Murphy USA Inc. (MUSA)

November 2017 Investor Presentation







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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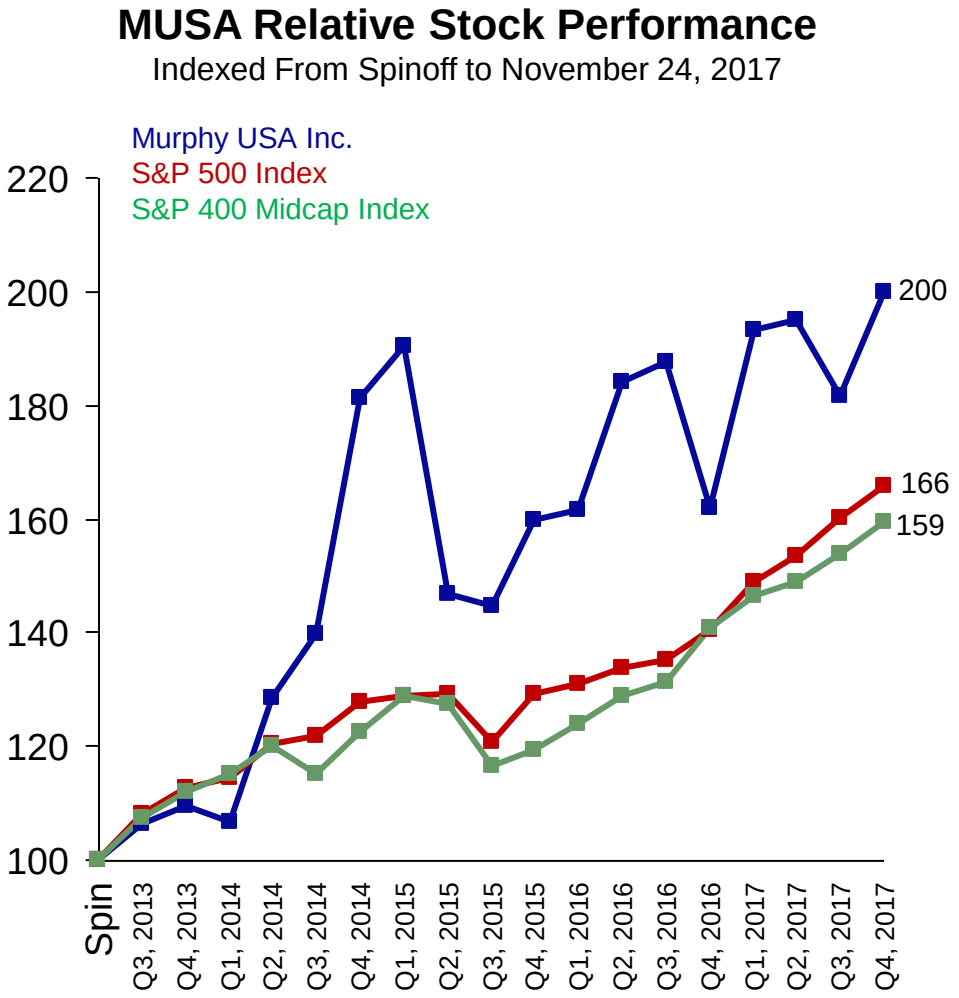
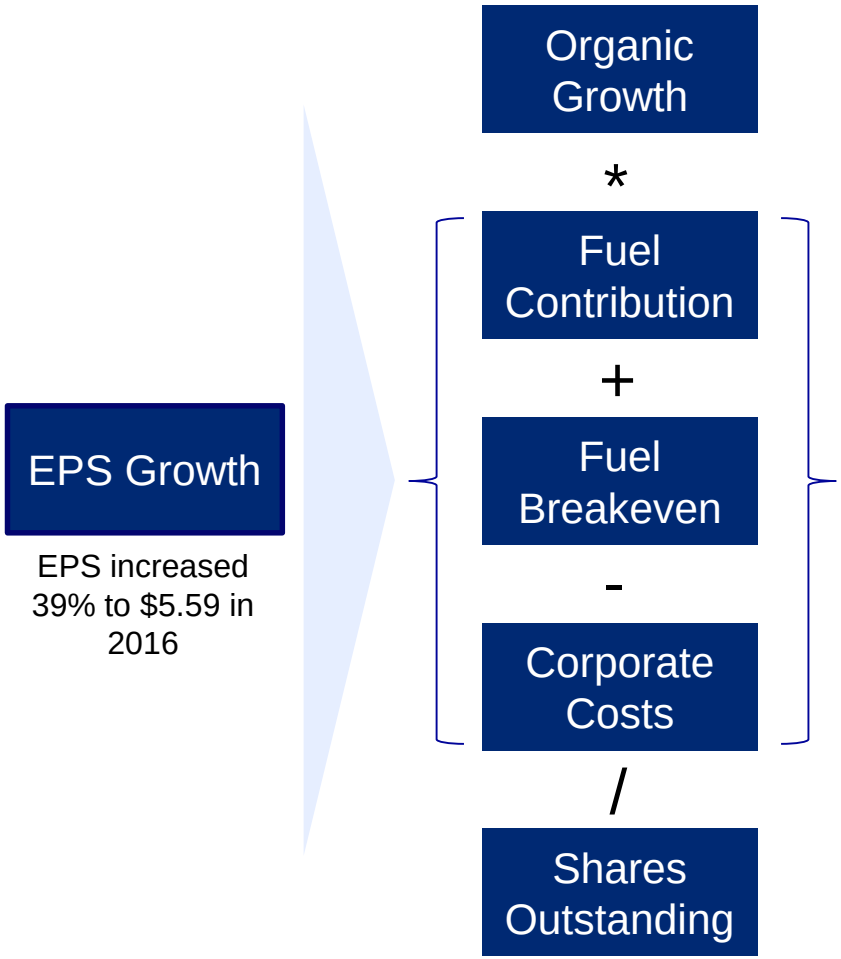
Murphy USA continues its proven and differentiated strategy

