

# Bass pro shops hooks cabelá's in \$5.5 billion deal



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Fishing and hunting equipment chain Cabela's Inc. said it agreed to be bought by Bass Pro Shops in a deal valued at \$5.5 billion that will help the privately held company nearly double its store count in North America.

The offer of \$65.50 per share is a 19.2 percent premium to Cabela's close on Friday.

Shares of Cabela's jumped nearly 15 percent to \$63.00 in early trading, their highest in more than a year. Up to Friday close, they had risen 17 percent since the company said in December it was exploring strategic alternatives.

Cabela's has struggled with declining sales of apparel and footwear and has reported same-store sales growth in only one quarter in more than three years.

The retailer had been under pressure from activist hedge fund Elliott Associates L.P., which disclosed an 11.1 percent stake in October last year, to pursue strategic alternatives.

*Reuters* reported on Sunday that a consortium of Bass Pro Shops, Goldman Sachs Group Inc.'s private equity arm and Capital One Financial Corp. was in the lead to buy the company.

The combined company will own 184 stores in the United States and Canada.

Cabela's also agreed to sell its credit card business called "World's Foremost Bank" to Capital One Financial Corp., which will forge a 10-year partnership with Bass Pro Shops to issue credit cards to Cabela's customers.

Capital One spokeswoman Pam Girardo said terms of the transaction would not be disclosed.

Bass Pro Shops founder and CEO Johnny Morris will continue as CEO and majority shareholder of the combined company, which will remain private. Bass Pro Shops will finance the deal through preferred equity financing commitments of \$1.8 billion from Goldman Sachs and \$600 million from Pamplona Capital Management.

Springfield, Missouri-based Bass Pro Shops has long been in the running to acquire Cabela's.

J. P. Morgan Chase & Co. advised Bass Pro Shops and Guggenheim Securities advised Cabela's.

(Reporting by Abhijith Ganapavaram and Sruthi Shankar in Bengaluru;  
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