



Murphy USA Inc. Reports Third Quarter 2023 Results

El Dorado, Arkansas, November 1, 2023 (BUSINESS WIRE) – Murphy USA Inc. (NYSE: MUSA), a leading marketer of retail motor fuel products and convenience merchandise, today announced financial results for the three and nine months ended September 30, 2023.

Key Highlights:

- Net income was \$167.7 million, or \$7.69 per diluted share, in Q3 2023 compared to net income of \$219.5 million, or \$9.28 per diluted share, in Q3 2022
- Total fuel contribution (retail fuel margin plus product supply and wholesale ("PS&W") results including RINs) for Q3 2023 was 34.5 cpg, compared to 37.6 cpg in Q3 2022
- Total retail gallons decreased 2.5% in Q3 2023 compared to Q3 2022, while volumes on a same store sales ("SSS") basis declined 4.7%
- Merchandise contribution dollars for Q3 2023 increased 3.0% to \$211.8 million on average unit margins of 20.1%, compared to the prior-year quarter contribution dollars of \$205.7 million on unit margins of 20.0%
- During Q3 2023, the Company repurchased approximately 201.1 thousand common shares for \$65.3 million at an average price of \$325.00 per share
- The Company recently published its 2022 Environmental, Social and Governance Summary Report and it is available for download and can be accessed from Murphy USA's investor relations website
- On October 26, 2023, the Company announced a quarterly cash dividend of \$0.41 per share, or \$1.64 per share on an annualized basis, reflecting a 5.1% increase from the prior quarter. The dividend is payable on December 1, 2023, to stockholders of record as of November 6, 2023

"We are very pleased with third quarter performance as we comp last year's extraordinary earnings," said President and CEO Andrew Clyde. "On a two-year stack basis, Murphy USA demonstrated industry leading fuel volume and tobacco gains, while current year fuel margins highlight the sustainability of elevated industry margins in a less volatile setting. Momentum carried through to October especially at QuickChek where new promotions and initiatives have contributed to record food and beverage profits."

Consolidated Results

Key Operating Metrics	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net income (loss) (\$ Millions)	\$ 167.7	\$ 219.5	\$ 406.8	\$ 555.2
Earnings per share (diluted)	\$ 7.69	\$ 9.28	\$ 18.47	\$ 22.76
Adjusted EBITDA (\$ Millions)	\$ 306.0	\$ 367.0	\$ 783.3	\$ 960.6

Net income and Adjusted EBITDA for Q3 2023 were lower versus the prior-year period, due primarily to lower total fuel contribution and increases in store operating expenses and general and administrative expenses, which were partially offset by higher overall merchandise contribution margins and lower payment fees.

Fuel

Key Operating Metrics	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Total retail fuel contribution (\$ Millions)	\$ 348.6	\$ 489.5	\$ 948.0	\$ 1,063.8
Total PS&W contribution (\$ Millions)	(11.4)	(109.0)	(114.5)	(46.7)
RINs (included in Other operating revenues on Consolidated Income Statement) (\$ Millions)	81.8	87.6	281.2	243.6
Total fuel contribution (\$ Millions)	\$ 419.0	\$ 468.1	\$ 1,114.7	\$ 1,260.7
Retail fuel volume - chain (Million gal)	1,214.9	1,245.6	3,595.4	3,545.2
Retail fuel volume - per store (K gal APSM) ¹	245.8	256.4	241.8	244.0
Retail fuel volume - per store (K gal SSS) ²	241.7	251.8	237.7	240.7
Total fuel contribution (including retail, PS&W, and RINs) (cpg)	34.5	37.6	31.0	35.6
Retail fuel margin (cpg)	28.7	39.3	26.4	30.0
PS&W including RINs contribution (cpg)	5.8	(1.7)	4.6	5.6

¹Average Per Store Month ("APSM") metric includes all stores open through the date of calculation

