

EG Group delivers strong performance in Q2, with underlying EBITDA growth of 12%

- *Underlying EBITDA rose by 12% to \$282m in Q2, driven by strong performances in the USA and Europe*
- *Gross profit up 5% on a like-for-like basis, driven by strong fuel and Grocery & Merchandise performance*
- *The sale of UK&I KFC business completed in the quarter and the divestment of the remaining UK forecourt business and certain standalone foodservice locations to co-founder Zuber Issa is on track to complete by Q4 2024*

BLACKBURN, UK: September 6, 2024 – EG Group is pleased to announce a trading update for the second quarter of 2024, representing the three months to June 30, 2024.

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

“EG Group delivered a strong performance in Q2 – with underlying EBITDA increasing by 12%, powered by a stand-out performance in the USA and earnings growth in Europe.

“In the USA, we continued to deliver on our strategic growth initiatives, designed to drive an improved organic performance. These include expanded dispensed beverage initiatives which – alongside improved margins in the Grocery & Merchandise segment – helped to grow EBITDA in the region by more than 25%. Meanwhile, strong fuel performance in Germany led to a 10% increase in underlying Europe EBITDA.

“The Group also made good strategic progress across the quarter by continuing to strengthen its balance sheet. The sale of the Group’s 216 KFC franchise restaurants in the UK and Ireland completed on April 29, and the Group remains on track to complete the sale of the remaining UK forecourt business by Q4 2024. Proceeds from these transactions will be used to repay debt.

“This excellent quarterly performance is in no small part due to the hard work of EG colleagues globally – and I would like to thank them sincerely for all their hard work and efforts, as we continue to deliver against our strategy.”

Strong Group Financial Performance

The Group grew underlying EBITDA by 12% to \$282m in Q2 2024, driven by growth in the USA and Europe. Group gross profit increased 5% on a LFL basis, boosted by strong fuel and Grocery & Merchandise performances.

Grocery and Merchandise gross margin grew by 2.4% and gross profit increased by 6% to \$336m, driven by coffee and dispensed beverage initiatives in the USA.

Foodservice saw continued growth as gross profit increased by 1% to \$127m for the quarter, following a continued focus on our customer offer and product pricing following underlying cost increases.

While total Fuel volumes declined marginally, strong performance in Europe, supported by ongoing favourable market conditions and new commercial terms in Germany, helped drive an increase in gross profit in the Fuel segment.

Under the leadership of EG America CEO and President John Carey, the USA continued to drive its growth initiatives around four key areas: product offer, fuel, customer engagement and operating efficiencies. The USA has continued to deliver on its expanded offerings with a focus on dispensed beverage, food and margin enhancing private label brands, while developing a

hyper-localised approach to enhance the customer experience. The Group has also continued to focus on improving fuel volumes sold by investing in growing market segments, including business-to-business and premium fuel offerings.

Strategic update

The Group continues to make good progress with its deleveraging strategy. In the quarter, the Group completed the sale of its 216 KFC franchise restaurants in the UK and Ireland to Yum! Brands' KFC Division, with the proceeds being used to repay debt.

Additionally, on April 18, the Group agreed to sell 19 of its convenience stores located in Kansas and Missouri, which operate under the Minit Mart banner, for net proceeds of c.\$21m, with the transaction expected to complete in September 2024. Further, on June 17, the Group agreed to sell 39 of its convenience stores located in Illinois, which also operate under the Minit Mart banner, for net proceeds of c.\$41m, with the transaction expected to complete in November 2024.

The transaction announced on June 7, 2024, to sell the Group's remaining UK forecourt business and certain standalone foodservice locations to co-founder Zuber Issa, is expected to complete by the fourth quarter.

Proceeds from these transactions will be used to repay debt, to further strengthen our balance sheet following the significant deleveraging and refinancing activity over the last 18 months.

Additionally, disciplined growth capex continued in Q2 2024, with \$39m of investment, a decrease of 39% on Q2 2023 as the Group remains focussed on liquidity and continued deleveraging in the near term.

Imraan Patel, Chief Strategy & Business Officer, General Counsel and Company Secretary, has informed the Board of his intention to step down from his role. The Group has commenced a search for his replacement.

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 the UK&I, 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.

EG Group, the pioneering international independent petrol forecourt and convenience retail operator, today announced a significant transition in its senior leadership and strategic direction.

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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