

Owner of Legit offers to buy part of Edgars

Parts of South African retail chain Edgars may be sold to Edcon competitor Retailability Ltd, business rescue practitioners in charge of Edcon's restructuring said on Tuesday.



Retailability is a fashion retailer and the holding company of store brands including Legit, Beaver Canoe and Style. The company, which bought Legit clothing stores from Edgars for R637m in 2016, now operates in over 460 stores across South Africa, Namibia, Botswana, Lesotho and eSwatini.

The business rescue practitioners said that the transaction, if successfully concluded, will be a positive outcome for the business rescue process, as Edgars will be well served in the hands of an experienced Retailability team.

"Through this transaction, Retailability plans to utilise Edgars' unique value proposition, and large attractive target market, to ensure the growth and continuity of a proudly South African Edgars brand."



Edcon can only pay salaries right now, tearful CEO tells suppliers

27 Mar 2020



Edcon, which also owns value retailer Jet, was placed in business rescue in April after it could not pay suppliers following weak January sales and a loss of R2bn in sales when stores were closed during the Covid-19 Level 5 lockdown.

“This significant step will not only save a significant number of jobs, but importantly, will lead to the sustainability of a proudly South African iconic brand, whose continuity would serve the greater economy. The details of the transaction will be finalised on the signing of definitive agreements and the fulfilment of the various conditions precedent,” the business rescue practitioners said.



R2bn in lost sales forces Edcon to file for business rescue

29 Apr 2020



They added that “the business rescue plan in respect of the other Edcon businesses/or parts thereof is in its advanced stages. As you would anticipate, the nature of such transactions are complex, and formal announcements will be made once we are able to do so.”

The Edgars transaction will be subject to various conditions precedent and regulatory approvals, including the Competition Authorities. The closing of the transaction is targeted for this quarter.

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