

Topps Tiles Plc
Interim Financial Report

Topps Tiles Plc ("Topps Group", the "Company" or the "Group"), the UK's leading tile specialist, announces its unaudited consolidated interim financial results for the 26 weeks ended 28 March 2026.

Strategic and Operational Highlights:

The Company has made significant progress against Mission 365 and the priorities for the year that we laid out in December 2025.

- **Focus on profitability:** We continue to expand gross margin and have implemented 3 major self-help cost initiatives aimed at accelerating progress to 8%+ PBT margin. This approach counteracts structural headwinds, creates a simpler and more flexible model and positions Group for sustainable long-term growth to support Mission 365 ambition.
- Topps Group has outperformed the RMI market¹, underpinned by progress in key strategic areas:
 - **Delivering trade growth:** Trade mix increased to 74.6% of revenue across the group, delivering 4.1% growth in Trade (ex-CTD), with Pro Tiler growing c.20% year on year, supported by H1 expansion of own-brand, PremTool.
 - **Accelerating digital:** Online revenue rose to c.21% (H1 2025: c.18%). Positive results from new customer engagement platform, improved marketing efficiency, website conversion rates and customer offers including live stock visibility. System modernisation rollout, including new tills and ERP upgrade, underway and on track.
 - **Driving sales excellence:** Extended Topps Tiles brand to capture customer growth in value segment and consolidated Tile Warehouse into Topps, simplifying offer to customers, and leveraging Topps Tiles' greater brand penetration and better cost to serve. New category "hard surface" extensions up 7% year on year.
- **Integrating acquisitions to drive sustainable profit:** CTD loss improved by £0.6m year-on-year and on track to be profitable in the second half. Fired Earth exceeding business case expectations and already profitable in the period. Fired Earth range in 4 countries outside of the UK via branded stockists, opening up new growth options.
- **New CFO:** Caroline Browne joins on 26 May 2026.

Financial Highlights:

The financial impact of CTD was excluded from adjusted² measures in FY 2025. In FY 2026 CTD is included in adjusted measures. For comparability, proforma³ financial measures are shown below with CTD trading included in H1 2025.

	26 weeks to 28 March 2026 (H1 2026)	26 weeks to 29 March 2025 (H1 2025)	YoY
Financial Measures²			
Group adjusted revenue	£142.6 million	£127.8 million	+11.6%
Group adjusted gross profit	£75.6 million	£68.2 million	+10.9%
Group adjusted gross margin %	53.0%	53.4%	(0.4) ppts
Group adjusted operating profit	£6.1 million	£6.2 million	(1.6)%
Group adjusted profit before tax	£2.2 million	£3.2 million	(31.3)%
Group statutory revenue	£142.6 million	£142.9 million	(0.2)%
Group statutory profit before tax	£0.5 million	£1.9 million	(73.7)%
Proforma Measures³ (CTD trading added into H1 2025)			
Group adjusted revenue proforma	£142.6 million	£142.9 million	(0.2)%
Group adjusted gross profit proforma	£75.6 million	£73.5 million	+2.9%
Group adjusted gross margin % proforma	53.0%	51.4%	+1.6 ppts
Group adjusted operating profit proforma	£6.1 million	£5.2 million	+17.3%
Group adjusted profit before tax proforma	£2.2 million	£2.2 million	-

Financial Summary:

- Revenue performance robust, and ahead of the market, in a challenging environment. Adjusted revenue of £142.6m up 11.6% year-on-year driven by inclusion of £12.3 million of CTD revenue in H1 2026. Proforma adjusted revenue is marginally down 0.2%.
- Adjusted gross margin down 0.4 ppts, driven by mix due to margin dilutive CTD business included in H1 2026. Proforma adjusted gross margin up 1.6 ppts with strong margin growth in Topps Tiles.
- Proforma adjusted operating costs up 1.8% with management driven cost savings largely offsetting inflation driven cost increases.
- Self-help cost saving and profit driving initiatives will further underpin profit delivery in the second half.
- Proforma adjusted operating profit up 17.3% given solid gross margin growth and tight operating cost management.
- Adjusted profit before tax of £2.2 million down £1.0 million versus prior year, however, flat at £2.2 million on a proforma basis, given CTD trading was a loss of £1.0 million in H1 2025.
- Statutory revenue (including CTD in both years) of £142.6m marginally down 0.2% year-on-year.
- Statutory profit before tax £0.5 million (H1 2025: £1.9 million) including the impact of store impairment, one-off property related closure costs, CTD residual one-off and non-recurring costs and management succession.
- Balance sheet remains robust, with adjusted net debt⁴ of £3.1 million at the period end (H1 2025: net debt £1.2 million), and £30 million banking facility committed until October 2027.
- Interim dividend of 1.0 pence declared in line with policy.

Current Trading and Outlook

- Topps continues to outperform softer market:
 - Topps Tiles like-for-like revenue in the first seven weeks of the second half has returned to positive, up 0.6% which, encouragingly, is a step up versus Q2 2026 (down c. 2%). CTD stores like-for-like revenue also up 3.0% in the first seven weeks of the second half.
 - We continued to see strong growth in online across the first seven weeks of the second half, including record revenue weeks achieved in Pro Tiler.
- Significant progress has been made against our strategic priorities including resetting our cost base and consolidating Topps as the market leader in tiles. While the macro and geopolitical external environment remains challenging, the Group benefits from a resilient and well-diversified supply chain. The self-help measures we have implemented along with a continued focus on productivity, efficiency and cost discipline mean we expect to deliver profit upside in the second half relative to the first half and deliver modest year-on-year profit growth in line with market expectations.

Commenting on the results, Alex Jensen, Chief Executive said:

“Topps remains a market outperformer despite a softer backdrop of weaker consumer sentiment, geopolitical uncertainty and the cumulative impact of cost inflation. We are making good progress in delivering our strategic agenda, including a programme of self-help measures weighted towards the second half, and we are accelerating growth in digital, trade and category extensions. These actions are designed to support modest year on year profit growth and provide a stronger financial platform for 2027, positioning the Group for long-term sustainable profit growth.”

Notes

1 Market performance as defined by Barclays "UK Consumer Spend Report" for Home Improvements & DIY which was +0.4% in October 2025, -2.0% in November 2025, -5.4% in December 2025, -2.4% in January 2026, -3.1% in February 2026 and -2.5% in March 2026, averaging c. -2.5% over this period.

2 Adjusted items are Alternative Performance Measures which are used by Group management to plan for, control and assess the performance of the Group. These measures are not defined by IFRS and therefore a reconciliation between each APM and the nearest IFRS measure is presented in the most recent Annual Report and Accounts. Topps Tiles like-for-like revenue is defined as sales from Topps Tiles stores that have been trading for more than 52 weeks and online sales made through the Topps Tiles brand (only). Adjusted sales and profit metrics exclude the impact of items which are either one-off in nature or fluctuate significantly from year to year, described in the Financial Review section of this document.

In the prior year FY 2025 period, the performance of CTD was fully excluded from adjusted metrics due to the ongoing disruption caused by the CMA investigation. In FY 2026, CTD is now included in the adjusted measures which skews comparability year-on-year.

3 The proforma financial measures add CTD 'trading' back into the H1 2025 base to provide a comparison of performance with CTD included in both the H1 2026 and H1 2025 financial periods. (For comparability, just the trading element of CTD has been added back into H1 2025, not the one-off acquisition, legal and advisor fees relating to the CMA investigation).

4 Adjusted net debt is defined as bank loans before unamortised issue costs, less cash and cash equivalents, as at the balance sheet date. It excludes lease liabilities under IFRS 16.

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INTERIM MANAGEMENT REPORT

Topps Group is the largest specialist distributor of tiles and related products in the UK. Approximately 75% of sales across the Group are made to trade customers, including tilers, general builders and contractors, with the remaining 25% to domestic homeowners. The majority of the Group's sales are ultimately related to work in the domestic repair, maintenance and improvement (RMI) sector, with the balance of sales relating to commercial projects, infrastructure and new build housing.

The Group owns a number of brands which target different customer groups within this market. The largest is Topps Tiles, the market-leading, omni-channel brand, which was founded in 1963 and, with its rich history and 289 stores, has strong brand recognition across the UK, serving both trade and homeowner customers. Pro Tiler Tools is the tile industry's leading Online Pure Play brand focused on trade customers, offering a wide range of trade-focused essentials items and a deep product specialism, at market-leading pricing. The Parkside brand operates in the commercial market which includes tiles supplied across sectors such as leisure, retail, hospitality, infrastructure and offices, where product specification is heavily influenced by the architect and designer community. CTD joined the Group in August 2024 and has over 50 years of experience serving the trade, the commercial market, and the housebuilder sector. Fulfilment for both Parkside and CTD is direct to customer, and via dedicated housebuilder hub stores and increasingly via the store estate. Fired Earth was acquired in H1 2026 and allows us to access the premium tile market.

