
Taste Broadens its Jewellery Division

Taste Holdings has acquired leading luxury watch and jewellery retailer Arthur Kaplan from AKJ Holdings (Pty) Ltd, for R85 million cash in a move complementary to the franchised management group's strategy for competing in the upper income consumer market.

The acquisition is subject to certain suspensive conditions which are expected to be fulfilled by 1 December.

AKJ Holdings (Pty) Ltd owns and operates ten (10) Arthur Kaplan branded outlets and one (1) World's Finest Watches outlet in major South African shopping centres and is one of the leading retailers of Swiss watches nationally. In the past 40 years, the group has established a reputation in the retail watch market as stockists of premium luxury brands including Rolex, Breitling, Omega, Tag Heuer and Longines and is among a select few retailers stocking these leading brands in multiple outlets.

The group also retails other leading luxury watch brands as well as fashion watch brands. Arthur Kaplan retails luxury fine jewellery in collections under the Arthur Kaplan brand with a focus on engagement and bridal pieces. Since opening in 2002, World's Finest Watches has, as the only specialist prestige watch boutique in Sandton, become an established destination for watch enthusiasts and collectors.

In the year to June 2014, Arthur Kaplan reported R224,3 million in sales and adjusted profit after tax of R12,4 million.

Taste Holdings CEO Carlo Gonzaga said Arthur Kaplan's "affluent aspirational" target market complemented Taste's view that competing in the upper income consumer market had to be done via the best brands in their categories.

"Arthur Kaplan is a leader in the luxury Swiss watch segment in South Africa and Taste currently manages more than 25 watch brands in its existing jewellery business NWJ and retails these in 80 southern African locations," he said.

Arthur Kaplan's jewellery offering, while not its current dominant revenue category, represents 40% of the revenue in its jewellery stores. The jewellery range is aligned to Taste's current manufacturing capability and Gonzaga believes there is potential to grow the Arthur Kaplan jewellery offerings and its revenue contribution.

This included growing the South African store numbers and satisfying the demand for luxury Swiss watches in sub-equatorial Africa.

"This market is currently underserved by dedicated retail offerings and the African focus and opportunity is aligned with that of the broader Taste group," Gonzaga said.

Arthur Kaplan entered the family business, a Pretoria-based jewellery store his grandfather had established in 1889, as an 18-year-old. In 1973, after working in the business for 15 years, he opened his own jewellery store, thus launching the Arthur Kaplan brand.

In terms of the deal, Dean Divaris from whose family trust Taste was purchasing a portion of the shares and who had been leading Arthur Kaplan for the past 14 years, would remain employed by the company and remain in his current role as Managing Director.

Gonzaga said Divaris would continue driving the business expansion in line with a shared growth plan developed between Taste and himself.

Ends

Issued on behalf of Taste Holdings Ltd by:
Ahoy! PR

Contact: Mike Caminsky
Tel: 031 201 4382
Fax: 031 201 4358
Cell: 082 447 6670
E-mail: mike@ahoypr.co.za