

5 October 2016



Topps Tiles Plc

Pre-close Trading Update

Record revenue and further strategic progress

Trading

Topps Tiles Plc (the “Group”), the UK’s largest tile specialist, announces a trading update for the 52 week period ending 1 October 2016.

Revenues for the 52 week period are expected to be in the region of £215 million (2015: £212.2 million over 53 weeks). Like-for-like revenues are expected to show an increase of c.4.2% on the prior year (2015: +5.4%).

Like-for-like revenues in the 13 weeks ended 1 October 2016 were ahead by 1.4%. We estimate that the previously announced strategic decision to exit from the low margin wood flooring category during the quarter reduced Q4 like-for-like sales by c.1.5%. This impact will reduce over Q1 FY2017 as sales from our new range of larger format tiles build.

Adjusted pre-tax profits for the year ending 1 October 2016 are expected to be within the range of current market estimates.*

* The current range of analyst forecasts for adjusted pre-tax profits for the 52 week period ending 1 October 2016 is £22.0 million to £22.7 million, with a consensus of £22.3 million

Analysis of LFL sales by quarter

	Q1	Q2	H1	Q3	Q4	H2	FY
FY 2016	+4.4%	+4.9% ¹	+4.7%	+6.2% ¹	+1.4%	+3.8%	+4.2%
FY 2015 ²	+5.2%	+5.2%	+5.2%	+6.0%	+5.2%	+5.6%	+5.4%

¹ LFL sales growth was impacted by the earlier Easter in 2016. We estimate this decreased reported LFL sales growth in Q2 by c.0.6% and increased Q3 reported LFL sales growth by the same amount.

² Prior year numbers have been restated on a consistent reporting week basis due to the inclusion of a 53rd week in H2 FY2015.

Strategic Progress

We continue to make good progress with our strategy of “Out-Specialising the Specialists”, with specific initiatives in the period including:

Inspiration – Topps trade loyalty scheme continued to grow with over 40,000 traders now regularly participating. We have now launched our new digital loyalty scheme which will increase opportunities to capitalise further on the “do it for me trend” in the UK tile market.

Range – As a result of in-store space freed up from the exit of the wood flooring category we are introducing new and exclusive ranges of tiles, such as our new XL range, which will meet the growing demand for even larger tiles and also allow us to improve overall returns. In total, more than 50 new ranges have been launched this year with sales from recently launched lines accounting for 12.8% of total sales in the period.

Convenience – In the core estate we opened 5 stores during the quarter. The group is currently trading from 351 stores including 15 Boutique stores (2015: 348 stores including 13 Boutique stores).

Matthew Williams, Chief Executive Officer, said: “I am pleased to report on a successful year for Topps, where we grew sales to a new record, through our proven strategy of ‘Out Specialising the Specialists’. Whilst market conditions weakened over the final quarter as a result of reduced levels of consumer confidence we remain confident in our ability to outperform the market and deliver our goal of further profitable sales growth.”

Topps Tiles will report its final results for the 52 week period ended 1 October 2016 on Tuesday 29 November 2016.

- Ends -

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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 351 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 growing profitable sales.

For further information, please visit www.toppstiles.co.uk/media-centre/investors.asp