







MURPHY USA

Annual Shareholder Meeting

May 2019

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, and 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 consolidated financial statements of Murphy USA, Inc. for the years ended December 31, 2018, 2017, 2016, 2015, and 2014. Please reference our most recent 10-K, 10-Q, and 8-K filings for the latest information.

If this presentation 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.

Christian Pikul, CFA
Senior Director of Investor Relations and FP&A
Office: 870-875-7683
Christian.pikul@murphyusa.com

Murphy USA's strategy since 2013 – Winning at our game

Strength		Strategy
Strategic Relationship with Walmart	→	Grow Organically
Winning with Value-Oriented Customers	→	Diversify Merchandise Mix
Low Cost Operating Model	→	Sustain Cost Leadership Position
Distinctive Supply Chain Capabilities	→	Create Advantage from Market Volatility
Resilient Financial Profile	→	Invest for the Long-Term

Overarching Objectives

Increase productivity of existing stores to grow competitive advantage

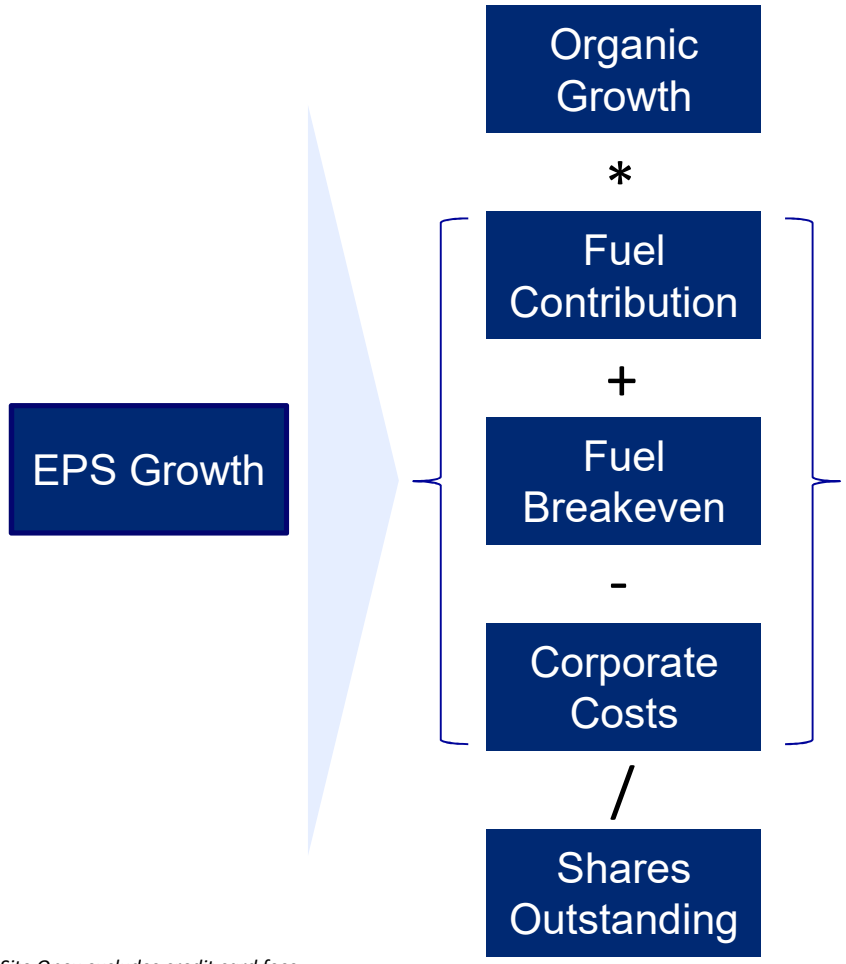
Build/rebuild assets where MUSA has the "right to win"

Steward financial resources and allocate capital in a disciplined manner to earn credibility with investors and grow company

Build differentiated capabilities and leadership to win at our game and build a sustainable company for the future

Creating value by executing a simple formula

MUSA Value Creation Drivers



2013 – 2018 Highlights

Increased total stores by 21%
- 271 new sites
- 59 Raze & Rebuilds

Grew fuel contribution margin by 10%
- 11% total volume growth
- 16.3 cpg average total margin

Strengthened competitive advantage by 2.4 CPG
- +350 bps merchandise margin %
- +42% merch contribution $
- ~ $1k reduction in APSM site opex

