“building **excellence** in materials supply”

Plumbing & Heating Merchant Index

May 2022

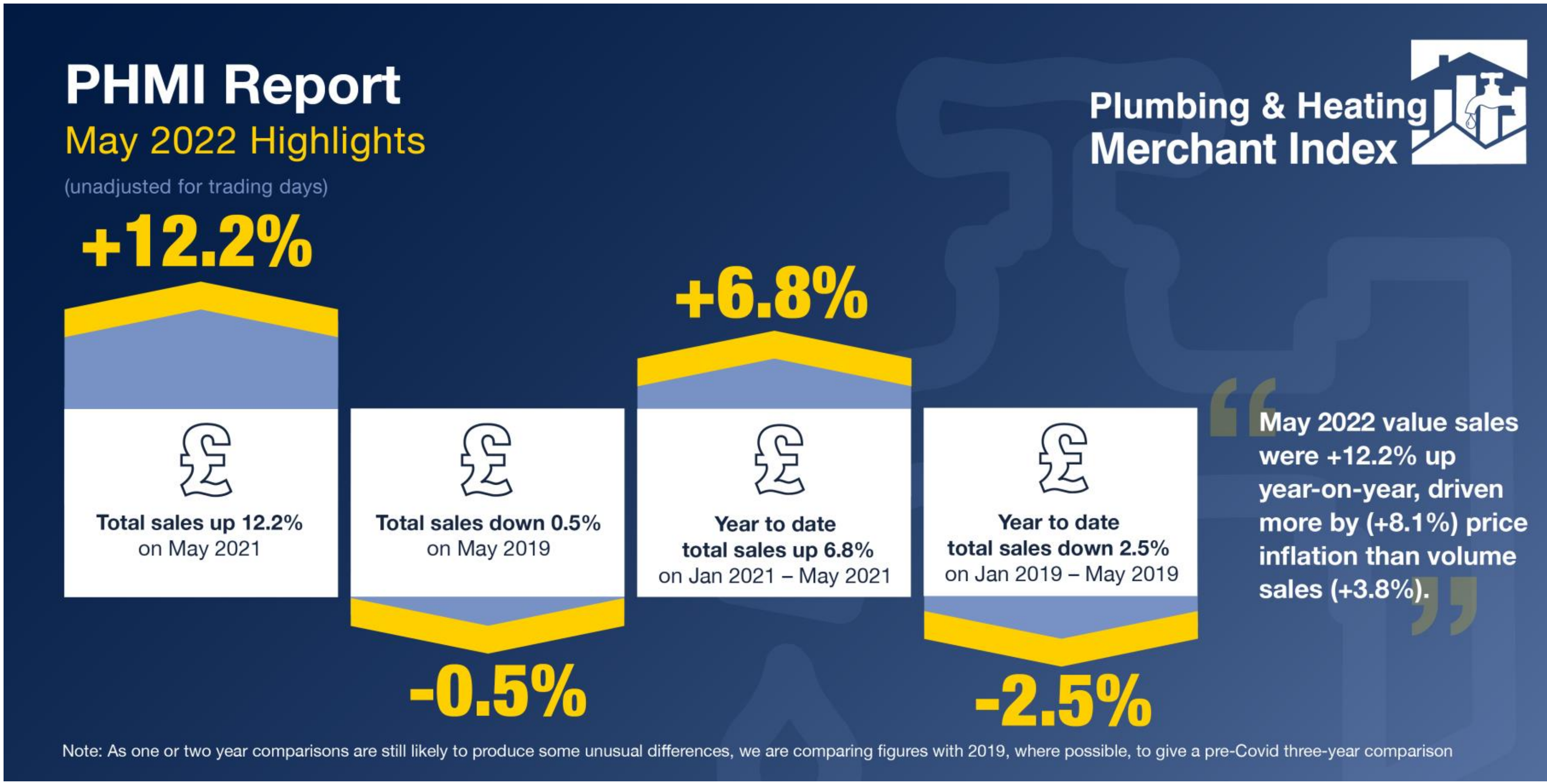
(Published 20 July 2022)

A Builders Merchant Building Index Publication

Highlights:

Plumbing & Heating Merchant Index

Plumbing & Heating Merchants value sales in May 2022 were +12.2% higher than in May last year. However, growth came mainly from higher prices (+8.1%), with volume sales up +3.8%. Read the full Overview on page 5.



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Plumbing & Heating Merchant Index

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Introduction:

Plumbing & Heating Merchant Index

This Plumbing & Heating Merchant Index (PHMI) report contains data from GfK's ground-breaking Plumbing & Heating Merchants Panel, which analyses data from over 80% of Plumbing & Heating merchants' sales throughout Great Britain, accounting for about £3bn. There is no overlap or double counting between PHMI and Builders Merchant Building Index (BMBI).

GfK's Plumbing & Heating Point of Sale Tracking Data is a gold standard in reliable market trends. Unlike data from sources based on relatively small samples or estimates, or sales from suppliers to the supply chain, this up-to-date data is based on actual sales from specialist plumbing & heating merchants. It is, in effect, the market.

