

Topps Tiles

Material improvement in profitability

FY25 trading update

Retail

2 October 2025

Topps Tiles enjoyed better momentum across all of its businesses in H225 as its strategic initiatives to drive growth in larger addressable markets combined with more favourable dynamics in some of its end markets. This implies trade customers continue to drive growth, while trends for the retail customer are less negative. As a result, the company expects to be in line with consensus profit expectations, which are materially ahead of FY24. The CEO designate, Alex Jensen, is on board and there will be an orderly transition ahead of Rob Parker's departure at the end of 2025.

Year end	Revenue (£m)	PBT (£m)	EPS (p)	DPS (p)	P/E (x)	Yield (%)
9/23	262.7	13.9	4.77	3.60	7.8	9.7
9/24	251.8	7.2	2.68	2.40	13.9	6.4
9/25e	296.0	9.3	3.38	2.60	11.0	7.0
9/26e	313.4	12.8	4.67	3.00	8.0	8.0

PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

Strong strategic progress

On an underlying basis, revenue grew by 6.8% y-o-y to c £265m, implying c 9% growth in H225 versus H125's 4.1% growth. The company has achieved record sales in four of the last five years. The statement highlights good progress in the strategic growth drivers of modernising the Topps Tiles trade digital experience, increased business-to-business sales focus and supporting the growth of Pro Tiler Tools. Topps Tiles-branded sales have seen a continuation of the improving trends that have been in place all year, with like-for-like growth of 7.7% in H225 versus the 3% reported in H125, to give 5.3% growth for the year. The 7.7% growth for H225 suggests slightly better growth in Q425 versus Q325's 7.3% growth and implies good momentum when taking into account a less negative comparative of 8.2% from Q424 versus Q324's 9.7% decline. Including CTD, revenue grew by 17.7% to £296m. The revenue growth combined with an improvement in adjusted gross margin in H225, despite the dilution effects from the growth of newer businesses, have delivered a strong improvement in profitability in spite of inflationary cost pressures and investment in the growth initiatives. The business is in a net cash position excluding lease liabilities, which provides plenty of flexibility to management. From an operations perspective, Topps Tiles has disposed of two of the four CTD stores that are required by the Competition and Markets Authority.

Profit estimates unchanged

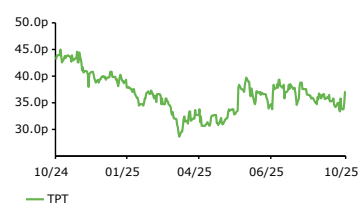
We have nudged up our FY25 revenue estimate to be consistent with the trading update, but retain all other estimates ahead of clarification of the details of the divisional performance. The incremental revenue versus our previous forecast suggests a higher absolute gross profit and operating cost than our prior model. The company-compiled consensus for FY25 adjusted PBT is £8.3–9.2m.

Valuation: Remains attractive

Year to date there has been limited progress in the share price despite the ongoing improvement in trading and profit delivery. Our recent [outlook note](#) highlights the valuation opportunity in greater detail.

Price	37.30p
Market cap	£73m
Net cash/(debt) at 31 March 2025	£(1.2)m
(excluding IFRS 16 liabilities of £96.3m)	
Shares in issue	196.6m
Free float	70.2%
Code	TPT
Primary exchange	LSE
Secondary exchange	N/A

Share price performance



%	1m	3m	12m
Abs	3.3	9.4	(10.5)
52-week high/low		42.7p	27.9p

Business description

Topps Tiles is the market-leading specialist retailer/distributor of wall and floor tiles, and associated products such as tools, grouts and adhesives, to its retail, trade and commercial customers in the UK.

Next events

FY25 results	2 December 2025
Q126 trading update	7 January 2026

Analyst

Russell Pointon +44 (0)20 3077 5700

consumer@edisongroup.com

[Edison profile page](#)

