



Together we make things better

The 1st National Congress of Distributors of Building Materials



Kiev - 2.3.2016



Topic:

- **European Format of Distribution Organization:
EURO-MAT practice**
- **Distribution of construction materials in EU:
formats and specific of work**
- **EU building materials market**



1. EURO-MAT – Structure, activities and services

2. Format examples:

- a) NMBS (UK)**
- b) PSB (PL)**

3. Specific of work:

**National buying groups
(overall vision)**

4. EU building materials market



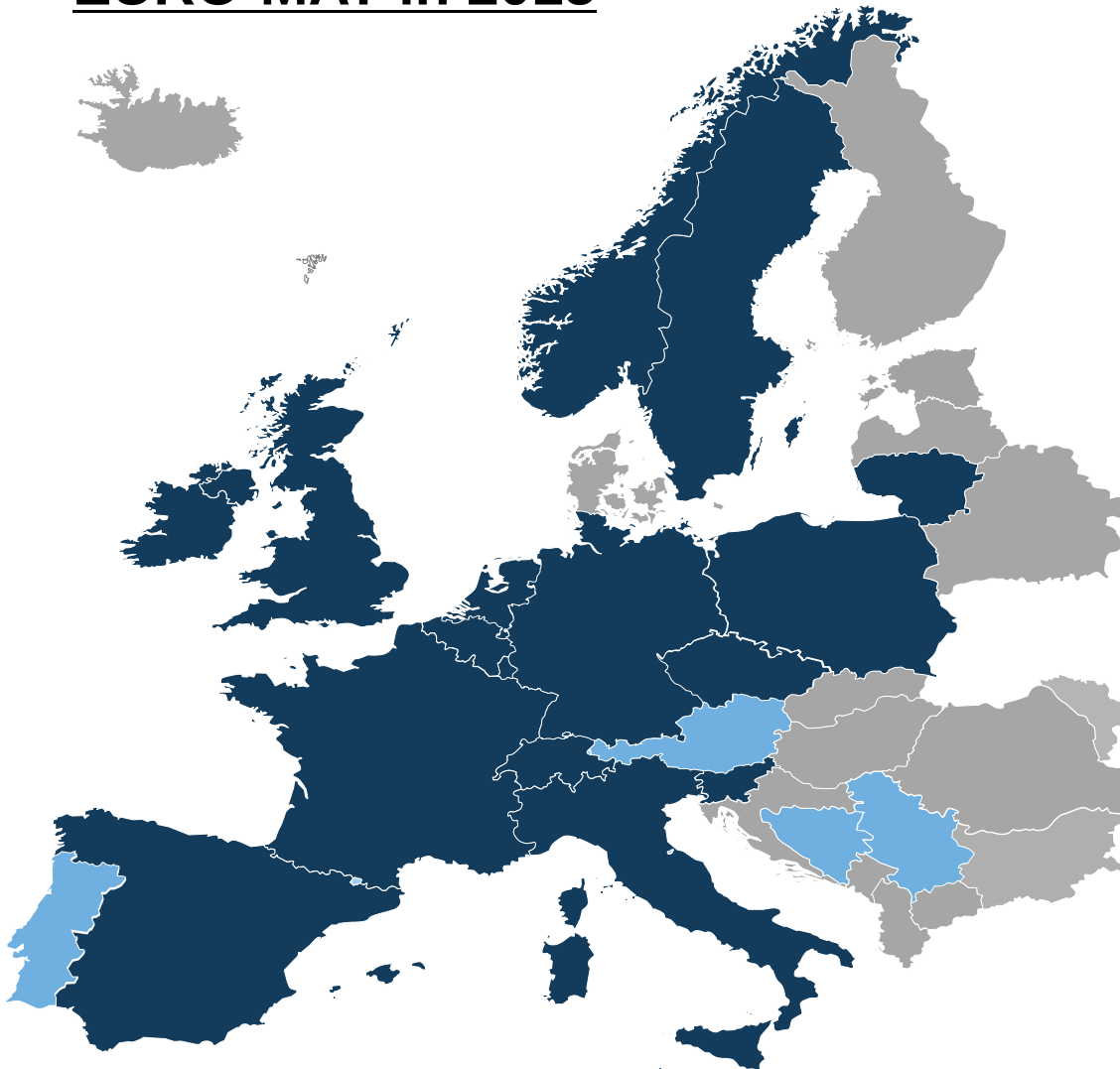
EURO-MAT philosophy

“Together we make things better”

The leading European co-operation of independent minded
builders merchants



EURO-MAT in 2015



- **21 countries**
- **19 members**
- **Over 7.300 outlets**
- **Over 32 bn € turnover**
 - **60% Building Materials,**
 - **18% Hardware & Tools,**
 - **15% Timber**
 - **7% Sanitary**



EURO-MAT members



Adimat
330 Mio €
13%



HolzLand
1.600 Mio €
20%



E.A. Smith
500 Mio €
10,5%



NMBS
8.000 Mio €
40%



PMO
219 Mio €
10%



Grafton Group
2.375 Mio €
30%(IE) 11%(UK)



PSB
1.300 Mio €
15%



Grafton Group
2.375 Mio €
30%(IE) 11%(UK)



Pro-Doma
132 Mio €
12%



BigMat Italy
500 Mio €
2,5%



Woody
680 Mio €
6%



**HG
Commerciale**
900 Mio €
15-20%



JTS
100 Mio €
10%



Topdom
82 Mio €
28%



BigMat France
1.200 Mio €
8%



Centramat
50 Mio €
20-25%



BigMat Spain
405 Mio €
7%



Eurobaustoff
13.500 Mio €
49% (BUI)



Veris
600 Mio €
25%



Ibergroup
110 Mio €
3%

€ = Turnover

% = Market share



Service & Benefits

SERVICE

Service-, Marketing- and Contact Platform
for decision makers of major industries
and trade partners



BENEFITS

- Creation of synergies between industry and trade
- Door opener to new markets
- Optimization of existing business cooperation
- Service provider
- Acting as a counterbalance to the multinational groups
- Reducing transaction costs



National forums / Trade shows





Workshops

Development and implementation of a service oriented business model

- Workshop moderated by Dr. Mareike Ahlers (Managing Director at Prof. Bruhn & Partner AG)



Date: 06.10.2014 (10.00 - 17.00)

Venue: Raddison Blue, Karl-Arnold-Platz 5, 40474 Düsseldorf (Germany)

AGENDA

06/10/2014

10.00	1	The rising importance of services and key trends
10.30	2	Introduction to the topics and group work: - Free to fee - how you can earn money on services - From product selling to service selling - customer benefits in relation to service oriented sales arguments
11.45		Coffee break
12.00	3	Presentation and discussion
13.00		Lunch
14.00	4	Introduction to the topics and group work: - Let's talk about services - brand and brand communication in service oriented business models - Service orientation as Change Management - structure, processes and culture as challenges for implementing a service oriented business model
15.15		Coffee break
15.30	5	Presentation and discussion
16.30	6	Summery and take-aways
17.00		End of workshop





