



## PRESS RELEASE

# Lagardère Travel Retail closed the acquisition of Hojeij Branded Foods (HBF), a leading Foodservice travel operator in North America

Paris, 20 November 2018

Lagardère Travel Retail announced today it has closed the acquisition of Hojeij Branded Foods (and its subsidiary Vino Volo), a leading Foodservice travel operator in North America.

Announced on 15 August, this acquisition is aligned with Lagardère Travel Retail's ambition to strengthen its position as a premier airport Foodservice operator in the region. With the integration of HBF and Vino Volo's operations, it will create the third-largest operator in the North American Travel Retail and Foodservice industry with total annual sales exceeding USD 1.1 billion.

Thanks to the complementary nature of the two companies' locations and concepts, this transaction will generate commercial and financial synergies in the North American market, which offers attractive growth prospects.

The two organizations' existing Foodservice operations will be combined to create the new Dining Division of Paradies Lagardère. The division will offer unique restaurant experiences in 42 airports and approximately 100 brand partners and proprietary concepts ranging from full service to fast casual to quick serve. The new operation should surpass USD 350 million annually in Foodservice sales in 2019.

The integration of the two Foodservice operations will begin immediately, led by Paradies Lagardère President and CEO Gregg Paradies, with Regynald G. Washington leading the new Dining Division.

HBF is expected to be consolidated in the Lagardère financial statements from 1 December 2018. HBF 2018 revenue should be between USD 240 and 250 million, with recurring EBIT rates around 10%.

The acquisition value is USD 330 million<sup>1</sup>, on a cash-free/debt-free basis. Expected recurring synergies could reach approximately USD 10 million a year as of the fourth year after acquisition.

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<sup>&</sup>lt;sup>1</sup> Based on debt and cash free valuation, net of partners' share in operating JVs (ACDBE programmes) estimated to be 16% over the period of the business plan.

This value-enhancing transaction represents an important step in the global growth strategy of Lagardère Travel Retail, which will become a major player in Foodservice on the North American travel market.

The Lagardère group is a global leader in content publishing, production, broadcasting and distribution, whose powerful brands leverage its virtual and physical networks to attract and enjoy qualified audiences. It is structured around four business lines: Books and e-Books; Travel Retail; Press, Audiovisual, Digital and Advertising Sales Brokerage; Sports and Entertainment.

Lagardère shares are listed on Euronext Paris.

www.lagardere.com

#### Press Contact Lagardère Travel Retail

Vanessa Miremont tel. + 33 1 42 99 07 14 v.miremont@lagardere-tr.com

#### Press Contacts Lagardère

Thierry Funck-Brentano tel. +33 1 40 69 16 34 tfb@lagardere.fr

Ramzi Khiroun tel. +33 1 40 69 16 33 rk@lagardere.fr

### **Investor Relations Contact**

Florence Lonis tel. +33 1 40 69 18 02 flonis@lagardere.fr