creditworks

June 2025 Month-End **Credit Insights**

June 2025 Month-End Credit Insights

Contents

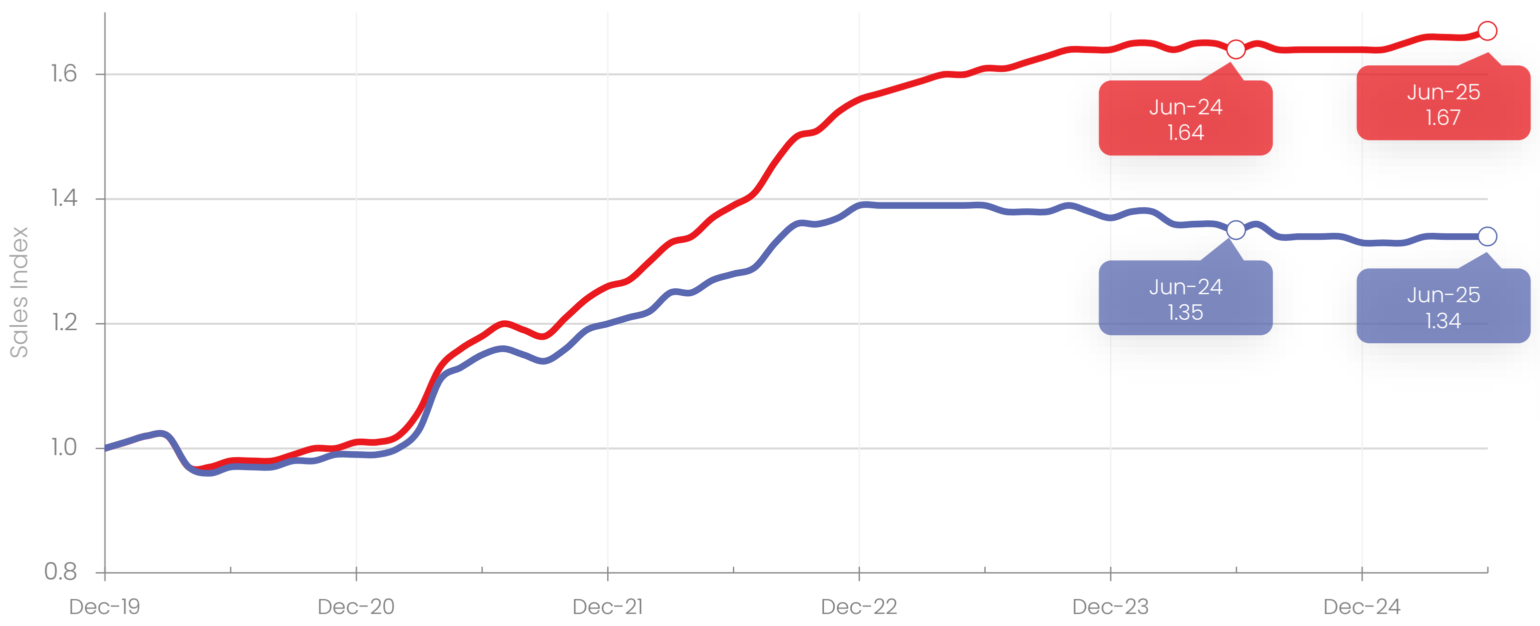
creditworks

Key Credit Risk Insights.

Rolling Annual Sales rose in June - building on recent momentum, with inflation-adjusted trends holding steady.

Annual Sales Index (Indexed to December 2019)

Note: Rolling Annual Sales; Inflation Adjustment Indexed to General CPI (Base = December 2019)



Nominal Sales

MoM Change 0.4%

YoY Change 1.8%

Rolling annual sales inched higher in June, continuing the modest gains observed in recent months.

Inflation Adjusted Sales

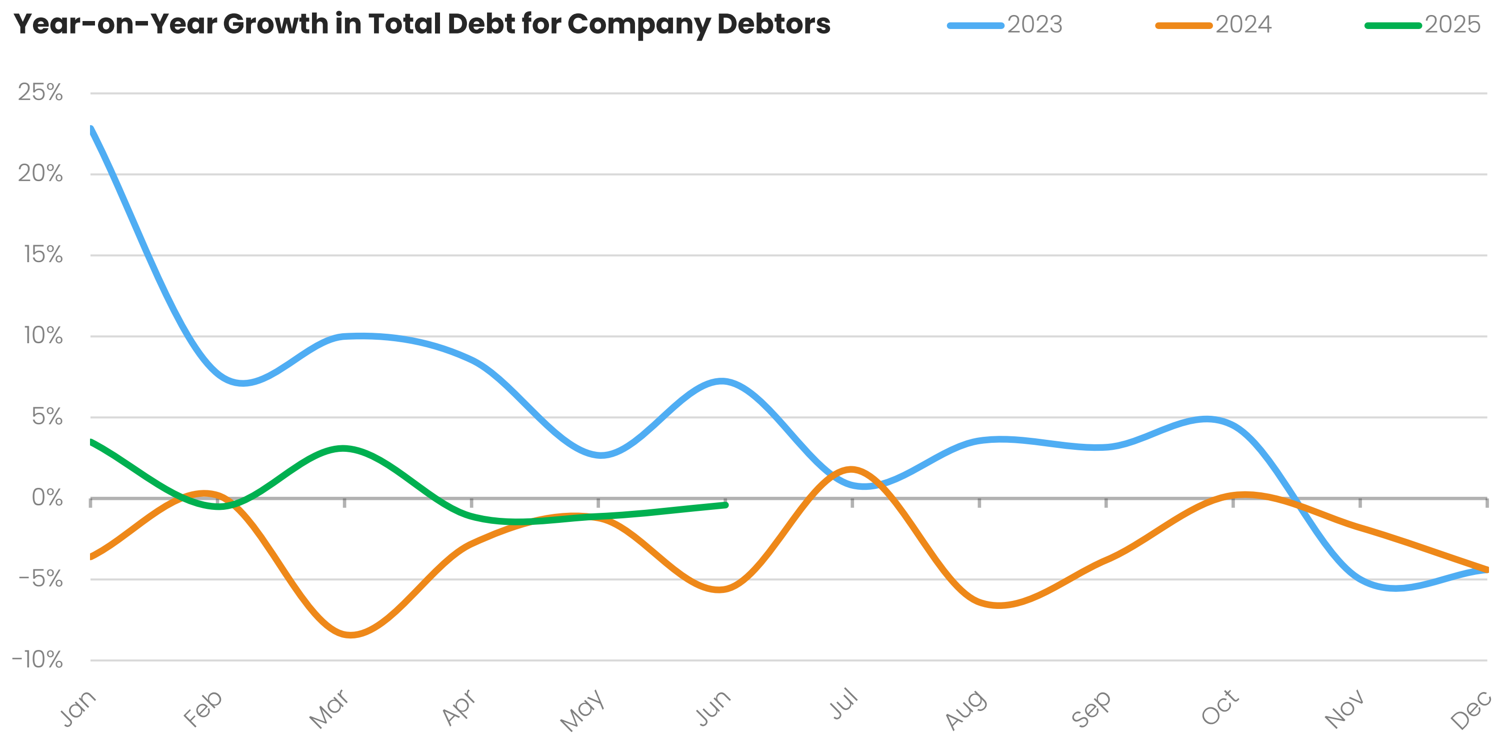
MoM Change 0.2%

YoY Change 0.7%

Inflation-adjusted annual sales have benefited from modest inflation in recent quarters, but this has begun to turn again. Recent trends remain flat.

creditworks

Total Debt levels for Company Debtors remained subdued in June.



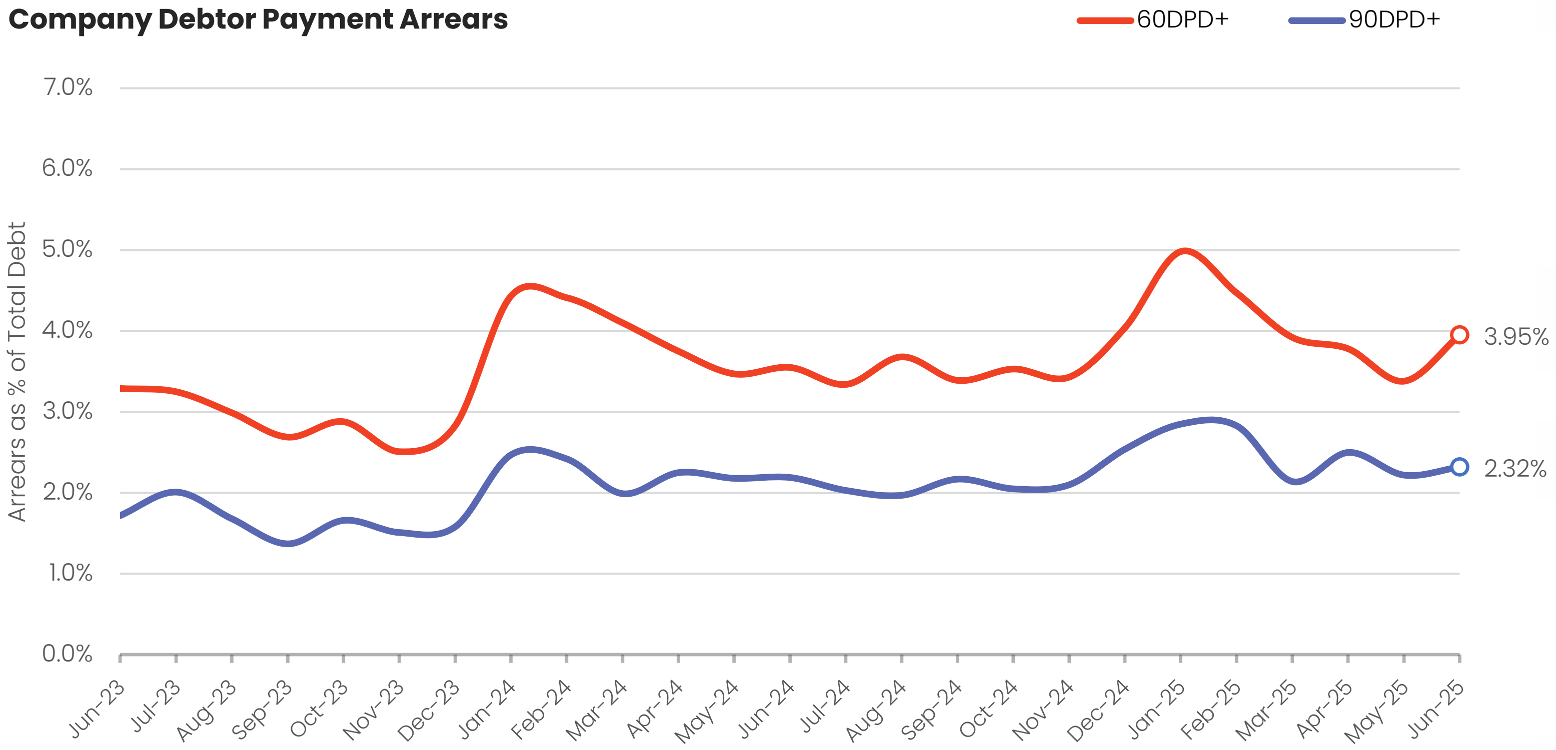
March 2025

0.4%

Total Debt Balance for June 2025 was 0.4% lower than June 2024.

creditworks

60DPD+ Company Arrears saw a notable increase in June, while 90DPD+ recorded a smaller increase. Both measures are up year-on-year.



60DPD+ Arrears

MoM Change **57bps**

YoY Change **40bps**

60DPD+ arrears increased in June, reversing some of the gains made since the January peak this year.

90DPD+ Arrears

MoM Change **11bps**

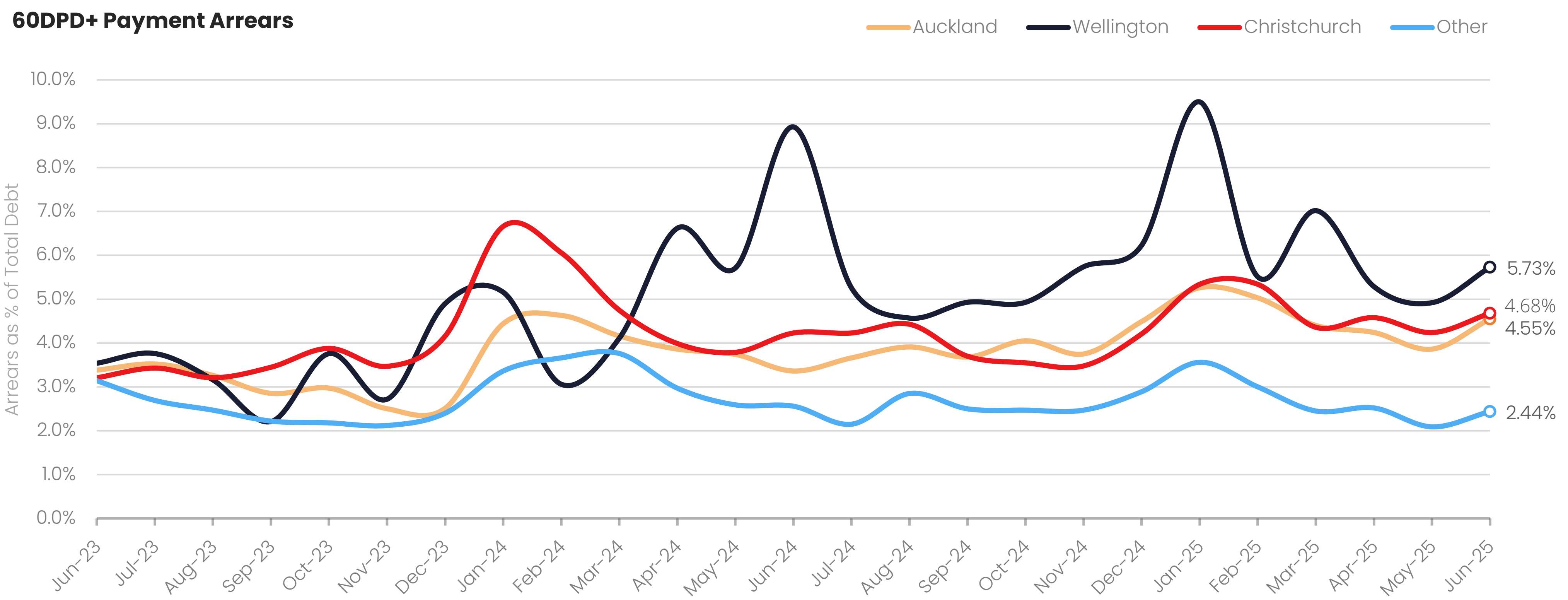
YoY Change **13bps**

90DPD+ arrears also increased through June and are up slightly compared to the level seen last year.

creditworks

All regions saw month-on-month deterioration in 60DPD+ Arrears through June.

(Location Determined by Debtor Address on the Companies Office)



creditworks

Winding up applications (IRD and Companies combined)

As per the McDonald Vague Insolvency June 2025 Report

Winding Up Applications (All Companies)

Month-on-Month

0.2%

The rolling annual volume of winding up applications was 0.2% higher in Jun-25 vs. May-25.

Year-on-Year

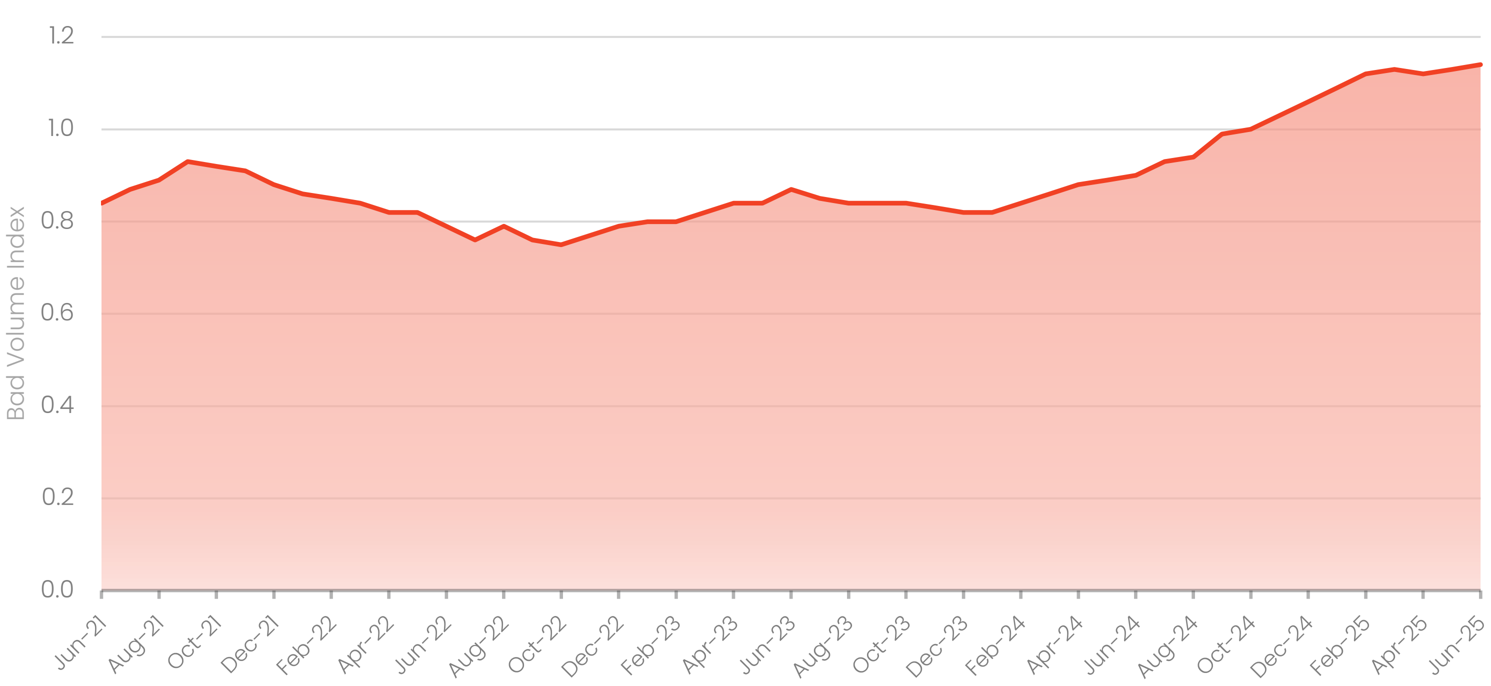
27.8%

The rolling annual volume of winding up applications was up 27.8% in Jun-25 vs. Jun-24.

Rolling trend in CreditWorks Debtors going 'Bad'

(Default, Judgement, Administration, Receivership, Liquidation)

Annual Volume of 'Bad' Debtors Index (Indexed to December 2019)



Month-on-Month

1.1%

The rolling annual volume of bad debtors continued to climb in June 2025.

Year-on-Year

27.8%

The rolling annual volume of debtors going bad was 27.8% higher than in June 2024.

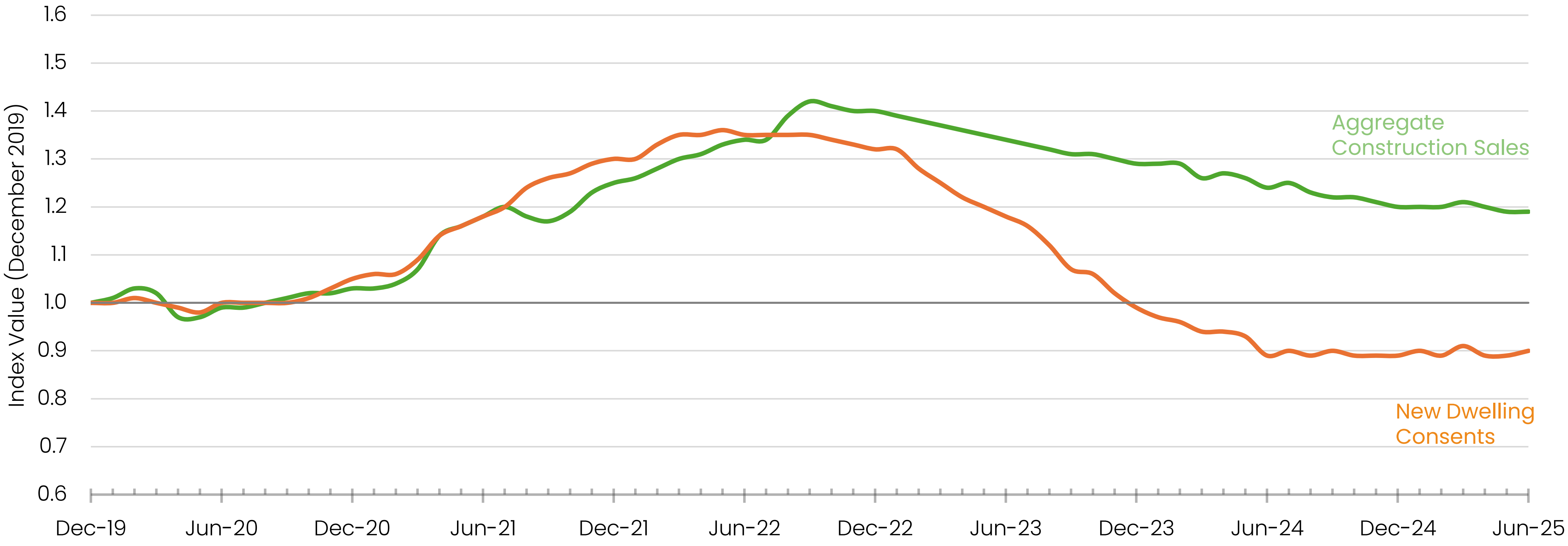
creditworks

Comparison of Building Consents and Sales Trends.

Aggregate Construction Sales showed little movement in June, while rolling annual new dwelling consents remain broadly level.

Construction Rolling Annual Sales vs. Rolling Annual New Dwelling Consents

Indexed to December 2019, Inflation Adjusted (CPI Dec 2019 = 1000)

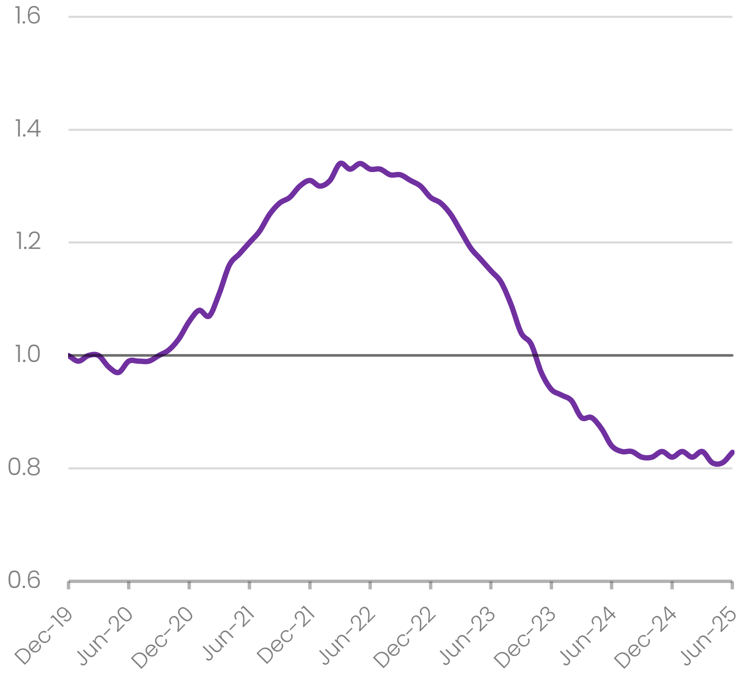


creditworks

The North Island saw a nominal gain in rolling annual consents through June, while the momentum has slowed the South Island.

