



FULL-YEAR RESULTS. 2015

Travis Perkins  plc

Agenda

Group highlights

John Carter

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2015 key messages

1 Continued market outperformance

- Good volume growth and share gains by the majority of businesses
- TP, Benchmarx, CCF, Keyline, Toolstation and Wickes outperformance
- P&H restructuring complete providing platform for growth

2 Investing in sustainable growth

- Increased capex to £293m, reflecting long-term return opportunities
- Continued branch expansion with deep pipeline provided by freehold investment
- 2 years into the plan, progress in line with our expectations

3 Growth driven by self-help programme

- Majority of our markets remain fragmented
- Businesses are building strong customer propositions & structural advantages
- Remain judicious in cost and capital management

Investing to drive sustainable growth in earnings and TSR

Group performance highlights

- Continued sales growth outperformance — Revenue growth of 6.5% to £5.9bn
- Good underlying profit growth — 8.7% EBITA growth (ex-property)
- Investing for long-term growth — Growth capex increased to £134m
- Growth in return on capital — LAROC increased to 10.5%
- Dividend growth underpinning TSR — Dividend growth of 16% to 44p

Definitions disclosed in Appendix VI

Levers of value creation

Customer innovation

- Improved value
- Extended range
- Product development
- Format renewal
- Technology enabled
- Multi-channel

Optimising network

- TP expansion & modernisation
- Wickes national footprint
- Plumbing & Heating format clarity
- Implants intensify returns
- Trade parks

Scale advantage

- Supply chain investment
- Leverage property capability
- Group sourcing benefits
- Shared technology investment

Portfolio management

- Streamlined central functions
- Devolved management responsibility
- Disciplined planning & capital allocation
- Regular market updates

Enabled through people & evolution of unique culture

Good progress with investment programme

Customer innovation

- More competitive merchandising price structures
- Wickes enhancing leading value position
- TP range expanded through supply chain infrastructure
- Wickes range extended online
- Wickes format trials generating strong uplift
- 1hr Click & Collect available in Toolstation & Wickes
- Group online sales now over £200m

Optimising network

- Repurposed sites to best brand to optimise returns
- Accelerated organic expansion of TP
- Wickes network growth
- National footprints in Contracts businesses
- Plumbing & Heating network re-segmentation completed
- 200 new stores including 100 implants & concessions
- Trade Park model delivering attractive returns

Scale advantage

- Lightside network delivered with capacity to >2020
- Unique heavyside range centre model developed
- Half-way through freehold / leasehold rebalancing
- Property asset recycling funding expansion
- Better consolidation of common sourced products
- Development of own-brands (e.g. iflo & Scruffs)
- On track with merchandising core systems upgrade

Portfolio management

- Division management teams strengthened
- More responsibility & accountability in business units
- Enhanced planning & capital allocation process
- Disciplined approach to acquisitions & disposals
- Stronger financial market communications

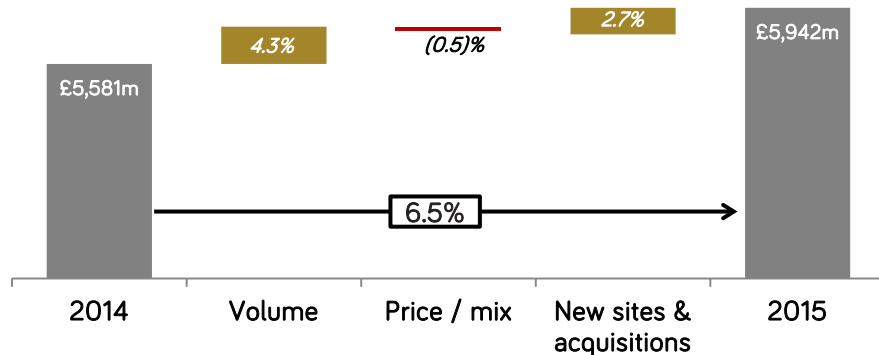
Group performance summary

<i>Year ended 31 December</i>	2015	2014	<i>Year-on-year change</i>	
Revenue	£5,942m	£5,581m	6.5%	↑
Like-for-like sales growth	3.8%	7.3%	(3.5)ppt	↓
Adjusted EBITA	£413m	£384m	7.6%	↑
Adjusted EBITA excluding property profits	£389m	£358m	8.7%	↑
Adjusted net profit after tax	£307m	£291m	5.5%	↑
Free cash flow	£317m	£255m	24.3%	↑
Adjusted earnings per share	124.1p	119.0p	4.3%	↑
Dividends per share	44.0p	38.0p	15.8%	↑
Lease adjusted ROCE (pre-impairment)	10.5%	10.4%	10bps	↑

