

August/September 2025

THE NZPM CONNECTOR

OUR BI-MONTHLY NEWSLETTER

NZPM co-operative

Inside this issue:

Meet our new CEO

Directors' article from John Leen

Future Governance Article by Kirstie Brown

Young Plumber of the Year Finalists

WELCOME TO THE LATEST EDITION OF THE CONNECTOR.

To all our members – welcome to the August 2025 edition of the Connector. It has been a busy time for the company as we work through changes in leadership and address a very difficult trading environment.

On Friday 22 August, the company hosted our 61st Annual Meeting of shareholders in Auckland. The meeting was well attended by shareholders who came to hear more information on a range of recent announcements made by the co-operative.

The meeting recapped on the wider pressures being felt in the market from low demand and competitive pressures on pricing which combined to reduce our revenue and earnings in 2025 and are further hurting our current year trading performance. Brett Cruickshank and I were able to outline the active measures NZPM is taking in a range of areas to get back-to-basics for customer service, reduce operating costs, leverage the benefits of our technology investment and reinvesting in our own brand and exclusive products to support margins.

Shareholders asked thoughtful and probing questions across a wide range of topics, including market conditions, cost reductions, technology, and the steps we are taking to protect shareholder funds. The discussions were open, constructive and valuable for all parties.

One clear message from the meeting and from our informal discussions with shareholders was the need for us to communicate earlier and in plain language. While we must balance this with the need to protect sensitive information from competitors, we take this feedback seriously. Going forward, we will provide more regular updates and ensure our communications are as clear and accessible as possible.

I was pleased to announce the appointment of Brett Cruickshank as Chief Executive Officer. As well as acknowledging Rob Kidd for his 14 years of leadership of Plumbing World and NZPM, I was able to outline how Brett had been capably filling the role on an interim basis - while the Board engaged an executive search firm to benchmark Brett's candidacy against the criteria we set for leadership, including skills and experience, as well as comparing this to the external talent currently available in the market.

The formal appointment process included interviews, detailed psychometric analysis, and valuable input



directors have received from shareholder roadshows and customer interactions.

We congratulate Brett on his appointment and look forward to working closely with him to guide NZPM through today's challenging trading environment and to build a strong and sustainable future for our co-operative.

On a final note, we announced the appointment of Joel Eddington to the Board following our recently completed director election. Joel, a former NZPM Future Governance appointee, had been serving since May after filling a casual vacancy created by the retirement of Peter Faul. We also thanked Ms Sarah Jamieson and Mr Craig Coxhead for standing in the election and acknowledged the commitment each candidate showed in offering themselves for election to our co-operative.

On behalf of the Board, I extend our gratitude to all members and customers for your continued support, and a special thank you to our management and staff for their tireless commitment.

As we head into spring, we are reminded that the strength of NZPM lies in our unity as a co-operative. By working together, we not only build resilience for today but also create opportunities for tomorrow.

Warm Regards,
Kathy Meads, NZPM Chair

MEET OUR NEW CEO — BRETT CRUICKSHANK

I want to begin my first Connector article as CEO by thanking the Board for their confidence in appointing me, and for the kind messages of support from staff and shareholders. I am excited by the opportunity to build on the legacy of others in leading this great co-operative.

For those who don't know me, I am an experienced executive who built my career on an accounting qualification across several construction-related businesses. Prior to joining NZPM 11 years ago, I was CEO of Viridian Glass and Euroglass and was CFO of a land development company and a forestry company. I am married to Lisa and have two adult sons.

My early life was in South and Mid-Canterbury before attending university in Christchurch and after some time overseas, I settled in Auckland.

As Interim CEO, I travelled around the country in July and August to conduct most of the NZPM Roadshows, meeting shareholders to discuss a range of topics, including our financial performance, the decision not to pay a Co-operative Dividend, our investment in technology, the challenges this change has created for our people, and the lower levels of market activity.

These factors, as well as not having the Kainga Ora maintenance contract renewed, have made the past couple of months difficult for the co-operative. While we have been closely monitoring the market, our results have weakened as competitors have gone after market share with lower pricing and other incentives. Our strategy of holding both market share and margins worked well in FY25. However, we have had to adjust to our approach.

