ALIMENTATION COUCHE-TARD ANNOUNCES ITS RESULTS FOR ITS FIRST QUARTER OF FISCAL YEAR 2020

Quarter

- Net earnings attributable to shareholders of the Corporation ("net earnings") of $538.8 million ($0.95 per share on a diluted basis) for the first quarter of fiscal 2020 compared with $455.6 million ($0.81 per share on a diluted basis) for the first quarter of fiscal 2019. Excluding certain items for both comparable periods, net earnings for the quarter would have been approximately $548.0 million[1] or $0.97[1] per share on a diluted basis, compared with $0.87[1] per share on a diluted basis for the first quarter of fiscal 2019, an increase of 11.5%.
- Total merchandise and service revenues of $3.6 billion, an increase of 1.6%. Same-store merchandise revenues increased by 2.5% in the U.S., by 0.7% in Europe and by 0.3% in Canada.
- Merchandise and service gross margin increased by 0.5% in the U.S. to 34.0%, while it decreased by 0.9% in Europe to 41.5%, and by 1.6% in Canada to 32.9%.
- Same-store road transportation fuel volume increased by 0.6% in the U.S. and by 0.4% in Canada, while it decreased by 1.6% in Europe.
- Road transportation fuel gross margin increased by 4.16¢ per gallon in the U.S. to 26.86¢ per gallon, while it decreased by US 0.77¢ per liter in Europe to US 8.44¢ per liter, and by CA 1.51¢ per liter in Canada to CA 7.40¢ per liter.
- Circle K rebranding project continues in North America with more than 5,800 stores now displaying the new Circle K global brand.
- Return on capital employed[2] at 13.2%, up 60 basis points, driven by higher earnings before interests and taxes.
- Adjusted leverage ratio[2] continued to improve and reached 2.03 : 1 partly driven by debt repayment of $150.0 million.
- Approval, on September 4, 2019, of a two-for-one split of all the Corporation's issued and outstanding Class "A" and Class "B" shares on record as at September 20, 2019.
- Adoption, on April 29, 2019, of the new International Financial Reporting Standards on lease accounting ("IFRS 16") with significant impacts on the presentation of statement of earnings, cash flows and balance sheet, without impact on strategy or financial framework.

Laval, Québec, Canada – September 4, 2019 – For its first quarter ended July 21, 2019, Alimentation Couche-Tard Inc. ("Couche-Tard" or the "Corporation") (TSX: ATD.A) (TSX: ATD.B) announces net earnings attributable to shareholders of the Corporation of $538.8 million, representing $0.95 per share on a diluted basis. The results for the first quarter of fiscal 2020 were affected by a pre-tax net foreign exchange loss of $6.5 million, an income tax expense of $4.5 million (of which $3.5 million is attributable to shareholders of the Corporation) following the asset exchange transaction with CAPL, as well as pre-tax acquisition costs of $0.2 million. The results for the comparable quarter of fiscal 2019 were affected by a $55.0 million pre-tax impairment charge on CAPL's goodwill, pre-tax restructuring costs of $1.5 million, a pre-tax net foreign exchange loss of $1.0 million, as well as pre-tax acquisition costs of $0.5 million. Excluding these items, the adjusted diluted net earnings per share would have been $0.97[1] for the first quarter of fiscal 2020, compared with $0.87[1] for the first quarter of fiscal 2019, an increase of 11.5%, driven by higher road transportation fuel margins in the U.S., and lower financing costs following deleveraging, partly offset by higher income tax rate. All financial information is in US dollars unless stated otherwise.

[1] Please refer to the section "Net earnings attributable to shareholders of the Corporation ("net earnings") and adjusted net earnings attributable to shareholders of the Corporation ("adjusted net earnings")" of this press release for additional information on this performance measure not defined by IFRS. This performance measure, for the 12-week period ended July 22, 2018, has been adjusted for the estimated pro forma impact of IFRS 16.

[2] Please refer to the section "Summary Analysis of Consolidated Results for the First Quarter of Fiscal 2020" of this press release for additional information on these performance measures not defined by IFRS. These performance measures, for the 52-week period ended April 28, 2019, have been adjusted for the estimated pro forma impact of IFRS 16.

“We had steady growth in our convenience segment this quarter even as we cycled against an exceptional first quarter last year. While all our regions saw increases in same-store sales, I am especially proud of the innovations taking place in our network to improve our offer and the customer journey,” stated Brian Hannasch, President and CEO of Alimentation Couche-Tard. “This quarter, we launched our Easy Pay loyalty program nationally in the U.S., expanded our digital upsell platform to over 5,700 locations, started piloting home delivery in Texas, and progressed with our popular food-to-go initiatives in Europe. We leveraged national promotions and targeted local campaigns to increase the Circle K brand exposure, and we are working hard to learn more about our customers and making their lives a little easier every day.”

“While fuel volume were healthy and fuel margins remained strong in the U.S., we continue to feel pressure in our European business from a competitive backdrop and unfavorable weather conditions. Across the board, our focus is on executing our growth strategy in terms of pricing, loyalty programs and mobile payment, and broadening awareness of our Circle K Fuel brand. In the U.S., we reached our 2,000th location dispensing the Circle K Fuel Brand as we push forward our global priority to bring more traffic to our sites and enhance our margins”, concluded Brian Hannasch.

Claude Tessier, Chief Financial Officer, stated: “During the first quarter of fiscal 2020, we once again generated impressive cash flows which we used to invest in our network, repay our debt and return cash to our shareholders through dividends and our share repurchase program. On the expense side, our teams across the network worked diligently on cost containment which yielded a nice sequential improvement resulting in lower cost growth than the previous two quarters. The optimization of our cost base will remain a focus area over the next quarters as we remain committed to our usual cost discipline. I am pleased that these combined efforts have led to the continued increase in our return on capital employed and demonstrated our continual commitment to our customary financial discipline and increasing value for our shareholders.”

