

Q1 2025

ALIMENTATION COUCHE-TARD INC.
MANAGEMENT DISCUSSION & ANALYSIS
12-week period ended July 21, 2024



Management Discussion and Analysis

The purpose of this Management Discussion and Analysis (“MD&A”) is, as required by regulators, to explain management’s point of view on the financial position and results of the operations of Alimentation Couche-Tard Inc. (“Couche-Tard”) as well as its performance during the first quarter of the fiscal year ending April 27, 2025. More specifically, it aims to let the reader better understand our development strategy, performance in relation to objectives, future expectations, and how we address risk and manage our financial resources. This MD&A also provides information to improve the reader’s understanding of Couche-Tard’s unaudited interim condensed consolidated financial statements and related notes. It should therefore be read in conjunction with those documents. By “we”, “our”, “us” and “the Corporation”, we refer collectively to Couche-Tard and its subsidiaries.

Except where otherwise indicated, all financial information reflected herein is expressed in United States dollars (“US dollars”) and determined on the basis of IFRS® Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). We also use measures in this MD&A that do not comply with IFRS Accounting Standards as well as supplementary financial measures. The measures that do not comply with IFRS Accounting Standards are described in the “Non-IFRS Accounting Standards Measures” section of this MD&A and where such measures are presented, the reader is informed. Supplementary financial measures are described where such measures are presented. This MD&A should be read in conjunction with the audited annual consolidated financial statements and related notes included in our 2024 Annual Report and the unaudited interim condensed consolidated financial statements and related notes for the 12-week period ended July 21, 2024, which, along with additional information relating to Couche-Tard, including the most recent Annual Information Form, are available on SEDAR+ at <https://www.sedarplus.ca/> and on our website at <https://corpo.couche-tard.com/>.

Forward-Looking Statements

This MD&A includes certain statements that are “forward-looking statements” within the meaning of the securities laws of Canada. Any statement in this MD&A that is not a statement of historical fact may be deemed to be a forward-looking statement. When used in this MD&A, the words “believe”, “could”, “should”, “intend”, “expect”, “estimate”, “assume”, and other similar expressions are generally intended to identify forward-looking statements. It is important to know that the forward-looking statements in this MD&A describe our expectations as at September 4, 2024, which are not guarantees of the future performance of Couche-Tard or its industry, and involve known and unknown risks and uncertainties that may cause Couche-Tard’s or the industry’s outlook, actual results or performance to be materially different from any future results or performance expressed or implied by such statements. Our actual results could be materially different from our expectations if known or unknown risks affect our business, or if our estimates or assumptions turn out to be inaccurate. A change affecting an assumption can also have an impact on other interrelated assumptions, which could increase or diminish the effect of the change. Assumptions such as synergies objective are based on our comparative analysis of organizational structures and current level of spending across Couche-Tard’s network as well as on Couche-Tard’s ability to bridge the gap, where relevant, and Couche-Tard’s assessment of current contracts in the geographical areas of operations and how Couche-Tard expects to be able to renegotiate these contracts to take advantage of our increased purchasing power. In addition, our synergies objective assumes that we will be able to establish and maintain an effective process for sharing best practices across our network. Finally, our objective is also based on our ability to integrate acquired business. An important change in these facts and assumptions could significantly impact our synergies estimate as well as the timing of the implementation of our different initiatives. As a result, we cannot guarantee that any forward-looking statement will materialize and, accordingly, the reader is cautioned not to place undue reliance on these forward-looking statements. Forward-looking statements do not take into account the effect that transactions or special items announced or occurring after the statements are made may have on our business. For example, they do not include sales of assets, monetization, mergers, acquisitions, other business combinations or transactions, asset write-down, ongoing military conflicts, or other charges announced or occurring after forward-looking statements are made.

Unless otherwise required by applicable securities laws, we disclaim any intention or obligation to update or revise forward-looking statements, whether as a result of new information, future events or otherwise.

The foregoing risks and uncertainties include the risks set forth under “Business Risks” in our 2024 Annual Report as well as other risks detailed from time to time in reports filed by Couche-Tard with securities regulators in Canada.

Our Business

We are the leader in the Canadian convenience store industry. In the United States, we are one of the largest independent convenience store operators. In Europe, we are a leader in the convenience store and mobility retail business in the Scandinavian countries (Norway, Sweden, and Denmark), in the Baltic countries (Estonia, Latvia, and Lithuania), in Belgium, as well as in Ireland, and we have a strong presence in Luxembourg, Germany, the Netherlands and Poland. In Asia, we operate a network of company-operated convenience stores in Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong SAR") with an enviable local position.

As of July 21, 2024, our network comprised 9,239 convenience stores throughout North America, including 8,191 stores with road transportation fuel dispensing. Our North American network consists of 17 business units, including 14 in the United States covering 46 states and 3 in Canada covering all 10 provinces. Approximately 99,000 people are employed throughout our network and at our service offices in North America. In Europe, we operate a broad retail network across Scandinavia, Germany, Belgium, Ireland, Poland, the Netherlands, the Baltics and Luxembourg through 11 business units. As of July 21, 2024, our network comprised 4,882 stores, the majority of which offer road transportation fuel and convenience products while the others are unmanned automated fuel stations which only offer road transportation fuel. We also offer other products, including energy for stationary engines. With employees at branded franchise stores, approximately 46,000 people are employed in our retail network, terminals, and service offices across Europe. In Asia, our network includes 389 company-operated convenience stores in Hong Kong SAR through 1 business unit, offering a strong on-the-go food offer as well as a variety of other merchandise items and services. Approximately 4,000 people are employed in our retail network and service offices in Asia.

Furthermore, under licensing agreements, close to 2,300 stores are operated under the Circle K banner in 16 other countries and territories (Cambodia, Egypt, Guam, Guatemala, Honduras, Indonesia, Jamaica, Macau, Mexico, Morocco, New Zealand, Saudi Arabia, South Africa, Tanzania, United Arab Emirates, and Vietnam), which brings the worldwide total network to more than 16,800 stores.

Our mission is to make our customers' lives a little easier every day. To this end, we strive to meet the demands and needs of people on-the-go. We offer fast and friendly service, providing fresh food, hot and cold beverages, car wash services, and other high-quality products and services including road transportation fuel and electric vehicle charging solutions, designed to meet or exceed our customers' demands in a clean, welcoming, and efficient environment. Our business model is our key to success. We are a customer-centric, financially disciplined organization that routinely compares best practices, and we use our global experience to enhance our operational expertise and continually invest in our people and our stores.

Value Creation

In the United States, the convenience store sector is fragmented and currently undergoing consolidation. We are actively participating in this process through strategic acquisitions, gaining market share as competitors close their sites, and enhancing our product offerings. Latin America and Southeast Asia remain highly attractive markets for expansion. Given the varying stages of vehicle electrification in these areas, we have identified a unique opportunity to adapt our strategy to local market dynamics. Our goal is to collaborate with strong management teams in these regions to establish a robust growth platform. In Europe and Canada, the sector is often dominated by a few major players, including integrated oil companies. We intend to study investment opportunities that might present themselves, as significant synergies remain to be unlocked by bridging the regional gaps in our current network.

No matter the context, to create value, acquisitions must be concluded under optimal conditions. Therefore, we do not prioritize store count growth at the expense of profitability. In addition to acquisitions, organic development plays a crucial role in the growth of our net earnings. We are committed to continuing to build and expand our network in key geographies where we can leverage our strengths to create value for our Corporation and its shareholders. Highlights include the ongoing improvements we have made to our offerings, such as our Fresh Food, Fast program, the continued rollout of our Inner Circle loyalty program, as well as our innovative and sustainable mobility solutions. Our efforts to enhance the flexibility and control of our supply chain and our ability to adapt quickly to changes have also been key. While maintaining our customary financial discipline, all these elements, alongside our strong balance sheet, have contributed to the growth in our net earnings and to value creation for our shareholders and other stakeholders. We intend to continue in this direction.

