

ALIMENTATION COUCHE-TARD INC.

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# INVESTOR DAY PRESENTATION

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January 2018





**MATHIEU  
DESCHENEUX**



# AGENDA

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- **Introductions** – *Mathieu Descheneaux, Vice-President, Finance*
- **Opening Message** – *Alain Bouchard, Founder and Executive Chairman of the Board*
- **Company Update** – *Brian Hannasch, President and Chief Executive Officer*
- **Financial Update** – *Claude Tessier, Chief Financial Officer*
- **Break**
- **Inside the Store** – *Kevin Lewis, Chief Marketing Officer*
- **M&A**
  - *Brian Hannasch*
  - *Darrell Davis, SVP of Operations*
  - *Alex Miller, SVP of Operations & Global Fuels*
- **Digital/Technology** - *Deborah Hall Lefevre, Chief Information Officer*
- **Break**
- **Fuel** - *Alex Miller*
- **Norway as a Laboratory** - *Jacob Schram, Group President of European Operations*
- **Final Words** - *Brian Hannasch*
- **Q&A**

# 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 30, 2017. Couche-Tard’s MD&A and other publicly filed documents are available on SEDAR at [www.sedar.com](http://www.sedar.com).

Unless otherwise required by law, Couche-Tard does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by it or on its behalf. No financial information presented in this presentation as of a date more recent than April 30, 2017 has been audited.

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**ALAIN  
BOUCHARD**



# OPENING MESSAGE

Alain Bouchard, Founder and  
Executive Chairman of the  
Board

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## A BIT OF HISTORY



Alain Bouchard



Richard Fortin

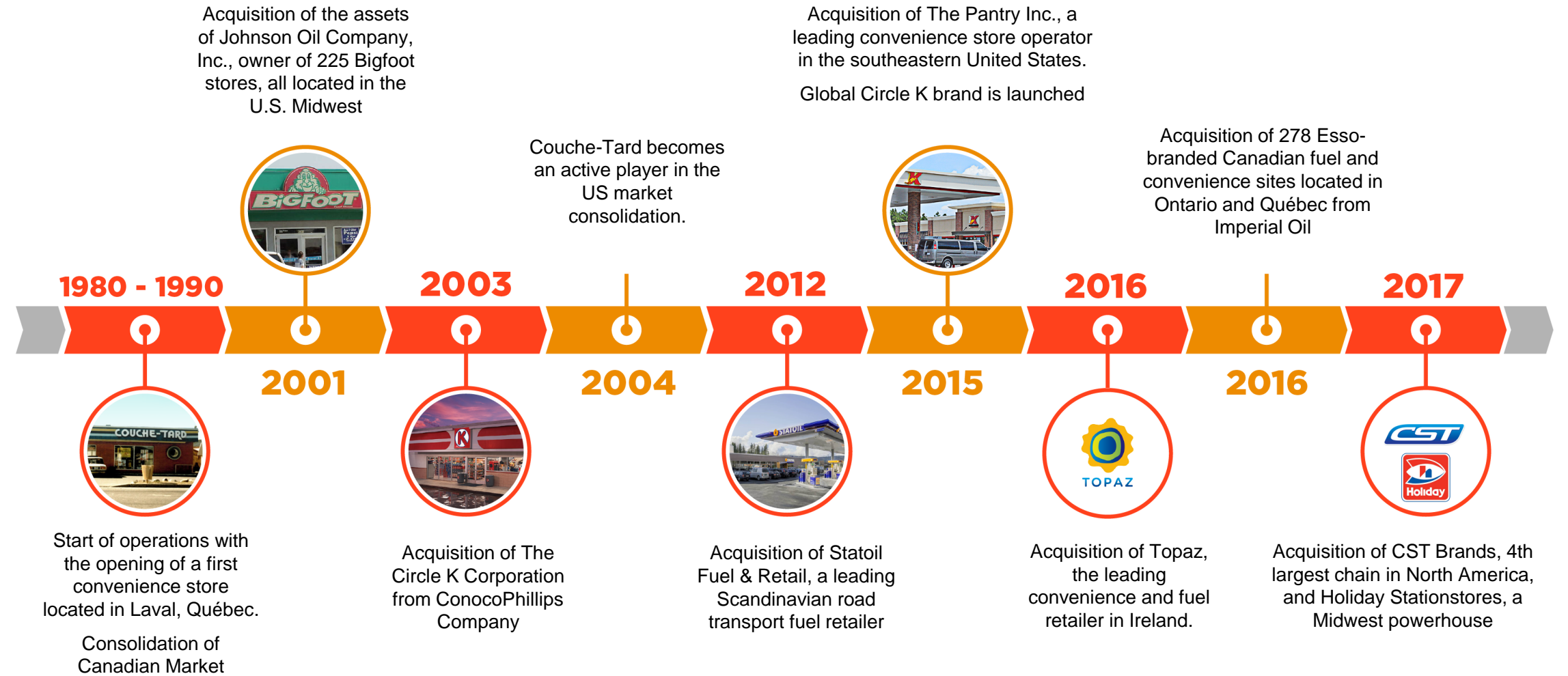


Jacques D'Amours



Réal Plourde

# OUR COMPANY TIMELINE





# COUCHE-TARD: ENGAGED IN THE FUTURE

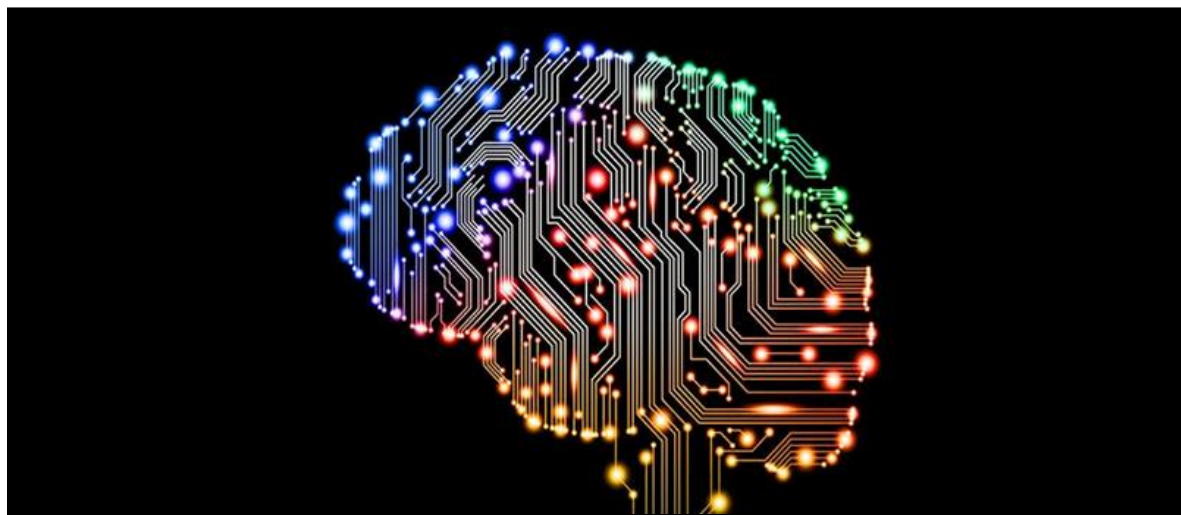
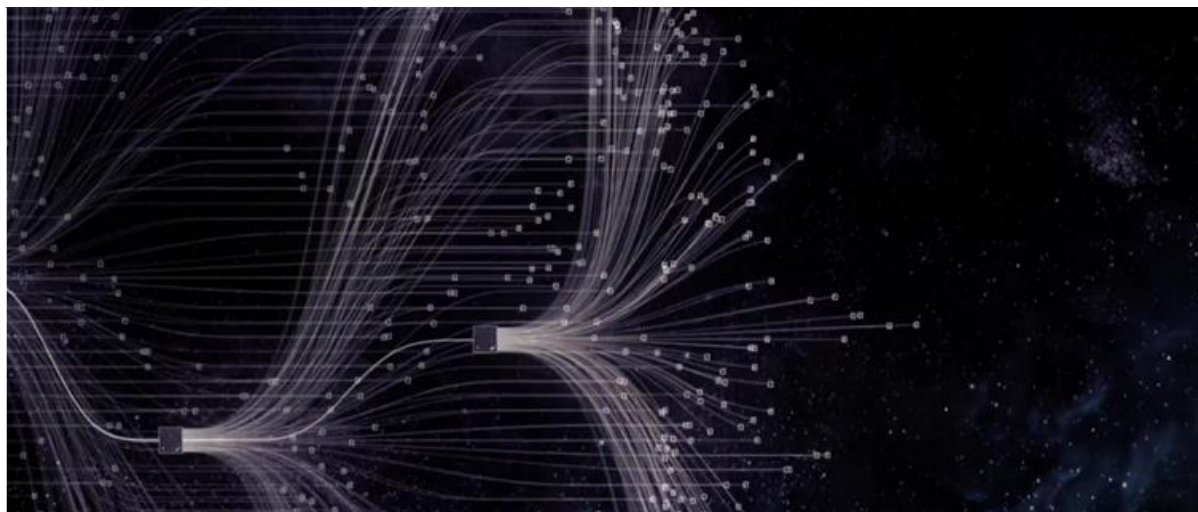
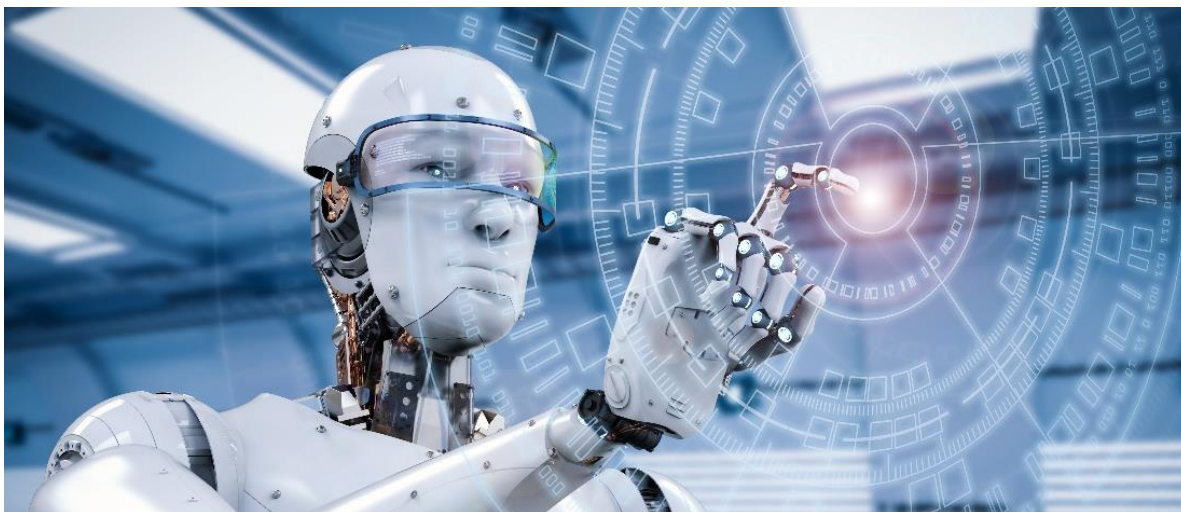


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# AN OPEN DOOR ON NEW TECHNOLOGIES





# LISTENING TO NEW GENERATIONS

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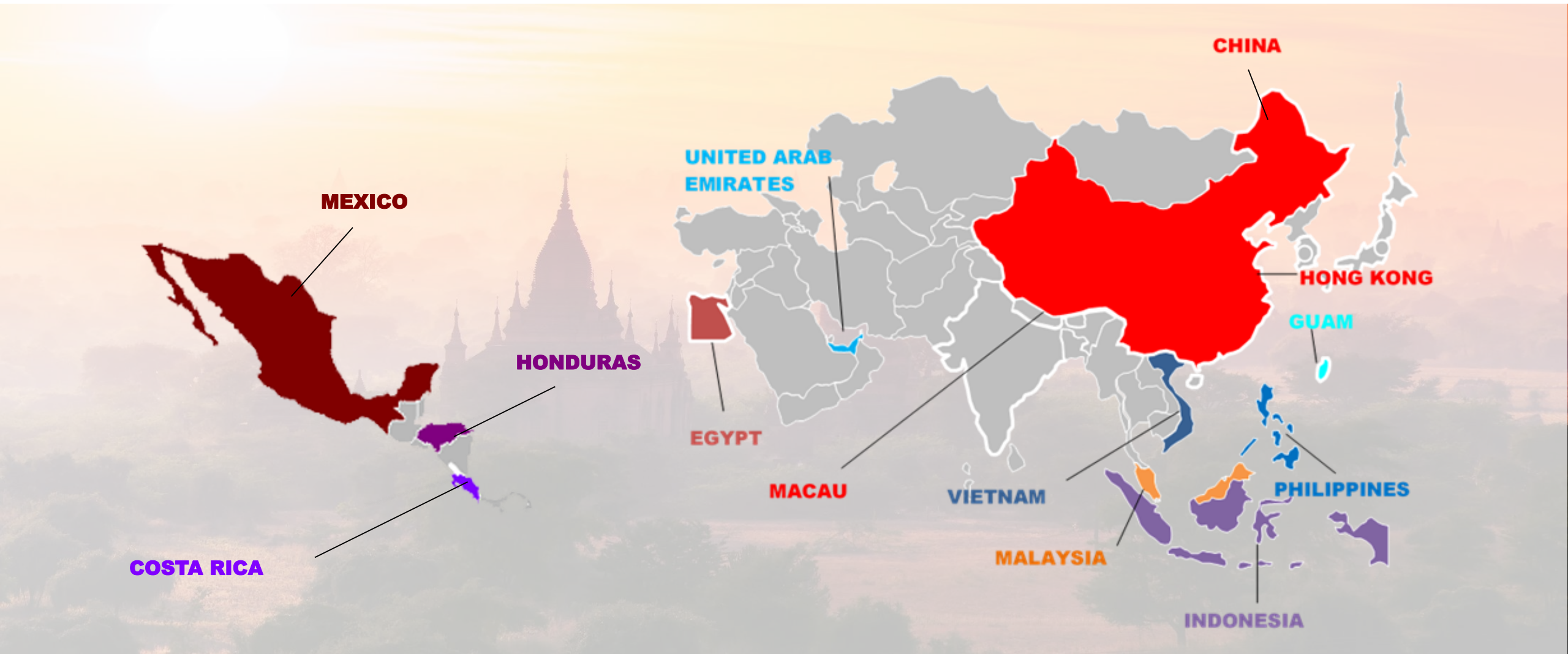


# NORWAY: OUR LABORATORY FOR INNOVATION

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## NEW MARKETS: TURNING TOWARD ASIA AND EUROPE





# CONTINUING THE GROWTH JOURNEY



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A stylized world map in the background, with landmasses in shades of orange and pink and oceans in white. The map is centered on the Atlantic Ocean.

**BRIAN  
HANNASCH**





ALIMENTATION COUCHE-TARD INC.

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# COMPANY UPDATE

Brian Hannasch  
President and Chief Executive  
Officer

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ALIMENTATION COUCHE-TARD INC.

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## WHO WE ARE

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## EXECUTIVE MANAGEMENT TEAM HERE TODAY

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**Alain Bouchard**  
Founder and  
Executive Chairman  
of the Board



**Brian  
Hannasch**  
President &  
Chief Executive  
Officer



**Claude Tessier**  
Chief Financial  
Officer



**Jacob Schram**  
Group President,  
European  
Operations



## EXECUTIVE MANAGEMENT TEAM CONTINUED

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**Alex Miller**  
Senior Vice  
President,  
Operations and  
Global Fuels



**Darrell Davis**  
Senior Vice  
President,  
Operations



**Deborah Hall  
Lefevre**  
Chief  
Information  
Officer



**Kevin Lewis**  
Chief Marketing  
Officer

## EXECUTIVE MANAGEMENT TEAM CONTINUED

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**Hans-Olav Høidahl**  
Executive Vice-  
President,  
Scandinavia



**Jørn Madsen**  
Executive Vice-  
President, Central &  
Eastern Europe

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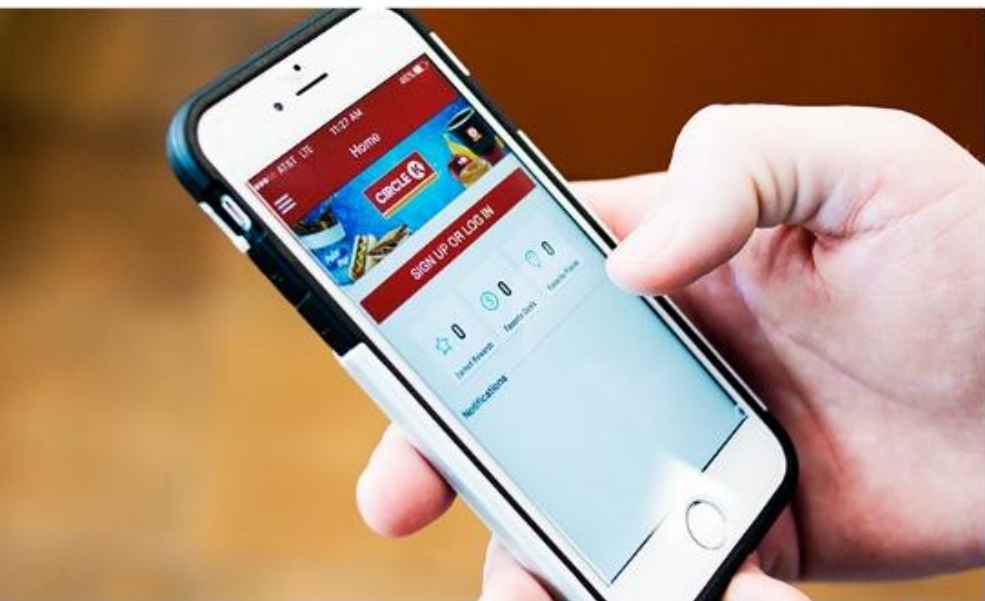
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## HOW WE GROW

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## INDUSTRY CONTEXT



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# MEETING THE MARKET CHALLENGE



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# OUR COMPETITIVE ADVANTAGES

