



EG GROUP AGREE 285 GERMAN FORECOURTS

EG Group continues its ambitious growth following an agreed acquisition of a network of 285 forecourts in Southern Germany from OMV Deutschland GmbH, for €485 million.

Zuber Issa, co-founder and co-CEO of EG Group said “We are very pleased to have reached an agreement to acquire the OMV retail business in Germany. The acquisition is an exciting opportunity for us to expand EG Group’s footprint in Germany, a key European market where we see significant growth potential. We look forward to integrating the business into our broader portfolio and further strengthening it through our expertise in grocery and merchandise and foodservice.”

Mohsin Issa, co-founder and co-CEO of EG Group, added: “The OMV team that will join the EG family have done an outstanding job of positioning the portfolio for success. The business delivers fuel throughput of approximately 1 billion litres per annum and has a loyal customer base. The supply agreements we

will inherit are extremely competitive and alongside the continuation of OMV fuel card acceptance, provide a solid foundation on which we can continue to build.”

The purchase price of €485 million is subject to customary net working capital and net debt adjustments, is being funded using existing cash reserves and facilities, and will be “leverage neutral” for EG Group.

EG has also agreed to assume outstanding lease liabilities, implying a total enterprise value of €614 million. The transaction is expected to close in 2021, subject to regulatory approvals.

The OMV sites are primarily in the Bavaria and Baden-Württemberg regions. The acquisition will expand EG’s presence in Germany, where EG already operates sites under the Esso fuel brand. As part of the agreement EG will inherit existing fuel supply agreements from OMV.

EG Group currently employs more than 45,000 people working in 6,000-plus sites across Europe, USA and Australia.

ADVERTORIAL



**FORECOURT SPOTLIGHT ON:
WALSH’S GALA KILTIMAGH**



Catherine Walsh, one of the store owners of Walsh’s Gala, Kiltimagh

John and Catherine Walsh have run the family business in Kiltimagh, County Mayo, for over 25 years.

“We started as a garage repairs and forecourt store, and joined the Gala group in 2014”, explained John. “We wanted to align with a strong, well-recognised national brand which we found in Gala. Maintaining independence and management of the business, while being part of a proactive professional symbol group was a big draw for us. Having the support and expertise of Gala for all aspects of our business has been key. Access to a wide range of products through Gala’s chilled distribution and central billing networks as well as our local Wholesaler Tuffy’s Wholesale was a big attraction too” said Catherine.

GALA SUPPORT

“The Gala Group is always on hand for business support, but constantly innovating, bringing new ideas and concepts to the table that help to elevate our business,” said John.

“Our Gala Retail Operations Executive, Paul Cluskey is available for advice and support, while having a local wholesaler in Tuffy’s Wholesale enables us to react immediately to meet customer needs.

“The support from the Group during the present Covid-19 pandemic

has been invaluable in ensuring our store is operating safely and in line with recommended guidelines.”

GALA CONCEPTS

“We have implemented Gala Baker’s Corner to great success, making the store a destination shop through the range, quality and consistency of the products. This has been complimented by Coffee Junction – a definite winner with customers by being a quality hot drinks product, giving an increase in coffee sales by 40% since its introduction,” Catherine explained.

“As a Forecourt store, our Gala Deli/ Hot Food offering is popular, guaranteeing a wide range of fresh, quality, hot and cold food options.”

NEW OPPORTUNITIES

What advice would the couple give to any retailers who are considering joining the Gala Group? “Joining the Gala Group has opened our business to new opportunities and given access to new products and ranges through Gala’s chilled distribution network and your local wholesaler. There is always someone from the Gala team available to support you with advice and recommendations to help you grow the business,” said John Walsh.