        |      |                  |                  |
| Share capital                        | 16   | 1,737,277        | 1,742,078        |
| Reserves                             | 17   | (884,034)        | (868,663)        |
| Retained earnings                    |      | 411,125          | 357,943          |
| <b>Total equity</b>                  |      | <b>1,264,368</b> | <b>1,231,358</b> |

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2024

|                                                      | Note | Share capital<br>US\$000 | Foreign currency<br>translation<br>reserve<br>US\$000 | Share-based<br>payment<br>reserve<br>US\$000 | Other<br>reserves<br>US\$000 | Retained<br>earnings<br>US\$000 | Total<br>equity<br>US\$000 |
|------------------------------------------------------|------|--------------------------|-------------------------------------------------------|----------------------------------------------|------------------------------|---------------------------------|----------------------------|
| <b>Balance at 1 July 2022</b>                        |      | <b>1,738,846</b>         | <b>(71,750)</b>                                       | <b>18,195</b>                                | <b>(848,734)</b>             | <b>294,026</b>                  | <b>1,130,583</b>           |
| Profit for the period                                |      | –                        | –                                                     | –                                            | –                            | 139,650                         | 139,650                    |
| Foreign currency translation differences             | 17   | –                        | 33,592                                                | –                                            | –                            | –                               | 33,592                     |
| <b>Total comprehensive income</b>                    |      | <b>–</b>                 | <b>33,592</b>                                         | <b>–</b>                                     | <b>–</b>                     | <b>139,650</b>                  | <b>173,242</b>             |
| <b>Transactions with owners of the Company</b>       |      |                          |                                                       |                                              |                              |                                 |                            |
| Treasury shares                                      | 16   | 3,232                    | –                                                     | –                                            | –                            | –                               | 3,232                      |
| Share-based payments                                 | 19   | –                        | –                                                     | 34                                           | –                            | (1,185)                         | (1,151)                    |
| Dividends paid                                       |      | –                        | –                                                     | –                                            | –                            | (74,548)                        | (74,548)                   |
| <b>Total transactions with owners of the Company</b> |      | <b>3,232</b>             | <b>–</b>                                              | <b>34</b>                                    | <b>–</b>                     | <b>(75,733)</b>                 | <b>(72,467)</b>            |
| <b>Balance at 30 June 2023</b>                       |      | <b>1,742,078</b>         | <b>(38,158)</b>                                       | <b>18,229</b>                                | <b>(848,734)</b>             | <b>357,943</b>                  | <b>1,231,358</b>           |
| <b>Balance at 1 July 2023</b>                        |      | <b>1,742,078</b>         | <b>(38,158)</b>                                       | <b>18,229</b>                                | <b>(848,734)</b>             | <b>357,943</b>                  | <b>1,231,358</b>           |
| Profit for the period                                |      | –                        | –                                                     | –                                            | –                            | 110,145                         | 110,145                    |
| Foreign currency translation reserve                 | 17   | –                        | (4,147)                                               | –                                            | –                            | –                               | (4,147)                    |
| <b>Total comprehensive income</b>                    |      | <b>–</b>                 | <b>(4,147)</b>                                        | <b>–</b>                                     | <b>–</b>                     | <b>110,145</b>                  | <b>105,998</b>             |
| <b>Transactions with owners of the Company</b>       |      |                          |                                                       |                                              |                              |                                 |                            |
| Treasury shares                                      | 16   | 4,700                    | –                                                     | –                                            | –                            | –                               | 4,700                      |
| Shares cancelled - on market buy-back                |      | (9,501)                  | –                                                     | –                                            | (8,502)                      | –                               | (18,003)                   |
| Share based payments                                 |      | –                        | –                                                     | (2,722)                                      | –                            | –                               | (2,722)                    |
| Dividends paid                                       |      | –                        | –                                                     | –                                            | –                            | (56,963)                        | (56,963)                   |
| <b>Total transactions with owners of the Company</b> |      | <b>(4,801)</b>           | <b>–</b>                                              | <b>(2,722)</b>                               | <b>(8,502)</b>               | <b>(56,963)</b>                 | <b>(72,988)</b>            |
| <b>Balance at 30 June 2024</b>                       |      | <b>1,737,277</b>         | <b>(42,305)</b>                                       | <b>15,507</b>                                | <b>(857,236)</b>             | <b>411,125</b>                  | <b>1,264,368</b>           |

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2024

|                                                                         | Note | 2024<br>US\$000  | 2023<br>US\$000  |
|-------------------------------------------------------------------------|------|------------------|------------------|
| <b>Cash flows from operating activities</b>                             |      |                  |                  |
| Receipts from customers                                                 |      | 1,405,068        | 1,371,929        |
| Payments to suppliers and employees and for customer rebates            |      | (1,090,859)      | (1,079,269)      |
| Cash generated from operations                                          |      | 314,209          | 292,660          |
| Income taxes paid                                                       |      | (39,802)         | (42,400)         |
| <b>Net cash inflow from operating activities</b>                        |      | <b>274,407</b>   | <b>250,260</b>   |
| <b>Cash flows from investing activities</b>                             |      |                  |                  |
| Payments for purchase of property, plant and equipment                  | 11   | (39,328)         | (35,652)         |
| Proceeds from sale of property, plant and equipment                     |      | 2,850            | 28,004           |
| Payments for intellectual property and other intangible assets acquired | 13   | (1,985)          | (6,856)          |
| Payment for acquisition of subsidiaries, net of cash acquired           | 3    | (101,693)        | –                |
| <b>Net cash outflow from investing activities</b>                       |      | <b>(140,156)</b> | <b>(14,504)</b>  |
| <b>Cash flows from financing activities</b>                             |      |                  |                  |
| Purchase of treasury shares                                             |      | –                | (1,320)          |
| Payments for share buy-back                                             | 16   | (17,794)         | –                |
| Proceeds from borrowings                                                | 14   | 169,973          | 75,092           |
| Repayment of borrowings                                                 | 14   | (183,608)        | (202,680)        |
| Interest received                                                       |      | 626              | 346              |
| Interest paid                                                           | 14   | (26,555)         | (28,303)         |
| Dividends paid                                                          |      | (56,963)         | (74,548)         |
| Lease payments                                                          | 14   | (17,171)         | (15,139)         |
| <b>Net cash outflow from financing activities</b>                       |      | <b>(131,492)</b> | <b>(246,552)</b> |
| Net change in cash and cash equivalents                                 |      | 2,759            | (10,796)         |
| Cash and cash equivalents at 1 July                                     |      | 16,617           | 27,679           |
| Effects of movements in exchange rates on cash held                     |      | 539              | (266)            |
| <b>Cash and cash equivalents at 30 June</b>                             |      | <b>19,915</b>    | <b>16,617</b>    |
| Represented by:                                                         |      |                  |                  |
| Cash at bank                                                            |      | 19,915           | 16,617           |
| <b>Cash and cash equivalents at the end of the year</b>                 | 14   | <b>19,915</b>    | <b>16,617</b>    |

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

## 1. Basis of preparation

### (a) Reporting entity

Reliance Worldwide Corporation Limited (the “Company” or “Reliance”) is a limited liability company which was incorporated on 19 February 2016 and is domiciled in Australia. The consolidated financial statements comprise the Company and its subsidiaries (together referred to as the “Group”). The Company’s registered office is at 28 Chapman Place, Eagle Farm, Queensland 4009, Australia.

The principal activities of the Group are the design, manufacture and supply of high quality, reliable and premium branded water flow, control and monitoring products and solutions for the plumbing and heating industry.

### (b) Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial statements comply with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board (IASB).

The Company is a for-profit entity. The consolidated financial statements were authorised for issue by the Board of Directors on 20 August 2024.

### (c) Basis of preparation

These consolidated financial statements:

- comprise the Company and its subsidiaries, together referred to as the “Group”, for the reporting period ended 30 June 2024;
- have been prepared on a going concern basis using historical cost conventions, having regard to the financial performance of the Group and consideration of the financial position at 30 June 2024;
- are presented in US dollars and in accordance with the Australian Securities and Investments Commission Corporations (Rounding in Financial / Directors’ Reports) Instrument 2016/191, values are rounded to the nearest thousand dollars, unless otherwise stated;
- adopt all new and amended AASBs and Interpretations issued by the AASB that are relevant to the operations of the Group and effective for reporting periods beginning on or after 1 July 2023; and
- do not early adopt any AASBs and Interpretations that have been issued or amended but are not yet effective.

Financial statements of subsidiaries are prepared using consistent accounting policies. This Note and Note 27 set out details of accounting policies which aid the understanding of the financial statements as a whole.

### (d) Use of estimates and judgements

The preparation of consolidated financial statements in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Information about judgements and estimates made in applying accounting policies that may have a significant effect on amounts recognised in the consolidated financial statements is included in the following notes:

- Determination of fair value of assets acquired in business combinations (Note 3);
- Recoverability of goodwill and other indefinite life intangible assets (Note 13); and
- Assessment of lease term extension options to be taken into account in the present value of the remaining lease payments (Note 12).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

## 1. Basis of preparation (continued)

### (e) Changes in accounting policy, disclosures, standards and interpretations

#### ▪ New and amended standards and interpretations

The Group applied all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the Group and effective for annual period beginning on or after 1 July 2023. The initial adoption of these standards and interpretation have not had a material impact on the measurement or disclosure made in the consolidated financial statements.

#### ▪ Standards and Interpretations issued but not yet effective

AASB 18 Presentation and Disclosure in Financial Statements

AASB 18 was issued in June 2024 and replaces AASB 101 Presentation of Financial Statements. The new standard introduces new requirements for the Statement of Profit or Loss, including:

- new categories for the classification of income and expenses into operating, investing and financing categories, and
- presentation of subtotals for "operating profit" and "profit before financing and income taxes".

Additional disclosure requirements are introduced for management-defined performance measures and new principles for aggregation and disaggregation of information in the notes and the primary financial statements and the presentation of interest and dividends in the statement of cash flows. The new standard is effective for annual period beginning on or after 1 January 2027 and will first apply to the Group for the financial year ending 30 June 2028.

Certain other Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been early adopted by the Group for the year ended 30 June 2024. The Group is assessing the potential impact of these standards and interpretation issued but not yet effective on its consolidated financial statements.

## 2. Segment reporting

Segment information is presented in a manner which is consistent with the internal reporting to the Chief Executive Officer, who is the chief operating decision maker in the allocation of resources and assessing the performance of the operating segments of the Group.

The Group's regionally based segments are based on geographic operation of the business and comprise:

- Asia Pacific, including Australia, New Zealand, Korea and China<sup>1</sup>
- Americas, including the United States of America and Canada
- EMEA, including the United Kingdom, Germany, Spain, Italy, Poland, France and Czech Republic

Segment revenues, expenses, assets and liabilities are reported on a gross basis. Segment results are presented before the elimination of profits made on inventory sales between segments, with a total deduction for intersegment profits to arrive at the Group's consolidated operating profit.

<sup>1</sup>Ningbo Rockwall Manufacturing business in China is reported under the Americas segment consistent with internal reporting to the CODM.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

## 2. Segment reporting (continued)

|                                                         | Americas        |                | Asia Pacific   |                | EMEA           |                | Corporate        |                  | Elimination        |                  | Total            |                  |
|---------------------------------------------------------|-----------------|----------------|----------------|----------------|----------------|----------------|------------------|------------------|--------------------|------------------|------------------|------------------|
|                                                         | 2024            | 2023           | 2024           | 2023           | 2024           | 2023           | 2024             | 2023             | 2024               | 2023             | 2024             | 2023             |
|                                                         | US\$000         | US\$000        | US\$000        | US\$000        | US\$000        | US\$000        | US\$000          | US\$000          | US\$000            | US\$000          | US\$000          | US\$000          |
| <b>Revenue</b>                                          |                 |                |                |                |                |                |                  |                  |                    |                  |                  |                  |
| From external customers                                 | 875,834         | 886,607        | 145,849        | 120,273        | 224,071        | 236,922        | –                | –                | –                  | –                | 1,245,754        | 1,243,802        |
| From other segments                                     | 1,843           | 3,462          | 44,440         | 70,087         | 39,573         | 35,220         | –                | –                | (85,856)           | (108,769)        | –                | –                |
| <b>Segment revenues</b>                                 | <b>877,677</b>  | <b>890,069</b> | <b>190,289</b> | <b>190,360</b> | <b>263,644</b> | <b>272,142</b> | <b>–</b>         | <b>–</b>         | <b>(85,856)</b>    | <b>(108,769)</b> | <b>1,245,754</b> | <b>1,243,802</b> |
| Cost of sales                                           | (555,973)       | (594,269)      | (146,875)      | (143,857)      | (139,686)      | (139,250)      | –                | –                | 85,542             | 111,780          | (756,992)        | (765,596)        |
| <b>Gross profit</b>                                     | <b>321,704</b>  | <b>295,800</b> | <b>43,414</b>  | <b>46,503</b>  | <b>123,958</b> | <b>132,892</b> | <b>–</b>         | <b>–</b>         | <b>(314)</b>       | <b>3,011</b>     | <b>488,762</b>   | <b>478,206</b>   |
| Other income                                            | 4,512           | 2,893          | 25             | 658            | 1,393          | 15,440         | 111              | –                | –                  | –                | 6,041            | 18,991           |
| Product development expenses                            | (7,388)         | (6,867)        | (2,463)        | (2,300)        | (3,137)        | (2,679)        | –                | –                | –                  | –                | (12,988)         | (11,846)         |
| Selling and marketing expenses                          | (106,394)       | (104,764)      | (21,075)       | (14,010)       | (32,648)       | (32,028)       | (493)            | (315)            | –                  | –                | (160,610)        | (151,117)        |
| Administration expenses                                 | (59,425)        | (60,595)       | (16,705)       | (11,120)       | (31,216)       | (27,489)       | (9,202)          | (7,917)          | –                  | –                | (116,548)        | (107,121)        |
| Other expenses                                          | (11,964)        | (2,667)        | (384)          | (620)          | (4,834)        | (57)           | –                | (267)            | –                  | –                | (17,182)         | (3,611)          |
| <b>Segment operating profit/(loss)</b>                  | <b>141,045</b>  | <b>123,800</b> | <b>2,812</b>   | <b>19,111</b>  | <b>53,516</b>  | <b>86,079</b>  | <b>(9,584)</b>   | <b>(8,499)</b>   | <b>(314)</b>       | <b>3,011</b>     | <b>187,475</b>   | <b>223,502</b>   |
| <b>Segment assets</b>                                   | <b>955,113</b>  | <b>991,666</b> | <b>383,155</b> | <b>229,729</b> | <b>787,017</b> | <b>805,817</b> | <b>1,027,348</b> | <b>1,004,536</b> | <b>(1,008,134)</b> | <b>(973,163)</b> | <b>2,144,499</b> | <b>2,058,585</b> |
| <b>Segment liabilities</b>                              | <b>623,944</b>  | <b>710,957</b> | <b>225,237</b> | <b>60,612</b>  | <b>60,802</b>  | <b>68,311</b>  | <b>978,282</b>   | <b>960,510</b>   | <b>(1,008,134)</b> | <b>(973,163)</b> | <b>880,131</b>   | <b>827,227</b>   |
| EBITDA <sup>1</sup>                                     | 173,352         | 152,304        | 14,278         | 28,642         | 68,865         | 99,806         | (8,658)          | (7,621)          | (313)              | 3,012            | 247,524          | 276,143          |
| Depreciation of property, plant and equipment           | (24,403)        | (20,353)       | (10,073)       | (8,903)        | (13,357)       | (12,051)       | (254)            | (167)            | –                  | –                | (48,087)         | (41,474)         |
| Amortisation of intangible assets                       | (7,906)         | (8,151)        | (1,392)        | (627)          | (1,990)        | (1,674)        | (674)            | (715)            | –                  | –                | (11,962)         | (11,167)         |
| Finance income                                          | 146             | 139            | 41             | 7              | 2              | 9              | 437              | 191              | –                  | –                | 626              | 346              |
| Finance costs                                           | (23,752)        | (28,628)       | (3,333)        | (1,306)        | (665)          | (495)          | (3,818)          | (2,259)          | –                  | –                | (31,568)         | (32,688)         |
| Income tax expense                                      | (32,334)        | (31,351)       | (469)          | (3,420)        | (12,759)       | (15,926)       | (826)            | (813)            | –                  | –                | (46,388)         | (51,510)         |
| <b>Net profit after tax</b>                             |                 |                |                |                |                |                |                  |                  |                    |                  | <b>110,145</b>   | <b>139,650</b>   |
| Additions to property, plant and equipment <sup>2</sup> | 23,197          | 21,887         | 6,826          | 6,553          | 6,595          | 7,024          | 2,710            | 188              | –                  | –                | <b>39,328</b>    | 35,652           |
| Non-current assets excl. deferred tax assets            | 591,193         | 521,119        | 223,626        | 133,049        | 685,704        | 773,908        | 4,282            | 3,171            | –                  | 6,505            | <b>1,504,805</b> | 1,437,752        |
| <b>Other material items of income and (expenses)</b>    |                 |                |                |                |                |                |                  |                  |                    |                  |                  |                  |
| Supply Smart closure of operations, DC rationalisation  | (10,961)        | –              | –              | –              | –              | –              | –                | –                | –                  | –                | <b>(10,961)</b>  | –                |
| APAC Croydon plant final decommissioning                | –               | –              | (304)          | –              | –              | –              | –                | –                | –                  | –                | <b>(304)</b>     | –                |
| Spain manufacturing impairment                          | –               | –              | –              | –              | (4,284)        | –              | –                | –                | –                  | –                | <b>(4,284)</b>   | –                |
| Acquisition related costs                               | –               | (4,339)        | (7,441)        | –              | –              | –              | –                | –                | –                  | –                | <b>(7,441)</b>   | (4,339)          |
| Restructuring costs                                     | –               | (1,603)        | –              | (1,403)        | (4,106)        | (3,018)        | –                | –                | –                  | –                | <b>(4,106)</b>   | (6,024)          |
| SharkBite Max one-off costs                             | –               | (1,567)        | –              | –              | –              | –              | –                | –                | –                  | –                | –                | (1,567)          |
| Australia lead-free brass transition costs              | –               | –              | –              | (1,577)        | –              | –              | –                | –                | –                  | –                | –                | (1,577)          |
| Gain on sale of surplus UK property                     | –               | –              | –              | –              | –              | 14,998         | –                | –                | –                  | –                | –                | 14,998           |
|                                                         | <b>(10,961)</b> | <b>(7,509)</b> | <b>(7,745)</b> | <b>(2,980)</b> | <b>(8,390)</b> | <b>11,980</b>  | <b>–</b>         | <b>–</b>         | <b>–</b>           | <b>–</b>         | <b>(27,096)</b>  | <b>1,491</b>     |

<sup>1</sup> EBITDA is operating profit before interest, tax, depreciation and amortisation.<sup>2</sup> Excludes the additions of Right of Use lease assets.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

## 3. Business combinations

### Accounting policy

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value of the identifiable net assets acquired.

