ALIMENTATION COUCHE-TARD ANNOUNCES ITS RESULTS FOR ITS SECOND QUARTER OF FISCAL YEAR 2021

- Net earnings attributable to shareholders of the Corporation ("net earnings") were $757.0 million or $0.68 per diluted share for the second quarter of fiscal 2021 compared with $578.6 million or $0.51 per diluted share for the second quarter of fiscal 2020. Adjusted net earnings were approximately $735.0 million[1] compared with $569.0 million[1] for the second quarter of fiscal 2020. Adjusted net earnings per share on a diluted basis were $0.66[1], representing an increase of 32.0% from $0.50[1] for the corresponding quarter of last year.
- The COVID-19 pandemic continues to have a meaningful impact on the Corporation's quarterly financial results. Traffic remained soft throughout its network due to ongoing restrictive social measures and continued work from home trends across the various geographies in which it operates. From a merchandise perspective, sales benefited from consolidation of trips, new shopping options and diversified product offerings. From a fuel perspective, volumes improved compared to the prior quarter, particularly in Europe which benefited from favorable summer weather, but remained challenged by work from home trends and evolving local restrictions, while fuel margins remained healthy.
- Total merchandise and service revenues of $3.8 billion, an increase of 6.3%. Same-store merchandise revenues increased 4.4% in the U.S., 8.6% in Europe, and 11.4% in Canada.
- Merchandise and service gross margin increased 0.1% in the U.S. to 34.0%, while it decreased 1.1% to 40.2% in Europe, negatively impacted by product mix, and remained steady in Canada at 32.6%.
- Same-store road transportation fuel volume decreased 15.5% in the U.S., 4.5% in Europe, and 11.8% in Canada.
- Road transportation fuel gross margin increased by 9.19¢ per gallon in the U.S. to 37.48¢ per gallon, by US 2.76¢ per liter in Europe to US 11.10¢ per liter, and by CA 2.16¢ per liter in Canada to CA 10.05¢ per liter.
- Normalized operating, selling, administrative and general expenses declined 0.8% as rigorous cost control more than compensated for the additional COVID-19 related expenses.
- Subsequent to the end of the quarter, the Corporation entered into an agreement to acquire all the issued and outstanding shares of Convenience Retail Asia (BVI) Limited for approximately $360.0 million.
- The Corporation's cash position is stronger than ever, with access to approximately $6.0 billion through its available cash and revolving unsecured operating credit facility. Its leverage ratio[2] stood at 1.13 : 1, on a pro forma basis.
- 25.0% increase of the quarterly dividend, from CA 7.00¢ to CA 8.75¢.
- The Corporation announced the renewal of its share repurchase program which will allow it to repurchase up to 4.0% of the public float of its Class B subordinate voting shares.
- Return on capital employed[2] stood at 17.3%, on a pro forma basis.

Laval, Québec, Canada – November 24, 2020 – For its second quarter ended October 11, 2020, 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 $757.0 million, representing $0.68 per share on a diluted basis. The results for the second quarter of fiscal 2021 were affected by a pre-tax gain on disposal of $40.9 million related to the sale of a property located in Toronto, Canada, a pre-tax net foreign exchange loss of $8.9 million, as well as pre-tax acquisition costs of $1.2 million. The results for the comparable quarter of fiscal 2020 were affected by a pre-tax net foreign exchange gain of $11.8 million, pre-tax acquisition costs of $0.8 million, as well as a tax benefit from the second tranche of the December 2018 asset exchange agreement with CAPL, of which $0.7 million was attributable to shareholders of the Corporation. Excluding these items, the adjusted net earnings were approximately $735.0 million[1] or $0.66[1] per share on a diluted basis for the second quarter of

[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.
[2] Please refer to the section "Summary Analysis of Consolidated Results for the Second Quarter and First Half-year of Fiscal 2021" of this press release for additional information on these performance measures not defined by IFRS.

fiscal 2021, compared with $569.0 million[1] or $0.50[1] per share on a diluted basis for the second quarter of fiscal 2020, an increase of 32.0% in the adjusted net earnings per share on a diluted basis, driven by strong growth in merchandise and service and in road transportation fuel gross profit, as well as by good cost control. All financial information presented is in US dollars unless stated otherwise.

"Across our global network, we had a strong second quarter, both in our stores and on our forecourts, even with the continuing impact of COVID-19. New customers and associated share gains since the start of the pandemic have continued as consumers take advantage of the convenience and proximity of our locations. This led to solid same-store sales growth of 4.4% in the U.S., 8.6% in Europe, and 11.4% in Canada. In Europe, we also had improvement in fuel volumes with strong B2B performance and favorable weather encouraging consumer travel. Overall, we continued to achieve healthy fuel margins during the quarter bolstered by conversions to the Circle K fuel brand and a continued focus in sourcing and logistics capabilities, which we expect will lead to improvements in the value chain and margins over time," said Brian Hannasch, President and Chief Executive Officer of Alimentation Couche-Tard.

"We continue to be very pleased with developments in our food program, which is the biggest project ever undertaken by the organization. In the U.S., despite COVID-19 and associated supply chain disruptions, we met our target of introducing 1,500 *Fresh Food, Fast* locations by this fall. Our focus remains on the quality and ease of our fresh food offer, both for our customers and our team members. Stores with *Fresh Food, Fast* have been performing very well relative to test stores, and we are also customizing the offer to meet the tastes and pricing needs of our local communities. Based on these results, we plan to rollout the program in another 3,000 locations in North America by the end of fiscal year 2022. I am particularly proud that we are meeting our food service deployment goals through the challenges of this year," concluded Brian Hannasch.

