

Murphy USA Inc. NYSE:MUSA

M&A Call

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Call Participants

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Presentation

Operator

Ladies and gentlemen, thank you for standing by, and welcome to Murphy USA QuickChek acquisition announcement conference call. [Operator Instructions]

I would now like to turn the call over to Christian Pikul, Vice President of Investor Relations. Please go ahead.

Christian Pikul

Vice President of Investor Relations & FP&A

Thanks, Denise. Good morning, everyone. Thanks for joining us today.

With me are Andrew Clyde, President and Chief Executive Officer; Mindy West, Executive Vice President and Chief Financial Officer; and Donnie Smith, Vice President and Controller.

We're very excited about our announcement this morning and this opportunity to review the transaction with you. After some comments from Andrew, we will go ahead and open up the call to Q&A.

Please keep in mind that some of the comments made during this call, including the Q&A portion, will be considered forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. As such, no assurances can be given that these events will occur or that the projections will be attained. A variety of factors exist that may cause actual results to differ. For further discussion of risk factors, please see the latest Murphy USA Forms 10-K, 10-Q, 8-K and other recent SEC filings, including the 8-K filed this morning relative to this transaction. Murphy USA takes no duty to publicly update or revise any forward-looking statements.

During today's call, we may also provide certain performance measures that do not conform to generally accepted accounting principles, or GAAP. We have provided schedules to reconcile these non-GAAP measures with the reported results on a GAAP basis as part of the press release, which can be found on the Investors section of our website.

With that, I will turn the call over to Andrew.

R. Andrew Clyde

President, CEO & Director

Thank you, Christian. Good morning and welcome to everyone joining us today.

This is certainly an exciting day for us at Murphy USA as we announce the acquisition of QuickChek. We will be going through the prepared slides, and I will do my best to reference the slides as we go along.

So starting with our strategic rationale on Slide 3. As you recall, this past October, we outlined for investors the key elements of our updated capital allocation strategy. In doing so, we highlighted that we would continue to optimize our high cash flow generating business with a focus on organic growth as we look towards 2021 as our first full year of a 50-store build class of our larger 2,800 square foot stores. And while these stores provide excellent returns, we also spoke to the even higher potential the stores could have with an enhanced food and beverage offer. Lacking that capability, we stated that we were open to targeted M&A in the event we were able to buy that capability, recognizing just how hard it is to build capabilities of this kind. We believe our acquisition of QuickChek absolutely delivers on that element of our strategy.

Furthermore, as we will highlight today, QuickChek fulfills the very high aspiration we set when thinking about what an industry-leading position looks like. In making the acquisition, we not only secure one of the industry's leading food and beverage C-store operators with its own very attractive growth plans, we greatly accelerate and derisk the opportunity to transform our existing growth plans for new stores, raze-and-rebuilds and upgrades.

As such, we view this transaction as transformational in nature as there are a few peers of this caliber in our industry. Importantly, though, the expected run rate synergies make this transaction accretive as we leverage the best talent, ideas and practices of both firms. Given QuickChek's size, we also gained distinctive food and beverage capabilities at scale with an acquisition of a reasonable size that maintains future flexibility through our strong balance sheet that sustains shareholder distributions. In doing so, we uphold our commitment to shareholders and our reputation for disciplined capital allocation.

Slide 4 provides an overview of the transaction. Our purchase price of \$645 million includes the value of \$20 million in tax benefits that bring the net price to \$625 million. Using the last 12 months estimated EBITDA through QuickChek's fiscal year-end of October 31 of \$47 million, we found a headline multiple of 13.2x earnings attractive for such a unique and, frankly, scarce asset. Using the 3-year run rate synergies of \$28 million, the post-synergy transaction multiple comes to 8.3x, and we expect the transaction to be accretive in fiscal year 2022. We plan to finance the transaction with a combination of cash on hand, existing credit facilities and new debt, then we'll be able to maintain pro forma leverage of around 2.2x.

Beginning on Slide 5, we provide an overview of QuickChek. Like many of its regional peers, its history is rooted in the dairy industry where door-to-door delivery milk and fresh products provided a natural evolution and extension into convenience stores. Today, QuickChek has 157 stores in Central and Northern New Jersey and the New York metro area where they are widely recognized for their fresh food and coffee program. While the original stores did not sell motor fuel, 89 of the newest stores do. And their average per-store volumes exceed that of Murphy USA's network on average. That said, merchandise represents about 2/3 of their gross profit mix.