With the main impacts of the technology change now settling, and with plans underway to progressively simplify some remaining processes, we have asked our regional and local leaders to support staff with a back-to-basics refocus on customer service.

I want to outline some of the activities and initiatives NZPM, Plumbing World and Metrix are working on to improve our position in the market and ultimately deliver stronger returns to shareholders.

- Even in this tough market, we continue to earn the trust of new customers and expand our share of wallet with existing ones across the country. Our sales and branch network teams remain focused on securing new customers and retaining existing ones.
- At the same time, we are making difficult decisions to reduce costs. We acknowledge that restructuring brings significant change for our people, and we do not take such decisions lightly.
- We are investing in the development of new LeVivi, TIVA and Metrix products to help drive more profitable sales. Along with Toto and Pipe King, these brands also provide shareholders with a Go for Gold rebate, with some members now receiving significant returns through buying and installing these products. We now have three designated staff supporting product training and merchandising to ensure we maximise the potential from our existing range of products.



- We are continuing to fine tune our new computer software to provide greater customer connectivity through integration with pwGO, deliver better business reporting, and improve efficiency.
- We have embarked on a product management project where we aim to simplify some of our categories, improve our buying rates, achieve more efficient inventory holdings, and lift profitability.

From 1st May 2026, lead will no longer be permitted in any plumbing product New Zealand. NZPM is working with our suppliers to facilitate a smooth transition to lead free products. I encourage all shareholders to plan for the removal of any lead-containing products from your businesses by Christmas.

To support profitability and avoid significant write-downs in FY26, Plumbing World is no longer accepting product returns where lead may be present.

If you have any questions about lead-free products in New Zealand, please contact Master Plumbers or your local Plumbing World representative.

The best way shareholders can support us is by continuing to give us more of your business. This enables Plumbing World and Metrix to provide excellent service, helps offset our cost base, and allows us to continue delivering sustainable shareholder value.

Thank you for your ongoing support of our great co-operative. We look forward to working with you in the weeks, months, and years ahead.

Regards,
Brett Cruickshank, NZPM CEO

DIRECTORS' POINT OF VIEW FROM JOHN LEEN

Here we are, a few weeks past the shortest day of the year; it's already no longer dark when leaving for work and not quite so dark when returning home.

It's been a very tough market for the last 18 months. Last year, the catch cry was "survive 'til-25"; realistically it's probably now "stick at it until mid-26".

The NZPM Board remains focused on steering the co-operative through this challenging cycle with a clear eye on both the risks and the opportunities ahead. Our recent discussions have centred on the fundamentals: capital structure, debt levels, cash flow, and ensuring we have the right financial buffers in place to support resilience — especially given the pressures currently facing our industry.

Trading through tough times means we need to take tough decisions. This is resulting in some difficult conversations around the Board table and even more difficult conversations with shareholders and staff.

While the construction sector is in a downturn, other parts of the economy are doing much better with dairy and meat producers enjoying good returns. Some of us have been through similar cycles before, and experience tells us that recovery does come especially when other parts of the economy are performing better.

One of the more positive developments is the downward movement in interest rates with residential borrowing costs now below 5%. We are seeing some "green shoots" which suggests that we may be around the bottom of the cycle, so we need to be ready for the recovery.

Our expectation is that, by this time next year, we'll begin to see momentum building again. That's why we're balancing prudent financial management today with forward planning to ensure NZPM is ready to respond when conditions improve.



We appreciate your ongoing support as we navigate this phase — and as always, we remain focused on the long-term health and success of the co-operative.

On a personal note, I would like to congratulate Joel Eddington on his election to the Board and belatedly acknowledge the great effort and work Peter Faul bought to the Board over the last six years and wish him and Jacquie all the best on their next adventure.

All the best.

John Leen
NZPM Director

GIFT CARDS AS TRADE INCENTIVES

We are often challenged as to why we don't offer rebates to our customers in the form of "prezzie cards". We have resisted doing this as we have always believed that they create an unnecessary tax exposure risk for NZPM and our customers if the correct procedures are not applied.

