

# MATALAN

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**Matalan announces results for the 13 weeks ended 25 November 2017 and launch of a £330 million first lien secured notes offering and a £150 million second lien secured notes offering**

**15 January 2018**

Matalan, a leading multi-channel fashion and homeware value retailer, announces its results for the 13 weeks ended 25 November 2017.

## **Financial highlights**

### **13 weeks to 25 November 2017**

- Full price sales increase of 2.6%
- Total revenue of £293.8m (2017: £299.4m)
- EBITDA of £44.9m (2017: £35.1m)
- Closing cash position of £102.7m (2017: £95.6m)

### **Peak trading for 5 weeks to 30 December 2017**

- Full price sales increase of 2.6%
- Total revenue of £142.3m (2017: £132.6m)
- EBITDA of £22.3m (2017: £19.3m)
- Closing cash position of £102.5m (2017: £99.5m)

## **Performance overview & Outlook**

Commenting on performance Jason Hargreaves, Chief Executive Officer of Matalan, said:

“The strong third quarter and December results released today continue the progress made in the first half, with the business delivering a great offer for our customers across our complementary store and online channels. We planned rigorously for what we knew would be a volatile autumn market and have successfully navigated through a challenging consumer backdrop, growing our full price sales, and significantly improving our trading margins and profit.

In the run up to Christmas, savvy customers cut through the growing promotional noise in the market in seeking out genuine value. Our offer is well positioned to respond to this, outperforming the market both in our stores and online, with all major product divisions delivering growth in December. Overall sales growth was strong in December at 7.3%, with store and online sales growing 6.2% and 24.7% respectively.

As we move into the new year we remain rigorous in our planning for what will continue to be a challenging market, but confident in the sustainability of our progress. We will continue to deliver outstanding choice and value across our ranges, whilst further improving the customer journey through our store refurbishment program and enhancements to the online experience.

Today we also announce the commencement of the process to refinance our existing notes due in 2019 and 2020.”

The above information concerning the five week period ending 30 December 2017 is based on preliminary results and estimates and is not intended to be a comprehensive statement of our financial or operational results. Such information has been prepared by, and is the responsibility of, management and has not been audited or reviewed by our independent auditors. The preliminary results mentioned above are derived from our non-IFRS management accounts, rather than our IFRS financial statements, and for a five week period. We have not yet prepared our financial statements for any period following the 39 weeks ended November 25, 2017. Our preliminary results are based on our preliminary review of our results of operations and are inherently subject to modification during the preparation of our financial statements. As a result, our actual results could vary from these estimates and these differences could be material.

## Notes offering

Matalan announces today that it intends to launch the issue of £330 million first lien secured notes due 2023 and £150 million second lien secured notes due 2024 through Matalan Finance plc. The proceeds of the offering will be used to refinance in full Matalan's existing senior secured notes and to pay costs, fees and expenses incurred in connection with the refinancing. Simultaneously with the issue of the notes, Matalan plans to enter into a revolving credit facility which is expected to provide for utilizations of up to £50 million and mature in 2022.

**Ends**

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## About Matalan Retail Limited

Matalan, a leading out of town fashion and homeware retailer, operates through 227 stores in the UK, an e-commerce platform and 25 overseas franchise stores. Matalan Retail Limited was taken private in December 2006 by the acquisition of its parent company, Matalan Plc (now delisted and known as Matalan Limited), by Missouri Bidco Limited, subsequently renamed Matalan Finance Limited. Matalan Finance Limited has subsequently become a public limited company and is ultimately controlled by the Hargreaves family.

*This press release contains inside information by Matalan Finance plc under Regulation (EU) 596/2014 (16 April 2014) and Implementing Regulation (EU) No 2016/1055 (10 June 2016).*

*This press release shall not constitute an offer to sell or a solicitation of an offer to purchase any securities in the United States, and shall not constitute an offer, solicitation or sale in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful. The securities have not been and will not be registered under the Securities Act of 1933, as amended (the "Securities Act"). The securities may not be offered or sold in the United States absent registration under the Securities Act or an applicable exemption from registration requirements. Any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from the issuer and that will contain detailed information about the company and management, as well as financial statements.*

*This press release may include projections and other "forward-looking" statements within the meaning of applicable securities laws. Any such projections or statements reflect the current views of Missouri TopCo Limited or its subsidiaries (including Matalan Finance plc) about further events and financial performance. No assurances can be given that such events or performance will occur as projected and actual results may differ materially from these projections.*

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*The notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the “Insurance Mediation Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.*

*Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the notes has led to the conclusion that: (i) the target market for the notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the notes (a “distributor”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.*

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*No action has been taken in any jurisdiction (including the United States) by Matalan Finance plc that would result in a public offering of the notes or the possession, circulation or distribution of any offering circular or any other material relating to Matalan Finance plc or the notes in any jurisdiction where action for such purpose is required.*

*In connection with the issuance of the notes, the stabilizing manager (or any person acting on behalf of the stabilizing manager) may over-allot notes or effect transactions with a view to supporting the market price of the notes at a level higher than that which might otherwise prevail. However, there is no assurance that the stabilizing manager (or any person acting on behalf of the stabilizing manager) will undertake stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the notes and 60 days after the date of the allotment of the notes. Any stabilization action or over-allotment must be conducted by the stabilizing manager (or person acting on behalf of the stabilizing manager) in accordance with all applicable laws and rules.*