

**ASX Announcement**

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# Q1 FY25 Update

Attached for release is Reece Limited's sales update for the first quarter of FY25.

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

## About the Reece Group

Reece Group is a leading distributor of plumbing, waterworks and HVAC-R products to commercial and residential customers through over 900 branches in Australia, New Zealand and the United States.

Established in 1920 and listed on the Australian Securities Exchange (ASX: REH), Reece Group has approximately 9,000 employees who are focused on building a better world for our customers by being our best.

For further information on Reece Group and its portfolio of businesses please visit [group.reece.com/au](http://group.reece.com/au).

## Q1 FY25 Update

Reece Limited (“Reece Group” or “Reece”; ASX: REH) today announces its Q1 FY25 sales update. The Group delivered sales revenue of A\$2,232m for the first quarter, down 5% on the same period last year, and down 4% on a constant currency basis<sup>1</sup>. As we anticipated at the full year, the challenging trading environment has continued during the first quarter driven by ongoing softness in housing activity in both regions.

In Australia and New Zealand (ANZ), sales revenue was broadly flat with underlying volumes softening on the same period last year. Sales were supported by recent bolt-on M&A activity in region.

In the United States (US), sales revenue was down 6.5% on a USD basis reflecting the impact of lower volumes and ongoing deflation in select categories. Adverse weather conditions also impacted US sales in Q1.

Peter Wilson, CEO of Reece Group, said: “As we look ahead, the lead indicators continue to be challenging in both regions. While the US has seen its first rate cut, this will take time to work through the system.

“We have a track record of investing through the cycle to build a stronger business for the long term. Despite recent softness, we continue to invest in growth and remain focused on strengthening our core capabilities and delivering our customer promise.”

As a result of Q1 trading, Reece expects Adjusted EBIT<sup>2</sup> for the first half of FY25 to be within the range of A\$300m – A\$320m.

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<sup>1</sup> Constant currency basis applies the same US foreign exchange rate of 0.6542 from Q1 FY24 to current period sales to eliminate the foreign exchange impact when comparing sales to pcp

<sup>2</sup> Adjusted EBITDA and Adjusted EBIT are non-IFRS metrics used by Reece for internal management reporting purposes as these metrics better reflect underlying performance. Non-IFRS information is not subject to review or audit by the Company’s external auditor.