

## ASX Announcement

24 February 2025

# Appendix 4D and Interim Financial Report

Attached for release is Reece Limited's Appendix 4D and Interim Financial Report for the 6 month period ended 31 December 2024.

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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).

## 1. Reporting period

This Appendix 4D and financial report presents the results of Reece Limited and its controlled entities ('the Group' or 'Reece') for the half-year ended 31 December 2024. The information in this report should be read in conjunction with the most recent annual financial report for the year ended 30 June 2024.

Previous corresponding periods are the financial year ended 30 June 2024 and half-year ended 31 December 2023.

## 2. Results for announcement to the market

	\$000's <sup>1</sup>	
Revenue from sale of goods	4,402,470	Down 3.0%
EBITDA <sup>2</sup>	475,000	Down 9.7%
EBIT	304,529	Down 17.0%
NPAT	180,875	Down 19.1%
Net profit for the period attributable to members	180,875	Down 19.1%

	Amount per security	Franked amount per security
<b>Dividends</b>		
Interim dividend	6.5 cents	100%
Previous corresponding period - interim dividend	8.0 cents	100%
Record date for determining entitlements to the dividend is 19 March 2025 to be paid on 2 April 2025.		

### Review of Operations

Reece's performance for the first half of FY25 reflects challenging trading conditions in both regions. Sales revenue decreased 3% to \$4,402m (HY24: \$4,537m).

EBIT was down 17% to \$305m for the half (HY24: \$367m). Costs including depreciation and amortisation increased by 3.6% due to ongoing investment in the business. This includes two bolt-on acquisitions in ANZ and 32 net new branches across the Group. NPAT was down 19% to \$181m (HY24: \$224m).

In ANZ, sales revenue was flat at \$1,980m (HY24: \$1,972m) with a modest decrease in underlying volumes offset by benefits from M&A activity. EBITDA was down 12% to \$271m (HY24: \$307m) and EBIT decreased 17% to \$193m (HY24: \$233m). Cost growth for the half was more pronounced in the ANZ region largely due to investment in the business to support long term growth and ongoing inflationary pressure (net of cost initiatives).

The ANZ network expanded with 14 net new branches during the period, including five branches acquired as part of the ReFire acquisition. At the end of the half, there was a total of 675 branches across the ANZ network.

<sup>1</sup> All figures in this Appendix 4D 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>2</sup> EBITDA is a non-IFRS financial measure calculated as statutory earnings before interest, tax, depreciation and amortisation.

### Review of Operations (cont.)

In the United States (US) region, sales revenue decreased 5% to US\$1,596m (HY24: US\$1,683m) reflecting softness in the residential new construction sector, ongoing price deflation in select commodity related categories and increased competitive pressure due to the market slowdown. In Australian dollars, sales were down 6% for the period. EBITDA decreased 6% to US\$135m (HY24: US\$143m) reflecting a focus on margin and cost efficiencies in light of volume reductions during the half. EBIT decreased 15% to US\$74m (HY24: US\$87m) driven by elevated depreciation and amortisation associated with network expansion and rebranding activities.

The US business continued to scale, accelerating network expansion with 18 net new branches. The total US network increased to 261 stores at the end of HY25. Regional rebrand activities were also completed during the half, with plumbing, bath+kitchen and HVAC branches now trading as Reece.

As we look ahead toward the second half, the Group expects soft trading conditions to continue across both regions. We take a long-term view and will continue to invest to build a stronger business and deliver on our 2030 vision of being our trade's most valuable partner.

### 3. Details of entities over which control has been gained during the period

There have been no material acquisitions during the period ended 31 December 2024.

### 4. Net tangible assets per security

	31 Dec 2024	31 Dec 2023
Net tangible asset backing per ordinary security	304 cents	258 cents

### 5. Dividends

	31 Dec 2024 \$000's	31 Dec 2023 \$000's
Dividends paid during the half-year (fully franked)	114,661	109,817

The final dividend relating to the year ended on 30 June 2024 of 17.75 cents (previous corresponding period: 17.0 cents) was paid on 23 October 2024. On 24 February 2025, the directors declared a fully franked interim dividend of 6.5 cents per fully paid ordinary share (previous corresponding period: 8.0 cents) with a record date of 19 March 2025 and payment date of 2 April 2025.

