Reliance Worldwide Corporation Limited
Level 32, 140 William Street,
Melbourne, Victoria 3000
Australia
rwc.com

OPERATING AND FINANCIAL REVIEW

FOR FINANCIAL YEAR ENDED 30 JUNE 2026

The financial results for the year ended 30 June 2026 are set out below. All figures are in US$ unless otherwise indicated.

US$ million	30 June 2026	30 June 2025
Revenue		
Americas	824.8	858.9
Asia Pacific	298.3	272.5
EMEA	260.0	259.4
Intercompany eliminations	(77.5)	(76.1)
Total Group net sales	**1,305.6**	**1,314.7**
Reported net profit after tax	**6.3**	**125.0**
Adjusted EBITDA[1]		
Americas	161.4	182.3
Asia Pacific	20.2	26.0
EMEA	68.7	74.7
Corporate & Eliminations	(8.2)	(5.3)
Total Group Adjusted EBITDA	**242.1**	**277.7**
Depreciation & Amortisation	(72.0)	(68.8)
Adjusted EBIT[1]	**170.1**	**208.9**
Net finance costs	(22.2)	(26.9)
Adjusted profit before tax	**148.1**	**182.0**
Tax expense on adjusted profit	(23.0)	(34.3)
Adjusted net profit after tax[1]	**125.1**	**147.7**
Adjustment items	(111.3)	(8.5)
Tax benefit attributable to adjustment items	8.2	1.3
Tax benefit of goodwill amortisation	(15.5)	(15.5)
Reported net profit after tax	**6.3**	**125.0**

Reported earnings per share	**0.8 cents**	**16.1 cents**
Adjusted earnings per share[1]	**16.5 cents**	**19.0 cents**

[1]EBITDA (earnings before interest, tax, depreciation and amortisation), Adjusted EBITDA, Adjusted EBIT, Adjusted NPAT and Adjusted EPS are non-IFRS measures used by RWC to assess operating performance. These measures have not been subject to audit or audit review. Refer to the table on page 2 for reconciliation of Reported and Adjusted measures.

ABN 46 610 855 877

GROUP OVERVIEW

Group net sales were $1,305.6 million, 0.7% lower than last year. Reported sales in FY26 were negatively impacted by revenue adjustments in the Americas for tariff refund provisions and a change in the accounting classification for some customer incentives. Adjusted net sales were 3.0% higher than the prior corresponding period (pcp) after adjusting for these two items, together with the previously announced exit from certain low-margin product lines in the Canadian market and the sale of manufacturing operations in Spain. Adjusted net sales in constant currency were 1.5% higher than pcp.

Adjusted Group EBITDA was $242.1 million, 12.8% lower than the pcp. Operating earnings declined in all regions in the face of difficult trading conditions, US tariffs, higher copper costs, lower volumes in the Americas and EMEA, and cost inflation. Action was taken to mitigate these headwinds through price increases along with $10.0 million in cost savings. Adjusted EBITDA margin was 18.5% compared with 21.1% in the pcp.

Reported Group NPAT of $6.3 million was net of US$103.3 million post-tax one-off charges, summarised in the table below. These relate principally to the restructuring of APAC's metal manufacturing operations announced in June 2026. Additional costs were incurred relating to the closure of a manufacturing site in Brisbane, and distribution centres in both Sydney and Perth.

Adjusting for these one-off items and the cash tax benefit arising from the amortisation of goodwill, Adjusted NPAT was $125.1 million, 15.3% lower than pcp. Adjusted earnings per share were US16.5 cents per share compared with US19.0 cents per share in the pcp.

Reconciliation of Reported versus Adjusted Earnings and NPAT

US$ million	EBITDA	EBIT	Tax Expense	NPAT
FY26 Reported	**131.6**	**58.8**	**(30.3)**	**6.3**
APAC: Manufacturing restructure - redundancies, property exit costs, write down of tangible assets[2]	37.7	38.5	(8.5)	30.2
APAC: Manufacturing restructure - impairment of intangible assets	73.8	73.8	-	73.8
EMEA: French warehouse sale	(1.0)	(1.0)	0.3	(0.7)
Total net one-off costs	**110.5**	**111.3**	**(8.2)**	**103.3**
Goodwill tax amortisation	-	-	15.5	15.5
FY26 Adjusted	**242.1**	**170.1**	**(23.0)**	**125.1**

[2] Includes Holman integration and restructuring costs of $1.3 million reported at the half year

SEGMENT REVIEW - *AMERICAS*

Americas sales were $824.8 million, 4.0% lower than pcp. Reported sales were impacted by the adjustment to revenues for potential tariff rebates to customers. In June 2026, RWC received a tariff refund from the US government. Following receipt of the refund, a provision was created for potential tariff rebates to customers. This provision was offset against reported sales for the year.

