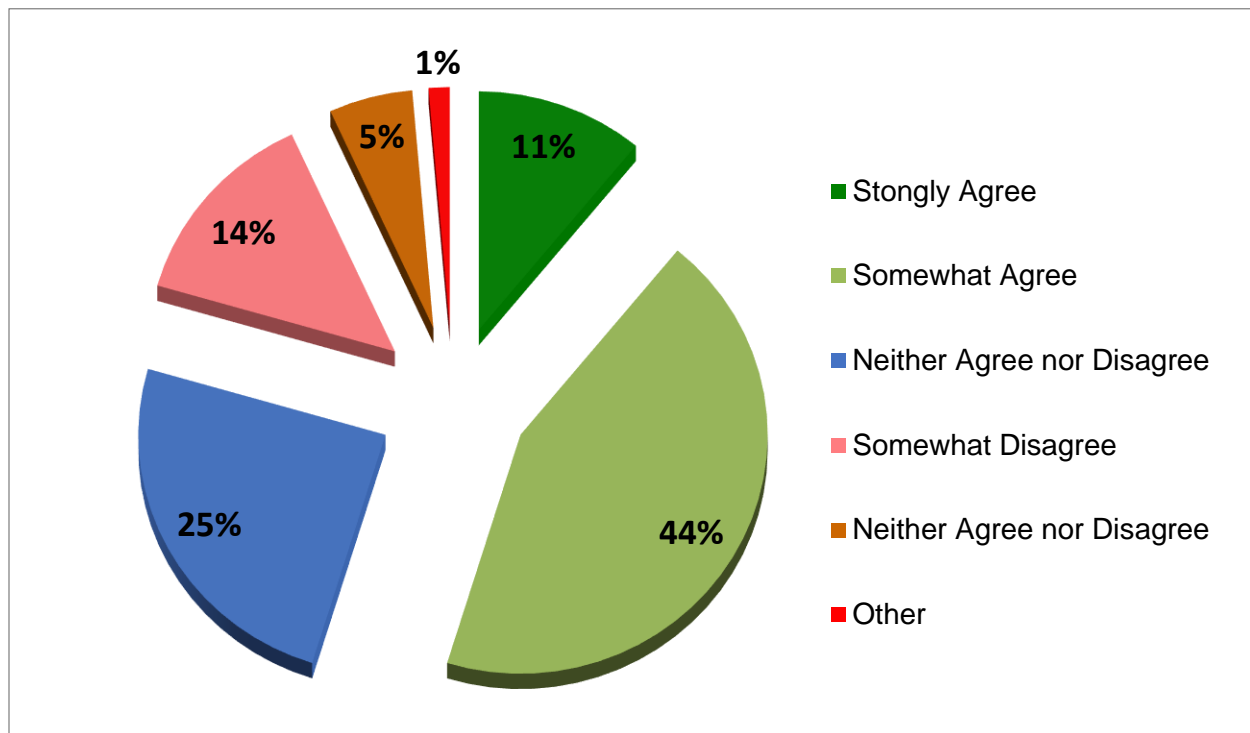




Member Forecasts for 2019

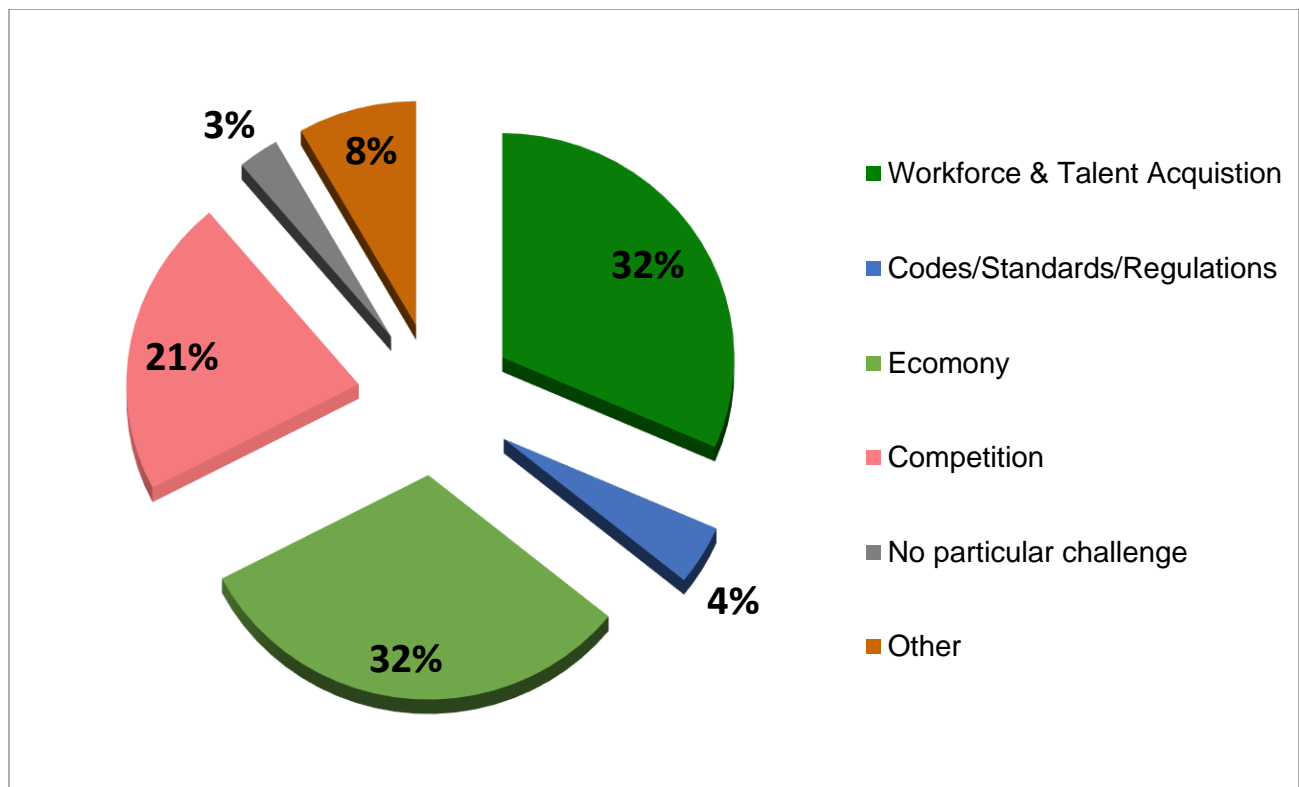
1. PART 1: End of year forecasts 2019 will bring an upward trend for my business:



Comments:

- The BC government uncertainty and current action plans do not bode well for an increased economy.
- Slowing Canadian housing starts will be a major headwind;
- Slowing housing starts in key markets will be a drag on our business;
- It's going to be tough to do better than 2018;
- Expect the momentum to continue;
- Projected slow start with improvement once the elections are done with;
- Prairies will continue to decline in commercial and hi rise multi family work. Govt policies will result in slowing of hi rise multi family in BC.
- The area is very busy, everyone is working lot of jobs on the go;
- The US and Canadian governments are killing our business;
- Our analysis of Business Trends in Canada has 2019 being similar to 2018 with slight growth but change is on the horizon for 2020.
- SF home starts will be lower, and the economy is slowing down with CDN consumers bearing more and more debt, they will be cautious with their spending.
- Overall business our segment is flat;
- Economic indicators look to 2019 being a growth year;
- Volume is slowing in Q4-2018 but an upward trend should emerge at end of Q1 – 2019.

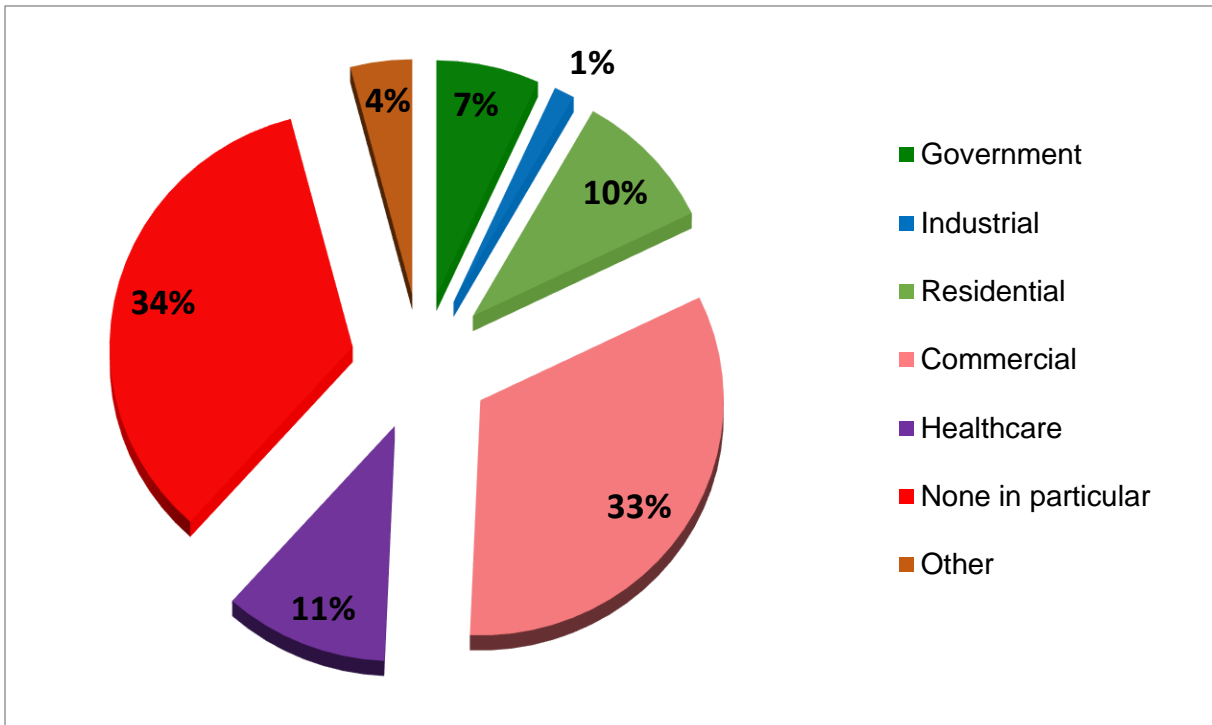
2. What is the biggest challenge your business will face in 2019?