Topps Tiles is a research client of Edison Investment Research Limited

Exhibit 1: Financial summary

£m	2022	2023	2024	2025e	2026e
	IFRS	IFRS	IFRS	IFRS	IFRS
30-September					
INCOME STATEMENT					
Revenue	247.2	262.7	251.8	296.0	313.4
Adjusted revenue			248.5	265.0	
Cost of Sales	(111.8)	(123.5)	(117.4)	(138.8)	(147.9)
Gross Profit	135.4	139.2	134.3	157.2	165.5
EBITDA	44.3	42.2	35.0	36.9	43.3
Operating profit (before amort. and excepts.)	20.0	18.2	12.0	13.7	17.0
Amortisation of acquired intangibles	0.0	(0.5)	(0.5)	(0.5)	(0.5)
Exceptionals	(4.7)	(5.7)	(22.6)	1.8	4.2
Share-based payments	(0.5)	(0.9)	(0.3)	(0.5)	(0.9)
Reported operating profit	14.8	11.1	(11.4)	14.5	19.8
Net Interest	(3.9)	(4.3)	(4.8)	(4.4)	(4.2)
Exceptionals	0.0	0.0	0.0	0.0	0.0
Adjusted Profit Before Tax (company)	15.6	12.5	6.3	8.3	11.4
Profit Before Tax (norm)	16.1	13.9	7.2	9.3	12.8
Profit Before Tax (reported)	10.9	6.8	(16.2)	10.1	15.6
Reported tax	(1.8)	(2.9)	3.4	(2.8)	(4.3)
Profit After Tax (norm)	12.5	10.2	5.5	6.7	9.3
Profit After Tax (reported)	9.2	3.9	(12.8)	7.3	11.3
Minority interests	(0.2)	(0.7)	(0.2)	0.0	0.0
Net income (normalised)	12.3	9.5	5.3	6.7	9.3
Net income (reported)	9.0	3.2	(13.0)	7.3	11.3
Average Number of Shares Outstanding (m)	195.6	196.3	196.6	196.6	196.6
EPS - normalised (p)	6.3	4.8	2.7	3.4	4.7
EPS - normalised fully diluted (p)	6.2	4.8	2.7	3.4	4.7
EPS - basic reported (p)	4.6	1.6	(6.6)	3.7	5.7
EPS - adjusted (company) (p)	6.1	4.5	2.4	3.1	4.2
Dividend (p)	3.6	3.6	2.4	2.6	3.0
Revenue growth (%)	8	6	(4)	18	6
Gross Margin (%)	54.8	53.0	53.4	53.1	52.8
Normalised Operating Margin	8.1	6.9	4.8	4.6	5.4
BALANCE SHEET					
Fixed Assets	119.0	109.0	91.3	108.4	107.7
Intangible Assets	7.5	6.9	12.5	11.7	10.4
Tangible Assets	109.4	100.2	72.7	90.6	91.2
Investments & other	2.1	1.9	6.1	6.1	6.1
Current Assets	61.8	65.4	76.1	82.0	90.8
Stocks	38.6	36.4	37.9	44.5	47.1
Debtors	6.4	5.3	13.4	15.7	16.6
Cash & cash equivalents	16.2	23.4	23.7	20.6	25.8
Other	0.5	0.4	1.2	1.2	1.2
Current Liabilities	(63.3)	(66.9)	(73.1)	(84.3)	(88.8)
Creditors	(43.7)	(45.1)	(57.5)	(67.6)	(71.5)
Tax and social security	(1.2)	(0.4)	0.0	0.0	0.0
Short term borrowings	0.0	0.0	0.0	0.0	0.0
Leases	(18.2)	(15.6)	(14.6)	(14.6)	(14.6)
Other	(0.4)	(5.9)	(1.1)	(2.1)	(2.7)
Long Term Liabilities	(88.4)	(81.1)	(88.7)	(98.5)	(96.5)
Long term borrowings	0.0	0.0	(15.0)	(15.0)	(15.0)
Leases	(84.7)	(78.9)	(71.4)	(81.2)	(79.2)
Other long term liabilities	(3.7)	(2.2)	(2.3)	(2.3)	(2.3)
Net Assets	29.0	26.4	5.6	7.6	13.2
Minority interests	2.5	3.2	0.0	0.0	0.0
Shareholders' equity	31.5	29.6	5.6	7.6	13.2
CASH FLOW					
Operating Cash Flow	44.3	42.2	35.0	36.9	43.3
Working capital	(11.0)	4.1	4.9	1.1	0.4
Exceptional & other	(3.1)	(1.7)	(9.0)	(3.9)	(0.5)
Tax	(3.5)	(3.3)	(2.3)	(2.8)	(4.3)
Net operating cash flow	26.8	41.3	28.6	31.3	38.9
Capex	(3.0)	(4.2)	(4.3)	(8.0)	(6.0)
Acquisitions/disposals	(4.0)	0.0	(9.0)	0.0	0.0
Net interest	(3.9)	(4.0)	(4.7)	(4.4)	(4.2)
Equity financing	0.1	0.0	(0.1)	0.0	0.0
Dividends	(8.0)	(7.5)	(8.2)	(4.1)	(5.4)
Other	(19.6)	(18.5)	(1.9)	(17.9)	(18.1)
Net Cash Flow	(11.5)	7.1	0.3	(3.1)	5.2
Opening net debt/(cash)	(27.8)	(16.2)	(23.4)	(8.7)	(5.6)
FX	0.0	0.0	0.0	0.0	0.0
Other non-cash movements	(0.1)	0.1	(15.0)	0.0	0.0
Closing net debt/(cash)	(16.2)	(23.4)	(8.7)	(5.6)	(10.8)
Closing net debt/(cash) including leases	86.7	71.1	77.3	90.2	83.0

Source: Topps Tiles accounts, Edison Investment Research

General disclaimer and copyright

This report has been commissioned by Topps Tiles and prepared and issued by Edison, in consideration of a fee payable by Topps Tiles. Edison Investment Research standard fees are £60,000 pa for the production and broad dissemination of a detailed note (Outlook) following by regular (typically quarterly) update notes. Fees are paid upfront in cash without recourse. Edison may seek additional fees for the provision of roadshows and related IR services for the client but does not get remunerated for any investment banking services. We never take payment in stock, options or warrants for any of our services.

