Travis Perkins plc

# RMI Index

## Surveying the Nation's Tradespeople

May 2023



Travis Perkins TOOLSTATION BSS Keyline CIVILS SPECIALIST CCF

Travis Perkins plc




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# Executive summary:

Each quarter, Travis Perkins plc conducts an extensive survey across the nation's tradespeople in the repair, maintenance and improvement (RMI) sector to collect insights on near term outlook, workload, material purchases and other trends. The respondents cover a wide range of trades, see p.5 for a breakdown. A total of 863 tradespeople from the UK responded to the latest survey, with customers of Travis Perkins, Keyline and Toolstation all represented.

The RMI market remains challenging, with only tentative signs of recovery in lead indicators, although we are encouraged that over 90% of respondents expect their workload to increase or stay the same in the next two months.

**"We pride ourselves in our role as partner to the entire construction industry and to do so, we need to understand what it is that makes our customers tick.**

**"The RMI Index gives us valuable insight and plays a significant role in expanding our knowledge and understanding of an important market in which we operate."**

***Nick Roberts CEO Travis Perkins plc***

As ever, respondents expect the RMI market to be a key driver of business over the coming two months, and sentiment does appear to be becoming more positive in this sector, with nearly half of respondents (46%) telling us that they expect materials purchases to increase.

The insights in this report help to broaden the understanding of RMI customers, as they look to navigate an evolving construction landscape.

Across the Group, we at Travis Perkins plc pride ourselves on supporting them as they build and maintain the buildings and infrastructure now – and in the future.

# Giving our customers a voice:

"Demand is there, personally I'd say lack of understanding of the sectors needs by the high street banks is the biggest issue."

Toolstation customer

"I work as a contractor delivering Zero Carbon energy; this is a sector which has huge growth potential"

Travis Perkins customer

"We are extremely busy with work for the next three years, and the market is strong for small businesses."

Keyline customer

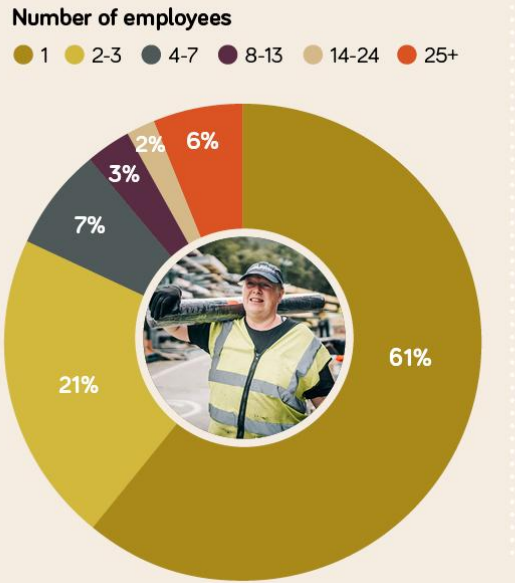
"Sadly the skills of many trades in the construction industry are in decline. Skilled workers are retiring, few youngsters are being taken on."