This position has been confirmed by Inland Revenue (IRD) who issued a technical update on 16 April 2025 that has significant implications for trade customers receiving non-cash incentives, particularly gift cards. The guidance confirms that gift cards issued to customers—commonly used as loyalty rewards or rebate incentives—are taxable and must be declared as income by the recipient.

The IRD's guidance elevates the matter to a new level of risk for anyone who has not been including these amounts in their tax returns. Importantly, the IRD has indicated that simply using these cards for personal benefit without declaring the value as income constitutes tax avoidance.

The financial implications could be substantial for anyone who has not declared these incentives; particularly if the practice dates back for multiple years. As well as paying the correct tax and use of money interest, the IRD are likely to apply their strong penalty regime which ranges from 25% to 100% depending on a range of factors.

Over the past two budgets, the IRD has received \$64 million of additional funding to specifically boost audit and compliance efforts. A lot of taxpayers are reporting a significant step-up in IRD audits. It is reasonable to expect that IRD will begin contacting merchants who issue gift cards and ask for information on who received the gift cards and use this as the basis for auditing those trade customers.

If you have unsure about how you have been treating these amounts, you should contact your usual tax advisor.

AN INSIGHT INTO THE FUTURE GOVERNANCE PROGRAMME

I am privileged to be the NZPM Future Governance appointee for 2024–2026, with my appointment commencing in September last year. I wanted to take this opportunity to share my experiences so far and shed light on the governance side of a co-operative business which is an area that differs greatly from the day-to-day operational world most of us are familiar with.

My working life began in the corporate world of banking and IT and then I moved into marketing, where I worked for Dux Industries in the early 2000s as Marketing Services Manager and Category Manager. After starting a family, I then became involved in my husband's plumbing business, helping him grow the business from a one-man operation to a team of thirteen. Working on our strategy, marketing, financials, procedures and the health and safety parts of the business provided me invaluable first-hand experience in running a plumbing operation from a management perspective.

However, as the business evolved and my role shifted away from daily operations, I knew I needed to embrace new challenges and learnings, and I jumped at the chance to join the Future Governance Programme. The opportunity to delve into learning governance, broaden my skills and gain valuable insights in a much larger business was exactly the direction I was looking for – and I was immensely proud to be selected. Prior to beginning the appointment, I attended a two-day Governance Accelerator programme which was run by Co-operative Businesses NZ, a co-operative membership organisation. This course, and my background gave me a good start in understanding governance, however, stepping into the boardroom has opened up a whole new perspective on governance and strategic leadership.

Having attended six in-person board meetings and several online sessions to date, I've gained a wealth of knowledge and insight into governance within a co-operative business. One of the most valuable lessons has been learning to leave my management mindset at the door, a challenge at first, given my background, and instead approach discussions through a governance lens. It's been fascinating to observe the depth of conversations, the quality of decisions required at this level, and the range of perspectives around the board table. I've particularly valued seeing how different board members tackle complex challenges and opportunities, and it has reinforced for me the importance of independent thinking, constructive debate, and



maintaining a strategic focus. I also feel fortunate to have the opportunity after each meeting to engage informally with some of the directors. Asking questions, gaining deeper insight into their viewpoints, and drawing on their governance experience has been an invaluable part of my learning journey.

I've learnt that directors must rely on management to provide accurate and timely information, but it's equally important to challenge assumptions, analyse risks, ask the tough questions, and ensure we are getting a full understanding to support strategic decisions.

The learning journey has only just begun for me, and I'm both focused and excited to continue developing my governance capability. Looking ahead, I aspire to one day contribute as a director of NZPM, helping to lead and shape the future of our strong and dynamic co-operative for the next generation of shareholders and customers.

If you are considering expanding your knowledge beyond operations and into governance, I highly encourage you to take advantage of this opportunity and participate in the Future Governance Programme. Every director will make you feel welcome and part of the team from the moment you step in to your very first board meeting, which I am very grateful for. It's an investment not just in yourself but in the future of our industry and you couldn't pick a better board to begin your journey with.

Kirstie Brown
2025 Future Governance Appointee

plumbingworld
PW DOES DUBLIN
2026

LET'S PAINT THE TOWN GREEN BLACK!

