ASX Announcement

24 August 2026

FY26 Annual Report

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

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

About the Reece Group

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

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

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

reece group™

MAKE IT BETTER EVERY DAY

Annual Report 2026

Contents

Reece's Reconciliation art work is featured in our support centre in Cremorne, Melbourne. It was commissioned to celebrate Reece's role in the vital life source of water. It is titled 'Water Sources Life (Ngubitj sources Murrun)' and was created by Alisha Fagan, a proud Wadawurrung woman, in partnership with The Torch.

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.

At a glance

A market-leading distributor of plumbing, HVAC-R and waterworks products to commercial and residential customers. Differentiated by our customer led approach: Works for You

Founded

1920

Growth and leadership

100+ yrs

Team members

~9000

Locations

~1000

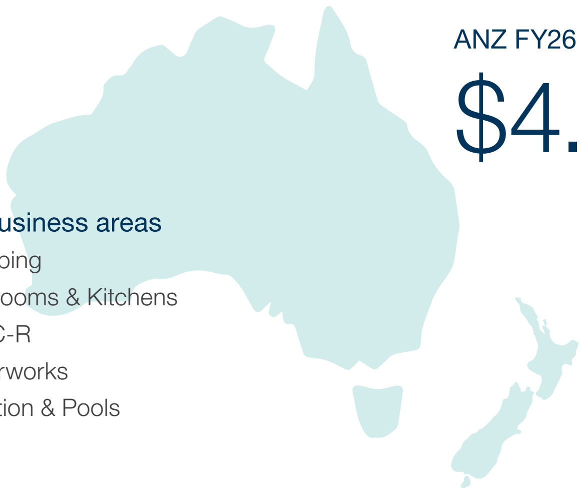
Entered the US

2018

New US branches since 2018

121

An international footprint



ANZ FY26 Revenue

$4.2b

ANZ business areas

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

US business areas

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

US FY26 Revenue (USD)

$3.5b

A trusted brand

with a differentiated customer proposition.

Clear track record

through economic cycles.

An industry with positive long-term fundamentals

Housing undersupply

The regions where we operate are both experiencing a structural underbuild of housing for growing populations.

Critical infrastructure growth

Supporting growing populations, our markets have supportive policy settings with long-term infrastructure investment.

Efficiency & electrification

Like others, our industry is experiencing a wave of innovation as more efficient solutions emerge for heating, cooling and water.

Future of trade

The next generation of tradies are shifting towards digitisation, new business models and smarter and more efficient ways of running their businesses.

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.

From our leaders

A long-term approach

FY26 has been an eventful year, from housing affordability pressures to supply chain disruption pressures, to new areas of growth and technologies leading rapid shifts in work. Through this, our team has remained focused on what matters — delivering on our customer promise: Works for You, anchored as always by our purpose and values.

Looking beyond the cycle, we have continued to invest in our business. This included strengthening our branch network, advancing our digital capability and meeting the needs of our customers as they evolve. These are deliberate decisions to build a stronger business over time.

Our confidence in the long-term outlook remains unchanged. We operate in large, resilient markets supported by population growth, ageing housing stock and ongoing infrastructure investment. Combined with a strong balance sheet, this positions us for success through the cycle.

At the Board level, our focus remains on maintaining the right mix of skills and experience to support our next phase of growth. We were pleased to welcome Jacqueline Chow and Tim Ford this year, who both bring valuable experience from leadership roles in complex operations to our Board.

The Board declared a final dividend of 13.40 cents per share, fully franked, taking the FY26 total dividend to 18.84 cents per share.

I would like to thank our shareholders for their continued support this year and our teams members for their hard work.

Peter Wilson
Chairman & Chief
Executive Officer

> "Looking beyond the cycle, we have continued to invest for the long term."
>
> PETER WILSON

A complex year

FY26 saw revenue up 4.5% to $9.4b, earnings before interest and tax down 2.6% to $534m, and net profit down 2.8% to $308m. Our ANZ business had a year of solid volume growth, while the US continues to see softer demand due to weakness in residential new construction. Throughout this period, we focused on executing our three strategic priorities of operational excellence, breakthrough innovation and investing for profitable growth.

Operationally, we rolled out a net 27 new branches, the majority of which were in our growing US region. We continue to enhance our customer experience, launching new showrooms, digital tools and building team capability, all of which are focused on making life easier for our customers.

Looking ahead, we are well positioned to navigate any potential headwinds in FY27. Our approach is the same as it has always been: prioritise our customers, run the business efficiently and continue investing to build a stronger Reece for the long term.

I want to thank our customers for their partnership, and the Reece team for continuing to do what we do best – showing up for our customers.

Sasha Nikolic
Group President &
Managing Director

The Reece Way

As a customer led business, everything we do is guided by our purpose and values. Our people live The Reece Way, which has allowed us to stay one step ahead of our customer's needs.

Our Purpose

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

Our Values

- Create customers for life
- Be your best
- Team first
- Own it
- Keep it simple
- Do the right thing

Entrepreneurial spirit

Innovate big and small

Try. Try. Try.

Be humble

Our Mantra

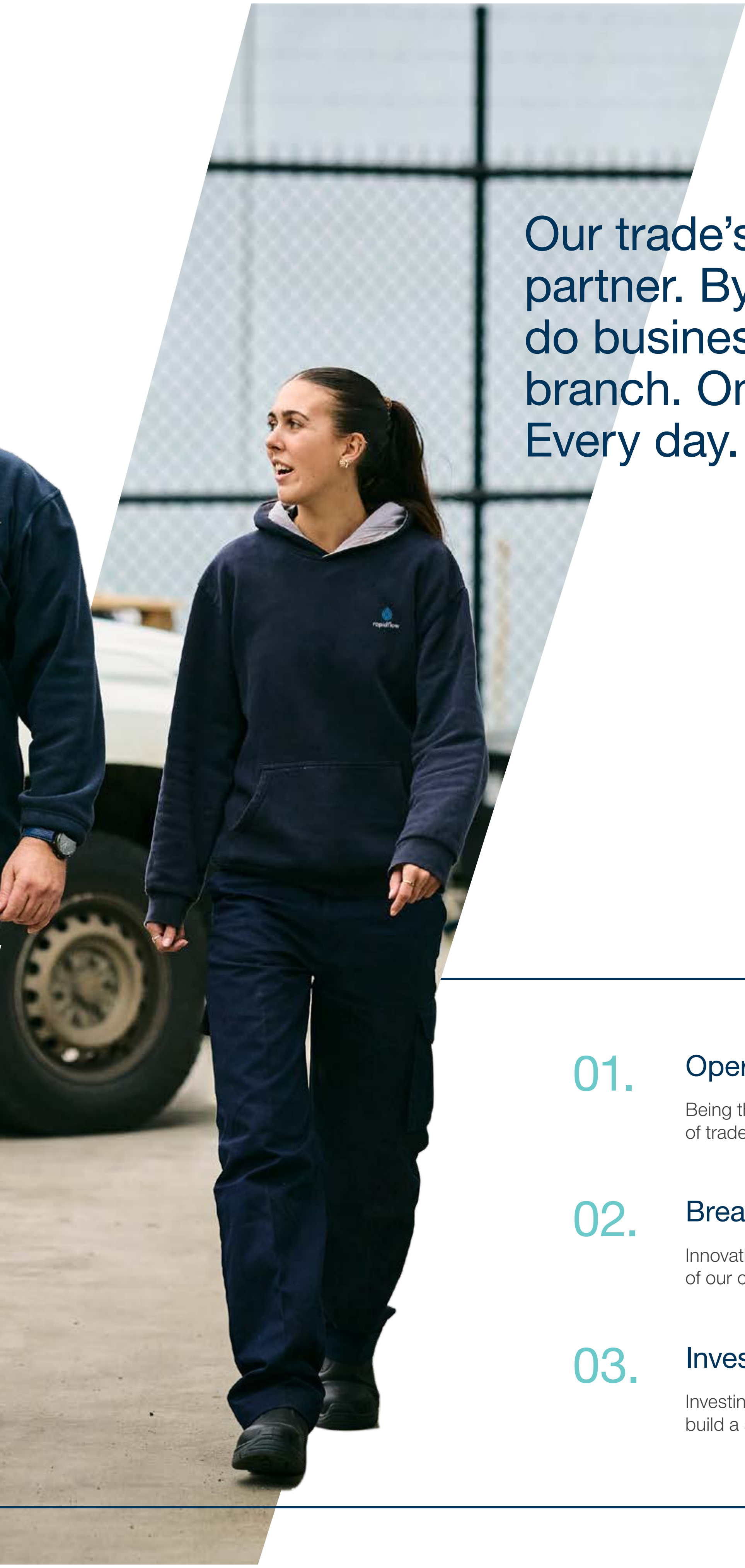
Make it better every day.

Our 2030 Vision

This year, we evolved our long standing vision of being our trade's most valuable partner to reflect the changing ways we work with our customers. Always focused on being one step ahead, we're here for customers – whether that's in person, at the end of a phone line, or through our digital tools. Any way, every day.

Strategic priorities

We are embracing our 2030 vision by executing on our three strategic priorities.



Our trade's most valuable partner. By being easy to do business with. In every branch. On every screen. Every day.

01. Operational excellence

Being the best at the fundamentals of trade distribution.

02. Breakthrough 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.

Works for you.

Our customer 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

Being easy to do business with.

Relationships

Seeing our customers as partners.

Expertise

Understanding the markets in which we operate.

Quality

Setting the highest standards, then striving to exceed them.


So what have we
been up to?
reece

Service

We're making Reece even easier to do business with, so customers have what they need, when they need it.

To keep our customers moving, Reece is always looking for ways we can improve service. A key part of this is getting customers what they need quickly. This year, we've been investing in our supply chain to make it easier and faster to get products to customers.

At our Sydney Distribution Centre, new high-density storage and Autonomous Mobile Robots (AMRs) are in trial to help us operate more efficiently, expanding our local product range and reducing delivery lead times.

The technology also improves picking accuracy, helping ensure orders are right the first time. For customers, that means less waiting, fewer delays and greater confidence that products will be available when they need them.

By creating a faster and more responsive distribution network, we're making Reece even easier to do business with.

Relationships

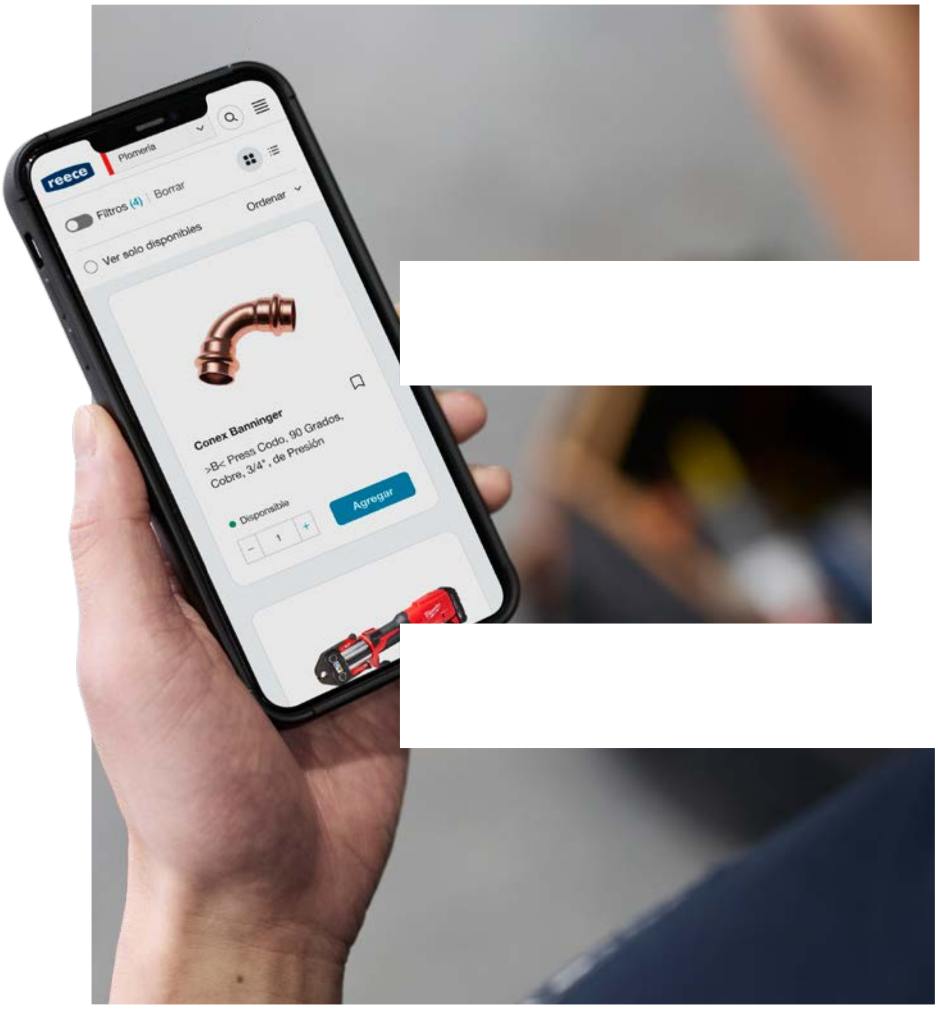
"Reece helps us run a more efficient and profitable business... we know we can count on Reece to keep us moving."

At Reece, we've always won our customers one by one, by putting in the work and being their most valuable partner. Our plumbing branch in Phoenix, Arizona knows what it takes. They recently went the extra mile by helping a customer to fit out their truck with labels and a stocking program to make life easier.

At 9am the truck was dropped off and the team set about sorting and setting up bunking and storage bins with clear labelling. By 1pm the customer had a new business fit-out on wheels. Using a cloud based software platform integrated with our maX e-commerce platform, the customer can now scan the barcode, sell the product, and know that with the Reece team will be able to see exactly what he needs restocked when he arrives at the branch the next day.

From purchasing 90% of his stock through a competitor, this customer is now a Reece fan.

Expertise



"Thank you... Springdale branch, and the Austin team... for being a partner we can rely on."

In November 2025, our US business launched a new version of maX, our eCommerce solution, fully in Spanish. This opened the platform to one of the most important and fast-growing segments of our customer base: Hispanic tradespeople.

The trades have grown markedly more diverse. Hispanic workers now represent nearly one-third of the construction labor force at 32%, up from 23.6% in 2010 and compared with 19.2% across all industries.[1] The concentration is highest in the Sunbelt where more than half the construction labor force is Hispanic.

By delivering maX in Spanish, we support these professionals in their preferred language and remove a real barrier to adoption. Since launch, the response has been overwhelmingly positive, with steady adoption and strong customer enthusiasm. This reinforces our commitment to building accessible technology that serves the full diversity of the trades.

For Fabian Guttierrez, Operations Manager at JM Plumbing in Manor, having maX available in Spanish has made it more comfortable and intuitive for his Spanish speaking team to navigate and conduct business.

[1] Source: NAHB: "How Diverse Is the Construction Workforce?" (17 Oct 2025)

Quality

Reece opens new design-led bathroom showroom at Rosebery Engine Yards.

After 2 years in the making, in May Reece opened its new next generation bathroom showroom at Rosebery Engine Yards in Sydney, marking a new chapter in how customers plan and deliver bathroom projects.

The format demonstrates Reece's commitment to quality and staying one step ahead of customers, having been developed specifically to support customers, and trade and design professionals from early ideas through to detailed decisions.

The new showroom was based on deep customer insights, using a suite of cutting edge digital tools to inspire the customer experience and reducing pain points.

The Maker Studio gives customers a hands-on way to explore tapware, basins, vanities, tiles and finishes side by side, compare combinations, and shape the look and feel of their space with more confidence.

Digital tools such as the Bathroom Assistant and Vanity Studio support more structured conversations, helping customers and project teams explore options, resolve complex selections, and continue planning beyond their visit.

The Rosebery showroom reflects Reece's focus on making it easier for customers and trade partners by supporting clearer decisions and improving how projects are delivered.

Operating and financial review

Financial summary	2026 ($000's)	2025 ($000's)	Variance %
Sales revenue	9,378,431	8,978,382	4.5
EBITDA [1]	900,931	900,529	-
EBIT	533,695	548,211	(2.6)
NPAT	308,155	316,937	(2.8)
EPS (cents)	49.5	49.2	0.7
Total dividends per share (cents)	18.84	18.36	2.6
Return on capital [2]	11.9%	11.8%	5bps

We made good progress against our strategic priorities: operational excellence, breakthrough innovation and investing for profitable growth.

Reece delivered sales revenue growth of 4.5% to $9,378m in FY26 (FY25: $8,978m), as volumes recovered in ANZ and weak residential new construction continued to impact demand in the US. On a constant currency basis[3], sales revenue increased 7.3% to $9,630m.

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

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

Net debt increased to $744m (FY25: $590m) driven by ongoing investment to support future growth and partial funding for the Group's share buyback programs. The business remains well capitalised with a net leverage ratio[4] of 1.0x, down from 1.5x at December 2025 (FY25: 0.8x).

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

↑ 4.5%

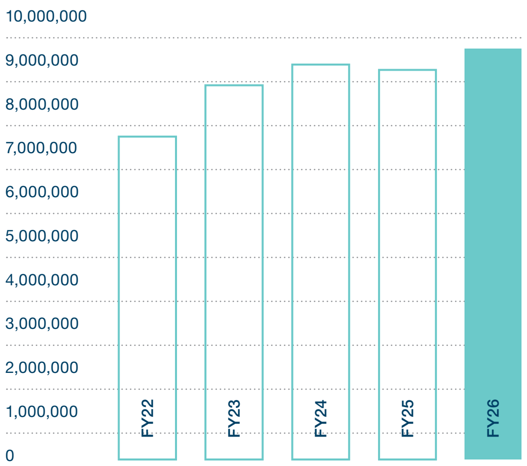
Sales revenue up 4.5% to $9.4b in FY26

↔ 901m

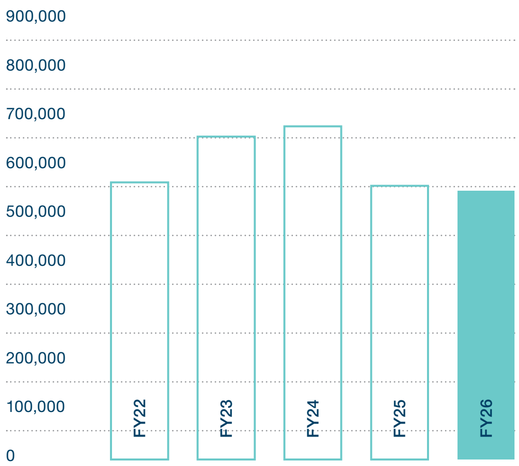
EBITDA flat at $901m in FY26

We enhanced our customer experience, advanced our digital & innovation agenda & continued to support the development of our people.

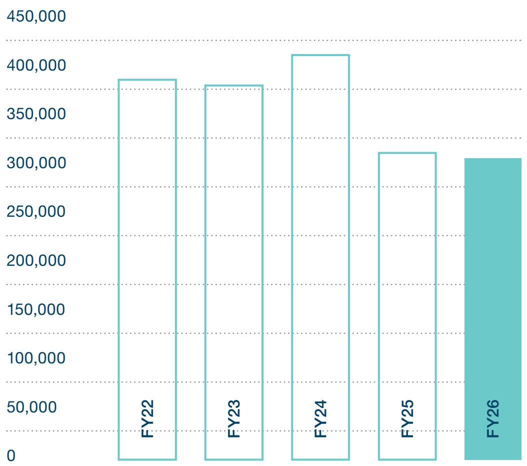
Sales revenue ($000's)



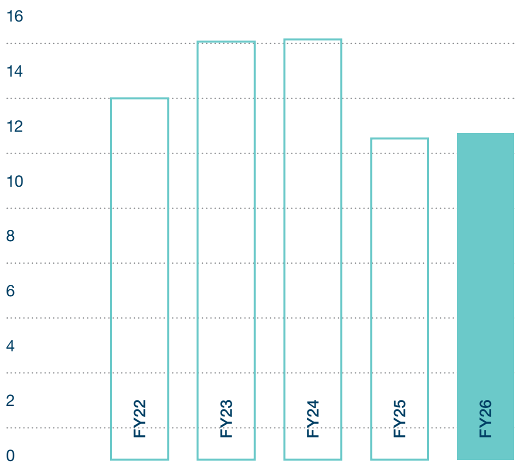
EBIT ($000's)



NPAT ($000's)



Return on capital (%)



ANZ region

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

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

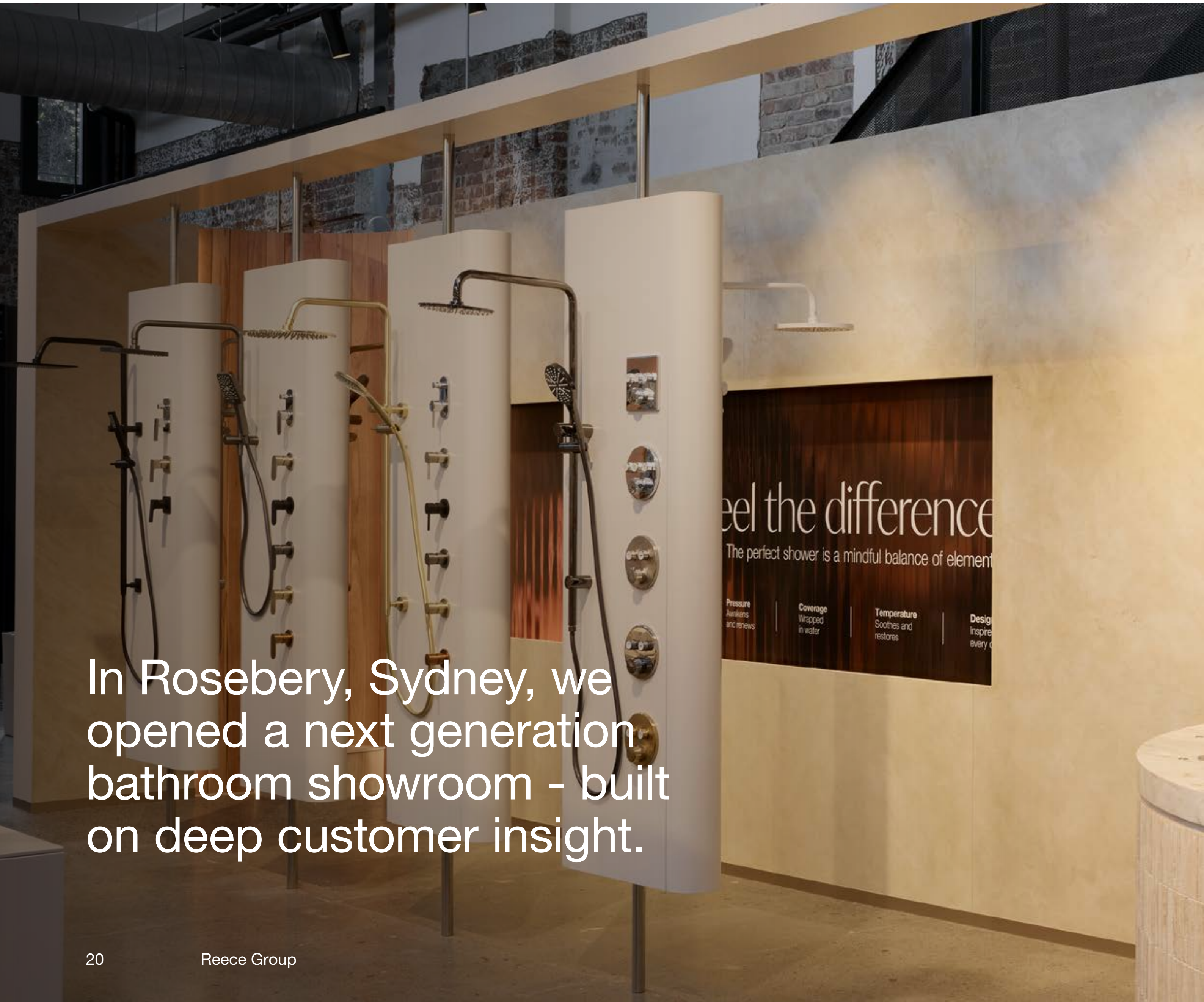
Operationally, we made strong progress on our three strategic priorities. As a key driver of customer experience, we continued to enhance our network, ending the year with 678 branches. In Rosebery, Sydney, we opened a next-generation bathroom showroom — a digitally led experience, built on deep customer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

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

US region

Sales revenue increased 6.5% to US$3,511m (FY25: US$3,296m), driven by network expansion, with like-for-like sales[5] down by 1.7% and inflation contributing approximately 2%. Housing markets remained soft during the period, with residential new construction activity continuing to weigh on demand, while the non-residential segment was more resilient. EBITDA declined 4.5% to US$251m (FY25: US$263m). EBIT was down 13.0% to US$118m (FY25: US$136m), reflecting the soft market backdrop and ongoing investment in network expansion.