Comments:

- U S political scene;
- Lack of inventory at the wholesale level;
- Government interference and tariff uncertainty;
- The various trade implications, US and European Free Trade agreement has not totally been understood. Could be new competitors enter the market as the US market is inwardly focused.
- Import Products (Cheap Pricing);
- Increasing raw material cost, freight costs, shipping delay due to lack of carriers
- Economy, in particular for BC/AB the housing market Workforce/Talent Acquisition is also a challenge;
- Even in a buoyant market, there is always someone out there ready to give away margin;
- Very low unemployment rate is causing challenges in talent acquisition and retention;
- The talent pool is aging and attracting new blood into all aspects of our industry is getting more and more challenging each year.
- Replacing an aging work force;
- Our trade relationship with the US administration. Too much uncertainty until it is resolved;
- The Trump Administration is forcing prices from our U.S. manufacturers to raise Canadian prices.

3. Which market do you think will be the hottest in 2019?



Comments:

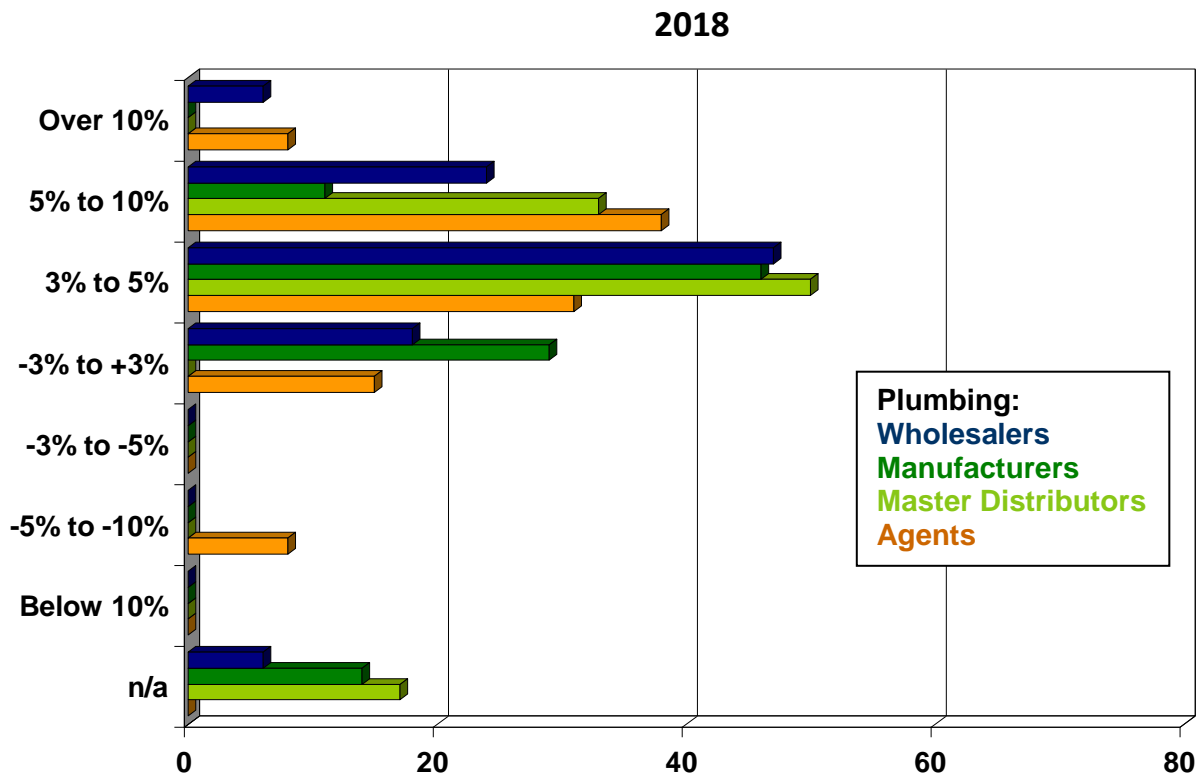
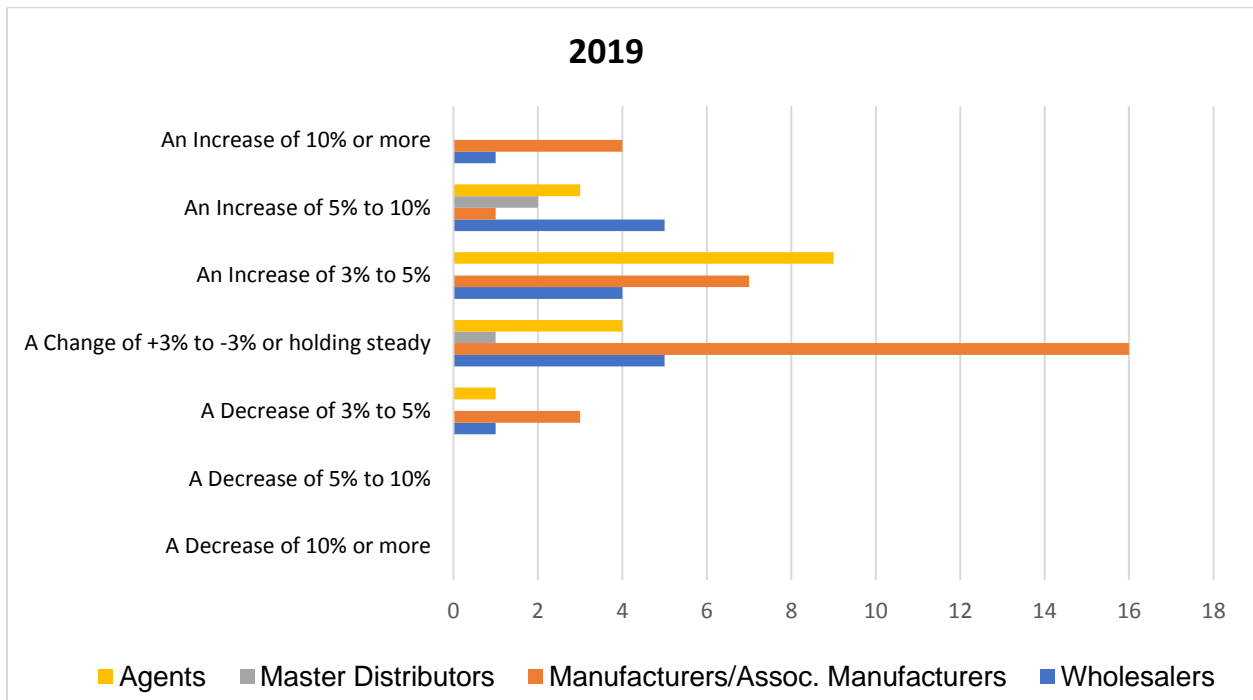
- Hard to predict - overall upward trend;
- Renovation;
- Ontario GTA Vancouver Hi-rise multi family;
- Hospitality is a strong vertical for us;
- Global trade volatility will continue to impact NA;
- Election coming up;
- Something needs to be done above unfair tariff practices between the US and Canada as they relate to steel and water heaters.
- Investments in commercial and government projects will sustain through 2019.
- We will - as businesses- need to take advantage of exports around the world / downside is the tax grabs our government is implementing (carbon tax, etc...).
- Until we have more trade certainty we can't correctly speculate on economic conditions in Canada going into 19.
- This is relative to the Maritime Provinces.

