

# Wimpy owner Famous Brands reports soaring profit, warns of price hikes

By [Ngobile Dlodla](#)

26 Oct 2022

Famous Brands, the owner of Steers, Wimpy and Mugg & Bean, reported a 121% rise in half-year earnings on Wednesday, 26 October, as the company continued to recover from Covid-19 lockdown restrictions which had prevented it from operating fully.



Source: [Pexels](#)

The branded food services franchisor posted headline earnings per share of 215 cents for the six months ended 31 August from 97 cents a year earlier. Famous Brands also restored its interim dividend payment, declaring 130 cents per share.

The nation's hospitality industry had been one of the hardest hit by various restrictions imposed from 2020 to early last year to curb the spread of the coronavirus, including the closure of all restaurants and no alcohol sales.

Total revenue jumped by 19% to R3.6bn, while operating profit increased 77% to R393m.



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"Since the removal of all Covid-19 restrictions in June 2022, the restaurant industry has seen a positive shift in consumer behaviour as consumers return to restaurants, resume travel and attend sporting events. This has supported improved restaurant turnovers and restaurant marketing spend," the firm said.

However, this spend by consumers was hampered by less disposable income due to an inflationary environment, it added.

## Menu price increases

Famous Brands, like many restaurants, had to increase menu prices in line with food inflation trends due to higher input costs, such as fuel and food. More hikes are anticipated for the remainder of the year, it said.

## ABOUT THE AUTHOR

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