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MARCH 2025

CONVENIENCE STORE **Insight**

MERGERS & ACQUISITIONS, PUBLIC & PRIVATE CAPITAL AND FINANCIAL ADVISORY SERVICES

RAYMOND JAMES | INVESTMENT BANKING

IN THIS ISSUE

- Recent, notable M&A transactions
- Macroeconomic indicators
- Debt and equity market conditions
- What we're reading

Deal spotlight

Parkland Corp. announces strategic review

- **Announced**: March 5, 2025
- **Process Overview**: Parkland Corp. (TSX: PKI) has initiated a formal strategic review led by a Special Committee of independent directors. The review will evaluate a range of potential catalyst to enhance shareholder value, including asset divestitures, acquisitions, business combinations, or a potential sale of the company.
- **Rationale**: Designed to enhance shareholder value and address pressures from shareholder Simpson Oil (~20% of common shares outstanding), the announcement follows sustained pressures from the major shareholder, which publicly called for a strategic review in April 2024 and in a publicly shared letter sent to the Board in February. Parkland's Board stated that while it remains confident in the company's strategy and execution, the current share price undervalues the business's long-term potential.
- **Company Profile:** Parkland Corp. is an international refiner, fuel distributor, marketer, and convenience retailer, with operations across 26 countries in the Americas. The company operates more than 4,000 retail and commercial sites, including over 200 company-operated stores in the U.S. under its Parkland USA subsidiary.

Alimentation Couche-Tard's bid for Seven & i Holdings

- **Announced**: Initial proposal in July 2024; offer raised in September 2024; **see timeline of events on next page**
- **Transaction Detail**: Alimentation Couche-Tard (TSX: ATD), parent company of Circle K Stores Inc., has proposed acquiring all of Seven & i Holdings' shares for ~$47 billion; up from an initial $38 billion offer. To address antitrust concerns, Couche-Tard is working with 7&i on a divestment package of Circle K stores (reportedly 2,000 stores). Should both parties reach a definitive agreement, the deal would mark one of the largest retail M&A transactions in history and the biggest foreign buyout in Japanese history.
- **Rationale**: A combination of Circle K and 7-Eleven — the two largest c-store operators in the U.S.— would create a dominant player with a U.S. store count of ~20,000 or nearly 7x larger than the next closest operator. Couche-Tard views 7&i as a highly strategic fit, emphasizing the combination would deliver shareholder value to both companies (likely reflecting a view on brand growth and potential synergies).
- **Target / Seller:** 7&i operates, franchises, or licenses over 83,000 stores in 19 countries, including 13,000+ in the U.S. under the 7-Eleven, Speedway and Stripes brands. It also owns restaurant brands like Laredo Taco Company, Speedy Café and Raise the Roost Chicken and Biscuits.

Casey's acquires Wow! Foodmart

- **Announced**: January 14, 2025; transaction closed
- **Transaction Detail**: Casey's General Stores, Inc. (NASDAQ: CASY) acquired Wow! Foodmart LLC and its affiliated retail portfolio. The transaction included seven convenience stores, one travel center and four liquor stores in central Kentucky. Six of the stores have been rebranded to Casey's and include its propriety prepared food offerings, and one has been converted to the goodstop banner.
- **Rationale**: The acquisition supports Casey's strategic plan to add 500 locations to its store network by the end of 2026. Further, the transaction builds on the company's expansion efforts in the South, including the 2023 acquisition of 63 Minit Mart locations in Kentucky and Tennessee, strengthening its presence in the Kentucky market.
- **Target / Seller:** Wow! Foodmart LLC was a small convenience store chain with locations situated between Lexington and Richmond, Kentucky, many of which were positioned along the Interstate 75 corridor.

Circle K acquires assets of Hutchinson Oil Co.

- **Announced**: November 12, 2024; transaction closed
- **Transaction Detail**: Alimentation Couche-Tard (TSX: ATD), parent company of Circle K Stores, Inc., acquired the fuel marketing and convenience retail assets of Hutchinson Oil Co. Inc. The transaction included 20 Hutch's-branded convenience stores and travel centers in western Oklahoma and southern Kansas.
- **Rationale**: The acquisition aligns with Couche-Tard's strategy to consolidate the U.S. convenience store market and marks the company's entrance into the Oklahoma and Kansas markets. The acquisition also supports the company's focus on expanding its high-quality foodservice offerings, as Hutch's locations feature the made-to-order "Hutch's Deli" proprietary food and beverage program.
- **Target / Seller**: Founded in 1969 and headquartered in Elk City, Oklahoma, Hutchinson Oil Co. was a family-owned operator of 20 Hutch's-branded convenience stores across Oklahoma and Kansas. The company also owned and operated a delivery fuels business serving commercial and industrial customers, which was divested in a separate transaction last year.

Source: Public company filings and press releases.

Deal spotlight (cont'd): Couche-Tard's bid for Seven & i – timeline of a deal still in play

A strategic pursuit marked by raised offers, corporate maneuvering and efforts to address potential regulatory hurdles

- **July 25, 2024: Initial Offer Submitted –** Couche-Tard makes a non-binding bid to acquire all outstanding shares of 7&i for $14.86 per share (~$38.5 billion USD). 7&i forms a special committee to review the proposal.
- **September 5, 2024: Offer Publicly Rejected –** 7&i rejects the $38.5 billion offer as "opportunistically timed" and undervaluing the Company, citing U.S. antitrust risks but signaling openness to a better bid.
- **September 13, 2024: Government Designation –** Japan designates 7&i as a "core" company under foreign investment laws, requiring government approval for foreign entities acquiring more than 10% of shares.
- **September 19, 2024: Revised Offer Submitted –** Couche-Tard raises its offer to $18.19 per share (~$47 billion), a 22% increase over the initial bid.
- **October 10, 2024: Restructure Plan Announced –** 7&i announces a restructuring plan to split into two entities: one for 7-Eleven and the other – York Holdings – for its food supermarket businesses, specialty stores and other businesses.
- **October 17, 2024: Executive Visit to Tokyo –** Couche-Tard executives meet with 7&i stakeholders, emphasizing a "friendly" approach and expressing confidence in addressing U.S. antitrust hurdles as well as financing and local operational concerns.
- **November 13, 2024: Competing Offer Emerges –** A founding family member and Ito-Kogyo Co. (~8% shareholder) submit a $58.7 billion management buyout offer to take 7&i private.
- **February 27, 2025: Management Buyout Fails –** The proposed management buyout fails due to lack of financing. 7&i also states that "the special committee is engaging constructively with Couche-Tard to determine if an actionable proposal can be achieved that addresses the serious U.S. antitrust challenges that any such transaction would face."
- **March 6, 2025: Leadership & IPO Plans –** 7&i announces "transformational" leadership change naming Stephen Hayes Dacus - current Board Chair - as incoming CEO (May 2025), announces plans to pursue an IPO of 7-Eleven Inc. (its North America c-store business) by 2H26, and has entered into an agreement to sell its Superstore Business Group to Bain Capital for $5.37 billion (proceeds to be allocated to share buybacks).
- **March 9, 2025: 7&i Provides Process Update –** Shareholder letter provides update on succession process and discussions with Couche-Tard; confirms 7&i and Couche-Tard identified a 2,000+ Circle K store divestiture package with outreach underway to potential buyers to address U.S. antitrust concerns.
- **March 24, 2025: 7&i Reaffirms Strategic Paths –** 7&i releases documents including "*Know the Facts About 7&i's Engagement with ACT and Antitrust Concerns*" which reiterates pursuit of two parallel paths (possible divestiture to Couche-Tard and stand-alone succession/IPO plan), rebuts certain claims around 7&i's engagement with Couche-Tard and its stand-alone succession plan, and warns it will not pursue a deal that could leave 7&i in a "value destructive limbo."

Source: Public company filings and press releases.

Review of notable 2024 and 2025 YTD M&A transactions

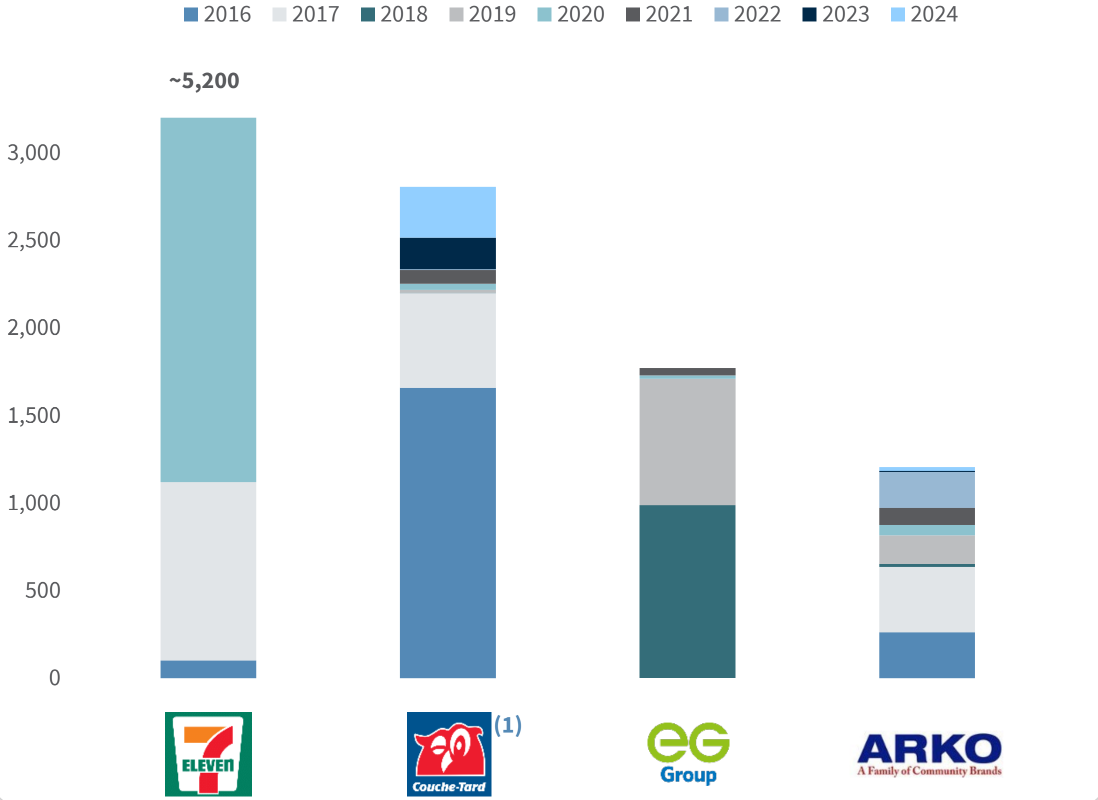
Announced date	Acquiror	Target / seller	Retail store count
2/21/2025	Majors Management	Mac's Food Stores	4
1/14/2025	Casey's	WOW	12
12/20/2024	Reliance Oil	The Store	20
11/15/2024	Brake Time	EG Group	39
11/12/2024	Couche-Tard	Hutch's	20
10/31/2024	nouria	enmarket	132
9/27/2024	Stewart's Shops	Jolley	45
9/17/2024	Legacy Markets	Triangle Stop Food Stores	10
8/26/2024	Motiva / Midtex Oil, L.P.	MiniMart	17
8/19/2024	Couche-Tard	getGo	270
8/1/2024	FEMSA / OXXO	Delek US	249
7/26/2024	Casey's	CEFCO	198
7/15/2024	United Refining Company	Pump N Pantry	16

