Made sets out initial cash injection of up to £70 million to save business

T
roubled furniture retailer Made has ramped up its sale process and begun discussions with a "number of interested parties" who should expect to inject initial cash of up to £70 million in order to salvage the business.

The company formally put itself up for sale last month after a biting downturn in the home furnishing market took its toll on the business. This followed a plea for an eleventh hour bail out from financiers.

Cutbacks at the business have also been reported to include 200 layoffs.

Shares in the retailer spiked by more than 20% in early trading on the announcement of potential bidders.

Made said that "interested parties" would be provided with additional information on the group and be invited to put forward "non-binding indicative proposals" in the middle of October.

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“The board will review these proposals and expects a select number of parties will be invited to participate in a second phase to conclude as soon as practicable thereafter,” Made said.

It will also make interested parties aware that the current management plan for a stand-alone public company is expected to require aggregate funding “in the region of £45 to 70m over the course of the next 18 months”.

Proposals would then have to be summitted to auditors PricewaterhouseCoopers (PwC) who have been placed in charge of the sale of the business.

“Current discussions may be altered or terminated at any time and, accordingly, there can be no certainty that an offer will be made, nor as to what the terms of any offer may be,” Made added.

The retailer was originally founded by former Lastminute boss Brent Hoberman and investor Ning Li along with several other financiers who have since departed the company.

Made recorded a pre-tax loss of £35.3 million for the six months to June 30, versus £10.1 million the previous year.