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

9th – 15th May 2026

METRIX UPDATE FROM KARIN CUNNINGHAM

The recent launch of Zazzeri, the newest addition to the Metrix brand family, was a notable success. The event showcased the innovative features and sleek design of Zazzeri, with designers and customers exploring the product's unique capabilities through interactive displays.

With the imminent requirement for lead free tapware within New Zealand, the 316 stainless steel customisable tapware by Roberto Innocenti ensures you will be compliant every time! Established in 1929 in Florence, Italy, the Q316 and Z316 ranges feature four distinct texture finishes and a stunning palette of seven colourways that will offer you unmatched design flexibility.

The launch generated significant attention in the market and reinforced Metrix's commitment to delivering cutting-edge solutions to its customers.

We invite you into our Parnell bathroom gallery to view this beautiful new brand for yourself.

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 – scan the QR code to register.



*Scan here
to register*



GOLD REBATES PAID MONTHLY!

Starting September 2025, your
Go for Gold Rebates will be
paid monthly.

**Maximise your rebate by
shopping GOLD.**



YOUNG PLUMBER OF THE YEAR

plumbingworld
YOUNG PLUMBER
 of the year

Congratulations to our confirmed National Finalists for the 2025 Young Plumber of the Year Competition!

We're thrilled to acknowledge the incredible talent that has emerged from our recent branch events, where over 270 competitors from across the country put their skills to the test. These events have not only highlighted the technical ability of our young plumbers, but also fostered learning, connection, and pride in the trade.

A huge thank you goes out to our valued employers for recognising and supporting the next generation of industry professionals. Your involvement is key to helping us build a stronger, more skilled plumbing workforce — and a better-plumbed New Zealand.

Our suppliers have also played an important role, using the branch events as a platform to engage with young talent and showcase what our industry has to offer. From theory exams to hands-on practical challenges, the atmosphere has been one of energy, enthusiasm, and healthy competition — with some fantastic prizes thrown into the mix!

The spotlight shifted to our Regional Finals, which kicked off at North Harbour Stadium on July 30, and travelled down the country — wrapping up in Queenstown on 27th August. From these events, 10 competitors earned their place in the National Final. Congratulations to our National Finalists:

REGION	WINNER	EMPLOYER
Northern	Liam Locke	I Plumb 4 U Northland Ltd
Auckland Metro	Cameron Notley	Swift-Fix Plumbing Ltd
BOP/Central Plateau	Seth Hall	Hallrite Plumbing & Gasfitting Ltd
Waikato/Central Plateau	Sam Sonneveld	C F Reese Plumbing Ltd
Lower North Island	Michael Parker	Devine Plumbing Ltd
Lower North Island	Louis Devine	Thompson Plumbing & Gas Ltd
Wellington / Marlborough	Thomas Harrison	Clyne & Bennie 1998 Ltd
Canterbury/West Coast	Tristan Harris	Revolution Plumbing & Gas Ltd
Southern	Julian Wilson	May Plumbing & Gas

You're invited to the National Final!

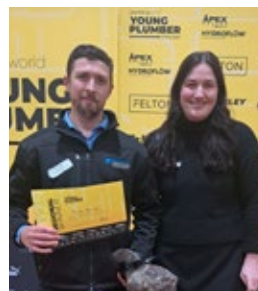
We invite you to join us for an exciting National Final, held at Claudelands GLOBOX Arena, Hamilton on Wednesday, 22nd October, from 10am–2pm. It's an amazing opportunity to witness the very best of New Zealand's young plumbing talent in action. If you have any questions, please don't hesitate to contact your local branch manager or email us at ypc@plumbingworld.co.nz



Michael Parker



Liam Locke



Thomas Harrison



Seth Hall



Louis Devine



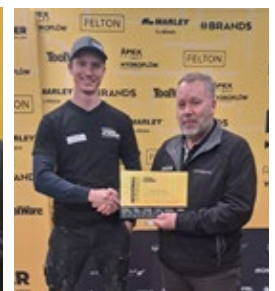
Cameron Notley



Tristan Harris



Sam Sonneveld



Julian Wilson

SOCIAL RESPONSIBILITY



PINK SHIRT DAY

Pink Shirt Day is an annual event that raises awareness about bullying and promotes kindness, inclusion, and respect. Now recognised globally, we encourage people to speak out against bullying - Speak Up, Stand Together, Stop Bullying!