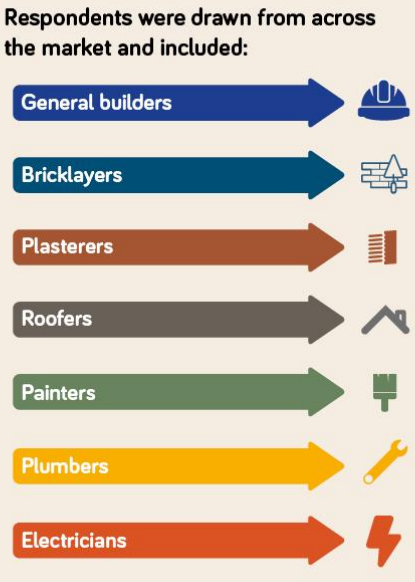
Toolstation customer

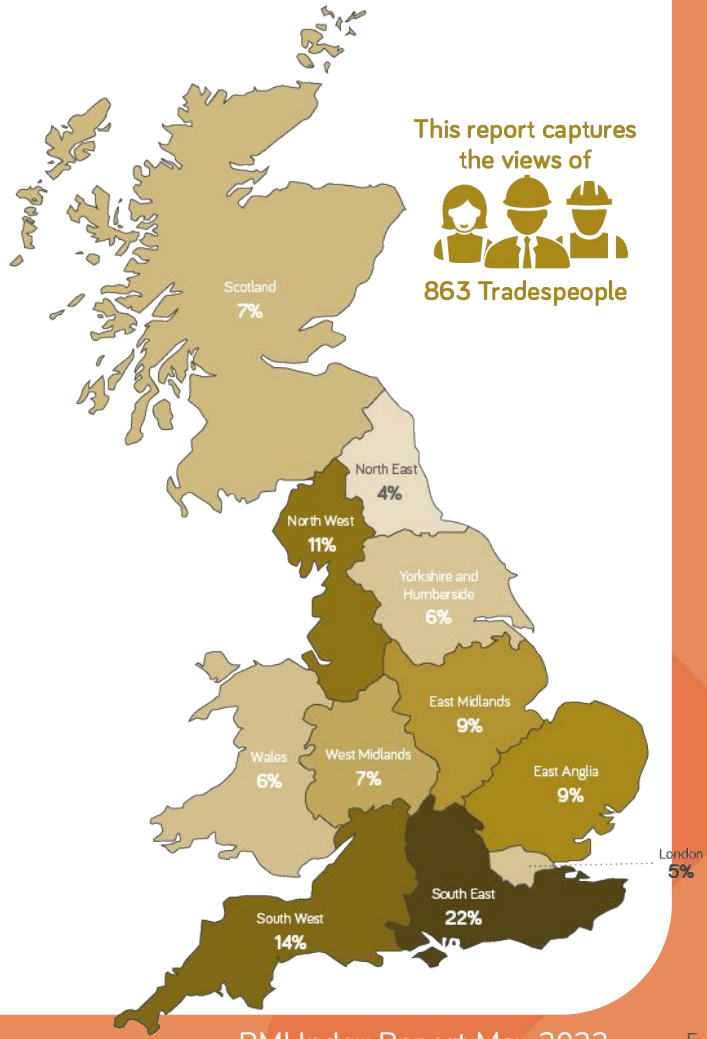
- This RMI Index report provides a summary of the findings of a nationwide survey carried out amongst tradespeople
- The respondents are customers of Travis Perkins, Keyline and Toolstation
- The survey sample include trade customers from across a range of disciplines; from general builders to plumbers, electricians and decorators
- They work in small to medium sized businesses; primarily in the domestic repair, maintenance & improvement sector
- This survey was carried out in April 2023 and is the sixth in the RMI Index series.

# The survey sample:

As the UK's largest distributor of materials and equipment to the building, construction and renovation markets, we have a unique insight into how the country's tradespeople operate. This report captures the views of 863 tradespeople nationwide to understand their views on future workloads, materials purchasing plans and issues they are facing. Customers were surveyed via email in April and asked to look ahead to the next two months. The responses we received represent a significant cross section of the UK market and span sole traders to companies employing up to 100 staff.



# Key findings:

**Optimistic near term outlook**

Majority of of respondents remain optimistic about near term industry outlook with 92% of tradespeople expecting workloads to increase or remain unchanged in the coming months.

**Strengthened workload expectations**

Confidence about expected workloads over the next two months has strengthened with 92% expecting workloads to increase or remain the same - up 14% from 78% in the RMI Index Report November 2022.

**Purchasing plans similarly positive**

The optimism in workloads is reflected in material purchasing plans, with 93% forecasting that their materials requirements over the next two months will increase or remain the same - up 11% from 82% in the RMI Index Report November 2022.

