

By Donovan Baney

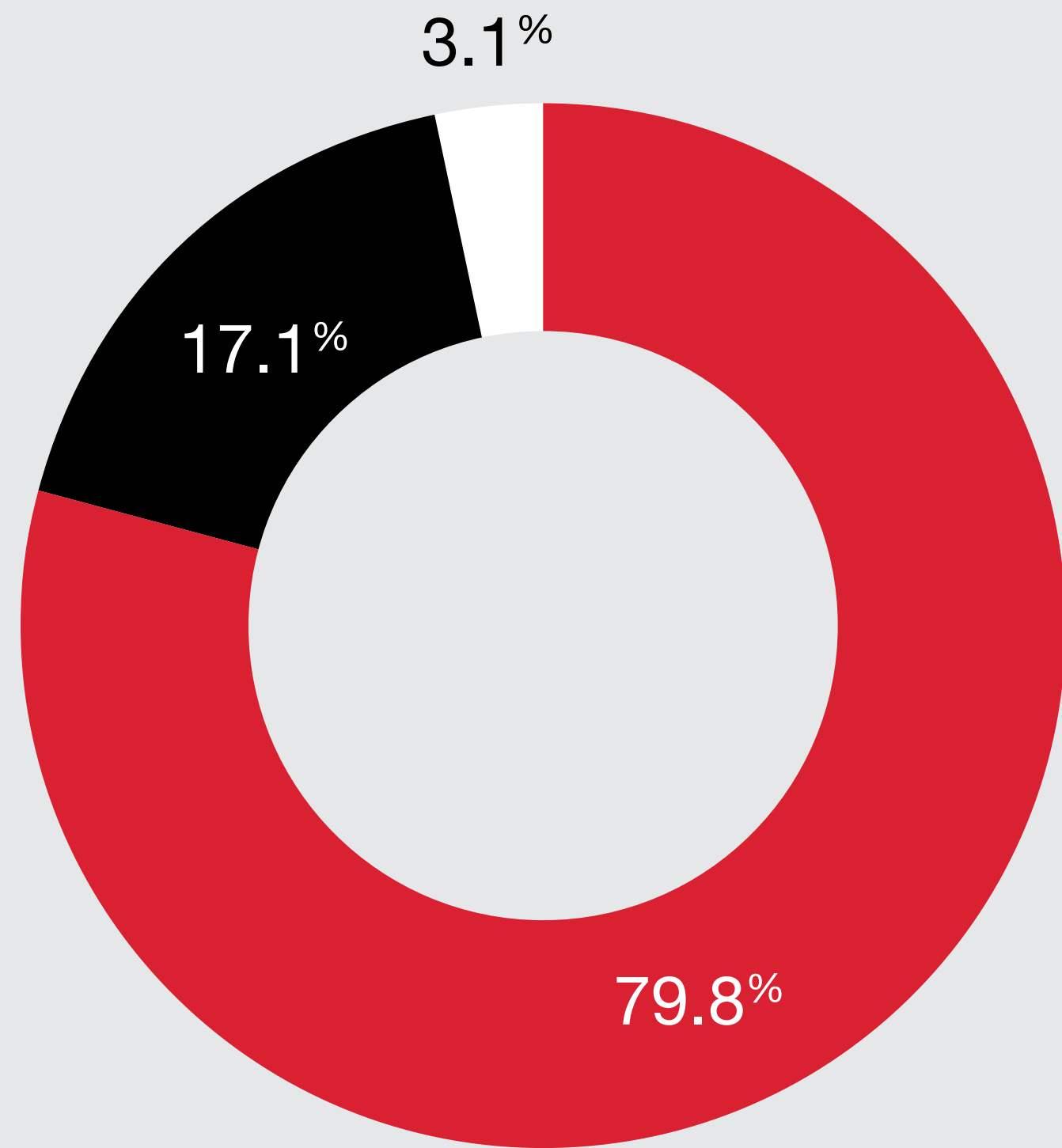
Apparel sector

Part 4





SECTOR CONTRIBUTIONS - RETAIL SALES



● Apparel ● Homeware ● Telecoms

DIVISIONAL CONTRIBUTIONS - RETAIL SALES

mr price
42.2%

mr price sport
5.4%

MILADYS
4.6%

POWER FASHION
6.7%

studio
20.9%

SIDE STEP
JOHN CRAIG **Skipper Bar**

Operating margin FY2024

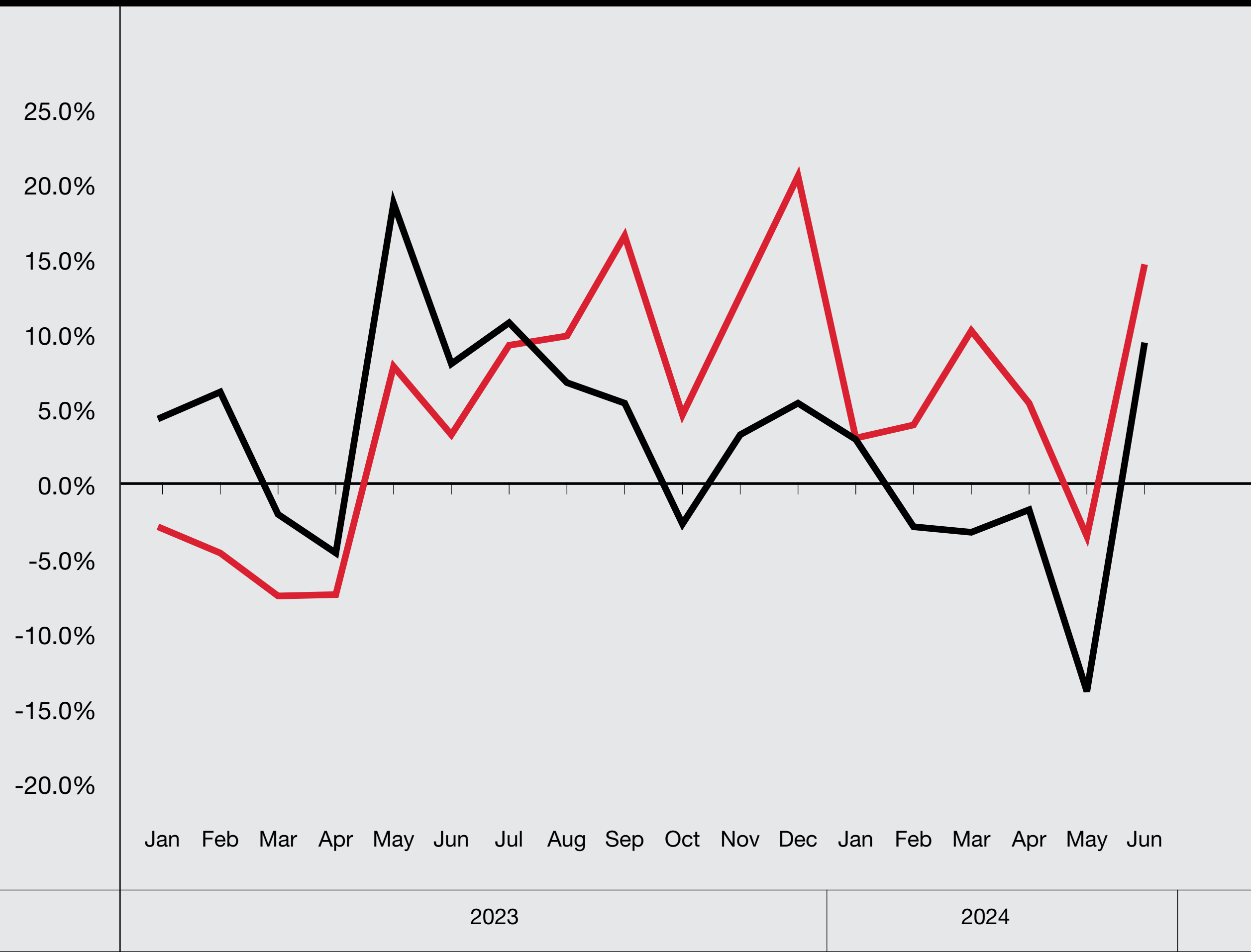
15.3%

Medium-term target

16% - 18%



SALES GROWTH* AHEAD OF MARKET SINCE JULY 2023



— ROM — Apparel segment

Sustaining our differentiation



CONSISTENT EXECUTION OF DIFFERENTIATED FASHION-VALUE, ACHIEVED BY:

