

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:

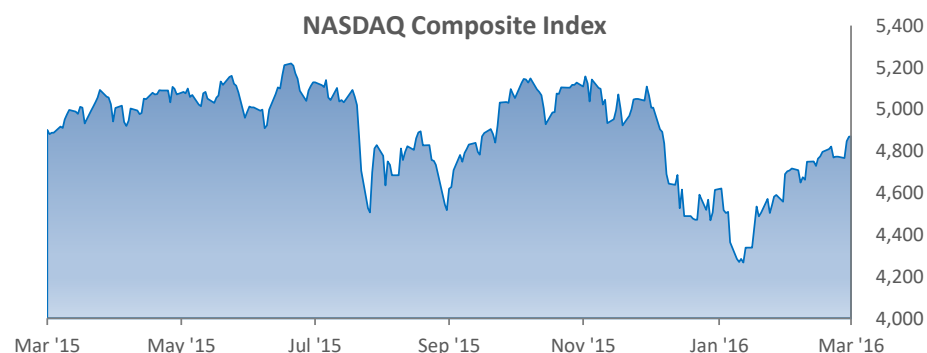
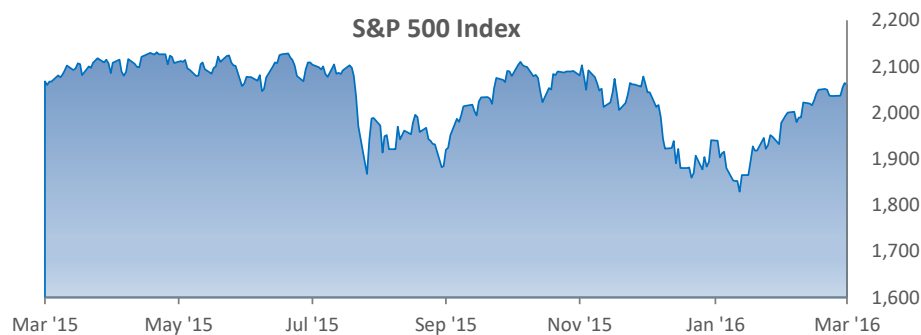
- Family Offices
- Venture Capital
- Debt/Sub-Debt
- Private Equity
- Financial Companies
- Sale-Leaseback Financing

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

Trefethen Advisors, LLC is pleased to bring you this quarterly edition of its monthly 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

During the month of March, U.S. Stocks performed well with the S&P 500 increasing 6.3% and turning positive for the quarter. Between February 11, 2016 and March 31, 2016 stock prices grew nearly 11.5%. Globally, WTI oil prices rebounded from lows of \$27/barrel in early February to nearly \$40/barrel by the end of March. New jobless claims continued to fall in March, signaling a recovery in the U.S. Economy. Meanwhile, investors fled to perceived “safe” assets as the Japanese Yen rose 7% versus the U.S. Dollar since the start of the year and gold increased 12% between January 1st and March 31st. Equity performance of the Trefethen C-Store Index declined 1.03% for the month of March and 2.40% for the year.



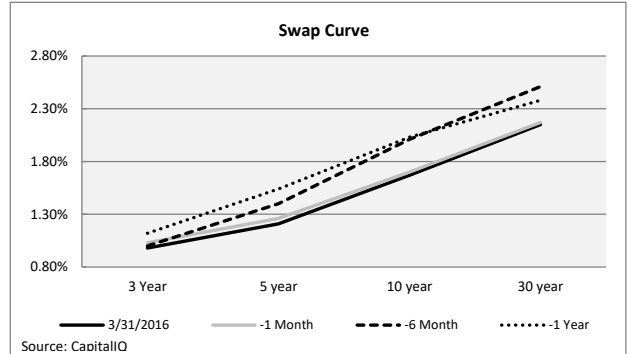
Money & Commodity Markets

Money Markets

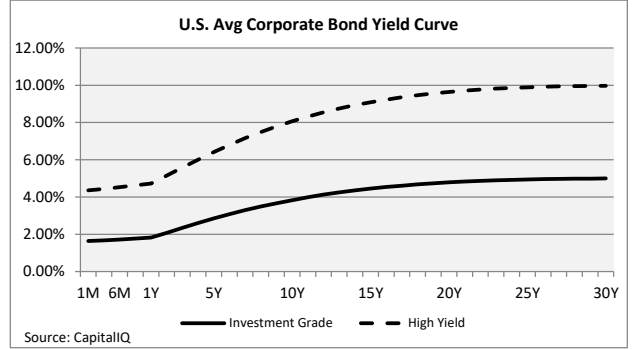
	3/31/2016	-1 Week	-1 Month	-6 Month	-1 Year
Treasury Rates					
6 Month	0.39%	0.46%	0.48%	0.08%	0.14%
1 Year	0.59%	0.63%	0.67%	0.31%	0.26%
5 Year	1.21%	1.39%	1.34%	1.37%	1.37%
10 year	1.78%	1.91%	1.84%	2.05%	1.94%
30 year	2.61%	2.67%	2.69%	2.85%	2.54%
Swaps					
3 Year	0.98%	1.11%	1.03%	1.00%	1.12%
5 year	1.21%	1.33%	1.26%	1.40%	1.54%
10 year	1.67%	1.75%	1.70%	2.01%	2.03%
30 year	2.15%	2.16%	2.17%	2.51%	2.38%
LIBOR					
1 Month	0.44%	0.44%	0.44%	0.19%	0.18%
3 Month	0.63%	0.63%	0.63%	0.32%	0.27%
1 year	1.21%	1.23%	1.20%	0.85%	0.69%
Other Key Rates					
Prime	3.50%	3.50%	3.50%	3.25%	3.25%
Discount	1.00%	1.00%	1.00%	0.75%	0.75%
Foreign Exchange					
Dollar Index (USD/Basket)	94.59	96.14	98.21	96.19	98.36
Pound/USD	1.44	1.42	1.41	1.52	1.49
Euro/USD	1.14	1.12	1.08	1.12	1.07
USD/ Yen	112.36	112.72	113.96	119.63	119.99
USD/CNY	6.45	6.51	6.55	6.36	6.20

Market Commentary

Money markets rallied slightly during the month of March reflecting some level of comfort that the Fed has a viable exit strategy and modest economic growth. During the month, the US Dollar posted a rally against most major foreign currencies as sovereign debt concerns triggered buying of the greenback. 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%.



Featured Economic Graphic:



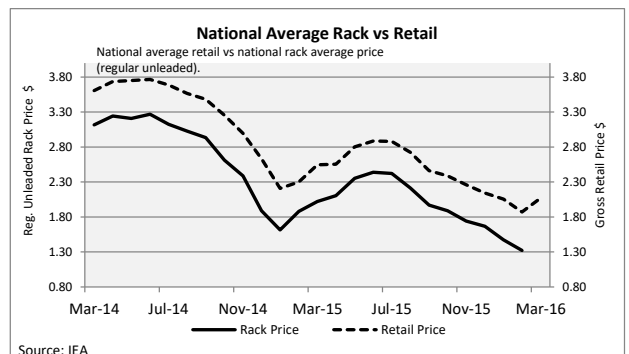
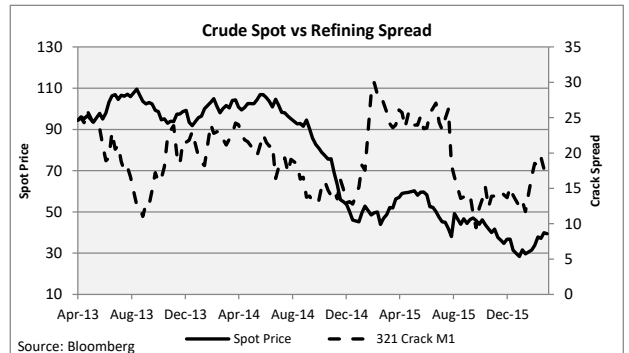
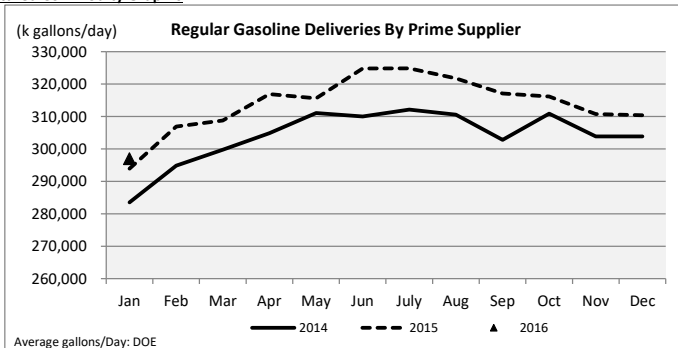
Commodity Markets

	3/31/2016	1 Week	1 Month	6 Month	1 Year
Energy Markets					
Crude (W. TX Cushing Spot)	38.34	37.96	34.66	44.74	47.60
Crack Spread (NYMEX 3-2-1)	18.77	19.33	17.53	14.81	25.87
Unleaded Retail Gasoline (US Aver.)	2.17	2.11	1.89	2.42	2.53
Unleaded Rack (US Aver.)	-	-	1.32	1.89	2.02
Rack to Retail Spread	-	-	0.57	0.53	0.51
Other Commodity Markets					
Gold	1,235.60	1,221.60	1,241.80	1,113.70	1,183.20
Silver	15.46	15.20	15.02	14.51	16.60
Wheat	4.73	4.63	4.50	5.18	5.11
Corn	3.51	3.70	3.56	3.88	3.76

Market Commentary

Crude prices were volatile during March and refining spreads after a period of stability posted a recent increase. Other relevant commodities were generally flat during the month. Our featured commodity graphic this issue focuses on gasoline demand measured by average deliveries of gasoline by prime suppliers. Data through January 2016 show a modest increase in demand over the previous year reflecting the slow turn around of the economy.