Currently, data is available by total monthly value sales and the series tracks what is happening in the plumbing and heating market month by month. PHMI Index data is calculated against the base period January 2019 to December 2019. This trend series gives the industry access to far more accurate insights than has been available.

MRA Research produces the Plumbing & Heating Merchant Index, a brand of the BMF (Builders Merchants Federation), to provide reliable data, and a platform and voice for this important industry and for leading plumbing and heating brands to communicate to the wider market.

PHMI Experts
Plumbing & Heating brands who are interested in becoming PHMI Experts, speaking for their markets and building their brands, should contact Ralph Sutcliffe: ralph@mra-research.co.uk

More data available
This PHMI report provides valuable top-level indices but there's considerably more data available. GfK insights go much deeper and can quantify market values and drill down into contributing categories, tracing product group performance, to focus on aspects that are critical to you.

GfK can produce like-for-like market comparability tailored to the requirements of an individual business. Merchants or suppliers who are interested in acquiring data or getting involved should contact Emile van der Ryst at emile.van-der-ryst@gfk.com.

Overview and Insights - 1

Plumbing & Heating Merchant Index

Plumbing & Heating Merchants' May value sales up 12.2%. Volume up 3.8%, prices up 8.1%

Total plumbing and heating value sales, from over 70% of specialist Plumbing & Heating Merchants throughout Great Britain, were +12.2% higher in May 2022 than in May 2021, driven more by price inflation (+8.1%) than volume (+3.8%). There was one more trading day this year (page 8). Like-for-like sales (which take trading day differences into account) were +6.6% higher.

Compared with 3 years ago (pre-Covid), total sales in April were flat (-0.5%), with one less trading day this year. Like-for-like sales were +4.5% higher.

Sales in May 2022 were +7.1% higher than in April 2022, driven by volume (+8.0%) rather than price inflation (-0.8%), with one more trading day this month. Like-for-like sales were +1.8% higher.

May's PHMI index was 97.1, with one less trading day this year (page 10). The like-for-like sales index was 100.3

Value sales in the three months March to May 2022 were up +5.9% compared with the same three months last year, driven by price inflation of +8.8% with volume down -2.7%, with no difference in trading days (page 11).

Compared with the same months three years ago, sales in March 2022 to May 2022 were flat (-0.4%), with no difference in trading days.

Sales in March to May were +10.3% higher than in the preceding three months, driven mainly by volume (+10.6%) than price (-0.4%) and five more trading days in the most recent period. Like-for-like sales were 1.4% higher.

Year-to-date sales, January 2022 to May 2022 were +6.8% higher than last year's but, with price inflation of +7.5% volume was down -0.7%, with no difference in trading days.

Year to date, January to May 2022 value sales were -2.5% lower compared to three years ago, January 2019 to May 2019. With two less trading days in the most recent period, like-for-like sales were -0.6% lower.

Sales in the last 12 months, June 2021 to May 2022 were +0.9% higher than in the previous year. With one less trading day in the most recent period, like-for-like sales were +1.3% higher (page 13). Volume was down -5.8% with price inflation of +7.1%.

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Total plumbing and heating sales, from over 70% of specialist Plumbing & Heating Merchants throughout Great Britain, were +12.2% higher in May than in May 2021, driven more by price inflation (+8.1%) than volume (+3.8%).

Overview and Insights - 2

Plumbing & Heating Merchant Index

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This month we can see the effects of recent changes to the composition of the PHMI. Currently, the plumbing and heating merchant sector is settling down after a bout of intense M&A activity. We expect more merchants to contribute data, and coverage to grow, once these structural changes have worked themselves through.

As a result of changes in ownership, and new group formation, some merchants have left, and some joined the PHMI. The net effect in those contributing sales data to GfK's merchant panel is a reduction in national branch coverage from 81% to 73% of the market, still the bulk of the market. The composition of companies contributing sales data is set out on (page 16).

An unexpected effect of the changes, is that companies contributing sales data in the PHMI appear to be growing faster than the market as a whole. M&A activity and new group formation is inherently disruptive, so perhaps that is not surprising in the short to medium term. GfK will be reviewing trends, but after the upheaval from Covid and the bounce back, and now this structural change, we expect the trends to stabilise.

The net effect in those contributing sales data to GfK's merchant panel is a reduction in national branch coverage from 81% to 73% of the market, still the bulk of the market.

Monthly and 3-monthly

Year-on-year: June 2021 to May 2022

Plumbing & Heating Merchant Index

Source: GfK's Builders Merchants Total Category Report January 2019 to May 2022

Jun 21	Jul 21	Aug 21	Three months
18.5%	0.4%	-3.3%	4.5%
Sep 21	**Oct 21**	**Nov 21**	**Three months**
-8.4%	-12.9%	-1.2%	-7.5%
Dec 21	**Jan 22**	**Feb 22**	**Three months**
-8.7%	8.7%	7.7%	2.8%
Mar 22	**Apr 22**	**May 22**	**Three months**
5.7%	0.0%	12.2%	5.9%

Plumbing & Heating Merchants value sales in May 2022 were 12.2% higher than in May 2021.

