

ASX Announcement

25 August 2025

FY25 Investor Presentation

Attached for release is Reece Limited's FY25 investor presentation for the 12 month period ended 30 June 2025.

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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

Full Year Results 2025

12 months ended
30 June 2025

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Non-IFRS Financial Information

Reece uses certain measures to manage and report on its business that are not recognised under Australian Accounting Standards. These measures are collectively referred to as non-IFRS financial measures. Although Reece believes that these measures provide useful information about the financial performance of Reece, they should be considered as supplemental to the measures calculated in accordance with Australian Accounting Standards and not as a replacement for them. Because these non-IFRS financial measures are not based on Australian Accounting Standards, they do not have standard definitions, and the way Reece calculates these measures may differ from similarly titled measures used by other companies. Readers should therefore not place undue reliance on these non-IFRS financial measures. Group definitions are included in the appendix at the end of the presentation.

Non-IFRS financial measures have not been subject to audit or review.

Note: All financial amounts contained in this presentation are expressed in Australian dollars unless otherwise stated. Any discrepancies between totals and the sum or calculation of components in tables contained in this presentation are due to rounding. Any discrepancies in the calculation of percentage movements in financial amounts from one period to another are due to rounding.



Peter Wilson
Chairman & CEO



Sasha Nikolic
Group President & MD



Andy Young
Group CFO

Agenda

01 FY25 Overview

02 Strategy & Operational update

03 Financial review

04 Outlook

05 Q&A

01

FY25 Overview



FY25 Group financial overview

Sales revenue

\$9.0b



down 1% vs pcp

EBITDA

\$901m



down 11% vs pcp

EBIT

\$548m



down 20% vs pcp

EPS

49c



down 24% vs pcp

Return on capital

11.8%



down 365bps vs pcp

FY25 total dividend

18.36c

per share, fully franked

02

Strategy & Operational update



Our Blueprint



2030 Vision

Our trade's most
valuable partner



Operational excellence

- Customised service
- Executing the fundamentals of our business
- Leadership training and development



Accelerating innovation

- Extending our digital capabilities
- Enabling the customer experience
- Product and range development

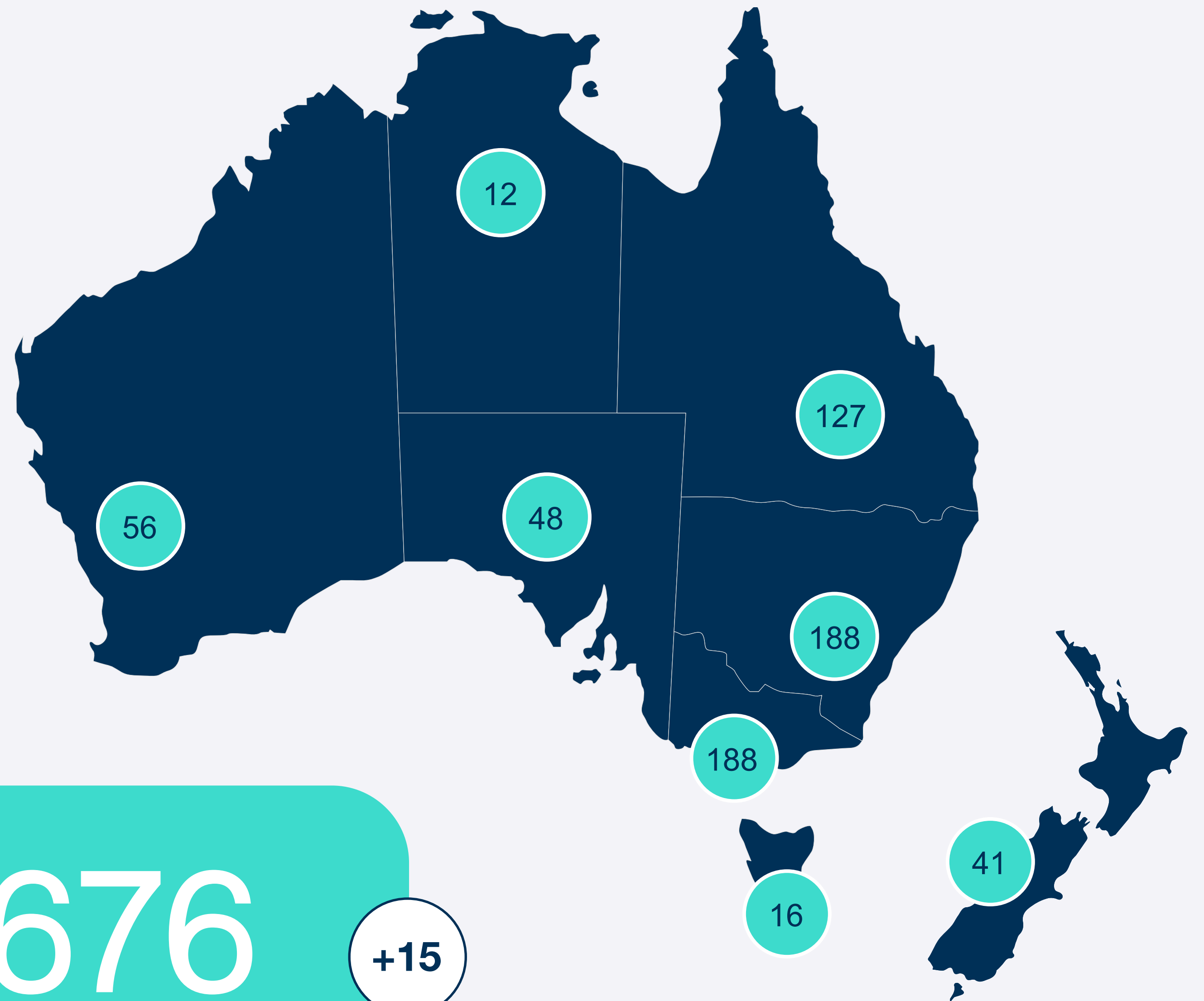


Investing for profitable growth

- Completed three bolt-on acquisitions
- Accelerated organic branch network expansion, US (+24) and ANZ (+15)

ANZ branch network

Ongoing investment in network infill and upgrades



676
branches

+15

- +15 new branches
- Organic growth (+10) and bolt-on M&A (+5)
- Continuing to invest in uplifting branch standards



