

Convenience Store Market Quarterly Newsletter

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About Trefethen Advisors, LLC

Trefethen Advisors is a privately held investment bank. Trefethen is unique in its ability to maximize value for its clients by providing strategy-led, consultative investment banking services in situations requiring specialized industry, analytical, and/or structuring expertise. We offer skilled transaction execution capabilities and a full range of financial and strategic advisory services:

- Mergers & Acquisitions (Buy-Side & Sell-Side)
- Corporate Finance
- Financial Restructuring and Distressed M&A
- ESOP Buyouts

Corporate Finance Products Include:

- Family Offices
- Venture Capital
- Debt/Sub-Debt
- Private Equity
- Financial Companies
- Sale-Leaseback Financing

For more company information, please visit our website at www.trefethenib.com

For more c-store information, please contact Robert Valentine at rvalentine@trefethenib.com or Todd Anderson at tanderson@trefethenib.com

Trefethen Advisors, LLC is pleased to bring you this quarterly edition of its market update. This periodical is designed to provide current information on the public equity markets, convenience retailing markets, M&A activity as well as market and sector commentary. If you would like to add any colleagues to this newsletter, please contact us at mokeefe@trefethenib.com

Market Summary

Over the first three months of 2017, equity markets around the world had a strong start, driven by improving economic growth and rising corporate earnings. However, the U.S. equity rally took a pause in March, as doubts started to emerge about the ability of President Trump to push through key parts of his agenda such as tax reform and infrastructure spending. Overall, S&P 500 and NASDAQ rose 5.04% and 8.83%, respectively.

C-Store Market Summary

The quarter's biggest M&A news story was 7-Eleven's acquisition of approximately 1,110 Sonoco stores. Sonoco's exit from most of its retail operations signals a clear intention for the MLP to focus efforts on wholesale distribution. Meanwhile, 7-Eleven moved closer to its near-term goal of operating 10,000 North American stores by acquiring approximately 550 locations in Texas, 450 in New York, and 110 in Florida. Separately, Sonoco plans to sell 207 additional stores while retaining only 54 retail locations in Hawaii.



Money & Commodity Markets

Money Markets

3/31/2017 -1 Week -3 Month -6 Month -1 Year

Treasury Rates

6 Month	0.91%	0.89%	0.62%	0.45%	0.39%
1 Year	1.03%	1.00%	0.85%	0.59%	0.59%
5 Year	1.93%	1.93%	1.93%	1.14%	1.21%
10 year	2.40%	2.40%	2.45%	1.60%	1.78%
30 year	3.02%	3.00%	3.06%	2.32%	2.61%

Swaps

3 Year	1.81%	1.81%	1.68%	1.05%	0.98%
5 year	2.06%	2.06%	1.98%	1.16%	1.21%
10 year	2.40%	2.40%	2.35%	1.44%	1.67%
30 year	2.67%	2.65%	2.60%	1.77%	2.15%

LIBOR

1 Month	0.98%	0.98%	0.77%	0.53%	0.44%
3 Month	1.15%	1.15%	1.00%	0.85%	0.63%
1 year	1.80%	1.80%	1.69%	1.55%	1.21%

Other Key Rates

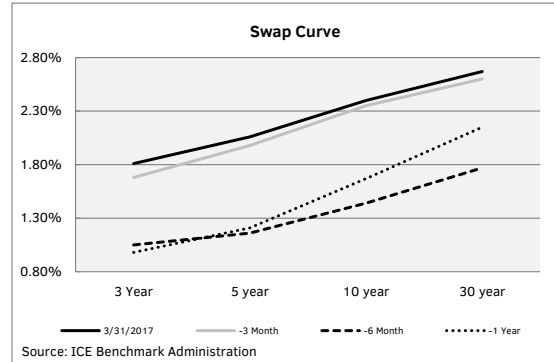
Prime	4.00%	4.00%	3.75%	3.50%	3.50%
Discount	1.50%	1.50%	1.25%	1.00%	1.00%

Foreign Exchange

Dollar Index (USD/Basket)	100.22	99.44	102.29	95.39	94.58
Pound/USD	1.25	1.25	1.23	1.30	1.44
Euro/USD	1.07	1.08	1.06	1.12	1.14
USD/Yen	111.50	111.03	116.75	101.28	112.36
USD/CNY	6.89	6.88	6.94	6.67	6.45

Market Commentary

Even though the Fed raised its benchmark short-term rate by another 25 bps, longer-term Treasury yields remained unchanged over the months. U.S. Dollar Index continued to be volatile due to the uncertain political environment. Our featured economic statistic in this issue is the EURO/USD exchange rate curve



Featured Economic Graphic:



Commodity Markets

3/31/2017 -1 Week -3 Month -6 Month -1 Year

Energy Markets

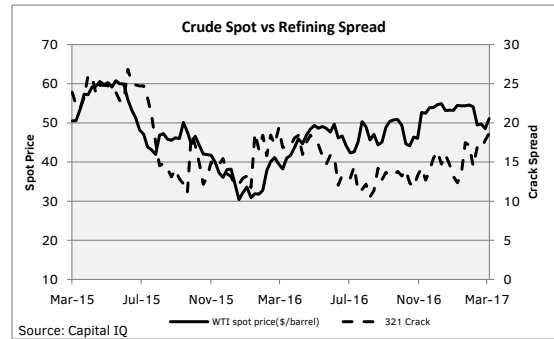
Crude (W. TX Cushing Spot)	51.07	48.51	54.66	48.82	39.75
Crack Spread (NYMEX 3-2-1)	18.66	17.78	16.32	13.68	19.33
Retail Gasoline (US Avg.)	2.31	2.29	2.32	2.22	2.03
Retail Fuel Margins (CPG)	20.00	20.00	13.50	21.90	14.10

Other Commodity Markets

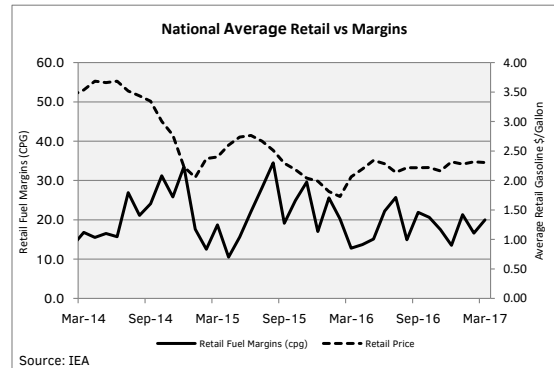
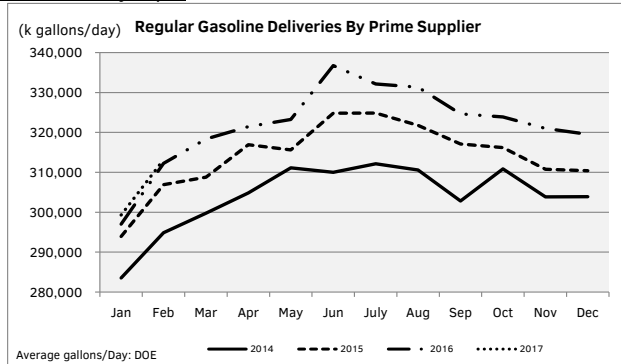
Gold	1,251.2	1,248.5	1,151.7	1,317.1	1,235.6
Silver	18.26	17.75	15.99	19.21	15.46
Wheat	4.26	4.24	4.08	4.02	4.73
Corn	3.64	3.56	3.52	3.36	3.51

Market Commentary

Oil prices stabilize above \$50 since December of last year. Our featured commodity graphic in this issue focuses on gasoline demand measured by average deliveries of gasoline by prime suppliers. Data through February 2017 show unchanged in deliveries over the previous year reflecting the demand is stabilizing.



