



## **An open letter from Mark Jackson, wilko CEO.**

Over the past six months wilko has been very open that we've been considering options to accelerate a turnaround plan given that we needed to make significant changes to the way we operate to restore confidence and stabilise our business. We left no stone unturned when it came to preserving this incredible business but must concede that with regret, we've no choice but to take the difficult decision to enter into administration.

We've a history steeped in serving customers and communities going back to 1930. Our founder JK Wilkinson started with a single hardware shop in Leicester and for over 90 years busy, hard-working families have come to us to get their household and garden jobs done quickly, simply and at the best value prices possible.

We thrived and successfully grew from one to 400 stores. We did this by listening to our customers – working out what they needed and then making sure we gave it to them. Whether it was recognising the demands for DIY products in the 1950s, creating our first wilko product range in the 1970s, launching online shopping in the 2000s or being the first to sell 100% plastic-free wipes across our whole range.

wilko is a business built on strong values. We started out in the great depression and the Second World War, we've been there for our customers through highs and lows, recessions and coronations. Our loyal team members past and present have always been our biggest asset – our average length of service across our stores is 10 years and, in many places, generations of team members have been on hand with advice or even just a friendly smile. We recently remained open as an essential retailer during the Covid-19 pandemic, serving our communities when they really needed us the most.

The turnaround plan included a new Chair, bringing experience in retail turnaround situations, and a newly refreshed and streamlined senior team. Since January, and with the help of retail advisers and experts, we've been facing into problems and have seen real progress against many areas of our plan.

We've made significant savings across our cost base and have been considering various options based on advice regarding our store costs. Alongside this we've continued to move forward with strategically accelerating our omnichannel offer, improving the digital customer experience and opening up new marketplaces for our great value wilko products. We believe that wilko has distinct characteristics with over 50% of sales in wilko brand products (over 10,000), our value, local shopping locations and ever-expanding digital capabilities.

Significant work has been completed to streamline costs and transform the way the business operates, and our robust turnaround plan, based on annualised cost savings, would have delivered the most profitable wilko ever recorded within 24 months. While we can confirm we had a significant level of interest, including indicative offers that we believe would meet all our financial criteria to recapitalise the business, without the surety of being able to complete the deal within the necessary time frame and given the cash position, we've been left with no choice but to take this unfortunate action.

I'd like to take this opportunity on behalf of the directors and the Wilkinson family to thank all of our customers, suppliers, partners and our hardworking team members across our stores, logistics and support centre who remained loyal to wilko. We've all fought hard to keep this incredible business intact but must concede that time has run out, and now we must do what's best to preserve as many jobs as possible, for as long as is possible, by working with our appointed administrators.

It's been an honour to have worked alongside you all as we fought to realise and to maximise the significant opportunities that existed to re-establish a profitable wilko.