

Murphy USA Inc. (MUSA)

2017 Jefferies Consumer Conference

Nantucket, MA • June 20, 2017







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, 2016 2015, 2014, 2013, and 2012. 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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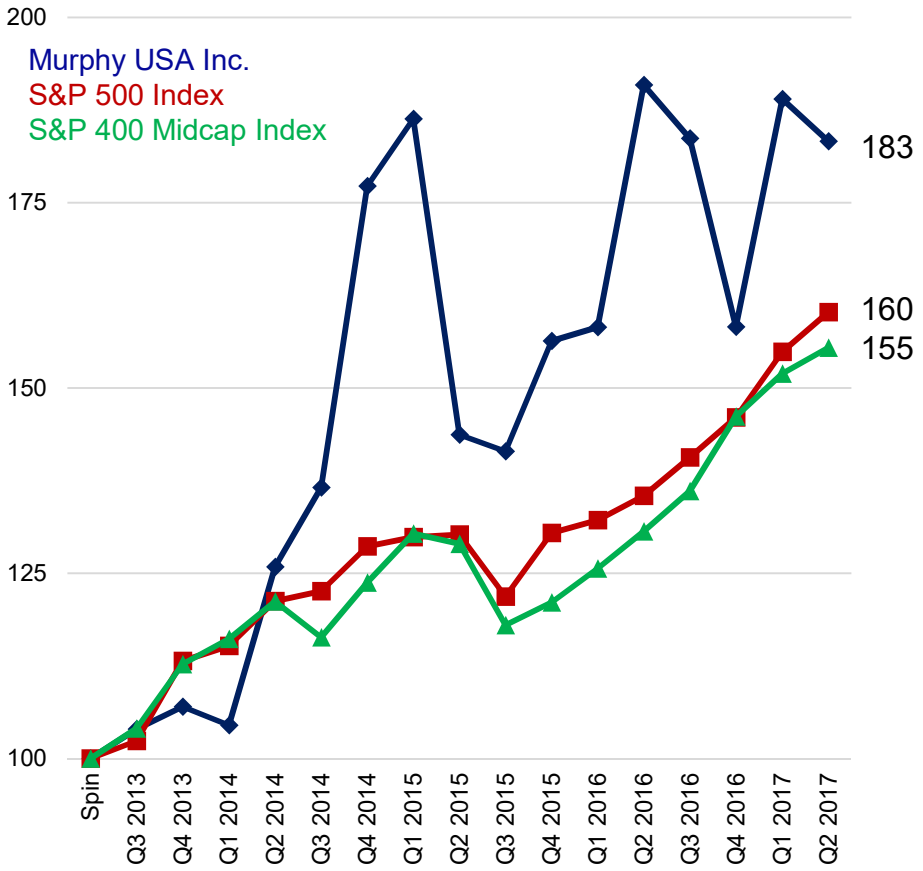
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Murphy USA continues its proven and differentiated strategy

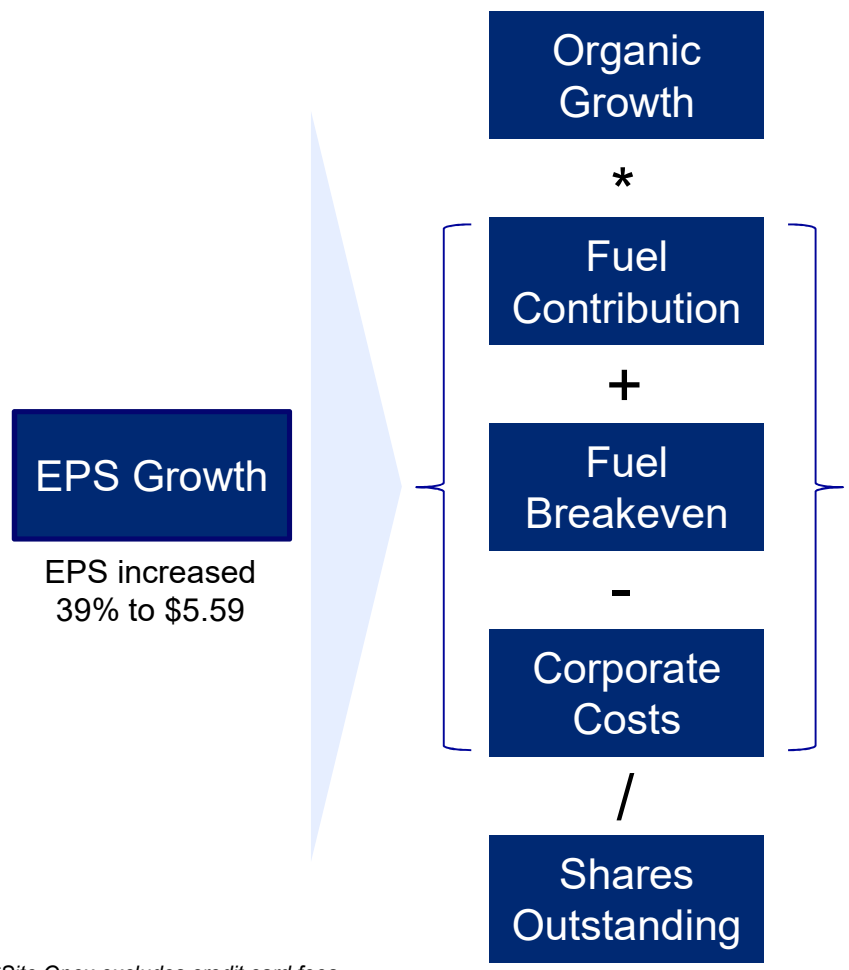
- Murphy USA is uniquely positioned as a low-cost fuel and convenience retailer
- Our strategy to compete has five coherent elements:
  - Grow Organically
  - Diversify Merchandise Mix
  - Sustain Cost Leadership Position
  - Create Advantage from Market Volatility
  - Invest for the Long-Term
- Our 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 June 16, 2017



