

# ALLEGRO NEWS



## WELCOME

Welcome to the September 2022 Allegro newsletter.

In June we celebrated the launch of Allegro Fund IV with investors, advisers, portfolio company management teams and Allegro employees at the Sydney Opera House. What a wonderful event. It was an opportunity to thank our key stakeholders for supporting our latest fund, as well as the business during its 18-year journey since establishment in 2004. We've re-established many relationships, and formed new ones, and we're looking forward to working with everyone as our Fund IV activity ramps up.

Allegro Fund IV and the sidecar were oversubscribed, and closed at \$750 million of combined committed capital, and we are humbled by the re-up rate of more than 90% from Fund III LPs along with many new investors joining the Allegro family. And Fund IV has already made its first investment with the acquisition of Gull New Zealand Ltd ("Gull"). It's an exciting deal with the Fund IV consortium deploying close to \$200 million of equity. Contact us if you'd like to know more.

We also held our AGM in June, and it was great to get back to a traditional in-person annual meeting (with a live stream option). The AGM enables investors to hear directly from our portfolio company management teams and Allegro staff, as well as discuss trends and opportunities in the market. We've kicked off planning for next year already. If you have any requests, let us know.

We are very proud of our "Allegro Unplugged" Team who raised over \$40,000 for disadvantaged children by riding, running and kayaking for two-days in the gruelling 120km Smith Family Challenge. The Smith Family is near and dear to many of us, we have all been



touched in some way, directly or indirectly, by their support, and this is a cause we happily support. A huge thank you to those who supported the team via donations. And despite the mental and physical pain, they are backing up again next year!

Allegro has also received some more awards. We're particularly proud to be acknowledged as Firm of the Year by Australian Investment Council (AIC), which is testament to the many fantastic people who have contributed to Allegro's success over the years.

We recently welcomed some new faces to Allegro and said goodbye to another but pleased she's still connected with us. And finally, Adrian enjoyed a private lunch with the New Zealand Prime Minister. Read all about it on the following pages.

## 2022 AGM

We were very pleased to welcome attendees to the 2022 Allegro AGM in June this year as it was the first chance to gather like this since the pandemic. The event was also live streamed.

The AGM is an opportunity to provide portfolio company updates directly from management, discuss trends and investment opportunities and outline our investment methodology and approach.

This year's AGM also included a fireside chat between Toll Global Express CEO, Christine Holgate, and Allegro's Managing Director and Founder, Adrian Loader, where Christine shared her views on topical issues and provided an update on the strong performance of Toll Global Express. Truly the AGM highlight.

The state of the economy was debated during our annual "economic environment" discussion with insights from expert panellists: Kelly Morton (Skye Capital Advisory), James Marshall (Ashurst), Tim Stewart (Gordon Brothers – Australia), Vaughan

Strawbridge (FTI Consulting) and Kristian Kolding (BIS Oxford Economics).

And at the conclusion of the AGM, we took advantage of having all our portfolio companies in the one place by holding our annual Allegro CEO & CFO Forum. The forum is an opportunity for our portfolio company executives

to network, share ideas and discuss best practice. This has become an Allegro tradition, and something that everyone in our Allegro network looks forward to.

Thank you to all AGM presenters and participants, including our most recent investors through Allegro Fund IV.



## ALLEGRO'S NEW HIRES

We are pleased to introduce some great new Allegro hires in the past few months.

In May, Dylan Jaya joined the Deal Team as an Associate and Steve Bushaway joined as a Financial Operating Partner.

In September, Stefanny Becerra joined the Allegro as a Team Assistant and Natalie Proudfoot began as Executive Assistant and Office Manager.

We also said goodbye to Emma Stephen who has taken up a secondment at one of our portfolio companies, Toll Global Express. It was sad to see Emma go but pleasing to see her move into the broader Allegro network.

We warmly welcome our four new hires as well as bid farewell to Emma. We are confident they will all excel in their respective roles.

Dylan  
Jaya



Steve  
Bushaway



Emma  
Stephen



## FUND IV LAUNCH PARTY

We celebrated our Fund IV launch and 18th birthday as a firm in June this year. They were major milestones for the Allegro team, and we were delighted to share them with investors, advisors and friends of the firm at the Sydney Opera House.

Allegro Fund IV was launched in September 2021 with first close reached shortly after in November 2021. Restrictions on travel due to Covid-19 meant fundraising was done virtually, which had its challenges but a supportive LP base and strong demand from new investors resulted in the fund being oversubscribed at \$750 million of combined committed capital in Fund IV and the sidecar.

The fund will target businesses with revenues greater than \$100



million, including corporate carve outs and partnership style deals where Allegro's Active Complex Transformation (ACT) capability can be applied. Allegro has already



completed its first transaction from Fund IV with the successful acquisition of Gull. This is another landmark deal for us with the Fund IV led consortium deploying close to \$200 million of equity.

