



# Taste raises R95m for further expansion

Taste Holdings, whose brands include Scooters Pizza, St Elmo's and Maxi's, announced on Tuesday, 21 April 2015, that it had raised R94 million after issuing new shares, as it gears up for further expansion.



The group said it would use part of the proceeds to establish 25 new corporate-owned Domino's Pizza outlets by the end of August. At least 30 additional franchised Domino's Pizza stores would be created by the same date.

Taste opened its first six Domino's Pizza outlets between October and December 2014.

"The better than expected sales from both new stores and converted stores has also resulted in the dough production facility in Cape Town being established earlier than originally planned," the company said in a statement.

"The production facility located in Midrand started producing Domino's Pizza dough balls in April 2015 and the group expects that dough balls will be produced in the Cape Town facility by June 2015. This earlier than planned capital expenditure will also be partly funded from these funds," it said.

Taste also said it planned to use part of R94 million to replenish the cash it employed for the acquisition of Arthur Kaplan in November 2014.

The performance of Arthur Kaplan since the acquisition has exceeded expectations to the extent that the group expects to pay an additional R10 million to R20 million in terms of the agreed "earn out" as per the purchase and sale agreement.

As part of R94 million, Taste raised about R69.8 million through the issue of 22,877,051 subscription shares to various new and existing public investors. Taste also agreed to issue 8,196,722 to Brimstone Investment, raising capital of about R25 million.