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 tables set forth information about exchange rates based upon closing rates expressed as US dollars per comparative currency unit:

	12-week periods ended	
	July 21, 2024	July 23, 2023
Average for the period⁽¹⁾		
Canadian dollar	0.7310	0.7484
Norwegian krone	0.0935	0.0936
Swedish krone	0.0942	0.0943
Danish krone	0.1448	0.1464
Zloty	0.2514	0.2431
Euro	1.0799	1.0903
Hong Kong dollar	0.1280	0.1277

(1) Calculated by taking the average of the closing exchange rates of each day in the applicable period.

Period end	As at July 21, 2024	As at April 28, 2024
	Canadian dollar	0.7290
Norwegian krone	0.0921	0.0908
Swedish krone	0.0938	0.0915
Danish krone	0.1460	0.1437
Zloty	0.2541	0.2480
Euro	1.0890	1.0714
Hong Kong dollar	0.1280	0.1277

As we use the US dollar as our reporting currency in our consolidated financial statements and in this document, unless indicated otherwise, results from our operations in other currencies are translated into US dollars using the average rate for the period. Unless otherwise indicated, variations and explanations regarding changes in the foreign exchange rate and the volatility of the Canadian dollar, European currencies, and Hong Kong dollar, which we discuss in the present document, are related to the translation into US dollars of our Canadian, European, Asian, and corporate operations' results ("foreign currency operations"). For the analysis of consolidated results, those variations are determined as being the difference between the corresponding period results in local currencies translated at the current period average exchange rate and the corresponding period results in local currencies translated at the corresponding period average exchange rate. For the analysis of the consolidated balance sheet, those variations are determined as being the difference between the balances in local currencies as at July 21, 2024 translated at the July 21, 2024 closing exchange rate, the balances in local currencies as at April 28, 2024 translated at the April 28, 2024 closing exchange rate, and the variations in local currencies between those two dates translated at the current period average exchange rate.

Overview of the First Quarter of Fiscal 2025

Financial Results

Net earnings attributable to shareholders of the Corporation for the first quarter of fiscal 2025 amounted to \$790.8 million, representing \$0.83 per share on a diluted basis, compared with \$834.1 million for the corresponding quarter of fiscal 2024, representing \$0.85 per share on a diluted basis.

The results for the first quarter of fiscal 2025 and the first quarter of fiscal 2024 were affected by specific items disclosed in the “Non-IFRS Accounting Standards Measures” section of this MD&A. Excluding these items, adjusted net earnings attributable to shareholders of the Corporation¹ were approximately \$790.0 million (\$0.83 per share on a diluted basis¹) for the first quarter of fiscal 2025, compared with \$838.0 million (\$0.86 per share on a diluted basis¹) for the corresponding quarter of fiscal 2024, a decrease of \$48.0 million, or 5.7%, primarily driven by softness in traffic and fuel demand as low income consumers remain impacted by challenging economic conditions, as well as by lower road transportation fuel gross margin¹ in the United States.

Changes in our Network during the First Quarter of Fiscal 2025

Commitment for the acquisition of convenience retail and fuel sites operating under the Texaco brand

On July 2, 2024, we entered into a binding agreement to acquire nine company-owned and operated convenience retail and fuel sites operating under the Texaco brand and located in Ireland. The transaction, which would be financed using our available cash, is expected to close before the end of calendar year 2024 and is subject to customary closing conditions and regulatory approvals.

Commitment for the acquisition of convenience retail and fuel sites operating under the GetGo Café + Market

Subsequent to the end of the first quarter of fiscal 2025, we entered into a binding agreement to acquire approximately 270 company-owned and operated convenience retail and fuel sites operating under the GetGo Café + Market (“GetGo”) brand from supermarket retailer Giant Eagle Inc., for a purchase price of approximately \$1.6 billion, subject to post-closing adjustments. GetGo sites are located in the states of Indiana, Maryland, Ohio, Pennsylvania and West Virginia, in the United States. The transaction, which would be financed using our available cash and/or existing credit facilities, including our United States Commercial Paper Program, is expected to close in calendar year 2025 and is subject to customary closing conditions and regulatory approvals.

Single-site acquisitions

We acquired one company-operated store and settled this transaction using our available cash.

Store construction

We completed the construction of 14 stores and the relocation or reconstruction of 2 stores, reaching a total of 16 stores since the beginning of fiscal 2025. As of July 21, 2024, another 61 stores were under construction and should open in the upcoming quarters.

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

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 July 21, 2024⁽¹⁾:

Type of site	12-week period ended July 21, 2024				Total
	Company-operated ⁽²⁾	CODO ⁽³⁾	DODO ⁽⁴⁾	Franchised and other affiliated ⁽⁵⁾	
Number of sites, beginning of period	10,445	1,409	1,464	1,227	14,545
Acquisitions	1	—	—	—	1
Openings / constructions / additions	17	—	3	13	33
Closures / disposals / withdrawals	(35)	—	(3)	(31)	(69)
Store conversions	—	1	(1)	—	—
Number of sites, end of period	10,428	1,410	1,463	1,209	14,510
Circle K branded sites under licensing agreements					2,293
Total network					16,803
Number of automated fuel stations included in the period-end figures ⁽⁶⁾	1,170	—	92	—	1,262

- (1) Stores which are part of Circle K Belgium SA's network are included at 100%, while stores operated through our RDK joint venture are included at 50%.
- (2) Sites for which the real estate is controlled by Couche-Tard (through ownership or lease agreements) and for which the stores (and/or the service stations) are operated by Couche-Tard or one of its commission agents. This includes stand alone car wash sites.
- (3) Sites for which the real estate is controlled by Couche-Tard (through ownership or lease agreements) and for which the stores (and/or the service stations) are operated by an independent operator in exchange for rent and to which Couche-Tard sometimes provides road transportation fuel through supply contracts. Some of these sites are subject to a franchise agreement, licensing or other similar agreement under one of our main or secondary banners.
- (4) Sites controlled and operated by independent operators. Couche-Tard either supplies road transportation fuel through supply contracts or operates the road transportation fuel activities. Some of these sites are subject to a franchise agreement, licensing or other similar agreement under one of our main or secondary banners.
- (5) Stores operated by an independent operator through a franchising, licensing or another similar agreement under one of our main or secondary banners.
- (6) These sites sell road transportation fuel only.

Share Repurchase Program

On April 26, 2024, the Toronto Stock Exchange approved the renewal of our share repurchase program, which took effect on May 1, 2024. The renewed share repurchase program allows us to repurchase up to 78.1 million shares, representing 10.0% of the shares outstanding as at April 18, 2024, and the share repurchase period will end no later than April 30, 2025. During the first quarter of fiscal 2025, no shares were repurchased under the renewed share repurchase program and we paid an amount of \$24.6 million in relation with share repurchases made during fiscal 2024, which were recorded in Accounts payable and accrued liabilities as at April 28, 2024.

On June 20, 2024, a new legislation was enacted by the Canadian government to implement tax measures on share repurchases done by public issuers. Under this legislation, a public company must pay a 2% tax based on the fair market value of its repurchased shares and the resulting tax liability can be offset by the issuance of new shares during the same taxation year. This tax applies retroactively to repurchases and issuances of shares that occurred on or after January 1, 2024. We have complied with this new legislation and, as a result, taxes related to this new legislation are treated as part of the overall cost of the repurchases and are deducted from equity. During the first quarter of fiscal 2025, an amount of \$5.0 million was recorded as a reduction of Retained earnings in relation with share repurchases from January 1, 2024 to April 28, 2024.

Subsequent to the end of the first quarter of fiscal 2025 and under the share repurchase program, we repurchased 8.7 million shares through a private agreement, for an amount of \$508.7 million.

All shares repurchased under the share repurchase program were cancelled upon their repurchase. An automatic securities purchase plan, which was pre-cleared by the Toronto Stock Exchange, is also in place and could allow a designated broker to repurchase our shares on our behalf within parameters established by us.

