

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark one)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2024

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 001-35914



MURPHY USA INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

200 Peach Street
El Dorado, Arkansas
(Address of principal executive offices)

46-2279221
(I.R.S. Employer Identification No.)

71730-5836
(Zip Code)

(870) 875-7600

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 Par Value	MUSA	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Number of shares of Common Stock, \$0.01 par value, outstanding at June 30, 2024 was 20,492,205.

MURPHY USA INC.

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ITEM 1. FINANCIAL STATEMENTS

Murphy USA Inc.
Consolidated Balance Sheets

(Millions of dollars, except share amounts)

	June 30, 2024 (unaudited)	December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	\$ 79.8	\$ 117.8
Marketable securities, current	4.5	7.1
Accounts receivable—trade, less allowance for doubtful accounts of \$0.6 and \$1.3 at 2024 and 2023, respectively	386.5	336.7
Inventories, at lower of cost or market	315.9	341.2
Prepaid expenses and other current assets	33.4	23.7
Total current assets	820.1	826.5
Marketable securities, non-current	3.0	4.4
Property, plant and equipment, at cost less accumulated depreciation and amortization of \$1,824.9 and \$1,739.2 at 2024 and 2023, respectively	2,655.4	2,571.8
Operating lease right of use assets, net	463.5	452.1
Intangible assets, net of amortization	139.6	139.8
Goodwill	328.0	328.0
Other assets	20.3	17.5
Total assets	<u>\$ 4,429.9</u>	<u>\$ 4,340.1</u>
Liabilities and Stockholders' Equity		
Current liabilities		
Current maturities of long-term debt	\$ 15.6	\$ 15.0
Trade accounts payable and accrued liabilities	924.0	834.7
Income taxes payable	31.1	23.1
Total current liabilities	970.7	872.8
Long-term debt, including capitalized lease obligations	1,781.4	1,784.7
Deferred income taxes	323.0	329.5
Asset retirement obligations	46.3	46.1
Non-current operating lease liabilities	464.6	450.3
Deferred credits and other liabilities	32.6	27.8
Total liabilities	<u>3,618.6</u>	<u>3,511.2</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 2024 and 2023, respectively)	0.5	0.5
Treasury stock (26,274,959 and 25,929,836 shares held at 2024 and 2023, respectively)	(3,139.4)	(2,957.8)
Additional paid in capital (APIC)	479.3	508.1
Retained earnings	3,470.9	3,278.1
Total stockholders' equity	811.3	828.9
Total liabilities and stockholders' equity	<u>\$ 4,429.9</u>	<u>\$ 4,340.1</u>

See notes to consolidated financial statements.

Murphy USA Inc.
Consolidated Statements of Income
(unaudited)

<i>(Millions of dollars, except share and per share amounts)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Operating Revenues				
Petroleum product sales ¹	\$ 4,340.5	\$ 4,450.6	\$ 8,152.2	\$ 8,444.8
Merchandise sales	1,080.4	1,049.0	2,081.1	2,015.2
Other operating revenues	30.8	85.8	62.1	202.6
Total operating revenues	5,451.7	5,585.4	10,295.4	10,662.6
Operating Expenses				
Petroleum product cost of goods sold ¹	3,980.2	4,170.0	7,536.3	7,950.6
Merchandise cost of goods sold	863.9	842.2	1,673.0	1,621.3
Store and other operating expenses	269.9	256.7	522.0	495.0
Depreciation and amortization	59.3	57.8	118.0	114.2
Selling, general and administrative	59.1	59.4	121.2	118.4
Accretion of asset retirement obligations	0.8	0.7	1.6	1.5
Total operating expenses	5,233.2	5,386.8	9,972.1	10,301.0
Gain (loss) on sale of assets	(1.4)	0.1	(1.0)	(0.1)
Income (loss) from operations	217.1	198.7	322.3	361.5
Other income (expense)				
Investment income	0.9	1.8	2.1	2.6
Interest expense	(24.9)	(25.0)	(49.8)	(49.9)
Other nonoperating income (expense)	0.1	0.2	0.5	0.5
Total other income (expense)	(23.9)	(23.0)	(47.2)	(46.8)
Income before income taxes	193.2	175.7	275.1	314.7
Income tax expense (benefit)	48.4	42.9	64.3	75.6
Net Income	\$ 144.8	\$ 132.8	\$ 210.8	\$ 239.1
Basic and Diluted Earnings Per Common Share:				
Basic	\$ 7.02	\$ 6.12	\$ 10.17	\$ 11.01
Diluted	\$ 6.92	\$ 6.02	\$ 10.02	\$ 10.82
Weighted-Average Common Shares Outstanding (in thousands):				
Basic	20,643	21,686	20,728	21,712
Diluted	20,922	22,051	21,043	22,092
Supplemental information:				
¹ Includes excise taxes of:	\$ 597.5	\$ 594.2	\$ 1,156.3	\$ 1,139.0

See notes to consolidated financial statements.

Murphy USA Inc.
Consolidated Statements of Comprehensive Income (Loss)
(unaudited)

<i>(Millions of dollars)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income	\$ 144.8	\$ 132.8	\$ 210.8	\$ 239.1
Other comprehensive income (loss), net of tax				
Interest rate swap:				
Reclassifications:				
Amortization of unrealized (gain) loss to interest expense	—	0.3	—	0.5
	—	0.3	—	0.5
Deferred income tax (benefit) expense	—	0.1	—	0.1
Other comprehensive income (loss)	—	0.2	—	0.4
Comprehensive income	\$ 144.8	\$ 133.0	\$ 210.8	\$ 239.5

See notes to consolidated financial statements.

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

(Millions of dollars)

	Six Months Ended June 30,	
	2024	2023
Operating Activities		
Net income	\$ 210.8	\$ 239.1
Adjustments to reconcile net income (loss) to net cash provided by (required by) operating activities		
Depreciation and amortization	118.0	114.2
Deferred and noncurrent income tax charges (benefits)	(6.5)	9.4
Accretion of asset retirement obligations	1.6	1.5
Amortization of discount on marketable securities	(0.1)	—
(Gains) losses from sale of assets	1.0	0.1
Net (increase) decrease in noncash operating working capital	55.8	(61.6)
Other operating activities - net	16.2	18.2
Net cash provided (required) by operating activities	<u>396.8</u>	<u>320.9</u>
Investing Activities		
Property additions	(194.2)	(145.2)
Proceeds from sale of assets	1.6	1.8
Investment in marketable securities	—	(8.4)
Redemptions of marketable securities	4.0	10.5
Other investing activities - net	(0.8)	(1.0)
Net cash provided (required) by investing activities	<u>(189.4)</u>	<u>(142.3)</u>
Financing Activities		
Purchase of treasury stock	(192.5)	(107.9)
Dividends paid	(17.9)	(16.3)
Borrowings of debt	120.0	8.0
Repayments of debt	(127.8)	(15.7)
Amounts related to share-based compensation	(27.2)	(14.3)
Net cash provided (required) by financing activities	<u>(245.4)</u>	<u>(146.2)</u>
Net increase (decrease) in cash, cash equivalents, and restricted cash	(38.0)	32.4
Cash, cash equivalents, and restricted cash at beginning of period	117.8	60.5
Cash, cash equivalents, and restricted cash at end of period	<u>\$ 79.8</u>	<u>\$ 92.9</u>

See notes to consolidated financial statements.

