

EG Group delivers strong performance in Q3 with underlying EBITDA up 8% and further significant progress in strengthening the balance sheet

- *Underlying EBITDA rose by 8% to \$300m in Q3 driven by Grocery & Merchandise earnings growth, notably in the USA*
- *Sale of remaining UK forecourt business and certain foodservice locations to co-founder Zuber Issa now completed*
- *Co-founder Mohsin Issa now sole CEO, supported by highly experienced senior management*
- *Bridging facility fully repaid in November 2024*

BLACKBURN, UK: November 13, 2024 – EG Group is pleased to announce a trading update for the third quarter of 2024, representing the three months to September 30, 2024.

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

“The third quarter of 2024 saw another strong performance from EG Group. Underlying EBITDA rose by 8% with strong performances across both our Grocery & Merchandise and Foodservice segments. The performance of EG America was particularly pleasing, with earnings growth of 21%.

“The Group also made progress with its deleveraging strategy, with the disposal of the remaining UK forecourt business to Zuber completing at the end of October. Using the proceeds from this transaction and other non-core asset disposals, the Group fully repaid the bridging facility in November 2024, with the remaining proceeds to be used to repay senior debt. A number of cash flow initiatives also allowed the Group to repay the revolving credit facility at the end of September 2024. The Group remains committed to further strengthening its balance sheet through the consistent execution of its deleveraging strategy.

“EG Group expects to continue delivering its strong financial performance through its diversified and cash generative business model. As a leading global independent convenience retailer, EG Group has a differentiated customer proposition that is supported by well-known premium brand partnership and proprietary brand offerings. Now with a strengthened balance sheet, the Group has the resilient operations and scale to win in an industry where size is vital for success.”

Strong Group Financial Performance

Underlying EBITDA at a group level grew by 8% to \$300m in the third quarter. Gross profit was up 2%, with strong performance across Grocery & Merchandise and Foodservice.

Grocery & Merchandise gross profit increased by 4% for the quarter, to \$344m. This was driven by improved gross margins, with dispensed beverage initiatives in the USA offsetting more challenging industry-wide economic conditions in the market.

Foodservice gross profit increased by 4% to \$117m for the quarter, with the Group’s price-focused strategy driving improved sales and marketing.

For Fuel, higher volumes in France and Italy were partially offset by the USA, where the business continues to outperform the market despite falling volumes. At a Group level, volumes increased by 3% in the quarter, which – combined with stable margins – drove gross profit growth.

In the USA, EG America – led by CEO and President John Carey – delivered above market fuel volumes, Grocery & Merchandise margin expansion and operating efficiencies, with a continued focus on identifying opportunities to strengthen the core business organically and drive sustainable growth.

M&A and deleveraging update

On October 31, 2024, the business completed the sale of its remaining UK forecourt business, and certain standalone foodservice locations to Zuber Issa. The transaction generated net proceeds of £263m (\$342m), which remain subject to customary closing purchase price adjustments.

Additionally, on November 8, 2024, the Group completed the sale of 19 of its convenience stores located in Kansas and Missouri, which operate under the Minit Mart banner, for net proceeds of \$21m. Separately, in June 2024, the Group agreed to sell 39 of its convenience stores located in Illinois, for net proceeds of \$38m. The transaction is expected to complete in November 2024.

In November 2024, the Group used proceeds from disposals to fully repay the bridging facility. In addition, cash flow initiatives allowed full repayment of the RCF in September 2024. Following these steps, the Group has now fully addressed its near-term debt maturities.

This deleveraging activity, alongside the Group's strong performance in 2024 and improved free cash flow, has resulted in Moody's upgrading the outlook of the business from negative to stable.

EG Group remains committed to continued deleveraging through consistent execution of its financial policy.

Strategy update

Actions taken over last 12 months demonstrate the Group's commitment to its disciplined financial policy, significantly reducing leverage to create a sustainable business. EG Group now has a strengthened balance sheet, which will continue to be supported by its highly cash generative business model.

Going forward, strong financial performance will be achieved through organic growth and earnings initiatives. Group earnings benefit a resilient and diverse earnings mix driven by a differentiated customer proposition, which is supported by well-known premium brand partnerships and proprietary brand offerings. This is underpinned by EG Group's global scale, with operations in nine countries serving almost 1bn customers annually through a diverse range of global and local speciality brands.

This resilient business model will be delivered by the Group's seasoned management team. Leadership enhancements over the past 12 months have strengthened the Group, and we have an experienced management team with extensive industry experience in place.

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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