



Allegro to exit Pizza Hut Australia in agreement with Flynn Restaurant Group

Allegro Funds (“Allegro”) is pleased to announce that it has entered into an agreement to sell its stake in Pizza Hut Australia to America’s largest restaurant franchisee, Flynn Restaurant Group (“FRG”).

FRG is the largest restaurant franchisee in the USA, operating more than 2,350 restaurants, including 926 stores of the world’s largest Pizza Hut franchisee, Hut American, as well as 441 Applebee’s, 282 Taco Bells, 130 Paneras, 379 Arby’s, and 192 Wendy’s restaurants.

Allegro acquired the master franchisee licence for Pizza Hut in Australia from US-based parent company Yum! Brands in 2016 as the fourth investment in Allegro Fund II.

Allegro has partnered with Pizza Hut’s CEO Phil Reed (who was appointed in April 2018) and its dedicated management team to execute a turnaround, transforming the business into one of the fastest growing QSR brands in Australia through an unwavering focus on operational excellence and customer satisfaction.

Pizza Hut has an established network comprising 259 franchised stores, with ambitious plans to significantly grow its restaurant count. As of May 2023, the business has achieved 51 consecutive months of same store sales growth, creating sustainable value for its franchise partners, and delivering approximately \$288 million in network sales.

Under Allegro’s ownership, Pizza Hut Australia has been transformed into a solid business with proven performance and robust growth prospects that will continue to thrive through FRG’s investment backing and QSR expertise.

The transaction is expected to complete by the end of June 2023.