ALIMENTATION COUCHE-TARD ANNOUNCES ITS RESULTS FOR ITS SECOND QUARTER OF FISCAL YEAR 2022

- Net earnings were $694.8 million, or $0.65 per diluted share for the second quarter of fiscal 2022 compared with $757.0 million, or $0.68 per diluted share for the second quarter of fiscal 2021. Adjusted net earnings[1] were approximately $693.0 million compared with $735.0 million for the second quarter of fiscal 2021. Adjusted diluted net earnings per share[1] were $0.65, representing a decrease of 1.5% from $0.66 for the corresponding quarter of last year.
- Total merchandise and service revenues of $4.0 billion, an increase of 5.8%. Same-store merchandise revenues increased 1.4% in the United States and 3.9% in Europe and other regions, and decreased 2.1% in Canada. On a 2-year basis, same-store merchandise revenues increased at a compound annual growth rate of 2.9% in the United States, 6.3% in Europe, and 4.5% in Canada.
- Merchandise and service gross margin increased 0.2% in the United States to 33.8%, and 0.4% in Canada to 32.3% and decreased 1.8% in Europe and other regions to 38.4%, which was impacted by the integration of Circle K Hong Kong.
- Same-store road transportation fuel volume increased 3.3% in the United States and 2.8% in Canada, and decreased 0.3% in Europe and other regions. On a 2-year basis, same-store road transportation fuel volume decreased at a compound annual rate of 6.5% in the United States, 2.0% in Europe, and 4.9% in Canada, still impacted by work from home trends.
- Road transportation fuel gross margin of 36.39¢ per gallon in the United States, an increase of 0.18¢ per gallon, and CA 11.03¢ per liter in Canada, an increase of CA 1.02¢ per liter. In Europe and other regions, it decreased by US 0.53¢ per liter to US 10.57¢ per liter. Fuel margins remained healthy throughout our network, from a favorable competitive landscape and a strong sourcing efficiency.
- As the COVID-19 pandemic had a significant impact on our prior year financial results, looking at gross profit[1] on a 2-year basis provides additional insight given the volatility in the various key measures of our business. Excluding the disposal of CAPL and the acquisition of Circle K Hong Kong, merchandise and service, as well as road transportation fuel gross profit[1], are higher by 9.8% and 17.9%, respectively, compared with the pre-pandemic second quarter of fiscal 2020.
- On a 2-year basis, excluding the costs of employee retention measures implemented, which totaled approximately $24.0 million, normalized expenses increased at a compound annual growth rate of only 2.2%.
- 25.7% increase of the quarterly dividend, from CA 8.75¢ to CA 11.0¢.
- Under its current share repurchase program, the Corporation repurchased shares for an amount of $238.5 million during the quarter, and an amount of $50.0 million subsequent to the end of the quarter, reaching a total of $587.7 million under this program.

Laval, Québec, Canada – November 23, 2021 – For its second quarter ended October 10, 2021, Alimentation Couche-Tard Inc. ("Couche-Tard" or the "Corporation") (TSX: ATD.A) (TSX: ATD.B) announces net earnings of $694.8 million, representing $0.65 per share on a diluted basis. The results for the second quarter of fiscal 2022 were affected by a pre-tax net foreign exchange gain of $4.9 million, as well as pre-tax acquisition costs of $1.8 million. The results for the comparable quarter of fiscal 2021 were affected by a pre-tax gain on disposal of $40.9 million related to the sale of a property located in Toronto, Canada, a pre-tax net foreign exchange loss of $8.9 million, as well as pre-tax acquisition costs of $1.2 million. Excluding these items, the adjusted net earnings[1] were approximately $693.0 million, or $0.65 per share on a diluted basis for the second quarter of fiscal 2022, compared with $735.0 million, or $0.66 per share on a diluted basis for the second quarter of fiscal 2021, a decrease of 1.5% in the adjusted diluted net earnings per share[1], explained by higher operating expenses, partly offset by organic growth in both convenience and road transportation fuel activities as well as by the favorable impact of our share repurchase program. All financial information presented is in US dollars unless stated otherwise.

"I am pleased to report that across our global network, we had solid results during the second quarter in both convenience and fuel. Same-store sales were particularly notable in our U.S. and European markets as we continue to see growing momentum with our food program. Fuel volumes showed an upward trend in Europe, while other geographies remained impacted by COVID-19 traffic patterns. Across the board, we continue to achieve healthy fuel margins. I am particularly proud of the work

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

we did this quarter to improve the customer experience and drive traffic to our stores from enhancing *Sip & Save*, our beverage subscription offer, to introducing frictionless checkout in our Arizona stores and pioneering a global partnership bringing our stores to life in a leading augmented reality mobile game," said Brian Hannasch, President and Chief Executive Officer of Alimentation Couche-Tard.

"Like our peers across the retail and convenience landscape in North America, this quarter we continued to face unprecedented labor and supply chain challenges. No doubt, this is the most difficult market in recent history, and we are working hard to mitigate the situation. We have instituted hiring and retention initiatives including bonuses and other offers and increased recruitment capacity and pipeline visibility. We have also focused more intensely on training and engagement to be recognized as an employer of choice. After meeting our summer goal of hiring over 20,000 store team members, we are starting to see some stabilization. We are also working with our partners and finding new solutions to critical supply chain issues. As we faced these obstacles head-on, I am proud that we delivered a solid quarter and kept on track with our strategic goals," concluded Brian Hannasch.

Claude Tessier, Chief Financial Officer, added: "We delivered another solid quarter despite the unparalleled staffing hurdles in North America combined with an overall challenging inflationary environment. This has put pressure on expenses as we work to alleviate the situation. As we start to see improvements in the various economies in which we operate, we will continue with our customary cost discipline and advance our network-wide cost optimization projects. I am especially proud of our teams' execution this quarter as we furthered our strategic plans and our strong financial position, highlighted by our leverage ratio of 1.23, resulting in the announcement today of a dividend increase of 25.7% to CA 11.0¢ per share."

