



Blackwells calls for change at Supervalu's board

Activist Insight

19 July 2018

Activist investor Blackwells Capital has sent a letter to Supervalu shareholders calling for their support in overhauling the company's board as it believes the incumbent directors are incapable of serving shareholder interests.

The activist, which owns a stake of over 8% in the grocery distributor and retailer, said that under the current directors' tenure Supervalu's share price has dropped by at least 63% and by 92% over the past 10 years.

"We are astounded that Supervalu believes it can advocate for the re-election of its incumbent directors without so much as attempting to address the tremendous losses shareholders have suffered during the tenure of this board," said Blackwells Managing Partner Jason Aintabi.

Blackwells said that Supervalu's board has been seeking shareholder support "as if all is well and the current board is perfectly capable of serving shareholder interests," while there is no evidence of that.

"We believe the board recognizes it cannot run an election campaign on its own disastrous performance record and has instead decided that making spurious and irrelevant statements about Blackwells is the best approach to ensuring its continued tenure as directors. Shareholders are smarter than this," the investor said in the letter.

Moreover, Blackwells said that the vote before shareholders is an opportunity to hold the incumbent directors accountable for the "astounding" value destruction that occurred under the current board's tenure.

Aintabi concluded by saying that it is troubling that Supervalu's board has the boldness to seek re-election while ignoring its own track record and distorting Blackwells' intentions.

Earlier this week, Supervalu published a 59-page presentation in which it outlined to shareholders the progress being made by the business and why Blackwells should not be successful in gaining board seats.

Supervalu's shares closed down 3.6% on Wednesday at \$21.50 per unit.