ALIMENTATION COUCHE-TARD ANNOUNCES ITS RESULTS FOR ITS FIRST QUARTER OF FISCAL YEAR 2024

- Net earnings were $834.1 million, or $0.85 per diluted share for the first quarter of fiscal 2024 compared with $872.4 million, or $0.85 per diluted share for the first quarter of fiscal 2023. Adjusted net earnings[1] were approximately $838.0 million compared with $875.0 million for the first quarter of fiscal 2023. Adjusted diluted net earnings per share[1] were $0.86, representing an increase of 1.2% from $0.85 for the corresponding quarter of last year.
- Total merchandise and service revenues of $4.3 billion, an increase of 5.0%. Same-store merchandise revenues[2] increased by 2.1% in the United States, by 2.7% in Europe and other regions[1], and by 6.4% in Canada.
- Merchandise and service gross margin[1] increased by 0.4% in the United States to 34.3%, by 1.0% in Europe and other regions to 39.9%, and by 0.8% in Canada to 33.9%, all impacted favorably by a change in product mix.
- Same-store road transportation fuel volumes increased by 0.7% in the United States, by 7.2% in Canada, and decreased by 1.5% in Europe and other regions.
- Road transportation fuel gross margin[1] of 50.05¢ per gallon in the United States, an increase of 1.05¢ per gallon, and of CA 13.25¢ per liter in Canada, a decrease of CA 0.79¢ per liter. Fuel margins remained healthy throughout the North American network, due to favorable market conditions and the continued work on the optimization of the supply chain. In Europe and other regions, the road transportation fuel margin[1] was US 8.21¢ per liter, a decrease of US 4.05¢ per liter, mostly driven by the volatility of the global fuel market, more impactful to the Corporation's European gross margin[1] due to a more integrated supply chain model in this region.
- Growth of expenses for the first quarter of fiscal 2024 was 2.9% while normalized growth of expenses[1] was 3.7%, remaining below the average inflation observed throughout the Corporation's network.
- During the quarter, the Corporation reached an agreement to acquire 2,193 sites from TotalEnergies SE located in Germany, Belgium, Netherlands and Luxembourg.
- During the first quarter of fiscal 2024, the Corporation repurchased 4.7 million shares for an amount of $230.0 million. Subsequent to the end of the first quarter of fiscal 2024 and under the share repurchase program, the Corporation repurchased 10.8 million shares through a private agreement, for an amount of $529.7 million.

Laval, Québec, Canada – September 6, 2023 – For its first quarter ended July 23, 2023, Alimentation Couche-Tard Inc. ("Couche-Tard" or the "Corporation") (TSX: ATD) announces net earnings of $834.1 million, representing $0.85 per share on a diluted basis, compared with $872.4 million for the corresponding quarter of fiscal 2023, representing $0.85 per share on a diluted basis. The results for the first quarter of fiscal 2024 were affected by pre-tax acquisition costs of $3.5 million, as well as by a pre-tax net foreign exchange loss of $0.3 million. The results for the comparable quarter of fiscal 2023 were affected by pre-tax acquisition costs of $1.2 million, as well as by a pre-tax net foreign exchange loss of $1.0 million. Excluding these items, the adjusted net earnings[1] were approximately $838.0 million, or $0.86 per share on a diluted basis for the first quarter of fiscal 2024, compared with $875.0 million, or $0.85 per share on a diluted basis for the corresponding quarter of fiscal 2023, an increase of 1.2% in the adjusted diluted net earnings per share[1]. This increase is primarily driven by organic growth in the convenience activities as well as by the favorable impact of the share repurchase program, partly offset by lower road transportation fuel gross profit[1] in Europe and other regions, and by higher depreciation and expenses. All financial information presented is in US dollars unless stated otherwise.

[1] Please refer to the "Non-IFRS Measures" section for additional information on performance measures not defined by IFRS.
[2] This measure represents the growth of (decrease in) cumulated merchandise revenues between the current period and comparative period for those stores that were open for at least 23 days out of every 28-day period included in the reported periods. Merchandise revenues are defined as Merchandise and service revenues excluding service revenues.

“We are pleased to announce a good first quarter of our new fiscal year, with our Canadian operations leading the way with strong performances in both convenience and fuel. Same store sales continued to grow in all Canadian business units with our packaged beverages category performing exceptionally well. Fuel volumes also grew significantly in this region. Across North America, we are seeing benefit from our promotional initiatives including reoccurring fuel days, which are contributing to volume growth. At the end of August, we had our first ever global Couche-Tard/Circle K Day with limited-time food and fuel discounts across our network from Hong Kong, to Europe, and coast to coast in North America. With inflationary conditions continuing across the globe, our focus has remained on providing value and ease to our customers both inside our stores and on our forecourts,” said Brian Hannasch, President and Chief Executive Officer of Alimentation Couche-Tard.

“We are especially excited to have launched our *Innercircle* loyalty program during the quarter. Early in the summer, we went live with the program in nearly 430 stores across the Florida business unit. *Innercircle* is a free membership program with fuel rewards, food rewards and much more, while also providing new personalized experiences to our loyal customers. We could not be more pleased with the rollout so far in terms of customer adoption, positive feedback, and growing popularity of the app. We have just introduced *Innercircle* in one of our largest business units, Grand Canyon, and plan to expand to more business units, starting in the southeast of the U.S., as the year progresses. I want to thank the many cross-functional team members for bringing forward this unique program to make it easier and more rewarding for our customers,” concluded Brian Hannasch.