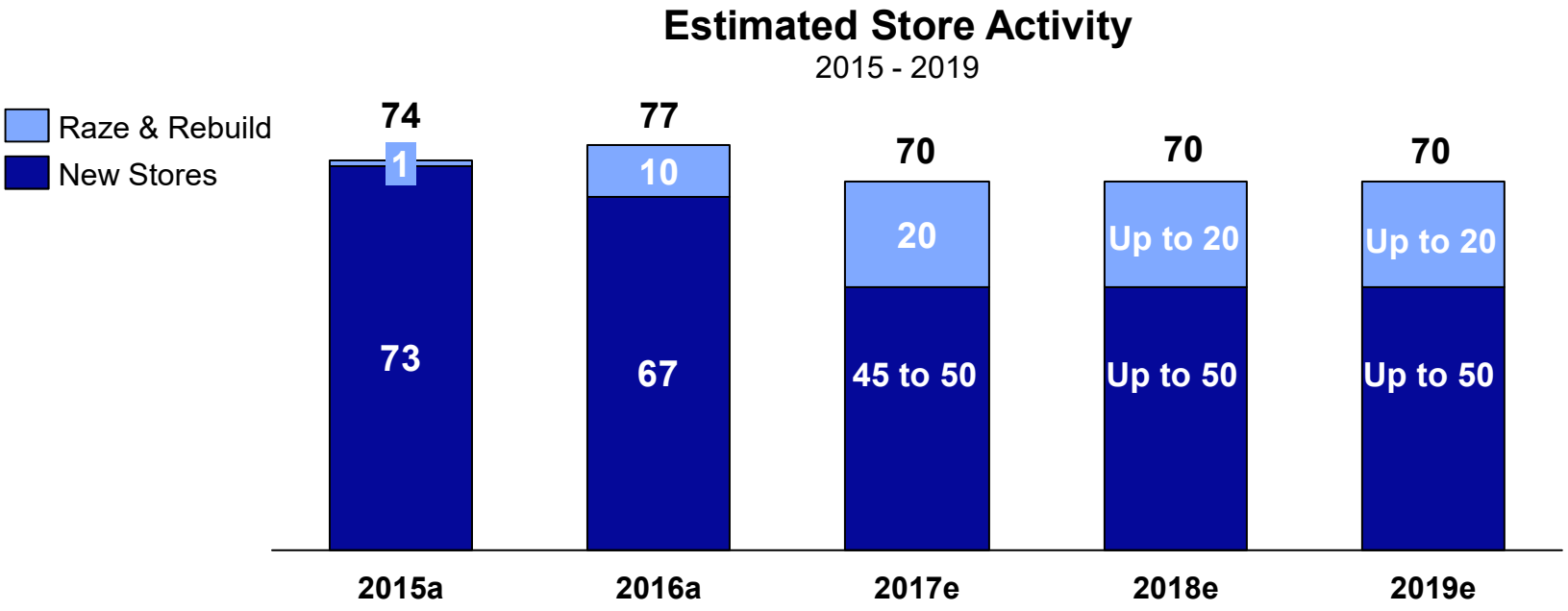
MUSA creates value through a simple formula—and executes



