1 April 2025

Dissemination of a Regulatory Announcement that contains inside information according to REGULATION (EU) No 596/2014 (MAR)

Travis Perkins plc, the UK's largest distributor of building materials, announces its full year results for the year to 31 December 2024

A challenging trading year

- Group revenue down (4.7)% driven by price deflation, continued decline in market volumes and underperformance in the Merchanting segment
- Significantly improved cost discipline but lower trading volumes and price deflation resulted in full year adjusted operating profit of £152m (2023: £198m)
- Operating profit of £2m (2023: £161m) reflects trading performance and adjusting items of £139m (of which around £20m are cash items) related to impairments in Staircraft and certain Merchanting branches and restructuring actions

Good progress in Toolstation

- Toolstation UK adjusted operating profit up 48% driven by robust sales growth, improved gross margins and supply chain and overhead efficiencies
- Toolstation France closed and Toolstation Benelux on accelerated path to profitability

Strong focus on cash generation and strengthening the balance sheet

- Net debt before leases reduced by £123m driven by £64m benefit from improved stock management and disciplined approach to capital expenditure
- £125m raised from investment grade US private placement notes in March 2025

£m *(unless otherwise stated)*	*Note*	**2024**	2023 (re-presented²)	*Change*
Revenue	*6*	**4,607**	4,837	*(4.7)%*
Adjusted operating profit excluding property profits¹	*7a*	**141**	183	*(23.0)%*
Adjusted operating profit¹	*7a*	**152**	198	*(23.2)%*
Adjusted earnings per share¹	*15b*	**36.6p**	54.4p	*(32.7)%*
Return on capital employed¹	*18*	**5.4%**	6.9%	*(1.5)ppt*
Net debt / adjusted EBITDA¹	*19*	**2.5x**	2.6x	0.1x
Ordinary dividend per share	*14*	**14.5p**	18.0p	*(19.4)%*
Operating profit		**2**	161	*(98.8)%*
Profit / (loss) after tax		**(77)**	38	*(302.6)%*
Basic earnings / (loss) per share	*15a*	**(36.6)p**	18.1p	*(302.2)%*

(1) Alternative performance measures are used to describe the Group's performance. Details of calculations can be found in the notes listed.

(2) For continuing businesses only. The Toolstation France business is treated as a discontinued operation.

On 10 March 2025, Pete Redfern resigned as Chief Executive Officer as a result of ill health. The Nominations Committee has commenced a search to identify the right long term successor to Pete as CEO. Geoff Drabble, Chair of Travis Perkins, will work with the management team during the interim period to progress actions already underway to improve performance.

Geoff Drabble, Chair, commented:

“Since joining the Board of Travis Perkins, I have been encouraged by the breadth and depth of our market footprint, the quality and commitment of our people and the strength of our relationships within the construction industry.

However, it is clear to the management team that there are a number of areas where the business needs to refocus and change the way it operates in order to better serve our customers and effectively support our suppliers. Several initial steps have been taken under Pete Redfern’s leadership to begin rebuilding trust and confidence, both internally and externally, with focused leadership roles restored in all our businesses and actions taken to re-engage and motivate our teams. These changes will make our businesses more responsive and bring them closer to our customers. Following Pete’s resignation, the priority is to ensure this work continues at pace, whilst the Nominations Committee of the Board identifies the right long-term successor.

Whilst uncertainty remains regarding the strength and timing of a recovery in UK construction activity, with more resources re-deployed into customer-facing roles, the Group is now better placed to benefit from returning demand. This will be supported by disciplined capital allocation, focused on upgrading and protecting our core competitive advantages, and a clear customer-focused strategy owned by the leaders of the business. I am confident that this approach will provide attractive returns for shareholders over the medium-term."

Analyst Presentation

Management are hosting a results presentation at 8.30am. For details of the event please contact the Travis Perkins Investor Relations team as below. The presentation will also be available via a listen-only webcast - please register at the following link:

https://travis-perkins-2024-fy-results.open-exchange.net/

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This announcement is current as of 1st April 2025, the date on which it is given. This announcement has not been and will not be updated to reflect any changes since that date.

Past performance of the shares of Travis Perkins plc cannot be relied upon as a guide to the future performance of the shares of Travis Perkins plc.

2024 performance

2024 was a challenging year for the Group with revenue of £4,607m down (4.7)% year-on-year, driven by the Merchanting segment through a combination of price deflation, reduced demand across the UK construction market and increased competitive intensity. Toolstation continued to make good progress with robust revenue growth in both the UK and Benelux reflecting ongoing maturity benefits.

Adjusted operating profit excluding property profits of £141m was £(42)m, or (23)%, lower than prior year. Around £(39)m of the profit decline resulted from lower sales volumes whilst approximately £(56)m was attributable to lower gross margins, driven by price deflation and increased competitive intensity.

Against this backdrop management took actions to reduce total overheads by £53m compared to prior year. Restructuring actions taken at the end of 2023 reduced overheads by £35m with a further £36m of savings on discretionary spend and £9m savings from the strategic review actions taken in Toolstation Benelux. Offset against this was around £(27)m of overhead inflation, primarily on payroll and property costs.

Rebuilding the business

Building on the Group’s inherent strengths

The Group has strong fundamentals built up over decades as the largest UK building materials distributor, namely:

- A comprehensive UK network backed by freehold ownership of key trading sites
- Experienced and high-quality teams across the business
- Long-established customer and supplier relationships
- A unique portfolio of brands
- Significant earnings growth potential from Toolstation as the business matures

Attractive long-term structural drivers

The Group operates in a market with attractive long-term structural drivers - in particular a shortage of UK housing, an ageing UK housing stock and a need to decarbonise the UK’s built environment. These structural drivers have taken greater prominence in the key priorities and policy setting of the new Labour Government, which has set ambitious housebuilding targets and see construction-led activity as a major pillar to kickstarting economic growth.

However, the Group has become distracted in a challenging market

The Group’s key end markets have seen a progressive deterioration in demand over the past three years driven by high inflation, rising interest rates and weak consumer confidence. During this period, the Group’s approach to capital allocation and overhead management has diluted returns, exacerbated profit decline and resulted in leverage increasing beyond the Group’s target range. During this period, the business has seen significant personnel change at all levels of the business, particularly in some key customer-facing roles.

Building an entrepreneurial, customer-centric business

Over recent years, the Group has become too centralised which has increased costs and complexity. Work is now underway to transform the operating model to create a business based around empowered local branches, backed by high quality support functions providing insight and driving the benefits of national scale. This cultural shift will bring the business closer to its customers and enhance service levels.

Balance sheet

The Group has made good progress on actions to strengthen the balance sheet during the year, with overall net debt reducing by £77m and net debt before leases reducing by £123m. Accordingly, despite the further reduction in adjusted operating profit, net debt / adjusted EBITDA has also reduced to 2.5x. Management remain focused on returning leverage to the Group's target range of 1.5 - 2.0x as soon as is practically possible.