- 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 creates value through a simple formula - and executes

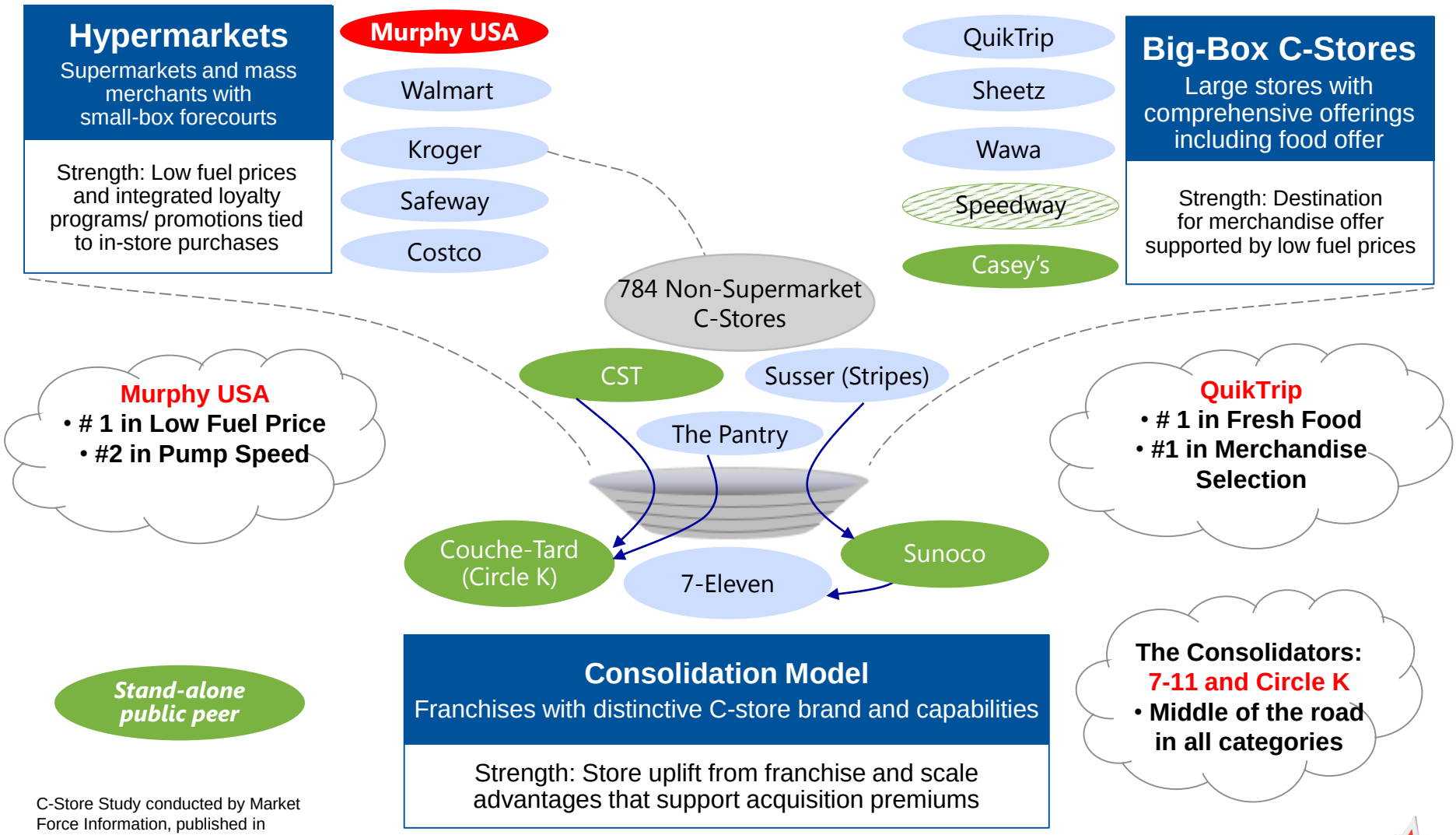
MUSA Value Creation Drivers



	2016 Proof Point	2017 Proof Point
Organic Growth	5% unit growth • 67 new sites; 10 R&R • 300 refresh; 180 Super Coolers	3-4% unit growth (estimated) • 45-50 new sites; 20 R&R • 300 refresh; 246 super coolers
Fuel Contribution	5% contribution growth • +1.7% volume growth • 15.4 cpg total margin • 3.8 cpg from PS&W/RINs	5.6% YTD contribution growth • (0.9)% volume growth • 16.3 cpg total margin • 2.2 cpg from PS&W/RINs
