

Spur's earnings up 22.4% to 156.64c

Spur Corporation has reported a 22.4% rise in diluted headline earnings per share to 156.64c, up from 127.95c a year ago, for the year to June,



Headline earnings increased 20.6% to R134.8m, which was in line with the earnings forecast provided in the trading statement issued earlier this month. The board declared a final dividend of 56c per share, bringing the total dividend to 111c -or 27.6% higher than in 2012.

The group said a strong performance across all brands saw it increase revenue by 29.7% to R653m, with revenue growth bolstered by the inclusion of the Captain DoRegos chain and the acquisition by the group of two previously franchised Spur outlets in England and Ireland during the year.

Total restaurant sales across the group showed solid growth, increasing by 16.4% in total, and by 15.4% in SA despite the weak consumer economy.

Spur Steak Ranches lifted sales by 15.2% through the continued success of the breakfast and weekday promotions and the upgrading of children's play facilities in restaurants. Turnover from existing Spur restaurants increased by 13.0% and 14 new Spur restaurants were opened in SA during the year.

Sales in Panarottis increased by 31.4%, with turnover from existing outlets growing by 22.4%. Ten new restaurants were opened during the year, including four Panarottis Pizza Express outlets, while a further seven were refurbished.

John Dorys grew sales by 11.4% as two new restaurants were opened and nine revamped during the period.

Captain DoRegos has now been fully integrated into the group and generated restaurant sales of R191.1m. The distribution centre recorded sales of R72.6m in its first full year of inclusion. Eleven new outlets were opened.

International operations

Sales in the international operations increased by 24.7% in rand terms, benefiting from the weaker rand against major currencies over the past year. Total sales in local currencies increased by 14.0% and by 7.7% in existing outlets as the performance of the UK operation continued to improve.

Africa continued to deliver stable growth while trading conditions and revenue remained static in Australia.

Manufacturing and distribution revenue increased 49.6% to R213.7m and international revenue, consisting of franchise revenue and company-owned restaurant turnover, increased 32.8% to R191.4m.

Looking ahead, the group said it expected economic uncertainty and sustained pressure on disposable income in its target markets to persist for the foreseeable future.

At least 26 new restaurants are planned across the four brands in SA for next year, including six Spurs, five Panarottis, four John Dorys and seven Captain DoRegos outlets.

International expansion will again focus on building a presence in Africa, with new restaurants planned for Swaziland, Nigeria, Tanzania, Namibia and the Seychelles. Two new Spur franchised restaurants will be opened in Australia in the year ahead.

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