Turning to Slide 6. We can begin to get a taste for the food and beverage offering and more importantly, the differentiated performance QuickChek realizes versus a number of key comparable firms, including Murphy USA. In our view, this is what an industry-leading capability looks like. One can also see the even higher velocity associated with QuickChek's new stores with fuel relative to its total portfolio.

On Slide 7, we dig a little deeper into the capability set that is essential to driving its superior customer engagement. QuickChek pioneered self-checkout and touchscreen ordering. And through its mobile app has been able to leverage curbside pickups in the leading delivery apps. When I think about customer expectations today, where our industry is heading and how many firms are just starting to explore these capabilities, it drives home very clearly why we chose to leapfrog our own capability building efforts in making this strategic acquisition.

At the bottom of Slide 7, you can also see the incredible strength of the QuickChek brand in terms of its Net Promoter Score and panel data comparing its food and beverage quality and value to leading QSRs and C-stores in its regions. We are excited about the opportunities to work with our new colleagues as we explore how to leverage these capabilities across a larger and expanding portfolio going forward.

I mentioned earlier that QuickChek fuel volumes exceed those of Murphy U.S.A., and Slide 8 provides that comparison. And to be perfectly honest, we aren't used to seeing ourselves in second place on this metric, but always recognize some of the leading private firms drove significant velocity to their stores. The good news is with this degree of operating leverage to fuel, we expect to be able to gain direct synergies from leveraging some of Murphy's distinctive capabilities where we have historically focused more of our resources, whether it be from retail pricing excellence, fuel supply and distribution procurement or supply and trading optionality around bulk markets like the New York Harbor.

When you bring it all together, as we do on Slide 9, it becomes crystal clear that Murphy USA has acquired a growth company in QuickChek. Through new store additions, net of closures, along with improvement initiatives, QuickChek has a strong record of same-store sales and profit growth.

Page 10 provides a high-level overview of the expected synergies. Our conservative estimates at this time place the 3-year run rate synergies at \$28 million. The majority of the estimated synergies reflect direct synergies, which we have described using our value creation framework levers, with more benefits expected to be derived from fuel and tobacco merchandise practices and less benefits from cost given the capability-based focus of the acquisition. Given the significant gap between QuickChek's food and beverage performance and Murphy's, our initial reverse synergy estimates are very modest.

Factors we considered as we evaluated our bid but not directly baked into the synergy calculation include the ability to accelerate our path to higher organic growth returns, the derisking and cost avoidance of an internal capability building effort and the opportunity to leverage the QuickChek brand across a growing portfolio.

Speaking of future growth, Slide 11 presents the historical store additions and the planned future additions as they stand today. As we begin to consider opportunities like how best to optimize Murphy's existing formats, how to brand the QuickChek offers within a Murphy store or where to expand the QuickChek brand outside its core markets, we will look to optimize our capital spending against the highest returns. Fortunately, for both firms, our established real estate teams have built healthy pipelines of new store locations for future growth.

Slide 12 highlights the financial impact, most of which has already been covered. We expect to close the transaction in the first quarter of 2021.

I would like to end our prepared remarks today by framing the QuickChek acquisition through the lens of our value creation formula, as shown on Slide 13. Most of you are familiar with this framework, which we have used over the past several years to highlight the drivers behind Murphy USA's superior performance around shareholder value creation.

When you look at the ultimate impact of this acquisition, you can see that it reinforces our core strategies. Organic growth remains focused on building and rebuilding where we have the right to win. With QuickChek, we have more great customer offers to win with and more market opportunities than before where our winning positions can be further improved.

As we focus on direct and reverse synergies, we will increase the productivity of our existing stores as we leverage the distinct capabilities of each firm and the ideas and innovation of our combined teams. As we take this transformational step in our updated capital allocation strategy, we demonstrate ongoing discipline by realizing earnings accretion through synergies, maintaining balance sheet flexibility and sustaining shareholder distributions. Taken together, this transaction positions Murphy USA shareholders very well from an earnings per share growth standpoint.

Even though this is our first acquisition, as we look back over the past few years at the transformational journey Murphy USA has been on since its spin, the approach we took will actually be similar in many ways to the approach needed for a successful integration. This approach includes the need for strategic clarity and alignment, strong leadership and culture, a focus on building sustainable capabilities, transparency and accountability for results and capital discipline.