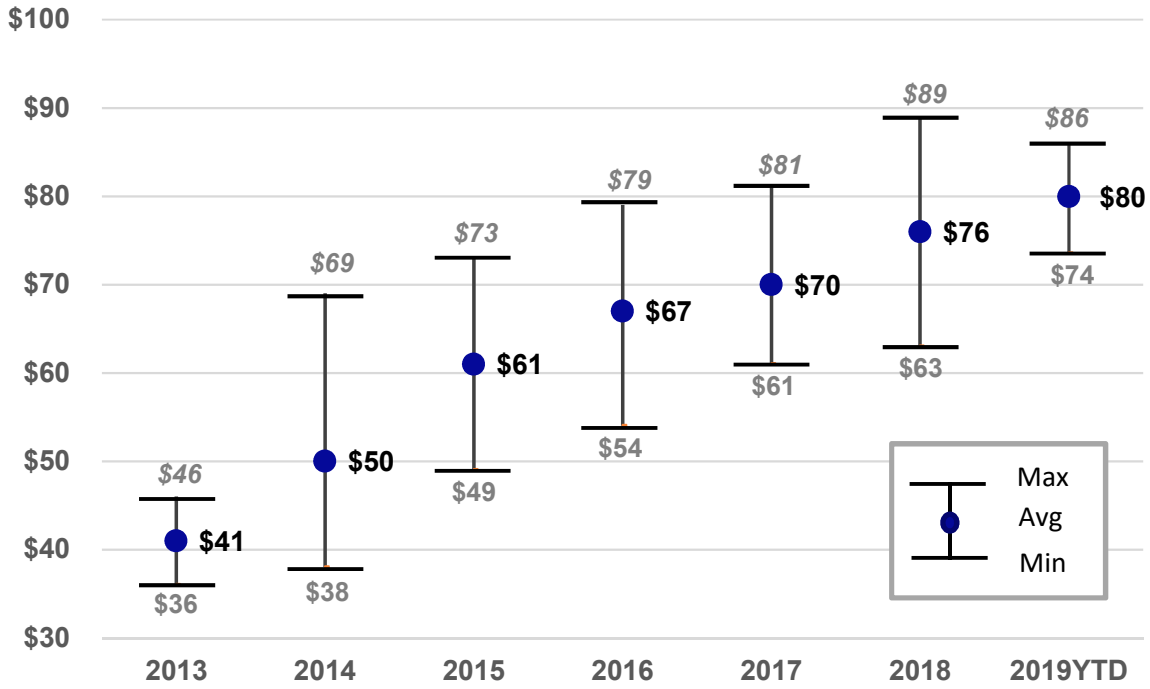
Scaled SG&A per store, lowering costs 2%
- Stood up new company; right-sized resources
- Invested in growth and new capabilities

Repurchased ~ 15M shares
- ~ $1 billion of capital
- ~ 31% of shares outstanding

**Site Opex excludes credit card fees*
***SG&A per-store excludes stock-based compensation and one-time spin costs in 2013*

Value creation translating to shareholder returns

MUSA Share Price By Year
Average, Min, Max



TSR	2013	2014	2015	2016	2017	2018	2019YTD
CAGR From Average to 2019 YTD Average	14%	10%	7%	6%	7%	5%	NA

Drivers of Share Price

	2013	2018	%Δ
EBITDA	$340	$412	21%
Shares Outstanding	46.8	32.3	(31%)
EV/EBITDA Multiple	6	9	50%