Announced date	Acquiror	Target / seller	Retail store count
6/13/2024	Anabi	Fast Track	29
6/5/2024	Brake Time	EG Group	23
4/16/2024	Tiger	Anderson Oil Company	19
4/9/2024	ARKO (A Family of Community Brands)	BY/LO Oil Company / Speedy Q Markets	21
4/4/2024	Atlantis Management Group	M. Spiegel & Sons Oil	73
3/20/2024	H&S	Andretti	~170
3/4/2024	Smoker Friendly	Low Bob's	54
2/23/2024	CrossAmerica Partners LP	applegreen	59
2/9/2024	Shell	Brewer	45
1/26/2024	MPC	Gitty Up-N-Go	20
1/17/2024	Kent Companies	DC Oil Company	13
1/11/2024	7-Eleven	Sunoco LP / Cal's Convenience, Inc.	204

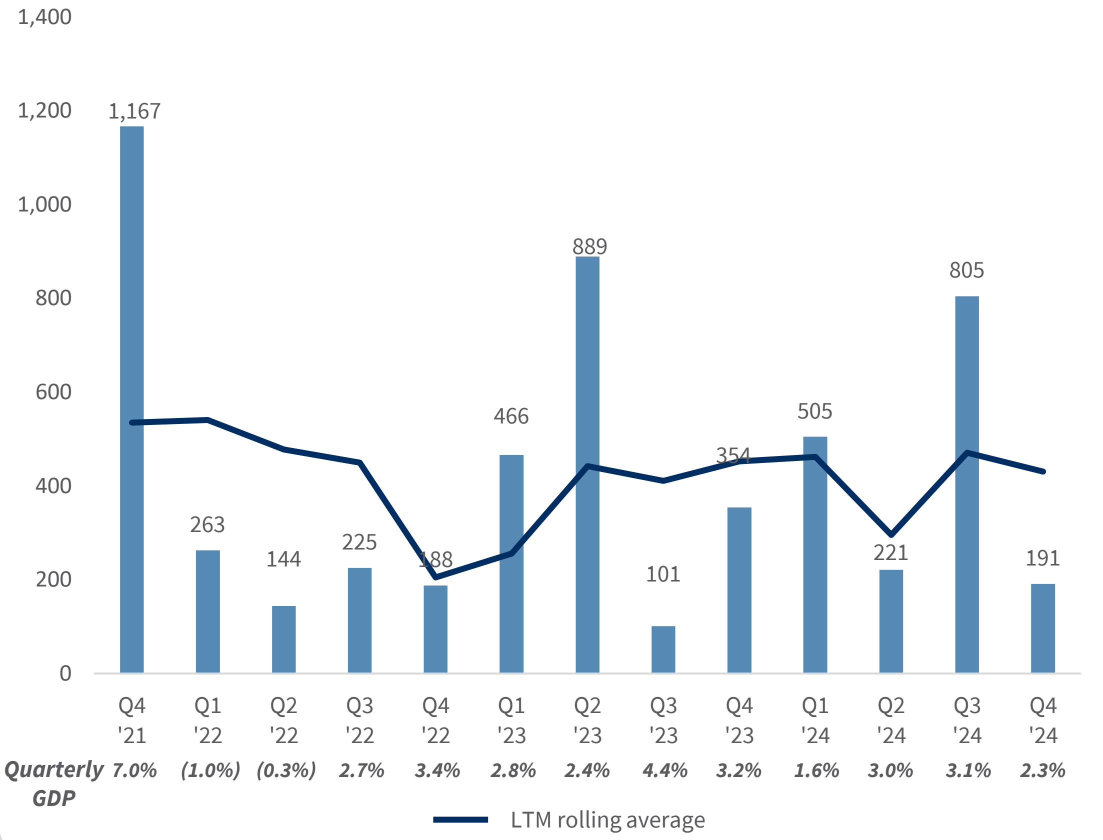
Source: Public company filings, press releases and Capital IQ.

M&A transactions

Most active acquirors



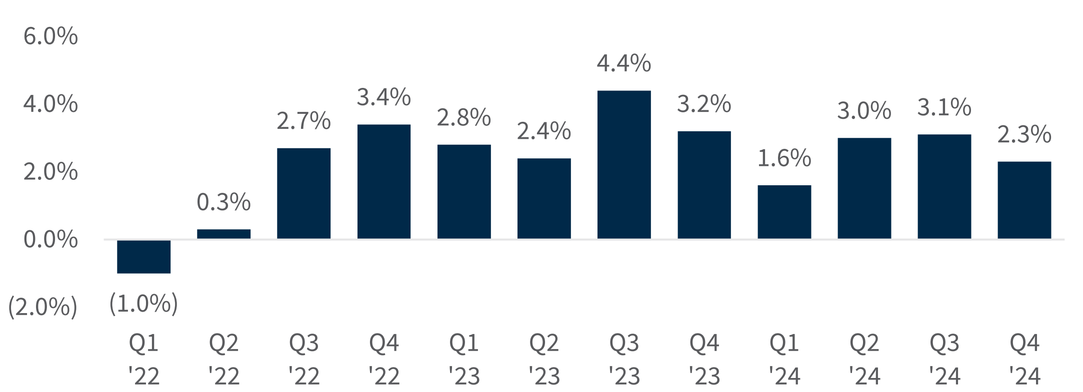
M&A activity by store count



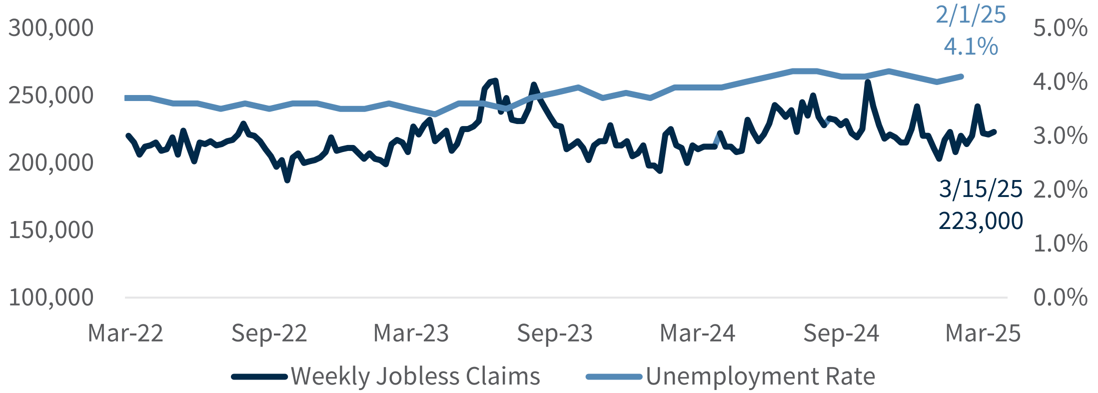
Source: Public company filings and press releases; count as of announcement date. Includes only U.S. deals. All data as of 12/31/24.
Notes: (1) Includes announced acquisition of 270 GetGo locations.

Macroeconomic indicators

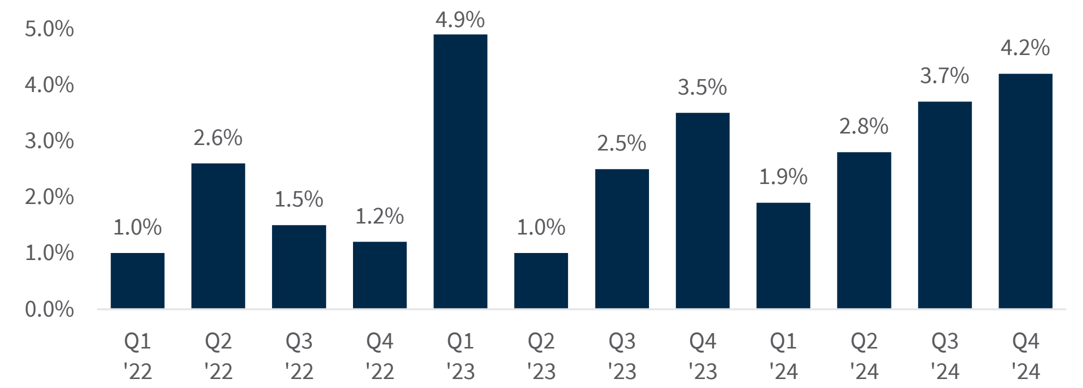
Real GDP growth



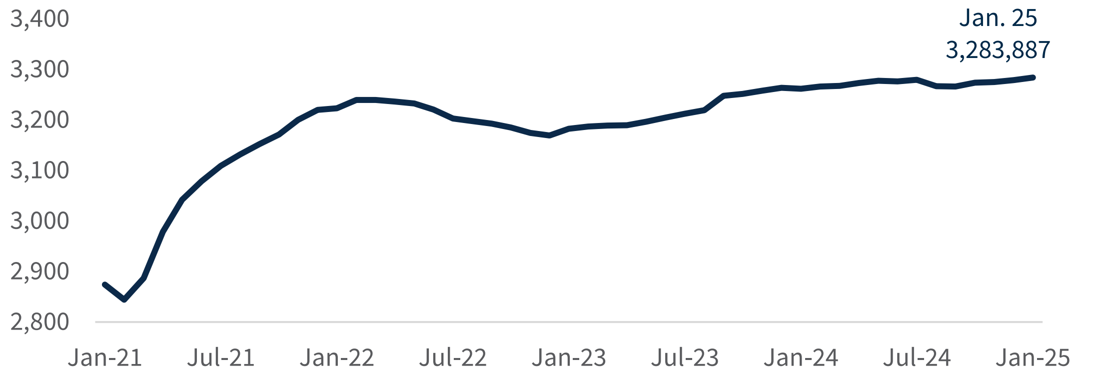
Unemployment rate and initial jobless claims



Consumer spending growth



Total vehicle miles traveled



Source: Bureau of Economic Analysis, St. Louis Federal Reserve, Bureau of Labor Statistics, Institute for Supply Management and Capital IQ.

