

11 January 2023

**Topps Tiles Plc**  
**Q1 Trading Update**

Topps Tiles Plc ("Topps Group", or the "Group"), the UK's leading tile specialist, announces a trading update for the 13-week period ended 31 December 2022.

**Group**

The Group has developed and diversified in recent years and now operates across three business areas: our omni-channel Topps Tiles brand is the clear market leader in the UK and offers specialist product expertise and world-class customer service to trade and homeowner customers; our Online Pure Play offer consists of Pro Tiler Tools and Tile Warehouse; and our Parkside brand works directly with architects, designers and contractors in the commercial market.

Group sales in the 13 weeks to 31 December 2022 were 10.2% higher year on year<sup>1</sup>, with approximately half of this growth due to the comparative period in 2021 being prior to the acquisition of Pro Tiler Tools.

**Omnichannel - Topps Tiles**

Topps Tiles continues to perform well and has delivered a strong first quarter. Like-for-like sales<sup>2</sup> were 5.1% higher than last year, with total sales growth in Topps Tiles approximately 2 percentage points below this due to a lower average number of stores trading this year<sup>3</sup>. The timing of Christmas and New Year benefitted first quarter sales by about half a percentage point. Overall, the business delivered another strong period of trading in the weeks leading into Christmas, and sales to trade customers continued to be an area of particular strength.

**Online Pure Play - Pro Tiler Tools and Tile Warehouse**

Pro Tiler Tools, acquired in March 2022<sup>4</sup>, has continued to grow at an exceptional rate, with sales in the most recent quarter up significantly year on year. The introduction of new, trade-focused brands, further investment in stock and a continued focus on outstanding customer service have contributed to this performance, and we are currently working through options to deliver additional value to the Group through the Pro Tiler team. Tile Warehouse, launched in May 2022, is now largely through the initial start-up phase and we are now focusing on driving more traffic to the website and higher levels of conversion.

**Commercial - Parkside**

Parkside's financial performance improved at pace in FY22 and, following a strong second half, the business was trading at breakeven by the final quarter. Parkside is targeted to deliver a modest profit this year.

**Summary**

Overall, the financial year has started well. Following strong market share growth in FY22, our focus remains on our goal of '1 in 5 by 2025'<sup>5</sup>, which we now expect to deliver ahead of schedule.

As previously disclosed in the 2022 full year results, we expect Group profitability in the current financial year to be more second half weighted than is usually the case. The drivers of this are a significant year on year increase in our gas expense which will be weighted towards the autumn and winter period, the timing of various accruals, the impact of the newer businesses and some easing in supply chain costs as the year progresses.

The business remains strongly cash generative, with the balance sheet, cash flows and profitability remaining in line with our expectations.

**Rob Parker, CEO, said:** "We are pleased with what has been a strong first quarter of the new financial year, with strong like-for-like sales growth in Topps Tiles of 5.1%, excellent performance from our recent acquisition, Pro Tiler Tools, and overall Group sales up 10.2% compared with the same period last year.

"We remain mindful of the macroeconomic headwinds which may impact UK consumers and businesses in the forthcoming year, but the Group's strong balance sheet, world class customer service, specialist expertise and ambitious growth strategy gives us confidence that we will continue to deliver value over the medium term."

<sup>1</sup> Group revenue growth is stated before accounting adjustments including revenue recognition and customer returns provisions. Includes sales from Pro Tiler Tools and Tile Warehouse in FY23 compared to £nil sales recognised in the Group's consolidated accounts for Q1 FY22 in the pre-acquisition / pre-launch period.

<sup>2</sup> Topps Tiles like-for-like sales is defined as online sales and sales from Topps Tiles stores that have been trading for more than 52 weeks.

<sup>3</sup> The lower number of stores this year is as a result of the store closure programme, which has now been completed.

<sup>4</sup> 60% of the share capital of Pro Tiler Limited was acquired in March 2022, with options in place to acquire the remaining 40% in March 2024.

<sup>5</sup> Refers to Topps' goal of accounting for £1 in every £5 spent on tiles and associated products in the UK by 2025, thereby increasing its market share to 20% from approximately 17% in 2019. In the 52 weeks ended 1 October 2022 the Group's market share increased to 19.0% (2021: 17.6%).

For further information please contact:

**Topps Tiles Plc**

Rob Parker, CEO  
Stephen Henson, CFO

0116 282 8000

Stephen Hopson, CEO

**Citigate Dewe Rogerson**

Kevin Smith  
Ellen Wilton

020 7638 9571

**Notes to editors**

Topps Tiles Plc is the UK's largest specialist supplier of tiles and associated products, targeting the UK domestic refurbishment and commercial markets and serving homeowners, trade customers, architects, designers and contractors from 304 nationwide Topps Tiles stores, four commercial showrooms and six websites: [www.toppstiles.co.uk](http://www.toppstiles.co.uk), [www.parkside.co.uk](http://www.parkside.co.uk), [www.protilertools.co.uk](http://www.protilertools.co.uk), [www.northantstools.co.uk](http://www.northantstools.co.uk), [www.premiumtiletrim.co.uk](http://www.premiumtiletrim.co.uk) and [www.tilewarehouse.co.uk](http://www.tilewarehouse.co.uk).

Since opening its first store in 1963, Topps has maintained a simple operating philosophy - inspiring customers with unrivalled product choice and providing exceptional levels of customer service. For further information on the Group, please visit <http://www.toppstilesplc.com/>

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact [ms@seg.com](mailto:ms@seg.com) or visit [www.ms.com](http://www.ms.com).

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

TSTGPUBAGUPWGQU