Significant Items of the Second Quarter of Fiscal 2022

- As the COVID-19 pandemic had a significant impact on our prior year financial results, looking at gross profit[1] on a 2-year basis provides additional insight given the volatility in the various key measures of our business. Excluding the disposal of CAPL and the acquisition of Circle K Hong Kong, merchandise and service, as well as road transportation fuel gross profit[1], are higher by 9.8% and 17.9%, respectively, compared with the pre-pandemic second quarter of fiscal 2020.
- On April 21, 2021, the Toronto Stock Exchange approved the implementation of a share repurchase program, which took effect on April 26, 2021. The program allows us to repurchase up to 4.0% of the public float of our Class B subordinate voting shares. During the second quarter and first half-year of fiscal 2022, we repurchased 6,351,895 and 14,822,895 Class B subordinate voting shares, respectively. These repurchases were settled for amounts of $238.5 million and $537.7 million, respectively. During the first half-year of fiscal 2022, 6,351,895 Class B subordinate voting shares were repurchased, for an amount of $238.5 million, from a related party. In addition, subsequent to the end of the second quarter of fiscal 2022, we repurchased 1,294,700 Class B subordinate voting shares for an amount of $50.0 million.

Changes in our Network during the Second Quarter of Fiscal 2022

- We acquired 36 company-operated stores, including the acquisition of 35 stores operating under the Porter's brand and located in the United States. We settled these transactions using our available cash and existing credit facilities.
- On July 30, 2021, we entered into a binding agreement in connection with the acquisition of Cape D'Or Holdings Limited, Barrington Terminals Limited and other related holding entities, which operate an independent convenience store and fuel network in Atlantic Canada under the Esso, Go! Store and Wilsons Gas Stops brands ("Wilsons"). The Wilsons network comprises 79 company-operated convenience retail and fuel locations, 147 dealer locations, and a fuel terminal in Halifax, Canada. The transaction is expected to close in the first half of calendar year 2022 and is subject to customary closing conditions and regulatory approvals, including those under the *Competition Act* (Canada).
- On September 9, 2021, we entered into a binding agreement to acquire 10 company-operated stores, operating under the Londis brand and located in Ireland. The transaction is expected to close in the third quarter of fiscal 2022.
- On March 22, 2021, we announced our intention to sell certain sites across 28 states in the United States and 6 provinces in Canada. The decision to dispose of these sites was based on the outcome of a strategic review of our network. As at October 10, 2021, 261 sites in the United States and 36 sites in Canada met the criteria for classification as held for sale, including 210 sites already subject to multiple sales agreements with various buyers.
- We completed the construction of 7 stores and the relocation or reconstruction of 3 stores, reaching a total of 40 stores since the beginning of fiscal 2022. As of October 10, 2021, another 77 stores were under construction and should open in the upcoming quarters.

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

Summary of changes in our store network

The following table presents certain information regarding changes in our store network over the 12-week period ended October 10, 2021:

	12-week period ended October 10, 2021				
Type of site	**Company-operated**	**CODO**	**DODO**	**Franchised and other affiliated**	**Total**
Number of sites, beginning of period	9,906	397	689	1,263	12,255
Acquisitions	36	—	—	—	36
Openings / constructions / additions	7	3	9	11	30
Closures / disposals / withdrawals	(33)	(1)	(5)	(12)	(51)
Store conversion	9	(7)	(2)	—	—
Number of sites, end of period	**9,925**	**392**	**691**	**1,262**	**12,270**
Circle K branded sites under licensing agreements					1,917
Total network					**14,187**
Number of automated fuel stations included in the period-end figures	979	—	9	—	988

Exchange Rate Data

We use the US dollar as our reporting currency, which provides more relevant information given the predominance of our operations in the United States.

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

	12-week periods ended		24-week periods ended	
	October 10, 2021	October 11, 2020	**October 10, 2021**	October 11, 2020
Average for the period				
Canadian dollar	**0.7923**	0.7541	**0.8045**	0.7416
Norwegian krone	**0.1142**	0.1101	**0.1165**	0.1064
Swedish krone	**0.1154**	0.1136	**0.1171**	0.1097
Danish krone	**0.1581**	0.1582	**0.1600**	0.1538
Zloty	**0.2572**	0.2653	**0.2617**	0.2568
Euro	**1.1758**	1.1777	**1.1901**	1.1453
Ruble	**0.0137**	0.0134	**0.0136**	0.0137
Hong Kong dollar	**0.1285**	—	**0.1287**	—

Summary Analysis of Consolidated Results for the Second Quarter and First Half-year of Fiscal 2022

The following table highlights certain information regarding our operations for the 12 and 24-week periods ended October 10, 2021 and October 11, 2020. Europe and other regions include the results from our operations in Asia.

