

Interim Management Statement

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Travis Perkins plc

First quarter 2014 interim management statement - year started in line with expectations

Highlights

- Total sales growth of 15.6%, 14.2% on a comparable trading days basis
- Like-for-like sales growth of 12.7%, 2 year like-for-like sales growth of 9.3%
- Strong sales growth helped by weak 2013 comparatives
- Overall trading consistent with expectations at the start of the year

First Quarter 2014 Sales Growth

	General Merchandising ⁽¹⁾	Consumer ⁽²⁾	Plumbing & Heating ⁽¹⁾	Contracts ⁽¹⁾	Group
Like-for-like	16.6%	6.9%	13.2%	12.8%	12.7%
Total sales - comparable days basis	17.3%	9.0%	14.5%	14.7%	14.2%
Total sales growth	19.2%	9.0%	16.3%	16.6%	15.6%

Comparative numbers - First Quarter 2013 Sales Growth

	General Merchandising ⁽³⁾	Consumer ⁽⁴⁾	Plumbing & Heating ⁽³⁾	Contracts ⁽³⁾	Group
Like-for-like	(2.1)%	(7.3)%	(2.5)%	0.9%	(2.9)%
Total sales - comparable days basis	(1.0)%	(5.6)%	(2.4)%	0.8%	(2.2)%
Total sales growth	(4.1)%	(6.7)%	(5.5)%	(2.3)%	(4.8)%

Strong sales growth was recorded in the first quarter of 2014 as the positive momentum built in 2013 continued. However, the strong growth was in part the result of very weak comparatives owing to unseasonably cold weather in 2013 across much of the country.

The Travis Perkins business within the General Merchandising division performed well throughout the quarter due to continued market share gains and market volume growth. Both the Plumbing & Heating and Contracts divisions performed well. Within the Consumer division sales growth for Toolstation and the Wickes core proposition was strong. However, the kitchen and bathroom categories in Wickes were impacted by significant promotional activity in this market.

The sales price deflation experienced in 2013 dissipated in the first quarter of 2014, albeit not all of the cost price increases from manufacturers were fully passed through to customers. Investing in better value for retail customers also continued in Wickes during the first quarter. There has been no significant change in the Group's financial position.

We have begun work to deliver our strategic plans set out in December:

Accelerate innovation of our customer propositions

Our retail customers have begun to benefit from a new online platform for Wickes, which enables improved functionality and supports the rollout of click & collect capabilities.

Expand the network and intensify use of space

Network expansion and intensifying the use of the existing property estate also progressed well during the quarter. The Group opened 39 new stores and branches, including 34 implants where Toolstation and Benchmarx operations were opened inside existing Wickes and Travis Perkins branches. In addition, the 'Endeavour' bathroom showroom rollout continues with c.60 branches expected to be upgraded

throughout the year.

Exploit our scale advantage

Our scale advantage enabled the General Merchandising Division to invest in a new Regional Distribution Centre in Warrington. The facility enables over 3,000 heavyside products to be delivered the next day to the 150 Travis Perkins branches it serves in the region, significantly improving availability for customers. Early results are encouraging, providing confidence for a further facility to be developed in Cardiff and a third site now secured in the South East.

John Carter, Chief Executive, commented:

"All of our businesses recorded strong sales growth in the first quarter of 2014 and lead indicators for our different markets are encouraging and performing and we remain on course to meet our targets set out in February. We are confident that the plans we have in place will support our drive to outperform our markets, improve earnings and ultimately increase return on capital. Our priorities remain to accelerate innovation of our customer propositions, expand and optimise our property network, exploit our scale advantage and prioritise investments throughout the portfolio".

Footnotes

1. *Total sales growth for the three month period ended 31 March 2014 compared to the three month ended 31 March 2013 (not adjusted for one additional trading day in 2014). Total sales on a comparable trading day basis and like-for-like sales growth for the three month period ended 31 March 2014 compared to the three month period ended 31 March 2013 (2013 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 March 2014 compared to the 13 week period ended 30 March 2013.*
3. *Total sales growth for the three month period ended 31 March 2013 compared to the three month ended 31 March 2012 (not adjusted for two fewer trading day in 2013). Total sales on a comparable trading day basis and like-for-like sales growth for the three month period ended 31 March 2013 compared to the three month period ended 31 March 2012 (2012 period adjusted for the effect of two fewer trading days in 2013 period).*
4. *Total sales and like-for like sales growth for the 13 week period ended 30 March 2013 compared to the 13 week period ended 31 March 2012.*

Enquiries

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