

# Travis Perkins reveals it axed 400 jobs and closed branches to slash costs

Builders' merchant [Travis Perkins](#) has revealed it axed 400 jobs and shut 19 branches at the end of last year as a slowdown in the construction sector hit its bottom line.

The group, which owns the Toolstation chain, said it was forced to take some "difficult decisions" to slash costs by £25 million this year.

It closed 19 branches in its general merchant and Benchmarx divisions in the final quarter of 2022, with 400 jobs being lost due to the site closures and across central support functions.

The details came as Travis Perkins reported a 20% tumble in pre-tax profits to £245 million for 2022.

It said it was impacted by woes in the housing market amid economic uncertainty as well as surging cost inflation.

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Travis Perkins said: “With the expectation of lower levels of activity in the UK construction sector in the year ahead, management implemented a number of cost reduction actions in the fourth quarter of 2022 to ensure that the group’s cost base appropriately reflects the trading environment.

“These changes represent an acceleration of plans to modernise the business by exiting smaller branches and continuing to invest in larger, more capable, destination branches which incorporate value-added services such as hire and kitchen showrooms.”

The group is expecting the wider construction market to plunge by “the mid to high single digit” range in 2023, with the residential, new build homes sector being among the worst impacted by the woes.

It also warned over more cost pressures over the year ahead, with inflation running at mid to high single digit levels, marking a slight easing, but “no notable deflation in manufactured products” expected.

Travis said it has slashed its investment plans for 2022 and 2023 in light of the more difficult trading conditions.

Spend was about £15 million lower in 2022 than the £125 million per year previously guided for, with another cut of about £25 million expected in 2023 to £100 million.

Nick Roberts, chief executive of Travis Perkins, added: “In the second half of the year we made some difficult decisions in response to the weaker trading environment and we continue to be watchful of market trends, working closely with our customers and suppliers to stay on the front foot.”