



CREATING CUSTOMERS FOR **LIFE**

ANNUAL REPORT 2025

reece
group™

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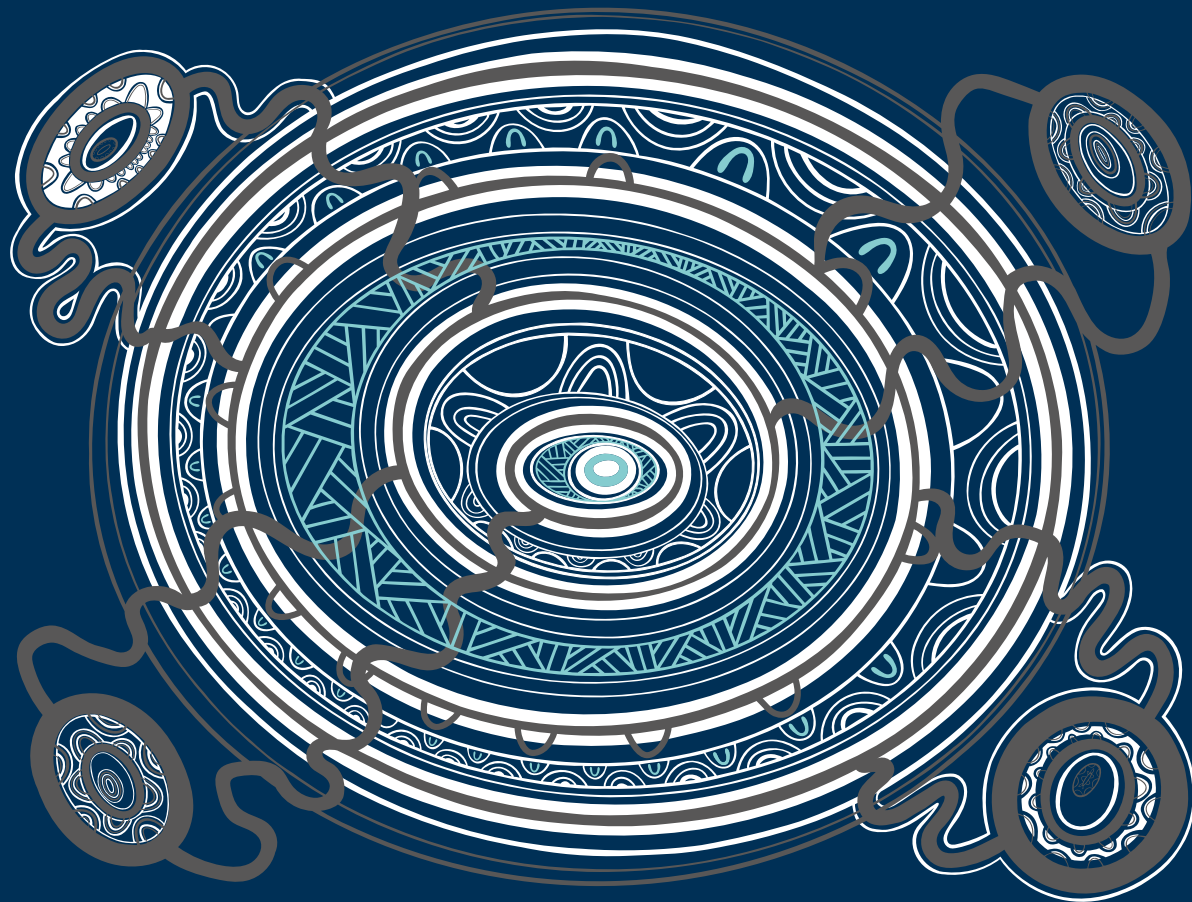
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Reece acknowledges that in Australia we work on the traditional lands of First Nations' Peoples. We're committed to recognising the rights and culture of Traditional Owners, building relationships in our communities, taking steps towards reconciliation, and paying respects to Elders past and present.



Artwork by Ash Thomas

AT A GLANCE

A market-leading distributor of plumbing, HVAC-R and waterworks products to commercial and residential customers.

Founded

1920

Growth and leadership

100+ yrs

Team members

~9000

Nationwide footprint in Australia

1997

Entered New Zealand

2006

Entered US

2018

An international footprint

ANZ FY25 Revenue

\$3.9b

Business areas

- Plumbing
- Bathrooms & Kitchens
- HVAC-R
- Waterworks
- Irrigation & Pools
- Fire

US FY25 Revenue (AUD)

\$5.1b

Business areas

- Plumbing
- Bathrooms & Kitchens
- HVAC-R
- Waterworks

Growing our branch footprint (branch numbers)

2000	100+
2005	200+
2010	400+
2015	500+
2025	900+

Our customers

Our business was built on serving the SME trade plumber. Today our customers include:

- SME trade
- Commercial trade
- Large homebuilders
- Civil projects and government bodies
- Commercial developers
- End consumers

 To read more about how the customer is at the heart of our business, see page 12.



A trusted brand
with a differentiated customer proposition.



Clear track record
through economic cycles.



Diversified business
by region, segment and customer.



Large markets
with attractive long-term fundamentals.



Long term view
stable ownership supports enduring approach.



Well capitalised
enabling investment to build a stronger business.



LETTER TO SHAREHOLDERS



Focusing on the fundamentals

FY25 has been a challenging year with macro headwinds continuing to impact our industry. We delivered a disappointing result with revenue down 1% to \$9.0b, earnings before interest and tax down 20% to \$548m, and net profit down 24% to \$317m.

In July 2024, I was honoured to step into the role of Group President to lead our team across Australia, New Zealand and the United States. Through a tough trading period, the team showed resilience and a strong commitment to meeting our customers' needs, which is fundamental to our success.

We continued to invest to grow the business via network expansion, branch refurbishments, and core capability development. Discretionary cost management has been an ongoing focus, along with optimising the network. During the second half, we streamlined our support centre to improve operational efficiencies and better support our branch network.

We made positive progress against our sustainability pillars, focusing on building a better world for our customers. The Reece Foundation, in collaboration with trade volunteers, enabled 41,242 people with access to clean water and sanitation, improving quality of life for many. I am proud of this achievement. This year, we have integrated our sustainability disclosures into the Annual Report.

Looking ahead, we anticipate a slow housing market recovery. We will navigate the cycle with long-term vision – committed to supporting our customers, our people and ongoing investment to build a stronger business.

I would like to thank our customers for their continued trust and partnership, and the Reece team for doing what we do best – customised service.

Sasha Nikolic
Group President &
Managing Director

“With macro pressures persisting, we are focused more than ever on meeting our customers’ needs.”

SASHA NIKOLIC

Investing for the long term

FY25 was a turbulent year for Reece, with our full year earnings impacted by soft end markets across both regions. Whilst the macro environment remains challenging, we continued to look beyond the cycle to protect and grow the business.

We made solid progress against our strategic priorities in FY25. Having seen cycles before, we focused on the fundamentals and delivering customised service. This included investing for growth and innovation by expanding our branch footprint, digitising the customer experience and enhancing our technology capabilities.

Despite the current market dynamics, we remain confident in our long-term approach. We operate in large markets with attractive long-term fundamentals, and are well capitalised to continue to invest through the cycle.

At the Board level, and in my capacity as Chairman & CEO, I am committed to building a Board that can support Reece's future growth with the right mix of skills, experience and diversity.

The Board declared a final dividend of 11.86 cents, fully franked, taking the total dividend for FY25 to 18.36 cents per share.

I would like to thank our shareholders for their ongoing support as we remain focused on our long-term strategy – to become our trade's most valuable partner.

Peter Wilson
Chairman & Chief
Executive Officer



THE REECE WAY

Everything we do at Reece is driven by our purpose and values, which we call The Reece Way.

Reece's success comes back to its purpose: Building a better world for our customers by being the best. We achieve this by living our values every day – values that inspire us, guide our decisions, and drive us to make a meaningful impact for our customers every day.

Our purpose

Building a better world for our customers by being the best.

Our mantra

Make it better every day.

Our values



Create customers for life



Be your best



Team first



Entrepreneurial spirit



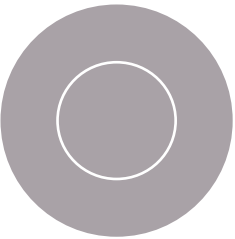
Innovate big and small



Try. Try. Try.



Own it



Keep it simple



Do the right thing



Be humble



STRATEGIC PRIORITIES

We are embracing our 2030 vision of becoming our trade's most valuable partner through executing on our three strategic priorities.

01

Operational excellence

Being the best at the fundamentals of trade distribution.

02

Accelerating innovation

Innovating to stay one step ahead of our customers' needs.

03

Investing for profitable growth

Investing to grow our footprint and build a stronger business for the future.

2030 VISION

Our trade's most valuable partner.

Our customer promise

WORKS FOR YOU.

Our promise – ‘Works for you’ – is what our customers can expect when they engage with us.

Our success has been founded on the strong, long-term relationships we build with our customers.

We provide quality products, services and expertise quickly and seamlessly, empowering our customers to do what they do best, with more time and confidence.



Service

It's being easy to do business with.



Relationships

It's seeing our customers as partners.



Expertise

It's about understanding the markets in which we operate.



Quality

It's setting the highest standards, then striving to exceed them.

SERVICE

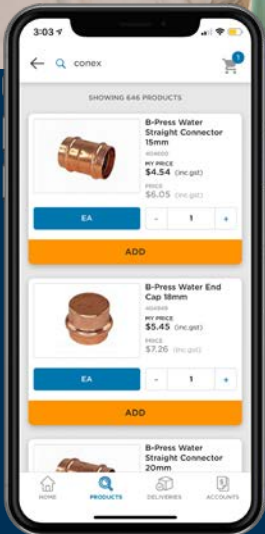
Launched maX app to better service our US customers.



Having our customers' backs means delivering solutions they can trust—solutions that make their lives easier.

In mid-March, we launched the maX app in the US, empowering our customers to manage their business from the palm of their hand. With mobile access to features like real-time pricing, order placement, delivery and pick-up scheduling, and quote management – doing business has never been easier.

With strong early adoption by our customers, this is just the beginning. We're committed to continuously refining the maX experience to meet – and exceed – our customers' evolving needs.



“I’d say the biggest pro for us is the convenience. Being able to place orders and get invoices easily and quickly is very nice.”

PLUMBING CUSTOMER

RELATIONSHIPS

Fortiline secures LEGO® US distribution centre project through reliability, service and trusted partnership.



“Delivering a major project for a world-renowned company like LEGO® says a lot about the strength and capability of our team.”

MATTHEW BARNETTE, FORTILINE HDPE FUSION TECH

In May 2025, the LEGO® Group announced plans to build a new regional distribution centre (DC) in Virginia, set to open in 2027. The two-million-square-foot facility will be the second LEGO® DC in the US and will sit adjacent to the company's new manufacturing plant in the region.

Fortiline Waterworks was awarded the complete materials package for this milestone project, backed by its reputation for dependable service and decade-long partnership with B&S Site Development, the site contractor for the LEGO® DC project.

“There isn’t one single reason we were selected,” said Chad Mzingo, Outside Sales, Fortiline. “It’s the trust we’ve built over the years. When we supply material for a job, we treat it as a partnership. Our goal is to give our customers the absolute best opportunity to succeed.”

The LEGO® project demanded a diverse and complex set of materials – from PVC pipe and fittings to backflow preventers, pump station components, and extensive High-Density Polyethylene (HDPE) piping systems. In addition to delivering materials, Fortiline also provided critical fusion services. One of Fortiline's HDPE fusion technicians dedicated 111 consecutive working days on-site, handling the fusion and installation of the HDPE pipework.

B&S Site Development knew the LEGO® DC would be a challenging project, both in terms of supply logistics and service execution. That’s why they turned to their most reliable supplier: Fortiline.

EXPERTISE

Delivering water security to transform the East Grampians.



At Reece, we're committed to backing our customers with the solutions and support they need to deliver critical infrastructure – solutions that help communities thrive.

The East Grampians Rural Pipeline Project (EGRPP) is a landmark initiative led by Grampians Wimmera Mallee Water (GWMWater) to secure a reliable, year-round supply of high-quality water for over 640 rural farming properties, townships, and agricultural enterprises across the region.

To bring this vision to life, Mitchell Water Australia was awarded the construction contract, with Viadux, part of the Reece waterworks division, proudly partnering on the delivery of Zones 2, 3 & 4.

Spanning 63 kilometers and covering 200,000 hectares, the project required a partner who could manage complex logistics, ensure product availability and keep crews moving. That's where Reece came in.

Our deep understanding of construction processes, combined with strong supplier relationships and flexible delivery solutions, meant we could adapt quickly to changing site needs and meet every milestone.

Working closely with Mitchell Water, we supplied almost 600 kilometers of pipe and a large volume of ductile iron fittings and fixtures. Our just-in-time delivery model ensured materials arrived exactly when needed—minimising storage, reducing congestion, and keeping the project on track.

“Reece’s ability to deliver what we needed, when we needed it, helped us stay on schedule and focus on what we do best – building infrastructure that matters.”

ROBERT SHELTON, CEO MITCHELL WATER AUSTRALIA

QUALITY

Elevating quality through innovation – the Mizu tapware upgrade.

The transition to lead-free tapware presented a strategic opportunity to enhance the Mizu range – our trusted brand known for timeless design and enduring quality. Originally launched in 2000, the Mizu Drift range has evolved through continuous innovation to remain a market leader in both form and function.

In collaboration with our Australian merchandising and quality teams, and our supplier partners, we undertook a comprehensive upgrade of the Mizu portfolio. This included improvements in design, strength, durability, ease of maintenance, and installation. A dedicated research project evaluated Mizu's performance against non-VAP (Value

Added Product) alternatives through customer feedback, mock installations, and rigorous lab testing – where products were dismantled, analysed, and benchmarked.

To communicate the depth of research and quality assurance behind Mizu, we launched a multi-channel campaign. This included internal training, lab comparison videos, and consumer-facing marketing, reinforcing our commitment to delivering premium, future-ready tapware solutions.



OPERATING & FINANCIAL REVIEW

Financial summary	2025 (\$000's)	2024 (\$000's)	Variance %
Sales	8,978,382	9,104,772	(1.4)
EBITDA ¹	900,529	1,006,800	(10.6)
EBIT	548,211	681,390	(19.5)
NPAT	316,937	419,171	(24.4)
EPS (cents)	49	65	(24.4)
Total dividends per share (cents)	18.36	25.75	(28.7)
Return on capital ²	11.8%	15.5%	(365)bps

FY25 has been a turbulent year for Reece, with our performance impacted by soft end markets across both regions.

Reece Group's FY25 financial performance reflects low demand settings in both regions. Sales revenue decreased 1% to \$8,978m (FY24: \$9,105m) and was down 2% on a constant currency basis.³

EBITDA decreased 11% to \$901m (FY24: \$1,007m). Group costs excluding depreciation and amortisation increased by 3.3% 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 the support centres 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 inflow and ongoing investment to support future growth. The business remains well capitalised with a net leverage ratio of 0.8x (FY24: 0.6x).⁴

↓1%

Sales revenue down -1% to \$9.0 billion in FY25

↓20%

EBIT decreased 20% to \$548 million in FY25

Operationally, we remained committed to strengthening our team, enhancing capabilities and investing to support long term growth.

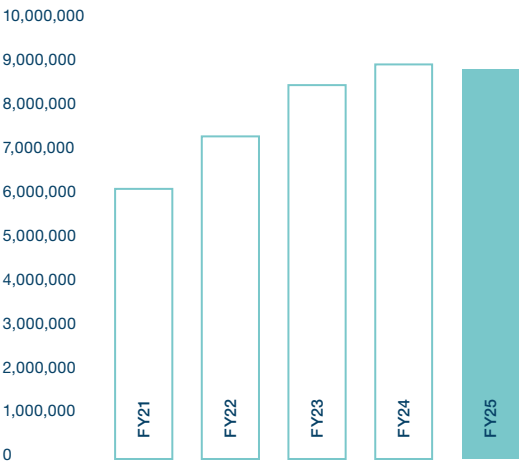
The Group's return on capital ratio decreased to 11.8% (FY24: 15.5%) driven by softer earnings and incremental investment to expand the network and support our future growth.

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. A new development program for senior leaders was successfully

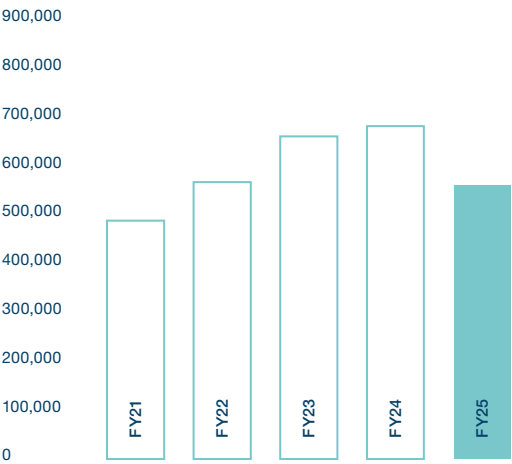
rolled out across the US, Australia and New Zealand – a great example of leveraging expertise across our regions.

In the innovation space, we remain committed to digitising the customer experience and enhancing our technology capabilities. 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.

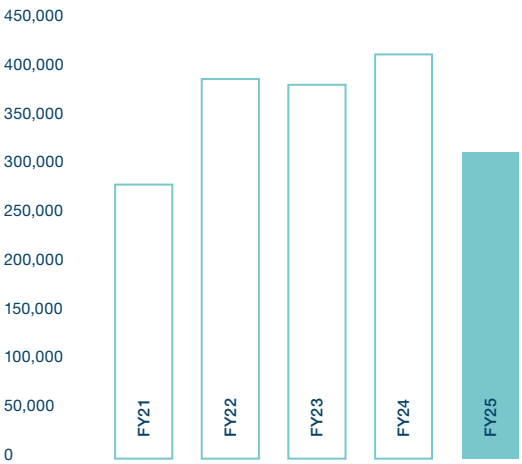
Sales revenue (\$000's)



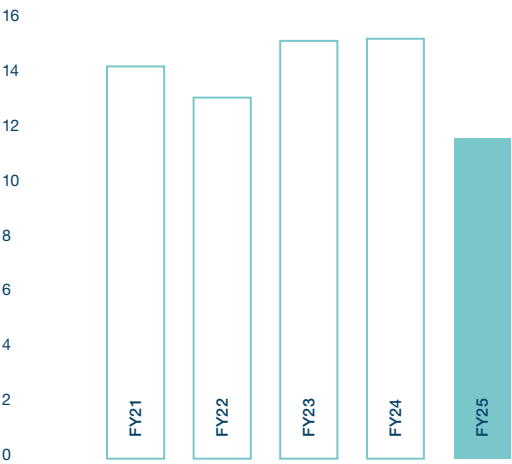
EBIT (\$000's)



NPAT (\$000's)



Return on capital (%)





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.

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 of 676 branches at the end of FY25.

US region

Sales revenue decreased 5% to US\$3,296m (FY24: US\$3,452m) driven by lower year on year 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. 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 network expansion.

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.

Longer term, Reece remains optimistic. 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.

Dividends

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.

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 Constant currency basis applies the same US foreign exchange rate of 0.6573 from FY24 to current period sales to eliminate the foreign exchange impact when comparing sales to pcp.
⁴ Net debt over 12-month EBITDA, calculated on a pre-AASB16 leases basis.

SUSTAINABILITY

At Reece, we think long term, ensuring meaningful outcomes for our customers, our people, and our business. Sustainability is embedded in how we work, driven by our customer-led vision and shaped by insights from team members and stakeholders. Throughout FY25¹, we continued to deliver progress against our sustainability pillars, laying strong foundations for the future. We're excited by the opportunities ahead as we continue to create a better world for our customers – The Reece Way.



Building a better world for our customers

- Supporting the trade industry
- Sustainable products and solutions
- Clean water

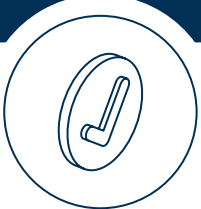
– Areas Reece can be a leader –



Be our best

- Health, safety and wellbeing
- Leadership and development

– Areas of responsibility and continuous improvement –



Do the right thing

- Creating an inclusive workforce
- Reducing waste
- Reducing our carbon footprint
- Ethical supply chain

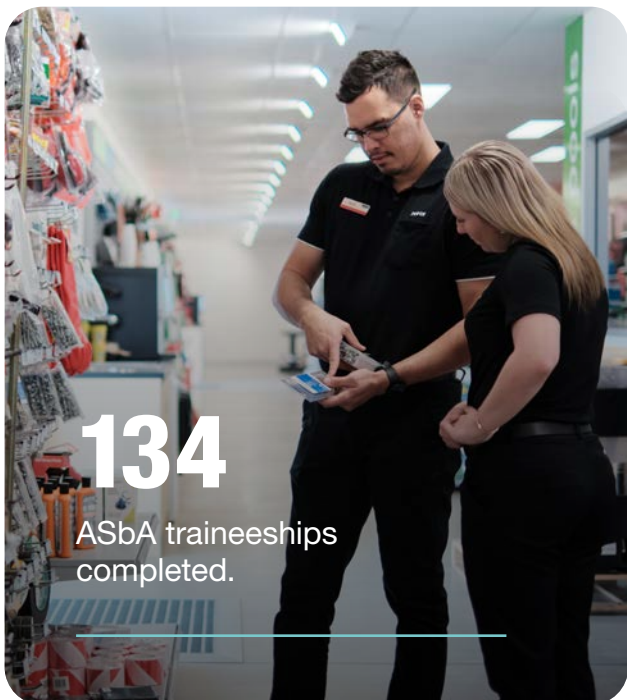
BUILDING A BETTER WORLD FOR OUR CUSTOMERS

Supporting the trade industry

At Reece, we're committed to shaping the future of the trade industry and supporting our customers' day-to-day operations through our core business and tailored partnerships.

This includes a range of initiatives across community engagement, industry events and training opportunities.

A key focus in ANZ is our collaboration with the Murray Mallee Training Company, which provides students participating in Australian School-based Apprenticeship (ASbA) programs with hands-on experience working in a Reece branch, helping build the next generation of trades.



¹Unless otherwise stated, all sustainability metrics relate to FY25.

Sustainable products & solutions

The trade industry continues to evolve in response to society's shift toward more sustainable practices. We're committed to supporting our customers through this transition by offering expert advice and delivering durable, efficient, high-performing products and solutions that meet the demands of today and tomorrow.

Our teams are progressing multiple initiatives, with two key focus areas being:

- the transition toward lower Global Warming Potential (GWP) refrigerants; and
- the shift to more energy efficient heat pump technology.

Driving innovation with Thermann

Reece is advancing electric hot water innovation with the Thermann Integrated Heat Pump. Designed and manufactured in Australia, this smart unit puts power in the hands of users, featuring app-based controls that help users optimise and track energy use.

Smart scheduling features allow alignment with solar PV generation and/or off-peak tariffs, maximising energy efficiency and savings. Combined with R290 refrigerant — a lower GWP alternative — the system is supporting customers transition to more sustainable solutions.



66%

increase in heat pump units sold from FY24.

37%

increase in kg of lower GWP refrigerant sold from FY24.

Clean water

The movement of clean water is at the heart of what Reece, and our customers, do every day. We believe that water is fundamental for quality of life and that trades play an essential role in providing access to this precious resource.

The Reece Foundation, established in 2022, works collaboratively with locally led organisations who know their community's needs best, enabling them to take the lead on the projects and grants we support. Through the work of the Reece Foundation, we're able to deliver practical water and sanitation solutions both in Australia and overseas to communities that need it most.



Building water resilience in Arnhem Land

Mimal Land Management Aboriginal Corporation (Mimal) is an independent Indigenous not-for-profit that stewards 20,000 square kilometres of diverse land systems in south-central Arnhem Land, Northern Territory. Through traditional practices such as controlled burning, Mimal preserves diverse ecosystems while promoting cultural and environmental sustainability.

Access to clean, safe, and reliable water is essential for the community's future. In partnership with Mimal, the Reece Foundation co-designed an initiative to deliver four rainwater tanks, a bore water filtration system and infrastructure upgrades at the Mimal Ranger Base — the operational hub for land management rangers caring for Country. These improvements provide immediate access to clean water and enable Mimal to expand operations. At its core, this project reflects the power of partnership; listening, learning, and working together to create lasting impact.

41,242

people enabled to access clean water and sanitation through the Reece Foundation.



BE OUR BEST

Health, safety & wellbeing

Creating a culture where our team members are empowered to take responsibility for themselves and others.

18.8

Total Recordable Injury Frequency Rate (TRIFR).

49,393

SafeR walks completed².



Leadership & development

Fostering internal growth and industry expertise to develop our future leaders.

96%

eligible leaders completed core leadership development programs.



DO THE RIGHT THING

Creating an inclusive workforce

Building a more diverse workforce which will drive higher levels of innovation, customer satisfaction and business performance.

26%

females in leadership positions.

Reducing waste

Finding avenues for our team members and customers to minimise and divert waste that would typically end up in landfill.

23%

waste diverted from landfill.

Reducing our carbon footprint

Pursuing practical and commercial opportunities to reduce our operational emissions.

↓3%

Reduction in scope 1 & 2 emissions (tco2e-) per branch from FY24.

Ethical supply chain

Collaborating across our supply chain to prevent, identify and mitigate the risk of modern slavery.

90%

eligible employees completing modern slavery training.



Refer to pages 114 – 115 for more detail on sustainability metrics.

²SafeR Walks are inspections conducted by our ANZ branch team members that enable our teams to take a proactive approach to identify and mitigate hazards.

CLIMATE-RELATED DISCLOSURES

Within this section, climate-related information is disclosed in preparation for mandatory sustainability reporting in FY26. We are committed to aligning our climate-related disclosures with the Australian Sustainability Reporting Standards (ASRS) issued by the Australian Accounting Standards Board (AASB S2).

Strategy

We have conducted an assessment to determine our material climate-related risks and opportunities. With the assistance of external consultants we have performed scenario analysis to evaluate the potential impact of these risks and opportunities on our business under different temperature and time horizon scenarios. In response to the material climate-related risks and opportunities identified, we are developing mitigation strategies, evaluating the financial impacts and formalising transition plans, with the aim of improving our climate resilience.

Risk Management

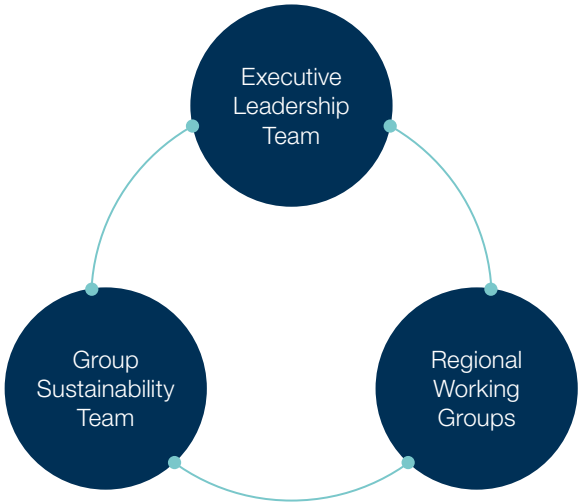
Reece has developed a climate-related risk and opportunity register and assessed the potential likelihood and consequence for each risk and opportunity utilising the Group’s risk matrix. We are currently implementing procedures to identify, assess, prioritise, and monitor material climate-related risks and opportunities and ensure they are integrated into our overall risk management framework.

Governance

Climate-related governance forms an integral part of our overall corporate governance framework. For an overview of our governance structure and responsibilities, refer to the Corporate Governance Statement on page 28 of this Report.

While the Board holds ultimate accountability for business strategy, the responsibility for oversight of climate-related risks and opportunities and related strategic initiatives and targets has been delegated to the Audit & Risk Committee.

The diagram below illustrates Reece’s governance structure, at the management level, for overseeing climate-related matters, including risks and opportunities. The Group Sustainability Team, reporting into the Group CFO who is part of the Executive Leadership Team, plays a central role in reviewing and validating regional climate-related activities relevant to mandatory climate reporting. The Executive Leadership Team, including regional CEO’s, are responsible for driving activities to address material risks and opportunities within their respective regions. Cross-functional regional teams execute programs of work, sharing insights and learnings between regions, with support from the Group Sustainability Team.



29% of our electricity consumption in FY25 came from renewable sources.

Metrics & Targets

Our targets



35%

Reduction from FY21 scope 2 baseline by 2030.



NET ZERO

Scope 1 and 2 emissions by 2050.

During FY25 we engaged an external consultant to independently review our decarbonisation roadmap assumptions. Progress continues through the installation of solar panels across our Australian sites and grid decarbonisation in key markets, supporting our transition to renewable electricity, which comprised 29% of our total electricity consumption in FY25. We are also continuing to trial new initiatives to help mitigate the risk of not meeting our targets by 2050.