Significant Items of the First Quarter of Fiscal 2020

- The rollout of our Circle K brand in Europe was completed during the quarter, while in North America it is progressing steadily. As of July 21, 2019, more than 5,800 stores in North America, including 789 stores acquired from CST, now proudly display our new global brand.
- On August 7, 2019, subsequent to the end of the quarter, we announced the closing of an investment in Fire & Flower Holdings Corp. (“Fire & Flower”), a leading independent cannabis retailer based in Alberta, Canada. We invested approximately $26.0 million in the form of unsecured convertible debentures to obtain a 9.9% ownership interest in Fire & Flower upon conversion. We have also been issued Common Share purchase warrants, that, if exercised in full in accordance with the terms thereof, would subsequently increase our ownership interest to 50.1%. Through this investment, we aim to combine our expertise in scaling retail stores with Fire & Flower’s retail experience and proprietary HiFyre™ digital platform to capitalize on new cannabis markets as they emerge.
- On May 28, 2019, we repaid, without penalty, $150.0 million of our $300.0 million US-dollar-denominated senior unsecured notes issued on December 14, 2017 and maturing on December 13, 2019. On August 13, 2019, subsequent to the end of the quarter, we repaid, without penalty, the remaining $150.0 million of these notes.
- During the first quarter of fiscal 2020, we repurchased 764,174 Class B subordinate voting shares under our share repurchase program, for a net amount of $46.2 million. In addition, subsequent to the end of the quarter, we repurchased an additional 740,892 Class B subordinate voting shares, for a net amount of $45.1 million, totaling 1,505,066 Class B subordinate voting shares and $91.3 million since the launch of the program. All shares repurchased were cancelled.
- During its September 4, 2019 meeting, the Board of Directors approved a two-for-one split of all the Corporation’s issued and outstanding Class A multiple-voting shares and Class B subordinate voting shares on record as at September 20, 2019 and payable on September 27, 2019. This share split was approved by regulatory authorities.

Changes in our Network

- During the first quarter of fiscal 2020, we acquired eight company-operated stores through distinct transactions.
- During the first quarter of fiscal 2020, we completed the construction of 12 stores and the relocation or reconstruction of 9 stores. As of July 21, 2019, 32 stores were under construction and should open in the upcoming quarters.
- In May 2019, we closed the first transaction of the asset exchange agreement with CAPL. In this first transaction, 60 Circle K U.S. stores have been exchanged against 17 company-operated stores owned and operated by CAPL and the real estate for 8 properties held by CAPL, for a total value of approximately $58.0 million. Following the exchange transaction, we performed a re-evaluation of our deferred tax assets and liabilities which generated an income tax expense

of $4.5 million, of which $3.5 million is attributable to shareholders of the Corporation. The remaining tranches are expected to be completed by the end of the first quarter of calendar year 2020.

Summary of changes in our store network during the first quarter of fiscal 2020

The following table presents certain information regarding changes in our store network over the 12-week period ended July 21, 2019:

	12-week period ended July 21, 2019				
Type of site	**Company-operated**	**CODO**	**DODO**	**Franchised and other affiliated**	**Total**
Number of sites, beginning of period	9,794	514	1,052	1,215	12,575
Acquisitions	8	-	-	-	8
Openings / constructions / additions	29	-	4	24	57
Closures / disposals / withdrawals	(35)	(64)	(20)	(23)	(142)
Store conversion	(3)	6	(3)	-	-
Number of sites, end of period	**9,793**	**456**	**1,033**	**1,216**	**12,498**
CAPL network					1,320
Circle K branded sites under licensing agreements					2,248
Total network					**16,066**
Number of automated fuel stations included in the period-end figures	981	-	12	-	993

New Accounting Standard Adopted by the Corporation

As of April 29, 2019, we have adopted IFRS 16, *Leases,* which requires lessees to recognize on the balance sheet a lease liability reflecting future lease payments and a right-of-use asset for virtually all lease contracts, except with respect to lease contracts that meet limited exception criteria. As permitted under the specific transition provisions in the standard, we have elected not to restate our comparative figures for the 2019 financial year. The tables below present the estimated pro forma impact of the change in accounting policy on our previously reported results:

	12-week period ended July 22, 2018						
(in millions of US dollars)	**Pre – IFRS 16 As reported**	Excluding: Rent under IAS 17	Including: Depreciation and interests[(1)]	Other	Total estimated pro forma IFRS 16 impacts	**Pro forma IFRS 16**	Total estimated pro forma IFRS 16 impacts – attributable to shareholders of the Corporation
Revenues	**14,786.5**	-	-	9.0	9.0	**14,795.5**	3.0
Cost of sales	**12,569.4**	-	-	-	-	**12,569.4**	-
Gross profit	**2,217.1**	-	-	9.0	9.0	**2,226.1**	3.0
Operating, selling, administrative and general expenses	**1,312.5**	(88.0)	-	6.0	(82.0)	**1,230.5**	(82.0)
Restructuring costs	**1.5**	-	-	-	-	**1.5**	-
Loss on disposal of property and equipment and other assets	**0.2**	-	-	-	-	**0.2**	-
Depreciation, amortization and impairment	**301.5**	(4.0)	90.0	-	86.0	**387.5**	81.0
Total operating expenses	**1,615.7**	(92.0)	90.0	6.0	4.0	**1,619.7**	(1.0)
Operating income	**601.4**	92.0	(90.0)	3.0	5.0	**606.4**	4.0
Share of earnings of joint ventures and associated companies	**7.1**	-	-	-	-	**7.1**	-
EBITDA	**910.0**	88.0	-	3.0	91.0	**1,001.0**	85.0
Financial expenses	**79.4**	(5.0)	21.0	-	16.0	**95.4**	14.0
Financial revenues	**(2.7)**	-	-	-	-	**(2.7)**	-
Foreign exchange loss	**1.0**	-	-	-	-	**1.0**	-
Net financial expenses	**77.7**	(5.0)	21.0	-	16.0	**93.7**	14.0
Earnings before income taxes	**530.8**	97.0	(111.0)	3.0	(11.0)	**519.8**	(10.0)
Income taxes	**88.2**	25.0	(28.0)	1.0	(2.0)	**86.2**	(2.0)
Net earnings including non-controlling interests	**442.6**	72.0	(83.0)	2.0	(9.0)	**433.6**	(8.0)
Net loss attributable to non-controlling interests	**13.0**	-	5.0	(4.0)	1.0	**14.0**	-
Net earnings attributable to shareholders of the Corporation	**455.6**	72.0	(78.0)	(2.0)	(8.0)	**447.6**	(8.0)

(in millions of US dollars)	Pre – IFRS 16 As reported	Excluding: Rent under IAS 17	Including: Depreciation and interests[1]	Other	Total estimated pro forma IFRS 16 impacts	Pro forma IFRS 16	Total estimated pro forma IFRS 16 impacts – attributable to shareholders of the Corporation
	52-week period ended April 28, 2019						
Revenues	**59,117.6**	-	-	40.0	40.0	**59,157.6**	20.0
Cost of sales	**49,922.7**	-	-	-	-	**49,922.7**	-
Gross profit	**9,194.9**	-	-	40.0	40.0	**9,234.9**	20.0
Operating, selling, administrative and general expenses	**5,646.1**	(390.0)	-	28.0	(362.0)	**5,284.1**	(361.0)
Restructuring costs	**10.5**	-	-	-	-	**10.5**	-
Gain on disposal of property and equipment and other assets	**(21.3)**	-	-	-	-	**(21.3)**	-
Depreciation, amortization and impairment	**1,070.7**	(18.0)	388.0	-	370.0	**1,440.7**	356.0
Total operating expenses	**6,706.0**	(408.0)	388.0	28.0	8.0	**6,714.0**	(5.0)
Operating income	**2,488.9**	408.0	(388.0)	12.0	32.0	**2,520.9**	25.0
Share of earnings of joint ventures and associated companies	**23.4**	-	-	-	-	**23.4**	-
EBITDA	**3,583.0**	390.0	-	12.0	402.0	**3,984.0**	381.0
Financial expenses	**338.7**	(20.0)	90.0	-	70.0	**408.7**	62.0
Financial revenues	**(13.3)**	-	-	-	-	**(13.3)**	-
Foreign exchange gain	**(5.3)**	-	-	-	-	**(5.3)**	-
Net financial expenses	**320.1**	(20.0)	90.0	-	70.0	**390.1**	62.0
Earnings before income taxes	**2,192.2**	428.0	(478.0)	12.0	(38.0)	**2,154.2**	(37.0)
Income taxes	**370.9**	108.0	(120.0)	3.0	(9.0)	**361.9**	(9.0)
Net earnings including non-controlling interests	**1,821.3**	320.0	(358.0)	9.0	(29.0)	**1,792.3**	(28.0)
Net loss attributable to non-controlling interests	**12.6**	(3.0)	20.0	(16.0)	1.0	**13.6**	-
Net earnings attributable to shareholders of the Corporation	**1,833.9**	317.0	(338.0)	(7.0)	(28.0)	**1,805.9**	(28.0)

(1) Depreciation and interest expenses are based on our assessment of Fiscal 2020 impact.

In order to facilitate the understanding of our financial performance, we have adjusted some of our previously reported performance measures. All adjustments related to IFRS 16 are clearly identified and are based on the calculations presented in the tables above.

The adoption of the new accounting standard affected the following specific items in the opening balance sheet on April 29, 2019:

(in millions of US dollars)	Balance, beginning of period	Adoption of IFRS 16	Adjusted balance, beginning of period
Assets			
Current assets			
Prepaid expenses	83.7	(26.4)	57.3
Property and equipment	11,129.9	(306.5)	10,823.4
Right-of-use assets	-	2,835.0	2,835.0
Intangible assets	944.4	(104.5)	839.9
Other assets	306.6	27.7	334.3
Total assets	**22,607.7**	**2,425.3**	**25,033.0**
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	3,917.1	(24.6)	3,892.5
Current portion of long-term debt	1,310.7	(40.5)	1,270.2
Current portion of lease liabilities	-	382.9	382.9
Long-term debt	5,640.7	(287.8)	5,352.9
Lease liabilities	-	2,569.3	2,569.3
Long-term provisions	590.1	(3.0)	587.1
Deferred credits and other liabilities	349.0	(158.3)	190.7
Deferred income taxes	1,037.1	(3.2)	1,033.9
Total liabilities	**13,426.6**	**2,434.8**	**15,861.4**
Equity			
Retained earnings	9,053.5	(9.5)	9,044.0
Total equity	**9,181.1**	**(9.5)**	**9,171.6**

For further information, refer to our Q1 2020 unaudited interim condensed consolidated financial statements.

Exchange Rate Data

We use the US dollar as our reporting currency, which provides more relevant information given the predominance of our operations in the United States.

