



By Antoinette Joubert

Strategy progress

2020-2024

Strategically invested in growth vehicles and enablers to build a stronger and healthier business for a sustainable future

Part 2



Research underpins strategy



Group strategy - ensure we do the right things to deliver growth

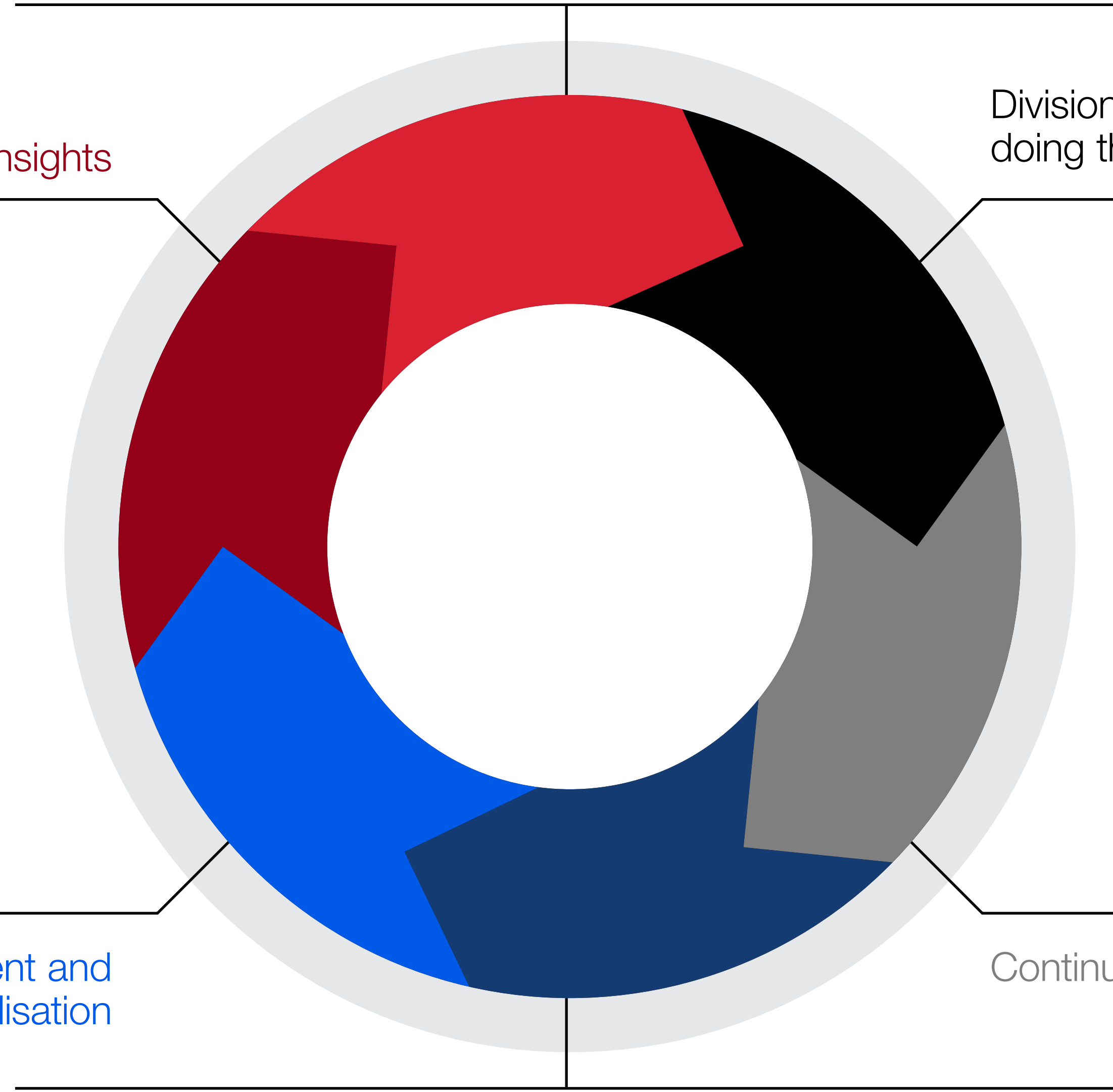
Divisional strategy - ensure we are doing things right to deliver growth