Our metrics

In FY25, the Group’s scope 1 and 2 greenhouse gas emissions were 64,819 tonnes of carbon dioxide equivalent (tCO2e-), calculated using a market-based methodology to reflect our use of renewable energy. This represents an annual increase of 1.3% driven by expansion of the business across both regions. During the year, Reece added 39 branches to its network net of closures. Our emissions intensity metric — measured on a per-branch basis and adjusted for store growth — has decreased 3% year-on-year and 11% compared to our FY21 baseline.

Emissions from fuel rose 1.4% in FY25, primarily driven by growth in the branch network. While total electricity consumption increased with new branches, emissions declined due to the ongoing solar rollout and improved grid renewability.

The table below outlines the Group’s GHG emissions data since our baseline year.

Absolute emissions (tCO2e-)	FY25	FY24	FY23	FY22	FY21 (baseline)
Scope 1	40,534	39,623	39,891	36,567	36,238
Scope 2 market-based	24,285	24,373	25,695	27,216	27,864
Scope 2 location-based	24,508	25,169	26,374	29,322	29,074
Total scope 1 and 2 (market-based)	64,819	63,996	65,586	63,783	64,102
Emissions intensity per branch	68.7	70.8	74.0	75.1	77.1

Refer to the supplementary sustainability performance data section for detailed information on the methodology used to calculate scope 1 and 2 greenhouse gas emissions.

Corporate Governance Statement

This statement provides an overview of our approach and the key policies which drive corporate governance practices at Reece Limited and the entities it controls (Reece or Company). We are guided by the recommendations of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations (fourth edition)* (ASX Principles).

The Corporate Governance Statement is current as at 25 August 2025 and has been approved by the Board.

FY25 Governance Activities

Board Updates

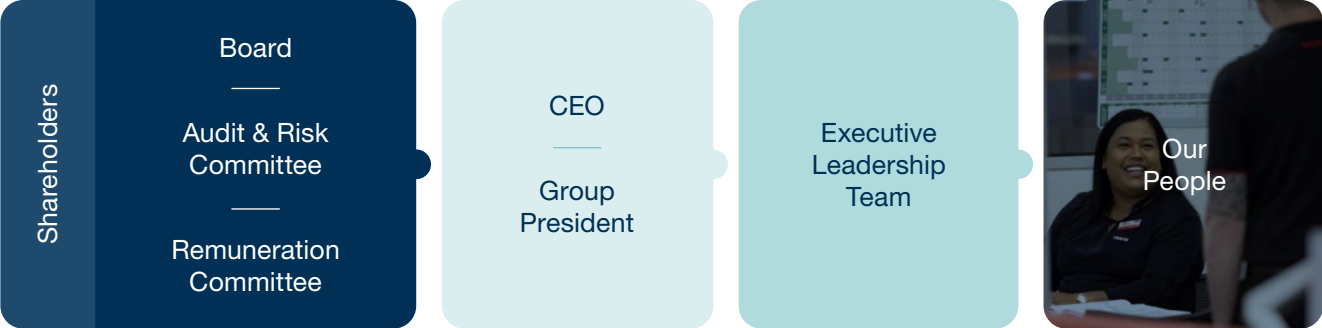
Peter Wilson transitioned from Deputy Chair & CEO to Chairman & CEO on 1 November 2024. The Board welcomed three new non-executive independent Directors: Ross McEwan as Lead Independent Director, Angela Mentis and Gavin Street, and also welcomed Sasha Nikolic as Executive Director. During the year, Karen Penrose and Tim Poole retired as Directors, and Ross McEwan retired 30 June 2025. Effective 1 March 2025, Leslie A. Wilson stepped down from the Board to the role of Chairman Emeritus, an honorary position recognising his significant contribution over the last 55 years.

Group policies

We have made progress in developing and implementing two new Group policies: Code of Conduct Policy and Whistleblower Policy in addition to the current Group policies.

Stakeholder engagement

We continue to strengthen our stakeholder engagement with a focus on accountability, transparency and responsiveness. These discussions provide valuable feedback that inform governance practices and alignment with stakeholder expectations.



Recommendation	Reece's compliance with the recommendations
Principle 1: Lay solid foundations for management and oversight	
1.1 Role of Board and management which is set out in a Board Charter	The Board has established a clear distinction between the functions and responsibilities reserved for the Board and those delegated to management, which are set out in the Reece Board Charter. The Charter also provides an overview of the roles of the Chairman & CEO, Directors, Group President & Managing Director (MD) and the Company Secretary. A copy of the Charter is available from the Governance section of the Company's website, https://group.reece.com/investors/corporate-governance.
1.2 Information regarding election and re-election of Director candidates and appropriate checks are undertaken on Director and senior executive appointments	Reece carefully considers the character, experience, education, and skill set as well as interests and associations of potential candidates for appointment to the Board and conducts appropriate checks to verify the suitability of each candidate prior to their appointment. Reece has appropriate procedures in place to ensure material information relevant to a decision to elect or re-elect a Director is disclosed in the Notice of Meeting provided to shareholders. Reece also conducts checks about character, experience, education, criminal records and bankruptcy history of each candidate before appointing a new Director or a senior executive. From FY26 the Board will adopt a policy for all non-executive Directors to seek re-election annually at the Annual General Meeting (AGM).
1.3 Written agreements setting out terms of appointment	In addition to being set out in the Charter, the roles and responsibilities of Directors are also formalised in a letter of appointment entered into with each Director on their appointment. The letters of appointment specify the term of appointment, time commitment envisaged, expectations in relation to committee work and any other special duties attached to the position (if any), remuneration arrangements, disclosure obligations in relation to personal interests, confidentiality obligations, insurance and indemnity entitlements and details of the Company's key governance policies. Each senior executive enters into a service contract which sets out the material terms of employment, including a description of the senior executive's position and duties, reporting lines, remuneration arrangements, termination rights and entitlements. The material terms of the appointment of those senior executives considered Key Management Personnel (KMP) can be found on page 57 of the Annual Report.
1.4 Company Secretary	The Company Secretary is directly accountable to the Board, through the Chairman & CEO, for facilitating and advising on the Company's corporate governance processes and on all matters to do with the proper functioning of the Board. Each Director is entitled to access the advice and services of the Company Secretary. The Charter also sets out the responsibilities of the Company Secretary. In accordance with the Company's Constitution and Charter, the appointment or removal of a Company Secretary is a matter for the Board as a whole. Details of the Company Secretary's experience and qualifications are set out on page 37 of the Annual Report.

Recommendation	Reece's compliance with the recommendations
1.5 Diversity	Historically the building materials and trade industry has had low gender diversity. Reece has made progress and already ranks well ahead of the wider trade industry on gender representation. We are passionate about broadening gender diversity, and our strategies and goals to support a culture of inclusion and diversity are continually reviewed to assess how we can drive further change. Our Diversity Policy is available on the Company's website. In compliance with the Workplace Gender Equality Act 2012, Reece submits its annual compliance reports to the Workplace Gender Equality Agency. The most recent Gender Equality Indicators (as defined in the Workplace Gender Equality Act 2012) is available on the Company's website and the Workplace Gender Equality Agency website www.wgea.gov.au.
1.6 Board Reviews	A performance review is undertaken annually in relation to the Board and the Board Committees. Periodically, the Board reviews the individual performance of the Directors.
1.7 Management Reviews	Each year the Board sets financial, operational, management and individual targets for the Chairman & CEO, Group President & MD and Group Chief Financial Officer (CFO). Performance against these targets is assessed periodically throughout the year and a formal performance evaluation for senior executives is completed at the year end. During the year, the Board assesses KMP performance against their set key deliverables. A performance evaluation was undertaken for all senior executives in FY25. In respect of the Chairman & CEO, this evaluation was led by the Remuneration Committee Chair. In respect of the Group President & MD and CFO, the evaluation was led by the Chairman & CEO and discussed with the Remuneration Committee.
Principle 2: Structure the Board to be effective and add value	
2.1 Nomination Committee	The selection, nomination and appointment of non-executive Directors is undertaken by the Board who partner with an executive search firm as part of the process. Before the Board formally appoints a person, the Board conducts appropriate background and reference checks as to that person's character, experience, education and criminal history.
2.2 Board Skills	Succession planning is a continuous process. The Board adopts a structured approach to facilitate the orderly replacement of Directors and determine the appropriate balance of skills, experience and diversity to support the execution of our strategy and long-term success. This year, the Board appointed three new Directors. As part of this process Ross McEwan was appointed to the board 1 October 2024 as Lead Independent Director, Angela Mentis appointed on 15 November 2024 and Gavin Street on 1 February 2025, following the retirements of Karen Penrose, Tim Poole and Leslie A. Wilson. Detail regarding the skills and experience of each Director and the Board collectively is included on pages 36 and 37 of the Annual Report. The Board considers that the Directors have an appropriate range of skills, knowledge, and experience necessary to direct the Company.

Recommendation	Reece's compliance with the recommendations
2.3 Disclose independence and length of service	Reece has a proud history of founder ownership, which sets it apart from many other ASX listed companies. The involvement of the Wilson family in leading the Company operationally and on the Board over multiple decades has directly contributed to our success, and we intend to maintain appropriate family representation on the Board. At the same time, the Board acknowledges the need to balance this with independent representation and diversity. Many of the best family-owned businesses around the world adopt a model that allows them to benefit from the long-term view that inter-generational leadership enables. The Board undertook an extensive search for a new Chair of the Board and determined Peter Wilson as executive Chairman is the right solution for Reece. It allows Peter to continue playing an active role in leading the business, providing stability and continuity and protects Reece's strong customer-focused model. The Board recognises this model is not common for ASX companies and introduced the Lead Independent Director role, Ross held this role from 1 October 2024 until retirement 30 June 2025. The Board will appoint a new Lead Independent Director in due course. The Board determination of independence is carried out upon a Director's appointment and re-election, annually and when any new interests, positions or relationships are disclosed by a Director. For the majority of FY25, the Board had four independent and four non-independent Directors. The Board confirms it considered the four independent Directors to be independent of management and free of any interest, position or relationship that might influence, or reasonably be perceived to influence in a material respect their capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of Reece as a whole, rather than in the interests of an individual security holding or other party. During the year the following Directors were appointed to the Board; Ross McEwan (1 October 2024), Angela Mentis (15 November 2024) and Gavin Street (1 February 2025). Gavin is currently the Chief Commercial Officer (CCO) of Vulcan Steel Limited but has held various leadership roles at Reece Group from 2008 to 2021, including CEO of Reece Australia and New Zealand, Group Chief Financial Officer (CFO), Company Secretary and Chief Technology Officer (CTO). The Board are satisfied that Gavin brings an impartial mind and judgement to his role as an independent non-executive Director. Details regarding which Directors are considered independent and the length of their service are set out on page 36 and 37 of the Annual Report. Board Tenure 0-4 yrs 5-19 yrs 20-29 yrs Board Gender Male Female Board Age 40-50 yrs 50-60 yrs 60+ years
2.4 Majority of Directors are independent	Details regarding which Directors are considered independent and length of service are on pages 36 and 37 of the Annual Report and in response to section 2.3 above.
2.5 Independent Chair	The role of Chairman was performed by Tim Poole, an independent non-executive Director, until 1 November 2024. Subsequently, Peter Wilson moved to the role of Chairman & CEO from 1 November 2024. As noted above, Peter Wilson is not an independent Director. Further details regarding the Directors are available on page 36 and 37 of the Annual Report.

Recommendation	Reece's compliance with the recommendations
Induction and professional development	An induction process including appointment letters and ongoing education exists to promote early, active and relevant involvement of new and existing members of the Board. Directors engage in peer review, interaction and networking with other Directors and industry leaders. From time to time, Directors also participate in Reece leadership forums. They actively engage with Reece employees by visiting operational sites to gain an understanding of the Company's operating environment. During the year, Directors receive accounting policy updates, especially around the time the Board considers the half-year and full-year financial statements. The Board also receives briefings periodically on relevant matters including legal, accounting, sustainability, regulatory and technology developments.
Principle 3: Instil a culture of acting lawfully, ethically and responsibly	
3.1 The values of the Company are articulated and disclosed	Everything we do is driven by our purpose. Combined with ten values that guide our actions, they make up the Reece Way. A description of these values is set out in the Company's Code of Conduct and on page 9 of the Annual Report. The Company's values, their articulation and their acknowledgement are embedded in all meetings of the Board, Board Committees and management meetings, and form part of the performance and remuneration framework of the Company.
3.2 Code of Conduct	The Board has a Code of Conduct for its Directors, senior executives and employees, a copy of which is available from the Governance section of the Company's website, group.reece.com/investors. The Company's Code of Conduct forms part of the induction of Directors as well as new employees. The Board is informed of any material breaches of the code either through the whistleblower reports or the governance reports that are presented from time to time to the Audit and Risk Committee.
3.3 Whistleblower Policy	The Company has a Whistleblower Policy which supports the Company's values and Code of Conduct. The policy outlines how employees and suppliers can report concerns of improper conduct connected to Reece and is available to view on the Company's website, group.reece.com/investors.
3.4 Anti-bribery and anti-corruption policy	The Company has a firm commitment to conducting its business operations lawfully, ethically and fairly. Our Code of Conduct and Whistleblower Policy includes our policies on speaking up and anti-bribery and corruption and detail expected standards of behaviour.
Principle 4: Safeguard the integrity of corporate reports	
4.1 Audit Committee	The Audit and Risk Committee comprises four members, the majority of whom are Independent non-executive Directors. Details of the membership of the Audit and Risk Committee, including the names and qualifications of the Committee members, are set out on pages 36 and 37 of the Annual Report. In addition to the Audit and Risk Committee members, the Chairman & CEO, Group President & MD, CFO, external auditors and Company Secretary attend the Audit and Risk Committee meetings. The number of meetings held and attended by each member of the Audit and Risk Committee during the financial year are set out on page 38 of the Annual Report. The Audit and Risk Committee reviews and makes recommendations to the Board on matters including the Company's financial and governance reporting processes, the governance and risk policies and frameworks of the Company, the internal and external audit functions, risk and control culture and the control environment. The Audit and Risk Committee Charter is reviewed annually and is available on the Company's website, https://group.reece.com/investors/corporate-governance. Among other things, the Audit and Risk Committee reviews the processes that validate the Directors' Report and the Annual Report. The Board, as a whole, has oversight of other corporate reporting, such as investor presentations prepared for full-year and half-year results briefings.

Recommendation	Reece's compliance with the recommendations
4.2 CEO and CFO certification of financial statements	The Board has obtained a written assurance from the Chairman & CEO, Group President & MD and CFO that the declaration provided under Section 295A of the <i>Corporations Act 2001</i> (and for the purposes of Recommendation 4.2) is founded on a sound system of risk management and internal control, and that the system is operating effectively in all material respects in relation to financial reporting and material business risks.
4.3 Disclose processes to verify the integrity of periodic corporate reports released to the market	Building on the processes disclosed for Recommendation 4.2, the Chairman & CEO and Group CFO provide signed representation letters to the external auditors and the Board that support that the periodic reports provide a true and fair view, there is integrity in the statements, and that the financial statements comply with the <i>Corporations Act 2001</i> and relevant Accounting Standards. The certification process is reviewed annually to ensure it remains fit for purpose. For other types of periodic corporate reports (including the annual Directors' Report and the Annual Results Presentation), the Company conducts an internal review and verification process to ensure that such reports are materially accurate, balanced and provide investors with appropriate information. Where applicable, the relevant reports will be approved in accordance with the Company's Continuous Disclosure Policy, https://group.reece.com/investors/corporate-governance. Further, the Company's greenhouse gas emissions data (Scope 1 and 2) provided on page 27 of the Annual Report also undergoes an external, independent limited assurance process. A statement of limited assurance is provided on page 116 and 117 in the Annual Report.
Principle 5: Make timely and balanced disclosure	
5.1 Disclosure and Communications Policy	Reece has a Continuous Disclosure Policy which sets out the processes and practices to ensure compliance with the continuous disclosure requirements under the ASX Listing Rules and the <i>Corporations Act 2001</i>. A copy of the policy can be found on the Company's investor website, https://group.reece.com/investors/corporate-governance.
5.2 Material Market Announcements	The Board receives a copy of all announcements under Listing Rule 3.1 immediately prior to those announcements being made to the ASX (noting that the Board may not approve or authorise all announcements made to the ASX).
5.3 New and substantive investor or analyst presentation materials to be released to the ASX ahead of the presentation.	Reece releases new and substantive presentations to the ASX prior to them being presented. This will typically occur at the half-year and full-year results briefings, prior to the AGM. Where practicable, shareholders are provided with the opportunity to participate in such presentations, for example by providing dial-in details.
Principle 6: Respect the rights of security holders	
6.1 Information on website	The Company keeps investors informed of its corporate governance and financial performance via announcements to the ASX and the Company's website, https://group.reece.com/investors/our-releases. Investors can access copies of all announcements to the ASX, notices of meetings, annual reports, investor presentations, webcasts and/or transcripts of those presentations and a key event calendar via the 'Investors' tab. Investors can access general information regarding the Company and the structure of its business under the 'Company', 'Who we are' and 'What we do' tabs.
6.2 Investor relations programs	Reece conducts market briefings for its half-year and full-year results announcements. The presentation material provided at these events is sent to the ASX prior to commencement and subsequently posted on the 'Investors' tab on the Company's website, including the webcast and transcript if applicable. We also proactively engage with key market analysts and large shareholders. Our AGM is structured to encourage active participation by shareholders on any matter relevant to the performance and operation of the Company. All resolutions put to shareholders are determined by poll. Shareholders can communicate electronically via our investor relations team or via Computershare, our share registry.

Recommendation	Reece's compliance with the recommendations
6.3 Facilitate and encourage participation at meetings of security holders	Reece uses technology to facilitate the participation of security holders in meetings including webcasting of the AGM. In 2025 the Company will host a virtual AGM giving all security holders (or their proxies or representatives) equal access and opportunity to attend, comment and ask questions, and vote online.
6.4 Resolutions decided by Poll	Shareholders are encouraged to participate and are given an opportunity to ask questions of the Company and its auditor at the AGM. All resolutions put to shareholders at the Company's AGM are determined by Poll.
6.5 Option to receive communications electronically	Reece provides shareholders the option to receive communications from, and send communications to, the Company and the share registry electronically.
Principle 7: Recognise and manage risk	
7.1 Risk Committee	Reece's Audit and Risk Committee oversees the process for identifying and managing material risks faced by the Company in accordance with the Reece Enterprise Risk Management Framework and Appetite, and undertakes the functions of a risk committee as set out in the ASX Principles and Recommendations. Further information on the material risks can be found on page 40 and 41 of the Annual Report. Further details regarding the Committee, its membership, charter and the number of meetings held during the financial year and attendance at those meetings, are set out in response to Recommendation 4.1 and on page 36 – 38 of the Annual Report.
7.2 Annual Risk Review	The Board formally reviews its risk appetite position annually, which is then operationalised via our supporting risk management and assurance frameworks. Our Enterprise Risk Management function partners with the business to oversee and implement consistent risk management approaches, while also actively supporting business operations to strengthen process governance and controls. In FY25, this included a range of in-depth risk assessments across our most critical functions and processes, including a business-wide assessment of ESG risk. The Board reviews Reece's Enterprise Risk Management Framework and Appetite at least annually to approve updates, as required. In FY25 the Board considered and reviewed the Enterprise Risk Management Framework and Appetite.
7.3 Internal Audit	Overseen by the Audit and Risk Committee, our internal audit plan remains risk-responsive and dynamic, to ensure that we focus on and strengthen our internal control environment where it is needed most. Complementing our recent emphasis on the technology and cyber risk landscape, our FY25 internal audit program included targeted reviews of our sourcing and supply chain resilience, safety and modern slavery risks.
7.4 Sustainability Risks	Reece discloses material exposures to environmental, social and governance risks and associated risk management strategies in our Annual Report, refer to page 41. The Company's greenhouse gas emissions data (Scope 1 and 2) provided on page 27 of the Annual Report also undergoes an external, independent limited assurance process. A statement of limited assurance is provided on page 116 and 117 in the Annual Report. Our Modern Slavery Statement is prepared under the <i>Australian Modern Slavery Act 2018</i> and outlines our management of modern slavery risks. This Statement is available under the Reports section, https://group.reece.com/investors/our-releases.

Recommendation	Reece's compliance with the recommendations
Principle 8: Remunerate fairly and responsibly	
8.1 Remuneration Committee	The Remuneration Committee comprises of five members, the majority of whom are independent non-Executive Directors. Details of the membership of the Remuneration Committee, including the names and qualifications of the Committee members, are set out on pages 36 and 37 of the Annual Report. The number of meetings held and attended by each member of the Remuneration Committee during the financial year is set out on page 38 of the Annual Report. The Remuneration Committee makes recommendations to the Board on the remuneration policies and practices for Board members and senior executives (including the Chairman & CEO, Group President & MD and CFO), as well as the Company's remuneration strategy and incentive programs, and the Company's people, diversity and inclusion policies and practices. In respect of the Chairman & CEO, his performance evaluation was led by the Remuneration Committee Chair and discussed with the Board. During FY25, the Remuneration Committee undertook its usual practices and activities in regard to remuneration and performance, and people-related priorities and initiatives. The Charter governing the conduct of the Remuneration Committee is reviewed annually and is available on the Governance section of the website, https://group.reece.com/investors/corporate-governance.
8.2 Disclosure of executive and non-executive director remuneration policy	The Company seeks to attract and retain high-performing Directors and senior executives with appropriate skills, qualifications and experience to add value to the Company and fulfil the roles and responsibilities required. Executive remuneration is linked to business performance and, accordingly, remuneration is structured with a fixed component and a performance-based component. Non-Executive Directors are paid fixed fees for their services in accordance with the Company's Constitution. The Company has a Minimum Shareholding Policy for non-executive Directors. In FY26 this will extend to include guidelines for key management personnel. Further details regarding the remuneration of senior executives and non-executive Directors, are set out on page 59 and 60 of the Annual Report. During the year, there were no agreements entered for the provision of consulting or similar services by a Director or senior executive, or by a related party of a Director or senior executive.
8.3 Policy on hedging equity incentive schemes	Reece's Executives must not enter into any hedge arrangement in relation to any performance rights they may be granted or otherwise entitled to under an incentive scheme or plan, prior to exercising those rights or, once exercised, while the securities are subject to a transfer restriction. Further details regarding the Company's hedging policy are set out in the Company's Securities Dealing Policy, https://group.reece.com/investors/corporate-governance.
Principle 9: Additional recommendations	
9.1–9.3 Additional recommendations	Recommendations 9.1–9.3 do not apply to Reece, and did not at any stage during FY25.

Directors' Report

Information on Directors & Company Secretary

Key to Committee membership:

RC

Chair of Remuneration Committee

ARC

Chair of Audit & Risk Committee

RC

Member of Remuneration Committee

ARC

Member of Audit & Risk Committee



Peter Wilson

B.Com (Melb), FAIM (Fellow of the Australian Institute of Management)

Appointment

Chairman & Chief Executive Officer (CEO)
Appointed to the Board 1997
Appointed Chairman 2024

Current Appointments

No other directorships of listed companies were held at any time during the three years prior to 30 June 2025.

Skills and experience

Peter Wilson has over 30 years' executive experience, with deep expertise in strategy, value creation, customer experience and capital allocation.

Peter was appointed CEO of Reece in 2008 and prior to this appointment, he held various leadership roles at Reece.

Peter has a proven track record of strong value creation for shareholders. He has transformed Reece from an Australian plumbing distribution business to an international business supporting trades across the plumbing, bathroom, heating, ventilation, air conditioning, refrigeration, civil, fire protection, and pools and irrigation industries. Peter was instrumental in expanding into new speciality plumbing business units, firstly New Zealand, and in 2018 into the USA.

In May 2023, Peter was appointed Deputy Executive Chair in addition to his existing role. He transitioned to the role of Chairman & CEO in November 2024.



Ross McEwan

B.Bus (Massey University of New Zealand)

Appointment

Lead non-executive Director
Independent
Appointed 2024 (resigned 30 June 2025)

Current Appointments

Chairman of the Board of BHP Limited (2024 – current)
Board member of Qineti Group Plc (2024 – current)

Skills and experience

Ross McEwan has over 30 years' global executive experience, including in the financial services industry, with deep expertise in capital allocation, risk management and value creation.

Ross was the CEO of National Australia Bank (2019-2024) and Group CEO of the Royal Bank of Scotland (2013-2019). Prior to that, he held executive roles at Commonwealth Bank of Australia, First NZ Capital Securities and National Mutual Life Association of Australasia/AXA New Zealand.

Ross has a strong focus on people and culture, technology and innovation and brings a global perspective to organisational transformation.



Gavin Street

B.Bus, B.Comp (Monash), CPA

Appointment

Non-executive Director
Independent
Appointed 2025
Acting RemCo Chair (1 July 2025 – current)

Current Appointments

No other directorships of listed companies were held at any time during the three years prior to 30 June 2025.

Skills and experience

Gavin Street has more than 30 years' experience in finance, business and trade distribution, as well as expertise in customer and employee engagement.

Gavin has held various leadership roles at Reece Group from 2008 to 2021, including CEO of Reece Australia and New Zealand, Group Chief Financial Officer, Company Secretary and Chief Technology Officer. He was the Chief Executive Officer at Lawrence & Hanson Australia and is currently the Chief Commercial Officer of Vulcan Steel Limited, responsible for the company's customer engagement and business strategy.

Gavin has extensive knowledge in trade distribution and passion for both the customer and people experience.



Megan Quinn

GAICD

Appointment

Non-executive Director
Independent
Appointed 2017 (resigned 2 July 2025)

Current Appointments

City Chic Collective Limited (October 2012 – current)
The Lottery Corporation (June 2022 – current)
InvoCare Limited (October 2018 – November 2023)

Skills and experience

Megan Quinn has over 30 years of global experience as a senior executive, advisor and Non-executive Director across a range of industries.

Megan brings customer, governance, strategic, marketing, operational and business skills, with particular strength in people experience, digital transformation, multi-channel, innovation, creativity, service and risk.

In 1999, Megan co-founded high-end online retailer NET-A-PORTER, quickly establishing it as an international brand, and is recognised as a customer, brand, digital transformation, and multi-channel expert.

Directors' Report



Andrew Wilson

B.Bus (RMIT), ACMA/CGMA, GAICD

Appointment

Non-executive Director
Appointed 2018

Current Appointments

No other directorships of listed companies were held at any time during the three years prior to 30 June 2025.

Skills and experience

Andrew Wilson has more than 25 years' experience in investment management and finance with leading national and multi-national companies.

Andrew has held senior roles in the fields of audit, risk management, tax and treasury.



Bruce C. Wilson

B.Com (La Trobe)

Appointment

Non-executive Director
Appointed 2018

Current Appointments

No other directorships of listed companies were held at any time during the three years prior to 30 June 2025.

Skills and experience

Bruce Wilson has more than 20 years' experience in the plumbing industry managing Wilson Sheet Metals, a manufacturer of quality rainwater products and accessories for trade customers.



Angela Mentis

B.Bus (University of Technology, Sydney), GAICD

Senior Fellow of Financial Services Institute of Australasia (FINSIA)

Graduate of FINSIA Career Qualified in Banking

Appointment

Non-executive Director
Independent
Appointed 2024

Current Appointments

Director and Chair of the Audit, Risk and Compliance Committee at FirstCape Group Limited (NZ)

Skills and experience

Angela Mentis has more than 30 years' experience as an executive in the financial services industry, across Australia, New Zealand, Asia, United Kingdom and United States of America.

Angela's executive roles at National Australia Bank included Chief Digital, Data and Analytics Officer, Chief Executive Officer of Bank of New Zealand and Chief Customer Officer of the Business and Private Bank from 2014 – 2017.

Angela brings strategic expertise in large scale customer and culture transformations, with a focus on digital, data, technology, innovation, people and culture.



Sasha Nikolic

B.Com, MBA (MBS), Harvard Authentic Leadership Program

Appointment

Group President and Managing Director (MD)
Appointed 2024

Current Appointments

No other directorships of listed companies were held at any time during the three years prior to 30 June 2025.

Skills and experience

Sasha Nikolic has over 15 years' experience in the plumbing industry and is an experienced executive and finance leader. During his career at Reece, he has held leadership roles in both Australia and New Zealand including Operations Leader for HVAC and Chief Financial Officer of Reece Limited.

Sasha has led strategic acquisitions – including the Actrol business in Australia and MORSCO in the US. Most recently, Sasha was CEO of the Reece USA business from 2019 – 2024. During this time in the US he successfully led the integration of the MORSCO business, and the Reece brand rollout.



