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ASX Announcement

18 August 2026

RWC REPORTS RESULTS FOR FINANCIAL YEAR ENDED 30 JUNE 2026

REPORTED NET PROFIT AFTER TAX OF US$6.3 MILLION

ADJUSTED NET PROFIT AFTER TAX OF US$125.1 MILLION

Highlights:

- Financial results impacted by US tariffs, higher input costs and weaker demand in the US and UK
- Net sales of US$1,305.6 million, down 0.7% on the prior corresponding period ("pcp"), Adjusted net sales up 1.5% on pcp in constant currency
- Reported Net Profit after Tax of US$6.3 million, after including US$103.3 million post-tax of one-off items relating to manufacturing footprint rationalisation in Australia
- Adjusted Net Profit after Tax of US$125.1 million, down 15.3% on pcp
- Cash generated from operations of US$263.4 million enabling a reduction in net debt of US$88.2 million
- No final distribution declared, following receipt of an unsolicited non-binding indicative offer from Brookfield Capital Partners LLC (on behalf of its affiliates and their managed funds) (Brookfield)[1]; if transaction does not proceed RWC will consider payment of a dividend in 2027 out of FY26 earnings

Reliance Worldwide Corporation Limited (ASX: RWC) ("RWC" or "the Company") today announced Reported Net Profit after Tax ("NPAT") of US$6.3 million for the financial year ended 30 June 2026 and Adjusted NPAT of US$125.1 million, down 15.3% on pcp. Net sales were US$1,305.6 million, 0.7% lower than pcp. Adjusted net sales were 1.5% higher in constant currency after adjusting for US tariff refund provisions and changes in the accounting classification for certain customer incentives, together with the previously announced exit from certain low-margin product lines in Canada and the sale of manufacturing operations in Spain[2].

Adjusted EBITDA was US$242.1 million, 12.8% lower than the pcp. Operating earnings were adversely impacted by US tariffs, higher copper costs, lower volumes in the Americas and EMEA, and cost inflation. These impacts were partly offset by price mitigation actions and US$10.0 million in cost savings achieved during the year. Adjusted EBITDA margin was 18.5%, compared with 21.1% in the pcp.

Reported NPAT of US$6.3 million was net of US$103.3 million post-tax one-off charges, principally relating to restructuring of APAC's metals manufacturing operations announced in June 2026. These included closure costs associated with manufacturing and distribution sites, fixed asset impairment and inventory write-offs, together with a non-cash impairment of the carrying value of APAC goodwill. Adjusting for these one-off items and the cash tax benefit arising from the amortisation of goodwill, Adjusted NPAT was US$125.1 million.

Cash generated from operations was US$263.4 million with operating cash flow conversion for the period of 108.8% of Adjusted EBITDA versus 97.6% in the pcp.

Strong cash generation enabled a reduction in net debt of US$88.2 million to US$243.4 million at 30 June 2026 compared with US$331.6 million at 30 June 2025. Net debt to EBITDA (adjusted for lease payments) was 1.1 times at 30 June 2026, compared with 1.3 times for the pcp.

[1] Please also refer to the announcement released by the Company today about an unsolicited, non-binding indicative proposal received from Brookfield Capital Partners LLC (on behalf of its affiliates and their managed funds) to acquire the Company for A$4.75 per share.
[2] Refer to the Operating and Financial Review dated 18 August 2026 for further information on adjusted sales.

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Following receipt of an unsolicited, non-binding indicative proposal from Brookfield to acquire all outstanding shares in RWC, the RWC Board has determined not to declare or pay a final FY26 dividend to shareholders. Brookfield's proposal is that the offer price would be reduced by the cash amount of any dividends paid or payable after the date of the proposal, including for any dividend declared for the second half of FY26. The Board has also suspended the current on-market share buy-back.

In the event that the acquisition of RWC by Brookfield does not proceed, the Board intends to consider declaring and paying a dividend and/or recommencing the share buy-back. in calendar 2027, out of FY26 earnings.

RWC Chief Executive Officer Heath Sharp said the result reflected disciplined execution in a challenging operating environment, with strong cash generation and progress on strategic initiatives offsetting the earnings impacts of tariffs, cost inflation and softer volumes in key markets.

"FY26 was a challenging year, with earnings impacted by US tariffs, elevated copper costs, cost inflation and softer market conditions in the Americas and EMEA. We responded with targeted price actions, cost reduction initiatives, further optimisation of our manufacturing footprint and product sourcing.

"In the Americas, underlying sales were higher despite weaker residential remodelling markets and lower new construction activity in the US. Our new facility in Mexico remains on schedule to commence operations by the end of calendar 2026 and will provide greater manufacturing flexibility, a competitive cost structure and additional capability to help mitigate tariff impacts.

"Asia Pacific delivered strong sales growth across both RWC and Holman product categories, while we also progressed the restructuring of APAC's metals manufacturing operations. While the restructure resulted in significant one-off costs in FY26, we expect a net reduction in group costs of US$9 million per annum from FY28 as a result of the restructure.

"In EMEA, trading conditions remained subdued in the UK, but Continental Europe delivered growth, supported by product launches in Germany, France and Italy. Operations commenced at our new assembly facility in Poland in November 2025, and this lower-cost facility is expected to contribute to earnings growth in FY27.

"Importantly, we generated strong operating cash flow and materially reduced net debt. Our balance sheet remains conservative, providing flexibility to continue investing in organic growth, operational improvements and capital management," Mr Sharp said.

For FY27, RWC does not expect significant improvement in economic conditions in its major end markets. Global geopolitical events and US trade policy settings are expected to continue to impact input cost inflation, interest rates and consumer demand levels. Despite this weak economic outlook, RWC expects Group sales in FY27 to be up by mid to high-single digit percentage points relative to the pcp, driven by new product initiatives and price increases. EBITDA margin is expected to be broadly consistent with FY26.

Additional information

Please refer to the Appendix 4E, 2026 Annual Report, Operating and Financial Review (attached) and presentation slides released today for additional information and analysis. These documents should be read in conjunction with this and each other document.

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This document was approved for release by the Board.

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