



## **Completion of Sale: Allegro Funds Sells Investment in Ngahuia Group**

*25th February 2021, Sydney, Australia*

Allegro is pleased to announce that Allegro Fund III has completed the sale of its investment in Ngahuia Group Ltd (“**Ngahuia**”) to Tahua Partners (“**Tahua**”). Tahua is part owned by Ngahuia’s minority shareholders and CEO, Roger Harper and former co-CEO, John Elliott.

Ngahuia is New Zealand’s leading footwear retailer operating 100 stores across two iconic retail brands—Number One Shoes and Hannahs. Hannahs is one of New Zealand’s oldest brands and has operated for over 150 years while Number One Shoes has operated for over 40 years. Both brands are focused on the value to mid market segment.

In October 2017, Allegro partnered with Roger and John via an MBO to acquire Ngahuia from ASX listed Bapcor (ASX:BAP), who sold the business as a non-core asset. Allegro applied its unique approach and large operating partner team with skills across branding, operations and strategy to partner with management to accelerate the transformation of Ngahuia.

Even though both brands had common ownership and operated in the same market, they competed against each other and had standalone operations, including separate CEOs, management teams, head offices, DCs and systems. Today, the brands have been integrated and there’s one team, infrastructure and system. This operational and organisational transformation of the business increased profitability and provided the foundations for future growth.

The business pursued an aggressive customer and digital led strategy while shrinking its physical footprint and lowering its operating cost base. Online sales have grown significantly to double digit percentage of sales and continues to grow rapidly. The business also invested in its data capability to drive CRM and digital marketing across its large customer database.

Fay Bou, Managing Director of Allegro and Chair of Ngahuia explains: “We are very proud to have delivered a strong return for our investors, achieving our target returns in less than 3.5 years. Our investment in Ngahuia has all the hallmarks of a classic Allegro deal: we bought well, de-risked quickly through structure and turnaround, and partnered with management to drive a successful transformation and repositioning strategy. Ngahuia has been transformed from two standalone footwear retailers with tired, heritage brands to a single, modern omni channel retailer with a strong growth trajectory.”

“It has been a real pleasure to partner with Roger and John on this investment. They are partners with the utmost integrity and a real passion for transforming Ngahuia into a great NZ footwear destination serving Kiwi customers. I wish them all the best on this next chapter of their journey,” Mr Bou said.

Roger Harper, Director of Tahua Partners and CEO of Ngahuia, adds: “We have appreciated working with Allegro since October 2017 to create and transform the business of Ngahuia and harness the potential of the Hannahs and Number One Shoes teams and resources. The partnership with Allegro has made today possible. Allegro’s investment approach is ‘believe in better’, and this has been demonstrated through their successful track record of partnering with management teams in Australia and New Zealand and ultimately making Ngahuia a much better business today than when they invested over three years ago.”



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**About Tahua Partners**

Tahua is a New Zealand investment company with a vision to build a great New Zealand business based on retail and hospitality brands offering great experiences for our Kiwi customers. Tahua shareholders and directors have a combined 160 years of retail experience. Tahua currently owns Starbucks New Zealand and Burger King New Zealand. After adding Ngahuaia to its group, Tahua will be operating over 200 sites throughout New Zealand.