

17 October 2013

## Travis Perkins plc

### Interim Management Statement - Encouraging sales momentum in the third quarter

- Total sales growth of 8.6%, 7.1% on comparable [trading days](#) basis
- Like-for-like sales growth of 6.3%
- Stronger sales momentum in our trade divisions but consumer markets lagging
- On-track to meet earnings per [share](#) of around 100 pence despite lower property disposal gains

#### Third Quarter 2013 Sales Growth

	General Merchanting <sup>(1)</sup>	Specialist Merchanting <sup>(1)</sup>	Plumbing & Heating <sup>(1)</sup>	Consumer <sup>(2)</sup>	<b>Total</b>
Total sales	13.9%	12.8%	6.3%	1.6%	<b>8.6%</b>
Total sales on comparable trading days basis	12.4%	11.3%	4.8%	1.6%	<b>7.1%</b>
Like-for-like sales	10.7%	10.6%	5.0%	0.0%	<b>6.3%</b>

#### Year-to-date 2013 Sales Growth

	General Merchanting <sup>(3)</sup>	Specialist Merchanting <sup>(3)</sup>	Plumbing & Heating <sup>(3)</sup>	Consumer <sup>(4)</sup>	<b>Total</b>
Total sales	7.4%	9.7%	1.2%	0.4%	<b>4.0%</b>
Total sales on comparable trading days basis	7.0%	9.3%	0.8%	0.4%	<b>3.6%</b>
Like-for-like sales	5.5%	9.1%	0.4%	(0.7)%	<b>2.8%</b>

The positive sales momentum experienced in the second quarter of 2013 continued into the third quarter. Total sales growth of 8.6%, 7.1% on a comparable trading days basis, and like-for-like sales growth of 6.3% demonstrate the Group's strong position in each of its markets and its ability to leverage improving sentiment.

The General and Specialist Merchanting Divisions both recorded encouraging total and like-for-like sales growth, in-line with the two months to 30 June 2013. The Plumbing & Heating

division performed well with 5.0% like-for-like sales growth, an improvement on the flat growth recorded in the two months to 30 June 2013.

Retail markets, however, remain challenging. The Consumer division recorded flat like-for-like sales growth in the quarter, a significant reduction from the 8.6% growth recorded in the two months to 30 June 2013. Both Wickes and Tile Giant received little benefit from the warmer summer weather given their limited range in outdoor categories. A continued focus on cost efficiencies partially offset the impact of weaker growth.

The deflationary pressure in our trade businesses, although still negative, began to ease in the quarter. Wickes, however, continued to experience more pronounced deflation. The Group anticipates no significant change in the levels of price inflation through the remainder of the year.

The earlier recovery of activity in trade markets and consequent stronger growth in turnover has required more investment in working capital. Net debt is therefore expected to be between £350-370 million at the year end.

The Group remains on course to achieve full year earnings per share of around 100 pence, despite £5 million of lower gains on property disposal which are not expected to be realised in the year.

Geoff Cooper, Chief Executive, commented:

"Whilst still early in the recovery of our markets, the stronger trading conditions experienced by our merchandising businesses in particular is a reassuring indicator of improved sentiment in construction. The recovery in activity, signalled by us in early 2013, looks set to continue into 2014 as owners' and occupiers' construction and maintenance activity increases from the very low levels encountered over the last five years. The Group is well positioned, as the leading supplier of building materials in the UK, to take advantage of this recovery."

#### **Footnotes**

1. *Total sales growth for the three month period ended 30 September 2013 compared to the three month period ended 30 September 2012 (not adjusted for one additional trading day in 2013). Total sales on a comparable trading day basis and like-for-like sales growth for the three month period ended 30 September 2013 compared to the three month period ended 30 September 2012 (2012 period adjusted for the effect of one more trading day in 2013 period).*
2. *Total sales and like-for like sales growth for the 13 week period ended 29 September 2013 compared to the 13 week period ended 28 September 2012.*
3. *Total sales growth for the nine month period ended 30 September 2013 compared to the nine month period ended 30 September 2012 (not adjusted for one additional trading day in 2013). Total sales on a comparable trading day basis and like-for-like sales growth for the nine month period ended 30 September 2013 compared to the nine month period ended 30 September 2012 (2012 period adjusted for the effect of one more trading day in 2013 period).*
4. *Total sales and like-for like sales growth for the 39 week period ended 29 September 2013 compared to the 39 week period ended 28 September 2012.*

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