### 6. Associate entities

The table below shows investments in associate entities held by the Group:

	Ownership	
	31 Dec 2024	30 Jun 2024
	%	%
True Pillars Pty Ltd	43.0%	43.0%
Fieldpulse Pty Ltd	20.9%	20.9%

### 7. Financial information

The financial information provided in Appendix 4D is based on the half-year financial report (attached).

### 8. Independent review of the financial report

The consolidated financial report for the half-year ended 31 December 2024, upon which this report is based, has been independently reviewed by KPMG.



# Financial Report

for the half year to 31 December 2024

Reece Limited  
(ABN 49 004 313 133)  
and controlled entities

This half year financial report is to be  
read in conjunction with the financial  
report for the year ended 30 June 2024.

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**Reece Limited**  
**Financial Report for the half-year ended 31 December 2024**

**Directors' Report**

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The Directors of Reece Limited and its controlled entities (the 'Group' or 'Reece') present their report together with the consolidated financial statements for the six months ended 31 December 2024 and the independent review report thereon.

**Directors**

The names of the Directors in office at any time during the period until the date of this report are set out below. Directors were in office for the entire period unless otherwise stated.

Peter Wilson  
L. Alan Wilson  
Bruce C. Wilson  
Megan Quinn  
Andrew Wilson  
Sasha Nikolic (appointed 1 July 2024)  
Karen Penrose (resigned 16 September 2024)  
Ross McEwan (appointed 1 October 2024)  
Angela Mentis (appointed 15 November 2024)  
Tim Poole (resigned 31 December 2024)  
Gavin Street (appointed 1 February 2025)

**Review of operations**

Reece's performance for the first half of FY25 reflects challenging trading conditions in both regions. Sales revenue decreased 3% to \$4,402m (HY24: \$4,537m).

EBIT was down 17% to \$305m for the half (HY24: \$367m). Costs including depreciation and amortisation increased by 3.6% due to ongoing investment in the business. This includes two bolt-on acquisitions in ANZ and 32 net new branches across the Group. NPAT was down 19% to \$181m (HY24: \$224m).

A review of operations for the Group during the half-year and the results of these operations are set out in the Appendix 4D and HY25 Results Announcement.

**Significant changes in state of affairs**

There have been no significant changes in the Group's state of affairs during the financial period.

**Auditor's Independence Declaration**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* in relation to the review of the half-year is provided with this report.

**Rounding of amounts to nearest thousand dollars**

In accordance with ASIC Corporations (*Rounding in Financial/Directors' Report*) Instrument 2016/191, the amounts in the directors' report and in the financial report have been rounded to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the board of Directors:



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P.J. Wilson  
Chairman & Chief Executive Officer



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G.W. Street  
Audit and Risk Committee Chair

Melbourne  
24 February 2025



# Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Reece Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Reece Limited for the half-year ended 31 December 2024 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Julie Carey

*Partner*

Melbourne

24 February 2025

**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income  
for the half-year ended 31 December 2024**

	Note	31 Dec 2024 (\$000's)	31 Dec 2023 (\$000's)
<b>Revenue</b>			
Revenue from sale of goods		4,402,470	4,537,273
Cost of sales	3	(3,117,825)	(3,228,275)
<b>Gross profit</b>		<b>1,284,645</b>	<b>1,308,998</b>
Other revenue		2,839	6,612
Selling and administrative expenses		(982,955)	(948,508)
<b>Earnings before interest and tax</b>		<b>304,529</b>	<b>367,102</b>
Finance costs (net)	3	(45,865)	(46,006)
<b>Profit before income tax expense</b>		<b>258,664</b>	<b>321,096</b>
Income tax expense	5	(77,789)	(97,465)
<b>Net profit after tax</b>		<b>180,875</b>	<b>223,631</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to the profit or loss:</i>			
Exchange differences on translation of foreign operations, net of tax		138,558	(61,894)
Change in fair value of effective cash flow hedges, net of tax		6,383	(7,309)
<b>Total comprehensive income, net of tax</b>		<b>325,816</b>	<b>154,428</b>
Basic earnings per share		28.0 cents	34.6 cents
Diluted earnings per share		28.0 cents	34.6 cents



