JD Sports sells Footasylum for £37.5 million after watchdog probe

H
igh street sportswear retailer JD Sports has sold its Footasylum trainer outlet to private equity company Aurelius for £37.5 million taking more than a £50 million hit.

The group founded on the backstreets of Manchester suburb Bolton that has now become a household name had been order to sell the business that it acquired for £90 million in 2019 by the Competition and Markets Authority (CMA).

It had received a £4.3 million fine following a clandestine meeting in a car park prior to the FootAsylum purchase.

The CMA had also judged that the Footasylum acquisition had restricted competition for customers. The handover of Footasylum is now expected to take place within weeks.

Kath Smith, Interim CEO of JD Sports, said: “I would like to sincerely thank the teams at Aurelius and Footasylum who worked collaboratively with the CMA to agree this transaction.”

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JD Sports fell foul of the regulator only last month as the CMA started an investigation into allegations that it colluded to fix prices on football shirts for Leicester City and Glasgow Rangers.

The sale comes at a transitional time for the retailer that is still in the middle of a boardroom shuffle as it attempts to find its footing after the ousting by the board of former boss and self-styled 'king of trainers' Peter Cowgill in May.

Cowgill who departed as executive chairman had been with the business for 18 years. His no-nonsense approach had been a standout trait, but it was reported that his dual role that took in both CEO and chairman responsibilities had been questioned by members of the JD Sports board.

He had presided over a dramatic upturn in the group's fortunes, building its market value to 60 times larger than when he had been appointed. He was widely credited with taking the business from an also-ran to a FTSE 100 company worth nearly £6 billion.

Cowgill assisted founders David Makin and John Wardle in floating the business in 1996, but left in 2001 and was brought back three years later after the business hit problems following the buy-out of rival First Sport. The business is majority owned by private backers Pentland the family-controlled business that manages a portfolio of brands, including Lacoste, Berghaus and Speedo.

His role has been filled by Smith in the interim. However last week it emerged that JD Sports had approached former B&Q senior executive Regis Schultz to take the reins at the company. Schultz is currently boss of the Dubai headquartered retail chain the Al-Futtaim Group. His appointment is expected to be officially rubber stamped in a matter of days.

Last month, JD Sports hired one of the biggest names in UK

retail the former Morrisons chairman Andy Higginson as its chairman. He had been chairman of the UK supermarket until its takeover by investors Clayton, Dubilier and Rice.