Chantelle Duffy

B.Com/Sci (La Trobe), CA, GAICD

Appointment

Company Secretary

Skills and experience

Chantelle Duffy joined Reece in 2019 as the Company Financial Reporting Lead. Chantelle is a Chartered Accountant with over 20 years' financial experience working with EY and PwC, in Australia and internationally, specialising in Corporate Governance and Financial Accounting and Reporting.

Directors’ Report

The Directors present their report together with the financial report of the consolidated entity consisting of Reece Limited and the entities it controlled (‘the Group’, or ‘Reece’) for the financial year ended 30 June 2025 (‘FY25’) and auditor’s report thereon.

The Directors at any time during the financial year are presented in the table below.

Principal activities

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

Board changes

On 1 November 2024 Peter Wilson moved to Chairman & CEO, and Sasha Nikolic was promoted to Group President and Managing Director on 1 July 2024. We also welcomed Angela

Mentis, Gavin Street and Ross McEwan as independent Directors. During the year the following Directors retired from the Board: Karen Penrose, Tim Poole and Leslie A. Wilson. Ross McEwan also retired from the board, effective 30 June 2025. Subsequent to period-end but prior to the date of this report, Director Megan Quinn resigned from the board, effective 2 July 2025.

Directors’ meetings

The number of meetings of the Board of Directors (‘The Board’) and of each Board Committee held during the financial year as well as the number of meetings attended by each Director are detailed below.

Directors also attend meetings of Committees of which they are not a member. This is not reflected in the attendance table below.

	Board Meetings		Audit and Risk Committee Meetings		Remuneration Committee Meetings	
Director	A	B	A	B	A	B
Peter Wilson	6	6	-	-	-	-
Ross McEwan	4	4	2	3	3	3
Gavin Street	3	3	2	2	2	2
Megan Quinn	6	6	4	4	5	5
Andrew Wilson	6	6	4	4	-	-
Bruce C. Wilson	6	6	-	-	5	5
Angela Mentis	4	4	3	3	2	2
Sasha Nikolic	6	6	-	-	-	-
Alan Wilson	4	4	-	-	-	-
Tim Poole	3	3	2	2	3	3
Karen Penrose	3	3	1	1	3	3

(A) Number of meetings attended
(B) Number of meetings held whilst in office

Environmental regulations

Reece operations are subject to certain environmental regulations under Federal or State law. The Group is not aware of any significant breaches of environmental regulations during the year.

Rounding amounts

The parent entity and the Group have applied the relief available under ASIC Corporations (Rounding in Financial/Directors’ Reports) Instrument 2016/191 and accordingly, the amounts in the consolidated financial statements and in the Directors’ Report have been rounded to the nearest thousand dollars, or in certain cases, to the nearest dollar (where indicated).

Indemnification and insurance of Directors, Officers and Auditors

A deed of indemnity, insurance and access has been entered into with each Director, and with the Company Secretary of the Group. Reece has not, during or since the financial year, indemnified or agreed to indemnify the auditor of Reece Limited against a liability incurred at the end of the financial year, as auditor. During the financial year, the Group paid a premium for Directors’ and Officers’ Liability insurance. Further disclosure is prohibited under the terms of the contract.

Directors’ Report

Non-audit services

Non-audit services are approved by resolution of the Audit and Risk Committee to the Board. Non-audit services provided by the auditors of the Group during the year, KPMG, are detailed below. The Directors are satisfied that the provision of the non-audit services during the year by the auditor is compatible with the

general standard of independence for auditors imposed by the Corporations Act 2001. Amounts paid or payable to an auditor for non-audit services provided during the year by the auditor to any entity that is part of the Group are detailed below.

	2025 \$	2024 \$
Amounts paid and payable to KPMG for non-audit services:		
Other non-audit services – regulatory advisory services	117,527	81,243
	117,527	81,243

Other information

- The following information, contained in other sections of this Annual Report, forms part of this Directors’ Report:
- Operating and Financial Review detailed on pages 18 to 21 inclusive in the Annual Report.
 - Details of dividends as outlined in Note 4.5 to the financial statements.
 - Matters subsequent to the end of the financial period as outlined in Note 6.6 to the financial statements.
 - Director and key management personnel interests in shares, share options and performance rights as set out in Sections 11.3 and 11.4 of the Remuneration Report. These remain unchanged as at 25 August 2025.
 - Performance rights granted during the financial period as outlined in Note 6.2 to the financial statements.
 - Share options outstanding at year end as outlined in Note 6.2 to the financial statements.
 - Remuneration Report from pages 42 to 63.
 - Auditor’s independence declaration on page 64.

Risk Approach

Reece recognises that a wide range of risks exist across the Group, and that building a strong risk management culture is critical to delivering on the Group’s vision and strategy. Risk management helps the Group to maintain and improve its competitive advantage, and is pivotal to the ongoing success of the business.

The following table outlines the Group’s material business risks, key drivers and exposures, and how the Group seeks to manage them. By proactively anticipating risk, Reece is strongly positioned to mitigate associated threats, appropriately plan for contingencies and take advantage of opportunities that benefit all stakeholders.

Directors’
Report

Material business risks

Risks	Key drivers	Mitigations
Macroeconomic and competitor landscape The external risk environment continues to be influenced by changes in the macroeconomic and geopolitical landscape, including international disputes, tariff and trade policy uncertainties, and other emerging political, social, and economic events across our regions of operation. Reece’s competitive and adjacent markets can also be impacted by local forces such as disruptive product innovation, new entrants, competition for skilled labour, and changes in customer strategies and preferences.	– Changes in economic conditions, including housing and construction sector headwinds. – Variations in domestic or international market competition. – Geopolitical risk landscape.	– Focus on innovation and disruptive technology, including diversified products and services. – Agile processes supporting the proactive management of costs, trade relationships, and workforce productivity. – Investing in people capabilities, talent retention and fostering a strong culture.
IT resilience and cyber security Reece recognises the criticality of protecting its systems, applications and data, and maximising our ability to recover rapidly in the event of a disruption. In particular, cyber security risks continue to pose an elevated threat to all organisations, including risks associated with major ‘denial of service’ type attacks, ransomware, malware and other malicious hacking activities, all of which can lead to a material disruption to operations.	– Increasing complexity and transformation of the IT environment. – Rapidly evolving cyber security risk landscape, including AI-enhanced malware. – Technology changes, including an increasing reliance on third-party technology providers.	– Structured cloud adoption driving an uplift in real-time resilience. – Appropriate IT environment testing, monitoring, patching and maintenance. – Dedicated cyber security team, including a 24/7 Security Operation Centre providing detection and response capability.
Data and information privacy Data and information privacy is a priority for our business and our customers, and an area that is subject to increasingly stringent regulations. Privacy risk includes the risk of deliberate or inadvertent release of personal and/ or sensitive information leading to a privacy breach, which may in turn trigger a non-compliance with relevant legislative requirements.	– Customer and regulator expectations, including regulatory reform. – Cyber security threats. – AI-driven risks on information governance.	– Privacy policy and supporting controls, overseen by a dedicated privacy governance council. – Embedded data security mechanisms, including tested data breach response protocols. – Mandatory privacy training for all staff.
Sourcing and supply chain disruption Reece operates a global supply chain, which requires the continued ability to access, move and provide products to our end customers. Inherent dependencies on key suppliers, geographies and trade routes can result in single-point sensitivities and disruption risk, including shortages or bottlenecks associated with geopolitical uncertainty or extreme weather.	– Single points of sensitivity in the supply chain. – Uncertain global and geopolitical risk landscape, including tariffs and trade protectionism. – Supplier exposures to conflict, cyber, and climate risks.	– Diversified product portfolio, with flows distributed across multiple geographies and warehouse locations. – Robust contractual agreements and protections. – Continued focus on dual-sourcing and supplier diversification.
People and talent Reece requires high-calibre talent centred on a deep level of bespoke industry expertise and knowledge. With retention and succession challenges expected to remain prominent due to strong labour markets and competitor activity, we need to actively manage key talent risks within our broad portfolio of specialised skillsets.	– Leadership stability, capability, and succession. – Macroeconomic headwinds intensifying pressure on talent retention. – Market competition for experienced/specialised professionals.	– Talent and succession planning to manage single points of sensitivity. – Remuneration reviews and benchmarking. – Leadership development programs and employee capability training.

Directors’
Report

Risks	Key drivers	Mitigations
Health, safety and well-being The health and safety of the Reece team, vendors, and customers is core to the Group’s people promise, and remains fundamental to the daily and weekly routines of our branch networks. Reece is committed to creating a safe and respectful working environment where people are protected from both physical and psychological harm.	– Inherent safety risks arising in the normal course of Reece’s operations. – Diverse network of physical infrastructure and equipment across sites. – Large motor vehicle fleet.	– Dedicated safety function, including supporting processes, systems and controls. – Formal incident and injury management processes. – Targeted management of psychosocial and sexual harassment risks.
Product quality and safety The supply of dependable and safe products is imperative to our customer promise. A product quality failure at any point across the supply chain could result in injuries, liability claims, and/or product recalls.	– Large portfolio of bespoke solutions sourced to meet customer needs. – Complex specifications, regulations and installation requirements for some products. – Some inherent reliance on the quality and control procedures of our suppliers.	– Robust quality assurance and testing programs, including our dedicated in-house testing lab. – Rigorous supplier screening and standards, including appropriate warranties and insurances. – Investment in training to ensure correct installation and use of our products.
Environmental, social, and corporate governance (ESG) Reece’s operations must continue to maintain positive societal impacts, including appropriate action to respond to long-term climate and environmental changes, and a proactive stance on social responsibility. We also recognise a range of transitional risks arising from tightening regulations and disclosure requirements, together with our direct exposures to physical climate risks (e.g. natural disasters and extreme weather).	– Source of growing stakeholder expectations, and a tightening regulatory landscape across multiple jurisdictions. – Depth and complexity of the supply chain. – Large physical footprint and associated exposure to natural catastrophes and extreme weather.	– ESG governance framework in place, including targeted strategies and working groups for key topics such as ethical supply chains. – In-house ESG personnel and subject matter expertise. – Physical property controls (e.g. flood and fire protection) and insurances.
Technological disruption and transformation The identification, prioritisation and execution of critical transformation programs is a critical strategic enabler for our business. In particular, Reece must accelerate its digitisation strategy and keep pace with technological advancements that drive greater efficiency and productivity across our business. Evolving technologies, including advanced robotics and artificial intelligence (AI), have the potential to disrupt our operational and competitive landscape, together with rapid developments in data science, machine learning and predictive modelling.	– Increasing speed and volume of technological disruption, including mass availability of AI. – Changing consumer behaviours and expectations. – Impact of legacy infrastructure and environments.	– Technology strategy and roadmap. – Active pursuit of new and disruptive technologies through Reece’s innovation programs. – Explicit budgeting for underlying technology infrastructure and capability improvement.
Legal and compliance landscape Reece must comply with a broad range of applicable laws and regulations, as well as its legally binding contracts and agreements, whilst also ensuring that any breaches (potential or actual) are identified and handled in a timely and proactive manner. The underlying complexity of regulatory and contractual obligations is increasing as the Reece business grows, including expansion into new business ventures and adjacencies.	– Growing breadth and complexity of Reece’s regulatory landscape. – Increasing regulatory scrutiny across a range of disciplines (e.g. award compliance). – Large volume of bespoke contracts and agreements across the business.	– Dedicated in-house risk, procurement and legal personnel. – Outsourced subject-matter expertise as required. – Regulatory compliance policy and governance structure in place, including mandatory staff training.

Remuneration Report
(Audited)

We are committed to linking pay with performance, attracting and retaining top talent to deliver long-term value creation.

Letter from Acting Remuneration Committee Chair

Dear fellow shareholders,

I am pleased to present our Remuneration Report for the financial year ended 30 June 2025.

I would like to firstly acknowledge Tim Poole’s leadership as Chair of the Remuneration Committee from FY18 until December 2024. Tim’s focus on linking remuneration and business performance and commitment to Reece’s values has laid strong foundations. Also my thanks to Ross McEwan for Chairing the Remuneration Committee from February until June 2025. I joined the Remuneration Committee from 1 February and stepped into Acting Chair of the Remuneration Committee from 1 July 2025.

Our response to the first strike

At the 2024 AGM, we received our first strike on the Remuneration Report. This vote represented an independent shareholder view, as the Wilson Family who collectively hold 67.1% of shares (and represented on the Board) were precluded from voting but remain supportive of the remuneration framework. During the year Ross McEwan and Tim Poole engaged with shareholders and proxy advisors ahead of the AGM and Ross continued those conversations in the second half of FY25.

The Committee has applied the following principles when considering feedback from stakeholders:

- a strong link between pay and business performance;
- attracting and retaining top talent in a competitive market;
- consistency across the business; and
- supporting long-term value creation for Reece.

The Committee and Board are committed to linking pay with performance, attracting and retaining top talent to deliver on long term value creation. Further detail on our response to stakeholder feedback can be found in Section 1 of this report.

FY25 performance and remuneration outcomes

FY25 was marked by a challenging macroeconomic environment, with soft housing markets and affordability pressures impacting our sector.

Reece’s performance reflected these conditions across both regions. Sales revenue decreased by 1% to \$8,978m (FY24: \$9,105m), EBITDA declined 11% to \$901m (FY24: \$1,007m), EBIT fell 20% to \$548m (FY24: \$681m), and statutory NPAT was down 24% to \$317m (FY24: \$419m). The Board declared a fully franked final dividend of 11.86 cents per share, bringing total fully franked dividends for FY25 to 18.36 cents per share.

The Remuneration Committee has determined a short-term incentive for FY25 is appropriate based on performance against the balanced scorecard. While financial outcomes were below target, the Committee recognises the executive team’s execution of strategic priorities and their leadership through this challenging period. Notably, the STI awarded to the Chairman & CEO represents a 52% reduction from prior year.

During FY25, three long-term incentive (LTI) grants were tested for vesting. Under the Executive LTI plan of which the Chairman & CEO is a participant, the FY21 grant vested between target and stretch, however, no vesting occurred under the FY22 grant as thresholds were not met.

The third LTI grant related to the Legacy US Cash LTI Plan which was established in connection with Reece’s \$1.91 billion acquisition of MORSCO. This cash-based plan was designed to reward, retain, and motivate executives by aligning their performance with shareholder outcomes over a six-and-a-half-year period from 1 July 2018 to 31 December 2024. The Board is pleased the plan vested at stretch, reflecting strong outperformance against targets and long-term value creation. Sasha Nikolic participated in this plan and received a final milestone cash payment of \$13,031,068.

Board and Executive Changes

This year was a reset for our leadership team and refresh of the Board. Peter Wilson moved from CEO & Deputy Chair to Chairman & CEO on 1 November 2024, and to enable this change from 1 July 2024, Sasha Nikolic moved from CEO of Reece USA to Group President & Managing Director (MD). We also welcomed Angela Mentis, Gavin Street, and Ross McEwan as new independent Directors.

On 1 March 2025, Alan Wilson stepped down from the Board and now serves as Chairman Emeritus – an honorary position in recognition of his significant contribution over the past 55 years. Ross McEwan stepped down from the Board, effective 30 June 2025, to devote his time and attention to his role as Chair of BHP Group Limited, and Megan Quinn resigned effective 2 July 2025.

Succession is an ongoing process and we are committed to building a board with the right mix of skills, experience and diversity and look forward to announcing a Chair of the Remuneration Committee in due course.

Looking forward

There will be no increase to Key Management Personnel base remuneration in FY26.

The Board continues to review our remuneration framework to ensure it supports our ability to attract and retain skilled individuals in a competitive global environment. This includes assessing the effectiveness of our approach through benchmarking, expert input, and engagement with stakeholders.

I invite you to read the full report for further detail on our FY25 remuneration outcomes.

Yours faithfully,



G.W. Street

Acting Chair, Remuneration Committee

Remuneration Report
(Audited)

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7. Executive KMP short-term incentive (STI) and performance outcomes
8. Executive KMP long-term incentives (LTI) outcomes
9. Remuneration governance
10. Non-Executive Director (NED) remuneration
11. Additional statutory disclosures

The Directors present the Remuneration Report for the financial year ended 30 June 2025. This report forms part of the Directors’ Report and has been prepared and audited in accordance with section 300A of the *Corporations Act 2001 (Cth)*.

KMP have the authority and responsibility for planning, directing and controlling the activities of Reece. This includes the Board of Directors and the Chief Financial Officer.

1. Our response to the strike

At the AGM for the financial year ended 30 June 2024 (FY24), 34.46% eligible votes were cast against the FY24 Remuneration Report (a first ‘strike’) representing approximately 9.2% of all shareholders. The Board is committed to listening to any concerns raised by shareholders and other stakeholders relating to the remuneration framework and remuneration outcomes and addressing these concerns where appropriate. The Board has undertaken a comprehensive review of the feedback provided by stakeholders from the 2024 AGM and has met with a number of stakeholders over the last six months to listen and understand their concerns.

In response to the feedback received, we have implemented several key changes. The following table summarises the key concerns and issues raised during the engagements with shareholders and proxy advisors.

Remuneration Report
(Audited)

1. Our response to the strike (cont.)

Feedback areas	Response	Reference
CEO remuneration in comparison to ASX peers	– Peter Wilson has significant experience and tenure at Reece, he joined the Company in 1993 and was promoted to CEO in 2008. – Under Peter’s leadership, Reece has transformed from an Australian plumbing distribution business to an international business supporting the plumbing, bathroom, construction, civil, pools and irrigation, heating, ventilation, air conditioning, fire protection and refrigeration industries. – He led the company’s geographic expansion, beginning with New Zealand, and in 2018, spearheaded expansion into the United States—now the key platform for Reece’s future growth. – Peter has a strong track record of long-term value creation for shareholders. – Total remuneration package is benchmarked against three comparator groups including global industry peers as well as ASX listed peers.	5.2
Minimal disclosure for the FY24 short-term incentive outcomes	– In this report, the short-term incentives (STI) outcome disclosures have been enhanced from prior year including weighting and performance outcome for each metric. – The Board acknowledges the importance of transparency in performance reporting and will continue to seek feedback from stakeholders.	7.2 & 7.3
Cash STI	– Reece delivers STI in cash to maintain immediate, performance-linked rewards across all levels of the organisation. – The Chairman & CEO is strongly aligned with shareholder interests through family shareholdings (see section 11.4). – The current LTI includes a five-year retention component, with clawback and forfeiture provisions, effectively aligning KMPs with long-term shareholder interests. – Cash-based STIs are standard market practice in North America. – From FY26, minimum shareholding guidelines will be introduced for KMP to hold shares equal to 50% of fixed pay, reinforcing long-term alignment. – After careful review, the Board will not introduce STI equity deferral for KMP in FY26 but remain committed to stakeholder engagement and evolving STI disclosure while safeguarding sensitive commercial information.	4.4
Process to establish targets for the long-term incentive.	– LTI targets are based on internal forecasts, past performance, and external economic data to ensure they are ambitious yet achievable. – FY25 targets reflect a tough demand environment, impacted by housing market slowdowns in ANZ and the US, along with interest rate and affordability pressures. – The Board views performance within the vesting ranges as a strong shareholder outcome given the near-term headwinds.	8.3
Introduction of a small portion of retention/ services rights into the LTI, representing 20% of the total opportunity noting that 80% remains performance tested.	– Reece is undergoing a leadership transition and strategic reset focused on building leadership capability and succession. – Retaining executive KMPs is critical; 20% of the LTI will continue to be subject to a five-year service-based vesting component. – The majority of the LTI remains performance-based, tested against EPS CAGR and Average ROCE over three years.	4.4 & 8.3

At Reece, we maintain a clear and consistent alignment between business performance and remuneration outcomes across all levels of the organisation. Executive rewards are directly tied to the Company’s success—when Reece performs well, executives are recognised accordingly. This performance-based approach reflects the Board’s strong commitment to accountability, shareholder interests, and responsible governance. This approach is consistent throughout the organisation and a driver of long-term success.

We believe the recent changes in response to feedback from stakeholders represent a meaningful step forward in reinforcing this alignment and addressing shareholder feedback.

We are committed to ensuring our remuneration practices remain fair, competitive and aligned with long-term value creation.

Remuneration Report
(Audited)

2. Key Management Personnel (KMP)

The table below details persons considered to be KMP during FY25 and their term as KMP.

KMP	Position	Term as KMP
Directors		
Peter Wilson	Chairman and Chief Executive Officer (CEO)	Full financial year
Ross McEwan	Non-Executive Director	Commenced 1 October 2024, retired 30 June 2025
Gavin Street	Non-Executive Director	Commenced 1 February 2025
Megan Quinn	Non-Executive Director	Full financial year
Andrew Wilson	Non-Executive Director	Full financial year
Bruce C. Wilson	Non-Executive Director	Full financial year
Angela Mentis	Non-Executive Director	Commenced 15 November 2024
Sasha Nikolic	Group President and Managing Director (MD)	Full financial year
Alan Wilson	Executive Director	Ceased 28 February 2025
Tim Poole	Chair	Ceased 31 December 2024
Karen Penrose	Non-Executive Director	Ceased 16 September 2024
Executives		
Andrew Young	Chief Financial Officer (CFO)	Full financial year

In financial year 2025 (FY25) Reece welcomed Ross McEwan, Angela Mentis and Gavin Street as Non-Executive Directors. Ross, Angela and Gavin became KMPs in FY25 and all of their remuneration details are presented in this report. During the year the following Directors retired from the Board; Karen Penrose, Tim Poole, Leslie A. Wilson and Ross McEwan.

Subsequent to period-end but prior to the date of this report, Megan Quinn resigned from the board, effective 2 July 2025.

Remuneration Report
(Audited)

3. Snapshot of 2025 Remuneration Outcomes

Fixed remuneration	Short-term incentive (STI)	Long-term incentive (LTI)
The Chairman & CEO \$2,500,000	FY25 STI outcome of \$1,517,260 down from \$3,185,000 in FY24. ↓ 52%	45% ¹ of LTI vested, down from 100% in FY24. Assessed against EPS CAGR. ↓ 55%
The Group President & MD and Group CFO	FY25 STI outcome of \$781,000 in total down from \$1,801,636 in FY24. ↓ 57%	See section 8

¹ Average outcome for FY21 and FY22 grants.

3.1 Key Management Personnel (KMP) take home remuneration (unaudited)

The table below outlines the received remuneration for Executive KMP during FY25. The statutory tables are provided in the Statutory Disclosures section 11 of this report.

Executive	Fixed remuneration (\$000's)	Other benefits ² (\$000's)	STI awarded ³ (\$000's)	LTI vested (\$000's)	Total (\$000's)
Peter Wilson Chairman & CEO	2,500	145	1,517	- ⁴	4,162
Sasha Nikolic Group President & MD	1,535	401	565	13,031 ⁵	15,532
Andrew Young CFO	850	30	216	-	1,096

² Includes allowances, non-monetary benefits and post-employment benefits.

³ Reflects value of the STI earned in relation to FY25.

⁴ Peter's share options that vested in FY25 carry an exercise price of \$14.46 and can only be exercised from 1 July 2027 until expiry. They have nil value as the exercise price of the options is greater than Reece Limited's share price on 30 June 2025.

⁵ Vested Legacy US Cash LTI Plan in relation to Sasha's role as Reece USA CEO. The LTI was measured over six and a half years. Refer to section 8.2.

4. Remuneration Overview

4.1 Our remuneration framework

The Reece remuneration framework supports Reece's purpose and values.

The Reece Way
Our purpose is to build a better world for our customers by being the best. Everything we do at Reece is driven by our purpose and values, which we call The Reece Way.

Create customers for life

Be your best

Team first

Entrepreneurial spirit

Innovate big and small

Try. Try. Try.

Own it

Keep it simple

Do the right thing

Be humble

Remuneration Report
(Audited)

4.2 The markets in which we compete

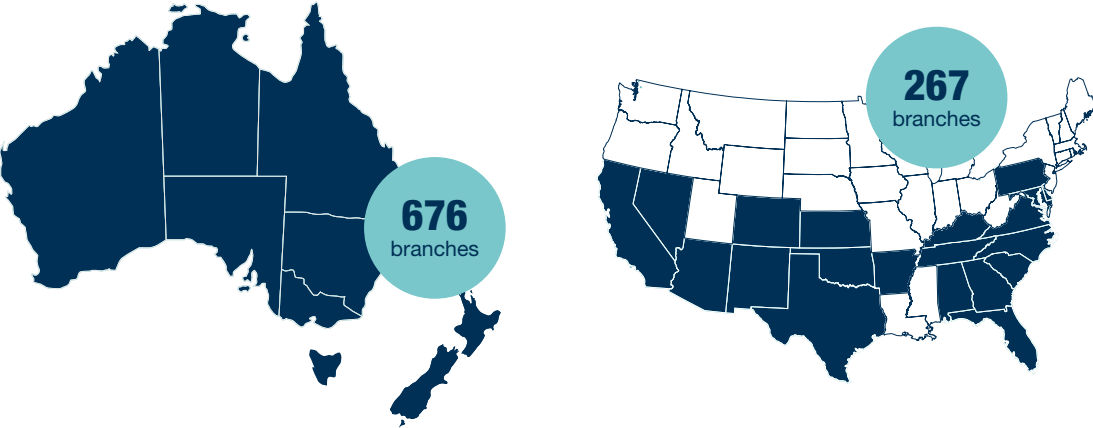
From its founding over 100 years ago, Reece has grown to become an international leader in the supply of plumbing, waterworks and HVAC-R products in Australia, New Zealand and the United States. Reece was listed on the Australian Securities Exchange (REH) in 1951 and now employs over 9,000 people and operates over 900 branches across Australia, New Zealand and United States.

Market capitalisation more than \$8 billion.¹

More than 50% of revenue is generated outside Australia.

Management teams in place in both Australia and United States of America.

KMPs are actively present in all regions and driving performance.



To ensure we are able to attract and retain executives internationally, our remuneration needs to be internationally competitive, especially within the North American market.

4.3 Our remuneration philosophy

The graphic below outlines how our remuneration framework aligns Executives to Reece's strategic objectives.

Strategically aligned
Deliver on our purpose and drive long-term value.

Right talent
Attract and retain top talent in a competitive global market.

Values-driven
Live the Reece way, execute the strategic priorities and deliver on the customer promise.

Transparent
Clear and consistent alignment between business performance and remuneration outcomes.

¹ As at 30 June 2025.

Remuneration Report
(Audited)

4.4 Our approach

Our values and remuneration principles have shaped the Executive remuneration structure outlined below.

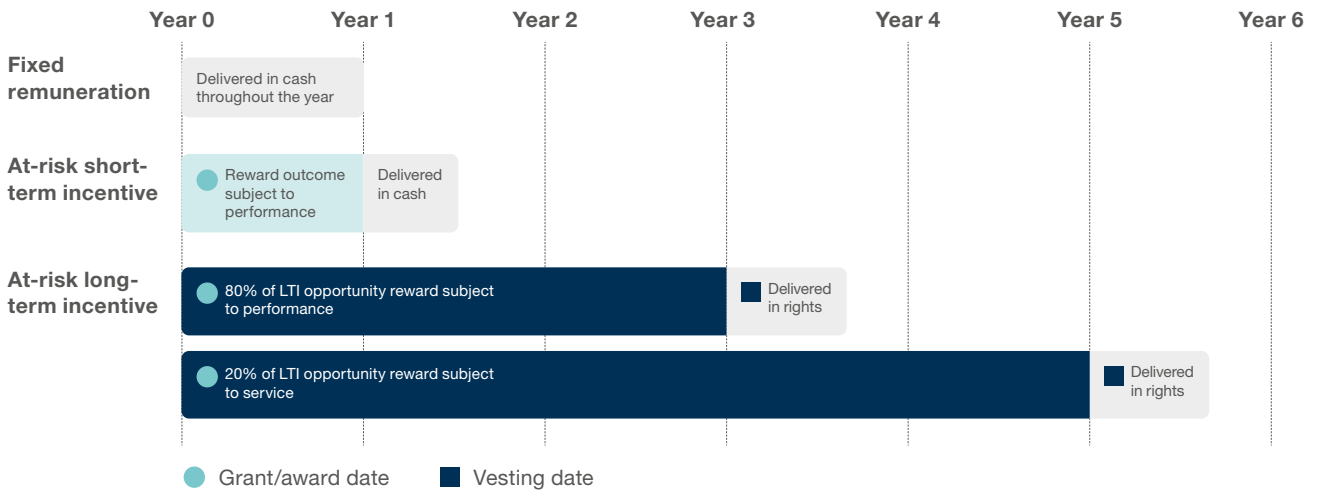
Our remuneration framework is designed to closely align executive pay with company performance and shareholder value creation. A significant portion of total executive remuneration is delivered through variable, performance-based components—such as short-term incentives and long-term incentives which are directly tied to the achievement of clearly defined financial, operational, and strategic objectives.