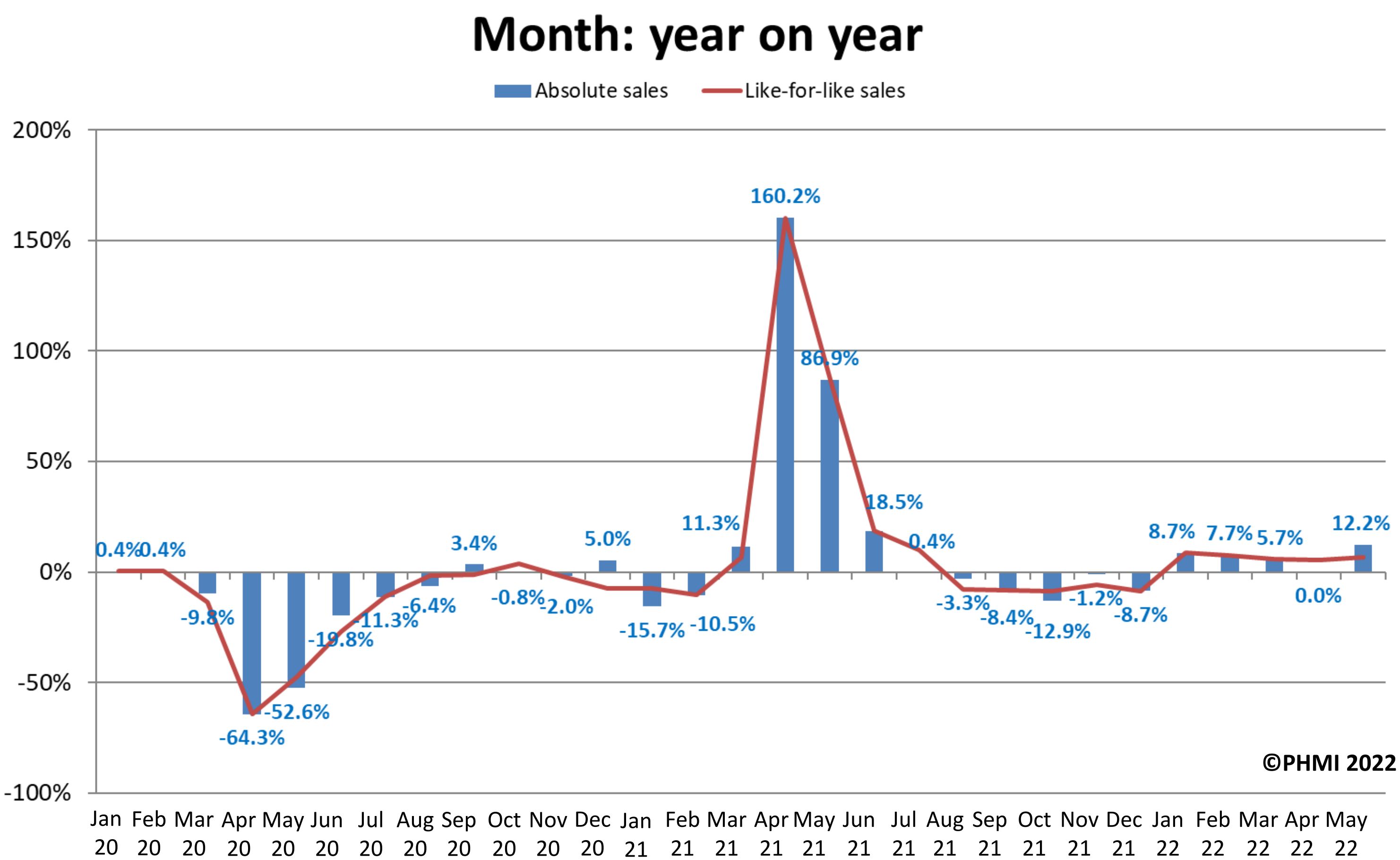
The three months March to May 2022 were 5.9% higher than the same three months a year earlier.

Monthly: This Year v Last Year

Absolute and like-for-like sales*

One more trading day in May 2022 compared with May 2021. Like-for-like sales take trading day differences into account.

Plumbing & Heating Merchant Index



Source: GfK's Builders Merchants Total Category Report January 2019 to May 2022

Values shown for absolute sales

Sales in May 2022 were 12.2% higher than in May 2021. Driven more by price inflation (+8.1%) than volume (+3.8%).