Dividend

The Board is recommending a final dividend of 9.0 pence per share (2023: 5.5 pence per share) to give a full-year dividend of 14.5 pence per share (2023: 18.0 pence per share), in line with the Group's policy to pay a dividend of 30-40% of adjusted earnings. The dividend will be paid on 29 May 2025 to shareholders on the register as at close of business on 22 April 2025.

Current trading and outlook

The Group has experienced a mixed start to 2025. Trading conditions have continued to be challenging in our Merchanting businesses with pricing now stabilised but volumes in modest decline. By contrast, Toolstation has started the year more positively and continues to deliver good growth.

It is encouraging to see a more robust demand backdrop for some elements of the construction market. However, the pace and rate of an overall recovery in construction activity levels remains uncertain and will likely need further cuts to interest rates and an uplift to consumer confidence levels to stimulate a meaningful increase in demand.

In recognition of this backdrop and the operational turnaround challenges the Group currently faces, the Board expects FY25 adjusted operating profit excluding property profits to be broadly in line with FY24 (excluding property profits).

The Board remains confident in the inherent strengths of the Group and its market-leading position in the building materials sector. By investing in its core competitive advantages with a clear focus on its customers' needs, the Group will start to deliver an improved financial performance and create attractive returns for shareholders over the medium-term.

Technical guidance

The Group's technical guidance for 2025 is as follows:

- Expected ETR of around 30% on UK generated profits
- Base capital expenditure of around £80m
- Property profits of around £3m

Implementation of new Oracle finance system

On 1 July 2024, the Group implemented a new Oracle Financial ERP system which represented a significant step forward for the Group in modernising its core technology platform. Oracle has strengthened financial controls, enabled new standardised processes and enhanced stock visibility and reporting, all of which will deliver long-term benefits for the Group.

With this being the first major systems upgrade for several decades, the Group has inevitably experienced some challenges with the adoption of new processes. This has translated into some limited customer facing challenges in branch and disruption associated with some supplier payments and collection of customer debt, which in turn has had an impact on trading operations. It has also resulted in a working capital outflow during the year, estimated to be around £50m.

The Group is confident that as these processes become familiar and are readily adopted that this disruption will ease and the working capital position will normalise throughout 2025.

Adjusting items

There were £139m of adjusting items in the year (2023: £27m) as set out below:

£m	**2024**	2023 (re-presented)
Branch impairment	63	-
Staircraft impairment	33	-
Supply chain consolidation	26	6
Group restructuring	11	11
Benchmarx closures	6	10
Total	**139**	27

The 2024 branch-level impairment review identified 209 branches where the carrying value of the branch’s assets was below the value of the discounted future cash flows generated from those assets. The total impairment recognised in relation to these branches is £63m. In the majority of cases the branches are expected to deliver a positive contribution in 2025 with the vast majority delivering a positive contribution in the future, based on cautious financial planning assumptions. Management's view is that this reflects the under-utilisation of these assets during the period under review as a result of cyclically depressed market volumes and that these branches will remain an important part of the Group's future network strategy. An impairment of £33m has been recognised following the annual impairment review of the Staircraft business as a result of challenging trading conditions in its markets.

The supply chain consolidation charge relates to the closure of a number of distribution centres in Toolstation, Benchmarx and the Group timber supply chain. The costs relate primarily to stock write-downs, dilapidations and other property-related costs. Restructuring charges relate to actions taken to reduce central and regional headcount.

The Benchmarx closures charge reflects the costs, primarily redundancy, of closing 39 standalone branches in February 2024. The prior year charge reflected fixed asset impairments associated with those sites.

Property

The Group generated property profits of £11m in the year, with £62m of cash proceeds.

Segmental performance

Merchanting

	2024	2023	*Change*
Revenue	**£3,786m**	£4,036m	*(6.2)%*
Adjusted operating profit	**£149m**	£212m	*(29.7)%*
Adjusted operating margin	**3.9%**	5.3%	*(140)bps*
ROCE	**7%**	9%	*(2)ppt*
Branch network	**724**	769	*(45)*

Note - all figures above exclude property profits

The Group's Merchanting businesses saw revenue fall by (6.2)% in the year as a result of price deflation and declining volumes, arising from the depressed levels of UK construction activity and an intensely competitive backdrop. Adjusted operating profit reduced by (29.7)% to £149m, reflecting the high operational gearing of these businesses. Operating profit declined to £20m from £199m due to these factors and adjusting items of £133m relating to impairments in Staircraft and certain Merchanting branches and restructuring actions.

Price deflation, a significant factor in H1 due to the rollover of prior year timber price reductions in particular, eased in H2. However, volumes worsened as the year progressed, in part driven by project postponements caused by general election uncertainty and the delayed government budget.

The private domestic RMI market, the Merchanting segment's largest end market which is primarily serviced by the Group's General Merchant business, remained depressed throughout the year. The private domestic new-build market, primarily serviced by Keyline and CCF working with national and regional housebuilders, also saw another notable drop in activity.

The Merchanting segment's other end markets – commercial, industrial and public sector – saw mixed levels of demand with uncertainty surrounding government departmental budgets persisting until after the late October budget announcement. This created hesitancy to invest and impacted demand in the second half of the year, particularly in BSS which serves these markets.

Six new Merchant branches were opened during the year as the Group continues to selectively add new branches to its network. Five of the sites were new General Merchant branches, serving major conurbations including Leeds, Edinburgh, Derby and Coventry, with a new CCF branch also opened in Norwich.

51 Merchant branches were closed during the year with the majority being 42 Benchmarx standalone branches. The Benchmarx decision continues the Group's strategy of offering an integrated proposition within destination General Merchant branches. The remaining nine branches closed comprised eight General Merchant branches and Keyline Kirby with these sites deemed to be poorly located or requiring significant investment and where trade could be transferred to an alternative nearby branch.

Toolstation

	2024	2023 (re-presented)	*Change*
Revenue	**£821m**	£801m	*2.5%*
Like-for-like growth	**1.9%**	3.4%	
Adjusted operating profit - UK	**£34m**	£23m	*47.8%*
Adjusted operating loss - Benelux	**£(13)m**	£(20)m	*35.0%*
Adjusted operating profit - Total	**£21m**	£3m	*600.0%*
Adjusted operating margin	**2.6%**	0.4%	*220bps*
ROCE	**4%**	1%	*3ppt*
Store network (UK)	**587**	570	*17*
Store network (Benelux)	**110**	119	*(9)*

Note - all figures above exclude property profits and are for continuing businesses only. The Toolstation France business is treated as a discontinued operation.

UK

Toolstation UK continued to make good progress during the year with revenue increasing by 2%, reflecting continued maturity benefits and a modest pricing uplift. A net 17 stores were added during the year with 19 new stores, three relocations and two closures. A similar number of store additions is expected for 2025.

Adjusted operating profit increased by £11m (47.8%) year-on-year driven by a combination of sales growth, gross margin benefits from improved purchasing and product mix and supply chain efficiencies.

Benelux

Like-for-like sales in Benelux increased by 11% as the business continues to mature. However, due to rapid growth over recent years, the business has not been effective in converting strong sales growth into improved profitability and hence management conducted a full strategic review of the business during the first half of the year.

