

Pick n Pay files for liquidation of franchisee's stores

Pick n Pay, on Wednesday, 28 February 2024, filed a court application for the liquidation of the Pick n Pay franchise businesses owned by the Baladakis group, after the franchisees' continued accumulation of overdue debt, which has reached R224m. Pick n Pay expects the liquidation application to be heard in the Johannesburg High Court around 12 March 2024.



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Last week, the Johannesburg High Court ruled in favour of Pick n Pay in an urgent application against the Baladakis group of franchisees to perfect its security over their 10 supermarkets and nine liquor stores. The Baladakis group immediately applied for leave to appeal the order, which hearing was heard in the High Court this morning. This afternoon, the judge dismissed the application for leave to appeal with costs.

Pick n Pay CEO Sean Summers said: "We've done everything possible over a protracted period of time to avoid having to take such drastic action against this franchise group. On a personal level, it is deeply disappointing as I have known the family for some 30 years and have not taken this decision without due consideration.

"But the truth of the matter is that the serious financial situation that the Baladakis finds itself in is a reality. We have many other franchisee groups – some even larger - and individual franchisees who are running profitable and sustainable businesses.

"In good faith, in line with our contractual obligations, we have continued to supply them with stock daily, and they have ceased all payments in the last week. Our liability continues to grow. We have a duty to act in the best interests of all parties including all our franchisees and the Pick n Pay Group in order to maintain continuity and respect for the agreements we have in place.

"It's the first time in our history that we have applied to liquidate a franchise business, but we are simply left with no other options given that the Baladakis Group has made it clear that they will continue to frustrate the process by continuing to appeal the judgements that have found against them, thereby exposing Pick n Pay to an ever-increasing debt for which they are making no payment currently. We will always follow due legal process and it was never our intention to have this play out in the public domain. The facts will become apparent with time – we have nothing to hide."

"We have an exceptional family of franchisees who are profitable, loyal, hardworking and a credit to the Group. We believe we have done all we can to try and avoid this action with the Baladakis Group but we are now at the end of the road."

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