

Raymond James Institutional Investor Conference
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Bobby Griffin: Well, good afternoon, everybody. Thank you for joining us virtually at Raymond James 42nd Annual Institutional Investor Conference. For those that I have not yet had the chance to meet, I'm Bobby Griffin. I cover consumer hardlines retail, specialty retail, as well as the convenience store industry here at Raymond James. Today, I'm pleased to introduce Murphy USA, ticker MUSA. As many of you may know, Murphy's is one of the largest convenience store chains in the United States. In addition, right now is a very exciting time for the company as it just recently completed an acquisition of QuickChek, a Northeast C-store chain that has a very robust fuel and prepared food offering. With us from the company are CEO Andrew Clyde, executive vice-president of fuels and chief financial officer, Mindy West, and Christian Pikul, vice president of investor relations in FP&A.

Bobby Griffin: So for today's format, it's going to be a short presentation from Andrew, followed by a fireside chat and Q&A. Accordingly, if any listeners have any questions, please send them through the chat box function and I will make sure to work them into our discussions after the presentation. So with that, I'd like to first thank you, Andrew, for joining us, and turn the floor over to you.

Andrew Clyde: Great. Thanks, Bobby. It's great to be back with Raymond James. It's hard to believe that last year, at this time, we were actually in Orlando. It's probably the last big event that we went to of this kind or frankly, any kind. So, I appreciate your firm's ability to continue to bring us these opportunities to see investors. I'm-

Bobby Griffin: I hope we're back in-person next year.

Andrew Clyde: Same here. So I'm going to go to the share screen function and see if I can do this successfully. I think I've got it up and running. Can you see it?

Bobby Griffin: Yep.

Andrew Clyde: All right.

Bobby Griffin: It looks good.

Andrew Clyde: Very good. Okay. So, we've got the usual cautionary statement here and Bobby's done the introduction. So, let me just get started with the business. We're really excited about presenting this chart for a couple of reasons. One, we had another year in which our share price was higher than the prior high. The average was higher than the prior average, and the low was higher than the prior low. Someone actually did some work on this and said there's only one other retailer who could say the same since 2013, and that's Costco, and we feel pretty good to be in that kind of company.

Andrew Clyde: So if you think about the bar we set for ourselves since spin, we've grown our shareholder returns by 15% CAGR. If you think then, "Okay. Well, they raise the bar and they continue to do this beyond just the tailwinds that come from the spin, what would you have to believe for us to continue to maintain that trajectory of the 15% CAGR?" And so, I want to be clear here, the 2024 numbers aren't our guidance numbers, but it is what you have to believe. Largely, you believe that you can continue to grow EBITDA, from 550 million to $700 million a year, keep buying back another million shares a year and get at least another half a turn to a full turn on the multiple. For those of you who order coffee at Starbucks, there's an infinite number of combinations in which you could do that, but we believe we have a lot of control over the first two. We also have line of sight between the 550 and $700 million.

Andrew Clyde: We're going to be adding over the next three years, 150 new Murphy Express stores in our larger 2,800 square foot formats, that generate profitability that's ramping up and meeting our expectations. We'll also be doing 75 raze and rebuilds during that period. So, quite confident around our organic growth plans. In addition to that, we've got this core business that we have today, and just the improvements that we expect to see, some of the COVID market structure around fuel that we've talked about that's built into not only the base case, but small improvements over time. Together, our core business and growth make up about two-thirds of that gap. The other third is made up through the QuickChek acquisition. We announced $28 million of run rate synergies by the end of the third year.

Andrew Clyde: During this period as well, we expect to grow QuickChek stores, 20 to 25 stores over that three-year period. So, we've definitely got line of sight to that. We know what that kind of earnings, what kind of free cashflow that generates. So we can continue to do a million shares a year, and then they're totally up to the market to determine our multiple. We do think the QuickChek acquisition helps on that front as well, as you think out to the future with a larger store, with food and beverage, with larger footprints. Our optionality in the future is great here, especially as we take those learnings into our markets and our stores, but also build on that incredible franchise. So, we're raising the bar for ourselves, and it's just a new starting point based on our earnings.