2016 Proof Point	Details
5% unit growth	• 67 new sites • 10 Raze-and-Rebuilds • 300 refresh; 180 super coolers
5% all-in contribution growth	• +1.7% volume growth • 15.4 cpg total margin • 3.8 cpg from PS&W + RINs
Improved by 0.9-cpg to 1.6-cpg	• +120 bps merchandise margins • +11.2% merchandise contribution • -4.1% site opex* APSM
SG&A** per-store down 10%	• $6.6 million decline in total SG&A • Investment in people, capabilities • Tax-efficient non-core asset sale
4.9M shares repurchased (11% of float)	• $323 million share repurchases • $201 million growth capital • $38 million in sustaining capital

Site Opex excludes credit card fees
***SG&A per-store excludes stock-based compensation*

Express growth, rebuilds continue in Independent Growth Plan



Total Units	1,335	1,401	*1,451*	*1,501*	*1,551*
Express Growth	17	25	*42*	*50*	*50*
USA Growth	56	42	*8*	*0*	*0*
Raze & Rebuild	**1**	**10**	***20***	***20***	***20***

Refresh and super cooler programs enhance network quality

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 increase customer retention and lowers maintenance costs
- Refreshed 300 stores each in 2015 and 2016 with plans to continue at that pace in 2017
- Focus shifts to standardized maintenance activities across network after program completes in 2017

Before



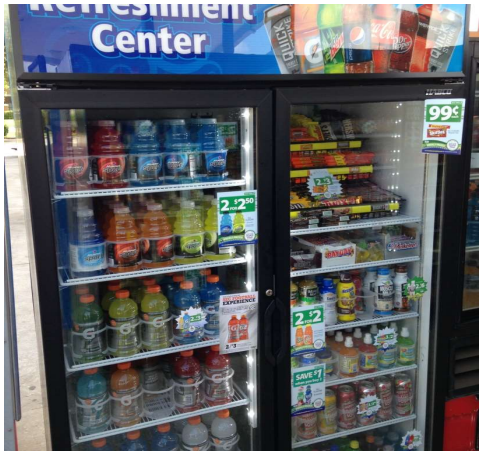
After



Super Coolers

- Super Coolers enhance the beverage offering outside the kiosk through increased shelf space for higher margin non-CSD products.
- By year-end 2017, we will complete the 3-door super cooler opportunity through installations at 80% of our kiosk network (610 locations)
- Opportunity still remains for 2-door super coolers at 115 additional kiosks

