



TOPPS GROUP

Half Year Results 2026

Analyst and Investor
Presentation



Overview & Summary

Alex Jensen
Chief Executive Officer



Strategic Highlights

- Significant progress against Mission 365 priorities
- **Focus on profitability:** continued gross margin expansion and 3 major self-help initiatives to accelerate PBT margin improvement.
- Group **outperformed RMI market:**
 - **Grew Group trade** (ex CTD) by 4.1% supported by improved customer value proposition
 - Group **digital mix** c.21% (PY c.18%)
 - Extended Topps Tiles brand to capture customer growth in **value segment** and consolidated Tile Warehouse
 - Achieved 7% growth in **new categories**
- CTD loss more than halved; on track for H2 profit. Fired Earth profitable and in 4 markets outside UK.
- **CFO appointed** - starts 26 May 2026

Financial Highlights

- Proforma* Group revenue, **-0.2% YoY**, outperforms declining RMI market.
- Proforma adjusted gross margin **+1.6ppts YoY** with solid growth in Topps Tiles.
- Proforma operating costs rose marginally, with most government-driven inflation absorbed through self-help.
- Proforma Op. Profit up 17.3% and PBT of **£2.2m, flat YoY** with CTD trading included in LY base.
- Adjusted EPS 0.83p (-25.9% YoY). Interim **dividend of 1.0p** (+25.0% YoY) as per policy.
- Balance sheet remains strong, £(3.1)m net debt, £30m RCF.
- Expecting modest PBT growth in full year, supported by structural self-help cost saving initiatives executed and weighted to H2.

A modern kitchen and dining area. The kitchen features teal cabinetry, a white countertop, and a brass faucet. A teal island with a white countertop and wooden bar stools is in the center. The dining area has a large wooden table, wooden chairs, and a built-in bench with a teal base and white cushions. The walls are white with teal accents and arched doorways. The floor is light grey tile.

Financial Update

Rob Swales

Chief Financial Officer
(Interim)



Statement of Profit or Loss - Adjusted Measures

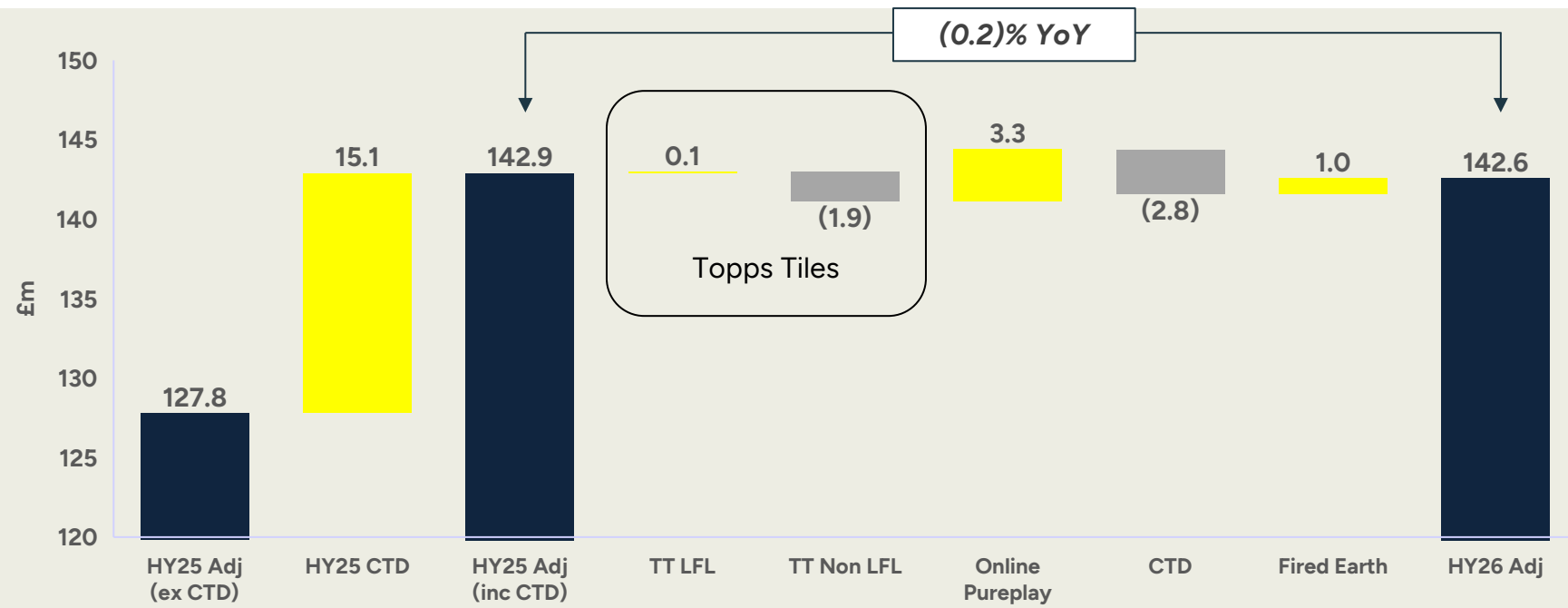
	ADJUSTED* MEASURES (CTD in FY26 but excluded from FY25)			PROFORMA# MEASURES (CTD trading in both years)	
	HY 2026	HY 2025	YoY	HY 2025 (Proforma#)	YoY Proforma
Revenue - £m	142.6	127.8	+11.6%	142.9	(0.2)%
Gross profit - £m	75.6	68.2	+10.9%	73.5	+2.9%
Gross margin %	53.0%	53.4%	(0.4) ppts	51.4%	+1.6 ppts
Operating costs - £m	(69.5)	(62.0)	+12.1%	(68.3)	+1.8%
Operating profit - £m	6.1	6.2	(1.6)%	5.2	+17.3%
Interest - £m	(3.9)	(3.0)	+30.0%	(3.0)	+30.0%
PBT - £m	2.2	3.2	(31.3)%	2.2	-
PBT margin %	1.5%	2.5%	(1.0) ppts	1.5%	-
EPS - pence	0.83p	1.12p	(25.9)%	0.73p	+13.7%

