

Convenience Store Market Quarterly Newsletter

Table of Contents

1. Market Summary
2. Money and Commodity Markets
3. Equity Markets
4. Public Company Information
9. Comparative Graphics
10. Private Transactions
11. Earnings Announcements
13. Other M&A News
14. Capital Markets
15. Featured Article

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

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

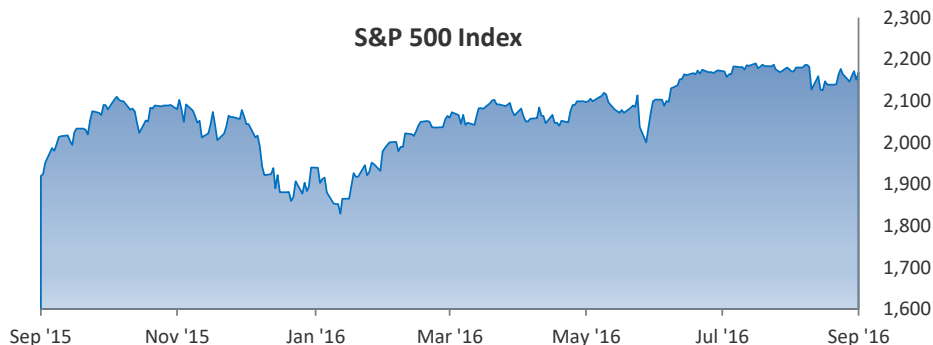
Market Summary

Volatility returned to the equity markets in September, sparked by the Bank of Japan (BOJ), European Central Bank (ECB) and Federal Reserve (Fed) meetings, namely BOJ's decision on keeping policy at its current state, rather than easing further. Overall, S&P 500 and NASDAQ rose -0.12% and 1.89%, respectively. After the two-day meeting, Fed decided not to increase interest rate as expected by many economists and investors. Globally, OPEC's oil production reached a new high in September 2016, producing 33.75 million barrels a day. However, this seems to be the end of it, at least for the near future. OPEC, at the unofficial summit in Algiers, announced a surprising preliminary agreement to limit oil production by 1-2%. The announcement caused oil prices to surge, with WTI Crude Oil ending the month up 8.0%. Equity performance of the Trefethen C-Store Index increased 7.88% for the quarter and 12.94% for the year.

C-Store Market Summary

In the industry's biggest M&A news, Alimentation Couche-Tard announced the pending \$4.4 billion acquisition of CST Brands on August 22, 2016 with an expected closed in early 2017. CST employs over 14,000 people at over 2,000 locations with a strong presence in the Southeast.

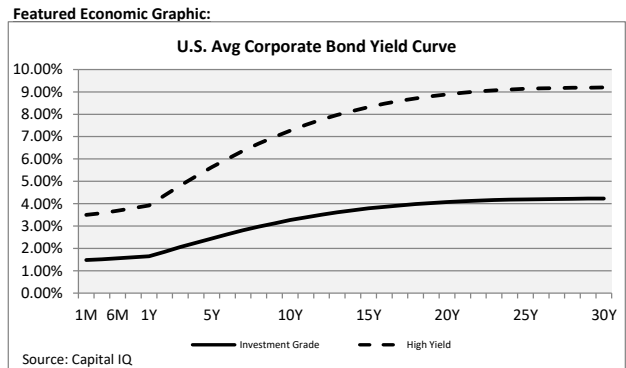
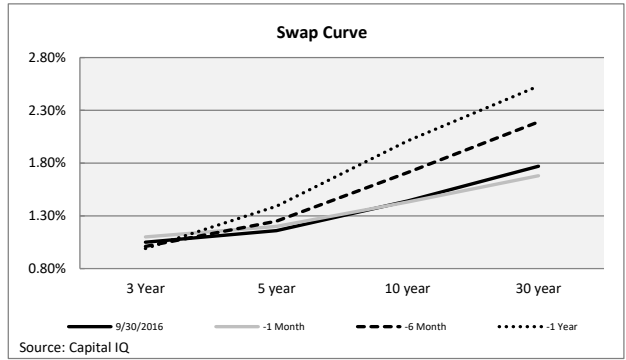
For the most recent quarter, Alimentation Couche-Tard, Casey's and CST Brands all reported fuel gross margins in excess of \$0.20 per gallon, an increase from the \$0.15 to \$0.17 range experienced five years ago. Merchandise gross margins were largely flat over that same period. Alimentation Couche-Tard and CST Brands both continue to experience strong same-store sales growth over the past few years. All three stock prices remain near their highs with CST driven up by the stock premium offered by Couche-Tard and the others driven by increased profitability from fuel sales and steady growth.



Money & Commodity Markets

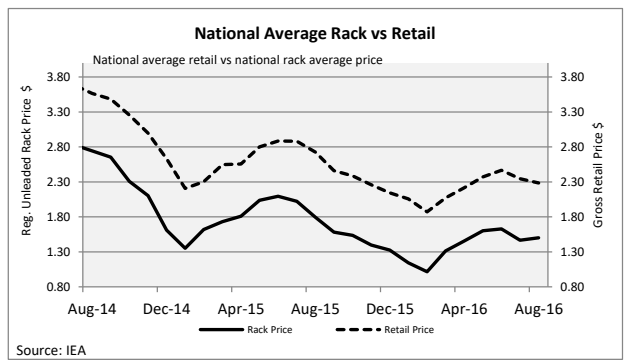
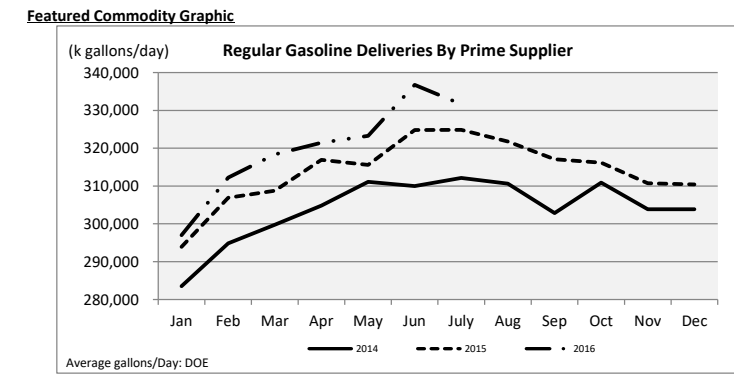
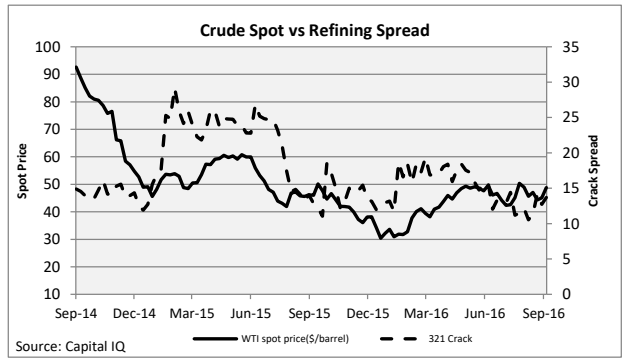
Money Markets

	9/30/2016	-1 Week	-1 Month	-6 Month	-1 Year
Treasury Rates					
6 Month	0.45%	0.40%	0.47%	0.39%	0.08%
1 Year	0.59%	0.60%	0.61%	0.61%	0.33%
5 Year	1.14%	1.16%	1.18%	1.26%	1.37%
10 year	1.60%	1.62%	1.57%	1.83%	2.06%
30 year	2.32%	2.34%	2.23%	2.65%	2.87%
Swaps					
3 Year	1.05%	1.08%	1.10%	1.01%	0.99%
5 year	1.16%	1.19%	1.20%	1.25%	1.39%
10 year	1.44%	1.47%	1.43%	1.71%	2.01%
30 year	1.77%	1.80%	1.68%	2.19%	2.53%
LIBOR					
1 Month	0.53%	0.52%	0.52%	0.43%	0.19%
3 Month	0.85%	0.85%	0.84%	0.63%	0.33%
1 year	1.55%	1.56%	1.56%	1.21%	0.85%
Other Key Rates					
Prime	3.50%	3.50%	3.50%	3.50%	3.25%
Discount	1.00%	1.00%	1.00%	1.00%	0.75%
Foreign Exchange					
Dollar Index (USD/Basket)	95.42	95.51	95.99	94.83	96.28
Pound/USD	1.30	1.30	1.31	1.44	1.51
Euro/USD	1.12	1.12	1.11	1.13	1.12
USD/Yen	101.28	100.99	102.93	112.55	119.74
USD/CNY	6.67	6.67	6.68	6.48	6.36
Market Commentary					
<p>During the quarter, the Euro traded relatively flat against the Dollar over the past quarter as a drop in German economic activity weighed on the Euro and speculation over the chances of the Fed raising interest rates in the near term faded. Our featured economic statistic this issue is the Corporate bond yield curve and the premium required for high yield bonds. Over the short term, premiums are roughly 2%, however longer term premiums expand to 5%.</p>					