Claude Tessier, Chief Financial Officer, said: "Our business continues to show a lot of flexibility and resilience despite the disruptions on shopping and commuting behaviors caused by the pandemic. Once again, we executed well during the second quarter on our cost optimization initiatives including solid labor efficiencies, savings in goods-not-for-resale and strong control on discretionary expenses. Our balance sheet, with $6.0 billion of cash, on hand and available under our credit facility, remains well-positioned to support our global growth ambition. We continue to favor a balanced approach towards capital allocation and have announced the renewal of our share repurchase program representing 4.0% of the public float of our Class B shares to complement our quarterly dividend, for which an increase of 25.0% was approved on November 24, 2020."

Significant Items of the Second Quarter of Fiscal 2021

- The COVID-19 pandemic continues to have a meaningful impact on our quarterly financial results. Traffic remained soft throughout our network due to ongoing restrictive social measures and continued work from home trends across the various geographies in which we operate. The impact of lower traffic on the merchandise sales was however more than offset by an increase in the average basket size as consumers consolidated their trips and took advantage of new shopping options and diversified product offerings. From a fuel perspective, volumes improved compared to the prior quarter, particularly in Europe which benefited from favorable summer weather, but remained challenged by work from home trends and evolving local restrictions, while fuel margins remained healthy. Lastly, from an operating expense perspective, the initiatives implemented across our network to reduce our controllable expenses had a favorable impact while we continued to promote and support the wellness of our employees and customers.
- The terms and conditions of our investments in Fire & Flower Holdings Corp. were amended mainly to modify the maturity and expiry dates of the financial instruments, as well as their respective conversion and exercise price to a lower strike price or to a market-based price. The amendments also gave rise to a commitment from Couche-Tard to exercise a portion of the common share purchase warrants for an amount of CA $19.0 million, no later than December 31, 2020, of which CA $10.3 million ($7.8 million) was exercised during the second quarter.
- We disposed of a property located in Toronto, Canada, for a cash consideration of $54.7 million and recognized to earnings a gain on disposal of $40.9 million.
- We fully repaid, at maturity, our CA $300.0 million ($227.1 million) Canadian-dollar-denominated senior unsecured notes issued on August 21, 2013.
- On November 24, 2020, subsequent to the end of the quarter, the Toronto Stock Exchange approved the renewal of our share repurchase program which will allow us to repurchase up to 4.0% of the public float of our Class B subordinate voting shares.

Changes in our Network during the Second Quarter of Fiscal 2021

- We closed the sixth and final transaction of the December 2018 asset exchange agreement with CrossAmerica Partners LP ("CAPL"). In this sixth transaction, we transferred 24 Circle K U.S. stores for a total value of approximately $20.0 million. In exchange, CAPL transferred the real estate for 4 properties of an equivalent value.

- We acquired 10 company-operated stores from Wadsworth Oil Company of Clanton, Inc., all located in Alabama, within the United States. We settled this transaction using our available cash and existing credit facilities.
- We acquired one company-operated store, reaching a total of two single-site acquisitions since the beginning of fiscal year 2021.
- We completed the construction of 13 stores and the relocation or reconstruction of 1 store, reaching a total of 38 stores since the beginning of fiscal year 2021. As of October 11, 2020, another 51 stores were under construction and should open in the upcoming quarters.
- On November 5, 2020, subsequent to the end of the quarter, we entered into an agreement to acquire all the issued and outstanding shares of Convenience Retail Asia (BVI) Limited ("Circle K HK") for a purchase price of HK $2.8 billion, or approximately $360.0 million. Circle K HK, a subsidiary of Convenience Retail Asia Limited, operates a network of Circle K-licensed convenience stores, with 340 company-operated stores in Hong Kong and 33 franchised stores in Macau. The transaction is still subject to Convenience Retail Asia Limited shareholders' approval and we expect it to close before the end of calendar year 2020.
- On November 12, 2020, subsequent to the end of the quarter, we acquired seven company-operated stores from Pride C-Stores Inc., all located in Indiana, within the United States. We settled this transaction using our available cash and existing credit facilities.

Summary of changes in our store network

The following table presents certain information regarding changes in our store network over the 12-week period ended October 11, 2020:

	12-week period ended October 11, 2020				
Type of site	**Company-operated**	**CODO**	**DODO**	**Franchised and other affiliated**	**Total**
Number of sites, beginning of period	9,647	435	662	1,244	11,988
Acquisitions	11	—	—	3	14
Openings / constructions / additions	13	1	9	16	39
Closures / disposals / withdrawals	(40)	(4)	(5)	(9)	(58)
Store conversion	2	(26)	24	—	—
Number of sites, end of period	**9,633**	**406**	**690**	**1,254**	**11,983**
Circle K branded sites under licensing agreements					2,221
Total network					**14,204**
Number of automated fuel stations included in the period-end figures	986	—	9	—	995

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		24-week periods ended	
	October 11, 2020	October 13, 2019	**October 11, 2020**	October 13, 2019
Average for period				
Canadian dollar	**0.7541**	0.7547	**0.7416**	0.7531
Norwegian krone	**0.1101**	0.1115	**0.1064**	0.1134
Swedish krone	**0.1136**	0.1032	**0.1097**	0.1044
Danish krone	**0.1582**	0.1482	**0.1538**	0.1494
Zloty	**0.2653**	0.2551	**0.2568**	0.2589
Euro	**1.1777**	1.1063	**1.1453**	1.1150
Ruble	**0.0134**	0.0154	**0.0137**	0.0155

Summary Analysis of Consolidated Results for the Second Quarter and First Half-year of Fiscal 2021

The following table highlights certain information regarding our operations for the 12 and 24-week periods ended October 11, 2020, and October 13, 2019. CAPL refers to CrossAmerica Partners LP.