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



In Rosebery, Sydney, we opened a next generation bathroom showroom - built on deep customer insight.

Outlook

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

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

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

Dividends

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

[1] EBITDA is a non-IFRS financial measure calculated as statutory earnings before interest, tax, depreciation and amortisation.
[2] Return on capital is a non-IFRS financial measure calculated as adjusted EBIT dividend 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 0.6471 from FY25 to current period sales to eliminate the foreign exchange impact when comparing sales to pcp.
[4] Net debt over a 12-month EBITDA, calculated on a pre-AASB 16 Leases basis.
[5] Like-for-like sales refers to branches that have reported a full 12-month of sales in both the current and prior year.

Sustainability

Having impact where it matters

At Reece, we think long term. Sustainability is embedded in how we work, driven by our customer-led vision and shaped by insights from our customers, team and other stakeholders.

We do this The Reece Way - taking a practical and commercial approach, concentrating our efforts where we can have the most impact, and always looking to improve.

Our strategy has three focus areas. Building a better world for our customers is where Reece can lead and have the biggest impact. Be our best and Do the right thing are our foundations. Together, they shape how we run our business and contribute to a better society.

Building a better world for our customers

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

Be our best

- Health, safety and wellbeing
- Leadership and development

Do the right thing

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

– Areas Reece can be a leader –

– Areas of responsibility and continuous improvement –

Building a better world for our customers

Building a better world is about the movement of clean water, contributing to the future of the trade industry and helping our customers navigate the shift to a more sustainable future. All of these areas are at the heart of what we do and are areas we can have a real impact.

71k

People enabled to access clean water and sanitation through the Reece Foundation in FY26

5,635

Hours contributed by Reece Foundation volunteer tradespeople

[1]Australian school based apprenticeship.

Sustainability is embedded in how we work, and shaped by customer insight.

Be our best

Our people are what make Reece. We're committed to creating a safe, supportive environment where every team member can thrive — and that means investing across health, safety and wellbeing, as well as leadership and development.

Do the right thing

We've always been focused on doing the right thing — it's one of our core values. That means creating a more inclusive workforce where everyone feels they belong, maintaining an ethical and transparent supply chain, reducing the waste our business generates, and taking practical steps to reduce our carbon footprint.

16.3

Total Recordable Injury Frequency Rate across our business in FY26

11%

Reduction in Scope 1 and 2 emissions per branch since FY21

94%

Eligible leaders completed core leadership development programs in FY26

3

Launched our third Innovate Reconciliation Action Plan

– To read more about our performance in sustainability, see our disclosures on pages 36 to 53 –

198

ASbA[1] traineeships completed in FY26

57%

increase in kg of lower GWP refrigerant sold from FY25

reece foundation

Clean water. Real impact.

In 2022, Reece established the Reece Foundation. Access to water is essential for quality of life and trades play a critical role in making it possible. By connecting trade skills with communities in need, we deliver practical water and sanitation solutions in Australia and overseas.

Reece Group's commitment to reconciliation is reflected in our third Reconciliation Action Plan, guided by respect, partnership and long-term impact. With the Reece Foundation, we work alongside communities to deliver solutions shaped by local knowledge and built for the long term, like we did at Oolah this year.

The Oolah Project, Dampier Peninsula, Western Australia.

In June 2025, the Reece Foundation met with Traditional Owner, Bolo Angus on Country to listen and learn about the importance of clean water and sanitation for the Bardi-Jawi People. Known as the water people, they lived for nearly two decades without access to clean safe water on Country.

This early engagement shaped the project from the outset, ensuring it was led by community priorities and grounded in local knowledge. Throughout the design process Bolo worked closely with the project team and drew on his experience as a plumber.

In October 2025, eleven trade volunteers joined community members on Country to bring the project to life. Working side by side, the experience was a two-way exchange, with volunteers contributing their skills, while learning from community about culture, Country and what meaningful, respectful partnership looks like in practice.

Together, the team installed a bore-fed water system with treatment, filtration and UV disinfection, along with sanitation infrastructure designed to suit the local environment. Approximately two kilometres of pipework now connect Lullumb and Mudnunn with clean, safe water, with a bespoke solar system supporting the operation of pumps, filtration and ablution facilities.

Beyond the infrastructure, the project reflects what's possible when communities lead and others listen — building shared understanding, strengthening local capability and creating lasting impact together.

164k

Total number of people impacted by the Reece Foundation's work since established

US

First Reece Foundation grant in the US, partnering with Texans on Mission to rebuild water and sanitation in flood-affected homes

Governance

Business overview
2026 in review
Governance
Financial report

Corporate Governance

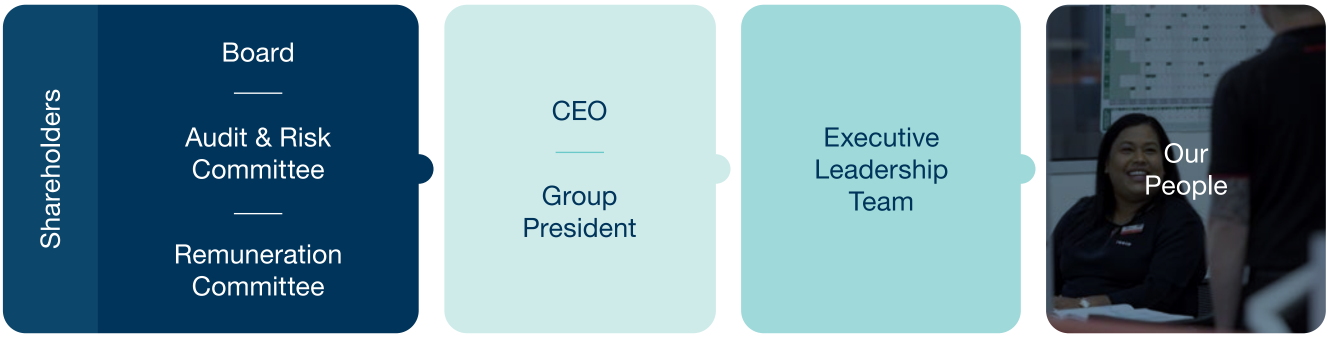
Corporate Governance Statement

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 24 August 2026 and has been approved by the Board.

FY26 Governance Activities

Board Updates
The Board has continued to evolve its composition to ensure it maintains an appropriate balance of skills, experience and independence to support the Company's long-term strategy and governance needs. This year the Board welcomed two new non-executive independent Directors: Tim Ford as Lead Independent Director and Jacqueline Chow as Chair of the Remuneration Committee.
Stakeholder engagement
We continue to strengthen our stakeholder engagement with a focus on accountability, transparency and responsiveness. This year Remuneration Committee Chair, Jacqueline Chow engaged with shareholders and proxy advisors in the design and development of the Reece 2030 remuneration framework. Together as part of our governance outreach programs, these discussions provide valuable feedback that inform governance practices and alignment with stakeholder expectations.



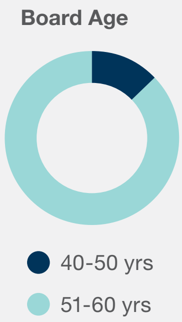
Corporate Governance

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 adopted 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. 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 pages 54 and 55 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 55 of the Annual Report.

Corporate Governance

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) are 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 FY26. 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 two new Directors. As part of this process Jacqueline Chow was appointed to the Board 1 November 2025 as Remuneration Committee Chair and Tim Ford appointed to the Board on 8 April 2026 as Lead Independent Director, joining both the Remuneration Committee and Audit and Risk Committee. Detail regarding the skills and experience of each Director and the Board collectively is included on pages 54 and 55 of the Annual Report. The Board considers that the Directors have an appropriate range of skills, knowledge, and experience necessary to direct the Company.

Corporate Governance

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 Chairman 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 has introduced the Lead Independent Director role. Tim Ford was appointed to this role from 8 April 2026 after the retirement of Ross McEwan as Lead Independent Director on 30 June 2025. 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. At the end of FY26, 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. Gavin Street is currently the Chief Executive Officer (CEO) and Managing Director 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 pages 54 and 55 of the Annual Report. 
2.4 Majority of Directors are independent	Details regarding which Directors are considered independent and length of service are on pages 54 and 55 of the Annual Report and in response to section 2.3 above.
2.5 Independent Chair	The role of Chairman is performed by Peter Wilson who is not an independent Director, the Board recognises this model is not common for ASX companies and introduced the Lead Independent Director role, held by Tim Ford. Further details regarding the Directors are available on pages 54 and 55 of the Annual Report.

Corporate Governance

Recommendation	Reece's compliance with the recommendations
2.6 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 pages 8-9 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 include our policies on speaking up and anti-bribery and corruption and detail expected standards of behaviour.

Corporate Governance

Recommendation	Reece's compliance with the recommendations
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 54 and 55 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 56 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.
4.2 CEO and CFO certification of financial statements	The Board has obtained a written assurance from the Chairman & CEO and Group CFO that the declaration provided under Section 295A of the Corporations Act 2001 (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 Corporations Act 2001 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 44 of the Annual Report also undergoes an external, independent limited assurance process. A statement of limited assurance is provided on pages 49 and 52 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 *Corporations Act 2001*. 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.

Recommendation	Reece's compliance with the recommendations
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 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.
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 2026 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 pages 58 and 59 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 pages 56-57 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 FY26, this included targeted uplifts across a broad range of enterprise and operational risks, including (but not limited to) driver safety, AI governance, and supply chain risk management.
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. Our FY26 internal audit program included targeted reviews of IT resilience, property management, demand planning, and award compliance. In FY27, key technology risks (including cyber security and AI governance) will form a central focus.

Recommendation	Reece's compliance with the recommendations
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 pages 58-59. The Company's greenhouse gas emissions data (Scope 1 and 2) provided on page 44 of the Annual Report also undergoes an external, independent limited assurance process. A statement of limited assurance is provided on pages 49 to 52 in the Annual Report. Our Modern Slavery Statement is prepared under the *Australian Modern Slavery Act 2018* and outlines our management of modern slavery risks. This Statement is available on our website, https://group.reece.com/investors/our-releases.
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 54 and 55 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 56 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 FY26, 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 and key management personnel. Further details regarding the remuneration of senior executives and non-executive Directors, are set out on pages 74 and 75 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 FY26.

Sustainability Report

Mandatory

About this report

This Sustainability Report for Reece Limited ('the Group' or 'Reece') and controlled entities for the financial year ended 30 June 2026 ('FY26') has been prepared in accordance with the Australian Sustainability Reporting Standards issued by the Australian Accounting Standards Board (AASB S2 *Climate-related Disclosures)* and the *Corporations Act 2001*. This report has been prepared for the same reporting entity and reporting period as the Group's consolidated financial statements (refer to page 86 'Basis of consolidation'), with all financial amounts presented in Australian dollars and rounded to the nearest million dollars unless otherwise stated. This report should be read in conjunction with the Group's consolidated financial statements.

This Sustainability Report includes forward-looking statements about Reece's climate-related targets and initiatives, including the Group's approach to reducing greenhouse gas emissions. These statements reflect current views, intentions and expectations as at the date of this report. These statements have been prepared using all reasonable and supportable information available to the Group at the reporting date without undue cost and effort, and are based on assumptions and judgements that Reece management believes to be reasonable at the time of preparation. These statements are subject to known and unknown risks, uncertainties and other factors - many of which are outside the Group's control. As a result, actual outcomes may differ materially from those expressed or implied in this report. These statements do not guarantee future results, performance or conditions, and readers are cautioned not to place undue reliance on these forward-looking statements.

Transition reliefs applied

Reece is reporting under AASB S2 for the first time in the annual reporting period ended 30 June 2026. Accordingly, Reece has applied the available transition relief under appendix C, electing not to disclose Scope 3 greenhouse gas emissions, under paragraph C4 (b), with disclosure to commence from FY27. Reece has also applied the comparative transition relief under paragraph C3, with the exception of Scope 1 and 2 greenhouse gas emissions where comparative data has been voluntarily disclosed.

Governance

Governance body oversight

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

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 and Risk Committee (ARC), as outlined in its Charter. Climate-related matters are formally included on the ARC agenda at least twice annually, with outcomes and discussions communicated to the Board. In support of these efforts, the Group Sustainability Team coordinates climate-related activities tied to mandatory climate-related reporting and prepares related materials for ARC meetings.

The ARC plays a central role in risk oversight, with climate-related risks and opportunities integrated into the Group's ongoing risk management processes. Where prioritised, these risks and opportunities inform strategic planning and business decisions through existing operating practices, as described under each climate-related risk and opportunity on pages 40 to 42. Progress against climate targets is reviewed at least annually by the ARC, with any new targets and changes to existing targets requiring approval. No material trade-offs associated with climate-related risks and opportunities were identified during the reporting period.

The ARC comprises members with relevant climate-related skills and competencies. An initial assessment of Directors' skills and competencies was completed in FY26, with additional assessments performed for new Director appointments, ensuring the ARC has the right mix of capabilities to oversee climate-related matters.

For a detailed overview, refer to individual Director profiles in the Directors' Report on pages 54 to 55. Ongoing development of the ARC's capabilities is a key focus. Educational updates and training materials on climate-related matters are periodically provided to support continuous learning.

In the reporting period, this included an educational session delivered by KPMG and briefing materials prepared for ARC members to enhance Directors' understanding of mandatory climate reporting requirements and the Group's readiness to report under AASB S2.

Reece does not have any remuneration payments linked to climate-related considerations.

Management's role

The Group Sustainability Team leads the development of the Group's sustainability strategy and manages climate-related responsibilities, including the identification, assessment and monitoring of climate-related risks and opportunities. Reporting to the Group Chief Financial Officer (CFO), the team coordinates climate-related activities across the regions and validates metrics, and disclosures to ensure consistency.

The Group CFO, as a member of the Executive Leadership Team (ELT), receives regular sustainability and/or climate-related updates from the Group Sustainability Team and shares relevant matters with the ELT. Regional CEOs, who are members of the ELT, are responsible for driving activities to address material risks and opportunities within their respective regions. Regional teams execute programs of work, with the Group Sustainability Team providing support and sharing insights and learnings across regions. The team leverages the tools and processes outlined in the risk management section on page 38 to support oversight of climate-related risks and opportunities.

The ARC oversees these management-level activities, including those led by the Group CFO and Group Sustainability Team, through updates provided at ARC meetings.

Risk management

Reece recognises that effectively identifying and managing climate-related risks and opportunities is essential to building a resilient business for the long term. By utilising the Group Risk Framework, Reece integrates and applies the same disciplined methodology used for all material risks – following a structured process of identification, assessment, prioritisation and ongoing monitoring. The material business risks at a Group level are detailed in the Directors' Report on pages 58 to 59, and are determined via risk assessments conducted by relevant regional or functional teams.

Specifically in relation to climate, the Group Sustainability Team maintains a dedicated register of climate-related risks and opportunities. Relevant items from this register contribute to an overall environmental, social and corporate governance (ESG) risk rating, which is integrated into the broader Group risk profile. These broader risks follow the same assessment, escalation, and reporting protocols as other material business risks, reinforcing Reece's commitment to consistent and transparent risk governance. Further information on the Group's risk approach can be found on pages 34 to 35 in the Corporate Governance Statement under Principle 7.

Identify

Climate-related risks and opportunities are identified using a combination of internal business insights, historical event analysis, input from specialist consultants, and scenario analysis covering operations in Australia, New Zealand, and the United States. An annual review process, led by the Group Sustainability Team, incorporates feedback from regional stakeholders. These activities support comprehensive identification and assessment of climate-related risks and opportunities to ensure existing and emerging risks are appropriately captured and evaluated.

Assess

The Group Risk Framework is applied to evaluate the likelihood and impact of each climate-related risk and opportunity, using both qualitative and quantitative thresholds. Each risk and opportunity is assessed against relevant Group risk impact categories, with likelihood and impact assessed in accordance with the established risk matrix. This assessment draws on outputs from climate scenario analysis, specialist modelling of physical climate hazards across the Group's operating locations, and relevant industry research. Where risks and opportunities share similar characteristics, they are aggregated.

Prioritise

Climate-related risks and opportunities are assessed using the same Group risk framework applied to other business risks. They are prioritised using the same approach applied to the Group's other business risks, which is informed by the Group's strategic priorities. This approach is guided by Principle 7 of the Corporate Governance Statement, which describes the Group's broader risk culture and management practices (refer to pages 34 to 35).

Monitor

The Group Sustainability Team works with regional teams to oversee and monitor ongoing management actions intended to mitigate climate risks and leverage opportunities. Climate-related risks and opportunities are reviewed annually and formally reported to the ARC, in line with the cadence applied to other risk categories.

As this represents Reece's first formal disclosure period for climate-related risks and opportunities under AASB S2, there are no changes from prior practices to report.

Strategy

The climate-related risks and opportunities that could reasonably be expected to affect the Group's prospects are presented on pages 40 to 42, along with their potential impacts. These risks and opportunities reflect the outcomes of Reece's risk assessment, conducted in accordance with the principles set out in the risk management section within this report and involve significant judgement as described on page 46. They are considered across the following three time horizons:

Short term	Now to 2030; aligned with Reece's 2030 vision	**Medium term**	2031–2040	**Long term**	2041–2050; aligned with the net zero emissions target

Scenario analysis

Climate-related scenario analysis was conducted in FY25 to support the identification and assessment of climate-related risks and opportunities. Temperature scenarios were selected to stress-test each physical and transition risk, and to evaluate the resilience of the Group's operations and value chain against a range of possible futures. The analysis drew on datasets from the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report and the Network for Greening the Financial System (NGFS), using the Shared Socioeconomic Pathways (SSP) framework and NGFS scenarios to assess risks and opportunities. Time horizons used were consistent with those for climate-related risks and opportunities, as described above. The scope of this analysis included branches, distribution centres and offices operated by the Group, as well as its upstream and downstream value chain.

Lower
Temperature
Higher

Scenarios	Key assumptions
Net Zero 2050, limiting global warming to 1.5 ˚C *Published by NGFS*	- Stringent climate policy and innovation, including aggressive government action to meet Paris Climate Agreement targets. - Fast deployment of low and zero emissions solutions and technologies, with rapid renewable energy adoption. - Macroeconomic drivers such as higher carbon prices and investment, increased electricity prices during the energy transition, growing customer expectations and regulatory requirements.
SSP1-2.6, limiting global warming to ~1.8 ˚C *Published by IPCC*	
Current Policies, where global warming increases to ~3 ˚C *Published by NGFS*	- Only currently implemented policies are preserved. - Continued reliance on fossil fuels, with climate pledges and targets not being achieved, and slower renewable penetration and technology development. - Macroeconomic drivers such as lower carbon prices and investment in low carbon technologies. - Extreme weather is a key feature, with the intensification of climate hazards affecting operations and consumer behaviour.
SSP5-8.5, where global warming increases to ~4.4 ˚C *Published by IPCC*	

Reece selected NGFS's Net Zero 2050 and Current Policies scenarios to assess transition risk drivers, with Net Zero 2050 aligning with the Paris Climate Agreement's 1.5°C target. IPCC's SSP scenarios were chosen for their robust physical risk data. Reece considered SSP1-1.9 as a 1.5°C pathway, however this scenario is not yet supported by sufficient data for detailed assessment. Accordingly, SSP1-2.6 was selected, with its predicted warming range of 1.3–2.4°C supporting alignment with the Paris Climate Agreement. The higher-temperature scenarios were included to ensure coverage of futures where global warming exceeds 2.5°C, supporting a balanced assessment across a range of climate outcomes, with SSP5-8.5 included to stress-test the Group's physical risk exposure under a worst-case scenario (greater than 4°C warming).

FY25 marked Reece's first climate scenario analysis - a foundational step in strengthening the Group's understanding of climate-related risks and opportunities for the business. Scenario analysis will be updated as appropriate, as Reece continues to build understanding and capabilities over time.

Climate-related risks

Across the climate-related risks and opportunities that are presented on pages 40 to 42, the strategies to respond are embedded within Reece's existing operating practices and do not represent a material change to the Group's business model. Resource allocation is managed through the standard capital budgeting process, with no significant changes expected. Over the short, medium and long term, climate-related investments are incorporated within existing network expansion and asset replacement cycles. Network expansion is expected to result in incremental increases in the Group's asset base over time, strengthening operational resilience, while other investments, such as fleet transition and energy efficiency initiatives, largely replace existing assets and are not expected to materially change the Group's financial position year on year. Accordingly, the Group does not expect its financial position, financial performance or cash flows to materially change as a result of its climate-related strategies. The potential financial effects relate to the underlying climate-related risks or opportunities, taking into account the strategies implemented to respond to them.

Physical — Damage and disruptions to operations

Time horizon: Short / Medium / Long

Risk concentrations

Description
Direct impact to Reece's physical operations as a result of potential severe weather events.

Potential impact
Severe weather events such as fires, floods, and storms may cause direct operational damage and disruption including loss of inventory, property damage and branch closures. Insurers may increase premiums or limit the level of insurance cover in response to potential climate-related claims.

Strategies to respond
Reece continues to strengthen its network planning processes by considering natural disaster risks in managing its portfolio. For existing locations, Reece leverages technology to enable communication and support between branches during disruptive events, ensuring Reece can continue operating and servicing its customers. Reece also utilises its established captive insurance entity to help mitigate increasing insurance premiums.