	12-week periods ended			24-week periods ended		
(in millions of US dollars, unless otherwise stated)	**October 10, 2021**	October 11, 2020	Variation %	**October 10, 2021**	October 11, 2020	Variation %
Statement of Operations Data:						
Merchandise and service revenues[1]:						
United States	**2,754.0**	2,736.4	0.6	**5,583.4**	5,587.8	(0.1)
Europe and other regions	**580.4**	394.6	47.1	**1,141.8**	737.8	54.8
Canada	**644.5**	629.8	2.3	**1,321.7**	1,293.0	2.2
Total merchandise and service revenues	**3,978.9**	3,760.8	5.8	**8,046.9**	7,618.6	5.6
Road transportation fuel revenues:						
United States	**6,654.8**	4,438.3	49.9	**13,118.5**	8,344.3	57.2
Europe and other regions	**2,154.9**	1,496.2	44.0	**3,948.5**	2,678.6	47.4
Canada	**1,267.7**	875.7	44.8	**2,405.6**	1,552.7	54.9
Total road transportation fuel revenues	**10,077.4**	6,810.2	48.0	**19,472.6**	12,575.6	54.8
Other revenues[2]:						
United States	**11.4**	9.5	20.0	**22.2**	17.0	30.6
Europe and other regions	**147.6**	69.5	112.4	**247.6**	144.7	71.1
Canada	**4.4**	5.4	(18.5)	**9.3**	9.3	—
Total other revenues	**163.4**	84.4	93.6	**279.1**	171.0	63.2
Total revenues	**14,219.7**	10,655.4	33.5	**27,798.6**	20,365.2	36.5
Merchandise and service gross profit[1][3][4]:						
United States	**932.1**	920.3	1.3	**1,899.8**	1,897.1	0.1
Europe and other regions	**222.8**	158.6	40.5	**438.2**	297.8	47.1
Canada	**208.3**	200.7	3.8	**427.3**	407.0	5.0
Total merchandise and service gross profit	**1,363.2**	1,279.6	6.5	**2,765.3**	2,601.9	6.3
Road transportation fuel gross profit[3][4]:						
United States	**791.7**	759.7	4.2	**1,596.5**	1,565.5	2.0
Europe and other regions	**278.0**	283.2	(1.8)	**524.7**	519.7	1.0
Canada	**115.7**	97.3	18.9	**223.7**	179.0	25.0
Total road transportation fuel gross profit	**1,185.4**	1,140.2	4.0	**2,344.9**	2,264.2	3.6
Other revenues gross profit[2][4]:						
United States	**11.4**	9.5	20.0	**22.2**	17.0	30.6
Europe and other regions	**23.8**	27.4	(13.1)	**46.5**	58.3	(20.2)
Canada	**4.4**	5.4	(18.5)	**9.3**	9.3	—
Total other revenues gross profit	**39.6**	42.3	(6.4)	**78.0**	84.6	(7.8)
Total gross profit[3][4]	**2,588.2**	2,462.1	5.1	**5,188.2**	4,950.7	4.8
Operating, selling, administrative and general expenses[3]	**1,321.3**	1,171.1	12.8	**2,599.4**	2,319.7	12.1
Loss (gain) on disposal of property and equipment and other assets	**3.2**	(35.1)	(109.1)	**(34.1)**	(43.9)	(22.3)
Depreciation, amortization and impairment	**325.7**	305.8	6.5	**640.0**	595.3	7.5
Operating income	**938.0**	1,020.3	(8.1)	**1,982.9**	2,079.6	(4.6)
Net financial expenses	**67.3**	77.2	(12.8)	**141.6**	165.2	(14.3)
Net earnings	**694.8**	757.0	(8.2)	**1,459.2**	1,534.1	(4.9)
Per Share Data:						
Basic net earnings per share (dollars per share)	**0.65**	0.68	(4.4)	**1.36**	1.38	(1.4)
Diluted net earnings per share (dollars per share)	**0.65**	0.68	(4.4)	**1.36**	1.38	(1.4)
Adjusted diluted net earnings per share (dollars per share)[4]	**0.65**	0.66	(1.5)	**1.35**	1.37	(1.5)

(in millions of US dollars, unless otherwise stated)	12-week periods ended			24-week periods ended		
	October 10, 2021	October 11, 2020	Variation %	**October 10, 2021**	October 11, 2020	Variation %
Other Operating Data:						
Merchandise and service gross margin[(1)(3)]:						
Consolidated	**34.3%**	34.0%	0.3	**34.4%**	34.2%	0.2
United States	**33.8%**	33.6%	0.2	**34.0%**	34.0%	—
Europe and other regions	**38.4%**	40.2%	(1.8)	**38.4%**	40.4%	(2.0)
Canada	**32.3%**	31.9%	0.4	**32.3%**	31.5%	0.8
Growth of (decrease in) same-store merchandise revenues[(5)]:						
United States[(6)]	**1.4%**	4.4%		**0.6%**	6.1%	
Europe and other regions[(7)]	**3.9%**	8.6%		**4.9%**	6.0%	
Canada[(6)]	**(2.1%)**	11.4%		**(6.1%)**	15.7%	
Road transportation fuel gross margin[(3)]:						
United States (cents per gallon)	**36.39**	36.21	0.5	**36.57**	38.66	(5.4)
Europe and other regions (cents per liter)	**10.57**	11.10	(4.8)	**10.45**	10.82	(3.4)
Canada (CA cents per liter)	**11.03**	10.01	10.2	**11.02**	10.12	8.9
Total volume of road transportation fuel sold:						
United States (millions of gallons)	**2,175.7**	2,098.2	3.7	**4,365.3**	4,049.1	7.8
Europe and other regions (millions of liters)	**2,629.9**	2,550.7	3.1	**5,021.6**	4,801.2	4.6
Canada (millions of liters)	**1,324.5**	1,288.4	2.8	**2,536.4**	2,380.8	6.5
Growth of (decrease in) same-store road transportation fuel volume[(6)]:						
United States	**3.3%**	(15.5%)		**7.4%**	(18.4%)	
Europe and other regions	**(0.3%)**	(4.5%)		**2.8%**	(8.3%)	
Canada	**2.8%**	(11.8%)		**6.3%**	(18.7%)	