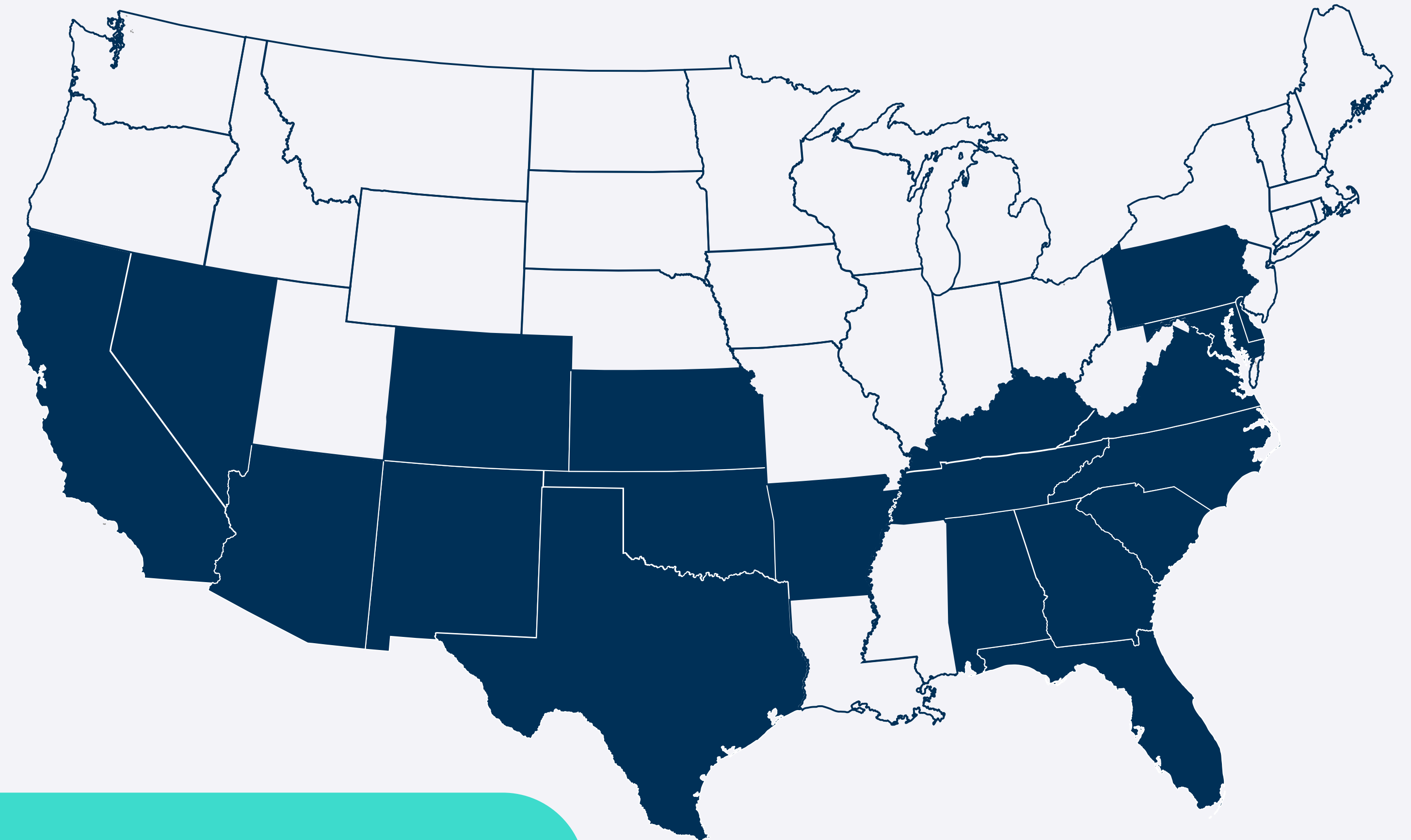
Innovating to stay one step ahead of our customers' needs



