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

OPERATING AND FINANCIAL REVIEW
FOR SIX MONTHS ENDED 31 DECEMBER 2025

The financial results for the six months ended 31 December 2025 are set out below. All figures are in US$ unless otherwise indicated.

Group Overview		
Six months ended:	**31 December 2025**	**31 December 2024**
US$ million		
Net sales:		
Americas	408.9	440.6
Asia Pacific	149.2	150.3
EMEA	124.8	121.9
Intercompany Sales Eliminations	(37.5)	(36.2)
Net sales	**645.4**	**676.5**
Adjusted EBITDA[1]:		
Americas	69.1	92.6
Asia Pacific	12.9	18.1
EMEA	33.1	35.6
Corporate & Eliminations	(3.6)	(2.4)
Adjusted EBITDA	**111.4**	**143.8**
Depreciation & Amortisation	(35.0)	(34.6)
Adjusted EBIT[1]	**76.4**	**109.2**
Net finance costs	(12.1)	(15.3)
Adjusted profit before tax	**64.3**	**93.9**
Tax expense on underlying profit	(12.1)	(36.7)
Adjusted net profit after tax[1]	**52.2**	**76.0**
Adjustment items	(0.8)	(1.4)
Tax benefit attributable to adjustment items	0.1	0.4
Tax benefit of goodwill amortisation	(7.8)	(7.8)
Reported net profit after tax	**43.7**	**67.2**
Adjusted earnings per share	**6.7 cents**	**9.8 cents**

Net sales were $645.4 million, 4.6% lower than the prior corresponding period ("pcp"). Sales in the Americas were down 7.2% on the pcp. Asia Pacific external sales were down 0.7% on the pcp, and EMEA external sales were 2.4% higher than pcp. Adjusting for the previously announced pull-forward of demand into the first half of the prior period 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.

[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.

ABN 46 610 855 877

Adjusted EBITDA was $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.

Operating earnings were also impacted by:

- Lower volumes in the Americas,
- Increased costs in EMEA due to further increases in the UK minimum wage together with the implementation of new manufacturing processes to improve customer service levels, and
- Lower margins in PVC pipe and fittings together with lower manufacturing overhead recoveries in APAC.

Adjusted EBITDA margin was 17.3% compared with 21.3% in the pcp. Cost savings of $4.4 million were achieved in the period, driven by sourcing and procurement savings, manufacturing efficiencies, and distribution savings.

Reported NPAT of $43.7 million, which includes $0.7 million (post tax) of one-off items, was 34.9% 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 $52.2 million, 31.3% lower than pcp. Adjusted earnings per share were US6.7 cents per share compared with US9.8 cents per share in the pcp.

Items treated as one-off are shown in the following table:

Reconciliation of Reported versus Adjusted Operating Earnings and NPAT

US$ million	EBITDA	EBIT	Tax Expense	NPAT
HY26 Reported	**111.1**	**75.6**	**(19.5)**	**43.7**
EMEA: Gain on French warehouse sale	(1.0)	(1.0)	-	(0.7)
APAC: Holman integration and restructuring	1.3	1.8	(0.4)	1.4
Total one-off items	**0.3**	**0.8**	**(0.4)**	**0.7**
Goodwill tax amortisation	-	-	7.8	7.8
HY26 Adjusted	**111.4**	**76.4**	**(12.1)**	**52.2**

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

SEGMENT REVIEW - *AMERICAS*

Americas sales were $408.9 million, 7.2% lower than pcp. Sales in the pcp were particularly strong due to the pull-forward of demand into the first half ahead of a planned ERP upgrade and the timing of specific customer initiatives from the second half of FY25. Sales performance was also negatively impacted by the exit from certain low-margin product lines in the Canadian market in FY25. Adjusting for these items, Americas sales were 3.4% lower than the pcp. This was due to weak residential remodelling markets and lower multi-family residential 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 $7 million[2].

