

# ALLEGRO NEWS



## WELCOME

Welcome to the October 2023 Allegro Newsletter.

Last month we welcomed the Allegro community to our eighth AGM, where we provided a fulsome update on our funds and portfolio companies.

We launched our refreshed ESG strategy, which will continue to support the value creation process for our portfolio companies and further embed ESG factors as a fundamental element of our ACT investment style.

Our deal team is in full flight, working towards the completion of our investment into Scyne Advisory and working on a number of prospective opportunities for Fund IV.



## 2023 AGM

In September, we were delighted to invite our investors, portfolio company executive teams and partners to our eighth AGM.

In our 20th year, Allegro has continued to broaden and evolve its capabilities as a firm. Investors heard about our sharpened focus on Active Complex Transformation (ACT); an acronym which we believe captures our approach towards navigating complexity and our dedication to transforming businesses.

We provided an update on our funds, recent portfolio entries and exits, and lifted the hood on the proposed acquisition of Scyne Advisory.



As one of the AGM highlights, we hosted a CEO panel featuring **Christine Holgate** (Team Global Express), **Grant Wilckens** (G'day Group), **Dan Gilbert** (Gull NZ), **Rebecca Banks** (PRC) and **Mark Taylor** (Questas) to take a deeper look into the current operating climate. The panellists, all CEO's of Allegro portfolio companies, provided a pulse-check on the economy and shared insights on operating conditions through the lens of their business and sector.

We also unveiled Allegro's refreshed ESG strategy and walked through some of the industry-leading ESG related changes being made across some of our portfolio companies. For more information on our ESG strategy and videos expanding on our sustainability initiatives, please see our [Responsible Investment webpage](#).



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## 2023 INTERN PROGRAM

We're proud to share that our Allegro team has an average 10-year tenure, with a third of our deal team joining us through our intern program.

We have been running a structured intern program for over 15 years, which annually engages three to five university interns to join our deal team as research analysts.

As part of our 2023 intern program, we have welcomed to the team:

**Adrian Panas** — studying a Bachelor of Commerce / Law at USYD

**Danielle Liu** – studying a Bachelor of Commerce / Law at UNSW

**Abhinav Chawla** – studying a Bachelor of Commerce (Co-op) at UNSW

**Anthony Gerdes** – studying a Bachelor of Commerce / Engineering at UNSW

**Joyce Yang** – Bachelor of Science (Economics) at the London School of Economics

**Janet Zhou** - studying a Bachelor of

Commerce/Economics at UNSW

Through the program we engage the students in all areas of the business, including preparing investment cases, working alongside portfolio companies to develop value creation plans, and preparing for exits.

A significant part of this placement is understanding how Allegro communicates with its investors,

particularly through our annual AGM. This year's AGM was a firm-wide effort with special thanks to our talented interns whose dedication was instrumental to the day's preparation and seamless execution.

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## SCYNE ADVISORY

The deal team have been hard at work on the partner-led buyout of PwC Australia's public sector advisory business, now known as Scyne Advisory ("Scyne"). Allegro believes the creation of Scyne is a compelling opportunity to transform a business and lead an industry shift towards specialised and conflict-free public sector advisory.

Since signing the binding term sheet mid this year, more than 1,400 total staff including 110 partners have committed to joining Scyne. An interim leadership led by Managing Partner Richard Gwilym has been established, which will report into an independent Board of Directors. Additionally, a Board Probity, Conflict and Ethics sub-committee ("PCES") has been established and will be chaired by former Judge of the Federal Court of Australia, the Honourable Andrew Greenwood.

On 19 September, Allegro and PwC Australia signed the binding long-

form share sale agreement to acquire Scyne. The transaction is expected to complete by [the end of October], subject to the satisfaction of customary conditions for transactions of this nature including regulatory and third-party approvals.

We look forward to completing the acquisition of Scyne Advisory, a business we believe will support a stronger public sector, guided by the principle of one purpose, one practice.

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## PIZZA HUT AUSTRALIA

In July Allegro successfully exited its Fund II investment in **Pizza Hut Australia** through an agreement with America's largest restaurant franchisee, Flynn Restaurant Group.