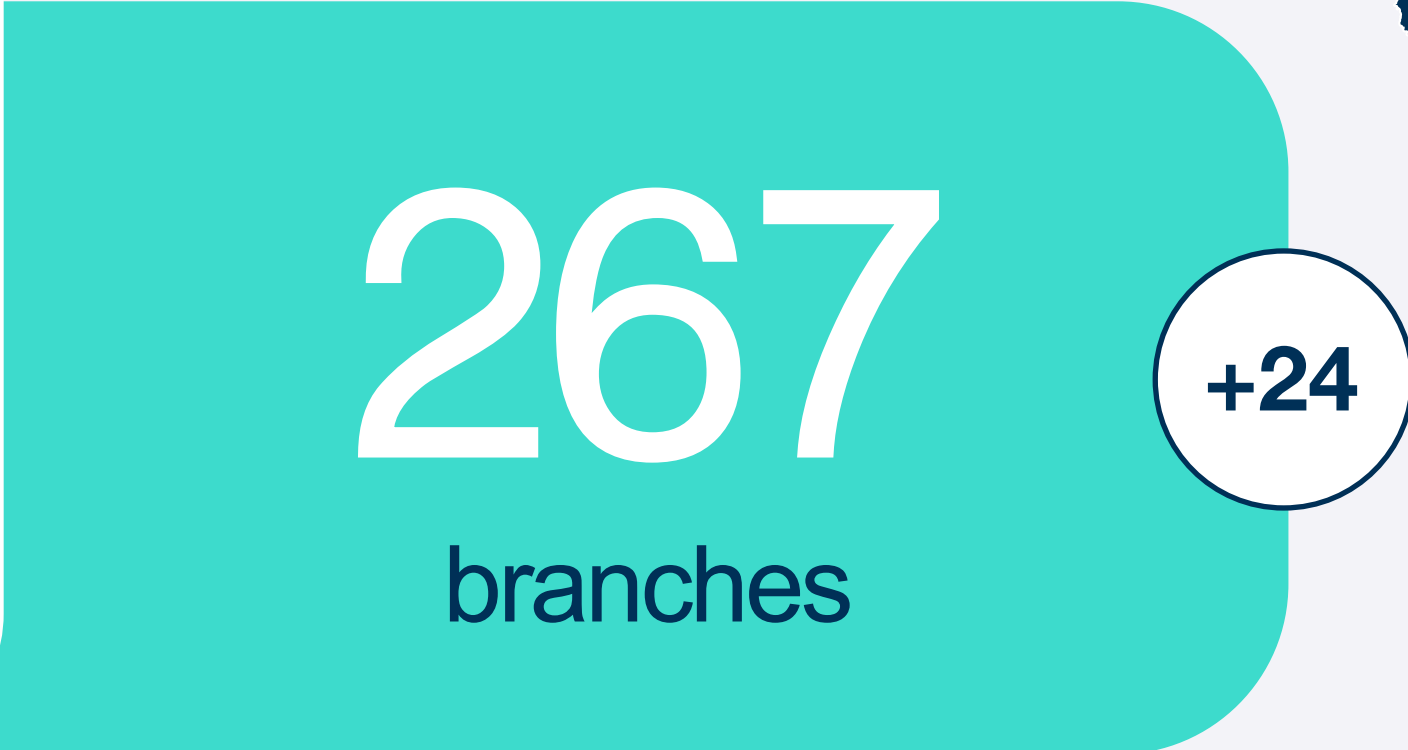
Shadowboxer

US branch network

Ongoing investment to scale and upgrade network

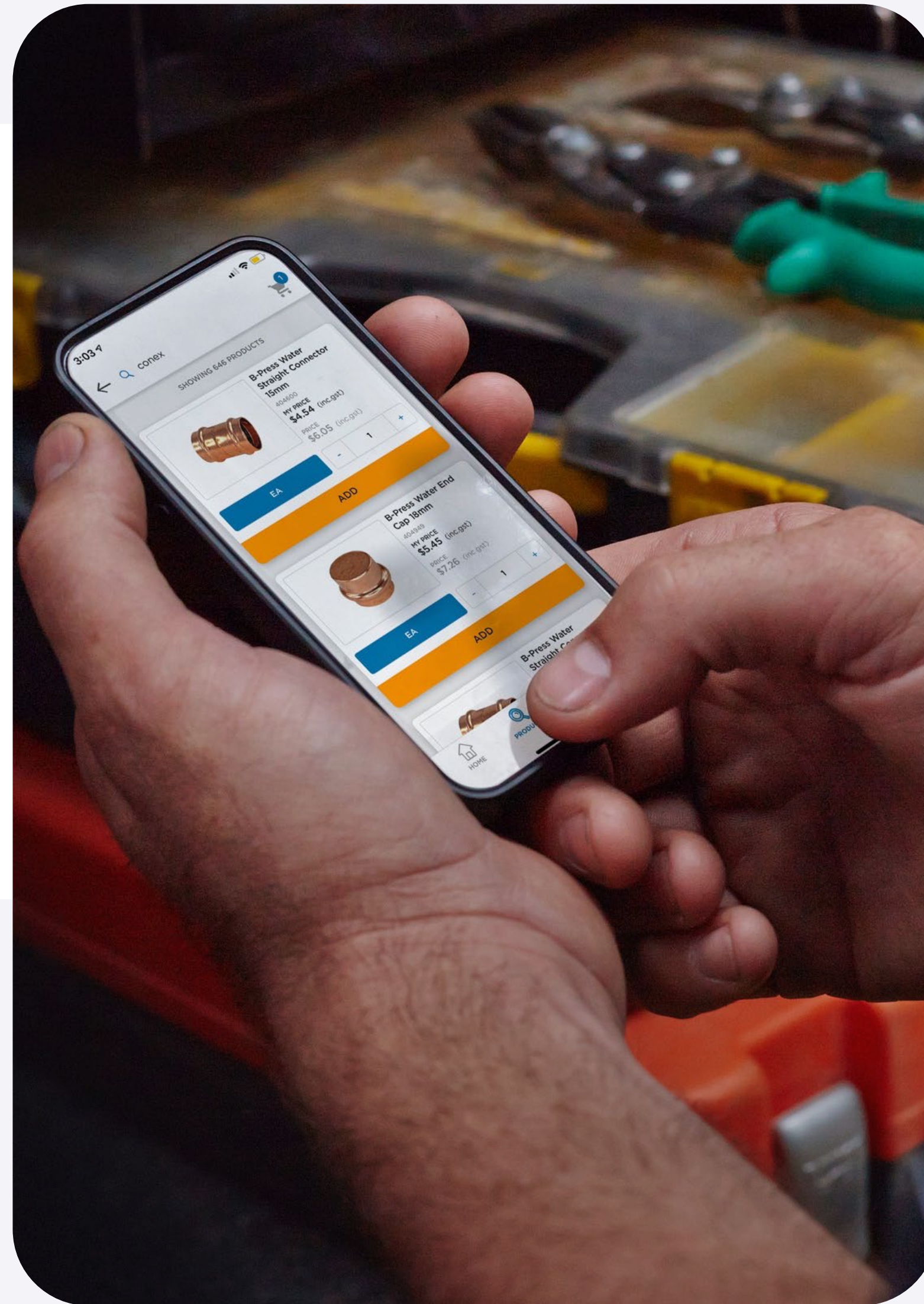


- +24 new branches
- Organic growth (+18) and bolt-on M&A (+6)
- Rebrand complete





Building capability to support growing network



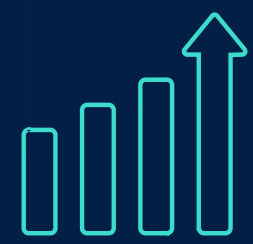
Navigating the cycle



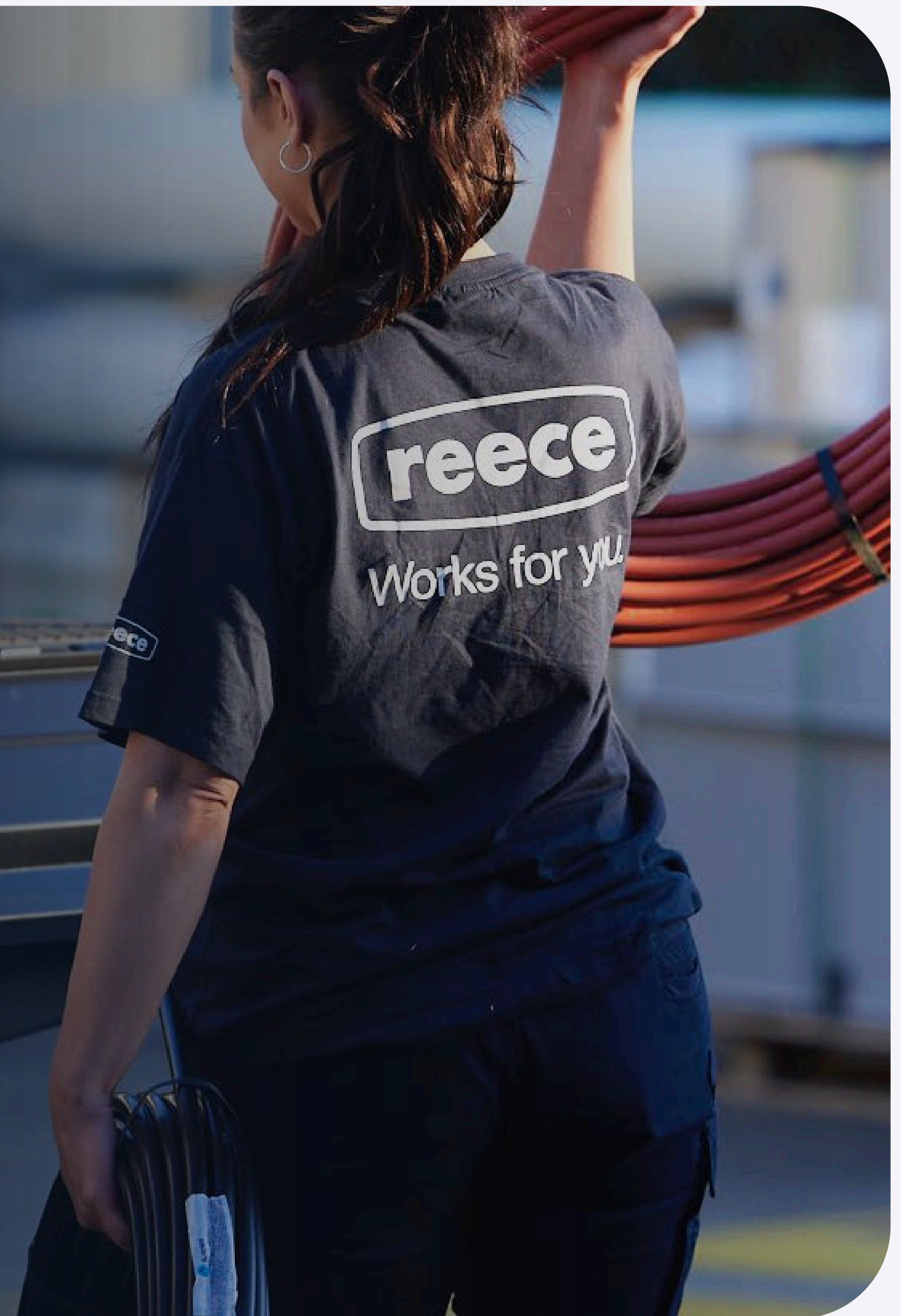
Focusing on the customer



Investment in the business



Focus on operational efficiencies



03

Financial review



ANZ financial summary

Market subdued, volumes remain soft

Sales flat

- Headline sales supported by bolt-on M&A activity
- Underlying volumes flat, pricing broadly neutral
- Six less trading days in 2H vs 1H