²2022 amounts not revised for 2023 raze-and-rebuild activity

Total fuel contribution dollars of \$419.0 million decreased \$49.1 million, or 10.5%, in Q3 2023 compared to Q3 2022 due to lower total fuel contribution margins and retail volumes sold during the period. Retail fuel contribution dollars decreased \$140.9 million, or 28.8%, to \$348.6 million compared to Q3 2022 due to lower retail fuel margins and volumes sold. Current quarter retail fuel margins were strong at 28.7 cpg, although it was a 27.0% decline when compared to Q3 2022, which benefited from a declining commodity price environment. Overall, retail volumes were slightly lower by 2.5% when compared to the prior-year quarter. PS&W margins (including RINs) improved \$91.8 million, when compared to Q3 2022, reflecting higher contribution from inventory pricing adjustments partially offset by weaker spot-to-rack spreads.

Merchandise

Key Operating Metrics	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Total merchandise contribution (\$ Millions)	\$ 211.8	\$ 205.7	\$ 605.7	\$ 578.1
Total merchandise sales (\$ Millions)	\$ 1,055.6	\$ 1,027.2	\$ 3,070.8	\$ 2,913.8
Total merchandise sales (\$K SSS) ^{1,2}	\$ 206.8	\$ 204.1	\$ 200.1	\$ 192.3
Merchandise unit margin (%)	20.1%	20.0%	19.7%	19.8%
Tobacco contribution (\$K SSS) ^{1,2}	\$ 19.0	\$ 18.5	\$ 18.2	\$ 17.8
Non-tobacco contribution (\$K SSS) ^{1,2}	\$ 22.9	\$ 22.7	\$ 21.6	\$ 20.1
Total merchandise contribution (\$K SSS) ^{1,2}	\$ 41.9	\$ 41.2	\$ 39.8	\$ 37.9

¹2022 amounts not revised for 2023 raze-and-rebuild activity

²Includes store-level discounts for Murphy Drive Reward ("MDR") redemptions and excludes change in value of unredeemed MDR points

Total merchandise contribution increased \$6.1 million, or 3.0%, to \$211.8 million in Q3 2023 compared to the prior-year quarter due primarily to higher unit sales volumes. Total tobacco contribution dollars in Q3 2023 increased 3.1% and non-tobacco contribution dollars increased 3.3% compared to Q3 2022.

Other Areas

Key Operating Metrics	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Total store and other operating expenses (\$ Millions)	\$ 265.6	\$ 254.5	\$ 760.6	\$ 729.4
Store OPEX excluding payment fees and rent (\$K APSM)	\$ 34.7	\$ 32.9	\$ 33.1	\$ 31.5
Total SG&A cost (\$ Millions)	\$ 60.0	\$ 52.4	\$ 178.4	\$ 150.8

Total store and other operating expenses were \$11.1 million higher in Q3 2023 versus Q3 2022, mainly due to employee related expenses, store maintenance costs, and inventory shrink costs partially offset by lower payment fees. Store OPEX excluding payment fees and rent on an APSM basis were 5.8% higher versus Q3 2022, primarily attributable to increased employee related expenses, maintenance, and inventory shrink costs. Total SG&A costs for Q3 2023 were \$7.6 million higher than Q3 2022 primarily due to higher employee and incentive costs and professional and technology fees from business improvement initiatives.

Store Openings

The tables below reflect changes in our store portfolio in Q3 2023:

	Murphy USA / Express	QuickChek	Total
Net Change in Q3 2023			
New-to-industry ("NTI")	2	1	3
Closed	—	(4)	(4)
Net change	2	(3)	(1)
Raze-and-rebuilds reopened in Q3*	8	—	8
Under Construction at End of Q3			
NTI	12	2	14
Raze-and-rebuilds*	18	—	18
Total under construction at end of Q3	30	2	32
Net Change YTD in 2023			
NTI	13	5	18
Closed	—	(6)	(6)
Net change	13	(1)	12
Raze-and-rebuilds reopened YTD*	14	—	14
Store count at September 30, 2023*	1,568	156	1,724

*Store counts include raze-and-rebuild stores

Financial Resources

Key Financial Metrics	As of September 30,	
	2023	2022
Cash and cash equivalents (\$ Millions)	\$ 124.8	\$ 192.7
Marketable securities, current (\$ Millions)	\$ 8.5	\$ —
Marketable securities, non-current (\$ Millions)	\$ 7.4	\$ —
Long-term debt, including capitalized lease obligations (\$ Millions)	\$ 1,786.4	\$ 1,794.0