As we got to know more and more about QuickChek, its people and its own journey, we quickly recognize that its leadership values and culture were very much aligned with ours. As such, we are truly excited about the new opportunities before us and look forward to a relatively quick close in the new year. With that, operator, we will open up the lines for Q&A.

Question and Answer

Operator

[Operator Instructions] Your first question comes from Ben Bienvenu with Stephens Inc.

Benjamin Shelton Bienvenu

Stephens Inc., Research Division

Congratulations. I want to ask maybe just starting bigger picture as it relates to capital allocation strategy. You alluded in October that there were some amendments to your legacy strategy, and now we see this deal today. I'd be curious to hear a little bit from you as it relates to looking back to October, as you thought about pivoting the strategy a bit and supplementing historical buyback with potential M&A and dividends, how much do QuickChek figure into your calculus at the time I assume heavily? And how did you get comfortable for that?

We see the merits of this deal, the metrics associated with this business looks fantastic. But how do you think about sustaining those 2 strategies, the legacy strategy that has resulted in significant shareholder value creation with this new additional strategy that you're adding? Because I think the -- it's a significant investment that you're making and the price at least on a headline basis is not -- it's a serious price. So I'm curious to hear your thoughts around how you got comfortable with that and how your shareholders who've gotten comfortable with your legacy strategy should get comfortable with this one.

R. Andrew Clyde

President, CEO & Director

Sure. Great question, Ben. In many ways, well before October, we had evolved our legacy strategy from building kiosks and small-format stores in front of Walmart supercenters. That's the legacy strategy. That's the big idea that got started in 1996, 1997.

And since the spin, we've undertaken an incredible effort to optimize and extract the highest potential from those assets in that business.

And while there's still opportunity there, we've been very clear for a couple of years that the number of store locations in front of Walmart supercenters that would be best served with a smaller-format store was getting smaller. And so we made that pivot towards our larger 2,800 square foot store. And our real estate team has done a remarkable job over the last 3 years building a pipeline of close to 150 locations for which we can build out that strategy.

As we really looked at how do we get the most value out of that next chapter, especially in the COVID environment, we recognized, look, our food and beverage capabilities or offer, et cetera, needed to improve. And as we talked about in our last earnings call, I thought we were pretty good in some of our categories like tobacco. And as we looked at the journey of going from good to great in that category, an honest assessment of what it would take to go from where we are to even industry average would represent a monumental significant effort. Our team was up to it. We hired resources to be able to begin that journey and are well underway.

But we recognize that, that would be a challenge. And the recognition that our returns on those larger-format stores are already good, but they could be great with that enhanced offer. And so as we look towards that, we were being honest and said, look, if we could buy the capability, we would certainly look at that. Back in October, this process was still very early, right? We had no assurances that we would end up where we ended up. We only got that a couple of days ago, right?

And so our strategy wasn't based on could we do this deal or not, our strategy was based on we would build or buy the capabilities to enhance our food and beverage offer to get the maximum returns from that larger format. And in doing so, we recognize that M&A is going to be opportunistic. We'd be able to leverage the balance sheet to do it, especially for a transaction of this reasonable size.

We've always coveted a conservative balance sheet, and we would not do things in a way that would put that at risk. And therefore, the declaration of the dividend, the continuation of share repurchases, which is something that you can throttle, was something we felt very, very comfortable with because we had no control over the timing at all, and we were committed to the capability building efforts. And in doing that over time, we knew we had excess free cash flow.

So I would say the capital allocation strategy update provided a good framework for how we are thinking about the growth, the optionality that we had, the flexibility that we'd be able to have.

What QuickChek represents, though, and you can see from their incredible numbers the distinct capabilities they have that you recognize would be hard to build and the customer engagement is this is a truly exceptional business, firm, brand and capability set. And so the opportunity to find something of this quality, we would argue, was very scarce and were at that headline multiple.

What we are confident about is the direct synergies are all of the type that we have been effectively doing over the last few years, leverage our capabilities. And the reverse synergies are extremely modest what we've built in.

I'll pause there, Ben, and hope that addresses most of your question.

Benjamin Shelton Bienvenu

Stephens Inc., Research Division

I want to ask two follow-ups. One, when you look at their F&B business, how much of it is portable to your existing base of stores given the square footage constraints that you have across some of your stores, to the extent that you could talk about the pace and magnitude of the portability of those successful concepts that they run today?