Fuel Breakeven	2.5 cpg to 1.6 cpg • +120 bps merchandise • +11.2% contribution $ • -4.1% site opex* APSM	1.6 cpg to 1.56 cpg YTD • +30 bps merchandise • (0.8%) contribution $ • -3.9% site opex* APSM
Corporate Costs	SG&A per store down 10% • $6.6 million decline in total SG&A • Tax-efficient non-core asset sale	SG&A per store up 3% • $6.1 million increase in total SG&A YTD • Investing in people and capabilities
Shares Outstanding	• 4.9M shares repurchased • 11% of shares out	• 2.3M shares repurchased YTD • 6.1% of shares out

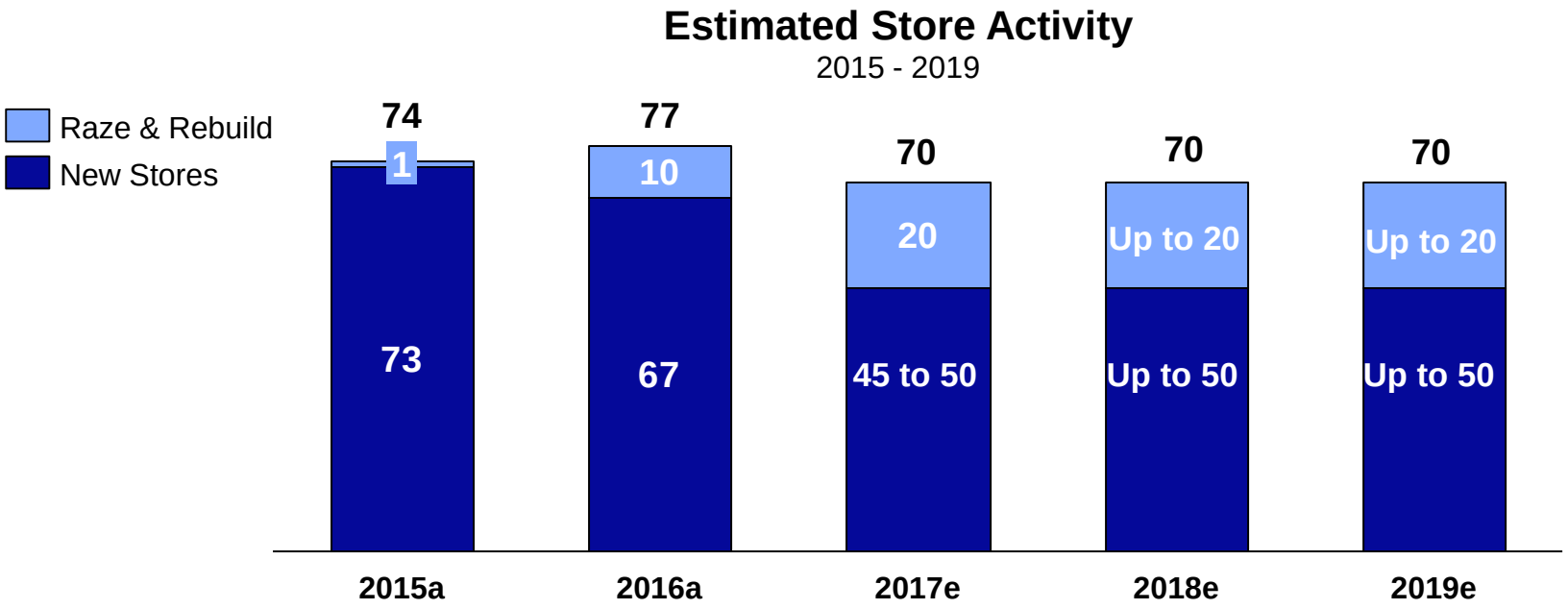
*Site Opex excludes credit card fees
**SG&A per-store excludes stock-based compensation