Identifiable assets acquired and liabilities and contingent liabilities assumed are, with limited exceptions, initially measured at their fair values at acquisition date. When the Group acquires a set of activities that meets the criteria for a 'business', it assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions at acquisition date. Under the acquisition method, the Group has up to 12 months following the acquisition date to finalise the assessment of fair value of identifiable assets and liabilities.

Any goodwill that arises is tested annually for impairment (refer accounting policy in note 13). Any gain on a bargain purchase is recognised in the profit or loss account immediately. Transaction costs are expensed as incurred except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the profit or loss account.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured, and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in the profit or loss account.

### Acquisition of Holman Industries

#### (a) Summary of acquisition

The Group completed the acquisition of Holman Industries (Holman) on 1 March 2024 for \$104.2 million (A\$160.0 million), excluding provisional closing adjustments. The acquisition was funded through existing committed borrowing facilities. Holman is a leading independent manufacturer and distributor of branded plumbing and watering products sold through retail and wholesale channels in Australia. The acquisition of Holman aligns with RWC's growth strategy and will enhance its market position in Australia. The Holman products will provide additional sales growth opportunities from an expanded product portfolio coupled with a much broader retail channel partner distribution footprint in Australia and also achieve cost savings through distribution footprint rationalisation and optimisation. The Holman acquisition provides RWC with immediate and substantial access to the Australian water-out segment, strengthening overall offering and better partnering to core plumbing wholesalers in Australia.

#### (b) Purchase consideration and summary of cash movement

|                                        | US\$000        |
|----------------------------------------|----------------|
| Base purchase price                    | 104,177        |
| Closing adjustments <sup>1</sup>       | (3,643)        |
| <b>Total purchase consideration</b>    | <b>100,534</b> |
| <b>Reconciliation of cash movement</b> |                |
| Cash consideration paid                | 104,177        |
| Less: cash acquired                    | (2,484)        |
|                                        | <b>101,693</b> |

<sup>1</sup> The closing adjustments reflect the adjustment amount per the completion statement submitted on 16 July 2024 to the vendor. The vendor has 30 business days to review the adjustments and respond.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

### 3. Business combinations (continued)

No direct costs associated with the transaction were capitalised. Costs attributable to the acquisition of approximately \$2.6 million were expensed and are reported in "administration expenses" in the consolidated statement of profit or loss account. These expenses were mainly for legal, due diligence and advisory costs.

#### (c) Fair value of net assets acquired

Provisional net asset value and allocation of the purchase price to net acquired assets are as follows:

|                                                                                     | Acquiree's<br>carrying<br>amount <sup>1</sup><br>US\$000 | Fair value<br>Adjustments<br>US\$000 | Fair value<br>recognised on<br>acquisition <sup>2</sup><br>US\$000 |
|-------------------------------------------------------------------------------------|----------------------------------------------------------|--------------------------------------|--------------------------------------------------------------------|
| <b>Identifiable assets</b>                                                          |                                                          |                                      |                                                                    |
| Cash and cash equivalents                                                           | 2,484                                                    | —                                    | 2,484                                                              |
| Trade and other receivables                                                         | 18,693                                                   | —                                    | 18,693                                                             |
| Inventories <sup>3</sup>                                                            | 27,113                                                   | 3,402                                | 30,515                                                             |
| Plant and equipment (Note 11)                                                       | 11,809                                                   | —                                    | 11,809                                                             |
| Right-of-use assets <sup>4</sup> (Note 12)                                          | 22,998                                                   | —                                    | 22,998                                                             |
| Intangible assets (Note 13)                                                         |                                                          |                                      |                                                                    |
| - Computer software                                                                 | 14                                                       | —                                    | 14                                                                 |
| - Brand names                                                                       | —                                                        | 6,136                                | 6,136                                                              |
| - Customer relationships                                                            | —                                                        | 19,409                               | 19,409                                                             |
| Other non-current assets                                                            | 1,281                                                    | —                                    | 1,281                                                              |
| Deferred tax assets (Note 9)                                                        | 8,055                                                    | —                                    | 8,055                                                              |
| <b>Total identifiable assets acquired</b>                                           | <b>92,447</b>                                            | <b>28,947</b>                        | <b>121,394</b>                                                     |
| <b>Identifiable liabilities</b>                                                     |                                                          |                                      |                                                                    |
| Trade and other payables                                                            | 15,353                                                   | —                                    | 15,353                                                             |
| Lease liabilities <sup>4</sup> (Note 15)                                            | 22,998                                                   | —                                    | 22,998                                                             |
| Employee benefits (Note 18)                                                         | 1,861                                                    | —                                    | 1,861                                                              |
| Tax liabilities                                                                     | 370                                                      | —                                    | 370                                                                |
| Deferred tax liabilities                                                            | 9,280                                                    | 8,684                                | 17,964                                                             |
| <b>Total liabilities assumed</b>                                                    | <b>49,862</b>                                            | <b>8,684</b>                         | <b>58,546</b>                                                      |
| <b>Net identifiable assets acquired at fair value</b>                               |                                                          |                                      | <b>62,848</b>                                                      |
| Purchase consideration                                                              |                                                          |                                      | 100,534                                                            |
| <b>Provisional goodwill on acquisition and unidentified other intangible assets</b> |                                                          |                                      | <b>37,686</b>                                                      |

<sup>1</sup> Carrying amount includes the book adjustments made to align with the Group's accounting policies. The adjustments were made for trade receivables, property, plant and equipment, accruals for employee benefits and provision for slow moving and obsolete inventory.

<sup>2</sup> Fair values are provisionally accounted for at 30 June 2024. The initial accounting for business combinations is provisional for intangible assets and closing adjustments as the Group has submitted the draft completion statement to the vendor. The completion statement is under review by the vendor. At the date of authorisation of the consolidated financial statements, these are yet to be finalised and may impact the provisional Goodwill on acquisition.

<sup>3</sup> The entire fair value adjustment on inventories was unwound in the consolidated statement of profit or loss during the reporting period.

<sup>4</sup> The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

### 3. Business combinations (continued)

Goodwill on acquisition is attributable mainly to:

- expected sales growth opportunities from an expanded product portfolio coupled with a much broader retail channel partner distribution footprint in Australia;
- expected cost savings through distribution footprint rationalisation and optimisation; and
- opportunity to substantially increase access to the Australian water-out segment.

Holman contributed operating revenue of \$32.2 million for the period from acquisition to 30 June 2024. The net profit before tax contributed for this period was \$0.84 million. If the Group controlled Holman for the entire period, the estimated consolidated operating revenue would have been \$1,339.2 million. The estimated consolidated profit before tax would have been \$163.3 million.

#### (d) Measurement of fair values

Intangible assets are provisionally valued using the relief from royalty and multi-period excess earnings valuation methods. The relief from royalty method considers the discounted estimated royalty payments that are expected to be avoided as a result of the patents or trademarks owned. The multi-period excess earnings method considers the present value of net cash flows expected to be generated by the customer relationships by excluding any cashflows related to contributory assets.

Inventories are valued using a market comparison technique. The fair value is determined based on the estimated selling price in the ordinary course of business of a market participant less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

#### Critical accounting estimates and assumptions

In accounting for business combinations, judgements and estimates have been made to determine the fair value of intangible assets, leases and inventories acquired. The determination of fair values involved developing estimates and assumptions consistent with how market participants would price the assets.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

## 4. Revenue

### Accounting policy

Revenue is recognised when a customer obtains control of the goods or services. Group revenue is derived from the sale of products. Under the terms of sale, the Group generally transfers control when the goods leave a distribution centre. In some cases, control does not pass until the goods are received by the customer or delivered to the agreed point of delivery.

From time to time the Group may provide rebates to customers in certain geographies, which gives rise to variable consideration. Where rebates are based on the quantity or value of products sold, the Group uses historical data to estimate the rebate accrual, which is classified as “contract liabilities” and presented within trade and other payables. The Group’s contracts with customers do not include a significant financing component.

The principal product categories from which the aforementioned segments derive revenue are:

- **Plumbing solutions** – brass and plastic push-to-connect plumbing fittings, other fittings, pipes, valves and integrated installation solutions;
- **Appliance installations solutions** – Fluid Tech and Appliance Installation and repair; and
- **Other products**

Revenue by product group for the year ended 30 June:

|                                  | 2024<br>US\$000  | 2023<br>US\$000  |
|----------------------------------|------------------|------------------|
| Plumbing solutions               | 937,087          | 951,840          |
| Appliance Installation solutions | 236,293          | 229,491          |
| Other products                   | 72,374           | 62,471           |
|                                  | <b>1,245,754</b> | <b>1,243,802</b> |

The Group distributes products through three primary distribution channels:  
Retail, Wholesale and Original Equipment Manufacturers (OEM)

|           | 2024<br>US\$000  | 2023<br>US\$000  |
|-----------|------------------|------------------|
| Retail    | 508,092          | 464,721          |
| Wholesale | 446,505          | 447,156          |
| OEM       | 171,868          | 187,526          |
| Other     | 119,289          | 144,399          |
|           | <b>1,245,754</b> | <b>1,243,802</b> |

The Group had two significant customers each representing greater than 10% of the Group’s revenue in the 2024 financial year. Both customers are in the Americas segment and contributed a combined \$436.3 million (FY2023: \$431.3 million) of the Group’s revenue in the financial year.

Revenue by geography for the year ended 30 June:

|                          | 2024<br>US\$000  | 2023<br>US\$000  |
|--------------------------|------------------|------------------|
| Australia                | 130,415          | 104,911          |
| United Kingdom           | 163,536          | 172,135          |
| United States of America | 837,216          | 847,178          |
| Other                    | 114,587          | 119,578          |
|                          | <b>1,245,754</b> | <b>1,243,802</b> |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

### 5. Earnings per share

#### Accounting policy

Earnings Per Share (EPS) is the amount of profit/(loss) attributable to each share. Basic EPS is calculated on the Group's profit/(loss) for the reporting period attributable to ordinary shareholders divided by the weighted average number of shares on issue during the year. Diluted EPS reflects any commitments the Group has to issue shares in the future.

#### (a) Basic earnings per share

|                                                               | 2024<br>US\$000                      | 2023<br>US\$000                      |
|---------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Profit attributable to ordinary shareholders                  | 110,145                              | 139,650                              |
| Weighted average number of ordinary shares at 30 June (basic) |                                      |                                      |
|                                                               | <b>Number of<br/>shares<br/>2024</b> | <b>Number of<br/>shares<br/>2023</b> |
| Issued ordinary shares (weighted average)                     | 788,795,897                          | 790,094,765                          |
| Treasury shares (weighted average)                            | (4,175,147)                          | (5,395,418)                          |
|                                                               | <b>784,620,750</b>                   | <b>784,699,347</b>                   |
|                                                               | <b>US Cents</b>                      | <b>US Cents</b>                      |
| <b>Basic earnings per share</b>                               | <b>14.0</b>                          | <b>17.8</b>                          |

#### (b) Diluted earnings per share

|                                                                 | 2024<br>US\$000                      | 2023<br>US\$000                      |
|-----------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Profit attributable to ordinary shareholders                    | 110,145                              | 139,650                              |
| Weighted average number of ordinary shares at 30 June (diluted) |                                      |                                      |
|                                                                 | <b>Number of<br/>shares<br/>2024</b> | <b>Number of<br/>shares<br/>2023</b> |
| Issued ordinary shares (weighted average)                       | 788,795,897                          | 790,094,765                          |
| Effect of share options on issue                                | 4,000,000                            | 4,300,000                            |
| Treasury shares (weighted average)                              | (4,175,147)                          | (5,395,418)                          |
|                                                                 | <b>788,620,750</b>                   | <b>788,999,347</b>                   |
|                                                                 | <b>US Cents</b>                      | <b>US Cents</b>                      |
| <b>Diluted earnings per share</b>                               | <b>14.0</b>                          | <b>17.7</b>                          |

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

## 6. Net finance costs

### Accounting policy

The Group's finance income and finance costs include:

- Interest income
- Interest expense

The Group records interest income and accrues interest expense for amounts receivable and payable at reporting date.

Borrowing expenses consist of the costs that the Group incurs in connection with borrowing of funds and are expensed in the period in which they occur.

Interest income is recognised in the consolidated income statement on an accrual basis, using the effective interest method.

|                                                       | 2024<br>US\$000 | 2023<br>US\$000 |
|-------------------------------------------------------|-----------------|-----------------|
| <b>Interest income from cash and cash equivalents</b> | <b>626</b>      | <b>346</b>      |
| Interest and borrowing expenses                       | (27,532)        | (28,898)        |
| Interest expense on lease liabilities                 | (4,036)         | (3,790)         |
| <b>Total finance costs</b>                            | <b>(31,568)</b> | <b>(32,688)</b> |

## 7. Other income

|                                                          | 2024<br>US\$000 | 2023<br>US\$000 |
|----------------------------------------------------------|-----------------|-----------------|
| Net (loss)/gain on sale of property, plant and equipment | (225)           | 14,998          |
| Other                                                    | 6,266           | 3,993           |
|                                                          | <b>6,041</b>    | <b>18,991</b>   |

In 2023, the Group sold a property in the U.K. for a total consideration of \$25.3 million and recognised a pre-tax gain on sale of \$15.0 million (\$9.7 million post-tax).

## 8. Other expenses

|                     | 2024<br>US\$000 | 2023<br>US\$000 |
|---------------------|-----------------|-----------------|
| Impairment expenses | (16,092)        | (1,259)         |
| Other expenses      | (1,090)         | (2,352)         |
|                     | <b>(17,182)</b> | <b>(3,611)</b>  |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

## 9. Income tax expense

### Accounting policy

Income tax expense comprises current and deferred tax. It is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income except to the extent that it relates to a business combination or items recognised directly in equity.

The Group has determined that the global minimum top-up-tax which is required to be paid under pillar two legislation, is an income tax in the scope of AASB 112. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

#### (i) Current tax

The tax currently payable is based on taxable profit for the reporting period. Taxable profit differs from profit before tax as reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

#### (ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow the manner in which the

Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and tax liabilities on a net basis.

#### (iii) Estimating provision for income tax

The Group is subject to income taxes in Australia and jurisdictions where it has foreign operations. Judgement is required in determining the Group's provision for income taxes and assessing recognition of deferred tax balances in the Consolidated Statement of Financial Position. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded such differences will impact the current and deferred tax provisions in the period in which such determination is made.

#### (iv) Global minimum top-up tax

The Organisation for Economic Co-operation and Development ("OECD") has introduced an international tax framework under Pillar Two which includes a global minimum tax of 15%. This framework has been implemented by several jurisdictions in which we operate, with effect for RWC from 1 July 2024, and many other jurisdictions are in the process of implementing it. The Group is closely monitoring these developments and continues to evaluate the potential impact of the enactment of Pillar Two by such jurisdictions on its consolidated financial statements. Our evaluations to date indicate that there are no profits in the jurisdictions in which we operate that are expected to be subject to Pillar Two income taxes. There is no current tax impact for the year ended 30 June 2024. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of Pillar 2.