Financial effects
Current: While some weather events occurred during the current reporting period, these did not have a material effect on the Group's financial position, financial performance or cash flows. Any impacts were localised, temporary, and minimised due to Reece's ability to draw on other branches within its network to service customers and maintain continuity of supply.

Anticipated: While outcomes vary by event type and location, the financial statement line items that may be affected are:

- Financial performance: reduced revenue, higher cost of sales, and ultimately lower gross profit due to temporary branch closures, as well as higher selling and administrative expenses from insurance excesses, non-recoverable damage costs, and additional freight/logistics to maintain service continuity.
- Financial position: inventory write-offs from damage, and damage to property, plant & equipment (including buildings, fixtures, fittings, and equipment) requiring repair or replacement.
- Cash flow statement: lower net cash from operating activities through financial performance impacts, and higher net cash in investing activities driven by capital expenditure for asset repair or replacement.

The Group relies on its existing insurance program to mitigate the financial impacts of severe weather events. Current policies provide varying levels of cover for property damage and business interruption. The portion of insurance premiums specifically attributable to severe weather risk cannot be separately identified. Based on current information, the Group expects insurance coverage will continue to be available. While future premium costs cannot be reliably predicted, increases may reasonably be expected over the medium to long term.

The Group estimates a potential annual EBIT impact from severe weather events of $5.4 to $21.0 million over the short term (to 2030). This range reflects the combined effect on earnings of reduced gross profit arising from temporary branch closures, inventory write-offs from damaged stock, and impairment of property, plant and equipment (including buildings, fixtures, fittings and equipment) where assets are damaged. Potential insurance recoveries are not included.

The potential EBIT impact is subject to a high level of measurement uncertainty as impacts depend on the occurrence of future climate hazards and their severity, location, and extent of damage, which involve a significant level of management judgement. Given this uncertainty, the Group has not extended quantitative modelling to the medium or long term (2030 to 2050).

Key

Expected onset of risk or opportunity:

Risk or opportunity concentration:

- Customers
- Social license to operate and reputation
- Suppliers, procurement, and access to products
- Operations – merchandise, distribution, transport and logistics
- Business assets – fleet, physical network and inventory
- People – employees and contractors

Physical — Disruption to supply chains

Time horizon: Short, Medium, Long

Risk concentrations

Description
Disruption to upstream supply chains due to potential increasing frequency and severity of weather events.

Potential impact
Severe weather events may interrupt Reece's supply chain, leading to supply disruptions, potentially causing lost sales and increased costs.

Strategies to respond
Reece continues to invest in diversifying sourcing, collaborating with logistics providers, and monitoring branch and distribution centre stock levels to mitigate supply chain disruptions. These efforts enable Reece to maintain supply continuity and support customers, ensuring the business remains resilient in the face of potential severe weather events affecting supply routes.

Financial effects
Current: There were no specifically identifiable climate-related physical impacts on the Group's supply chain in the current reporting period.

Anticipated: Climate-related supply chain disruptions are expected to have a limited financial effect at the Group level, given Reece's diversified supplier base, strong supplier relationships, and high inventory holdings that support continuity during disruptions.

In severe but unlikely events, the primary impacts are expected to flow through higher costs of sales, as a result of increased freight and logistics costs or higher pricing where alternative suppliers or routes are required. These scenarios may also lead to temporary uplifts in inventory balances and lower net cash from operating activities. Any revenue impacts are expected to be localised and temporary.

If delays limit the ability to source stock, or competitors are able to supply when Reece cannot, the Group may experience lost revenue from sale of goods. However, Reece's diversified product range, global sourcing strategy and extensive network helps to reduce this impact.

Given the inherent uncertainty in the frequency and severity of extreme weather events, and the difficulty in isolating climate-related impacts from broader supply chain and cost drivers, the Group has not separately quantified the anticipated financial effects of this risk, or disclosed combined quantitative impacts as these would not meaningfully enhance understanding of this risk.

Transition — Reputational damage

Time horizon: Short, Medium, Long

Risk concentrations

Description
Damage to customer relationships and business reputation may arise from failure to effectively manage and mitigate climate-related disruptions.

Potential impact
Inability to manage and mitigate climate-related disruptions may impact Reece's reputation as a reliable distributor resulting in loss of market share and brand value erosion. A lack of visible climate action could further damage the Group's reputation among customers and the broader community.

Strategies to respond
Reece engages with stakeholders to understand evolving expectations and take responsibility for reducing its environmental impact, as outlined in the decarbonisation plan on page 43. This is supported by internal sustainability capability that tracks regulatory developments and helps Reece respond to changing stakeholder expectations. By continuously enhancing Reece's customer offer and upholding the Reece values, we reinforce trust and protect the Group's social licence to operate.

Financial effects
Current: There were no specifically identifiable climate-related impacts on the Group's reputation in the current reporting period.

Climate-related reputational impacts are inherently difficult to isolate from broader market, competitive and economic factors. As a result, it is challenging to determine whether any perceived lack of climate action has affected the Group's reputation and its financial statements. Based on the information available, Reece is not aware of any such impacts to date.

Anticipated: Climate-related reputational impacts are inherently difficult to isolate from other market, competitive and economic factors and financial implications may be dispersed across multiple line items. The financial statement line items that may be affected if the risk is realised are:

- Financial performance: revenue and gross profit
- Financial position: intangible assets such as goodwill
- Cash flow statement: net cash from operating activities and purchase of property, plant, and equipment.

Quantitative estimates have not been disclosed due to the high level of measurement uncertainty, while combined quantitative impacts would not meaningfully enhance understanding of this risk.

Transition | **Electricity and fuel pricing volatility and uncertainty**

Time horizon: Short / Medium / Long

Risk concentrations

Description
Electricity and fuel price volatility may increase as markets transition towards a low-carbon economy, creating uncertainty in costs and the ongoing ability to meet energy needs.

Potential impact
The transition to renewables may lead to increased operating costs associated with electricity and fuel consumption, while uncertainty in electricity and fuel availability may create challenges in sourcing energy required to support day-to-day operations.

Strategies to respond
Reece manages potential rising electricity and fuel costs by undertaking practical decarbonisation initiatives, as outlined on page 43. These actions support the Group's ability to manage costs and maintain financial resilience, while helping manage uncertainty in energy and fuel availability, recognising that Reece remains exposed to future cost increases.

Financial effects
Current: There were no material changes in electricity and fuel pricing affecting the Group's financial position, financial performance or cash flows during the current reporting period. Fuel and electricity costs are included within cost of sales and selling and administrative expenses, and represent immaterial proportions of these line items.

Anticipated: As energy markets transition, future electricity and fuel prices remain uncertain. Any cost increases impact cost of sales and selling and administrative expenses, with corresponding reductions in net cash from operating activities.

The extent to which changes in electricity and fuel prices are attributable specifically to climate-related transition factors is inherently difficult to isolate from broader macroeconomic, geopolitical, regulatory, inflationary and supply-demand drivers. Therefore, quantitative estimates have not been disclosed due to the high level of measurement uncertainty, while combined quantitative impacts would not meaningfully enhance understanding of this risk.

Climate-related opportunities

Resilience | **Capturing market share during disruption**

Time horizon: Short / Medium / Long

Opportunity concentrations

Description
Ensuring product availability during severe weather events through effective supply chain management, may enable Reece to capture market share during disruption.

Potential impact
Severe weather events can cause significant disruption to existing supply chains, presenting an opportunity to support customers and capture demand by ensuring key lines are always in stock.

Strategies to respond
Reece is committed to servicing their customers by ensuring the products they need are always available. Reece builds strong partnerships with suppliers and aims to continually maintain agile distribution networks so Reece can respond quickly when challenges arise. By investing in a diversified supply chain, Reece protects operational continuity and delivers on its promise of reliability - even during weather-related disruptions. These efforts reflect what matters most to Reece's customers: confidence that Reece will deliver.

Financial effects
Current: There were no significant identifiable climate-related physical impacts on the Group's supply chain in the current reporting period. Reece's supply chain and inventory management practices supported continuity of product supply, and opportunities to capture additional demand were not material to the Group's financial position, financial performance or cashflows.

Anticipated: Effective management of climate-related supply chain disruptions may create upside for the Group by enabling Reece to maintain product availability and support customers when severe weather events interrupt broader supply networks. Where realised, the financial effects would be reflected primarily through higher revenue, gross profit and net cash from operating activities from capturing additional demand, supported by higher inventory balances where additional stock is held to ensure continuity of supply.

As with the related supply-chain disruption risk, there is inherent uncertainty in the frequency and severity of extreme weather events and in isolating climate-related impacts from broader market, pricing and competitor dynamics. As a result, the Group has not separately quantified the anticipated financial effects of this opportunity, or disclosed combined quantitative impacts as these would not meaningfully enhance understanding of this opportunity.

Further information regarding anticipated financial effects is provided on page 46 within the significant judgements and uncertainties section.

Climate resilience

Reece's long-term strategic approach enables the Group to adapt and embed climate-related mitigation and adaptation measures into business-as-usual operations. Across the scenarios considered, physical climate risks are present across the short, medium and long term, although impacts to date have been localised, temporary and not material to the Group's financial position, financial performance, or cash flows. Under higher-warming scenarios, these risks are expected to increase in frequency and severity over time, including potential disruption to branch operations and supply chains. Reece's geographically dispersed branch network enhances resilience by reducing reliance on any single location and limiting the impact of localised disruptions. Under lower-warming scenarios, transition risks become more prominent over the medium and long term, however the products Reece supplies remain essential and the Group's decarbonisation plan positions the business to respond to evolving energy markets and customer expectations. Reece remains resilient across the scenarios considered and does not anticipate any material changes to its business model arising from climate-related risks or opportunities.

Despite this, Reece recognises that the future is uncertain. The frequency and severity of weather events that may impact the Group's supply chain and operations, along with evolving customer expectations that could influence Reece's reputation, are difficult to predict with precision. The assessment is informed by climate scenario analysis, which is inherently unpredictable and presents a range of potential outcomes, with the key assumptions underpinning the analysis outlined on page 39.

Invested capital to support the decarbonisation plan and respond to climate-related risks and opportunities is incorporated within the Group's standard capital budgeting process. Reece maintains a strong capital position and balance sheet, supporting its resilience and providing the financial flexibility to scale investment, adapt operations, or redeploy assets as exposure to climate-related risks and opportunities evolves over the short, medium and long term.

Decarbonisation plan

Reece is committed to reducing the Group's carbon footprint in a practical and commercial way. Reece's targets and progress is shaped by available technology, infrastructure and commercially practicable actions that can deliver tangible outcomes. The decarbonisation plan is informed by detailed internal decarbonisation modelling that maps the Group's projected emissions trajectory against set targets, along with the actions Reece intends to undertake to attempt to achieve these targets.

TODAY

Near term to 2030

To achieve the 35% reduction in Scope 2 market-based intensity target, Reece is focused on:

- Onsite renewable energy: Installing solar across the network where commercially viable, prioritising sites with high energy consumption and long-term tenure.
- Energy procurement: Exploring access to the Power Purchase Agreement market to secure renewable electricity. While the current load profile and scale present challenges to entry across regions, Reece continues to assess opportunities and market developments.
- Energy efficiency: Embedding energy-efficient design principles in new branch developments, including LED lighting and smart controls.
- Grid decarbonisation: Reece is reliant on the progressive decarbonisation of the electricity grids in which Reece operates. The Group's Scope 2 emissions reduction pathway assumes that government-modelled projections for grid emissions intensity across relevant jurisdictions are realised.

2030

Long term to 2050

Achieving net zero Scope 1 and 2 emissions by 2050 is reliant on significant decarbonisation of owned and operated fleet. The introduction of electric passenger vehicles has commenced, however, sourcing fit-for-purpose commercial vehicles remains a challenge.

Reece's transition is dependent on broader market developments, including vehicle availability, charging infrastructure, and total cost of ownership. Reece also assumes continued advancements and broader accessibility to renewable energy.

Reece's target is to reduce absolute Scope 1 and 2 emissions by approximately 90%, with any remaining residual emissions to be neutralised through credible offset or removal mechanisms.

2050

Reece does not currently have a formal climate transition plan. The Group's approach to reducing emissions is reflected in its decarbonisation plan outlined above. Reece has identified its material Scope 3 categories and is progressing calculations in preparation for disclosure in FY27, with a current focus on establishing data collection and measurement processes across Reece's value chain.

Metrics and targets

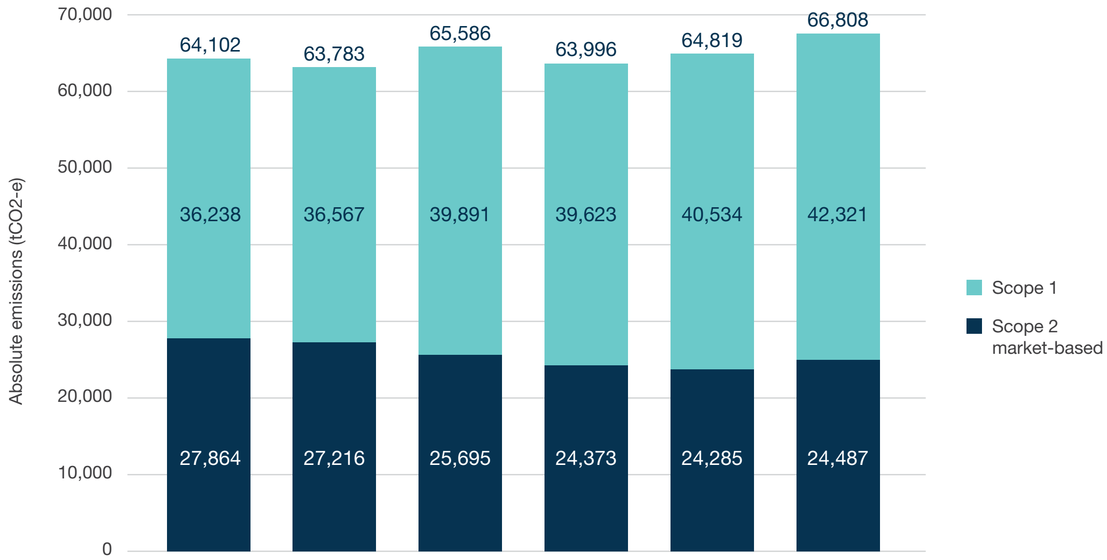
In FY26, the Group's absolute gross Scope 1 and 2 greenhouse gas emissions were 66,808 tonnes of carbon dioxide equivalent (tCO2e-), as detailed in the table below. This represents an increase of 3% compared with FY25, driven by expansion of the business across both regions. While Reece continued to add branches to its network during the year, emissions intensity remained stable year on year and has decreased 11% relative to the baseline year.

Scope 1 emissions from fuel increased by 5% in FY26, primarily due to growth in the US branch network, which contributed to higher fleet activity and associated fuel consumption. Continued US network growth also placed upward pressure on Scope 2 emissions, with no offsetting improvement in US grid emissions as United States Environmental Protection Agency emission factors were unchanged year-on-year. Despite this, location-based emissions declined relative to FY25 and since the FY21 baseline, reflecting onsite solar generation and improved grid renewability. Market-based emissions increased slightly in FY26, driven by a lower renewable power percentage in Australia - the share of purchased electricity sourced from renewables. This lifted market-based emissions marginally above location-based emissions in FY26.

Absolute emissions (tCO2e-)	FY26	FY25
Scope 1	42,321	40,534
Scope 2 market-based	24,487	24,285
Scope 2 location-based	24,272	24,508
Total Scope 1 and 2 (market-based)	**66,808**	**64,819**
Scope 1 and 2 emissions per branch[1]	**68.7**	**68.7**

Refer to the basis of preparation section on page 47 for detailed information regarding the methodology used to calculate Scope 1 and 2 greenhouse gas emissions.

The graph below illustrates Reece's Scope 1 and 2 greenhouse gas emissions against the FY21 baseline. Renewable electricity comprised 31% of total electricity consumption in FY26, supported by increased onsite solar generation in Australia. While Scope 1 emissions have increased since the baseline year, largely reflecting network growth, Reece's decarbonisation initiatives and pathway to support its long-term net zero target are outlined in the decarbonisation plan on page 43.



	FY21	FY22	FY23	FY24	FY25	FY26
Scope 2 market-based emissions per branch[2]	33.5	32.1	29.0	27.0	25.8	25.2
Scope 1 and 2 market-based emissions per branch[1]	77.1	75.1	74.0	70.8	68.7	68.7

[1] The Group is disclosing this information voluntarily. It is not required to be disclosed by the *Corporations Act 2001* or AASB S2 and is not subject to assurance. Refer to page 53 for the calculation methodology applied.

[2] This metric is an intensity measure, developed by Reece and defined as total Scope 2 market-based emissions in tCO2-e divided by the total number of branches at the end of the reporting period. The metric is sensitive to changes in the number of branches during the reporting period. The metric has not been validated by a third party and is not subject to assurance.

Reece has set a target to reduce Scope 1 and 2 emissions to net zero by 2050. In the interim, the target is to reduce Scope 2 market-based emissions per branch by 35% compared to the baseline year.

Targets	35% reduction Scope 2 per branch by 2030	Net Zero by 2050
Metric used	Scope 2 market-based	Scope 1 and 2 market-based
Objective	Mitigation	Mitigation
Period covered	1 July 2020 - 30 June 2030	1 July 2020 - 30 June 2050
Baseline year	FY21	FY21
Absolute or intensity based	Intensity reduction target	Absolute reduction target
Target type	Gross	Net

Reece has reduced Scope 2 market-based emissions per branch by 25% since FY21.

These Scope 1 and 2 targets apply to the entire Reece Group and a sectoral decarbonisation approach has not been used. The net zero by 2050 target has been informed by the Paris Climate Agreement, aligning with the latest international climate commitments and the Australian Government's Net Zero by 2050 Plan. The Scope 2 emissions target timeframe aligns with Australia's 2030 target of 82% renewable electricity.

Reece's current focus is reducing gross emissions to the extent possible. Carbon credits are expected to be used to offset residual emissions that cannot reasonably be reduced by 2050, with Reece estimating that credits may be required for approximately 10% of residual greenhouse gas emissions. The specific carbon credits to be used have not yet been determined. Refer to the decarbonisation plan on page 43 for further details.

In FY25, an external consultant independently reviewed the Group's decarbonisation model, including Reece's emission targets, associated methodology and underlying assumptions to assess the reasonableness of key assumptions which inform the decarbonisation plan. Progress is monitored annually through internal tracking of emissions data, and the decarbonisation model and assumptions are reviewed each year to assess whether Reece remains on track. While Reece is committed to meeting set targets and actively manages the risks of not doing so, the achievement of these targets is subject to a number of assumptions and dependencies, including the availability and cost of fit-for-purpose commercial vehicles, continued advancements in renewable energy technology, and the progressive decarbonisation of electricity grids in the jurisdictions in which Reece operates. If these conditions change materially, Reece may revisit set targets to ensure they remain realistic and meaningful.

During FY26, management revised the Group's 2030 interim Scope 2 market-based emissions reduction target from an absolute emissions measure to an emissions intensity metric, measured on a per-branch basis. This better reflects Reece's ongoing network expansion and growth strategy.

In FY26, the Group did not identify any material current-period financial effects from climate-related risks and opportunities impacting its financial position, financial performance or cash flows. The Group assessed the amount and percentage of assets and business activities vulnerable to the climate-related risk of damage and disruption to operations. While certain sites were identified as vulnerable to one or more climate hazards, actual impacts in FY26 were localised, temporary and not material. For remaining climate-related risks and opportunities, the amount or percentage of vulnerable or aligned assets and business activities has not been quantified, as reasonable and supportable information was not available without undue cost and effort. This assessment is based on information available at the reporting date. The Group recognises that vulnerability to climate-related risks and alignment with climate-related opportunities may become material in future periods as energy markets transition, weather patterns evolve and customer expectations shift. The Group intends to continue developing its approach to quantifying and reporting these metrics in future reporting periods.

Metric	Details
Climate-related physical risks	The assessment identified 120 sites[1] (16%) as vulnerable to damage and disruption to operations from one or more climate hazards[2]. In FY26, impacts from climate-related physical disruptions were not material to the Group's financial position, financial performance or cash flows as outlined on page 40.
Capital deployment	In FY26, the Group invested $5.4 million in capital expenditure directly attributable to climate-related risks and opportunities, including solar installations and hybrid and electric vehicles. This represents a subset of the Group's total capital expenditure, which also includes Reece's ongoing investment in network expansion, strengthening broader operational resilience in the event of climate-related disruptions.

Reece is not currently using an internal carbon price or providing any remuneration payments linked to climate-related considerations.

Significant judgements and uncertainties

In preparing this report, Reece has applied judgement in the following areas:

- Identification and assessment of climate-related risks and opportunities that could reasonably be expected to affect the Group's prospects, and determination of material information for disclosure. This includes the consideration of quantitative thresholds and qualitative factors such as the potential impact on Group EBIT, stakeholder expectations, significance to strategic objectives, and observed industry practice among comparable companies.
- Selection of climate scenarios and assumptions applied (as listed on page 39) and the climate resilience assessment. Judgement was required due to uncertainties in projecting climate outcomes over the short, medium and long term. While Reece considered multiple reasonably possible scenarios, future climate outcomes remain uncertain and cannot be predicted with precision.
- Anticipated financial effects as they are based on forward-looking assumptions, which are inherently uncertain. Further details regarding key sources of uncertainty are provided under each relevant climate-related risk and opportunity on pages 40 to 42. Based on current information, the Group does not expect its climate-related risks or opportunities to result in a material adjustment to the carrying amounts of assets or liabilities in the next annual reporting period.
- Measurement of the amount and percentage of assets and business activities vulnerable to climate-related risks and aligned to climate-related opportunities. Judgement was required in applying the proportionality mechanisms available under AASB S2 to determine the reasonable and supportable information available at the reporting date without undue cost or effort. Where such information was not available, these metrics have not been quantified.

[1] Sites include branches, distribution centres and offices.

[2] Climate hazards assessed include fire, flooding and storms. A site was considered vulnerable where its location is exposed to climate conditions that make one or more hazards more likely to occur. Vulnerability was assessed using hazard-specific data sources, including climate scenario analysis informed by global climate datasets, provided by an independent external consultant.

Basis of preparation

Scope 1 and 2 greenhouse gas emissions for the Group disclosed within this report are calculated in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) and use an operational control consolidation approach. This method includes emissions from entities under the Reece's operational control, ensuring the focus remains on greenhouse gas emissions that the Group can directly control and therefore reduce. The Group's Scope 1 greenhouse gas emissions stem 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 from electricity use are calculated using both a market-based and location-based methodology. For market-based calculations, guidance from the Clean Energy Regulator for Australian consumption is applied, including the use of a residual mix factor, while renewable energy certificates are used for New Zealand electricity consumption. The Group's Scope 1 and 2 greenhouse gas emissions comprise of carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O) and hydrofluorocarbons (HFCs). Reece does not produce any greenhouse gas emissions from nitrogen trifluoride (NF3), perfluorocarbons (PFCs) and sulphur hexafluoride (SF6).