(in millions of US dollars, unless otherwise stated)	**As at October 10, 2021**	As at April 25, 2021	Variation $
Balance Sheet Data:			
Total assets	**29,352.4**	28,394.5	957.9
Interest-bearing debt[(8)]	**9,520.7**	9,602.0	(81.3)
Equity	**12,866.1**	12,180.9	685.2
Indebtedness Ratios[(4)]:			
Net interest-bearing debt/total capitalization	**0.32 : 1**	0.35 : 1	
Leverage ratio	**1.23 : 1**	1.32 : 1	
Returns[(4)]:			
Return on equity	**21.2%**	24.3%	
Return on capital employed	**15.1%**	15.9%	

(1) Includes revenues derived from franchise fees, royalties, suppliers' rebates on some purchases made by franchisees and licensees, as well as from wholesale of merchandise. Franchise fees from international licensed stores are presented in the United States.
(2) Includes revenues from the rental of assets and from the sale of aviation fuel and energy for stationary engines.
(3) Please refer to the section “Change in Classification of Internal Logistics Costs” of our Management Discussion & Analysis for the 12 and 24-week periods ended October 10, 2021 for additional information on changes affecting the comparative periods.
(4) Please refer to the section “Non-IFRS measures” for additional information on these performance measures not defined by IFRS.
(5) Does not include services and other revenues (as described in footnotes 1 and 2 above). Growth in Canada and in Europe and other regions is calculated based on local currencies.
(6) For company-operated stores only.
(7) Includes the growth of same-store merchandise revenues of Circle K Hong Kong starting December 21, 2020.
(8) This measure is presented including the following balance sheet accounts: Current portion of long-term debt, Long-term debt, Current portion of lease liabilities, and Lease liabilities.

Revenues

Our revenues were $14.2 billion for the second quarter of fiscal 2022, up by $3.6 billion, an increase of 33.5% compared with the corresponding quarter of fiscal 2021. This performance is mainly attributable to a higher average road transportation fuel selling price, the contribution from acquisitions, higher fuel demand, as well as the net positive impact from the translation of revenues of our Canadian and European operations into US dollars, which had an impact of approximately $92.0 million.

For the first half-year of fiscal 2022, our revenues increased by $7.4 billion, or 36.5% compared with the corresponding period of fiscal 2021, mainly attributable to similar factors as those of the second quarter.

Merchandise and service revenues

Total merchandise and service revenues for the second quarter of fiscal 2022 were $4.0 billion, an increase of $218.1 million compared with the corresponding quarter of fiscal 2021. Excluding the net positive impact from the translation of our Canadian and European operations into US dollars, merchandise and service revenues increased by approximately $183.0 million, or 4.9%. This increase is primarily attributable to the contribution from acquisitions, which amounted to approximately $170.0 million. Same-store merchandise revenues increased by 1.4% in the United States, 3.9% in Europe and other regions, and decreased by 2.1% in Canada. On a 2-year basis, same-store merchandise revenues increased at a solid compound annual growth rate of 2.9% in the United States, 6.3% in Europe and 4.5% in Canada.

For the first half-year of fiscal 2022, the growth in merchandise and service revenues was $428.3 million compared with the corresponding period of fiscal 2021. Excluding the net positive impact from the translation of our Canadian and European operations into US dollars, merchandise and service revenues increased by approximately $276.0 million, or 3.6%. Same-store merchandise revenues increased by 0.6% in the United States, 4.9% in Europe and other regions, and decreased by 6.1% in Canada.

Road transportation fuel revenues

Total road transportation fuel revenues for the second quarter of fiscal 2022 were $10.1 billion, an increase of $3.3 billion compared with the corresponding quarter of fiscal 2021. Excluding the net positive impact from the translation of revenues of our Canadian and European operations into US dollars, road transportation fuel revenues increased by approximately $3.2 billion, or 47.1%. This increase is mostly attributable to a higher average road transportation fuel selling price, which had a positive impact of approximately $3.0 billion, as well as to higher fuel demand. Same-store road transportation fuel volume increased by 3.3% in the United States, 2.8% in Canada, and decreased by 0.3% in Europe and other regions. On a 2-year basis, same-store road transportation fuel volume decreased at a compound annual rate of 6.5% in the United States, 2.0% in Europe and 4.9% in Canada. While we are seeing improvement in fuel demand, fuel volumes are still generally under pressure across our network, with continued work from home trends, as well as evolving restrictive social measures.

For the first half-year of fiscal 2022, the road transportation fuel revenues increased by $6.9 billion compared with the corresponding period of fiscal 2021. Excluding the net positive impact from the translation of our Canadian and European operations into US dollars, road transportation fuel revenues increased by approximately $6.6 billion, or 52.6%. The positive impact of the higher average road transportation fuel selling price was approximately $5.7 billion. Same-store road transportation fuel volume increased by 7.4% in the United States, 2.8% in Europe and other regions, and 6.3% in Canada.

The following table shows the average selling price of road transportation fuel of our company-operated stores in our various markets for the last eight quarters, starting with the third quarter of the fiscal year ended April 26, 2020:

Quarter	3rd	4th	1st	2nd	Weighted average
52-week period ended October 10, 2021					
United States (US dollars per gallon)	2.16	2.72	2.97	3.08	2.70
Europe and other regions (US cents per liter)	65.84	79.29	79.09	86.29	77.13
Canada (CA cents per liter)	92.54	108.99	117.51	123.00	109.87
52-week period ended October 11, 2020					
United States (US dollars per gallon)	2.51	2.21	2.04	2.14	2.26
Europe and other regions (US cents per liter)	73.92	60.95	56.89	63.19	64.91
Canada (CA cents per liter)	103.47	88.78	86.89	92.00	94.34

Other revenues

Total other revenues for the second quarter and first half-year of fiscal 2022 were $163.4 million and $279.1 million, respectively, an increase of $79.0 million and $108.1 million compared with the corresponding periods of fiscal 2021. Excluding the net positive impact from the translation of our Canadian and European operations into US dollars, other revenues increased by approximately $79.0 million and $99.0 million in the second quarter and first half-year of fiscal 2022, respectively, primarily driven by higher average selling prices and higher demand of our other fuel products, which had a minimal impact on gross profit.