And then the second question is the 2.2x leverage, is that based on an LTM EBITDA as well? Because when I look at their EBITDA, QuickChek's EBITDA, it doesn't look -- just based on the gross profit pattern historically, it doesn't look like that would be meaningfully overstated, but obviously Murphy has been over earning in light of the dynamics associated with COVID on an LTM basis. So just want to get comfortable with kind of what the leverage profile looks like in a more kind of steady-state, normalized earning environment.

R. Andrew Clyde

President, CEO & Director

Sure. Let me answer the first part of your question, and then I'll have Mindy address the second part as it relates to the leverage ratio. Look, when we look at their capability, their offer, their performance and apply it to our business, there's 2 lenses that there's only so much we can do with and it's the inherent markets they're in versus the ones we're in and the structural nature of the formats.

And so you shouldn't expect us to say, hey, we're going to fundamentally change the performance of our small kiosks that represent 50% of our network. But there are systemic practices in terms of how you run a world-class coffee program that fit all of our small-format 1,400 square foot stores can transform the existing 2,800 square foot stores and can influence the redesign of the modular Murphy Express format going forward, which can stretch in terms of size, offer, layout, capabilities, et cetera.

And so as we work together with a curious, detail-oriented, innovative set of team members at QuickChek, one of the first things, Ben, we're going to explore is where is the brand most portable, how do we think about the brand in terms of some of the proprietary items within our existing store brand, what new stores would we build with that brand outside of QuickChek's existing market because as you and others know, that customer segment also travels up and down the I-95 Corridor, and so there could be opportunities there as well.

So more to come on that front, but we've been very realistic in terms of the inherent considerations of the markets that we're in, the structural considerations of the store and recognize the biggest initial

opportunities are really around the practices and the execution of those practices without even making major step changes within our existing stores.

Mindy, maybe you can address the leverage question for Ben.

Malynda K. West

Executive VP of Fuels, CFO & Treasurer

Sure. I'm happy to. Thanks, Ben. Yes, the 2.2x leverage is inclusive of our last 12 months number. It is without synergies, however. When we look at the QC side of the transaction, their earnings are pretty tight even without COVID because they have been consistently growing their EBITDA over time with their new-to-industry sites. That calculation for us is based on the numbers that we put out last month, so around the \$700-million-or-so EBITDA number. Obviously, we have benefited from the improved margins that we have seen in the COVID environment. So as we look to next year, you are correct in the sense that the leverage will be higher than 2.2 and will likely creep towards 3x as we get into a more normalized environment. But again, those numbers are not including synergies.

We do have a term loan balance that is all prepayable debt that can help with the denominator of our leverage calculation and then also the synergy capture will help with the numerator to allow us to manage that number. We're still within a conservative boundary.

So we are still adhering to our financial conservatism, but we're accessing what we believe to be a really unique opportunity, which can only help augment our financial earnings power and our conservatism as we go forward into the future.

So hopefully that helps answer your question, Ben.

Operator

Your next question comes from Bonnie Herzog with Goldman Sachs.

Bonnie Lee Herzog

Goldman Sachs Group, Inc., Research Division

Congratulations. I wanted to circle back on something, Mindy, that you just were talking about. I wanted to maybe understand a little bit further, given your capital allocation plan and returning cash to shareholders and given the deal today and then where your leverage is at, what you just talked about, how should we think about your ability to buy back stock over the next, I don't know, year plus, I guess, on this? Like should we assume this will be on pause? Given the capital requirements to build out food and beverage, the capabilities there as well as maybe paying down some debt, should we just assume that the buyback will be on pause for quite some time?

Malynda K. West

Executive VP of Fuels, CFO & Treasurer

I don't think you should draw any assumptions at this time. One thing that we haven't mentioned here is we have cash balances as well. And so we have the ability to manage within our leverage covenants. And so when we announced our shareholder allocation plan in the third quarter, we, as we said before, were kind of already thinking about this as a potential acquisition. And so our intention would be to continue on a go-forward basis. The pace and cadence may change, obviously, based on what it might have been had we not accessed this transaction, but I would not take any of those strategic capital allocation decisions off the table at this point.

Bonnie Lee Herzog

Goldman Sachs Group, Inc., Research Division

Okay. That's super helpful. I appreciate that. And then I also wanted to circle back to an earlier question about rolling out food and beverage capabilities and offerings into your existing footprint. Andrew, maybe just help us better understand what's the opportunity because I know you've been bringing new-to-

industry, larger-format stores to market. So I imagine now the plan is to kind of go back and add in some of these capabilities.

