

ALIMENTATION COUCHE-TARD INC.

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# AGREEMENT TO ACQUIRE HOLIDAY STATIONSTORES, INC.

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July 10, 2017



# FORWARD-LOOKING INFORMATION AND CAUTIONARY LANGUAGE

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This presentation and the accompanying oral presentation contain forward-looking statements within the meaning of applicable securities legislation. Forward-looking statements are typically identified by words such as “projected”, “estimate”, “may”, “anticipate”, “believe”, “expect”, “plan”, “intend” or similar words suggesting future outcomes or statements regarding an outlook. All statements other than statements of historical fact contained in these slides are forward-looking statements.

Forward-looking statements involve numerous assumptions, risks and uncertainties. A variety of factors, many of which are beyond Alimentation Couche-Tard Inc.’s (“Couche-Tard”) control, may cause actual results to differ materially from the expectations expressed in its forward-looking statements. These factors include, but are not limited to, the effects of the integration of acquired businesses and the ability to achieve projected synergies, fluctuations in margins on motor fuel sales, competition in the convenience store and retail motor fuel industries, foreign exchange rate fluctuations, and such other risks as described in detail from time to time in documents filed by Couche-Tard with securities regulatory authorities in Canada, including those risks described in Couche-Tard’s management’s discussion and analysis (MD&A) for the year ended April 24, 2016. Couche-Tard’s MD&A and other publicly filed documents are available on SEDAR at [www.sedar.com](http://www.sedar.com).

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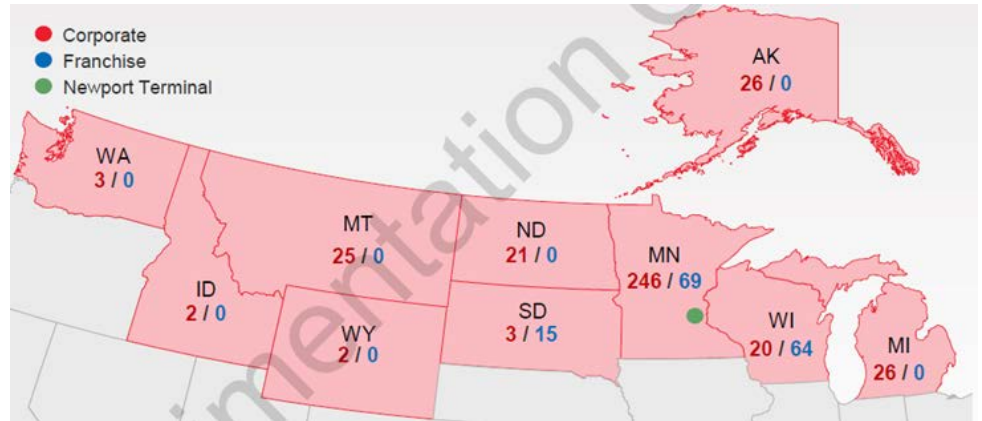
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# NETWORK SUMMARY

On July 10, 2017, Alimentation Couche-Tard Inc. entered into an agreement to acquire Holiday StationStores, Inc. and certain affiliated companies

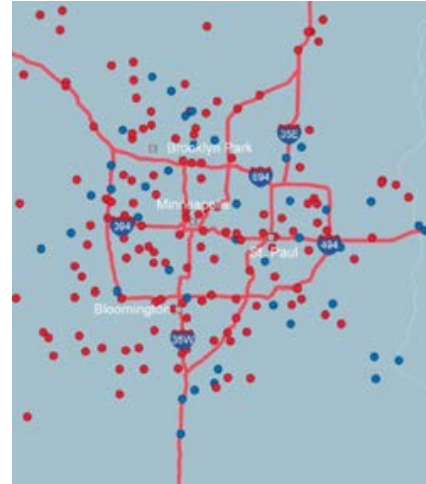
- Privately owned company based in Minnesota;
- Founded by the Erickson family in 1928;
- Important player in the Upper Midwest U.S. with 522 stores and a strong presence in the Greater Twin Cities metropolitan area;
- 374 stores operated by Holiday and 148 by franchisees;
- Present in 10 states, including 6 new to Couche-Tard: Minnesota, Wisconsin, Washington, Idaho, Montana, Wyoming, North Dakota, South Dakota, Michigan and Alaska;
- Top quartile convenience and fuel volumes;
- Virtually all sites sell fuel under the Holiday brand;
- Strong car wash business with 221 locations;
- Operates a food commissary;
- Owns and operates a fuel terminal in Newport, Minnesota;
- Employs 5,963 employees throughout its network;
- Generates pre-synergies EBITDA ranging between US\$180M and US\$190M annually



