



ALSEA CONCLUDES THE PROCESS OF ACQUISITION OF GRUPO VIPS, REACHING MORE THAN 4,000 UNITS IN 8 COUNTRIES

Mexico City, December 27, 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 informs that the transaction regarding the acquisition of 100% of Grupo Vips in Spain was completed.

Founded in 1969, Grupo Vips is a Spanish multi-brand and multi-format restaurant group, which ranks among the companies with the best reputation in Spain, according to RepTrak® Spain 2018. At the end of the third quarter 2018, the company managed 349 corporate restaurants and 90 subfranchises, through a total of six brands, within the Casual Dining, Fast Casual, Family Dining and Coffee Shops segments in Spain, Portugal and Andorra. Grupo Vips, represents for Alsea an opportunity to further expand its presence, becoming the number one multi-brand group in the Spanish market and one of the main groups in Europe. This important step is part of the inorganic growth strategy, with brands and segments that the company has operated with great success in other geographies, generating new opportunities for growth in a project that already has a large number of synergies due to its economies of scale, complementarity with Alsea's current brand portfolio in Europe and significant growth potential in both corporate and sub-franchised formats.

Alsea Europe, including this acquisition, would have combined sales at the end of December 2018 exceeding €800 million euros, representing a growth of more than 80%, with a workforce of more than 19,500 employees and presence in Spain, Portugal and Andorra, reaching more than 35% of Alsea's total sales share.

Based on the terms of the agreement, Alsea acquired 100% of Grupo Vips for an approximate amount of €575 million euros, which implies an Enterprise Value to adjusted EBITDA last twelve months multiple of 13.2 times. The purchase operation was carried out through bank debt in euros and Mexican pesos, through a 5-year credit agreement. Given the confidence in this great project, both the main shareholders of Grupo Vips and the minority shareholders of Grupo Zena remain as minority shareholders of Alsea Europe consolidated operation.

In addition to the acquisition of corporate restaurants and franchisees, which represents a store growth of more than 75% for Alsea Europe, the operation also includes: a food processing plant for the manufacture of fresh products such as sandwiches and salads for Starbucks and a distribution center to support the entire supply chain and the growth of the Group.

Renzo Casillo, Chief Executive Officer of Alsea commented: *“Through this agreement we manage to consolidate our strategy in Alsea Europe, solidly complementing our growth and diversification, adding important brands in its markets and increasing our geographical presence in the continent. Alsea has been operating successfully in Spain for more than 4 years, since the acquisition of Grupo Zena in 2014, which gives us a lot of confidence to continue building on this basis. We are confident that our experience operating these segments in different countries, gives us the necessary capabilities to execute successfully in these territories.”* He added: *“With this, we continue with our long-term project in the region, with the necessary dimensions and an important potential in terms of operational and administrative synergies that we are sure will generate value in Alsea.”*





ING, Garrigues, Cuatrecasas and DLA Piper Mexico acted as financial and legal advisors 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 revised any forward-looking statements, whether as a results of new information, future events or otherwise.

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

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