

ASX / MEDIA RELEASE

7 April 2020

Reece successfully completes Institutional Entitlement Offer and Institutional Placement

Key points:

- **Institutional Placement and Institutional Entitlement Offer successfully completed, raising approximately A\$600 million**
- **Institutional Entitlement Offer was strongly supported by existing institutional shareholders, with over 99% take up from eligible institutional shareholders**
- **The Placement saw very strong demand from both existing institutional shareholders and new investors**

Reece Limited (ASX: REH) ("**Reece**", or the "**Company**") is pleased to announce the successful completion of the institutional component of the equity raising announced on Monday, 6 April 2020. The fully underwritten institutional placement ("**Placement**") and the institutional component of the fully underwritten 3 for 55 pro rata accelerated non-renounceable entitlement offer ("**Institutional Entitlement Offer**") together raised approximately A\$600 million.

The Institutional Entitlement Offer attracted strong support from institutional shareholders with take-up by eligible institutional shareholders of over 99%. The Institutional Entitlement Offer raised approximately A\$42 million, at an offer price of A\$7.60 ("**Offer Price**") per new fully paid ordinary share issued in Reece ("**New Share**"). The Placement attracted significant demand from new and existing institutional investors. A total of 48,357,031 New Shares will be issued under the Placement. No shareholder approval is required in connection with the issue of New Shares under the Placement.

Reece Chief Executive Officer, Peter Wilson said: "*We are extremely pleased with the strong support for the equity raising from existing institutional shareholders and new investors. We see the success of the equity raising as a clear endorsement of the long-term strategy of Reece. This capital raising will fortify the balance sheet and position Reece strongly for the future.*"

New Shares to be issued under the Placement and Institutional Entitlement Offer will rank equally with existing Reece shares in all respects from the date of issue.

Settlement of New Shares issued as part of the Placement and Institutional Entitlement Offer is expected to occur on Friday, 17 April 2020. The issue of those New Shares is expected to occur on Monday, 20 April 2020, with ordinary trading commencing on the same day.

The ASX trading halt that was implemented on Monday, 6 April 2020 in relation to Reece shares is expected to be lifted prior to market open today.

Retail Entitlement Offer

The retail component of the fully underwritten 3 for 55 pro rata accelerated non-renounceable entitlement offer ("**Retail Entitlement Offer**") is expected to raise approximately A\$190 million, (which includes the A\$170 million that the Wilson Family will subscribe for as part of the equity raising). The Retail Entitlement Offer will open at 9.00am (AEST) on Wednesday, 15 April 2020 and close at 5.00pm (AEST) on Friday, 24 April 2020.



Eligible retail shareholders will be able to subscribe for 3 New Shares for every 55 existing shares held in Reece as at 7.00pm (AEST) on the record date of Wednesday, 8 April 2020, at the same offer price of A\$7.60 per New Share as the Institutional Entitlement Offer.

Under the Retail Entitlement Offer, eligible retail shareholders who subscribe for their full entitlement to New Shares may also apply for additional New Shares in excess of their entitlement. Allocations for Additional Shares will be determined by Reece in its absolute discretion and any allotment of Additional Shares is not guaranteed.

Full details of the Retail Entitlement Offer will be set out in the Retail Entitlement Offer booklet, which is expected to be released to ASX and dispatched to eligible shareholders on Wednesday, 15 April 2020.

Share Purchase Plan

Reece will also offer eligible shareholders, being shareholders with a registered address in Australia or New Zealand on Reece's register as at 7:00pm (Sydney time) on Friday, 3 April 2020, the opportunity to apply for up to A\$30,000 of New Shares without incurring brokerage or transaction costs in accordance with a Share Purchase Plan ("**SPP**"). The offer price under the SPP will be \$7.60, being the same price paid by investors under the Entitlement Offer and the Placement.

New Shares issued under the SPP will rank equally with existing Reece shares from the date of issue.

Full details of the SPP will be set out in the SPP offer booklet, which is expected to be released to ASX and dispatched to eligible shareholders on Wednesday, 15 April 2020.

Additional information

Further details about the equity raising are set out in the Investor Presentation released to the ASX on Monday, 6 April 2020.

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Not for distribution or release in the United States

This announcement may not be distributed or released in the United States. This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. The New Shares to be offered and sold under the Offer and the SPP have not been, and will not be, registered under the U.S. Securities Act of 1933 (the "**U.S. Securities Act**") or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold, directly or indirectly, to any person in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable U.S. state securities laws.

Forward looking statements

The information in this announcement is subject to change without notice and Reece is not obliged to update or correct it. This presentation contains statements that constitute "forward-looking statements". The forward-looking statements include statements regarding Reece's intent, belief or current expectations with respect to the timetable, conduct and outcome of the Offer and the use of proceeds therefore, statements about the plans, objectives and strategies of the management of Reece, statements about the industry and markets in which Reece operates, statements about the future performance of Reece's business and its financial condition, indicative drivers, forecasted economic indicators and the outcome of the Offer and the use of proceeds. Words such as "will", "may", "expect", "indicative", "intent", "seek", "would", "should", "could", "continue", "plan", "probability", "risk", "forecast", "likely", "estimate", "anticipate", "believe", "aim" or similar words are used to identify forward-looking statements.

You are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the outbreak of COVID-19. Any such statements, opinions and estimates in this presentation speak only as of the date hereof and are based on assumptions and contingencies subject to change without notice, as are statements about market and industry trends, projections, guidance and estimates. Forward-looking statements are provided as a general guide only. The forward-looking statements contained in this announcement are not indications, guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Reece, its officers, employees, agents and advisers, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. .

There can be no assurance that actual outcomes will not differ materially from these statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements, including (without limitation) the risks and uncertainties associated with the ongoing impacts of COVID-19, the Australian and global economic environment and capital market conditions and other risk factors set out in this presentation. Investors should consider the forward-looking statements contained in this presentation in light of those risks and disclosures. The forward-looking statements are based on information available to Reece as at the date of this presentation.

To the maximum extent permitted by law, responsibility for the accuracy or completeness of any forward-looking statements whether as a result of new information, future events or results or otherwise is disclaimed. Reece disclaims any responsibility to update or revise any forward-looking statement to reflect any change in Reece's financial condition, status or affairs or any change in the events, conditions or circumstances on which a statement is based, except as required by law.