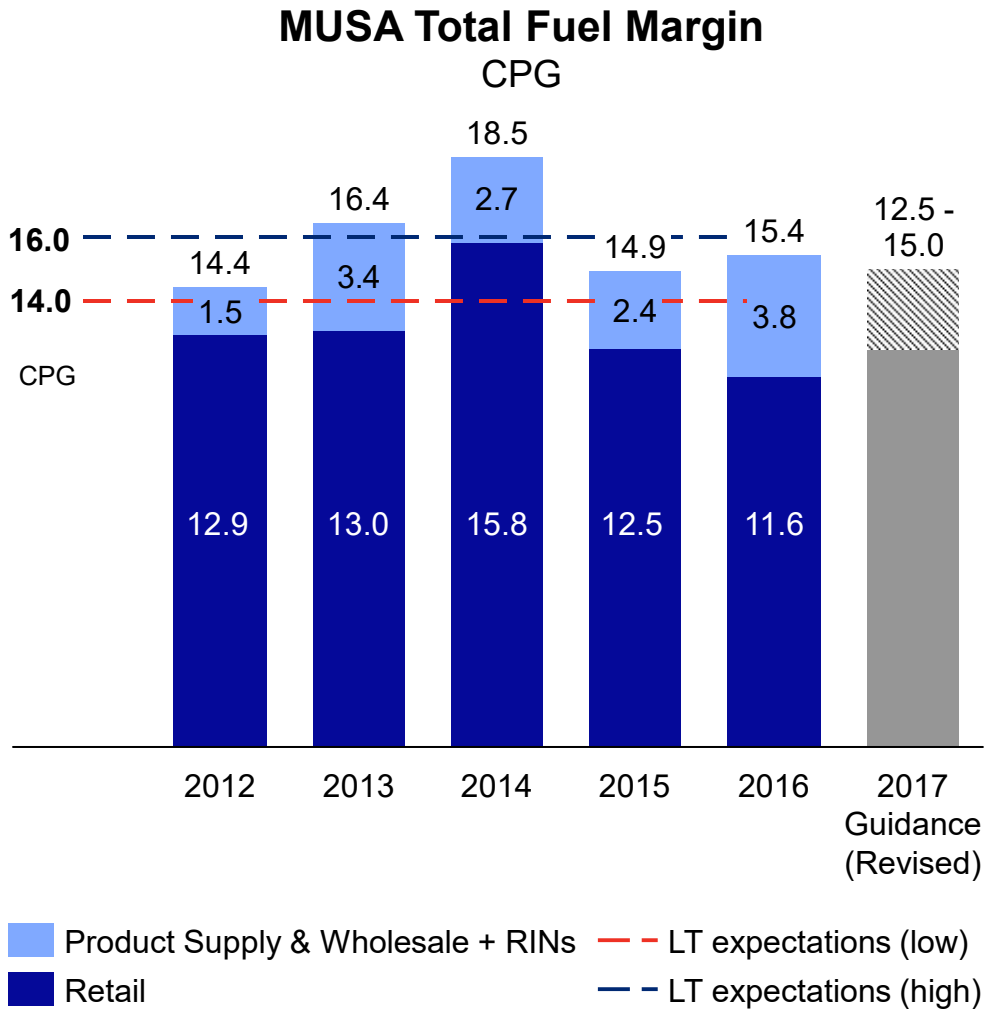
Previous Coolers



Super Coolers



Fuel margins reside within a historical range of 14 to 16 cpg

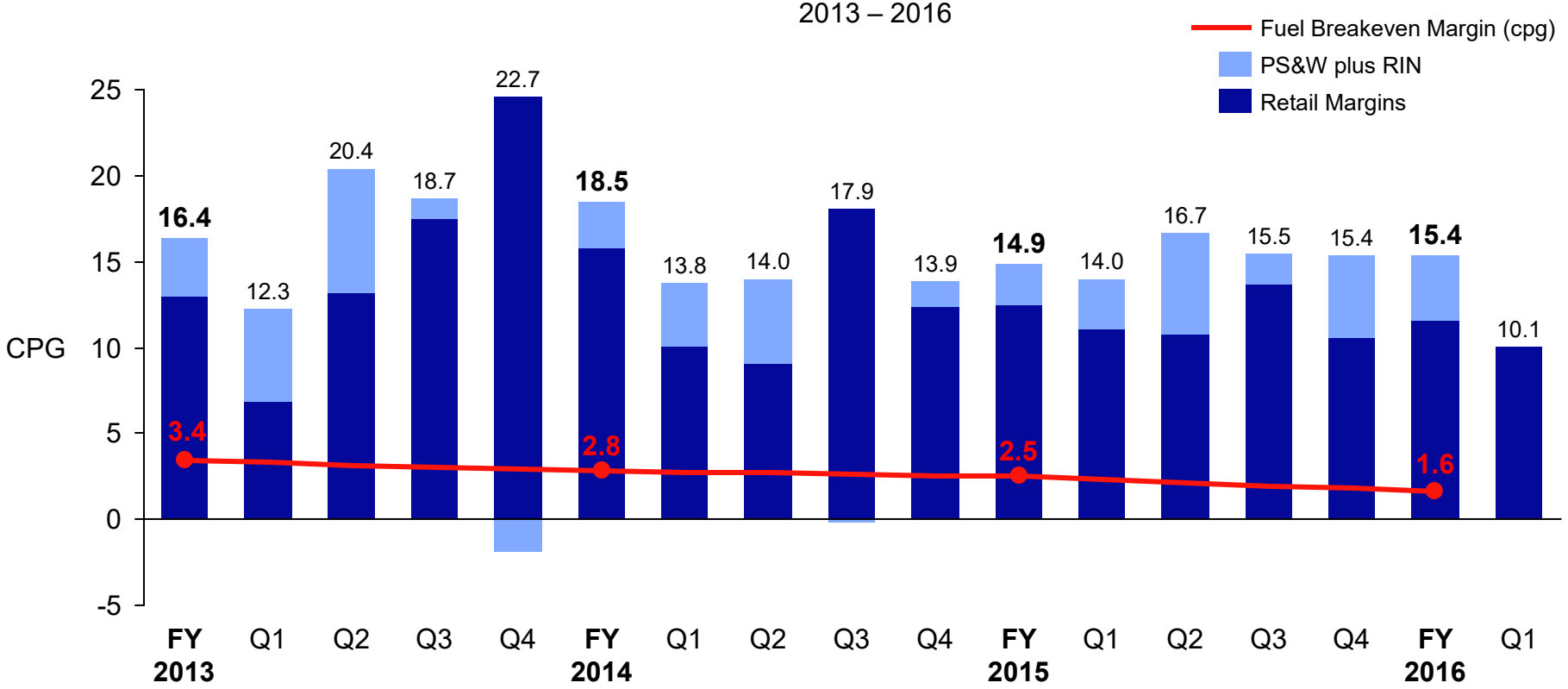


- We expect to earn 14 to 16 cpg in total fuel contribution from our combined retail and PS&W plus RIN sources
- MUSA's total fuel margin has come within or above the expected range each of the last 5 fiscal years
- We revised 2017 margin guidance down from our expected annual range after Q1
  - Adverse supply conditions pressured rack prices
  - Regulatory and political uncertainty caused RIN prices to decline without offsetting spot-to-rack adjustments
  - Weaker Q1 fuel demand and retail margins year-over-year
  - Conditions have begun to normalize on all fronts in Q2

