

Case Studies

Maredo Restaurants Holding GmbH: Juicy steaks and South American flair

Restaurant chains have been on the rise since the 1970s: Meanwhile, a vast number of them have established themselves in Germany, predominantly in inner cities. One example is a chain of restaurants known as the "steakhouse with the Argentinian bull", which all operate under the umbrella of Maredo Restaurants Holding GmbH - a company with an ambitious growth strategy. Since recently, the majority of this enterprise is owned by investment company ECM. **For sale**

An interior in the easy-going style of a South American bar & grill, plus a culinary experience featuring steak but also including salad, lamb, poultry, pork und fish – this is the recipe of the Maredo chain of restaurants. Each of their restaurants follows this standardized scheme. Management, controlling, marketing and PR are centrally controlled by Maredo Restaurants Holding GmbH in Düsseldorf.

The enterprise's roots may be found on the Kurfürstendamm in Berlin, where the first restaurant was opened in 1973. About 20 years later, in 1994, the company founders Manfred Holl, Karl-Heinz Reinheimer and Udo Schlote retired from their business and sold Maredo to Whitbread, the British brewing and restaurant company. Whitbread had already been operating Churrasco, another German chain of steakhouse restaurants, since 1990. With the acquisition of Maredo, Whitbread instantly became number one in the list of Germany's steakhouse restaurateurs. From 1999 onwards, Whitbread gradually switched Churrasco over to the brand name of Maredo, with the intention of establishing one strong and comprehensive brand.

In 2005, Whitbread made a strategic decision to slim down the enterprise and let go of several of its business areas – and this included Maredo. Uwe Büscher, Maredo's managing director so far, seized the opportunity. Together with several fellow managers, and with the help of financial investors ECM, Parcom Capital and Fortis Private Equity, he took over the company. Straight after performing this management buy-out, the executives closed down unprofitable restaurants and opened up five new steakhouses, in more favourable locations.

On a course of expansion

These days, Maredo operates 57 restaurants in Germany and three in Austria. By turnover and by the number of restaurants, Maredo is the market leader in the steakhouse segment and ahead of competitors such as the Hamburg based restaurant chain "Block House". With regard to the entire German catering trade, Maredo ranks 17th, according to the professional journal "Food-Service" – a result which encourages management to work their way up into the top 10 of restaurant chains, over the next couple of years.

The company's growth provided funding for a second management buy-out: In the spring of this year, ECM and Maredo management took over the shares of their – up to now – co-owners, Parcom Capital and Fortis Private Equity. On this occasion, management also increased the proportion of their shares.

According to the company, the further potential for growth amounts to a total of 100 steakhouses in Germany and 15 restaurants in Austria. In the case of international expansion, Maredo favours franchising and thus is in negotiations with contenders in Eastern Europe and the Arab world. In order to open up new target groups, a new and additional restaurant concept is being developed under the label of Maredo. This is designed to increase the company's turnover to beyond the 100 million euro mark, within the next two years.