Element	Weighting		Purpose of element	Approach	Rationale
	CEO	Other KMP			
Fixed	19% 	27% 	Attract and retain top talent in a competitive international market.	Set with reference to market benchmarks. Consists of base salary, superannuation and other non-cash benefits.	
At-risk short-term incentive	36% 	36% 	To provide an incentive for Executives to achieve strategic financial and non-financial targets aligned to long-term growth.	Determined based on annual performance against Group targets and individual metrics.	Paid in cash to provide immediate performance linked reward, consistent across all levels of the organisation.
At-risk long-term incentive	45% 	37% 	To align Executive reward with the delivery of long-term strategic priorities and shareholder value creation.	The award of share rights or options based on tenure and achieving EPS and ROCE targets.	– Strengthens alignment with shareholder interests. – Improves international competitiveness relative to international peers. – Strategic intent to retain and motivate high-performing leaders essential to delivering Reece's long term growth ambitions.

4.5 Remuneration Delivery

At Reece, remuneration for Executive KMPs is structured to be realised over an extended period, which demonstrates alignment with long-term strategic priorities and shareholder value creation.

The diagram below illustrates the period over which the various components of remuneration are released for all KMPs.



Remuneration Report
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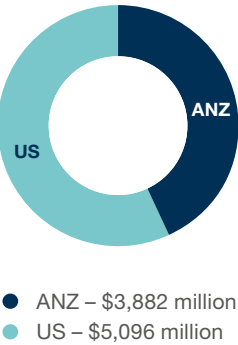
5. Benchmarking

The Remuneration Committee undertakes regular benchmarking to ensure we remain market competitive with the ability to attract and retain executives of appropriate calibre in a competitive market.

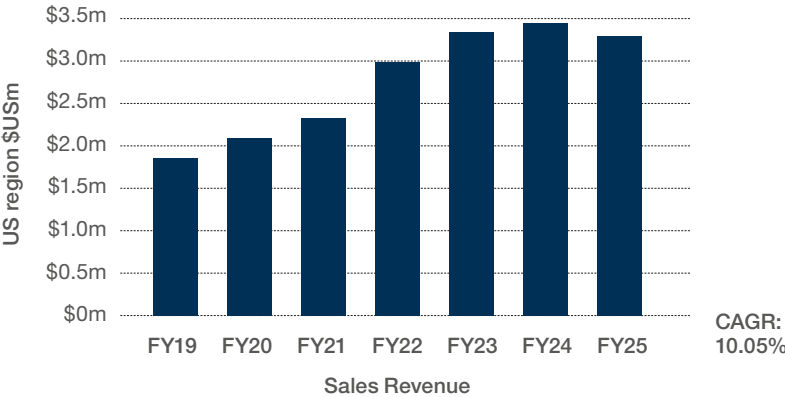
As an ASX listed company with significant operations in both Australia and North America, our remuneration benchmarking framework incorporates three comparator groups: a market capitalisation peer group of ASX entities; a select group of 16 listed and unlisted peer companies based in North America; and a revenue based peer group of other listed and unlisted companies based in Australia.

Reece generates more than half of the Group's revenue from the United States, further, there is a significant KMP presence in North America and approximately 3,500 team members supporting our 276 branches. The KMPs are responsible for the Group's operations which requires travel between the United States, Australia and New Zealand.

Sales by Region



US Revenue: 2018–2025



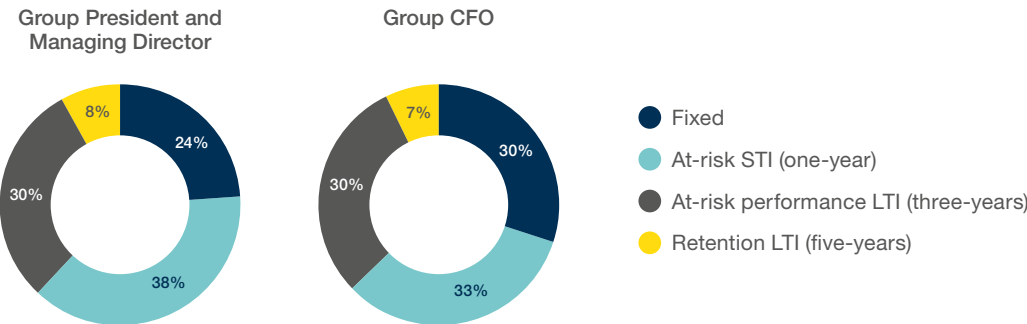
Given the international nature of our business and the significant scale of our operations in North America, we believe it is both appropriate and necessary to include a select group of North American peers in our benchmarking analysis. This approach ensures our remuneration structures remain competitive, particularly for roles with international responsibilities or where the talent pool is predominantly international. We have taken care to ensure that the North American peer group is carefully selected based on comparability in size, industry, and complexity, and is used to complement—not replace—our Australian benchmarking. This balanced approach supports our ability to attract and retain top executive talent while maintaining alignment with shareholder interests across all regions in which we operate.

The Remuneration Committee sets fixed remuneration levels competitively relative to market. Remuneration is set to retain the right talent to enable the Group to deliver its long-term strategy and deliver value to shareholders.

5.1 Executive KMPs remuneration

The remuneration mix for Executive KMPs has been determined based on careful consideration of the individual's existing shareholding and the remuneration elements more effective at providing an incentive for each Executive KMP.

FY25 remuneration mix



Remuneration Report
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5.2 Chairman & CEO

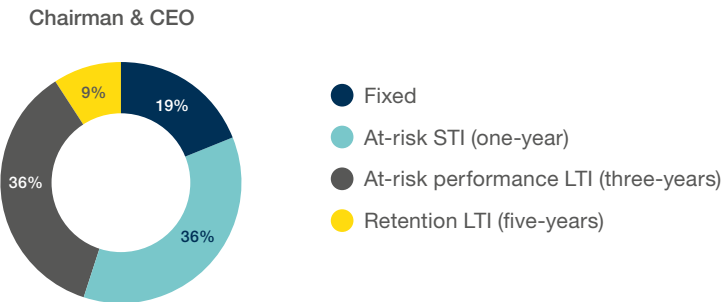
Peter Wilson joined Reece in 1993 and was appointed CEO in 2008. Since 2008, Reece’s market capitalisation has grown from \$1.5 billion to more than \$8 billion, increased sales revenue by 6.2x and delivered an EBIT multiple of 3.3x. Peter has a proven track record of strong value creation for shareholders, demonstrated by total shareholder returns (TSR) of +270% compared to the average TSR for ASX 100 of +198% since 2008. The Board recognises the critical importance of Peter Wilson, who has played a pivotal role in shaping Reece’s growth, strategic direction, and creation of long-term shareholder value during his tenure as CEO.

The future success of Reece depends upon his strategic thinking, deep commercial knowledge of the plumbing distribution business and relentless drive for excellence.

FY25 remuneration mix

72% of Peter’s total remuneration is performance-linked, reinforcing strong alignment with shareholder outcomes.

Peter’s extensive experience in trade distribution and his leadership as Chairman & CEO are reflected in a remuneration package that is considered appropriate for the scale and complexity of Reece’s international operations.



6. Company performance and remuneration outcomes

This section outlines how Reece’s performance is reflected in Executive remuneration outcomes.

6.1 Historical performance

The table below summarises key performance indicators (or performance objectives) over the previous five years.

Financial Summary	FY25 (\$000's)	FY24 (\$000's)	FY23 (\$000's)	FY22 (\$000's)	FY21 (\$000's)
Sales revenue	8,978,382	9,104,772	8,839,572	7,654,047	6,270,706
EBIT	548,211	681,390	654,104	578,204	-
ROCE ¹	11.8%	15.5%	15.3%	13.3%	-
NPAT	316,937	419,171	387,607	392,487	285,595
Dividends declared	118,603	166,341	161,496	145,346	116,277
Performance-based incentives to Executives	4,563	10,006	9,635	7,945	6,309
Share price at end of financial year	14.35	25.17	18.57	13.78	23.61
EPS ²	49 cents	65 cents	60 cents	61 cents	44 cents

¹ Return on Capital Employed (ROCE) and EBIT have been disclosed from FY22 as both were added as financial targets from FY23.

² EPS is calculated based on statutory NPAT divided by the weighted average number of shares on issue.

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(Audited)

7. Executive KMP short-term incentive (STI) and performance outcomes

7.1 Executive KMP STI detail

The STI provides Executive KMP an opportunity to be rewarded for achievement of annual objectives that align to the core drivers of sustainable performance for Reece.

The table below outlines the key elements of the STI structure for Executive KMP.

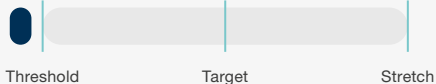
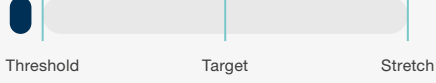
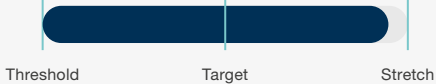
How is performance measured?	Performance targets under the STI are set by the Remuneration Committee at the beginning of the financial year. The following diagram illustrates the calculations in determining STI outcomes. Financial targets + Other targets + Individual targets = STI outcome 70–80% 20–30% Multiplier¹ Performance targets are set with reference to the Reece business strategy to support the long-term growth aspirations of the Group. KMP Executives For KMP Executive roles, performance under the FY25 STI was measured against: Performance objectives <table><tr><td>Financial targets</td><td>EBIT growth EBIT to sales Return on capital employed</td></tr><tr><td>Other targets</td><td>Other targets can include growth in customer accounts, safety, sales per full-time employee and support centre cost control.</td></tr><tr><td>Individual targets</td><td>Remuneration Committee assessment of individual targets determines the multiplier for the final STI outcome. In FY25 these targets included execution of initiatives including operational excellence, accelerating innovation and investing for profitable growth.</td></tr></table>	Financial targets	EBIT growth EBIT to sales Return on capital employed	Other targets	Other targets can include growth in customer accounts, safety, sales per full-time employee and support centre cost control.	Individual targets	Remuneration Committee assessment of individual targets determines the multiplier for the final STI outcome. In FY25 these targets included execution of initiatives including operational excellence, accelerating innovation and investing for profitable growth.
Financial targets	EBIT growth EBIT to sales Return on capital employed						
Other targets	Other targets can include growth in customer accounts, safety, sales per full-time employee and support centre cost control.						
Individual targets	Remuneration Committee assessment of individual targets determines the multiplier for the final STI outcome. In FY25 these targets included execution of initiatives including operational excellence, accelerating innovation and investing for profitable growth.						
How much can an Executive earn?	The CEO’s performance-based STI at target is 100% of base salary with a maximum of 200%. The Group President & MD and CFO’s performance-based STI at target is 100% and 75% respectively of base salary with a maximum of 150%. There is no payment in the event the minimum performance targets, as set by the Remuneration Committee annually, are not met.						
How and when is it paid?	The STI is paid in cash within 90 days of completion of the Group’s financial statements. The Remuneration Committee elects to pay all STIs in cash to provide timely reward to Executive KMP for achievement of annual objectives.						

¹ The multiplier can either increase or decrease the final STI outcome.

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7.2 Balanced scorecard outcome – Chairman and CEO

The table below outlines the performance targets and outcomes for the Chairman & CEO for FY25.

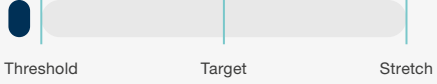
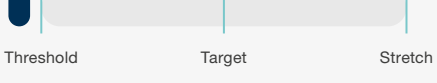
Objective	Weighting	Commentary	FY25 Outcome
EBIT Growth	30%	Below Threshold. EBIT growth is calculated as the percentage change in EBIT compared to the prior comparative period, calculated on a constant currency basis. Group EBIT decreased 20% from prior year, which was below threshold. This result reflects challenging trading conditions whilst continuing to invest in the business, including three bolt-on acquisitions and continued expansion of the branch network with 39 new branches across the Group.	
EBIT Margin	20%	Between Threshold and Target Outcome. EBIT Margin is calculated as EBIT divided by Sales. The Group's EBIT margin for the year was 6.1%, below target. This result reflects continued investment in the business through a soft trading environment.	
ROCE	30%	Below Threshold. ROCE is calculated as EBIT divided by Capital Employed (being accounts receivable, inventory, PPE less accounts payable). The contraction of EBIT combined with investment in network expansion and net working capital were the key drivers of ROCE performance against target.	
Other Targets			
Strategic initiatives	20%	Between Target and Stretch Outcome. Strategic initiatives include strategic focus areas such as developing/investing in the capability of leaders, succession planning and embedding digitisation capabilities. During the year the Group reset the leadership team, invested in digital capabilities with the strategic acquisition of Shadowboxer and launched the maX app the US.	
Individual Targets			
Specific annual objectives	Multiplier ¹	Between Target and Stretch Outcome. Individual performance objectives include metrics such as safety and people, customer experience, sustainability measures, culture and risk management. During the year, the Group invested in leadership capability, invested in succession planning including the leadership reset and refreshed the Board.	

¹ The multiplier can either increase or decrease the final STI outcome.

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7.3 Balanced scorecard outcome – executive KMP

The table below outlines the performance targets and outcomes for the Group President & MD, and the CFO for FY25.

Objective	Weighting	Commentary	FY25 Outcome
EBIT Growth	25%	Below Threshold. EBIT growth is calculated as the percentage change in EBIT compared to the prior comparative period, calculated on a constant currency basis. Group EBIT decreased 20% from prior year, which was below threshold. This result reflects challenging trading conditions whilst continuing to invest in the business, including three bolt-on acquisitions and continued expansion of the branch network with 39 new branches across the Group.	
EBIT Margin	20%	Between Threshold and Target Outcome. EBIT Margin is calculated as EBIT divided by Sales. The Group's EBIT margin for the year was 6.1%, below target. This result reflects soft trading conditions and continued investment in the business.	
ROCE	25%	Below Threshold. ROCE is calculated as EBIT divided by Capital Employed (being accounts receivable, inventory, PPE less accounts payable). The contraction of EBIT combined with investment in network expansion and net working capital were the key drivers of ROCE performance against target.	
Other Targets			
Strategic initiatives	30%	Between Target and Stretch Outcome. Strategic initiatives include strategic focus areas such as developing/investing in the capability of leaders, succession planning and embedding digitisation capabilities. During the year the Group reset the leadership team, invested in digital capabilities with the strategic acquisition of Shadowboxer and launched the maX app the US. Discretionary cost management and optimising the network resulted to some changes within the support centre.	
Individual Targets			
Specific annual objectives	Multiplier ¹	Between Target and Stretch Outcome. Individual performance objectives include metrics such as safety and people, customer experience, sustainability measures, culture and risk management. During the year, the Group invested in leadership capability, invested in succession planning including the leadership reset and refreshed the Board.	

¹ The multiplier can either increase or decrease the final STI outcome.

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7.4 Balanced scorecard outcome (continued)

The table below outlines the STI outcomes for individual Executives during FY25.

Executive	Actual STI	STI maximum opportunity	STI outcome as a percentage of maximum	STI outcome as a percentage of target
	(\$000's)	(\$000's)	%	%
Peter Wilson CEO	1,517	5,000	30%	61%
Sasha Nikolic Group President and MD	565	2,250	25%	37%
Andrew Young CFO	216	1,275	17%	34%

8. Executive KMP long-term incentives (LTI)

8.1 FY25 LTI Performance Outcomes

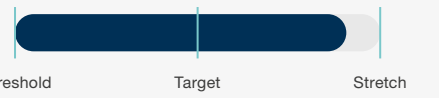
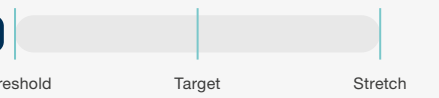
The FY21 share options and FY22 performance rights vest subject to the satisfaction of an EPS CAGR hurdle, with the measurement period ending 30 June 2025. The measurement period is five years for the FY21 grant and four years for the FY22 grant resulting in the grants both vesting in the current period.

The awards vest in accordance with the following vesting schedules.

2021 grant	EPS CAGR	Level of vesting
Stretch	≥ 8%	100%
Between threshold and stretch	> 2% & < 8%	Pro rata vesting on a straight line basis between 50% and 100%
Threshold	2%	50%
Below threshold	< 2%	Nil

2022 grant	EPS CAGR	Level of vesting
Stretch	≥ 10%	100%
Between threshold and stretch	> 5% & < 10%	Pro rata vesting on a straight line basis between 50% and 100%
Threshold	5%	50%
Below threshold	< 5%	Nil

The Remuneration Committee determined the vesting outcomes, as detailed below. The FY21 options carry an exercise price of \$14.46 and can only be exercised from 1 July 2027 until expiry. The FY22 performance rights do not carry an exercise price.

Hurdle and performance measurement period	FY25 Outcome	EPS CAGR	LTI vested (number of options/rights)	LTI lapsed (number of options/rights)
FY21 share options EPS CAGR 1 July 2021 – 30 June 2025		6.7%	238,956	28,632
FY22 performance rights EPS CAGR 1 July 2022 – 30 June 2025		2.8%	Nil	129,838

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8.2 Legacy US Cash LTI Plan Performance Outcomes

The MORSCO Executive Long Term Incentive Plan (LTI plan) was established in 2018 as part of the Group’s \$1.91 billion (US\$1.4 billion) acquisition of the MORSCO business. This acquisition was an opportunity to access a large, fragmented and strategic platform in the US Sun Belt region. Integration was critical and Reece made a strategic investment relocating key experienced Australian employees to the US to collaborate and share industry knowledge and expertise. The LTI assisted with rewarding, retaining and motivating participants and aligning the interests of eligible participants with shareholders of Reece.

The cash based LTI plan incentivised executives to outperform US business case targets over the six and a half year period from 1 July 2018 until 31 December 2024, subject to continued employment with Reece over the vesting period.

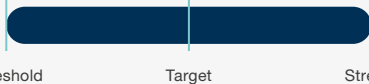
Sasha Nikolic was a participant in the LTI plan and integral to driving performance, transforming the newly acquired business and embedding the Reece culture. Sasha, previously Reece USA CEO, moved to Group President & MD from 1 July 2024 with James Healy appointed as the CEO Reece USA successor.

The table below outlines the key elements of the LTI structure for US-based Executive KMP.

How is the LTI award structured?	For US-based Executive KMP, the LTI is awarded in cash rather than performance rights.
What is the performance or measurement period?	The performance period is from 1 July 2018 until 31 December 2024, six and a half years.
How is performance measured?	The metrics are based on achieving annual Reece USA adjusted EBITDA and ongoing employment with Reece US as approved by the Remuneration Committee and the Board.
What is the performance period?	The cash award for the US CEO is subject to vesting conditions at the end of the performance period, ending December 2024. This is in line with the agreed period for initial business transformation post the acquisition of Reece US.
What are the targets?	Threshold target of 5% CAGR for Reece USA adjusted EBITDA with pro-rata vesting until the stretch target of 10% CAGR for Reece USA adjusted EBITDA.
What are the vesting considerations?	There is no payment if minimum threshold is not met, or if the Executive resigns from the Company prior to the end of the plan.
How and when is it paid?	This was paid in cash at the end of the six and a half year performance period, 31 December 2024.

The LTI plan included annual adjusted EBITDA growth targets. Adjusted EBITDA is a non-IFRS measure, which is determined by adjusting for the adoption of AASB 16 Leases and subtracting any impact from acquisitions during this period. The LTI plan incentivised outperformance in the event the following CAGR hurdles were met: 5% threshold and 10% at stretch over the six and a half year vesting period. During this period, sales for Reece USA increased by 1.6x and EBIT increased by 2.4x.

Throughout the vesting period, milestone payments amounting to \$3,045,751 were made in accordance with the LTI plan and disclosed in the Remuneration Reports. In the FY24 Remuneration Report, section 8.4 disclosed the outstanding value of the LTI based on five years of outperformance against established targets of \$11,165,642. The final milestone payment of \$13,031,068 was made in accordance with the stretch outcome achieved, adjusted EBITDA CAGR greater than 10%. The Board assessed this vesting outcome and did not apply any discretion.

Objective	Weighting	Commentary	FY25 Outcome
US EBITDA	100% 	At Stretch Outcome. US EBITDA is a non-IFRS measure, which is determined by adjusting for the adoption of AASB 16 Leases and subtracting any impact from acquisitions during this period. The US delivered strong EBITDA performance over the six and a half year period and outperformed EBITDA growth targets established.	

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8.3 Equity LTI plans

The LTI assists in the reward and retention of senior Executives and aligns the interests of eligible participants with shareholders of Reece. The table below outlines the key elements of the equity LTI structure.

How is the LTI award structured?	The FY25 grant comprises 80% performance rights and 20% retention rights. The participants will be entitled to receive one ordinary share for each right following vesting.
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How is performance measured?	Performance rights The FY25 performance right grant includes two performance metric hurdles: EPS, which is measured on a compound annual growth rate (CAGR) and average Return on Capital Employed (ROCE, as defined below). These performance metrics are evenly weighted at 50% each and were selected as they provide a strong correlation with the creation of shareholder value. For LTI purposes, EPS reflects the audited statutory definition and ROCE is calculated according to the formula below.
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$$\text{ROCE} = \frac{\text{EBIT}}{\text{Shareholders' equity} + \text{net debt}}$$

$$\text{EPS} = \frac{\text{Net profit after tax}}{645,984,181 \text{ shares}}$$

* The definition of ROCE in the LTI plan differs from the metric used in the STI balanced scorecard.

Only if the Remuneration Committee considers incentive outcomes are not a reasonable reflection of Executive or Group performance would the Remuneration Committee apply discretion to adjust the incentive outcomes. The Committee anticipates this discretion would only be applied in exceptional circumstances.

The awards will vest in accordance with the following vesting schedule.

2025 grant	EPS CAGR	Average ROCE	Level of vesting
Stretch	≥ 5.5%	≥ 15.5%	130%
Between threshold and stretch	> 1.5% & < 5.5%	> 14.5% & < 15.5%	Pro rata vesting on a straight line basis between 50% and 100%
Threshold	1.5%	14.5%	50%
Below threshold	< 1.5%	< 14.5%	Nil

How are the targets set?	The LTI includes two hurdles: EPS CAGR and ROCE. The targets for these hurdles are established annually by the Remuneration Committee and approved by the Board. The targets are aligned to the 2030 vision and draw on internal forecasts, historical performance data, and external economic information. The aim is to set challenging but achievable goals that reflect the company's growth ambitions while delivering long-term growth.
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What is the performance period?	Performance rights are subject to the vesting conditions being assessed at the end of the three-year performance period (2024: three-year performance period). Retention rights will vest at the end of the five-year period if the participant is still employed by the Group.
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8.3 Equity LTI plans (cont.)

How much can an Executive KMP earn?	The Chairman & CEO is eligible to receive an annual LTI grant equivalent to 250% of base salary at stretch performance. The Group President and MD, and CFO are eligible to receive an annual LTI grant up to 150% and 100% respectively of base salary at stretch performance.
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How are the LTI grants tested for vesting?	The FY21 and FY22 grants were tested during the current financial year and are subject to a five-year and four-year EPS CAGR hurdle, respectively (refer to section 8.1).
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How and when is it paid?	Performance rights and retention rights convert to ordinary shares after the vesting period if the performance conditions have been met. The Company will settle performance rights and retention rights using market purchased shares. No new shares will be issued. The Remuneration Committee in its discretion may settle in cash.
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What happens if an Executive leaves?	The Executive is not entitled to the unvested performance rights. The Remuneration Committee has the ability to apply discretion in limited circumstances.
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What happens in a change of control?	In the unlikely event of a change of control, the Remuneration Committee has absolute discretion to determine how to deal with the Executive's unvested performance rights.
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What other grants remain on foot?	In addition to the FY25 grant disclosed above, the FY23 and FY24 performance right grants remains on foot. These performance rights have two performance metric hurdles: EPS CAGR and average ROCE as defined above. These will be assessed for vesting at the end of a four-year performance period. Details of the FY24 grant is included in the table below.			
2024 grant	EPS CAGR	Average ROCE	Level of vesting	
Stretch	≥ 7%	≥ 17.5%	100%	
Between threshold and stretch	> 3% & < 7%	> 15% & < 17.5%	Pro rata vesting on a straight line basis between 50% and 100%	
Threshold	3%	15%	50%	
Below threshold	< 3%	< 15%	Nil	

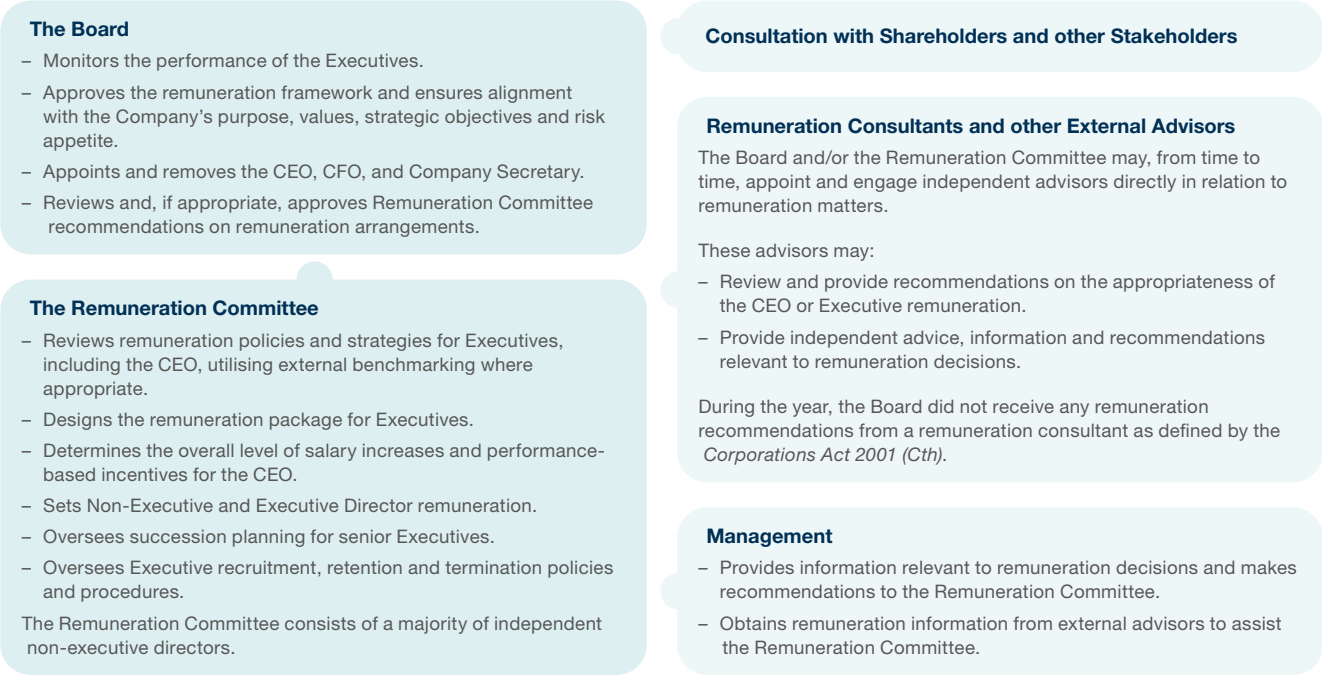
8.4 Executive KMP service arrangements

The table below outlines Executive KMP service arrangements.

Individual	Terms of agreement	Notice period for employee and employer	Termination payment ¹
Peter Wilson	Ongoing	12 months	Nil
Sasha Nikolic	Ongoing	9 months	Nil
Andrew Young	Ongoing	6 months	Nil

¹ Base salary payable if the Company terminates the executive with notice and without cause. In the event of gross negligence or gross misconduct, the Company may terminate the executive agreement immediately by notice in writing and without payment in lieu of notice.

9. Remuneration governance



The graphic below outlines the remuneration governance framework between the governing bodies, stakeholders and external advisors.