Cash balances as of September 30, 2023 totaled \$124.8 million, and the Company also had total marketable securities of \$15.9 million. Long-term debt consisted of approximately \$298.3 million in carrying value of 5.625% senior notes due in 2027, \$495.5 million in carrying value of 4.75% senior notes due in 2029, \$494.4 million in carrying value of 3.75% senior notes due in 2031, and \$380.9 million of term debt. In addition, the Company has approximately \$117.3 million in long-term capital leases. The revolving cash flow facility was undrawn as of September 30, 2023.

Key Financial Metric	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Average shares outstanding (diluted) (in thousands)	21,790	23,650	22,020	24,398

At September 30, 2023, the Company had common shares outstanding of 21,277,031. Common shares repurchased during the quarter were approximately 201.1 thousand shares for \$65.3 million, which were purchased under the 2021 share repurchase plan. Common shares purchased during the nine months ended September 30, 2023, were approximately 584.1 thousand shares for a total of \$174.1 million. As of September 30, 2023, approximately \$41.0 million remained available under the \$1 billion 2021 plan, along with the entire balance of up to \$1.5 billion 2023 plan.

The effective income tax rate for Q3 2023 was 24.9% compared to 24.5% in Q3 2022.

The Company paid a quarterly cash dividend on September 7, 2023 of \$0.39 per share, or \$1.56 per share on an annualized basis, a 2.6% increase from the previous quarter for a total cash payment of \$8.4 million. The total amount paid in dividends year-to-date is \$24.7 million, or \$1.14 per share.

On October 26, 2023, the Board of Directors declared a quarterly cash dividend of \$0.41 per common share, or \$1.64 per share on an annualized basis, reflecting a 5.1% increase from the prior quarter. The dividend is payable on December 1, 2023, to shareholders of record as of November 6, 2023.

2023 Guidance Update

The Company is taking the opportunity to update specific guidance metrics initially provided in January. Due to ongoing challenges in permitting new sites, contractor delays, and other supply chain hurdles, the forecast is now 27-30 new stores to open in 2023, versus the "up to 45" in the original guidance. The Company successfully redirected capital to slightly increase raze-and-rebuild activity, planning to end the year at 33 stores, above the initial guidance of "up to 30" stores. Accordingly, as some of the growth capital is deferred into 2024 due to delays in new store growth, the expected range of capital expenditures should approximate \$325 million to \$375 million, from \$375 million to \$425 million previously.

All other previously issued guidance metrics remain unchanged. More details on the guidance updates will be shared in the earnings conference call noted below.

Earnings Call Information

The Company will host a conference call on November 2, 2023 at 10:00 a.m. Central Time to discuss third quarter 2023 results. The conference call number is 1 (888) 330-2384 and the conference number is 6680883. The earnings and investor related materials, including reconciliations of any non-GAAP financial measures to GAAP financial measures and any other applicable disclosures, will be available on that same day on the investor section of the Murphy USA website (<http://ir.corporate.murphyusa.com>). Approximately one hour after the conclusion of the conference, the webcast will be available for replay. Shortly thereafter, a transcript will be available.

Source: Murphy USA Inc. (NYSE: MUSA)