Debt repayment

Subsequent to the end of the first quarter of fiscal 2025, we fully repaid our CA \$700.0 million Canadian-dollar-denominated senior unsecured notes issued on July 26, 2017. In addition, on the same date, we settled the cross-currency interest rate swaps associated with the notes, which had an unfavorable fair value of \$51.7 million at settlement.

Dividends

During its September 4, 2024 meeting, the Board of Directors declared a quarterly dividend of CA 17.5¢ per share for the first quarter of fiscal 2025 to shareholders on record as at September 13, 2024, and approved its payment effective September 27, 2024. This is an eligible dividend within the meaning of the *Income Tax Act* (Canada).

Outstanding Shares and Stock Options

As at August 30, 2024, Couche-Tard had 947,985,775 Common shares issued and outstanding. In addition, as at the same date, Couche-Tard had 2,138,257 outstanding stock options for the purchase of Common shares.

Non-IFRS Accounting Standards 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[®] Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), which are also calculated on an adjusted basis to exclude specific items. Those performance measures are called "Non-IFRS Accounting Standards measures". We believe that providing those Non-IFRS Accounting Standards 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 Accounting Standards financial measures are used in our financial disclosures:

- Gross profit;
- Earnings before interest, taxes, depreciation, amortization and impairment ("EBITDA") and adjusted EBITDA;
- Adjusted net earnings attributable to shareholders of the Corporation;
- Interest-bearing debt.
- Available liquidities.

The following Non-IFRS Accounting Standards ratios are used in our financial disclosures:

- Merchandise and service gross margin and Road transportation fuel gross margin;
- Normalized growth of operating, selling, general and administrative expenses;
- Growth of (decrease in) same-store merchandise revenues for Europe and other regions;
- Adjusted diluted net earnings per share;
- Leverage ratio;
- Return on equity and return on capital employed.

The following capital management measure is used in our financial disclosures:

- Net interest-bearing debt/total capitalization.

Supplementary financial measures are also used in our financial disclosures and those measures are described where they are presented.

Non-IFRS Accounting Standards financial measures and ratios, as well as the capital management measure, are mainly derived from the consolidated financial statements but do not have standardized meanings prescribed by IFRS Accounting Standards. These Non-IFRS Accounting Standards measures should not be considered in isolation or as a substitute for financial measures prepared in accordance with IFRS Accounting Standards. In addition, our definitions of Non-IFRS Accounting Standards 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, as per IFRS Accounting Standards, to gross profit:

<i>(in millions of US dollars)</i>	12-week periods ended	
	July 21, 2024	July 23, 2023
Revenues	18,277.5	15,623.2
Cost of sales, excluding depreciation, amortization and impairment	15,104.4	12,684.8
Gross profit	3,173.1	2,938.4

Please note that the same reconciliation applies in the determination of gross profit by category and by geography presented in the section "Summary Analysis of Consolidated Results".

Merchandise and service gross margin. Merchandise and service gross margin consists of Merchandise and service gross profit divided by Merchandise and service revenues, both measures are presented in the section "Summary Analysis of Consolidated Results". Merchandise and service gross margin is considered useful for evaluating how efficiently we generate gross profit by dollar of revenue.

Road transportation fuel gross margin. Road transportation fuel gross margin consists of Road transportation fuel gross profit divided by total volume of road transportation fuel sold. For the United States and Europe and other regions, both measures are presented in the section “Summary Analysis of Consolidated Results”. For Canada, this measure is presented in functional currency and the table below reconciles, for road transportation fuel, Revenues and Cost of sales, excluding depreciation, amortization and impairment, as per IFRS Accounting Standards, to gross profit and the resulting road transportation fuel gross margin. This measure is considered useful for evaluating how efficiently we generate gross profit by gallon or liter of road transportation fuel sold.

<i>(in millions of Canadian dollars, unless otherwise noted)</i>	12-week periods ended	
	July 21, 2024	July 23, 2023
Road transportation fuel revenues	1,968.1	1,935.7
Road transportation fuel cost of sales, excluding depreciation, amortization and impairment	1,792.1	1,752.6
Road transportation fuel gross profit	176.0	183.1
Total road transportation fuel volume sold (in millions of liters)	1,342.6	1,382.2
Road transportation fuel gross margin (CA cents per liter)	13.11	13.25

Normalized growth of operating, selling, general and administrative expenses (“normalized growth of expenses”). Normalized growth of expenses consists of the growth of Operating, selling, general and administrative expenses adjusted for the impact of the changes in our network, the impact from changes in accounting policies and adoption of accounting standards, the impact of more volatile items over which we have limited control including, but not limited to, the net impact of foreign exchange translation, electronic payment fees excluding acquisitions, and acquisition costs, as well as other specific items for which the impact on consolidated results is not deemed indicative of future trends. This measure is considered useful for evaluating our ability to control our expenses on a comparable basis.

The table below reconcile growth of Operating, selling, general and administrative expenses to normalized growth of expenses:

<i>(in millions of US dollars, unless otherwise noted)</i>	12-week periods ended					
	July 21, 2024	July 23, 2023	Variation	July 23, 2023	July 17, 2022	Variation
Operating, selling, general and administrative expenses, as published	1,632.5	1,439.1	13.4%	1,439.1	1,398.1	2.9%
Adjusted for:						
Increase from incremental expenses related to acquisitions	(143.7)	—	(10.0%)	(24.0)	—	(1.7%)
Decrease from the net impact of foreign exchange translation	5.1	—	0.4%	10.0	—	0.7%
Decrease (increase) from changes in acquisition costs recognized to earnings	2.4	—	0.2%	(2.3)	—	(0.1%)
(Increase) decrease from changes in electronic payment fees, excluding acquisitions	(2.3)	—	(0.2%)	26.5	—	1.9%
Normalized growth of expenses	1,494.0	1,439.1	3.8%	1,449.3	1,398.1	3.7%

Growth of (decrease in) same-store merchandise revenues for Europe and other regions. Same-store merchandise revenues represent cumulative merchandise revenues between the current period and comparative period for those stores that were open for at least 23 days out of every 28-day period included in the reported periods. Merchandise revenues are defined as Merchandise and service revenues excluding service revenues. For Europe and other regions, the growth of (decrease in) same-store merchandise revenues is calculated based on constant currencies using the respective current period average exchange rate for both the current and corresponding period. In Europe and other regions, same-store merchandise revenues include same-store revenues from company-operated stores, as well as CODO and DODO stores which are not included in our consolidated results. This measure is considered useful for evaluating our ability to generate organic growth on a comparable basis in our overall European and other regions store network.

The table below reconcile Merchandise and service revenues, as per IFRS Accounting Standards, to same-store merchandise revenues for Europe and other regions and the resulting percentage of growth (decrease):

<i>(in millions of US dollars, unless otherwise noted)</i>	12-week periods ended			
	July 21, 2024	July 23, 2023	July 23, 2023	July 17, 2022
Merchandise and service revenues for Europe and other regions	867.2	622.0	622.0	537.1
Adjusted for:				
Service revenues	(103.9)	(54.4)	(54.4)	(39.8)
Net foreign exchange impact	—	(1.3)	—	4.9
Merchandise revenues not meeting the definition of same-store	(246.2)	(30.2)	(18.5)	(11.7)
Same-store merchandise revenues from stores not included in our consolidated results, including the impact of store conversions	88.2	82.4	81.5	123.6
Total Same-store merchandise revenues for Europe and other regions	605.3	618.5	630.6	614.1
Growth of (decrease in) same-store merchandise revenues for Europe and other regions	(2.1%)		2.7%	

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 the EBITDA adjusted for acquisition costs, the impact from changes in accounting policies and adoption of accounting standards, as well as other specific items for which the impact on consolidated results is not deemed indicative of future trends. 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, share repurchases, and payment of dividends.