Definitions disclosed in Appendix VI

Further sales growth outperformance

Group revenue growth



- Good volume growth, outperforming our markets
- Low inflation as expected
- New branches & businesses contributing 2.7% (2014: 1.1%)
- Slower growth in H2 given market weakness
- Encouraging start to 2016

LFL sales growth

	Q1	Q2	Q3	Q4	Full-year
2014	12.7%	8.1%	5.7%	3.5%	7.3%
2015	5.1%	6.3%	2.6%	1.4%	3.8%
2-year growth	18.4%	14.9%	8.4%	4.9%	11.4%

Definitions disclosed in Appendix VI

Operating margin maintained

	General Merchandising	Plumbing & Heating	Contracts	Consumer	Group
2014 EBITA margin	9.8%	4.8%	6.7%	6.0%	6.9%
Gross margin	0.1%	0.1%	(0.8)%	1.0%	0.2%
Operating costs*	0.1%	(0.8)%	0.6%	(0.3)%	(0.1)%
<i>2015 EBITA before Δ in property profits</i>	<i>10.0%</i>	<i>4.1%</i>	<i>6.5%</i>	<i>6.7%</i>	<i>7.0%</i>
Property profits	0.1%	(0.8)%	0.4%	0.1%	(0.1)%
2015 EBITA margin	10.1%	3.3%	6.9%	6.8%	6.9%

- TP sector leading margins maintained
- P&H network reconfiguration impacting reported margins (disruption impact)
- Mix of business growth changing margin structure of Contracts Division
- Good growth in underlying Consumer margins (30bps ex property & TS Europe)

* Includes Toolstation Europe impairment reversal of £6m in Consumer
Definitions disclosed in Appendix VI

General Merchancing performance summary

<i>Year ended 31 December</i>	2015	2014	Δ
Revenue	£1,972m	£1,873m	5.3%
Like-for-like growth	3.9%	12.9%	(9.0)ppt
Adjusted EBITA	£199m	£183m	8.7%
<i>EBITA margin</i>	<i>10.1%</i>	<i>9.8%</i>	<i>30bps</i>
Underlying EBITA (ex-property profit)	£182m	£169m	7.7%
<i>Underlying EBITA margin</i>	<i>9.2%</i>	<i>9.0%</i>	<i>20bps</i>
Lease adjusted ROCE	16%	16%	-

- Outperformed the market
- Good cost price management & disciplined overhead control
- Strong Benchmarkx growth following showroom upgrades
- Investment in heavy & lightside supply chain infrastructure



BENCHMARKX
Kitchens and Joinery

Definitions disclosed in Appendix VI

Plumbing & Heating performance summary

<i>Year ended 31 December</i>	2015	2014	Δ
Revenue	£1,371m	£1,353m	1.3%
Like-for-like growth	(1.4)%	(1.9)%	0.5ppt
Adjusted EBITA	£46m	£65m	(29.2)%
<i>EBITA margin</i>	3.3%	4.8%	(150)bps
Underlying EBITA (ex-property profit)	£46m	£48m	(4.2)%
<i>Underlying EBITA margin</i>	3.3%	3.5%	(20)bps
Lease adjusted ROCE	6%	9%	(3)ppt
LAROCE post-impairment	8%	11%	(3)ppt

- Continued market headwinds
- Network re-segmentation complete
- Underlying EBITA broadly maintained despite re-segmentation disruption
- PTS and F&P non-cash impairment of £141m



Definitions disclosed in Appendix VI

Contracts performance summary

<i>Year ended 31 December</i>	2015	2014	Δ
Revenue	£1,214m	£1,072m	13.2%
Like-for-like growth	8.5%	11.8%	3.3ppt
Adjusted EBITA	£83m	£72m	15.3%
<i>EBITA margin</i>	6.9%	6.7%	20bps
Underlying EBITA (ex-property profit)	£78m	£71m	9.9%
<i>Underlying EBITA margin</i>	6.4%	6.6%	(20)bps
Lease adjusted ROCE	14%	13%	1ppt

- Strong sales growth of 13.2%, particularly in CCF and Keyline
- BSS's market more challenging, but good cost management
- Underlying EBITA growth of 10%
- Good growth in LAROCCE to 14%



Pipeline & Heating Solutions



Definitions disclosed in Appendix VI

Consumer performance summary

<i>Year ended 31 December</i>	2015	2014	Δ
Revenue	£1,386m	£1,283m	8.0%
Like-for-like growth	5.3%	6.7%	(1.4)ppt
Adjusted EBITA	£95m	£77m	23.4%
<i>EBITA margin</i>	6.8%	6.0%	80bps
Underlying EBITA (ex-property profit)	£93m	£77m	20.8%
<i>Underlying EBITA margin</i>	6.7%	6.0%	70bps
Lease adjusted ROCE	7%	7%	-