**Condensed Consolidated Statement of Financial Position  
as at 31 December 2024**

	Note	31 Dec 2024 (\$000's)	30 Jun 2024 (\$000's)
<b>Current assets</b>			
Cash and cash equivalents		273,271	341,380
Trade and other receivables		1,315,584	1,369,302
Inventories	6	1,566,411	1,496,348
Derivative financial instruments	11	6,261	-
<b>Total current assets</b>		<b>3,161,527</b>	<b>3,207,030</b>
<b>Non-current assets</b>			
Property, plant and equipment	7	1,006,309	909,369
Right-of-use assets	7	926,928	892,369
Investments		22,205	22,980
Intangible assets	8	2,078,728	1,983,219
Deferred tax assets		86,514	79,902
<b>Total non-current assets</b>		<b>4,120,684</b>	<b>3,887,839</b>
<b>Total assets</b>		<b>7,282,211</b>	<b>7,094,869</b>
<b>Current liabilities</b>			
Trade and other payables		1,085,193	1,240,395
Lease liabilities		144,830	135,847
Current tax liability		2,534	560
Provisions		105,331	102,088
Derivative financial instruments	11	-	122
<b>Total current liabilities</b>		<b>1,337,888</b>	<b>1,479,012</b>
<b>Non-current liabilities</b>			
Interest-bearing liabilities	9	919,673	859,322
Lease liabilities		885,335	837,094
Deferred tax payable		33,726	21,097
Provisions		7,564	14,201
<b>Total non-current liabilities</b>		<b>1,846,298</b>	<b>1,731,714</b>
<b>Total liabilities</b>		<b>3,184,186</b>	<b>3,210,726</b>
<b>Net assets</b>		<b>4,098,025</b>	<b>3,884,143</b>
<b>Equity</b>			
Contributed equity		1,246,918	1,246,918
Reserves		341,006	193,338
Retained earnings		2,510,101	2,443,887
<b>Total equity</b>		<b>4,098,025</b>	<b>3,884,143</b>

**Condensed Consolidated Statement of Changes in Equity  
for the half-year ended 31 December 2024**

	Note	Contributed Equity (\$000's)	Reserves (\$000's)	Retained Earnings (\$000's)	Total Equity (\$000's)
<b>Balance at 1 July 2023</b>		<b>1,246,918</b>	<b>192,294</b>	<b>2,186,212</b>	<b>3,625,424</b>
Profit for the half-year		-	-	223,631	223,631
Exchange differences on translation of foreign operations, net of tax		-	(61,894)	-	(61,894)
Change in fair value of effective cash flow hedges, net of tax		-	(7,309)	-	(7,309)
<b>Total comprehensive income for the half-year</b>		-	(69,203)	223,631	154,428
Transactions with owners in their capacity as owners:					
Share-based payments	10	-	2,779	-	2,779
Dividends paid	4	-	-	(109,817)	(109,817)
<b>Balance as at 31 December 2023</b>		<b>1,246,918</b>	<b>125,870</b>	<b>2,300,026</b>	<b>3,672,814</b>
<b>Balance at 1 July 2024</b>		<b>1,246,918</b>	<b>193,338</b>	<b>2,443,887</b>	<b>3,884,143</b>
Profit for the half-year		-	-	180,875	180,875
Exchange differences on translation of foreign operations, net of tax		-	138,558	-	138,558
Change in fair value of effective cash flow hedges, net of tax		-	6,383	-	6,383
<b>Total comprehensive income for the half-year</b>		-	144,941	180,875	325,816
Transactions with owners in their capacity as owners:					
Share-based payments	10	-	2,727	-	2,727
Dividends paid	4	-	-	(114,661)	(114,661)
<b>Balance as at 31 December 2024</b>		<b>1,246,918</b>	<b>341,006</b>	<b>2,510,101</b>	<b>4,098,025</b>

