



FOR IMMEDIATE RELEASE APRIL 17, 2020

EG GROUP Q1 2020 TRADING AND COVID-19 UPDATE

Further to the trading and COVID-19 update provided by EG Group on March 19, 2020 and in light of the developments regarding COVID-19, EG Group provides the following update.

Q1 2020 Trading Update

For the quarter ended March 31, 2020, EG Group expects to report an EBITDA of \$278m, an increase of \$140m on the same period in 2019¹. Like-for-like² EBITDA is expected to increase by 6% to \$146m (7% on a constant currency basis).

Reported LTM EBITDA to the end of March 2020 is expected to be \$993m, an increase of \$140m on the \$853m LTM reported EBITDA for the year ended December 31, 2019³.

Fuel sales volumes for the quarter ended March 31, 2020 were 5.0 billion liters, an increase of 1.4 billion liters, or 40%, on the same period in 2019. Like-for-like² fuel sales volumes decreased by 396 million liters, or 11%, with this primarily reflecting the impact of COVID-19 during March. Italy, with a Q1 fuel sales volume decrease of 85 million liters (21%) compared to Q1 2019, was the region that saw the largest proportional decrease in the quarter, reflecting the earlier timing of lockdown measures adopted in that country.

Wholesale fuel prices decreased throughout the quarter, reflecting the demand shock from COVID-19 and the supply dynamic of increased production by Saudi Arabia. The combination of a decrease in wholesale fuel pricing and strong retail pricing created a positive fuel margin per liter environment that in Q1 offset the volume decline.

Fuel margin for the quarter ended March 31, 2020 is expected to be \$468m, an increase of \$237m on the same period in 2019¹. Like-for-like² fuel margin is expected to increase by 14% to \$262m. Fuel USD cents per liter for the quarter is expected to increase from 6.49cpl to 9.42cpl, and on a like-for-like² basis an increase to 8.30cpl.

Higher than normal fuel margin per liter has continued into the second quarter, although the current fuel volume sales decrease in all regions is materially higher than that in Q1 due to the severe travel restrictions imposed to limit the spread of COVID-19.

¹ Results for the quarter to March 31, 2019 translated to USD using a EUR:USD exchange rate of €1:\$1.136. EBITDA is stated before the impact of IFRS16

² Like-for-like results exclude the impact of acquisitions that completed in the last twelve months being Woolworths Fuelco (Australia), Certified Oil, Fastrac, Cumberland Farms and Scotco (Herbert Group)

³ Results for the year ended December 31, 2019 translated to USD using a EUR:USD exchange rate of €1:\$1.119. EBITDA is stated before the impact of IFRS16

COVID-19 Update

COVID-19 Response Team (“CRT”) Update

Daily meetings have continued under the leadership of Mohsin and Zuber Issa, Co-CEOs, and Michael Hughes, Group CFO. The CRT continues to monitor the impact of COVID-19 on the business and implement strategies to navigate through the changing market conditions, as well as ensuring all public health advice is followed and that appropriate health safeguards are quickly implemented.

The CRT is in daily contact with all regional management teams and has had notable success in sharing best practices across the Group – in particular, from those countries where the pandemic is more advanced, to those countries which are a number of weeks later in their response cycle.

Colleagues, Customers and Communities

EG Group continues to be committed to supporting local authorities and governments to limit the spread of the virus. The health and safety of our colleagues, customers and communities remains our top priority.

The Group has now adopted best practice on homeworking for our head office and regional colleagues; utilizing secure technology platforms to maintain operational efficiency.

EG provides essential products and services and the Group has implemented an extensive range of measures to safeguard the safety of our colleagues and our customers. These measures include: protective screens at cash registers, personal protective equipment, on-site signage to observe social distancing recommendations, encouraging contactless and mobile payments and an increase in frequency of cleaning and sanitization of our sites.

The Group is deeply committed to the communities we serve. During these difficult times we have undertaken a number of initiatives to assist those in need: donating food, from the furloughing of our food operations, to local charities; making space available to store vital medical supplies; providing free coffee to first line responders; and making financial donations to health services.

To date we are aware of only a limited number of employees who have contracted COVID-19, with thankfully no fatalities. The Board is indebted to the thousands of front-line colleagues who are doing their part in these unprecedented times – they are enabling thousands of healthcare workers and first responders to travel to where they need to be and supply food and essential household goods to millions of families each week.

Impact on trading

All of the Group's convenience stores, except for approximately 50 of our smaller sites in North America and Europe, remain open for business. In our countries of operation c-stores and petrol stations have largely been ruled as essential businesses, and as such are required to remain open.

Mobility restrictions, implemented in response to the pandemic, have clearly adversely impacted road travel and hence fuel sales volume, with national lockdowns being in effect now for a number of weeks. Shop sales for a number of countries have nonetheless remained strong as our colleagues serve essential supplies to their local communities.

There remains no significant disruption to the Group's supply chain, and no expectation that fuel, shop or food supply will be at risk in the coming weeks.

