

THE CONNECTOR

NEWS 'N VIEWS FROM THE GROUP | AUGUST 2018

CHAIRMAN'S UPDATE

During the first week of August Rob Kidd and I completed our annual NZPM/Plumbing World Roadshows, and it was fantastic to see nearly a third of our shareholders across the country attend these events. Not only were we able to give those members an update on our co-operative and strategic focus, but we also provided some insights around the investments that we are making in the business, ranging from our branches through to our digital and technology programme.

One of those subjects that we've touched on in the last two years has been the need to make specific strategic property investments, and we gave some examples in Christchurch and Auckland where developers are threatening the locations of one or two of our key branch sites. This proved to be the case in Christchurch recently where the lease for our Papanui branch was due to expire in early 2019, and the owner was looking to sell the site for redevelopment.

Right in the heart of Christchurch, Papanui is a key strategic location for Plumbing World, so the Board has taken the initiative to purchase the site, and we're now working with the former owner to complete their seismic upgrade work that was part of the purchase price. Once that work is complete we expect that Papanui will become part of our future branch upgrades programme that we are undertaking to improve and modernise all of our branches across the country.

Over the course of this year's roadshows I've also been fortunate to have attended a couple of our Young Plumber of the Year regional finals, and I must say that I've been really impressed by some of the talent that is coming through our industry. With many of our baby boomers heading towards retirement, these young men and women are the future of our co-operative, and it's great to see them competing to be the best amongst their peers.

During July we also completed the applicant interviews for our 2018 NZPM Future Governance Programme that we successfully trialed last year. This year we're aiming to select two shareholder candidates who are interested in the future governance of the co-operative, and who also display the core attributes for development and mentoring as a potential future director, and the successful applicants will be announced at this year's AGM.

July also saw the completion of Linda Robertson's term as an Appointed Director on the NZPM Board, and we are now recruiting to fill this position. During her term, Linda contributed positively to the expertise of the Board, and we wish her well for the future. From a board perspective, we expect the future appointed director will primarily continue to fulfill a finance role, however we are also looking for a person with additional expertise in the digital technology or logistics fields who can add further capability to the governance of the co-operative.

And finally, with the recent demise of a number of major players in the construction industry comes a salient reminder for all our members to be vigilant with your cashflow and debtors. With a buoyant construction market, it's very easy to be focused on the growth part of your business, however the demand this often places on cashflow is enormous, and many a plumbing business has been caught out over the years by slow payments of progress claims and retentions.

Kind regards,

John DeBernardo
Chairman

A MESSAGE FROM PLUMBING WORLD'S GENERAL MANAGER

John and I have now completed this year's Shareholder Roadshows and I'd like to add my thanks to all of you who were able to take time out of your busy schedules to hear how the co-operative is performing and what some of our future plans are as well.

One of the key subjects I presented on was how Plumbing World will leverage off our strong "bricks and mortar" store base across the country with digital and technology opportunities to help grow the co-operative to the next level.

Implementation of various customer interrelating technologies will provide the business protection against competitive online offers (such as Plumbing World's new e-commerce website) and improve our efficiencies and opportunities for the trade (e.g. the Plumbing World Trade Purchasing App, the Plumbing World Trade Portal online purchasing capability, the Metrix product specification App and the Plumbing World integrated quoting system).

To help fast track the dozen or so current digital and technologies projects we are developing along with the future opportunities we have employed a new Digital and Technologies Manager (Mark Gregan) who started with us in early August.

Along with Mark we look forward to continuing the technology journey and providing you more and efficient ways of being able to deal and transact with us.

I would also like to announce that we have recruited our new National Sales and Operations Manager – Richard Barnes. Richard has spent most of his career in the wider building industry and brings to Plumbing World real strengths in strategic sales management, planning and execution along with operational excellence at senior national levels drawn from large businesses.

Richard has worked in both regional and national sales and operations roles at Allied Concrete, Firth Industries, Golden Bay Cement and Laminex NZ.

Based in Auckland, Richard will be joining Plumbing World on the 3rd of September.

Thank you for your ongoing support of Plumbing World – we really do appreciate it.

Regards,

Rob Kidd
General Manager, Plumbing World



Reminder.

Exclusive offer for NZPM Shareholders!

In recognition of the close strategic partnership between Methven and Plumbing World, we would like all trading NZPM shareholders to experience Tūroa. We are also delighted to announce that Tūroa will be launched into your Plumbing World stores before anywhere else in the NZ market.

