

## Fnac Wins Battle for Darty?

Written by Marco Attard  
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After a week of intense bidding-- one that saw 6 bids entered in a single day-- Fnac appears to win the battle for Darty, since the Steinhoff-owned Conforama throws the towel with a final offer for the retailer.



"Our final offer of 160p [per share] for each Darty share reflects the evaluation criteria we use for all acquisitions, including return on investment and value creation," Conforama says. "We remain of the opinion that, at this price, the Darty business would have been a good addition to the Steinhoff group of businesses but, at an increased price, it would no longer create sufficient value for Steinhoff shareholders, employees and other stakeholders."

The "final" Fnac bid offers 170p a share, bringing the price for Darty to around £900 million. While the bidding was going on Fnac was also busy snapping up Darty shares, and as such it already owns over 10% of the company.

"They called Darty shareholders non-stop to convince them to tender their shares," an insider tells Reuters. "It was the work of a titan. The odd thing is that Steinhoff let it happen," said a source close to the matter.

Further boosting Fnac was French mass media company Vivendi buying a 15% stake in the company-- a deal bringing €159m in the Fnac war chest. Reuters reports Fnac also has financing from a pool of banks led by Credit Agricole, Societe Generale and Natixis.

Fnac announced its plan to buy Darty for £558m back in November 2015. The acquisition, the

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companies hoped back then, would create a mega CE retailer with sales reaching more than €7 billion and earnings of around €270m.

However such plans were dashed in March 2016, as Steinhoff (via Conforama, the 2nd largest furniture chain in France) made a surprise offer worth £673m for Darty. However Steinhoff has something of a history of not going through deals, since previously it gave up on buying Home Retail, the UK retailer behind Argos.

Since Steinhoff appears to be defeated, will the Fnac-Darty merger go smoothly? Maybe not. The deal has to first go through French antitrust authorities, and even then Darty trade unions do not approve of the deal. The unions have already given approval to the Steinhoff offer, not to mention Fnac promises the merger will lead to annual savings worth €130m... and in the corporate world such promises tend to mean job cuts.

Go [Fnac Set to Get Darty as Steinhoff Drops Out of Race \(Reuters\)](#)

Go [Steinhoff Throws Towel in Darty Battle \(FT\)](#)

Go [Who Will Win Darty: Fnac or Steinhoff?](#)