Commodity Markets

	9/30/2016	-1 Week	-1 Month	-6 Month	-1 Year
Energy Markets					
Crude (W. TX Cushing Spot)	48.82	45.07	47.62	39.66	45.56
Crack Spread (NYMEX 3-2-1)	13.68	12.73	12.17	19.33	14.07
Retail Gasoline (US Avg.)	2.33	2.33	2.34	2.17	2.42
Rack (US Avg.)	-	-	1.47	1.31	1.58
Rack to Retail Spread	-	-	0.87	0.86	0.84
Other Commodity Markets					
Gold	1,317.10	1,337.50	1,313.00	1,228.60	1,115.20
Silver	19.21	19.73	18.58	15.21	14.52
Wheat	4.02	4.04	3.92	4.64	5.12
Corn	3.36	3.36	3.15	3.67	3.87
Market Commentary					
<p>Despite OPEC reportedly reaching ever higher production levels during September, at the Algiers Summit, OPEC reached an agreement to reduce daily production by 1 or 2%. Both Gold and Silver soared after UK voted to leave the EU. Our featured commodity graphic this issue focuses on gasoline demand measured by average deliveries of gasoline by prime suppliers. Data through July 2016 show a modest increase in demand over the previous year reflecting the slow turn around of the economy.</p>					



Equity Markets

(\$MM, Except per Share Data)			\$ in Local Currency			Selected Financial Data (US \$)					Price/Earnings			TEV/EBITDA			Leverage		
Security	Ticker	Most Recent Qtr. End	Last 09/30/16	52 W High	52 W Low	Market Cap (MM)	Net Debt	TEV	TTM EPS	LTM EBITDA	LTM	NTM (Est)	+2Y (Est)	LTM	NTM (Est)	+2Y (Est)	Total Debt	Total Debt / LTM EBITDA	Lease Adj. Leverage (Est)
Indices																			
DOW JONES INDUS. AVG	^DJI		18,308	18,636	15,660														
S&P 500 INDEX	^SPX		2,168	2,190	1,829														
SPDR S&P RETAIL ETF	ARCA:XRT		43.55	47.06	37.80														
TREFETHEN C-STORE INDEX			58.42	63.79	46.04														
Convenience																			
ALIMENTATION COUCHE-TARD -B	TSX:ATD.B	07/16	48.44	52.29	39.02	27,558	2,496	30,054	2.19	2,357	22.8	19.3	17.8	12.8	11.1	10.4	3,117	1.3	2.2
CASEY'S GENERAL STORES INC	NasdaqGS:CASY	07/16	120.15	136.22	98.80	4,707	698	5,406	5.49	570	20.5	20.3	20.3	9.5	9.0	8.4	888	1.6	1.6
CST BRANDS, INC.*	NYSE:CST	06/16	48.09	48.31	29.73	3,640	1,587	5,808	1.92	474	23.3	27.7	27.7	12.3	14.5	13.6	1,783	3.8	3.7
MURPHY USA, INC.	NYSE:MUSA	09/16	71.36	80.44	51.68	2,795	473	3,267	4.02	403	13.4	14.7	14.7	8.1	7.5	7.4	679	1.7	1.9
TRAVELCENTERS OF AMERICA	NasdaqGS:TA	06/16	7.16	12.67	6.41	278	206	485	0.32	105	154.1	12.5	12.5	4.6	3.4	3.1	339	3.2	6.5
Refining/Wholesale/Retail																			
ALON USA ENERGY INC	NYSE:ALJ	09/16	8.06	19.84	5.86	572	357	984	(1.67)	110	NM	NM	NM	9.0	6.8	5.9	622	5.7	6.2
CROSSAMERICA PARTNERS LP	NYSE:CAPL	06/16	25.39	27.69	17.39	848	481	1,329	0.52	105	49.2	59.4	59.4	12.7	11.9	11.2	485	4.6	4.6
DELEK US HOLDINGS INC	NYSE:DK	09/16	17.29	29.90	11.41	1,069	512	1,834	(3.69)	154	NM	NM	NM	11.9	8.5	7.2	828	5.4	5.2
GLOBAL PARTNERS LP	NYSE:GLP	09/16	16.14	35.00	12.28	541	1,295	1,969	(4.04)	187	NM	NM	NM	10.5	10.2	10.3	1,310	7.0	7.1
HOLLYFRONTIER CORP	NYSE:HFC	09/16	24.50	52.30	22.07	4,307	1,187	6,014	(2.02)	783	NM	14.4	14.4	7.7	6.1	5.5	1,666	2.1	2.8
MARATHON OIL CORP	NYSE:MRO	09/16	15.81	20.44	6.52	13,395	5,325	18,092	(2.01)	1,947	NM	NM	NM	9.3	8.7	7.5	7,278	3.7	4.0
MURPHY OIL CORP	NYSE:MUR	09/16	30.40	37.48	14.30	5,235	2,123	7,292	(4.62)	725	NM	NM	NM	10.1	7.4	5.5	2,994	4.1	4.7
PHILLIPS 66	NYSE:PSX	09/16	80.55	94.12	71.74	42,128	6,521	49,982	3.82	4,940	13.9	17.9	17.9	10.1	9.4	8.2	8,858	1.8	2.1
SUNOCO LP	NYSE:SUN	06/16	29.01	40.06	22.86	3,242	4,112	7,354	1.19	584	24.4	16.2	16.2	12.6	9.7	9.1	4,195	7.2	7.3
TESORO CORP	NYSE:TSO	09/16	79.56	119.67	67.80	9,451	3,295	15,509	5.81	2,416	7.5	13.9	13.9	6.4	6.6	6.0	4,682	1.9	3.1
VALERO ENERGY CORP	NYSE:VLO	09/16	53.00	73.88	46.88	24,451	2,585	27,864	4.72	5,381	8.5	12.2	12.2	5.2	5.4	4.7	7,510	1.4	1.1
WESTERN REFINING INC	NYSE:WNR	09/16	26.46	47.55	18.14	2,869	1,845	5,159	1.53	677	9.4	16.2	16.2	7.6	8.0	7.1	2,112	3.1	3.5
Major Oil																			
BP PLC	LSE:BP.	09/16	5.86	6.05	3.25	110,760	33,431	143,557	(0.20)	19,518	NM	19.9	19.9	7.4	6.1	5.2	58,997	3.0	4.0
CHEVRON CORP	NYSE:CVX	09/16	102.92	107.58	75.33	194,161	37,913	231,324	(0.80)	22,284	NM	31.8	31.8	10.4	7.1	6.5	45,585	2.0	2.0
CONOCOPHILLIPS	NYSE:COP	09/16	43.47	57.24	31.05	53,838	24,365	78,650	(5.65)	3,671	NM	NM	NM	21.4	9.5	7.7	28,689	7.8	7.5
EXXON MOBIL CORP	NYSE:XOM	09/16	87.28	95.55	71.55	361,920	41,062	408,317	2.14	31,909	34.7	23.7	23.7	12.8	8.0	7.9	46,155	1.4	1.6
ROYAL DUTCH SHELL PLC-A SHS	ENXTAM:RDSA	09/16	24.92	28.67	18.57	205,444	77,845	283,321	0.53	30,712	NM	18.3	18.3	9.2	7.0	6.0	97,829	3.2	3.5
TOTAL SA	ENXTPA:FP	09/16	47.40	53.28	39.58	113,406	31,409	147,505	1.62	19,973	37.0	12.9	12.9	7.4	6.1	5.4	57,965	2.9	2.6
Drug																			
CVS CAREMARK CORP	NYSE:CVS	06/16	88.99	106.67	86.50	94,882	27,429	122,317	4.34	12,928	20.5	14.2	14.2	9.5	9.0	8.6	28,636	2.2	2.9
WALGREEN CO	NasdaqGS:WBA	08/16	80.62	95.74	71.50	87,256	9,189	97,888	3.82	8,581	27.9	16.5	16.5	11.4	10.5	9.9	19,028	2.2	3.8
Restaurant																			
DARDEN RESTAURANTS INC	NYSE:DRI	08/16	61.32	68.97	53.38	7,740	326	7,905	3.03	927	22.1	15.8	15.8	8.5	8.0	7.8	440	0.5	2.2
MCDONALD'S CORP	NYSE:MCD	09/16	115.36	131.96	97.13	98,444	23,740	121,326	5.32	9,315	22.0	19.9	19.9	13.0	12.8	12.5	26,007	2.8	3.7
STARBUCKS CORP	NasdaqGS:SBUX	06/16	54.14	64.00	52.63	79,402	1,286	80,690	1.78	5,173	30.4	25.6	25.6	15.6	14.2	13.6	3,602	0.7	1.9
YUM! BRANDS INC	NYSE:YUM	09/16	90.81	91.99	64.58	35,406	6,289	40,032	3.89	2,941	27.4	23.5	23.5	13.6	12.7	12.4	9,174	3.1	4.4
Grocery																			
KROGER CO	NYSE:KR	08/16	29.68	42.75	29.49	28,023	12,101	40,149	2.11	5,887	14.1	13.8	13.8	6.8	6.7	6.4	12,420	2.1	2.2
Home Improvement																			
HOME DEPOT INC	NYSE:HD	07/16	128.68	139.00	109.62	158,994	16,925	175,919	5.91	14,619	21.8	19.1	19.1	12.0	11.0	10.7	20,943	1.4	1.8
LOWE'S COS INC	NYSE:LOW	07/16	72.21	83.65	62.62	63,159	13,655	76,923	3.09	7,406	23.4	16.3	16.3	10.4	9.2	8.8	15,811	2.1	2.3
Discount																			
DOLLAR GENERAL CORP	NYSE:DG	07/16	69.99	96.88	59.75	19,719	2,873	22,592	4.28	2,397	16.4	14.9	14.9	9.4	8.5	8.6	3,058	1.3	2.9
WAL-MART STORES INC	NYSE:WMT	07/16	72.12	75.19	56.30	223,086	40,432	266,137	4.64	33,782	15.5	16.5	16.5	7.9	8.1	8.1	48,108	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

