

20 April 2016

Travis Perkins plc

## First quarter 2016 trading update – encouraging sales growth in all divisions

### Highlights

- Total sales growth of 5.0% and 6.2% on a comparable days basis
- Like-for-like sales growth of 4.2%
- Two-year like-for-like sales growth of 9.5%
- Overall trading in line with expectations

John Carter, Chief Executive, commented:

“All of our businesses demonstrated good growth in the first quarter of 2016, driven by the recovery in the RMI market and by the investments we have made to improve our customer propositions as part of our five-year plan.

The modernisation of General Merchancing continued with a clear focus on driving the maturity of the heavyside range centre network, improving customer access to broader ranges and better stock availability. The physical aspect of the restructuring of the Plumbing & Heating division has been successfully completed; the priority is now to take full advantage of the customer focused businesses that have been created. Growth in the Contracts division moderated, against strong comparators in 2015, but there remains significant opportunity to continue to take further share in these markets. The Consumer division maintained the strong momentum established in 2015, with excellent like-for-like growth.

Our three priorities remain unchanged; the modernisation of Travis Perkins, the transformation of Wickes, and improving the performance of the restructured Plumbing & Heating division.”

Q1 2016 sales growth	General Merchancing <sup>(1)</sup>	Plumbing & Heating <sup>(1)</sup>	Contracts <sup>(1)</sup>	Consumer <sup>(2)</sup>	Group
Like-for-like sales	4.7%	2.2%	2.1%	7.3%	<b>4.2%</b>
Net new space and acquisitions	1.5%	0.3%	3.1%	3.5%	<b>2.0%</b>
Interdivision branches rebranded	1.4%	-	(2.2)%	-	-
Trading day differences	(1.6)%	(1.6)%	(1.6)%	-	<b>(1.2)%</b>
Total sales	6.0%	0.9%	1.4%	10.8%	<b>5.0%</b>
Two-year like-for-like	13.0%	(4.0)%	17.5%	13.7%	<b>9.5%</b>

Total Group sales grew by 5.0% in the first quarter and 6.2% on a comparable days basis. Like-for-like sales growth was 4.2%. Price inflation was negligible, with low inflation on heavyside categories broadly offset by continued deflation on lightside categories and commodity driven products. There was a negative impact of (1.2)% on Group sales owing to one fewer trading days in the period for General Merchancing, Plumbing & Heating and Contracts.

In January, 13 Keyline branches were converted to the Travis Perkins brand where the branch location and local customer base is better suited to the product and service of a general builders merchant. This switch negatively impacted total sales in the Contracts division by (2.2)%, with a corresponding 1.4% increase in General Merchancing. The expansion of the branch network continued, with five additional Benchmarx showrooms and nine Toolstation stores opened in the first quarter of 2016.

General Merchandising like-for-like sales grew by 4.7% with particularly encouraging growth in heavyside categories and timber, supported by the range centre network, and continued growth in Benchmarx.

Plumbing & Heating experienced a more settled period of trading in Q1 2016 following the sales disruption caused by the restructuring programme in 2015. Like-for-like sales growth of 2.2% was a mix of encouraging growth in City Plumbing and broadly flat sales in PTS. Total sales performance of the rebranded City Plumbing branches was in line with expectations and gives confidence in the future progression of the division.

Like-for-like sales growth in the Contracts division was 2.1%, ahead of the growth in Q4 2015 and against a very strong 2015 comparator, with two-year like-for-like growth of 17.5%. Like-for-like growth was balanced across all businesses in the division. The eight additional CCF branches opened in 2015 added to total sales in the Contracts division, but also diluted like-for-like sales growth as some existing business migrated to the new depots from existing sites.

Positive momentum continued in the Consumer division with like-for-like growth of 7.3%. Q1 sales growth has been adjusted to compare the first 14 weeks of 2016 against the comparable period, including Easter, in 2015. Like-for-like sales growth was particularly pleasing given the early timing of Easter this year. Wickes continued to invest in value, and further improved ranges and customer service. Good like-for-like sales growth continued in both Toolstation and Tile Giant as both businesses grew market share.

#### Like-for-like Sales by Quarter

	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016
General Merchandising	8.1%	5.3%	1.7%	1.0%	4.7%
Plumbing & Heating	(6.1)%	1.0%	1.7%	(1.9)%	2.2%
Contracts	15.1%	12.9%	5.5%	1.5%	2.1%
Consumer	6.0%	6.9%	2.3%	6.1%	7.3%
<b>Group like-for-like</b>	<b>5.1%</b>	<b>6.3%</b>	<b>2.6%</b>	<b>1.4%</b>	<b>4.2%</b>
<b>Group two-year like-for-like</b>	<b>18.4%</b>	<b>14.9%</b>	<b>8.4%</b>	<b>4.9%</b>	<b>9.5%</b>

The combination of better RMI markets and the changes made in all businesses over the past two years have delivered encouraging sales growth across all divisions during the quarter. The investments made should continue to underpin outperformance of the market and drive market share gains, supporting the Group's ambition to grow earnings at around 10% in the year ahead and drive sustainable improvements in returns in the medium term.

#### Enquiries

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#### Footnotes

1. Like-for-like sales growth for the three month period ended 31 March 2016 compared to the three month period ended 31 March 2015 adjusted for the impact of one extra trading day in the 2015 period. Total sales growth for the three month period ended 31 March 2016 compared to the three month period ended 31 March 2015 not adjusted for the impact of extra trading days in the 2016 period.
2. Like-for-like and total sales growth for the 14 week period ended 2 April 2016 compared to the 14 week period ended 4 April 2015.