

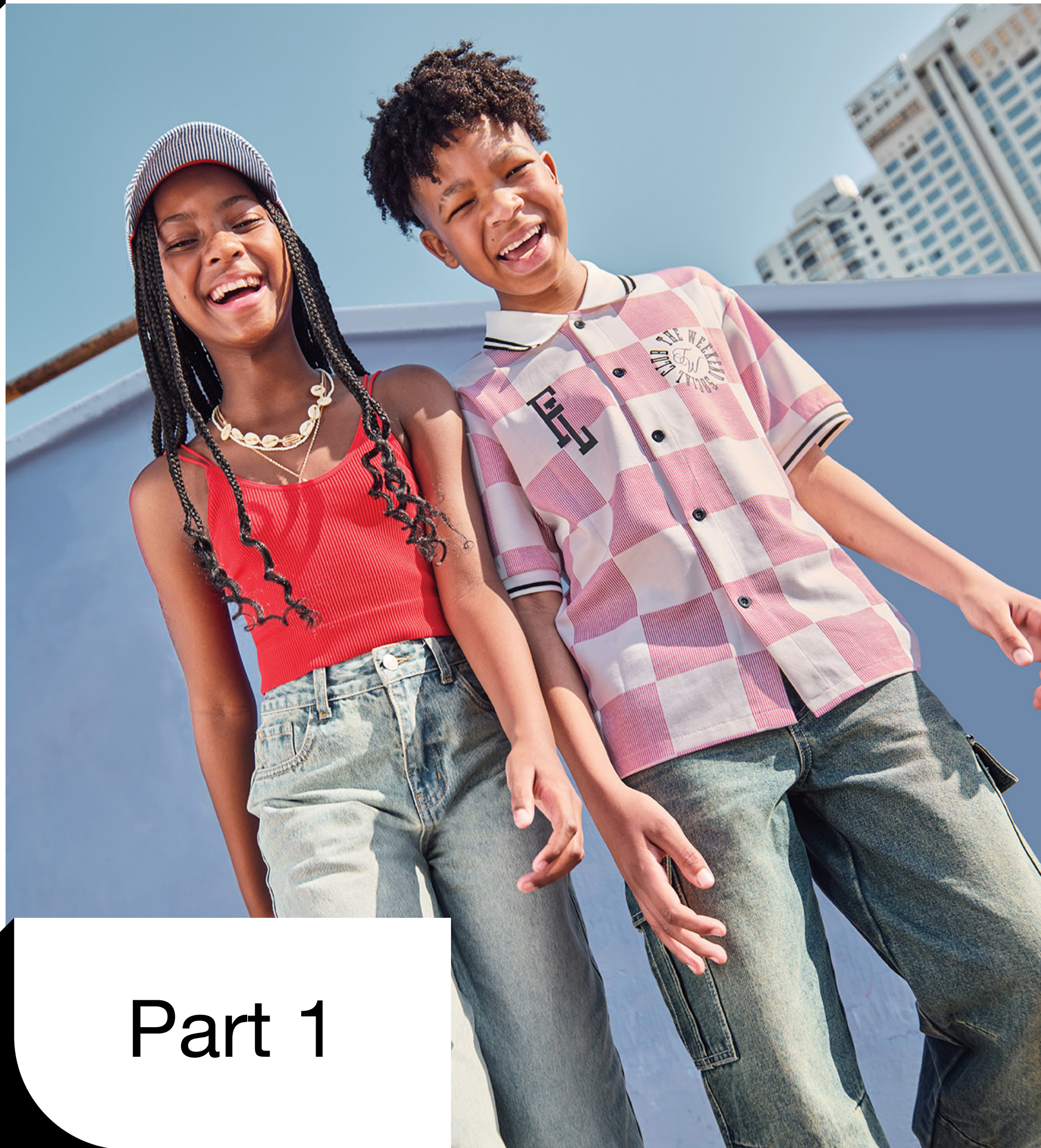
# Capital Markets Day

12 September

20  
24







*By Mark Blair*

# Investment case

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EDLP fashion-value proposition built on a low opex-sales model remains relevant and positioned to outperform the sector

Part 1







A cash-based, omni-channel  
business obsessed  
with providing differentiated  
fashion-value to our diverse  
range of customers.