Forward-Looking Statements

Certain statements in this news release contain or may suggest “forward-looking” information (as defined in the Private Securities Litigation Reform Act of 1995) that involve risk and uncertainties, including, but not limited to our M&A activity, anticipated store openings, fuel margins, merchandise margins, sales of RINs, trends in our operations, dividends, and share repurchases. Such statements are based upon the current beliefs and expectations of the Company’s management and are subject to significant risks and uncertainties. Actual future results may differ materially from historical results or current expectations depending upon factors including, but not limited to: The Company’s ability to successfully expand our food and beverage offerings; our ability to continue to maintain a good business relationship with Walmart; successful execution of our growth strategy, including our ability to realize the anticipated benefits from such growth initiatives, and the timely completion of construction associated with our newly planned stores which may be impacted by the financial health of third parties; our ability to effectively manage our inventory, disruptions in our supply chain and our ability to control costs; geopolitical events that impact the supply and demand and price of crude oil; the impact of severe weather events, such as hurricanes, floods and earthquakes; the impact of a global health pandemic, the impact of any systems failures, cybersecurity and/or security breaches of the company or its vendor partners, including any security breach that results in theft, transfer or unauthorized disclosure of customer, employee or company information or our compliance with information security and privacy laws and regulations in the event of such an incident; successful execution of our information technology strategy; reduced demand for our products due to the implementation of more stringent fuel economy and greenhouse gas reduction requirements, or increasingly widespread adoption of electric vehicle technology; future tobacco or e-cigarette legislation and any other efforts that make purchasing tobacco products more costly or difficult could hurt our revenues and impact gross margins; changes to the Company’s capital allocation, including the timing, declaration, amount and payment of any future dividends or levels of the Company’s share repurchases, or management of operating cash; the market price of the Company’s stock prevailing from time to time, the nature of other investment opportunities presented to the Company from time to time, the Company’s cash flows from operations, and general economic conditions; compliance with debt covenants; availability and cost of credit; and changes in interest rates. Our SEC reports, including our most recent annual Report on Form 10-K and quarterly report on Form 10-Q, contain other information on these and other factors that could affect our financial results and cause actual results to differ materially from any forward-looking information we may provide. The Company undertakes no obligation to update or revise any forward-looking statements to reflect subsequent events, new information or future circumstances.

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Murphy USA Inc.
Consolidated Statements of Income
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<i>(Millions of dollars, except share and per share amounts)</i>				
Operating Revenues				
Petroleum product sales ¹	\$ 4,658.8	\$ 5,078.6	\$ 13,103.6	\$ 14,917.3
Merchandise sales	1,055.6	1,027.2	3,070.8	2,913.8
Other operating revenues	83.5	88.9	286.1	248.7
Total operating revenues	5,797.9	6,194.7	16,460.5	18,079.8
Operating Expenses				
Petroleum product cost of goods sold ¹	4,322.5	4,699.3	12,273.1	13,903.3
Merchandise cost of goods sold	843.8	821.5	2,465.1	2,335.7
Store and other operating expenses	265.6	254.5	760.6	729.4
Depreciation and amortization	57.5	54.4	171.7	164.5
Selling, general and administrative	60.0	52.4	178.4	150.8
Accretion of asset retirement obligations	0.7	0.6	2.2	2.0
Acquisition and integration related costs	—	0.4	—	1.4
Total operating expenses	5,550.1	5,883.1	15,851.1	17,287.1
Gain (loss) on sale of assets	(0.5)	0.3	(0.6)	2.2
Income (loss) from operations	247.3	311.9	608.8	794.9
Other income (expense)				
Investment income	2.1	1.4	4.7	1.8
Interest expense	(24.6)	(21.8)	(74.5)	(61.6)
Other nonoperating income (expense)	(1.4)	(0.8)	(0.9)	(2.7)
Total other income (expense)	(23.9)	(21.2)	(70.7)	(62.5)
Income before income taxes	223.4	290.7	538.1	732.4
Income tax expense (benefit)	55.7	71.2	131.3	177.2
Net Income	\$ 167.7	\$ 219.5	\$ 406.8	\$ 555.2
Basic and Diluted Earnings Per Common Share				
Basic	\$ 7.83	\$ 9.46	\$ 18.80	\$ 23.17
Diluted	\$ 7.69	\$ 9.28	\$ 18.47	\$ 22.76
Weighted-average Common shares outstanding (in thousands):				
Basic	21,401	23,206	21,635	23,963
Diluted	21,790	23,650	22,020	24,398
Supplemental information:				
¹ Includes excise taxes of:	\$ 582.1	\$ 569.7	\$ 1,721.0	\$ 1,638.4

Murphy USA Inc.
Segment Operating Results
(Unaudited)

(Millions of dollars, except revenue per same store sales (in thousands) and store counts)