	12-week periods ended			24-week periods ended		
(in millions of US dollars, unless otherwise stated)	**October 11, 2020**	October 13, 2019	Variation %	**October 11, 2020**	October 13, 2019	Variation %
Statement of Operations Data:						
Merchandise and service revenues[1]:						
United States	**2,736.4**	2,629.8	4.1	**5,587.8**	5,287.6	5.7
Europe	**394.6**	331.3	19.1	**737.8**	684.4	7.8
Canada	**629.8**	568.4	10.8	**1,293.0**	1,144.0	13.0
CAPL	**—**	9.8	(100.0)	**—**	29.6	(100.0)
Elimination of intercompany transactions with CAPL	**—**	*(0.3)*	*(100.0)*	**—**	*(0.8)*	*(100.0)*
Total merchandise and service revenues	**3,760.8**	3,539.0	6.3	**7,618.6**	7,144.8	6.6
Road transportation fuel revenues:						
United States	**4,438.3**	6,519.0	(31.9)	**8,344.3**	13,320.5	(37.4)
Europe	**1,496.2**	1,876.5	(20.3)	**2,678.6**	3,796.3	(29.4)
Canada	**875.7**	1,130.8	(22.6)	**1,552.7**	2,332.2	(33.4)
CAPL	**—**	530.1	(100.0)	**—**	1,097.5	(100.0)
Elimination of intercompany transactions with CAPL	**—**	*(116.1)*	*(100.0)*	**—**	*(237.5)*	*(100.0)*
Total road transportation fuel revenues	**6,810.2**	9,940.3	(31.5)	**12,575.6**	20,309.0	(38.1)
Other revenues[2]:						
United States	**9.5**	8.1	17.3	**17.0**	15.0	13.3
Europe	**69.5**	161.8	(57.0)	**144.7**	316.9	(54.3)
Canada	**5.4**	5.3	1.9	**9.3**	10.1	(7.9)
CAPL	**—**	27.0	(100.0)	**—**	52.8	(100.0)
Elimination of intercompany transactions with CAPL	**—**	*(3.5)*	*(100.0)*	**—**	*(7.6)*	*(100.0)*
Total other revenues	**84.4**	198.7	(57.5)	**171.0**	387.2	(55.8)
Total revenues	**10,655.4**	13,678.0	(22.1)	**20,365.2**	27,841.0	(26.9)
Merchandise and service gross profit[1]:						
United States	**931.5**	891.8	4.5	**1,919.8**	1,796.7	6.9
Europe	**158.6**	136.9	15.9	**297.8**	283.4	5.1
Canada	**205.1**	185.1	10.8	**415.6**	374.6	10.9
CAPL	**—**	2.2	(100.0)	**—**	6.8	(100.0)
Elimination of intercompany transactions with CAPL	**—**	*(0.3)*	*(100.0)*	**—**	*(0.8)*	*(100.0)*
Total merchandise and service gross profit	**1,295.2**	1,215.7	6.5	**2,633.2**	2,460.7	7.0
Road transportation fuel gross profit:						
United States	**767.4**	698.4	9.9	**1,579.9**	1,370.9	15.2
Europe	**283.2**	226.2	25.2	**519.7**	448.4	15.9
Canada	**97.3**	86.4	12.6	**179.0**	167.9	6.6
CAPL	**—**	23.9	(100.0)	**—**	47.0	(100.0)
Total road transportation fuel gross profit	**1,147.9**	1,034.9	10.9	**2,278.6**	2,034.2	12.0
Other revenues gross profit[2]:						
United States	**9.5**	8.1	17.3	**17.0**	15.0	13.3
Europe	**27.4**	31.9	(14.1)	**58.3**	63.2	(7.8)
Canada	**5.4**	5.2	3.8	**9.3**	10.0	(7.0)
CAPL	**—**	27.0	(100.0)	**—**	52.8	(100.0)
Elimination of intercompany transactions with CAPL	**—**	*(3.5)*	*(100.0)*	**—**	*(7.6)*	*(100.0)*
Total other revenues gross profit	**42.3**	68.7	(38.4)	**84.6**	133.4	(36.6)
Total gross profit	**2,485.4**	2,319.3	7.2	**4,996.4**	4,628.3	8.0
Operating, selling, administrative and general expenses						
Excluding CAPL[11]	**1,194.4**	1,214.8	(1.7)	**2,365.4**	2,439.1	(3.0)
CAPL	**—**	18.3	(100.0)	**—**	38.5	(100.0)
Elimination of intercompany transactions with CAPL	**—**	*(3.7)*	*(100.0)*	**—**	*(8.1)*	*(100.0)*
Total Operating, selling, administrative and general expenses	**1,194.4**	1,229.4	(2.8)	**2,365.4**	2,469.5	(4.2)
(Gain) loss on disposal of property and equipment and other assets	**(35.1)**	1.0	(3,610.0)	**(43.9)**	11.1	(495.5)
Depreciation, amortization and impairment						
Excluding CAPL	**305.8**	292.9	4.4	**595.3**	577.1	3.2
CAPL	**—**	23.3	(100.0)	**—**	46.2	(100.0)
Total depreciation, amortization and impairment	**305.8**	316.2	(3.3)	**595.3**	623.3	(4.5)
Operating income						
Excluding CAPL	**1,020.3**	763.0	33.7	**2,079.6**	1,506.0	38.1
CAPL	**—**	9.8	(100.0)	**—**	18.7	(100.0)
Elimination of intercompany transactions with CAPL	**—**	*(0.1)*	*(100.0)*	**—**	*(0.3)*	*(100.0)*
Total operating income	**1,020.3**	772.7	32.0	**2,079.6**	1,524.4	36.4
Net financial expenses	**77.2**	60.1	28.5	**165.2**	147.1	12.3
Net earnings including non-controlling interests	**757.0**	579.4	30.7	**1,534.1**	1,115.4	37.5
Net (earnings) loss attributable to non-controlling interests	**—**	(0.8)	(100.0)	**—**	2.0	(100.0)
Net earnings attributable to shareholders of the Corporation	**757.0**	578.6	30.8	**1,534.1**	1,117.4	37.3
Per Share Data:						
Basic net earnings per share (dollars per share)	**0.68**	0.51	33.3	**1.38**	0.99	39.4
Diluted net earnings per share (dollars per share)	**0.68**	0.51	33.3	**1.38**	0.99	39.4
Adjusted diluted net earnings per share (dollars per share)[11]	**0.66**	0.50	32.0	**1.37**	0.99	38.4