Country specific emission factors are used in the calculation of greenhouse gas emissions to ensure emissions reflect the differing energy profiles across jurisdictions in which the Group operates. The following sources are used and reviewed annually by Reece:

- Australian Government Department of Climate Change, Energy, the Environment and Water (DCCEEW) National Greenhouse Accounts Factors
- New Zealand Ministry for the Environment
- United States Government Environmental Protection Agency
- Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6) global warming potential (GWP) values unless the emission factor has already been converted to a CO2 equivalent value using a different IPCC assessment report in the sources listed above.

Estimation assumptions are used where actual data is not available at the reporting date, based on the best available information to ensure emissions are measured accurately. The following data sources, methodologies and estimation assumptions are applied:

Emission Category	Activity	Data Source	Methodology	Estimation methodology applied, where data is unavailable at time of reporting
Mobile fuel	Fuel use for owned and leased vehicles	Invoices	Activity-based	Average of recent consumption
Natural gas	Heating at Reece sites	Invoices	Activity-based	If there is natural gas consumption and previous data, use the average of the previous year's consumption, otherwise estimate by calculating the average consumption per square footage
Refrigerants	Air conditioning at Reece sites	HVAC asset register	Estimate-based	Multiply assumed annual leakage rate from DCCEEW by GWP of refrigerant type by capacity for each HVAC asset
Electricity	Grid electricity consumption	Invoices	Activity-based	If there is previous data, use the average of the previous year's consumption, otherwise estimate by calculating the average consumption per square footage

There are no changes to how Scope 1 and 2 greenhouse gas emissions have been calculated compared to the prior year. Scope 1 and 2 emissions are reported for the Reece Group. While Reece holds an investment in True Pillars Pty Ltd and Flicent Inc (parent entity of FieldPulse Pty Ltd), emissions from these entities are excluded from Scope 1 and 2 reporting as Reece does not have operational control.

Directors' Declaration

The Directors of Reece Limited ('the Company') declare that, in the Directors' opinion, the Company has taken reasonable steps to ensure that the substantive provisions of the Sustainability Report set out on pages 36 to 47 are in accordance with the *Corporations Act 2001,* including complying with:

(a) Australian Sustainability Reporting Standard AASB S2 *Climate-related Disclosures* under section 296C of the *Corporations Act 2001*; and

(b) Other mandatory disclosures required by section 296D of the *Corporations Act 2001*.

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

Dated at Melbourne on 24 August 2026.

P. J. Wilson
Chairman & Chief Executive Officer

G. W. Street
Audit & Risk Committee Chair

Independent Auditor's Report for specified Sustainability Disclosures

KPMG

Independent Auditor's Review Report

To the Shareholders of Reece Limited

Report on Specified Sustainability Disclosures of Reece Limited presented in the Sustainability Report titled "Sustainability Report" prepared in accordance with the Corporations Act 2001

Review Conclusion on Specified Sustainability Disclosures as required under the Corporations Act 2001

We have conducted a review of the following Specified Sustainability Disclosures presented in the Sustainability Report of Reece Limited titled "Sustainability Report" for the year ended 30 June 2026 in accordance with Australian Standards on Sustainability Assurance (ASSA) 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* issued by the Auditing and Assurance Standards Board (AUASB).

Specified Sustainability Disclosures	***Reporting requirement of Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures (AASB S2) (including related general disclosures required by Appendix D) (the Criteria)***	***Locations in Sustainability Report***
Governance disclosures	*Paragraph 6*	*Section "Governance" on page 37*
Strategy (risk and opportunities) disclosures	*Subparagraphs 9(a), 10(a) and 10(b)*	*Section "Strategy" subsections "Climate-related risks" and "Climate-related opportunities" on pages 40 to 42*
Scope 1 greenhouse gas emissions	*Subparagraphs 29(a)(i)(1) to (2) and 29 (a)(ii) to (v)*	*Subsection "Metrics and targets" on page 44* *Section "Basis of preparation" on page 47*
Scope 2 greenhouse gas emissions (location-based and market-based)		

The requirements of AASB S2 identified in the table above form the Criteria relevant to the Specified Sustainability Disclosures and apply under Division 1 of Part 2M.3 of the *Corporations Act 2001* (the Act).

We have not become aware of any matter in the course of our review that makes us believe that the Specified Sustainability Disclosures in the table above do not comply with Division 1 of Part 2M.3 of the Corporations Act 2001.

Independent Auditor's Report for specified Sustainability Disclosures

KPMG

Basis for Conclusion

Our review has been conducted in accordance with ASSA 5000 *General Requirements for Sustainability Assurance Engagements* issued by the AUASB. Our review includes obtaining limited assurance about whether the Specified Sustainability Disclosures are free from material misstatement.

In applying the relevant Criteria, we note that subsection 296C(1) of the Act includes a requirement to comply with AASB S2.

Our conclusion is based on the procedures we have performed and the evidence we have obtained in accordance with ASSA 5000. The procedures in a review vary in nature and timing from, and are less in extent than for, an audit. Consequently, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an audit been performed. See the "Summary of the Work Performed" section of our report.

Our responsibilities under ASSA 5000 are further described in the "Auditor's responsibilities" section of our report.

We comply with the independence and other ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited.

Our firm applies Auditing Standard ASQM1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, issued by the AUASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other Matter

We previously expressed an unmodified conclusion on the Scope 1 and 2 greenhouse gas emissions for the years ended 30 June 2025 and 30 June 2021.

These engagements were performed on a voluntary basis for the Directors of Reece Limited and related to information prepared under a different reporting framework and basis of preparation than the current year specified Sustainability Disclosures. As the scope and purpose of the prior period engagement differed from the current year engagement performed in accordance with the *Corporations Act 2001* and Australian Sustainability Reporting Standards, the comparative information may not be directly comparable to the current year disclosures.

The other comparative information, being the graph on page 44 presenting the Scope 1 and Scope 2 greenhouse gas emissions for the years ended 30 June 2022 to 30 June 2024, was not subject to an assurance engagement in those prior years.

Our conclusion is not modified with respect to this matter.

Other Information

The Directors of Reece Limited are responsible for the other information. The other information comprises the financial and non-financial information presented in Reece's FY26 Annual Report including the Financial Report and Sustainability Report but does not include the Specified Sustainability Disclosures and our review report thereon.

Independent Auditor's Report for specified Sustainability Disclosures

Our conclusion on the Specified Sustainability Disclosures does not cover the other information and we do not express any form of conclusion thereon, with the exception of the Financial Report and Remuneration Report and our respective audit reports.

In connection with our review of the Specified Sustainability Disclosures, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Specified Sustainability Disclosures, or our knowledge obtained when conducting the review, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities for the Specified Sustainability Disclosures

The Directors of Reece Limited are responsible for:

- The preparation of the Specified Sustainability Disclosures in accordance with the Act; and
- Designing, implementing and maintaining a system of internal control that they determine is necessary to enable the preparation of Specified Sustainability Disclosures in accordance with the Act that are free from material misstatement, whether due to fraud or error.

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 Specified Sustainability Disclosures 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.

For climate risks and opportunities, there is inherent uncertainty as a result of using assumptions about future events and management's actions that may not occur.

Greenhouse gas quantification is subject to inherent uncertainty due to the nature of the information and the uncertainties inherent in: (i) the methods used for determining or estimating the appropriate amounts, (ii) information used to determine emission factors and (iii) the values needed to combine emissions of different gases.

Auditor's Responsibilities

Our objectives are to plan and perform the review to obtain limited assurance about whether the Specified Sustainability Disclosures are free from material misstatement, whether due to fraud or error, and to issue a review report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Specified Sustainability Disclosures.

As part of a review in accordance with ASSA 5000, we exercise professional judgment and maintain professional scepticism throughout the engagement. We also:

- Perform risk assessment procedures, including obtaining an understanding of internal controls relevant to the engagement to identify and assess the risks of material misstatement, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.

Independent Auditor's Report for specified Sustainability Disclosures

- Design and perform procedures responsive to the assessed risks of material misstatement at the disclosure level.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the Work Performed

A review is a limited assurance engagement and involves performing procedures to obtain evidence about the Specified Sustainability Disclosures. The nature, timing and extent of procedures selected depend on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error. In conducting our review, we:

- Enquired with management to understand the governance structures and reporting process;
- Obtained an understanding of relevant processes, information flow and related systems for key data sets;
- Reviewed internal documentation including policies, charters, minutes of meetings, risk management frameworks, and basis of preparation documents;
- Reviewed Reece Limited's process undertaken to identify climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects;
- Assessed the suitability and application of the Criteria in respect of the Specified Sustainability Disclosures;
- For Scope 1 and 2 greenhouse gas emissions, tested underlying data to source documentation on a sample basis; and
- Reconciled the Specified Sustainability Disclosures to underlying information.

KPMG	Suzanne Bell	Sarah Newman
KPMG	Suzanne Bell	Sarah Newman
	Partner	Partner
	24 August 2026	
	Melbourne	

Sustainability Performance Data

Voluntary

The table below provides a summary of voluntary sustainability metrics that track performance against the Group's sustainability focus areas, as outlined on page 22. These metrics cover Reece Limited ('the Group' or 'Reece') and controlled entities for the period 1 July 2025 to 30 June 2026 ('FY26'). Reece's first mandatory Sustainability Report, prepared in accordance with AASB S2 and covering climate-related disclosures only, is presented separately on pages 36 to 47.

Focus area	Metric	Unit of measure	FY26	FY25
Supporting the trade industry	Number of Australian School-based Apprenticeships completed (ASbA traineeships) – ANZ only	Number (#)	198	134
Sustainable products and solutions	Percentage increase in lower Global Warming Potential (GWP)[1] refrigerants (kg sold) from prior financial year	%	57%	37%
	Percentage increase in heat pumps (volume sold) from prior financial year	%	23%	66%
Clean water	Number of people enabled to access clean water & sanitation through the Reece Foundation[2]	Number (#)	71,200	41,242
Health, safety and wellbeing	Total recordable injury frequency rate (TRIFR)[3]	Rate	16.3	18.8
	SafeR walks compliance rate - ANZ only[4]	%	> 100%	> 100%
Leadership and development	Percentage eligible leaders completing core leadership development programs	%	94%	96%
Creating an inclusive workforce	Percentage females in leadership positions[5]	%	25%	26%
Reducing waste	Percentage waste diverted from landfill[6]	%	23%	23%
Reducing our carbon footprint	Scope 1 and 2 emissions	tCO2e-	Refer to page 44	
	Reduction of Scope 1 and 2 emissions per branch from prior financial year[7]	%	0%	-3%
	Percentage of electricity from renewable sources	%	31%	29%
Ethical supply chain	Percentage eligible employees completing modern slavery training	%	100%	90%

[1] Lower GWP refrigerants are those with a 100-year GWP below 1,500 based on IPCC AR6 values. As the industry evolves, Reece will review and refine this threshold.
[2] Reported as at 30 June. 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 ANZ branch team members that enable Reece's teams to take a proactive approach to identify and mitigate hazards that may lead to incidents. This metric measures completion of SafeR walks across the Reece network against the operational benchmark.
[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] From FY25, the reuse of cardboard at Australian branches has been included in diverted waste calculations. Cardboard boxes used for incoming goods are repurposed for packaging customer orders, contributing to Reece's waste reduction efforts.
[7] Emissions per branch is an intensity metric, 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.

Directors' Report

Information on Directors & Company Secretary

Key to Committee membership:

RC Chair of Remuneration Committee
RC Member of Remuneration Committee
ARC Chair of Audit & Risk 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 2026.

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, 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.

Tim Ford

RC
ARC

B.Bus (UniSA), MBA (Melb)

Appointment

Lead non-executive Director
Independent
Appointed 2026

Current and recent appointments

Previously CEO and Managing Director of Treasury Wine Estates from July 2020 until September 2025.

Skills and experience

Tim Ford brings more than 30 years' of senior leadership experience across complex, customer-focused organisations, most recently as CEO of Treasury Wine Estates.

Prior to CEO and Managing Director of Treasury Wine Estates, Tim has held senior executive roles including Chief Operating Officer and Head of Europe, South-East Asia, Middle East and Africa. Tim has also held key positions at National Foods, KPMG Australia, Foster's Group and Carlton & United Breweries, where he led major operational improvements and strategic initiatives.

Tim has deep capability in strategy, supply chain and logistics, global operations and leading businesses through periods of change and disruption.

Gavin Street

ARC
RC

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

Appointment

Non-executive Director
Independent
Appointed 2025
Acting RemCo Chair (1 July 2025 – 31 October 2025)

Current Appointments

From 1 January 2026 Managing Director and Chief Executive Officer, Vulcan Steel Limited.

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 Managing Director and Chief Executive Officer Vulcan Steel Limited.

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

Jacqueline Chow

RC

MBA, BSc (Hons) (UniNSW), FAICD

Appointment

Non-executive Director
Independent
Appointed 2025

Current and recent appointments

Coles Group Limited (November 2018 – current)

Nib Holdings Limited (June 2022 – current)

Charter Hall Limited (October 2018 – November 2023)

Boral Limited (March 2022 – July 2024)

Skills and experience

Jacqueline Chow brings over 20 years' corporate leadership experience, having held both executive and non-executive roles in general management, strategy, marketing and technology across a diverse range of sectors, including industrial, retail, telecommunications and financial services.

Previously, Jacqueline held senior executive roles at Fonterra, including Chief Operating Officer, Global Consumer and Food Service, where she led a team of 11,000 people across Asia Pacific, The Americas, Europe and Middle East Africa.

Jacqueline is well regarded for her strategic leadership in driving customer growth through innovation, digital technologies, and sustainable performance.

Directors' Report

Andrew Wilson

ARC

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 2026.

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

RC

B.Com (La Trobe)

Appointment

Non-executive Director
Appointed 2016

Current Appointments

No other directorships of listed companies were held at any time during the three years prior to 30 June 2026.

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

RC

ARC

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.

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 (Melb), 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 2026.

Skills and experience

Sasha Nikolic brings more than 25 year's of executive experience across finance, operations, strategy execution, acquisitions and business transformation in the Australian and United States markets.

Since joining Reece in 2009, Sasha has held a number of senior executive leadership roles across the Group, including leading the Reece USA business as CEO, Chief Financial Officer Reece Limited and Operations Leader of the Actrol (HVAC) business.

Sasha played a critical role in Reece's acquisition of Morsco in 2018 and subsequently led the integration of the business and rollout of the Reece brand across the United States.

Chantelle Duffy

B.Com, B.Sci (LaTrobe), Chartered Accountant, 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 25 years' financial experience working with EY and PwC, in Australia and internationally, specialising in corporate governance and financial reporting, and advises the Board and management on governance, disclosure and regulatory matters.

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 2026 ('FY26') 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 2025 the Board welcomed Jacqueline Chow and from 8 April 2026 Tim Ford.

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 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	4	4	6	6
Tim Ford	2	2	1	1	2	2
Gavin Street	6	6	4	4	6	6
Jacqueline Chow	5	5	-	-	5	5
Andrew Wilson	6	6	4	4	-	-
Bruce C. Wilson	6	6	-	-	6	6
Angela Mentis	5	6	4	4	6	6
Sasha Nikolic	6	6	4	4	6	6

(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 2026/183* 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.

	2026 $	2025 $
Amounts paid and payable to KPMG for non-audit services:		
Other non-audit services – regulatory advisory services	151,709	117,527
	151,709	**117,527**

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 10.5 and 10.6 of the Remuneration Report. These remain unchanged as at 24 August 2026.
- 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 60 to 77.
- Auditor's independence declaration on page 80.

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
1 Macroeconomic conditions, geopolitical disruption, and the competitive landscape The external risk environment is increasingly shaped by macroeconomic conditions, geopolitical and geoeconomic disruption, and evolving competitive dynamics across our markets. This includes economic cycles impacting construction demand, customer liquidity and credit risk, foreign exchange movements, and cost pressures. These factors, together with customer preference shifts, new market entrants, and competitor activity, may alter positioning and margin outcomes across our markets.	– Macroeconomic conditions and financial headwinds, including construction cycle dynamics and cost pressures. – Geopolitical and geoeconomic disruption, including critical input availability. – Competitive intensity and market dynamics.	– Active financial and risk management, including monitoring of trade developments and macro-economic scenario analysis. – Competitive customer value focus, including investment in product, service, platforms and customer experience. – Agile processes supporting the proactive management of costs, trade relationships, and workforce productivity.
2 Cyber security, data governance, and artificial intelligence (AI) exposures Reece's increasing reliance on digital systems and inter-connected technologies exposes the business to evolving cyber and emerging technology risks. Cyber threats continue to increase in sophistication and frequency, with the potential to disrupt operations or compromise sensitive information. The rapid adoption of artificial intelligence introduces additional risks relating to data quality, model governance and unintended outcomes, while also increasing the number and complexity of potential cyber entry points. Reliance on third-party and cloud providers further heightens exposure through critical vendor dependencies. The collection and use of customer data also creates privacy and regulatory risk, with potential breaches arising from cyber incidents or internal process failures.	– Evolving cyber threat landscape, including increasingly sophisticated AI-enabled attacks. – Rapid adoption of AI and digital technologies. – Data management and third-party dependencies, including critical vendors and cloud providers.	– Strengthened cyber security controls and monitoring, including independent control assurance. – Governance and controls tailored for AI and digital technologies. – Established data protection and third-party risk management.
3 Business interruption, operational resilience and supply chain continuity Reece's operations rely on the effective sourcing, movement and availability of products, as well as the continuity of critical facilities and infrastructure. Disruption across the end to end operating model (including supply chain constraints, distribution centre outages, and transport disruptions) may impact product availability, cost and customer service. Heightened geopolitical tensions are increasing the risk of trade disruption, together with dependence on key suppliers and sourcing regions where alternative supply is limited. The business also relies on the availability and recovery of key technology systems supporting order processing, inventory management and distribution. Prolonged or widespread disruption to critical systems may result in operational, financial and reputational consequences.	– Disruption to critical facilities, infrastructure, or global trade flows. – Supplier concentration and sourcing dependencies. – Technology system availability and recovery.	– Resilient network design and contingency planning. – Diversified product portfolio, with flows distributed across multiple geographies and warehouse locations. – Tested IT resilience and recovery capabilities.
4 People and talent Reece's performance and long-term success depend on its ability to attract, develop and retain a skilled and engaged workforce. This includes leadership capability and succession, workforce availability, and the retention of key talent in highly competitive labour markets. As the business progresses its transformation agenda, including digitisation and the adoption of emerging technologies such as AI, there is also an increasing reliance on workforce capability to successfully implement and realise value from these initiatives. Gaps in skills, capability or change readiness may limit execution and outcomes.	– Leadership stability, capability, and succession. – Labour market and economic pressures on talent, including competition for specialised professionals. – Workforce capability to deliver complex transformation, including critical digital, data and AI skillsets required to execute strategic initiatives.	– Talent and succession planning to manage single points of sensitivity. – Competitive remuneration reviews and benchmarking. – Leadership development programs and employee capability training.

Risks	Key drivers	Mitigations
5 Health, safety and well-being Reece's operations expose team members, contractors and customers to health, safety and wellbeing risks across both physical and psychosocial domains. Physical safety risks arise from the nature of warehouse, branch and transport operations, including manual handling, plant and equipment use, and site-based activities. Psychosocial safety risks may impact psychological health, engagement and overall wellbeing, and are subject to increasing regulatory focus in Australia, including positive duties on employers to proactively identify and manage psychosocial hazards. 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, including a large motor vehicle fleet. – Industry workforce and customer profile, operating within a trade-based environment.	– Dedicated safety function, including supporting processes, systems and controls. – Formal incident and injury management processes. – Targeted management of psychosocial and sexual harassment risks.
6 Product quality and safety The supply of dependable and safe products is imperative to our customer promise. Failure to ensure product integrity across the end-to-end supply chain (including manufacturing defects, product non-compliance or inappropriate handling and storage) may result in defective or unsafe products reaching customers. Reece is subject to product safety and consumer protection regulations across its markets, including obligations relating to product compliance, labelling and recall. Non-compliance, or failure to respond effectively to product-related incidents, may result in regulatory action or financial loss. Product quality or safety issues may also impact customer trust and brand reputation, particularly where products are used in critical plumbing, HVAC or construction applications.	– 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.
7 Environmental, social, and corporate governance (ESG) Reece is exposed to environmental, social and governance (ESG) risks arising from evolving stakeholder expectations, regulatory requirements and the transition to a lower-carbon economy. This includes risks associated with climate change, resource use, and environmental impact across our operations. Increasing regulatory and disclosure obligations heighten the risk of non-compliance, inaccurate or incomplete disclosures, and associated legal, financial and reputational consequences. The transition to a lower-carbon economy may also impact energy sourcing and supplier practices, affecting day-to-day operations and cost structures. Misalignment with customer, investor and community expectations on sustainability performance, responsible sourcing and governance practices may also impact brand, market access and long-term value.	– Evolving regulation, decarbonisation requirements and shifts in customer, supplier and investor expectations. – Exposure to physical climate risks, including acute weather events. – Depth and complexity of the supply chain.	– ESG governance framework in place, including targeted strategies and working groups for key topics such as responsible sourcing. – In-house ESG personnel and subject matter expertise. – Physical property controls (e.g. flood and fire protection) and insurances.
8 Technological disruption and transformation Reece's strategy is increasingly dependent on the effective adoption and integration of emerging technologies, including AI, to enable transformation and support its 2030 ambitions. The accelerating pace of technological change presents both opportunity and risk, where failure to respond to disruption may erode competitive positioning. At the same time, transformation initiatives carry inherent execution risk, including delivery challenges, vendor dependency, cost overruns and delays. The ability to successfully embed new technologies is also dependent on workforce capability, change management and adoption across the organisation, which may impact value realisation outcomes. These risks are multi-dimensional, with potential strategic, operational, and reputational impacts where technology adoption is mis-timed, poorly governed or fails to deliver intended benefits.	– Increasing speed and volume of technological disruption, including mass availability of AI. – Transformation execution and delivery risk, including program complexity and vendor dependencies. – Adoption and value realisation risk, including workforce capability and change management.	– Defined technology strategy and roadmap. – Active pursuit of new and disruptive technologies through Reece's innovation programs. – Explicit budgeting for underlying technology infrastructure and talent capability.

Remuneration Report

Letter from Remuneration Committee Chair

On behalf of the Board, I am pleased to present the FY26 Remuneration Report. I joined the Board on 1 November 2025 and assumed the Remuneration Committee Chair role from this date.

2030 Remuneration Framework

Following a second strike[1] against our Remuneration Report at the 2025 Annual General Meeting, the Committee undertook a comprehensive review of key management personnel remuneration.

The objective was to design a framework that supports the delivery of Reece's 2030 strategy, incentivises the achievement of ambitious long-term objectives, and strengthens alignment between executive outcomes and shareholder value creation. We also sought to ensure that remuneration remained an effective tool for both retention and motivation while maintaining an appropriate balance of performance risk and reward.

Through the remuneration review, we concluded that elements of the historical remuneration structure were no longer operating as intended and was limiting their effectiveness in driving retention and alignment over the long term.