#### (v) Australian tax consolidated group

The Company and its Australian incorporated wholly owned subsidiaries formed a tax consolidated group with effect from 3 May 2016 whereby the members of that group are taxed as a single entity. The head entity of the tax consolidated group is Reliance Worldwide Corporation Limited. The head entity and each subsidiary member of the tax consolidated group is party to a Tax Sharing Agreement and a Tax Funding Agreement whereby each member of that group is only liable for its contribution amount calculated in accordance with the Agreement rather than being jointly and severally liable for group tax liabilities. At 30 June 2024, the Australian tax consolidated group has \$4.3 million (2023: \$0.9 million) franking credits available for subsequent reporting periods.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

## 9. Income tax expense (continued)

### (a) Reconciliation of prima facie tax expense to income tax expense recognised in the consolidated income statement

The major components that reconcile the expected income tax expense based on the Australian statutory rate of tax of the Group at 30% to the reported actual income tax expense in the consolidated profit or loss statement are as follows:

|                                                                                                                          | 30 June<br>2024<br>US\$000 | 30 June<br>2023<br>US\$000 |
|--------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------------|
| <b>Profit before income tax</b>                                                                                          | <b>156,533</b>             | <b>191,160</b>             |
| <b>Prima facie income tax expense at 30%</b>                                                                             | <b>(46,959)</b>            | <b>(57,348)</b>            |
| <i>Tax effect of items which (increase) / decrease tax expense:</i>                                                      |                            |                            |
| Effect of tax rates in foreign jurisdictions                                                                             | 9,392                      | 14,239                     |
| Non-deductible expenses                                                                                                  | (3,366)                    | (1,675)                    |
| Net (under) over provision from prior years                                                                              | (3,247)                    | 4,272                      |
| Foreign income subject to US tax                                                                                         | (5,916)                    | (15,109)                   |
| Other                                                                                                                    | 3,708                      | 4,111                      |
| <b>Actual income tax expense reported in the consolidated statement of profit or loss and other comprehensive income</b> | <b>(46,388)</b>            | <b>(51,510)</b>            |

### (b) Components of income tax

|                                                                                           | 2024<br>US\$000 | 2023<br>US\$000 |
|-------------------------------------------------------------------------------------------|-----------------|-----------------|
| Current tax                                                                               | (43,423)        | (41,262)        |
| Deferred Tax                                                                              | (2,965)         | (10,248)        |
| <b>Actual income tax expense reported in the consolidated statement of profit or loss</b> | <b>(46,388)</b> | <b>(51,510)</b> |

### (c) Deferred tax balances

|                                                | Opening<br>Balance | Recognised in<br>Profit or loss | Acquired through<br>Business<br>Combinations | Foreign<br>Exchange | Closing<br>Balance |
|------------------------------------------------|--------------------|---------------------------------|----------------------------------------------|---------------------|--------------------|
| 2024                                           | US\$000            | US\$000                         | US\$000                                      | US\$000             | US\$000            |
| <b>Deferred tax assets</b>                     |                    |                                 |                                              |                     |                    |
| Employee benefits                              | 3,461              | (204)                           | 522                                          | 21                  | 3,800              |
| Other provisions and accruals                  | 6,523              | (170)                           | –                                            | (7)                 | 6,346              |
| Leases <sup>1</sup>                            | 26,352             | 1,636                           | 6,900                                        | 16                  | 34,904             |
| Research & Development                         | 3,479              | 2,824                           | –                                            | –                   | 6,303              |
| US interest limitation                         | 1,855              | 3,606                           | –                                            | –                   | 5,461              |
| Tax losses and credits carried forward         | 1,740              | 1,942                           | 4                                            | (15)                | 3,671              |
| Other items giving rise to deferred tax assets | 12,728             | 3,925                           | 629                                          | (10)                | 17,272             |
| Deferred tax assets before set-off             | 56,138             | 13,559                          | 8,055                                        | 5                   | 77,757             |
| Set-off of tax                                 | (24,443)           |                                 |                                              |                     | (19,942)           |
| <b>Total</b>                                   | <b>31,695</b>      |                                 |                                              |                     | <b>57,815</b>      |

<sup>1</sup> Following the amendment to AASB 12 -Deferred tax related to Assets and Liabilities arising from a Single Transaction effective 1 January 2023, the Group has grossed up the Deferred Tax Assets and Liabilities on Leases for prior year for the APAC region.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

## 9. Income tax expense (continued)

### (c) Deferred tax balances (continued)

|                                                   | Opening<br>balance<br>US\$000 | Recognised in<br>profit or loss<br>US\$000 | Acquired<br>through business<br>combinations<br>US\$000 | Foreign<br>exchange<br>US\$000 | Closing<br>balance<br>US\$000 |
|---------------------------------------------------|-------------------------------|--------------------------------------------|---------------------------------------------------------|--------------------------------|-------------------------------|
| <b>2024</b>                                       |                               |                                            |                                                         |                                |                               |
| <b>Deferred tax liabilities</b>                   |                               |                                            |                                                         |                                |                               |
| Property, plant and equipment                     | (20,242)                      | (3,718)                                    | (2,371)                                                 | 9                              | (26,322)                      |
| Unrealised foreign exchange movements             | (881)                         | 383                                        | –                                                       | (1)                            | (499)                         |
| Leases <sup>1</sup>                               | (25,210)                      | (1,101)                                    | (6,900)                                                 | (15)                           | (33,226)                      |
| Intangible assets                                 | (64,382)                      | (11,491)                                   | (7,664)                                                 | (3)                            | (83,540)                      |
| Other items giving rise to deferred tax liability | (462)                         | (597)                                      | (1,029)                                                 | (30)                           | (2,118)                       |
| Deferred tax liabilities before set-off           | (111,177)                     | (16,524)                                   | (17,964)                                                | (40)                           | (145,705)                     |
| Set-off of tax                                    | 24,443                        |                                            |                                                         |                                | 19,942                        |
| <b>Total</b>                                      | <b>(86,734)</b>               |                                            |                                                         |                                | <b>(125,763)</b>              |

|                                                | Opening<br>balance<br>US\$000 | Recognised in<br>profit or loss<br>US\$000 | Acquired<br>through business<br>combinations<br>US\$000 | Foreign<br>exchange<br>US\$000 | Closing<br>balance<br>US\$000 |
|------------------------------------------------|-------------------------------|--------------------------------------------|---------------------------------------------------------|--------------------------------|-------------------------------|
| <b>2023</b>                                    |                               |                                            |                                                         |                                |                               |
| <b>Deferred tax assets</b>                     |                               |                                            |                                                         |                                |                               |
| Employee benefits                              | 4,244                         | (729)                                      | –                                                       | (54)                           | 3,461                         |
| Other provisions and accruals                  | 5,524                         | 1,034                                      | –                                                       | (35)                           | 6,523                         |
| Leases <sup>1</sup>                            | 29,549                        | (2,888)                                    | –                                                       | (309)                          | 26,352                        |
| Other items giving rise to deferred tax assets | 13,380                        | 6,396                                      | –                                                       | 26                             | 19,802                        |
| Deferred tax assets before set-off             | 52,697                        | 3,813                                      | –                                                       | (372)                          | 56,138                        |
| Set-off of tax                                 | (26,973)                      |                                            |                                                         |                                | (24,443)                      |
| <b>Total</b>                                   | <b>25,723</b>                 |                                            |                                                         |                                | <b>31,695</b>                 |

|                                                   |                 |          |   |      |                 |
|---------------------------------------------------|-----------------|----------|---|------|-----------------|
| <b>Deferred tax liabilities</b>                   |                 |          |   |      |                 |
| Property, plant and equipment                     | (18,378)        | (1,786)  | – | (78) | (20,242)        |
| Unrealised foreign exchange movements             | (691)           | (202)    | – | 12   | (881)           |
| Leases <sup>1</sup>                               | (28,273)        | 2,777    | – | 286  | (25,210)        |
| Intangible assets                                 | (49,898)        | (14,490) | – | 6    | (64,382)        |
| Other items giving rise to deferred tax liability | (129)           | (335)    | – | 2    | (462)           |
| Deferred tax liabilities before set-off           | (97,369)        | (14,036) | – | 228  | (111,177)       |
| Set-off of tax                                    | 26,973          |          |   |      | 24,443          |
| <b>Total</b>                                      | <b>(70,395)</b> |          |   |      | <b>(86,734)</b> |

<sup>1</sup> Following the amendment to AASB 12 – Deferred tax related to Assets and Liabilities arising from a Single Transaction effective 1 January 2023, the Group has grossed up the Deferred Tax Assets and Liabilities on Leases for prior year for the APAC region.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

## 10. Working capital

### (a) Trade and other receivables

#### Accounting policy

Trade and other receivables are initially recognised at fair value and subsequently at cost less any provision for doubtful debts. Trade receivables are generally due for settlement within 30 days, depending on the nature of the transaction and in line with industry practice. Collectability of trade receivables is reviewed on an ongoing basis. The carrying amount of trade receivables is reduced through the use of an allowance account and the amount of the loss is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. The Group has adopted the Expected Credit Loss ('ECL') model under AASB 9 *Financial Instruments* to determine its allowance for doubtful debts calculation. This takes into consideration management's assessment of the likely level of bad debts (based on historical experience and forward-looking information) as well as any known 'at risk' receivables. The recoverability of debtors at 30 June 2024 has been assessed and no material recoverability issues have been identified.

|                                    | 2024<br>US\$000 | 2023<br>US\$000 |
|------------------------------------|-----------------|-----------------|
| Trade debtors                      | 230,164         | 240,017         |
| Less: provision for doubtful debts | (3,918)         | (3,667)         |
|                                    | 226,246         | 236,350         |
| Other debtors                      | 8,095           | 5,609           |
| Tax receivable                     | 4,471           | 4,085           |
|                                    | <b>238,812</b>  | <b>246,044</b>  |

At 30 June, the ageing of trade and other receivables that were not impaired is as follows:

|                               | 2024<br>US\$000 | 2023<br>US\$000 |
|-------------------------------|-----------------|-----------------|
| Neither past due nor impaired | 215,499         | 221,509         |
| Past due 1 to 30 days         | 20,915          | 15,295          |
| Past due 31 to 60 days        | 1,011           | 3,992           |
| Over 60 days                  | 1,387           | 5,248           |
| <b>Total</b>                  | <b>238,812</b>  | <b>246,044</b>  |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

### 10. Working capital (continued)

#### (b) Inventories

##### Accounting policy

Inventories are measured at the lower of cost and net realisable value. Cost includes all expenses directly attributable to the manufacturing process as well as an appropriate portion of related fixed and variable production overheads, based on normal operating capacity. Costs are assigned on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and any applicable selling expenses.

|                                | 2024<br>US\$000 | 2023<br>US\$000 |
|--------------------------------|-----------------|-----------------|
| <i>At cost:</i>                |                 |                 |
| Raw materials and stores       | 38,000          | 95,454          |
| Work in progress               | 68,590          | 26,621          |
| Finished goods                 | 206,627         | 187,842         |
|                                | 313,217         | 309,917         |
| Less: provision for diminution | (20,437)        | (20,518)        |
|                                | <b>292,780</b>  | <b>289,399</b>  |

Inventories of \$757.0 million (2023: \$765.6 million) were expensed during the year in cost of sales.

#### (c) Trade and other payables

##### Accounting policy

Trade and other payables are measured at amortised cost and are not discounted, due to their short-term nature. The amounts are unsecured and usually paid within agreed payment terms.

|                 | 2024<br>US\$000 | 2023<br>US\$000 |
|-----------------|-----------------|-----------------|
| <i>Current:</i> |                 |                 |
| Trade payables  | 84,038          | 69,601          |
| Accruals        | 69,125          | 59,928          |
| Other payables  | 25,936          | 37,012          |
|                 | <b>179,099</b>  | <b>166,541</b>  |

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

## 11. Property, plant and equipment

### Accounting policy

#### Recognition and measurement

Each class of property, plant and equipment is measured at cost less, where applicable, accumulated depreciation and impairment losses. Any gain or loss on disposal of an item of property, plant and equipment is included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

#### Subsequent expenditure

Subsequent expenditure is only capitalised when it is probable that the future economic benefits associated with the expenditure will flow to the Group.

#### Depreciation

Depreciation is recognised so as to write off the cost of property, plant and equipment (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful lives of property, plant and equipment are as follows:

- Buildings 20–40 years
- Leasehold improvements 5–40 years
- Plant and equipment 3–20 years

Property, plant and equipment are assessed for impairment at each reporting date by evaluating whether indicators of impairment exist in relation to the continued use of the asset by the Group. Any impairment losses are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

|                             | 2024<br>US\$000 | 2023<br>US\$000 |
|-----------------------------|-----------------|-----------------|
| <i>Carrying amounts of:</i> |                 |                 |
| Freehold land               | 18,748          | 18,858          |
| Buildings                   | 41,811          | 33,281          |
| Leasehold improvements      | 7,696           | 6,726           |
| Plant and equipment         | 171,865         | 172,273         |
|                             | <b>240,120</b>  | <b>231,138</b>  |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

## 11. Property, plant and equipment (continued)

|                                                 | Freehold land |          | Buildings |          | Leasehold improvements |          | Plant and equipment |           | Total     |           |
|-------------------------------------------------|---------------|----------|-----------|----------|------------------------|----------|---------------------|-----------|-----------|-----------|
|                                                 | 2024          | 2023     | 2024      | 2023     | 2024                   | 2023     | 2024                | 2023      | 2024      | 2023      |
|                                                 | US\$'000      | US\$'000 | US\$'000  | US\$'000 | US\$'000               | US\$'000 | US\$'000            | US\$'000  | US\$'000  | US\$'000  |
| Cost:                                           |               |          |           |          |                        |          |                     |           |           |           |
| Opening balance at 1 July                       | 18,858        | 12,011   | 56,194    | 63,428   | 13,135                 | 13,021   | 431,868             | 401,192   | 520,055   | 489,652   |
| Transfers/reclassification                      | -             | 6,118    | (3,101)   | 3,005    | 71                     | 170      | (4,591)             | 2,631     | (7,621)   | 11,924    |
| Additions                                       | -             | -        | 11,999    | 933      | 1,656                  | 942      | 25,673              | 33,777    | 39,328    | 35,652    |
| Acquired through business combinations (Note 3) | -             | -        | -         | -        | 988                    | -        | 10,821              | -         | 11,809    | -         |
| Disposals                                       | -             | -        | (1,117)   | (12,838) | (589)                  | (1,166)  | (177,344)           | (8,956)   | (19,440)  | (22,960)  |
| Net effect of change in exchange rates          | (110)         | 729      | (227)     | 1,666    | (4)                    | 168      | (707)               | 3,224     | (1,048)   | 5,787     |
| Closing balance at 30 June                      | 18,748        | 18,858   | 63,748    | 56,194   | 15,257                 | 13,135   | 445,330             | 431,868   | 543,083   | 520,055   |
| Accumulated depreciation and impairment:        |               |          |           |          |                        |          |                     |           |           |           |
| Opening balance at 1 July                       | -             | -        | (22,913)  | (18,766) | (6,409)                | (6,041)  | (259,595)           | (239,858) | (288,917) | (264,665) |
| Depreciation                                    | -             | -        | (2,133)   | (1,789)  | (1,061)                | (853)    | (29,444)            | (26,408)  | (32,638)  | (29,050)  |
| Transfers/reclassification                      | -             | -        | 4,211     | 631      | (554)                  | (401)    | 3,103               | (973)     | 6,760     | (743)     |
| Disposals                                       | -             | -        | 144       | (2,359)  | 422                    | 1,003    | 16,647              | 13,522    | 17,213    | 12,166    |
| Impairment                                      | -             | -        | (1,100)   | -        | -                      | -        | (5,026)             | (2,122)   | (6,126)   | (2,122)   |
| Net effect of change in exchange rates          | -             | -        | (146)     | (630)    | 40                     | (117)    | 851                 | (3,756)   | 745       | (4,503)   |
| Closing balance at 30 June                      | -             | -        | (21,937)  | (22,913) | (7,562)                | (6,409)  | (273,464)           | (259,595) | (302,963) | (288,917) |
| Net carrying value at 30 June                   | 18,748        | 18,858   | 41,811    | 33,281   | 7,695                  | 6,726    | 171,866             | 172,273   | 240,120   | 231,138   |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

## 12. Leases

The Group leases various properties, equipment and vehicles. Property leases typically are for a period of 5 to 15 years and often have extension options. Equipment and vehicle leases are typically for a period of 3 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of financial performance over the lease period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured at present value. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Group's incremental borrowing rate. The Group has elected not to recognise right of use assets or lease liabilities for payments associated with short-term leases (with a term of 12 months or less) and leases of low-value assets. Payments relating to these items are recognised on a straight-line basis as an expense in the statement of financial performance.

### Critical accounting estimates and assumptions

Extension options are included in most property leases across the Group. These options are included to maximise operational flexibility in terms of managing lease contracts. Extension options are only included in the assessed lease term if the lease is reasonably certain to be extended. The assessment is reviewed if a significant event or change in circumstance occurs which affects this assessment and that is within the control of the lessee.