9.1 Other governance practices

Governance provisions	Detail
Conflicts of interest	The Board recognises the importance of robust governance in remuneration decision-making, particularly where the roles of Chairman and CEO are held by the same individual. To manage potential conflicts of interest, the Chairman & CEO is excluded from all discussions and decisions relating to their own remuneration. These matters are overseen by the Remuneration Committee, which is comprised primarily of independent Non-Executive Directors. This ensures that remuneration outcomes are determined objectively, in line with market practice and shareholder expectations.
Board discretion	The Board and the Remuneration Committee consider it essential to be able to exercise discretion regarding Executive KMP remuneration outcomes so that they appropriately reflect both the individual and the Group's performance while aligning with the experience of our shareholders. The Board retains the discretion to increase, reduce, defer or cancel variable awards in exceptional circumstances, including reducing variable outcomes to nil. The Board has the discretion to set the terms and conditions on which it will grant awards under Reece LTI Plan, including the vesting conditions and modification of the terms and conditions as appropriate to ensure the plan operates as intended. Only if the Remuneration Committee considers incentive outcomes are not a reasonable reflection of Executive or Group performance would the Remuneration Committee apply discretion to adjust the incentive outcomes. The Committee anticipates that this discretion would only be applied in exceptional circumstances.
Malus and clawback	Malus and clawback terms and conditions are incorporated in Reece's remuneration framework. These provisions allow the Board to withhold or reclaim bonuses and incentives in cases of fraud, defalcation, gross misconduct or material financial misstatement. These clauses ensure accountability and protect Reece and our shareholders from potential financial and reputational damage. The Board may cancel variable remuneration or recover variable remuneration awarded in previous financial years. This includes unvested or vested rights and restricted shares. During the year, there has been no enactment of these provisions.
Minimum shareholding requirement	Last year the Board introduced minimum shareholding requirement for Non-Executive Directors. The Board believes the interests of non-Executive Directors should be closely aligned to those of shareholders through exposure to the Company's share price and dividends. Non-Executive Directors are now required to maintain a minimum holding of shares in the Company that is equal to 100% of base fees. The Board retains discretion to allow Executive Directors to vary from this requirement. Refer to section 11.4 for Executive KMP shareholdings. Effective from 1 August 2025, Reece has introduced a minimum shareholding guidelines for Executive KMP. This addition builds on the current requirements for Non-Executive Directors to include KMP. Executive KMP are now required to maintain a minimum holding of shares in the Company that is equal to 50% of fixed remuneration. Unvested performance rights and options are not included in the calculation of the minimum shareholding requirement and a 5-year transitional period in which to acquire the required shareholding applies. The Board retains discretion to allow Executive KMP to vary from this requirement.
Share trading policy	The Company's Share Trading Policy prohibits Directors, KMP, employees and their associates from trading in the Company's securities while in possession of material non-public information. This prohibition extends to the Company and those of its controlled and associated entities. In addition, Directors, KMP and employees are prohibited from trading in the Company's securities outside prescribed trading periods. This policy ensures compliance with insider trading laws, protects Reece's reputation and maintains confidence in trading the Company's securities.

10. Non-Executive Director (NED) remuneration

Non-Executive Director (NED) fees include base fees and committee fees (inclusive of superannuation). The committee fees reflect the additional time commitment required for Board committees on which they may serve from time to time. The maximum fee pool amount available for Non-Executive Directors is \$2,500,000, as approved by shareholders at the 2022 Annual General Meeting.

NEDs are not entitled to receive any performance-based incentives, non-cash benefits or retirement benefits other than statutory superannuation. NEDs with substantial shareholdings (>5%) are not eligible to receive additional fees for Committee membership.

Standard Base Fees	Annual fee (\$000's)	Standard Committee Fees	Chair (\$000's)	Member (\$000's)
Chair	525	Audit and Risk Committee	40	20
Lead Independent	320	Remuneration Committee	30	15
Independent	180			
Substantial shareholder	90			

11. Additional Statutory disclosures

11.1 Executive Director and CFO remuneration outcomes

The table below sets out the remuneration of Executives of Reece Group.

Executives		Short-term benefits			Post employment benefits	Other long-term benefits		Share based payments	Total	Perf-ormance based
		Base salary (\$000's)	Short-term incentive (\$000's)	Other short-term benefits ² (\$000's)	Super-annuation (\$000's)	Long-term incentive (\$000's)	Other long-term benefits ³ (\$000's)	Awards ⁴ (\$000's)	(\$000's)	%
Peter Wilson	FY25	2,500	1,517	(28)	30	-	68	(622)	3,465	26
	FY24	2,450	3,185	(11)	27	-	233	2,773	8,657	69
Sasha Nikolic	FY25	1,535	565	426	30	2,295	5	401	5,257	62
	FY24	1,076	1,357	342	40	1,363	-	-	4,178	65
Andrew Young ¹	FY25	850	216	36	30	0	7	191	1,330	31
	FY24	525	445	268	21	-	3	140	1,402	42
Remuneration totals	FY25	4,885	2,298	434	90	2,295	80	(30)	10,052	45
	FY24	4,051	4,987	599	88	1,363	236	2,913	14,237	65

¹ Andrew commenced being CFO on 1 October 2023. Other short-term benefits in FY24 includes a payment to compensate Andrew for incentives that were forfeited or forgone with his prior employer, due to his acceptance of the role with Reece.

² Other short-term benefits includes allowances, non-monetary benefits and the net change in accrued annual leave within the period. The accounting value may be negative where an Executive takes more annual leave than they accrue during the period.

³ Other long-term benefits includes the net change in accrued long service leave within the period.

⁴ Share-based payments reflect accounting values accrued for plans on foot during the period. The accounting value may be negative when the forecasted level of vesting has been revised downwards from prior period estimates. Long-term incentives that vested during the period are included within take home remuneration disclosed in section 3.1. More information about the vesting of long-term incentives is in section 8 of this report.

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11.2 Non-Executive Director remuneration outcomes

The table below sets out the remuneration of Non-Executive Directors of Reece Group.

Directors ^{3,4}		Salary and fees	Non-monetary and other benefits ¹	Post-employment benefits ²	Total
		(\$000's)	(\$000's)	(\$000's)	(\$000's)
Ross McEwan	FY25	218	-	23	241
	FY24	-	-	-	-
Gavin Street	FY25	88	-	10	98
	FY24	-	-	-	-
Andrew Wilson	FY25	81	-	9	90
	FY24	81	-	9	90
Bruce C. Wilson	FY25	81	-	9	90
	FY24	81	-	9	90
Megan Quinn	FY25	193	-	22	215
	FY24	194	-	21	215
Angela Mentis	FY25	122	-	14	136
	FY24	-	-	-	-
Alan Wilson ⁵	FY25	450	21	20	491
	FY24	675	46	27	748
Tim Poole	FY25	248	-	15	263
	FY24	497	-	28	525
Karen Penrose	FY25	47	-	6	53
	FY24	122	-	15	137
Remuneration totals	FY25	1,528	21	128	1,677
	FY24	1,650	46	109	1,805

¹ Reflects value of motor vehicle provided to Alan Wilson, pro-rated for the period he was a KMP.
² Reflects value of superannuation for FY25.
³ Ross, Angela and Gavin commenced as directors during FY25.
⁴ Alan, Karen and Tim ceased to be directors during FY25, with Ross stepping down on 30 June 2025.
⁵ Alan's salary and fees includes a Director fee and consulting fees for his expertise and advisory role as a Founder (Plumbing). Consulting rates have been benchmarked to external data. Alan's FY25 remuneration has been pro-rated for the period he was a KMP.

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11.3 Executive LTI plan outstanding

In the current year the Chairman & CEO was issued with 187,759 performance rights (2024: 248,227) and 46,940 retention rights (2024: Nil). There were no share options or performance rights exercised or expired during FY25. The Chairman & CEO's FY21 and FY22 grants were tested for vesting at 30 June 2025. The FY21 grant vested between target and stretch, however no vesting occurred under the FY22 grant as thresholds were not met.

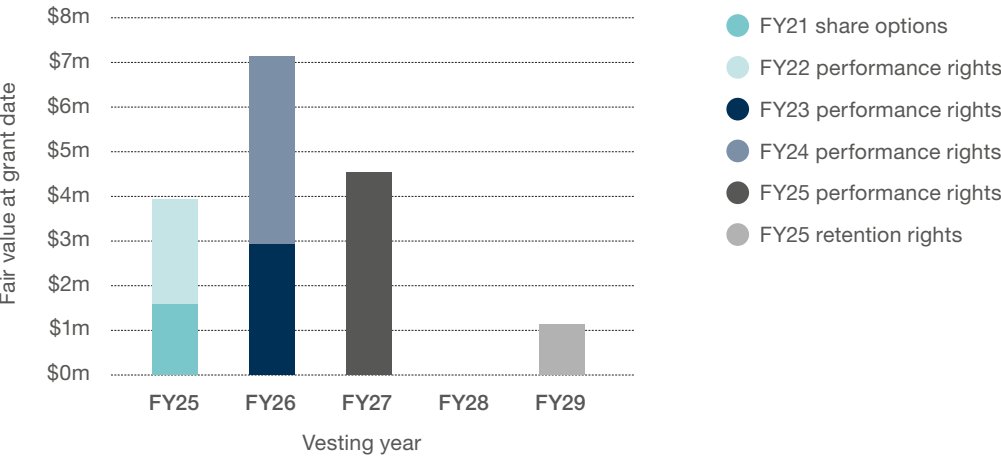
The Group President & MD was granted 67,593 performance rights and 16,898 retention rights under the FY25 plan.

No share options or performance rights granted to KMP were forfeited or cancelled during or subsequent to year end or to the date of this report. Vested LTI grants in FY25 reflect the challenging environment impacted by housing market slowdowns in ANZ and USA along with interest rate affordability pressures.

The fair value of the rights granted in FY25 was \$23.71, which was determined at the grant date in accordance with AASB 2 Share-based payments. The table below outlines each grant on foot for Executive KMP during the financial year.

Executive	Award	Grant date	Exercise price	Vesting date	Expiry date	Number of options/rights	Fair value at grant date
Peter Wilson Chairman & CEO	FY25 rights	24 October 2024	\$Nil	30 June 2027/ 30 June 2029	24 October 2039	234,699	\$5,564,713
	FY24 rights	26 October 2023	\$Nil	30 June 2026	13 October 2038	248,227	\$4,197,519
	FY23 rights	27 October 2022	\$Nil	30 June 2026	13 October 2037	205,598	\$2,948,275
	FY22 rights	28 October 2021	\$Nil	30 June 2025	27 October 2036	129,838	\$2,338,382
	FY21 options	29 October 2020	\$14.46	30 June 2025	29 October 2035	267,588	\$1,597,500
Sasha Nikolic Group President & MD	FY25 rights	24 October 2024	\$Nil	30 June 2027/ 30 June 2029	24 October 2039	84,491	\$2,003,282
Andrew Young Group CFO	FY25 rights	24 October 2024	\$Nil	30 June 2027/ 30 June 2029	24 October 2039	31,919	\$756,799
	FY24 rights	26 October 2023	\$Nil	30 June 2026	13 October 2038	35,461	\$599,646

The chart below displays all LTI grants on foot for the Chairman & CEO as at 30 June 2025, by vesting year.



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11.4 Equity Movements

KMP equity movements

The table below outlines equity movements for Directors and Executives during the financial year.

The Reece Directors Shareholding Policy was amended in June 2024 to mandate a minimum shareholding of Reece shares for Non-Executive Directors. Non-Executive Directors have transition relief of three years to increase their current shareholding to meet the minimum required under the policy. From FY26, the Board will introduce a minimum shareholding guide for KMPs of 50% of fixed based with transition relief of five years to meet this requirement.

Wilson Family Holdings

- During the year, there was a change of directors’ interests for Leslie A. Wilson and Peter Wilson, which was the result of the internal movement of shares within the Wilson family holding. There was no change to the aggregate Wilson family holding post this transaction.
- Peter Wilson, Andrew Wilson and Bruce Wilson all have relevant interests in the shares held by Two Hills Holdings Pty Ltd due to a pre-emptive rights agreement as part of the aggregated Wilson Family holdings. There are 21 parties to this pre-emptive agreement, and they do not have the rights to demand these shares.
- Peter Wilson has a direct holding of 532,500 shares and indirect holding of 121,636,288 shares through aggregated Wilson family holdings and trust structures as disclosed in his Director Shareholding Notices.

	Balance as at 30 June 2024	Equity received as remuneration	Equity acquired / disposed of	Balance as at 30 June 2025	Minimum shareholding requirement compliance
Directors					
Ross McEwan ²	-	-	30,000	30,000	Compliant ⁴
Gavin Street ²	23,000	-	2,237	25,237	Compliant ⁴
Andrew Wilson ¹	120,168,788	-	-	120,168,788	Compliant ⁴
Bruce C. Wilson ¹	120,168,788	-	-	120,168,788	Compliant ⁴
Megan Quinn	-	-	-	-	Compliant ⁴
Angela Mentis ²	2,500	-	4,500	7,000	Compliant ⁴
Alan Wilson ³	359,709,180	-	(2,000,000)	357,709,180	Compliant ⁴
Tim Poole ³	15,865	-	-	15,865	Compliant ⁴
Karen Penrose ³	5,884	-	-	5,884	Compliant ⁴
Executives					
Peter Wilson ¹ Chairman & CEO	120,168,788	-	2,000,000	122,168,788	N/A
Sasha Nikolic Group President & MD	26,315	-	350	26,665	N/A
Andrew Young CFO	-	-	-	-	N/A

¹ Bruce, Andrew and Peter all have relevant interests in the shares set out in the various substantial holder notices lodged by Two Hills Holdings Pty Ltd by virtue of the Pre-Emptive Rights Agreement (Pre-Emptive Shares), even though they do not have the right to demand the Pre-Emptive Shares. These holdings have been included within the Director and Executive shareholdings.

² Ross, Angela and Gavin commenced as directors during FY25. The opening balance of the shareholding reflects the number of shares held on the day they commenced as director.

³ Alan Wilson, Karen and Tim ceased to be directors during FY25, with Ross stepping down on 30 June 2025. The closing balance of the shareholding reflects the number of shares held on the day they ceased to be KMP.

⁴ The Group introduced a Minimum Shareholding Policy for Non-Executive Directors in FY24, Non-Executive Directors have three years to build up their shareholding to comply with this requirement.

Remuneration Report
(Audited)

11.5 Securities Dealing Policy

The Reece Securities Dealing Policy prohibits designated Reece personnel, which includes Executives and Directors, from entering into any arrangements that would have the effect of limiting their exposure relating to Reece shares, including vested Reece shares or unvested entitlements to Reece shares under Reece employee incentive schemes.

11.6 AGMs

At our most recent Annual General Meeting, 34.46% of the votes cast were against the FY24 remuneration report (a first strike). In this report we have shared the feedback provided by stakeholders and our response.

This concludes the Remuneration Report (Audited). Dated at Melbourne on 25 August 2025. Signed in accordance with a resolution of Directors.

G.W. Street
Acting Chair, Remuneration Committee



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 audit of Reece Limited for the financial year ended 30 June 2025 there have been:

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

KPMG
KPMG

Julie Carey

Partner

Melbourne

25 August 2025

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2025

	Note	2025 (\$000's)	2024 (\$000's)
Revenue from sale of goods	2.2	8,978,382	9,104,772
Cost of sales	2.3	(6,420,175)	(6,499,068)
Gross profit		2,558,207	2,605,704
Other income		3,000	8,042
Selling and administrative expenses		(2,012,996)	(1,932,356)
Earnings before interest and tax		548,211	681,390
Finance costs (net)	2.3	(97,614)	(91,809)
Profit before income tax expense		450,597	589,581
Income tax expense	2.5	(133,660)	(170,410)
Net profit for the year		316,937	419,171
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations, net of tax		24,393	(483)
Change in fair value of effective cash flow hedges, net of tax		(1,757)	(3,170)
Total comprehensive income, net of tax		339,573	415,518
Basic earnings per share	2.4	49 cents	65 cents
Diluted earnings per share	2.4	49 cents	65 cents

Consolidated Statement of Financial Position

As at 30 June 2025

	Note	2025 (\$000's)	2024 (\$000's)
Current assets			
Cash and cash equivalents	3.1	275,411	341,380
Trade and other receivables	3.2	1,376,482	1,369,302
Inventories	3.3	1,617,171	1,496,348
Total current assets		3,269,064	3,207,030
Non-current assets			
Property, plant and equipment	3.5	1,036,267	909,369
Right-of-use assets	3.4	985,941	892,369
Investments		20,368	22,980
Intangible assets	3.6	2,015,561	1,983,219
Deferred tax assets	2.5	90,252	79,902
Total non-current assets		4,148,389	3,887,839
Total assets		7,417,453	7,094,869
Current liabilities			
Trade and other payables	3.7	1,257,368	1,240,395
Lease liabilities		149,293	135,847
Current tax liability	2.5	2,053	560
Provisions	3.8	100,267	102,088
Derivative financial instruments	4.3	1,879	122
Total current liabilities		1,510,860	1,479,012
Non-current liabilities			
Interest-bearing liabilities	4.1	865,728	859,322
Lease liabilities		956,196	837,094
Deferred tax liabilities	2.5	28,903	21,097
Provisions	3.8	10,449	14,201
Total non-current liabilities		1,861,276	1,731,714
Total liabilities		3,372,136	3,210,726
Net assets		4,045,317	3,884,143
Equity			
Contributed equity	4.4	1,246,918	1,246,918
Reserves	4.4	194,226	193,338
Retained earnings		2,604,173	2,443,887
Total equity		4,045,317	3,884,143

Consolidated Statement of Cash Flows

For the year ended 30 June 2025

	Note	2025 (\$000s)	2024 (\$000's)
Cash flow from operating activities			
Receipts from customers		9,687,539	9,736,723
Payments to suppliers and employees		(8,848,524)	(8,700,122)
Interest received		10,293	12,502
Finance costs paid		(56,094)	(68,933)
Interest repayments on leases		(47,500)	(35,378)
Income tax paid		(145,931)	(193,887)
Net cash from operating activities	3.1(a)	599,783	750,905
Cash flow from investing activities			
Purchase of property, plant and equipment		(241,888)	(236,310)
Proceeds from sale of property, plant and equipment		9,021	15,911
Payment for intangible assets		(16,494)	(21,665)
Purchase of controlled entities and investments, net of cash acquired		(93,139)	(1,896)
Net cash used in investing activities		(342,500)	(243,960)
Cash flow from financing activities			
Proceeds from borrowings		97,358	438,596
Repayments of borrowings		(100,366)	(677,771)
Dividends paid	4.5	(156,651)	(161,496)
Principal repayments on leases		(141,315)	(138,131)
Payments for shares purchased for employee share trust		(22,555)	-
Net cash used in financing activities		(323,529)	(538,802)
Net increase/(decrease) in cash and cash equivalents		(66,246)	(31,857)
Net foreign exchange translation difference		277	531
Cash and cash equivalents at the beginning of the year		341,380	372,706
Cash and cash equivalents at the end of the year	3.1	275,411	341,380

Consolidated Statement of Changes in Equity

For the year ended 30 June 2025

	Note	Contributed equity (\$000's)	Reserves (\$000's)	Retained earnings (\$000's)	Total equity (\$000's)
Balance as at 1 July 2023		1,246,918	192,294	2,186,212	3,625,424
Net profit for the year		-	-	419,171	419,171
Exchange differences on translation of foreign operations, net of tax		-	(483)	-	(483)
Change in fair value of effective cash flow hedges, net of tax		-	(3,170)	-	(3,170)
Total comprehensive income for the year, net of tax		-	(3,653)	419,171	415,518
Transactions with owners in their capacity as owners:					
Share-based payments	6.2	-	4,697	-	4,697
Dividends paid	4.5	-	-	(161,496)	(161,496)
Total transactions with owners in their capacity as owners		-	4,697	(161,496)	(156,799)
Balance as at 30 June 2024		1,246,918	193,338	2,443,887	3,884,143
Balance as at 1 July 2024		1,246,918	193,338	2,443,887	3,884,143
Net profit for the year		-	-	316,937	316,937
Exchange differences on translation of foreign operations, net of tax		-	24,393	-	24,393
Change in fair value of effective cash flow hedges, net of tax		-	(1,757)	-	(1,757)
Total comprehensive income for the year, net of tax		-	22,636	316,937	339,573
Transactions with owners in their capacity as owners:					
Share-based payments	6.2	-	807	-	807
Shares purchased for employee share trust		-	(22,555)	-	(22,555)
Dividends paid	4.5	-	-	(156,651)	(156,651)
Total transactions with owners in their capacity as owners		-	(21,748)	(156,651)	(178,399)
Balance as at 30 June 2025		1,246,918	194,226	2,604,173	4,045,317

1. Notes to the financial statements

About this report

The financial report covers Reece Limited (‘the Group’ or ‘Reece’) and controlled entities as a Group. 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 nature of the operations and principal activities of the Group are described in note 2.1 Segment reporting.

Statement of material accounting policies

The following is a summary of material accounting policies adopted by the Group in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

The consolidated financial report of the Group for the year ended 30 June 2025 was authorised for issue in accordance with a resolution of the Directors on 25 August 2025.

The financial report is a general purpose financial report that:

- has been prepared in accordance with Australian Accounting Standards, Interpretations, and other authoritative pronouncements of the Australian Accounting Standards Board (AASB), the *Corporations Act 2001*;
- complies with International Financial Reporting Standards and interpretations adopted by the International Accounting Standards Board;
- has been prepared on the historical cost basis, except certain financial instruments which have been measured at fair value;
- is presented in Australian dollars;
- adopts all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the Group and effective for reporting periods beginning on or before 1 July 2024. Refer to note 6.4 for further details; and
- does not early adopt Accounting Standards and Interpretations that have been issued or amended but are not yet effective unless specified in note 6.4.

Key judgements and estimates

In the process of applying the Group’s accounting policies, management has made several judgements and estimates. Those material to the financial report are found in the following notes:

Note reference

- 2.5 Recoverability of deferred tax assets and US inventory tax adjustment
- 3.2 Impairment of trade receivables
- 3.3 Valuation of inventories
- 3.4 Lease term
- 3.5 Impairment of ROU assets and property, plant & equipment
- 3.6 Impairment of goodwill and intangible assets

Basis of consolidation

The consolidated financial statements are those of the Group, comprising the financial statements of the parent entity and of all entities which Reece Limited controlled as at, and for the period ended, 30 June 2025.

The Group controls an entity when it is exposed or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Details of the controlled entities are contained in note 5.1.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies which may exist.

All inter-company balances and transactions, including any unrealised profits or losses, have been eliminated on consolidation.

Foreign currency

Functional and presentation currency

The functional currencies of overseas subsidiaries are New Zealand dollars and United States dollars. The consolidated financial statements are presented in Australian dollars, as this is the parent entity’s functional and presentation currency.

Transactions and balances

As at reporting date, the assets and liabilities of overseas subsidiaries are translated into Australian dollars at the rate of exchange ruling at balance sheet date. Statements of profit or loss are translated at the average exchange rates for the year.

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Rounding of amounts

The parent entity and the Group have applied the relief available under *ASIC Corporations (Rounding in Financial/Directors’ Report) Instrument 2016/191* and accordingly, the amounts in the consolidated financial statements and in the Directors’ Report have been rounded to the nearest thousand dollars, or in certain cases, the nearest dollar (where indicated).

Other accounting policies

Material and other accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

1.1 Basis of preparation and accounting policies

The notes to the financial statements

The notes include information which is required to understand the financial statements, and is material and relevant to the operations, financial position, and performance of the Group. Information is considered material and relevant if, for example, the amount is significant because of its size or nature; it is important for understanding the results of the Group; or it helps to explain the impact of significant changes in the Group’s business, for example acquisitions.

The notes are organised into the following sections:

- 2. Performance:** provides information on the performance of the Group, including segment results, earnings per share and income tax;
- 3. Assets and liabilities:** provides information on the assets used in the Group’s operations and the liabilities incurred as a result;
- 4. Capital management:** provides detail about capital management for the Group and shareholder returns for the year;
- 5. Group:** explains the Group structure and how changes may have affected the financial position or performance of the Group; and
- 6. Other disclosures:** this section provides other disclosures required by Australian Accounting Standards that are considered relevant to understanding the Group’s financial performance or position.

Notes

For the year ended 30 June 2025

2. Performance

This section provides information on the performance of the Group, including segment results, earnings per share and income tax.

2.1 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 operation of the business and comprise Australia and New Zealand (ANZ) and the United States of America (US).

Reece Group is a distributor of plumbing, waterworks, and HVAC-R (heating, ventilation, air conditioning and refrigeration) products. These products are consistent in both geographic locations.

	ANZ		US		Total	
	2025 (\$000's)	2024 (\$000's)	2025 (\$000's)	2024 (\$000's)	2025 (\$000's)	2024 (\$000's)
Revenue from sale of goods	3,882,337	3,845,706	5,096,045	5,259,066	8,978,382	9,104,772
EBITDA ¹	495,332	560,078	405,197	446,722	900,529	1,006,800
Income/(expenses)						
Depreciation	(134,206)	(129,630)	(148,319)	(128,897)	(282,525)	(258,527)
Amortisation	(21,967)	(20,165)	(47,826)	(46,718)	(69,793)	(66,883)
Finance costs (net)	(8,924)	(6,904)	(88,690)	(84,905)	(97,614)	(91,809)
Segment profit before tax	330,235	403,379	120,362	186,202	450,597	589,581
Income tax expense	(103,861)	(123,475)	(29,799)	(46,935)	(133,660)	(170,410)
Segment profit after tax	226,374	279,904	90,563	139,267	316,937	419,171
Current assets	1,416,013	1,388,777	1,853,051	1,818,253	3,269,064	3,207,030
Non-current assets	1,416,334	1,388,187	2,732,055	2,499,652	4,148,389	3,887,839
Total assets	2,832,347	2,776,964	4,585,106	4,317,905	7,417,453	7,094,869
Total liabilities	1,011,826	1,003,704	2,360,310	2,207,022	3,372,136	3,210,726

¹ The Group previously reported Adjusted EBITDA in the segment report however has changed to EBITDA as there are no adjustments to statutory earnings in the current or prior period.

Notes

For the year ended 30 June 2025

2.2 Revenue

	2025 (\$000's)	2024 (\$000's)
Revenue from contracts with customers		
Revenue from sale of goods	8,978,382	9,104,772

Revenue from contracts with customers

The Reece Group is a distributor of plumbing, waterworks and HVAC-R (heating, ventilation, air conditioning and refrigeration) products. Revenue from the sale of these products is recognised at the point in time when control of the product has transferred to the customer. Control of the product is transferred either when the customer picks up the product directly, or on delivery to the location specified by the customer.

For customers who purchase on credit, a receivable is recognised only once the products are either picked up or delivered, when the right to consideration is unconditional.

All revenue is stated net of the amounts of goods and services tax (GST).

2.3 Expenses

	2025 (\$000's)	2024 (\$000's)
Cost of sales	6,420,175	6,499,068
Employee benefits expenses	1,080,443	1,040,968
Depreciation	282,525	258,527
Amortisation	69,793	66,883

The major expenses forming part of the Consolidated Statement of Profit or Loss and Other Comprehensive Income are set out in the table above. Interest revenue is recognised on a proportional basis considering the interest rates applicable to the financial assets.

	2025 (\$000's)	2024 (\$000's)
Finance costs		
Interest income	(10,293)	(12,502)
Interest on debt and borrowings	60,407	68,933
Interest on lease liabilities	47,500	35,378
Total finance costs (net)	97,614	91,809

Notes

For the year ended 30 June 2025

2.4 Earnings per share

	2025 (\$000's)	2024 (\$000's)
Earnings used in calculating basic and diluted earnings per share	316,937	419,171
	(000's)	(000's)
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic and diluted earnings per share	644,176	645,721
	Cents	Cents
The earnings per share (calculated on the weighted average share capital during the year)	49 cents	65 cents

Calculation methodology

Earnings per Share (EPS) is profit for the period from continuing operations attributable to ordinary equity holders of the Company, divided by the weighted average number of ordinary shares during the year. Treasury Shares are excluded from the weighted average number of ordinary shares used in the EPS calculation.

Diluted EPS is calculated on the same basis except that it includes the impact of any potential commitments the Group has to issue shares in the future.

For the period, the potential dilution to the weighted average number of ordinary shares from employee performance rights was immaterial. Between the reporting date and the issue date of the Annual Report, there have been no transactions involving ordinary shares or potential ordinary shares that would impact the calculation of EPS disclosed in the table above.

2.5 Income tax

	2025 (\$000's)	2024 (\$000's)
The components of tax expense:		
Current tax	144,428	180,743
Adjustments for current tax from prior periods	1,931	(324)
Deferred tax	(12,699)	(10,009)
Income tax expense reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income	133,660	170,410

The major components of income tax expense in the Consolidated Statement of Profit or Loss and Other Comprehensive Income are set out in the table above.

Reconciliation of tax expense and accounting profit		
Statutory net profit before tax	450,597	589,581
At Australia's statutory income tax rate of 30% (2024: 30%)	135,179	176,874
US inventory adjustment for LIFO	(4,896)	(3,209)
Adjustments for current tax from prior periods	1,931	(324)
Effect of non-assessable income and non-deductible expenses for tax purposes	2,894	2,771
Difference in geographical tax rates	(1,448)	(5,702)
At the effective income tax rate of 30% (2024: 29%)	133,660	170,410

Notes

For the year ended 30 June 2025

2.5 Income tax (cont.)

Current taxes

Current income tax expense is the tax payable on the current period's taxable income based on the applicable income tax rate, adjusted for changes in deferred tax assets and liabilities. There are no income tax consequences attached to the payment of dividends in either 2025 or 2024 by the Group to its shareholders.

