

Mr Price confident that value-focused model will help it weather volatility

Mr Price Group has reported a 20.1% jump in full-year earnings, as consumers coming out of the Covid-19 lockdowns revamped their wardrobes and homes, with acquisitions adding a boost.



Source: Reuters

Total revenue increased 23% to R28.1bn, with retail sales up 26% to R26.7bn, while headline earnings per share rose to 1,282.1 cents in the 52 weeks ended 2 April.

The group attributed its revenue performance to a "highly sought-after merchandise assortment offering strong value", and pointed to the two separate Kantar BrandZ and Brand Finance reports, which both ranked Mr Price as the most valuable fashion apparel brand in South Africa. Additionally, it noted that Mr Price Apparel was the most shopped fashion retailer in South Africa over the last three months according to the Maps 2022 report.

"This strong brand affinity coupled with the disciplined execution of [our] fashion-value business model, enabled the group to deliver differentiated merchandise at everyday low prices," the company said in its results announcement.



Pepkor store expansion plan on track despite tough operating environment

31 May 2022



Store expansion

According to the retailer, its total number of corporate owned stores grew to 1,721 as the group acquired seven Yuppiechef stores and opened 130 new stores during the period, a significantly higher number than its 5-year average store openings of 80. The most significant store growth came from Power Fashion which opened 36 new stores and increased its store footprint by 20.6% since [being acquired](#).

Despite this positive growth, new store openings were lower than planned as activities were re-directed to the re-opening of 96 of the 111 looted stores. The remaining 15 stores will be re-opened during FY2023 and FY2024 due to extensive centre damage incurred.



Yuppiefchef founders resign 9 months after Mr Price takeover

12 May 2022



Minimising impact of rising costs

Mr Price Group said it expects ongoing volatility moving forward. "Global supply chain challenges, rising inflation and interest rate hikes are expected to continue, placing pressure on forecasting efforts and the cost of doing business. These knock-on effects will be felt domestically, amidst other previously communicated local challenges, exerting pressure on businesses and households. A constrained consumer environment is anticipated to persist for most of 2022 as post year end trade has reflected."

The group said it will continue to strive for its operating model to be supportive of its value roots and it aims to minimise the impact of rising input costs on its customers and operations. It mentioned that adequate cover has been taken to protect the group against elevated exchange rate, freight rate and other key cost pressures. To ensure price leadership, Mr Price said it has invested in "key defensive departments" and is "holding certain price points" while striving to preserve overall margins.



Mr Price enters R3.3bn deal to buy controlling stake in Studio 88

13 Apr 2022



Despite the expected challenges, Mr Price said that opportunity exists for organisations who embrace uncertainty and pursue growth

"The group's vision is clear, and it is focused on executing its strategic plans which include exciting organic and inorganic prospects. The group's business model is well positioned to navigate an adverse economic climate. It will continue to differentiate itself by delivering its brand promise through fashion and value at everyday low prices. This gives it the advantage of attracting customers trading down from higher price points as well as aspirational value shoppers, supported by its convenient omnichannel store footprint," the company said.

Group CEO Mark Blair, commented, "We have faced two tough years in a row and with all the headwinds it looks like

FY2023 will be no different. We will navigate the short term as we always have, with good execution, agility, and confidence. We have good momentum – our growth plan is coming together, and we are excited to [welcome the Studio 88](#) team once we have regulatory approval. This business and its people are resilient, and I am extremely proud of the way in which everyone has responded, which is testament to our mantra of ordinary people doing extraordinary things.”

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