### Right-of-use assets

|                                                | Properties<br>US\$000 | Equipment<br>US\$000 | Vehicles<br>US\$000 | Total<br>US\$000 |
|------------------------------------------------|-----------------------|----------------------|---------------------|------------------|
| <b>Opening balance at 1 July 2023</b>          | <b>91,102</b>         | <b>1,545</b>         | <b>2,914</b>        | <b>95,561</b>    |
| Depreciation charge for the year               | (13,647)              | (656)                | (1,146)             | (15,449)         |
| Additions                                      | 4,944                 | 1,393                | 1,094               | 7,431            |
| Acquired through business combination (Note 3) | 22,998                | –                    | –                   | 22,998           |
| Impairment expense                             | (588)                 | –                    | –                   | (588)            |
| Modifications and terminations                 | 314                   | 448                  | 149                 | 911              |
| Foreign exchange impact                        | 71                    | (864)                | (183)               | (976)            |
| <b>Closing balance at 30 June 2024</b>         | <b>105,194</b>        | <b>1,866</b>         | <b>2,828</b>        | <b>109,888</b>   |
| <b>Opening balance at 1 July 2022</b>          | <b>105,678</b>        | <b>1,834</b>         | <b>1,309</b>        | <b>108,821</b>   |
| Depreciation charge for the year               | (10,904)              | (571)                | (949)               | (12,424)         |
| Additions                                      | 3,600                 | 517                  | 2,716               | 6,833            |
| Impairment expense                             | 863                   | –                    | –                   | 863              |
| Modifications and terminations                 | (7,696)               | (235)                | (225)               | (8,156)          |
| Foreign exchange impact                        | (439)                 | –                    | 63                  | (376)            |
| <b>Closing balance at 30 June 2023</b>         | <b>91,102</b>         | <b>1,545</b>         | <b>2,914</b>        | <b>95,561</b>    |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

## 12. Leases (continued)

Amounts recognised in the consolidated statement of profit or loss and other comprehensive income

|                                                          | 2024<br>US\$000 | 2023<br>US\$000 |
|----------------------------------------------------------|-----------------|-----------------|
| <i>Depreciation charge for right-of-use assets:</i>      |                 |                 |
| Properties                                               | 13,647          | 10,904          |
| Equipment                                                | 656             | 571             |
| Vehicles                                                 | 1,146           | 949             |
| <b>Total depreciation charge for right-of-use assets</b> | <b>15,449</b>   | <b>12,424</b>   |
| Expense relating to short-term and low-value leases      | 2,793           | 2,869           |
| Interest expense on lease liabilities                    | 4,036           | 3,790           |
| Finance income on a property sub-lease                   | (131)           | (100)           |

The Statement of Cash Flows includes cash outflows for lease payments of \$17.2 million (30 June 2023 – \$15.1 million) within Cash flows from financing activities.

Some property leases contain extension options exercisable by the Group up to the end of the non-cancellable contract period. The Group has estimated that the potential future lease payments, should it exercise all available extension options, would result in an increased lease liability of \$61.7 million (30 June 2023 – \$30.7 million)

## 13. Goodwill and other intangible assets

### (a) Goodwill

#### Accounting policy

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired entity at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is not amortised. Instead, it is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses.

For the purpose of undertaking impairment testing, the Group has identified its cash generating units (CGUs). These are the smallest groups of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. This assessment has been determined by considering operating segments and areas of operation.

The total carrying value of goodwill at balance sheet date was \$818.8 million (30 June 2023 – \$780.7 million). This was allocated to the Asia Pacific, Americas and EMEA operating segments based on which CGUs were expected to benefit from the relevant business combinations at the time of acquisition. The total carrying value of indefinite life intangible assets at balance sheet date was \$233.4 million (30 June 2023 – \$227.9 million).

|                                           | Asia Pacific    |                 | Americas        |                 | EMEA            |                 | Total           |                 |
|-------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                                           | 2024<br>US\$000 | 2023<br>US\$000 | 2024<br>US\$000 | 2023<br>US\$000 | 2024<br>US\$000 | 2023<br>US\$000 | 2024<br>US\$000 | 2023<br>US\$000 |
| <b>Goodwill</b>                           |                 |                 |                 |                 |                 |                 |                 |                 |
| Opening balance at 1 July                 | 68,738          | 68,965          | 284,319         | 279,611         | 427,654         | 409,998         | 780,711         | 758,574         |
| Business acquisitions (note 3)            | 37,686          | –               | –               | –               | –               | –               | 37,686          | –               |
| Foreign currency exchange differences     | 2,895           | (227)           | (519)           | 4,708           | (1,947)         | 17,656          | 429             | 22,138          |
| <b>Closing balance at 30 June</b>         | <b>109,319</b>  | <b>68,738</b>   | <b>283,800</b>  | <b>284,319</b>  | <b>425,707</b>  | <b>427,654</b>  | <b>818,826</b>  | <b>780,711</b>  |
| <b>Indefinite lived intangible assets</b> |                 |                 |                 |                 |                 |                 |                 |                 |
| <b>Closing balance at 30 June</b>         | <b>6,136</b>    | <b>–</b>        | <b>72,700</b>   | <b>72,700</b>   | <b>154,527</b>  | <b>155,234</b>  | <b>233,363</b>  | <b>227,934</b>  |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

## 13. Goodwill and other intangible assets (continued)

Goodwill and other intangible assets in respect of the Asia Pacific, Americas and EMEA CGUs have been tested for impairment at period end. The recoverable amount of the Group's CGUs has been assessed utilising value in use methodologies, which is determined by discounting the future cash flows expected to be generated from the continuing use of the CGUs.

Future cash flows projections are based on approved budget submissions that reflect management's best estimate of revenue, costs, capital expenditure and cash flows for each CGU. Internal forecasts have been prepared in the context of the current global economic environment and its impact on repair & remodel and new construction markets.

The value in use assessment at 30 June 2024 was established using a discounted cash flow model which included the following key assumptions:

- a 5-year forecast period with cash flow projections based on approved FY2025 budget submissions from each region for financial years 2025, 2026 and 2027, and cash flows beyond the three-year period extrapolated using estimated long-term growth rates;
- FY2025-FY2027 average annual revenue growth rate of 5.8% in Americas, 3.2% for EMEA and 5.9% in Asia Pacific, based on business assessments; and

The following nominal discount rates have been used in discounting the projected cash flows:

|              | Pre-tax discount rates  | Post-tax discount rates |
|--------------|-------------------------|-------------------------|
| Americas     | 11.20% (FY2023: 11.20%) | 8.75% (FY2023: 8.75%)   |
| Asia Pacific | 12.50% (FY2023: 12.50%) | 9.50% (FY2023: 9.50%)   |
| EMEA         | 11.10% (FY2023: 11.10%) | 8.75% (FY2023: 8.75%)   |

The discount rates represent the current market assessment of the risks specific to each CGU and are derived from its weighted average cost of capital (WACC).

The terminal value of the CGUs has been forecast using the following nominal long term growth rates

- Americas: 2.0%
- Asia Pacific: 2.5%
- EMEA: 2.0%

Terminal growth rates are considered by management to be an appropriate estimate of the long-term average growth rates achievable in the industries and geographies in which the Group participates. Terminal growth rates are consistent with the prior year.

With RWC's goal of achieving a minimum 42% reduction in Scope 1 and Scope 2 emissions by 2030, management has included the costs associated with this program in the yearly cashflow projections used to determine the recoverable amounts of each CGU. The primary reduction driver on RWC's path to 2030 will come from participation in renewables certificates as part of energy purchases.

## (b) Other intangible assets

### Critical accounting estimates and assumptions

At time of acquisitions, management determined that some of the intangible assets (brand names, trade names and trademarks) recognised as part of business combinations had indefinite useful lives. This means that the value of these assets does not reduce over time and therefore they are not amortised. These assets have no legal or contractual expiry date and are integral to future revenue generation. Management intends to continue to promote, maintain and defend the brand names, trade names and trademarks to the extent necessary to maintain their values for the foreseeable future. Management assesses the useful lives of the Group's intangible assets at the end of each reporting period. If an intangible asset is no longer considered to have an indefinite useful life, this change is accounted for prospectively.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

### 13. Goodwill and other intangible assets (continued)

#### Accounting policy

Other intangible assets are non-physical assets held by the Group in order to generate revenue and profit. These assets include brand names, trade names, trademarks, intellectual property, licences, software and website development. They are recognised either at the cost the Group has paid for them or at their fair value if they are acquired as part of a business combination. They are amortised over their expected useful life unless they are considered to have an indefinite useful life.

| Type of intangible asset                          | Valuation method                                                               | Amortisation method                                                             | Estimated useful life |
|---------------------------------------------------|--------------------------------------------------------------------------------|---------------------------------------------------------------------------------|-----------------------|
| Brand names, trade names and trademarks           | Initially at cost, or fair value if acquired as part of a business combination | Indefinite life brands not amortised, reviewed for impairment at least annually | n/a                   |
| Intellectual property, software and licence fees  | Initially at cost and subsequently at cost less accumulated amortisation       | Straight-line                                                                   | Up to 10 years        |
| Product technology                                | Initially at cost and subsequently at cost less accumulated amortisation       | Straight-line                                                                   | Up to 20 years        |
| Customer relationship and distribution agreements | Initially at fair value at date of business combination                        | Straight-line                                                                   | Up to 20 years        |

#### (i) Brand names, trade names and trademarks

Brand names, trade names and trademarks are registered names, symbols, words or other devices used in trade to indicate the source of a product and distinguish it from other products.

#### (ii) Intellectual property, software and licence fees

Intellectual property consists of technical drawings and certifications. Software and licence fees mainly relate to the accounting and reporting platform being implemented throughout the Group.

#### (iii) Product technology

Technology based intangible assets relate to innovations or technological advances, such as patented technology.

#### (iv) Customer relationships and distribution agreements

Customer relationship-based intangibles assets relate to established customer relationships and distribution agreements for the supply of product.

#### (v) Research and development

Research costs are charged to the profit or loss account as incurred. Development expenditure is only capitalised if it can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in the profit and loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses. The amortisation of development expenditure is allocated to other expenses as inventory is sold.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

## 13. Goodwill and other intangible assets (continued)

|                                                 | Intellectual property, brand names and trademarks |                | Product technology |                | Customer relationships |                 | Licence fees, software and other |                 | Total           |                 |
|-------------------------------------------------|---------------------------------------------------|----------------|--------------------|----------------|------------------------|-----------------|----------------------------------|-----------------|-----------------|-----------------|
|                                                 | 2024                                              | 2023           | 2024               | 2023           | 2024                   | 2023            | 2024                             | 2023            | 2024            | 2023            |
|                                                 | US\$000                                           | US\$000        | US\$000            | US\$000        | US\$000                | US\$000         | US\$000                          | US\$000         | US\$000         | US\$000         |
| <b>Cost:</b>                                    |                                                   |                |                    |                |                        |                 |                                  |                 |                 |                 |
| <b>Opening balance at 1 July</b>                | 233,125                                           | 226,661        | 21,100             | 21,100         | 77,776                 | 77,257          | 37,601                           | 29,987          | 369,602         | 355,005         |
| Additions                                       | –                                                 | 52             | –                  | –              | –                      | –               | 1,985                            | 6,804           | 1,985           | 6,856           |
| Acquired through business combinations (Note 3) | 6,136                                             | –              | –                  | –              | 19,409                 | –               | 14                               | –               | 25,559          | –               |
| Disposals                                       | (5,074)                                           | –              | –                  | –              | –                      | –               | (2,890)                          | (1,423)         | (7,964)         | (1,423)         |
| Transfers from PP&E/reclassification            | –                                                 | –              | –                  | –              | 26                     | –               | 943                              | 1,993           | 969             | 1,993           |
| Net effect of change in exchange rates          | (708)                                             | 6,412          | –                  | –              | (57)                   | 519             | (79)                             | 240             | (844)           | 7,171           |
| <b>Closing balance at 30 June</b>               | <b>233,479</b>                                    | <b>233,125</b> | <b>21,100</b>      | <b>21,100</b>  | <b>97,154</b>          | <b>77,776</b>   | <b>37,574</b>                    | <b>37,601</b>   | <b>389,307</b>  | <b>369,602</b>  |
| <b>Accumulated depreciation and impairment:</b> |                                                   |                |                    |                |                        |                 |                                  |                 |                 |                 |
| <b>Opening balance at 1 July</b>                | (4,591)                                           | (4,539)        | (7,091)            | (5,919)        | (11,971)               | (6,093)         | (18,981)                         | (16,029)        | (42,634)        | (32,580)        |
| Amortisation                                    | (50)                                              | (49)           | (1,172)            | (1,172)        | (5,547)                | (5,649)         | (5,193)                          | (4,297)         | (11,962)        | (11,167)        |
| Disposals                                       | 4,543                                             | –              | –                  | –              | –                      | –               | 2,027                            | 1,409           | 6,570           | 1,409           |
| Impairment                                      | –                                                 | –              | –                  | –              | (9,378)                | –               | –                                | –               | (9,378)         | –               |
| Net effect of change in exchange rates          | 2                                                 | (3)            | –                  | –              | (57)                   | (229)           | 11                               | (64)            | (44)            | (296)           |
| <b>Closing balance at 30 June</b>               | <b>(96)</b>                                       | <b>(4,591)</b> | <b>(8,263)</b>     | <b>(7,091)</b> | <b>(26,953)</b>        | <b>(11,971)</b> | <b>(22,136)</b>                  | <b>(18,981)</b> | <b>(57,448)</b> | <b>(42,634)</b> |
| <b>Net carrying value at 30 June</b>            | <b>233,383</b>                                    | <b>228,534</b> | <b>12,837</b>      | <b>14,009</b>  | <b>70,201</b>          | <b>65,805</b>   | <b>15,438</b>                    | <b>18,620</b>   | <b>331,859</b>  | <b>326,968</b>  |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

## 14. Net debt

### Accounting policy

Borrowings are initially recognised net of transaction costs incurred. Fees paid on the establishment of loan facilities are recognised as transaction costs where it is probable that some or all of the facility will be drawn down. The fee is deferred until the drawdown occurs and is amortised on a straight-line basis over the entire life of the facility. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### (a) Borrowings

|                                                                 | Current         |                 | Non-current     |                  | Total           |                 |
|-----------------------------------------------------------------|-----------------|-----------------|-----------------|------------------|-----------------|-----------------|
|                                                                 | 2024<br>US\$000 | 2023<br>US\$000 | 2024<br>US\$000 | 2023<br>US \$000 | 2024<br>US\$000 | 2023<br>US\$000 |
| Bank borrowings - Unsecured                                     | –               | –               | 191,047         | 201,665          | 191,047         | 201,665         |
| Guaranteed Senior Notes/US Private Placement (USPP) - Unsecured | –               | –               | 250,000         | 250,000          | 250,000         | 250,000         |
|                                                                 |                 |                 | <b>441,047</b>  | <b>451,665</b>   | <b>441,047</b>  | <b>451,665</b>  |
| Less: Transaction costs capitalised                             | –               | –               | (2,720)         | (1,500)          | (2,720)         | (1,500)         |
| <b>Total borrowings</b>                                         | <b>–</b>        | <b>–</b>        | <b>438,327</b>  | <b>450,165</b>   | <b>438,327</b>  | <b>450,165</b>  |

### (b) Net debt

|                                                     | Facility Limit<br>US\$000 | Borrowings<br>US\$000 | Cash<br>US\$000 | Net cash<br>/(debt)<br>Balance<br>US\$000 |
|-----------------------------------------------------|---------------------------|-----------------------|-----------------|-------------------------------------------|
| <b>At 30 June 2024</b>                              |                           |                       |                 |                                           |
| Syndicated Loan Facility (Tranche A1)               | (217,500)                 | (100,047)             | –               | (100,047)                                 |
| Syndicated Loan Facility (Tranche A2)               | (217,500)                 | –                     | –               | –                                         |
| Syndicated Loan Facility (Tranche B)                | (290,000)                 | (86,000)              | –               | (86,000)                                  |
| Bilateral US Dollar Facility (Tranche A)            | (45,000)                  | –                     | –               | –                                         |
| Bilateral US Dollar Facility (Tranche B)            | (30,000)                  | (5,000)               | –               | (5,000)                                   |
| Guaranteed Senior Notes/US Private Placement (USPP) | (250,000)                 | (250,000)             | –               | (250,000)                                 |
| Cash and cash equivalents                           | –                         | –                     | 19,915          | 19,915                                    |
| <b>Total RWC Group</b>                              | <b>(1,050,000)</b>        | <b>(441,047)</b>      | <b>19,915</b>   | <b>(421,132)</b>                          |

|                                                     | Facility Limit<br>US\$000 | Borrowings<br>US\$000 | Cash<br>US\$000 | Net cash<br>/(debt)<br>Balance<br>US\$000 |
|-----------------------------------------------------|---------------------------|-----------------------|-----------------|-------------------------------------------|
| <b>At 30 June 2023</b>                              |                           |                       |                 |                                           |
| Syndicated Loan Facility (Tranche A)                | (435,000)                 | (176,665)             | –               | (176,665)                                 |
| Syndicated Loan Facility (Tranche B)                | (290,000)                 | –                     | –               | –                                         |
| Bilateral US Dollar Facility (Tranche A)            | (45,000)                  | (25,000)              | –               | (25,000)                                  |
| Bilateral US Dollar Facility (Tranche B)            | (30,000)                  | –                     | –               | –                                         |
| Guaranteed Senior Notes/US Private Placement (USPP) | (250,000)                 | (250,000)             | –               | (250,000)                                 |
| Cash and cash equivalents                           | –                         | –                     | 16,617          | 16,617                                    |
| <b>Total RWC Group</b>                              | <b>(1,050,000)</b>        | <b>(451,665)</b>      | <b>16,617</b>   | <b>(435,048)</b>                          |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

## 14. Net debt (continued)

In November 2021, the Company established committed borrowing facilities with a group of lenders totalling \$800 million which comprise:

- a \$725 million syndicated multi-currency facility; and
- a \$75 million bilateral US dollar facility.

