




Raymond James 37th Annual Institutional Investors Conference

March 8th 2016

Presenter: Andrew Clyde

President and Chief Executive Officer

Cautionary Statement

This presentation contains forward-looking statements. These statements, which express management's current views concerning future events or results, are subject to inherent risks and uncertainties. Factors that could cause actual results to differ materially from those expressed or implied in our forward-looking statements include, but are not limited to, the volatility and level of crude oil and gasoline prices, the pace and success of our expansion plan, our relationship with Walmart, political and regulatory uncertainty, uncontrollable natural hazards, adverse market conditions or tax consequences, among other things. For further discussion of risk factors, see "Risk Factors" in the Murphy USA registration statement on our latest form 10-K. Murphy USA undertakes no duty to publicly update or revise any forward-looking statements.

The Murphy USA financial information in this presentation is derived from the audited and unaudited combined financial statements of Murphy USA, Inc. for the years ended December 31, 2015, 2014, 2013, 2012, 2011, and 2010. Please reference our latest 10-K, 10-Q, and 8-K filings for the latest information.

This presentation also contains non-GAAP financial measures. We have provided a reconciliation of such non-GAAP financial measures to the most directly comparable measures prepared in accordance with U.S. GAAP in the Appendix to this presentation.

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Today's presenters



Andrew Clyde, President and Chief Executive Officer

- Appointed President and Chief Executive Officer of Murphy USA on January 8, 2013
- Leads the development and execution of our strategy for creating long-term shareholder value
- Oversees corporate-wide strategic initiatives enabling Murphy USA's growth, margin expansion and cost leadership
- Spent 20 years at Booz & Company leading downstream and retail organizations on strategy, organization, and performance initiatives



Mindy West, Executive VP and Chief Financial Officer

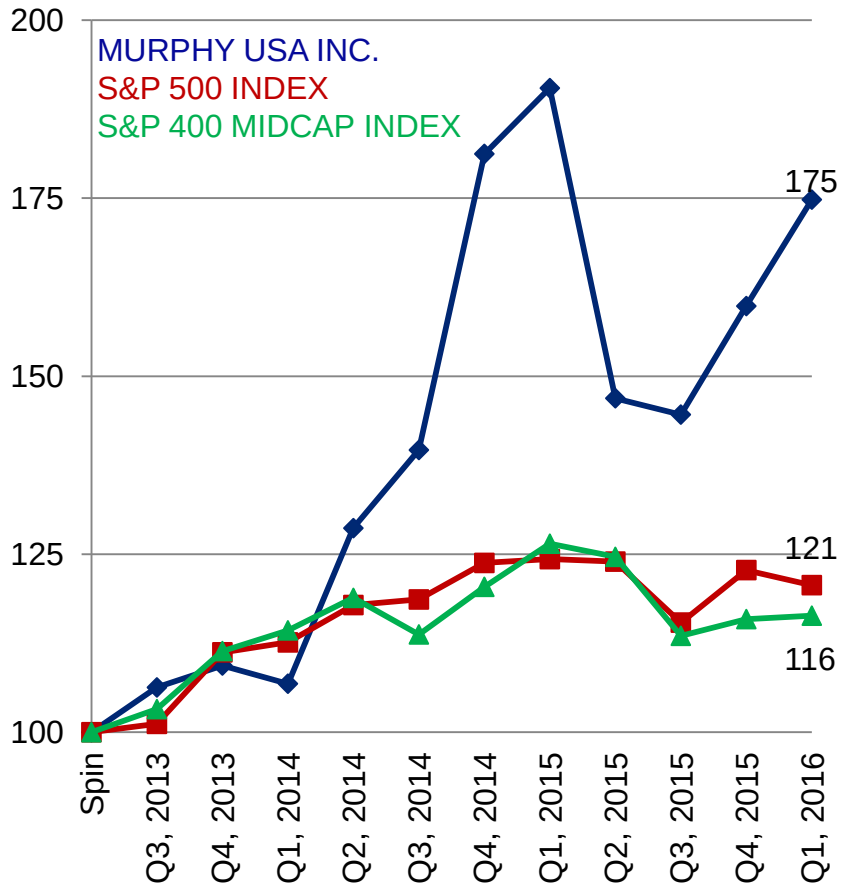
- Joined Murphy USA at spin-off after transitioning from Vice President and Treasurer of Murphy Oil Corporation
- Oversees key resource allocation programs, including site builds, network re-investment and shareholder distributions
- Leads corporate-wide strategic initiatives driving operational efficiencies and systems/processes enhancements
- Spent seventeen years with Murphy Oil Corporation in Accounting, Employee Benefits, Planning, Investor Relations and Treasury roles
- Licensed Certified Public Accountant and Certified Treasury Professional

Murphy USA has a proven and differentiated strategy

- Murphy USA is positioned as a low-cost fuel and convenience retailer in a highly competitive market
- Our strategy to compete has five coherent elements:
  - Grow Organically
  - Diversify Merchandise Mix
  - Sustain Cost Leadership Position
  - Create Advantage from Market Volatility
  - Invest for the Long-Term
- Our business model is resilient to and takes advantage of volatile market conditions
- Our independent growth plan combines efficient unit-growth and shareholder-friendly capital allocations
- Murphy USA has a proven track record of execution since our 2013 spin-off
- We have a very bright future ahead

