



## Femsa acquires 50% of Brazil's Raízen convenience store chain

**Mexico's Femsa forms joint venture with Raízen to boost convenience store business in Brazil.**

Fomento Económico Mexicano has reached an agreement to enter into a 50-50 JV with Raízen. Through this agreement, FEMSA Comercio will acquire a 50% interest in Raízen Conveniências. The full enterprise value of Raízen Conveniências in transaction is R\$1.12 billion (\$283mn), free of any debt or cash, and FEMSA Comercio's 50% interest is therefore valued at R\$561 million (\$142mn).

Raízen itself is a 50-50 JV between Cosan and Shell. Raízen currently operates more than 6,200 Shell service stations in Brazil, and approximately one thousand of them have a Select brand convenience store today. The stores are franchised or licensed by Raízen to independent operators. The deal is limited to the convenience store business and excludes the fuel service station operations.

FEMSA Comercio will bring to bear its expertise as a developer and operator of small-format proximity and convenience stores to boost that segment of the retail industry. Potential growth avenues include increasing penetration of Select convenience stores at Raízen service stations, as well as developing successful value propositions for stand-alone stores under the OXXO brand.

"We welcome the opportunity to join forces with a world-class company like Raízen, and we are excited by the potential and the challenge that this new venture represents for FEMSA Comercio," said Daniel Rodríguez Cofre, FEMSA Comercio's CEO.

The transaction is subject to customary regulatory approvals and is expected to close during the second half of 2019.