



*Assessing the competitive position of a food retail chain in Spain and the potential impact of macroeconomic situation on its business*

**Background:**

*An International Private Equity Fund was interested in investing into a group of lease-back properties from a large Spanish food retailer chain. The Private Equity Fund, however, was unsure about the risks associated with this investment because of two main factors: the macroeconomic situation in Spain and the competitive position of the particular food retail chain*

**Assignment:**

*We performed a three-week case to find out the competitive position of the food retail chain, and to assess the potential impact of Spanish macroeconomic situation on the food retail business*

**Strategy:**

- Developed an understanding of the food retail market trends and key value generation drivers in Spain and in the rest of Europe*
- Interviewed the management team and international experts in the topic*
- Assessed retail chain business plan vis-à-vis market trends and key value generation drivers*
- Determine the competitive position of the supermarket chain in comparison with main players*
- Identified key macroeconomic drivers of supermarket demand in volume and prices*
- Prepared several scenarios for Spanish macroeconomic situation and assessed their impact in supermarket demand*

**Result:**

*Based on the conclusions, the Fund decided to invest in the lease back opportunity*