Wearing pink for the day serves as a powerful reminder that even small acts of kindness can make a big difference. Be a buddy, not a Bully.



pinkshirtday.org.nz

E-SCOOTER GIVEAWAY

A massive congratulations to all our winners of the recent TIVA E-Scooter promotion earlier in the year. 55 tradies are now on the move like never before, getting 'outdoorsy' with their new low-emission wheels!

Trade Deals — Totally for Tradies.



BIG BUDDY



A Life-Changing Friendship: Kobi & Mark's Big Buddy Journey

Twelve-year-old Kobi is discovering a world of opportunities he never imagined — fishing in open waters, helping on a farm, learning new skills, and sharing endless laughter. At the heart of it all is his Big Buddy, Mark.

When they first met, Kobi was nervous and unsure, while Mark — a former chartered accountant whose sons had left home — was eager to give back. Their connection was instant, sparked by something as simple as Kobi proudly showing off his sock collection. From that moment, the pair never stopped chatting.

Early on, an unexpected challenge arose when Mark needed major hip surgery. But instead of pulling away, Kobi visited him in hospital with fishing magazines in hand, hinting at the adventures they would share once Mark recovered. And sure enough, as soon as he was back on his feet, Mark took Kobi out on the water, introduced him to life on the farm, and showed him the joy of trying new things — always with safety, encouragement, and fun at the centre.

Their bond proved even more important when Kobi was struck by a car while cycling home from school. With weeks spent in a wheelchair and the weight of trauma to overcome, it was a difficult time. Mark's visits and encouragement gave Kobi hope — and a surprise gift of a brand-new Giant bike, generously donated through one of Mark's friends, helped restore his confidence and mobility. Today, he's back to full health, riding loop tracks with Mark, stopping at Grandma's for sweet treats, and tackling trails in Woodhill Forest.

"The real experience of being a Big Buddy has more than exceeded my expectations," says Mark. "It's not all about the big things; it's often little things, like just sharing a laugh, that add up. Kobi is so appreciative and enthusiastic — he's always up for giving anything a go. His energy is just great to be around."

That spirit is shaping Kobi's future, too. Inspired by his farm visits, he's now considering a career on the land — and with Army Cadets on the horizon, he's brimming with confidence about what's ahead. "Trust me," he says, "if you're thinking of becoming a Little Buddy, it's worth the wait!"

Plumbing World is proud to support the Big Buddy programme.



SHAREHOLDER LOYALTY



60 YEARS
Brockelsby Properties Ltd



50 YEARS
DL Good and Son Plumbers Ltd



50 YEARS
John Mason Plumbers Ltd



40 YEARS
E G Glennie & Co Ltd



40 YEARS
Hay's Plumbing Services Ltd



40 YEARS
Douglas Brennan



40 YEARS
Bell Plumbing Ltd



40 YEARS
Sheddan Plumbing Ltd



30 YEARS
Bellman Plumbing Ltd



20 YEARS
E B Enterprises Ltd



30 YEARS
Trumac Plumbing Services Ltd



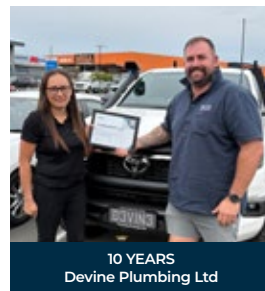
30 YEARS
Domestic & Industrial Plumbers Ltd



20 YEARS
Thames Drainage & Digging Co Ltd



10 YEARS
Pipe Dream Plumbing Ltd



10 YEARS
Devine Plumbing Ltd



10 YEARS
Stewart Plumbing Gas & Drains Ltd

N.Z. PLUMBERS MERCHANTS SOC. LTD.



www.nzpm.co.nz

NZPM's Statement of Purpose
Delivering Sustainable Shareholder Value

Part of our NZPM co-operative

