

Fresh Brothers gets new capital injection

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Recapitalization will set pizza chain up for new growth

The parent to the Fresh Brothers pizza chain has won a significant equity investment from investor group Nolan Capital Inc., which will help grow the chain to 50 units within the next five years, the company announced Wednesday.

Terms of the deal were not disclosed, but Adam Goldberg, founder and CEO of Fresh Brothers parent Golden Road Food Services LLC said he retains a significant ownership stake and will continue to control day-to-day operations.

The deal, which closed earlier this year, allowed Fresh Brothers to eliminate debt, and establish a foundation for new growth ahead. The 15-unit chain plans to add three new locations this year in Southern California. Next year another eight to 10 locations are projected, including a possible move outside California with the brand, said Goldberg.

Current growth plans include only corporate locations, but Goldberg said the company may consider franchising within the next year or so.

Joining Fresh Brothers' board is Peter Nolan, who led the investor group, and is a former managing partner of private-equity firm Leonard Green & Partners, but he remains a senior advisor for the firm. Leonard Green has much experience in the restaurant space, including investments in Shake Shack and Union Square Hospitality Group, as well as a prior investment in Del Taco.

A quick-service concept, Fresh Brothers is positioned as a "local corner, family, community pizza place" with better-for-you ingredients. Restaurants emphasize delivery and catering but all also have a small dine-in component, said Goldberg.



Units are typically about 1,200-square feet, though newer locations may grow to 1,500- to 1,800-square feet with more dine in and patio seating, he said.

Some locations also offer beer and wine, and the menu includes salads, wings and meatball sliders.

Goldberg said Fresh Brothers is also favored for catering and families with kids because the menu includes something for everyone, even those with allergies and gluten intolerance. One of the chain's most popular items is a gluten-free pizza, for example.

"We're able to feed really anybody across the board," he said. "And we hit all facets of the way people want to dine, with pick up, dine in and delivery."

The average transaction is about \$26, Goldberg said. Restaurants average about \$1.65 million in sales. The company is projecting more than \$22 million in systemwide sales for fiscal 2016.

The Nolan Capital deal follows an [earlier investment in 2012](#) by Skechers shoe executive Michael Greenberg, who remains a minority stakeholder.

Innovation Capital LLC served as advisor to Fresh Brothers on the deal.

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