Filipe Da Silva, Chief Financial Officer, added: “I am delighted to report that our focus on cost reduction has yielded favorable outcomes during this quarter. Our disciplined approach to expense management and streamlining processes has positively impacted our results which include a normalized growth of expenses[1] of 3.7%, lower than the average inflation observed throughout our network. This strong sequential improvement underscores our dedication to financial discipline and reflects our commitment to delivering sustainable value to our various stakeholders. I am thankful for our team’s continued pursuit of operational excellence which enabled us to deliver strong results across our key metrics. At our 2023 Analyst and Investor Conference, we look forward to communicating our new multi-year strategic plan which will include a renewed focus on cost reduction initiatives. Finally, in terms of capital allocation, the recent private buyback transaction, which took place shortly after quarter-end, highlights a great use of our excess cash and will further enhance our key return metrics.”

Significant Items of the First Quarter of Fiscal 2024

- On April 26, 2023, the Toronto Stock Exchange approved the renewal of our share repurchase program, which took effect on May 1, 2023. The renewed program allows us to repurchase up to 49.1 million shares, representing 5.0% of the shares outstanding as at April 20, 2023, and the share repurchase period will end no later than April 30, 2024. During the first quarter of fiscal 2024, we repurchased 4.7 million shares for an amount of $230.0 million. Subsequent to the end of the first quarter of fiscal 2024 and under the share repurchase program, we repurchased 10.8 million shares through a private agreement, for an amount of $529.7 million.
- On June 6, 2023, following the reception by Fire & Flower of an order for creditor protection under the *Companies' Creditors Arrangement Act*, we executed a facility agreement with Fire & Flower pursuant to which we agreed to advance a CA $9.8 million ($7.2 million) debtor-in-possession loan. On June 21, 2023, the Ontario Superior Court of Justice approved a Sales and Investment Solicitation Process (“SISP”) pursuant to which one of our wholly-owned subsidiaries was acting as stalking horse bidder. Subsequent to the end of the first quarter of fiscal 2024 and following an auction held on August 15, 2023, our wholly-owned subsidiary was selected as the back-up bidder and our back-up bid will remain valid until the closing of the transaction contemplated by the successful bid, in accordance with the SISP.

  On June 30, 2023, the unsecured convertible debentures matured without being converted and the Series C Warrants expired without being exercised.

Changes in our Network during the First Quarter of Fiscal 2024

- On July 7, 2023, we reached an agreement to acquire 2,193 sites from TotalEnergies SE for a total cash consideration of approximately €3.1 billion ($3.4 billion). The retail assets included in the transaction cover 1,195 sites located in Germany, 566 sites in Belgium, 387 sites in Netherlands, and 45 sites in Luxembourg, of which 1,495 sites are company-owned and 698 sites are dealer-owned. For the same sites included in the transaction, 12% are company-operated and 88% are dealer-operated. The transaction comprises 100% of TotalEnergies SE’s retail assets in Germany and Netherlands, as well as a 60% interest in the Belgium and Luxembourg entities. We expect the transaction to close before the end of calendar year 2023 and it remains subject to customary closing conditions and regulatory approvals. The transaction would be financed using available cash, existing credit facilities, including the United States commercial paper program, and new term loans.
- We acquired four company-operated stores through various transactions since the beginning of fiscal 2024. We settled these transactions using our available cash.

[1] Please refer to the “Non-IFRS Measures” section for additional information on performance measures not defined by IFRS.

- We completed the construction of 16 stores and the relocation or reconstruction of 3 stores, reaching a total of 19 stores since the beginning of fiscal 2024. As of July 23, 2023, another 45 stores were under construction and should open in the upcoming quarters.

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 July 23, 2023:

	12-week period ended July 23, 2023				
Type of site	**Company-operated**	**CODO**	**DODO**	**Franchised and other affiliated**	**Total**
Number of sites, beginning of period	9,983	344	820	1,285	12,432
Acquisitions	4	—	—	—	4
Openings / constructions / additions	16	—	10	10	36
Closures / disposals / withdrawals	(65)	(3)	(33)	(34)	(135)
Store conversions	4	(1)	(5)	2	—
Number of sites, end of period	**9,942**	**340**	**792**	**1,263**	**12,337**
Circle K branded sites under licensing agreements					2,084
Total network					**14,421**
Number of automated fuel stations included in the period-end figures	984	—	2	—	986

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 23, 2023	July 17, 2022
Average for the period(1)		
Canadian dollar	**0.7484**	0.7778
Norwegian krone	**0.0936**	0.1031
Swedish krone	**0.0943**	0.0995
Danish krone	**0.1464**	0.1412
Zloty	**0.2431**	0.2248
Euro	**1.0903**	1.0503
Hong Kong dollar	**0.1277**	0.1274

(1) Calculated by taking the average of the closing exchange rates of each day in the applicable period.

For the analysis of consolidated results, the impact of the translation of our foreign currency operations into US dollars is defined as the impact from the translation of our Canadian, European, Asian, and corporate operations into US dollars. Variances of our foreign currency operations into US dollars are determined as being the difference between the corresponding period results in local currencies translated at the current period average exchange rate and the corresponding period results in local currencies translated at the corresponding period average exchange rate.

Summary Analysis of Consolidated Results for the First Quarter of Fiscal 2024

The following table highlights certain information regarding our operations for the 12-week periods ended July 23, 2023, and July 17, 2022, and the results analysis in this section should be read in conjunction with this table. The results from our operations in Europe and Asia are presented together as Europe and other regions.

