

ORCHESTRA PRIVATE EQUITY IMPLEMENTS ADD-ON ACQUISITION OF “OGUSSAL PIZZA” AND MERGES WITH “BANOLIM PIZZA”

Banolim Pizza acquired a takeout-oriented pizza player, Ogussal Pizza, and became the second largest pizza franchisor by system sales in South Korea

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“Orchestra Private Equity IV, L.P.” (“OPE IV”), established by Orchestra Advisors Korea Ltd. (“Orchestra”), acquired Ogussal Bonga Co., Ltd. (“Ogussal Pizza” or “Company”) through OPE IV’s portfolio company, Banolim Pizza Co., Ltd. (“Banolim Pizza”). Through this acquisition, Banolim Pizza has become the second largest pizza franchisor, based on system sales; and the largest, based on store counts.

Established in 1986, Ogussal Pizza is an innovative pizza brand dedicated to providing healthy and delicious pizzas. The Company uses a mixture of rice flour and traditional wheat flour to create gluten-free pizzas, offering an easy-to-digest and healthier alternative. The brand operates 370 franchise stores and pursues a business model that targets 1-2 person households with lower-priced pizza products.

Banolim Pizza expects to create solid synergy by acquiring Ogussal Pizza. At present, there are 360 Banolim Pizza franchises. An additional 370 Ogussal Pizza franchises have been secured through the acquisition. Based on the doubled purchasing power through the expanded economy of scale, significant cost synergy is expected as logistics services can be further optimized and the prospect of volume discount and longer-term contracts on procurement of food materials can be materialized. Also, revenue synergy is expected as Banolim Pizza focuses primarily on delivery service at mid-price range and Ogussal Pizza on takeout services at lower-price range.

Banolim Pizza’s CEO, Justin Ma, commented that “Through this acquisition, we believe that our customer base has further expanded. We also have created opportunity to improve operational efficiency and product quality based on the strengths of both brands.” And added that “The management team plan to further strengthen market power and competitive advantage of both brands, while securing cost advantage through economy of scale where both brands’ franchisees and franchise headquarters can improve financial performance.” He further commented, “By maintaining, expanding, and developing each brand’s traditions, we plan to further grow Banolim Pizza and Ogussal Pizza into market-leading ‘Korean Style Pizza’ brands.”

The closing of the deal marked Orchestra Private Equity’s second implementation of add-on acquisition for Banolim Pizza. Nexia International served as the financial & tax advisor, and LAB Partners as the legal advisor.

About Orchestra Private Equity

Orchestra Private Equity is a cross-border General Partner based in East Asia, which aims to acquire local companies at the smaller end of the middle market and build them into ‘Global Champions’. With main teams in Korea and Japan, and fund management office in Singapore, Orchestra combines a long-term perspective on growth based on intrinsic value of the business, and applies relevant knowledge and experiences required to create equity value. As a General Partner, Orchestra members work with portfolio company management teams to make businesses more valuable through organic growth, geographic expansion, institutionalizing businesses by developing a strong management bench, and add-on acquisitions domestically and globally. Please visit www.orchestraprivatteequity.com more information. For inquiry on the press release, please contact information@orchestraprivatteequity.com.

About Banolim Pizza

Banolim Pizza is a delivery-oriented Pizza franchisor founded 2013 with HQ and two factories in Daegu, Korea.

The company is the fourth largest Pizza player in Korea and is known for unique topping combinations which are well received among younger customers. Since its inception, the brand quickly grew out of its home city and is now one of Korea's top Pizza brands with more than 360 franchisees. Please visit www.banolimpizza.com for more information.

About Ogussal Pizza

Established in 1986, Ogussal Pizza is an innovative pizza brand dedicated to providing healthy and delicious pizzas. The Company uses a mixture of rice flour and traditional wheat flour to create gluten-free pizzas, offering an easy-to-digest and healthier alternative. The brand operates 370 franchise stores and pursues a business model that targets 1-2 person households with lower-priced pizza products. Please visit www.banolimpizza.com for more information.