Andrew Clyde: Going to the next slide, COVID absolutely impacted our business, but I would say in a very positive way. It highlighted the resiliency of our business and the agility of our leadership and business model. If you look at the key metrics, obviously fuel gallons are down, but every other metric is up with the exception of station OPEX, where largely that reflects a little bit of PPE cost to support our stores and additional commissions that we put in place to help reward and incentivize our staff, which led to the outside merchandise contribution. COVID impacted our consumers. We have seen purchasing behaviors changed. Trips became less frequent. Baskets became larger. Value focus became amplified. What customers were able to do when making trips to Walmart Supercenters is come to Murphy USA and get products in stock at value pricing that they couldn't get at the typical mom-and-pop convenience store. A lot of that was in the tobacco category, where we saw our carton count go from the 40% of mix range to 60% of the mix where the industry is about 10%.

Andrew Clyde: You saw the resilience of our business, not just ours, but across the industry. You saw lower gallons offset by higher fuel contribution dollars, and we'll speak more to that. The category share gains that I mentioned around tobacco, they resulted from targeted investments. We made several million dollars of investments in working capital to make sure we're in stock to take advantage of certain manufacturer programs. We also did it to help Core-Mark so they can move to once a week deliveries, and that really helped ensure that we always had the product in stock. And we took care of our employees. In every quarter, I had town halls with all of our store employees, and there was always something new that we were able to do to help them address their biggest pain point.

Andrew Clyde: We think coming out of 2020 and COVID, and we certainly talked about the earnings from 2020 being a statistical blip that as investors certainly would have expected you to put in the rear view mirror, we think we've emerged stronger. The higher fuel margins that we're seeing as an industry favor a high volume model. We've believed that we can continue to grow share in categories. The QuickChek acquisition highlights our ability to accelerate the food and beverage upside potential of our business, which we noted back in October, that we were looking for an opportunity to do that. And indeed, we found it with QuickChek.

Andrew Clyde: Turning to slide six, we believe the QuickChek acquisition compliments our value creation story, but it really doesn't change it, right? We're still focused on organic growth. When we talk about building or rebuilding assets, where we have the right to win, we just have more offers now where we have the right to win. When you saw the QuickChek gross merchandise profit per store compared to the industry average, I think people recognized what a special brand that QuickChek was and what incredible performance they have. So, we can optimize our format. We can build out the QuickChek market. Price and brand work we have to do to think about when we put a QuickChek offer inside of Murphy USA, how do we let customers know that? But frankly, I'd rather have that than a Subway brand or a Dunkin Donut brand because we control it from every vantage point.

Andrew Clyde: The biggest part of our EPS growth story in the past was around generating more productivity from our existing stores through distinct capabilities. What did we do? We just acquired another very distinctive capability with QuickChek. We're going to enhance their profitability because of our scale and strength. We solve their biggest challenge, which is how do you keep growing this incredible business given that when you're about 100 to 150 stores, you just don't quite have the scale and the free cash flow generation to do that without taking on more debt? We bring that. They solve our biggest challenge around increasing food and beverage contribution across our network and there's opportunities to align our investments in technology and process. We've had a team up there every week since closing, sharing ideas in a very collaborative manner based on our shared cultures, and we're both excited about moving this forward.

Andrew Clyde: Last but not least, I like to think we've been very disciplined in how we've executed our capital allocation strategy. Through QuickChek, we're going to build and realize earnings accretion. We already got a headstart on early expectations through an incredible debt offering that came out with better terms and lower rates than expected. We're going to maintain our balance sheet flexibility. We're not looking to pay down our debt. We're looking to grow earnings to get back below three times if we peak above that at this time next year and sustain our shareholder distributions, including share repurchases.