Digital Showroom

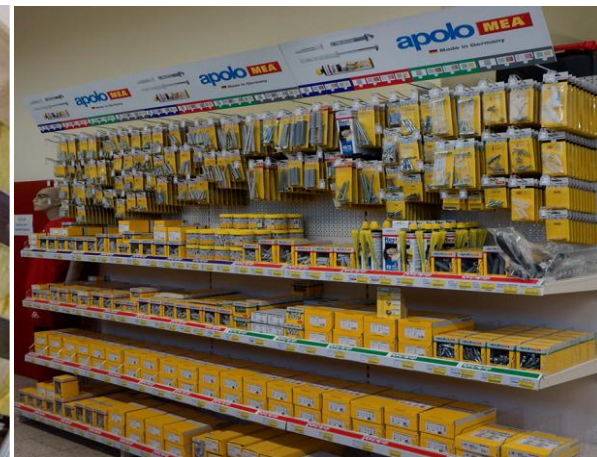




Together we make things better

1. EURO-MAT

European Shop Concept



Kiev - 2.3.2016



FOCUS

AND

WAY OF WORKING

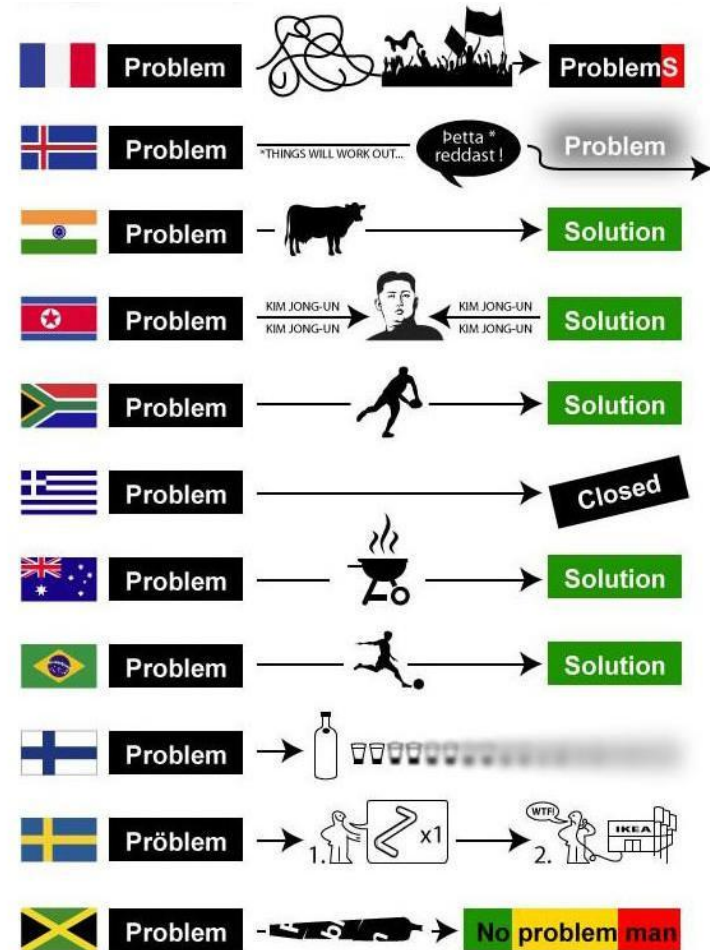
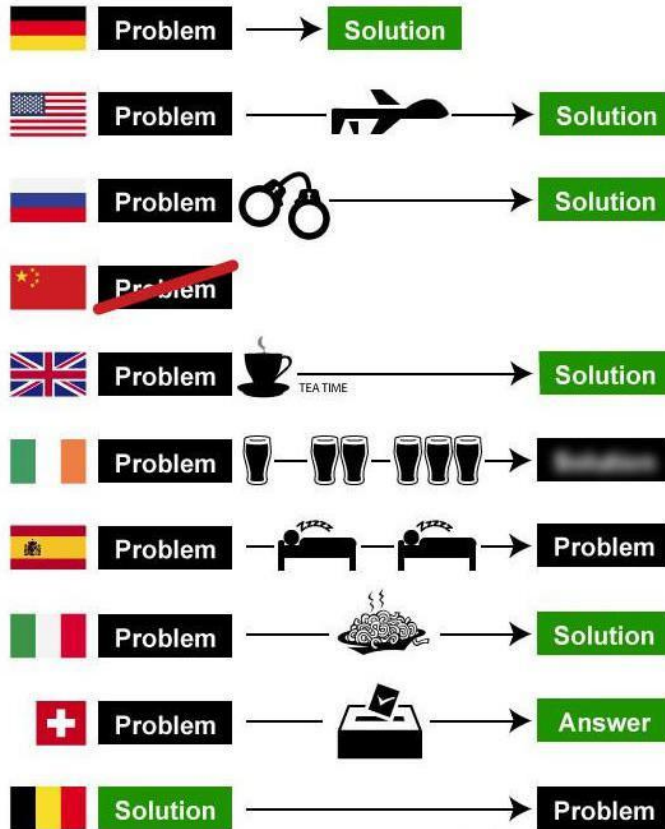




WAY OF WORKING TODAY :-)