Gross profit[1]

Our gross profit was $2.6 billion for the second quarter of fiscal 2022, up by $126.1 million, or 5.1%, compared with the corresponding quarter of fiscal 2021, mainly attributable to the contribution from acquisitions, higher fuel demand, improved merchandise and service gross margin and the net positive impact from the translation of our Canadian and European operations into US dollars, which had an impact of approximately $19.0 million.

For the first half-year of fiscal 2022, our gross profit increased by $237.5 million, or 4.8%, compared with the first half-year of fiscal 2021, mainly attributable to higher fuel demand, the net positive impact from the translation of our Canadian and European operations into US dollars and the contribution from acquisitions, partly offset by lower road transportation fuel gross margins in the United States.

Merchandise and service gross profit

In the second quarter of fiscal 2022, our merchandise and service gross profit was $1.4 billion, an increase of $83.6 million compared with the corresponding quarter of fiscal 2021. Excluding the net positive impact from the translation of our Canadian and European operations into US dollars, merchandise and service gross profit increased by approximately $72.0 million, or 5.6%, mainly attributable to the contribution from acquisitions, which amounted to approximately $49.0 million. Our gross margin increased by 0.2% in the United States to 33.8%, and 0.4% in Canada to 32.3%, mainly due to favorable changes in product mix as customers are favoring smaller sized packaging, including single serves. Our gross margin decreased by 1.8% in Europe and other regions to 38.4%, mainly due to the integration of Circle K Hong Kong, which has a different product mix than our European operations. Excluding Circle K Hong Kong, our gross margin in Europe and other regions would have been 42.2%, driven by favorable changes in product mix.

During the first half-year of fiscal 2022, our merchandise and service gross profit was $2.8 billion, an increase of $163.4 million compared with the first half-year of fiscal 2021. Excluding the net positive impact from the translation of our Canadian and European operations into US dollars, merchandise and service gross profit increased by approximately $111.0 million, or 4.3%. Our gross margin was stable at 34.0% in the United States, decreased by 2.0% in Europe and other regions to 38.4%, and increased by 0.8% in Canada to 32.3%.

Road transportation fuel gross profit

In the second quarter of fiscal 2022, our road transportation fuel gross profit was $1.2 billion, an increase of $45.2 million compared with the corresponding quarter of fiscal 2021. Excluding the net positive impact from the translation of our Canadian and European operations into US dollars, our road transportation fuel gross profit increased by approximately $38.0 million, or 3.3%. In the United States, our road transportation fuel gross margin was 36.39¢ per gallon, an increase of 0.18¢ per gallon. In Europe and other regions, it was US 10.57¢ per liter, a decrease of US 0.53¢ per liter, and in Canada, it was CA 11.03¢ per liter, an increase of CA 1.02¢ per liter. Fuel margins remained healthy throughout our network, from a favorable competitive landscape and a strong sourcing efficiency.

During the first half-year of fiscal 2022, our road transportation fuel gross profit was $2.3 billion, an increase of $80.7 million compared with the first half-year of fiscal 2021. Excluding the net positive impact from the translation of our Canadian and European operations into US dollars, road transportation fuel gross profit increased by approximately $37.0 million, or 1.6%. The road transportation fuel gross margin was 36.57¢ per gallon in the United States, US 10.45¢ per liter in Europe and other regions, and CA 11.02¢ per liter in Canada.

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

The road transportation fuel gross margin of our company-operated stores in the United States and the impact of expenses related to electronic payment modes for the last eight quarters, starting with the third quarter of the fiscal year ended April 26, 2020, were as follows:

(US cents per gallon)

Quarter	3rd	4th	1st	2nd	Weighted average
52-week period ended October 10, 2021					
Before deduction of expenses related to electronic payment modes	31.86	35.25	37.58	37.68	35.40
Expenses related to electronic payment modes	4.66	5.10	5.38	5.31	5.09
After deduction of expenses related to electronic payment modes	27.20	30.15	32.20	32.37	30.31
52-week period ended October 11, 2020					
Before deduction of expenses related to electronic payment modes	27.04	46.88	42.99	37.48	37.10
Expenses related to electronic payment modes	4.54	4.97	4.88	4.79	4.76
After deduction of expenses related to electronic payment modes	22.50	41.91	38.11	32.69	32.34

Generally, during normal economic cycles, road transportation fuel margins in the United States can be volatile from one quarter to another, while in Europe and other regions and Canada, fuel margins and expenses related to electronic payment modes are not as volatile.

Other revenues gross profit

In the second quarter and first half-year of fiscal 2022, other revenues gross profit was $39.6 million and $78.0 million, respectively, a decrease of $2.7 million and $6.6 million, respectively, compared with the corresponding periods of fiscal 2021. Excluding the net positive impact from the translation of our Canadian and European operations into US dollars, other revenues gross profit decreased by approximately $3.0 million and $10.0 million in the second quarter and first half-year of fiscal 2022, respectively.

Operating, selling, administrative and general expenses (“expenses”)

For the second quarter and first half-year of fiscal 2022, expenses increased by 12.8% and 12.1%, respectively, compared with the corresponding periods of fiscal 2021. If we exclude certain items that are not considered indicative of future trends, expenses increased by 7.7% and 5.6%, respectively.