	12-week periods ended		
(in millions of US dollars, unless otherwise stated)	**July 23, 2023**	July 17, 2022	Variation %
Statement of Operations Data:			
Merchandise and service revenues[1]:			
United States	**3,005.3**	2,904.9	3.5
Europe and other regions	**622.0**	537.1	15.8
Canada	**648.5**	630.5	2.9
Total merchandise and service revenues	**4,275.8**	4,072.5	5.0
Road transportation fuel revenues:			
United States	**7,522.2**	9,681.4	(22.3)
Europe and other regions	**2,263.7**	2,975.9	(23.9)
Canada	**1,449.3**	1,661.8	(12.8)
Total road transportation fuel revenues	**11,235.2**	14,319.1	(21.5)
Other revenues[2]:			
United States	**8.2**	9.7	(15.5)
Europe and other regions	**95.1**	250.5	(62.0)
Canada	**8.9**	5.9	50.8
Total other revenues	**112.2**	266.1	(57.8)
Total revenues	**15,623.2**	18,657.7	(16.3)
Merchandise and service gross profit[1][3]:			
United States	**1,030.0**	985.3	4.5
Europe and other regions	**248.2**	208.7	18.9
Canada	**219.7**	208.9	5.2
Total merchandise and service gross profit	**1,497.9**	1,402.9	6.8
Road transportation fuel gross profit[3]:			
United States	**1,074.6**	1,031.4	4.2
Europe and other regions	**197.6**	280.7	(29.6)
Canada	**137.1**	132.4	3.5
Total road transportation fuel gross profit	**1,409.3**	1,444.5	(2.4)
Other revenues gross profit[2][3]:			
United States	**8.2**	9.7	(15.5)
Europe and other regions	**16.3**	19.8	(17.7)
Canada	**6.7**	5.9	13.6
Total other revenues gross profit	**31.2**	35.4	(11.9)
Total gross profit[3]	**2,938.4**	2,882.8	1.9
Operating, selling, general and administrative expenses	**1,439.1**	1,398.1	2.9
Gain on disposal of property and equipment and other assets	**(3.5)**	(13.0)	(73.1)
Depreciation, amortization and impairment	**360.5**	319.2	12.9
Operating income	**1,142.3**	1,178.5	(3.1)
Net financial expenses	**70.7**	67.1	5.4
Net earnings	**834.1**	872.4	(4.4)
Per Share Data:			
Basic net earnings per share (dollars per share)	**0.85**	0.85	—
Diluted net earnings per share (dollars per share)	**0.85**	0.85	—
Adjusted diluted net earnings per share (dollars per share)[3]	**0.86**	0.85	1.2

(in millions of US dollars, unless otherwise stated)	12-week periods ended July 23, 2023	July 17, 2022	Variation %
Other Operating Data:			
Merchandise and service gross margin(1)(3):			
Consolidated	**35.0%**	34.4%	0.6
United States	**34.3%**	33.9%	0.4
Europe and other regions	**39.9%**	38.9%	1.0
Canada	**33.9%**	33.1%	0.8
Growth of (decrease in) same-store merchandise revenues(4):			
United States(5)(6)	**2.1%**	3.5%	
Europe and other regions(3)	**2.7%**	2.8%	
Canada(5)(6)	**6.4%**	(1.3%)	
Road transportation fuel gross margin(3):			
United States (cents per gallon)	**50.05**	49.00	2.1
Europe and other regions (cents per liter)	**8.21**	12.26	(33.0)
Canada (CA cents per liter)	**13.25**	14.04	(5.6)
Total volume of road transportation fuel sold:			
United States (millions of gallons)	**2,146.9**	2,105.0	2.0
Europe and other regions (millions of liters)	**2,406.8**	2,288.8	5.2
Canada (millions of liters)	**1,382.2**	1,212.1	14.0
Growth of (decrease in) same-store road transportation fuel volumes(5):			
United States	**0.7%**	(4.0%)	
Europe and other regions	**(1.5%)**	(3.7%)	
Canada	**7.2%**	0.4%	

(in millions of US dollars, unless otherwise stated)	As at July 23, 2023	As at April 30, 2023	Variation $
Balance Sheet Data:			
Total assets	**30,325.9**	29,049.2	1,276.7
Interest-bearing debt(3)	**10,011.9**	9,465.9	546.0
Equity	**13,281.8**	12,564.5	717.3
Indebtedness Ratios(3):			
Net interest-bearing debt/total capitalization	**0.38 : 1**	0.41 : 1	
Leverage ratio	**1.39 : 1**	1.49 : 1	
Returns(3):			
Return on equity	**23.8%**	24.7%	
Return on capital employed	**17.0%**	17.5%	

(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. Franchise fees from international licensed stores are presented in the United States.
(2) Includes revenues from the rental of assets and from the sale of aviation fuel and energy for stationary engines.
(3) Please refer to the “Non-IFRS measures” section for additional information on our capital management measure as well as performance measures not defined by IFRS.
(4) This measure represents the growth of (decrease in) cumulated merchandise revenues between the current period and comparative period for those stores that were open for at least 23 days out of every 28-day period included in the reported periods. Merchandise revenues are defined as Merchandise and service revenues excluding service revenues.
(5) For company-operated stores only.
(6) Calculated based on respective functional currencies.