**Scale & Buying  
Power**

**Cost structure  
and culture**

**Decentralized  
model**

**Proven ability  
to integrate  
companies  
and cultures**

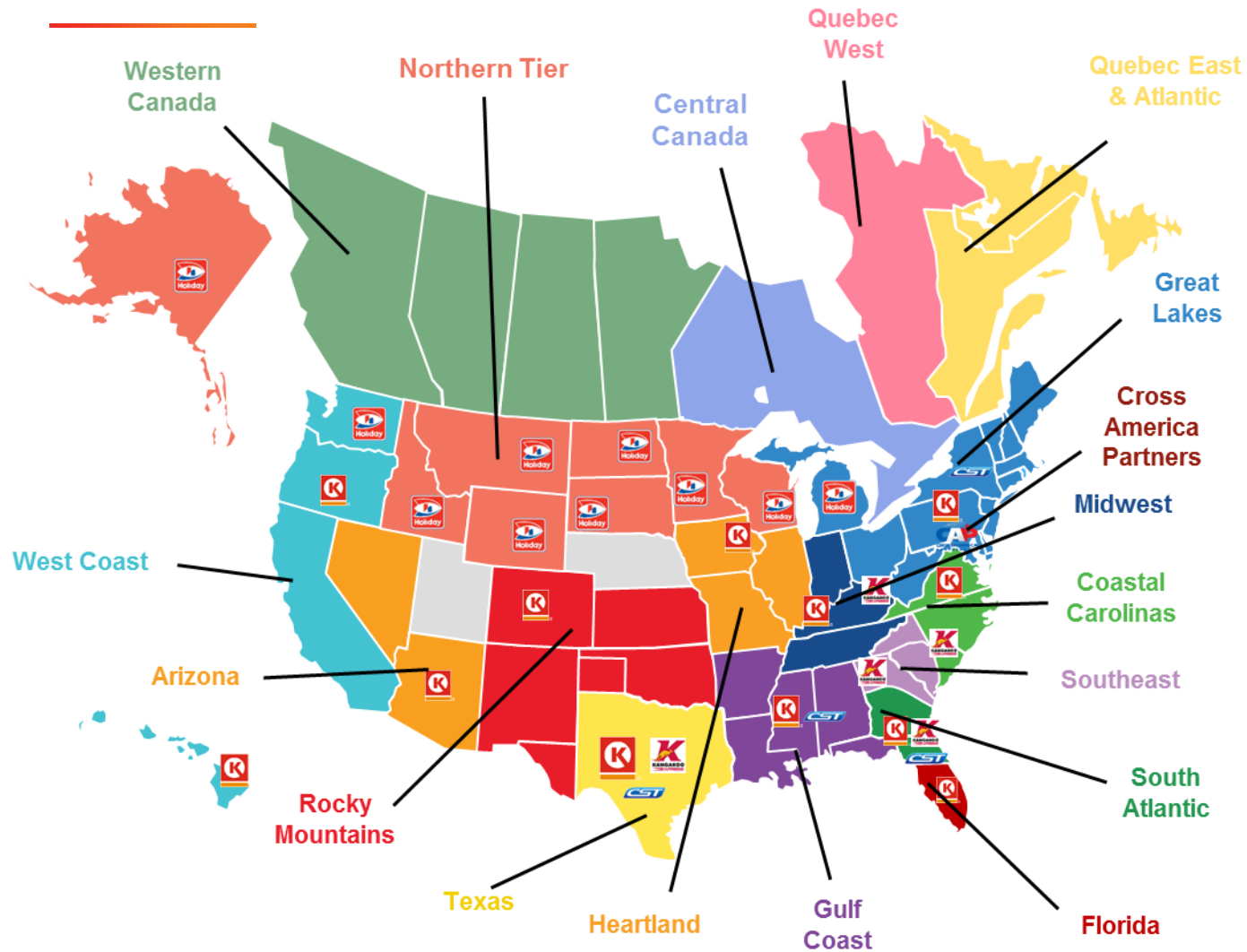
**Norway  
Laboratory**

**Proven capacity  
to transform and  
innovate**

**Strong balance  
sheet and  
capacity to invest**



# OUR NETWORK – NORTH AMERICA



**Our North America Network – close to 10,000 stores**



## OUR NETWORK - EUROPE

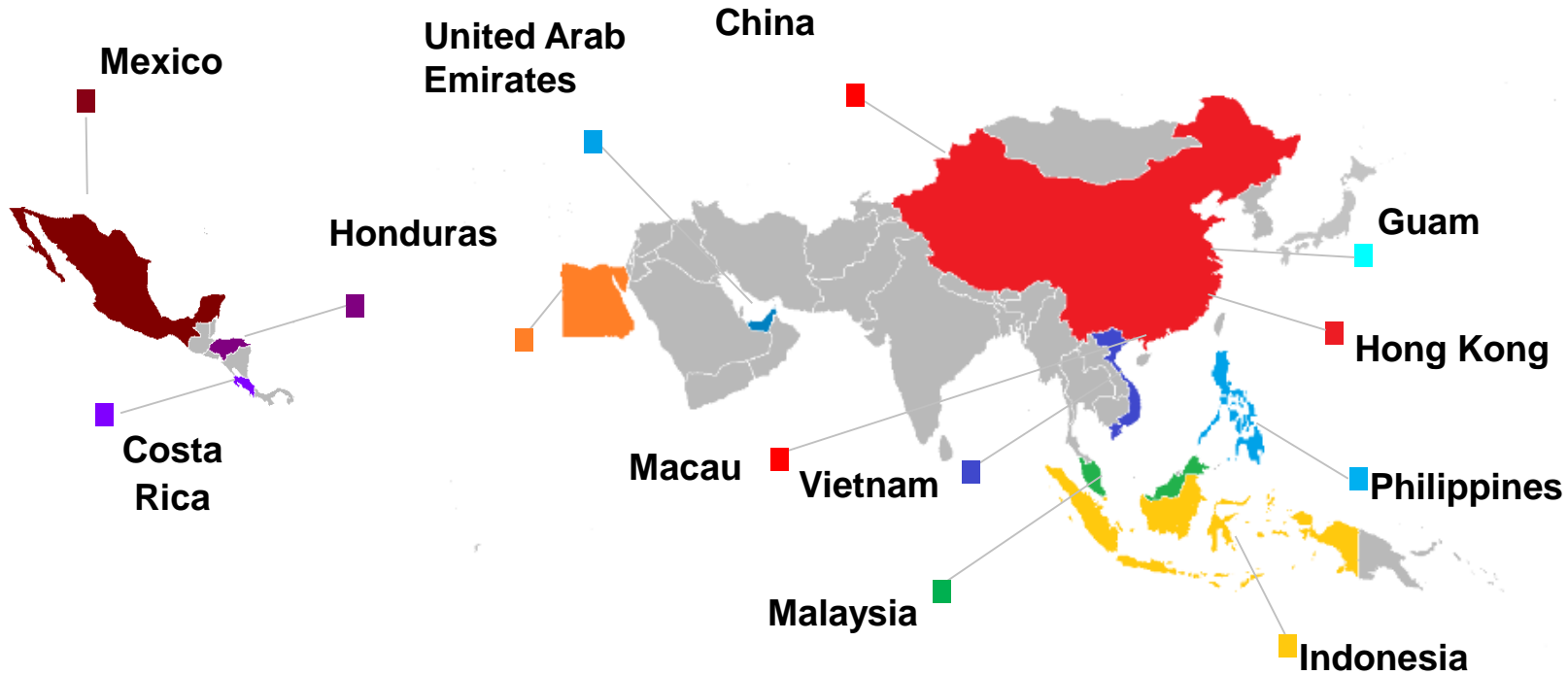
Our European  
Network –  
over 2,750 sites



# OUR NETWORK - WORLDWIDE

## Central / South America

## Asia



**Approximately  
1,800 stores  
under licensing  
agreements  
worldwide**

# GROWING BY THE NUMBERS



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## OUR GROWTH: STORE COUNT

**2015**

**8,500**

**2016**

**10,600**

**2017**

**12,500**

**2018**

**15,000**



## OUR GROWTH: GREAT EMPLOYEES



**2015**  
**100,000**



**2016**  
**105,000**



**2017**  
**120,000**



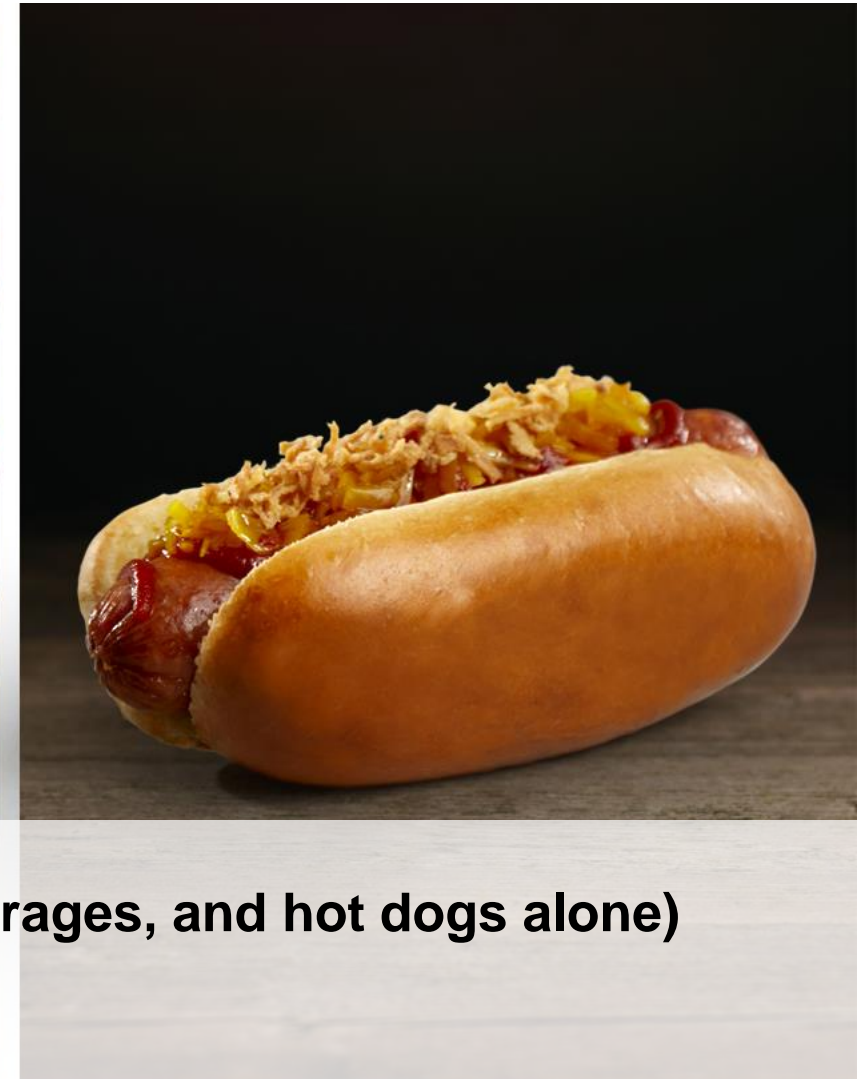
**2018**  
**125,000**

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## OUR GROWTH: FOOD AND DRINK



**2018: Over 2.5 million servings (coffee, cold dispensed beverages, and hot dogs alone)**

## OUR GROWTH: FUEL LITERS



**2016**  
103,699,000

**2017**  
155,548,000

**2018**  
186,658,000



## OUR GROWTH: CUSTOMER COUNT



**2018  
+ 9 million**



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## OUR GROWTH: NEW SITES

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Our goal is to complete the construction, relocation or reconstruction of approximately 100 stores per year.





# OUR NETWORK OF BRANDS

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# CREATING A GLOBAL CIRCLE K BRAND



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## OUR GLOBAL BRAND STORY

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# THE WORLD'S PREFERRED DESTINATION FOR CONVENIENCE & FUEL

Our Values



Our Mission

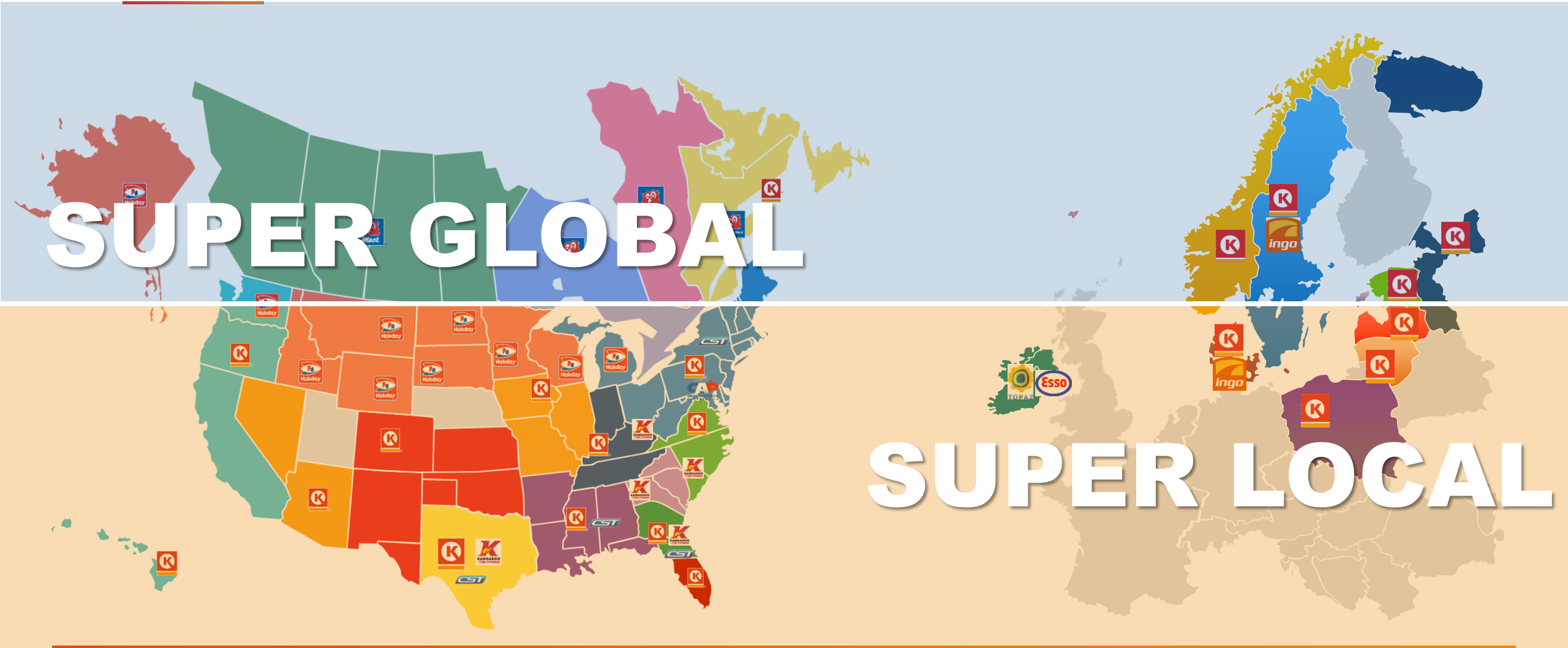
**LET'S  
MAKE IT  
EASY**

Brand Pillars





OUR MANAGEMENT PHILOSOPHY



# STRATEGIC VISION & PRIORITIES: WORKING AT TWO-CLOCK SPEED

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## FOCUSING ON THE CORE BUSINESS

To enhance company value, we are focusing on:

- Key Categories of Food and Fuel
- Growing Customer base
- Lean and Efficient Operations
- Engaged and Productive Employees



## LOOKING INTO THE FUTURE

To remain a growth company for the shareholders, we are looking into the opportunities for the future



# CORE STRATEGIC INITIATIVES

**Executing Our  
Brand Vision**

**Digital**

**Growing the  
Global Network**

**Food Journey**

**Mobility**

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**CLAUDE  
TESSIER**



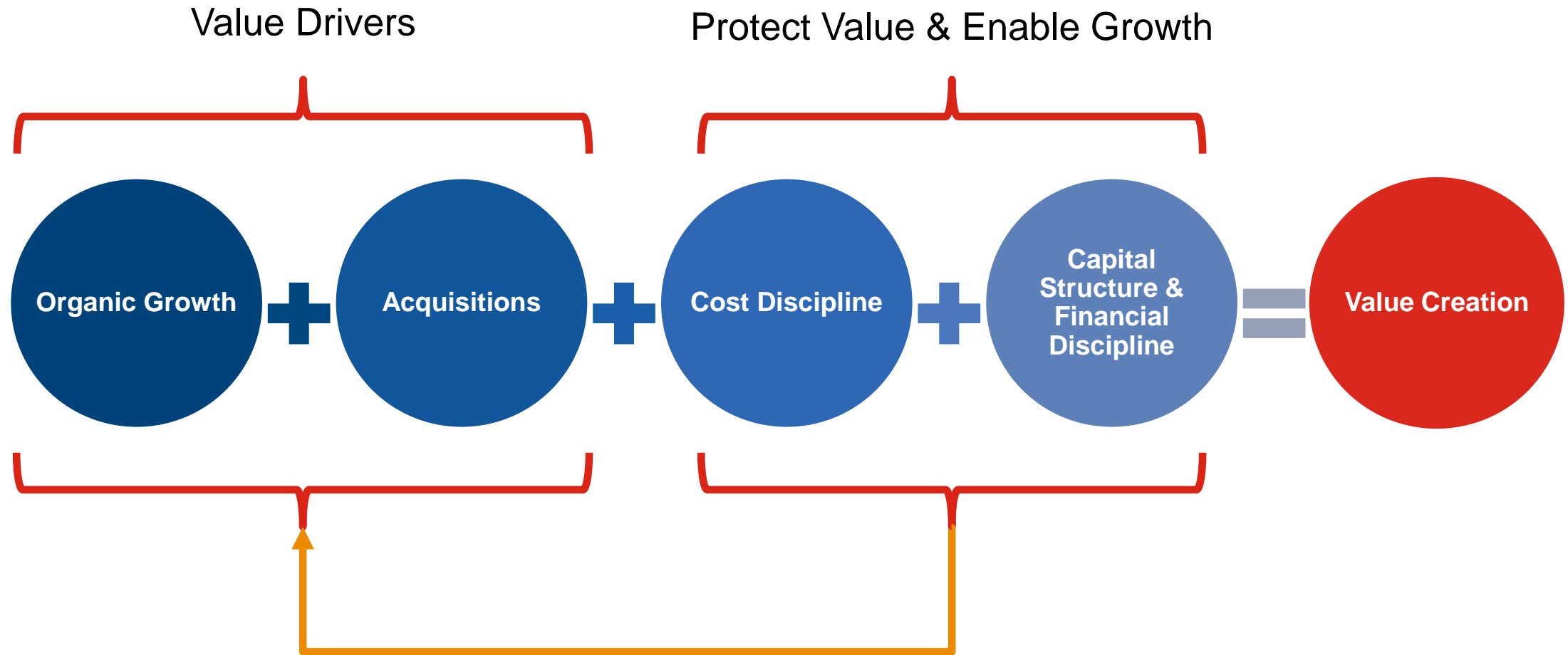
# FINANCIAL UPDATE

Claude Tessier,  
Chief Financial Officer

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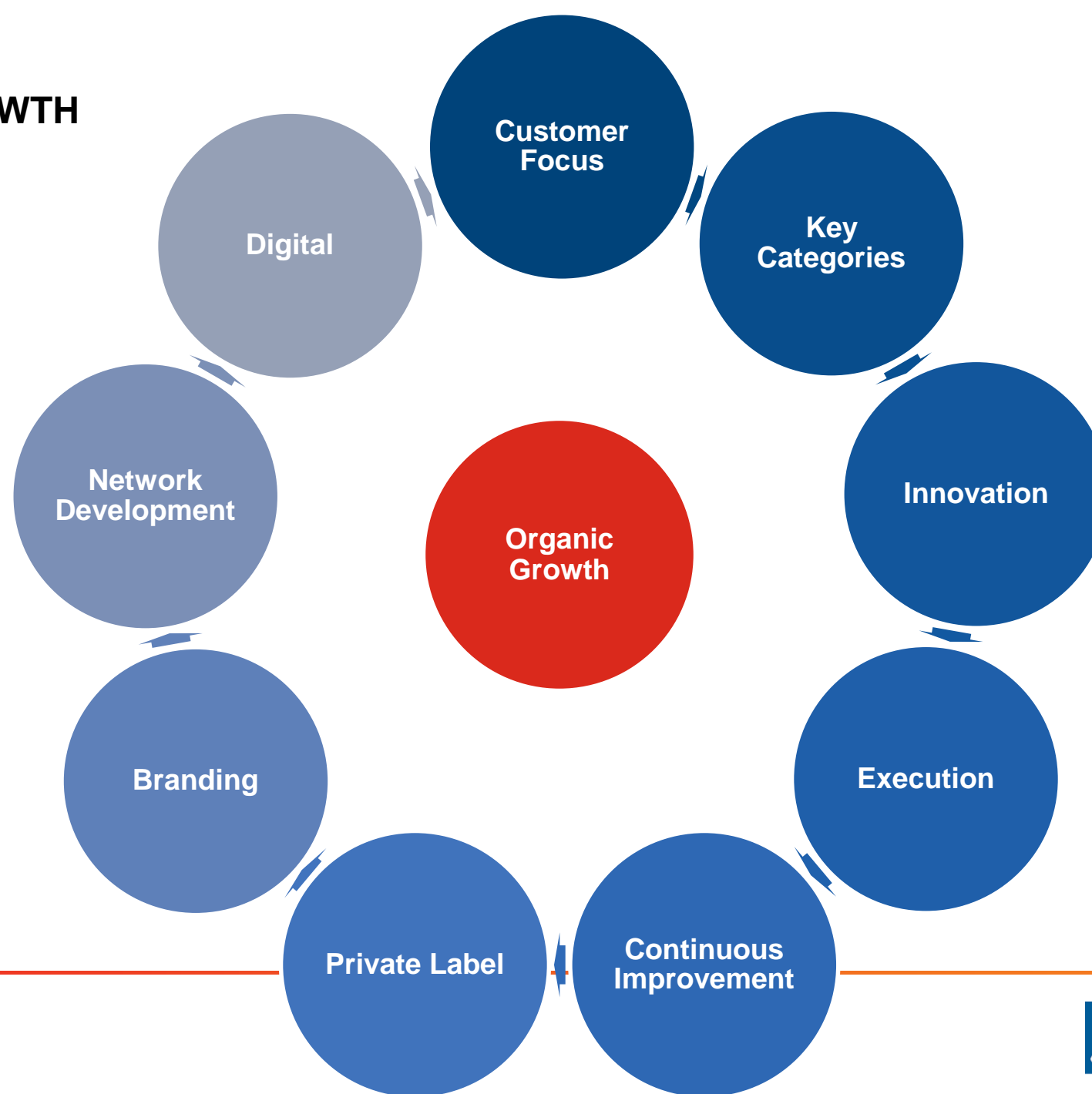
## OUR FOUR PILLARS OF VALUE CREATION – THE EQUATION





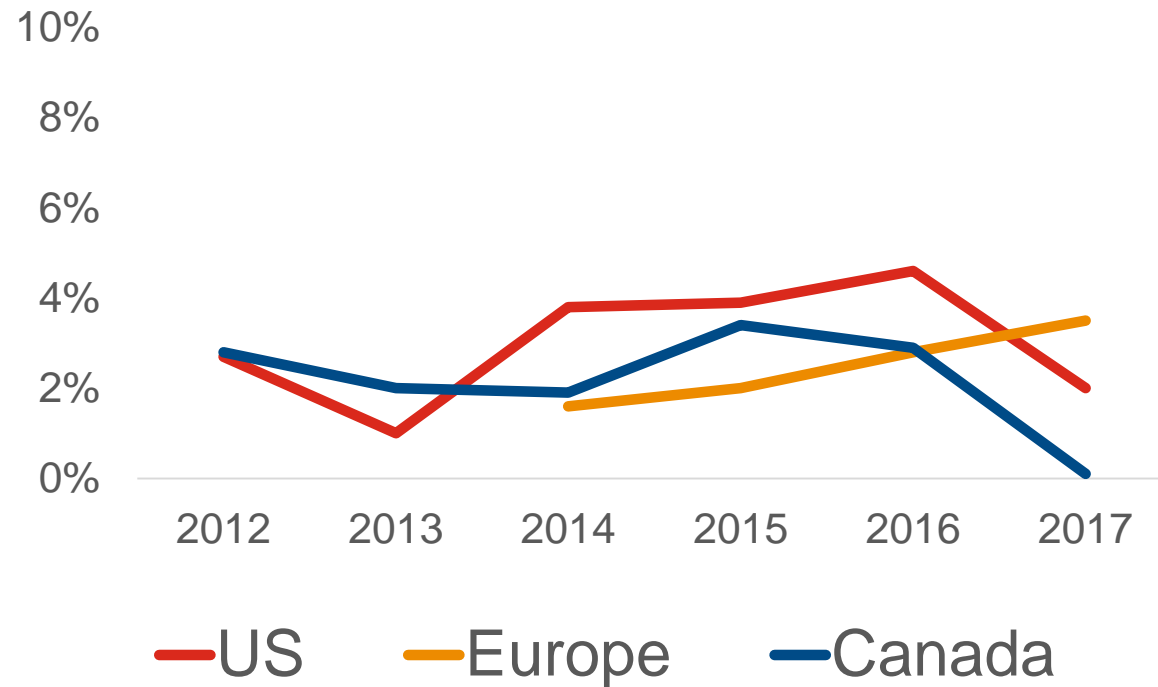
# ORGANIC GROWTH

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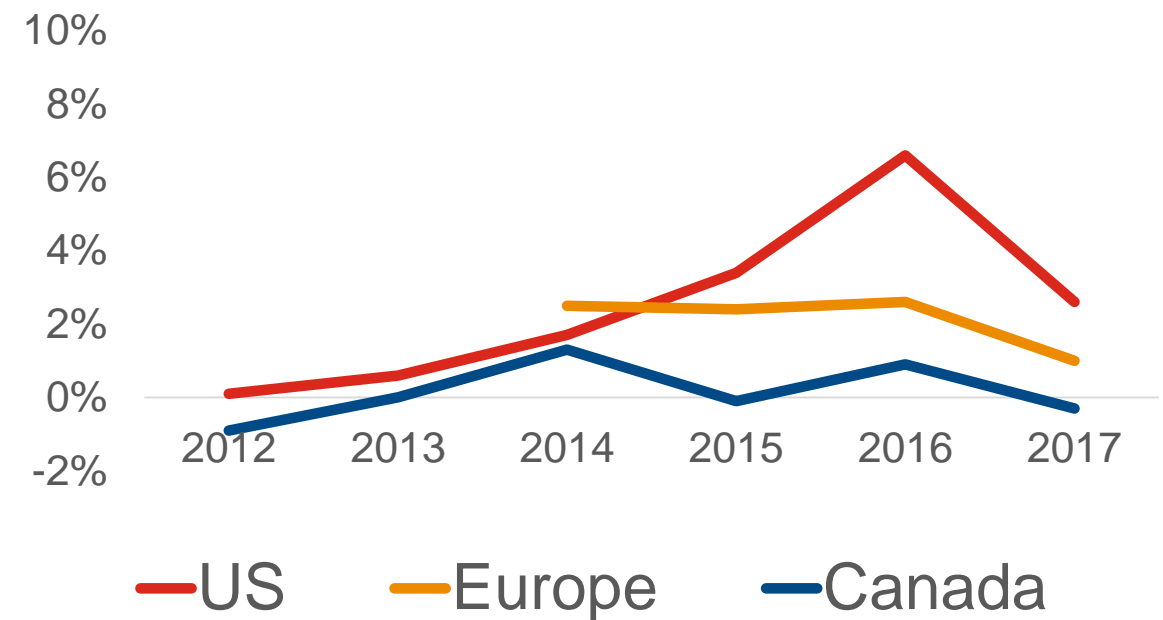