The competitive landscape continues to evolve



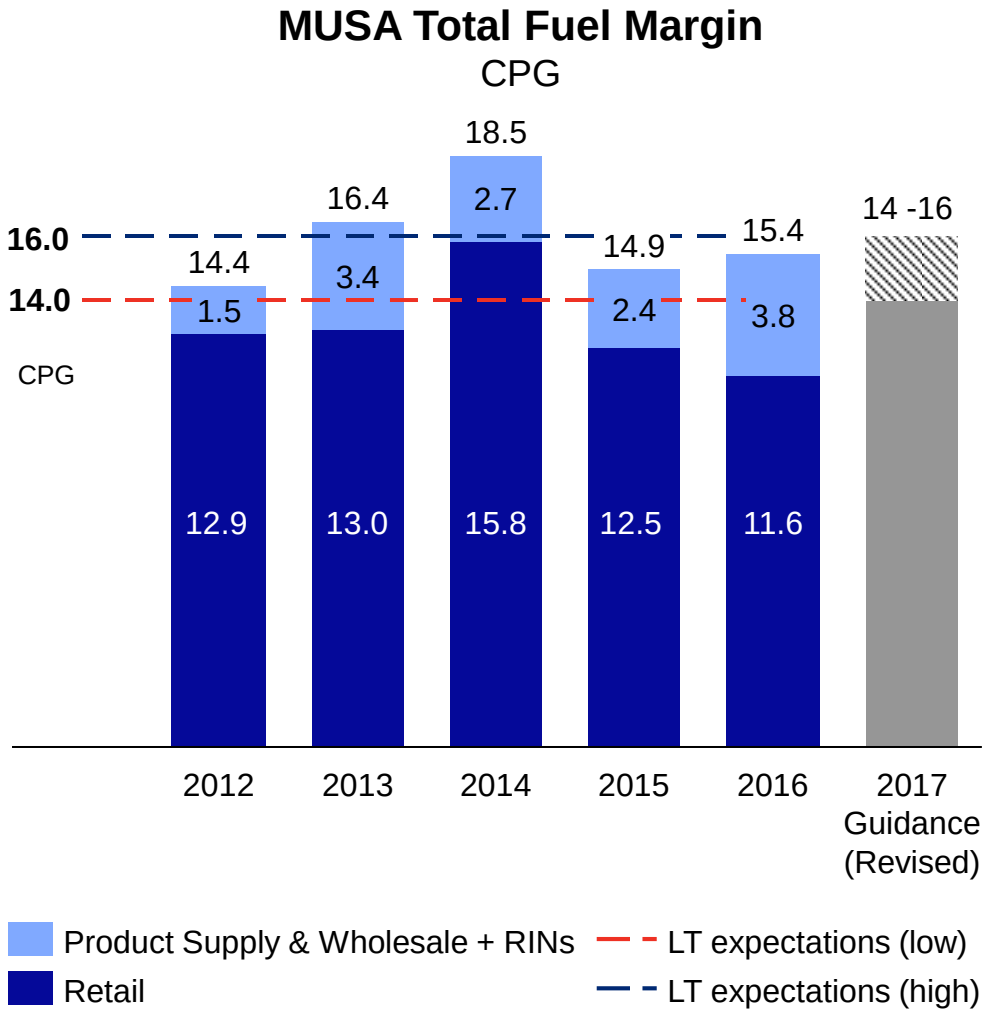
C-Store Study conducted by Market Force Information, published in Convenience Store News