Murphy USA Inc.
Consolidated Statements of Changes in Equity
(unaudited)

<i>(Millions of dollars, except share amounts)</i>	Common Stock		Treasury Stock	APIC	Retained Earnings	AOCI	Total
	Shares	Par					
Balance as of December 31, 2022	46,767,164	\$ 0.5	\$ (2,633.3)	\$ 518.9	\$ 2,755.1	\$ (0.5)	\$ 640.7
Net income	—	—	—	—	106.3	—	106.3
Gain on interest rate hedge and unrealized gain on marketable securities, net of tax	—	—	—	—	—	0.2	0.2
Cash dividends declared (\$0.37 per share)	—	—	—	—	(8.1)	—	(8.1)
Dividend equivalent units accrued	—	—	—	0.1	(0.1)	—	—
Purchase of treasury stock	—	—	(13.7)	—	—	—	(13.7)
Issuance of treasury stock	—	—	8.7	(8.7)	—	—	—
Amounts related to share-based compensation	—	—	—	(13.5)	—	—	(13.5)
Share-based compensation expense	—	—	—	4.9	—	—	4.9
Balance as of March 31, 2023	46,767,164	0.5	(2,638.3)	501.7	2,853.2	(0.3)	716.8
Net income	—	—	—	—	132.8	—	132.8
Gain on interest rate hedge and unrealized gain on marketable securities, net of tax	—	—	—	—	—	0.2	0.2
Cash dividends declared (\$0.38 per share)	—	—	—	—	(8.2)	—	(8.2)
Dividend equivalent units accrued	—	—	—	0.1	(0.1)	—	—
Purchase of treasury stock	—	—	(95.1)	—	—	—	(95.1)
Issuance of treasury stock	—	—	0.3	(0.4)	—	—	(0.1)
Amounts related to share-based compensation	—	—	—	(0.8)	—	—	(0.8)
Share-based compensation expense	—	—	—	5.2	—	—	5.2
Balance as of June 30, 2023	46,767,164	\$ 0.5	\$ (2,733.1)	\$ 505.8	\$ 2,977.7	\$ (0.1)	\$ 750.8

Murphy USA Inc.
Consolidated Statements of Changes in Equity
(unaudited)

<i>(Millions of dollars, except share amounts)</i>	Common Stock			APIC	Retained Earnings	AOCI	Total
	Shares	Par	Treasury Stock				
Balance as of December 31, 2023	46,767,164	\$ 0.5	\$ (2,957.8)	\$ 508.1	\$ 3,278.1	\$ —	\$ 828.9
Net income	—	—	—	—	66.0	—	66.0
Cash dividends declared (\$0.42 per share)	—	—	—	—	(8.8)	—	(8.8)
Dividend equivalent units accrued	—	—	—	0.1	(0.1)	—	—
Purchase of treasury stock	—	—	(86.9)	—	—	—	(86.9)
Issuance of treasury stock	—	—	11.0	(11.1)	—	—	(0.1)
Amounts related to share-based compensation	—	—	—	(23.1)	—	—	(23.1)
Share-based compensation expense	—	—	—	5.6	—	—	5.6
Balance as of March 31, 2024	46,767,164	0.5	(3,033.7)	479.6	3,335.2	—	781.6
Net income	—	—	—	—	144.8	—	144.8
Cash dividends declared (\$0.44 per share)	—	—	—	—	(9.1)	—	(9.1)
Purchase of treasury stock	—	—	(107.1)	—	—	—	(107.1)
Issuance of treasury stock	—	—	1.4	(1.3)	—	—	0.1
Amounts related to share-based compensation	—	—	—	(4.1)	—	—	(4.1)
Share-based compensation expense	—	—	—	5.1	—	—	5.1
Balance as of June 30, 2024	46,767,164	\$ 0.5	\$ (3,139.4)	\$ 479.3	\$ 3,470.9	\$ —	\$ 811.3

See notes to consolidated financial statements.

Murphy USA Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Note 1 — Description of Business and Basis of Presentation

Description of business — Murphy USA Inc. and its consolidated subsidiaries (“Murphy USA”, “we”, “our”, “us” or the “Company”) markets refined products through a network of retail gasoline stores and to unbranded wholesale customers. In addition, we operate non-fuel convenience stores in select markets. The Company owns and operates a chain of retail stores under the brand names of Murphy USA® and Murphy Express, most of which are located in close proximity to Walmart stores, and also has a mix of convenience stores with and without retail gasoline that operate under the brand name of QuickChek®. At June 30, 2024, the Company had a total of 1,736 Company stores of which 1,582 were branded as Murphy and 154 were the QuickChek brand. The Company also has certain product supply and wholesale assets, including product distribution terminals and pipeline positions.

Basis of Presentation — Murphy USA was incorporated in March 2013 and, in connection with its incorporation, Murphy USA issued 100 shares of common stock, par value \$0.01 per share, to Murphy Oil Corporation (“Murphy Oil”) for \$1.00. On August 30, 2013, Murphy USA was separated from Murphy Oil through the distribution of 100% of the common stock of Murphy USA to holders of Murphy Oil stock. Murphy USA Inc., Murphy Oil USA, Inc. and certain of its subsidiaries operate on a calendar year basis, while the QuickChek subsidiary uses a weekly retail calendar where each quarter has 13 weeks. For the three month period ended June 30, 2024, the QuickChek results covered the period March 30, 2024 to June 28, 2024, and the 2024 year-to-date period began December 30, 2023. For the three month period ended June 30, 2023, the QuickChek results covered the period April 1, 2023 to June 30, 2023, and the 2023 year-to-date period began December 31, 2022. The difference in timing of the period ends is immaterial to the overall consolidated results.

In preparing the financial statements of Murphy USA in conformity with accounting principles generally accepted in the United States, management has made a number of estimates and assumptions related to the reporting of assets, liabilities, revenues, expenses and the disclosure of contingent assets and liabilities. Actual results may differ from these estimates.

Interim Financial Information — The interim period financial information presented in these consolidated financial statements is unaudited and includes all known accruals and adjustments, in the opinion of management, necessary for a fair presentation of the consolidated financial position of Murphy USA and its results of operations and cash flows for the periods presented. All such adjustments are of a normal and recurring nature.

These interim consolidated financial statements should be read together with our audited financial statements for the years ended December 31, 2023, 2022 and 2021, included in our Annual Report on Form 10-K (File No. 001-35914), as filed with the Securities and Exchange Commission under the Securities Exchange Act of 1934 on February 16, 2024.

Recently Issued Accounting Standards—

In December 2023, the FASB issued ASU 2023-07, “Segment Reporting: Improvements to Reportable Segment Disclosures.” The amendments in this Update improve financial reporting by requiring disclosure of incremental segment information on an annual and interim basis for all public entities and clarifies that single reportable segment entities must apply Topic 280 in its entirety. The amendments in this Update for annual disclosures were effective for the Company on January 1, 2024, and the interim disclosures will be effective for the year beginning January 1, 2025, with early adoption permitted. The amendments will be applied retrospectively to all prior periods presented in the financial statement. The Company has determined this will not have a material impact on the Company’s consolidated financial statements and disclosures.

