



PRESS RELEASE
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ALIMENTATION COUCHE-TARD PROVIDES BUSINESS UPDATE

Laval, Québec, Canada – May 19, 2020 – Alimentation Couche-Tard Inc. (“Couche-Tard” or the “Company”) (TSX: ATD.A) (TSX: ATD.B) provided today a business update related to the impact of the COVID-19 outbreak.

From the start of the crisis, Couche-Tard’s response has been defined by a clear set of guiding principles:

- We are all in this together: our company, our employees, our customers, and our suppliers.
- We must put the health and safety of our employees and customers as our first priority.
- We must stay true to our mission of making our customers’ lives a little easier every day.
- We must think and act with a long-term mindset.
- We must ensure the safeguard of our assets and manage the business with a strong focus on maximizing cash flows.

Brian Hannasch, President and Chief Executive Officer of Couche-Tard, said: “During these troubled times, Couche-Tard is committed to being part of the solution in the communities where we work and live. Our mission as a company has always been to make our customers’ lives a little easier every day, and we know the best way to get through these difficult days is to band together and support each other. In most areas where we operate, we are considered an essential and critical business. As such, we have worked hard to stay open and serve the needs of our customers and employees. While the effects of this crisis may be felt for some time, our business model is robust and resilient against economic cycles, which will allow us to ride out this storm.”

Measures to Protect Employees and Customers

Couche-Tard moved rapidly to ensure the health and safety of its employees and customers, leveraging the experience of its global Health, Safety & Environment team in dealing with past emergency responses (hurricanes, floods, and widespread fires).

Many preventative measures were put in place, including the installation of plexiglass dividers at checkouts, the addition of queue line separators and floor markings to ensure proper social distancing, and the supply of gloves at the fuel pumps in certain parts of our global network. As



well, Couche-Tard has taken many steps around food safety, enforcing strict cleaning and sanitization procedures in stores and food preparation areas, adding single-item packaging to bakery and other self-serve food items, suspending the use of refillable mugs and cups, and ceasing in-store product sampling. At the distribution centers, the Company implemented temperature checks to screen employees for possible symptoms of the virus.

Couche-Tard also put additional financial and general measures in place to support employees for their efforts and dedication during these challenging times and ensure their well-being. Many of these enhanced employment benefits are part of the emergency planning for North America hourly workers, who do not have the same government safety nets as in other regions where the company operates, including:

- An Emergency Appreciation Pay Premium of \$2.50 per hour in North America for all hourly store and distribution center employees.
- An Employee Assistance Program to all North American employees for the duration of the pandemic.
- An Emergency Sick Care Plan for hourly employees in North America that included both a bank of sick pay, as well as a pay continuation benefit for anyone that is either diagnosed with COVID-19 or placed under mandatory quarantine.
- Access to virtual healthcare for hourly employees in the United States.
- A COVID-19 Assistance Fund to help employees most severely impacted by the pandemic. The Fund is seeded through substantial salary contributions by the Founder and Executive Chairman of the Board of Directors Alain Bouchard, as well as Brian Hannasch and members of the Company's Executive Leadership Team. Employees have also generously donated to the fund with a means established for them to do so.

Couche-Tard also implemented procedures to protect office employees during the crisis including reducing capacity in offices and adapting spaces to comply with social distancing requirements, limiting participants for in-person meetings, and carrying out detailed technical processes to allow most of the support employees to work remotely. Beginning in May, in accordance with local health authority recommendations, the Company started to ramp up office work, with several locations in Europe permitting greater density. To prepare for this, detailed checklists of cleaning and sanitization procedures, social distancing of seating and common areas, and potential work shift options have been put into place across the network.

Community Support Initiatives

- Couche-Tard launched an offer globally of free dispensed beverages for all first responders, medical personnel and employees. To date, more than two million drinks have been given out.



- In Europe, the Company put in place the Circle K Patrol to help local communities by delivering, free of charge, merchandise to people who are most vulnerable to COVID-19 and assembling care parcels for hospital workers and those under strict confinement.
- On April 9, Couche-Tard launched the “Little Thank You’s” initiative in Canada, which empowers customers to directly thank someone with a free Polar Pop or coffee on behalf of Circle K and Couche-Tard. On May 8, the initiative was launched in Europe. To date, close to 19,000 “Little Thank You’s” have been gifted in Canada and more than 3,000 in Europe.
- On April 10, the Company pledged to donate 25 million meals to Feeding America. On May 4, that target was reached and Couche-Tard extended the pledge to 40 million meals to be given to local food banks. This commitment will continue through June 30.