Featured Commodity Graphic



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 + 225-375 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 5.5x lease adjusted leverage	Capacity limited by asset coverage. Typically <70% of A/R and inventory balances	60% to 70% 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	10 to 30 years	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

Equity Markets

(S&M, Except per Share Data)			\$ in Local Currency			Selected Financial Data (US \$)					Price/Earnings			TEV/EBITDA			Leverage			
Security	Ticker	Most Recent Qtr End	Last 03/31/16	52 W High	52 W Low	Market Cap (MM)	Net Debt	TEV	TTM EPS	LTM EBITDA	LTM	CY (Est)	+1Y (Est)	LTM	CY (Est)	+1Y (Est)	Total Debt	Total Debt / LTM EBITDA	LTM Lease Adj. Leverage (Est)	
Indices																				
	DIAI		17,685	18,312	15,660															
	SPX		2,060	2,131	1,829															
	XRT		46.18	51.11	37.80															
			53.52	60.54	40.36															
Convenience																				
	ATD.B	01/16	44.57	49.50	34.15	25,434	2,137	27,571	1.97	2,164	20.9	20.0	17.3	12.7	11.7	10.4	3,109	1.4	NA	
	CASY	01/16	113.32	129.53	80.94	4,425	795	5,220	5.65	548	20.3	20.0	17.1	9.5	9.0	8.2	849	1.5	NA	
	CST	03/16	38.29	44.87	29.73	2,895	1,653	5,153	2.03	449	19.6	20.7	17.8	11.5	12.9	11.7	1,820	4.0	NA	
	MUSA	12/15	61.45	73.64	47.73	2,456	388	2,845	4.06	344	19.6	14.2	13.0	8.3	7.0	6.7	490	1.4	1.6	
	TA	12/15	6.77	18.10	6.41	263	179	442	0.72	150	9.4	12.0	7.6	3.0	3.3	2.7	351	2.3	6.4	
Refining/Wholesale/Retail																				
	ALI	03/16	10.32	23.29	9.20	724	324	1,073	(0.14)	323	13.8	28.2	15.4	3.3	4.5	3.8	558	1.7	NA	
	GAPL	03/16	24.33	35.69	17.39	806	503	1,243	0.47	98	70.3	37.9	34.5	12.6	11.3	9.8	505	5.1	NA	
	DK	03/16	15.24	40.89	12.54	946	612	1,823	0.10	330	47.8	11.8	9.4	5.5	5.4	5.3	962	2.9	NA	
	GLP	12/15	13.50	42.74	12.55	452	1,266	1,763	1.12	226	12.2	NM	NM	7.8	9.7	8.5	1,267	5.6	4.9	
	HFC	03/16	35.32	54.73	29.00	6,237	1,197	7,623	2.89	1,496	9.1	12.4	9.0	5.1	6.1	5.3	1,308	0.9	NA	
	MRO	03/16	11.14	31.53	6.52	9,399	5,209	15,455	(3.38)	2,280	NM	NM	NM	6.8	11.2	7.2	7,281	3.2	NA	
	MUR	03/16	25.19	51.09	14.30	4,338	2,859	6,941	(14.20)	989	NM	NM	NM	7.0	8.6	5.9	3,429	3.5	NA	
	NTI	03/16	23.57	29.03	22.15	2,194	341	2,476	2.53	437	6.6	10.3	7.6	5.7	7.9	6.6	376	0.9	NA	
	PSX	03/16	86.59	94.12	68.84	45,566	7,112	52,217	6.73	7,322	11.2	13.7	11.5	7.1	7.9	7.0	8,835	1.2	NA	
	SUN	03/16	33.13	54.82	22.86	3,438	4,121	5,354	1.02	498	37.4	12.0	11.2	10.8	7.2	6.4	4,198	8.4	NA	
	TSD	03/16	86.01	119.67	67.80	10,312	3,613	15,970	12.02	4,018	6.9	10.3	10.6	4.0	5.6	5.6	4,052	1.0	NA	
	WNR	03/16	29.09	50.71	24.43	2,654	1,119	5,231	3.52	1,131	6.8	10.8	10.6	4.6	5.9	5.8	1,712	1.5	NA	
Major Oil																				
	BP	03/16	3.50	4.88	2.53	65,212	30,815	84,031	(0.53)	21,334	NM	26.8	12.4	3.9	4.0	3.1	54,012	2.5	NA	
	CVX	03/16	95.40	112.20	69.58	179,653	33,460	208,083	0.69	24,220	38.9	57.6	20.9	8.6	8.6	5.5	42,339	1.7	NA	
	CDP	03/16	40.27	69.72	31.05	49,782	24,282	72,614	(4.96)	5,510	NM	NM	93.7	13.2	10.9	6.6	29,455	5.3	NA	
	XOM	03/16	83.59	90.09	66.55	347,129	38,262	388,110	3.11	34,426	21.7	34.2	21.7	11.3	11.0	7.6	43,108	1.3	NA	
	RDSA	03/16	21.34	29.50	16.53	171,038	69,854	196,701	(0.31)	40,240	77.3	38.4	15.0	4.9	5.8	4.4	80,873	2.0	NA	
	FP	03/16	40.06	50.30	35.21	93,742	30,095	122,060	1.74	21,522	20.1	16.6	11.3	5.7	5.9	4.4	54,104	2.5	NA	
Drug																				
	CVS	03/16	103.73	113.65	81.37	114,207	25,605	139,170	4.63	12,086	22.5	17.8	15.8	11.5	10.5	9.8	27,469	2.3	NA	
	WBA	02/16	84.24	97.30	71.50	90,874	10,406	102,993	3.10	8,204	20.5	18.2	16.2	12.6	11.6	10.5	14,026	1.7	NA	
Restaurant																				
	DRI	02/16	66.30	75.60	53.38	8,502	232	8,843	2.68	910	24.0	17.7	16.0	9.7	9.3	8.8	448	0.5	NA	
	MCD	03/16	125.68	126.96	87.50	113,314	20,043	129,754	5.23	9,029	26.2	23.3	20.8	14.4	14.1	13.7	23,353	2.6	NA	
	SBUX	03/16	59.70	64.00	42.05	88,243	1,579	88,212	1.71	4,841	36.6	30.1	26.6	18.2	16.2	14.8	2,997	0.6	NA	
	YUM	03/16	81.85	95.90	64.58	33,453	3,897	36,757	3.07	2,815	28.0	23.1	20.2	13.1	12.4	11.6	4,831	1.7	NA	
Grocery																				
	KR	01/16	38.25	42.75	27.32	36,815	11,829	48,622	2.09	5,665	18.6	17.1	15.6	8.6	7.9	7.4	12,106	2.1	2.5	
Home Improvement																				
	HD	01/16	133.43	135.47	92.17	167,181	19,172	186,353	5.49	13,568	24.4	21.5	18.9	13.7	12.4	11.5	21,397	1.6	1.8	
	LOW	01/16	75.75	78.13	62.62	67,981	11,937	79,918	2.73	7,062	27.7	19.0	16.3	11.3	10.1	9.3	12,649	1.8	2.1	
Discount																				
	DG	01/16	85.60	86.80	59.75	24,522	2,813	27,334	3.96	2,299	21.7	18.7	16.7	11.9	10.8	10.0	2,971	1.3	3.0	
	WMT	01/16	68.49	81.39	56.30	215,356	41,329	259,750	4.58	34,379	15.0	16.5	15.7	7.6	8.2	8.0	50,034	1.5	1.5	

