Plumbing & Heating Supplies Wholesaling in the US

Formal Industry Report for Client Review

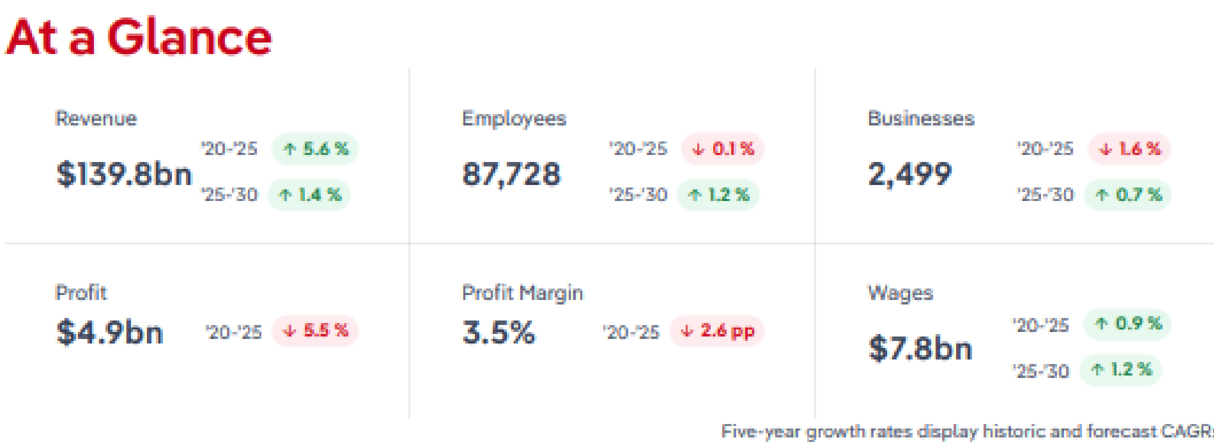
Source: IBISWorld Industry Report 42372, October 2025

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.



Industry Overview

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

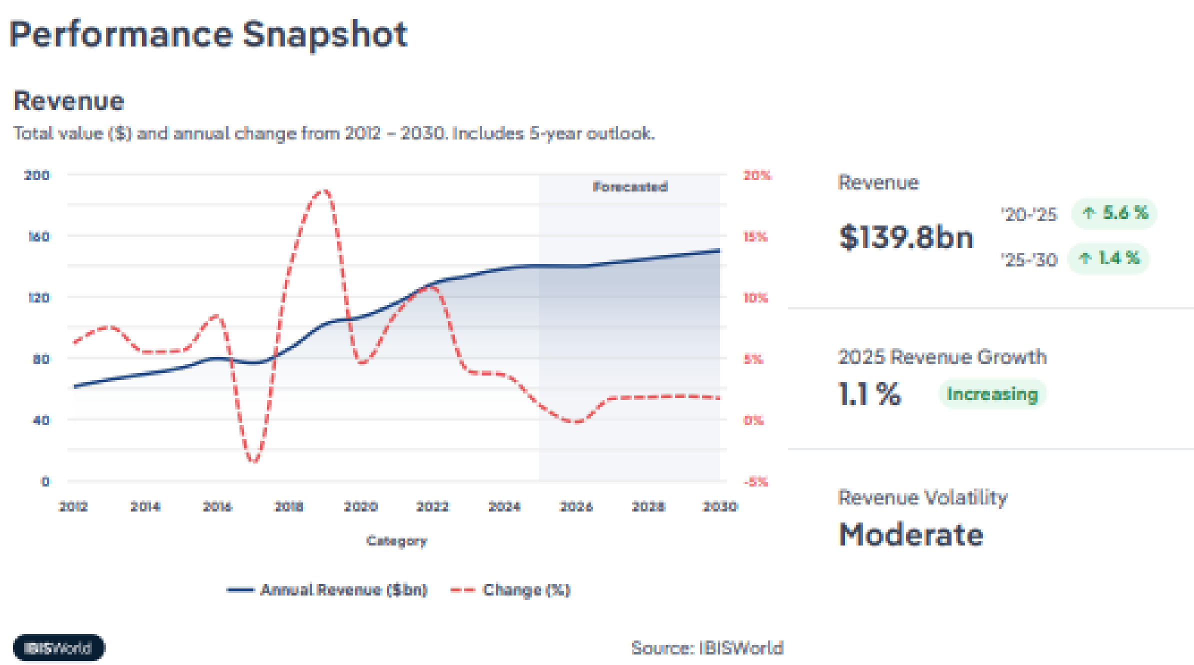
- Pipes, fittings and valves
- Plumbing fixtures
- Boilers and radiators
- HVAC equipment
- Water heaters
- Sump pumps and water treatment systems

