

November 2025

# NZPM INTERIM REPORT

WITH AN UPDATE FROM OUR CHAIR

plumbing world

NZPM co-operative



## INTERIM REPORT ANNOUNCEMENT – SIX MONTHS ENDED 30 SEPTEMBER 2025

The first half of the 2026 financial year has continued to present a very difficult trading environment for the construction and plumbing sectors, and this has been reflected in NZPM's results for the six months to 30 September 2025. While revenue and margins were both lower than the prior period, the Co-operative has continued with its plan outlined to shareholders at our Annual Meeting and regional visits which focusses on reducing its cost base and improving customer service and engagement.

We understand that these are also challenging times for our customers and shareholder members, not just for the Co-operative. We will keep striving to best support your business by providing the products you need, when you need them, and at a price that works for you. We are committed to working hard to earn your continued support, which is pivotal to navigating this downturn and returning the business to profitability as market conditions improve.

### FINANCIAL PERFORMANCE

Consolidated revenue for the six months was \$135.2 million, down from \$159.5 million in the same period last year. This reduction reflects ongoing weakness across the construction market and a highly competitive pricing environment.

Gross margin reduced slightly to 28.4%, compared with 29.2% in the prior year, primarily due to the need to meet the market's competitive pricing and maintain customer loyalty.

Earnings before finance costs, dividends, and tax recorded a loss of \$1.2 million, compared with a profit of \$2.4 million in the prior year. For comparative purposes, the prior-year result included \$3.9 million of technology-related costs, primarily associated with the transition to Microsoft Dynamics 365.

While these financial results are disappointing, we believe that our refocused "back-to-basics" strategy will equip our co-operative to navigate through these challenging times and shape a sustainable future for our shareholders.

### OPERATIONAL FOCUS AND STRATEGY

Our strategic priorities remain on strengthening the fundamentals, including delivering improved service to our customers and members while maintaining disciplined cost control.



We are actively aligning pricing to market conditions, maximising the capabilities of the Dynamics 365 platform, and expanding our portfolio of own-brand and exclusive products, including the LeVivi and TIVA ranges.

During the half year, NZPM continued to implement a cost-reduction programme that has already delivered material savings, largely within employee costs and operational overheads.

The Co-operative is actively managing its balance sheet through close management of inventory levels, tight credit control, sale and leaseback of the Kingsland property, and the successful renewal of our Westpac banking facility through to December 2027.

### DIVIDEND AND CAPITAL MANAGEMENT

Due to the reduced level of earnings and the need to preserve and build resilience in our balance sheet, the company determined that it was not appropriate to declare a Co-operative Dividend to Ordinary Shareholders during the period. The decision was not taken lightly and impacted our revenue with some loss of market share. The company took the decision to preserve the long-term stability of the Co-operative.

As part of maintaining prudent liquidity, the company temporarily suspended the acceptance of surrender notices

for Ordinary Shares and deferred payment for redeemed Redeemable Preference Shares. These steps, while difficult, were made to protect the financial resilience of the Co-operative and ensure compliance with banking covenants and solvency requirements. We continue to pay dividends to Redeemable Preference Shareholders which are offered at a rate that we believe fairly rewards our investors.

We expect that the company will continue its pause on Ordinary Share surrenders and Redeemable Preference Share redemption payments until at least mid-2026.

### LEADERSHIP AND GOVERNANCE

During the period, Brett Cruickshank was appointed Chief Executive Officer. Under Brett's leadership, the management team has been scaled back and repositioned to bring new focus to customer engagement. Along with Karin Cunningham (Chief Commercial Officer), Brett is actively out meeting with our customers and our people to seek and respond to feedback to improve experience and performance.

At the governance level, Reuben Cutts retired from the NZPM Board to take up the Northern Regional Manager role within Plumbing World and Kirstie Brown was elected a director to meet the company constitution's minimum requirement of five elected directors. As Kirstie Brown was our sole Future Governance Appointee, NZPM will commence the process of selecting a new Future Governance Appointee in the first quarter of 2026.