North Island – Rolling Annual Consents

Index: Dec 2019



Change in
Annual Consents
Since Dec-2019

17.1%

South Island – Rolling Annual Consents

Index: Dec 2019

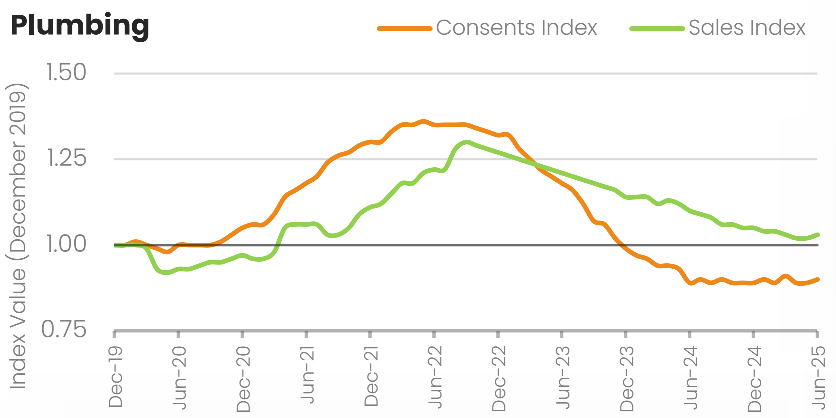
Change in
Annual Consents
Since Dec-2019

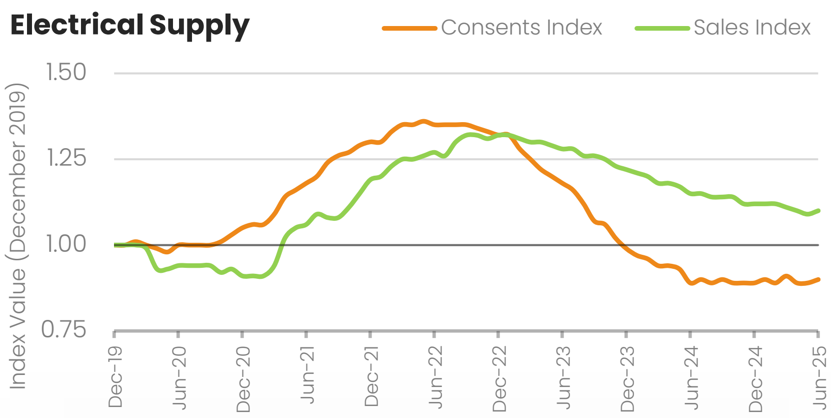
13.4%

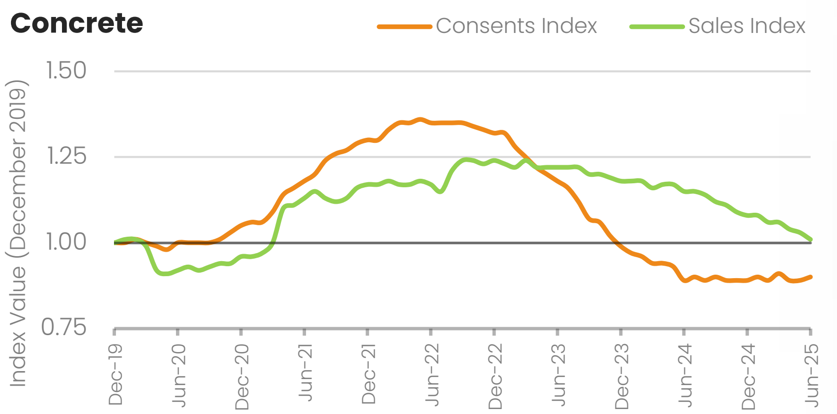
creditworks

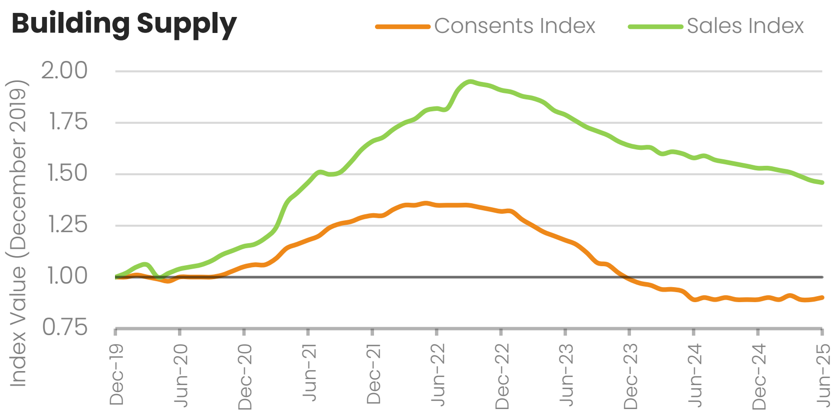
Inflation Adjusted Sales vs Consents for spotlight Vendor industries

(Inflation Indexed to CPI; Base 1000 = December 2019)



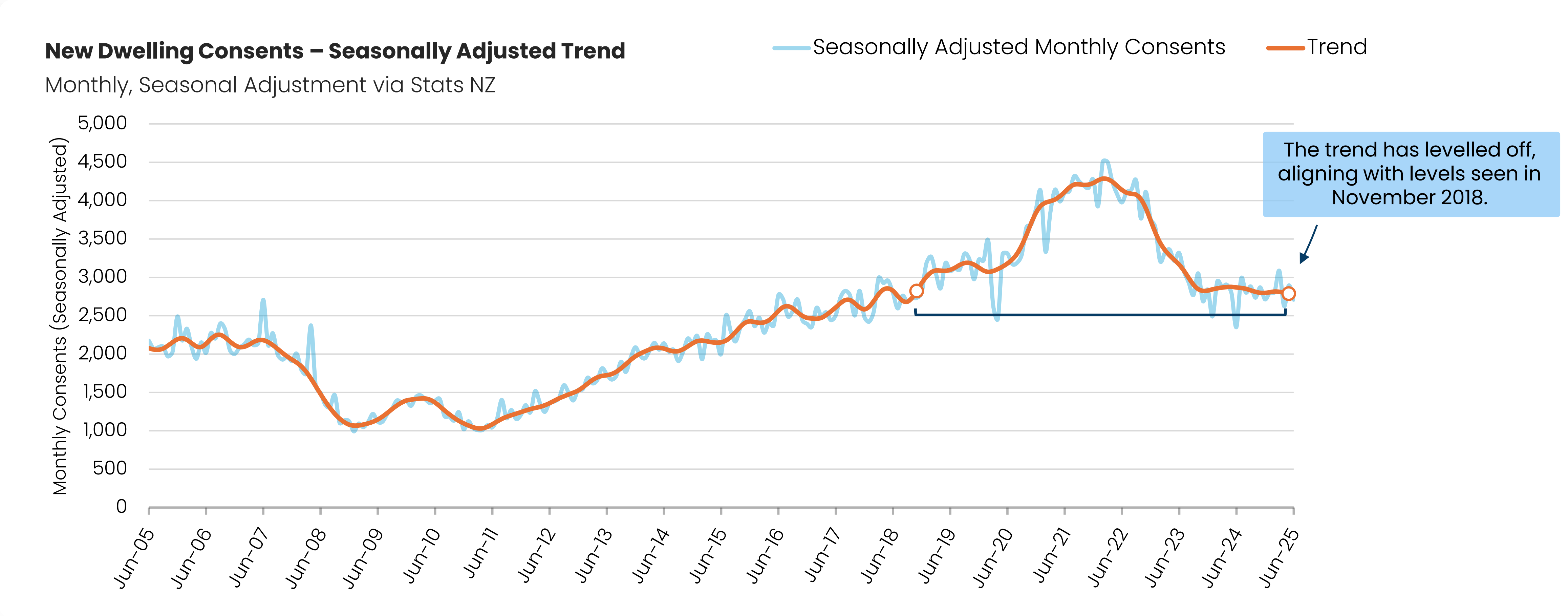






creditworks

New dwelling consents saw a slight dip in June, but the broader long-term trend remains relatively stable.

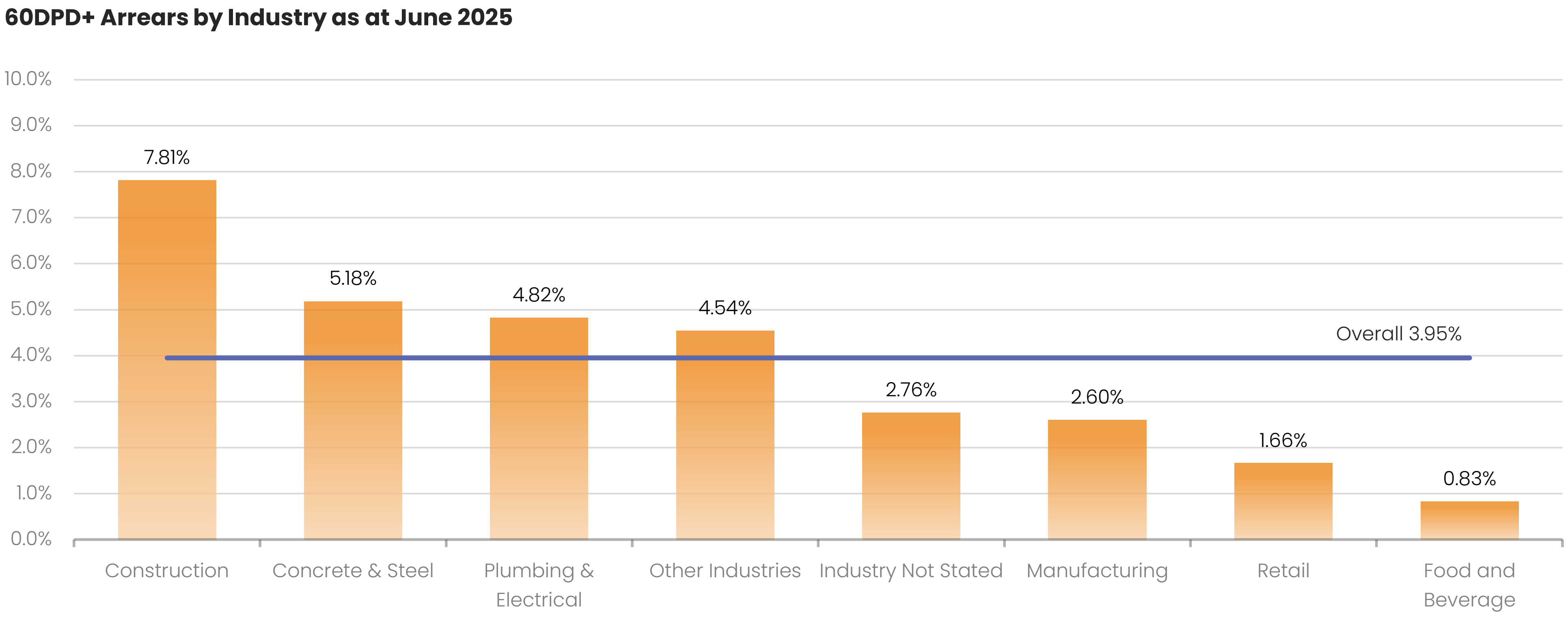


Seasonally Adjusted Consents Source: Stats NZ

Debtor Industry Insights.

All industries except Concrete & Steel experienced a rise in 60DPD+ Arrears during June.

(Debtor ANZSIC industries defined by Companies Office records)

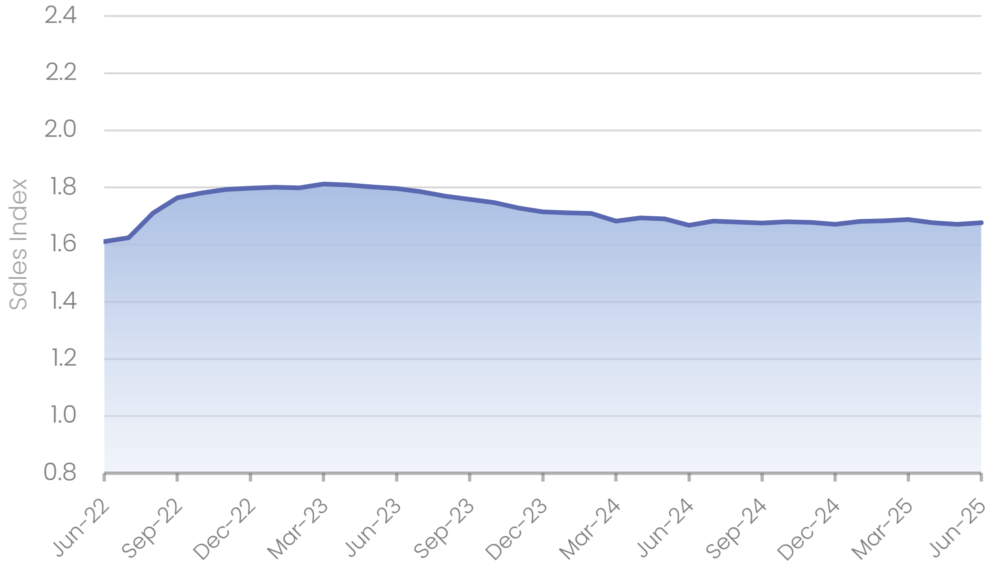


creditworks

Construction Debtors: Sales Growth

(Debtor industries (ANZSIC) and regions defined by Companies Office records)

Annual Sales (Index: Dec-19)



Month-on-Month

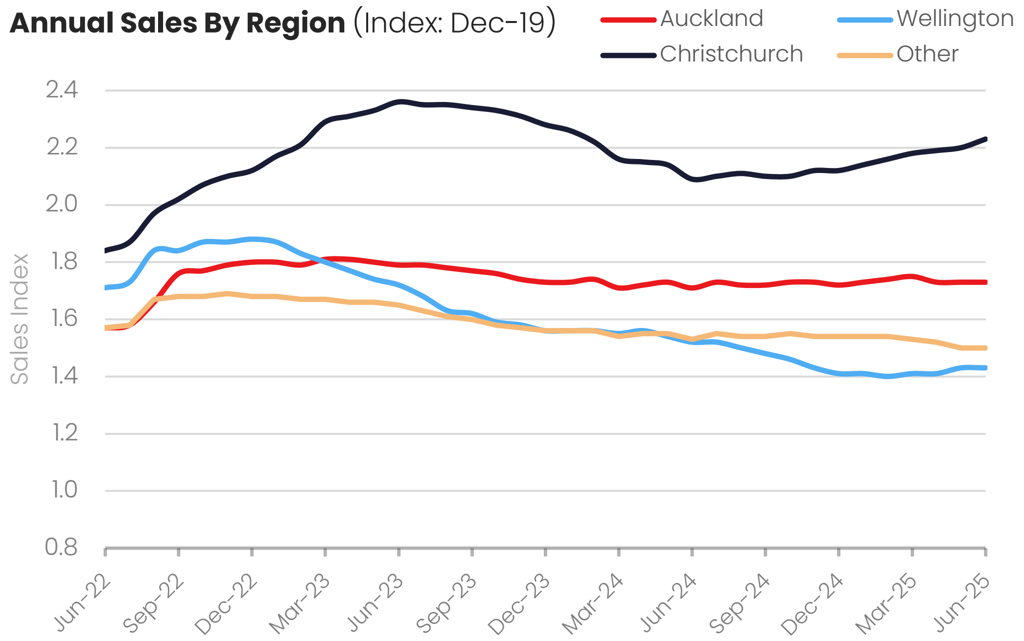
0.3%

Year-on-Year

0.6%

Rolling annual sales experienced a slight increase in June. The trend has been reasonably stable over the long run.

Annual Sales By Region (Index: Dec-19)



Christchurch MoM

1.4%

Everywhere Else MoM

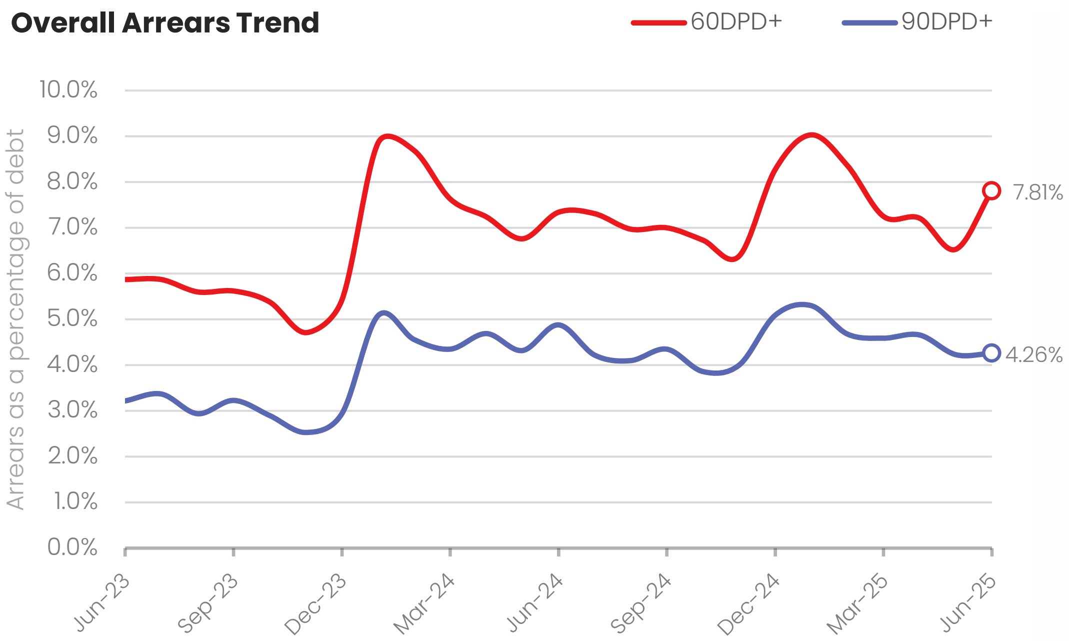
0.1%

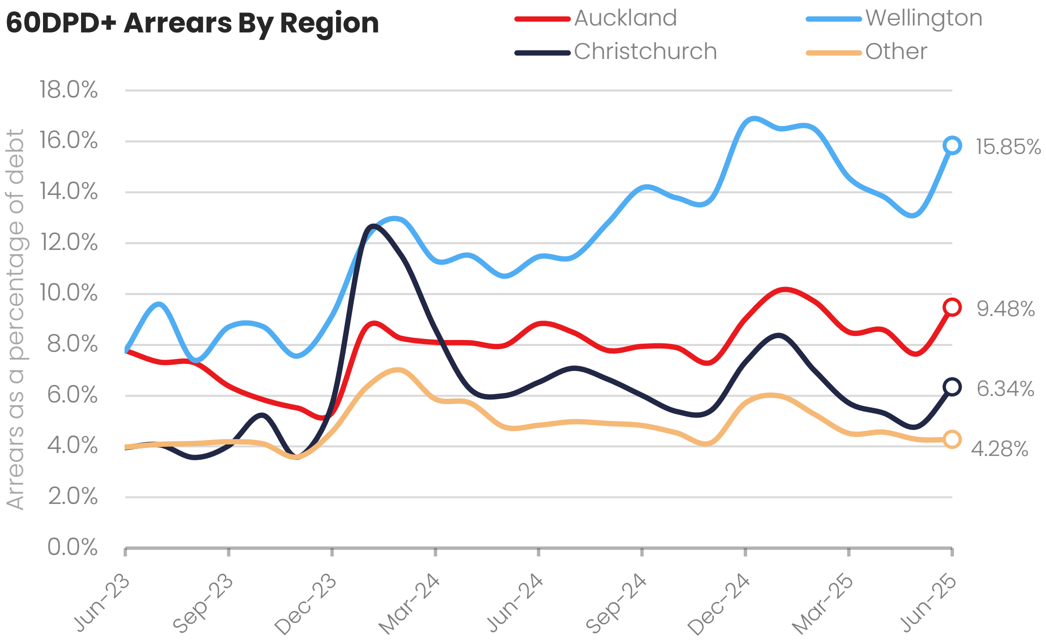
Christchurch continues to be the driver of any annual sales growth. In comparison, all other regions remain flat.

creditworks

Construction Debtors: Arrears

(Debtor industries (ANZSIC) and regions defined by Companies Office records)





60DPD+ MoM

127bps

90DPD+ MoM

3bps

June saw a sharp spike in 60DPD+ arrears, undoing half of the gains observed since January this year, currently 47bps above 2024 levels.

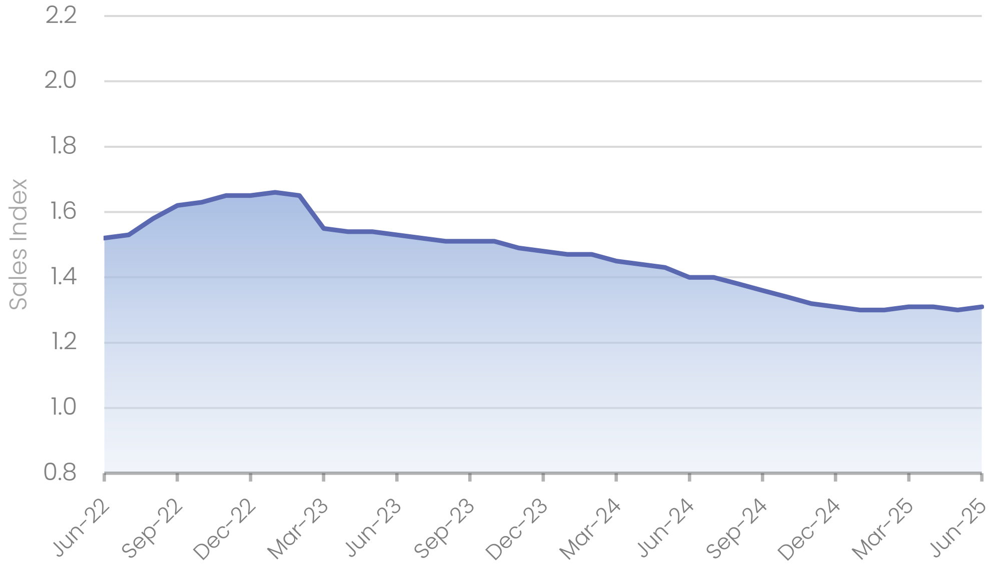
The deterioration was seen across all three major regions, with Wellington up 269bps, Auckland 183bps, and Christchurch 155bps. 'Other' regions saw a minimal 1bps decrease. Annually, Wellington is up 438bps, and Auckland is up 65bps. Christchurch, despite the monthly rise, remains 19bps below last year's level.

creditworks

Manufacturing Debtors: Sales Growth

(Debtor industries (ANZSIC) and regions defined by Companies Office records)

Annual Sales (Index: Dec-19)

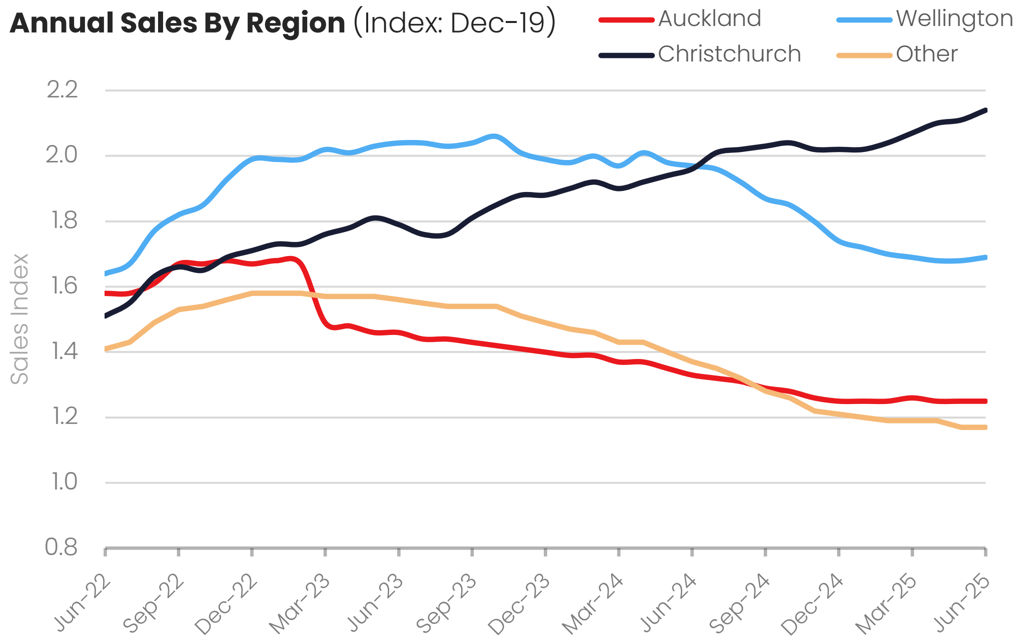


Month-on-Month 0.4%

Year-on-Year 7.0%

Manufacturing annual sales edged up in June, stabilising after a long period of decline.

