



18 January 2021

Matalan results for the 13 weeks ended 28 November 2020

Matalan, a leading omni-channel fashion and homeware retailer of family value, announces its results for the 13 weeks ended 28 November 2020.

Financial highlights

- Total revenue of £244.8m (2020: £311.7m)
- EBITDA post adoption of IFRS16 of £54.1m (2020: £59.0m) ¹
- Restated EBITDA under IAS17 of £28.8m (2020: £33.7m)
- Strong closing cash of £184.9m (2020: £73.1m)

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

Peak Trading for the 5 weeks to 2nd January 2021

- Total UK revenue of £119.2m (2020: £134.3m)
- Online sales growth of 84%
- Boxing Day Sale entry volume 14% below last year

Performance overview

Commenting on performance Steve Johnson, Executive Chairman of Matalan, said:

“Today’s results reflect the severe Covid-19 related disruption to store trading throughout November as Government restrictions required us to close completely or trade only “essential” ranges within stores. This followed a period of robust autumn trading in September and October, within which full price sales grew against last year and customers continued to feel comfortable and reassured in our large, convenient and safe store environments. Throughout the entire quarter the online channel delivered strong growth, benefitting from the hard work done during the year to increase capacity both in the supply chain and also via the enablement of online order fulfilment from stores. This represents an important step in our ongoing journey to becoming a truly omni-channel operation.

The business entered the autumn having taken appropriate actions to best position itself to manage the potential volatility caused by a Covid-19 resurgence. These actions included the introduction of additional liquidity alongside the management of working capital, capex, costs, and debt service interest, as well as significantly enhancing our online capacity. As a result, whilst the business has suffered a Covid-19 driven reduction in store revenues during the quarter, the proactive steps taken have enabled a more resilient profit and liquidity performance.

All of our stores across the UK re-opened during December, and performance prior to further restrictions being announced was strong, as customers sought out true value, against an uncertain consumer, economic and political backdrop. Although Covid-19 restrictions again closed 62 of our stores from the 19th December, and a further 30 from Christmas Eve, we launched our main winter Sale online and in our remaining stores on Boxing day, with entry volumes below last year.

Since Christmas, the Covid-19 landscape has deteriorated significantly with all of our UK stores once again mandated to close on the 4th January for an uncertain duration. As such we remain very cautious about the months ahead and are working with our key stakeholders to manage the business accordingly, focussing on optimising online performance, cash preservation, working capital management, and minimising costs. We have swiftly taken the necessary action to protect the business. Whilst we have furloughed the majority of our store teams, we continue to fulfil online demand from many of our stores and also provide our popular click and collect service, enabling safe and convenient access for our customers to essential clothing and homeware items for themselves and their families.

Our experience of re-opening our stores following a lockdown gives us confidence that we can once again trade well in what will undoubtedly continue to be a tough retail environment. I would like to thank our colleagues and suppliers for their continued commitment and support through another challenging period.”

Ends

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