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QUARTERLY REPORT

ALIMENTATION COUCHE-TARD INC.
12 AND 24-WEEK PERIODS ENDED OCTOBER 15, 2023

Management Discussion and Analysis

The purpose of this Management Discussion and Analysis ("MD&A") is, as required by regulators, to explain management's point of view on the financial position and results of the operations of Alimentation Couche-Tard Inc. ("Couche-Tard") as well as its performance during the second quarter of the fiscal year ending April 28, 2024. More specifically, it aims to let the reader better understand our development strategy, performance in relation to objectives, future expectations, and how we address risk and manage our financial resources. This MD&A also provides information to improve the reader's understanding of Couche-Tard's unaudited interim condensed consolidated financial statements and related notes. It should therefore be read in conjunction with those documents. By "we", "our", "us" and "the Corporation", we refer collectively to Couche-Tard and its subsidiaries.

Except where otherwise indicated, all financial information reflected herein is expressed in United States dollars ("US dollars") and determined on the basis of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). We also use measures in this MD&A that do not comply with IFRS as well as supplementary financial measures. The measures that do not comply with IFRS are described in the "Non-IFRS Measures" section of this MD&A and where such measures are presented, the reader is informed. Supplementary financial measures are described where such measures are presented. This MD&A should be read in conjunction with the audited annual consolidated financial statements and related notes included in our 2023 Annual Report and the unaudited interim condensed consolidated financial statements and related notes for the 12 and 24-week periods ended ended October 15, 2023, which, along with additional information relating to Couche-Tard, including the most recent Annual Information Form, are available on SEDAR+ at https://www.sedarplus.ca/ and on our website at https://corpo.couche-tard.com/.

Forward-Looking Statements

This MD&A includes certain statements that are "forward-looking statements" within the meaning of the securities laws of Canada. Any statement in this MD&A that is not a statement of historical fact may be deemed to be a forward-looking statement. When used in this MD&A, the words "believe", "could", "should", "intend", "expect", "estimate", "assume", and other similar expressions are generally intended to identify forward-looking statements. It is important to know that the forward-looking statements in this MD&A describe our expectations as at November 28, 2023, which are not guarantees of the future performance of Couche-Tard or its industry, and involve known and unknown risks and uncertainties that may cause Couche-Tard's or the industry's outlook, actual results or performance to be materially different from any future results or performance expressed or implied by such statements. Our actual results could be materially different from our expectations if known or unknown risks affect our business, or if our estimates or assumptions turn out to be inaccurate. A change affecting an assumption can also have an impact on other interrelated assumptions, which could increase or diminish the effect of the change. As a result, we cannot guarantee that any forward-looking statement will materialize and, accordingly, the reader is cautioned not to place undue reliance on these forward-looking statements. Forward-looking statements do not take into account the effect that transactions or special items announced or occurring after the statements are made may have on our business. For example, they do not include sales of assets, monetization, mergers, acquisitions, other business combinations or transactions, asset write-down, the impact of the changing circumstances surrounding both the repercussions of the COVID-19 pandemic and the ongoing military conflict between Ukraine and Russia, or other charges announced or occurring after forward-looking statements are made.

Unless otherwise required by applicable securities laws, we disclaim any intention or obligation to update or revise forward-looking statements, whether as a result of new information, future events or otherwise.

The foregoing risks and uncertainties include the risks set forth under "Business Risks" in our 2023 Annual Report as well as other risks detailed from time to time in reports filed by Couche-Tard with securities regulators in Canada.

Our Business

We are the leader in the Canadian convenience store industry. In the United States, we are one of the largest independent convenience store operators. In Europe, we are a leader in convenience store and mobility retail business in the Scandinavian countries (Norway, Sweden, and Denmark), in the Baltic countries (Estonia, Latvia, and Lithuania), as well as in Ireland, and have an important presence in Poland. In Asia, we operate a network of company-operated convenience stores in Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong SAR") with an enviable local position.

As of October 15, 2023, our network comprised 9,209 convenience stores throughout North America, including 8,116 stores with road transportation fuel dispensing. Our North American network consists of 17 business units, including 14 in the United States covering 47 states and 3 in Canada covering all 10 provinces. Approximately 100,000 people are employed throughout our network and at our service offices in North America.

In Europe, we operate a broad retail network across Scandinavia, Ireland, Poland, and the Baltics through 7 business units. As of October 15, 2023, our 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. We also offer other products, including aviation fuel and energy for stationary engines. Including employees at branded franchise stores, approximately 24,000 people are employed in our retail network, terminals, and service offices across Europe. In Asia, our network includes 390 company-operated convenience stores in Hong Kong SAR through 1 business unit, offering a strong on-the-go food offer as well as a variety of other merchandise items and services. Approximately 4,000 people are employed in our retail network and service offices in Asia.

Furthermore, under licensing agreements, more than 2,100 stores are operated under the Circle K banner in 14 other countries and territories (Cambodia, Egypt, Guam, Guatemala, Honduras, Indonesia, Jamaica, Macau, Mexico, New Zealand, Saudi Arabia, South Africa, United Arab Emirates, and Vietnam), which brings the worldwide total network to more than 14,400 stores.

Our mission is to make our customers' lives a little easier every day. To this end, we strive to meet the demands and needs of people on-the-go. We offer fast and friendly service, providing fresh food, hot and cold beverages, car wash services, and other high-quality products and services including road transportation fuel and electric vehicle charging solutions, designed to meet or exceed our customers' demands in a clean, welcoming, and efficient environment. Our business model is our key to success. We are a customer-centric, financially disciplined organization that routinely compares best practices, and we use our global experience to enhance our operational expertise and continually invest in our people and our stores.

Value Creation

In the United States, the convenience store sector is fragmented and in a consolidation phase. We are participating in this process through our acquisitions, market share gains when competitors close sites, and by improving our offering. In Europe and Canada, the convenience store sector is often dominated by a few major players, including integrated oil companies. We intend to study investment opportunities that might come to us. In Asia, with our network in Hong Kong SAR, our business has a platform in place from which we are ready to grow. Combining our best practices with local market expertise will help accelerate organic expansion and provide new opportunities for consolidation in the region.

No matter the context, to create value, acquisitions have to be concluded at optimal conditions. Therefore, we do not favor store count growth to the detriment of profitability. In addition to acquisitions, organic development is playing an important role in the growth of our net earnings. We are focused on continuing to build and expand our network in key geographies where we can leverage our strengths to create value for our Corporation and its shareholders. Highlights have included the ongoing improvements we have made to our offer, including our *Fresh Food, Fast* program as well as our innovative and sustainable mobility solutions, our efforts to expand the flexibility and control in our supply chain and our ability to adapt quickly to changes. While staying true to our customary financial discipline, all these elements and our strong balance sheet have contributed to the growth in our net earnings and to value creation for our shareholders and other stakeholders. We intend to continue in this direction.

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 15, 2023	October 9, 2022	**October 15, 2023**	October 9, 2022
Average for the period(1)				
Canadian dollar	**0.7407**	0.7626	**0.7445**	0.7702
Norwegian krone	**0.0944**	0.0999	**0.0940**	0.1015
Swedish krone	**0.0917**	0.0945	**0.0930**	0.0970
Danish krone	**0.1446**	0.1348	**0.1455**	0.1380
Zloty	**0.2382**	0.2114	**0.2406**	0.2181
Euro	**1.0785**	1.0031	**1.0844**	1.0267
Hong Kong dollar	**0.1278**	0.1274	**0.1277**	0.1274

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

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

	As at October 15, 2023	As at April 30, 2023
Period end		
Canadian dollar	**0.7310**	0.7330
Norwegian krone	**0.0914**	0.0931
Swedish krone	**0.0911**	0.0967
Danish krone	**0.1411**	0.1473
Zloty	**0.2321**	0.2397
Euro	**1.0524**	1.0981
Hong Kong dollar	**0.1278**	0.1274

As we use the US dollar as our reporting currency in our consolidated financial statements and in this document, unless indicated otherwise, results from our operations in other currencies are translated into US dollars using the average rate for the period. Unless otherwise indicated, variations and explanations regarding changes in the foreign exchange rate and the volatility of the Canadian dollar, European currencies, and Hong Kong dollar, which we discuss in the present document, are related to the translation into US dollars of our Canadian, European, Asian, and corporate operations' results ("foreign currency operations"). For the analysis of consolidated results, those variations 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. For the analysis of the consolidated balance sheet, those variations are determined as being the difference between the balances in local currencies as at October 15, 2023 translated at the October 15, 2023 closing exchange rate, the balances in local currencies as at April 30, 2023 translated at the April 30, 2023 closing exchange rate, and the variations in local currencies between those two dates translated at the current period average exchange rate.

Overview of the Second Quarter of Fiscal 2024

Financial Results

Net earnings for the second quarter of fiscal 2024 amounted to $819.2 million, representing $0.85 per share on a diluted basis, compared with $810.4 million for the corresponding quarter of fiscal 2023, representing $0.79 per share on a diluted basis.

The results for the second quarter of fiscal 2024 and the second quarter of fiscal 2023 were affected by specific items disclosed in the "Non-IFRS measures" section of this MD&A. Excluding these items, adjusted net earnings[1] were approximately $792.0 million ($0.82 per share on a diluted basis[1]) for the second quarter of fiscal 2024, compared with $838.0 million ($0.82 per share on a diluted basis[1]) for the corresponding quarter of fiscal 2023, a decrease of $46.0 million, or 5.5%, primarily driven by higher depreciation as we continue to invest in our network, higher net financial expenses as well as a higher income tax rate, partly offset by the contribution from acquisitions and the increase in merchandise and service gross margin[1].

Changes in our Network during the Second Quarter of Fiscal 2024

Acquisition of convenience retail and fuel sites operating under the MAPCO brand

On November 1, 2023, subsequent to the end of the quarter, we closed the acquisition of 112 company-owned and operated convenience retail and fuel sites operating under the MAPCO brand and located in the states of Alabama, Georgia, Kentucky, Mississippi and Tennessee, in the United States. The acquisition also includes surplus properties and a logistics fleet. The transaction was settled for a consideration of $471.0 million, subject to post closing adjustments, and was financed using our available cash and our United States commercial paper program.

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

Commitment for the acquisition of certain assets from TotalEnergies SE

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. Subsequent to the end of the quarter, we have received a decision from the European Commission not to oppose the acquisition. We expect the transaction to close before the end of calendar year 2023 and it remains subject to customary closing conditions. The transaction would be financed using available cash, existing credit facilities, including the United States commercial paper program, and new term loans. During the fiscal year ended April 30, 2023, to mitigate the currency fluctuation risk associated with the Euro, we entered into currency forward contracts with financial institutions for a portion of the consideration, representing €1.6 billion. In April 2023, we obtained commitments for new term loans of €1.5 billion and $1.75 billion. The term loans are available exclusively to finance this transaction.

Single-site acquisitions

During the second quarter of fiscal 2024, we acquired 6 company-operated stores, reaching a total of 10 company-operated stores acquired through various transactions since the beginning of fiscal 2024. We settled these transactions using our available cash.

Store construction

We completed the construction of 19 stores and the relocation or reconstruction of 4 stores, reaching a total of 42 stores since the beginning of fiscal 2024. As of October 15, 2023, another 50 stores were under construction and should open in the upcoming quarters.

