

MATALAN

8 October 2018

Matalan results for the 13 weeks ended 25 August 2018

Matalan, a leading omni-channel fashion and homeware retailer of family value, announces its results for the 13 weeks ended 25 August 2018

Financial highlights

- Total revenue of £262.4m (2018: £259.9m)
- Full Price sales growth of 3.3%
- EBITDA of £22.8m (2018: £22.7m)
- Closing cash post FY18 refinancing of £81.5m (2018: £103.6m)

Performance overview & Outlook

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

“The second quarter’s results reflect a solid performance in what continues to be a volatile and challenging market. Our offer performed extremely well in the spring, with a reduction in discounts and healthy growth of over 3% in full price sales in the summer period. Our unique combination of design, quality and value continues to resonate with customers and has outperformed the wider market.

Alongside a core business that is performing well, we continue to invest in further developing the omni-channel experience. The store refurbishment programme is progressing, with 73 stores complete, delivering an improved shopping environment and level of choice for customers. The website continues to evolve with greater levels of personalisation and an improved customer journey, supporting strong online growth of 25% in the quarter. These channels are complementary and are both growing their full price sales by providing customers with a convenient and flexible experience.

A strong focus on our strategy, good operational disciplines and the hard work of our colleagues has enabled us to absorb significant currency pressure in the first half of the year. This pressure increases through the remainder of the year and we don’t expect the difficult market conditions or consumer confidence to improve in the short term. However, we remain confident in our strategy, focused on execution and believe this will continue to drive outperformance to the market.”

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 30 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.

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