

ASX Announcement

28 March 2023

RWC ANNOUNCES TWO NEW PRODUCT RELEASES IN THE AMERICAS CHANGES TO MANUFACTURING OPERATIONS IN AUSTRALIA AND THE US

Reliance Worldwide Corporation Limited (ASX: RWC) (“RWC” or “the Company”) today announced the release of two new product ranges in the Americas along with changes to its manufacturing operations in Australia and the US.

SharkBite Max push-to-connect fittings are being launched today in the Americas. SharkBite Max fittings have been re-engineered to deliver the same reliability as RWC’s first generation SharkBite fittings with enhancements that provide greater strength and an easier installation. The new fittings will be progressively rolled out over the next 15 months in the US and Canada. RWC has been granted various patents relating to the SharkBite Max fittings range.

RWC is also launching PEX-a pipe together with a full range of expansion fittings in the Americas. With this addition to its product portfolio, RWC is now able to provide the professional plumber in the Americas with the broadest range of pipe and fitting systems. PEX-a pipe and expansion fittings will enable RWC to augment its existing repair and maintenance end-user focus and supply the re-pipe, new commercial construction and new residential construction markets.

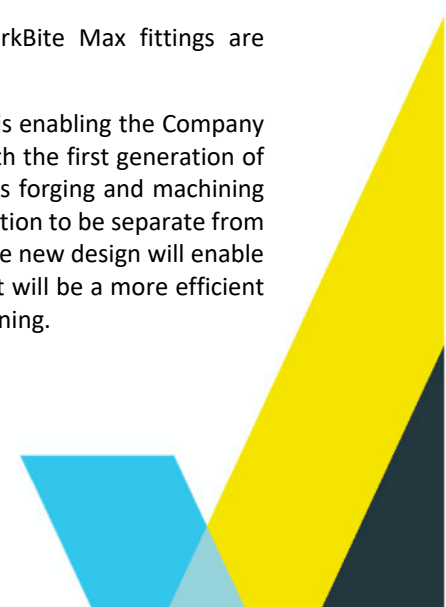
SharkBite Max

SharkBite Max fittings are RWC’s next generation of industry leading push-to-connect fittings. SharkBite Max fittings build on the brand’s trusted push-to-connect technology with key improvements for stronger, faster, and better connections. SharkBite Max fittings offer plumbers new benefits:

- Stronger. The original brass body now has a reinforced stainless-steel collar for added strength, allowing the fitting to handle up to double the burst pressure compared to the first generation SharkBite fittings.
- Easier to install. Plumbing projects often involve working in tight spaces, and the new design makes it even easier to make a connection. SharkBite Max fittings require half the insertion effort compared with the original fitting, allowing for seamless installations and quicker emergency repairs.
- Extremely versatile. Ideal for faster pipe transitions and repairs, SharkBite Max fittings are compatible with PEX, copper, CPVC, PE-RT and HDPE pipe.

A key design element of SharkBite Max fittings is the stainless-steel retainer. This is enabling the Company to transfer the final assembly of all SharkBite fittings from Australia to the US. With the first generation of SharkBite fittings, the assembly needed to be done in close proximity to the brass forging and machining operations for quality control. The stainless-steel retainer allows the assembly function to be separate from the brass body manufacturing. Previously the US produced only straight fittings. The new design will enable the US to assemble the entire range of SharkBite Max fittings. An enduring benefit will be a more efficient supply chain with less inventory in transit, and greater flexibility in production planning.

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The brief for the SharkBite Max project was to not only redesign the fitting but also to redesign the automated assembly equipment. Starting with a blank sheet of paper and built new from the ground up, RWC has developed and deployed assembly equipment in the Company's Cullman, Alabama manufacturing facility that runs twice as fast as previous machines with enhanced quality checks..

Australia Manufacturing Changes

As a result of transferring all assembly of SharkBite Max fittings to the US, RWC's Australian manufacturing operations are being reconfigured to support demand in the APAC region. Resources and expertise will be redeployed with a greater focus on realising growth within the Australian market and APAC region.