Annual Sales By Region (Index: Dec-19)



Christchurch MoM 1.4%

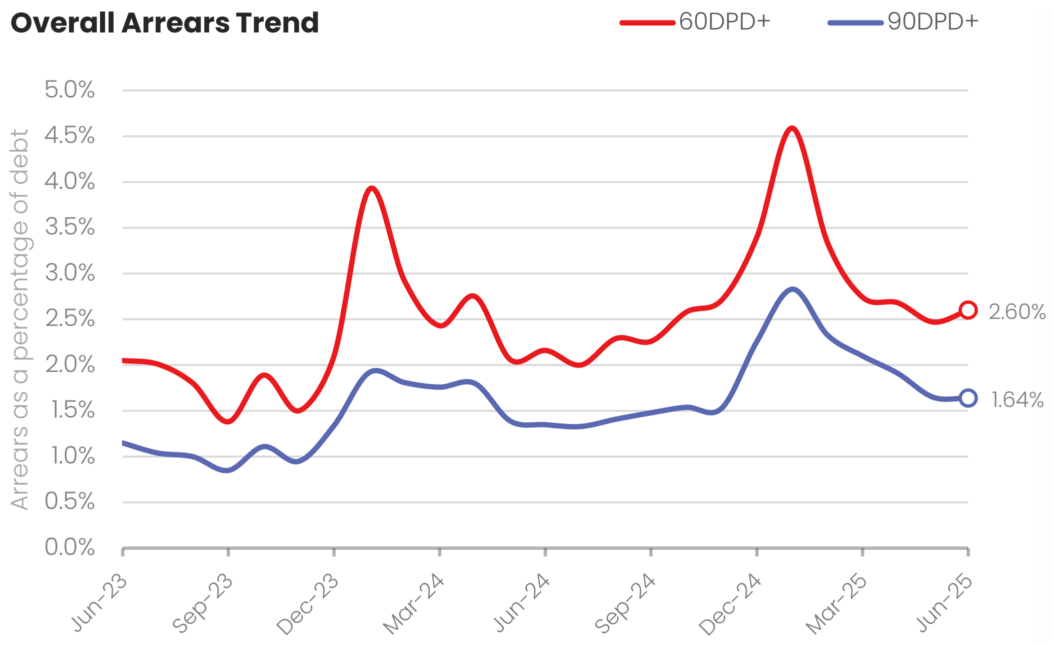
Everywhere Else MoM 0.2%

June saw month-on-month gains across all regions, with Christchurch showing the largest monthly increase.

creditworks

Manufacturing Debtors: Arrears

(Debtor industries (ANZSIC) and regions defined by Companies Office records)



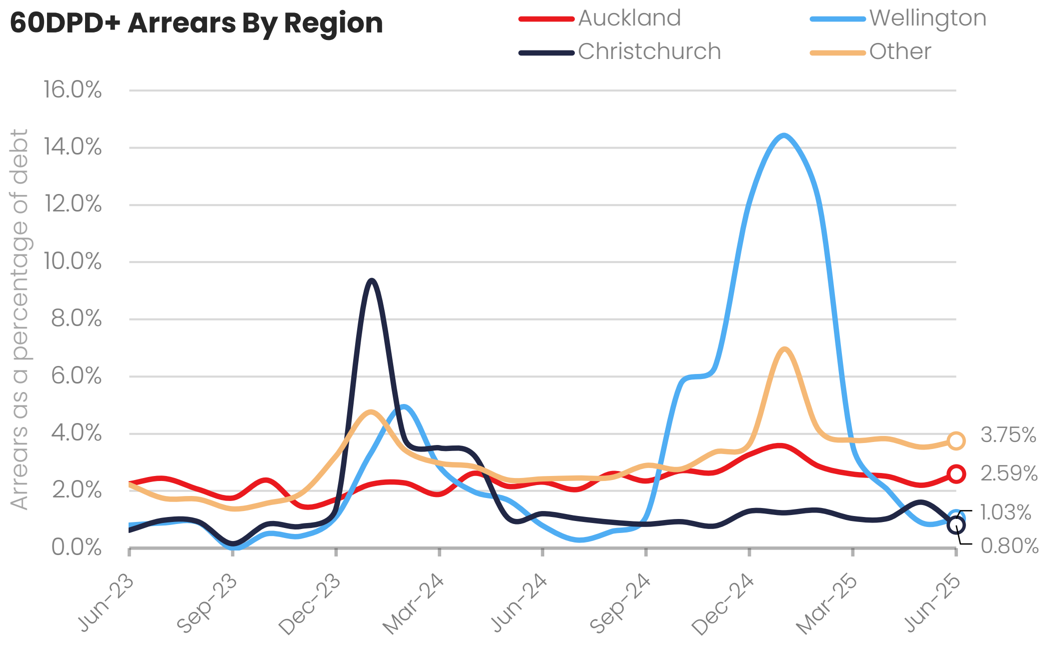
60DPD+ MoM

13bps

90DPD+ MoM

1bps

June saw a rise in 60DPD+ arrears, the first time since January this year. Levels are currently 44bps higher than June 2024.



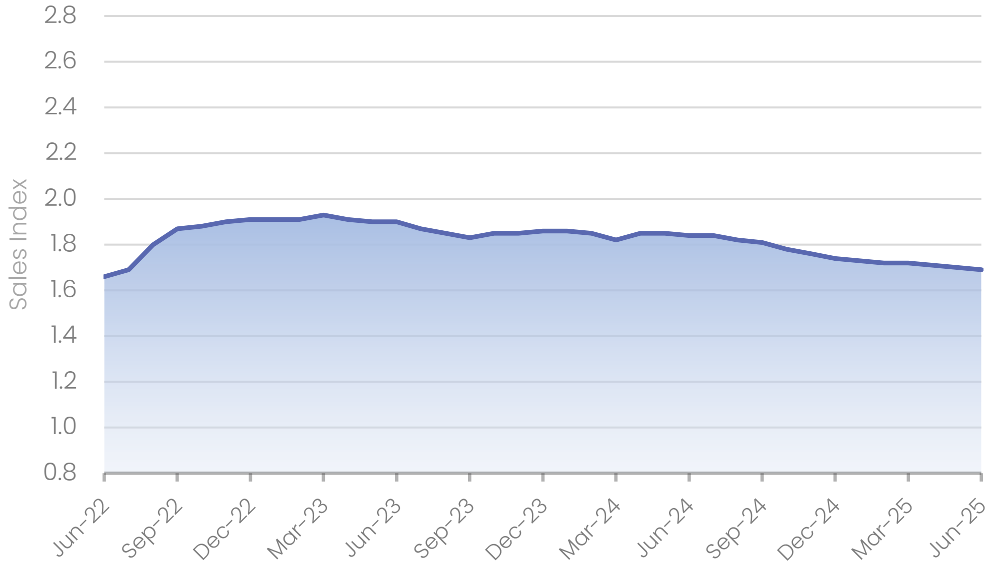
Christchurch was the only region to see a monthly improvement in 60DPD+ arrears, falling by 81bps MoM and helping to curb the overall upward trend. Auckland posted the largest monthly increase (39bps), followed by 'Other' regions (21bps) and Wellington (14bps).

creditworks

Concrete & Steel Debtors: Sales Growth

(Debtor industries (ANZSIC) and regions defined by Companies Office records)

Annual Sales (Index: Dec-19)

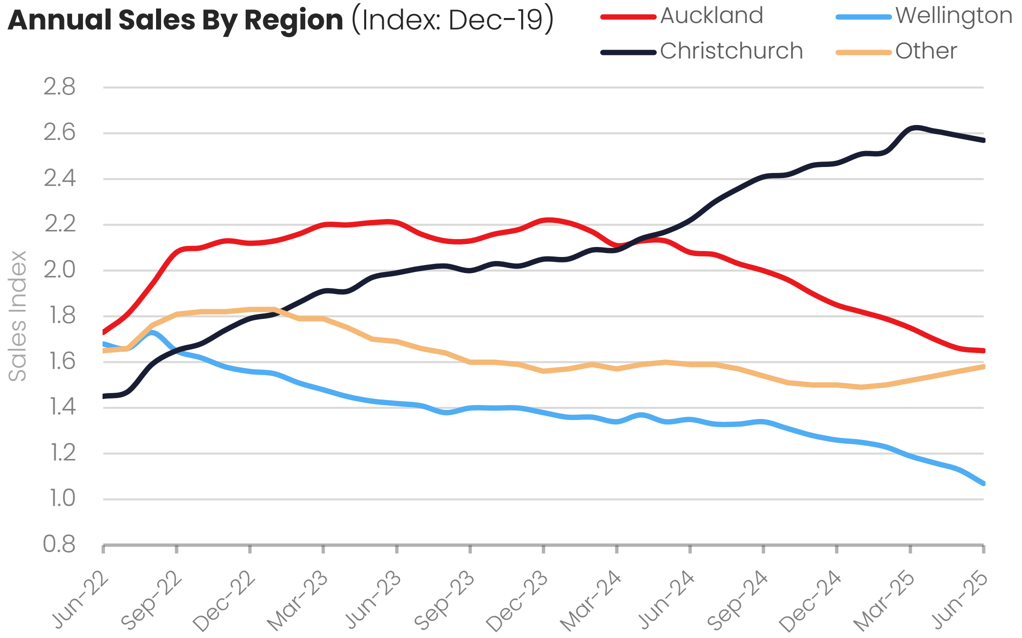


Month-on-Month 0.3%

Year-on-Year 7.7%

The decline in rolling annual sales continued in June. The overall trend has slowly deteriorated since April last year.

Annual Sales By Region (Index: Dec-19)



Wellington MoM 5.3%

Everywhere Else MoM 0.1%

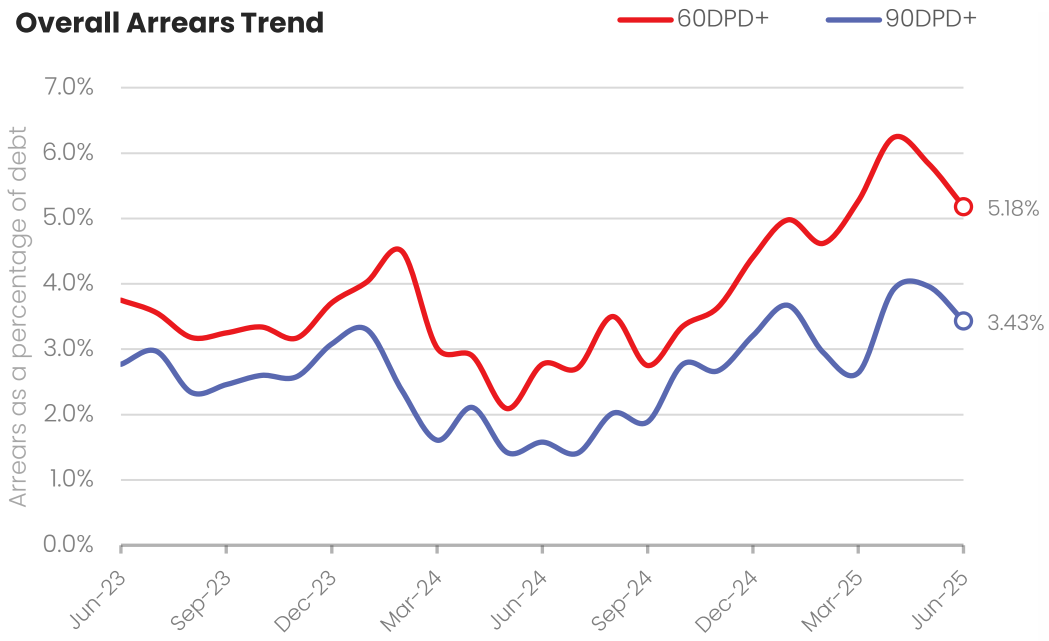
The deterioration in annual sales was underpinned by Wellington-based debtors. In contrast, 'Other' regions had an increase of 1.3% MoM.

creditworks

Concrete & Steel Debtors: Arrears

(Debtor industries (ANZSIC) and regions defined by Companies Office records)

Overall Arrears Trend

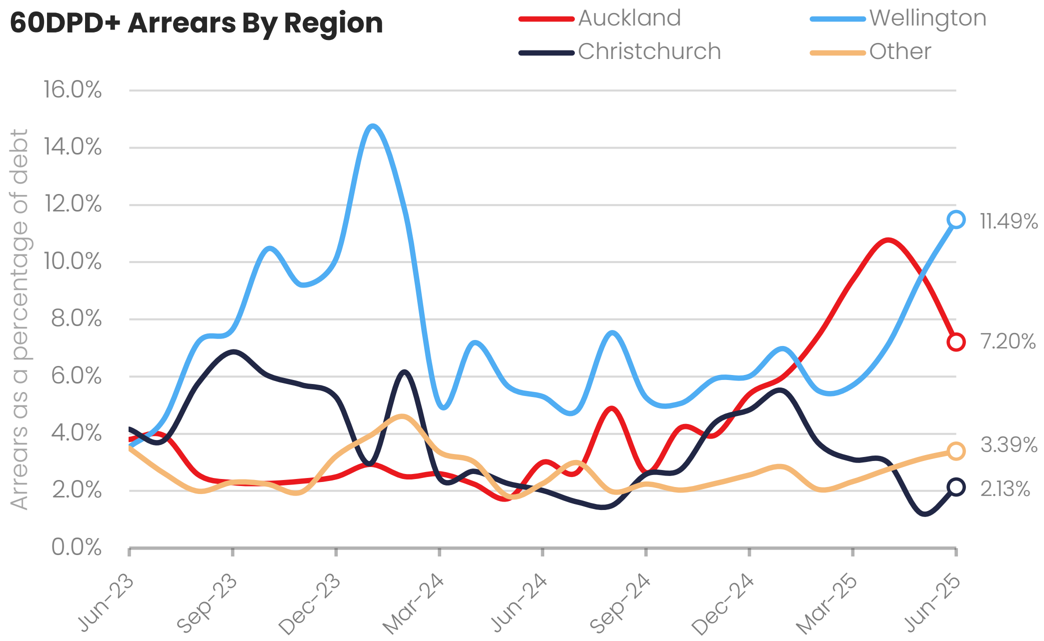


60DPD+ MoM 66bps

90DPD+ MoM 53bps

Concrete & Steel debtors saw notable improvement in arrears through June, signalling an easing in the overall trend – but it remains early days.

60DPD+ Arrears By Region



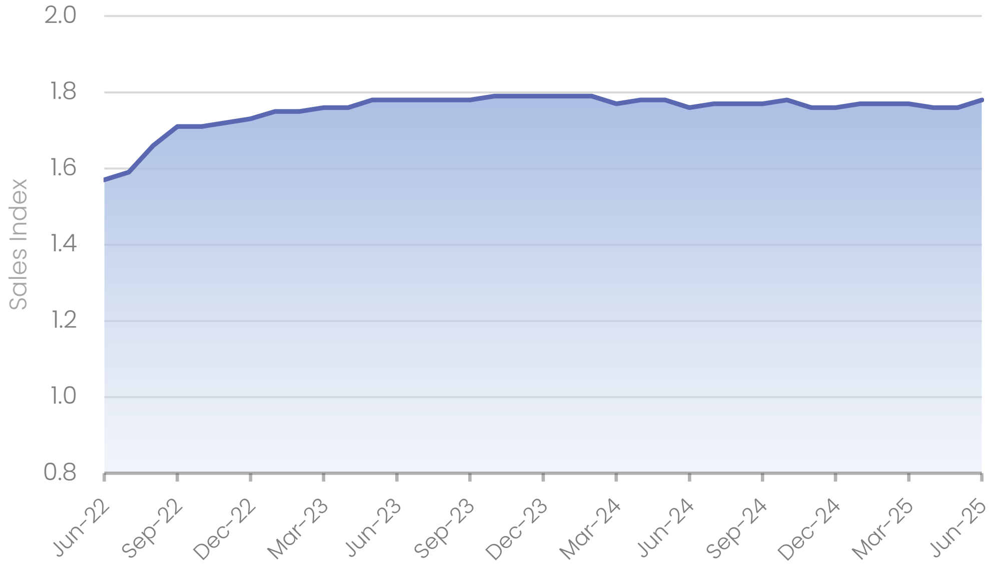
The monthly improvement in 60DPD+ arrears was solely driven by Auckland, down 237bps, closely mirroring national trends due to its high exposure. Everywhere else saw increases, led by Wellington (197bps), Christchurch (92bps), and 'Other' regions (27bps).

creditworks

Plumbing & Electrical Debtors: Sales Growth

(Debtor industries (ANZSIC) and regions defined by Companies Office records)

Annual Sales (Index: Dec-19)

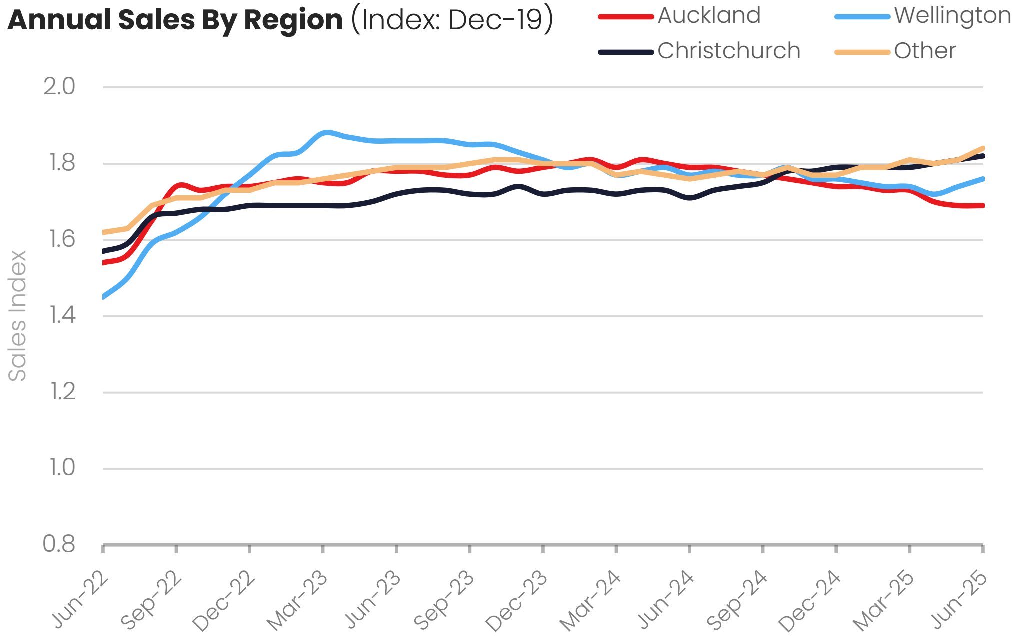


Month-on-Month 0.8%

Year-on-Year 1.0%

Plumbing and Electrical sales saw a welcome lift in June, rising 0.8% MoM and exceeding last year's levels.

Annual Sales By Region (Index: Dec-19)



Auckland YoY 5.3%

Christchurch YoY 6.4%

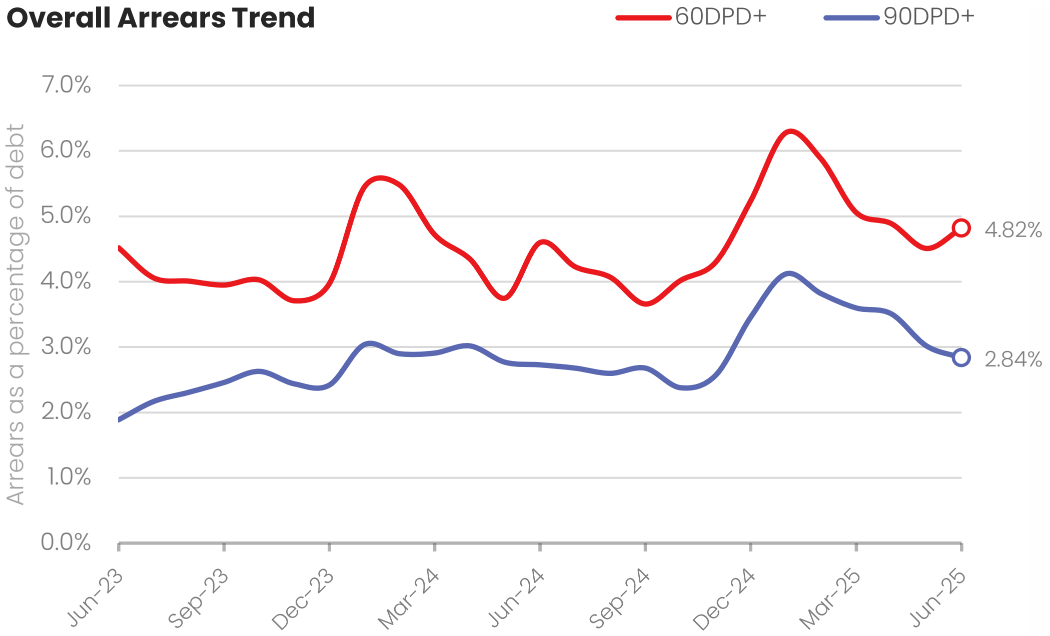
The long-term trend gap between Auckland and Christchurch continues to widen, while Wellington and 'Other' regions show MoM improvement.

creditworks

Plumbing & Electrical Debtors: Arrears

(Debtor industries (ANZSIC) and regions defined by Companies Office records)

Overall Arrears Trend



60DPD+ MoM

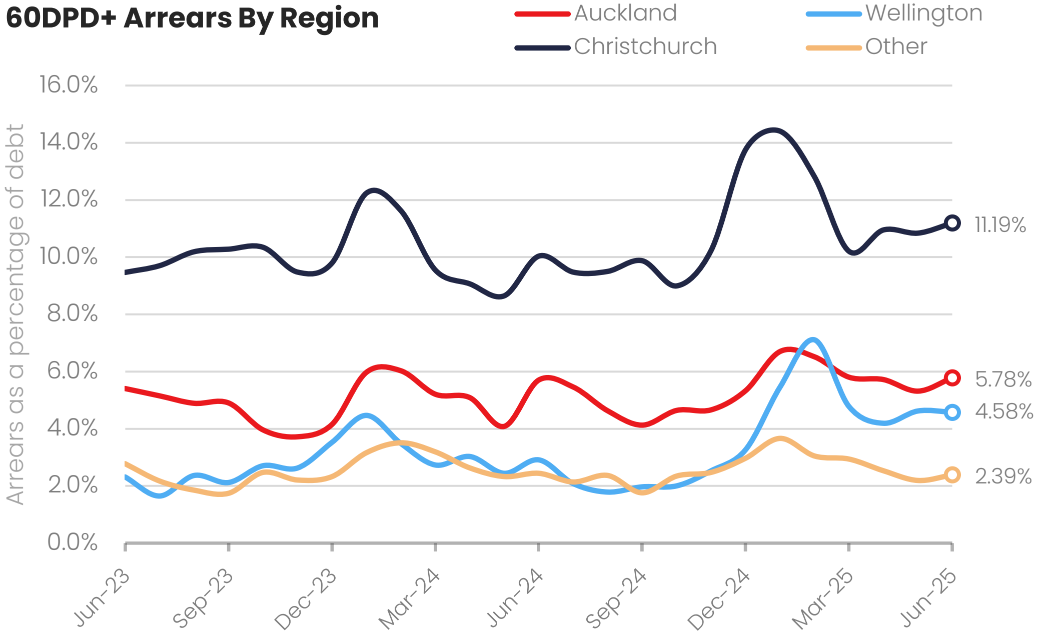
31bps

90DPD+ MoM

18bps

In June, arrears trends began to diverge as 60DPD+ saw a reversal while 90DPD+ continued to improve.

60DPD+ Arrears By Region



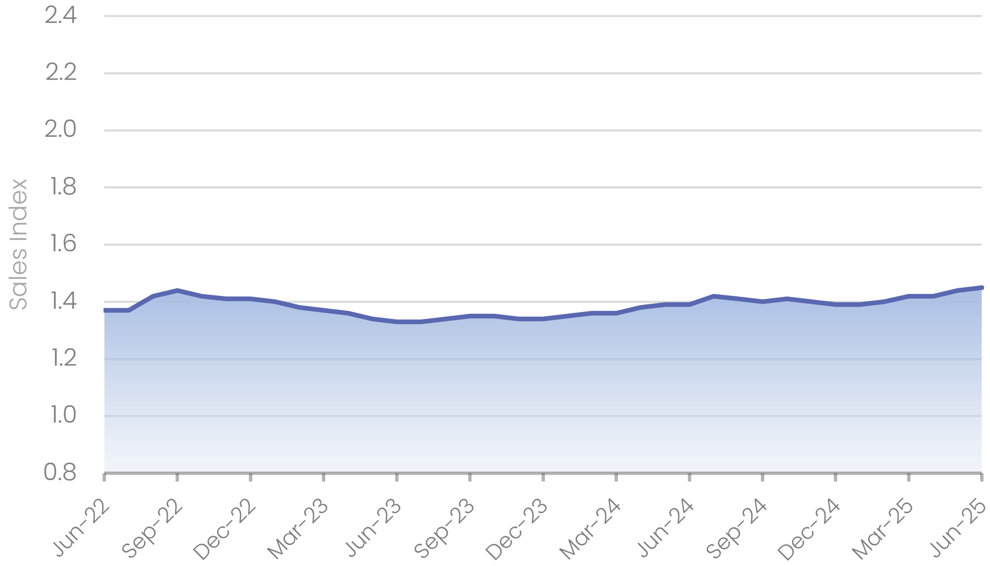
All regions except Wellington saw increases in 60DPD+ arrears, led by Auckland (47bps), Christchurch (35bps), and 'Other' regions (20bps). Wellington recorded a modest 4bps decrease. The long-term YoY trends for Christchurch and Wellington remain elevated, while 'Other' regions saw a 5bps decrease.

creditworks

Retail Debtors: Sales Growth

(Debtor industries (ANZSIC) and regions defined by Companies Office records)

Annual Sales (Index: Dec-19)

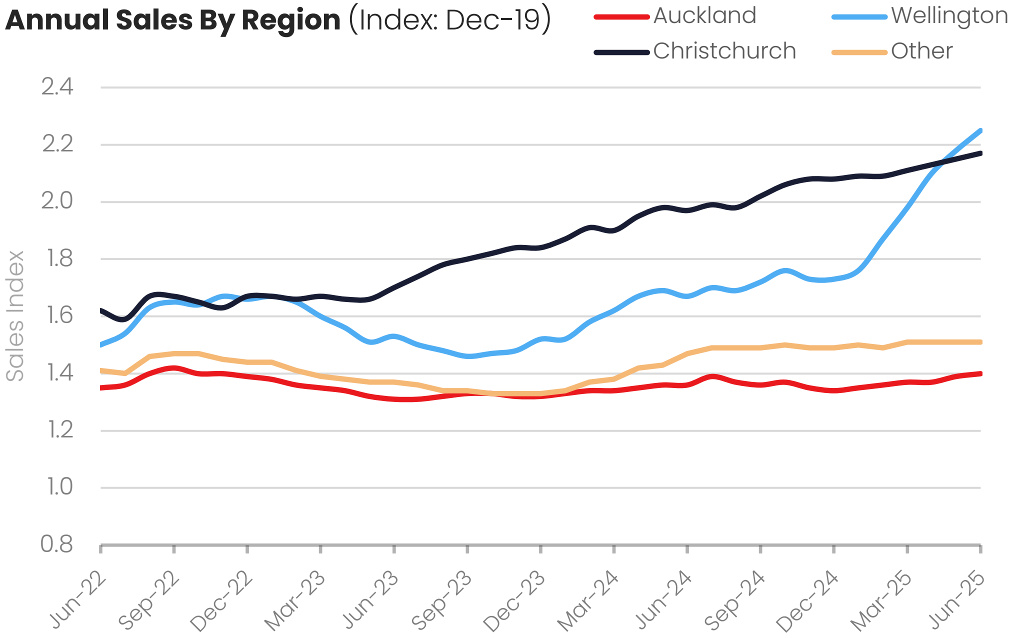


Month-on-Month 0.9%

Year-on-Year 3.9%

Rolling annual sales continued to climb in June, maintaining the steady upward trend established earlier this year.