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	12/2/2015
52-Week Low	5/1/2015
Daily Volume (30 Day Average, Thousand)	
Current Price (USD)	3/31/2016
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	

4/26/2015

1/31/2016

49.50

34.15

1,072.6

44.57

(10.0%)

30.5%

44.9%

567.4

25,434

3,109

-

-

972

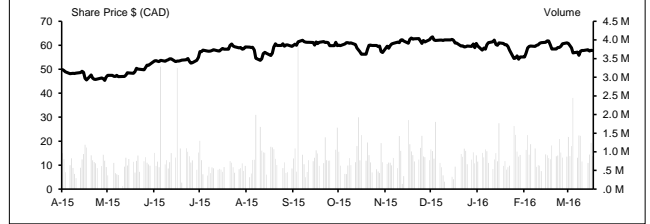
27,571

0.55

(26.8%)

6.8%

Share Price and Volume



Market Data

Dividend Yield	0.47%
Beta 5Y	(0.53)
Equity Float	405.24
Short Int. (Short Interest to Total Shares Outstanding)	-
1 Yr Return on Equity	25.7%
YTD Return	(26.8%)
Relative Strength Index	45.48
S&P STARS Ranking	NA
S&P Quality Ranking	A+

Valuation

	Last Fiscal	LTM	FY+1	FY+2
Enterprise Value / Revenue	0.8	0.8	0.8	0.7
Enterprise Value / EBITDA	14.4	12.7	12.0	10.9
Price / Earnings (P/E)	29.0	20.9	21.0	19.1

Income Statement (USD Millions)

	Fiscal Year Ended					Prev LTM	Cur LTM	FY+1	FY+2	FQ+1	FQ+2
	4/24/2011	4/29/2012	4/28/2013	4/27/2014	4/26/2015						
Sales	18,550	22,980	35,543	37,962	34,530	33,810	34,033	35,070	40,810	8,223	10,056
Gross Profit	2,746	2,975	4,610	4,988	5,268	5,651	5,862	NA	NA	NA	NA
Operating Expense	2,233	2,397	3,757	3,999	3,905	4,129	4,296	NA	NA	NA	NA
Operating Income	513	578	853	989	1,363	1,522	1,565	NA	NA	NA	NA
EBITDA	735	839	1,390	1,591	1,913	2,096	2,164	2,290	2,529	445	610
Net Income	369	458	573	811	933	1,091	1,117	1,166	1,174	NA	NA
Normalized Diluted EPS	0.56	0.69	0.74	0.99	1.41	1.60	1.65	2.09	2.06	0.32	0.59

Margins:

	4/24/2011	4/29/2012	4/28/2013	4/27/2014	4/26/2015	Prev LTM	Cur LTM
Gross Profit (%)	14.8%	12.9%	13.0%	13.1%	15.3%	16.7%	17.2%
Operating Income (%)	2.8%	2.5%	2.4%	2.6%	3.9%	4.5%	4.6%
EBITDA Margin (%)	4.0%	3.7%	3.9%	4.2%	5.5%	6.2%	6.4%
Net Income (%)	2.0%	2.0%	1.6%	2.1%	2.7%	3.2%	3.3%

Fuel Operations (U.S. Stores):

	4/24/2011	4/29/2012	4/28/2013	4/27/2014	4/26/2015	Prev LTM	Cur LTM
Fuel Volume (MM Gallons)	3,649	3,896	4,276	4,612	5,119	6,270	6,956
Fuel Gross Profit	565	537	783	796	1,093	1,331	1,400
Fuel margin (CPG)	15.8	17.0	18.8	18.1	21.7	NA	NA
Same Store Fuel Vol in U.S. (%Chg)	0.7%	0.1%	1.1%	1.8%	3.3%	NA	NA

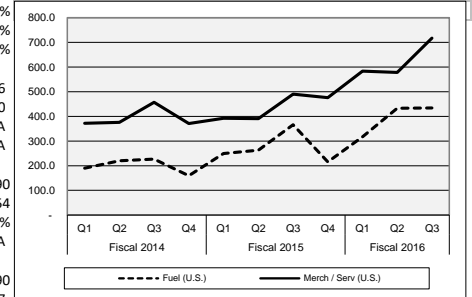
Merchandise /Service (U.S. Stores):

	4/24/2011	4/29/2012	4/28/2013	4/27/2014	4/26/2015	Prev LTM	Cur LTM
Merchandise /Service Sales	4,172	4,134	4,549	4,822	5,311	6,427	7,090
Merchandise /Service Gross Profit	1,382	1,370	1,506	1,748	1,748	2,127	2,354
Merchandise /Service Margin (%)	33.1%	33.1%	33.1%	32.7%	32.9%	33.1%	33.2%
Same Store Merch /Serv Sale in US (%Chg)	4.2%	2.7%	1.0%	3.8%	3.9%	NA	NA

Other information:

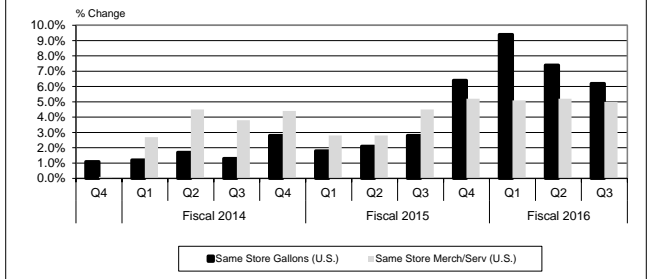
	4/24/2011	4/29/2012	4/28/2013	4/27/2014	4/26/2015	Prev LTM	Cur LTM
Number of U.S. Stores (Co-op)	4,401	4,569	6,235	6,236	7,787	7,790	7,790
Capital Expenditures	220	317	537	529	635	721	867

Quarterly Gross Profit (USD Millions)

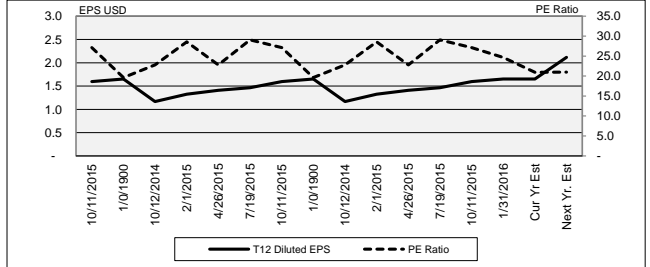


Graphics

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



Earnings vs Valuation



Balance Sheet

Assets:	
Total Current Assets	2,851
LT Assets:	
Net Fixed Assets	5,603
Other	2,662
Long Term Investments	86
Total LT Assets	8,350
Total Assets	11,200
Liabilities:	
ST Liabilities	2,018
LT Liabilities:	
LT Debt	3,088
Other LT	1,361
Total Liabilities	6,467
Shareholder's Equity:	
Paid In Capital	14
Preferred Equity & Minority	-
Retained Earnings	4,845
Comprehensive Income	(824)
Treasury Stock	-
Common Stock	698
Total Liabilities & Equity	11,200
Credit Ratings	
S&P Credit Rating	BBB
S&P Outlook	Positive
Credit Metrics	
Funded Debt / EBITDA	1.5
Lease Adjusted Leverage*	NA
Total Debt to Capital	40%
Current Ratio	1.4
Profitability Metrics	
Return on Capital (LTM)	14.3%
Return on Common Equity (LTM)	25.7%

Notes

*Calculated as follows: $[(\text{next year rent} * 8) + \text{LT debt}] / \text{EBITDAR}$

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:

LTM as of:

52-Week High

12/15/2015

52-Week Low

4/30/2015

Daily Volume (30 Day Average, Thousand)

4/30/2015

1/31/2016

129.53

80.94

550.03

Current Price

3/31/2016

113.32

52-Week High % Change

(12.5%)

52-Week Low % Change

40.0%

% 52 Week Price Range High/Low

60.0%

Shares Outstanding (MM)

39.1

Market Capitalization

4,425

Total Debt

849

Preferred Stock

-

Minority Interest

-

Cash and Equivalents

54

Enterprise Value

5,220

Relative Stock Price Performance

YTD Change

(7.13)

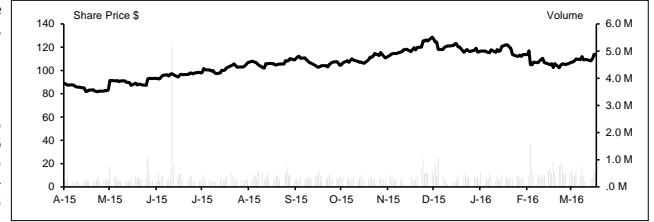
YTD % Change

(5.9%)

