

# DEAN & DELUCA

*For Immediate Release*

## DEAN & DELUCA Restructures Operations, Separate Companies into America and Asia

- America: Rightsized in response to consumer's behaviors, reduces costs, and stop loss within year-end
- Asia: Brand strengthened, increase revenue and number of stores in high competition market, turnaround on revenue and profit

Bangkok, THAILAND – Sorapoj Techakraisri, Chief Executive Officer, PACE Development Corporation Plc announced today that its DEAN & DELUCA Inc., which operates stores in the US is in the process of refining its business strategy to better adapt to the rapidly changing F&B retail landscape in the USA and is currently right-sizing its DEAN & DELUCA USA operation, cutting costs, stop loss and synergize stores operation, while improving the Soho store as well as the new concept STAGE store, in response to the ever-changing consumers lifestyles and behaviors, making sure the refinement in its USA operation will result in improving the brand and would make a turnaround in the near the future.

“The world’s retail market including North America’s has changed swiftly over the past 4-5 years. Prepared foods have been offered on shelves in many grocery stores and some establishments is now providing dine-in options. While online shopping for Americans has increased 30 percent, affecting the Brick and Mortar stores to adjust their business strategies to fit with the ever-changing consumer behaviors said Sorapoj.

“To move forward, we are reconsidering our business model and in the process of rightsizing our US operation, while reducing costs to increase business efficiency. We also plan to build brand and open more franchise stores in the US and will transform the business to include more online strategies.

“DEAN & DELUCA USA and PACE regret the difficulties caused to the gourmet food suppliers in the US and we are currently taking steps to rectify the situation to its normalcy quickly” confirmed Sorapoj.

Currently, DEAN & DELUCA has 5 US branches

DEAN & DELUCA Asia (Thailand) Limited

DEAN & DELUCA Asia (Thailand) Limited is the owner and operator of DEAN & DELUCA stores in Thailand. The company also owns brand licenses, franchises, and license of products sold in other countries in Asia.

DEAN & DELUCA Asia (Thailand) Ltd. operation has been growing strongly. From the period of June 2018 – May 2019 (1 year), the company has made a total of approximately 523 Million Baht in revenue (EBITDA 79.8 Million Baht), and its international operation has posted a 106 Million Baht (EBITDA 35.43 Million Baht) from royalty fee, totaling 630 Million Baht in revenue (EBITDA 115.23 Million Baht), rising 13.3 percent compared to the same period of the earlier year.

Since the lease period has ended in May 2019, DEAN & DELUCA Thailand has moved out of its flagship store space at MahaNakhon CUBE building and has plans to open new flagship store. The company is in the process of selecting some of the best locations for its new branches, making sure the new outlets will offer similar dining experience customers enjoyed at the MahaNakhon CUBE branch.

Currently, DEAN & DELUCA Thailand has a total of 11 branches, including restaurants and café at prime locations eg. Central Embassy, Emquartier, The Crystal Ramindra, Sathorn Square, All Seasons Place, Park Ventures, and Suvarnabhumi Airport. PACE plans to open 5 more outlets within 2019, including 2 outlets in Phuket and 3 outlets in Bangkok.

For DEAN & DELUCA franchising business, Sorapoj mentioned that the company will continue to give franchises to interested companies with networks around the world. While the already signed franchise agreement with Lagardere Travel Retail has progressed successfully.

Our next plan for DEAN & DELUCA Asia (Thailand) is to build the existing brand strength and its successful business, while also focusing on giving franchises to world-class potential partners. We will continue to right-size the US operation to fit with market challenge, focusing on cost-cutting, and successfully stopping loss at once” concluded Sorapoj.

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## About DEAN & DELUCA

For 40 years it has been the DEAN & DELUCA mission to discover and provide customers with the world's best epicurean products for cooking, eating and entertaining from around the globe. DEAN & DELUCA was founded in New York City's SoHo district in 1977 by Joel Dean & Giorgio DeLuca, and currently operates in USA, Thailand, Japan, South Korea, United Arab Emirates, Kuwait, Philippines and Singapore. Additional Information [www.deandeluca.com](http://www.deandeluca.com)

## APPENDIX

### 1. Company Structure



### 2. Growth

## DEAN & DELUCA



### 3. Performance

#### DEAN & DELUCA INTERNATIONAL AND THAILAND BUSINESS