All of our brands derive benefit from the scale of the Group, our market position as category experts, and our cross-group focus on top quality service. We enjoy a competitive advantage in sourcing differentiated products from around the world that we often access on an exclusive basis. Our strategy is underpinned by our people strategy, which delivers world-class customer service across the Group, our operational and digital excellence strategy, including a high-quality, specialist supply chain and ongoing investment in systems, and our environmental leadership strategy, including our goal of being carbon neutral across Scope 1 and 2 emissions by 2030.

STRATEGIC AND OPERATIONAL REVIEW

The Company has made significant progress against Mission 365 and the priorities for the year that we laid out in December 2025.

1) Focus on driving profitability and improving PBT margin:

We have increased our focus on profitability. We continued to improve underlying gross margin in the first half, with margin expansion across Topps Tiles, Pro Tiler and CTD, driving a 1.6ppts uplift on a proforma basis. Adjusted gross margin % year-on-year reduced from 53.4% to 53.0% due to the inclusion of CTD, a structurally lower-margin business, into adjusted numbers.

Our Topps Tiles store estate makes up around 60% of the Group's cost base, operates with a relatively inflexible labour model, and has been exposed to government-led inflation, in the form of National Living Wage, where rates have risen by 29% over the last three years.

In addition to cost control on COGS, we therefore implemented three business-specific transformation plans to improve profit and improve PBT margin.

In January 2026, we communicated to our organisation the closure of 23 loss-making stores over nine months in 2026. Most of these stores were close to other locations, allowing a proportion of sales to transfer (c. 20-40% transfer observed in previous programmes), making the programme profit accretive.

Across the remaining estate, we are rolling out a new store productivity model designed to better match staffing to customer demand. This dynamic approach increases flexibility and brings our labour model in line with best practice in retail.

We have also consolidated a number of roles in head office and central functions and reinvested some of the savings back into areas where we see the largest growth momentum.

These programmes are weighted into H2 and full benefits will be realised in 2027. Across all 3 they are expected to deliver c. £3m H2 benefit and c. £6m sustainable annual benefits to offset future inflation and headwinds.

2) Delivering trade growth strategy:

With trade customers using the Group's brands frequently and acting as brand ambassadors to other traders and to homeowners, we maintain our focus on expanding trader acquisition and loyalty. Our trade strategy continues strongly, now representing c. 75% of the Group mix. In H1 we delivered 4.1% growth in trade excluding CTD (0.9% including CTD, due to the revenue lost during 2025 due to the CMA process).

In Topps we strengthened our proposition to the trade segment, placing a clear emphasis on convenience and value. In February, we launched live stock visibility enabling our trade customers to see precise in-store availability on essentials items. This capability was particularly important to support the app launch that went live in May and improves planning and efficiency for our customers.

We achieved a 55% increase in the adoption of Trade Pay, our trade credit offering, compared to prior period, with 11% of trade customers using this facility. By improving access to flexible payment options, we are better supporting their ability to scale their business, and Trade Pay customers spend 5 times as much as non-Trade Pay customers. This offer is executed in a disciplined, risk-assessed way in coordination with our credit control team.

Pro Tiler Tools continues to take market share and deliver strong financial results. In the six-month period, sales of £18.4 million were up c. 20% year on year, with current sales levels about three times higher than at the point of acquisition in 2022. Growth has been delivered by continued operational improvements, including an industry-leading value proposition, specialised capability in digital marketing and the expansion of our own-brand, PremTool, which supports both revenue growth and margin expansion. We see further opportunities to grow Pro Tiler.

3) Digital acceleration:

Online revenue rose to c.21% (H1 2025: c.18%). In Topps Tiles, we launched our new trader app in May. This represents a step-change in the value proposition we are offering this segment, particularly around convenience and the ease with which they can now trade with us. Main benefits include live stock feeds and fast access to click & collect, better loyalty visibility with a rewards ladder, improved access to Trade Pay, exclusive app offers and discounts to drive Average Transaction Value and frequency.

H1 marked the first 6 months that we used CRM capability, having launched it in Q4 2025. Already our email open rates are 20% higher than the industry average. The launch of the app, enables us to personalise this, improving effectiveness and efficiency of marketing spend. The app, with the link to CRM is a cornerstone for the next phase of trade growth in Topps and we expect to see an improvement in trade sales in H2.

Across the Group we improved our website capability, with new websites launched for CTD, Topps retail and Fired Earth. In Topps, year on year conversion is up 16%, checkout abandonment has decreased by 20% and speed has improved by 30%. The number of products with reviews has increased by 10% to 44%, 2ppts higher than the industry average. At the same time, we are increasing our focus on Search Engine Optimisation and Generative Engine Optimisation, with organic visibility improving by 25% since the start of the year and the highest share of voice and AI citations amongst our competitor set.

The Group-wide system modernisation rollout is well underway, with the ERP upgrade (*Microsoft Dynamics 365 Business Central*) all on track to be completed by year end across central functions, the Topps Tiles and CTD store networks, with Parkside, to follow in 2027 as planned. Pro Tiler Tools runs on a different system, and we will revisit this architecture following the core systems upgrade. As part of this upgrade programme, we are enhancing our point-of-sale infrastructure by introducing tills with customer-facing display screens. This will enable the integration of CRM data, allowing us to deliver more personalised promotional messaging to individual customers and, over time, support self-service capabilities.

4) Driving sales excellence:

Our fourth priority is to drive sales excellence in Topps Tiles by converting our differentiators into stronger sales performance. These differentiators include market-beating product expertise and high-quality customer service.

In H1, we invested in sales capability—across people, process and performance—to improve in-store labour productivity. This drove higher conversion rates and increased average transaction values. We trained over 1,000 colleagues in a Topps-specific, benefits-led selling programme, strengthened the use of our customer pipeline tools, and reset commission schemes to reward these behaviours and outcomes.

We strengthened our position in the value segment through targeted pricing on key items in Topps Tiles, driving gross profit improvement. We also simplified our customer proposition by consolidating Tile Warehouse into the Topps Tiles brand. While Tile Warehouse delivered c. 23% growth in the first half, operating two brands constrained our ability to present a coherent, seamless offer to customers. Bringing this together allows us to build on the momentum achieved by both brands, whilst better leveraging the reach and efficiency of the Topps Tiles brand.

In the period we grew category extensions by 7% with acoustic panels and shower panels performing particularly well. We have plans to ramp up investment and focus on category extensions in H2.

Our focus on driving sales is underpinned by excellent customer service, with Google reviews averaging 4.9 stars across 85,000 reviews, supporting local visibility and customer confidence. Having a reputation for good customer service supports local visibility and customer confidence and it is also a key feed for generative engine optimisation where reviews are an important input into the AI answer.

5) Integrating acquisitions to drive sustainable profit:

CTD has delivered +1.0% like-for-like revenue in its stores and more than halved losses to £0.4m, improving by £0.6m year-on-year. It is on track to be profitable in the second half. Two new housebuilder hubs, dedicated to housebuilder needs, with racked warehouse, specified coverings and curated essentials ranges are being opened in H2 2026, with CTD Minworth open in May, and CTD Newcastle opening in Q4.

We continue to grow our Parkside business, which made a small profit in 2025 and is building momentum. We secure project specifications with architects and designers, while also targeting contractors delivering these projects. By leveraging our combined CTD and Topps store network, we are making it easier for customers to access what they need and growing the business.

Fired Earth expands our addressable customer base into premium, strengthens our proposition to homeowners and housebuilders and accelerates our digital penetration. By incorporating it into the Group, we leveraged the advantages of group sourcing and logistics scale, group digital capability, all whilst preserving the integrity of the Fired Earth brand.

Fired Earth sales are exceeding expectations, and the brand is already profitable in the first 4 months of trading. In H1 we secured long term collaborative design partnerships with Nina Campbell and Neisha Crossland, an important aspect of newness and inspiration for Fired Earth customers. In May we launched a paint collection with 120 colours. Alongside our UK stockists, we have extended the brand reach via international stockists in 4 countries. We see international expansion as a good opportunity for a strong brand with clear brand differentiation around heritage, artisan craftsmanship and quality.

Summary

We have increased our focus on profitability. We continue to generate a strong gross margin and have initiated and executed three self-help initiatives to tackle unsustainably high costs driven principally by government-led inflation. These initiatives have been executed and will underpin profit delivery in H2 2026 and future years.

We are making good progress in delivering our strategic agenda, accelerating growth in digital, trade and category extensions. In Q2 we refreshed our strategy. The refresh confirmed a market valued at c. £2.4 billion in 2025, with 50% of this in tiles and related ancillaries and 50% in new coverings such as luxury vinyl tiles and outdoor tiles and related ancillaries. We look forward to sharing the evolution of Mission 365 as part of our full year results presentation.