Spider Retail Index YTD % Change

6.8%

Share Price and Volume



Market Data

Dividend Yield	0.78%
Beta 5Y	0.44
Equity Float	38.60
Short Int. (Short Interest to Total Shares Outstanding)	4.3%
1 Yr Return on Equity	23.4%
YTD Return	(5.9%)
Relative Strength Index	58.83
S&P STARS Ranking (1 - 5)	4
S&P Quality Ranking	A+

Valuation

	Last Fiscal	LTM	FY+1	FY+2
Enterprise Value / Revenue	0.7	0.7	0.7	0.7
Enterprise Value / EBITDA	10.9	9.5	9.3	8.9
Price / Earnings (P/E)	24.5	20.3	19.8	19.7

Income Statement (USD Millions)

	Fiscal Year Ended					Prev LTM	Cur LTM	FY+1	FY+2	FQ+1	FQ+2
	4/30/2011	4/30/2012	4/30/2013	4/30/2014	4/30/2015						
Sales	5,140	6,461	6,655	7,194	7,052	6,584	6,478	7,114	7,517	1,549	1,943
Gross Profit	881	1,000	1,071	1,222	1,440	1,552	1,572	NA	NA	NA	NA
Operating Expense	690	785	869	986	1,115	1,165	1,189	NA	NA	NA	NA
Operating Income	191	215	203	236	325	387	383	NA	NA	NA	NA
EBITDA	273	315	329	377	479	549	548	563	587	128	166
Net Income	95	115	104	127	181	222	220	231	231	NA	NA
Normalized Diluted EPS	2.39	2.93	2.71	3.15	4.54	5.51	5.43	5.72	5.84	1.18	1.80

Margins:

	4/30/2011	4/30/2012	4/30/2013	4/30/2014	4/30/2015	Prev LTM	Cur LTM	FY+1	FY+2
Gross Profit (%)	17.1%	15.5%	16.1%	17.0%	20.4%	23.6%	24.3%	5.9%	5.9%
Operating Income (%)	3.7%	3.3%	3.0%	3.3%	4.6%	5.9%	5.9%	8.3%	8.5%
EBITDA Margin (%)	5.3%	4.9%	4.9%	5.2%	6.8%	8.3%	8.5%	3.4%	3.4%
Net Income (%)	1.8%	1.8%	1.6%	1.8%	2.6%	3.4%	3.4%	NA	NA

Fuel Operations:

	4/30/2011	4/30/2012	4/30/2013	4/30/2014	4/30/2015	Prev LTM	Cur LTM	FY+1	FY+2
Fuel Volume (MM Gallons)	1,394	1,476	1,535	1,666	1,817	1,889	1,914	NA	NA
Fuel Gross Profit	212	227	233	268	351	384	371	NA	NA
Fuel margin (CPG)	15.2	15.4	15.2	16.8	19.3	NA	NA	NA	NA
Same Store Fuel Vol (%Chg)	1.6%	-1.5%	0.1%	3.1%	2.6%	NA	NA	NA	NA

Grocery & Other Merchandise:

	4/30/2011	4/30/2012	4/30/2013	4/30/2014	4/30/2015	Prev LTM	Cur LTM	FY+1	FY+2
Grocery & Other Merchandise Sales	1,196	1,365	1,419	1,583	1,795	1,893	1,933	NA	NA
Grocery & Other Merchandise Gross Profit	385	443	463	508	576	603	616	NA	NA
Grocery & Other Merchandise Margin (%)	32.2%	32.5%	32.6%	32.1%	32.1%	31.9%	31.9%	NA	NA
Same Store Grocery/Merch Sale (%Chg)	4.6%	6.7%	0.8%	7.4%	7.8%	NA	NA	NA	NA

Other information:

	4/30/2011	4/30/2012	4/30/2013	4/30/2014	4/30/2015	Prev LTM	Cur LTM	FY+1	FY+2
Number of Stores (Co-op)	1,637	1,699	1,749	1,808	1,878	1,869	1,911	NA	NA
Capital Expenditures	215	241	305	309	361	375	381	NA	NA

Balance Sheet

Assets:	
Total Current Assets	305
LT Assets:	
Net Fixed Assets	2,220
Other	146
Long Term Investments	-
Total LT Assets	2,366
Total Assets	2,671

Liabilities:

ST Liabilities	360
LT Liabilities:	
LT Debt	822
Other LT	446
Total Liabilities	1,627

Shareholder's Equity:

Paid in Capital	-
Preferred Equity & Minority	-
Retained Earnings	972
Comprehensive Income	-
Treasury Stock	-
Common Stock	71
Total Liabilities & Equity	2,671

Credit Ratings

S&P Credit Rating	-
S&P Outlook	-

Credit Metrics

Funded Debt / EBITDA	1.5
Lease Adjusted Leverage*	NA
Total Debt to Capital	45%
Current Ratio	0.8

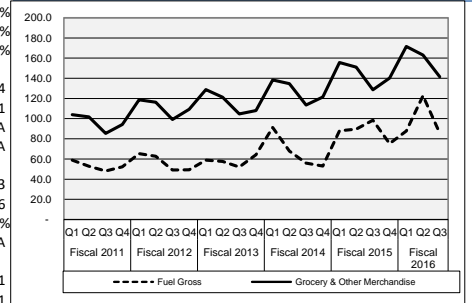
Profitability Metrics

Return on Capital (LTM)	13.3%
Return on Common Equity (LTM)	23.4%

Notes

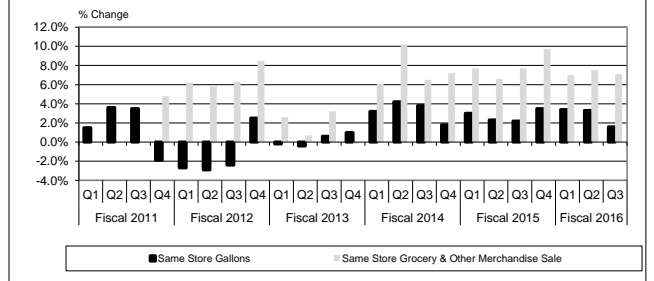
*Calculated as follows: [(next year rent * 8) + LT debt] / EBITDAR

Quarterly Gross Profit (USD Millions)

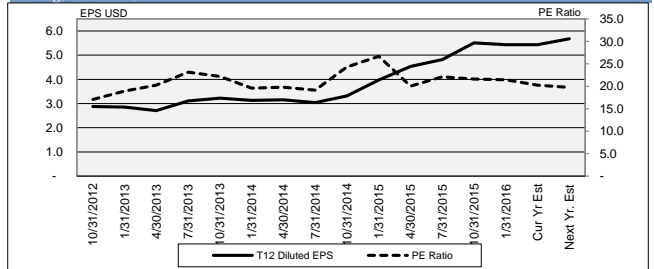


Graphics

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 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

Valuation Analytics

Latest Fiscal Year: 12/31/2015
 LTM as of: 3/31/2016
 52-Week High: 4/27/2015 44.87
 52-Week Low: 2/19/2016 29.73
 Daily Volume (30 Day Average, Thousand): 675.6
 Current Price: 38.29

52-Week High % Change: (14.7%)
 52-Week Low % Change: 28.8%
 % 52 Week Price Range High/Low: 50.9%

Shares Outstanding (MM): 75.5

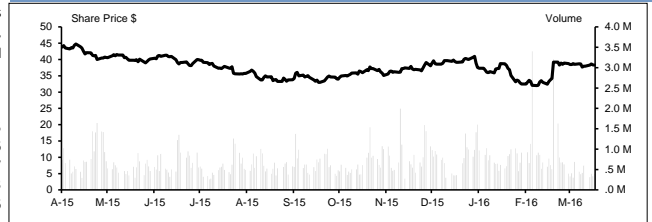
Market Capitalization

Total Debt: 2,895
 Preferred Stock: 1,820
 Minority Interest: -
 Cash and Equivalents: 605
 Enterprise Value: 167

Relative Stock Price Performance

YTD Change: (0.85)
 YTD % Change: (2.2%)
 Spider Retail Index YTD % Change: 6.8%

Share Price and Volume



Market Data

Dividend Yield: 2.88%
 Beta 5Y: 50.9%
 Equity Float: 75.5
 Short Int. (Short Interest to Total Shares Outstanding): 2.895
 1 Yr Return on Equity: 1,820
 YTD Return: -
 Relative Strength Index: 605
 S&P STARS Ranking (1 - 5): 167
 S&P Quality Ranking: 5.153

