

MATALAN

14 October 2019

Matalan results for the 14 weeks ended 31 August 2019

Matalan, a leading omni-channel fashion and homeware retailer of family value, announces its results for the 14 weeks ended 31 August 2019.

Financial highlights ¹

- Total revenue of £292.0m (2018: £262.4m)
- EBITDA post adoption of IFRS16 of £42.8m ²
- Restated EBITDA under IAS 17 of £16.3m (2018: £22.8m)
- Closing cash of £73.3m (2018: £81.5m)

¹ Comparatives are for the 13 week period ended 25 August 2018.

² This is the first financial year 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:

“In July we outlined the challenges that we and the wider market faced in what has been an extremely tough trading environment. The results released today reflect those challenges. Ongoing political and economic uncertainty has weighed heavily on consumer confidence and spending. Added to that, awful spring weather failed to improve until late in the summer, severely eroding the full price sales potential of the season. This resulted in a significant margin investment being required to sell through surplus stocks, although positively the business has succeeded in doing this effectively.

Despite current trading conditions, we are making good progress in a number of strategic areas. These include opening fantastic new stores, refurbishing our existing estate, and improving the customer journey in our online channel which delivered underlying growth of over 25%. As a result we have consistently taken market share. Alongside this we continue to invest in improving our infrastructure, productivity and stock management capabilities. This balanced and well established strategy is further improving what is already a strong and relevant business that is well positioned within the market.

We expect the autumn/winter season to remain challenging and are focussed on balancing the delivery of growth opportunities against the need to effectively manage stock risk and profitability. We will continue to be responsive to current trading conditions and remain confident in the longer term direction and progress the business is making.”

Ends

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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 34 overseas franchise stores. The ultimate parent company of Matalan is Missouri Topco Limited, with the group being ultimately controlled by the Hargreaves family.