Reliance Worldwide Corporation Limited
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21 February 2022

Results for announcement to the market

Appendix 4D for the half year ended 31 December 2021

Reliance Worldwide Corporation Limited (ASX: RWC) ("Company") announces the following financial results for the Company and its controlled entities (together "RWC") for the six months ended 31 December 2021[1].

RWC is a global market leader and manufacturer of water delivery, control and optimisation systems for the modern built environment. RWC pioneers and innovates plumbing products for residential, commercial and industrial applications. RWC's unique end-to-end meter to fixture and floor to ceiling plumbing and heating solutions target the repair, renovation, service, new construction and remodel markets. RWC manufactures and distributes products that disrupt and transform traditional plumbing methods by aiming to make the end user's job quicker and easier. RWC is the leading manufacturer in the world of brass Push-to-Connect ("PTC") plumbing fittings and a global leader in the manufacture and distribution of plastic PTC fittings and accessories. Following the acquisition of EZ-FLO International in November 2021, RWC is now also positioned as a leader in supporting those who service major appliance installations, including plumbed appliances, gas, hot water and dryer venting.

Extracted from the 31 December 2021 Interim Financial Report which has been reviewed by the Company's auditor	**Six months ended 31 Dec 2021** US$'000	**Six months ended 31 Dec 2020** US$'000	**Change**
Revenue from ordinary activities	521,835	464,189	12.4%
Net profit from ordinary activities after tax attributable to members	63,736	65,913	(3.3%)
Net profit after tax attributable to members	63,736	65,913	(3.3%)

1 RWC changed its presentation currency to US dollars in the current financial year. Comparative profit or loss results for the six months ended 31 December 2020 previously reported in Australian dollars have been translated into US dollars using average exchange rates for that period. Comparative balance sheet items at 30 June 2021 have been translated using exchange rates at that date. The translation of non-IFRS comparatives has not been subject to audit or audit review. Please refer to Note 1(c) in the 31 December 2021 Interim Financial Report for additional information.

Comparison with prior period

Six months ended:	31 December 2021 US$ million	31 December 2020[2] US$ million	Variance
Net sales	**521.8**	464.2	**12%**
EBITDA[3]	**119.6**	120.0	**-**
Adjusted for one-time items:			
- *Net EZ-FLO and LCL acquisition costs, gain on sale of StreamLabs, debt financing costs expensed*[4]	5.9	-	n/m
Adjusted EBITDA[3]	**125.5**	**120.0**	**5%**
Reported net profit before tax	**92.0**	**94.8**	**(3%)**
Tax Expense	(28.3)	(28.9)	(2%)
Reported net profit after tax	**63.7**	**65.9**	**(3%)**
Adjusted for:			
- *Cash tax benefit of goodwill amortisation for tax purposes*[5]	5.7	5.7	-
- *Net EZ-FLO and LCL acquisition costs, gain on sale of StreamLabs, debt refinancing costs expensed*[6]	5.9	-	n/m
Adjusted net profit after tax[3]	**75.4**	**71.6**	**5%**
Basic earnings per share	**8.1 cents**	**8.4 cents**	**(3%)**
Adjusted earnings per share[3]	**9.6 cents**	**9.1 cents**	**5%**
Dividend per share	**4.5 cents**		

n/m = not meaningful

Please also refer to the accompanying 31 December 2021 Interim Financial Report, Results Announcement and presentation slides released today for further information.

2 RWC changed its presentation currency to US dollars in the current financial year. Comparative profit or loss results for the six months ended 31 December 2020 previously reported in Australian dollars have been translated into US dollars using average exchange rates for that period. Comparative balance sheet items at 30 June 2021 have been translated using exchange rates at that date. The translation of non-IFRS comparatives has not been subject to audit or audit review. Please refer to Note 1(c) in the 31 December 2021 Interim Financial Report for additional information.

3 EBITDA means earnings before interest, tax, depreciation and amortisation; EBITDA, Adjusted EBITDA, Adjusted net profit after tax and Adjusted earnings per share are non-IFRS measures. These measures are used by RWC in order to enhance comparability from period to period and to assess operating performance. They have not been subject to audit or audit review.

4 Adjustments comprise: (i) Acquisition costs relating to LCL and EZ-FLO ($7.0 million); (ii) Inventory step up unwind ($1.3 million); (iii) Gain on sale of StreamLabs $2.5 million; (iv) Expensing of costs relating to previous debt facility ($0.1 million).

5 RWC is entitled 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.

6 Adjustments comprise: (i) Acquisition costs relating to LCL and EZ-FLO ($5.7 million); (ii) Inventory step up unwind ($1.3 million); (iii) Gain on sale of StreamLabs $1.9 million; (iv) Expensing of costs relating to previous debt facility ($0.1 million); (v) Non-cash write-off of capitalised debt cost ($0.7 million).

Earnings per share

Weighted average earnings per share (basic) for the six months ended 31 December 2021 were US8.1 cents (2020 – US8.4 cents). Adjusted earnings per share were US9.6 cents (2020 – US9.1 cents), up 5% on the prior period.

Dividend for the six months ended 31 December 2021

Six months ended:	**31 December 2021**	**31 December 2020**[7]	***31 December 2021 Franked amount***	***31 December 2020 Franked amount***
Interim	US4.5cps	US4.3cps	20%	20%
Amount payable or paid	US$35.6m	US$34.3m		

The dividend will be paid in Australian dollars at 6.285 cents per share.[8] The record date for entitlement to receive the interim dividend is 11 March 2022. The payment date is 8 April 2022. The Company does not have a dividend reinvestment plan.

A final dividend for the 2021 financial year of AU7.0 cents per share franked to 20% was paid to eligible shareholders on 8 October 2021.

Net Tangible Assets per Share

Net tangible assets per share at 31 December 2021 were US$0.03 (30 June 2021 - US$0.34).

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The remainder of the information requiring disclosure to comply with ASX Listing Rule 4.2A.3 is contained in the 31 December 2021 Interim Financial Report, Results Announcement and presentation slides released today. These documents should be read in conjunction with this and each other document.

For further information, please contact:

Phil King
Group Investor Relations Director
Tel: +61 499 986 189
Email: phil.king@rwc.com

This announcement has been authorised for release by the Board of Reliance Worldwide Corporation Limited.

