



City Chic Collective acquires the ecommerce assets of U.K. plus-size brand Evans to add to its growing portfolio of global plus-size merchants.

City Chic Collective—the parent company of three plus-size apparel brands—this month announced it would acquire U.K.-based plus-size brand [Evans](#) for \$31 million.

The acquisition is an effort to jumpstart City Chic’s expansion into the U.K. and Europe, with a focus on ecommerce. [City Chic](#) will acquire the Evans brand, customer base, inventory and intellectual property, but the deal excludes Evans’ 100 store locations in the U.K. and franchise locations, mostly in the Middle East.

Evans already has a substantial ecommerce presence, with online sales generating more than half of its total sales. In its fiscal year ended August 2020, Evans.uk.com says it generated roughly \$31 million online.

The move follows that of other parent companies of retail brands that have built up robust portfolios over the years, says Andrew Postal, managing partner at investment bank [MMG Advisors](#). These include Marquee Brands LLC (which owns Sur La Table (No. 235 in the [2020 Digital Commerce 360 Top 1000](#)), BCBGMaxazria (No. 689), among others) and Blue Star Alliance (which owns apparel brands bebe (No. 453), Brookstone (No. 433), Hurley and more).

“The acquisition of ‘just intellectual property’ is by now an established business,” Postal says. “New entrants are pursuing intellectual property to build on or establish digital platform.”

The Evans acquisition pairs well with City Chic's current portfolio of brands, where nearly all of the growth is online, says [Phil Ryan, City Chic's CEO and managing director](#). In its 2020 fiscal year ended June 22, 2020, City Chic Collective reported that online sales represent 65% of its total sales from all of its brands, up from 44% in the year-ago period.

The move also follows City Chic's acquisition of the ecommerce assets of two U.S. plus-size brands, Avenue Stores LLC (No. 565), and HipsandCurves.com (No. 707). It acquired both in 2019. All of its brands focus on plus-sizes, typically sizes 14-24, according to its website.

The plus-size market is a burgeoning subcategory within the larger apparel market. Digital Commerce 360 estimates that the six plus-size-focused apparel merchants in the Top 1000 generated more than \$1.00 billion in online sales in 2019. The five-year median compound annual growth rate (2015-2019) for these merchants was 20.1%, above the median CAGR for Top 1000 apparel merchants of 17.5%.

In addition, City Chic Collective also operates its namesake brand City Chic, which it initially launched in Australia in 2005 and expanded to the U.S. in 2011.

Even though City Chic operated online and with dozens of stores for six years in Australia prior to its launch in the U.S., moving Stateside was a big undertaking for City Chic. "It really taught us about being a strong digital retailer," says Ryan about its U.S. expansion. "The market was competitive."

City Chic learned that it had to get the ecommerce basics done right, such as great imagery and thorough descriptions, Ryan says. While this may seem standard in 2021, ten years ago, this was more of a "best-in-class" web experience, he says.

The brand also realized it needed to offer more products. "In store, you have a certain amount of space. Online, she wants to see that volume of products," he says.

2020 was a challenging year, especially for its more formal brands and product categories, Ryan says. For example, sales in the dresses and swimwear categories are significantly down year over year, but its more casual Avenue brand performed slightly better in 2020, says Ryan without revealing more.

City Chic Collective heavily discounted in 2020 to drive sales, Ryan says. It hopes that in 2021, it will learn more about the customer base from its recent acquisitions to better market to these customers and drive growth in the new markets, he says.

"Promoting through 2020 was the way we could make it, but we're seeing really good signs toward the end of the year," says Ryan about getting back on track in 2021.