Impact on Store Performance

In Europe, from a broad perspective, shopping behavior started to change during the second week of March, as the World Health Organization officially declared on March 11 that the novel coronavirus had reached a state of pandemic. In North America, the impact on shopping trends was similar but lagged that of Europe by one week. As for the Company’s network, sites remained open throughout most of the countries and regions in which Couche-Tard operates, as fuel retailers and convenience stores were deemed critical businesses.

- From a fuel perspective, volumes declined rapidly during the first few weeks that followed the implementation of restrictive measures across the different regions, but stabilized during April and began to see a gradual improvement in the latter part of the month. Fuel margins overall have benefitted from the rapid and steep declines in crude pricing.
- From a merchandise perspective, sales benefitted from pantry stocking in the early days of the crisis. Starting in mid-March, merchandise sales decreased due to reduced customer traffic, but were mostly stable in their decline week-over-week since then. Overall, a higher average basket helped offset a portion of the lost customer visits.
- From a merchandise category standpoint, demand has been greater for alcohol, tobacco products, basic staples, canned and dry goods, and cleaning and sanitation products. This has helped mitigate the negative impact from lower demand in the prepared food category. Informed by their early learnings, Couche-Tard’s teams in Europe recommended adjustments to the in-store assortment, which allowed stores in North America to better anticipate the changes in shopping behavior and the items that could see greater demand.

Mitigating Actions to Adapt our Business

A disciplined approach to capital allocation and cost containment has always been part of Couche-Tard’s DNA and represents a point of pride for the Company. This crisis has reinforced the belief that only through this discipline will Couche-Tard successfully preserve and continue to



grow value for its employees, customers, and shareholders. The Company has taken many actions aimed at right-sizing such things as non-critical capital expenditures, marketing and promotional expenses, and various professional fees. Additional measures include:

- Adjustments to store hours and shifts based on the analysis of data from labor models.
- The sharing of best practices across business units and frequent scenario modeling to help optimize decision-making and minimize business risks.
- The required authorization by a member of the executive team for all hiring related to non-store vacancies and for all business travel.

Couche-Tard's Global Procurement team has had frequent contacts with key vendors to discuss possible issues in the supply chain. Areas of potential shortages were quickly identified, and remediation plans were put in place. Leveraging its Private Brands team, the Company worked to source key items and ensure their availability for customers and employees. To date, there have been few meaningful stock-outs across Couche-Tard's network.

On the fuel side, the Global Fuels team was active from the onset of the crisis to secure fuel supply through key suppliers, while managing any sourcing opportunities that may emerge.

Strategic Initiatives and Innovation

On March 18, Couche-Tard discussed with analysts and investors its target to implement the Food at Scale program in 1,500 locations by fall. This continues to be an important area of focus and capital expenditures for this initiative remain in the budget for fiscal 2021. The Company has been building out and installing the necessary structures and equipment inside stores and the planned rollout pace remains on track. At the moment, a number of stores have suspended team training sessions related to Food at Scale to respect the social distancing guidelines, but stand ready to turn the switch back on and support the program with sampling and marketing when safety measures are relaxed.

Lastly, Couche-Tard has not stood still on the innovation front. Rather, the Company has accelerated certain initiatives and adapted to changing customer behaviors during the crisis. Because of Couche-Tard's agile and decentralized business model, the Company has been able to expand many delivery platforms and pull forward enabling technologies that could become key to serving customers beyond the current pandemic. These initiatives include:

- The expansion of Home Delivery capabilities in North America to more than 620 stores.
- Click & Collect and Curbside Delivery in both Europe and North America, with pre-ordering and payment through the Circle K app.
- Frictionless payment technology in Norway to accept fuel payments using license plate recognition.



Balance Sheet Health and Available Liquidities

Couche-Tard is taking action to preserve its cash position and financial flexibility, including a pause to share repurchases. On April 19, the Company announced the suspension of its process to acquire Caltex Australia Ltd. to focus its energy on managing operations and maintaining its financial strength through the crisis. As at February 2, 2020, Couche-Tard had \$1.8 billion in cash and equivalents on its balance sheet and a further \$2.5 billion available on its revolving credit facility. The Company's cash balance has since improved, in line with the focus placed on maximizing cash flows through the crisis.

