

Famous Brands plans to make tashas a name in UK

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Famous Brands (Fbr) has plans expand its tashas brand into the UK, CE Kevin Hedderwick said on Monday, 28 October 2013.

The restaurant franchise group, which owns Steers, Wimpy and Debonairs Pizza, bought 51% of the upmarket eatery in July 2008, when the operation had two restaurants.

There are 11 tashas in SA, and one store is due to open as early as next February in The Galleria shopping centre in Jumeirah, in the United Arab Emirates.

The brand "is highly exportable. Next year this time we'll certainly have a much firmer handle on the UK. We have an office there which we will use as the springboard to take tashas into the UK. In the South African context, tashas will probably settle at 15 restaurants. We are building at the V&A Waterfront and we hope to open at the end of December ... that will be a massive, flagship tashas," Hedderwick said.

Despite a constrained economic climate and fierce competition Famous Brands reported a 20% rise in first-half headline earnings per share to 180c as the fast-food industry remained relatively buoyant.

Group revenue for the six months to end August advanced 16% to R1.38bn while operating profit rose 23% to R254m.

There is no doubt retailers are feeling the pinch in SA as disposable incomes come under strain, but those in the quick-service restaurant segment have been affected to a lesser extent as consumers favour convenience and value over cost.

"In mainstream or middle-income SA, what you're having to do is work ... harder to get consumers to come to your restaurant. If you do this, they'll find you, but they're not finding you as often as you would like. There's certainly been a drop off in frequency of usage, but once they are there, they're spending money," Hedderwick said.

Total revenue in group's local division increased 16% to R261m.

According to research from Analytix Consumer Analysis, the percentage of South African consumers aged 16-plus who bought fast food over a four-week period, has increased from 20.4-million in 2008 to 26.5-million last year.

Famous Brands' rest of Africa, Middle East and India region saw revenue growth of 36% to R23m.

The company's UK business benefited from foreign currency translation, delivering revenue of R44m.

Revenue gained 17% to R1.05bn in the group's supply chain division, while operating profit rose 22% to R81m. From this week until a week before Christmas, 66 restaurants will be opened in SA. "There's no reason for us to feel like we're in for a tough December," Hedderwick said.

The company intends opening 11 new chains in existing markets like Zambia, Nigeria and Namibia. "We'd love to be in Angola, but it's not dissimilar to Nigeria ... it's a market where you need to make sure you find the right partner," he said.

The group's dividend per share was up 20% to 130c.

On the JSE, the company's share price ended up 17c at R99.87.

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