

# Famous Brands acquires 51% in Botswana-based Retail Group

Fast-food chain firm Famous Brands announced on Tuesday it had acquired a 51% controlling stake in Retail Group, the group's master licence partner in Botswana...



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Famous Brands, which owns Wimpy, Debonairs Pizza, Mugg & Bean and Steers, did not disclose the amount, saying it would be settled from cash reserves. The acquisition is subject to approval from the Competition Commission of Botswana.

Famous Brands CEO Kevin Hedderwick said this transaction aligned with the group's deliberate approach to either acquire or take a controlling stake in existing master licence territories in neighbouring countries whereby it could exercise complete influence over its brands.

"In addition, we want to test our mettle in company-owned stores in advance of a potential broader foray into that arena. This transaction provides us with the opportunity to achieve both goals at minimum risk," Hedderwick said.

"Given the group's critical mass in the region, opportunities will be investigated to provide the business with in-house logistics and manufacturing services, which are currently outsourced. The operation will also benefit from Famous Brands' expanding brand portfolio," Hedderwick said.

Retail Group is currently owned by a consortium of investors, with the majority stake held by Craig Mackenzie, a long-standing business partner of Famous Brands and founder of Debonairs Pizza in 1991.

"Retail Group is very well managed and a role model master licence business. The management and operational team, which are being retained, are exceptional and central to facilitating a seamless integration of the business into Famous Brands' structure," Hedderwick said.

"The food services sector in Botswana is growing rapidly, reflected by the 44% increase in franchised food service outlets industry-wide in the past five years. Per capita GDP of US\$16,400 is the third highest in Africa, ahead of Mauritius and South Africa," he said.

**Source:** INET BFA