7 Declared and paid in Australian dollars at 6.0cps.
8 Converted to Australian currency using the average exchange rate over the five business days ended 17 February 2022.

Reliance Worldwide Corporation Limited
ABN 46 610 855 877

Interim Financial Report

31 December 2021

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Reliance Worldwide Corporation Limited

Directors' Report

For the half year ended 31 December 2021

The Directors present their report together with the consolidated Financial Report comprising Reliance Worldwide Corporation Limited ("the Company") and its controlled entities (together "the Group" or "RWC") for the half year ended 31 December 2021 and the Auditor's report thereon.

Directors

The Directors of the Company at all times during and since the end of the reporting period, unless otherwise indicated, were:
Stuart Crosby (Chairman)
Heath Sharp (Group Chief Executive Officer and Managing Director)
Christine Bartlett
Russell Chenu
Darlene Knight
Sharon McCrohan
Ian Rowden

Review of Operations

The principal activities of the Group are the design, manufacture and supply of high quality, reliable and premium branded water flow control and monitoring products and solutions for the plumbing and heating industry.

The Group changed its presentation currency to US dollars from Australian dollars with effect from 1 July 2021. All amounts reported in this Directors' Report and the 31 December 2021 interim financial statements, including prior period comparatives, are in US dollars unless stated otherwise.[1]

Net sales for the half year ended 31 December 2021 were $521.8 million, an increase of 12% over the prior corresponding period ("pcp"). Net sales include a partial contribution from EZ-FLO International following completion of the acquisition on 17 November 2021. Excluding EZ-FLO International, sales growth for the period was 8%. Sales growth in all regions was driven partly by price increases introduced to offset rising input and other cost increases. Underlying demand remained strong in most markets due to continued high levels of home remodelling and buoyant residential construction markets. However, direct and indirect supply chain constraints restricted volume growth during the period.

Reported earnings before interest, tax, depreciation and amortisation ("EBITDA") was $119.6 million, a slight reduction of 0.4% on the pcp.[2] Adjusted EBITDA[2] of $125.5 million was 5% higher than the pcp. The first half period was characterised by continued strength in underlying demand for RWC products driven by buoyant repair and remodel activity and increased levels of new residential construction. Rising costs associated with higher commodity prices for key materials including copper, resins and steel were experienced during the period together with higher costs for freight, packaging and other cost inflation. Price rises implemented in all key markets during the period substantially offset these higher costs. The Group achieved average price increases of approximately 7.4% during the period. Higher prices achieved in the period boosted revenue growth but were dilutive to operating margins. Excluding EZ-FLO, Adjusted EBITDA margin declined by 120 basis points from 25.9% to 24.7%. The timing lag between higher input costs being incurred and offsetting price increases was a factor in lower second quarter margins.

Reported net profit after tax ("NPAT") for the period was $63.7 million, a decrease of 3% on the pcp. Adjusted NPAT[2] was $75.4 million, an increase of 5% over the pcp.

A detailed review of the operations of the Group for the half year ended 31 December 2021, the results of those operations and the financial position of the Group at 31 December 2021 ("Operating and Financial Review") is contained in the accompanying Results Announcement dated 21 February 2022 and should be read in conjunction with this report.

The operations of the Group have been impacted, and continue to be impacted, by the COVID-19 pandemic. The COVID-19 outbreak was declared a pandemic by the 'World Health Organisation' in March 2020. The responses of governments across the world in dealing with the pandemic have impacted business activity levels in countries and markets where the Group operates. The Group continues to take actions to minimise negative impacts on its operations and financial position. Despite the ongoing challenges presented by the COVID-19 pandemic, the Group kept its manufacturing facilities operating during the first half and maintained a focus on execution to enable demand to be met. Please refer to the Operating and Financial Review for additional information.

1 Please refer to Note 1(c) in the 31 December 2021 Interim Financial Report for details of the methodology for translating prior period comparatives.

2 EBITDA, Adjusted EBITDA and Adjusted NPAT are non-IFRS measures used by the Group in order to enhance comparability from period to period and to assess operating performance. EBITDA, Adjusted EBITDA and Adjusted NPAT have not been subject to audit or audit review. Details of adjusting items are contained in the Results Announcement dated 21 February 2022.

The Directors have determined not to provide earnings guidance for FY2022. Given the continuing uncertainties caused by COVID-19, we caution against extrapolating the first half sales performance or results for the full financial year.

During the period, the Group successfully completed two acquisitions, being the EZ-FLO International group (November 2021) and the business assets of LCL Pty Ltd (August 2021). Further details on both transactions are contained in the accompanying interim financial statements.

In November 2021, the Group established new committed borrowing facilities totalling $800 million with a group of lenders. The facilities provide RWC with additional funding capacity. The initial drawdown was used to fully refinance and replace a secured A$750 million syndicated facility agreement.

In preparing the interim consolidated financial statements in conformity with Australian Accounting Standards, due consideration has been given to the judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. The ongoing COVID-19 pandemic continues to impact the estimation uncertainty in the preparation of the consolidated financial statements. At 31 December 2021, the Group has reassessed all significant judgements, assumptions and critical estimates included in the interim consolidated financial statements, including but not limited to, provisions against trade debtors and inventory and impairment of non-current assets. Actual results may differ from these estimates. Details of the main judgements, estimates and assumptions applied are set out in the notes to the interim consolidated financial statements.

Dividends

A final dividend for the financial year ended 30 June 2021 of A$0.07 per share franked to 20% was paid to eligible shareholders on 8 October 2021.

Since the end of the financial period, the directors have resolved to declare an interim dividend of US$0.045 per share franked to 20%. The dividend will be paid in Australian dollars at the rate of 6.285 cents per share. The dividend will be paid to eligible shareholders on 8 April 2022. The record date for dividend entitlement is 11 March 2022.

The Company does not have a dividend reinvestment plan.

Events subsequent to reporting date

The Directors are not aware of any matter or circumstance that has occurred since the end of the financial period which has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods and has not been covered in this report or the interim consolidated financial statements.

Lead auditor's independence declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 4 and forms part of this Directors' Report.

Rounding off

In accordance with the Australian Securities and Investments Commission Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191, values are rounded to the nearest thousand dollars, unless otherwise stated. Where an amount is $500 or less the amount is rounded to zero, unless otherwise stated.

This report is made in accordance with a resolution of the Directors.