**Rising confidence in commercial market**

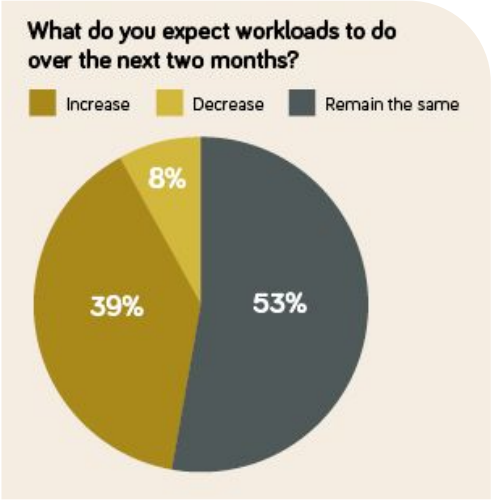
Most respondents continue to see domestic repair and maintenance as the biggest driver of work for their business (73%). However, at 20%, this survey also shows a strengthening of the commercial and industrial market as a key driver - up 7% from 13% in the RMI Index Report November 2022.

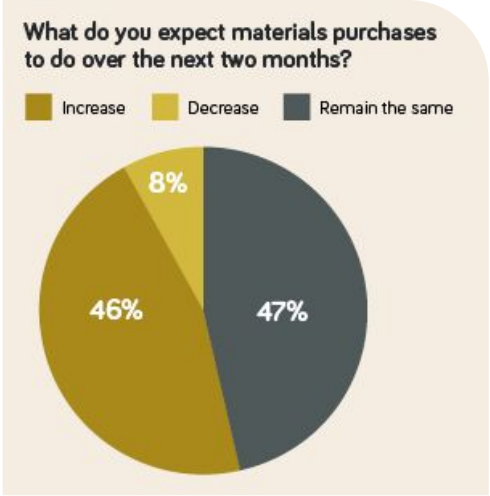
**Concern for lack of access to training**

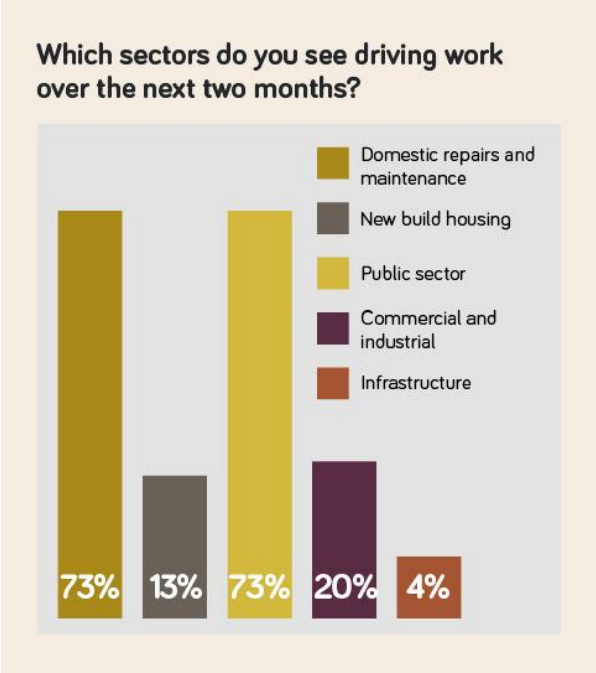
Rising inflation overtaken by lack of access to training as top concern for tradespeople. Other concerns include lack of trust in climate change and Government, and the cost of green products and initiatives.

# Future workloads and material purchases:

In this survey, confidence about expected workloads over the next two months has strengthened with 92% expecting workloads to increase or remain the same (vs 78% in November 2022). There is similar optimism regarding material purchasing plans with 93% forecasting that their materials requirements over the next two months will increase or remain the same (vs 82% in November 2022). The domestic, repairs and maintenance market is consistently seen of as a core driver of business for the RMI industry, although this survey also shows a strengthening of the commercial and industrial market as a key driver of work in the next two months (up 7% vs November 2022).



# Customers comments on market conditions:

Transport and fuel costs was a key topic of concern in the last edition of the RMI Index Report (November 2022). This, as well as the material price increases, has dropped down the list of issues of their concern.