The Australian Government has enacted legislation to apply a global minimum tax ("GMT") at a rate of 15% to multinational enterprise groups headquartered in Australia and an Australian domestic minimum tax for certain multinational enterprise groups with an annual group revenue of at least EUR 750 million. The GMT legislation applies for financial years commencing on or after 1 January 2024.

The Group is of the opinion that the GMT has no financial impact in the current financial year and hence no provisions are required for the GMT in the Australian consolidated financial statements.

The Group has applied the temporary mandatory relief from deferred tax accounting for the impacts of the domestic minimum tax and will account for it as a current tax should it be incurred.

Deferred taxes

Deferred tax assets and liabilities are recognised for temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred tax asset or liability is recognised in relation to temporary differences arising from the initial recognition of an asset or a liability if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for temporary differences and unused tax losses only when it is probable that future taxable amounts will be available to utilise those temporary differences and losses. The Group has \$0.4m of unbooked capital losses relating to its Australian operations (2024: Nil).

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Key judgement – Recoverability of deferred tax assets

Future income tax benefits are recognised on the assumption that no adverse change will occur in the income tax legislation and the anticipation that the company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Key judgement – US inventory tax adjustment

For local taxation purposes, the US segment values inventories using the last-in, first-out ('LIFO') method. Judgement is required in the determination of indices used for evaluating price level changes applied to the inventory on hand. With the assistance of an independent expert, an annual LIFO assessment is prepared for tax purposes, in line with the IRS conformity rule (Treas. Reg. 1.472-2(e)).

The Group recognises the tax impact resulting from the LIFO adjustment as a component of income tax expense which is an outcome of the LIFO assessment prepared by an independent expert.

In accordance with International Financial Reporting Standards, inventories are measured at the lower of cost and net realisable value, refer to note 3.3 for further information.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Deferred tax assets and liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Tax consolidation

Reece Limited (parent entity) and its Australian wholly owned subsidiaries have formed an income tax consolidated group under the tax consolidation legislation. The parent entity is responsible for recognising the current tax liabilities and deferred tax assets and liabilities for the tax consolidated group.

The tax consolidated group has also entered into a tax funding agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

The tax consolidated group also has a tax sharing agreement in place to limit the liability of subsidiaries in the tax consolidated group arising under the joint and several liability requirements of the tax consolidation system in the event of default by the parent entity to meet its payment obligations.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the taxation office. In these circumstances the GST is recognised as part of the cost of acquisition of an asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Notes

For the year ended 30 June 2025

2.5 Income tax (cont.)

	2025 (\$000's)	2024 (\$000's)
Deferred tax assets / (liabilities)		
Employee benefits	45,865	53,501
Depreciation of buildings	(5,347)	(4,160)
Losses available for offset against future taxable income	1,510	221
Provisions	45,758	43,092
Right-of-use assets	(256,257)	(235,577)
Lease liabilities	286,071	257,068
Intangible assets	(67,443)	(67,451)
Other deferred tax assets	16,660	14,578
Other deferred tax liabilities	(5,468)	(2,467)
Total deferred tax assets / (liabilities)	61,349	58,805
Movement in deferred tax balance		
Balance at beginning of year	58,805	48,796
Deferred tax liability from business acquisition	(10,155)	-
Recognised in profit or loss statement	12,699	10,009
Deferred tax balance at end of the year	61,349	58,805
Reconciliation to the statement of financial position		
Deferred tax balance	61,349	58,805
Set-off of deferred tax liabilities	28,903	21,097
Deferred tax asset	90,252	79,902
Current tax (receivable) / payable		
Balance at beginning of the year	(7,560)	6,218
Current tax	144,428	180,743
Tax instalments paid	(145,931)	(193,887)
(Under) / over provision in prior year	1,931	(324)
Other	(1,327)	(310)
Current tax (receivable) / payable at end of the year	(8,459)	(7,560)
Reconciliation to the statement of financial position		
Current tax (receivable) / payable	(8,459)	(7,560)
Set-off of prepaid tax	10,512	8,120
Current tax liability	2,053	560

Notes

For the year ended 30 June 2025

3. Assets and liabilities

This section provides information on the assets used in the Group's operations and the liabilities incurred as a result.

3.1 Cash and cash equivalents

	2025 (\$000's)	2024 (\$000's)
Cash on hand	499	364
Cash on deposit	274,912	341,016
	275,411	341,380

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions and bank overdrafts.

	2025 (\$000's)	2024 (\$000's)
(a) Reconciliation of the net profit after tax to the net cash flows from operations:		
Profit for the period	316,937	419,171
Add / (less) non-cash items:		
(Profit) / loss on sale or disposal of non-current assets	(1,960)	(6,578)
Depreciation	282,525	258,527
Amortisation	69,793	66,883
Foreign exchange translation	1,410	(210)
Share based payment expense	807	4,697
Share of losses from associates	4,234	3,841
Net cash flows from operations before change in assets and liabilities	673,746	746,331
Changes in assets and liabilities		
(Increase) / decrease in receivables	28,685	(35,283)
(Increase) / decrease in inventory	(87,325)	7,857
Increase / (decrease) in payables	378	59,411
Increase / (decrease) in provisions	(3,067)	(1,541)
Increase / (decrease) in income taxes payable	249	(15,944)
(Increase) / decrease in deferred tax assets	(10,742)	(7,304)
Increase / (decrease) in deferred tax liabilities	(2,141)	(2,622)
Net cash flow from operating activities	599,783	750,905

Changes in assets and liabilities excludes the acquired assets and liabilities from acquisitions during the year but includes the subsequent movement from settlement dates.

Notes

For the year ended 30 June 2025

3.2 Trade and other receivables

	2025 (\$000's)	2024 (\$000's)
Trade receivables	1,336,475	1,353,175
Less: Allowance for expected credit losses	(36,200)	(52,081)
	1,300,275	1,301,094
Other receivables	37,435	36,698
Prepayments	38,772	31,510
Total trade and other receivables	1,376,482	1,369,302
Allowance for expected credit losses		
Opening balance at 1 July	(52,081)	(49,099)
Movement in allowance for expected credit losses	15,881	(2,982)
Closing balance at 30 June	(36,200)	(52,081)

Recognition and measurement

Trade receivables generally have terms of up to 30 days. They are recognised initially in accordance with the Group’s revenue policy and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment. Customers who wish to trade on credit terms are subject to credit verification procedures.

In the ANZ region, the Company holds an insurance policy against certain larger customers whereby the Company is compensated in the event of a customer default. In the US region, the Company has an allowance for certain known at-risk customers.

Key judgement – Impairment of trade receivables

Due to economic and operational factors including price inflation and reduction in economic activity, the Group acknowledges a level of uncertainty in industries in which our customers operate. The Group has had regard to actual and forecast cash collection and delinquency trends, indications of any known customers that may be in financial distress and other relevant factors informed by experience and allowing for the existence of credit insurance arrangements in assessing the allowance for expected credit losses.

The Group has no significant concentrations of credit risk as the trade receivables balance is spread across a large number of different customers. The vast majority of the Group's trade receivables are within trading terms. The Group has an active program in place to monitor receivable balances on an ongoing basis and the Group's historical exposure to bad debts is not significant. With respect to trade receivables that are neither impaired nor past due, there are no indications as of the reporting date that the debtors will not meet their payment obligations.

Notes

For the year ended 30 June 2025

3.3 Inventories

	2025 (\$000's)	2024 (\$000's)
Finished goods, at lower of cost and net realisable value	1,751,129	1,608,952
Less: Allowance for slow moving or obsolete inventory	(133,958)	(112,604)
	1,617,171	1,496,348
Allowance for slow moving or obsolete inventory		
Opening balance at 1 July	(112,604)	(96,236)
Movement in allowance for slow moving or obsolete inventory	(21,354)	(16,368)
Closing balance as at 30 June	(133,958)	(112,604)

Recognition and measurement

Inventories are measured at the lower of cost and net realisable value, less an allowance for slow moving or obsolete inventory. Cost is based on the weighted average cost principle. The Group holds finished goods only, purchased from suppliers for the purpose of distribution to trade and retail customers.

Key judgement – Valuation of inventories

An allowance is recognised for the value of inventory that may be sold below cost or otherwise disposed of at a loss. Management applies past experience and judgement on the likely sell-through rates of various items of inventory to identify any excess or obsolete inventory. This assessment requires consideration of the ageing and condition of products on hand, level of inventory on hand, inventory turnover and current market conditions impacting inventory levels and pricing. In assessing the allowance, management also takes into consideration the Group’s business strategy with respect to maintaining adequate inventory to meet customer demand.

Notes

For the year ended 30 June 2025

3.4 Leases

Right-of-use (ROU) assets

The table below shows movements in the carrying amounts of ROU assets during the financial year.

	2025 (\$000's)	2024 (\$000's)
Property		
Carrying amount at beginning of year	866,001	760,999
Additions through business combinations	11,318	-
Additions	174,621	132,483
Reassessments	56,697	115,325
Disposals	(3,808)	(3,790)
Depreciation	(153,201)	(139,257)
Net foreign exchange impact	690	241
Carrying amount at end of year	952,318	866,001
Motor vehicles & other equipment		
Carrying amount at beginning of year	26,368	38,380
Additions through business combinations	711	-
Additions	9,761	3,460
Reassessments	11,338	-
Disposals	(181)	(217)
Depreciation	(14,676)	(15,365)
Net foreign exchange impact	302	110
Carrying amount at end of year	33,623	26,368
Total ROU assets		
Carrying amount at beginning of year	892,369	799,379
Additions through business combinations	12,029	-
Additions	184,382	135,943
Reassessments	68,035	115,325
Disposals	(3,989)	(4,007)
Depreciation	(167,877)	(154,622)
Net foreign exchange impact	992	351
Total carrying amount at end of year	985,941	892,369

Notes

For the year ended 30 June 2025

3.4 Leases (cont.)

Leases

The Group leases various branches, warehouses, offices, motor vehicles and equipment. Rental contracts are typically fixed periods and may have extension options. Lease terms are negotiated on a lease-by-lease basis.

At contract inception the Group assesses whether a contract is or contains a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

A contract may include lease and non-lease components, which are accounted for separately. The consideration in the contract is allocated to each lease and non-lease component based on their relative stand-alone (selling) prices.

ROU assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful life of the asset as follows:

- Property 1 to 20 years
- Motor vehicles & other equipment 1 to 6 years

In situations where ownership transfers to the Group at the end of the lease term, or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated life of the asset.

Where the Group is reasonably certain to exercise a purchase option or pay a penalty to terminate a lease, this is included in the lease term. Variable lease payments that do not depend on an index or a rate are recognised as an expense. The variable lease payments expense not included in the lease liabilities and included in other expenses for FY25 was \$37.5m (2024: \$26.1m).

The present value of lease payments has been calculated by using the Group's incremental borrowing rate at the lease commencement date as the interest rate implicit in the lease is not readily determinable.

Key judgement – Lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. This includes consideration of the broader economics of the contract and not only contractual termination payments. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). For leases of warehouses, retail stores and equipment, the following factors are normally the most relevant:

- if there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- if any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise). The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

Short-term leases and leases of low value assets

The Group applies the short-term lease recognition exemption to its short-term leases of property, motor vehicles and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are low value. Lease payments on short-term leases and leases of low value assets are recognised as an expense on a straight-line basis over the lease term.

Non-cancellable lease commitments

The Group has various lease commitments entered into before 30 June 2025, that have not yet commenced as at 30 June 2025. The future lease payments for these non-cancellable lease contracts are \$4.3m (2024: \$4.8m) within one year, \$19.6m (2024: \$27.3m) between one and five years and \$22.0m (2024: \$48.7m) thereafter.

Notes

For the year ended 30 June 2025

3.5 Property, plant and equipment

Key judgement and estimate – Impairment of ROU assets and property, plant and equipment

Assets subject to annual depreciation or amortisation are reviewed for impairment whenever events or circumstances arise that indicate that the carrying amount of the asset may be impaired.

All assets are assessed for impairment at each reporting date by evaluating whether indicators of impairment exist in relation to the continued use of the asset by the Group.

Impairment triggers include declining product performance, technology changes, adverse changes in the economic environment or future product expectations. An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the higher of its Fair Value Less Costs To Sell (FVLCTS) and Value In Use (VIU).

Recognition and measurement

All classes of property, plant and equipment are stated at cost less depreciation and any accumulated impairment losses.

Land is not depreciated. The depreciable amounts of all other fixed assets are depreciated on a straight-line basis over their estimated useful lives commencing from the time the asset is held ready for use. Fixtures, fittings and equipment are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The useful lives for each class of assets are:

	2025	2024
Buildings	25 years	25 years
Fixtures, fittings & equipment	3 to 20 years	3 to 20 years
Motor vehicles	5 to 8 years	5 to 8 years

Notes

For the year ended 30 June 2025

3.5 Property, plant and equipment (cont.)

The table below shows movements in the carrying amounts of property, plant and equipment during the financial year.

	2025 (\$000's)	2024 (\$000's)
Freehold land		
Carrying amount at beginning of year	243,466	230,842
Additions	17,851	12,278
Disposals	(2,184)	-
Net foreign currency exchange movements	(572)	346
Carrying amount at end of year	258,561	243,466
Buildings		
Carrying amount at beginning of year	102,791	92,491
Additions through business combinations	371	-
Additions	42,723	18,222
Depreciation	(8,722)	(7,855)
Net foreign currency exchange movements	882	(67)
Carrying amount at end of year	138,045	102,791
Fixtures, fittings & equipment		
Carrying amount at beginning of year	439,831	374,276
Additions through business combinations	1,226	-
Additions	131,141	144,372
Disposals	(3,376)	(4,483)
Depreciation	(78,140)	(73,218)
Net foreign currency exchange movements	5,127	(1,116)
Carrying amount at end of year	495,809	439,831
Motor vehicles		
Carrying amount at beginning of year	123,281	89,313
Additions through business combinations	1,727	-
Additions	50,173	61,438
Disposals	(4,069)	(4,376)
Depreciation	(27,786)	(22,832)
Net foreign currency exchange movements	526	(262)
Carrying amount at end of year	143,852	123,281
Total property, plant and equipment		
Carrying amount at beginning of year	909,369	786,922
Additions through business combinations	3,324	-
Additions	241,888	236,310
Disposals	(9,629)	(8,859)
Depreciation	(114,648)	(103,905)
Net foreign currency exchange movements	5,963	(1,099)
Total carrying amount at end of year	1,036,267	909,369

Notes

For the year ended 30 June 2025

3.6 Goodwill and intangible assets

The table below shows movements in the carrying amounts of goodwill and intangible assets during the financial year.

	2025 (\$000's)	2024 (\$000's)
Goodwill		
Carrying amount at beginning of year	1,522,366	1,523,491
Additions through business combinations	36,475	(2,340)
Net foreign currency exchange movements	14,765	1,215
Carrying amount at end of year	1,573,606	1,522,366
Brand names		
Carrying amount at beginning of year	49,800	49,800
Carrying amount at end of year	49,800	49,800
Customer contracts and relationships		
Carrying amount at beginning of year	336,592	366,300
Additions through business combinations	31,078	8,492
Amortisation	(39,982)	(38,937)
Net foreign currency exchange movements	2,904	737
Carrying amount at end of year	330,592	336,592
Trade names		
Carrying amount at beginning of year	15,394	21,808
Amortisation	(5,864)	(6,420)
Net foreign currency exchange movements	17	6
Carrying amount at end of year	9,547	15,394
Software		
Carrying amount at beginning of year	36,693	32,146
Additions	16,494	21,665
Disposals	(5)	(613)
Amortisation	(19,313)	(16,532)
Net foreign currency exchange movements	186	27
Carrying amount at end of year	34,055	36,693
Other intangible assets		
Carrying amount at beginning of year	22,374	27,343
Amortisation	(4,634)	(4,994)
Net foreign currency exchange movements	221	25
Carrying amount at end of year	17,961	22,374
Total intangible assets		
Carrying amount at beginning of year	1,983,219	2,020,888
Additions through business combinations	67,553	6,152
Additions	16,494	21,665
Disposals	(5)	(613)
Amortisation	(69,793)	(66,883)
Net foreign currency exchange movements	18,093	2,010
Total carrying amount at end of year	2,015,561	1,983,219

Notes

For the year ended 30 June 2025

3.6 Goodwill and intangible assets (cont.)

Intangible assets with definite lives are amortised over their useful economic lives and are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of use of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Internally generated intangible assets

The Group internally generates intangible software assets. These assets are recognised only if all the following conditions have been met:

- completion of the intangible asset is technically feasible;
- there is an intention to complete the intangible asset and use or sell it;
- there is an ability to use or sell the intangible asset;

Summary of useful lives:

	2025	2024
Goodwill	Indefinite	Indefinite
Brand names	Indefinite	Indefinite
Customer contracts and relationships	10 to 16 years	10 to 16 years
Trade names	3 to 20 years	3 to 20 years
License	10 years	10 years
Software	3 to 10 years	3 to 10 years

Impairment of non-financial assets

The Group tests ROU assets, property, plant and equipment and intangible assets for impairment to ensure they are not carried above their recoverable amounts:

- at least annually for goodwill; and
- when there is an indication that assets may be impaired (which is assessed at least at each reporting date).

These tests are performed by assessing the recoverable amount of each individual asset, or if this is not possible, the recoverable amount of the cash generating unit (CGU) to which the asset belongs. CGUs are the lowest levels at which assets are grouped and generate separately identifiable cash inflows. The recoverable amount, measured at the asset or CGU level, is the higher of fair value less costs of disposal, or value in use (VIU). VIU calculations are based on the discounted cash flows expected to arise from the asset or CGU.

- the intangible asset will generate probable future economic benefits;
- adequate technical, financial and other resources are available to complete the development and to use or sell the intangible asset; and
- expenditure attributable to the intangible asset can be reliably measured.

Research expenditure, taking place prior to development, is expensed in the period in which it is incurred.

Notes

For the year ended 30 June 2025

3.6 Goodwill and intangible assets (cont.)

The table below shows the carrying amount of goodwill and brand names allocated to each CGU.

	Goodwill		Brand names	
	2025 (\$000's)	2024 (\$000's)	2025 (\$000's)	2024 (\$000's)
MORSCO Inc ('Reece US')	1,429,470	1,390,555	-	-
Actrol Parts Pty Ltd ('Actrol')	119,326	119,326	29,100	29,100
A.C. Components Pty Ltd ('Metalflex')	-	-	20,200	20,200
Other	24,810	12,485	500	500
	1,573,606	1,522,366	49,800	49,800

The Group performed its annual impairment test applying the following assumptions:

	Terminal growth rate		Discount rate (pre-tax)	
	2025 %	2024 %	2025 %	2024 %
MORSCO Inc ('Reece US')	3.0	3.0	11.3	11.3
Actrol Parts Pty Ltd ('Actrol')	2.5	2.5	12.8	12.8
A.C. Components Pty Ltd ('Metalflex')	2.5	2.5	12.7	12.7

The recoverable amounts have been determined based on a value in use calculation using cash flow projections from financial budgets prepared by management. The projected cash flows have been updated to reflect current economic forecasts and business growth opportunities.

Notes

For the year ended 30 June 2025

3.6 Goodwill and intangible assets (cont.)

Key estimate and judgement – Assumptions for impairment testing

On an annual basis management develops a three-year business plan which is used to underpin the assumptions in the impairment testing model. This business plan is then extended for a further two years to allow management to perform impairment testing on a five-year forecast basis. Management has referenced current economic data for the building and construction industry and its experience, to reflect the estimated impact of market conditions in the forecasting period for each CGU as part of the Group's FY25 impairment testing process. Business plans have regard to relevant ongoing economic factors, including housing market activity, inflation and interest rates.

The calculation of value in use for all CGUs are most sensitive to the following assumptions:

- gross margin percentages
- discount rates
- terminal growth rates

Gross margin percentages – gross margin percentages are projected with reference to historical performance, anticipated shifts in product and customer mix, and prevailing market and economic conditions. Management has considered the impact of the constrained US housing market and competitive dynamics of the sector in which the business operates, alongside efficiencies to be realised through ongoing execution of the business strategy.

Discount rates – discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money, individual risks of the underlying assets that have not been incorporated in the cash flow estimates, and the comparable companies that operate broadly in the plumbing, HVAC-R or waterworks product distribution sectors. The discount rate calculation is based on the specific circumstances of the Group and is derived from its weighted average cost of capital (WACC). The WACC considers debt, equity and leases. The cost of equity is derived from the expected return on investment by the Group's shareholders. The cost of debt is based on the interest-bearing financial liabilities the Group is obliged to service, and the cost of leases is based on the interest-bearing lease liabilities for each CGU. Adjustments to the discount rate are made to factor in the specific amount and timing of future tax flows to reflect a post-tax discount rate.

Terminal growth rates – terminal growth rates are based on analysis completed by third party experts using published industry data.

The estimated recoverable amounts for each of the CGUs exceeded their carrying amounts and no impairment has been recognised. Challenging trading conditions in the US residential new construction sector have impacted performance and created uncertainty in forecasting future cash flows for the US CGU. Management has considered a range of scenarios, including a prolonged recovery cycle for the sector. Under all scenarios considered, the recoverable amount exceeds the carrying value, and gross margin assumptions are at least equal to the current year baseline over the five-year forecast period and into the terminal year.

Management has assessed whether a reasonably possible adverse change in certain key assumptions (gross margin percentage, discount rate and terminal growth rate) could cause the carrying amount to exceed the recoverable amount. It has been identified that a reasonably possible adverse change in the discount rate or gross margin percentage could cause the carrying amount to exceed the recoverable amount of the Reece US CGU. The discount rate would need to change by 88 basis points or the gross margin percentage would need to change by 79 basis points before the recoverable amount would equal the carrying amount.

For the Actrol and Metalflex CGUs, based on current economic conditions and CGU performance, management has not identified any reasonably possible adverse changes to key assumptions that could cause the carrying amount to exceed the recoverable amount. In the prior period, management identified that the gross margin percentage would need to change by 140 basis points or the discount rate would need to change by 170 basis points before the recoverable amount of Metalflex would be equal to the carrying amount.

Notes

For the year ended 30 June 2025

3.7 Trade and other payables

	2025 (\$000's)	2024 (\$000's)
Current		
Trade payables	923,303	874,849
Other payables and accruals	334,065	365,546
Total current trade and other payables	1,257,368	1,240,395

Trade payables are non-interest-bearing, are recognised initially at fair value and subsequently at amortised cost using the effective interest method.

3.8 Provisions

	Employee benefits (\$000's)	Other (\$000's)	Total (\$000's)
As at 1 July 2024	114,772	1,517	116,289
Provided/(utilised)	(5,480)	(93)	(5,573)
As at 30 June 2025	109,292	1,424	110,716
Current	98,843	1,424	100,267
Non-current	10,449	-	10,449

Provisions

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used the increase in the provision due to the passage of time is recognised as a finance cost.

Employee benefits

Liabilities arising in respect of wages and salaries, annual leave, and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled.

All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

Contributions are made by the economic entity to employee superannuation funds and are charged as expenses when incurred.

Notes

For the year ended 30 June 2025

4. Capital management

This section provides details about capital management for the Group and shareholder returns for the year.

The Group's capital management strategy aims to ensure the Group has continued access to funding for current and future business activities by maintaining a mix of equity and debt financing, while maximising returns to shareholders.

When managing capital, management's objective is to ensure the Group continues as a going concern as well as to maintain returns to shareholders and benefits for other stakeholders. This is achieved through the monitoring of historical and forecast performance and cash flows. During FY25, the Group paid dividends of \$157m (2024: \$161m).

Capital is managed through the following:

- repaying or raising debt in line with ongoing business requirements and growth opportunities aligned with the Group's strategic direction;
- amount of ordinary dividends paid to shareholders; and
- raising capital.

4.1 Interest-bearing liabilities

	2025 (\$000's)	2024 (\$000's)
Loan – current	-	-
Loan – non-current	865,728	859,322
Total interest-bearing liabilities	865,728	859,322

All loans and borrowings are initially recognised at fair value less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised.

As at 30 June 2025, the facilities are compliant with maintenance covenants of $\leq 3.5\times$ Net Leverage Ratio and $\geq 2.5\times$ Interest Coverage Ratio which are assessed and reported at each reporting date.

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

Facility ^{1,2}	Term	Drawn USD (\$000's)	Drawn AUD (\$000's)	Total drawn AUD (\$000's)	Limit AUD (\$000's)	Ancillary facilities AUD (\$000's)	Maturity date
SFA A	Four year revolving credit facility	-	-	-	369,925	30,075	16 December 2028
SFA C	Five year revolving cash advance facility	269,000	-	410,687	900,000	-	16 December 2026
Bilateral	Three year bilateral facility	-	-	-	76,336	-	6 April 2026
Senior USPP note	Seven year notes	100,000	-	152,672	152,672	-	20 December 2030
Senior USPP note	Ten year notes	200,000	-	305,344	305,344	-	20 December 2033

¹ SFA: Syndicated Facility Agreement.

² SFA D with a limit of \$200m was cancelled during the period.

Notes

For the year ended 30 June 2025

4.2 Financial risk management

The following note outlines the Group's exposure to and management of financial risks. These arise from the Group's requirement to access financing (bank loans and overdrafts), from the Group's operational activities (cash, trade receivables and payables) and from instruments held as part of the Group's risk management activities (derivative financial instruments).

The Group is exposed to a variety of financial risks, including foreign currency risk, interest rate risk, liquidity risk and credit risk relating to its ongoing business operations. The Board has overall responsibility for identifying and managing operational and financial risks. The Group seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures and does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Maturity analysis

The table below details the consolidated entity's remaining undiscounted principal and interest cash flows and their contractual maturity based on the earliest date on which the consolidated entity is required to pay.

		Carrying amount	1 year or less	1 to 2 years	2 to 5 years	More than 5 years
Financial liabilities		(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)
Interest-bearing liabilities ¹	2025	865,728	-	410,687	-	458,016
	2024	859,322	-	-	410,628	452,898
Trade payables	2025	1,257,368	1,257,368	-	-	-
	2024	1,240,395	1,240,395	-	-	-
Lease liabilities ²	2025	1,105,489	202,302	180,837	439,230	595,202
	2024	972,941	193,304	172,406	375,764	446,081
Total financial liabilities	2025	3,228,585	1,459,670	591,524	439,230	1,053,217
	2024	3,072,658	1,433,699	172,406	786,392	898,979

¹ Contractual cash flows for 2025 interest-bearing liabilities were \$868,703,023 (2024: \$863,526,000).

² Contractual cash flows for 2025 lease liabilities were \$1,417,571,290 (2024: \$1,187,555,000).

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's foreign currency risk arises from interest-bearing liabilities, net investments, and other transactions denominated in currencies other than Australian dollars; consequently, exposures to exchange rate fluctuations arise. The Group enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks.

Forward foreign exchange contracts (FECs)

The Group enters into forward foreign exchange contracts to manage the foreign currency transaction risk associated with anticipated sale and purchase transactions. The Group reviews its currency risk on a regular basis, considering renewal of existing positions, future commitments and budgeted requirements.

Budgeted foreign currency requirements are determined over a rolling 12-month period and forward exchange positions are taken in consideration of those requirements in accordance with the Group's Foreign Exchange Management Policy. The Group utilises a mixture of forward foreign exchange contracts and direct purchase of foreign currency to manage its foreign currency transaction exposure.

The full amount of the foreign currency the Group will be required to pay or purchase when settling the forward foreign exchange contracts should the counterparty not pay the amount it is committed to deliver at balance date was \$149.8m (2024: \$132.2m).

Notes

For the year ended 30 June 2025

4.2 Financial risk management (cont.)

The table below shows the details of outstanding forward exchange contracts at balance date.

Settlement	Sell Australian dollars		Average exchange rate	
	2025 (\$000's)	2024 (\$000's)	2025 \$	2024 \$
Buy United States Dollars				
Less than 6 months	106,570	82,056	0.64	0.67
6 months to 1 year	5,327	17,944	0.66	0.67
Buy Euros				
Less than 6 months	34,083	29,248	0.58	0.61
Buy Japanese Yen				
Less than 6 months	3,481	2,999	92.21	95.02
6 months to 1 year	378	-	92.67	-

Foreign currency exchange contracts

If the exchange rate was to increase by 10% from the rates used to determine the fair values as at the reporting date, then the impact for the year would be an unfavourable movement in the reserve of \$9.4m (2024: \$8.4m). If the exchange rate was to decrease by 10% from the rates used to determine the fair values as at the reporting date, then the impact for the year would be a favourable movement in the reserve of \$11.5m (2024: \$10.3m).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from interest-bearing liabilities with variable interest rates where interest rate movements can impact the Group's cash flow exposures.

