

Topps Tiles

Accelerating growth through Q125

FY24 results and Q125 trading update

Retail

10 January 2025

Price **37.7p**

Market cap **£74m**

Net cash (£m) at 30 September 2024 (excluding IFRS 16 liabilities of £86m) 8.7

Shares in issue 196.7m

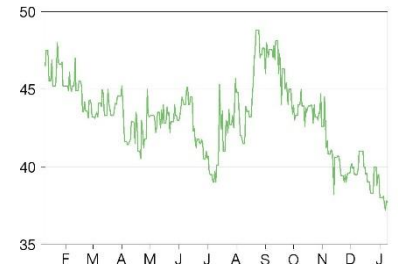
Free float 70.2%

Code TPT

Primary exchange LSE

Secondary exchange N/A

Share price performance



% 1m 3m 12m

Abs (5.8) (16.2) (20.6)

Rel (local) (4.8) (16.4) (26.2)

52-week high/low 48.8p 37.2p

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

H125 trading update 2 April 2025

H125 results 20 May 2025

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Topps Tiles *Topps Tiles is a research client of Edison Investment Research Limited*

Topps Tiles (TPT) is enjoying a return to revenue growth following a very challenging FY24 due to wider macroeconomic weakness. The company's recovery is clearly being boosted by new revenue streams from its self-help initiatives, notably from trade and online customers across all of its brands. While the macroeconomic environment remains uncertain, it is pleasing that the strategy is supporting growth. The valuation continues to look compelling, even with limited macroeconomic recovery included in management's long-term financial goals. With the Q125 trading update, the CEO has announced his intention to retire from the company by end 2025.

Year end	Revenue (£m)	PBT* (£m)	EPS* (p)	DPS (p)	P/E (x)	Yield (%)
09/23	262.7	13.9	4.8	3.6	7.9	9.5
09/24	251.8	7.2	2.7	2.4	14.1	6.4
09/25e	292.2	10.0	3.7	2.6	10.3	6.9
09/26e	313.4	13.6	5.0	3.0	7.6	8.0

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

Strong improvement at end of Q125

With its [FY24 results](#), management reported a return to modest revenue growth in the first eight weeks of the new year for the group of 1.2% excluding CTD Tiles, against a 3% decline in the comparative period in Q124. On an underlying basis, (adjusting for the changes in the respective period ends), growth has accelerated nicely to 8.4% in the final five weeks of Q125, with some help from a slightly easier comparative, down 4% for the whole of Q124. Management points to strong growth in Q125 from trade with sales in Topps Tiles at +13.5% and Pro Tiler Tools continuing to produce high growth of 20%, as well as online with sales growth of 8% in Topps Tiles, approximately 60% online trade growth in Topps Tiles and approximately 140% growth in Tile Warehouse.

Underlying estimates unchanged

The return to revenue growth means that our underlying operating estimates for FY25 and FY26 are unchanged. However, we make two important changes. First, we take a more conservative stance on our expected contribution from CTD Tiles in FY25, merely due to the delay that follows the review by the Competition and Markets Authority (CMA). We now assume that management takes full control of the business from the start of H225 versus for the whole of FY25 previously. Second, we make the necessary adjustment to adjusted profit measures following the impairment of assets recorded in FY24. We also tweak our dividend estimates to reflect a growth in absolute terms as profitability and earnings cover improve.

Valuation: Significant discount on all measures

TPT continues to look very attractively valued on all measures. Our DCF-based valuation has increased to 116p/share from 108p/share previously as we roll forward our model. This valuation is supported by a comparison of retail peer valuation multiples, their relative levels of profitability and the potential upside to TPT's valuation if it can achieve its [Mission 365](#) financial goals (See Exhibit 8).

FY24 challenged by macroeconomic environment

The challenging macroeconomic environment weighed on TPT's revenue and profitability in FY24, with an overall revenue decline of c 4% to £248.5m on an underlying basis, ie excluding CTD Tiles, from £262.7m in FY23. With a modestly improved gross margin (percentage), TPT's high operational gearing, mitigated by management's persistent tight rein on controllable operating costs, meant the lower revenue dropped through to an almost halving of adjusted PBT to £6.3m from £12.5m in FY24. We remind readers that the company's definition of adjusted profit figures differs from ours as we add back amortisation of intangible assets (£0.5m in FY24) and stock-based compensation (£0.3m in FY24).