Key Performance Indicators (“KPIs”)

As set out in our most recent Annual Report, the Board monitors a number of financial and non-financial KPIs when reviewing the implementation of the Group’s strategy. Our performance in the 26 weeks to 28 March 2026 is set out in the table below, together with the prior year performance data. One KPI, total scope 1 and 2 net carbon emissions (tonnes per annum), is only available on an annual basis and so is not disclosed here. The source of data and calculation methods are consistent with those described in the 2025 Annual Report.

In FY24 the business acquired CTD which was removed from the ‘adjusted’ measures in the 2024 and 2025 financial years. However, in the 2026 financial year, the sales, margin, costs, profit and other financial metrics have been brought fully into the ‘adjusted’ measures illustrated below. For comparative purposes, Adjusted Revenue growth/(decline), Adjusted Gross Margin %, Adjusted Profit Before Tax, and Adjusted Earnings Per Share have been shown as a proforma whereby CTD Trading has been added back into to H1 2025 numbers to provide a like-for-like comparison (note the ‘one off’ elements of CTD relating to acquisition costs and CMA investigation have been excluded, meaning just the trading elements have been included in the proforma view):

	26 weeks to 28 March 2026 (H1 2026)	26 weeks to 29 March 2025 (H1 2025)	YoY
Financial KPIs			
Group adjusted revenue growth year on year*	11.6%	4.1%	n/a
Topps Tiles like-for-like revenue growth year on year*	0.1%	3.0%	n/a
Group adjusted gross margin %*	53.0%	53.4%	(0.4) ppts
Group adjusted profit before tax*	£2.2 million	£3.2 million	(31.3)%
Adjusted earnings per share*	0.83 pence	1.12 pence	(25.9)%
Adjusted net (debt)/cash at period end*	£(3.1) million	£(1.2) million	£(1.9) million
Inventory days	110	114	(4) days
Proforma KPIs (CTD trading added into H1 2025)			
Group adjusted revenue growth/(decline) year on year proforma	(0.2)%	n/a	n/a
Group adjusted gross margin % proforma	53.0%	51.4%	+1.6 ppts
Group adjusted profit before tax proforma	£2.2 million	£2.2 million	-
Adjusted earnings per share proforma	0.83 pence	0.73 pence	+13.7%
Non-financial KPIs			
Square metres of tiles sold in Topps Tiles (thousand)	1,883	2,102	(10.4)%
Topps Tiles customer overall satisfaction score	91.0%	91.2%	(0.2) ppts
Group colleague retention	77.6%	80.8%	(3.2) ppts

* as defined in the Financial Review

FINANCIAL REVIEW

H1 2026 covers the 26 weeks to 28 March 2026. The previous period ('H1 2025') covers the 26 weeks to 29 March 2025.

The addition of CTD into the 'Adjusted' financial measures in H1 2026 drives positive sales growth year-on-year of 11.6%, given CTD did not form part of the 'Adjusted' financial measures in the H1 2025 period. On a proforma and statutory basis (CTD in both H1 2026 and H1 2025) revenue growth is marginally down 0.2%, albeit ahead of a weak market. Within this Topps Tiles like-for-like revenue in the half shows a small increase of 0.1% with consumer confidence increasingly impacted by wider macro and geopolitical factors.

At an adjusted profit before tax level, the Group delivered £2.2 million in the first half of 2026, versus £3.2 million in H1 2025. However, on a proforma basis, with the £1.0 million CTD trading loss included in the H1 2025 base, adjusted profit before tax of £2.2 million is flat year-on-year.

Key financial results are as follows:

	26 weeks ended 28 March 2026 (H1 2026)	26 weeks ended 29 March 2025 (H1 2025)	YoY
Adjusted Measures			
Topps Tiles like-for-like revenue growth year on year	0.1%	3.0%	n/a
Group adjusted revenue	£142.6 million	£127.8 million	+11.6%
Group adjusted gross profit	£75.6 million	£68.2 million	+10.9%
Group adjusted gross margin %	53.0%	53.4%	(0.4) ppts
Group adjusted operating profit	£6.1 million	£6.2 million	(1.6)%
Group adjusted profit before tax	£2.2 million	£3.2 million	(31.3)%
Adjusted earnings per share	0.83 pence	1.12 pence	(25.9)%
Adjusted net (debt)/cash at period end	£(3.1) million	£(1.2) million	£(1.9) million
Proforma Measures (CTD added into H1 2025)			
<i>Group adjusted revenue proforma</i>	<i>£142.6 million</i>	<i>£142.9 million</i>	<i>(0.2)%</i>
<i>Group adjusted gross profit proforma</i>	<i>£75.6 million</i>	<i>£73.5 million</i>	<i>+2.9%</i>
<i>Group adjusted gross margin % proforma</i>	<i>53.0%</i>	<i>51.4%</i>	<i>+1.6 ppts</i>
<i>Group adjusted operating profit proforma</i>	<i>£6.1 million</i>	<i>£5.2 million</i>	<i>+17.3%</i>
<i>Group adjusted profit before tax proforma</i>	<i>£2.2 million</i>	<i>£2.2 million</i>	<i>-</i>
<i>Adjusted earnings per share proforma</i>	<i>0.83 pence</i>	<i>0.73 pence</i>	<i>+13.7%</i>
Statutory Measures			
Group statutory revenue	£142.6 million	£142.9 million	(0.2)%
Group statutory gross profit	£75.5 million	£74.1 million	+1.9%
Group statutory gross margin %	52.9%	51.9%	+1.0 ppts
Group statutory profit before tax	£0.5 million	£1.9 million	(73.7)%
Basic earnings per share	0.17 pence	0.61 pence	(72.1)%
Interim dividend per share	1.0 pence	0.8 pence	+25.0%

Acquisitions

CTD

In August 2024 the Group acquired the brand and certain assets from CTD Tiles Limited (in administration) including the right to occupy 30 stores, selected stock, intellectual property and branding.

As the Group fully integrates this acquisition, the performance of CTD has been incrementally improving, particularly following the completion of the CMA process in late 2025. The Group has continued to focus on cost discipline, optimising the operating model to deliver synergies, driving store performance through the 22 CTD stores that it currently operates from, and recovering the Housebuilder business which was impacted following the prolonged CMA process. As a result, the loss across the first half 2026 has been reduced to £0.4 million compared to a trading loss in H1 2025 of £1.0 million. The Group is continuing to focus on bringing the CTD business to profit in the second half and sustainable profit thereafter.

£m	H1 2025	H2 2025	Full Year 2025	H1 2026
CTD Trading Profit / (Loss)*	(1.0)	(0.7)	(1.7)	(0.4)

* Note that just the trading loss has been added back into the H1 2025 base for the proforma view. Other one-off legal and advisor costs relating to the acquisition and consequent CMA process have been excluded.

In both the 2024 and 2025 full year results, CTD's performance was excluded from adjusted profit metrics, including its trading performance, acquisition costs, and the costs of the CMA investigation. However, in FY 2026, CTD's results are now being included in the adjusted profit metrics of the Group, which given CTD remains loss making, has introduced a £0.4 million drag on reported adjusted profit before tax in H1 2026.

The table below illustrates the impact of this, showing that adding the CTD trading loss into the H1 2025 base provides a more comparable proforma view of year-on-year profitability:

	26 weeks ended 28 March 2026 (H1 2026)	26 weeks ended 29 March 2025 (H1 2025)	YoY
Adjusted profit before tax	£2.2 million	£3.2 million	(31.3)%
Add back CTD trading loss* into H1 2025 base	-	£(1.0) million	n/a
Adjusted profit before tax (proforma)	£2.2 million	£2.2 million	-

* Note that just the trading loss has been added back into the H1 2025 base for the proforma view. Other one-off legal and advisor costs relating to the acquisition and consequent CMA process have been excluded.

Fired Earth

On 26 November 2025, the Group acquired – from administration – the Fired Earth brand, associated IP, website and a provisional £2.5 million of stock, for a total cash consideration of £3.0 million. Significant focus was placed on re-establishing the business, such that by 16 December 2025, Fired Earth was trading through a fully transactional website. Trading performance has continued to build, and Fired Earth has already delivered a modest profit in the first half, whilst delivering revenue of c. £1m. Given the newly acquired Fired Earth brand was brought under the control of the Group almost immediately after acquisition, and then the trading was re-established shortly after, and from a materiality perspective the values are fairly modest, the Group has brought the core underlying trading metrics into its “Adjusted” financials immediately, with only the one-off acquisition costs being treated as adjusted items. This approach differs versus the treatment of CTD which was a larger transaction and was severely hampered by the prolonged CMA process which meant the Group was not able to gain trading and operational control over CTD until well after the acquisition.