So could you just help us better understand what the real opportunity is just given your existing store base today? And then the requirements necessary, how much capital is required to kind of modify these existing stores to add the food beverage capability? And really, how long you would anticipate this to take, including, I guess, I'm thinking about training for employees, et cetera?

R. Andrew Clyde

President, CEO & Director

Yes. One of the things that really impressed us about QuickChek, Dean Durling, the CEO, described this the 100 steps for doing anything really important. And as you think about the discipline that has gone into developing a world-class and highly recognized coffee program, for example, we're nowhere near having 100 steps from a process standpoint and a consistent execution standpoint.

And so regardless of the categories, there are immediate opportunities where we can adopt the fit-for-purpose offer, supply chain practices that will involve the training of our associates and how to think about the resources to be able to capture the value of that. And so as we initially just think about one of the work streams, it's realizing the potential that exists within the existing stores.

There's a design attribute as you think about, well, how do you optimally lay out a 1,400 square foot store, which will be continuing in the raze-and-rebuilds? We have 2,800 square foot stores underway with certain existing parcels. How do we stretch that to build to include more of the made-to-order, made-to-stock offers that are there? How do we think about branding the stores because the Murphy USA and Express brand stores stand for something in the consumers' eyes today, the QuickChek brand stands for something in the consumers' eyes today?

And so as we think about -- when we introduce that QuickChek offer to our stores, how do we think about the branding within it from a product standpoint and offer within the store? From a capital standpoint, clearly, we had our own capital plan up to 50 stores a year, the raze-and-rebuilds, et cetera. And they have some pretty exciting growth plans within their market, which, you can imagine, have been put on hold as they considered where this process might end.

And so one of the first things we'll be doing as well is stepping back and saying, how do we consolidate the combined network plans, where do we allocate more capital, where do we dial some back based on redesign efforts, et cetera? And that will be one of the first steps that we undertake as well.

So in terms of the 3- or 5-year modified capital plan, that's not something we sat down and developed. But conceptually, we understand what the levers are, where the opportunities are in some of the trade-offs that we would be making as part of that CapEx optimization.

Bonnie Lee Herzog

Goldman Sachs Group, Inc., Research Division

Okay. And I just want to clarify something based on what you've just discussed. Are you going to be adding the food and beverage capabilities to some of your existing store footprint? Or should we just assume that it's a go-forward basis as you bring these larger boxes online?

R. Andrew Clyde

President, CEO & Director

So we are certainly going to -- when you say existing footprint, are you speaking to new-to-industry stores in our footprint?

Bonnie Lee Herzog

Goldman Sachs Group, Inc., Research Division

Yes. Because I guess that's what I'm...

R. Andrew Clyde

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President, CEO & Director

That's one of the things we're absolutely going to look at and explore because that brand means something in the existing markets. And it's a lot easier to expand and stretch that brand into new markets than just immediately stretching our brand towards food and beverage at that level of quality.

And so that will be some things we look at. And certainly, some markets are going to be more appropriate immediately for the QuickChek brand than others.

Bonnie Lee Herzog

Goldman Sachs Group, Inc., Research Division

And I guess that's what I'm trying to figure out because my sense of your store base, many are the small kiosks. So should we assume the potential, is it less than 10% of your store base today that could accommodate the food and beverage offerings? I guess that's what I'm trying to figure out.

R. Andrew Clyde

President, CEO & Director

No. I think the way I would think about it, Bonnie, is within food and beverage, there are a number of platforms, right? And those platforms themselves, whether it's the coffee platform, construction expand based on the size and format of the store and how the customer is using that store. The kiosk, which represents just at 50% of our store base, do not have a coffee program and will not be getting a coffee platform. The other 50% of the stores have the potential to do that at varying degrees. They will all benefit from the "100-step process" from a process standpoint and from an execution standpoint. And they will vary, depending on the size, format market, in terms of the offer expansion of that platform. And as we think about each and every distinctive platform QuickChek has, we'll be evaluating how does that fit a 1,400 square foot store, what trade-offs do we have to make within the other offers, the layout, et cetera? It's all going to be about process and execution.

Operator

[Operator Instructions] Your next question comes from John Royall with JPMorgan.

