

Jewellery sales beat food sales as Taste Holdings' loss widens

By [Robert Laing](#)

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Jewellery sales beat food sales for Taste Holdings during the year to end-February, and profits from its Arthur Kaplan and NWJ jewellery stores managed to mitigate losses contributed by Starbucks and Domino's Pizza.



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Taste's luxury goods division widened its contribution to the group's revenue to 57% from 54% in the prior year, the retailer's results, released on Monday morning, showed.

The luxury goods division grew revenue by 9% to R622m while its food division grew revenue by 1.3% to R551m. The luxury goods division's operating profit, however, declined 2% to R52.5m while the food division's operating loss widened by 29% to R144m.

Taste's overall revenue grew 3% to R1.1bn while its after-tax loss widened by 37% to R101m.

"The group now owns 117 corporate stores, 65 of which are in the luxury goods division. A slight sales mix change to more watch sales saw gross profit increase 4% to R426m from R409m," Taste CEO Carlo Gonzaga said in the results statement.

According to Taste, it is SA's leading retailer of luxury brands Rolex, Cartier, IWC, Omega, Breitling, Hublot, Montblanc, TAG Heuer, Longines and Rado.

"The luxury goods division is the only vertically integrated and partly franchised jewellery business in SA. It owns and operates approximately 77% of the total outlets. Approximately 40% of NWJ jewellery is manufactured by the group, with the remainder sourced through a combination of local and global supply chains," Gonzaga said.

In its food division, Taste said it reduced the number of restaurants it owns or franchises to 164, without giving figures for the prior year. Improved management at Domino's Pizza reduced staff turnover from 127% to 76% over the year, the results statement said.

"We still need to grow to 120 outlets for the business to contribute to profit and we currently foresee ending this year with approximately 105 outlets," Gonzaga said.

The group plans on opening eight to 10 Starbucks outlets in the financial year under way, including expansion to Cape Town and Durban.

Source: BDpro

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