Summary of changes in our store network

The following tables present certain information regarding changes in our store network over the 12 and 24-week periods ended October 15, 2023(1):

	12-week period ended October 15, 2023				
Type of site	**Company-operated(2)**	**CODO(3)**	**DODO(4)**	**Franchised and other affiliated(5)**	**Total**
Number of sites, beginning of period	9,942	340	792	1,263	12,337
Acquisitions	6	—	—	—	6
Openings / constructions / additions	19	—	10	19	48
Closures / disposals / withdrawals	(31)	(2)	(9)	(28)	(70)
Store conversions	2	(2)	—	—	—
Number of sites, end of period	**9,938**	**336**	**793**	**1,254**	**12,321**
Circle K branded sites under licensing agreements					2,104
Total network					**14,425**
Number of automated fuel stations included in the period-end figures(6)	1,003	—	2	—	1,005

	24-week period ended October 15, 2023				
Type of site	**Company-operated(2)**	**CODO(3)**	**DODO(4)**	**Franchised and other affiliated(5)**	**Total**
Number of sites, beginning of period	9,983	344	820	1,285	12,432
Acquisitions	10	—	—	—	10
Openings / constructions / additions	35	—	20	29	84
Closures / disposals / withdrawals	(96)	(5)	(42)	(62)	(205)
Store conversions	6	(3)	(5)	2	—
Number of sites, end of period	**9,938**	**336**	**793**	**1,254**	**12,321**
Circle K branded sites under licensing agreements					2,104
Total network					**14,425**

(1) These figures include 50% of the stores operated through RDK, a joint venture.
(2) Sites for which the real estate is controlled by Couche-Tard (through ownership or lease agreements) and for which the stores (and/or the service stations) are operated by Couche-Tard or one of its commission agents. This includes stand alone car wash sites.
(3) Sites for which the real estate is controlled by Couche-Tard (through ownership or lease agreements) and for which the stores (and/or the service stations) are operated by an independent operator in exchange for rent and to which Couche-Tard sometimes provides road transportation fuel through supply contracts. Some of these sites are subject to a franchise agreement, licensing or other similar agreement under one of our main or secondary banners.
(4) Sites controlled and operated by independent operators to which Couche-Tard supplies road transportation fuel through supply contracts. Some of these sites are subject to a franchise agreement, licensing or other similar agreement under one of our main or secondary banners.
(5) Stores operated by an independent operator through a franchising, licensing or another similar agreement under one of our main or secondary banners.
(6) These sites sell road transportation fuel only.

Share Repurchase Program

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 share repurchase 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 second quarter and first half-year of fiscal 2024, we repurchased 13.6 million and 18.2 million shares, for amounts of $672.9 million and $902.9 million, respectively.

Subsequent to the end of the second quarter of fiscal 2024, we repurchased 0.3 million shares for an amount of $15.7 million.

All shares repurchased under the share repurchase program were cancelled upon their repurchase. An automatic securities purchase plan, which was pre-cleared by the Toronto Stock Exchange, is also in place and could allow a designated broker to repurchase our shares on our behalf within parameters established by us.

Issuance of Senior Unsecured Notes

On September 25, 2023, we issued the following Canadian-dollar-denominated senior unsecured notes:

Issuance date	Principal amount	Maturity	Coupon rate	Effective rate	Interest payment dates
September 25, 2023	CA $800.0	September 25, 2030	5.59%	5.70%	March 25th and September 25th

The $591.9 million net proceeds from the issuance were used for corporate purposes and to invest an amount of CA $700.0 million ($511.7 million as at October 15, 2023) in term deposits with major financial institutions which meet our minimum credit ratings requirements. The term deposits will mature on July 23, 2024 and are classified in Other short-term financial assets on the consolidated balance sheet.

As a result of the issuance of those Canadian-dollar-denominated senior unsecured notes, we determined that an anticipated issuance of US-dollar-denominated senior unsecured notes, for which the proceeds were intended to be used for the repayment of the Canadian-dollar-denominated senior unsecured notes maturing in July 2024, was no longer expected to occur. We had designated specific forward starting interest rate swaps as a cash flow hedge of our interest rate risk related to the variability of the interest payments on the anticipated issuance, which led to a pre-tax reclassification adjustment gain of $32.9 million from Other comprehensive loss to Other financial items in the consolidated statement of earnings.

Fire & Flower Holdings Corp. (“Fire & Flower”)

In June 2023, Fire & Flower received an order for creditor protection under the *Companies’ Creditors Arrangement Act* and 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. On August 15, 2023, an auction was held in accordance with the SISP and our wholly-owned subsidiary was not the successful bidder. The transaction contemplated by the successful bid was completed on September 15, 2023, and as a result, the principal and accrued interests related to a CA $9.8 million ($7.2 million) debtor-in-possession loan and a CA $11.0 million ($8.0 million) secured loan, which were granted to Fire & Flower, were repaid, and our ownership interest in Fire & Flower was cancelled. During the second quarter and first half-year of fiscal 2024, losses of $2.0 million and $3.5 million, respectively, were recorded, bringing the carrying amount of our ownership interest in Fire & Flower to nil.

Dividends

During its November 28, 2023 meeting, the Board of Directors approved an increase in the quarterly dividend of CA 3.5¢ per share, bringing it to CA 17.5¢ per share, an increase of 25.0%.

During the same meeting, the Board of Directors declared a quarterly dividend of CA 17.5¢ per share for the second quarter of fiscal 2024 to shareholders on record as at December 7, 2023, and approved its payment effective December 21, 2023. This is an eligible dividend within the meaning of the *Income Tax Act* (Canada).

Outstanding Shares and Stock Options

As at November 24, 2023, Couche-Tard had 963,577,581 Common shares issued and outstanding. In addition, as at the same date, Couche-Tard had 3,030,999 outstanding stock options for the purchase of Common shares.

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;
- Available liquidities.

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		**24-week periods ended**	
(in millions of US dollars)	**October 15, 2023**	October 9, 2022	**October 15, 2023**	October 9, 2022
Revenues	**16,425.6**	16,879.5	**32,048.8**	35,537.2
Cost of sales, excluding depreciation, amortization and impairment	**13,489.1**	14,019.3	**26,173.9**	29,794.2
Gross profit	**2,936.5**	2,860.2	**5,874.9**	5,743.0

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		24-week periods ended	
(in millions of Canadian dollars, unless otherwise noted)	**October 15, 2023**	October 9, 2022	**October 15, 2023**	October 9, 2022
Road transportation fuel revenues	**2,032.6**	1,906.0	**3,968.3**	4,042.5
Road transportation fuel cost of sales, excluding depreciation, amortization and impairment	**1,847.2**	1,742.2	**3,599.8**	3,708.5
Road transportation fuel gross profit	**185.4**	163.8	**368.5**	334.0
Total road transportation fuel volume sold (in millions of liters)	**1,360.3**	1,305.3	**2,742.5**	2,517.5
Road transportation fuel gross margin (CA cents per liter)	**13.63**	12.55	**13.44**	13.27

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 tables below reconcile 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)	**October 15, 2023**	**October 9, 2022**	Variation	October 9, 2022	October 10, 2021	Variation
Operating, selling, general and administrative expenses, as published	**1,468.3**	**1,433.0**	2.5%	1,433.0	1,321.3	8.5%
Adjusted for:						
Increase from incremental expenses related to acquisitions	**(22.3)**	**—**	(1.6%)	(13.2)	—	(1.0%)
Decrease (increase) from change in electronic payment fees, excluding acquisitions	**11.3**	**—**	0.8%	(30.9)	—	(2.3%)
(Increase) decrease from the net impact of foreign exchange translation	**(4.0)**	**—**	(0.3%)	42.2	—	3.2%
Decrease (increase) from changes in acquisition costs recognized to earnings	**1.1**	**—**	0.1%	(3.4)	—	(0.3%)
Normalized growth of expenses	**1,454.4**	**1,433.0**	1.5%	1,427.7	1,321.3	8.1%

	24-week periods ended					
(in millions of US dollars, unless otherwise noted)	**October 15, 2023**	**October 9, 2022**	Variation	October 9, 2022	October 10, 2021	Variation
Operating, selling, general and administrative expenses, as published	**2,907.4**	**2,831.1**	2.7%	2,831.1	2,599.4	8.9%
Adjusted for:						
Increase from incremental expenses related to acquisitions	**(46.2)**	**—**	(1.6%)	(24.3)	—	(0.9%)
Decrease (increase) from change in electronic payment fees, excluding acquisitions	**37.8**	**—**	1.3%	(77.5)	—	(3.0%)
Decrease from the net impact of foreign exchange translation	**6.0**	**—**	0.2%	73.9	—	2.8%
Increase from changes in acquisition costs recognized to earnings	**(1.2)**	**—**	—	(3.8)	—	(0.1%)
Normalized growth of expenses	**2,903.8**	**2,831.1**	2.6%	2,799.4	2,599.4	7.7%

Growth of same-store merchandise revenues for Europe and other regions. Same-store merchandise revenues represent cumulative 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 tables below reconcile 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)	**October 15, 2023**	**October 9, 2022**	October 9, 2022	October 10, 2021
Merchandise and service revenues for Europe and other regions	**570.9**	**550.9**	550.9	580.4
Adjusted for:				
Service revenues	**(42.9)**	**(38.9)**	(38.9)	(41.0)
Net foreign exchange impact	**—**	**17.8**	—	(58.6)
Merchandise revenues not meeting the definition of same-store	**(23.2)**	**(18.2)**	(21.8)	(17.4)
Same-store merchandise revenues from stores not included in our consolidated results, including the impact of store conversions	**81.0**	**75.6**	79.7	90.3
Total Same-store merchandise revenues for Europe and other regions	**585.8**	**587.2**	569.9	553.7
Growth of (decrease in) same-store merchandise revenues for Europe and other regions	**(0.2%)**		2.9%	

	24-week periods ended			
(in millions of US dollars, unless otherwise noted)	**October 15, 2023**	**October 9, 2022**	October 9, 2022	October 10, 2021
Merchandise and service revenues for Europe and other regions	**1,192.9**	**1,088.0**	1,088.0	1,141.8
Adjusted for:				
Service revenues	**(97.3)**	**(78.7)**	(78.7)	(85.8)
Net foreign exchange impact	**—**	**22.7**	—	(105.3)
Merchandise revenues not meeting the definition of same-store	**(41.7)**	**(29.9)**	(40.9)	(35.2)
Same-store merchandise revenues from stores not included in our consolidated results, including the impact of store conversions	**162.5**	**199.2**	164.6	186.0
Total Same-store merchandise revenues for Europe and other regions	**1,216.4**	**1,201.3**	1,133.0	1,101.5
Growth of same-store merchandise revenues for Europe and other regions	**1.3%**		2.9%	

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		24-week periods ended	
(in millions of US dollars)	**October 15, 2023**	October 9, 2022	**October 15, 2023**	October 9, 2022
Net earnings	**819.2**	810.4	**1,653.3**	1,682.8
Add:				
Income taxes	**241.9**	227.3	**488.3**	471.9
Net financial expenses	**47.0**	58.1	**117.7**	125.2
Depreciation, amortization and impairment	**369.6**	353.9	**730.1**	673.1
EBITDA	**1,477.7**	1,449.7	**2,989.4**	2,953.0
Adjusted for:				
Acquisition costs	**4.2**	5.3	**7.7**	6.5
Adjusted EBITDA	**1,481.9**	1,455.0	**2,997.1**	2,959.5

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, such as the reclassification adjustment of gain on forward starting interest rate swaps. 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		24-week periods ended	
(in millions of US dollars, except per share amounts, or unless otherwise noted)	**October 15, 2023**	October 9, 2022	**October 15, 2023**	October 9, 2022
Net earnings	**819.2**	810.4	**1,653.3**	1,682.8
Adjusted for:				
Reclassification adjustment of gain on forward starting interest rate swaps	**(32.9)**	—	**(32.9)**	—
Net foreign exchange gain	**(6.3)**	(1.5)	**(6.0)**	(0.5)
Acquisition costs	**4.2**	5.3	**7.7**	6.5
Impairment of our investment in Fire & Flower	**2.0**	23.9	**2.0**	23.9
Tax impact of the items above and rounding	**5.8**	(0.1)	**5.9**	0.3
Adjusted net earnings	**792.0**	838.0	**1,630.0**	1,713.0
Weighted average number of shares - diluted (in millions)	**968.1**	1,022.8	**974.1**	1,025.0
Adjusted diluted net earnings per share	**0.82**	0.82	**1.67**	1.67

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 October 15, 2023**	As at April 30, 2023
Short-term debt and current portion of long-term debt	**823.4**	0.7
Current portion of lease liabilities	**431.2**	438.1
Long-term debt	**5,921.4**	5,888.3
Lease liabilities	**3,078.8**	3,138.8
Interest-bearing debt	**10,254.8**	9,465.9
Less: Cash and cash equivalents	**(1,404.7)**	(834.2)
Net interest-bearing debt	**8,850.1**	8,631.7
Equity	**13,064.8**	12,564.5
Net interest-bearing debt	**8,850.1**	8,631.7
Total capitalization	**21,914.9**	21,196.2
Net interest-bearing debt to total capitalization ratio	**0.40 : 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)	**October 15, 2023**	April 30, 2023
Net interest-bearing debt	**8,850.1**	8,631.7
Adjusted EBITDA	**5,813.1**	5,775.4
Leverage ratio	**1.52 : 1**	1.49 : 1

