Made.com reveals talks with possible buyers as up to £70m needed in funding

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eleaguered online furniture firm Made.com has said it is in talks with a number of possible buyers as it revealed up to £70 million in funding was needed over the next 18 months.

Battered shares in the group rebounded nearly a fifth higher in early trading on Tuesday as it said it had now entered non-disclosure agreements with a number of suitors after putting itself up for sale at the end of last month.

It has set a deadline of the middle of October for suitors to put forward indicative takeover proposals.

“The board will review these proposals and expects a select number of parties will be invited to participate in a second phase to conclude as soon as practicable thereafter,” the firm said.

Made.com added it would make bidders aware that funding of around £45 million to £70 million would be needed over the next 18 months to operate as a standalone public company.

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It has previously said it was weighing up an investor cash call to raise cash to boost its balance sheet in the face of trading woes.

Made.com also revealed last month that it was looking at potential job cuts as it put itself on the sale block after being hammered by a slump in consumer spending as well as supply chain disruption.

It followed reports by the Financial Times that the business could axe up to 35% of its workforce.

Made.com employs around 700 staff and has offices in London, Paris, Berlin, Amsterdam, China and Vietnam.

The group has hired advisers from PwC to help with the sale process, which comes after a tough 16 months since Made floated on the stock market in London.

The group recently also withdrew its trading guidance for the current financial year as it blamed a decline in discretionary consumer spending stemming from soaring inflation and weaker consumer confidence.

It said this increased the need to sell products at a discount after a build-up of stock, which hit profit margins.

It also blamed recent troubles on disruption in its supply chains, which has caused “reduced reliability and increased costs”, according to the group.