Volatility favors our low-cost business model

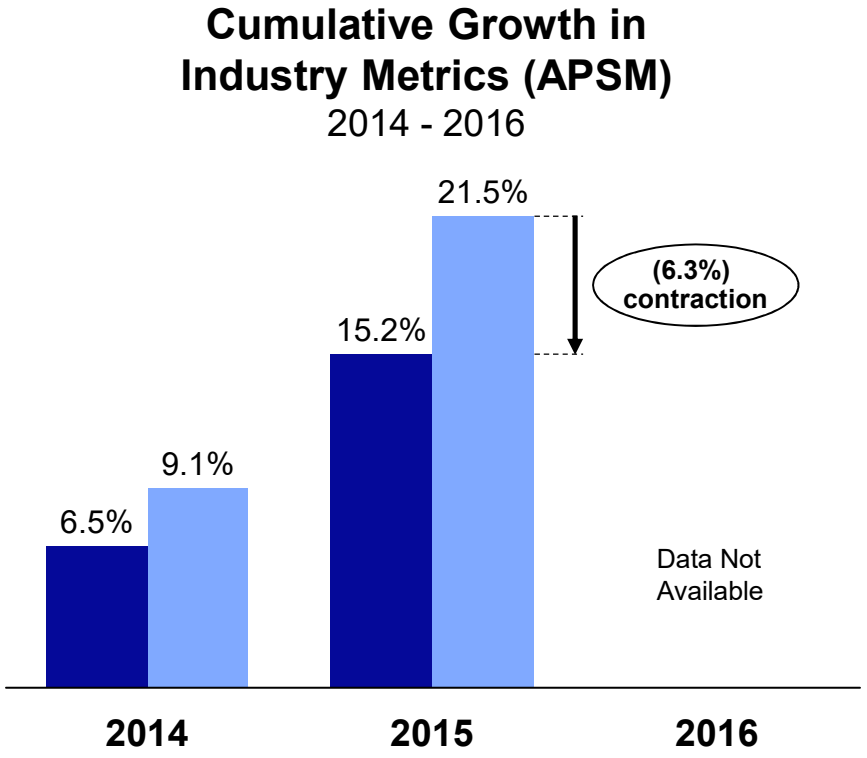
Total Fuel and Breakeven Margin (cpg)