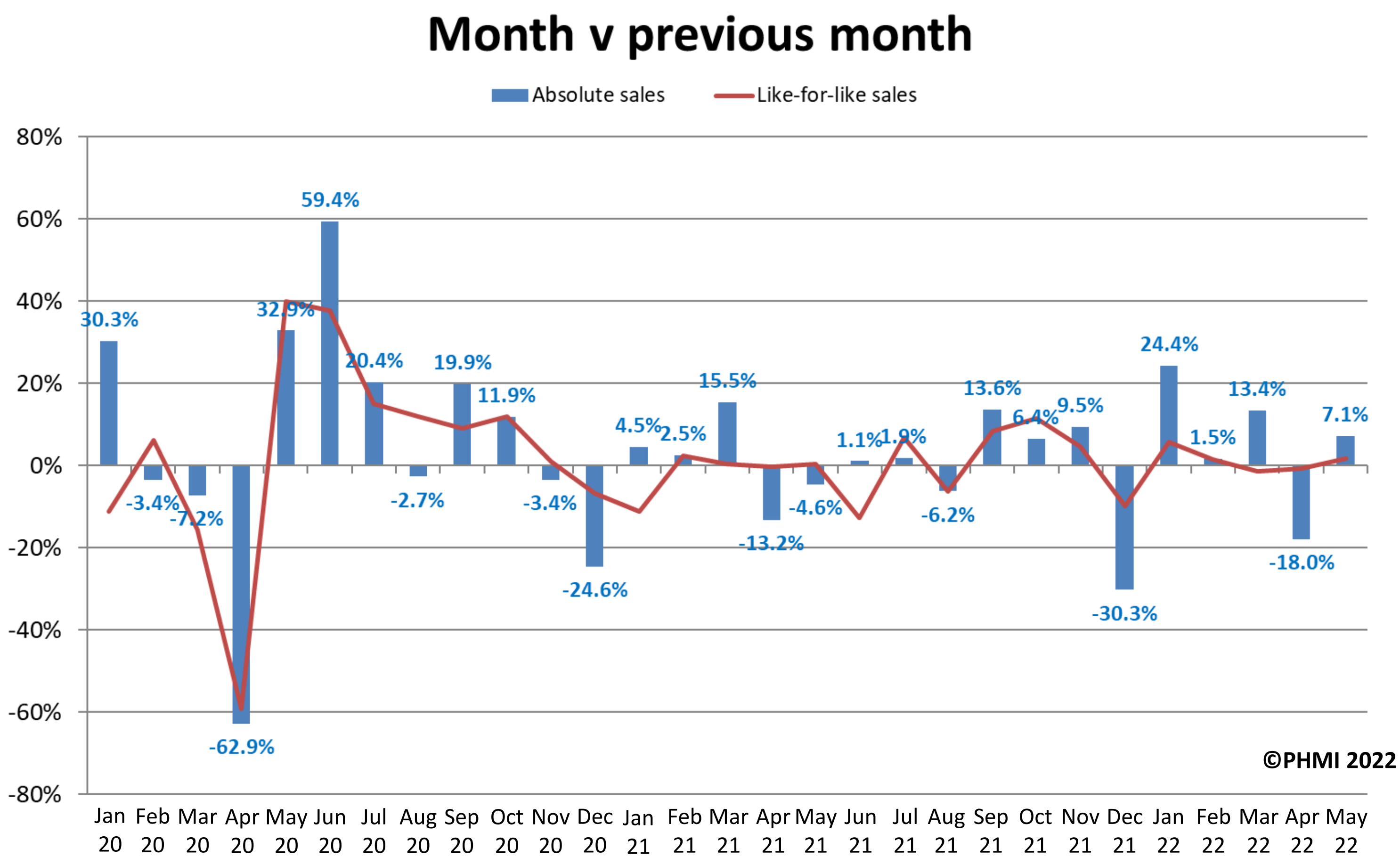
*Some merchants temporarily closed branches between March and May 2020 and this will have affected trading day comparisons.

Monthly: Month v previous month

Absolute and like-for-like sales*

Plumbing & Heating Merchant Index

One more trading day in May compared with April. Like-for-like sales take trading day differences into account.



Source: GfK's Builders Merchants Total Category Report January 2019 to May 2022

Values shown for absolute sales

Growth came entirely from higher volume (+8.0%), as there was no price inflation (-0.8%), marginally down. Sales in May 2022 were +7.1% higher than in April 2022.