Revenues

Our revenues were $15.6 billion for the first quarter of fiscal 2024, down by $3.0 billion, a decrease of 16.3% compared with the corresponding quarter of fiscal 2023. This decrease is mainly attributable to a lower average road transportation fuel selling price as well as the net negative impact of approximately $118.0 million from the translation of our foreign currency operations into US dollars, while being partly offset by the contribution from acquisitions, higher road transportation fuel demand as well as organic growth of our convenience activities.

Merchandise and service revenues

Total merchandise and service revenues for the first quarter of fiscal 2024 were $4.3 billion, an increase of $203.3 million compared with the corresponding quarter of fiscal 2023. The translation of our foreign currency operations into US dollars had a net negative impact of approximately $25.0 million. The remaining increase of approximately $228.0 million, or 5.6%, is primarily attributable to organic growth, and to the contribution from acquisitions which amounted to approximately $52.0 million. Same-store merchandise revenues increased by 2.1% in the United States, by 2.7%[1] in Europe and other regions, and by 6.4% in Canada, driven by our diversified offer in the beverage category as well as the continued growth of our *Fresh Food, Fast* program and private brands.

Road transportation fuel revenues

Total road transportation fuel revenues for the first quarter of fiscal 2024 were $11.2 billion, a decrease of $3.1 billion compared with the corresponding quarter of fiscal 2023. The translation of our foreign currency operations into US dollars had a net negative impact of approximately $96.0 million. The remaining decrease of approximately $3.0 billion, or 20.9%, is attributable to a lower average road transportation fuel selling price, which had an impact of approximately $3.5 billion, partly offset by the impact of strategic initiatives leading to higher road transportation fuel volumes as well as by the contribution from acquisitions, which amounted to approximately $141.0 million. Same-store road transportation fuel volumes increased by 0.7% in the United States and by 7.2% in Canada, favorably impacted by lower crude oil prices and promotional activities. Same-store road transportation fuel volumes decreased by 1.5% in Europe and other regions, unfavorably impacted by challenging macroeconomic conditions, including high inflation.

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. The average selling price of road transportation fuel consists of the road transportation fuel revenues divided by the volume of road transportation fuel sold:

Quarter	2nd	3rd	4th	1st	Weighted average
53-week period ended July 23, 2023					
United States (US dollars per gallon)	3.84	3.50	3.52	3.52	3.59
Europe and other regions (US cents per liter)	117.39	113.55	109.77	98.02	109.96
Canada (CA cents per liter)	149.55	143.32	137.66	142.77	143.25
52-week period ended July 17, 2022					
United States (US dollars per gallon)	3.08	3.28	3.94	4.61	3.69
Europe and other regions (US cents per liter)	86.29	96.66	120.84	129.11	106.91
Canada (CA cents per liter)	123.00	129.39	150.30	179.15	143.78

Other revenues

Total other revenues for the first quarter of fiscal 2024 were $112.2 million, a decrease of $153.9 million compared with the corresponding quarter of fiscal 2023. The translation of our foreign currency operations into US dollars had a net positive impact of approximately $2.0 million. The remaining decrease of approximately $156.0 million, or 58.6%, is primarily driven by lower aviation fuel volume sold and lower prices on our other fuel products, which had a minimal impact on gross profit[1].

Gross profit[1]

Our gross profit was $2.9 billion for the first quarter of fiscal 2024, up by $55.6 million, or 1.9%, compared with the corresponding quarter of fiscal 2023, mainly attributable to organic growth in our convenience activities as well as the contribution from acquisitions, while being partly offset by lower road transportation fuel gross margins[1] in Europe and other regions, and the net negative impact of the translation of our foreign currency operations into US dollars of approximately $16.0 million.

[1] Please refer to the "Non-IFRS Measures" section for additional information on performance measures not defined by IFRS.

Merchandise and service gross profit

In the first quarter of fiscal 2024, our merchandise and service gross profit was $1.5 billion, an increase of $95.0 million compared with the corresponding quarter of fiscal 2023. The translation of our foreign currency operations into US dollars had a net negative impact of approximately $10.0 million. The remaining increase of approximately $105.0 million, or 7.5%, is primarily due to organic growth as well as by the contribution from acquisitions which amounted to approximately $28.0 million. Our gross margin[1] increased by 0.4% in the United States to 34.3%, by 1.0% in Europe and other regions to 39.9%, and by 0.8% in Canada to 33.9%, all impacted favorably by a change in product mix.

Road transportation fuel gross profit

In the first quarter of fiscal 2024, our road transportation fuel gross profit was $1.4 billion, a decrease of $35.2 million compared with the corresponding quarter of fiscal 2023. The translation of our foreign currency operations into US dollars had a net negative impact of approximately $6.0 million. The remaining decrease in our gross profit was approximately $29.0 million, or 2.0%. In the United States, our road transportation fuel gross margin[1] was 50.05¢ per gallon, an increase of 1.05¢ per gallon, and in Canada, it was CA 13.25¢ per liter, a decrease of CA 0.79¢ per liter. Fuel margins remained healthy throughout our North American network, due to favorable market conditions and the continued work on the optimization of our supply chain. In Europe and other regions, our road transportation fuel gross margin[1] was US 8.21¢ per liter, a decrease of US 4.05¢ per liter, mostly driven by the volatility of the global fuel market, more impactful to our European gross margin[1] due to a more integrated supply chain model in this region.

