

Mr Price Group to buy Yuppiechef

Mr Price Group has entered into an agreement to acquire 100% of privately-owned homeware retailer Yuppiechef. The purchase consideration will be settled entirely in cash, and the Yuppiechef management team will continue to run the business with the support of the Mr Price executive team.



Andrew Smith and Shane Dryden founded Yuppiechef in 2006 with a vision to build a platform for the distribution of aspirational kitchen and homeware brands. The business has two primary operations, namely Yuppiechef Online, the retail division comprising the online platform and seven stores, as well as a wholesale division, which develops, and imports branded goods for wholesale distribution.

Yuppiechef commenced operations as a pure e-commerce company and since 2017 has transitioned into an omnichannel retail platform. The retail division represents 85% of turnover (70% via e-commerce) and has been a pioneer of online retail in South Africa, consistently winning awards throughout its history. Most recently in 2019, Yuppiechef was voted 'Digital Company of the Year' at the South African National Business Awards and 'Best Independent Retailer Store Design' at the SACSC Retail Design & Development Award.

Access to higher LSM customer base

In November 2020, Mr Price communicated its ambitions to invest in growth opportunities in specific segments of the market through both organic and acquisitive growth avenues. These opportunities are informed by an extensive period of research which the group believes will shape its future growth trajectory.

Within the homeware market, the opportunity to gain access to a higher LSM customer base, enabling growth of its share-of-wallet through aspirational value spending, was identified.



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Escalating online retail ambitions

Mr Price says the acquisition will allow it to expand in South Africa through an established, high-growth omnichannel brand. "Profitability is a key factor in the group's consideration of any venture, and it is satisfied with Yuppiechef's positive bottom-line performance and prospects for margin expansion," Mr Price says.

Mr Price CEO, Mark Blair, comments: "We are very excited about welcoming the Yuppiechef team into our family. As a founder-led business, they share our entrepreneurial roots and we are eager to jointly realise the company's ambitions. We are partnering with a market-leading business which has won numerous awards relating to both e-commerce and stores, and Yuppiechef has a proven ability to launch private label categories which have also attracted industry recognition."

Blair continues, "This gives Mr Price the opportunity to access the skills of a highly talented team and serve a new customer base. Yuppiechef will benefit from our financial strength to accelerate growth plans which include significantly broadening the product assortment into areas where we have well-established skills at expanding its physical presence beyond the currently limited number of stores.

"We were early adopters of e-commerce in South Africa and our consistent investment has really paid off for us. Yuppiechef gives us another platform to escalate our ambitions in online retail and enables us to be strategically positioned for further growth."



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Andrew Smith, co-founder and CEO of Yuppiechef, says: "The timing is right for Yuppiechef to move forward with its growth ambitions with a partner who has a shared vision and the resources to help achieve this. I am excited about our future as a part of the Mr Price Group. They are a business which prides themselves on innovation and growth and we are strategically aligned in our plans. We share similar culture and values which will make this an easy fit for both parties."

The targeted effective date is subject to the fulfilment of both regulatory and commercial suspensive conditions which includes competition authority approval.

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