Following substantial and constructive engagement with stakeholders, we announced the Reece 2030 remuneration framework in March 2026. The key priorities in the design of the new remuneration framework were to better:

- Align incentives with long term value creation and shareholder returns
- Attract and retain the best leadership while driving long-term thinking and the delivery of Reece's 2030 strategy
- Recognise the scale of Reece's ambitions and operations
- Reflect international remuneration benchmarking.

The new framework represents a significant evolution in our approach to executive remuneration. The Board has deliberately shifted away from annual incentive awards and service-based equity grants, removing the annual cash short-term incentive and replacing it with a single long-term incentive structure that is 100% at risk.

This is a material change to the remuneration framework. Under the previous structure, the annual cash short-term incentive represented between 33% and 38% of KMP remuneration. The new multi-year long-term incentive grant replaces the former annual award cycle and significantly increases the proportion of remuneration linked to sustained long-term performance and shareholder value creation.

As a result, between 78% and 88% of KMP target remuneration is now delivered through at-risk long-term incentives, substantially increasing the alignment between executive remuneration outcomes and long-term shareholder value creation.

The Committee believes the simplified and long-term focused structure provides a clearer and stronger alignment between executive reward, the delivery of our 2030 strategy and shareholder outcomes.

FY26 performance and remuneration outcomes

FY26 was a year of improved momentum for Reece as volumes recovered in our Australia and New Zealand business, while a weak residential housing market saw softer growth in the United States.

Sales revenue increased by 4.5% to $9,378m (FY25: $8,978m), EBITDA was flat at $901m (FY25: $901m), EBIT fell 2.6% to $534m (FY25: $548m), and statutory NPAT was down 2.8% to $308m (FY25: $317m). The Board declared a fully franked final dividend of 13.40 cents per share, bringing total fully franked dividends for FY26 to 18.84 cents per share.

Under the new remuneration framework, key management personnel are no longer eligible for the annual cash short-term incentive so there was no payment this year.

FY26 long term incentive performance outcomes

During FY26, the vesting outcomes of two grants issued under the Executive LTI Plan were assessed. No vesting occurred in respect of the FY23 or FY24 grants held by the Chairman & CEO and Group CFO. The FY25 grant remains subject to testing against its performance conditions at 30 June 2027. Based on current performance expectations, the Committee considers vesting of performance rights for this grant to be unlikely.

Board changes

During the year, the Board welcomed two new Non-Executive Directors. I joined the Board on 1 November 2025, and Tim Ford was appointed Lead Independent Director on 8 April 2026. Tim has also joined the Remuneration Committee.

Looking forward

We will continue to share progress on the Reece 2030 Framework on an annual basis in this report. I invite you to read the full report for further detail on our FY26 remuneration outcomes.

Yours faithfully,

Jacqueline Chow

Chair, Remuneration Committee

[1] The Wilson Family who collectively hold 70.4% of shares (and are also represented on the board) were precluded from voting.

Remuneration Report (Audited)

Table of contents

The Directors present the Remuneration Report for the financial year ended 30 June 2026. 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. For FY26, the Group's KMP includes the Directors, Chairman & CEO, Group President & Managing Director, and Group Chief Financial Officer.

Remuneration Report (Audited)

1. Reece 2030 Remuneration Framework

On 30 March 2026, the Board announced the Reece 2030 remuneration framework (framework) applicable to key management personnel (KMP). The Reece framework was designed to reinforce Reece's unrelenting focus on long-term value creation. The new framework rewards KMP on the delivery of ambitious targets aligned to the 2030 strategy that, if achieved, will drive significant value for shareholders while putting more remuneration at risk.

The annual cash short-term incentive and annual long term incentive has been replaced by a single, long-dated equity award, strengthening retention of key leadership, aligning reward outcomes to multi year financial performance, and reflecting both the global scale of Reece's operations and its long-term ownership mindset.

Following a second strike at the 2025 AGM and subsequent spill resolution which was not supported by shareholders, the Remuneration Committee Chair, Jacqueline Chow engaged directly with shareholders and proxy advisors on the design of a new incentive structure for KMP. The engagement was extensive and constructive (see section 1.3 for further details). The feedback received was considered by the Committee and Board prior to finalisation of the new incentive structure for KMP. The new framework seeks to strike an appropriate balance between what is best for the company and strong alignment with long term shareholder outcomes.

1.1 Key changes to the KMP remuneration framework

Element	2030 Framework	Previous Framework
Fixed remuneration	No increase in FY26 (noting there was no increase in FY25)	No change
STI	**Removed**	Annual cash STI (between 75% – 125% at target)
LTI: Service/ retention rights	**Removed**	20% of LTI opportunity with 5-year service requirement
LTI: Incentive mix	50% performance rights 50% options	80% performance rights 20% retention/ service rights
LTI: Vesting period	Performance rights: 5 years, cliff vesting Options: Vesting in three equal tranches in years 3, 4 and 5	Performance rights: 3 years Retention/service rights: 5 years

1.2 Key elements of the equity LTI structure

How is the LTI award structured?	The FY26 grant is a multi-year grant (equivalent to five years of annual grant value), comprising 50% performance rights and 50% options, requiring service until each respective vesting date. The Board does not intend to issue any further LTI grants that vest prior to 30 June 2030.
Why did the Board grant a multi-year LTI?	The multi year LTI grant was introduced to align and incentivise executive incentives with the Company's 2030 strategy and long-term shareholder value creation. In developing the new LTI framework, the Board considered a range of factors, including alignment with the Group's 2030 strategy, supporting long-term shareholder value creation and maintaining an effective retention framework for key executives including international peer remuneration benchmarking. The Board also reviewed the vesting outlook for existing KMP LTI grants (FY23, FY24 and FY25). Given the impact of subdued housing markets in Australia and the US on performance outcomes, the FY23 and FY24 grants, which were tested at 30 June 2026, resulted in nil vesting. These outcomes were one of a number of considerations taken into account by the Board in designing the new framework.

Remuneration Report (Audited)

1.2 Key elements of the equity LTI structure (continued)

How is performance measured?

Performance rights

The performance rights are subject to two equally weighted performance metric hurdles: Earnings Per Share (EPS), measured on a compound annual growth rate (CAGR) basis, and Average Return On Capital Employed (ROCE), assessed over a five year vesting period. These performance measures were selected to incentivise delivery of the 2030 strategy, support long-term shareholder wealth creation and are consistent with historical measures allowing investors to benchmark returns.

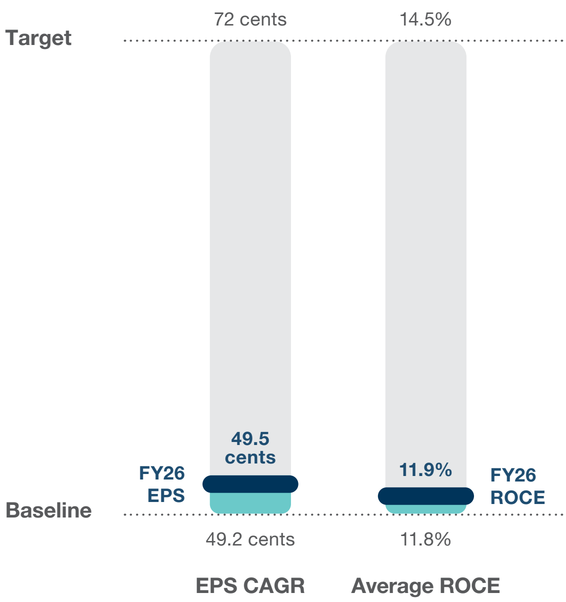
$$\text{EPS} = \frac{\text{Net profit after tax}}{\text{Weighted average number of shares on issue}}$$

$$\text{ROCE} = \frac{\text{EBIT}}{\text{Shareholders' equity + net debt}}$$

The performance rights will vest in accordance with the following vesting schedule:

2026 grant	EPS CAGR	Average ROCE	Level of vesting
Stretch	≥ 14.0%	≥ 16.0%	130%
Between target and stretch	> 8.0% & < 14.0%	> 14.5% & < 16.0%	Pro rata vesting on a straight-line basis between 100% and 130%
Target	8.0%	14.5%	100%
Between target and threshold	> 5.0% & < 8.0%	> 13.5% & < 14.5%	Pro rata vesting on a straight-line basis between 50% and 100%
Threshold	5.0%	13.5%	50%
Below threshold	< 5.0%	< 13.5%	Nil

Progress update (year 1)



The Reece 2030 remuneration framework drives delivery of our ambitious 2030 strategy, aligning executive outcomes with long-term value creation for shareholders.

1.2 Key elements of the equity LTI structure (continued)

	Options Options vest in three equal tranches following the release of the FY28, FY29 and FY30 annual results, subject to achievement of a relative total shareholder return (TSR) gateway condition. Each tranche will vest only where Reece's relative TSR is at or above the 50th percentile of the ASX 200 for each performance period. The ASX 200 peer set was determined at the beginning of the performance period. The exercise price for the options is $13.00. Long-term incentive grants are typically made in October, however in October 2025 the Board were in the process of reviewing the key management personnel remuneration framework and undertaking stakeholder engagement regarding its future design. The grant was deferred until the review was completed and the Reece 2030 remuneration framework approved. The $13.00 exercise price was set with regards to recent market benchmarks, including the October 2025 off-market buyback price of $13.00 and the Company's post-FY25 results trading performance from 26 August 2025 until 31 December 2025 (volume weighted average price $11.35). The Board considered $13.00 exercise price to be an appropriate and transparent reference point that preserved the incentive and retention value of the award, while ensuring participants only realise value where the share price exceeds the exercise price. If the Remuneration Committee considers the incentive outcomes are not a reasonable reflection of Executive or Group performance, the Remuneration Committee may apply discretion to adjust the incentive outcomes. The Committee anticipates this discretion would only be applied in exceptional circumstances.
How are the targets set?	The performance rights are subject to two hurdles: EPS CAGR and Average ROCE. The targets for these hurdles are aligned to delivery of the 2030 strategy and were set at the beginning of the grant period. Vesting of options is subject to a relative TSR gateway condition that requires Reece's TSR to be at or above the ASX 200 median (50th percentile) for each tranche to vest. The first tranche of options vest after the release of the FY28 annual results and only have value where the share price is above $13.00 (as $13.00 needs to be paid as the exercise price of the option to acquire a Reece fully paid ordinary share). Challenging targets were set to reflect the company's growth ambitions while delivering long-term growth.
What is the performance period?	Performance rights have a five-year performance period from 1 July 2025. Options vest in three equal tranches following the release of the FY28, FY29 and FY30 annual results, subject to achievement of the relative TSR gateway condition.
How much can an executive KMP earn?	The FY26 LTI is a multi-year award, with the grant value reflecting five times the annual LTI opportunity. The LTI replaces annual STIs and LTIs with a single, long-dated equity award. The increased LTI quantum reflects the materially greater risk assumed by executives under the new framework by forgoing their annual cash STI. At stretch, annual LTI opportunities are 700% of base salary for the Chairman & CEO, 400% for the Group President & MD, and 325% for the Group CFO.
How are the LTI grants tested for vesting?	Performance Rights will vest subject to achieving the performance targets and options will be tested for vesting at the respective vesting date, subject to achieving the TSR hurdle. A further vesting condition is the Executive remains continuously employed or engaged with the Group at all times from grant date until the end of the relevant performance period.
How and when is it paid?	Performance rights represent the participant's right to acquire an ordinary share upon satisfaction of the performance criteria at the end of the vesting period. Options will be tested for vesting at each respective vesting date, the exercise price is $13.00 per share. The Company intends to settle vested instruments using market purchased shares, no new shares will be issued. The Board in its discretion may settle the awards in cash.

Remuneration Report (Audited)

1.2 Key elements of the equity LTI structure (continued)

What happens if an Executive leaves?	Unless the Board determines otherwise, an Executive who leaves as a Bad Leaver is not entitled to unvested performance rights or options, which will all lapse. An Executive who leaves as a Good Leaver will, subject to the Board exercising discretion otherwise, generally be entitled to retain unvested performance rights and options which will be tested at the end of the applicable performance period. If an Executive retires prior to 30 June 2030, the Board will generally pro rate unvested performance rights and options. A Good Leaver (except one still holding office with the Company) will generally be entitled to exercise any vested options prior to 30 June 2031.
Malus and clawback	The Company's incentive arrangements include malus and clawback provisions applying to unvested awards and, unexercised options. The Board has discretion to reduce, lapse or recover awards where vesting or retention would result in an inappropriate benefit. Circumstances include misconduct or behaviour causing harm to the Company, its stakeholders or reputation; excessive or inappropriate risk-taking; breaches of the Code of Conduct or Company policies; joining or assisting a competitor; or a material misstatement of financial results resulting in higher vesting than would otherwise have occurred. The Board also considers actual risk outcomes when determining vesting and may adjust vesting downwards where appropriate. These provisions apply at all times, including following cessation of employment, and operate alongside the Company's malus and clawback policy.
What happens in a change of control?	In limited circumstances defined in the plan terms, including de-listing of Reece or a change of control, any unvested Performance Rights and Options will vest.
What other grants remain on foot?	The Board reviews LTI grants on foot annually, including an assessment of current and expected vesting outcomes. Consistent with the Board's expectations, the FY23 and FY24 grants had a nil vesting outcome. Only the FY25 grant remains on foot, together with the new multi-year FY26 grant. Based on current performance, confidence in vesting of the performance rights component (80% of LTI opportunity) is low. The actual vesting outcome for this grant will be assessed at completion of the three year performance period ended 30 June 2027. **FY25 grant** Targets for the FY25 grant were established based on internal forecasts, past performance and external data to ensure they were ambitious yet achievable. These targets were established in the context of a challenging demand environment, including softer housing market conditions across ANZ and the United States, together with interest rate and housing affordability pressures. While ANZ is entering FY27 with a solid pipeline of activity, demand in the US residential new construction sector continues to be constrained. Vesting likelihood update for FY25 LTI grant: – The EPS threshold target is 68 cents, equivalent to a CAGR of 1.5% from the FY24 baseline of 65 cents. In FY26 Reece reported an EPS of 49.5 cents, EPS needs to increase by approximately 37% in FY27 to achieve the threshold of 68 cents. – Threshold vesting requires an Average ROCE of 14.5% over the performance period, requiring delivery of a 19.8% ROCE in FY27. The remaining 20% of the LTI comprises retention rights, which vest after five years subject to continued employment. Details of the FY25 grant is included in the table below.

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 130%
Threshold	1.5%	14.5%	50%
Below threshold	< 1.5%	<14.5%	Nil

1.3 What we heard from stakeholders during the stakeholder engagement after the 2025 AGM

Theme	Key Feedback from Shareholders and Proxies	How the framework responds
Structure	The scale of the proposed one-off LTI was acknowledged, noting importance of clear alignment to performance and transparent disclosure.	The LTI structure is a multi-year grant replacing annual awards, increasing the proportion of remuneration at risk and contingent on long-term performance.
	Broad support for a longer-dated (5-year) LTI aligned to the 2030 strategy with vesting in years 3, 4 and 5. Stakeholders understood the reasons for a mix of performance rights and options, provided the options were sufficiently 'at risk'.	Introduced a one-off multi-year LTI. The LTI is aligned with delivering on the ambitious 2030 strategy, with vesting staged across years 3 to 5 to support sustained performance and retention. Deliberate shift towards focus on the long term with removal of both the annual cash short term incentive, service-based rights and 100% of LTI at risk.
Measures	General support for EPS growth and ROCE, provided targets are challenging, measurable and aligned to strategy; preference for consistency through the cycle.	Retained EPS CAGR and Average ROCE as core performance measures for the performance rights, aligned to delivery of the 2030 strategy, with stretch targets set over the full performance period.
	Preference for setting targets upfront and not adjusted annually; changing targets seen as reducing credibility.	Targets were established at the commencement of the performance period, supporting transparency and credibility.
	Focus on the appropriate exercise price for options.	Incorporated an exercise price based on the 2025 off-market buy-back and the Company's post-FY25 results trading performance until 31 December 2025 (volume weighted average price $11.35). Included a relative TSR performance gateway to ensure options are subject to appropriate performance hurdles.
	Clear feedback that service rights are not preferred and are often viewed as fixed remuneration rather than at-risk incentive.	Removed service rights from the LTI structure.
Risk	Strong expectation that outcomes reflect genuine performance and shareholder experience.	Strengthened alignment by increasing the proportion of remuneration contingent on long-term performance outcomes and removing the annual cash short-term incentive and annual service only based element. Performance metrics are aligned to delivery of the 2030 strategy.
	General support for a share price gateway, some stakeholders recommended a Total Shareholder Return (TSR) gateway as an additional safeguard.	Introduced a relative TSR gateway to unlock vesting of the options in three equal tranches.
	Expectation for robust malus, clawback and Board discretion to ensure outcomes reflect risk and conduct.	Maintained comprehensive malus and clawback provisions and Board discretion to adjust outcomes where appropriate.

Remuneration Report (Audited)

2. Key Management Personnel (KMP)

The table below details persons considered to be KMP during FY26 and their term as KMP.

KMP	Position	Term as KMP
Directors		
Peter Wilson	Chairman & Chief Executive Officer (CEO)	Full financial year
Sasha Nikolic	Group President & Managing Director (MD)	Full financial year
Tim Ford	Lead Independent Director	Commenced 8 April 2026
Gavin Street	Non-Executive Director	Full financial year
Jacqueline Chow	Non-Executive Director	Commenced 1 November 2025
Andrew Wilson	Non-Executive Director	Full financial year
Bruce C. Wilson	Non-Executive Director	Full financial year
Angela Mentis	Non-Executive Director	Full financial year
Megan Quinn	Non-Executive Director	Ceased 2 July 2025
Executives		
Andrew Young	Group Chief Financial Officer (CFO)	Full financial year

In financial year 2026 (FY26) Reece welcomed Jacqueline Chow as an Independent Non-Executive Director and Tim Ford as Lead Independent Director. As KMP from their respective appointment dates, their remuneration is disclosed in full in this report. Megan Quinn ceased to be a Director following her resignation from the Board, effective 2 July 2025.

3. Snapshot of 2026 remuneration outcomes (unaudited)

The following table is provided to assist in the understanding of remuneration received by KMP during the year. Unlike the statutory disclosures in section 10 of this report, which include non-cash share-based payment expenses recognised for accounting purposes, this table focuses on remuneration and benefits received during the current financial year.

Executive	Fixed remuneration ($000's)	Other[1] ($000's)	STI[2] ($000's)	Vested LTI[3] ($000's)	Total ($000's)
Chairman & CEO	2,500	56	– No STI available in FY26 under 2030 remuneration framework (FY25: $1,517)	– 0% LTI vested (FY25: 45%)	2,556
Group President & MD	1,500	240	– No STI available in FY26 under 2030 remuneration framework (FY25: $565)	– 0% LTI vested (FY25: 100%)	1,740
Group CFO	850	32	– No STI available in FY26 under 2030 remuneration framework (FY25: $216)	– 0% LTI vested (FY25: Nil)	882

[1] Includes short-term benefits and post-employment benefits.

[2] STIs were removed as part of the 2030 remuneration framework.

[3] The FY23 and FY24 LTI grants were tested for vesting at 30 June 2026. Neither grant met the applicable performance thresholds, and accordingly, no vesting occurred.

Chairman & CEO FY26 remuneration outcomes

$2.5m
Fixed remuneration

$0
Short Term Incentive

$0
Vested Long Term Incentives

Remuneration Report (Audited)

4. Remuneration Overview

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**

4.1 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.

Remuneration Report (Audited)

4.2 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.

In FY26, KMP received a fixed base and LTI. The LTI is a significant portion of total executive remuneration delivered through variable, performance-based components, directly linked to the delivery of the 2030 strategy.

Element	Weighting		Purpose of element	Approach
	CEO	Other KMP		
Fixed	12% 	22% 	Attract and retain top talent in a competitive international market.	Set with reference to ASX peers and a select group peer companies predominately located in North America. Consists of base salary, superannuation and other non-cash benefits.
At-risk long-term incentive	88% 	78% 	To align Executive reward with the delivery of long-term strategic priorities and shareholder value creation.	The award of performance rights or options based on achieving EPS, ROCE and relative TSR hurdles.

4.3 Remuneration delivery

At Reece, remuneration for KMP 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 realised for all KMP.

FY26 - Reece 2030 Remuneration Framework

	Year 0 – Year 5
Fixed remuneration (cash)	Delivered in cash
At-risk LTI Options (equity)	Tranche 1 (16.7%, TSR gateway) over 3 years
	Tranche 2 (16.7%, TSR gateway) over 4 years
	Tranche 3 (16.7%, TSR gateway) over 5 years
At-risk LTI Performance Rights (equity)	50% of LTI opportunity reward subject to performance hurdles (EPS CAGR & Average ROCE) over 5 years

FY25 - Reece 2030 Remuneration Framework

	Year 0 – Year 5
Fixed remuneration (cash)	Delivered in cash
At-risk STI (cash)	Outcome subject to performance
At-risk LTI (equity)	80% of LTI opportunity reward subject to performance over 3 years
At-risk LTI Service Rights (equity)	20% of LTI opportunity reward subject to service over 5 years

Remuneration Report (Audited)

5. Benchmarking

The Remuneration Committee undertakes regular benchmarking to support the Group's ability to attract and retain executives of appropriate calibre in a competitive international market.

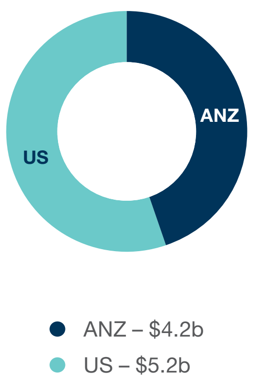
As an ASX listed company with significant operations in both Australia, New Zealand and the United States of America, our remuneration benchmarking framework incorporates two comparator groups: a market capitalisation peer group of ASX entities with a focus on those with majority international operations; and a select group of 16 listed peer companies predominately located in North America.

The United States represents a significant component of the Group's operations, generating more than half of Group revenue. In addition, the Group employs approximately 3,500 team members across 292 North American branches. The KMP are responsible for overseeing the Group's international operations, which requires regular engagement across the United States, Australia and New Zealand.

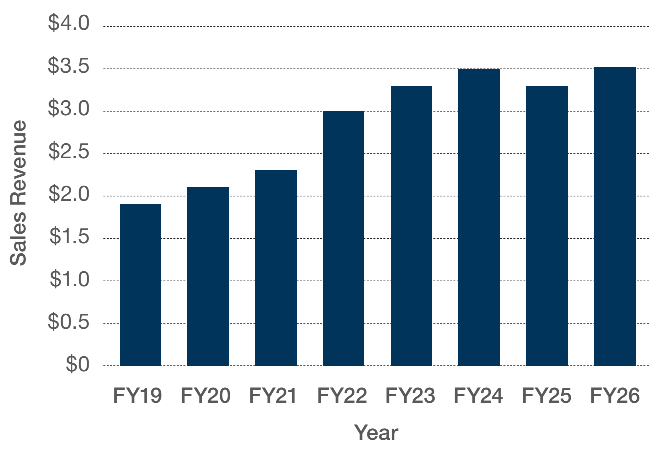
Reflecting the international nature of the Group's operations and the scale of its North American business, the Remuneration Committee considers it appropriate to include a select number of North American peers within the benchmarking framework. This supports the Group's ability to maintain remuneration structures that are competitive for roles with international responsibilities and to access talent pools that are increasingly global in nature.