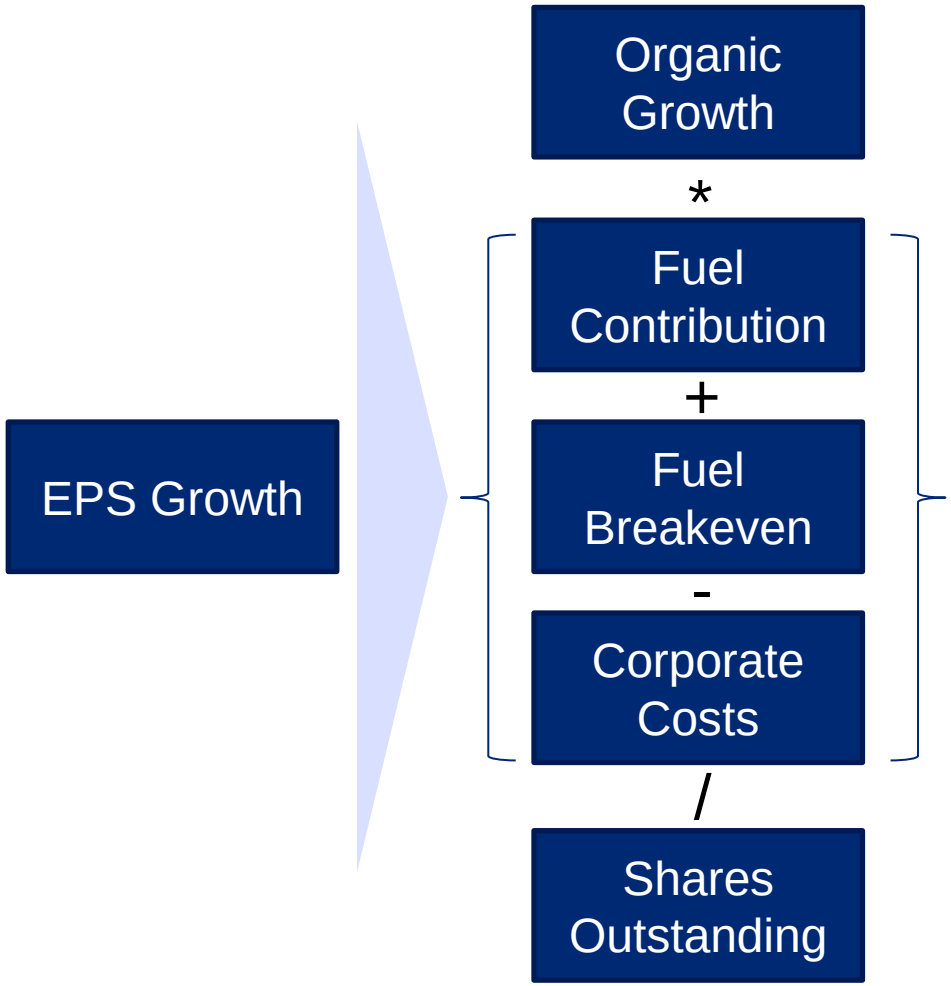
MUSA Relative Stock Performance

Indexed From Spinoff to March 4, 2016



We view value creation through a simple formula

MUSA Value Creation Drivers



Key Levers Illustrated

- Unit growth
- Site selection
- Network upgrades

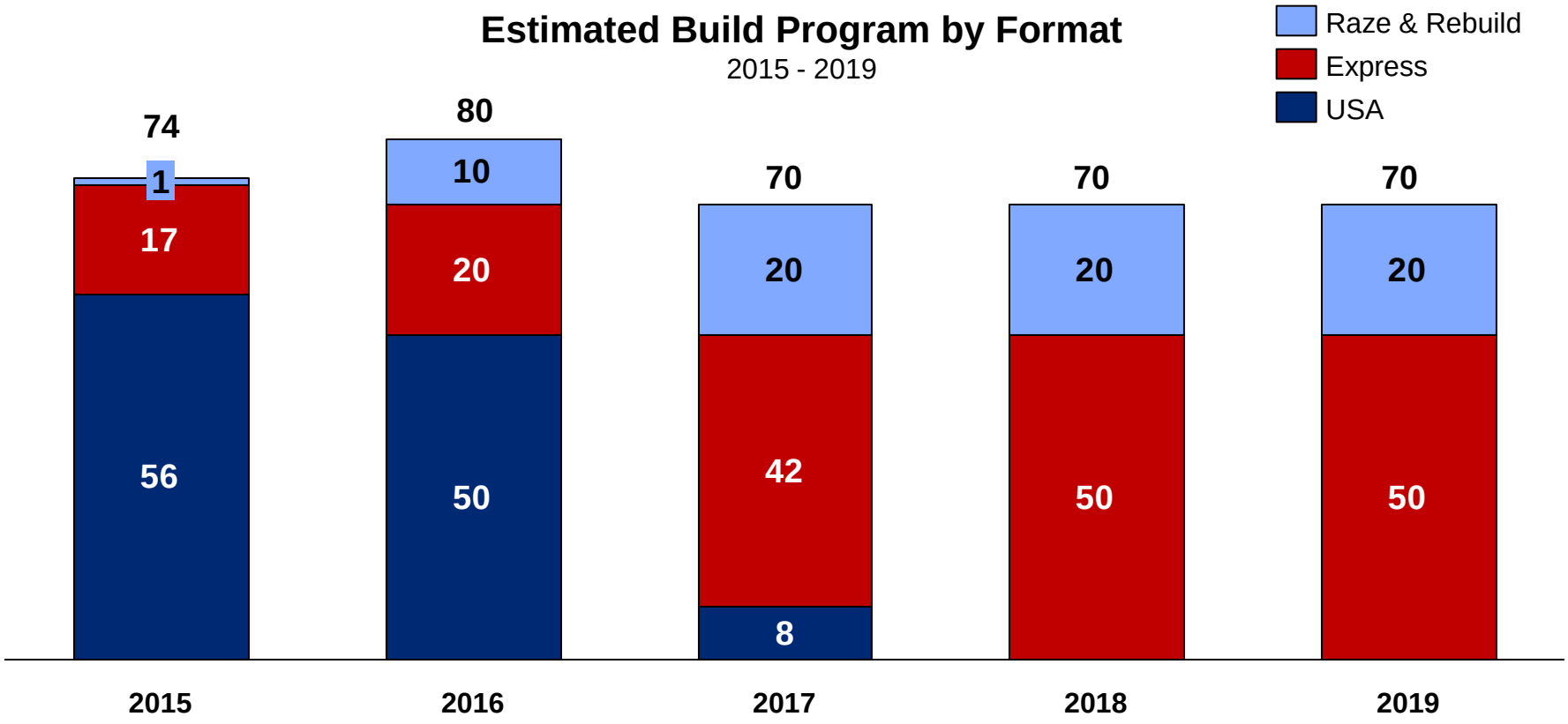
- Fuel market share growth
- Advantaged product supply
- Margin capture through volatility