Supply chain

Merchandise

Trend capabilities

Trade agility

Customer insights



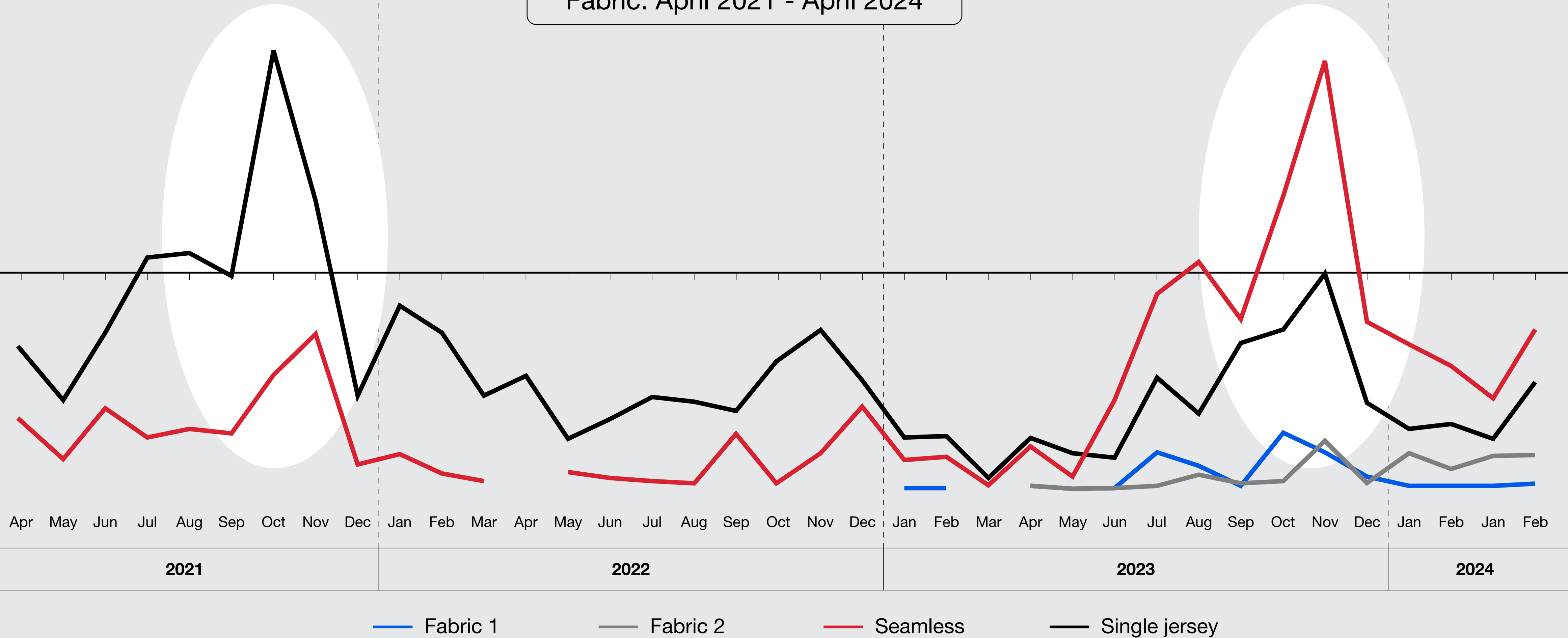
Supply chain agility

- Flexible and efficient responses to our customers' needs
- Greater accessibility to fabrics, fashions and innovations
- Risk mitigation



AGILITY IN OUR SUPPLY CHAIN ALLOWS US TO PROVIDE OUR CUSTOMERS WITH THE MOST RELEVANT, SOUGHT-AFTER FASHION

Fabric: April 2021 - April 2024





Digital data

Current trade

Trend

Web and app traffic, social media insights

Seasonal merchandise plan

Postmortem

- Core vs fashion
- Seasonality
- Width & depth
- Size
- Fabric/silhouette
- Store location and profile

- Week
- Point in lifecycle
- Colour
- Patterns
- Several other variables

The above variables are measured by:

- Clearance
- Sales
- Input margin
- GP margin

Test results

Global retail trips

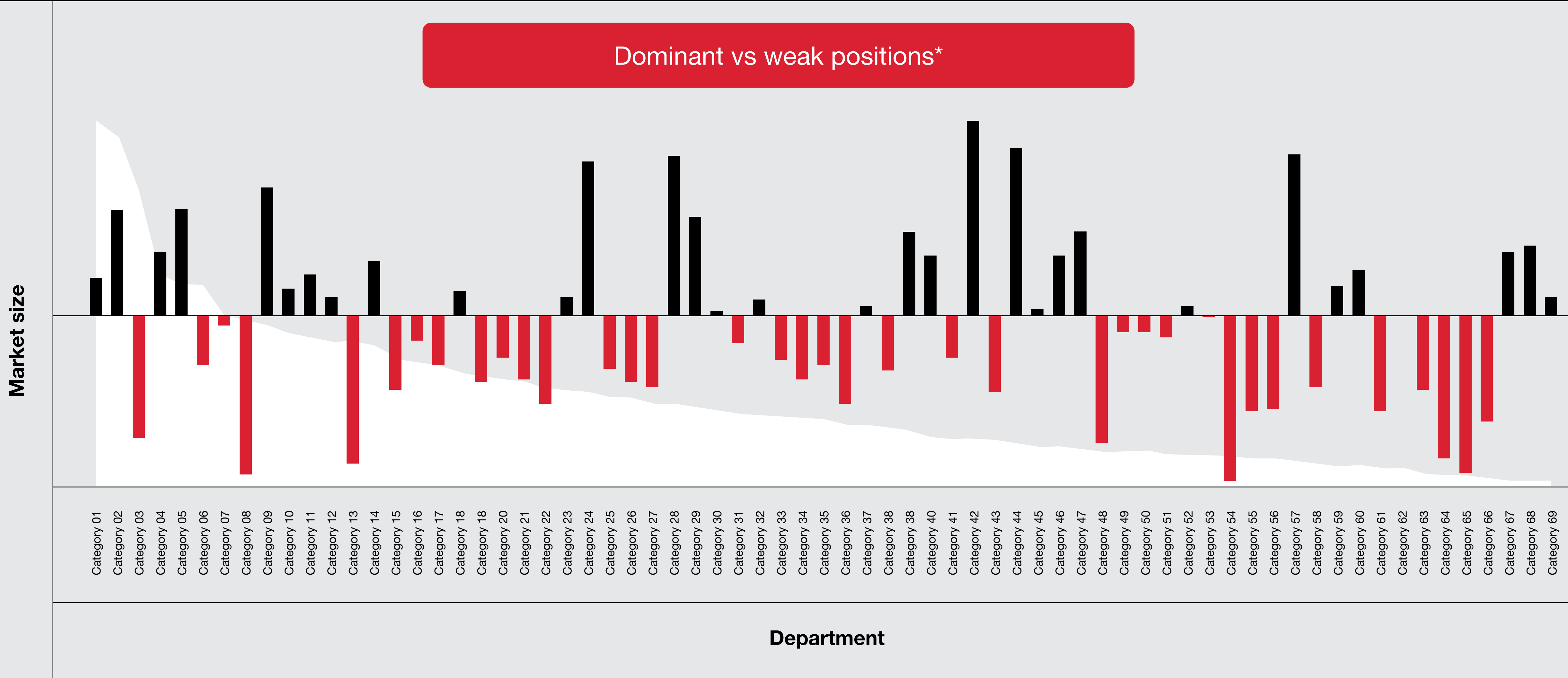
Internal product development

RLC data and other research

Category opportunities



EVERY DIVISION HAS GROWTH OPPORTUNITY – UNDER-INDEXED MARKET SHARE DEPARTMENTS ARE TARGETED TO SUPPORT GREATER COMP GROWTH