In December 2023, the FASB issued ASU 2023-09, “Improvements to Income Tax Disclosures.” This ASU intends to enhance income tax disclosures, under Topic 740, to address investor requests for more transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. The amendments in this Update improve the transparency of income tax disclosures by requiring (1) consistent categories and greater disaggregation of information in the rate reconciliation and (2) income taxes paid disaggregated by jurisdiction. The amendments in this Update are effective for the Company for the year beginning January 1, 2025, with early adoption permitted. The

Murphy USA Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

amendments should be applied on a prospective basis, with retrospective application permitted. The Company has determined this will not have a material impact on the Company's consolidated financial statements and disclosures.

Note 2 — Revenues

Revenue Recognition

Revenue is recognized when obligations under the terms of a contract with our customers are satisfied; generally, this occurs with the transfer of control of our petroleum products, convenience merchandise, Renewable Identification Numbers ("RINs") and other assets to our third-party customers. Revenue is measured as the amount of consideration we expect to receive in exchange for transferring goods or providing services. Excise and sales tax that we collect where we have determined we are the principal in the transaction have been recorded as revenue on a jurisdiction-by-jurisdiction basis.

The Company enters into buy/sell and similar arrangements when petroleum products are held at one location but are needed at a different location. The Company often pays or receives funds related to the buy/sell arrangements based on location or quality differences. The Company accounts for such transactions as non-monetary exchanges under existing accounting guidance and typically reports these on a net basis in the Consolidated Statements of Income.

The following tables disaggregate our revenues by major source for the three and six months ended June 30, 2024 and 2023, respectively:

<i>(Millions of dollars)</i>	Three Months Ended June 30, 2024			Three Months Ended June 30, 2023		
	Marketing	Corporate and Other Assets	Consolidated	Marketing	Corporate and Other Assets	Consolidated
Petroleum product sales (at retail) ¹	\$ 3,930.1	\$ —	\$ 3,930.1	\$ 3,972.8	\$ —	\$ 3,972.8
Petroleum product sales (at wholesale) ¹	410.4	—	410.4	477.8	—	477.8
Total petroleum product sales	4,340.5	—	4,340.5	4,450.6	—	4,450.6
Merchandise sales	1,080.4	—	1,080.4	1,049.0	—	1,049.0
Other operating revenues:						
RINs	28.9	—	28.9	84.2	—	84.2
Other revenues ²	1.9	—	1.9	1.6	—	1.6
Total revenues	\$ 5,451.7	\$ —	\$ 5,451.7	\$ 5,585.4	\$ —	\$ 5,585.4

Murphy USA Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

(Millions of dollars)	Six Months Ended June 30, 2024			Six Months Ended June 30, 2023		
	Marketing	Corporate and Other Assets	Consolidated	Marketing	Corporate and Other Assets	Consolidated
Petroleum product sales (at retail) ¹	\$ 7,357.7	\$ —	\$ 7,357.7	\$ 7,558.9	\$ —	\$ 7,558.9
Petroleum product sales (at wholesale) ¹	794.5	—	794.5	885.9	—	885.9
Total petroleum product sales	8,152.2	—	8,152.2	8,444.8	—	8,444.8
Merchandise sales	2,081.1	—	2,081.1	2,015.2	—	2,015.2
Other operating revenues:						
RINs	58.3	—	58.3	199.5	—	199.5
Other revenues ²	3.7	0.1	3.8	3.0	0.1	3.1
Total revenues	\$ 10,295.3	\$ 0.1	\$ 10,295.4	\$ 10,662.5	\$ 0.1	\$ 10,662.6

¹ Includes excise and sales taxes that remain eligible for inclusion under Topic 606

² Primarily includes collection allowance on excise and sales taxes combined with other miscellaneous items

Marketing segment

Petroleum product sales (at retail). For our retail store locations, the revenue related to petroleum product sales is recognized as the fuel is pumped to our customers. The transaction price at the pump typically includes some portion of sales or excise taxes as levied in the respective jurisdictions. Those taxes that are collected for remittance to governmental entities on a pass-through basis are not recognized as revenue and they are recorded to a liability account until they are paid. Our customers typically use a mixture of cash, checks, credit cards and debit cards to pay for our products as they are received. We have accounts receivable from the various credit/debit card providers at any point in time related to product sales made on credit cards and debit cards. These receivables are typically collected in two to seven days, depending on the terms with the particular credit/debit card providers. Payment fees retained by the credit/debit card providers are recorded as Store and other operating expenses in the Consolidated Statements of Income.

Petroleum product sales (at wholesale). Our sales of petroleum products at wholesale are generally recorded as revenue when the deliveries have occurred and legal ownership of the product has transferred to the customer. Title transfer for bulk refined product sales typically occurs at pipeline custody points and upon trucks loading at product terminals. For bulk pipeline sales, we record receivables from customers that are generally collected within a week from custody transfer date. For our rack product sales, the majority of our customers' accounts are drafted by us within 10 days from product transfer.

Merchandise sales. For our retail store locations, the revenue related to merchandise sales is recognized as the customer completes their purchase at our locations. The transaction price typically includes some portion of sales tax as levied in the respective jurisdictions. Those taxes that are collected for remittance to governmental entities on a pass-through basis are not recognized as revenue and they are recorded to a liability account until they are paid. As noted above, a mixture of payment types are used for these revenues and the same terms for credit/debit card receivables are realized.

With respect to merchandise sales revenue we must determine whether we are the principal or agent for some categories of merchandise such as scratch-off lottery tickets, lotto tickets, newspapers and other small categories of merchandise. For scratch-off lottery tickets, we have determined we are the principal in the majority of the jurisdictions and therefore we record those sales on a gross basis. We have some categories of merchandise (such as lotto tickets) where we are the agent and the revenues recorded for those transactions are our net commission only.

Murphy USA Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

The Company offers loyalty programs through each of its branded retail locations. The customers earn rewards based on their spending or other promotional activities. These programs create a performance obligation which requires us to defer a portion of sales revenue to the loyalty program participants until they redeem their rewards. The rewards may be redeemed for free or discounted merchandise or cash discounts at all stores and on fuel purchases at Murphy branded stores. Earned rewards expire after an account is inactive for a period of 90 days at Murphy branded stores, while certain QuickChek rewards require use within the month. We recognize loyalty revenue when a customer redeems an earned reward. Deferred revenue associated with both rewards programs are included in Trade accounts payable and accrued liabilities in our Consolidated Balance Sheets. The deferred revenue balances at June 30, 2024 and December 31, 2023 were immaterial.

RINs sales. For the sale of RINs, we recognize revenue when the RIN is transferred to the counter-party and the sale is completed. Receivables from our counter-parties related to the RIN sales are typically collected within five days of the sale.

Other revenues. Items reported as other operating revenues include collection allowances for excise and sales tax and other miscellaneous items and are recognized as revenue when the transaction is completed.

Accounts receivable

Trade accounts receivable on the balance sheet represents both receivables related to contracts with customers and other trade receivables. At June 30, 2024 and December 31, 2023, we had \$230.5 million and \$178.2 million of receivables, respectively, related to contracts with customers recorded. All of the trade accounts receivable related to contracts with customers outstanding at the end of each period were collected during the succeeding quarter. These receivables were generally related to credit and debit card transactions along with short term bulk and wholesale sales to our customers, which have a very short settlement window.

Note 3 — Inventories

Inventories consisted of the following:

<i>(Millions of dollars)</i>	June 30, 2024	December 31, 2023
Petroleum products - FIFO basis	\$ 348.2	\$ 331.2
Store merchandise for resale - FIFO basis	206.2	209.1
Less LIFO reserve	(251.4)	(212.1)
Total petroleum products and store merchandise inventory	303.0	328.2
Materials and supplies	12.9	13.0
Total inventories	<u>\$ 315.9</u>	<u>\$ 341.2</u>

At June 30, 2024 and December 31, 2023, the replacement cost (market value) of LIFO inventories exceeded the LIFO carrying value for petroleum products by \$248.5 million and \$209.7 million, respectively and store merchandise for resale by \$2.9 million and \$2.4 million, respectively.

