

## Taste to focus on food in future

Taste Holdings has announced a strategic restructuring that will result in the group focusing in future on food, and probably selling its luxury goods division during in 2017.



Pexels via [Pixabay](#)

On Tuesday, Taste said that a recent strategic review by the board had concluded that the group should concentrate future investments and management efforts on rapidly growing the food business, where returns were high and opportunities abounded.

"The luxury goods and food businesses are very different in their maturity, capital returns, and working capital requirements. In particular, the food business, with the recent Starbucks and Domino's investments, looks much like a startup and therefore requires more equity than debt to grow, while the luxury goods division, a mature and established business, requires the opposite to capitalise on its growth prospects.

"The board has therefore concluded that these businesses will best be served by having separate shareholders and management teams and be allowed to reach their full potential independently. This will most likely result in the sale of the luxury goods division during this year," the group said.

It was envisaged that after this strategic restructure, Taste would be a focused foods business, both owning and licensing leading global brands.

"Appropriate to a startup, it will initially be debt free, with necessary cash on hand to accelerate its Starbucks and Domino's roll-out. This singular focus will allow Taste to pursue opportunities to license further international food brands, selectively vertically integrate and expand its existing portfolio of brands in SA and Southern Africa," Taste said.

*Source: BDpro*

For more, visit: <https://www.bizcommunity.com>