- Merchandise margin growth
- Step-level and continuous improvements
- Cost leadership

- Scalable systems and processes
- Tax efficient asset sales

- Strategic capital allocation
- Balance sheet flexibility

Unit growth continues with Express stores



Estimated Year End Total Site Count (excluding Raze & Rebuild)				
1,335*	1,405	1,455	1,505	1,555

** Actual*

USA and Express locations achieve similar unlevered returns

USA 1200 Sq Ft Format Economics

Pro Forma

	$K, APSM
Fuel Contribution	46.0
Merchandise Contribution	25.4
Total Contribution	71.3
Site Operating Expense	37.5
Site Contribution (EBITDA)	33.8
D&A	10.3
EBIT	23.5
After Tax Cash Flow (EBIT-Tax)+D&A	24.6
Gross Investment, $M	2,442
Annual Return on Invested Capital	**Unlevered**
ROIC: ((EBIT - Tax) + D&A) / Investment	*12.1%*

Express 1200 Sq Ft Format Economics

Pro Forma

	$K, APSM
Fuel Contribution	53.3
Merchandise Contribution	26.5
Total Contribution	79.8
Site Operating Expense	42.2
Site Contribution (EBITDA)	37.6
D&A	11.9
EBIT	25.8
After Tax Cash Flow (EBIT-Tax)+D&A	27.6
Gross Investment, $M	2,693
Annual Return on Invested Capital	**Unlevered**
ROIC: ((EBIT - Tax) + D&A) / Investment	*12.3%*

Source: MUSA internal analysis

Re-investment opportunities provide incremental growth

Raze and Rebuild Program

- First Raze and Rebuild site completed in 2015
- Kiosks replaced with 1,200 sq ft stores along with more fuel dispensers
- Initial candidates for Raze and Rebuild have:
  - Higher than average traffic
  - Higher than average fuel margins
  - Meaningful uplift potential in merchandise
  - Ability to increase fuel volumes with enhanced product offerings
- A total of 135 potential sites have been identified
- Ten sites are planned for 2016, increasing to 20 sites in 2017 and 2018
- Given the premium locations, we estimate per site unlevered IRR's between 15% and 35%

Refresh Program

- Refresh Program initiated to revitalize aging sites
- In addition to updating and standardizing the look and feel of our stores, the program helps boost revenue as well as lower maintenance costs
- Refresh economics generate 3-year payback:
  - Typical costs of $30k
  - Identifiable 1% uplift in fuel and merchandise sales
  - Lower maintenance expense
  - Enhanced customer experience, improved safety and security, reduced shrink
- Accelerated program began in 2015, refreshing 300 stores
- Plan is to refresh another 300 locations in 2016 and continue at accelerated pace through 2018

Refresh program enhances the customer experience

Upgrades include: Brighter more distinctive canopy to enhance visual aesthetics, restroom upgrades, brick veneer added for better look and durability, dispenser fascia upgrades. LED lights, Super Coolers and other programs further enhance the experience and performance.