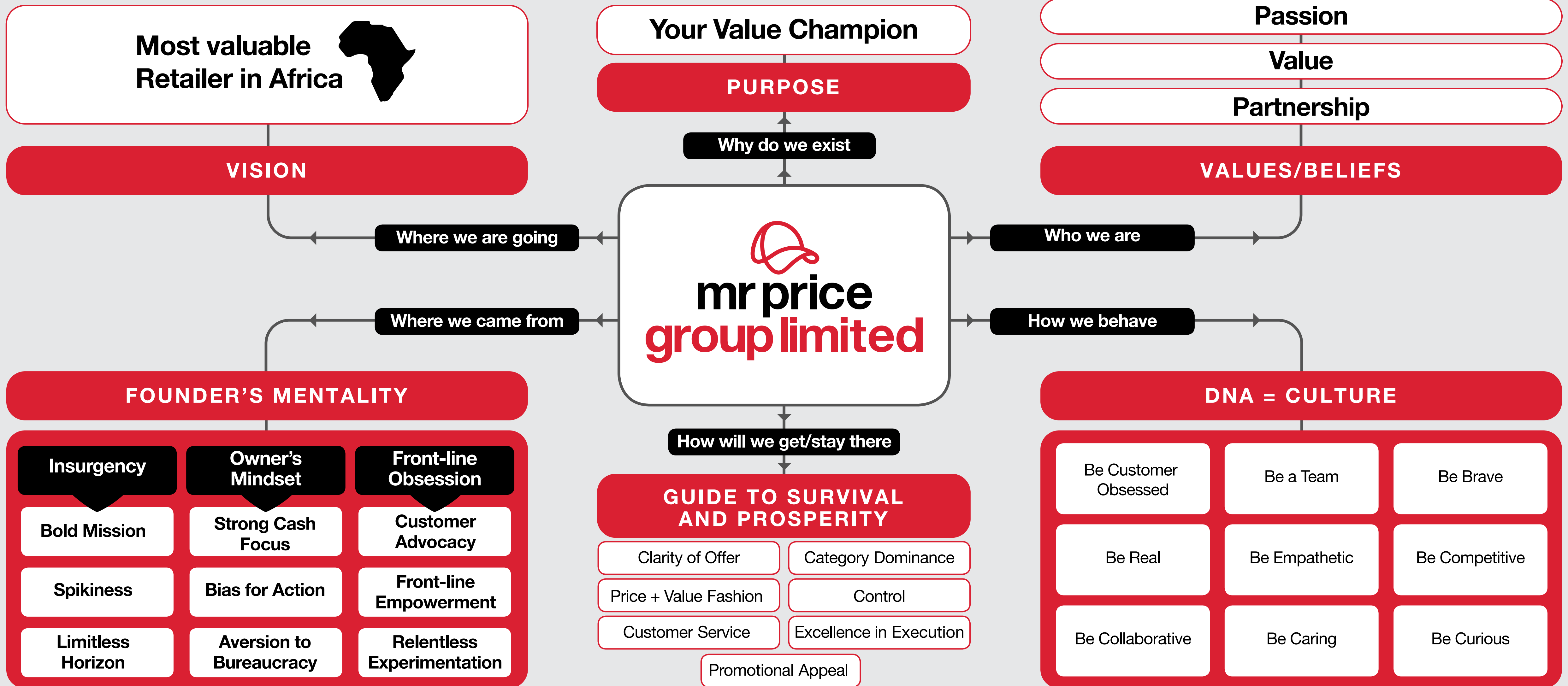
“ Ordinary people doing  
doing extraordinary  
things ”





# What drives us

# The Mr Price Way



# Vision

To be the most valuable retailer in Africa



Supported by six strategic pillars

## Stakeholder Engagement



Stakeholder relationships are based on the true spirit of partnership and the group is ranked as the leading retailer in 'engagement and delivery'

## Growth & Innovation



To deliver sector leading growth and sustain our retail differentiation and innovation