Macroeconomic indicators (cont'd)

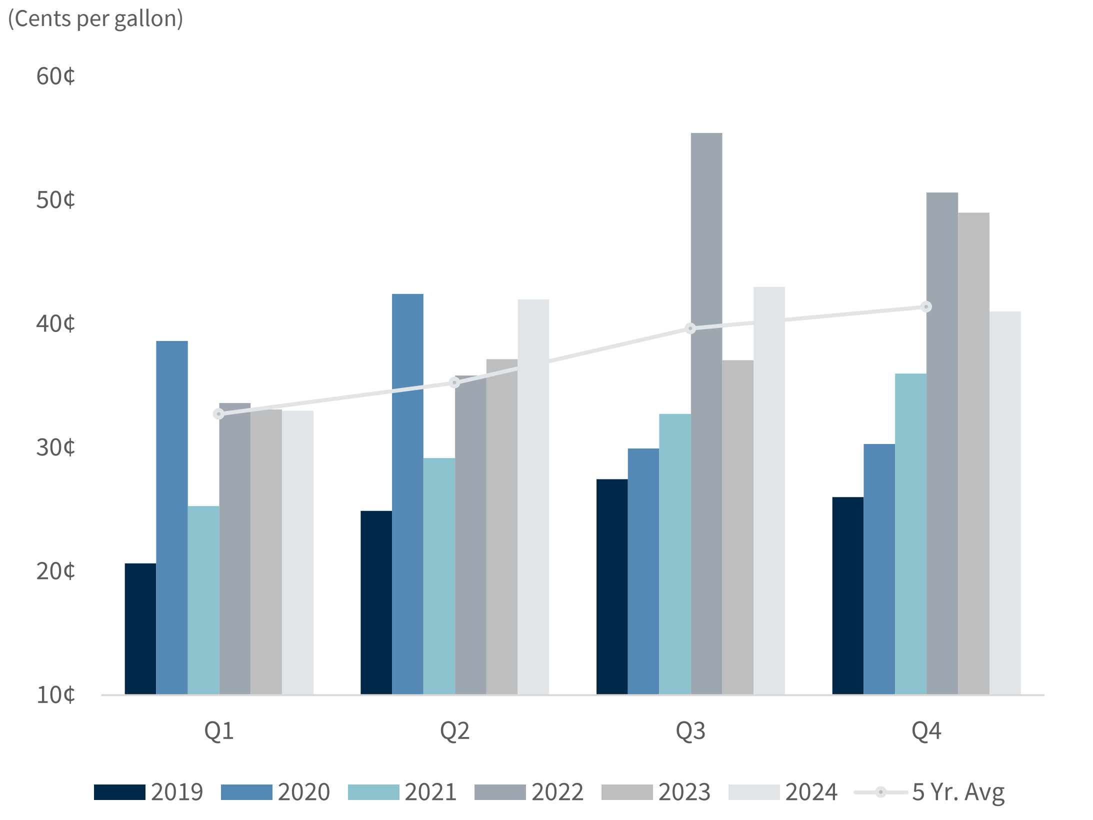
West Texas Intermediate (WTI)

Inflation(1) vs. 10-year treasury

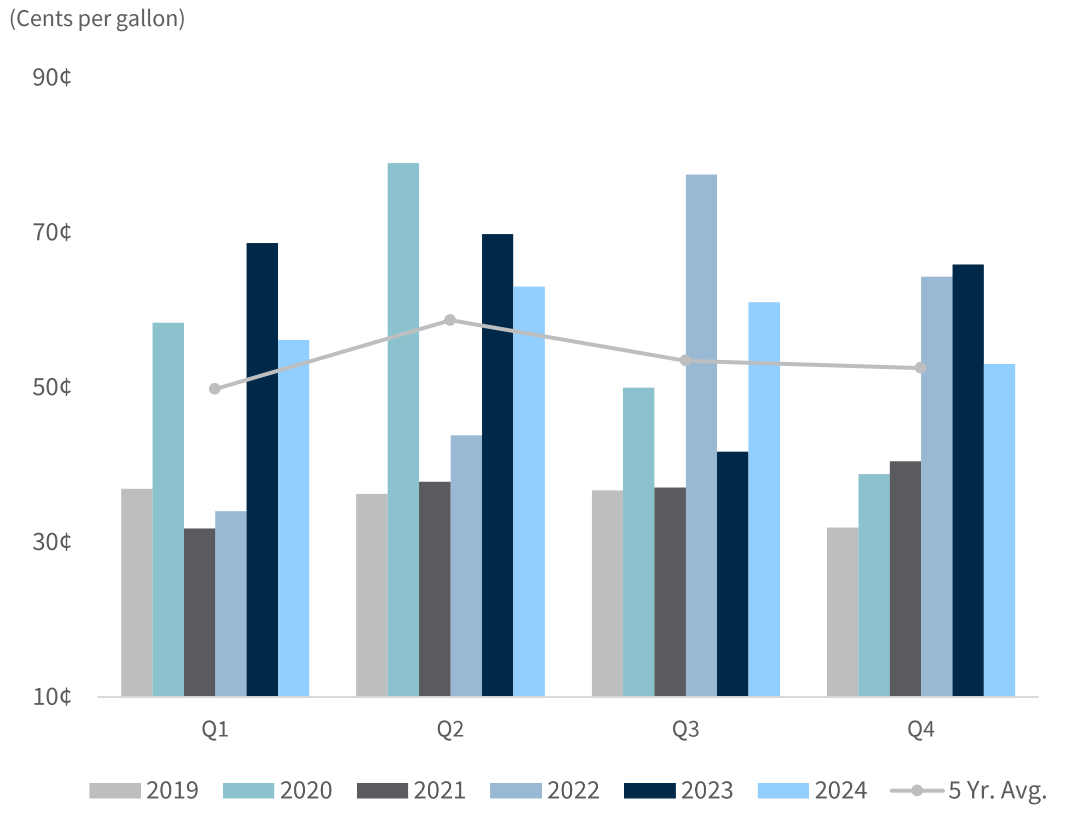
Source: Bureau of Labor Statistics and Capital IQ.
Note: (1) Annual change in Consumer Price Index (all items), not seasonally adjusted.

C-store industry fuel margin performance

Quarterly national retail gasoline margins(1)



Quarterly national diesel margins(1)



Source: OPIS and Raymond James equity research.
Notes: (1) All data as of 3/19/25.

Earnings summary

Alimentation Couche-Tard Inc. TSX: ATD[1]

	Quarter ended		Change	Fiscal nine months ended		Change
	2/2/2025	2/4/2024		2/2/2025	2/4/2024	
EBITDA	$1,641.1	$1,474.0	11.3%	$4,747.5	$4,471.1	6.2%
EPS	$0.68	$0.65	4.6%	$2.25	$2.32	(3.0%)
SSS fuel gallons	(3.0%)	(0.8%)	N/A	(2.1%)	(0.6%)	N/A
Fuel margin (CPG)	44.3¢	43.2¢	1.1¢	46.0¢	47.2¢	(1.2¢)
SSS merch sales	(0.1%)	(1.5%)	N/A	(0.9%)	-	N/A
In-store margin	34.0%	33.1%	90 bps	33.8%	34.0%	(20 bps)

Select commentary: We are pleased to report positive improvements in the business this quarter. While consumers continue to be cautious in their spending, we are seeing encouraging signs of resilience.

I want to begin by briefly mentioning our ongoing commitment to acquire Seven & i Holdings… For many years, we have firmly believed that there is a unique strategic fit between Couche-Tard and Seven & i and that **we can achieve significantly more together than each of our companies can achieve individually**, including accelerating the global growth of the iconic 7-Eleven brand and strengthening the Seven & i business in many parts of the world… We also firmly believe that a combination provides an opportunity for shareholders and stakeholders of both companies to realize significant value. **We have reiterated several times over the past few months that we intend to be friendly and persistent in pursuing a transaction, which we believe is in the best interest of all stakeholders.**

- Alex Miller, President, CEO & Director

ARKO Corp. NasdaqCM: ARKO

	Quarter ended		Change	Year ended		Change
	12/31/2024	12/31/2023		12/31/2024	12/31/2023	
EBITDA	$56.9	$61.8	(8.0%)	$248.9	$276.3	(9.9%)
EPS	($0.03)	$0.00	-	$0.13	$0.24	(45.8%)
SSS fuel gallons[2]	(4.4%)	(7.5%)	N/A	(6.1%)	(5.3%)	N/A
Fuel margin (CPG)[2]	38.7¢	39.2¢	(0.5¢)	39.6¢	38.8¢	0.8¢
SSS merch sales	(4.3%)	(2.8%)	N/A	(5.4%)	0.4%	N/A
In-store margin	33.0%	32.9%	10 bps	32.8%	31.8%	100 bps

Select commentary: **Despite a challenging macro environment characterized by persistent inflation and constrained consumer spending, we remain focused on executing the strategic initiatives that we believe will position Arko for long-term growth.** We continue to work on our transformation plan, including the dealerization program while continuing to provide our customers with value through food service expansion of our other tobacco product category and targeted promotional strategies to enhance customer engagement and loyalty. Overall, against backdrop of external pressures and in a dynamic environment, we managed the business effectively and delivered results near the midpoint of our annual guidance, reflecting our ability to adapt to market conditions and drive operational efficiencies while maintaining a strong focus on customer value and long-term profitability.

- Arie Kotler, Chairman, President & CEO

Source: Public company filings, Capital IQ, Wall Street equity research.
Notes: (1) Reflects U.S. performance (excluding EBITDA and EPS).
(2) Reflects retail gallons only.

Earnings summary (cont'd)

Casey's General Stores, Inc. NasdaqGS: CASY

	Quarter ended		Change	Fiscal nine months ended		Change
	1/31/2025	1/31/2024		1/31/2025	1/31/2024	
EBITDA	$242.4	$217.6	11.4%	$937.0	$840.4	11.5%
EPS	$2.33	$2.33	-	$12.01	$11.09	8.3%
SSS fuel gallons	1.8%	(0.4%)	N/A	0.3%	-	N/A
Fuel margin (CPG)	36.4¢	37.3¢	(0.9¢)	39.1¢	40.4¢	(1.3¢)
SSS merch sales	3.7%	4.1%	N/A	3.1%	4.1%	N/A
In-store margin	40.9%	41.3%	(40 bps)	41.6%	41.0%	60 bps

Select commentary: **I'm very proud of the team's ability to integrate the largest transaction in the company's history while also producing outstanding financial results.** The first pillar of our 3-year strategic plan is to accelerate the food business. Our prepared food and dispensed beverage team continues to do an excellent job innovating and finding the right quality of products to serve our guests… Our store growth pillar was on full display this quarter, integrating the Fikes transaction. Our dedicated integration team has done an excellent job getting our newest team members comfortable operating in the Casey's system. We're able to do this while maintaining a strong balance sheet. As of January 31, we stand at a 2.1x leverage ratio and are quickly on our way to the targeted 2x leverage ratio. **Given our track record of executing and integrating meaningful acquisitions, we are well positioned to continue this strategy** and enhance shareholder value. Enhancing operational efficiency is the third pillar of the strategic plan.