4. What forecasts to have for the industry in 2019?

- Lots of Federal promises due to the election year;
- Consolidation;
- 2019 will be a much tougher year. Price increase will offset a modest national sales decline. Expecting very similar year to 2018 total;
- I believe 2019 will be equal to 2018 with a slight increase year over year;
- Modest growth over 2018. Real growth 3-5%;
- Cooling down of the residential market;
- Residential new home construction slowing. Federal provincial gov't tension with respect to regulations and higher costs.
- If the current Coalition in BC fails we would have some positive reaction. If not, I see a trend down for our economy.
- Flat to decreasing;
- A lot of attention is focused on the threat of e-Commerce and Amazon etc. Many things have to change in order for them to become a major force in our industry including their willingness to engage in the areas construction law related to Liens and Holdbacks, construction documentation related to the Tender process and the nuances of Trade Credit, all of which are not areas that they have strong competence in (yet).
- Slightly below 2018 numbers;
- Prepare for inflation and longer times for deliveries and increased prices due to tariffs or capacity issues;
- Extensive Project delays and Price Increase challenges;
- Housing starts will continue to decline in Western Canada. A major builder in Alberta told his subs to brace for a 25% drop in construction for them. BC will start to feel large drops in condo construction by the third quarter and single family will all but stop due to a pricing correction in the market leaving buyers scared to buy until it bottoms out. The stricter rules for mortgages and new government taxes aimed at killing construction to force a correction will also have a factor.
- Close to double digit growth some due to rising cost of material, tariffs etc.;
- With the lack of trades and roadblocks set in place by government agencies including permits, I feel we will see 3%-5% growth. Mostly due to price increase
- Slowing economy in back half of year;
- Hang on it is going to be a wild ride with peaks and valleys;
- I predict that all markets will experience a slowdown in 2019 and in particular residential new home construction in the Midwest and Alberta Markets.
- At this time next year, pay close attention to election cycles and economic signals.
- Flat to slightly down. I also think that there will be a price war amongst the major plumbing players to keep their volumes up vs this year's pricing will be challenged.
- If proactive- good growth; the balance will be steady but moderate growth;
- Going to be a tough year;
- Growth of 5%;
- Slow - higher than typical price increases logistics freight costs rising.