**Condensed Consolidated Statement of Cash Flows  
for the half-year ended 31 December 2024**

	<b>31 Dec 2024</b>	<b>31 Dec 2023</b>
	<b>(\$000's)</b>	<b>(\$000's)</b>
<b>Cash flows from operating activities</b>		
Receipts from customers	4,877,897	4,963,551
Payments to suppliers and employees	(4,499,848)	(4,435,172)
Interest received	6,278	5,073
Finance costs paid	(29,834)	(34,740)
Interest repayments on leases	(22,279)	(16,339)
Income tax paid	(76,258)	(104,633)
<b>Net cash flows from operating activities</b>	<b>255,956</b>	<b>377,740</b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(124,043)	(102,573)
Proceeds from sale of property, plant and equipment	3,179	8,021
Payment for intangible assets	(4,821)	(12,377)
Purchase of controlled entities and investments, net of cash required	(22,820)	(1,082)
<b>Net cash flows used in investing activities</b>	<b>(148,505)</b>	<b>(108,011)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	42,071	438,596
Repayments of borrowings	(37,058)	(562,716)
Dividends paid	(114,661)	(109,817)
Principal repayment on leases	(70,310)	(68,445)
<b>Net cash used in financing activities</b>	<b>(179,958)</b>	<b>(302,382)</b>
Net decrease in cash and cash equivalents	(72,507)	(32,653)
Net foreign exchange translation difference	4,398	(3,353)
Cash and cash equivalents at the beginning of the half year	341,380	372,706
<b>Cash and cash equivalents at the end of the half year</b>	<b>273,271</b>	<b>336,700</b>

## Notes

### For the half-year ended 31 December 2024

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#### Note 1: Notes to the condensed half-year financial report

##### About this report

This condensed half-year financial report covers Reece Limited and its controlled entities (the 'Group' or 'Reece') for the six months ended 31 December 2024 and was authorised for issue in accordance with a resolution of the directors on 24 February 2025. The information in this report should be read in conjunction with the most recent annual financial report for the year ended 30 June 2024.

Reece Limited is a company limited by shares, incorporated and domiciled in Australia. Reece Limited is a for-profit entity for the purpose of preparing the financial statements. The registered offices of Reece Limited is 57 Balmain St, Cremorne, Victoria, 3121.

Reece is a leading distributor of plumbing, waterworks and heating, ventilation, air-conditioning and refrigeration products to commercial and residential customers, operating for more than 100 years. Reece has strong market positions across its global footprint spanning Australia, New Zealand and the United States. The Group's businesses are supported by leading innovation and service solutions.

##### Basis of preparation

These interim financial statements are general purpose financial statements prepared in accordance with AASB 134 *Interim Financial Reporting*, the *Corporations Act 2001*, and IAS 34 *Interim Financial Reporting*.

The interim financial statements do not include all the information required for a complete set of annual financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at, and for the year ended, 30 June 2024.

##### Statement of material accounting policies

The half-year condensed consolidated financial statements have been prepared using consistent accounting policies as used in the annual financial statements for the year ended 30 June 2024.

Several amendments and interpretations also applied to the Group for the first time from 1 July 2024, but do not have a material impact on the condensed half-year financial report of the Group.

The Group has not early adopted any standards or interpretations.

##### Rounding amounts

The Group has applied the relief available under the *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, and accordingly, the amounts in the Directors' Report and in the condensed half-year financial report have been rounded to the nearest thousand dollars, unless otherwise stated.

##### Key judgements and estimates

In the process of applying Group accounting policies, management applies judgements and estimates of future events. These key accounting judgments and estimates have not changed materially from those described in the notes to the financial statements for the year ended 30 June 2024.