(in millions of US dollars, unless otherwise stated)	12-week periods ended October 11, 2020	October 13, 2019	Variation %	24-week periods ended October 11, 2020	October 13, 2019	Variation %
Other Operating Data – excluding CAPL:						
Merchandise and service gross margin[1]:						
Consolidated	**34.4%**	34.4%	—	**34.6%**	34.5%	0.1
United States	**34.0%**	33.9%	0.1	**34.4%**	34.0%	0.4
Europe	**40.2%**	41.3%	(1.1)	**40.4%**	41.4%	(1.0)
Canada	**32.6%**	32.6%	—	**32.1%**	32.7%	(0.6)
Growth of same-store merchandise revenues[3]:						
United States[4]	**4.4%**	3.2%		**6.1%**	2.9%	
Europe	**8.6%**	3.3%		**6.0%**	2.0%	
Canada[4]	**11.4%**	2.1%		**15.7%**	1.2%	
Road transportation fuel gross margin:						
United States (cents per gallon)[4]	**37.48**	28.29	32.5	**40.14**	27.57	45.6
Europe (cents per liter)	**11.10**	8.34	33.1	**10.82**	8.39	29.0
Canada (CA cents per liter)[4]	**10.05**	7.89	27.4	**10.16**	7.64	33.0
Total volume of road transportation fuel sold:						
United States (millions of gallons)	**2,098.2**	2,601.8	(19.4)	**4,049.1**	5,192.4	(22.0)
Europe (millions of liters)	**2,550.7**	2,713.2	(6.0)	**4,801.2**	5,346.8	(10.2)
Canada (millions of liters)	**1,288.4**	1,458.4	(11.7)	**2,380.8**	2,931.0	(18.8)
(Decrease in) growth of same-store road transportation fuel volume:						
United States[4]	**(15.5%)**	0.6%		**(18.4%)**	0.6%	
Europe[4]	**(4.5%)**	(0.6%)		**(8.3%)**	(1.1%)	
Canada[4]	**(11.8%)**	0.2%		**(18.7%)**	0.3%	

(in millions of US dollars, unless otherwise stated)	As at October 11, 2020	As at April 26, 2020	Variation $
Balance Sheet Data:			
Total assets	**26,767.1**	25,679.5	1,087.6
Interest-bearing debt [5]	**9,043.4**	10,379.3	(1,335.9)
Equity	**11,919.9**	10,066.6	1,853.3
Indebtedness Ratios[6]:			
Net interest-bearing debt/total capitalization[5][7]	**0.32 : 1**	0.40 : 1	
Leverage ratio[8][11]	**1.13 : 1**	1.54 : 1	
Returns[6]:			
Return on equity[9]	**25.7%**	24.8%	
Return on capital employed[10]	**17.3%**	15.0%	

(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 and energy for stationary engines.

(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) 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.

(6) Until November 2019, 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.

(7) 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. We believe this measure is useful to investors and analysts.

(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 EBITDA for the last 52 weeks (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. We believe this measure is useful to investors and analysts.

(9) 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 for the last 52 weeks 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. We believe this measure is useful to investors and analysts.

(10) 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 for the last 52 weeks 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. We believe this measure is useful to investors and analysts.

(11) Prior figures such as Adjusted EBITDA, Adjusted net earnings, as well as Adjusted diluted net earnings per share have been updated to remove the restructuring costs. This adjustment had no impact on the leverage ratio as of April 26, 2020. For additional information on these performance measures not defined by IFRS, please refer to the sections "Earnings before interest, taxes, depreciation, amortization and impairment (EBITDA) and adjusted EBITDA", as well as "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. In addition, Operating, selling, administrative and general expenses excluding CAPL for the 12 and 24-week periods ended October 13, 2019 now include the restructuring costs that were previously presented on a distinct line.