The road transportation fuel gross margin[1] of our company-operated stores in the United States and the impact of expenses related to electronic payment modes for the last eight quarters, were as follows:

(US cents per gallon)

Quarter	2nd	3rd	4th	1st	Weighted average
53-week period ended July 23, 2023					
Before deduction of expenses related to electronic payment modes	51.11	48.39	46.43	51.26	49.17
Expenses related to electronic payment modes(1)	6.53	6.20	6.17	6.13	6.41
After deduction of expenses related to electronic payment modes	44.58	42.19	40.26	45.13	42.76
52-week period ended July 17, 2022					
Before deduction of expenses related to electronic payment modes	37.68	41.02	47.55	50.95	44.01
Expenses related to electronic payment modes(1)	5.31	5.74	6.61	7.21	6.18
After deduction of expenses related to electronic payment modes	32.37	35.28	40.94	43.74	37.83

(1) Expenses related to electronic payment modes are determined by allocating the portion of total electronic payment modes, which are included in Operating, selling, general and administrative expenses, deemed related to our United-States company-operated stores road transportation fuel transactions.

The road transportation fuel gross margin[1] of our network in Europe and other regions and in Canada for the last eight quarters, were as follows:

Quarter	2nd	3rd	4th	1st	Weighted average
53-week period ended July 23, 2023					
Europe and other regions (US cents per liter)	9.76	8.01	10.60	8.21	9.07
Canada (CA cents per liter)	12.55	12.52	12.13	13.25	12.60
52-week period ended July 17, 2022					
Europe and other regions (US cents per liter)	10.57	10.83	7.51	12.26	10.28
Canada (CA cents per liter)	11.03	11.78	13.41	14.04	12.46

Generally, road transportation fuel margins can be volatile from one quarter to another, but tend to be more stable over longer periods. In Europe and other regions, fuel margin volatility is impacted by a longer supply chain due to a more integrated model. In Europe and other regions and in Canada, expenses related to electronic payment modes are not as volatile as in the United States.

Other revenues gross profit

In the first quarter of fiscal 2024, other revenues gross profit was $31.2 million, a decrease of $4.2 million compared with the corresponding period of fiscal 2023. The translation of our foreign currency operations into US dollars had no significant impact on gross profit for the first quarter of fiscal 2024.

[1] Please refer to the "Non-IFRS Measures" section for additional information on performance measures not defined by IFRS.

Operating, selling, general and administrative expenses (“expenses”)

For the first quarter of fiscal 2024, expenses increased by 2.9% compared with the corresponding period of fiscal 2023, while normalized growth of expenses[1] was 3.7%, as shown in the table below:

	12-week periods ended	
	July 23, 2023	July 17, 2022
Growth of expenses, as reported	**2.9%**	9.4%
Adjusted for:		
Decrease (increase) from change in electronic payment fees, excluding acquisitions	**1.9%**	(3.7%)
Increase from incremental expenses related to acquisitions	**(1.7%)**	(0.9%)
Decrease from the net impact of foreign exchange translation	**0.7%**	2.5%
Increase from changes in acquisition costs recognized to earnings	**(0.1%)**	—
Normalized growth of expenses[1]	**3.7%**	7.3%

Normalized growth of expenses[1] was mainly driven by the impact of costs from rising minimum wages, inflationary pressures, and incremental investments to support our strategic initiatives, while being partly offset by the continued strategic efforts to control our expenses. Our control of expenses is evidenced by our normalized growth of expenses[1] remaining lower than the average inflation observed throughout our network.

Earnings before interest, taxes, depreciation, amortization and impairment (“EBITDA[1]”) and adjusted EBITDA[1]

During the first quarter of fiscal 2024, EBITDA stood at $1.5 billion, an increase of 0.6% compared with the corresponding quarter of fiscal 2023. Adjusted EBITDA for the first quarter of fiscal 2024 increased by $10.7 million, or 0.7%, compared with the corresponding quarter of fiscal 2023, mainly due to organic growth in our convenience operations as well as the contribution from acquisitions, partly offset by lower road transportation fuel gross margins[1] in our European operations as well as higher expenses. The translation of our foreign currency operations into US dollars had a net negative impact of approximately $6.0 million.

Depreciation, amortization and impairment (“depreciation”)

For the first quarter of fiscal 2024, our depreciation expense increased by $41.3 million compared with the first quarter of fiscal 2023. The translation of our foreign currency operations into US dollars had a net favorable impact of approximately $3.0 million. The remaining increase of approximately $44.0 million, or 13.8%, is mainly driven by the replacement of equipment, the impact from investments made through acquisitions, which amounted to approximately $10.0 million, and the ongoing improvement of our network.

Net financial expenses

Net financial expenses for the first quarter of fiscal 2024 were $70.7 million, an increase of $3.6 million compared with the corresponding period of fiscal 2023. A portion of the increase is explained by certain items that are not considered indicative of future trends, as shown in the table below:

	12-week periods ended		
(in millions of US dollars)	**July 23, 2023**	July 17, 2022	Variation
Net financial expenses, as reported	**70.7**	67.1	3.6
Explained by:			
Change in fair value of financial instruments and amortization of deferred differences	**(2.0)**	0.9	(2.9)
Net foreign exchange loss	**(0.3)**	(1.0)	0.7
Remaining variation	**68.4**	67.0	1.4

Income taxes

The income tax rate for the first quarter of fiscal 2024 was 22.8% compared with 21.9% for the corresponding quarter of fiscal 2023. The increase is mainly stemming from the impact of a different mix in our earnings across the various jurisdictions in which we operate.

[1] Please refer to the “Non-IFRS Measures” section for additional information on performance measures not defined by IFRS.