Stuart Crosby
Chairman

Heath Sharp
Group Chief Executive Officer
and Managing Director

Melbourne
21 February 2022

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Reliance Worldwide Corporation Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Reliance Worldwide Corporation Limited for the half-year ended 31 December 2021 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

Tony Romeo

Partner

Melbourne

21 February 2022

Reliance Worldwide Corporation Limited

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 31 December 2021

	Note	31 December 2021 US$000	31 December 2020[1] US$000
Revenue			
Revenue from sale of goods	*4*	521,835	464,189
Cost of sales		(308,425)	(258,163)
Gross profit		**213,410**	**206,026**
Other income		3,844	383
Product development expenses		(5,703)	(6,000)
Selling, warehousing and marketing expenses		(63,520)	(56,443)
Administration expenses		(49,197)	(41,496)
Other expenses		(922)	(3,359)
Operating profit		**97,912**	**99,111**
Finance income		24	91
Finance costs	*11*	(5,895)	(4,347)
Net finance costs		**(5,871)**	**(4,256)**
Profit before tax		**92,041**	**94,855**
Income tax expense	*6*	(28,305)	(28,942)
Profit for the period attributable to the Owners of the Company		**63,736**	**65,913**
Other Comprehensive income/(loss)			
Items that may be classified to profit or loss:			
Foreign currency translation differences		(26,338)	113,418
Total comprehensive profit for the period attributable to the Owners of the Company		37,398	179,331
		Cents	**Cents**
Earnings per share			
Basic earnings per share attributable to ordinary equity holders	*5*	**8.1**	**8.4**
Diluted earnings per share attributable to ordinary equity holders	*5*	**8.1**	**8.4**

[1] Prior year comparatives have been restated into US dollars following a change in presentation currency; refer to Note 1(c)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Reliance Worldwide Corporation Limited

Consolidated Statement of Financial Position

At 31 December 2021

	Note	31 December 2021 US$000	30 June 2021[1] US$000
Assets			
Current assets			
Cash and cash equivalents		26,391	21,319
Trade and other receivables		237,603	219,909
Inventories	*9*	315,843	195,135
Current tax assets		11,626	6,410
Other current assets		19,471	11,849
Total Current Assets		**610,934**	**454,622**
Non-Current			
Property, plant and equipment	*7*	228,343	199,034
Right-of-use assets	*11*	117,163	68,335
Deferred tax assets		27,237	25,750
Goodwill	*10*	823,081	686,095
Other intangible assets	*10*	343,249	240,338
Total Non-Current Assets		**1,539,073**	**1,219,552**
Total Assets		**2,150,007**	**1,674,174**
Liabilities			
Current liabilities			
Trade and other payables		186,661	179,982
Current tax liabilities		2,481	8,707
Employee benefits		7,267	9,053
Other current liabilities	*11*	16,392	26,104
Total Current Liabilities		**212,801**	**223,846**
Non-Current Liabilities			
Borrowings	*8*	571,733	151,750
Deferred tax liabilities		60,129	49,859
Employee benefits		5,303	5,087
Other non-current liabilities	*11*	107,773	51,316
Total Non-Current Liabilities		**744,938**	**258,012**
Total Liabilities		**957,739**	**481,858**
Net Assets		**1,192,268**	**1,192,316**
Equity			
Share capital		1,739,587	1,738,067
Reserves		(815,030)	(789,561)
Retained earnings		267,711	243,810
Total Equity		**1,192,268**	**1,192,316**

[1] Prior year comparatives have been restated into US dollars following a change in presentation currency; refer to Note 1(c)

Reliance Worldwide Corporation Limited

Consolidated Statement of Changes in Equity

For the half year ended 31 December 2021

	Share Capital	Foreign Currency Translation Reserve	Merger Reserve	Share Based Payment Reserve	Hedging Reserve	Retained Earnings	Total Equity
	US$000	US$000	US$000	US$000	US$000	US$000	US$000
Balance at 30 June 2020[1]	**1,738,067**	**(66,448)**	**(840,544)**	**9,062**	**(8,190)**	**143,709**	**975,656**
Profit for the period	-	-	-	-	-	65,913	65,913
Foreign currency translation Reserve	-	113,418	-	-	-	-	113,418
Total comprehensive income	**-**	**113,418**	**-**	**-**	**-**	**65,913**	**179,331**
Transactions with owners of the Company							
Treasury shares	-	-	-	-	-	-	-
Share based payments	-	-	-	2,730	-	-	2,730
Dividends paid	-	-	-	-	-	(15,225)	(15,225)
Total transactions with owners of the Company	**-**	**-**	**-**	**2,730**	**-**	**(15,225)**	**(12,495)**
Balance at 31 December 2020	**1,738,067**	**46,970**	**(840,544)**	**11,792**	**(8,190)**	**194,397**	**1,142,492**

	Share Capital	Foreign Currency Translation Reserve	Merger Reserve	Share Based Payment Reserve	Hedging Reserve	Retained Earnings	Total Equity
Balance at 30 June 2021[1]	**1,738,067**	**44,842**	**(840,544)**	**14,331**	**(8,190)**	**243,810**	**1,192,316**
Profit for the period	-	-	-	-	-	63,736	63,736
Foreign currency translation Reserve	-	(26,338)	-	-	-	-	(26,338)
Total comprehensive income	**-**	**(26,338)**	**-**	**-**	**-**	**63,736**	**37,398**
Transactions with owners of the Company							
Treasury shares	1,520	-	-	-	-	-	1,520
Share based payments	-	-	-	869	-	-	869
Dividends paid or provided	-	-	-	-	-	(39,835)	(39,835)
Total transactions with owners of the Company	**1,520**	**-**	**-**	**869**	**-**	**(39,835)**	**(37,446)**
Balance at 31 December 2021	**1,739,587**	**18,504**	**(840,544)**	**15,200**	**(8,190)**	**267,711**	**1,192,268**

[1] Prior year comparatives have been restated into US dollars following a change in presentation currency; refer to Note 1(c)

