

Media Release

27 August 2019

RWC ANNOUNCES RECORD REVENUE AND EARNINGS FOR FY2019 FOLLOWING JOHN GUEST ACQUISITION

Reliance Worldwide Corporation Limited (ASX: RWC) ("RWC" or "the Company") has today announced Reported Net Profit after Tax ("NPAT") of \$133 million for the year ended 30 June 2019, which was 102% higher than the prior year. Adjusted NPAT of \$152 million, including synergies but before John Guest integration costs and other John Guest related adjustments, was up 80% on the prior year.

RWC Managing Director Heath Sharp said:

"This has been a record year for RWC in terms of revenues and earnings. The growth was due in large part to the inclusion of John Guest for a full year and the strong underlying growth we recorded in the Americas. The John Guest acquisition has been highly accretive, with adjusted earnings per share up 23% on the prior year. Consequently we have been able to increase total dividends declared for the year to 9 cents per share, an increase of 38%.

"A key achievement has been the successful integration of John Guest with RWC's operations. We realised synergies in the year of \$14.2 million, ahead of the \$10 million target and we expect synergies to exceed \$30 million per annum on a run rate basis by the end of FY2020.

"The strength of the John Guest business in terms of end-user connections, distribution partner relationships and engineering capabilities was demonstrated throughout its first year of RWC ownership and reflected in its performance. The long-term growth potential of the business and the revenue synergy opportunities continue to support the strategic rationale for the acquisition.

"We had another year of strong net sales growth in the Americas segment, particularly in the first half, with underlying sales for the whole year up over 8%. We continued with our expansion of the range of products we sell across our distribution base, adding to RWC's core product range as well as the additional product ranges we now have with Holdrite and John Guest.

"We faced a number of headwinds during the year, including a slowdown in new residential construction in Australia, the absence of a freeze in the southern US, higher copper costs in the first half which impacted brass costs, increased tariffs on goods imported from China into the US and Brexit uncertainty in the UK. Despite these challenges we have posted a record result.

"The fundamentals of RWC's business are sound. Today we have solid core businesses in our two most important sales markets of the USA and UK. Compared with three years ago, we also have a significantly more robust business with increased diversity of end users, channel distributors, geographies, products, materials and technology. We continue to be optimistic about the future for our core businesses, while at the same time excited by the growth opportunities we see beyond these," Mr Sharp said.

Outlook

RWC currently expects NPAT for FY2020 to be in the range of \$150 million to \$165 million. Performance within this range will be impacted by a number of external factors including the extent of Brexit disruption in the UK, economic and construction market conditions in other key markets, raw material costs and foreign currency impacts.



RWC management will host a briefing for investors and analysts to discuss the results commencing at 9:00am AEST. Participants can access the briefing by either live teleconference or webcast. Details are set out below.

Teleconference Dial-In Details:

Conference ID: 10001554

Participants may dial either of the numbers below and quote the Conference ID number shown above.

Participant toll:	+61 2 9007 3187	Participant toll-free:	1800 558 698
International Dial-In Numbers:	Canada/United States 1855 881 1339	United Kingdom 0800 051 8245	New Zealand 0800 453 055
	Singapore 800 1012 785	Hong Kong 800 966 806	Japan 005 3116 1281

Webcast: a webcast of the briefing can be viewed via the following link:

<http://www.openbriefing.com/OB/3449.aspx>

A recording of the briefing will subsequently be made available on the RWC website:
www.rwc.com/investors

Additional information

Please refer to the Appendix 4E, 30 June 2019 Financial Report and presentation slides released today for additional information and analysis. These documents should be read in conjunction with each other document.

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