

## ASX ANNOUNCEMENT

20 July 2021

### RWC TO ACQUIRE BUSINESS ASSETS OF LCL

Reliance Worldwide Corporation Limited (ASX: RWC) (“RWC” or “the Company”) announces that it has entered into an agreement to acquire the business assets of LCL Pty Ltd (“LCL”) for approximately A\$37 million. Completion is expected to occur by 31 August 2021 and the final purchase price will be subject to working capital adjustments at completion. Adjusted average EBITDA for LCL over FY2019 to FY2021 is A\$7.1 million<sup>1</sup>. The acquisition will be 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. RWC accounts for over 90% of LCL’s revenues.

LCL’s primary production facility in Moorabbin is immediately adjacent to RWC’s brass forging operations. It is expected that most of LCL’s 65 employees, including key management and operations personnel, will join RWC on completion of the acquisition.

RWC Group Chief Executive Officer, Mr. Heath Sharp said the acquisition of LCL’s business assets means that RWC will continue to have access to the supply of high-quality brass to support its future operations.

“LCL’s activities are centred around recycling copper material and the manufacture of lead-free brass for use in the delivery of potable water. With this acquisition, RWC will secure a favourable long-term cost position for its brass rod requirements in Australia. The co-location of our brass forging operations with LCL’s brass production facility at Moorabbin will enable us to optimise materials handling and manufacturing efficiencies. This acquisition will secure control of a critical piece of our manufacturing supply chain.

“LCL’s rigorous production process control involves the sourcing of high-grade materials, continuous casting, machining, and heat treatment in order to deliver a high grade finished product. The efficiency of the production process has been underpinned by investment in plant and machinery and continued research and development which we will look to leverage more broadly across RWC”, Mr Sharp said.

LCL was established in 1983 as a privately owned manufacturing and recycling business specialising in the production of high-quality brass rod. It operates from two locations within the greater Melbourne area. The Moorabbin facility produces brass alloys through the processing of scrap metals, melting and casting of scrap into brass rods, and finishing processes. The Dandenong South facility recycles insulated copper wire. RWC will assume the long-term leases of the land and buildings at these sites.

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<sup>1</sup> Earnings before interest, tax, depreciation and amortisation, adjusted to reflect underlying operating earnings performance over the three-year period

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This announcement has been authorised for release by the RWC Disclosure Committee.