How to order your FREE Tūroa V-Jet handset Available from 1st August 2018*

- Simply download the Methven plumbing app via the App Store or Google Play.
- If you already have the Methven plumbing app then simply update it from 1st August 2018.
- Click on "Special Offers & Promotions", enter your details including your NZPM allotment number and we will take care of everything else.
- The handset will be sent to your local branch and they will arrange getting this to you, so you and your family can experience for yourself this great award winning technology designed and manufactured in NZ.

METHVEN



Download on the
App Store

GET IT ON
Google Play

WELCOME TO THE PLUMBING WORLD TEAM



◀ Mark Gregan

Digital and Technologies
Manager, based in Auckland

Richard Barnes ▶

National Sales and
Operations Manager,
based in Auckland



DIRECTOR'S POINT OF VIEW

Good day to you all,

As chairman of the membership committee, I would like to briefly touch on the subject of the growth of NZPM ordinary shareholders over the last 12 months. This growth has been achieved by a very hard working team focused on the service needs of our customers and building our shareholder base. Add to this the inclusion of a small number of construction and civil works companies, we have seen membership growth of 4.5% in 2018 which is very pleasing indeed.

In total, ordinary shareholder numbers increased over the last 12 month period to 840 members which is a net growth of 36 shareholders, and that is after taking into account all of our retiring members.

Being chair of the membership committee is a very pleasing part of my role that includes contacting existing and new shareholder members, and getting their feedback on both the co-operative and how they are operating in today's business environment. It is especially encouraging to talk to the new members and getting a very positive perspective for the future. New shareholders are the life blood of our co-op and industry.

When talking to some of our shareholder members, it is very evident that the labour shortage in our industry is disturbing and is one of the main concerns right throughout the country. The need to train apprentices has a very important part to play in our industry and again trainees are an integral part of the future of the plumbing industry.

It has also been my pleasure to be a part of the recent NZPM/ Plumbing World road shows around the country. I have attended the meetings in the lower South Island and it was great to catch up with old friends and meet our new members.

This year's AGM is in Tauranga, and I look forward to catching up with those who will be attending.

Thanks and kind regards,
Stu McIvor



YOUNG PLUMBER OF THE YEAR

The Plumbing World Young Plumber of the Year regional events are currently underway, and we are thrilled with how it is progressing. Thank you to everyone who has turned up to support a contestant, helped out with judging or followed us on social media – we appreciate your involvement.

Congratulations to our Regional winners to date who will now go through to the national final at WINTEC on 10th October.

Name	Employer	Region
Hunter Turner	J&J Plumbing & Gas	Auckland Metro
Hayden Findlay	Eco Plumbing & Gas Ltd	Northern
Alex Hyland	Steve Wolter Plumbing Ltd	BOP/Central Plateau
Liam Pascoe	Plumbing & Gas Works Ltd Hamilton	Waikato/Taranaki
Kane Berry	TL Plumbing Ltd	Wellington/Marlborough
Jason Gamble	Tricklebanks 2016 Ltd	Lower North Island

We welcome you to attend our Regional events, whether as an employer of a contestant, supporter or just curious. There are still 2 events to take place – details below.

BRANCH LOCATION	ADDRESS	DATE	TIME
Christchurch	104 Brisbane St, Sydenham, Christchurch	Wednesday 15th August	5:30pm – 8:30pm
Queenstown (off site)	Sherwood Hotel, 554 Frankton Road, Queenstown	Wednesday 22nd August	5:30pm – 8:30pm

Keep up to date with all the action here: <https://www.facebook.com/YPCNZ/>
Check out our current finalists below:



Hayden Findlay - Eco Plumbing & Gas Ltd
Northern Regional Winner



Hunter Turner - J&J Plumbing & Gas Ltd
Auckland Metro Regional Winner



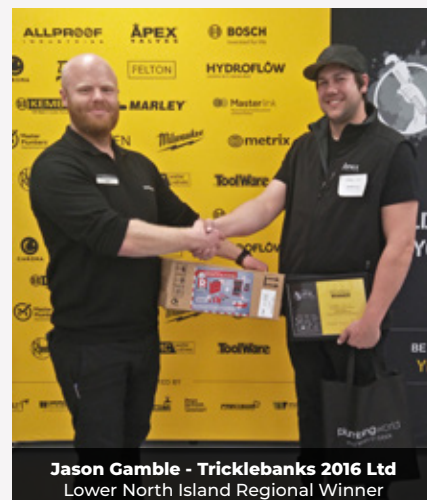
Alex Hyland - Steve Wolter Plumbing Ltd
BOP/Central Plateau Regional Winner



