Following months of speculation on the fate of the office supply chain, Sycamore Partners emerges as the buyer of Staples in a deal worth $6.9 billion, the largest acquisition for the private equity firm.

The announcement comes just over 13 months after the federal judge dashed the $6.3bn acquisition of Staples by rival Office Depot over fears the merger would create an office supply monopoly.

“With an iconic brand, a winning strategy, and dedicated and passionate associates who are deeply focused on the customer, Staples is truly an outstanding enterprise,” Sycamore says. “We have tremendous confidence in CEO Shira Goodman and great respect for the Staples management team and are excited about this opportunity to partner with them to accelerate long-term profitability.”

Sycamore has a fund dedicated to buying out retailers (previous purchases include regional department store operator Belk and web-based speciality retailer Hot Topic), and appears willing to take a risk on the ailing Staples. Reportedly, the equity firm sees potential in the Staples delivery unit, which supplies directly to businesses. It also, ultimately, believes in the niche yet rich cash flow in office supplies.

According to Reuters, Sycamore plans to reorganise Staples along 3 lines-- the stronger delivery business, weaker retail business and business in Canada. Currently Staples has 1255 stores in the US and 305 in Canada, and holds 48% of office supply stores in the US according

to Euromonitor.

Go Staples Enters into Definitive Agreement to be Acquired by Sycamore Partners

Go Staples in $6.9bn Sale to Private Equity Firm Sycamore