Featured Commodity Graphic



Equity Markets

(\$MM, Except per Share Data)			\$ in Local Currency			Selected Financial Data (US \$)					Price/Earnings			TEV/EBITDA			Leverage		
Security	Most Recent Ticker	Qtr. End	Last	52 W High	52 W Low	Market Cap (MM)	Net Debt	TEV	TTM EPS	LTM EBITDA	LTM	NTM	+2Y	LTM	NTM	+2Y	Total Debt	Total Debt / LTM	Lease Adj. Leverage
			03/31/17	Est	Est							Est	Est		Est				
Indices																			
DOW JONES INDUS. AVG	^DJI		20,663	21,116	17,140														
S&P 500 INDEX	^SPX		2,363	2,396	2,001														
SPDR S&P RETAIL ETF	ARCA:XRT		42.24	48.26	39.50														
TREFETHEN C-STORE INDEX			55.24	63.18	47.31														
Convenience																			
ALIMENTATION COUCHE-TARD -B	TSX:ATD.B	01/17	45.08	51.50	38.43	25,832	3,327	29,159	2.20	2,358	22.9	17.7	16.3	12.4	10.2	9.5	3,941	1.7	2.5
CASEY'S GENERAL STORES	NasdaqGS:CASY	01/17	112.25	136.22	105.17	4,400	815	5,215	5.49	529	22.9	22.8	22.8	9.9	9.5	8.3	930	1.8	1.8
CST BRANDS, INC.*	NYSE:CST	12/16	48.09	48.50	36.02	3,645	1,446	5,641	1.63	376	11.3	30.4	30.4	15.0	13.8	11.8	1,583	4.2	4.6
MURPHY USA, INC.	NYSE:MUSA	03/17	73.42	80.44	56.92	2,709	651	3,360	4.29	395	13.1	16.0	16.0	8.5	8.1	7.5	687	1.7	1.9
TRAVELCENTERS OF AMERICA	NasdaqGS:TA	12/16	6.10	9.23	5.60	241	279	522	0.24	117	NM	18.9	18.9	4.5	3.5	3.1	340	2.9	6.4
Refining/Wholesale/Retail																			
ALON USA ENERGY INC	NYSE:ALJ	12/16	12.19	13.01	5.86	870	433	1,365	(1.17)	105	NM	NM	NM	13.0	7.0	7.2	569	5.4	6.0
CROSSAMERICA PARTNERS LP	NYSE:CAPL	12/16	26.18	27.94	22.50	882	544	1,426	0.22	104	119.5	55.5	55.5	13.8	12.4	11.3	545	5.3	4.3
DELEK US HOLDINGS INC	NYSE:DK	12/16	24.27	26.06	11.41	1,504	150	1,844	(3.88)	35	NM	NM	NM	52.6	6.6	7.2	839	23.9	15.1
GLOBAL PARTNERS LP	NYSE:GLP	12/16	19.50	21.95	12.28	654	1,444	2,100	(5.91)	130	NM	49.5	49.5	16.2	10.1	9.9	1,454	11.2	8.0
HOLLYFRONTIER CORP	NYSE:HFC	03/17	28.34	37.98	22.07	5,048	1,100	6,769	(1.86)	610	NM	17.2	17.2	11.1	6.4	5.2	2,235	3.7	1.1
MARATHON OIL CORP	NYSE:MRO	03/17	15.80	19.28	10.32	13,386	4,775	18,161	(2.16)	2,410	NM	NM	NM	7.5	6.9	5.9	7,275	3.0	0.3
MURPHY OIL CORP	NYSE:MUR	03/17	28.59	37.48	23.29	4,933	1,897	6,941	(0.10)	970	NM	59.4	59.4	7.2	4.8	4.5	2,984	3.1	3.1
PHILLIPS 66	NYSE:PSX	03/17	79.22	89.31	73.67	40,954	7,427	49,716	3.22	4,200	27.1	18.2	18.2	11.8	9.8	7.7	10,138	2.4	0.9
SUNOCO LP	NYSE:SUN	03/17	24.17	37.25	21.01	2,778	4,226	7,195	(4.85)	673	NM	29.2	29.2	10.7	10.0	9.3	4,300	6.4	6.6
TESORO CORP	NYSE:TSO	12/16	81.06	93.06	69.49	9,515	3,638	15,815	6.04	1,976	13.4	14.2	14.2	8.0	5.9	5.4	6,933	3.5	4.3
VALERO ENERGY CORP	NYSE:VLO	03/17	66.29	71.40	46.88	29,746	3,185	33,761	4.58	4,825	13.4	13.1	13.1	7.0	5.9	5.3	8,001	1.7	1.1
WESTERN REFINING INC	NYSE:WNR	03/17	35.07	40.09	18.14	3,812	1,668	6,080	1.00	600	28.3	20.0	20.0	10.1	8.3	6.7	1,936	3.2	0.9
Major Oil																			
BP PLC	LSE:BP	03/17	5.73	6.53	3.12	112,617	37,999	149,464	0.11	20,302	NM	16.1	16.1	7.4	5.5	4.8	61,832	3.0	3.8
CHEVRON CORP	NYSE:CVX	03/17	107.37	119.00	92.43	203,262	39,125	243,553	1.54	22,993	NM	24.3	24.3	10.6	6.5	6.2	46,126	2.0	0.3
CONOCOPHILLIPS	NYSE:COP	03/17	49.87	53.17	38.19	61,631	23,615	85,498	(1.11)	7,132	NM	67.1	67.1	12.0	8.0	6.6	27,275	3.8	0.6
EXXON MOBIL CORP	NYSE:XOM	03/17	82.01	95.55	80.31	340,056	38,710	385,666	2.40	38,371	43.7	20.3	20.3	10.1	7.5	7.2	43,607	1.1	1.2
ROYAL DUTCH SHELL PLC-A SHS	ENXTAM:RDSA	03/17	26.32	28.73	21.74	219,522	72,034	295,706	0.93	42,358	44.8	14.3	14.3	7.0	6.2	5.4	91,629	2.2	2.6
TOTAL SA	ENXTPA:FP	03/17	50.70	52.93	40.70	123,875	24,102	155,265	2.98	23,296	19.9	12.4	12.4	6.7	5.8	5.2	55,599	2.4	2.2
Drug																			
CVS CAREMARK CORP	NYSE:CVS	03/17	78.50	106.67	69.30	81,231	25,131	105,308	4.80	12,779	16.0	13.4	13.4	8.2	8.3	8.0	27,433	2.1	3.0
WALGREEN CO	NasdaqGS:WBA	02/17	83.05	88.00	75.74	89,645	7,090	99,286	3.89	8,583	22.0	16.1	16.1	11.6	10.3	8.8	18,912	2.2	3.7
Restaurant																			
DARDEN RESTAURANTS INC	NYSE:DRI	02/17	83.67	84.13	59.50	10,389	49	10,438	3.94	955	21.3	19.7	19.7	10.9	9.9	9.6	441	0.5	2.1
MCDONALD'S CORP	NYSE:MCD	03/17	129.61	131.96	110.33	106,150	24,733	130,883	5.66	9,613	23.8	21.1	21.1	13.6	13.6	13.3	25,957	2.7	1.3
STARBUCKS CORP	NasdaqGS:SBUX	01/17	58.39	61.64	50.84	85,098	1,010	86,114	1.95	5,473	29.9	26.4	26.4	15.7	14.6	12.9	3,186	0.6	1.9
YUM! BRANDS INC	NYSE:YUM	03/17	63.90	91.99	59.57	22,611	8,583	31,034	2.71	2,620	25.8	23.4	23.4	11.8	15.2	14.7	9,108	3.5	3.7
Grocery																			
KROGER CO	NYSE:KR	01/17	29.49	39.22	28.29	26,961	13,763	40,736	2.05	5,887	14.4	13.4	13.4	6.9	6.6	6.5	14,085	2.4	2.7
Home Improvement																			
HOME DEPOT INC	NYSE:HD	01/17	146.83	150.15	119.20	176,624	21,063	197,687	6.45	15,400	22.8	20.4	20.4	12.8	12.1	11.2	23,601	1.5	1.8
LOWE'S COS INC	NYSE:LOW	02/17	82.21	84.00	64.87	71,194	15,041	86,235	3.47	7,882	23.7	17.7	17.7	10.9	10.1	9.5	15,699	2.0	2.1
Discount																			
DOLLAR GENERAL CORP	NYSE:DG	02/17	69.73	96.88	66.50	19,182	3,024	22,206	4.43	2,465	15.7	15.6	15.6	9.0	9.1	8.5	3,212	1.3	3.0
WAL-MART STORES INC	NYSE:WMT	01/17	72.08	75.19	62.72	218,619	39,701	261,057	4.38	32,678	16.5	16.7	16.7	8.0	8.0	7.9	46,568	1.4	1.6

*Stock price reached an all-time high for the pending acquisition by Alimentation Couche-Tard

Alimentation Couche Tard, Inc.

Ticker: TSX:ATD.B

Alimentation Couche-Tard, Inc. operates a network of 24-hour convenience stores in the United States and Canada. In Europe, Couche-Tard is also a leader in convenience store and road transportation fuel retail in the Scandinavian and Baltic countries with a significant presence in Poland. The Company offers a variety of food and other products, fast-food services, lottery and gasoline sales, and automated banking machines.

(USD MM, Except per Share Data and Where Otherwise Noted)

Valuation Analytics (USD)

Latest Fiscal Year:

LTM as of:

52-Week High

52-Week Low

Daily Volume (30 Day Average, Thousand)

Current Price (USD)

52-Week High (% Chg)

52-Week Low (% Chg)

% 52 Week Price Range High/Low

Shares Outstanding (MM)

Market Capitalization (USD)

Total Debt

Preferred Stock

Minority Interest

Cash and Equivalents

Enterprise Value

Relative Stock Price Performance

YTD Change

YTD % Change

Spider Retail Index YTD % Change

4/24/2016

1/29/2017

51.50

38.43

1,080.90

45.08

(12.5%)

17.3%

34.0%

567.9

25,832

3,941

-

-

614

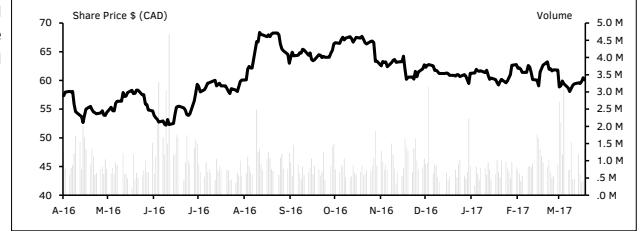
29,159

(0.24)

(1.3%)

(4.2%)

Share Price and Volume



Market Data

Dividend Yield %	0.60%
Beta 5Y	(0.65)
Float %	71.9%
Short Int. (Short Interest to Total Shares Outstanding)	-
1 Yr Return on Equity	21.6%
YTD Return	(1.3%)
Relative Strength Index	49.26
S&P STARS Ranking	NA
S&P Quality Ranking	A+

Valuation

	Last Fiscal	LTM	FY+1	FY+2
Enterprise Value / Revenue	0.9	0.8	0.8	0.6
Enterprise Value / EBITDA	12.7	12.4	12.0	9.7
Price / Earnings (P/E)	22.6	22.9	20.8	16.6

Income Statement (USD Millions)

	Fiscal Year Ended					Prev LTM	Cur LTM	FY+1	FY+2	FQ+1	FQ+2
	4/29/2012	4/28/2013	4/27/2014	4/26/2015	4/24/2016						
Sales	22,980	35,543	37,962	34,530	34,145	33,594	35,679	37,799	47,782	9,249	11,113
Gross Profit	2,975	4,610	4,988	5,268	6,082	6,198	6,337	NA	NA	NA	NA
Operating Expense	2,397	3,757	3,999	3,911	4,420	4,513	4,654	NA	NA	NA	NA
Operating Income	578	853	989	1,358	1,662	1,686	1,682	NA	NA	NA	NA
EBITDA	839	1,390	1,591	1,913	2,289	2,331	2,358	2,434	2,993	553	725
Net Income	458	573	811	929	1,194	1,125	1,138	1,185	1,554	NA	NA
Normalized Diluted EPS	0.81	1.11	1.35	1.80	2.09	2.16	2.08	2.16	2.71	0.47	0.66

Margins:

	4/29/2012	4/28/2013	4/27/2014	4/26/2015	4/24/2016	Prev LTM	Cur LTM
Gross Profit (%)	12.9%	13.0%	13.1%	15.3%	17.8%	18.5%	17.8%
Operating Income (%)	2.5%	2.4%	2.6%	3.9%	4.9%	5.0%	4.7%
EBITDA Margin (%)	3.7%	3.9%	4.2%	5.5%	6.7%	6.9%	6.6%
Net Income (%)	2.0%	1.6%	2.1%	2.7%	3.5%	3.3%	3.2%

Fuel Operations (U.S. Stores):