## Notes

For the half-year ended 31 December 2024

### Note 2: Segment Reporting

Segment information is presented in a manner which is consistent with the internal reporting to the Chief Executive Officer who is the entity's chief operating decision maker for the purpose of performance assessment and resource allocation. The Group's segments are based on the geographical operations of the business and comprise Australia and New Zealand (ANZ) and United States of America (United States).

	ANZ		United States		Total	
	31 Dec 2024 (\$000's)	31 Dec 2023 (\$000's)	31 Dec 2024 (\$000's)	31 Dec 2023 (\$000's)	31 Dec 2024 (\$000's)	31 Dec 2023 (\$000's)
Revenue from sale of goods	1,980,351	1,971,597	2,422,119	2,565,676	4,402,470	4,537,273
EBITDA	270,779	307,294	204,221	218,748	475,000	526,042
<b>Expenses</b>						
Depreciation	(67,129)	(64,264)	(68,942)	(61,661)	(136,071)	(125,925)
Amortisation	(11,136)	(9,721)	(23,264)	(23,294)	(34,400)	(33,015)
Finance costs (net)	(3,535)	(4,187)	(42,330)	(41,819)	(45,865)	(46,006)
Segment profit before tax	188,979	229,122	69,685	91,974	258,664	321,096
Income tax expense	(58,438)	(71,933)	(19,351)	(25,532)	(77,789)	(97,465)
<b>Segment profit after tax</b>	<b>130,541</b>	<b>157,189</b>	<b>50,334</b>	<b>66,442</b>	<b>180,875</b>	<b>223,631</b>
	31 Dec 2024 (\$000's)	30 Jun 2024 (\$000's)	31 Dec 2024 (\$000's)	30 Jun 2024 (\$000's)	31 Dec 2024 (\$000's)	30 Jun 2024 (\$000's)
Current assets	1,379,071	1,388,777	1,782,456	1,818,253	3,161,527	3,207,030
Non-current assets	1,388,843	1,388,187	2,731,841	2,499,652	4,120,684	3,887,839
<b>Total assets</b>	<b>2,767,914</b>	<b>2,776,964</b>	<b>4,514,297</b>	<b>4,317,905</b>	<b>7,282,211</b>	<b>7,094,869</b>
<b>Total liabilities</b>	<b>972,719</b>	<b>1,003,704</b>	<b>2,211,467</b>	<b>2,207,022</b>	<b>3,184,186</b>	<b>3,210,726</b>

The Group previously reported Adjusted EBITDA in the segment report however has changed to EBITDA in the current period to align with revised internal reporting.

**Notes**  
**For the half-year ended 31 December 2024**

**Note 3: Expenses**

	<b>31 Dec 2024</b> <b>(\$000's)</b>	<b>31 Dec 2023</b> <b>(\$000's)</b>
Cost of sales	3,117,825	3,228,275
Employee benefits expense	528,254	517,994
Depreciation	136,071	125,925
Amortisation	34,400	33,015
Other expenses	284,230	271,574
<b>Finance costs</b>		
Interest income	(6,248)	(6,092)
Interest on debt and borrowings	29,834	35,759
Interest on lease liabilities	22,279	16,339
<b>Total finance costs (net)</b>	<b>45,865</b>	<b>46,006</b>

**Note 4: Dividends paid and proposed**

	<b>31 Dec 2024</b> <b>(\$000's)</b>	<b>31 Dec 2023</b> <b>(\$000's)</b>
Dividends paid and/or proposed for the financial year:		
Dividends paid at 17.75 cents per share fully franked (previous corresponding period: 17.0 cents) paid on 23 October 2024 (previous corresponding period: 25 October 2023).	114,661	109,817
Interim dividend proposed and unrecognised at the end of the half-year at 6.5 cents per share fully franked (previous corresponding period: 8.0 cents) payable on 2 April 2025 (previous corresponding period: 10 April 2024).	41,989	51,679

**Note 5: Income tax expense**

	<b>31 Dec 2024</b> <b>(\$000's)</b>	<b>31 Dec 2023</b> <b>(\$000's)</b>
Income tax expense	77,789	97,465
<b>At the effective income tax rate of 30% (31 Dec 2023: 30%)</b>	<b>77,789</b>	<b>97,465</b>

The Group's consolidated effective tax rate in respect of continuing operations for the half-year ended 31 December 2024 was 30% (31 December 2023: 30%).

