

Steinhoff seeks court approval for debt restructuring

Steinhoff International said on Thursday, 1 June that it has sought approval from a Dutch court for a debt restructuring plan aimed at saving the South African retailer from bankruptcy. The plan was approved this week by all of its creditors but was rejected by its shareholders.

By Promit Mukherjee 1 Jun 2023



Source: Reuters/Sumaya Hisham

Hurt by financial mismanagement by some of its top executives in 2017 in South Africa's biggest accounting scandal, it proposed the restructuring plan earlier this year to avoid liquidation.

It had said that with its liabilities far exceeding its assets, it would not be able to pay its R220bn (€10.4bn or \$11.15bn) external debt when it comes up for maturity by the end of June.

The company "filed a request to confirm its Dutch law restructuring plan... with the District Court of Amsterdam," the owner of South African retailer Pepkor and Europe's Pepco, said in a statement.



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All of its three class of creditors - conditional payment undertaking (CPU), secured and unsecured - voted in favour of the restructuring plan which will see the parent company delisted and a new unlisted holding structure created after court approval.

Only a tenth of its shareholders, however, approved the plan.

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