

Applegreen buys 23 sites in U.S. fuel retail operation

The Irish operator joined forces with two infrastructural funds to acquire 40% stake of CT Service Plazas, with 23 plazas on key routes in Connecticut.

Irish fuel retailer Applegreen keeps targeting potential acquisition opportunities in the U.S. after agreeing to pay \$37.6m (£30.9m) for a 40% stake in a Connecticut-based highway services operator, announced Applegreen Chief Executive, Bob Etchingham.

The company also entered a 'call option' agreement with another buyer, TD Greystone, exercisable after a five-year term to boost Applegreen's stake to 60%, reports The Belfast Telegraph.

Applegreen awaits approval by the Connecticut Department of Transportation for the closing of the transaction in the third quarter of 2019.

According to Etchingham, the deal will grant Applegreen access to retail partners that weren't accessible yet in the U.S., such as McDonald's and Dunkin' Donuts. However, Applegreen has already been courting Dunkin' Donuts to open an outlet at a new site the retailer is building in the north east.

Applegreen already has strong ties with Burger King, Subway and 7-Eleven.

The fuel offered at the 23 plazas being acquired is provided by Mobil.

"Mobil is the market-leading fuel brand in that area, so we wouldn't see that changing in the short-term. When we take on stores, they very often come with a fuel contract, which means you can't change the fuel brand for maybe a number of years. The majority of our sites in the US would not be branded Applegreen on the forecourt," Etchingham said.

In June 2019, Applegreen acquired leaseholds on 46 fuel stations across Michigan, Minnesota and Wisconsin.