- Revenue broadly flat year-on-year on proforma basis and ahead of market
- Proforma gross margin % up 1.6 ppts driven by Topps Tiles margin growth.
- Proforma operating costs grew 1.8% with government and other inflation, and investment in growth businesses, largely absorbed by cost savings.
- Adjusted PBT of £2.2m, down 31% but flat YoY on proforma basis when CTD is included in the FY25 base.

* Adjusted profit excludes the impact of items which are either one-off in nature or fluctuate significantly from year to year
 # The financial impact of CTD was excluded from adjusted measures in FY 2025. In FY 2026 CTD trading is included in adjusted measures. For comparability, proforma financial measures are shown with CTD trading included in HY 2025.



Performance Bridges – Revenue

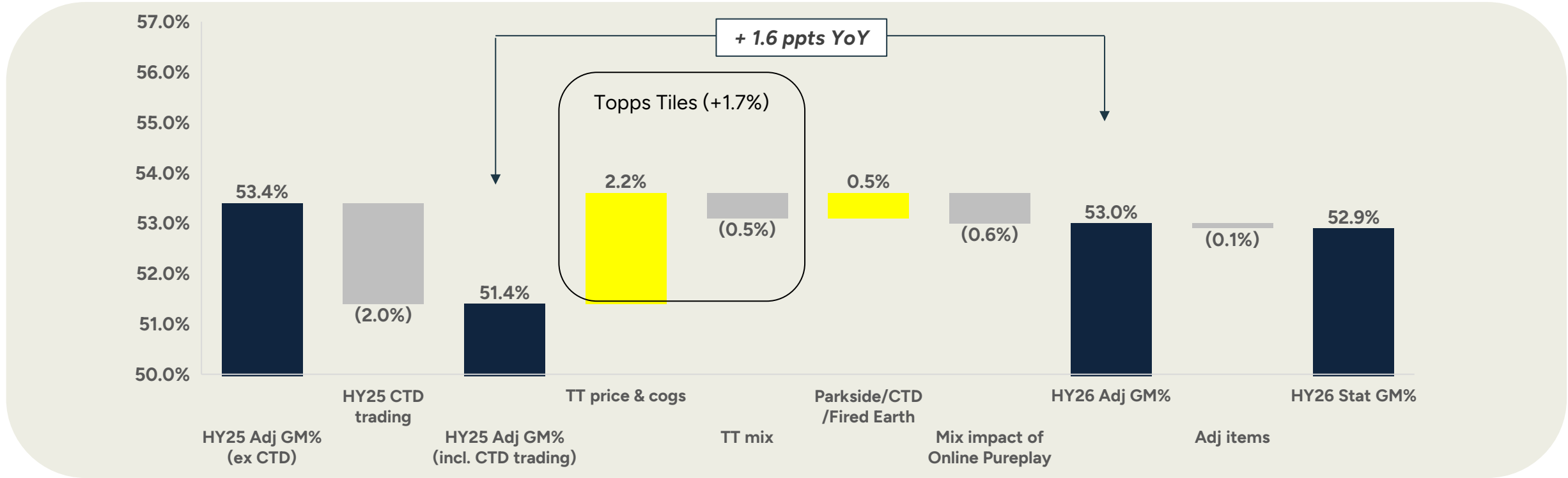


- Adjusted Revenue £142.6m up 11.6%, driven by CTD (not in FY25).
- Revenue broadly level YoY (-0.2%) on a proforma basis.
- Strong growth in online pure play (e.g. PTT +20%) and introduction of Fired Earth offsets store closure driven reduction in Topps Tiles sales (8 fewer stores) and CTD rationalisation post acquisition (22 stores versus 30 LY).
- Topps Tiles LFL growth of +0.1%, which is ahead of the market* (c -2.5%).

