

Sale price of Burger King SA renegotiated due to impact of Covid-19

Grand Parade Investments (GPI) said in a statement to investors this week that it has renegotiated the terms of the sale of its Burger King South Africa licence, after the Covid-19 pandemic and related lockdown shaved off R100m in the food chain's value.



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Bizcommunity [reported in February](#) that GPI had entered into an agreement to sell its interest in Burger King SA to Emerging Capital Partners, one of Africa's largest private equity groups. The company also planned to sell to ECP its Grand Foods Meat Plant, which supplies burger patties to Burger King and other businesses.

Under the revised offer, the enterprise value for the transactions has fallen to R593m, split into R570m for Burger King SA and R23m for Grand Foods Meat Plant. This represents a 15% discount on the initial offer of R670m for BKSA and R27m for GFMP.

The sale still entails the company selling its entire shareholding in Burger King SA, comprising 95.36% of the issued share capital, and all of the shares it holds in Grand Foods Meat Plant, comprising 100% of the issued share capital.

GPI's efforts to successfully launch US fast food brands Dunkin' Donuts and Baskin-Robbins in South Africa came to a halt when the listed food and gaming company announced it would be [shutting all outlets](#) in the country following poor performance.

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