Reliance Worldwide Corporation Limited

Consolidated Statement of Cash Flows

For the half year ended 31 December 2021

	Note	31 December 2021 US$000	31 December 2020[1] US$000
Cash flows from operating activities			
Receipts from customers		509,685	468,406
Payments to suppliers, employees and for customer rebates		(449,721)	(355,964)
Cash generated from operations		59,964	112,442
Income taxes paid		(31,334)	(23,103)
Transaction costs associated with business combinations		(6,954)	-
Net cash inflow from operating activities		**21,676**	**89,339**
Cash flows from investing activities			
Payments for purchase of property, plant and equipment		(27,059)	(8,456)
Proceeds from sale of property, plant and equipment		375	866
Payments for intellectual property and other intangible assets acquired		(198)	(179)
Net cash outflow upon acquisition of business combinations		(359,823)	-
Net cash outflow from investing activities		**(386,705)**	**(7,769)**
Cash flows from financing activities			
Purchase of treasury shares		-	(200)
Proceeds from borrowings[2]		432,052	24,572
Repayment of borrowings[2]		(11,008)	(86,244)
Interest received		24	91
Interest paid		(3,379)	(3,335)
Dividends paid		(40,354)	(39,970)
Lease payments		(6,260)	(5,761)
Net cash outflow from financing activities		**371,075**	**(110,847)**
Net change in cash and cash equivalents		6,046	(29,277)
Cash and cash equivalents at 1 July		21,319	56,642
Effects of movements in exchange rates on cash held		(974)	3,177
Cash and cash equivalents at 31 December		26,391	30,542
Represented by:			
Cash at bank		26,391	30,542
Cash and cash equivalents at the end of the year		**26,391**	**30,542**

[1] Prior year comparatives have been restated into US dollars following a change in presentation currency; refer to Note 1(c)

[2] The establishment of new borrowing facilities during the period (refer to Note 8) did not result in actual cash flows to/from RWC as a net settlement/receipt mechanism was agreed with lenders

1 Basis of preparation

(a) Reporting Entity

Reliance Worldwide Corporation Limited ("the Company") is a limited liability company domiciled in Australia. These consolidated interim financial statements comprise the Company and its subsidiaries (together referred to as "the Group").

The Company's registered office is at 28 Chapman Place, Eagle Farm, Queensland 4009, Australia.

The principal activities of the Group are the design, manufacture and supply of high quality, reliable and premium branded water flow, control and monitoring products and solutions for the plumbing and heating industry.

(b) Statement of Compliance

These consolidated, condensed interim financial statements are general purpose financial statements prepared in accordance with AASB 134 *Interim Financial Reporting,* the *Corporations Act 2001* ("Corporations Act") and IAS 34 *Interim Financial Reporting.* They do not include all of the information required for a complete set of annual financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 30 June 2021. Accordingly, this report is to be read in conjunction with the 30 June 2021 consolidated financial report and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act.

These consolidated interim financial statements:

- have been prepared on a going concern basis using historical cost conventions unless otherwise stated;
- have been prepared in accordance with the Australian Securities and Investments Commission Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191. Values are rounded to the nearest thousand dollars, unless otherwise stated;
- adopt all new and amended AASBs and Interpretations issued by the AASB that are relevant to the operations of the Group and effective for reporting periods beginning on or before 1 July 2021; and
- do not early adopt any AASBs and Interpretations that have been issued or amended but are not yet effective.

The Company is a for-profit entity for the purpose of preparing the interim financial statements.

The interim financial statements were authorised for issue by the Board of Directors on 21 February 2022.

(c) Change in Presentation Currency

The Group changed its presentation currency from Australian dollars to US dollars in the current financial year. The change in presentation currency represents a voluntary change in accounting policy which is accounted for retrospectively. This interim financial report for the six months ended 31 December 2021 is the first financial report with results presented in US dollars. Comparative financial information from both the 30 June 2021 consolidated financial report and 31 December 2020 interim report, previously reported in Australian dollars has been restated into US dollars using the procedures outlined below:

- The Statements of Profit or Loss and Statements of Cash Flows have been translated to US dollars using average exchange rates for the relevant period;
- Assets and Liabilities in the Statement of Financial Position have been translated to US dollars using the exchange rate as at the relevant balance dates;
- The Equity section of the Statement of Financial Position has been converted to US dollars using historical exchange rates; and
- Earnings per share and dividend disclosures have also been restated to US dollars.

1 Basis of preparation (continued)

(d) Use of estimates and judgements

The preparation of consolidated financial statements in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The significant judgements made by management in applying the RWC group accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual financial statements as at and for the year ended 30 June 2021.

(e) New Standards, interpretations and amendments adopted by the Group

The accounting policies and methods of computation applied by the Group in this Interim Financial Report are consistent with those applied by the Group in its 30 June 2021 Financial Report. There have been no new or revised accounting standards which materially impacted the interim financial report.

Standards not yet applicable are not expected to have a material impact on the Group.

(f) COVID-19 impacts

The Group has managed, and continues to manage, the risks arising from the global COVID-19 pandemic, with any known impacts included in the interim report for the period ended 31 December 2021.

During the first half of FY2022, the Group has also taken proactive measures to manage and further enhance liquidity including:

- establishing new committed borrowing facilities with a group of lenders totalling US$800 million (unsecured and under Common Terms Deed) that provides RWC with additional funding capacity and replace the existing A$750 million (US$550 million) secured facility; and
- prudently managing Selling, General & Administrative costs

These financial statements have been prepared on a going concern basis, having regard to the financial performance of the Group and consideration of the financial position at 31 December 2021.

In determining the appropriateness of its judgements and estimates the Group has also specifically considered the impact of the COVID-19 pandemic at 31 December 2021 and on its operations in future periods.

2 Segment reporting

Segment information is presented in a manner which is consistent with internal reporting to the Group Chief Executive Officer, who is the chief operating decision maker in the allocation of resources and assessing the performance of the operating segments of the Group.

The Group's regional segments are based on geographical operation of the business and comprise:

- Americas, including the United States of America and Canada
- Asia Pacific, including Australia, New Zealand, Korea and China[1]
- EMEA, including the United Kingdom, Germany, Spain, Italy, Poland, France and Czech Republic

Segment revenues, expenses, assets and liabilities are reported on a gross basis.

