

## **EG Group announces strong Q4 and FY24 trading performance together with continued strategic progress**

- *Underlying EBITDA increased by 9% to \$992m in FY24 – with significant contributions from the Group’s US and European divisions*
- *The Group continued to delever in FY24, strengthening its balance sheet through non-core divestments and improving free cash flow through working capital initiatives and the successful repricing of EUR and USD Term Loans*
- *The appointment of seasoned executive Bob Dennis reinforces the Board*

**BLACKBURN, UK: February 26, 2025** – EG Group is pleased to announce a trading update for the fourth quarter of 2024, representing the three months to December 31, 2024, alongside its unaudited full-year 2024 results.

EG Group delivered a strong trading and operating performance in 2024, which, alongside significant strategic and deleveraging progress, positions the business well for future growth.

**Mohsin Issa CBE, CEO of EG Group, said:**

“2024 was another successful year for EG Group. We grew full-year EBITDA by 9% on an underlying basis, with notable contributions from our USA and European businesses. This excellent performance is testament to the efforts and commitment of our 38,000 colleagues who continue to deliver great customer service across our Grocery & Merchandise, Foodservice and Fuel propositions each day, as well as our financial and operational delivery.

“We made significant progress with further reducing the quantum and price of our debt – bolstered by non-core divestments and the repricing of our EUR and USD Term Loans – and we are committed to further deleveraging in a disciplined manner.

“The actions we took last year have positioned us for further growth and together with our extensive portfolio of assets in nine countries globally, will provide a platform for us to maximise future growth opportunities to further strengthen our position as a leading independent convenience and fuel retailer.

“Looking ahead, we are well placed to progress as a business in 2025, and I look forward to working with our global team to deliver continued growth.”

### ***Strong Q4 performance***

For the fourth consecutive quarter, EG Group reported underlying earnings growth – delivering a 7% increase in underlying EBITDA in Q4. This was primarily driven by a particularly positive performance in Grocery & Merchandise, where gross profit rose 10% due to the impact of product and market-based initiatives at EG America. The Group’s price-focused strategy in Foodservice also delivered a 4% increase in gross profit. Q4 fuel performance was characterised by challenging market conditions in the US and Australia, offset by a resilient performance in Europe.

The US delivered an 8% increase in underlying EBITDA in Q4, while Europe – with operations in including Germany, Italy, France, Netherlands, Luxembourg, Belgium and the UK– grew by 19% in the same period on an underlying basis.

### ***USA and Europe drive full year growth***

All of the Group’s business streams delivered growth in FY24 – with underlying EBITDA rising 9% to \$992m (11% on a like-for-like basis).

Grocery & Merchandise gross profit rose by 7% to \$1.26bn, driven by a gross margin increase of 193bps to 31.1%. Foodservice also delivered pleasing returns, with gross profit rising 5% to \$494m and gross margin increased by 195bps to 59.7%. Fuel performed resiliently despite fluctuating market conditions, with a slight decline of -0.3% in gross profit (on a like-for-like basis) and flat margins globally.

EG Group's US business – which operates proprietary brands, including Cumberland Farms, Fastrac, Kwik Shop, and Quik Stop – delivered full-year underlying EBITDA growth of 17% in FY24. This was driven by a continued improved performance from growth initiatives focused on four key areas: product, fuel, customer engagement, and operating efficiencies. Initiatives included coffee and dispensed beverage pricing and product range optimisation, underpinned by data analysis and merchandising innovation.

In Europe – where EG operates proprietary brands, including GoFresh, and partners with leading retailers such as Carrefour, Louis Delhaize and REWE – the Group delivered a 12% increase in underlying EBITDA in FY24, with the region's Grocery & Merchandise, Foodservice and Fuel business streams contributing to growth in gross profit.

### ***Continued commitment to deleveraging and disciplined growth capital investments***

EG Group strengthened its balance sheet through non-core divestments and targeted refinancing activities in FY24. In April, the Group completed the sale of its remaining 218 UK&I KFC franchise restaurants to Yum! Brands' KFC division and in October it completed the divestment of its remaining forecourt business and certain foodservice locations to EG Group's co-founder, Zuber Issa (who remains a Non-Executive Director of EG Group). These transactions, alongside a series of non-core US asset disposals, supported further deleveraging and positions EG Group for continued growth in its core markets.

The Group successfully repriced its EUR Term Loans in November and USD Term Loans in December 2024 at attractive rates, with additional demand to enable the full repayment of its Second Lien facility. These repricing transactions, together with the debt repayments from disposal proceeds, have resulted in a material reduction in annual financing costs, generating additional free cash flow for investment in growth opportunities. In recognition of EG's improved credit metrics and continued deleveraging, Moody's upgraded its outlook to stable in November 2024 and affirmed its B3 rating.

In keeping with the commitment to the Group's financial policy, full year free cash flow was positive before the impact of proceeds from disposals through the execution of working capital initiatives together with controlled reductions in our discretionary growth capital expenditure programme during the year. The Group remains committed to its financial policy which includes further deleveraging and disciplined allocation and execution of capital investments.

### ***Strengthened Board and Governance***

In February 2025, the Group strengthened its Board with the appointment of Bob Dennis as an Independent Director. Bob is a seasoned financial professional who most recently served as Energy and Industrial Products Sector Lead at KPMG LLP in Denver, US and brings extensive experience in the energy and natural resources, transportation, and food and drink sectors in the US – EG Group's single largest market.

EG Group also retains a strong commitment to ESG and will continue to work towards adapting the business to ensure it is ready for the low carbon economy. In 2024, we developed forecasts for the Group's scope 3 carbon emissions for the first time, and we expect to see a minimum 15% reduction by 2030 (vs 2021). This is based on forecasting prepared with the Carbon Trust, which has been approved by the board and is aligned with wider business growth forecasts.

- ENDS -

## **About EG Group**

Founded in 2001 by the Issa family, United Kingdom-based EG Group is a leading independent convenience retailer, which has established partnerships with global brands, as well as a focused portfolio of proprietary brands.

The business has an established pedigree of delivering an excellent Grocery & Merchandise, Foodservice and Fuel proposition in all the markets in which it operates. EG Group currently employs c. 38,000 colleagues working in over 5,500 sites across Europe, USA and Australia. The business is regularly recognised for innovation and investment in convenience retail assets, employees and systems. Zuber Issa and Mohsin Issa, co-Founders of EG Group, were 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 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:**

### **FGS Global**

**Rollo Head: 07768 994987**

**Jenny Davey: 07901 513610**

**Alex Lusty: 07795 950497**

**[EGGroup-LON@fgsglobal.com](mailto:EGGroup-LON@fgsglobal.com)**

### **EG Group**

**Daniela Higgins, Director of Group Finance**

**[Daniela.Higgins@eg.group](mailto:Daniela.Higgins@eg.group)**