

Toys 'R' Us SA won't be affected by US and Canada bankruptcy

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Amic Trading, the licence holder for Toys 'R' Us Southern Africa, says it will be unaffected by the bankruptcy declaration by Toys 'R' Us in the US and Canada, and expects to open seven new stores in the next three months.



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Toys 'R' Us Southern Africa was a privately owned independent company operating under a license agreement, and functioned independently from Toys 'R' Us global affiliates, Amic Trading said on Tuesday.

The opening of new stores highlighted the growth and stability of the company locally, the company said in a statement. Toys 'R' Us Southern Africa has 53 locations.

Toys 'R' Us, the largest US toy store chain, filed for bankruptcy protection on Monday, with CEO Dave Brandon saying this would allow it to restructure \$5bn of long-term debt on the company's balance sheet.



Toys 'R' Us files for bankruptcy

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The US company had received a commitment for over \$3bn in debtor-in-possession financing from various lenders, including a JPMorgan-led bank syndicate and certain of the company's existing lenders.

Should this receive court approval, it was expected to immediately improve the company's financial health and support its operations during the court-supervised process, the company said.

"The company intends to use these court-supervised proceedings to restructure its outstanding debt and establish a sustainable capital structure that will enable it to invest in long-term growth and fuel its aspirations to bring play to kids everywhere and be a best friend to parents," Toys 'R' Us said.

The company owns 1,600 Toys 'R' Us and Babies 'R' Us stores around the world - the majority of which are profitable. The company opened a temporary store in New York City's Times Square in 2017 to capture holiday shoppers, two years after it closed its flagship store.

Source: BDpro

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