Return on equity. This measure is considered useful to assess the relationship 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)	**October 15, 2023**	April 30, 2023
Net earnings	**3,061.4**	3,090.9
Equity - Opening balance	**12,793.9**	12,437.6
Equity - Ending balance	**13,064.8**	12,564.5
Average equity	**12,929.4**	12,501.1
Return on equity	**23.7%**	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 in 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)	**October 15, 2023**	April 30, 2023
Net earnings	**3,061.4**	3,090.9
Add:		
Income taxes	**854.6**	838.2
Net financial expenses	**299.2**	306.7
EBIT	**4,215.2**	4,235.8
Capital employed - Opening balance(1)	**24,087.1**	24,001.0
Capital employed - Ending balance(1)	**25,591.4**	24,323.0
Average capital employed	**24,839.3**	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 October 15, 2023**	As at October 9, 2022	As at April 30, 2023	As at April 24, 2022
Total Assets	**30,397.6**	29,108.6	29,049.2	29,591.6
Less: Current liabilities	**(6,060.8)**	(5,437.6)	(5,165.0)	(6,017.4)
Add: Short-term debt and current portion of long-term debt	**823.4**	1.3	0.7	1.4
Add: Current portion of lease liabilities	**431.2**	414.8	438.1	425.4
Capital employed	**25,591.4**	24,087.1	24,323.0	24,001.0

Available liquidities. This measure represents Cash and cash equivalents plus amounts available under our term revolving unsecured operating credit facility less the outstanding principal of issued unsecured commercial paper notes. Please note that the change in the composition of this measure relating to the outstanding principal of issued unsecured commercial paper notes is to reflect the fact that the term revolving unsecured operating credit facility serves as a liquidity backstop for the repayment of the unsecured commercial paper notes. Fiscal 2024 being the first reporting period with an outstanding principal of issued unsecured commercial paper notes at the reporting dates, this change was deemed necessary to accurately reflect available liquidities. This measure is considered useful to evaluate our ability to meet our liquidity needs for the foreseeable future.

The table below reconciles Cash and cash equivalents, as per IFRS, with available liquidities:

(in millions of US dollars)	**As at October 15, 2023**	As at April 30, 2023
Cash and cash equivalents	**1,404.7**	834.2
Add: Unused portion of the term revolving unsecured operating credit facility	**3,500.0**	3,500.0
Less: Letters of credit reducing the amount that may be borrowed on the term revolving unsecured operating credit facility	**(2.9)**	(2.9)
Less: Outstanding principal of issued unsecured commercial paper notes	**(311.4)**	—
Available liquidities	**4,590.4**	4,331.3

Summary Analysis of Consolidated Results for the Second Quarter and First Half-year of Fiscal 2024

The following table highlights certain information regarding our operations for the 12 and 24-week periods ended October 15, 2023 and October 9, 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			24-week periods ended		
(in millions of US dollars, unless otherwise stated)	**October 15, 2023**	October 9, 2022	Variation %	**October 15, 2023**	October 9, 2022	Variation %
Statement of Operations Data:						
Merchandise and service revenues[1]:						
United States	**2,936.7**	2,903.0	1.2	**5,942.0**	5,807.9	2.3
Europe and other regions	**570.9**	550.9	3.6	**1,192.9**	1,088.0	9.6
Canada	**606.2**	617.9	(1.9)	**1,254.7**	1,248.4	0.5
Total merchandise and service revenues	**4,113.8**	4,071.8	1.0	**8,389.6**	8,144.3	3.0
Road transportation fuel revenues:						
United States	**8,062.7**	8,236.0	(2.1)	**15,584.9**	17,917.4	(13.0)
Europe and other regions	**2,587.2**	2,837.5	(8.8)	**4,850.9**	5,813.4	(16.6)
Canada	**1,506.0**	1,453.1	3.6	**2,955.3**	3,114.9	(5.1)
Total road transportation fuel revenues	**12,155.9**	12,526.6	(3.0)	**23,391.1**	26,845.7	(12.9)
Other revenues[2]:						
United States	**9.5**	8.5	11.8	**17.7**	18.2	(2.7)
Europe and other regions	**138.4**	265.6	(47.9)	**233.5**	516.1	(54.8)
Canada	**8.0**	7.0	14.3	**16.9**	12.9	31.0
Total other revenues	**155.9**	281.1	(44.5)	**268.1**	547.2	(51.0)
Total revenues	**16,425.6**	16,879.5	(2.7)	**32,048.8**	35,537.2	(9.8)
Merchandise and service gross profit[1][3]:						
United States	**1,021.0**	987.5	3.4	**2,051.0**	1,972.8	4.0
Europe and other regions	**220.6**	211.1	4.5	**468.8**	419.8	11.7
Canada	**201.1**	205.0	(1.9)	**420.8**	413.9	1.7
Total merchandise and service gross profit	**1,442.7**	1,403.6	2.8	**2,940.6**	2,806.5	4.8
Road transportation fuel gross profit[3]:						
United States	**1,064.4**	1,058.0	0.6	**2,139.0**	2,089.4	2.4
Europe and other regions	**252.8**	241.8	4.5	**450.4**	522.5	(13.8)
Canada	**137.4**	124.9	10.0	**274.5**	257.3	6.7
Total road transportation fuel gross profit	**1,454.6**	1,424.7	2.1	**2,863.9**	2,869.2	(0.2)
Other revenues gross profit[2][3]:						
United States	**9.5**	8.5	11.8	**17.7**	18.2	(2.7)
Europe and other regions	**22.6**	18.4	22.8	**38.9**	38.2	1.8
Canada	**7.1**	5.0	42.0	**13.8**	10.9	26.6
Total other revenues gross profit	**39.2**	31.9	22.9	**70.4**	67.3	4.6
Total gross profit[3]	**2,936.5**	2,860.2	2.7	**5,874.9**	5,743.0	2.3
Operating, selling, general and administrative expenses	**1,468.3**	1,433.0	2.5	**2,907.4**	2,831.1	2.7
Loss (gain) on disposal of property and equipment and other assets	**0.2**	(20.4)	(101.0)	**(3.3)**	(33.4)	(90.1)
Depreciation, amortization and impairment	**369.6**	353.9	4.4	**730.1**	673.1	8.5
Operating income	**1,098.4**	1,093.7	0.4	**2,240.7**	2,272.2	(1.4)
Net financial expenses	**47.0**	58.1	(19.1)	**117.7**	125.2	(6.0)
Net earnings	**819.2**	810.4	1.1	**1,653.3**	1,682.8	(1.8)
Per Share Data:						
Basic net earnings per share (dollars per share)	**0.85**	0.79	7.6	**1.70**	1.64	3.7
Diluted net earnings per share (dollars per share)	**0.85**	0.79	7.6	**1.70**	1.64	3.7
Adjusted diluted net earnings per share (dollars per share)[3]	**0.82**	0.82	—	**1.67**	1.67	—

(in millions of US dollars, unless otherwise stated)	12-week periods ended October 15, 2023	12-week periods ended October 9, 2022	Variation %	24-week periods ended October 15, 2023	24-week periods ended October 9, 2022	Variation %
Other Operating Data:						
Merchandise and service gross margin(1)(3):						
Consolidated	**35.1%**	34.5%	0.6	**35.1%**	34.5%	0.6
United States	**34.8%**	34.0%	0.8	**34.5%**	34.0%	0.5
Europe and other regions	**38.6%**	38.3%	0.3	**39.3%**	38.6%	0.7
Canada	**33.2%**	33.2%	—	**33.5%**	33.2%	0.3
Growth of (decrease in) same-store merchandise revenues(4):						
United States(5)(6)	**(0.1%)**	5.6%		**1.0%**	4.5%	
Europe and other regions(3)	**(0.2%)**	2.9%		**1.3%**	2.9%	
Canada(5)(6)	**1.6%**	(1.5%)		**4.0%**	(1.4%)	
Road transportation fuel gross margin(3):						
United States (cents per gallon)	**49.56**	49.16	0.8	**49.81**	49.08	1.5
Europe and other regions (cents per liter)	**10.20**	9.76	4.5	**9.22**	10.96	(15.9)
Canada (CA cents per liter)	**13.63**	12.55	8.6	**13.44**	13.27	1.3
Total volume of road transportation fuel sold:						
United States (millions of gallons)	**2,147.5**	2,152.2	(0.2)	**4,294.4**	4,257.2	0.9
Europe and other regions (millions of liters)	**2,478.7**	2,476.2	0.1	**4,885.5**	4,765.0	2.5
Canada (millions of liters)	**1,360.3**	1,305.3	4.2	**2,742.5**	2,517.5	8.9
Growth of (decrease in) same-store road transportation fuel volumes(5):						
United States	**(1.5%)**	(1.9%)		**(0.4%)**	(3.0%)	
Europe and other regions	**(0.9%)**	(6.3%)		**(1.2%)**	(5.0%)	
Canada	**3.0%**	(6.5%)		**5.0%**	(3.2%)	

(in millions of US dollars, unless otherwise stated)	As at October 15, 2023	As at April 30, 2023	Variation $
Balance Sheet Data:			
Total assets	**30,397.6**	29,049.2	1,348.4
Interest-bearing debt(3)	**10,254.8**	9,465.9	788.9
Equity	**13,064.8**	12,564.5	500.3
Indebtedness Ratios(3):			
Net interest-bearing debt/total capitalization	**0.40 : 1**	0.41 : 1	
Leverage ratio	**1.52 : 1**	1.49 : 1	
Returns(3):			
Return on equity	**23.7%**	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 performance measures not defined by IFRS, as well as our capital management measure.
(4) This measure represents the growth of (decrease in) cumulative 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 $16.4 billion for the second quarter of fiscal 2024, down by $453.9 million, a decrease of 2.7% compared with the corresponding quarter of fiscal 2023, mainly attributable to a lower average road transportation fuel selling price, lower aviation fuel volume sold as a result of a change in business model as well as lower road transportation fuel demand, while being partly offset by the contribution from acquisitions and the net positive impact of approximately $102.0 million from the translation of our foreign currency operations into US dollars.

For the first half-year of fiscal 2024, our revenues decreased by $3.5 billion, or 9.8%, compared with the corresponding period of fiscal 2023, mainly attributable to a lower average road transportation fuel selling price, lower aviation fuel volume sold as well as the net negative impact of approximately $17.0 million from the translation of our foreign currency operations into US dollars, while being partly offset by the contribution from acquisitions and organic growth of our convenience activities.

Merchandise and service revenues

Total merchandise and service revenues for the second quarter of fiscal 2024 were $4.1 billion, an increase of $42.0 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 $5.0 million. The remaining increase of approximately $37.0 million, or 0.9%, is primarily attributable to the contribution from acquisitions. Same-store merchandise revenues decreased by 0.1% in the United States and by 0.2% in Europe and other regions[1], driven by lower consumer disposable income, as well as the continued softness of our cigarette revenues from illicit competition and the impact of cross-border traffic in Hong Kong. Same-store merchandise revenues increased by 1.6% 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.

For the first half-year of fiscal 2024, the growth in merchandise and service revenues was $245.3 million compared with the corresponding period of fiscal 2023. The translation of our foreign currency operations into US dollars had a net negative impact of approximately $20.0 million. Same-store merchandise revenues increased by 1.0% in the United States, by 1.3% in Europe and other regions[1], and by 4.0% in Canada.

Road transportation fuel revenues

Total road transportation fuel revenues for the second quarter of fiscal 2024 were $12.2 billion, a decrease of $370.7 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 $79.0 million. The remaining decrease of approximately $450.0 million, or 3.6%, is attributable to a lower average road transportation fuel selling price, which had a negative impact of approximately $460.0 million. Same-store road transportation fuel volumes decreased by 1.5% in the United States, by 0.9% in Europe and other regions, and increased by 3.0% in Canada. During the quarter, road transportation fuel demand remained unfavorably impacted by challenging macroeconomic conditions, including high inflation.

