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Matalan results for the 13 weeks ended 28 August 2021

Matalan, a leading omni-channel fashion and homeware retailer of family value, announces its results for the 13 weeks ended 28 August 2021.

Financial highlights

- Total revenue of £264.7m (2021: £258.0m)
- EBITDA profit post adoption of IFRS16 of £61.0m (2021: £28.5m) ¹
- Restated EBITDA profit under IAS17 of £38.9m (2021: £3.4m)
- Strong closing cash of £173.0m (2021: £162.3m)

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

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

“Today’s results reflect the first full quarter of trading across all channels since before the start of the pandemic. Having seen a terrific customer response to stores re-opening in the spring, we quickly cleared much of the winter stock overhang, allowing our focus to be on new ranges during the summer. As a result, despite customer footfall being affected by the so-called ‘pingdemic’, appetite for new outfits remained strong, supporting a growth in full priced sales of 25% against last year. Customers loved our fantastic dress ranges and choice of tops for every occasion and we saw a real recovery in smart and formalwear as more people returned to the office and freshened up their work wardrobe. Pleasingly, this strong full price performance was mirrored across both stores and online, contributing to a further build of market share over the period.

In common with the broader retail market, over the last few months we have been feeling the impact of disruption within the inbound product supply chain, delaying the flow of stock into the UK and adding extra costs into the process. We are working closely with suppliers and partners to manage and mitigate the effects of this. The combination of the negative impact of product delays coupled with the very positive reaction of our customers to great new product when it does arrive means that we expect availability to remain somewhat compromised over the coming months.

Whilst our priority remains immediate trading and recovery, we have continued to progress our strategic growth and development plan in parallel. Our scale, market positioning and loyal customer base, added to the resilient popularity of our convenient out of town store formats, and rapidly growing online business, offer the opportunity to add further range breadth and choice for customers in relevant and adjacent categories. We have recently launched a branded beauty collection in selected stores, including popular brands such as Rimmel and Maybelline. In addition, we are beginning to introduce new and expanded ranges within a number of home categories as well as putting a greater proportion of our existing home offer into a larger number of our stores. This extension in choice and convenience has been well received by customers.

We have also reached a major milestone in our supply chain development programme with the implementation of the first phase of automation in our Knowsley warehouse. This significant piece of change will further boost our capacity to support and sustain our rapid growth online in addition to providing greater agility, efficiency and improving service for customers as we move into next year. The execution by the team on this project has been fantastic and I give them my thanks for their many months of hard work and commitment. We're already underway with planning the next phase on the journey to further improve our supply chain and digital capabilities as we transition Matalan into being a truly multi-branded omnichannel lifestyle retailer.

Thanks to all of our colleagues, suppliers, and partners who continue to work incredibly hard in what remain challenging times, to serve our customers and deliver on the opportunities ahead."

Ends

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About Matalan

Matalan, a leading out of town fashion and homeware retailer, serves its customers through 228 stores in the UK, an e-commerce platform and 50 overseas franchise stores. The ultimate parent company of Matalan is Missouri Topco Limited, with the group being ultimately controlled by the Hargreaves family.