Liam Pascoe - Plumbing & Gas Works Ltd Hamilton
Waikato/Taranaki Regional Winner



Kane Berry - TL Plumbing Ltd
Wellington/Marlborough Regional Winner



Jason Gamble - Tricklebanks 2016 Ltd
Lower North Island Regional Winner

TRADE UP TOUR WITH LOGAN DODDS AND JESSE JAMES

We all know there's a massive skills shortage at play in the NZ Plumbing Trades and if no one does anything about it we'll be in some serious trouble in a few years. Our YPC Brand Ambassadors - Logan & Jesse, are just as concerned as us about this so we've decided to partner up together, along with Masterlink and do something about it with school leavers... so we've come up with the TRADE UP TOUR.

During August Plumbing World is taking our trades front and centre to selected schools throughout the country with our TRADE UP TOUR, an outreach program designed to shed some light on the plumbing trades and the careers on offer. Logan and Jesse may not represent your typical plumbing tradesmen however their passion and energy for the trade is contagious and gives us the perfect hook to get school aged boys and girls interested in what our industry has to offer.

In total they will be visiting 10 High Schools around NZ and will certainly spread the positive message about our Plumbing Industry along the way. Plumbing World also continues with advertising plumbing in the 'Leaving School' publication and other similar publications. We are also sharing a stand with Master Plumbers, Gasfitters and Drainlayers Association at the CATE Conference (Careers and Transition Education) in November, whereby Careers Advisors from across NZ will be in attendance.

Instagram

Stay up-to-date with the tour, follow [plumbingworld_nz](#), [logan_dodds](#) and [jessejames1212](#) on Instagram!



TRADE SURVEY - THANK YOU

Many thanks to all those Shareholders who took time to give us valuable feedback for our biennial trade customer survey. We had over 200 completed surveys and congratulations to Masterton shareholder, Martijn Poppe for winning the 1,000 MaxPoints for his efforts. We look forward to bringing you the results and action plans in future issues.

WONDERS OF BEIJING

We are thrilled with the steady flow of registrations for our Wonders of Beijing 2020 overseas convention, and it's not too late if you are considering this fabulous trip destination.

We have much pleasure in announcing the winner of the first prize draw where the winner will receive an 'Extension Holiday Package of their choice' up to the value of \$3,000.



Our congratulations go to:
Murray and Teresa Bond
Graham Bond Ltd
(Papanui Branch)

And there's more to come. At the end of September and November 2018 the same prize draws will be on offer to all those registered by these dates.

To find out more, talk to your local Plumbing World branch manager now on how you can register to experience a unique and memorable Plumbing World overseas convention.

We hope all those shareholders in attendance enjoyed all the additional "wow" moments that were created and we thank you for your support of our Overseas Trips Programme and look forward to as many as possible joining us for "Wonders of Beijing" in May 2020.



plumbingworld

FUNTIMES IN FIJI - DELEGATES GIVE BACK

We were delighted to receive a message of thanks from Fiji's Buruwa Youth Primary School who were thrilled with the donations they received on our recent visit during Funtimes in Fiji, we thank you for your contributions. Check out the below photos – don't they all look so elated!

Head teacher, Jeremaia Tuwai had this to say:

"Buruwa Youth Primary School received gifts of books, sports equipment and bags from Plumbing World. The gifts were greatly welcomed as the school is remotely located in the interior of Nadi and almost all the students come from humble family backgrounds.

We sincerely thank Plumbing World for the kind hearts and gestures on behalf of the school management, teachers and especially the students. May Plumbing World continue to be blessed as they have blessed us."



METRIX APP

The team at Metrix are delighted to introduce the new Metrix App!

This app will give NZPM shareholders and their staff speedy access to key product information while they are on the job.