Before

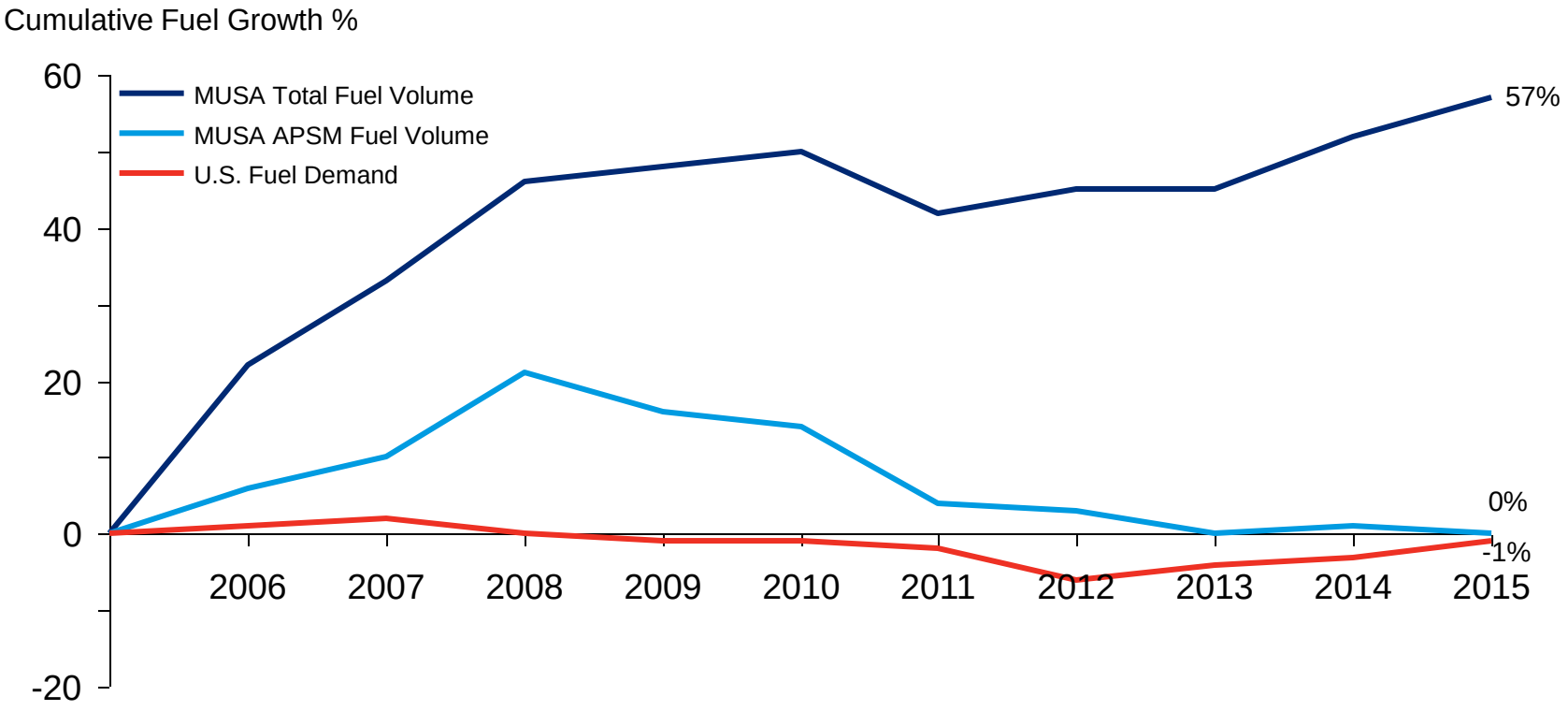


After



Fuel volume growth occurs largely through new store additions

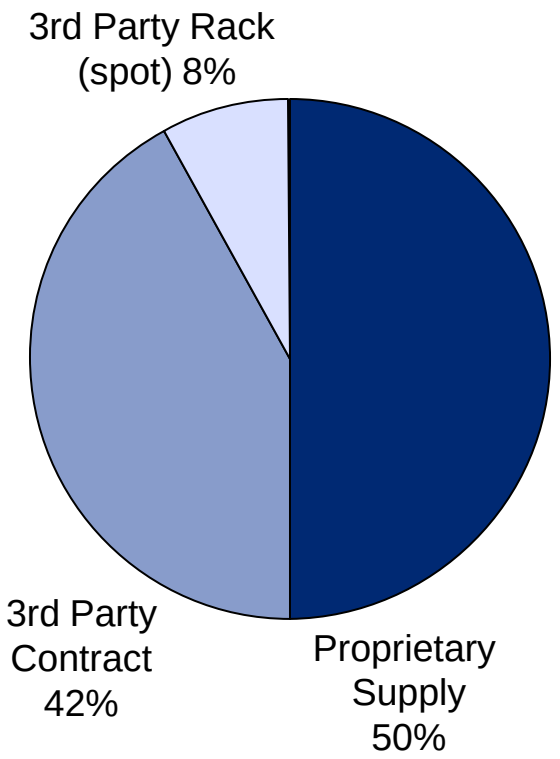
Murphy USA Fuel Volume vs. Aggregate Market Demand
2005 - 2015



Source: EIA

Advantaged cost of supply reflects differentiated capabilities

2015 Supply Mix
Percent of Retail Volumes

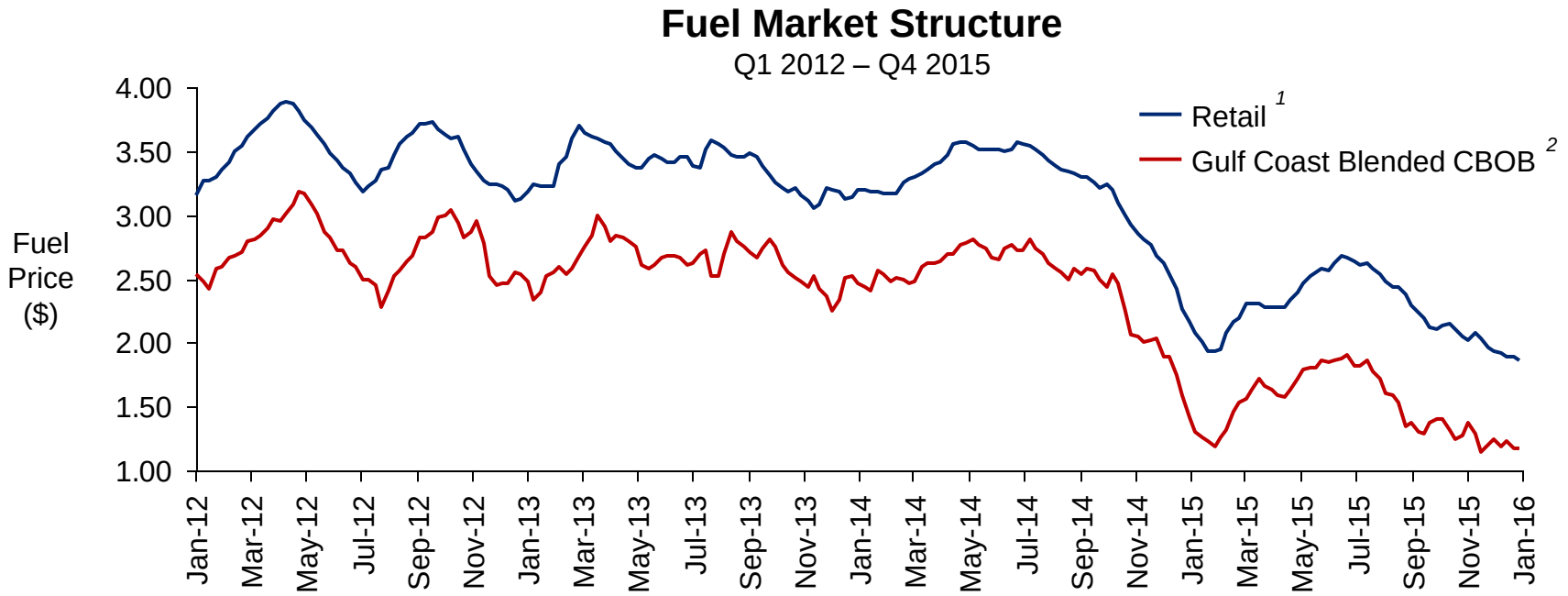


	Definition	Capabilities Required
Proprietary Supply	Purchase and deliver products purchased in bulk	✓ • Access to line space / terminals ✓ • RIN capture through blending ✓ • Wholesale marketing function • Risk management • Working capital
3rd Party Contract	Purchase product from 3rd party on a ratable basis	✓ • Scale / level of retail volume ✓ • Credit • Consistent supply balancing
3rd Party Rack (spot)	Purchase product from 3rd party on posted unbranded price (not ratable)	✓ • Market intelligence ✓ • Network depth / options • Supplier negotiations

