

# Plumbing & Heating Supplies Wholesaling in the US

## Formal Industry Report for Client Review

Source: IBISWorld Industry Report 42372, October 2025

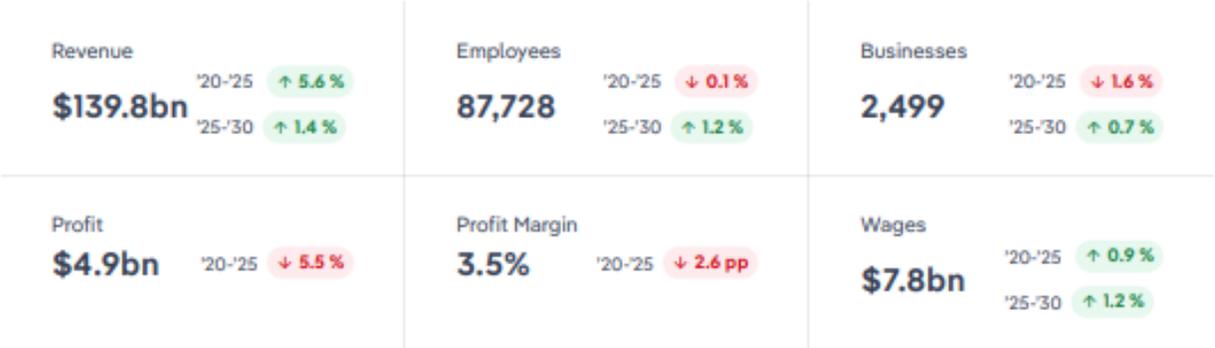
### Executive Summary

According to IBISWorld (Oct 2025), the **Plumbing & Heating Supplies Wholesaling industry (NAICS 42372)** has demonstrated steady expansion over the past five years, supported by nonresidential construction strength and sustained remodeling demand.

- **2025 Revenue:** \$139.8 Billion
- **2020–2025 CAGR:** +5.6%
- **2025–2030 Forecast CAGR:** +1.4%
- **Businesses:** 2,499
- **Employees:** 87,728
- **Profit:** \$4.9 Billion
- **Profit Margin:** 3.5%

The industry is considered **mature**, with moderate competition, low concentration and increasing consolidation activity.

### At a Glance



Five-year growth rates display historic and forecast CAGRs

# Industry Overview

The industry distributes plumbing fixtures, hydronic equipment and heating supplies from manufacturers to contractors, commercial builders and retailers. Products include:

- Pipes, fittings and valves
- Plumbing fixtures
- Boilers and radiators
- HVAC equipment
- Water heaters
- Sump pumps and water treatment systems

The sector serves both **residential and nonresidential construction markets**, which have experienced counterbalancing trends in recent years.

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## Industry Performance Snapshot (IBISWorld Data)

### Revenue Growth

- Revenue has expanded at a **5.6% CAGR (2020–2025)**.
- Growth is expected to moderate to **1.4% annually through 2030**.
- 2025 projected growth: **+1.1%**

### Performance Snapshot

#### Revenue

Total value (\$) and annual change from 2012 – 2030. Includes 5-year outlook.



## Employees

Total number of employees and annual change from 2012 – 2030. Includes 5-year outlook.



IBISWorld

Source: IBISWorld

Employees

**87,728**

'20-'25 ↓ 0.1%

'25-'30 ↑ 1.2%

Employees per Business

**35**

'20-'25 ↑ 1.5%

'25-'30 ↑ 0.4%

Revenue per Employee

**\$2m**

'20-'25 ↑ 5.6%

'25-'30 ↑ 0.3%

## Business

Total number of businesses and annual change from 2012 – 2030. Includes 5-year outlook.



IBISWorld

Source: IBISWorld

Businesses

**2,499**

'20-'25 ↓ 1.6%

'25-'30 ↑ 0.7%

Employees per Business

**35**

'20-'25 ↑ 1.5%

'25-'30 ↑ 0.4%

Revenue per Business

**\$55.9m**

'20-'25 ↑ 7.2%

'25-'30 ↑ 0.7%

## Profitability

- Profit declined at a **-5.5% CAGR** from 2020–2025.
- Profit margin compressed to **3.5%**, down 2.6 percentage points.
- Rising input costs, tariffs and supply chain disruptions pressured margins.

## Profit Margin

Total profit margin (%) and annual change from 2012 – 2030



Total Profit

**\$4.9bn**

'20-'25 ↓ 5.5 %

Profit Margin

**3.5%**

'20-'25 ↓ 2.6 pp

Profit per Business

**\$2.0m**

IBISWorld

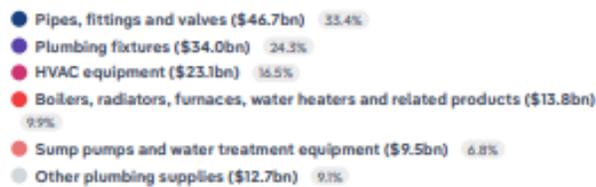
Source: IBISWorld

## Business Structure

- Businesses declined 1.6% over the past five years.
- Employees per business increased.
- Revenue per business increased to approximately \$55.9 million.

## Products & Services Segmentation

Industry revenue in 2025 broken down by key product and service lines.



IBISWorld

Source: IBISWorld

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These drivers directly impact product demand and margin structure.

