

18 June 2025



*Full year results for the 52 Weeks ended 22 February 2025*

**Focus on underlying profitability delivers for Matalan against challenging economic backdrop**  
**Work underway to accelerate transformation with delivery of better style, quality and value product offering and increased investment in stores, online and supply chain**

**Financial summary (£m)**

	<b>FY 2024</b>	<b>FY 2025</b>	<b>YOY change</b>
<b>Total revenue</b>	1,082	985	(9)%
<b>Gross Margin</b>	495	510	3%
<b>Adjusted EBITDA</b>	53	56	6%
<b>Loss Before Tax</b>	(60)	(67)	(12)%

**Financial highlights:**

- Focused on driving profitability rather than sales growth against challenging conditions and a competitive market to enable sustainable growth as business transformation progresses
- EBITDA up 6% year-on-year to £56m as a result of actions taken to protect and grow gross margin and careful cost control
  - Significant improvement in profitability seen in second half of the year, with EBITDA up £11m including £10m improvement delivered in Q4 (Q4 EBITDA of £16m (FY24: £6m))
- Full year sales down 9% to £985m, with continuing improvements through the year driving a stronger second half, particularly online
- Gross margin improved 3% to £510m, driven by supply base rationalisation and improvements in buying
- Loss Before Tax, down year on year at £67m, due to exceptional non-cash impacting items.

**Operational highlights:**

- Good progress in delivering against strategic plan, with ability to accelerate boosted by successful addition of £25m in new funding provided by the existing core investors.
- Delivered improved product, style, quality and value for customers in menswear and childrenswear, reflected in market share gains in the second half of the year
- More work to do to improve womenswear and homeware to ensure Matalan provides great product across all categories
- Actions taken to improve the key areas of importance for customers include sourcing popular natural and quality heavyweight fabrics and launching fewer but more considered and stylish ranges
- 12 store refits undertaken to date with results ahead of expectations
- Plans in place to open 10 new and relocated stores and upgrade 30 existing locations in FY26, while also investing in digital capability with the launch of a new app
- Improved supply chain efficiency, with upgrades made to Knowsley Distribution Centre
- Appointment of new Chief Product, Brand and Customer Officer, Sarah Welsh, to ensure customers, quality and value remain at the heart of product proposition

**Outlook:**

Improving profitability in Q4 continued into Q1 FY26, meaning EBITDA for the last 12 months to 24<sup>th</sup> May 2025 was £64m as margin improvement more than offset inflationary cost pressures.

However, against a more challenging UK consumer environment and an uncertain global macroeconomic backdrop, management's outlook for the remainder of the current financial year remains cautious.

**Karl-Heinz Holland, Executive Chair, commented:**

*"In the last year our focus has been on further driving the transformation of Matalan against a challenging consumer and wider economic backdrop. The additional £25m of funding secured from our core investors post-year end has now enabled us to start to accelerate our strategic plan.*

*"With a clear focus on maintaining profitability, we have delivered EBITDA growth. Our store investment plan is delivering results even better than we expected, and we're making good headway on our plan to open 10 new stores and upgrade 30 existing locations in FY26.*

*"Our customers are central to everything we do and our renewed focus on ever sharper quality and value reflects this, and I want to thank all our colleagues who have worked so hard to ensure we are delivering every day.*

*"While we started the new financial year with positive momentum, we continue to operate in an increasingly competitive market and uncertain macroeconomic conditions. Against this backdrop, we remain mindful of the tough operating environment and know there is much more to do to complete our transformation. At the same time, we are confident in the strength of the Matalan brand and the opportunities ahead, and believe the business is well positioned to continue to transform and grow its profitability."*

**ENDS**

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**About Matalan:**

Matalan is a leading UK and international fashion and homeware retailer, with a mission to be the first choice for outstanding family value. With a large store network in excess of 265 UK and international stores and integrated e-commerce platform, Matalan is a trusted brand which puts its customer at the heart of its business and delivers unrivalled product choice and exceptional style and quality to over 11 million loyal shoppers every year. Matalan is famously committed to offering a compelling value focused fashion and home offering, that continues to help millions of UK household budgets go further.

[www.matalan.co.uk](http://www.matalan.co.uk)