Following the acquisition of Fired Earth, the Group is required to account for the acquired assets and liabilities in accordance with IFRS 3 Business Combinations. As permitted under IFRS 3, the acquisition accounting has been recognised on a provisional basis at the reporting date, reflecting the fact that the valuation exercise is not yet complete.

IFRS 3 permits the use of provisional amounts where the initial accounting for a business combination is incomplete, with retrospective adjustment of those amounts permitted during a measurement period of up to 12 months from the acquisition date. The Group expects to finalise the acquisition accounting prior to 25 November 2026, with the final values to be reflected in the FY26 results.

Tile Warehouse – Consolidation into Topps Tiles

The Group's Online Pure Play brand Tile Warehouse, which focuses on the value DIY customer, was launched in May 2022 and delivered sales of £3.0 million in the 2025 full financial year and £1.7 million in H1 2026. From a profit perspective, the brand delivered a loss of £(0.5) million in the 2025 financial year and, whilst the position has improved slightly, remains in a loss-making position in H1 2026.

Following a detailed review, the Group has made the decision to consolidate the Tile Warehouse business into Topps Tiles allowing us to serve value led customers more efficiently and sustainably. Focusing efforts behind a Topps Tiles value proposition allows the Group to invest in a brand with greater market reach and penetration, stronger customer recognition, and a proven margin profile.

Execution of this change will occur across H2 2026, with the financial impact being accretive to the Group. The Group anticipate that the operating cost savings, alongside transfer of existing Tile Warehouse trade into the Topps Tiles brand, will more than offset the loss of revenue from retiring the Tile Warehouse brand. Note that the one-off costs associated with executing this change will be reflected as an adjusting item and removed from adjusted profit before tax.

Consolidated Statement of Profit or Loss

Topps Group adjusted revenue growth of +11.6% in the 26 weeks ended 28 March 2026 was supported by bringing CTD into the adjusted financials in H1 2026, whereas in financial years 2024 and 2025 it was excluded from the adjusted financials. Group statutory revenue, with CTD included in both H1 2026 and H1 2025, was marginally down 0.2% year-on-year. Within this, Topps Tiles revenue, which represents nearly 75% of Group revenue, was marginally down 1.7% year-on-year, driven by the closure of 8 stores in the period, whilst Topps Tiles like-for-like sales delivered a modest growth of 0.1% in the half.

Sales in Online Pure Play remained very strong, up 25.6% to £21.1 million. Within Online Pure Play, Pro Tiler Tools continued to deliver excellent growth, up c. 20% year-on-year to £18.4 million. The introduction of the newly acquired Fired Earth brand also delivered £1.0 million of revenue in the half following its acquisition in November 2025. Parkside, our commercial 'architecture and design (A&D)' brand saw flat sales of £3.9 million in the half. Revenue by business area is illustrated below, with the impact of CTD also highlighted:

Revenue by brand (£m)	H1 2026	H1 2025	Variance
Topps Tiles	105.3	107.1	(1.7)%
Parkside	3.9	3.9	-
Online Pure Play*	21.1	16.8	+25.6%
CTD**	12.3	-	n/a
Adjusted revenue	142.6	127.8	+11.6%
CTD**	-	15.1	n/a
Statutory (and proforma) revenue	142.6	142.9	(0.2)%

*Online Pure Play includes Pro Tiler Tools and its associated brands, which were acquired in March 2022, Tile Warehouse, which was launched in May 2022 (and will be consolidated into Topps in H2 2026) and Fired Earth which was acquired in November 2025 and trading re-established in December 2025.

** CTD was acquired in August 2024. Please see the section above for further information.

Adjusted gross profit of £75.6 million was £7.4 million higher year-on-year (H1 2025: £68.2 million) driven by the introduction of CTD into adjusted measures in 2026. On a proforma basis with CTD included in H1 2025, gross profit increased £2.1 million year-on-year with both online driven sales growth and higher margin rates in Topps Tiles and Pro Tiler the key drivers.

Whilst the adjusted gross margin has stepped back 0.4 ppts year-on-year to 53.0%, this is primarily a mix impact given the structurally lower margin CTD business is included in H1 2026 measures but not in H1 2025. The adjusted gross margin on a proforma basis has increased 1.6 ppts year-on-year with Topps Tiles the key driver of the growth. Within Topps Tiles margin has grown 1.8 ppts (contributing 1.7 ppts to overall Group margin) where the impact of the higher mix of trade and essentials is fully offset by management action on cost of goods and pricing.

The table below provides context on the drivers of gross margin year-on-year:

	Gross Margin %
H1 2025 adjusted gross margin	53.4
Add in H1 FY25 CTD	(2.0)

H1 2025 adjusted gross margin proforma³	51.4
Topps Tiles	1.7
Parkside / CTD / Fired Earth	0.5
Mix impact of growth in Online Pure Play	(0.6)
H1 2026 adjusted gross margin	53.0
Other	(0.1)
H1 2026 statutory gross margin	52.9

Adjusted operating expenses of £69.5 million increased by £7.5 million year-on-year, primarily due to bringing the CTD business into the adjusted measures in financial year 2026. On a proforma basis with CTD included in both years, operating expenses have increased by £1.2 million with management driven cost savings largely offsetting inflationary headwinds and growth investments. The table below summarises the movements in operating expenses year-on-year, including highlighting the impact of CTD:

	£ million
H1 2025 adjusted operating expenses	62.0
Add in H1 2025 CTD trading operating expenses	6.3
H1 2025 proforma³ operating expenses	68.3
Inflationary costs	2.3
Growth investments	1.4
Self-help savings	(2.5)
H1 2026 adjusted operating expenses	69.5

Cost inflation was spread across a number of lines, including wage inflation (driven by the 6.7% increase in National Living Wage and the increase in the rate and reduction in the threshold of employers' NICs, both from April 2025), and property costs. Growth investments reflect the continued sales momentum in Pro Tiler Tools, which drove associated cost growth (albeit at a lower rate than revenue), particularly in digital marketing and the supply chain following the relocation to the new Prologis Park distribution centre part way through H1 2025. In addition, the acquisition of Fired Earth during the period increased the Group's operating cost base, although this was more than offset by its strong trading performance. The Group also continued to invest in strategic capability, including the ERP upgrade and Trade App. These cost increases were partly mitigated by self-help savings, with CTD costs reducing year-on-year compared to H1 2025 due to a smaller store base and the realisation of Group cost synergies. Within Topps Tiles, further savings were delivered through fewer stores year-on-year alongside ongoing cost efficiency initiatives.

Adjusted operating profit was down 1.6% to £6.1 million (H1 2025: £6.2 million), however, proforma adjusted operating profit (CTD included in H1 2025 base) was up 17.3% given solid gross margin growth and tight operating cost management.

Adjusted net finance costs were £3.9 million in H1 2026 (H1 2025: £3.0 million), as a result of higher IFRS 16 interest charges driven by the inclusion of CTD stores in adjusted measures in the current year and the full-year impact of the Prologis Park Pineham distribution centre, which was partially excluded in the prior year while non-operational. Statutory interest costs were £3.9 million (H1 2025: £3.3 million), broken down as follows:

	H1 2026	H1 2025	Variance
Net interest payable on lease liabilities	3.4	2.5	0.9
Bank interest payable and amortisation of banking facility fees	0.6	0.6	-
Interest receivable on credit balances	(0.1)	(0.1)	-
Adjusted net finance costs	3.9	3.0	0.9
IFRS 16 interest payable on non-operational warehousing	-	0.3	(0.3)
Net finance costs	3.9	3.3	0.6

Adjusted profit before tax for the period was £2.2 million (H1 2025: £3.2 million). On a proforma basis, adjusted profit before tax of £2.2 million was flat year-on-year, with CTD's trading loss of £1.0 million included in H1 2025.

After including the adjusting items described in the next section, the statutory profit before tax was £0.5 million (H1 2025: £1.9 million).

Adjusting items

The Group's management uses adjusted performance measures, to plan for, control and assess the performance of the Group. Adjusted profit before tax differs from the statutory profit before tax as it excludes the effect of one-off or fluctuating items, allowing stakeholders to understand results across years in a more consistent manner. We have excluded property costs in relation to both the prior store closure programme, which concluded in 2022, and the latest store closure programme announced earlier this year. The current programme forms part of wider cost-saving initiatives, including the closure of 23 underperforming stores across the financial year.