Accuracy of content: All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable, however we do not guarantee the accuracy or completeness of this report and have not sought for this information to be independently verified. Opinions contained in this report represent those of the research department of Edison at the time of publication. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results, estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations.

Exclusion of Liability: To the fullest extent allowed by law, Edison shall not be liable for any direct, indirect or consequential losses, loss of profits, damages, costs or expenses incurred or suffered by you arising out or in connection with the access to, use of or reliance on any information contained on this note.

No personalised advice: The information that we provide should not be construed in any manner whatsoever as, personalised advice. Also, the information provided by us should not be construed by any subscriber or prospective subscriber as Edison's solicitation to effect, or attempt to effect, any transaction in a security. The securities described in the report may not be eligible for sale in all jurisdictions or to certain categories of investors.

Investment in securities mentioned: Edison has a restrictive policy relating to personal dealing and conflicts of interest. Edison Group does not conduct any investment business and, accordingly, does not itself hold any positions in the securities mentioned in this report. However, the respective directors, officers, employees and contractors of Edison may have a position in any or related securities mentioned in this report, subject to Edison's policies on personal dealing and conflicts of interest.

Copyright 2025 Edison Investment Research Limited (Edison).

Australia

Edison Investment Research Pty Ltd (Edison AU) is the Australian subsidiary of Edison. Edison AU is a Corporate Authorised Representative (1252501) of Crown Wealth Group Pty Ltd who holds an Australian Financial Services Licence (Number: 494274). This research is issued in Australia by Edison AU and any access to it, is intended only for "wholesale clients" within the meaning of the Corporations Act 2001 of Australia. Any advice given by Edison AU is general advice only and does not take into account your personal circumstances, needs or objectives. You should, before acting on this advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a particular financial product you should read any relevant Product Disclosure Statement or like instrument.

New Zealand

The research in this document is intended for New Zealand resident professional financial advisers or brokers (for use in their roles as financial advisers or brokers) and habitual investors who are "wholesale clients" for the purpose of the Financial Advisers Act 2008 (FAA) (as described in sections 5(c) (1)(a), (b) and (c) of the FAA). This is not a solicitation or inducement to buy, sell, subscribe, or underwrite any securities mentioned or in the topic of this document. For the purpose of the FAA, the content of this report is of a general nature, is intended as a source of general information only and is not intended to constitute a recommendation or opinion in relation to acquiring or disposing (including refraining from acquiring or disposing) of securities. The distribution of this document is not a "personalised service" and, to the extent that it contains any financial advice, is intended only as a "class service" provided by Edison within the meaning of the FAA (i.e. without taking into account the particular financial situation or goals of any person). As such, it should not be relied upon in making an investment decision.

United Kingdom

This document is prepared and provided by Edison for information purposes only and should not be construed as an offer or solicitation for investment in any securities mentioned or in the topic of this document. A marketing communication under FCA Rules, this document has not been prepared in accordance with the legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This Communication is being distributed in the United Kingdom and is directed only at (i) persons having professional experience in matters relating to investments, i.e. investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "FPO") (ii) high net-worth companies, unincorporated associations or other bodies within the meaning of Article 49 of the FPO and (iii) persons to whom it is otherwise lawful to distribute it. The investment or investment activity to which this document relates is available only to such persons. It is not intended that this document be distributed or passed on, directly or indirectly, to any other class of persons and in any event and under no circumstances should persons of any other description rely on or act upon the contents of this document.

This Communication is being supplied to you solely for your information and may not be reproduced by, further distributed to or published in whole or in part by, any other person.

United States

Edison relies upon the "publishers' exclusion" from the definition of investment adviser under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. This report is a bona fide publication of general and regular circulation offering impersonal investment-related advice, not tailored to a specific investment portfolio or the needs of current and/or prospective subscribers. As such, Edison does not offer or provide personal advice and the research provided is for informational purposes only. No mention of a particular security in this report constitutes a recommendation to buy, sell or hold that or any security, or that any particular security, portfolio of securities, transaction or investment strategy is suitable for any specific person.