PROCESSES GUIDED BY THE BLEND OF ART AND SCIENCE

Buyer



Planner



01

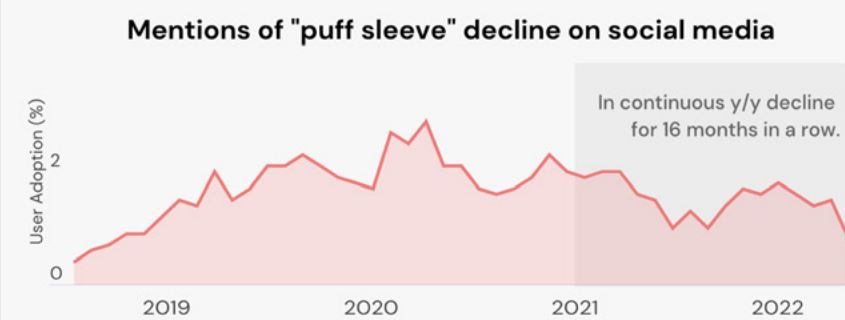
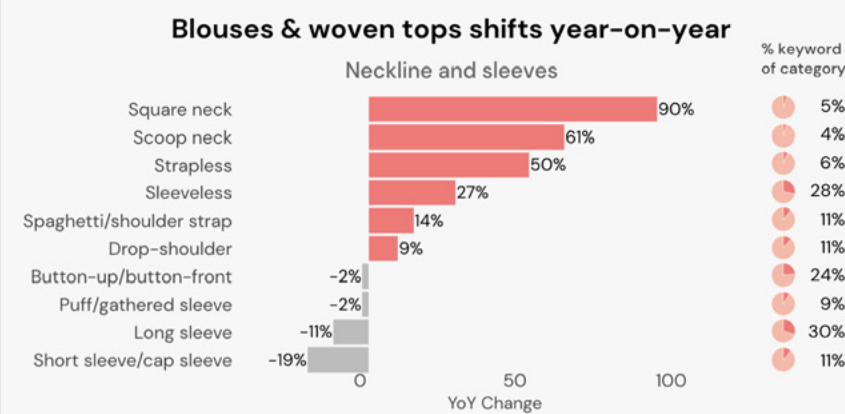


Research
phase

02

FASHION TOPS →

KNIT TOPS DECLINED FROM SS21 TO SS22 IN BOTH THE UK AND THE US. BARING IN MING THESE STATS INCLUDE EDB ITEMS AND ACTIVE TOPS. NOTABLY, CROP TOPS INCREASED THEIR SHARE OF THE MIX IN BOTH REGIONS.



Research **digital**
platforms

03



Research **social**
media

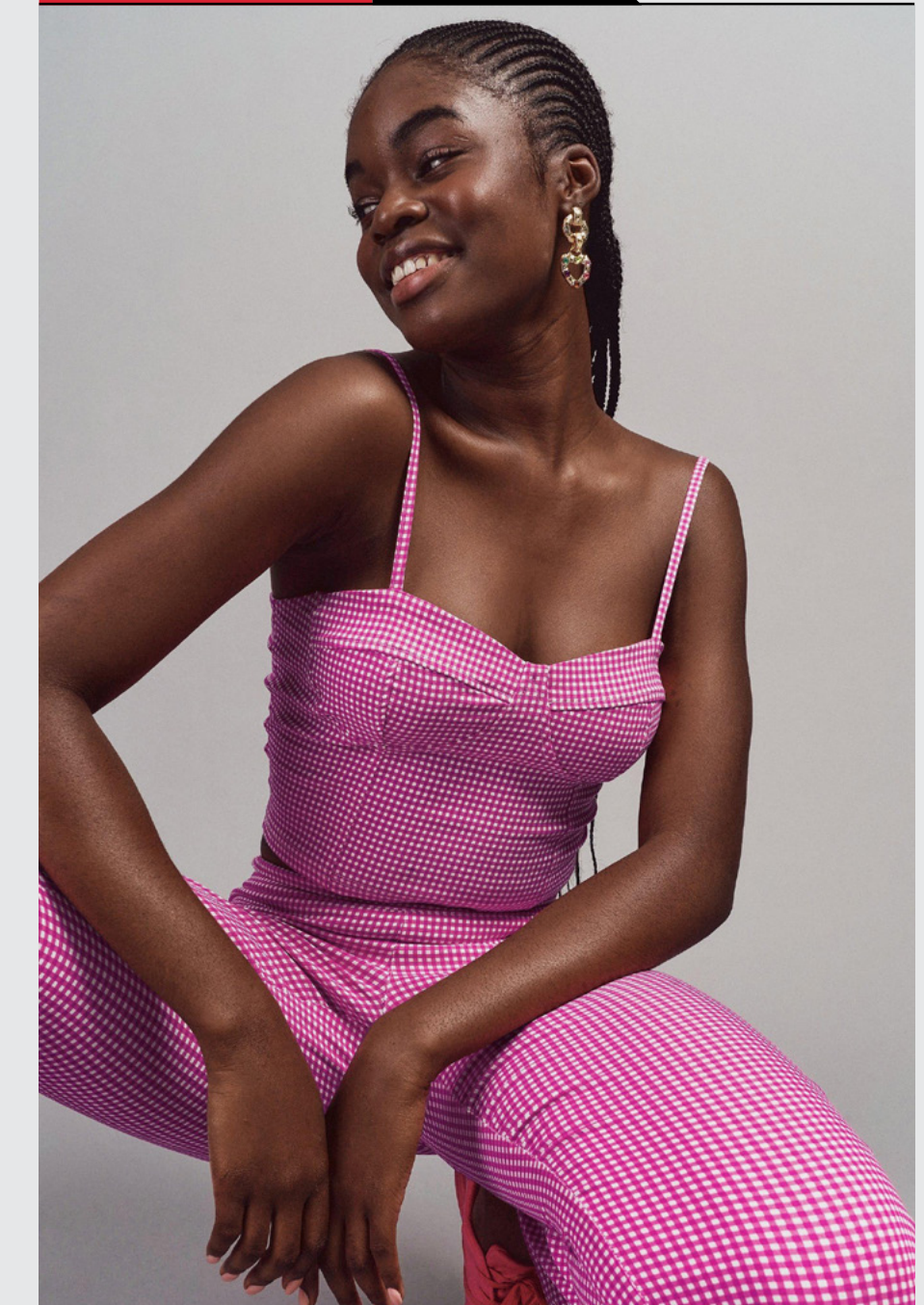
04

SS23 LADIES TREND FASION TOPS | MUST HAVES



Seasonal
trend calls

05



Merchandise
& **marketing**



Current trade agility



WEEKLY CURRENT TRADE ANALYSIS PROVIDES INSIGHTS ON MERCHANDISE CLEARANCES CREATING OPPORTUNITY TO ADAPT ORDERS EITHER THROUGH CHANGING TREND OR CHASING VOLUMES

On average more than 60% of orders placed are changed at least once as a result of current trade insights



Agility to change orders on demand is enabled by our supply chain ecosystem, trend insights and testing platforms, which allows us to provide relevant fashion to our customers