Low-cost ratable supply to Retail

✓ Sources of differentiation for MUSA

Margin capture follows underlying price volatility



MUSA Total Fuel Contribution (CPG)

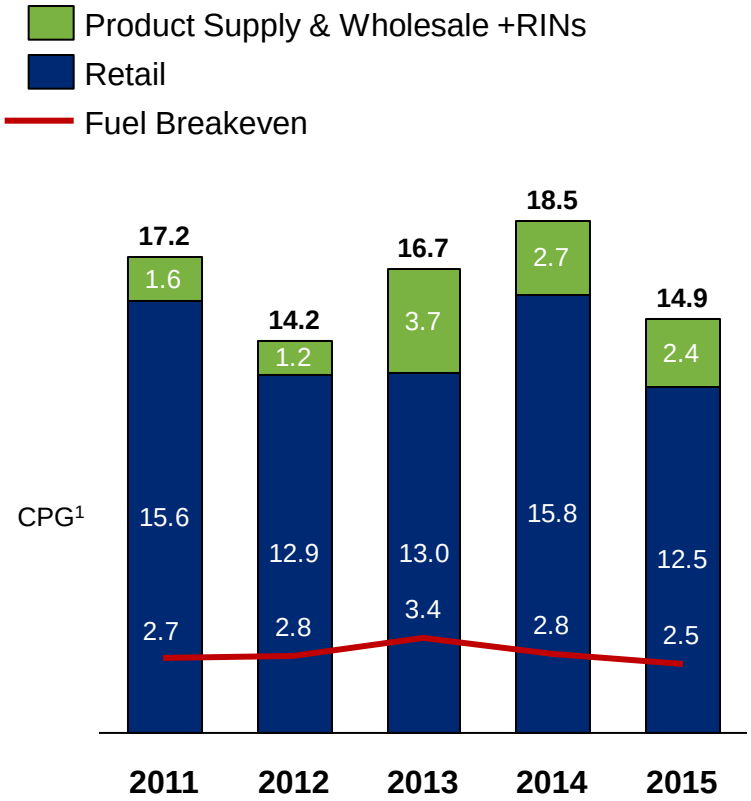
	Q1-12	Q2-12	Q3-12	Q4-12	Q1-13	Q2-13	Q3-13	Q4-13	Q1-14	Q2-14	Q3-14	Q4-14	Q1-15	Q2-15	Q3-15	Q4-15
Retail	7.1	19.7	10.3	14.1	11.0	15.6	14.8	10.4	6.8	13.1	17.5	24.6	10.0	9.0	18.1	12.4
PS&W + RINs	0.2	0.7	1.0	2.5	3.5	3.4	1.0	3.9	4.9	6.6	0.7	(2.2)	3.5	4.7	(0.5)	1.2
Total	7.3	20.4	11.3	16.6	14.5	19.0	15.8	14.3	11.7	19.7	18.2	22.4	13.5	13.7	17.6	13.6

Source:
1: EIA PADD 3 All Grades, All Formulation Retail Gasoline Price
2: ARGUS Gulf Coast Blended CBOB (90% Gulf Coast CBOB blended with 10% Chicago Ethanol)