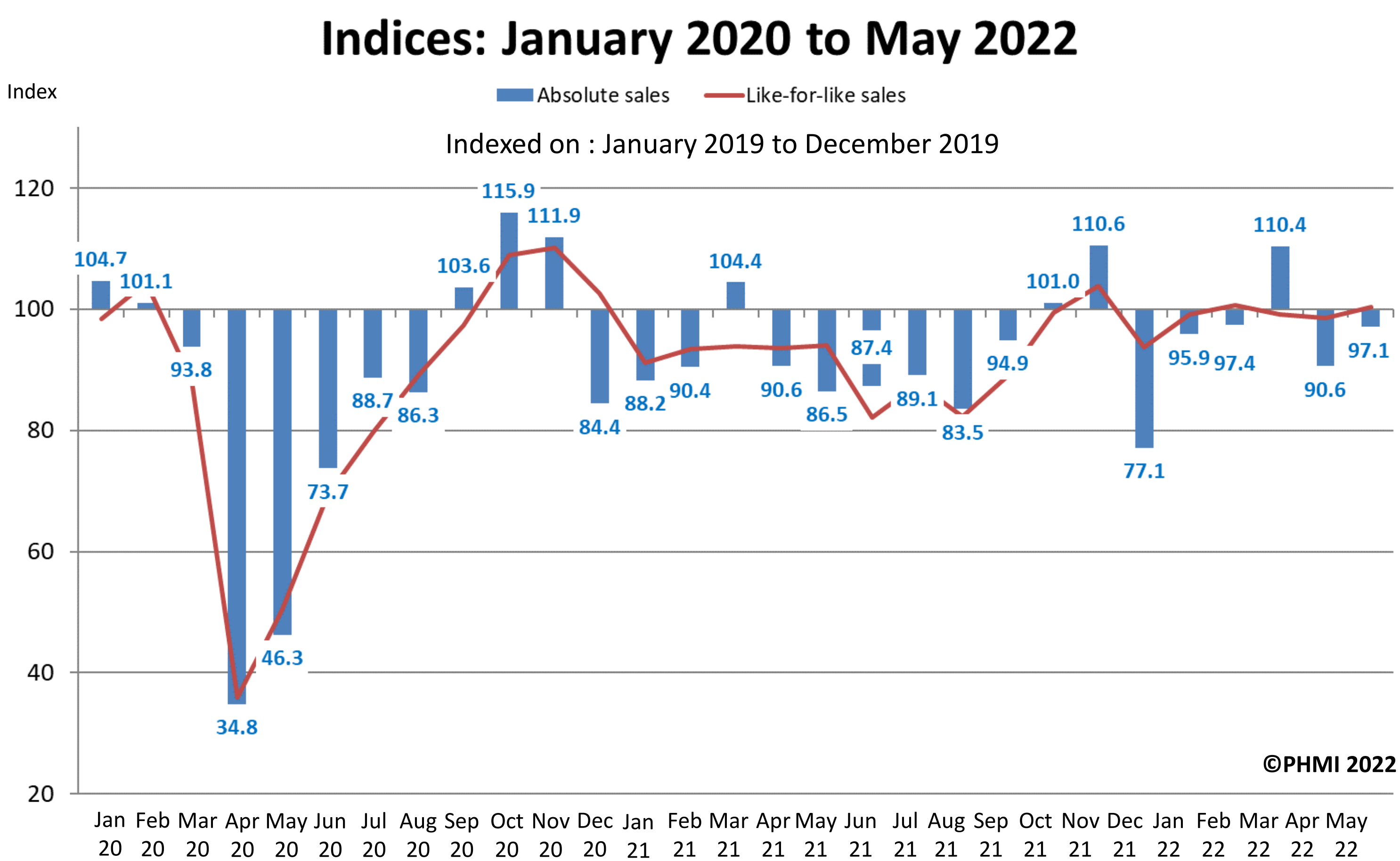
*Some merchants temporarily closed branches between March and May 2020 and this will have affected trading day comparisons.

Monthly: Index

Absolute and like-for-like sales index*

One more trading day in May 2022. Like-for-like sales take trading day differences into account.

Plumbing & Heating Merchant Index



Source: GfK's Builders Merchants Total Category Report January 2019 to May 2022

Values shown for absolute sales

May's PHMI Index (97.1) showed a small improvement compared with April.