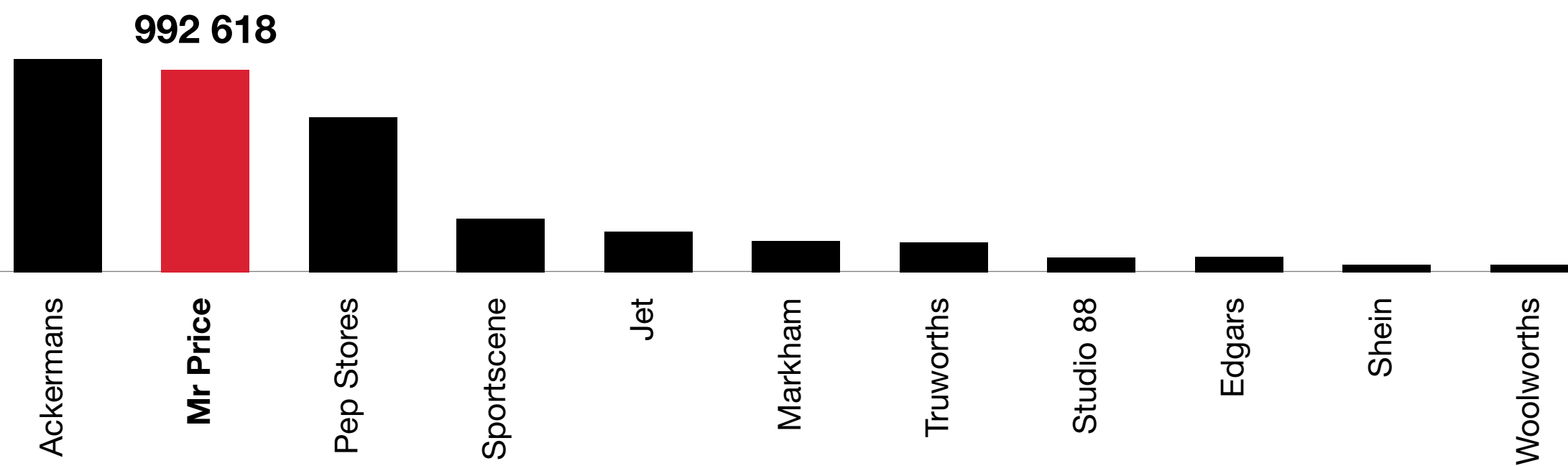
Customer diversification

MR PRICE IS THE MOST SHOPPED APPAREL RETAILER WITH A DIVERSE CUSTOMER RANGE

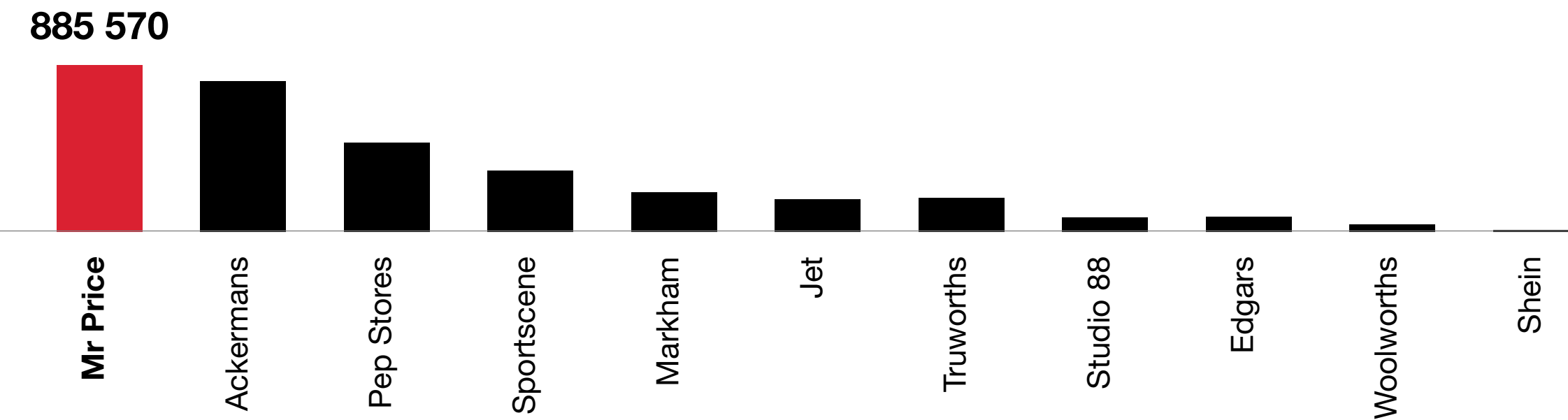


- 59% of our shoppers have a household income below R10K
- We have the highest number of shoppers across the household income groups between R5 000 - >R20 000

