

June 13, 2022

APOLLO

# **Apollo Funds to Acquire Cardenas Markets, One of the Largest Hispanic Grocery Chains in the U.S. from KKR**

**Upon completion of the acquisition, Apollo Funds' portfolio company Tony's Fresh Market to combine with Cardenas Markets to create a leading Hispanic and ethnic-focused grocer**

NEW YORK, June 13, 2022 (GLOBE NEWSWIRE) -- Apollo (NYSE: APO) today announced that funds managed by its affiliates (the "Apollo Funds") have agreed to acquire Cardenas Markets ("Cardenas"), a leading grocery retailer focused on serving the Hispanic community, from investment funds affiliated with KKR, a leading global investment firm. Upon completion of the transaction, Apollo Funds will combine Tony's Fresh Market, a Chicago-based portfolio company, with Cardenas Markets, which operates across California, Nevada and Arizona, to create a leading Hispanic- and ethnic-focused grocer. Both companies will continue to operate under their respective brands and local leadership, while benefitting from greater scale, complementary capabilities and an expanded operating footprint.

Founded in 1981, Cardenas is one of the largest Hispanic grocery chains in the country with a differentiated store concept providing high-quality, specialty groceries at affordable prices. The Company, led by CEO Doug Sanders, today operates 59 stores and sources products from over 500 vendors. The combined Cardenas-Tony's footprint will span nearly 80 stores across the western and mid-west United States with approximately \$1.8 billion in combined revenues. Sanders will serve as CEO of the combined company and Cardenas chain, while Frank Ingraffia will continue to serve as the CEO of the Tony's chain.

"Since joining Cardenas, we have made great progress in growing and enhancing our operations with KKR's support, and I am thrilled by the opportunity for our team to now partner with Frank and the Tony's team, leveraging our collective strengths. Together, as two of the highest quality Hispanic and ethnic grocers, we can deliver even greater value to the communities we serve," Doug Sanders, CEO of Cardenas said. "Apollo private equity has an extensive best-in-class track record of success in food retail, and I am thrilled to partner with Andy Jhawar and the Apollo team again in this exciting next chapter for Cardenas. I would also like to thank KKR, which has been a tremendous strategic partner over the past six years, helping us grow and professionalize the business."

Andrew Jhawar and Joanna Reiss, Apollo Private Equity Partners, said: "Cardenas has grown significantly over the last several years under Doug's leadership and we are excited to accelerate its growth in combination with Tony's in this next phase. We are excited to once again partner with Doug following our highly successful investment in Sprouts Farmers Market which Doug led as CEO under Apollo funds' ownership. Cardenas and Tony's have robust positions in the ethnic grocer space, and together can leverage best practices across their complementary go-to-market strategies, merchandising, customer loyalty programs and

more. This transaction will combine the best of both retailers and provide greater opportunities and scale for the respective brands and teams as they continue to bring quality, affordable groceries to diverse communities.”

In 2016, KKR acquired Cardenas Markets from the Cardenas family with the thesis of transforming the business into a growth platform. Under KKR’s ownership, Cardenas doubled in size through a combination of organic growth and strategic acquisitions.

Vishal Patel, a Managing Director at KKR, said: “We are immensely appreciative of everything Doug and the management team have done to build a great company dedicated to bringing fresh and affordable groceries to the communities that it serves, consistent with the values that the Cardenas family instilled in the business. We are confident that Apollo and Tony’s Fresh Market are the right partners for Cardenas as it enters its next chapter of growth.”

The transaction is subject to customary closing conditions and is expected to be completed by Q3 2022. Financial terms of the transaction were not disclosed.

Paul, Weiss, Rifkind, Wharton & Garrison LLP acted as legal counsel to the Apollo Funds. Solomon Partners acted as lead financial advisor to Cardenas Markets and KKR. BMO Capital Markets also advised, and Kirkland & Ellis LLP served as legal advisor to Cardenas Markets and KKR. Credit Suisse, Wells Fargo and Rabobank have provided committed debt financing for the transaction.

### **About Apollo**

Apollo is a high-growth, global alternative asset manager. In our asset management business, we seek to provide our clients excess return at every point along the risk-reward spectrum from investment grade to private equity with a focus on three investing strategies: yield, hybrid, and equity. For more than three decades, our investing expertise across our fully integrated platform has served the financial return needs of our clients and provided businesses with innovative capital solutions for growth. Through Athene, our retirement services business, we specialize in helping clients achieve financial security by providing a suite of retirement savings products and acting as a solutions provider to institutions. Our patient, creative, and knowledgeable approach to investing aligns our clients, businesses we invest in, our employees, and the communities we impact, to expand opportunity and achieve positive outcomes. As of March 31, 2022, Apollo had approximately \$513 billion of assets under management. To learn more, please visit [www.apollo.com](http://www.apollo.com).

### **About Cardenas Markets, LLC**

Cardenas Markets is headquartered in Ontario, CA, and currently operates a total of 51 stores under the Cardenas Markets banner, 7 stores under the Los Altos Ranch Markets banner and 1 store under Cardenas Ranch Markets banner. Today, Cardenas Markets is one of the largest Hispanic grocery chains in the country with stores in California, Nevada, and Arizona. For more information visit [cardenasmarkets.com](http://cardenasmarkets.com).

### **About KKR**

KKR is a leading global investment firm that offers alternative asset management as well as capital markets and insurance solutions. KKR aims to generate attractive investment returns by following a patient and disciplined investment approach, employing world-class people, and supporting growth in its portfolio companies and communities. KKR sponsors investment

funds that invest in private equity, credit and real assets and has strategic partners that manage hedge funds. KKR's insurance subsidiaries offer retirement, life, and reinsurance products under the management of Global Atlantic Financial Group. References to KKR's investments may include the activities of its sponsored funds and insurance subsidiaries. For additional information about KKR & Co. Inc. (NYSE: KKR), please visit KKR's website at [www.kkr.com](http://www.kkr.com) and on Twitter [@KKR\\_Co](https://twitter.com/KKR_Co).

## **Contacts**

Apollo:

For Investors:

Noah Gunn  
Global Head of Investor Relations  
Apollo Global Management, Inc.  
(212) 822-0540  
[IR@apollo.com](mailto:IR@apollo.com)

For Media:

Joanna Rose  
Global Head of Corporate Communications  
Apollo Global Management, Inc.  
(212) 822-0491  
[Communications@apollo.com](mailto:Communications@apollo.com)

Cardenas Markets:

Marisa Kutansky  
Director of Communications  
Cardenas Markets LLC  
(909) 923-7426  
[MKutansky@cmkts.com](mailto:MKutansky@cmkts.com)

KKR:

Julia Kosygina  
212-750-8300  
[media@kk.com](mailto:media@kk.com)

# APOLLO

Source: Apollo Global Management, Inc.