The following table sets forth information about exchange rates based upon closing rates expressed as US dollars per comparative currency unit:

	12-week periods ended	
	July 21, 2019	July 22, 2018
Average for period		
Canadian dollar	**0.7517**	0.7673
Norwegian krone	**0.1155**	0.1234
Swedish krone	**0.1055**	0.1138
Danish krone	**0.1505**	0.1575
Zloty	**0.2629**	0.2726
Euro	**1.2703**	1.1734
Ruble	**0.0156**	0.0160

Summary Analysis of Consolidated Results for the First Quarter of Fiscal 2020

The following table highlights certain information regarding our operations for the 12-week periods ended July 21, 2019, and July 22, 2018. CAPL refers to CrossAmerica Partners LP.

	12-week periods ended		
(in millions of US dollars, unless otherwise stated)	**July 21, 2019**	July 22, 2018	Variation %
Statement of Operations Data:			
Merchandise and service revenues[1]:			
United States	**2,657.8**	2,609.1	1.9
Europe	**353.1**	368.7	(4.2)
Canada	**575.6**	544.4	5.7
CAPL	**19.8**	26.3	(24.7)
Elimination of intercompany transactions with CAPL	***(0.5)***	*(0.7)*	*(28.6)*
Total merchandise and service revenues	**3,605.8**	3,547.8	1.6
Road transportation fuel revenues:			
United States	**6,801.5**	7,159.5	(5.0)
Europe	**1,919.8**	1,952.5	(1.7)
Canada	**1,201.4**	1,291.8	(7.0)
CAPL	**567.4**	633.7	(10.5)
Elimination of intercompany transactions with CAPL	***(121.4)***	*(140.3)*	*(13.5)*
Total road transportation fuel revenues	**10,368.7**	10,897.2	(4.8)
Other revenues[2]:			
United States	**6.9**	5.4	27.8
Europe	**155.1**	319.0	(51.4)
Canada	**4.8**	6.2	(22.6)
CAPL	**25.8**	15.2	69.7
Elimination of intercompany transactions with CAPL	***(4.1)***	*(4.3)*	*(4.7)*
Total other revenues	**188.5**	341.5	(44.8)
Total revenues	**14,163.0**	14,786.5	(4.2)
Merchandise and service gross profit[1]:			
United States	**904.9**	874.8	3.4
Europe	**146.5**	156.3	(6.3)
Canada	**189.5**	187.9	0.9
CAPL	**4.6**	6.4	(28.1)
Elimination of intercompany transactions with CAPL	***(0.5)***	*(0.6)*	*(16.7)*
Total merchandise and service gross profit	**1,245.0**	1,224.8	1.6
Road transportation fuel gross profit:			
United States	**672.5**	560.0	20.1
Europe	**222.2**	246.5	(9.9)
Canada	**81.5**	100.0	(18.5)
CAPL	**23.1**	26.6	(13.2)
Total road transportation fuel gross profit	**999.3**	933.1	7.1
Other revenues gross profit[2]:			
United States	**6.9**	5.3	30.2
Europe	**31.3**	36.8	(14.9)
Canada	**4.8**	6.2	(22.6)
CAPL	**25.8**	15.2	69.7
Elimination of intercompany transactions with CAPL	***(4.1)***	*(4.3)*	*(4.7)*
Total other revenues gross profit	**64.7**	59.2	9.3
Total gross profit	**2,309.0**	2,217.1	4.1
Operating, selling, administrative and general expenses			
Excluding CAPL	**1,224.3**	1,294.7	(5.4)
CAPL	**20.2**	22.6	(10.6)
Elimination of intercompany transactions with CAPL	***(4.4)***	*(4.8)*	*(8.3)*
Total Operating, selling, administrative and general expenses	**1,240.1**	1,312.5	(5.5)
Restructuring costs	**-**	1.5	(100.0)
Loss on disposal of property and equipment and other assets	**10.1**	0.2	4,950.0
Depreciation, amortization and impairment			
Excluding CAPL	**284.2**	213.2	33.3
CAPL	**22.9**	88.3	(74.1)
Total depreciation, amortization and impairment	**307.1**	301.5	1.9
Operating income			
Excluding CAPL	**743.0**	671.3	10.7
CAPL	**8.9**	(69.8)	(112.8)
Elimination of intercompany transactions with CAPL	***(0.2)***	*(0.1)*	*100.0*
Total operating income	**751.7**	601.4	25.0
Net financial expenses	**87.0**	77.7	0.12
Net earnings including non-controlling interests	**536.0**	442.6	21.1
Net loss attributable to non-controlling interests	**2.8**	13.0	(78.5)
Net earnings attributable to shareholders of the Corporation	**538.8**	455.6	18.3
Per Share Data:			
Basic net earnings per share (dollars per share)	**0.96**	0.81	18.5
Diluted net earnings per share (dollars per share)	**0.95**	0.81	17.3
Adjusted diluted net earnings per share (dollars per share)[13]	**0.97**	0.87	11.5