The review concluded that the business had good long-term prospects but needed to take near-term actions to accelerate the path to profitability. These actions included the closure of 11 underperforming branches, a 15% reduction in central headcount, improving procurement capability and optimising supply chain capacity. As a result of these actions, adjusted operating losses reduced to £(13)m and are expected to narrow significantly again in 2025.

France

Following a strategic review early in the year, management concluded that Toolstation France did not have a credible pathway to becoming a profitable standalone business. The capital requirements to reach the necessary scale in the French market, given the operation's relative immaturity, and the differing customer behaviours to Benelux and the UK, led management to pursue divestment options with established domestic partners in the French market. When it became clear that there was no overall buyer, management took the difficult decision to close the French business. That process is now complete with 8 stores having been sold to Quincaillerie Angles as a going concern and the 43 remaining stores, alongside supply chain and head office functions, closed by the end of 2024.

Financial Performance

Revenue analysis

The Merchanting businesses saw a continuation of challenging trading conditions across the year, with the rollover of commodity price deflation – notably timber – leading to pricing being down (3.6)% in the first half. In the second half, pricing pressures eased as commodity prices stabilised. However, volumes deteriorated as uncertainty created by the general election and subsequently delayed inaugural government budget led to project postponements. The Merchanting businesses also faced increased competitive intensity in the second half of the year.

Toolstation continued to gain market share across the year in both the UK and Benelux with volume growth, despite a declining market, and robust pricing. Maturity benefits from the investment in the store network and customer proposition continue to come through.

Volume, price and mix analysis

	Merchanting	**Toolstation**	**Group**
Price and mix	(2.3)%	1.4%	**(1.7)%**
Like-for-like volume	(4.5)%	0.5%	**(3.6)%**
Like-for-like revenue growth	**(6.8)%**	**1.9%**	**(5.3)%**
Network changes	(0.6)%	0.3%	**(0.5)%**
Trading days	1.2%	0.3%	**1.1%**
Total revenue growth	**(6.2)%**	**2.5%**	**(4.7)%**

Quarterly revenue analysis

Note that all information in the table below has been restated to remove the impact of Toolstation France.

		Total revenue		Like-for-like revenue	
		2024	**2023**	**2024**	**2023**
Merchanting	Q1	(6.0)%	(3.2)%	(4.2)%	(4.2)%
	Q2	(5.7)%	(5.6)%	(7.9)%	(5.2)%
	H1	**(5.8)%**	**(4.5)%**	**(6.1)%**	**(4.8)%**
	Q3	(7.1)%	(3.4)%	(8.2)%	(2.9)%
	Q4	(5.8)%	(5.1)%	(6.8)%	(5.2)%
	H2	**(6.5)%**	**(4.2)%**	**(7.6)%**	**(4.1)%**
	FY	**(6.2)%**	**(4.4)%**	**(6.8)%**	**(4.4)%**
Toolstation	Q1	0.9%	7.6%	(1.2)%	3.5%
	Q2	3.6%	9.0%	2.4%	6.4%
	H1	2.3%	**8.3%**	0.6%	**5.0%**
	Q3	3.0%	7.2%	2.2%	4.1%
	Q4	2.2%	0.8%	4.3%	(0.3)%
	H2	2.6%	**3.8%**	3.3%	**1.8%**
	FY	**2.5%**	**6.0%**	**1.9%**	**3.4%**
Total Group	Q1	(4.9)%	(1.7)%	(3.5)%	(3.3)%
	Q2	(4.2)%	(3.5)%	(6.2)%	(3.5)%
	H1	(4.5)%	**(2.6)%**	(4.9)%	**(3.4)%**
	Q3	(5.5)%	(1.9)%	(6.6)%	(2.0)%
	Q4	(4.3)%	(4.1)%	(4.8)%	(4.4)%
	H2	(5.0)%	**(3.0)%**	(5.8)%	**(3.1)%**
	FY	**(4.7)%**	**(2.8)%**	**(5.3)%**	**(3.2)%**

Operating profit

£m	2024	2023 (re-presented)	Change
Merchanting	149	212	*(29.7)%*
Toolstation	21	3	*600.0%*
Unallocated costs	(29)	(32)	*9.4%*
Adjusted operating profit excluding property profits	**141**	**183**	***(23.0)%***
Property profits	11	15	*(26.7)%*
Adjusted operating profit	**152**	**198**	***(23.2)%***
Amortisation of acquired intangible assets	*(11)*	*(10)*	
Adjusting items	*(139)*	*(27)*	
Operating profit	**2**	**161**	

Note - For continuing businesses only. The Toolstation France business is treated as a discontinued operation.

Finance charge

Net finance charges were in line with prior year at £41m (see note 10 for details).

Taxation

The tax charge before adjusting items was £34m (2023: £44m) giving an adjusted effective tax rate (adjusted 'ETR') of 30.4% (standard rate: 25.0%, 2023 actual: 31.5%). The adjusted ETR rate is substantially higher than the standard rate due to the effect of expenses not deductible for tax purposes and unutilised overseas losses.

The statutory tax charge for 2024 was £2m (2023: £32m) giving an effective tax rate of (5.7)% (2023: 26.3%). This is lower than the adjusted ETR as a result of the tax effect of the impairment of goodwill.

Earnings per share

The Group reported a total loss after tax of £(77)m (2023: profit of £38m) resulting in basic loss per share of (36.6) pence (2023: earnings per share of 18.1 pence). Diluted loss per share was (36.6) pence (2023: earnings per share of 17.8 pence).

Adjusted profit after tax was £77m (2023: £115m) resulting in adjusted earnings per share of 36.6 pence (2023: 54.4 pence).

Cash flow and balance sheet

Free cash flow

£m	2024	2023 (re-presented)	Change
Adjusted operating profit excluding property profits	**141**	183	(42)
Depreciation of PPE and other non-cash movements	96	99	(3)
Change in working capital	6	(23)	29
Net interest paid (excluding lease interest)	(20)	(25)	5
Interest on lease liabilities	(30)	(26)	(4)
Tax paid	(21)	(41)	20
Adjusted operating cash flow	**172**	167	5
Capital investments			
Capex excluding freehold transactions	(64)	(107)	43
Proceeds from disposals excluding freehold transactions	1	2	(1)
Free cash flow	**109**	62	47

Note - For continuing businesses only. The Toolstation France business is treated as a discontinued operation.

The Group made strong progress on cash generation with free cash flow £47m higher than the prior year despite a reduction of £(42)m in adjusted operating profit excluding property profits. Key to this improvement was a disciplined approach to capital expenditure and a comprehensive review of stock management practices which resulted in a £64m reduction in stock holding. This was offset by a £(58)m working capital outflow related to debtors and creditors, the majority of which resulted from the temporary impact of process changes following the Oracle finance system implementation.

Capital investment

£m	2024	2023 (re-presented)
Strategic	21	49
Maintenance	39	52
IT	4	6
Base capital expenditure	**64**	107
Freehold property	12	33
Gross capital expenditure	**76**	140
Disposals	(63)	(68)
Net capital expenditure	**13**	72

Note - For continuing businesses only. The Toolstation France business is treated as a discontinued operation.

