

HY21 Results Announcement

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Financial Highlights

- Sales revenue up 4% to \$3,074m
- Normalised EBITDA¹ up 12% to \$349m
- EBIT up 15% to \$236m
- NPAT up 17% to \$123m
- EPS² up 2% to 19 cents
- Interim dividend 6.0 cents

Reece Limited ("Reece Group"; ASX: REH) announces its financial results for the half-year ended 31 December 2020.

Reece Group delivered sales revenue of \$3,074m for the half year, this represents 4% growth on HY20. Normalised Earnings Before Interest Tax Depreciation and Amortisation¹ (EBITDA) was up 12% to \$349m. Net Profit After Tax (NPAT) grew 17% to \$123m.

Peter Wilson, Group CEO said: "Through a period of continuing uncertainty, we have remained focused on supporting the essential work of our customers, and we're proud to have delivered another record result."

"Our response to the dual health and economic crises has ensured that we've protected our business today while also accelerating our strategy for long-term growth."

"The Reece Group strategy, business model, and people have proven resilient through this period and we are in a strong position to capitalise on future growth opportunities."

HY21 Financial Summary

December Half Year (A\$m)	HY21	HY20	Variance
Sales Revenue	\$3,074	\$2,962	Up 4%
Normalised EBITDA ¹	\$349	\$313	Up 12%
EBIT	\$236	\$205	Up 15%
NPAT	\$123	\$105	Up 17%
EPS ² (cents per share)	19.0	18.7	Up 2%
Dividend (cents per share)	6.0	6.0	-

1. Normalised EBITDA excludes business acquisition costs and finance income/(costs) net.

2. In May 2020, Reece Limited issued 85,161,326 new shares as part of the \$647 million equity raise.

Review of Operations

In 2020, Reece Group took decisive action to protect the business while remaining focused on accelerating long term growth.

The business has efficiently responded to a dynamic and changing environment, ensuring consistent service and support for its customers who were relied on to provide essential services throughout the period.

The embedded position of Reece's branch network and an expanding digital offering supported a record performance in the first half of FY21.

Enhancements to digital services and accelerated adoption through the pandemic, resulted in a 70% increase in online sales compared to the first half of last year.

In the US, the focus on operational fundamentals and building a great culture to enable the customer experience continues.

Solid customer demand drove sales revenue growth in both of the Reece Group's regions for HY21.

In Australia and New Zealand sales revenue was \$1,564m, up 7% on the prior year, and the US delivered sales revenue of \$1,509m, up 7% on a constant currency US dollar basis and up 1% when converted to Australian dollars.

The business is well positioned to capitalise on potential growth opportunities, as and when they arise.

Dividend

The Board has declared a full franked interim dividend of 6.0 cents per share. The record date for the dividend is 30 March 2021 and it will be paid on 15 April 2021.

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This announcement has been authorised by Chantelle Duffy, Company Secretary at the direction of the Board of Directors.

About the Reece Group

Reece Group is a leading distributor of plumbing, waterworks and HVAC-R products to commercial and residential customers through over 800 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 8,000 employees committed to improving the lives of its customers by striving for greatness every day.

For further information on Reece Group and its portfolio of businesses please visit www.reecegroup.com.au.