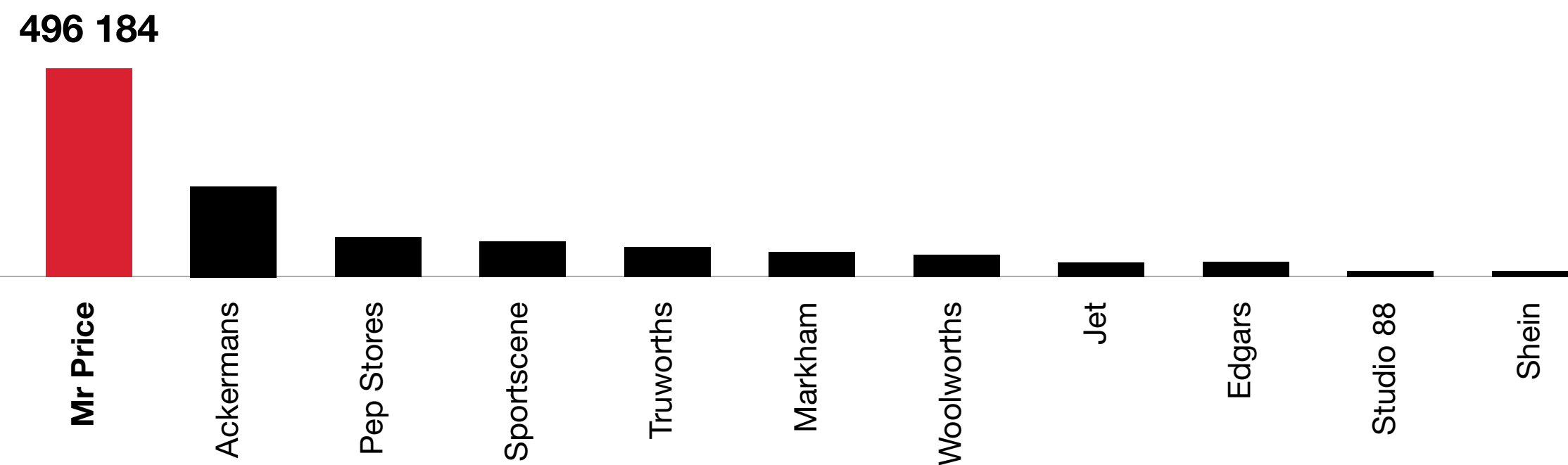
R1 - R4 999



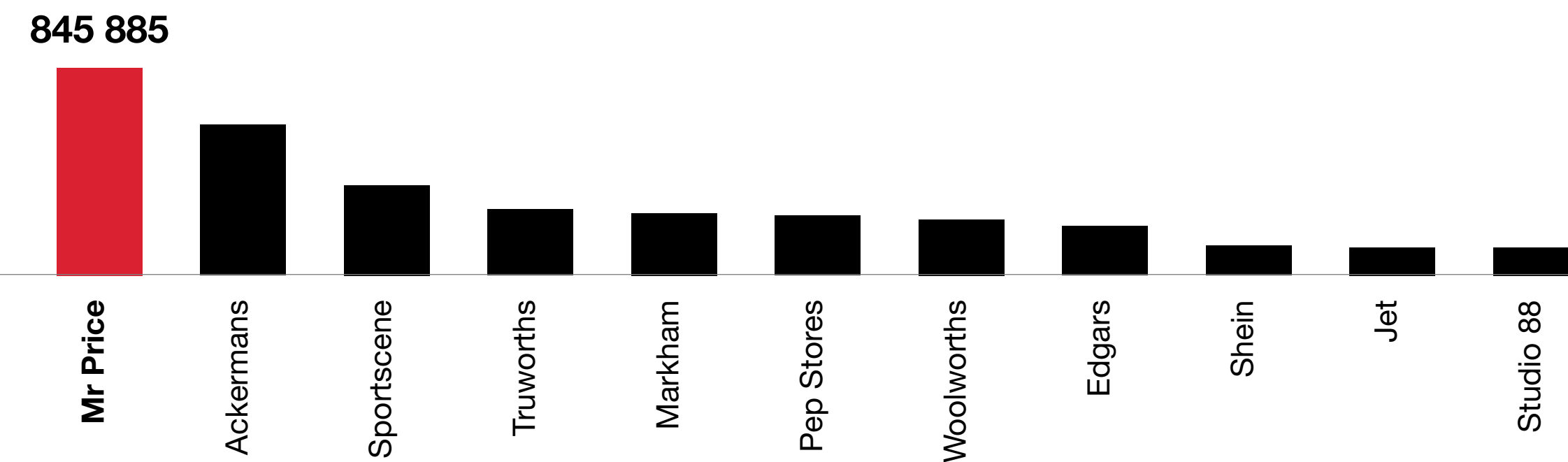
R5 000 - R9 999



R10 000 - R19 999



>R20 000





ENGAGEMENT THROUGH OUR DIGITAL AND SOCIAL MEDIA PLATFORMS PROVIDE KEY CUSTOMER INSIGHTS

6.9m

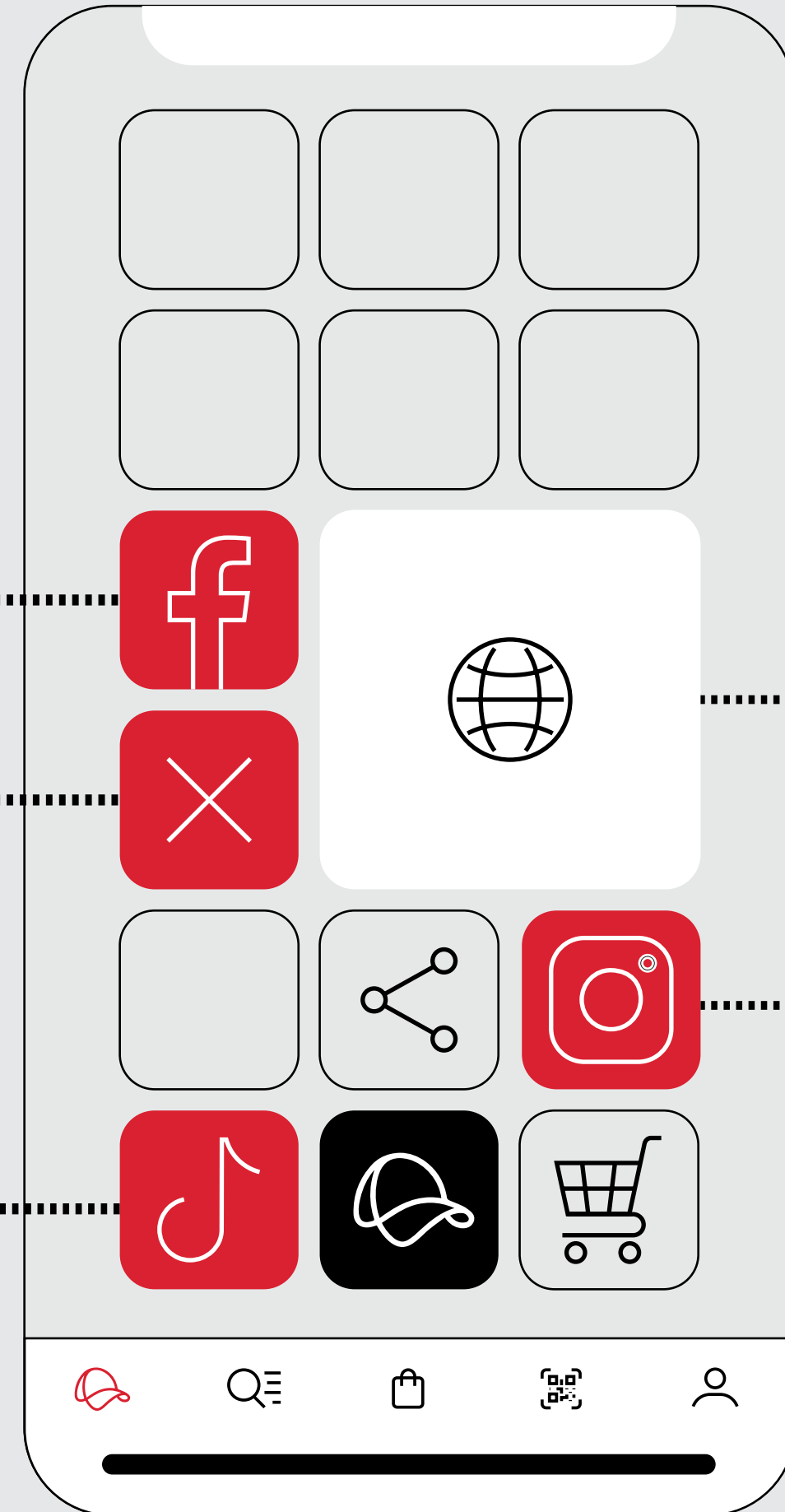
Facebook
Followers

874k

X
Followers

553k

TikTok
Followers



155m

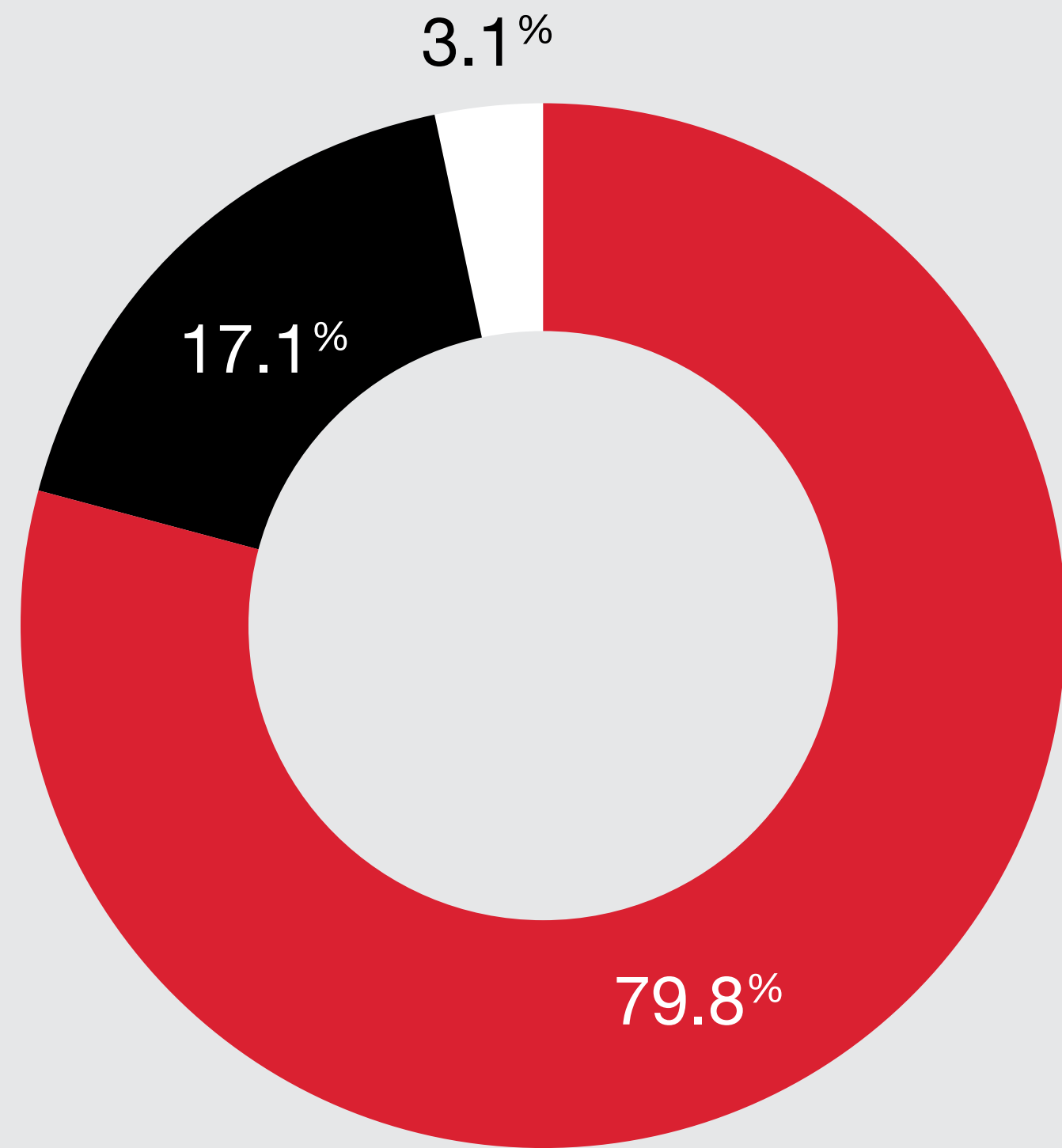
Website and app visits

2.8m

Instagram Followers



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SUCCESS BUILT ON DELIVERING PREDOMINANTLY PRIVATE LABEL DIFFERENTIATED FASHION, GIVING CUSTOMERS ACCESS TO THE LATEST GLOBAL TRENDS, HELPING THEM TO LOOK AND FEEL GOOD AT UNBELIEVABLE VALUE

#1

ranked most valuable apparel retailer in South Africa

Most shopped

apparel retailer in South Africa

Highest

brand equity in the apparel sector

12 months

of consecutive market share gains



Sold a T-shirt **every second** our stores were open



Sold a pair of denims **every 2 seconds** our stores were open



Sold enough ladies sandals to **outfit everyone** at the 60 Taylor Swift Era's Tour concerts



Sold enough dresses to clothe **3 out of every 10** SA women over the age of 16





OFFERING A TRULY OMNI-CHANNEL EXPERIENCE, DRIVEN BY STRONG DIGITAL MARKETING



TOTAL OWNED STORES

660

Trading density
R41 387m²

Opportunity continues to present itself for more space across the country

DIGITAL FOOTPRINT



The online channel is a key window and platform that continues to drive customers to our stores

>4m

social media followers, highest amongst peers

1/2

of customers browse online before purchasing in-store

66%

of Mr Price Apparel orders are click & collect

15%

of click & collect orders result in additional in-store purchases



PREDOMINANTLY PRIVATE LABEL DIFFERENTIATED THROUGH STRONG FASHION-VALUE ASSORTMENTS