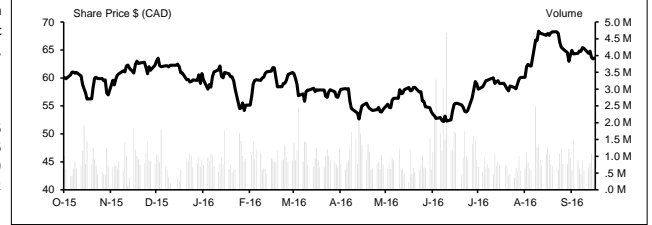
Relative Stock Price Performance

YTD Change

YTD % Change

Spider Retail Index YTD % Change

Share Price and Volume



Market Data

24.2%	Dividend Yield %	0.49%			
34.0%	Beta 5Y	(0.73)			
567.7	Float %	71.8%			
27,558	Short Int. (Short Interest to Total Shares Outstanding)	-			
3,117	1 Yr Return on Equity	25.7%			
-	YTD Return	4.4%			
-	Relative Strength Index	45.02			
621	S&P STARS Ranking	NA			
30,054	S&P Quality Ranking	A+			
Valuation					
4.42	Enterprise Value / Revenue	0.9	0.9	0.8	0.6
4.4%	Enterprise Value / EBITDA	13.1	12.8	11.5	9.7
0.7%	Price / Earnings (P/E)	23.9	22.8	20.2	16.8

Income Statement (USD Millions)

	Fiscal Year Ended					Quarterly					
	4/29/2012	4/28/2013	4/27/2014	4/26/2015	4/24/2016	Prev LTM	Cur LTM	FY+1	FY+2	FQ+1	FQ+2
Sales	22,980	35,543	37,962	34,530	34,145	34,145	33,586	39,213	48,669	9,077	11,882
Gross Profit	2,975	4,610	4,988	5,268	6,082	6,082	6,182	NA	NA	NA	NA
Operating Expense	2,397	3,757	3,999	3,911	4,420	4,420	4,454	NA	NA	NA	NA
Operating Income	578	853	989	1,358	1,662	1,662	1,728	NA	NA	NA	NA
EBITDA	839	1,390	1,591	1,913	2,289	2,288	2,357	2,612	3,109	617	748
Net Income	458	573	811	929	1,194	1,194	1,220	1,319	1,628	NA	NA
Normalized Diluted EPS	0.81	1.11	1.35	1.80	2.09	1.97	2.16	2.40	2.88	0.59	0.66

Margins:

Gross Profit (%)	12.9%	13.0%	13.1%	15.3%	17.8%	17.8%	18.4%
Operating Income (%)	2.5%	2.4%	2.6%	3.9%	4.9%	4.9%	5.1%
EBITDA Margin (%)	3.7%	3.9%	4.2%	5.5%	6.7%	6.7%	7.0%
Net Income (%)	2.0%	1.6%	2.1%	2.7%	3.5%	3.5%	3.6%

Fuel Operations (U.S. Stores):

Fuel Volume (MM Gallons)	3,896	4,276	4,612	5,119	7,260	7,260	7,331
Fuel Gross Profit	537	783	796	1,093	1,479	1,479	1,525
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):

Merchandise /Service Sales	4,134	4,549	4,822	5,311	7,367	7,367	7,419
Merchandise /Service Gross Profit	1,370	1,506	1,576	1,748	2,452	2,452	2,471
Merchandise /Service Margin (%)	33.1%	33.1%	32.7%	32.9%	33.3%	33.3%	33.3%
Same Store Merch /Serv Sale in US (%Chg)	2.7%	1.0%	3.8%	3.9%	4.6%	NA	NA

Other Information:

Number of U.S. Stores (Co-op)	4,569	6,235	6,236	7,787	7,929	7,929	7,965
Capital Expenditures	317	537	529	635	906	906	949

Balance Sheet

Assets:	
Total Current Assets	2,947
LT Assets:	
Net Fixed Assets	6,355
Other	2,835
Long Term Investments	375
Total LT Assets	9,565
Total Assets	12,512
Liabilities:	
ST Liabilities	2,659
LT Liabilities:	
LT Debt	3,087
Other LT	1,491
Total Liabilities	7,237
Shareholder's Equity:	
Paid in Capital	16
Preferred Equity & Minority	-
Retained Earnings	5,312
Comprehensive Income	(753)
Treasury Stock	-
Common Stock	700
Total Liabilities & Equity	12,512

Credit Ratings

S&P Credit Rating	BBB
S&P Outlook	Stable

Credit Metrics

Funded Debt / EBITDA	1.3
Lease Adjusted Leverage*	2.2
Total Debt to Capital	37%
Current Ratio	1.1

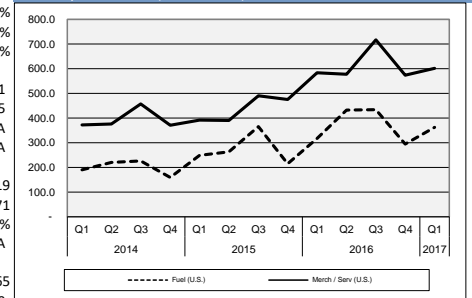
Profitability Metrics

Return on Capital (LTM)	13.7%
Return on Common Equity (LTM)	25.8%

Notes

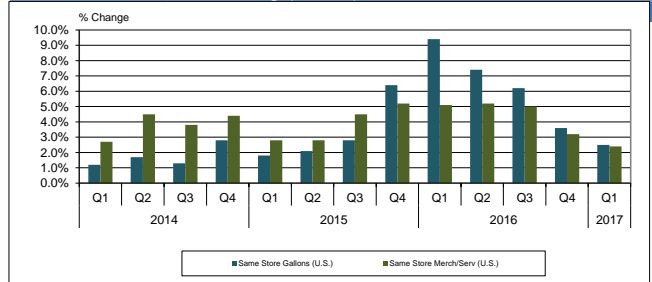
Calculated as follows: [(Net Rent Expense 8) + LT debt] / EBITDAR

Quarterly Gross Profit (USD Millions)

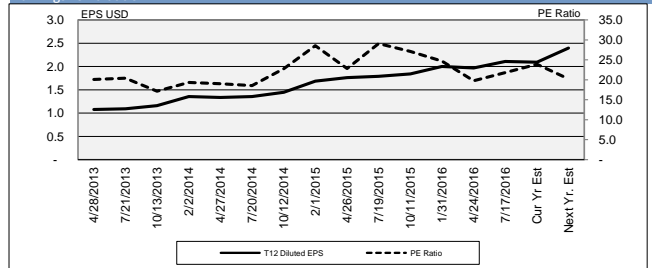


Graphics

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 sells gasoline.

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

Valuation Analytics

Latest Fiscal Year: 7/26/2016
 LTM as of: 7/31/2016
 52-Week High: 136.2199
 52-Week Low: 98.8
 Daily Volume (30 Day Average, Thousand): 724.97
 Current Price: 120.15

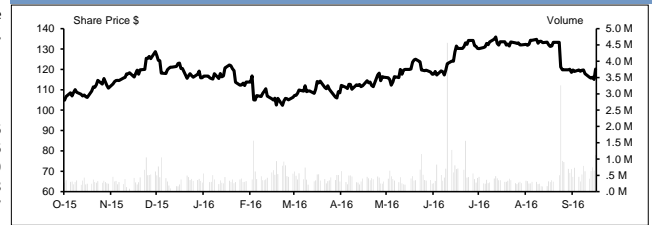
52-Week High % Change: (11.8%)
 52-Week Low % Change: 21.6%
 % 52 Week Price Range High/Low: 37.9%
 Shares Outstanding (MM): 39.2

Market Capitalization: 4,707
 Total Debt: 888
 Preferred Stock: -
 Minority Interest: -
 Cash and Equivalents: 189
 Enterprise Value: 5,406

Relative Stock Price Performance

YTD Change: (0.30)
 YTD % Change: (0.2%)
 Spider Retail Index YTD % Change: 0.7%

Share Price and Volume



Market Data

Dividend Yield	0.80%
Beta 5Y	0.50
Float %	98.9%
Short Int. (Short Interest to Total Shares Outstanding)	5.9%
1 Yr Return on Equity	22.2%
YTD Return	(0.2%)
Relative Strength Index	44.65
S&P STARS Ranking (1 - 5)	3
S&P Quality Ranking	A+
Valuation	
Enterprise Value / Revenue	0.8
Enterprise Value / EBITDA	9.5
Price / Earnings (P/E)	21.2

Income Statement (USD Millions)

	Fiscal Year Ended					Quarterly					
	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	6,304	6,226	6,762	8,776	1,939	1,828
Gross Profit	1,000	1,071	1,222	1,440	1,614	1,614	1,652	NA	NA	NA	NA
Operating Expense	785	869	986	1,115	1,223	1,223	1,258	NA	NA	NA	NA
Operating Income	215	203	236	325	391	391	394	NA	NA	NA	NA
EBITDA	315	329	377	479	560	560	570	580	650	158	123
Net Income	115	104	127	181	226	226	232	224	255	NA	NA
Normalized Diluted EPS	3.04	2.91	3.46	4.62	5.73	5.74	5.86	5.66	6.41	1.65	1.04