We were humbled by the re-up rate from Allegro Fund III investors at 93%, and further supported by 19 new investors. Fund IV investors include a mix of superannuation and pension funds, insurance companies, family offices, fund of fund investors, individuals and endowments. The investor base is primarily Australian, complemented by investors from New Zealand, the US and Europe.

With our latest fund, we are focused on continuing our track record of successfully transforming businesses to deliver superior returns for our investors.

## ALLEGRO ACQUIRES GULL NEW ZEALAND



As mentioned, Allegro recently completed its first transaction from Fund IV with the successful acquisition of Gull.

Gull is New Zealand's largest independent fuel retailer operating a network of 115 service stations, the majority of which are unmanned sites. It is also the only independent operator with a vertically integrated fuel supply capability, owning a strategic import terminal located at Mount



Maunganui. Gull was established in New Zealand in 1998 and sells more than 500 megalitres of fuel annually, representing an approximate 8% market share of New Zealand's liquid fuel volumes.

The company will be chaired by Allegro Managing Director, Fay Bou, who said Allegro was attracted to Gull as a leading challenger brand that offered a compelling value proposition in a mature, essential energy market.

Allegro intends to leverage Gull's loyal following and strong market position by investing in a range of growth initiatives and maintaining its commitment to best value fuel.

In addition, Allegro will strengthen Gull's ESG capability as it navigates an evolving market that transitions for the future.

Joining Fay on the Gull board will be Allegro Managing Director and Founder, Chester Moynihan, and Allegro Investment Manager, Khosrow Kyanian. The business will continue to be run by its experienced management team led by Dave Bodger, who has driven double-digit fuel volume growth on an annual basis during his 16-year tenure.

Allegro's Operating Partners will also support the business including the appointment of Steve Bushaway as interim CFO.

## THE SMITH FAMILY CHALLENGE

In March, Allegro's Chester Moynihan and Nicole Connolly again competed in the two-day 120km Smith Family Challenge. We are so proud of both for successfully completing this gruelling event and for raising \$44,595 for disadvantaged children, and finished third on the podium. A huge thank you to everyone for your support.

The Smith Family Challenge is a 120km off-road adventure, involving running, cycling and kayaking over two full days. Since 2008, The Challenge has raised more than \$10 million to help children in need break the cycle of disadvantage through education. Money raised



is used to provide these children with practical essentials like school books, shoes, bags, uniforms and the support they need to keep up at school and realise their full potential.

Yes we will enter a team next year and we will look to raise even more money. We believe in this cause and we're excited about supporting it into the future.

## AWARDS

Allegro was awarded Firm of the Year at this year's Australian Investment Council (AIC) Investing for Growth Awards, with the company's investment in Best and Less Group (ASX:BST) also recognised as Mid-Cap Investment of the Year.

AIC is the peak industry association for private capital investments in Australia and Allegro was honoured to be acknowledged with these awards. As always, there are many people who contributed to this success – management teams, advisers, investors and the entire Allegro team. Allegro Founders Adrian Loader and Chester Moynihan said the acknowledgement as Firm of the Year reflected the strength and diversity of the team, as well as the supportive culture within the business.

In addition to the AIC awards, Allegro also won the Turnaround of the Year Award from the Turnaround Management Association (TMA) for its Best & Less investment. Allegro initially acquired Best & Less in December 2019 and then successfully listed it on the ASX in July 2021. The IPO was well supported by institutional and retail investors and was one of the most successful ASX listings of 2021. Despite a turbulent share market since listing, the business has continued to perform well as an ASX-listed company and is trading above its IPO price.



## LUNCH WITH THE NEW ZEALAND PRIME MINISTER

Allegro Founder and MD Adrian Loader was invited to a private lunch with the New Zealand Prime Minister, the Right Honourable Jacinda Ardern and the New Zealand High Commissioner to Australia, Her Excellency, the Honourable Dame Annette King, on 7 July, 2022.

The lunch was with a select group of attendees with the focus on future trans-Tasman investing opportunities and to share thoughts and experiences on the New Zealand investment landscape. Following the lunch, Adrian liaised with the Prime Minister's office on various issues connected to

Allegro's New Zealand based portfolio companies and improving the Overseas Investment Office ("OIO") investing process. Allegro's mandate has always included New Zealand as an investment destination, and we have invested in a variety of NZ businesses since 2004. This includes Allegro's most recent investment, Gull.



## CURRENT PORTFOLIO



## EXITED PORTFOLIO

Hannahs

number one shoes



BOS INTERNATIONAL



theinteriorsgroup



GREAT SOUTHERN RAIL  
JOURNEY BEYOND

vulcanite  
Excellence in engineered rubber solutions.



## CONTACT US:

If there is anything that you are keen to hear more about, please don't hesitate to contact us. We have a lot going on, but we always welcome the opportunity to chat with our investors, supporters and followers.

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