Merchandise range supplemented with collaborations, exclusive ranges and trending ambassadors



Collaborations



Exclusive ranges



Trending ambassadors



Fashion Value Matrix



#1

Mr Price leads the fashion value matrix ahead of Shein and all other competitors in ladies and mens wear

96%

of consumers recognise that Mr Price provides either the same or better value for money than the prior year

How is it performing

COMBO STORES

7

STANDALONE

44

- Opened 10 stores in H1 taking our footprint to 44 Standalones and 7 Combo stores, with 11 new stores planned in H2
- Standalone store sales contributing 20% to total Mr Price Kids Sales
- Kids offering remains available across all Mr Price Apparel stores
- Extraction of Kids allows for greater focus on higher margin adult assortment
- 90bps market share gains
- Performance meeting budget expectations

Outlook

- Hunting average store size 250 - 500sqm
- Opportunity exists to further expand offering
- Performance is better when closer to the Mr Price store - priority to find these locations



Stronger comp performance supported by:

- Organic growth of under-indexed departments
- Focused merchandise execution

Store growth opportunities through smaller formats and Mr Price Kids

Store revamps to maintain strong brand presence

Improved e-Commerce offering to strengthen omni-channel approach



 **mr price sport**



WE ARE PASSIONATE ABOUT MAKING AN ACTIVE, SPORT AND OUTDOOR LIFESTYLE POSSIBLE FOR ALL SOUTH AFRICANS

Highest rated sportswear retailer for value for money

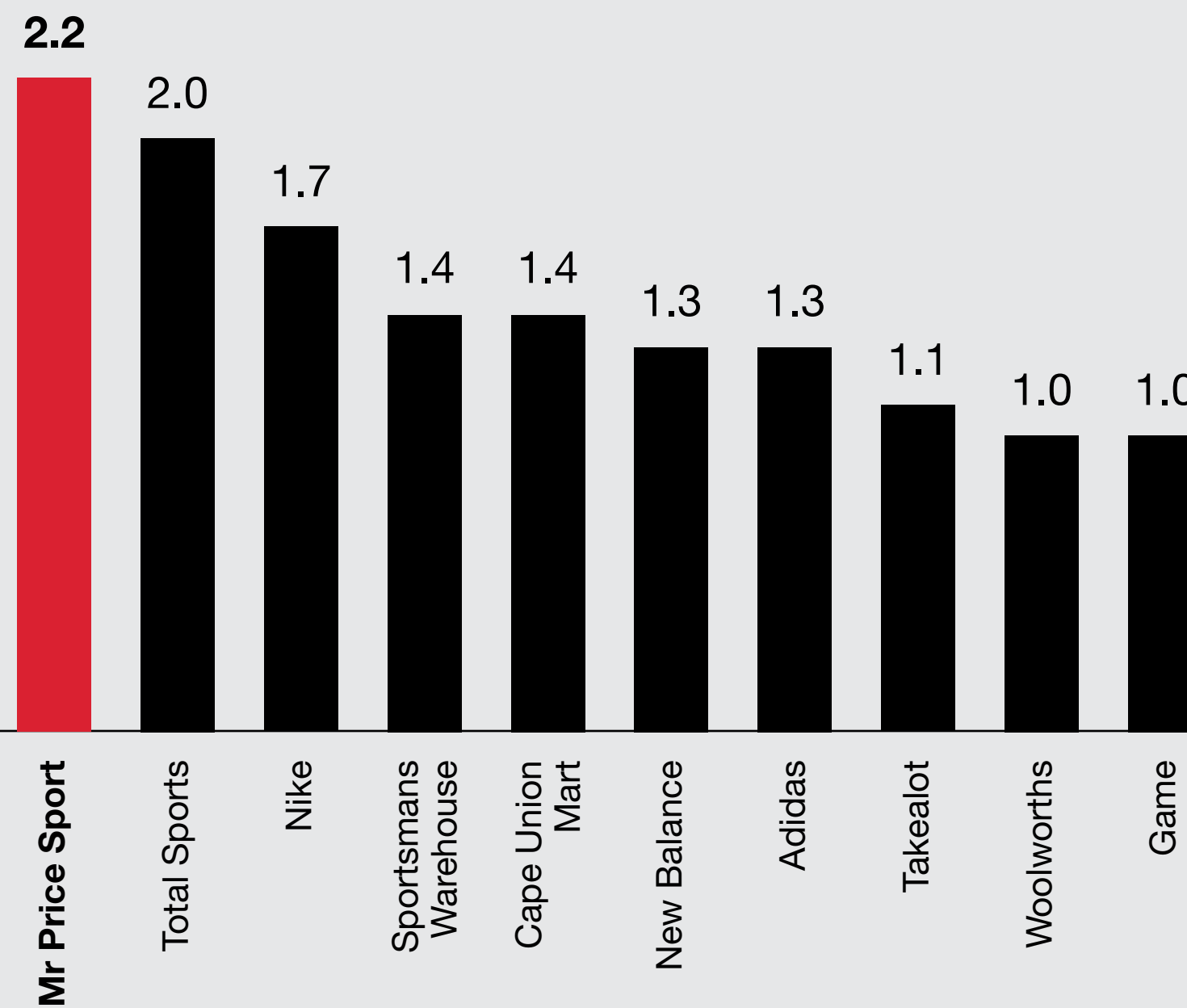
Highest brand equity in sportswear

Supporting sportsmanship in SA through key partnerships

82%

of our customers believe Mr Price Sport provides either the same or better value than last year