PS&W plus RINs consistently adds to total fuel contribution

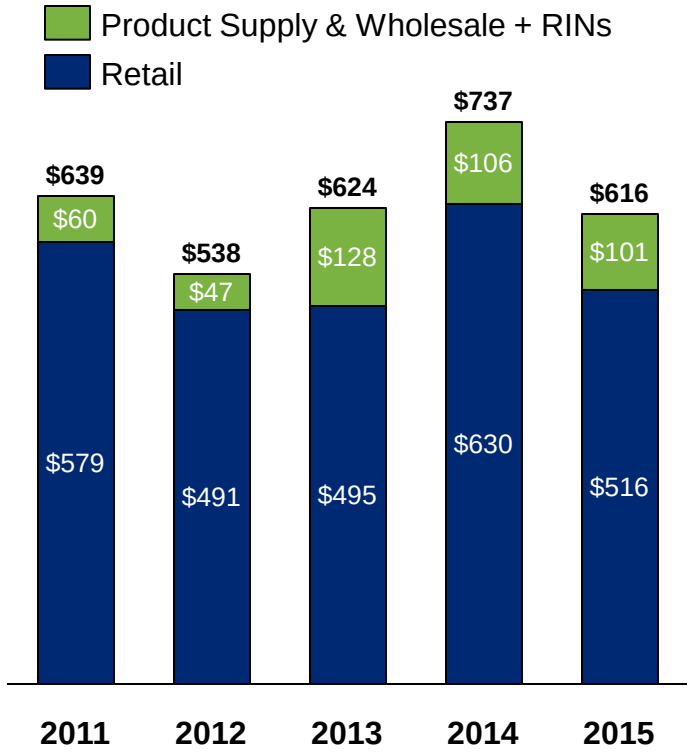
Fuel Margin

CPG



Total Fuel Margin

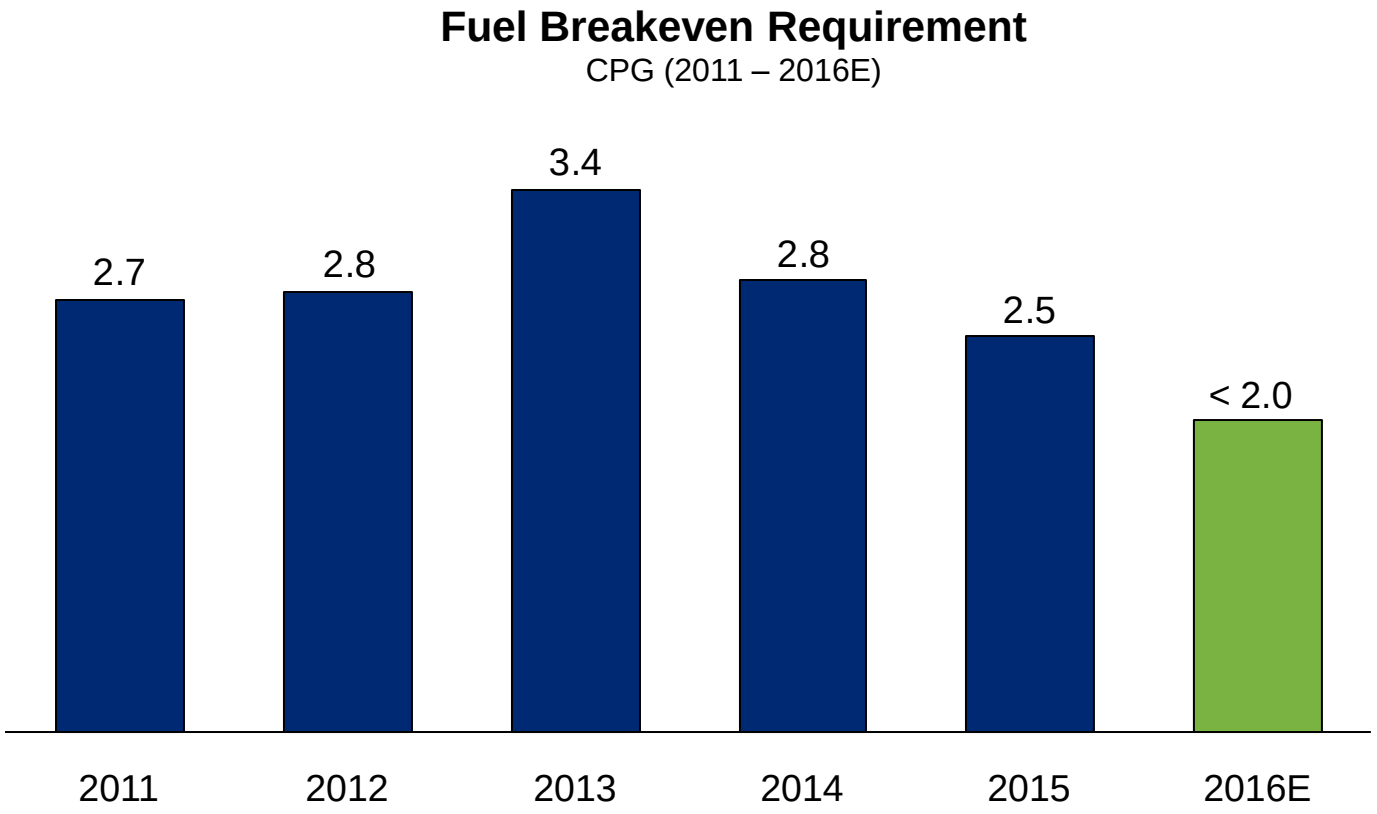
($MM)



RINs ($mm)	3	9	91	93	118

1) *CPG based on retail volumes, before corporate overhead*

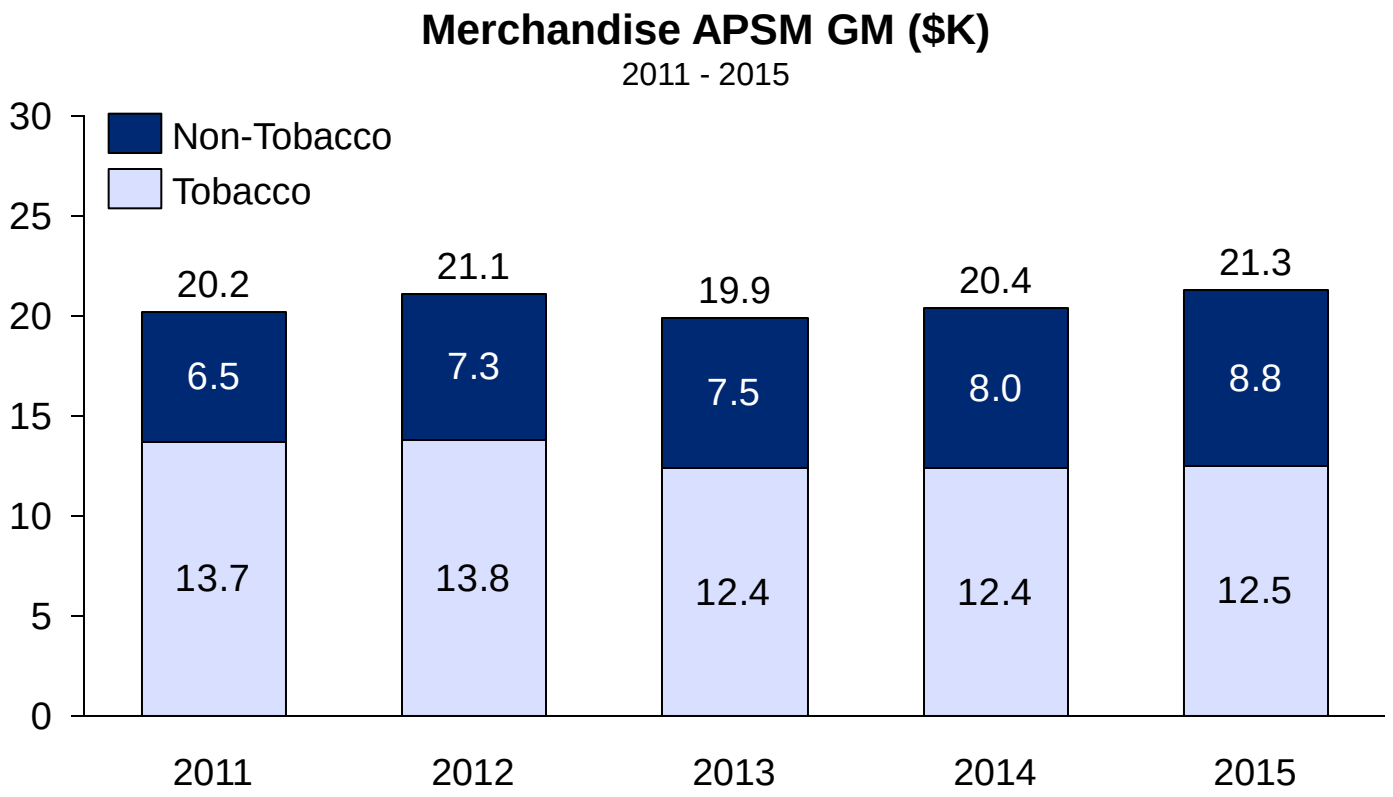
Since the spin we have become more competitive



$$\text{Fuel Breakeven} = \frac{\text{(Merchandise Margin - Site Opex - Allocated Field G\&A)}}{\text{Fuel Gallons}}$$