The facilities are governed by a Common Terms Deed and are unsecured. During the year, the Group has extended the maturity of the Syndicated loan facility (initially maturing in November 2024) across two equal tranches. The facilities have maturity dates apportioned between 2 to 4 years, with:

- \$217.5 million to mature on 30 November 2027 (Tranche A1);
- \$217.5 million to mature on 30 November 2028 (Tranche A2) and
- \$290.0 million to mature on 30 November 2026 (Tranche B).

Similarly, the maturity of Tranche A of the existing bilateral US dollar facility – \$45 million has been extended by three years to November 2027. Forms and terms of the facilities' documents are substantially unchanged.

The facilities have a variable interest rate based on a variable base rate plus a margin. The facilities contain financial covenants which the Company is in compliance with as at 30 June 2024.

In April 2022, the Group completed a \$250 million unsecured note issuance in the US Private Placement (USPP) market. The notes have a fixed coupon rates and maturities from date of inception between 7 to 15 years.

RWC's weighted average debt maturity was 6.3 years at 30 June 2024 on drawn debt including USPP.

### (c) Changes in liabilities arising from financing activities

The table below shows cash and non-cash changes in borrowings for which cash flows were, or will be, classified as financing activities in the Consolidated Statement of Cash Flows.

|                                                 | Borrowings      |                 | Lease liabilities |                 |
|-------------------------------------------------|-----------------|-----------------|-------------------|-----------------|
|                                                 | 2024<br>US\$000 | 2023<br>US\$000 | 2024<br>US\$000   | 2023<br>US\$000 |
| <b>Opening balance at 1 July</b>                | 450,165         | 576,594         | 106,855           | 116,714         |
| <i>Changes from financing cash flows:</i>       |                 |                 |                   |                 |
| Proceeds from drawdowns on facilities           | 169,973         | 75,092          | –                 | –               |
| Repayments of facilities                        | (183,608)       | (202,680)       | –                 | –               |
| Principal portion of lease payments             | –               | –               | (13,135)          | (11,349)        |
| Interest paid                                   | (26,555)        | (28,303)        | (4,036)           | (3,790)         |
| <b>Total changes from financing cash flows</b>  | <b>409,975</b>  | <b>420,703</b>  | <b>89,684</b>     | <b>101,575</b>  |
| <i>Other changes:</i>                           |                 |                 |                   |                 |
| New leases, leases modifications and impairment | –               | –               | 7,754             | –               |
| Acquired through business combinations (Note 3) | –               | –               | 22,998            | –               |
| Interest expense                                | 27,532          | 28,898          | 4,036             | 3,790           |
| Amortisation of prepaid line fees               | (968)           | (706)           | –                 | –               |
| Other including foreign exchange movement       | 1,788           | 1,270           | (1,993)           | 1,490           |
| <b>Closing balance at 30 June</b>               | <b>438,327</b>  | <b>450,165</b>  | <b>122,479</b>    | <b>106,855</b>  |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

### 14. Net debt (continued)

#### (d) Cash and cash equivalents

For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the Consolidated Statement of Cash Flows can be reconciled to the related items in the Consolidated Statement of Financial Position as follows:

|                                                                              |                      | 2024<br>US\$000 | 2023<br>US\$000 |
|------------------------------------------------------------------------------|----------------------|-----------------|-----------------|
| <b>Cash on hand and at bank comprises:</b>                                   |                      |                 |                 |
| AUD                                                                          | Australian dollar    | 6,976           | 1,924           |
| USD                                                                          | United States dollar | 5,646           | 5,997           |
| GBP                                                                          | Pound sterling       | 140             | 112             |
| EUR                                                                          | Euro                 | 1,532           | 3,659           |
| CAD                                                                          | Canadian dollar      | 632             | 769             |
| NZD                                                                          | New Zealand dollar   | 1,157           | 1,403           |
| CNY                                                                          | Chinese Yuan         | 2,590           | 1,344           |
|                                                                              | Other                | 1,242           | 1,409           |
| <b>Cash and cash equivalents in the Consolidated Statement of Cash Flows</b> |                      | <b>19,915</b>   | <b>16,617</b>   |

#### (e) Reconciliation of cash flow from operations with profit from operations after income tax

|                                                            | 2024<br>US\$000 | 2023<br>US\$000 |
|------------------------------------------------------------|-----------------|-----------------|
| <b>Profit/(loss) from operations after income tax</b>      | <b>110,145</b>  | <b>139,650</b>  |
| Depreciation expense                                       | 48,087          | 41,474          |
| Amortisation expense                                       | 11,962          | 11,167          |
| (Profit)/loss on disposal of non-current assets            | 178             | (14,337)        |
| (Gain)/ loss on lease modification                         | 46              | –               |
| Impairment expense/(reversal)                              | 16,092          | 1,259           |
| Share-based payments                                       | 4,899           | 5,815           |
| Net interest expense accounted for as financing cash flows | 26,444          | 28,614          |
| Other finance costs                                        | 4,498           | 3,728           |
| <b>Changes in operating assets and liabilities</b>         |                 |                 |
| Trade and other receivables                                | 28,646          | 2,261           |
| Inventories                                                | 22,773          | 32,344          |
| Prepayments                                                | (2,309)         | 2,838           |
| Trade and other payables                                   | (1,363)         | (10,202)        |
| Tax balances                                               | 6,586           | 9,110           |
| Employee entitlements                                      | (3,647)         | 1,675           |
| Other assets and liabilities                               | 1,370           | (5,136)         |
| <b>Net cash from operating activities</b>                  | <b>274,407</b>  | <b>250,260</b>  |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

## 15. Financial risk management

The Group maintains a capital structure for the business to ensure sufficient liquidity and support to fund business operations, position the business for future growth and provide adequate funding for the Group's potential acquisition and investment strategies. The Group's capital structure, global operations and the nature of business activities result in exposure to operational risks and a range of financial risks, including market risk (which includes foreign currency risk, interest rate risk and commodity price risk), liquidity risk and credit risk arising from its operating activities. The carrying amounts and estimated fair values of the Group's financial instruments recognised in the financial statements are materially the same.

The Group's financial risk management is carried out by a central treasury department (Group Treasury) under policies approved by the Board of Directors. The Audit and Risk Committee has the primary responsibility of overseeing and reporting to the Board on the Group's risk management systems and strategies. Various strategies and methods are used to manage different types of risks that the Group is exposed to, including:

### Market risk

Group financial performance is largely dependent on activity in the residential and commercial repair and renovation and new construction end-markets. Activities in these end-markets are impacted by changes in general economic conditions such as movements in inflation and interest rates, the level of business spending and consumer confidence and changes to fiscal or monetary policies, legislation and regulation (including plumbing codes, tariff rates and import duties). Activities in the repair end-market are also impacted by extreme weather events.

The Group operates in different global regions which diversifies these risks.

### Foreign exchange risk

Foreign exchange risk relates to the risk that the fair value of future cash flows of a financial instrument or a highly probable transaction will fluctuate because of changes in foreign exchange rates. The Group is exposed to foreign exchange risk through operating activities (sales and purchases made or derived in currencies other than the functional currency), intercompany financing activities and investment in foreign subsidiaries (which transact in the local currency). The Group does not typically hedge its foreign exchange exposures but may selectively utilise foreign exchange forward contracts to mitigate fluctuations in foreign exchange rates.

The Group's balance sheet exposures of cash, external receivables and payables balances for the major currency exposures at 30 June 2024 are set out below in US dollar equivalents.

|                              | USD             |                 | GBP             |                 | EUR             |                 | Other           |                 |
|------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                              | 2024<br>US\$000 | 2023<br>US\$000 | 2024<br>US\$000 | 2023<br>US\$000 | 2024<br>US\$000 | 2023<br>US\$000 | 2024<br>US\$000 | 2023<br>US\$000 |
| Cash                         | 3,283           | 876             | 9               | 1               | 95              | 127             | 620             | 14              |
| Trade and other receivables  | 2,059           | 1,856           | –               | –               | 127             | 264             | 664             | 117             |
| Trade and other payables     | (9,852)         | (1,861)         | (47)            | (30)            | (4,244)         | (3,089)         | (129)           | –               |
| <b>Net external exposure</b> | <b>(4,510)</b>  | <b>870</b>      | <b>(38)</b>     | <b>(29)</b>     | <b>(4,022)</b>  | <b>(2,698)</b>  | <b>1,155</b>    | <b>131</b>      |

The table below shows the effect on profit after income tax expense and total equity from major currency exposures, had the exchange rates been 5% higher or lower than the year end rate.

|                               | Increase/(decrease)<br>in profit after income tax<br>US\$000 |      | Increase/(decrease)<br>in equity<br>US\$000 |      |
|-------------------------------|--------------------------------------------------------------|------|---------------------------------------------|------|
|                               | 2024                                                         | 2023 | 2024                                        | 2023 |
| At relevant 30 June rates     |                                                              |      |                                             |      |
| If foreign exchange rate +5%  | 353                                                          | 82   | –                                           | –    |
| If foreign exchange rate - 5% | (371)                                                        | (86) | –                                           | –    |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

## 15. Financial risk management (continued)

### Interest rate risk

Interest rate risk is the risk that the Group will be adversely affected by movements in floating interest rates that will increase the cost of floating rate debt. The Group is exposed to cash flow interest rate risk as it borrows funds at floating rates and interest is received on cash deposits at floating rates. The Group's borrowings issued at fixed rates expose the Group to fair value interest rate risk.

At reporting date, the interest rate profile of the Group's interest-bearing debt was:

|                                                | 2024<br>Carrying<br>amount<br>US\$000 | 2023<br>Carrying<br>amount<br>US\$000 |
|------------------------------------------------|---------------------------------------|---------------------------------------|
| <b>Fixed rate debt instruments</b>             |                                       |                                       |
| Guaranteed Senior Notes – US Private Placement | 250,000                               | 250,000                               |
| Lease liabilities                              | 122,479                               | 106,855                               |
| <b>Variable rate debt instruments</b>          |                                       |                                       |
| Bank loan facilities – USD                     | 91,000                                | 197,000                               |
| Bank loan facilities – AUD                     | 100,047                               | 4,665                                 |

If the current interest rate was 100 basis points higher the interest expense for the year would have increased by \$2.0 million (FY2023: \$2.0 million).

The Group's exposure to interest rate risk on the cash and cash equivalents listed in the Consolidated Statement of Financial Position and the interest-bearing borrowings is disclosed in Note 14.

The Group has determined that if interest rates were to increase or decrease by 100 basis points it would have an immaterial impact on the Group's interest income on cash deposits.

### Commodity price risk

Commodity price risk is the risk the cost of some key raw material inputs required for the Group's products are correlated with the underlying commodity price and, as such, fluctuates over time. The most material exposures for the Group are to the market price of copper, which is used in the production of brass and to the cost of resins used in the production of plastics. The Group does not typically hedge its commodity price risk exposures but seeks to manage changing input prices through price negotiations with customers following changes in the underlying commodity prices, working with suppliers to achieve the maximum level of stability in their costs and related pricing and seeking alternative supply sources when necessary.

### Liquidity risk

Liquidity risk arises from the ability of the Group to meet its financial liabilities and obligations as and when they fall due.

The Group monitors future financial commitments and intends to maintain sufficient cash reserves and headroom in its banking facilities to meet these objectives on an on-going basis.

The Group prepares regular cash flow forecasts and monitors its liquidity to ensure it will always have sufficient cash to allow it to meet liabilities as they fall due.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

### 15. Financial risk management (continued)

The Group had cash and cash equivalents of \$19.9 million at 30 June 2024 (30 June 2023 - \$16.6 million). In addition to its operating cash at bank the Group has undrawn borrowing facilities available. Details of the borrowing facilities in place and their terms are disclosed at Note 14.

|                             | 2024<br>US\$000 | 2023<br>US\$000 |
|-----------------------------|-----------------|-----------------|
| Total facilities available  | 1,050,000       | 1,050,000       |
| Amount drawn at 30 June     | 441,047         | 451,665         |
| <b>Available at 30 June</b> | <b>608,953</b>  | <b>598,335</b>  |

The contractual cashflows (including interest payments) of the Group's financial liabilities based on the financing arrangements in place at period end date are shown in the table below:

| 2024<br>Financial liabilities                                | Carrying<br>amount<br>US\$000 | Less than<br>1 year<br>US\$000 | 1 to 2<br>years<br>US\$000 | 2 to 5<br>years<br>US\$000 | More than<br>5 years<br>US\$000 | Total<br>US\$000 |
|--------------------------------------------------------------|-------------------------------|--------------------------------|----------------------------|----------------------------|---------------------------------|------------------|
| Trade and other payables                                     | 179,099                       | 179,099                        | –                          | –                          | –                               | 179,099          |
| Lease liabilities                                            | 122,479                       | 20,565                         | 19,050                     | 49,591                     | 49,234                          | 138,440          |
| Bank borrowings                                              | 188,327                       | 16,602                         | 12,299                     | 193,483                    | –                               | 222,384          |
| Guaranteed Senior Notes/US<br>Private Placement Notes (USPP) | 250,000                       | 9,770                          | 9,770                      | 84,338                     | 237,141                         | 341,019          |
| <b>Total</b>                                                 | <b>739,905</b>                | <b>226,036</b>                 | <b>41,119</b>              | <b>327,412</b>             | <b>286,375</b>                  | <b>880,942</b>   |

| 2023<br>Financial liabilities                                | Carrying<br>amount<br>US\$000 | Less than<br>1 year<br>US\$000 | 1 to 2<br>years<br>US\$000 | 2 to 5<br>years<br>US\$000 | More than<br>5 years<br>US\$000 | Total<br>US\$000 |
|--------------------------------------------------------------|-------------------------------|--------------------------------|----------------------------|----------------------------|---------------------------------|------------------|
| Trade and other payables                                     | 166,451                       | 166,451                        | –                          | –                          | –                               | 166,451          |
| Lease liabilities                                            | 106,855                       | 15,458                         | 15,082                     | 39,498                     | 52,548                          | 122,586          |
| Bank borrowings                                              | 200,165                       | 13,384                         | 206,163                    | –                          | –                               | 219,547          |
| Guaranteed Senior Notes/US<br>Private Placement Notes (USPP) | 250,000                       | 9,797                          | 9,770                      | 29,338                     | 301,911                         | 350,816          |
| <b>Total</b>                                                 | <b>723,471</b>                | <b>205,090</b>                 | <b>231,015</b>             | <b>68,836</b>              | <b>354,459</b>                  | <b>859,401</b>   |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

## 15. Financial risk management (continued)

### Credit risk

Credit risk relates to the potential failure of the Group's counterparties (such as customers or financial institutions) to meet their obligations at the appropriate time. The maximum exposure at any time is equal to the carrying value of the financial assets. The business seeks to monitor and manage counterparty risk through internal controls and protocols, including customer credit policies and performing banking and financial activities with financial institutions. As such the Group does not seek collateral in respect of its trade and other receivables.

At 30 June, the maximum exposure to credit risk for trade and other receivables by geographic region is as follows:

|              | 2024<br>Carrying<br>amount<br>US\$000 | 2023<br>Carrying<br>amount<br>US\$000 |
|--------------|---------------------------------------|---------------------------------------|
| Americas     | 146,894                               | 176,433                               |
| Asia Pacific | 46,365                                | 22,112                                |
| EMEA         | 45,553                                | 47,499                                |
| <b>Total</b> | <b>238,812</b>                        | <b>246,044</b>                        |

At 30 June 2024, the Group's two most significant customers accounted for \$92.7 million (FY2023: \$104.9 million) of the trade debtors and receivables amount. Further details of the Group's trade receivables are included in Note 10(a).

The Group held cash and cash equivalents of \$19.9 million (FY2023: \$16.6 million). Credit risk is managed by the Group in line with the counterparty risk framework, which aims to minimise the exposure to a counterparty and mitigate the risk of financial loss through counterparty failure.

## 16. Share Capital

|                                               | Number of shares   |                    | Amount               |                      |
|-----------------------------------------------|--------------------|--------------------|----------------------|----------------------|
|                                               | 2024<br>Number     | 2023<br>Number     | 2024<br>US\$         | 2023<br>US\$         |
| <i>Ordinary shares:</i>                       |                    |                    |                      |                      |
| Opening balance at 1 July                     | 790,094,765        | 790,094,765        | 1,742,078,163        | 1,738,845,646        |
| Shares bought back and cancelled <sup>1</sup> | (4,789,473)        | –                  | (9,500,573)          | –                    |
| Treasury shares <sup>2</sup>                  | –                  | –                  | 4,699,583            | 3,232,517            |
| <b>Closing balance at 30 June</b>             | <b>785,305,292</b> | <b>790,094,765</b> | <b>1,737,277,173</b> | <b>1,742,078,163</b> |

Holders of ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

<sup>1</sup> On-market share buy-back undertaken as part of the Company's total distribution amount for the half year ended 31 December 2023 of US4.5 cents per share (\$35.6 million), comprising an unfranked interim cash dividend of US2.25 cents per share and the undertaking of an on-market share buy-back for \$17.8 million (equivalent in total US2.25 cents per share).

