

MATALAN

21 July 2020

Matalan results for the 13 weeks ended 30 May 2020

Matalan, a leading omni-channel fashion and homeware retailer of family value, announces its results for the 13 weeks ended 30 May 2020.

Financial highlights

- Total revenue of £75.3m (2020: £273.5m)
- EBITDA loss post adoption of IFRS16 of £(10.2)m (2020: profit of £50.4m) ¹
- Restated EBITDA loss under IAS17 of £(35.8)m (2020: profit of £25.0m)
- Resilient closing cash of £40.9m (2020: £71.2m)

¹ EBITDA is reported before and after the adoption of IFRS 16-Leases, to also reflect performance under the previous accounting standard IAS17-Leases.

Performance overview & outlook

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

“The results released today reflect the severity of the Covid-19 impact on our business this spring. The stores were closed throughout most of the first quarter as the UK endured lockdown in what has been without doubt the biggest challenge ever faced by the sector. The scale of revenue lost from our closed stores could not be offset by our smaller online channel which continued to trade throughout the quarter.

In response, the business took immediate action to preserve cash, manage working capital and reduce costs in addition to accessing all available government support and drawing down on our revolving credit facilities. Liquidity was well managed and resilient, then further supported in June with the successful financing exercise. This positions us well to manage through a period of recovery and adjustment over the coming months.

We used the lockdown period to adapt our stores, implementing social distancing protocols ahead of a phased re-opening commencing on 18th May. Our estate of predominantly large and out of town stores performed strongly upon re-opening as customers responded well. They recognise that we offer a very convenient, comfortable and safe shopping environment, but it's still early days in the recovery period.

There can be no doubt that consumer uncertainty and broader economic challenges present a tough market going forwards. We remain confident though that whilst we proceed with caution, we have been successfully evolving our business model over recent years and as such are well placed to respond. During the last few months we have also accelerated initiatives that will make us more agile and efficient across all channels. We have done this alongside clearing the spring/summer stocks, enabling us to return to a more profitable level of performance in the autumn.

I would like to thank all of our great colleagues for their hard work and commitment through what has been an extremely challenging period and am confident that with their support we will continue our recovery as we move forwards.”

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