

30 September 2015

## Topps Tiles Plc

### Pre-close Trading Update

#### Record revenue and continued growth in market share

Topps Tiles Plc (the “Company”), the UK’s largest tile specialist, reports on trading for the 53 week period ending 3 October 2015.

#### Trading

Revenues for the 53 week period are expected to be in the region of £212 million (2014: £195.2 million over 52 weeks). Like-for-like revenues are expected to show an increase of c.5.3% on the prior year (2014: +8.1%), reflecting continued growth in market share. On a two year basis LFL sales have grown by c.14%.

#### Analysis of LFL sales by quarter

	Qtr 1	Qtr 2	Qtr 3	Qtr 4
FY 2015	6.0%	4.5%	5.9%	5.0%
FY 2014	9.3%	11.1%	6.3%	5.9%

Management remain comfortable with current market estimates for adjusted pre-tax profits for the year.

#### Strategic Progress

We continue to make good progress with our strategy of out-specialising the specialist, with specific initiatives in the period including:

- *Inspiration* – further development of our industry leading online “visualiser”; and plans in place for a roll-out of new merchandising treatments across the existing store estate during the year ahead following a successful trial in our latest lab store in Worcester.
- *Range* – in the last quarter 17 new ranges have been launched, with a focus on collaborative, exclusive innovations with leading manufacturers. Recent own brand developments have included a complete tile care range, and a unique new tile range, “Regional Reflections”, which replicates natural stone from around the UK.
- *Convenience* - we opened 3 new core stores and 2 Boutiques in the fourth quarter. We are currently trading from 348 stores, including 13 Boutique stores, and expect to finish the year with 348 stores in total (2014: 335).

Matthew Williams, Chief Executive Officer, said: “I am pleased to report that Topps will complete a successful year, with good growth in profits and a record level of turnover, both of which are directly attributable to our strategy of out-specialising the specialist.

“As a result of this, we are confident of hitting our one third market share goal\* by the end of this year and are well advanced on developing our next strategic goal for the organisation.”

## **Business Simplification Initiatives**

The Group is progressing two key initiatives to simplify and streamline its operations moving forwards, with the principal actions being:

- i. The centralisation of its support functions on to one site at Leicester; and
- ii. The closure of the nine remaining clearance stores, with all stores now trading under a unified Topps Tiles store fascia

These changes will result in a non-cash charge of c.£3 million in the current financial year. Annual cost savings of at least £0.5m will be realised from the second half of 2015/16 year onwards and the business will also benefit from operational efficiencies as a result of this simplification. Full details of these initiatives will be provided in the final results announcement.

Topps Tiles will report its final results for the 53 week period ended 3 October 2015 on Tuesday 1 December 2015.

*\* Market share goal was £1 in every £3 spent of the domestic UK tile market. The domestic segment of the market constitutes approximately 50% of the total market.*

- Ends -

## **Enquiries:**

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## **Note to editors**

Topps Tiles Plc is the UK's largest specialist supplier of tiles and associated tools and accessories, targeting the UK domestic refurbishment market and serving a retail and trade customer base from 348 stores nationwide.

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.

This focus has established Topps as market leader in the UK, and underpins its successful strategy of taking profitable market share, which has increased from 22% in 2007 to 30.3% in 2014.

For further information, please visit [www.toppstiles.co.uk/media-centre/investors.asp](http://www.toppstiles.co.uk/media-centre/investors.asp)