- All businesses growing well ahead of their markets
- Wickes customers recognising improvements in range, value & in-store experience
- 40 new Toolstation stores opened in 2015
- Benefits from £6m Toolstation Europe impairment reversal



Definitions disclosed in Appendix VI

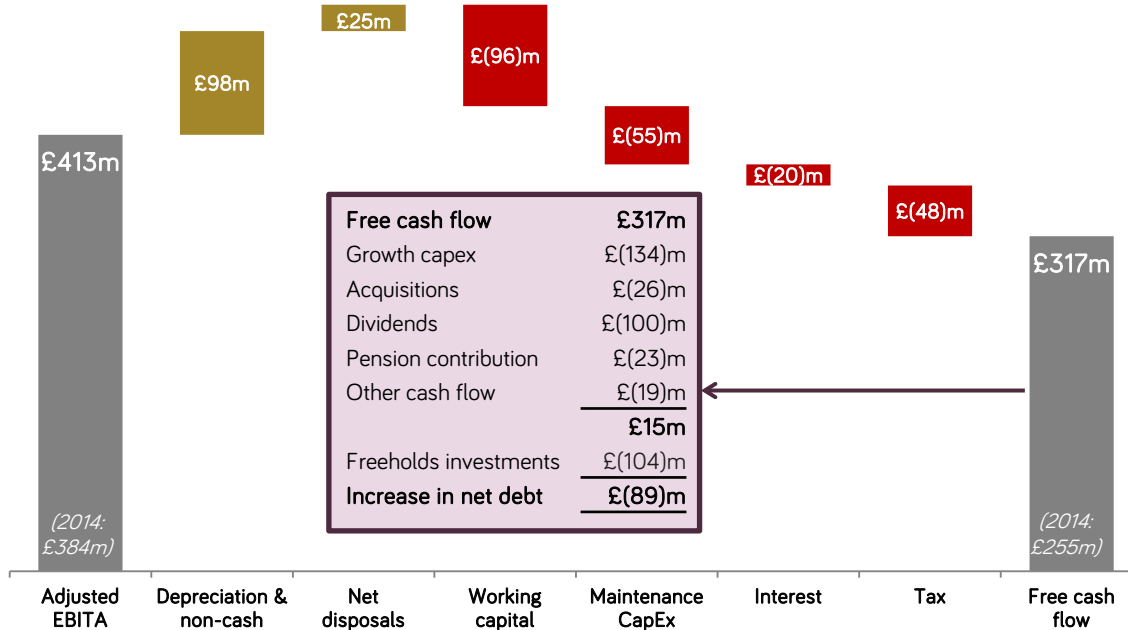
Sustainable earnings growth underpinning dividend

<i>Year ended 31 December</i>	2015	2014	Δ
Adjusted EBITA	£413m	£384m	7.6%
Net finance cost	£(31)m	£(22)m	(40.9)%
Adjusted profit before tax	£382m	£362m	5.5%
Adjusted tax	£(75)m	£(71)m	(5.6)%
Adjusted profit after tax	£307m	£291m	5.5%
Weighted average shares	247m	244m	1.2%
Adjusted earnings per share	124.1p	119.0p	4.3%
Dividends per share	44.0p	38.0p	15.8%
Dividend cover	2.8x	3.1x	(0.3)x

- Non-cash MTM charge impacting net finance cost by ~£5m
- Average cost of funding reduced to 3.6%
- Continued confidence to lower dividend cover to mid-point of range

Definitions disclosed in Appendix VI

Cash flow funding investments & growing dividend



- Free cash flow conversion of 77% (2014: 66%)
- Net working capital days remained flat
- Growth in net debt to fund freehold purchase

Definitions disclosed in Appendix VI

Investment plans drive medium-term returns

<p>1 Extending leadership</p>	<p>Strong returns</p>	<p>Examples</p> <ul style="list-style-type: none"> • New TP / Wickes / Toolstation / CCF • Benchmark implants / showrooms / toolhire implants 	<p>Capex</p> <p>£49m</p>
<p>2 Investing to grow</p>	<p>Good returns</p>	<ul style="list-style-type: none"> • New formats / P&H conversions • Distribution centres 	<p>£57m</p>
<p>3 Re-engineering & infrastructure build</p>	<p>Range of returns</p>	<ul style="list-style-type: none"> • Multi-channel development • IT infrastructure upgrades 	<p>£28m</p>
<p>Growth capex</p> <p>Maintenance capex</p> <p>Capex (ex-freehold)</p> <p>Property additions</p> <p>Asset disposals</p> <p>Net capex</p>			<p>£134m</p> <p>£55m</p> <hr/> <p>£189m</p> <p>£104m</p> <p>£(51)m</p> <hr/> <p>£242m</p>