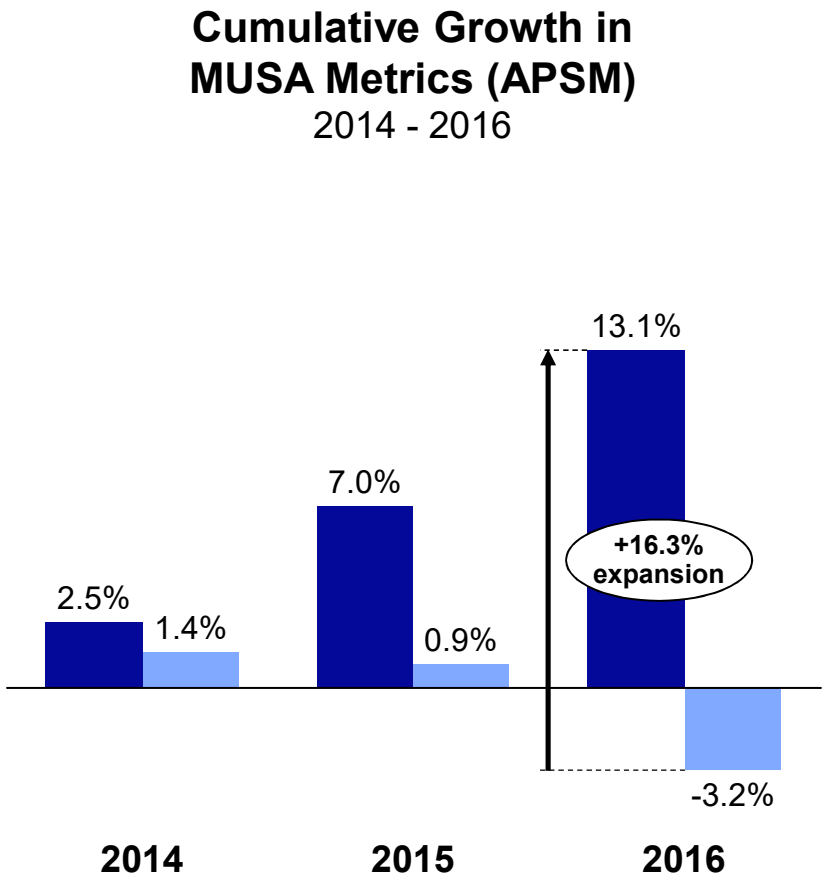
2013 – 2016



PS&W + RIN	**3.4**	5.5	7.2	1.2	-1.9	**2.7**	3.8	5.0	-0.2	1.5	**2.4**	2.9	5.9	1.8	4.8	**3.8**	0.0
Retail Margin	**13.0**	6.8	13.2	17.5	24.6	**15.8**	10.0	9.0	18.1	12.4	**12.5**	11.1	10.8	13.7	10.6	**11.6**	10.1

MUSA's in-store metrics buck industry trends



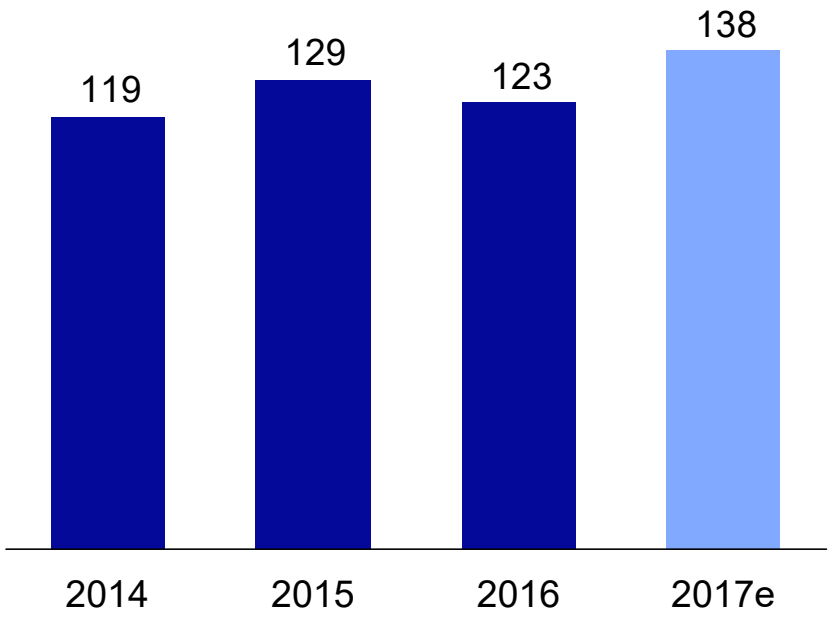


Merchandise Profit (Industry)
Site Opex Excluding Payment Fees (Industry)

Merchandise Profit (MUSA)
Site Opex Excluding Payment Fees (MUSA)