Note 4 — Marketable Securities

The Company invests a portion of its excess operational cash in marketable securities. The goal of the Company's investment policy, in order of priority, are as follows: (1) preservation of principal, (2) maintaining a high degree of liquidity to meet cash flow requirements, and (3) deliver competitive returns subject to prevailing market conditions and the Company's stated objectives related to safety and liquidity. Nothing in the policy is intended to indicate that management must invest excess operational cash; it allows it to be subject to specific limitations.

Securities are generally required to have a final maturity of 24 months or less with a weighted average maturity for the portfolio of no longer than 12 months and must have an active secondary market. Investments may include U.S. Treasury bills, notes and bonds, U.S. Agency securities, repurchase agreements, certificates of deposit, institutional, government money market funds that maintain a stable \$1.00 net asset value, domestic and foreign

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commercial paper, municipal securities, domestic and foreign debt issued by corporations or financial institutions with the primary objective of minimizing the potential risk of principal loss. The Company determines the classification of its marketable securities based on its investment strategy at the time of purchase. All marketable securities in the periods presented have been classified as available-for-sale.

The amortized cost and carrying value (fair value) of marketable securities and the balance sheet location at June 30, 2024 and December 31, 2023 consisted of the following:

		June 30, 2024			
<i>(Millions of dollars)</i>		Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Available-for-sale securities:					
Marketable securities current					
U.S. Government bonds	\$	3.0	\$ —	\$ —	\$ 3.0
U.S. Corporate bonds		1.5	—	—	1.5
		<u>4.5</u>	<u>—</u>	<u>—</u>	<u>4.5</u>
Marketable securities non-current					
U.S. Corporate bonds		1.5	—	—	1.5
Non U.S. Corporate bonds		1.5	—	—	1.5
		<u>3.0</u>	<u>—</u>	<u>—</u>	<u>3.0</u>
Total marketable securities	\$	<u>7.5</u>	\$ <u>—</u>	\$ <u>—</u>	\$ <u>7.5</u>

		December 31, 2023			
<i>(Millions of dollars)</i>		Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Available-for-sale securities:					
Marketable securities current					
U.S. Government bonds	\$	3.0	\$ —	\$ —	\$ 3.0
U.S. Corporate bonds		3.9	—	—	3.9
Investment income receivable		0.2	—	—	0.2
		<u>7.1</u>	<u>—</u>	<u>—</u>	<u>7.1</u>
Marketable securities non-current					
U.S. Corporate bonds		2.9	—	—	2.9
Non U.S. Corporate bonds		1.5	—	—	1.5
		<u>4.4</u>	<u>—</u>	<u>—</u>	<u>4.4</u>
Total marketable securities	\$	<u>11.5</u>	\$ <u>—</u>	\$ <u>—</u>	\$ <u>11.5</u>

The amortized cost basis and fair value of the Company's available-for-sale marketable securities, excluding Investment income receivable, at June 30, 2024, by contractual maturity, are as follows:

<i>(Millions of dollars)</i>		Amortized Cost	Fair Value
Less than 1 year		\$ 7.5	\$ 7.5

There was no impairment on any available-for-sale marketable securities as of June 30, 2024 or December 31, 2023.

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Note 5 — Goodwill and Intangible Assets

The Company's goodwill is assigned to its Marketing segment and none of the goodwill is deductible for tax purposes.

<i>(Millions of dollars)</i>	June 30, 2024	December 31, 2023
Goodwill	\$ 328.0	\$ 328.0

We amortize intangible assets subject to amortization on a straight-line basis based on the period for which the economic benefits of the asset or liability are expected to be realized. The intangible assets subject to amortization includes pipeline space, which is being amortized over a 40-year life, and the intangible lease liability acquired from QuickChek that is being amortized over the remaining life of the underlying leases.

Intangible assets subject to amortization at June 30, 2024 and December 31, 2023 consisted of the following:

<i>(Millions of dollars)</i>	Remaining Useful Life (in years)	June 30, 2024		December 31, 2023	
		Cost	Net	Cost	Net
Intangible assets subject to amortization:					
Pipeline space	31.2	\$ 39.6	\$ 31.1	\$ 39.6	\$ 31.7
Intangible lease liability	9.9	(9.1)	(6.9)	(9.1)	(7.3)
Total intangible assets subject to amortization		30.5	24.2	30.5	24.4
Intangible assets not subject to amortization, indefinite lives:					
Trade name		115.4	115.4	115.4	115.4
Intangible assets, net of amortization		\$ 145.9	\$ 139.6	\$ 145.9	\$ 139.8

Note 6 — Long-Term Debt

Long-term debt consisted of the following:

<i>(Millions of dollars)</i>	June 30, 2024	December 31, 2023
5.625% senior notes due 2027 (net of unamortized discount of \$1.1 at June 30, 2024 and \$1.3 at December 31, 2023)	\$ 298.9	\$ 298.7
4.75% senior notes due 2029 (net of unamortized discount of \$3.3 at June 30, 2024 and \$3.6 at December 31, 2023)	496.7	496.4
3.75% senior notes due 2031 (net of unamortized discount of \$4.1 at June 30, 2024 and \$4.4 at December 31, 2023)	495.9	495.6
Term loan due 2028 (effective interest rate of 7.22% at June 30, 2024 and 7.23% at December 31, 2023) net of unamortized discount of \$0.5 at June 30, 2024 and \$0.6 at December 31, 2023	387.5	389.4
Capitalized lease obligations, autos and equipment, due through 2026	3.6	3.1
Capitalized lease obligations, buildings, due through 2059	120.6	123.6
Unamortized debt issuance costs	(6.2)	(7.1)
Total long-term debt	1,797.0	1,799.7
Less current maturities	15.6	15.0
Total long-term debt, net of current	\$ 1,781.4	\$ 1,784.7

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Senior Notes

On April 25, 2017, Murphy Oil USA, Inc. ("MOUSA"), our primary operating subsidiary, issued \$300 million of 5.625% Senior Notes due 2027 (the "2027 Senior Notes") under its existing shelf registration statement. The 2027 Senior Notes are fully and unconditionally guaranteed by the Company and by the Company's subsidiaries that guarantee our Credit Facilities (as defined below). The indenture governing the 2027 Senior Notes contains restrictive covenants that limit, among other things, the ability of the Company, MOUSA, and the restricted subsidiaries to incur additional indebtedness or liens, dispose of assets, make certain restricted payments or investments, enter into transactions with affiliates or merge with or into other entities.

On September 13, 2019, MOUSA, issued \$500 million of 4.75% Senior Notes due 2029 (the "2029 Senior Notes"). The net proceeds from the issuance of the 2029 Senior Notes were used to fund, in part, the tender offer and redemption of a prior note issuance. The 2029 Senior Notes are fully and unconditionally guaranteed by the Company and by the Company's subsidiaries that guarantee our Credit Facilities. The indenture governing the 2029 Senior Notes contains restrictive covenants that are essentially identical to the covenants for the 2027 Senior Notes.

