

April 2025

THE NZPM CONNECTOR

OUR BI-MONTHLY NEWSLETTER

NZPM co-operative

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TO ALL OUR MEMBERS — WELCOME TO THE APRIL 2025 EDITION OF THE CONNECTOR.

As April marks the start of a new financial year, it provides an important moment to reflect on the past year and to look ahead. The 2025 financial year was one of the most challenging the Co-operative has faced in the past decade. Customer demand softened more than anticipated, margins came under increased pressure, and we successfully navigated a once-in-a-decade transition to a new core computer system.

Looking forward, the global economy in 2025 is in for a bumpy ride, with growth expected around 3.3% but plenty of uncertainty ahead. Tariff wars, especially new U.S. trade restrictions on China, the EU, and others, could drive up prices and shake up supply chains. At the same time, ongoing conflicts in Ukraine and the Middle East, along with high interest rates and global debt concerns, are keeping things unpredictable. Central banks are walking a fine line between curbing inflation and keeping economies from slowing down too much.

Back in New Zealand, our economic conditions remain challenging, albeit growth is projected to be around 2.5% in 2025. Unemployment rates are a concern, and the lag effect of previous interest rate hikes continues to be felt, putting significant pressure on household balance sheets.

While these factors are impacting consumer spending and confidence, there are some positive developments to note. The dairy sector and tourism continue to show resilience, providing support for the economy. These industries remain critical drivers of export revenue and offer a degree of stability amidst broader challenges.

Interest rates are expected to work through the system over time, with many bank customers resetting their fixed rates. However, these rates will likely settle around 5%, higher than the anticipated 3-4%, meaning the cost of borrowing will remain a key pressure point.

The construction market remains weak, and this trend is expected to persist for the next six to twelve months. While there are some pockets of stronger performance, particularly in Canterbury and Central Otago, the overall market remains subdued. This downturn in construction is directly impacting our customer base, and consequently,



has a negative effect on NZPM. As a result, revenue levels are lower than expected, which is putting downward pressure on our earnings.

We appreciate these challenges are consistent with what many of our shareholders are experiencing – you can read Reuben Cutts' personal insights into some of these matters later in this edition of Connector.

In response to these challenges, we are implementing several strategies to mitigate the impact and position ourselves for future growth:

- We are actively targeting new customers to expand our market share.
- We are working closely with existing customers to increase our share of wallet, ensuring that we continue to capture more of their business.
- Exploring new market segments is a key focus to diversify our revenue streams and tap into new growth opportunities.

- Extending the ranges of our own brand products will help capture both import and distribution margins, providing a competitive edge in the market.
- We are also proactively managing costs, including reducing our remuneration base, to ensure efficiency and financial stability.

The new financial year will be a challenge, but as you can see, we have very robust plans to continue to make NZPM a successful partner to our many customers.

Finally, we would like to express our sincere appreciation for the continued support of our members and customers. Your

trust and partnership are invaluable as we navigate these challenging times, and we remain committed to working together to keep the Co-operative strong.



Kind Regards,
Kathy Meads, NZPM Chair

AN UPDATE FROM OUR CEO

As you read this edition of Connector, another financial year has finished, and a new one just begun.

The past twelve months has seen the continuation of considerably more challenging market conditions for the plumbing and wider construction industry, and unfortunately, the year ahead looks to be very similar.

Most of our shareholders and customers from across the country are being impacted by reduced demand for their products and services which in turn impacts the level of revenue and earnings for NZPM.

Both Plumbing World and Metrix are working hard on a range of opportunities to help offset the impact of the weak market conditions; securing new customers, increasing share of wallet with existing customers, investigating new market opportunities, growing our Own Brand product portfolio, reducing our cost base, and managing our working capital (stock and debtors).

Operationally, we continue to bed in our new Microsoft Dynamics 365 technology platform. Some aspects of this are requiring a little more effort than we had originally envisaged, however with the support of our implementation partner and Microsoft we are seeing speed and process improvements continue to improve. We will continue to tune up some remaining areas of performance and our processes over the coming months. Concurrently, our staff are becoming more familiar with the different processes, and we expect the learning to continue to embed over the coming months.

Customers utilising pwGO continue to report back the benefits to their businesses from increased efficiencies due to faster ordering and processing time, less time for staff standing in queues, and quick access to critical information such as pricing and product specifications. If you would like to know more about how pwGO can help your business, please contact your local sales representative or branch manager.

