



## ALSEA ZENA ACQUIRES 100% OF GRUPO VIPS IN SPAIN

**ALSEA Zena and Grupo Vips will integrate their businesses in Spain and Portugal, becoming the largest restaurant group in the Iberian market**

- Food Service Project, a company owned by ALSEA and majority shareholder of Zena in Spain, will acquire 100% of Sigla SA, the parent company of Grupo Vips
- At the same time, the current shareholders of Grupo Vips, the Arango family and ProA Capital, will take a minority stake in Food Service Project
- As a consequence of this operation, the resulting Group in Spain and Portugal will manage more than 1,000 restaurants, a portfolio of 10 brands and will have sales higher than 800 million euros in 2018, becoming the leading restaurant group in the Iberian market

**Mexico City, October 31, 2018.** Alsea, SAB de C.V. (BMV: ALSEA \*) the leading operator of Quick Service Restaurants, Coffee Shops, and Casual Dining establishments in Latin America and Spain announced today that it has reached an agreement with the shareholders of Sigla SA, ("Grupo Vips") by which Food Service Project, a company owned by Alsea and the owner of the majority of Zena in Spain since 2014, will acquire 100% of Sigla, SA. The valuation of the Grupo Vips business, is estimated at 500 million euros after debt. At the same time, the current shareholders of Grupo Vips, the Arango family and ProA Capital will reinvest 75 million euros, through a capital increase in Food Service Project, becoming minority shareholders with a participation of approximately 8%.

The resulting Group will have sales higher than 800 million euros in Spain and Portugal and will manage more than 1,000 restaurants. As a result of this operation, the new Group will have a portfolio of 10 brands in the Iberian market: Fosters Hollywood, Vips, Domino's Pizza, Starbucks, Ginos, Burger King, TGI Fridays, LAVACA, Cañas y Tapas and wagamama. The resulting Group will have more than 20,000 employees, including its own employees and franchised units, with an EBITDA of more than 100 million euros.

The operation, which will be communicated to the competition authorities, subject to the approval of the National Commission of Markets and Competition (CNMC) in Spain and will be closed as soon as the approval is granted.

Alsea, which is traded on the Mexican Stock Exchange, is the leading restaurant operator in Latin America, with more than 3,500 restaurants in Mexico, Spain, Argentina, Chile, Colombia, Brazil and Uruguay. Its portfolio of brands in this part of the world comprises Domino's Pizza, Starbucks, Burger King, Chili's, Italianni's, California Pizza Kitchen, Vips, The Cheesecake Factory, El Portón, Archie's and PF Chang's. In 2014, the Mexican group entered Spain through the acquisition of Zena.

Prior to the purchase of Grupo Vips, Alsea operated more than 3,500 restaurants and reported total annual sales of close to 2,000 million euros.

The Arango family founded the Vips brand in Mexico in 1964 and subsequently brought it to Spain in 1969, establishing the foundations of Sigla SA, currently Grupo Vips. The brand grew rapidly in Spain,



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marcas encendemos  
el espíritu de la gente,  
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becoming the company's flagship concept, while expanding and diversifying its portfolio with the incorporation of new restaurant and retail brands.

Today, Grupo Vips is one of the main Spanish restaurant operators; it operates more than 450 stores, 5 recognized brands (Vips - in two formats: Vips Cafes and Vips Smart, Ginos, Starbucks, TGI Fridays and wagamama) and closed the year 2017 with total sales of 415 million euros.

Alberto Torrado, Chairman of Alsea commented: *"Alsea has been operating successfully in Spain for more than four years, which gives us a lot of confidence to continue building on the region. Through this agreement we managed to consolidate our growth strategy in Alsea Europe by adding important brands in its markets and increasing our geographical presence in the continent. This great opportunity further reinforces the announcement we made regarding the negotiations to acquire the Starbucks operation in France and Benelux, with which we will extend our presence not only in Spain but also in France, Portugal, Belgium, the Netherlands, Luxembourg and Andorra. With this, we continue with our long-term project in the region, with an important expansion potential and the operational and administrative synergies that we are sure will generate value in Alsea. It is a great satisfaction for us to enhance our growth strategy by integrating a group with the quality and successful track record that Grupo Vips has."*

Likewise, Plácido Arango García-Urtiaga, Chairman of Grupo VIPS, stated: *"This transaction makes perfect sense for both parties given the moment in which both the sector and our own Group are. Grupo Vips is stronger than ever and the integration of our business with that of Alsea-Zena will allow us to take the next step for which we have been preparing."*

ING, Garrigues and Cuatrecasas have acted as financial advisors and attorneys for the Buyer, while Linklaters has acted as the Seller's legal advisor. EY has completed the due diligence process.

#### **Disclaimer**

*This press release contains certain forward-looking statements that reflect the current views and/or expectations of Alsea and its management with respect to its performance, business and future events. We use words such as "believe", "anticipate", "plan", "expect", "intend", "target", "estimate", "project", "predict", "forecast", "guideline", "should" and other similar expressions to identify forward-looking statements, but they are not the only way we identify such statements. Such statements are subject to a number of risks, uncertainties and assumptions. We caution you that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in this release. Alsea is under no obligation and expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.*

#### **About Grupo Vips**

Grupo Vips is one of the leading multi-brand and multi-format groups in the catering sector organized in Spain. The company manages in ownership or under the franchise regime a total of five well-known brands: VIPS (which also operates in the fast-casual segment with the VIPS Smart format), Ginos, Fridays, Starbucks and wagamama. In addition, Grupo Vips has a "Premium" sandwiches, salads and take-away products factory, BSF. The company has more than 450 establishments that serve more than 120,000 daily customers. It has a pioneering loyalty program and a leader in the restaurant sector, Club VIPS, with more than 1,300,000 members throughout Spain and whose App, which is unique in the market and launched at the end of April 2015, already has more than 1 million downloads. Grupo Vips is a private equity company founded in 1969. The shareholders of Grupo Vips are 70% owned by the majority and founder members, led by the Arango family, and 30% by the ProA Capital fund. Grupo Vips employs more than 9,600 people and closed the year 2017 with 415 million euros of turnover. For the second year in a row, Grupo Vips ranks among the companies with the best reputation in Spain, according to the RepTrak® Spain 2018, being the only restaurant company highlighted in the list. [www.grupovips.com](http://www.grupovips.com)

#### **About Alsea**

Alsea is the leading restaurant operator in Latin America and Spain of global brands in the quick service, coffee shop, casual and family dining segments. It has a diversified portfolio, with brands such as Domino's Pizza, Starbucks, Burger King, Chili's, California Pizza Kitchen, P.F. Chang's, Italianni's, The Cheesecake Factory, Vips, El Portón, Archie's, Foster's Hollywood, LAVACA and Cañas y Tapas. The company operates more than 3,500 units and has more than 70,000 employees in Mexico, Argentina, Chile, Colombia, Brazil, Uruguay and Spain. Alsea's business model includes support for its brands through a Shared Services Center that provides all the Administrative and Development Processes, as well as the Supply Chain.

For more information, visit: [www.alsea.com.mx](http://www.alsea.com.mx)

**Its shares are traded on the Mexican Stock Exchange under the ticker symbol ALSEA\***

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