

## EG Group makes significant progress on deleveraging and completes refinancing of all 2025 maturities

- Completed the sale of EG UK operations to Asda, bringing total debt repayment in 2023 to c.\$4bn, significantly reducing the Group's net leverage and strengthening its platform for international growth and the energy transition
- Successfully executed the refinancing of all 2025 maturities: completion of the Amend & Extend of Term Loans; issued new Senior Secured Notes; secured Privately Placed Notes; and agreed a new Bridging Facility to repay existing debt
- EG reported growth in Q3 across Foodservice, and Grocery & Merchandise, reaffirming its diversified earnings strategy – against a strong comparative quarter for fuel in 2022
- Strategic deal with Tesla signed for evpoint – EG's proprietary branded ultra-fast charging point proposition – which further supports the Group's transition to Net Zero

**BLACKBURN, UK: November 29, 2023** – EG Group is pleased to announce a trading update for the third quarter of 2023, representing the three months to September 30, 2023.

**Zuber Issa and Mohsin Issa, CBE co-founders and co-CEOs of EG Group, said:**

*"We made significant progress in the quarter with our deleveraging strategy and putting in place a sustainable capital structure for the medium to long-term, following completing the sale of the majority of EG Group's UK business to Asda on October 31, 2023. On 27 November, we achieved an important milestone by addressing all our remaining 2025 maturities through successfully completing our refinancing activities. These included the Amend & Extend of Term Loans from 2025 to 2028 – and issuing new Senior Secured Notes. We remain focused on deleveraging the business and driving earnings growth in the near term.*

*"We continued to deliver upon our key strategic priorities in Q3, including growing gross profit in our foodservice, and grocery and merchandise businesses. In particular, foodservice – which continues to represent a significant growth opportunity globally – delivered a standout performance with gross profit up 24% in Q3, driven by increased revenues, as customers responded positively to our evolving and compelling proposition.*

*"In the quarter, we also signed a ground-breaking deal with Tesla to purchase their latest ultra-fast charging units – demonstrating how we continue to progress our strategy on EVs and alternative fuels. The agreement will support the delivery of crucial EV infrastructure for drivers, building on the momentum of our rapidly-growing evpoint business – EG's proprietary-branded ultra-fast vehicle charging proposition. We see a significant opportunity to deploy EV charging points across our diverse site network.*

*"As we enter the final weeks of the year, we would like to thank our colleagues for their continued commitment and dedication to EG. We remain focused on executing our proven and successful strategy to create multi-purpose convenience retail sites across our international estate."*

### *Strategic update*

The Group continued to deliver against its deleveraging strategy – to repay and reduce its total debt – in the period.

On October 31, 2023, EG completed the sale of the majority of its UK & Ireland business to Asda generating a cash consideration of \$2.5bn. These proceeds have been used – together with the net proceeds from the recent sale & lease back transaction in the US and the \$43m net proceeds from the non-core US asset disposal – to repay almost \$4bn of the Group's debt and significantly reduce net leverage, in line with the previously announced financial policy and deleveraging strategy.

The Group remains committed to further deleveraging and to achieve a net leverage in the mid 4's in the near to mid-term through a focus on free cash flow generation, organic earnings growth and further non-core asset disposals.

On November 13, the Group agreed a deal to purchase Tesla's latest ultra-fast charging units for evpoint, EG's

proprietary branded, ultra-fast electric vehicle charging proposition, across the UK and Europe. This will further enhance the Group's evpoint roll out proposition, where the Group has an ambition to roll out up to 20,000 chargers across c.3,600 of its existing Petrol Filling Stations, as well as third-party locations, over time.

#### *Refinancing update*

The completion of the UK disposal to Asda enabled the Group to meet the conditions required to complete the Amend and Extend of \$1,714m of USD Term Loan, \$1,402m-equivalent of EUR Term Loan, and \$53m-equivalent of GBP Term Loan from February 2025 to February 2028, including new money of c.\$378m.

On November 27, 2023, EG Group completed the issue of \$1.6bn equivalent of Senior Secured Notes, which mature in November 2028. The Group has also secured an additional \$500m of privately placed notes and a \$200m equivalent bridging facility. These refinancing transactions will be used to repay the Group's existing facilities, addressing its remaining near-term 2025 maturities in full, and leaving only \$59m remaining in 2026.

#### *Performance review*

On an underlying basis, the Group's EBITDA declined by 18% to \$345m in Q3, primarily due to the impact of lower fuel volumes and a competitive environment in the quarter, as well as comparisons with the exceptional fuel market conditions in Q3 of 2022. Group revenue was \$7,608m in Q3, compared with \$8,060m in the same period in 2022.

The Group continued to make good strategic progress in the quarter, delivering growth in gross profit across Grocery & Merchandise and Foodservice, demonstrating the Group's proven and successful strategy. Continental Europe delivered a particularly strong performance in Q3, reflecting increased investment in the region and the significant growth opportunity in the market.

At a Group level, Grocery and Merchandise continues to perform well, with gross profit increasing by 2.8% for the quarter to \$376m. In the UK&I and Continental Europe, Grocery and Merchandise gross profit for the quarter increased by 12.8% and 5% year, respectively, due to higher sales and a strong focus on product mix and investment in new sites across both regions.

The Group's Foodservice gross profit increased by 24% to \$221m for the quarter, boosted by increased sales activity and improved margins across UK&I and Continental Europe and driven by increased footfall, particularly across the Benelux region.

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#### **About EG Group**

Founded in 2001 by the Issa brothers, the 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 a world-class Grocery & Merchandise, Foodservice and Fuel proposition in all the markets in which it operates.

The business is regularly recognised for innovation and investment in convenience retail assets, employees and systems. Mohsin and Zuber Issa, founders and co-CEOs 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.

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