Continued progress towards medium-term ratios

<i>Year ended 31 December</i>	<i>Medium term guidance</i>	2015	2014	<i>YoY Δ</i>		
Net debt	-	£447m	£358m	£89m	↑	• Greater on-balance sheet financing a feature of plans
Lease debt	-	£1,443m	£1,423m	£20m	↔	• Modest lease debt increase despite sale & leaseback
LA Gearing	-	44.6%	43.4%	120bps	↑	• FCC improved
Fixed charge cover	3.5x	3.3x	3.2x	0.1x	↑	• LA Debt : EBITDAR flat despite freehold investment
LA Debt : EBITDAR	2.5x	2.8x	2.8x	-	↔	

Definitions disclosed in Appendix VI

2016 guidance

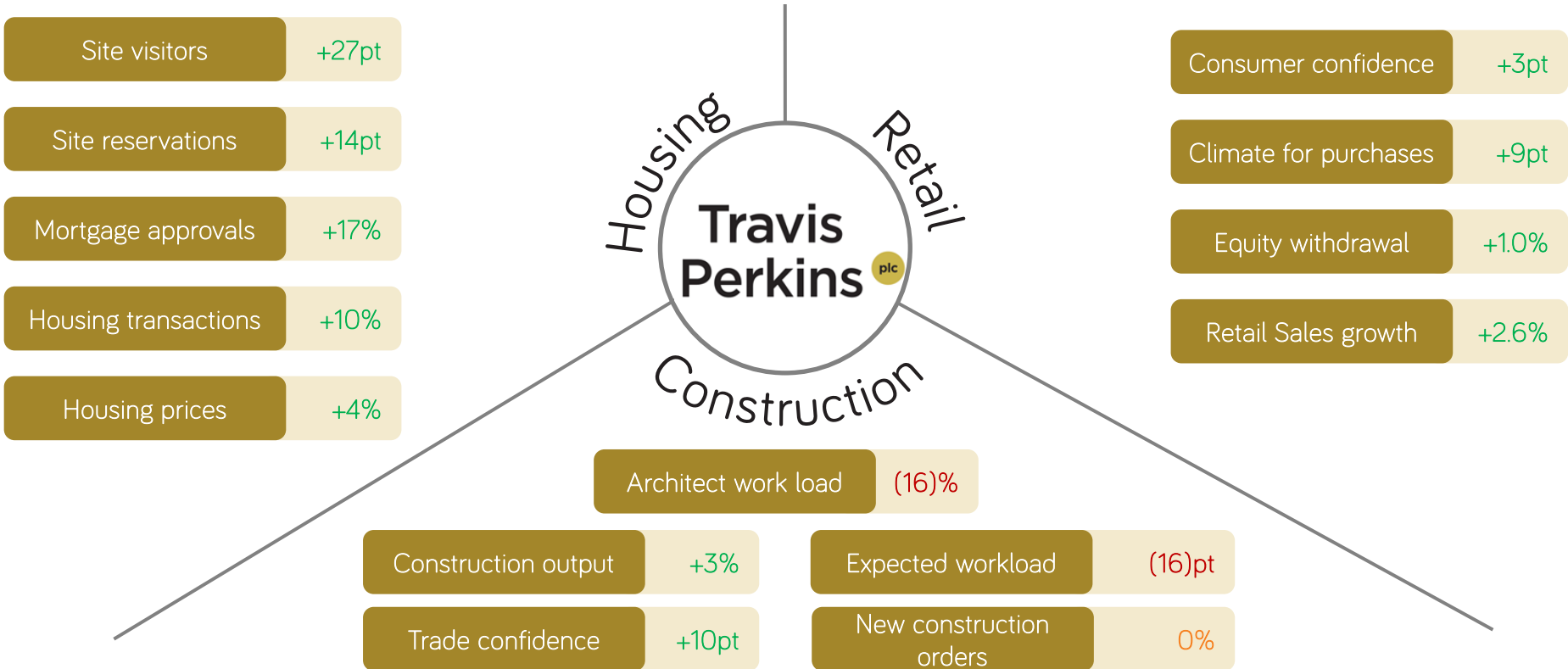
- No inflation expected
- 5-6% sales growth
- ~10% EBITA growth ambition
- Property profits of ~£20m (*2015: £24m*)
- Effective tax rate maintained at ~20% (*2015: 19.7%*)
- Capex expected to be ~£170-190m (excluding freehold property)
- Dividend increase above the level of earnings growth