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

Industry Performance Snapshot (IBISWorld Data)

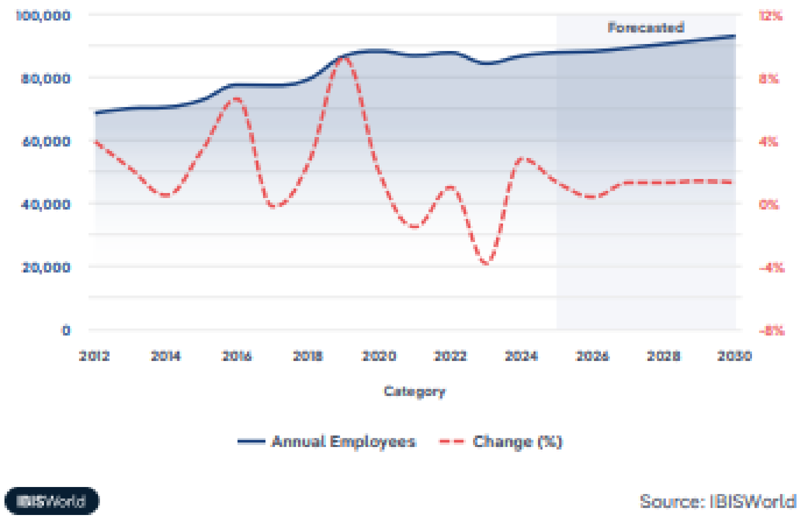
Revenue Growth

- 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%**



Employees

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



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

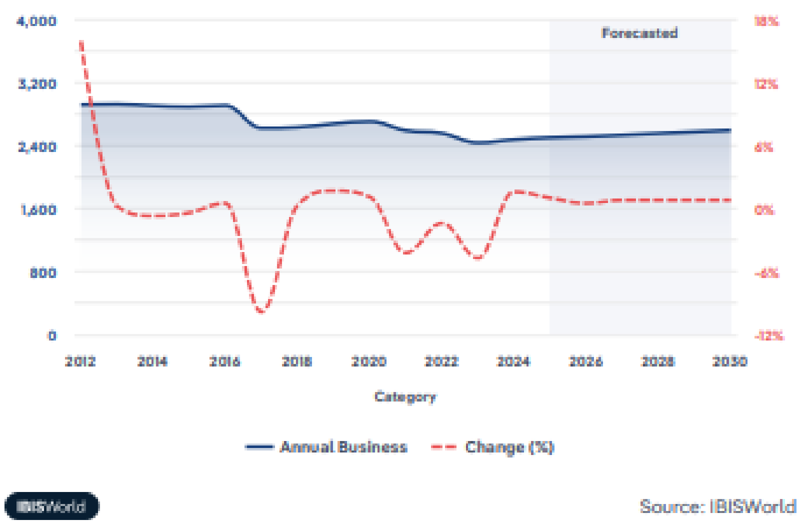
$2m

'20-'25 ↑ 5.6 %

'25-'30 ↑ 0.3 %

Business

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



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

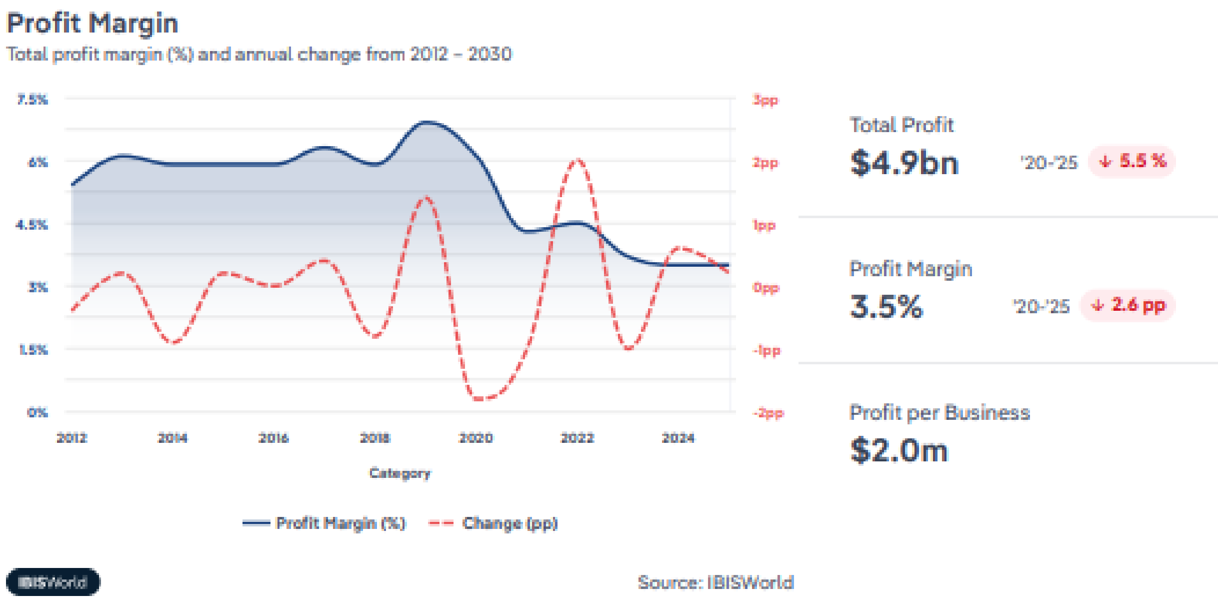
$55.9m

'20-'25 ↑ 7.2 %

'25-'30 ↑ 0.7 %

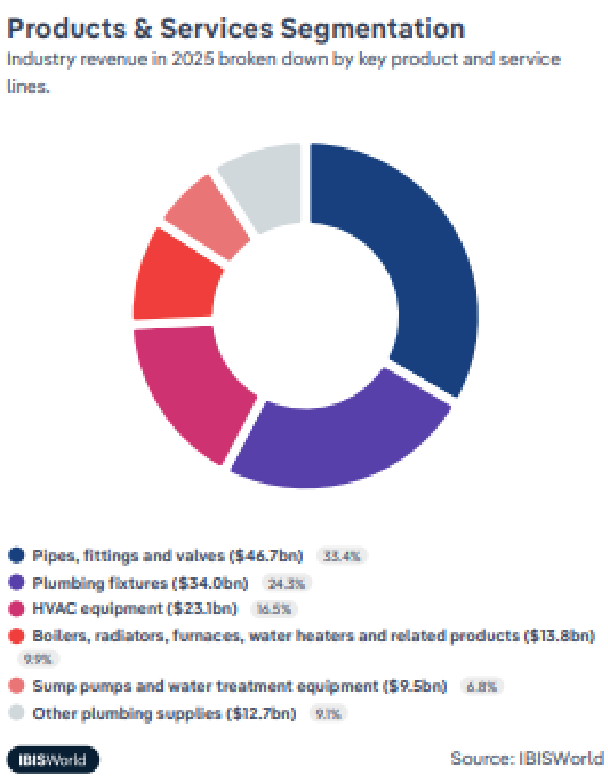
Profitability

- 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.



Business Structure

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



Market Drivers

Key External Drivers (IBISWorld)

- Private spending on home improvements
- Private nonresidential construction
- Consumer confidence index
- House price index
- Freight transportation services index
- Producer Price Index: plastic materials and resin

These drivers directly impact product demand and margin structure.

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.

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.

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.

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

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.

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

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

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

Conclusion

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.

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