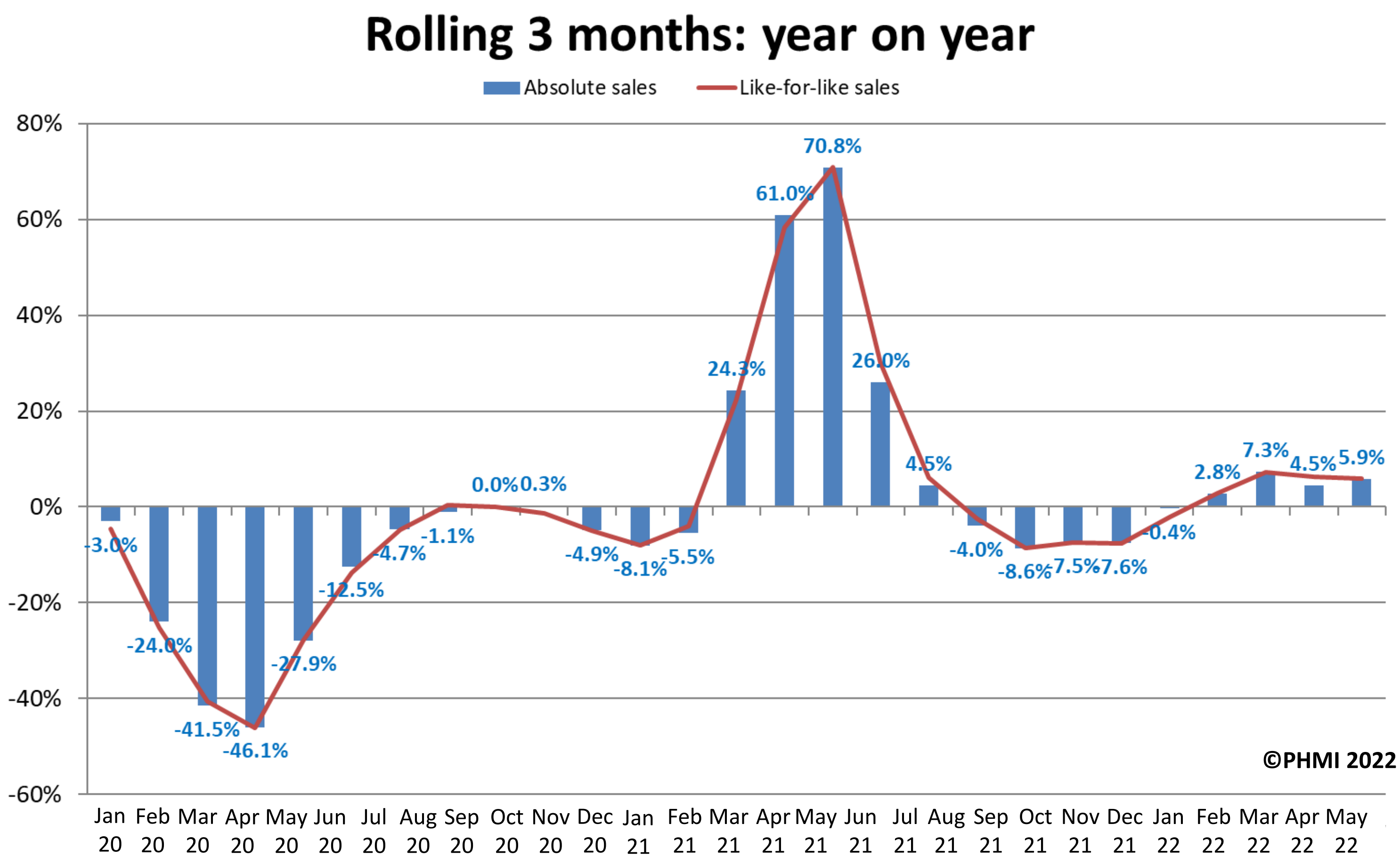
*Some merchants temporarily closed branches between March and May 2020 and this will have affected trading day comparisons.

Rolling 3-months: This year v last year

Absolute and like-for-like sales*

Plumbing & Heating Merchant Index

No difference in trading days in March to May 2022 compared with March to May 2021.



Source: GfK's Builders Merchants Total Category Report January 2019 to May 2022

Values shown for absolute sales

Sales in the three months March to May 2022 were 5.9% higher than the same months last year – driven more by price inflation (+8.8%) than volume (-2.7%)

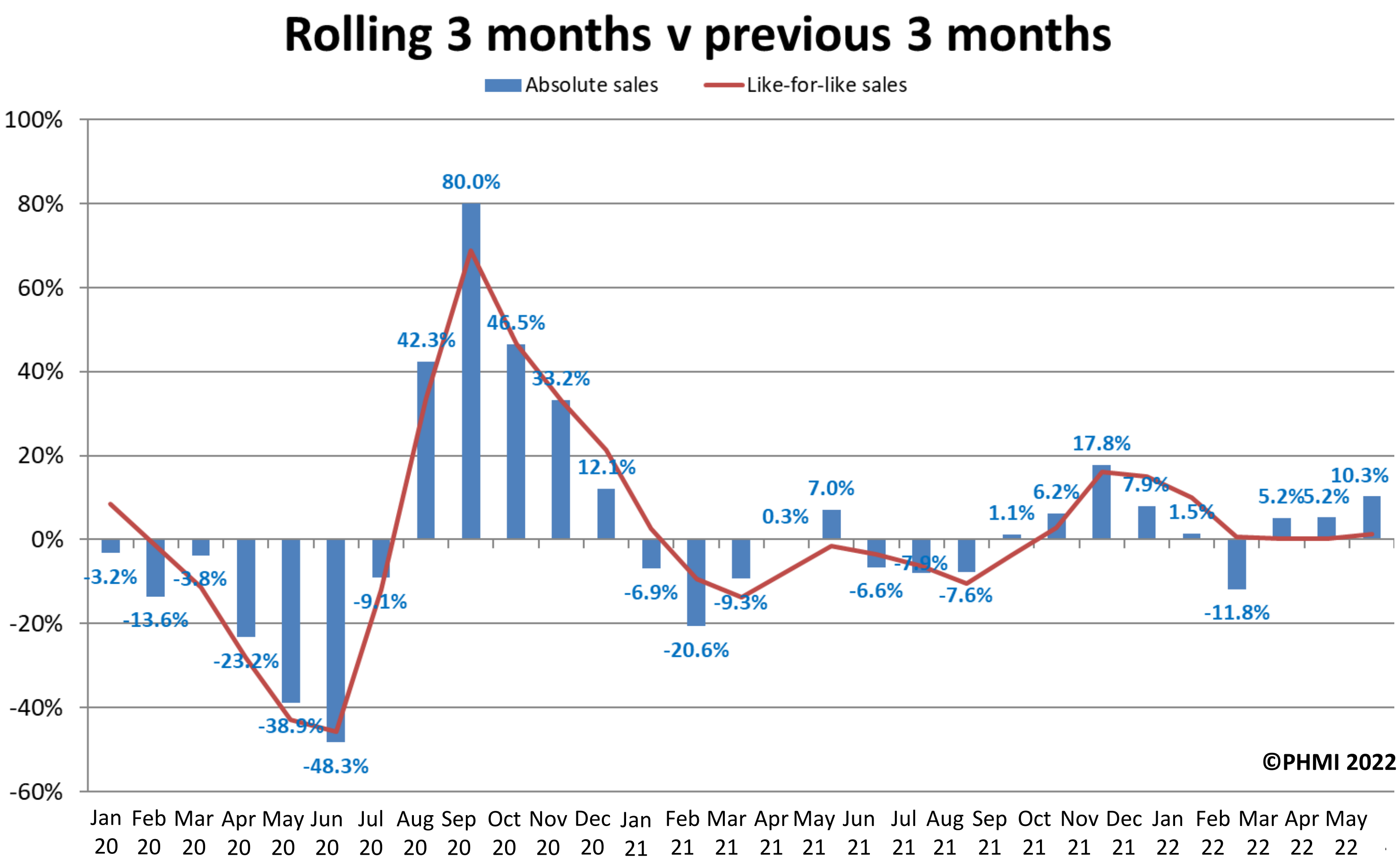
*Some merchants temporarily closed branches between March and May 2020 and this will have affected trading day comparisons.

