



Carrefour reaffirms its leading position in food retail in France with the acquisition of Cora and Match banners

Carrefour announces that it has entered into an agreement today with the Louis Delhaize group to acquire the Cora and Match banners in France, reaffirming its leading position in the French food retail market¹.

The Cora and Match banners operate 60 hypermarkets and 115 supermarkets respectively and employ c.24,000 people in France. They generated net sales of €5.2bn in 2022 (€4.3bn excluding petrol) and EBITDA of €189m. The acquired stores present a very strong geographical complementarity with Carrefour, with particularly strong market share in Eastern and Northern France, where Carrefour has little presence. The transaction includes the acquisition of the real estate of 55 hypermarkets and 77 supermarkets.

The transaction, which is expected to close in the summer of 2024, values the acquired assets on the basis of an enterprise value of €1.05bn; it will be accretive in terms of adjusted EPS from year one.

The integration of the Cora and Match stores offers significant potential for synergies, estimated at €110m in EBITDA on an annual basis 3 years after the effective completion of the transaction. The associated integration costs, spread over 2 years, are estimated at €200 million (investments and operating expenses).

In parallel, Carmila, in which Carrefour has a 36% stake, has reached an agreement with the Louis Delhaize group to acquire its 93% holding in Galimmo, which owns 52 shopping galleries adjacent to Cora stores.

Alexandre Bompard, Chairman and Chief Executive Officer, declared : *“With the acquisition of the Cora and Match banners, Carrefour is announcing its first major acquisition in France in more than twenty years and consolidates its leading position in food retail in its domestic market. This agreed transaction will allow Carrefour to continue the adventure started in France by the Bouriez family and the Louis Delhaize group, with which our Group shares a common culture, history and values. I want to pay tribute to them, as well as to the Cora and Match teams, whose expertise, commitment and entrepreneurial culture will be an asset for our Group. This transaction also demonstrates our ability to pursue our external growth strategy through targeted acquisitions, providing market share and synergies, thanks to the transformation initiated 6 years ago and the strength of our balance sheet. The Carrefour Group will be able to provide the acquired stores with a powerful commercial and operational model, very complementary to Cora and Match’s know-how, thanks to its own brand, digital acceleration and its purpose, the food transition for all.”*

¹ Combined market share of 22.5% for Carrefour Group + Cora + Match in 2022 (cumulated P13), according to Kantar

The Carrefour and Louis Delhaize groups are long-time partners; they share strong historical and cultural ties: the first Cora store, opened in Garges-lès-Gonesses in 1966, was previously one of the first Carrefour franchisees. More recently, Carrefour and Cora joined forces in purchasing. Finally, on April 27, Carrefour announced it was acquiring Cora's activities in Romania, which should be effective by the end of 2023.

Strategic rationale

The acquisition of Cora and Match enables the Group to reaffirm its leading position in the French market, in a context in which opportunities for transactions involving quality assets are rare. The Cora and Match store network benefits from excellent locations and offers strong geographical complementarity with that of Carrefour. Under the impetus of the Louis Delhaize group, Cora and Match have developed operational know-how and recognized concepts. These stores will benefit from all of the Carrefour Group's strengths, in particular steady momentum of market share gains for more than two years, leading brands, a recognized range of Carrefour-branded products, demonstrated operational excellence in terms of price and promotion, and a strong presence in e-commerce, both in Click & Collect and home delivery. These elements have enabled Carrefour to significantly improve its commercial momentum and the profitability of its activities in France over the past 6 years, particularly in hypermarkets. In addition, the acquired stores will be part of the implementation of the strategic initiatives of the Carrefour 2026 plan and will benefit in particular from the "Maxi" competitiveness and productivity method.

Synergies

The pooling of the respective strengths of Carrefour, Cora and Match will be strongly value-creating, with an amount of annual synergies estimated at €110m in EBITDA, 3 years after the effective completion of the transaction.

- Half of them will be linked to the optimization of commercial performance: development of omnichannel, optimization of non-food activities, increasing share of own-brand, logistics and purchasing synergies;
- The remaining half will come from pooling distribution costs, including purchases of goods not for resale and marketing & advertising expenses.

Transaction structure

The acquisition will be made 100% in cash, based on an enterprise value of €1.05bn, reflecting an EV/EBITDA acquisition multiple post synergies of around 4.2x, which is strongly accretive based on Carrefour Group's current valuation.

Next steps

The transaction remains subject notably to the approval of the French competition authority as well as to the usual conditions. Given the strong geographical complementarity of the two groups, Carrefour considers competition issues to be limited. Closing is expected in the summer of 2024.

Appendix 1 – 2022 key figures

	Cora	Match	Cora + Match
Format	Hypermarkets	Supermarkets	-
Number of stores	60	115	175
Average selling area	9,600 sqm	1,600 sqm	-
Net sales (incl. petrol)	€3.9bn	€1.3bn	€5.2bn
Net sales (excl. petrol)	€3.2bn	€1.1bn	€4.3bn
EBITDA ⁽¹⁾	€132m	€57m	€189m
EBITDA margin	4.1%	5.0%	4.4%

Note: (1) EBITDA pre-IFRS 16

About Carrefour Group

With a multi-format network of over 14,000 stores in 43 countries, the Carrefour Group is one of the world's leading food retailers. Carrefour posted sales of €90.8 billion in 2022. Its integrated store network employs more than 335,000 people who help to make Carrefour the world leader in the food transition for all, by offering quality food every day, accessible everywhere and at a reasonable price. In total, more than 500,000 people work under Carrefour banners worldwide. For more information, visit www.carrefour.com, or find us on Twitter ([@news_carrefour](https://twitter.com/news_carrefour)) and LinkedIn ([Carrefour](https://www.linkedin.com/company/carrefour)).

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