

**Reece Limited
AGM Chairman's & CEO Address
26 October 2017**

Chairman's Address

We were pleased to be able report another year of record results with sales up 6.7% to \$2.43b and profit after tax up 10.2% to \$212m.

We have continued to invest in and grow the business and now have a network of 587 branches across Australia and New Zealand supported by 6 distribution centres.

The Board was very pleased to announce an increase in dividend of 8.7%, up 8 cents per share on the prior year. Total dividends paid and to be paid for the year ending 30 June 2017 were a \$1.00 per share, a new milestone for Reece. The final dividend of 71 cents per share fully franked is to be paid on the 26th October 2017.

I will now pass you over to our CEO Peter Wilson who will take you through our FY 2017 results and give an indication of the company's performance in the first quarter of FY 2018.

CEO Address

Financial year 2017 was a strong year for Reece. We produced another record result with sales up 6.7% to \$2.43b. Earnings before interest and tax up 7.1% to \$309m and net profit after tax up 10.2% to \$212m.

We added 10 locations to our branch network, increasing our outlets to 587.

Our customer engagement continues increase and is at record levels, and this is the ultimate measure of our promise of customised service.

I will now go through a brief summary of the major activity for FY 2017:

- Financial Performance
- Customer
- People
- Supply Chain
- Technology
- Innovation
- Community

Financial Performance

- Sales up 6.7% to \$2.429b
- EBIT up 7.1% to \$309m
- EBIT to sales up maintained at 12.7%
- NPAT up 10.2% to \$212m
- Net Assets up 11.3% \$1,158m

Customer

- Strong Customer NPS
- Enhanced online experience
- Invoice integration with online tools
- New innovative products
- Growing our brand presence

People

- Embedded our purpose and values
- Growing leadership capability
- Strong graduate program
- New tools for our employees

Supply Chain

- Completed distribution centre roll-out
- High in-stock performance

Technology

- Created **reecetech** brand
- Point of Sale redevelopment
- Enhanced our people's online experience
- Improved cyber security

Innovation

- Established strategic design and innovation centre - NEXT

Community

- Smart Irrigation
- Continue to invest in the Reece Grant

Outlook FY 2018

"Reece Limited announces that sales for the first quarter were up 8% on the prior year, as a result net profit after tax for the period ending 31st December 2017 is expected to be in excess of 8% above the prior year."