Base capital expenditure was reduced by £43m during the year as a result of a more disciplined approach, predominantly on strategic investment. As part of the Group's prioritisation of reducing leverage, freehold development and acquisitions were £51m lower than the proceeds of freehold disposals, which were primarily sale and leaseback transactions.

Uses of free cash flow

£m	2024	2023 (re-presented)	Change
Free cash flow	**109**	**62**	**47**
Investments in freehold property	(12)	(33)	21
Disposal proceeds from freehold transactions	62	67	(5)
Dividends paid	(23)	(82)	59
Cash payments on adjusting items	(20)	(11)	(9)
Drawdown of borrowings	-	100	(100)
Repayment of bonds	-	(180)	180
Other	(16)	(15)	(1)
Change in cash and cash equivalents	**100**	**(92)**	

Note - Cashflows related to Toolstation France are classified above as "Other".

Cash and cash equivalents increased by £100m driven by strong free cash flow, a planned reduction in freehold property investment and adherence to the Group's policy on dividend distribution.

In the prior year, the balance of the 2023 bond (£180m) was repaid and largely replaced with £100m of US private placement notes.

Net debt and funding

	31 Dec 2024	31 Dec 2023	Change	Covenant
Net debt	**£845m**	£922m	£77m	
Net debt / adjusted EBITDA	**2.5x**	2.6x	0.1x	<4.0x
Net debt before leases	**£191m**	£314m	£123m	
Net debt before leases / adjusted EBITDA	**0.6x**	0.9x	0.3x	

Note - All covenant metrics measured post IFRS16. In accordance with the Group's debt covenant definitions, the comparative year has not been re-presented to exclude the result of the Toolstation France business.

Net debt before leases reduced by £123m driven primarily by improvements in stock management, a disciplined approach to capital expenditure and a reduction in the dividend. Additionally, a legacy pension SPV has been unwound, reducing net debt by £25m, as part of a clear roadmap to transferring the fully funded closed defined benefit schemes to insurers.

Overall net debt reduced by £77m as lease liabilities increased by £46m, a result of recent sale-and-leaseback transactions and also the move to transfer the Group's forklift truck fleet to be fully electric, with all new forklifts being leased.

Funding

As at 31 December 2024, the Group's committed funding of £800m comprised:

- £250m guaranteed notes due February 2026, listed on the London Stock Exchange
- £75m bilateral bank loan due August 2027
- A revolving credit facility of £375m maturing in November 2028
- £100m of US private placement notes, maturing in equal tranches in August 2029, August 2030 and August 2031

As at 31 December 2024, the Group had undrawn committed facilities of £390m (2023: £390m) and deposited cash of £200m (2023: £102m), giving overall liquidity headroom of £590m (2023: £492m).

As part of the refinancing of the £250m February 2026 sterling bond, on 13 March 2025 the Group issued £125m of US private placement notes to a group of six investors with maturities between 2028 and 2035 at investment grade yields.

Principal risks and uncertainties

Maintaining a dynamic and effective risk management process is central to the successful delivery of the Group's strategic objectives and building resilience, as the Group continues to navigate a challenging external environment, an evolving risk landscape and continued uncertainty. The Group takes a balanced approach to manage risks in a proactive, efficient and effective way, targeted at the most significant risks, particularly where there is a low tolerance for risk or uncertainty.

The Group's principal risks are regularly reviewed and reassessed through a process that considers both internal and external factors. No principal risks have been added or removed in the latest risk review and, although all risks and associated mitigations have evolved over the past year, the overarching trends and inherent risk levels are assessed to be broadly consistent year-on-year. As set out in the half year results, the Board considers the risk trend for the 'Managing Change' principal risk to be 'increasing' as a result of the large-scale change experienced by the Group during 2024, including leadership changes and the implementation of new systems. The 'Macroeconomic Volatility' risk trend was also updated to 'limited change year-on-year' to reflect a relative stabilisation in the level of uncertainty in the macro environment impacting the Group. All other risk trends are unchanged.

Accordingly, the 2024 Annual Report and Accounts will report risks under the following captions: long-term market trends, macroeconomic volatility, supply chain resilience, managing change, climate change & carbon reduction, cyber threat & data security, health, safety & wellbeing, legal compliance and critical asset failure.

The Group seeks to capture emerging risks that do not currently present a significant risk but which may have the potential to adversely impact its operations in the future. Unrest across the Middle East and the war in Ukraine continue to be monitored as potential risks in relation to the Group's supply chain and macroeconomic volatility more generally, and the Group continues to ensure compliance with relevant trade sanctions. Outcomes of globally significant elections during 2024 will be closely monitored, and the Board remains watchful of developments which may impact the Group such as economic policy and supply chain disruption. There are no other emerging risks considered significant enough to report at this time.

Consolidated income statement

For the year ended 31 December 2024

£m	Notes	**2024**	2023 (re-presented[1])
Revenue	6	**4,607.4**	4,837.1
Gross profit		**1,203.7**	1,298.8
Charge for impairment losses for trade receivables		**(16.7)**	(16.8)
Selling and distribution		**(779.2)**	(823.2)
Administrative expenses – other		**(271.3)**	(284.9)
Profit on disposal of properties		**11.3**	15.1
Other operating income		**4.0**	9.1
Adjusted operating profit		**151.8**	198.1
Administrative expenses – adjusting items	8	**(139.1)**	(26.9)
Administrative expenses – amortisation of acquired intangible assets		**(10.4)**	(10.5)
Operating profit	7	**2.3**	160.7
Finance income		**11.1**	12.1
Finance costs	10	**(51.8)**	(51.4)
(Loss) / profit before tax		**(38.4)**	121.4
Tax	11	**(2.2)**	(31.9)
(Loss) / profit from continuing operations		**(40.6)**	89.5
Loss from discontinuing operations	12	**(36.8)**	(51.4)
(Loss) / profit for the year		**(77.4)**	38.1

All (loss) / profit for the year is attributable to the owners of the Company.

Earnings per share (note 15):

	2024	2023 (re-presented)
Adjusted basic earnings	**36.6p**	54.4p
Basic earnings		
– from continuing operations	**(19.2)p**	42.5p
– total	**(36.6)p**	18.1p
Diluted earnings		
– from continuing operations	**(19.2)p**	41.8p
– total	**(36.6)p**	17.8p

The accompanying notes form an integral part of these financial statements.

1 Figures for the year ended 31 December 2023 have been re-presented to exclude the results of the Toolstation France business, which is now presented as a discontinued operation.

Consolidated statement of comprehensive income

For the year ended 31 December 2024

£m	**2024**	2023
(Loss) / profit for the year	**(77.4)**	38.1
Items that will not be reclassified subsequently to profit and loss:		
Actuarial gain / (loss) on defined benefit pension schemes	**35.1**	(41.0)
Income tax relating to other comprehensive income	**(9.5)**	10.2
Items that may be reclassified subsequently to profit and loss:		
Foreign exchange differences on retranslation of foreign operations	**(2.3)**	(1.2)
Fair value gain / (loss) on cash flow hedges	**0.4**	(1.4)
Deferred tax on cash flow hedges	**(0.1)**	0.4
Total other comprehensive profit / (loss) for the year net of tax	**23.6**	(33.0)
Total comprehensive (loss) / income for the year	**(53.8)**	5.1

Total comprehensive (loss) / income for the year attributable to the owners of the Company arises from:

	2024	2023
Continuing operations	**(16.9)**	57.0
Discontinued operations	**(36.9)**	(51.9)
	(53.8)	5.1

All other comprehensive income is attributable to the owners of the Company.