Margins:

Gross Profit (%)	15.5%	16.1%	17.0%	20.4%	25.6%	25.6%	26.5%	3.7%
Operating Income (%)	3.3%	3.0%	3.3%	4.6%	6.2%	6.2%	6.3%	9.1%
EBITDA Margin (%)	4.9%	4.9%	5.2%	6.8%	8.9%	8.9%	9.1%	9.1%
Net Income (%)	1.8%	1.6%	1.8%	2.6%	3.6%	3.6%	3.7%	3.7%

Fuel Operations:

Fuel Volume (MM Gallons)	1,476	1,535	1,666	1,817	1,952	1,951.81	1,986.61	NA	NA	NA	NA
Fuel Gross Profit	227	233	268	351	382	381.66	398.41	NA	NA	NA	NA
Fuel margin (CPG)	15.4	15.2	16.8	19.3	19.6	NA	NA	NA	NA	NA	NA
Same Store Fuel Vol (%Chg)	(1.5%)	0.1%	3.1%	2.6%	2.6%	NA	NA	NA	NA	NA	NA

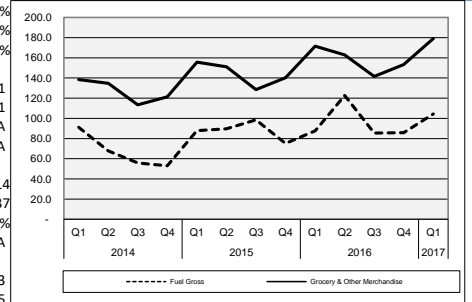
Grocery & Other Merchandise:

Grocery & Other Merchandise Sales	1,365	1,419	1,583	1,795	1,974	1,974	2,014	NA	NA	NA	NA
Grocery & Other Merchandise Gross Profit	443	463	508	576	629	629	637	NA	NA	NA	NA
Grocery & Other Merchandise Margin (%)	32.5%	32.6%	32.1%	32.1%	31.9%	31.9%	31.6%	NA	NA	NA	NA
Same Store Grocery/Merch Sale (%Chg)	6.7%	0.8%	7.4%	7.8%	7.1%	NA	NA	NA	NA	NA	NA

Other Information:

Number of Stores (Co-op)	1,699	1,749	1,808	1,878	1,931	1,931	1,933	NA	NA	NA	NA
Capital Expenditures	241	305	309	361	393	393	375	NA	NA	NA	NA

Quarterly Gross Profit (USD Millions)



Balance Sheet

Assets:	
Total Current Assets	435
LT Assets:	
Net Fixed Assets	2,303
Other	148
Long Term Investments	-
Total LT Assets	2,451
Total Assets	2,886
Liabilities:	
ST Liabilities	420
LT Liabilities:	
LT Debt	872
Other LT	444
Total Liabilities	1,737
Shareholder's Equity:	
Paid in Capital	-
Preferred Equity & Minority	-
Retained Earnings	1,069
Comprehensive Income	-
Treasury Stock	-
Common Stock	80
Total Liabilities & Equity	2,886

Credit Ratings

S&P Credit Rating: -
 S&P Outlook: -

Credit Metrics

Funded Debt / EBITDA: 1.5
 Lease Adjusted Leverage*: 1.6
 Total Debt to Capital: 44%
 Current Ratio: 1.0

Profitability Metrics

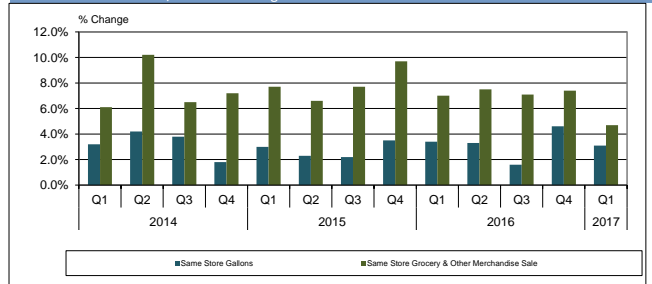
Return on Capital (LTM): 12.9%
 Return on Common Equity (LTM): 22.2%

Notes

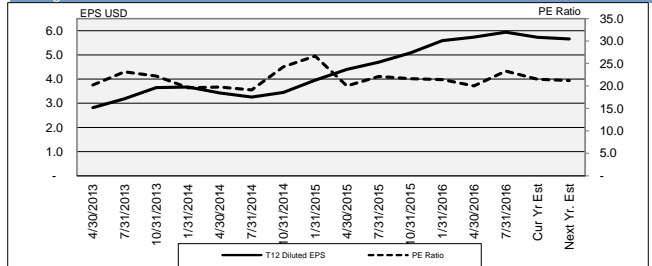
*Calculated as follows: [(Net Rent Expense * 8) + LT debt] / EBITDAR

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 sale 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:

LTM as of:

52-Week High 8/16/2016 48.31

52-Week Low 2/19/2016 29.73

Daily Volume (30 Day Average, Thousand) 960.6

Current Price 48.09

52-Week High % Change (0.5%)

52-Week Low % Change 61.8%

% 52 Week Price Range High/Low 62.5%

Shares Outstanding (MM) 75.6

Market Capitalization

Total Debt

Preferred Stock

Minority Interest

Cash and Equivalents

Enterprise Value

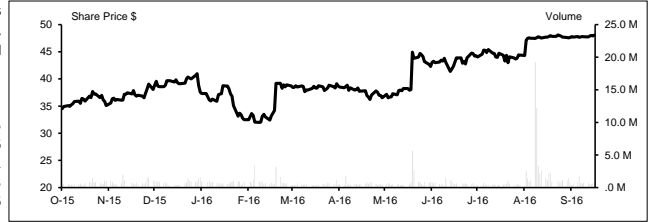
Relative Stock Price Performance

YTD Change

YTD % Change

Spider Retail Index YTD % Change

Share Price and Volume



Market Data

Dividend Yield 0.52%

Beta 5Y 1.13

Float % 97.9%

Short Int. (Short Interest to Total Shares Outstanding) 3.3%

1 Yr Return on Equity 9.5%

YTD Return 22.9%

Relative Strength Index 64.98

S&P STARS Ranking (1 - 5) 3

S&P Quality Ranking NR

Valuation

8.95 Enterprise Value / Revenue

22.9% Enterprise Value / EBITDA

0.7% Price / Earnings (P/E)

Income Statement (USD Millions)

	Fiscal Year Ended					Period					
	12/31/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015	Prev LTM	Cur LTM	FY+1	FY+2	FQ+1	FQ+2
Sales	10,826	11,058	10,750	10,773	9,499	9,125	8,862	9,465	10,876	2,510	2,455
Gross Profit	1,133	1,133	1,097	1,273	1,383	1,413	1,465	1,331	1,490	374	352
Operating Expense	808	820	853	974	1,116	1,136	1,173	NA	NA	NA	NA
Operating Income	325	313	244	299	267	277	292	NA	NA	NA	NA
EBITDA	-	-	366	441	432	456	474	385	427	113	90
Net Income	218	208	139	200	149	154	156	116	139	44	26
Normalized Diluted EPS	-	2.12	1.89	2.38	2.19	3.26	3.33	1.60	1.95	0.57	0.36

Margins:

Gross Profit (%) 10.5% 10.2% 10.2% 11.8% 14.6% 15.5% 16.5%

Operating Income (%) 3.0% 2.8% 2.3% 2.8% 2.8% 3.0% 3.3%

EBITDA Margin (%) - - 3.4% 4.1% 4.5% 5.0% 5.3%

Net Income (%) 2.0% 1.9% 1.3% 1.9% 1.6% 1.7% 1.8%

Fuel Operations (U.S. Retail):

Fuel Volume (MM Gallons) 1,843 1,915 1,890 1,826 1,953 NA NA

Fuel Gross Profit 258 298 262 383 376 391 407

Fuel margin (CPG) 15.0 16.0 14.0 20.1 19.5 NA NA

Same Store Fuel Vol (%Chg) NA NA (3.2%) (4.6%) (0.9%) NA NA

Merchandise/Service (U.S. Retail):

Merchandise/Service Sales 1,276 1,295 1,335 1,396 1,514 1,583 1,665

Merchandise/Service Gross Profit 406 367 436 460 497 526 559

Merchandise/Service Margin (%) 31.8% 28.3% 32.7% 33.0% 32.8% 33.2% 33.6%

Same Store Merch Sale (%Chg) NA NA (0.7%) 1.1% 2.9% NA NA

Other information:

Number of Stores (Co-op) 998 1,032 1,036 1,021 1,049 1,219 1,225

Capital Expenditures 130 156 200 285 343 359 370

Balance Sheet

Assets: 700

Total Current Assets 700

LT Assets:

Net Fixed Assets 2,489

Other 1,111

Long Term Investments

Total LT Assets 3,600

Total Assets 4,300

Liabilities:

ST Liabilities 935

LT Liabilities:

LT Debt 1,406

Other LT 411

Total Liabilities 2,752

Shareholder's Equity:

Paid in Capital 633

Preferred Equity & Minority 581

Retained Earnings 435

Comprehensive Income (13)

Treasury Stock (89)

Common Stock 1

Total Liabilities & Equity 4,300

Credit Ratings

S&P Credit Rating BB

S&P Outlook NM

Credit Metrics

Funded Debt / EBITDA 2.7

Lease Adjusted Leverage* 3.7

Total Debt to Capital 54%

Current Ratio 0.7

Profitability Metrics

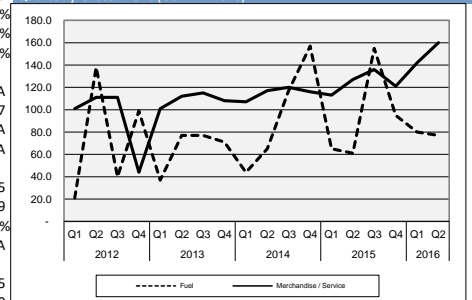
Return on Capital (LTM) 5.9%

Return on Common Equity (LTM) 18.1%

Notes

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

Quarterly Gross Profit (USD Millions)

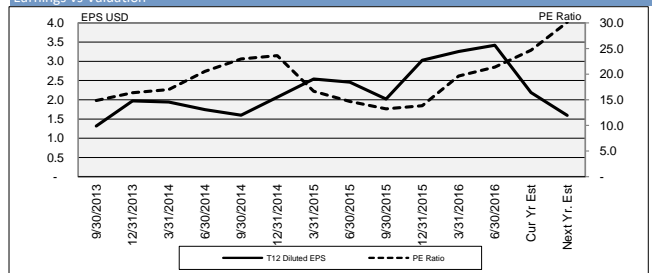


Graphics

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 product and convenience merchandise.

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

Valuation Analytics

Latest Fiscal Year:

LTM as of:

52-Week High 8/4/2016

52-Week Low 1/26/2016

Daily Volume (Thousand)

Current Price 9/30/2016

52-Week High % Change

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

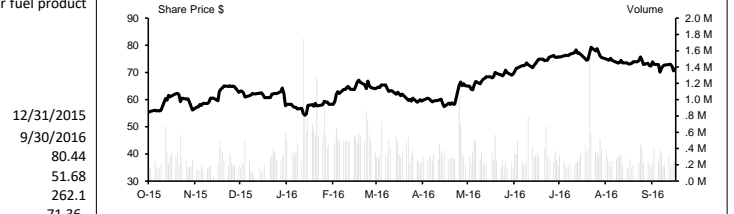
Relative Stock Price Performance

YTD Change

YTD % Change

Spider Retail Index YTD % Change

Share Price and Volume



Market Data

Dividend Yield	0.00%
Beta 5Y	0.83
Float %	93.3%
Short Int. (Short Interest to Total Shares Outstanding)	4.2%
1 Yr Return on Equity	27.9%
YTD Return	17.5%
Relative Strength Index	42.70
S&P STARS Ranking (1 - 5)	NA
S&P Quality Ranking	NA
Valuation	
Enterprise Value to Revenue	0.3
Enterprise Value to EBITDA	9.5
Price to Earnings (P/E)	22.7
	LTM
	FY+1
	FY+2

Income Statement (USD millions)

	Fiscal Year Ended					Prev LTM	Cur LTM	FY+1	FY+2	FQ+1	FQ+2
	12/31/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015						
Sales	17,088	17,339	15,930	15,055	10,731	9,824	9,492	11,774	13,629	3,237	3,165
Gross Profit	470	398	466	565	472	527	501	1,059	1,112	285	235
Operating Expense	159	186	189	200	217	222	224	NA	NA	NA	NA
Operating Income	311	212	277	365	255	304	277	NA	NA	NA	NA
EBITDA	-	-	340	475	343	397	403	440	440	115	80
Net Income	324	84	235	244	176	259	244	251	182	52	26
Normalized Diluted EPS	-	-	3.27	5.11	4.05	4.81	5.13	4.78	4.98	1.29	0.74

Margins:

Gross Profit (%)	2.8%	2.3%	2.9%	3.8%	4.4%	5.4%	5.3%	4.0%	4.3%	4.0%	4.3%
Operating Income (%)	1.8%	1.2%	1.7%	2.4%	2.4%	3.1%	2.9%	4.0%	4.3%	4.0%	4.3%
EBITDA Margin (%)	-	-	2.1%	3.2%	3.2%	4.0%	4.3%	4.0%	4.3%	4.0%	4.3%
Net Income (%)	1.9%	0.5%	1.5%	1.6%	1.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%

Fuel Operations:

Fuel Volume (Million Gallons)	3,716	3,796	3,800	3,981	4,124	NA	NA	NA	NA	NA	NA
Fuel Gross Profit	625.7	556.7	550.4	653.9	510.2	NA	NA	NA	NA	NA	NA
Fuel margin (CPG)	15.6	12.9	13.0	15.8	12.5	NA	NA	NA	NA	NA	NA
Avg Per Store Month Fuel Vol (%Chg)	(9.4%)	(0.3%)	(3.1%)	0.7%	(0.9%)	NA	NA	NA	NA	NA	NA

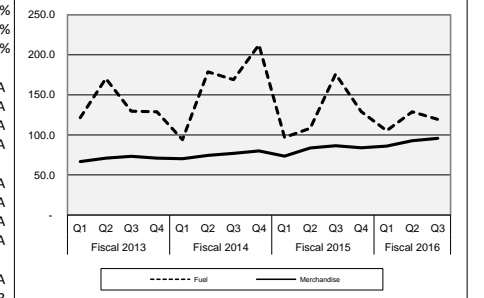
Merchandise:

Merchandise Sales	2,116	2,144	2,159	2,161	2,274	NA	NA	NA	NA	NA	NA
Merchandise Gross Profit	264	289	282	302	327	NA	NA	NA	NA	NA	NA
Merchandise Margin (%)	12.5%	13.5%	13.1%	14.0%	14.4%	NA	NA	NA	NA	NA	NA
APSM Merch Sales (%Chg)	3.0%	(1.1%)	(2.5%)	(3.7%)	0.6%	NA	NA	NA	NA	NA	NA

Other Information:

Number of Stores (Co-op)	1,128	1,165	1,203	1,263	1,335	NA	NA	NA	NA	NA	NA
Capital Expenditures	100	105	163	135	205	234	253	NA	NA	NA	NA

Quarterly Gross Profit (USD Millions)



Balance Sheet

Assets:	
Total Current Assets	528
LT Assets:	
Net Fixed Assets	1,488
Other	40
Long Term Investments	-
Total LT Assets	1,529
Total Assets	2,057
Liabilities:	
ST Liabilities	417
LT Liabilities:	
LT Debt	639
Other LT	241
Total Liabilities	1,298
Shareholder's Equity:	
Paid in Capital	550
Preferred Equity & Minority	-
Retained Earnings	705
Comprehensive Income	-
Treasury Stock	(497)
Common Stock	0
Total Liabilities & Equity	2,057

Credit Ratings

S&P Credit Rating BB+

S&P Outlook Stable

Credit Metrics

Funded Debt / EBITDA 1.7

Lease Adjusted Leverage* 1.9

Total Debt to Capital 4.7%

Current Ratio 1.3

Profitability Metrics

Return on Capital (LTM) 13.1%

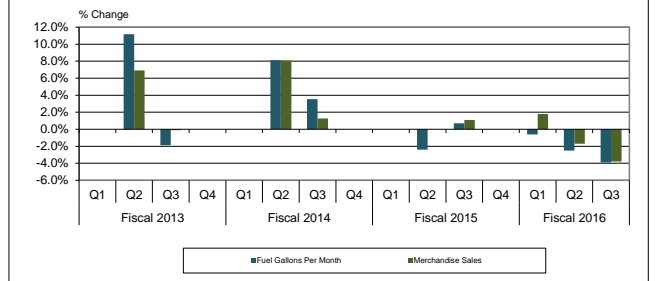
Return on Common Equity (LTM) 27.9%

Notes

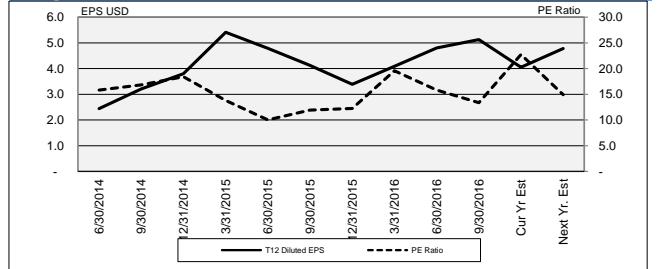
*Calculated as follows: [(Net Rent Expense * 8) + LT debt] / EBITDAR

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 Minit Mart brand, offers gasoline, packages food and snack items, non-prescription drug 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:

LTM as of:

52-Week High 11/6/2015

52-Week Low 1/20/2016

Daily Volume (Thousand)

