

ASX Announcement

23 February 2026

# HY26 Results Announcement

## Half Year Financial Summary

- Sales revenue up 6% to \$4,648 million
- EBITDA down 6% to \$448 million
- EBIT down 14% to \$262 million
- EPS down 19% to 23 cents
- Capex to sales of 1.8%
- ROC<sup>1</sup> 10.8%, down 222 basis points vs December 2024
- Interim dividend of 5.44 cents per share, fully franked

Reece Limited (“Reece Group” or “Reece”; ASX: REH) today announces its financial results for the half year ended 31 December 2025 (HY26).

Peter Wilson, Chair & CEO, said: “Our half year result reflects the challenges we outlined last year, with subdued housing markets continuing to impact demand resulting in flat sales on a like for like<sup>2</sup> basis. In our ANZ business, we have seen signs of a gradual recovery emerging, but performance remains mixed across states. In the US, the residential new construction market is still being impacted by affordability pressures.

“While it’s a challenging environment, we want to do better. We’re focused on actions that position us well when conditions improve – showing up for customers, delivering on our 2030 strategy and building a stronger business for the long-term.

“As we look ahead, we’re cautious about the pace of recovery and don’t expect a material shift in demand for the remainder of FY26.”

<sup>1</sup> ROC (Return on Capital) is Adjusted EBIT (12 month rolling basis) divided by shareholders equity plus net debt. Adjusted EBIT is a non-IFRS financial measure used by Reece for internal management reporting purposes to assess underlying performance.

<sup>2</sup> Like for like sales refers to branches that have reported a full 12-months of sales in both the current and prior year

## HY26 Financial Summary<sup>3</sup>

Statutory	HY26 (\$m)	HY25 (\$m)	Variance %
Sales revenue	4,648	4,402	up 6%
EBITDA <sup>4</sup>	448	475	down 6%
EBIT	262	305	down 14%
NPAT	144	181	down 20%
EPS	22.7 cents	28.0 cents	down 19%
Interim dividend (per share)	5.44 cents	6.50 cents	down 16%

There are no adjustments to statutory earnings in the current or prior period.

### Review of operations

Reece's performance for HY26 reflects the backdrop of challenging housing market conditions across both regions. Sales revenue increased 6% to \$4,648m (HY25: \$4,402m) supported by network expansion, while Group like for like sales were flat versus HY25. On a constant currency basis<sup>5</sup>, sales were up 5% to \$4,637m.

EBITDA declined 6% to \$448m (HY25: \$475m), impacted by elevated costs associated with network expansion, investment in strategic initiatives and modest operating cost inflation. EBIT was down 14% to \$262m (HY25: \$305m) driven by higher depreciation and amortisation from ongoing investment in the business. NPAT was down 20% to \$144m (HY25: \$181m).

Reece's capex to sales ratio of 1.8% supported organic network expansion, branch refurbishments and technology investments. Net debt increased to \$1.0b (FY25: \$590m) driven by lower operating net cash flow and partial funding of the share buyback program. The business remains well capitalised with a net leverage ratio<sup>6</sup> of 1.5x (FY25: 0.8x).

During HY26, Reece continued to execute on its three strategic priorities; operational excellence, accelerating innovation and investing for profitable growth. Key areas of progress include the launch of new product ranges, enhancements to our digital tools and capabilities, implementation of new learning and development programs for our team members and the expansion of our network footprint.

In line with our disciplined approach to capital management, \$401m of surplus capital was returned to shareholders during the half via share buyback programs.

<sup>3</sup> All figures in this statement are in Australian dollars unless otherwise stated. Any discrepancies in the calculation of percentage movements in financial amounts from one period to another are due to rounding.

<sup>4</sup> EBITDA is a non-IFRS financial measure calculated as statutory earnings before interest, tax, depreciation and amortisation.

<sup>5</sup> Constant currency basis applies the same US foreign exchange rate of 0.6589 from HY25 to current period sales to eliminate the foreign exchange impact when comparing sales to pcp.

<sup>6</sup> Net debt over 12-month rolling EBITDA, calculated on a pre-AASB 16 Leases basis

### ANZ Region

Sales revenue was up 4% to \$2,062m (HY25: \$1,980m) supported by modest growth in underlying volumes which remains mixed across states.

EBITDA was down 4% to \$261m (HY25: \$271m) and EBIT decreased 7% to \$179m (HY25: \$193m). Costs remain elevated, reflecting investment in our employee proposition in a competitive labour market, investment in digital projects, and modest cost inflation, including IT and property costs.

During the period, four net new branches were added, bringing total ANZ branches to 680.

### US Region

Sales revenue increased 6% to US\$1,696m (HY25: US\$1,596m), driven by network growth as we continue to expand our presence in the US. On a like for like basis, sales declined by low single digits reflecting soft underlying demand, particularly in the residential new construction (RNC) sector. In Australian dollars, sales were up 7% for the period.

EBITDA decreased 9% to US\$123m (HY25: US\$135m) driven by higher costs associated with recent network expansion. EBIT decreased 26% to US\$55m (HY25: US\$74m) driven by elevated depreciation and amortisation from ongoing growth investment.

During the period 19 net new branches were added, bringing total US branches to 286.

### **Outlook**

We remain cautious about the pace of recovery and do not expect a material shift in demand for the remainder of FY26. We anticipate Group EBIT for full year FY26 to be within the range of \$520-\$540m.

### **Dividend**

The Board has declared a fully franked dividend of 5.44 cents per share, with a record date of 18 March 2026 and a payment date of 1 April 2026.

### **Investor call**

Reece Group will hold an investor webcast today, Monday 23 February 2026, at 9:00am (AEDT). To join the webcast, register via the following link: <https://edge.media-server.com/mmc/p/ek265x2x>

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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](http://group.reece.com/au).

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