INTERNATIONAL GUIDELINES FOR

PROBLEM SOLVING





FOCUS ON MEMBERS



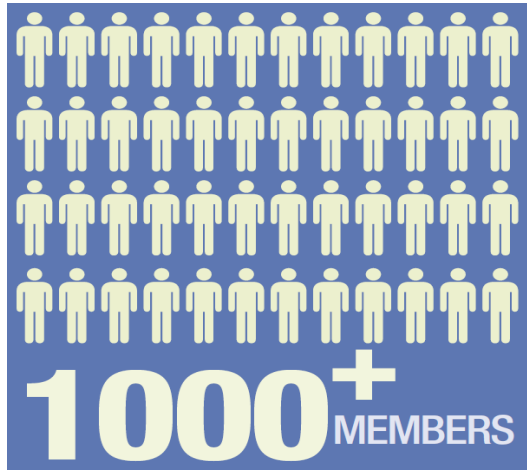


FOCUS ON SUPPLIERS





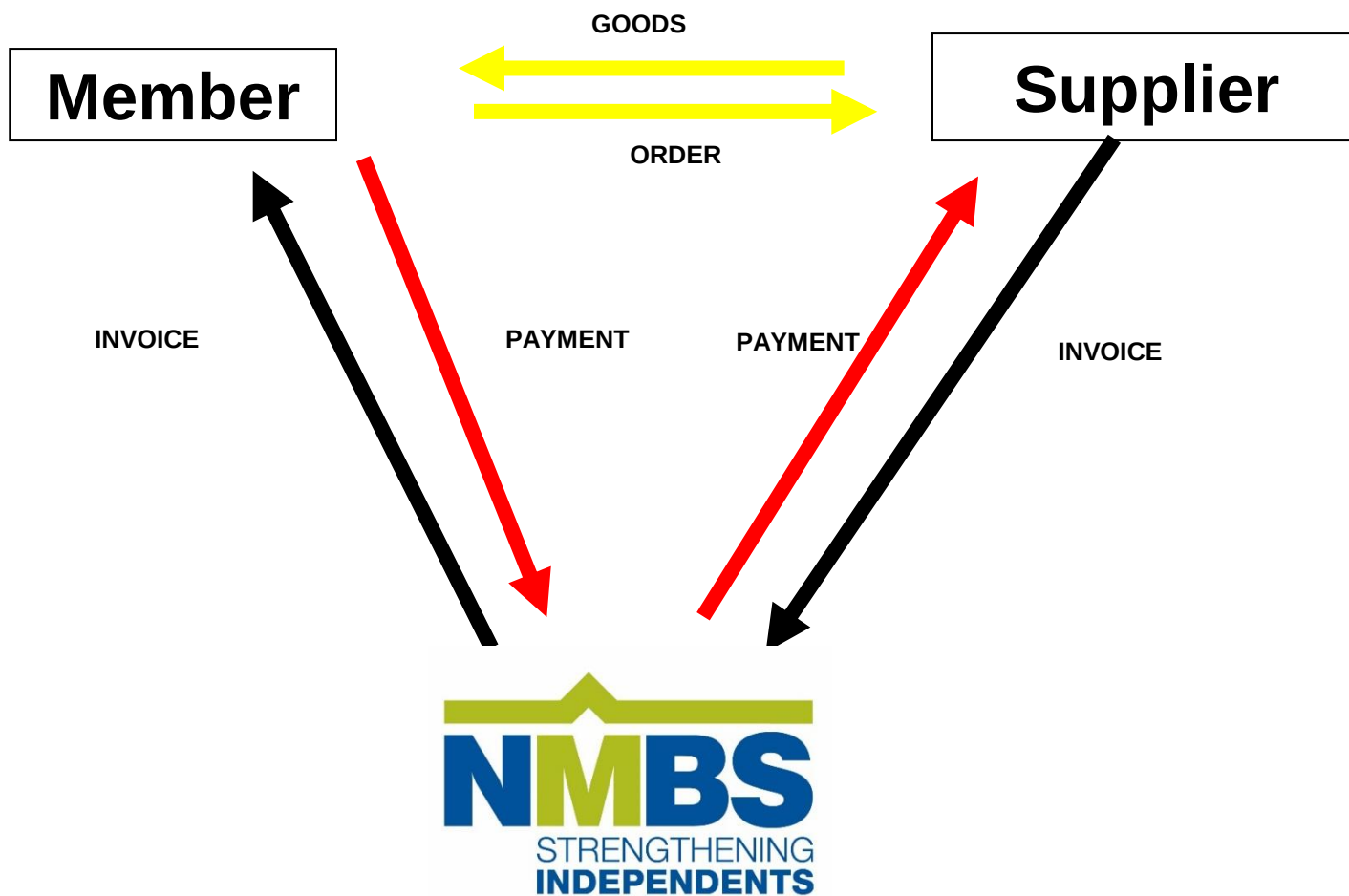
NNATIONAL MERCHANT BUYING SOCIETY



(= 1.620 Mill Euro)

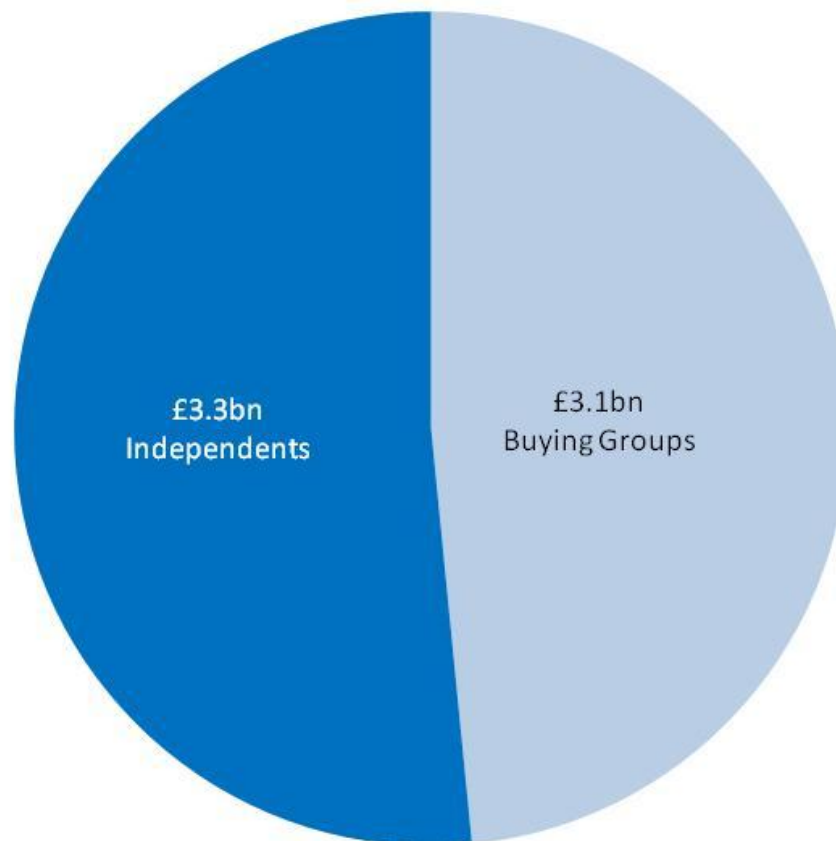


INVOICE CLEARING PROCESS





Total Sales NMBS members: 6.400 Mill £ (= 8.640 Mill Euro)



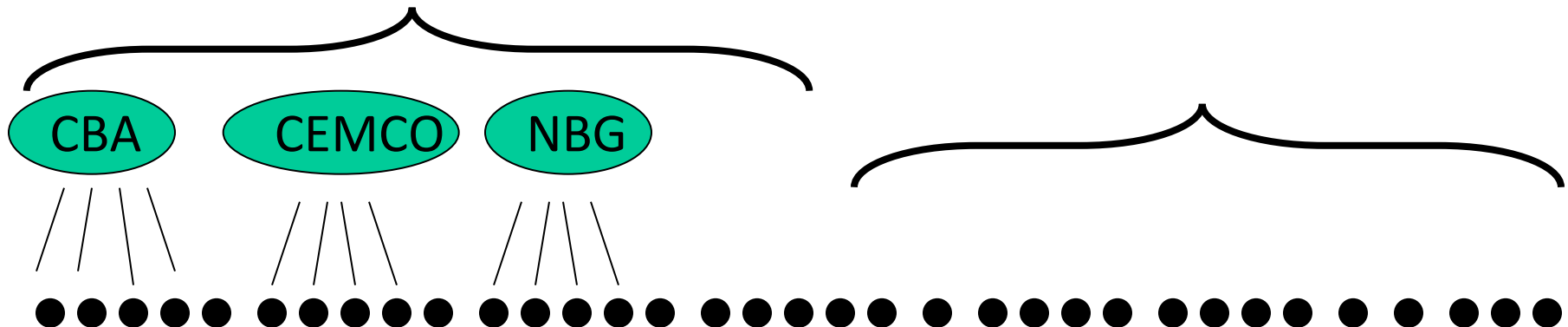


**Approx 48 % of total
Turnover**

**Approx. 52 % of total
turnover**

**Afiliated to other
buying groups**

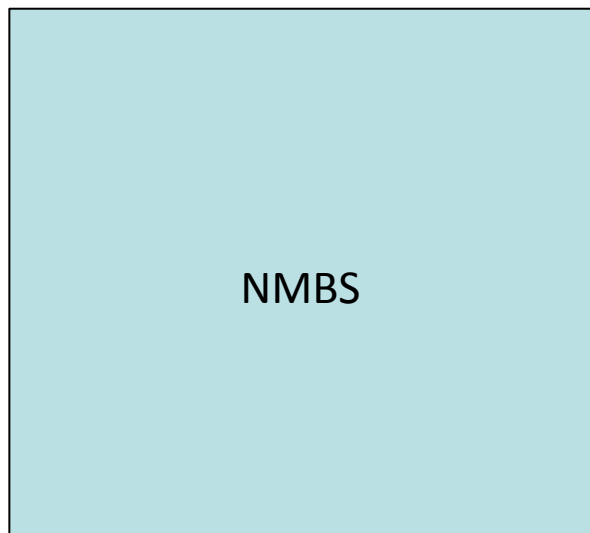
**Not affiliated to other
buying groups**