Consolidated balance sheet

As at 31 December 2024

£m	Notes	**2024**	2023
Assets			
Non-current assets			
Goodwill		**821.3**	847.9
Other intangible assets		**86.9**	99.9
Property, plant and equipment		**771.1**	848.4
Right-of-use assets		**545.4**	530.4
Non-current prepayments		**15.3**	14.2
Deferred tax asset		**17.5**	18.0
Derivative financial instruments		**3.3**	2.9
Retirement benefit asset	13	**116.9**	100.6
Total non-current assets		**2,377.7**	2,462.3
Current assets			
Inventories		**648.6**	727.6
Trade and other receivables		**760.5**	689.6
Tax debtor		**–**	14.5
Cash and cash equivalents, excluding bank overdrafts		**244.4**	131.5
Total current assets		**1,653.5**	1,563.2
Total assets		**4,031.2**	4,025.5
Equity and liabilities			
Capital and reserves			
Issued share capital		**23.8**	23.8
Share premium account		**545.6**	545.6
Cash flow hedge reserve		**2.5**	2.9
Merger reserve		**326.5**	326.5
Revaluation reserve		**9.5**	10.8
Own shares		**(7.2)**	(14.1)
Foreign exchange reserve		**6.1**	8.4
Capital redemption reserve		**1.4**	1.4
Retained earnings		**1,065.9**	1,135.0
Total equity		**1,974.1**	2,040.3
Non-current liabilities			
Interest-bearing loans and borrowings		**421.8**	445.1
Lease liabilities		**560.1**	518.8
Deferred tax liabilities		**68.3**	92.8
Long-term provisions		**21.6**	3.8
Total non-current liabilities		**1,071.8**	1,060.5
Current liabilities			
Lease liabilities		**94.5**	89.6
Overdraft		**13.2**	–
Derivative financial instruments		**–**	0.4
Trade and other payables		**838.2**	795.4
Short-term provisions		**39.4**	39.3
Total current liabilities		**985.3**	924.7
Total liabilities		**2,057.1**	1,985.2
Total equity and liabilities		**4,031.2**	4,025.5

Consolidated statement of changes in equity

For the year ended 31 December 2024

£m	Share capital	Share premium	Cash flow hedge reserve	Merger reserve	Revaluation reserve	Own shares	Foreign exchange reserve	Capital redemption reserve	Retained earnings	**Total equity**
At 1 January 2023	**23.8**	**545.6**	**4.3**	**326.5**	**12.1**	**(34.3)**	**9.6**	**1.4**	**1,213.2**	**2,102.2**
Profit for the year	–	–	–	–	–	–	–	–	38.1	**38.1**
Other comprehensive income for the year net of tax	–	–	(1.4)	–	–	–	(1.2)	–	(30.4)	**(33.0)**
Total comprehensive income for the year	–	–	(1.4)	–	–	–	(1.2)	–	7.7	**5.1**
Dividends paid	–	–	–	–	–	–	–	–	(82.1)	**(82.1)**
Adjustments in respect of revalued fixed assets net of tax	–	–	–	–	(1.3)	–	–	–	1.8	**0.5**
Own shares movement	–	–	–	–	–	20.2	–	–	(20.2)	**–**
Equity-settled share-based payments net of tax	–	–	–	–	–	–	–	–	14.6	**14.6**
At 1 January 2024	**23.8**	**545.6**	**2.9**	**326.5**	**10.8**	**(14.1)**	**8.4**	**1.4**	**1,135.0**	**2,040.3**
Loss for the year	–	–	–	–	–	–	–	–	(77.4)	**(77.4)**
Other comprehensive income for the year net of tax	–	–	0.3	–	–	–	(2.3)	–	25.6	**23.6**
Total comprehensive loss for the year	–	–	0.3	–	–	–	(2.3)	–	(51.8)	**(53.8)**
Dividends paid	–	–	–	–	–	–	–	–	(23.2)	**(23.2)**
Adjustments in respect of revalued fixed assets net of tax	–	–	–	–	(1.3)	–	–	–	1.5	**0.2**
Sale of own shares	–	–	–	–	**–**	0.1	–	–	**–**	**0.1**
Own shares movement	–	–	–	–	–	6.8	–	–	(6.8)	**–**
Exercise of options over non-controlling interest	–	–	–	–	–	–	–	–	(1.2)	**(1.2)**
Equity-settled share-based payments net of tax	–	–	–	–	–	–	–	–	11.7	**11.7**
Reclassifications	–	–	(0.7)	–	–	–	–	–	0.7	–
At 31 December 2024	**23.8**	**545.6**	**2.5**	**326.5**	**9.5**	**(7.2)**	**6.1**	**1.4**	**1,065.9**	**1,974.1**

Consolidated cash flow statement

For the year ended 31 December 2024

£m	**2024**	2023 (re-presented)
Cash flows from operating activities		
Operating profit	**2.3**	160.7
Adjustments for:		
Depreciation of property, plant and equipment	**79.8**	79.1
Depreciation of right-of-use assets	**96.8**	88.9
Amortisation of other intangibles	**3.6**	4.6
Amortisation of acquisition-related intangibles	**10.4**	10.5
Share-based payments	**11.7**	14.6
Gain on disposal of property, plant and equipment	**(11.3)**	(15.1)
Purchase of tool hire assets	**(3.8)**	(7.8)
Decrease / (increase) in inventories	**63.6**	(0.4)
(Increase) / decrease in receivables	**(76.1)**	36.9
Increase / (decrease) in payables	**18.0**	(59.1)
Adjusting items payments less than / (greater than) the charge	**119.2**	16.3
Cash generated from operations	**314.2**	329.2
Interest paid and debt arrangement fees	**(25.3)**	(31.0)
Interest on lease liabilities	**(29.6)**	(25.6)
Income taxes paid	**(20.9)**	(40.7)
Net cash inflow from continuing operating activities	**238.4**	**231.9**
Net cash outflow from discontinued operating activities	**(15.9)**	**(14.3)**
Net cash from operating activities	**222.5**	217.6
Cash flows from investing activities		
Interest received	**5.8**	6.0
Proceeds on disposal of property, plant and equipment	**63.0**	69.1
Purchases of land and buildings	**(12.3)**	(33.2)
Purchases of other property, plant and equipment	**(55.8)**	(96.5)
Purchase/development of computer software	**(4.1)**	(2.9)
Net cash outflow from continuing investing activities	**(3.4)**	(57.5)
Net cash outflow from discontinued investing activities	**–**	(1.4)
Net cash outflow from investing activities	**(3.4)**	(58.9)
Cash flows from financing activities		
Sale of own shares	**0.1**	–
Repayment of lease liabilities	**(93.8)**	(82.4)
Payments to pension scheme	**–**	(3.8)
Dividends paid	**(23.2)**	(82.1)
Drawdown of borrowings	**–**	100.0
Repayment of bonds	**–**	(180.0)
Net cash outflow used in continuing financing activities	**(116.9)**	(248.3)
Net cash outflow used in discontinued financing activities	**(2.5)**	(2.1)
Net cash used in financing activities	**(119.4)**	(250.4)
Net increase / (decrease) in cash and cash equivalents	**99.7**	(91.7)
Cash and cash equivalents at 1 January	**131.5**	223.2
Cash and cash equivalents at 31 December	**231.2**	131.5

Notes

1. The Group’s principal accounting policies are set out in the 2023 Annual Report & Accounts, which is available on the Company’s website www.travisperkinsplc.co.uk. All accounting policies have been applied consistently in 2024.

