

Private equity firms said to be eyeing Performance Sports Group

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Multiple suitors are weighing bids to challenge the \$575-million offer for Performance Sports Group Ltd made by a financial consortium in the bankruptcy court auction of the Bauer hockey gear maker, according to two people familiar with the matter.

Private equity firms Thomas H. Lee Partners LP, Bain Capital LP, KKR & Co. LP, KPS Capital Partners LP, and Sycamore Partners have indicated their interest in the sporting goods company, the people said. The sources could not be named because the talks are private. The auction is scheduled for Jan. 30.

British retailer Sports Direct International PLC and Canadian pension fund Caisse de dépôt et placement du Québec, have also submitted letters of interest, the people said.

Finnish sporting goods company Amer Sports, which makes Wilson sporting equipment, is

interested in acquiring Performance Sports' baseball business, the people said.

Performance Sports filed for bankruptcy in the United States and Canada in October with a plan to sell itself.

The company's troubles highlight the challenges North American sporting goods manufacturers face in the highly competitive market. U.S. retailers Sports Authority and Golfsmith filed for bankruptcy earlier this year.

Performance Sports, Sycamore, Bain, Amer Sports, Caisse, Thomas H. Lee, KPS and KKR declined to comment. Sports Direct did not respond to a request for comment.

A consortium led by investment firm Sagard Capital Partners LP and investment manager Fairfax Financial Holdings Ltd., made the initial so-called "stalking horse" offer of \$575-million for Performance Sports, the proposal the other buyers must top to win the auction.

Bidding for Performance Sports will start at about \$601-million, clearing the initial proposal from Sagard and Fairfax plus other fees, according to bankruptcy court papers.

In October, Graeme Rouston, the former chairman of Performance Sports, told Reuters that he was talking with U.S. and Canadian private equity firms about submitting a bid for the company.

Rouston has challenged the Sagard deal, asking Canadian competition authorities to investigate it claiming there is a conflict of interest as Sagard's owner, Canada's wealthy Desmarais family, is an investor in rival Adidas AG through its Power Corp of Canada vehicle.

Some private equity firms looking for operating expertise want to have Rouston on board, one of the sources said. Additional buyers may emerge before the Jan. 25 due date for bids, while others may join forces and combine their bids, the people said.