For the first half-year of fiscal 2024, the road transportation fuel revenues decreased by $3.5 billion compared with the corresponding period of fiscal 2023. The translation of our foreign currency operations into US dollars had a net negative impact of approximately $19.0 million. Same-store road transportation fuel volumes decreased by 0.4% in the United States, by 1.2% in Europe and other regions, and increased by 5.0% 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. 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	3rd	4th	1st	2nd	Weighted average
53-week period ended October 15, 2023					
United States (US dollars per gallon)	3.50	3.52	3.52	3.76	3.57
Europe and other regions (US cents per liter)	113.55	109.77	98.02	108.87	107.97
Canada (CA cents per liter)	143.32	137.66	142.77	152.03	143.93
52-week period ended October 9, 2022					
United States (US dollars per gallon)	3.28	3.94	4.61	3.84	3.87
Europe and other regions (US cents per liter)	96.66	120.84	129.11	117.39	115.58
Canada (CA cents per liter)	129.39	150.30	179.15	149.55	150.46

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

Other revenues

Total other revenues for the second quarter of fiscal 2024 were $155.9 million, a decrease of $125.2 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 $19.0 million. The remaining decrease of approximately $144.0 million, or 51.2%, is primarily driven by lower aviation fuel volume sold as a result of a change in business model, which had a minimal impact on gross profit[1].

For the first half-year of fiscal 2024, total other revenues were $268.1 million, a decrease of $279.1 million compared with the corresponding period of fiscal 2023. The translation of our foreign currency operations into US dollars had a net positive impact of approximately $20.0 million. The remaining decrease of approximately $299.0 million, or 54.6%, is attributable to lower aviation fuel volume sold, as well as 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 second quarter of fiscal 2024, up by $76.3 million, or 2.7%, compared with the corresponding quarter of fiscal 2023, mainly attributable to the contribution of acquisitions, the increase in merchandise and service gross margin[1], the increase in road transportation fuel gross margin[1] as well as the net positive impact of the translation of our foreign currency operations into US dollars of approximately $6.0 million.

For the first half-year of fiscal 2024, our gross profit increased by $131.9 million, or 2.3%, compared with the first half-year of fiscal 2023, mainly attributable to the contribution of acquisitions and organic growth in our convenience activities, 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 $10.0 million.

Merchandise and service gross profit

In the second quarter of fiscal 2024, our merchandise and service gross profit was $1.4 billion, an increase of $39.1 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 increase of approximately $37.0 million, or 2.6%, is primarily due to organic growth and the contribution of acquisitions, which amounted to approximately $26.0 million. Our merchandise and service gross margin[1] increased by 0.8% in the United States to 34.8%, impacted favorably by a change in product mix and the improvement of our *Fresh Food, Fast* program gross margin[1]. Merchandise and service gross margin[1] increased by 0.3% in Europe and other regions to 38.6%, and remained stable in Canada at 33.2%.

During the first half-year of fiscal 2024, our merchandise and service gross profit was $2.9 billion, an increase of $134.1 million compared with the first half-year of fiscal 2023. The translation of our foreign currency operations into US dollars had a net negative impact of approximately $8.0 million. Our merchandise and service gross margin[1] in the United States increased by 0.5% to 34.5%, by 0.7% in Europe and other regions to 39.3%, and by 0.3% in Canada to 33.5%.

Road transportation fuel gross profit

In the second quarter of fiscal 2024, our road transportation fuel gross profit was $1.5 billion, an increase of $29.9 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 $4.0 million. The remaining increase in our gross profit was approximately $26.0 million, or 1.8%. In the United States, our road transportation fuel gross margin[1] was 49.56¢ per gallon, an increase of 0.40¢ per gallon, in Europe and other regions, it was US 10.20¢ per liter, an increase of US 0.44¢ per liter, and in Canada, it was CA 13.63¢ per liter, an increase of CA 1.08¢ per liter. Fuel gross margins[1] remained healthy throughout our network, due to favorable market conditions and the continued work on the optimization of our supply chain.

During the first half-year of fiscal 2024, our road transportation fuel gross profit was $2.9 billion, a decrease of $5.3 million compared with the first half-year of fiscal 2023. The translation of our foreign currency operations into US dollars had a net negative impact of approximately $2.0 million. The road transportation fuel gross margin[1] was 49.81¢ per gallon in the United States, US 9.22¢ per liter in Europe and other regions, and CA 13.44¢ per liter in Canada.

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

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	3rd	4th	1st	2nd	Weighted average
53-week period ended October 15, 2023					
Before deduction of expenses related to electronic payment modes	48.39	46.43	51.26	51.15	49.22
Expenses related to electronic payment modes(1)	6.20	6.17	6.13	6.04	6.14
After deduction of expenses related to electronic payment modes	42.19	40.26	45.13	45.11	43.08
52-week period ended October 9, 2022					
Before deduction of expenses related to electronic payment modes	41.02	47.55	50.95	51.11	47.22
Expenses related to electronic payment modes(1)	5.74	6.61	7.21	6.53	6.47
After deduction of expenses related to electronic payment modes	35.28	40.94	43.74	44.58	40.75

(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	3rd	4th	1st	2nd	Weighted average
53-week period ended October 15, 2023					
Europe and other regions (US cents per liter)	8.01	10.60	8.21	10.20	9.18
Canada (CA cents per liter)	12.52	12.13	13.25	13.63	12.85
52-week period ended October 9, 2022					
Europe and other regions (US cents per liter)	10.83	7.51	12.26	9.76	10.08
Canada (CA cents per liter)	11.78	13.41	14.04	12.55	12.85

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 second quarter and first half-year of fiscal 2024, other revenues gross profit were $39.2 million and $70.4 million, an increase of $7.3 million and $3.1 million, respectively, compared with the corresponding periods of fiscal 2023. The translation of our foreign currency operations into US dollars had no significant impact on gross profit for the second quarter and first half-year of fiscal 2024.

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

For the second quarter and first half-year of fiscal 2024, expenses increased by 2.5% and 2.7%, respectively, compared with the corresponding periods of fiscal 2023. Normalized growth of expenses was 1.5% and 2.6%, respectively, as shown in the table below:

	12-week periods ended		24-week periods ended	
	October 15, 2023	October 9, 2022	**October 15, 2023**	October 9, 2022
Growth of expenses, as reported	**2.5%**	8.5%	**2.7%**	8.9%
Adjusted for:				
Increase from incremental expenses related to acquisitions	**(1.6%)**	(1.0%)	**(1.6%)**	(0.9%)
Decrease (increase) from change in electronic payment fees, excluding acquisitions	**0.8%**	(2.3%)	**1.3%**	(3.0%)
(Increase) decrease from the net impact of foreign exchange translation	**(0.3%)**	3.2%	**0.2%**	2.8%
Decrease (increase) from changes in acquisition costs recognized to earnings	**0.1%**	(0.3%)	**—**	(0.1%)
Normalized growth of expenses[1]	**1.5%**	8.1%	**2.6%**	7.7%

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, including labor efficiency in our stores. Our control of expenses is evidenced by our normalized growth of expenses[1] remaining lower than the average inflation observed throughout our network.

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

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

During the second quarter of fiscal 2024, EBITDA stood at $1.5 billion, an increase of $28.0 million, or 1.9%, compared with the corresponding quarter of fiscal 2023. Adjusted EBITDA for the second quarter of fiscal 2024 increased by $26.9 million, or 1.8%, compared with the corresponding quarter of fiscal 2023, mainly due to the contribution from acquisitions, organic growth in our convenience operations, as well as the translation of our foreign currency operations into US dollars, which had a net positive impact of approximately $2.0 million, partly offset by the impact of lower road transportation fuel volume sold.

During the first half-year of fiscal 2024, EBITDA stood at $3.0 billion, an increase of $36.4 million, or 1.2%, compared with the first half-year of fiscal 2023. Adjusted EBITDA for the first half-year of fiscal 2024 increased by $37.6 million, or 1.3%, compared with the first half-year of fiscal 2023, mainly attributable 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 Europe and other regions, as well as the translation of our foreign currency operations into US dollars, which had a net negative impact of approximately $4.0 million.

Depreciation, amortization and impairment (“depreciation”)

For the second quarter of fiscal 2024, our depreciation expense increased by $15.7 million compared with the second quarter of fiscal 2023. The translation of our foreign currency operations into US dollars had no significant impact on depreciation. This increase is mainly driven by the replacement of equipment, the ongoing improvement of our network, as well as the impact from investments made through acquisitions, partly offset by the impact of the impairment on our investment in Fire & Flower Holdings Corp. of $23.9 million in the comparable quarter.

For the first half-year of fiscal 2024, our depreciation expense increased by $57.0 million compared with the first half-year 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 $60.0 million, or 8.9%, is mainly attributable to similar factors as those of the second quarter.

Net financial expenses

Net financial expenses for the second quarter and first half-year of fiscal 2024 were $47.0 million and $117.7 million, respectively, a decrease of $11.1 million and $7.5 million, respectively, compared with the corresponding periods of fiscal 2023. A portion of the variation is explained by certain items that are not considered indicative of future trends, as shown in the table below:

	12-week periods ended			**24-week periods ended**		
(in millions of US dollars)	**October 15, 2023**	October 9, 2022	Variation	**October 15, 2023**	October 9, 2022	Variation
Net financial expenses, as reported	**47.0**	58.1	(11.1)	**117.7**	125.2	(7.5)
Explained by:						
Reclassification adjustment of gain on forward starting interest rate swaps	**32.9**	—	32.9	**32.9**	—	32.9
Change in fair value of financial instruments and amortization of deferred differences	**(9.8)**	0.1	(9.9)	**(11.8)**	1.0	(12.8)
Net foreign exchange gain	**6.3**	1.5	4.8	**6.0**	0.5	5.5
Remaining variation	**76.4**	59.7	16.7	**144.8**	126.7	18.1

The remaining variation of the second quarter and first half-year of fiscal 2024 is mainly driven by higher interest on short-term and long-term debt and lease liabilities, partly offset by higher interest revenue.

Income taxes

The income tax rate for the second quarter and first half-year of fiscal 2024 was 22.8%, compared with 21.9% for the corresponding periods of fiscal 2023. The increase mainly stems 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 second quarter of fiscal 2024 were $819.2 million, compared with $810.4 million for the second quarter of fiscal 2023, an increase of $8.8 million, or 1.1%. Diluted net earnings per share stood at $0.85, compared with $0.79 for the corresponding quarter of the previous fiscal year. The translation of our foreign currency operations into US dollars had a net positive impact of approximately $2.0 million on net earnings of the second quarter of fiscal 2024.

Adjusted net earnings for the second quarter of fiscal 2024 were approximately $792.0 million, compared with $838.0 million for the second quarter of fiscal 2023, a decrease of $46.0 million, or 5.5%. Adjusted diluted net earnings per share[1] were $0.82 for the second quarter of fiscal 2024, unchanged compared with the corresponding quarter of fiscal 2023.

For the first half-year of fiscal 2024, net earnings stood at $1.7 billion, a decrease of $29.5 million, or 1.8%, compared with the first half-year of fiscal 2023. Diluted net earnings per share stood at $1.70, compared with $1.64 for the previous fiscal year. The translation of our foreign currency operations into US dollars had a net negative impact of approximately $1.0 million on net earnings of the first half-year of fiscal 2024.

Adjusted net earnings for the first half-year of fiscal 2024 stood at $1.6 billion, a decrease of $83.0 million, or 4.8%, compared with the first half-year of fiscal 2023. Adjusted diluted net earnings per share[1] were $1.67 for the first half-year of fiscal 2024, unchanged compared with the first half-year of fiscal 2023.

Financial Position as at October 15, 2023

As shown by our indebtedness ratios included in the “Summary Analysis of Consolidated Results for the Second Quarter and First Half-year of Fiscal 2024” section and our net cash provided by operating activities, our financial position remains healthy.

Our total consolidated assets amounted to $30.4 billion as at October 15, 2023, an increase of $1.3 billion over the balance as at April 30, 2023, primarily due to the new investment in term deposits and a higher balance of cash and cash equivalents as explained in more detail in the “Selected Consolidated Cash Flow Information” section of this MD&A.

For the 53-week periods ended October 15, 2023 and April 30, 2023, we recorded a return on capital employed[1] of 17.0% and 17.5%, respectively.

