March 2026

# NZPM CONNECTOR

OUR QUARTERLY NEWSLETTER

NZPMco-operative

**Inside this issue:**



## WELCOME TO THE FIRST EDITION OF CONNECTOR FOR 2026.

I hope you were able to spend time with family and friends over the holiday period.

Since my last update, trading conditions across the plumbing and construction sector have remained challenging. Activity levels are subdued in many parts of the country, and competitive pricing continues to compress margins across the industry.

In this environment, your Board and management have remained focused on the practical actions required to strengthen performance and position NZPM for the future. The Board is aligned in its priorities and continues to work closely with and support management as they navigate what remains a difficult period for both our business and our customer base.

Our focus remains on the fundamentals; improving operational performance, maintaining financial discipline, and carefully prioritising investment. During periods of weak operating performance where NZPM incurs trading losses, it is important to manage costs well to preserve cash and protect the Balance Sheet, with decisions taken today aimed at supporting the long-term sustainability of our Co-operative.

One of NZPM's enduring strengths is our co-operative model. The scale of our shareholder and wider customer base, strong supplier relationships, and the ongoing support shown to Plumbing World provide stability through industry cycles. This enables the Board and management to maintain a long-term perspective and focus on sustainable outcomes rather than short-term responses.

### Dividend and capital management

Current market conditions continue to impact on our trading performance and profitability. While our business initiatives which focus on improving customer service, driving revenue growth, and reducing costs are tracking to plan, the lower revenue base and lower trading margins mean NZPM expects to incur a significant trading loss for the year ending March 2026.

In light of this, and recognising the importance of maintaining our Balance Sheet capacity during this period, the Co-operative will not be in a position to declare a Co-operative Dividend to Ordinary Shareholders this year. We acknowledge dividends are an important component of shareholder returns and understand this will be disappointing for many shareholders.

Similarly, current trading performance means NZPM is not yet in a position to recommence the shareholder redemption programme. Accordingly, the Board has resolved to further extend the suspension of acceptance of surrender notices for Ordinary Shares and the deferred payment of redeemed Redeemable Preference Shares until at least early 2027.

These decisions are difficult but necessary to protect the financial resilience of the Co-operative and ensure continued compliance with banking covenants.

We continue to pay dividends to Redeemable Preference Shareholders which are offered at a rate that we believe fairly rewards our investors.

### Governance Update

I would like to acknowledge Dean Carroll, who retired as an Independent Director at the end of February following three years of service. Dean joined NZPM during a period of significant change and made a valuable contribution through his independent perspective, commercial insight and governance experience. On behalf of the company, I thank Dean sincerely and wish him well in his retirement.

I am also pleased to welcome Paul Moodie, who joined the Board as an Independent Director, on 1 March. Paul brings extensive financial, commercial and governance experience, further strengthening the Board's capability.

The Board remains committed to developing future shareholder governance capability through our Future Governance Programme. Given current priorities, we have decided to delay the next round of applications for several months to ensure the programme receives appropriate focus when relaunched.

### Working Through the Cycle Together

Challenging periods test all parts of our industry. I would like to once again acknowledge the collective effort of our branch teams, support staff, shareholders, customers and suppliers who continue to adapt and work hard as our industry navigates a challenging period.

The strength of our Co-operative is reflected in how we continue to work together. Shareholder support of local branches, supplier partnerships and the commitment shown across the NZPM team all play an important role in navigating softer market conditions.

While the near-term environment remains demanding, maintaining discipline, supporting management execution and continuing to work together will position NZPM strongly for the eventual recovery in our sector.

Thank you for your continued support and commitment to the strength and success of your Co-operative.

Warm Regards,
Kathy Meads, NZPM Chair

## DIRECTORS' POINT OF VIEW FROM JOE CALKIN

### Strengthening Safety Through Independent Insight

Keeping our people safe and well is fundamental to our business and to the trust placed in us by our shareholders, customers, and employees. As Chair of the Health, Safety and Wellbeing Committee, one of my key responsibilities is ensuring the Board maintains clear oversight of how effectively health and safety risks are being identified, assessed, managed, and continuously monitored across the business.