	4/29/2012	4/28/2013	4/27/2014	4/26/2015	4/24/2016	Prev LTM	Cur LTM
Fuel Volume (MM Gallons)	3,896	4,276	4,612	5,119	7,260	7,401	7,466
Fuel Gross Profit	537	783	796	1,093	1,479	1,441	1,411
Fuel margin (CPG)	17.0	18.8	18.1	21.7	20.2	NA	NA
Same Store Fuel Vol in U.S. (%Chg)	0.1%	0.6%	1.7%	3.4%	6.6%	NA	NA

Merchandise /Service (U.S. Stores):

	4/29/2012	4/28/2013	4/27/2014	4/26/2015	4/24/2016	Prev LTM	Cur LTM
Merchandise /Service Sales	4,134	4,549	4,822	5,311	7,367	7,462	7,494
Merchandise /Service Gross Profit	1,370	1,506	1,576	1,748	2,452	2,490	2,493
Merchandise /Service Margin (%)	33.1%	33.1%	32.7%	32.9%	33.3%	33.4%	33.3%
Same Store Merch /Serv Sale in US (%Chg)	2.7%	1.0%	3.8%	3.9%	4.6%	NA	NA

Other Information:

	4/29/2012	4/28/2013	4/27/2014	4/26/2015	4/24/2016	Prev LTM	Cur LTM
Number of U.S. Stores (Co-op)	4,569	6,235	6,236	7,787	7,929	8,007	8,031
Capital Expenditures	317	537	529	635	906	944	926

Assets:

	4/29/2012	4/28/2013	4/27/2014	4/26/2015	4/24/2016	Prev LTM	Cur LTM
Total Current Assets							3,035

LT Assets:

	4/29/2012	4/28/2013	4/27/2014	4/26/2015	4/24/2016	Prev LTM	Cur LTM
Net Fixed Assets							7,163
Other							3,480
Long Term Investments							108
Total LT Assets							10,750
Total Assets							13,785

Liabilities:

	4/29/2012	4/28/2013	4/27/2014	4/26/2015	4/24/2016	Prev LTM	Cur LTM
ST Liabilities							2,592

LT Liabilities:

	4/29/2012	4/28/2013	4/27/2014	4/26/2015	4/24/2016	Prev LTM	Cur LTM
LT Debt							3,894
Other LT							1,489
Total Liabilities							7,975

Shareholder's Equity:

	4/29/2012	4/28/2013	4/27/2014	4/26/2015	4/24/2016	Prev LTM	Cur LTM
Paid in Capital							17
Preferred Equity & Minority							-
Retained Earnings							5,845
Comprehensive Income							(752)
Treasury Stock							-
Common Stock							701
Total Liabilities & Equity							13,785

Credit Ratings

	4/29/2012	4/28/2013	4/27/2014	4/26/2015	4/24/2016	Prev LTM	Cur LTM
S&P Credit Rating							BBB
S&P Outlook							Stable

Credit Metrics

	4/29/2012	4/28/2013	4/27/2014	4/26/2015	4/24/2016	Prev LTM	Cur LTM
Funded Debt / EBITDA							1.7
Lease Adjusted Leverage*							2.5
Total Debt to Capital							40%
Current Ratio							1.2

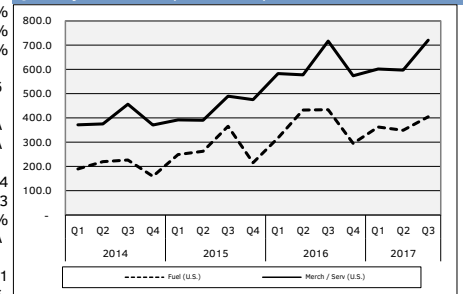
Profitability Metrics

	4/29/2012	4/28/2013	4/27/2014	4/26/2015	4/24/2016	Prev LTM	Cur LTM
Return on Capital (LTM)							12.0%
Return on Common Equity (LTM)							21.6%

Notes

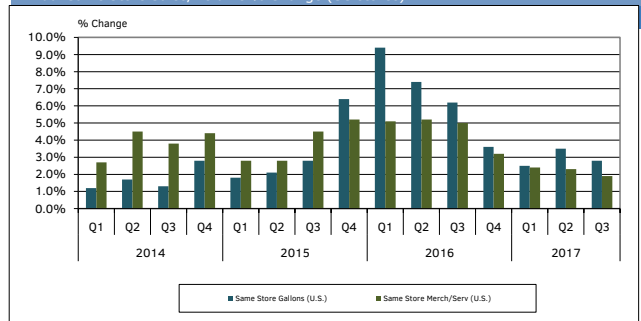
Calculated as follows: [(Net Rent Expense 8) + LT debt] / EBITDAR

Quarterly Gross Profit (USD Millions)

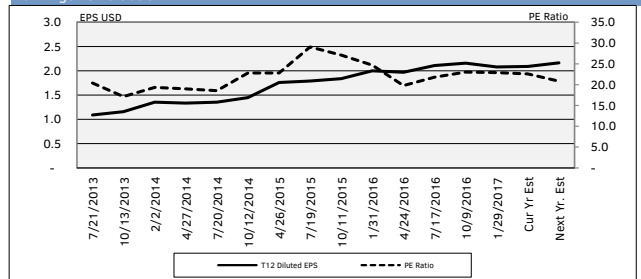


Graphics

Annual Same Store Sales/Volume % Change (US stores)



Earnings vs Valuation



Casey's General Store, Inc.

Ticker: NasdaqGS:CASY

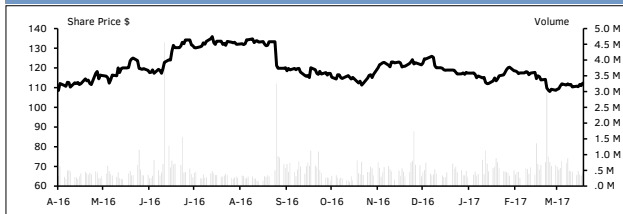
Casey's General Stores, Inc. operates convenience stores in the Midwest. The Company's stores, operating under the name Casey's General Store, carry a selection of food, beverages, tobacco products, health and beauty aids, automotive products, and other non-food items, as well as sell gasoline.

(USD MM, Except per Share Data and Where Otherwise Noted)

Valuation Analytics

Latest Fiscal Year:	4/30/2016
LTM as of:	1/31/2017
52-Week High	7/26/2016 136.22
52-Week Low	4/12/2016 105.17
Daily Volume (30 Day Average, Thousand)	697.96
Current Price	112.25
52-Week High % Change	(17.6%)
52-Week Low % Change	6.7%
% 52 Week Price Range High/Low	29.5%
Shares Outstanding (MM)	39.2
Market Capitalization	4,400
Total Debt	930
Preferred Stock	-
Minority Interest	-
Cash and Equivalents	116
Enterprise Value	5,215
Relative Stock Price Performance	
YTD Change	(6.63)
YTD % Change	(5.6%)
Spider Retail Index YTD % Change	(4.2%)

Share Price and Volume



Market Data

Dividend Yield	0.86%
Beta 5Y	0.44
Float %	98.9%
Short Int. (Short Interest to Total Shares Outstanding)	13.0%
1 Yr Return on Equity	17.2%
YTD Return	(5.6%)
Relative Strength Index	50.21
S&P STARS Ranking (1 - 5)	3
S&P Quality Ranking	A+

Valuation

	Last Fiscal	LTM	FY+1	FY+2
Enterprise Value / Revenue	0.8	0.7	0.7	0.6
Enterprise Value / EBITDA	9.3	9.9	10.0	9.0
Price / Earnings (P/E)	19.6	22.9	24.4	21.6

Income Statement (USD Millions)

	Fiscal Year Ended					Period Ending					
	4/30/2012	4/30/2013	4/30/2014	4/30/2015	4/30/2016	Prev LTM	Cur LTM	FY+1	FY+2	FQ+1	FQ+2
Sales	6,461	6,655	7,194	7,052	6,304	6,221	6,425	7,553	8,670	1,888	2,263
Gross Profit	1,000	1,071	1,222	1,440	1,614	1,653	1,671	NA	NA	NA	NA
Operating Expense	785	869	986	1,115	1,223	1,292	1,332	NA	NA	NA	NA
Operating Income	215	203	236	325	391	360	339	NA	NA	NA	NA
EBITDA	315	329	377	479	560	543	529	519	577	114	162
Net Income	115	104	127	181	226	210	194	182	200	NA	NA
Normalized Diluted EPS	3.04	2.91	3.46	4.62	5.73	5.48	4.91	4.61	5.19	0.88	1.65

Margins:

	4/30/2012	4/30/2013	4/30/2014	4/30/2015	4/30/2016	Prev LTM	Cur LTM	FY+1	FY+2
Gross Profit (%)	15.5%	16.1%	17.0%	20.4%	25.6%	26.6%	26.0%	5.8%	5.3%
Operating Income (%)	3.3%	3.0%	3.3%	4.6%	6.2%	5.8%	5.3%	8.2%	8.2%
EBITDA Margin (%)	4.9%	4.9%	5.2%	6.8%	8.9%	8.7%	8.2%	3.4%	3.0%
Net Income (%)	1.8%	1.6%	1.8%	2.6%	3.6%	3.4%	3.0%	NA	NA

Fuel Operations:

	4/30/2012	4/30/2013	4/30/2014	4/30/2015	4/30/2016	Prev LTM	Cur LTM	FY+1	FY+2
Fuel Volume (MM Gallons)	1,476	1,535	1,666	1,817	1,952	2,022	2,047	NA	NA
Fuel Gross Profit	227	233	268	351	382	375	379	NA	NA
Fuel margin (CPG)	15.4	15.2	16.8	19.3	19.6	NA	NA	NA	NA
Same Store Fuel Vol (%Chg)	(1.5%)	0.1%	3.1%	2.6%	2.6%	NA	NA	NA	NA

Grocery & Other Merchandise:

	4/30/2012	4/30/2013	4/30/2014	4/30/2015	4/30/2016	Prev LTM	Cur LTM	FY+1	FY+2
Grocery & Other Merchandise Sales	1,365	1,419	1,583	1,795	1,974	2,042	2,065	NA	NA
Grocery & Other Merchandise Gross Profit	443	463	508	576	629	648	655	NA	NA
Grocery & Other Merchandise Margin (%)	32.5%	32.6%	32.1%	32.1%	31.9%	31.8%	31.7%	NA	NA
Same Store Grocery/Merch Sale (%Chg)	6.7%	0.8%	7.4%	7.8%	7.1%	NA	NA	NA	NA