Marketing Segment	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Operating Revenues				
Petroleum product sales	\$ 4,658.8	\$ 5,078.6	\$ 13,103.6	\$ 14,917.3
Merchandise sales	1,055.6	1,027.2	3,070.8	2,913.8
Other operating revenues	83.4	88.6	285.9	248.3
Total operating revenues	<u>5,797.8</u>	<u>6,194.4</u>	<u>16,460.3</u>	<u>18,079.4</u>
Operating expenses				
Petroleum products cost of goods sold	4,322.5	4,699.3	12,273.1	13,903.3
Merchandise cost of goods sold	843.8	821.5	2,465.1	2,335.7
Store and other operating expenses	265.5	254.5	760.5	729.4
Depreciation and amortization	53.3	50.4	158.9	152.9
Selling, general and administrative	60.0	52.4	178.4	150.8
Accretion of asset retirement obligations	0.7	0.6	2.2	2.0
Total operating expenses	<u>5,545.8</u>	<u>5,878.7</u>	<u>15,838.2</u>	<u>17,274.1</u>
Gain (loss) on sale of assets	<u>(0.4)</u>	<u>0.1</u>	<u>(0.5)</u>	<u>(0.6)</u>
Income (loss) from operations	<u>251.6</u>	<u>315.8</u>	<u>621.6</u>	<u>804.7</u>
Other income (expense)				
Interest expense	(2.2)	(2.2)	(6.7)	(6.7)
Other nonoperating income (expense)	0.1	—	0.1	—
Total other income (expense)	<u>(2.1)</u>	<u>(2.2)</u>	<u>(6.6)</u>	<u>(6.7)</u>
Income (loss) before income taxes	249.5	313.6	615.0	798.0
Income tax expense (benefit)	62.3	76.8	150.2	193.0
Net income (loss) from operations	<u>\$ 187.2</u>	<u>\$ 236.8</u>	<u>\$ 464.8</u>	<u>\$ 605.0</u>
Total tobacco sales revenue same store sales ^{1,2}	\$ 132.1	\$ 129.0	\$ 126.6	\$ 122.8
Total non-tobacco sales revenue same store sales ^{1,2}	74.7	75.1	73.5	69.5
Total merchandise sales revenue same store sales ^{1,2}	<u>\$ 206.8</u>	<u>\$ 204.1</u>	<u>\$ 200.1</u>	<u>\$ 192.3</u>
¹ 2022 amounts not revised for 2023 raze-and-rebuild activity				
² Includes store-level discounts for Murphy Drive Reward ("MDR") redemptions and excludes change in value of unredeemed MDR points				
Store count at end of period	1,724	1,700	1,724	1,700
Total store months during the period	5,110	5,042	15,400	15,094

Same store sales information compared to APSM metrics

	Variance from prior year period			
	Three months ended		Nine months ended	
	September 30, 2023		September 30, 2023	
	SSS ¹	APSM ²	SSS ¹	APSM ²
Retail fuel volume per month	(4.7)%	(4.2)%	(1.8%)	(0.9%)
Merchandise sales	1.0 %	1.4 %	3.2%	3.3%
<i>Tobacco sales</i>	2.6 %	2.1 %	3.6%	2.9%
<i>Non tobacco sales</i>	(1.6)%	0.4 %	2.4%	4.1%
Merchandise margin	1.2 %	1.6 %	2.9%	2.7%
<i>Tobacco margin</i>	3.1 %	1.7 %	3.3%	1.6%
<i>Non tobacco margin</i>	(0.3)%	1.9 %	2.6%	4.3%

¹Includes store-level discounts for MDR redemptions and excludes change in value of unredeemed MDR points

²Includes all MDR activity

Notes

Average Per Store Month (APSM) metric includes all stores open through the date of the calculation, including stores acquired during the period.