2. The Directors are recommending a final dividend of 9.0p in respect of the year ended 31 December 2024 (2023: 5.5p). The dividend will be paid on 29 May 2025 to shareholders on the register at the close of business on 22 April 2025. The Company's shares will go ex-dividend on 17 April 2025. The Company operates a Dividend Reinvestment Plan, elections for which must be received by the Company's registrar by 5.30pm on 7 May 2025.

3. The financial information set out above does not constitute the Group's statutory accounts for the years ended 31 December 2023 or 2024. The financial information for 2023 is derived from the statutory accounts for the year ended 31 December 2023 which have been delivered to the registrar of companies. The auditor has reported on the 2023 accounts; their report was (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006. The statutory accounts for 2024 will be finalised on the basis of the financial information presented by the Directors in this preliminary announcement and will be delivered to the Registrar of Companies in due course.

4. This announcement was approved by the Board of Directors on 31 March 2025.

5. It is intended to post the Annual Report & Accounts to shareholders on 2 April 2025 and to hold the Annual General Meeting on 14 May 2025. Copies of the annual report prepared in accordance with IFRS will be available from the Company Secretary, Travis Perkins plc, Lodge Way House, Lodge Way, Harlestone Road, Northampton, NN5 7UG from 1 April 2025 and will be available on the Group’s website at www.travisperkinsplc.co.uk.

6. Revenue reconciliation and like-for like sales

£m	Merchanting	Toolstation	**Total**
2023 revenue (re-presented)	4,035.8	801.3	**4,837.1**
Network change	(62.5)	(12.7)	**(75.2)**
Trading days	49.5	2.4	**51.9**
2023 like-for-like revenue (re-presented)	4,022.8	791.0	**4,813.8**
Like-for-like change	(271.9)	15.3	**(256.6)**
2024 like-for-like revenue	3,750.9	806.3	**4,557.2**
Network change	35.4	14.8	**50.2**
2024 revenue	3,786.3	821.1	**4,607.4**
Like-for-like revenue growth	(6.8%)	1.9%	**(5.3%)**
Total revenue growth	(6.2%)	2.5%	**(4.7%)**

Like-for-like sales are a measure of underlying sales performance for two successive periods. Branches and stores contribute to like-for-like sales once they have been trading for more than 12 months. Revenue included in like-for-like is for the equivalent times in both years being compared, including changes to the number of trading days. When branches close, revenue is excluded from the prior year figures for the months equivalent to the post-closure period in the current year.

7. Profit

a. Operating profit

£m	**2024**	2023 (re-presented)
Revenue	**4,607.4**	4,837.1
Cost of sales	**(3,403.7)**	(3,538.3)
Gross profit	**1,203.7**	1,298.8
Charge for impairment losses for trade receivables	**(16.7)**	(16.8)
Selling and distribution	**(779.2)**	(823.2)
Administrative expenses – other	**(271.3)**	(284.9)
Profit on disposal of properties	**11.3**	15.1
Other operating income	**4.0**	9.1
Adjusted operating profit	**151.8**	198.1
Administrative expenses – adjusting items	**(139.1)**	(26.9)
Administrative expenses – amortisation of acquired intangible assets	**(10.4)**	(10.5)
Operating profit	**2.3**	160.7
Adjusted operating profit before property disposals	**140.5**	183.0

During the year the Group recognised a gain on the disposal of plant and equipment of £0.8m (2023: nil).

b. Adjusted profit

£m	**2024**	2023 (re-presented)
(Loss) / profit before tax	**(38.4)**	121.4
Adjusting items (note 8)	**139.1**	26.9
Amortisation of acquired intangible assets	**10.4**	10.5
Adjusted profit before tax	**111.1**	158.8
Total tax	**(2.2)**	(31.9)
Tax on adjusting items	**(29.0)**	(9.7)
Tax on amortisation of acquired intangible assets	**(2.6)**	(2.6)
Adjusted profit after tax	**77.3**	114.6

Adjusted profit excludes adjusting items and amortisation of acquired intangible assets.

8. Adjusting items

Adjusting items are those items of income and expenditure that, individually or in aggregate, by reference to the Group, are material in size and unusual in nature or incidence and that in the judgement of the Directors should be disclosed separately on the face of the financial statements (or in the notes in the case of a segment) to ensure both that the reader has a clear understanding of the Group's underlying financial performance and that there is comparability of financial performance between periods.

Items of income or expense that are considered by the Directors for designation as adjusting items include, but are not limited to, significant one-year or multi-year restructuring programmes, onerous contracts, write-downs or impairments of assets, the costs of acquiring and integrating businesses, gains or losses on disposals of businesses and investments, re-measurement gains or losses arising from changes in the fair value of derivative financial instruments to the extent that hedge accounting is not achieved or is not effective, pension scheme curtailment gains and the effect of changes in corporation tax rates on deferred tax balances.

£m	**2024**	2023 (re-presented)
Restructuring	**37.0**	16.8
Staircraft impairment	**32.7**	–
Branch impairments	**62.7**	–
Benchmarx branch closures	**6.7**	10.1
	139.1	26.9

Restructuring

In the second half of 2023, in response to the continued weakness in the construction market, the Group commenced a restructuring of its support functions and its supply chain. This programme concluded in 2024.

The 2024 costs associated with this programme are:

- £26.2m of costs from the consolidation of the Group's supply chain, including £9.3m of dilapidations costs and other property-related items, £12.9m of stock impairments and £4.0m of other associated costs. Of these items, £4.7m of stock impairments, £1.4m property costs and £1.3m of other associated costs relate to the Toolstation UK business.
- Redundancy and other associated costs of £10.8m in respect of central and regional restructuring.

Costs of £16.8m were incurred in 2023 in respect of this restructuring activity.

Impairment

A full branch-level impairment review was conducted and identified 209 Merchanting branches where the carrying value of the branch assets was above the value of the discounted future cash flows generated from these assets. The total impairment recognised in respect of Travis Perkins General Merchant and CCF branches is £57.0m and reflects the under-utilisation of these assets within the review period as a result of cyclically depressed market volumes. A charge of £5.7m has been recognised in respect of other branch assets. Additionally, an impairment of £32.7m has been recognised in respect of the annual impairment review of the Staircraft business.