On January 29, 2021, MOUSA, issued \$500 million of 3.75% Senior Notes due 2031 (the "2031 Senior Notes" and, together with the 2027 Senior Notes and the 2029 Senior Notes, the "Senior Notes"). The net proceeds from the issuance of the 2031 Senior Notes were used, in part, to fund the acquisition of QuickChek and other obligations related to that transaction. The 2031 Senior Notes are fully and unconditionally guaranteed by the Company and by the Company's subsidiaries that guarantee our Credit Facilities. The indenture governing the 2031 Senior Notes contains restrictive covenants that are essentially identical to the covenants for the 2027 and 2029 Senior Notes.

The Senior Notes and related guarantees rank equally with all of our and the guarantors' existing and future senior unsecured indebtedness and effectively junior to our and the guarantors' existing and future secured indebtedness (including indebtedness with respect to the Credit Facilities) to the extent of the value of the assets securing such indebtedness. The Senior Notes are structurally subordinated to all of the existing and future third-party liabilities, including trade payables, of our existing and future subsidiaries that do not guarantee the notes.

Revolving Credit Facility and Term Loan

Our credit agreement consists of both a cash flow revolving credit facility and a senior secured term loan.

The credit agreement provides for a senior secured term loan in an aggregate principal amount of \$400 million (the "Term Facility") (which was borrowed in full on January 29, 2021) and revolving credit commitments in an aggregate amount equal to \$350 million (the "Revolving Facility", and together with the Term Facility, the "Credit Facilities"). The outstanding balance of the term loan was \$388 million at June 30, 2024 and \$390 million at December 31, 2023. The term loan is due January 2028, and we are required to make quarterly principal payments of \$1 million, which began on July 1, 2021. As of June 30, 2024, we had no outstanding borrowings under the Revolving Facility and had \$6.2 million in outstanding letters of credit (which reduces the amount available to borrow under the Revolving Facility).

Interest payable on the Term Facility is based on either:

- the term overnight financing rate, plus the applicable Alternative Reference Rate Committee ("ARRC") recommended credit spread adjustment (the "Adjusted Term SOFR Rate");

or

- the Alternate Base Rate, which is defined as the highest of (a) the rate of interest last quoted by The Wall Street Journal as the "Prime Rate", (b) the greater of the federal funds effective rate and the overnight bank funding rate determined by the Federal Reserve Bank of New York from time to time plus 0.50% per annum and (c) the one-month Adjusted Term SOFR Rate plus 1.00% per annum,

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plus, (A) in the case of Adjusted Term SOFR Rate borrowings, a spread of 1.75% per annum and (B) in the case of Alternate Base Rate borrowings, a spread of 0.75% per annum.

Interest payable on the Revolving Facility is based on either:

- the term secured overnight financing rate, plus 0.10% credit spread adjustment for all interest periods (the "Adjusted SOFR Rate"), which is subject to a 0.0% floor;

or

- the Alternate Base Rate, which is defined as the highest of (a) the rate of interest last quoted by The Wall Street Journal as the "Prime Rate", (b) the greater of the federal funds effective rate and the overnight bank funding rate determined by the Federal Reserve Bank of New York from time to time plus 0.50% per annum and (c) the one-month Adjusted SOFR Rate plus 1.00% per annum,

plus, (A) in the case of Adjusted SOFR Rate borrowings, a spread of 1.75% to 2.25% per annum depending on a total debt to EBITDA ratio and (B) in the case of Alternate Base Rate borrowings, spreads ranging from 0.75% to 1.25% per annum depending on a total debt to EBITDA ratio.

The Term Facility amortizes in quarterly installments, which commenced on July 1, 2021, at a rate of 1.00% per annum. Murphy USA is also required to prepay the Term Facility with a portion of its excess cash flow, a portion of the net cash proceeds of certain asset sales and casualty events (subject to certain reinvestment rights) and the net cash proceeds of issuances of indebtedness not permitted under the Credit Agreement. The credit agreement allows Murphy USA to prepay, in whole or in part, the Term Facility outstanding thereunder, together with any accrued and unpaid interest, with prior notice but without premium or penalty other than breakage and redeployment costs.

The credit agreement contains certain covenants that limit, among other things, the ability of the Company and certain of its subsidiaries to incur additional indebtedness or liens, to make certain investments, to enter into sale-leaseback transactions, to make certain restricted payments, to enter into consolidations, mergers or sales of material assets and other fundamental changes, to transact with affiliates, to enter into agreements restricting the ability of subsidiaries to incur liens or pay dividends, or to make certain accounting changes. The Revolving Facility credit agreement also imposes total leverage ratio and secured net leverage ratio financial maintenance covenants which are tested quarterly. Pursuant to the total leverage ratio financial maintenance covenant, the Company must maintain a total leverage ratio of not more than 5.0 to 1.0 with an ability in certain circumstances to temporarily increase that limit to 5.5 to 1.0 and a maximum secured net leverage ratio of not more than 3.75 to 1.0 with an ability in certain circumstances to temporarily increase that limit to 4.25 to 1.0. The Credit Agreement also contains customary events of default.

Pursuant to the credit agreement's covenant limiting certain restricted payments, certain payments in respect of our equity interests, including dividends, when the total leverage ratio, calculated on a pro forma basis, is greater than 3.0 to 1.0 could be limited. At June 30, 2024, our total leverage ratio was 1.72 to 1.0 which meant our ability at that date to make restricted payments was not limited. If our total leverage ratio, on a pro forma basis, exceeds 3.0 to 1.0, any restricted payments made following that time until the ratio is once again, on a pro forma basis, below 3.0 to 1.0 would be limited by the covenant, which contains certain exceptions, including an ability to make restricted payments in cash in an aggregate amount not to exceed the greater of \$114.8 million or 4.50% of consolidated net tangible assets over the life of the credit agreement.

All obligations under the credit agreement are guaranteed by Murphy USA and the subsidiary guarantors party thereto, and all obligations under the credit agreement, including the guarantees of those obligations, are secured by certain assets of Murphy USA, Murphy Oil USA, Inc. and the guarantors party to the guarantee and collateral agreement in respect thereof.

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Note 7 — Asset Retirement Obligations (ARO)

The majority of the ARO recognized by the Company at June 30, 2024 and December 31, 2023 is related to the estimated costs to dismantle and abandon certain of its retail gasoline stores. The Company has not recorded an ARO for certain of its marketing assets because sufficient information is presently not available to estimate a range of potential settlement dates for the obligation. These assets are consistently being upgraded and are expected to be operational into the foreseeable future. In these cases, the obligation will be initially recognized in the period in which sufficient information exists to estimate the obligation.

A reconciliation of the beginning and ending aggregate carrying amount of the ARO is shown in the following table.

<i>(Millions of dollars)</i>	June 30, 2024	December 31, 2023
Balance at beginning of period	\$ 46.1	\$ 43.3
Accretion expense	1.6	3.0
Settlements of liabilities	(2.5)	(3.1)
Liabilities incurred	1.1	2.9
Balance at end of period	<u>\$ 46.3</u>	<u>\$ 46.1</u>

The estimation of future ARO is based on a number of assumptions requiring professional judgment. The Company cannot predict the type of revisions to these assumptions that may be required in future periods due to the lack of availability of additional information.