Rolling 3-months: v previous 3 months

Absolute and like-for-like sales*

Plumbing & Heating Merchant Index

Five more trading days in March to May 2022 compared with December 2021 to February 2022. Like-for-like sales take trading day differences into account.



Source: GfK's Builders Merchants Total Category Report January 2019 to May 2022

Values shown for absolute sales

Sales in March to May were +10.3% higher than in the preceding three months, driven by volume (+10.6%) than price inflation (-0.4%). Helped by five more trading days in the most recent period.

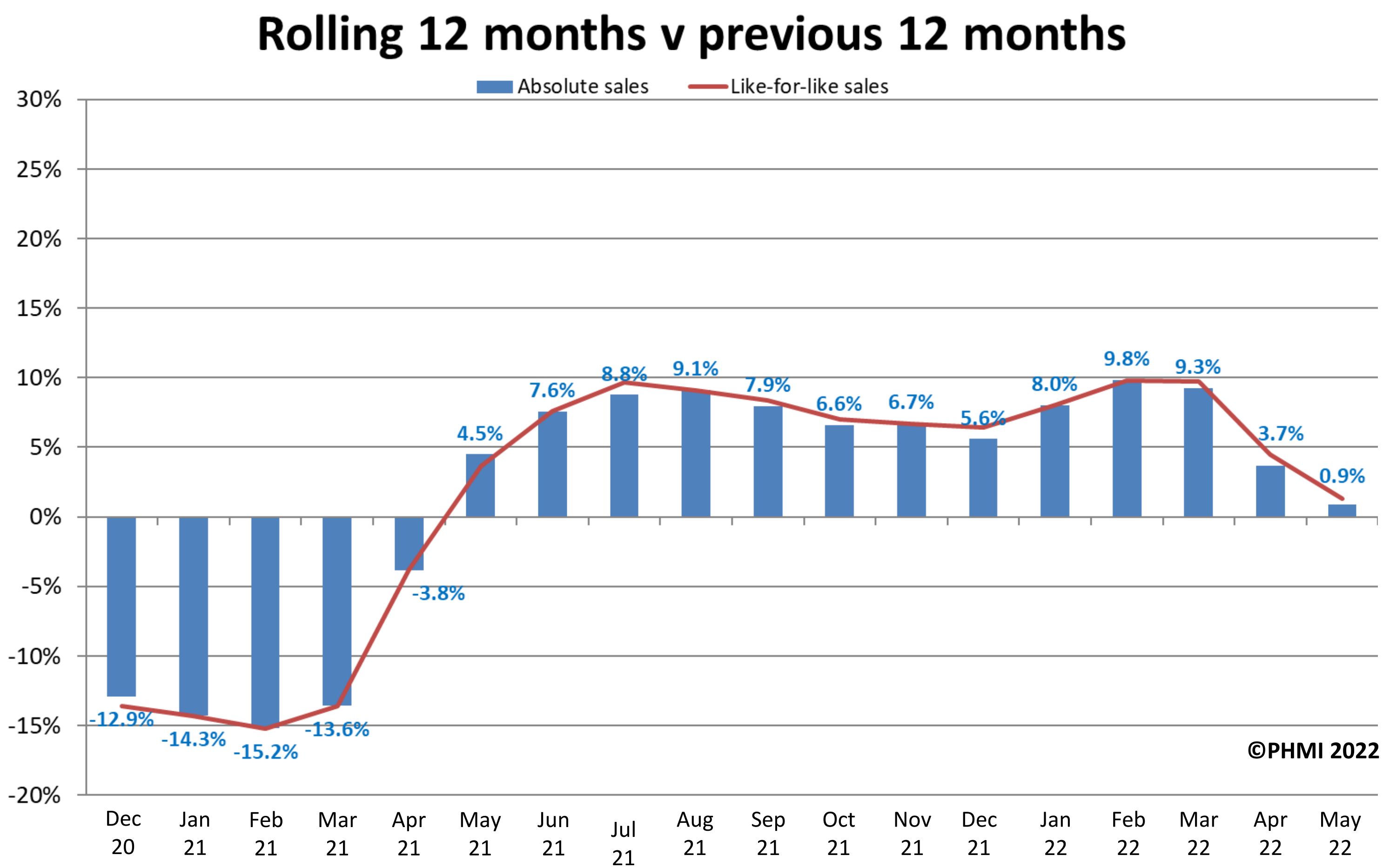
*Some merchants temporarily closed branches between March and May 2020 and this will have affected trading day comparisons.

