



Tuesday March 1<sup>st</sup>, 2022

## **Strong full year and Q4 2021 performance driven by enhanced Foodservice proposition and improved market conditions**

**BLACKBURN, UK: March 1, 2022** – EG Group is pleased to announce a trading update for the fourth quarter of 2021, representing the three months to December 31, 2021, alongside the Group’s unaudited full year 2021 results.

### **FY 2021 performance**

- Reported Group EBITDA increased by 16.3% to \$1,451m over the full year, primarily driven by a stand-out performance in Foodservice and the further easing of Covid-19 restrictions in many territories. Group EBITDA increased by 15.2% on a like-for-like basis
- Foodservice operations continue to go from strength to strength, with gross profit increasing by 99.9% year-on-year and 66.9% on a like-for-like basis. This has been driven by the continued customer demand for “to go” and delivery offerings and more favourable trading conditions related to the pandemic compared with 2020 augmented by the continuous pipeline of Foodservice outlet openings across the Group and completed 2021 acquisitions
- Grocery & Merchandise sales remained resilient with a year-on-year increase in gross profit of 9.9%. Increased sales were seen across the majority of regions as travel restrictions have been gradually lifted in most geographies, and improved gross margin as product mix has stabilised as trading activity normalised during the year

### **Q4 highlights**

- Group EBITDA for Q4 2021 increased by 69.9% year-on-year to \$377m driven by a strong performance in Foodservice, as well as recovery from challenging pandemic related market conditions in Q4 2020
- Our Foodservice operations showed significant strength, with gross profit increasing by 75% year-on-year and 30% on a like-for-like basis. This increase is supported by continued customer demand for “to-go” and delivery offerings, and the opening of 52 new Foodservice outlets in the quarter, in addition to the acquisition of Cooplands in the UK&I

### **Q4 M&A**

- In October 2021, EG Group completed on the acquisition of CS Food Group Holdings Limited (“Cooplands”), the UK’s second largest bakery chain, which it plans to expand in the UK, including via the Group’s unparalleled network of forecourts and retail convenience stores
- In November 2021, EG Group announced the acquisition of Sprint Food Stores, an operator of a portfolio of 34 high quality, company-operated convenience stores in South Carolina and Georgia, expanding EG’s USA operations to two additional states and almost 1,750 sites across the USA
- EG Group expects that the OMV forecourt transaction will complete in Q2 2022 following the German Anti-Trust Authorities clearance decision, where the Group has agreed to divest 48 sites in order for the transaction to proceed, 24 of which are in EG’s existing estate and 24 in the OMV estate
- During Q4 the Group completed the divestment of 32 sites in the UK&I, addressing the findings of the CMA’s review of the Shareholders acquisition of Asda

### **Group financial position**

- Net leverage at December 2021 of 5.9x compared with 6.1x in September 2021
- At December 31, 2021 the Group had cash and cash equivalents of \$671m, with liquidity headroom of \$1,258m
- In December, the Group drew down a £220m (\$295m) bridge facility to fund the Leon and Amsric acquisitions in the UK

## Q4 and FY21 financial summary

\$m	Q4			FY		
	2020	2021	Var (%)	2020	2021	Var (%)
Total revenue	5,336	7,079	+32.7%	21,463	26,511	+23.5%
Group EBITDA	222	377	+69.9%	1,248	1,451	+16.3%
Grocery & Merchandise gross profit	267	327	+22.4%	1,227	1,348	+9.9%
Foodservice gross profit	104	182	+75.1%	305	609	+99.9%
Fuel gross profit	497	534	+7.3%	1,875	1,941	+3.5%
Total revenue LFL	5,317	7,002	+31.7%	21,445	26,340	+22.8%
Group EBITDA LFL	223	373	+67.3%	1,248	1,437	+15.2%
Grocery & Merchandise gross profit LFL	265	325	+22.6%	1,226	1,347	+9.8%
Foodservice gross profit LFL	104	136	+30.1%	304	508	+66.9%
Fuel gross profit LFL	496	533	7.5%	1,874	1,940	+3.5%