### OUTLOOK

The trading environment remains challenging, with ongoing pressure from lower construction activity, tight liquidity across the sector, and continued pricing competition.

Nevertheless, the Board and management team remain confident that the actions we are taking position the business to improve financial and operating performance through disciplined cost control, refined operational efficiency, and improved customer engagement.

We deeply appreciate that you have choices about where to shop and who to support, and we will continue to work hard to earn your loyalty. The strength of a co-operative lies in the collective support of its people and the difference that support can make. Together, we can deliver a sustainable future for our Co-operative.



Kathy Meads,  
NZPM Chair

## NZPM REDEEMABLE PREFERENCE SHARE TRADING EVENT

**26th – 28th November 2025**

Contact [shares@nzpm.co.nz](mailto:shares@nzpm.co.nz) for more info



**NZPM CO-OPERATIVE LIMITED****\*Extract**

Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income  
For the six months ended 30 September 2025

|                                                                                      | Notes | Unaudited<br>6 months to<br>30 Sep 2025<br>\$'000 | Unaudited<br>6 months to<br>30 Sep 2024<br>\$'000 | Audited<br>12 months to<br>31 Mar 2025<br>\$'000 |
|--------------------------------------------------------------------------------------|-------|---------------------------------------------------|---------------------------------------------------|--------------------------------------------------|
| Sales revenue                                                                        |       | 135,226                                           | 159,455                                           | 295,864                                          |
| Cost of goods sold                                                                   |       | (96,772)                                          | (112,869)                                         | (210,659)                                        |
| <b>Gross profit</b>                                                                  |       | <b>38,454</b>                                     | <b>46,586</b>                                     | <b>85,205</b>                                    |
| Other operating income                                                               | 1     | 57                                                | 271                                               | 235                                              |
| Share of results of associates                                                       |       | 29                                                | (126)                                             | 41                                               |
| Administration expenses                                                              |       | (7,365)                                           | (6,989)                                           | (14,199)                                         |
| Other operating expenses and ERP system transition costs                             | 2     | (32,403)                                          | (37,295)                                          | (70,281)                                         |
| <b>Earnings before finance costs, dividends and tax</b>                              |       | <b>(1,228)</b>                                    | <b>2,447</b>                                      | <b>1,001</b>                                     |
| Finance income                                                                       |       | 48                                                | 97                                                | 156                                              |
| Finance cost                                                                         |       | (2,042)                                           | (2,146)                                           | (4,160)                                          |
| Co-operative dividends and redeemable preference share dividends                     | 3     | (600)                                             | (5,231)                                           | (5,885)                                          |
| <b>Loss before income tax</b>                                                        |       | <b>(3,822)</b>                                    | <b>(4,833)</b>                                    | <b>(8,888)</b>                                   |
| Income tax income / (expense)                                                        |       | 991                                               | (171)                                             | 640                                              |
| <b>Loss for the period</b>                                                           |       | <b>(2,831)</b>                                    | <b>(5,004)</b>                                    | <b>(8,248)</b>                                   |
| <b>Other comprehensive income for the period</b>                                     |       |                                                   |                                                   |                                                  |
| <b>Items that may be classified subsequently to profit and loss:</b>                 |       |                                                   |                                                   |                                                  |
| (Loss) / Gain from foreign exchange differences on translation of foreign operations |       | (2)                                               | (10)                                              | 35                                               |
| <b>Other comprehensive (loss) / gain for the period</b>                              |       | <b>(2)</b>                                        | <b>(10)</b>                                       | <b>35</b>                                        |
| <b>Total comprehensive loss for the period</b>                                       |       | <b>(2,833)</b>                                    | <b>(5,014)</b>                                    | <b>(8,213)</b>                                   |

\* **Extract** - this statement has been extracted from the NZPM Co-operative Limited consolidated interim financial statements for the 6 months ended 30 September 2025. The full report is available at [nzpm.co.nz/investor-centre](https://nzpm.co.nz/investor-centre).