Express growth, rebuilds continue in Independent Growth Plan



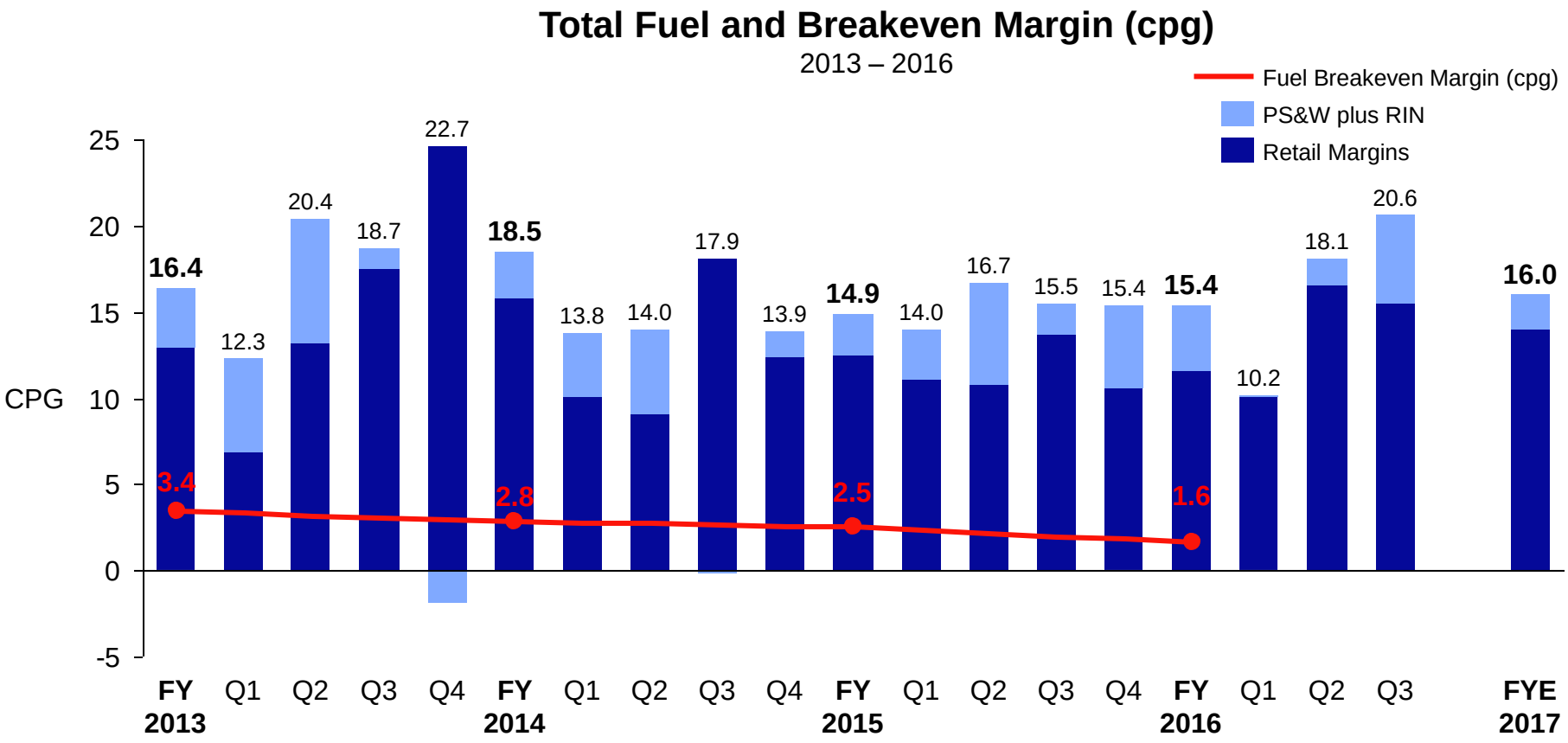
Total Units	**1,335**	**1,401**	***1,451***	***1,501***	***1,551***
Express Growth	17	25	*42*	*50*	*50*
USA Growth	56	42	*8*	*0*	*0*
Raze & Rebuild	**1**	**10**	***20***	***20***	***20***