Net earnings and adjusted net earnings[1]

Net earnings for the first quarter of fiscal 2024 were $834.1 million, compared with $872.4 million for the first quarter of the previous fiscal year, a decrease of $38.3 million, or 4.4%. Diluted net earnings per share stood at $0.85, stable with the corresponding quarter of the previous fiscal year. The translation of revenues and expenses from our foreign currency operations into US dollars had a net negative impact of approximately $3.0 million on net earnings of the first quarter of fiscal 2024.

Adjusted net earnings for the first quarter of fiscal 2024 were approximately $838.0 million, compared with $875.0 million for the first quarter of fiscal 2023, a decrease of $37.0 million, or 4.2%. Adjusted diluted net earnings per share were $0.86 for the first quarter of fiscal 2024, compared with $0.85 for the corresponding quarter of fiscal 2023, an increase of 1.2%.

Dividends

During its September 6, 2023 meeting, the Board of Directors declared a quarterly dividend of CA 14.0¢ per share for the first quarter of fiscal 2024 to shareholders on record as at September 15, 2023, and approved its payment effective September 29, 2023. This is an eligible dividend within the meaning of the *Income Tax Act* (Canada).

Non-IFRS Measures

To provide more information for evaluating the Corporation's performance, the financial information included in our financial documents contains certain data that are not performance measures under IFRS ("non-IFRS measures"), which are also calculated on an adjusted basis to exclude specific items. We believe that providing those non-IFRS measures is useful to management, investors, and analysts, as they provide additional information to measure the performance and financial position of the Corporation.

The following non-IFRS financial measures are used in our financial disclosures:

- Gross profit;
- Earnings before interest, taxes, depreciation, amortization and impairment ("EBITDA") and adjusted EBITDA;
- Adjusted net earnings;
- Interest-bearing debt.

The following non-IFRS ratios are used in our financial disclosures:

- Merchandise and service gross margin and Road transportation fuel gross margin;
- Normalized growth of operating, selling, general and administrative expenses;
- Growth of same-store merchandise revenues for Europe and other regions;
- Adjusted diluted net earnings per share;
- Leverage ratio;
- Return on equity and return on capital employed.

The following capital management measure is used in our financial disclosures:

- Net interest-bearing debt/total capitalization.

Supplementary financial measures are also used in our financial disclosures and those measures are described where they are presented.

Non-IFRS financial measures and ratios, as well as the capital management measure, are mainly derived from the consolidated financial statements, but do not have standardized meanings prescribed by IFRS. These non-IFRS measures should not be considered in isolation or as a substitute for financial measures prepared in accordance with IFRS. In addition, our definitions of non-IFRS measures may differ from those of other public corporations. Any such modification or reformulation may be significant. These measures are also adjusted for the pro forma impact of our acquisitions and impacts of new accounting standards, if they are considered to be material.

Gross profit. Gross profit consists of revenues less the cost of sales, excluding depreciation, amortization and impairment. This measure is considered useful for evaluating the underlying performance of our operations.

The table below reconciles revenues and cost of sales, excluding depreciation, amortization and impairment, as per IFRS, to gross profit:

	12-week periods ended	
(in millions of US dollars)	**July 23, 2023**	July 17, 2022
Revenues	**15,623.2**	18,657.7
Cost of sales, excluding depreciation, amortization and impairment	**12,684.8**	15,774.9
Gross profit	**2,938.4**	2,882.8

Please note that the same reconciliation applies in the determination of gross profit by category and by geography presented in the section “Summary Analysis of Consolidated Results”.

Merchandise and service gross margin. Merchandise and service gross margin consists of Merchandise and service gross profit divided by Merchandise and service revenues, both measures are presented in the section “Summary Analysis of Consolidated Results”. Merchandise and service gross margin is considered useful for evaluating how efficiently we generate gross profit by dollar of revenue.

Road transportation fuel gross margin. Road transportation fuel gross margin consists of Road transportation fuel gross profit divided by total volume of road transportation fuel sold. For the United States and Europe and other regions, both measures are presented in the section “Summary Analysis of Consolidated Results”. For Canada, this measure is presented in functional currency and the table below reconciles, for road transportation fuel, Revenues and Cost of sales, excluding depreciation, amortization and impairment, as per IFRS, to gross profit and the resulting road transportation fuel gross margin. This measure is considered useful for evaluating how efficiently we generate gross profit by gallon or liter of road transportation fuel sold.

	12-week periods ended	
(in millions of Canadian dollars, unless otherwise noted)	**July 23, 2023**	July 17, 2022
Road transportation fuel revenues	**1,935.7**	2,136.5
Road transportation fuel cost of sales, excluding depreciation, amortization and impairment	**1,752.6**	1,966.3
Road transportation fuel gross profit	**183.1**	170.2
Total road transportation fuel volume sold (in millions of liters)	**1,382.2**	1,212.1
Road transportation fuel gross margin (CA cents per liter)	**13.25**	14.04

Normalized growth of operating, selling, general and administrative expenses (“normalized growth of expenses”). Normalized growth of expenses consists of the growth of Operating, selling, general and administrative expenses adjusted for the impact of the changes in our network, the impact from changes in accounting policies and adoption of accounting standards, the impact of more volatile items over which we have limited control including, but not limited to, the net impact of foreign exchange translation, electronic payment fees excluding acquisitions, and acquisition costs, as well as other specific items for which the impact on consolidated results is not deemed indicative of future trends. This measure is considered useful for evaluating our ability to control our expenses on a comparable basis.

