

EG Group posts resilient Q3 performance

BLACKBURN, UK: November 28, 2022 – EG Group is pleased to announce a trading update for the third quarter of 2022, representing the three months to September 30, 2022.

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

“We are pleased with the third-quarter performance, which again proves the resilience of the Group against the prevalent global uncertainty. During this period, the benefit of our geographic diversification was demonstrated as the performance of the US and Australian businesses offset the weaker UK trading, with significant cost headwinds in energy, labour and logistics costs that also impacted our other markets.”

“Despite these macro-economic challenges, we continued to deliver against our strategic objectives by our ongoing investment in non-fuel retail, driving further innovation and cost efficiencies with our major brand partners and finally, strengthening our convenience store proposition with the ongoing rollout of Asda ‘On the Move’ across our UK forecourt network.”

“The publication of our first ESG report in October was a milestone moment for the company, setting out our net zero ambitions and our energy transition plans to lower-carbon fuels.”

“We have been hugely encouraged by the initial trial of our ultra-fast chargers and infrastructure, evpoint. Our disciplined rollout will see ultra-fast charging being made available at a further 20 EG sites by the end of this year and we are exploring a range of options to further accelerate this proposition. We are already seeing the benefits of combining EV charging infrastructure with our multi-service sites, which allow consumers to enjoy a meal or a cup of coffee, or shop for groceries while they wait for their car to charge.”

“The continued hard work of our colleagues was critical in the last quarter, and we remain committed to supporting them, our customers and our communities during these challenging times. Looking ahead, we remain cautious about the macro-economic outlook, but are confident that we have a highly resilient business, which is well-placed to outperform the wider market.”

“Finally, I would like to congratulate Imraan Patel on his recent promotion to Chief Strategy & Business Officer, building on his original appointment as Group General Counsel and Company Secretary in 2016, and welcome Michael Bradley as our newly appointed Group CFO. Along with the rest of our senior leadership team, I believe the Group has the necessary strategic leadership expertise and depth of operational experience to ensure we successfully traverse the economic challenges facing everybody.”

Q3 performance highlights

- EG delivered a resilient performance with Group EBITDA increasing by 10% to \$470m on a constant currency basis in Q3 2022. On a reported basis, Group EBITDA increased by 2% to \$437m year-on-year, primarily driven by growth in the US, Australia and Continental Europe, including the Group’s acquisition from OMV of 285 forecourts in southern Germany
- Foodservice operations continued to grow with a further 14 Foodservice outlets opening during the quarter – taking the total to 1,895 – with gross profit increasing by 21% year-on-year to \$207m for the quarter on a constant currency basis, driven by acquisitions and new openings across Continental Europe and UK&I regions
- Growth continued across the Group’s Grocery & Merchandise operations with gross profit for the quarter increasing by 5% year-on-year to \$387m on a constant

currency basis, attributable to the positive impact of Asda 'On the Move' store conversions in the UK&I and the opening of new-to-industry grocery sites

- Fuel gross profits increased during the quarter, driven primarily by growth in the US, but this was largely offset by a significant increase in our costs – with year-to-date overheads increasing due to labour, energy and logistics costs

Q3 financial summary (constant currency)

| \$m | Q3 | | | YTD | | |
|--|-------|-------|---------|--------|--------|---------|
| | 2021 | 2022 | Var (%) | 2021 | 2022 | Var (%) |
| Total revenue | 7,176 | 8,882 | +23.8% | 19,419 | 25,005 | +29.0% |
| Group EBITDA | 428 | 470 | +9.8% | 1,073 | 1,132 | +5.5% |
| Grocery & Merchandise gross profit | 370 | 387 | +4.7% | 1,005 | 1,049 | +4.4% |
| Foodservice gross profit | 171 | 207 | +21.3% | 444 | 586 | +32.0% |
| Fuel gross profit | 511 | 640 | +25.3% | 1,404 | 1,685 | +20.0% |
| Total revenue LFL | 7,154 | 8,343 | +16.6% | 19,261 | 26,680 | +38.5% |
| Group EBITDA LFL | 426 | 443 | +4.0% | 1,060 | 1,202 | +13.4% |
| Grocery & Merchandise gross profit LFL | 369 | 382 | +3.6% | 998 | 1,157 | +15.9% |
| Foodservice gross profit LFL | 170 | 177 | +4.0% | 440 | 548 | +24.5% |
| Fuel gross profit LFL | 509 | 607 | +19.2% | 1,394 | 1,796 | +28.8% |

Q3 financial summary (reported)

| \$m | Q3 | | | YTD | | |
|--|-------|-------|---------|--------|--------|---------|
| | 2021 | 2022 | Var (%) | 2021 | 2022 | Var (%) |
| Total revenue | 7,176 | 8,060 | +12.3% | 19,419 | 23,276 | +19.9% |
| Group EBITDA | 428 | 437 | +2.1% | 1,073 | 1,062 | (1.0)% |
| Grocery & Merchandise gross profit | 370 | 365 | (1.2)% | 1,005 | 1,005 | --% |
| Foodservice gross profit | 171 | 179 | +5.1% | 444 | 532 | +19.9% |
| Fuel gross profit | 511 | 594 | +16.4% | 1,404 | 1,587 | +13.0% |
| Total revenue LFL | 7,154 | 7,591 | +6.1% | 19,261 | 22,310 | +15.8% |
| Group EBITDA LFL | 426 | 413 | (3.1)% | 1,060 | 1,015 | (4.3)% |
| Grocery & Merchandise gross profit LFL | 369 | 361 | (2.1)% | 998 | 993 | (0.5)% |
| Foodservice gross profit LFL | 170 | 153 | (9.8)% | 440 | 435 | (1.1)% |
| Fuel gross profit LFL | 509 | 566 | +11.1% | 1,394 | 1,531 | +9.8% |

| \$m | June-22 | Sep-22 |
|---------------------------|---------|---------|
| Net Debt | (9,403) | (9,082) |
| Liquidity headroom | 971 | 908 |
| Cash and Cash Equivalents | 418 | 322 |

Group financial position

- Total net leverage at September 2022 of 5.8x is an improvement of 0.1x on the previous quarter
- Management is committed to reducing total net leverage through debt reduction and free cash flow generation, with the Group actively exploring a range of deleveraging options

Strategic partnership

- EG has opened 65 Asda 'On the Move' convenience stores across the Group's UK forecourt network, alongside continuing to introduce additional Foodservice outlets including its proprietary brands, LEON and Cooplands, and third-party branded offerings

Leadership update

- Imraan Patel was promoted to Chief Strategy & Business Officer from October 1, 2022, following his appointment as Group General Counsel and Company Secretary in 2016. Imraan will support the co-CEOs in developing, communicating and implementing key corporate strategic initiatives across the Group and will play a key role in determining the Group's strategy and its country operations

ESG

- EG Group's first ESG report was published in October 2022. The Group will report on ESG annually, to provide progress updates against its ESG strategy and targets
- The Group continued to add its proprietary branded ultra-fast electric vehicle charging proposition, evpoint, in the UK, demonstrating the value created by EG's highly complementary site operations and the Group's diversified business model. Evpoint signals the ongoing progress with the Group's journey to become a leader in servicing demand for lower-carbon vehicular fuels
- The Group plans to roll out evpoint at more than 20 additional EG sites across the UK by the end of 2022

- 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 more than 50,000 colleagues working in over 6,600 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, 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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