

Steinhoff to sell stake in Conforama France to Mobilux

Steinhoff has agreed to dispose of its shares in home furnishings retail chain Conforama France to Mobilux Sàrl, the parent company of BUT, a French retailer of furniture, appliances and consumer electronics, for a "nominal sum". The disposal includes the sale of certain related trademarks and domain names.



The Stellenbosch-based conglomerate said the disposal will secure the future of Conforama France, release the Group from its liabilities in respect of that business and generate cash to reduce the current debt held by Conforama France.

Steinhoff said proceeds from the share sale will allow Conforama France to finalise its restructuring and post-Covid-19 recovery plan.

As part of the transaction Steinhoff will also be selling 18 real estate properties currently occupied by Conforama France for approximately €70m (approximately R1.3bn).

Conforama France will receive new funding in two tranches as part of the agreement. First, after the agreement is signed, Conforama France will receive €100m in the form of a state-guaranteed loan, and €50m from Mobilux. At the closing date of the agreement, Conforama France will benefit from a second state-guaranteed loan of €200m, as well as a €200m capital increase subscribed by Mobilux - which includes the €50m received at signature.



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1 Jun 2020



The Conforama France disposal comes after the group reported a loss of €1.84bn (R35.48bn) last week for the year to end September 2019 and a net debt of €9.6bn.

The disposal has received the required consent from the Group's creditors but remains subject to other regulatory approvals. It is anticipated that the transaction will close by the end of September 2020.

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