

METRO ACQUIRES DAVIGEL SPAIN FROM GLOBAL WHOLESALER SYSCO AND ENTERS INTO A LONG-TERM SUPPLY AGREEMENT, STRENGTHENING METRO'S LEADING POSITION IN SPAIN

1 - 2

- Davigel Spain is a well-established Food Service Distribution (FSD) company in Spain with approx. €35 million in sales (as per FY-end June 2019) and a strong presence in the Canary and Balearic Islands
- Davigel Spain's customer base consists of more than 4,000 customers, predominantly hotel chains and independent restaurants in Spain
- The transaction is of high strategic relevance for METRO in Spain as Davigel Spain provides access to chained commercial customers, as well as to unique assortment categories, such as frozen, elaborated products and raw materials
- As part of the transaction, Sysco France, Davigel Spain and METRO's Spanish business (MAKRO Spain) signed a long-term supply agreement for elaborate or ready-to-eat frozen products in Spain
- This strategic acquisition reinforces METRO's ambition to consolidate fragmented wholesale markets and supports the aim of continuing to drive sustainable and profitable growth in the Spanish market
- As the transaction is not subject to regulatory approval, the transaction was signed and closed on Dec.30

Düsseldorf, 31 December 2020 – METRO is taking over the FSD company Davigel Spain from the US based global wholesaler Sysco in order to strengthen its strategic profile in the Spanish wholesale market. Davigel Spain was founded in 1988 and today supplies more than 4,000 customers mainly on the Balearic and Canary Islands. More than 70% of all customers are chained hotels, while independent restaurants and Horeca represents around 30% of total sales. The company holds exclusive rights in Spain to certain products from Sysco France's product assortment which predominantly consists of elaborate or ready-to-eat frozen products. Sysco France, Davigel Spain and METRO's Spanish business (MAKRO Spain) signed a long-term supply agreement which provides a continued access to Davigel's unique product catalogue. Both parties have agreed not to disclose the financial details of the transaction.

"Davigel Spain is an ideal complement for our existing Spanish operations

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in terms of assortment mix, customer groups and business model. The acquisition will help us to strengthen our product proposition as well as to gain access to chained customer groups especially on the Canary and Balearic Islands. As such, we expect to generate synergies mainly in purchasing and assortment via the contracted supply agreement. With this transaction, METRO continues its journey in consolidating the wholesale and FSD markets in Europe. Following the acquisition of Aviludo in Portugal in October, Davigel Spain is the second acquisition this year. Playing an active consolidator role further solidifies our strong position in the region", says Olaf Koch, CEO of METRO AG.

Davigel Spain is a perfectly fitting strategic addition to the METRO portfolio in Spain, which already includes MAKRO, with a leading position in the Spanish wholesale market. MAKRO Spain operates 37 stores spread over 15 regions, serving more than 900,000 total customers and achieved total sales of ca. €1,033 million in the financial year 2019/20.

METRO is a leading international wholesale company with food and non-food assortments that specialises on serving the needs of hotels, restaurants and caterers (HoReCa) as well as independent traders. Around the world, METRO has some 16 million customers who can choose whether to shop in one of the large-format stores, order online and collect their purchases at the store or have them delivered. METRO in addition also supports the competitiveness of entrepreneurs and own businesses with digital solutions and thereby contributes to cultural diversity in retail and hospitality. Sustainability is a key pillar of METRO's business. METRO has been listed in the Dow Jones Sustainability Index for 7 consecutive years. The company operates in 34 countries and employs more than 97,000 people worldwide. In financial year 2019/20, METRO generated sales of €25.6 billion. For more information, please visit www.metroag.de

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