## ORGANIC GROWTH

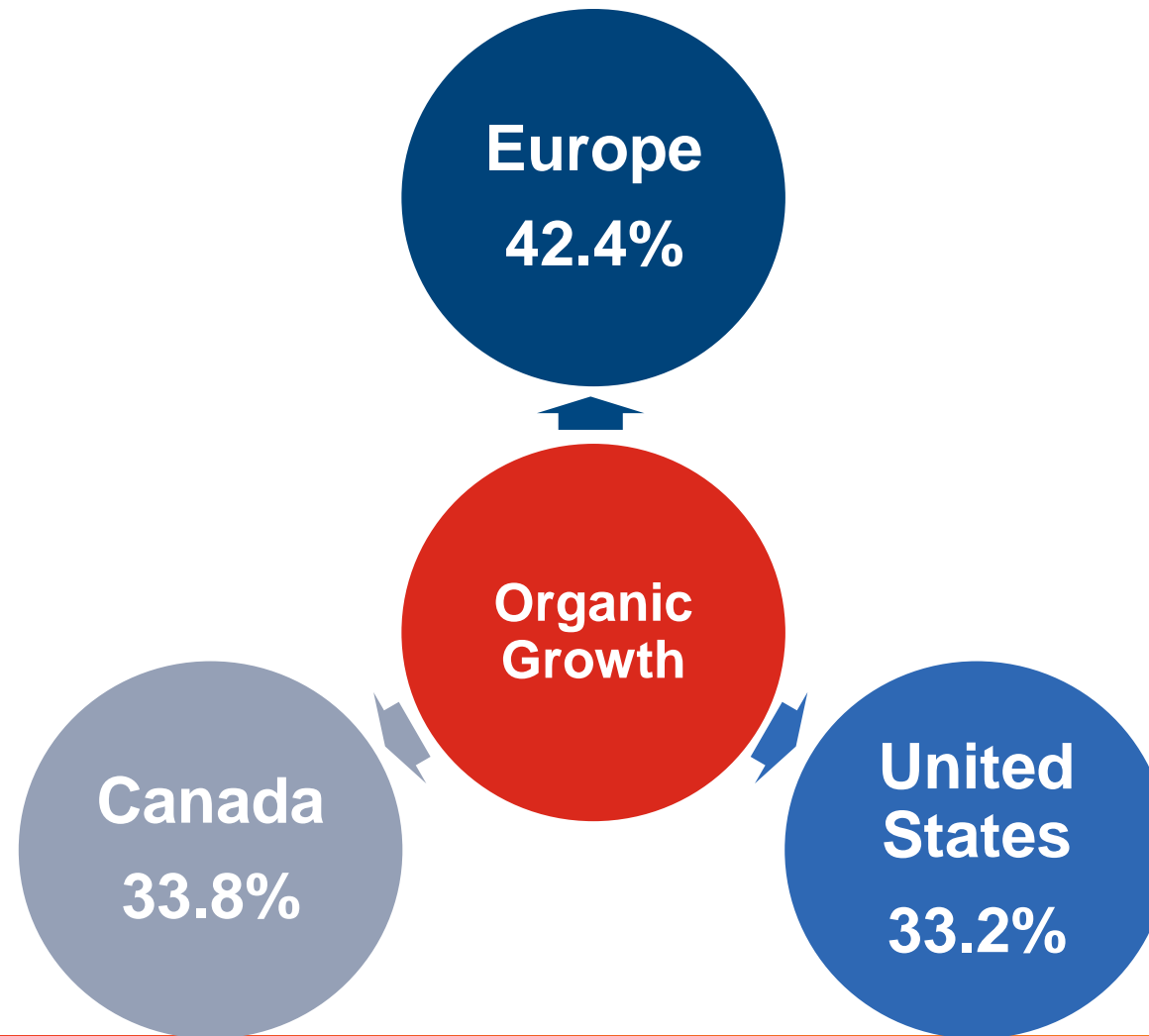
Same-store Merchandise Revenue Growth



Same-Store Road Transportation Fuel Volume Growth

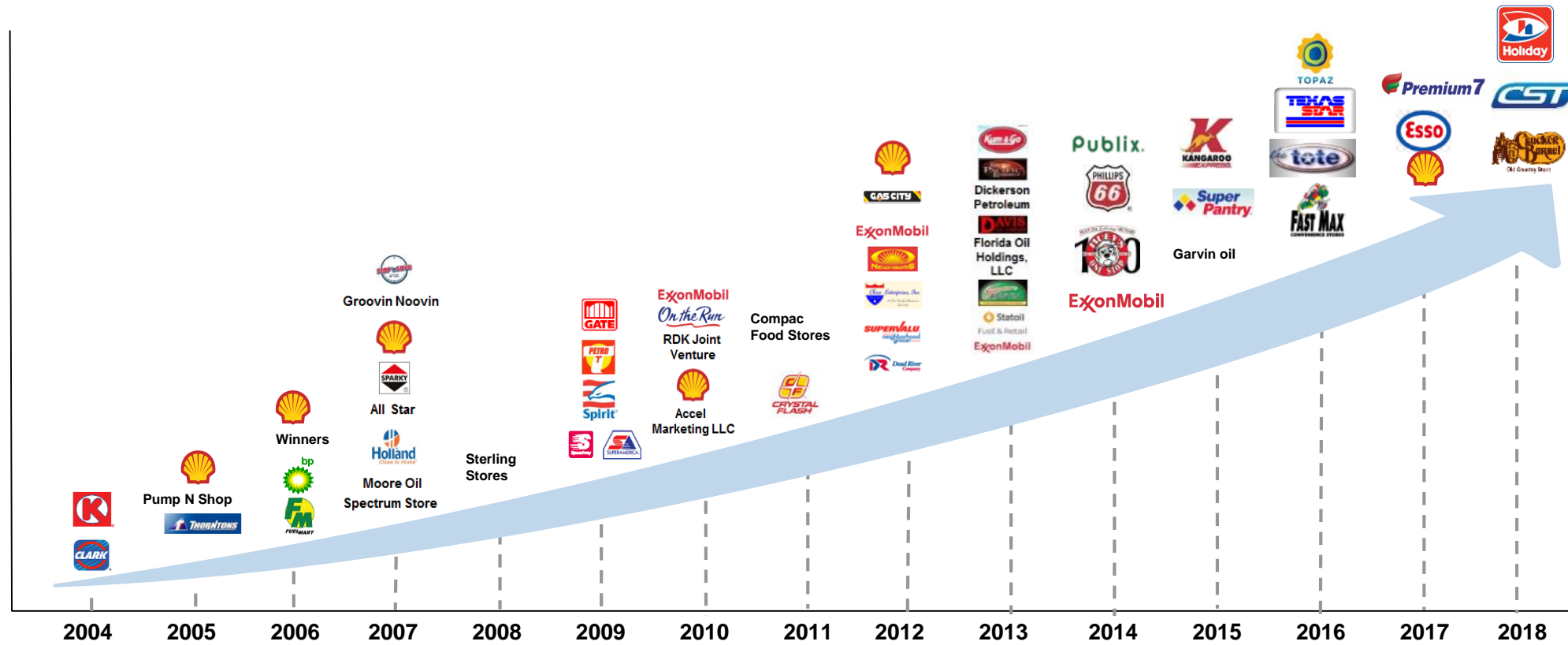


**ORGANIC GROWTH –  
LEADING TO STRONG MERCHANDISE AND SERVICE MARGINS IN ALL GEOGRAPHIES**





# PROVEN TRACK RECORD OF SUCCESSFUL ACQUISITIONS



Stores  
Acquired

1,706    45    75    421    46    107    70    47    326    2,506    166    1,660    515    442    1,890

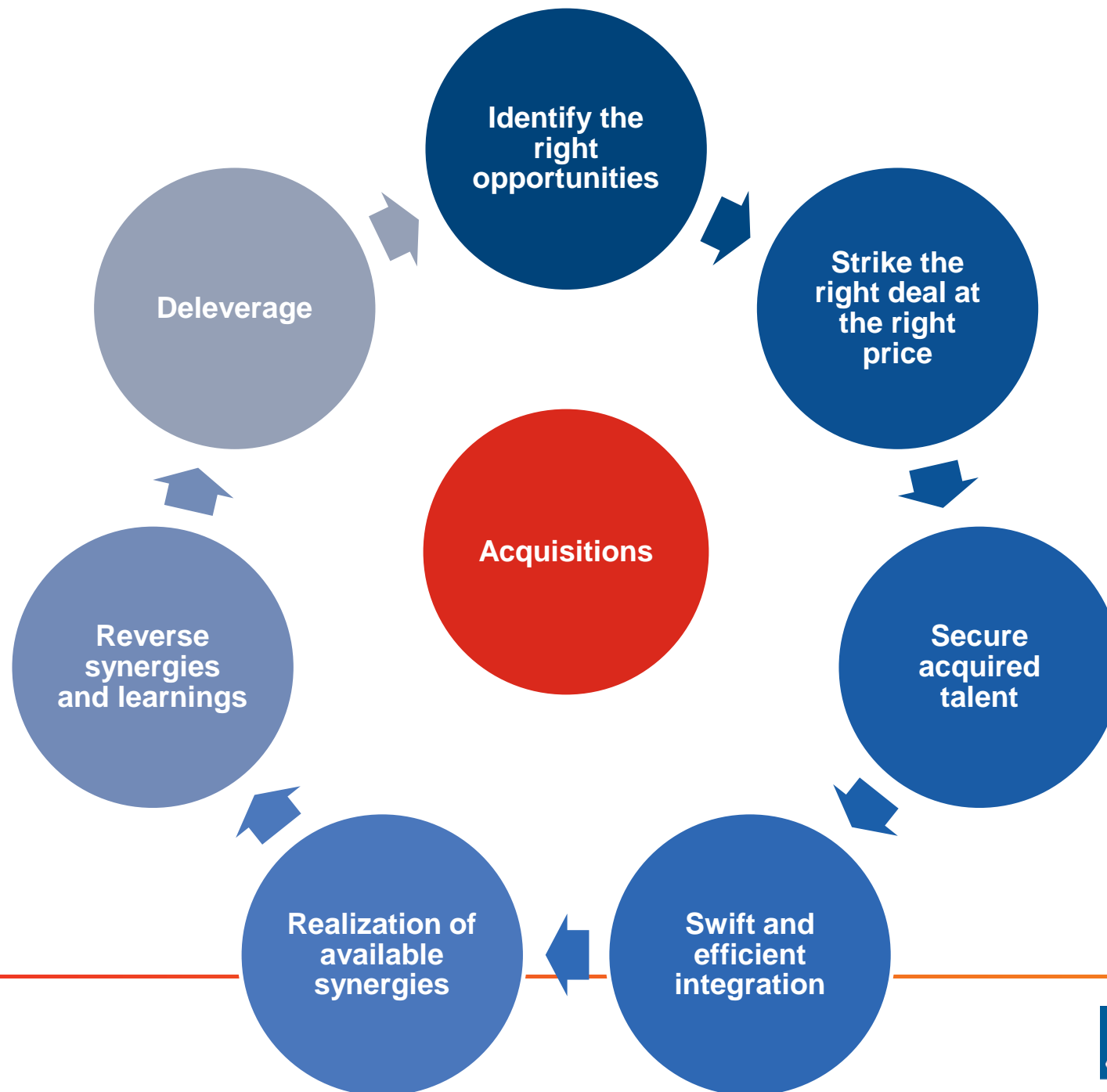
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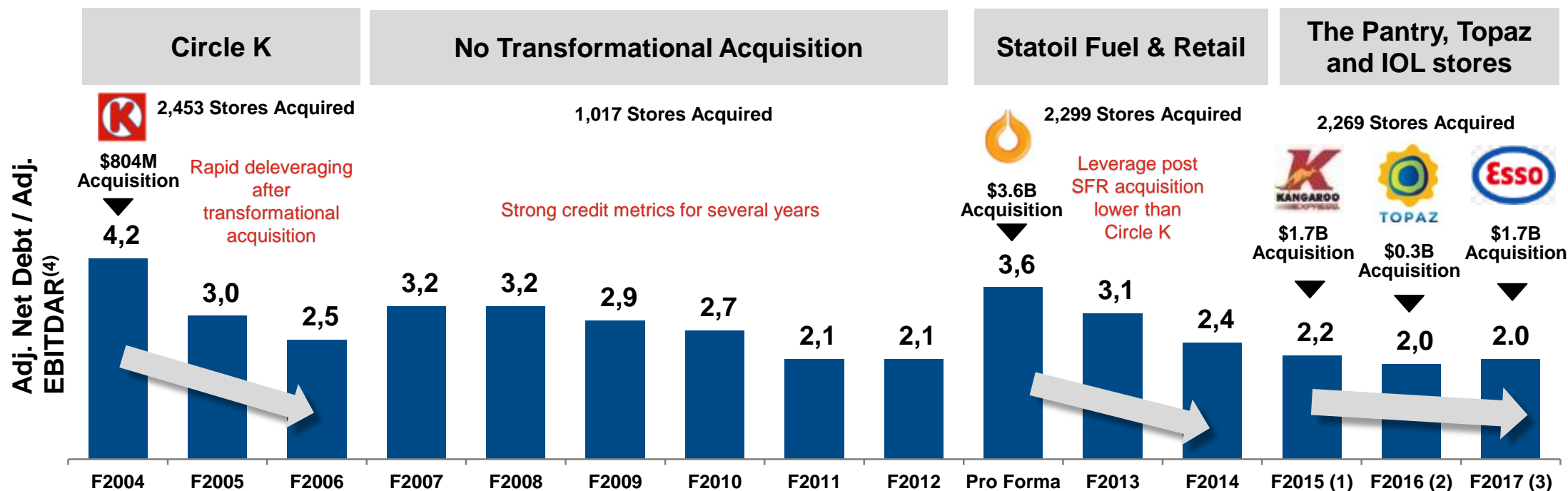
# ACQUISITIONS

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# EXCEPTIONAL DELEVERAGING TRACK RECORD

Acquisitions



Demonstrated track record of rapid deleveraging after acquisitions

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(1) Pro forma The Pantry

(2) Pro forma Topaz

(3) Pro forma Esso

(4) This ratio represents the following calculation: long-term interest-bearing debt, net of cash and cash equivalents and temporary investments divided by EBITDA (Earnings Before Interest, Tax, Depreciation, Amortization and Impairment) adjusted for specific items.





## DELIVERING ON SYNERGIES THROUGH OUR ACQUISITIONS

Acquisitions

### Statoil Fuel and Retail

- Target: \$150M - \$200M
- Realized: >\$200M



### The Pantry

- Target: \$125M
- Realized: >\$125M



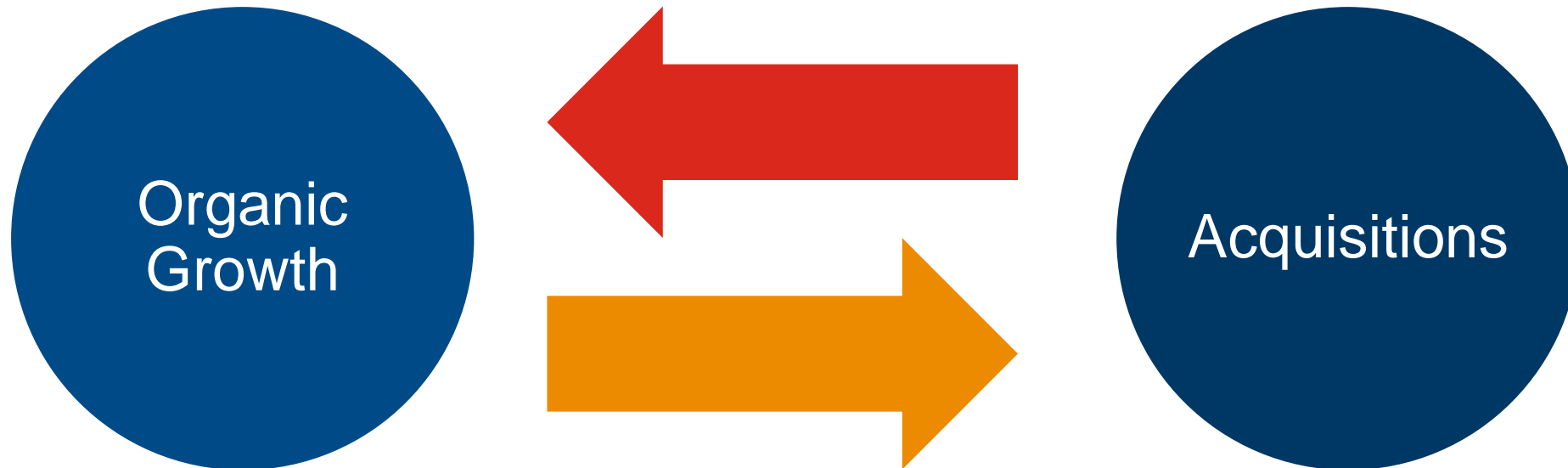
### CST Brands Inc

- Initial target for the first 36 months: \$150M –\$200M
- Q2 2018 run rate: \$84M



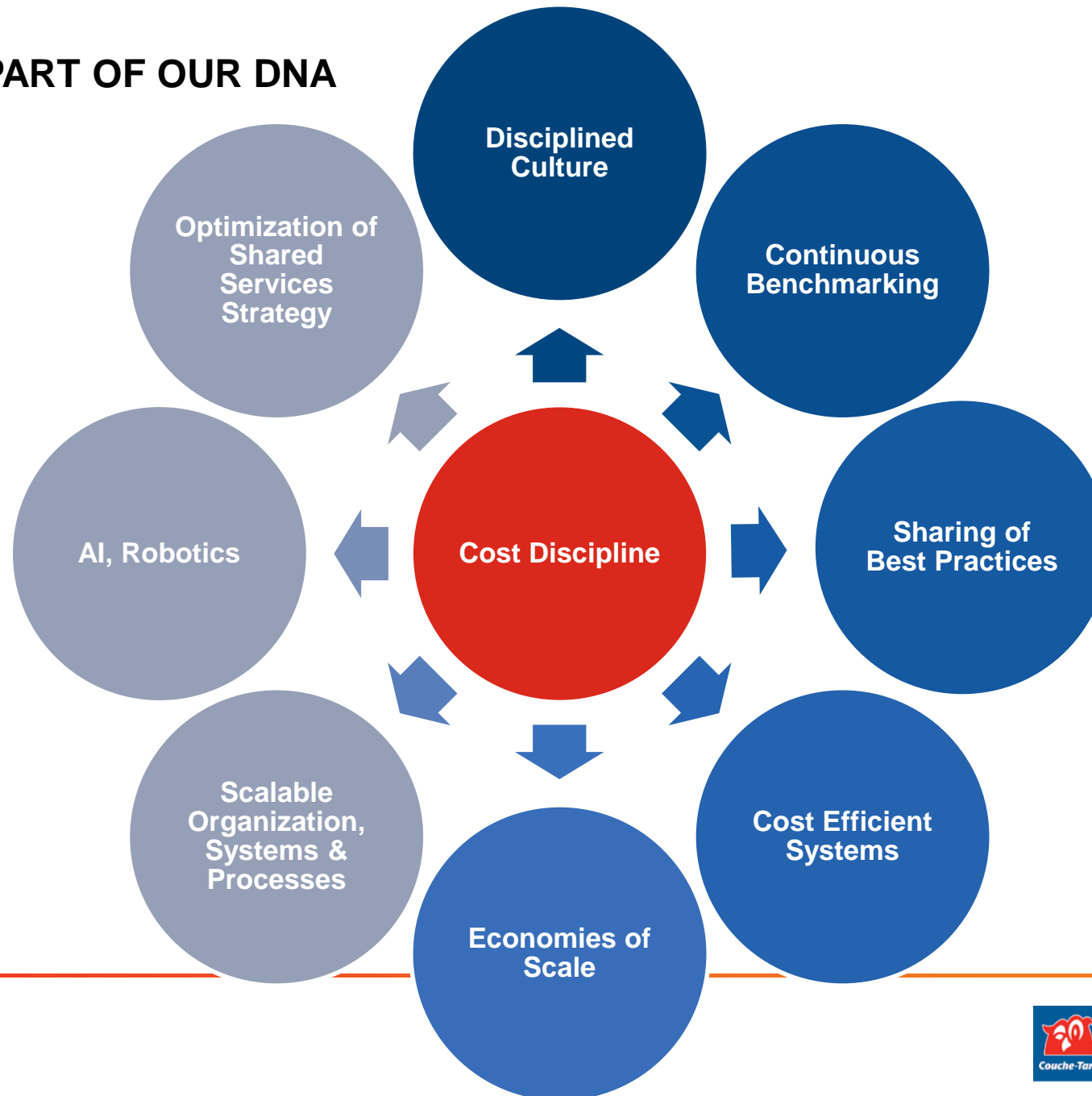
## OUR FOUR PILLARS OF VALUE CREATION – THE EQUATION