Note: Site OPEX excludes credit card fees; G&A and Other Costs includes field admin, allocated Marketing and Corporate G&A, misc income/expense, and franchise taxes

Merchandise margins expand with enhanced product mix



Non-Tobacco % of GM$	32.2%	34.6%	37.7%	39.3%	41.3%
Merchandise Unit Margin %	12.5%	13.5%	13.0%	14.0%	14.4%

Step-level improvements support future margin growth

Core-Mark Benefits

- Implemented a 5-year contract with a more transparent, fixed rebate structure
- Store margins improve through enhanced rebates and lower mark-ups
- Lower delivery fees and tighter delivery windows reduce both labor hours and store disruptions
- The nationwide roll-out of Core-Mark products across the Murphy USA network was aggressively completed in February
- Core-Mark has already met or exceeded the service level and fill rate targets
- Investors will see tangible results in performance beginning in Q1 2016

Super Coolers

- Super Coolers enhance the beverage offering outside the kiosk, more than doubling the product capacity
- Higher-margin products are added to the mix, including popular emerging segments such as energy and sport drinks, waters, teas and juice-based beverages
- These high-performance units are energy efficient and maintenance friendly
- Kiosk beverage sales increase 15% after adding Super Coolers, helping to drive both sales and margin growth
- We added 60 Super Coolers in 2014 and 2015 and are planning to add 120 in 2016

Super coolers improve the customer offer

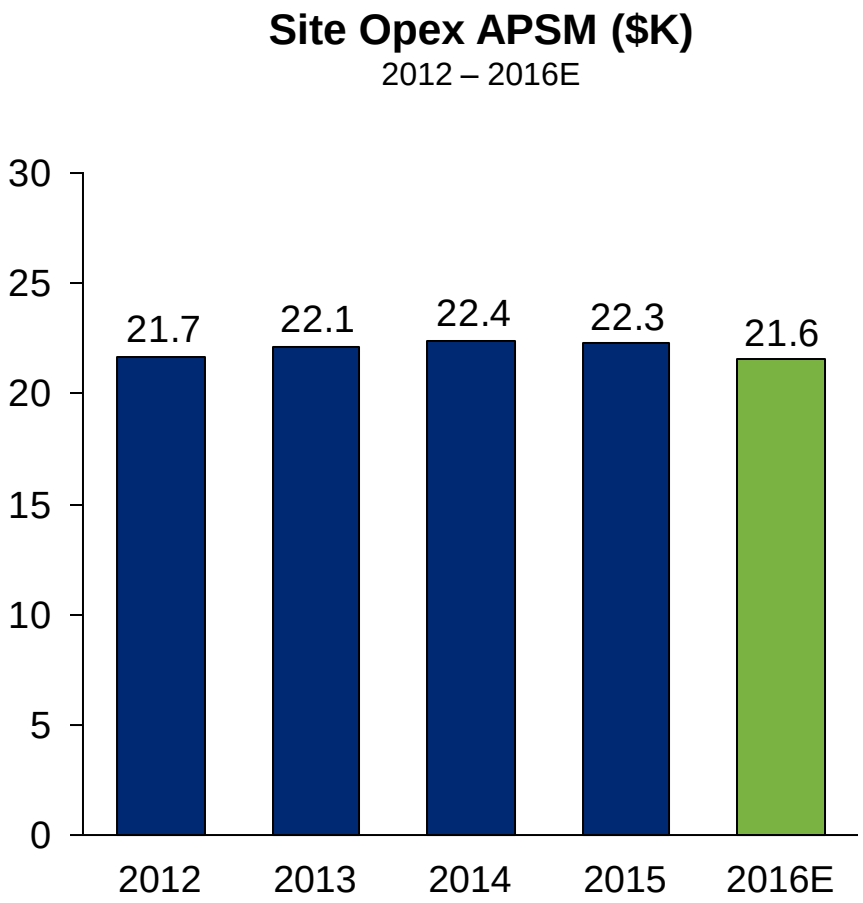
Smaller, Less Efficient



Broad Variety, Increased Selling Space



Cost leadership remains the hallmark of a low price retailer



Site Operating Expense Levers

- Optimizing labor hours through standardizing operating procedures
- Providing clear job roles and responsibilities to optimize cohorts
- Reducing both the level of inventory and hours allotted for inventory management
- Upgrading security, reducing shrink
- Sustaining industry leading safety record

Note: Site OPEX excludes credit card fees; G&A and Other Costs includes field admin, allocated Marketing and Corporate G&A, misc income/expense, and franchise taxes

Scaling systems and processes enable SG&A opportunities

Overview of Advanced System and Process Initiative

- Addressing legacy systems and processes originally intended for an integrated oil and gas company

- Overarching goals:
  - Create process efficiencies, reduce manual interventions, and free up critical resources
  - Build new capabilities; improve existing ones
  - Enhance decision making by increasing access to the right information at the right time

- SG&A related projects in various stages of completion with initiatives covering wide-ranging areas from fuels risk management to information management tools to back office accounting system replacement

- Total program cost of $40 million with estimated full run-rate of $20-$25 million per year in margin and cost benefits, with initial saving beginning in 2016 (e.g., Store Opex guidance down 2-4%)

- Better merchandise inventory management will free up close to $30 million of working capital, practically paying for the entire program