- Darren M. Rebelez, President, CEO & Board Chair

CrossAmerica Partners NYSE: CAPL

	Quarter ended		Change	Year ended		Change
	12/31/2024	12/31/2023		12/31/2024	12/31/2023	
EBITDA	$35.5	$47.6	(25.5%)	$145.5	$165.8	(12.2%)
EPS	$0.42	$0.42	-	$0.52	$1.05	(50.5%)
SSS fuel gallons	(2.0%)	(3.2%)	N/A	(1.0%)	0.2%	N/A
Fuel margin (CPG)(1)	37.6¢	41.5¢	(3.9¢)	36.8¢	36.9¢	(0.1¢)
SSS merch sales(2)	(1.9%)	5.1%	N/A	(0.9%)	7.7%	N/A
In-store margin	28.4%	28.2%	20 bps	28.2%	28.4%	(20 bps)

Select commentary: …throughout the year, **the oil market did not provide the same fuel margin generating possibilities as in the prior year,** which in large part drove the overall decline in our EBITDA in 2024 compared to the prior year. In addition, **inflationary pressures on consumers and the interest rate environment were further headwinds** on our financial results for the year… Our business remains a steady and dependable operation that consistently generates cash flow…We have shown resilience in demand through the pandemic and societal shifts …We successfully navigated record inflation, and our balance sheet absorbed the impact of a more than 500 basis point rise in interest rates since early 2022. Despite these challenges, we have continued to deliver solid financial performance. **As we move into 2025 and beyond, we remain committed to executing our strategy while adapting to market conditions** to ensure we continue to generate strong results for our unitholders.

- Charles M. Nifong, President, CEO & Director

Source: Public company filings, Capital IQ, Wall Street equity research.
Notes: (1) Reflects retail fuel margin.
(2) Excludes cigarettes.

Earnings summary (cont'd)

Murphy USA Inc.
NYSE: MUSA

	Quarter ended		Change	Year ended		Change
	12/31/2024	12/31/2023		12/31/2024	12/31/2023	
EBITDA	$278.3	$275.2	1.1%	$1,006.8	$1,058.5	(4.9%)
EPS	$6.96	$7.00	(0.6%)	$24.11	$25.49	(5.4%)
SSS fuel gallons	(2.8%)	(1.3%)	N/A	(1.1%)	(1.8%)	N/A
Fuel margin (CPG)[1]	28.9¢	31.1¢	(2.2¢)	28.1¢	27.6¢	0.5¢
SSS merch sales	(1.5%)	3.5%	N/A	2.3%	2.7%	N/A
In-store margin	19.9%	19.4%	50 bps	19.8%	19.7%	10 bps

Select commentary: **I'm very pleased with Murphy USA's performance in both the fourth quarter and the full year 2024**… We plan to grow the base of sustainable earnings in the years to come as we accelerate our new store program, remain laser focused on improving store performance across the network and relentlessly challenging ourselves to innovate and better serve our customers… the fundamental thesis that **Murphy USA remains an advantaged and growing player in an industry with a long-term track record of demand stability** not only remains intact, but looks even more favorable from where we are sitting. The runway remains long for continued margin growth over time, high-return organic growth investments are accelerating and our core business performance is supported with value-creating initiatives. These persistent and powerful drivers strongly support our balanced capital allocation levers of store growth and share repurchase, which has delivered significant returns to investors since our 2013 spin.

- R. Andrew Clyde, President, CEO & Director

Parkland Corp.
TSX: PKI[2]

	Quarter ended		Change	Year ended		Change
	12/31/2024	12/31/2023		12/31/2024	12/31/2023	
EBITDA	$428.0	$463.0	(7.6%)	$1,690.0	$1,913.0	(11.7%)
EPS	$0.57	$0.84	(32.1%)	$2.29	$3.50	(34.6%)
SSS fuel gallons	(1.3%)	(11.6%)	N/A	(6.1%)	(4.6%)	N/A
SSS merch sales	(4.3%)	0.2%	N/A	(2.0%)	2.5%	N/A
In-store margin	32.8%	29.3%	350 bps	33.3%	30.6%	270 bps

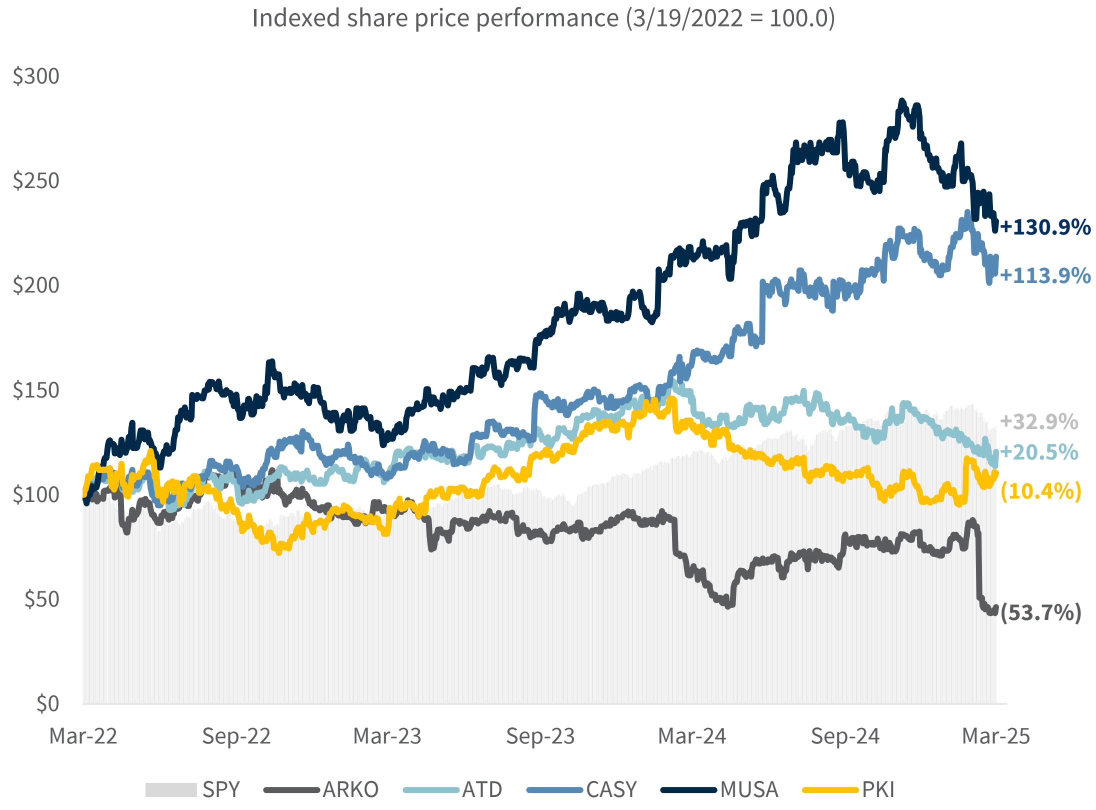
Select commentary: We acknowledge that **Parkland shares have underperformed and do not currently reflect the intrinsic value of the company. Initiating a review is appropriate** at this time. Its primary intention is to explore opportunities to maximize value creation, while also offering a potential path to seek resolution with Simpson Oil. It's unfortunate that Simpson has remained unwilling to engage in constructive dialogue with Parkland's Board of Directors. Our offer to join our Board remains open, and we would welcome them to participate in the strategic review…. **The review will evaluate the existing business strategy and current portfolio of assets, and we'll also consider catalysts, including mergers, divestitures, acquisitions and the sale of the company.** We will continue to actively engage with shareholders throughout the process and provide periodic updates.

- Robert Berthold Espey, President, CEO & Non-Independent Director

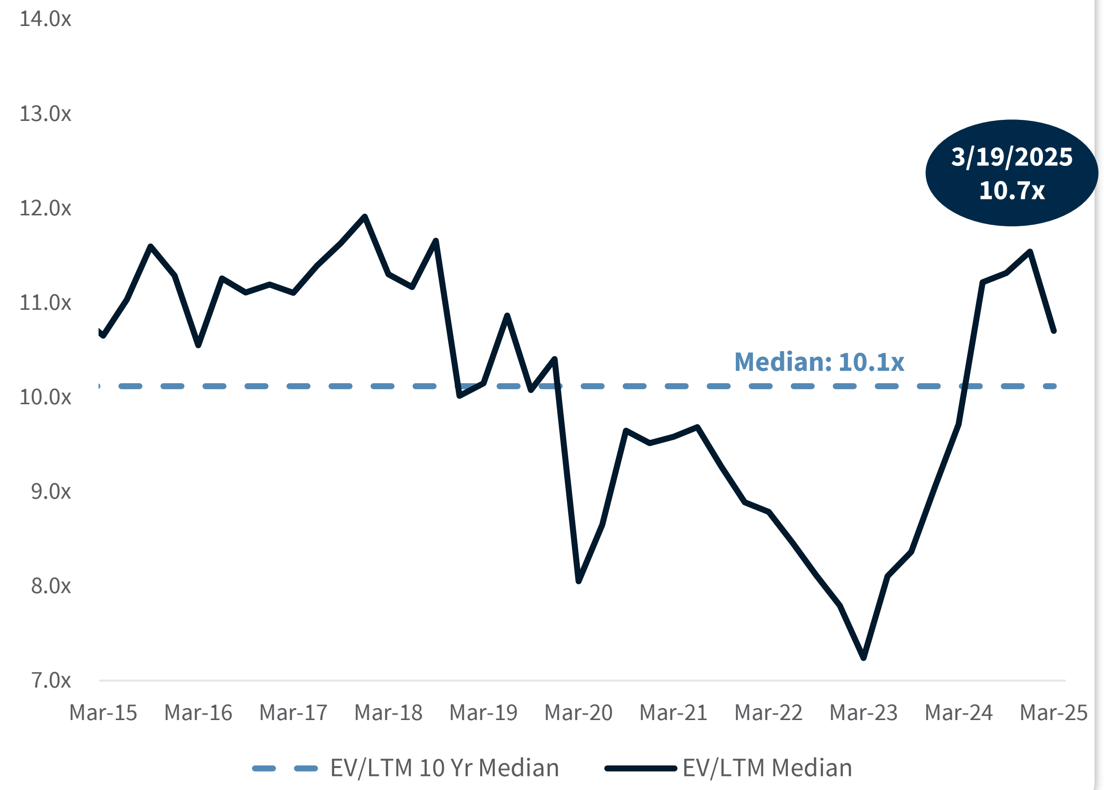
Source: Public company filings, Capital IQ, Wall Street equity research.
Notes: (1) Reflects retail fuel margin.
(2) Parkland reports consolidated EBITDA and EPS in Canadian dollars. Same-store sales growth and margins reflect U.S. segment performance.