Note 8 — Income Taxes

The effective tax rate is calculated as the amount of income tax expense (benefit) divided by income before income tax expense (benefit). For the three and six months ended June 30, 2024 and 2023, the Company's approximate effective tax rates were as follows:

	2024	2023
Three Months Ended June 30,	25.1%	24.4%
Six Months Ended June 30,	23.4%	24.0%

In the six months ended June 30, 2024, the Company recognized approximately \$4.4 million of excess tax benefits related to stock compensation for employees and \$0.3 million in other discrete tax benefits. For the six months ended June 30, 2023, the Company recognized approximately \$2.3 million of excess tax benefits related to stock compensation for employees and \$0.5 million in other discrete tax benefits.

As of June 30, 2024, the earliest year remaining open for Federal audits and/or settlement is 2020 and for state audits and/or settlement is 2019. Although the Company believes that recorded liabilities for unsettled issues are adequate, additional gains or losses could occur in future periods from resolution of outstanding unsettled matters.

Note 9 — Incentive Plans

Equity Awards

The MUSA 2013 Plan authorized the Executive Compensation Committee of our Board of Directors ("the Committee") to grant non-qualified or incentive stock options, stock appreciation rights, stock awards (including restricted stock and restricted stock unit awards), dividend equivalent units, cash awards, and performance awards to our employees. No more than 5.5 million shares of MUSA common stock may be delivered under the MUSA 2013 Plan and no more than 1 million shares of common stock may be awarded to any one employee, subject to adjustment for changes in capitalization. The maximum cash amount payable pursuant to any "performance-based" award to any participant in any calendar year is \$5.0 million.

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On May 4, 2023, the 2023 Omnibus Incentive Compensation Plan (the "MUSA 2023 Plan") was approved by the Company's shareholders and became effective for all future grants for both employees and directors. The MUSA 2023 Plan replaced the MUSA 2013 Plan and the 2013 Directors Plan, each of which expired on August 8, 2023. The MUSA 2023 Plan authorizes the Executive Compensation Committee of our Board of Directors ("the Committee") to grant to non-employee directors, employees, and consultants of the Company, or any of its subsidiaries, stock options (incentive stock options ("ISOs") and nonqualified stock options ("NQSO")), stock appreciation rights ("SARs"), restricted stock, restricted stock units ("RSUs"), performance awards or other cash-based awards and other stock-based awards. The maximum number of shares available for issuance under the MUSA 2023 Plan shall not exceed in the aggregate 1.725 million shares (subject to certain adjustments).

Beginning with its initial quarterly dividend in December 2020, the Company issued dividend equivalent units ("DEUs") on all outstanding, unvested equity awards (except stock options) in an amount commensurate with regular quarterly dividends paid on common stock. The terms of the DEUs mirror the underlying awards and will only vest if the related award vests. DEUs issued are included with grants in each respective table as applicable.

STOCK OPTIONS – The Committee fixes the option price of each option granted at no less than fair market value ("FMV") on the date of the grant and fixes the option term at no more than 7 years from such date. Most of the nonqualified stock options granted in 2024 to certain employees by the Committee were granted in February 2024. The Black-Scholes valuation for these awards was \$133.91 per option.

Assumptions used to value awards:

Dividend yield	0.42 %
Expected volatility	32.9 %
Risk-free interest rate	4.3 %
Expected life (years)	4.8
Stock price at valuation date	\$ 391.54

Changes in options outstanding for Company employees during the period from December 31, 2023 to June 30, 2024 are presented in the following table:

Options	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (Millions of Dollars)
Outstanding at December 31, 2023	291,050	\$ 139.07		
Granted	33,010	\$ 393.03		
Exercised	(43,850)	\$ 85.76		
Forfeited	(2,350)	\$ 219.10		
Outstanding at June 30, 2024	<u>277,860</u>	\$ 176.98	4.0	\$ 81.3
Exercisable at June 30, 2024	<u>181,875</u>	\$ 119.91	3.0	\$ 63.6

RESTRICTED STOCK UNITS – The Committee has granted time-based RSUs as part of the compensation plan for its executives and certain other employees since its inception. The awards granted in the current year were under the MUSA 2023 Plan, are valued at the grant date fair value, and vest over three years. The Committee has also granted time based RSUs to the non-employee directors of the Company as part of their overall compensation package for being a member of the Board of Directors, these awards vest at the end of one year. For annual equity grants to non-employee directors, the directors may elect to defer receipt of their vested RSUs until their service ends. These RSUs are included in the RSU table below, will vest in one year, and will thereafter become deferred stock units.

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Changes in RSUs outstanding during the period from December 31, 2023 to June 30, 2024 are presented in the following table:

RSUs	Number of units	Weighted Average Grant Date Fair Value	Total Fair Value (Millions of Dollars)
Outstanding at December 31, 2023	120,800	\$ 188.37	
Granted	34,081	\$ 404.29	
Vested and issued	(48,548)	\$ 136.11	\$ 19.7
Forfeited	(3,616)	\$ 216.90	
Outstanding at June 30, 2024	102,717	\$ 283.33	\$ 48.2

DIRECTOR DEFERRED STOCK UNITS (MUSA 2023 Plan) — Non-employee directors can elect to receive their annual cash retainers in the form of Deferred Stock Units ("DSUs"). The DSUs are recognized at their fair value on the date of the grant. Director fees which are deferred into DSUs are calculated and expensed each quarter by taking fees earned during the quarter and dividing by the closing price of our common stock on the last trading day of the quarter. Each DSU represents the right to receive one share of common stock following the completion of a director's service. During the six-month period ended June 30, 2024, we granted 390 DSUs and recorded director expense of \$0.2 million related to the grants. At June 30, 2024, there were 1,393 Director DSUs vested and outstanding with an average grant date fair value of \$365.22 per unit under the MUSA 2023 Plan.

PERFORMANCE-BASED RESTRICTED STOCK UNITS – The Committee has granted performance-based restricted stock units (performance units or "PSUs") to its executives and certain other employees. In February 2024, the Committee awarded PSUs to certain employees. Half of the PSUs vest based on a three-year return on average capital employed ("ROACE") calculation and the other half vest based on a three-year total shareholder return ("TSR") calculation that compares MUSA to a group of 17 peer companies. The portion of the awards that vest based on TSR qualify as a market condition and must be valued using a Monte Carlo valuation model. For the TSR portion of the awards, the fair value was determined to be \$569.58 per unit. For the ROACE portion of the awards, the valuation was based on the grant date fair value of \$391.54 per unit and the number of awards will be periodically assessed to determine the probability of vesting.

Changes in PSUs outstanding for Company employees during the period from December 31, 2023 to June 30, 2024 are presented in the following table:

Employee PSUs	Number of Units	Weighted Average Grant Date Fair Value	Total Fair Value (Millions of Dollars)
Outstanding at December 31, 2023	95,582	\$ 212.38	
Granted	60,510	\$ 482.74	
Vested and issued	(76,672)	\$ 148.38	\$ 30.0
Forfeited	(2,170)	\$ 261.35	
Outstanding at June 30, 2024	77,250	\$ 320.05	\$ 36.3

2013 Stock Plan for Non-employee Directors

Effective August 8, 2013, Murphy USA adopted the 2013 Murphy USA Stock Plan for Non-employee Directors (the "2013 Directors Plan"). The directors for Murphy USA are compensated with a mixture of cash payments and equity-based awards. Awards under the 2013 Directors Plan may be in the form of restricted stock, restricted stock units, dividend equivalent units, stock options, or a combination thereof. An aggregate of 0.5 million shares of common stock was reserved for issuance of grants under the Directors Plan.