Last 12 months: Year on year

Absolute sales index and like-for-like sales index*

One less trading day in June 2021 to May 2022 compared with June 2020 to May 2021.
Like-for-like sales take trading day differences into account.

Plumbing & Heating Merchant Index



Source: GfK's Builders Merchants Total Category Report January 2019 to May 2022

Values shown for absolute sales

Sales in the twelve months to May 2022 were 0.9% higher than in covid-affected June 2020 to May 2021. Volume was down (-5.8%) with price inflation of (+7.1%).

*Some merchants temporarily closed branches between March and May 2020 and this will have affected trading day comparisons.

PHMI Trading Days

Plumbing & Heating Merchant Index

Source: GfK's Builders Merchants Total Category Report January 2019 to May 2022

Monthly
Index: 20.8

	Jan	Feb	Mar*	Apr*	May*	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2020	22	20	22	20	19	22	23	20	22	22	21	17

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2021	20	20	23	20	19	22	21	21	22	21	22	17
2022	20	20	23	19	20							

Quarterly
Index: 62.3

	Q1	Q2	Q3	Q4
2020	64	61	65	60
2021	63	61	64	60
2022	63			

Half Year

	H1	H2
2020	125	125
2021	124	124
2022		

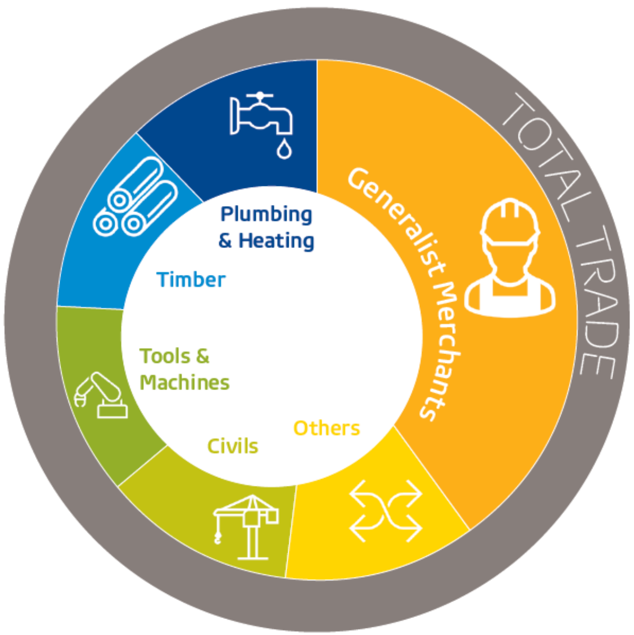
Full Year

	Full Year
2020	250
2021	248
2022	

*Due to the Covid-19 pandemic, some merchants temporarily closed branches in the period March to May 2020, hence their trading days may have differed from the standard numbers shown above.

Plumbing & Heating channel definition and merchants

Plumbing & Heating Merchant Index



Plumbing Specialists

Plumbing & Hardware Specialists are small outlets handling nails, hardware products, pipes, ironware, paint, faucets, sanitary products, bathroom accessories, ceramic tiles and heating equipment such as boilers, radiators & heating controls.

Their main turnover is generated with product groups such as installation, paint & plumbing/hardware product groups (e.g. nails, saws, scissors, keys).

Plumbing Merchants

Large outlets handling nails, hardware products, pipes, ironware, paint, faucets, sanitary products, bathroom accessories & kitchen, bathroom furniture, bath tubs and heating equipment such as boilers, radiators & heating controls. Compared with Plumbing Specialists they are bigger & generate a higher turnover.

Their main turnover is generated with bath/kitchen faucets, sanitary & complementary products, bathroom accessories, tiles and bath tubs and bathroom furniture.

Turnover is generated with professional end users (B2B) as well as private end users (B2C).

Merchant partners include:

City Plumbing Supplies
PTS Plumbing Trade Supplies
Wolseley
Plumbfix
Williams & Co
James Hargreaves Plumbing Depot

Building the Industry & Building Brands from Knowledge

Plumbing & Heating Merchant Index

"building excellence in materials supply"

Contacting PHMI

Plumbing & Heating Merchant Index

PHMI Experts
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More data available
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