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



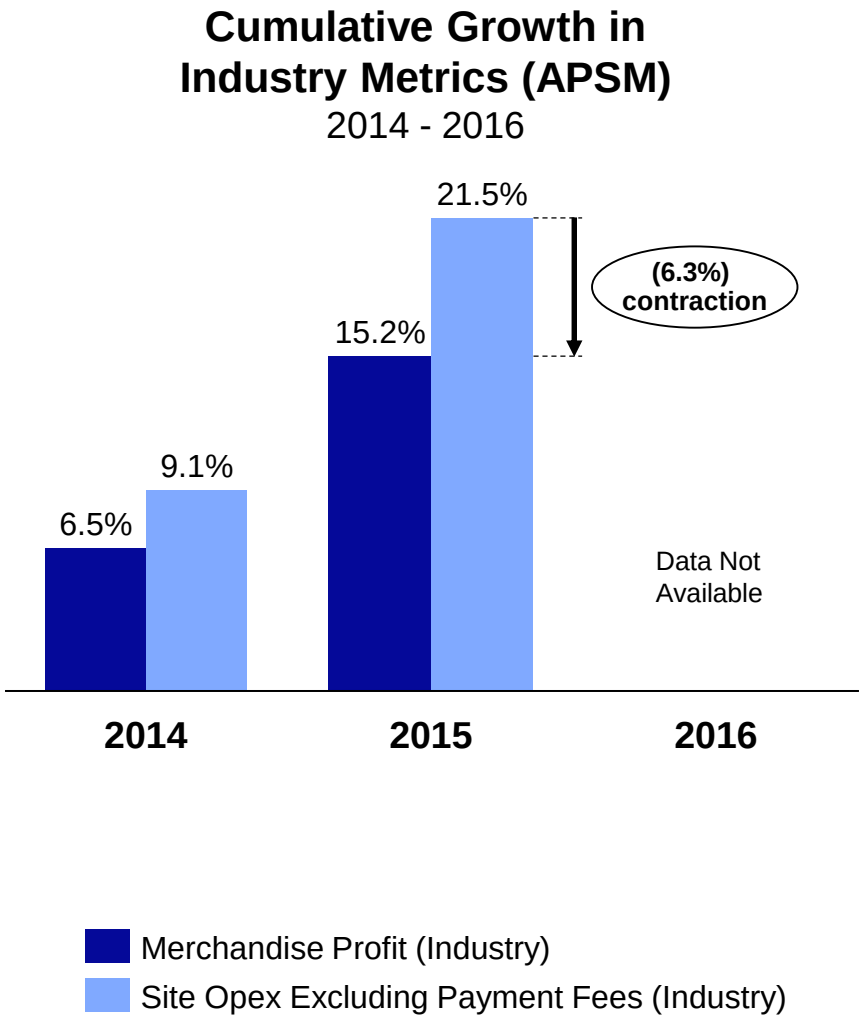
- We expect to earn 14 to 16 cpg in total fuel contribution from our combined retail and PS&W plus RIN sources
- MUSA's total fuel margin has come within or above the expected range each of the last 5 fiscal years
- We revised 2017 margin guidance down from our expected annual range after Q1
  - Adverse supply conditions pressured rack prices
  - Political uncertainty caused RIN prices to decline without offsetting spot-to-rack adjustments
  - Weaker Q1 fuel demand and retail margins
- We revised 2017 margin guidance higher on Q3 conf call, suggesting higher-end of original guidance range of 14-16 cpg
  - Robust retail margin environment from seasonal oil price declines and aftermath of hurricanes
  - RIN's back in equilibrium, spot-rack margins closer to historical levels

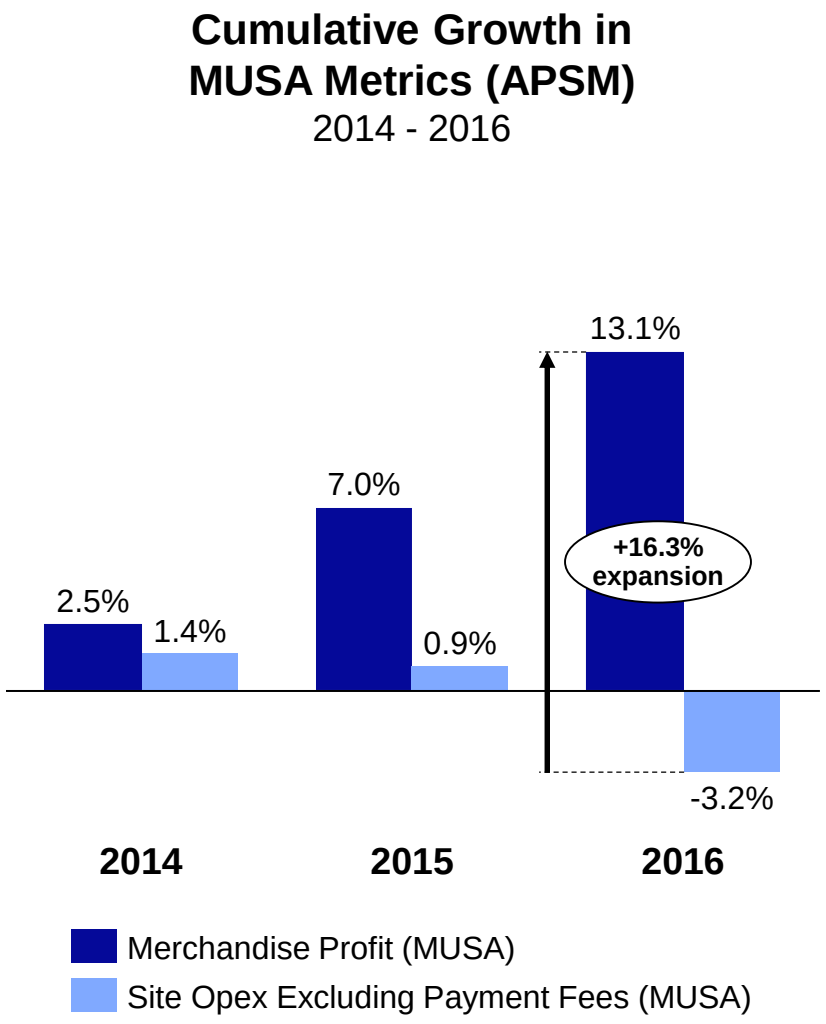
Volatility favors our low-cost business model