RESTRICTED STOCK UNITS (2013 Directors Plan) – The Committee has also granted time based RSUs to the non-employee directors of the Company as part of their overall compensation package for being a member of the Board of Directors. Awards prior to 2023 vest at the end of three years and those granted in 2023 vested at the end of one year.

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Changes in Director RSUs outstanding for Company non-employee directors during the period from December 31, 2023 to June 30, 2024 are presented in the following table:

2013 Plan — Director RSUs	Number of Units	Weighted Average Grant Date Fair Value	Total Fair Value (Millions of Dollars)
Outstanding at December 31, 2023	23,654	\$ 180.97	
Granted	19	\$ 428.47	
Vested and issued	(14,255)	\$ 170.82	\$ 5.6
Outstanding at June 30, 2024	9,418	\$ 196.38	\$ 4.4

DEFERRED STOCK UNITS (2013 Directors Plan) — Effective January 1, 2023, non-employee directors could elect to receive their annual cash retainers in the form of DSUs. Each DSU represents the right to receive one share of common stock following the completion of a director's service. At June 30, 2024 there were 425 Director DSUs outstanding with an average grant date fair value of \$258.35 per unit under the 2013 Plan.

Share-based compensation for the six months ended June 30, 2024 and 2023, was \$10.7 million and \$10.1 million, respectively. There were \$0.7 million in income tax benefits realized for the tax deductions from options exercised for the six months ended June 30, 2024 and there were \$0.3 million for the six months ended June 30, 2023.

Note 10 — Financial Instruments and Risk Management

DERIVATIVE INSTRUMENTS — The Company makes limited use of derivative instruments to manage certain risks related to commodity prices and interest rates. The use of derivative instruments for risk management is covered by operating policies and is closely monitored by the Company's senior management. The Company does not hold any derivatives for speculative purposes, and it does not use derivatives with leveraged or complex features. Derivative instruments are traded primarily with credit worthy major financial institutions or over national exchanges such as the New York Mercantile Exchange ("NYMEX"). For accounting purposes, the Company has not designated commodity derivative contracts as hedges, and therefore, it recognizes all gains and losses on these derivative contracts in its Consolidated Statements of Income. Certain interest rate derivative contracts were accounted for as hedges and gain or loss associated with recording the fair value of these contracts was deferred in AOCI until the anticipated transactions occurred. As of June 30, 2024, all current commodity derivative activity is immaterial.

There were no cash deposits at June 30, 2024 and \$1.0 million at December 31, 2023 related to commodity derivative contracts reported in Prepaid expenses and other current assets in the Consolidated Balance Sheets. These cash deposits have not been used to increase the reported net assets or reduce the reported net liabilities on the derivative contracts at June 30, 2024 or December 31, 2023.

Interest Rate Risks

An interest rate derivative that the Company used to effect the hedge entered into in August 2019 matured during the quarter ended September 30, 2023. The amount of pre-tax gains in accumulated other comprehensive loss that was reclassified into interest expense was \$0.3 million and \$0.5 million for the three and six months ended June 30, 2023, respectively.

Note 11 — Earnings Per Share

Basic earnings per common share is computed by dividing net income available to common stockholders by the weighted average of common shares outstanding during the period. Diluted earnings per common share adjusts basic earnings per common share for the effects of stock options and restricted stock in the periods where such items are dilutive.

On May 2, 2023, our Board of Directors approved a share repurchase authorization of up to \$1.5 billion that expires December 31, 2028, and excludes excise tax. As of June 30, 2024, approximately \$1.2 billion remained

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under the 2023 authorization. For the six months ended June 30, 2024, the Company repurchased 454,454 shares of common stock for an average price of \$426.88 per share including brokerage fees and excise tax. For the six months ended June 30, 2023, 382,992 shares were repurchased for an average price of \$284.01 per share and were under the 2021 repurchase authorization.

The following tables provide a reconciliation of basic and diluted earnings per share computations for the three and six months ended June 30, 2024 and 2023:

<i>(Millions of dollars, except share and per share amounts)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Earnings per common share:				
Net income per share - basic				
Net income attributable to common stockholders	\$ 144.8	\$ 132.8	\$ 210.8	\$ 239.1
Weighted average common shares outstanding (in thousands)	20,643	21,686	20,728	21,712
Earnings per common share	\$ 7.02	\$ 6.12	\$ 10.17	\$ 11.01
Earnings per common share - assuming dilution:				
Net income per share - diluted				
Net income attributable to common stockholders	\$ 144.8	\$ 132.8	\$ 210.8	\$ 239.1
Weighted average common shares outstanding (in thousands)	20,643	21,686	20,728	21,712
Common equivalent shares:				
Dilutive share-based awards	279	365	315	380
Weighted average common shares outstanding - assuming dilution (in thousands)	20,922	22,051	21,043	22,092
Earnings per common share assuming dilution	\$ 6.92	\$ 6.02	\$ 10.02	\$ 10.82

We have excluded from the earnings-per-share calculation certain stock options and shares that are considered to be anti-dilutive under the treasury stock method and are reported in the table below.

Potentially dilutive shares excluded from the calculation as their inclusion would be anti- dilutive	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Stock Options	33,010	38,100	24,804	38,100
RSUs	—	—	25	—
PSUs	11,032	12,785	8,287	12,785
Total anti-dilutive shares	44,042	50,885	33,116	50,885

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Note 12 — Other Financial Information

CASH FLOW DISCLOSURES — Cash income taxes tax payments, net of refunds, were \$62.6 million and \$46.5 million for the six-month periods ended June 30, 2024 and 2023, respectively. Interest paid, net of amounts capitalized, was \$47.9 million and \$46.2 million for the six-month periods ended June 30, 2024 and 2023, respectively.

CHANGES IN WORKING CAPITAL:

<i>(Millions of dollars)</i>	Six Months Ended June 30,	
	2024	2023
Accounts receivable	\$ (51.9)	\$ 10.1
Inventories	25.4	(30.7)
Prepaid expenses and other current assets	(6.6)	11.3
Accounts payable and accrued liabilities	80.9	(52.3)
Income taxes payable	8.0	—
Net (increase) decrease in noncash operating working capital	\$ 55.8	\$ (61.6)

Note 13 — Assets and Liabilities Measured at Fair Value

The Company carries certain assets and liabilities at fair value in its Consolidated Balance Sheets. The fair value hierarchy is based on the quality of inputs used to measure fair value, with Level 1 being the highest quality and Level 3 being the lowest quality. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are observable inputs other than quoted prices included within Level 1. Level 3 inputs are unobservable inputs which reflect assumptions about pricing by market participants.

The Company's available-for-sale marketable securities consist of high quality, investment grade securities from diverse issuers. We value these securities at the closing price in the principal active markets as of the last business day of the reporting period. The fair values of the Company's marketable securities by asset class are described in Note 4 "Marketable Securities" in these consolidated financial statements for the period ended June 30, 2024. We value the deferred compensation plan assets, which consist of money market and mutual funds, based on quoted prices in active markets at the measurement date. For additional information on deferred compensation plans see also Note 13 "Employee and Retirement Benefit Plans" in the audited consolidated financial statements for the year ended December 31, 2023 included in our Annual Report on Form 10-K for more information.

At the balance sheet date, the fair value of commodity derivatives contracts was determined using NYMEX quoted values and the value of the Interest rate swap derivative was derived by using level 3 inputs. The carrying value of the Company's Cash and cash equivalents, Accounts receivable-trade, Trade accounts payable, and accrued liabilities approximates fair value. See also Note 10 "Financial Instruments and Risk Management" in these consolidated financial statements for the period ended June 30, 2024, for more information.