EBIT down 17%

- Soft volumes and flat revenue weighing on EBIT
- Costs elevated due to investment in the business and inflationary pressure
- Continuing to focus on operational excellence

FY25 30 June 2025 (A\$m)	1H	2H	FY25	FY24	Var. %
Sales revenue	1,980	1,902	3,882	3,846	1%
EBITDA	271	225	495	560	(12%)
EBITDA margin	13.7%	11.8%	12.8%	14.6%	(181bps)
EBIT	193	147	339	410	(17%)
EBIT margin	9.7%	7.7%	8.7%	10.7%	(193bps)

US financial summary

Exposure to RNC continues to impact performance

Sales down 5% (US dollars)

- Soft RNC sector impacting demand
- Low single digit deflation in select categories
- Highly competitive market environment

EBIT down 23% (US dollars)

- Top line contraction impacting earnings
- Cost initiatives largely offsetting impact of network expansion
- Elevated D&A from continued investment in the business

USD

FY25 30 June 2025 (US\$m)	1H	2H	FY25	FY24	Var. %
Sales revenue	1,596	1,700	3,296	3,452	(5%)
EBITDA	135	128	263	293	(10%)
EBITDA margin	8.5%	7.5%	8.0%	8.5%	(52bps)
EBIT	74	62	136	178	(23%)
EBIT margin	4.7%	3.6%	4.1%	5.1%	(102bps)

AUD

FY25 30 June 2025 (A\$m)	1H	2H	FY25	FY24	Var. %
Sales revenue	2,422	2,674	5,096	5,259	(3%)
EBITDA	204	201	405	447	(9%)
EBITDA margin	8.4%	7.5%	8.0%	8.5%	(54bps)
EBIT	112	97	209	271	(23%)
EBIT margin	4.6%	3.6%	4.1%	5.2%	(105bps)

Cashflow

- Lower net cash inflow driven by softer demand settings
- Capex/sales ratio 2.9% supporting investment in the business
- Funding for bolt-on M&A
- Anticipate gross interest expense of \$50m - \$60m* for FY26

FY25 30 June 2025 (A\$m)	FY25	FY24
Net cash inflow from operations	600	751
Capital Expenditure	(258)	(258)
Proceeds from sale of assets	9	16
Dividends paid	(157)	(161)
Cash inflow before acquisitions and financing activities	194	348
Business acquisitions / investments	(93)	(2)
Net financing activities (excluding dividends)	(167)	(378)
Net increase / (decrease) in cash	(66)	(32)
Free cash flow	508	672

*Estimate is indicative only and based on current drawdowns, interest and exchange rates (excludes AASB16 Leases interest)

Balance sheet

Net working capital

- NWC to sales ratio 19% (FY24: 18%)
- Increase driven by investment in inventory to support network expansion and availability

Net working capital	(A\$m)
NWC 30 June 2024	1,625
Inventory	121
Receivables	7
Payables	(17)
NWC 30 June 2025	1,736

Debt

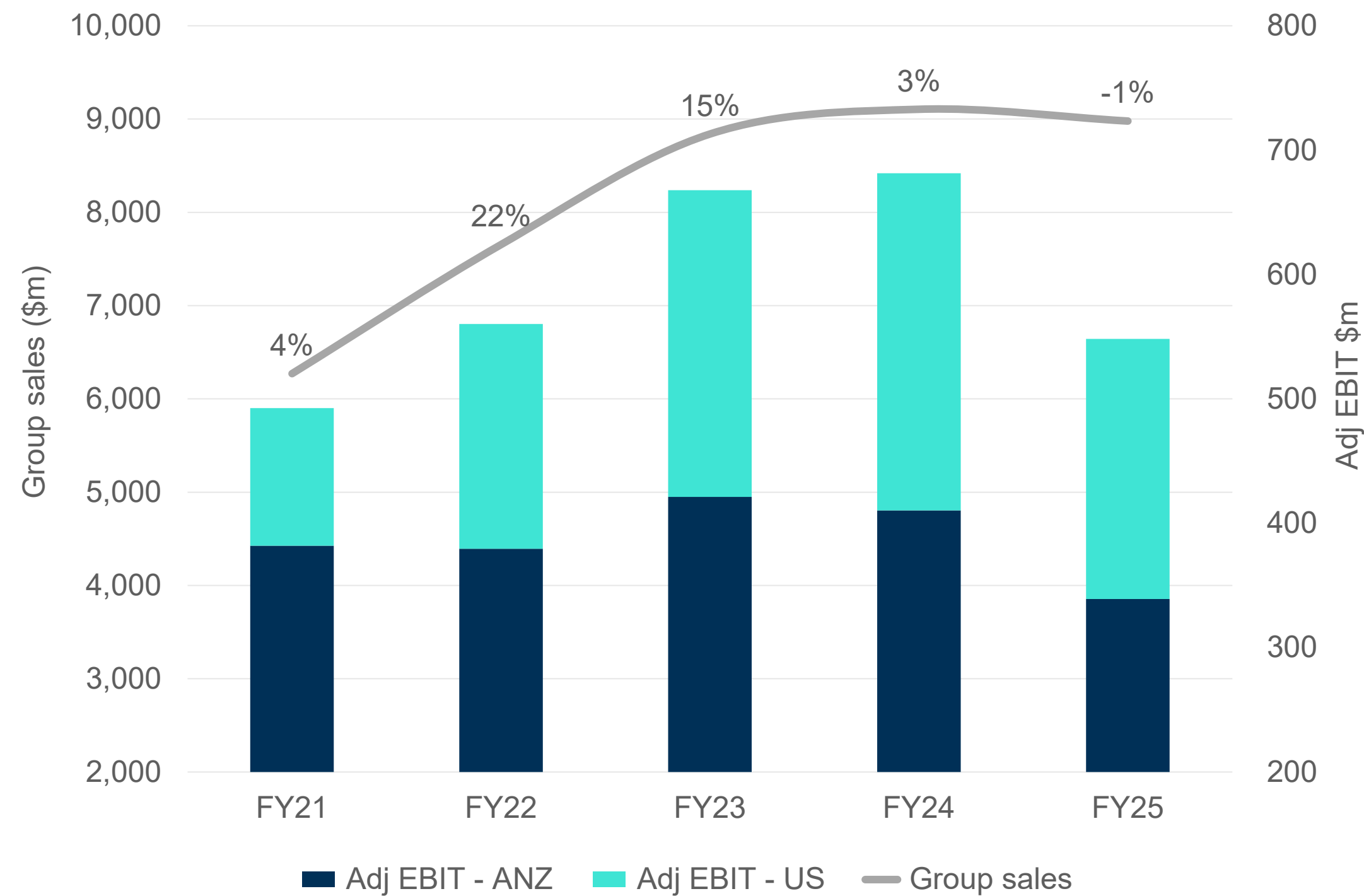
- Increase in net debt driven by lower operating net cash flow
- Net leverage ratio 0.8x (FY24: 0.6x)

	FY25	FY24
Net debt	\$590m	\$518m
Net leverage ratio	0.8x	0.6x
Average debt maturity	4.6 years	5.9 years
Available liquidity	\$1,211m	\$1,470m