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	1.5	5.1		**2.0**
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	16.6	15.5		**14.0**

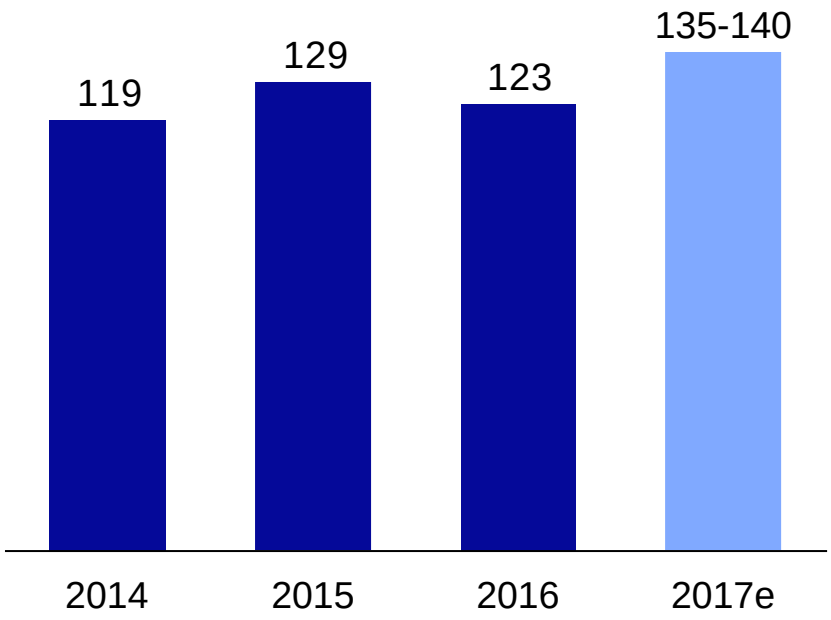
MUSA's in-store metrics buck industry trends





