

— Street Talk

Fletcher Building sells Tradelink to one of America's richest families

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Fletcher Building has agreed to sell its Tradelink plumbing and bathroom supplies business to Metals Manufacturers, a subsidiary of US-based Blackfriars Corporation.

An announcement is expected on Monday morning. Blackfriars is controlled by the secretive Colburn family, and was self-advised. Miles Advisory ran the sale process.

Metals Manufacturers saw off local turnaround specialists, Anchorage Capital Partners and Allegro Funds, in the early stages of the auction. But it was competing against Luminis Partners-advised Mesh & Bar, the reinforced steel distributor founded by former Infrabuild boss Dak Patel, in the final round as revealed by this column.

Sources said Blackfriars would acquire Tradelink for between \$150 million to \$175 million.

The Colburns, with an estimated fortune of \$US1.2 billion (\$1.8 billion), acquired Metals Manufacturers Pty, a local trade wholesale distribution business founded in 1916. It supplies electrical, communications and data, solar, lighting and associated electrical component products to clients across the country – and obviously sees room to expand into bathroom products.



Plumbing supplies business Tradelink has a new owner.

It should give Fletcher's acting chief executive officer, Nick Traber, something to crow about to shareholders on August 21, when the dual-listed company is due to report its results for the 2024 financial year. Fletcher's shares have fallen 46 per cent on the ASX over the past 12 months and investors including Allan Gray had welcomed the plans to divest Tradelink.

Fletcher – whose other brands include Laminex, Stramit roofing and structural steel, Iplex pipes and Oliveri sinkware – posted a net loss of \$NZ120 million (\$112 million) for the December half. The result claimed its then CEO Ross Taylor, who had been in the role since late 2017, as well as chairman Bruce Hassall.

Tradelink, in particular, had been an underperformer, especially in comparison to its ASX-listed rival Reece Group. It had its carrying value written down by \$NZ122 million ahead of the divestment.