Current Price 9/30/2016

52-Week High % Change

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

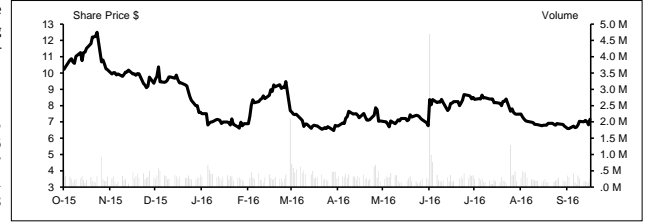
Relative Stock Price Performance

YTD Change

YTD % Change

Spider Retail Index YTD % Change

Share Price and Volume



Market Data

Dividend Yield	0.00%			
Beta 5Y	2.96			
Float %	91.8%			
Short Int. (Short Interest to Total Shares Outstanding)	1.3%			
1 Yr Return on Equity	0.3%			
YTD Return	(23.8%)			
Relative Strength Index	56.42			
S&P STARS Ranking (1 - 5)	NA			
S&P Quality Ranking	B-			
Valuation				
	Last Fiscal	LTM	FY+1	FY+2
(2.24)	Enterprise Value to Revenue	0.1	0.1	0.1
(23.8%)	Enterprise Value to EBITDA	3.2	4.6	4.1
0.7%	Price to Earnings (P/E)	9.9	154.1	36.1

Income Statement (USD millions)

	Fiscal Year Ended					Prev LTM	Cur LTM	FY+1	FY+2	FQ+1	FQ+2
	12/31/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015						
Sales	7,889	7,996	7,945	7,779	5,851	7,779	5,470	5,656	6,501	1,550	1,496
Gross Profit	361	387	397	503	504	503	488	NA	NA	NA	NA
Operating Expense	327	346	366	390	426	390	461	NA	NA	NA	NA
Operating Income	34	42	31	114	78	114	28	NA	NA	NA	NA
EBITDA	81	93	80	179	150	111	105	119	156	47	26
Net Income	24	32	32	61	28	61	2	10	26	12	(1)
Normalized Diluted EPS	1.00	1.15	0.54	1.64	0.97	0.78	0.12	0.20	0.69	0.35	0.03

	12/31/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015	Prev LTM	Cur LTM
Gross Profit (%)	4.6%	4.8%	5.0%	6.5%	8.6%	6.5%	8.9%
Operating Income (%)	0.4%	0.5%	0.4%	1.5%	1.3%	1.5%	0.5%
EBITDA Margin (%)	1.0%	1.2%	1.0%	2.3%	2.6%	1.4%	1.9%
Net Income (%)	0.3%	0.4%	0.4%	0.8%	0.5%	0.8%	0.0%

Fuel Operations:

	12/31/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015	Prev LTM	Cur LTM
Fuel Volume (MM)	2,087	2,040	2,035	2,025	2,130	2,025	NA
Fuel Gross Profit	301	326	342	429	414	429	NA
Fuel margin (CPG)	15.0	16.7	17.2	19.8	20.5	19.8	NA
Same Store Fuel Vol. (%Chg)	0.0%	(4.2%)	(3.1%)	(4.3%)	0.7%	(4.3%)	NA

Merchandise:

	12/31/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015	Prev LTM	Cur LTM
Merchandise Sales	1,271	1,345	1,451	1,617	1,783	1,617	NA
Merchandise Gross Profit	723	745	798	878	963	878	NA
Merchandise Margin (%)	56.9%	55.4%	55.0%	54.3%	54.0%	54.3%	NA
Same Store Merch Sale (%Chg)	8.4%	3.2%	2.7%	4.1%	5.4%	4.1%	5.4%

Other Information:

	12/31/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015	Prev LTM	Cur LTM
Number of Stores (Co-op)	196	210	251	254	426	254	232
Capital Expenditures	125	189	164	170	295	170	336

Balance Sheet

	12/31/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015	Prev LTM	Cur LTM
Assets:							
Total Current Assets					497		
LT Assets:							
Net Fixed Assets				1,043			
Other				131			
Long Term Investments				29			
Total LT Assets				1,203			
Total Assets				1,700			

Liabilities:

	12/31/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015	Prev LTM	Cur LTM
ST Liabilities:					374		
LT Liabilities:							
LT Debt				318			
Other LT				461			
Total Liabilities				1,153			

Shareholder's Equity:

	12/31/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015	Prev LTM	Cur LTM
Shareholder's Equity:							
Paid in Capital					-		
Preferred Equity & Minority					1		
Retained Earnings					(139)		
Comprehensive Income					0		
Treasury Stock					-		
Common Stock					685		
Total Liabilities & Equity					1,700		

Credit Ratings

	12/31/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015	Prev LTM	Cur LTM
S&P Credit Rating					NR		
S&P Outlook					NR		

Credit Metrics

	12/31/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015	Prev LTM	Cur LTM
Funded Debt / EBITDA					3.0		
Lease Adjusted Leverage*					6.5		
Total Debt to Capital					38%		
Current Ratio					1.3		

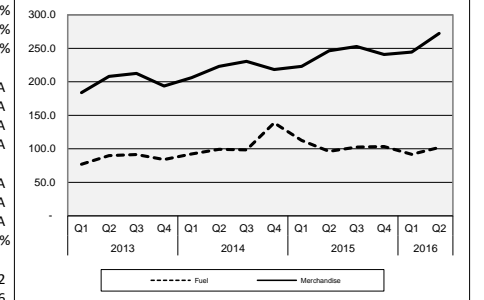
Profitability Metrics

	12/31/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015	Prev LTM	Cur LTM
Return on Capital (LTM)					2.1%		
Return on Common Equity (LTM)					0.3%		

Notes

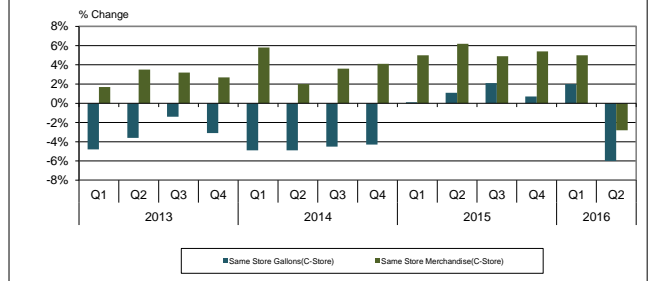
Calculated as follows: [(Net Rent Expense 8) + LT debt] / EBITDAR

Quarterly Gross Profit (USD Millions)

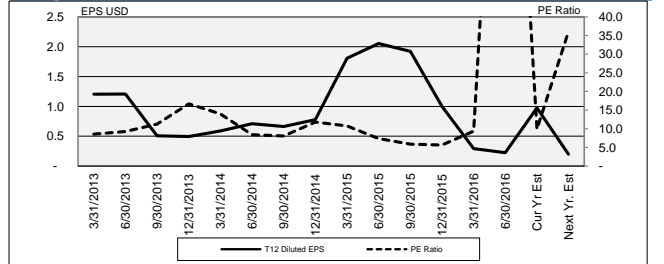


Graphics

Annual Same Store Sales/Volume % Change

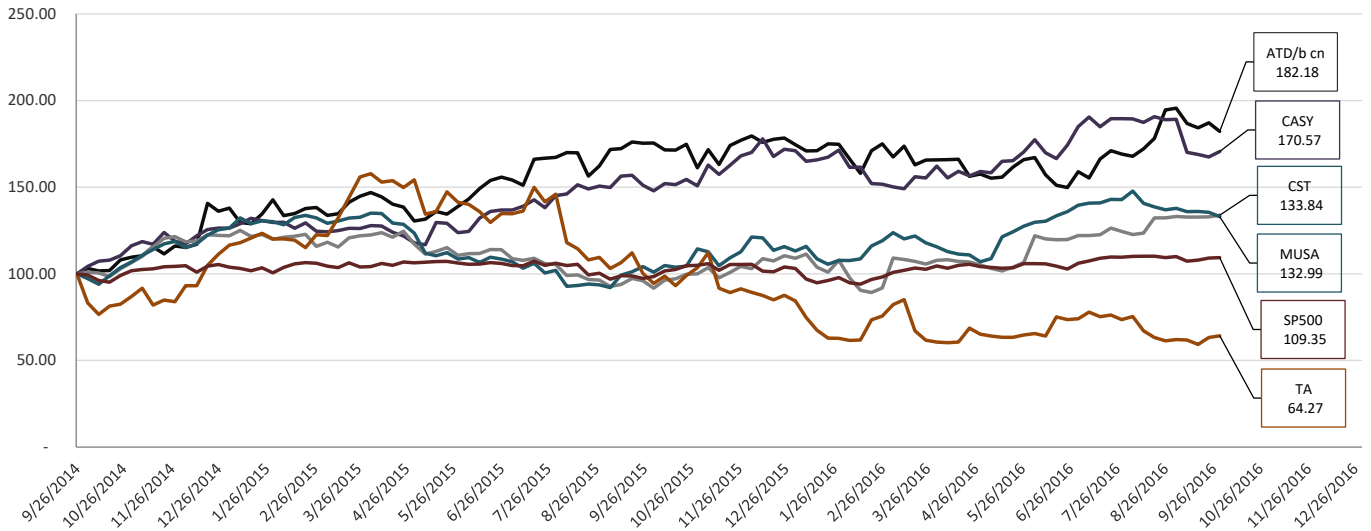


Earnings vs Valuation



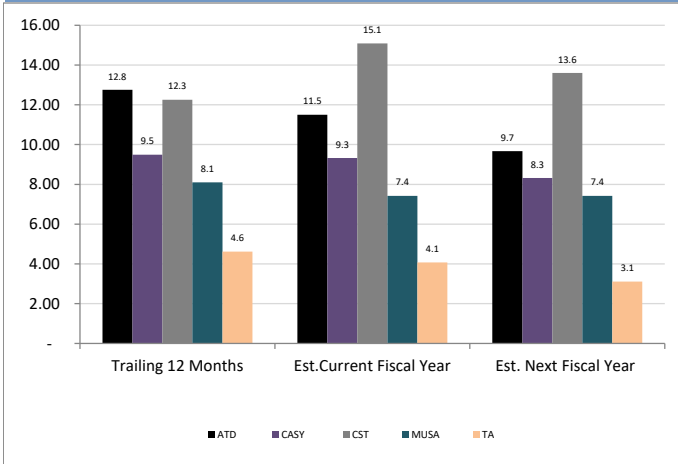
Comparison Graphics: Convenience Retailing

