

ASX Announcement

25 August 2025

FY25 Preliminary Final Report

Reece Limited announces its financial results for the 12 month period ended 30 June 2025.

Attached for release is the FY25 Preliminary Final Report, Appendix 4E.

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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 more than 900 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 9,000 employees who are focused on building a better world for our customers by being our best.

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

Reece Limited and its controlled entities

(ABN 49 004 313 133)

Appendix 4E

Full-year information for the twelve months ended
30 June 2025 provided to the ASX under listing rule 4.3A

Appendix 4E - Preliminary Final Report

Reece Limited

(ABN 49 004 313 133)

1. Reporting period

This Appendix 4E presents the results of Reece Limited and its controlled entities ('the Group' or 'Reece') for the year ended 30 June 2025. The previous corresponding period is the financial year ended 30 June 2024.

2. Results for announcement to the market

	(\$000's)	
Revenue from sale of goods	8,978,382	Down 1.4%
EBITDA ¹	900,529	Down 10.6%
EBIT	548,211	Down 19.5%
NPAT	316,937	Down 24.4%
Net profit for the period attributable to members	316,937	Down 24.4%
Adjusted NPAT ²	312,041	Down 25.0%

Dividends	Amount per security	Franked amount per security
Interim dividend	6.50 cents	100%
Final dividend	11.86 cents	100%

Record date for determining entitlements to the dividend is 8 October 2025 to be paid on 22 October 2025.

All figures in this report are in Australian Dollars, unless otherwise stated.

¹ EBITDA is a non-IFRS financial measure calculated as statutory earnings before interest, tax, depreciation and amortisation.

² NPAT is adjusted to exclude tax effected US inventory adjustment (LIFO).

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3. Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2025

	2025 (\$000's)	2024 (\$000's)
Revenue from sale of goods	8,978,382	9,104,772
Cost of sales	(6,420,175)	(6,499,068)
Gross profit	2,558,207	2,605,704
Other income	3,000	8,042
Selling and administrative expenses	(2,012,996)	(1,932,356)
Earnings before interest and tax	548,211	681,390
Finance costs (net)	(97,614)	(91,809)
Profit before income tax expense	450,597	589,581
Income tax expense	(133,660)	(170,410)
Net profit for the year	316,937	419,171
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations, net of tax	24,393	(483)
Change in fair value of effective cash flow hedges, net of tax	(1,757)	(3,170)
Total comprehensive income, net of tax	339,573	415,518
Basic earnings per share	49 cents	65 cents
Diluted earnings per share	49 cents	65 cents

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4. Statement of Financial Position

as at 30 June 2025

	2025 (\$000's)	2024 (\$000's)
Current assets		
Cash and cash equivalents	275,411	341,380
Trade and other receivables	1,376,482	1,369,302
Inventories	1,617,171	1,496,348
Total current assets	3,269,064	3,207,030
Non-current assets		
Property, plant and equipment	1,036,267	909,369
Right-of-use assets	985,941	892,369
Investments	20,368	22,980
Intangible assets	2,015,561	1,983,219
Deferred tax assets	90,252	79,902
Total non-current assets	4,148,389	3,887,839
Total assets	7,417,453	7,094,869
Current liabilities		
Trade and other payables	1,257,368	1,240,395
Lease liabilities	149,293	135,847
Current tax liability	2,053	560
Provisions	100,267	102,088
Derivative financial instruments	1,879	122
Total current liabilities	1,510,860	1,479,012
Non-current liabilities		
Interest-bearing liabilities	865,728	859,322
Lease liabilities	956,196	837,094
Deferred tax liabilities	28,903	21,097
Provisions	10,449	14,201
Total non-current liabilities	1,861,276	1,731,714
Total liabilities	3,372,136	3,210,726
Net assets	4,045,317	3,884,143
Equity		
Contributed equity	1,246,918	1,246,918
Reserves	194,226	193,338
Retained earnings	2,604,173	2,443,887
Total equity	4,045,317	3,884,143