Exhibit 1: Summary income statement

£m	H123	H223	FY23	H124	H224	FY24
Group revenue	130.3	132.4	262.7	122.8	129.0	251.8
Growth y-o-y	9.3%	3.4%	6.3%	(5.8%)	(2.6%)	(4.2%)
- Omni-channel	115.8	115.1	230.9	104.8	105.6	210.4
- Online Pure Play	9.9	12.5	22.4	13.8	16.7	30.5
- Commercial	4.6	4.8	9.4	4.2	3.4	7.6
- CTD Tiles		N/A	N/A	N/A	3.3	3.3
Gross profit	68.7	70.5	139.2	66.2	68.1	134.3
Gross margin	52.8%	53.3%	53.0%	53.9%	52.8%	53.4%
Total operating costs	(64.9)	(63.3)	(128.1)	(65.4)	(80.3)	(145.7)
Net finance costs	(2.2)	(2.1)	(4.3)	(2.3)	(2.5)	(4.8)
Adjusted PBT (company definition)	4.4	8.3	12.5	3.1	3.2	6.3
Adjustments	(2.7)	(3.2)	(5.7)	(4.6)	(18.0)	(22.6)
Reported PBT	1.7	5.1	6.8	(1.5)	(14.8)	(16.2)
Tax	(1.0)	(1.9)	(2.9)	(0.5)	3.9	3.4
Effective rate	58.1%	37.4%	42.5%	(35.0%)	26.6%	21.0%
EPS fully diluted (p)	0.24	1.38	1.62	(1.10)	(5.53)	(6.63)
Adjusted EPS (company definition) (p)	1.57	2.92	4.49	1.03	1.36	2.39
Dividend per share (p)	1.20	2.40	3.60	1.20	1.20	2.40

Source: Topps Tiles accounts, Edison Investment Research

The reported group figures include a £3.3m revenue contribution and a minor loss of £0.2m from CTD Tiles, which was consolidated for the last six weeks of the period and excluded from the company's adjusted figures. The small loss included early integration costs.

At the divisional level, Online Pure Play continued to lead the charge, with c 36% y-o-y revenue growth to £30.5m, including over 40% growth for Pro Tiler Tools, which now represents c 11% of the total group. In addition, the sales run-rate for Tile Warehouse trebled. Conversely, Omni-channel's (Topps Tiles retail stores) revenue fell by c 9% y-o-y to £210.4m due to the weak macroeconomic environment and Parkside's revenue fell by c 19% to £7.6m as the commercial market remains challenging. For Omni-channel, the absolute y-o-y revenue decline in H224 of £9.5m (to £105.6m from £115.1m in H223) was slightly better than H124's £11m (to £104.8m from £115.8m in H123). Parkside's y-o-y revenue trend deteriorated as the year progressed.

In common with its competitors, trade customers have been more resilient for TPT than retail customers, thus continuing the long-term trend of their increasing importance to its revenue. Using the company's quoted revenue shares, we can see that overall trade revenue declined by c 4% in FY24, and absolute and percentage growth rates improved from H124 to H224. Conversely, trends for retail customers deteriorated through the year.