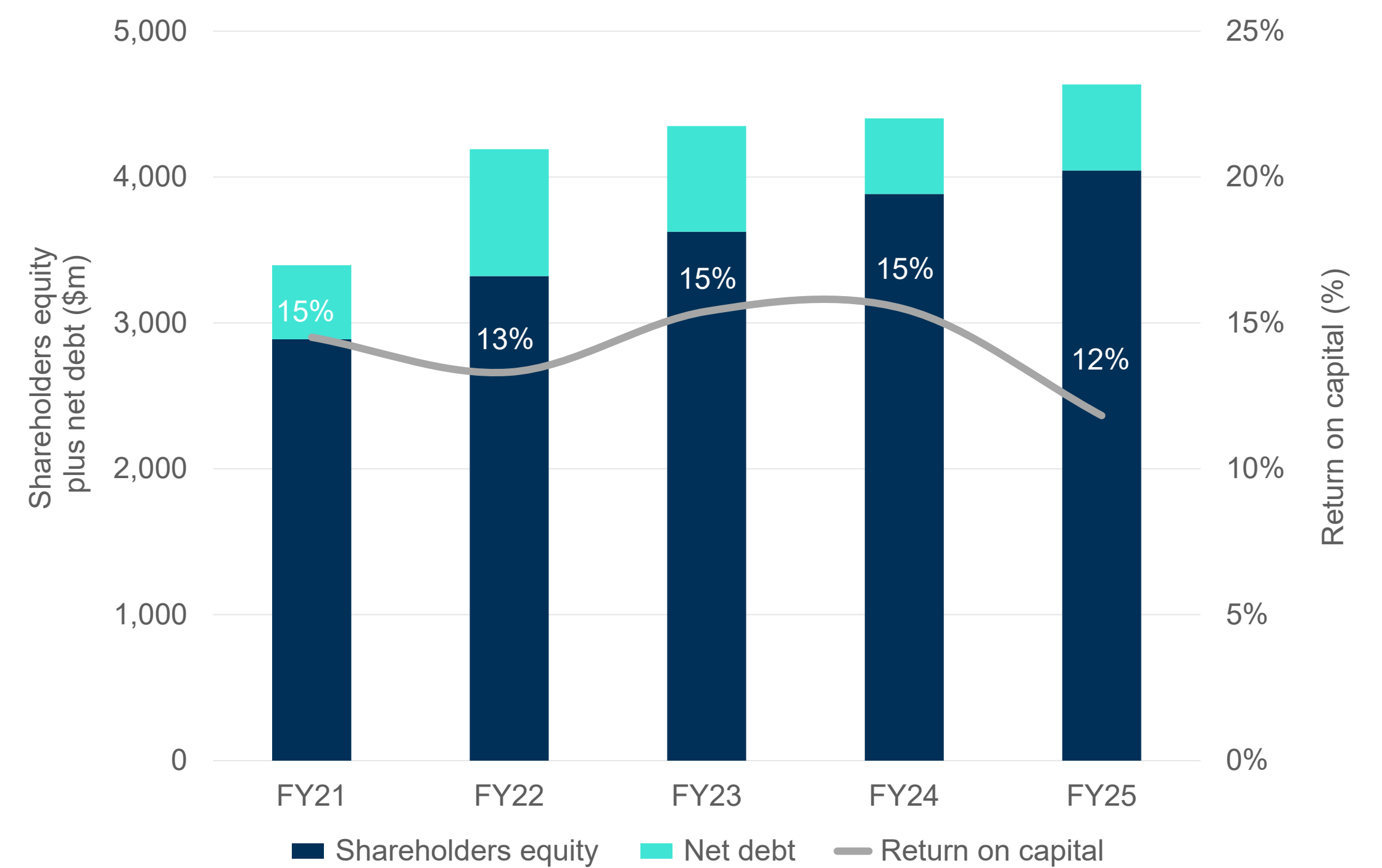
Group performance

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Sales and Adjusted EBIT



Return on capital



Soft housing activity impacting performance - continuing to invest through the cycle

Capital management priorities

Enable long-term profitable growth

01.

Invest in the business

Organic investments and M&A

02.

Strong balance sheet

Pay down debt; retain flexibility for growth

03.

