

Who Win Darty: Fnac or Steinhoff?

Written by Marco Attard
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Darty finds itself in the middle of a bidding war as a rival buyer appears to quash Fnac's ambitions to own the CE chain-- Conforama, the French furniture chain owned by S. African conglomerate Steinhoff.



[Fnac announced its plan to buy Darty for £558 million](#) back in November 2015. The acquisition, the companies hoped back then, would create a mega CE retailer with sales reaching more than €7 billion and earnings of around €270m (after an estimated annual savings of around €85m).

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. Previously Steinhoff was going fighting for Home Retail, the UK retailer behind Argos, against supermarket chain Sainsbury's before deciding it was not going to make a firm offer after all.

The idea of a furniture seller wanting a CE retailer might sound unlikely, but Conforama actually makes 40% of its turnover from appliances. As such it wants to create purchasing and logistics synergies through the acquisition.

In turn Fnac urged Darty shareholders to wait before taking a decision, even if the Darty board is reportedly in favour of the Steinhoff offer due to Conforama stock being more valuable than Fnac's. Also backing the Conforama bid is top Darty shareholder Shroder Investment Management, a British hedge fund holding around 14% of the retailer.

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So, what next in the saga for the ownership of Fnac? The Conforama offer has put a deadline to its offer until 10 June 2016, meaning we have up to 2 months before knowing the Darty decision-- unless Fnac manages to somehow turn the situation in its favour.

Go [Steinhoff Offer for Darty](#)

Go [Fnac's Shares Off Colour as it "Considers its Position" Over Darty \(FT\)](#)