Definitions disclosed in Appendix VI

A wide-angle, high-angle photograph of a large industrial warehouse. The scene is filled with activity as several yellow forklifts, operated by workers in high-visibility yellow jackets, move pallets of cardboard boxes across the polished floor. The warehouse features a prominent blue overhead conveyor system and tall yellow shelving units on the right side, densely packed with boxes. The lighting is bright and even, highlighting the organized layout of the facility.

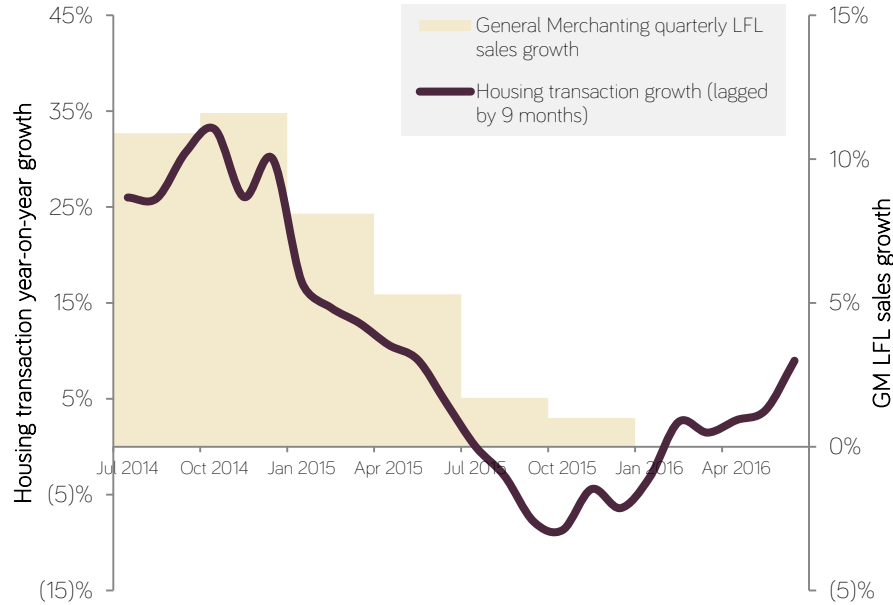
STRATEGY
UPDATE.
JOHN CARTER

Lead indicators are encouraging



Definitions disclosed in Appendix VI

Principal market indicators improving



Source: HM Revenue & Customs, February 2016 / Company data



Source: GfK, February 2016

- Strong correlation between housing transactions and repair, maintenance & improvement spend

- Consumer confidence around the highest point in last 10 years

Investing for long-term sustainable growth

- Significant investment increase
 - catch up on legacy underinvestment in key areas
 - step up in growth capex
- Investments have a range of returns and maturity profiles
- £104m property investment in 2015 has ~30bps short-term drag on LAROCE

Investment area	2014-2015 capex	LAROCE range	Maturity profile
Extending leadership	£83m	20 - 30%	3 - 5+ years
Investing to grow	£74m	15 - 20%	3 - 5+ years
Infrastructure	£57m	0 - 30%	0 - 5+ years
Freehold investment	£139m	15 - 20%	n.a.
Total	£353m		
Maintenance	£105m	n.a.	n.a.

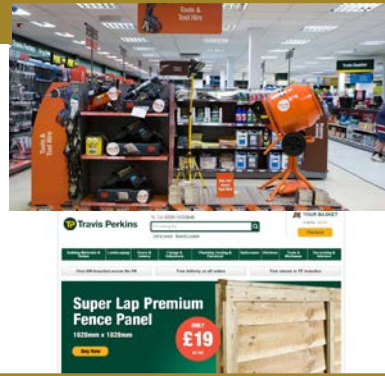
Freehold investment usage

In use	£60m
2016 developments	£45m
2017 developments	£21m
2018+ developments	£13m
Total	£139m

Innovation in our customer propositions

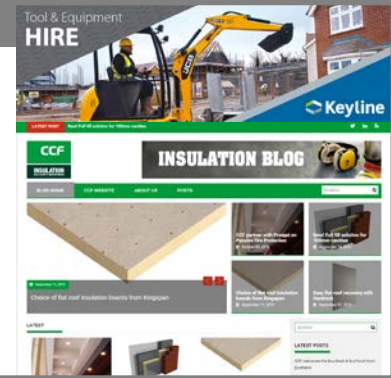
General Merchandising

- Range Centres enabling range extension
- Tool Hire growing rapidly
- Benchmarx 'selection centre'
- Strong Managed Services performance