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5. Statement of Changes in Equity

for the year ended 30 June 2025

	Contributed equity (\$000's)	Reserves (\$000's)	Retained earnings (\$000's)	Total equity (\$000's)
Balance as at 1 July 2023	1,246,918	192,294	2,186,212	3,625,424
Net profit for the year	-	-	419,171	419,171
Exchange differences on translation of foreign operations, net of tax	-	(483)	-	(483)
Change in fair value of effective cash flow hedges, net of tax	-	(3,170)	-	(3,170)
Total comprehensive income for the year, net of tax	-	(3,653)	419,171	415,518
Transactions with owners in their capacity as owners:				
Share-based payments	-	4,697	-	4,697
Dividends paid	-	-	(161,496)	(161,496)
Total transactions with owners in their capacity as owners	-	4,697	(161,496)	(156,799)
Balance as at 30 June 2024	1,246,918	193,338	2,443,887	3,884,143
Balance as at 1 July 2024	1,246,918	193,338	2,443,887	3,884,143
Net profit for the year	-	-	316,937	316,937
Exchange differences on translation of foreign operations, net of tax	-	24,393	-	24,393
Change in fair value of effective cash flow hedges, net of tax	-	(1,757)	-	(1,757)
Total comprehensive income for the year, net of tax	-	22,636	316,937	339,573
Transactions with owners in their capacity as owners:				
Share-based payments	-	807	-	807
Shares purchased for employee share trust	-	(22,555)	-	(22,555)
Dividends paid	-	-	(156,651)	(156,651)
Total transactions with owners in their capacity as owners	-	(21,748)	(156,651)	(178,399)
Balance as at 30 June 2025	1,246,918	194,226	2,604,173	4,045,317

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6. Statement of Cash Flows

for the year ended 30 June 2025

	2025 (\$000s)	2024 (\$000's)
Cash flow from operating activities		
Receipts from customers	9,687,539	9,736,723
Payments to suppliers and employees	(8,848,524)	(8,700,122)
Interest received	10,293	12,502
Finance costs paid	(56,094)	(68,933)
Interest repayments on leases	(47,500)	(35,378)
Income tax paid	(145,931)	(193,887)
Net cash from operating activities	599,783	750,905
Cash flow from investing activities		
Purchase of property, plant and equipment	(241,888)	(236,310)
Proceeds from sale of property, plant and equipment	9,021	15,911
Payment for intangible assets	(16,494)	(21,665)
Purchase of controlled entities and investments, net of cash acquired	(93,139)	(1,896)
Net cash used in investing activities	(342,500)	(243,960)
Cash flow from financing activities		
Proceeds from borrowings	97,358	438,596
Repayments of borrowings	(100,366)	(677,771)
Dividends paid	(156,651)	(161,496)
Principal repayments on leases	(141,315)	(138,131)
Payments for shares purchased for employee share trust	(22,555)	-
Net cash used in financing activities	(323,529)	(538,802)
Net increase/(decrease) in cash and cash equivalents	(66,246)	(31,857)
Net foreign exchange translation difference	277	531
Cash and cash equivalents at the beginning of the year	341,380	372,706
Cash and cash equivalents at the end of the year	275,411	341,380

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7. Acquisitions

The Group completed three small bolt-on acquisitions during the year, however these are not considered material business combinations.

8. Associate entities

The table below shows investments in associate entities held by the Group:

	Ownership	
	2025 (%)	2024 (%)
True Pillars Pty Ltd	43.0	43.0
FieldPulse Pty Ltd	20.9	20.9

9. Dividends

	Date of payment	Total amount of dividend \$
Interim dividend – year ended 30 June 2025	2 April 2025	41,989
Final dividend – year ended 30 June 2025	22 October 2025	76,614

Amount per ordinary security		Amount per security	Franked amount per security
Final dividend:	Current year	11.86 cents	11.86 cents (at 30% tax rate)
	Previous year	17.75 cents	17.75 cents (at 30% tax rate)
Interim dividend:	Current year	6.50 cents	6.50 cents (at 30% tax rate)
	Previous year	8.00 cents	8.00 cents (at 30% tax rate)

Total dividend per security	Current period	Previous period
Ordinary securities	18.36 cents	25.75 cents

10. Statement of retained earnings

	Consolidated Entity	
	2025 (\$000's)	2024 (\$000's)
Balance at beginning of year	2,443,887	2,186,212
Net profit attributable to members of the parent entity	316,937	419,171
Dividends paid	(156,651)	(161,496)
Balance at end of year	2,604,173	2,443,887

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11. Net tangible assets per security

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security at the end of the year (includes lease assets and lease liabilities in accordance with AASB16 <i>Leases</i>)	305 cents	285 cents

12. Financial information provided in the Appendix 4E

Financial information provided in the Appendix 4E has been prepared in accordance with Australian Accounting Standards.

13. Commentary on the results for the period

Reece Group's ('the Group's') FY25 financial performance reflects low demand settings in both regions. Sales revenue decreased 1% to \$8,978m (FY24: \$9,105m) and was down 2% on a constant currency basis¹.