Significant balance sheet variations are explained as follows:

Other short-term financial assets

Other short-term financial assets amounted to $698.4 million as at October 15, 2023, an increase of $603.4 million over the balance as at April 30, 2023, mainly due to a new investment in term deposits and the impact of reclassification to current assets and favorable changes in the fair value of forward starting interest rate swaps, partly offset by an unfavorable change in fair value of the Euro / US dollar currency forwards.

Long-term debt and Short-term debt and current portion of long-term debt

Short-term debt and current portion of long-term debt amounted to $823.4 million as at October 15, 2023, an increase of $822.7 million over the balance as at April 30, 2023, due to the reclassification of Canadian-dollar-denominated senior unsecured notes maturing in July 2024 from Long-term debt to current portion of long-term debt and to the issuance of unsecured commercial paper notes.

Long-term debt amounted to $5.9 billion as at October 15, 2023, an increase of $33.1 million over the balance as at April 30, 2023, due to the issuance of Canadian-dollar-denominated senior unsecured notes, partly offset by the reclassification of Canadian-dollar-denominated senior unsecured notes maturing in July 2024 from Long-term debt to Current portion of long-term debt and an impact of approximately $37.0 million from the weakening of the Canadian dollar, the Euro and the Norwegian krone against the US dollar.

Equity

Equity amounted to $13.1 billion as at October 15, 2023, an increase of $500.3 million over the balance as at April 30, 2023, reflecting the impact of net earnings for the first half-year of fiscal 2024, partly offset by the share repurchase program as well as the dividends declared. For the 53-week periods ended October 15, 2023 and April 30, 2023, we recorded a return on equity[1] of 23.7% and 24.7%, respectively.

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

Liquidity and Capital Resources

Our principal sources of liquidity are our net cash provided by operating activities and borrowings available under our revolving unsecured credit facility or United States commercial paper program. Our principal uses of cash are to repay our debt, finance our acquisitions and capital expenditures, repurchase shares and pay dividends, as well as to provide for working capital. We expect that cash generated from operations and borrowings available under our term revolving unsecured operating credit facility or United States commercial paper program will be adequate to meet our liquidity needs in the foreseeable future, except for needs in connection with the agreement to acquire certain retail assets from TotalEnergies SE, which would be partly funded through new term loans.

Our credit facility and United States commercial paper program are detailed as follows:

Term revolving unsecured operating credit facility ("operating credit facility")

Credit agreement consisting of a revolving unsecured facility of a maximum amount of $3.5 billion, including a first tranche of $1.0 billion and a second tranche of $2.5 billion, maturing in April 2026 and April 2028, respectively. As at October 15, 2023, the term revolving unsecured operating credit facility was not used, standby letters of credit in the amount of $2.9 million were outstanding and we were in compliance with the restrictive covenants and ratios imposed by the credit agreement.

United States commercial paper program

Commercial paper program in the United States allowing us to issue unsecured commercial paper notes. The aggregate principal amount of unsecured commercial paper notes outstanding at any given time cannot exceed $2.5 billion and our operating credit facility serves as a liquidity backstop for their repayment. As at October 15, 2023, a principal of issued unsecured commercial paper notes of $311.4 million was outstanding. The weighted average effective interest rate of the outstanding unsecured commercial paper notes was 5.63% and they have matured subsequent to the end of the quarter.

Available liquidities[1]

As at October 15, 2023, when considering the outstanding principal of issued unsecured commercial paper notes, a total of approximately $3.2 billion was available under our operating credit facility. Thus, at the same date, we had access to $4.6 billion through our available cash and our operating credit facility.

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

Selected Consolidated Cash Flow Information

	12-week periods ended			24-week periods ended		
(in millions of US dollars)	**October 15, 2023**	October 9, 2022	Variation	**October 15, 2023**	October 9, 2022	Variation
Operating activities						
Net cash provided by operating activities	**933.8**	1,159.1	(225.3)	**2,323.0**	2,267.8	55.2
Investing activities						
Investment in term deposits	**(520.9)**	—	(520.9)	**(520.9)**	—	(520.9)
Purchase of property and equipment, intangible assets and other assets	**(418.5)**	(319.2)	(99.3)	**(713.1)**	(660.0)	(53.1)
Purchase of equity instruments, other financial assets and investments and loans related to Fire & Flower	**(65.4)**	(4.6)	(60.8)	**(118.1)**	(28.1)	(90.0)
Business acquisitions	**(34.7)**	(209.7)	175.0	**(45.2)**	(210.3)	165.1
Proceeds from disposal of property and equipment and other assets	**15.8**	65.1	(49.3)	**37.6**	79.5	(41.9)
Proceeds from repayments of loans granted to Fire & Flower and from disposal of investments in equity instruments	**15.7**	124.5	(108.8)	**15.7**	124.5	(108.8)
Change in restricted cash	**3.6**	12.7	(9.1)	**8.1**	11.7	(3.6)
Investment in a joint venture	**—**	—	—	**—**	(30.1)	30.1
Net cash used in investing activities	**(1,004.4)**	(331.2)	(673.2)	**(1,335.9)**	(712.8)	(623.1)
Financing activities						
Share repurchases	**(672.9)**	(188.4)	(484.5)	**(902.9)**	(723.1)	(179.8)
Issuance of Canadian-dollar-denominated senior unsecured notes, net of financing costs	**591.9**	—	591.9	**591.9**	—	591.9
Net (repayment) issuance of unsecured commercial paper notes	**(169.3)**	—	(169.3)	**310.3**	—	310.3
Principal elements of lease payments	**(111.7)**	(106.8)	(4.9)	**(215.3)**	(207.5)	(7.8)
Cash dividends paid	**(100.3)**	(171.6)	71.3	**(204.4)**	(171.6)	(32.8)
Exercise of stock options	**8.8**	—	8.8	**12.0**	0.8	11.2
Net payments on other debts	**(0.5)**	(52.5)	52.0	**(0.2)**	(52.8)	52.6
Net cash used in financing activities	**(454.0)**	(519.3)	65.3	**(408.6)**	(1,154.2)	745.6
Credit ratings						
S&P Global Ratings – Corporate and Senior unsecured notes credit ratings				**BBB+**	BBB	
Moody's – Corporate and Senior unsecured notes credit ratings				**Baa1**	Baa2	

During the first half-year of fiscal 2024, our long-term senior unsecured rating was upgraded from BBB to BBB+ by S&P Global Ratings, and from Baa2 to Baa1 by Moody's Investors Service.

Operating activities

During the second quarter of fiscal 2024, net cash from our operations reached $933.8 million, down $225.3 million compared with the second quarter of fiscal 2023, mainly due to higher working capital needs. During the first half-year of fiscal 2024, net cash from our operations reached $2.3 billion, up $55.2 million compared with the first half-year of fiscal 2023, mainly due to higher cash earnings.

Investing activities

During the second quarter of fiscal 2024 and the first half-year of fiscal 2024, Purchase of property and equipment, intangible assets and other assets, net of Proceeds from disposal of property and equipment and other assets amounted to $402.7 million and $675.5 million, respectively. These investments were primarily for the replacement of equipment in some of our stores in order to enhance our offering of products and services, for the addition of new stores, for the ongoing improvement of our network, as well as for strategic initiatives. For the second quarter of fiscal 2024 and the first half-year of fiscal 2024, Business acquisitions amounted to $34.7 million and $45.2 million, respectively. In addition, investment in term deposits amounted to $520.9 million for the second quarter of fiscal 2024 and the first half-year of fiscal 2024, and strategic investments in the form of equity instruments, other financial assets and investments and loans amounted to $118.1 million during the first half-year of fiscal 2024.

Financing activities

During the second quarter of fiscal 2024, we settled share repurchases for an amount of $672.9 million, issued Canadian-dollar-denominated senior unsecured notes for an amount of $591.9 million, net of financing costs, repaid $169.3 million of unsecured commercial paper notes, paid $111.7 million on the principal elements of our lease liabilities and paid dividends in the amount of $100.3 million. In the first half-year of fiscal 2024, we settled share repurchases for an amount of $902.9 million, issued Canadian-dollar-denominated senior unsecured notes for an amount of $591.9 million, net of financing costs, issued unsecured commercial paper notes for a net amount of $310.3 million, paid $215.3 million on the principal elements of our lease liabilities and paid dividends in the amount of $204.4 million.

Contractual Obligations and Commercial Commitments

There were no major changes to our contractual obligations and commercial commitments during the 24-week period ended October 15, 2023. For more information, please refer to our 2023 Annual Report.

Internal Controls over Financial Reporting

We maintain a system of internal controls over financial reporting designed to safeguard assets and ensure that financial information is reliable. We also maintain a system of disclosure controls and procedures designed to ensure, in all material respects, the reliability, completeness and timeliness of the information we disclose in this MD&A and other public disclosure documents. Disclosure controls and procedures are designed to ensure that information required to be disclosed by us in reports filed with securities regulatory agencies is recorded and/or disclosed on a timely basis, as required by law, and is accumulated and communicated to our management, including our President and Chief Executive Officer and our Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. As at October 15, 2023, our management, following its assessment, certifies the design of the Corporation's controls and procedures.

We undertake ongoing evaluations of the effectiveness of our internal controls over financial reporting and implement control enhancements, when appropriate. As at April 30, 2023, our management and our external auditors reported that these internal controls were effective.

Selected Quarterly Financial Information

Our 52-week reporting cycle is divided into quarters of 12 weeks each except for the third quarter, which comprises 16 weeks. When a fiscal year, such as fiscal 2023, contains 53 weeks, the fourth quarter comprises 13 weeks. The following is a summary of selected consolidated financial information derived from our interim consolidated financial statements for each of the eight most recently completed quarters.

(in millions of US dollars, except per share data)	**24-week period ended October 15, 2023**		53-week period ended April 30, 2023				Extract from the 52-week period ended April 24, 2022	
Quarter	**2nd**	1st	4th	3rd	2nd	1st	4th	3rd
Weeks	**12 weeks**	12 weeks	13 weeks	16 weeks	12 weeks	12 weeks	12 weeks	16 weeks
Revenues	**16,425.6**	15,623.2	16,264.4	20,055.1	16,879.5	18,657.7	16,434.9	18,576.4
Depreciation, amortization and impairment	**369.6**	360.5	389.6	463.2	353.9	319.2	449.4	456.3
Operating income	**1,098.4**	1,142.3	933.7	1,026.1	1,093.7	1,178.5	667.2	1,028.4
Share of earnings of joint ventures and associated companies	**9.7**	8.9	(4.4)	0.5	2.1	5.6	1.2	7.2
Net financial expenses	**47.0**	70.7	99.0	82.5	58.1	67.1	51.5	87.9
Net earnings	**819.2**	834.1	670.7	737.4	810.4	872.4	477.7	746.4
Net earnings per share								
Basic	**$0.85**	$0.85	$0.68	$0.73	$0.79	$0.85	$0.46	$0.70
Diluted	**$0.85**	$0.85	$0.68	$0.73	$0.79	$0.85	$0.46	$0.70

The volatility of road transportation fuel gross margins, seasonality and changes in the exchange rates have an impact on the variability of our quarterly net earnings.

Outlook

We recently unveiled our *10 for the Win* five-year strategic plan designed to meet our customers' needs and making their lives a little easier every day. The strategic lighthouses outlined in our strategic plan include the following 5 areas: *Win in Food & Own Thirst; Gain Share in Fuel; Digital Acceleration; Fast, Friendly & In-Stock; Lowest Cost Operator.* Despite challenging global economic conditions, we will remain focused on our convenience and mobility business by refining our *Fresh Food, Fast* program, pursuing opportunities to expand the flexibility in our supply chain and growing our electric vehicles offer to solidify our position as a global leader in the future of electric charging solutions. We stand ready to seek out additional acquisition opportunities and nurture the culture of discipline and entrepreneurship that has been our trademark over the past four decades. In this rapidly evolving environment, the roll out of the *Values We Live By* and actions taken toward them are proofs of our commitment into increasing employee engagement, diversity and inclusion as well as sustainability which will remain at the forefront of our priorities and a lens to the business.

Looking ahead, we will continue, as always, to look for and seize opportunities to grow the business and integrate our acquisitions into our network, always focusing on creating value for our employees, partners, and shareholders.