In line with prior years, we treat any impairment charges or impairment reversals of right-of-use assets, derecognition of lease liabilities where we have exited a store, and one-off gains and losses through sub-lets as adjusting items. From the 2024 full year results, we have also excluded impairment and impairment reversals of plant, property and equipment from adjusted profit, as the impairment of these assets is a result of the same impairment review process applied to right of use assets, implying the same accounting presentation. In addition, the impact of these impairments is excluded from adjusted profit. Impairments imply that assets will not incur a depreciation charge moving forward in statutory profit, however, the Group's adjusted profit before tax measure will carry a notional depreciation charge, as if the assets had not been impaired, meaning that adjusted profit before tax will continue to be comparable year on year, and is more reflective of the actual lease payments made by the Group. None of these impairments / lease gains and losses have any cash impact, in 2024 or in future periods.

In the prior period, the Group relocated the warehouse operations of both Pro Tiler Tools and CTD into a distribution centre at the Prologis Park Pineham. The costs associated with the warehouse before operational use, costs associated with the warehouse being exited, and the relocation of the Pro Tiler operation to the new facility, were excluded from adjusted profit.

In August 2024, the CTD brand and certain assets were acquired from administration and in the prior year, the financial impact of this business, including its trading performance, one-off items and non-recurring costs, and the costs of advisory fees relating to the CMA investigation were excluded from adjusted profit. The CMA's Initial Enforcement Order had the effect of keeping CTD at arm's length of the company's management and prohibiting further integration which would have improved the business's financial performance. In the current year, CTD's trading performance has been included within adjusted profit, with the exception of one-off and non-recurring costs and CMA-related advisory fees.

Costs associated with the acquisition of Fired Earth, including legal and other professional fees, have been identified as non-recurring in nature and have therefore been excluded from adjusted profit. This treatment ensures that the reported performance reflects the ongoing operational activities of the business. Restructuring costs and other one-off costs have also been excluded.

During the period, the previously announced senior management changes progressed, including the retirement of Rob Parker as Chief Executive. Several management transition costs were incurred, including dual-running and recruitment-related costs, all of which have been treated as adjusting items.

An analysis of movements from adjusted profit before tax to statutory profit before tax is given below:

	H1 2026 £m	H1 2025 £m
Adjusted profit before tax	2.2	3.2
Property		
- Vacant property and closure costs	(0.7)	(0.4)
- Store impairment, reversal of impairment and lease exit gains and losses	(1.7)	0.4
- Removal of notional depreciation on impaired assets	2.0	2.9
- Non-operational warehouse costs	-	(0.9)
	(0.4)	2.0
Business development		
CTD		
- Trading	-	(1.0)
- Retention of title benefits	-	0.8
- One off items & non-recurring costs	(0.4)	(1.3)
- CMA advisory costs	(0.2)	(1.6)
- Fired Earth acquisition costs	(0.1)	-
- Restructuring and other one-off costs	-	(0.2)
	(0.7)	(3.3)
Management succession	(0.6)	-
Statutory profit before tax	0.5	1.9

Tax and earnings per share

The tax expense was £0.1 million (H1 2025: £0.7 million). On an adjusted basis, the tax expense was £0.5 million (H1 2025: £1.0 million) and the effective tax rate for the period was 24.2% (H1 2025: 30.3%), slightly lower than the headline rate of corporation tax in the UK of 25% as a result of certain disallowable expenses offset by the movement in share based payment and the net impact of depreciation compared to capital allowances.

Adjusted earnings per share were 0.83 pence, down 25.9% when compared to 1.12 pence in H1 2025, mirroring the reduction in adjusted profit year-on-year, driven by the inclusion of CTD losses in H1 2026 (excluded from H1 2025). On a proforma basis (CTD trading reflected in H1 2025 base), adjusted earnings per share is up 13.7%.

Basic earnings per share were 0.17 pence (H1 2025: 0.61 pence).

Dividend

Under the Group's capital allocation and dividend policy, interim dividends are set at one third of the full year dividend from the previous year. The full year dividend relating to FY 2025 was 2.9 pence and, as such, an interim dividend of 1.0 pence has been declared by the Board (H1 2025: 0.8 pence). The shares will trade ex-dividend on 4 June 2026 and the dividend will be paid on 10 July 2026.

Consolidated Statement of Financial Position and Consolidated Cash Flow Statement

Capital Expenditure and Store Estate

Capital expenditure in the first half was £2.3m (H1 2025: £4.0m) with the investment focused on our digital acceleration including the upcoming Topps Trade App and personalisation of our Customer Engagement Platform ('CEP'), expenditure on the new till systems and ERP upgrade, and investment in existing stores. The year-on-year reduction in capital expenditure is largely driven by last year's investment in the Group's new distribution centre to support the Pro Tiler Tools and CTD operations.

In the period, no new Topps Tiles stores opened and eight Topps Tiles stores closed. At the period end there were 289 trading stores (H1 2025: 298 stores). We retain significant flexibility within our store estate, with an average unexpired lease term of 2.5 years (H1 2025: 2.8 years), or 2.2 years excluding strategically important stores (H1 2025: 2.7 years). At the period end, there were six closed stores (H1 2025: one closed store), some of which are expected to be exited in the second half of the year.

Inventory

Inventory at the period end was £41.9 million (H1 2025: £40.3 million), representing 110 stock days (H1 2025: 114 stock days). This includes £5.0m million of stock held in Pro Tiler (H1 2025: £4.1 million), representing 68 stock days (H1 2025: 66 stock days) and £4.8 million of stock held at CTD (H1 2025: £5.4 million), representing 102 stock days (H1 2025: prior year inventory days were distorted by the short period of CTD trading in H2 2024). At the last year end, inventory was £40.6 million, equivalent to 105 stock days.

Consolidated Cash Flow Statement

The Group's adjusted net cash/(debt) position decreased in the period by £10.5 million from £7.4 million of adjusted net cash at year end to £3.1 million of adjusted net debt at the half year end. Adjusted net cash/(debt) is defined as cash and cash equivalents, less bank loans, before unamortised issue costs. The table below analyses the Group's adjusted net cash flow:

	H1 2026	H1 2025
	£m	£m
Cash generated by operations, including interest and capital elements of leases, before WC movements and CTD/CMA	4.9	4.2
Changes in working capital excluding CTD/CMA	(6.2)	(4.5)
CTD operational cash flows and CMA advisory fees	1.1	(2.3)
Net bank interest	(0.4)	(0.4)

Tax	-	(0.3)
Capital expenditure	(2.3)	(4.0)
Other	<u>(0.5)</u>	<u>(0.2)</u>
Free cash flow	(3.4)	(7.5)
Dividends	<u>(4.1)</u>	<u>(2.4)</u>
Change in adjusted net cash before acquisitions	(7.5)	(9.9)
Acquisition of Fired Earth	(3.0)	-
Change in adjusted net cash	(10.5)	(9.9)
Adjusted net cash/(debt) at start of period	7.4	8.7
Adjusted net cash/(debt) at end of period	(3.1)	(1.2)

Cash generated by operations, after leases but before working capital movements and excluding CTD was £4.9 million, £0.7 million higher than the previous year. A working capital outflow excluding CTD of £6.2 million in the first half (H1 2025: outflow of £4.5 million) was driven by a reduction in trade creditors versus the year-end, reflecting the normal unwinding of elevated year-end purchasing ahead of the peak trading period, compounded by weaker Q2 trading resulting in lower purchasing levels. Softer trading in Q2 also led to a reduction in VAT payable, creating a further cash outflow compared with the year-end position. There was also an increase in Pro Tiler stock vs year-end, resulting in a cash outflow, reflecting strong growth. In addition, H1 includes the payment of the prior year head office bonus, which was higher than the equivalent payment made in the prior year, increasing the year-on-year outflow. CTD cash flows were an inflow of £1.1m, driven by a reduction in stock across the first half. Capital expenditure is detailed in the section above. Net interest paid was a £0.4 million cash outflow, which was flat year-on-year. Cash tax payments were nil in the first half as a result of statutory losses made in prior years, however dividends were up year-on-year, with the payment in the first half being in relation to the FY 2025 final dividend of 2.1 pence per share (H1 2025: final dividend of 1.2 pence per share). The acquisition of certain assets of Fired Earth resulted in a £3.0 million outflow in the first half.

Return on Capital Employed

Lease adjusted returns on capital employed in the first half were 15.0% (H1 2025: 12.9%), based on an increase in the rolling 12-month adjusted operating profit compared to the previous year, in particularly the second half of FY 2025.

Banking Facilities

The Group maintains a robust balance sheet, providing resilience and allowing investment in growth opportunities. A £30.0 million revolving credit facility is in place which is committed to October 2027 (H1 2025: £30.0 million facility, committed to October 2027). At the half year, £19.0 million of this facility was drawn (H1 2025: £14.0 million drawn) following £3.0 million required for the Fired Earth acquisition in H1 2026, alongside higher year-on-year dividend. Based on a closing net debt excluding lease liabilities position of £3.1 million at the period end, the Group had £26.9 million of headroom to its banking facilities at the period end (H1 2025: £28.8 million).