Other Information:

	4/30/2012	4/30/2013	4/30/2014	4/30/2015	4/30/2016	Prev LTM	Cur LTM	FY+1	FY+2
Number of Stores (Co-op)	1,699	1,749	1,808	1,878	1,931	1,941	1,954	NA	NA
Capital Expenditures	241	305	309	361	393	386	406	NA	NA

Assets:

Total Current Assets	376
----------------------	-----

LT Assets:

Net Fixed Assets	2,450
Other	150
Long Term Investments	-
Total LT Assets	2,601
Total Assets	2,976

Liabilities:

ST Liabilities	387
----------------	-----

LT Liabilities:

LT Debt	915
Other LT	459
Total Liabilities	1,761

Shareholder's Equity:

Paid in Capital	-
Preferred Equity & Minority	-
Retained Earnings	1,130
Comprehensive Income	-
Treasury Stock	-
Common Stock	86
Total Liabilities & Equity	2,976

Credit Ratings

S&P Credit Rating	-
S&P Outlook	-

Credit Metrics

Funded Debt / EBITDA	1.7
Lease Adjusted Leverage*	1.8
Total Debt to Capital	43%
Current Ratio	1.0

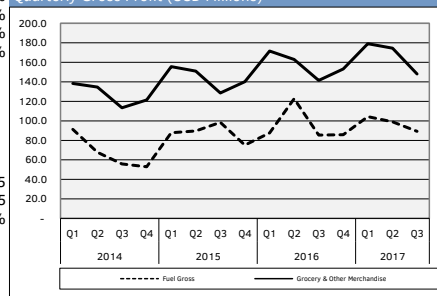
Profitability Metrics

Return on Capital (LTM)	10.5%
Return on Common Equity (LTM)	17.2%

Notes

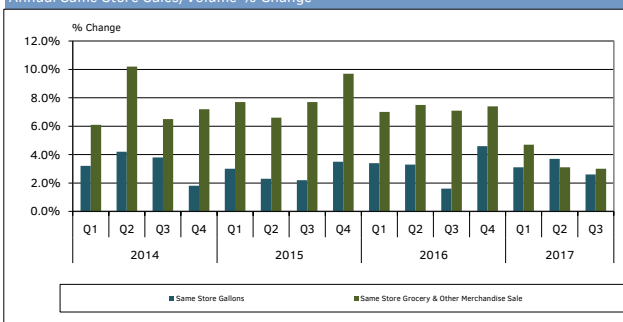
Calculated as follows: [(Net Rent Expense 8) + LT debt] / EBITDAR

Quarterly Gross Profit (USD Millions)

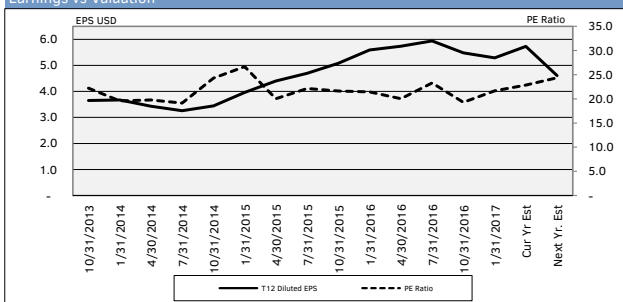


Graphics

Annual Same Store Sales/Volume % Change



Earnings vs Valuation



CST Brands, Inc.

Ticker: NYSE:CST

CST Brands, Inc. operates as an independent retailer of motor fuel and convenience merchandise items in the United States and eastern Canada. The Company's retail operations include sales of motor fuel at convenience stores, commission agents, and cardlocks; food, merchandise items, and services at convenience stores; and heating oil to residential customers, as well as heating oil and motor fuel to small commercial customers

(\$USD MM, Except per Share Data and Where Otherwise Noted)

Valuation Analytics

Latest Fiscal Year:	12/31/2016
LTM as of:	12/31/2016
52-Week High	2/23/2017
52-Week Low	5/6/2016
Daily Volume (30 Day Average, Thousand)	36.02
Current Price	48.09

52-Week High % Change	(0.8%)
52-Week Low % Change	33.5%
% 52 Week Price Range High/Low	34.6%
Shares Outstanding (MM)	75.7

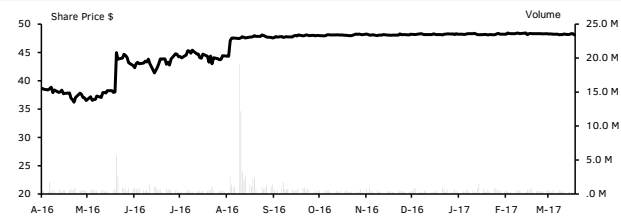
Market Capitalization

Total Debt	3,645
Preferred Stock	1,583
Minority Interest	-
Cash and Equivalents	550
Enterprise Value	137
	5,641

Relative Stock Price Performance

YTD Change	(0.06)
YTD % Change	(0.1%)
Spider Retail Index YTD % Change	(4.2%)

Share Price and Volume



Market Data

Dividend Yield	0.00%
Beta 5Y	1.05
Float %	98.1%
Short Int. (Short Interest to Total Shares Outstanding)	2.3%
1 Yr Return on Equity	18.3%
YTD Return	(0.1%)
Relative Strength Index	40.75
S&P STARS Ranking (1 - 5)	3
S&P Quality Ranking	NR

Valuation

	Last Fiscal	LTM	FY+1	FY+2
Enterprise Value / Revenue	0.6	0.6	0.5	0.4
Enterprise Value / EBITDA	14.7	15.0	13.8	11.8
Price / Earnings (P/E)	11.3	11.3	30.4	20.9

Income Statement (USD Millions)

	Fiscal Year Ended					Prev LTM	Cur LTM	FY+1	FY+2	FQ+1	FQ+2
	12/31/2012	12/31/2013	12/31/2014	12/31/2015	12/31/2016						
Sales	11,058	10,750	10,708	9,510	9,061	8,559	9,061	11,005	14,244	2,414	2,678
Gross Profit	1,133	1,097	1,273	1,394	1,442	1,426	1,442	1,458	1,837	328	364
Operating Expense	820	853	974	1,127	1,253	1,214	1,253	NA	NA	NA	NA
Operating Income	313	244	299	267	189	212	189	NA	NA	NA	NA
EBITDA	-	366	441	432	384	420	376	408	477	82	117
Net Income	208	139	200	149	324	331	324	132	-	20	37
Normalized Diluted EPS	2.12	1.89	2.38	2.19	1.41	1.78	1.40	1.58	2.30	0.25	0.49

Margins:

Gross Profit (%)	10.2%	10.2%	11.9%	14.7%	15.9%	16.7%	15.9%	15.9%	13.2%	11.5%	14.0%
Operating Income (%)	2.8%	2.3%	2.8%	2.8%	2.1%	2.5%	2.1%	2.5%	1.3%	1.3%	1.4%
EBITDA Margin (%)	-	-	4.1%	4.5%	4.2%	4.9%	4.1%	4.5%	3.3%	3.3%	3.6%
Net Income (%)	1.9%	1.3%	1.9%	1.6%	3.6%	3.9%	3.6%	3.9%	2.3%	0.8%	1.4%

Fuel Operations (U.S. Retail):

Fuel Volume (MM Gallons)	1,843	1,915	1,890	1,826	1,953	NA	NA	NA	NA	NA	NA
Fuel Gross Profit	258	298	262	383	376	351	331	NA	NA	NA	NA
Fuel margin (CPG)	15.0	16.0	14.0	20.1	19.5	NA	NA	NA	NA	NA	NA
Same Store Fuel Vol (%Chg)	NA	NA	(3.2%)	(4.6%)	(0.9%)	NA	NA	NA	NA	NA	NA

Merchandise/Service (U.S. Retail):

Merchandise/Service Sales	1,276	1,295	1,335	1,396	1,514	1,735	1,797	1,735	1,797	607	607
Merchandise/Service Gross Profit	406	367	436	460	497	583	607	583	607	NA	NA
Merchandise/Service Margin (%)	31.8%	28.3%	32.7%	33.0%	32.8%	33.6%	33.8%	33.6%	33.8%	NA	NA
Same Store Merch Sale (%Chg)	NA	NA	(0.7%)	1.1%	2.9%	NA	NA	NA	NA	NA	NA

Other Information:

Number of Stores (U.S. Co-op)	998	1,032	1,036	1,021	1,049	1,154	1,167	1,154	1,167	370	370
Capital Expenditures	156	200	285	352	370	384	370	384	370	370	370

Balance Sheet

Assets:	
Total Current Assets	627
LT Assets:	
Net Fixed Assets	2,550
Other	1,183
Long Term Investments	-
Total LT Assets	3,733
Total Assets	4,360

Liabilities:

ST Liabilities	615
LT Liabilities:	
LT Debt	1,427
Other LT	539
Total Liabilities	2,581

Shareholder's Equity:

Paid in Capital	629
Preferred Equity & Minority	550
Retained Earnings	713
Comprehensive Income	(25)
Treasury Stock	(89)
Common Stock	1
Total Liabilities & Equity	4,360

Credit Ratings

S&P Credit Rating	BB
S&P Outlook	NM

Credit Metrics

Funded Debt / EBITDA	3.2
Lease Adjusted Leverage*	4.6
Total Debt to Capital	47%
Current Ratio	1.0

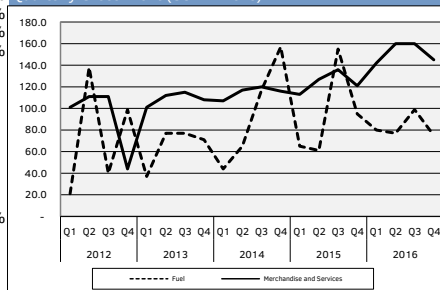
Profitability Metrics

Return on Capital (LTM)	3.7%
Return on Common Equity (LTM)	30.3%

Notes

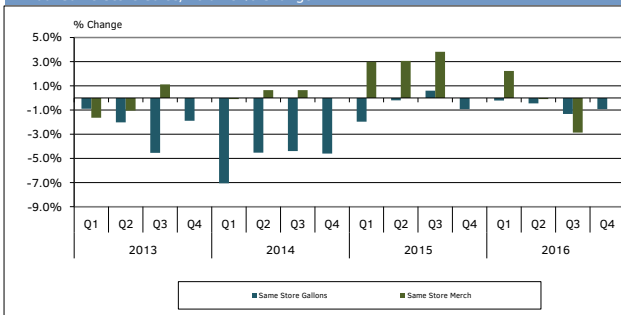
Calculated as follows: [(Net Rent Expense 8) + LT debt] / EBITDAR

Quarterly Gross Profit (USD Millions)

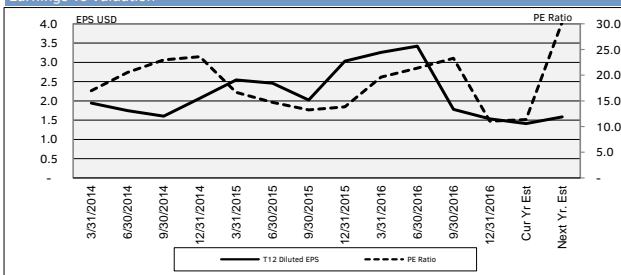


Graphics

Annual Same Store Sales/Volume % Change



Earnings vs Valuation



Murphy USA, Inc.