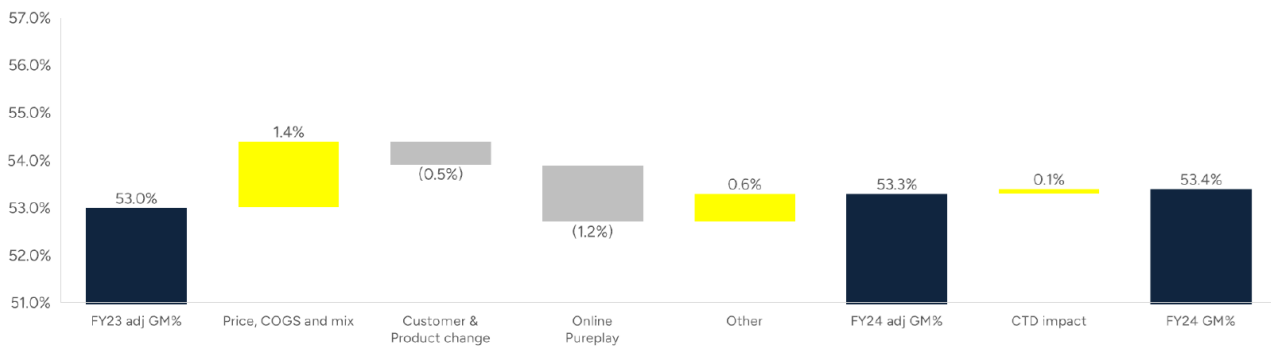
Exhibit 2: Topps Tiles Omni-channel revenue

£m	H123	H223	FY23	H124	H224	FY24
Topps Tiles trade revenue	68.3	69.3	137.6	64.3	67.8	132.1
Growth y-o-y	4.2%	1.7%	2.9%	(5.8%)	(2.2%)	(4.0%)
As % of Topps Tiles total revenue	59.0%	60.2%	59.6%	61.4%	64.2%	62.8%
Topps Tiles retail	47.5	45.8	93.3	40.5	37.8	78.3
Growth y-o-y	(0.1%)	(0.0%)	(0.0%)	(14.8%)	(17.5%)	(16.1%)
As % of Topps Tiles total revenue	41.0%	39.8%	40.4%	38.6%	35.8%	37.2%
Topps Tiles total revenue	115.8	115.1	230.9	104.8	105.6	210.4
Growth y-o-y	2.4%	1.0%	1.7%	(9.5%)	(8.3%)	(8.9%)

Source: Topps Tiles accounts, Edison Investment Research

On a reported basis, TPT's gross margin increased to 53.4% in FY24 from 53.0% in FY23, with an improved y-o-y margin in H124 partially offset by a lower y-o-y margin in H224. On an underlying basis, the gross margin improved by 30bp before CTD's first-time contribution, which added a further 10bp. On the positive side, price benefits (normalisation of shipping and product costs) and mix benefits (buying gains in new categories) contributed 140bp of incremental margin; and market-to-market movements added a further 70bp to gross margin. Offsetting this, the increasing importance of the trade customer and Online Pure Play dampened the gross margin by 50bp and 120bp, respectively.

Exhibit 3: Topps Tiles gross margin progression



Source: Topps Tiles FY24 results presentation

Excluding one-off items, operating costs were well controlled, declining by c 1% y-o-y. Underlying cost inflation was c 4% and Online Pure Play's strong revenue growth added a further c 1% to the cost base. These cost increases were offset by the rightsizing of Parkside's cost base (-1%), savings in variable remuneration across the group (-4%) and other savings (-1%).

The company bore a number of one-off costs, or costs that need to be adjusted for to give a true representation of the underlying movements, in FY24. The most important items in descending order were: 1) impairments of stores and other lease gains and losses of c £19m; 2) the purchase of the minority of Pro Tiler for c £3m; and 3) new operating costs for CTD Tiles of c £2m. The first of these items is the most significant and worth focusing on. The challenging environment prompted TPT to impair right-of-use assets and fixtures and fittings by £17.1m and £2.3m, respectively. The impairment will naturally affect profits in future years positively by leading to lower depreciation than previously anticipated of £5.2m. To identify underlying trends in costs and profitability, management will adjust for this by including a notional depreciation charge as if the impairment has not occurred. On any potential recovery in trading, it is likely that some or all of the impairment charge is reversed, thus complicating the calculation of adjusted profit figures in future years even further. As a result, we have assumed a gradual unwinding of this adjustment in our forward estimates.

We have previously written on the accounting treatment for purchasing the remaining 40% of Pro Tiler that was completed in May 2024, and how this affects the reported tax charge, ie it is not deductible for tax.