*Market performance as defined by Barclays "UK Consumer Spend Report" for Home Improvements & DIY (Oct-25 to Mar-26, which averaged c. -2.5%)



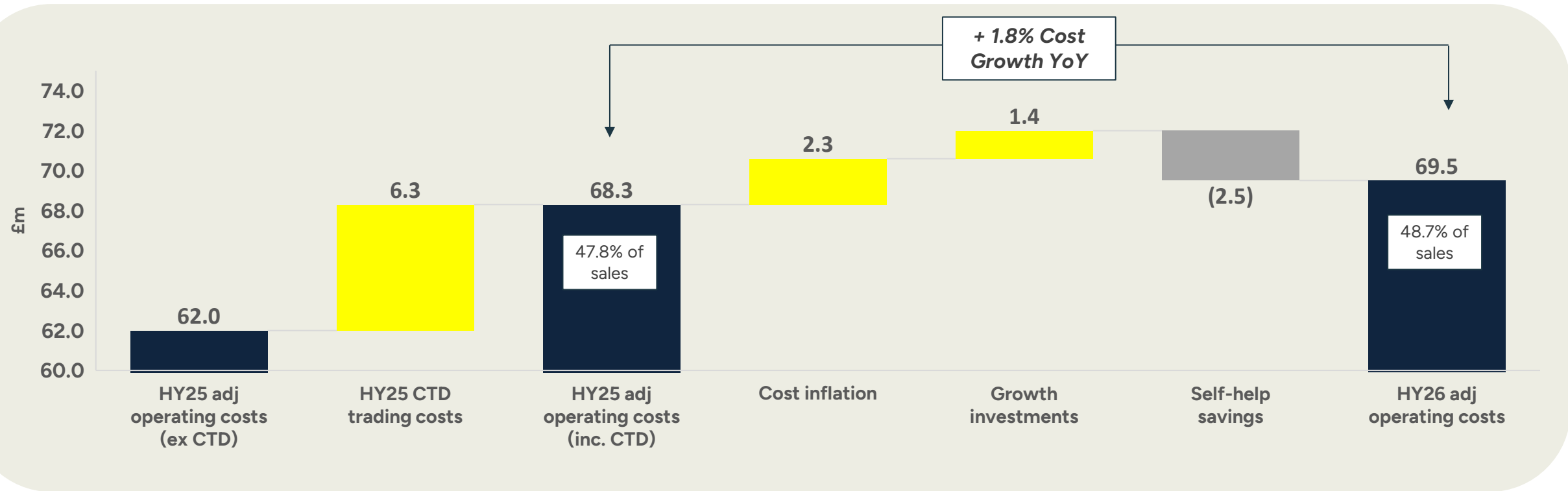
Performance Bridges – Gross Margin



- Adjusted gross margin improvement of **+1.6 ppts** with Topps Tiles the key driver.
- Topps Tiles drove +1.7 ppts through strong COGs and price management, partially offset by mix (trade & essentials growth), rebates and FX.
- Online Pure Play (0.6) ppts mix impact due to growth of structurally lower margin Pro Tiler
- YoY margin improvements in CTD as we re-position the business, plus addition of the margin accretive Fired Earth brand.



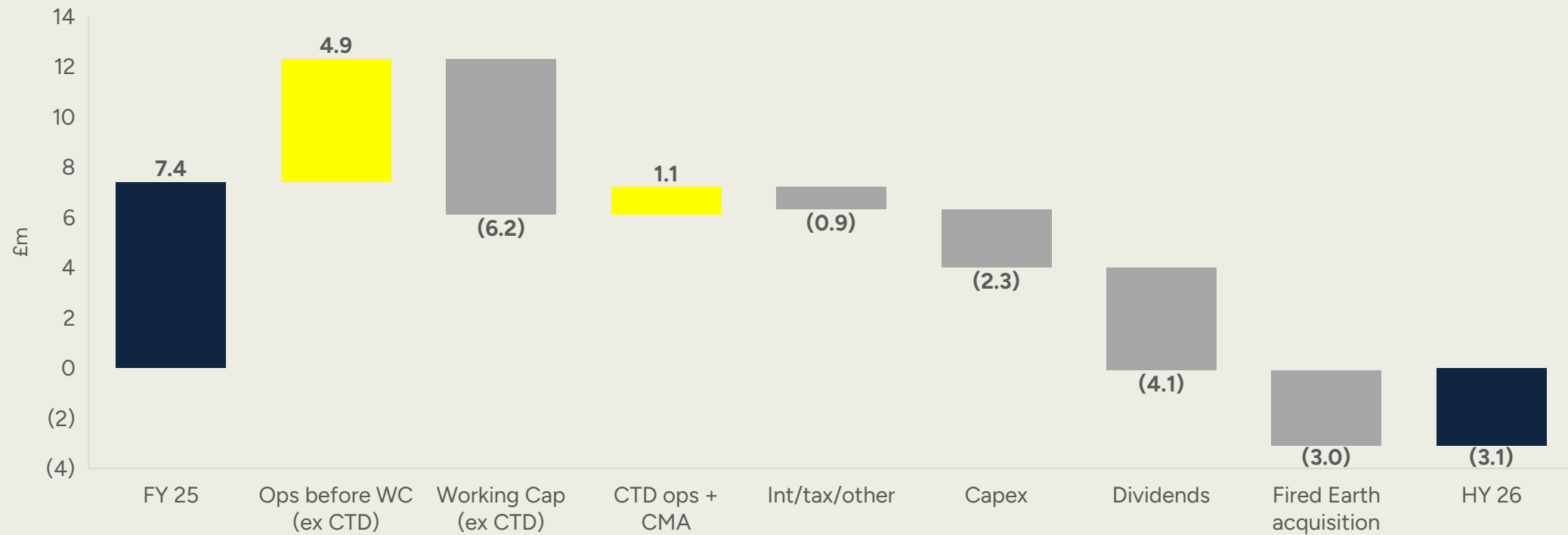
Performance Bridges – Adjusted Operating Costs