The North American peer group has been carefully selected having regard to relevant factors including company size, industry and operational complexity, and is intended to complement rather than replace Australian market benchmarking. The Committee considers this balanced approach supports alignment with shareholder interests while assisting the Group to attract and retain high-quality executive talent.

Sales by Region 2026 (AUD$b)



US Sales Revenue 2019 - 2026 (US$b)



6. Company performance and remuneration outcomes

This section outlines how Reece's performance is reflected in Executive remuneration outcomes. The table below summarises key performance indicators (or performance objectives) over the previous five years.

Financial summary	FY26 ($000's)	FY25 ($000's)	FY24 ($000's)	FY23 ($000's)	FY22 ($000's)
Sales revenue	9,378,431	8,978,382	9,104,772	8,839,572	7,654,047
EBIT	533,695	548,211	681,390	654,104	578,204
ROCE	11.9%	11.8%	15.5%	15.3%	13.3%
NPAT	308,155	316,937	419,171	387,607	392,487
Dividends declared	115,883	118,603	166,341	161,496	145,346
Performance-based incentives to Executives[1]	34,537	4,563	10,006	9,635	7,945
Share price at end of financial year	17.23	14.35	25.17	18.57	13.78
Basic EPS[2]	50 cents	49 cents	65 cents	60 cents	61 cents

[1] Performance-based incentives reflect the accounting expense recognised for KMP incentive arrangements, including cash-settled and equity-settled awards. The FY26 amount relates only to long-term incentives, as no short-term incentives are awarded under the new remuneration framework.

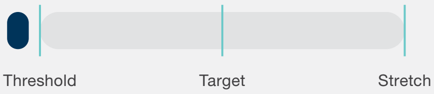
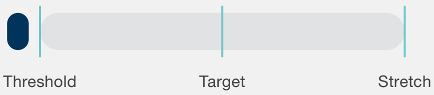
[2] EPS is calculated based on statutory NPAT divided by the weighted average number of shares on issue.

7. Executive KMP long-term incentives (LTI)

7.1 LTI performance outcomes

The FY23 and FY24 performance rights are subject to EPS CAGR and Average ROCE hurdles, with the performance period ending 30 June 2026. The measurement period is four years for the FY23 grant and three years for the FY24 grant, resulting in the grants being tested for vesting in the current period.

The Remuneration Committee determined a vesting outcome of 0% for both the FY23 and FY24 grants as detailed below. Peter Wilson, Chairman & CEO was a participant in the FY23 and FY24 grants. Andrew Young, Group CFO was a participant in the FY24 grant. Accordingly, no performance rights vested for either participant under the FY23 or FY24 awards.

Hurdle and performance measurement period	FY26 outcome	EPS CAGR	Average ROCE	LTI vested (number of rights)	LTI lapsed (number of rights)
FY23 performance rights EPS CAGR Average ROCE 1 July 2022 – 30 June 2026		(4.9%)	13.6%	Nil	205,598[1]
FY24 performance rights EPS CAGR Average ROCE 1 July 2023 – 30 June 2026		(6.2%)	13.1%	Nil	283,687[1]

[1] FY23 lapsed rights relate to Peter Wilson; FY24 lapsed rights relate to Peter Wilson and Andrew Young.

The awards vest in accordance with the following vesting schedules.

2023 grant	EPS CAGR	Average ROCE	Level of vesting	Vesting assessment
Stretch	≥ 10%	≥ 16%	100%	The FY23 grant was tested for vesting at the end of a 4-year measurement period ending 30 June 2026. Nil vesting outcome. Neither the EPS CAGR or ROCE thresholds were met.
Between threshold and stretch	> 5% & < 10%	> 14% & < 16%	Pro rata vesting on a straight line basis between 50% and 100%	
Threshold	5%	14%	50%	
Below threshold	< 5%	< 14%	Nil	

2024 grant	EPS CAGR	Average ROCE	Level of vesting	Vesting assessment
Stretch	≥ 7%	≥ 17.5%	100%	The FY23 grant was tested for vesting at the end of a 3-year measurement period ending 30 June 2026. Nil vesting outcome. Neither the EPS CAGR or ROCE thresholds were met.
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	

7.2 Reece 2030 remuneration framework

The Board issued a multi-year grant in FY26 (equivalent to five years of annual grant value for each KMP). Further details of this grant can be found in section 1.

7.3 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.

8. Remuneration governance

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

The Board

- Monitors the performance of the Executives.
- Approves the remuneration framework and ensures alignment with the Company's purpose, values, strategic objectives and risk appetite.
- Appoints and removes the CEO, CFO, and Company Secretary.
- Reviews and, if appropriate, approves Remuneration Committee recommendations on remuneration arrangements.

The Remuneration Committee

- Reviews remuneration policies and strategies for Executives, including the CEO, utilising external benchmarking where appropriate.
- Designs the remuneration package for Executives.
- Determines the overall level of salary increases and performance-based incentives for the CEO.
- Sets Non-Executive and Executive Director remuneration.
- Oversees succession planning for senior Executives.
- Oversees Executive recruitment, retention and termination policies and procedures.

The Remuneration Committee consists of a majority of independent Non-Executive Directors.

Consultation with shareholders and other stakeholders

Remuneration consultants and other external advisors

The Board and/or the Remuneration Committee may, from time to time, appoint and engage independent advisors directly in relation to remuneration matters.

These advisors may:

- Review and provide recommendations on the appropriateness of the CEO or Executive remuneration.
- Provide independent advice, information and recommendations relevant to remuneration decisions.

During the year, the Board did not receive any remuneration recommendations from a remuneration consultant as defined by the *Corporations Act 2001 (Cth)*.

Management

- Provides information relevant to remuneration decisions and makes recommendations to the Remuneration Committee.
- Obtains remuneration information from external advisors to assist the Remuneration Committee.

Remuneration Report (Audited)

8.1 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 and Group President & MD are 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 the 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 and outlined in section 1.2. These clauses ensure accountability and protect Reece and our shareholders from potential financial and reputational damage. During the year, there has been no enactment of these provisions.
Minimum shareholding requirement	In FY24 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 10.6 for Executive KMP shareholdings. From 1 August 2025, Reece introduced 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. Peter Wilson, Chairman & CEO has a direct holding of 532,500 ordinary shares representing approximately six times this requirement. 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.

Remuneration Report (Audited)

9. 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)
Lead Independent	320
Independent	180
Substantial shareholder	90

Standard Committee Fees	Chair ($000's)	Member ($000's)
Audit and Risk Committee	40	20
Remuneration Committee	30	15

10. Additional statutory disclosures

10.1 Executive Director and CFO remuneration outcomes

The statutory remuneration table below is prepared in accordance with the Corporations Act and Australian Accounting Standards.

Share-based payment amounts represent the accounting expense recognised in the year for equity awards, based on grant-date fair value and recognised over the relevant service and performance periods.

These amounts do not represent cash paid or equity value received by Executive KMP during the year, and may differ materially from the value ultimately realised. The value ultimately realised will depend on continued service, performance outcomes, vesting, exercise and Reece's share price at the relevant time. In some cases, the accounting expense may be positive, negative or recognised even where awards ultimately lapse.

Executives		Short-term benefits			Post employment benefits	Other long-term benefits		Share based payments	Total	Performance based
		Base salary ($000's)	Short-term incentive ($000's)	Other short-term benefits[1] ($000's)	Super-annuation ($000's)	Long-term incentive ($000's)	Other long-term benefits[2] ($000's)	Awards[3] ($000's)	($000's)	%
Peter Wilson	FY26	2,500	-	26	30	-	47	22,496	25,099	90
	FY25	2,500	1,517	(28)	30	-	68	(622)	3,465	26
Sasha Nikolic[4]	FY26	1,500	-	210	30	-	6	8,391	10,137	83
	FY25	1,535	565	426	30	2,295	5	401	5,257	62
Andrew Young	FY26	850	-	2	30	-	11	3,650	4,543	80
	FY25	850	216	36	30	-	7	191	1,330	31
Remuneration totals[5]	**FY26**	**4,850**	**-**	**238**	**90**	**-**	**64**	**34,537**	**39,779**	**87**
	FY25	**4,885**	**2,298**	**434**	**90**	**2,295**	**80**	**(30)**	**10,052**	**45**

[1] 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.

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

[3] 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. The FY26 amount includes the accounting expense recognised for the multi-year LTI award granted during the year under the 2030 remuneration framework. Long-term incentives that vested during the period are included within take home remuneration disclosed in section 3. More information about the vesting of long-term incentives is in section 7 of this report.

[4] The difference in Sasha Nikolic's salary from the prior period reflects the impact of foreign exchange translation as he fulfilled his role from the US for part of the FY25 year.

[5] No termination benefits were awarded to KMP in the current or prior periods.

10.2 Non-Executive Director remuneration outcomes

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

Directors[2,3,4]		Salary and fees ($000's)	Non-monetary and other benefits ($000's)	Post-employment benefits[1] ($000's)	Total ($000's)
Tim Ford	FY26	67	-	8	75
	FY25	-	-	-	-
Gavin Street	FY26	210	-	25	235
	FY25	88	-	10	98
Andrew Wilson	FY26	80	-	10	90
	FY25	81	-	9	90
Bruce C. Wilson	FY26	80	-	10	90
	FY25	81	-	9	90
Angela Mentis	FY26	192	-	23	215
	FY25	122	-	14	136
Jacqueline Chow	FY26	136	-	4	140
	FY25	-	-	-	-
Remuneration totals[3]	**FY26**	**766**	**-**	**79**	**845**
	FY25	**372**	**-**	**42**	**414**

[1] Reflects value of superannuation.

[2] Tim and Jacqueline commenced as Directors during FY26.

[3] Megan Quinn has not been included in the table above as she was a KMP for only two days during FY26. Her total remuneration for FY26 amounted to $1,654.

[4] The total for FY25 remuneration in this table is different to the total for FY25 in the FY25 Remuneration Report as it does not include Remuneration for Ross McEwan, Alan Wilson, Tim Poole and Karen Penrose, who all ceased to be KMP in FY25, and Megan Quinn who ceased to be a KMP on 2 July 2025.

10.3 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.

10.4 AGMs

At our most recent Annual General Meeting, 44.73% of the votes cast were against the FY25 Remuneration Report (a second strike).

Remuneration Report (Audited)

10.5 Executive LTI plan outstanding

The table below outlines each grant on foot for KMP at the end of financial year, including instruments granted under the multi-year grant, equivalent to five years of value under the Reece 2030 remuneration framework in FY26.

The LTI granted in FY26 is designed to align KMP with long-term shareholder value creation by linking outcomes directly to sustained financial and share price performance over a multi year period.

The FY23 and FY24 grants were tested for vesting at 30 June 2026, however no vesting occurred under either grant as performance thresholds were not met. As a result, 489,285 performance rights lapsed during the period. Other than these lapses, no share options or rights granted to KMP were exercised, forfeited or cancelled during or subsequent to year end up to the date of this report.

Executive	Award	Instrument	Grant date	Exercise price	Vesting date	Expiry date	Number of options/ rights	Fair value per instrument at grant date[1]
Peter Wilson Chairman & CEO	FY26 (multi-year grant)	Rights	29 March 2026	$Nil	30 June 2030	29 March 2041	3,854,626	$13.14
		Options (Tranche 1)	29 March 2026	$13.00	30 June 2028	29 March 2041	3,489,671	$4.36
		Options (Tranche 2)	29 March 2026	$13.00	30 June 2029	29 March 2041	3,489,671	$4.60
		Options (Tranche 3)	29 March 2026	$13.00	30 June 2030	29 March 2041	3,489,670	$4.79
	FY25 (single-year grant)	Rights	24 October 2024	$Nil	30 June 2027/ 30 June 2029	24 October 2039	234,699	$23.71
Sasha Nikolic Group President & MD	FY26 (multi-year grant)	Rights	29 March 2026	$Nil	30 June 2030	29 March 2041	1,321,586	$13.14
		Options (Tranche 1)	29 March 2026	$13.00	30 June 2028	29 March 2041	1,196,458	$4.36
		Options (Tranche 2)	29 March 2026	$13.00	30 June 2029	29 March 2041	1,196,458	$4.60
		Options (Tranche 3)	29 March 2026	$13.00	30 June 2030	29 March 2041	1,196,459	$4.79
	FY25 (single-year grant)	Rights	24 October 2024	$Nil	30 June 2027/ 30 June 2029	24 October 2039	84,491	$23.71
Andrew Young Group CFO	FY26 (multi-year grant)	Rights	29 March 2026	$Nil	30 June 2030	29 March 2041	608,480	$13.14
		Options (Tranche 1)	29 March 2026	$13.00	30 June 2028	29 March 2041	550,869	$4.36
		Options (Tranche 2)	29 March 2026	$13.00	30 June 2029	29 March 2041	550,869	$4.60
		Options (Tranche 3)	29 March 2026	$13.00	30 June 2030	29 March 2041	550,870	$4.79
	FY25 (single-year grant)	Rights	24 October 2024	$Nil	30 June 2027/ 30 June 2029	24 October 2039	31,919	$23.71

[1] The valuation methodology and key assumptions used to determine the grant date fair value of instruments issued under the FY26 LTI are set out in note 6.2 of the financial statements.

Remuneration Report (Audited)

10.6 Equity movements

KMP equity movements

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

The Board has an established policy of minimum shareholding requirements for Non-Executive Directors and KMP, refer to section 8.1 for further details. The Board monitors compliance with the policy on an ongoing basis.

Wilson Family's Holdings

- 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.

Number of shares	Balance as at 30 June 2025	Equity received as remuneration	Equity acquired / disposed of	Balance as at 30 June 2026	Minimum shareholding
Directors					
Tim Ford[2]	429	–	–	429	Compliant[4]
Gavin Street	25,237	–	–	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]
Angela Mentis	7,000	–	5,800	12,800	Compliant[4]
Jacqueline Chow[2]	2,500	–	3,500	6,000	Compliant[4]
Megan Quinn		–	–	–	Compliant[4]
Executives					
Peter Wilson[1] - Chairman & CEO	122,168,788	–	–	122,168,788	Compliant[4]
Sasha Nikolic - Group President & MD	26,665	–	–	26,665	Compliant[4]
Andrew Young - Group CFO	–	–	17,000	17,000	Compliant[4]

[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. 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.

[2] Tim and Jacqueline commenced as Directors during FY26. The opening balance of the shareholding reflects the number of shares held on the day they commenced as Director.

[3] Megan ceased to be a Director on 2 July 2025. The closing balance of the shareholding reflects the number of shares held on the day Megan ceased to be a Director.

[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. From FY26 KMP are required to hold shares equal to 50% of fixed pay, they have five years to build up their shareholding.

This concludes the Remuneration Report (Audited). Dated at Melbourne on 24 August 2026.
Signed in accordance with a resolution of Directors.

Jacqueline Chow

Chair, Remuneration Committee

Financials

Auditor’s Independence Declaration

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 the financial report and the review of specified sustainability disclosures in the sustainability report of Reece Limited for the financial year ended 30 June 2026 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 review; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit and review.

KPMG

KPMG

Suzanne Bell

Partner

Melbourne

24 August 2026

Contents

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2026

	Note	2026 ($000's)	2025 ($000's)
Revenue from sale of goods	2.2	9,378,431	8,978,382
Cost of sales	2.3	(6,663,825)	(6,420,175)
Gross profit		**2,714,606**	**2,558,207**
Other income		5,914	3,000
Selling and administrative expenses		(2,186,825)	(2,012,996)
Earnings before interest and tax		**533,695**	**548,211**
Finance costs (net)	2.3	(117,267)	(97,614)
Profit before income tax expense		**416,428**	**450,597**
Income tax expense	2.5	(108,273)	(133,660)
Net profit for the year		**308,155**	**316,937**
Other comprehensive income			
Items that may be reclassified subsequently to the profit or loss:			
Exchange differences on translation of foreign operations, net of tax		(115,059)	24,393
Change in fair value of effective cash flow hedges, net of tax		3,625	(1,757)
Total comprehensive income, net of tax		**196,721**	**339,573**
Basic earnings per share	2.4	49.5 cents	49.2 cents
Diluted earnings per share	2.4	49.5 cents	49.2 cents

The accompanying notes form part of the consolidated financial statements.

Consolidated Statement of Financial Position

As at 30 June 2026

	Note	2026 ($000's)	2025 ($000's)
Current assets			
Cash and cash equivalents	3.1	327,668	275,411
Trade and other receivables	3.2	1,528,762	1,376,482
Inventories	3.3	1,718,072	1,617,171
Derivative financial instruments	4.3	1,746	-
Total current assets		**3,576,248**	**3,269,064**
Non-current assets			
Property, plant and equipment	3.5	1,052,276	1,036,267
Right-of-use assets	3.4	1,047,239	985,941
Investments		17,037	20,368
Intangible assets	3.6	1,867,339	2,015,561
Deferred tax assets	2.5	114,455	90,252
Total non-current assets		**4,098,346**	**4,148,389**
Total assets		**7,674,594**	**7,417,453**
Current liabilities			
Trade and other payables	3.7	1,475,421	1,257,368
Lease liabilities	4.2	151,392	149,293
Interest-bearing liabilities	4.1	21,837	-
Current tax liability	2.5	31,103	2,053
Provisions	3.8	128,221	100,267
Derivative financial instruments	4.3	-	1,879
Total current liabilities		**1,807,974**	**1,510,860**
Non-current liabilities			
Interest-bearing liabilities	4.1	1,049,555	865,728
Lease liabilities	4.2	1,030,407	956,196
Deferred tax liabilities	2.5	21,505	28,903
Provisions	3.8	16,768	10,449
Total non-current liabilities		**2,118,235**	**1,861,276**
Total liabilities		**3,926,209**	**3,372,136**
Net assets		**3,748,385**	**4,045,317**
Equity			
Contributed equity	4.4	1,157,264	1,246,918
Reserves	4.4	(211,132)	194,226
Retained earnings		2,802,253	2,604,173
Total equity		**3,748,385**	**4,045,317**

The accompanying notes form part of the consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 June 2026

	Note	2026 ($000's)	2025 ($000's)
Cash flow from operating activities			
Receipts from customers		9,885,669	9,687,539
Payments to suppliers and employees		(9,018,592)	(8,848,524)
Interest received		5,650	10,293
Finance costs paid		(66,422)	(56,094)
Interest repayments on leases		(56,495)	(47,500)
Income tax paid		(104,638)	(145,931)
Net cash from operating activities	3.1(a)	**645,172**	**599,783**
Cash flow from investing activities			
Purchases of property, plant and equipment		(162,684)	(241,888)
Proceeds from sale of property, plant and equipment		20,407	9,021
Payment for intangible assets		(11,683)	(16,494)
Purchase of controlled entities and investments, net of cash acquired		(3,026)	(93,139)
Net cash used in investing activities		**(156,986)**	**(342,500)**
Cash flow from financing activities			
Proceeds from borrowings		479,915	97,358
Repayments of borrowings		(226,544)	(100,366)
Dividends paid	4.5	(110,075)	(156,651)
Principal repayment on leases		(152,690)	(141,315)
Payments for shares purchased for employee share trust		(22,446)	(22,555)
Share buyback	4.4	(400,689)	-
Net cash used in financing activities		**(432,529)**	**(323,529)**
Net increase / (decrease) in cash and cash equivalents		55,657	(66,246)
Net foreign exchange translation difference		(3,400)	277
Cash and cash equivalents at the beginning of the year		275,411	341,380
Cash and cash equivalents at the end of the year	3.1	**327,668**	**275,411**

The accompanying notes form part of the consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2026

	Note	Contributed equity ($000's)	Reserves ($000's)	Retained earnings ($000's)	Total equity ($000's)
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 and employee share trust transactions		-	(21,748)	-	(21,748)
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**
Balance at 1 July 2025		**1,246,918**	**194,226**	**2,604,173**	**4,045,317**
Net profit for the year		-	-	308,155	308,155
Exchange differences on translation of foreign operations, net of tax		-	(115,059)	-	(115,059)
Change in fair value of effective cash flow hedges, net of tax		-	3,625	-	3,625
Total comprehensive income for the year, net of tax		**-**	**(111,434)**	**308,155**	**196,721**
Transactions with owners in their capacity as owners:					
Share-based payments and employee share trust transactions		-	17,111	-	17,111
Dividends paid	4.5	-	-	(110,075)	(110,075)
Share buyback	4.4	(89,654)	(311,035)	-	(400,689)
Total transactions with owners in their capacity as owners		**(89,654)**	**(293,924)**	**(110,075)**	**(493,653)**
Balance as at 30 June 2026		**1,157,264**	**(211,132)**	**2,802,253**	**3,748,385**

The accompanying notes form part of the consolidated financial statements.

Notes

For the year ended 30 June 2026

1. Notes to the financial statements

About this report

The financial report covers Reece Limited ('the Group' or 'Reece') and controlled entities. 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 2026 was authorised for issue in accordance with a resolution of the Directors on 24 August 2026.

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), and 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 2025. 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 Income tax

3.2 Trade and other receivables

3.3 Inventories

3.4 Leases

3.5 Property, plant and equipment

3.6 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 2026.

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.

Notes

For the year ended 30 June 2026

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 2026/183* 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.

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	
	2026 ($000's)	2025 ($000's)	2026 ($000's)	2025 ($000's)	2026 ($000's)	2025 ($000's)
Revenue from sale of goods	4,204,361	3,882,337	5,174,070	5,096,045	9,378,431	8,978,382
EBITDA	531,564	495,332	369,367	405,197	900,931	900,529
Expenses						
Depreciation	(139,120)	(134,206)	(149,637)	(148,319)	(288,757)	(282,525)
Amortisation	(32,582)	(21,967)	(45,897)	(47,826)	(78,479)	(69,793)
Finance costs (net)	(24,806)	(8,924)	(92,461)	(88,690)	(117,267)	(97,614)
Segment profit before tax	335,056	330,235	81,372	120,362	416,428	450,597
Income tax expense	(102,880)	(103,861)	(5,393)	(29,799)	(108,273)	(133,660)
Segment profit after tax	**232,176**	**226,374**	**75,979**	**90,563**	**308,155**	**316,937**
Current assets	1,670,572	1,416,013	1,905,676	1,853,051	3,576,248	3,269,064
Non-current assets	1,427,791	1,416,334	2,670,555	2,732,055	4,098,346	4,148,389
Total assets	**3,098,363**	**2,832,347**	**4,576,231**	**4,585,106**	**7,674,594**	**7,417,453**
Total liabilities	**1,550,136**	**1,011,826**	**2,376,073**	**2,360,310**	**3,926,209**	**3,372,136**

2.2 Revenue

	2026 ($000's)	2025 ($000's)
Revenue from contracts with customers		
Revenue from sale of goods	9,378,431	8,978,382

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

	2026 ($000's)	2025 ($000's)
Cost of sales	6,663,825	6,420,175
Employee benefits expenses	1,168,710	1,080,443
Depreciation	288,757	282,525
Amortisation	78,479	69,793

The major expenses forming part of the Consolidated Statement of Profit or Loss and Other Comprehensive Income are set out in the table above.