Annual Sales By Region (Index: Dec-19)



Wellington MoM 3.1%

Everywhere Else MoM 0.8%

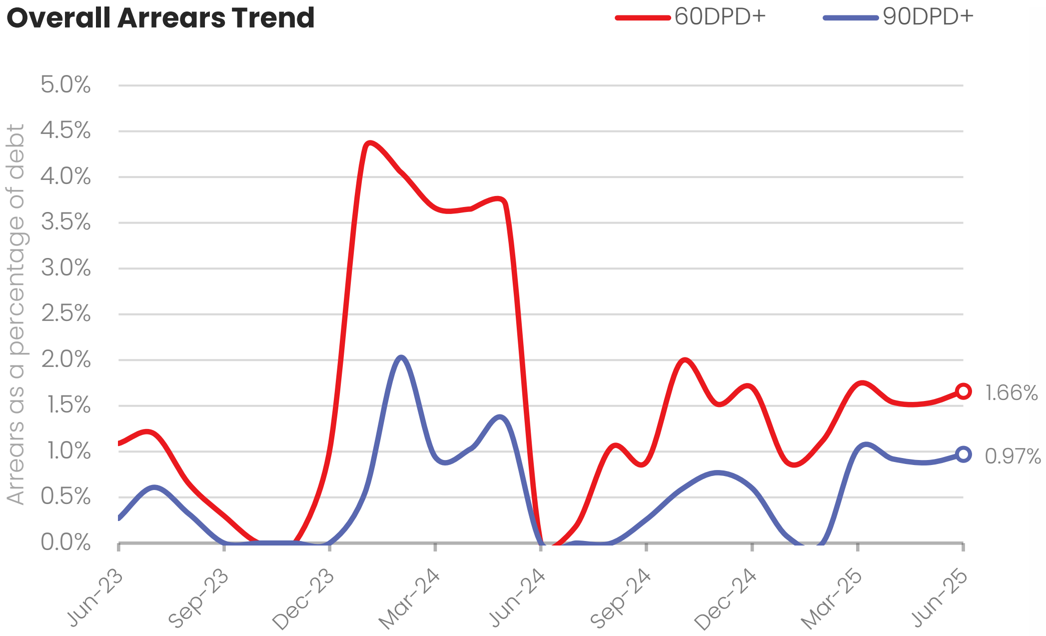
Wellington led regional growth in June, coming off a smaller base. ‘Other’ regions held steady, while Auckland and Christchurch increased.

creditworks

Retail Debtors: Arrears

(Debtor industries (ANZSIC) and regions defined by Companies Office records)

Overall Arrears Trend



60DPD+ MoM

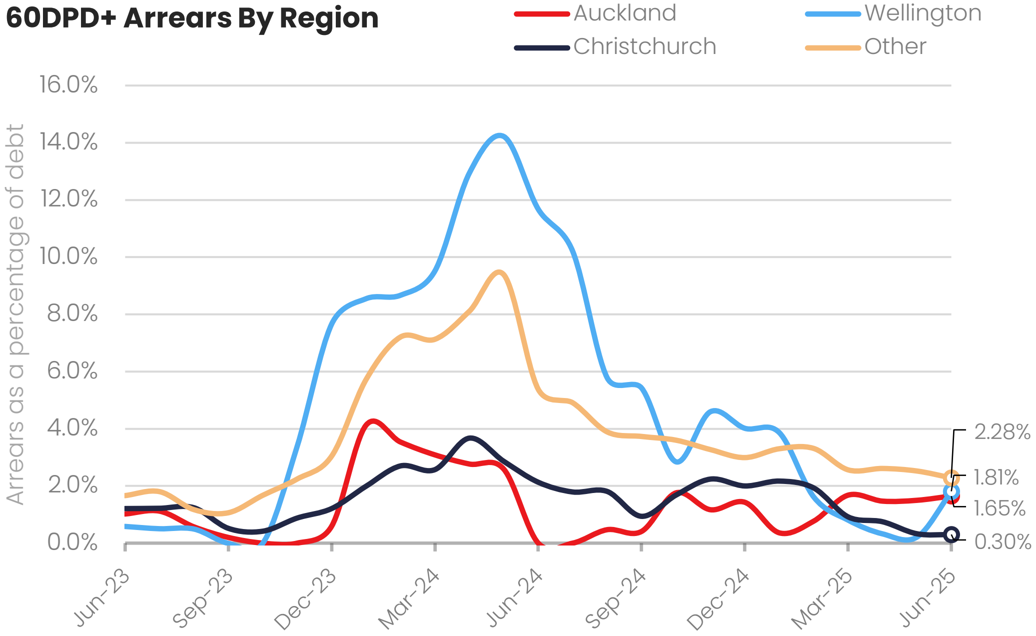
13bps

90DPD+ MoM

9bps

Both 60DPD+ and 90DPD+ saw a slight uptick in June. The arrears levels remain elevated YoY (166bps and 97bps, respectively).

60DPD+ Arrears By Region



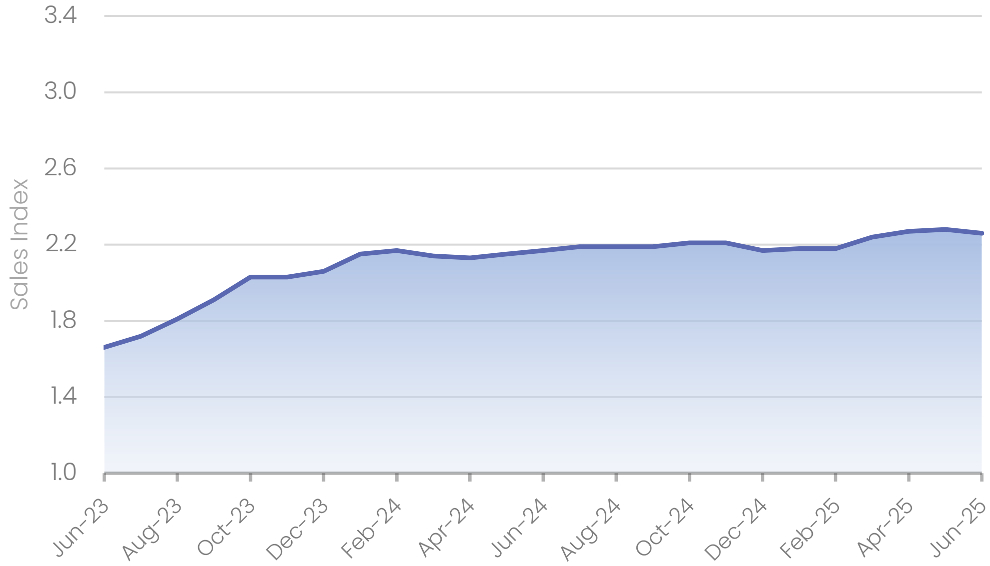
Retail debtors saw mixed results in June, with Wellington posting a notable MoM rise in 60DPD+ arrears (159bps), followed by Auckland (15bps). 'Other regions' showed modest improvements, down 24bps, and Christchurch down 3bps.

creditworks

Food & Beverage Debtors: Sales Growth

(Debtor industries (ANZSIC) and regions defined by Companies Office records)

Annual Sales (Index: Dec-22)

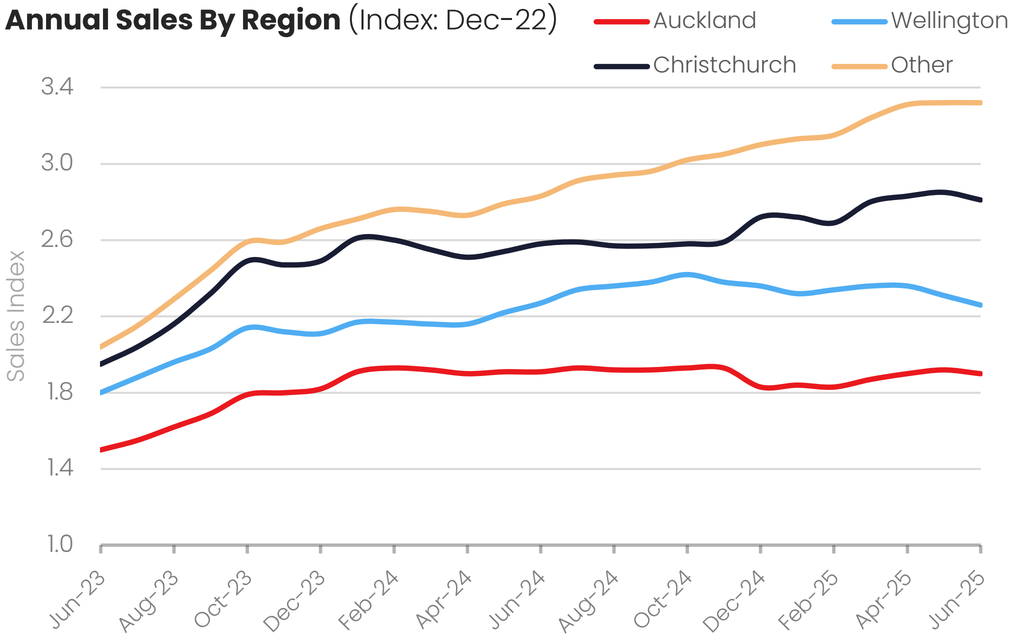


Month-on-Month 0.7%

Year-on-Year 4.6%

June annual rolling sales for Food and Beverage were subdued, down 0.7% MoM, but remain elevated YoY.

Annual Sales By Region (Index: Dec-22)



Wellington MoM 2.5%

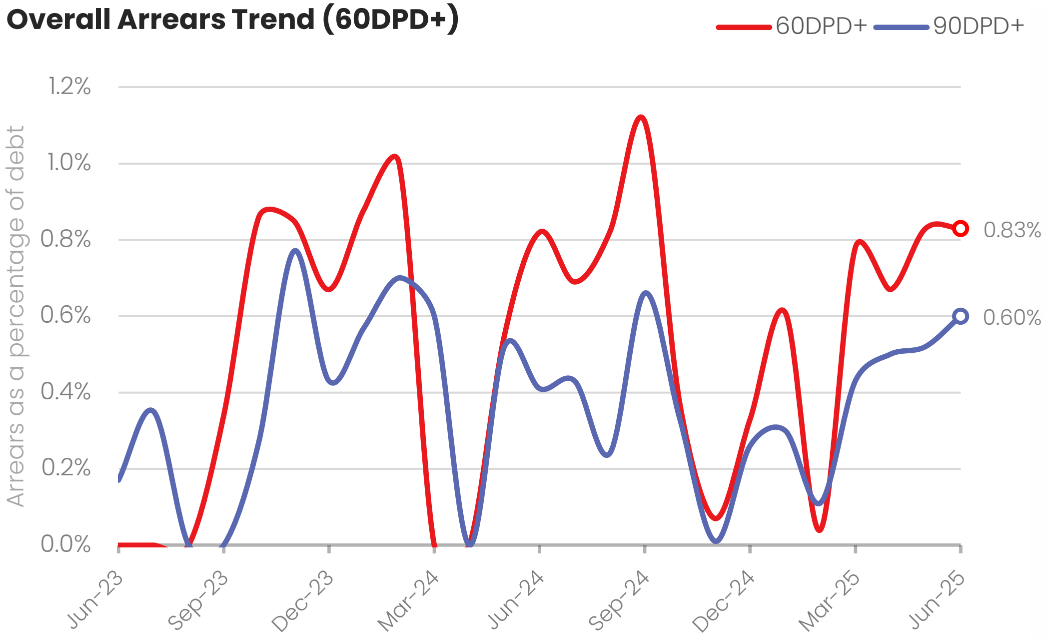
Everywhere Else MoM 0.6%

A decline in the annual growth trend was underpinned by all regions, primarily Wellington.

creditworks

Food & Beverage Debtors: Arrears

(Debtor industries (ANZSIC) and regions defined by Companies Office records)



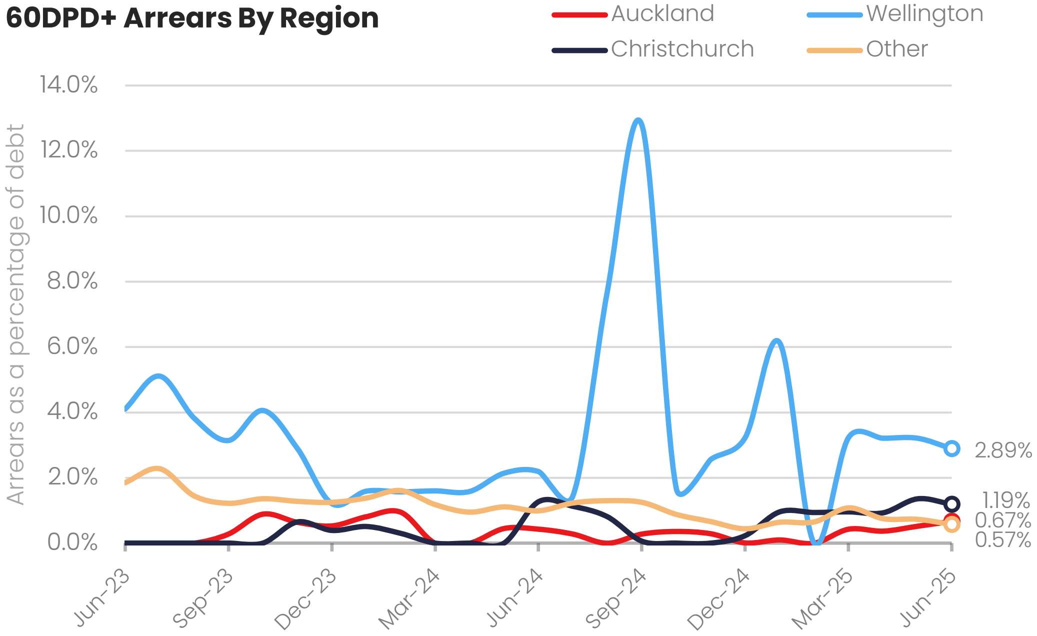
60DPD+ MoM

1bps

90DPD+ MoM

8bps

Both 60DPD+ and 90DPD+ arrears have shown nominal month-on-month increases through June.



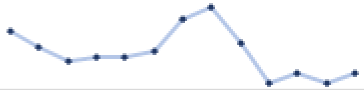
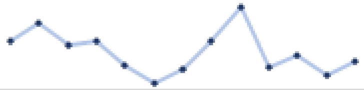
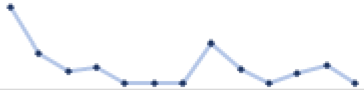
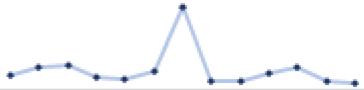
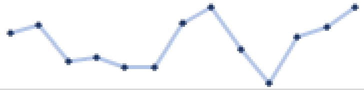
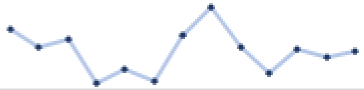
All regions except Auckland saw improvement in 60DPD+ arrears in June, led by Wellington being down 32bps, followed by Christchurch (-18bps), then 'Other' regions (-16bps). By contrast, Auckland-based debtors saw a 15bps increase.

creditworks

creditworks

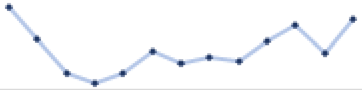
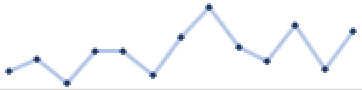
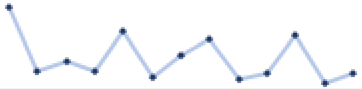
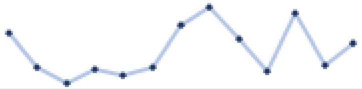
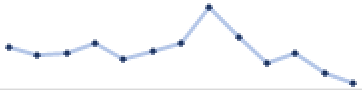
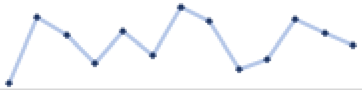
Vendor Industry DSO Insights.

Days Sales Outstanding by Vendor Industry (1 of 4)

Vendor Segment	DSO - June 2025	Month-on-Month Change (%)	Year-on-Year Change (%)	Last 13 Months Trend
Air Conditioning / Refrigeration	53.2	-0.1%	11.5%	
Aluminium - Wholesale / Extrusion	37.5	2.2%	-8.5%	
Automotive Industry	46.6	12.1%	-12.9%	
Builder - Commercial	30.0	-22.3%	-56.4%	
Builder - Residential	34.8	-2.3%	-10.2%	
Building Materials	50.7	2.5%	3.3%	
Building Sub-Trades	45.7	2.0%	-6.1%	
Building Supply Merchants	45.3	5.8%	-2.9%	

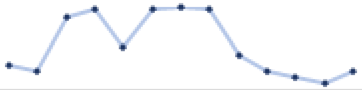
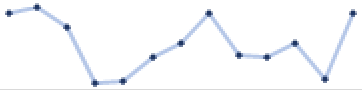
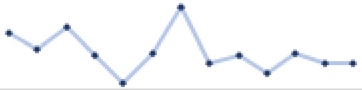
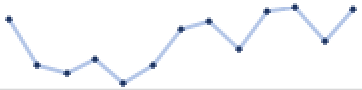
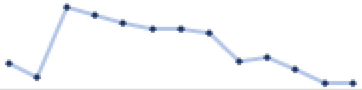
creditworks

Days Sales Outstanding by Vendor Industry (2 of 4)

Vendor Segment	DSO - June 2025	Month-on-Month Change (%)	Year-on-Year Change (%)	Last 13 Months Trend
Civil Engineering	42.1	11.2%	-3.7%	
Concrete	47.2	11.4%	12.0%	
Electrical Sub-Contractors	38.2	3.0%	-17.9%	
Electrical Supply Merchants	50.7	2.8%	-1.1%	
Energy & Fuel Resources	36.5	3.5%	-10.7%	
Equipment Hire	42.6	-2.6%	-9.6%	
Finance & Insurance	62.8	-0.6%	2.2%	
Flooring	30.0	0.0%	-36.8%	

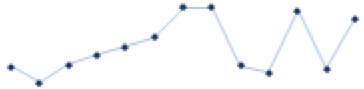
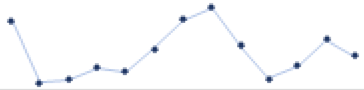
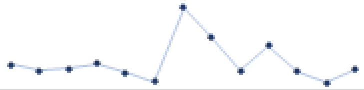
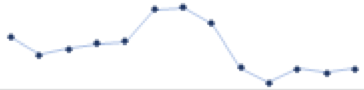
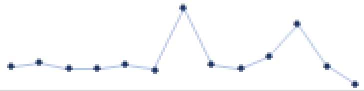
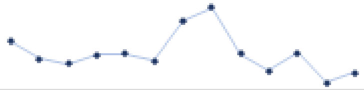
creditworks

Days Sales Outstanding by Vendor Industry (3 of 4)

Vendor Segment	DSO - June 2025	Month-on-Month Change (%)	Year-on-Year Change (%)	Last 13 Months Trend
Food & Beverage	34.6	-1.1%	-3.7%	
Glass	42.8	3.3%	-1.9%	
Labour Hire	37.7	9.3%	0.1%	
Other Building	46.2	0.1%	-9.6%	
Plumbing	40.6	4.9%	1.5%	
Pulp, Paper and Printing	30.0	0.0%	-7.2%	
Retail	44.5	-12.8%	4.2%	

creditworks

Days Sales Outstanding by Vendor Industry (4 of 4)

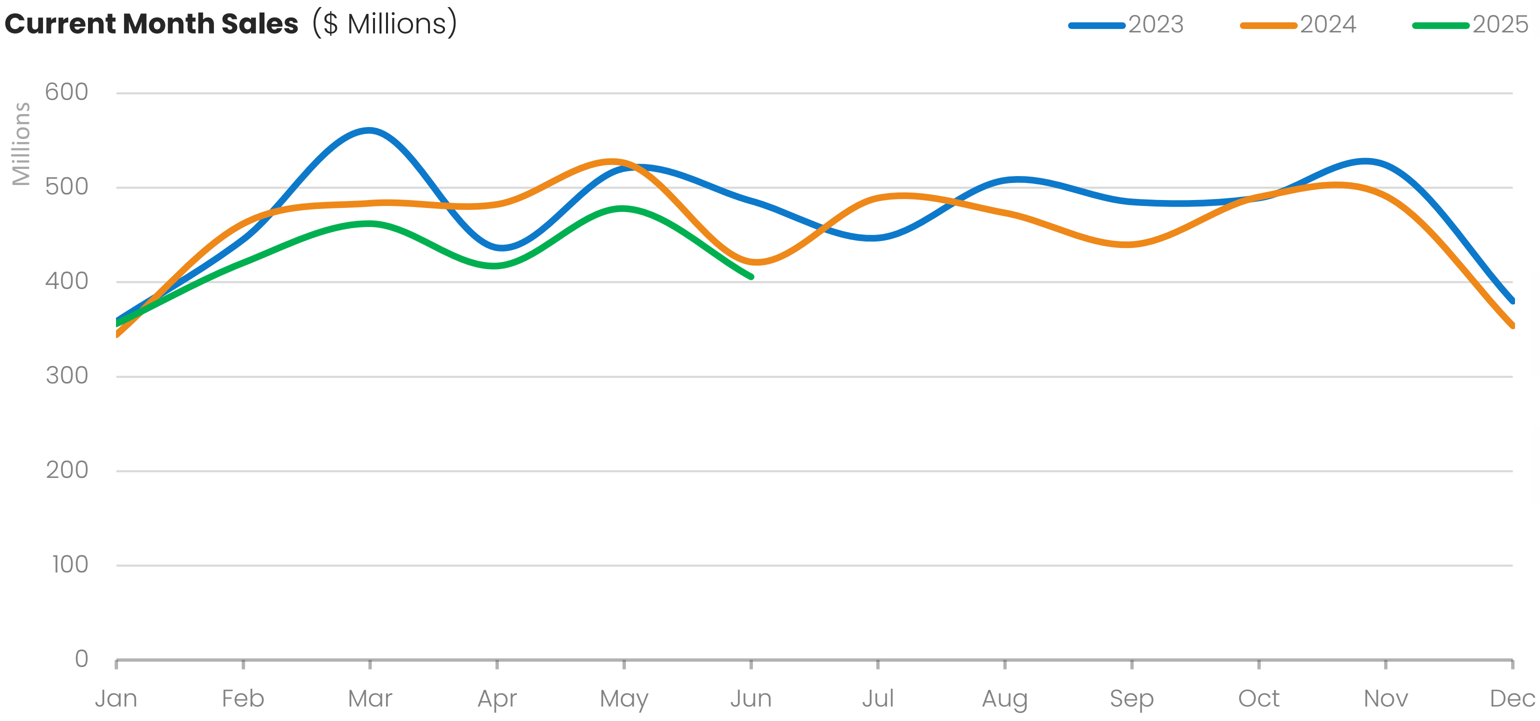
Vendor Segment	DSO - June 2025	Month-on-Month Change (%)	Year-on-Year Change (%)	Last 13 Months Trend
Roofing	49.2	12.4%	11.7%	
Steel / Metal Products	35.8	-2.0%	-4.2%	
Technology & Service Providers	39.8	3.0%	-1.4%	
Timber	39.6	2.7%	-17.4%	
Travel	30.0	-4.4%	-4.1%	
Window Fabricators / Installers	38.3	6.0%	-15.0%	

creditworks

creditworks

Building Merchant Insights.

Building Merchant Current Month Sales



Month-on-Month

15.1%

Monthly sales decreased by 15.1% from May 2025 to June 2025.