Interest rate risk also arises from short-term cash deposits. During 2025 and 2024, the Group held both fixed and variable rate deposits. The Group reviews its interest rate exposure from cash deposits monthly, considering both short-term and long-term deposit rates.

At 30 June 2025, if interest rates increased by 1% from the year-end rates, with all other variables held constant, the effect on post-tax profit for the year would have been an unfavourable impact of \$6.2m (2024: \$6.0m). If interest rates decreased by 1% from the year-end rates, with all other variables held constant, the effect on post-tax profit for the year would have been a favourable impact of \$6.2m (2024: \$6.0m).

Notes

For the year ended 30 June 2025

4.2 Financial risk management (cont.)

Changes in liabilities arising from financing activities

1 July 2024		Cash flows		Foreign exchange movement	New leases, reassessments and disposals	30 June 2025
	(\$000's)	Proceeds (\$000's)	Repayments (\$000's)	(\$000's)	(\$000's)	(\$000's)
Interest-bearing liabilities	863,526	97,358	(100,366)	8,185	-	868,703
Lease liabilities ¹	972,941	-	(141,315)	4,031	269,832	1,105,489
Total liabilities from financing activities	1,836,467	97,358	(241,681)	12,216	269,832	1,974,192

1 July 2023		Cash flows		Foreign exchange movement	New leases, reassessments and disposals	30 June 2024
	(\$000's)	Proceeds (\$000's)	Repayments (\$000's)	(\$000's)	(\$000's)	(\$000's)
Interest-bearing liabilities	1,100,000	438,596	(677,771)	2,701	-	863,526
Lease liabilities ¹	864,277	-	(138,131)	487	246,308	972,941
Total liabilities from financing activities	1,964,277	438,596	(815,902)	3,188	246,308	1,836,467

¹ Repayments for lease liabilities are presented net of interest expense.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

Credit risk for cash deposits is the risk of incurring a loss because of a default by a counterparty bank or financial institution that has accepted a deposit from the Group. The Group endeavours to mitigate this risk by managing counterparty concentration risk and providing a framework of counterparty limits to meet operational requirements.

Credit risk for derivative financial instruments arises from the potential failure by counterparties to the derivative transaction contract to meet their obligations. The credit risk exposure to forward exchange contracts and cross currency interest rate swaps is the fair value of these contracts. All derivative financial instruments are with our major international banking partners.

At balance date, the maximum exposure to credit risk, excluding the value of any collateral or other security to recognised financial assets, is the carrying amount of those assets, net of any impairment as disclosed in the Consolidated Statement of Financial Position and notes to the financial statements.

Except for its local and international bankers, the Group does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Group.

Liquidity risk

Liquidity risk refers to the risk that the Group has insufficient liquidity to meet its financial obligations when they fall due. The Group's risk management includes maintaining sufficient cash and the availability of funding via an adequate amount of credit facilities.

Notes

For the year ended 30 June 2025

4.2 Financial risk management (cont.)

Total facilities available and unused at 30 June 2025

		2025 (\$000's)	2024 (\$000's)
Syndicated revolving credit facility – Facility A	facility	369,925	364,025
	unused	369,925	364,025
Syndicated revolving cash advance facility – Facility C	facility	900,000	900,000
	unused	489,313	489,372
Syndicated revolving cash advance facility – Facility D ¹	facility	-	200,000
	unused	-	200,000
Senior USPP Notes – Seven year	facility	152,672	150,966
	unused	-	-
Senior USPP Notes – Ten year	facility	305,344	301,932
	unused	-	-
Bilateral facility	facility	76,336	75,483
	unused	76,336	75,483
Bank overdraft	facility	929	915
	unused	929	915
Bank guarantees	facility	22,686	22,499
	unused	1,953	3,313
Trade refinance & documentary letters of credit/surrenders	facility	15,496	15,435
	unused	3,609	2,654
Credit cards	facility	14,996	10,353
	unused	11,287	6,720
Other ancillary facilities	facility	75	5,975
	unused	75	5,975
Total	facility	1,858,459	2,047,583
	unused	953,427	1,148,457

¹ SFA D was cancelled during the period.

Notes

For the year ended 30 June 2025

4.2 Financial risk management (cont.)

Hedge accounting

The consolidated entity or subsidiary designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in cash flow hedges that are hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions.

At the inception of the hedging transaction, the consolidated or subsidiary entity documents the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The consolidated or subsidiary entity also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

Discontinuation of hedge is not voluntary and is only permitted if:

- the risk management objective has changed;
- there is no longer an economic relationship between the hedged item and the hedging instrument; or
- the credit risk is dominating the hedge relationship.

The amounts relating to items designated as hedging instruments and hedge ineffectiveness were as follows.

Cash flow hedges				
30 June 2025	USD FECs (\$000's)	EUR FECs (\$000's)	JPY FECs (\$000's)	Total FECs (\$000's)
Notional amount	111,897	34,083	3,859	149,839
Carrying amount of the hedging instrument				
- assets	-	1,159	-	1,159
- liabilities	(2,995)	-	(43)	(3,038)
Total carrying amount of the hedging instrument	(2,995)	1,159	(43)	(1,879)
Change in value of hedging instrument	(3,812)	1,795	260	(1,757)
Change in value of hedged item	3,812	(1,795)	(260)	1,757
Change in value of the hedging instrument recognised in reserve ¹	(3,812)	1,795	260	(1,757)

¹ Hedge effectiveness is the extent to which the changes in fair value of the hedging instrument offsets changes in the fair value of the hedged item.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in OCI and accumulated in the cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss and is included in the finance cost line item. Ineffectiveness can potentially arise from timing differences, for example, differences in the timing of settlement between the hedging instrument and hedged item or structured option features within derivative instruments not reflected in the hedged item.

The amount accumulated in OCI (cash flow hedge reserve) is reclassified to profit or loss in the same period that the hedged cash flow affects profit or loss. If the derivative no longer meets the criteria for hedge accounting, for example if it expires, is sold, terminated, exercised or the designation is revoked, then hedge accounting is discontinued prospectively and the balance in equity is reclassified to profit or loss when the forecast transactions occurs.

Notes

For the year ended 30 June 2025

4.3 Financial instruments

Financial assets and liabilities are measured at fair value.

The table below provides information about how the Group determines the fair value of various derivative financial instruments used for managing financial risk. As at 30 June 2025 and 30 June 2024, the value of all derivative financial instruments were 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 amount of financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair value.

		30 June 2025	30 June 2024	
	Current (\$000's)	Non-current (\$000's)	Current (\$000's)	Non-current (\$000's)
Financial assets				
Cash	275,411	-	341,380	-
Trade and other receivables	1,376,482	-	1,369,302	-
Total financial instruments assets at fair value	1,651,893	-	1,710,682	-
Financial liabilities				
Trade and other payables	1,257,368	-	1,240,395	-
Borrowings	-	865,728	-	859,322
Lease liabilities	149,293	956,196	135,847	837,094
Derivative financial instruments liabilities				
- Forward foreign exchange contracts	1,879	-	122	-
Total financial instruments liabilities at fair value	1,408,540	1,821,924	1,376,364	1,696,416

4.4 Contributed equity and reserves

	2025 (\$000's)	2024 (\$000's)
Issued and paid up capital		
Ordinary shares fully paid: 645,984,181 (2024: 645,984,181)	1,246,918	1,246,918

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At shareholders' meetings each ordinary share is entitled to one vote when a poll is called.

Notes

For the year ended 30 June 2025

4.4 Contributed equity and reserves (cont.)

	2025 (\$000's)	2024 (\$000's)
Asset revaluation reserve (historic revaluation of properties)	461	461
General reserve	51	51
Capital profits reserve (historic profits from sale of property)	2,491	2,491
Foreign currency translation reserve (translation of foreign entities)	209,860	185,467
Cash flow hedge reserve	(1,880)	(123)
Share-based payment reserve	11,076	10,269
Employee share trust reserve	(27,833)	(5,278)
Total reserves	194,226	193,338

Cash flow hedge reserve

The hedging reserve records the portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge relationship.

Share-based payment reserve

The share-based payments reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to note 6.2 for further details of these plans.

Employee share trust reserve

The Group maintains an employee share trust in order to purchase Treasury Shares to satisfy future potential vesting of performance rights under the Reece Long-Term Incentive Plan. During the year, the Group purchased an additional 1,458,000 shares.

For accounting purposes, the trust is deemed to be controlled by Reece Limited. Accordingly, the shares held by the trust are consolidated into the Group's financial statements.

When shares, recognised as equity, are repurchased the amount of the consideration paid for the shares is recognised as a deduction from equity. At 30 June 2025, the Group held 1,808,274 of the Company's shares (2024: 350,274).

4.5 Dividends paid and proposed

	2025 (\$000's)	2024 (\$000's)
<i>Dividends paid during the reporting period:</i>		
Final dividend of 17.75 cents per share fully franked for the year ended 30 June 2024 (30 June 2023: 17.00 cents per share fully franked) paid 23 October 2024 (2023: 25 October 2023)	114,662	109,817
Interim dividend of 6.50 cents per share fully franked for the year ended 30 June 2025 (June 2024: 8.00 cents per share fully franked) paid 2 April 2025 (2024: 10 April 2024)	41,989	51,679
Dividends paid	156,651	161,496
<i>Dividends declared after the reporting period and not recognised:</i>		
Final dividend of 11.86 cents per share fully franked for the year ended 30 June 2025 (June 2024: 17.75 cents per share fully franked) to be paid 22 October 2025 (2024: 23 October 2024)	76,614	114,662
Dividend franking account		
Balance of franking account at year end adjusted for franking credits arising from payment of income tax and franking debits arising from dividends paid.	993,874	908,686
Impact on the franking account of dividends recommended by the directors since the year end but not recognised as a liability at year end.	(32,835)	(49,141)
	961,039	859,545

Notes

For the year ended 30 June 2025

5. Group

This section explains the Group structure and how changes may have affected the position or performance of the Group.

5.1 Subsidiaries

The Company, which is the ultimate parent of the Group, is incorporated in Australia. Subsidiaries are consolidated from the date of acquisition, being the date the Company obtains control, and continue to be consolidated until the date that such control ceases.

Control exists where the Company has the power to govern the financial and operating policies of the entity to obtain benefits from its activities. Set out below are the subsidiaries within the Group. All entities controlled by the Company at 30 June 2025 were incorporated in Australia and are wholly-owned unless otherwise stated.

Name of entity	Country of incorporation	Ownership percentage 2025	Ownership percentage 2024
		%	%
Parent entity Reece Limited			
1. Reece Australia Pty Ltd	Australia	100%	100%
2. Plumbing World Pty Ltd	Australia	100%	100%
3. Reece Project Supply Pty Ltd	Australia	100%	100%
4. Reece International Pty Ltd	Australia	100%	100%
5. Reece New Zealand Limited	New Zealand	100%	100%
6. Actrol Parts Holdings Pty Ltd	Australia	100%	100%
7. Actrol Parts Finance Pty Ltd	Australia	100%	100%
8. Actrol Parts Pty Ltd	Australia	100%	100%
9. A.C. Components Pty Ltd	Australia	100%	100%
10. Metalflex Pty Ltd	Australia	100%	100%
11. Metalflex Regional Pty Ltd	Australia	100%	100%
12. Metalflex (S.A.) Pty Ltd	Australia	100%	100%
13. Metalflex (W.A.) Pty Ltd	Australia	100%	100%
14. Air Plus Pty Ltd	Australia	100%	100%
15. The Creative Plane Pty Ltd	Australia	100%	100%
16. Viadux Holdco Pty Ltd	Australia	100%	100%
17. Viadux Bidco Pty Ltd	Australia	100%	100%
18. Viadux Pty Ltd	Australia	100%	100%
19. International Quadratics Pty Ltd	Australia	100%	100%
20. Dontek Electronics Pty Ltd	Australia	100%	100%
21. Torque Control Pty Ltd	Australia	100%	0%
22. RFP Holdings Pty Ltd	Australia	100%	0%
23. Shadow Boxer Pty Ltd	Australia	100%	0%
24. Refire Group Pty Ltd	Australia	100%	0%
25. Refire Holdings Pty Ltd	Australia	100%	0%
26. Southpaw Co Pty Ltd	Australia	100%	0%
27. Hamilton Holdco, LLC	United States	100%	100%
28. Patriot Supply Holdings, LLC	United States	100%	100%
29. Patriot Supply Intermediate, Inc.	United States	100%	100%
30. Reece, Inc.	United States	100%	100%
31. Reece Supply, LLC	United States	100%	100%
32. Fortiline, LLC	United States	100%	100%
33. Fortiline, Inc.	United States	100%	100%
34. MORSCO Properties, LLC	United States	100%	100%
35. MORSCO Properties OK, LLC	United States	100%	100%
36. Reece Mexico 1, Inc.	United States	100%	100%
37. Reece Mexico 99, Inc.	United States	100%	100%
38. RMx Dev S. de R.L. de C.V.	Mexico	100%	100%
39. Barsco, Inc.	United States	100%	100%
40. DKJ Family Equipment, LLC	United States	100%	100%
41. Reece Limited Employee Share Trust	Australia	N/A	N/A
42. Artex Axcell (Guernsey) PCC Limited – Reece Cell	Guernsey	100%	N/A

(i) All shareholdings are of ordinary shares unless otherwise stated
(ii) Controlled entities 1 to 4 and 6 to 26 carry out business in Australia only
(iii) Controlled entity 5 carries out business in New Zealand only
(iv) Controlled entity 38 carries out business in Mexico only
(v) Controlled entities 27 to 37 and 39 to 40 carry out business in the United States of America only

(vi) All corporations' financial years end on 30 June
(vii) Entity 41 is not a subsidiary of the Group. The trust is deemed to be controlled by Reece Limited
(viii) Entity 42 is a protected cell company (PCC) where Reece International holds non-voting redeemable preference shares

Notes

For the year ended 30 June 2025

5.1 Subsidiaries (cont.)

Deed of Cross Guarantee

All wholly owned entities listed in the table above, except for Reece New Zealand Limited, Torque Control Pty Ltd, RFP Holdings Pty Ltd, Shadow Boxer Pty Ltd, Refire Group Pty Ltd, Refire Holdings Pty Ltd, Southpaw Co Pty Ltd, Guernsey, US and Mexico incorporated entities are parties to a deed of cross guarantee under which each company guarantees the debts of the others. Pursuant to *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785*, the aforementioned entities are relieved from the Corporations Act requirement to prepare a financial report and directors' report.

A Consolidated Statement of Profit or Loss and Other Comprehensive Income and Statement of Financial Position, comprising the Company and controlled entities subject to the deed, after eliminating all transactions between parties to the Deed of Cross Guarantee, is set out as follows:

	2025 (\$000's)	2024 (\$000's)
Revenue from sale of goods	3,699,469	3,695,584
Cost of sales	(2,510,494)	(2,481,996)
Gross profit	1,188,975	1,213,588
Other income	1,820	12,162
Selling and administrative expenses	(851,376)	(826,804)
Earnings before interest and tax	339,419	398,946
Finance costs (net)	(1,560)	(1,388)
Profit before income tax expense	337,859	397,558
Income tax expense	(105,993)	(121,205)
Net profit for the year	231,866	276,353
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign debt, net of tax	-	(88)
Change in fair value of effective cash flows, net of tax	21	(3,169)
Total comprehensive income, net of tax	231,887	273,096
Basic earnings per share	36 cents	43 cents
Diluted earnings per share	36 cents	43 cents
Movements in retained earnings		
Retained earnings at the beginning of the financial year	1,912,717	1,797,860
Profit for the year	231,866	276,353
Dividends paid	(156,651)	(161,496)
Retained earnings at end of financial year	1,987,932	1,912,717

Notes

For the year ended 30 June 2025

5.1 Subsidiaries (cont.)

Deed of Cross Guarantee (cont.)

	2025 (\$000's)	2024 (\$000's)
Current assets		
Cash and cash equivalents	172,152	227,294
Receivables	501,119	468,473
Inventories	679,560	621,976
Total current assets	1,352,831	1,317,743
Non-current assets		
Investments and receivables	1,942,304	1,909,534
Property, plant and equipment	652,122	612,788
Right-of-use assets	327,733	355,799
Intangible assets	229,503	232,035
Deferred tax assets	84,933	76,658
Total non-current assets	3,236,595	3,186,814
Total assets	4,589,426	4,504,557
Current liabilities		
Payables	475,435	444,043
Lease liabilities	64,508	62,583
Current tax payable	3,254	2,191
Provisions	82,382	83,456
Derivative financial instruments	1,879	122
Total current liabilities	627,458	592,395
Non-current liabilities		
Lease liabilities	301,774	328,543
Interest-bearing liabilities	407,712	406,424
Provisions	7,008	4,699
Total non-current liabilities	716,494	739,666
Total liabilities	1,343,952	1,332,061
Net assets	3,245,474	3,172,496
Equity		
Contributed equity	1,246,918	1,246,918
Reserves	10,624	12,861
Retained earnings	1,987,932	1,912,717
Total equity	3,245,474	3,172,496

5.2 Business combinations

During the financial year ended 30 June 2025, the Group completed three small bolt on acquisitions for consideration of \$93m net of cash acquired:

Refire – an Australian distributor of pipes, valves, fittings and piping machinery, providing products and solutions to the fire, water, mining and irrigation industries. This acquisition was effective 1 July 2024.

Shadowboxer – an Australian based venture studio and web design agency. The acquisition was effective 1 August 2024.

Belair Road Supply Co – US based water, sewer, storm, masonry products, hardscapes, tools and supplies. The acquisition was effective 7 March 2025.

The Group does not consider these acquisitions to be material business combinations (either individually or in total), however the aggregate value of identifiable net assets and liabilities acquired has been disclosed to aid in the interpretation of other disclosures within this report.

These acquisitions resulted in the recognition of \$36.5m of goodwill.

Parent Entity Note

Reece Limited	2025 (\$000's)	2024 (\$000's)
Summarised statement of financial position		
Assets		
Current assets	-	-
Non-current assets	1,839,171	1,843,059
Total assets	1,839,171	1,843,059
Liabilities		
Current liabilities	591,736	591,757
Non-current liabilities	-	-
Total liabilities	591,736	591,757
Net assets	1,247,435	1,251,302
Equity		
Contributed equity	1,246,918	1,246,918
Retained earnings	(7,894)	(4,507)
Reserves	8,411	8,891
Total equity	1,247,435	1,251,302
Summarised statement of comprehensive income		
Profit for the year	156,651	161,496
Total comprehensive income for the year	156,651	161,496
Parent entity guarantees		
Bank overdraft	929	915
Syndicated revolving facilities	1,300,000	1,500,000
Bilateral facility	76,336	75,483

The acquisition accounting will be revised if, within one year of the acquisition date, new information is identified that relates to conditions existing at that date which require adjustments to the amounts disclosed below.

Total Acquisitions	2025 (\$000's)
Assets	
Cash and cash equivalents	4,582
Trade and other receivables	23,833
Inventories	29,020
Property, plant and equipment	3,324
Right-of-use assets	12,029
Intangible assets	31,078
	103,866
Liabilities	
Trade and other payables	16,556
Current tax liability	2,517
Provisions (current)	1,363
Lease liabilities	12,029
Deferred tax liabilities	10,155
	42,620
Total identifiable net assets at fair value	61,246

Notes

For the year ended 30 June 2025

6. Other disclosures

This section provides other disclosures required by Australian Accounting Standards that are considered relevant to understanding the Group's performance or position.

6.1 Related party disclosures

Parent entity

The ultimate parent entity of the Group is Reece Limited, which is domiciled and incorporated in Australia. Intercompany transactions, assets and liabilities between entities within the Group have been eliminated in the consolidated financial statements.

Terms and conditions of transactions with related parties

The Group's policy is that sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the reporting date are unsecured and interest free, and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2025, the Group has not recognised a provision for expected credit losses relating to amounts owed by related parties (2024: \$nil).

True Pillars Pty Ltd, at 43.0% ownership, and Fieldpulse Pty Ltd, at 20.9% ownership, were both associates of Reece Limited in the current year (2024: 43.0% ownership and 20.9% ownership respectively). There have been no material contributions to net profit during the year.

During the current financial year, True Pillars converted \$1.1m of pooled units to convertible notes which increased the carrying value of the investment. The Creative Plane Pty Ltd also earned interest income from True Pillars from pooled units and business loans at a rate of 6.1% p.a and 10% p.a respectively. These transactions were made on an arm's length basis.

The Reece Group Foundation Limited, an independent charity in Australia with Deductible Gift Recipient (DGR) status, was launched in FY22. During the current financial year, Reece Limited donated \$1,623,249 to The Reece Group Foundation Limited (2024: \$1,390,806) of which \$55,781 was owing at year end (2024: \$62,358).

Transactions with Directors and Key Management Personnel (KMP)

Key management personnel compensation comprised of the following:

	2025 (\$)	2024 (\$)
Short-term employee benefits	9,166,189	13,315,068
Post-employment benefits	218,541	206,096
Other long-term benefits	2,374,838	1,795,843
Share-based payments ¹	(29,850)	2,488,757
	11,729,718	17,805,764

¹ Share-based payments reflect accounting values accrued for plans on foot during the period. The accounting value may be negative when the forecasted level of vesting has been revised downwards from prior period estimates.

Transactions with Directors and KMP

The names of each person holding the position of Director of Reece Limited during the financial year were: P.J. Wilson, R. McEwan, G.W. Street, M.L. Quinn, A.W. Wilson, B.C. Wilson, A. Mentis, S. Nikolic, L.A. Wilson, T.M. Poole and K. Penrose. Key Management Personnel for the financial year also includes A. Young.

During the current financial year, Directors, S. Nikolic, R. McEwan and A. Mentis, purchased bathroom products totalling \$146,922. These transactions were conducted on terms consistent with those offered to employees or trade customers. As at balance date, there were no amounts owing in relation to these transactions with KMP.

Transactions with Directors' related parties

Director of Reece, Mr B.C. Wilson has a beneficial interest in an entity that sold plumbing and building supplies to the Group. Goods purchased from this entity during the year totalled \$4,005,014 (2024: \$5,399,461) of which \$326,364 (2024: \$340,261) was owing at year end.

Mr L.A. Wilson has a beneficial interest in entities that lease premises to the Group. Lease rentals paid to these entities during the year were \$297,635 (2024: \$298,954). Mr L.A. Wilson was a Director of the Group during the financial year but retired from the Board in March 2025.

Notes

For the year ended 30 June 2025

6.2 Share-based payments

Employee performance rights plan

During FY25, executives received rights under the Reece Limited long-term incentive plan. The plan is designed to provide long-term incentives to employees to deliver shareholder returns.

Under the 2025 plan, participants were granted performance rights (80% of award) and retention rights (20% of award). The number of rights granted is determined using a 'face-value' calculation. The share price used in the face-value calculation is the volume weighted average (VWAP) during the 20-day period immediately after the issue of the most recent annual results. The performance rights have a three-year vesting period with an EPS compound annual growth rate (CAGR) hurdle and an average Return on capital employed (ROCE) hurdle.

A participant's LTI opportunity under the plan is at the discretion of the Remuneration Committee by recommendation to the Board. No individual has a contractual right to receive any guaranteed benefits under the plan.

The rights issued represent the employee's right to acquire an ordinary share upon satisfaction of the criteria once the vesting period is reached. The rights granted under the plan are for no consideration and carry no voting rights.

There were 511,310 performance rights and 127,828 retention rights granted under the plan in FY25. No rights or options have been exercised, or expired during the period, however 22,377 options and 206,266 performance rights were forfeited during the period.

The FY21 and FY22 grants were tested for vesting at 30 June 2025. The FY21 grant vested between target and stretch, however no vesting occurred under the FY22 grant as thresholds were not met.

Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions during the period as part of employee benefit expense was \$806,639 (2024: \$4,697,654).

Fair value of options/rights granted

	Award	Grant date	Exercise price	Number of options/rights	Fair value per option/right at grant date
Chairman & CEO	FY25 rights	24 October 2024	\$Nil	234,699	\$23.71
	FY24 rights	26 October 2023	\$Nil	248,227	\$16.91
	FY23 rights	27 October 2022	\$Nil	205,598	\$14.34
	FY22 rights	28 October 2021	\$Nil	129,838	\$18.01
	FY21 options	29 October 2020	\$14.46	267,588	\$5.97
Group President & Managing Director	FY25 rights	24 October 2024	\$Nil	84,491	\$23.71
Group Chief Financial Officer	FY25 rights	24 October 2024	\$Nil	31,919	\$23.71
	FY24 rights	26 October 2023	\$Nil	35,461	\$16.91
Senior Executives	FY25 rights	24 October 2024	\$Nil	288,029	\$23.71
	FY24 rights	26 October 2023	\$Nil	400,445	\$16.91
	FY23 rights	27 October 2022	\$Nil	331,157	\$14.34
	FY22 rights	28 October 2021	\$Nil	115,696	\$18.01
	FY21 options	29 April 2021	\$13.07	266,069	\$8.10

In accordance with AASB 2 *Share-based payments*, the service-based vesting condition is considered non-market. The vesting conditions (and the probability of achieving the conditions) are reflected in the estimation of the number of instruments expected to vest. The expected price volatility is based on historic volatility (based on the remaining life of the options) adjusted for any expected changes to future volatility due to publicly available information.

Notes

For the year ended 30 June 2025

6.2 Share-based payments (cont.)

The fair value at grant date of the rights granted during the year was determined using the conventional Black-Scholes Model. The inputs for the rights granted during the year ended 30 June 2025 included:

	FY25 Executive Grant
Exercise price	\$Nil
Grant date	24 October 2024
Vesting date	1 July 2027 – 1 July 2029
Expiry date	24 October 2039
Share price at grant date	\$24.45
Expected price volatility of the company's shares	25.00%
Expected dividend yield	1.15%
Risk-free interest rate	3.95%

Reconciliation of outstanding share options

	FY25 Number of options	FY25 Weighted-average exercise price	FY24 Number of options	FY24 Weighted-average exercise price
Outstanding at 1 July	672,822	\$12.26	837,943	\$12.42
Forfeited during the year	(22,377)	\$13.07	(165,121)	\$13.07
Granted during the year	-	-	-	-
Outstanding at 30 June	650,445	\$12.23	672,822	\$12.26
Exercisable at 30 June	-	-	-	-

Share options were granted to participants in FY20 and FY21. Options outstanding from the FY20 grant have a remaining contractual life of one year and options outstanding from the FY21 grant have a remaining contractual life of two years.

6.3 Auditor's remuneration

	2025 (\$)	2024 (\$)
Audit/review fees	1,882,120	1,881,789
Other assurance services	85,919	-
Amounts paid and payable to KPMG for non-audit services:		
Other non-audit services – regulatory advisory services	117,527	81,243
	2,085,566	1,963,032

Notes

For the year ended 30 June 2025

6.4 Other accounting policies

Changes in accounting policies

The Group has applied for the first-time certain standards and amendments which are effective for annual reporting periods on or after 1 July 2024, including those set out below.

Amendments to AASB 101: Classification of Liabilities as Current or Non-current

The amendments clarify the requirements for the presentation of liabilities in the statement of financial position as current or non-current. The reported profit or loss and financial position has not changed on adoption of this amendment and it has not resulted in any changes to the Group's existing accounting policies.

Accounting standards issued but not yet operative

The AASB has issued several new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The Group's assessment of the new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below. The Group does not expect adoption of the following standards to have a material impact on the financial statements.

AASB 18: Presentation and Disclosure in Financial Statements

The AASB has issued a new standard, AASB 18, which aims to provide greater consistency in presentation of income and cash flow statements, and more disaggregated information. The standard will change the way companies present their results on the face of the income statement and disclose information in the notes to the financial statements. Certain 'non-GAAP' measures – management performance measures (MPMs) will now form part of the audited financial statements. There will be three new categories of income and expenses, two defined income statement subtotals and one single note on management-defined performance measures. This new standard will be applicable for annual reporting periods beginning on or after 1 January 2027, and will be applied retrospectively.

The Group has not early adopted any standard, interpretation or amendment that has been issued but not yet effective.

New sustainability reporting standards

In September 2024, the Australian Accounting Standards Board issues two new sustainability-related accounting standards: AASB S1 and AASB S2. These apply to the group as follows:

AASB S1: General Requirement for Disclosure of Sustainability-related Financial Information

This is a voluntary standard which requires disclosure of information about all sustainability-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short,medium or long-term. This standard is voluntary for the Group from the annual reporting period beginning on or after 1 January 2025 and will first apply to the Group in FY26.