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## COST CONTROL – PART OF OUR DNA

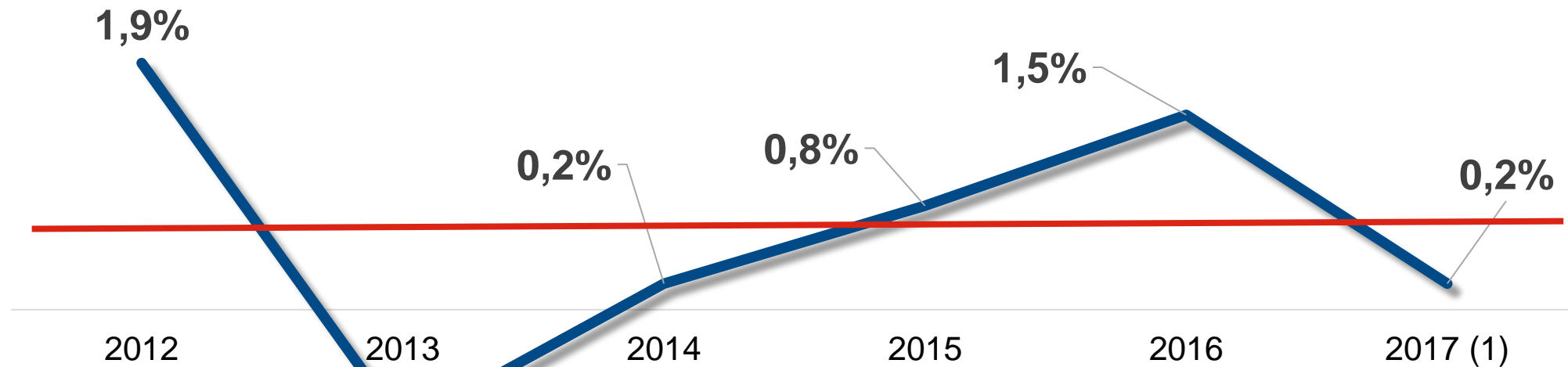
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## COST CONTROL – PART OF OUR DNA

### Year-over-year expense growth

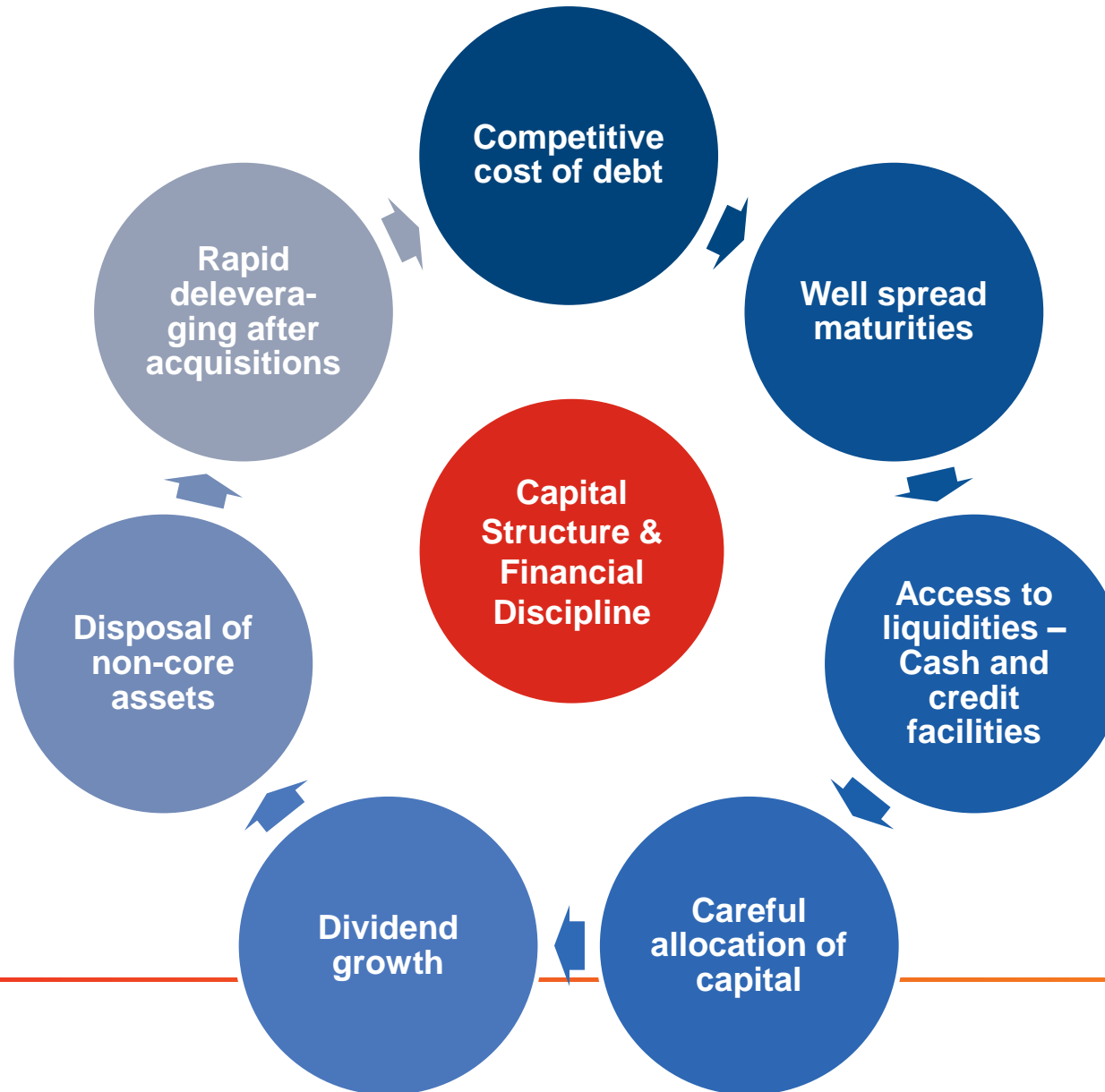


**5-year Average : +0.7%**

(1) Adjusted for the estimated impact of the 53rd week.

# CAPITAL STRUCTURE & FINANCIAL DISCIPLINE

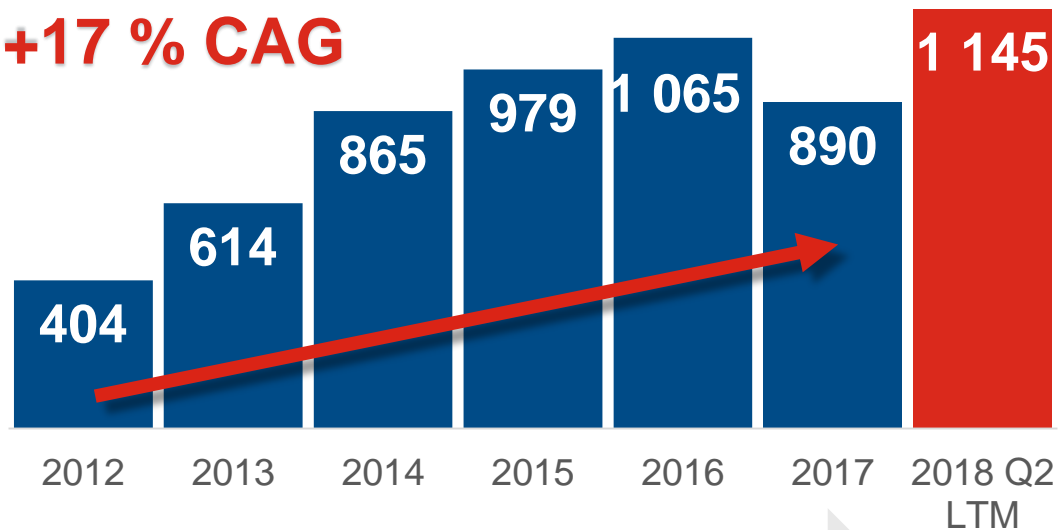
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## STRONG CAPITAL STRUCTURE & FINANCIAL DISCIPLINE

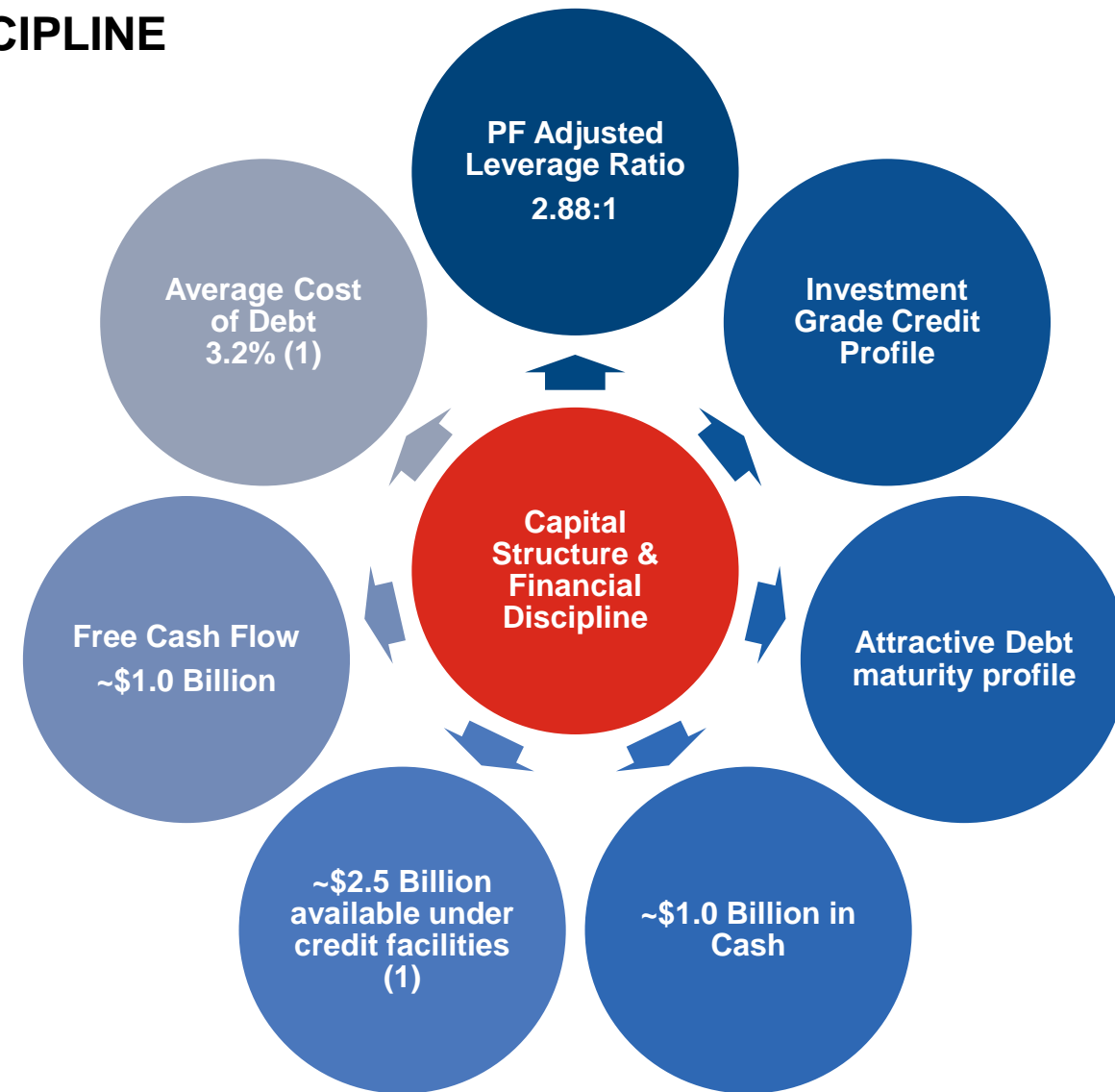
Free Cash Flow  
(in million dollars US)

**+17 % CAG**



Standard & Poor's:  
BBB (Stable)

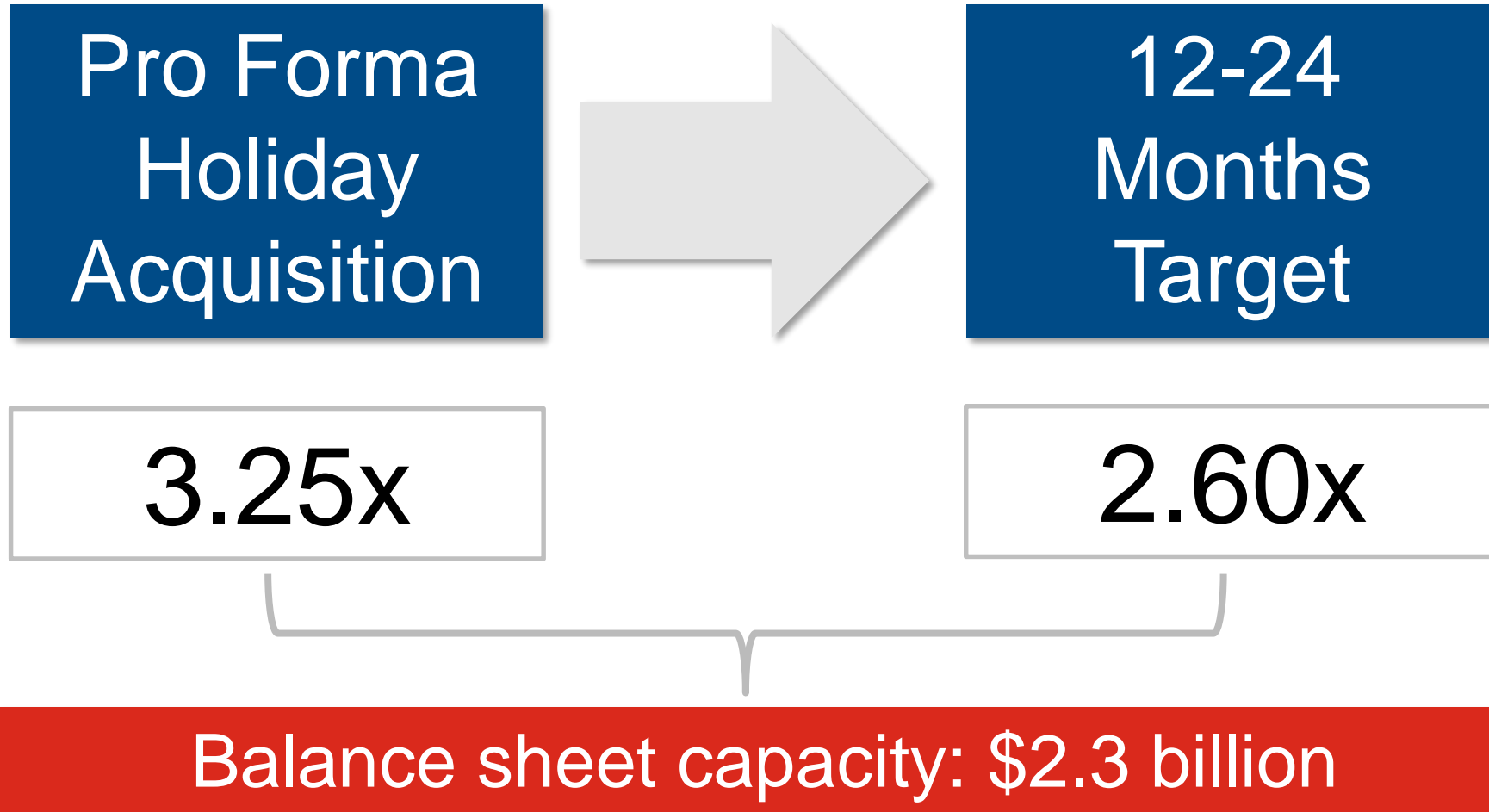
Moody's:  
Baa2 (Stable)



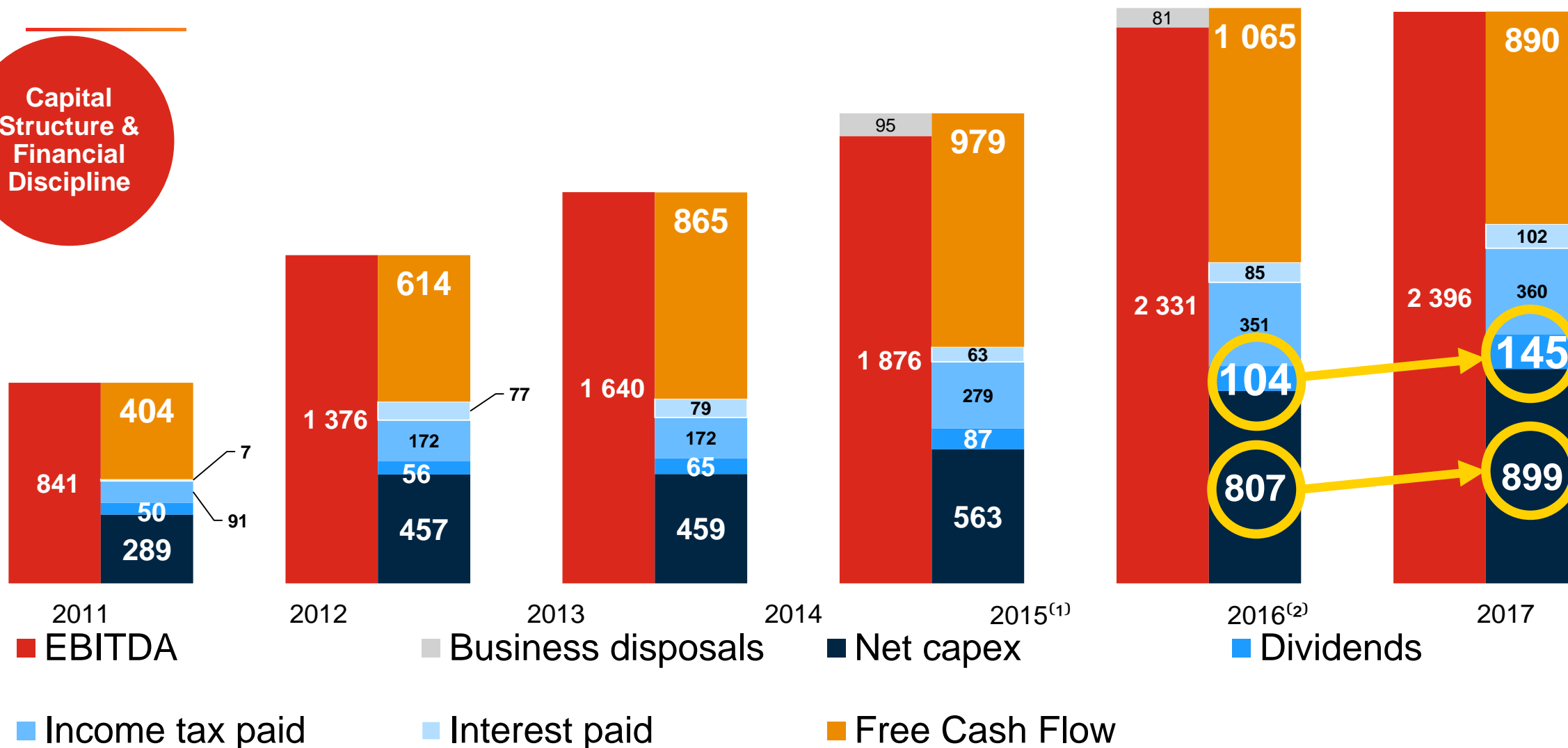


## ADJUSTED LEVERAGE RATIO

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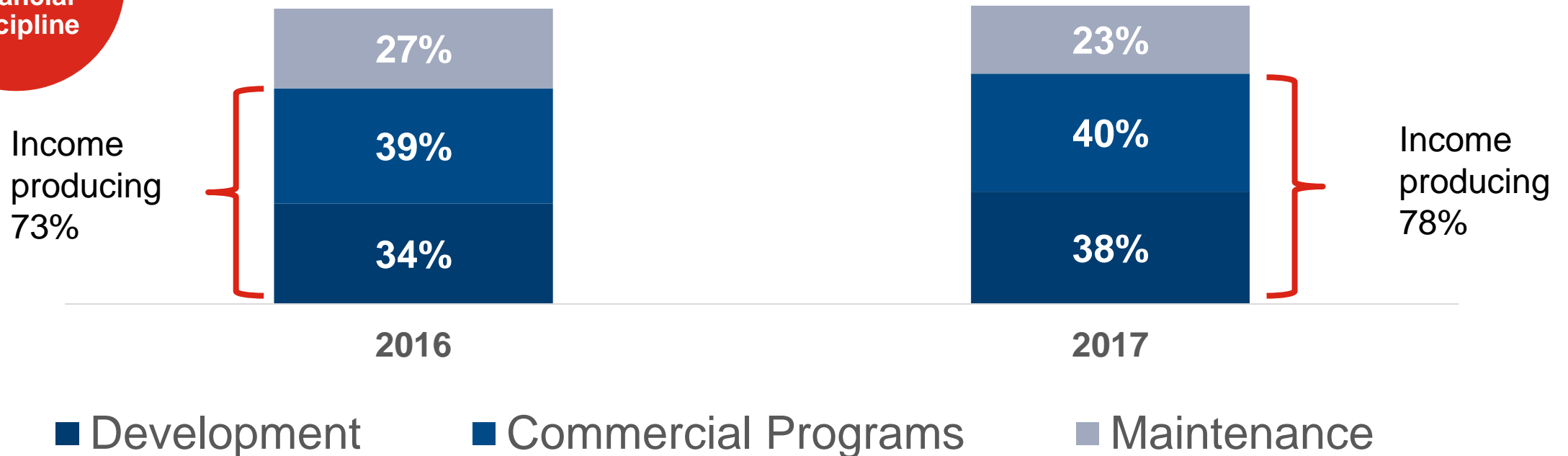
# STRONG AND SCALABLE FREE CASH FLOW CONVERSION