Forward Guidance

Certain factors weight profit to the second half:

- Typical trading phasing with modest revenue bias to the second half.
- Self-help management interventions add c. £3m benefit in the second half (c. £6m annualised benefit).
- Gross margins in the second half are expected to be broadly consistent with the first half.
- Inflation driven wage costs including the increase in the National Living Wage from 1 April will impact employment costs in the second half by approximately £0.8 million relative to the first half.
- Cash generation expected in the second half through H2 weighted profit and favourable working capital.

Current Trading and Outlook

The macro environment remains challenging, given ongoing political unrest and weak consumer sentiment. Despite this, through self-help management intervention and a strong focus on delivering for the customer, trading has shown an improving trend across the start of the second half. The first seven weeks of the second half have seen Topps Tiles like-for-like revenues return to a positive position, up 0.6%, which follows a challenging second quarter performance where like-for-like revenue was down c. 2%. In the same period CTD store like-for-like revenues have also increased 3.0%. The Group is also seeing a continuation of the strong growth of its online brands in the first seven weeks of the second half, with Pro Tiler recording record sales weeks in this period.

The combination of strong strategic execution of self-help interventions benefitting the second half, coupled with accelerating growth in digital, trade and category extensions, gives the Group confidence that it will deliver modest year-on-year profit growth in line with market expectations, assuming macro conditions and consumer confidence do not deteriorate further.

Risks and Uncertainties

The Board continues to monitor the key risks and uncertainties of the Group on a quarterly basis as part of their core governance processes. No principal risks have been removed since the 2025 Annual Report, but some have been amended given the increased macro-economic and geopolitical volatility developing in 2026. The principal risks on Global Supply Chain and Macro-economic Outlook have been updated to reflect the potential fallout from the conflict in the Middle East that could impact the Group, such as the availability and increases in the cost of goods for resale, and the impact of higher inflation on consumers and costs in the UK. The Group continues to monitor the situation closely, particularly regarding the Group's global allocation of supply, consumer demand and fuel prices.

One new principal risk has been recognised to reflect the heightened threat from competition and the potential impact on turnover and profit in the short to medium term. Mitigating actions to generate incremental sales and profit are being developed and deployed. The Board has focused the principal risk of developing and delivering the Group's strategy onto delivery to ensure that projects are effectively executed under the revised strategy. Additional capability and resource has been brought in to support the successful implementation of the new ERP. Finally, the principal risk for Artificial Intelligence (AI) has been refreshed to recognise the continual development in the use of AI in PPC (pay per click) and search.

The Board believes that the other principal risks remain largely as documented in the 2025 Annual Report, by nature and scale. These key risks and uncertainties include growth through mergers and acquisitions; aging systems; cyber security; quality and ethical sourcing; sustainability and climate change; health and safety.

Going concern

When considering the going concern assertion, the Board reviews several factors including a review of risks and uncertainties, the ability of the Group to meet its banking covenants and operate within its banking facilities based on current financial plans, along with a detailed review of more pessimistic trading scenarios that are deemed severe but plausible. The two downside scenarios modelled include a moderate decline and more severe decline in sales, both resulting in lower gross profit and worse profit and cash outcomes than the base scenario. The more severe downside scenario modelled this year was based on a prolonged period of macroeconomic stress in the UK, lasting for more than one year, with sales falling 10% year-on-year across the remainder of FY26 and then no growth year-on-year in FY27, in both our Topps Tiles brand and Pro Tiler Tools brand. The scenario also assumes declines in gross margins across the remainder of FY26 equating to a year-on-year decrease of approximately one percentage point, with recovery over a two-year period. The more severe downside scenario also incorporated elements of reverse stress testing to assess the level of sales decline required before the Group would begin to approach covenant breach. Even in this scenario the Group has a significant amount of cash headroom. This scenario also assumes that variable costs would reduce in line with sales and direct mitigating cost reduction actions, which would be taken if such a downturn occurred.

The going concern analysis, prepared for the Board, also outlined a range of additional mitigating actions that could be taken in a severe but plausible trading scenario. These included, but were not limited to, further savings on store colleague costs and central support costs, reduced marketing activity, a reduction of capital expenditure, management of working capital and suspension of the dividend. The Group's cash headroom and covenant compliance was reviewed against current lending facilities in both the base case and the severe but plausible downside scenarios. In no scenario modelled does the Group breach covenant compliance. The current lending facility, of £30.0 million, was refinanced in October 2022 and expires in October 2027.

In all scenarios, the Board has concluded that there is sufficient available liquidity, with sufficient covenant headroom for the Group to continue to meet all its financial commitments as they fall due for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, the Board continues to adopt the going concern basis in preparing the Interim Accounts.

Responsibility Statement

We confirm that to the best of our knowledge:

(a) the condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting' as contained in UK-adopted IFRS;

(b) the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and

(c) the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

Alex Jensen

Chief Executive Officer

19 May 2026

Rob Swales

Interim Chief Financial Officer

Condensed Consolidated Statement of Profit or Loss

for the 26 weeks ended 28 March 2026

		26 weeks ended 28 March 2026 £'000	26 weeks ended 29 March 2025 £'000	52 weeks ended 27 September 2025 £'000
	Note	(Unaudited)	(Unaudited)	(Audited)
Group revenue	2	142,602	142,902	295,754
Cost of sales		(67,128)	(68,805)	(141,428)
Gross profit		75,474	74,097	154,326
Distribution and selling costs		(50,472)	(48,480)	(98,809)
Other operating expenses		(2,195)	(2,399)	(6,232)
Administrative costs		(11,653)	(13,633)	(27,215)
Marketing and online costs		(4,889)	(4,830)	(9,459)
Property related impairment reversal/(charge)		(1,991)	396	2,425
Other income		125	71	263
Group operating profit		4,399	5,222	15,299
Net finance costs		(3,925)	(3,339)	(7,037)
Profit before taxation		474	1,883	8,262
Taxation	3	(131)	(687)	(2,274)
Profit for the period		343	1,196	5,988
Profit is attributable to:				
Owners of Topps Tiles Plc		343	1,196	5,988
Non-controlling interests		-	-	-
		343	1,196	5,988

All results relate to continuing operations of the Group.

Earnings per ordinary share

- Basic	5	0.17p	0.61p	3.05p
- Diluted	5	0.17p	0.60p	3.01p

There were no items of other comprehensive income in the current or preceding financial periods and therefore a separate Condensed Consolidated Statement of Comprehensive Income has not been presented.

**Condensed Consolidated Statement of
Financial Position**

as at 28 March 2026

		28 March 2026 £'000 (Unaudited)	29 March 2025 £'000 (Unaudited)	27 September 2025 £'000 (Audited)
	Note			
Non-current assets				
Goodwill		6,757	8,365	5,496
Intangible assets		5,663	3,892	5,744
Property, plant and equipment		16,096	18,211	16,776
Deferred tax assets		1,212	3,773	1,339
Right-of-use assets		77,828	70,388	77,947
Other financial assets		1,180	1,447	1,302
		108,736	106,076	108,604
Current assets				
Inventories		41,944	40,334	40,613
Other financial assets		377	343	298
Trade and other receivables		16,229	16,143	18,047
Current tax debtor		1,588	1,327	1,588
Derivative financial instruments		-	-	138
Cash and cash equivalents		15,928	12,763	18,434
Assets classified as held for sale		-	-	171
		76,066	70,910	79,289
Total assets		184,802	176,986	187,893
Current liabilities				
Trade and other payables		(57,758)	(59,256)	(64,351)
Lease liabilities		(17,239)	(15,791)	(16,782)
Derivative financial instruments		(33)	(98)	-
Provisions		(247)	(232)	(247)
Total current liabilities		(75,277)	(75,377)	(81,380)
Net current assets/(liabilities)		789	(4,467)	(2,091)
Non-current liabilities				
Lease liabilities		(81,844)	(80,518)	(83,010)
Provisions		(4,943)	(2,770)	(4,776)
Bank loans	6	(19,000)	(13,996)	(11,000)
Total liabilities		(181,064)	(172,661)	(180,166)
Net assets		3,738	4,325	7,727
Equity				
Share capital	8	6,556	6,556	6,556
Share premium		2,636	2,636	2,636
Own shares		(193)	(82)	(28)
Merger reserve		(399)	(399)	(399)
Share-based payment reserve		6,780	6,378	6,563
Capital redemption reserve		20,359	20,359	20,359
Accumulated losses		(32,001)	(31,123)	(27,960)
Capital and reserves attributable to owners of Topps Tiles Plc		3,738	4,325	7,727
Non-controlling interests		-	-	-
Total equity		3,738	4,325	7,727

