

Grand Parade's big name investments still not paying their way

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Grand Parade has not managed to recoup its investment in the local rights for US chains Burger King, Dunkin' Donuts and Baskin-Robbins yet.



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But the investment holding company's casinos managed to more than pay for the losses from its fast-food outlets, helping its overall headline earnings grow nearly fourfold to R13.7m for the six months to end-December from R3.7m in the matching period.

The investment holding company's interim results released at 5.25pm on Thursday listed Burger King as contributing a R5.7m interim headline loss, a 32% improvement from the R8.4m loss it contributed in the matching period. But Dunkin' Donuts widened its headline loss contribution by 25% to R11m from R8.7m, and Baskin-Robbins widened its headline loss contribution by 33% to R6.7m.

The losses from its food outlets were offset by SunWest casino increasing its headline earnings contribution by 14% to R43m, Sun Slots increasing its headline earnings contribution 19% to R20m, and Worcester Casino increasing its 68% to R1.6m.

Grand Parade reported its interim revenue grew 14% to R577m, but its after-tax profit tumbled nearly 60% to R11m from R27.5m.

The group opened 10 Burger King outlets during the reporting period, increasing the chain to 71 outlets at 31 December.



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"Whilst the quick service restaurant market continues to experience low growth as result of weak consumer spending, Grand Parade has managed to grow results from its leading food brand, Burger King, substantially with profit from operations increasing by 546% to R20.7m during the period," the company said in its results statement.

It opened five new Dunkin' Donuts, bringing the total to 11, and one new Baskin-Robbins, bringing the total to five.

Source: BDpro

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