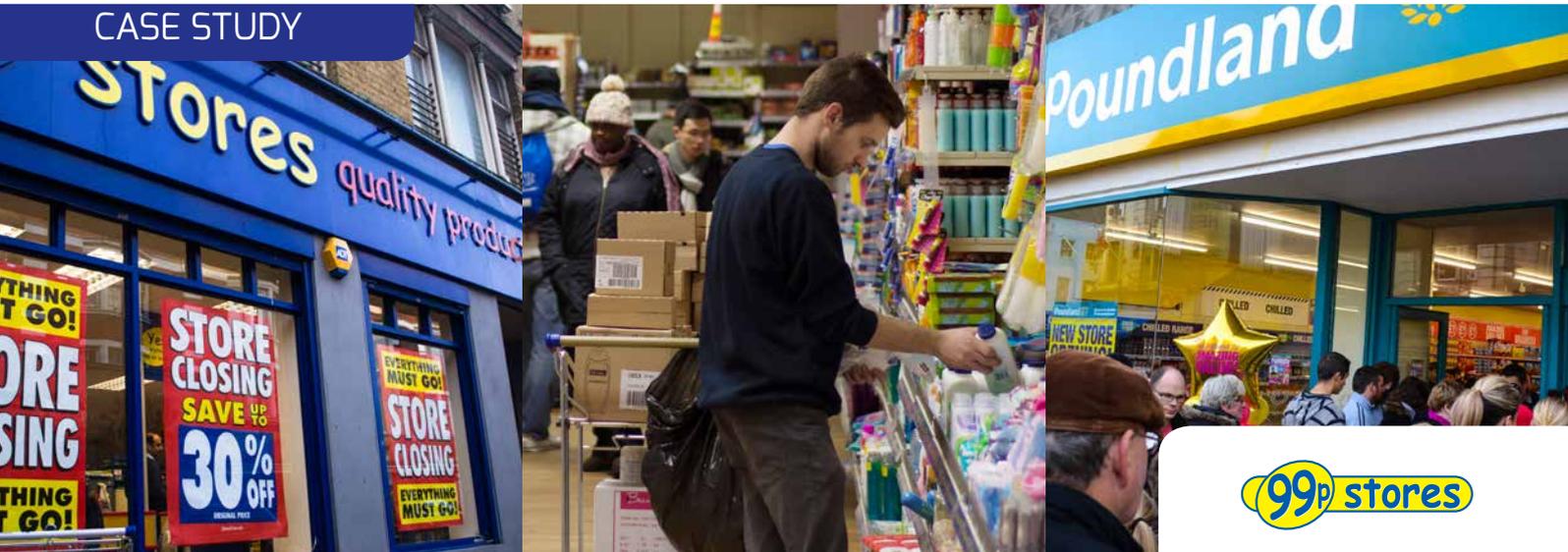


## CASE STUDY



## Background

Established in London in 2001, single price retailer, 99p Stores, grew rapidly to reach 251 stores and approximately 3,000 employees at its peak. In February 2015, Poundland agreed to buy the 99p Stores business for £55 million with the aim of converting the best stores to its own fascia. Regulatory approval was granted in September 2015, following a protracted investigation by the Competition and Markets Authority.

Hilco Capital was engaged by Poundland to act as its partner, operating the 99p Stores business and managing the store transition process.

## Hilco Capital's role

- Deployed a team of 25 retail specialists to manage all aspects of the store portfolio
- Provided a team to cover all functional areas of the head office and warehouse
- Took full responsibility for the operation of the business, reporting to the Poundland board on a weekly basis
- Provided support in transitioning back office functions, including head office, logistics and IT
- Conducted a detailed inventory analysis to identify common SKUs to transfer and non-core SKUs to liquidate in situ prior to store handover
- Reviewed and improved stock return and waste management processes, resolving legacy H&S issues

## Results

- Sold through all non-core inventory in situ through store closure events
- Maximised recoveries through detailed, responsive management of the discount cadence
- Handed over all stores in 'broom clean' condition to a preagreed schedule, allowing Poundland to rebrand and remerchandise the stores with minimal void periods
- Enabled Poundland's management team to focus on running their core business
- The 99p Stores business was successfully transitioned into Poundland while minimising the working capital requirement and exceeding target recoveries on the non-core stock

## Key facts

251  
stores

3,000  
employees

£55m  
acquisition by  
Poundland

25  
retail specialists  
deployed to stores

100%  
stores handed over  
on-schedule