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

<i>(in millions of US dollars)</i>	12-week periods ended	
	July 21, 2024	July 23, 2023
Net earnings	793.1	834.1
Add:		
Income taxes	238.2	246.4
Net financial expenses	115.1	70.7
Depreciation, amortization and impairment	440.9	360.5
EBITDA	1,587.3	1,511.7
Adjusted for:		
Acquisition costs	1.1	3.5
Adjusted EBITDA	1,588.4	1,515.2

Adjusted net earnings attributable to shareholders of the Corporation and adjusted diluted net earnings per share. Adjusted net earnings attributable to shareholders of the Corporation represents net earnings attributable to shareholders of the Corporation adjusted for net foreign exchange gains or losses, acquisition costs, the impact from changes in accounting policies and adoption of accounting standards, impairment on goodwill, investments in subsidiaries, joint ventures and associated companies, as well as other specific items for which the impact on consolidated results is not deemed indicative of future trends, and the impact of the non-controlling interests on the items mentioned previously. These measures are considered useful for evaluating the underlying performance of our operations on a comparable basis.

The table below reconciles net earnings attributable to shareholders of the Corporation, as per IFRS Accounting Standards, with adjusted net earnings attributable to shareholders of the Corporation and adjusted diluted net earnings per share:

<i>(in millions of US dollars, except per share amounts, or unless otherwise noted)</i>	12-week periods ended	
	July 21, 2024	July 23, 2023
Net earnings attributable to shareholders of the Corporation	790.8	834.1
Adjusted for:		
Net foreign exchange (gain) loss	(2.2)	0.3
Acquisition costs	1.1	3.5
Tax impact of the items above and rounding	0.3	0.1
Adjusted net earnings attributable to shareholders of the Corporation	790.0	838.0
Weighted average number of shares - diluted (in millions)	957.3	980.0
Adjusted diluted net earnings per share	0.83	0.86

Interest-bearing debt. This measure represents the sum of the following balance sheet accounts: Short-term debt and current portion of long-term debt, Long-term debt, Current portion of lease liabilities and Lease liabilities. This measure is considered useful to facilitate the understanding of our financial position in relation with financing obligations. The calculation of this measure of financial position is detailed in the “Net interest-bearing debt/total capitalization” section below.

Net interest-bearing debt/total capitalization. This measure represents the basis for monitoring our capital and is considered useful to assess our financial health, risk profile, and ability to meet our financing obligations. It also provides insights into how our financing obligations are structured in relation with our total capitalization.

The table below presents the calculation of this performance measure:

<i>(in millions of US dollars, except ratio data)</i>	As at July 21, 2024	As at April 28, 2024
Short-term debt and current portion of long-term debt	1,263.3	1,066.8
Current portion of lease liabilities	501.8	503.6
Long-term debt	8,748.8	9,226.5
Lease liabilities	3,672.7	3,674.8
Interest-bearing debt	14,186.6	14,471.7
Less: Cash and cash equivalents	(1,606.5)	(1,309.0)
Net interest-bearing debt	12,580.1	13,162.7
Equity attributable to shareholders of the Corporation	13,898.4	13,189.2
Net interest-bearing debt	12,580.1	13,162.7
Total capitalization	26,478.5	26,351.9
Net interest-bearing debt to total capitalization ratio	0.48 : 1	0.50 : 1

Leverage ratio. This measure represents a measure of financial condition considered useful to assess our financial leverage and our ability to cover our net financing obligations in relation to our adjusted EBITDA and pro forma impact of the acquisition of certain European retail assets from TotalEnergies SE for the 52-week period ended July 21, 2024.

The table below reconciles net interest-bearing debt and adjusted EBITDA, for which the calculation methodologies are described in other tables of this section, as well as the pro forma impact of the acquisition of certain European retail assets from TotalEnergies SE, with the leverage ratio:

<i>(in millions of US dollars, except ratio data)</i>	52-week periods ended	
	July 21, 2024	April 28, 2024
Net interest-bearing debt	12,580.1	13,162.7
Adjusted EBITDA	5,687.4	5,614.2
Pro forma adjustments ⁽¹⁾	217.5	328.7
Adjusted EBITDA and pro forma adjustments	5,904.9	5,942.9
Leverage ratio	2.13 : 1	2.21 : 1

(1) Represents the pre-acquisition EBITDA estimate of the European retail assets acquired from TotalEnergies SE from July 24, 2023 to the acquisition date, as well as the estimated impact of synergies and required capital expenditures for the same period. EBITDA used in determining this adjustment is derived from unaudited financial information. Please refer to the "Forward-Looking Statements" section for additional information on expected synergies.

Return on equity. This measure is considered useful to assess the relationship between our profitability and our net assets and it also provides insights into how efficiently we are using our equity to generate returns for our shareholders. Average equity attributable to shareholders of the Corporation is calculated by taking the average of the opening and closing balance for the 52-week periods.

The table below reconciles net earnings attributable to shareholders of the Corporation, as per IFRS Accounting Standards, with the ratio of return on equity:

<i>(in millions of US dollars, unless otherwise noted)</i>	52-week periods ended	
	July 21, 2024	April 28, 2024
Net earnings attributable to shareholders of the Corporation	2,686.4	2,729.7
Equity attributable to shareholders of the Corporation - Opening balance	13,281.8	12,564.5
Equity attributable to shareholders of the Corporation - Ending balance	13,898.4	13,189.2
Average equity attributable to shareholders of the Corporation	13,590.1	12,876.9
Return on equity	19.8%	21.2%

Return on capital employed. This measure is considered useful as it provides insights into our ability to generate returns from the total amount of capital invested in our operations and it also helps in assessing our operational efficiency and capital allocation decisions. 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 short-term debt and current portion of long-term debt and current portion of lease liabilities. Average capital employed is calculated by taking the average of i) the opening balance of capital employed for the 52-week periods and pro forma adjustments and ii) the ending balance of capital employed for the 52-week periods.

The table below reconciles net earnings, as per IFRS Accounting Standards, to EBIT with the ratio of return on capital employed, including the pro forma impact of the acquisition of certain European retail assets from TotalEnergies SE:

<i>(in millions of US dollars, unless otherwise noted)</i>	52-week periods ended	
	July 21, 2024	April 28, 2024 ¹
Net earnings	2,691.2	2,732.2
Add:		
Income taxes	707.7	715.9
Net financial expenses	432.3	387.9
EBIT	3,831.2	3,836.0
Pro forma adjustments ⁽¹⁾	94.1	142.6
EBIT and pro forma adjustments	3,925.3	3,978.6
Capital employed - Opening balance ⁽²⁾	25,583.1	24,330.7
Pro forma adjustments ⁽³⁾	4,593.7	4,593.7
Capital employed - Opening balance and pro forma adjustments	30,176.8	28,924.4
Capital employed - Ending balance ⁽²⁾	31,127.0	30,684.3
Average capital employed	30,651.9	29,804.4
Return on capital employed	12.8%	13.3%

(1) Represents the pre-acquisition EBIT estimate of the European retail assets acquired from TotalEnergies SE from July 24, 2023 to the acquisition date as well as the estimated impact of synergies and required capital expenditures for the same period. EBIT used in determining this adjustment is derived from unaudited financial information. Please refer to the “Forward-Looking Statements” section for additional information on expected synergies

(2) The table below reconciles balance sheet line items, as per IFRS Accounting Standards, to capital employed:

<i>(in millions of US dollars)</i>	As at July 21, 2024	As at July 23, 2023	As at April 28, 2024	As at April 30, 2023 ²
Total Assets	37,271.0	30,325.9	36,942.1	29,058.4
Less: Current liabilities	(7,909.1)	(5,661.0)	(7,828.2)	(5,166.5)
Add: Short-term debt and current portion of long-term debt	1,263.3	480.6	1,066.8	0.7
Add: Current portion of lease liabilities	501.8	437.6	503.6	438.1
Capital employed	31,127.0	25,583.1	30,684.3	24,330.7

(3) Represents the estimated impact of the European retail assets acquired from TotalEnergies SE on the opening balance of capital employed, using the same calculation methodology and based on the preliminary estimates of the fair value of assets acquired and liabilities assumed for this acquisition at the acquisition date.

