

TFG agrees to buy selected Jet stores and related assets for R480m

TFG has entered into an agreement to buy certain "commercially-viable stores and selected assets" of Jet from embattled Edcon for a cash purchase consideration of R480m. Edcon is currently [in business rescue](#) in terms of the Companies Act.



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TFG, which owns Foschini, Markham, Sportscene and @home, said in a Sens announcement on Monday that it submitted a conditional offer on 10 July and Edcon's business rescue practitioners have accepted the terms of the offer. TFG has been granted exclusivity to negotiate and finalise the terms and conclude the proposed transaction.

"Jet is a leading Southern African retailer (by brand recognition and market share) and would provide TFG with a strategically important expansion into the value segment of the Southern African retail apparel market. The Proposed Transaction enables TFG to acquire selected parts of the Jet business, a unique opportunity which previously was not possible and is expected to give TFG significant scale at an attractive price," TFG said.

The company added that the transaction construct provides it with structural risk mitigants and establishes a value retail pillar for the TFG business that would be costly and difficult to replicate organically.



R2bn in lost sales forces Edcon to file for business rescue

29 Apr 2020



The proposed transaction will also include the transfer of selected key executives and staff of Jet to ensure sufficient management capacity and continuity to deliver on the current turnaround plan for Jet.

371 commercially-viable stores

TFG's conditional offer includes:

- The acquisition of the Jet brand;
- The assumption of a minimum of 371 commercially viable Jet stores. Included in this is a distribution centre located in Durban and certain stores in Botswana, Lesotho, Namibia and Eswatini;
- The acquisition of the associated property, plant and equipment for the commercially viable stores and the Durban distribution centre;
- The acquisition of the rights in and to the Jet Club;
- All existing stock holdings with a minimum stock value of no less than R800m.

As part of the conditional offer, TFG will assume the operational commitments associated with the "commercially viable stores" only, such as employee and lease commitments, albeit on a renegotiated basis. Certain head office staff and functions will also be assumed.



Owner of Legit offers to buy part of Edgars

8 Jul 2020



TFG said it is finalising its assessment of the capital requirements of the business and currently does not believe this would result in a significant change in the capital requirements for the overall TFG Group.

The Proposed Transaction is subject to customary conditions precedent for a transaction of this nature, including amongst others, the renegotiation of store leases, requisite transitional services arrangements being agreed, TFG Board approval and the approval by the relevant regulatory authorities.

[Edon announced last week](#) that parts of its retail chain Edgars may be sold to Retailability, a fashion retailer and the holding company of store brands including Legit, Beaver Canoe and Style.

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