Public company share price performance and valuation

Convenience store trailing three-year stock price performance[1]



10-year convenience store historical trading multiples (EV / EBITDA)[2]

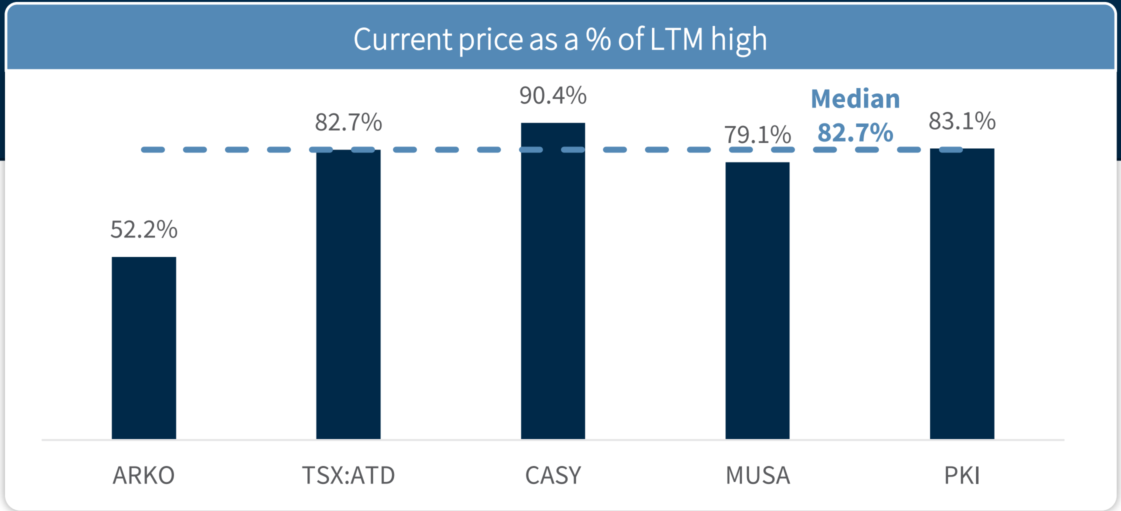


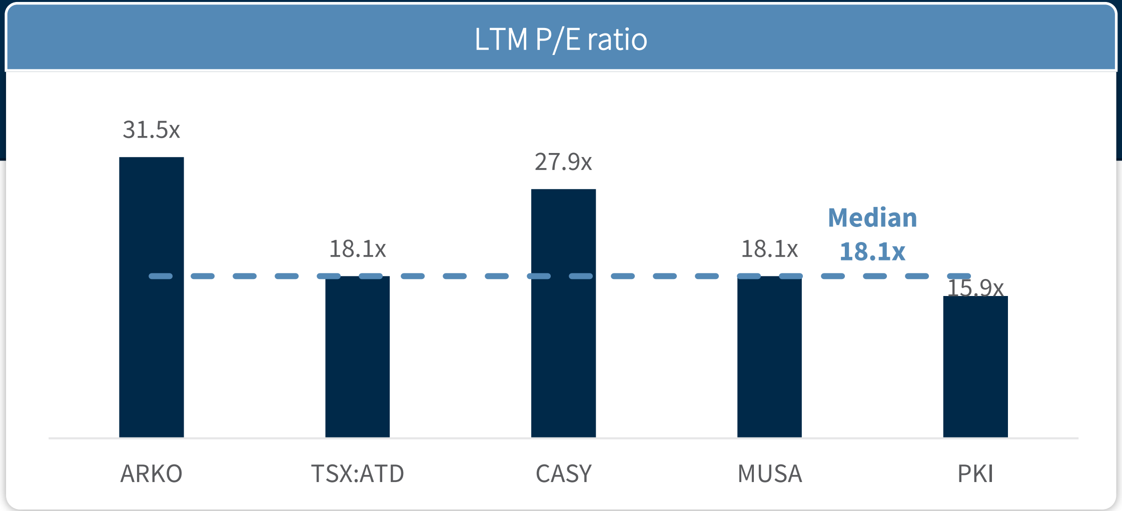
Source: Capital IQ

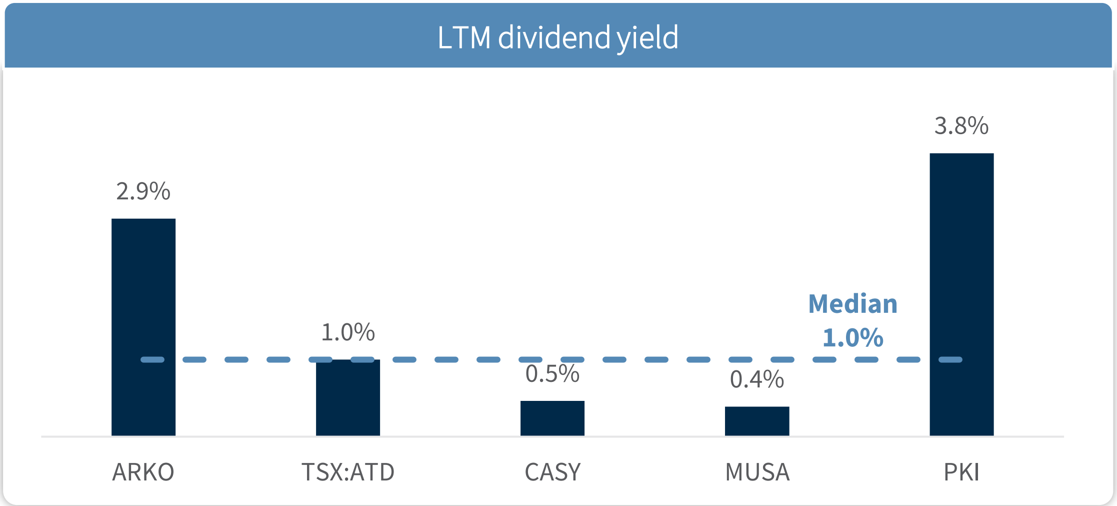
Notes: (1) Price performance is based on dividend-adjusted share pricing. Indexed share price performance (3/19/22 = 100.0). All data as of 3/19/25.

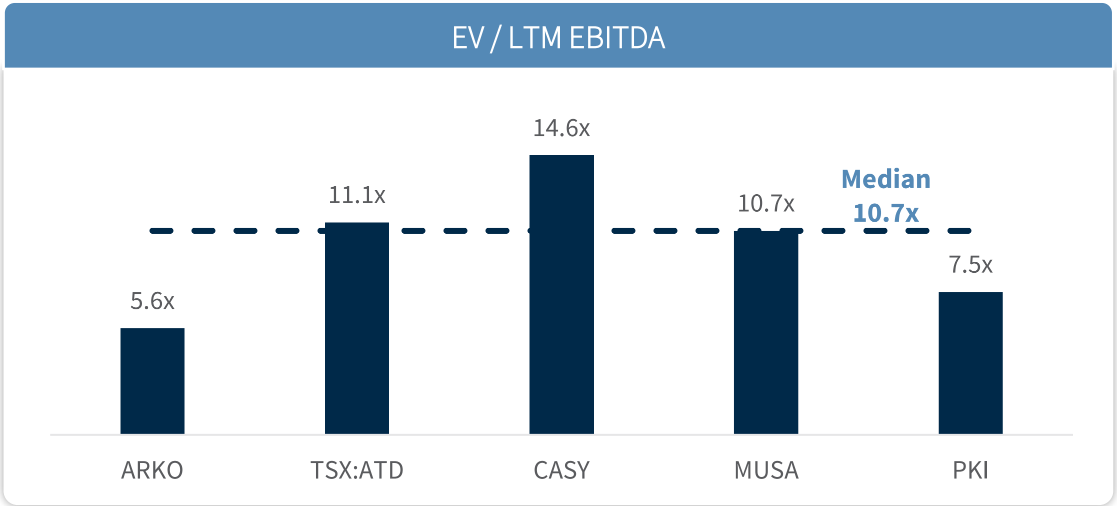
(2) Median EV/LTM EBITDA multiple for ARKO, ATD, CASY, MUSA and PKI. ARKO added on 12/31/21.