- Inclusion of CTD trading into the FY25 adjusted operating costs adds c. £6m into the cost base.
- Proforma operating costs increased £1.2m, +1.8% year-on-year, with cost savings largely offsetting government inflation and other cost increases.
- Government driven inflation (NLW and NIC) added over £2m of cost in the period. Growth investments, including ERP and Trade App, alongside growth in Pro Tiler and Fired Earth brands drove £1.4m of cost increases in the period, with a healthy ROI.
- Strong cost management delivered c. £2.5m of savings in the period, half from CTD with fewer stores YoY and post-acquisition efficiencies, £0.6m through store rationalisation savings and £0.6m from other savings initiatives.



Performance Bridges - Adjusted Net Cash / (Debt)



- Net debt of £(3.1)m driven by Fired Earth, dividend and capex outflows, with working capital outflow offset by operating C/F.
- Working capital outflow due to unwind of payables from year-end as per normal buying/trading cycle, higher STIP from FY25 and Pro Tiler driven stock increase.
- £1.1m CTD cash benefit from stock reduction across the first half.
- Dividend relates to payment of FY25 final div of 2.1 pence.
- Capex £2.3m as we continue to invest in digital; ERP, Trade App, customer engagement platform and tills (PY: £4.0m due to DC2)
- Balance sheet remains robust, small net debt balance with c.£27m cash headroom to £30m RCF facility (to Oct-27).

Note: Adjusted net cash excludes lease liabilities under IFRS 16 and unamortised issue fees. 'Ops before WC (ex CTD)' is equal to cash generated by operations before working capital movements and excludes CTD. Cash flows relating to CTD (operational and working capital) are separated out for ease of interpretation.

A photograph of a home interior. The floor is covered in a black and white checkered tile pattern. In the center, there is a wooden chest of drawers with several drawers and a lamp on top. To the right, a staircase with white railings leads up. A black chair is positioned in the foreground on the right. A large green plant is visible on the left side of the image.