(in millions of US dollars, unless otherwise stated)	12-week periods ended July 21, 2019	July 22, 2018	Variation %
Other Operating Data – excluding CAPL:			
Merchandise and service gross margin[(1)]:			
Consolidated	**34.6%**	34.6%	-
United States	**34.0%**	33.5%	0.5
Europe	**41.5%**	42.4%	(0.9)
Canada	**32.9%**	34.5%	(1.6)
Growth of same-store merchandise revenues[(3)]:			
United States[(4)]	**2.5%**	4.2%	(1.7)
Europe	**0.7%**	7.3%	(6.6)
Canada[(4)]	**0.3%**	6.6%	(6.3)
Road transportation fuel gross margin:			
United States (cents per gallon)[(4)]	**26.86**	22.70	18.3
Europe (cents per liter)	**8.44**	9.21	(8.4)
Canada (CA cents per liter)[(4)]	**7.40**	8.91	(16.9)
Total volume of road transportation fuel sold:			
United States (millions of gallons)	**2,590.6**	2,574.6	0.6
Europe (millions of liters)	**2,633.6**	2,676.4	(1.6)
Canada (millions of liters)	**1,472.6**	1,469.2	0.2
Growth of (decrease in) same-store road transportation fuel volume[(4)]:			
United States	**0.6%**	0.6%	-
Europe	**(1.6%)**	(0.1%)	(1.5)
Canada	**0.4%**	(3.3%)	3.7

(in millions of US dollars, unless otherwise stated)	**July 21, 2019**	April 28, 2019	Variation $
Balance Sheet Data[(5)]:			
Total assets (including $1.3 billion and $1.1 billion for CAPL as at July 21, 2019 and as at April 28, 2019, respectively)	**25,431.6**	25,033.0	398.6
Interest-bearing debt (including $686.1 million and $696.0 million for CAPL as at July 21, 2019 and as at April 28, 2019, respectively)[(6)]	**9,410.4**	9,575.3	(164.9)
Equity attributable to shareholders of the Corporation	**9,409.8**	8,913.7	496.1
Indebtedness Ratios[(7)]:			
Net interest-bearing debt/total capitalization[(6)(8)]	**0.45 : 1**	0.48 : 1	
Leverage ratio[(9)]	**1.94 : 1**	2.09 : 1	
Adjusted leverage ratio[(10)]	**2.03 : 1**	2.18 : 1	
Returns[(7)]:			
Return on equity[(11)]	**22.0%**	21.9%	
Return on capital employed[(12)]	**13.2%**	12.6%	

(1) Includes revenues derived from franchise fees, royalties, suppliers' rebates on some purchases made by franchisees and licensees, as well as from wholesale of merchandise.
(2) Includes revenues from the rental of assets and from the sale of aviation fuel, energy for stationary engines and marine fuel (until November 30, 2018).
(3) Does not include services and other revenues (as described in footnotes 1 and 2 above). Growth in Canada and in Europe is calculated based on local currencies.
(4) For company-operated stores only.
(5) The balance sheet data as at April 28, 2019, has been adjusted for the estimated pro forma impact of IFRS 16.
(6) This measure is presented including the following balance sheet accounts: Current portion of long-term debt, Long-term debt, Current portion of lease liabilities, and Lease liabilities.
(7) These measures are presented as if our investment in CAPL was reported using the equity method as we believe it allows a more relevant presentation of the underlying performance of the Corporation.
(8) This measure is presented for information purposes only and represents a measure of financial condition used especially in financial circles. It represents the following calculation: interest-bearing debt, net of cash and cash equivalents and temporary investments divided by the addition of shareholders' equity and interest-bearing debt, net of cash and cash equivalents and temporary investments. It does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other public corporations. For the purpose of this calculation, CAPL's long-term debt is excluded as it is a non-recourse debt to the Corporation, as referenced in footnote 7. This performance measure, for the 52-week period ended April 28, 2019, has been adjusted for the estimated pro forma impact of IFRS 16 and the previously disclosed measure was 0.39 : 1. We believe this measure is useful to investors and analysts.
(9) This measure is presented for information purposes only and represents a measure of financial condition used especially in financial circles. It represents the following calculation: 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. It does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other public corporations. For the purpose of this calculation, CAPL's long-term debt is excluded as it is a non-recourse debt to the Corporation, as referenced in footnote 7. This performance measure, for the 52-week period ended April 28, 2019, has been adjusted for the estimated pro forma impact of IFRS 16 and the previously disclosed measure was 1.61 : 1. We believe this measure is useful to investors and analysts.
(10) This measure is presented for information purposes only and represents a measure of financial condition used especially in financial circles. It represents the following calculation: interest-bearing debt plus the product of eight times rent expense, net of cash and cash equivalents and temporary investments divided by EBITDAR (Earnings before Interest, Tax, Depreciation, Amortization, Impairment and Rent expense) adjusted for specific items. It does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other public corporations. For the purpose of this calculation, CAPL's interest bearing debt is excluded as it is a non-recourse debt to the Corporation, as referenced in footnote 7. This performance measure, for the 52-week period ended April 28, 2019, has been adjusted for the estimated pro forma impact of IFRS 16 and the previously disclosed measure was 2.29 : 1. We believe this measure is useful to investors and analysts.
(11) This measure is presented for information purposes only and represents a measure of performance used especially in financial circles. It represents the following calculation: net earnings divided by average equity for the corresponding period. It does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other public corporations. This performance measure, for the 52-week period ended April 28, 2019, has been adjusted for the estimated pro forma impact of IFRS 16 and the previously disclosed measure was 22.3%. We believe this measure is useful to investors and analysts.
(12) This measure is presented for information purposes only and represents a measure of performance used especially in financial circles. It represents the following calculation: earnings before income taxes and interests divided by average capital employed for the corresponding period. Capital employed represents total assets less short-term liabilities not bearing interests. It does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other public corporations. This performance measure, for the 52-week period ended April 28, 2019, has been adjusted for the estimated pro forma impact of IFRS 16 and the previously disclosed measure was 14.1%. We believe this measure is useful to investors and analysts.
(13) This performance measure, for the 12-week period ended July 22, 2018, has been adjusted for the estimated pro forma impact of IFRS 16 and the previously reported adjusted net earnings per share was $0.88.