Benchmarx branch closures

In 2023 a charge of £10.1m was recognised in respect of the impairment of tangible fixed assets and right-of-use assets and the recognition of property-related provisions for 39 standalone Benchmarx branches. These branches were closed in 2024 and an additional charge of £6.7m recognised in respect of closure costs.

9. Business segments

The operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker ("CODM"), which is considered to be the Board, to assess performance and allocate capital.

Segmental operating profit represents the result of each segment without allocation of certain central costs, finance costs and tax. Segmental adjusted operating profit is the result of each segment before adjusting items, the amortisation of acquired intangible assets and property profits. Unallocated segment assets and liabilities comprise financial instruments, current and deferred tax, cash, borrowings and pension scheme assets and liabilities.

Both operating segments sell building materials to a wide range of customers, none of which are dominant, and operate predominantly in the United Kingdom. The Toolstation segment sells building materials at a fixed price, with a fixed range in each store. The Merchanting segment sells building materials at prices specifically negotiated with customers, with variation in the products offered in each branch.

£m	Merchanting	Toolstation	Unallocated	**Consolidated**
	2024			
Revenue	3,786.3	821.1	–	**4,607.4**
Operating profit	19.5	12.0	(29.2)	**2.3**
Amortisation of acquired intangible assets	7.6	2.8	–	**10.4**
Adjusting items	132.6	6.5	–	**139.1**
Less property profits	(11.3)	–	–	**(11.3)**
Segmental adjusted operating profit	148.4	21.3	(29.2)	**140.5**
Adjusted operating margin	3.9%	2.6%	–	**3.0%**
Average capital employed	2,232.5	564.3	12.4	**2,809.2**
Segment assets	2,888.0	726.6	416.6	**4,031.2**
Segment liabilities	(1,165.3)	(380.9)	(510.9)	**(2,057.1)**
Consolidated net assets	1,722.7	345.7	(94.3)	**1,974.1**
Capital expenditure excluding property	51.4	12.6	–	**64.0**
Depreciation of fixed assets and software amortisation	75.3	18.5	–	**93.8**
Depreciation of right-of-use assets	67.4	29.4	–	**96.8**

£m	Merchanting	Toolstation	Unallocated	**Consolidated**
	2023 (re-presented)			
Revenue	4,035.8	801.3	–	**4,837.1**
Operating profit	198.9	(4.8)	(33.4)	**160.7**
Amortisation of acquired intangible assets	7.6	2.9	–	**10.5**
Adjusting items	20.9	5.2	0.8	**26.9**
Less property profits	(15.1)	–	–	**(15.1)**
Segmental operating profit	212.3	3.3	(32.6)	**183.0**
Adjusted operating margin	5.3%	0.4%	–	**3.8%**
Average capital employed	2,250.7	596.0	6.1	**2,852.8**
Segment assets	2,943.4	764.6	317.5	4,025.5
Segment liabilities	(1,070.6)	(375.1)	(539.5)	(1,985.2)
Consolidated net assets	1,872.8	389.5	(222.0)	2,040.3
Capital expenditure excluding property	89.5	17.8	–	**107.3**
Depreciation of fixed assets and software amortisation	67.8	15.9	–	**83.7**
Depreciation of right-of-use assets	56.8	32.1	–	**88.9**

10. Net finance costs

£m	**2024**	2023 (re-presented)
Items in the nature of interest:		
Interest on bonds and other loans	**(17.1)**	(20.6)
Interest on bank facilities and overdrafts	**(2.0)**	(1.5)
Pension scheme SPV interest	**(1.8)**	(1.7)
Other finance costs:		
Amortisation of issue costs of bank loans	**(1.3)**	(1.5)
Unwinding of discounts – property provisions	**–**	(0.1)
Remeasurement:		
Net loss on remeasurement of derivatives at fair value	**–**	(0.2)
Loss on remeasurement of foreign exchange	**–**	(0.2)
Lease interest:		
Property	**(26.5)**	(24.7)
Equipment	**(3.1)**	(0.9)
Finance costs	**(51.8)**	(51.4)

Items in the nature of interest:		
Interest receivable	**6.0**	5.7
Remeasurement:		
Net gain on remeasurement of derivatives at fair value	**0.8**	–
Other finance income – pension scheme	**4.3**	6.4
Finance income	**11.1**	12.1
Net finance costs	**(40.7)**	(39.3)

11. Tax

£m	**2024**	2023 (re-presented)
Current tax:		
Current year	**34.9**	33.0
Prior year	**0.6**	(6.1)
Total current tax	**35.5**	26.9
Deferred tax:		
Current year	**(32.8)**	(1.4)
Prior year	**(0.5)**	6.4
Total deferred tax	**(33.3)**	5.0
Total tax charge	**2.2**	31.9

12. Discontinued operations

During the year ended 31 December 2024 the Group ceased the operations of its Toolstation France business. As this business represented a separate geographical area of operation and was a major proportion of the Group's loss for the year of £77.4m in 2024 and its profit for the year of £38.1m in 2023, the Group concluded that it met the definition of a discontinued operation in IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations. Accordingly its results are presented as those of discontinued operations and the results for the year ended 31 December 2023 have been re-presented.

a) Results of discontinued operations

£m	**2024**	2023
Revenue	**16.3**	24.8
Gross profit	**8.2**	6.3
Operating expenses	**(44.6)**	(57.1)
Net finance costs	**(0.4)**	(0.6)
Loss before tax	**(36.8)**	(51.4)
Tax	**-**	-
Loss from discontinuing operations	**(36.8)**	(51.4)

The loss before tax of £36.8m includes costs of £22.2m relating to the closure of the business. The loss for the year ended 31 December 2023 from discontinued operations includes £33.1m which was previously presented as an adjusting item.

b) Cash flows relating to discontinued operations

£m	**2024**	2023
Net cash outflow from operating activities	**(15.9)**	(14.3)
Net cash outflow from investing activities	**-**	(1.4)
Net cash used in financing activities	**(2.5)**	(2.1)
Net cash flows for the year for discontinued operations	**(18.4)**	(17.8)

13. Pension schemes

£m	2024 Gross assets	2024 Gross obligations	**2024 Net**	2023 Gross assets	2023 Gross obligations	2023 Net
Gross pension asset as at 1 January	1,096.9	(996.3)	**100.6**	1,097.4	(961.5)	135.9
Amounts recognised in income:						
Current service costs and administration expenses	(3.0)	(0.1)	**(3.1)**	(2.3)	–	(2.3)
Interest income / (interest cost)	48.7	(44.2)	**4.5**	51.5	(45.1)	6.4
Other movements:						
Contributions from sponsoring companies	0.4	–	**0.4**	1.4	–	1.4
Foreign exchange	(0.5)	0.4	**(0.1)**	0.2	(0.1)	0.1
Withdrawal of assets	(23.2)	–	**(23.2)**	–	–	–
Benefits paid	(49.8)	49.8	–	(44.1)	44.1	–
Balance sheet reclassifications	–	2.7	2.7	–	–	–
Amounts recognised in other comprehensive income:						
Return on plan assets (excluding amounts in net interest)	(98.4)	–	**(98.4)**	(7.2)	–	(7.2)
Actuarial loss from changes in demographic assumptions	–	(4.7)	**(4.7)**	–	8.6	8.6
Actuarial gain from changes in financial assumptions	–	100.4	**100.4**	–	(20.4)	(20.4)
Actuarial gain from experience adjustments	–	37.8	**37.8**	–	(21.9)	(21.9)
Gross pension asset as at 31 December	971.1	(854.2)	**116.9**	1,096.9	(996.3)	100.6