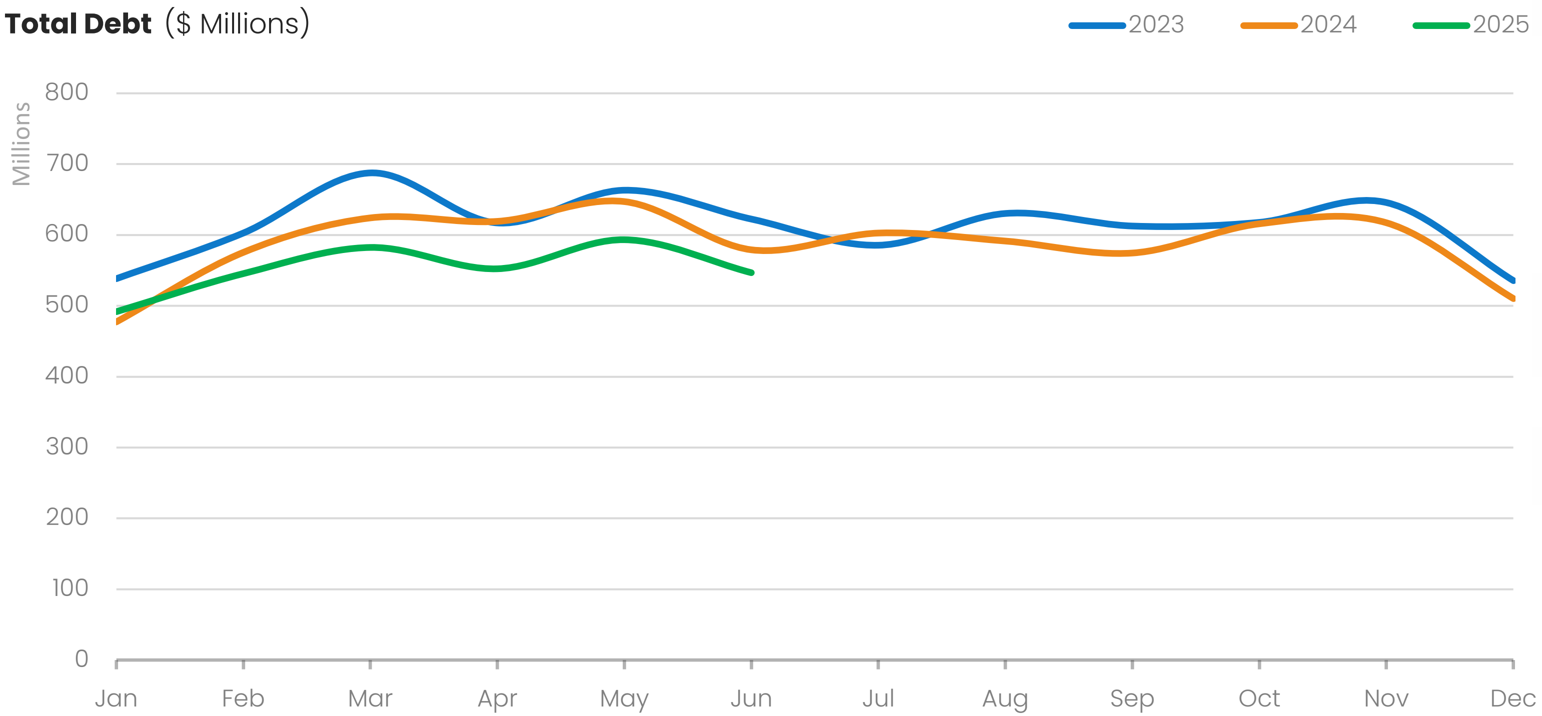
Year-on-Year

3.7%

Monthly sales for June 2025 were 3.7% lower than June 2024.

creditworks

Building Merchant Total Debt



Month-on-Month

7.9%

Total Debt decreased by 7.9% from May 2025 to June 2025.

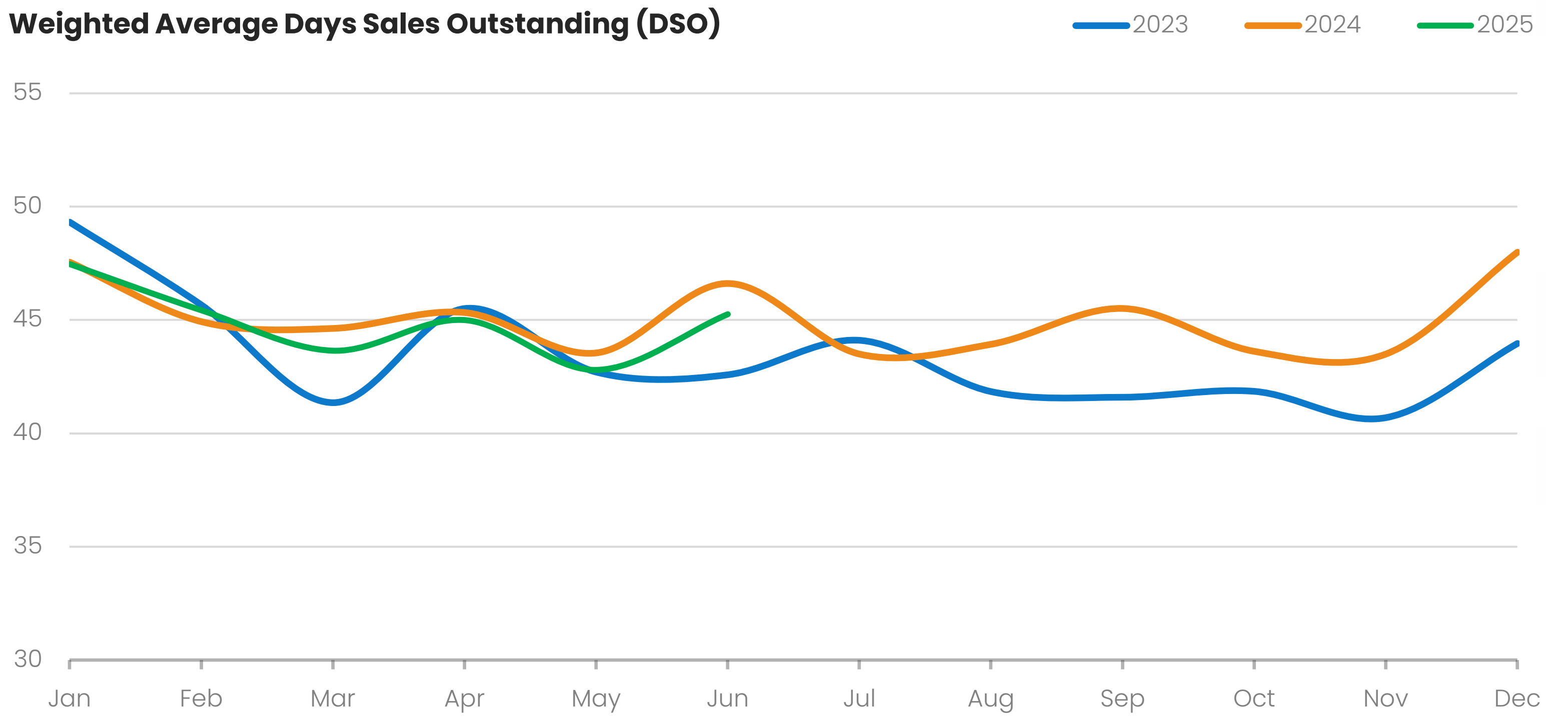
Year-on-Year

5.6%

Total Debt was 5.6% lower in June 2025 vs June 2024.

creditworks

Building Merchant Days Sales Outstanding



Month-on-Month

5.8%

Weighted average DSO increased by 5.8% from May-25 to Jun-25.

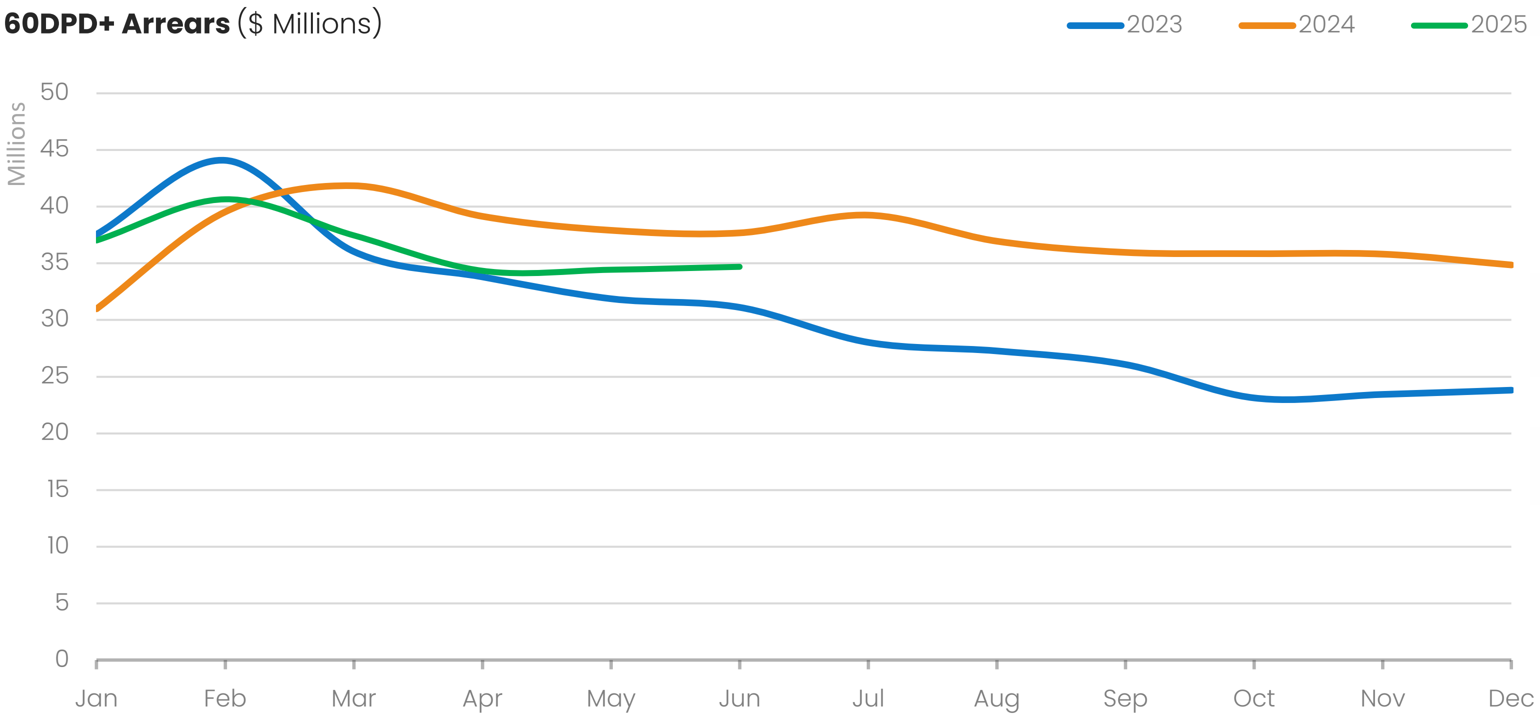
Year-on-Year

2.9%

Weighted average DSO was 2.9% lower in Jun-25 vs Jun-24.

creditworks

Building Merchant Arrears in Dollars (60+DPD)



Month-on-Month

0.8%

60DPD+ arrears were up 0.8% from May 2025 to June 2025.

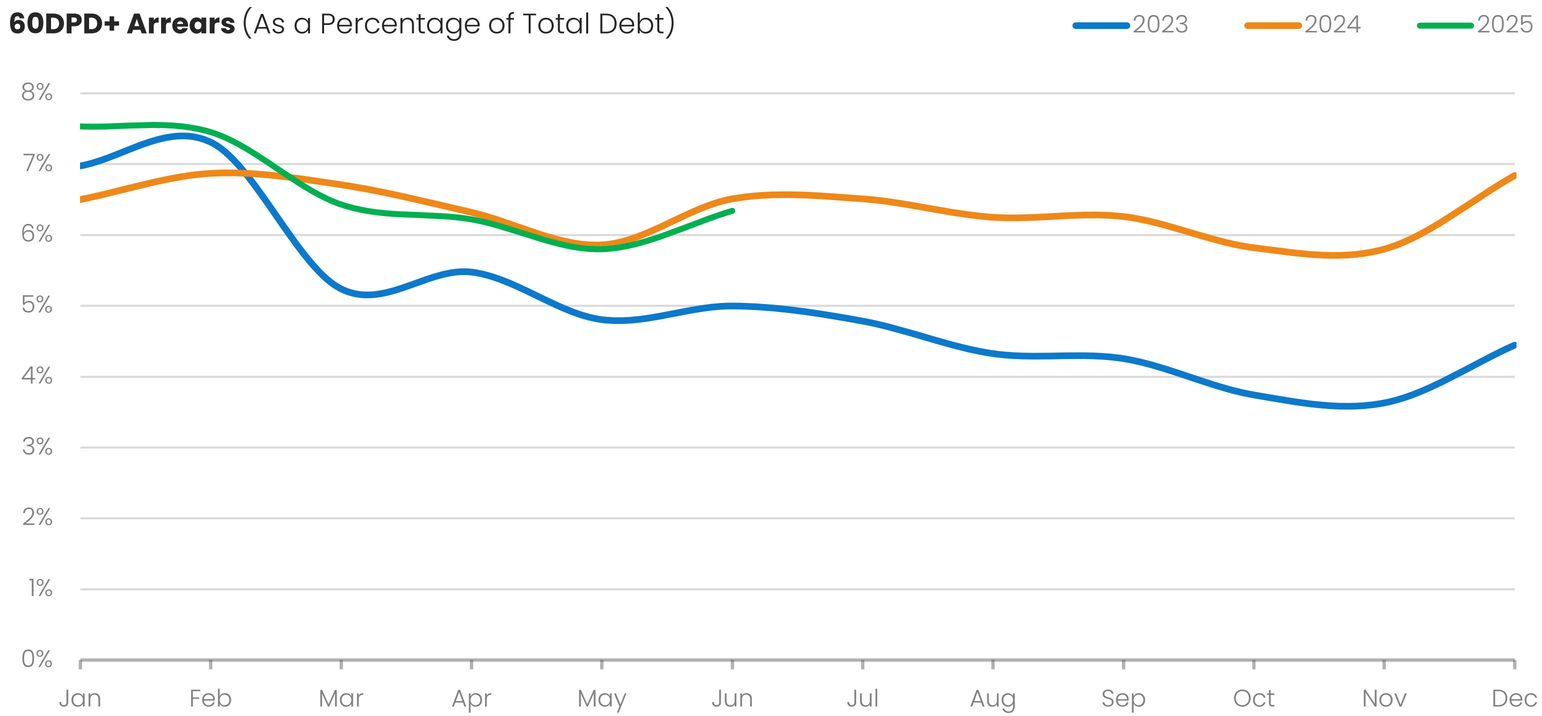
Year-on-Year

8.0%

60DPD+ arrears were down 8.0% from June 2024 to June 2025.

creditworks

Building Merchant Arrears in Percentages (60+DPD)



Month-on-Month

54bps

60DPD+ arrears in June 2025 were 54bps higher compared to May 2025.

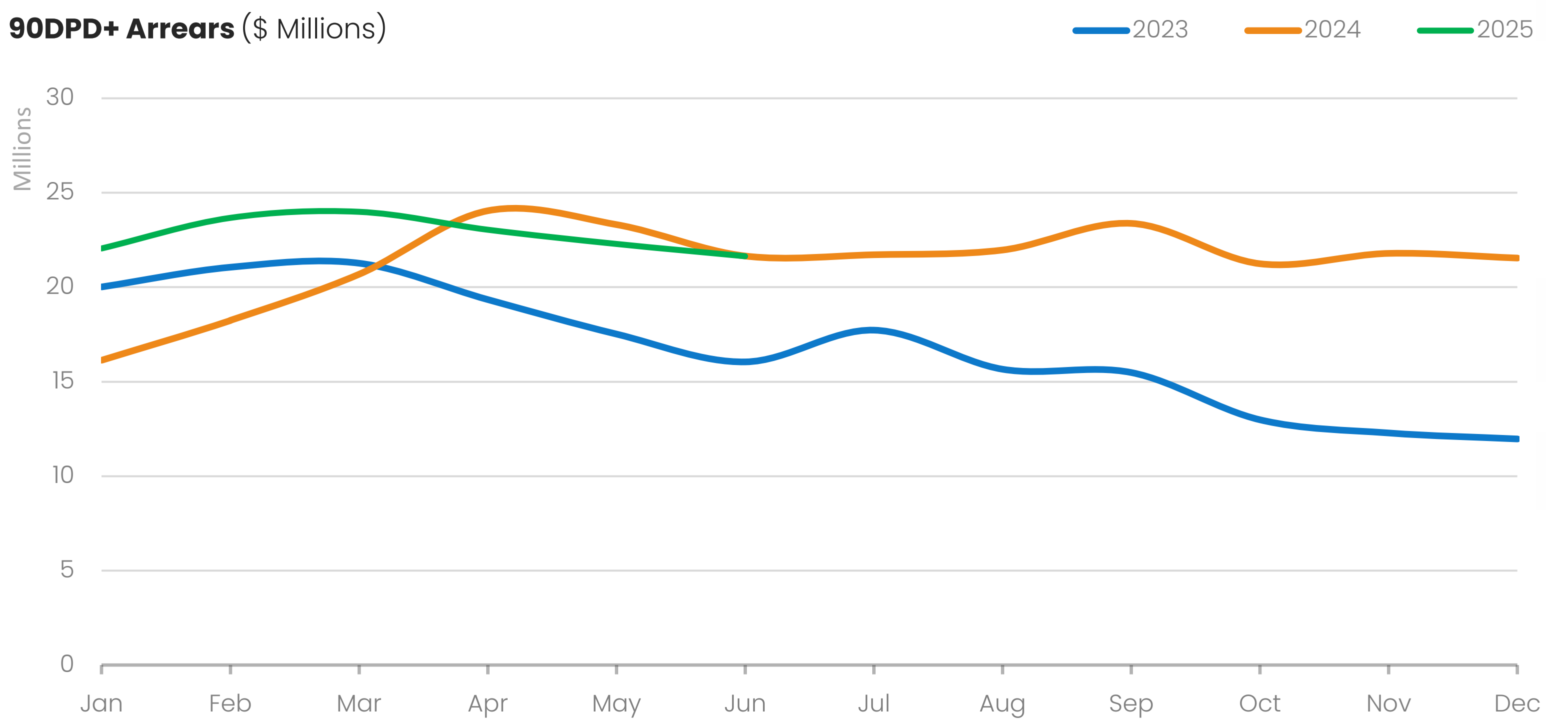
Year-on-Year

17bps

60DPD+ arrears were 17bps lower in June 2025 compared to June 2024.

creditworks

Building Merchant Arrears in Dollars (90+DPD)



Month-on-Month

2.9%

90DPD+ arrears were down 2.9% from May 2025 to June 2025.

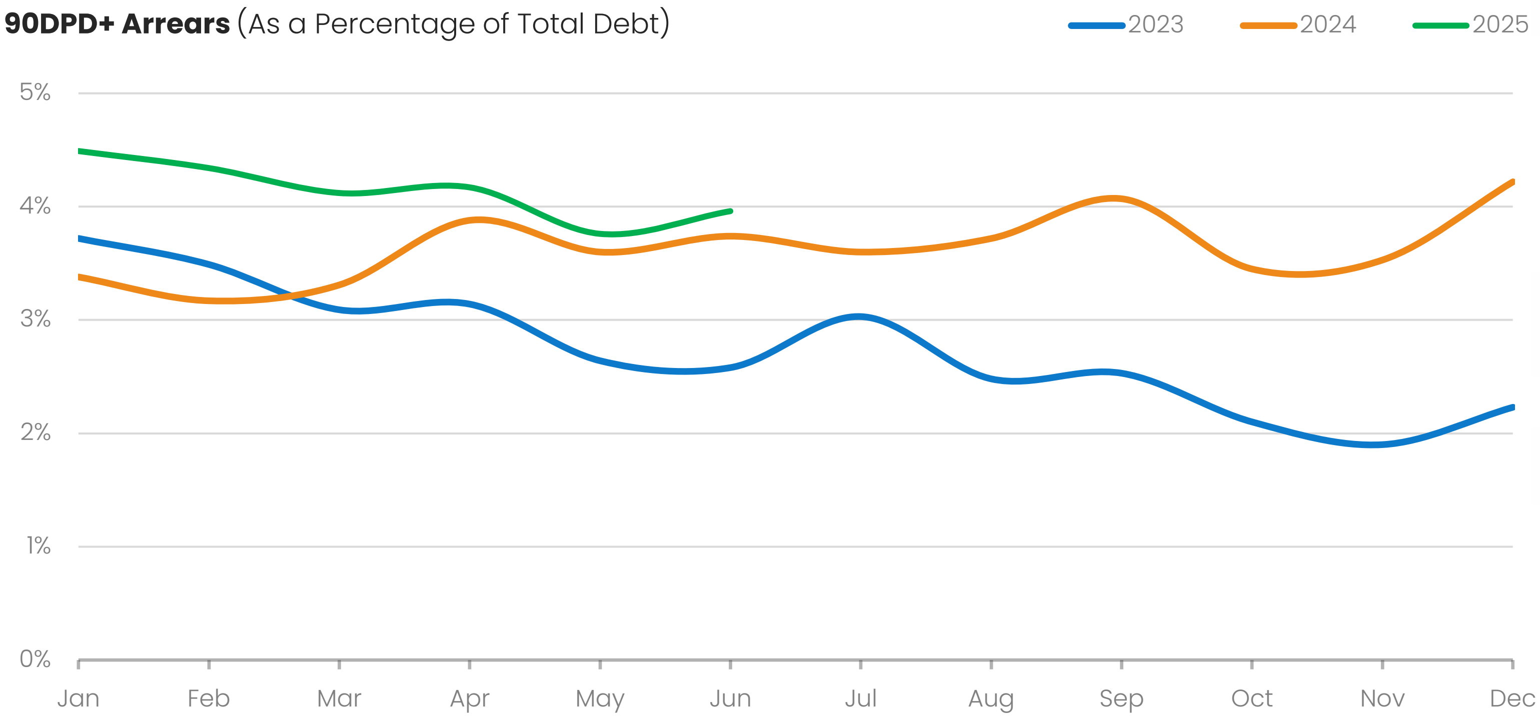
Year-on-Year

0.1%

90DPD+ arrears were down 0.1% from June 2024 to June 2025.

creditworks

Building Merchant Arrears in Percentages (90+DPD)



Month-on-Month

20bps

90DPD+ arrears were 20bps higher in June 2025 compared to May 2025.

Year-on-Year

22bps

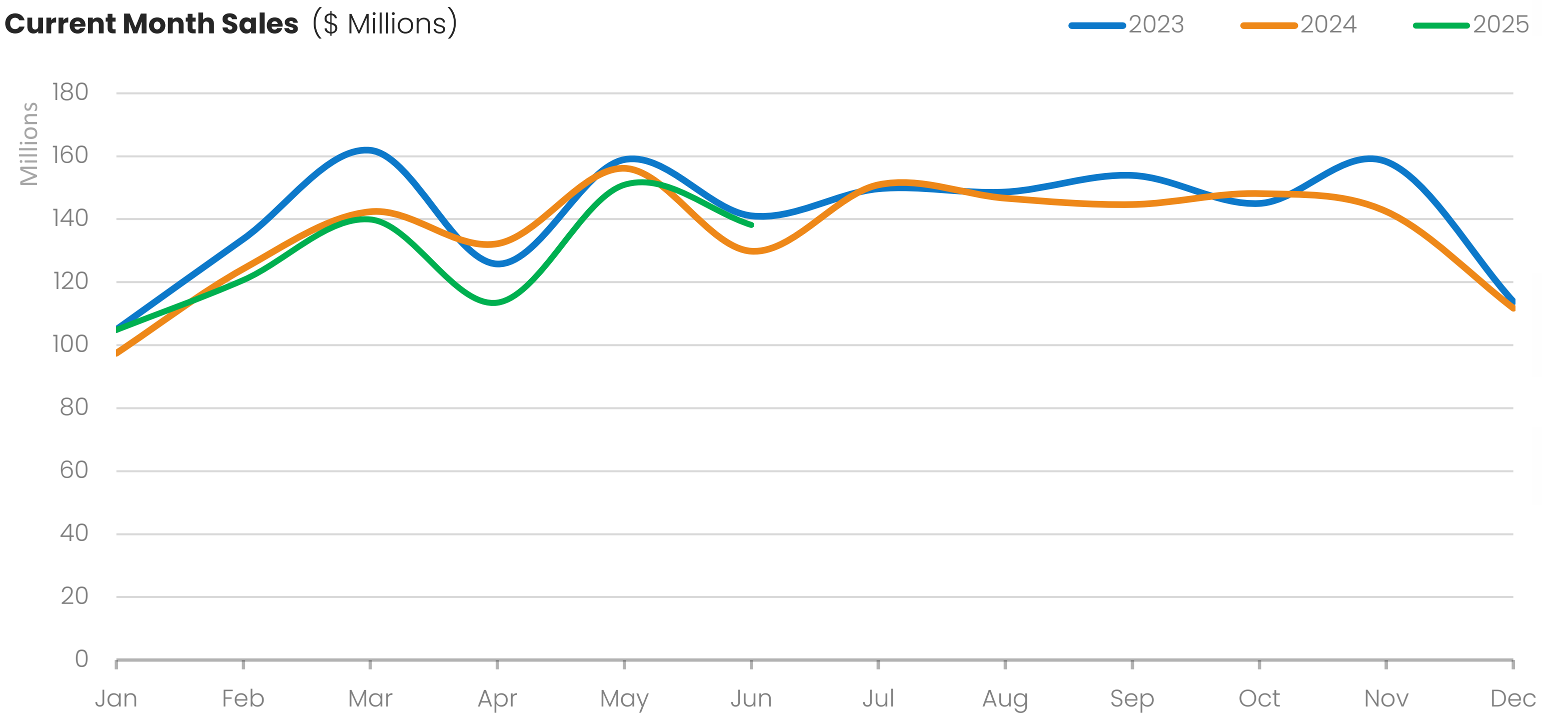
90DPD+ arrears were 22bps higher in June 2025 compared to June 2024.

creditworks

creditworks

Electrical Merchant Insights.

Electrical Merchant Current Month Sales



Month-on-Month

8.4%

Monthly sales decreased by 8.4% from May 2025 to June 2025.

