Made confirms capital injection search to shore up business

T
roubled furniture retailer Made.com the company founded by Lastminute.com guru Brent Hoberman and investor Ning Li has confirmed that its likely to need a cash injection to shore up its balance sheet.

It has dropped nearly 95% in value over the past year and is now understood to have instructed consultants at PwC to explore a restructuring of the group and implement potential cost-cutting.

In response to reports, Made said that it would consider "all options to allow it to strengthen its balance sheet".

The business added: "Made confirms that these options include a potential equity capital raise.

"Made continues to consider its options and a further announcement will be made if and when appropriate."

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Last month, Made issued a dire warning over trading in the home furnishings market and announced a strategic overhaul of its business including potential lay-offs across the group. Made shares collapsed 40% on the revelation.

At the time, Made said that its management team was actively addressing all “non-strategic fixed costs” across the company to ensure the business operating model was flexible for a “new environment”.

The group said it would examine employee headcount, forward stock buying, warehousing and sourcing markets, and review its operational structure.

Made had previously said that it has been hit by “worsening of consumer confidence” that had “impacted demand for discretionary big ticket items” as a result of the ongoing downturn in the economy and the cost of living crisis impacting household spend and has said it has seen “a worsening in consumer confidence since May”.

Hoberman, Li and fellow investors cashed in their stakes when Made was sold in a $1 billion (£832 million) initial public offering (IPO) last year.