Valuation: Last Fiscal, LTM, FY+1, FY+2
 Enterprise Value / Revenue: 0.5, 0.5, 0.5, 0.4
 Enterprise Value / EBITDA: 11.9, 11.5, 12.9, 11.7
 Price / Earnings (P/E): 19.6, 19.6, 20.7, 17.8

Income Statement (USD Millions)

	Fiscal Year Ended					Prev LTM	Cur LTM	FY+1	FY+2	FO+1	FO+2
	12/31/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015						
Sales	10,826	11,058	12,777	12,754	11,444	11,444	11,070	10,098	11,482	2,600	2,715
Gross Profit	1,133	1,133	1,097	1,273	1,383	1,383	1,413	1,427	1,539	372	385
Operating Expense	808	820	853	974	1,116	1,116	1,136	NA	NA	NA	NA
Operating Income	325	313	244	299	267	267	277	NA	NA	NA	NA
EBITDA	-	-	366	441	432	503	449	398	442	105	117
Net Income	218	208	139	200	149	149	154	141	160	41	51
Normalized Diluted EPS	2.69	2.59	1.83	2.40	1.99	1.99	2.13	1.80	2.07	0.52	0.62

Margins:

	12/31/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015	Prev LTM	Cur LTM	FY+1	FY+2	FO+1	FO+2
Gross Profit (%)	10.5%	10.2%	8.6%	10.0%	12.1%	12.1%	12.8%	14.2%	17.1%	14.3%	13.8%
Operating Income (%)	3.0%	2.8%	1.9%	2.3%	2.3%	2.3%	2.5%	1.4%	1.5%	1.5%	1.5%
EBITDA Margin (%)	-	-	2.9%	3.5%	3.8%	4.4%	4.1%	3.8%	3.9%	4.0%	4.1%
Net Income (%)	2.0%	1.9%	1.1%	1.6%	1.3%	1.3%	1.4%	1.4%	1.4%	1.5%	1.5%

Fuel Operations (U.S. Retail):

	12/31/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015	Prev LTM	Cur LTM	FY+1	FY+2	FO+1	FO+2
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	438	376	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

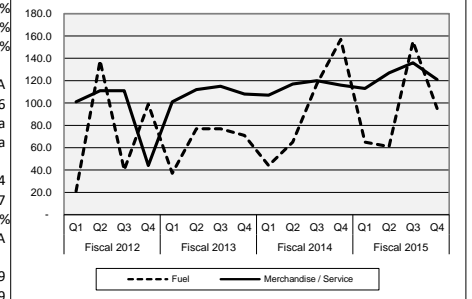
Merchandise/Service (U.S. Retail):

	12/31/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015	Prev LTM	Cur LTM	FY+1	FY+2	FO+1	FO+2
Merchandise/Service Sales	1,276	1,295	1,335	1,396	1,514	1,494	1,514	1,514	1,514	1,514	1,514
Merchandise/Service Gross Profit	406	367	436	460	497	492	497	497	497	497	497
Merchandise/Service Margin (%)	31.8%	28.3%	32.7%	33.0%	32.8%	32.9%	32.8%	32.8%	32.8%	32.8%	32.8%
Same Store Merch Sale (%Chg)	na	na	(0.7%)	1.1%	2.9%	NA	NA	NA	NA	NA	NA

Other Information:

	12/31/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015	Prev LTM	Cur LTM	FY+1	FY+2	FO+1	FO+2
Number of Stores (Co-op)	998	1,032	1,036	1,021	1,049	1,027	1,049	1,049	1,049	1,049	1,049
Capital Expenditures	130	156	200	285	343	343	359	359	359	359	359

Quarterly Gross Profit (USD Millions)



Balance Sheet

	12/31/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015	Prev LTM	Cur LTM	FY+1	FY+2	FO+1	FO+2
Assets:											
Total Current Assets				612							
LT Assets:											
Net Fixed Assets				2,496							
Other				1,140							
Long Term Investments				-							
Total LT Assets				3,636							
Total Assets				4,248							

Liabilities:

ST Liabilities				582							
LT Liabilities:											
LT Debt				1,735							
Other LT				389							
Total Liabilities				2,706							

Shareholder's Equity:

Paid in Capital				626							
Preferred Equity & Minority				605							
Retained Earnings				412							
Comprehensive Income				(15)							
Treasury Stock				(87)							
Common Stock				1							
Total Liabilities & Equity				4,248							

Credit Ratings

S&P Credit Rating: BB
 S&P Outlook: NM

Credit Metrics

Funded Debt / EBITDA: 3.5
 Lease Adjusted Leverage*: NA
 Total Debt to Capital: 54%
 Current Ratio: 1.1

Profitability Metrics

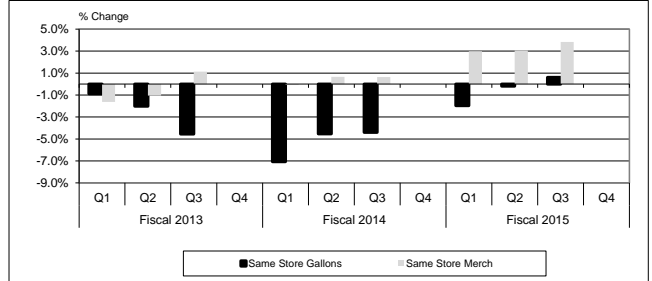
Return on Capital (LTM): 5.6%
 Return on Common Equity (LTM): 18.3%

Notes

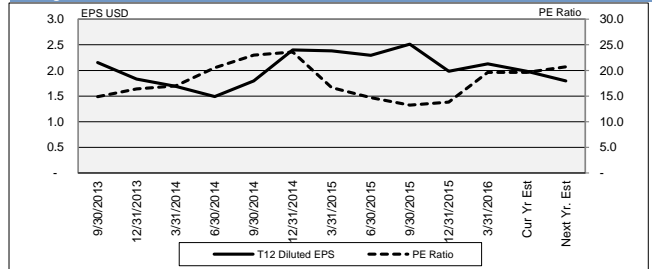
*Calculated as follows: [(next year rent * 8) + LT debt] / EBITDAR

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

52-Week Low

Daily Volume (Thousand)

Current Price

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

12/31/2015

12/31/2015

73.64

47.73

476.4

61.45

(16.6%)

28.7%

54.3%

41.7

2,456

490

-

-

102

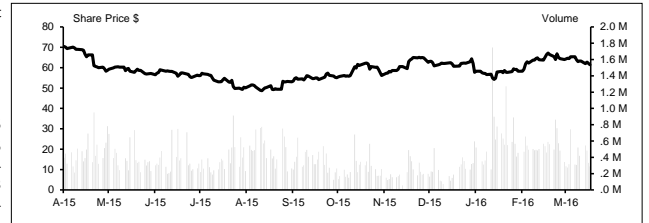
2,845

0.71

1.2%

6.8%

Share Price and Volume



Market Data

Dividend Yield

Beta 5Y

Equity Float

Short Int. (Short Interest to Total Shares Outstanding)

1 Yr Return on Equity

YTD Return

Relative Strength Index

S&P STARS Ranking (1 - 5)

S&P Quality Ranking

0.00%

0.78

39.10

3.4%

16.7%

1.2%

41.34

NA

NA

Valuation

Enterprise Value to Revenue

Enterprise Value to EBITDA

Price to Earnings (P/E)

Last Fiscal

LTM

FY+1

FY+2

0.2

8.3

19.6

0.2

8.3

14.2

0.2

6.7

13.0

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	11,589	10,731	12,765	14,020	2,782	3,044
Gross Profit	470	398	466	565	472	587	472	1,111	-	248	265
Operating Expense	159	186	189	200	217	217	217	NA	NA	NA	NA
Operating Income	311	212	277	365	255	370	255	NA	NA	NA	NA
EBITDA	-	-	340	475	343	433	344	407	422	59	114
Net Income	324	84	235	244	176	208	176	171	171	17	52
Normalized Diluted EPS	4.16	2.84	3.52	4.57	3.18	4.88	3.18	4.17	4.40	0.41	1.21

Margins:

Gross Profit (%)

Operating Income (%)

EBITDA Margin (%)

Net Income (%)

Fuel Operations:

Fuel Volume (Million Gallons)

Fuel Gross Profit

Fuel margin (CPG)

Avg Per Store Month Fuel Vol (%Chg)

Merchandise:

Merchandise Sales

Merchandise Gross Profit

Merchandise Margin (%)

APSM Merch Sales (%Chg)

Other information:

Number of Stores (Co-op)

Capital Expenditures

Balance Sheet

Assets:

Total Current Assets

LT Assets:

Net Fixed Assets

Other

Long Term Investments

Total LT Assets

Total Assets

Liabilities:

ST Liabilities

LT Liabilities:

LT Debt

Other LT

Total Liabilities

Shareholder's Equity:

Paid in Capital

Preferred Equity & Minority

Retained Earnings

Comprehensive Income

Treasury Stock

Common Stock

Total Liabilities & Equity

Credit Ratings

S&P Credit Rating

S&P Outlook

Credit Metrics

Funded Debt / EBITDA

Lease Adjusted Leverage*

Total Debt to Capital

Current Ratio

Profitability Metrics

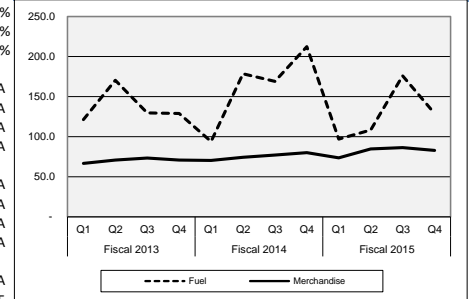
Return on Capital (LTM)

Return on Common Equity (LTM)

Notes

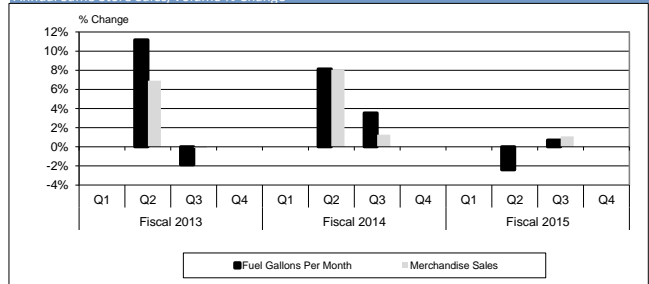
*Calculated as follows: [(next year rent * 8) + LT debt] / EBITDAR

Quarterly Gross Profit (USD Millions)

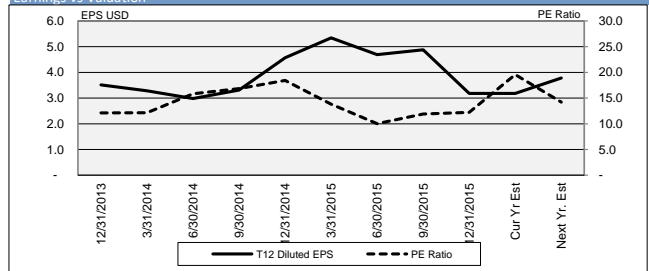


Graphics

Annual Same Store Sales/Volume % Change



Earnings vs Valuation



TravelCenters of America LLC

Ticker: NYSE: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

52-Week Low

Daily Volume (Thousand)

Current Price

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

12/31/2015

12/31/2015

18.1

6.41

462.4

6.77

(62.6%)

5.6%

182.4%

38.8

263

351

-

-

172

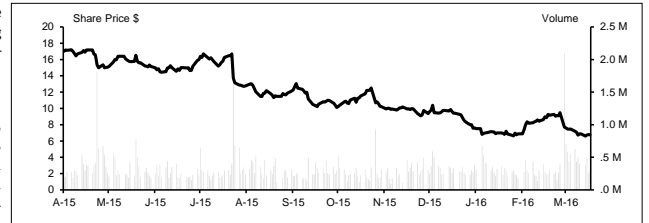
442

(2.63)

(28.0%)

6.8%

Share Price and Volume



Market Data

Dividend Yield 0.00%

Beta 5Y 3.00

Equity Float 35.58

Short Int. (Short Interest to Total Shares Outstanding) 0.3%

1 Yr Return on Equity 5.2%

YTD Return (28.0%)

Relative Strength Index 34.91

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 3.0 3.0 3.3 2.7

Price to Earnings (P/E) 9.4 9.4 12.0 7.6

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	5,851	6,132	6,621	1,459	1,587
Gross Profit	361	387	397	503	504	503	504	NA	NA	NA	NA
Operating Expense	327	346	366	390	426	390	426	NA	NA	NA	NA
Operating Income	34	42	31	114	78	114	78	NA	NA	NA	NA
EBITDA	81	93	80	179	150	202	150	135	164	18	41
Net Income	24	32	32	61	28	61	28	11	33	-8	8
Normalized Diluted EPS	0.74	0.80	0.39	1.75	1.02	1.75	1.02	0.49	0.89	-0.23	0.24

Margins:

Gross Profit (%) 4.6% 4.8% 5.0% 6.5% 8.6%

Operating Income (%) 0.4% 0.5% 0.4% 1.5% 1.3%

EBITDA Margin (%) 1.0% 1.2% 1.0% 2.3% 2.6%

Net Income (%) 0.3% 0.4% 0.4% 0.8% 0.5%

Fuel Operations:

Fuel Volume (MM) 2,087 2,040 2,035 2,025 2,130

Fuel Gross Profit 301 326 342 429 414

Fuel margin (CPG) 15.0 16.7 17.2 19.8 20.5

Same Store Fuel Vol. (%Chg) 0.0% (4.2%) (3.1%) (4.3%) 0.7%

Merchandise:

Merchandise Sales 1,271 1,345 1,451 1,617 1,783

Merchandise Gross Profit 723 745 798 878 963

Merchandise Margin (%) 56.9% 55.4% 55.0% 54.3% 54.0%

Same Store Merch Sale (%Chg) 8.4% 3.2% 2.7% 4.1% 5.4%

Other information:

Number of Stores (Co-op) 196 210 251 254 426

Capital Expenditures 125 189 164 170 295

Balance Sheet

Assets:

Total Current Assets 495

LT Assets:

Net Fixed Assets 990

Other 123

Long Term Investments 27

Total LT Assets 1,140

Total Assets 1,635

Liabilities:

ST Liabilities 296

LT Liabilities:

LT Debt 330

Other LT 460

Total Liabilities 1,086

Shareholder's Equity:

Paid in Capital -

Preferred Equity & Minority -

Retained Earnings (133)

Comprehensive Income (0)

Treasury Stock -

Common Stock 682

Total Liabilities & Equity 1,635

Credit Ratings

S&P Credit Rating NR

S&P Outlook NR

Credit Metrics

Funded Debt / EBITDA 2.2

Lease Adjusted Leverage* 6.4

Total Debt to Capital 39%

Current Ratio 1.7

Profitability Metrics

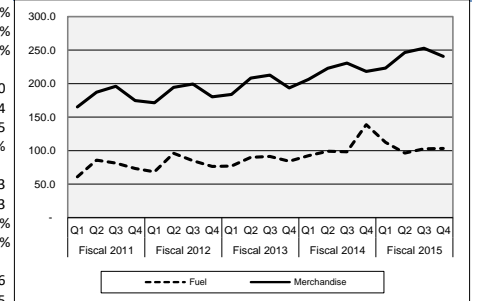
Return on Capital (LTM) 5.6%

Return on Common Equity (LTM) 4.9%

Notes

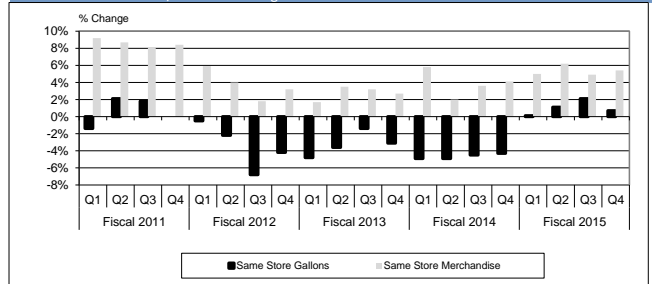
*Calculated as follows: [(next year rent * 8) + LT debt] / EBITDAR

Quarterly Gross Profit (USD Millions)

