

## Reece Group half year FY 2017 results

February 23, 2017

### Highlights:

- Sales revenue up 6.1% to \$1.21 billion
- Profit before tax and gain on foreign exchange contracts up 7.5% to \$137 million
- Net profit after tax up 6.9% to \$96.1 million
- Interim dividend up 7.4% to 29 cents

### Business Overview

Reece Group released its half-year results today with sales revenue up 6.1% to \$1.21 billion (2015: \$1.14 billion). Profit before tax and gains on foreign exchange contracts rose 7.5% to \$137.2 million (2015 \$127.7 million) and net profit after tax was up 6.9% to \$96.1 million (2015 \$89.9 million).

Net assets increased by 3.4% to \$1,076.5 million and costs continued to be well managed.

Reece Group CEO, Peter Wilson, said he was satisfied with the company's financial performance in the first half. "The Reece Group is in good shape, with a very strong platform to build on."

### Business Investment

The six months to 31 December 2016 saw Reece open a Sydney Distribution Centre, taking the total number of distribution centres to five in Australia. Peter Wilson commented: "With the opening of the Sydney Distribution Centre, we have built a market leading supply chain capability that will support the growth of the business. This gives us increased logistics capability and above all, enables us to continue to provide great service to our customers."

The company opened four new branches in the first six months of this financial year and continued with the relocation and refurbishment program. Peter Wilson said this was also an important part of customer service: "We are committed to providing a great instore experience, so we devote much time and energy to its improvement."

Reece also launched new and improved customer applications. "Our common platform across the business means we can offer an industry leading online solution for both trade and retail customers. During the last six months we have improved our application offerings for mobile and online with enhanced product searching to improve the experience of our customers and our people."

The Company continues to introduce new and innovative products to Australia and New Zealand. Peter Wilson commented "During the past six months Reece has launched many new products including the Skydrop, a controller that provides 'smart' garden watering by

connecting to local weather stations and adjusting the watering settings depending on temperature, rainfall, wind and the type of plants. Another product is the ConeX Banninger MaxiPro, a press fitting system for copper tube suitable for air conditioning and refrigeration applications.”.

## **Dividend**

The Board has declared an interim dividend of 29 cents per fully franked share to be paid on 30 March 2017, with a record date for entitlement of 16 March 2017.