Public company trading statistics: convenience stores





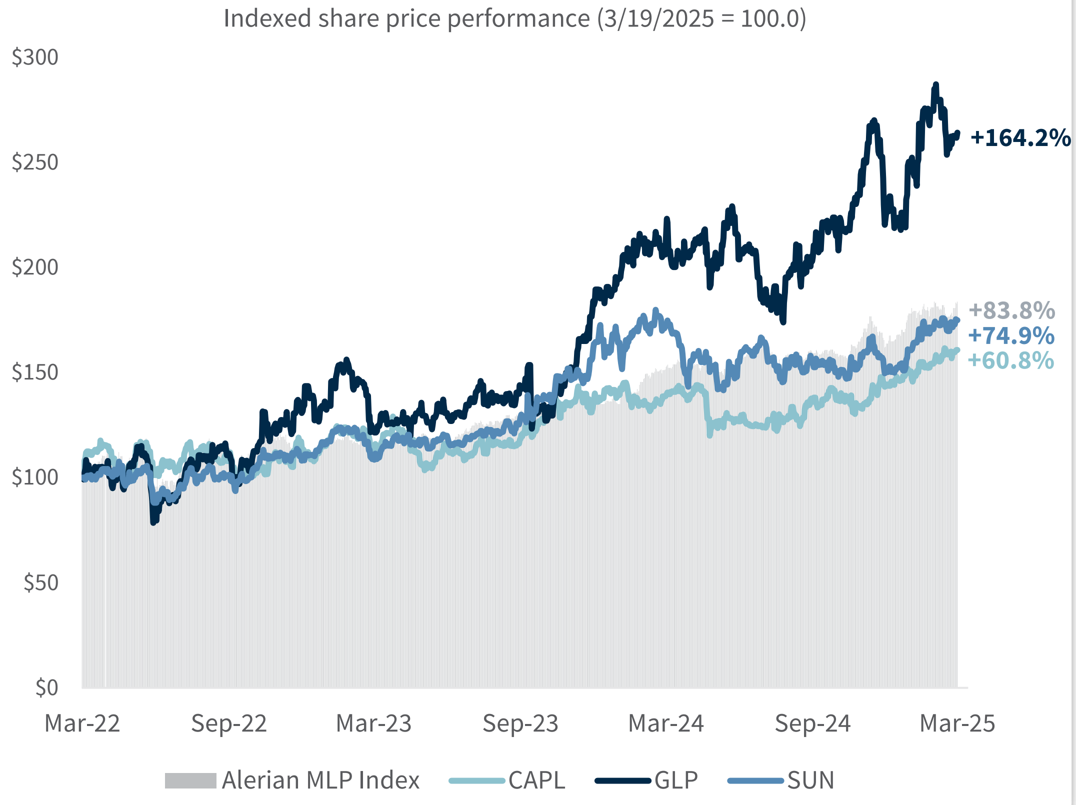




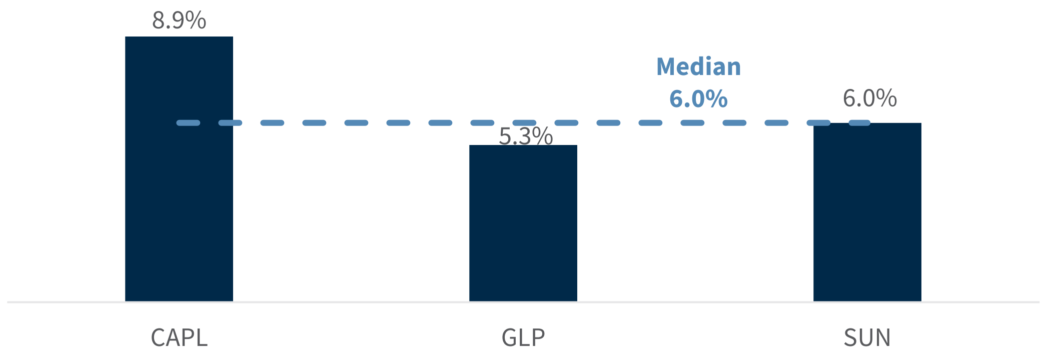
Source: Public company filings, Capital IQ, Wall Street equity research.
Notes: Share prices current as of 3/19/25. (ATD = Alimentation Couche-Tard Inc., CASY = Casey's General Stores, Inc., MUSA = Murphy USA Inc., ARKO = ARKO Corp., PKI = Parkland Corp.).

Public company trading statistics: wholesale fuel MLP

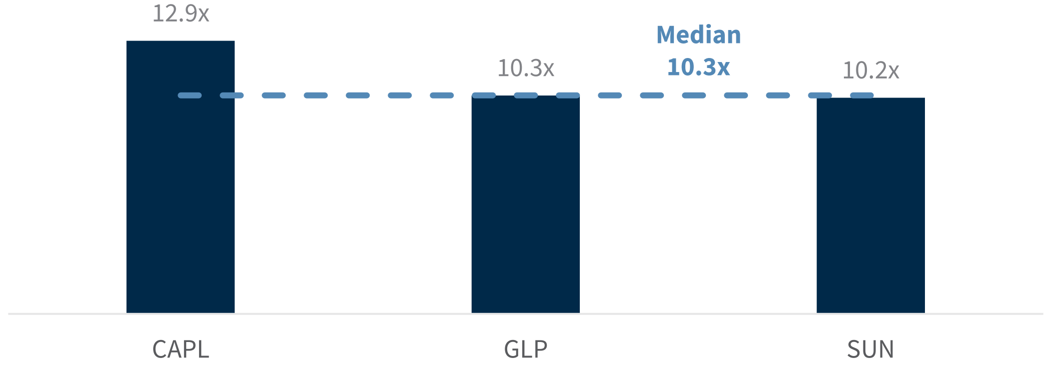
Wholesale fuel MLP dividend adjusted trailing three-year unit price performance (SUN, CAPL, GLP)



LTM dividend yield



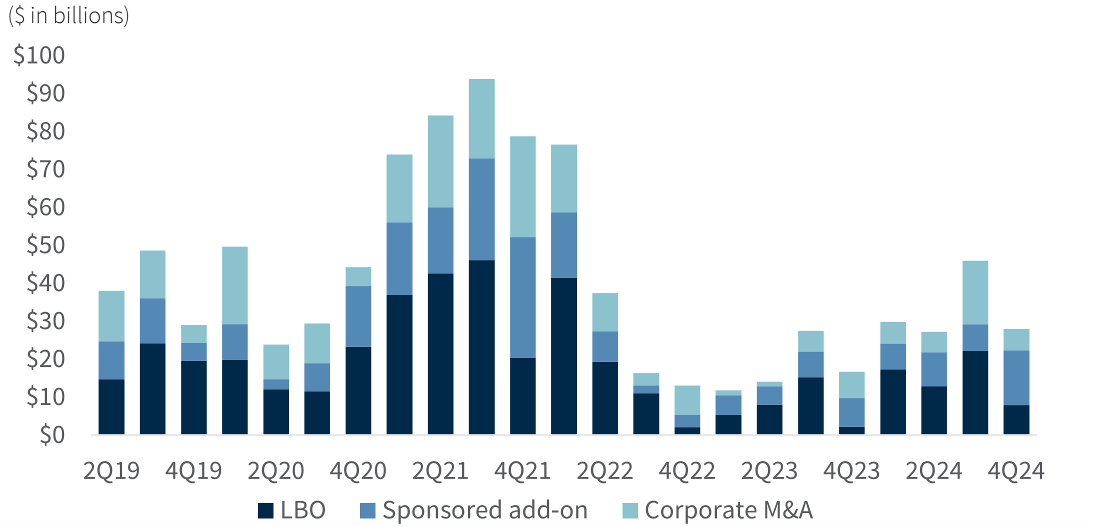
EV / LTM EBITDA



Source: Public company filings, Capital IQ, Wall Street equity research.
Notes: Share prices current as of 3/19/25. Price performance is based on dividend-adjusted share pricing. Indexed share price performance (3/19/22 = 100.0). (CAPL = CrossAmerica Partners LP, GLP = Global Partners LP, SUN = Sunoco LP).

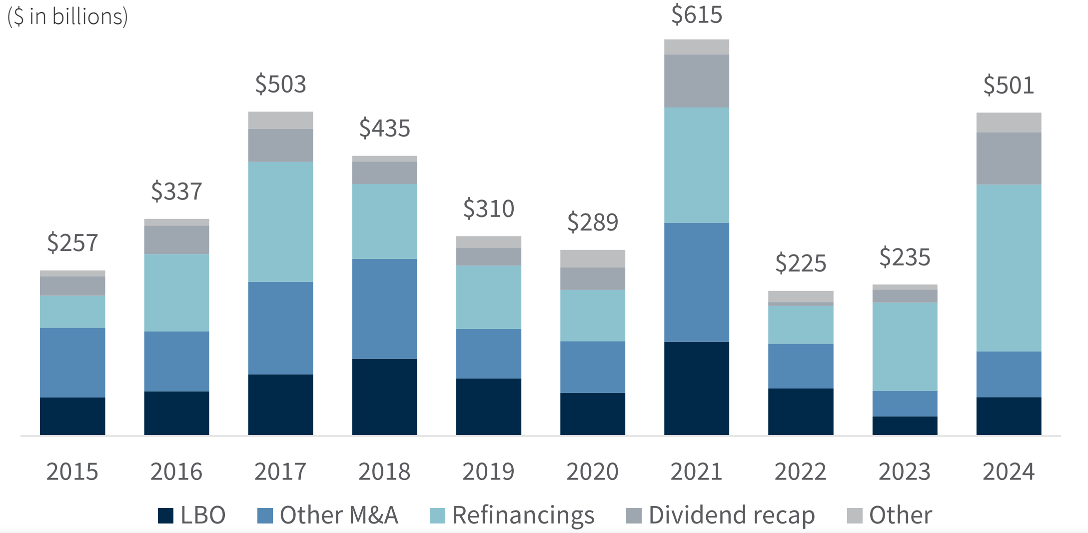
Debt market outlook

Quarterly M&A leveraged loan volume



- Total M&A loan volume declined from $46bn in 3Q24 to $28bn in 4Q24
  - This is an improvement over the anemic 2022 and 2023 levels, but well below the 10-year quarterly average of $45.8bn
- LBO loan volume fell to $8bn in 4Q24, down from $22bn in 3Q24 but up from $2bn in 4Q23
  - Only 8 LBO financings in 4Q24, and over half of the volume came from two deals – R1 RCM and Barnes Group
  - In contrast, 3Q24 had 19 LBOs, including 7 with term loans exceeding $1bn

New issue use of proceeds



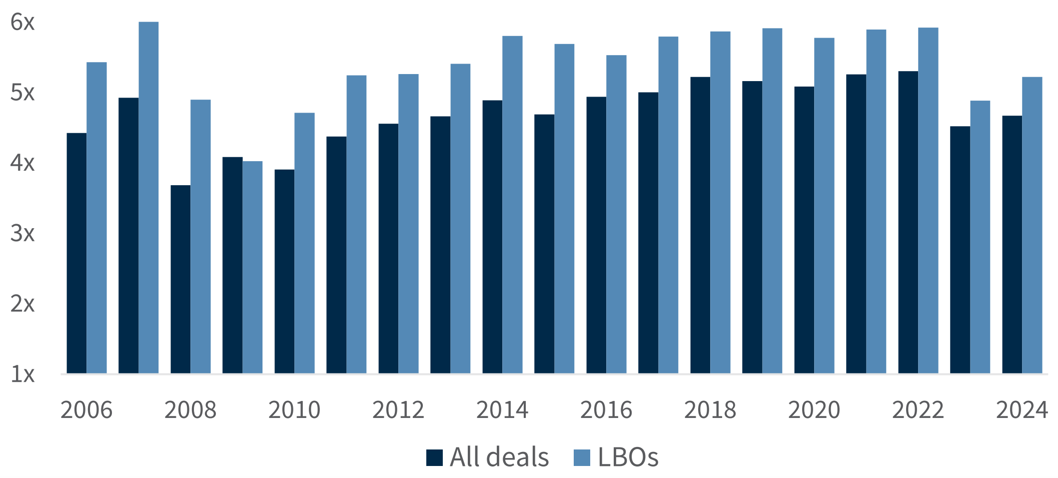
- Refinancing volume grew in 2024 to $258.9bn or 51.7% of total volume compared to $136.8bn or 58.3% of total volume in 2023
- Dividend recapitalizations totaled $81.3bn in 2024, the second highest on record, driven by a record-breaking month in September 2024
- LBO financing volume of $60.3bn in 2024 nearly doubled 2023's LBO volume but remains well below 2021 levels
- Other M&A totaled $70.8bn of loan volume, representing a 79.8% increase versus 2023

Source: Leveraged commentary and data. Data through December 31, 2024.

