

Gold Brands to offload Black Steer restaurant franchise

NEWSWATCH: Fast food group Gold Brands plans to dispose of its Black Steer franchise business to Laudian Franchise Management One for R3.2 million. The move is expected to increase cashflow and reduce debt for the JSE-lister franchisor.



In the group's results to the end of February, released last week, revenue declined to R40.2 million from R142.8m the year before, although losses were cut by a third to R16m.

Gold Brands said the value of the net assets of Black Steer at the end of February was R3.4 million, while profit after tax attributable to the net assets for the year to the end of February was R787,150. [Business Day](#) reports that Laudian will reportedly pay an upfront amount of R750,000 in cash, followed by R1.25m on the signing of a sale of business agreement and shareholder approval – which Gold Brands aims to have wrapped up by 18 July – and then R300,000 a month for the four months thereafter.

The offloading of Black Steer marks a significant departure from recent plans to expand the Black Steer brand globally, along with its flagship Chesanyama franchise, according to [Business Day](#).



Gold Brands to take Chesanyama division to UK despite slump in local sales

Michelle Gumede 20 Nov 2017



In addition to Chesanyama and Black Steer, Gold Brands owns the Chicken Wild Wings, Opa!Pitaland and 1+1 Pizza food chains. Early last year, the group also struck up a deal with UK restaurant operator Casual Dining Group, bringing UK brands like Café Rouge and Las Iguanas to South African shores.

During its latest results presentation, Gold Brands also announced that it is acquiring 50% of the rights, trademarks and intellectual property of the American-themed Ed's Diner from its owner Vasilis Lazaridis.

For more:

[Ailing Gold Brands to sell Black Steer asset](#)
[Gold Brands to sell Black Steer franchise to Laudian](#)

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