Strategic Boundaries

- **Independents only**
- **Trading within Credit limits**
- **Trading for the long tail**
- **No suppliers as members**
- **Building material supply market only**
- **Membership owned**





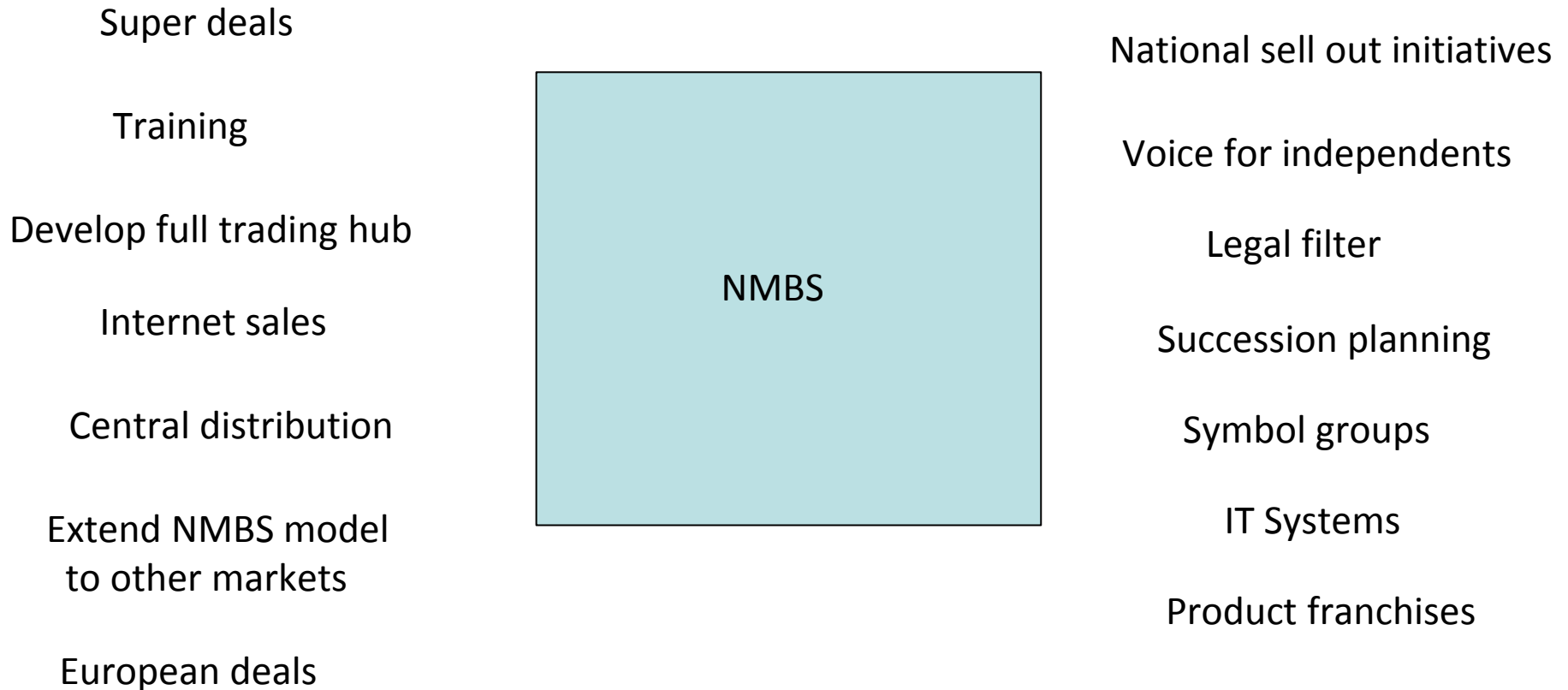
What is inside the box ?

Be the best at what matters most

- Access to Suppliers
- Exclusive Discounts & Rebates e.g. NMBS
Loyalty rebate & Early settlement discount
- NMBS Trade Exhibition – Rebate
- Special offers - Marketing & Promotions
- Invoice clearing - One payment – Report centre
- Electronic invoicing
- Credit Limits – Bad Debt Guarantee
- Professional Support – Executive / Events etc