The table below reconciles growth of Operating, selling, general and administrative expenses to normalized growth of expenses:

	12-week periods ended					
(in millions of US dollars, unless otherwise noted)	**July 23, 2023**	**July 17, 2022**	Variation	July 17, 2022	July 18, 2021	Variation
Operating, selling, general and administrative expenses, as published	**1,439.1**	**1,398.1**	2.9%	1,398.1	1,278.1	9.4%
Adjusted for:						
Decrease (increase) from change in electronic payment fees, excluding acquisitions	**26.5**	**—**	1.9%	(46.7)	—	(3.7%)
Increase from incremental expenses related to acquisitions	**(24.0)**	**—**	(1.7%)	(11.1)	—	(0.9%)
Decrease from the net impact of foreign exchange translation	**10.0**	**—**	0.7%	31.6	—	2.5%
Increase from changes in acquisition costs recognized to earnings	**(2.3)**	**—**	(0.1%)	(0.4)	—	—
Normalized growth of expenses	**1,449.3**	**1,398.1**	3.7%	1,371.5	1,278.1	7.3%

Growth of same-store merchandise revenues for Europe and other regions. Same-store merchandise revenues represent cumulated merchandise revenues between the current period and comparative period for those stores that were open for at least 23 days out of every 28-day period included in the reported periods. Merchandise revenues are defined as Merchandise and service revenues excluding service revenues. For Europe and other regions, the growth of same-store merchandise revenues is calculated based on constant currencies using the respective current period average exchange rate for both the current and corresponding period. In Europe and other regions, same-store merchandise revenues include same-store revenues from company-operated stores, as well as CODO and DODO stores which are not included in our consolidated results. This measure is considered useful for evaluating our ability to generate organic growth on a comparable basis in our overall European and other regions store network.

The table below reconciles Merchandise and service revenues, as per IFRS, to same-store merchandise revenues for Europe and other regions and the resulting percentage of growth:

	12-week periods ended			
(in millions of US dollars, unless otherwise noted)	**July 23, 2023**	**July 17, 2022**	July 17, 2022	July 18, 2021
Merchandise and service revenues for Europe and other regions	**622.0**	**537.1**	537.1	561.4
Adjusted for:				
Service revenues	**(54.4)**	**(39.8)**	(39.8)	(44.8)
Net foreign exchange impact	**—**	**4.9**	—	(46.7)
Merchandise revenues not meeting the definition of same-store	**(18.5)**	**(11.7)**	(19.1)	(17.8)
Same-store merchandise revenues from stores not included in our consolidated results, including the impact of store conversions	**81.5**	**123.6**	84.9	95.7
Total Same-store merchandise revenues for Europe and other regions	**630.6**	**614.1**	563.1	547.8
Growth of same-store merchandise revenues for Europe and other regions	**2.7%**		2.8%	

Earnings before interest, taxes, depreciation, amortization and impairment ("EBITDA") and adjusted EBITDA. EBITDA represents net earnings plus income taxes, net financial expenses, and depreciation, amortization and impairment. Adjusted EBITDA represents the EBITDA adjusted for acquisition costs, the impact from changes in accounting policies and adoption of accounting standards as well as other specific items for which the impact on consolidated results is not deemed indicative of future trends. These performance measures are considered useful to facilitate the evaluation of our ongoing operations and our ability to generate cash flows to fund our cash requirements, including our capital expenditures program, share repurchases, and payment of dividends.

The table below reconciles net earnings, as per IFRS, to EBITDA and adjusted EBITDA:

	12-week periods ended	
(in millions of US dollars)	**July 23, 2023**	July 17, 2022
Net earnings	**834.1**	872.4
Add:		
Income taxes	**246.4**	244.6
Net financial expenses	**70.7**	67.1
Depreciation, amortization and impairment	**360.5**	319.2
EBITDA	**1,511.7**	1,503.3
Adjusted for:		
Acquisition costs	**3.5**	1.2
Adjusted EBITDA	**1,515.2**	1,504.5

Adjusted net earnings and adjusted diluted net earnings per share. Adjusted net earnings represents net earnings adjusted for net foreign exchange gains or losses, acquisition costs, the impact from changes in accounting policies and adoption of accounting standards, impairment on goodwill, investments in subsidiaries, joint ventures and associated companies as well as other specific items for which the impact on consolidated results is not deemed indicative of future trends. These measures are considered useful for evaluating the underlying performance of our operations on a comparable basis.

The table below reconciles net earnings, as per IFRS, with adjusted net earnings and adjusted diluted net earnings per share:

	12-week periods ended	
(in millions of US dollars, except per share amounts, or unless otherwise noted)	**July 23, 2023**	July 17, 2022
Net earnings	**834.1**	872.4
Adjusted for:		
Acquisition costs	**3.5**	1.2
Net foreign exchange loss	**0.3**	1.0
Tax impact of the items above and rounding	**0.1**	0.4
Adjusted net earnings	**838.0**	875.0
Weighted average number of shares - diluted (in millions)	**980.0**	1,027.2
Adjusted diluted net earnings per share	**0.86**	0.85

Interest-bearing debt. This measure represents the sum of the following balance sheet accounts: Short-term debt and current portion of long-term debt, Long-term debt, Current portion of lease liabilities and Lease liabilities. This measure is considered useful to facilitate the understanding of our financial position in relation with financing obligations. The calculation of this measure of financial position is detailed in the “Net interest-bearing debt/total capitalization” section below.