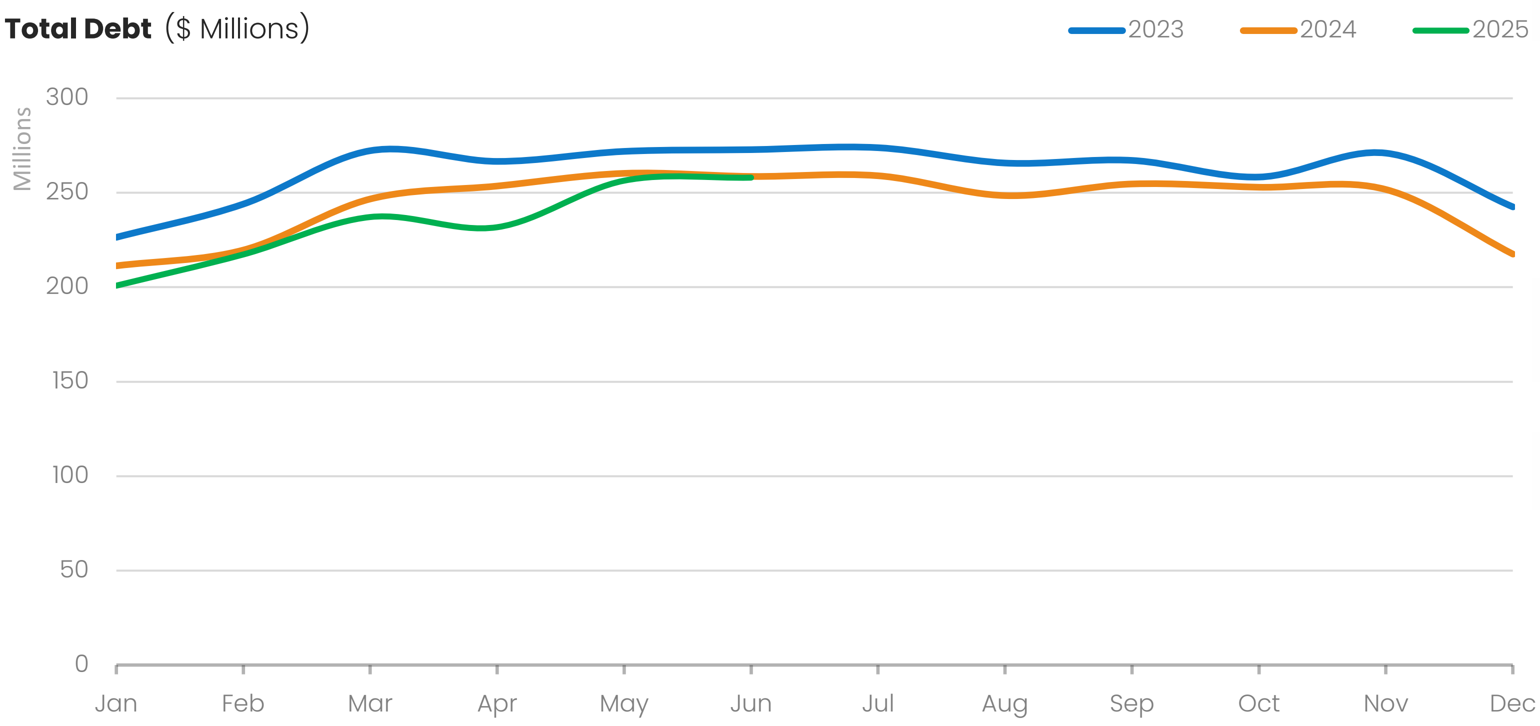
Year-on-Year

6.4%

Monthly sales for June 2025 were 6.4% higher than June 2024.

creditworks

Electrical Merchant Total Debt



Month-on-Month

0.6%

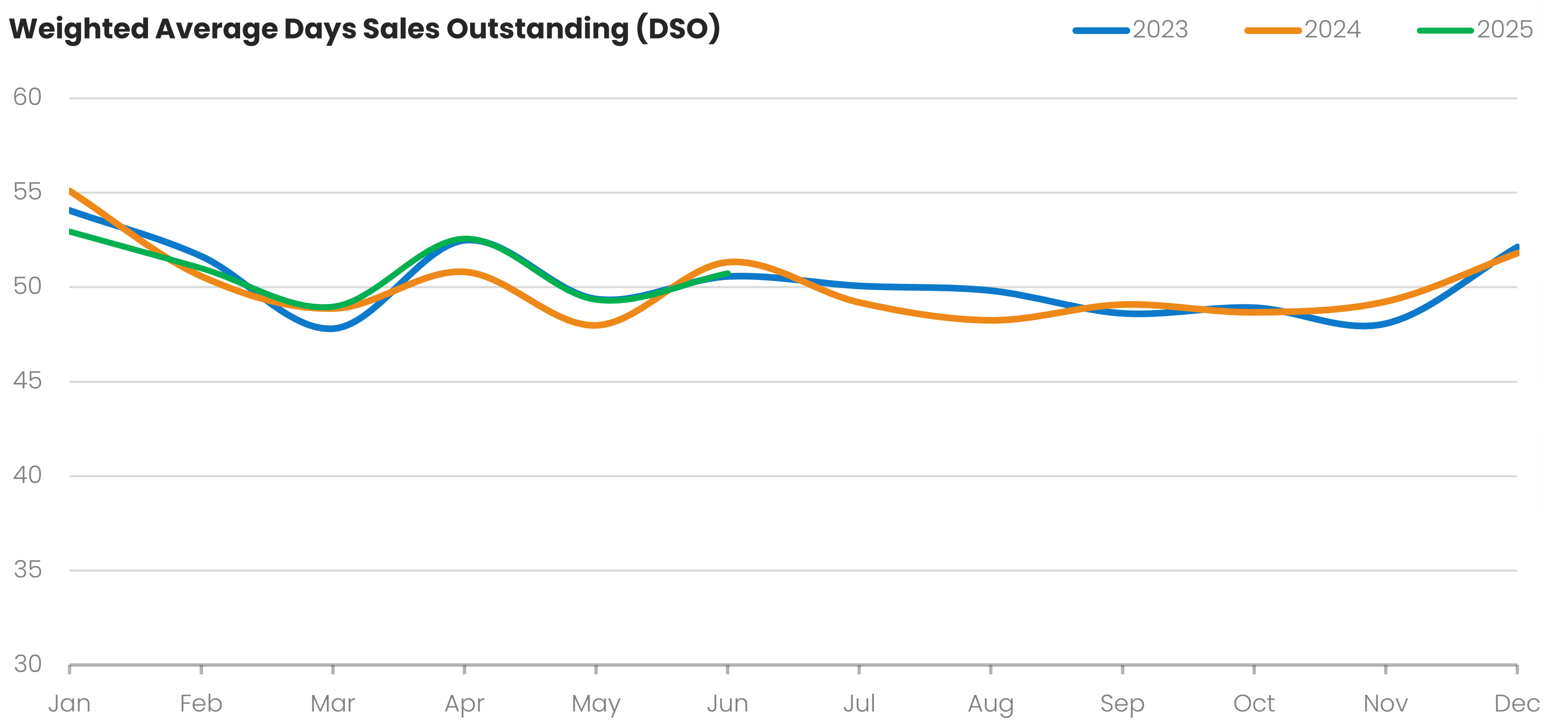
Total Debt increased by 0.6% from May 2025 to June 2025.

Year-on-Year

0.2%

Total Debt was 0.2% lower in June 2025 vs. June 2024.

Electrical Merchant Days Sales Outstanding



Month-on-Month

2.8%

Weighted average DSO increased by 2.8% from May-25 to June-25.

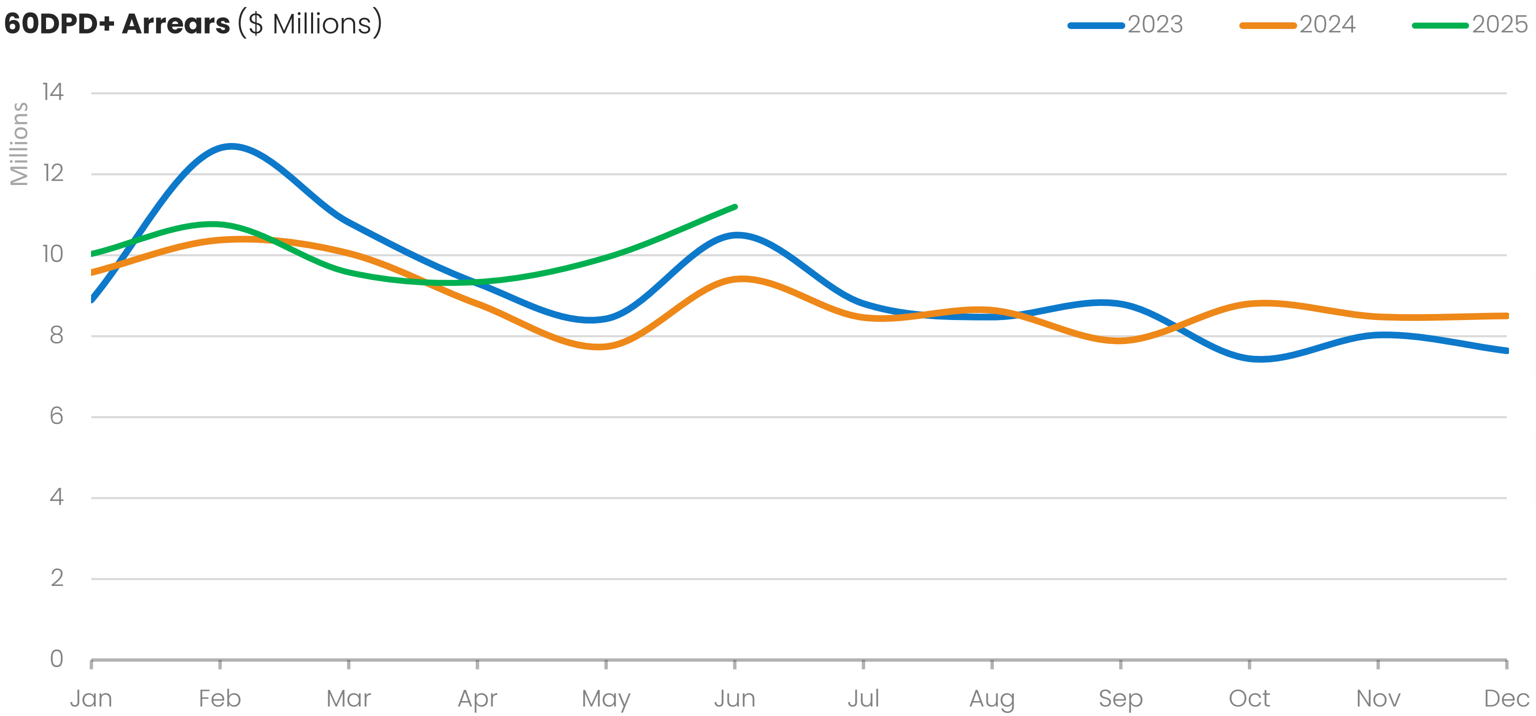
Year-on-Year

1.1%

Weighted average DSO was 1.1% lower in Jun-25 vs Jun-24.

creditworks

Electrical Merchant Arrears in Dollars (60+DPD)



Month-on-Month

12.6%

60DPD+ arrears were up 12.6% from May 2025 to June 2025.

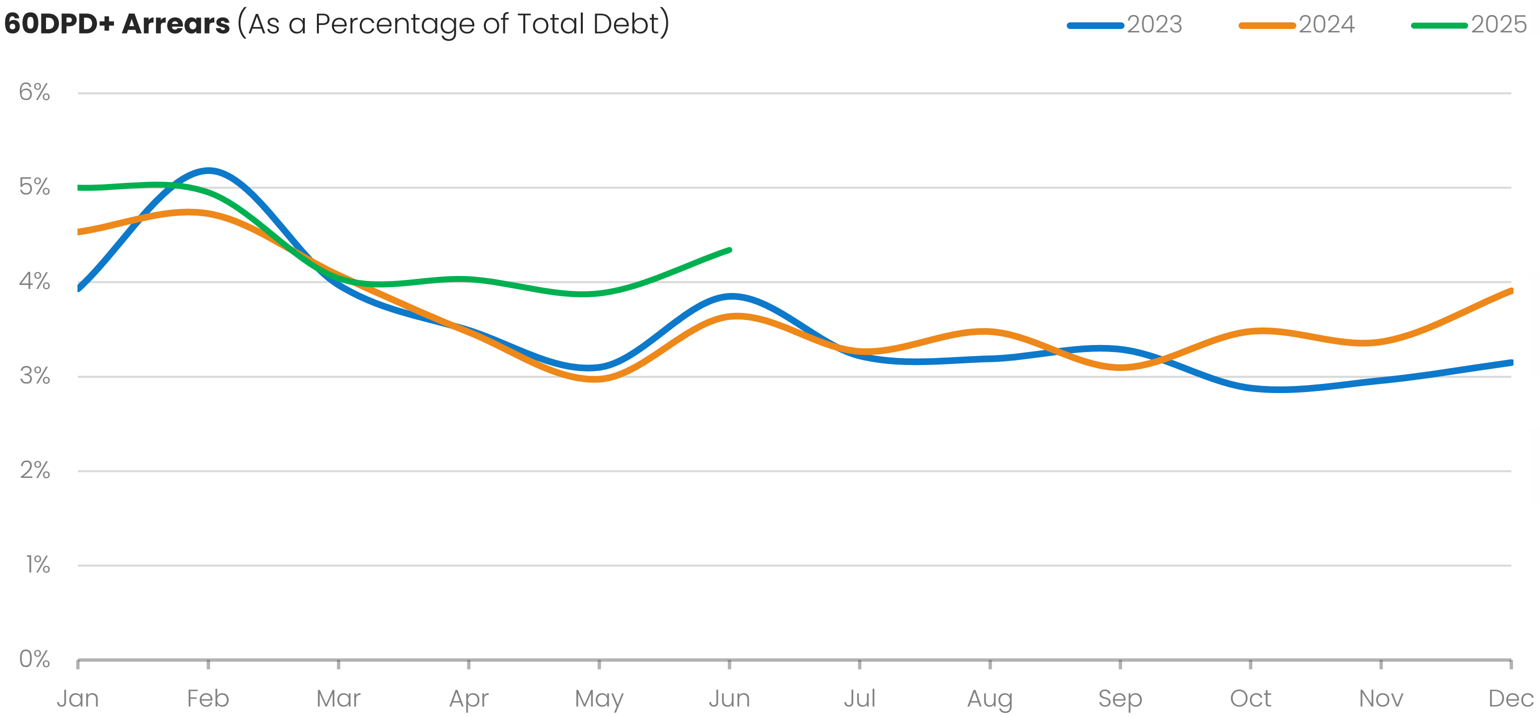
Year-on-Year

19.1%

60DPD+ arrears were up 19.1% from June 2024 to June 2025.

creditworks

Electrical Merchant Arrears in Percentages (60+DPD)



Month-on-Month

46bps

60DPD+ arrears were 46bps higher in June 2025 compared to May 2025.

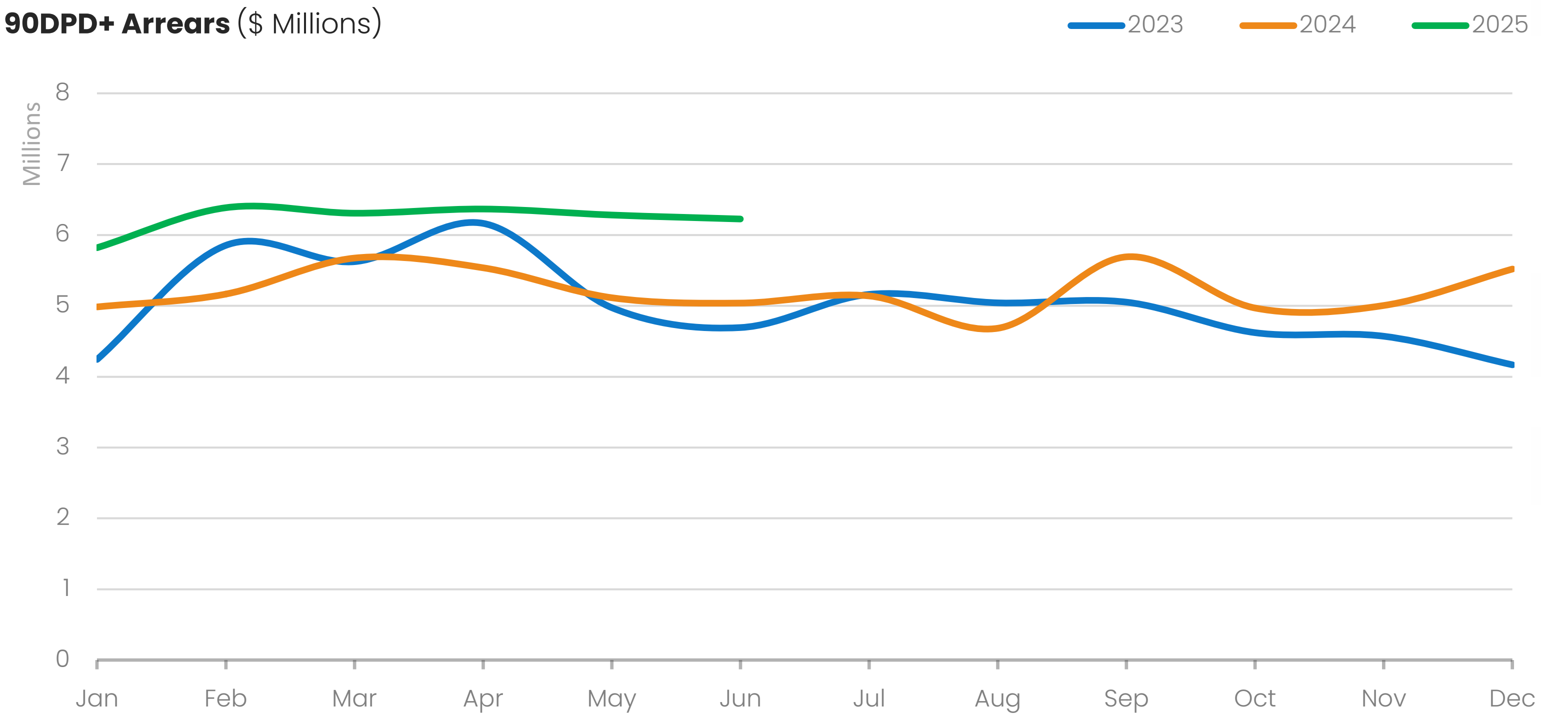
Year-on-Year

70bps

60DPD+ arrears were 70bps higher in June 2025 compared to June 2024.

creditworks

Electrical Merchant Arrears in Dollars (90+DPD)



Month-on-Month

0.9%

90DPD+ arrears were down 0.9% from May 2025 to June 2025.

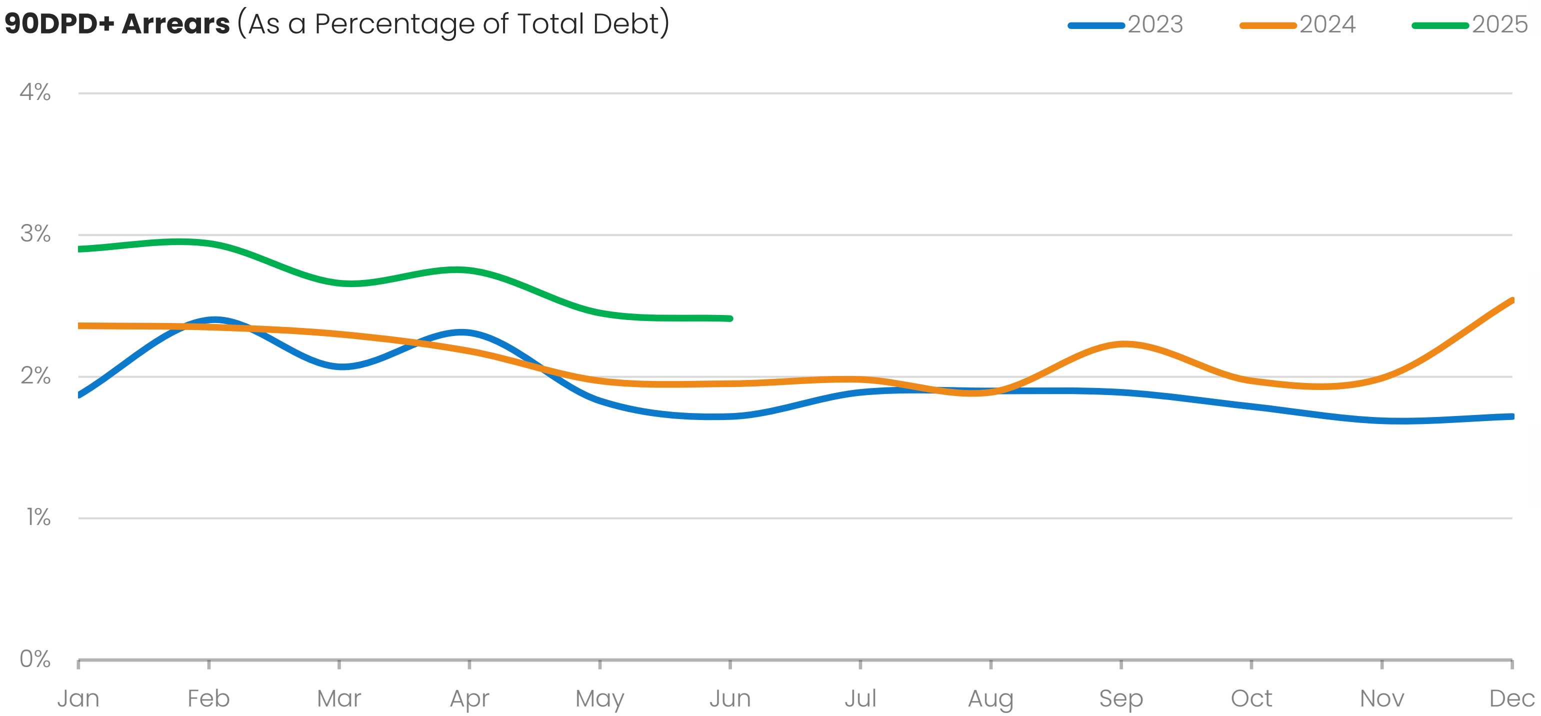
Year-on-Year

23.5%

90DPD+ arrears were up 23.5% from June 2024 to June 2025.

creditworks

Electrical Merchant Arrears in Percentages (90+DPD)



Month-on-Month

4bps

90DPD+ arrears were 4bps lower in June 2025 compared to May 2025.

Year-on-Year

46bps

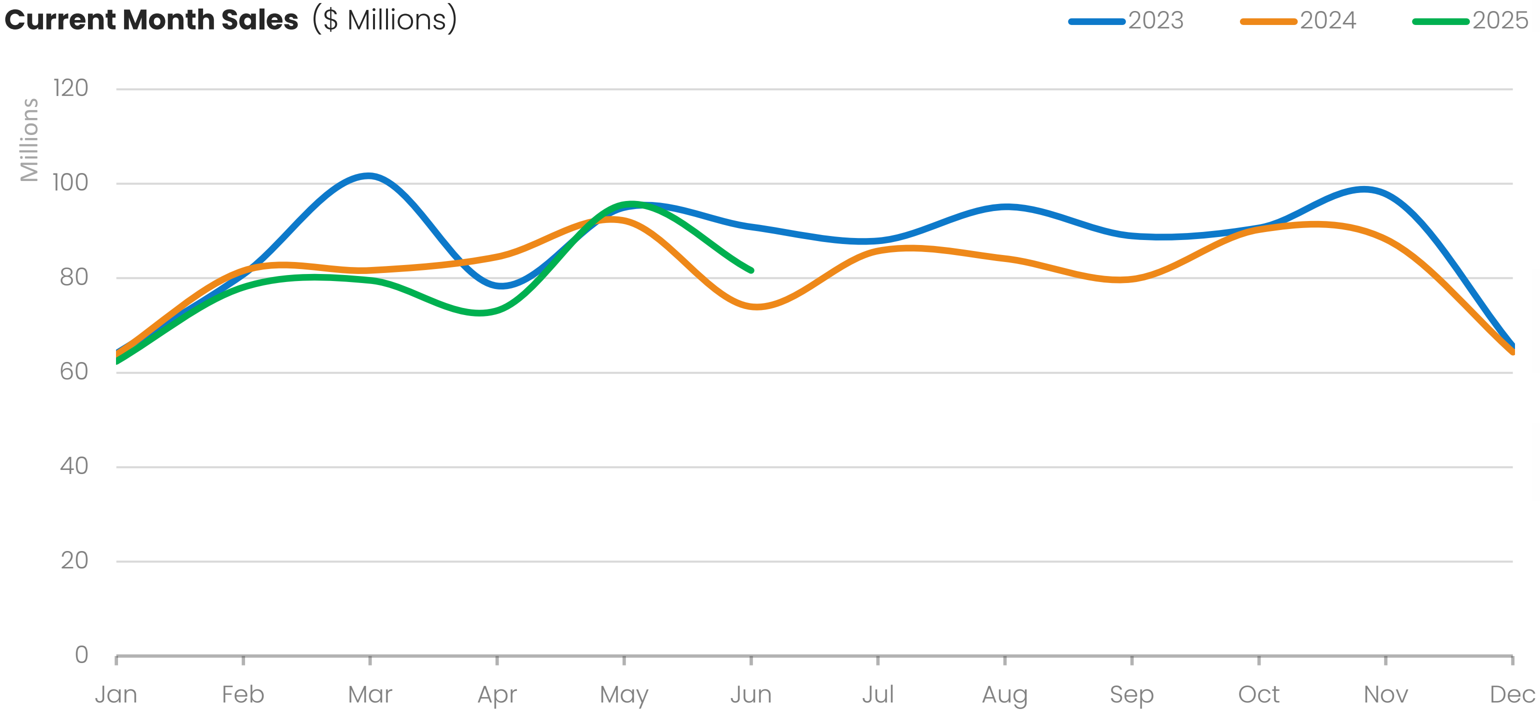
90DPD+ arrears were 46bps higher in June 2025 compared to June 2024.

creditworks

Plumbing Merchant Insights.

