



DIA Group will have 500 new franchises in the next three years



This new management model doubles, on average, the current profitability of franchisees.

The main change, apart from the simplification of the model, lies in the improvement of store liquidity.

DIA is seeking entrepreneurs to tackle its growth plan.

Madrid, 23 September 2020. DIA Group has updated its franchise management model with the aim of boosting profitability for its strategic partners, improving their liquidity and facilitating the daily management of the store. The company continues to progress in order to turn this management system into a very competitive model in the food franchise sector in Spain.

Currently, more than 700 DIA franchises out of over 1,300 are already benefiting from the new management model, which represents 65% of the franchises in Spain. At the end of the year, all DIA

Spain franchisees are expected to adopt this new model.

This morning, DIA presented this new model to its strategic partners at a virtual event, which was attended by 900 franchisees. The event was hosted by Stephan Ducharme, president of the DIA Group, Ricardo Álvarez, CEO of DIA in Spain, and Iván Martín, Director of Logistics and Franchises of DIA Spain.

"The DIA franchise will be the basis for the company's growth, which is why we are looking for entrepreneurs who want to be part of this long-term project. The new management model establishes a beneficial relationship for both parties and should ensure a profitable and sustainable future," says Iván Martín, Director of Logistics and Franchises, DIA Spain.

DIA Franchise 2020.

The main measures of the new franchise model include:

- **A new method of payment for merchandise** by franchisees that guarantee correct supply for stores. Until now, DIA Group delivered orders to its franchisees once the merchandise was paid for. With DIA Franchise 2020, franchisees will pay for merchandise once it is sold and not before, thus boosting store liquidity.
- **Simplification of costs for franchisees.** With the DIA Franchise 2020, franchisees pay a percentage of their monthly turnover, which covers the majority of a store's operating costs. This rate makes it easier for franchisees to forecast their monthly expenses, thus improving their liquidity management.
- **Sales incentive system.** The company financially rewards franchisees for increase in turnover as a method of motivation and recognition.
- **Payment facilities.** DIA finances 50% of a store's stock interest-free, while the other 50% is assumed by the company itself.
- **Support.** The company has formed a strong franchise team composed of a newly created regional management team and regional franchise managers, who are joining the company with the aim of backing the franchisees at all times and offering them any necessary support.

- **Franchisee Training Programme.** The company is extending its training programme to the employees of its franchisees, with the aim of ensuring the best professionals in its store network and providing excellent customer service.

BEFORE	FRANCHISE 2020
Payment per purchase	Payment per sale
1.5% average profitability	We double profitability to 3%
Payment complexity	Simplification of costs
No sales incentives	Sales-oriented incentives
Payment of 100% of initial stock	DIA pays 50% of initial stock
Basic training for franchisees	Franchisee Training for the entire team

#Let'sThinkAboutEveryone

DIA Group

(Distribuidora Internacional de Alimentación [International Food Distributor]) is a leading local supermarket chain, with 6,626 shops and franchises in Spain, Portugal, Brazil and Argentina. DIA is primarily supplied by local suppliers and meets the day-to-day food needs of over 20 million loyal customers, thanks to the commitment of its 39,000 employees across the globe.

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