Non-core assets have been monetized efficiently

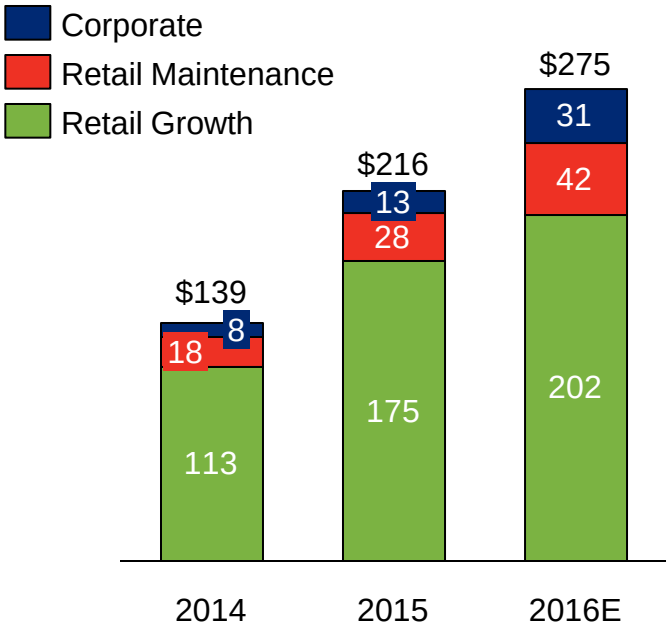
Non-Core Asset	Sale Date	Gross Proceeds ($MM)
North Dakota Crude Gathering System	September 30, 2013	6
Hankinson Ethanol Plant	December 19, 2013	173
Hereford Ethanol Plant	November 12, 2015	98
CAM Pipeline	February 3, 2016	85
	Total	362

Pursuing like-kind exchange treatment

Capital allocation balances growth and shareholder returns

Annual Capital Expenditure ($MM)

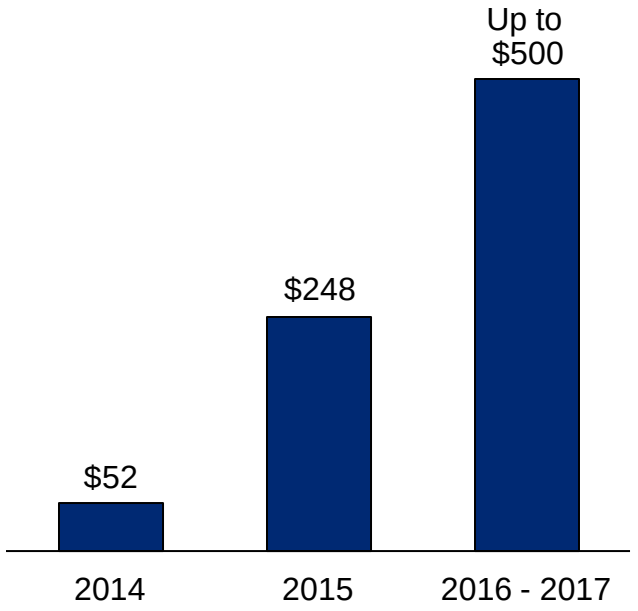
2014 - 2017



	2014	2015	2016
Sites Added	62	73	70

Share Repurchase Activity ($MM)

2014 - 2017



Balance sheet flexibility supports future capital allocation

Capitalization ($K)
As of December 31, 2015

	As Adjusted
Cash and equivalents[1]	$103,335
Debt Outstanding	
$450mm ABL Revolving Credit Facility due 2018	--
Senior Unsecured Notes due 2023[2]	$490,160
Long Term Debt	**$490,160**
Total Stockholders' Equity	$792,290
Total Book Capitalization	**$1,282,450**
Credit Metrics	
LTM Adjusted EBITDA	$353,860
Total Debt / LTM Adjusted EBITDA	1.39X
Fixed Charge Coverage Ratio	0.6X
Debt to Book Capital	38%
Liquidity[3]	$236,835

- Maintain debt / EBITDA target prudently below < 2.5x
- Repaid initial $150 million term loan from early non-core asset sales
- Executed $300 million in share repurchases through 2015
- Announced share repurchase of up to $500 million through 2017
- Positioned to optimize balance sheet with increased clarity on growth pipeline

1) Excludes restricted cash of $68,600
2) Net of unamortized discount of $6,692, unamortized issuance costs of $3,526, and $600 of capital leases
3) Cash balance at Dec 31st plus credit facility available

Taken together, our efforts support robust 2016 guidance

	2015 Guidance	2015 Actual	2016 Guidance
Retail fuel gallons (Billions)	4.1 - 4.3	4.12	4.2 to 4.4
Retail gallons (APSM)	267 - 273	267.9	265 to 270
Retail fuel unit margin (cpg)	9.0 - 13.0	12.5	12.25 to 13.25
Product Supply & Wholesale contribution (Millions)	$40 - $60	($17)	$25 to $45
RIN's (cents per RIN)	10 to 15	54	30 to 50
Total Merchandise Sales (Millions)	$2,250 to $2,300	$2,274	$2,320 to $2,370
Merchandise contribution (Millions)	$315 to $325	$327	$340 to $360
Retail Site OPEX excluding credit cards (APSM % YOY change)	Below Inflation 2015: < 2.1%	0%	-2% to -4%
SG&A (Millions)	$120 to $125	$129	$130 to $135
Store Openings	60 to 80	73	60 to 80
Capital Expenditures (Millions)	$230 to $270	$216	$250 to $300
Adjusted EBITDA (Millions, non-GAAP)	Not provided	$343	$400 to $440

Murphy USA has a bright future ahead for shareholders

- Our proven strategy, our resilient business model and our commitment to shareholder returns remain unchanged

- The recently announced independent growth plan provides clarity on how we choose new sites and how we allocate capital between growth opportunities and shareholder distributions
  - Modest store growth will be concentrated on attractive markets and high-return locations
  - Balance sheet will be optimized, adding appropriate leverage to support our strategic capital allocation objectives

- We remain internally active, with a continued focus on improving our operating performance, building on major initiatives such as Core-Mark and ASaP

- We look forward to building on our track record of executing our strategy and delivering on our commitments to shareholders