[1] The Ningbo Rockwall Manufacturing business in China, recently acquired as part of the EZ-FLO transaction, is reported under the Americas segment consistent with internal reporting to the chief operating decision maker

2 Segment reporting (continued)

	Americas		Asia Pacific		EMEA		Corporate/Other		Elimination		Total	
	31-Dec 2021 US$000	31-Dec 2020 US$000	31-Dec 2021 US$000	31-Dec 2020 US$000	31-Dec 2021 US$000	31-Dec 2020 US$000	31-Dec 2021 US$000	31-Dec 2020 US$000	31-Dec 2021 US$000	31-Dec 2020 US$000	31-Dec 2021 US$000	31-Dec 2020 US$000
Revenue												
From external customers	332,379	288,874	66,567	57,030	122,889	118,285	-	-	-	-	521,835	464,189
From other segments	1,198	768	44,361	42,718	21,693	18,208	-	-	(67,252)	(61,694)	-	-
Segment revenues	**333,577**	**289,642**	**110,928**	**99,748**	**144,582**	**136,493**	**-**	**-**	**(67,252)**	**(61,694)**	**521,835**	**464,189**
Cost of sales	(224,994)	(183,794)	(79,087)	(66,738)	(71,596)	(69,325)	-	-	67,252	61,694	(308,425)	(258,163)
Gross Profit	**108,583**	**105,848**	**31,841**	**33,010**	**72,986**	**67,168**	**-**	**-**	**-**	**-**	**213,410**	**206,026**
Other income[1]	3,374	286	290	43	180	54	-	-	-	-	3,844	383
Product development expenses	(3,288)	(3,547)	(1,064)	(1,219)	(1,351)	(1,234)	-	-	-	-	(5,703)	(6,000)
Selling and marketing expenses	(39,239)	(34,802)	(7,335)	(6,798)	(16,425)	(14,263)	(521)	(580)	-	-	(63,520)	(56,443)
Administration expenses	(25,302)	(21,189)	(6,984)	(6,132)	(14,427)	(13,278)	(2,484)	(897)	-	-	(49,197)	(41,496)
Other expenses	(553)	(119)	-	(2,093)	-	(694)	(369)	(453)	-	-	(922)	(3,359)
Segment operating profit/(loss)	**43,575**	**46,477**	**16,748**	**16,811**	**40,963**	**37,753**	**(3,374)**	**(1,930)**	**-**	**-**	**97,912**	**99,111**

	31-Dec 2021 US$000	30-Jun 2021 US$000	31-Dec 2021 US$000	30-Jun 2021 US$000	31-Dec 2021 US$000	30-Jun 2021 US$000	31-Dec 2021 US$000	30-Jun 2021 US$000	31-Dec 2021 US$000	30-Jun 2021 US$000	31-Dec 2021 US$000	30-Jun 2021 US$000
Segment assets	**1,035,324**	**622,555**	**263,421**	**229,652**	**862,663**	**873,186**	**983,032**	**939,604**	**(994,433)**	**(990,823)**	**2,150,007**	**1,674,174**
Segment liabilities	**505,701**	**211,315**	**102,012**	**74,245**	**83,910**	**77,659**	**1,260,549**	**1,109,462**	**(994,433)**	**(990,823)**	**957,739**	**481,858**

[1] Includes $2.4 million gain on the sale of Streamlabs in the Americas for the period ended 31 December 2021

2 Segment reporting (continued)

	Americas		Asia Pacific		EMEA		Corporate/Other		Elimination		Total	
	31-Dec 2021 US$000	31-Dec 2020 US$000	31-Dec 2021 US$000	31-Dec 2020 US$000	31-Dec 2021 US$000	31-Dec 2020 US$000	31-Dec 2021 US$000	31-Dec 2020 US$000	31-Dec 2021 US$000	31-Dec 2020 US$000	31-Dec 2021 US$000	31-Dec 2020 US$000
EBITDA	52,999	54,751	21,770	21,519	47,559	45,094	(2,762)	(1,359)	-	-	**119,566**	120,005
Depreciation of property, plant and equipment	(7,757)	(7,059)	(4,656)	(4,352)	(5,886)	(6,646)	(90)	(92)	-	-	**(18,389)**	(18,149)
Amortisation of intangible assets	(1,665)	(1,215)	(367)	(357)	(710)	(695)	(523)	(477)	-	-	**(3,265)**	(2,744)
Impairment of assets	-	-	-	-	-	-	-	-	-	-	**-**	-
Finance income	20	59	3	1	-	-	1	31	-	-	**24**	91
Finance costs	(1,815)	(1,452)	(647)	(533)	(150)	(114)	(3,283)	(2,248)	-	-	**(5,895)**	(4,347)
Income tax expense	(14,860)	(15,151)	(4,779)	(4,687)	(7,845)	(7,147)	(821)	(1,957)	-	-	**(28,305)**	(28,942)

3 Business Combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value of the identifiable net assets acquired.

Identifiable assets acquired and liabilities and contingent liabilities assumed are, with limited exceptions, initially measured at their fair values at acquisition date. When the Group acquires a business, it assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions at acquisition date. Under the acquisition method, the Group has up to 12 months following the acquisition date to finalise the assessment of fair value of identifiable assets and liabilities.

Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in the profit or loss account immediately. Transaction costs are expensed as incurred except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the profit or loss account.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in the profit or loss account.

Acquisition of EZ-FLO International, LLC

(a) Summary of acquisition

The Group completed the acquisition of all the issued shares of EZ-FLO International, LLC ("EZ-FLO") on 17 November 2021 for $331.8 million, including closing adjustments. The acquisition was funded through existing committed borrowing facilities. EZ-FLO is a leading manufacturer and distributor of plumbing supplies including plumbing specialty products, appliance supply lines, flexible water connectors, gas connectors, and other accessories. The acquisition of EZ-FLO is strongly aligned with RWC's strategy of adding complementary products that broaden the depth of solutions offered to end users and expand its market presence in aligned sectors. The combination of EZ-FLO's product portfolio (with EASTMAN, the number one brand in the U.S. appliance connector market), manufacturing and sourcing capabilities, distribution footprint, customer service, performance track record and future growth prospects make it an important and attractive addition to RWC. The Group will be seeking to leverage its extensive channel partner network in North America to expand the distribution footprint for EZ-FLO, while at the same time benefiting from EZ-FLO's strong relationships with international Retail merchants, direct marketing and OEM customers.

(b) Purchase consideration and summary of cash movement

	US$000
Base purchase price	324,300
Closing adjustments	7,517
Total purchase consideration	**331,817**
Reconciliation of cash movement	
Cash consideration paid	331,817
Less cash acquired	(2,999)
	328,818

No acquisition related costs associated with the transaction were capitalised. Costs attributable to the acquisition of approximately $5.3 million were expensed and are reported in "administration expenses" in the profit or loss account. These expenses were mainly for legal, due diligence and advisory costs.