Condensed Consolidated Statement of Changes in Equity

For the 26 weeks ended 28 March 2026

	Equity attributable to equity holders of the parent								Non-controlling interest £'000	Total equity £'000
	Share capital £'000	Share premium £'000	Own shares £'000	Merger reserve £'000	Share-based payment reserve £'000	Capital redemption reserve £'000	Accumulated losses £'000			
Balance at 27 September 2025 (Audited)	6,556	2,636	(28)	(399)	6,563	20,359	(27,960)	-	7,727	
Profit and total comprehensive income for the period	-	-	-	-	-	-	343	-	343	
Dividends	-	-	-	-	-	-	(4,124)	-	(4,124)	
Own shares purchased in the period	-	-	(425)	-	-	-	-	-	(425)	
Own shares disposed of in the period	-	-	260	-	-	-	(260)	-	-	
Credit to equity for equity-settled share-based payments	-	-	-	-	217	-	-	-	217	
Balance at 28 March 2026 (Unaudited)	6,556	2,636	(193)	(399)	6,780	20,359	(32,001)	-	3,738	

Condensed Consolidated Statement of Changes in Equity (continued)

For the 26 weeks ended 29 March 2025

	Equity attributable to equity holders of the parent								
	Share capital £'000	Share premium £'000	Own shares £'000	Merger reserve £'000	Share-based payment reserve £'000	Capital redemption reserve £'000	Accumulated losses £'000	Non-controlling interest £'000	Total equity £'000
Balance at 28 September 2024 (Audited)	6,556	2,636	(7)	(399)	6,349	20,359	(29,909)	-	5,585
Profit and total comprehensive income for the period	-	-	-	-	-	-	1,196	-	1,196
Dividends	-	-	-	-	-	-	(2,357)	-	(2,357)
Own shares purchased in the period	-	-	(128)	-	-	-	-	-	(128)
Own shares disposed of in the period	-	-	53	-	-	-	(53)	-	-
Credit to equity for equity-settled share-based payments	-	-	-	-	29	-	-	-	29
Balance at 29 March 2025 (Unaudited)	6,556	2,636	(82)	(399)	6,378	20,359	(31,123)	-	4,325

Condensed Consolidated Statement of Changes in Equity (continued)

For the 52 weeks ended 27 September 2025

Equity attributable to equity holders of the parent									
	Share capital	Share premium	Own shares	Merger reserve	Share-based payment reserve	Capital redemption reserve	Accumulated losses	Non-controlling interest	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 28 September 2024 (Audited)	6,556	2,636	(7)	(399)	6,349	20,359	(29,909)	-	5,585
Profit and total comprehensive loss for the period	-	-	-	-	-	-	5,988	-	5,988
Dividends	-	-	-	-	-	-	(3,929)	-	(3,929)
Own shares purchased in the period	-	-	(127)	-	-	-	-	-	(127)
Own shares disposed of in the period	-	-	106	-	-	-	(106)	-	-
Credit to equity for equity-settled share-based payments	-	-	-	-	214	-	-	-	214
Deferred tax on share-based payment transactions	-	-	-	-	-	-	(4)	-	(4)
Balance at 27 September 2025 (Audited)	6,556	2,636	(28)	(399)	6,563	20,359	(27,960)	-	7,727

**Condensed Consolidated Cash Flow Statement
for the 26 weeks ended 28 March 2026**

		26 weeks ended 28 March 2026 £'000 (Unaudited)	26 weeks ended 29 March 2025 £'000 (Unaudited)	52 weeks ended 27 September 2025 £'000 (Audited)
	Notes			
Cash flow from operating activities				
Profit for the period		343	1,196	5,988
Taxation	3	131	687	2,274
Finance costs		4,031	3,493	7,295
Finance income		(106)	(154)	(258)
Group operating profit		4,399	5,222	15,299
Adjustments for:				
Depreciation of property, plant and equipment		1,766	2,101	4,034
Depreciation of right-of-use assets		7,401	6,166	12,761
Amortisation of intangible assets		469	338	913
Loss on disposal of property, plant and equipment		65	-	86
Loss/(gain) on sublease		20	(32)	(32)
Loss on disposal of goodwill		-	-	478
Impairment of property, plant and equipment		594	628	759
Impairment reversal of property, plant and equipment		(25)	-	-
Impairment of right-of-use assets		3,659	2,184	3,986
Impairment reversal of right-of-use assets		(2,237)	(3,208)	(7,170)
Gain on lease disposal		(352)	(21)	(5)
Share option charge		217	28	214
(Decrease)/increase in earn out liability and other provisions		(38)	(600)	775
Non-cash loss/(gain) on derivative contracts		170	(280)	(516)
Cash generated from operations before movements in working capital, tax and interest		16,108	12,526	31,582
Decrease/(increase) in trade and other receivables		2,063	(2,808)	(4,784)
Decrease/(increase) in inventories*		576	(2,484)	(2,562)
(Decrease)/increase in trade and other payables*		(6,879)	1,652	6,735
Cash generated from operations before tax and interest		11,868	8,886	30,971
Interest paid on borrowings		(434)	(515)	(959)
Interest received on operational cash balances		79	163	249
Interest element of lease liabilities paid		(3,459)	(2,903)	(6,125)
Settlement of earn out liability and other provisions		-	-	(150)
Taxation paid		-	(311)	(312)
Net cash generated from operating activities		8,054	5,320	23,674
Investing activities				
Interest received on sublease assets		21	24	44
Receipt of capital element of sublease assets		47	109	279
Proceeds from capital expenditure incentives		-	160	160
Purchase of property, plant, equipment		(1,728)	(3,601)	(4,848)
Direct costs relating to right-of-use assets		(173)	(530)	(649)
Purchase of intangibles*		(385)	(67)	(165)
Purchase of business		(3,000)	-	-
Proceeds on disposal of property, plant and equipment		8	-	500
Net cash used in investment activities		(5,210)	(3,905)	(4,679)
Financing activities				
Payment of capital element of lease liabilities		(8,762)	(8,760)	(16,009)
Dividends paid	4	(4,124)	(2,357)	(3,929)
Financing arrangement fees		(39)	(89)	(178)
Purchase of own shares		(425)	(128)	(127)
Proceeds from borrowings	6	17,500	16,000	21,000
Repayment of borrowings	6	(9,500)	(17,000)	(25,000)
Net cash used in financing activities		(5,350)	(12,334)	(24,243)
Net decrease in cash and cash equivalents		(2,506)	(10,919)	(5,248)
Cash and cash equivalents at beginning of period		18,434	23,682	23,682

Cash and cash equivalents at end of period	15,928	12,763	18,434
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* In the 26 weeks ending 28 March 2026, these movements excluded Fired Earth acquired balances.

1. General information

The interim report was approved by the Board on 19 May 2026. The financial information for the 52 week period ended 27 September 2025 has been based on information in the audited financial statements for that period.

The comparative figures for the 52 week period ended 27 September 2025 are an abridged version of the Group's full financial statements and, together with other financial information contained in these interim results, do not constitute statutory financial statements of the Group as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for that 52 week period has been delivered to the Registrar of Companies. The auditor has reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under s498 (2) or (3) of the Companies Act 2006.

This condensed set of consolidated financial statements has been prepared for the 26 weeks ended 28 March 2026 and the comparative period has been prepared for the 26 weeks ended 29 March 2025.

The interim financial statements have not been audited or reviewed by auditors pursuant to the Auditing Practices Board guidance on "Review of interim financial information" and do not include all the information required for full annual financial statements.

Basis of preparation and accounting policies

The financial statements of Topps Tiles Plc have been prepared in accordance with UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006 and the disclosure guidance and transparency rules sourcebook of the United Kingdom's Financial Conduct Authority. The unaudited condensed consolidated set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting', as adopted by UK-adopted International Accounting Standards and in conformity with the requirements of the Companies Act 2006. The same accounting policies, presentation and methods of computation are followed in the condensed set of financial statements as applied in the Group's latest annual audited financial statements.

New and amended standards adopted by the Group

The Group continues to monitor the potential impact of other new standards and interpretations which have been or may be endorsed and require adoption by the Group in future reporting periods.

Going concern

When considering the going concern assertion, the Board reviews several factors including a review of risks and uncertainties, the ability of the Group to meet its banking covenants and operate within its banking facilities based on current financial plans, along with a detailed review of more pessimistic trading scenarios that are deemed severe but plausible. The two downside scenarios modelled include a moderate decline and more severe decline in sales, both resulting in lower gross profit and worse profit and cash outcomes than the base scenario. The more severe downside scenario modelled this year was based on a prolonged period of macroeconomic stress in the UK, lasting for more than one year, with sales falling 10% year-on-year across the remainder of FY26 and then no growth year-on-year in FY27, in both our Topps Tiles brand and Pro Tiler Tools brand. The scenario also assumes declines in gross margins across the remainder of FY26 equating to a year-on-year decrease of approximately one percentage point, with recovery over a two-year period. The more severe downside scenario also incorporated elements of reverse stress testing to assess the level of sales decline required before the Group would begin to approach covenant breach. Even in this scenario the Group has a significant amount of cash headroom. This scenario also assumes that variable costs would reduce in line with sales and direct mitigating cost reduction actions, which would be taken if such a downturn occurred.