<sup>2</sup> The total acquisition cost of treasury shares held at 30 June 2024 was \$10,641,263 (30 June 2023: \$15,340,846).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

## 17. Reserves

|                                                                                                        | 2024<br>US\$000  | 2023<br>US\$000  |
|--------------------------------------------------------------------------------------------------------|------------------|------------------|
| <i>Foreign currency translation reserve:</i>                                                           |                  |                  |
| Opening balance at 1 July                                                                              | (38,158)         | (71,750)         |
| Movement resulting from translation of financial statements of foreign subsidiaries net of tax impacts | (4,147)          | 33,592           |
|                                                                                                        | (42,305)         | (38,158)         |
| <i>Merger reserve:</i>                                                                                 |                  |                  |
| Opening balance at 1 July                                                                              | (840,544)        | (840,544)        |
|                                                                                                        | (840,544)        | (840,544)        |
| <i>Share-based payments reserve:</i>                                                                   |                  |                  |
| Opening balance at 1 July                                                                              | 18,229           | 18,195           |
| Share-based payments expense                                                                           | (2,722)          | 34               |
|                                                                                                        | 15,507           | 18,229           |
| <i>Hedging reserve:</i>                                                                                |                  |                  |
| Opening balance at 1 July                                                                              | (8,190)          | (8,190)          |
| Hedging loss during the year                                                                           | —                | —                |
|                                                                                                        | (8,190)          | (8,190)          |
| <i>Share buy-back reserve:</i>                                                                         |                  |                  |
| Opening balance at 1 July                                                                              | —                | —                |
| Excess paid over average share capital cost                                                            | (8,502)          | —                |
|                                                                                                        | (8,502)          | —                |
| <b>Total reserves at 30 June</b>                                                                       | <b>(884,034)</b> | <b>(868,663)</b> |

The movement in the foreign currency translation reserve of \$4.1 million (FY2023: \$33.6 million) relates to the translation of the Group's non-U.S. dollar operations into the Group's presentation currency and primarily reflects the exchange rate movements of the Australian dollar and U.K. pound sterling against the U.S. dollar in the respective period.

### Nature and purpose of reserves

#### (a) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations and the translation of foreign currency monetary items forming part of a net investment in a foreign operation.

#### (b) Merger reserve

The Company, through a wholly owned subsidiary, acquired the entities that carry on the operations of Reliance Worldwide Corporation in April and May 2016 ("Restructure"). The Directors elected to account for the effect of the Restructure as a common control transaction in accordance with the provisions of AASB 3: Business Combinations. Consequently, the net assets acquired were recorded at the carrying values that existed at the time of the transaction. The excess consideration over book value at acquisition date is recorded in the Merger reserve.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

## 17. Reserves (continued)

### (c) Share-based payments reserve

The share-based payments reserve is used to record the value of share based payments provided to employees, including Key Management Personnel, as part of their remuneration.

### (d) Hedging reserve

The hedging reserve records the effective portion of the cumulative change in the fair value of the hedging instruments used in cash flow hedges.

### (e) Share buy-back reserve

The share buy-back reserve is used to record the excess of the cost of shares bought back and cancelled over the average share capital cost, which is debited to share capital.

## 18. Employee benefits

### Accounting policy

#### Retirement benefits costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees render the service entitling them to the contributions.

#### Termination benefits

A liability for a termination benefit is recognised at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

#### Restructuring provisions

A provision is made for restructuring where the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

#### Share-based payments

The fair value of equity settled share-based payment awards granted to employees is recognised as an expense with a corresponding increase in equity over the vesting period of the grant.

#### Short and long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of leave entitlements in the period the related service is rendered. Liabilities recognised in respect of short-term employee benefits are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities recognised in respect of long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

#### Current:

Current employee entitlements include benefits for wages, salaries and annual leave that are expected to be settled within twelve months of the reporting date. The amounts represent present obligations resulting from employees' services provided to reporting date and are calculated at undiscounted rates based on current remuneration and wage rates including related on-costs such as workers compensation, insurance and payroll tax.

#### Non-current:

Non-current employee entitlements include leave benefits which employees have earned in return for their continued service, pursuant to the Legislation and Regulations in the relevant jurisdictions. The entitlement is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates and is discounted back to present value.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

### 18. Employee benefits (continued)

#### (a) Employee benefits expenses

Employee benefits expenses recognised in the profit or loss account are:

|                                   | 2024<br>US\$000 | 2023<br>US\$000 |
|-----------------------------------|-----------------|-----------------|
| Wages and salaries                | 152,905         | 148,701         |
| Severance and restructuring costs | 3,786           | 4,659           |
| Employee leave entitlements       | 4,908           | 4,912           |
| Workers compensation premiums     | 936             | 706             |
| Superannuation contributions      | 8,577           | 8,671           |
| Payroll related taxes             | 11,479          | 11,452          |
| Contract labour                   | 18,227          | 13,220          |
| Share-based payment expense       | 4,899           | 5,815           |
| Other payroll related expenses    | 214             | 264             |
|                                   | <b>205,931</b>  | <b>198,400</b>  |
| Recovered in costs of goods sold  | (43,217)        | (37,964)        |
|                                   | <b>162,714</b>  | <b>160,436</b>  |

#### (b) Employee benefits provisions

|                                                 | Current         |                 | Non-current     |                 | Total           |                 |
|-------------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                                                 | 2024<br>US\$000 | 2023<br>US\$000 | 2024<br>US\$000 | 2023<br>US\$000 | 2024<br>US\$000 | 2023<br>US\$000 |
| <i>Employee entitlements:</i>                   |                 |                 |                 |                 |                 |                 |
| Opening balance at 1 July                       | 8,319           | 6,414           | 4,503           | 4,865           | 12,822          | 11,279          |
| Acquired through business combinations (Note 3) | 1,107           | –               | 754             | –               | 1,861           | –               |
| Charged to profit or loss                       | 8,167           | 9,409           | (276)           | 1,348           | 7,891           | 10,757          |
| Paid during the period                          | (10,903)        | (7,089)         | (219)           | (140)           | (11,122)        | (7,229)         |
| Foreign currency exchange differences           | 6               | (43)            | (21)            | (105)           | (15)            | (148)           |
| Other                                           | 42              | (372)           | (174)           | (1,465)         | (132)           | (1,837)         |
| <b>Closing balance at 30 June</b>               | <b>6,738</b>    | <b>8,319</b>    | <b>4,567</b>    | <b>4,503</b>    | <b>11,305</b>   | <b>12,822</b>   |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

## 19. Share-based payments

### Accounting policy

Employee equity incentive plans are accounted for as share based payments, whereby employees render services in exchange for the awards. The cost of share-based payments is recognised by expensing the fair value of the options or rights granted, over the period during which the employees become unconditionally entitled to these benefits. Where the plan will be settled by issuing equity, the corresponding entry is an increase in the share-based payments reserve. The fair value of rights granted is determined by reference to observed market values. The fair value of the TSR component of performance rights is independently determined at grant date by an external valuer using a Monte-Carlo simulation. For the non-market component (EPS), the fair value is independently determined using a Monte-Carlo and an additional EPS forecast simulation.

Non-market performance conditions do not impact the value of shares and performance rights, but rather the estimate of the number of shares to vest. At each reporting date the Company revises the estimate of the number of non-market component of performance rights that are expected to vest, and the employee benefits expense recognised each period incorporates this change in estimate. An expense is recognised for the TSR component of performance rights whether or not the TSR hurdle is met. No expense is recognised if these rights do not vest due to cessation of employment. No expense is recognised for non-market components of performance rights that do not ultimately vest.

The Company has established an Equity Incentive Plan ("Plan") to assist in the motivation, retention and reward of eligible executives. The Plan is designed to align the interests of employees with the interests of shareholders by providing an opportunity for eligible employees to receive an equity interest in the Company. The Plan provides flexibility for the Company to grant rights, options and/or restricted shares as incentives, subject to the terms of individual offers and the satisfaction of performance conditions determined by the Board from time to time.

### Options

|                                       | Vested (#)       | Total (#)        |
|---------------------------------------|------------------|------------------|
| <b>Balance at 30 June 2023</b>        | <b>4,300,000</b> | <b>4,300,000</b> |
| Exercised during the reporting period | (300,000)        | (300,000)        |
| <b>Balance at 30 June 2024</b>        | <b>4,000,000</b> | <b>4,000,000</b> |
| Expiry date                           | 30 June 2031     |                  |
| Exercise price per option             | A\$2.32          |                  |

Each option provides an entitlement to acquire an ordinary share in Reliance Worldwide Corporation Limited upon payment of the exercise price and meeting certain vesting criteria. These options are equity settled. The Company has not granted any other options.

### Rights to shares

The Board has approved that nominated, eligible executives and employees be invited to participate in the Plan. Participants are granted rights to be awarded fully paid ordinary shares in the Company ("Rights") in accordance with the rules of the Plan and subject to the offer terms ("Offer"). An Offer constitutes a long-term incentive component of the participant's remuneration from the grant date until the end of the vesting period.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

### 19. Share-based payments (continued)

At 30 June 2024, the number of unvested Rights which had been granted by the Company to all participants was 9,805,684 (30 June 2023: 8,197,016). The opening and closing balances of all unvested Rights granted are reconciled as follows:

|                                              | Number of Rights |
|----------------------------------------------|------------------|
| <b>Granted and unvested at 30 June 2023</b>  | <b>8,197,016</b> |
| Granted during FY2024                        | 4,847,211        |
| Vested during FY2024                         | (2,537,279)      |
| Forfeited, cancelled or lapsed during FY2024 | (701,264)        |
| <b>Unvested at 30 June 2024</b>              | <b>9,805,684</b> |

Subsequent to 30 June 2024 through to the date of this report:

- No additional Rights have been granted;
- 40,026 Rights have vested; and
- A further 23,321 Rights have lapsed or been forfeited or cancelled.

Vesting conditions for all granted Rights include a continuous service period ranging between two and five years.

Unless the Board determines otherwise, if a participant ceases employment with the Group prior to the vesting date and any of the following has occurred then a pro rata portion of unvested Rights will remain on foot and vest in the ordinary course as though the participant had not ceased employment:

- The participant's employment is terminated by the Company without cause; or
- The participant terminates employment for good reason.

The remainder of the Rights will lapse.

The Company has established a subsidiary, Reliance Employee Share Investments Pty Ltd ("Trustee") to act as trustee of the Reliance Employee Share Investments Trust. The Trustee will acquire Reliance shares on-market on behalf of the Trust to meet any obligations to deliver shares to a participant who satisfies the vesting conditions. The movement in the number of shares held during the reporting period is:

|                                                  | Total            |
|--------------------------------------------------|------------------|
| <b>Shares held at 30 June 2023</b>               | <b>5,435,049</b> |
| Acquired during FY2024                           | —                |
| Shares allocated and transferred to participants | (1,973,466)      |
| <b>Shares held at 30 June 2024</b>               | <b>3,461,583</b> |

### Share Match Plan

The Group has a share match plan to encourage employees to own shares in the Company. Eligible employees can acquire up to A\$5,000 of shares in RWC per plan year from post-tax income with contributions made via a regular salary deduction ("Purchased Shares"). The Company will match the shares acquired on a 1:2 basis up to a cap A\$2,500 of Purchased Shares subject to the terms of the Share Match Plan ("Matching Rights"). There is a minimum holding period for Purchased Shares of 2 years and a continuous service obligation for Matching Rights to convert into shares on a 1:1 basis. There are no performance conditions. Participants receive dividends and have voting rights on their Purchased Shares. Matching Rights have no voting or dividend entitlements prior to vesting. The total number of Matching Rights granted at 30 June 2024 was 116,000.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

## 20. Group entities

Reliance Worldwide Corporation Limited was incorporated on 19 February 2016 and is the parent, and ultimate controlling entity of the Group. The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries of Reliance Worldwide Corporations Limited in accordance with the accounting policies described in Note 1 and 27.

| Name of Entity                                              | Country of Incorporation | Equity Holding 2024 | Equity Holding 2023 | Functional Currency |
|-------------------------------------------------------------|--------------------------|---------------------|---------------------|---------------------|
| Reliance Worldwide Group Holdings Pty Ltd                   | Australia                | 100%                | 100%                | AUD                 |
| Reliance Worldwide Corporation (Aust.) Pty Ltd              | Australia                | 100%                | 100%                | AUD                 |
| Reliance Employee Share Investments Pty Ltd                 | Australia                | 100%                | 100%                | AUD                 |
| Mongers Park Pty Ltd                                        | Australia                | 100%                | –                   | AUD                 |
| Bookleaf Pty Ltd                                            | Australia                | 100%                | –                   | AUD                 |
| Eden Unit Trust T/A Holman Industries                       | Australia                | 100%                | –                   | AUD                 |
| Reliance Worldwide Corporation (NZ) Limited                 | New Zealand              | 100%                | 100%                | NZD                 |
| Holman NZ Limited                                           | New Zealand              | 100%                | –                   | NZD                 |
| Reliance Worldwide Corporation (Canada) Inc                 | Canada                   | 100%                | 100%                | CAD                 |
| Reliance Worldwide Holdings (USA) Corporation               | USA                      | 100%                | 100%                | USD                 |
| Reliance Worldwide International Group Holdings Corporation | USA                      | 100%                | 100%                | USD                 |
| Reliance Worldwide Corporation                              | USA                      | 100%                | 100%                | USD                 |
| Rockwall Manufacturing International, Inc.                  | British Virgin Islands   | 100%                | 100%                | USD                 |
| Reliance Worldwide Corporation (Europe) S.L.U.              | Spain                    | 100%                | 100%                | EUR                 |
| Reliance Worldwide Holdings (UK) Limited                    | United Kingdom           | 100%                | 100%                | GBP                 |
| Reliance Worldwide Finance Limited                          | United Kingdom           | 100%                | 100%                | GBP                 |
| Reliance Worldwide Holdings (International) LLC             | USA                      | 100%                | 100%                | USD                 |
| Reliance Worldwide Corporation Holdings (UK) Limited        | United Kingdom           | 100%                | 100%                | GBP                 |
| John Guest International Ltd                                | United Kingdom           | 100%                | 100%                | GBP                 |
| Reliance Worldwide Corporation (UK) Limited                 | United Kingdom           | 100%                | 100%                | GBP                 |
| Reliance Worldwide Distribution (Europe) Ltd                | United Kingdom           | 100%                | 100%                | GBP                 |
| John Guest Automotive GmbH                                  | Germany                  | 100%                | 100%                | EUR                 |
| John Guest GmbH                                             | Germany                  | 100%                | 100%                | EUR                 |
| Reliance Worldwide Corporation France SAS                   | France                   | 100%                | 100%                | EUR                 |
| John Guest SRL                                              | Italy                    | 100%                | 100%                | EUR                 |
| John Guest Korea Ltd                                        | Korea                    | 100%                | 100%                | KRW                 |
| John Guest (Shanghai) Trading Co. Ltd                       | China                    | 100%                | 100%                | CNY                 |
| Ningbo Rockwall Manufacturing International, Co Ltd         | China                    | 100%                | 100%                | CNY                 |
| John Guest Czech S.R.O                                      | Czech Republic           | 100%                | 100%                | CZK                 |
| John Guest Polska Sp zoo                                    | Poland                   | 100%                | 100%                | PLN                 |

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

## 21. Commitments and contingencies

### (a) Expenditure commitments

Capital expenditure commitments contracted for at balance date but not provided for in respect of plant and equipment:

|                                                           | 2024<br>US\$000 | 2023<br>US\$000 |
|-----------------------------------------------------------|-----------------|-----------------|
| Payable not later than one year                           | 9,066           | 12,165          |
| Payable later than one year and not later than five years | –               | 348             |
|                                                           | <b>9,066</b>    | <b>12,513</b>   |

Details of the Group's lease commitments are captured in lease liabilities in Note 15.

### (b) Contingencies

#### Financial guarantees

The Company has agreed to provide guarantees to third parties for certain commitments made or entered into by subsidiary entities in the ordinary course of business. The Company does not consider these guarantees to be material in the context of the Group's business.

The Group has provided bank guarantees at 30 June 2024 totalling \$3.5 million (2023: \$0.8 million).

#### General contingencies

The Group may be involved in legal claims, administrative actions and proceedings related to the normal conduct of its business including, among other things, general liability, commercial, employment, intellectual property, and products liability matters such as the proceeding listed below. Based upon existing information, it is not possible to predict with certainty the outcome or cost of current legal claims, actions and proceedings. The Group establishes accruals for estimated costs associated with such matters in a manner which complies with applicable accounting standards. The Directors believe that current matters of which they are aware should not significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

Reliance Worldwide Corporation ("RWC USA"), a member of the Group, is a party to a putative class action filed in the U.S. federal district court in Atlanta, Ga., in connection with alleged product liability claims. RWC USA reached a settlement to resolve the pending class action and it has been submitted to the Court for approval. The expected financial impact has been recognised in the Group's Consolidated Financial Statements in prior financial periods, and is not material to the Group's financial position, results of operations or cash flows.