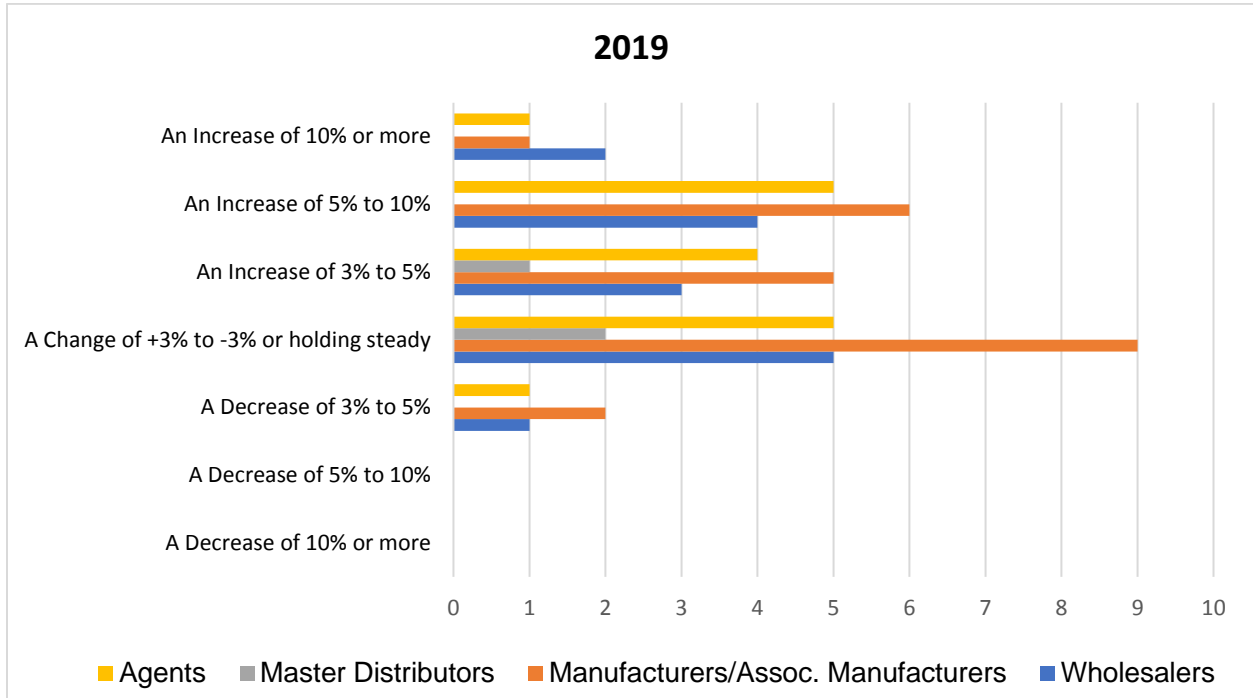
5. PART 2: Sales Forecasts - What is your forecast on Canadian Sales through Wholesale Distribution for the following products for the 1st half of 2019?

Plumbing

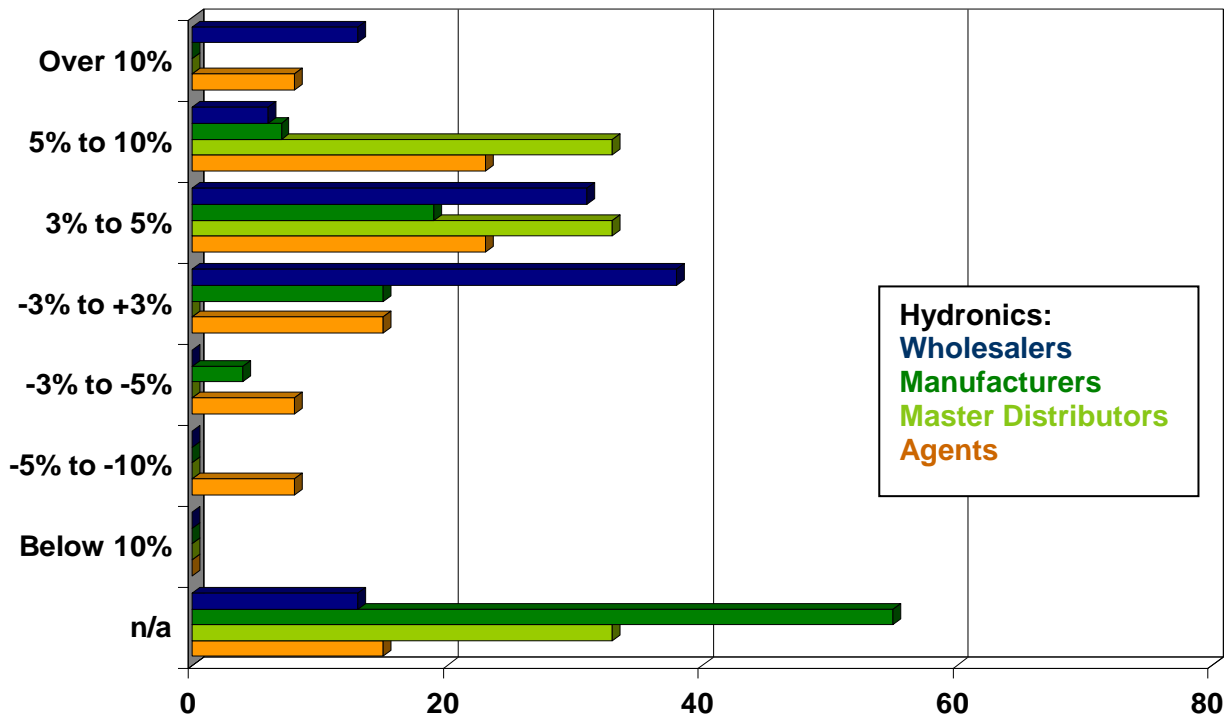


PART 2: Sales Forecasts - What is your forecast on Canadian Sales through Wholesale Distribution for the following products for the 1st half of 2019?

