

8 January 2025

## Topps Tiles Plc

### Q1 Trading Update and CEO Succession

Topps Tiles Plc ("Topps Group", or the "Group"), the UK's leading tile specialist, announces a trading update for the 13-week period ended 28 December 2024 and an update on CEO succession.

#### Trading Update

Building on the return to sales growth in the early weeks of the new financial year, as reported in the 2024 Annual Financial Results, the Group is pleased to report a further improvement in trading over the first quarter of the year. Group sales in the 13 weeks ended 28 December were 4.6% higher year-on-year excluding CTD<sup>1</sup>, with sales in the most recent five-week period up 12.9% year-on-year, supported by the timing of the period end<sup>2</sup>. Like-for-like sales in Topps Tiles were up 3.5% year-on-year in the 13 weeks ended 28 December 2024 and up 12.5% in the most recent five-week period. Sales in the Online Pure Play part of the Group were strongly positive.

The Group plans to deliver its 'Mission 365' goal through five key growth areas:

1. Improving the trade digital experience
2. Expanding into new coverings categories
3. Increasing its B2B sales focus
4. Continuing to expand Pro Tiler Tools
5. Building Tile Warehouse to maturity

Good further progress was made with each of these initiatives during the first quarter.

The sales improvement in the first quarter was driven by the ongoing strengthening of the Group's trade offer, with robust growth in trade revenues at both Topps Tiles and Pro Tiler Tools. In Topps Tiles, the total number of active registered traders<sup>3</sup> at the end of the period was up 7% year on year to 141,000, with the number of new traders registering in the quarter more than doubling year-on-year, both in store and online. Trade growth has been supported by developments in the Topps Tiles brand's digital channels, clearer pricing and excellent stock availability, leading to total year-on-year trade sales growth in Topps Tiles over the quarter of 13.5%. The strong sales growth in Pro Tiler Tools continues, up 20% year-on-year in the first quarter.

As well as trade, the other key theme of the Mission 365 growth areas is digital, and the Group made particularly good progress in this area in the first quarter. Total traffic to Topps Tiles' digital channels was up 17% year-on-year, including organic traffic<sup>4</sup> growth of 13%, and sales transacted online were up 8%. In particular, the Topps Tiles trade digital experience has continued to develop at pace. Online trade traffic was up more than five-fold, and online trade sales were up c. 60% in the Topps Tiles brand in the period. Tile Warehouse sales were up c. 140% in the first quarter.

The Group's new 140,000 square foot warehouse at Pro Logis Park in Northampton was also opened in the period. This warehouse is the new base for Pro Tiler Tools and was fully operational at the start of January. The Pro Tiler relocation was completed ahead of schedule and on budget, and will unlock the opportunity for the brand to continue its strong rate of growth and extend its product range as well as adding operational efficiency.

The Group noted the launch of the merger inquiry by the CMA on 18 December 2024 and looks forward to working with the CMA as they continue their review. A decision by the CMA on the phase 1 enquiry is due to be made by 17 February 2025.

As previously disclosed in the 2024 results, the timing of holiday pay accruals, seasonally higher energy usage in the first half and investment in strategic growth will result in the Group's profits in 2025 being weighted towards the second half of the financial year.

Rob Parker, Chief Executive, said: "We are pleased to see the Group return to sales growth in the first quarter of the new financial year, supported by our strong trade offer and continued strategic progress, particularly with our digital and omnichannel growth initiatives. Whilst it is early in the financial year and macroeconomic indicators remain mixed, we are pleased that our growth strategy is delivering strong results, which leaves us well positioned to deliver our goal of Mission 365."

#### CEO Succession

The Group announces that following an extended period of consideration, Rob Parker, CEO, has notified the Board of his intention to retire from the business after 18 years with the Group. Rob joined the Group in 2007 and served as CFO for 12 years before becoming CEO in 2019.

The Nominations Committee has therefore activated its succession plan and, with the support of external consultants, has commenced the search process for a new Chief Executive Officer.

Rob will remain in post until an appropriate successor has been appointed, to ensure an orderly transfer of responsibilities, which is expected to be towards the end of 2025.

Paul Forman, Chairman, said: "Rob has made an enormous contribution to the development and success of the business over the last 18 years. During his time as CEO, he has overseen a period of significant diversification and growth of the business, and has led the Group through a particularly volatile period for the UK economy, including the Covid pandemic. He will leave with the Group well-positioned and we are grateful for his continuing leadership and commitment while we complete a managed transition to his successor. On a personal note, I would like to thank Rob for the support, professionalism and insight he has given me as a newly appointed Chair."

A further update will be given in due course.

Note 1 - The Group's acquisition of the brand and certain assets of CTD Tiles, as announced on 19 August 2024, remains under investigation by the Competition and Markets Authority, and the Group is therefore unable to report on the financial performance of this part of the Group.

Note 2 - The first quarter ended on 28/12/24, compared to 30/12/23 in the last financial year, therefore more of the quieter holiday period was included in the first quarter of the last financial year when compared to this year. The estimated impact of the period end movement on Group sales is shown below:

Group sales excluding CTD	Weeks 1-8	Weeks 9-13	Weeks 1-13
Reported year-on-year sales growth	1.2%	12.9%	4.6%
Estimated impact of period end timing		4.5%	1.3%
Underlying year-on-year sales growth	1.2%	8.4%	3.3%

The impact of the change in period end date on the Topps Tiles like-for-like sales growth is estimated at approximately +5.0 percentage points in week 9-13 and +1.5 percentage points in week 1-13.

Note 3 - Active registered traders are registered trade customers in Topps Tiles who have spent with the brand in the last twelve months.

Note 4 - Organic traffic refers to digital traffic generated from unpaid sources, in comparison to, say, pay per click advertising.

For further information please contact:

**Topps Tiles Plc**

Rob Parker, CEO  
Stephen Hopson, CFO

0116 282 8000

**Citigate Dewe Rogerson**

Kevin Smith

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 and commercial markets and serving homeowners, trade customers, architects, designers and contractors from 300 nationwide Topps Tiles stores, a commercial showroom in London and nine customer-facing 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), [www.warmfloorstore.co.uk](http://www.warmfloorstore.co.uk), [www.flooringmaterials.co.uk](http://www.flooringmaterials.co.uk), [www.tilewarehouse.co.uk](http://www.tilewarehouse.co.uk) and [www.ctdtiles.co.uk](http://www.ctdtiles.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](http://www.toppsgroup.com)

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