Available liquidities. This measure represents Cash and cash equivalents plus amounts available under our term revolving unsecured operating credit facility less the outstanding principal of issued unsecured commercial paper notes. This measure is considered useful to evaluate our ability to meet our liquidity needs for the foreseeable future.

The table below reconciles Cash and cash equivalents, as per IFRS Accounting Standards, with available liquidities:

<i>(in millions of US dollars)</i>	As at July 21, 2024	As at April 28, 2024
Cash and cash equivalents	1,606.5	1,309.0
Add: Unused portion of the term revolving unsecured operating credit facility	3,500.0	3,500.0
Less: Letters of credit reducing the amount that may be borrowed on the term revolving unsecured operating credit facility	(2.8)	(2.8)
Less: Outstanding principal of issued unsecured commercial paper notes	(236.7)	(551.3)
Available liquidities	4,867.0	4,254.9

¹ The information as at April 28, 2024 has been adjusted based on our preliminary estimates of the fair value of assets acquired and liabilities assumed for the acquisition of certain European retail assets from TotalEnergies SE.

² The information as at April 30, 2023 has been adjusted based on our final estimates of the fair value of assets acquired and liabilities assumed for True Blue Car Wash LLC and Big Red Stores acquisitions.

Summary Analysis of Consolidated Results for the First Quarter of Fiscal 2025

The following table highlights certain information regarding our operations for the 12-week periods ended July 21, 2024, and July 23, 2023, and the results analysis in this section should be read in conjunction with this table. The results from our operations in Europe and Asia are presented together as Europe and other regions.

	12-week periods ended		
	July 21, 2024	July 23, 2023	Variation %
<i>(in millions of US dollars, unless otherwise stated)</i>			
Statement of Operations Data:			
Merchandise and service revenues ⁽¹⁾ :			
United States	3,022.2	3,005.3	0.6
Europe and other regions	867.2	622.0	39.4
Canada	603.7	648.5	(6.9)
Total merchandise and service revenues	4,493.1	4,275.8	5.1
Road transportation fuel revenues:			
United States	7,459.7	7,522.2	(0.8)
Europe and other regions	4,758.2	2,263.7	110.2
Canada	1,438.7	1,449.3	(0.7)
Total road transportation fuel revenues	13,656.6	11,235.2	21.6
Other revenues ⁽²⁾ :			
United States	11.4	8.2	39.0
Europe and other regions	108.6	95.1	14.2
Canada	7.8	8.9	(12.4)
Total other revenues	127.8	112.2	13.9
Total revenues	18,277.5	15,623.2	17.0
Merchandise and service gross profit ⁽¹⁾⁽³⁾ :			
United States	1,019.1	1,030.0	(1.1)
Europe and other regions	345.0	248.2	39.0
Canada	210.0	219.7	(4.4)
Total merchandise and service gross profit	1,574.1	1,497.9	5.1
Road transportation fuel gross profit ⁽³⁾ :			
United States	1,048.3	1,074.6	(2.4)
Europe and other regions	372.8	197.6	88.7
Canada	128.7	137.1	(6.1)
Total road transportation fuel gross profit	1,549.8	1,409.3	10.0
Other revenues gross profit ⁽²⁾⁽³⁾ :			
United States	8.7	8.2	6.1
Europe and other regions	33.2	16.3	103.7
Canada	7.3	6.7	9.0
Total other revenues gross profit	49.2	31.2	57.7
Total gross profit⁽³⁾	3,173.1	2,938.4	8.0
Operating, selling, general and administrative expenses	1,632.5	1,439.1	13.4
Gain on disposal of property and equipment and other assets	(38.3)	(3.5)	994.3
Depreciation, amortization and impairment	440.9	360.5	22.3
Operating income	1,138.0	1,142.3	(0.4)
Net financial expenses	115.1	70.7	62.8
Net earnings	793.1	834.1	(4.9)
Net earnings attributable to non-controlling interests	(2.3)	—	(100.0)
Net earnings attributable to shareholders of the Corporation	790.8	834.1	(5.2)
Per Share Data:			
Basic net earnings per share (dollars per share)	0.83	0.85	(2.4)
Diluted net earnings per share (dollars per share)	0.83	0.85	(2.4)
Adjusted diluted net earnings per share (dollars per share) ⁽³⁾	0.83	0.86	(3.5)

	12-week periods ended		
	July 21, 2024	July 23, 2023	Variation %
<i>(in millions of US dollars, unless otherwise stated)</i>			
Other Operating Data:			
Merchandise and service gross margin ⁽¹⁾⁽³⁾ :			
Consolidated	35.0%	35.0%	—
United States	33.7%	34.3%	(0.6)
Europe and other regions	39.8%	39.9%	(0.1)
Canada	34.8%	33.9%	0.9
Growth of (decrease in) same-store merchandise revenues ⁽⁴⁾ :			
United States ⁽⁵⁾⁽⁶⁾	(1.1%)	2.1%	
Europe and other regions ⁽³⁾⁽⁷⁾	(2.1%)	2.7%	
Canada ⁽⁵⁾⁽⁶⁾	(3.9%)	6.4%	
Road transportation fuel gross margin ⁽³⁾ :			
United States (cents per gallon)	48.13	50.05	(3.8)
Europe and other regions (cents per liter)	8.68	8.21	5.7
Canada (CA cents per liter)	13.11	13.25	(1.1)
Total volume of road transportation fuel sold:			
United States (millions of gallons)	2,178.0	2,146.9	1.4
Europe and other regions (millions of liters)	4,292.5	2,406.8	78.3
Canada (millions of liters)	1,342.6	1,382.2	(2.9)
Growth of (decrease in) same-store road transportation fuel volumes ⁽⁵⁾ :			
United States	(0.8%)	0.7%	
Europe and other regions ⁽⁷⁾	(1.4%)	(1.5%)	
Canada	(2.1%)	7.2%	

(in millions of US dollars, unless otherwise stated)

	As at July 21, 2024	As at April 28, 2024	Variation \$
Balance Sheet Data:			
Total assets	37,271.0	36,942.1	328.9
Interest-bearing debt ⁽³⁾	14,186.6	14,471.7	(285.1)
Equity attributable to shareholders of the Corporation	13,898.4	13,189.2	709.2
Indebtedness Ratios⁽³⁾:			
Net interest-bearing debt/total capitalization	0.48 : 1	0.50 : 1	
Leverage ratio	2.13 : 1	2.21 : 1	
Returns⁽³⁾:			
Return on equity	19.8%	21.2%	
Return on capital employed	12.8%	13.3%	

- (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 energy for stationary engines and aviation fuel.
- (3) Please refer to the "Non-IFRS Accounting Standards measures" section for additional information on our performance measures not defined by IFRS Accounting Standards, as well as our capital management measure.
- (4) This measure represents the growth of (decrease in) cumulative merchandise revenues between the current period and comparative period for those stores that were open for at least 23 days out of every 28-day period included in the reported periods. Merchandise revenues are defined as Merchandise and service revenues excluding service revenues.
- (5) For company-operated stores only.
- (6) Calculated based on respective functional currencies.
- (7) Growth of (decrease in) same-store merchandise revenues and growth of (decrease in) same-store road transportation fuel volumes for Europe and other regions do not include results from the acquisition of certain European retail assets from TotalEnergies SE.

Revenues

Our revenues were \$18.3 billion for the first quarter of fiscal 2025, up by \$2.7 billion, an increase of 17.0% compared with the corresponding quarter of fiscal 2024, mainly attributable to the contribution from acquisitions and higher revenues in our wholesale fuel business, partly offset by a lower average road transportation fuel selling price, and softness in traffic as low income consumers are impacted by challenging economic conditions. The translation of our foreign currency operations into US dollars had a net negative impact of approximately \$41.0 million on our revenues for the first quarter.