## Brand Promise



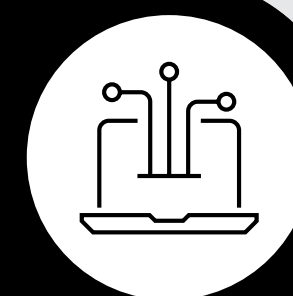
Grow brand value by surprising and delighting customers with the wanted item at great value and a satisfying all-round experience

## People



The group's energised environment and unique culture drive performance and position the group as the most sought-after retail employer

## Strategic Enablement



Enable growth and innovation via our efficient technology, logistics and real estate capabilities

## Sustainability



To be recognised by stakeholders as a relevant, ethical and sustainable proudly South African company

# Operating model to achieve our vision



## A HOLDING COMPANY VERSUS INTEGRATED COMPANY

Diversified unrelated businesses

Single-business, or highly related businesses

Monitor

Manage and co-ordinate

**01**

**INVESTMENT HOLDING COMPANY**

Corporate centre creates the overall portfolio of businesses, reviews finances, allocates capital (minimal control of trading businesses and no co-ordination of cross trading activities)

**02**

**STRATEGIC ORIENTATION**

Corporate centre defines overall group strategic direction, creates core control functions and sets policies; creates value through synergies across trading businesses where that is required across the group

**03**

**OPERATIONAL ORIENTATION**

Corporate centre sets top down direction and approves trading business strategies; conducts detailed management reviews of trading businesses  
  
