

Steinhoff's US arm files for voluntary bankruptcy

Steinhoff's cash-strapped US operation, Mattress Firm, has filed for voluntary bankruptcy as part of a restructuring that will result in up to 20% of its 3 400 stores closing and the sale of 49.9% of the business to funders who are providing \$525m to support the restructuring. A [Business Day](#) report says the restructuring – which comes just more than two years after Steinhoff paid \$2.4bn for 100% of the largest mattress retailer in the US and took on its \$1.4bn debt – includes the repayment of \$84m to Steinhoff and its release from loan guarantees to Mattress Firm. The August 2016 acquisition was given the thumbs up by the market despite the payment of a premium of 115% for the debt-laden mattress retailer. The deal was the last major transaction by Steinhoff before reports of accounting irregularities in December 2017 led to a 95% slide in its share price within a matter of weeks, wiping more than R190bn off its market capitalisation. On Friday, **Mattress Firm said it expected to complete its restructuring in 45 to 60 days and to get court approval to close as many as 700 stores before year's end.** It is hoping the liquidity boost from the bankruptcy and the release from unattractive leases will help it deal with a more competitive market place, which now includes an aggressive Internet-based challenge.