Rising inflation has been overtaken by a concern for lack of access to training. Lack of trust in climate change and the Government, and the cost of green products and initiatives are also key issues of concern.




**"High material costs continue to affect profit margins."**

Travis Perkins customer

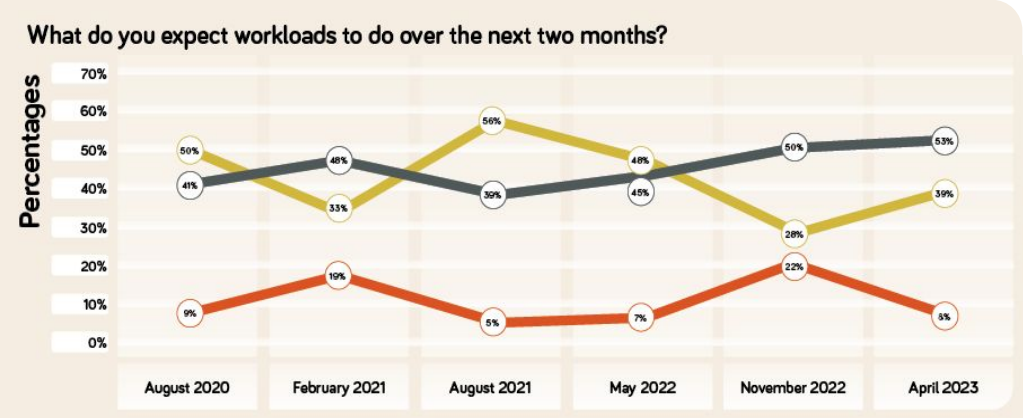
**"The country as a whole needs to change but the government doesn't speak or listen to the trades to work out how change can be achieved."**

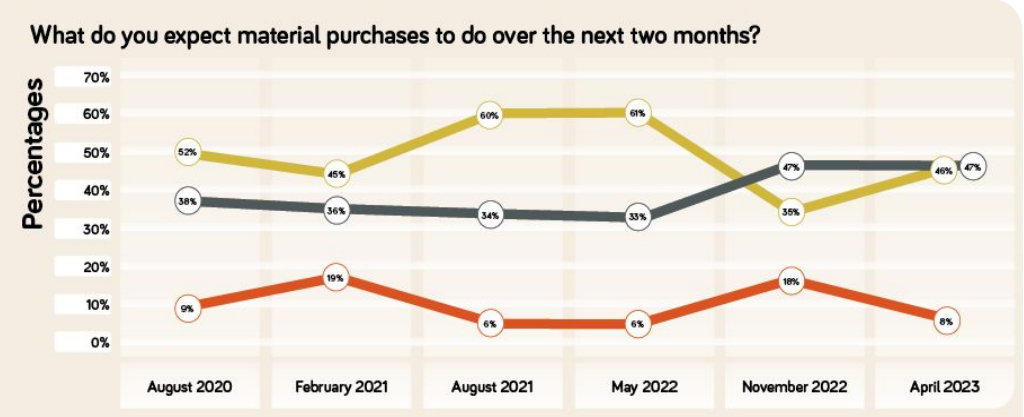
Keyline customer

"There's too much red tape."