Debt market outlook (cont'd)

Debt / EBITDA ratio of leveraged loans

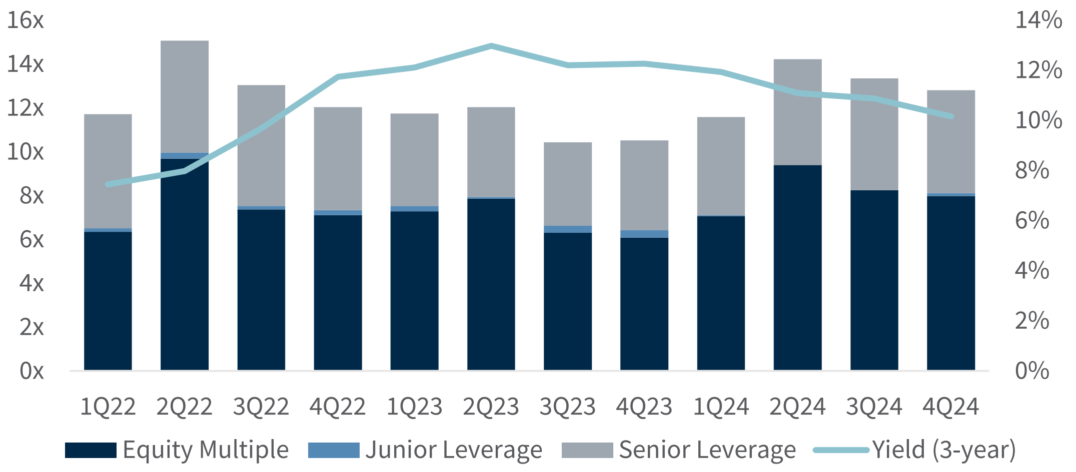
($ in billions)



- In 2024, the average debt/EBITDA ratio for primary market transactions increased to 4.7x from 4.5x in 2023, the lowest since 2011
- More than half of the deals (56%) had an opening leverage of less than 5x, down from 64% in 2023 but higher than the 44% in 2021
- Deals with leverage over 6x were relatively rare, accounting for 19% in 2024, slightly up from 17% in 2023 but significantly below the 28% to 38% range in the preceding five years

LBO purchase price multiples by component

($ in billions)

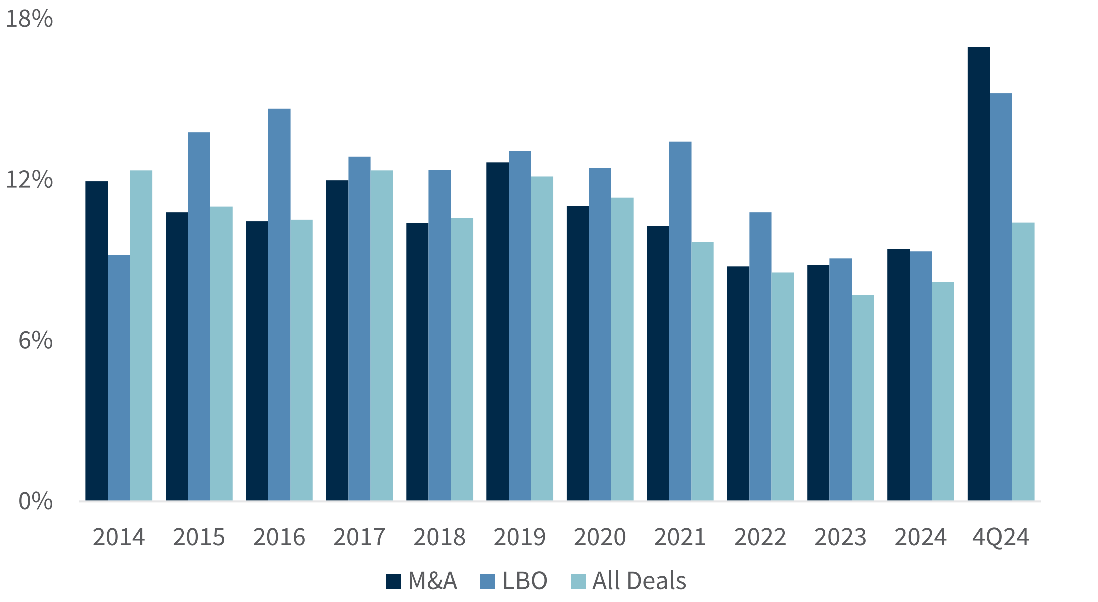


- Sponsors increased their LBO equity contribution to an average of 62%, up from 61% in 3Q24. Equity multiples have dipped below 60% only three times in the past two years: 58% in 4Q23, 59% in 4Q22 and 54% in 1Q22
- The total leverage multiple across all LBOs averaged 4.8x, down from 5.1x in 3Q24. The 2024 average increased over 2023, but levels remain below 2022 averages
- Average first-lien term loans yielded 10.15% on LBO deals in 4Q24, down from 10.87% in 3Q24 and 11.08% in 2Q24 as compressions in spreads, rates and discounts led to lower yields throughout 2024

Source: Direct lending deals, leveraged commentary and data. Data through December 31, 2024.

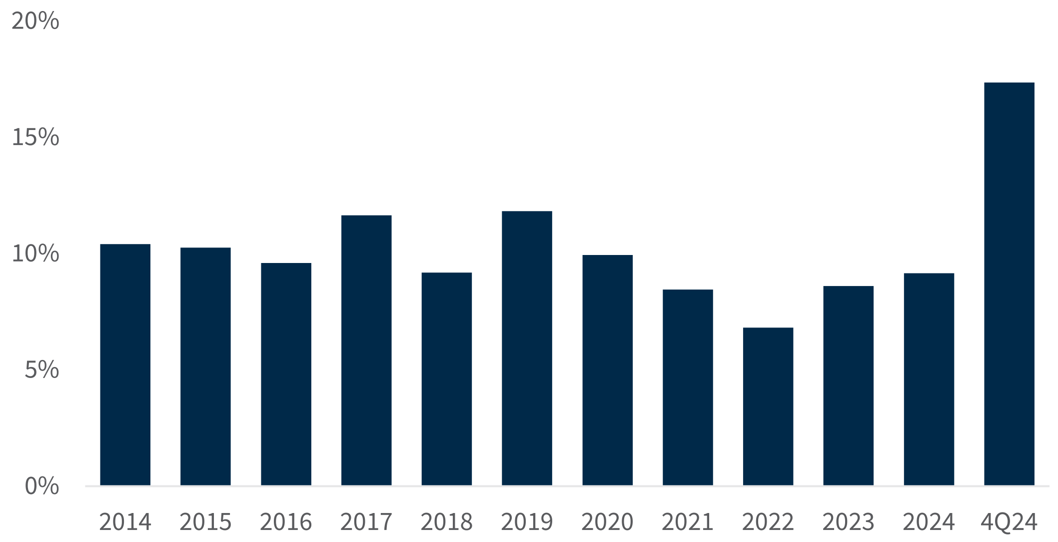
Debt market outlook (cont'd)

Adjustments as a percentage of EBITDA



- Adjustments as a percentage of EBITDA have steadily declined over the past few years as underwriting standards have become more stringent, however, 2024 saw a slight uptick compared to 2023
- In 2024, adjustments as a percentage of EBITDA for all deals increased to 8.2% from 7.7% in 2023
  - M&A and LBO adjustments also saw a slight uptick, resisting recent downward trends

Average synergies / EBITDA ratio for acquisition-related transactions

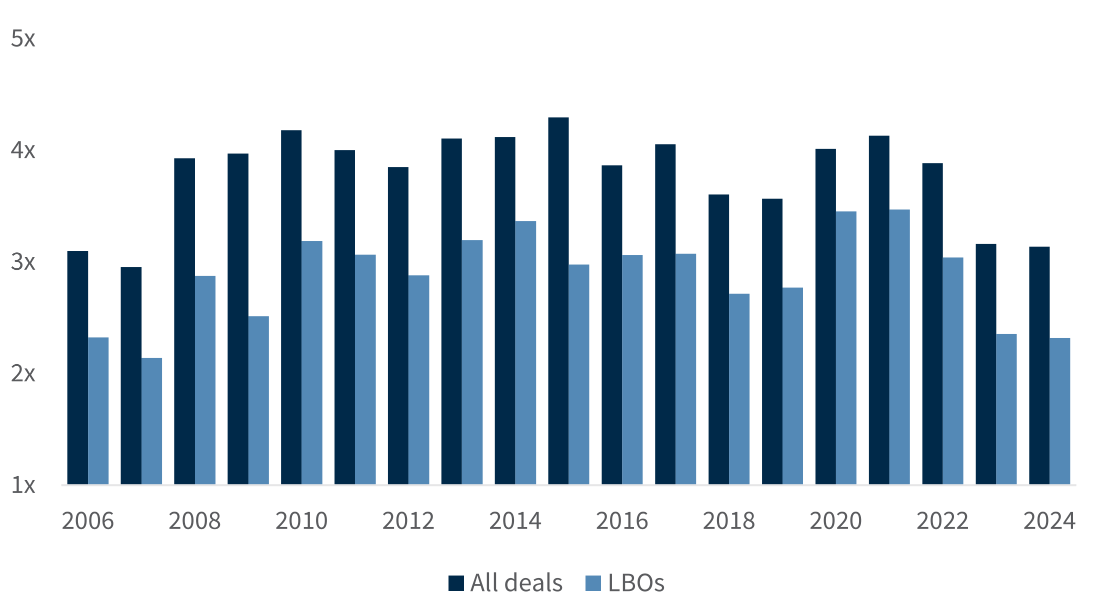


- The average Synergies/EBITDA ratio for acquisition-related transactions has increased 0.56% from 2023
- In 4Q24, the average synergies/EBITDA ratio saw a large uptick to 17.4%, which is well above the 3Q24 figure of 5.1% and all other annual periods on record

Source: Leveraged commentary and data. Data through December 31, 2024.

