

Mr Price acquisition of Power Fashion comes into effect

Mr Price Group's [acquisition of Durban-based retailer Power Fashion](#), announced in November 2020, has received the green light from South African and eSwatini competition authorities, and the deal comes into effect on 1 April. This marks Mr Price's first acquisition since the late 1990s.



Power Fashion is a value-focused, family-owned retailer operated by Otto Brothers Distributors, and currently comprises 173 stores across southern Africa. It services low to middle-income households and offers merchandise for the whole family, retailing largely apparel but also offering cellular products, basic household items, value cosmetics and electricity.

The existing Power Fashion management team and employees will transfer to the Mr Price Group on the effective date. Power Fashion's majority shareholder and CEO, Noel Otto, will retire on this date but will consult to the newly appointed Power Fashion managing director for a period to provide continuity.



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Mr Price buys Durban-based value retailer Power Fashion

26 Nov 2020

Local procurement

The deal was confirmed on condition that the Mr Price Group promotes local procurement following the merger. This follows concerns raised by the Minister of the Department of Trade, Industry and Competitio (DTIC) in relation to local procurement.

As such, the merged entity must ensure that:

- Power Fashion maintains or improves its current level of locally procured goods and services; and
- Power Fashion participates in the DTIC's Retail, Clothing, Textile, Footwear and Leather (R-CTFL) Masterplan initiative along with the rest of the Mr Price Group. This DTIC initiative seeks to, among others,

increase the share of local retail sales of locally manufactured clothing and footwear to 65% by 2030.



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15 Mar 2021



Attractive growth potential

Mr Price states that the price-value market in the apparel segment in which Power Fashion operates is seen by the group as a segment with attractive growth potential.

Mr Price group CEO, Mark Blair, comments: “I am really excited about the opportunities that exist for Power Fashion, which is a quality business, however, I am more excited about welcoming new associates to the Mr Price Group. We enjoy a similar entrepreneurial culture and the fit will be excellent.”

The Power Fashion acquisition will see Mr Price increase its share of the lower end of the clothing retail market, while its recently announced [deal with homeware retailer Yuppiechef](#) gives the group the opportunity to gain access to a higher LSM customer base.

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