



Tuesday May 24th, 2022

Resilient Q1 performance against backdrop of challenging market conditions

BLACKBURN, UK: May 24, 2022 – EG Group is pleased to announce a trading update for the first quarter of 2022, representing the three months to March 31, 2022.

Q1 performance highlights

- Group EBITDA for Q1 2022 increased by 2.0% to \$270m on a reported basis year-on-year, and 2.1% on a like-for-like basis, primarily driven by continued growth in Foodservice, alongside the impact of macro-changes in the wholesale fuel market on EG's Fuel operations
- Strong performance in Foodservice operations, with gross profit increasing by 54% year-on-year to \$175m and up 20% on a like-for-like basis. Growth in Foodservice continues to be supported by the Group's pipeline of openings and investment in EG's existing estate
- Grocery & Merchandise gross profits of \$293m remained broadly consistent with the prior year, increasing by 0.8% on a reported basis. Margins remained consistent with the prior comparable period despite rising wholesale and goods distribution costs
- Fuel gross profit for the quarter increased by 16% to \$481m on the prior comparable period last year but gross profit margins marginally reduced compared with the quarter ending December 21, 2021, partially driven by increased market volatility due to the impact of geopolitical events on wholesale oil prices and demand

Q1 financial summary

\$m	Q1			YTD		
	2021	2022	Var (%)	2021	2022	Var (%)
Total revenue	5,522	6,910	+25.1%	5,522	6,910	+25.1%
Group EBITDA	265	270	+2.0%	265	270	+2.0%
Grocery & Merchandise gross profit	290	293	+0.8%	290	293	+0.8%
Foodservice gross profit	114	175	+54.2%	114	175	+54.2%
Fuel gross profit	416	481	+15.8%	416	481	+15.8%
Total revenue LFL	5,483	6,789	+23.8%	5,483	6,789	+23.8%
Group EBITDA LFL	263	268	+2.1%	263	268	+2.1%
Grocery & Merchandise gross profit LFL	289	289	+0.2%	289	289	+0.2%
Foodservice gross profit LFL	112	135	+20.0%	112	135	+20.0%
Fuel gross profit LFL	413	476	+15.3%	413	476	+15.3%

\$m	Dec-21	Mar-22	Var (%)	Dec-21	Mar-22	Var (%)
Net Debt	(9,559)	(9,351)	+2.2%	(9,559)	(9,351)	+2.2%
Liquidity headroom	1,258	1,349	+7.3%	1,258	1,349	+7.3%
Cash and Cash Equivalents	671	763	+13.7%	671	763	+13.7%

Group financial position

- At March 31, 2022 the Group had cash and cash equivalents of \$763m, \$466m of cash and cash equivalents were utilised for the OMV settlement on May 1, 2022
- Net leverage at March 2022 of 5.8x, compared with 5.9x in December 2021

ESG

- ESG materiality assessment conducted with external support in Q1 2022 to identify and define EG's material ESG issues. Priorities include climate and the transition to a low carbon economy, as well as colleague wellbeing; diversity, equity and inclusion; and waste
- Recently announced ambition to create more than 32,000 jobs globally over a five-year period
- As of April 2022, EG Group has 250 electric vehicle charging points at 98 sites in the UK and Europe, including investing in ultra-fast EV chargers across its estate

M&A

- The Group's acquisition of 285 forecourts located in Southern Germany from the OMV Group completed on May 1, 2022, following 'anti-trust' clearance from the German Federal Cartel Office on condition of the sale of 48 stations, of which 24 were EG sites and 24 were OMV stations

Foodservice rollout update

- 26 Foodservice outlets were opened in the quarter, bringing the total number of outlets at the Group level to over 1,800
- 21 of these Foodservice outlets were opened in the UK&I, including Subway, Greggs, Cinnabon and Sbarro sites

Audit

- The Group received majority consents from its lenders and investors in the solicitation process to agree that the timetable for delivery of the FY21 Audited Financial Statements to be no later than August 31, 2022

Zuber Issa CBE, co-founder and co-CEO of EG Group, commented:

"EG Group performed resiliently in the first three months of the year. Against an uncertain and fast-changing backdrop, the business continued to make good progress against its strategic objectives across the Group's operations."

"The strong performance in Foodservice was supported by UK acquisitions from 2021 that contributed \$40 million of gross profit across the quarter, while the business continues to benefit from ongoing investment and the rollout of new sites, including our proprietary brands and partnerships with franchise partners. This momentum only serves to underline our belief that Foodservice represents the biggest opportunity for EG Group globally."

"The outlook for the year remains uncertain with household budgets already coming under significant inflationary pressure. However, we remain confident that the geographic diversity of our business and our highly complementary Grocery and Merchandise, Foodservice and Fuel operations will continue to underpin our resilience and allow us to outperform the wider market."

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About EG Group

Founded in 2001 by the Issa Family, United Kingdom-based EG Group is a leading petrol forecourt retail convenience operator which has established partnerships with global brands. The business has an established pedigree of delivering an excellent fuel, grocery and merchandise, and food service.

EG Group currently employs about 50,000 colleagues working in more than 6,500 sites across the UK&I, Europe, USA and Australia.

The business is regularly recognized for innovation and investment in convenience retail assets, the employees and the systems. Zuber Issa and Mohsin Issa, Founders and co- CEOs, EG Group, were jointly named the 2018 EY Entrepreneur of the Year in the UK.

Further information at www.eg.group

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.

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