## DISCIPLINED CAPITAL ALLOCATION



### Capital Expenditures Allocation



Continuous improvement in capital allocation efficiency

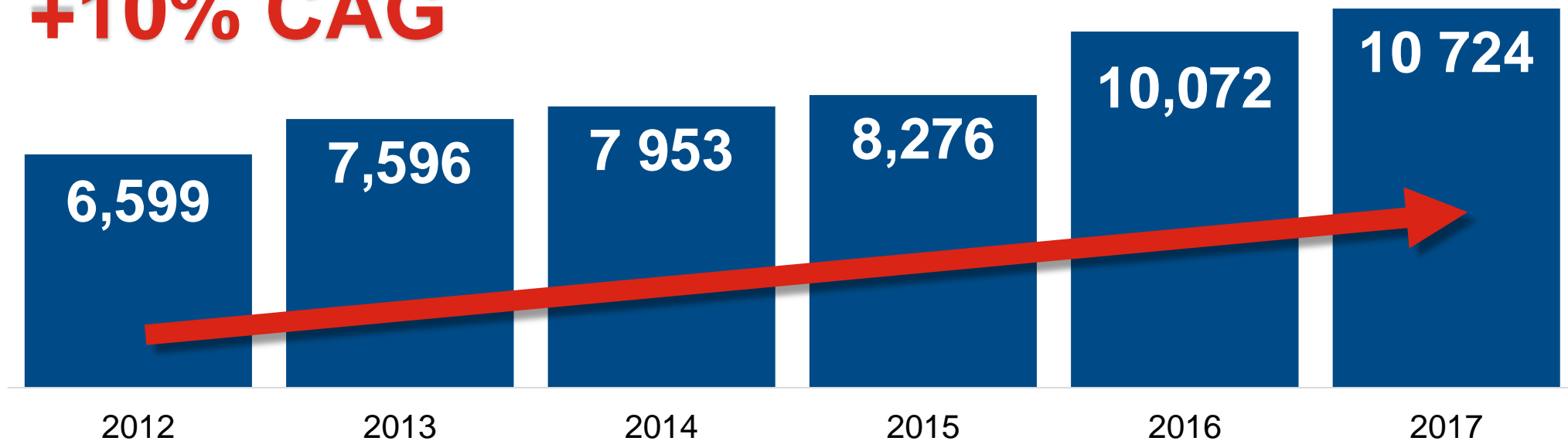


## RESULT OF THE VALUE CREATION EQUATION: A HISTORY OF SUSTAINABLE TOP-LINE GROWTH

Value  
Creation

Merchandise & Service Sales  
(millions of US dollars)

**+10% CAG**

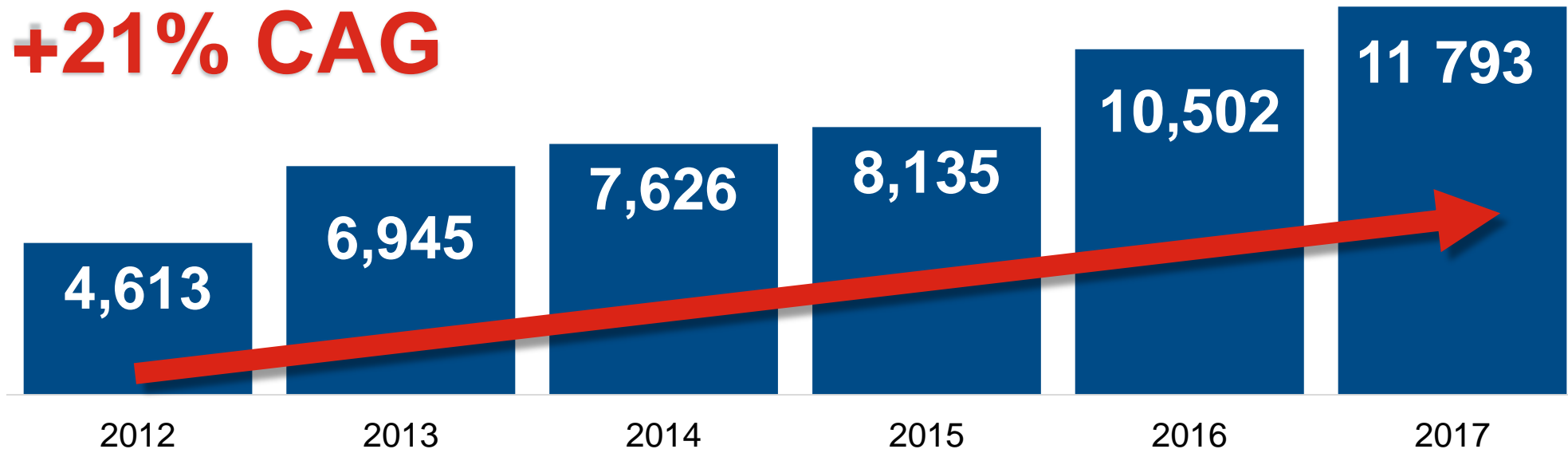


## RESULT OF THE VALUE CREATION EQUATION: A HISTORY OF SUSTAINABLE TOP-LINE GROWTH

Value  
Creation

### Road Transportation Fuel Volume (millions of gallons)

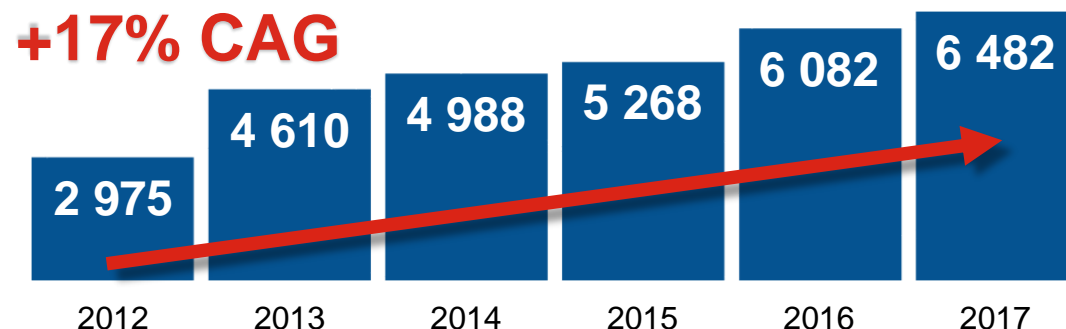
**+21% CAG**



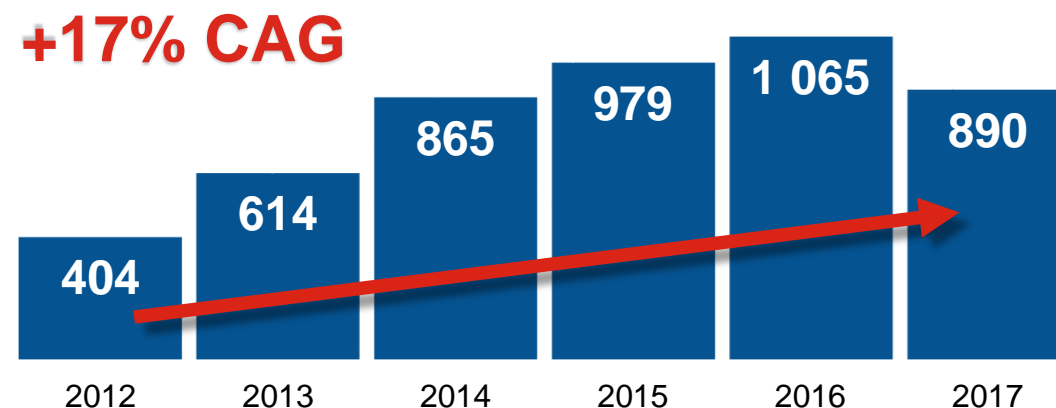
# RESULT OF THE VALUE CREATION EQUATION : A HISTORY OF STRONG FINANCIAL PERFORMANCE

Value  
Creation

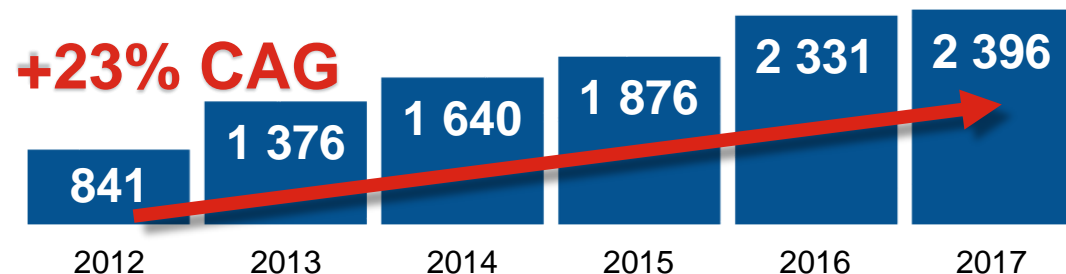
## Gross Profits



## Free Cash Flow <sup>(2)</sup>



## EBITDA



**Proven track record of consistent growth**

(1) All information in millions of US Dollars

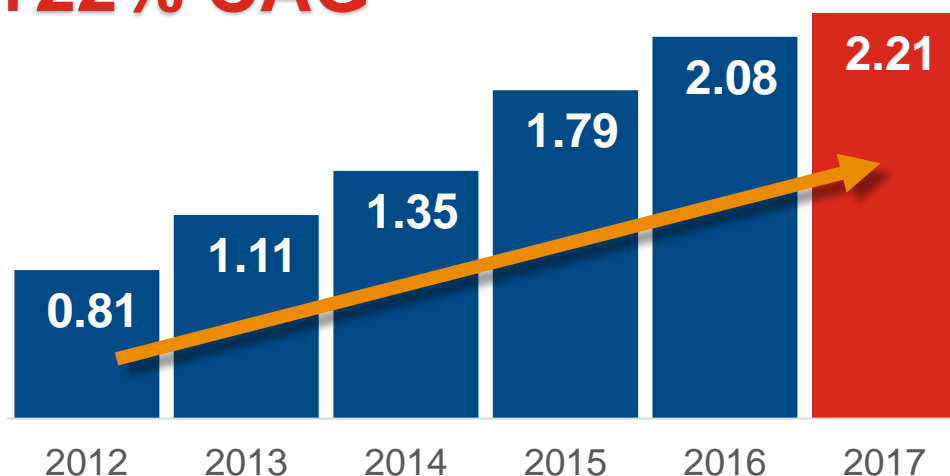
(2) Free Cash Flow defined as: EBITDA minus total CAPEX (excluding price paid for acquisitions), net dividends paid, net interests paid and net income taxes paid plus proceeds from disposal.



## RESULT OF THE VALUE CREATION EQUATION : ADJUSTED DILUTED NET EARNINGS PER SHARE AND RETURN ON EQUITY GROWTH

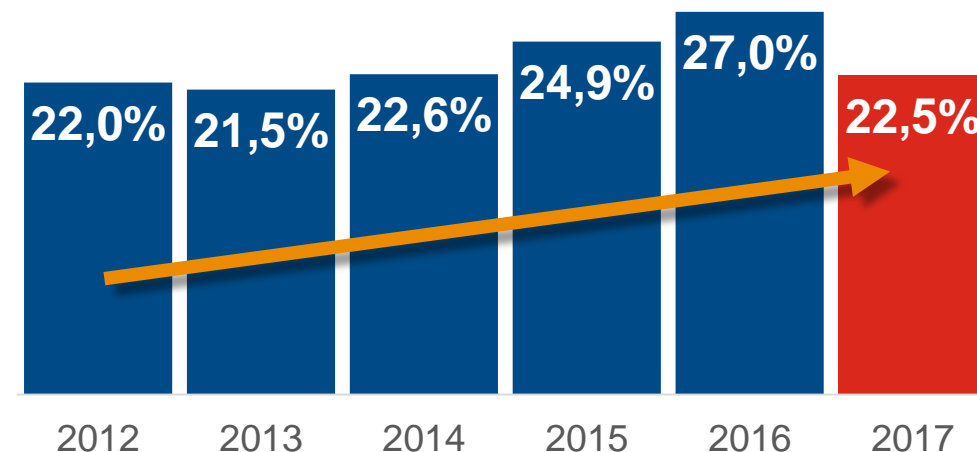
Adjusted Diluted Net Earnings per Share

**+22% CAG**



Value Creation

Return on Equity

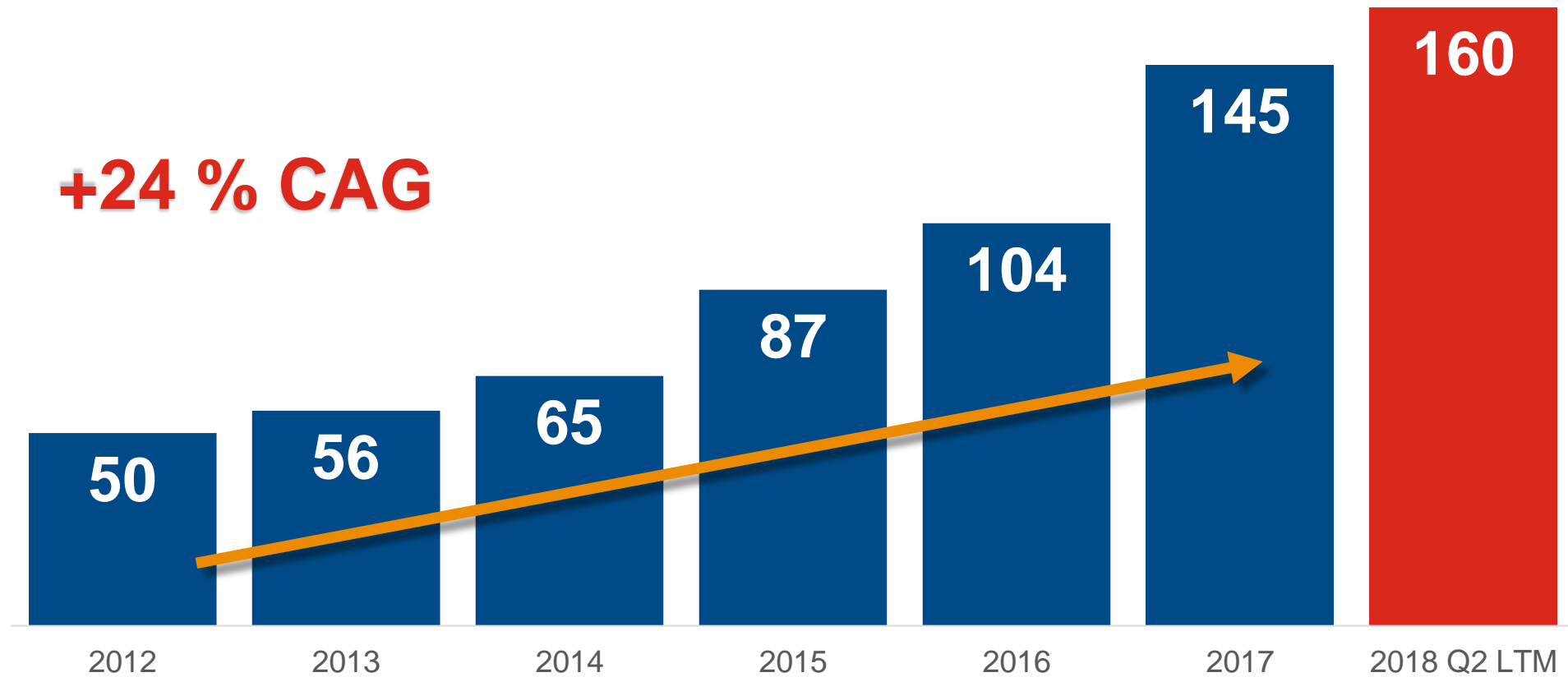




## RESULT OF THE VALUE CREATION EQUATION : DIVIDEND GROWTH

Value  
Creation

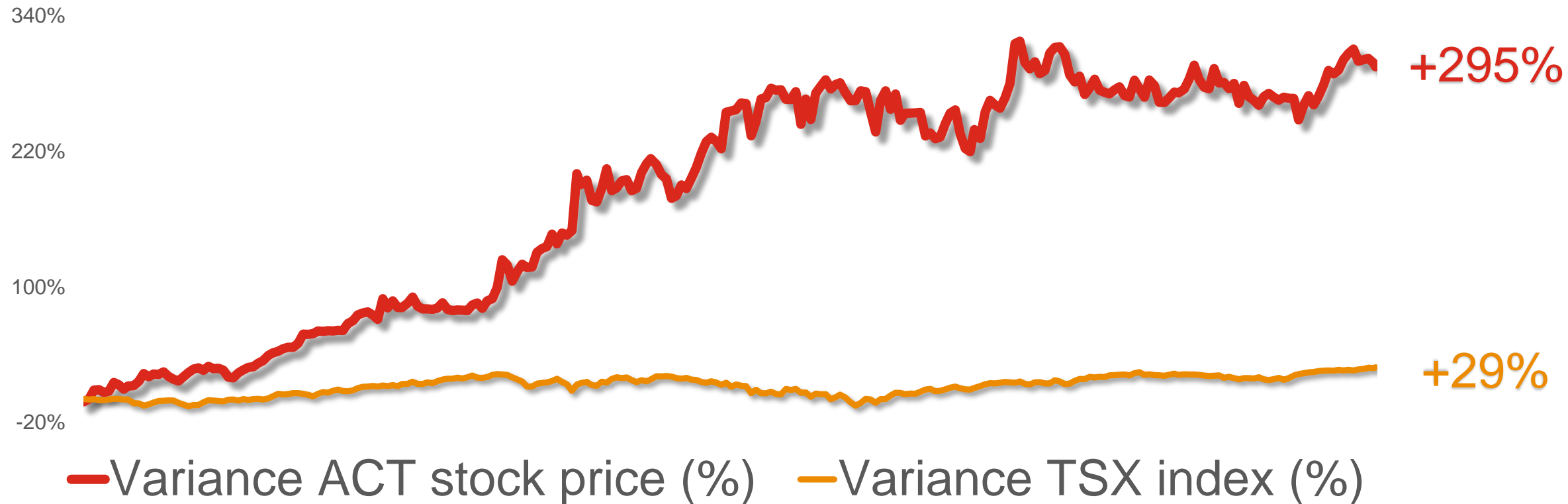
Dividends Paid – US Millions



## RESULT OF THE VALUE CREATION EQUATION : STOCK VALUE GROWTH

Value  
Creation

### 5-Year Relative Stock Performance



Source: FACTSET. January 15, 2018.



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# US TAX REFORM

## NEW LEASE ACCOUNTING STANDARD

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### Balance sheet

- Increase in Total Assets – Property and equipment
- Increase in Total Liabilities – Debt
- Limited impact on Net Adjusted Debt to EBITDAR ratio

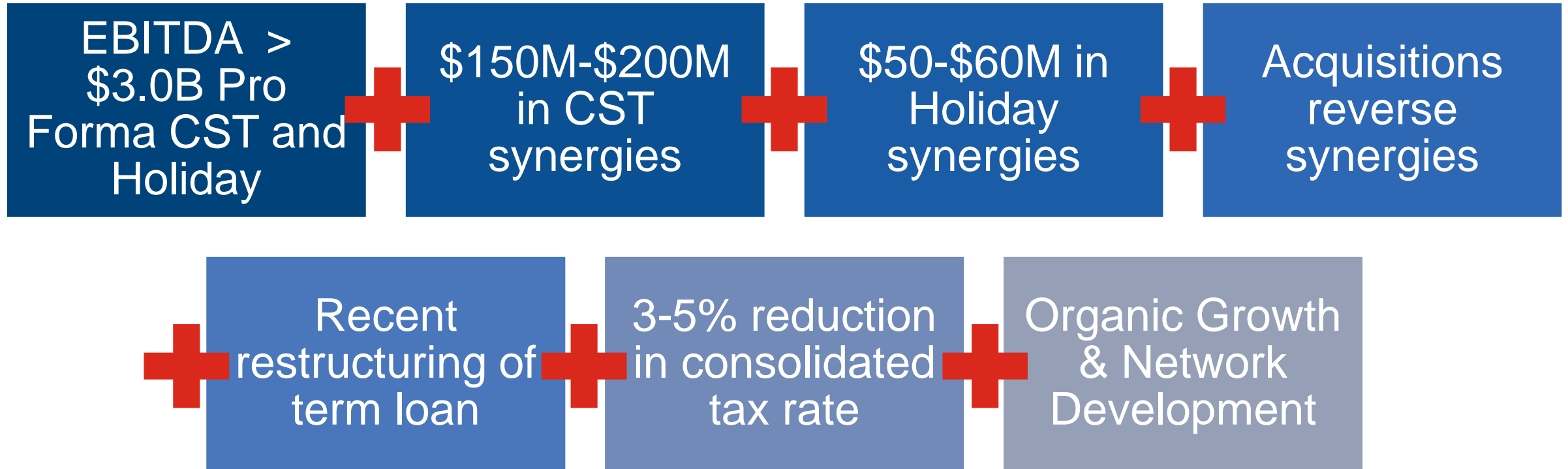
### P&L

- Decrease in Rent Expense – Increase in EBITDA
- Increase in Depreciation and Financial Expense
- Limited impact on Net Earnings



## SET TO GENERATE UNPRECEDENTED FREE CASH FLOW

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**KEVIN  
LEWIS**



ALIMENTATION COUCHE-TARD INC.