Strategic Update

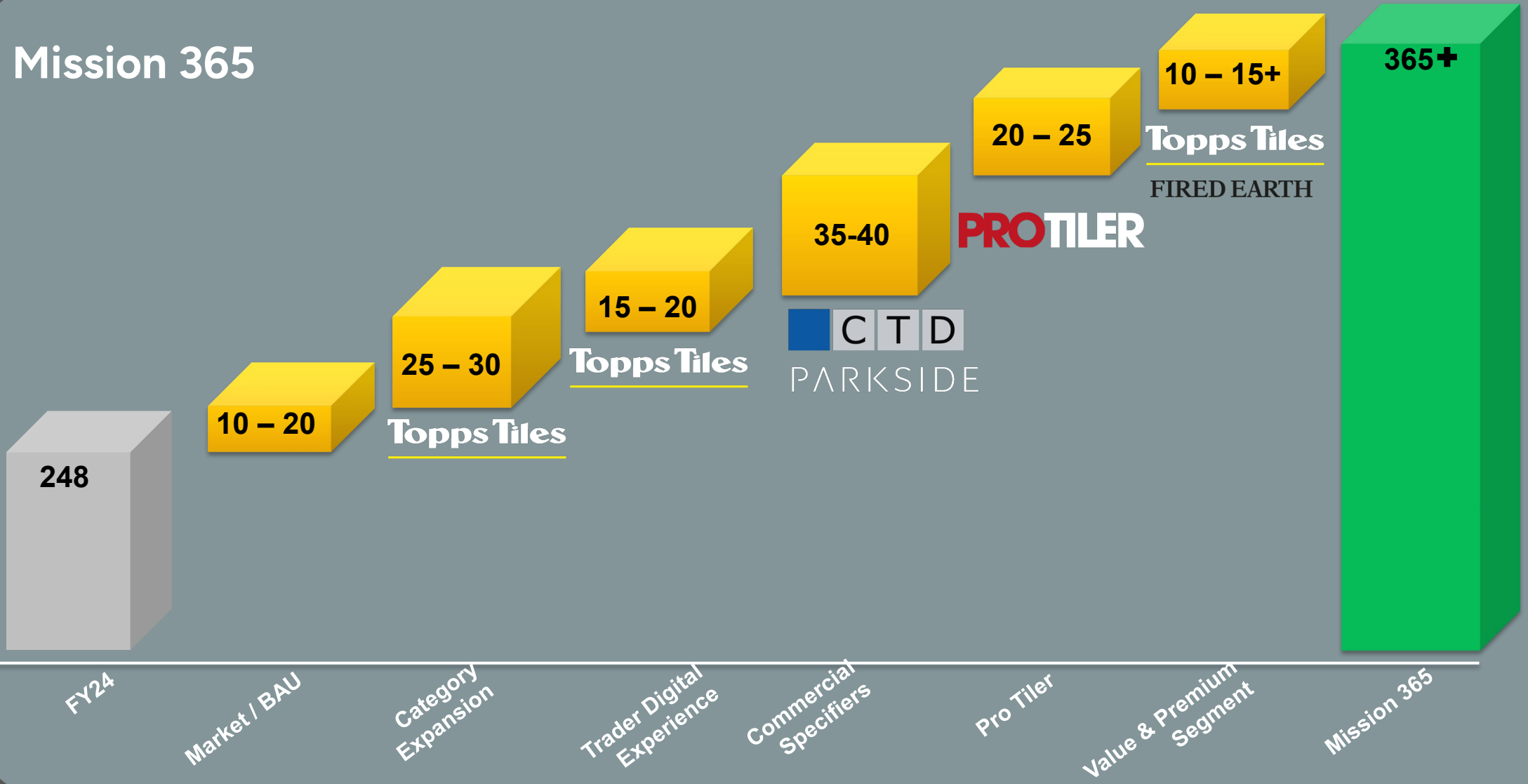
Alex Jensen

Chief Executive Officer



The Road to £365m

Mission 365



All numbers are £m and are indicative - illustrating one potential route to delivery of the Mission 365 goal.



Topps Tiles

**PRO
TILER
TOOLS**

FIRED EARTH

PARKSIDE
ARCHITECTURAL TILES

CTD
ceramic tile distributors



Evolve 365 strategy to accelerate delivery of bottom line

Deliver trade growth strategy across Group

Accelerate digital agenda, leverage customer data to drive sales and transition new IT system

Sales excellence and category extensions

Integrating acquisitions to drive sustainable profit in 2026
(CTD / Fired Earth)

Onboard new CFO and create high-performing team

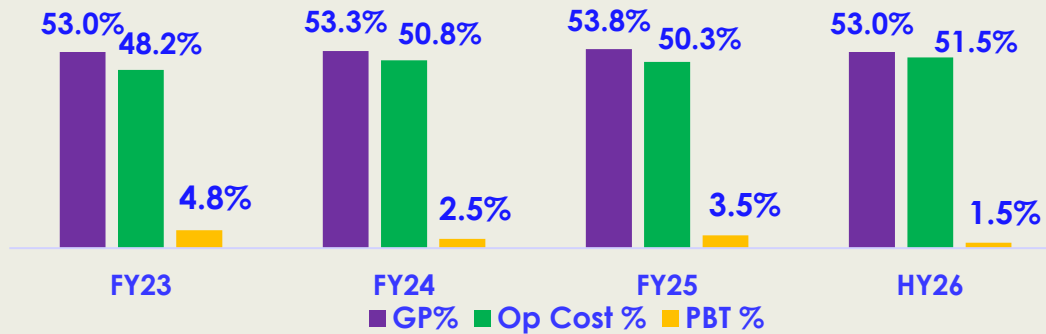


Priority 1: Improving profitability by tackling structural cost base

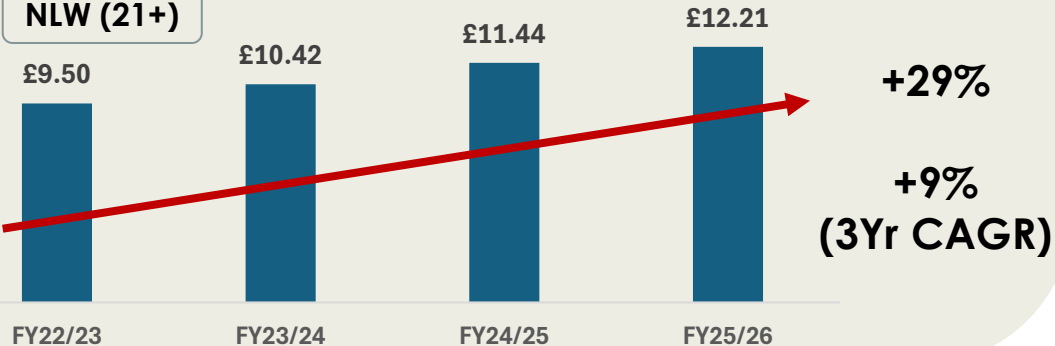
Context

Conversion of gross profit to net profit is low and declining. Government-driven cost inflation disproportionately affects Topps Tiles stores, where around 60% of Group costs sit and which operate with a relatively inflexible labour model. Pricing required to offset costs constrains sales growth