TPT declared a final dividend for FY24 of 1.2p/share, which brought the total FY24 dividend to 2.4p/share, equivalent to 100% of the company's adjusted EPS and down from 3.6p/share in FY23. When the new Capital Allocation and Dividend Policy was announced in 2022, the board indicated that it expected to increase the dividend to 67% of adjusted earnings by 2023 and did not intend to reduce the dividend due to short-term performance or macroeconomic issues, even if the payout ratio increased, subject to a limit of 100% of adjusted EPS.

Cash flow and balance sheet

The lower profitability in FY24 and cash outflows for the acquisitions of CTD Tiles and the outstanding 40% minority stake in Pro Tiler Tools led to a reduction in the closing net cash position, excluding IFRS 16 liabilities, to £8.7m versus £23.4m at the end of FY23. Including lease liabilities of c £101m takes the overall net debt position to £77.3m.

FY24's lower profitability when combined with lower capital employed meant that TPT's pre-tax return on capital employed reduced to 12.2% from 15.7% in FY23.

CTD review by the CMA

With the FY24 results, management highlighted that it is still supporting the CMA, which is in information gathering mode ahead of Phase 1 of its review of the acquisition of [CTD Tiles](#). At the time, management believed the eight-week Phase 1 review would commence in mid-December, later than initially anticipated. As an initial enforcement order is in place, the business has been held separately until the review is complete, and therefore management has not been able to take full control of the assets. The review by the CMA began on 18 December 2024. At the time of the Q125 trading update, management indicated that a decision on Phase 1 is due by 17 February 2025. The review has delayed management's ability to get inside and run the business as it would have wished, and we therefore take a more conservative stance on our FY25 expectations for CTD than previously. We now assume TPT will generate an operating margin of 5% in H225 rather than the whole of FY25 according to our original and initial estimate, which equates to an effective reduction of c £0.8m.

Forward guidance and Q125 trading update

As is usual, management did not provide revenue or profit guidance for the year at the time of the FY24 results, but gave an indication of how it believes operating costs will change, along with any expected changes in cash flow dynamics.

From a top line perspective, management believes its strategy, core strengths and robust balance sheet mean TPT is well-placed to deliver its medium-term [Mission 365](#) growth plan. We remind readers that the majority of the expected growth in revenue and profit comes from internal initiatives, with limited cyclical recovery anticipated. From a top-down perspective, management continues to highlight the improving housing-related indicators, but the recent dip in consumer confidence has obviously dented management's confidence in the speed and extent of any recovery.

With respect to costs, management has indicated that inflationary pressures persist, which it expects to add £5m to the cost base in FY25, before a more normal level of performance-related pay if targets are met. The approximate £5m cost increase for FY25 includes £2m for the changes to the National Living Wage (up 6.7% from April 2025) and employers' National Insurance contributions, from an expected full-year incremental cost of £4m. Like most companies, management is looking to mitigate as much of this incremental cost as possible.

As is typical, management expects a greater weighting of profitability to H2 versus H1, given energy costs in the winter and the accrual and reversal of holiday pay.

On a positive note, TPT noted y-o-y revenue growth in the first eight weeks of FY25, which is up 1.2% excluding CTD, albeit against an easy comparative of -3% in the same period last year.

The Q125 trading update issued on 8 January 2025 highlighted an acceleration in revenue growth through the remainder of Q125. Adjusting for the change in the timing of TPT's period-end (Q124 ended on 30 December 2023, Q125 ended on 28 December 2024), group sales excluding CTD increased by 8.4% in the final five weeks of Q125 to give 3.3% growth for the whole of Q125. While the comparatives eased through Q124 (from -3% in first eight weeks of Q124 to -4% for the whole of Q124), the scale of the change through Q125 suggests a good improvement in the latter weeks.

The table below summarises how TPT's group revenue and Topps Tiles like-for-like revenue have grown through [Q124](#), [H124](#), [Q324](#) and [Q424](#); we note the much easier comparatives through the remainder of the year.

