

Dutch-headquartered Ahold Delhaize has reached a deal with Centerbridge Partners to acquire New York-based online grocer FreshDirect, as it boosts its presence in the e-commerce sector.

Ahold Delhaize, which also owns Stop & Shop, Giant and Food Lion, will acquire the majority share, funded by cash on hand, and Centerbridge Partners will be a minority equity investor with a 20% stake.

After the deal closes, FreshDirect will retain its brand name, report to a seven-person board, and continue to independently operate out of its facility in New York City. Financial terms of the deal were not disclosed.

The transaction is expected to close in the first quarter of 2021, following the satisfaction of customary closing conditions, including regulatory clearance.

Frans Muller, Ahold Delhaize's CEO, said the deal "further propels our omni-channel evolution" and is a "great addition and fit for our portfolio of leading local brands".

"The deal allows us to reach additional customers in the New York trade area and therefore will add incremental sales to the business. It further enables us to address customers' growing preference for convenient ways to shop," he said.

FreshDirect focuses on fresh food, which represents more than 60% of its sales. Ahold said it differentiates itself with direct and exclusive relationships with local farmers coupled with unique meal solution capabilities.

FreshDirect also brings with it a highly scalable and state-of-the-art fulfillment center, located in the Bronx, New York City.

David McInerney, FreshDirect's Chief Executive Officer, said: "We are strong believers that the future of grocery retail involves getting customers the best quality food, exactly when they want it, with the best customer service.

"We have built FreshDirect into a reliable and recognizable business to serve this purpose. This transaction marks an important milestone in the continued growth of FreshDirect. I believe Ahold Delhaize's global scale, focus on strong, leading local brands, and ability to utilize cost-of-goods synergies, will allow FreshDirect to achieve its full potential."