

CASE STUDY

bentley



Background

Bentley was founded in 1987 by Andy Chelminski as a single store operation in St. John's, Newfoundland and subsequently expanded across Canada to become the largest specialty retailer of luggage in North America.

In 2013, the business was bought by Novacap, with the transaction coinciding with the retirement of Bentley's founder. Bentley experienced several profitable years but trading started to deteriorate in 2018, in part due to the combination of reduced footfall in malls and increased online competition. This prompted Novacap to look to exit the business in late 2019, by which point the business was operating from 260 stores across Canada, many of which were loss making.

Hilco Capital's role

- Acquired the business in November 2019 and provided additional liquidity through a new revolving credit facility
- Worked closely with management to complete a detailed strategic review of the business and formulate a comprehensive restructuring plan
- Entered discussions with key stakeholders including the incumbent ABL, landlords and suppliers
- Completed a formal restructuring of the business in December 2019, following a Notice of Intention filing through which a number of unprofitable stores were closed
- Worked with management to secure government support packages throughout the coronavirus pandemic

Results

- Within a month of ownership, successfully completed a formal restructuring of the business with the support of key stakeholders, achieving an estimated EBITDA improvement of \$10m through:
 - closure of unprofitable stores
 - rent concessions on stores taken forward
 - downsizing of head office and warehouse operations
 - headcount reductions
 - contract renegotiations and other cost reduction measures
- Created a sustainable go-forward business, trading from 168 stores and employing over 1,000 staff across Canada

Key facts

1987 founded by Andy Chelminski	2013 retired and sold business to Novacap	2019 acquired by Hilco Capital	\$10m EBITDA improvement through restructuring	168 stores across Canada
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