Revenues

Our revenues were $10.7 billion for the second quarter of fiscal 2021, down by $3.0 billion, a decrease of 22.1% compared with the corresponding quarter of fiscal 2020. This performance is mainly attributable to a lower average road transportation fuel selling price, to the negative impact of COVID-19 on fuel demand, and to the disposal of our interests in CAPL which had an impact of approximately $447.0 million, partly offset by strong organic growth on merchandise and service sales, as well as by the net positive impact from the translation of revenues of our Canadian and European operations into US dollars, which had an impact of approximately $154.0 million.

For the first half-year of fiscal 2021, our revenues decreased by $7.5 billion or 26.9% compared with the corresponding period of fiscal 2020, mainly attributable to similar factors as those of the second quarter.

Merchandise and service revenues

Total merchandise and service revenues for the second quarter of fiscal 2021 were $3.8 billion, an increase of $221.8 million compared with the corresponding quarter of fiscal 2020. Excluding CAPL's revenues, as well as the net positive impact from the translation of our Canadian and European operations into US dollars, merchandise and service revenues increased by approximately $208.0 million or 5.9%. This increase is primarily attributable to growth in basket size, which more than offset continued softness in traffic. The tobacco, package beverage, alcohol and grocery products categories continued to perform well all across our regions while in Europe, our fresh food category outperformed last year results. Same-store merchandise revenues increased by 4.4% in the United States, by 8.6% in Europe, and by 11.4% in Canada.

For the first half-year of fiscal 2021, the growth in merchandise and service revenues was $473.8 million compared with the first half-year of fiscal 2020. 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 $512.0 million or 7.2%. Same-store merchandise revenues increased by 6.1% in the United States, by 6.0% in Europe and by 15.7% in Canada.

Road transportation fuel revenues

Total road transportation fuel revenues for the second quarter of fiscal 2021 were $6.8 billion, a decrease of $3.1 billion compared with the corresponding quarter of fiscal 2020. Excluding CAPL's revenues, as well as the net positive impact from the translation of revenues of our Canadian and European operations into US dollars, road transportation fuel revenues decreased by approximately $2.8 billion, or 29.8%. This decrease is mostly attributable to a lower average road transportation fuel selling price, which had a negative impact of approximately $1.3 billion, as well as to the decrease on fuel demand in relation with the work from home trends due to the COVID-19 pandemic. Same-store road transportation fuel volume decreased by 15.5% in the United States, by 4.5% in Europe, and by 11.8% in Canada.

For the first half-year of fiscal 2021, the road transportation fuel revenues decreased by $7.7 billion compared with the first half-year of fiscal 2020. Excluding CAPL's revenues, as well as the net negative impact from the translation of our Canadian and European operations into US dollars, road transportation fuel revenues decreased by approximately $6.9 billion or 35.3%. The negative impact of the lower average road transportation fuel selling price was approximately $3.1 billion. Same-store road transportation fuel volume decreased by 18.4% in the United States, by 8.3% in Europe, and by 18.7% in Canada.

The following table shows the average selling price of road transportation fuel of our company-operated stores in our various markets for the last eight quarters, starting with the third quarter of the fiscal year ended April 28, 2019:

Quarter	3rd	4th	1st	2nd	Weighted average
52-week period ended October 11, 2020					
United States (US dollars per gallon) – excluding CAPL	2.51	2.21	2.04	2.14	2.26
Europe (US cents per liter)	73.92	60.95	56.89	63.19	64.91
Canada (CA cents per liter)	103.47	88.78	86.89	92.00	94.34
52-week period ended October 13, 2019					
United States (US dollars per gallon) – excluding CAPL	2.42	2.51	2.66	2.55	2.53
Europe (US cents per liter)	75.28	74.59	77.35	70.86	74.55
Canada (CA cents per liter)	97.59	103.45	111.16	105.14	103.86

Other revenues

Total other revenues for the second quarter and first half-year of fiscal 2021 were $84.4 million and $171.0 million, respectively, a decrease of $114.3 million and $216.2 million compared with the corresponding periods of fiscal 2020. Excluding CAPL's revenues, as well as the net positive impact from the translation of our Canadian and European operations into US dollars, other revenues decreased by $101.3 million and by $175.9 million in the second quarter and first half-year of fiscal 2021, respectively, primarily driven by lower demand and lower average selling prices in our other fuel products, which had a minimal impact on gross profit.

Gross profit

Our gross profit was $2.5 billion for the second quarter of fiscal 2021, up by $166.1 million, or 7.2%, compared with the corresponding quarter of fiscal 2020, mainly attributable to higher road transportation fuel gross margins, to strong organic growth in our convenience activities, as well as to the net positive impact from the translation of our Canadian and European operations into US dollars, which had an impact of approximately $25.0 million, partly offset by the negative impact of COVID-19 on fuel demand, and by the disposal of our interests in CAPL which had an impact of approximately $49.0 million.

For the first half-year of fiscal 2021, our gross profit increased by $368.1 million, or 8.0%, compared with the first half-year of fiscal 2020, mainly attributable to similar factors as those of the second quarter.

