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19 August 2024

Topps Tiles Plc

Acquisition of the brand and certain assets of CTD Tiles

Portfolio of 30 CTD Tiles stores to form new business within Topps Group

Topps Tiles Plc ("Topps Group", or the "Group"), announces that it has acquired the CTD Tiles brands, 30 stores, selected stock and all related intellectual property from CTD Tiles Limited ("CTD"), acting by its administrators, James Lumb and Will Wright of Interpath Limited, for a consideration of £9 million (the "Acquisition").

Prior to entering administration on 19 August 2024, CTD supplied tiles to the retail, trade and commercial markets through a collection of related brands including CTD Tiles, CTD Trade and CTD Architectural Tiles, with total annual revenue of c.£75 million. The CTD retail business operated 86 stores across the UK, each with a separate trade and retail showroom, and had total store revenue of c.£50 million in the year to June 2024. In addition, CTD's commercial business reported revenues of c. £16 million from the volume housebuilder segment and c. £8 million of revenues from the Architect and Designer ("A&D") segment in the same period.

The stores being acquired by Topps Group had total sales of c. £20 million in the year to June 2024, and the Acquisition also includes all the CTD brands, selected stock and customer data. As well as adding 30 new well-established stand-alone stores to the Topps Group estate, the Acquisition will provide Topps Group with the opportunity to make a meaningful entry into the housebuilder segment and expand its existing share of the A&D segment. The remaining 56 CTD Tiles stores not being acquired will be disposed of through the administration.

The CTD brand is complementary to the Group's existing businesses and the acquired stores and other assets will continue to trade under the CTD brand name.

Consideration for the Acquisition will be satisfied from the Group's existing financial resources. The Acquisition is expected to be accretive to Topps Group earnings in the year ending 30 September 2025.

Rob Parker, Topps Group CEO said: "The CTD brand and assets are an excellent fit with our existing business and the Acquisition creates a new and complementary specialist tile business within the Topps Group.

"CTD operates a different model to our existing Topps Tiles retail stores, with separate trade and retail offers within each unit and a number of market-specific sub-brands which are differentiated from our existing offer. "The acquisition of 30 high quality stores and selected supporting infrastructure, together with the intellectual property and customer data required to service CTD's existing commercial customers in the housebuilding and A&D markets, provide us with an opportunity to make material progress towards our Mission 365 sales goal.

"We are excited about the future of CTD within the Topps Group and look forward to welcoming our new colleagues to the business."

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The person responsible for arranging the release of this announcement on behalf of Topps Tiles is Rob Parker, CEO.

Notes to Editors

Topps Group is the UK's largest specialist supplier of tiles and associated products, targeting the UK domestic and commercial markets and serving homeowners, trade customers, architects, designers and contractors from 303 nationwide Topps Tiles stores, a commercial showroom in London and eight customer-facing websites: www.toppstiles.co.uk, www.parkside.co.uk, www.protilertools.co.uk, www.northantstools.co.uk, www.premiumtiletrim.co.uk, www.warmfloorstore.co.uk, www.flooringmaterials.co.uk and 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 www.toppsgroup.com

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