Andrew Clyde: The next few slides build off this framework. We really believe our business is poised to accelerate in 2020. We'll talk about accelerating high quality growth, improving store productivity, and a little bit more about a fundamental belief of why we believe industry fuel margins will continue to move higher, and how 2020 was really an anchor point in a trend that was already taking place. So we'll walk through the next three slides, which this framework highlights. Talking about high quality organic growth, we're going to be building bigger, better stores, up to 55 Murphy and QuickChek new-to-industry stores. The incremental space is dedicated to higher margin non-tobacco products. We've got a multi-year pipeline already in place to maintain north of 50 stores a year.

Andrew Clyde: And so, if you look at the annual square foot additions to the right, we're more than doubling the square foot additions from fewer stores from these bigger stores versus what we were doing back in 2015 and '16 with the Walmart 200 program. We're leveraging that higher performing format to achieve better performance. The new build class volumes remained robust in the early years, despite the COVID pressure. If you see on the chart to the right there, the fuel volume for the 2,800 square foot stores versus the network average in 2020, they continued to outperform.

Andrew Clyde: Merchandise sales were strong in 2020 and expected to ramp further. Again, to the right, those larger stores outperformed the network average. That's without the food and beverage performance of those stores, because it was largely turned off during COVID. And so, that allow us then to accelerate into higher margin food and beverage through the QuickChek capabilities. You can see there on the chart to the right, we're 59% gross profit from tobacco. They're 13.

Where we're 1% drink and food service profit, they're 52. And so, what we're going to do is take the learnings, the know-how, the process, the supply chain, the sourcing, the flavors, all the various things that make their capability a winning capability and apply it on a fit-for-purpose basis to our format, which are clearly different than QuickChek's.

Andrew Clyde: Improving store profitability has been a hallmark of Murphy USA since the spin. Frankly, it's one of the things that gives us great confidence about our first M&A opportunity because we've been transforming our business over the last several years, and it's those same muscles that we'll use to integrate and transform our existing operation and generate synergies from QuickChek. We've talked about our fuel breakeven metric going from over 3 cents at 2013 to close to zero, which is certainly our stretch target this year. There's a problem with the metric when it goes below zero. If you grow fuel volume, the metric gets worse. So we're going to be shifting our focus to coverage ratio, and it's basically how merchandise margin covers operating expenses. For a number of years, this business was stuck in the 90% range. Since the spin, with the improvements we've made, we've grown that coverage ratio significantly to north 117%. And so, we'll look to continue to grow that.

Andrew Clyde: As we think about adding food and beverage, we want to grow merchandise contribution well and in excess of any costs that go with delivering the higher revenue. We believe that we're going to be able to sustain the 2020 gains in 2021. The strategic focus we've had on our tobacco capabilities, whether it's our supply chain or pricing or Murphy Drive Rewards promotional capabilities, those have been in place for a number of years. What they really did was take off in 2018 to 2020, and the results were just amplified in 2020 as we disproportionately gained share. That low-price value proposition, the additional value for Murphy Drive Rewards wins with consumers, and especially as consumers remain starved for value.

Andrew Clyde: Last but not least, improving the in-store capabilities with the QuickChek acquisition. I think there were two surprises with QuickChek. One, that Murphy USA was in the mix and the other is when we revealed them just how strongly they performed in terms of merchandise gross profit per store versus the NACS average or some of the other competitors. And so, it's unlikely they're going to get us immediately to the NACS average, given the large number of kiosks in our mix, but it gives you a sense of if you started building more of those formats, including in our market, the kind of performance one could expect to see.

Andrew Clyde: This last chart is the one we probably get the most questions on, because it not only anchors 2020 performance, but it anchors the 2021 standalone Murphy performance of 500 million for which we built the QuickChek in year one synergies on. But the fundamental story is something we have seen in the works for a number of years. The breakeven economics have been under pressure for the most marginal retailers. As they've lost volume to larger formats or aggressive competitors on fuel or tobacco and other items, if they've seen cost inflation, their breakeven requirement, and you can look at the bottom half of

the NACS average, the bottom quartile has been creeping up. That means they require more fuel margin to just cover all of their cash costs.

