Reliance Worldwide Corporation Limited

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ASX Announcement

17 February 2026

RWC REPORTS RESULTS FOR SIX MONTHS ENDED 31 DECEMBER 2025

NET PROFIT AFTER TAX OF US$43.7 MILLION

ADJUSTED NET PROFIT AFTER TAX US$52.2 MILLION

- Challenging first half with financial results impacted by US tariffs and weaker demand in the US and UK
- Net sales down 4.6% to US$645.4 million on the prior corresponding period ("pcp")
- Net profit after tax of US$43.7million, down 34.9% on pcp
- Adjusted net profit after tax[1] of US$52.2 million, down 31.3% on pcp
- Continued strong cash generation with a further US$21.2 million reduction in net debt
- Distribution of 4.0 cents per share: unfranked interim dividend of US2.0 cents per share and on-market share buyback of US$15.3 million

Reliance Worldwide Corporation Limited (ASX: RWC) ("RWC" or "the Company") today announced Net Profit after Tax ("NPAT") of US$43.7 million for the six months ended 31 December 2025 (down 34.9% on pcp) and Adjusted NPAT of US$52.2 million (down 31.3% on pcp).

Net sales were US$645.4 million, 4.6% lower than pcp. Adjusting for the previously disclosed pull-forward of demand into the first half of the pcp in the Americas, the exit from certain low-margin product lines in the Canadian market, and the sale of manufacturing operations in Spain, underlying net sales for the period were 1.9% lower than the pcp.

Operating earnings (EBITDA) for the period were US$111.1 million, 22.2% lower than the pcp. Results for the period included a net (US$0.3 million) in one-off items. Adjusted EBITDA was US$111.4 million, 22.5% lower than the pcp.

As foreshadowed in RWC's FY25 earnings announcement in August 2025, operating earnings for the period were adversely impacted by US tariffs. The expected full year net impact of tariffs in FY26 is in the range of US$25 million to US$30 million, with the impact weighted to the first half of FY26. The benefits from the transfer of product sourcing away from China to lower tariff countries, coupled with price adjustments and cost reduction measures, will continue to flow through in the second half of FY26.

Operating earnings were also impacted by lower sales volumes in the Americas, increased costs in EMEA due to the implementation of new manufacturing processes to improve customer service levels, and lower overhead recoveries in APAC due to reduced manufacturing volumes.

Cash generated from operations was US$102.6 million, 19.2% lower than the pcp. Operating cash flow conversion[2] for the period was 92.1% of Adjusted EBITDA versus 88.3% in the pcp.

[1] EBITDA (earnings before interest, tax, depreciation, and amortisation), Adjusted EBITDA, 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.
[2] HY26: Cash flow from operations to Adjusted EBITDA of US$111.4 million.

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For the six months ended 31 December 2025 a total distribution amount of US4.0 cents per share has been declared, comprising an unfranked interim cash dividend of US2.0 cents per share and the undertaking of an on-market share buy-back for US$15.3 million (equivalent in total to US2.0 cents per share).

RWC Chief Executive Officer Heath Sharp said:

"The first half has been particularly challenging as we have dealt with the twin impacts of US tariffs and weak end markets. However, we are really pleased with the progress we have made with our key strategic initiatives, which have further strengthened the business and mean we are well placed to benefit from an upturn in volumes.

"While residential remodelling and new construction markets remained subdued, we have made significant progress on a number of strategic initiatives. We commissioned our new assembly facility in Poland and finalised plans for a new facility in Mexico which will support activity in the Americas and lower the impact of associated tariffs. During the half we also launched new product ranges with key distributors in Germany, France and Italy, while SharkBite Max was launched nationwide across Australia.

"Despite the impact on operating earnings from tariffs, we generated strong cash flows as a result of disciplined working capital management and this has enabled us to further reduce our net debt by $21.2 million."

RWC expects trading conditions in the second half of FY26 to remain broadly consistent with those experienced in the first half of FY26.

RWC expects, after adjusting for the exit from certain low margin product lines in Canada and the sale of RWC's manufacturing operations in Spain which occurred in FY25, that second half external sales will be up on the pcp by mid-single digit percentage points. Full year external sales for FY26 are expected to be broadly flat.

As previously flagged, the introduction of tariffs in the US will negatively impact earnings by between US$25m and US$30m in FY26. The impact of tariffs is expected to be lower in the second half of FY26 because of mitigation actions put in place. While tariff mitigation and other initiatives are expected to improve margins in the second half of FY26 compared with the first half of FY26, operating margins for the full year FY26 will be lower than for FY25.

Additional information

Please refer to the Appendix 4D, 31 December 2025 Interim Financial 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.

ENDS

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This document was approved for release by the Board.

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