Thinking Outside the Box

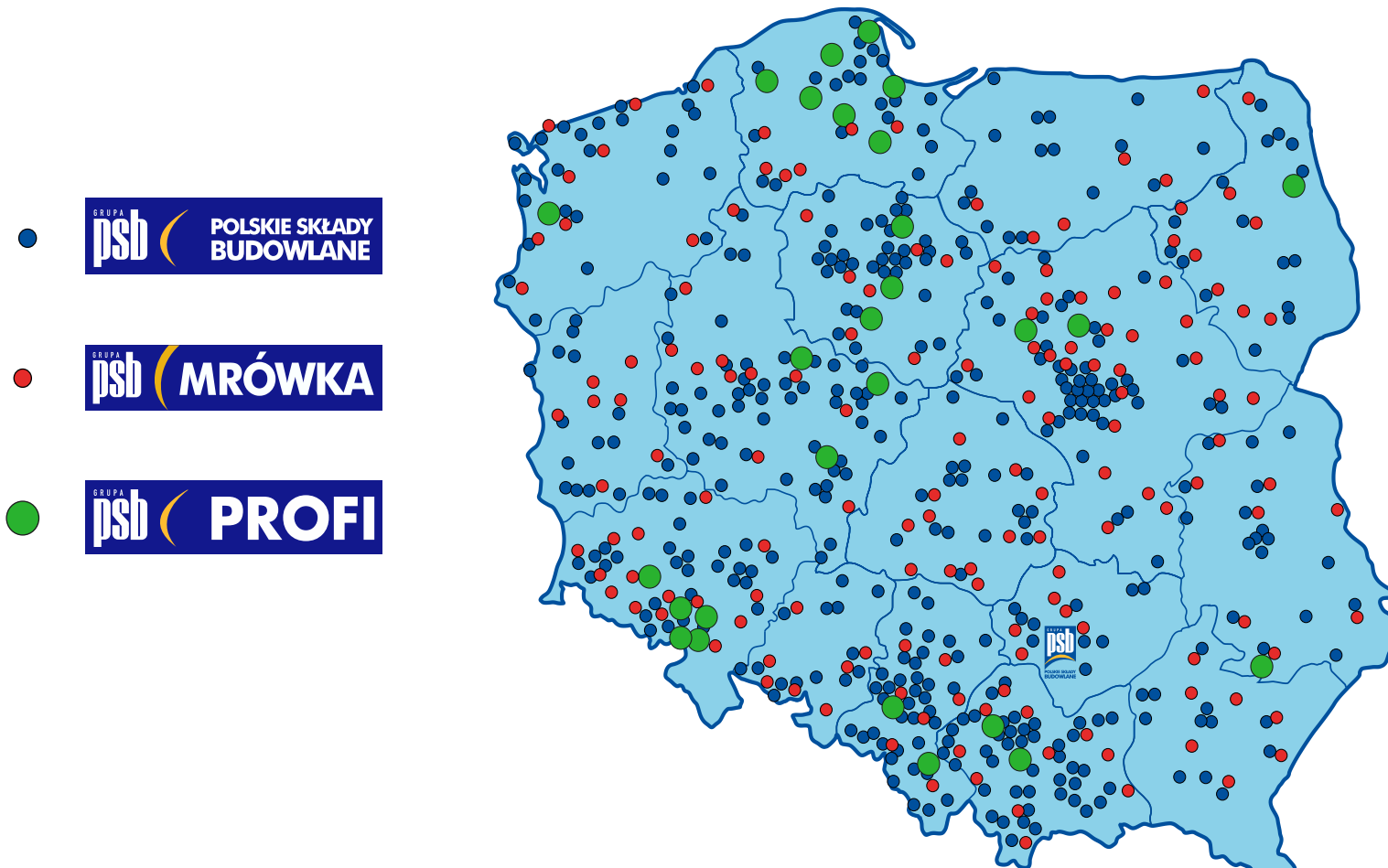




Busko-Zdroj



Grupa PSB – wholesale and retail network





Grupa PSB – some figures

Founded in 1998

Figures

- **> 1.3 Bill Euro – Turnover of the group**
- **> 400 Mill Euro – Turnover of the central invoice**
- **> 400 members**
- **> 640 points of sale**
- **11,500 employees**
- **> 500 suppliers**



Grupa PSB – some figures

- **Market share:**
 - Wholesale 20%
 - Retail 4.8%

- **Brand recognition:**
 - PSB 40%
 - Mrówka 33%

- **Legal status - joint stock company:**
 - Trade companies 70% shares
 - Producers 24% shares
 - Individual persons 6% shares



PSB – Market chains

Wholesale

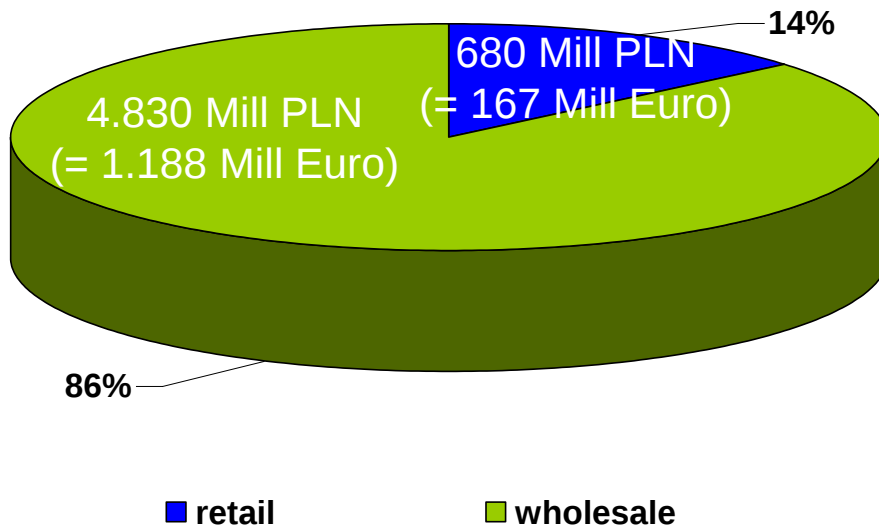


End users – 48%
Professionals – 37%
Re-sale – 17%

Retail



End users – 92%
Professionals – 8%





Central PSB



> 325 employees (central office)

Logistic centre – 10,000 m²

Other warehouses – 7,000 m²



Diversity of PSB members

- Majority of the companies in the hands of the first generation
- 60% of the companies came into being in 1990-95
- Ownership: 68% family companies, 32% partnerships
- Size by turnover: 5-160 mln PLN (1.5-40 mln Euro)
- Size by employment: 5-250 people
- activity: trade (building materials, oil, fertilizers), construction, production, property developing

Effect for the group:

85% of total turnover comes from building materials

15% - from other activities



PSB activities for members

- **Partnership agreement – mutual rights and duties**
- **Sales offer (extension of product range of 500 suppliers, 250,000 products)**
- **Negotiations of purchase conditions**
- **Bonuses**
- **Marketing**
- **Trainings and consulting**
- **Know-how of retail sector**
- **Other services (petrol, electricity, phones, trucks, shop equipment)**



PSB-Mrówka

Location: provincial towns

> 164 outlets

Average size: 700 - 4,500 m²

Assortment: home improvement





PSB Mini-Mrówka

**Location: towns with < 10,000
inhabitants**

Average size: 300 - 700 m²





Profi centers - new generation of outlets

Locations: > 31 points





Services for Mrówka and Profi shops

Fields of consulting:

- **Financial situation**
- **General management**
- **Motivation system for employees**
- **Stock management**
- **Merchandising and marketing**
- **Benchmarking of effectiveness indicators**



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2. PSB (PL)