Returns to shareholders

Dividends, share buyback

04

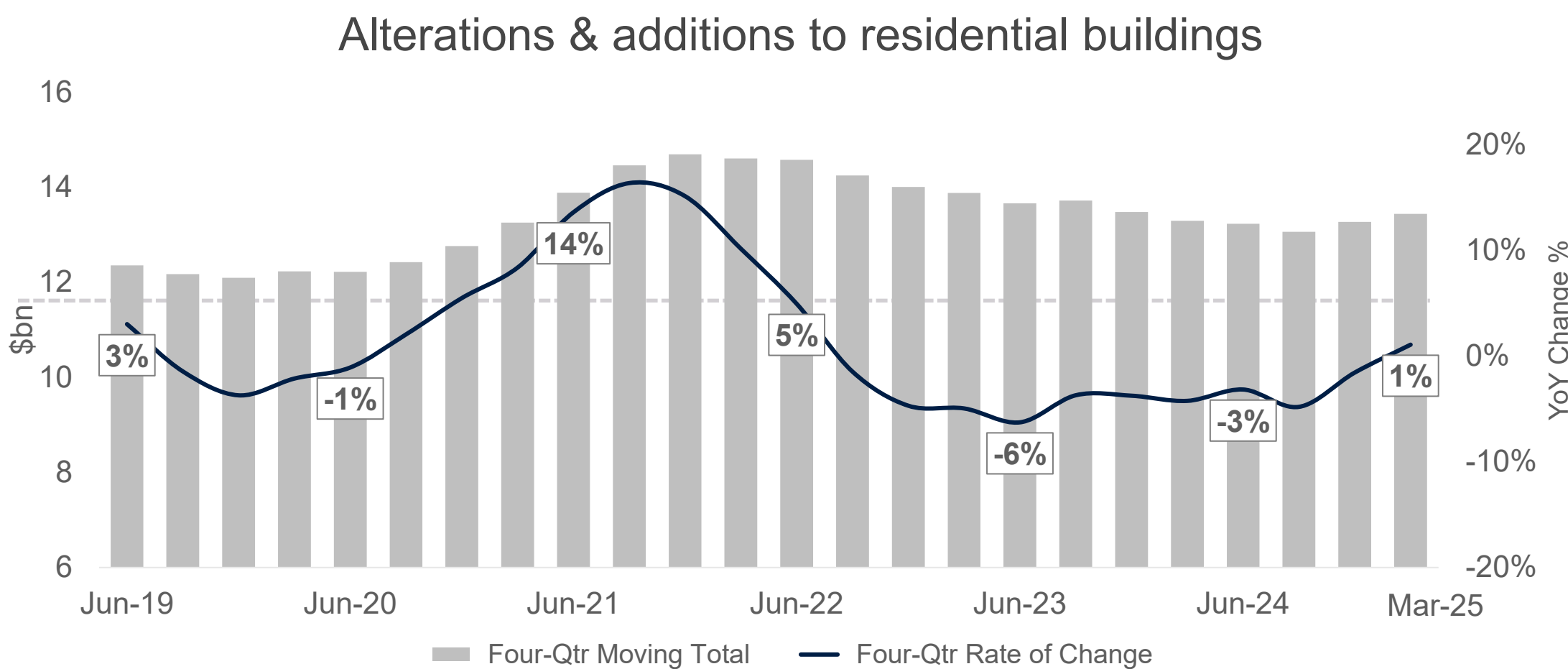
Outlook



Outlook ANZ

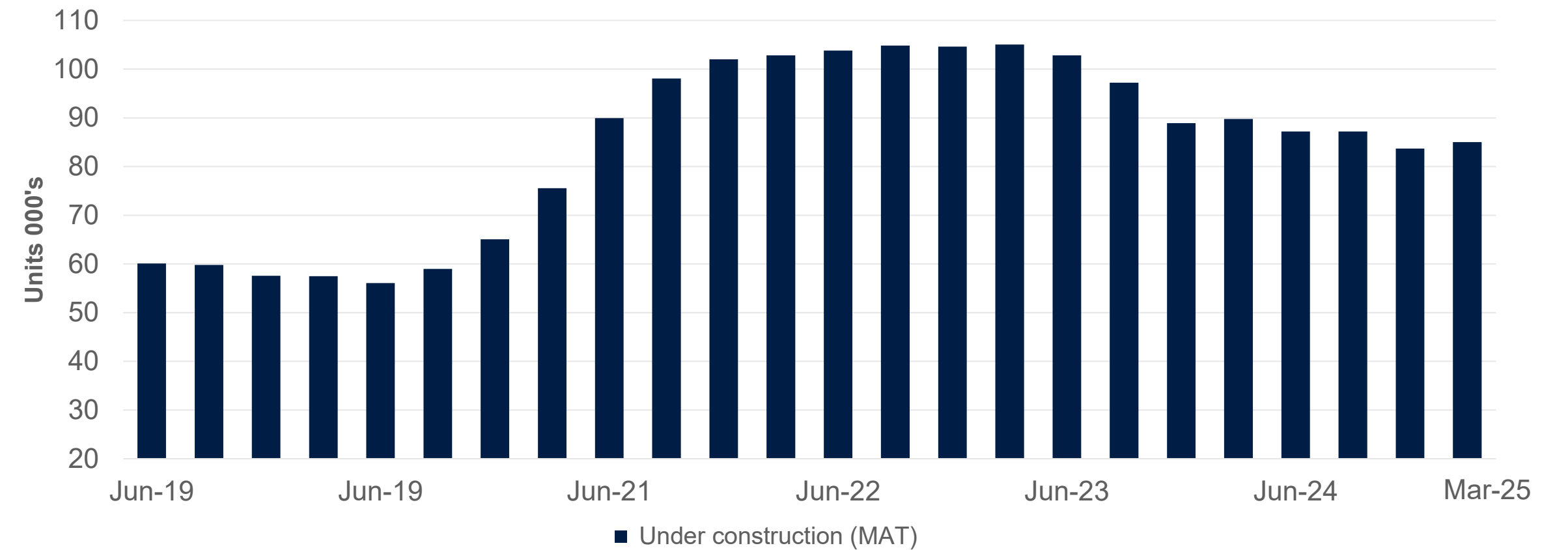
Outlook remains uncertain, slow recovery anticipated

- Volumes expected to remain soft
- Rate cuts positive for the housing sector but taking time to flow through
- Increased demand settings will lag improvement in lead indicators



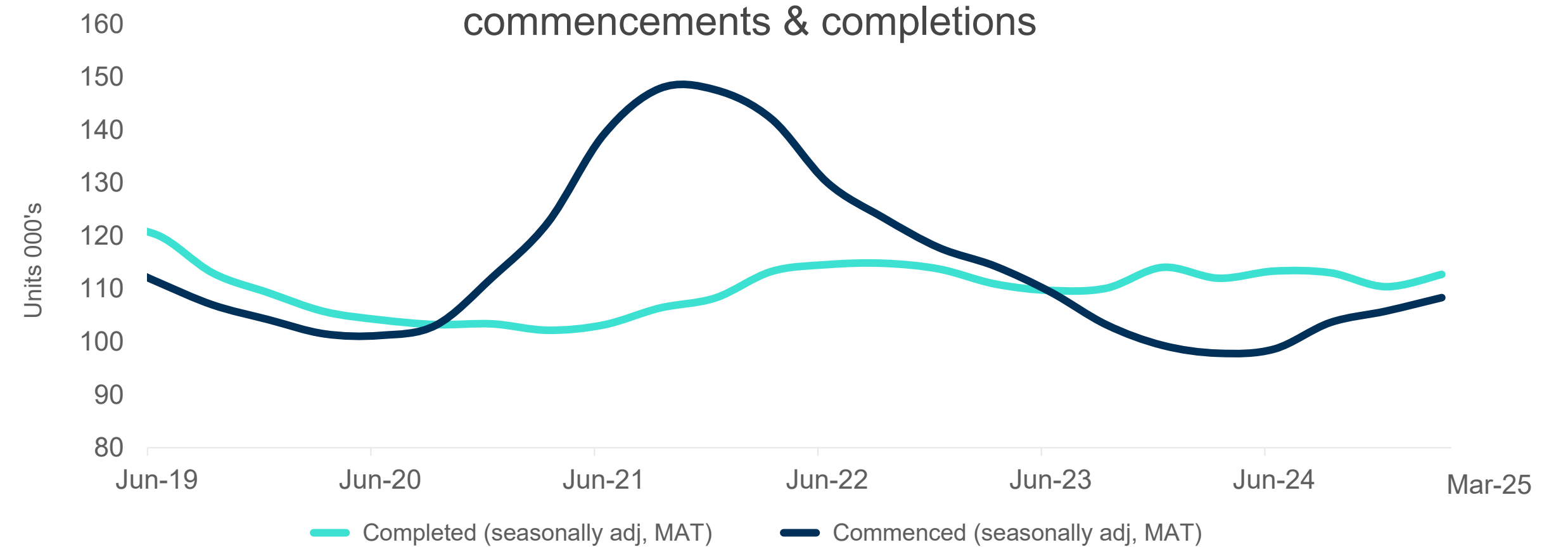
Source: Australian Bureau of Statistics²

