

# MATALAN

8 July 2019

## Matalan results for the 13 weeks ended 25 May 2019

Matalan, a leading omni-channel fashion and homeware retailer of family value, announces its results for the 13 weeks ended 25 May 2019.

### Financial highlights

- Total revenue of £273.5m (2018: £265.9m)
- Total revenue growth of 2.9%
- EBITDA post adoption of IFRS16 of £50.4m<sup>1</sup>
- Restated EBITDA under IAS 17 of £25.0m (2018: £24.8m)
- Closing cash of £71.2m (2018: £60.5m)

<sup>1</sup> These are the first quarterly results to reflect the adoption of IFRS 16 'Leases', replacing the previous accounting standard IAS 17 'Leases'.

### Performance overview & Outlook

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

"The results released today represent a solid first quarter in many respects. Sales growth was delivered in both complementary store and online channels, with online growing by almost 30%. Underlying margin and cost performance also absorbed a £4m currency headwind in delivering profitability in line with last year. Alongside this we opened some fantastic new stores in Leeds, Bracknell and Wolverhampton that have been really well received by customers.

Although we delivered solid overall results, the market deteriorated significantly through the course of the quarter. An improvement to the awful spring weather failed to materialise until late June, the May market being one of the toughest we have seen in a number of years. As a result, the market began to discount earlier and to a greater extent than expected, and we ourselves had to react and begin promoting seasonal stocks. Whilst having a manageable impact on the first quarter's results, there will be more significant dilution to margins in the second quarter as we exit the summer season.

Despite this we continue to make good progress with our strategic areas of focus. These include refurbishing our store estate, improving our online customer journey, and always looking to give our savvy customers even more choice and value. This customer centric approach has made us a strong and relevant business that is well positioned within the market. Whilst we react to immediate trading conditions, we remain confident in the longer term direction and progress we are making."

**Ends**

### Enquiries:

**FTI Consulting**                      **020 3727 1000**  
Jonathon Brill  
Eleanor Purdon  
Fern Duncan

### About Matalan

Matalan, a leading out of town fashion and homeware retailer, serves its customers through 230 stores in the UK, an e-commerce platform and 32 overseas franchise stores. The ultimate parent company of Matalan is Missouri Topco Limited, with the group being ultimately controlled by the Hargreaves family.