Merchandise and service revenues

Total merchandise and service revenues for the first quarter of fiscal 2025 were \$4.5 billion, an increase of \$217.3 million compared with the corresponding quarter of fiscal 2024. The translation of our foreign currency operations into US dollars had a net negative impact of approximately \$15.0 million. The remaining increase of approximately \$232.0 million, or 5.4%, is primarily attributable to the contribution from acquisitions, which amounted to approximately \$312.0 million, partly offset by softness in traffic. Same-store merchandise revenues decreased by 1.1% in the United States, driven by the impact from summer campaigns to offer low prices products to our customers and drive units sales, by 2.1% in Europe and other regions¹, and by 3.9% in Canada. All regions were impacted by constraints on discretionary spending due to challenging economic conditions for low income consumers, as well as the continuous decline in the cigarette industry, partly offset by the growth in other nicotine products.

Road transportation fuel revenues

Total road transportation fuel revenues for the first quarter of fiscal 2025 were \$13.7 billion, an increase of \$2.4 billion compared with the corresponding quarter of fiscal 2024. The translation of our foreign currency operations into US dollars had a net negative impact of approximately \$26.0 million. The remaining increase of approximately \$2.4 billion, or 21.8%, is mainly attributable to the contribution from acquisitions, which amounted to approximately \$2.4 billion, and higher revenues in our European wholesale activities following a change in our business model, while being partly offset by a lower average road transportation fuel selling price, which had a negative impact of approximately \$249.0 million, and softness in fuel demand. Same-store road transportation fuel volumes decreased by 0.8% in the United States, by 1.4% in Europe and other regions, and by 2.1% in Canada. During the quarter, fuel demand remained unfavorably impacted by challenging economic conditions.

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. The average selling price of road transportation fuel consists of the road transportation fuel revenues divided by the volume of road transportation fuel sold:

Quarter	2 nd	3 rd	4 th	1 st	Weighted average
52-week period ended July 21, 2024					
United States (US dollars per gallon)	3.76	3.18	3.40	3.44	3.43
Europe and other regions (US cents per liter)	108.87	112.53	125.90	120.73	118.22
Canada (CA cents per liter)	152.03	136.26	143.91	149.20	144.81
53-week period ended July 23, 2023					
United States (US dollars per gallon)	3.84	3.50	3.52	3.52	3.59
Europe and other regions (US cents per liter)	117.39	113.55	109.77	98.02	109.96
Canada (CA cents per liter)	149.55	143.32	137.66	142.77	143.25

Other revenues

Total other revenues for the first quarter of fiscal 2025 were \$127.8 million, an increase of \$15.6 million, or 13.9%, compared with the corresponding quarter of fiscal 2024. The increase is primarily driven by the contribution from acquisitions, which amounted to approximately \$16.0 million. The translation of our foreign currency operations into US dollars had no impact on other revenues for the first quarter.

Gross profit¹

Our gross profit was \$3.2 billion for the first quarter of fiscal 2025, up by \$234.7 million, or 8.0%, compared with the corresponding quarter of fiscal 2024, mainly attributable to the contribution from acquisitions, partly offset by lower road transportation fuel gross margins¹ and softness in traffic. The translation of our foreign currency operations into US dollars had a net negative impact of approximately \$8.0 million.

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

Merchandise and service gross profit

In the first quarter of fiscal 2025, our merchandise and service gross profit was \$1.6 billion, an increase of \$76.2 million compared with the corresponding quarter of fiscal 2024. The translation of our foreign currency operations into US dollars had a net negative impact of approximately \$6.0 million. The remaining increase of approximately \$82.0 million, or 5.5%, is primarily attributable to the contribution from acquisitions, which amounted to approximately \$110.0 million, partly offset by softness in traffic. Our merchandise and service gross margin¹ decreased by 0.6% in the United States to 33.7% to support our summer campaigns, while it increased by 0.9% in Canada to 34.8%, impacted favorably by a change in product mix. In Europe and other regions, our merchandise and service gross margin¹ decreased by 0.1% to 39.8%, impacted by the integration of certain retail assets from TotalEnergies SE, which have a different product mix than our other operations in Europe and other regions. Excluding this impact, our gross margin¹ in Europe and other regions would have increased by 1.6%, driven by a favorable change in product mix.

Road transportation fuel gross profit

In the first quarter of fiscal 2025, our road transportation fuel gross profit was \$1.5 billion, an increase of \$140.5 million compared with the corresponding quarter of fiscal 2024. The translation of our foreign currency operations into US dollars had a net negative impact of \$4.0 million. The remaining increase of \$144.0 million, or 10.2%, is mainly driven by the contribution from acquisitions, which amounted to approximately \$144.0 million. In the United States, our road transportation fuel gross margin¹ was 48.13¢ per gallon, a decrease of 1.92¢ per gallon, mainly due to competitive pressure in some of our markets, and in Canada, it was CA 13.11¢ per liter, a decrease of CA 0.14¢ per liter, while in Europe and other regions, it was US 8.68¢ per liter, an increase of US 0.47¢ per liter. Notwithstanding the modest decline from the comparable quarter in some regions, fuel gross margins¹ remained healthy throughout the network.

The road transportation fuel gross margin¹ of our company-operated stores in the United States and the impact of expenses related to electronic payment modes for the last eight quarters, were as follows:

(US cents per gallon)

Quarter	2 nd	3 rd	4 th	1 st	Weighted average
52-week period ended July 21, 2024					
Before deduction of expenses related to electronic payment modes	51.15	44.38	39.28	49.49	45.99
Expenses related to electronic payment modes ⁽¹⁾	6.04	5.77	6.03	6.16	5.99
After deduction of expenses related to electronic payment modes	45.11	38.61	33.25	43.33	40.00
53-week period ended July 23, 2023					
Before deduction of expenses related to electronic payment modes	51.11	48.39	46.43	51.26	49.17
Expenses related to electronic payment modes ⁽¹⁾	6.53	6.20	6.17	6.13	6.41
After deduction of expenses related to electronic payment modes	44.58	42.19	40.26	45.13	42.76

- (1) Expenses related to electronic payment modes are determined by allocating the portion of total electronic payment modes, which are included in Operating, selling, general and administrative expenses, deemed related to our United States company-operated stores road transportation fuel transactions.

The road transportation fuel gross margin¹ of our network in Europe and other regions and in Canada for the last eight quarters, were as follows:

Quarter	2 nd	3 rd	4 th	1 st	Weighted average
52-week period ended July 21, 2024					
Europe and other regions (US cents per liter)	10.20	8.56	8.30	8.68	8.80
Canada (CA cents per liter)	13.63	12.99	13.68	13.11	13.32
53-week period ended July 23, 2023					
Europe and other regions (US cents per liter)	9.76	8.01	10.60	8.21	9.07
Canada (CA cents per liter)	12.55	12.52	12.13	13.25	12.60

Generally, road transportation fuel margins can be volatile from one quarter to another but tend to be more stable over longer periods. In Europe and other regions, fuel margin volatility is impacted by a longer supply chain due to a more integrated model. In Europe and other regions and in Canada, expenses related to electronic payment modes are not as volatile as in the United States.

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

Other revenues gross profit

In the first quarter of fiscal 2025, other revenues gross profit was \$49.2 million, an increase of \$18.0 million, or 57.7%, compared with the corresponding period of fiscal 2024, mainly attributable to the contribution from acquisitions, which amounted to approximately \$16.0 million. The translation of our foreign currency operations into US dollars had no impact on gross profit.