Brand equity



We've got Team SA Geared up for the Games

#InitTogether



APPEAL TO ASPIRATIONAL AND TREND CONSCIOUS CUSTOMERS ACROSS A WIDE RANGE OF AGE PROFILES & AFFORDABILITY
MERCHANDISE RANGE IS DOMINANT IN PRIVATE LABEL BRANDS, COMPLEMENTED BY SPECIFIC KEY INTERNATIONAL BRANDS AND LICENSED PRODUCT

PRIVATE LABEL



JOURNAL

TERRAIN

EXCLUSIVE BRANDS



NON-EXCLUSIVE BRANDS

GRYPHON



Joma



TOTAL OWNED STORES

177

Trading density
R25 141 m²

Ample store growth opportunities targeting a broader customer base

DIGITAL GROWTH



Digitally engaged customer interacts seamlessly between online and stores

570k

social media followers

20%

growth in website traffic

47%

of online orders are click & collect

35%

of customers shop both in-store and online

Competitive pricing
makes sporting
apparel &
equipment
accessible
to and a
good fit
for the



**value-focused
customer**



OUR PARTNERSHIPS BUILD BRAND AWARENESS TO OUR MASS MARKET TARGET CUSTOMER



Olympics




Comrades Marathon


CONTINUED EXECUTION OF FASHION-VALUE MODEL SUPPORTING COMP SALES AND MARKET SHARE GAINS**Assortment expansion:**

- Targeted split – Private label 80% | Branded 20%
- Increase assortment of performance brands in specialty sporting equipment and performance footwear

Diversify customer:

- Target more youthful customers
- Expand offerings in athleisure and increase exclusive brand partnerships

Space opportunities:

- Expand footprint into high traffic medium to lower LSM locations
- Focus on store revamps



MILADYS

WE ARE A 100% FEMALE FOCUSED RETAILER, TARGETING THE 40+ CUSTOMER, OFFERING DIFFERENTIATED ASSORTMENTS, THAT ARE VERSATILE AND ON TREND

Unparalleled brand and customer target market correlation,
driven by four principles:

Fit, Fabric, Feminine & Freshness

2nd highest

brand equity in the
ladieswear market

Net Promoter Score of
92%

Over 77 years

of serving South African
women

50%

of sales through store
accounts





TOTAL OWNED STORES

266

Trading density
R25 787 m²

Space growth opportunities increase as customer base widens

DIGITAL FOOTPRINT



Launched online in 2020





WE ARE THE ONLY LOCAL WOMEN'S RETAILER TO OFFER SIZE 32 – 50 ACROSS ALL OUR FASHION, ENSURING EVERY CUSTOMER FINDS HER FIT – NO EXCEPTIONS

Merchandise range is predominantly private label and strategically supplemented with offerings from exclusive brands

Private label



Exclusive brands





Diversify customer demographic and increase contribution to sales

Align with broader group supply chain to unlock value

Short-term recovery in the consumer and credit market

Grow key private label brands - Wonderfit





POWER
FASHION

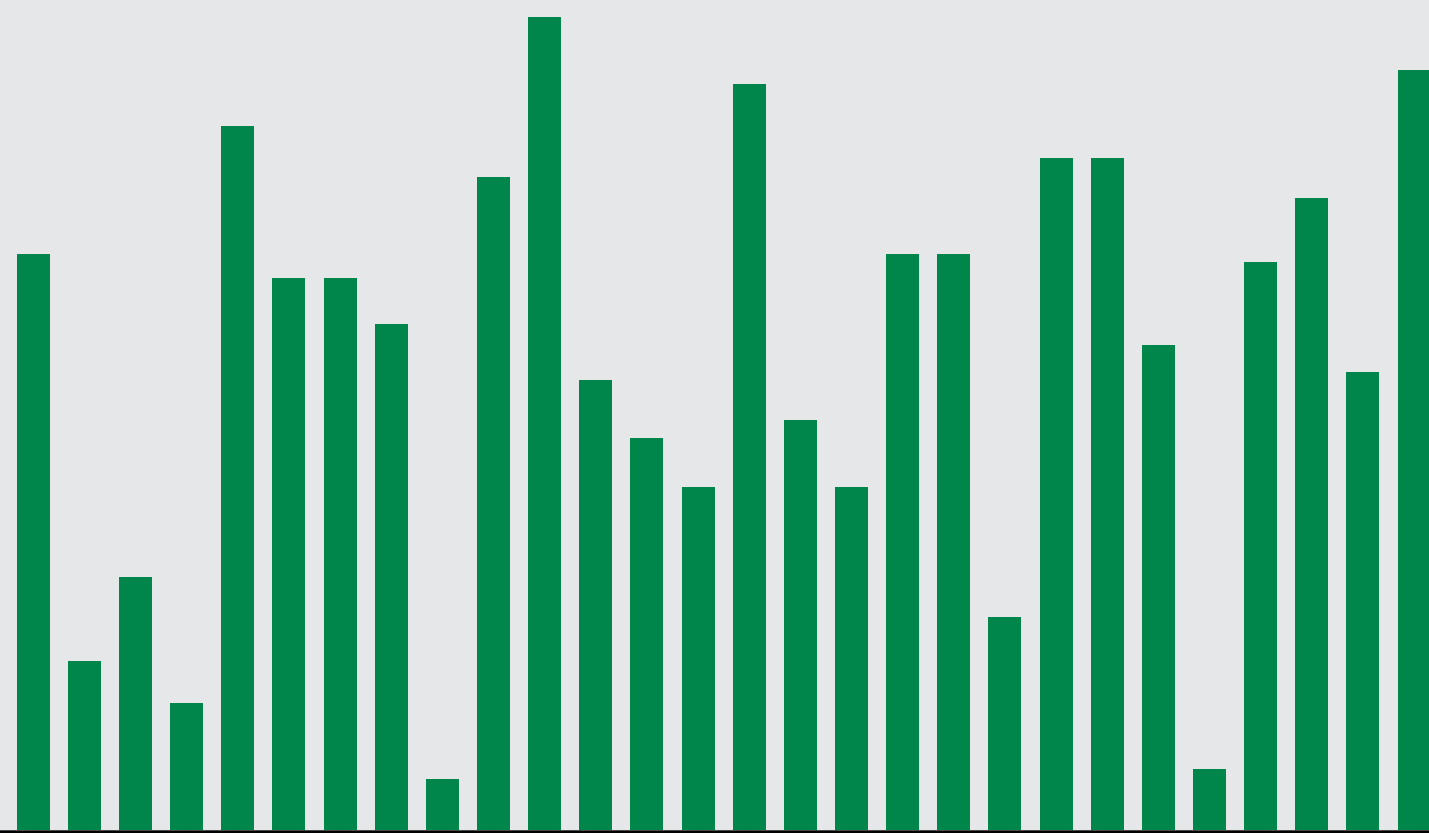
A KASI BRAND THAT PROVIDES AFFORDABLE FASHION FOR THE WHOLE FAMILY. WE PRIDE OURSELVES IN HELPING THE LOW-INCOME SHOPPER TO LOOK AND FEEL GOOD FOR LESS