Ticker: NYSE:MUSA

Murphy USA, Inc. operates a chain of retail stores in the United States. The Company's retail stores offer motor fuel products and convenience merchandise.

(\$USD MM, Except per Share Data and Where Otherwise Noted)

Valuation Analytics

Latest Fiscal Year:

LTM as of: 12/31/2016
 52-Week High 8/4/2016 80.44
 52-Week Low 4/29/2016 56.92
 Daily Volume (Thousand) 494.3
 Current Price 3/31/2017 73.42

52-Week High % Change (8.7%)
 52-Week Low % Change 29.0%
 % 52 Week Price Range High/Low 41.3%
 Shares Outstanding (MM) 36.8

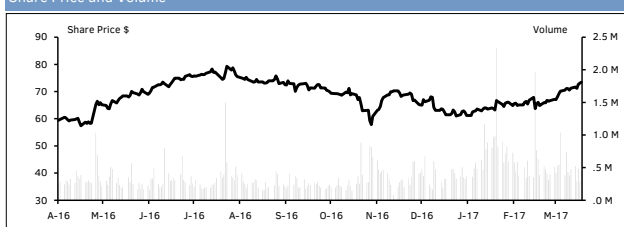
Market Capitalization

Total Debt 2,709
 Preferred Stock 687
 Minority Interest -
 Cash and Equivalents -
 Enterprise Value 3,360

Relative Stock Price Performance

YTD Change 11.95
 YTD % Change 19.4%
 Spider Retail Index YTD % Change (4.2%)

Share Price and Volume



Market Data

Dividend Yield 0.00%
 Beta 5Y 0.72
 Float % 95.4%
 Short Int. (Short Interest to Total Shares Outstanding) 16.3%
 1 Yr Return on Equity 19.0%
 YTD Return 19.4%
 Relative Strength Index 72.57
 S&P STARS Ranking (1 - 5) NA
 S&P Quality Ranking NA

Valuation

	Last Fiscal	LTM	FY+1	FY+2
Enterprise Value to Revenue	0.3	0.3	0.3	0.2
Enterprise Value to EBITDA	8.4	8.5	8.1	7.5
Price to Earnings (P/E)	13.1	13.1	16.0	14.1

Income Statement (USD millions)

	Fiscal Year Ended					Period					
	12/31/2012	12/31/2013	12/31/2014	12/31/2015	12/31/2016	Prev LTM	Cur LTM	FY+1	FY+2	FQ+1	FQ+2
Sales	17,339	15,930	15,055	10,731	9,633	9,633	10,135	13,429	15,504	3,348	3,528
Gross Profit	398	466	565	472	523	523	477	1,043	1,179	261	286
Operating Expense	186	189	200	217	223	223	231	NA	NA	NA	NA
Operating Income	212	277	365	255	300	300	246	NA	NA	NA	NA
EBITDA	-	340	475	343	400	400	395	416	447	103	128
Net Income	84	235	244	176	221	221	133	164	174	40	59
Normalized Diluted EPS	-	3.27	5.11	4.05	4.16	4.07	4.17	4.59	5.19	1.15	1.59

Margins:

	12/31/2012	12/31/2013	12/31/2014	12/31/2015	12/31/2016	Prev LTM	Cur LTM
Gross Profit (%)	2.3%	2.9%	3.8%	4.4%	5.4%	5.4%	4.7%
Operating Income (%)	1.2%	1.7%	2.4%	2.4%	3.1%	3.1%	2.4%
EBITDA Margin (%)	-	-	3.2%	3.2%	4.2%	4.2%	3.9%
Net Income (%)	0.5%	1.5%	1.6%	1.6%	2.3%	2.3%	1.3%

Fuel Operations:

	12/31/2012	12/31/2013	12/31/2014	12/31/2015	12/31/2016	Prev LTM	Cur LTM
Fuel Volume (Million Gallons)	3,796	3,800	3,981	4,124	4,195	NA	NA
Fuel Gross Profit	556.7	550.4	653.9	510.2	466.7	NA	NA
Fuel margin (CPG)	12.9	13.0	15.8	12.5	11.6	NA	NA
Avg Per Store Month Fuel Vol (%Chg)	(0.3%)	(3.1%)	0.7%	(0.9%)	(3.3%)	NA	NA

Merchandise:

	12/31/2012	12/31/2013	12/31/2014	12/31/2015	12/31/2016	Prev LTM	Cur LTM
Merchandise Sales	2,144	2,159	2,161	2,274	2,338.59	NA	NA
Merchandise Gross Profit	289	282	302	327	364	NA	NA
Merchandise Margin (%)	13.5%	13.1%	14.0%	14.4%	15.6%	NA	NA
APSM Merch Sales (%Chg)	(1.1%)	(2.5%)	(3.7%)	0.6%	(2.2%)	NA	NA

Other Information:

	12/31/2012	12/31/2013	12/31/2014	12/31/2015	12/31/2016	Prev LTM	Cur LTM
Number of Stores (Co-op)	1,165	1,203	1,263	1,335	1,401	NA	NA
Capital Expenditures	105	163	135	205	262	262	281

Balance Sheet

Assets:	
Total Current Assets	397
LT Assets:	
Net Fixed Assets	1,565
Other	41
Long Term Investments	-
Total LT Assets	1,606
Total Assets	2,003
Liabilities:	
ST Liabilities	455
LT Liabilities:	
LT Debt	620
Other LT	255
Total Liabilities	1,330
Shareholder's Equity:	
Paid in Capital	545
Preferred Equity & Minority	-
Retained Earnings	746
Comprehensive Income	-
Treasury Stock	(619)
Common Stock	0
Total Liabilities & Equity	2,003

Credit Ratings

S&P Credit Rating BB+
 S&P Outlook Stable

Credit Metrics

Funded Debt / EBITDA 1.8
 Lease Adjusted Leverage* 1.9
 Total Debt to Capital 51%
 Current Ratio 0.9

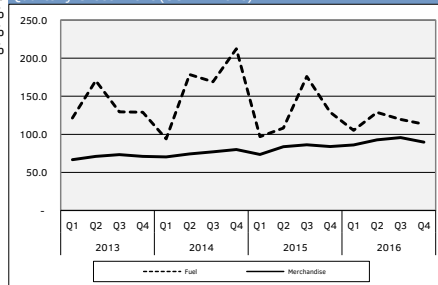
Profitability Metrics

Return on Capital (LTM) 11.1%
 Return on Common Equity (LTM) 19.0%

Notes

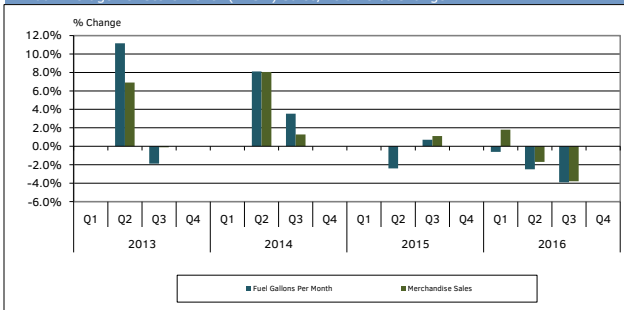
Calculated as follows: [(Net Rent Expense 8) + LT debt] / EBITDAR

Quarterly Gross Profit (USD Millions)

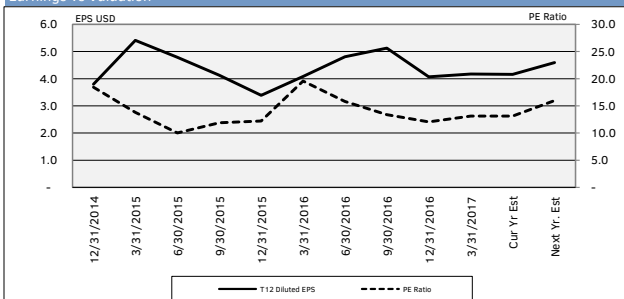


Graphics

Annual Average Per Store Month (APSM) Sales/volume % Change



Earnings vs Valuation



TravelCenters of America LLC

Ticker: NasdaqGS:TA

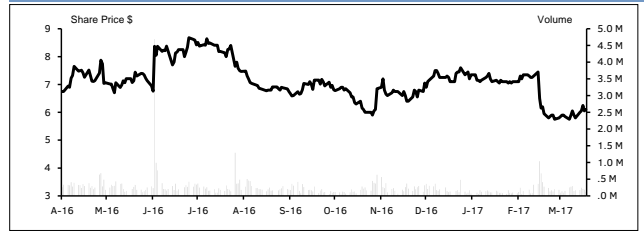
TravelCenters of America LLC operates and franchises travel center and convenience store. The Company's convenience store business, operating under the Mint Mart brand, offers gasoline, packaged food and snack items, non-prescription drugs and beauty supplies, tobacco products and video products. The Company also provides roadside truck service program for truck and trailer repair services.

