



ASX Announcement

8 August 2018

Review of revised US import duties – FY2018 EBITDA still within guidance and no material impact expected in future years¹

Reliance Worldwide Corporation Limited (ASX: RWC) advises that it has completed a review of the recent changes made and proposed to be made to USA import duties. The changes to the import duties are being introduced progressively with some proposed changes still subject to public hearings and/or further consultation.

The new import duties already in place are not expected to have a material impact on EBITDA in future years. Based on currently available information, the estimated impact for FY2019 is expected to be less than US\$1.5 million¹.

Some of the potential changes still subject to hearings and/or consultation could, if implemented, have further impact. However, RWC management has identified a range of strategies that can mitigate any such impact. These include alternative sourcing of products and price increases. RWC currently expects that these strategies will be effective and that the profit impact of any further import duty changes will not be material.

Following the review, RWC will raise a one-time charge of US\$4.5 million against its FY2018 EBITDA resulting from a reclassification of categories for products imported to the USA in FY2018 and prior years.

RWC advises that after this charge its EBITDA for FY2018 is still expected to be within the guidance range previously advised of \$150 million to \$155 million (before any contribution from John Guest and transaction costs expensed for that acquisition).

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¹ Assuming no further changes to import duty rates and no further significant import duties are introduced which would materially impact on RWC's activities.