

Billionsaire Issa brothers 'exploring £13bn merger' of Asda and EG Group

The billionsaire brothers who own Asda are exploring a potential £13bn merger with their petrol forecourt empire.

Mohsin and Zuber Issa acquired the supermarket giant in 2021 for £6.8bn alongside private equity firm TDR Capital.

According to a report in The Sunday Times, merger talks are being held ahead of refinancing at Blackburn-headquartered EG Group, which has £7bn of debt due in 2025.

[READ MORE: Click here to sign up to the BusinessLive North West newsletter](#)

It has been reported that the brothers and TDR Capital hope that by combining both profitable businesses they will be able to refinance the debt on far more favourable terms.

When contacted by BusinessLive, a spokesman said the group would not be commenting on the news, but did not deny the report.

The news comes [after it was revealed](#) that the Issa brothers are also considering a £1bn sale of part of their US petrol station empire.



Zuber and Mohsin Issa

First reported by Sky News, EG Group has hired investment bankers at Easdil to lead the process.

EG Group is jointly owned by the Issa brothers and TDR Capital, the private equity firm they partnered with to acquire Asda in 2021.

The group, whose brands include Euro Garages, Coopland and Leon, has over 6,600 sites across the world.

Mohsin and Zuber Issa started out with a single petrol station in Bury, Greater Manchester, in 2001.

According to [the latest Sunday Times Rich List](#), they are worth a combined £4.73bn.

In its most recent trading update, for the three months to September 30, 2022, EG Group's total revenue increased to £8bn from the \$7.1bn it reported during the same period in 2021.

The group's EBITDA also increased from \$428m to \$437m, with fuel gross profits rising from \$511m to \$594m and foodservice gross profit going from \$171m to \$179m.

Grocery and merchandise gross profit dipped from \$370m to £365m over the same period.

As of September 2022, EG Group's net debt stood at £9bn.

The group employs more than 50,000 people working in over 6,600 sites across the UK and Ireland, Europe, USA and Australia.

READ MORE:

- [In The Style warns of widening losses as potential takeover looms](#)
- [Boohoo might not return to profit until 2026, analysts warn](#)
- ['No decisions made' on potential sale of food giant Princes after 'market speculation'](#)
- [Bentley, Cowgills and Sedulo: The 19 latest North West hires and promotions](#)
- [Dragons' Den star Steven Bartlett launches \\$100m fund to find Europe's next \\$1bn unicorn](#)