Topps Group GM, Cost and PBT



NLW (21+)



Self-help Management Intervention

Strong GM & **COGS** management



Profit accretive **Network optimisation** (23 stores)



New lower cost, flexible **Labour model**



Head office **Role consolidation**

= **c.£3m** in year benefits (H2 weighted)

= **c.£6m** sustainable annual benefits to offset future inflation & headwinds





Priority 2: Delivering trade growth



Live stock visibility from February

TradePay +55% vs PY, 5 times spend

App Launch in May



Sales in HY26 3 x acquisition

PremTool driving growth and margin

Growth opportunities continue



Group trade (ex CTD) +4.1% vs PY



Priority 3: Accelerating digital

Online mix
21% (PY 18%)

Trader app launch
+Live Stock
+Click & Collect
+Trade Pay

CRM
+driving frequency
and ATV
+Now personalised

Website
conversion +16%
Highest GEO
citations

ERP on track
+New tills in
40% network

YOUR NEW DIGITAL TOOLKIT
Faster ordering and exclusive rewards. Built for the way you work.

SCAN & GO IN-STORE
Your digital trade account card. Just scan at the till to earn points.

CLICK & COLLECT EASILY IN STORE
Order in the app and collect within an hour.

PAY WITH CREDIT USING TRADEPAY
Apply in the app and keep track of your spends.

JOIN REWARDS+
Earn points and access exclusive rewards & discounts.

AIM FOR GOLD
Unlock exclusive Gold perks & rewards when you spend £4,000 a year.

REVEAL APP-ONLY DEALS
Prices you won't find on the web or in-store.

DISCOVER OUR FULL PRODUCT RANGE
Shop Tiles, Flooring, Tools and more.



Priority 4: Driving sales excellence

Sales capability:
Trained 1000 colleagues
+Pipeline tools
+performance and reward

Value segment:
+KVI repositioning
+Consolidated Tile
Warehouse

Growing category
extensions +7%

Excellent customer
service:
Google review 4.9*
85,000 reviews



Priority 5: Integrating acquisitions to drive sustainable profit



ceramic tile distributors

Loss more than halved

On track to be in profit H2

2 new housebuilding hubs



FIRED EARTH

Profitable in H1

Exclusive collaborations with Nina Campbell and Neisha Crossland

Tile sales beating expectations

4 new international stockists





**Current Trading
and
Outlook**



Current trading:

- Encouragingly, Topps Tiles LFL has returned to positive +0.6% and CTD stores LFL also positive at +3.0%.
- Online businesses continuing strong performance. Record weeks in Pro Tiler.

Outlook:


- Macro and geopolitical environment remain challenging, the Group benefits from a resilient and well-diversified supply chain.
- Profit weighted to H2:
 - Modest bias to H2 revenues.
 - Self-help management interventions add c.£3m benefit to H2
 - Inflationary cost pressures of £0.8m
 - Gross margins H1 to H2 broadly in line
- Modest year-on-year profit growth in the full year and in line with market expectations
- Balance sheet remains strong; £30m banking facility.



- We are focused on accelerating profit; addressing cost inefficiencies across the Group and targeting profitable revenue growth
- We are making good progress in delivering our strategic agenda, including trade growth, digital acceleration and category extensions
- Modest year-on-year profit growth in the full year and in line with market expectations
- Confident of a further year of strategic progress.