Contracts

- Keyline category expansion
- Sektor & specialist insulation growth in CCF
- Infrastructure investment (e.g. EPOD)



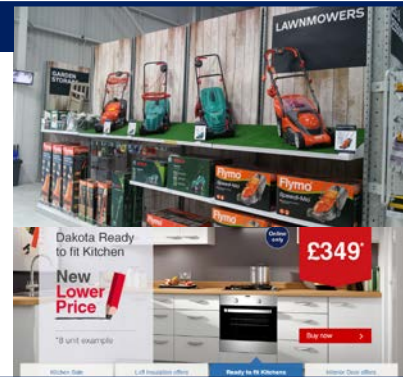
Plumbing & Heating

- City Plumbing network of trade showrooms
- Re-segmentation programme now complete
- Further efficiencies in F&P and PTS



Consumer

- Further value investment
- Wickes range reviews
- Wickes format trials performing well
- Online growth in Wickes, Toolstation & Tile Giant



Expanding & optimising our network

Expanding the network

Last 2 years delivered:

- 31 Travis Perkins branches
- 13 Wickes stores
- 73 Toolstation stores
- 72 Benchmarx branches
- 4 Tile Giant stores
- 9 CCF branches & 1 Keyline

Guidance remains consistent:

- 5-15 Travis Perkins p.a.
- 10-15 Wickes p.a.
- 30+ Toolstation p.a.
- 1-2% Contracts space p.a.



Optimising the network

Last 2 years delivered:

- 160 P&H branch conversions
- More than 100 implants & concessions delivered across Toolstation, Benchmarx, Tool Hire, Tile Giant, Managed Services
- 16 Contracts branches reconfigured with TP
- 11 trade parks now operating
- Closed / disposed 136 branches & stores



Exploiting our scale advantages

Supply Chain

- Further optimisation of lightside network
- Tilbury heavyside range centre fully operational
- Vehicle upgrade programme underway



Sourcing

- Group sourcing allowing volume consolidation
- Businesses leveraging strong in-house China sourcing team
- Innovation through own-label development



Property

- Asset disposals generated £51m cash
- Reinvested in freehold acquisitions totalling £104m
- 48 fascias trading on 11 trade parks



IT

- TP core systems upgrade continuing
- EPOD landed in TP, now extending to other businesses
- More to do in developing a Group-wide digital mindset



Building on a year of investment

- On track with our plans originally laid out in December 2013
- 2014 began mobilising, with 2015 accelerating implementation
- 2016 to maintain momentum & drive returns
- Focus on 3 key areas:
 - Accelerate modernisation of Travis Perkins
 - Continue with Wickes transformation
 - Exploit the restructured Plumbing & Heating businesses



QUESTIONS.

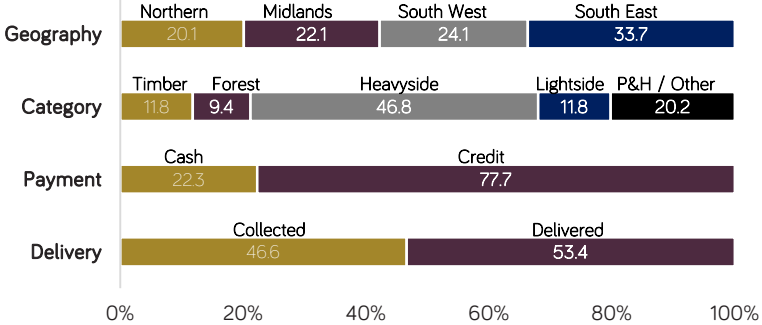
APPENDICES.



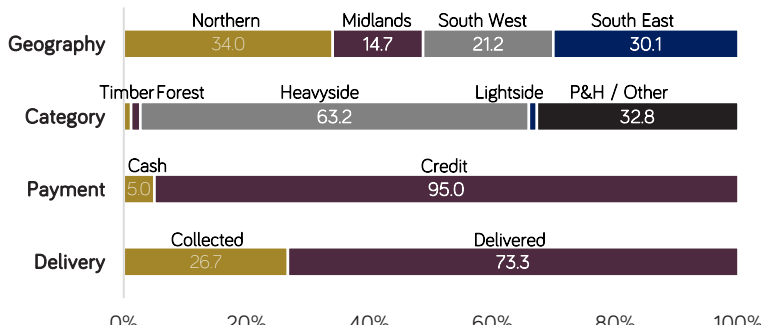
- I. Revenue analysis
- II. Adjusted earnings rec.
- III. Branch numbers
- IV. Sales drivers by Division
- V. Like-for-like sales growth
- VI. Definitions

