ASX Announcement
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Successful completion of debt refinancing

Attached for release is Reece Limited's completion of debt refinancing.

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This announcement has been authorised by Chantelle Duffy, Company Secretary at the direction of the Reece Limited Board.

About the Reece Group

Reece Group is a leading distributor of plumbing, waterworks and HVAC-R products to commercial and residential customers through over 800 branches in Australia, New Zealand and the United States.

Established in 1920 and listed on the Australian Securities Exchange (ASX: REH), Reece Group has approximately 8,000 employees committed to improving the lives of its customers by striving for greatness every day.

For further information on Reece Group and its portfolio of businesses please visit group.reece.com/au.

Successful completion of debt refinancing

Reece Limited ("Reece Group"; ASX: REH) today announces that it has successfully refinanced its existing debt facilities with A$1.25 billion of syndicated multi-currency revolving facilities.

These new facilities will be used to fully refinance the Group's current secured term loan and revolving facilities (provided under a syndicated facility agreement dated 2 July 2018) and provide ongoing working capital support to the Group's Australian, New Zealand and US operations.

The facilities are available in the following tranches:

- A$50 million three year revolving credit facility;
- A$300 million four year revolving credit facility; and
- A$900 million five year revolving cash advance facility.

The new arrangements provide the Group with diversity of maturity dates, reduced interest expense and flexibility to draw down in either Australian or US dollars.

Peter Wilson, Group CEO, said, "Our new facilities have been strongly supported by high quality Australian and International lenders and provide Reece with greater flexibility and reduced interest costs. We remain committed to maintaining a strong balance sheet and the flexibility to continue investing for growth in line with our 2030 vision of being the trade's most valuable partner, helping them succeed in a digital world."

The facilities are governed by a Common Terms Deed and are unsecured. Maintenance covenants of ≤ 3.5x Net Leverage Ratio[1] and ≥ 2.5x Interest Coverage Ratio[1] will be applicable at reporting dates.

At the date of the refinance, the facilities will be drawn to A$990 million[2] (30 June 2021: A$1.336 billion).

There will be an estimated reduction to net profit after tax of between A$8 million – A$12 million in HY1 FY22. This is the combined impact of one-off exit costs[3], reduced interest and tax impacts.

Completion of the refinancing is subject to customary conditions precedent and is expected to occur in the coming week.

[1] Covenants will be calculated on pre-AASB 16 *Leases* basis.
[2] Estimates are indicative only and subject to USD/AUD exchange rates on the date of refinance.
[3] Estimates are indicative only and subject to change based on prevailing market exchange rates.