Q&A

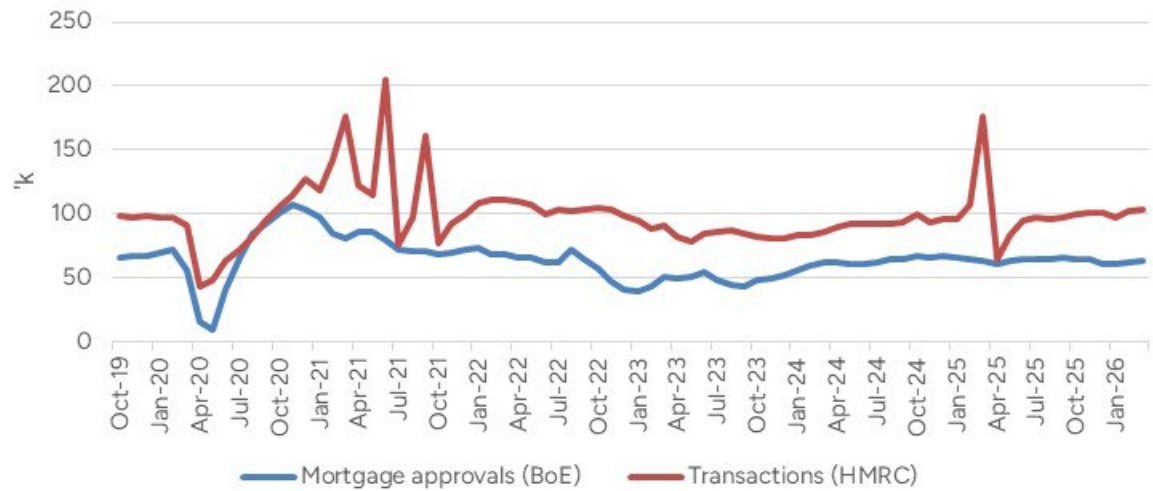


Appendix

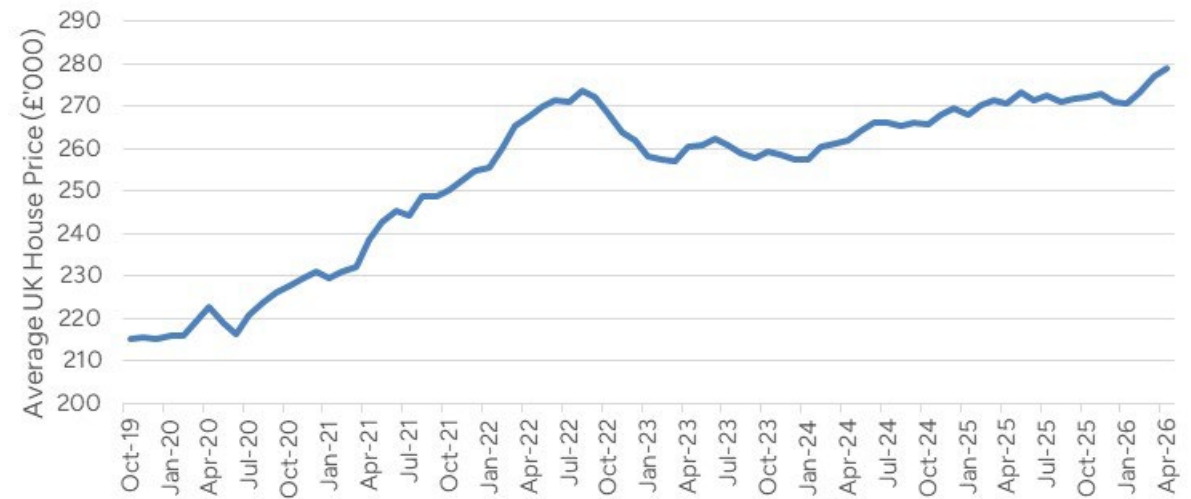


Market Data

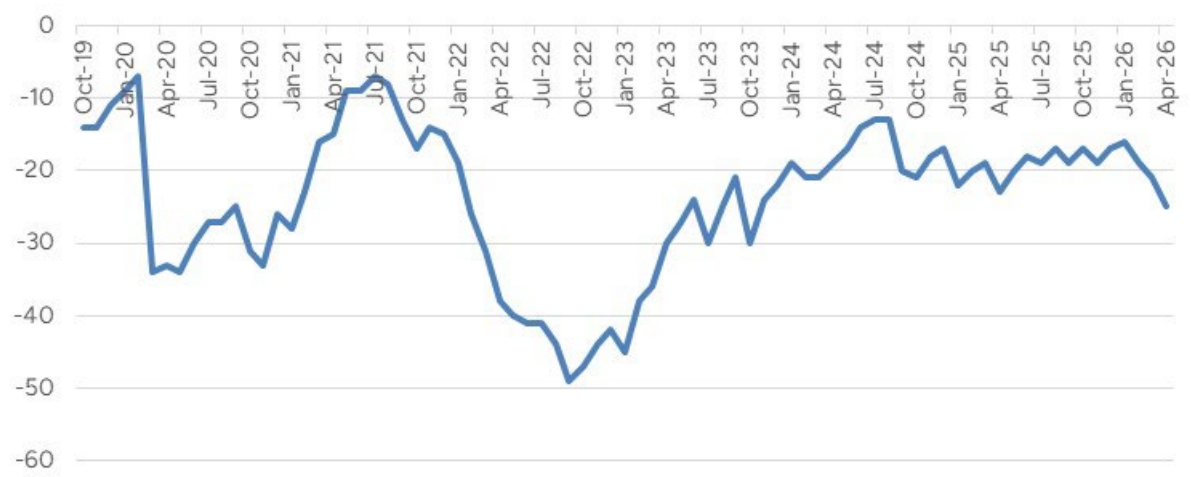
Mortgage approvals & housing transactions