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# INSIDE THE STORE

Kevin Lewis,  
Chief Marketing Officer

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# AN INTRODUCTION

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Who I am



~100 day observations

World's biggest startup

Super-global, super-local is real

At the center of a revolution in convenience

Cohesive, committed team

Not taking success for granted



# UNIQUE OPPORTUNITY TO LEVERAGE OUR BRAND, SCALE AND SCOPE IN MARKETING

## Marketing

- Brand development
- Skyfall rollout
- Advertising
- Traffic generation
- Consumer acquisition

## Merchandising

- Assortment planning
- Promo management
- Pricing
- Supplier planning

## Customer insight and analytics

- Consumer behavior
- Personalization and Localization
- Marketing effectiveness
- Data-driven decision making

## Product Creation

- “Famous For”
- Private Brand



Inv

Jan 2018



## BECOMING FAMOUS FOR...

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Create real differentiation

Leverage our scale and scope (do it right, once)

Be locally relevant

Balance innovation and getting the basics right

Drive incremental visits, revenue and profitability



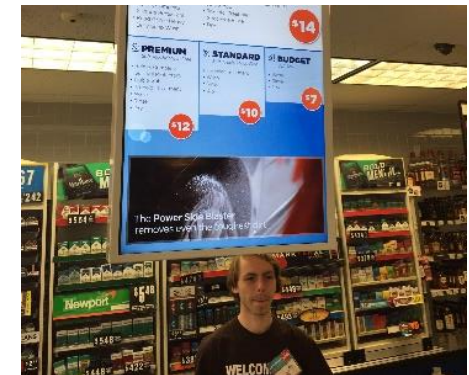
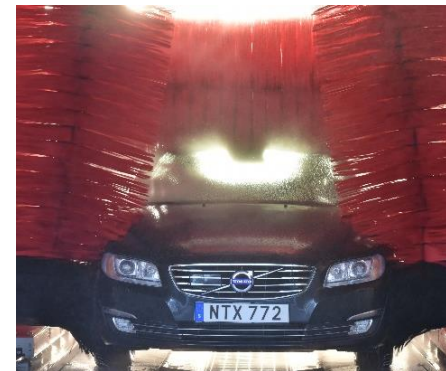
We are in the early days of our journey

# LEVERAGING GLOBAL PRESENCE: INTRODUCING SEASONAL CAR WASH

Warrenville, Illinois



Södertälje, Sweden





# CUSTOMIZING THE ASSORTMENT: SIMPLY GREAT COFFEE

Quebec City



Charleston, SC



Latvia





# BUILDING MULTI-LOCAL FOOD PLATFORMS

## Bakery

Charlotte, NC



Quebec, Canada



## Hot Dog

Sweden



Tampa, FL

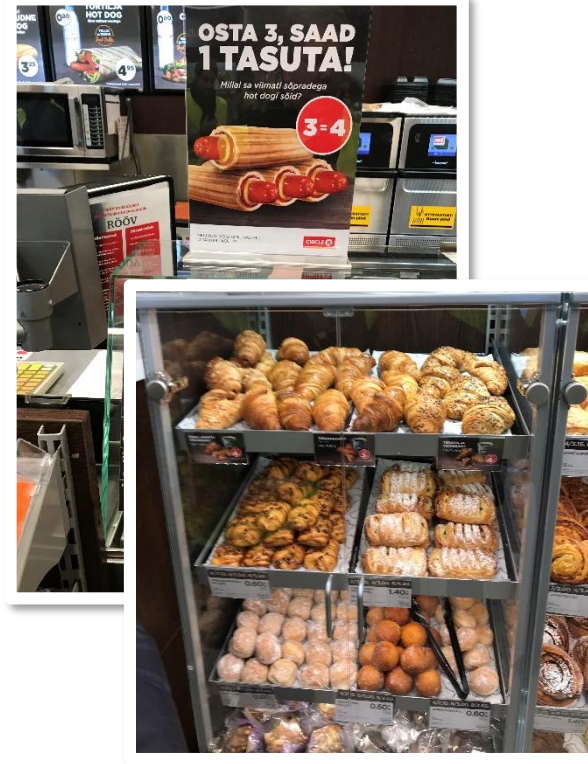


# OPEN CHALLENGE: UNLOCKING GLOBAL FOOD EXCELLENCE

Ireland



Estonia



Norway



We are working hard to crack the code in North America



# PRIVATE BRANDS

Drive product differentiation

Reinforce value

Generate additional gross margin

Provide supplier leverage

## Global portfolio with local relevance



# FOCUS ON TRAFFIC

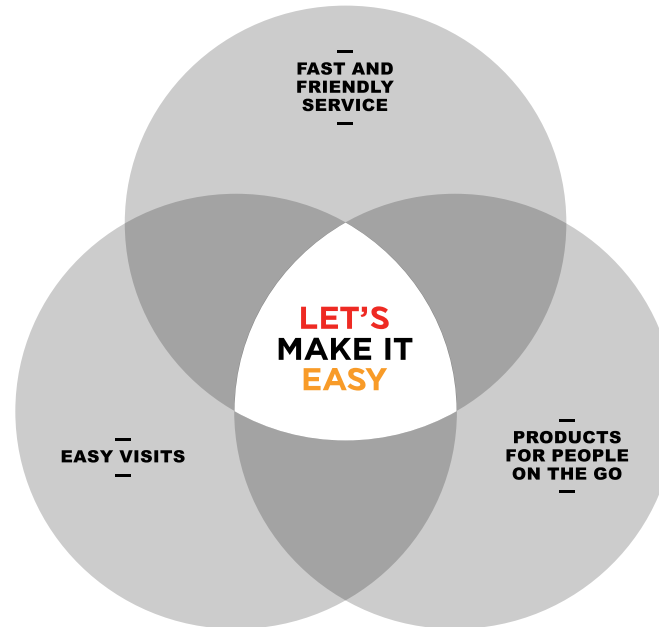
Shifting customer demographics

Resurgent competitors

Redefinition of convenience

Changing habits and tastes

## Branding and communications

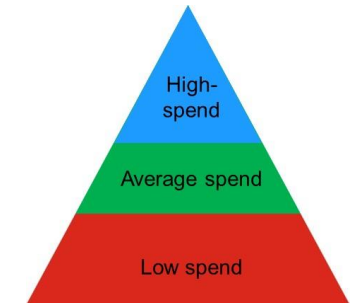


## Insights and analytics

### Segmentation



### Prioritization



### Targeting



### Personalization





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# M&A

**Brian Hannasch, President and  
Chief Executive Officer**

**Darrell Davis, Senior  
Vice President, Operations**

**Alex Miller, Senior Vice President,  
Operations & Global Fuels**

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A stylized world map in the background, with landmasses in shades of orange and pink and oceans in white. The map is centered behind the text.

**DARRELL  
DAVIS**





**ALEX  
MILLER**



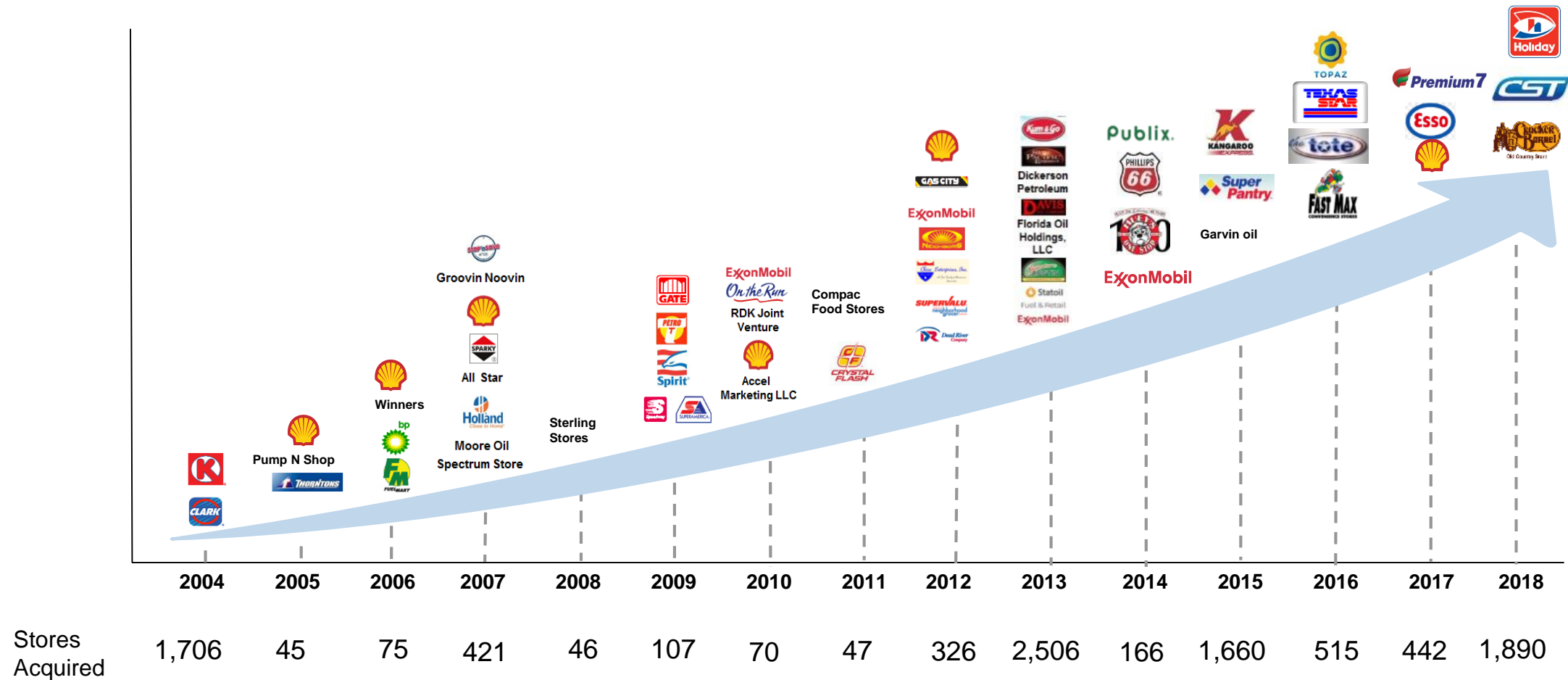
# HOW WE DO M&A – OUR STRATEGY

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# PROVEN TRACK RECORD OF SUCCESSFUL ACQUISITIONS



# ACQUISITIONS ROADMAP

Identify the  
right  
opportunities

Strike the  
right deal at  
the right  
price

Secure  
acquired  
talent

Swift and  
efficient  
integration

Realization of  
available  
synergies

Reverse  
synergies and  
learnings

Deleverage

ALIMENTATION COUCHE-TARD INC.

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## M&A

**Darrell Davis, Senior  
Vice President, Operations**

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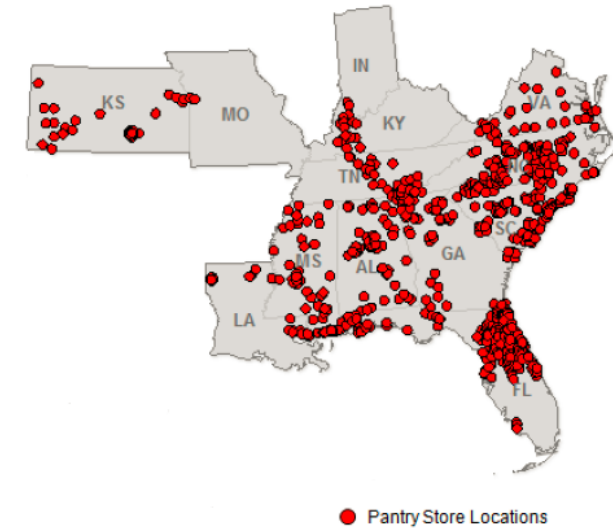
# THE PANTRY TRANSACTION SUMMARY & OVERVIEW

## Transaction Summary

- Acquired 100% of the outstanding shares of The Pantry, on March 16, 2015, representing a total enterprise value of US \$2.2 billion
- Fully funded transaction with our revolving credit facility and cash on-hand

## Strategic & Financial Impact

- Transaction was expected to generate a minimum of US\$85M over the 24-month period following the acquisition. The amount of realized synergies exceeded US\$125M
- Significant in-store sales and fuel volumes growth opportunities through the implementation of our programs, better execution and network improvements
- Significant product supply cost reduction opportunities for both in-store and fuel purchases





# THE PANTRY- INTEGRATION STRATEGY AND AREAS OF FOCUS

**Portfolio  
Rationalization**

**Growth &  
Competitiveness**

**Talent Review**

**Cost Reductions**

**Synergies**

**Business Units**

**Labor Changes**

**Best Practices**

**Rebranding**

# CST BRANDS TRANSACTION SUMMARY & OVERVIEW

## Transaction Summary

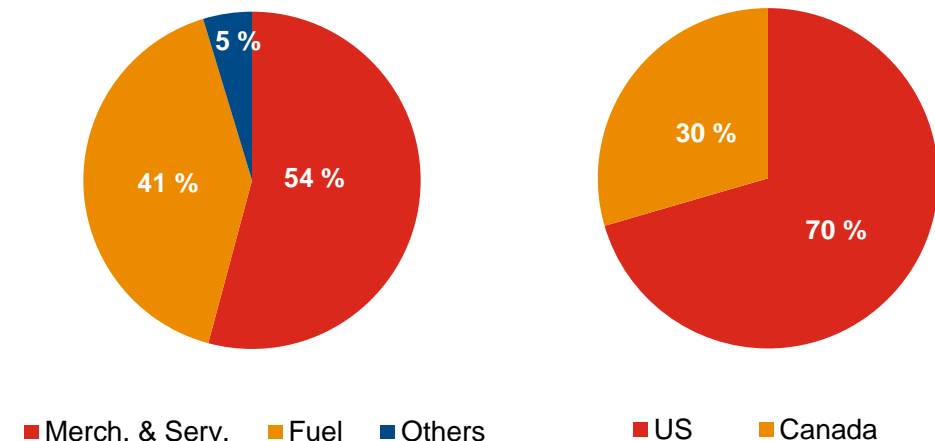
- Acquired 100% of the outstanding shares of CST Brands Inc. (“CST”), on June 28, 2017, representing a total enterprise value of US \$4.4 billion or approximately US, \$4.2 billion excluding the value of CST’s equity participation in CrossAmerica Partners LP (“CAPL”).
- In order to meet Canadian regulatory authorities’ requirements, ACT sold to Parkland Fuel Corporation a large portion of CST’s assets in Canada and retained 157 company-operated stores.
- In order to meet US regulatory authorities’ requirements, ACT sold 70 sites to Empire Petroleum Partners, LLC. And retained 1,106 sites

## Strategic & Financial Impact

- Transaction is expected to generate between US\$150M and US\$200M in annual cost synergies to be realized over 3 years. This does not include fuel synergies.
  - As of ACT’s last earnings report (11/28/17), the annual reduction run reached approximately US\$84 million.
- Provides ACT control over CAPL’s General Partner, ownership of associated Incentive Distribution Rights and equity stake of 21% in CAPL (CAPL is a distributor of branded and unbranded petroleum for motor vehicles in the U.S.)



Gross Profits <sup>(2)</sup>



# CST BRANDS - INTEGRATION STRATEGY AND AREAS OF FOCUS

Portfolio  
Rationalization

Best Practices

Talent Review

Business Units

Labor Changes

Rebranding

Cost Reductions

Procurement Focus

ALIMENTATION COUCHE-TARD INC.

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## M&A

**Alex Miller, Senior Vice  
President, Operations &  
Global Fuels**

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# HOLIDAY IS A TOP PERFORMER IN UPPER MIDWEST

## COMPANY OVERVIEW

### Great Strategic Fit

- 522 stores (374 COCO, 148 Franchise)
- GTC (3.5M pop) is a stronghold with 159 COCO stores
- ~5300 retail employees
- Present in 10 states, 8 new to ACT
- High volume locations - \$2.5MM Inside & 2.2MM gallons

### High Quality Assets

- Very strong underlying retail real estate
- Well maintained facilities, inside and outside
- Majority of stores are large format - over 4000sqf
- Sites are 80% owned, 20% leased

### Consistent Offer – Strong Food & Car Wash

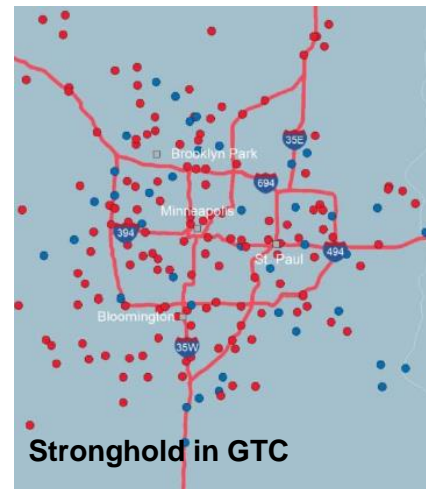
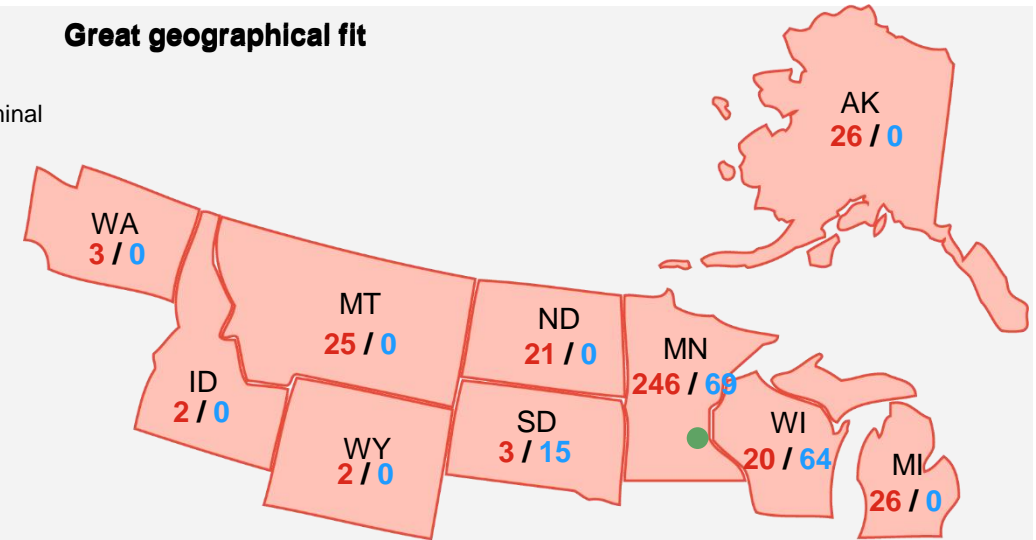
- Deep operating and merchandising capability
- Food offer has high presence and is very consistent
- Commissaries provides fresh and frozen food
- Very strong car wash business – 221 locations

### Advantaged Fuel Business

- Newport terminal (GTC) supplies 32% of gallons
- Proprietary “Blue Planet” additive

### Great geographical fit

- Corporate
- Franchise
- Newport Terminal



### High quality assets



## HOLIDAY ACQUISITION TO DELIVER MATERIAL SYNERGIES

### ACT Proven Track Record of Delivering Direct Synergies – Expect \$50-\$60M in Synergies with the Holiday Acquisition

*Global functional teams engaged in leveraging scale and capability to deliver majority of benefits 24 months post close – some integration activity targeted in 24 to 48 month timeframe*

- *Costs*
- *Merchandise Procurement*
- *Fuel Optimization*

### Holiday Best in Class Retailer Brings Multiple Areas to Deliver Reverse Synergies

*Fully committed, dedicated cross resource team focused on delivery into ACT's large, core network*

- *Site Build*
- *Customer Journey*
- *Promotional & Assortment Strategy*
- *Digital Messaging*
- *Commissary / Food Model*
- *Car Wash Subscription Program*
- *Dynamic Pricing*
- *Cooler & Take Home Staples*

ALIMENTATION COUCHE-TARD INC.

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## **M&A – GROWING OUR PLATFORM**

**Brian Hannasch, President  
and Chief Executive Officer**

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# GROWING OUR PLATFORM

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**DEBORAH  
HALL LEFEVRE**



ALIMENTATION COUCHE-TARD INC.

