

Grand Parade ups its stake in Mac Brothers

Grand Parade, the company responsible for bringing Burger King to SA, said it bought a further 32.9% stake in Mac Brothers for R42,79 million, to achieve cost efficiencies and gain greater access to the African markets.



Grand Parade Investments, which bought Burger King to South Africa and is extending its operations to the rest of Africa has bought a higher stake in kitchen equipment manufacturer Mac Brothers.

Image: Burger King

Mac Brothers currently manufactures and supplies certain kitchen equipment for Burger King restaurants throughout Africa.

The kitchen equipment required in a Burger King restaurant represents, on average, one third of a Burger King restaurant's set-up cost, so the purchase of a higher stake in Mac Brothers will allow Grand Parade to reduce set-up costs.

The deal will also give Grand Parade exposure to African markets, which are expected to grow at a higher rate than SA and the rest of the world. Roughly 18% of Mac Brothers' sales are made outside of SA.

In addition, the investment holding company has embarked on becoming the first local manufacturer of slot machines and other gaming equipment.

As a large portion of the components of a slot machine are stainless steel, which Mac Brothers can manufacture, the acquisition will further reduce the overall costs of manufacturing slot machines.

If approved, the deal will see Grand Parade's total interest in Mac Brothers increase to 65%.

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