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# Construction Market Trends

## Residential Sector

- Housing starts have declined.
- Remodeling and high-end upgrades (smart fixtures, energy-efficient systems) continue to support demand.
- Consumer interest in luxury and technology-enabled products is rising.

## Nonresidential Sector

- Warehousing, manufacturing and infrastructure development have strengthened demand.
  - Large industrial projects have supported volume growth.
  - Smart building and energy efficiency upgrades remain growth catalysts.
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# Product Segment Analysis

## Largest Segment: Pipes, Fittings & Valves

- Represents the largest revenue share.
- Growth supported by plastic innovations (PEX, PVC).
- Tariffs on steel, aluminum and imports have increased costs.

## HVAC Equipment

- Strong performance driven by energy efficiency mandates.
- Smart and IoT-enabled systems expanding.
- Federal and state incentives boosting adoption.

## Hydronic Heating Systems

- Increasing adoption in commercial buildings.
- Favored for energy efficiency and design flexibility.

## Sump Pumps & Water Treatment

- Growth tied to climate resilience and infrastructure modernization.
  - Smart monitoring systems increasing value-added opportunities.
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# Geographic Concentration

Industry establishments are concentrated in high-population, high-construction regions.

## Leading States by Revenue:

- **California** – \$19.7B
- **Texas** – \$10.9B
- **Georgia**
- **Florida**
- **New York**

The Southeast, West and Mid-Atlantic represent the largest regional concentrations.

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# Competitive Landscape

## Industry Structure

- Concentration: Low
- Competition: Moderate and increasing
- Barriers to Entry: Moderate
- Revenue Volatility: Moderate
- Life Cycle: Mature

## Competitive Pressures

- Wholesaler bypass through e-commerce
  - Direct manufacturer sales
  - Competition from large retailers (Home Depot, Lowe's)
  - Increasing price-based competition
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# Major Player: Ferguson Plc



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## Ferguson Plc

- Market Share: 20.9%
- 2025 Revenue: \$29.3B
- Profit Margin: 9.7%
- Employees: 35,000
- Nine acquisitions completed since 2024
- Headquarters relocated to Virginia
- Strong focus on private-label and higher-margin product lines

Ferguson remains the dominant national distributor and is actively expanding via acquisition.

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## Cost Structure & Financial Benchmarks

- Largest Cost: Purchases (70.6% of revenue)
- Average Wage: \$89,161
- Wages: \$7.8B industry-wide
- Profit below broader wholesale sector average

Margin compression is primarily driven by:

- Tariffs (steel, aluminum, Vietnam imports up to 46%)
- Plastic resin price volatility

- Transportation costs
  - Increased labor expenses
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## **Strategic Industry Themes**

### **1. Digitization & E-Commerce**

Wholesalers are investing in:

- E-commerce platforms
- CRM systems
- Predictive analytics
- Automated warehousing

### **2. Energy Efficiency & Sustainability**

- Solar thermal systems
- Smart thermostats
- Leak detection systems
- Energy Star-compliant equipment

45% of U.S. households own at least one smart home device (IBISWorld citing Parks Associates).

### **3. Consolidation**

- Increasing M&A activity
- Larger wholesalers acquiring regional specialists
- Economies of scale driving margin improvement for top-tier operators

### **4. Infrastructure Funding**

- EPA State Revolving Fund programs
  - Bipartisan Infrastructure Law investments
  - Lead-free piping and efficiency retrofits driving public works demand
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# SWOT Summary (IBISWorld)

## Strengths

- Low import dependence
- Diversified product mix
- Low customer concentration

## Weaknesses

- Low margins
- High capital requirements
- Labor-intensive operations

## Opportunities

- Infrastructure investment
- Energy-efficient retrofits
- Smart technology adoption
- Digital expansion

## Threats

- Wholesaler bypass
- Tariff volatility
- Construction slowdowns
- Margin compression

SWOT	
Strengths	Low Imports Low Customer Class Concentration Low Product/Service Concentration
Weaknesses	Low & Steady Level of Assistance Low Profit vs. Sector Average Low Revenue per Employee High Capital Requirements
Opportunities	High Revenue Growth (2005-2025) High Revenue Growth (2020-2025) High Revenue Growth (2025-2030) Producer Price Index: Plastic materials and resin
Threats	Low Outlier Growth Low Performance Drivers Private spending on home improvements

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## Five-Year Outlook (2025–2030)

Revenue projected to reach **\$150.0 billion by 2030**.

Growth Drivers:

- Interest rate stabilization
- Nonresidential construction rebound
- Infrastructure funding
- Smart & energy-efficient technology adoption

Risks:

- Continued consolidation pressure
- Digital disintermediation
- Commodity price volatility

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## Conclusion for Clients

The Plumbing & Heating Supplies Wholesaling industry remains stable but margin-sensitive. While revenue growth has been solid, profitability remains under pressure due to tariffs, rising input costs and increasing competition.

Strategic success will depend on:

- Digital transformation
- Value-added service offerings
- Energy-efficient product leadership
- Strategic acquisitions
- Supply chain optimization

The industry is not high-growth, but it remains a critical and resilient component of the broader construction ecosystem.

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**Data Source:** IBISWorld Industry Report 42372 – Plumbing & Heating Supplies Wholesaling in the US (October 2025)