Same store sales (SSS) metric includes aggregated individual store results for all stores open throughout both periods presented. For all periods presented, the store must have been open for the entire calendar year to be included in the comparison. Remodeled stores that remained open or were closed for just a very brief time (less than a month) during the period being compared remain in the same store sales calculation. If a store is replaced either at the same location (raze-and-rebuild) or relocated to a new location, it will be excluded from the calculation during the period it is out of service. Newly constructed stores do not enter the calculation until they are open for each full calendar year for the periods being compared (open by January 1, 2022 for the stores being compared in the 2023 versus 2022 comparison). Acquired stores are not included in the calculation of same store sales for the first 12 months after the acquisition. When prior period same store sales volumes or sales are presented, they have not been revised for current year activity for raze-and-rebuilds and asset dispositions.

QuickChek uses a weekly retail calendar where each quarter has 13 weeks. For Q3 2023, the QuickChek results cover the period July 1, 2023 to September 29, 2023 and the 2023 year-to-date period December 31, 2022 to September 29, 2023. For Q3 2022, the QuickChek results cover the period July 2, 2022 to September 30, 2022 and the 2022 year-to-date period January 1, 2022 to September 30, 2022. The difference in the timing of the period ends is immaterial to the overall consolidated results.

Murphy USA Inc.
Consolidated Balance Sheets

(Millions of dollars, except share amounts)

	September 30, 2023	December 31, 2022
	(unaudited)	
Assets		
Current assets		
Cash and cash equivalents	\$ 124.8	\$ 60.5
Marketable securities, current	8.5	17.9
Accounts receivable—trade, less allowance for doubtful accounts of \$1.5 and \$0.3 at 2023 and 2022, respectively	344.2	281.7
Inventories, at lower of cost or market	335.4	319.1
Prepaid expenses and other current assets	27.4	47.6
Total current assets	<u>840.3</u>	<u>726.8</u>
Marketable securities, non-current	7.4	4.4
Property, plant and equipment, at cost less accumulated depreciation and amortization of \$1,694.2 and \$1,553.1 at 2023 and 2022, respectively	2,520.1	2,459.3
Operating lease right of use assets, net	451.9	449.6
Intangible assets, net of amortization	139.9	140.4
Goodwill	328.0	328.0
Other assets	17.7	14.7
Total assets	<u>\$ 4,305.3</u>	<u>\$ 4,123.2</u>
Liabilities and Stockholders' Equity		
Current liabilities		
Current maturities of long-term debt	\$ 15.0	\$ 15.0
Trade accounts payable and accrued liabilities	800.6	839.2
Income taxes payable	11.6	—
Total current liabilities	<u>827.2</u>	<u>854.2</u>
Long-term debt, including capitalized lease obligations	1,786.4	1,791.9
Deferred income taxes	327.7	327.4
Asset retirement obligations	44.0	43.3
Non-current operating lease liabilities	449.8	444.2
Deferred credits and other liabilities	26.1	21.5
Total liabilities	<u>3,461.2</u>	<u>3,482.5</u>
Stockholders' Equity		
Preferred Stock, par \$0.01 (authorized 20,000,000 shares, none outstanding)	—	—
Common Stock, par \$0.01 (authorized 200,000,000 shares, 46,767,164 shares issued at 2023 and 2022, respectively)	0.5	0.5
Treasury stock (25,490,133 and 25,017,324 shares held at 2023 and 2022, respectively)	(2,795.9)	(2,633.3)
Additional paid in capital (APIC)	502.7	518.9
Retained earnings	3,136.8	2,755.1
Accumulated other comprehensive income (loss) (AOCI)	—	(0.5)
Total stockholders' equity	<u>844.1</u>	<u>640.7</u>
Total liabilities and stockholders' equity	<u>\$ 4,305.3</u>	<u>\$ 4,123.2</u>

Murphy USA Inc.
Consolidated Statements of Cash Flows
(Unaudited)

(Millions of dollars)

Operating Activities

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net income	\$ 167.7	\$ 219.5	\$ 406.8	\$ 555.2
Adjustments to reconcile net income (loss) to net cash provided by operating activities				
Depreciation and amortization	57.5	54.4	171.7	164.5
Deferred and noncurrent income tax charges (benefits)	(9.3)	1.9	0.1	15.0
Accretion of asset retirement obligations	0.7	0.6	2.2	2.0
(Gains) losses from sale of assets	0.5	(0.3)	0.6	(2.2)
Net (increase) decrease in noncash operating working capital	(35.6)	(29.0)	(97.2)	18.8
Other operating activities - net	8.5	7.9	26.7	18.2
Net cash provided (required) by operating activities	190.0	255.0	510.9	771.5