**NZPM CO-OPERATIVE LIMITED**

Consolidated Interim Balance Sheet  
As at 30 September 2025

**\*Extract**

|                                               | Notes | Unaudited<br>30 Sep 2025<br>\$'000 | Unaudited<br>30 Sep 2024<br>\$'000 | Audited<br>31 Mar 2025<br>\$'000 |
|-----------------------------------------------|-------|------------------------------------|------------------------------------|----------------------------------|
| <b>Current assets</b>                         |       |                                    |                                    |                                  |
| Cash and cash equivalents                     |       | -                                  | 674                                | 1,459                            |
| Trade and other receivables                   |       | 31,019                             | 32,827                             | 36,055                           |
| Right to returned goods asset                 |       | 1,002                              | 1,362                              | 1,292                            |
| Inventories                                   |       | 48,303                             | 53,137                             | 50,687                           |
| Derivative financial instruments              |       | 54                                 | 22                                 | 60                               |
| Taxation refundable                           |       | 1,404                              | -                                  | 504                              |
| <b>Total current assets</b>                   |       | <b>81,782</b>                      | <b>88,022</b>                      | <b>90,057</b>                    |
| <b>Non-current assets</b>                     |       |                                    |                                    |                                  |
| Property, plant and equipment                 |       | 10,080                             | 16,498                             | 15,763                           |
| Intangible assets                             |       | 7,990                              | 8,126                              | 8,134                            |
| Investment in associate                       |       | 787                                | 717                                | 761                              |
| Right-of-use assets                           |       | 40,736                             | 49,985                             | 44,579                           |
| Deferred taxation                             |       | 7,536                              | 7,691                              | 7,859                            |
| <b>Total non-current assets</b>               |       | <b>67,129</b>                      | <b>83,017</b>                      | <b>77,096</b>                    |
| Non-current asset classified as held for sale | 4     | 5,279                              | -                                  | -                                |
| <b>Total assets</b>                           |       | <b>154,190</b>                     | <b>171,039</b>                     | <b>167,153</b>                   |
| <b>Current liabilities</b>                    |       |                                    |                                    |                                  |
| Bank overdraft                                |       | 102                                | -                                  | -                                |
| Trade and other payables                      |       | 27,326                             | 29,828                             | 30,263                           |
| Refund liability                              |       | 1,410                              | 1,948                              | 1,830                            |
| Contract liabilities                          |       | 1,700                              | 1,981                              | 1,637                            |
| Provisions                                    |       | 3,536                              | 4,542                              | 3,606                            |
| Lease liabilities                             |       | 8,103                              | 8,278                              | 8,234                            |
| Taxation payable                              |       | -                                  | 251                                | -                                |
| Derivative financial instruments              |       | 188                                | 203                                | 130                              |
| <b>Total current liabilities</b>              |       | <b>42,365</b>                      | <b>47,031</b>                      | <b>45,700</b>                    |
| <b>Non-current liabilities</b>                |       |                                    |                                    |                                  |
| Loans and borrowings                          |       | 16,900                             | 14,700                             | 20,300                           |
| Provisions                                    |       | 860                                | 812                                | 932                              |
| Lease liabilities                             |       | 38,897                             | 47,181                             | 42,524                           |
| Co-operative share capital                    |       | 38,370                             | 38,485                             | 38,066                           |
| <b>Total non-current liabilities</b>          |       | <b>95,027</b>                      | <b>101,178</b>                     | <b>101,822</b>                   |
| <b>Total liabilities</b>                      |       | <b>137,392</b>                     | <b>148,209</b>                     | <b>147,522</b>                   |
| <b>Net assets</b>                             |       | <b>16,798</b>                      | <b>22,830</b>                      | <b>19,631</b>                    |
| <b>Equity</b>                                 |       |                                    |                                    |                                  |
| Reserves                                      |       | 79                                 | 36                                 | 81                               |
| Retained earnings                             |       | 16,719                             | 22,794                             | 19,550                           |
| <b>Total equity</b>                           |       | <b>16,798</b>                      | <b>22,830</b>                      | <b>19,631</b>                    |

**\* Extract** - this statement has been extracted from the NZPM Co-operative Limited consolidated interim financial statements for the 6 months ended 30 September 2025. The full report is available at [nzpm.co.nz/investor-centre](https://nzpm.co.nz/investor-centre).