I. Revenue analysis – year ended 31 December 2015

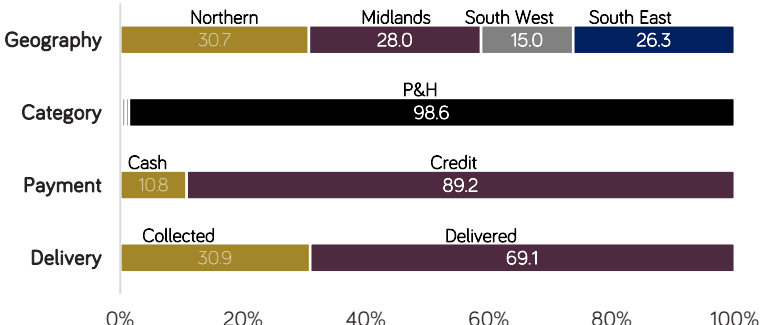
General Merchancing



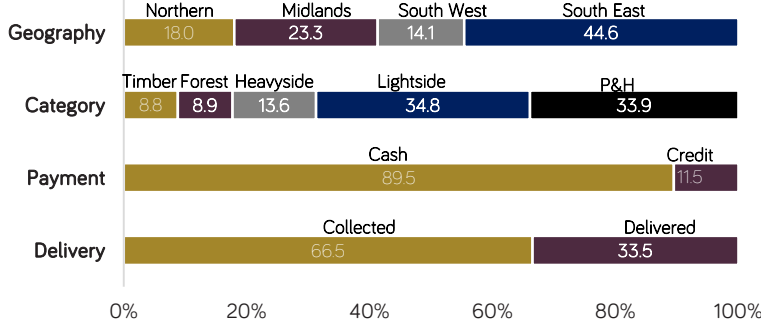
Contracts



Plumbing & Heating



Consumer



II. Adjusted earnings reconciliation

<i>Year ended 31 December</i>	2015		2014	
	Earnings	EPS	Earnings	EPS
Basic earnings & EPS	£168m	67.9p	£259m	106.1p
<i>Exceptional items</i>				
- Wickes store closure	-	-	£(10)m	(4.1)p
- P&H network reconfiguration	-	-	£29m	11.9p
- Rinus Roofing disposal	-	-	£4m	1.6p
- Impairment of acquired intangibles	£141m	56.9p	-	-
Amortisation of intangibles	£18m	7.3p	£18m	7.3p
Tax on amortisation	£(3)m	(1.2)p	£(3)m	(1.2)p
Tax on exceptional items	£(8)m	(3.2)p	£(5)m	(2.2)p
Deferred tax rate change	£(9)m	(3.6)p	-	-
Other	-	-	£(1)m	(0.4)p
Adjusted earnings & EPS	£307m	124.1p	£291m	119.0p

III. Branch numbers

	31 December 2014	New sites	New implants	Closures	Rebrands	31 December 2015
Travis Perkins	653	12	-	(9)	-	656
Benchmark	119	26	12	-	-	157
General Merchandising	772	38	12	(9)	-	813
City Plumbing	236	7	-	(13)	114	344
PTS	239	3	-	(33)	(114)	95
Other	30	-	-	(6)	-	24
Plumbing & Heating	505	10	-	(52)	-	463
Keyline & Rudridge	75	5	-	-	-	80
BSS	64	-	-	(3)	-	61
CCF	32	8	-	-	-	40
Contracts	171	13	-	(3)	-	181
Wickes	232	8	-	(4)	-	236
Toolstation	184	40	-	-	-	224
Tile Giant	111	2	1	(3)	-	111
Consumer	527	50	1	(7)	-	571
Group	1,975	111	13	(71)	-	2,028

Historical network growth

	2009	2010	2011	2012	2013	2014	2015
Opening	1,262	1,303	1,813	1,868	1,896	1,939	1,975
New	46	519	120	48	58	101	124
Closures	(5)	(9)	(65)	(20)	(15)	(65)	(71)
Closing	1,303	1,813	1,868	1,896	1,939	1,975	2,028