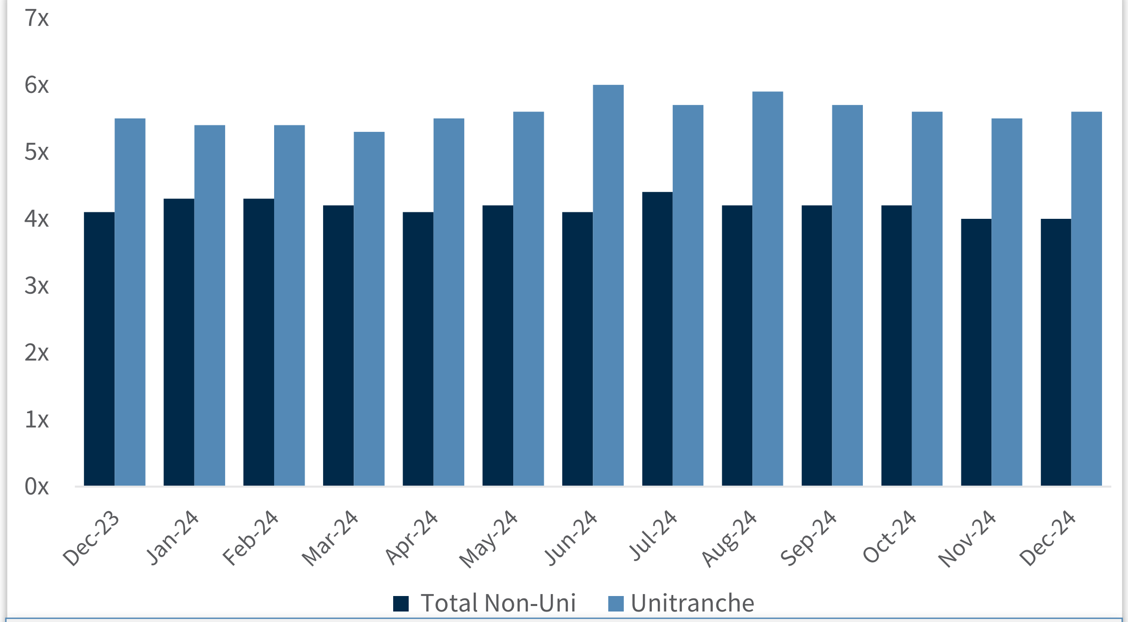
Debt market outlook (cont'd)

Interest coverage ratios of leveraged loans



- Interest coverage ratios are compressing to their lowest levels since the Global Financial Crisis, with the average EBITDA-to-interest ratio falling to 3.1x in 2024, down from 3.2x in 2023 and 4.1x in 2021
- For buyouts specifically, the EBITDA-to-interest ratio is at 2.3x, a decrease from 2.4x in 2023 and 3.5x in 2021

LBO leverage[1]

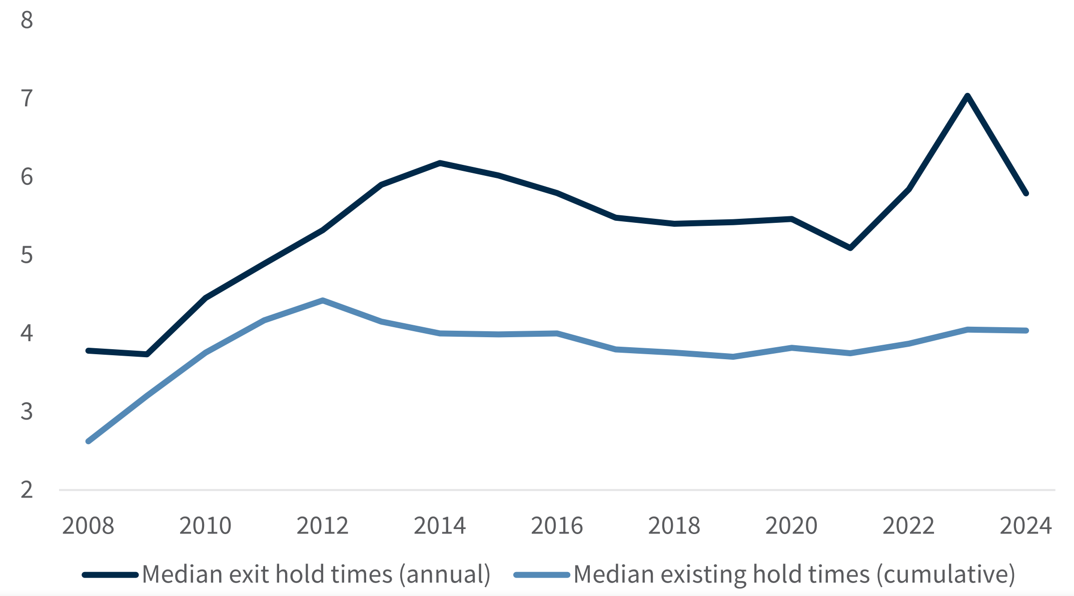


- Unitranche leverage on LBOs remained relatively stable in 2024 ranging between 5.5x and 5.7x since September vs. 5.5x a year ago
- Total non-uni LBO leverage remained steady at 4.0x in December, unchanged from November, and down from 4.2x during the three months preceding November

Source: Leveraged commentary and data. Data through December 31, 2024.
Notes: (1) DLD defines unitranche as >=4.5x all-senior.

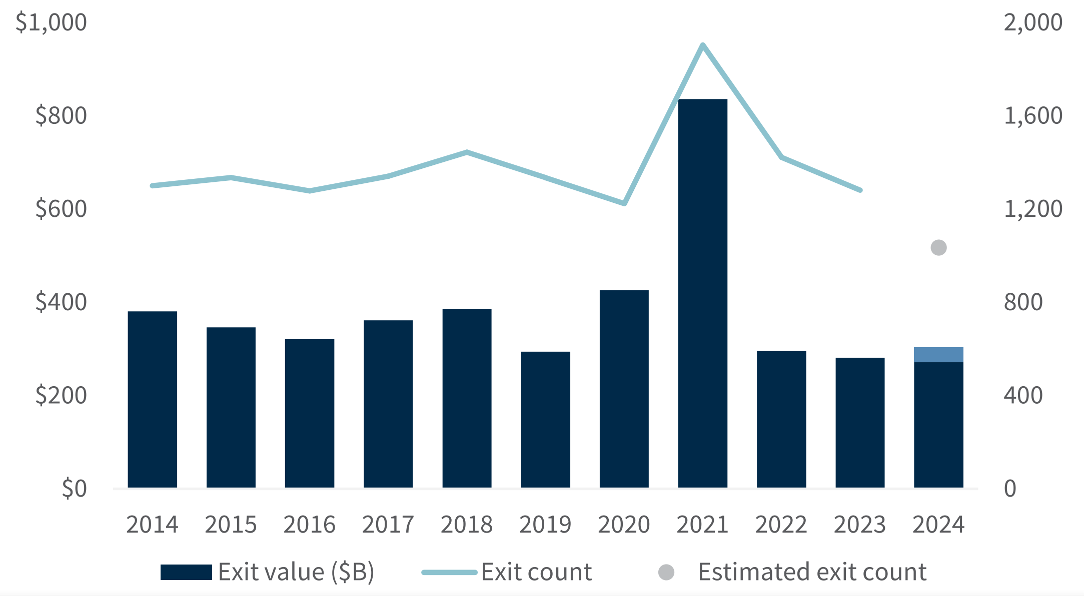
Debt market outlook (cont'd)

Private equity hold times (years)



- Increased dividend activity is occurring as private equity firms face challenges in realizing exits from their holdings
- The median age for PE portfolio companies in the US was four years as of September 30, reaching an eight-year high
- The median hold period for exited companies was 5.8 years, dropping from the all time-high of 7.1 years in 2023

Private equity exit activity



- Private equity exit conditions have improved, but remain challenged as exit value increased 50.5% y/y through 3Q24, while exit count remained thin and flat vs the prior year
- Chunkier exits in 2024, due to larger M&A exits to corporate buyers and 11 IPOs
- Private equity sellers focused on selling their best assets while holding off on others due to market challenges

Source: Leveraged commentary and data. Data through December 31, 2024.

What we're reading

"Top 40 Convenience-Store Chains Ranked: A 2025 Update" | CSP

March 21, 2025 – "The 2025 Top 202 list ranks store counts as of Jan. 1, 2025. Here's a preview of that 2025 list with the debut of CSP's 2025 Top 40."

Read more

"Shoppers Are Skimping on Cigarettes, Doritos and Twinkies" | MSN

March 13, 2025 – "Americans are stopping for gas, but they aren't grabbing their usual snacks or smokes. The change in behavior is hurting U.S. sales of Doritos, Twinkies, Heath bars and Newports. U.S. convenience store sales volume fell by 4.3% as prices rose in the year ended Feb. 23, according to market-research firm Circana. Among snacks purchased in those stores, rice cakes dropped most sharply, followed by items like dips, nuts and jerky. Refrigerated products dropped about 7% by sales volume, and chocolate candy fell by 6%."

Read more

"Trump delays some tariffs on Mexico and Canada for one month…" | CNN

March 6, 2025 – "President Donald Trump on Thursday signed executive actions that delay for nearly one-month tariffs on all products from Mexico and Canada that are covered by the USMCA free trade treaty, a significant walkback of the administration's signature economic plan that has rattled markets, businesses and consumers."

Read more

"White House Pulls Menthol Cigarette and Flavored Cigar Bans" | NACS

January 27, 2025 – "The White House Office of Management and Budget (OMB) has withdrawn the Food & Drug Administration's proposal that would ban the sale of menthol cigarettes and flavored cigars. The withdrawal by the Trump Administration signals that the agency will no longer advance the proposed bans. While the FDA could reverse course, this move would make it significantly more difficult. Last year, the Biden administration delayed the menthol ban, which was first proposed in 2022, in April of last year."

Read more

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Deep and experienced team

8
Investment bankers

+4
dedicated equity capital market pros

+4
equity research analysts

Robust transaction experience[1]

+80
relevant industry transactions

+25
years focused on the industry

>$13B
total deal value

Client focus

- Convenience retail
- Carwash operators
- Truck stop and travel center operators
- Propane and heating oil marketers
- Oil jobbers / wholesale fuel distributors
- Terminal operators
- Commercial
- Fuel and lube distributors
- Merchandise / foodservice distributors
- Alternative fuel providers
- Mobile refueling

Representative transactions[2]

Delek US has entered into a definitive agreement to divest its Retail segment to FEMSA (transaction pending)

BY-LO Oil Company / Speedy 7 has sold convenience store assets to ARKO (A Family of Community Brands)

Hunt & Sons has sold distribution assets to **An Undisclosed Buyer**

World Kinect **$350,000,000** Convertible Senior Notes Bookrunning Manager

Big Red Stores has been acquired by Circle K

MAPCO has sold select convenience store assets to Circle K / Wills Group

Notes: (1) All data as of 3/19/25.
(2) Select transactions which closed between March 2022 and March 2025 (unless otherwise noted).

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