We periodically seek independent advice to test our health and safety systems and identify opportunities for continuous improvement.

We recently engaged an external health and safety specialist to review selected areas of our operation. The review confirmed that our overall health and safety framework is sound, with no major gaps identified. As expected in a complex operational environment, the specialist also identified opportunities to strengthen practices in higher risk areas.

Vehicle safety remains one of the most significant risk exposures in our business and was therefore a key focus. The review examined vehicle maintenance, access to truck and ute decks, vehicle design, and fitness for purpose. It highlighted opportunities to improve consistency, clarify responsibilities, and better support the evolving needs of our delivery service. Even modest improvements can meaningfully reduce manual handling risks such as strains, slips, trips, and falls.

The specialist also reviewed a selection of our Standard Operating Procedures (SOPs) related to vehicle use and associated tasks. SOPs play a critical role in translating safety procedures and expectations into everyday practice across the branch network to get a consistent, company-wide approach to tasks, and the review reinforced the importance of keeping them practical, accessible, and aligned with how work is actually done.

Beyond specific risk areas, the review took a broader look at how our health and safety system operates as an integrated

whole. This included how information flows from the frontline to management and the Board, how incidents and near-misses are learned from, and how accountability is embedded at different levels of the organisation. Importantly, the system is functioning as intended, with good engagement and clear governance pathways. The recommendations in this area were largely about strengthening feedback loops and improving visibility.

From a Board perspective, this review has been valuable. It has provided assurance that we are on the right path, while also giving us a clear, prioritised set of actions to further manage risk and enhance wellbeing. Importantly, it reinforces a culture where health and safety are not seen as a static compliance exercise, but as an evolving system that benefits from regular challenge and reflection.

As we welcome a new Health & Safety Manager, management will implement these recommendations in a practical and sustainable way. The Board remains committed to strong oversight of health, safety, and wellbeing outcomes across the business.

Joe Calkin
NZPM Director

## AN UPDATE FROM OUR CEO — BRETT CRUICKSHANK

Thank you for taking the time to connect with your Co-operative as we look ahead to what appears to be an improving year for our industry.

I would like to acknowledge and thank the shareholders I have met with as I have travelled around the country. Finding effective ways to engage with customers and shareholders can be more challenging than it might seem. Aligning timing, locations and availability so that we can meet with stakeholders and provide meaningful updates on our progress remains a priority, and it is something we will continue to improve.

To broaden that engagement, we are replacing our traditional mid-year Shareholder Roadshows with smaller meetings across a greater number of locations. These sessions allow for more personal and open conversations about how we are trading, how we see the market evolving, and the steps we are taking to return the Co-operative to profitability. In recent weeks, I have met with shareholders in Palmerston North, Hamilton, Rotorua, Blenheim, Nelson, Richmond and Ashburton. I encourage you to participate as we continue to schedule meetings across other regions.

While trading conditions remain challenging, I am pleased to report that we are attracting high-calibre talent to NZPM and Plumbing World. Following the restructuring completed in the second half of 2025, we are seeing interest from quality leaders who recognise the strength and long-term opportunity within our Co-operative. Craig Johnson has accepted the role of Chief Financial Officer on a permanent basis. Kylie Cooper has joined us as Strategic Brands Manager, Leigh Fourie as Northern Regional Sales Manager, and Siva Sandaram will commence shortly as Health and Safety Manager. These appointments, alongside many other strong additions to the team, reinforce that NZPM continues to be an employer of choice and is well positioned for the future.

Our Own Brands team, now fully staffed, is focused on expanding the sales base of our exclusive product ranges. They have recently refreshed the colour range of our vanities and introduced a new design, and they have several additional product launches planned over the coming year. Dedicated Own Brand Territory Managers are now working with branches to optimise ranging, strengthen product knowledge, and support sales growth. We have also enhanced our architect specification tools and launched a dedicated LeVivi website (www.levivi.co.nz).