RWC's Melbourne manufacturing facilities will remain the global centre of excellence for all brass manufacturing activities. Australia will continue to supply the Americas with forged brass SharkBite Max fitting bodies. As noted above, the manufacture of components for SharkBite Max fittings together with the final assembly of SharkBite Max fittings, is being transferred to RWC's Cullman plant in the US. Consequently the plant in Croydon, Victoria will be closed with the plastic moulding and tool design and manufacture activities relocated to RWC's Dandenong plant. Australia will continue to manufacture valves and lead valve development for the group.

RWC will continue to operate a fully vertically integrated value chain in its brass manufacturing operations. As Australia's only brass manufacturer of scale, RWC is well positioned to lead the upcoming change to lead free brass fittings in Australia and New Zealand. From September 2025, Australia and New Zealand will adopt a new standard that limits the allowable lead content to less than 0.25% in all brass plumbing installed in new potable water applications. Currently, 88% of RWC's Australian brass production is already lead free¹ and has been supplied to the Americas for more than a decade.

PEX-a and Expansion Fittings

The launch of PEX-a has been enabled through the investment of a new 66,000 square foot PEX-a manufacturing facility in Cullman, Alabama. Six new PEX-a manufacturing lines have been installed in Cullman and have been built utilising the proprietary patented process developed in RWC's PEX-a pipe facility in Granada, Spain. The six lines will enable RWC to supply up to 10% of total current PEX demand in the US. Capacity can be doubled within the existing facility in the future with investment in additional lines. This new facility materially changes the capacity for PEX-a production in the US and enables RWC to supply all markets and channels.

RWC's new range of expansion fittings has been developed in conjunction with PEX-a. Tooling for the new manufacturing equipment being deployed in Cullman has been undertaken by RWC's team in the UK.

RWC chief executive Heath Sharp said today's announcements are significant milestones for the Company.

"RWC continues to drive innovation in the plumbing industry by creating products that make installations smoother, quicker, and long-lasting. SharkBite Max fittings have been in development for several years and offer enhanced benefits to the end-user from new patented technology created by RWC, in addition to the productivity benefits for plumbers for which the first generation of SharkBite is renowned.

¹ Lead free as defined by NSF 372

“The new SharkBite Max fitting design has enabled us to reconfigure our manufacturing operations and bring production and assembly closer to our end markets in North America. At the same time, we have been able to design entirely new assembly lines that are a major leap ahead in terms of efficiency.

“Our launch of PEX-a pipe coupled with expansion fittings has been an area of focus for us for some time. With this new pipe and fitting system, RWC will have the broadest product offering of pipe, valves, and fittings for the professional plumber in North America. PEX-a and expansion fittings will enable RWC to address commercial multi-family new construction and new residential construction markets, and better service the remodel and home re-pipe markets as well.

“Our investment in the new PEX-a manufacturing facility in Cullman is an exciting development. We have been able to fully leverage RWC’s global expertise, with our existing PEX-a pipe technology in Spain guiding the development of the manufacturing technology we have installed in the US. Concurrently, we have been able to utilise the tooling expertise of the John Guest team in the UK to develop the manufacturing capability for expansion fittings.

“The changes to Australia’s manufacturing operations are significant. With all SharkBite Max fitting assembly operations transferring to the US, along with plastic component manufacturing, we have been able to reconfigure our manufacturing operations with a greater focus on the Australian market and the APAC region. Importantly, Australia will remain RWC’s brass manufacturing centre of excellence and will support our global brass product requirements,” Heath Sharp said.

About SharkBite

RWC established the global market for brass push-to-connect (PTC) products and today is the largest manufacturer in the world of brass PTC products; SharkBite is the number one brass PTC brand. Since its introduction in the US in 2004, SharkBite has grown to approximately 15% of the USA fittings market by volume. PTC systems disrupt and replace the traditional labour-intensive crimp and expansion PEX systems and copper solder fittings, significantly increasing job throughput for contractors and satisfaction ratings from end users. The majority of SharkBite PTC sales are in the defensive repair, maintenance, and renovation end markets.

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