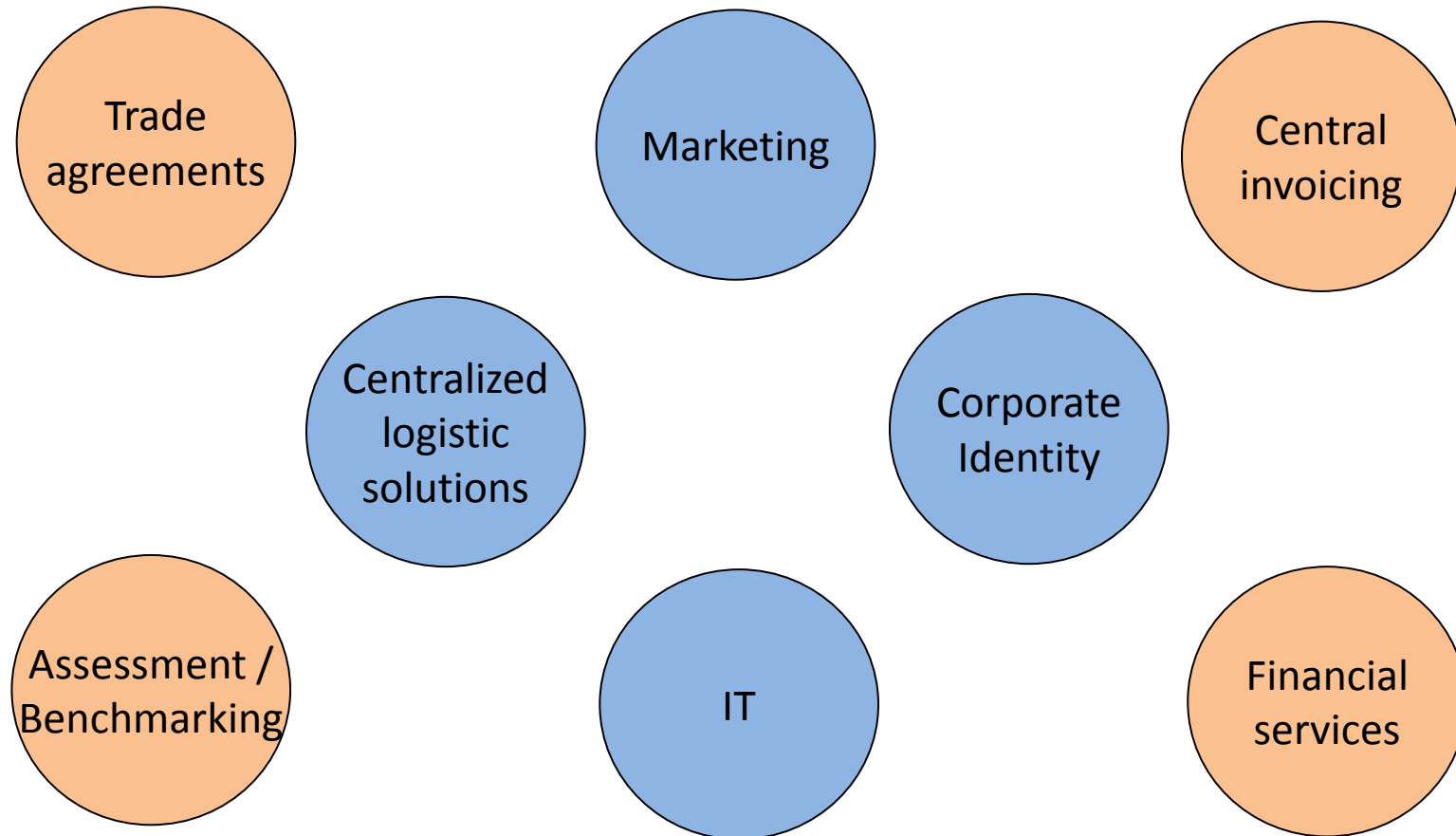


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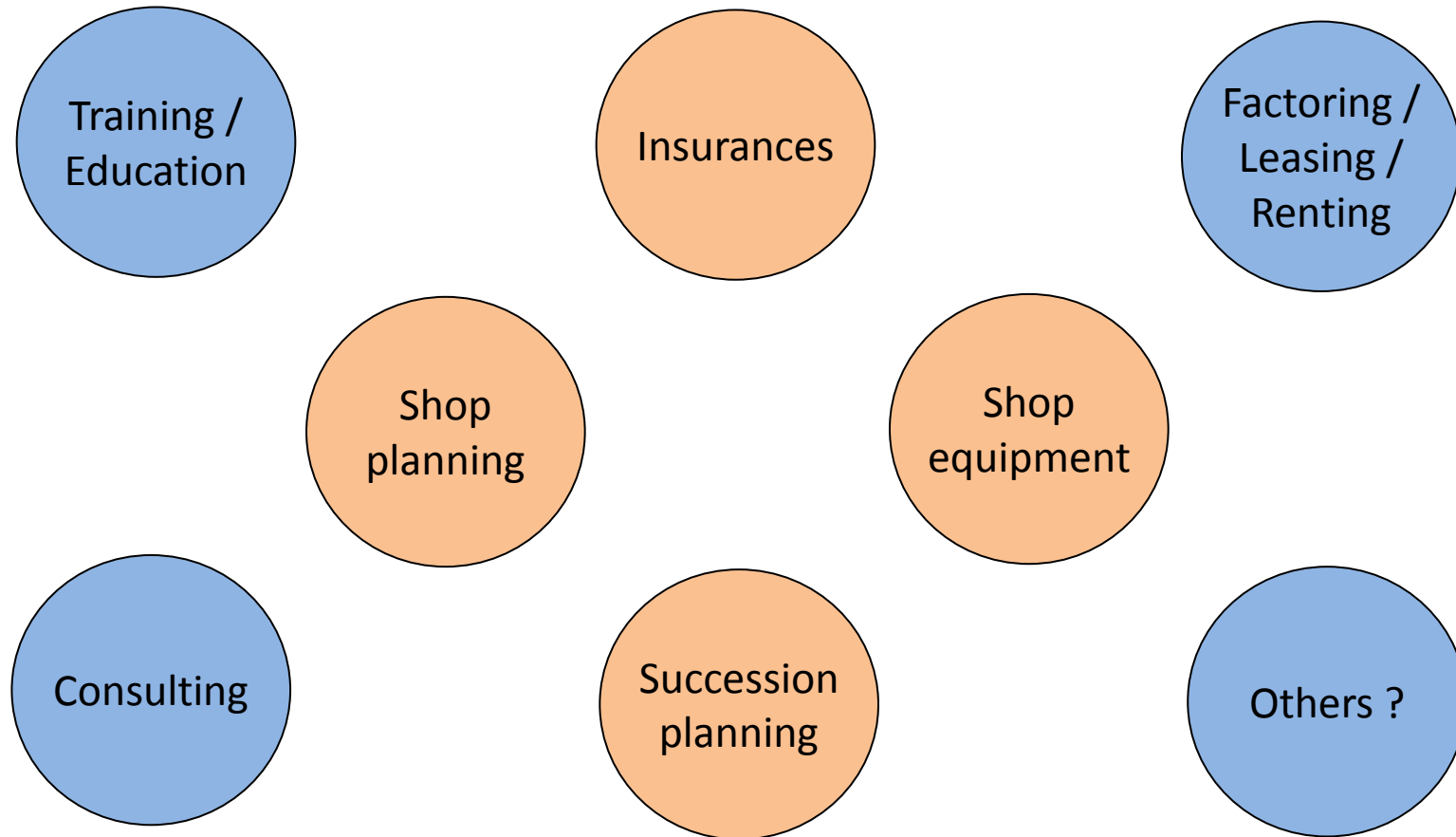


Added value of **buying groups** (overall vision)





Added value of **buying groups** (overall vision)