Hydronics

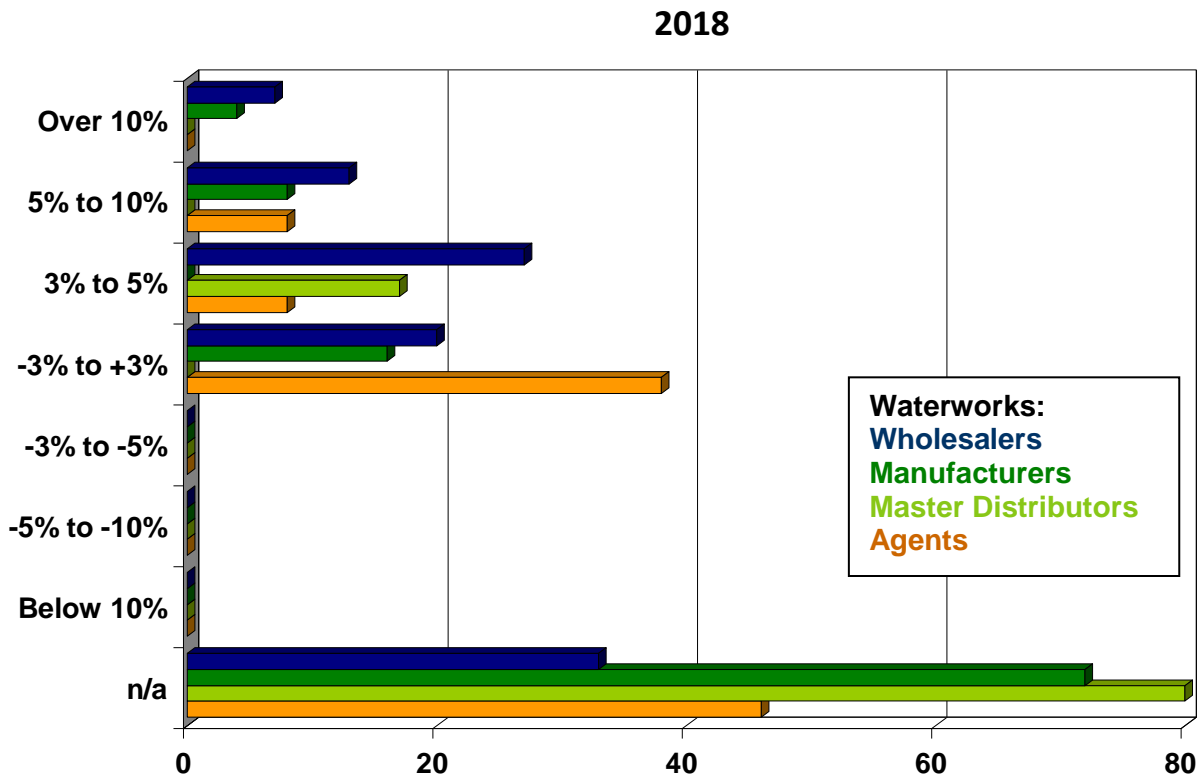
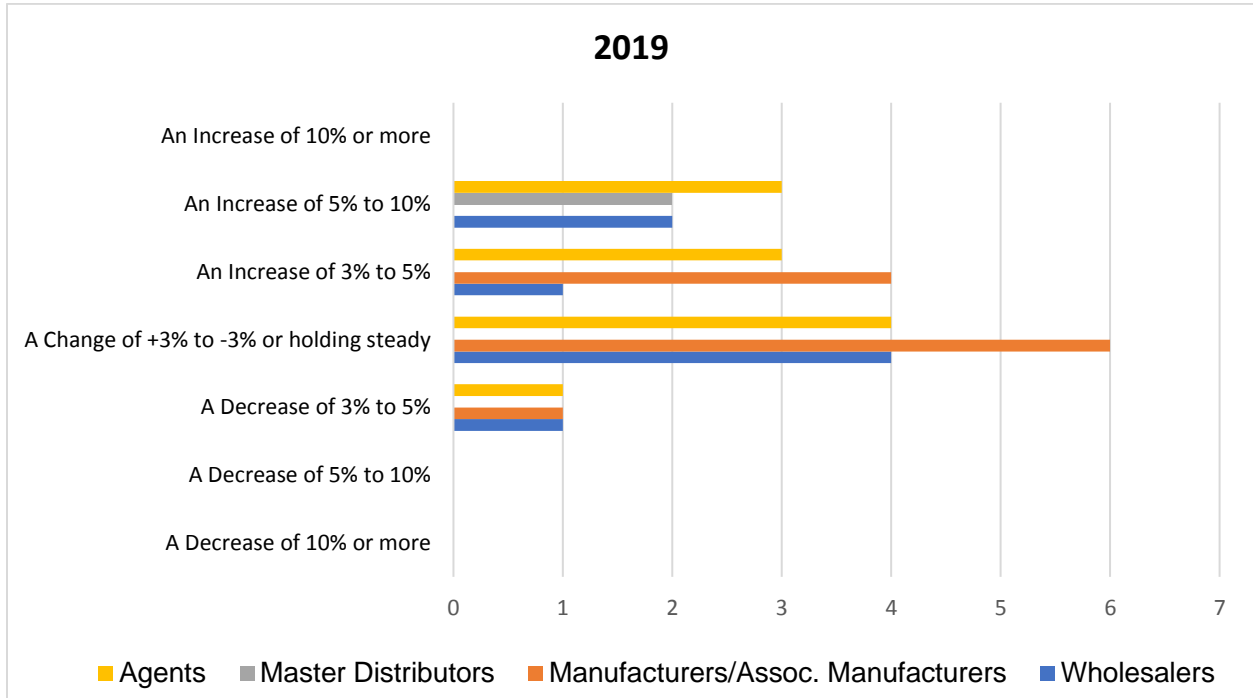