Historical Relative Performance

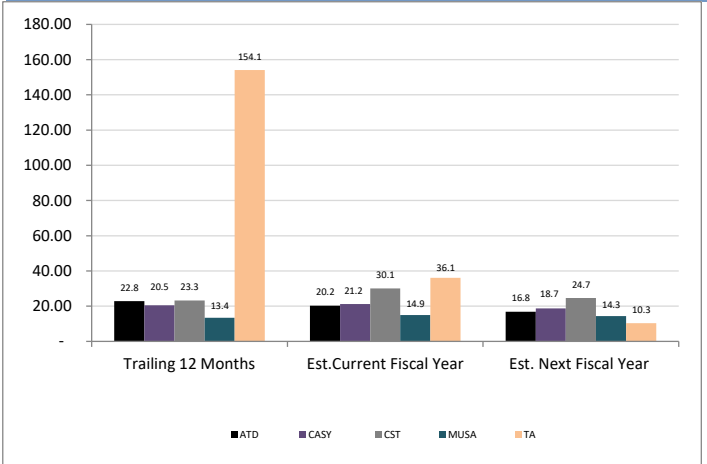


Index, 100 = September 26, 2014

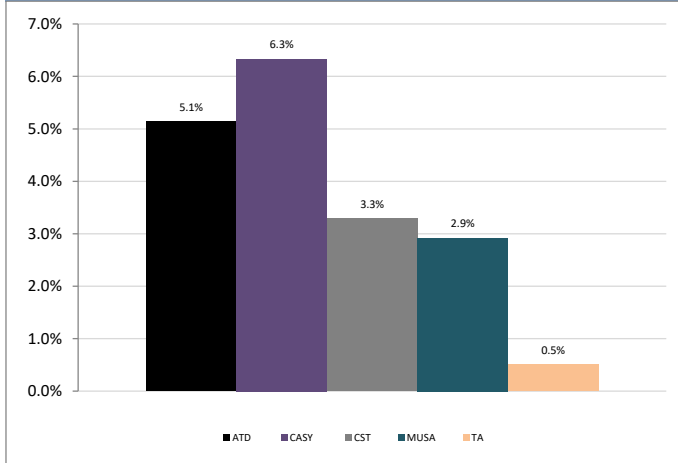
EV / Corp. EBITDA



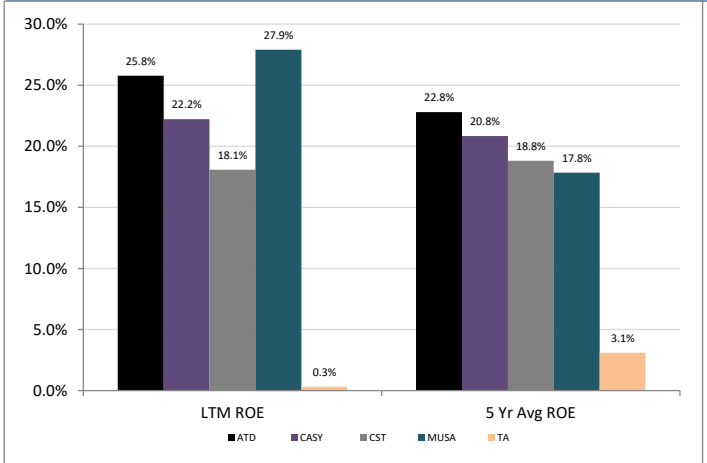
Price / Earnings Ratio



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
Sep-16	GPM Investments LLC	Smith Oil Co.		20	IL	20 Jiffi Stop c-stores
Aug-16	Fist Coast Energy	Mountain Energy		20	NC	
Aug-16	COPEC	Delek U.S.	\$535.0	348	Various	100% equity interest in Mapco Express Inc.
Aug-16	Alimentation Couche-Tard	Investments LLC & North American		53	LA	Cracker Barrel c-store sites
Aug-16	Mirabito	Global Partners	\$40.0	30	NY, PA	Includes long-term supply contracts
Aug-16	Parkland Fuel Corp.	Alimentation Couche-Tard	\$745.7		Canada	Majority of the Canadian business and assets of CST, the deal is conditional upon closing of the CST transaction
Aug-16	Alimentation Couche-Tard	CST Brands, Inc.	\$4,430.0	2,000	Various	Will retain CrossAmerica, but to sell certain CST Canadian assets
Aug-16	Sunoco LP	Denny Oil Co.	\$55.0	6		The transaction includes fuel supply contracts with 127 wholesale dealers and 500 commercial customers
Jul-16	Dollar General Corp.	Wal-Mart Stores		41	Various	
Jul-16	Wallis Cos.	U-Gas Holdings Inc.		33		19 U-Gas & 14 Dirt Cheap c-stores
Jul-16	CrossAmerica Partners	State Oil Company	\$43.1		IL	59 fee sites; 55 lessee dealers, 25 independent dealers, 3 co-op locations, 2 nonfuel sites
Jul-16	BW Gas & Convenience	Kum & Go L.C.		21	IA	
Jul-16	7-Eleven Inc.	CST Brands	\$408.0	79	CA, WY	
Jul-16	Undisclosed	Global Partners LP	\$63.5	30	NE	Sale-leaseback deal

Earnings Announcements

Alimentation Couche-Tard, Inc. (ATD) reported on August 30, 2016 the results for the first quarter and the fiscal 2017. Annual same-store merchandise revenue grew in all markets: 2.4% in the U.S., 4.9% in Europe and 0.9% in Canada. They announced a definitive merger agreement with CST Brands with a total enterprise value of approximately \$4.4 billion including net debt assumed. Highlights include:

Income: Net earnings totaled \$324.4 million in the first quarter of 2017, up 8.9% over first quarter of 2016. Excluding adjustments and acquisition costs, earnings rose from a combination of acquisitions, higher fuel margins in the U.S. as well as continued organic growth.

EBITDA: EBITDA increased by 12.2% compared with the same quarter last year, reaching \$614.7 million for fourth quarter.

Merchandise & Service: During the first quarter of 2017, merchandise and service gross margin increased by 0.1% in the U.S, a slight decrease of 0.1% in Europe and stayed flat in Canada. Further cost savings are expected due to economies of scale from recent acquisitions and improved supply conditions.

Fuel: For the first quarter of 2017, U.S and Europe same-store road transportation fuel volumes grew 2.5% and 0.9%, respectively. In Canada same-store road transportation fuel volumes increased slightly 0.6%. Fuel gross margin were \$0.209 per gallon in the U.S., \$0.087 per liter in Europe and of C\$0.0678 per liter in Canada.

Casey's General Stores, Inc. (CASY) reported on September 6, 2016 the results for the first quarter of fiscal 2017. Highlights include:

Income: Net income rose to \$67.4 million, up from \$61.8 million the same quarter last year.

Merchandise & Service: For the first quarter, grocery same-store sales were up 4.7% with an average margin of 31.6%. Cigarette sales continued to lead the category as customers traded up to premium brands in response to lower retail fuel prices.

Prepared Foods & Fountain: For the first quarter, same-store sales were up 5.1% with an average margin of 62.8%. 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 3.1% with an average margin of 19.5 cents per gallon, compared to a 17.5 cent margin in the same quarter a year ago. The Company sold 17.9 million RINs for \$14.7 million during the quarter.

CST Brands, Inc. (CST) reported on August 5, 2016 the second quarter 2016 results. Highlights include:

Income: Second quarter net income was \$24 million, up from \$19 million the prior year. This was driven by an increase in the U.S. motor fuel and merchandise and services gross profit during the quarter.

EBITDA: EBITDA was \$122 million for the quarter compared to \$96 million for the prior year. The increase in EBITDA was due primarily to an increase in U.S. motor fuel and merchandise and service gross profits along with an increase in depreciation, amortization and accretion expense.

Merchandise & Service: U.S. Merchandise and Services Gross Profit growth of 27% year-over-year was driven by 21% sales growth and a 150 basis point improvement in gross margin. Same Store Merchandise and Services declined 1% in the U.S. and increased 4.9% in Canada (excluding foreign currency impact).

Fuel: Gross Profit on U.S. fuel sales improved to \$73 million from \$59 million in the same quarter of 2015, driven by an overall favorable margin environment and fuel pricing optimization initiatives.