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# DIGITAL/TECHNOLOGY

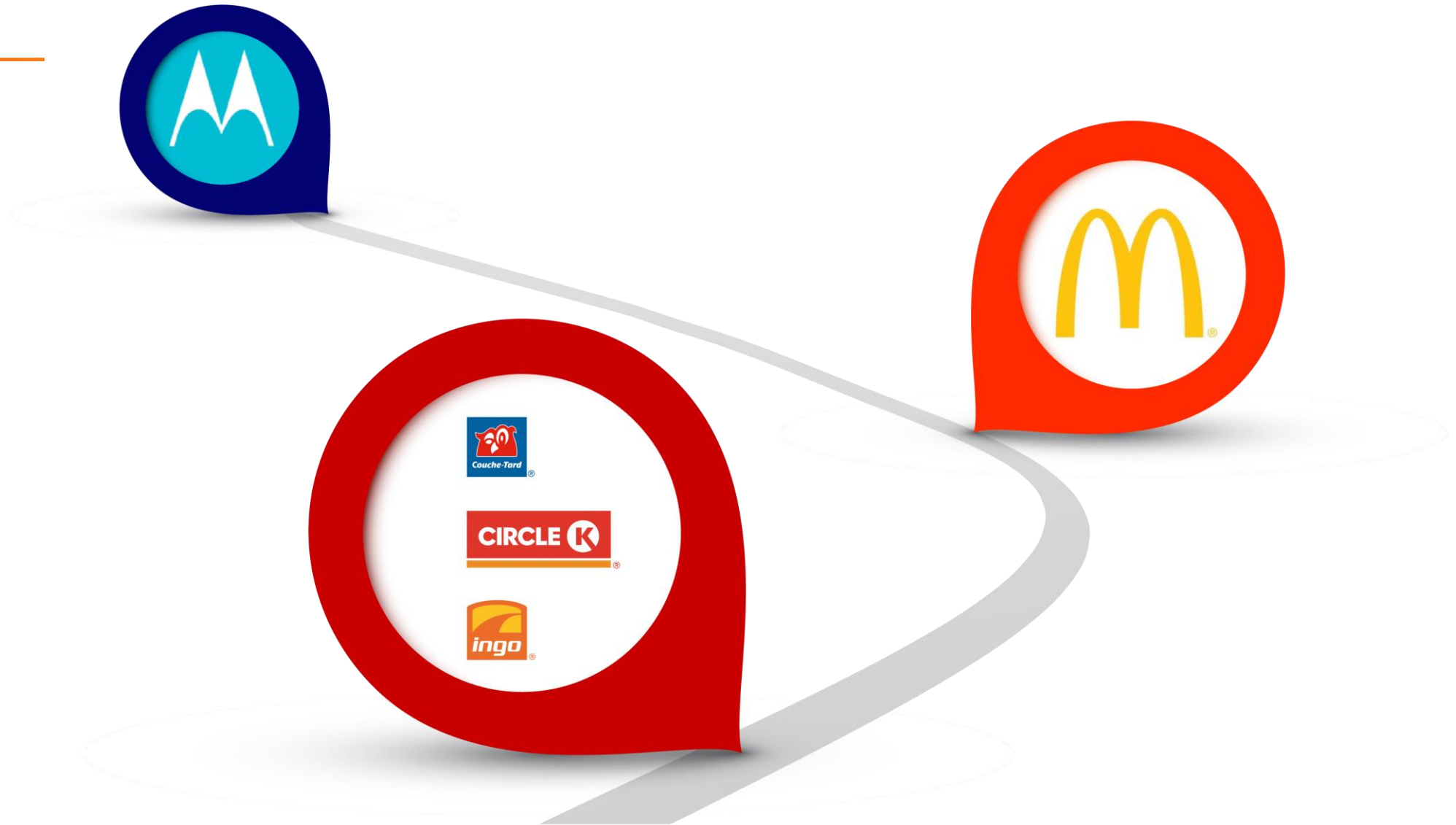
Deborah Hall Lefevre,  
Chief Information Officer

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## ABOUT ME


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# Digital is creating new ways to **LIVE, WORK AND PLAY**



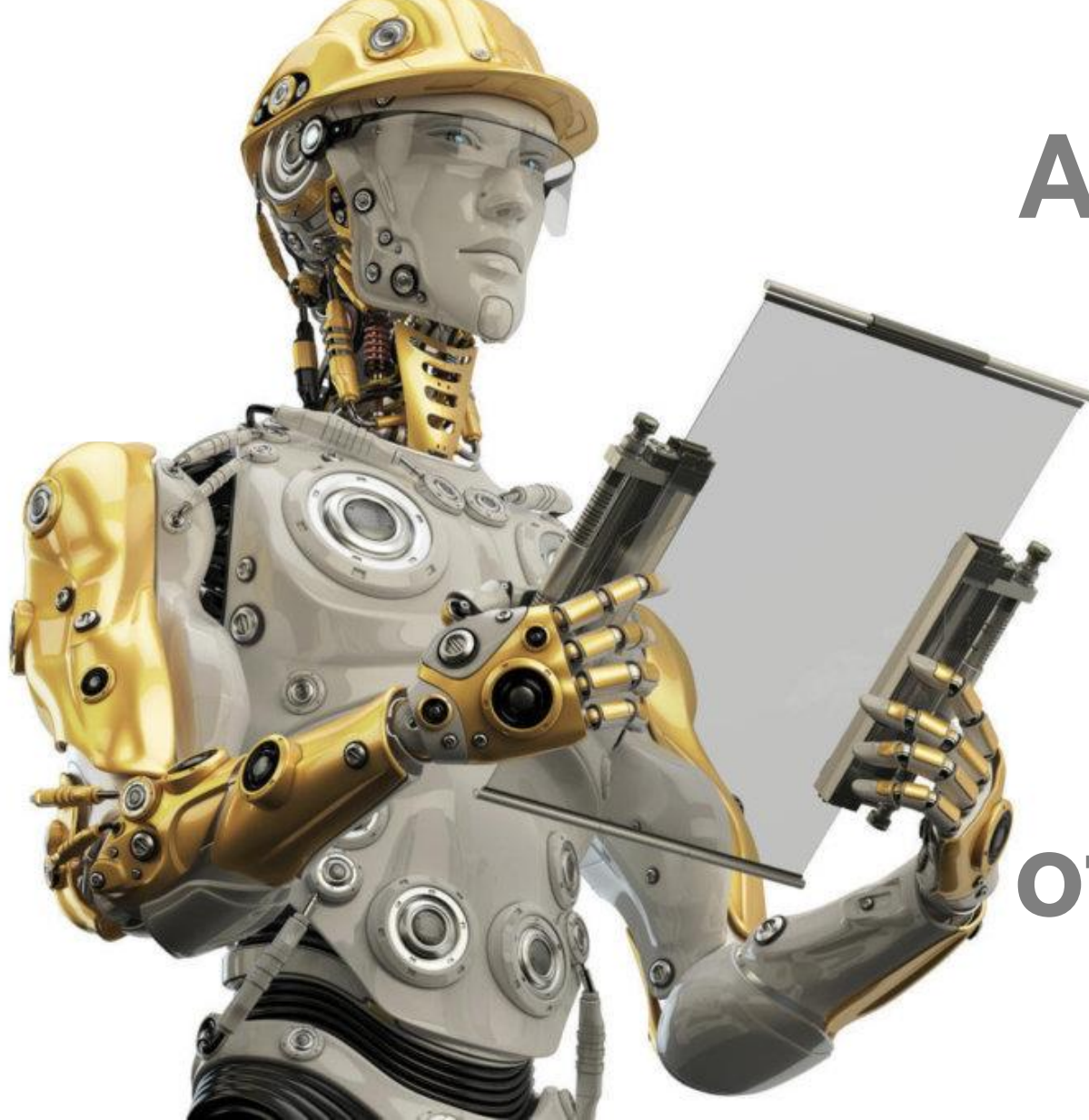


**100 million customers will shop  
in augmented reality by 2020**

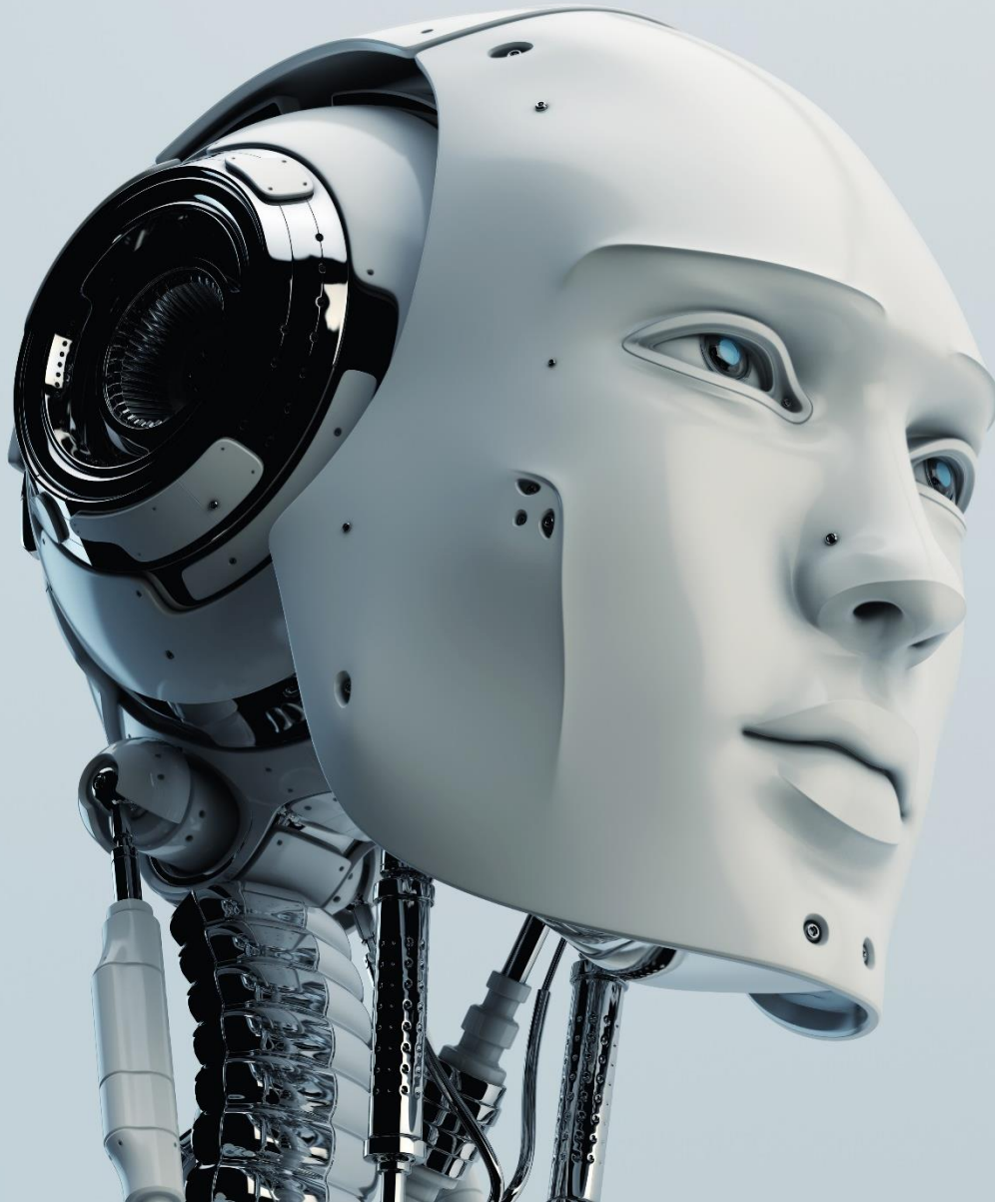


# Renault uses virtual reality to test drive new designs without any physical prototypes





A Robotic Process  
Automation  
Software  
**Robot**  
costs ~1/3 of an  
offshore **employee**



By 2020 the  
average person  
will have more  
**conversations**  
**with robots** than  
with their  
spouse.



## OUR DIGITAL FUTURE

**Deliver industry-leading digital programs**

...that win with customers, increase visits, drive overall value.

**Execute with focus and cost consciousness**

...targeting only the best ideas

**Create new ways of working**

...across all functions and geographies to deliver a global digital strategy

# OUR BUSINESS /S DIGITAL

Employee Experience  
&  
Value Proposition

Customer Experience  
&  
Brand Promise



**Backbone**  
Make it easy to  
hit the target

**Stem**  
Define right quality and deliver at lowest possible cost

**Front-end**  
Constantly sharpen  
the customer offer



# WE WILL UNLEASH THE POWER OF DATA

**Greater understanding of customer behaviors**

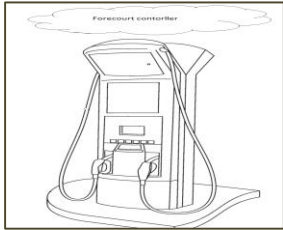
**More accurate demand predictions**

**Optimized pricing, assortment, and product placement**

# OUR NEXT GEN RETAIL TECH IS ALL ABOUT MAKING IT EASY

## Easy visits

### Cloud enabled forecourt



- App payment at forecourt
- Real time access to data
- Forecourt IoT

### Mobile payments



- In-store app payment
- Easy integration with loyalty and other systems

## Easy tools

### Hardware independent software



- Centralized management
- Seamless deployment
- Bring your own device

## Easy access to customer insight

### Internet of Things



- Location based marketing
- “Things” status i-eg. which coffee machines are not working

### Connected cars



- Payment by car
- Pre-ordering
- 2 ways communication with customer in the car

### Mobile POS



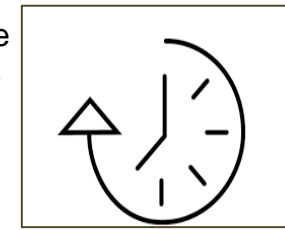
- Access through Web browser
- Can be opened at any device eg. phone, tablet, etc.

### Seamless integrations



- Open architecture
- Easy integrations through APIs
- Loose coupling
- Micro services

### Real time data



- Real time campaign results
- Real time stock counts
- Real time upselling

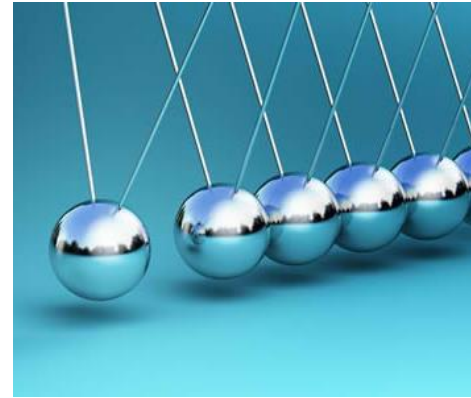


# OUR DIGITAL FUTURE IS BRIGHT

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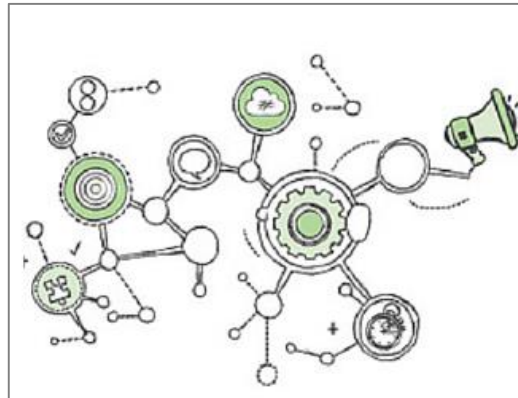
Digital everything



Consistent operations,  
«ticking along»



Standardization and super  
local too



Tech ecosystem and  
focused on speed and agility



Data

WE ARE ALREADY UNIQUELY POSITIONED TO WIN....



- **SCALE IN A FRAGMENTED INDUSTRY**
- **INDUSTRY TALENT**
- **LEARNING ORIENTATION & GROWTH MINDSET**

ALIMENTATION COUCHE-TARD INC.

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# FUEL

**Alex Miller, Senior Vice  
President, Operations & Global  
Fuels**

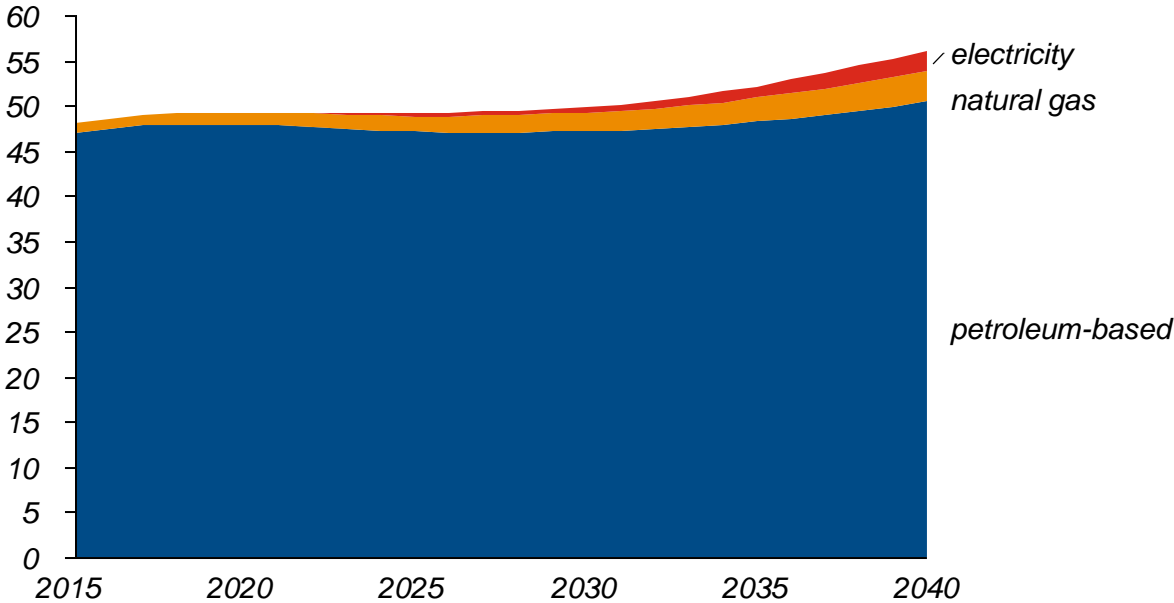
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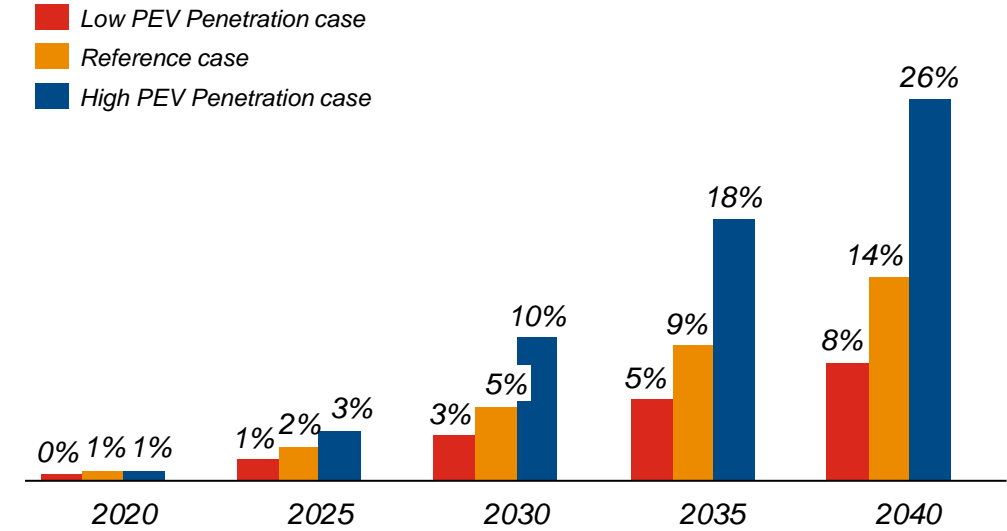
# POSITIVE OUTLOOK FOR LIQUID FUEL DEMAND

## OECD COUNTRIES MODERATELY IMPACTED BY NATURAL GAS & ELECTRIC

Worldwide light-duty vehicle energy consumption  
Quadrillion Btu



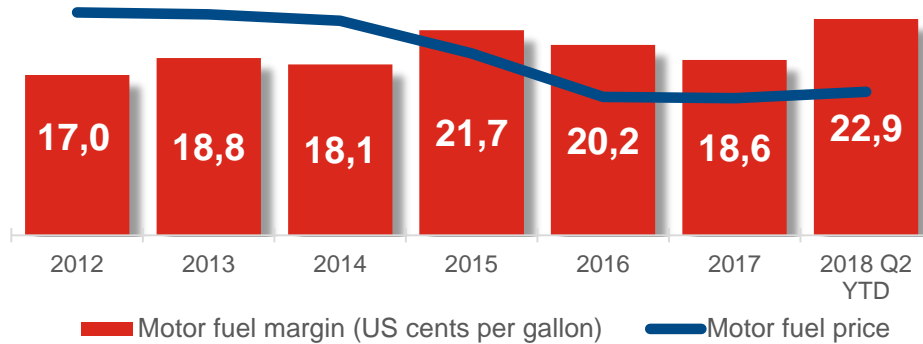
Worldwide plug-in electric vehicles as percent of light-duty vehicle stock  
Percent





# FUEL MARGINS HAVE MINIMAL CORRELATION TO FUEL PRICE MARGINS ARE GROWING

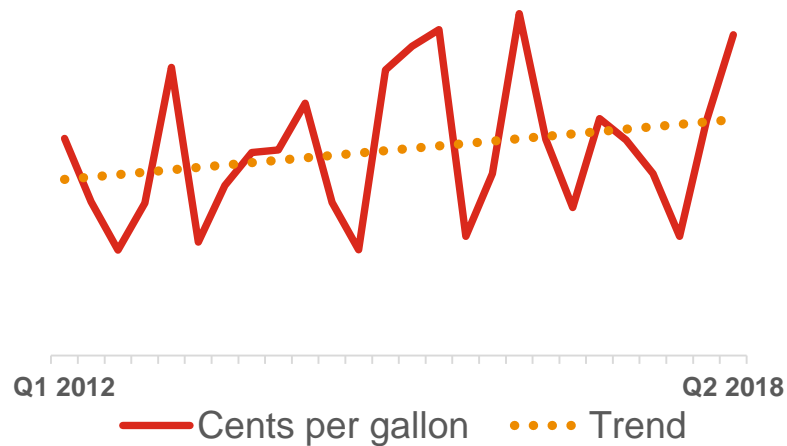
US Road Transportation Fuel Margins <sup>(1)</sup>



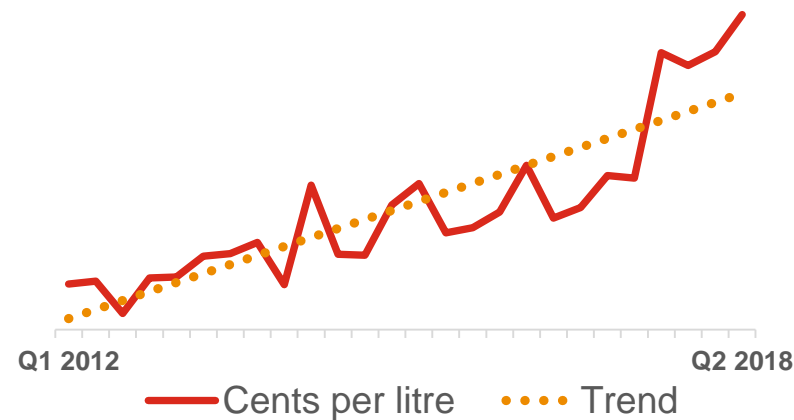
- Growing margins, with some volatility in the US
- Minimal correlation between Fuel price and Margin
- Margins impacted by:

- Competition
- Volatility
- Inflation
- Regulatory requirements

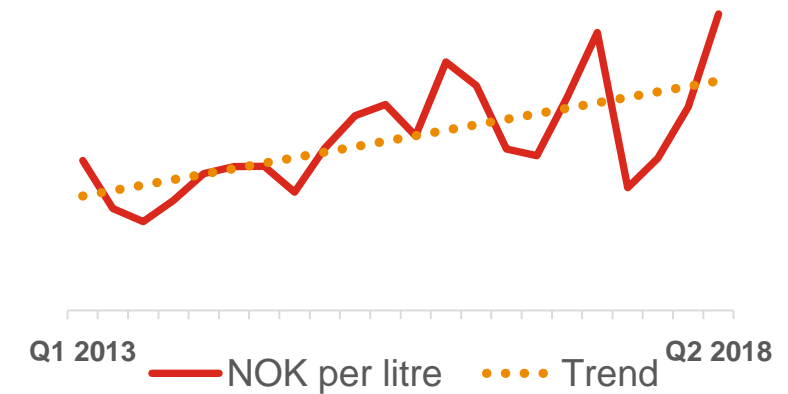
U.S Fuel Margins<sup>(1)</sup>



Canadian Fuel Margins<sup>(1)</sup>

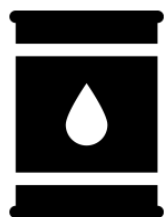


Norwegian Fuel Margins<sup>(2)</sup>



## SIZEABLE FUEL OPERATION

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**17.5 Bn  
Gallons  
sold**

**Pick-up at  
300  
Terminals**

**6.000 daily  
deliveries**

**Delivery to  
11.400  
stores**

## SOURCING:

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**CONTINUOUS FOCUS ON LOWERING COST OF GOODS  
MINIMIZE RISK AND WORKING CAPITAL**

### Structure

Fuel fully integrated globally with focused sourcing team, capitalizing on scale and singular relationships with wet barrel refiners

### Market Access

Advanced market knowledge enabled through reach, continuous M&A activity - married with deep analytics

### Commercial Excellence

Consolidate and leverage our large shorts via structured RFP process established across all geographies

## LOGISTICS:

### CONTINUOUS FOCUS ON COST LEADERSHIP THROUGH OPERATIONAL EXCELLENCE

Logistics unit costs \*):

- 4%

Run Outs \*)

- 32%

Days in Stock \*)

- 3%

Scalable, flexible and low capital intensive operating model

Centralized and fully integrated Operations teams in low cost locations

Leveraging scale through structured procurement approach

Leading IT solutions capitalizing on advanced analytics and forecasting capabilities



## WINNING WITH FUEL:

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- *Forecourt Execution & Amenities*
- *Differentiated Premium Fuels*



- *Loyalty Alliances & Partners*
- *Deliver on Speed, Easy Visit*
- *Payment Development*





**JACOB  
SCHRAM**



ALIMENTATION COUCHE-TARD INC.