(USD MM, Except per Share Data and Where Otherwise Noted)

Valuation Analytics

Latest Fiscal Year:	12/31/2016
LTM as of:	12/31/2016
52-Week High	6/15/2016 9.23
52-Week Low	3/21/2017 5.6
Daily Volume (Thousand)	214.5
Current Price	6.10
52-Week High % Change	(33.9%)
52-Week Low % Change	
% 52 Week Price Range High/Low	
Shares Outstanding (MM)	
Market Capitalization	
Total Debt	
Preferred Stock	
Minority Interest	
Cash and Equivalents	
Enterprise Value	
Relative Stock Price Performance	
YTD Change	(1.00)
YTD % Change	(14.1%)
Spider Retail Index YTD % Change	(4.2%)

Share Price and Volume



Market Data

Dividend Yield	0.00%
Beta 5Y	2.58
Float %	91.0%
Short Int. (Short Interest to Total Shares Outstanding)	0.9%
1 Yr Return on Equity	(0.3%)
YTD Return	(14.1%)
Relative Strength Index	47.35
S&P STARS Ranking (1 - 5)	NA
S&P Quality Ranking	B-

Valuation

	Last Fiscal	LTM	FY+1	FY+2
Enterprise Value to Revenue	0.1	0.1	0.1	0.1
Enterprise Value to EBITDA	4.5	4.5	3.5	3.1
Price to Earnings (P/E)	NM	NM	18.9	10.8

Income Statement (USD millions)

	Fiscal Year Ended					Prev LTM	Cur LTM	FY+1	FY+2	FQ+1	FQ+2
	12/31/2012	12/31/2013	12/31/2014	12/31/2015	12/31/2016						
Sales	7,996	7,945	7,779	5,851	5,511	5,851	5,511	6,288	6,629	1,475	1,611
Gross Profit	387	397	503	504	516	504	516	NA	NA	NA	NA
Operating Expense	346	366	390	426	494	426	494	NA	NA	NA	NA
Operating Income	42	31	114	78	22	78	22	NA	NA	NA	NA
EBITDA	93	80	179	150	116	114	117	149	167	21	44
Net Income	32	32	61	28	(2)	28	(2)	13	22	(7)	7
Normalized Diluted EPS	1.15	0.54	1.64	0.97	(0.02)	1.00	(0.03)	0.32	0.57	(0.17)	0.19

Margins:

	12/31/2012	12/31/2013	12/31/2014	12/31/2015	12/31/2016	Prev LTM	Cur LTM
Gross Profit (%)	4.8%	5.0%	6.5%	8.6%	9.4%	8.6%	9.4%
Operating Income (%)	0.5%	0.4%	1.5%	1.3%	0.4%	1.3%	0.4%
EBITDA Margin (%)	1.2%	1.0%	2.3%	2.6%	2.1%	1.9%	2.1%
Net Income (%)	0.4%	0.4%	0.8%	0.5%	0.0%	0.5%	0.0%

Fuel Operations:

	12/31/2012	12/31/2013	12/31/2014	12/31/2015	12/31/2016	Prev LTM	Cur LTM
Fuel Volume (MM Gallons)	2,040	2,035	2,025	2,130	2,205	2,130	NA
Fuel Gross Profit	326	342	429	414	405	414	NA
Fuel margin (CPG)	16.7	17.2	21.4	20.5	20.3	20.5	NA
Same Store Fuel Vol. (%Chg)	(4.2%)	(3.1%)	(4.3%)	0.7%	(4.3%)	0.7%	NA

Merchandise:

	12/31/2012	12/31/2013	12/31/2014	12/31/2015	12/31/2016	Prev LTM	Cur LTM
Merchandise Sales	1,345	1,451	1,617	1,783	1,964	1,783	NA
Merchandise Gross Profit	745	798	878	963	1,053	963	NA
Merchandise Margin (%)	55.4%	55.0%	54.3%	54.0%	53.6%	54.0%	NA
Same Store Merch Sale (%Chg)	3.2%	2.7%	4.1%	5.4%	(0.1%)	5.4%	NA

Other Information:

	12/31/2012	12/31/2013	12/31/2014	12/31/2015	12/31/2016	Prev LTM	Cur LTM
Number of Stores (Co-op)	210	251	254	426	457	426	457
Capital Expenditures	189	164	170	295	330	295	330

Balance Sheet

	12/31/2012	12/31/2013	12/31/2014	12/31/2015	12/31/2016	Prev LTM	Cur LTM
Assets:							
Total Current Assets					402		
LT Assets:							
Net Fixed Assets					1,082		
Other					130		
Long Term Investments					46		
Total LT Assets					1,258		
Total Assets					1,660		
Liabilities:							
ST Liabilities					330		
LT Liabilities:							
LT Debt					319		
Other LT					458		
Total Liabilities					1,107		
Shareholder's Equity:							
Paid in Capital					-		
Preferred Equity & Minority					1		
Retained Earnings					(135)		
Comprehensive Income					0		
Treasury Stock					-		
Common Stock					686		
Total Liabilities & Equity					1,660		

Credit Ratings

S&P Credit Rating	NR
S&P Outlook	NR

Credit Metrics

Funded Debt / EBITDA	2.8
Lease Adjusted Leverage*	6.4
Total Debt to Capital	38%
Current Ratio	1.2

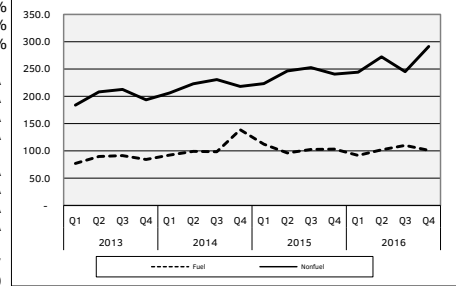
Profitability Metrics

Return on Capital (LTM)	1.5%
Return on Common Equity (LTM)	(0.3%)

Notes

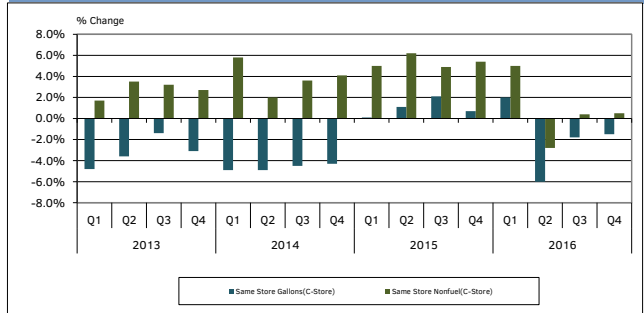
*Calculated as follows: [(Net Rent Expense * 8) + LT debt] / EBITDAR

Quarterly Gross Profit (USD Millions)

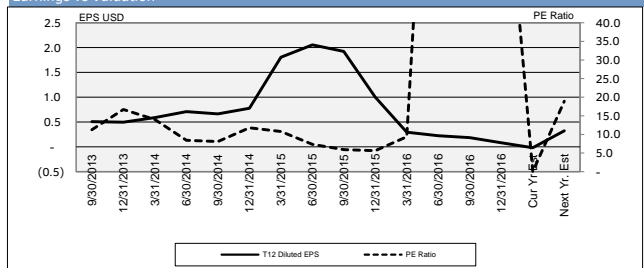


Graphics

Annual Same Store Sales/Volume % Change

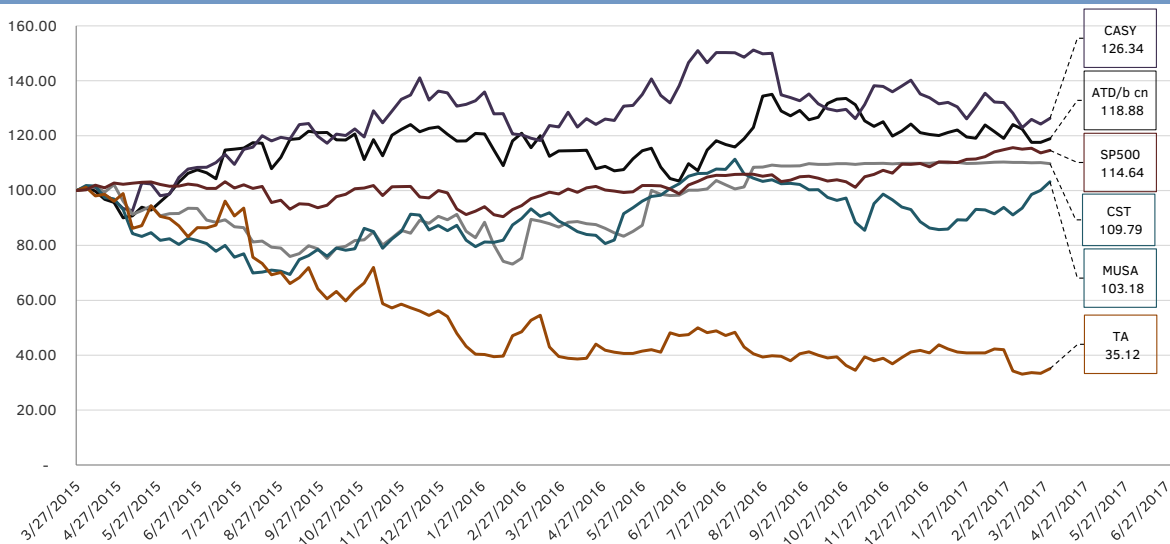


Earnings vs Valuation



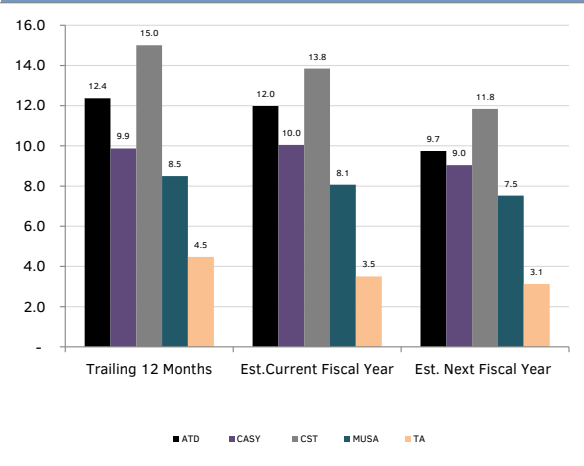
Comparison Graphics: Convenience Retailing