	2026 ($000's)	2025 ($000's)
Finance costs		
Interest income	(5,650)	(10,293)
Interest on debt and borrowings	66,422	60,407
Interest on lease liabilities	56,495	47,500
Total finance costs (net)	**117,267**	**97,614**

2.4 Earnings per share

	2026 ($000's)	2025 ($000's)
Earnings used in calculating basic and diluted earnings per share	308,155	316,937
	(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	622,147	644,176
	Cents	**Cents**
The earnings per share (calculated on weighted average share capital during the year)	49.5	49.2

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

	2026 ($000's)	2025 ($000's)
The components of tax expense:		
Current tax	142,735	144,428
Adjustments for current tax from prior periods	(4,010)	1,931
Deferred tax	(30,452)	(12,699)
Income tax expense reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income	**108,273**	**133,660**
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	416,428	450,597
At Australia's statutory income tax rate of 30% (FY25: 30%)	124,928	135,179
US inventory adjustment for LIFO	(18,493)	(4,896)
Adjustments for current tax from prior periods	(489)	1,931
Effect of non-assessable income and non-deductible expenses for tax purposes	5,592	2,894
Difference in geographical tax rates	(3,265)	(1,448)
At the effective income tax rate of 26% (FY25: 30%)	**108,273**	**133,660**

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 2026 or 2025 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.

Based on its current assessment 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 (2025: $0.4m).

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.

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.

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.

2.5 Income tax (cont.)

	2026 ($000's)	2025 ($000's)
Deferred tax assets / (liabilities)		
Employee benefits	43,352	45,865
Depreciation of buildings	158	(5,347)
Losses available for offset against future taxable income	1,576	1,510
Provisions	27,403	45,758
Right-of-use assets	(270,862)	(256,257)
Lease liabilities	305,588	286,071
Intangible assets	(58,792)	(67,443)
Other deferred tax assets	52,409	16,660
Other deferred tax liabilities	(7,882)	(5,468)
Net deferred tax assets / (liabilities)	**92,950**	**61,349**
Movement in deferred tax balance		
Balance at beginning of year	61,349	58,805
Deferred tax liability from business acquisition	-	(10,155)
Recognised in profit or loss statement	30,452	12,699
Recognised in other comprehensive income	1,149	-
Deferred tax balance at end of year	**92,950**	**61,349**
Reconciliation to the statement of financial position		
Deferred tax balance	92,950	61,349
Set-off deferred tax liabilities	21,505	28,903
Deferred tax asset	**114,455**	**90,252**
Current tax (receivable) / payable		
Balance at beginning of the year	(8,459)	(7,560)
Current tax	142,735	144,428
Tax instalments paid	(104,638)	(145,931)
(Under) / over provision in prior year	(4,010)	1,931
Other	(467)	(1,327)
Current tax (receivable) / payable at end of the year	**25,161**	**(8,459)**
Reconciliation to the statement of financial position		
Current tax (receivable) / payable	25,161	(8,459)
Set-off prepaid tax	5,942	10,512
Current tax liability	**31,103**	**2,053**

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

	2026 ($000's)	2025 ($000's)
Cash on hand	492	499
Cash on deposit	327,176	274,912
	327,668	**275,411**

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.

	2026 ($000's)	2025 ($000's)
(a) Reconciliation of the net profit after tax to the net cash flows from operations:		
Profit for the period	**308,155**	**316,937**
Add / (less) non-cash items:		
Profit or loss on sale or disposal of non-current assets	(1,218)	(1,960)
Depreciation	288,757	282,525
Amortisation	78,479	69,793
Foreign exchange translation	(2,982)	1,410
Share based payment expense	39,557	807
Share of losses from associates	7,645	4,234
Net cash flow from operations before change in assets and liabilities	**718,393**	**673,746**
Changes in assets and liabilities		
(Increase) / decrease in receivables	(189,141)	28,685
(Increase) / decrease in inventory	(142,937)	(87,325)
Increase / (decrease) in payables	231,847	378
Increase / (decrease) in provisions	23,411	(3,067)
Increase / (decrease) in income taxes payable	33,899	249
(Increase) / decrease in deferred tax assets	(54,503)	(10,742)
Increase / (decrease) in deferred tax liabilities	24,203	(2,141)
Net cash flow from operating activities	**645,172**	**599,783**

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

3.2 Trade and other receivables

	2026 ($000's)	2025 ($000's)
Trade receivables	1,473,606	1,336,475
Less: Allowance for expected credit losses	(32,967)	(36,200)
	1,440,639	**1,300,275**
Other receivables	36,710	37,435
Prepayments	51,413	38,772
Total trade and other receivables	**1,528,762**	**1,376,482**

Allowance for expected credit losses		
Opening balance at 1 July	(36,200)	(52,081)
Movement in allowance for expected credit losses	3,233	15,881
Closing balance as at 30 June	**(32,967)**	**(36,200)**

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.

3.3 Inventories

	2026 ($000's)	2025 ($000's)
Finished goods, at lower of cost and net realisable value	1,812,372	1,751,129
Less: Allowance for slow moving or obsolete inventory	(94,300)	(133,958)
	1,718,072	**1,617,171**

Allowance for slow moving or obsolete inventory		
Opening balance at 1 July	(133,958)	(112,604)
Movement in allowance for slow moving or obsolete inventory	39,658	(21,354)
Closing balance as at 30 June	**(94,300)**	**(133,958)**

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 predominantly holds finished goods only, purchased from suppliers for the purpose of distribution to trade and retail customers.

Inventories recognised as an expense during the year and included in cost of sales amounted to $6,560m (FY25: $6,323m)

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 stock. 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. The allowance may increase or decrease as a result of changes in the Group's expected sell-through rates, ability to redeploy slow-moving inventory across the branch network, and inventory being cleared through sale or disposal against existing provision balances.

3.4 Leases

Right-of-use (ROU) assets

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

	2026 ($000's)	2025 ($000's)
Property		
Carrying amount at beginning of year	952,318	866,001
Additions through business combinations	-	11,318
Additions	148,897	174,621
Reassessments	94,864	56,697
Disposals	(17,317)	(3,808)
Depreciation	(158,536)	(153,201)
Net foreign exchange impact	(28,450)	690
Carrying amount at end of year	**991,776**	**952,318**
Motor vehicles & other equipment		
Carrying amount at beginning of year	33,623	26,368
Additions through business combinations	-	711
Additions	36,756	9,761
Reassessments	6,301	11,338
Disposals	(2,171)	(181)
Depreciation	(17,700)	(14,676)
Net foreign exchange impact	(1,346)	302
Carrying amount at end of year	**55,463**	**33,623**
Total ROU assets		
Carrying amount at beginning of year	985,941	892,369
Additions through business combinations	-	12,029
Additions	185,653	184,382
Reassessments	101,165	68,035
Disposals	(19,488)	(3,989)
Depreciation	(176,236)	(167,877)
Net foreign exchange impact	(29,796)	992
Total carrying amount at end of year	**1,047,239**	**985,941**

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 FY26 was $34.3m (2025: $37.5m).

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 2026, that have not yet commenced as at 30 June 2026. The future lease payments for these non-cancellable lease contracts are $2.1m (2025: $4.3m) within one year, $14.4m (2025: $19.6m) between one and five years and $28.2m (2025: $22.0m) thereafter.

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:

	2026	2025
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

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.

	2026 ($000's)	2025 ($000's)
Freehold land		
Carrying amount at beginning of year	258,561	243,466
Additions	5,447	17,851
Disposals	(832)	(2,184)
Net foreign currency exchange movements	(3,856)	(572)
Carrying amount at end of year	**259,320**	**258,561**
Buildings		
Carrying amount at beginning of year	138,045	102,791
Additions through business combinations	-	371
Additions	23,681	42,723
Disposals	(519)	-
Depreciation	(9,277)	(8,722)
Net foreign currency exchange movements	(399)	882
Carrying amount at end of year	**151,531**	**138,045**
Fixtures, fittings & equipment		
Carrying amount at beginning of year	495,809	439,831
Additions through business combinations	-	1,226
Additions	109,858	131,141
Disposals	(10,000)	(3,376)
Depreciation	(76,746)	(78,140)
Net foreign currency exchange movements	(12,184)	5,127
Carrying amount at end of year	**506,737**	**495,809**
Motor vehicles		
Carrying amount at beginning of year	143,852	123,281
Additions through business combinations	-	1,727
Additions	23,698	50,173
Disposals	(4,423)	(4,069)
Depreciation	(26,498)	(27,786)
Net foreign currency exchange movements	(1,941)	526
Carrying amount at end of year	**134,688**	**143,852**
Total property, plant and equipment		
Carrying amount at beginning of year	1,036,267	909,369
Additions through business combinations	-	3,324
Additions	162,684	241,888
Disposals	(15,774)	(9,629)
Depreciation	(112,521)	(114,648)
Net foreign currency exchange movements	(18,380)	5,963
Total carrying amount at end of year	**1,052,276**	**1,036,267**

3.6 Goodwill and intangible assets

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

	2026 ($000's)	2025 ($000's)
Goodwill		
Carrying amount at beginning of year	1,573,606	1,522,366
Additions through business combinations	1,615	36,475
Net foreign currency exchange movements	(67,250)	14,765
Carrying amount at end of year	**1,507,971**	**1,573,606**
Brand names		
Carrying amount at beginning of year	49,800	49,800
Transfers	(20,200)	-
Carrying amount at end of year	**29,600**	**49,800**
Customer contracts and relationships		
Carrying amount at beginning of year	330,592	336,592
Additions through business combinations	318	31,078
Amortisation	(39,605)	(39,982)
Net foreign currency exchange movements	(14,818)	2,904
Carrying amount at end of year	**276,487**	**330,592**
Trade names		
Carrying amount at beginning of year	9,547	15,394
Transfers	20,200	-
Amortisation	(15,475)	(5,864)
Net foreign currency exchange movements	(11)	17
Carrying amount at end of year	**14,261**	**9,547**
Software		
Carrying amount at beginning of year	34,055	36,693
Additions	11,683	16,494
Disposals	(501)	(5)
Amortisation	(19,907)	(19,313)
Net foreign currency exchange movements	(568)	186
Carrying amount at end of year	**24,762**	**34,055**
Other intangible assets		
Carrying amount at beginning of year	17,961	22,374
Amortisation	(3,492)	(4,634)
Net foreign currency exchange movements	(211)	221
Carrying amount at end of year	**14,258**	**17,961**
Total intangible assets		
Carrying amount at beginning of year	2,015,561	1,983,219
Additions through business combinations	1,933	67,553
Additions	11,683	16,494
Disposals	(501)	(5)
Amortisation	(78,479)	(69,793)
Net foreign currency exchange movements	(82,858)	18,093
Total carrying amount at end of year	**1,867,339**	**2,015,561**

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 consumption 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 ability to use or sell the intangible asset;
- 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.

Summary of useful lives:

	2026	2025
Goodwill	Indefinite	Indefinite
Brand names	Indefinite	Indefinite
Customer contracts and relationships	10 to 16 years	10 to 16 years
Trade names	1 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.

Intangible assets with indefinite lives are not amortised but are tested for impairment annually, either individually or at the CGU level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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	
	2026 ($000's)	**2025 ($000's)**	**2026 ($000's)**	**2025 ($000's)**
MORSCO Inc ('Reece US')	1,364,562	1,429,470	-	-
Actrol Parts Pty Ltd ('Actrol')	119,326	119,326	29,100	29,100
A.C. Components Pty Ltd ('Metalflex')[1]	-	-	-	20,200
Other	24,083	24,810	500	500
	1,507,971	**1,573,606**	**29,600**	**49,800**

[1] During the year, the Metalflex brand name was reclassified from an indefinite-life to a finite-life intangible asset that is being amortised over its estimated useful life.

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

	Terminal growth rate		Discount rate (pre-tax)	
	2026 %	**2025 %**	**2026 %**	**2025 %**
MORSCO Inc ('Reece US')	3.0	3.0	11.7	11.3
Actrol Parts Pty Ltd ('Actrol')	2.5	2.5	13.4	12.8

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.

3.6 Goodwill and intangible assets (cont.)

Key estimate and judgement – Assumptions for impairment testing

On an annual basis management develops a business plan which is used to underpin the assumptions in the impairment testing model. This business plan is then extended 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 FY26 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 73 basis points (FY25: 88 basis points) or the gross margin percentage would need to change by 63 basis points (FY25: 79 basis points) before the recoverable amount would equal the carrying amount.

For the Actrol CGU, 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.

3.7 Trade and other payables

	2026 ($000's)	2025 ($000's)
Current		
Trade payables	1,112,032	923,303
Other payables and accruals	363,389	334,065
Total current trade and other payables	**1,475,421**	**1,257,368**

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 2025	109,292	1,424	110,716
Provided/(utilised)	8,900	25,373	34,273
As at 30 June 2026	**118,192**	**26,797**	**144,989**
Current	101,424	26,797	128,221
Non-Current	16,768	-	16,768

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 made by the Group to employee superannuation and other retirement benefit plans and are recognised as an expense when incurred. Total contributions recognised as an expense during the period were $69.4m (2025: $63.3m).

Notes

For the year ended 30 June 2026

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 FY26, the Group paid dividends of $110m (FY25: $157m).

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
- returns to shareholders through dividends and share buybacks
- raising capital as required.

4.1 Interest-bearing liabilities

	2026 ($000's)	2025 ($000's)
Loan - current	21,837	-
Loan - non-current	1,049,555	865,728
Total interest-bearing liabilities	**1,071,392**	**865,728**

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.

In November 2025, the Group successfully refinanced Tranche C of its Syndicated Facility Agreement (SFA). The existing $900m facility was replaced with two new tranches of $450m each, maturing in November 2029 and November 2030, respectively. The new facilities remain subject to compliance with existing financial covenants, including a Net Leverage Ratio of ≤3.5x and an Interest Coverage Ratio of ≥2.5x. The Group complies with these covenant requirements as at 30 June 2026 and expects to remain compliant for at least 12 months after the reporting date.

The Group's committed non-current debt facilities are presented in the following table. Uncommitted working capital facilities are excluded.

Facility[1,4]	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 Tranche A[2]	Four year revolving credit facility	-	270,000	270,000	364,925	35,075	16 December 2028
SFA Tranche C[3]	Four year revolving cash advance facility	199,000	-	289,707	450,000		28 November 2029
SFA Tranche C[3]	Five year revolving cash advance facility	40,000	-	58,233	450,000		28 November 2030
Senior USPP note	Seven year notes	100,000	-	145,582	145,582		20 December 2030
Senior USPP note	Ten year notes	200,000	-	291,163	291,163		20 December 2033

[1] SFA: Syndicated Facility Agreement.

[2] SFA A includes an additional ancillary facility of A$35m to support Australian banking facilities.

[3] SFA tranche C was refinanced during the period and replaced with two new tranches, maturing in 2029 and 2030, respectively.

[4] The three-year bilateral facility, with a limit of US$50m expired during the period.

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.

Financial liabilities		Carrying amount ($000's)	1 year or less ($000's)	1 to 2 years ($000's)	2 to 5 years ($000's)	More than 5 years ($000's)
Interest-bearing liabilities[1]	**2026**	1,071,392	21,837	-	763,522	291,163
	2025	865,728	-	410,687	-	458,016
Trade payables	**2026**	1,475,421	1,475,421	-	-	-
	2025	1,257,368	1,257,368	-	-	-
Lease liabilities[2]	**2026**	1,181,799	210,903	197,172	494,443	628,851
	2025	1,105,489	202,302	180,837	439,230	595,202
Total financial liabilities	**2026**	**3,728,612**	**1,708,161**	**197,172**	**1,257,965**	**920,014**
	2025	3,228,585	1,459,670	591,524	439,230	1,053,218

[1] Contractual cash flows for 2026 interest-bearing liabilities were $1,076,522,260 (2025: $868,703,023).
[2] Contractual cash flows for 2026 lease liabilities were $1,531,369,033 (2025: $1,417,571,290).

Foreign currency risk

The Group's exposure to foreign currency risk arises from financial assets and liabilities denominated in currencies other than Australian dollars, which primarily relates to USD-denominated cash, trade payables and interest-bearing liabilities within the ANZ segment. These amounts are detailed below in their AUD equivalents.

	2026 ($000's)	2025 ($000's)
Cash and cash equivalents	4,694	841
Trade and other payables	(28,952)	(24,453)
Interest-bearing liabilities	(347,940)	(410,687)
Total external exposure	**(372,198)**	**(434,299)**

Based on exposures outstanding at the reporting date, a reasonably possible 10% increase in exchange rates from the spot rates at the reporting date would result in a decrease in after-tax profit of $23.7m (2025: $27.6m). Conversely, a 10% decrease in exchange rates from the spot rates at the reporting date would result in an increase in after-tax profit of $28.9m (2025: $33.8m).

4.2 Financial risk management (cont.)

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 is $110.7m (2025: $149.8m).

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

Settlement	Sell Australian dollars		Average exchange rate	
	2026 ($000's)	2025 ($000's)	2026 $	2025 $
Buy United States Dollars				
Less than 6 months	81,416	106,570	0.70	0.64
6 months to 1 year	-	5,327	-	0.66
Buy Euros				
Less than 6 months	26,562	34,083	0.60	0.58
Buy Japanese Yen				
Less than 6 months	2,705	3,481	110.90	92.21
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 $7.1m (2025: $9.4m). 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 $8.7m (2025: $11.5m).

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 2026 and 2025, 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 2026, 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 $7.5m (2025: $6.2m). 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 $7.5m (2025: $6.2m).

4.2 Financial risk management (cont.)

Changes in liabilities arising from financing activities

	1 July 2025	Cash flows		Foreign exchange movement	New leases, reassessments and disposals	30 June 2026
	($000's)	Proceeds ($000's)	Repayments ($000's)	($000's)	($000's)	($000's)
Interest-bearing liabilities	868,703	479,915	(226,544)	(45,552)	-	1,076,522
Lease liabilities[1]	1,105,489	-	(152,690)	(28,481)	257,481	1,181,799
Total liabilities from financing activities	**1,974,192**	**479,915**	**(379,234)**	**(74,033)**	**257,481**	**2,258,321**

	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] 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 2026

4.2 Financial risk management (cont.)

Total facilities available and unused at 30 June 2026

		2026 ($000's)	2025 ($000's)
Syndicated revolving credit facility - Facility A	facility	364,925	369,925
	unused	94,925	369,925
Syndicated revolving cash advance facility - Facility C (four-year)[1]	facility	450,000	-
	unused	160,293	-
Syndicated revolving cash advance facility - Facility C (five-year)[1]	facility	450,000	-
	unused	391,767	-
Syndicated revolving cash advance facility - Facility C[1]	facility	-	900,000
	unused	-	489,313
Senior USPP notes - seven year	facility	145,582	152,672
	unused	-	-
Senior USPP note - ten year	facility	291,163	305,344
	unused	-	-
Bilateral facility[2]	facility	-	76,336
	unused	-	76,336
Bank Overdraft	facility	822	929
	unused	822	929
Bank guarantees	facility	29,271	22,686
	unused	4,594	1,953
Trade finance & documentary letters of credit/surrenders	facility	20,103	15,496
	unused	4,125	3,609
Credit cards	facility	10,107	14,996
	unused	5,039	11,287
Other ancillary facilities	facility	75	75
	unused	75	75
Total	**facility**	**1,762,048**	**1,858,459**
	unused	**661,640**	**953,427**

[1] SFA Tranche C was refinanced during the period and replaced with two new tranches, maturing in 2029 and 2030 respectively.

[2] The bilateral facility matured during the period and was not extended.

4.2 Financial risk management (cont.)

Hedge accounting

The Group 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.

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.

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

				Cash flow hedges
30 June 2026	**USD FECs ($000's)**	**EUR FECs ($000's)**	**JPY FECs ($000's)**	**Total FECs ($000's)**
Notional amount	81,416	26,562	2,705	110,683
Carrying amount of the hedging instrument				
- assets	1,705	47	-	1,752
- liabilities	-	-	(6)	(6)
Total carrying amount of the hedging instrument	**1,705**	**47**	**(6)**	**1,746**
Change in value of hedging instrument	4,701	(1,113)	37	3,625
Change in value of hedged item	(4,701)	1,113	(37)	(3,625)
Change in value of the hedging instrument recognised in reserve[i]	4,701	(1,113)	37	3,625

[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.

Notes

For the year ended 30 June 2026

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 2026 and 30 June 2025, 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 2026		30 June 2025	
	Current ($000's)	**Non-current ($000's)**	**Current ($000's)**	**Non-current ($000's)**
Financial assets				
Cash and cash equivalents	327,668	-	275,411	-
Trade and other receivables	1,528,762	-	1,376,482	-
Derivative financial instruments				
- forward foreign exchange contracts	1,746	-	-	-
Total financial instruments assets at fair value	**1,858,176**	**-**	**1,651,893**	**-**
Financial liabilities				
Trade and other payables	1,475,421	-	1,257,368	-
Borrowings	21,837	1,049,555	-	865,728
Lease liabilities	151,392	1,030,407	149,293	956,196
Derivative financial instruments				
- forward foreign exchange contracts	-	-	1,879	-
Total financial instruments liabilities at fair value	**1,648,650**	**2,079,962**	**1,408,540**	**1,821,924**

4.4 Contributed equity and reserves

	2026 ($000's)	**2025 ($000's)**
Issued and paid up capital		
Ordinary shares fully paid: 615,091,957 (2025: 645,984,181)	1,157,264	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.

In October 2025, the Group conducted an off-market share buyback of 28,097,753 ordinary shares at a buyback price of $13.00 per share. Total consideration for the buyback was $365,270,789.

In December 2025, the Group commenced an on-market share buyback with a target value of $85m. During the period to 30 June 2026, 2,794,471 shares were purchased for total consideration of $35,417,532. The buyback was conducted in the ordinary course of trading at an average price per share of $12.67.

The 30,892,224 shares bought back were subsequently cancelled, resulting in a reduction to equity.

4.4 Contributed equity and reserves (cont.)

	2026 ($000's)	2025 ($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)	94,801	209,860
Cash flow hedge reserve	1,745	(1,880)
Share-based payment reserve	50,633	11,076
Employee share trust reserve	(50,279)	(27,833)
Share buyback reserve	(311,035)	-
Total reserves	**(211,132)**	**194,226**

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.

Share buyback reserve

The share buyback reserve is used to recognise the portion of consideration paid to shareholders as part of the off-market buyback that is treated as a distribution rather than a return of share capital. The balance reflects the excess of the buyback consideration over the capital component determined for accounting purposes using the average Capital Per Share (ACPS) methodology.

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 1,666,802 shares (2025: 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 2026, the Group held 3,475,076 of the Company's shares (2025: 1,808,274).