	12-week period ended October 10, 2021	24-week period ended October 10, 2021
Total variance, as reported	**12.8%**	**12.1%**
Adjusted for:		
Increase from incremental expenses related to acquisitions	**(2.2%)**	**(2.2%)**
Increase from higher electronic payment fees, excluding acquisitions	**(1.9%)**	**(2.2%)**
Increase from the net impact of foreign exchange translation	**(0.9%)**	**(2.2%)**
(Increase) decrease from acquisition costs recognized to earnings	**(0.1%)**	**0.1%**
Remaining variance	**7.7%**	**5.6%**

The increase of expenses in the second quarter was driven by measures necessitated by the impact of the labor shortage and the need to improve employee retention, an increased level of marketing activities and other discretionary expenses that were significantly reduced in the prior year quarter, as well as by inflationary pressure, higher costs from rising minimum wages, and incremental investments in our stores to support our strategic initiatives. This increase was partly offset by lower COVID-19 related expenses compared to the corresponding quarter of the previous fiscal year. Excluding the costs of the retention measures implemented, which totaled approximately $24.0 million, the remaining variance for the second quarter of fiscal 2022 would have been 5.7%. On a 2-year basis, excluding the costs of those measures, we maintained our cost discipline, as demonstrated by a compound annual growth rate of only 2.2% in the normalized expenses.

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

During the second quarter of fiscal 2022, EBITDA stood at $1.3 billion, a decrease of 4.4% compared with the corresponding quarter of fiscal 2021. Adjusted EBITDA for the second quarter of fiscal 2022 decreased by $16.8 million, or 1.3%, compared with the corresponding quarter of fiscal 2021, mainly due to higher operating expenses, partly offset by organic growth in our convenience and road transportation fuel operations, the contribution from acquisitions, as well as the net positive impact from the translation of our Canadian and European operations into US dollars, which had a net positive impact of approximately $8.0 million.

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

During the first half-year of fiscal 2022, EBITDA decreased from $2.7 billion to $2.6 billion, a decrease of 2.1% compared with the corresponding period of fiscal 2021. Adjusted EBITDA for the first half-year of fiscal 2022 decreased by $17.9 million, or 0.7%, compared with the corresponding period of fiscal 2021, mainly attributable to similar factors as those of the second quarter, as well as to lower road transportation fuel gross margins in the United States and Europe and other regions. The variation in exchange rates had a net positive impact of approximately $50.0 million.

Depreciation, amortization and impairment ("depreciation")

For the second quarter and first half-year of fiscal 2022, our depreciation expense increased by $19.9 million and $44.7 million, respectively. Excluding the net negative impact from the translation of our Canadian and European operations into US dollars, the depreciation expense increased by approximately $17.0 million and $31.0 million for the second quarter and first half-year of fiscal 2022, respectively. This increase is mainly driven by the impact from investments made through acquisitions, the replacement of equipment, as well as the ongoing improvement of our network.

Net financial expenses

Net financial expenses for the second quarter and first half-year of fiscal 2022 were $67.3 million and $141.6 million, respectively, a decrease of $9.9 million and $23.6 million compared with the corresponding periods of fiscal 2021. Excluding the items shown in the table below, net financial expenses for the second quarter and first half-year of fiscal 2022 increased by $1.2 million and $1.5 million, respectively.

	12-week periods ended		**24-week periods ended**	
(in millions of US dollars)	**October 10, 2021**	October 11, 2020	**October 10, 2021**	October 11, 2020
Net financial expenses, as reported	**67.3**	77.2	**141.6**	165.2
Adjusted for:				
Change in fair value of financial instruments and amortization of deferred differences	**(1.7)**	1.0	**(11.8)**	3.9
Net foreign exchange gain (loss)	**4.9**	(8.9)	**13.5**	(27.3)
Net financial expenses excluding items above	**70.5**	69.3	**143.3**	141.8

Income taxes

The income tax rate for the second quarter of fiscal 2022 was 21.3% compared with 20.4% for the corresponding period of fiscal 2021. The increase for the second quarter of fiscal 2022 is mainly stemming from the impact of a different mix in our earnings across the various jurisdictions in which we operate, as well as from prior year gains taxable at a lower income tax rate.

The income tax rate for the first half-year of fiscal 2022 was 21.3% compared with 20.5% for the first half-year of fiscal 2021.

Net earnings and adjusted net earnings[1]

Net earnings for the second quarter of fiscal 2022 were $694.8 million, compared with $757.0 million for the second quarter of the previous fiscal year, a decrease of $62.2 million, or 8.2%. Diluted net earnings per share stood at $0.65, compared with $0.68 for the corresponding quarter of the previous fiscal year. The translation of revenues and expenses from our Canadian and European operations into US dollars had a net positive impact of approximately $6.0 million on net earnings of the second quarter of fiscal 2022.

Adjusted net earnings for the second quarter of fiscal 2022 were approximately $693.0 million, compared with $735.0 million for the second quarter of fiscal 2021, a decrease of $42.0 million, or 5.7%. Adjusted diluted net earnings per share[1] were $0.65 for the second quarter of fiscal 2022, compared with $0.66 for the corresponding quarter of fiscal 2021, a decrease of 1.5%.

For the first half-year of fiscal 2022, net earnings stood at $1.5 billion, a decrease of $74.9 million, or 4.9%, compared to the the first half-year of fiscal 2021. Diluted net earnings per share stood at $1.36, compared with $1.38 for the corresponding period of the previous fiscal year. The translation of revenues and expenses from our Canadian and European operations into US dollars had a net positive impact of approximately $36.0 million on net earnings of the first half-year of fiscal 2022.

Adjusted net earnings for the first half-year of fiscal 2022 stood at $1.5 billion, a decrease of $79.0 million, or 5.2%, compared with the first half-year of fiscal 2021. Adjusted diluted net earnings per share[1] were $1.35 for the first half-year of fiscal 2022, compared with $1.37 for the first half-year of fiscal 2021, a decrease of 1.5%.

