

Paperchase sale on the cards again just four months after takeover

Paperchase, the high street cards and stationery retailer, has been put up for sale just four months after its latest change of ownership.

Sky News has learned that the chain, which was taken over in August by Steve Curtis, an experienced retail investor, is being auctioned by PricewaterhouseCoopers (PwC), the accountancy firm.

Mr Curtis, who led investments in chains such as Tie Rack and has been an operating partner at Rcapital, the turnaround firm, is understood to be seeking to close a sale in the coming weeks.

Several sources said an insolvency process may be required to expedite a transaction.

Retail Realisation, an industry advisory firm with which Mr Curtis and Rcapital are affiliated, was also involved in last summer's deal.

Paperchase had previously become one of the numerous retail casualties of COVID-19, having undergone a pre-pack administration in January 2021.

Paperchase trades from about 100 stores, and Mr Curtis was said at the time of the most recent takeover to be backing an existing management plan to grow that number to approximately 150 in the coming years.

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Permira Credit, the previous owner, had invested in Paperchase's digital offering as well as new shop openings and executive recruitment since its brush with administration.

At the time of its last brush with insolvency, Paperchase employed nearly 1300 people, and traded from more than 125 sites across the UK.

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Its outlets included concessions at House of Fraser, Selfridges and a number of Next stores.

Last summer, its physical retail estate comprised 96 standalone shops and 32 concessions.

The plan to grow the chain by 50% was a bold bet on the potential of the Paperchase brand and business model given the challenging economic backdrop.

Paperchase was one of dozens of prominent retailers which crashed into insolvency during the COVID-19 crisis, with other notable names including Debenhams and the Dorothy Perkins-to-TopShop empire, Arcadia Group.

A Paperchase spokesman could not be reached for comment, while Mr Curtis and PwC did not respond to enquiries on Wednesday morning.