Under Allegro's ownership and the leadership of Pizza Hut CEO Phil Reed and his capable management team, the business executed a turnaround focused on operational excellence and customer satisfaction.

The transformation supported Pizza Hut achieving over 50 consecutive months of same store sales growth which has created sustainable value for its franchise partners.

This was a remarkable journey for a much-loved brand, and we're confident that Pizza Hut will continue to thrive with Flynn Restaurant Group's strong backing and QSR expertise.

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## INDUSTRY CONFERENCES AND AWARDS

In August the team attended the 2023 Australian Investment Council (AIC) Investment Conference and the 2023 TMA Australia National Conference. At both conferences we enjoyed the opportunity to hear emerging investment concepts and thought-provoking industry outlooks, as well as meeting with our industry peers to share the turnaround and investment insights we've garnered over the past year.

We were thrilled to bring home the AIC's 2023 Investing for Growth Firm of the Year Award, in recognition of our contribution to private capital industry development, as well as the Small Cap Investment Award for Pizza Hut Australia.



The TMA also recognised our transformation of Pizza Hut Australia, awarding Allegro the Medium Company Turnaround of the Year Award. We share this accomplishment with CEO Phil Reed and the Pizza Hut management team whose passion and expertise are the secret sauce to executing the business's transformation.

This industry recognition affirms our commitment to the ACT principles and the tenacity of our own and portfolio company teams to work through complexity and create value generating businesses.

## TMA CASE COMPETITION

The Allegro Funds TMA Case Competition took place this July, marking our third year of running the competition in partnership with the TMA, the leading industry group for Australia's turnaround community.

The competition invites junior professionals from the TMA network to assemble a case for a turnaround investment based on a real-life deal. Teams were put through their paces in a challenging turnaround situation and all entries surpassed expectations with high-calibre presentations

showcasing their proposed investment strategies, making the submissions tough to judge!

After thorough deliberations, Team Bean&Co took home the top prize with the judges impressed by the team's elegant approach, detailed analysis, and thoughtful turnaround plan. Congratulations Lily Davies, Kevin Kingsley, Olivia Cromme, Angus Dick, and Joseph Dean on a well-deserved win, and to our runners up and all participating teams.

We would also like to extend our thanks to our expert panel of judges, featuring Alinta Kemeny, Sophie Gibbons, Cameron Belyea, John Nestel, and Samantha Findley.

Stay tuned for details about next year's competition.

## TEAM UPDATE

In June **Harry Muraledaran** joined us as an Associate, bringing with him three years' experience in investment banking including analyst roles at Rothschild & Co and Macquarie Capital. Harry wasted no time in making an impact and has been deeply involved in Scyne Advisory.

We're pleased to celebrate **Lara Finlay's** promotion to Business Manager. Lara joined us not too long ago, and hit the ground running with her insights and go-getter attitude providing vital support across the Allegro team and our portfolio companies. Congratulations Lara!



HARRY MURALEDARAN



LARA FINLAY

We bid farewell to Executive Assistant and Office Manager Natalie Proudfoot, whose contribution and dedication was

strongly felt across the team. We sincerely wish her all the best in her future endeavours.

## ALLEGRO BABY BOOM

We're delighted to warmly welcome four new Allegro babies into the world (and fingers crossed they'll consider being interns in the future!)

Chris (Deal Team Investment Director) and Debbie welcomed their second little one, Eloise.

Jeremy (Deal Team Investment Director) and Emily welcomed their fourth, baby Charlie.

Patrizia (Investor Relations Team Manager) and Hunter welcomed baby Jack to become a family of four.

Jeffrey (Deal Team Managing Director) and Michelle welcomed baby number two, Madeline.

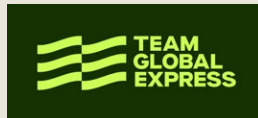
Many congratulations Chris, Jeremy, Patrizia and Jeffrey and to your partners for your beautiful arrivals. We wish you happiness, plenty of sleep and a lifetime of family memories.

Best,

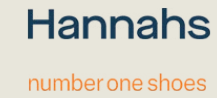
The Allegro Team



## CURRENT PORTFOLIO



## EXITED PORTFOLIO



## 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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