

Petrol forecourt tycoons to fill tank with £1bn sale of American sites

The owners of Asda are plotting a £1bn sale of part of their American petrol forecourts empire as part of efforts to reduce its multibillion pound debt-pile.

Sky News has learnt that EG Group, the Lancashire-based company which trades from more than 6500 sites around the world, has hired investment bankers to market several parcels of assets in the US.

City sources said any transactions were likely to be structured as sale-and-leaseback deals, and could raise a substantial sum during the coming months.

Eastdil, the real estate-focused investment bank, is understood to have been hired to lead the sale process.

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EG was founded by Mohsin and Zuber Issa in 2001, and has steadily grown into one of Britain's biggest convenience retailers through a combination of organic growth and series of acquisitions.

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The Issa brothers later partnered with TDR Capital, the private equity firm behind large companies such as David Lloyd Leisure and Stonegate, the UK's biggest pubs operator, to accelerate EG's growth.

In 2021, the Issas and TDR jointly bought Asda, the supermarket chain.

In its most recent quarterly update to bondholders, EG said: "Management is committed to reducing total net leverage through debt reduction and free cash flow generation, with the Group actively exploring deleveraging options."

A source close to the company insisted that no firm decisions

had been taken about any specific transaction.

EG has operations in ten countries, including Australia, and an international property empire said to be worth roughly \$10bn.

In order to manage the company's liquidity effectively, its board could decide to reduce discretionary capital expenditure as an alternative to, or alongside, asset sales, the source added.

EG is understood to have a modest sum of debt maturing next year, with a multibillion dollar portion of its borrowings due for repayment in 2025.

The company is chaired by Lord Rose of Monewden, the former Marks & Spencer boss.

Last year, it was reported that the company was in talks to be sold to Canada's Alimentation Couche-Tard.

In its latest quarterly results, announced in November, EG said it had enjoyed a "resilient performance" in the face of economic headwinds, with group earnings before interest, tax, depreciation and amortisation rising by 10% on a constant currency basis.

EG declined to comment on the prospective US asset disposals.