

Spur aims to grow thriving eateries

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Restaurant franchisor Spur Corporation is relishing the opportunity to expand its recently acquired gourmet burger business RocoMamas and upmarket steakhouse Hussar Grill.



RocoMamas

The company's results for the six months to end-December released on Thursday showed fast-growing RocoMamas, now a 48-strong restaurant chain, managed to more than double turnover to R232.5m.

The Hussar Grill, which opened three new restaurants in the interim period, saw revenue up 58% to R73m.

In a presentation to shareholders, Spur CEO Pierre van Tonder said RocoMamas benefited from three menu price increases - 1.7% in the first half of 2016, 3.3% in the second half of 2016 and 2.3% more in November 2016.

He said RocoMamas's "edgy brand" appealed to millennials, noting huge customer and franchisee interest. Another two RocoMamas restaurants have been opened after the close of the interim period, bringing the store numbers to 50.

Van Tonder said the Hussar Grill's performance underlined the resilience of the brand's higher-income customer base.

At franchise level, RocoMamas generated 50% more in top line at R11.9m, with operating profit coming in 62% higher at R8.2m. The operating margin was 70.4%. At franchise level the Hussar Grill pushed up operating income by 174% to R2.3m on a 67% operating margin.

Captain DoRegos reported a sales decline of 15.8% with another five outlets that were underperforming closed in the interim period.

Van Tonder said Spur management were committed to the brand and were reviewing the business model in order to improve profitability.

Source: Business Day

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