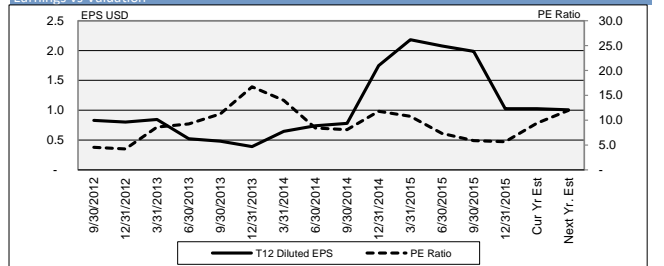


Graphics

Annual Same Store Sales/Volume % Change

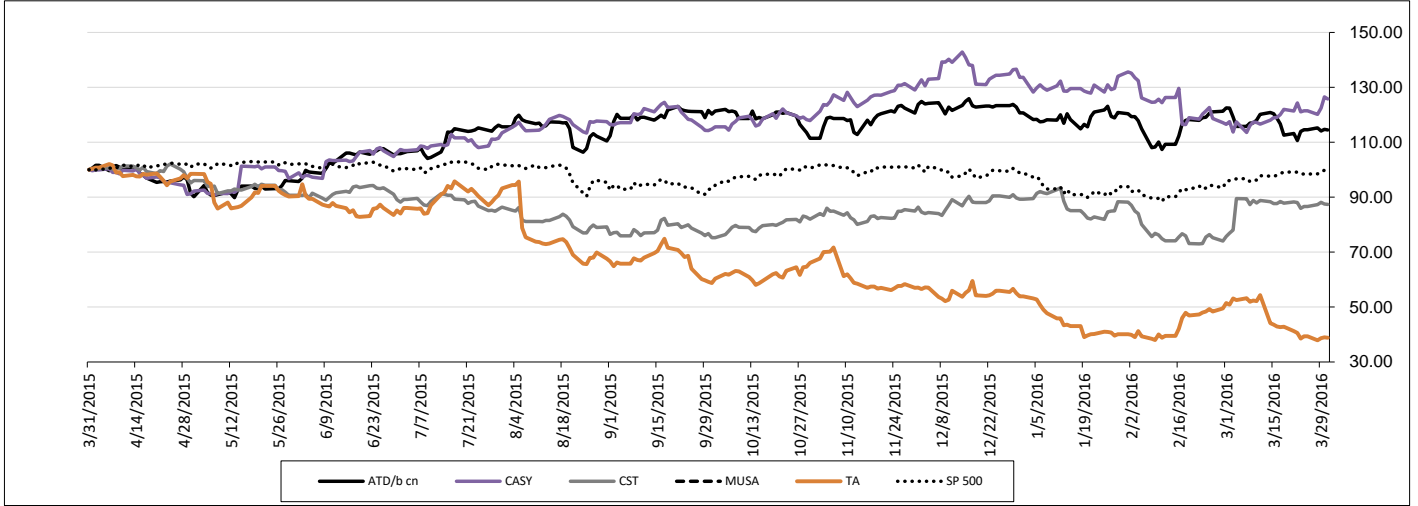


Earnings vs Valuation



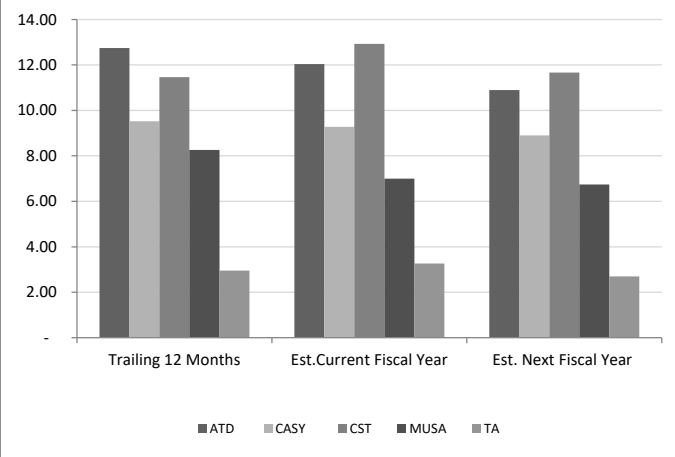
Comparison Graphics: Convenience Retailing

Historical Relative Performance

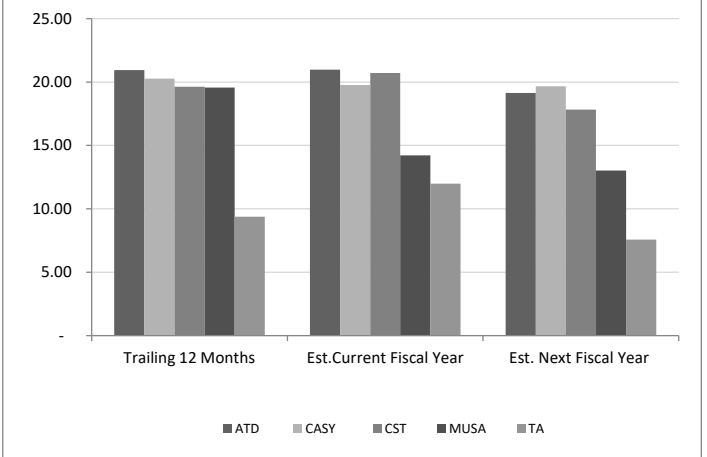


Index, 100 = March 31, 2015

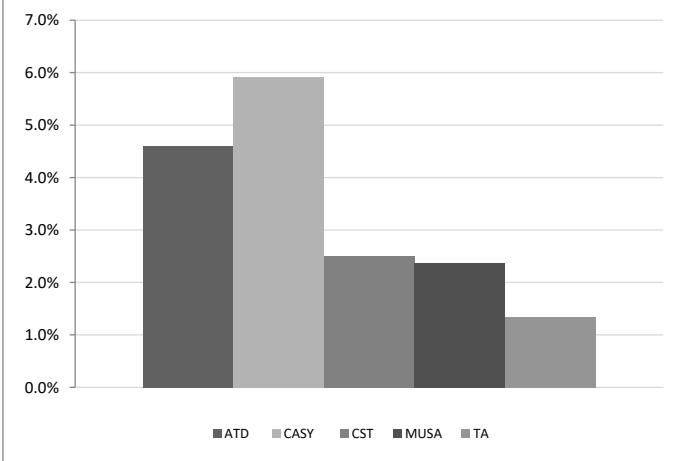
EV / Corp. EBITDA



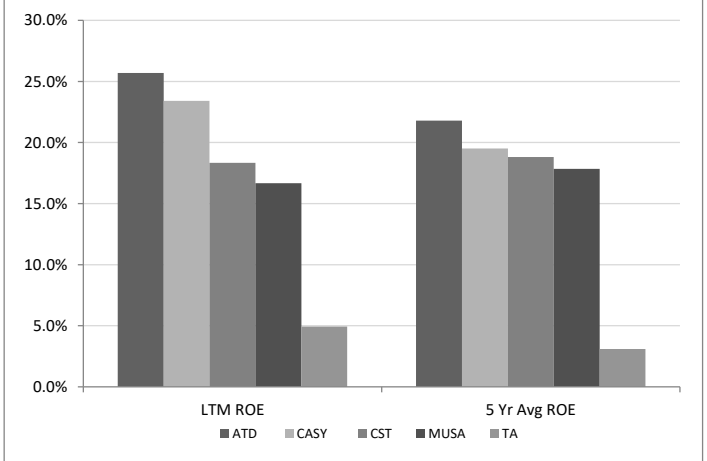
Price / Earnings Ratio



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.

Announced Private Transactions

Date	Buyer	Seller	Purchase Price(MM)	Units	Location	Comments
Mar-16	TravelCenters of America LLC	Quality State Oil Co., Inc.		17	WI	
Mar-16	Petroleum Marketing Group, Inc.	Gulf Oil Limited Partnership		223	National	Dealer-operated
Mar-16	TravelCenters of America LLC	Standalone Convenience Stores	52.30	20	National	
Mar-16	Alimentation Couche-Tard, Inc.	Imperial Oil Ltd	1,259.62	279	On, QC, Canada	
Mar-16	7-Eleven Canada, Inc.	Imperial Oil Ltd		148	AB, BC, Canada	
Mar-16	Harnois Groupe Petrolier	Imperial Oil Ltd		36	QC, Canada	
Mar-16	Parkland Fuel Corp.	Imperial Oil Ltd		17	SK, MB, Canada	
Mar-16	Wilson Fuel Co. Ltd	Imperial Oil Ltd		17	NS, NL, Canada	
Feb-16	GPM Investment LLC	Gas-Mart USA Inc.	6.98	21	IL, IO, NE	
Feb-16	TravelCenters of America LLC	TD Pete		5	IL	
Feb-16	On the Move Corporation	West Boynton Auto Service, Inc.	1.03	1	Boynton Beach,	
Feb-16	On the Move Corporation	Spanish River Service, Inc.	1.70	1	Boynton Beach,	
Feb-16	On the Move Corporation	Seeliva Industries, Inc.	0.93	1	Boynton Beach, FL	
Jan-16	CrossAmerica Partners LP	SSG Corp.	48.50	31	WI, MN	
Jan-16	TravelCenters of America LLC	Meiners Corp.		4	KS, MO	

Earnings Announcements

Alimentation Couche-Tard, Inc. (ATD) reported on March 15, 2016 the results for the third quarter of fiscal 2016. Same-store merchandise revenue grew in all markets: 5.0% in the U.S., 4.3% in Europe and 3.5% in Canada. They launched a fuel rebranding strategy in the Southeast covering more than 1,000 Pantry stores that will be renamed Circle K, BP, Shell and Exxon. Highlights include:

Income: Net earnings totaled \$274.0 million up 10.4%. Excluding adjustments and acquisition costs, earnings rose from a combination of acquisitions and organic growth, which was offset by declining fuel margins in the U.S.