Revenues

Our revenues were $14.2 billion for the first quarter of fiscal 2020, down by $623.5 million, a decrease of 4.2% compared with the corresponding quarter of fiscal 2019, mainly attributable to a net lower average road transportation fuel selling price, the net negative impact from the translation of our Canadian and European operations into US dollars, and the disposal of our marine fuel business, partly offset by organic growth.

Merchandise and service revenues

Total merchandise and service revenues for the first quarter of fiscal 2020 were $3.6 billion, an increase of $58.0 million compared with the corresponding quarter of fiscal 2019. Excluding CAPL's revenues, as well as the net negative impact from the translation of our Canadian and European operations into US dollars, merchandise and service revenues increased by approximately $97.0 million or 2.7%. This increase is primarily attributable to continued organic growth, despite unfavorable weather and cycling against an exceptional first quarter last year. Same-store merchandise revenues increased by 2.5% in the United States, by 0.7% in Europe and by 0.3% in Canada, driven by the improvements made to our offering, as well as by our various initiatives to drive traffic in our stores.

Road transportation fuel revenues

Total road transportation fuel revenues for the first quarter of fiscal 2020 were $10.4 billion, a decrease of $528.5 million compared with the corresponding quarter of fiscal 2019. Excluding CAPL's revenues, as well as the net negative impact from the translation of revenues of our Canadian and European operations into US dollars, road transportation fuel revenues decreased by approximately $338.0 million or 3.3%. This decrease is attributable to a net lower average road transportation fuel selling price, which had a net negative impact of approximately $354.0 million, partly offset by organic growth. Same-store road transportation fuel volume in the United States increased by 0.6%. In Europe, same-store road transportation fuel volume decreased by 1.6% due to the competitive landscape and unfavorable weather. In Canada, same-store road transportation fuel volume increased by 0.4%, another sequential improvement.

The following table shows the average road transportation fuel selling price of our company-operated stores in our various markets for the last eight quarters, starting with the second quarter of the fiscal year ended April 29, 2018:

Quarter	2nd	3rd	4th	1st	Weighted average
52-week period ended July 21, 2019					
United States (US dollars per gallon) – excluding CAPL	2.72	2.42	2.51	2.66	2.57
Europe (US cents per liter)	80.56	75.28	74.59	77.35	76.86
Canada (CA cents per liter)	115.22	97.59	103.45	111.16	106.23
52-week period ended July 22, 2018					
United States (US dollars per gallon) – excluding CAPL	2.47	2.30	2.51	2.76	2.50
Europe (US cents per liter)	68.23	71.19	78.32	75.07	73.01
Canada (CA cents per liter)	101.46	108.11	110.39	117.95	109.37

Other revenues

Total other revenues for the first quarter of fiscal 2020 were $188.5 million, a decrease of $153.0 million compared with the corresponding period of fiscal 2019. Excluding CAPL's revenues, as well as the net negative impact from the translation of revenues of our Canadian and European operations into US dollars, other revenues decreased by approximately $146.0 million in the first quarter of fiscal 2020. The decrease is primarily driven by the disposal of our marine fuel business, which had an impact of approximately $80.0 million, as well as lower aviation fuel revenues which had a minimal impact on gross profit.

Gross profit

Our gross profit was $2.3 billion for the first quarter of fiscal 2020, up by $91.9 million, or 4.1%, compared with the corresponding quarter of fiscal 2019, mainly attributable to higher fuel margins in the United States and organic growth, partly offset by the net negative impact from the translation of our Canadian and European operations into US dollars, which totalled approximately $33.0 million.

Merchandise and service gross profit

In the first quarter of fiscal 2020, our merchandise and service gross profit was $1.2 billion, an increase of $20.2 million compared with the corresponding quarter of fiscal 2019. Excluding CAPL's gross profit, as well as the net negative impact from the translation of our Canadian and European operations into US dollars, merchandise and service gross profit increased by approximately $35.0 million or 2.9%, mainly attributable to our organic growth. Our gross margin increased by 0.5% in the United States to 34.0% and decreased by 0.9% in Europe to 41.5%, both driven by changes in product mix. In Canada, our gross margin decreased by 1.6% to 32.9%, mainly as a result of the conversion of our Esso stores from the agent model to the corporate model, as well as from a change in product mix.

Road transportation fuel gross profit

In the first quarter of fiscal 2020, our road transportation fuel gross profit was $999.3 million, an increase of $66.2 million compared with the corresponding quarter of fiscal 2019. Excluding CAPL's gross profit, as well as the net negative impact from the translation of our Canadian and European operations into US dollars, our first quarter of fiscal 2020 road transportation fuel gross profit increased by approximately $87.0 million or 9.6%. Our road transportation fuel gross margin was 26.86¢ per gallon in the United States, an increase of 4.16¢ per gallon supported by the volatility in crude oil prices as well as improved sourcing conditions. In Europe, the road transportation fuel gross margin was US 8.44¢ per liter, a decrease of US 0.77¢ per liter mainly due to the net negative impact of foreign exchange, and a higher bio-fuel blending ratio taking advantage of favorable conditions. The remaining variance is driven by competitive pressure in some of our markets. In Canada, the road transportation fuel gross margin was CA 7.40¢ per liter, a decrease of CA 1.51¢ per liter due to competitive pressure in some of our markets.

