

# WH<sup>the</sup>OLESALE

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## Terry Shafer: Leading a Legacy

*Southern Wholesalers Association is celebrating its 90th Anniversary! Terry Shafer is at the helm, leading SWA. We sit down and talk about SWA's history, future and how its become the largest regional associations affiliated with American Supply Association. Story on page 50.s*

## Australian Firm Buys MORSCO for \$1.44 Billion

**Reece Group**, Australia's leading provider of plumbing, HVAC and waterworks products, will acquire MORSCO for \$1.44 billion.

Founded in 1920, Reece Group is listed on the Australian Securities Exchange and has more than 5,300 employees throughout 600 branches in Australia and New Zealand, servicing the plumbing, bathroom, building, civil, irrigation, heating, air conditioning and refrigeration industries.

"The Reece track record of innovation is truly world class and their customer offer is second to none," said Chip Hornsby, MORSCO CEO. "We can't think of a better home for MORSCO. Our team is very much looking forward to the opportunity to join forces with a successful, strategic, long-term industry player and we believe there will be many opportunities for cross-pollination of ideas and talent over the years ahead."



According to the Financial Review, Reece CEO Peter Wilson had run out of acquisition opportunities in Australia because it is the No.1 player in its industry. Meanwhile, growth rates in the U.S. plumbing market are running at twice the rate of Australia.

"It has a strong platform across the sunbelt states," Wilson said. "It's in the growth states." Reece said he had been studying the U.S. market for 10 years and had been talking with MORSCO and equity firm Advent for two years. Serious due diligence had begun in January.



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## INDUSTRY NEWS

### AD Member Sales Up in 2018 Q1 YTD

AD, the contractor and industrial products wholesale buying / marketing group, reported a 12 percent increase in Member sales, across 12 AD divisions, totaling \$9.7 Billion. Purchases from AD Suppliers grew by 12 percent in Q1 YTD, and distributions to Members were also up 12 percent.

On a Same Store basis, by industry, Q1 YTD PHCP sales were up 12 percent; Industrial / PT sales were up 11 percent; Electrical sales were up 10 percent; and Building Materials was up 4 percent. By



# AD

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country, Same Store sales in the U.S. grew 10 percent; Canada was up 9 percent and Mexico grew 10 percent.

Bill Weisberg, AD's Chairman and CEO

said: "AD Members across every division in North America experienced record breaking growth. The continued growth of our Members is encouraging, especially after our record setting performance in 2017. In Q1 we welcomed many new additions to the AD community: 15 new Members, 17 new Suppliers and five new HR and Procurement Service Providers. Additionally AD eCommerce Solutions passed a big milestone; the normalization and attribution of 3 Million SKUs."

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### WETSTYLE Breaks Ground on New Montreal Factory

WETSTYLE, manufacturer of bath furnishings, has broken ground on the brand's new factory complex in Saint-Bruno-de-Montarville. Strategically selected, the factory's location will house the brand's expanded manufacturing operations alongside a new showroom space.

"We searched high and low to find the perfect location that would fit all of the brand's needs," WETSTYLE President, Mark Wolinsky said. "As we're constantly growing, and looking for new ways to innovate, we were in need a space that could allow us to continue on this path."

The factory will be situated amongst other newly constructed headquarters

within the Saint-Bruno-de-Montarville's Industrial Eco Park.

The headquarters, designed in partnership with Sydney Gobel Architecture and Atelier Moderno, will consist of two buildings linked together by an enclosed pathway. The larger of the two buildings will consist of the 30,000-square foot factory and operations offices. The second, 11,600-square-foot building will house the showroom on the lower level and corporate offices above. The showroom space will showcase WETSTYLE's selection of the brand's bathware products.

Visit [www.WETSTYLE.ca](http://www.WETSTYLE.ca)

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