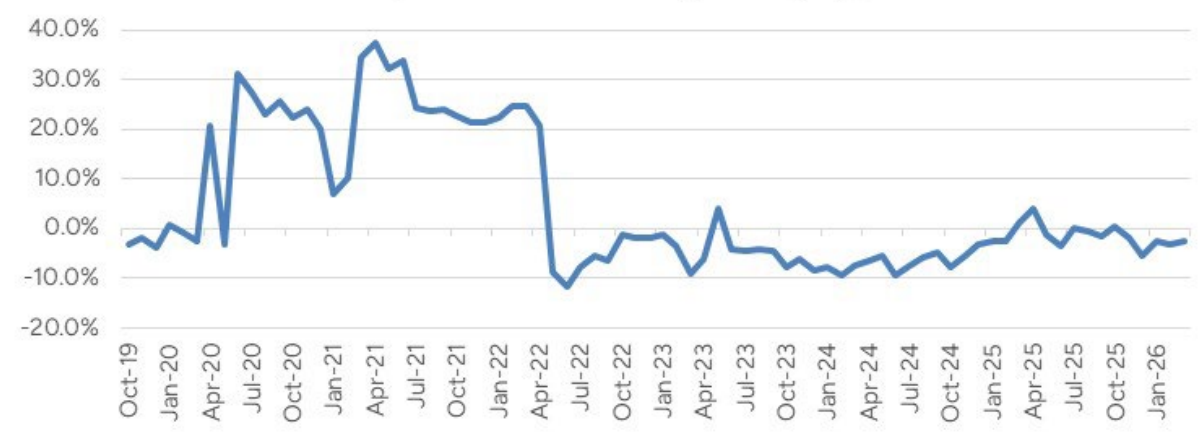
UK House Prices (Nationwide)



Consumer confidence (GfK)



Barclays UK Consumer Spending Report - Home Improvement DIY Spend (yoy)





	Sales £m	Gross Profit £m	Opex £m	Interest £m	PBT £m
Adjusted P&L	142.6	75.6	(69.5)	(3.9)	2.2
Vacant property and closure costs			(0.7)		(0.7)
Store impairment, reversal and lease gains/losses			(1.7)		(1.7)
Notional depreciation			2.0		2.0
CTD one off items & non-recurring costs		(0.1)	(0.3)		(0.4)
CMA advisory costs			(0.2)		(0.2)
Fired Earth acquisition costs			(0.1)		(0.1)
Management succession			(0.6)		(0.6)
Statutory P&L	142.6	75.5	(71.1)	(3.9)	0.5



Balance Sheet Highlights

	HY 2026	HY 2025	YoY	Memo: FY 2025
Goodwill/Intangibles - £m	12.4	12.3	0.1	11.2
Property, plant and equipment - £m	16.1	18.2	(2.1)	16.8
Right-of-Use & Sublease Assets - £m	79.4	72.2	7.2	79.5
Inventory - £m	41.9	40.3	1.6	40.6
Receivables/Payables/Provisions - £m	(46.7)	(46.1)	(0.6)	(51.3)
Borrowings - £m	(19.0)	(14.0)	(5.0)	(11.0)
Lease Liabilities - £m	(99.1)	(96.3)	(2.8)	(99.8)
Cash - £m	15.9	12.8	3.1	18.4
Net (Debt)/Cash - £m (pre-IFRS 16)	(3.1)	(1.2)	(1.9)	7.4
Net Assets - £m	3.7	4.3	(0.6)	7.7
Capital Employed - £m	105.9	101.9	4.0	100.1

- Goodwill/Intangibles include assets acquired as part of CTD and Pro Tiler Limited (largely goodwill and brand), as well as goodwill relating to the Fired Earth acquisition, based on provisional values in line with IFRS 3
- Property, plant and equipment reduction relates to depreciation and impairment partially offset by net additions/disposals
- Right-of-use assets of £77.8m, and sublease assets of £1.6m, following impairments and impairment reversals. Lease liabilities of £99.1m
- Inventory up to £41.9m, including c £10m of stock across Pro Tiler Tools and CTD, plus addition of FE stock upon acquisition
- Net debt (pre-IFRS 16) £3.1m, an increase of £1.9m YoY, with RCF borrowing of £19m at half year end
- Capital employed increased £4.0m to £105.9m (defined as net assets – net cash + lease liabilities) due to higher lease liabilities and higher net debt



Adjusted Net Cash Flow

	HY 2026		HY 2025		YoY		Memo: FY 2025	
	£m	£m	£m	£m	£m	£m	£m	£m
Cash generated from operations including leases, before movements in working capital and CTD/CMA	4.9		4.2		0.7		15.0	
Changes in working capital (excluding CTD/CMA)	(6.2)		(4.5)		(1.7)		(0.7)	
CTD operational cash flows and CMA advisory fees	1.1		(2.3)		3.4		(5.4)	
Net bank interest	(0.4)		(0.4)		-		(0.7)	
Tax paid	-		(0.3)		0.3		(0.3)	
Capital expenditure	(2.3)		(4.0)		1.7		(5.5)	
Other	(0.5)		(0.2)		(0.3)		0.2	
Free cash flow		(3.4)		(7.5)		4.1		2.6
Dividends paid	(4.1)		(2.4)		(1.7)		(3.9)	
Acquisitions	(3.0)		-		(3.0)		-	
Change in adjusted net cash		(10.5)		(9.9)		(0.6)		(1.3)
Adjusted net cash / (debt) at start of period		7.4		8.7		(1.3)		8.7
Adjusted net cash / (debt) at end of period		(3.1)		(1.2)		(1.9)		7.4

* Adjusted net cash flow means net cash flow excluding lease liabilities under IFRS 16. Net cash refers to cash net of borrowings.