29 months of consecutive market share gains

Store footprint doubled since acquisition

Record growth in brand equity from 7th to 4th place in FY2024

Market share



26 Jul

Share

Celebrating a milestone: Power Fashion's 300th store opens in Durban CBD

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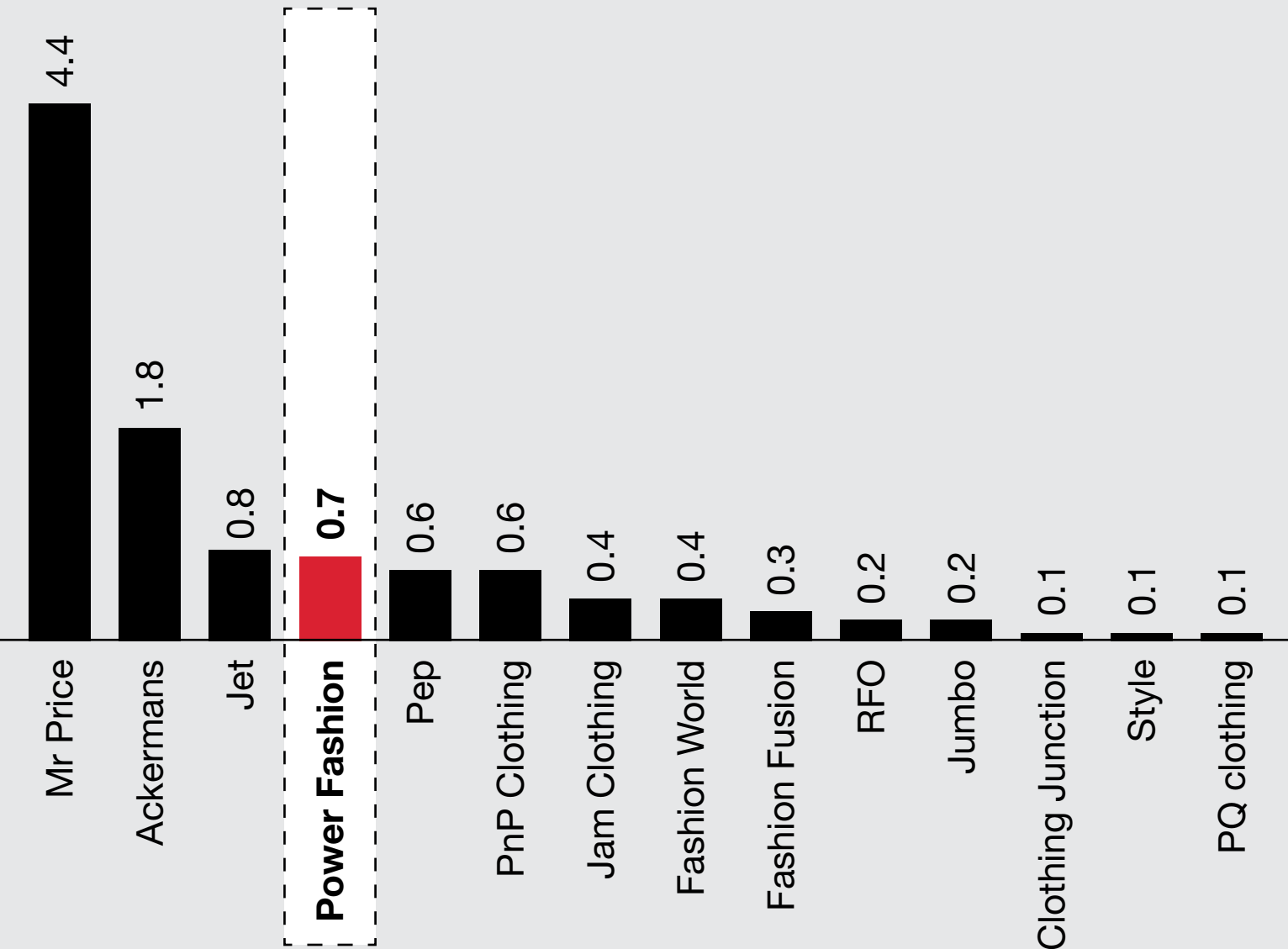


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Brand equity



CORE SHOPPER

The value-seeker who loves fashion & is in tune with the latest styles

- LSM 2 – 5
- 18 – 45 years old
- 80% female
- The value-seeker who loves fashion & is in tune with the latest styles
- Majority of our shoppers HHI is <R5 000
- 70% of our shoppers are social grant dependent





Our unique value bins are the cornerstone of our shopper experience and offer essential product to the customer at exceptional value



Value for money

99%

of our customers believe Power Fashion provides either the same or better value than last year

1 in every 5

units sold in the women's underwear market

1 in every 4

units sold in the girls' underwear and socks market



AS OUR STORE LOCATION FOOTPRINT GROWS TO > 500 STORES, WE DRIVE AWARENESS THROUGH LOCAL COMMUNITIES & DIGITAL MARKETING



TOTAL OWNED STORES

306

Trading density
R29 255 m²

Opportunity to double store footprint

DIGITAL GROWTH



With a focused approach to grow our digital footprint, we reach unique audiences thus driving more feet to stores.

46% growth in social media following

200k engaged customers on our growing WhatsApp database

10m monthly digital impressions

66% growth in store location searches

PROVIDING LOW-PRICED, FASHION- RELEVANT MERCHANDISE

Sourcing from **over 150 suppliers**,
across 9 countries

1.5 million units secured through US
retailer partnership

27.7 million units sourced locally



GROWTH OPPORTUNITIES

At least double, potentially triple the current store base

Growth in private label brands

Capitalise on additional opportunistic buying gains as greater scale is achieved

Increase operating leverage through scaled growth off a fixed cost base

Integration that unlocks margin will be pursued



studiooo

The logo consists of the word "studio" in a bold, black, lowercase sans-serif font. Below the letters "st" is a horizontal bar with a color gradient from dark red on the left to black on the right. To the right of the word "studio" are two red, hollow, lowercase "oo" characters stacked vertically.



SOUTH AFRICA'S LARGEST BRANDED FASHION CLOTHING AND FOOTWEAR RETAILER. WE MAKE IT OUR BUSINESS TO BRING OUR CUSTOMERS THE LATEST TRENDS IN SNEAKERS, FOOTWEAR AND CLOTHING AT COMPETITIVE PRICES



399



198



160



118

Speciality

40

TOTAL OWNED STORES

915

Trading density
R42 841 m²





Brand segments

77% Non-exclusive

16% Exclusive

7% Private label

NON-EXCLUSIVE BRANDS*



EXCLUSIVE BRANDS*



OWN LABELS



WE FOCUS ON THE MID TO LOW LSM CONSUMER, DISTRIBUTING HIGH QUALITY, BRANDED FASHION AND SPORTSWEAR NATIONWIDE

Store locations strategically concentrated away from urban nodes

Brands continue to favour the wholesale model vs DTC, with our store footprint providing increased efficiency and ease of access to customers



WE FOCUS ON THE MID TO LOW LSM CONSUMER, DISTRIBUTING HIGH QUALITY, BRANDED FASHION AND SPORTSWEAR NATIONWIDE



Growth opportunities

- Improved margins through more effective stock management
- Growth in private label brands
- Online expansion
 - Skipper Bar and John Craig to launch online, bringing all chains into ecommerce
- Space opportunity
 - No chain exceeds 400 stores, ample space growth opportunities available
- Integration that unlocks margin will be pursued

