



Ogier advises PizzaExpress group on landmark restructuring

Deals - 10/11/2020

Ogier has advised PizzaExpress group on its successful restructuring.

The PizzaExpress restructuring plan of PizzaExpress Financing 2 plc (the **Plan**) is only the second to be launched, following the introduction of the restructuring plan procedure under the UK Companies Act 2006 at the end of June 2020.

Ogier worked alongside Kirkland & Ellis to advise PizzaExpress across all aspects of the transaction, spanning structuring, regulatory matters and the restructured financing arrangements, including TISE listing issues.

The use of the new restructuring plan procedure incorporating Jersey entities both at a holding and operational level reinforces Jersey's commercially minded and flexible corporate and finance regime.

Prior to the COVID-19 pandemic, PizzaExpress operated 449 sites across the UK, 19 restaurants in Ireland and a number of restaurants internationally including in Hong Kong, Singapore and the UAE. Its business has been severely impacted by the ongoing pandemic.

The Plan effects a major financial recapitalisation and restructuring transaction involving a de-leveraging of the Group by a reduction of its total indebtedness by c.£1 billion (comprising a reduction of its external debt from £735 million to £319 million and a write-off of shareholder loans of c.£538 million) and extension of debt maturities to 2025, the provision of new money funding of c.£144 million and a CVA to effect an operational restructuring of its leasehold liabilities.

The Plan was sanctioned on 29 October, following the convening hearing on 30 September and plan meetings on 21 October. Recognition of the plan was successfully obtained under Chapter 15 of the U.S. Bankruptcy Code on 3 November from Judge Isgur of the U.S. Bankruptcy Court for the Southern District of Texas.

The restructuring effective date occurred on 5 November 2020. The CVA in respect of PizzaExpress (Restaurants) Limited (PERL) was overwhelmingly approved on 4 September, by over 89% of creditors voting, and by PERL's shareholder.

Partner Bruce MacNeil, who led the Ogier team including James Lydeard, Tara O'Driscoll and Tshepang Phiri, said: "We are seeing more debt for equity swap transactions with Jersey incorporated, UK tax resident companies being established as acquisition and holding vehicles for restructuring transactions this year. The matter is significant because it demonstrates Jersey's ability to implement restructurings using the new restructuring plan procedure under English law, showcasing Jersey's continued flexibility for international restructurings."

About Ogier

Ogier is a professional services firm with the knowledge and expertise to handle the most demanding and complex transactions and provide expert, efficient and cost-effective services to all our clients. We regularly win awards for the quality of our client service, our work and our people.

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Meet the Author



Bruce MacNeil

Partner

Jersey

E: bruce.macneil@ogier.com

T: [+44 1534 514394](tel:+441534514394)

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