ASX Announcement

24 August 2026

FY26 Financial Results

Attached for release is Reece Limited's FY26 financial results for the 12 month period ended 30 June 2026.

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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 approximately 1000 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 the best.

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

FY26 Results Announcement

FY26 Financial Summary

- Sales revenue up 4.5% to $9,378 million
- EBITDA[1] flat at $901 million
- EBIT down 2.6% to $534 million
- NPAT down 2.8% to $308 million
- EPS up 0.7% to 49.5 cents
- ROC[2] 11.9%, up 5 basis points
- Final dividend of 13.40 cents per share, fully franked

Reece Limited ("Reece Group" or "Reece"; ASX: REH) announces its financial results for the full year ended 30 June 2026 (FY26).

Peter Wilson, Chairman & CEO said: "FY26 was a year of improved momentum in our ANZ business as volumes recovered, while a weak residential housing market saw softer growth in the US. Throughout the year we focused on delivering our customer promise, progressing our innovation agenda and building out digital capabilities – all of which help us continue building a stronger business.

"Looking ahead, we are entering FY27 with a solid pipeline of activity in our ANZ region which should support momentum in the first half, while we expect more modest growth in the US where residential new construction remains a challenge.

"We continue to focus on delivering for customers and working towards our vision of being our trade's most valuable partner by being easy to do business with – in every branch, on every screen, every day".

FY26 Financial Summary[3]

	Reported Currency			Constant Currency[4]	
Statutory	**FY26 ($m)**	**FY25 ($m)**	**Variance %**	**FY26 ($m)**	**Variance %**
Sales revenue	9,378	8,978	up 4.5%	9,630	up 7.3%
EBITDA	901	901	flat	919	up 2.1%
EBIT	534	548	down 2.6%	543	down 1.0%
NPAT	308	317	down 2.8%	313	down 1.3%
EPS (c)	49.5	49.2	up 0.7%	50.3	up 2.2%

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[1] EBITDA is a non-IFRS financial measure calculated as statutory earnings before interest, tax, depreciation and amortisation.
[2] ROC (Return on Capital) is a non-IFRS financial measure calculated as 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.
[3] 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.
[4] Constant currency basis applies the same US foreign exchange rate of 0.6471 from FY25 to current period results to eliminate the foreign exchange impact when comparing to pcp.

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Review of operations

Reece delivered sales revenue up 4.5% to $9,378m in FY26 (FY25: $8,978m), as volumes recovered in ANZ and weak residential new construction continued to impact demand in the US. On a constant currency basis, sales revenue increased 7.3% to $9,630m.

EBITDA was flat at $901m (FY25: $901m). Group costs excluding depreciation and amortisation were up 9.6% to $1,820m driven by investment in our network, digital and technology transformation initiatives and our employee proposition, including a new long-term equity program. EBIT was down 2.6% to $534m (FY25 $548m). NPAT was down 2.8% to $308m (FY25: $317m).

We generated net operating cash inflows of $645m (FY25: $600m) with a capex to sales ratio of 1.9% for the year. Capital expenditure of $174m (FY25: $258m) supported organic network expansion and investment in technology. Net working capital increased by $35m, reflecting higher inventory to support network expansion and our in-stock promise for customers through a period of significant supply chain disruption, partially offset by favourable movements in other working capital balances.

Net debt increased to $744m (FY25: $590m) driven by ongoing investment to support future growth and partial funding for the Group's share buyback programs. The business remains well capitalised with a net leverage ratio[5] of 1.0x, down from 1.5x at December 2025 (FY25: 0.8x).

We continued to make good progress against our three strategic priorities of operational excellence, breakthrough innovation and investing for profitable growth by enhancing our customer experience, advancing our digital and innovation agenda, and continuing to support the development of our people. Our 2030 vision — to be our trade's most valuable partner — evolved this year to reflect what that means in practice: being easy to do business with, in every branch, on every screen, every day.

<u>ANZ Region</u>

Sales revenue was up 8.3% to $4,204m (FY25: $3,882m), driven by higher volumes. Performance was mixed geographically, with inflation contributing approximately 2%.

EBITDA increased by 7.3% to $532m (FY25: $495m) and EBIT increased 6.1% to $360m (FY25: $339m). We continued to focus on managing operational expenditure, while investing in team capability, digital initiatives and strengthening our employee proposition.

Operationally, we made strong progress on our three strategic priorities. As a key driver of customer experience, we continued to enhance our network, ending the year with 678 branches. In Rosebery, Sydney, we opened a next-generation bathroom showroom — a digitally led experience, built on deep customer insight, that makes it easier for customers and their trade partners to plan and deliver projects. We also continued expanding and optimising our product range, while accelerating the adoption of new AI initiatives, including process automation and the launch of proprietary tools to help our people and customers.

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[5] Net debt over 12-month EBITDA, calculated on a pre-AASB 16 Leases basis.

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Our long-standing supplier partnerships and strong in-stock position proved an advantage, allowing us to manage through supply disruption during the period and maintain our in-stock promise for customers.

US Region

Sales revenue increased 6.5% to US$3,511m (FY25: US$3,296m) driven by network expansion, with inflation contributing approximately 2%. Like-for-like sales were down by 1.7% for the year, and flat in the second half. Housing markets remained soft during the period, with residential new construction activity continuing to weigh on demand, while the non-residential segment was more resilient. EBITDA declined 4.5% to US$251m (FY25: US$263m). EBIT was down 13.0% to US$118m (FY25: US$136m), reflecting the soft market backdrop and ongoing investment in network expansion.

We opened a net 25 new branches during the year, lifting the scale and density of our US presence and allowing us to reach more customers and make their lives easier. We also continued to focus on investing in team capabilities to enhance service standards and in our digital ecosystem, including improvements to our maX customer app.

Outlook

Looking ahead, in ANZ, we are entering FY27 with a solid pipeline of activity which should support first half momentum. In the US, residential new construction remains a challenge, while the non-residential segment has been more resilient. As a result, we anticipate modest growth in this region.

In both markets, consumers remain interest rate sensitive and housing affordability challenges represent a risk for the outlook.

Over the longer term, the fundamentals of our markets remain attractive and our vision and strategy leave us well placed to continue delivering our customer promise and staying one step ahead of our customers' needs.

Dividend

The Board has declared a final dividend of 13.40 cents per share fully franked, taking total dividends to 18.84 cents per share in FY26 (FY25: 18.36 cents per share). The final dividend has a record date of 7 October 2026 and a payment date of 21 October 2026.

Investor call

Reece Group will hold an investor webcast today, Monday 24 August 2026, at 9:00am (AEST). To join the webcast, register via the following link: https://edge.media-server.com/mmc/p/wzqdfm2q

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