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Topps Tiles PLC
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Topps Tiles Plc

Q3 Trading Update

Strong trading momentum continues

Topps Tiles Plc ("Topps Group", or the "Group"), the UK's leading tile specialist, announces a third quarter trading update for the 39-week period ended 28 June 2025.

Strong trading momentum has continued through the third quarter. Group adjusted sales¹ were up 10.1% in the third quarter, a notable acceleration compared to 4.1% growth in the first half. On a year-to-date basis, Group adjusted sales were 6.1% higher year-on-year.

The sales trajectory has improved across all divisions in the Group, with Topps Tiles, Parkside and Online Pure Play (Pro Tiler Tools and Tile Warehouse) all delivering higher growth rates in the most recent quarter than in the first half. Like-for-like sales² in the Topps Tiles brand increased 7.3% in the third quarter and are up 4.4% on a year-to-date basis. Trade sales remain stronger than homeowner sales, although sales to homeowners are also showing signs of improvement. The stronger sales growth was underpinned by further increases in Topps Tiles' active trade customers³, up 12% year-on-year to 150,000, and Group online sales, which accelerated from 19.8% of adjusted sales in the first half to 21.9% of adjusted sales in the third quarter.

Adjusted gross margins continue to improve and we expect Group adjusted gross margin in the second half to be slightly higher than in the first half of the year. As previously noted, the cost environment does continue to remain challenging, with c. £4 million of further cost increases on an annualised basis from April 2025 as a result of the recent changes to National Insurance rates and thresholds, together with the increase in National Living Wage. In addition, the Group expects performance-related pay to be higher in the second half, as profits increase. Given the strong growth in sales, improved gross margins and cost management actions, the Group expects operating costs in the second half to grow at a lower rate than gross profits.

Rapid progress has been made in CTD since the conclusion of the CMA investigation and the Group remains confident that CTD will be at least breakeven by the fourth quarter⁴. Following this period of stabilisation, the Group will seek to meaningfully grow this strategically important business in 2026 and beyond, particularly expanding the Group's activities with larger contractors, commercial partners and housebuilders.

Good strategic progress continues across the five main growth levers which will deliver the Group's 'Mission 365' goal: modernising the trade digital experience, expanding into new coverings categories, increasing the business-to-business sales focus, growing Pro Tiler Tools and establishing Tile Warehouse. During the quarter, the business has been preparing to relaunch the Topps Tiles trade website, providing enhanced functionality, and is in the final stages of preparation for the launch of a new customer engagement platform, which will provide a step-change in the Group's ability to interact digitally with customers, including personalised marketing.

The continued progress made in all aspects of the Mission 365 plan give the Group confidence in its ability to deliver meaningful growth in sales and profits, this year and into the medium term.

Notes:

1 Group adjusted sales exclude sales from the CTD brand.

2 Topps Tiles like-for-like sales are defined as sales from Topps Tiles stores that have been trading for more than 52 weeks and sales made through Topps Tiles' digital channels.

3 Active trade customers are registered trade customers in Topps Tiles who have shopped with the brand in the last 12 months.

4 The performance of CTD has been excluded from all adjusted performance metrics in FY25.

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Notes to Editors

Topps Tiles Plc is the UK's largest specialist supplier of tiles and associated products, targeting the UK domestic, commercial and housebuilder markets and serving homeowners, trade customers, contractors, architects and designers from 297 nationwide Topps Tiles stores, a commercial showroom in London, the CTD store estate and nine 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, www.tilewarehouse.co.uk and 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

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