



Reece Australia Limited FY2015 Full Year Results

Highlights

- Sales Revenue was up 17.4% to \$2,085 million
- Profit before tax and unrealised gain on foreign exchange contracts up 23.3% to \$227.9 million
- Net Profit after Tax up 34.6% to \$165.6 million
- Total Dividend for FY2015 up 12 cents to 76 cents

Business Overview

Reece Australia Limited today announced record sales and profit results. Sales revenue exceeded two billion for the first time, with full year sales at \$2,085m, up 17.4% on the prior year (2014: \$1,776m). Net profit before tax and unrealised gains on foreign exchange contracts was \$227.9m, up 23.3% on the prior year (2014: \$184.9m) and net profit after tax was up 34.6% to \$165.6m (\$2014: \$123.0m).

Reece Australia Limited CEO, Peter Wilson, said "It was a very strong year for Reece with a number of key milestones achieved. We passed two billion in sales for the first time in our history, delivered record profit results, continued to invest in our people and the business, and are on track with the integration of the Actrol Group".

Business Investment

Reece opened 14 new branches in FY2015 and continued to invest in the refurbishment program for existing stores. Peter Wilson commented, "Customer service remains our number one priority with our goal to be the best by continually improving the service we provide our customers. We will continue to invest in our branch network and our products, providing more options and a better experience for our customers."

During the year Reece made further enhancements to its online experience, launching a number of innovative products and services. Peter Wilson said, "Trade and retail customers are both looking for efficiency and convenience. We aim to make it easier for our customers to do business with us whether they choose in-store or online".

To support the growth of the business and integration of the Actrol Group, Reece announced it will add a new regional distribution centre in Perth in 2016, in addition to the existing distribution centres in Melbourne and Brisbane.

The integration of the Actrol Group acquired in 2014, which includes Actrol Parts and Metalflex, is progressing as planned with results in line with expectations. The integration of Metalflex onto the Reece IT platform was completed in FY2015 with Actrol Parts expected to be completed in early FY2016.

CEO, Peter Wilson, said "We have continued to fund the investment into our business to improve our productivity and customer service. Upgrades to our backend systems have delivered productivity benefits and improvements to My Account to help our customer manage their business. At the same time we have maintained a very strong balance sheet and cash position."

Dividend

The Board announced a final dividend of 52 cents per fully franked share to be paid on the 28th October 2015, with a record date of for entitlement being 8th October 2015. Total dividends to be paid for the FY2015 were up 12 cents over the prior year to 76 cents.

Summary

Reece Australia Limited CEO, Peter Wilson, said "Building activity was very strong in FY2015 and we expect this momentum to continue into FY2016. We're well placed to manage through the challenges of FY2016 and have a team that is committed to delivering our business goals and objectives."