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Dropping another bomb on Steinhoff

Late on Friday it was revealed via a regulatory filing in Holland that Dr Christo Wiese had sold down his personal stake in Steinhoff from 22% to 6% of the company. 16% of any company is no small matter, let alone this particular company at this particular time. These sales were not disclosed on SENS because he resigned as a director of the company effective December 15th, ostensibly to "avoid conflicts of interest" as was clearly communicated in the formal announcement at the time.

"Dr Wiese made this offer (to resign) in order to reinforce the independent governance of the company of which he is a major shareholder. The supervisory board, on the advice of the independent committee of the supervisory board, has accepted his resignation to address any possible conflicts of interest that may exist"

For a reputationally beleaguered business with a heavily geared balance sheet, dealing with adversity and walking a tight rope between its various stakeholders, this is not good news.

So many questions in this ongoing case study. So few clear answers. Yet. Steinhoff has not formally commented on this, which I find both surprising and of concern.

Maybe it's forced on them, but if that's not the case the directors of Steinhoff appear to act like it is not worth communicating about the largest individual shareholder and former chairman of the supervisory board having sold 16% of the company from his personal account since December 15th.

The notion that Dr Wiese was forced to sell his Steinhoff stake by his bankers is hard to believe given his extensive other financial interests in highly rated liquid assets like Shoprite.

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