Exhibit 4: Quarterly revenue progression												
Change y-o-y	First 8 weeks of Q124	Q124	Q224e	H124	First 8 weeks of Q324	Q324	9M24	Q424	FY24	First 8 weeks of Q125	Final 5 weeks of Q125	Q125
Group revenue ex CTD Tiles	(3.0%)	(4.0%)	(7.8%)	(5.9%)	(7.3%)	(6.9%)	(6.2%)	(4.4%)	(5.7%)	1.2%	12.9%	4.6%
Group revenue adjusted for change in period end											8.4%	3.3%
Topps Tiles like-for-like	(6.1%)	(7.1%)	(11.3%)	(9.2%)	(10.1%)	(9.7%)	N/A	(8.2%)	(9.1%)	(0.4%)	12.5%	3.5%

Source: Topps Tiles

In the Q125 trading update, management pointed to further good progress in its five key growth areas. TPT is clearly making progress on generating incremental revenue from both trade and online.

With respect to trade revenue, developments in digital channels, clearer pricing and excellent stock availability led to y-o-y growth of 13.5% in Topps Tiles during Q125 from a combination of more customers (active registered users +7% by period end, number of new registrations doubled) and growth in average spend. This is in addition to the continued strong growth by Pro Tiler Tools of 20%, an impressive performance given it was achieved while managing the relocation to a new warehouse, which should no longer act as a constraint on its growth.

With respect to online, Topps Tiles sales increased by 8% and online trade sales for Topps Tiles increased by c 60% in Q125, while Tile Warehouse continued to demonstrate strong growth of c 140%.

While management continues to point to ongoing macroeconomic uncertainty, positive news from internal initiatives and easing comparatives for the remainder of FY25 is encouraging.

Valuation

We typically look at TPT's valuation from three perspectives: a DCF-based valuation, and relative to both its trading history and quoted peers.

DCF-based valuation

With a weighted average cost of capital of 8.5% and a terminal growth rate of 2%, our DCF-based valuation increases to 116p/share from 108p/share previously as we roll forward our model. Our long-term assumptions are set out in our [outlook note](#) published on 5 August 2024. The sensitivity of the valuation to changes in assumptions for WACC and terminal growth are shown in Exhibit 5.

Exhibit 5: DCF sensitivity (p/share)

		Terminal growth rate				
		1.0%	2.0%	3.0%	4.0%	5.0%
WACC	11.0%	85	91	100	111	126
	10.5%	88	95	105	117	135
	10.0%	91	99	110	125	145
	9.5%	94	104	117	134	158
	9.0%	99	109	124	144	174
	8.5%	103	116	133	157	195
	8.0%	109	123	143	173	223
	7.5%	115	132	156	194	262
	7.0%	122	142	172	221	321
6.5%	131	155	192	260	418	

Source: Edison Investment Research

Attractively valued versus peers

In Exhibit 6 we show TPT's prospective growth rates, profitability and valuation measures relative to consensus expectations for a range of UK retail and other companies exposed to consumer spending on the house, albeit they have quite different product categories and geographic exposures. All figures are annualised to TPT's September year-end.

