

MAY 24, 2019 | RICHARD LAWSON

# Rolling in Dough, Fast-Growing Pizza Chain Chases Bigger Slice of Growing Specialty

Mod Pizza Gets Private Equity Backing, Targets 1,000 Stores



One of MOD Pizza's selections. Photo: MOD Super Fast Pizza

Shopping center owners have a lot of choices these days in filling empty retail space with chains rolling out build-your-own pizzas, or so-called artisanal pizzas. It is a rapidly growing part of the fast-casual restaurant industry.

MOD Super Fast Pizza, based in [Seattle](#), now has \$160 million in additional private investment to fund its expansion and grab an even bigger slice of that pie. The financing will feed MOD's goal of reaching 1,000 locations over the next five years. MOD currently has 433 locations and opened 102 locations last year.

With those expansion plans, the chain is a highly sought-after tenant in the retail real estate industry.

“Any retailer right now with aggressive growth plans is considered a darling at the ball,” said Barry Wolfe, senior director with Marcus & Millichap’s national retail group.

New York-based private equity firm Clayton Dubilier & Rice led the financing round that takes the company to \$339 million in total investment. The financing not only spiced up the MOD’s expansion ability but also added some new retail power to the company’s board: Ken Giuriceo, a partner in the firm, and Paul Pressler, another partner and former chief executive officer of Gap Inc.

“We have sufficient capital now to last for quite some time,” Scott Svenson, MOD’s co-founder and CEO, [told Restaurant Business](#) . “This funding puts us in a position where we control our destiny.”

Rapid expansion for the 11-year-old chain has boosted sales, reporting \$398 million last year, a 45% increase over 2017. The Industry trade publication Nation’s Restaurant News [recently listed the chain](#) as the fastest-growing one for a second year in a row.

MOD’s model is to offer customers pizza at a single price, regardless of the number of toppings, and cooked quickly. MOD is a leader in the fast-casual pizza chain sector along with Blaze Pizza, the Pasadena, California-based chain backed in part by NBA superstar LeBron James. Blaze, which has more than 300 locations, sells franchises and has plans to grow to 750 locations by 2022. Its key selling point: Pizza cooked in 180 seconds.



MOD Pizza location at The Village at Totem Lake in Kirkland, Washington. Photo: MOD Super Fast Pizza

MOD focuses mostly on expanding corporate stores but does have a handful of stores with franchisees. Atlanta-based franchisee Southern Pie, for example, has five stores in Georgia and two in Alabama.

Southern Pie total sales are continuing to grow year-over-year, according to Greg Eisenman, senior director with real estate firm Franklin Street Real Estate Services who represents Southern Pie.

Eisenman said MOD and Blaze are “definitely the two big dogs in the fast-casual world.” They compete in an increasingly crowded business that includes Pieology, Your Pie, My Pie, PizzaRev, Uncle Maddio’s Pizza Joint, Pie Five Pizza.

Wolfe with Marcus & Millichap said the vast number of chains in this part of the pizza business “reminds me of the yogurt craze that we go through every so often.” There is fallout and a few survive.

MOD and Blaze may be the big survivors, Wolfe said, because of the money behind them.

“They are a fantastic fit for the two-three tenant deals you see, which are newer construction and tend to have a mix of food, medical and service tenants,” he said.

A good example is a [Pike 7 Plaza](#) in the Tysons Corner area of Northern Virginia. MOD is opening a store there soon. Mediterranean food chain Cava opened there as well as Honeygrow, a plant-based restaurant chain.

MOD also finds space in existing buildings. One of its new stores is going into [space in a retail area in Katy, Texas](#) , a Houston suburb.

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