

Topps Tiles

Slight sequential improvement in Q424

Q424 trading update

Retail

2 October 2024

Topps Tiles (TPT) finished FY24 well on a relative basis by outperforming the still weak domestic repair, maintenance and improvement market. Its Q424 trading update indicates reassuring 'stable' trends in Topps Tiles stores versus the immediately prior quarter and continued growth from the rest of the portfolio. As a result, Q424's yearly growth rate was slightly better than the rest of the year. The stability in Topps Tiles store sales is important as the company has weak comparatives through the whole of FY24, and macroeconomic indicators point to recovery. Topps has also announced it is working with the Competition and Markets Authority, which intends to review the company's acquisition of certain assets of CTD Tiles under merger control, after receiving an initial information request.

Year end	Revenue (£m)	PBT* (£m)	EPS* (p)	DPS (p)	P/E (x)	Yield (%)
09/22	247.2	16.1	6.2	3.6	7.2	8.0
09/23	262.7	13.4	4.5	3.6	10.0	8.0
09/24e	247.3	6.5	2.1	1.4	21.1	3.2
09/25e	294.4	11.0	4.0	3.7	11.2	8.3

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

Group revenue for FY24 of approximately £248m is in line with our estimate of £247.3m. The year-on-year decline of 5.7% suggests a broadly similar performance in the rate of decline in H224, as reported in [H124](#), and a slight improvement in Q424, with a decline of 4.4% y-o-y versus [Q324's](#) fall of 6.9% and for the first nine months of 6.2%.

In absolute terms, Topps Tiles' retail stores (like-for-like) revenue was stable between Q324 and Q424, with the improving rate of decline in Q424 of 8.2% y-o-y versus Q324's 9.7% accounted for by an easing comparative from the prior year. Management believes the market has declined by 10–15% y-o-y, so we believe the company has continued to perform very well on a relative basis.

Management has indicated similar trends as previously, namely that sales to trade customers have been more resilient than to homeowners. This supports the other parts of the group's portfolio, specifically Online Pure Play where growth has been robust.

We make no changes to our estimates ahead of the publication of full-year results on 26 November 2024.

Our note covering the recently announced acquisition of certain assets of CTD Tiles can be found [here](#). We believe the Phase 1 review, which can last 40 working days, will begin in the next few weeks.

Price 44.9p

Market cap £88m

Net cash (£m) at 31 March 2024 (excluding IFRS 16 liabilities of £89.4m) 19.3

Shares in issue 196.7m

Free float 70.2%

Code TPT

Primary exchange LSE

Secondary exchange N/A

Share price performance



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.

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