Plumbing Merchant Current Month Sales

Current Month Sales ($ Millions)



Month-on-Month

14.6%

Monthly sales decreased by 14.6% from May 2025 to June 2025.

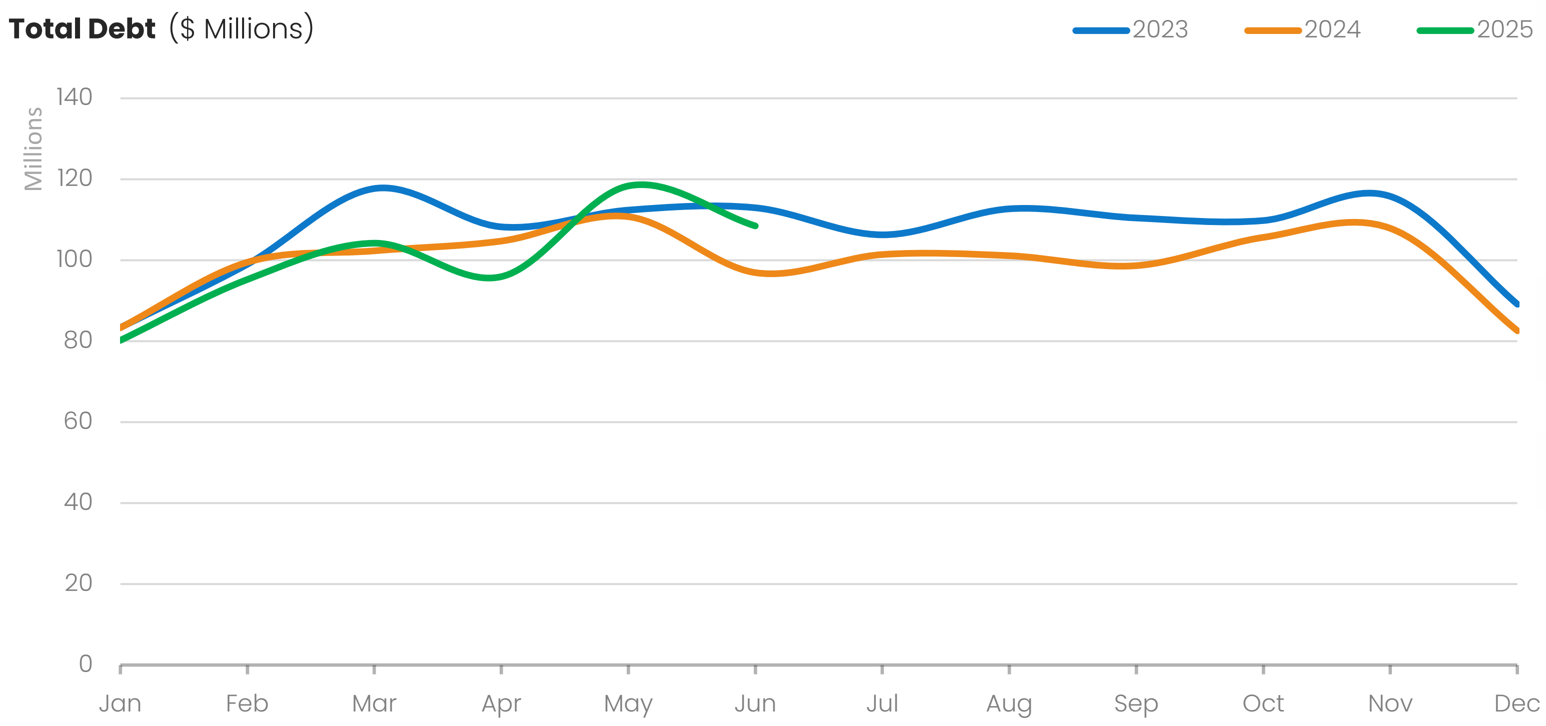
Year-on-Year

10.4%

Monthly sales for June 2025 were 10.4% higher than June 2024.

creditworks

Plumbing Merchant Total Debt



Month-on-Month

8.3%

Total Debt decreased by 8.3% from May 2025 to June 2025.

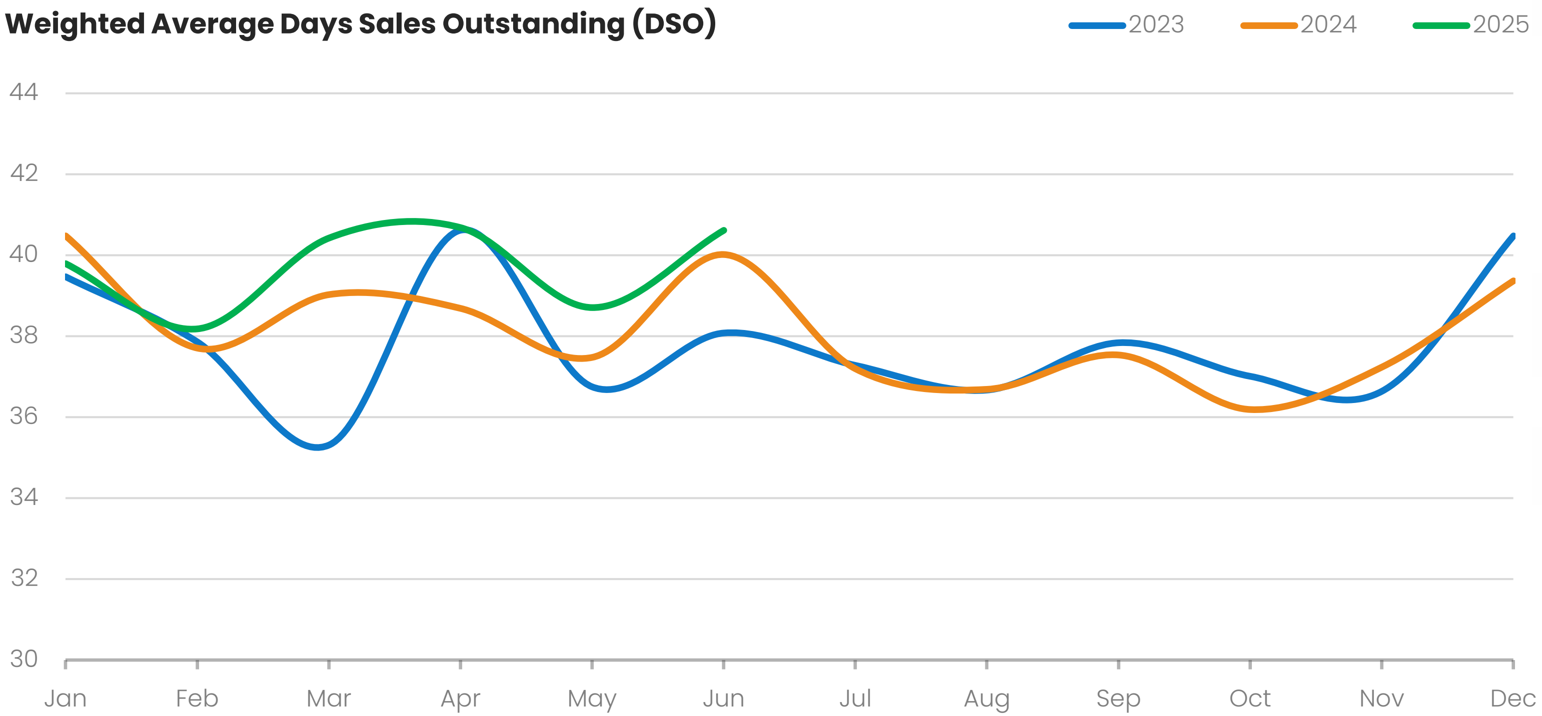
Year-on-Year

11.9%

Total Debt was 11.9% higher in June 2025 compared to June 2024.

creditworks

Plumbing Merchant Days Sales Outstanding



Month-on-Month

4.9%

Weighted average DSO increased by 4.9% from May-25 to Jun-25.

Year-on-Year

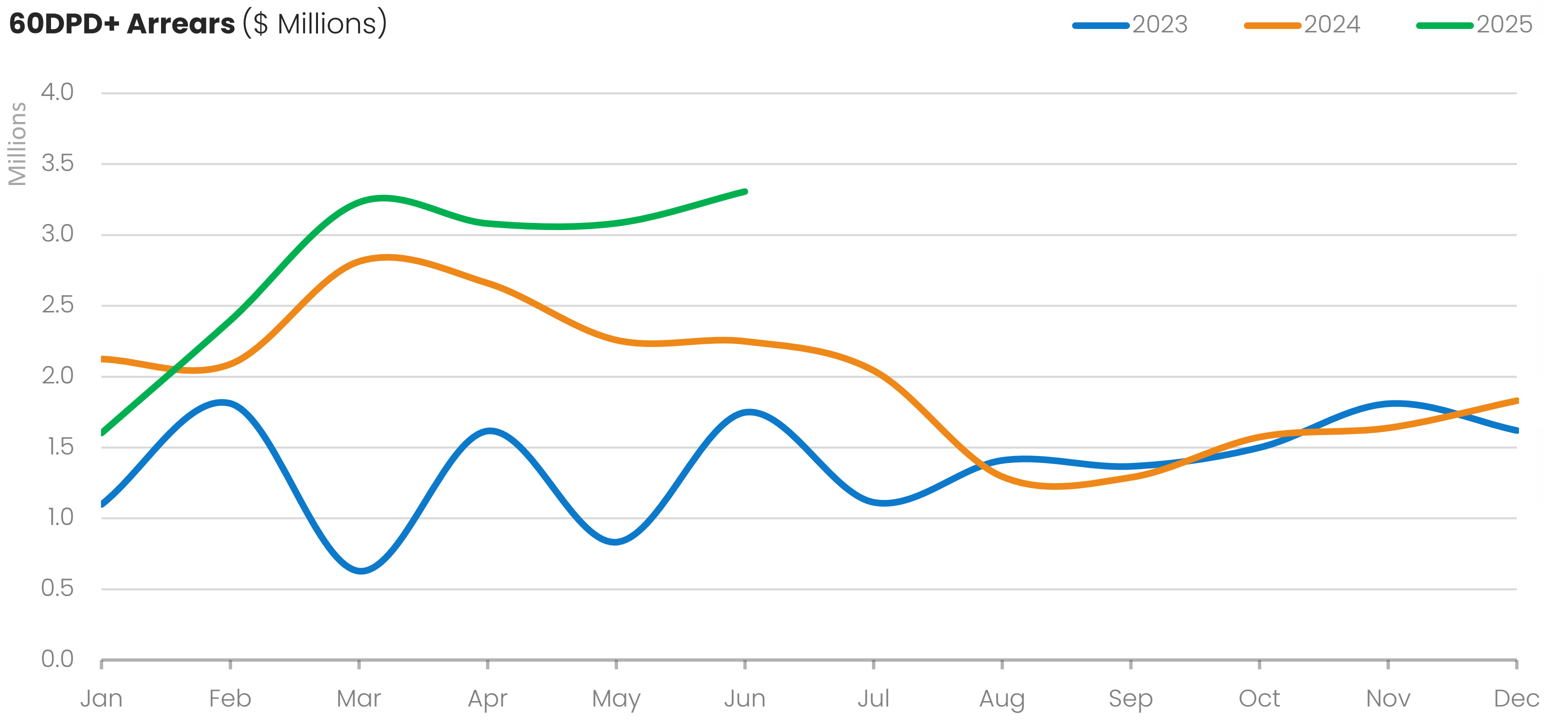
1.5%

Weighted average DSO was 1.5% higher in Jun-25 vs Jun-24.

creditworks

Plumbing Merchant Arrears in Dollars (60+DPD)

60DPD+ Arrears ($ Millions)



Month-on-Month

7.3%

60DPD+ arrears were up 7.3% from May 2025 to June 2025.

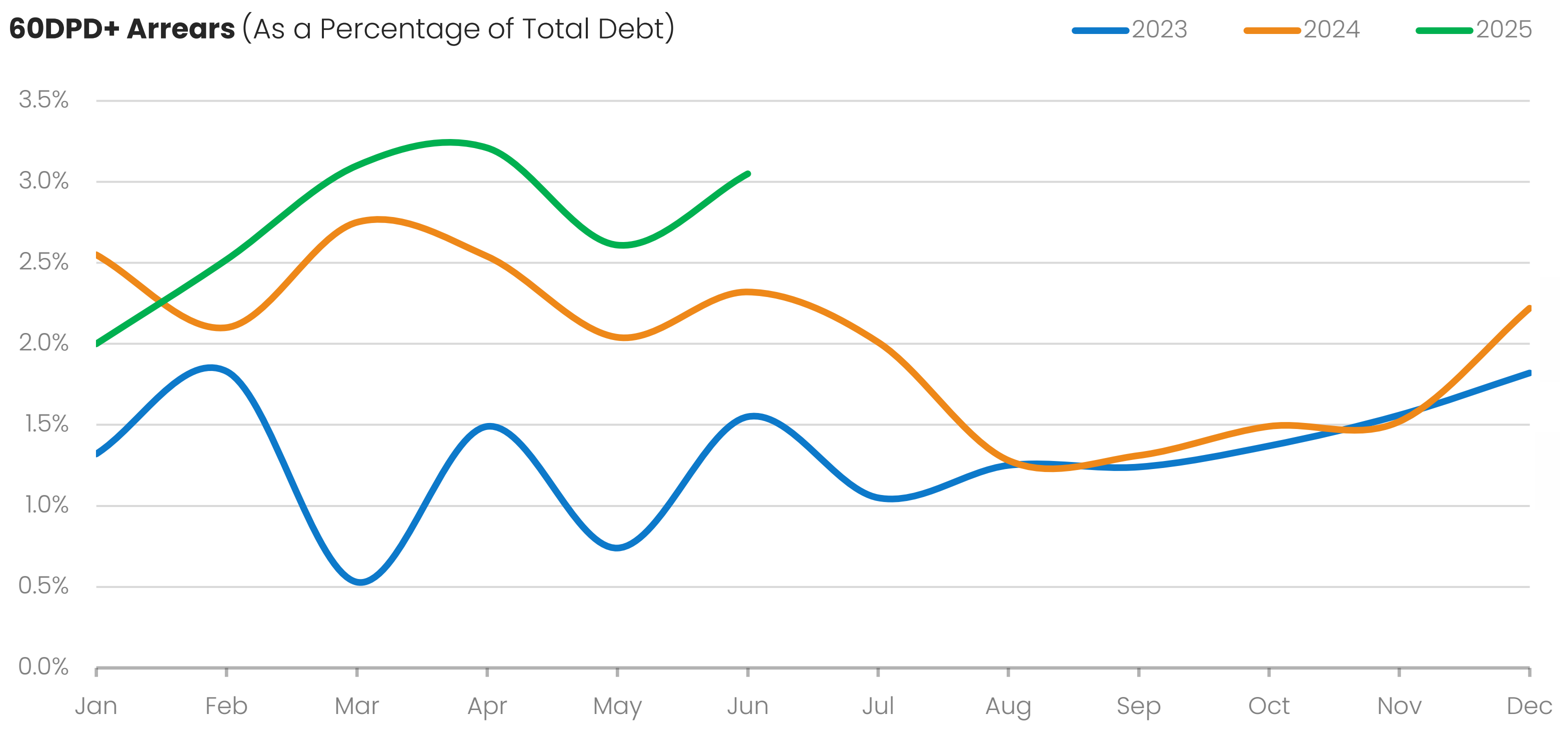
Year-on-Year

47.0%

60DPD+ arrears were up 47.0% from June 2024 to June 2025.

creditworks

Plumbing Merchant Arrears in Percentages (60+DPD)



Month-on-Month

44bps

60DPD+ arrears were 44bps higher in June 2025 compared to May 2025.

Year-on-Year

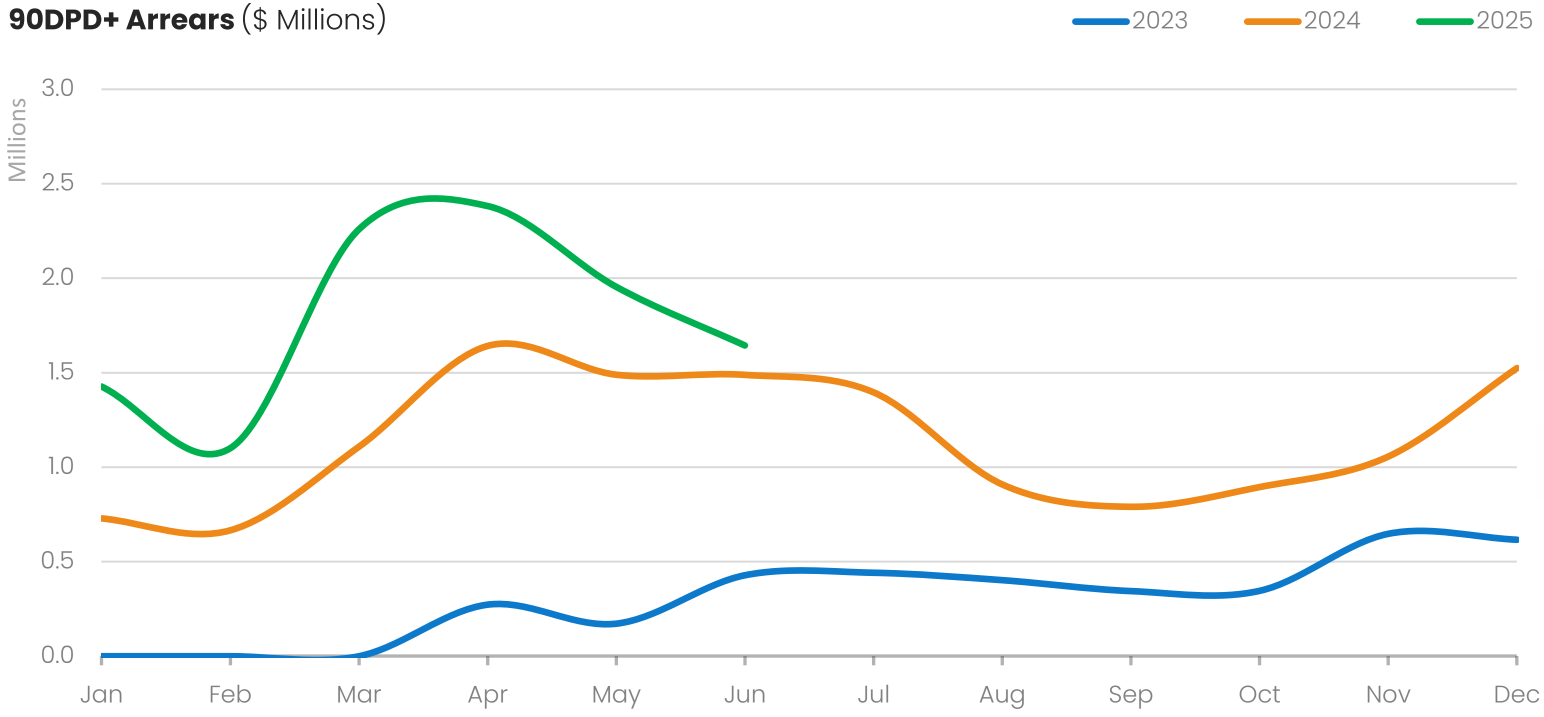
73bps

60DPD+ arrears were 73bps higher in June 2025 compared to June 2024.

creditworks

Plumbing Merchant Arrears in Dollars (90+DPD)

90DPD+ Arrears ($ Millions)



Month-on-Month

15.9%

90DPD+ arrears were down 15.9% from May 2025 to June 2025.

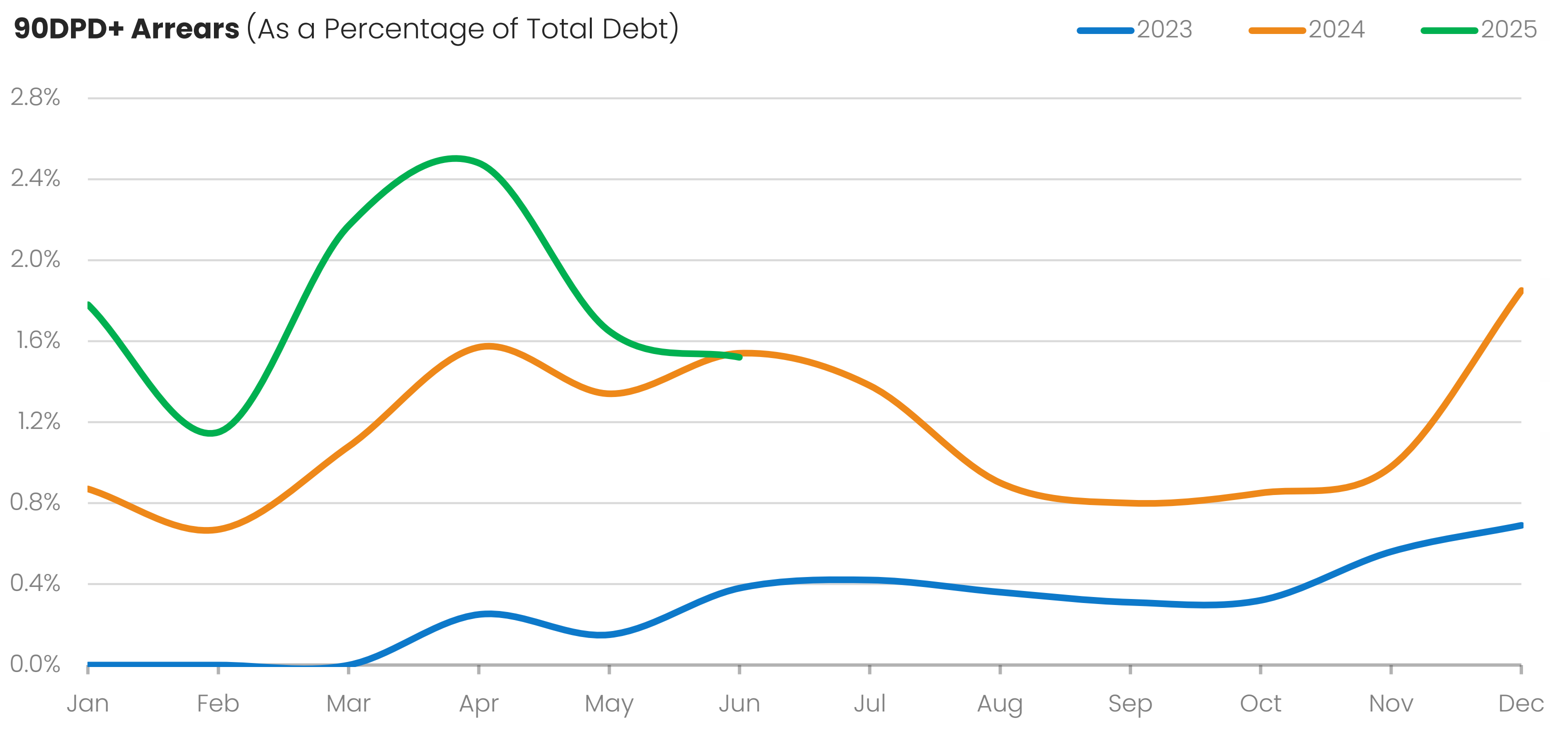
Year-on-Year

10.4%

90DPD+ arrears were up 10.4% from June 2024 to June 2025.

creditworks

Plumbing Merchant Arrears in Percentages (90+DPD)



Month-on-Month

14bps

90DPD+ arrears were 14bps lower in June 2025 compared to May 2025.

