

## Summary mid-year update

The Directors of Motor Fuel Group are pleased to present a mid-year update for 2018.

Trading in the first half of the year has been strong, with robust fuel margins being achieved across the network in a market challenged by customer sentiment towards prolonged high pump prices. The Directors look forward to this strong performance continuing through the second half of the year.

The Group's strategy of expanding the non-fuel offering has continued with further site expansions and redevelopments completed during the first half of the year. Maximising the offer at the forecourt continues to be an area where MFG sees growth opportunity and the Group hopes to add to its list of valued partners as this process continues.

A major rebranding exercise was undertaken between February and May during which 85 sites were rebranded; 72 of which were rebranded to Esso. This was made possible through the signing of a supply deal with Greenergy, a key supplier of Esso Synergy fuels in the UK, enabling MFG to provide an enhanced fuel offer to its customers. MFG continues to monitor the performance of all sites and maintains a policy of continuous investment in improving the quality of the network.

MFG has a strong track record of acquiring and integrating new sites, and at the start of the year the group operated a total of 439 sites, following the acquisition of two site networks and four independent sites in the latter part of 2017. These acquired sites are performing well and have proved to be valuable additions to the network.

On 27<sup>th</sup> February 2018 the Group announced the acquisition of MRH, the UK's leading independent forecourt operator, serving 2.5 million customers every week at 491 sites across the country. In addition to its fuel offering, MRH operates retail offerings that include Spar, Budgens, Subway, Costa and Greggs, as well as the MFH-owned brand, Hursts. The transaction was valued at approximately £1.2billion, and was completed on 21<sup>st</sup> June 2018, subject to CMA approval. On 31<sup>st</sup> August 2018 The Competition and Markets Authority (CMA) found that competition provided by other major petrol retailers and supermarkets will ensure that the merger would not result in higher prices for motorists across the country as a whole, but identified a limited number of areas where divestments were required.

In April, MFG was ranked 2<sup>nd</sup> in a league table of Britain's one hundred private companies with the fastest-growing profits, based upon prior year figures and prior to the MRH acquisition, in the 19<sup>th</sup> annual Sunday Times BDO Profit Track 100. In July, the Group was ranked 6<sup>th</sup> in a league table of Britain's one hundred private companies with the biggest sales in the 17<sup>th</sup> annual Sunday Times HSBC Top Track 100. MFG is proud to have received these accolades and continues to work towards the aim of becoming the UK's most dynamic and profitable independent forecourt operator following another successful first half of the year.