# ACQUISITION RATIONALE

- Solid entry into attractive Greater Twin Cities metropolitan area through strong store network, supported by excellent management team
  - Highest per capita income before tax in the Midwest
  - Home to more Fortune 500 companies per capita than anywhere else in the world
  - Higher labor force growth than national average
  - Consistently ranked as one of the best place to live in the US
- High quality, well maintained, large format stores
- Consistent and sustainable historical organic growth
- Efficient integration through ACT's scalable infrastructure
- Significant synergies available. Target in line with previous acquisitions
- Valuable reverse synergies
  - Branding / Private label
  - Food offering / Commissary
  - Car wash program
  - Differentiated customer experience, merchandising, assortment and promotional strategy
- Scalable platform to grow in surrounding attractive markets (Washington, Upper Michigan, North Dakota, Wisconsin)

Strong foothold in GTC area

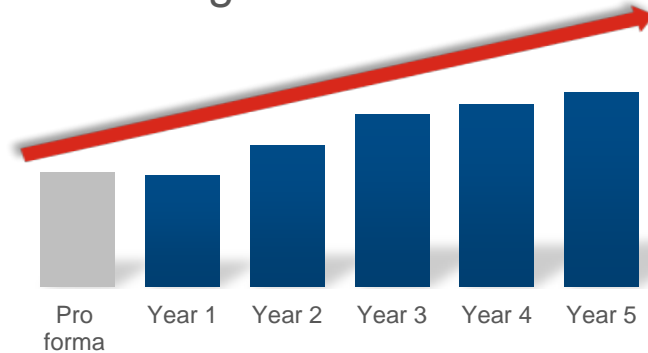


# ACQUISITION SUPPORTED BY CURRENT CAPITAL STRUCTURE

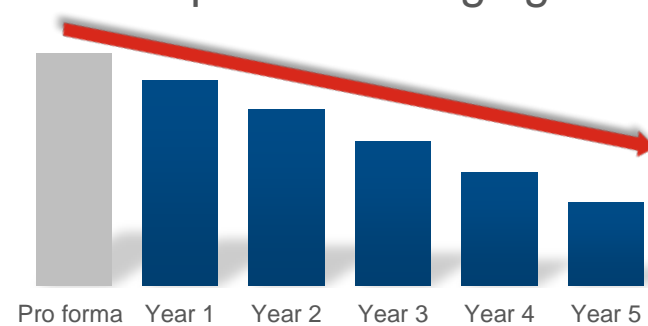
- Strong cash flow generation, with or without synergies
- Further geographical diversification improves cash flow profile
- Expected pro forma adjusted leverage lower than 3.5x
- Strong financing and deleveraging plan, allowing Couche-Tard flexibility to execute on its growth strategy



## Strong Free Cash Flow



## Rapid Deleveraging



# TRANSACTION

- Subject to Holiday's parent company shareholders' approval – Expect vote within 30 days
- Subject to usual regulatory approvals, including US FTC
- Expect transaction to close during Couche-Tard's fourth quarter of fiscal 2018
- Couche-Tard expects to finance the transaction using its available cash and existing credit facilities
- As per confidentiality agreement, purchase price cannot be disclosed at this time
- Once acquisition is closed, Couche-Tard intends to continue Holiday's operational base at the Holiday corporate headquarters in Bloomington, Minnesota