November 28, 2023

Consolidated Statements of Earnings

(in millions of US dollars, except per share amounts, unaudited)

	12 weeks		24 weeks	
For the periods ended	**October 15, 2023**	October 9, 2022	**October 15, 2023**	October 9, 2022
	$	$	**$**	$
Revenues	**16,425.6**	16,879.5	**32,048.8**	35,537.2
Cost of sales, excluding depreciation, amortization and impairment	**13,489.1**	14,019.3	**26,173.9**	29,794.2
Operating, selling, general and administrative expenses	**1,468.3**	1,433.0	**2,907.4**	2,831.1
Loss (gain) on disposal of property and equipment and other assets	**0.2**	(20.4)	**(3.3)**	(33.4)
Depreciation, amortization and impairment	**369.6**	353.9	**730.1**	673.1
Operating income	**1,098.4**	1,093.7	**2,240.7**	2,272.2
Share of earnings of joint ventures and associated companies	**9.7**	2.1	**18.6**	7.7
Financial expenses (Note 4)	**112.9**	83.4	**213.4**	159.5
Other financial items (Note 4)	**(59.6)**	(23.8)	**(89.7)**	(33.8)
Foreign exchange gain	**(6.3)**	(1.5)	**(6.0)**	(0.5)
Net financial expenses	**47.0**	58.1	**117.7**	125.2
Earnings before income taxes	**1,061.1**	1,037.7	**2,141.6**	2,154.7
Income taxes	**241.9**	227.3	**488.3**	471.9
Net earnings	**819.2**	810.4	**1,653.3**	1,682.8
Net earnings per share (Note 6)				
Basic	**0.85**	0.79	**1.70**	1.64
Diluted	**0.85**	0.79	**1.70**	1.64
Weighted average number of shares – basic (in millions)	**966.6**	1,021.1	**972.5**	1,023.3
Weighted average number of shares – diluted (in millions)	**968.1**	1,022.8	**974.1**	1,025.0
Number of shares outstanding at the end of period (in millions)	**963.9**	1,017.3	**963.9**	1,017.3

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

Consolidated Statements of Comprehensive Income

(in millions of US dollars, unaudited)

	12 weeks		24 weeks	
For the periods ended	**October 15, 2023**	October 9, 2022	**October 15, 2023**	October 9, 2022
	$	$	**$**	$
Net earnings	**819.2**	810.4	**1,653.3**	1,682.8
Other comprehensive loss				
Items that may be reclassified subsequently to earnings				
Translation adjustments				
Change in cumulative translation adjustments(1)	**(223.8)**	(116.3)	**(86.9)**	(415.5)
Net changes in fair value and net interest on cross-currency interest rate swaps and currency forwards designated as a hedge of the Corporation’s net investment in some of its foreign operations(2)	**(76.4)**	(53.6)	**(19.8)**	(86.2)
Cash flow hedges				
Change in fair value of financial instruments(2)	**51.7**	28.0	**57.3**	28.7
Gain realized on financial instruments transferred to earnings(2)	**(1.7)**	(1.1)	**(2.6)**	(1.5)
Reclassification adjustment (Note 5)(3)	**(28.5)**	—	**(28.5)**	—
Items that will never be reclassified to earnings				
Net actuarial (loss) gain(4)	**(0.1)**	2.6	**12.5**	16.4
Gain (loss) on investments in equity instruments measured at fair value through Other comprehensive loss(5)	**6.0**	(5.4)	**7.0**	(17.4)
Other comprehensive loss	**(272.8)**	(145.8)	**(61.0)**	(475.5)
Comprehensive income	**546.4**	664.6	**1,592.3**	1,207.3

(1) For the 12 and 24-week periods ended October 15, 2023, these amounts include a loss of $140.7 (net of income taxes of $12.7) and a gain of $5.8 (net of income taxes of $0.4), respectively. For the 12 and 24-week periods ended October 9, 2022, these amounts include a loss of $152.0 (net of income taxes of $0.3) and a loss of $206.0 (net of income taxes of $8.5), respectively. These losses and gains arise from the translation of debts denominated in foreign currencies and designated as net investment hedges in some of the Corporation's foreign operations.

(2) For the 12 and 24-week periods ended October 15, 2023, these amounts are net of income tax recoveries of $7.6 and $1.2, respectively. For the 12 and 24-week periods ended October 9, 2022, these amounts are net of income tax expenses of $8.3 and $11.8, respectively.

(3) For each of the 12 and 24-week periods ended October 15, 2023, these amounts are net of income taxes of $4.4.

(4) For the 12 and 24-week periods ended October 15, 2023, these amounts are net of income tax (recoveries) expenses of $(0.1) and $3.3, respectively. For the 12 and 24-week periods ended October 9, 2022, these amounts are net of income tax expenses of $0.6 and $4.3, respectively.

(5) For the 12 and 24-week periods ended October 15, 2023, these amounts are net of income tax expenses of $1.0 and $1.1, respectively. For the 12 and 24-week periods ended October 9, 2022, these amounts are net of income tax expenses (recoveries) of $0.7 and $(1.1), respectively.

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

Consolidated Statements of Changes in Equity

(in millions of US dollars, unaudited)

For the 24-week period ended					**October 15, 2023**
	Capital stock	**Contributed surplus**	**Retained earnings**	**Accumulated other comprehensive loss (Note 7)**	**Equity**
	$	**$**	**$**	**$**	**$**
Balance, beginning of period	**614.7**	**28.8**	**12,934.6**	**(1,013.6)**	**12,564.5**
Comprehensive income:					
Net earnings			**1,653.3**		**1,653.3**
Other comprehensive loss				**(61.0)**	**(61.0)**
					1,592.3
Share repurchases (Note 8)	**(11.5)**		**(891.4)**		**(902.9)**
Dividends declared			**(204.4)**		**(204.4)**
Stock option-based compensation expense		**3.3**			**3.3**
Exercise of stock options	**15.9**	**(3.9)**			**12.0**
Balance, end of period	**619.1**	**28.2**	**13,492.1**	**(1,074.6)**	**13,064.8**

For the 24-week period ended					October 9, 2022
	Capital stock	Contributed surplus	Retained earnings	Accumulated other comprehensive loss (Note 7)	Equity
	$	$	$	$	$
Balance, beginning of period	639.9	25.8	12,521.0	(749.1)	12,437.6
Comprehensive income:					
Net earnings			1,682.8		1,682.8
Other comprehensive loss				(475.5)	(475.5)
					1,207.3
Share repurchases	(9.9)		(673.3)		(683.2)
Dividends declared			(171.6)		(171.6)
Transfer of realized gain on investments in equity instruments measured at fair value through other comprehensive income			3.8	(3.8)	—
Stock option-based compensation expense		3.0			3.0
Exercise of stock options	1.2	(0.4)			0.8
Balance, end of period	631.2	28.4	13,362.7	(1,228.4)	12,793.9

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

Consolidated Statements of Cash Flows

(in millions of US dollars, unaudited)

	12 weeks		24 weeks	
For the periods ended	**October 15, 2023**	October 9, 2022	**October 15, 2023**	October 9, 2022
	$	$	**$**	$
Operating activities				
Net earnings	**819.2**	810.4	**1,653.3**	1,682.8
Adjustments to reconcile net earnings to net cash provided by operating activities				
Depreciation, amortization, impairment and amortization of financing costs	**370.5**	354.8	**732.0**	675.1
Changes in non-cash working capital	**(308.5)**	(65.5)	**(136.9)**	(114.1)
Net changes in commodity indexed deposits and fuel swaps (Note 10)	**54.3**	(38.7)	**54.0**	(115.5)
Reclassification adjustment (Note 5)	**(32.9)**	—	**(32.9)**	—
Deferred income taxes	**6.7**	28.9	**22.0**	46.6
Share of earnings of joint ventures and associated companies, net of dividends received	**3.8**	11.6	**(4.7)**	8.9
Non-operating foreign exchange loss	**0.8**	62.4	**4.8**	81.8
Loss (gain) on disposal of property and equipment and other assets	**0.2**	(20.4)	**(3.3)**	(33.4)
Other	**19.7**	15.6	**34.7**	35.6
Net cash provided by operating activities	**933.8**	1,159.1	**2,323.0**	2,267.8
Investing activities				
Investment in term deposits (Note 5)	**(520.9)**	—	**(520.9)**	—
Purchase of property and equipment, intangible assets and other assets	**(418.5)**	(319.2)	**(713.1)**	(660.0)
Purchase of equity instruments, other financial assets and investments and loans related to Fire & Flower (Notes 3 and 10)	**(65.4)**	(4.6)	**(118.1)**	(28.1)
Business acquisitions (Note 2)	**(34.7)**	(209.7)	**(45.2)**	(210.3)
Proceeds from disposal of property and equipment and other assets	**15.8**	65.1	**37.6**	79.5
Proceeds from repayments of loans granted to Fire & Flower (Note 3) and from disposal of investments in equity instruments	**15.7**	124.5	**15.7**	124.5
Change in restricted cash	**3.6**	12.7	**8.1**	11.7
Investment in a joint venture	**—**	—	**—**	(30.1)
Net cash used in investing activities	**(1,004.4)**	(331.2)	**(1,335.9)**	(712.8)
Financing activities				
Share repurchases (Note 8)	**(672.9)**	(188.4)	**(902.9)**	(723.1)
Issuance of Canadian-dollar-denominated senior unsecured notes, net of financing costs (Note 5)	**591.9**	—	**591.9**	—
Net (repayment) issuance of unsecured commercial paper notes (Note 5)	**(169.3)**	—	**310.3**	—
Principal elements of lease payments	**(111.7)**	(106.8)	**(215.3)**	(207.5)
Cash dividends paid	**(100.3)**	(171.6)	**(204.4)**	(171.6)
Exercise of stock options	**8.8**	—	**12.0**	0.8
Net payments on other debts	**(0.5)**	(52.5)	**(0.2)**	(52.8)
Net cash used in financing activities	**(454.0)**	(519.3)	**(408.6)**	(1,154.2)
Effect of exchange rate fluctuations on cash and cash equivalents	**(27.3)**	(47.7)	**(8.0)**	(88.4)
Net (decrease) increase in cash and cash equivalents	**(551.9)**	260.9	**570.5**	312.4
Cash and cash equivalents, beginning of period	**1,956.6**	2,195.4	**834.2**	2,143.9
Cash and cash equivalents, end of period	**1,404.7**	2,456.3	**1,404.7**	2,456.3
Supplemental information:				
Interest paid	**113.8**	96.2	**204.4**	161.0
Interest and dividends received	**49.3**	37.2	**78.5**	48.1
Income taxes paid, net	**306.3**	177.8	**384.8**	167.8

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

Consolidated Balance Sheets

(in millions of US dollars, unaudited)

	As at October 15, 2023	As at April 30, 2023
	$	$
Assets		
Current assets		
Cash and cash equivalents	**1,404.7**	834.2
Restricted cash	**5.7**	13.8
Accounts receivable	**2,461.8**	2,298.5
Inventories	**2,204.2**	2,176.0
Prepaid expenses	**126.0**	151.6
Other short-term financial assets (Notes 5 and 10)	**698.4**	95.0
Income taxes receivable	**0.7**	100.5
	6,901.5	5,669.6
Property and equipment	**11,942.0**	11,873.0
Right-of-use assets	**3,312.5**	3,385.1
Intangible assets	**729.1**	762.2
Goodwill	**6,615.1**	6,621.5
Other assets	**357.5**	330.5
Other long-term financial assets (Note 10)	**286.7**	172.9
Investments in joint ventures and associated companies	**186.6**	183.4
Deferred income taxes	**66.6**	51.0
	30,397.6	29,049.2
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	**4,456.1**	4,497.9
Short-term provisions	**141.8**	147.9
Other short-term financial liabilities (Note 10)	**148.9**	0.8
Income taxes payable	**59.4**	79.6
Short-term debt and current portion of long-term debt (Note 5)	**823.4**	0.7
Current portion of lease liabilities	**431.2**	438.1
	6,060.8	5,165.0
Long-term debt (Note 5)	**5,921.4**	5,888.3
Lease liabilities	**3,078.8**	3,138.8
Long-term provisions	**651.0**	647.7
Pension benefit liability	**79.1**	85.1
Other long-term financial liabilities (Note 10)	**57.4**	93.8
Deferred credits and other liabilities	**186.8**	182.1
Deferred income taxes	**1,297.5**	1,283.9
	17,332.8	16,484.7
Equity		
Capital stock (Note 8)	**619.1**	614.7
Contributed surplus	**28.2**	28.8
Retained earnings	**13,492.1**	12,934.6
Accumulated other comprehensive loss (Note 7)	**(1,074.6)**	(1,013.6)
	13,064.8	12,564.5
	30,397.6	29,049.2

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

1. CONSOLIDATED FINANCIAL STATEMENTS PRESENTATION

The unaudited interim condensed consolidated financial statements (the “interim financial statements”) have been prepared by the Corporation in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34 *Interim Financial Reporting*.