It is now just over one year before lead will no longer be permitted in plumbing products for potable water in New Zealand – front of wall or back of wall. Plumbing World and Metrix are working with their suppliers to help facilitate a



smooth transition to lead free products; however, I suggest that if you haven't already, all shareholders start planning the way out of holding products that contain lead now with a view to eliminating it from your stocks and installations by the end of this year.

If you have any questions about lead free product in NZ, please contact Master Plumbers or your local Plumbing World representative.

Thank you for your continued support of our great co-operative – we appreciate it very much and look forward to continuing to work with you as we navigate towards better market conditions.

Regards,
Rob Kidd
NZPM CEO

DIRECTORS' POINT OF VIEW FROM REUBEN CUTTS

The New Zealand construction industry, like many sectors, faces challenges during periods of economic downturn. While some businesses may suffer, others can manage to weather the storm by adopting strategic approaches tailored to their specific needs. However, not all businesses are in the same position nor are they impacted equally; differences in size, business model, and regional location all play a role in determining how well a company can survive and even thrive in uncertain times.

My own business, based in Auckland, is certainly feeling the squeeze of the current downturn. As a business owner navigating my way through these challenging times, I have realised how essential it is to take special care of the mental health and wellbeing of myself and my team. The stress of managing cash flow, dealing with delayed payments, and making tough decisions about scaling back operations can take a significant toll on mental health. We, the business owners, must prioritise self-care and seek support from peers, mentors, or professionals when necessary.

Engaging with other business owners can be invaluable during tough times. Sharing experiences and solutions can provide not only practical advice but emotional support as well. This may be as simple as a chinwag with your fellow shareholder in the carpark when you're loading up the van, and this is exactly what I've been doing recently being back on the tools. Additionally, taking the time to invest in personal wellbeing, whether through exercise, hobbies, or mental health resources, will help to ensure that you can make clear-headed decisions and lead your team through challenging periods.

Another key strategy for surviving a market downturn is controlling costs. This doesn't mean slashing budgets indiscriminately or compromising on quality, but rather carefully evaluating spending and finding efficiencies wherever possible. Furthermore, we should carefully assess which projects to pursue. Not every opportunity may be worth the investment during a downturn.

We need to evaluate risks more thoroughly and focus on projects that offer the best potential for profitability. Cash flow management is paramount, and a business that can hold off on non-essential expenses, delay non-urgent capital



investments, or secure better payment terms with clients may find itself in a better position when the market rebounds.

In addition to controlling costs, look for opportunities to diversify your services. Flexibility and adaptability are essential qualities for businesses in New Zealand's dynamic construction sector.

Ultimately, surviving a market downturn requires a combination of strategic cost management, mental resilience, and adaptability. By acknowledging that not every business will suffer the same way and focusing on managing resources wisely, we can navigate these challenging times with greater confidence.

Regards,

Reuben Cutts
NZPM Director

Save the date
2025 Annual Meeting

Friday 22nd August
Pullman Hotel
Auckland

More details to come
nzpm.co.nz/events

NZPMco-operative

YOUNG PLUMBER OF THE YEAR

We're excited to announce the launch of the Plumbing World Young Plumber of the Year (YPOTY) 2025 competition.

This premier industry event helps celebrate the talent we have in the New Zealand plumbing industry. This competition not only recognises excellence, it also provides a fantastic opportunity for young plumbers to showcase their skills, network with industry professionals, and gain national recognition.

Supporting young plumbers in entering YPOTY can offer multiple benefits to employers. Some of which include:

- **Brand Recognition:** Participation provides free publicity elevating your brand within your local area.
- **Recruitment Advantage:** Top young professionals want to work for companies that invest in their growth.
- **Positive Work Culture:** Creating an environment where young talent is nurtured can foster a strong, loyal, and motivated workforce.
- **Professional Development:** Competing provides young plumbers with the opportunity to improve their skills and gain experience under high-pressure, competitive conditions.
- **Cutting-Edge Knowledge:** Competing allows participants to adopt the latest techniques and technologies in plumbing, helping businesses stay on top of industry trends.

As the national winner's employer, you will receive:

- 2025 Cobra Fly-XL Golf Club package set valued at \$2,099
- Toolware Prize pack valued at over \$700
- \$500 in NZPM RPS Shares
- \$500 Fuel Voucher towards the running of winner's van
- 1 night's accommodation to attend the National Final

Entries opened on April 1st, both in-store and online at youngplumbersclub.co.nz.