Merchandise and service gross profit

In the second quarter of fiscal 2021, our merchandise and service gross profit was $1.3 billion, an increase of $79.5 million compared with the corresponding quarter of fiscal 2020. Excluding CAPL's gross profit, as well as the net positive impact from the translation of our Canadian and European operations into US dollars, merchandise and service gross profit increased by approximately $72.0 million, or 5.9%, mainly attributable to strong organic growth, despite lower traffic in our network due to COVID-19. Our gross margin increased by 0.1% in the United States to 34.0%, while it decreased by 1.1% in Europe to 40.2% due to our product mix towards lower margin categories. It remained steady at 32.6% in Canada.

During the first half-year of fiscal 2021, our merchandise and service gross profit was $2.6 billion, an increase of $172.5 million compared with the first half-year of fiscal 2020. 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 $181.0 million, or 7.4%. The gross margin increased by 0.4% to 34.4% in the United States, while it decreased by 1.0% in Europe to 40.4%, and by 0.6% in Canada to 32.1%.

Road transportation fuel gross profit

In the second quarter of fiscal 2021, our road transportation fuel gross profit was $1.1 billion, an increase of $113.0 million compared with the corresponding quarter of fiscal 2020. Excluding CAPL's gross profit, as well as the net positive impact from the translation of our Canadian and European operations into US dollars, our road transportation fuel gross profit increased by approximately $124.0 million, or 12.2%. In the United States, our road transportation fuel gross margin was 37.48¢ per gallon, an increase of 9.19¢ per gallon, in Europe, it was US 11.10¢ per liter, an increase of US 2.76¢ per liter, and in Canada, it was CA 10.05¢ per liter, an increase of CA 2.16¢ per liter. Growth in road transportation fuel gross margins were driven by decline in fuel product costs, changes in the competitive landscape and improved supply conditions.

During the first half-year of fiscal 2021, our road transportation fuel gross profit was $2.3 billion, an increase of $244.4 million compared with the first half-year of fiscal 2020. Excluding CAPL's gross profit, as well as the net positive impact from the translation of our Canadian and European operations into US dollars, road transportation fuel gross profit increased by approximately $291.0 million, or 14.7%. The road transportation fuel gross margin was 40.14¢ per gallon in the United States, US 10.82¢ per liter in Europe, and CA 10.16¢ per liter in Canada.

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 third quarter of the fiscal year ended April 28, 2019, were as follows:

(US cents per gallon)

Quarter	3rd	4th	1st	2nd	Weighted average
52-week period ended October 11, 2020					
Before deduction of expenses related to electronic payment modes	27.04	46.88	42.99	37.48	37.10
Expenses related to electronic payment modes	4.54	4.97	4.88	4.79	4.76
After deduction of expenses related to electronic payment modes	22.50	41.91	38.11	32.69	32.34
52-week period ended October 13, 2019					
Before deduction of expenses related to electronic payment modes	29.42	18.51	26.86	28.29	26.00
Expenses related to electronic payment modes	4.31	4.40	4.70	4.63	4.50
After deduction of expenses related to electronic payment modes	25.11	14.11	22.16	23.66	21.50

Generally, during normal economic cycles, road transportation fuel margins in the United States can be volatile from one quarter to another but have historically trended higher over longer periods. The historical trends for Europe and Canada are similar, while the margin volatility and expenses related to electronic payment modes are not as significant.

Other revenues gross profit

In the second quarter and first half-year of fiscal 2021, other revenues gross profit was $42.3 million and $84.6 million, respectively, a decrease of $26.4 million and of $48.8 million, compared with the corresponding periods of fiscal 2020. Excluding CAPL's gross profit, as well as the net positive impact from the translation of our Canadian and European operations into US dollars, other revenues gross profit decreased by approximately $5.0 million and $4.0 million in the second quarter and first half-year of fiscal 2021, respectively, mainly driven by a decrease in rental income.

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

For the second quarter and first half-year of fiscal 2021, expenses decreased by 2.8% and 4.2%, respectively, compared with the corresponding periods of fiscal 2020. If we exclude certain items that are not considered indicative of future trends, expenses decreased by 0.8% and 0.6%, respectively.

	12-week period ended October 11, 2020	24-week period ended October 11, 2020
Total variance, as reported	**(2.8%)**	**(4.2%)**
Adjusted for:		
Decrease from lower electronic payment fees, excluding acquisitions	**1.6%**	**2.0%**
Decrease from the disposal of our interests in CAPL	**1.5%**	**1.6%**
Increase from the net impact of foreign exchange translation	**(1.2%)**	**—**
Impact from the December 2018 asset exchange agreement with CAPL, net of electronic payment fees	**0.4%**	**0.5%**
Increase from incremental expenses related to acquisitions	**(0.3%)**	**(0.3%)**
Acquisition costs recognized to earnings of fiscal 2021	**(0.1%)**	**(0.2%)**
Acquisition costs recognized to earnings of fiscal 2020	**0.1%**	**—**
Remaining variance	**(0.8%)**	**(0.6%)**

We were able to achieve this decrease while maintaining the investments in our stores to support our strategic initiatives, even though we continue to see higher labor costs from minimum wage increases in certain regions, normal inflation and COVID-19 related expenses. This decrease was a result of cost and labor efficiencies, as well as rigorous work and activities initiated to streamline and minimize our controllable expenses. COVID-19 related expenses of the second quarter of fiscal 2021 include, but are not limited to, severance costs, additional cleaning and sanitizing supplies, as well as masks and gloves for our employees. For the first half-year of fiscal 2021, it also includes an emergency appreciation pay premium of $2.50 per hour in North America for hourly store employees and distribution center employees, and *Thank you* bonuses in North America following the end of the appreciation pay premium.