These interim financial statements have been prepared in accordance with the same accounting policies and methods as the audited annual consolidated financial statements for the year ended April 30, 2023. The interim financial statements do not include all the information required for complete financial statements and should be read in conjunction with the audited annual consolidated financial statements and notes thereto in the Corporation’s 2023 Annual Report (the “fiscal 2023 consolidated financial statements”). The results of operations for the interim periods presented do not necessarily reflect results expected for the full fiscal year. The Corporation’s business follows a seasonal pattern. The busiest period is generally the first half-year of each fiscal year, which includes summer sales.

On November 28, 2023, the Corporation’s interim financial statements were approved by the Board of Directors.

2. BUSINESS ACQUISITIONS

2024

During the 24-week period ended October 15, 2023, the Corporation acquired 10 company-operated stores, for which it owns the building and the land for 7 sites and leases the building and the land for the other sites. These transactions were settled for a total consideration of $45.2 using available cash and generated goodwill for an amount of $19.3. These acquisitions were concluded in order to expand the Corporation's market share and generated goodwill mainly due to the strategic value of the acquired stores for the Corporation. Since the date of acquisition, revenues and net earnings from these stores amounted to $15.5 and $1.0, respectively.

On November 1, 2023, subsequent to the end of the second quarter of fiscal 2024, the Corporation closed the acquisition of 112 company-owned and operated convenience retail and fuel sites operating under the MAPCO brand and located in the states of Alabama, Georgia, Kentucky, Mississippi and Tennessee, in the United States. The acquisition also includes surplus properties and a logistics fleet. The transaction was settled for a consideration of $471.0, subject to post closing adjustments, and was financed using the Corporation’s available cash and its United States commercial paper program. Considering the timing and the size of this acquisition, the available financial information as at the date of publication of these interim financial statements does not allow for disclosure of the preliminary estimates of the fair value of assets acquired and liabilities assumed for this acquisition.

For the 24-week period ended October 15, 2023, acquisition costs of $7.7 in connection with these acquisitions and other unrealized and ongoing acquisitions are included in Operating, selling, general and administrative expenses.

Commitments for business acquisitions

On July 7, 2023, the Corporation reached an agreement to acquire 2,193 sites from TotalEnergies SE for a total cash consideration of approximately €3,100.0 ($3,400.0). 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. Subsequent to the end of the second quarter of fiscal 2024, the Corporation has received a decision from the European Commission not to oppose the acquisition. The Corporation expects the transaction to close before the end of calendar year 2023 and it remains subject to customary closing conditions. The transaction would be financed using available cash, existing credit facilities, including the United States commercial paper program, and new term loans. During the fiscal year ended April 30, 2023, to mitigate the currency fluctuation risk associated with the Euro, the Corporation entered into currency forward contracts with financial institutions for a portion of the consideration, representing €1,600.0. In April 2023, the Corporation obtained commitments for new term loans of €1,500.0 and $1,750.0. The term loans are available exclusively to finance this transaction.

(in millions of US dollars, except per share and stock option data, or unless otherwise noted)

2023

Given the timing and the size of certain business acquisitions concluded during the fiscal year ended April 30, 2023, the Corporation has not yet completed its fair value assessment of the assets acquired, the liabilities assumed and the resulting goodwill and there were no changes to the preliminary estimates of the fair value of assets acquired and liabilities assumed presented in Note 4 of the fiscal 2023 consolidated financial statements. The preliminary estimates are therefore subject to adjustments to the fair value of the assets, liabilities and goodwill until the processes are completed, mainly relating to property and equipment, right-of-use assets, intangible assets and deferred income taxes.

3. INVESTMENTS IN FIRE & FLOWER HOLDINGS CORP. ("FIRE & FLOWER")

On June 6, 2023, following the reception by Fire & Flower of an order for creditor protection under the *Companies' Creditors Arrangement Act*, the Corporation executed a facility agreement with Fire & Flower pursuant to which it agreed to advance a CA $9.8 ($7.2) 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 the Corporation's wholly-owned subsidiaries was acting as stalking horse bidder. On August 15, 2023, an auction was held in accordance with the SISP and the Corporation's wholly-owned subsidiary was not the successful bidder. The transaction contemplated by the successful bid was completed on September 15, 2023, and as a result, the principal and accrued interests related to the debtor-in-possession loan and a CA $11.0 ($8.0) secured loan, which was granted to Fire & Flower, were repaid, and the Corporation's ownership interest in Fire & Flower was cancelled. During the 12 and 24-week periods ended October 15, 2023, losses of $2.0 and $3.5, respectively, were recorded, bringing the carrying amount of the Corporation's ownership interest in Fire & Flower to nil.

On June 30, 2023, the unsecured convertible debentures matured without being converted and the Series C Warrants expired without being exercised. As at October 15, 2023, the CA $2.4 ($1.8) outstanding principal of unsecured debentures had a carrying amount of nil.

4. FINANCIAL EXPENSES AND OTHER FINANCIAL ITEMS

	12 weeks		24 weeks	
For the periods ended	**October 15, 2023**	October 9, 2022	**October 15, 2023**	October 9, 2022
	$	$	**$**	$
Financial expenses				
Interest on short-term debt and long-term debt	**75.8**	55.6	**143.7**	105.7
Interest on lease liabilities	**26.3**	20.6	**51.9**	40.6
Accretion of provisions	**6.8**	4.2	**13.6**	8.4
Other finance costs	**4.0**	3.0	**4.2**	4.8
	112.9	83.4	**213.4**	159.5
Other financial items				
Interest on bank deposits and term deposits	**(34.4)**	(22.0)	**(65.5)**	(29.1)
Other financial revenues	**(2.1)**	(1.7)	**(3.1)**	(3.7)
Change in fair value of financial instruments classified at fair value through earnings or loss	**9.8**	(0.1)	**11.8**	(1.0)
Reclassification adjustment (Note 5)	**(32.9)**	—	**(32.9)**	—
	(59.6)	(23.8)	**(89.7)**	(33.8)

(in millions of US dollars, except per share and stock option data, or unless otherwise noted)

5. SHORT-TERM DEBT AND LONG-TERM DEBT

	As at October 15, 2023	As at April 30, 2023
	$	$
US-dollar-denominated senior unsecured notes, maturing from July 2027 to May 2051	**3,970.4**	3,969.5
Canadian-dollar-denominated senior unsecured notes, maturing from July 2024 to September 2030[(a)]	**1,603.9**	1,025.2
Euro-denominated senior unsecured notes, maturing in May 2026	**787.9**	821.9
NOK-denominated senior unsecured notes, maturing in February 2026	**61.6**	62.7
Unsecured commercial paper notes, maturing from October to November 2023[(b)]	**311.4**	—
Other debts	**9.6**	9.7
	6,744.8	5,889.0
Short-term debt and current portion of long-term debt	**823.4**	0.7
Long-term portion of long-term debt	**5,921.4**	5,888.3

(a) Canadian-dollar-denominated senior unsecured notes

On September 25, 2023, the Corporation issued the following Canadian-dollar-denominated senior unsecured notes:

Issuance date	Principal amount	Maturity	Coupon rate	Effective rate	Interest payment dates
September 25, 2023	CA $800.0	September 25, 2030	5.59%	5.70%	March 25th and September 25th

The Corporation used the $591.9 net proceeds from the issuance for corporate purposes as well as to invest an amount of CA $700.0 ($511.7 as at October 15, 2023) in term deposits with major financial institutions which meet the Corporation's minimum credit ratings requirements. The term deposits will mature on July 23, 2024, bear interest at a weighted average annual rate of 6.15%, and are classified in Other short-term financial assets on the consolidated balance sheet.

Following the issuance of those Canadian-dollar-denominated senior unsecured notes and in relation with the repayment of the Canadian-dollar-denominated senior unsecured notes and associated cross-currency interest rate swaps maturing on July 26, 2024, the Corporation has entered into currency forward contracts with the following terms:

Receive - Notional	Pay - Notional	Exchange rate (Canadian dollar per US dollar)	Maturity date	Fair value as at October 15, 2023 (Note 10)
$260.6	CA $350.0	From 1.3391 to 1.3481	July 2024	**$3.5**

The changes in fair value of these currency forward contracts are recognized in the consolidated statements of earnings as foreign exchange gain or loss and they were classified in Other short-term financial assets on the consolidated balance sheet as at October 15, 2023.

As a result of the issuance of those Canadian-dollar-denominated senior unsecured notes, the Corporation determined that an anticipated issuance of US-dollar-denominated senior unsecured notes, for which the proceeds were intended to be used for the repayment of the Canadian-dollar-denominated senior unsecured notes maturing in July 2024, was no longer expected to occur. The Corporation had designated the following forward starting interest rate swaps as a cash flow hedge of its interest rate risk related to the variability of the interest payments on the anticipated issuance, which led to a pre-tax reclassification adjustment of $32.9 from Other comprehensive loss to Other financial items in the consolidated statement of earnings.

Issuance year	Notional amount	Interest rate swaps terms	Rate	Maturity date
2022	$275.0	10 years	From 2.06% to 2.26%	July 2024

Following the reclassification adjustment, the Corporation designated these forward starting interest rate swaps as a cash flow hedge of its interest rate risk related to the variability of the interest payments on the anticipated issuance of US-dollar-denominated senior unsecured notes in calendar year 2024.

(b) United States commercial paper program

As at October 15, 2023, the weighted average effective interest rate of the outstanding unsecured commercial paper notes was 5.63%.

Term revolving unsecured operating credit facility

As at October 15, 2023, the operating credit facility was not used, and the Corporation was in compliance with the restrictive covenants and ratios imposed by the credit facility agreement.

6. NET EARNINGS PER SHARE

The following tables present the information for the computation of basic and diluted net earnings per share:

	12-week period ended October 15, 2023			12-week period ended October 9, 2022		
	Net earnings	**Weighted average number of shares (in millions)**	**Net earnings per share**	Net earnings	Weighted average number of shares (in millions)	Net earnings per share
	$		**$**	$		$
Basic net earnings	**819.2**	**966.6**	**0.85**	810.4	1,021.1	0.79
Dilutive effect of stock options	**—**	**1.5**	**—**	—	1.7	—
Diluted net earnings	**819.2**	**968.1**	**0.85**	810.4	1,022.8	0.79

	24-week period ended October 15, 2023			24-week period ended October 9, 2022		
	Net earnings	**Weighted average number of shares (in millions)**	**Net earnings per share**	Net earnings	Weighted average number of shares (in millions)	Net earnings per share
	$		**$**	$		$
Basic net earnings	**1,653.3**	**972.5**	**1.70**	1,682.8	1,023.3	1.64
Dilutive effect of stock options	**—**	**1.6**	**—**	—	1.7	—
Diluted net earnings	**1,653.3**	**974.1**	**1.70**	1,682.8	1,025.0	1.64

When they have an antidilutive effect, stock options must be excluded from the calculation of the diluted net earnings per share. For each of the 12 and 24-week periods ended October 15, 2023, 382,941 stock options were excluded (nil for each of the 12 and 24-week periods ended October 9, 2022).