Research and data insights

Business case development and benefits realisation

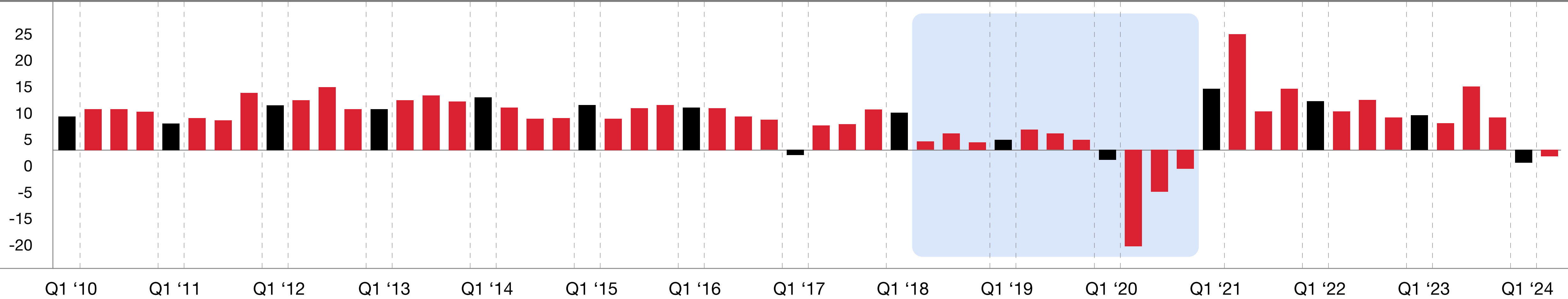
Continuous monitoring and calibration

Exploring new areas of growth





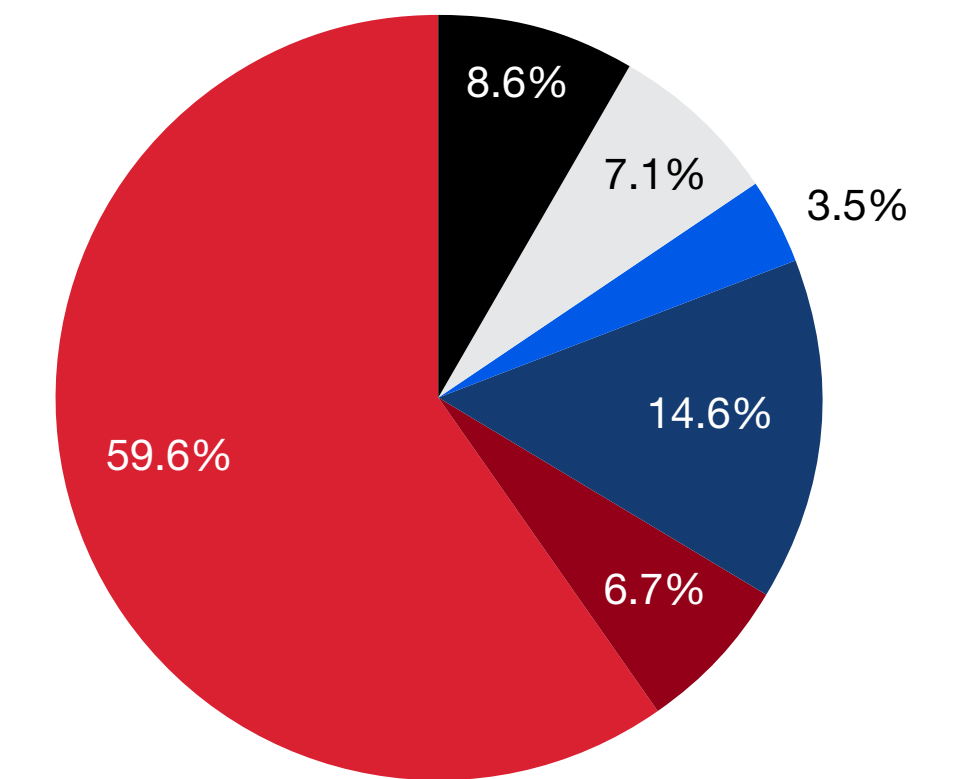
TOTAL SA APPAREL & FOOTWEAR SALES GROWTH (% CH Y/Y)