3 Business Combinations (continued)

(c) Fair value of net assets acquired

	Acquiree's carrying amount US$000	Fair value Adjustments US$000	Fair value[1] US$000
Identifiable assets			
Cash and cash equivalents	2,999	-	2,999
Trade and other receivables	33,250	-	33,250
Inventories[2]	48,137	2,035	50,172
Property plant and equipment	7,866	2,683	10,549
Right-of-use assets	13,483	-	13,483
Intangible assets			
- Brand names	-	53,000	53,000
- Customer relationships	-	57,100	57,100
Other non-current assets	1,213	-	1,213
Total identifiable assets acquired	**106,948**	**114,818**	**221,766**
Identifiable liabilities			
Trade and other payables	15,936	-	15,936
Borrowings	-	-	-
Lease liabilities	13,483	-	13,483
Employee entitlements	349	-	349
Tax liabilities	57	-	57
Total liabilities assumed	**29,825**	**-**	**29,825**
Net identifiable assets acquired	**77,123**	**114,818**	**191,941**
Purchase consideration			331,817
Goodwill on acquisition and unidentified other intangible assets			**139,876**

[1] Fair values are provisionally accounted for at 31 December 2021
[2] $1.0 million of the inventory fair value adjustment was unwound in the statement of profit or loss during the period

Goodwill on acquisition is attributable mainly to:

- expected growth opportunities from combining the Group's strong positions in North America with EZ-FLO's product portfolio, manufacturing and sourcing capabilities, distribution footprint and customer service;
- expected benefits from integrating the EZ-FLO business into the existing operations; and
- the skills and technical talent of EZ-FLO executives and employees.

EZ-FLO contributed operating revenue of $22.5 million for the period from acquisition to 31 December 2021. The net profit before tax contributed for this period was $1.9 million. If the Group controlled EZ-FLO for the entire interim period, the consolidated pro forma revenue is estimated to be $595.6 million. The consolidated pro forma profit before tax is estimated to be $97.9 million.

3 Business Combinations (continued)

(d) Measurement of fair values

Property plant and equipment is provisionally valued considering market prices for similar items when they are available and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.

Intangible assets are provisionally valued using the relief from royalty, multi-period excess earnings and 'with and without' valuation methods. The relief from royalty method considers the discounted estimated royalty payments that are expected to be avoided as a result of the patents or trademarks owned. The multi-period excess earnings method considers the present value of net cash flows expected to be generated by the customer relationships by excluding any cashflows related to contributory assets. The 'with and without' valuation method considers that the value of the customer relationships represents the delta between the value of the business with the customer relationships in place versus if those relationships were not and had to be re-established.

Inventories are provisionally valued using a market comparison technique. The fair value is determined based on the estimated selling price in the ordinary course of business of a market participant less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

Acquisition of the business assets of LCL Pty Ltd

On 2 August 2021, the Group completed the acquisition of the business assets of LCL Pty Ltd ("LCL") for $28.3 million (A$38.4million), including customary closing adjustments. The acquisition was funded through existing committed borrowing facilities.

LCL is one of Australia's largest producers of high-quality copper-based alloys and processes both new and recycled non-ferrous materials to produce a range of brass copper alloys. In addition to being the principal supplier of brass to RWC in Australia, LCL also recycles excess brass (swarf) arising from RWC's product manufacturing activities.

Final net asset value and allocation of the purchase price to acquired assets are as follows:

	US$000
Final consideration transferred	**28,255**
Property, plant and equipment	8,780
Right-of-use assets	4,867
Inventories	8,176
Other current assets	13
Lease liabilities	(4,867)
Employee leave entitlements	(489)
Total identifiable net assets acquired	**16,480**
Final goodwill arising from acquisition	11,775

Costs attributable to the acquisition of approximately $1.6 million were expensed and are reported in "administration expenses" in the profit or loss account. These expenses were mainly for legal, due diligence, advisory costs and stamp duties. A further $0.3 million related to the unwind of the LCL inventory fair value adjustment was recorded in the statement of profit or loss during the period.

4 Revenue

The major products from which the Group's regional segments (Americas, Asia Pacific and EMEA) derive revenue are:

- **Push to Connect Fittings** – brass and plastic push-to-connect plumbing fittings (primarily sold under the SharkBite and JG Speedfit brands) for the installation and repair of water reticulation systems in both domestic and commercial applications;
- **Other Fittings** – brass and plastic crimp fittings, expansion fittings and accessories;
- **Pipe** - coiled and straight length tubing manufactured from cross-linked polyethylene and designed for high temperature and pressure domestic and commercial applications; Polybutylene pipe for domestic water and central heating systems; LLDPE tubing for fluid control applications; Rigid nylon and aluminium piping for Air and Pneumatic systems;
- **Valves** – temperature and pressure relief valves, pressure regulation valves and thermostatic mixing valves that protect and safeguard hot water systems;
- **Fluid Tech** – plastic push-to-connect technologies for drink dispense, pure water, air & pneumatics, blown fibre, automotive, and OEM solutions;
- **Integrated Installation Solutions** – engineered plumbing and mechanical solutions that support the delivery of water and firestop solutions; and
- **Other Products** - including backflow preventers, expansion vessels, underfloor heating components and kit systems, water meters, and water mains connection fittings and repair sleeves.

Revenue by product group for the period ended 31 December 2021 includes:

	31 December 2021 US$000	31 December 2020 US$000
Push to Connect Fittings	212,633	215,100
Other Fittings	49,144	45,067
Pipes	62,772	54,316
Valves	61,424	54,557
Fluid Tech	57,038	46,722
Integrated Installation Solutions	48,350	42,038
Other Products[1]	30,474	6,389
	521,835	**464,189**

Revenue by geography:	31 December 2021 US$000	31 December 2020 US$000
Australia	56,980	49,115
United Kingdom	87,042	90,448
United Sates of America	313,085	271,993
Other	64,728	52,633
	521,835	**464,189**

Seasonality of operations

The Group's results may be affected by seasonal influences in each segment. In the Americas, sales demand in the quarter ending 31 December is generally strong as retail and wholesale outlets typically build their inventory in anticipation of higher demand for repair and maintenance products during winter. The quarter ending 31 March may be affected by higher demand for repair and maintenance products as a result of unusually colder weather. Milder weather conditions can also result in lower sales during this period as retailers and wholesalers normalise their stock levels.

