

ASX Announcement

25 August 2025

FY25 Financial Results

Attached for release is Reece Limited's FY25 financial results 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.

FY25 Results Announcement

FY25 Financial Summary (vs FY24)

- Sales revenue down 1% to \$8,978 million
- EBIT down 20% to \$548 million
- EPS down 24% to 49 cents
- Capex to sales 2.9%
- Return on capital¹ 11.8%, down 365 basis points
- Final dividend of 11.86 cents per share, fully franked

Reece Limited ("Reece Group" or "Reece"; ASX: REH) today announces its financial results for the full year ended 30 June 2025 (FY25).

Peter Wilson, Chairman & CEO said: "FY25 has been a turbulent year for Reece. We delivered a disappointing result, with full year earnings impacted by soft end markets across both regions.

"Having seen cycles before, we remain focused on the fundamentals. This year we completed three bolt-on acquisitions and significantly expanded our branch network. During the second half, we made changes to streamline corporate costs to improve efficiency and better support our branch network.

"Looking ahead we anticipate a slow recovery in ANZ with a period of soft activity still to play out. In the US, we expect the housing market to be constrained for the next 12-18 months driven by persistently high mortgage rates and affordability challenges.

"Despite current headwinds, we remain confident in our long-term approach. We are well capitalised and will continue to look beyond the cycle to protect and grow the business. Reece operates in large, resilient markets where housing undersupply and population growth will drive demand for infrastructure across both our regions."

FY25 Financial Summary²

Statutory	FY25 (\$m)	FY24 (\$m)	Variance %
Sales revenue	8,978	9,105	down 1%
EBITDA ³	901	1,007	down 11%
EBIT	548	681	down 20%
NPAT	317	419	down 24%
EPS	49 cents	65 cents	down 24%
Total dividend (per share)	18.36 cents	25.75 cents	down 29%

¹ Adjusted EBIT 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.

² Statutory 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.

³ EBITDA is a non-IFRS financial measure calculated as statutory earnings before interest, tax, depreciation and amortisation.

Review of operations

Reece's performance for FY25 reflects low demand settings in both regions. Sales revenue decreased 1% to \$8,978m (FY24: \$9,105m). On a constant currency basis⁴, sales were down 2% to \$8,896m reflecting minimal impact from foreign exchange movements during the year.

EBITDA was down 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 these 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 ratio⁵ 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 our customised service offering in the US.

ANZ Region

Sales revenue was up 1% to \$3,882m (FY24: \$3,846m) supported by M&A 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 M&A (+5). The total ANZ network comprised 676 branches at the end of FY25.

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 ongoing network expansion.

⁴ 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.

⁵ Net debt over 12-month EBITDA, calculated on a pre-AASB16 Leases basis.

The US network continued to scale with 24 net new branches, supported by organic growth (+18) and bolt-on M&A (+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.

Dividend

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.

Investor call

Reece Group will hold an investor webcast today, Monday 25 August 2025, at 9:00am (AEST). To join the webcast, register via the following link: [here](#)

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