SG&A investments enhance capabilities and scalability

Total SG&A ($MM)
2014 – 2017e



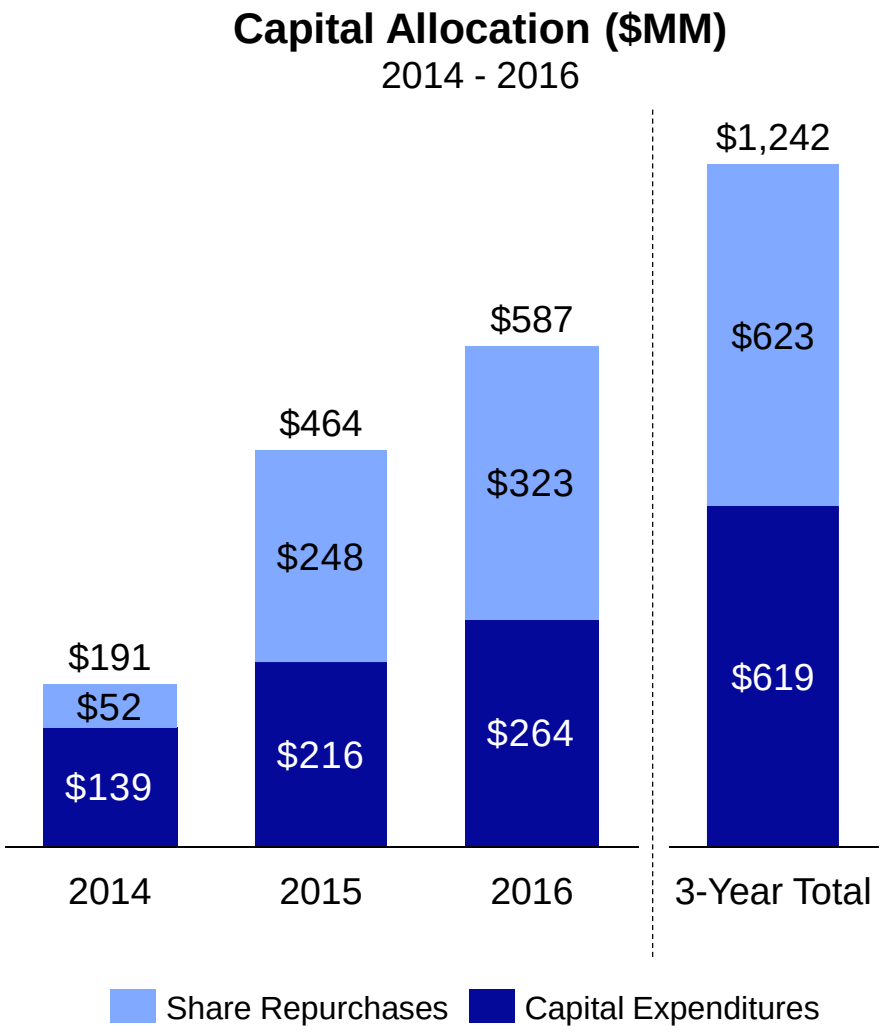
SG&A per Store* (K)
2014 – 2017e

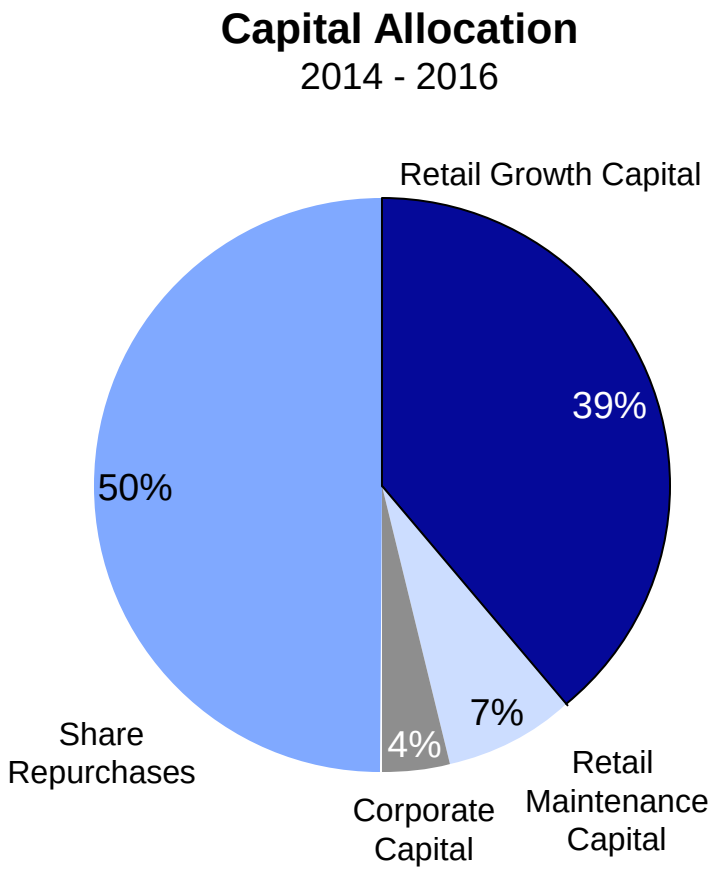
2014	2015	2016	2017e
94	**97**	**88**	**93**

*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

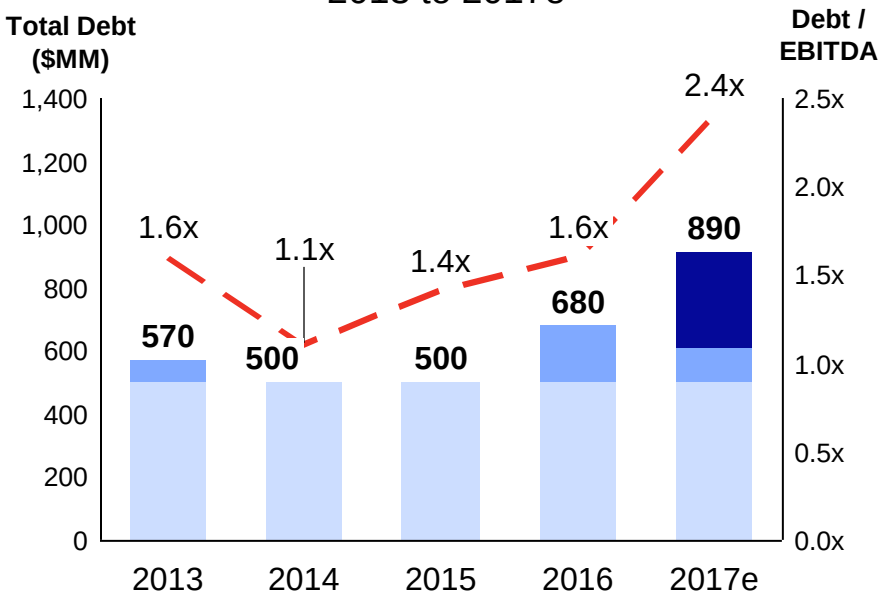




We have strategically added leverage to boost equity returns

Leverage Structure and Ratio

2013 to 2017e



	2013	2014	2015	2016	2017e
Total Debt*	**570**	**500**	**500**	**680**	***884***
Senior Note Due 2023	500	500	500	500	*500*
Term Loan	70			180	*84*
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

EPS Growth

Organic Growth

*

Fuel Contribution

+

Fuel Breakeven

–

Corporate Costs

/

Shares Outstanding

MUSA Value Creation Drivers