\$m	Sep-21	Dec-21	Var (%)	Sep-21	Dec-21	Var (%)
Net Debt	8,953	9,556	(6.7)%	8,953	9,556	(6.7)%
Liquidity headroom	1,675	1,258	(24.9)%	1,675	1,258	(24.9)%

## 2021 highlights

- Strengthened Group corporate governance with appointment of Lord Stuart Rose as Chairman and Dame Alison Carnwath as Audit Committee Chair during Q1 2021, following the appointment of John Carey in November 2020 as an independent NED
- Recruitment of Amina Batool as Group Head of ESG & Sustainability in September 2021
- Audit, Remuneration and Nomination Committees established with regular meetings held during the year, and establishment of executive Risk and Disclosure and ESG sub committees
- Completion and integration of six bolt on acquisitions during 2021 across the UK&I, Continental Europe and USA regions, expanding the Group's Foodservice and US operations, with the purchase of LEON, the UK-based 'naturally fast food' restaurant chain, Cooplands, marking its first acquisitions of proprietary Foodservice brands, and Sprint, in the USA, expanding the Group's US presence to South Carolina and Georgia
- 134 new Foodservice outlets opened in the year, with total Foodservice gross profit of over \$600m – double the amount reported in 2020. Almost 60% of the UK & Ireland's gross profit for 2021 was generated by Foodservice operations
- Continued capital investment, with 28 new to industry sites opened in the year
- Progression of the key strategic alliance between EG and the UK supermarket, Asda, - which is mutually beneficial and creates significant value for both organisations – with 31 new Asda on the Move openings on EG locations in the year and the introduction of 13 Foodservice outlets at Asda locations

## Zuber Issa CBE and Mohsin Issa CBE, co-founders and co-CEOs of EG Group, commented:

*"This excellent Q4 performance caps a transformational year for EG Group. The star performer for the year was Foodservice – which remains the biggest long-term growth opportunity for the Group – while our Grocery and Merchandise and Fuel businesses also demonstrated their resilience as pandemic-related restrictions continued to ease.*

*"In Foodservice, we not only continued to expand and invest in growing our partnerships with global brands, but we also made important acquisitions of proprietary businesses with the purchase of LEON, the naturally fast-food chain, and Cooplands, the UK's second biggest bakery operator.*

*"We look ahead to this current financial year with confidence to build on our strong foundations and growth platform. With many of our key geographies easing their Covid-19 guidelines, EG Group is extremely well positioned to deliver further progress and take advantage of the opportunities ahead. We would also like to thank all EG colleagues for their incredible, hard work during a testing year."*

- ENDS -

**About EG Group**

Founded in 2001 by the Issa family, United Kingdom-based EG Group is a leading convenience retailer which has established partnerships with global brands. The business has an established pedigree of delivering a world-class Grocery & Merchandise, Foodservice and Fuel offer.

EG Group currently employs in excess of 50,000 colleagues working in more than 6,300 sites across USA, UK & Ireland, Continental Europe and Australia.

Zuber Issa CBE and Mohsin Issa CBE, founders and co-CEOs, EG Group, were honoured in the Queen's Birthday Honours List 2020 for their contribution to business and charity. They were also jointly named the 2018 EY Entrepreneur of the Year in the UK.

**Forward looking statements**

Certain statements contained in this release are forward looking statements, and may discuss our future plans or our expectations regarding our business performance.

Forward looking statements are not guarantees of future business performance or that that future events will occur, and inherently involve certain risks, uncertainties and assumptions which are difficult to predict and outside of the control of management. Therefore, actual outcomes and results may differ materially from what is expressed in any forward-looking statements, and we cannot assure you that the results or developments expressed in these statements will be realized or even if realized, will have the expected consequences to, or effects on, us or our business, prospects, financial condition, results of operations or cash flows.

You should not place undue reliance on these forward-looking statements, which speak only as of the date of this release. Other than as may be required under applicable law, we disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events.

**For further information please contact:****Finsbury Glover Hering**

Rollo Head 07768 994987

Jenny Davey 07901 513610

James Thompson 07947 79695

EGGroup-LON@finsbury.com

**EG Group**

Daniela Carette, Director of Group Finance

ir@eg.group