SG&A investments enhance capabilities and scalability

Total SG&A ($MM)
2014 – 2017e



SG&A per Store* (K)
2014 – 2017e

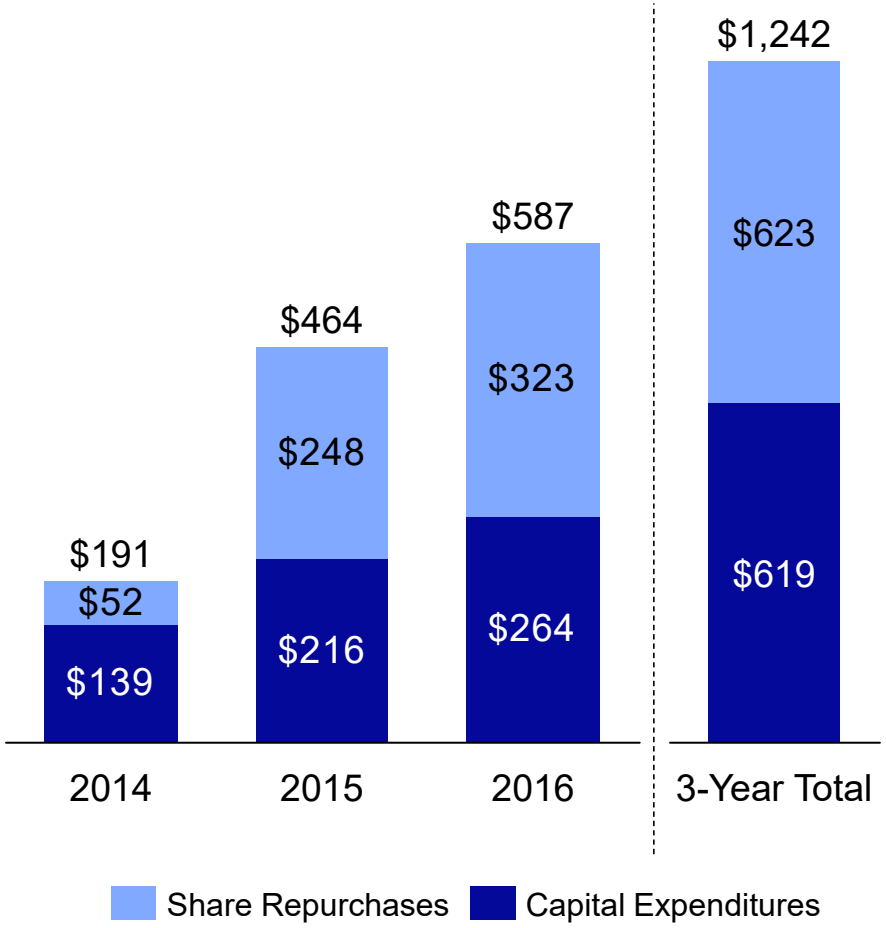
94	**97**	**88**	**95**

*Using end-of-year store count

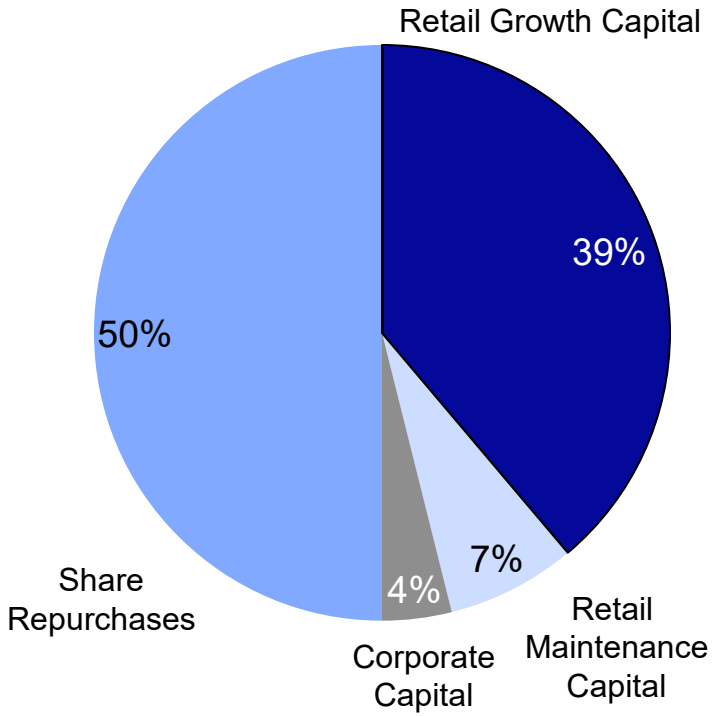
- **People**
  - Establish competencies to achieve corporate goals and strategies
  - Align incentive plans with principles and competencies
  - Empower leadership to drive change and support value creation process
- **Process**
  - Restructured corporate functions to support strategy execution
  - Establish process framework vs. break/fix cycle
  - Proactively manage enterprise risk across the organization
- **Technology**
  - Develop IT strategy and roadmap to manage business priorities and replace patchwork legacy systems
  - Invest in scalable and secure technology platforms
  - Upgrade capabilities in line with major retailing standards