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

During the second quarter of fiscal 2021, EBITDA increased from $1.1 billion to $1.3 billion, an increase of 21.7% compared with the same quarter last year. Excluding the specific items shown in the table below, the adjusted EBITDA for the second quarter of fiscal 2021 increased by $223.5 million, or 20.9%, compared with the corresponding period of the previous fiscal year, mainly from higher road transportation fuel gross margins, organic growth on merchandise and service sales, as well as from the net positive impact from the translation of our Canadian and European operations into US dollars, partly offset by the negative impact of COVID-19 on our traffic. The variation in exchange rates had a net positive impact of approximately $11.0 million.

During the first half-year of fiscal 2021, EBITDA increased from $2.2 billion to $2.7 billion, an increase of 24.5% compared with the same period last year. Excluding the specific items shown in the table below from EBITDA of the first half-year of fiscal 2021 and of the first half-year of fiscal 2020, the adjusted EBITDA for the first half-year of fiscal 2021 increased by $543.9 million or 25.8% compared with the corresponding period of the previous fiscal year, mainly attributable to similar factors as those of the second quarter. The variation in exchange rates had a net negative impact of approximately $1.0 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		24-week periods ended	
(in millions of US dollars)	**October 11, 2020**	October 13, 2019	**October 11, 2020**	October 13, 2019
Net earnings including non-controlling interests, as reported	**757.0**	579.4	**1,534.1**	1,115.4
Add:				
Income taxes	**193.6**	139.7	**396.3**	275.0
Net financial expenses	**77.2**	60.1	**165.2**	147.1
Depreciation, amortization and impairment	**305.8**	316.2	**595.3**	623.3
EBITDA	**1,333.6**	1,095.4	**2,690.9**	2,160.8
Adjusted for:				
Gain on disposal of a property	**(40.9)**	—	**(40.9)**	—
Acquisition costs	**1.2**	0.8	**5.1**	1.0
EBITDA attributable to non-controlling interests	**—**	(25.8)	**—**	(50.6)
Adjusted EBITDA	**1,293.9**	1,070.4	**2,655.1**	2,111.2

Depreciation, amortization and impairment (“depreciation”)

For the second quarter of fiscal 2021, our depreciation expense decreased by $10.4 million compared with the second quarter of fiscal 2020. Excluding CAPL’s results, as well as the net negative impact from the translation of our Canadian and European operations into US dollars, the depreciation expense increased by approximately $10.0 million. This increase is mainly driven by the replacement of equipment and the ongoing improvement of our network.

For the first half-year of fiscal 2021, our depreciation expense decreased by $28.0 million compared with the corresponding period of fiscal 2020. Excluding CAPL’s results, as well as the net positive impact from the translation of our Canadian and European operations into US dollars, the depreciation expense increased by approximately $19.0 million for the first half-year of fiscal 2021, mainly attributable to similar factors as those of the second quarter.

Net financial expenses

Net financial expenses for the second quarter of fiscal 2021 were $77.2 million, an increase of $17.1 million compared with the second quarter of fiscal 2020. Excluding the items shown in the table below, net financial expenses for the second quarter of fiscal 2021 increased by $5.9 million compared to the second quarter of fiscal 2020, driven by a higher average cost of debt.

Net financial expenses for the first half-year of fiscal 2021 were $165.2 million, an increase of $18.1 million compared with the first half-year of fiscal 2020. Excluding the items shown in the table below, net financial expenses for the first half-year of fiscal 2021 increased by $6.3 million compared to corresponding period of fiscal 2020, driven by the same factor as the one of the second quarter.

	12-week periods ended		24-week periods ended	
(in millions of US dollars)	**October 11, 2020**	October 13, 2019	**October 11, 2020**	October 13, 2019
Net financial expenses, as reported	**77.2**	60.1	**165.2**	147.1
Adjusted for:				
Net foreign exchange (loss) gain	**(8.9)**	11.8	**(27.3)**	5.3
CAPL’s financial expenses	**—**	(9.5)	**—**	(20.8)
Net financial expenses excluding items above	**68.3**	62.4	**137.9**	131.6

Income taxes

The income tax rate for the second quarter of fiscal 2021 was 20.4% compared with 19.4% for the corresponding period of fiscal 2020. Excluding the item shown in the table below, the income tax rate for the second quarter of fiscal 2020 would have been 19.5%.

The income tax rate for the first half-year of fiscal 2021 was 20.5% compared with 19.8% for the first half-year of fiscal 2020. Excluding the item shown in the table below, the income tax rate would have been 19.6% for the first half-year of fiscal 2020. The increase for both the second quarter and first half-year is mainly stemming from the impact of a different mix in our earnings across the various jurisdictions in which we operate.

