

1 July 2026

Topps Tiles Plc
Q3 Trading Update

Continued strategic progress amid near-term challenging market conditions

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 27 June 2026.

Group revenue¹ (including CTD²) for Q3 FY26 was £75.6 million, 1.8% lower vs last year, driven by challenging market conditions as well as the effect of prior year store closures in CTD and the previously announced closure of underperforming stores in Topps Tiles. Group revenue (excluding CTD) for Q3 FY26 was £69.4 million, up 0.6% vs last year. Topps Tiles Q3 FY26 like-for-like revenue³ was flat vs last year, worsening in the second half of the quarter compared to the first half.

Whilst Topps continues to outperform the wider market⁴, which declined approximately 1.6% in the quarter vs last year, performance was below our forecast. Since the interim update, we have seen some margin pressure as ongoing uncertainty in the macroeconomic environment has led to a current greater demand for lower priced products. In addition, recent periods of extreme heatwave conditions led to temporary work stoppages among housebuilders and traders, further affecting activity levels. Whilst there is likely to be a catch up over a six-month period, this is unlikely to come back fully in our financial year which ends in September.

Significant progress has been delivered in the quarter across our key priorities, including:

- On track to deliver the previously announced major self-help initiatives to drive profitability, including network optimisation, new lower cost, flexible labour model and head office role consolidation.
- Our digital and data strategy has advanced, with online revenue (including CTD) rising to 23.3% in Q3 FY26, an increase of 2.3ppts vs half year and 3.7ppts vs Q3 FY25.
- Trade growth benefited from the launch of the Topps Tiles App with almost 11,000 downloads in the first month. Overall trade growth was -0.8% vs last year in quarter, with recent periods of extreme heatwave conditions leading to temporary work stoppages for housebuilders and traders.
- New category "hard surface" extensions grew 10.9% in Q3 FY26 vs last year, driven by acoustic panels, outdoor tiles and shower panels.

Outlook

Whilst significant progress is being made, as set out above, the macro-economic environment has continued to be challenging, with lower consumer spend and commercial areas such as housebuilding coming under further pressure.

Taking into account recent trading and given the ongoing market headwinds, we now expect Adjusted Profit Before Tax⁵ to be above £6.5 million.

Despite the near-term headwinds, the Board remains confident in the delivery of the Group's medium-term ambitions, including its Mission 365 priorities.

Commenting on the trading update, Alex Jensen, Chief Executive, said:

"Topps continues to outperform the wider market despite weaker consumer sentiment and an increased focus on lower priced products. We're making significant strategic progress across our priorities and the self-help actions we are taking to support profitability are working and will position the business for long-term sustainable growth. In the short term, the macro-economic environment continues to remain challenging."

Notes:

1. Group revenue and revenue growth for the 2026 financial year are stated excluding VAT and are before year end accounting adjustments including revenue recognition, loyalty scheme accounting and customer returns provisions.
2. On 19 August 2024, the Group acquired the brand and certain assets from CTD Tiles Limited. The business currently trades from 23 stores, down from 31 in the prior year due to commercial property decisions and the requirement to dispose of four stores following CMA investigation.
3. Topps Tiles like-for-like revenue is defined as online revenue generated through Topps Tiles' digital channels, and revenue from Topps Tiles stores that have been trading for more than 52 weeks, compared to the same period in the previous year.
4. Market performance as defined by Barclays "UK Consumer Spend Report" for Home Improvements & DIY tracking at -2.1% for April 2026 and -1.0% for May 2026 (June report not published at time of writing this Trading Statement).
5. Adjusted Profit Before Tax differs from the statutory profit before tax as it excludes the effect of one-off or fluctuating items, allowing stakeholders to understand results across years in a more consistent manner.

The person responsible for making this announcement on behalf of the Company is Joanne Steer, Head of Legal and Company Secretary.

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