20 October 2022

Travis Perkins plc, a leading partner to the construction industry, announces its Q3 2022 trading update for the three months to 30 September 2022

Business Performance

The Group delivered a resilient third quarter trading performance with total sales growth of 10.7%* and like-for-like sales growth of 7.4%.

The Merchanting businesses continue to outperform their markets, delivering total sales growth of 11.5%* with trading performance remaining consistent throughout the quarter. Travis Perkins General Merchant, the UK's largest distributor of building materials, saw some slowing of demand through the period in the smaller trade customer segment although demand from larger repair and maintenance contractors held up well. The Specialist merchants (BSS, CCF, Keyline, TF Solutions and Staircraft), which represent around 40% of the Merchant segment by revenue, benefitted from their exposure to predominantly larger subcontractors across new build commercial and housing, industrial maintenance and infrastructure projects to deliver another robust performance during the quarter.

Toolstation, the Group's supplier of tools, accessories and lightside building products, returned to growth with total sales up by 6.1%* and like-for-like sales up 0.2% year-on-year with the trend improving throughout the quarter supported by a positive response from customers to the new catalogue in September. The European business continues to progress well, seeing total sales growth* of 23.3% in the quarter, and Toolstation remains on track to roll out around 80 new branches in 2022, split equally across the UK and Europe.

Outlook

Given the challenging market backdrop, the Group remains focused on the recovery of elevated levels of input cost inflation and continues to tightly manage the operating cost base.

Whilst forward visibility is limited, reflecting the uncertain macroeconomic situation, the Group expects to build on the current resilient performance and deliver a full year operating profit around the middle of the current range of market expectations**. This is after absorbing the impact of the unforeseen additional bank holiday in September.

** Trading day adjusted*

***The range of market expectations is derived from company compiled analyst consensus. This stood at £304m to £340m at time of publication and can be reviewed via: https://www.travisperkinsplc.co.uk/investors/analyst-consensus*

Nick Roberts, Chief Executive, commented:

"The Group has delivered a solid performance during the third quarter with the Merchanting businesses again outperforming their markets and an improved performance in Toolstation. We continue to benefit from our diverse end market exposure from small independent builders through to large contractors delivering national infrastructure projects.

During the second half of the year we have seen growing macroeconomic uncertainty. We are focused on maintaining cost discipline in our businesses and the actions taken to simplify our operating structure in recent years have created the flexibility to adapt to changing market conditions.

All of our businesses see opportunities to further develop their propositions to meet our different customers' needs, as they seek to navigate an increasingly complex construction landscape, characterised by new environmental and safety legislation and a commitment to deliver against net zero targets. We remain confident that our market-leading businesses, backed by focused capital allocation, a strong balance sheet and significant strategic growth opportunities, leave us well placed to outperform in our markets."

Q3 2022	**Merchanting**	**Toolstation**	**Group**
Volume*	(6.0)%	(3.4)%	(5.6)%
Price and mix	17.5%	9.5%	16.3%
Total revenue growth*	**11.5%**	**6.1%**	**10.7%**
Like-for-like revenue growth	**8.7%**	**0.2%**	**7.4%**

YTD 2022	Merchanting	Toolstation	Group
Volume*	(2.5)%	(10.5)%	(3.9)%
Price and mix	15.8%	9.3%	14.8%
Total revenue growth*	**13.3%**	**(1.2)%**	**10.9%**
Like-for-like revenue growth	**10.7%**	**(7.1)%**	**7.8%**

** Trading day adjusted*

The impact of fewer trading days, both in the quarter and year-to-date, is approximately 1% with fewer trading days in 2022 due to additional bank holidays.

Travis Perkins Management team will be hosting a call for analysts and investors at 8.30am BST. Details of the call are below with participants requested to join 10 minutes before the scheduled start time;

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