EBITDA: EBITDA increased by 15.2% compared with the same quarter last year, reaching \$627.5 million. EBITDA margins increased year-to-year to 6.7% from 6.0%.

Merchandise & Service: Merchandise and service gross margin increased by 0.5% in the U.S, by 3.4% in Europe and by 0.2% in Canada. Further cost savings are expected due to economies of scale from The Pantry acquisition and improved supply conditions.

Fuel: U.S and Europe same-store road transportation fuel volumes grew 6.2% and 2.9%, respectively. In Canada same-store road transportation fuel volumes decreased 0.5%. Fuel gross margin were \$0.199 per gallon in the U.S., \$0.0869 per liter in Europe and of C\$0.0629 per liter in Canada. In local currencies, the margin in Europe was higher than that of the comparable quarter of fiscal 2015.

Casey's General Stores, Inc. (CASY) reported on March 7, 2016 the results for the third quarter of fiscal 2016. Highlights include:

Income: Net income fell to \$38.1 million, down from \$39.3 million the prior year. This was partially due to a 6.3% year-to-year decline in revenue.

EBITDA: EBITDA fell 0.6% in the third quarter versus the prior year, although EBITDA margins increased to 7.1% from 6.7% the prior year.

Merchandise & Service: For the third quarter, grocery same-store sales were up 7.1% with an average margin of 31.2%, the same as the prior year. Cigarette sales grew as a result of lower fuel prices in the quarter. Prepared food same-store sales for the third quarter grew 6.0% with an average margin of 62.0%.

Fuel: For the third quarter, same-store gallons sold were up 1.6% with an average margin of \$0.181 per gallon. Total fuel sales volume was 472.259 million gallons for the quarter, up from 446.842 million gallons the prior year.

CST Brands, Inc. (CST) reported on February 19, 2016 the results for the fourth quarter and year-end 2015 results. Highlights include:

Income: Fourth quarter net income was \$25 million, down from \$94 million the prior year. After adjusting for nonrecurring items, net income in the fourth quarter 2016 would have been \$42 million, down from \$79 million the prior year.

EBITDA: EBITDA was \$101 million for the quarter compared to \$195 million for the prior year. The decrease in EBITDA was due primarily to a \$70 million decrease in U.S. motor fuel gross profit.

Merchandise & Service: U.S. Merchandise and Services Gross Profit increased 6% and same store merchandise and services sales increased in both the U.S. and Canada as well as the acquisitions of Nice N Easy and Landmark stores and an increase in the number of New-to-Industry stores.

Fuel: U.S. fuel gross profits were \$0.19 per gallon in the fourth quarter, down from \$0.32 per gallon the prior year, caused by a steep decline in crude oil and wholesale gas prices. Canadian fuel gross profits were \$0.22 per gallon, down from \$0.24 per gallon the prior year.

Earnings Announcements

Murphy USA, Inc. (MUSA) reported on February 3, 2016 the fourth quarter and year-end 2015 results. They added 44 new stores in the quarter, bringing the chain total to 1,335 stores at year end. After the quarter end, the Board approved an allocation of capital to pursue new additional growth opportunities and to undertake a share repurchase program of up to \$500 million. They also announced an agreement to sell CAM Crude Pipeline System in South Louisiana for \$85 million. Highlights include:

Income: Net income was \$66.7 million with income from continuing operations of \$29.2 million after removing the Hereford ethanol plant sale.

EBITDA: Adjusted EBITDA fell to \$77.3 million in the fourth quarter, down from \$160.7 million, due the gross profit decline in fuel sales.

Merchandise & Service: Merchandise sales increased 6.7% overall at a 14.3% unit margin led by non-tobacco sales and margins.

Fuel: Retail fuel volume grew 3.4% for fuel gross margins of \$0.124 per gallon as average same store sales volume declined 1.4% versus the prior quarter.

TravelCenters of America LLC (TA) reported on March 14, 2016 the results for the fourth quarter and full year 2015. Nearly all of the standalone convenience stores and travel stores are now branded Minit Mart and include their private label coffee program. Highlights include:

Income: Net loss for the fourth quarter was \$1.6 million, compared to net income of \$34.3 million for the 2014 fourth quarter. The change was primarily due to the decrease in fuel gross margin and increases in SG&A and rent as a result

EBITDA: Adjusted EBITDAR decreased by \$46.2 million, or 35.7%, compared to the 2014 fourth quarter primarily due to the decrease in fuel gross margin.

Merchandise & Service: Nonfuel revenue was up 13.8% with 25% of this increase from growth in same site revenue and 75% from sites acquired in the fourth quarter.

Fuel: Fourth quarter fuel volume rose 9.1% to 544.392 million gallons, however, same site volume was down 5.2 million gallons while volume from acquisitions was up 50.5 million gallons. Fuel gross margins per gallon declined to \$0.1897 in the quarter and included a \$0.015 economic benefit from the Federal fuel tax credit program to blenders of certain renewable fuels.

Other M&A News

TravelCenters of America announced April 1, 2016 that it purchased 17 QMart stores in Wisconsin from Quality State Oil Co Inc. who is exiting the retail business. TravelCenters will rebrand these stores as Minit Mart convenience stores.

CrossAmerica Partners announced March 29, 2016 that it closed the \$48.5 million purchase of 31 franchised Holiday Station stores in Minnesota and Wisconsin including the land on 27 sites. This brings their fuel distribution locations to 95 in the upper Midwest market, and over 1,250 nationally.

Alimentation Couche-Tard Inc. announced March 23, 2016 that it received approval from the European Commission for its previously announced deal to acquire A/S Dansk Shell's downstream retail business in Denmark, subject to divestment commitments. Completion of the acquisition is expected to occur in May 2016.

Alimentation Couche-Tard Inc. announced March 8, 2016 an agreement to acquire certain of its Canadian retail assets located in the Provinces of Ontario and Québec, comprising 279 ESSO-branded stations, 13 land banks and two dealer sites.

CST Brands announced March 3, 2016 that they are exploring strategic alternatives to further enhance stockholder value.

Petroleum Marketing Group Inc. purchased 223 Gulf Oil dealer-operated stations and convenience stores in March 2016.

BW Gas and Convenience confirmed in March 2016 that they are purchasing six Kum & Go stores in Mason City, Iowa.

Featured Article: What to Consider When Selling Your Company

Selling your business is one of the most important decisions an owner will make in their lifetime. Not only does the business provide recurring income, but for many business owners, their identity and social network is closely tied to their business. Employees are not only friends they see every day, but an extension of their family. A prudent business owner thinking about a sale must ask themselves questions including do I want to sell?, when should I sell?, how much am I worth?, what can I do to increase value? and most importantly, what will I do after the sale? In this multi-part article, we first discuss the objectives a business owner needs to identify in order to chart the right course and navigate toward a successful outcome.

Part 1: Owner's Objectives

Every owner has a unique set of reasons for pursuing a sale. These may include age, succession issues, financial difficulties, health factors, risk diversification, competition, shareholder conflicts, divorce or simply being worn out. Before embarking on a sale, the rationale should be carefully considered as each objective may lead in a different path.

The most common reason for a sale is retirement. For some owners, they want to walk away quickly and sell to a competitor while others desire a longer-term transition alongside a financial partner. Financial difficulties due to industry consolidation or rising raw material costs may lead to a competitive sale or a merger in order to jointly maintain market share. Ongoing shareholder conflicts may result in one owner staying post-transaction while the other leaves. Replacing the skills of the departing owner is critical to capturing and retaining value and impacts the buyer base. An owner with a longer time horizon may choose a recapitalization or an ESOP transaction in order to diversify financial risk while maintaining ongoing control.

Typical owner objectives that need to be thoughtfully defined include the following: a) what are my ongoing financial needs post-transaction, b) do I want to maintain control post-transaction, c) how long do I want to stay with the business, d) are there holes in the management team that need to be filled, e) are there key executives crucial to the business that must be retained, f) are there family members that will stay with the business and g) should I retain the real estate and sell the operations. Weighing the importance of each answer is essential to selecting the right exit strategy.

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), and skilled transaction execution capabilities. Our principals have significant experience in convenience stores 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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