2018



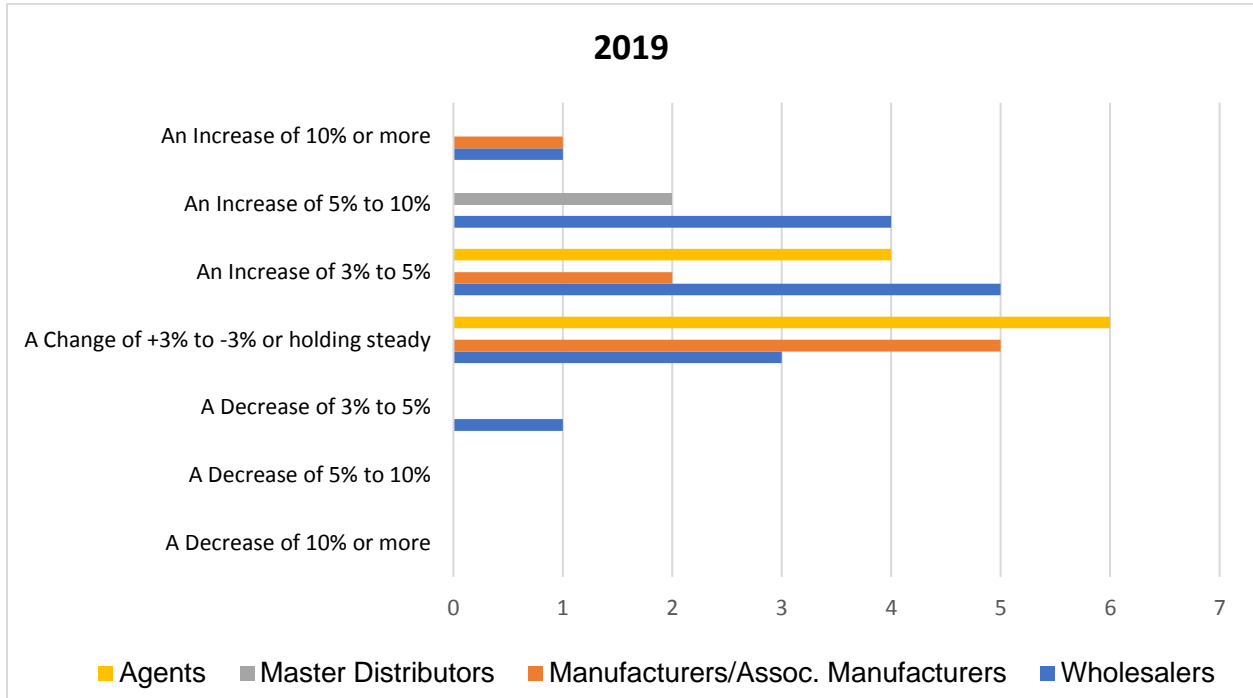
PART 2: Sales Forecasts - What is your forecast on Canadian Sales through Wholesale Distribution for the following products for the 1st half of 2019?