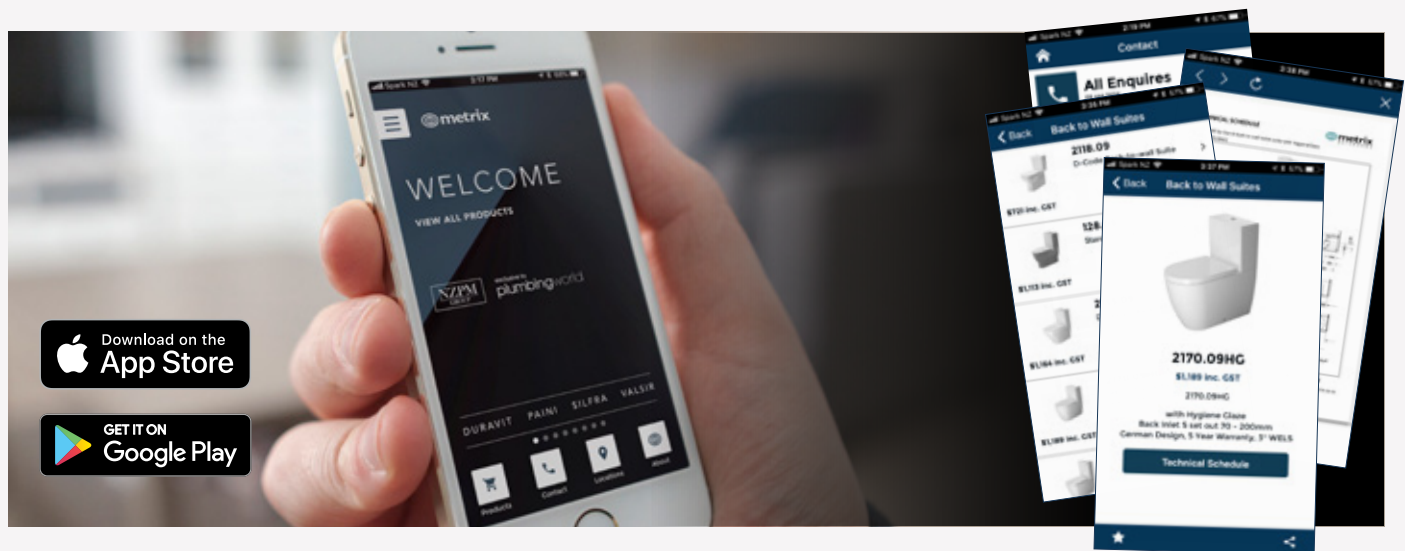
This information includes:

- Technical specifications
- Plumbing World's suggested retail pricing
- Contact numbers for Metrix sales people and our main office
- Plumbing World Branch locations, Metrix warehouse location
- A 'Saved' function that lets you keep your key products in one handy place
- Brochures you can download as PDF files
- Installation videos for Valsir inwall cisterns, Marblo baths and Duravit Sensowash toilet seats

You and your staff will need to register for the Metrix app by searching "Metrix New Zealand" on the App Store for iPhone or get it on Google Play—fill out the online form and you will be away laughing.

The Metrix app is exclusive to NZPM shareholders and their staff, and Plumbing World customers.

With our new app it will be even easier to take advantage of the additional 2% Go For Gold rebate that we offer to all NZPM shareholders when they buy Metrix brands and products.



METRIX VALUES AT WORK EVERY DAY

"Customers - Customers are at the heart of our business. Our welcoming team provides each customer the best personalised experience, every time."

The team in our Metrix Parnell showroom work hard to uphold this value every day. Customers generally arrive at our showroom feeling overwhelmed and confused about their projects and how to go about making good product selection decisions. Lorelei, Rikki-Leigh, Arezou and Janie do an amazing job of making our customers feel comfortable in our showroom environment and build their confidence by breaking the process down into understandable and manageable steps.

We regularly receive feedback from clients who praise the team for unravelling the mysteries of bathroom renovations or new-builds. This sort of service leads to repeat business and word of mouth recommendations.

So far in 2018 the Parnell showroom team are producing quotes with a total value 55% higher than last year, which is an excellent result, and evidence that the team are living our values.



Metrix team (left to right)

Rikki-Leigh Hartshorne, Arezou Bahrani, Janie Qu, Lorelei Prendergast

SHAREHOLDER LOYALTY



Angus Cathcart
Angus Cathcart & Sons Ltd

20 YEARS

Congratulations to these—and all other shareholders that have recently hit milestones.



Greg Cole
Wanaka Plumbing Ltd

30 YEARS



Michael O'Loughlin
MWO Loughlin Ltd

10 YEARS



Nick Gill
Nick Gill Plumbing Ltd

10 YEARS

Did you receive your copy of our 2018 Annual Report?

If not, please contact info@nzpm.co.nz - alternatively, you can view it on our website: www.nzpm.co.nz/investor-centre



PURPOSE

To contribute to our members' and customers' business success by representing their interests and delivering performance excellence.

PART OF THE NZPM CO-OPERATIVE

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metrix