**NZPM CO-OPERATIVE LIMITED**

Consolidated Interim Statement of Cash Flows  
For the six months ended 30 September 2025

**\*Extract**

|                                                               | Notes | Unaudited<br>6 months to<br>30 Sep 2025<br>\$'000 | Unaudited<br>6 months to<br>30 Sep 2024<br>\$'000 | Audited<br>12 months to<br>31 Mar 2025<br>\$'000 |
|---------------------------------------------------------------|-------|---------------------------------------------------|---------------------------------------------------|--------------------------------------------------|
| <b>Operating activities:</b>                                  |       |                                                   |                                                   |                                                  |
| Receipts from customers                                       |       | 137,345                                           | 160,228                                           | 295,954                                          |
| Interest received                                             |       | 13                                                | 97                                                | 156                                              |
| Dividends received from associates                            |       | -                                                 | 165                                               | 165                                              |
| Income tax refund                                             |       | 414                                               | -                                                 | -                                                |
| Other income                                                  |       | 57                                                | 106                                               | 238                                              |
|                                                               |       |                                                   |                                                   |                                                  |
| Payments to suppliers and employees                           |       | (129,147)                                         | (147,503)                                         | (281,156)                                        |
| Income tax paid                                               |       | -                                                 | (2,094)                                           | (2,206)                                          |
| Interest paid on borrowings                                   |       | (461)                                             | (388)                                             | (871)                                            |
| Interest paid on lease liabilities                            |       | (1,447)                                           | (1,584)                                           | (3,089)                                          |
| Dividends paid to shareholders                                |       | (242)                                             | (4,610)                                           | (4,847)                                          |
| <b>Net cash inflows from operating activities</b>             |       | <b>6,532</b>                                      | <b>4,417</b>                                      | <b>4,344</b>                                     |
|                                                               |       |                                                   |                                                   |                                                  |
| <b>Investing activities:</b>                                  |       |                                                   |                                                   |                                                  |
| Proceeds from sale of property, plant and equipment           |       | 107                                               | 21                                                | 36                                               |
| Investment in associate                                       |       | -                                                 | (127)                                             | (127)                                            |
| Purchase of intangible assets                                 |       | (51)                                              | (388)                                             | (576)                                            |
| Purchase of property, plant and equipment                     |       | (785)                                             | (394)                                             | (781)                                            |
| <b>Net cash outflows from investing activities</b>            |       | <b>(729)</b>                                      | <b>(888)</b>                                      | <b>(1,448)</b>                                   |
|                                                               |       |                                                   |                                                   |                                                  |
| <b>Financing activities:</b>                                  |       |                                                   |                                                   |                                                  |
| Issue of new shares                                           |       | 933                                               | 1,221                                             | 2,584                                            |
| Proceeds from loans and borrowings                            |       | -                                                 | 1,500                                             | 7,100                                            |
| Share payments                                                |       | (932)                                             | (2,362)                                           | (4,562)                                          |
| Loans and borrowings repayments                               |       | (3,400)                                           | -                                                 | -                                                |
| Lease liability payments                                      |       | (3,965)                                           | (4,191)                                           | (7,536)                                          |
| <b>Net cash outflows from financing activities</b>            |       | <b>(7,364)</b>                                    | <b>(3,832)</b>                                    | <b>(2,414)</b>                                   |
|                                                               |       |                                                   |                                                   |                                                  |
| <b>Net (decrease) / increase in cash and cash equivalents</b> |       | <b>(1,561)</b>                                    | <b>(302)</b>                                      | <b>482</b>                                       |
| Cash and cash equivalents at beginning of year                |       | 1,459                                             | 977                                               | 977                                              |
| <b>Cash and cash equivalents at end of period</b>             |       | <b>(102)</b>                                      | <b>674</b>                                        | <b>1,459</b>                                     |

\* **Extract** - this statement has been extracted from the NZPM Co-operative Limited consolidated interim financial statements for the 6 months ended 30 September 2025. The full report is available at [nzpm.co.nz/investor-centre](https://nzpm.co.nz/investor-centre).