Waterworks

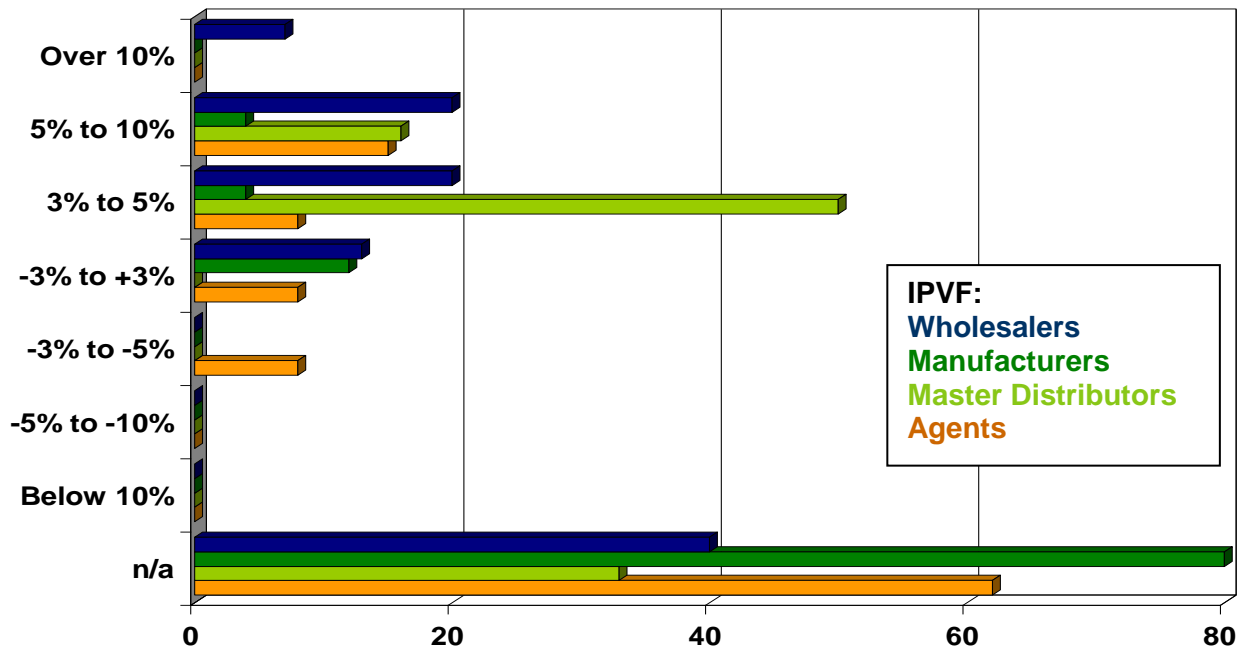


PART 2: Sales Forecasts - What is your forecast on Canadian Sales through Wholesale Distribution for the following products for the 1st half of 2019?

IPVF

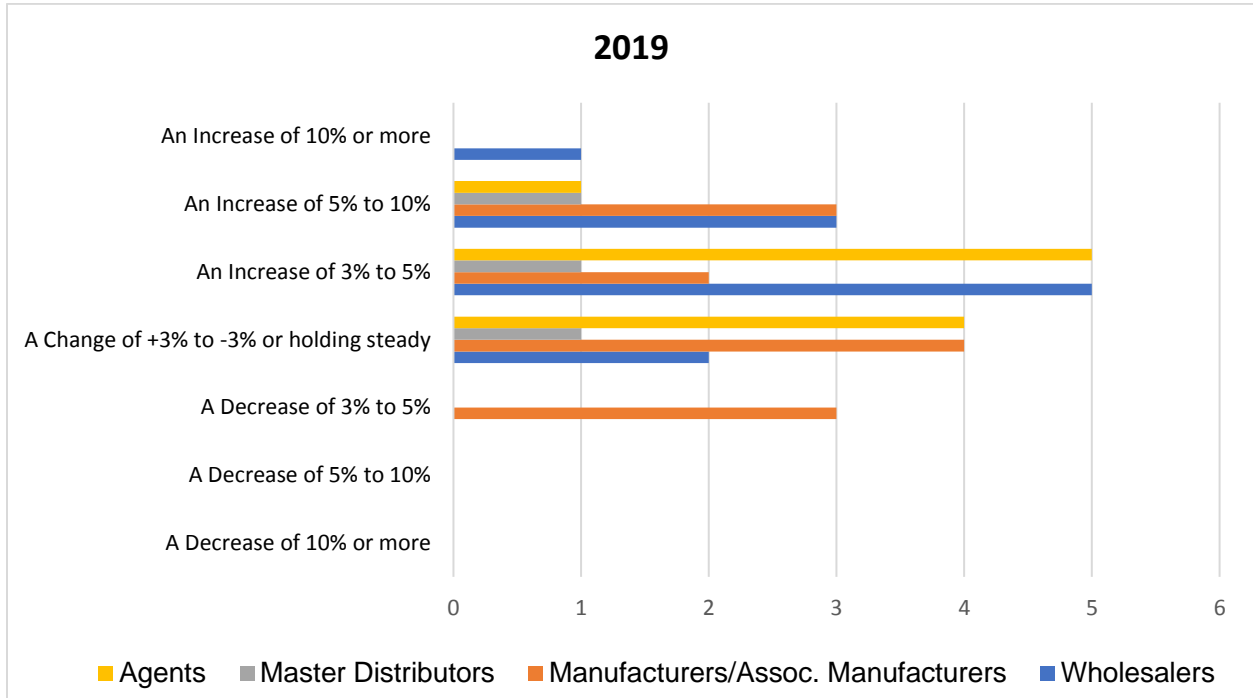


2018



PART 2: Sales Forecasts - What is your forecast on Canadian Sales through Wholesale Distribution for the following products for the 1st half of 2019?

HVAC/R



2018