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

Dividends

During its November 23, 2021 meeting, the Board of Directors approved an increase in the quarterly dividend of CA 2.25¢ per share, bringing it to CA 11.0¢ per share, an increase of 25.7%.

During the same meeting, the Board of Directors declared a quarterly dividend of CA 11.0¢ per share for the second quarter of fiscal 2022 to shareholders on record as at December 2, 2021, and approved its payment effective December 16, 2021. This is an eligible dividend within the meaning of the *Income Tax Act* (Canada).

New Member of the Board of Directors

The Board of Directors appointed Éric Fortin as a new member of the Board of Directors, effective immediately. Holder of a Bachelor of Commerce from McGill University, he is responsible for the management and development of the family-owned investment company Kastellō. He is also President of the firm's first subsidiary, Kastellō Immobilier Inc., for which he oversees strategy, partnerships and investments. Mr. Fortin has more than 23 years of experience in business management, including 13 years with Couche-Tard where he held, among others, the position of Director of Operations for 7 years and of Marketing Manager for 2 years. Mr. Fortin has attended Couche-Tard's Board meetings as an observer since 2009.

Non-IFRS Measures

To provide more information for evaluating the Corporation's performance, the financial information included in our financial documents contains certain data that are not performance measures under IFRS ("non-IFRS measures"), which are also calculated on an adjusted basis to exclude specific items. We believe that providing those non-IFRS measures is useful to management, investors and analysts, as they provide additional information to measure the performance and financial position of the Corporation.

The following non-IFRS measures are used in our financial disclosures:

- Gross profit;
- Earnings before interest, taxes, depreciation, amortization and impairment ("EBITDA") and adjusted EBITDA;
- Adjusted net earnings and adjusted diluted net earnings per share;
- Net interest-bearing debt/total capitalization and leverage ratios; and
- Return on equity and return on capital employed.

Non-IFRS measures are mainly derived from the consolidated financial statements, but do not have standardized meanings prescribed by IFRS. These non-IFRS measures should not be considered in isolation or as a substitute for financial measures prepared in accordance with IFRS. In addition, our definitions of non-IFRS measures may differ from those of other public corporations. Any such modification or reformulation may be significant. These measures are also adjusted for the pro forma impact of our acquisitions and impacts of new accounting standards, if they are considered to be material.

Gross profit. Gross profit consists of revenues less the cost of sales, excluding depreciation, amortization and impairment. This measure is considered useful for evaluating the underlying performance of our operations.

The table below reconciles revenues and cost of sales, excluding depreciation, amortization and impairment to gross profit:

	12-week periods ended		**24-week periods ended**	
(in millions of US dollars)	**October 10, 2021**	October 11, 2020	**October 10, 2021**	October 11, 2020
Revenues	**14,219.7**	10,655.4	**27,798.6**	20,365.2
Cost of sales, excluding depreciation, amortization and impairment(1)	**11,631.5**	8,193.3	**22,610.4**	15,414.5
Gross profit(1)	**2,588.2**	2,462.1	**5,188.2**	4,950.7

(1) Please refer to the section "Change in Classification of Internal Logistics Costs" of the Management Discussion & Analysis for the 12 and 24-week periods ended October 10, 2021 for additional information on changes affecting the comparative periods.

Earnings before interest, taxes, depreciation, amortization and impairment ("EBITDA") and adjusted EBITDA. EBITDA represents net earnings plus income taxes, net financial expenses and depreciation, amortization and impairment. Adjusted EBITDA represents EBITDA adjusted for acquisition costs and other specific items. These performance measures are considered useful to facilitate the evaluation of our ongoing operations and our ability to generate cash flows to fund our cash requirements, including our capital expenditures program and payment of dividends.

The table below reconciles net earnings, as per IFRS, to EBITDA and adjusted EBITDA:

	12-week periods ended		24-week periods ended	
(in millions of US dollars)	**October 10, 2021**	October 11, 2020	**October 10, 2021**	October 11, 2020
Net earnings, as reported	**694.8**	757.0	**1,459.2**	1,534.1
Add:				
Income taxes	**187.5**	193.6	**393.8**	396.3
Net financial expenses	**67.3**	77.2	**141.6**	165.2
Depreciation, amortization and impairment	**325.7**	305.8	**640.0**	595.3
EBITDA	**1,275.3**	1,333.6	**2,634.6**	2,690.9
Adjusted for:				
Acquisition costs	**1.8**	1.2	**2.6**	5.1
Gain on disposal of a property	**—**	(40.9)	**—**	(40.9)
Adjusted EBITDA	**1,277.1**	1,293.9	**2,637.2**	2,655.1

Adjusted net earnings and adjusted diluted net earnings per share. Adjusted net earnings represents net earnings adjusted for net foreign exchange gains or losses, acquisition costs and other specific items. These measures are considered useful for evaluating the underlying performance of our operations on a comparable basis.

The table below reconciles reported net earnings, as per IFRS, with adjusted net earnings and adjusted diluted net earnings per share:

	12-week periods ended		24-week periods ended	
(in millions of US dollars, except per share amounts, or unless otherwise noted)	**October 10, 2021**	October 11, 2020	**October 10, 2021**	October 11, 2020
Net earnings, as reported	**694.8**	757.0	**1,459.2**	1,534.1
Adjusted for:				
Net foreign exchange (gain) loss	**(4.9)**	8.9	**(13.5)**	27.3
Acquisition costs	**1.8**	1.2	**2.6**	5.1
Gain on disposal of a property	**—**	(40.9)	**—**	(40.9)
Tax impact of the items above and rounding	**1.3**	8.8	**2.7**	4.4
Adjusted net earnings	**693.0**	735.0	**1,451.0**	1,530.0
Weighted average number of shares - diluted (in millions)	**1,072.5**	1,114.4	**1,073.4**	1,114.3
Adjusted diluted net earnings per share	**0.65**	0.66	**1.35**	1.37

Net interest-bearing debt/total capitalization. This measure represents a measure of financial condition that is especially used in financial circles.