Andrew Clyde: With COVID, what you saw was in one short period of time, what happens when the denominator of that fuel breakeven metric is cut in half. Someone with a 20 cent breakeven now has a 40 cent breakeven. Someone has a 10 cent breakeven now has a 20 cent breakeven. But guess what, someone who has a half a cent breakeven like Murphy USA, we actually improved our breakeven last year because of our outsized merchandise gains, our cost discipline and the relatively lighter impact on fuel volume. And so, as you see on the chart on the right, this chart shows the quarterly change in RBOB prices for gasoline and our retail margins. And there's a pretty strong relationship there, right? As prices fall sharply, we know the street price lags. That's when we earn higher margins. When prices rise, street prices lag on the way up and our margins compressed. There's a pretty strong relationship there.

Andrew Clyde: What you can see is every quarter in 2020 was well above the line. We continue to see in 2021 evidence that we are earning higher margins than we normally would in a similar price environment. We've seen some pretty significant price increases since the beginning of the year. Fuel margins represent a primary lever for the marginal retailer to maintain their profitability. This is a pass-through industry. We all have these giant signs that post our prices. Where we've seen prices up north of 40 cents per gallon this year, if someone's breakeven has gone up, when volume has finally stabilized, five cents, they will pass that price through to consumers. And then high volume, low cost retailers are able to make a decision about how much of that increase do we take in margin or volume or both.

Andrew Clyde: Ultimately, it's a market by market decision, but we expect margins to remain volatile, as we've already seen this year, but at expected higher absolute ranges than one would expect. Frankly, both Murphy and QuickChek are advantaged. High volume retailers will benefit from those, those with the lowest breakeven economics. We believe this is really a historical pattern. If you look to the bottom right, you can see the national rack-to-retail margin index just running up over the years based on a number of factors from industry consolidation to recessionary pressures, to other things that impact the cost structure of the marginal player.

Andrew Clyde: Turning to slide 11, well, capital allocation is going to remain important, and in our view, it's going to remain balanced, but we have a lot more optionality. Certainly, our mindset since the spin was a balanced approach between share repurchases and capital expenditures, and we're able to do this out of free cash flow. Frankly, the discounted valuation that we saw and the nature of the type of growth that we experienced improvement programs, where you only got the benefit when you actually proved out the results created a window for us to buy shares at a discounted rate. We're going to continue to invest for the long term in 2020. We acquired a complimentary business with a differentiated capability.

We utilize very low cost of debt to be able to do that and right size the balance sheet.

Andrew Clyde: Frankly, in 2020, we had record share repurchases while initiating a dividend. So demonstrating the maturity of our business, the confidence in our business with those shareholder distribution programs. Look, as we continue to grow this business north of 550 million of EBITDA, we're going to be generating more free cash flow. As we've said, we're going to grow our way to below three times, if we get above three times on our debt level and we'll be able to have plenty of opportunities to continue to buy back shares both relatively and if the market discounts our shares on some short-term basis.

Andrew Clyde: So look, as we wrap up, I'd say, look, we believe the fundamentals remain very favorable to our business. Our advantaged business model was put to the test in 2020 and it emerged stronger. I think right after this meeting last year, we were wrapping up the writing of our annual report, COVID was front and center. We said with confidence that we believe Murphy's business model would respond with resilience and agility, even though we did not understand fully what was in front of us, and we would emerge stronger as a result and could afford to be bold. I think we did all three of those things, and especially in terms of making bold moves, buying back stock, acquiring QuickChek while maintaining our capital plan.