Investing Activities

Property additions	(79.4)	(78.2)	(224.6)	(223.1)
Proceeds from sale of assets	0.5	0.4	2.3	8.5
Investment in marketable securities	(2.9)	—	(11.3)	—
Redemptions of marketable securities	7.5	—	18.0	—
Other investing activities - net	(0.4)	—	(1.4)	(0.6)
Net cash provided (required) by investing activities	(74.7)	(77.8)	(217.0)	(215.2)

Financing Activities

Purchase of treasury stock	(64.8)	(211.5)	(172.7)	(566.9)
Dividends paid	(8.4)	(7.5)	(24.7)	(22.1)
Borrowings of debt	—	—	8.0	—
Repayments of debt	(3.9)	(3.8)	(19.6)	(11.4)
Amounts related to share-based compensation	(6.3)	(2.1)	(20.6)	(19.6)
Net cash provided (required) by financing activities	(83.4)	(224.9)	(229.6)	(620.0)
Net increase (decrease) in cash, cash equivalents, and restricted cash	31.9	(47.7)	64.3	(63.7)
Cash, cash equivalents, and restricted cash at beginning of period	92.9	240.4	60.5	256.4
Cash, cash equivalents, and restricted cash at end of period	\$ 124.8	\$ 192.7	\$ 124.8	\$ 192.7

Supplemental Disclosure Regarding Non-GAAP Financial Information

The following table sets forth the Company's EBITDA and Adjusted EBITDA for the three and nine months ended September 30, 2023. EBITDA means net income (loss) plus net interest expense, plus income tax expense, depreciation and amortization, and Adjusted EBITDA adds back (i) other non-cash items (e.g., impairment of properties and accretion of asset retirement obligations) and (ii) other items that management does not consider to be meaningful in assessing our operating performance (e.g., (income) from discontinued operations, net settlement proceeds, (gain) loss on sale of assets, loss on early debt extinguishment, transaction and integration costs related to acquisitions, and other non-operating (income) expense). EBITDA and Adjusted EBITDA are not measures that are prepared in accordance with U.S. generally accepted accounting principles (GAAP).

We use Adjusted EBITDA in our operational and financial decision-making, believing that the measure is useful to eliminate certain items in order to focus on what we deem to be a more reliable indicator of ongoing operating performance and our ability to generate cash flow from operations. Adjusted EBITDA is also used by many of our investors, research analysts, investment bankers, and lenders to assess our operating performance. We believe that the presentation of Adjusted EBITDA provides useful information to investors because it allows understanding of a key measure that we evaluate internally when making operating and strategic decisions, preparing our annual plan, and evaluating our overall performance. However, non-GAAP measures are not a substitute for GAAP disclosures, and EBITDA and Adjusted EBITDA may be prepared differently by us than by other companies using similarly titled non-GAAP measures.

The reconciliation of net income (loss) to EBITDA and Adjusted EBITDA is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<i>(Millions of dollars)</i>				
Net income	\$ 167.7	\$ 219.5	\$ 406.8	\$ 555.2
Income tax expense (benefit)	55.7	71.2	131.3	177.2
Interest expense, net of investment income	22.5	20.4	69.8	59.8
Depreciation and amortization	57.5	54.4	171.7	164.5
EBITDA	\$ 303.4	\$ 365.5	\$ 779.6	\$ 956.7
Accretion of asset retirement obligations	0.7	0.6	2.2	2.0
(Gain) loss on sale of assets	0.5	(0.3)	0.6	(2.2)
Acquisition and integration related costs	—	0.4	—	1.4
Other nonoperating (income) expense	1.4	0.8	0.9	2.7
Adjusted EBITDA	<u>\$ 306.0</u>	<u>\$ 367.0</u>	<u>\$ 783.3</u>	<u>\$ 960.6</u>