Branch numbers exclude City Heating Spares and Toolhire implants

IV. Sales drivers by Division

<i>Year ended 31 December 2015</i>	General	P&H	Contracts	Consumer	Total
Volume	2.8%	(0.1)%	7.4%	8.5%	4.3%
Price / mix	1.1%	(1.3)%	1.1%	(3.2)%	(0.5)%
Like-for-like sales	3.9%	(1.4)%	8.5%	5.3%	3.8%
Trading days	-	-	-	-	-
Expansion	1.4%	2.7%	4.7%	2.7%	2.7%
Total sales growth	5.3%	1.3%	13.2%	8.0%	6.5%

V. Like-for-like sales growth

Like-for-like by quarter

	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015
General	16.6%	13.3%	10.9%	11.6%	8.1%	5.3%	1.7%	1.0%
P&H	13.2%	1.2%	(5.1)%	(13.3)%	(6.1)%	1.0%	1.7%	(1.9)%
Contracts	12.8%	9.7%	9.6%	15.8%	15.1%	12.9%	5.5%	1.5%
Consumer	6.9%	6.8%	6.4%	6.7%	6.0%	6.9%	2.3%	6.1%
Like-for-like sales	12.7%	8.1%	5.7%	3.5%	5.1%	6.3%	2.6%	1.4%

Like-for-like by half year

	H1 2013	H2 2013	H1 2014	H2 2014	H1 2015	H2 2015
General	2.8%	10.1%	14.6%	11.3%	6.7%	1.4%
P&H	(2.3)%	12.8%	7.4%	(9.7)%	(2.9)%	(0.3)%
Contracts	4.9%	8.5%	11.1%	12.4%	13.9%	3.6%
Consumer	(1.1)%	3.3%	6.8%	6.4%	6.5%	4.2%
Like-for-like sales	0.9%	9.0%	10.2%	4.6%	5.7%	2.0%

VI. Definitions

Metric	Definition
EBITA	Earnings before interest, tax and amortisation
Earning per share (“EPS”)	Ratio of net profit after taxation to weighted number of ordinary shares outstanding
Adjusted EBITA / Adjusted EPS	EBITA or EPS adjusted for exceptional items and amortisation (see Appendix III for reconciliation)
Lease adjusted ROCE	Ratio of earnings before interest, tax, amortisation and 50% of annual property rental expense to debt plus equity plus eight times annual property rental expense
Lease adjusted debt	On-balance sheet debt (excluding derivative fair valuation adjustments) plus eight times annual property rental expense
LA Gearing	Ratio of lease adjusted debt to equity plus lease adjusted debt
Fixed charge cover	Ratio of earnings before interest, tax, depreciation, amortisation and property rentals to interest plus property rentals
LA Debt : EBITDAR	Ratio of lease adjusted debt to earnings before interest, tax, depreciation, amortisation and property rentals
Dividend cover	Ratio of earnings per share to dividends per share
Free cash flow (“FCF”)	Net cash flow before dividends, growth capital expenditure, pension contributions & financing cash flows
Total Shareholder Return (“TSR”)	Ratio of opening market price per share to closing market price per share less opening market price per share plus dividends per share during the period

VI. Definitions (continued)

Metric	Definition
Site visitors	House Builders Federation Survey / monthly / December 2015 / Balance score compared to a year ago
Site reservations	House Builders Federation Survey / monthly / December 2015 / Balance score compared to a year ago
Mortgage approvals	Bank of England / monthly / January 2016 / number of approvals % change year on year
Housing transactions	HM Revenue & Customers / monthly / December 2015 / number of houses sold above £40k % change year on year
Housing prices	Nationwide / monthly / Jan 2016/ house price inflation % change year on year
Consumer confidence	GFK / monthly / January 2016/ index score – movement on previous year
Climate for purchases	GFK / monthly / January 2016 / index score – movement on previous year
Equity withdrawal	Bank of England / quarterly / Q3 2015 / Change in Equity withdrawal as % of net earnings
Retail sales growth	British Retail Consortium / monthly / Jan 2016 / LFL % change year on year
Architect work load	Mirza and Nacey Survey / quarterly / Q3 2015 / Index
Construction output	Construction output YTD ONS / monthly / December 2015 / % change year on year
Trade confidence	Travis Perkins survey materials spend / quarterly / Q4 2015 view of Q1 2016 / Balance score
Expected workload	Federation of Master Builders / quarterly / Q4 2015 view of Q1 2016 / Balance score
New construction orders	Office for National Statistics / quarterly / Q3 2015 / % change year on year



CONTACT.

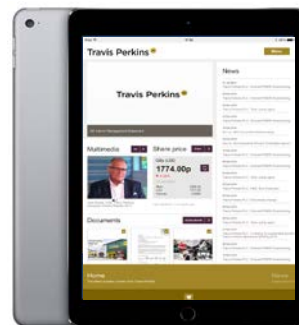
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