Andrew Clyde: We've got to get on our shareholder letter and finish that for this year, and we've got to now look forward to what's in front of us. It's about a very positive outlook. If you think about the current dynamic environment, it's advantage to the industry structure supporting the higher margins. The QuickChek format provides the means to shift to a higher multiple category growth. I think some think of that also in terms of terminal value and the categories that we're going to be advancing in. Frankly, the free cashflow generation is going to give us the flexibility to adapt to any short, medium, and long-term opportunities or challenges that we face.

Andrew Clyde: Certainly, there's a lot of regulatory uncertainty out there with the new administration, and we believe we're positioned to win and what's going to be an ever-changing future. I think the pass-through pricing dynamics sustain profitability and even enhance it for the low cost retailers, like Murphy USA. Our strong market and customer demographics create some level of relative insulation, even a moat, if you could use Warren Buffett's term, around some of the changes that are likely to be out there that will impact our customers and markets last. We think we're now very well positioned to execute on new opportunities to improve our long-term terminal value while keeping an eye on the current value as well. So, Bobby, I'm going to stop the screen sharing there.

Bobby Griffin: All right.

Andrew Clyde: We can go to Q&A.

Bobby Griffin: Yeah, I think that works. We're good to go. All right. Well, I appreciate it. That was a very thorough presentation and a lot of good information. So maybe to kick us off, just one quick question that we've gotten a couple of times over the last week, and then we'll switch to something a little bit more longer-term. But the recent storms across the Southeast winter weather kind of on everybody's minds impact your markets, your business. Really more importantly, how does your business typically recover in those types of things? I know we've seen Hurricane Harvey before and some other different aspects like that. This might be a little different this time over the last week or two.

Andrew Clyde: Yeah, different, but similar. We had pre-buying and post buying on the other side of it. There're going to be vehicle miles traveled that just won't get traveled. And so, you just expect that it won't fully recover. I've spent over 30 years in Texas, I've never seen temperatures below zero with that much precipitation, the Houston Ship Channel freezing. And so, it was as widespread as Harvey. I would say the devastation was not the same. The number of households impacted was probably significantly greater, and I think it just exposed a whole host of issues out there. I mean, we had over a hundred stores impacted at some point. We didn't have that many that lost power, but it was a challenging week to say the least.

Andrew Clyde: So I think we're well prepared for things like this through our hurricane planning. And so, we're able to take care of our people and our customers and do that in a responsible way. But at the end of the day, there'll be some vehicle miles that won't get traveled, no major damage or issue to stores like we saw at Hurricane Harvey and hopefully our consumers will get back to normal quickly.

Bobby Griffin: Absolutely. Now, maybe moving gears a little bit towards QuickChek and really the 2,800 square foot stores that you're were on out for the Murphy footprint. So when you look at the first year, first year and a half opportunity, what is some of the building blocks or the blocking and tackling you want to accomplish on the integration to get some of the QuickChek learnings into those new 2,800 square foot prototypes, where when we get into 2022, we have the improved beverage offering that's even better than what we have in 2021 and we're really building on those new FMB capabilities?

Andrew Clyde: Yeah. Well, look, I think the first six months, you will be learning, really taking an approach of what makes their model tick, what makes it special, how do they achieve it, really understanding the process, the supply chain, the marketing, the execution, the metrics, I mean, it is a well-run business. I can't tell you how many calls I got congratulating us, but also just speaking highly of the former CEO and how well run a business it is. So step one is just to really learn what they're doing and then jointly understanding how do you make that approach work in a smaller store where you're not going to have a kitchen. You're not going to have a made-to-order sandwich model, but you're going to have grab and go.

Andrew Clyde: So you still have to think about food handling and safety at a higher level. You still need to think about menu and supply chain. If you've been to the average C-store, the wrapped ham and cheese or tuna sandwich is nothing to get you very excited about, right? There's an opportunity to do something differentiated and better, better in those stores, but you've got to have a supply chain that could deliver daily or every other day to be able to do that. On a coffee program, they have their own roaster and have perfected the flavor profile, which I love, and I think it fits very well for our customer segment. I think it's understanding, "Okay. How do you get that into our market? How do you adapt flavor profiles, et cetera?" If you start building bigger stores in our markets, what adaptation would you need to do?