Exhibit 6: Peer valuations

Company	Share price (p)	Market value (£m)	Sales growth (%)		EBIT growth (%)		Gross margin (%)		EBIT margin (%)		EV/sales (incl. leases) (x)		P/E (x)		Dividend yield (%)	
			Sept 25e	Sept 26e	Sept 25e	Sept 26e	Sept 25e	Sept 26e	Sept 25e	Sept 26e	Sept 25e	Sept 26e	Sept 25e	Sept 26e	Sept 25e	Sept 26e
			Forterra	156	333	5	8	19	26	33.7	33.6	10.7	12.4	1.3	1.2	15.1
Grafton Group	891	1,765	7	6	3	13	n/a	n/a	7.1	7.6	0.7	0.7	12.6	11.2	4.3	4.5
Headlam Group	140	113	(0)	6	(9)	100	30.0	29.1	(2.6)	(0.0)	0.3	0.3	n/a	n/a	0.0	0.1
Ibstock	166	657	5	10	12	33	34.7	36.0	13.5	16.4	2.1	1.9	16.4	12.2	3.1	4.1
Marshalls	264	671	2	5	7	13	44.8	45.4	11.1	12.0	1.3	1.3	15.0	12.8	3.4	4.0
Norcros	250	226	(2)	2	0	9	41.2	41.4	10.9	11.5	0.8	0.8	7.9	7.5	4.1	4.2
Travis Perkins	681	1,453	1	5	20	29	28.9	29.3	3.7	4.6	0.5	0.5	14.8	10.8	2.7	3.6
Victoria	116	133	(2)	3	(5)	43	n/a	n/a	4.2	5.9	1.0	1.0	41.4	7.2	0.0	0.0
Other - median			1	5	5	27	34.2	34.8	8.9	9.6	0.9	0.9	15.0	11.2	3.1	4.1
AO World	99	578	7	6	17	14	23.4	23.1	4.0	4.3	0.5	0.5	18.3	16.1	0.0	0.0
CMO Group	9	7	0	5	41	54	n/a	n/a	(1.0)	(0.4)	0.2	0.1	n/a	n/a	0.0	0.0
Currys	89	1,018	1	2	4	6	21.9	21.8	2.5	2.6	0.2	0.2	9.0	8.4	1.7	2.4
DFS Furniture	134	316	4	5	21	23	56.8	57.8	6.1	7.2	0.8	0.8	15.5	9.2	2.4	4.0
Dunelm Group	1,014	2,064	5	5	4	5	51.5	51.1	12.3	12.3	1.3	1.2	12.8	12.2	5.5	6.1
Howden Joinery Group	759	4,192	4	6	4	9	61.2	62.0	14.5	14.8	1.9	1.8	15.9	14.5	2.9	3.0
Kingfisher	230	4,197	1	3	2	8	36.9	37.0	5.0	5.3	0.5	0.5	10.6	9.4	5.4	5.4
Marks Electrical Group	53	56	5	6	(19)	19	20.2	23.2	1.7	1.9	0.4	0.4	33.8	29.0	1.7	1.4
Victorian Plumbing Group	95	313	13	6	91	16	48.7	48.3	7.7	8.4	1.0	0.9	16.4	13.9	2.8	3.4
Wickes Group	148	360	3	4	3	10	36.8	37.1	4.3	4.6	0.6	0.6	10.3	8.9	7.3	7.5
Retailers - median			4	5	4	12	36.9	37.1	4.7	4.9	0.5	0.5	15.5	12.2	2.6	3.2
Topps Tiles	38	74	16	7	21	23	53.1	52.8	4.9	5.7	0.5	0.5	10.3	7.6	6.9	8.0

Source: LSEG Data & Analytics. Note: Prices as at 9 January 2025.

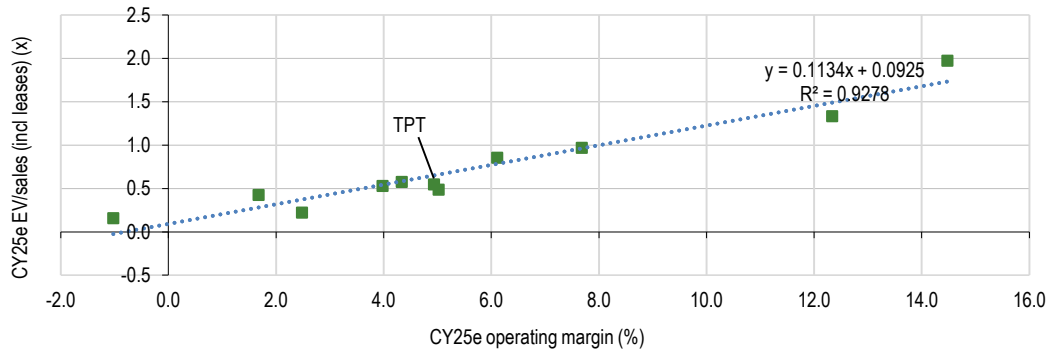
Consensus expects good growth in revenue and profitability for the majority of the companies and we remind readers that TPT's FY25 growth is helped by the first full-year contribution from CTD Tiles. TPT's relative high ratio of gross margin (c 53%) to its operating margin (c 5–6%) suggests it should demonstrate above-average growth in operating profit on any revenue recovery.