Claude Tessier, Chief Financial Officer, said: "Couche-Tard has always been managed with a disciplined mindset and a readiness to face possible rainy days ahead. We have come into this crisis in a strong position from both a financial standpoint, with a solid balance sheet and well spread debt maturities, and from an operational standpoint, with experience in temporary network shutdowns that permitted us to respond quickly to the changing landscape. We have implemented weekly COVID-19 financial reporting focused on daily cash position summaries, working capital, as well as details on retail sales, volumes and margin trends. We are taking all necessary steps to be ready to reinvest in our business and in the economy when the time comes to exit this crisis."

Mr. Hannasch concluded: "I want to thank all our employees, customers, suppliers and partners, the leadership team, and our shareholders for their trust in the face of this pandemic. Our heart goes out to all who are suffering from the virus or taking care of loved ones. I have never been prouder to be CEO of this company, as during the most difficult days our employees have shown great kindness and care for each other, our customers, and our communities. Whether working tirelessly in our stores or remotely to support our operations, it is clear we are all in this together and will come out of this a stronger, better company."

About Alimentation Couche-Tard Inc.

Couche-Tard is the leader in the Canadian convenience store industry. In the United States, it is the largest independent convenience store operator in terms of the number of company-operated stores. In Europe, Couche-Tard is a leader in convenience store and road transportation fuel retail in the Scandinavian countries (Norway, Sweden and Denmark), in the Baltic countries (Estonia, Latvia and Lithuania), as well as in Ireland, and has an important presence in Poland.

As of February 2, 2020, Couche-Tard's network comprised 9,799 convenience stores throughout North America, including 8,594 stores with road transportation fuel dispensing. Its North American network consists of 18 business units, including 14 in the United States covering 48 states and 4 in Canada covering all 10 provinces. Approximately 109,000 people are employed throughout its network and at its service offices in North America.

In Europe, Couche-Tard operates a broad retail network across Scandinavia, Ireland, Poland, the Baltics and Russia through 10 business units. As of February 2, 2020, Couche-Tard's network comprised 2,697 stores, the majority of which offer road transportation fuel and convenience products while the others



are unmanned automated fuel stations which only offer road transportation fuel. Couche-Tard also offers other products, including aviation fuel and energy for stationary engines. Including employees at branded franchise stores, approximately 24,000 people work in its retail network, terminals and service offices across Europe.

In addition, under licensing agreements, more than 2,380 stores are operated under the Circle K banner in 15 other countries and territories (Cambodia, China, Egypt, Guam, Honduras, Hong Kong, Indonesia, Jamaica, Macau, Mexico, Mongolia, New Zealand, Saudi Arabia, the United Arab Emirates and Vietnam), which brings the worldwide total network to more than 14,800 stores.

For more information on Alimentation Couche-Tard Inc. or to consult its quarterly Consolidated Financial Statements and Management Discussion and Analysis, please visit: <https://corpo.couche-tard.com>.

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Forward-Looking Statements

The statements set forth in this press release, which describes Couche-Tard's objectives, projections, estimates, expectations or forecasts, may constitute forward looking statements within the meaning of securities legislation. Positive or negative verbs such as "believe", "can", "shall", "intend", "expect", "estimate", "assume" and other related expressions are used to identify such statements. Couche-Tard would like to point out that, by their very nature, forward-looking statements involve risks and uncertainties such that its results, or the measures it adopts, could differ materially from those indicated in or underlying these statements, or could have an impact on the degree of realization of a particular projection. Major factors that may lead to a material difference between Couche Tard's actual results and the projections or expectations set forth in the forward-looking statements include the effects of the integration of acquired businesses and the ability to achieve projected synergies, uncertainty related to the duration and severity of the current COVID-19 pandemic, fluctuations in margins on motor fuel sales, competition in the convenience store and retail motor fuel industries, exchange rate variations, and such other risks as described in detail from time to time in the reports filed by Couche-Tard with securities regulatory authorities in Canada. Unless otherwise required by applicable securities laws, Couche-Tard disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking information in this release is based on information available as of the date of the release.