Stay connected and up to date by following us on Facebook and Instagram!

plumbingworld

YOUNG PLUMBER of the year



Fill out an entry form
in-store, or visit
ypc.co.nz to
enter online.



THANKS TO OUR FAMILY OF SPONSORS



METRIX UPDATE FROM KARIN CUNNINGHAM

Reflecting on the year that was

With the end of the financial year just completed, it's a great time to reflect on the achievements and obstacles we've faced at Metrix. This year has presented challenges across all sectors of the building and plumbing industry, however our resilience and adaptability has stood strong, reflecting the hard work and dedication of our team.

Sales have been a mixed bag this year. While some areas have exceeded expectations, others have struggled as large commercial projects have been placed on hold - these variations underscore the need for targeted strategies as varying sectors recover at different speeds in the coming year.

Looking Ahead

As we look forward to the new financial year, our focus will be on leveraging our strengths and addressing our weaknesses. We will continue to invest in our team, processes, and technology to drive growth and improve efficiency.

In May 2025 we will announce the launch of a new Italian brand to Metrix and New Zealand. This exciting addition to our portfolio brings a touch of Italian elegance and innovation to our product offerings. The brand is renowned for its exquisite design and high-quality craftsmanship, making it a perfect fit for Metrix's commitment to providing



premium bathroom solutions. We look forward to seeing the positive impact this new brand will have on our market and the satisfaction it will bring to our customers.

With a dedicated team and a clear vision, we are well-positioned to achieve our goals in the coming year alongside our NZPM Shareholders.

Karin Cunningham
Metrix General Manager

PLUMBERS THAT HELP

As a valued NZPM shareholder, we want to give you an exclusive opportunity to be featured on our Find a Plumber page on plumbingworld.co.nz.

Why Register?

- Get listed on a trusted, national network of qualified plumbers.
- Increase your visibility and help Kiwis find the right plumber for their needs.

Plumbing World is here to connect Kiwis with the best plumbers in the country - the real pros, the ones they can rely on. Our Find a Plumber page will connect every day kiwis with professionals like you.

Let's remind kiwis that plumbing is a job for professionals — not DIY guesswork.

Get listed today — click the link below.

www.plumbingworld.co.nz/plumbers-that-help



Once you're registered, head into your local Plumbing World branch and pick-up a new Plumbing World sticker for your vehicle.



plumbingworld
PW DOES DUBLIN
2026

LET'S PAINT THE TOWN GREEN BLACK!

9th – 15th May 2026

Don't miss out on the adventure of a lifetime to Dublin, Ireland! Talk with your local branch manager or sales representative to reserve your spot

Click the below link for more information
nzpm.co.nz/shareholder/benefits/overseas-trips-programme

BUILDING INDUSTRY FEDERATION NZ BOARD ELECTS NEW CHAIR

The New Zealand Building Industry Federation of New Zealand (BIF) recently announced that it has elected Karin Cunningham as its Chair. Karin holds a dual role for NZPM as General Manager, Metrix Imports and Head of Commercial, Plumbing World and has over 25 years' experience in the Building Industry. She has held numerous senior roles with strong strategic leadership and oversight, and has served on the BIF Board since 2023.

Two new deputy Chairs, David Deavoll and Stephen Walker have also been elected. Together, Karin, David and Stephen

bring considerable strategic experience and industry knowledge in their governance and leadership roles with BIF and the board are delighted with the new appointments as it coincides with a busy and exciting time for the wider building industry.

Julien Leys, BIF Chief Executive says "Karin, David and Stephen will each contribute to BIF's direction with their commitment to the building sector and also encourage advocacy and value for members of the supply chain to make the most out of opportunities while also navigating potential challenges".

Karin replaces Jason Bardell of Independent Building Supplies who has been Chair since 2023.

SOCIAL RESPONSIBILITY

STARLIGHT SUPPORT – EASTER



Support Office in Palmerston North had a collection for StarLight to supply Easter eggs and treats to children and adults with mental health issues in the community. Norelle Ward from Rotary who distributes the eggs said the donation would be gratefully received.



starlightjoy.org

WORLD PLUMBING DAY DRAW



On 11th March we celebrated World Plumbing Day. All purchases on the day went in the draw to win a Bushnell PRO Golf Laser valued at over \$1,100. The winner was Royal Flush, who is a Shareholder at our Whangarei Branch.