The EMEA segment usually derives stronger revenue in the January to June period.

[1] The 'Other Products' group includes $22.5 million of revenue from EZ-FLO products for the period from acquisition to 31 December 2021

4 Revenue (Continued)

In Asia Pacific, more favourable results can be achieved during the period from August to November when this segment usually increases production volumes to meet the demand for the Americas winter. Typically, the quarter ending 31 March may be slower for Asia Pacific owing to the effect of summer holidays and as demand from the Americas normalises.

The Group's results for the six months ended 31 December 2021 have been impacted by the continuing uncertainties due to COVID-19 and its ongoing disruption of supply chains across all of the Group's segments, resulting in business activity which might not reflect normal seasonal influences.

5 Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share has been based on the following profit attributable to ordinary shareholders and weighted average number of shares.

	31 December 2021 US$000	31 December 2020 US$000
Profit attributable to ordinary shareholders	63,736	65,913

Weighted average number of ordinary shares at 30 June (basic)	Number of shares	Number of shares
Issued ordinary shares (weighted average)	790,094,765	790,094,765
Treasury shares (weighted average)	(6,683,648)	(6,957,060)
	783,411,117	783,137,705

	Cents	Cents
Basic earnings per share	**8.1**	**8.4**

(b) Diluted earnings per share

The calculation of diluted earnings per share has been based on the following profit attributable to ordinary shareholders and weighted average number of shares after adjustment for the effects of all dilutive potential ordinary shares.

	31 December 2021 US$000	31 December 2020 US$000
Profit attributable to ordinary shareholders	63,736	65,913

Weighted average number of ordinary shares at 30 June (diluted)	Number of shares	Number of shares
Issued ordinary shares (weighted average)	790,094,765	790,094,765
Effect of share options on issue	4,400,000	4,500,000
Treasury shares (weighted average)	(6,683,648)	(6,957,060)
	787,811,117	787,637,705

	Cents	Cents
Diluted earnings per share	**8.1**	**8.4**

6 Income tax expense

Reconciliation of prima facie tax expense to income tax expense recognised in the Consolidated Statement of Profit or Loss

The major components that reconcile the expected income tax expense based on the Australian statutory rate of tax of the Group at 30% to the reported actual income tax expense in the consolidated statement of profit or loss are as follows:

	31 December 2021 US$000	31 December 2020 US$000
Profit before income tax	92,041	94,855
Prima facie income tax expense at 30%	(27,612)	(28,457)
Tax effect of items which (increase) / decrease tax expense:		
Effect of tax rates in foreign jurisdictions	7,233	6,876
Non-deductible expenses	(1,225)	(688)
Net (under) over provision from prior years	184	(255)
Foreign income subject to US tax	(7,437)	(7,805)
Other	552	1,387
Actual income tax expense reported in the consolidated income statement	**(28,305)**	**(28,942)**

7 Property, plant and equipment

	31 December 2021 US$000	30 June 2021 US$000
Carrying amounts of:		
Freehold land	26,860	27,493
Buildings	41,194	39,616
Leasehold improvements	4,539	2,780
Plant and equipment	155,750	129,145
	228,343	**199,034**

8 Net Debt

(a) Borrowings	31 December 2021 US$000	30 June 2021 US$000
Non-Current		
Bank borrowings – Unsecured	571,733	-
Bank borrowings - Secured	-	151,750
Total bank borrowings	**571,733**	**151,750**

On 30 November 2021, the Company established new committed borrowing facilities with a group of lenders totalling $800 million. The new facilities comprise:

- a $725 million syndicated multi-currency facility; and
- a $75 million bilateral US dollar facility

The facilities are governed by a Common Terms Deed and are unsecured. Both facilities have maturity dates apportioned between 3 years and 5 years, with:

- $480 million to mature on 30 November 2024 (Tranche A); and
- $320 million to mature on 30 November 2026 (Tranche B)

The initial drawdown was used to fully refinance and replace a secured A$750 million Syndicated Facility Agreement. Unamortised borrowing costs associated with the previous facility were charged to 'finance costs' for $1.0 million and to 'administration expenses' for $0.1 million in the consolidated statement of profit or loss.

The new facilities have a variable interest rate based on a variable base rate plus a margin. The facilities contain financial covenants which the Company is in compliance with.

(b) Net Debt

At 31 Dec 2021	**Facility Limit**	**Borrowings**	**Cash**	**Net cash/(debt) Balance**
	US$000	**US$000**	**US$000**	**US$000**
Syndicated Multi-Currency Facility (Tranche A)	(435,000)	(435,000)	-	(435,000)
Syndicated Multi-Currency Facility (Tranche B)	(290,000)	(91,733)	-	(91,733)
Bilateral US Dollar Facility (Tranche A)	(45,000)	(45,000)	-	(45,000)
Bilateral US Dollar Facility (Tranche B)	(30,000)	-	-	-
Cash and cash equivalents	-	-	26,391	26,391
Total RWC Group	**(800,000)**	**(571,733)**	**26,391**	**(545,342)**

At 30 June 2021	US$000	US$000	US$000	US$000
Syndicated Facility (Tranche A)	(187,500)	-	-	-
Syndicated Facility (Tranche B)	(187,500)	(148,000)	-	(148,000)
Syndicated Facility (Tranche C)	(187,500)	(3,750)	-	(3,750)
Cash and cash equivalents	-	-	21,319	21,319
Total RWC Group	(562,500)	(151,750)	21,319	(130,431)

9 Inventories

	31 December 2021 US$000	30 June 2021 US$000
At cost		
Raw materials and stores	80,401	71,148
Work in progress	23,380	19,065
Finished goods	224,824	120,718
	328,605	210,931
Less: provision for diminution	(12,762)	(15,796)
	315,843	**195,135**

10 Goodwill and intangible assets

	31 December 2021 US$000	30 June 2021 US$000
Carrying value		
Goodwill	823,081	686,095
Identified intangible assets		
- Intellectual property, trade names, brand names and trademarks	238,622	188,772
- Product technology	15,767	16,353
- Customer relationships	74,218	18,270
- Licence fees, software and other	14,642	16,943
	343,249	240,338
	1,166,330	**926,433**

The Group assesses whether there are indicators that goodwill and other intangible assets have suffered any impairment at each reporting date and believes that no impairment charge is required for any significant asset or Cash Generating Unit in the half year ended 31 December 2021.