Net interest-bearing debt/total capitalization. This measure represents the basis for monitoring our capital and is considered useful to assess our financial health, risk profile, and ability to meet our financing obligations. It also provides insights into how our financing obligations are structured in relation with our total capitalization.

The table below presents the calculation of this performance measure:

(in millions of US dollars, except ratio data)	**As at July 23, 2023**	As at April 30, 2023
Short-term debt and current portion of long-term debt	**480.6**	0.7
Current portion of lease liabilities	**437.6**	438.1
Long-term debt	**5,939.2**	5,888.3
Lease liabilities	**3,154.5**	3,138.8
Interest-bearing debt	**10,011.9**	9,465.9
Less: Cash and cash equivalents	**(1,956.6)**	(834.2)
Net interest-bearing debt	**8,055.3**	8,631.7
Equity	**13,281.8**	12,564.5
Net interest-bearing debt	**8,055.3**	8,631.7
Total capitalization	**21,337.1**	21,196.2
Net interest-bearing debt to total capitalization ratio	**0.38 : 1**	0.41 : 1

Leverage ratio. This measure represents a measure of financial condition considered useful to assess our financial leverage and our ability to cover our net financing obligations in relation to our adjusted EBITDA.

The table below reconciles net interest-bearing debt and adjusted EBITDA, for which the calculation methodologies are described in other tables of this section, with the leverage ratio:

	53-week periods ended	
(in millions of US dollars, except ratio data)	**July 23, 2023**	April 30, 2023
Net interest-bearing debt	**8,055.3**	8,631.7
Adjusted EBITDA	**5,786.1**	5,775.4
Leverage ratio	**1.39 : 1**	1.49 : 1

Return on equity. This measure is considered useful to assess the relation between our profitability and our net assets and it also provides insights into how efficiently we are using our equity to generate returns for our shareholders. Average equity is calculated by taking the average of the opening and closing balance for the 53-week periods.

The table below reconciles net earnings, as per IFRS, with the ratio of return on equity:

	53-week periods ended	
(in millions of US dollars, unless otherwise noted)	**July 23, 2023**	April 30, 2023
Net earnings	**3,052.6**	3,090.9
Equity - Opening balance	**12,418.3**	12,437.6
Equity - Ending balance	**13,281.8**	12,564.5
Average equity	**12,850.1**	12,501.1
Return on equity	**23.8%**	24.7%

Return on capital employed. This measure is considered useful as it provides insights into our ability to generate returns from the total amount of capital invested in our operations and it also helps assessing our operational efficiency and capital allocation decisions. Earnings before interest and taxes ("EBIT") represents net earnings plus income taxes and net financial expenses. Capital employed represents total assets less short-term liabilities not bearing interest, which excludes the short-term debt and current portion of long-term debt and current portion of lease liabilities. Average capital employed is calculated by taking the average of the beginning and ending balance of capital employed for the 53-week periods.

The table below reconciles net earnings, as per IFRS, to EBIT with the ratio of return on capital employed:

	53-week periods ended	
(in millions of US dollars, unless otherwise noted)	**July 23, 2023**	April 30, 2023
Net earnings	**3,052.6**	3,090.9
Add:		
Income taxes	**840.0**	838.2
Net financial expenses	**310.3**	306.7
EBIT	**4,202.9**	4,235.8
Capital employed - Opening balance(1)	**23,860.1**	24,001.0
Capital employed - Ending balance(1)	**25,583.1**	24,323.0
Average capital employed	**24,721.6**	24,162.0
Return on capital employed	**17.0%**	17.5%

(1) The table below reconciles balance sheet line items, as per IFRS, to capital employed:

(in millions of US dollars)	**As at July 23, 2023**	As at July 17, 2022	As at April 30, 2023	As at April 24, 2022
Total Assets	**30,325.9**	29,350.6	29,049.2	29,591.6
Less: Current liabilities	**(5,661.0)**	(5,906.7)	(5,165.0)	(6,017.4)
Add: Short-term debt and current portion of long-term debt	**480.6**	1.5	0.7	1.4
Add: Current portion of lease liabilities	**437.6**	414.7	438.1	425.4
Capital employed	**25,583.1**	23,860.1	24,323.0	24,001.0

Profile

Couche-Tard is a global leader in convenience and mobility, operating in 25 countries and territories, with more than 14,400 stores, of which approximately 10,800 offer road transportation fuel. With its well-known Couche-Tard and Circle K banners, it is one of the largest independent convenience store operators in the United States and it is a leader in the convenience store industry and road transportation fuel retail in Canada, Scandinavia, the Baltics, as well as in Ireland. It also has an important presence in Poland and Hong Kong Special Administrative Region of the People's Republic of China. Approximately 128,000 people are employed throughout its network.

For more information on Alimentation Couche-Tard Inc., or to consult its audited annual Consolidated Financial Statements, unaudited interim condensed consolidated financial statements and Management Discussion and Analysis, please visit: https://corpo.couche-tard.com.

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Webcast on September 7, 2023 at 8:00 A.M. (EDT)

Couche-Tard invites analysts known to the Corporation to ask their questions to its management on September 7, 2023, during the question and answer period of the webcast.

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 7, 2023, 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 "Investors/Events & Presentations" section or by using the following link https://emportal.ink/47wMZ7V to join the conference call without the assistance of an operator. An automated system will automatically return the call to grant you access to the conference call.

Another option could be to access the conference call through an operator by dialing 1-888-390-0549 or the international number 1-416-764-8682, followed by the access code 48371945#.

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.