

“Dissemination of a Regulatory Announcement that contains inside information in accordance with the Market Abuse Regulation (MAR)”

28 October 2021

Travis Perkins plc - Q3 2021 trading update

Continued positive trading momentum; increasing 2021 earnings guidance

Highlights

- Positive trading momentum has continued with like-for-like sales growth of 13.1% (13.3% on a two year like-for-like basis)
- The Merchanting business delivered like-for-like sales growth of 15.3% (11.8% on a two year like-for-like basis) with end market demand remaining robust, notably in RMI
- Toolstation grew by 1.4% on a like-for-like sales basis (25.2% on a two-year like-for-like basis) in Q3 as customer mix normalised following exceptional demand from DIY customers during 2020
- Given robust underlying performance, the Board now expects that adjusted operating profit for the full year 2021 will be ahead of current market expectations* and will be at least £340m (inclusive of around £40m of property profits)

Nick Roberts, Chief Executive, commented:

“The Group has delivered a strong performance in the third quarter and is navigating well-documented supply chain and cost inflation challenges very capably. End market demand remains robust and we are confident that we are in a strong position to deliver future growth.

As outlined at our Investor Update in September, the focus of the Group is to enhance our market leading propositions to win share and to provide new value added services to our customers as the construction process evolves to improve quality, drive efficiency and reduce carbon and waste.”

**Market expectations defined as company compiled analyst consensus. This stood at £316m at time of publication and can be reviewed via: <https://www.travisperkinsplc.co.uk/investors/analyst-consensus>*

Q3 2021 sales growth	Merchanting	Toolstation	Group
Like-for-like sales growth	15.3%	1.4%	13.1%
Net space change	(0.1)%	7.7%	1.1%
Business disposals	-	-	-
Trading days	-	-	-
Total sales growth	15.2%	9.1%	14.2%
Two-year like-for-like	11.8%	25.2%**	13.3%

2021 YTD sales growth	Merchanting	Toolstation	Group
Like-for-like sales growth	34.3%	19.3%	31.7%
Net space change	(4.8)%	8.6%	(2.5)%
Business disposals	-	-	-
Trading days	(0.6)%	(0.3)%	(0.5)%
Total sales growth	28.9%	27.6%	28.7%
Two-year like-for-like	11.3%	36.7%**	14.1%

***Excludes Toolstation Europe*

Business performance

- Overall Group positive trading momentum has continued with two year like-for-like sales growth of 13.3% in Q3, broadly in line with H1.
- The Merchanting business delivered two-year like-for-like sales growth of 11.8% in Q3, slightly ahead of H1. Total sales growth versus 2020 was in line with like-for-like sales at 15.2% as the business has now fully cycled the June 2020 branch closure programme. At a business unit level, the Travis Perkins General Merchant delivered another excellent performance whilst the specialist businesses continue to see strengthening end market demand.
- In Toolstation, demand from the core trade customer base remains very robust. The business is in excellent shape with total UK sales some 45% ahead of 2019 during the third quarter. In Europe, the rollout of new branches is on track and the business continues to attract new trade customers.
- Industry wide inflationary pressure, driven by heavyside manufacturer and core commodity price increases, has accelerated in the period with price inflation of around 11% in Q3 (compared to around 7% in Q2).
- The Group continues to benefit from its extensive supply chain and strong supplier relationships in order to maximise product availability to customers. Despite the challenges presented, colleagues across all businesses have worked incredibly hard to ensure that disruption to customer service has been minimal.

Group Chief Financial Officer Alan Williams will be hosting a call for analysts and investors at 8.30am BST. Dial in details are available via the following link:

<https://www.travisperkinsplc.co.uk/sites/travis-perkins/files/investors/TPK-2021-Q3-Invite.pdf>

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