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# NORWAY AS A LABORATORY

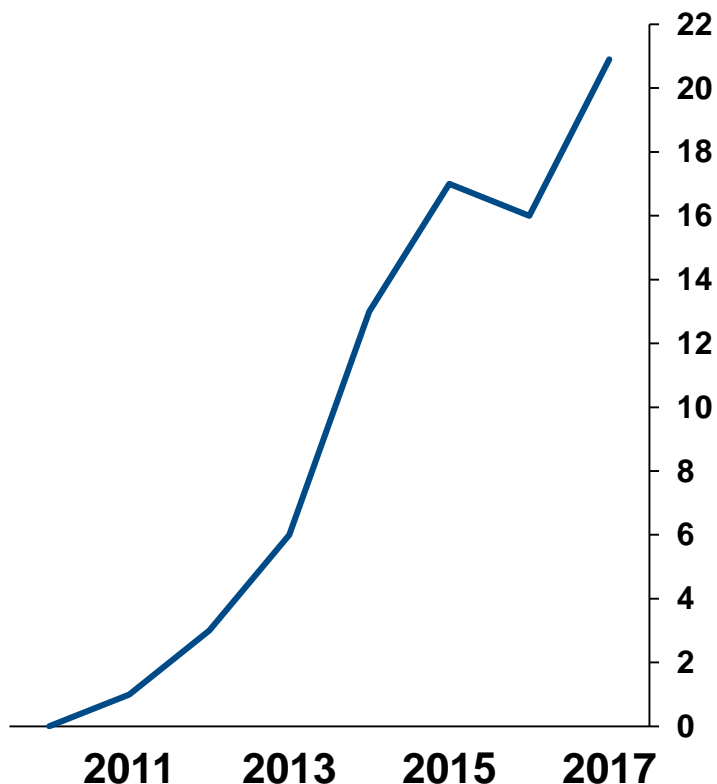
Jacob Schram, Group President,  
European Operations

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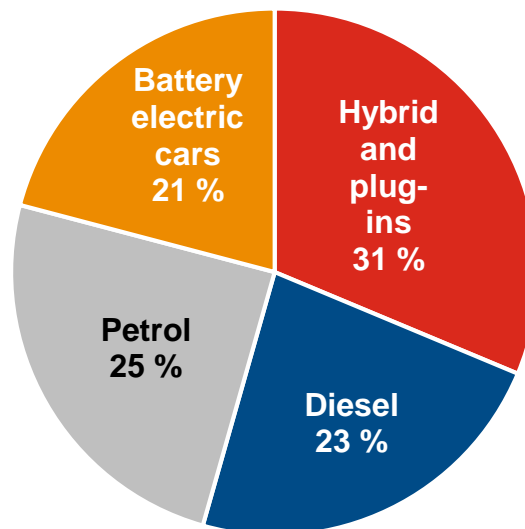


# FOSSIL CARS LESS THAN 50% OF 2017 CAR SALES IN NORWAY

BEV% of total car sales<sup>1</sup> (percent)



Shares of total car sales<sup>2</sup> (percent)











Top 15 sold cars in Norway 2017<sup>2</sup>

1. Volkswagen e-Golf, EV
2. BMW i3, EV
3. Toyota Rav 4, hybrid
4. Tesla Model X, EV
5. Mitsubishi Outlander, plugin-hybrid
6. Toyota Yaris, hybrid
7. Tesla Model S, EV
8. Nissan Leaf, EV
9. Volkswagen Passat, plugin-hybrid
10. Toyota Auris, hybrid
11. Toyota C-HR, hybrid
12. Mercedes-Benz GLC, plugin-hybrid
13. Renault Zoe, strøm
14. **Volvo V90, diesel**
15. Volkswagen Golf, plugin-hybrid



## IN NORWAY, EVS HAVE FOR LONG BEEN EXEMPT FROM VAT AND PURCHASE TAX, WHICH ON AVERAGE ACCOUNTS FOR ~50% OF THE VEHICLE COST

		INCENTIVES		
		EV purchase incentives	Circulation tax exemptions	Free circulation, e.g. tolls, parking
NORTH AMERICA	 USA	(✓)	(✓)	(✓)
	 Canada	(✓)		(✓)
EUROPE	 Norway	✓		✓
	 Netherlands	✓	✓	
	 Sweden	✓	✓	(✓)
	 Denmark	✓		(✓)
	 UK	✓	✓	(✓)
ASIA	 China	✓	✓	(✓)

✓ Nationwide policy  
 (✓) Targeted policy

Norway shows that when the price of EV is equal to fossil cars customers change behavior

# FOSSIL AND EVS AT FUTURE EQUIVALENT PRICE HAVE INITIATED NORWAY AS A LABORATORY

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Volkswagen

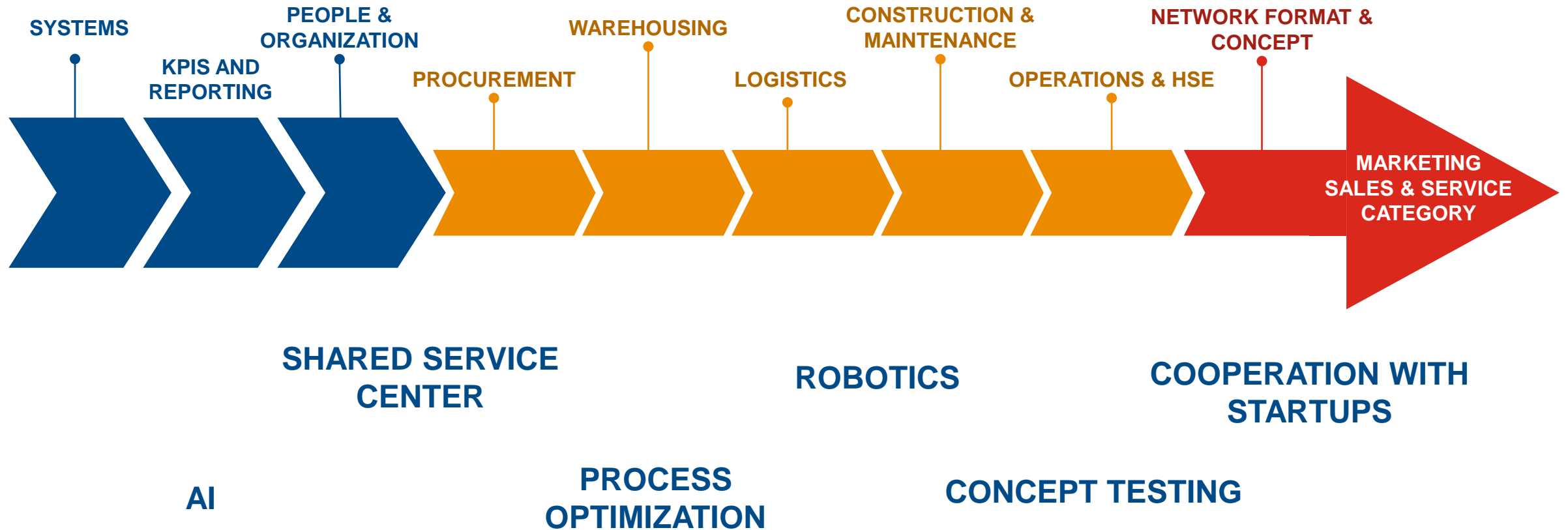
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**Investor Day**

Jan 2018



# NORWAY AS A LABORATORY LOOKS FOR NEW INCOME AND NEW WAYS TO RUN THE BUSINESS



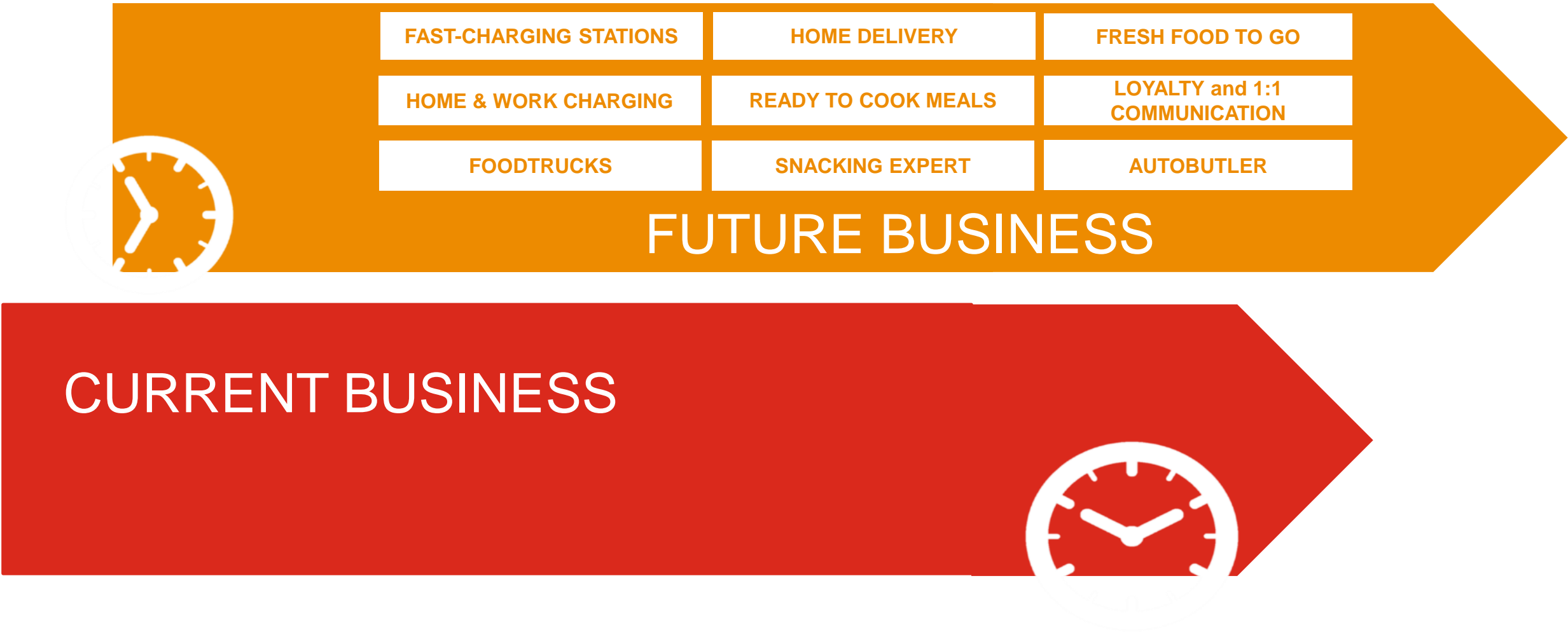
## WE RUN OUR BUSINESS ON TWO CLOCK SPEEDS

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# AN EV/AV SCENARIO HOLDS OPPORTUNITIES FOR CIRCLE K



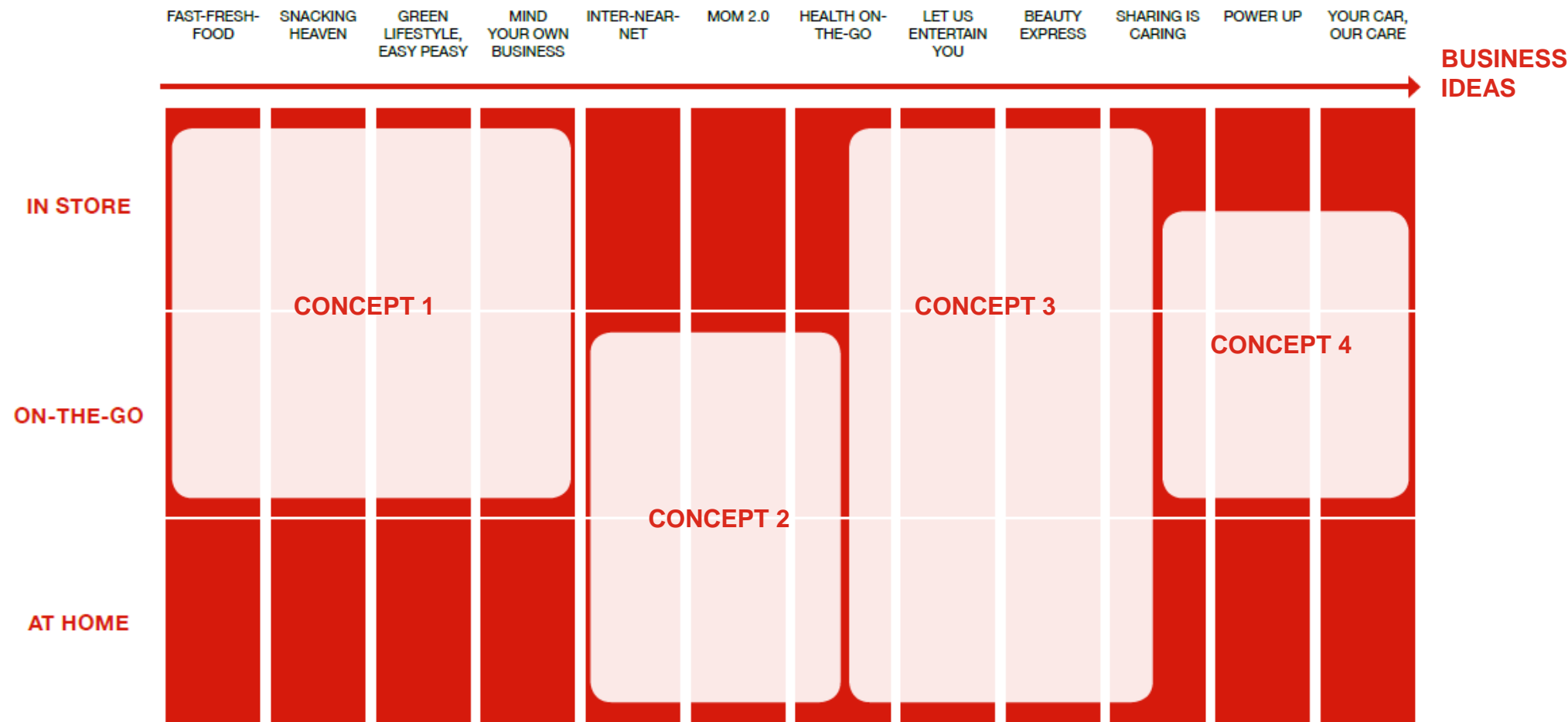
# WE WILL EXPAND OUR CONVENIENCE THINKING TO CAPTURE NEW BUSINESS OPPORTUNITIES

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# WE EXPLORE NEW FORMATS AND CONCEPTS IN NORWAY AS A LABORATORY

ILLUSTRATION



## OUR NETWORK AND SITES ARE WELL POSITIONED FOR FUTURE OPPORTUNITIES – THE LAST MILE TOWARDS THE CUSTOMER

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# THE ON THE GO SEGMENT COULD REPRESENT NEW BUSINESS OPPORTUNITIES FOR CIRCLE K TOMORROW AND IN THE FUTURE

ILLUSTRATION



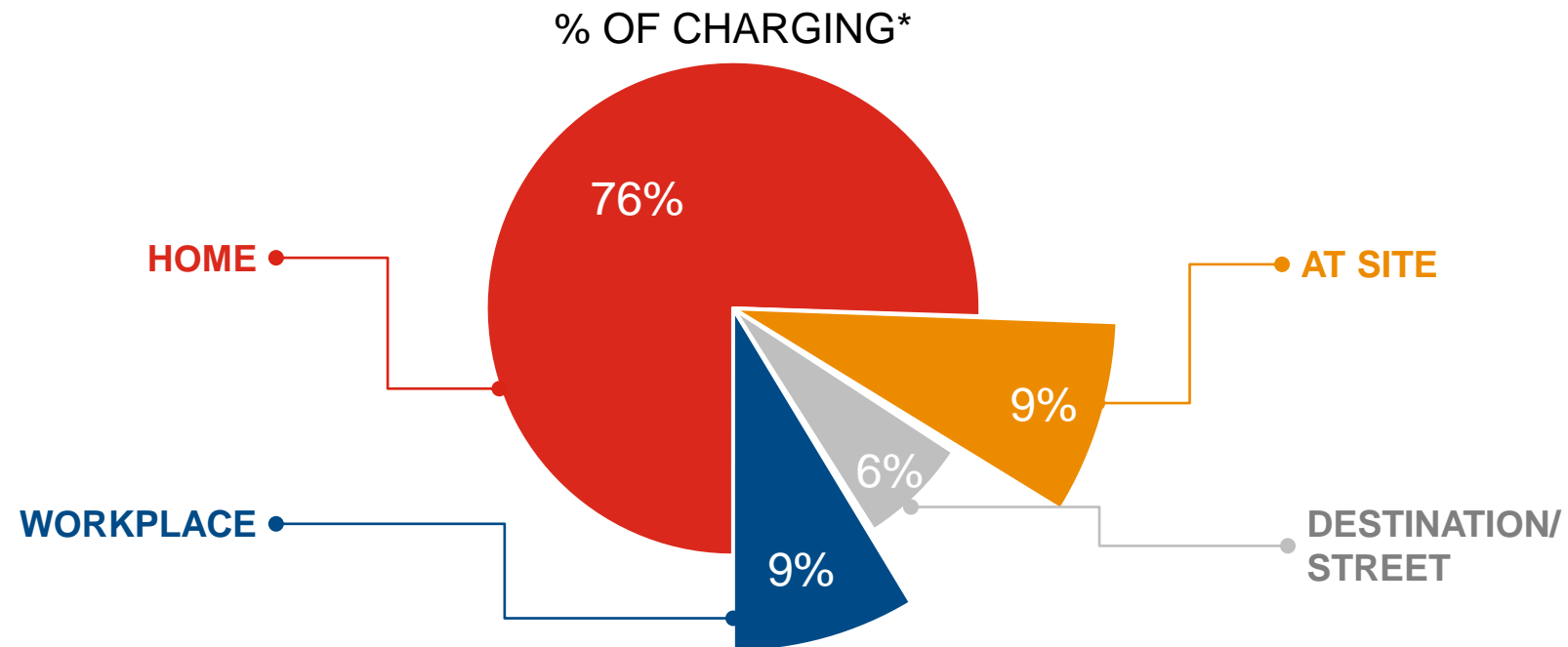
**TOMORROW: STAND ALONE STORES**



**IN THE FUTURE: STORE ON WHEELS**

# THE NORWEGIAN CHARGING MARKET GIVES US OPPORTUNITIES AT SITE, BUT ALSO AT HOME

FORECAST 2025



ALIMENTATION COUCHE-TARD INC.

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# FINAL THOUGHTS

Brian Hannasch, President  
and Chief Executive Officer

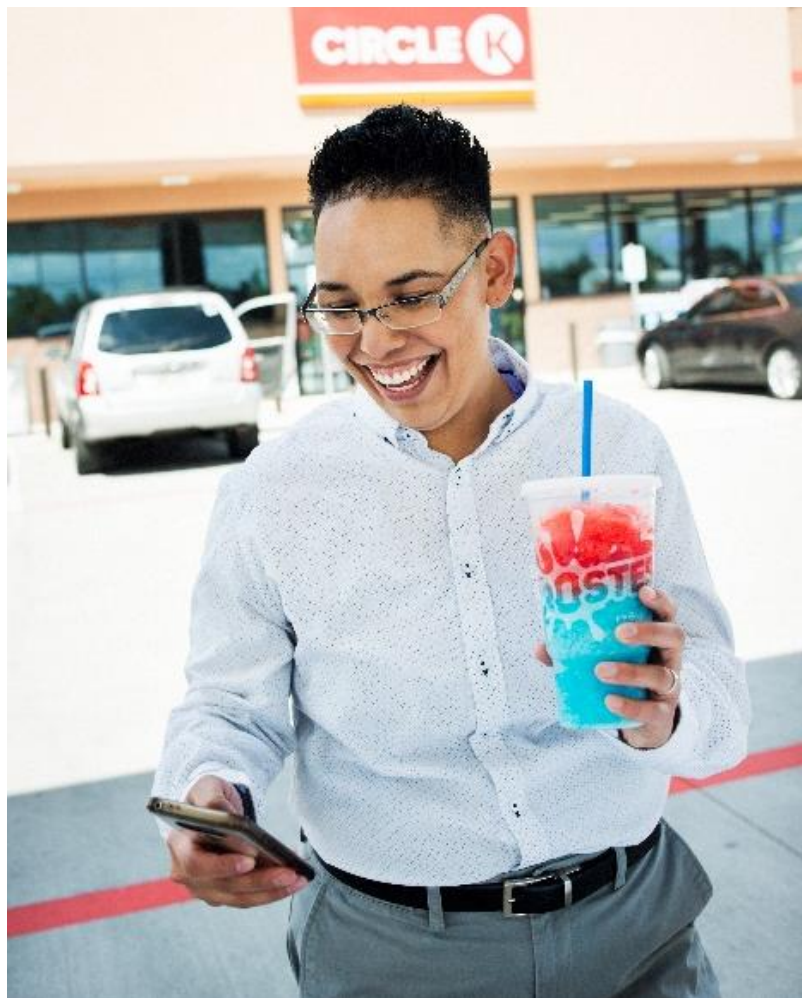
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# LOOKING AHEAD

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**Investor Day**  
Jan 2018







ALIMENTATION COUCHE-TARD INC.

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# Q&A

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