

Naked Wines

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Majestic Wine confirms it is considering sale of retail business

Majestic Wine PLC (LON:MJW) has confirmed it is exploring the possible sale of its retail business as the wine merchant shifts focus to Naked Wines - its online wine club-cum-crowdfunding platform.

The AIM company was responding to a Sky News article, which claimed the controversial former owner of Comet, OpCapita, was among several parties interested in buying Majestic's retail arm.

READ: Majestic Wine hints at divi cut ahead of radical shake-up

According to Sky, Majestic wants to wrap up the sale before a trading update in mid-June, and potential bidders have been told they must pay at least £100mIn.

"Following recent press speculation, the group confirms that the sale of the Majestic branded retail business including its related B2B operations is one of the possible options being considered and the group has received a number of expressions of interest," read Tuesday's statement.

"The group continues to review all options and there remains no certainty that the sale of Majestic Retail will proceed nor as to the terms upon which any disposal would take place."

At the end of March, Majestic set out plans to shake up its business in order to take advantage of the "significant growth opportunities" within the Naked Wines division.

Money needed for transformation plans

Bosses want to ramp up investment into Naked and shift focus away from its stores, which have come under pressure from supermarkets and declining high street footfall.

The company already expects to take a £10mIn restructuring charge in this year's accounts, while there is the potential for further "substantial cash restructuring charges" further down the line.

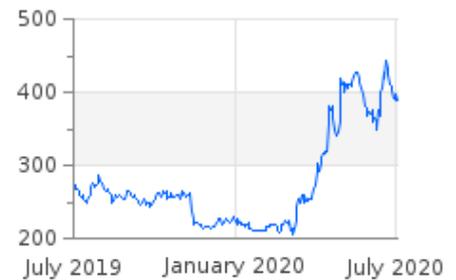
The sale of the retail division would help to fund this additional outlay, as would a cut to the dividend, which is also being considered.

Majestic shares, which have almost halved over the past year, were up 3.3% on Tuesday morning to 274.8p.

Price: 390.5

Market Cap: £284.58 m

1 Year Share Price Graph



Share Information

Code: WINE

Listing: AIM

52 week High Low
443 193.8

Sector: Retail

Website: www.nakedwinesplc.co.uk

Company Synopsis:

Naked Wines PLC was set up to connect the wine drinker and the winemaker with a better deal for both. The model was an early form of crowdfunding, where customers support independent winemakers, and in exchange get exclusive access to wines at preferential prices.

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