Historical Relative Performance

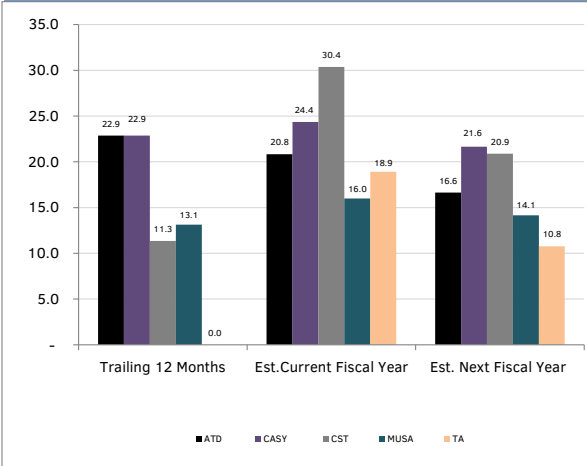


Index, 100 = March 27, 2015

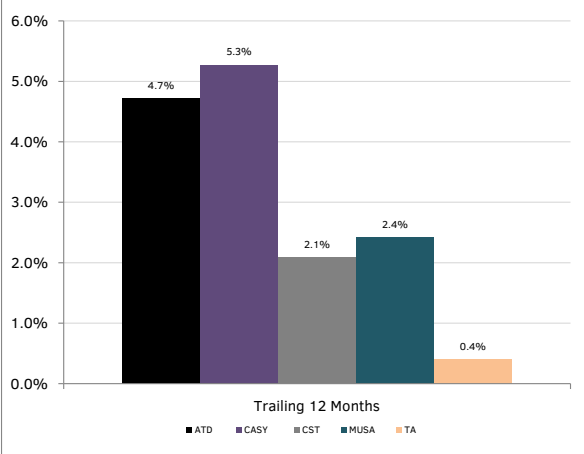
EV / Corp. EBITDA



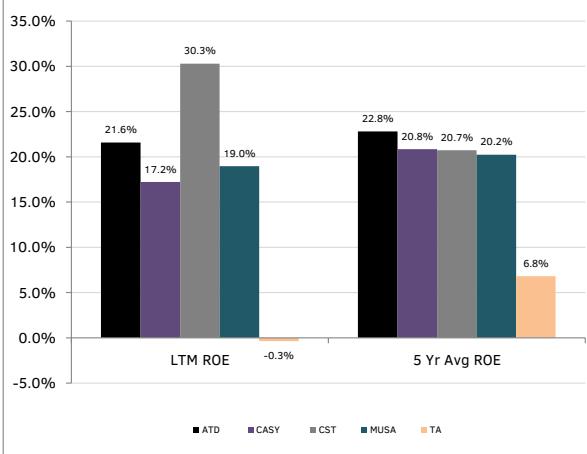
Price / Earnings Ratio



LTM Operating Margin (%)



Return on Avg Common Equity



Private Transactions

Private Transaction Valuation Metrics

	Fee Owed Real Estate	
	Low	High
Corporate EBITDA Multiple	5.0	10.0
Store Level EBITDA Multiple	4.0	8.0

The above capital market multiples were derived by Trefethen Advisors, LLC based on an analysis of private transactions involving the sale of petroleum retailing/convenience store companies and/or specific assets, from interviews with active buyers and sellers and from analysis of publicly available information relating to the industry. All transactions were analyzed using a consistent methodology. The multiples above reflect a composite of transactions, interviews and other publicly available information and do not reflect the multiple for any individual transaction. The above multiples do not reflect transactions involving individual assets which may be significantly higher (or lower) for certain types of assets. For leasehold, the above multiples would generally be lower.

It is important that the methodology utilized to derive the multiples be understood. The multiples reflect the gross purchase price (cash plus any liabilities assumed before transaction costs) divided by various measures of EBITDA (earnings before interest, taxes, depreciation, and amortization) for the most recent 12-month period prior to the transaction adjusted for non-recurring and extraordinary items. Corporate EBITDA reflects EBITDA after all corporate G&A expenses. Store level EBITDA reflects EBITDA before G&A expenses and approximates store level EBITDA. G&A generally includes all corporate expenses not directly incurred at the store level such as area managers, corporate staff, home office expenses, advertising/marketing, etc.

Announced Transactions

Date	Buyer	Seller	Purchase Price(MM)	Units	Location	Comments
Mar-17	Casey's General Stores	Francois Oil		5	WI	Included five c-stores operated as The Station
Mar-17	Yesway	Pic Quik, Krueger & Pronto		7	KS, IA	Included five Pic Quik stores in Kansas, one Krueger's and one Pronto Market in Iowa
Feb-17	Stinker Store Inc.	Bradley Petroleum Inc. & Sav-O-Mat Inc.		40	CO, WY	
Feb-17	GPM Investments LLC	Mountain Empire Oil Co. Inc.	\$163.0	92	NC, SC, TN, VA	Included 92 Roadrunner Markets with fuel sales and seven QSR
Jan-17	Cato Inc.	J. William Gordy Fuel Co.		4	MD	Included four high-volume, Exxon-branded sites feature modern c-stores with beer caves and a Subway or Hardees QSR
Jan-17	Delek U.S. Holdings	Alon USA	\$464.0			Delek U.S. already owned 47% of Alon USA, entered into a definitive agreement Jan. 3 to acquire all remaining shares of Alon common stock

Earnings Announcements

Alimentation Couche-Tard, Inc. (ATD) reported on March 14, 2017 the results for the third quarter of fiscal 2017. Annual same-store merchandise revenue grew in all markets: 1.9% in the U.S., 2.5% in Europe and -0.9% in Canada. They announced an agreement with Parkland Fuel Corporation pursuant to sell certain Canadian assets of CST to Parkland after the merger with CST for approximately \$750 million. Highlights include:

Income: Net earnings totaled \$287.0 million in the third quarter of 2017, up 4.7% over third quarter of 2016.

EBITDA: EBITDA increased to \$627.5 million, a growth of 1.5% compared with the same quarter last year, mainly through the contribution from acquisitions and organic growth, partly offset by the lower road transportation fuel gross margins.

Merchandise & Service: During the third quarter of 2017, merchandise and service gross margin decreased by 0.4% in the U.S, decreased by 1.4% in Europe and increased by 1.4% in Canada.

Fuel: For the third quarter of 2017, U.S and Europe same-store road transportation fuel volumes grew 2.8% and 1.8%, respectively. In Canada same-store road transportation fuel volumes decreased slightly 0.8%. Fuel gross margin were \$0.183 per gallon in the U.S., \$0.075 per liter in Europe and of C\$0.082 per liter in Canada.

Casey's General Stores, Inc. (CASY) reported on March 6, 2017 the results for the third quarter of fiscal 2017. Highlights include:

Income: Net income declined to \$22.8 million, down from \$38.1 million the same quarter last year.

Merchandise & Service: For the third quarter, grocery same-store sales were up 3.0% with an average margin of 31.1%.

Prepared Foods & Fountain: For the second quarter, same-store sales were up 5.8% with an average margin of 61.7%. Casey's implemented on-line ordering in all stores and continue to roll out major remodels, 24-hour conversions, and pizza delivery.

Fuel: For the quarter, same-store gallons sold were up 2.6% with an average margin of 17.9 cents per gallon, compared to a 18.1 cent margin in the same quarter a year ago. The Company sold 16.3 million RINs for \$14.5 million during the quarter.

CST Brands, Inc. (CST) reported on February 28, 2017 the fourth quarter 2016 results. Highlights include:

Income: Fourth quarter net income was \$18 million, down from \$25 million the prior year.

EBITDA: EBITDA was \$79 million for the quarter compared to \$123 million for the prior year.

Merchandise & Service: U.S. Merchandise and Services Gross Profit growth of 22.1% year-over-year was driven by 18.7% sales growth. Same Store Merchandise and Services declined 1.2% in the U.S. and increased 3.7% in Canada (excluding foreign currency impact).

Fuel: Gross Profit on U.S. fuel sales declined to \$51 million from \$360 million year-over-year in 2016, driven by an overall unfavorable margin environment and lower average fuel selling price.

Earnings Announcements (Cont'd)

Murphy USA, Inc. (MUSA) reported on February 22, 2017 the fourth quarter 2016 results. Highlights include:
Income: Net income was \$43.8 million in Q4 2016, compared \$66.7 million last year. The lower income was caused by lower retail and wholesale fuel prices in 2016.

EBITDA: Adjusted EBITDA increased to \$103.2 million in the fourth quarter, up from \$77.3 million the prior year, attributable to improved merchandise margins and higher net contribution from combined PS&W plus RIN sales.

Merchandise & Service: Total merchandise sales increased 0.4% to \$588.4 million in 2016 from \$586.0 million in 2015, driven primarily by new store additions and partially offset by a 4.8% decrease average per store month (APSM) sales reflecting a decline in both tobacco and non-tobacco categories.

Fuel: Total retail fuel contribution decreased 15.4% in fourth quarter due primarily to weak retail margins caused by continued upward movement in wholesale prices throughout the quarter. Per store volumes declined 5.9% during Q4 contributing to a decrease in total network retail gallons sold.

TravelCenters of America LLC (TA) reported on February 28, 2017 the results for the fourth quarter 2016. Highlights include:

Income: Net income for the fourth quarter was -\$6.5 million, compared to -\$1.6 million for the 2015 fourth quarter, due to increases in depreciation and amortization expenses.

EBITDA: Adjusted EBITDA increased by \$2.9 million, or 13.9%, as compared to the 2015 fourth quarter, due to the increased in nonfuel gross margin.

Nonfuel: Nonfuel revenue increased \$26.2 million, or 5.8%, in the 2016 fourth quarter compared to the 2015 fourth quarter, primarily due to new site acquisition.

Fuel: Fuel sales volume decreased by 8.6 million gallons, or 1.6%, in the 2016 fourth quarter compared to the 2015 fourth quarter primarily due to a decrease in same site fuel volume. The same site fuel sales volume decrease was attributed to fuel efficiency gains by TA's commercial diesel fuel customers, new sites opened by competition and a relatively soft trucking freight environment.

Other M&A News

Brookfield Business Partners LP announced April 19, 2017 a definitive agreement to acquire 213 Loblaw Companies Ltd. stores in Canada for C\$540 million, which is expected to close in the third quarter of 2017 following regulatory approval.

Parkland Fuel Corporation announced April 19, 2017 an agreement to acquire Chevron Canada Limited's integrated downstream fuel business including 129 primarily Vancouver-area gas stations, which is expected to close in the second quarter of 2017.

Tesoro Corp. and **Western Refining Inc.** stockholders approved Tesoro's acquisition of Western Refining on March 24, 2017, which includes Western Refining's approximately 545 retail outlets in Arizona, Colorado, Minnesota, New Mexico, Texas and Wisconsin.