Insights

- 2018/19 market sales growth below basic cost growth (CPI) – sector was at risk of negative operational leverage
- Lockdown 2020: uncertainty but opportunity to consider current positioning vs. desired future state in SA
- Evaluated:
 - High growth areas of the market
 - Areas of low market share where we had existing skill (Kids) or could acquire knowledge (Studio 88)
 - Opportunities to reduce concentration risk

Retail sales wallet spend



- General merchandise
- Home improvement
- Homeware & electronics
- Apparel & footwear
- Pharma & beauty
- Food/FMCG

Where we were

2020












PRODUCT CLASSIFICATION

	Apparel	Homeware	FS & Telecoms	e-Commerce
Premium ▶				
Aspirational value/Niche ▶				
Fashion value ▶	MILADYS mr price mr price sport	mr price home sheet•street	mr price money	miladys.com mrprice.com mrpricesport.com mrpricehome.com mrpricemoney.com sheetstreet.com
Price value ▶				



GREATER ACCESS TO PREVIOUSLY UNDERSERVED CUSTOMER SEGMENTS ACROSS THE GROUP'S PORTFOLIO

PRODUCT CLASSIFICATION

PRODUCT CLASSIFICATION	Apparel	Homeware	FS & Telecoms	e-Commerce
Premium ▶				
Aspirational value/Niche ▶		YUPPIECHEF		yuppiechef.com studio-88.co.za
	MILADYS			miladys.com
Fashion value ▶	  		 	mrprice.com mrpricesport.com mrpricehome.com mrpricecellular.com mrpricemoney.com
		sheet•street		sheetstreet.com
Price value ▶				

Exploited 3 acquisitive opportunities



Closed the apparel price value gap



YUPPIECHEF

Fulfilled the aspirational value & e-Commerce opportunity in homeware



Closed the branded footwear & apparel gap



COLLECTIVELY ADDED R10.7BN IN SALES TO THE GROUP & OPERATING PROFIT OF R977M, EARNINGS ACCRETIVE

Integration



Philosophy pre-acquisition

- Acquire high performing businesses
- Pace & level of intervention determined collaboratively and considering internal capacity
- Cross-pollination of skills encouraged

Insights

- Initial light touch limits distraction & maximizes performance
- Essential integration into people, culture, policies & financial reporting
- Selective integration where beneficial in real estate, supply chain, sourcing & systems
- Limited integration in areas that drive customer value proposition

Successes

- Power Fashion
 - Benefitting from supply chain & sourcing expertise
 - Pace of growth enabled by group scale & skill
- Yuppiefchef
 - Benefitting from internal group leadership & merchandise skills
 - Early-stage efficiencies realised in logistics & real estate
- Studio 88
 - Group real estate benefit impacting store growth & new leases
 - Included in segment-level procurement supporting private label growth



**We don't acquire for efficiencies
but will be unlocked over time –
leading to improved metrics**



Acquisition of future tranches:

- Same multiple as initial acquisition (EV/EBITDA)
- Flexible to allow for earlier/later dates
- Aligned with the intention to retain management for the long-term



Remaining 30% management shareholding will be settled as follows:

PURCHASE OF SHARES

EFFECTIVE SHARE PURCHASE

MR PRICE SHAREHOLDING

March 2024

March 2025

March 2026

20%

30%

50%

6%

9%

15%

76%

85%

100%

Paid in H1 FY2025

Organic opportunities



LAUNCHED & SCALING TWO ORGANIC OPPORTUNITIES

 **mr price kids**

Gained 90bps market share in the last 12 months



 **mr price cellular**

Gained 90bps market share in the last 12 months



- Under-indexed market share
- Improved & targeted shopping experience for fashion-value customer
- Leveraging Mr Price brand halo