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

For the first quarter of fiscal 2025, expenses increased by 13.4% compared with the corresponding period of fiscal 2024, while normalized growth of expenses¹ was 3.8%, as shown in the table below:

	12-week periods ended	
	July 21, 2024	July 23, 2023
Growth of expenses, as reported	13.4%	2.9%
Adjusted for:		
Increase from incremental expenses related to acquisitions	(10.0%)	(1.7%)
Decrease from the net impact of foreign exchange translation	0.4%	0.7%
Decrease (increase) from changes in acquisition costs recognized to earnings	0.2%	(0.1%)
(Increase) decrease from changes in electronic payment fees, excluding acquisitions	(0.2%)	1.9%
Normalized growth of expenses¹	3.8%	3.7%

Normalized growth of expenses¹ for the first quarter of fiscal 2025 was mainly driven by inflationary pressures and incremental investments to support our strategic initiatives, while being partly offset by the continued strategic efforts to control our expenses, including labor efficiency in our stores.

Earnings before interest, taxes, depreciation, amortization and impairment (“EBITDA¹”) and adjusted EBITDA¹

During the first quarter of fiscal 2025, EBITDA stood at \$1.6 billion, an increase of \$75.6 million, or 5.0%, compared with the corresponding quarter of fiscal 2024. Adjusted EBITDA for the first quarter of fiscal 2025 increased by \$73.2 million, or 4.8%, compared with the corresponding quarter of fiscal 2024, mainly due to the contribution from acquisitions, which amounted to approximately \$127.0 million, partly offset by softness in traffic and fuel demand as low income consumers remain impacted by challenging economic conditions, and by lower road transportation fuel gross margins¹. The translation of our foreign currency operations into US dollars had a net negative impact of approximately \$2.0 million.

Depreciation, amortization and impairment (“depreciation”)

For the first quarter of fiscal 2025, our depreciation expense increased by \$80.4 million compared with the first quarter of fiscal 2024. The translation of our foreign currency operations into US dollars had a net favorable impact of approximately \$2.0 million. The remaining increase of approximately \$82.0 million, or 22.7%, is mainly driven by the impact from investments made through business acquisitions, which amounted to approximately \$66.0 million, the replacement of equipment, as well as the ongoing improvement of our network.

Net financial expenses

Net financial expenses for the first quarter of fiscal 2025 were \$115.1 million, an increase of \$44.4 million compared with the corresponding period of fiscal 2024. A portion of the variation is explained by certain items that are not considered indicative of future trends, as shown in the table below:

<i>(in millions of US dollars)</i>	12-week periods ended		
	July 21, 2024	July 23, 2023	Variation
Net financial expenses, as reported	115.1	70.7	44.4
Explained by:			
Net foreign exchange gain (loss)	2.2	(0.3)	2.5
Change in fair value of financial instruments and amortization of deferred differences	—	(2.0)	2.0
Remaining variation	117.3	68.4	48.9

The remaining variation of the first quarter of fiscal 2025 is mainly driven by higher average short-term and long-term debt in connection with our recent acquisitions, as well as higher interest rates, partly offset by higher interest revenue.

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

Income taxes

The income tax rate for the first quarter of fiscal 2025 was 23.1% compared with 22.8% for the corresponding quarter of fiscal 2024. The increase is mainly stemming from the impact of a different mix in our earnings across the various jurisdictions in which we operate.

Net earnings attributable to shareholders of the Corporation and adjusted net earnings attributable to shareholders of the Corporation¹

Net earnings attributable to shareholders of the Corporation for the first quarter of fiscal 2025 were \$790.8 million, compared with \$834.1 million for the first quarter of the previous fiscal year, a decrease of \$43.3 million, or 5.2%. Diluted net earnings per share stood at \$0.83, compared with \$0.85 for the corresponding quarter of the previous fiscal year. The translation of our foreign currency operations into US dollars had a net negative impact of approximately \$1.0 million on net earnings attributable to shareholders of the Corporation for the first quarter of fiscal 2025.

Adjusted net earnings attributable to shareholders of the Corporation for the first quarter of fiscal 2025 were approximately \$790.0 million, compared with \$838.0 million for the first quarter of fiscal 2024, a decrease of \$48.0 million, or 5.7%. Adjusted diluted net earnings per share¹ were \$0.83 for the first quarter of fiscal 2025, compared with \$0.86 for the corresponding quarter of fiscal 2024, a decrease of 3.5%.

Financial Position as at July 21, 2024

As shown by our indebtedness ratios included in the “Summary Analysis of Consolidated Results for the First Quarter of Fiscal 2025” section and our net cash provided by operating activities, our financial position remains healthy.

Our total consolidated assets amounted to \$37.3 billion as at July 21, 2024, an increase of \$328.9 million over the balance as at April 28, 2024, primarily due to higher balance of cash and cash equivalents as explained in more details in the “Selected Consolidated Cash Flow Information” section of this MD&A, and the net positive impact of approximately \$177.0 million from the strengthening of the European currencies against the US dollar.

For the 52-week periods ended July 21, 2024, and April 28, 2024, we recorded a return on capital employed¹ of 12.8% and 13.3%, respectively.

Significant balance sheet variations are explained as follows:

Equity attributable to shareholders of the Corporation

Equity attributable to shareholders of the Corporation amounted to \$13.9 billion as at July 21, 2024, an increase of \$709.2 million over the balance as at April 28, 2024, reflecting the impact of net earnings attributable to shareholders of the Corporation for the first quarter of fiscal 2025, partly offset by the dividends declared. For the 52-week periods ended July 21, 2024, and April 28, 2024, we recorded a return on equity¹ of 19.8% and 21.2%, respectively.

Liquidity and Capital Resources

Our principal sources of liquidity are our net cash provided by operating activities and borrowings available under our revolving unsecured credit facility or United States commercial paper program. Our principal uses of cash are to repay our debt, finance our acquisitions and capital expenditures, repurchase shares and pay dividends, as well as to provide for working capital. We expect that cash generated from operations and borrowings available under our term revolving unsecured operating credit facility or United States commercial paper program will be adequate to meet our liquidity needs in the foreseeable future.

Our credit facility and United States commercial paper program are detailed as follows:

Term revolving unsecured operating credit facility (“operating credit facility”)

Credit agreement consisting of a revolving unsecured facility of a maximum amount of \$3.5 billion, including a first tranche of \$1.0 billion and a second tranche of \$2.5 billion. During the first quarter of fiscal 2025, the maturity of the first and second tranches of the credit facility was extended to May 2027 and May 2029, respectively. As at July 21, 2024, the term revolving unsecured operating credit facility was not used, standby letters of credit in the amount of \$2.8 million were outstanding and we were in compliance with the restrictive covenants and ratios imposed by the credit agreement.

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

United States commercial paper program

Commercial paper program in the United States allowing us to issue unsecured commercial paper notes. The aggregate principal amount of unsecured commercial paper notes outstanding at any given time cannot exceed \$2.5 billion and our operating credit facility serves as a liquidity backstop for their repayment. As at July 21, 2024, a principal of issued unsecured commercial paper notes of \$236.7 million was outstanding. The weighted average effective interest rate of the outstanding unsecured commercial paper notes was 5.55%.

Available liquidities¹

As at July 21, 2024, when considering the outstanding principal of issued unsecured commercial paper notes, a total of approximately \$3.3 billion was available under our operating credit facility. Thus, at the same date, we had access to \$4.9 billion through our available cash and our operating credit facility.

Term deposits

On July 23, 2024, subsequent to the end of the first quarter of fiscal 2025, the CA \$700.0 million (\$510.3 million as at July 21, 2024) term deposits matured and we received the full amount of the deposits.

New letter of credit facility

During the first quarter of fiscal 2025, we entered into a letter of credit facility with a financial institution meeting our minimum credit ratings requirements. The letter of credit facility allows us to issue letters of credit related to corporate and operating purposes for a maximum amount of CA \$150.0 million, and the amounts of issued letters of credits have to be secured by a cash collateral except during specific periods. As at July 21, 2024 and under this facility, we had an outstanding letter of credit of \$103.7 million with no related cash collateral.