The carrying value of goodwill at balance sheet date is $823.1 million. Of this amount, $139.9 million is a provisional amount relating to goodwill recorded on acquisition of EZ FLO International LLC in November 2021 (refer to Note 3).

11 Leases

The Group leases various properties, equipment and vehicles. Property leases typically are for a period of 5 to 10 years and often have extension options and equipment and vehicle leases are typically for a period of 3 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of profit or loss over the lease period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured at present value. The lease payments are discounted using the Group's incremental borrowing rate. The Group has elected not to recognise right of use assets or lease liabilities for payments associated with short-term leases (with a term of 12 months or less) and leases of low-value assets. Payments relating to these items are recognised on a straight-line basis as an expense in the statement of financial performance.

Amounts recognised in the statement of financial position

	31 December 2021 US$000	30 June 2021 US$000
Right-of-use assets		
Properties	115,168	66,090
Equipment	833	1,295
Vehicles	1,162	950
Total right-of-use assets	**117,163**	**68,335**
Lease liabilities		
Current	16,392	26,104
Non-current	107,773	51,316
Total Lease liabilities	**124,165**	**77,420**

Amounts recognised in the statement of profit or loss

	31 December 2021 US$000	31 December 2020 US$000
Depreciation charge for right-of-use assets		
Properties	5,167	4,572
Equipment	441	423
Vehicles	293	252
Total depreciation charge for right-of-use assets	**5,901**	**5,247**
Expense relating to short term and low value leases	1,393	995
Finance costs		
Interest expense on lease liabilities	1,315	1,324
Interest expense on syndicated debt facility	4,580	3,023
Total Finance Costs	**5,895**	**4,347**

The statement of cash flows for 31 December 2021 includes cash outflows for lease payments of $6.3 million (2020 - $5.8 million) within 'Cash flows from financing activities'.

12 Contingent liabilities

Financial guarantees

The Company has agreed to provide guarantees for certain commitments made or entered into by subsidiary entities in the ordinary course of business. The Company does not consider these guarantees to be material in the context of the Group's business.

The Group has provided bank guarantees totalling $982,856.

General contingencies

The Company has entered into a Deed of Cross Guarantee ("Deed") with two of its subsidiaries, Reliance Worldwide Group Holdings Pty Ltd and Reliance Worldwide Corporation (Aust.) Pty Ltd. The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of either of these subsidiaries under certain provisions of the Corporations Act. If a winding up occurs under other provisions of the Corporations Act, the Company will only be liable in the event that after six months any creditor has not been paid in full. These subsidiaries have also given similar guarantees in the event the Company is wound up.

The Group may be involved in legal claims, administrative actions and proceedings related to the normal conduct of its business including, among other things, general liability, commercial, employment, intellectual property, and products liability matters such as the proceeding listed below. Based upon existing information, it is not possible to predict with certainty the outcome or cost of current legal claims, actions and proceedings. The Group establishes accruals for estimated costs associated with such matters in a manner which complies with applicable accounting standards. The Directors believe that current matters of which they are aware should not significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

The Company is aware of a legal proceeding filed in the United States federal district court in Atlanta, Georgia, against Reliance Worldwide Corporation, a member of the Group, ("RWC USA") purporting to assert a putative class action in connection with alleged product liability claims. At this stage, it is not possible to provide a reasonable or accurate assessment of RWC USA's potential exposure, if any. In any event, RWC USA does not accept any liability and is vigorously defending this matter.

The Directors are not aware of any other material contingent liabilities at balance date or arising since the end of the financial period.

13 Related Party Transactions

There were no related party transactions entered into by the Group during the period other than the ongoing trading operations between certain Group companies.

14 Subsequent events

On 21 February 2022, the directors resolved to declare an interim dividend of 4.5 US cents per share franked to 20%. The dividend will be paid in Australian dollars at the rate of 6.285 cents per share. The dividend will be paid to eligible shareholders on 8 April 2022. The record date for dividend entitlement is 11 March 2022. The Company does not have a dividend reinvestment plan.

The Directors are not aware of any other matters or circumstances that have occurred since the end of the financial period that have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

15 Group entities

As a result of the acquisition of EZ-FLO in November 2021, as detailed in Note 3, the Group added the following subsidiaries:

- EZ-FLO International, LLC
- Rockwall Mission, LLC
- Rockwall Europe Cooperative U.A.
- Rockwall Manufacturing International, Inc.
- Ningbo Rockwall Manufacturing International, Co Ltd

Reliance Worldwide Distribution (Europe) Limited was incorporated in the U.K. on 19 November 2021.
Streamlabs Inc. was dissolved on 12 August 2021.
Reliance Worldwide Corporation (R.W.C. Israel) Ltd was placed into liquidation during the period.

Reliance Worldwide Corporation Limited

Directors' Declaration

For the half year ended 31 December 2021

In the opinion of the Directors of Reliance Worldwide Corporation Limited ("the Company"):

1. the interim consolidated financial statements and notes that are set out on pages 5 to 22 are in accordance with the Corporations Act 2001, including:

    (i) giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the period from 1 July 2021 to 31 December 2021;

    (ii) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001;

2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.

Stuart Crosby	Heath Sharp
Chairman	Group Chief Executive Officer and Managing Director

Melbourne
21 February 2022

Independent Auditor's Review Report

To the shareholders of Reliance Worldwide Corporation Limited

Report on the Interim Financial Report

Conclusion

We have reviewed the accompanying ***Interim Financial Report*** of Reliance Worldwide Corporation Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Reliance Worldwide Corporation Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group's*** financial position as at 31 December 2021 and of its performance for the ***Interim Period*** ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The ***Interim Financial Report*** comprises:

- Consolidated statement of financial position as at 31 December 2021
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the Interim Period ended on that date
- Notes 1 to 15 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

The ***Group*** comprises Reliance Worldwide Corporation Limited (the Company) and the entities it controlled at the Interim Period's end or from time to time during the Interim Period.

The ***Interim Period*** is the 6 months ended on 31 December 2021.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of Reliance Worldwide Corporation Limited, would be in the same terms if given to the Directors as at the time of this Auditor's Review Report.

Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the Interim Period ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim Period Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

Tony Romeo

Partner

Melbourne

21 February 2022