The Group operates in countries that have implemented the adoption of the Organisation for Economic Co-operation and Development's (OECD) Pillar Two Model Rules (the rules). Australia has enacted the rules which apply for years commencing 1 July 2024.

Work has commenced to evaluate the impact of the Pillar Two legislation on the Group and it is not anticipated to have a material impact for the year ending 30 June 2025.

**Notes****For the half-year ended 31 December 2024****Note 6: Inventories**

	<b>31 Dec 2024</b>	<b>30 Jun 2024</b>
	<b>(\$000's)</b>	<b>(\$000's)</b>
Finished goods, at lower of cost and net realisable value	1,681,441	1,608,952
Less: Allowance for slow moving or obsolete inventory	(115,030)	(112,604)
	<b>1,566,411</b>	<b>1,496,348</b>

**Note 7: Property, plant and equipment and right-of-use assets**

	<b>Property, plant and equipment</b>		<b>Right-of-use assets</b>	
	<b>Half-year ended</b>	<b>Year ended</b>	<b>Half-year ended</b>	<b>Year ended</b>
	<b>31 Dec 2024</b>	<b>30 Jun 2024</b>	<b>31 Dec 2024</b>	<b>30 Jun 2024</b>
	<b>(\$000's)</b>	<b>(\$000's)</b>	<b>(\$000's)</b>	<b>(\$000's)</b>
Net book value at 1 July	909,369	786,922	892,369	799,379
Additions through business combinations	1,145	-	3,167	-
Additions	124,043	236,310	69,130	135,943
Reassessments	-	-	17,051	115,325
Disposals	(6,631)	(8,859)	(2,755)	(4,007)
Depreciation	(54,671)	(103,905)	(81,400)	(154,622)
Net foreign exchange impact	33,054	(1,099)	29,366	351
<b>Net book value at period end</b>	<b>1,006,309</b>	<b>909,369</b>	<b>926,928</b>	<b>892,369</b>

**Note 8. Goodwill and intangible assets**

Management reviewed its cash generating units (CGUs) for indicators of impairment since the end of FY24. No indicators of impairment were noted.

In the Group's most recent annual report for the year ended 30 June 2024, management identified that a reasonably possible adverse change in gross margins and discount rate could have caused the carrying amount to exceed the recoverable amount for Metalflex, one of the Group's CGUs. The gross margin for the forecast 5-year period would have needed to change by more than 140 basis points before the recoverable amount of Metalflex would equal the carrying amount. The discount rate would have needed to change by more than 170 basis points before the recoverable amount of Metalflex would equal the carrying amount.

For the half-year ended 31 December 2024, no material adverse changes were noted since 30 June 2024 in the gross margin or discount rate for Metalflex.