In addition, certain customer incentive expenses have been reclassified as an offset to sales revenues. Previously, these incentives were treated as an expense item within SG&A. This revision has ensured that all customer incentive arrangements are now classified in the same way for accounting purposes as an offset to gross revenues. This reclassification had no impact on reported earnings.

The exit from certain low-margin product lines in the Canadian market during FY25 also impacted sales. Adjusting for these items, Americas sales were 1.4% higher than the pcp. New product initiatives and price increases offset weaker residential remodelling and new construction activity in the US, and a reduction in inventory by major customers versus the pcp, which negatively impacted sales in the period by approximately $10 million[3].

Adjusted EBITDA of $161.4 million was 11.5% lower than pcp. Operating earnings were significantly impacted by US tariffs, lower volumes and higher input costs, particularly copper, partly offset by cost reduction initiatives. A net amount of $4.2 million has been recorded in Americas FY26 results being the difference between the tariff refund received and the provision for potential tariff rebates to customers. Adjusted EBITDA margin was 19.6% compared with 21.2% in the pcp.

RWC's new facility in Mexico is on schedule to commence operations by the end of calendar 2026. This new plant will augment current manufacturing operations in North America and will provide greater manufacturing flexibility and a competitive cost structure while also helping to mitigate tariff impacts. The Mexico facility primarily offers complimentary capability focused on lower volume, manually assembled products that are less suited to automation, while the US plant at Cullman will remain the core of high volume, high technology manufacturing. Establishing the new facility in Mexico does not require significant capital expenditure.

SEGMENT REVIEW - *ASIA PACIFIC*

Asia Pacific sales of $298.3 million were 9.5% higher on a reported basis (US$) and up 5.0% on a local currency basis (A$) versus the pcp. Sales growth was driven by growth in both RWC and Holman product categories. Intercompany sales on a local currency basis were 7.8% higher due to higher volumes versus pcp, ahead of the planned closure of APAC's brass manufacturing operations in Melbourne.

Asia Pacific Adjusted EBITDA was $20.2 million, 22.4% lower than the pcp. Adjusted EBITDA margin was 280 basis points lower at 6.8%. Operating margins in the period were negatively impacted by higher raw materials and freight costs and lower manufactured volumes, partly offset by price increases and cost reduction measures.

SEGMENT REVIEW - *EUROPE, MIDDLE EAST, AND AFRICA ("EMEA")*

Net sales in EMEA were $260.0 million, 0.2% higher in reported currency (US$) and 3.4% lower in local currency (British Pounds). External sales in local currency were 1.8% lower than pcp, and 0.8% lower after adjusting for the sale of RWC's manufacturing operations in Spain in March 2025.

[3] As measured by inventory weeks on hand.

External sales in the UK were down 3.6% on the pcp, with UK plumbing and heating sales down 4.7% due to lower volumes in residential remodel and residential new construction. Specialty and other product sales were 5.4% higher than the pcp.

Continental Europe external sales were 2.8% higher than pcp, and 6.8% higher after adjusting for the sale of manufacturing operations in Spain. The key markets of Germany, France and Italy all recorded sales growth, with new product launches in each of these markets positively impacting sales.

Adjusted EBITDA of $68.7 million was 8.0% lower than the pcp, and 11.3% lower in local currency. Investment during the year to improve customer service levels contributed to higher operating costs in the short term. Operations commenced at RWC's new assembly facility in Poland in November 2025, and the costs associated with ramping up production impacted operating margins. Consequently, Adjusted EBITDA margin reduced by 240 basis points on the pcp to 26.4%. The lower cost base of the new facility in Poland is expected to contribute to earnings growth in FY27.