The road transportation fuel gross margin of our company-operated stores in the United States and the impact of expenses related to electronic payment modes for the last eight quarters, starting with the second quarter of the fiscal year ended April 29, 2018, were as follows:

(US cents per gallon)

Quarter	2nd	3rd	4th	1st	Weighted average
52-week period ended July 21, 2019					
Before deduction of expenses related to electronic payment modes	21.88	29.42	18.51	26.86	24.50
Expenses related to electronic payment modes(1)	4.55	4.31	4.40	4.70	4.50
After deduction of expenses related to electronic payment modes	17.33	25.11	14.11	22.16	20.00
52-week period ended July 22, 2018					
Before deduction of expenses related to electronic payment modes	24.70	15.66	17.29	22.70	19.42
Expenses related to electronic payment modes(1)	4.31	4.06	3.86	4.67	4.20
After deduction of expenses related to electronic payment modes	20.39	11.60	13.43	18.03	15.22

(1) Please note that this information has been restated to reflect the cost of electronic payment expenses per corporate-store road transportation fuel gallons instead of per total road transportation fuel gallons.

As demonstrated by the table above, road transportation fuel margins in the United States can be volatile from one quarter to another but tend to be relatively stable or to increase over longer periods. Margin volatility and expenses related to electronic payment modes are not as significant in Europe and Canada.

Other revenues gross profit

In the first quarter of fiscal 2020, other revenues gross profit was $64.7 million, an increase of $5.5 million compared with the corresponding period of fiscal 2019. Excluding CAPL's gross profit, other revenues gross profit decreased by $5.3 million in the first quarter of fiscal 2020. The decrease is primarily driven by the disposal of our marine fuel business, which had an impact of approximately $3.0 million on the first quarter of fiscal 2020.

Operating, selling, administrative and general expenses ("expenses")

For the first quarter of fiscal 2020, expenses decreased by 5.5%, compared with the corresponding period of fiscal 2019. If we exclude certain items that are not considered indicative of future trends, expenses increased by 2.3%:

	12-week period ended July 21, 2019
Total variance, as reported	**(5.5)%**
Adjusted for:	
Decrease in rent expense from transition to IFRS 16	**6.2%**
Decrease from the net impact of foreign exchange translation	**1.4%**
Decrease in CAPL's expenses	**0.2%**
Disposal of our marine fuel business	**0.1%**
Increase from higher electronic payment fees, excluding acquisitions	**(0.1)%**
Remaining variance	**2.3%**

Excluding the conversion of our Esso stores from the agent model to the corporate model, the remaining variance for the first quarter of fiscal 2020 would have been only 1.7%. Growth in expenses was driven by normal inflation, higher expenses needed to support our growth and higher minimum wages in certain regions. We continue to rigorously focus on controlling costs throughout our organization, while ensuring we maintain the quality of service we offer to our customers.

Earnings before interest, taxes, depreciation, amortization and impairment (EBITDA) and adjusted EBITDA

During the first quarter of fiscal 2020, EBITDA increased from $910.0 million to $1,065.4 million, an increase of 17.1% compared with the same quarter last year. Excluding the specific items shown in the table below from EBITDA of the first quarter of fiscal 2020 and of the corresponding period of fiscal 2019, the adjusted EBITDA for the first quarter of fiscal 2020 increased by $58.3 million or 5.9% compared with the corresponding period of the previous fiscal year, driven by increased fuel margins in the United States and by organic growth, partly offset by the net negative impact from the translation of our Canadian and European operations into US dollars. The variation in exchange rates had a net negative impact of approximately $15.0 million.

It should be noted that EBITDA and adjusted EBITDA are not performance measures defined by IFRS, but we, as well as investors and analysts, consider that those performance measures facilitate the evaluation of our ongoing operations and our ability to generate cash flows to fund our cash requirements, including our capital expenditures program and payment of dividends. Note that our definition of these measures may differ from the one used by other public corporations.

	12-week periods ended	
(in millions of US dollars)	**July 21, 2019**	July 22, 2018
Net earnings including non-controlling interests, as reported	**536.0**	442.6
Add:		
Income taxes	**135.3**	88.2
Net financial expenses	**87.0**	77.7
Depreciation, amortization and impairment	**307.1**	301.5
EBITDA	**1,065.4**	910.0
Adjusted for:		
EBITDA attributable to non-controlling interests	**(24.8)**	(14.5)
Acquisition costs	**0.2**	0.5
Restructuring costs attributable to shareholders of the Corporation	**-**	1.5
Adjusted EBITDA, as previously reported	**1,040.8**	897.5
Estimated pro forma impact from transition to IFRS 16 attributable to shareholders of the Corporation	**-**	85.0
Adjusted EBITDA	**1,040.8**	982.5

Depreciation, amortization and impairment (“depreciation”)

For the first quarter of fiscal 2020, our depreciation expense increased by $5.6 million. Excluding CAPL’s results as well as the $55.0 million impairment charge on CAPL’s goodwill recognized during the first quarter of fiscal 2019, the depreciation expense increased by $71.0 million, mainly driven by the additional depreciation expense arising from right-of-use assets due to the adoption of IFRS 16, which had an impact of approximately $81.0 million, to the replacement of equipment, partly offset by the divestiture of stores and our marine fuel business.

Net financial expenses

Net financial expenses for the first quarter of fiscal 2020 were $87.0 million, an increase of $9.3 million compared with the first quarter of fiscal 2019. Excluding the items shown in the table below, net financial expenses decreased by $14.5 million, mainly attributable to our lower average long-term debt following the significant repayments made.

	12-week periods ended	
(in millions of US dollars)	**July 21, 2019**	July 22, 2018
Net financial expenses, as reported	**87.0**	77.7
Adjusted for:		
CAPL’s financial expenses	**(11.3)**	(7.0)
Net foreign exchange loss	**(6.5)**	(1.0)
Estimated pro forma impact from transition to IFRS 16	**-**	14.0
Net financial expenses excluding items above	**69.2**	83.7

Income taxes

The income tax rate for the first quarter of fiscal 2020 was 20.2% compared with 16.6% for the corresponding period of fiscal 2019. Excluding the income tax expense of $4.5 million from the re-evaluation of the deferred tax assets and liabilities following the asset exchange transaction with CAPL, the income tax rate would have been 19.5%. The increase of the income tax rate of the first quarter of fiscal 2020 stems from the impact of a different mix in our earnings across the various jurisdictions.