## Notes

For the half-year ended 31 December 2024

### Note 8. Goodwill and intangible assets (cont.)

	Half-year ended 31 Dec 2024 (\$000's)	Year ended 30 Jun 2024 (\$000's)
<b>Goodwill</b>		
Carrying amount at beginning of year	1,522,366	1,523,491
Additions through business combinations	12,071	(2,340)
Net foreign currency exchange movements	90,996	1,215
<b>Carrying amount at end of period</b>	<b>1,625,433</b>	<b>1,522,366</b>
<b>Brand names</b>		
Carrying amount at beginning of year	49,800	49,800
<b>Carrying amount at end of period</b>	<b>49,800</b>	<b>49,800</b>
<b>Customer contracts and relationships</b>		
Carrying amount at beginning of year	336,592	366,300
Additions through business combinations	-	8,492
Amortisation	(19,239)	(38,937)
Net foreign currency exchange movements	20,651	737
<b>Carrying amount at end of period</b>	<b>338,004</b>	<b>336,592</b>
<b>Trade names</b>		
Carrying amount at beginning of year	15,394	21,808
Amortisation	(3,086)	(6,420)
Net foreign currency exchange movements	35	6
<b>Carrying amount at end of period</b>	<b>12,343</b>	<b>15,394</b>
<b>Software</b>		
Carrying amount at beginning of year	36,693	32,146
Additions	4,821	21,665
Disposals	-	(613)
Amortisation	(9,451)	(16,532)
Net foreign currency exchange movements	797	27
<b>Carrying amount at end of period</b>	<b>32,860</b>	<b>36,693</b>
<b>Other intangible assets</b>		
Carrying amount at beginning of year	22,374	27,343
Amortisation	(2,624)	(4,994)
Net foreign currency exchange movements	538	25
<b>Carrying amount at end of period</b>	<b>20,288</b>	<b>22,374</b>
<b>Total intangible assets</b>		
Carrying amount at beginning of year	1,983,219	2,020,888
Additions through business combinations	12,071	6,152
Additions	4,821	21,665
Disposals	-	(613)
Amortisation	(34,400)	(66,883)
Net foreign currency exchange movements	113,017	2,010
<b>Carrying amount at end of period</b>	<b>2,078,728</b>	<b>1,983,219</b>



**Notes****For the half-year ended 31 December 2024****Note 9: Interest-bearing liabilities**

	31 Dec 2024 (\$000's)	30 Jun 2024 (\$000's)
Loan - current	-	-
Loan - non-current	919,673	859,322
	<b>919,673</b>	<b>859,322</b>

The Group's available debt facilities are displayed in the following table:

Facility	Term	Drawn USD (\$000's)	Drawn AUD (\$000's)	Total drawn AUD (\$000's)	Limit AUD (\$000's)	Maturity date
SFA A <sup>1</sup>	Four year revolving credit facility	-	-	-	400,000	27 Dec 2028
SFA C	Five year revolving cash advance facility	274,000	-	440,727	900,000	16 Dec 2026
Bilateral	Three year bilateral facility	-	-	-	80,425	6 Apr 2026
Senior USPP note	Seven year notes	100,000	-	160,849	160,849	20 Dec 2030
Senior USPP note	Ten year notes	200,000	-	321,699	321,699	20 Dec 2033

SFA D with a limit of \$200m was cancelled during the period.

1. SFA A includes an additional ancillary facility of A\$36m to support Australian banking facilities.

**Note 10: Share-based payments**

At the Company's Annual General Meeting on 24 October 2024 shareholders approved a grant to two executive Directors; the Chairman and Chief Executive Officer, and Group President and Managing Director under the Reece Group Long Term Incentive Plan (the Plan).

During the period, the Chief Executive Officer was granted 234,698 rights (in total), comprising 187,758 performance rights and 46,940 retention rights. The Group President and Managing Director was granted 84,491 rights (in total), comprising 67,593 performance rights and 16,898 retention rights.

In addition to the above, other Senior Executives were granted 274,885 rights (in total), comprising 219,907 performance rights and 54,978 retention rights under the Plan. The fair value of the performance rights at the grant date was \$23.71 per right.

The performance rights have a three-year vesting period from 1 July 2024 to 30 June 2027 and the retention rights have a five-year service period from 1 July 2024 to 30 June 2029. The rights will vest subject to achieving the performance hurdles and meeting service period requirements. No performance rights or options have been exercised, vested, or expired during the period, however 167,951 performance rights were forfeited during the period.

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were \$2,727,094 (31 December 2023: \$2,779,168).

**Notes****For the half-year ended 31 December 2024****Note 11: Fair value measurements**

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The table below provides information about how the Group determines the fair value of various derivative financial instruments used for managing financial risk. All derivative financial instruments are determined by a third party based on observable market inputs and categorised as Level 2 financial instruments using discounted cash flows and standard option models. There were no transfers between categories during the period.

