

Steinhoff raises R4.9bn from selling Pepkor shares

By [Ngobile Dlodla](#)

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Debt-laden Steinhoff International said on Thursday, 9 February it had raised R4.9bn by selling 265 million shares, or 7.2%, of discount retail subsidiary Pepkor Holdings.



Source: Reuters/Suraya Hisham

Steinhoff shares dropped 13.64% at the market open. Pepkor shares dipped 1.02%.

Following the sale via an accelerated book-building process, Steinhoff's interest in Pepkor – owner of brands Pep, Ackermans, Shoe City, JD Group and The Building Company – will reduce to about 43.8% from 51%.

"Proceeds from the placing will in due course be used to de-leverage Steinhoff's capital structure," the retail holding company, which also has operations in Europe, the United States and Australia, said.

The company added it continued to view Pepkor as a strategic investment for the group.

Pepkor has been doing well recently, with shoppers trading down to cheaper brands as high inflation squeezes spending.



Pepkor's first quarter sales up 6.5% on store expansion

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Steinhoff has been looking to reduce its group services debt of €10bn through asset sales and listings following a 2017 accounting scandal that prompted about 90 separate legal claims against it.

Last month Steinhoff, which has a primary listing in Frankfurt, raised €315.2m from [selling a 6.6% stake](#) in its European retail group Pepco.

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