Establishes some shared services and some centre of excellence functions

**04**

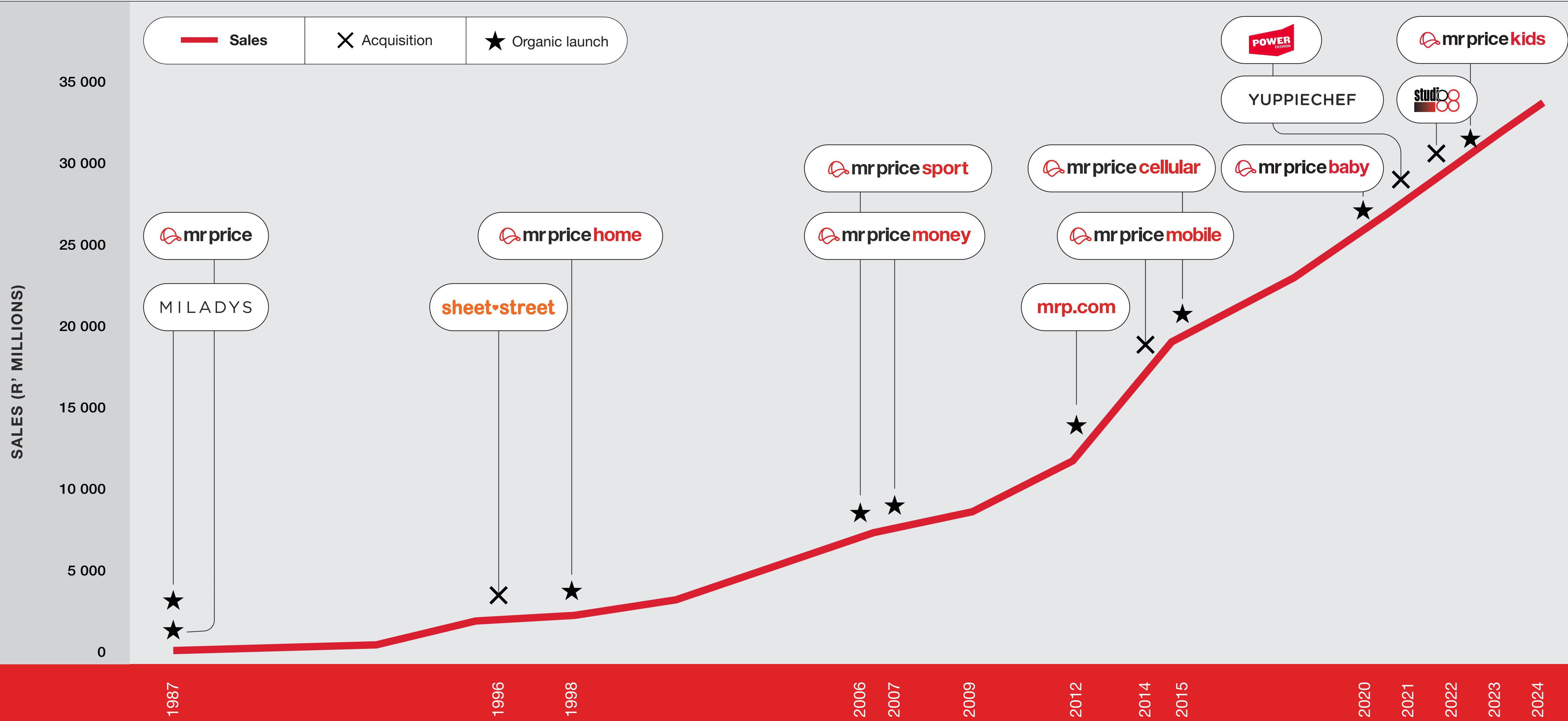
**INTEGRATED COMPANY**

Corporate centre sets strategies and KPIs. Centralises some controls and regulatory reporting. Organised around related businesses with common business processes and enabling functions managed as shared services

# History of building brands



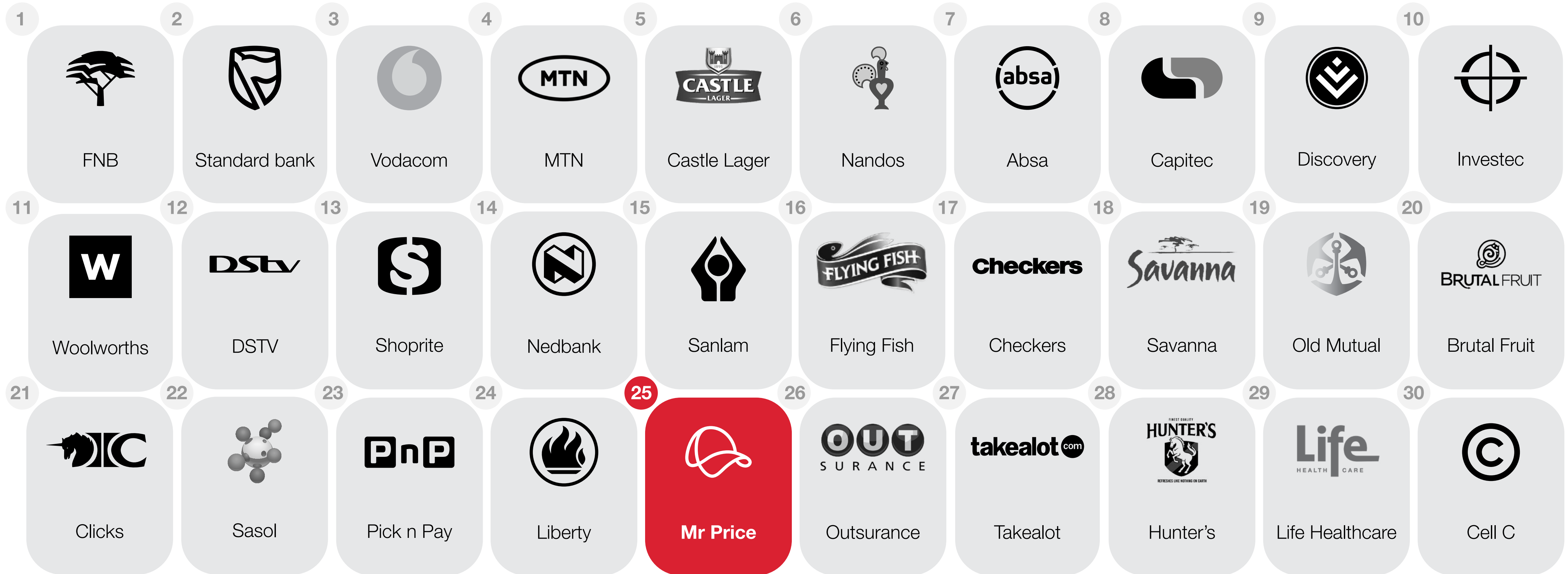
- Historically primarily driven by organic growth
  - EDLP business model highly replicable and easy to scale
- Further expansion through organic growth and recent acquisitions