Go for Gold rebates continue to be paid monthly across our LeVivi, Toto, Sessanta, TIVA, Pipe King and Metrix ranges, delivering tangible value to shareholders.

Finally, I am pleased to confirm that the Young Plumber of the Year Competition will return in 2026. This flagship initiative plays an important role in engaging, upskilling and supporting the next generation of New Zealand plumbers, gasfitters and drainlayers. This year we are introducing a new apprenticeship category aimed at encouraging newer and less experienced entrants to participate. Expanding the competition is another way we invest in the future of our industry and provide value back to the plumbing community. Please look out for promotional material and get your team involved!

Thank you for your continued support of our Co-operative. We look forward to working alongside you in the weeks, months and years ahead.

Regards,
Brett Cruickshank, NZPM CEO

# DIGITAL NEWSLETTERS

Reminder: Connector newsletters are now being sent to shareholders via email only. We appreciate your ongoing engagement and thank you for supporting this move to digital communication.

**We continue to invite retired shareholders to stay connected with what's happening in our co-operative. If you or someone you know is a past NZPM shareholder, simply email info@nzpm.co.nz and ask to be added to our past members' mailing list.**

## MEET PAUL MOODIE, NEWLY APPOINTED NZPM DIRECTOR.

Paul Moodie joined the NZPM Co-operative board as an independent appointed director from 1 March 2026. Paul has filled the vacancy from the retirement of Dean Carroll.

Paul is a professional director and senior partner at Findex, an accounting and financial advisory business with over 90 offices across Australia and New Zealand. In his roles at Findex, Paul has developed extensive experience in change management, strategy and performance improvement.

He is currently a director of Tuapeka Gold Print Limited (Trends Promotional Products), Tuapeka Business Park Limited and Central Otago Health Services Limited (Dunstan Hospital). He is chair of Warbirds Over Wanaka, The Healthcare Otago Charitable Trust and trustee of the Findex Community Trust. His previous board roles include Aotea Group Holdings Limited, Batchelar McDougall Consulting Limited, EIS Group Limited, The Emerson Brewing Company Limited and The Otago Rescue Helicopter Trust.

Paul is a Chartered Fellow of the Institute of Directors in New Zealand (Inc.) and a Fellow Chartered Accountant of Chartered Accountants Australia and New Zealand.

Paul and his wife Lynn have three adult children and live in Wanaka.

plumbingworld
**YOUNG PLUMBER** of the year

**NOW WITH AN APPRENTICE CATEGORY** SUPPORTED BY NEXA

# 2026 ENTRIES OPEN 16 MARCH!

This year we are excited to expand the Young Plumber of the Year programme with the introduction of a new Apprentice Category, proudly supported by NEXA. The new category is open to all apprentices who started their apprenticeship after 1 January 2023.

**Registrations open 16th March online and in-store at a Plumbing World branch near you.**



@youngplumbersclub | **youngplumbersclub.co.nz**

# SAVE THE DATE
## 2026 Annual Meeting

**Friday 21st August, 4:30pm**
Chateau on the Park,
Christchurch

More details to come. **nzpm.co.nz/events**

## SHAREHOLDER LOYALTY

40 YEARS
Colin Smith

30 YEARS
Shapley Plumbing 2014 Limited

20 YEARS
Jet Waste & Water Systems Ltd

20 YEARS
Joe Comins Plumbing Ltd

20 YEARS
Whangarei Plumbing & Roofing Ltd

10 YEARS
Jackson Wood Plumbing Ltd

10 YEARS
New Flow Ltd

10 YEARS
Plumbing and Gas Works Ltd



Bowel Cancer NEW ZEALAND

Big Buddy. A Positive Difference.

Prostate Cancer Foundation NZ

www.nzpm.co.nz

**NZPM's Statement of Purpose**
Delivering Sustainable Shareholder Value

**Part of our NZPM co-operative**
AQUASOURCE | plumbingworld | metrix