With operations in ten countries, a diverse range of effects of COVID-19 on fuel sales volume and merchandise sales has been observed:

Europe: Prior to COVID-19, weekly fuel sales volume in Europe ranged from 145-155 million liters. This reduced with effect from the w/c March 23, and for the last three weeks has been in the region of 75 million liters.

The hardest hit regions are France and Italy with fuel sales volume for both of these countries reducing by circa 75%. French shop sales are currently down by circa 50%. Italy, as a dealer operated business with a low fixed cost base, is nonetheless still recording positive weekly EBITDA.

UK fuel sales volumes are down by around two-thirds but with shop sales showing resilience and not materially impacted. All UK food-to-go operations were closed on March 23, with over 8,000 colleagues regrettably furloughed from that date.

Fuel sales volumes are down by one-third in the Netherlands and just under 60% in BeLux. Shop sales are largely unaffected in the Netherlands but are down by up as much as 50% in BeLux.

Germany is the region where EG activity levels have been least affected. German fuel sales volumes are down by circa one-third but shop sales have been largely unaffected and for most days have been above 'normal' levels.

USA: A high concentration of the Group's US stores are in the north-east of the country, in states that are being hardest hit by COVID-19. USA fuel sales volumes are now circa 50% of normal levels – broadly consistent with the US national average for c-store operators (source: OPIS). Shop sales are in the region of 20% down year-on-year. The record fuel cents per liter recorded in March has softened but remains strong and above average historic levels.

Australia: Similar to the USA, Australian weekly fuel sales volumes are circa half of normal levels, partially offset by strong fuel margins. Shop sales are down by circa 10% year-on-year.

As significant restrictions in movement have now been in place across the territories in which the Group operates for some time, the impact to our trading has stabilized. The uncertainty moving forward is expected to be largely around the duration of the lockdown periods with it being noted that governments in most of our countries of operation are reviewing, or moving to, options to ease mobility restrictions.

To date, supportive fuel margins have continued in April in all regions, partially offsetting the fuel volume decline.

Financial Planning and Liquidity

The Group continues to take a number of decisive measures to protect liquidity and profitability, taking immediate and significant actions to reduce costs and optimize cash flow and liquidity:

- On April 15, the Group converted \$53m of surplus letter of credit lines to additional RCF
- Only essential capital spend is currently being approved, defined as: maintenance or spend required for regulatory/legislative reasons. Over \$200m of capital expenditure has been removed from the FY20 Capex Plan
- The Group has taken advantage of government actions implemented in response to the pandemic, including:
 - o payroll support for over 8,000 furloughed colleagues, principally in the UK and Ireland, and employment protection schemes (value of over \$10m per month)
 - o business rates relief (\$2m per month); and
 - o a deferral in taxes payable where such schemes are operated
- Over \$50m of excise duty and VAT refunds, including \$39m (€34m) due from the Netherlands, have been received

- The Group has applied for Government backed loan support in France and Germany. Opportunities for similar support in the UK, the Netherlands and the USA are being explored.
- The Group has leveraged its scale and strategic importance to secure extended payment terms with key suppliers, which to date has provided over \$40m of working capital improvement, with additional conversations ongoing
- Inventory levels are being reviewed and, where applicable, reduced to meet the latest demand requirements
- Short time working practices have been implemented, in part through flexing part time hours, in markets where furlough programs are not in place
- All non-essential spend has been suspended and variable operating costs, including maintenance costs, have been reduced
- M&A activity is on hold

As at April 16, 2020, the Group had \$457m of cash on hand and \$115m of available facilities. The Board remain confident that the Group has sufficient liquidity lines and cash flows during these uncertain times.

Nonetheless, given the significant uncertainty as to the duration of the COVID-19 impact on Group trading, the Group continues to engage in active discussions with long term financial partners to provide additional precautionary liquidity lines to support the Group in the medium and long term.

Next Update

The Group plans to deliver its Q1 2020 results, including management presentation, as scheduled in mid-May 2020. At that time an update on external developments and the latest impact on trading will be provided. An earlier update will be provided should there be any material change to the Group's operational or financial performance above that highlighted in this release.

About EG Group

EG Group is a founder-led business which combines site level operational excellence and innovation with industry leading growth. We are now one of the world's leading fuel and convenience retail businesses.

Since EG Group was founded in 2001 by the Issa family in the United Kingdom, it has grown to c.6,000 sites, operating in ten international markets and serving more than 23 million customers per week. EG Group has grown through store roll-outs and strategic acquisitions and now employs more than 50,000 colleagues.

In total, EG Group's brand dedicated functions manage and oversee c.1,500 food and drink-to-go units across its site network globally.

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.eurogarages.com

Forward Looking Statements

Past performance of the Company is not indicative of future performance. The future performance of the Company will depend on numerous factors which are subject to uncertainty. Forward-looking statements are not guarantees of future performance 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 such forward-looking statements. All subsequent written and oral forward-looking statements attributable to the Company or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements referenced above.

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