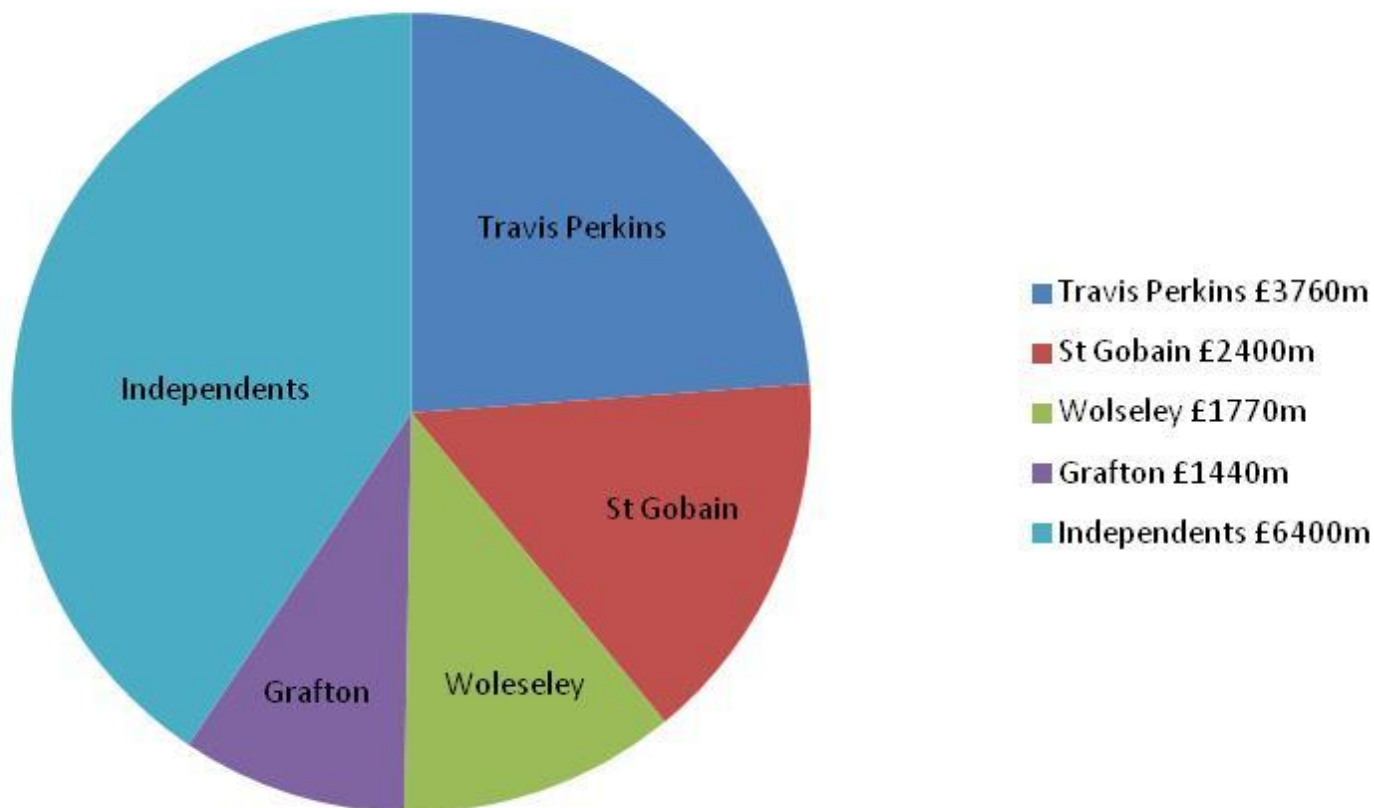
EU building materials market

- No uniformity
- Each country is individual in terms of:
 - * Customer habits and expectations (professionals and end users)
 - * Legal boundaries
 - * Competition edge
 - * Structuring level (buying groups experience,..)
 - * Distribution channels



UK

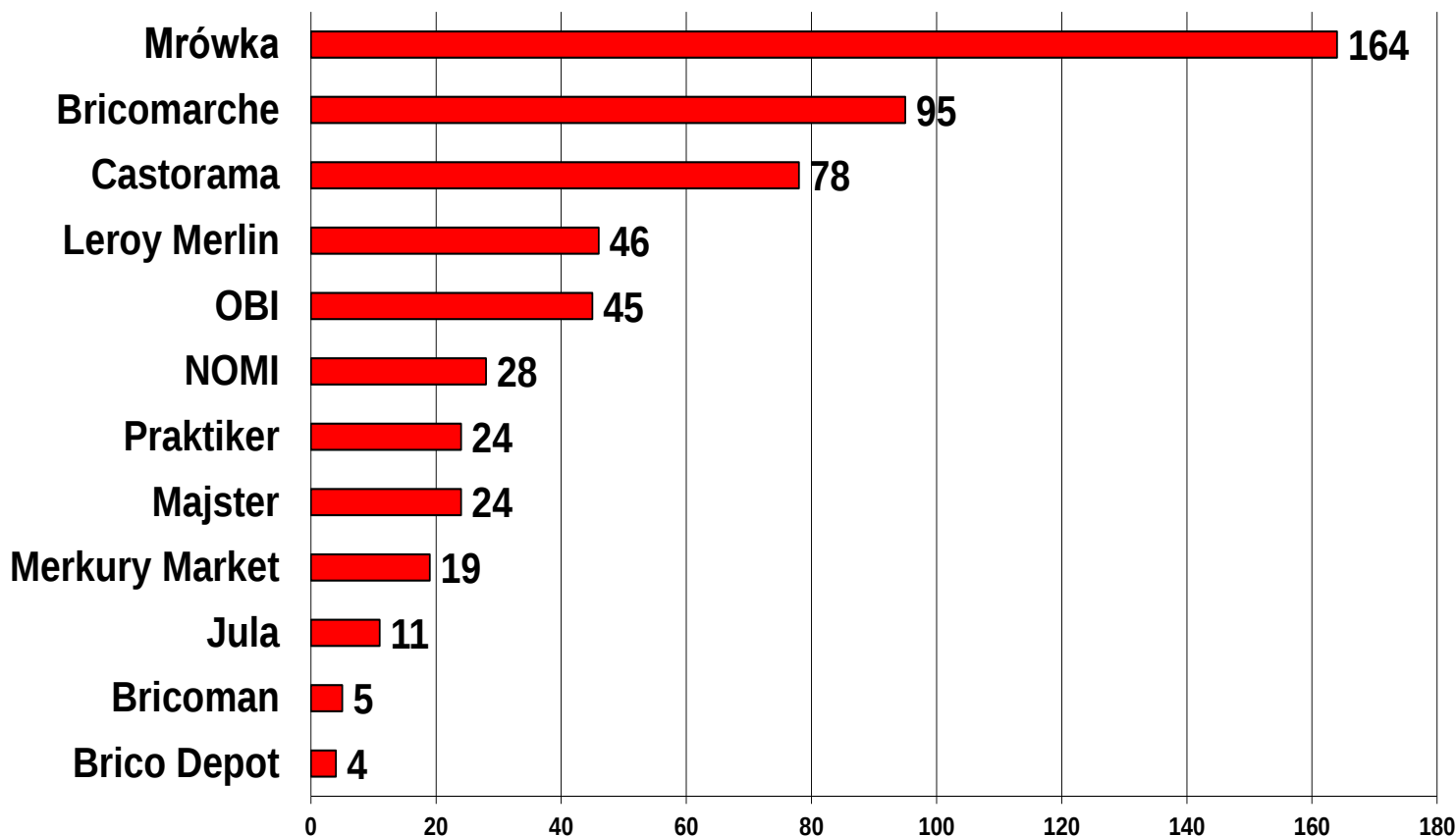
Total Market: 15.700 Mill £ (= 21.195 Mill Euro)