TPT's prospective EV/sales multiple of 0.5x is in line with retailer peers in FY25 and FY26, whereas its prospective P/E multiples and dividend yield look far more attractive.

To gauge the relative attractiveness of the above peers, in Exhibit 7 we compare prospective EV/sales multiples and operating margin for the retail companies including TPT. There is a high correlation between EV/sales multiples and profitability for these companies. The identified line of

best fit would suggest a prospective EV/sales multiple of 0.7x in FY25 for TPT when applied to our expected profit margin versus the current 0.55x (table is rounded), implying an apparent undervaluation of c 15%. Naturally, as the margin expands, the above analysis suggests a higher multiple would be warranted, for example 1.1x with a reported operating margin of 9% using the line of best fit below.

Exhibit 7: EV/sales multiples versus operating margin for UK retailers



Source: LSEG Data & Analytics, Edison Investment Research. Note: Prices as at 9 January 2025.

If TPT can achieve its Mission 365 financial goals, the strong expected growth and implied valuation could provide significant upside from the current share price, as shown in Exhibit 8, which is comparable to the valuation suggested in our DCF above.

Exhibit 8: Implied valuation if TPT reached Mission 365 financial goals

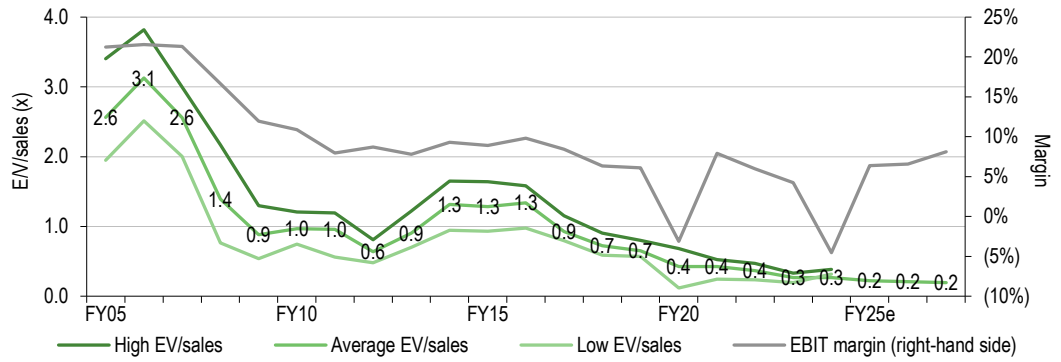
	£m	£m
Prospective EV/sales multiple (x)	1.1	1.1
Prospective sales	345	385
Prospective EV	380	424
Current net debt	77	77
Prospective market value	302	346
Current shares (m)	196.7	196.7
Prospective share price (p)	154	176
Share price discounted back (p)	102	117

Source: Edison Investment Research

Attractive valuation versus historical multiples

In Exhibit 9 we show TPT's prospective EV/sales multiples relative to its historical high, average (figure quoted) and low multiples in each year. To enable a better comparison over the long term, we exclude IFRS 16 liabilities from net debt, which means the figures will differ slightly from those shown in the previous section. We also show how these multiples compare to its profitability. We highlight that the acquisition of CTD Tiles is dilutive to TPT's profitability, with a forecast margin of approximately 5%. There is a very clear indication that the current valuation is low compared with our future projections for its profitability.

Exhibit 9: EV/sales versus EBIT margin



Source: Edison Investment Research, LSEG Data & Analytics. Note: Price 9 January 2025.

