

## Regulatory Story

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**John Lewis Of Hungerford PLC** - JLH COVID-19 Statement  
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John Lewis Of Hungerford PLC  
30 March 2020

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### **John Lewis of Hungerford plc**

(the "Company")

#### **COVID-19 Statement**

John Lewis of Hungerford Plc (AIM: JLH), the specialist manufacturer and retailer of kitchens, bedrooms and freestanding furniture, announces a trading update in relation to COVID-19.

Further to the Prime Minister's broadcast on 16 March 2020 in relation to the worsening impact of COVID-19, the Company's showrooms had been operating effectively on an appointment only basis since 18 March 2020. Following the broadcast by the Prime Minister on 23 March 2020 and in accordance with the UK Government's edict requiring all non-essential retail to close, the Board took the decision to temporarily close its showroom estate with immediate effect, continuing to operate remotely, together with instituting an orderly wind down of operations at the Company's factory facility in Wantage, Oxfordshire and accordingly ceasing production with effect from 27 March 2020.

The showroom and factory closures will remain in place initially for a three week period. Production for orders against which a deposit has already been received from customers will be resumed when Government guidance confirms it is safe for employees to return to the Company's manufacturing facility.

The Company's immediate focus is on cash preservation. The Company is exploring all available options to mitigate the revenue loss by implementing cost-cutting measures including cessation of capital expenditure and seeking preferential terms from landlords and suppliers. In addition, the Company intends to utilise UK Government support measures, where appropriate for the Company, including VAT payment holidays and PAYE deferral if required, while evaluating additional bank funding via the Government guarantee schemes. The Company will be furloughing staff, utilising the Government's employment retention scheme thereby seeking to retain all employees, wherever possible, as requested by the UK Government.

At this time, it is very difficult for anyone to forecast when the COVID-19 pandemic will abate such that normal life can re-commence. The Company's revenues, as with many other UK businesses in the home improvement and construction sector, will be

significantly impacted by the shutdown and the overarching uncertainty in the global economy. Accordingly, we now have reduced visibility on the financial implications for our Company.

On 27 March 2020, the Company had liquidity of £350k. The Company had recently completed a formal independent revaluation of its freehold properties, which resulted in an increased valuation of £1.9m (compared with a balance sheet net book value of £1.2m). We are now in advanced discussions with a new liquidity provider in relation to increasing our net facilities against the freehold, if required. The Company is also in discussions with its existing bank in relation to liquidity.

In addition, the Company is preparing documentation in order to apply for a loan under the Coronavirus Business Interruption Loan Scheme for SMEs through the British Business Bank. It is not yet known whether the Company would be eligible for such a loan.

The Company will provide further updates to the market, as and when there is greater clarity on the impact of COVID-19 on the business and wider trading environment, and the UK Government's further public health policy measures.

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