Adjusted EBITDA of $69.1 million was 25.4% lower than pcp. Operating earnings were significantly impacted by US tariffs. The expected full year net cost impact of tariffs in FY26 is in the range of $25 million to $30 million, with the impact weighted to the first half of FY26.[3] Operating earnings were also impacted by lower volumes. Adjusted EBITDA margin was 16.9% compared with 21.0% in the pcp.

The planned transfer of sourcing away from China to lower tariff countries, along with the implementation of price increases, is expected to reduce the impact of tariffs on operating earnings in the second half.

RWC is planning to augment current manufacturing operations in North America by opening a new facility in Mexico. This new plant will provide RWC with greater manufacturing flexibility and a competitive cost structure while also helping us 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 will not require significant capital or operating expenditure.

As a result of the timeframes associated with commissioning the new facility in Mexico together with other sourcing changes, RWC now expects that there will be a residual net impact of tariffs on FY27 EBITDA of $5 million to $7 million. This is substantially lower than the estimated impact on FY26 EBITDA of $25 million to $30 million but updated from the previous guidance of no expected impact on FY27 EBITDA from tariffs.

SEGMENT REVIEW - *ASIA PACIFIC*

Asia Pacific sales of $149.2 million were 0.7% lower on a reported basis (US$) and up 0.6% on a local currency basis (A$) versus the pcp. Sales growth was assisted by the launch of SharkBite Max push-to-connect fittings range in the Australian market during the period together with other new product initiatives. This was offset by increased competitive intensity in PVC pipe and fittings which impacted volumes and margins, and a late start to the key spring selling season for watering products in some parts of Australia.

Asia Pacific Adjusted EBITDA was $12.9 million, 28.9% lower than the pcp. Adjusted EBITDA margin was 340 basis points lower at 8.6%. Operating margins in the period were negatively impacted by lower manufacturing overhead recoveries. A greater proportion of products were sourced from third party vendors in the period compared with the pcp, resulting in lower manufacturing volumes.

[2] As measured by inventory weeks on hand.

[3] This cost estimate is based on individual country tariff rates in place at the date of this release, and specific tariffs on copper, steel and aluminium imports. Changes to these rates will impact this estimate.

ABN 46 610 855 877

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

Reported net sales in EMEA were $124.8 million, 2.4% higher in reported currency (US$) and 1.3% lower in local currency (British Pounds).

External sales in local currency were 1.3% lower than pcp. External sales in the UK were down 1.6% on pcp, with UK plumbing and heating sales down 1.3% in local currency due to lower volumes in residential remodel and residential new construction. Specialty and other product sales were 2.4% higher than the pcp, while export sales were down due to lower sales to China and South Africa.

Continental Europe external sales were 0.4% lower than pcp, but 5.7% higher after adjusting for the sale of RWC's manufacturing operations in Spain in March 2025. The key markets of Germany, France and Italy all recorded sales growth, with new product launches in each of these markets positively impacting sales.

During the period, operations commenced at RWC's new assembly facility in Poland. RWC expects that this new facility will contribute to lowering its cost base. The capital investment to establish the new facility was not significant.

Adjusted EBITDA of $33.1 million was 7.2% lower than the pcp, and 10.2% lower in local currency. As noted above, investment during the period to improve customer service levels contributed to higher operating costs. These actions have resulted in significant reductions in order lead times. Costs associated with these customer service improvements, together with higher labour costs in the UK due to increases in the minimum wage and establishment costs for the Poland assembly facility, all impacted operating earnings. Consequently, Adjusted EBITDA margin reduced by 270 basis points on the pcp to 26.5%. Initiatives underway to consolidate these customer service improvements are expected to reduce this impact in the second half.

TAXATION

The accounting effective tax rate for the period was 30.9% compared with 27.4% in the pcp. 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 $7.8 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 $12.1 million, representing an Adjusted effective tax rate of 18.8%.