Andrew Clyde: That's going to be further down the road as we think about that, similar to how might you redesign the 2,800 square foot stores to take on maybe aspects of the program, where if you say, "We think we can move a higher volume freshly brewed coffee," do you move back to that model from the bean-to-cup model that we have currently? So needless to say, there's going to be a lot of learning and understanding how do you make that fit for purpose to our model. We also have to think about branding. How do you tell a customer that this Murphy Express store has this offer and this other one doesn't, especially if it's a Murphy USA? And so, today people brand franchises. You might see a Subway on the store. I'm excited that QuickChek in the North New Jersey face off of Italian Subs came in second behind Prime Hoagies, and it was well ahead of a Subway and Jersey Mike's, which finished towards the bottom half of the pack.

Andrew Clyde: And so, that brand means something to a certain group of customers. Some of those know that brand in our markets. And so, how we introduce that, how we communicate that as part of the work that we have to do as well. So, that's going to take some time to do. Meanwhile, the teams are going to be busy on the low hanging fruit that you get from scale, from synergies around fuel supply contracts, how we go about fuel pricing in the same software, but differently, how we think about some of the other systems and processes where there could be duplication of efforts or systems and the like. I think one of the things you recognize, again, when you have 150 stores versus 1,500 stores, there may be different levels of automation, that you haven't spent the IT budgets on that we do. And so, we're looking forward to understanding those in this first hundred days and developing a plan to work against those in the second half of the year as well.

Bobby Griffin: And then when you look at the new store opportunities for QuickChek in your own brand, but more first, I guess, on QuickChek, is it centered in the current markets, or do you see new market growth, you could bring that concept down South and resonate with some of the consumers or even maybe with the demographic shifts that we're seeing from people leaving the Northeast to come join us down in the sunny Southeast?

Andrew Clyde: Yeah, I think a lot of them have already made that move, and some, I think, they call them snowbirds, do it on a migratory pattern. Look, the growth that we see

near-term with QuickChek is in their existing markets, there's already a pipeline of stores. It's obvious they slowed things down a little bit, not knowing who the winner of the process would be. Certainly, there were players in there that might've rebranded it versus our approach to keep the brand and leverage and grow the brand. And so, the foot's back on the gas pedal from a construction standpoint and we see plenty of attractive opportunities in those markets.

Andrew Clyde: We do believe as you go down I95 to where it dead ends in your neck of the woods, that there's opportunities to do more with the brand. I think that's some work that we have to do over time. Certainly, a market like Florida, the real estate is in a hot competition. We see that for the one acre plots we go after, and permitting takes a lot longer, typically 18 months or more. So, it's not something that would happen overnight and certainly some work that we need to do on that front.

Bobby Griffin: Yep. Shifting gears maybe back to that 700 million EBITDA to keep the 15% CAGR going, it seems like a lot of great visibility in there between the 150 large stores that will put off a certain amount. I don't know if it's 20 or 25 million and once they get ramped up in EBITDA, 50 a year, plus the raise and rebuilds. So great visibility into those. One of the questions we get so much is what is baked into the fuel pricing environment from a rational behavior? I mean, right now, everybody's volumes are down so they're behaving a little bit more rationally, having to keep margins. But if volumes go back to normal, call it or get close to being back to where they were pre-COVID, do you think the rational behavior changes? Or what have you guys assumed to try to get to that 700 from a competitive environment?

