

Topps Tiles

Material improvement in profitability

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.

FY25 trading update

Retail

2 October 2025

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

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Exhibit 1: Financial summary

£m	2022	2023	2024	2025e	2026e
30-September	IFRS	IFRS	IFRS	IFRS	IFRS
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

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