2025 NZPM SHAREHOLDER ROADSHOW

Timetable

NZPM Co-operative invite you and your partner to attend a presentation/discussion on what's happening in your co-operative — led by CEO, Rob Kidd.

We encourage any prospective shareholders to attend too. We look forward to seeing you there.

JUNE 2025		
DATE	TIME	LOCATION
Invercargill Tuesday 10th June	1.00pm – 2.30pm	Invercargill Branch 27 Bill Richardson Drive
Queenstown & Wanaka Wednesday 11th June	12.30pm – 2.00pm	Queenstown Branch 222 Glenda Drive, Frankton
Nelson Monday 16th June	12.00pm – 1.30pm	Venue TBC
Blenheim Tuesday 17th June	8.30am – 10.00am	Blenheim Branch 21 Budge Street

JULY 2025		
DATE	TIME	LOCATION
Christchurch Tuesday 1st July	4.00pm – 5.30pm	Rydges Latimer Christchurch 30 Latimer Square
Lower Hutt & Upper Hutt Wednesday 2nd July	12.30pm – 2.00pm	Lower Hutt Branch 40 Bouverie Street, Petone
Wellington Wednesday 2nd July	4.00pm – 5.30pm	Wellington Branch 15–21 Abel Smith Street, Te Aro
Paraparaumu Thursday 3rd July	9.30am – 11.00am	Paraparaumu Branch 118 Kapiti Road
Palmerston North Thursday 3rd July	4.00pm – 5.30pm	Palmerston North Branch 309 Rangitikei Street
Masterton Friday 4th July	10.00am – 11.30am	Venue TBC
Auckland – Henderson Tuesday 8th July	11.00am – 12.30pm	Henderson Branch Cnr Central Park Drive and Collard Place
Auckland – Kingsland Tuesday 8th July	4.00pm – 5.30pm	Kingsland Branch 383 New North Road
Auckland – Drury Wednesday 9th July	10.30am – 12.00pm	Drury Branch 4 Bill Stevenson Drive
Whangarei Monday 14th July	4.30pm – 6.00pm	Whangarei Branch 33 Okara Drive
Napier & Hastings Monday 21st July	12.30pm – 2.00pm	No.5 Café & Larder 248 State Highway 51, Mangateretere
Tauranga Tuesday 22nd July	12.30pm – 2.00pm	The Artium Café & Conference Centre Ground Floor/252 Otumoetai Road, Otumoetai
Hamilton Wednesday 23rd July	8.30am – 10.00am	Te Rapa Branch 5 Daniel Place

PENNY RATCLIFF – OBITUARY

Penny Ratcliff, Plumbing World's Southern Regional Manager, sadly passed away in early March after a short, but incredibly courageous battle with cancer.

During her just over ten years with Plumbing World, Penny worked tirelessly for the co-operative and always had her customers and staff at the forefront of everything she did.

Penny oversaw the opening of three new branches in Cromwell, Twizel, and Hornby and managed the relocations of our Dunedin, Invercargill, and Queenstown branches. She led the refurbishments of our Christchurch, Wanaka, Timaru, and Rangiora branches – all designed to help make it easier and more efficient for our customers to do business with Plumbing World.

Penny's energy, drive and determination, coupled with her care for people and wanting to see the best outcomes achieved in all circumstances are testament to the great leader she has been for Plumbing World and in her personal life too.

Penny was a massive supporter and encourager of women in construction, including, leading a Women in Trades Expo in 2022, attending numerous National Association of Women in Construction (NAWIC) Heels and Steels events, taking a group of plumber's wives and partners to the World of Wearable Art in Wellington and always attending the Master Builders House of the Year Regional events.



We will miss Penny's infectious smile, can do attitude and wanting the best for everyone. Penny was a great lady, a fantastic leader, and a wonderful friend.

We thank Penny for her enormous contribution to Plumbing World, the NZPM Co-operative and the wider construction industry.

Penny is survived by her mum Robyn, her three siblings Anne, Helen and John and wider family.

Farewell, Penny.

SHAREHOLDER LOYALTY



MANAWATU BRANCH

www.nzpm.co.nz

NZPM's Statement of Purpose

Delivering Sustainable Shareholder Value

Part of our NZPM co-operative

AQUASOURCE | plumbingworld | metrix