

SOUTH AMERICA, SUSHI AND SUCCESS

MAGNUM MIXES URUGUAYAN HOSPITALITY WITH INTERNATIONAL FLAVOURS AND A UNIQUE ATMOSPHERE. WITH THE HELP OF UHY GUBBA & ASOCIADOS, THIS AMBITIOUS HOSPITALITY BUSINESS IS PREPARING TO SHARE ITS SECRETS WITH THE WORLD



Magnum is one of Uruguay's best kept secrets but it might not be a secret for very much longer. The heart of this growing hospitality business is four premium locations, two in Montevideo and two in resort city Punta del Este, enhanced by a calendar of summer beach music festivals and other events.

In gastronomic terms, Magnum offers a fusion of international flavours mixed with a dash of Peruvian exuberance. But Magnum realised some time ago that it did not simply sell food – it sold experiences. Today, the brand focuses on gastronomy, private events, catering, mass parties, selling advertising contracts and the nightclub that currently operates in Montevideo. As a result, the business has grown substantially.

If you come to a Magnum location for the food, you will stay for the atmosphere. Depending on the location, Magnum brings you lively bars, sophisticated terraces and intimate cellars and living rooms. The mix of food, atmosphere, entertainment and

experiences is a winning formula. In fact, it is so successful that the company has advanced plans to expand beyond Uruguay's borders.

AN AMBITIOUS BUSINESS

Magnum is a limited liability company in a solid financial position, with projected sales of USD 11m in 2022 and an EBITDA rate (earnings before interest, tax, depreciation and amortisation) of 25%. The company employs 150 people year round but that number increases to 250 during the summer season. The business has always been ambitious. Its well-considered plan was to create a firm foothold in the local market before taking the Magnum concept overseas. Magnum CEO Ignacio Salvo says that, from the start, those plans have relied on the involvement of an accounting partner that combines deep market knowledge with excellent technical services.

"Our plan was always to expand into the local market and then continue to expand our brand beyond Uruguay's borders," Ignacio says. "The only way to achieve that was with the guidance of a professional services firm that guaranteed the support and advice we needed."

Magnum turned to UHY Gubba & Asociados, UHY's member firm in Uruguay, from day one. The UHY firm provides Magnum with accounting, payroll and tax consultancy services, as well as intelligent, highly knowledgeable business consulting. That combination has helped Magnum expand to four permanent locations in Uruguay

and will again be invaluable as the business attempts to establish itself further afield.

"Their assistance in all areas has been vital for our company but especially business consulting, which has been hugely important for our domestic and cross-border expansion strategy," says Ignacio. "With the help of UHY Gubba & Asociados, we have achieved sustained growth and expansion, and are now looking to land overseas."

THE HUMAN TOUCH

Ignacio says Magnum appreciates the firm's technical skills, but it is the human element that really stands out. "The most valuable part of our commercial relationship has been, in addition to the growth of our firm, the close relationships that have been established between our team and all of our contacts at UHY Gubba & Asociados," he adds.

"We initially chose UHY Gubba & Asociados for the highly professional and competitive level of service they offer, but in addition we have found that the closeness of (managing partner) Hugo Gubba and his entire management team, their interest in our business and the ease with which we communicate makes our job much easier and more comfortable."

That high level of service will continue as Magnum prepares for the next phase of its ambitious strategy. The business will test the waters with a location in the United States before finalising further expansion plans. So far



the company has required the services of UHY Gubba & Asociados, but the positive nature of the experience means Ignacio and his team would be happy to use other members of the global UHY network if that becomes necessary.

For now, Magnum will continue its strategy of targeted, fiscally responsible growth. The company's expansion has not been at the expense of good financial housekeeping, and the business lives within its means. As it looks forward, its partnership with UHY Gubba & Asociados will ensure that growth is the result of robust financial planning and astute business intelligence. ■

UHY IN THE HOSPITALITY SECTOR

Experts at UHY member firms have a deep-rooted understanding of the hospitality, leisure and tourism sector. They provide audit, accounting, tax and business consultancy services to clients, as well as sector-specific advice including the development and financing of new projects. In a highly competitive marketplace where brand reputation is crucial, UHY professionals also have extensive knowledge around licensing and intellectual property rights.

