

MEDIA RELEASE



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Metcash's proposed acquisition of Superior Food Services not opposed

The ACCC will not oppose Metcash Trading Limited's (Metcash) (ASX:MTS) proposed acquisition of wholesale food distributor SFG Group Holdings Pty Ltd, trading as Superior Food Services (Superior).

Superior purchases a wide range of food products from suppliers and distributes them to food service businesses such as restaurants, cafes, hotels and clubs, petrol and convenience stores, and institutions such as hospitals.

Metcash is a wholesale distribution company which supplies grocery and fresh foods to independent supermarkets and retailers. Metcash also operates Campbells, which also wholesales food and food adjacent products to retailers.

The ACCC's review focused on how closely Metcash and Superior compete in the wholesale supply of food products to food service customers, how the acquisition may affect suppliers or increase Metcash and Superior's buyer power, and the likely impact of the acquisition on prices, product range and quality.

"We conducted extensive market inquiries with customers, suppliers, competitors and industry associations. We ultimately found that the transaction would not be likely to substantially lessen competition," ACCC Commissioner Stephen Ridgeway said.

Although both Metcash and Superior supply food products, market feedback indicates that they do not compete closely for customers.

Superior primarily sells and distributes products that are not suitable for direct retail sale, and Metcash does not have the product base to compete in any significant way for food service customers.

The merged entity will continue to be constrained in the supply of food service products by established competitors such as Woolworths-PFD Food Services and Bidfood.

"We found that Metcash and Superior make up a very small percentage of the overall demand from food suppliers, and that suppliers would continue to have many other alternative routes to market," Mr Ridgeway said.

More information on this review can be found here: [Metcash Trading Limited - SFG Group Holdings Pty Ltd](#)

Background

Metcash is an ASX-listed wholesale distribution company with a food division that supplies dry grocery and fresh foods to independent supermarkets and convenience stores, including IGA, Foodland, Foodworks and Lucky 7 brands.

Metcash also operates Campbells, which supplies food and food adjacent products to grocery and convenience retailers, and remote communities through its network of 14 warehouses.

Superior is a privately owned food services distributor and supplies a wide range of dry, chilled, frozen, meat, small goods and seafood lines to food service businesses in all states and territories in Australia (excluding the Northern Territory). It trades under Superior Food Services, Mooloolah River Fisheries, Kay's Meats, Global Meats and Sealanes.

'food adjacent products' refers to non-food items such as general merchandise, health and beauty products and tobacco.

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