CASH FLOW

Cash Flow Summary

Six months ended: **US$ million**	**31 December 2025**	**31 December 2024**
Cash generated from operations	102.6	127.0
Income tax paid	(10.3)	(18.3)
Net cash outflow from investing activities	(11.1)	(14.5)
Net cash inflow (outflow) from financing activities	(80.6)	(90.9)
Net cash flow	0.5	3.3

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

Cash generated from operations was $102.6 million, 19.2% lower than the pcp. Net working capital was up slightly, with higher inventory balances arising principally from the impact of tariffs offset by lower trade receivables and higher payables. Operating cash flow conversion[4] for the period was 92.1% of Adjusted EBITDA versus 88.3% in the pcp.

DEBT POSITION AND CAPITAL STRUCTURE

Net debt[5] at 31 December 2025 was $310.4 million (31 December 2024 - $380.6 million). Net debt to EBITDA was 1.39 times at 31 December 2025 (based on historic EBITDA for a 12-month period ended 31 December 2025) compared with 1.41 times for the pcp.

RWC's weighted average debt maturity was 6.3 years at 31 December 2025, and 74% of total drawn debt was at fixed rates. The weighted average cost of funding was 4.30%.

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. 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.

INTERIM DIVIDEND AND ON-MARKET SHARE BUY-BACK

The Company's distribution policy is an intention to distribute between 40% and 60% of annual NPAT, with the total distribution amount for a period to be allocated approximately 50% to a cash dividend and 50% to on-market share buy-backs. Dividends are expected to be unfranked.

A total distribution amount for the six months ended 31 December 2025 of US4.0 cents per share (US$30.7 million) 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).

The total distribution amount represents 70% of Reported NPAT and 59% of Adjusted NPAT.

FY26 TRADING OUTLOOK

Trading conditions in the second half of FY26 are expected to remain broadly consistent with those experienced in the first half of FY26. While fixed mortgage rates in the US are easing and the federal government is implementing policies to stimulate demand, it has yet to reach a level that has led to increased new home sales and existing home turnover. Low existing home turnover and weak consumer confidence continue to be headwinds for remodelling activity.

UK residential new construction volumes remain low as does home remodelling activity, reflecting a weak macro-economic backdrop. In Australia, demand for new homes is strong, as evidenced by recent house price appreciation, but the supply of new residential dwellings is not rising as quickly due to supply side constraints.

The trading outlook for the second half of FY26 for each region is summarised below.

[4] HY26: Cash flow from operations to Adjusted EBITDA of $111.4 million.
[5] Excludes finance leases

Americas

FY26 second half external sales are expected to be up by mid to high-single digit percentage points over the pcp, after adjusting for the exit from certain low margin product lines in Canada in FY25, due to the implementation of price increases in response to higher US tariffs.

FY26 second half Adjusted EBITDA margin is expected to be higher than the first half of FY26 but lower than the pcp due to the impact of US tariffs.

Asia Pacific

FY26 second half external sales are expected to be broadly flat to up by low-single digit percentage points on the pcp due to the impact of new products and stabilisation in the PVC pipes and fittings market.

FY26 second half Adjusted EBITDA margin is expected to be up on the pcp and up on the first half of FY26, with operating margins in the pcp negatively impacted by one-off factors that have now been resolved.

EMEA

FY26 second half external sales are expected to be broadly flat on the pcp, after adjusting for the sale of RWC's manufacturing operations in Spain in FY25.

FY26 second half Adjusted EBITDA margin is expected to be broadly flat on the pcp and higher than the first half of FY26, as the costs associated with improving UK service delivery performance reduce.

Group Outlook for FY26:

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

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

FINANCIAL METRICS

The following key assumptions are provided for FY26:

- RWC expects operating cash flow conversion in FY26 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 $70 million to $72 million.
- Net interest expense is expected to be in the range of $21 million to $25 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 $8 million to $10 million in savings for the full year.

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 4D, 31 December 2025 Interim Financial 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.