The table below presents the calculation of this performance measure:

(in millions of US dollars, except ratio data)	**As at October 10, 2021**	As at April 25, 2021
Current portion of long-term debt and current portion of lease liabilities	**408.8**	1,526.7
Long-term debt and lease liabilities	**9,111.9**	8,075.3
Less: Cash and cash equivalents, including restricted cash	**3,377.2**	3,019.2
Net interest-bearing debt	**6,143.5**	6,582.8
Equity	**12,866.1**	12,180.9
Net interest-bearing debt	**6,143.5**	6,582.8
Total capitalization	**19,009.6**	18,763.7
Net interest-bearing debt to total capitalization ratio	**0.32 : 1**	0.35 : 1

Leverage ratio. This measure represents a measure of financial condition that is especially used in financial circles. Net interest-bearing debt represents long-term debt plus current portion of long-term debt and lease liabilities plus current portion of lease liabilities.

The table below reconciles net interest-bearing debt and adjusted EBITDA with the leverage ratio:

	52-week periods ended	
(in millions of US dollars, except ratio data)	**October 10, 2021**	April 25, 2021
Net interest-bearing debt	**6,143.5**	6,582.8
Adjusted EBITDA	**4,986.9**	5,004.8
Leverage ratio	**1.23 : 1**	1.32 : 1

Return on equity. This measure is used to measure the relation between our profitability and our net assets. Average equity is calculated by taking the average of the opening and closing balance for the 52-week period.

The table below reconciles net earnings, as per IFRS, with the ratio of return on equity:

	52-week periods ended	
(in millions of US dollars, unless otherwise noted)	**October 10, 2021**	April 25, 2021
Net earnings	**2,630.6**	2,705.5
Average equity	**12,393.0**	11,123.8
Return on equity	**21.2%**	24.3%

Return on capital employed. This measure is used to measure the relation between our profitability and capital efficiency. Earnings before interest and taxes ("EBIT") represents net earnings plus income taxes and net financial expenses. Capital employed represents total assets less short-term liabilities not bearing interest, which excludes the current portion of long-term debt and current portion of lease liabilities. Average capital employed is calculated by taking the average of the beginning and ending balance of capital employed for the 52-week period.

The table below reconciles net earnings, as per IFRS, to EBIT with the ratio of return on capital employed:

	52-week periods ended	
(in millions of US dollars, unless otherwise noted)	**October 10, 2021**	April 25, 2021
Net earnings	**2,630.6**	2,705.5
Add:		
Income taxes	**651.1**	653.6
Financial expenses	**318.9**	342.5
EBIT	**3,600.6**	3,701.6
Average capital employed	**23,840.6**	23,252.3
Return on capital employed	**15.1%**	15.9%

Profile

Couche-Tard is a global leader in convenience and fuel retail, operating in 26 countries and territories, with close to 14,200 stores, of which approximately 10,800 offer road transportation fuel. With its well-known Couche-Tard and Circle K banners, it is one of the largest independent convenience store operator in the United States and it is a leader in the convenience store industry and road transportation fuel retail in Canada, Scandinavia, the Baltics, as well as in Ireland. It also has an important presence in Poland and Hong Kong SAR. Approximately 124,000 people are employed throughout its network.

For more information on Alimentation Couche-Tard Inc. or to consult its annual Consolidated Financial Statements and Management Discussion and Analysis, please visit: https://corpo.couche-tard.com.

Contacts:

Investor relations: Jean-Philippe D. Lachance, Vice President, Investor Relations
Tel: (450) 662-6632, ext. 4619
investor.relations@couche-tard.com

Media relations: Lisa Koenig, Head of Global Communications
Tel: (450) 662-6632, ext. 6611
communication@couche-tard.com

The statements set forth in this press release, which describes Couche-Tard's objectives, projections, estimates, expectations or forecasts, may constitute forward-looking statements within the meaning of securities legislation. Positive or negative verbs such as "believe", "can", "shall", "intend", "expect", "estimate", "assume" and other related expressions are used to identify such statements. Couche-Tard would like to point out that, by their very nature, forward-looking statements involve risks and uncertainties such that its results, or the measures it adopts, could differ materially from those indicated in or underlying these statements, or could have an impact on the degree of realization of a particular projection. Major factors that may lead to a material difference between Couche-Tard's actual results and the projections or expectations set forth in the forward-looking statements include the effects of the integration of acquired businesses and the ability to achieve projected synergies, uncertainty related to the duration and severity of the current COVID-19 pandemic, fluctuations in margins on motor fuel sales, competition in the convenience store and retail motor fuel industries, exchange rate variations, and such other risks as described in detail from time to time in the reports filed by Couche-Tard with securities authorities in Canada and the United States. Unless otherwise required by applicable securities laws, Couche-Tard disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking information in this release is based on information available as of the date of the release.

Webcast on November 24, 2021, at 8:00 A.M. (EST)

Couche-Tard invites analysts known to the Corporation to send their two questions to its management before 7:00 P.M. (EST) on November 23, 2021, at investor.relations@couche-tard.com.

Financial analysts, investors, media and any individuals interested in listening to the webcast on Couche-Tard's results, which will take place online on November 24, 2021, at 8:00 A.M. (EST) can do so by either accessing the Corporation's website at https://corpo.couche-tard.com/en and by clicking in the "Investors/Events & Presentations" section or by dialing 1-888-390-0549 or the international number 1-416-764-8682, followed by the access code 08900964#.

Rebroadcast: For individuals who will not be able to listen to the live webcast, a recording of the webcast will be available on the Corporation's website for a period of 90 days.