The carrying amounts of financial assets and financial liabilities recognised at amortised cost in the consolidated financial statements approximate their fair value.

	<b>31 Dec 2024</b>		<b>Consolidated Entity</b>	
	<b>Current</b>	<b>Non-current</b>	<b>30 Jun 2024</b>	
	<b>(\$000's)</b>	<b>(\$000's)</b>	<b>Current</b>	<b>Non-current</b>
			<b>(\$000's)</b>	<b>(\$000's)</b>
<b>Financial assets</b>				
Cash	273,271	-	341,380	-
Trade and other receivables	1,315,584	-	1,369,302	-
Derivative financial instruments				
- forward foreign exchange contracts	6,261	-	-	-
<b>Total financial instrument assets at fair value</b>	<b>1,595,116</b>	<b>-</b>	<b>1,710,682</b>	<b>-</b>
<b>Financial liabilities</b>				
Trade and other payables	1,085,193	-	1,240,395	-
Interest-bearing liabilities	-	919,673	-	859,322
Lease liabilities	144,830	885,335	135,847	837,094
Derivative financial instruments				
- forward foreign exchange contracts	-	-	122	-
<b>Total financial instrument liabilities at fair value</b>	<b>1,230,023</b>	<b>1,805,008</b>	<b>1,376,364</b>	<b>1,696,416</b>

**Note 12: Business Combination**

There have not been any material business combinations for the half-year ended 31 December 2024.

**Note 13: Subsequent events**

There have been no material events subsequent to the end of the half-year that require recognition or disclosure in the half-year financial report, except for the proposed interim dividend as detailed in note 4.

**Note 14: Contingencies**

The Group may be involved in legal claims, administrative actions and proceedings related to the normal conduct of business including, among other things, general liability, commercial, employment, intellectual property and products liability matters. Based upon existing information, it is not possible to predict with certainty the outcome or cost of current legal claims, actions and proceedings. The Directors believe that current matters of which they are aware should not significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

The Directors are not aware of any material contingent liabilities at balance date or which have arisen since 31 December 2024.

**Reece Limited**  
**Financial Report for the half-year ended 31 December 2024**

**Directors' Declaration**

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In the opinion of the Directors of Reece Limited and its controlled entities (the 'Group'):

1. the condensed consolidated financial statements and notes set out on pages 12 to 18, are in accordance with the *Corporations Act 2001* including:
  - (a) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the six months ended on that date; and
  - (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
2. there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



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P.J. Wilson  
Chairman & Chief Executive Officer

Melbourne  
24 February 2025



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G.W. Street  
Audit and Risk Committee Chair

# Independent Auditor's Review Report

To the shareholders of Reece Limited

## Report on the Condensed Half-year Financial Report

### Conclusion

We have reviewed the accompanying **Condensed Half-year Financial Report** of Reece Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Condensed Half-year Financial Report of Reece Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2024 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Condensed Half-year Financial Report** comprises:

- Condensed Consolidated statement of financial position as at 31 December 2024
- Condensed Consolidated statement of profit or loss and other comprehensive income, Condensed Consolidated statement of changes in equity and Condensed Consolidated statement of cash flows for the Half-year ended on that date
- Notes 1 to 14 including selected explanatory notes
- The Directors' Declaration.

The **Group** comprises Reece Limited (the Company) and the entities it controlled at the Half year's end or from time to time during the Half-year.

### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

### Responsibilities of the Directors for the Condensed Half-year Financial Report

The Directors of the Company are responsible for:

- the preparation of the Condensed Half-year Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- such internal control as the Directors determine is necessary to enable the preparation of the Condensed Half-year Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibilities for the Review of the Condensed Half-year Financial Report

Our responsibility is to express a conclusion on the Condensed Half-year Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Condensed Half-year Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the Half-Year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a Condensed Half-year Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

  
KPMG



Julie Carey

*Partner*

Melbourne

24 February 2025