14. Dividends

Amounts were recognised in the financial statements as distributions to equity shareholders as follows:

£m	**2024**	2023
Final dividend for the year ended 31 December 2023 of 5.5 pence (2022: 26.5 pence) per ordinary share	**11.6**	55.8
Interim dividend for the year ended 31 December 2024 of 5.5 pence (2023: 12.5 pence) per ordinary share	**11.6**	26.3
Total dividend recognised during the year	**23.2**	82.1

The Directors are recommending a final dividend of 9.0 pence in respect of the year ended 31 December 2024. The anticipated cash payment in respect of the proposed final dividend is £19.1m (2023: £11.7m).

15. Earnings per share

a. Basic and diluted earnings per share

£m	**2024**	2023 (re-presented)
Profit/(loss) attributable to the owners of the parent		
- from continuing operations	**(40.6)**	89.5
- from discontinued operations	**(36.8)**	(51.4)
Weighted average number of shares for the purposes of basic earnings per share	**211,106,493**	210,530,726
Dilutive effect of share options on potential ordinary shares	**3,794,915**	3,616,786
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**214,901,408**	214,147,512
Earnings/(loss) per share		
- from continuing operations	**(19.2)p**	42.5p
- from discontinued operations	**(17.4)p**	(24.4)p
- total	**(36.6)p**	18.1p
Diluted earnings/(loss) per share		
- from continuing operations	**(19.2)p**	41.8p
- from discontinued operations	**(17.4)p**	(24.0)p
- total	**(36.6)p**	17.8p

A total of 159,768 share options (2023: 620,310 share options) had an exercise price in excess of the average market value of the shares during the year. As a result, these share options were excluded from the calculation of diluted earnings per share.

b. Adjusted earnings per share

Adjusted earnings per share is calculated by excluding the effect of adjusting items and amortisation of acquired intangible assets from earnings.

£m	**2024**	2023 (re-presented)
(Loss) / earnings for the purposes of earnings per share	**(77.4)**	38.1
Adjusting items	**139.1**	26.9
Amortisation of acquisition related intangible assets	**10.4**	10.5
Tax on adjusting items	**(29.0)**	(9.7)
Tax on amortisation of acquisition related intangible assets	**(2.6)**	(2.6)
Loss from discontinued operations	**36.8**	51.4
Earnings for adjusted earnings per share	**77.3**	114.6
Adjusted earnings per share	**36.6p**	54.4p

16. Net debt

£m	Cash and cash equivalents, including overdraft	Leases	Term loan	Senior unsecured notes	Liability to pension scheme	Total
At 1 January 2023	**(223.2)**	**512.6**	**73.4**	**429.0**	**26.7**	**818.5**
Additions to leases	–	185.5	–	–	–	**185.5**
Disposals of leases	–	(5.2)	–	–	–	**(5.2)**
Cash flow	91.7	(110.7)	–	(80.0)	(3.7)	**(102.7)**
Finance charges and fees	–	–	(1.9)	–	–	**(1.9)**
Discount unwind on liability to pension scheme	–	–	–	–	1.6	**1.6**
Discount unwind on lease liabilities	–	26.2	–	–	–	**26.2**
At 1 January 2024	**(131.5)**	**608.4**	**71.5**	**349.0**	**24.6**	**922.0**
Additions to leases	–	152.1	–	–	–	**152.1**
Disposals of leases	–	(8.6)	–	–	–	**(8.6)**
Cash flow	(99.7)	(127.4)	–	–	–	**(227.1)**
Finance charges and fees	–	–	0.9	0.4	–	**1.3**
Loan Settlement	–	–	–	–	(24.6)	**(24.6)**
Discount unwind on lease liabilities	–	30.1	–	–	–	**30.1**
31 December 2024	**(231.2)**	**654.6**	**72.4**	**349.4**	–	**845.2**

17. Cash flow metrics

a. Free cash flow

£m	**2024**	2023 (re-presented)
Adjusted operating profit	**151.8**	198.1
Less: Profit on disposal of properties	**(11.3)**	(15.1)
Adjusted operating profit excluding property profit	**140.5**	183.0
Share-based payments	**11.7**	14.6
Other net interest paid	**(19.5)**	(25.0)
Interest on lease liabilities	**(29.6)**	(25.6)
Income tax paid	**(20.9)**	(40.7)
Movement on working capital	**5.5**	(22.6)
Depreciation of property, plant and equipment	**79.8**	79.1
Amortisation and impairment of internally-generated intangibles	**3.6**	4.6
Capital expenditure excluding freehold purchases	**(63.8)**	(107.2)
Disposal of plant and equipment	**1.2**	2.0
Free cash flow	**108.5**	62.2

b. Cash conversion

£m	**2024**	2023 (re-presented)
Adjusted operating profit excluding property profit	**140.5**	183.0
Movement on working capital	**5.5**	(22.6)
Depreciation of property, plant and equipment	**79.8**	79.1
Amortisation and impairment of internally-generated intangibles	**3.6**	4.6
Share-based payments	**11.7**	14.6
Capital expenditure excluding freehold purchases	**(63.8)**	(107.2)
	177.3	151.5
Cash conversion	**126%**	83%

18. Return on capital employed

Group return on capital employed is calculated as follows:

£m	**2024**	2023 (re-presented)
Operating profit	**2.3**	160.7
Amortisation of acquired intangible assets	**10.4**	10.5
Adjusting items	**139.1**	26.9
Adjusted operating profit	**151.8**	198.1
Opening net assets	**2,040.3**	2,102.2
Net pension surplus	**(75.5)**	(102.0)
Net debt	**922.0**	818.5
Opening capital employed	**2,886.8**	2,818.7
Closing net assets	**1,974.1**	2,040.3
Net pension surplus	**(87.7)**	(75.5)
Net debt	**845.2**	922.0
Closing capital employed	**2,731.6**	2,886.8
Average capital employed	**2,809.2**	2,852.8

Group return on capital employed is calculated as follows:

£m	**2024**	2023 (re-presented)
Adjusted operating profit	**151.8**	198.1
Average capital employed	**2,809.2**	2,852.8
Return on capital employed	**5.4%**	6.9%

19. Net debt to adjusted EBITDA

£m	**2024**	2023
Operating profit	**2.3**	109.9
Depreciation and amortisation	**190.5**	186.5
Adjusting items	**139.1**	60.0
Adjusted EBITDA	**331.9**	356.4
Net debt	**845.2**	922.0
Net debt to adjusted EBITDA	**2.5x**	2.6x

In accordance with the Group’s debt covenant definitions, the comparative year ended 31 December 2023 has not been re-presented for this APM to exclude the result of the Toolstation France business.