AASB S2: Climate-related Disclosures

This is a mandatory standard on climate reporting which requires an entity to disclose information about climate-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long-term. This standard is mandatory for the Group from the annual reporting period beginning on or after 1 January 2025 and will first apply to the Group in FY26.

6.5 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 30 June 2025.

6.6 Subsequent events

There have been no matters or circumstances, which have arisen since 30 June 2025, that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 30 June 2025, of the Group, or the results of those operations, or
- the state of affairs, in financial years subsequent to 30 June 2025, of the Group.

Consolidated Entity Disclosure Statement

As at 30 June 2025

Name of entity	Type of entity	Country of incorporation	Ownership percentage	Australian or foreign tax resident ⁽ⁱ⁾	Jurisdiction for foreign tax resident
Reece Limited	Body Corporate	Australia	N/A	Australian	N/A
Reece Australia Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Plumbing World Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Reece Project Supply Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Reece International Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Reece New Zealand Limited	Body Corporate	New Zealand	100%	Foreign	New Zealand
Actrol Parts Holdings Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Actrol Parts Finance Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Actrol Parts Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
A.C. Components Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Metalflex Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Metalflex Regional Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Metalflex (S.A.) Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Metalflex (W.A.) Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Air Plus Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
The Creative Plane Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Viadux Holdco Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Viadux Bidco Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Viadux Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
International Quadratics Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Dontek Electronics Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Torque Control Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
RFP Holdings Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Refire Group Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Refire Holdings Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Shadow Boxer Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Southpaw Co Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Patriot Supply Holdings, LLC	Body Corporate	United States	100%	Foreign	United States
Patriot Supply Intermediate, Inc.	Body Corporate	United States	100%	Foreign	United States
Reece, Inc.	Body Corporate	United States	100%	Foreign	United States
Reece Supply, LLC	Body Corporate	United States	100%	Foreign	United States
Fortiline, LLC	Body Corporate	United States	100%	Foreign	United States
Fortiline, Inc.	Body Corporate	United States	100%	Foreign	United States
MORSCO Properties, LLC	Body Corporate	United States	100%	Foreign	United States
MORSCO Properties OK, LLC	Body Corporate	United States	100%	Foreign	United States
Reece Mexico 1, Inc.	Body Corporate	United States	100%	Foreign	United States
Reece Mexico 99, Inc.	Body Corporate	United States	100%	Foreign	United States
RMx Dev S. de R.L. de C.V.	Body Corporate	Mexico	100%	Foreign	Mexico
Barsco, Inc.	Body Corporate	United States	100%	Foreign	United States
DKJ Family Equipment, LLC	Body Corporate	United States	100%	Foreign	United States
Reece Limited Employee Share Trust	Trust	Australia	N/A	Australian	N/A
Artex Axcell (Guernsey) PCC Limited – Reece Cell	Body Corporate	Guernsey	100%	Foreign	Guernsey

⁽ⁱ⁾ Entities have been classified as ‘Australian’ residents based on the meaning provided in the *Income Tax Assessment Act 1997*.

Basis of preparation – determination of tax residency

Section 295(3A) of the *Corporations Act 2001* requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement be disclosed. In determining tax residency, the Group has applied the following interpretations:

- Australian tax residency: The Group has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation’s public guidance in *Tax Ruling TR 2018/5*.
- Foreign tax residency: The Group has applied current legislation and where available judicial precedent in the determination of foreign tax residency.
- Trust tax residency: Australian tax law does not contain specific residency tests for trusts. Generally, these entities are taxed on a flow-through basis so there is no need for a general residence test. There are some provisions which treat trusts as residents for certain purposes, but this does not mean the trust itself is an entity that is subject to tax.

Directors’ Declaration

The Directors declare that the financial statements and notes set out on pages 65 to 103, and the Remuneration Report set out on pages 42 to 63 are in accordance with the *Corporations Act 2001*:

- (a) Comply with Australian Accounting Standards and the *Corporations Regulations 2001*, and other mandatory professional reporting requirements;
- (b) As stated in note 1 the consolidated financial statements also comply with International Financial Reporting Standards; and
- (c) Give a true and fair view of the financial position of the consolidated entity as at 30 June 2025 and of its performance for the year ended on that date.

In the Directors’ opinion there are reasonable grounds to believe that Reece Limited (‘the Company’) will be able to pay its debts as and when they become due and payable.

In the Directors’ opinion, the Consolidated Entity Disclosure Statement as at 30 June 2025, set out on page 104 is true and correct.

The Company and the group entities identified in note 5.1 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those group entities pursuant to *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785*.

This declaration has been made after receiving the declarations required to be made by the Chief Executive Officer and Chief Financial Officer to the directors in accordance with sections 295A of the *Corporations Act 2001* for the financial year ending 30 June 2025.

This declaration is made in accordance with a resolution of the Directors.

Dated at Melbourne on 25 August 2025.

P. J. Wilson
Chairman & Chief Executive Officer

G.W. Street
Audit and Risk Committee Chair



Independent Auditor's Report

To the shareholders of Reece Limited

Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report** of Reece Limited (the Company). The **Financial Report** comprises of Reece Limited (the Company).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the **Group's** financial position as at 30 June 2025 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

- Consolidated statement of financial position as at 30 June 2025
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Consolidated entity disclosure statement and accompanying basis of preparation as at 30 June 2025
- Notes, including material accounting policies
- Directors' Declaration.

The **Group** consists of the Company and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with 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 Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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Key Audit Matters

The **Key Audit Matters** we identified are:

- Valuation of goodwill and intangible assets; and
- Valuation of inventory.

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of goodwill and intangible assets (\$2,016m)	
Refer to Note 3.6 Goodwill and intangible assets to the Financial Report	
The key audit matter	How the matter was addressed in our audit
The Group's annual testing of goodwill and intangible assets for impairment was a key audit matter due to: - the size of the balance (27% of total assets); - the inherent estimation uncertainty in auditing the significant forward-looking assumptions the Group applied in the value in use models for each Cash Generating Unit (CGU). The Reece US CGU has experienced challenging market conditions in the current year, as a result of the constrained US housing market and competitive dynamics, impacting performance in the region. These conditions increase the risk of inaccurate forecasting or a wider range of possible outcomes for us to consider. We focused on the significant forward-looking assumptions the Group applied in their value in use models including forecast cash flows and resultant gross margins, discount rates and terminal growth rates. These forward-looking assumptions may be prone to greater risk for potential bias, error and inconsistent application, therefore necessitating additional scrutiny to address the objectivity of sources used for assumptions and the consistent application. We involved valuation specialists to supplement our senior audit team members in assessing this key audit matter.	Working with our valuation specialists, our procedures included: - Assessing the appropriateness of the value in use methodology applied by the Group to perform the annual impairment test of goodwill and intangible assets against the requirements of the accounting standards. - Assessing the integrity of the value in use models used, including the accuracy of the underlying calculation formulas. - Considering the sensitivity of the models by varying key assumptions, such as forecast cash flows, discount rates and terminal growth rates, within a reasonably possible range. We did this to identify those CGUs at higher risk of impairment and to focus our further procedures. - Assessing the accuracy of previous Group forecasts to inform our evaluation of those forecasts incorporated in the models. - Challenging the Group's key forecast cash flow and terminal growth rate assumptions in light of current market conditions. We compared forecast growth rates and terminal growth rates to published studies of industry trends and expectations and considered differences to the Group's operations. We used our knowledge of the Group, its past performance, business and customers, and our industry experience. - Checking the consistency of forecast cash flows and the growth rates to the Group's



	Board approved budget and strategy. • We independently developed discount rate ranges considering publicly available data for comparable entities, adjusted by risk factors specific to the Group and the industry it operates in. • Assessing the Group's determination of CGU carrying values for consistency with the assumptions used in the forecast cash flows and the requirements of the accounting standards. • Assessing the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standards.
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Valuation of inventory (\$1,617m)	
Refer to Note 3.3 Inventories to the Financial Report	
The key audit matter	How the matter was addressed in our audit
The valuation of inventory is a key audit matter due to: • the size of the inventory balance (21% of total assets); and • the Group's judgement involved in estimating the level of inventory allowance at year end. The Group exercises judgement in determining the likely sell-through rates of types of inventory to identify slow moving or obsolete inventory. This requires consideration of the ageing and condition of products on hand, level of inventory on hand, and current market conditions. Such judgements may have a significant impact on the Group's valuation of the allowance, and therefore the overall carrying value of inventories, necessitating additional audit effort. We involved our senior audit team members in assessing this key audit matter.	Our procedures included: • Assessing the Group's policy for the valuation of inventory against the requirements of the accounting standards. • Attending a sample of inventory counts to check the condition of inventory at year end. • Comparing a sample of inventory carrying values recorded by the Group at year end to the Group's latest available selling prices to identify products at risk of selling below their recorded values. • Testing the Group's slow moving and obsolete inventory assessment at year end by: ◦ assessing the integrity of the Group's excess or obsolete inventory model used, including the accuracy of the underlying calculations ◦ checking the age and cost of inventory at year end, for a sample of inventory, to underlying documentation, as key inputs into



	the Group's assessment of excess or obsolete inventory ◦ considering the inventory sales during the year as a proxy for future sales of inventory. For inventory items identified as slow moving or aged we compared the inventory items to the Group's inventory allowance; and ◦ challenging the Group's judgements by comparing current inventory levels to historical sales and the Group's business strategy.
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Other Information
Other Information is financial and non-financial information in Reece Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information. Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and specified sustainability disclosures within the Sustainability Report and our respective assurance opinions. In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.
Responsibilities of the Directors for the Financial Report
The Directors are responsible for: • preparing the Financial Report in accordance with the <i>Corporations Act 2001</i>, including giving a true and fair view of the financial position and performance of the Group, and in compliance with <i>Australian Accounting Standards</i> and the <i>Corporations Regulations 2001</i> • implementing necessary internal control to enable the preparation of a Financial Report in accordance with the <i>Corporations Act 2001</i>, including giving a true and fair view of the financial position and performance of the Group, and that is free from material misstatement, whether due to fraud or error • assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.



Auditor’s responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor’s Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/media/bwvvcgre/ar1_2024.pdf. This description forms part of our Auditor’s Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Reece Limited for the year ended 30 June 2025, complies with *Section 300A* of the *Corporations Act 2001*.

Directors’ responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report (excluding section 3.1) included in page 42 to 63 of the Directors’ report for the year ended 30 June 2025.

Our responsibility is to express an opinion as to whether the Remuneration Report complies in all material respects with *Section 300A* of the *Corporations Act 2001*, based on our audit conducted in accordance with *Australian Auditing Standards*.



J. Carey

Julie Carey
Partner
Melbourne
25 August 2025

Shareholders’ Information

In accordance with Section 4.10 of the Australian Stock Exchange Limited Listing Rules, the directors provide the following information.

Shareholding analysis

Distribution of shareholders

At 7 August 2025, the distribution of shareholdings was as follows:

Size of Shareholding	Number of Shareholders
1 – 1,000	5,506
1,001 – 5,000	2,633
5,001 – 10,000	570
10,001 – 100,000	475
Over 100,000	94
Holdings of less than a marketable parcel	-
	9,278

Substantial shareholdings

The number of shares held by the substantial shareholders listed in the Company’s register of substantial shareholders as at 7 August 2025 were:

Shareholder	Number of Shares
John Gay Wilson ¹	361,013,785
Leslie Alan Wilson ¹	357,709,180
Bruce Walter Campbell Wilson ¹	332,665,823
Wilaust Holdings Pty Ltd ¹	311,050,000
Two Hills Holding Pty Ltd ¹	120,168,788
AustralianSuper Pty Ltd	47,545,591

¹ Many of these substantial shareholdings relate to the same shares.

Class of shares and voting rights

At 7 August 2025, there were 9,278 holders of ordinary shares of the Company. All the issued shares in the capital of the parent entity are ordinary shares and each shareholder is entitled to one vote per share.

Shareholders’ Information

Twenty largest shareholders, as at 7 August 2025:

Shareholder	Number of Shares	% Held
L.T. Wilson Pty Ltd	157,200,000	24.33%
J P Morgan Nominees Australia Limited	68,074,058	10.54%
HSBC Custody Nominees (Australia) Limited	61,325,650	9.49%
L.T.W. Holdings Pty Ltd	60,000,000	9.29%
Warramunda Investments Pty Ltd	48,645,000	7.53%
Geronimo Custodian Pty Ltd	26,580,080	4.11%
Glentemp Custodian Pty Ltd	25,820,366	4.00%
Citicorp Nominees Pty Ltd	17,526,753	2.71%
HSBC Custody Nominees (Australia) Limited Florizel Investments Pty Ltd	16,801,600	2.60%
J.G.W. Investments Pty Ltd	16,801,600	2.60%
W.A.L. Investments Pty Ltd	16,801,600	2.60%
Austral Hardware Pty Ltd	14,925,000	2.31%
Austral Hardware (Healesville) Pty Ltd	12,000,000	1.86%
Addawarra Nominees Pty Ltd	9,550,000	1.48%
Wilaust Holdings Pty Ltd	8,730,000	1.35%
Australian Foundation Investment Company Limited	5,628,000	0.87%
Argo Investments Limited	5,014,741	0.78%
BNP Paribas Nominees Pty Ltd (Agency Lending DRP A/C)	4,998,626	0.77%
John G. Wilson	4,671,819	0.72%
BNP Paribas Nominees Pty Ltd	4,229,438	0.65%

The twenty members holding the largest number of shares together held a total of 90.61% of the issued capital.

Reece Limited

A.B.N. 49 004 313 133

Reece Limited subsidiaries

Reece Australia Pty Ltd A.B.N. 84 004 097 090	Southpaw Co Pty Ltd A.B.N. 70 657 615 239
Plumbing World Pty Ltd A.B.N. 99 004 910 829	Hamilton Holdco, LLC Company Number 36-4897347
Reece Project Supply Pty Ltd A.B.N. 54 100 065 307	Patriot Supply Holdings, Inc. Company number 45-4808005
Reece International Pty Ltd A.B.N. 11 100 278 171	Patriot Supply Intermediate, Inc. Company number 45-3852987
Reece New Zealand Limited Company No. 1530569	Reece, Inc. (previously MORSCO, Inc.) Company number 75-0450550
Actrol Parts Holdings Pty Ltd A.B.N. 98 142 644 488	Reece Supply, LLC (previously MORSCO Supply, LLC) Company number 75-2588495
Actrol Parts Finance Pty Ltd A.B.N. 21 142 653 889	Fortiline, LLC Company number 56-2136499
Actrol Parts Pty Ltd A.B.N. 93 142 654 564	Fortiline, Inc. Company number 57-0819190
A.C. Components Pty Ltd A.B.N. 69 134 588 935	MORSCO Properties, LLC Company number 86-1262225
Metalflex Pty Ltd A.B.N. 18 007 133 057	MORSCO Properties OK, LLC Company number 87-2162861
Metalflex Regional Pty Ltd A.B.N. 50 142 651 509	Reece Mexico 1, Inc. Company number 88-2047430
Metalflex (S.A.) Pty Ltd A.B.N. 88 084 260 837	Reece Mexico 99, Inc. Company number 88-2039114
Metalflex (W.A.) Pty Ltd A.B.N. 98 105 291 263	RMx Dev S. de R.L. de C.V. Company number RDE220722DY6
Air Plus Pty Ltd A.B.N. 33 135 270 718	Barsco, Inc. Company number 75-0751298
The Creative Plane Pty Ltd A.B.N. 50 092 585 058	DKJ Family Equipment, LLC Company number 84-2024743
Viadux Holdco Pty Ltd A.B.N. 51 603 303 368	Artex Axcell (Guernsey) PCC Limited – Reece Cell
Viadux Bidco Pty Ltd A.B.N. 42 603 305 326	
Viadux Pty Ltd A.B.N. 75 087 415 745	
International Quadratics Pty Ltd A.B.N. 36 091 533 167	
Dontek Electronics Pty Ltd A.B.N. 60 147 554 943	
Torque Control Pty Ltd A.B.N. 85 125 609 261	
RFP Holdings Pty Ltd A.B.N. 58 631 693 117	
Shadow Boxer Pty Ltd A.B.N. 71 642 863 518	
Refire Group Pty Ltd A.B.N. 72 633 993 218	
Refire Holdings Pty Ltd A.C.N. 633 992 140	

Directors	Peter Wilson (Chairman & Chief Executive Officer) Ross McEwan (resigned 30 June 2025) Gavin Street Megan Quinn (resigned 2 July 2025) Andrew Wilson Bruce C. Wilson Angela Mentis Sasha Nikolic (Group President & Managing Director) Alan Wilson (retired 28 February 2025) Tim Poole (Chair – retired 31 December 2024) Karen Penrose (resigned 16 September 2024)
Company Secretary	Chantelle Duffy
Bankers	National Australia Bank Commonwealth Bank of Australia Bank of New Zealand Bank of America
Solicitors	Lander & Rogers Mills Oakley Lawyers DLA Piper Allens
Auditors	KPMG
Registered Office	57 Balmain Street Cremorne, Victoria, 3121 Telephone (03) 9274 0000 Facsimile (03) 9274 0197
Share Registry	Computershare Investor Services Pty Limited Yarra Falls 452 Johnston Street Abbotsford, Victoria, 3067 Telephone (03) 9415 5000 Facsimile (03) 9473 2500
Stock Exchange Listing	Reece Limited shares are listed on the Australian Stock Exchange ASX Code: REH
Notice of Meeting	Notice is hereby given that the Annual General Meeting Reece Limited will be held virtually on Friday 21 November 2025.

Supplementary Sustainability Performance Data

The table below provides a summary of Reece’s sustainability-related metrics disclosed in this Annual Report. Sustainability information in this Report covers Reece Limited (‘the Group’ or ‘Reece’) and controlled entities for the period 1 July 2024 to 30 June 2025 (‘FY25’). We engaged KPMG to perform limited assurance over selected sustainability metrics in FY25. Metrics that have been assured are marked with an asterisk. A copy of the assurance report is available on pages 116 – 117 in this Report.

The Group has reported the information cited in this report with reference to the Global Reporting Initiative (GRI) standards. Refer to the Reece Group website for Reece’s GRI content index.

Focus area	Metric	Unit of measure	FY25
Supporting the trade industry	Number of Australian School-based Apprenticeships completed (ASbA traineeships) – ANZ	Number (#)	134
Sustainable products and solutions	Percentage increase in lower Global Warming Potential (GWP) ¹ refrigerants (kg sold) from FY24	%	37%
	Percentage increase in heat pumps (volume sold) from FY24	%	66%
Clean water	Number of people enabled to access clean water & sanitation through the Reece Foundation ²	Number (#)	41,242
Health, safety & wellbeing	Total recordable injury frequency rate (TRIFR) ^{3*}	Rate	18.8
	Number of SafeR walks completed ⁴	Number (#)	49,393
Leadership and development	% eligible leaders completing core leadership development programs	%	96%
Creating an inclusive workforce	Percentage females in leadership positions ⁵	%	26%
Reducing waste	Percentage waste diverted from landfill ⁶	%	23%
Reducing our carbon footprint	Scope 1 and 2 emissions	tCO2e-	Refer to next page
	Scope 1 and 2 emissions intensity per branch from FY24 ⁷	%	-3%
	Total energy consumption from all sources ⁸	GJ	762,397
	Percentage of electricity from renewable sources	%	29%
Ethical supply chain	Percentage eligible employees completing modern slavery training	%	90%

* Metric subject to limited assurance by KPMG in FY25.
¹ Lower GWP refrigerants are those with a GWP below 1500. As the industry evolves, Reece will review and refine this threshold.
² Reported as at 30 June 2025. This number is externally reviewed by Huber Social, the Reece Foundation’s partner for social impact measurement framework, as part of the Reece Foundation Impact Report, which is available on the Reece Foundation website.
³ TRIFR measures the total number of work-related lost-time injuries (LTI) and medical treatment injuries (MTI) per million hours worked during a single financial year. Total hours worked excludes paid time off and contractor hours. An LTI is a work-related injury or illness that causes one or more missed work shifts or days, verified by a medical certificate and a formal claim to the relevant authority. An MTI is a work-related injury or illness requiring treatment by a medical professional. It includes injuries that require a reduction or modification to an employees standard duties.
⁴ SafeR Walks are inspections conducted by our ANZ branch team members that enable our teams to take a proactive approach to identify and mitigate hazards that may lead to incidents.
⁵ The percentage of females in leadership positions is calculated as the proportion of females within the employee categories of the Board, Senior Leadership Team and senior management.
⁶ In FY25, the reuse of cardboard at our Australian branches has been included for the first time in diverted waste. Cardboard boxes used for incoming goods are repurposed for packaging customer orders, contributing to our waste reduction efforts.
⁷ Emissions intensity per branch is calculated as total absolute scope 1 and 2 (market-based) emissions in tCO2e- divided by the total number of branches at the end of the reporting period.
⁸ The sources included are fuel usage, natural gas usage, purchased electricity, and solar energy consumption.

Team members by management level category and gender in FY25*

Category	Female	Male	Gender X	Total
Board	2	6	-	8
Senior Leadership Team	7	21	-	28
Senior Management	38	106	3	147
Managers	163	1,148	1	1,312
Team Members	1,731	5,741	34	7,506
Total	1,941	7,022	38	9,001

The above table presents total number of employees (regardless of employment status, i.e., full-time, part-time, or on leave), excluding contractors as at 30 June 2025 for the Group. Employee categories are defined as: the Board, Senior Leadership Team (Group CEO, Group President, regional CEO’s and direct reports), Senior Management (reports to Senior Leadership), Managers (anyone not identified in the categories above with direct reports), and Team Members (remaining employees not captured in the categories above). Gender X refers to employees who identify as a gender other than female or male, or prefer to not identify. Peter Wilson and Sasha Nikolic hold roles in both the Senior Leadership Team and the Board, however are included under the Board category in the above table.
*The figures in the table above have been subject to limited assurance by KPMG in FY25.

Absolute scope 1 and 2 emissions in tCO2e-

Metric	FY25*	FY24	FY23	FY22	FY21 (baseline)
Scope 1	40,534	39,623	39,891	36,567	36,238
Scope 2 (market-based)	24,285	24,373	25,695	27,216	27,864
Scope 2 (location-based)	24,508	25,169 [#]	26,374	29,322	29,074
Total scope 1 and 2 (market-based)	64,819	63,996	65,586	63,783	64,102

Scope 1 and 2 greenhouse gas emissions are aligned with the *Greenhouse Gas Protocol: A Corporate Accounting and reporting Standard (Revised Edition)* (GHG Protocol) and use an operational control consolidation approach. The Group’s scope 1 greenhouse gas emissions include direct emissions from transport fuel usage by Reece’s owned and leased vehicles, natural gas usage and fugitive emissions from HVAC refrigerant usage. Scope 2 greenhouse gas emissions include indirect emissions from the consumption of purchased electricity and are calculated using a market-based and location-based methodology. The Group’s scope 1 and 2 greenhouse gas emissions comprise of carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O) and hydrofluorocarbons (HFCs). We do not produce any greenhouse gas emissions from nitrogen trifluoride (NF3), perfluorocarbons (PFCs) and sulphur hexafluoride (SF6). Where data is unavailable at the time of reporting, estimations are applied using relevant assumptions.
Country specific emission factors are used in the calculation of greenhouse gas emissions. The following sources are used and reviewed annually by Reece:
– Australian Government Department of Climate Change, Energy, and Environment and Water
– New Zealand Ministry for the Environment
– United States Government Environmental Protection Agency
– Global warming potential values from the Intergovernmental Panel on Climate Change (IPCC), *Fifth Assessment Report* (AR5).

* Location-based scope 2 emissions for FY24 have been restated from 26,299 tCO2-e to 25,169 tCO2-e, due to the application of a corrected location-based emissions factor for electricity consumed at New Zealand sites.

*FY25 scope 1 and 2 emissions presented in the table above have been subject to limited assurance by KPMG.

Independent Limited Assurance Report
for Selected Sustainability Information



Independent Limited Assurance Report to the Directors of Reece Limited

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Sustainability Information presented in the FY25 Reece Annual Report, has not been prepared by the Management of Reece Limited (Reece), in all material respects, in accordance with the Criteria for the year ended 30 June 2025.

Information Subject to Assurance and Criteria Used as the Basis of Reporting

Reece engaged KPMG to perform a limited assurance engagement over Selected Sustainability Information in the FY25 Reece Annual Report, for the year ended 30 June 2025 in accordance with the Criteria, as defined in the following table:

Selected Sustainability Information	FY25	Unit	Criteria used as the basis of reporting (the Criteria)
Scope 1 GHG Emissions	40,534	tCo2e	Reece Group Emissions Basis of Preparation*, which is aligned to Greenhouse Gas Protocol (GHGP): A Corporate Accounting and Reporting Standard
Scope 2 GHG emissions (location-based)	24,508	tCo2e	
Scope 2 GHG emissions (market-based)	24,285	tCo2e	
Total recordable injury frequency rate (TRIFR)	18.8	Rate	Reece Group Social & Safety Basis of Preparation*
Team members by management level category and gender as at 30 June 2025	All metrics in Table Team members by management level category and gender in FY25 in section Supplementary Sustainability Performance Data	Number (#)	Reece Group Social & Safety Basis of Preparation*

*A summary of each Basis of Preparation is provided in the data footnotes in the FY25 Reece Sustainability Report included within the Reece Annual Report.
We assessed the Selected Sustainability Information against the Criteria. The Selected Sustainability Information needs to be read and understood together with the Criteria.

Basis for Conclusion

We conducted our work in accordance with Australian Standard on Assurance Engagements ASAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ASAE 3000) and ASAE 3410 Assurance Engagements on Greenhouse Gas Statements (ASAE 3410) (the Standards). We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In accordance with the Standards, we have:

- used our professional judgement to plan and perform the engagement to obtain limited assurance that we are not aware of any material misstatements in the Selected Sustainability Information, whether due to fraud or error;
- considered relevant internal controls when designing our assurance procedures, however we do not express a conclusion on their effectiveness; and
- ensured that the engagement team possess the appropriate knowledge, skills and professional competencies.

Summary of Procedures Performed

- Our limited assurance conclusion is based on the evidence obtained from performing the following procedures:
- Interviews with senior management and relevant employees to understand the internal controls, governance structure and reporting processes of the Selected Sustainability Information;
 - Walkthroughs of the Selected Sustainability Information to source documentation;
 - Assessing Reece's application of operational control and reporting boundaries against the Criteria. This includes assessing completeness over the aggregated Reece Group datasets;
 - Testing the arithmetic accuracy of calculations in datasets for scope 1 and 2 GHG emissions for FY25 and safety metrics;

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- Analytical procedures over the Selected Sustainability Information;
- Agreeing the Selected Sustainability Information back to underlying sources on a sample basis. This includes invoices for GHG emissions metrics, incident report and hours worked data for safety metrics, and head count and employee data records for social metrics;
- Assessing emission factor sources against industry practice and re-performing emission factor calculations;
- Assessing of the suitability of the Criteria; and
- Reviewing the Reece FY25 Annual Report in its entirety to ensure it is consistent with our overall knowledge of assurance engagement.

Inherent Limitations

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. It is therefore possible that fraud, error or material misstatement in the Selected Sustainability Information may occur and not be detected. Non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating, and estimating such data. The precision of different measurement techniques may also vary. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, evaluation and measurement techniques that can affect comparability between entities and over time. Greenhouse gas quantification is subject to inherent uncertainty due to the nature of the information and the uncertainties inherent in:

- the methods used for determining or estimating the appropriate amounts,
- information used to determine emission factors, and
- the values needed to combine emissions of different gases.

The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance conclusion.

Misstatements, including omissions, are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the Directors of Reece.

Use of this Assurance Report

This report has been prepared solely for the Directors of Reece who have voluntarily commissioned this independent assurance over the Selected Sustainability Information to enhance transparency and confidence in their oversight and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Directors of Reece, or for any other purpose than that for which it was prepared.

Management's Responsibility

Management are responsible for:

- determining appropriate reporting topics and selecting or establishing suitable criteria for measuring, evaluating and preparing the Selected Sustainability Information;
- ensuring that those criteria are relevant and appropriate to Reece and the intended users; and
- establishing and maintaining systems, processes and internal controls that enable the preparation and presentation of the Selected Sustainability Information that is free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to perform a limited assurance engagement in relation to the Selected Sustainability Information for the year ended 30 June 2025, and to issue an assurance report that includes our conclusion based on the procedures we have performed and evidence we have obtained.

Our Independence & Quality Management

We have complied with our independence and other relevant ethical requirements of the Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional and Ethical Standards Board and complied with the applicable requirements of Australian Standard on Quality Management 1 to design, implement and operate a system of quality management.



SENewman

Sarah Newman
Partner
Melbourne
25 August 2025

JCarey

Julie Carey
Partner
Melbourne
25 August 2025



reece
group™

Reece Limited
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