



STEPHENS NON-DEAL ROADSHOW PREP PACKET

Casey's General Stores, Inc. (CASY) – Richmond & Baltimore

October 10, 2018

Casey's General Stores, Inc. (CASY) – Richmond & Baltimore Non-Deal Roadshow

Questions/Topics of Discussion

Long-Term Operating Goals

- Now that we are a few quarters into your value creation plan, can you talk about your early learnings thus far? What are you seeing right now that gives you confidence in the long-term targets you have identified?
- Of the three new initiatives (digital, a fleet card program and price optimization), can you help us rank-order the benefits to each sales category from each initiative?
- Of the \$200 million in cumulative operating expense savings, can you quantify some of the larger buckets of cost savings?
 - Understanding that is a gross savings target, and you expect to reinvest essentially all of your savings back into the business, what kind of return are you expecting to get on these redeployed savings?
- You have encountered periods of softer financial results in the past, and in the past you have been able to navigate out of those periods by re-accelerating same-store sales growth. How would you compare/contrast the current challenge you have ahead of you today to do the same, relative to those prior periods (thinking about 2Q10 - 1Q11 as an example, and 4Q12 – 3Q13)?

Core Business

- Industry demand trends seemed to improve pretty meaningfully over the last few months, can you talk about what you think has driven the improvement?
- For the past several years you have been able to outpace industry gallon growth – what has been driving that outperformance?
 - As we look toward the new fleet card program, what kind of gallon uplift could that provide?
- On the operating expense side, Casey's has shown improved "untouched" store OpEx, but total OpEx growth remains in the high-single digits/low-double digits. Is that just the level required to run your business with a higher focus on prepared foods, or what are some of the puts and takes of thinking that the growth rate could drift lower over time?
- In the first quarter we saw a little bit lighter gallon growth, but stronger fuel margins than expected – is this just an early impact from some price optimization or are there other changes that you have made that contributed to the stronger margins?
- You have talked about the opportunity to improve your procurement and realize CPG increases as a result – how long would you expect it to take to capture this opportunity?
- In response to the more promotional operating environment, we have seen you increase your promotional activity – how has the customer responded relative to your expectations?

M&A/Capital Deployment

- Last quarter you talked about slowing the pace of share repurchase to dedicate capital toward these new growth initiatives – can you talk about the capital intensity of each initiative and what that could mean for free cash flow over the coming years?
- How does the M&A landscape look today? With an increased focus on standing up these initiatives, where does M&A stand on your list of capital priorities?
- With leverage here in the mid-2x range, would you be willing to flex the balance sheet for an attractive acquisition?

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Stephens CASY Reports:

[CASY Reports 1Q19; Revising Estimates & PT; Reiterate OW Rating \(9.12.18\)](#)

Stephens CASY Model:

[CASY EXCEL Attachment](#)

Stephens Inc. working model and published research report attached.
For current disclosures on this company, please access the attached research report.

OTHER DISCLOSURES

Note: The purpose of this document is to suggest questions investors might like to ask company management and to help investors develop their own questions. This document is not intended to express any opinion or investment recommendation.

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