



FOR IMMEDIATE RELEASE

Southeastern Grocers Announces Transactions to Advance Five-Year Business Transformation Strategy

JACKSONVILLE, Fla., June 3, 2020 -- Southeastern Grocers, Inc. ("SEG" or the "Company"), parent company of BI-LO, Fresco y Más, Harveys Supermarket and Winn-Dixie stores, announced today a series of transactions that will ensure the Company continues to thrive and support the long-term growth of its core banners.

The Company has made the strategic decision to no longer operate stores under the BI-LO banner to allow for greater investment in growing the Fresco y Más, Harveys Supermarket and Winn-Dixie banners. To further that goal, SEG has reached an agreement to sell 62 stores, including 46 BI-LO and 16 Harveys Supermarkets, to Food Lion, a subsidiary of Ahold Delhaize, and is actively exploring strategic options for the remaining BI-LO stores, including other potential transactions.

In order to ensure continued service to our communities during this challenging time, these stores will not begin their staggered transition from the BI-LO and Harveys Supermarket banners to Food Lion until early 2021. The transaction with Food Lion is anticipated to be complete by April 2021, pending regulatory approvals and other customary closing conditions. SEG has also reached an agreement to transition its Mauldin, S.C. distribution center to Ahold Delhaize USA Distribution, LLC, the handover of which is anticipated to be complete in the first half of 2021.

Separately, SEG is also divesting the assets of 57 of the in-store pharmacies it operates under the BI-LO and Harveys Supermarket banners to CVS and Walgreens. These locations, which include all of the Company's BI-LO pharmacies and nine Harveys Supermarket pharmacies in Georgia, will begin to transition within the next two weeks. During this process, SEG will seek to minimize any interruption to customers and to ensure the smooth transition of their prescriptions.

Anthony Hucker, President and Chief Executive Officer of SEG, said, "The successful execution of our long-term transformation strategy may at times require difficult decisions. Today's transactions are a critical strategic move and an important next step for our continued growth and broader evolution as a business. These actions will facilitate greater investment in our remaining footprint so we can continue to provide an exceptional shopping experience our customers can always count on."

These transactions build on previous announcements made by SEG — such as the opening of a new store earlier this year and the acquisition of eight new store locations from Lucky's Market and Earth Fare — as part of its business transformation strategy to strengthen its overall performance in an increasingly competitive sector. The Company continues to maintain momentum with its commitment to refreshing stores; nearly 40 percent of the total store fleet has benefited from renewal in the past three years. The proceeds from this transaction will be used to further strengthen Southeastern Grocers' balance sheet and grow SEG's core banners.



SEG recognizes the immense challenges faced by local communities during the COVID-19 pandemic, as well as the critical importance of supermarkets in these times. SEG is committed to conducting a transparent and seamless process to provide care and support for its associates, customers and supplier partners.

Deutsche Bank Securities Inc. and PJ Solomon are serving as financial advisors to SEG on the transactions; Weil Gotshal, Wilson Sonsini and Burr Forman are serving as legal advisors. PJ Solomon is managing the Company's sale process for the remaining BI-LO stores.

About Southeastern Grocers

Southeastern Grocers, Inc., (SEG) parent company and home of BI-LO, Fresco y Más, Harveys Supermarket and Winn-Dixie grocery stores, is one of the largest conventional supermarket companies in the U.S. SEG grocery stores, liquor stores, and in-store pharmacies serve communities throughout the seven southeastern states of Alabama, Florida, Georgia, Louisiana, Mississippi, North Carolina, and South Carolina. BI-LO, Fresco y Más, Harveys Supermarket, and Winn-Dixie are well-known and well-respected regional brands with deep heritages, strong neighborhood ties, proud histories of giving back, talented and caring associates, and strong commitments to providing the best possible quality and value to customers. For more information, visit www.bi-lo.com, www.frescoymas.com, www.harveysupermarkets.com and www.winndixie.com.

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