## NZPM CO-OPERATIVE LIMITED

Notes to the Consolidated Interim Financial Statements  
For the six months ended 30 September 2025

\*Extract

### 1. OTHER OPERATING INCOME

|                               | Unaudited<br>6 months to<br>30 Sep 2025<br>\$'000 | Unaudited<br>6 months to<br>30 Sep 2024<br>\$'000 | Audited<br>12 months to<br>31 Mar 2025<br>\$'000 |
|-------------------------------|---------------------------------------------------|---------------------------------------------------|--------------------------------------------------|
| Other operating income        | 57                                                | 271                                               | 235                                              |
| <b>Total operating income</b> | <b>57</b>                                         | <b>271</b>                                        | <b>235</b>                                       |

### 2. OTHER OPERATING EXPENSES AND ERP SYSTEM TRANSITION COSTS

|                                                                                        | Unaudited<br>6 months to<br>30 Sep 2025<br>\$'000 | Unaudited<br>6 months to<br>30 Sep 2024<br>\$'000 | Audited<br>12 months to<br>31 Mar 2025<br>\$'000 |
|----------------------------------------------------------------------------------------|---------------------------------------------------|---------------------------------------------------|--------------------------------------------------|
| <i>Other operating expenses and ERP system transition costs include the following:</i> |                                                   |                                                   |                                                  |
| Employee expense                                                                       | 25,225                                            | 25,830                                            | 49,996                                           |
| Employee expense incurred for the ERP system transition                                | -                                                 | 1,343                                             | 1,862                                            |
| ERP system transition costs (excluding internal wages and salaries)                    | -                                                 | 2,540                                             | 4,082                                            |
| Depreciation and amortisation expense                                                  | 5,458                                             | 5,615                                             | 10,956                                           |

### 3. CO-OPERATIVE DIVIDENDS AND REDEEMABLE PREFERENCE SHARE DIVIDENDS

|                                                                           | Unaudited<br>6 months to<br>30 Sep 2025<br>\$'000 | Unaudited<br>6 months to<br>30 Sep 2024<br>\$'000 | Audited<br>12 months to<br>31 Mar 2025<br>\$'000 |
|---------------------------------------------------------------------------|---------------------------------------------------|---------------------------------------------------|--------------------------------------------------|
| <i>Amounts recognised as distributions to shareholders in the period:</i> |                                                   |                                                   |                                                  |
| Dividends on redeemable preference shares                                 | 600                                               | 745                                               | 1,399                                            |
| Co-operative dividends on ordinary shares                                 | -                                                 | 4,486                                             | 4,486                                            |
| <b>Total co-operative dividends and dividends</b>                         | <b>600</b>                                        | <b>5,231</b>                                      | <b>5,885</b>                                     |

On 9 June 2025, the directors have resolved not to pay a co-operative dividend to ordinary shareholders in relation to the year ended 31 March 2025.

### 4. NON-CURRENT ASSET HELD FOR SALE

NZPM owned a property in Kingsland which is tenanted by Plumbing World Limited. On 19 September 2025, the Group entered into an unconditional sale and purchase agreement to sell the property for \$5.3 million. The agreement settled in October 2025. Plumbing World entered into a subsequent agreement to lease back this property from the buyer for an initial term of 9 years 8 months. As at 30 September 2025, the Kingsland property is classified as a Non-Current Asset Held for Sale.

\* **Extract** - this statement has been extracted from the NZPM Co-operative Limited consolidated interim financial statements for the 6 months ended 30 September 2025. The full report is available at [nzpm.co.nz/investor-centre](http://nzpm.co.nz/investor-centre).



**NZPM's Statement of Purpose**

Delivering Sustainable Shareholder Value



AQUASOURCE

plumbingworld



metrix

Part of our NZPM co-operative