

**29 April 2022**

## **Travis Perkins plc - Q1 2022 trading update**

### **Encouraging first quarter reflecting the strategic progress of the Group**

#### **Business performance**

The Group has seen a positive start to the year with total sales\* for the three months to 31 March 2022 13.6% ahead of prior year.

In the Merchanting segment, total sales\* were up by 17.9% with all businesses performing in line with expectations. Pricing accounted for approximately two-thirds of the growth with manufacturer increases continuing to be passed through in an orderly manner. Customer demand remains robust across our end markets with larger customer activity underpinned by the backlog of social and economic infrastructure work and ongoing requirement for new housing. SME customers continue to see healthy order books, including a growing interest in energy efficiency projects.

As anticipated, Toolstation total sales\* were down (6.0)% in the first quarter, with like-for-like sales down (11.9)%, reflecting a tough prior year comparator and the return of Toolstation's customer mix back to its core trade base who continue to appreciate the value and convenience of the customer proposition. Management is confident that business drivers will normalise into the second half of the year as the comparative period passes the lifting of pandemic restrictions.

#### **Supply chain and inflation**

The construction supply chain had largely normalised by the end of 2021 and, although the war in Ukraine and the subsequent impact on the global economy may challenge that relative stability, the Group's stock levels remain healthy.

The Group's forecast for materials price inflation, which was originally expected to ease into the second half of the year, is now more uncertain with pricing likely to form a higher proportion of sales growth across the year than previously thought.

Overall, cost inflation for the Group is expected to remain manageable.

#### **Outlook**

Despite the current uncertain macroeconomic and geo-political environment, order books remain robust across UK construction. Given the Group's resilient end markets and trade focused business model, Management's expectations for the full year remain unchanged.

*Nick Roberts, Chief Executive, commented:*

*“The Group has had an encouraging first quarter and, although the wider economic backdrop remains uncertain, we are well placed to build on this positive start in the coming months.*

*The energy efficiency of the UK’s built environment remains a key focal point for households and politicians alike and the current cost of energy is likely to prompt further demand for improvement in both new and existing buildings. Allied to the significant pipeline of investment in the UK’s social and economic infrastructure, we remain confident in the structural drivers of demand in our end markets.*

*As the UK’s largest building materials supplier and a leading partner to the construction industry, we are uniquely placed to support the country in this drive and are working closely with all key stakeholders, including government, housebuilders, tradespeople and developers, to address these challenges.”*

Travis Perkins Management team will be hosting a call for analysts and investors at 8.15am BST. Details of the call are below with participants requested to join 10 minutes before the scheduled start time;

United Kingdom: 0800 279 6877

Overseas : +44 (0)330 165 4012

Confirmation Code: 9976378

*\* There were the same number of trading days in both Q1 2021 and Q1 2022*

**Enquiries:**

**Travis Perkins**

Matt Worster

+44 (0) 7990 088548

[matt.worster@travisperkins.co.uk](mailto:matt.worster@travisperkins.co.uk)

**Powerscourt**

James White

+44 (0) 207 2501446

[travisperkins@powerscourt-group.com](mailto:travisperkins@powerscourt-group.com)