The Directors are not aware of any other material contingent liabilities at balance date or arising since the end of the financial period.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

### 22. Key Management Personnel and related party transactions

Under Australian Accounting Standards, the term Key Management Personnel refers to directors (both non-executive directors and executive directors) and those persons having the authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. The Key Management Personnel of the Group during the reporting period until the date of this report are set out below. All Key Management Personnel held their positions for the entire reporting period unless otherwise noted.

|                    |                                               |
|--------------------|-----------------------------------------------|
| Stuart Crosby      | Independent Non-Executive Chairman            |
| Russell Chenu      | Independent Non-Executive Director            |
| Sharon McCrohan    | Independent Non-Executive Director            |
| Christine Bartlett | Independent Non-Executive Director            |
| Ian Rowden         | Independent Non-Executive Director            |
| Darlene Knight     | Independent Non-Executive Director            |
| Brad Soller        | Independent Non-Executive Director            |
| Heath Sharp        | Managing Director and Chief Executive Officer |
| Andrew Johnson     | EVP and Chief Financial Officer               |

#### (a) Key Management Personnel compensation

Details of the total remuneration of Key Management Personnel of the Group during the reporting period are:

|                              | 2024<br>US\$     | 2023<br>US\$     |
|------------------------------|------------------|------------------|
| Short-term employee benefits | 4,533,410        | 3,515,975        |
| Post-employment benefits     | 97,912           | 90,801           |
| Share-based payments         | 1,444,534        | 1,190,857        |
| <b>Total</b>                 | <b>6,075,856</b> | <b>4,797,633</b> |

#### (b) Key Management Personnel transactions in shares and options

The total direct and indirect interests of Key Management Personnel, including their related parties, in the share capital and options of the Company at 30 June 2024 are:

|                    | Shares           |                  | Options          |                  | Rights           |                  |
|--------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|                    | 2024<br>Number   | 2023<br>Number   | 2024<br>Number   | 2023<br>Number   | 2024<br>Number   | 2023<br>Number   |
| Stuart Crosby      | 201,756          | 201,756          | —                | —                | —                | —                |
| Russell Chenu      | 185,217          | 170,217          | —                | —                | —                | —                |
| Sharon McCrohan    | 52,000           | 52,000           | —                | —                | —                | —                |
| Christine Bartlett | 50,000           | 50,000           | —                | —                | —                | —                |
| Ian Rowden         | 50,000           | 35,000           | —                | —                | —                | —                |
| Darlene Knight     | 50,000           | 37,000           | —                | —                | —                | —                |
| Brad Soller        | 25,000           | 15,000           | —                | —                | —                | —                |
| Heath Sharp        | 1,758,814        | 1,423,397        | 4,000,000        | 4,000,000        | 2,390,641        | 1,570,855        |
| Andrew Johnson     | 400,341          | 171,236          | —                | —                | 753,560          | 768,757          |
| <b>Total</b>       | <b>2,773,128</b> | <b>2,155,606</b> | <b>4,000,000</b> | <b>4,000,000</b> | <b>3,144,201</b> | <b>2,339,612</b> |

At 30 June 2024, no Key Management Personnel had been offered or held any rights to be awarded shares other than as disclosed above.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

### 22. Key Management Personnel and related party transactions (continued)

#### (c) Transactions with other related parties

There were no material contracts between a KMP or a related party and the Company or any of its subsidiaries entered into during the reporting period.

No KMP has entered into a loan made, guaranteed or secured, directly or indirectly, with or by the Company or any of its subsidiaries during the reporting period.

### 23. Auditor's remuneration

KPMG are the auditors of the Company. The total remuneration received, or due and receivable by KPMG from the Group is:

|                                                                      | 2024<br>US\$     | 2023<br>US\$     |
|----------------------------------------------------------------------|------------------|------------------|
| <b>KPMG Australia</b>                                                |                  |                  |
| Audit services                                                       | 780,622          | 738,264          |
| Other assurance and non-audit services                               |                  |                  |
| ▪ Tax services                                                       | 32,379           | 32,846           |
| ▪ Other services                                                     | 31,549           | –                |
| Total remuneration paid to KPMG Australia                            | 844,550          | 771,110          |
| <b>Overseas KPMG offices</b>                                         |                  |                  |
| Audit services                                                       | 203,902          | 268,989          |
| Tax services                                                         | 80,132           | 45,684           |
| Total remuneration paid to KPMG overseas                             | 284,034          | 314,673          |
| <b>Total remuneration to KPMG</b>                                    | <b>1,128,584</b> | <b>1,085,783</b> |
| <b>Total remuneration for audit services</b>                         | <b>984,524</b>   | <b>1,007,253</b> |
| <b>Total remuneration for other assurance and non-audit services</b> | <b>144,060</b>   | <b>78,530</b>    |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

## 24. Deed of cross guarantee

The wholly owned subsidiaries listed below are relieved from the Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports and Directors' reports following the execution of a new Deed of Cross Guarantee ("Deed") on 26 June 2024. The Deed complies with the relevant ASIC instrument/class order.

The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the subsidiaries under certain provisions of the *Corporations Act 2001*. If a winding up occurs under other provisions of the Act, the Company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event the Company is wound up.

The holding entity for the purpose of the Deed is Reliance Worldwide Corporation Limited.

The subsidiaries who are parties to the Deed are:

- Reliance Worldwide Group Holdings Pty Ltd;
- Reliance Worldwide Corporation (Aust.) Pty Ltd;
- Mongers Park Pty Ltd

A consolidated statement of profit or loss and other comprehensive income, comprising the Company and controlled entities which are party to the Deed and after eliminating all transactions between those entities, for the year ended 30 June 2024 and a Statement of Financial Position for the same group for entities at balance date are set out below.

### Statement of profit or loss and other comprehensive income

|                                                                                            | 2024<br>US\$000 | 2023<br>US\$000 |
|--------------------------------------------------------------------------------------------|-----------------|-----------------|
| Revenue from sale of goods                                                                 | 176,650         | 173,720         |
| Cost of sales                                                                              | (137,874)       | (137,173)       |
| <b>Gross profit</b>                                                                        | <b>38,776</b>   | <b>36,547</b>   |
| Other income                                                                               | 24              | 318             |
| Product development expenses                                                               | (2,463)         | (2,300)         |
| Selling, warehousing and marketing expenses                                                | (18,458)        | (11,894)        |
| Administration expenses                                                                    | (25,657)        | (18,441)        |
| Other expenses                                                                             | (328)           | (276)           |
| <b>Operating (loss)/profit</b>                                                             | <b>(8,106)</b>  | <b>3,954</b>    |
| Finance income                                                                             | 450             | 179             |
| Finance costs                                                                              | (7,150)         | (3,564)         |
| <b>Net finance costs</b>                                                                   | <b>(6,700)</b>  | <b>(3,385)</b>  |
| Dividend income                                                                            | 81,605          | 117,609         |
| <b>Profit before tax</b>                                                                   | <b>66,799</b>   | <b>118,178</b>  |
| Income tax expense (benefit)                                                               | 4,687           | 2,276           |
| <b>Profit for the period attributable to the Owners of the Company</b>                     | <b>71,486</b>   | <b>120,454</b>  |
| <b>Other comprehensive profit</b>                                                          |                 |                 |
| Items that may be classified to profit or loss:                                            |                 |                 |
| Foreign currency translation differences                                                   | —               | —               |
| <b>Total comprehensive profit for the period attributable to the Owners of the Company</b> | <b>71,486</b>   | <b>120,454</b>  |

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

## 24. Deed of cross guarantee (continued)

### Statement of financial position

|                                      | 2024<br>US\$000  | 2023<br>US\$000  |
|--------------------------------------|------------------|------------------|
| <b>Assets</b>                        |                  |                  |
| <b>Current assets</b>                |                  |                  |
| Cash and cash equivalents            | 8,486            | 2,399            |
| Trade and other receivables          | 60,613           | 26,234           |
| Inventories                          | 63,817           | 53,267           |
| Current tax assets                   | 3,288            | 7,201            |
| Other current assets                 | 2,480            | 1,954            |
| <b>Total current assets</b>          | <b>138,684</b>   | <b>91,055</b>    |
| <b>Non-current assets</b>            |                  |                  |
| Property, plant and equipment        | 39,858           | 28,544           |
| Right-of-use assets                  | 45,208           | 25,855           |
| Investment in subsidiaries           | 1,571,605        | 1,571,605        |
| Deferred tax assets                  | 22,744           | 5,398            |
| Goodwill                             | 77,972           | 37,194           |
| Other intangible assets              | 27,482           | 3,136            |
| Other non-current assets             | 9,005            | 11,310           |
| <b>Total Non-current assets</b>      | <b>1,793,874</b> | <b>1,683,042</b> |
| <b>Total assets</b>                  | <b>1,932,558</b> | <b>1,774,097</b> |
| <b>Liabilities</b>                   |                  |                  |
| <b>Current liabilities</b>           |                  |                  |
| Trade and other payables             | 38,381           | 16,758           |
| Employee benefits                    | 3,680            | 2,413            |
| Other current liabilities            | 8,372            | 4,205            |
| <b>Total current liabilities</b>     | <b>50,433</b>    | <b>23,376</b>    |
| <b>Non-current liabilities</b>       |                  |                  |
| Borrowings                           | 97,439           | 3,235            |
| Deferred tax liabilities             | 25,896           | 3,482            |
| Employee benefits                    | 3,690            | 3,073            |
| Other non-current liabilities        | 39,972           | 24,322           |
| <b>Total non-current liabilities</b> | <b>166,997</b>   | <b>34,112</b>    |
| <b>Total liabilities</b>             | <b>217,430</b>   | <b>57,488</b>    |
| <b>Net assets</b>                    | <b>1,715,128</b> | <b>1,716,609</b> |
| <b>Equity</b>                        |                  |                  |
| Share capital                        | 1,488,246        | 1,494,339        |
| Reserves                             | (3,009)          | 7,168            |
| Retained earnings                    | 229,891          | 215,102          |
| <b>Total equity</b>                  | <b>1,715,128</b> | <b>1,716,609</b> |

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

### 25. Parent entity disclosure

As at, and throughout, the financial year ended 30 June 2024, the parent entity of the Group was Reliance Worldwide Corporation Limited.

#### (a) Result of the parent entity

|                                                  | 2024<br>US\$000 | 2023<br>US\$000 |
|--------------------------------------------------|-----------------|-----------------|
| Profit for the period                            | 80,364          | 123,272         |
| Other comprehensive income                       | –               | –               |
| <b>Total comprehensive profit for the period</b> | <b>80,364</b>   | <b>123,272</b>  |

#### (b) Statement of financial position of the parent entity at 30 June

|                          | 2024<br>US\$000  | 2023<br>US\$000  |
|--------------------------|------------------|------------------|
| <b>Assets</b>            |                  |                  |
| Current assets           | 19,899           | 18,901           |
| Non-current assets       | 1,888,499        | 1,882,578        |
| <b>Total assets</b>      | <b>1,908,398</b> | <b>1,901,479</b> |
| <b>Liabilities</b>       |                  |                  |
| Current liabilities      | 6,072            | 2,497            |
| Non-current liabilities  | 3,120            | 4,862            |
| <b>Total liabilities</b> | <b>9,192</b>     | <b>7,359</b>     |
| <b>Net assets</b>        | <b>1,899,206</b> | <b>1,894,120</b> |
| <b>Equity</b>            |                  |                  |
| Share capital            | 1,728,078        | 1,732,879        |
| Reserves                 | 46,136           | 59,332           |
| Retained earnings        | 124,991          | 101,909          |
| <b>Total equity</b>      | <b>1,899,205</b> | <b>1,894,120</b> |

#### (c) Parent entity contingent liabilities

The Company has agreed to provide guarantees for certain commitments made or entered into by subsidiary entities in the ordinary course of business. The Company does not consider these guarantees to be material in the context of the Group's business. Refer to Note 21.

#### (d) Parent entity capital commitments for acquisition of property, plant and equipment

The Company did not enter into any material contracts to purchase plant and equipment during the year.

#### (e) Parent entity guarantees in respect of the debts to its subsidiaries

The Company has entered into a Deed of Cross Guarantee with the effect that it guarantees liabilities and obligations in respect of some Australian subsidiaries in certain circumstances. Refer to Note 24.

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

## 26. Subsequent events

On 20 August 2024, the Directors resolved to declare a final distribution amount for the 2024 financial year of US5.0 cents per share comprising an unfranked cash dividend of US2.5 cents per share and the undertaking of an on-market share buy-back for US\$19.6 million (equivalent in total to US2.5 cents per share). The cash dividend will be paid in Australian dollars at the rate of 3.781 cents per share. The cash dividend will be paid to eligible shareholders on 4 October 2024. The Company does not have a dividend reinvestment plan.

The Directors are not aware of any other matters or circumstances that have occurred since the end of the financial year that have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

## 27. Other accounting policies

### (a) Basis of consolidation

This note sets out details of accounting policies which aid the understanding of the financial statements as a whole. Accounting policies which are specific to a particular income, expense or account balance are described in the note to which that policy relates.

#### (i) Principles of consolidation

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

#### (ii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

### (b) Foreign currency

The individual financial statements of each entity comprising the Group are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purposes of these consolidated financial statements, US dollar is the presentation currency and Australian dollar is the functional currency of the Company.

#### (i) Foreign currency transactions

In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the transaction.

#### (ii) Foreign operations

For the purpose of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into US dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at average exchange rates. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated within Foreign Currency Translation Reserve ("FCTR"). The FCTR comprises all foreign currency differences arising from the translation of the financial statements of the foreign operations.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

## 27. Other accounting policies (continued)

### (c) Financial instruments

#### Non-derivative financial instruments: Recognition, Measurement, Classification and De-recognition

Non-derivative financial assets are classified into the following categories: (a) cash and cash equivalents and (b) trade and other receivables. Non-derivative financial liabilities are classified into the following categories: (a) trade and other payables and (b) borrowings.

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instruments. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through the profit and loss (FVTPL), transaction costs attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

On initial recognition a financial asset is classified as measured at amortised cost, fair value through other comprehensive income (FVOCI) or FVTPL. A financial asset is measured at amortised cost if it meets both of the following conditions and not designated as FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows and;
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group classifies and measures financial assets it has recognised at amortised cost. These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial assets are derecognised when the contractual rights to cash flows from the financial asset expire or when the financial asset and all the substantial risks and benefits are transferred. Financial liabilities are derecognised when they are extinguished, discharged, cancelled or they expire. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognised in profit or loss.

### (d) Fair value measurement

The fair values of the Group's financial assets and financial liabilities reflect the amounts that would be received to sell the assets or paid to transfer the liabilities in an orderly transaction between market participants at the measurement date (exit price). The Group determines fair value based on a three-tiered fair value hierarchy. The hierarchy consists of:

- Level 1: fair value measurements represent exchange-traded securities which are valued at quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access as of the reporting date;
- Level 2: fair value measurements are determined using input prices that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data; and
- Level 3: fair value measurements are determined using unobservable inputs, such as internally developed pricing models for the asset or liability due to little or no market activity for the asset or liability.

### (e) Goods and services tax (GST)/Value Added Tax (VAT)

Revenues, expenses and assets are recognised net of the amount of GST/ VAT except where the amount of GST/ VAT incurred is not recoverable from the Australian Taxation Office and other tax authorities. In these circumstances, the GST/ VAT is recognised as part of the cost of acquisition of the asset or as part of the item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST/ VAT. Cash flows are presented on a gross basis. The GST/ VAT components arising from investing and financing activities are presented as operating activities. Any commitments are disclosed net of GST/ VAT.