	12-week periods ended		24-week periods ended	
	October 11, 2020	October 13, 2019	**October 11, 2020**	October 13, 2019
Income tax rate, as reported	**20.4%**	19.4%	**20.5%**	19.8%
Adjusted for:				
Income tax benefit (expense) following the December 2018 asset exchange agreement with CAPL	**—**	0.1%	**—**	(0.2%)
Net income tax rate excluding items above	**20.4%**	19.5%	**20.5%**	19.6%

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 second quarter of fiscal 2021 were $757.0 million, compared with $578.6 million for the second quarter of the previous fiscal year, an increase of $178.4 million or 30.8%. Diluted net earnings per share stood at $0.68, compared with $0.51 for the previous fiscal year. The translation of revenues and expenses from our Canadian and European operations into US dollars had a net positive impact of approximately $8.0 million on net earnings of the second quarter of fiscal 2021.

Excluding the items shown in the table below from net earnings of the second quarter of fiscal 2021 and fiscal 2020, adjusted net earnings for the second quarter of fiscal 2021 were approximately $735.0 million, compared with $569.0 million for the second quarter of fiscal 2020, an increase of $166.0 million, or 29.2%. Adjusted diluted net earnings per share were $0.66 for the second quarter of fiscal 2021, compared with $0.50 for the corresponding period of fiscal 2020, an increase of 32.0%.

For the first half-year of fiscal 2021, net earnings were $1.5 billion, compared with $1.1 billion for the first half-year of fiscal 2020, an increase of $416.7 million or 37.3%. Diluted net earnings per share stood at $1.38, compared with $0.99 for the previous fiscal year. The translation of revenues and expenses from our Canadian and European operations into US dollars had no significant impact on net earnings of the first half-year of fiscal 2021.

Excluding the items shown in the table below from net earnings of the first half-year of fiscal 2021 and fiscal 2020, adjusted net earnings for the first half-year of fiscal 2021 were approximately $1.5 billion, compared with $1.1 billion for the comparable period of the previous year, an increase of $413.0 million or 37.0%. Adjusted diluted net earnings per share were $1.37 for the first half-year of fiscal 2021, compared with $0.99 for the first half-year of fiscal 2020, an increase of 38.4%.

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

	12-week periods ended		24-week periods ended	
(in millions of US dollars)	**October 11, 2020**	October 13, 2019	**October 11, 2020**	October 13, 2019
Net earnings attributable to shareholders of the Corporation, as reported	**757.0**	578.6	**1,534.1**	1,117.4
Adjusted for:				
Gain on disposal of a property	**(40.9)**	—	**(40.9)**	—
Net foreign exchange loss (gain)	**8.9**	(11.8)	**27.3**	(5.3)
Acquisition costs	**1.2**	0.8	**5.1**	1.0
Income tax (benefit) expense following the December 2018 asset exchange agreement with CAPL	**—**	(0.7)	**—**	2.7
Tax impact of the items above and rounding	**8.8**	2.1	**4.4**	1.2
Adjusted net earnings attributable to shareholders of the Corporation	**735.0**	569.0	**1,530.0**	1,117.0

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

Dividends

During its November 24, 2020 meeting, the Board of Directors approved an increase in the quarterly dividend of CA 1.75¢ per share, bringing it to CA 8.75¢ per share, an increase of 25.0%.

During the same meeting, the Board of Directors declared a quarterly dividend of CA 8.75¢ per share for the second quarter of fiscal 2021 to shareholders on record as at December 3, 2020, and approved its payment for December 17, 2020. 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 October 11, 2020, Couche-Tard's network comprised 9,261 convenience stores throughout North America, including 8,085 stores with road transportation fuel dispensing. Its North American network consists of 18 business units, including 14 in the United States covering 47 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 Europe, Couche-Tard operates a broad retail network across Scandinavia, Ireland, Poland, the Baltics and Russia through 10 business units. As of October 11, 2020, Couche-Tard's network comprised 2,722 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 22,000 people work in its retail network, terminals and service offices across Europe.

In addition, under licensing agreements, more than 2,220 stores are operated under the Circle K banner in 15 other countries and territories (Cambodia, Egypt, Guam, Guatemala, 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 14,200 stores.

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

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The statements set forth in this press release, which describes Couche-Tard's objectives, projections, estimates, expectations or forecasts, may constitute forward-looking statements within the meaning of securities legislation. Positive or negative verbs such as "believe", "can", "shall", "intend", "expect", "estimate", "assume" and other related expressions are used to identify such statements. Couche-Tard would like to point out that, by their very nature, forward-looking statements involve risks and uncertainties such that its results, or the measures it adopts, could differ materially from those indicated in or underlying these statements, or could have an impact on the degree of realization of a particular projection. Major factors that may lead to a material difference between Couche-Tard's actual results and the projections or expectations set forth in the forward-looking statements include the effects of the integration of acquired businesses and the ability to achieve projected synergies, uncertainty related to the duration and severity of the current COVID-19 pandemic, fluctuations in margins on motor fuel sales, competition in the convenience store and retail motor fuel industries, exchange rate variations, and such other risks as described in detail from time to time in the reports filed by Couche-Tard with securities authorities in Canada and the United States. Unless otherwise required by applicable securities laws, Couche-Tard disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking information in this release is based on information available as of the date of the release.

Webcast on November 25, 2020, at 8:00 A.M. (EST)

Couche-Tard invites analysts known to the Corporation to send their two questions to its management before 7:00 P.M. (EST) on November 24, 2020, at investor.relations@couche-tard.com.

Financial analysts, investors, media and any individuals interested in listening to the webcast on Couche-Tard's results, which will take place online on November 25, 2020, at 8:00 A.M. (EST) 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 1-888-390-0549 or 1-416-764-8682, followed by the access code 70839272#.

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.