4.5 Dividends paid and proposed

	2026 ($000's)	2025 ($000's)
Dividends paid during the reporting period:		
Final dividend of 11.86 cents per share fully franked for the year ended 30 June 2025 paid 22 October 2025 (prior year: 17.75 cents per share fully franked paid 23 October 2024)	76,614	114,662
Interim dividend of 5.44 cents per share fully franked for the year ended 30 June 2026 paid 1 April 2026 (prior year: 6.50 cents per share fully franked paid 2 April 2025)	33,461	41,989
Dividends paid	**110,075**	**156,651**
Dividends declared after the reporting period and not recognised:		
Final dividend of 13.40 cents per share fully franked for the year ended 30 June 2026 to be paid on 21 October 2026 (prior year: 11.86 cents per share fully franked paid 22 October 2025)	82,422	76,614
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 and share buyback	908,031	993,874
Impact on the franking account of dividends recommended by the Directors since the year end but not recognised as a liability at year end	(35,324)	(32,835)
	872,707	**961,039**

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 2026 were incorporated in Australia and are wholly-owned unless otherwise stated.

Name of entity	Country of incorporation	Ownership percentage 2026 %	Ownership percentage 2025 %
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	N/A	100%
12. Metalflex (S.A.) Pty Ltd	Australia	N/A	100%
13. Metalflex (W.A.) Pty Ltd	Australia	N/A	100%
14. Air Plus Pty Ltd	Australia	N/A	100%
15. The Creative Plane Pty Ltd	Australia	100%	100%
16. Viadux IV Holdco Pty Ltd	Australia	100%	100%
17. Viadux IV 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%	100%
22. RFP Holdings Pty Ltd	Australia	100%	100%
23. Shadow Boxer Pty Ltd	Australia	100%	100%
24. Refire Group Pty Ltd	Australia	100%	100%
25. Refire Holdings Pty Ltd	Australia	100%	100%
26. Southpaw Co Pty Ltd	Australia	100%	100%
27. Hamilton HoldCo, LLC	United States	100%	100%
28. Patriot Supply Holdings, Inc	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	0%	100%
40. DKJ Family Equipment LLC	United States	0%	100%
41. The Creative Plane US LLC	United States	100%	100%
42. Reece Limited Employee Share Trust	Australia	N/A	N/A
43. Artex Axcell (Guernsey) PCC Limited - Reece Cell	Guernsey	100%	100%

(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 41 carry out business in the United States of America only.
(vi) All corporations' financial years end on 30 June.
(vii) Entity 42 is not a subsidiary of the Group. The trust is deemed to be controlled by Reece Limited.
(viii) Entity 43 is a protected cell company (PCC) where Reece International holds non-voting redeemable preference shares.
(ix) Entities 11 to 14 were deregistered during FY26.
(x) Entities 39 and 40 merged with Reece Supply in FY26 and were subsequently deregistered.

5.1 Subsidiaries (cont.)

Deed of Cross Guarantee

All wholly owned entities listed in the table above, except for entities incorporated in New Zealand, United States of America, Mexico and Guernsey 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 below. Torque Control Pty Ltd, RFP Holdings Pty Ltd, Shadow Boxer Pty Ltd, Refire Group Pty Ltd, Refire Holdings Pty Ltd and Southpaw Co Pty Ltd became parties to the Deed of Cross Guarantee during the year. The comparative information does not include these entities.

	2026 ($000's)	2025 ($000's)
Revenue from sale of goods	4,057,674	3,699,469
Cost of sales	(2,628,791)	(2,510,494)
Gross profit	**1,428,883**	**1,188,975**
Other income	4,213	1,820
Selling and administrative expenses	(1,076,730)	(851,376)
Earnings before interest and tax	**356,366**	**339,419**
Finance costs (net)	(17,242)	(1,560)
Profit before income tax expense	**339,124**	**337,859**
Income tax expense	(103,023)	(105,993)
Net profit for the year	236,101	231,866
Other comprehensive income		
Items that may be reclassified subsequently to the profit or loss:		
Change in fair value of effective cash flow hedges, net of tax	1,933	21
Total comprehensive income, net of tax	**238,034**	**231,887**
Basic earnings per share	37.7 cents	35.9 cents
Diluted earnings per share	37.7 cents	35.9 cents
Movements in retained earnings		
Retained earnings at the beginning of the financial year	1,987,932	1,912,717
Profit for the year	236,101	231,866
Dividends paid	(110,075)	(156,651)
Retained earnings at end of the financial year	**2,113,958**	**1,987,932**

Notes

For the year ended 30 June 2026

5.1 Subsidiaries (cont.)

Deed of Cross Guarantee (cont.)

	2026 ($000's)	2025 ($000's)
Current assets		
Cash and cash equivalents	258,243	172,152
Trade and other receivables	557,019	501,119
Inventories	773,299	679,560
Derivative financial instruments	1,746	-
Total current assets	**1,590,307**	**1,352,831**
Non-current assets		
Investments and receivables	1,995,119	1,942,304
Property, plant and equipment	678,930	652,122
Right-of-use assets	331,878	327,733
Intangible assets	210,697	229,503
Deferred tax assets	109,619	84,933
Total non-current assets	**3,326,243**	**3,236,595**
Total assets	**4,916,550**	**4,589,426**
Current liabilities		
Trade and other payables	666,427	475,435
Lease liabilities	63,166	64,508
Current tax liability	32,572	3,254
Provisions	112,959	82,382
Derivative financial instruments	-	1,879
Total current liabilities	**875,124**	**627,458**
Non-current liabilities		
Lease liabilities	310,207	301,774
Interest-bearing liabilities	612,810	407,712
Provisions	15,985	7,008
Total non-current liabilities	**939,002**	**716,494**
Total liabilities	**1,814,126**	**1,343,952**
Net assets	**3,102,424**	**3,245,474**
Equity		
Contributed equity	1,157,264	1,246,918
Reserves	(168,798)	10,624
Retained earnings	2,113,958	1,987,932
Total equity	**3,102,424**	**3,245,474**

Parent Entity Note

Reece Limited	2026 ($000's)	2025 ($000's)
Summarised statement of financial position		
Assets		
Current assets	-	-
Non-current assets	1,781,270	1,839,171
Total assets	**1,781,270**	**1,839,171**
Liabilities		
Current liabilities	913,767	591,736
Non-current liabilities	-	-
Total liabilities	**913,767**	**591,736**
Net assets	**867,503**	**1,247,435**
Equity		
Contributed equity	1,157,264	1,246,918
Retained earnings	(983)	(7,894)
Reserves	(288,778)	8,411
Total equity	**867,503**	**1,247,435**
Summarised statement of comprehensive income		
Profit for the year	110,075	156,651
Total comprehensive income for the year	**110,075**	**156,651**
Parent entity guarantees		
Bank overdraft	822	929
Syndicated revolving facilities	1,300,000	1,300,000
Bilateral facility	-	76,336
Senior USPP notes	436,745	458,016

5.2 Business combinations

There were no material business combinations during the financial year ended 30 June 2026.

In the prior financial year, the Group completed three bolt-on acquisitions which, individually and in aggregate, were not considered material business combinations. These acquisitions comprised Refire Pty Ltd and Shadowboxer Pty Ltd in ANZ, and Belair Road Supply Co in the United States, resulting in the recognition of $36.5m of goodwill. No material prior period measurement adjustments were recognised in the current year.

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 2026, the Group has not recognised a provision for expected credit losses relating to amounts owed by related parties (2025: $nil).

True Pillars Pty Ltd, at 43.0% ownership, and Flicent Inc (parent entity of Fieldpulse Pty Ltd) at 15.5% ownership, were both associates of Reece Limited in the current year (2025: 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, the Group increased its investment in True Pillars by $4m, and earned interest income of $0.5m through convertible notes and business loans (FY25: $0.6m). 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 $1,743,145 to The Reece Group Foundation Limited (2025: $1,623,249) of which $143,510 was owing at year end (2025: $55,781).

Transactions with Directors and Key Management Personnel (KMP)

Key management personnel compensation comprised of the following:

	2026 ($)	2025 ($)
Short-term employee benefits	5,854,246	9,166,189
Post-employment benefits	168,750	218,541
Other long-term benefits	64,637	2,374,838
Share-based payments[1]	34,537,541	(29,850)
	40,625,174	**11,729,718**

[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, S. Nikolic, G.W. Street, M.L. Quinn, A.W. Wilson, B.C. Wilson, A. Mentis, J. Chow and T. Ford. Key Management Personnel for the financial year also includes the Group CFO, A. Young.

During the current financial year, Director S. Nikolic purchased bathroom products totalling $13,071 (2025: Directors, S. Nikolic, R. McEwan and A. Mentis, purchased bathroom products totalling $146,922). These transactions were made 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 $3,487,340 (2025: $4,005,014) of which $276,568 (2025: $326,364) was owing at year end.

6.2 Share-based payments

As at 30 June 2026, the Group had the following share-based payment arrangements:

Employee long-term incentive (LTI)

During the year ended 30 June 2026, KMP and other executives received options and rights under the Reece Limited long-term incentive plan. The plan is designed to provide long-term incentives to employees to deliver shareholder returns.

Participation in the plan is at the discretion of the Remuneration Committee by recommendation to the Board. No individual has a contractual right to participate in the plan or receive any guaranteed benefits.

KMP

During the year, the Group announced its 2030 remuneration framework applicable to KMP which reinforces its focus on long-term performance outcomes. The new framework includes a multi-year LTI grant which comprises 50% performance rights and 50% options, requiring service until each respective vesting date. The number of performance rights granted was determined using a face-value calculation. The share price used in the face-value calculation is the volume-weighted average price (VWAP) of Reece shares over the period from 26 August (following release of FY25 results) to 31 December 2025. The number of options granted is determined using a fair value estimated with a Monte Carlo valuation model.

The performance rights have a five-year vesting period with an EPS compound annual growth rate (CAGR) hurdle and an average return on capital employed (ROCE) hurdle measured at the end of the five year period.

The performance rights do not carry an exercise price and represent the employee's right to acquire an ordinary share upon satisfaction of the performance criteria at the end of the vesting period. The rights granted under the plan are for no consideration and carry no voting rights.

The options will vest in three equal tranches following the release of the FY28, FY29 and FY30 annual results of the Group respectively, provided the relative Total Shareholder Returns gateway condition is met. The options carry an exercise price of $13.00.

There were 5,784,692 performance rights and 15,710,995 options granted to KMP in FY26.

In respect of all equity instruments currently on foot for KMP, no rights or options were exercised or expired during the period. At balance date, there were 21,846,796 equity instruments on-foot for KMP.

Senior Executives (non-KMP)

In FY26, eligible senior executives were granted rights under the long-term incentive plan. The number of rights granted was determined using a face-value calculation using the VWAP during the 15-day period immediately after the issue of the FY25 results.

The rights have performance hurdles and are subject to continued service requirements. The rights issued represent the employee's right to acquire an ordinary share upon satisfaction of the performance criteria at the end of the vesting period. The rights granted under the plan are for no consideration and carry no voting rights.

Fair value of options/rights granted

	Award	Grant date	Exercise price	Number of instruments	Fair value per instrument at grant date
Chairman & CEO	FY26 rights	29 March 2026	$Nil	3,854,626	$13.14
	FY26 options (tranche 1)	29 March 2026	$13.00	3,489,671	$4.36
	FY26 options (tranche 2)	29 March 2026	$13.00	3,489,671	$4.60
	FY26 options (tranche 3)	29 March 2026	$13.00	3,489,670	$4.79
	FY25 rights	24 October 2024	$Nil	234,699	$23.71
Group President & Managing Director	FY26 rights	29 March 2026	$Nil	1,321,586	$13.14
	FY26 options (tranche 1)	29 March 2026	$13.00	1,196,458	$4.36
	FY26 options (tranche 2)	29 March 2026	$13.00	1,196,458	$4.60
	FY26 options (tranche 3)	29 March 2026	$13.00	1,196,459	$4.79
	FY25 rights	24 October 2024	$Nil	84,491	$23.71
Group CFO	FY26 rights	29 March 2026	$Nil	608,480	$13.14
	FY26 options (tranche 1)	29 March 2026	$13.00	550,869	$4.36
	FY26 options (tranche 2)	29 March 2026	$13.00	550,869	$4.60
	FY26 options (tranche 3)	29 March 2026	$13.00	550,870	$4.79
	FY25 rights	24 October 2024	$Nil	31,919	$23.71
Senior Executives	FY26 rights	3 February / 30 March 2026	$Nil	768,189	$13.64
	FY25 rights	24 October 2024	$Nil	288,029	$23.71

[1] Where an award comprises multiple equity instruments, a weighted average fair value is disclosed.

Options granted are subject to performance against relative TSR metrics. This condition is considered a market condition under AASB 2 *Share Based Payments* and the impact on expected vesting is included in the fair value, which has been estimated using a Monte Carlo simulation option pricing model.

Rights granted are subject to a service-based vesting condition. This condition is considered a non-market condition under AASB 2 *Share Based Payments* and is not required to be reflected in the fair value, which has been estimated using a Black Scholes option pricing model. The vesting conditions (and the probability of achieving the conditions) are reflected in the estimation of the number of instruments expected to vest.

6.2 Share-based payments (cont.)

The fair value at grant date of instruments granted during the year ended 30 June 2026 included:

	FY26 Executive KMP Performance Rights	FY26 Executive KMP Options (Tranche 1)	FY26 Executive KMP Options (Tranche 2)	FY26 Executive KMP Options (Tranche 3)
Valuation methodology	Black Scholes	Monte Carlo	Monte Carlo	Monte Carlo
Exercise price	$Nil	$13.00	$13.00	$13.00
Grant date	29 March 2026	29 March 2026	29 March 2026	29 March 2026
Vesting date	June 2030	June 2028	June 2029	June 2030
Expiry date	March 2041	March 2041	March 2041	March 2041
Share price at grant date	$14.24	$14.24	$14.24	$14.24
Expected price volatility of the company's shares	30%	30%	30%	30%
Expected dividend yield	1.85%	1.85%	1.85%	1.85%
Risk-free interest rate	5.43%	4.80%	5.12%	5.43%

	FY26 Other Executive (ANZ) Performance Rights	FY26 Other Executive (ANZ) Retention Rights	FY26 Other Executive (US) Performance Rights	FY26 Other Executive (US) Retention Rights
Valuation methodology	Black Scholes	Black Scholes	Black Scholes	Black Scholes
Exercise price	$Nil	$Nil	$Nil	$Nil
Grant date	30 March 2026	30 March 2026	3 February 2026	3 February 2026
Vesting date	June 2028	June 2030	June 2028	June 2030
Expiry date	March 2041	March 2041	February 2041	February 2041
Share price at grant date	$13.81	$13.81	$14.73	$14.73
Expected price volatility of the company's shares	30%	30%	30%	30%
Expected dividend yield	1.90%	1.90%	1.70%	1.70%
Risk-free interest rate	4.73%	5.29%	4.28%	4.42%

Reconciliation of outstanding share options

	FY26 Number of options	FY26 Weighted-average exercise price	FY25 Number of options	FY25 Weighted-average exercise price
Outstanding at 1 July	650,445	12.23	672,822	12.26
Forfeited during the year	-	-	(22,377)	13.07
Granted during the year	15,710,994	13.00	-	-
Outstanding at 30 June	16,361,439	12.97	650,445	12.23
Exercisable at 30 June	304,286	10.06	-	-

Share options were granted to participants in FY20, FY21 and FY26. Options outstanding from the FY20 grant are exercisable as at 30 June 2026, and options outstanding from the FY21 grant have a remaining contractual life of one year. Options granted in FY26 will vest in three equal tranches in FY28, FY29 and FY30.

Other employee equity plans

Service-based equity plan

In FY26, the Group introduced a service-based equity plan for eligible employees.

Employee share purchase plan

In FY25, the Group introduced an employee share purchase plan under which eligible employees who acquire Reece shares receive matching rights. The first grant of rights occurred in FY26.

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 $39,557,329 (2025: $806,639).

6.3 Auditor's remuneration

	2026 ($)	2025 ($)
Audit/review fees	1,776,620	1,882,120
Other assurance services	127,560	85,919
Amounts paid and payable to KPMG for non-audit services:		
Other non-audit services - regulatory advisory services	151,709	117,527
	2,055,889	**2,085,566**

6.4 Other accounting policies

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

Changes in accounting policies

The Group has adopted all new and amended accounting standards effective for the current reporting period. The adoption of these standards has not had a material impact on the Group's financial statements.

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 of most relevance to the Group but applicable in future reporting periods is set out below.

Amendments to AASB 9 & AASB 7 Financial Instruments

Amendments to AASB 9 Financial Instruments and AASB 7 Financial Instruments: Disclosures introduce revised requirements for the classification and measurement of financial instruments and additional disclosure requirements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026.

AASB 18: Presentation and Disclosure in Financial Statements

AASB 18 replaces AASB 101 and introduces revised requirements for the presentation and disclosure of information in the financial statements. This includes a new structure for the statement of profit or loss, new defined subtotals, and enhances disclosure requirements. Management-defined performance measures will be subject to specific disclosure requirements and included within the audited financial statements.

This standard is effective for annual reporting periods beginning on or after 1 January 2027 and will be applied retrospectively.

The Group is currently assessing the impact of new and amended accounting standards on its financial statements. It has not early adopted any other standard, interpretation or amendment that has been issued but not yet effective.

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 2026.

6.6 Subsequent events

There have been no matters or circumstances, which have arisen since 30 June 2026, that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 30 June 2026, of the Group, or the results of those operations, or
- the state of affairs, in financial years subsequent to 30 June 2026, of the Group.

Consolidated Entity Disclosure Statement

As at 30 June 2026

Name of entity	Type of entity	Country of incorporation	Ownership percentage	Australian or foreign tax resident	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
The Creative Plane Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Viadux IV Holdco Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Viadux IV 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
Shadow Boxer 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
Southpaw Co Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Hamilton HoldCo, LLC	Body Corporate	United States	100%	Foreign	United States
Patriot Supply Holdings, Inc	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
The Creative Plane US 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 82 to 119, and the Remuneration Report set out on pages 60 to 77 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 2026 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 2026, set out on page 120 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 2026.

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

Dated at Melbourne on 24 August 2026.

P. J. Wilson
Chairman & Chief Executive Officer

G. W. Street
Audit & 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).

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 2026 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*.

The ***Financial Report*** comprises

- Consolidated statement of financial position as at 30 June 2026
- 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 2026
- 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 auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (the Code) that are relevant to audits of the financial report of public interest entities in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

KPMG

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 ($1,867m)

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 (24% 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 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.

Valuation of inventory ($1,718m)

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 (22% 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

KPMG

	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.

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 audit opinion / review conclusion.

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 *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, 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.

Independent Auditor's Report

KPMG

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/bwvjcgre/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 2026, 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) included on page 61 to 77 of the Directors' report for the year ended 30 June 2026.

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*.

KPMG

KPMG

Suzanne Bell

Partner

Melbourne

24 August 2026

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 4 August 2026, the distribution of shareholdings was as follows:

Size of Shareholding	Number of Shareholders
1 – 1,000	5,073
1,001 – 5,000	2,296
5,001 – 10,000	532
10,001 – 100,000	441
Over 100,000	87
Holdings of less than a marketable parcel	294
	8,723

Substantial shareholdings

The number of shares held by the substantial shareholders listed in the Company's register of substantial shareholders as at 4 August 2026 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 Holdings 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 4 August 2026, there were 8,723 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 4 August 2026:

Shareholder	Number of Shares	% Held
L.T. Wilson Pty Ltd	157,200,000	25.56%
J P Morgan Nominees Australia Limited	69,804,450	11.35%
L.T.W. Holdings Pty Ltd	60,000,000	9.75%
Warramunda Investments Pty Ltd	48,645,000	7.91%
HSBC Custody Nominees (Australia) Limited	37,511,222	6.10%
Geronimo Custodian Pty Ltd	26,580,080	4.32%
Glentemp Custodian Pty Ltd	25,820,366	4.20%
Citicorp Nominees Pty Ltd	18,956,811	3.08%
HSBC Custody Nominees (Australia) Limited Florizel Investments Pty Ltd	16,801,600	2.73%
J.G.W. Investments Pty Ltd	16,801,600	2.73%
W.A.L. Investments Pty Ltd	16,801,600	2.73%
Austral Hardware Pty Ltd	14,925,000	2.43%
Austral Hardware (Healesville) Pty Ltd	12,000,000	1.95%
Addawarra Nominees Pty Ltd	9,550,000	1.55%
Wilaust Holdings Pty Ltd	8,730,000	1.42%
BNP Paribas Nominees Pty Ltd (Agency Lending DRP A/C)	4,711,455	0.77%
John G. Wilson	4,671,819	0.76%
BNP Paribas Nominees Pty Ltd	3,693,305	0.60%
CPU Share Plans Pty Ltd[1]	3,475,076	0.56%
Australian Foundation Investment Company Limited	3,080,000	0.50%

[1] CPU Share Plans Pty Ltd (Computershare) holds shares as trustee of the Reece Limited Employee Share Trust. These shares are held to satisfy obligations under the Group's employee equity plans and are not beneficially owned by Computershare.

The twenty members holding the largest number of shares together held a total of 91.00% 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

Plumbing World Pty Ltd
A.B.N. 99 004 910 829

Reece Project Supply Pty Ltd
A.B.N. 54 100 065 307

Reece International Pty Ltd
A.B.N. 11 100 278 171

Reece New Zealand Limited
Company No. 1530569

Actrol Parts Holdings Pty Ltd
A.B.N. 98 142 644 488

Actrol Parts Finance Pty Ltd
A.B.N. 21 142 653 889

Actrol Parts Pty Ltd
A.B.N. 93 142 654 564

A.C. Components Pty Ltd
A.B.N. 69 134 588 935

Metalflex Pty Ltd
A.B.N. 18 007 133 057

The Creative Plane Pty Ltd
A.B.N. 50 092 585 058

Viadux IV Holdco Pty Ltd
A.B.N. 51 603 303 368

Viadux IV 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

Southpaw Co Pty Ltd
A.B.N. 70 657 615 239

Hamilton Holdco, LLC
Company Number
36-4897347

Patriot Supply Holdings, Inc.
Company number
45-4808005

Patriot Supply Intermediate, Inc.
Company number
45-3852987

Reece, Inc.
Company number
75-0450550

Reece Supply, LLC
Company number
75-2588495

Fortiline, LLC
Company number
56-2136499

Fortiline, Inc.
Company number
57-0819190

MORSCO Properties, LLC
Company number
86-1262225

MORSCO Properties OK, LLC
Company number
87-2162861

Reece Mexico 1, Inc.
Company number
88-2047430

Reece Mexico 99, Inc.
Company number
88-2039114

RMx Dev S. de R.L. de C.V.
Company number
RDE220722DY6

The Creative Plane US LLC
Company number
33-1970454

Artex Axcell (Guernsey) PCC Limited – Reece Cell

Directors

Peter Wilson
(Chairman & Chief Executive Officer)

Tim Ford

Gavin Street

Jacqueline Chow

Andrew Wilson

Bruce C. Wilson

Angela Mentis

Sasha Nikolic
(Group President & Managing Director)

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 30 October 2026.