Toolstation customer

# RMI trends: workloads & materials




Increase Decrease Remain the same

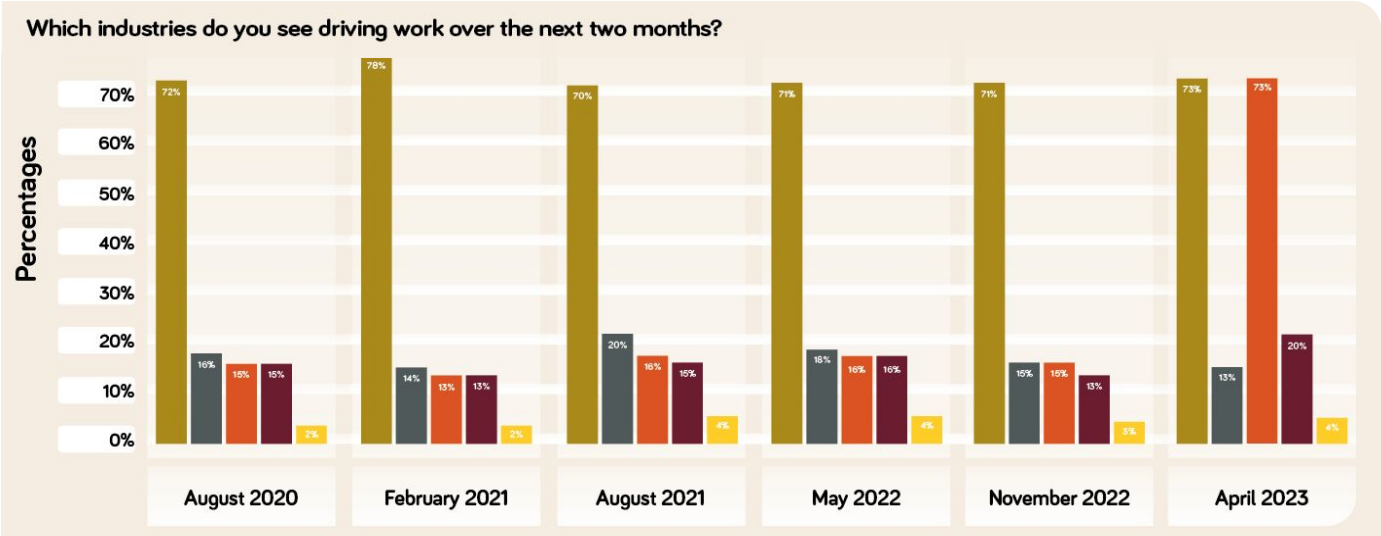
At Travis Perkins plc, we have always remained close to our customers and we have surveyed UK tradespeople since 2006 to better understand how this segment of the construction industry is feeling about their business prospects, materials requirements and to gauge their confidence in general.

These graphs shows how the survey findings regarding anticipated workloads and material purchases have developed since we started to publish the RMI Index Reports in 2020.

The latest figures demonstrate a marked improvement in sentiment since the last publication of the RMI Index in October 2022, with expectations around increased workloads and material purchase figures largely returning to May 2022 levels.

**All of the past RMI Index Reports are available here**

# RMI trends: industry drivers




RMI work is worth an estimated £29 billion (2022) to the UK economy, and we first started making our survey findings public in 2020 to give this vital part of the construction industry a voice.

These graphs shows how tradespeople are adapting their businesses in line with an evolving market.

This insight helps to inform our views of what really matters to our RMI customers, so we can support them and deliver the very best, now and in the future, for their own customers.

**All of the past RMI Index Reports are available here**

# Travis Perkins plc

Travis Perkins plc is a leading partner to the construction industry and the UK's biggest distributor of building materials to trade customers.

With annual revenues of £5bn, the Group employs over 20,000 colleagues nationwide, but also in France and Benelux through Toolstation. The company has a proud heritage that spans over 200 years.

**www.travisperkinsplc.co.uk**

## Our best known businesses:

**Travis Perkins**

The UK's largest builders merchant supplying building materials and hire service to trade customers, with more than 600 branches, which include over 150 Benchmarx showrooms.

**550+ branches**

**TOOLSTATION**

One of the UK & Europe's fastest growing suppliers of tools and building supplies to trade and DIY customers via a multi-channel offering. Over 550 stores across the UK & Europe.

**720+ branches**

**BSS**

The UK's largest distributor of pipeline and heating solutions, supported by in-house technical teams and tool hire facilities, from over 60 branches.

**60+ branches**

**Keyline** CIVILS SPECIALIST

The UK's number one supplier of specialist civils and drainage solutions with a nationwide branch network of over 40 branches, stocking materials for all projects.

**40+ branches**

**CCF**

Nationwide distributor of insulation and interior building products, with comprehensive stock for interior building specialists, contractors and builders, from over 35 branches.

**35+ branches**