John Macalister Royall

JPMorgan Chase & Co, Research Division

Congrats on the deal.

R. Andrew Clyde

President, CEO & Director

Thanks, John.

John Macalister Royall

JPMorgan Chase & Co, Research Division

So it looks like the gross profit per store metrics are very attractive at QuickChek. I'm just wondering how the OpEx per store measures up to your legacy business. You've historically had a big advantage there. And I know OpEx was listed as a synergy. Just wondering how big that gap may be given the geographic and business mix differences.

R. Andrew Clyde

President, CEO & Director

Well, sure. I mean you're comparing apples and oranges, if you want to think about our OpEx and focus, especially the smaller stores, the kiosks, versus running a quick-serve restaurant, right, if you will. And so what's impressive about this business is the relationship between the gross profit and the operating expenses. And frankly, that's one of the big challenges as we look to building our own capability is how do you grow the revenue and the gross profit with confidence knowing you've got to add labor. You're going to have waste, you're going to have shrink, right?

But when you've got an established business like this firing on all cylinders, you've optimized the labor. You've got controls and management processes in place around shrink for every item that's put out for every shift at the store. Your supply chain has been optimized. You've continued to innovate across your offers as they have done.

And so what we realize in this acquisition is, frankly, the derisking in the cost avoidance of that very expensive learning curve between where we're at and getting to be, frankly, a fraction of where QuickChek is today, if you think about the industry average. The opportunities around OpEx will certainly leverage our scale as an organization, third-party costs, third-party contracts. We both have labor models, and you do a best-of-the-best review of that. We expect to see some opportunities there. But we've got 2 different businesses when you think about their large formats and our kiosk, and there's absolutely no temptation to try to run the other like the other one, if that makes sense.

John Macalister Royall

JPMorgan Chase & Co, Research Division

Yes, it does. And can you talk a little bit about the competitive dynamics in the New York metro area relative to your legacy geographies? And maybe kind of how they shake out on the price spectrum on the fuel side?

R. Andrew Clyde

President, CEO & Director

Sure. Look, there's a number of really good competitors in that market like any other. There are some like Speedway that is in the process of being acquired by 7-Eleven. And so I wouldn't think that the changes, whatever they are, that 7-Eleven makes with those assets there would be markedly different from other markets. New Jersey is interesting in that it is a full-serve market.

And so when we drove around and did market assessments and tour -- store visits, I'll be honest with you, John, I stopped looking at gas stations because typically, they were 2-pump stores with bays. I started looking for who is selling coffee and who is selling deli sandwiches because that's what this business is at the heart. They just happened through the latest evolution of the format over a decade ago, recognized like so many of their true peers that having a high-volume, large-format for court with fuel would also be a very attractive driver.

And so you've got a lot of complementary traffic drivers, people going for the coffee in the morning and filling up, people getting the fuel because it's convenient and clean and bright and safe and well lit and then running in and getting their convenience items and so forth.

And so a lot of the competitors on the fuel side, which is I think where your question is, are small dealers. And I would expect they would have been more impacted from COVID than this business, which has recovered very well and performing well north of 90% today.

One of the other things that we've talked about and have a very strong view on is I think many, if not most, in the industry and the analyst community have aligned with this perspective that this new fuel volume margin equilibrium that we saw throughout the pandemic will continue because it's rooted in the breakeven economics of the marginal player.

So even when you adjust for the cost of full serve in New Jersey, which is a level playing field, the breakeven economics of QuickChek are very attractive. And we've been able to see the volume margin equilibrium sustained from a fuel gross profit standpoint also.

So I would say the competitive economics for the market is different. And certainly, full serve is different. It's going to behave structurally very similar to other markets. And frankly, when I compare it to some of our markets like Texas, the -- some of the competitive dynamics are not as fierce as what we're used to competing head-to-head with every day.

So I'll stop there and see if that addresses your question.

Operator

There are no further questions. At this time, I turn the call back over to Andrew Clyde for closing remarks.

R. Andrew Clyde

President, CEO & Director

Great. Well, thank you all for joining. I know you will have further follow-on questions, and we look forward to engaging with you on those questions.

We are obviously very excited about this opportunity for what it brings to Murphy USA. And we are confident as you learn more about this strategic acquisition, you will be as excited as we are.

Thank you very much and we also wish everyone a very happy and safe holidays. Have a great day.

Operator

This concludes today's conference call. You may now disconnect.

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