The going concern analysis, prepared for the Board, also outlined a range of additional mitigating actions that could be taken in a severe but plausible trading scenario. These included, but were not limited to, further savings on store colleague costs and central support costs, reduced marketing activity, a reduction of capital expenditure, management of working capital and suspension of the dividend. The Group's cash headroom and covenant compliance was reviewed against current lending facilities in both the base case and the severe but plausible downside scenarios. In no scenario modelled does the Group breach covenant compliance. The current lending facility, of £30.0 million, was refinanced in October 2022 and expires in October 2027.

In all scenarios, the Board has concluded that there is sufficient available liquidity, with sufficient covenant headroom for the Group to continue to meet all its financial commitments as they fall due for the foreseeable future, a period of not less

than 12 months from the date of this report. Accordingly, the Board continues to adopt the going concern basis in preparing the Interim Accounts.

2. Business segments

The Group trades in four related sectors, which are Topps Tiles, Parkside, CTD and Online Pure Play. The Board receives monthly financial information at this level and uses this information to monitor performance, allocate resources and make operational decisions. The Group sells tiles and tile-associated products in each of these sectors, predominantly to UK-based retail, trade and commercial customers, and offers a range of delivery and collection options for orders.

Revenue can be split by the following geographical regions:

	26 weeks ended 28 March 2026 £'000 (Unaudited)	26 weeks ended 29 March 2025 £'000 (Unaudited)	52 weeks ended 27 September 2025 £'000 (Audited)
UK	142,456	142,789	295,486
EU	72	86	167
Rest of World	74	27	101
Total	142,602	142,902	295,754

3. Taxation

	26 weeks ended 28 March 2026 £'000 (Unaudited)	26 weeks ended 29 March 2025 £'000 (Unaudited)	52 weeks ended 27 September 2025 £'000 (Audited)
Current tax – debit for the period	-	-	360
Current tax – adjustment in respect of prior periods	-	-	(621)
Deferred tax – debit for the period	131	687	2,008
Deferred tax – adjustment in respect of previous periods	-	-	527
Total tax charge	131	687	2,274

4. Interim dividend

An interim dividend of 1.00p (2025: 0.80p) per ordinary share has been declared. A final dividend of 2.10p per ordinary share was approved and paid in the period, in relation to the 52-week period ended 27 September 2025.

5. Earnings per share

The calculation of earnings per share is based on the earnings for the financial period attributable to equity shareholders and the weighted average number of ordinary shares.

	26 weeks ended 28 March 2026 (Unaudited)	26 weeks ended 29 March 2025 (Unaudited)	52 weeks ended 27 September 2025 (Audited)
Weighted average number of issued shares for basic earnings per share	196,681,818	196,681,818	196,681,818
Weighted average impact of treasury shares for basic earnings per share	(291,542)	(135,400)	(134,599)
Total weighted average number of shares for basic earnings per share	196,390,276	196,546,418	196,547,219
Weighted average number of shares under option	2,117,335	1,413,412	2,668,897
For diluted earnings per share	198,507,611	197,959,830	199,216,116
	£'000	£'000	£'000
Profit for the period	343	1,196	5,988
Adjusting items	1,294	1,007	762
Adjusted profit for the period	1,637	2,203	6,750
Earnings per ordinary share – basic	0.17p	0.61p	3.05p
Earnings per ordinary share – diluted	0.17p	0.60p	3.01p
Earnings per ordinary share – adjusted	0.83p	1.12p	3.43p

The calculation of the basic and diluted earnings per share used the denominators as shown above for both basic and diluted earnings per share.

Adjusted earnings per share for the 26 weeks ended 28 March 2026 were calculated after adjusting for the post-tax impact of the following items: vacant property and closure costs of £0.6m (2025: £0.4m), impairment of right-of-use assets and lease exit gains and losses of £1.2m loss (2025: £0.2m gain), removal of notional depreciation on impaired assets of £1.5m gain (2025: £2.2m), non-operational warehouse costs of £nil (2025: £0.7m), CTD trading losses of £nil (2025: £0.7m), CTD one off costs £0.3m (2025: £0.9m), CTD retention of title benefits of £nil (2025: £0.6m), restructuring and other one-off costs of £nil (2025: £0.1m), CMA advisory costs of £0.1m (2025: £1.2m), management succession costs of £0.5m (2025:nil) and Fired Earth acquisition costs of £0.1m (2025: £nil).

6. Bank loans

	26 weeks ended 28 March 2026 £'000 (Unaudited)	26 weeks ended 29 March 2025 £'000 (Unaudited)	52 weeks ended 27 September 2025 £'000 (Audited)
Bank loans (all sterling)	18,947	13,846	11,000
The borrowings are repayable as follows:			
On demand or within one year	19,000	14,000	11,000
In the second year	-	-	-
In the third to fifth year	-	-	-
	19,000	14,000	11,000
Less: total unamortised issue costs	(53)	(154)	-
	18,947	13,846	11,000
Issue costs to be amortised within 12 months	53	154	-

The Group has a revolving credit facility to October 2027 of £30.0 million. As at 28 March 2026, £19.0 million of this facility was drawn (29 March 2025: £14.0 million), leaving £11.0 million of undrawn committed banking facilities. The Group has the flexibility to repay these drawdowns at any time, though the underlying facility remains committed until October 2027. The loan facility contains financial covenants, which are tested on a bi-annual basis. The Group did not breach any covenants in the period.

7. Financial instruments

The Group has the following financial instruments which are categorised as fair value through profit and loss:

	Carrying value and fair value		
	26 weeks ended 28 March 2026 £'000 (Unaudited)	26 weeks ended 29 March 2025 £'000 (Unaudited)	52 weeks ended 27 September 2025 £'000 (Audited)
Financial liabilities			
Fair value through profit and loss	(33)	(98)	138

The fair values of financial assets and financial liabilities are determined as follows:

Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts.

The fair values are therefore categorised as Level 2 (2025: Level 2), based on the degree to which the fair value is observable. Level 2 fair value measurements are those derived from inputs other than unadjusted quoted prices in active markets (Level 1 categorisation) that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

At 28 March 2026 the fair value of the Group's currency derivatives is a loss of £33,000 (29 March 2025: loss of £98,000). These amounts are based on the market value of equivalent instruments at the Statement of Financial Position date.

A loss of £170,000 is included in cost of sales in the 26 weeks ended 28 March 2026 (26 weeks ended 29 March 2025: gain of £280,000).

8. Share capital

The issued share capital of the Group as at 28 March 2026 amounted to £6,556,000 (29 March 2025: £6,556,000). The number of shares at 28 March 2026 were 196,681,818 (29 March 2025: 196,681,818).

9. Seasonality of sales

Historically there has not been a significant seasonal difference in sales between the first and second half of the reporting period, with approximately 50% of annual sales arising in the period from October to March (H1 2025: 48%, H2 2025: 52%).

10. Related party transactions

MS Galleon AG is a related party by virtue of their 29.9% shareholding (58,753,435 ordinary shares) in the Group's total voting rights (29 March 2025: 29.8% shareholding).

MS Galleon AG is the owner of Cersanit, a supplier of ceramic tiles with whom the Group made purchases of £287,000 during the first half of the year which is 0.4% of cost of goods sold (2025: purchases of £294,000 during the first half of the year which is 0.4% of cost of goods sold).

An amount of £166,000 was outstanding with Cersanit at 28 March 2026 (29 March 2025: £159,000). All transactions were conducted on commercial arm's length terms.

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note, in accordance with the exemption available under IAS 24.

11. Fired Earth acquisition

On 26 November 2025 the Group acquired – from administration - the Fired Earth brand, associated IP, website and a provisional £2.5 million of stock, for a total cash consideration of £3.0 million.

Following the acquisition of Fired Earth, the Group is required to account for the acquired assets and liabilities in accordance with IFRS 3 Business Combinations. As permitted under IFRS 3, the acquisition accounting has been recognised on a provisional basis at the reporting date, reflecting the fact that the valuation exercise is not yet complete.

IFRS 3 permits the use of provisional amounts where the initial accounting for a business combination is incomplete, with retrospective adjustment of those amounts permitted during a measurement period of up to 12 months from the acquisition date. The Group expects to finalise the acquisition accounting prior to 25 November 2026, with the final values to be reflected in the FY26 results.