Significant future opportunity to grow shareholder value

Examples of MUSA Opportunity Set for Store Productivity

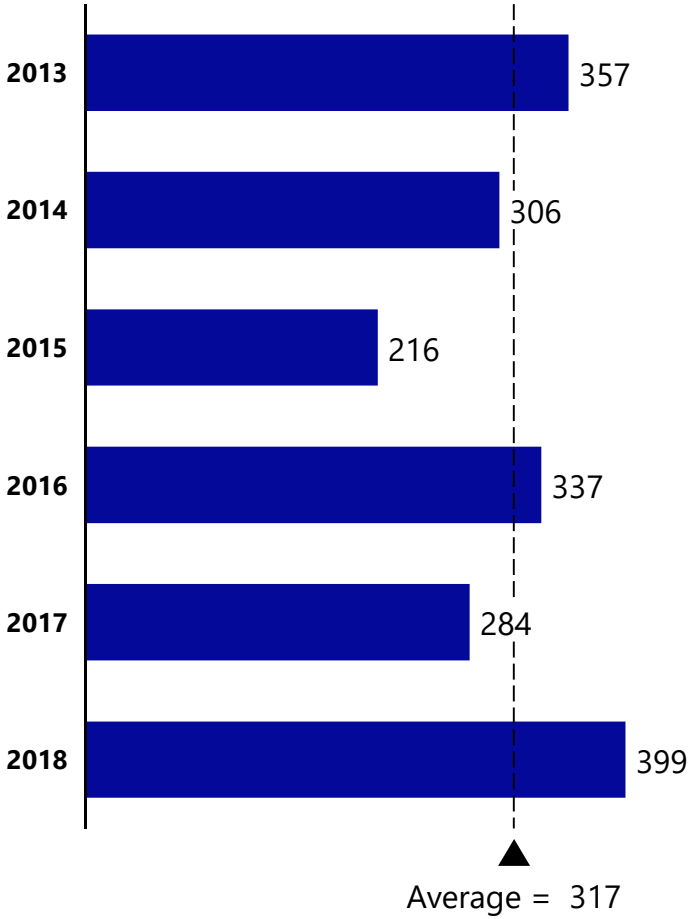
	Past	Present	Future
Doing Things Differently	• CoreMark contract	• Scan based trading for general merchandise	• Item level inventory to drive computer assisted ordering
	• Store labor optimization	• Wage/cohort optimization	• Daily pay for store associates to drive retention
Doing Different Things	• Raze and rebuilds for end-of-life stores	• Market in-fill with 2,800 sq-ft-stores	• New format destination offers in non-urban sister stores
	• Maintenance refresh program	• Enhanced break/fix store support	• Preventative and predictive maintenance
Changing Customer Behavior	• Walmart summer fuel discounts	• MDR as EDLP loyalty engine to drive segment specific behaviors	• MDR with links to payment systems and various network affiliates
	• MUSA known for EDLP on fuel and tobacco	• MUSA's EDLP price optimized store by store and executed consistently	• EDLP price optimization and controls highly automated

Future portfolio changes

Approach	Considerations
Walmart Supercenter Halo	• Limited good and available locations in attractive markets where we can win with small store format • Remaining states unattractive from demand or regulatory standpoint
Advantage Market In-Fill	• Building pipeline for 30-40+ locations per year in most attractive markets for larger 2,800 sq. ft. store • Targeting core customer demographics in growth areas where limited made-to-stock food offer attractive
Non-Urban Sister Store	• Exploring destination offers that resonate with customers in non-urban markets with existing MUSA store • May have to build/partner/buy capabilities for differentiated destination offer
Raze and Rebuilds	• Expanding fuel and merchandise offer at highest performing, end-of-life kiosks • Store productivity initiatives extend R&R candidate list
End of Life Exits	• Closing/selling low performing stores at/before end of life • Monetize real estate for highest/best use

High class problem – Cash Flow Machine

Operating Cash Flow



Sources of Future Growth

- Achieving Zero Fuel Breakeven
- Murphy Drive Rewards
- Retail Pricing Excellence
- Contribution from larger, higher performing new stores
- Scaling Corporate costs
- Supply cost optimization
- Leveraging scale to grow Wholesale business
- Fleet opportunities
- Others…

Net Debt (MM)

As of December 31, 2018

Term Loan	$ 72
Bonds:	
2013 6.000%	495
2017 5.625%	296
Total Debt	$863
Less Cash	< 185>
Net Debt	$678

Leverage Ratio*: 1.85x

* *As reported to lenders per debt covenant requirements*

Capital allocation considerations

- Organic growth is flexible based on opportunity
  - Building In-fill NTI pipeline for 30-40+ potential stores in 2020 and beyond
  - Developing strategic alternatives for non-urban sister store where MUSA has a right to win
  - Raze and rebuilds are flexible based on capital allocation priorities

- Share repurchase remains preferred vehicle for returning value to investors
  - Most flexible means given volatility in earnings and capital commitments
  - High ROE potential with current discount

Winning at our game lets all our stakeholders win

Stakeholders	What MUSA Delivers
Customers	• Commitment to deliver exceptional value in products they choose to buy • Trusted brand to ensure guaranteed products, safe facilities and secure personal information
Suppliers	• Commitment to share growth in billion dollars categories • Highest ROI marketing spend through MDR
Investors	• Commitment to grow EPS consistently over time • Disciplined and balanced capital allocation
Employees	• Commitment to long-term, sustainable and innovative employer, for employees to grow professionally • Exceptional employee value proposition
Communities	• Commitment to sustainability to support our employee value proposition • Great partner to count on