EBITDA² decreased 11% to \$901m (FY24: \$1,007m). Group costs excluding depreciation and amortisation increased by 3% driven by higher salary and other operating expenses. Operational efficiencies including discretionary cost management and optimising the network have been an ongoing focus in light of current demand settings. During the second half, the Group executed some changes within its support centre to streamline the business. The benefits from the changes are expected to be realised in FY26.

EBIT was down 20% to \$548m (FY24 \$681m) reflecting ongoing investment in the business, including three bolt-on acquisitions and 39 net new branches across the Group. NPAT was down 24% to \$317m (FY24: \$419m).

The Group generated net operating cash inflows of \$600m (FY24: \$751m) and the capex to sales ratio was 2.9% for the year. Capital expenditure of \$258m (FY24: \$258m) supported organic network expansion, branch refurbishments and investment in technology. The Group's net working capital (NWC) to sales ratio was 19%, an increase of 1% on the prior year. The uplift in NWC was driven by investment in inventory to support network expansion and availability. Net debt increased to \$590m (FY24: \$518m) driven by lower operating net cash inflows and ongoing investment to support future growth. The business remains well capitalised with a net leverage ratio³ of 0.8x (FY24: 0.6x).

Reece made solid progress against its strategic priorities in FY25. Employee training and development remains a key priority, delivering programs designed to build expertise and strengthen trade distribution skills. In July, the acquisition of Shadowboxer strengthened in-house digital capabilities and the launch of the maX app enhanced the customised service offering in the US.

¹ Constant currency basis applies the US foreign exchange rate of 0.6573 from FY24 to current period sales to eliminate the foreign exchange impact when comparing sales against the previous corresponding period.

² EBITDA is a non-IFRS financial measure calculated as statutory earnings before interest, tax, depreciation and amortisation.

³ Net debt over 12-month EBITDA, calculated on a pre-AASB16 leases basis.

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13. Commentary on the results for the period (cont.)

ANZ Region

In the ANZ region, sales revenue was up 1% to \$3,882m (FY24: \$3,846m) supported by acquisition activity. Underlying volumes were flat, with pricing impacts broadly neutral. EBITDA was down 12% to \$495m (FY24: \$560m) and EBIT decreased 17% to \$339m (FY24: \$410m). Costs were elevated in the ANZ region primarily due to incremental investment in the business, including two bolt-on acquisitions and moderating cost inflation.

During the year, 15 net new branches were added to the ANZ network through organic growth (+10) and bolt-on acquisitions (+5). The total ANZ network comprised of 676 branches at the end of FY25.

US Region

In the US region, sales revenue decreased 5% to US\$3,296m (FY24: US\$3,452m) driven by lower volumes and low single digit deflation in select commodity related categories. The US market is highly competitive and the slowdown in residential new construction (RNC) has increased competitive pressure. In Australian dollars, sales were down 3% for the period. EBITDA decreased 10% to US\$263m (FY24: US\$293m) reflecting lower demand and ongoing network expansion, partly mitigated by operating cost control. EBIT decreased 23% to US\$136m (FY24: US\$178m) driven by elevated depreciation and amortisation associated with network expansion.

The US network continued to scale with 24 net new branches, supported by organic growth (+18) and bolt-on acquisitions (+6). The total US network increased to 267 branches at the end of FY25. US rebrand activities were also completed during the year, with plumbing, bath+kitchen and HVAC branches all now trading as Reece. The Fortiline brand had been retained for the US waterworks business.

Outlook

Looking ahead, Reece expects a slow housing market recovery. In ANZ, the outlook remains uncertain with a period of soft activity still to play out. In the US, Reece anticipates the housing market to be constrained for the next 12-18 months with affordability continuing to weigh on housing activity.

The Group operates in large markets with attractive long-term fundamentals. Housing underbuild and population growth will drive future demand and ongoing need for investment in infrastructure across both regions.

Dividends

The Board has declared a final dividend of 11.86 cents per share fully franked, taking total dividends to 18.36 cents per share in FY25 (FY24: 25.75 cents per share). The final dividend has a record date of 8 October 2025 and a payment date of 22 October 2025.

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14. The audit has been completed

The financial report is not subject to audit dispute or qualification.

The annual general meeting will be held as follows:

Place	Virtual AGM, further details will be provided in the notice of meeting
Date	21 November 2025

The annual report will be available on 25 August 2025 at group.reece.com/au.

Chantelle Duffy
Company Secretary
25 August 2025