

Steinhoff jumps after raising \$342m from share sale of discounter Pepco

By Nqobile Dlodla

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Debt-laden Steinhoff International jumped more than 8% after raising €315.2m (\$342m) on Wednesday, 18 January from selling 38 million shares or 6.6% of retail group Pepco via an accelerated book build.



Source: Reuters

Shares in Steinhoff rose as much as 8.2% after the results of the book build, before paring gains to 6.12% at 0953 GMT.

Steinhoff, which now indirectly owns 72.3% of Pepco, said it intends to use the proceeds to reduce its outstanding debt. Pepco, owner of European discount retailer brands Pepco, Poundland and Dealz, will not receive any proceeds from the book build.

The retail holding company, which also has operations in Africa, the United States and Australia, said the sale is separate from the agreement reached with some of its largest creditors to extend the maturity of its debt.



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Steinhoff has been looking to reduce debt and financing costs following a 2017 accounting scandal that prompted about 90 separate legal claims against it.

Its shares had taken a beating last week after a much-hyped initial public offering of its US-based company Mattress Firm was called off due to poor market conditions.

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