TAXATION

Reported tax expense for the year was $30.3 million compared with $48.5 million in the pcp. The reduction reflects lower pre-tax earnings as a result of the APAC manufacturing closures and other restructuring, and the impairment of intangible assets.

Reported tax expense also 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 items referenced earlier, tax expense for the period was $23.0 million, representing an Adjusted effective tax rate of 15.5%.

CASH FLOW

Year ended:	**30 June 2026**	**30 June 2025**
US$ million		
Cash generated from operations	263.4	271.1
Income tax paid	(22.8)	(38.1)
Net cash outflow from investing activities	(18.0)	(30.0)
Interest and lease payments, dividends and share buyback	(134.1)	(121.7)
Reduction in borrowings	(86.3)	(79.7)

Cash generated from operations was $263.4 million, 2.8% lower than the pcp. Net working capital was down on the pcp, with higher customer receivables and inventory balances offset by payables. Consequently, operating cash flow conversion[4] for the period was 108.8% of Adjusted EBITDA versus 97.6% in the pcp.

[4] FY26: Cash flow from operations to Adjusted EBITDA of $242.1 million.

DEBT POSITION AND CAPITAL STRUCTURE

Net debt[5] at 30 June 2026 was $243.4 million (30 June 2025 - $331.6 million). Net debt to EBITDA (adjusted for lease payments) was 1.11 times at 30 June 2026 compared with 1.30 times for the pcp.

RWC's weighted average debt maturity was 6.7 years at 30 June 2026 (7.0 years in 2025), and 92% of total drawn debt was at fixed rates. The weighted average cost of funding for FY26 was 4.22% compared with 4.67% in FY25.

As a result of strong cash generation during the period, RWC is below the lower end of its target leverage range of 1.5 times to 2.5 times net debt to EBITDA. In March 2026, RWC announced a further A$120 million on-market share buy-back, in addition to the buy-back component of the FY26 interim distribution. By 30 June 2026, A$34.4 million of the buy-back had been completed.

FINAL DIVIDEND AND ON-MARKET SHARE BUY-BACK

Following receipt of an unsolicited non-binding indicative proposal from Brookfield Capital Partners LLC (on behalf of its affiliates and their managed funds) (Brookfield)[6] 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.

FY27 TRADING OUTLOOK

RWC does not expect significant improvement in economic conditions in FY27 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.

For FY27, RWC expects Group sales to be up by mid to high-single digit percentage points relative to the pcp. Adjusted EBITDA margin is expected to be broadly consistent with FY26.

Americas continues to be RWC's strongest region from an operational perspective. Americas external sales are expected to be up by mid to high-single digit percentage points on the pcp, driven by new product revenues and price increases. Americas Adjusted EBITDA margin is expected to be broadly consistent with FY26.

Asia Pacific external sales are expected to be up by mid-single digit percentage points driven by growth in new products, market share gains, and price increases. Total sales are, however, expected to be lower than the pcp due to the reduction in intercompany revenues of approximately A$50 million following the closure of metals manufacturing in Australia. Adjusted EBITDA margin is expected to be broadly consistent with FY26.

---

[5] Excludes finance leases

[6] 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.

EMEA remains RWC's most challenging region. EMEA external sales are expected to be up by mid-single digit percentage points on the pcp, driven by new product revenues and price increases. Adjusted EBITDA margin is expected to be higher than FY26, with short term cost increases incurred in FY26 expected to reduce in FY27.

FINANCIAL METRICS

The following key assumptions are provided for FY27:

- RWC expects operating cash flow conversion in FY27 to be above 90%, consistent with our long-term target.
- Capital expenditure is expected to be in the range of $25 million to $30 million.
- Depreciation and amortisation expense is expected to be in the range of $64 million to $68 million.
- Net interest expense is expected to be in the range of $18 million to $22 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 approximately $10 million to $12 million savings for the full year.
- The estimated impact of US tariffs is unchanged from previous guidance of $5 million to $7 million in FY27.

Variations in economic conditions, trading conditions, the implementation of additional or new tariffs, or other circumstances may cause these key assumptions to change.

Additional information

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

For further enquiries, please contact:
Phil King
Group Investor Relations Director
Mob: +61 (0) 499 986 189
Email: phil.king@rwc.com

This document was approved for release by the Board.