Yesway announced the acquisition of two convenience stores on March 16, 2017 on its way toward a targeted 500+ retail locations.

On March 6, 2017, **Royal Dutch Shell plc** and **Saudi Refining Inc.** agreed to separate assets in their joint venture Motiva Enterprises LLC. Saudi Refining will retain retail locations in Georgia, Maryland, North Carolina, South Carolina, Virginia, Washington D.C. and parts of Texas and Florida. Meanwhile, Shell will retain retail locations in Alabama, Louisiana, Mississippi, Tennessee and parts of Florida and the Northeast.

Capital Markets

	Senior Term Debt	Senior Asset Based Debt	Mortgage Financing	High Yield	Mezzanine / Subordinated Debt	Private Equity	Sale Lease-Back
Issuers / Providers	Reduced base of traditional lenders including national, super-regional, regional and local banks	Bank and non-bank lenders (e.g. captive subs. of large commercial banks, stand-alone finance companies, and finance arms of large diversified corporations)	Bank and non-bank lenders (e.g. captive subs. of large commercial banks, stand-alone finance companies, and finance arms of large diversified corporations)	Institutional investors	Private investment funds / hedge funds, captive subsidiaries of large commercial banks and stand-alone finance companies	Private equity / hedge funds and captive subsidiaries of large commercial banks	Individual retail investors, private real estate companies, REIT's, developers and private equity / hedge funds
General Structure / Issue Size	Revolver and/or funded term loan. Issue size may determine need for syndication on a best efforts or underwritten basis	Revolver - generally	Term loan	Non-amortizing; bullet maturity. Suggested minimum transaction size of \$125.0 to \$150.0 million. Absolute minimum EBITDA of \$30 million	Amortizing term loan \$5 to \$50 million	Issue size generally \$20.0 to \$200.0 million	From a single asset to a total issue size up to \$300 million
Cost of Capital	Libor + 150-350 bps	Libor + 225-375 bps	Fixed: Swaps + approx. 175-300 bps. Variable: Libor + approx. 175-300 bps.	2.69%-9.86% depends on ratio	Generally pricing in the teens. May include warrants	20%-30%	5.5% to 10.5% depending on asset quality, escalation provisions, unit economics and tenant credit
Interest Type	Fixed to swaps and variable	Variable	Long-term fixed rate financing (can be variable)	Fixed	Fixed / Variable. May include PIK component	May include preferred dividends - cash or PIK	Fixed - with periodic escalations
Advance Rate	Capacity limited by leverage. Availability up to 6.0x lease adjusted leverage	Capacity limited by asset coverage. Typically <70% of A/R and inventory balances	60% to 65% loan to real estate value	Generally up to 5X firm cash flow	Generally up to 5X firm cash flow depending on nature of assets (fee RE vs leased RE)	Investors will typically desire aggressive levels of leverage in order to maximize return on investment	100% of real estate value
Term / Amortization	Term of 5 years. Amortization up to 20 years	1 to 3 years - generally. Interest only.	5-10 years term 20-30 years amortization	Generally 7 to 10 years. Non-amortizing; bullet maturity	Term is generally less than 7 years. Amortization varies	Generally 3 to 5 years	Primary term 15 to 20 years plus multiple tenant option terms
Collateral / Security	Senior lien on all long-term assets. Personal guaranties most likely required for smaller companies	A/R, inventory and other available assets	Specific real estate assets	Senior, senior-subordinated or subordinated lien on specific or all long-term assets	First or second lien on all assets. Personal guaranties may be required for smaller companies	Warrants / shares with put rights and other substantial minority protections. May have outright control	Lessor owns assets
Typical Covenants	Numerous balance sheet and income statement covenants	Numerous balance sheet and income statement covenants	Minimum balance sheet covenants. Moderate income statement coverage types of covenants	Numerous balance sheet and income statement covenants but generally less restrictive than bank covenants	Moderate balance sheet and income statement covenants (subject to senior lender requirements). May contain control provisions	Control provisions / board representations	Minimal covenants
Call Protection	Yield maintenance for fixed little or no premium for floating rate	Pre-payable with little or no call premiums	Yield maintenance for fixed little or no premium for floating rate	Non-callable for 3/4 years; thereafter at set premiums	Non-callable / make-whole payments	N/A	N/A
Other General Advantages / Disadvantages	No public disclosure of financial performance	No public disclosure of financial performance	No public disclosure of financial performance	Least restrictive covenant package. S&P and Moody's rating required. Public disclosure requirements / Sarbanes Oxley	No public disclosure of financial performance. Premium pricing to public bond	Negotiable control and governance issues. No public disclosure of financial performance	Minimal covenants, higher advance rates and ability to control the property for up to 50 years through options
Other General Comments	Select lenders are getting more active in the industry. Underwriting is conservative, but there is debt available	The Asset Based Lending market is driven by current economic conditions, contraction in the traditional bank market and a renewed focus on structure and collateral by issuers	May be expensive to pre-pay	The high yield market may entertain lower rated issuers as investors may be willing to take on greater risk in the search for yield	Credit requirements include a strong, sustainable cash flow, growth potential in revenue and cash flow, strong asset base and experienced management teams with ownership position	May be useful for growth capital / acquisitions / large project financing. Requirements would include current or near term profitability, strong management team	Market is gaining some liquidity resulting in compressed cap rates

Featured Article: Driving Revenue by Stocking Local Craft Beers

As a craft beer drinker, I am always in search of something new. I have navigated the IPA hop arms race, the Belgium beer revolution, barrel-aging, sours and any number of unique flavor additions like habaneros, curry, espresso, chocolate, peanut butter and berries. As a culture, the craft beer movement is constantly trailblazing. For new breweries to survive and differentiate themselves, brewmasters must always experiment.

Convenience stores play a critical role in the highly fragmented craft beer movement by connecting brewers directly to the consumer. According to the National Brewers Association, the number of beer barrels sold in 2015 declined by 0.2%. At the same time, craft beer barrel sales increased 12.8% year-to-year. Craft beer generated \$22.3 billion in revenue in 2015, an increase of 16.0% in dollar volume over the prior year. By the end of 2015, there were more than 4,225 craft breweries in the United States, up 15% over the 3,767 craft breweries the prior year.

As these statistics show, craft beer growth has come at the expense of large national, mega-brewer brands. Consumer preferences continue to experiment, trade up to higher quality beers and a willingness to pay premium prices. Major retailers tend to carry national brands to ensure “consistency” in selection across their retail network. Therein lies the opportunity for convenience store operators to increase their market share.

As most craft beer drinkers know, the large majority of craft brewers cater to their local market and do not seek regional or national distribution. Craft beer drinkers do not shop at mass market retailers in search of a local six pack. Instead, they head to the corner liquor store or convenience store in their pursuit of a quick purchase and something new.

While there continues to be demand for large national brands that can be purchased anywhere, allocating 20% or more of refrigerated shelf space to local craft beer brands is a great way to drive store sales and attract customers. Try carrying local craft beers that are not easily found in major retailers. Rotate your beer selection to keep craft beer drinkers coming back to explore “what’s new.” Most craft breweries offer seasonal beers that are light in the summer and heavy in the winter. Yardhouse Restaurants built its reputation by offering more than 100 taps. Even Southwest Airlines offers seasonal beer selections in-flight. Gone are the days of only stocking predictable national brands. By allocating at least 20% of your shelf space to local craft beer you will quickly realize the difference it can make.

About Trefethen Advisors, LLC

Trefethen Advisors, LLC is an independent financial and strategic advisory firm, serving leading middle-market public and private corporations, family offices, institutional investors, operating executives and individual business owners. Our hands-on senior partners have negotiated, structured, and completed more than \$8 billion in transactions. Trefethen's sector-focused model enables us to provide our clients with a complete perspective of the micro and macro economic trends affecting their industry and business, and influencing their complex strategic decisions.

Trefethen's collaborative approach consists of developing and executing value-maximizing strategies that are aligned with our clients' objectives. We offer a full range of financial and strategic advisory services (e.g., M&A; Corporate Finance; Real Estate Finance; Financial Restructuring; ESOP Buyouts), and skilled transaction execution capabilities. Our principals have significant experience in convenience store and have extensive relationships with industry and capital markets participants. Our focus on value-added research provides our clients with insight on industry specific and macro issues affecting their business.

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Maximizing Value for Clients

M&A – Buy Side \$830 million



ConocoPhillips

The bankers of Trefethen Advisors acted as a financial advisor to Couche-Tard, Inc. in the acquisition of 1,663 retail assets of Circle K Stores from ConocoPhillips

M&A – Buy Side 130 Retail Assets



The bankers of Trefethen Advisors acted as a financial advisor to Fortress Investment Group in the acquisition of 130 retail sites from United Oil Co.

M&A – Buy Side 44 Stores



The bankers of Trefethen Advisors acted as a financial advisor to Southwest Georgia Oil Co. in the acquisition of 44 stores from Scaff's, Inc.

M&A – Sell Side Undisclosed



The bankers of Trefethen Advisors acted as a financial advisor to Garvin Oil Company, Inc. d/b/a Kent's Korner in the sale of 15 retail assets to Couche-Tard

M&A Sell Side Undisclosed



The bankers of Trefethen Advisors acted as a financial advisor to Valentine Stores on its sale to a subsidiary of Sunoco LP

M&A – Sell Side 251 Retail Assets



The bankers of Trefethen Advisors acted as a financial advisor to Pacific Convenience and Fuels, LLC. in the sale of 251 retail assets to United Oil

Corporate Finance \$372 million



The bankers of Trefethen Advisors acted as a financial advisor to Pacific Convenience and Fuels, LLC. in the recapitalization of the senior debt of the company

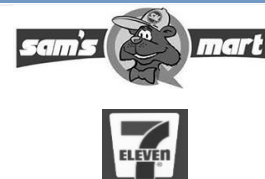
M&A – Sell Side 46 Retail Assets

CB Mart,



The bankers of Trefethen Advisors acted as a financial advisor to CB Mart, Inc. in the sale of 46 retail assets to 7-Eleven

M&A – Sell Side 55 Retail Assets



The bankers of Trefethen Advisors acted as a financial advisor to Sam's Mart, LLC. in the sale of 55 retail assets to 7-Eleven

Contact Trefethen Advisors

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