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CONSOLIDATED ENTITY DISCLOSURE STATEMENT

At 30 June 2024

Below is the information relating to entities that are consolidated in the consolidated financial statements at the end of the financial year as required by the Corporations Act 2001 (s.295(3A)(a)).

| Entity name                                                 | Entity type             | Place formed or incorporated | % of shares held directly or indirectly by the Company or body corporate | Australian or foreign resident | Foreign jurisdiction   |
|-------------------------------------------------------------|-------------------------|------------------------------|--------------------------------------------------------------------------|--------------------------------|------------------------|
| Reliance Worldwide Corporation Limited                      | Body Corporate          | Australia                    | –                                                                        | Australian                     | –                      |
| Reliance Worldwide Group Holdings Pty Ltd                   | Body Corporate          | Australia                    | 100%                                                                     | Australian                     | –                      |
| Reliance Worldwide Corporation (Aust.) Pty Ltd              | Body Corporate          | Australia                    | 100%                                                                     | Australian                     | –                      |
| Reliance Employee Share Investments Pty Ltd                 | Body Corporate, Trustee | Australia                    | 100%                                                                     | Australian                     | –                      |
| Mongers Park Pty Ltd                                        | Body Corporate          | Australia                    | 100%                                                                     | Australian                     | –                      |
| Bookleaf Pty Ltd                                            | Body Corporate, Trustee | Australia                    | 100%                                                                     | Australian                     | –                      |
| Eden Unit Trust T/A Holman Industries                       | Trust                   | Australia                    | 100%                                                                     | Australian                     | –                      |
| Reliance Worldwide Corporation (NZ) Limited                 | Body Corporate          | New Zealand                  | 100%                                                                     | Foreign                        | New Zealand            |
| Holman NZ Limited                                           | Body Corporate          | New Zealand                  | 100%                                                                     | Foreign                        | New Zealand            |
| Reliance Worldwide Corporation (Canada) Inc                 | Body Corporate          | Canada                       | 100%                                                                     | Foreign                        | Canada                 |
| Reliance Worldwide Holdings (USA) Corporation               | Body Corporate          | USA                          | 100%                                                                     | Foreign                        | USA                    |
| Reliance Worldwide International Group Holdings Corporation | Body Corporate          | USA                          | 100%                                                                     | Foreign                        | USA                    |
| Reliance Worldwide Corporation                              | Body Corporate          | USA                          | 100%                                                                     | Foreign                        | USA                    |
| Rockwall Manufacturing International, Inc.                  | Body Corporate          | British Virgin Islands       | 100%                                                                     | Foreign                        | British Virgin Islands |
| Reliance Worldwide Corporation (Europe) S.L.U.              | Body Corporate          | Spain                        | 100%                                                                     | Foreign                        | Spain                  |
| Reliance Worldwide Holdings (UK) Limited                    | Body Corporate          | United Kingdom               | 100%                                                                     | Foreign                        | United Kingdom         |
| Reliance Worldwide Finance Limited                          | Body Corporate          | United Kingdom               | 100%                                                                     | Foreign                        | United Kingdom         |
| Reliance Worldwide Holdings (International) LLC             | Body Corporate          | USA                          | 100%                                                                     | Foreign                        | USA                    |
| Reliance Worldwide Corporation Holdings (UK) Limited        | Body Corporate          | United Kingdom               | 100%                                                                     | Foreign                        | United Kingdom         |
| John Guest International Ltd                                | Body Corporate          | United Kingdom               | 100%                                                                     | Foreign                        | United Kingdom         |
| Reliance Worldwide Corporation (UK) Limited                 | Body Corporate          | United Kingdom               | 100%                                                                     | Foreign                        | United Kingdom         |
| Reliance Worldwide Distribution (Europe) Ltd                | Body Corporate          | United Kingdom               | 100%                                                                     | Foreign                        | United Kingdom         |
| John Guest Automotive GmbH                                  | Body Corporate          | Germany                      | 100%                                                                     | Foreign                        | Germany                |
| John Guest GmbH                                             | Body Corporate          | Germany                      | 100%                                                                     | Foreign                        | Germany                |
| Reliance Worldwide Corporation France SAS                   | Body Corporate          | France                       | 100%                                                                     | Foreign                        | France                 |
| John Guest SRL                                              | Body Corporate          | Italy                        | 100%                                                                     | Foreign                        | Italy                  |
| John Guest Korea Ltd                                        | Body Corporate          | Korea                        | 100%                                                                     | Foreign                        | Korea                  |
| John Guest (Shanghai) Trading Co. Ltd                       | Body Corporate          | China                        | 100%                                                                     | Foreign                        | China                  |
| Ningbo Rockwall Manufacturing International, Co Ltd         | Body Corporate          | China                        | 100%                                                                     | Foreign                        | China                  |
| John Guest Czech S.R.O                                      | Body Corporate          | Czech Republic               | 100%                                                                     | Foreign                        | Czech Republic         |
| John Guest Polska Sp zoo                                    | Body Corporate          | Poland                       | 100%                                                                     | Foreign                        | Poland                 |

## CONSOLIDATED ENTITY DISCLOSURE STATEMENT

At 30 June 2024

### Key assumptions and judgements

#### Determination of tax residency

Section 295 (3A) of the Corporation Acts 2001 requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed. In the context of an entity which was an Australia resident, "Australian resident" has the meaning provided in the Income Tax Assessment Act 1997. The determination of tax residency involves judgment as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

#### Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Commission of Taxation's public guidance in Tax Ruling TR 2018/5 and PCG 2018/9.

#### Foreign tax residency

The consolidated entity has applied current legislation and where available judicial precedent in the determination of foreign tax residency.

#### Trusts

Australian tax law generally does not contain corresponding residency tests for trusts and these entities are typically taxed on a flow-through basis.

## DIRECTORS' DECLARATION

For the year ended to 30 June 2024

In the opinion of the Directors of Reliance Worldwide Corporation Limited ("the Company"):

1. the consolidated financial statements and notes set out on pages 69 to 114, are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and
  - (ii) complying with Australian Accounting Standards, other mandatory professional reporting requirements and the *Corporations Regulations 2001*.
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable
3. there are reasonable grounds to believe that the Company and the Group entities identified in Note 24 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee described in Note 24.
4. the information presented in the consolidated entity disclosure statement on page 115 to 116 is true and correct at the end of the financial year.

The Directors draw attention to Note 1 to the consolidated financial statements which includes a statement of compliance with International Financial Reporting Standards.

The Directors have received the declarations by the Chief Executive Officer and Chief Financial Officer required by Section 295A of the *Corporations Act 2001*.

Signed in accordance with resolution of the Directors.



**Stuart Crosby**  
Chairman  
Melbourne  
20 August 2024



**Heath Sharp**  
Chief Executive Officer  
and Managing Director

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# Independent Auditor's Report

To the shareholders of Reliance Worldwide Corporation Limited

## Report on the audit of the Financial Report

### Opinion

We have audited the **Financial Report** of Reliance Worldwide Corporation Limited (the Company).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the **Group's** financial position as at 30 June 2024 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Consolidated statement of financial position as at 30 June 2024
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Consolidated entity disclosure statement and accompanying basis of preparation as at 30 June 2024
- Notes, including material accounting policies
- Directors' Declaration.

The **Group** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

### Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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## Key Audit Matters

The **Key Audit Matters** we identified are:

- Acquisition of Holman Industries
- Valuation of goodwill and indefinite life intangible assets

**Key Audit Matters** are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Acquisition of Holman Industries

Refer to Note 3 *Business Combination* to the Financial Report

#### The key audit matter

The acquisition of Holman Industries ("Holman") for consideration of \$100.7m is a key audit matter due to the:

- size of the acquisition having a significant impact on the Group's financial statements; and
- significant judgement required to be exercised by us in assessing the Group's accounting for the identification and measurement of acquired intangible assets such as brand names and customer relationships. The Group engaged an external expert to advise on the identification and measurement of acquired intangible assets.

These factors and the complexity of the acquisition accounting required significant audit effort and involvement of senior audit team members, including our specialists, in assessing this key audit matter.

#### How the matter was addressed in our audit

Our procedures included:

- We read the underlying acquisition agreement to understand the structure, key terms and conditions and nature of the purchase consideration.
- We evaluated the acquisition accounting against accounting standard requirements.
- With the assistance of our valuation specialists and using our knowledge of the Group, their past performance, business and customers, and our industry experience we:
  - assessed the scope, competence and objectivity of the Group's external expert;
  - evaluated the Group's assessment of acquired intangible assets such as brand names and customer relationships, against the Group's due diligence information and our industry knowledge;
  - evaluated the valuation methodology for the acquired intangible assets against our knowledge of accepted industry practice and accounting standard requirements;
  - assessed the Group's assumptions used in the valuation of the acquired intangible assets against published comparable company data and considered differences for the Group's operations; and
  - checked inputs to the Group's external expert report to the Group's valuation model used as part of the due diligence process and to historical cash flow data of the acquiree.
- We recalculated the goodwill balance recognised and compared it to the goodwill amount recorded by the

|  |                                                                                                                                                                                                                       |
|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>Group.</p> <ul style="list-style-type: none"> <li>• We assessed the disclosures in the financial report using our understanding obtained from our testing and against accounting standard requirements.</li> </ul> |
|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

#### Valuation of goodwill (\$818.8m) and indefinite life intangible assets (\$213.7m)

Refer to Note 13 *Goodwill and other intangible assets* to the Financial Report

| The key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
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| <p>A key audit matter for us was the Group's annual impairment testing of goodwill and indefinite life intangible assets, given the size of the balance (48% of total assets). We focused on the significant forward-looking assumptions the Group applied in their value in use models, including:</p> <ul style="list-style-type: none"> <li>• forecast operating cash flows – the Group has experienced continued uncertainty around inflation expectations, commodity prices and broader economic conditions across its operating jurisdictions. These conditions increase the risk of inaccurate forecasts or a wider range of possible outcomes for us to consider, leading to the possibility of goodwill and indefinite life intangible assets being impaired.</li> <li>• terminal growth rates – in addition to the uncertainties described above, the Group's models are sensitive to changes in terminal growth rates, reducing available headroom. This drives additional audit effort specific to their feasibility and consistency of application to the Group's strategy.</li> <li>• discount rates – these are complicated in nature and vary according to the conditions and environment of each Cash Generating Unit (CGU), and the models approach to incorporating risks into the cash flows or discount rates.</li> </ul> <p>We involved valuation specialists to supplement our senior audit team members in assessing this key audit matter.</p> | <p>Our procedures included:</p> <ul style="list-style-type: none"> <li>• We considered the appropriateness of the value in use method applied by the Group to perform the annual impairment test of goodwill and indefinite life intangible assets against accounting standard requirements.</li> <li>• We assessed the integrity of the value in use models, including the accuracy of the underlying calculation formulas.</li> <li>• We assessed the accuracy of previous Group forecasts to inform our evaluation of forecasts incorporated in the models.</li> <li>• We considered interdependencies of key assumptions when performing sensitivity analysis of the models by varying key assumptions, such as forecast operating cash flows, terminal growth rates and discount rates, within a reasonably possible range. We did this to identify those CGUs at higher risk of impairment and to focus our further procedures.</li> <li>• Working with our valuation specialists we independently developed a discount rate range considered comparable using publicly available market data for comparable entities, adjusted by risk factors specific to the Group and the industry it operates in.</li> <li>• We challenged the Group's significant forecast operating cash flows and terminal growth rate assumptions in light of the expected continued economic uncertainty. We compared key events to the Board approved plan and strategy. We applied increased scepticism to forecasts in areas where previous forecasts were not achieved. We compared terminal growth rates to published studies of industry trends and expectations and considered differences for the Group's operations. We compared the forecast commodity prices to published views of market commentators on future trends seeking authoritative</li> </ul> |

|  |                                                                                                                                                                                                                                                                                                                                                       |
|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>and credible sources. We used our knowledge of the Group, their past performance, business and customers, and our industry experience.</p> <ul style="list-style-type: none"> <li>• We assessed the disclosures in the financial report using our understanding obtained from our testing and against accounting standard requirements.</li> </ul> |
|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

## Other Information

Other Information is financial and non-financial information in Reliance Worldwide Corporation Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

## Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and that is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in



accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at:

[https://www.auasb.gov.au/admin/file/content102/c3/ar1\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf). This description forms part of our Auditor's Report.

## Report on the Remuneration Report

### Opinion

In our opinion, the Remuneration Report of Reliance Worldwide Corporation Limited for the year ended 30 June 2024, complies with *Section 300A of the Corporations Act 2001*.

### Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

### Our responsibilities

We have audited the Remuneration Report included in pages 44 to 67 of the Directors' report for the year ended 30 June 2024.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

Vicky Carlson

*Partner*

Melbourne

20 August 2024

## SHAREHOLDER INFORMATION

The information set out below was applicable at 1 August 2024.

### Distribution of equities – ordinary shares

| Range            | Total holders | Number of shares   | % of issued shares |
|------------------|---------------|--------------------|--------------------|
| 1 – 1,000        | 2,198         | 1,027,705          | 0.13               |
| 1,001 – 5,000    | 3,239         | 8,696,851          | 1.11               |
| 5,001 – 10,000   | 1,241         | 9,186,736          | 1.17               |
| 10,001 – 100,000 | 1,011         | 23,651,683         | 3.01               |
| 100,001 and over | 68            | 742,742,317        | 94.58              |
| <b>Total</b>     | <b>7,757</b>  | <b>785,305,292</b> | <b>100.00</b>      |

The number of shareholders holding less than a marketable parcel of shares was 166.

### Largest shareholders

The names of the 20 largest registered holders of ordinary shares are listed below.

| Name                                            | Number of shares held | % of issued shares |
|-------------------------------------------------|-----------------------|--------------------|
| HSBC Custody Nominees (Australia) Limited       | 266,891,509           | 33.99              |
| JP Morgan Nominees Australia Pty Limited        | 227,857,004           | 29.02              |
| Citicorp Nominees Pty Limited                   | 135,122,585           | 17.21              |
| National Nominees Limited                       | 28,964,647            | 3.69               |
| BNP Paribas Nominees Pty Ltd                    | 22,588,458            | 2.88               |
| HSBC Custody Nominees (Australia) Limited       | 9,780,428             | 1.25               |
| BNP Paribas Noms Pty Ltd                        | 8,305,265             | 1.06               |
| Palm Beach Nominees Pty Limited                 | 5,519,579             | 0.70               |
| Reliance Employee Share Investments Pty Limited | 3,461,583             | 0.44               |
| Citicorp Nominees Pty Limited                   | 2,931,479             | 0.37               |
| HSBC Custody Nominees (Australia) Limited       | 2,289,841             | 0.29               |
| First Samuel Ltd                                | 2,240,335             | 0.29               |
| Netwealth Investments Limited                   | 1,940,426             | 0.25               |
| Sandhurst Trustees Ltd                          | 1,939,934             | 0.25               |
| HSBC Custody Nominees (Australia) Limited       | 1,874,371             | 0.24               |
| Mr Heath Graham Sharp                           | 1,758,814             | 0.22               |
| HSBC Custody Nominees (Australia) Limited       | 1,626,145             | 0.21               |
| BNP Paribas Nominees Pty Ltd                    | 1,362,606             | 0.17               |
| BNP Paribas Noms (NZ) Ltd                       | 1,270,498             | 0.16               |
| Neweconomy Com AU Nominees Pty Limited          | 1,256,982             | 0.16               |

## SHAREHOLDER INFORMATION

The information set out below was applicable at 1 August 2024.

### Substantial shareholders

The number of shares held by substantial shareholders at 1 August 2024 was:

| Name                             | Number of shares held | %    |
|----------------------------------|-----------------------|------|
| AustralianSuper Pty Ltd          | 78,218,339            | 9.90 |
| Aware Super Pty Ltd              | 67,762,867            | 8.58 |
| Yarra Capital Management Limited | 53,895,906            | 6.82 |
| FIL Limited                      | 43,508,324            | 5.51 |
| Vanguard Group                   | 39,515,562            | 5.00 |

### Buy-back

The Company does not have a current on-market buy-back. The Company has announced that it will undertake an on-market buy-back which is expected to commence in September 2024.

### Voting rights

The Company conducts voting at general meetings by poll. Every shareholder present at a general meeting has one vote for every fully paid share held when a poll is conducted. Shareholders entitled to cast two or more votes may appoint up to two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specific number or proportion of the shareholder's votes. If the appointment does not specify the proportion or number of votes that each proxy may exercise, each proxy may exercise half of the shareholder's votes.

### Shareholder enquiries

Shareholders with enquiries about their shareholding should contact the Company's share registry:

Computershare Investor Services Pty Limited  
Yarra Falls  
452 Johnson Street  
Abbotsford Vic 3067  
T: 1300 850 505 (within Australia)  
T: +61 3 9415 4000 (International)

Please mail all share registry correspondence to:  
Computershare Investor Services Pty Ltd  
GPO Box 2975  
Melbourne VIC 3001

Please include your Shareholder Reference Number (SRN) or Holder Identification Number (HIN) in all correspondence to the share registry.

### Shareholder communications

Receiving your shareholder communications electronically is the best way to stay informed. To change your preferences or contact details, please go to [www.computershare.com.au](http://www.computershare.com.au) and click on the "Login to Investor Centre" icon. Then follow the prompts.

It is important for shareholders to notify the share registry in writing promptly of any change of address. As an added security measure, please quote your Shareholder Reference Number and your old address.

### Investor information

The Company maintains a website at [www.rwc.com](http://www.rwc.com) where company information is available and a service for any queries is provided. For further queries, please email the Company at [investorrelations@rwc.com](mailto:investorrelations@rwc.com).

### Stock exchange listing

Reliance Worldwide Corporation Limited's ordinary shares are quoted on the Australian Securities Exchange under the code "RWC".

### Annual General Meeting

Details of the 2024 Annual General Meeting of Reliance Worldwide Corporation Limited will be advised in the Notice of Meeting.

## CORPORATE DIRECTORY

### Board of Directors

Stuart Crosby, Chair  
 Heath Sharp, Chief Executive Officer  
 Christine Bartlett  
 Russell Chenu  
 Darlene Knight  
 Sharon McCrohan  
 Ian Rowden  
 Brad Soller

### Company Secretary

David Neufeld

### Registered office

28 Chapman Place  
 Eagle Farm, QLD 4009  
 T: +61 7 3018 3400  
 F: +61 7 3105 8130

### Principal place of business

Level 32, 140 William Street  
 Melbourne, VIC 3000  
 T: +61 7 3018 3400

### Auditor

KPMG  
 Tower Two  
 Collins Square  
 727 Collins Street  
 Melbourne Vic 3008

### Share registry

Computershare Investor Services Pty Limited  
 Yarra Falls  
 452 Johnson Street  
 Abbotsford Vic 3067

T: 1300 850 505 (within Australia)  
 T: +61 3 9415 4000 (International)  
 W: [www.computershare.com.au](http://www.computershare.com.au)

Please mail all share registry correspondence to:  
 Computershare Investor Services Pty Ltd  
 GPO Box 2975  
 Melbourne VIC 3001

### Website address

[www.rwc.com](http://www.rwc.com)

For personal use only



**Reliance Worldwide  
Corporation Limited**

28 Chapman Place  
Eagle Farm, QLD 4009

ACN 610 855 877