

ASX Announcement

12 June 2018

Reece Group to acquire NZ plumbing businesses

Reece Limited (ASX: REH) has agreed to acquire New Zealand plumbing business Edward Gibbon and the Zip Plumbing Plus stores in Christchurch and Takanini.

Established in 1945, Edward Gibbon has grown to more than 110 employees and 10 stores in the main centres of New Zealand's South and North Islands, while Zip Plumbing Plus has 14 employees at its Christchurch and Takanini stores.

Reece Group Chief Executive Officer and Managing Director, Peter Wilson, said the acquisitions provide Reece Group with further expansion into New Zealand's \$7.1bn hardware and building supplies industry.

"The acquisition extends Reece Group's New Zealand branch network from 18 to 30 stores that supply trade and retail customers with plumbing, bathroom and HVAC-R products and equipment," Mr Wilson said.

"We've been operating in the New Zealand plumbing market since 2006 through the LG Carder acquisition, and more recently purchased Heatcraft NZ and established a national distribution centre in Auckland to service our growing network.

"We look forward to welcoming both Edward Gibbon and Zip Plumbing Plus staff into the Reece family and continuing to work with existing suppliers and customers under the existing management," he said.

Under the agreement, the existing management at Edward Gibbon and Zip Plumbing Plus will remain in place in the immediate future, with an expectation that Reece Group will implement any logical synergies between the businesses moving forward.

The deal is expected to be completed towards the end of July, after the MORSCO acquisition is due for completion.

These acquisitions add to Reece Group's track record of successfully acquiring and integrating plumbing-related businesses, such as Heatcraft NZ (2018), Viadux (2017), Actrol (2014) and LG Carder (2006).

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