Strategic investment



Insights

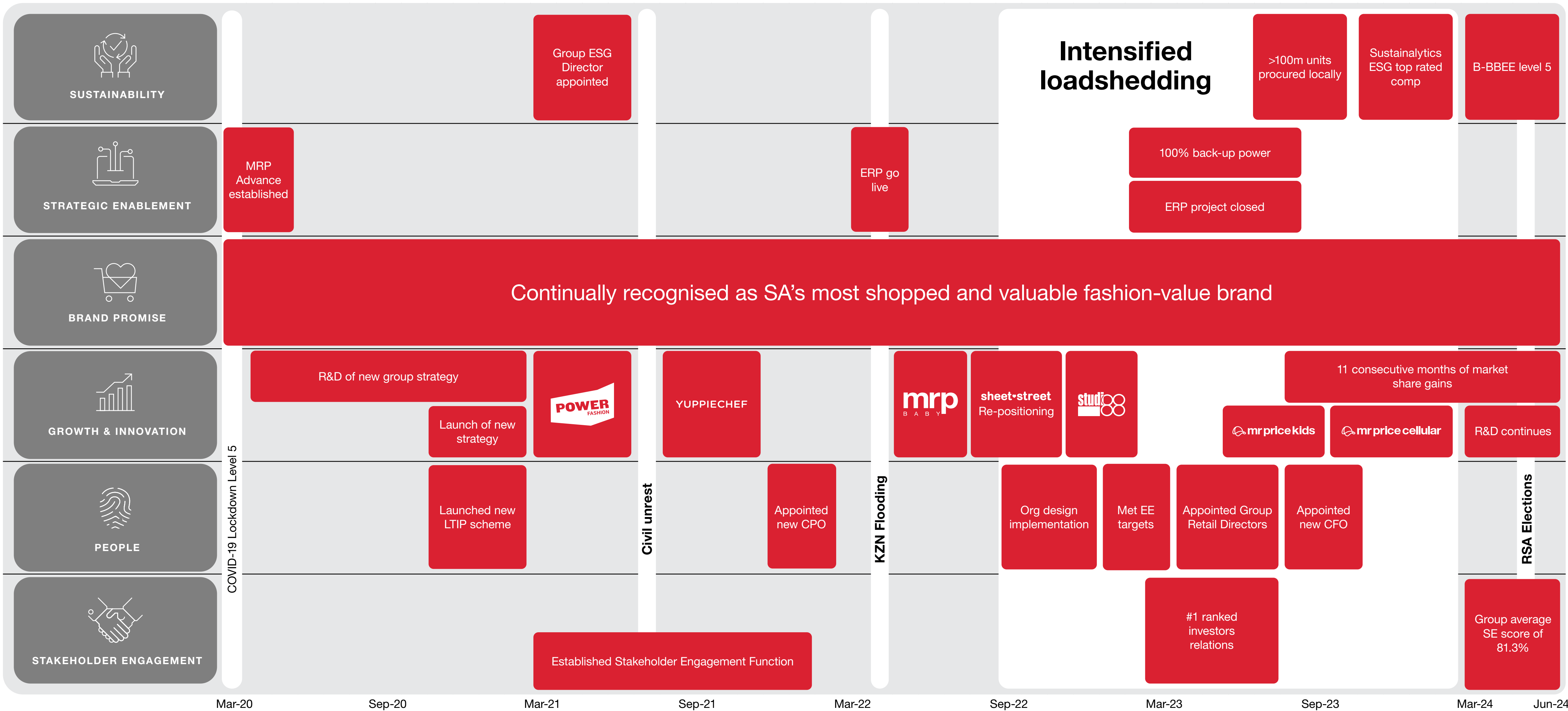
- Best deployment of capital
- Committed to achieving leading returns and metrics
- Demonstrated ability to make trade-offs
- Invested through the cycle
- Further entrenching existing businesses to ensure future success



**Well positioned to accelerate growth off a strengthened base
and in an improving economic cycle**

Strategic progress

- Foundational activity and investment: retail sales growth of 68.7% over the period
- Confident that profit delivery will continue to gain momentum



COVID-19 Lockdown Level 5

Civil unrest

KZN Flooding

RSA Elections