Year-on-Year

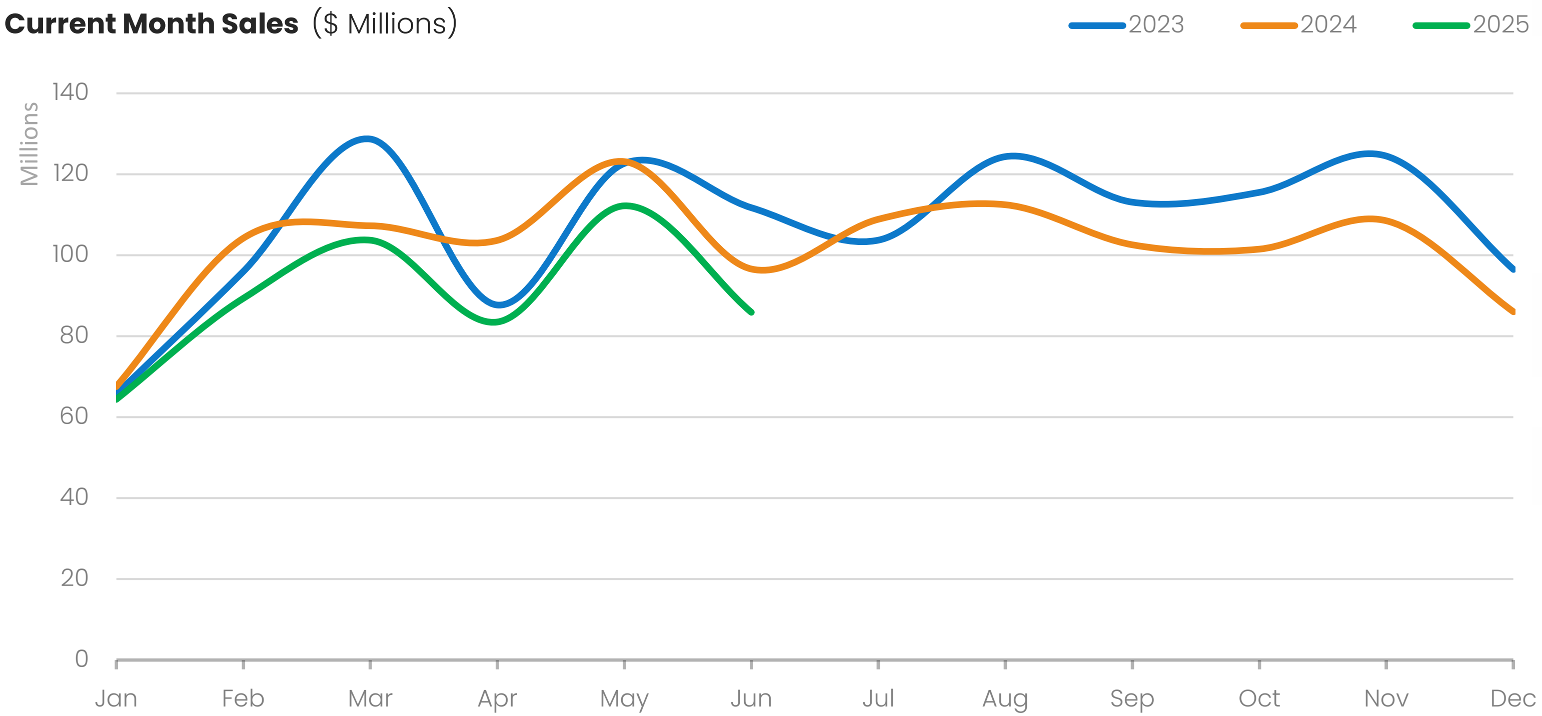
2bps

90DPD+ arrears were 2bps lower in June 2025 compared to June 2024.

creditworks

Concrete Merchant Insights.

Concrete Merchant Current Month Sales



Month-on-Month

23.4%

Monthly sales decreased by 23.4% from May 2025 to June 2025.

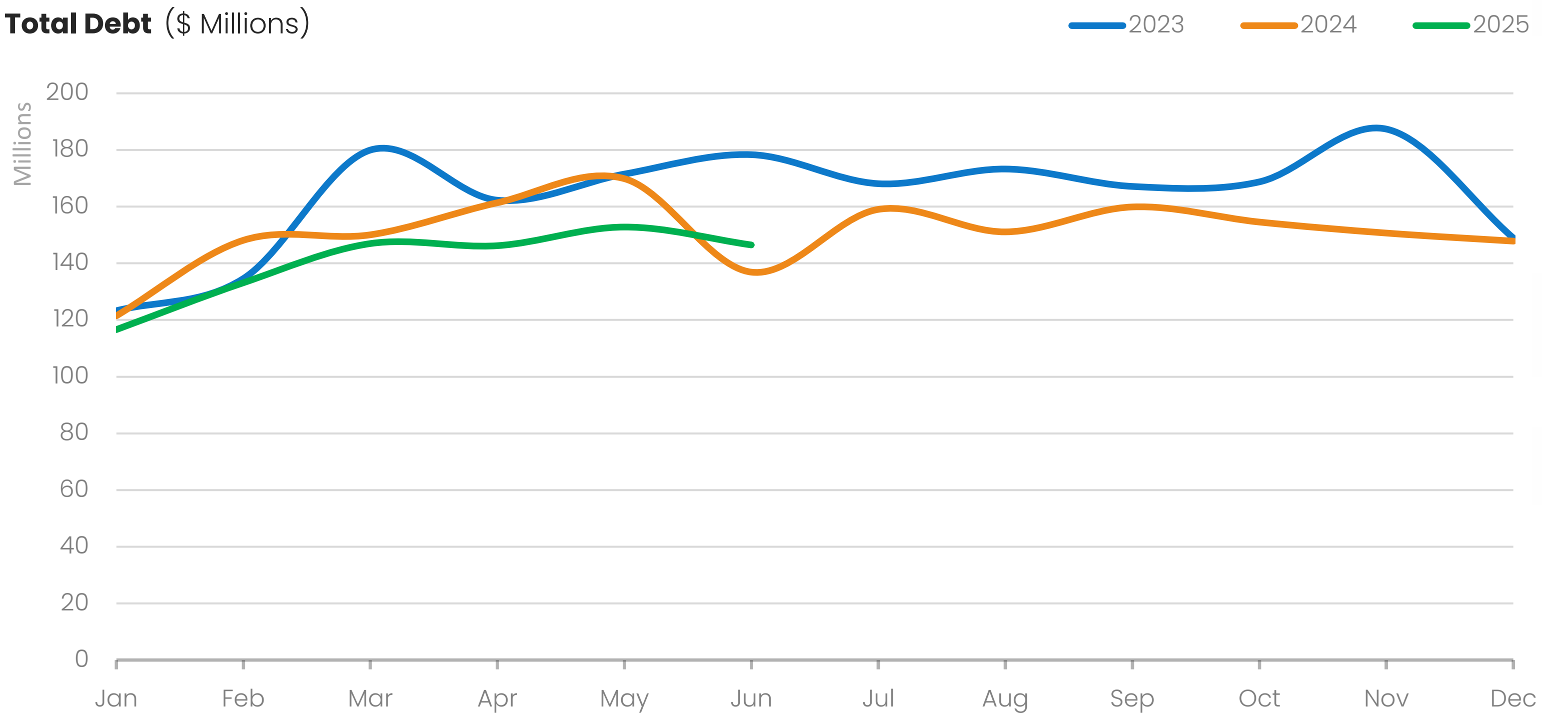
Year-on-Year

11.1%

Monthly sales for June 2025 were 11.1% lower than June 2024.

creditworks

Concrete Merchant Total Debt



Month-on-Month

4.1%

Total Debt decreased by 4.1% from May 2025 to June 2025.

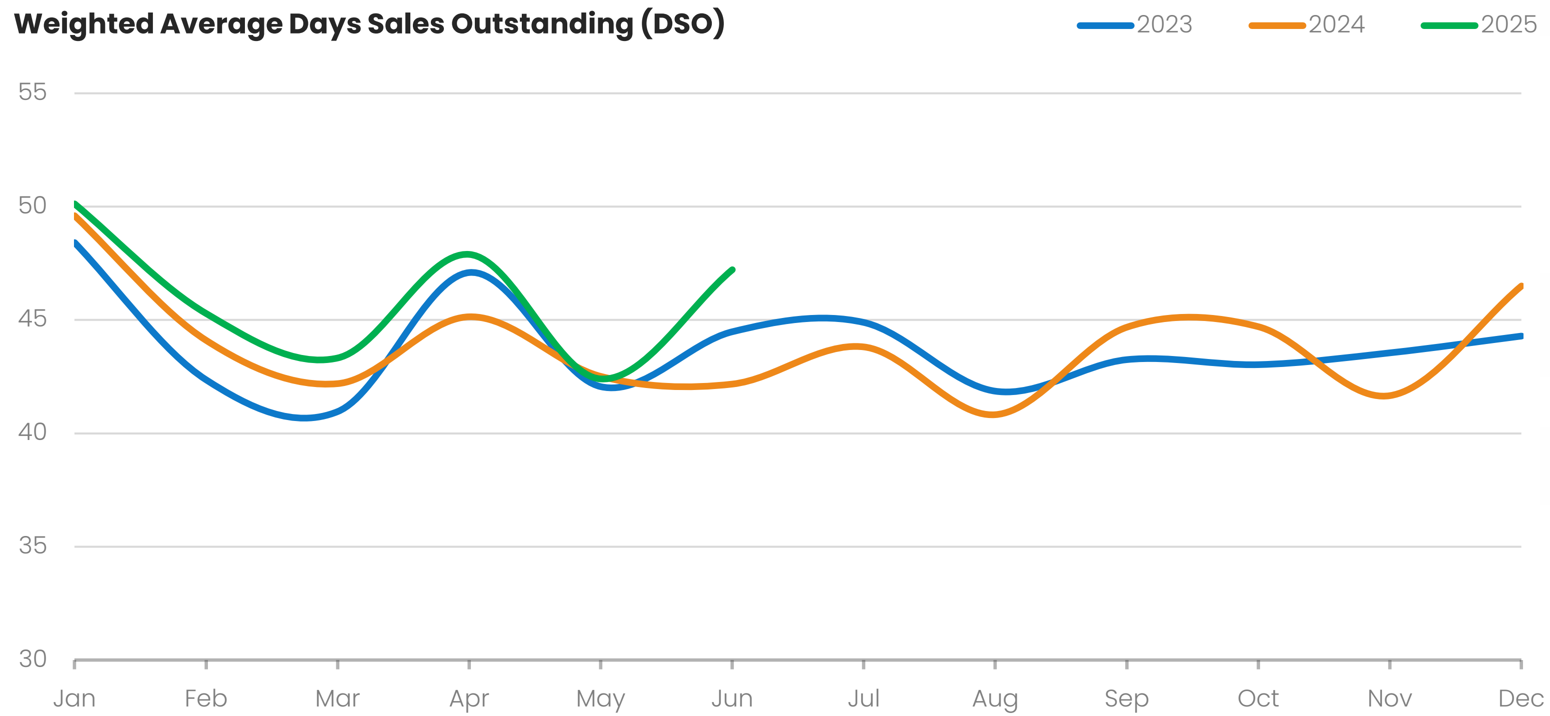
Year-on-Year

7.0%

Total Debt was 7.0% higher in June 2025 compared to June 2024.

creditworks

Concrete Merchant Days Sales Outstanding



Month-on-Month

11.4%

Weighted average DSO increased by 11.4% from May-25 to Jun-25.

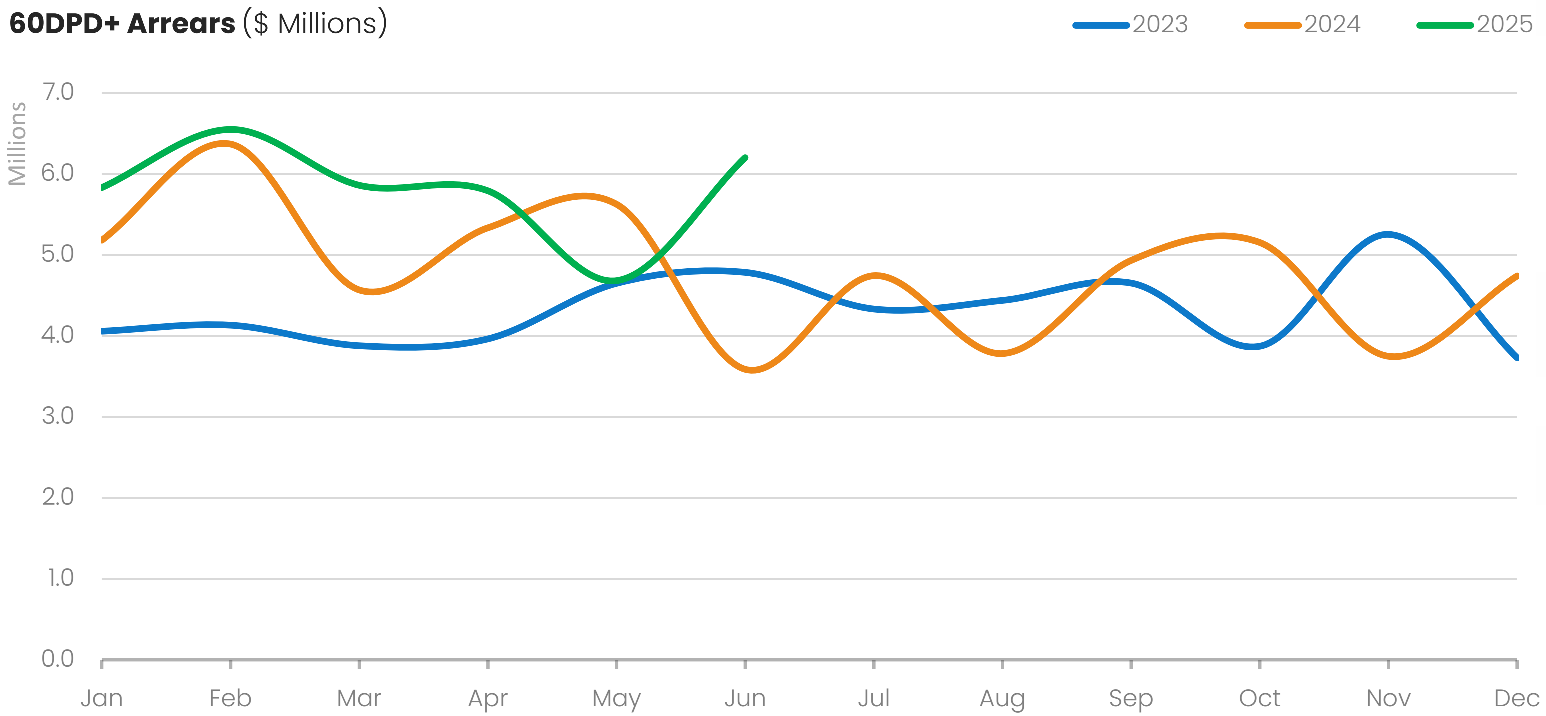
Year-on-Year

12.0%

Weighted average DSO was 12.0% higher in Jun-25 vs Jun-24.

creditworks

Concrete Merchant Arrears in Dollars (60+DPD)



Month-on-Month

32.4%

60DPD+ arrears were up 32.4% from May 2025 to June 2025.

Year-on-Year

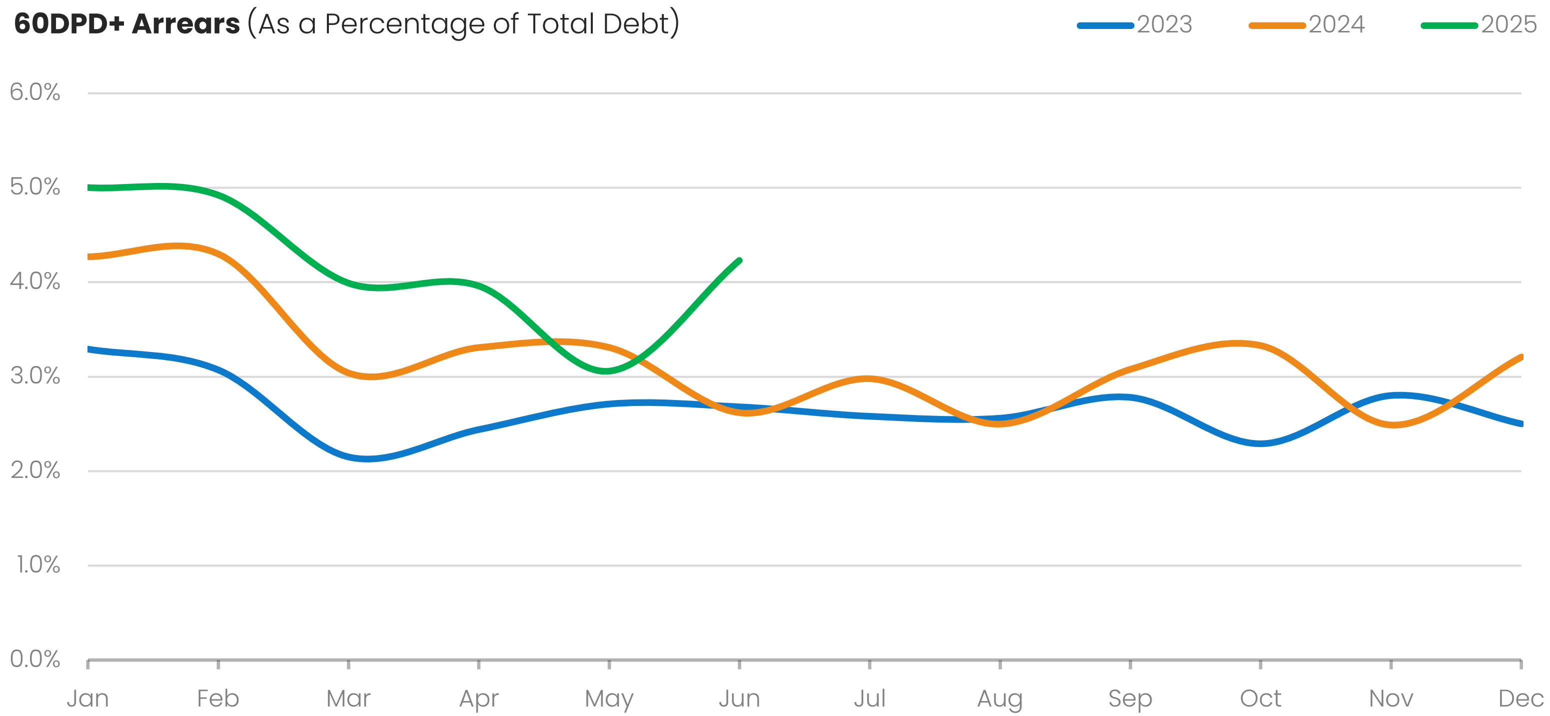
72.8%

60DPD+ arrears were up 72.8% from June 2024 to June 2025.

creditworks

Concrete Merchant Arrears in Percentages (60+DPD)

60DPD+ Arrears (As a Percentage of Total Debt)



Month-on-Month

117bps

60DPD+ arrears were 117bps higher in June 2025 compared to May 2025.

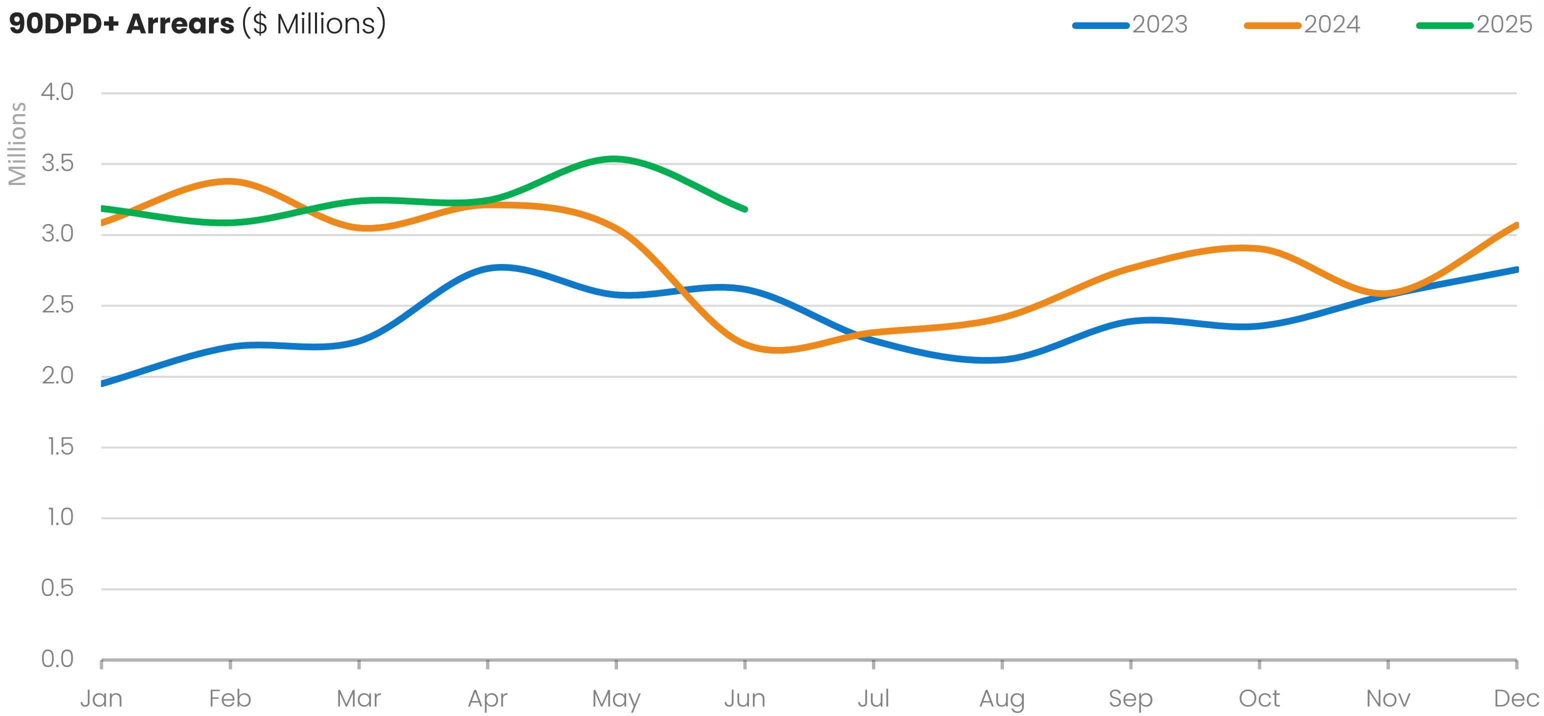
Year-on-Year

161bps

60DPD+ arrears were 161bps higher in June 2025 compared to June 2024.

creditworks

Concrete Merchant Arrears in Dollars (90+DPD)



Month-on-Month

10.1%

90DPD+ arrears were down 10.1% from May 2025 to June 2025.

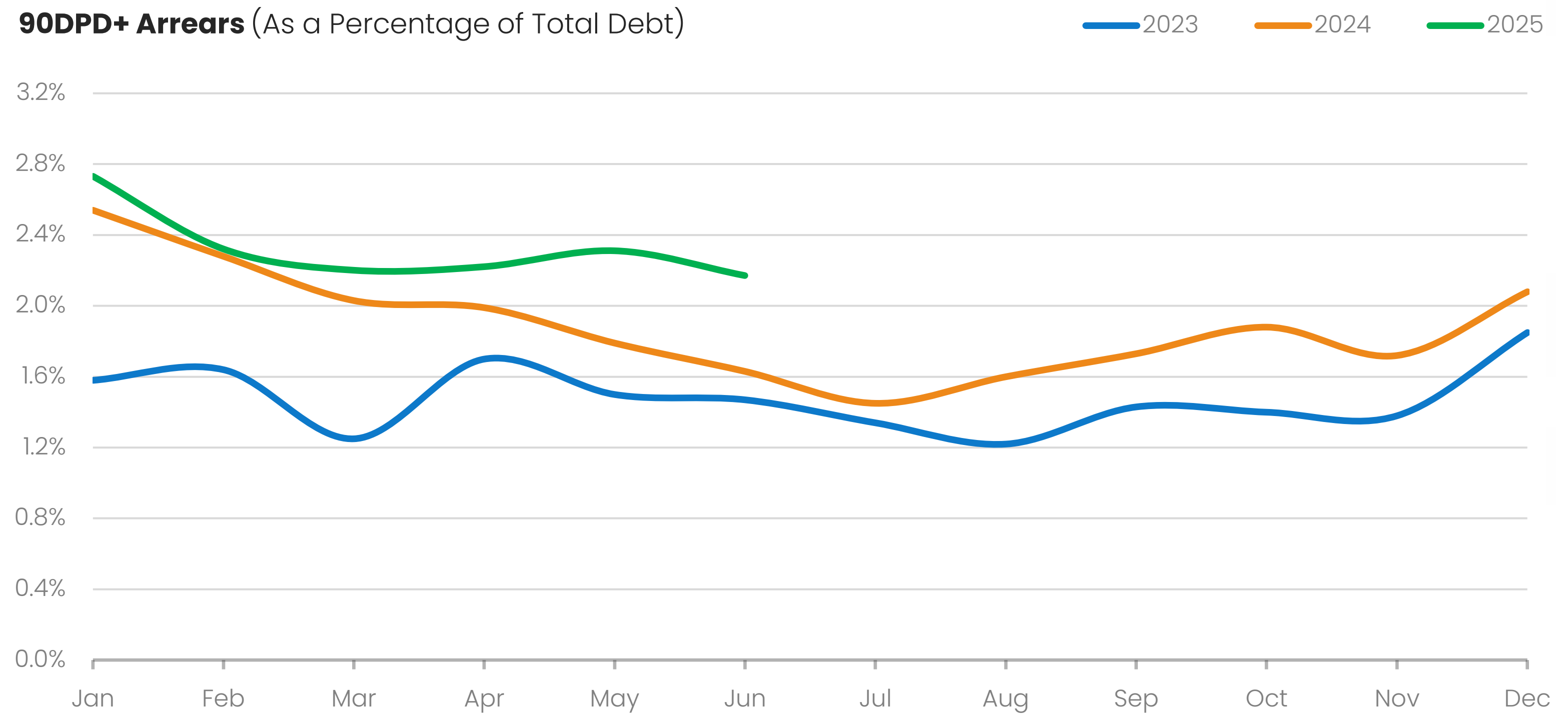
Year-on-Year

42.7%

90DPD+ arrears were up 42.7% from June 2024 to June 2025.

creditworks

Concrete Merchant Arrears in Percentages (90+DPD)



Month-on-Month

14bps

90DPD+ arrears were 14bps lower in June 2025 compared to May 2025.

Year-on-Year

54bps

90DPD+ arrears were 54bps higher in June 2025 compared to June 2024.

creditworks