Exhibit 10: Financial summary

	£m	2022	2023	2024	2025e	2026e
30-September		IFRS	IFRS	IFRS	IFRS	IFRS
INCOME STATEMENT						
Revenue		247.2	262.7	251.8	292.2	313.4
Cost of Sales		(111.8)	(123.5)	(117.4)	(137.1)	(147.9)
Gross Profit		135.4	139.2	134.3	155.1	165.5
EBITDA		44.3	42.2	35.0	36.9	40.3
Operating profit (before amort. and excepts.)		20.0	18.2	12.0	14.4	17.8
Amortisation of acquired intangibles		0.0	(0.5)	(0.5)	(0.5)	(0.5)
Exceptionals		(4.7)	(5.7)	(22.6)	5.2	4.2
Share-based payments		(0.5)	(0.9)	(0.3)	(0.5)	(0.9)
Reported operating profit		14.8	11.1	(11.4)	18.7	20.6
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	9.0	12.2
Profit Before Tax (norm)		16.1	13.9	7.2	10.0	13.6
Profit Before Tax (reported)		10.9	6.8	(16.2)	14.2	16.4
Reported tax		(1.8)	(2.9)	3.4	(3.9)	(4.5)
Profit After Tax (norm)		12.5	10.2	5.5	7.3	9.9
Profit After Tax (reported)		9.2	3.9	(12.8)	10.3	11.9
Minority interests		(0.2)	(0.7)	(0.2)	0.0	0.0
Net income (normalised)		12.3	9.5	5.3	7.3	9.9
Net income (reported)		9.0	3.2	(13.0)	10.3	11.9
Average Number of Shares Outstanding (m)		196	196	197	197	197
EPS - normalised (p)		6.31	4.84	2.71	3.69	5.02
EPS - normalised fully diluted (p)		6.24	4.77	2.68	3.65	4.96
EPS - basic reported (p)		4.60	1.63	(6.63)	5.25	6.04
EPS - adjusted (company) (p)		6.14	4.49	2.39	3.33	4.49
Dividend (p)		3.60	3.60	2.40	2.60	3.00
Revenue growth (%)		8.4	6.3	(4.2)	16.0	7.3
Gross Margin (%)		54.8	53.0	53.4	53.1	52.8
Normalised Operating Margin		8.1	6.9	4.8	4.9	5.7
BALANCE SHEET						
Fixed Assets		119.0	109.0	91.3	94.3	93.6
Intangible Assets		7.5	6.9	12.5	11.7	10.4
Tangible Assets		109.4	100.2	72.7	76.5	77.0
Investments & other		2.1	1.9	6.1	6.1	6.1
Current Assets		61.8	65.4	76.1	83.2	90.1
Stocks		38.6	36.4	37.9	43.9	47.1
Debtors		6.4	5.3	13.4	15.5	16.6
Cash & cash equivalents		16.2	23.4	23.7	22.5	25.2
Other		0.5	0.4	1.2	1.2	1.2
Current Liabilities		(63.3)	(66.9)	(73.1)	(83.4)	(88.8)
Creditors		(43.7)	(45.1)	(57.5)	(66.7)	(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)	(82.9)	(76.8)
Long term borrowings		0.0	0.0	(15.0)	(15.0)	(15.0)
Leases		(84.7)	(78.9)	(71.4)	(65.6)	(59.5)
Other long term liabilities		(3.7)	(2.2)	(2.3)	(2.3)	(2.3)
Net Assets		29.0	26.4	5.6	11.2	18.1
Minority interests		2.5	3.2	0.0	0.0	0.0
Shareholders' equity		31.5	29.6	5.6	11.2	18.1
CASH FLOW						
Operating Cash Flow		44.3	42.2	35.0	32.4	36.6
Working capital		(11.0)	4.1	4.9	1.0	0.5
Exceptional & other		(3.1)	(1.7)	(9.0)	4.7	3.7
Tax		(3.5)	(3.3)	(2.3)	(3.9)	(4.5)
Net operating cash flow		26.8	41.3	28.6	34.2	36.3
Capex		(3.0)	(4.2)	(4.3)	(9.0)	(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	(1.2)	2.7
Opening net debt/(cash)		(27.8)	(16.2)	(23.4)	(8.7)	(7.5)
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)	(7.5)	(10.2)
Closing net debt/(cash) including leases		86.7	71.1	77.3	72.6	63.9

Source: Topps Tiles accounts, Edison Investment Research

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