Selected Consolidated Cash Flow Information

<i>(in millions of US dollars)</i>	12-week periods ended		
	July 21, 2024	July 23, 2023	Variation
Operating activities			
Net cash provided by operating activities	983.1	1,389.2	(406.1)
Investing activities			
Purchase of property and equipment, intangible assets and other assets	(400.6)	(294.6)	(106.0)
Recovery of consideration related to business acquisitions	222.7	—	222.7
Proceeds from disposal of property and equipment and other assets	69.1	21.8	47.3
Business acquisitions	(9.4)	(10.5)	1.1
Purchase of equity instruments and other financial assets	(5.0)	(52.7)	47.7
Change in restricted cash	(4.3)	4.5	(8.8)
Net cash used in investing activities	(127.5)	(331.5)	204.0
Financing activities			
Net (repayment) issuance of unsecured commercial paper notes	(313.0)	479.6	(792.6)
Cash dividends paid	(122.4)	(104.1)	(18.3)
Principal elements of lease payments	(108.4)	(103.6)	(4.8)
Share repurchases	(29.6)	(230.0)	200.4
Net proceeds on other debts	3.1	0.3	2.8
Exercise of stock options	0.6	3.2	(2.6)
Net cash (used in) provided by financing activities	(569.7)	45.4	(615.1)
Credit ratings			
S&P Global Ratings – Corporate and Senior unsecured notes credit ratings	BBB+	BBB	
Moody's – Corporate and Senior unsecured notes credit ratings	Baa1	Baa1	

Operating activities

During the first quarter of fiscal 2025, net cash from our operations reached \$1.0 billion, down by \$406.1 million compared with the first quarter of fiscal 2024, mainly due to higher working capital needs.

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

Investing activities

During the first quarter of fiscal 2025, Purchase of property and equipment, intangible assets and other assets, net of Proceeds from disposal of property and equipment and other assets amounted to \$331.5 million. These investments were primarily for the replacement of equipment in some of our stores in order to enhance our offering of products and services, for the addition of new stores, for the ongoing improvement of our network, as well as for strategic initiatives. In addition, we recovered \$222.7 million of consideration related to business acquisitions.

Financing activities

During the first quarter of fiscal 2025, we repaid unsecured commercial paper notes for an amount of \$313.0 million, paid dividends in the amount of \$122.4 million, paid \$108.4 million on the principal elements of our lease liabilities, and settled share repurchases for an amount of \$29.6 million.

Contractual Obligations and Commercial Commitments

With the exception of commitments for business acquisitions disclosed in this MD&A, there were no major changes to our contractual obligations and commercial commitments during the 12-week period ended July 21, 2024. For more information, please refer to our 2024 Annual Report.

Internal Controls over Financial Reporting

We maintain a system of internal controls over financial reporting designed to safeguard assets and ensure that financial information is reliable. We also maintain a system of disclosure controls and procedures designed to ensure, in all material respects, the reliability, completeness and timeliness of the information we disclose in this MD&A and other public disclosure documents. Disclosure controls and procedures are designed to ensure that information required to be disclosed by us in reports filed with securities regulatory agencies is recorded and/or disclosed on a timely basis, as required by law, and is accumulated and communicated to our management, including our President and Chief Executive Officer and our Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. As at July 21, 2024, our management, following its assessment, certifies the design of the Corporation's controls and procedures.

We undertake ongoing evaluations of the effectiveness of our internal controls over financial reporting and implement control enhancements, when appropriate. As at April 28, 2024, our management and our external auditors reported that these internal controls were effective.

We exclude the acquisition of certain European retail assets from TotalEnergies SE from our evaluation of the overall effectiveness of our internal control over financial reporting. This is due to the size and timing of the transaction, which occurred on December 28, 2023, and on January 3, 2024. The limitation is primarily based on the time required to assess the controls over financial reporting of the acquisition of certain European retail assets from TotalEnergies SE and to confirm they are consistent with ours, as permitted by the Canadian Securities Administrator's National Instrument 52-109 for 365 days following an acquisition. We expect to finalize our assessment by the third quarter of fiscal 2025.

The results of the acquisition of certain European retail assets from TotalEnergies SE since the acquisition date are included in our consolidated financial statements and constituted approximately 15.7% of total consolidated assets and 9.2% of total consolidated liabilities as of July 21, 2024, approximately 14.0% of consolidated revenues and 3.8% of consolidated net earnings for the 12-week period ending on that date.

Selected Quarterly Financial Information

Our 52-week reporting cycle is divided into quarters of 12 weeks each except for the third quarter, which comprises 16 weeks. When a fiscal year, such as fiscal 2023, contains 53 weeks, the fourth quarter comprises 13 weeks. The following is a summary of selected consolidated financial information derived from our interim consolidated financial statements for each of the eight most recently completed quarters.

<i>(in millions of US dollars, except per share data)</i>	12-week period ended July 21, 2024	52-week period ended April 28, 2024					Extract from the 53-week period ended April 30, 2023		
	1 st	4 th	3 rd	2 nd	1 st	4 th	3 rd	2 nd	
Quarter									
Weeks	12 weeks	12 weeks	16 weeks	12 weeks	12 weeks	13 weeks	16 weeks	12 weeks	
Revenues	18,277.5	17,592.7	19,622.0	16,425.6	15,623.2	16,264.4	20,055.1	16,879.5	
Depreciation, amortization and impairment	440.9	492.5	537.5	369.6	360.5	389.6	463.2	353.9	
Operating income	1,138.0	642.2	927.3	1,098.4	1,142.3	933.7	1,026.1	1,093.7	
Share of earnings of joint ventures and associated companies	8.4	3.6	3.6	9.7	8.9	(4.4)	0.5	2.1	
Net financial expenses	115.1	139.9	130.3	47.0	70.7	99.0	82.5	58.1	
Net earnings	793.1	454.5	624.4	819.2	834.1	670.7	737.4	810.4	
Net earnings attributable to non-controlling interests	(2.3)	(1.5)	(1.0)	—	—	—	—	—	
Net earnings attributable to shareholders of the Corporation	790.8	453.0	623.4	819.2	834.1	670.7	737.4	810.4	
Net earnings per share									
Basic	\$0.83	\$0.47	\$0.65	\$0.85	\$0.85	\$0.68	\$0.73	\$0.79	
Diluted	\$0.83	\$0.47	\$0.65	\$0.85	\$0.85	\$0.68	\$0.73	\$0.79	

The volatility of road transportation fuel gross margins, seasonality and changes in the exchange rates have an impact on the variability of our quarterly net earnings.

Outlook

Last year, we unveiled our *10 For the Win* five-year strategic plan designed to meet our customers' needs and making their lives a little easier every day. The strategic lighthouses outlined in our strategic plan : *Win in Food & Own Thirst; Gain Share in Fuel; Digital Acceleration; Fast, Friendly & In-Stock; and Lowest Cost Operator*, continue to drive our business decisions. Despite challenging global economic conditions, we will remain focused on our convenience and mobility business by refining our *Fresh Food, Fast* program, pursuing opportunities to expand the flexibility in our supply chain, rolling out our new *Inner Circle* loyalty program and growing our electric vehicles offer to solidify our position as a global leader in the future of electric charging solutions. We are pleased with the progress of our integration of our newly acquired European network and we are excited to unlock all of its synergistic opportunities. We stand ready to seek out additional acquisition opportunities and nurture the culture of discipline and entrepreneurship that has been our trademark over the past four decades. In this rapidly evolving environment, the roll out of the *Values We Live By* and actions taken toward them are proofs of our commitment into increasing employee engagement, diversity and inclusion as well as sustainability which will remain at the forefront of our priorities and a lens to the business.

Looking ahead, we will continue, as always, to look for and seize opportunities to grow the business and integrate all of our acquisitions into our network, always focusing on creating value for our employees, partners, and shareholders.

September 4, 2024