Andrew Clyde: Well, certainly for our guidance this year, for our 500 piece of the 550, we guided 17 to 18 cents and some of that has some of the QuickChek margin in there. But look, largely that's an improvement on our side over historically a little north of 16. Here's the question I think you've got to ask yourself is if volumes get back to prior levels, will we all share equally in that return level of volume? I think our point of view is customer behaviors have changed. We've seen it on fuel. We've seen it on tobacco. Our sense is, the marginal player is used to having this higher margin. They'll keep that higher margin. They'll accept a lower volume and the customer traffic won't come back equally. If you look at where we were ending the year and where we started January, our numbers were well ahead of the national and regional averages.

Andrew Clyde: And so, we're not doing anything unusual to keep those market share gains. It's our regular type of pricing, our Murphy Drive Rewards, our great customer service, our in-stocks and whether that's fuel or tobacco. And so, unless customer behavior shifts back and they're willing to give up that value in that service and other things, I wouldn't expect volume to return to normal at a store by store level.

Bobby Griffin: I guess switching over to Murphy Drive Reward, I mean, that program was off to a really impressive start, getting a lot of focus from our side of the street, as well

as investors. Then, of course, the pandemic hit and we shifted focus, but maybe just an update on how Murphy's Drive Reward is progressing and where we're at in really optimizing the learnings from, continue to get more better data on your customers from that program and more and more people signing up. So, where is that in that journey?

Andrew Clyde: Yeah, I still say we're very much in early innings. It was a game changer for us to have during the pandemic. It was another way to pass on additional value. It was a way to target value to specific customer segments with the manufacturers. We recently did a tobacco survey and I think we've got over a couple of hundred thousand responses. So now we know everything about all their tobacco and nicotine preferences in terms of why they do what they do, in terms of the stores they frequent, the brands they use and when they shift brands, but we also can align that with longitudinal data that is getting more and more robust. And so, there's a combination there in terms of leveraging data and insights with our partners that I think is second to none. We continue to grow members. We continue to grow participants, and we continue to optimize the program. Frankly, I think there was just so much more that we can do on that front. So I'd still say we're in the early innings on that front.

Andrew Clyde: We got a couple of questions from whether we're going to roll it out at QuickChek, and I think that's one of the things we've got to step back and remind folks, we built this in search of solving a problem no one had solved before. It's how do you generate additional value to create loyalty on a couple of low margin items, fuel and tobacco, when you're already at everyday low price? We found a way to make it work for us. What QuickChek has in their loyalty program is the more traditional off-the-shelf buy seven hoagies, get the eighth for free, buy seven cups of coffee. It's a counting program. And so, we may want to build counting in our program, or we may want to leverage some of the capabilities of their store. I think we really need to do the calculus and the economics to make sure it all works, but we certainly think there'll be more opportunities there. Yeah.

Bobby Griffin: I guess lastly here, it looks we got two minutes left, two or three minutes, but the other news that came out was the renewal of the contract or long-term supplier contract with Core-Mark, just maybe hit on that for a little quickly. Is anything interesting or new capabilities that come out of that, maybe on the non-tobacco side that is getting some good focus from you and the team as well?

Andrew Clyde: Right. Well, look, they've been a great partner since we made the shift four years ago. We worked hard to develop a process that created efficiencies at our stores. I think through COVID, we worked very closely together to help each other out through the pandemic, and certainly, renewing the contract a year early. One of the things we really focused on in the contract was the areas that weren't as important to us four years ago. I think there are really two. There were some other tobacco products, which weren't as big a part of the mix, and then there was the food and beverage side of it. And so, I think with the support

and funding we'll have on food and beverage and the margins associated with that, as we make the improvements take on the learnings from QuickChek, we'll be able to monetize those more effectively through the Core-Mark contract at our stores than the contract we had before or waiting. So, excited to sign that early and to put it in action.

Bobby Griffin: Well, great. Well, Andrew, we're right up on the 5:20 time. So, I want to thank you again for you and the team's support here of our conference and being a part of that again this year. Best of luck here in the first quarter, and hope everybody on has a great rest of the week.

Andrew Clyde: Great. Thank you, and thanks for hosting.