Poland

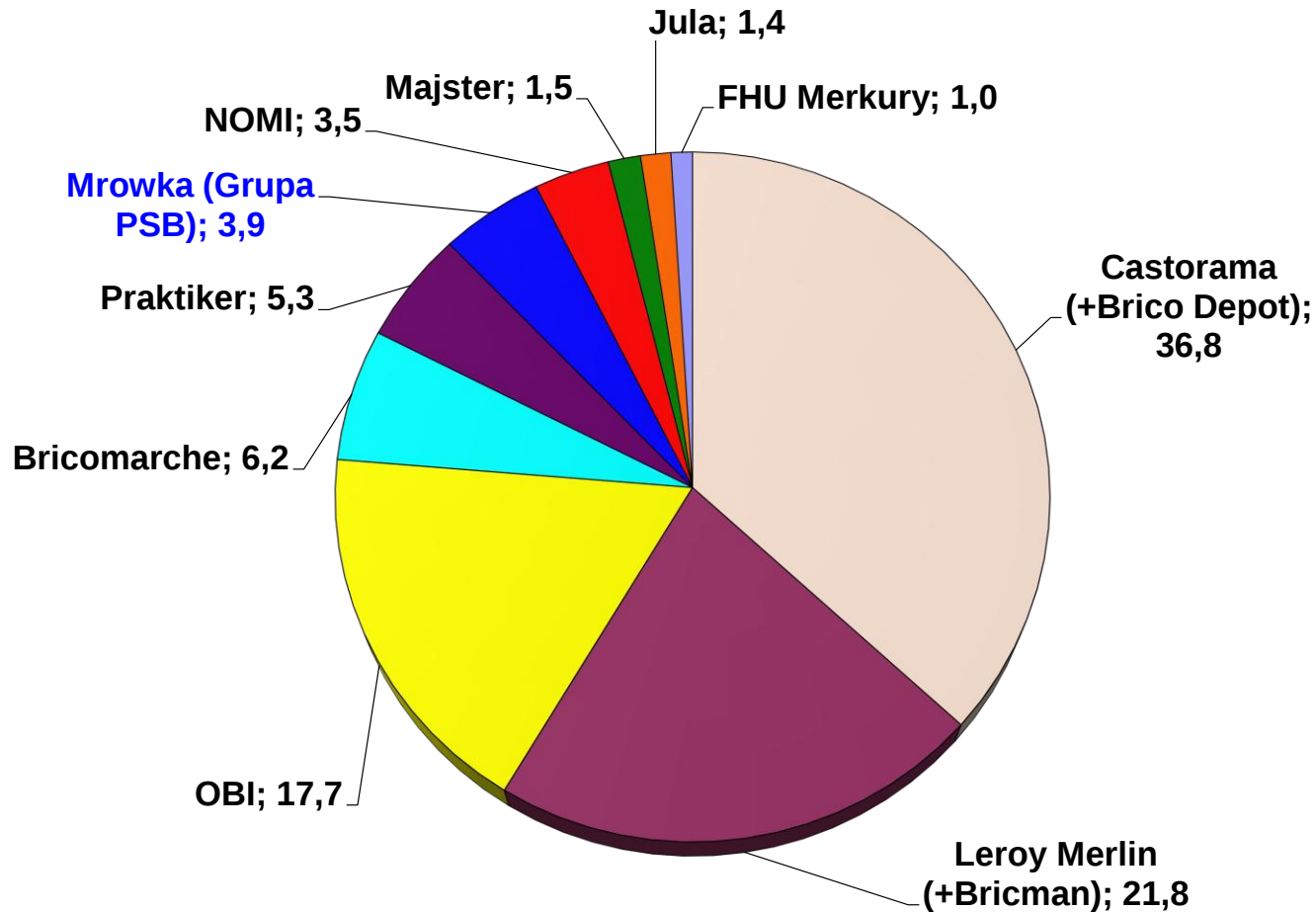
Market players and outlets – Retail market (IV 2014)





Poland

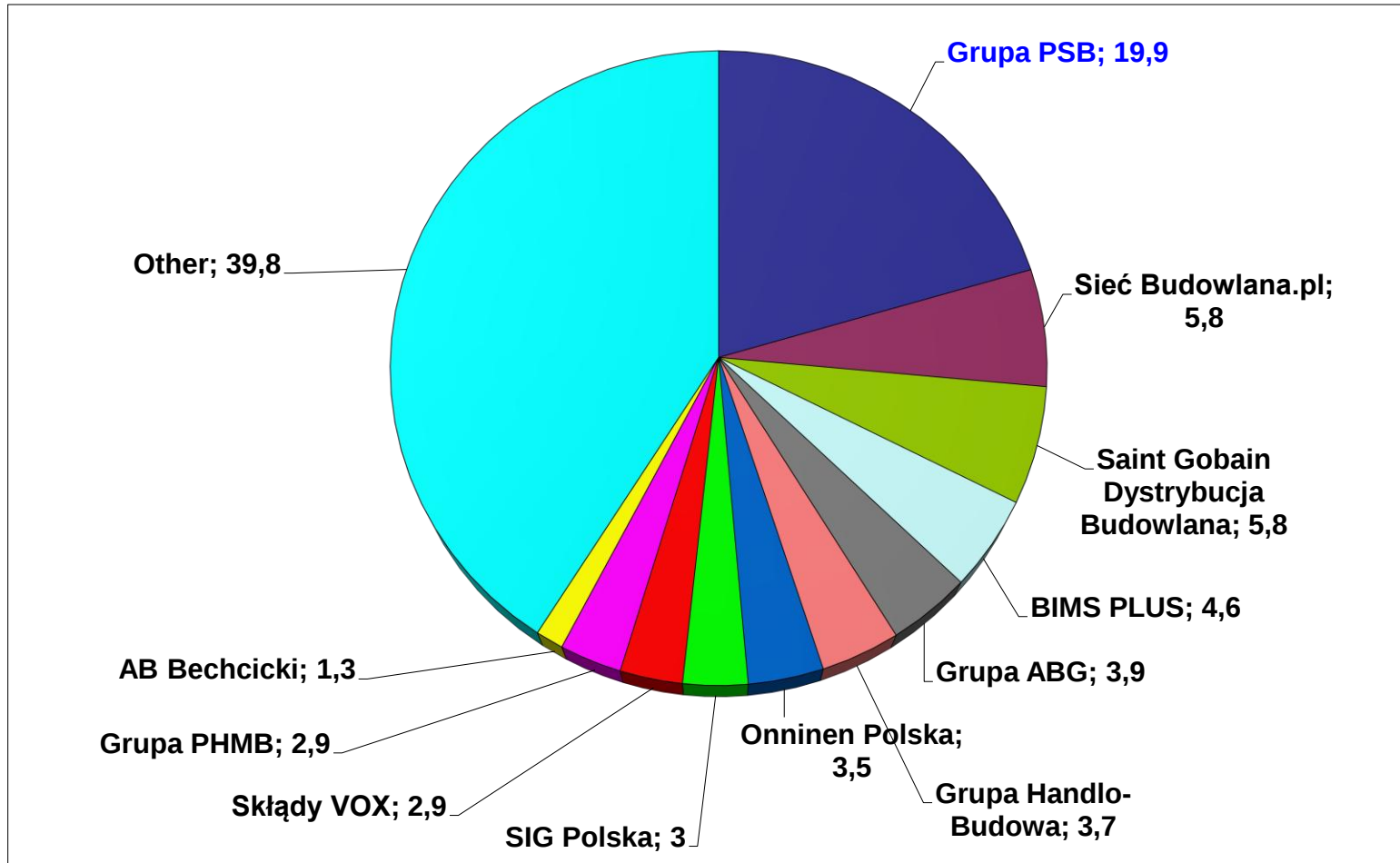
DIY market – 13.500 Mill PLN in 2013 (%)
(= 3.321 Mill Euro)





Poland

Wholesale market – 19.000 Mill PLN in 2013 (%) (= 4.674 Mill Euro)





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! Thanks for your attention !

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