Australian single family private housing under construction



Source: Australian Bureau of Statistics¹

Australian single family private housing commencements & completions

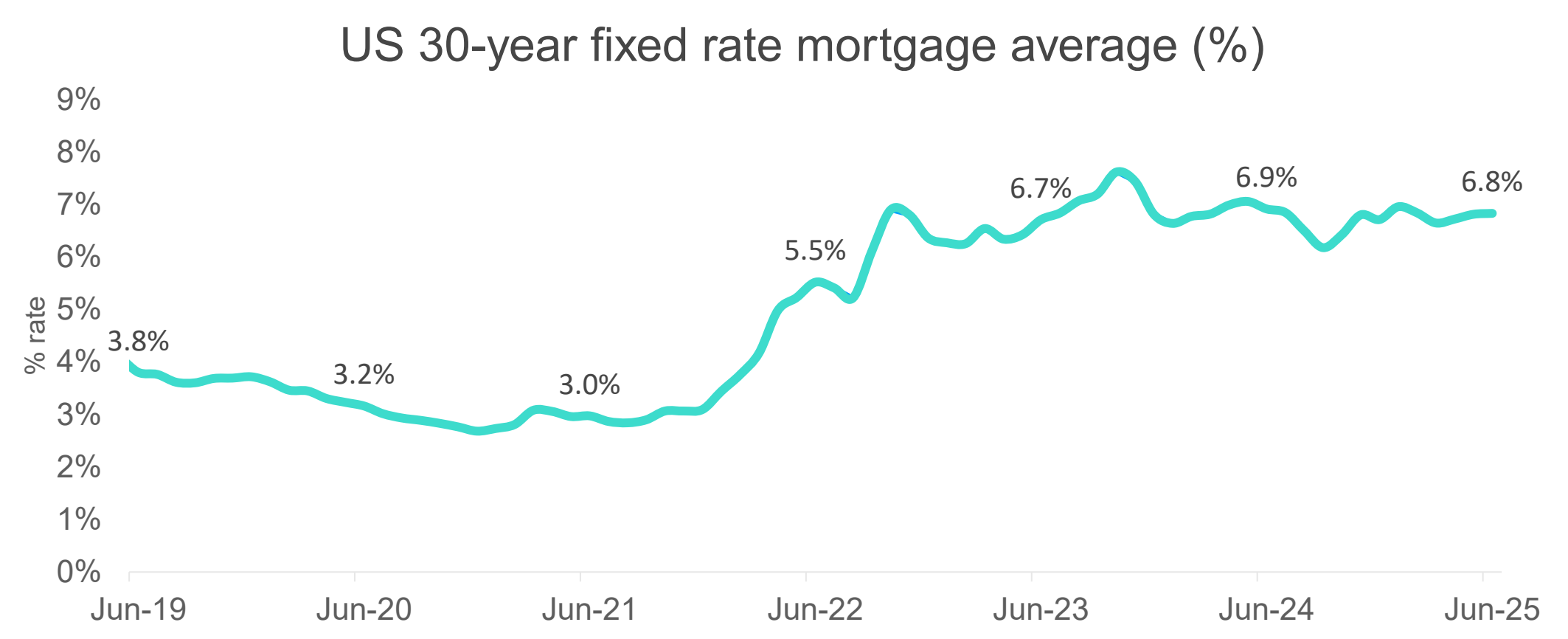


Source: Australian Bureau of Statistics¹

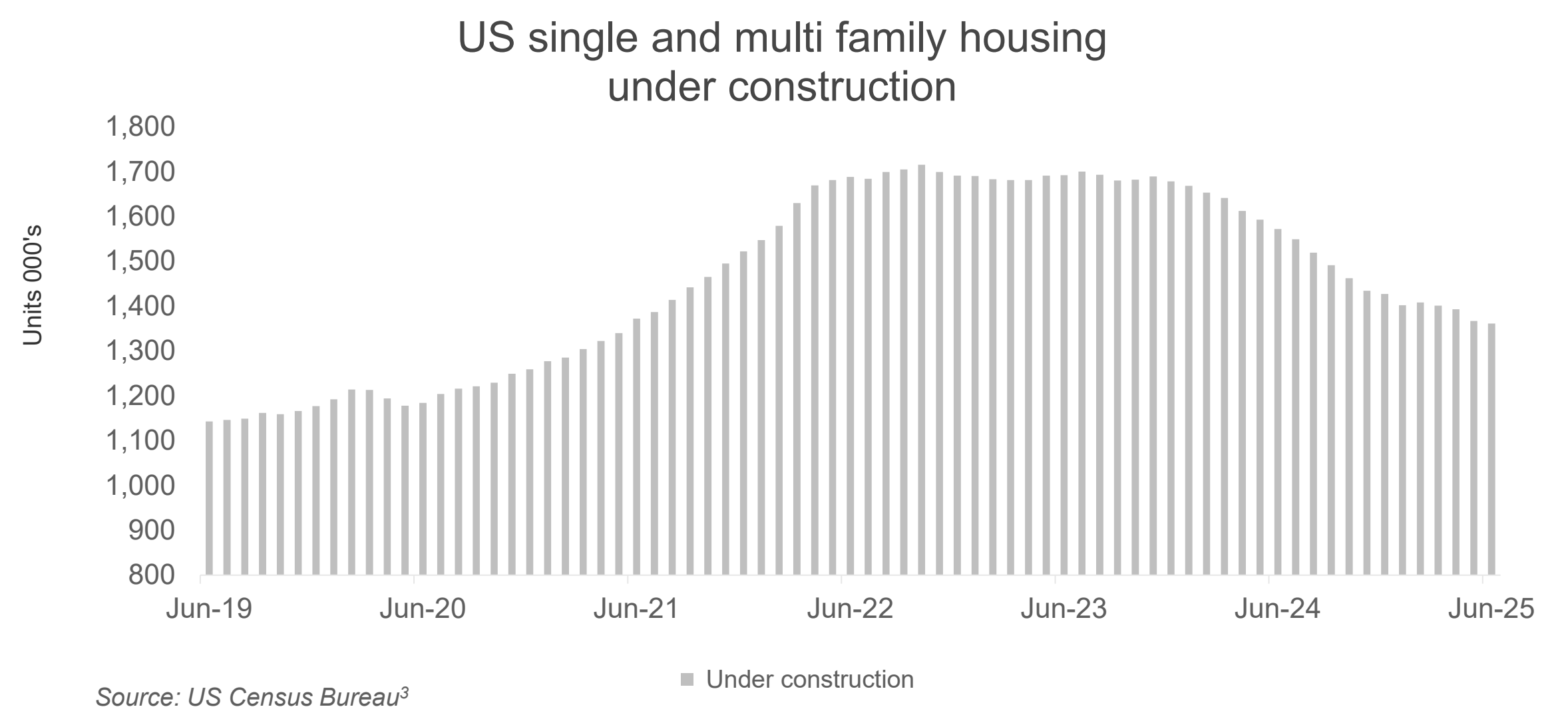
Outlook US

Housing market recovery delayed

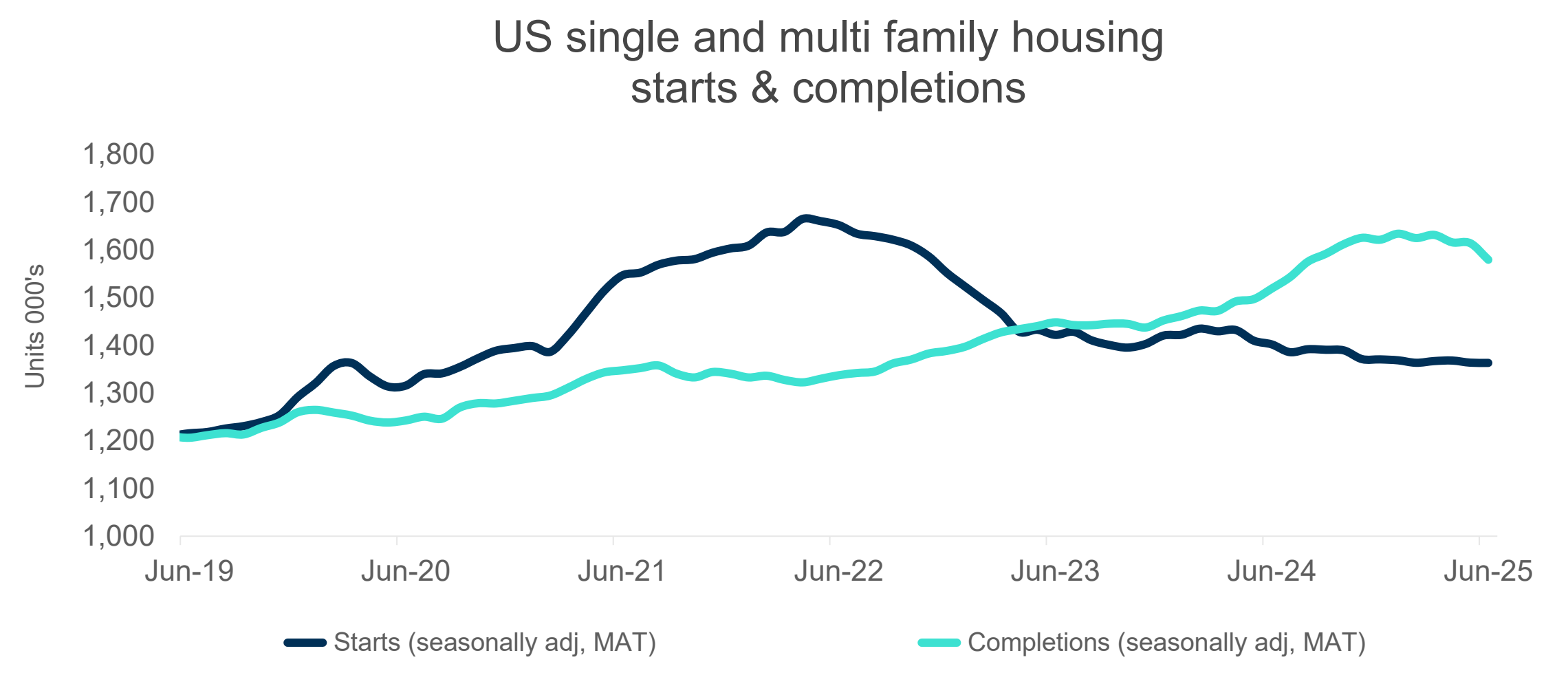
- Expect market to remain constrained for next 12-18 months
- Mortgage rates and affordability continue to weigh on housing activity



