



CASE STUDY

FTI Consulting Helps Steinhoff Creditors Preserve Value

When faced with a fraud accusation, executive departures and liquidity issues, Steinhoff's creditors looked to FTI Consulting to provide clarity on trading performance and help preserve value through a restructuring.

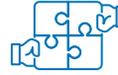
SITUATION

In December 2017, Steinhoff, a South Africa-based retail conglomerate known for brands like Mattress Firm and Poundland, announced an investigation into accounting irregularities and the resignation of the CEO, and warned against the recoverability of €6 billion of assets outside of South Africa. The group's share price plummeted by more than 80% (losing €14 billion in market cap), and credit lines began to be withdrawn, resulting in significant operational and liquidity pressure. Steinhoff urgently needed new money and sought relief from its creditors in respect to £10 billion of debt. Steinhoff was at a critical inflection point that would determine its future.

OUR ROLE

- FTI Consulting was appointed Financial Advisor to the Coordinating Committee of the Group's creditors to provide a common information platform regarding independent reviews of Group operating companies.
- FTI Consulting's team mobilized in a global and coordinated effort to provide lenders with clarity on Steinhoff's true trading performance, offer a clear opinion of the future trading prospects and deliver a robust restructuring plan that provided a stable platform to restructure the Group's debt and deliver a solvent solution to return value to lenders.
- The team provided financial advisory services in what developed to be a highly complex multi-jurisdictional debt restructuring involving four distinct restructurings, multiple creditor constituencies, Chapter 11, COMI shifts, CVAs and Schemes of Arrangement.

OUR IMPACT



After providing the analysis and advice to creditors, FTI Consulting was the architect of the restructuring.



FTI Consulting drove the restructuring implementation and negotiation, which resulted in over 90% of creditors (more than 100 financial institutions) locking into a restructuring agreement within six months.



Steinhoff received time and adequate liquidity to deliver the turnaround plan to recover value to all stakeholders.

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