

**ASX Announcement**

4 September 2019

# Reece acquires Todd Pipe & Supply

Reece Limited (“Reece Group”; ASX: REH) today announces the acquisition of Southern California plumbing supply wholesaler, Todd Pipe & Supply, LLC (Todd Pipe).

Todd Pipe is a strong and well-known business, with six branches in attractive growth areas. The acquisition will complement MORSCO’s existing presence and bring its total number of locations in Southern California to 23. Todd Pipe brings with it a loyal customer base, and a team of experienced leaders. The acquisition takes MORSCO’s total branch network in the US to 181.

Privately negotiated, following a period of exclusive due diligence, the acquisition comprises consideration of US\$122 million, with a further US\$38 million deferred until 31 December 2021 and subject to achieving certain milestones.

Todd Pipe delivered an adjusted EBITDA of US\$16.4 million LTM to March 2019. The existing Todd Pipe management team will join MORSCO and play an important role in the direction of the business and growth in Southern California.

Peter Wilson, CEO and Managing Director of the Reece Group said of the acquisition, “Todd Pipe is an example of us acting on opportunities to consolidate the fragmented plumbing market in the US Sun-Belt region. We acquired MORSCO last year to create a growth platform for the Group, and we will do this through organic, and considered in-organic opportunities as they arise.”

The acquisition will be cash and debt funded. The transaction is subject to customary closing conditions and is expected to be complete on 1 October 2019.

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**About the Reece Group**

Reece Group is a leading distributor of plumbing, waterworks and HVAC-R products to commercial and residential customers through 800 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 7,800 employees committed to improving the lives of their customers by striving for greatness every day.

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