## #1 RANKED MOST VALUABLE FASHION-VALUE RETAILER

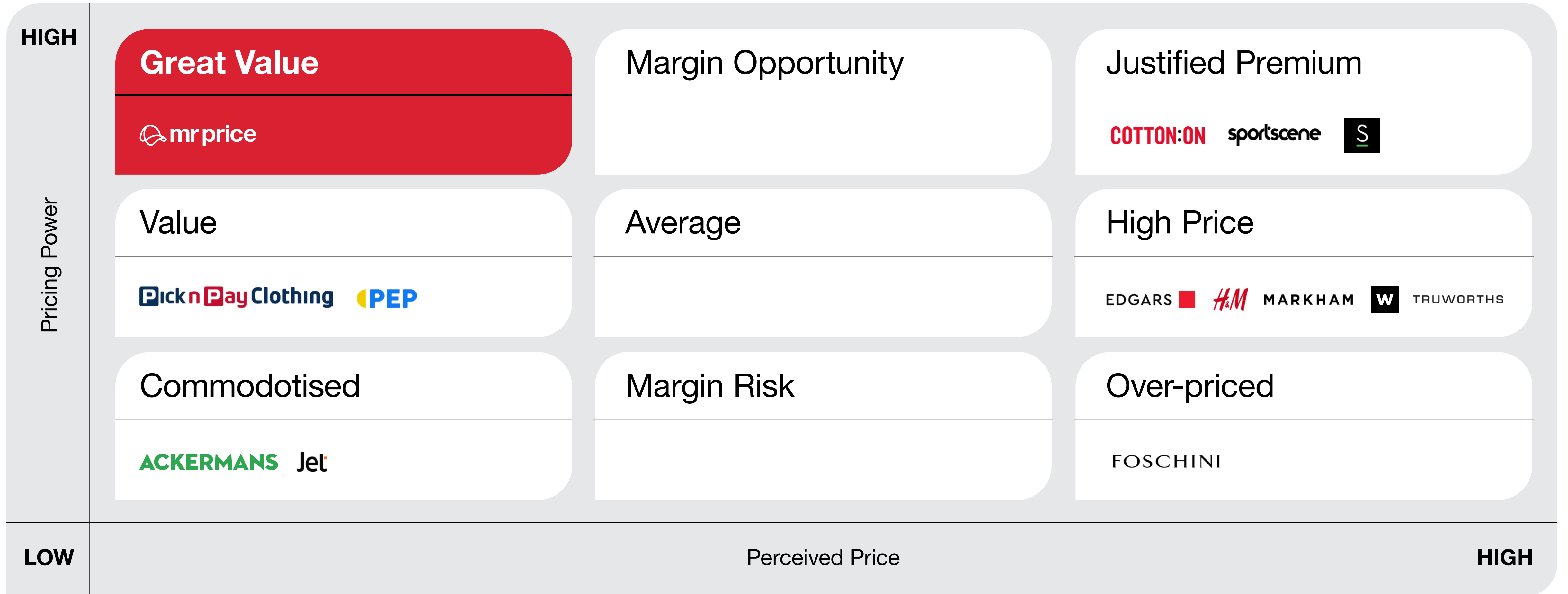




# Recognised as the value champion



## KANTAR BRANDZ: STRATEGIC PRICING VIEW







## MARKET LEADERS IN FASHION-VALUE RETAIL

Every day low prices

Strong balance sheet - zero long-term debt

Leading brand awareness

Highly cash generative

Defensive low-cost model

Leading stakeholder engagement

Quality omni-channel offering

Sustainable metrics and returns

Strong ESG leadership

Long-term track record



# Track record



## SUSTAINABLE LONG-TERM RETURNS: 38-YEAR

HEPS CAGR

**+18.4%**

DIVIDEND CAGR

**+19.6%**

## SHORT-TERM PERFORMANCE: 5-YEAR

RETAIL SALES CAGR

MRPG

**11.9%**

Competitors

**4.9%**

OPERATING MARGIN AVERAGE

MRPG

**16.3%**

Competitors

**9.3%**

OPERATING PROFIT CAGR

MRPG

**6.0%**

Competitors

**5.5%**

ROE AVERAGE

MRPG

**26.7%**

Competitors

**22.6%**

## 12 MONTH SHARE PRICE GROWTH