Net earnings attributable to shareholders of the Corporation (“net earnings”) and adjusted net earnings attributable to shareholders of the Corporation (“adjusted net earnings”)

Net earnings for the first quarter of fiscal 2020 were $538.8 million, compared with $455.6 million for the first quarter of the previous fiscal year, an increase of $83.2 million or 18.3%. Diluted net earnings per share stood at $0.95, compared with $0.81 for the corresponding quarter of the previous year. The translation of revenues and expenses from our Canadian and European operations into United States dollars had a net negative impact of approximately $10.0 million on net earnings of the first quarter of fiscal 2020.

Excluding the items shown in the table below from net earnings of the first quarter of fiscal 2020 and of fiscal 2019, adjusted net earnings for the first quarter of fiscal 2020 would have been approximately $548.0 million, compared with $490.0 million for the first quarter of fiscal 2019, an increase of $58.0 million or 11.8%. Adjusted diluted net earnings per share would have been approximately $0.97 for the first quarter of fiscal 2020 compared with $0.87 for the corresponding period of fiscal 2019, an increase of 11.5%.

The table below reconciles reported net earnings to adjusted net earnings:

	12-week periods ended	
(in millions of US dollars)	**July 21, 2019**	July 22, 2018
Net earnings attributable to shareholders of the Corporation, as reported	**538.8**	455.6
Adjusted for:		
Net foreign exchange loss	**6.5**	1.0
Income tax expense following asset exchange transaction	**3.5**	-
Acquisition costs	**0.2**	0.5
Impairment charge on CAPL’s goodwill	**-**	55.0
Restructuring costs	**-**	1.5
Tax impact of the items above and rounding	**(1.0)**	(15.6)
Adjusted net earnings attributable to shareholders of the Corporation, as previously reported	**548.0**	498.0
Estimated pro forma impact from transition to IFRS 16	**-**	(8.0)
Adjusted net earnings attributable to shareholders of the Corporation	**548.0**	490.0

It should be noted that adjusted net earnings is not a performance measure defined by IFRS, but we, as well as investors and analysts, consider this measure useful for evaluating the underlying performance of our operations on a comparable basis. Note that our definition of this measure may differ from the one used by other public corporations.

Dividends

During its September 4, 2019 meeting, the Board of Directors declared a quarterly dividend of CA 12.5¢ per share, before the share split, for the first quarter of fiscal 2020 to shareholders on record as at September 13, 2019, and approved its payment for September 27, 2019. This is an eligible dividend within the meaning of the *Income Tax Act* (Canada).

Profile

Couche-Tard is the leader in the Canadian convenience store industry. In the United States, it is the largest independent convenience store operator in terms of the number of company-operated stores. In Europe, Couche-Tard is a leader in convenience store and road transportation fuel retail in the Scandinavian countries (Norway, Sweden and Denmark), in the Baltic countries (Estonia, Latvia and Lithuania), as well as in Ireland, and has an important presence in Poland.

As of July 21, 2019, Couche-Tard’s network comprised 9,792 convenience stores throughout North America, including 8,565 stores with road transportation fuel dispensing. Its North American network consists of 19 business units, including 15 in the United States covering 48 states and 4 in Canada covering all 10 provinces. Approximately 109,000 people are employed throughout its network and at its service offices in North America. In addition, through CrossAmerica Partners LP, Couche-Tard supplies road transportation fuel under various brands to more than 1,300 locations in the United States.

In Europe, Couche-Tard operates a broad retail network across Scandinavia, Ireland, Poland, the Baltics and Russia through ten business units. As of July 21, 2019, Couche-Tard’s network comprised 2,706 stores, the majority of which offer road transportation fuel and convenience products while the others are unmanned automated fuel stations which only offer road transportation fuel. Couche-Tard also offers other products, including aviation fuel and energy for stationary engines. Including employees at branded franchise stores, approximately 24,000 people work in its retail network, terminals and service offices across Europe.

In addition, under licensing agreements, approximately 2,250 stores are operated under the Circle K banner in 16 other countries and territories (Cambodia, China, Costa Rica, Egypt, Guam, Honduras, Hong Kong, Indonesia, Jamaica, Macau, Mexico, Mongolia, New Zealand, Saudi Arabia, the United Arab Emirates and Vietnam), which brings the worldwide total network to more than 16,000 stores.

For more information on Alimentation Couche-Tard Inc. or to consult its quarterly Consolidated Financial Statements and Management Discussion and Analysis, please visit: https://corpo.couche-tard.com.

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Webcast on September 5, 2019, at 8:00 A.M. (EDT)

Couche-Tard invites analysts known to the Corporation to send their two questions to its management before 7:00 P.M. (EDT) on September 4, 2019.

Financial analysts, investors, media and any individuals interested in listening to the webcast on Couche-Tard's results which will take place online on September 5, 2019, at 8:00 A.M. (EDT) can do so by either accessing the Corporation's website at https://corpo.couche-tard.com and by clicking in the "Investor Relations/Corporate presentations" section or by dialing 1-866-865-3087, followed by the access code 2366048#.

Rebroadcast: For individuals who will not be able to listen to the live webcast, a recording of the webcast will be available on the Corporation's website for a period of 90 days.