Source: Freddie Mac⁴



Source: US Census Bureau³



Source: US Census Bureau³

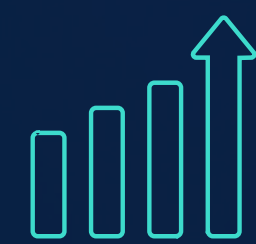
Confidence in our long-term approach



Strategy unchanged –
focused on long-term
growth



Well capitalised –
enabling investment to
build a stronger business



Large markets –
with attractive long-term
fundamentals

05

Q&A



Appendix

Reconciliation from Statutory EBIT to EBITDA

30 June (A\$m)	FY25	FY24	FY23	FY22	FY21
EBIT (statutory)	548	681	654	578	493
Add back/deduct:					
Depreciation and amortisation	352	326	290	258	227
EBITDA (non-IFRS)	901	1,007	944	836	720

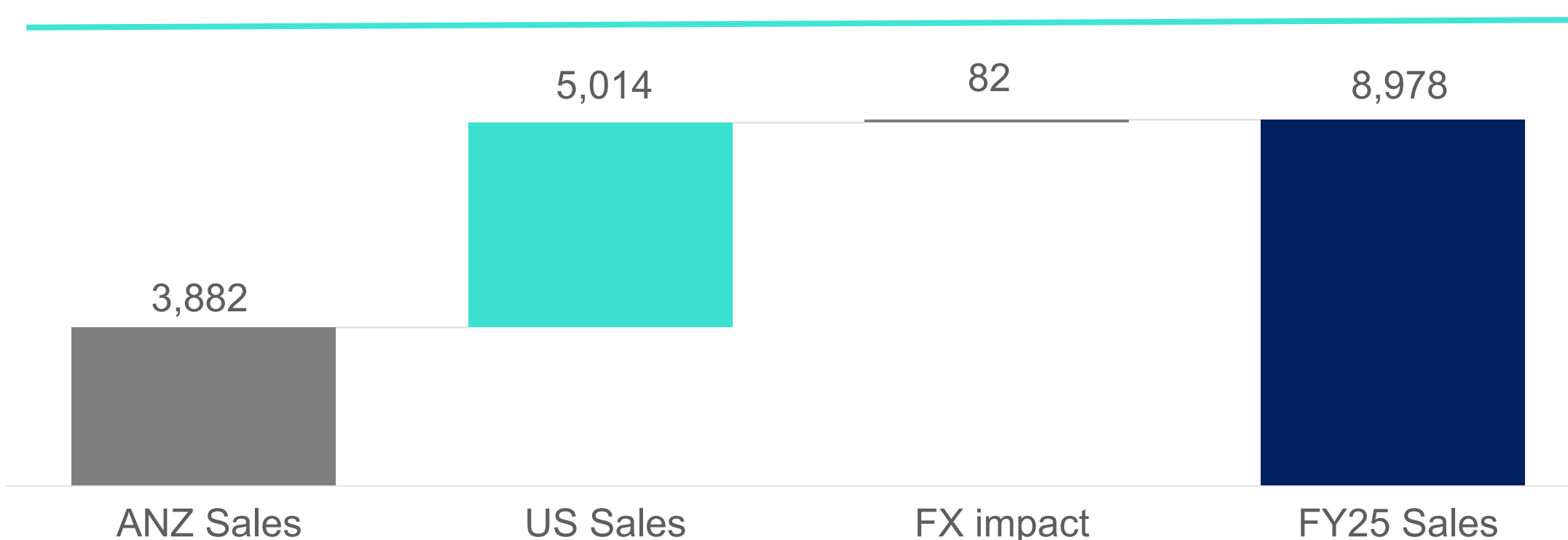
Reconciliation from Statutory NPAT to Adjusted NPAT

30 June (A\$m)	FY25	FY24	FY23	FY22	FY21
NPAT (statutory)	317	419	388	392	286
Add back/deduct (tax effected):					
US tax adjustment (LIFO)	(5)	(3)	17	(28)	(15)
Adjusted NPAT	312	416	405	364	271
Statutory EPS (cents)	49	65	60	61	44
Adjusted EPS (cents) (based on adjusted NPAT)	48	64	63	56	42

Reconciliation from statutory EBIT to Adjusted EBIT

30 June (A\$m)	FY25	FY24	FY23	FY22	FY21
EBIT (statutory)	548	681	654	578	493
Add back/deduct:					
BAC income	-	-	(16)	(22)	-
Impairment	-	-	29	-	-
Business acquisition costs	-	-	2	2	-
Adjusted EBIT (non-IFRS)	548	681	668	558	493

FX impact on sales (A\$m)



Appendix

Group definitions and non-IFRS measures

Adjusted EBITDA / Adjusted EBIT	Adjusted EBITDA and Adjusted EBIT are non-IFRS financial measures used by Reece for internal management reporting purposes to assess underlying performance.
Return on capital (ROC)	Adjusted EBIT divided by shareholders equity plus net debt.
Free cash flow	Adjusted EBITDA less net movements in working capital, income tax paid and lease payments.
Net leverage ratio	Net debt over 12-month EBITDA, calculated on a pre-AASB16 Leases basis.
Available liquidity	Cash plus headroom on the Group's available facilities at period end.
Constant currency basis	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.

Footnotes

- 1 Australian Bureau of Statistics, Private Sector, Houses, New.
- 2 Australian Bureau of Statistics, Value of work done during quarter; Chain Volume Measures, Alterations and additions including conversions, Total Residential.
- 3 United States Census Bureau, New Privately-Owned Housing, Total Units.
- 4 Freddie Mac, 30-Year Fixed Rate Mortgage Average in the United States, Primary Mortgage Market Survey, US weekly averages.

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