7. ACCUMULATED OTHER COMPREHENSIVE LOSS

	Cumulative translation adjustments[(a)]	**Net investment hedge[(a)]**	**Cash flow hedge[(a)(c)]**	**Cumulative net actuarial gain[(b)]**	**Investments in equity instruments measured at fair value through Other comprehensive income (loss)[(b)]**	**Accumulated other comprehensive loss**
	$	**$**	**$**	**$**	**$**	**$**
24-week period ended October 15, 2023						
Balance, beginning of period	**(764.4)**	**(341.6)**	**54.1**	**36.7**	**1.6**	**(1,013.6)**
Other comprehensive (loss) income	**(86.9)**	**(19.8)**	**26.2**	**12.5**	**7.0**	**(61.0)**
Balance, end of period	**(851.3)**	**(361.4)**	**80.3**	**49.2**	**8.6**	**(1,074.6)**
24-week period ended October 9, 2022						
Balance, beginning of period	(522.5)	(292.4)	21.2	33.1	11.5	(749.1)
Other comprehensive (loss) income	(415.5)	(86.2)	27.2	16.4	(17.4)	(475.5)
Transfer of realized gain on investments in equity instruments measured at fair value through Other comprehensive income (loss)	—	—	—	—	(3.8)	(3.8)
Balance, end of period	(938.0)	(378.6)	48.4	49.5	(9.7)	(1,228.4)

(a) May be reclassified subsequently to earnings.
(b) Will never be reclassified to earnings.
(c) For the 24-week period ended October 15, 2023, includes a reclassification adjustment of $28.5 (net of income taxes of $4.4) in relation with a forecasted transaction no longer expected to occur (Note 5).

8. CAPITAL STOCK

Issued and outstanding shares

The table below presents the changes in the number of shares for the 24-week period ended October 15, 2023:

Common shares (in millions)	
Balance, beginning of period	**981.3**
Share repurchases[(a)]	**(18.2)**
Issuance of shares on stock options exercised[(b)]	**0.8**
Balance, end of period	**963.9**

(a) Share repurchase program

On April 26, 2023, the Toronto Stock Exchange approved the renewal of the Corporation's share repurchase program, which took effect on May 1, 2023. The renewed share repurchase program allows the Corporation to repurchase up to 49,066,629 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 12 and 24-week periods ended October 15, 2023, the Corporation repurchased 13,550,637 and 18,224,237 shares, respectively. These repurchases were settled for amounts of $672.9 and $902.9, respectively.

Subsequent to the end of the second quarter of fiscal 2024, the Corporation repurchased 292,900 shares for an amount of $15.7.

When making such repurchases, the number of shares in circulation is reduced and the proportionate interest of all remaining shareholders in the Corporation's share capital is increased on a pro rata basis. All shares repurchased under the share repurchase program were cancelled upon their repurchase. An automatic securities purchase plan, which was pre-cleared by the Toronto Stock Exchange, is also in place and could allow a designated broker to repurchase the Corporation's shares on its behalf within parameters established by the Corporation.

(b) Stock options

The table below presents the status of the Corporation's stock option plan as at October 15, 2023, and October 9, 2022, and the changes therein during the periods then ended:

For the 24-week periods ended	**October 15, 2023**	October 9, 2022
Number of stock options (in thousands)		
Outstanding, beginning of period	**3,417.7**	3,423.7
Granted	**394.3**	425.7
Exercised	**(750.1)**	(72.8)
Forfeited	**(17.7)**	(10.3)
Outstanding, end of period	**3,044.2**	3,766.3

The description of the Corporation's stock-based compensation plan is included in Note 28 of the fiscal 2023 consolidated financial statements.

(in millions of US dollars, except per share and stock option data, or unless otherwise noted)

9. SEGMENTED INFORMATION

The Corporation operates convenience stores in the United States, in Europe and Asia, which are presented together as Europe and other regions, and in Canada. It operates in one reportable segment, the sale of goods for immediate consumption, road transportation fuel and other products mainly through company-operated and franchised stores. The Corporation operates its convenience store chain under various banners, including Circle K, Couche-Tard, Holiday, and Ingo. Revenues from external customers mainly fall into three categories: merchandise and service, road transportation fuel and other.

Information on the principal revenue categories as well as geographic information is as follows:

	12-week period ended October 15, 2023				12-week period ended October 9, 2022			
	United States	**Europe and other regions**	**Canada**	**Total**	United States	Europe and other regions	Canada	Total
	$	**$**	**$**	**$**	$	$	$	$
External customer revenues[a]								
Merchandise and service	**2,936.7**	**570.9**	**606.2**	**4,113.8**	2,903.0	550.9	617.9	4,071.8
Road transportation fuel	**8,062.7**	**2,587.2**	**1,506.0**	**12,155.9**	8,236.0	2,837.5	1,453.1	12,526.6
Other	**9.5**	**138.4**	**8.0**	**155.9**	8.5	265.6	7.0	281.1
	11,008.9	**3,296.5**	**2,120.2**	**16,425.6**	11,147.5	3,654.0	2,078.0	16,879.5
External customer revenues less Cost of sales, excluding depreciation, amortization and impairment								
Merchandise and service	**1,021.0**	**220.6**	**201.1**	**1,442.7**	987.5	211.1	205.0	1,403.6
Road transportation fuel	**1,064.4**	**252.8**	**137.4**	**1,454.6**	1,058.0	241.8	124.9	1,424.7
Other	**9.5**	**22.6**	**7.1**	**39.2**	8.5	18.4	5.0	31.9
	2,094.9	**496.0**	**345.6**	**2,936.5**	2,054.0	471.3	334.9	2,860.2

	24-week period ended October 15, 2023				24-week period ended October 9, 2022			
	United States	**Europe and other regions**	**Canada**	**Total**	United States	Europe and other regions	Canada	Total
	$	**$**	**$**	**$**	$	$	$	$
External customer revenues[a]								
Merchandise and service	**5,942.0**	**1,192.9**	**1,254.7**	**8,389.6**	5,807.9	1,088.0	1,248.4	8,144.3
Road transportation fuel	**15,584.9**	**4,850.9**	**2,955.3**	**23,391.1**	17,917.4	5,813.4	3,114.9	26,845.7
Other	**17.7**	**233.5**	**16.9**	**268.1**	18.2	516.1	12.9	547.2
	21,544.6	**6,277.3**	**4,226.9**	**32,048.8**	23,743.5	7,417.5	4,376.2	35,537.2
External customer revenues less Cost of sales, excluding depreciation, amortization and impairment								
Merchandise and service	**2,051.0**	**468.8**	**420.8**	**2,940.6**	1,972.8	419.8	413.9	2,806.5
Road transportation fuel	**2,139.0**	**450.4**	**274.5**	**2,863.9**	2,089.4	522.5	257.3	2,869.2
Other	**17.7**	**38.9**	**13.8**	**70.4**	18.2	38.2	10.9	67.3
	4,207.7	**958.1**	**709.1**	**5,874.9**	4,080.4	980.5	682.1	5,743.0
Total long-term assets[a][b][c]	**15,970.9**	**3,936.5**	**2,898.8**	**22,806.2**	14,473.8	3,741.5	2,879.1	21,094.4

(a) Geographic areas are determined according to where the Corporation generates operating income (where the sale takes place) and according to the location of the long-term assets.

(b) Excluding financial instruments, deferred tax assets and post-employment benefit assets.

(c) Comparative figures as at October 9, 2022 were adjusted from $2,904.9 to $2,879.1 for Canada to reflect the finalization of the estimates of the fair value of assets acquired and liabilities assumed for the acquisition of Cape D'Or Holdings Limited, Barrington Terminals Limited and other related holding entities.

(in millions of US dollars, except per share and stock option data, or unless otherwise noted)

10. FAIR VALUE

The fair value of trade accounts receivable, proprietary cards receivable and vendor rebates receivable, credit and debit cards receivable from payment-processing providers, term deposits, secured loan granted to Fire & Flower (as at April 30, 2023, Note 3), accounts payable and accrued liabilities and outstanding unsecured commercial paper notes is comparable to their carrying amounts given their short maturity.

The estimated fair value of each class of financial instruments, the methods and assumptions that were used to determine them and their fair value hierarchy are as follows:

Financial instruments at fair value on the consolidated balance sheets:

	Estimated fair value as at		Consolidated balance sheets classification	Methods and assumptions used	Fair value hierarchy
	October 15, 2023	April 30, 2023			
	$	$			
Share units total return swaps - Current	**16.4**	10.8	Other short-term financial assets	Fair market value of the Corporation's shares	Level 2
Share units total return swaps - Non-current	**19.1**	15.8	Other long-term financial assets	Fair market value of the Corporation's shares	Level 2
Commodity indexed deposits	**26.5**	20.1	Other short-term financial assets	Market rates	Level 2
US dollar / Canadian dollar currency forwards	**3.5**	—	Other short-term financial assets	Market rates	Level 2
Euro / US dollar currency forwards	**(52.7)**	41.9	Other short-term financial assets (liabilities)	Market rates	Level 2
Forward starting interest rate swaps	**131.8**	—	Other short-term financial assets	Market rates	Level 2
Forward starting interest rate swaps	**41.6**	37.5	Other long-term financial assets	Market rates	Level 2
Forward starting interest rate swaps	**—**	(3.1)	Other long-term financial liabilities	Market rates	Level 2
Fuel swaps	**8.5**	19.7	Other short-term financial assets	Market rates	Level 2
Fuel swaps	**(49.2)**	—	Other short-term financial liabilities	Market rates	Level 2
Investments in equity instruments	**146.2**	30.0	Other long-term financial assets	Unadjusted quoted prices	Level 1
Investments in equity instruments	**69.7**	79.5	Other long-term financial assets	Latest transactions / Cessation of operations	Level 3
Investments in other financial assets	**10.1**	10.1	Other long-term financial assets	Latest transactions / Cessation of operations	Level 3
Currency put and call options	**—**	(0.8)	Other short-term financial liabilities	Market rates	Level 2
Cross-currency interest rate swaps	**(43.8)**	—	Other short-term financial liabilities	Market rates	Level 2
Cross-currency interest rate swaps	**(57.4)**	(90.7)	Other long-term financial liabilities	Market rates	Level 2
Other currency derivatives	**(3.2)**	0.5	Other short-term financial assets (liabilities)	Market rates	Level 2
Unsecured convertible debentures and common share warrants	**—**	2.1	Other short-term financial assets	Longstaff-Schwartz / Monte Carlo / Black-Scholes	Level 3

The table below shows the amounts related to the investments in equity instruments (Level 3) and investments in other financial assets (Level 3) presented on the consolidated balance sheets:

	Estimated fair value
	$
24-week period ended October 15, 2023	
Balance, beginning of period	**89.6**
Loss recognized in Other financial items[(1)]	**(9.8)**
Balance, end of period	**79.8**

(1) Related to financial instruments still held by the Corporation as at October 15, 2023.

The valuations of these financial instruments were mainly based on prices for similar instruments stemming from larger private investments. Subsequently, in order to determine if any adjustments to their fair value is required, the Corporation performs an ongoing review of its investments. A number of factors are reviewed and monitored including, but not limited to, current operating performance of investees as well as changes in their respective market, economic and financing environment over time. As at October 15, 2023, following its review, the Corporation determined that sensitivity to unobservable inputs is not deemed to have a significant impact on the estimated fair value of those financial instruments given the limited impact of the few underlying assumptions used in their valuation.

(in millions of US dollars, except per share and stock option data, or unless otherwise noted)

The Corporation performs the valuation of its financial instruments required for financial reporting purposes, including Level 2 and Level 3 fair values. Changes in Level 2 and Level 3 fair values are analyzed at the end of each reporting period by the Corporation and reports explaining the reasons for the fair value movements are presented to the Corporation's management.

Financial instruments not at fair value on the consolidated balance sheets:

The table below presents the fair value, which is based on unadjusted quoted prices (Level 1) or on observable market data (Level 2), and the carrying value of the Corporation's senior unsecured notes which are not measured at fair value on the consolidated balance sheets:

	As at October 15, 2023		As at April 30, 2023	
	Carrying value	**Fair value**	Carrying value	Fair value
	$	**$**	$	$
US-dollar-denominated senior unsecured notes (Level 2)	**3,970.4**	**3,063.6**	3,969.5	3,309.2
Canadian-dollar-denominated senior unsecured notes (Level 1)	**1,603.9**	**1,579.8**	1,025.2	1,004.3
Euro-denominated senior unsecured notes (Level 2)	**787.9**	**741.5**	821.9	777.4
NOK-denominated senior unsecured notes (Level 2)	**61.6**	**59.5**	62.7	61.5

11. SUBSEQUENT EVENT

Dividends

During its November 28, 2023 meeting, the Board of Directors declared a quarterly dividend of CA 17.5¢ per share for the second quarter of fiscal 2024 to shareholders on record as at December 7, 2023, and approved its payment effective December 21, 2023. This is an eligible dividend within the meaning of the *Income Tax Act* (Canada).