Capital allocation balances growth and capital returns

Capital Allocation ($MM)
2014 - 2016



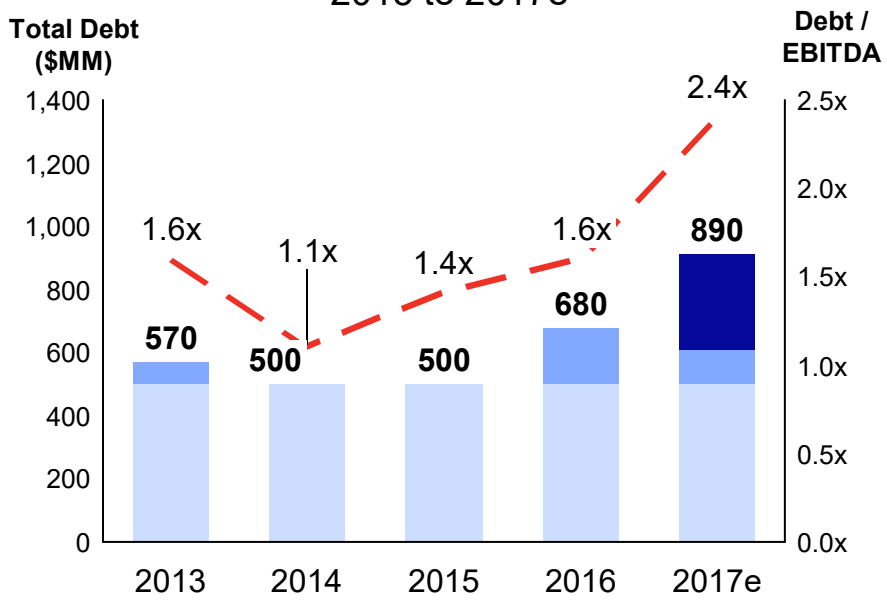
Capital Allocation
2014 - 2016



We have strategically added leverage to boost equity returns

Leverage Structure and Ratio

2013 to 2017e



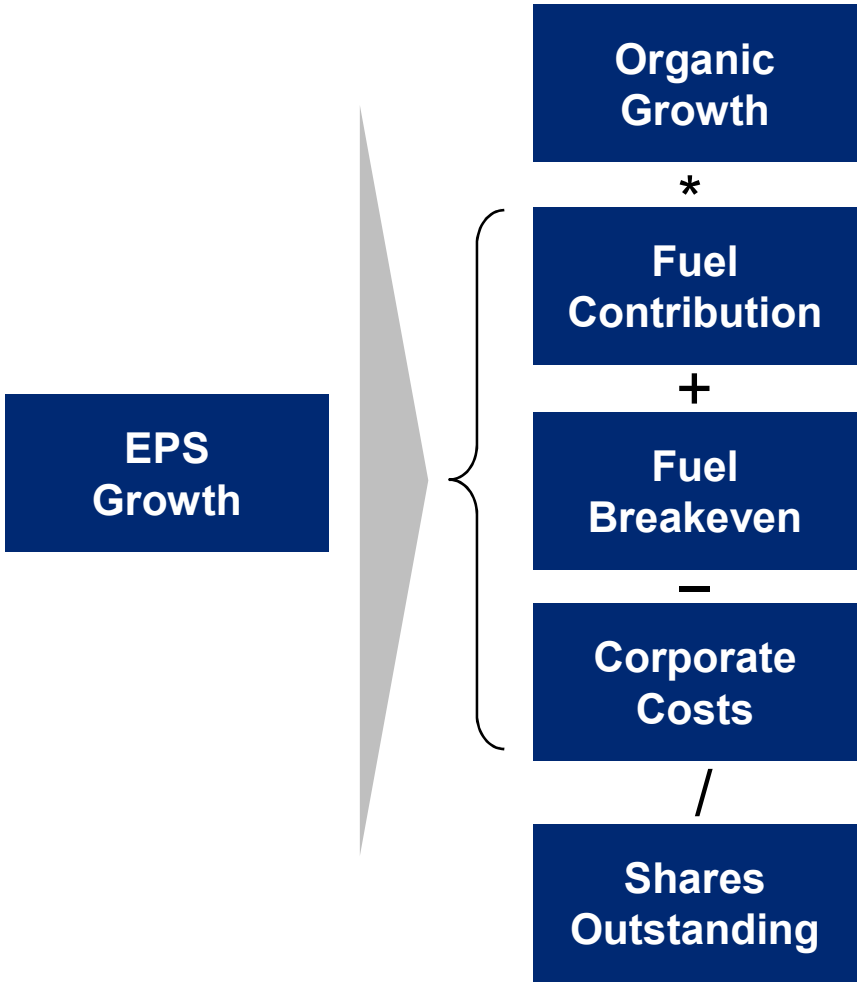
Total Debt*	**570**	**500**	**500**	**680**	***890***
Senior Note Due 2023	500	500	500	500	*500*
Term Loan	70			180	*90*
Senior Note Due 2027					*300*

* Year-end Balances

- Adding appropriate debt to the balance sheet allows us to leverage business improvements for the benefit of long-term shareholders
- Incremental new debt has been opportunistic and cost-efficient
  - Advantaged rate term loan
  - 10 Year Senior Notes @ 5.625%
- Term loan pre-payment flexibility allows for active management of leverage ratio to remain within 2.5x restricted payment covenant
- Buying back shares at advantaged prices will benefit long-term investors given continuous improvements we are making in the business and our view of long-term value creation potential

Through our formula, we continue to build a bright future

MUSA Formula for EPS Growth



MUSA Value Creation Drivers