Earnings Announcements (Cont')

Murphy USA, Inc. (MUSA) reported on August 4, 2016 the second quarter 2016 results. Store construction in progress includes 23 new sites and ten raze and rebuilds, most of which will be placed into service late in the second quarter. Highlights include:

Income: Net income was \$46.3 million in Q1 2016, compared \$26.2 million last year. The increased income primarily due to higher retail fuel margin, higher merchandise gross margin and increased total retail fuel volumes.

EBITDA: Adjusted EBITDA rose to \$108.6 million in the second quarter, up from \$73.6 million the prior year, due to higher retail fuel margins, higher network fuel volumes, record merchandise margins, and higher RINs sales, partially offset by lower PS&W contributions.

Merchandise & Service: Total merchandise sales increased 3.0% in Q2, driven both by new store additions and 4.7% increase in non-tobacco APSM sales. Total margin contribution increased 10.8% for the quarter, due primarily to the benefits recognized from the Core-Mark supply contract, in addition to per store improvements and better promotional effectiveness. Total unit margins were up by 110 basis points from 14.6% in the prior period, setting a second consecutive quarterly record of 15.7%.

Fuel: Total fuel sales volumes per station were down 2.5% in the 2016 period from 2015. The decline reflected the impact of the high number of stores opened in Q4 2015 that are still ramping up operations. Retail fuel margin improved 20.0% to 10.8 cpg in 2016 quarter. Product supply and wholesale margin dollars increased in the quarter due to periods of tighter market conditions driven by pipeline maintenance and high demand. In the current period, 57.0 million RINs were sold at an average price of \$0.77 per RIN, or \$43.9 million.

TravelCenters of America LLC (TA) reported on August 8, 2016 the results for the second quarter 2016. Highlights include:

Income: Net income for the second quarter was \$3.6 million, compared to \$3.8 million for the 2015 second quarter. The change in net income is primarily due to the increase in site level operating expenses.

EBITDAR: EBITDAR for the 2016 second quarter was \$98.4 million, a increase of \$5.0 million, or 5.3%, compared to the 2015 second quarter EBITDAR of \$9.3 million primarily due to the increase in fuel gross margin.

Nonfuel: Nonfuel revenue was up 12.1% to \$509.5 million, up from \$454.6 million, with gross margin on nonfuel sales declining 77 basis points from 54.2% to 53.4%.

Fuel: Fuel sales volume increased 26.4 million gallons, or 4.9%, in the 2016 second quarter to 561.154 million gallons compared to the 2015 second quarter of 534.796 million gallons. Fuel revenue declined by \$193.9 million, or 17.2%, due to significantly lower market prices for fuel compared to the 2015 second quarter.

Other M&A News

Empire Petroleum Partner announced September 28, 2016 that it has acquired the Missouri, Oklahoma and a portion of the Kansas wholesale distribution rights of Sunshine Fuel LLC.

CrossAmerica Partners LP announced September 28, 2016 that it closed the acquisition on \$45 million acquisition of State Oil Co. and certain related retail assets and wholesale fuels distribution business. The transaction included the real estate at 57 locations and the leasehold interest at one site.

First Coast Energy announced September 9, 2016 that it paid \$10 million for more than a dozen Mountain Energy properties in North Carolina's Buncombe County. The acquisition included 20 convenience stores, Mountain Tank Lines, a trucking company, and Mountain Energy Home Heat, a home-heating-oil company.

GPM Investments LLC announced September 6, 2016 that it has acquired 20 Jiffi Stop convenience stores in central Illinois, and the Jiffi Stop name, from Smith Oil Co.

FamilyMart Co. announced September 1, 2016 a merger agreement with Uny Group Holdings Co., creating Japan's second-largest convenience-store operator after Seven & I Holdings Co.

Alimentation Couche-Tard announced August 29, 2016 that it has agreed to purchase 53 Cracker Barrel convenience-store sites held by American General Investments LLC and North American Financial Group LLC.

Mirabito Holdings Inc. announced August 26, 2016 that it has completed the acquisition of 30 nonstrategic convenience stores in New York and Pennsylvania from Global Partners LP.

Alimentation Couche-Tard Inc. announced August 22, 2016 that it is acquiring U.S.-based c-store retailer CST Brands for \$4.43 billion. After completion, Couche-Tard will surpass 7-Eleven as the company with the most convenience stores in the United States and Canada.

Parkland Fuel Corp. announced August 22, 2016 that they have entered into an agreement with Couche-Tard to acquire the majority of the Canadian business and assets of CST Brand for approx. C\$965 million.

Sunoco LP announced August 4, 2016 that it has agreed to purchase six convenience stores and fuel supply contracts with 127 wholesale dealers and 500 commercial customers from Denny Oil Co. Inc. for approx. \$55 million.

Wallis Cos. announced July 26, 2016 that it has signed a definitive agreement to acquire the assets of U-Gas Holdings Inc., including 19 U-Gas and 14 Dirt Cheap convenience stores.

CrossAmerica Partners LP announced July 15, 2016 has entered into a definitive agreement to acquire certain assets of State Oil Co. for \$45 million. The assets consist of 59 fee sites, including 55 lessee dealer accounts, 25 independent dealer accounts, three company-operated locations, two nonfuel sites and certain other assets.

7-Eleven Inc. announced July 8, 2016 that it acquired on its purchase of 79 c-stores from CST Brands for \$408 million.

Global Partners LP announced July 6, 2016 completed the company's 30 gas stations and convenience stores as part of a \$63.6 million sale-leaseback deal.

Capital Markets

	Senior Term Debt	Senior Debt Asset Based	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 + 175-325 bps	Libor + approx. 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 5.0x 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 15 years	1 to 3 years - generally. Interest only. CO TERM ALSO	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: Why Consider an ESOP Transaction

Trefethen Advisors has well-rounded investment bankers who are experienced in M&A and capital placement transactions, but also who specialize in buyout transactions using Employee Stock Ownership Plans (ESOPs). ESOPs are an often overlooked and misunderstood exit option. However business owners looking to sell their businesses would be wise to consider the significant tax benefits associated with ESOP buyout transactions, which is a flexible succession planning tool that has several tax advantages including (i) a tax deferred, potentially tax-free sale for the selling shareholders, and (ii) a significant tax-shield or potentially a full tax exemption for the company post-transaction. We have had great success in completing transactions using ESOPs so that the business owners can sell their company stock for cash in a manner that the company and its employees ultimately also benefit from the transaction.

ESOPs offer many benefits to business owners, companies, and employees. ESOPs provide a tax-efficient structure for shareholders to sell some or all of their stock to a trust set up for the benefit of the company's employees (aka the ESOP). In certain ESOP transactions, shareholders can defer the capital gains taxes on the sale of their stock and post-transaction the company can deduct the cost of purchasing the stock or exempt all or part of its income from federal or state taxation indefinitely. As a result, the federal and state government essentially finance the cost of the stock purchase by the ESOP.

The ultimate tax efficiency is achieved when a company is owned 100% by its ESOP and elects to be treated as an S-Corporation for tax purposes. Under these circumstances, the corporation's income escapes taxation at the shareholder level, as well as at the corporate level, because the ESOP is a tax-exempt shareholder. This tax-free arrangement enables a company to utilize the cash (that would have otherwise been used to pay income tax) to grow and possibly, acquire other companies.

Our ESOP team can help business owners in properly evaluating, structuring and completing an ESOP buyout transaction to maximize the benefits to the business owners and their loyal management and employees. We also have a wealth of experience in working with lenders to finance ESOP buyout transactions. We are able to offer creative solutions to lenders to create more cash at closing for the selling shareholders.

An ESOP may be a good fit for your company and its culture. We would appreciate the opportunity to discuss with you how an ESOP buyout may achieve your succession planning goals and objectives and may help your business.

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; Financial Restructuring, ESOP Buyouts), and skilled transaction execution capabilities. Our principals have significant experience in senior housing 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.

This report is for information purposes only and is not intended as an offer or solicitation with respect to any purchase or sale of any security. This report may contain information provided by third parties. Trefethen Advisors, LLC and such third parties do not guarantee the accuracy, adequacy, or completeness of such information and are not responsible for any errors or omissions regardless of the cause or for the results obtained from the use thereof. In no event shall Trefethen Advisors, LLC or the third-party information providers be liable for any damages, costs or losses in connection with any use of such information. Reproduction or distribution of such information is prohibited without prior written consent of the related third party. The opinions presented herein reflect the current judgment of the authors and are subject to change. Trefethen Advisors, LLC makes no warranties, expressed or implied, regarding the accuracy of this information or the subjective opinions expressed by the authors. Trefethen Advisors, LLC, its officers, directors and partners may at any time have positions in the securities of the companies discussed herein.

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 2,013 retail assets of Circle K Stores

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

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

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

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

M&A – Sell Side 46 Retail Assets

CB Mart, Inc.



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

For questions about Trefethen Advisors, its businesses and opportunities

Visit our website www.trefethenib.com

Newport Beach, California

500 Newport Center Drive, Suite 850
Newport Beach, CA 92660
949.385.6550

Scottsdale, Arizona

6710 East Camelback Rd, Suite 200
Scottsdale, AZ 85251
480.612.5616

Dallas, Texas

8105 Rasor Blvd. Suite 306
Plano, TX 75024
214.556.1659

New York, New York

1120 Avenue of the Americas, Suite 1808
New York, NY 10036
310.291.0229

Menlo Park, California

2494 Sand Hill Road, Suite 100
Menlo Park, CA 94025
310.291.0229