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Flyers Energy Exits Retail After Selling 39 C-Stores to Andeavor

Flyers Energy exited the fuel retail business after selling the entirety of its Flyers-owned c-stores to Andeavor last month, the company said in a statement Tuesday.

Terms of the deal, completed July 28, were not disclosed by Auburn, Calif.-based Flyers Energy. However, the company said in the statement that some of the stations will be rebranded to Mobil, Exxon, ARCO and Shell. The sale agreement allows Andeavor, which is based in San Antonio, Texas, up to two months to rename the stations, all except two of which will remain on the Commercial Fueling Network (CFN).

Through the deal, Andeavor continues to ensure they are fully integrated and have plenty of outlets to place the gasoline they produce. Andeavor expects the acquisition to expand its retail presence in Northern California by approximately 6,000 b/d and contribute \$10 million in annual net earnings, the company said Tuesday in its second-quarter earnings results.

A spokesperson for Andeavor was not available for comment at presstime.

"Refiners are looking for strategies to distribute their products, so the business climate was right for us to sell our retail stores. We continue to grow in commercial products, including renewable energy, and are still acquiring other companies when the deal is right. That may include companies with retail stores in the future," said Walt Dwelle, Flyers Energy managing partner.

For Flyers Energy, exiting retail allows the company the opportunity to focus on the other aspects of its business, particularly lubricants. OPIS also notes that California may become a more challenging retail market to operate in, with a strong push for electric vehicles and extensive efforts to phase out fossil fuel use in the state.

"Retail is where we began and it was a difficult decision to give it up, but it's a relatively small part of our business today," Dwelle added.

As previously reported by OPIS, Flyers expanded its lubricants distribution services with the acquisition of Hesperia, Calif.-based Goodspeed in February 2016. Also last year, the company struck a deal with ExxonMobil to distribute the refiner's lubricants in California and Nevada.

Last month, Flyers Energy acquired lubricants operations in Tucson, Phoenix and Las Vegas from Western Refining, which itself was acquired by Andeavor.

Flyers expects to increase its volume of lubricants sold from 1 million gal in 2010 to nearly 19 million gal next year.

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