

Taste Holdings eyes 50 new Fish & Chip Co. outlets

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Taste Holdings (TAS) will open 50 new Fish & Chip Co. outlets over the next six months, CEO Carlo Gonzaga said on Wednesday, 23 May 2012.

The branded franchise group acquired Fish & Chip Co. in February for R66 million, providing it with an inroad into the lower LSM consumer category.

Gonzaga said the group would continue seeking out opportunities.

Taste Holdings currently has more than 550 locations nationally and operates across two divisions, a jewellery platform under the NWJ brand and a food division under the Scooters Pizza, St Elmo's, Maxi's brands and Fish & Chip Co.

On Wednesday it reported a 15% rise in diluted headline earnings per share to 11.7 cents for the year ended February 2012, from 10.2 cents a year ago.

Taste Holdings transferred to the JSE's main board from the exchange (AltX) last July.

Revenue was up 13% to R265.3 million, while operating profit grew 16% to R35.6 million.

The group's food division saw system-wide sales at R660 million, an increase of 30% over last year.

The division now also produced the sauces, spices and dough pre-mix ranges for Maxi's, Scooters and St Elmo's and production on these products for the 250 Fish & Chip Co outlets would be internalised during the current year, the company said.

Its jewellery division experienced mixed fortunes during the year.

NWJ system-wide sales increased 2.4% to R249 million, with same-store sales across both franchise and corporate stores increasing 2.6%, but the group closed eight non-performing outlets during the year.

"Consumer purchasing patterns continue evolving and the year-long sustained strong performance of the company-owned outlets indicates the strength of the NWJ brand and its ability to offer value," Gonzaga said.

Notwithstanding the new-store growth and step-change increase in the food services division, Taste Holdings said it was

cautious with regard to recent trends in consumer spending, across all brands.

Rival Famous Brands, (Fbr) earlier this week said consumer disposable income would remain pressured by escalating electricity tariffs, fuel costs and general food inflation.

"The bulk of consumers in payment arrears are middle-class earners, the traditional target market for food services operators. People are under pressure in terms of disposable income," CEO Kevin Hedderwick said.

The quick-service restaurant franchise group, whose portfolio includes Steers, Wimpy, and Debonairs Pizza reported a 15% rise in diluted headline earnings per share to 272 cents for the year ended February.

Revenue was up 15% to R2.15 billion, while operating profit grew 15% to R 413 million.

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