

MATALAN

25 June 2020

Matalan results for the 53 weeks ended 29 February 2020

Matalan, a leading omni-channel fashion and homeware retailer of family value, announces its results for the 53 weeks ended 29 February 2020.

Financial highlights ¹

Announced in our COVID-19 Investor Update – 5 June 2020

- Total revenue of £1,129.4m (2019: £1,103.9m)
- EBITDA post adoption of IFRS16 of £183.0m ²
- Restated EBITDA under IAS 17 of £80.3m (2019: £102.4m)
- Closing cash of £61.2m (2019: £72.5m)

COVID-19 related financing transactions - June 2020

- Introduced a new £25m credit facility via the Coronavirus Large Business Interruption Loan Scheme
- Generated £25m of proceeds from the issuance of new senior secured notes
- Subordinated a £50m principal amount of existing second lien notes

¹ Statutory Comparatives are for the 52 week period ended 23 February 2019.

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:

“As announced in our Trading Update, it is pleasing to have continued to grow our sales and market share over the last year with online growth particularly strong at 24%. However, these results also reflect the very challenging consumer backdrop, with spending remaining depressed in the midst of unprecedented levels of political uncertainty. The market became increasingly distressed in an attempt to stimulate demand, and we were required to be competitive in that regard. As a consequence, profitability was under pressure, as we also ensured that we exited the year in a clean stock position at the end of February.

Now, as we emerge from the COVID-19 lockdown, it is more important than ever to evolve and be agile in responding to changes in consumer behaviour in these unprecedented times. Our business model has proven well positioned to adapt, with a rapidly growing and profitable online channel, and an estate of predominantly large out of town stores where social distancing protocols have been well implemented. Our stores began a phased re-opening programme on 18th May, with the majority of our stores now open across the UK. We have been encouraged that trading has been strong since re-opening, with customers and colleagues both responding well to the enhanced safety measures in place across all of our stores.

Whilst it is still early in the recovery phase, we are very clear on the key areas the business needs to deliver on in the months ahead. These include accelerating the review and rationalisation of our supply chain to improve efficiencies and create more agility. In addition, we will free up working capital by a much more efficient approach to stock management, utilising our investments in RFID. We are also accelerating the changes in our working practices and drivers of cost efficiency, and have already delivered rapid enhancements to our model during the crisis. For example, we are now actively fulfilling online orders from 75 of our stores, as well as our distribution centres. The pace of change required across the market to adapt to the current environment is evident and we are confident that we are well placed, and focussed, to deliver against that need to quickly progress our recovery.”

Ends

Enquiries:**FTI Consulting** **020 3727 1000**

Jonathon Brill
Georgina Goodhew
Eleanor Purdon
Fern Duncan

About Matalan

Matalan, a leading out of town fashion and homeware retailer, serves its customers through 231 stores in the UK, an e-commerce platform and 37 overseas franchise stores. The ultimate parent company of Matalan is Missouri Topco Limited, with the group being ultimately controlled by the Hargreaves family.