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Financial assets and liabilities measured at fair value on a recurring basis

The following tables present the Company's financial assets and liabilities measured at fair value on a recurring basis, as of June 30, 2024 and December 31, 2023:

(Millions of dollars)	June 30, 2024			
	Level 1	Level 2	Level 3	Fair Value
Financial assets				
Marketable securities, current				
U.S. Government bonds	\$ —	\$ 3.0	\$ —	\$ 3.0
U.S. Corporate bonds	—	1.5	—	1.5
Marketable securities, non-current				
U.S. Corporate bonds	—	1.5	—	1.5
Non U.S. Corporate bonds	—	1.5	—	1.5
Other assets				
Deferred compensation plan assets	14.3	—	—	14.3
Financial liabilities				
Deferred credits and other liabilities				
Deferred compensation plan liabilities	(24.5)	—	—	(24.5)
	<u>\$ (10.2)</u>	<u>\$ 7.5</u>	<u>\$ —</u>	<u>\$ (2.7)</u>

(Millions of dollars)	December 31, 2023			
	Level 1	Level 2	Level 3	Fair Value
Financial assets				
Marketable securities, current				
U.S. Government bonds	\$ —	\$ 3.0	\$ —	\$ 3.0
U.S. Corporate bonds	—	4.1	—	4.1
Prepaid expenses and other current assets:				
Fuel derivative	—	—	0.6	0.6
Marketable securities, non-current				
U.S. Corporate bonds	—	2.9	—	2.9
Non U.S. Corporate bonds	—	1.5	—	1.5
Other assets				
Deferred compensation plan assets	12.5	—	—	12.5
Financial liabilities				
Deferred credits and other liabilities				
Deferred compensation plan liabilities	(20.2)	—	—	(20.2)
	<u>\$ (7.7)</u>	<u>\$ 11.5</u>	<u>\$ 0.6</u>	<u>\$ 4.4</u>

Fair value of financial instruments not recognized at fair value

The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties. The table below excludes Cash and cash equivalents, Accounts receivable-trade, and Trade accounts payable and accrued liabilities, all of which had fair values approximating carrying amounts. The fair value of Current and Long-term debt was estimated based on rates offered to the Company at that time for debt of the same maturities. The Company has off-balance sheet exposures relating to certain

Murphy USA Inc.
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financial guarantees and letters of credit. The fair value of these, which represents fees associated with obtaining the instruments, was nominal.

The following table presents the carrying amounts and estimated fair values of financial instruments held by the Company at June 30, 2024 and December 31, 2023.

<i>(Millions of dollars)</i>	At June 30, 2024		At December 31, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liabilities				
Current and long-term debt, excluding finance leases	\$ (1,672.8)	\$ (1,664.8)	\$ (1,673.0)	\$ (1,662.9)

Note 14 — Contingencies

The Company's operations and earnings have been and may be affected by various forms of governmental action. Examples of such governmental action include, but are by no means limited to: tax increases and retroactive tax claims; import and export controls; price controls; allocation of supplies of crude oil and petroleum products and other goods; laws and regulations intended for the promotion of safety and the protection and/or remediation of the environment; governmental support for other forms of energy; and laws and regulations affecting the Company's relationships with employees, suppliers, customers, stockholders and others. Because governmental actions are often motivated by political considerations, may be taken without full consideration of their consequences, and may be taken in response to actions of other governments, it is not practical to attempt to predict the likelihood of such actions, the form the actions may take or the effect such actions may have on the Company.

ENVIRONMENTAL MATTERS AND LEGAL MATTERS — Murphy USA is subject to numerous federal, state and local laws and regulations dealing with the environment. Violation of such environmental laws, regulations and permits can result in the imposition of significant civil and criminal penalties, injunctions and other sanctions. A discharge of hazardous substances into the environment could, to the extent such event is not insured, subject the Company to substantial expense, including both the cost to comply with applicable regulations and claims by neighboring landowners and other third parties for any personal injury, property damage and other losses that might result.

The Company currently owns or leases, and has in the past owned or leased, properties at which hazardous substances have been or are being handled. Although the Company believes it has used operating and disposal practices that were standard in the industry at the time, hazardous substances may have been disposed of or released on or under the properties owned or leased by the Company or on or under other locations where they have been taken for disposal. In addition, many of these properties have been operated by third parties whose management of hazardous substances was not under the Company's control. Under existing laws, the Company could be required to remediate contaminated property (including contaminated groundwater) or to perform remedial actions to prevent future contamination. Certain of these contaminated properties are in various stages of negotiation, investigation, and/or cleanup, and the Company is investigating the extent of any related liability and the availability of applicable defenses. With the sale of the U.S. refineries in 2011, Murphy Oil retained certain liabilities related to environmental matters. Murphy Oil also obtained insurance covering certain levels of environmental exposures. With respect to the previously owned refinery properties, Murphy Oil retained those liabilities in the Separation and Distribution agreement that was entered into related to the separation on August 30, 2013. With respect to any remaining potential liabilities, based on information currently available to the Company, the Company believes costs related to these properties will not have a material adverse effect on Murphy USA's net income, financial condition or liquidity in a future period.

While it is possible that certain environmental expenditures could be recovered by the Company from other sources, primarily environmental funds maintained by certain states, no assurance can be given that future recoveries from other sources will occur. As such, the Company has not recorded a benefit for likely recoveries at June 30, 2024, however certain jurisdictions provide reimbursement for these expenses which have been

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considered in recording the net exposure. The U.S. Environmental Protection Agency (EPA) currently considers the Company a Potentially Responsible Party (PRP) at one Superfund site. As to the site, the potential total cost to all parties to perform necessary remedial work at this site may be substantial. However, based on current negotiations and available information, the Company believes that it is a de minimis party as to ultimate responsibility at the Superfund site. Accordingly, the Company has not recorded a liability for remedial costs at the Superfund site at June 30, 2024. The Company could be required to bear a pro rata share of costs attributable to nonparticipating PRPs or could be assigned additional responsibility for remediation at this site or other Superfund sites. Based on information currently available to the Company, the Company believes that its share of the ultimate costs to clean up this site will be immaterial and will not have a material adverse effect on its net income, financial condition or liquidity in a future period.

Based on information currently available to the Company, the amount of future remediation costs to be incurred to address known contamination sites is not expected to have a material adverse effect on the Company's future net income, cash flows or liquidity. However, there is the possibility that additional environmental expenditures could be required to address contamination, including as a result of discovering additional contamination or the imposition of new or revised requirements applicable to known contamination.

Murphy USA is engaged in a number of other legal proceedings, all of which the Company considers routine and incidental to its business. Currently, the City of Charleston, South Carolina, and the State of Delaware have filed lawsuits against energy companies, including the Company. These lawsuits allege damages as a result of climate change and the plaintiffs are seeking unspecified damages and abatement under various tort theories. At this early stage, the ultimate outcome of these matters remain uncertain, and neither the likelihood of an unfavorable outcome nor the ultimate liability, if any, can be determined. Based on information currently available to the Company, the ultimate resolution of these other legal matters is not expected to have a material adverse effect on the Company's net income, financial condition or liquidity in a future period.

INSURANCE — The Company maintains insurance coverage at levels that are customary and consistent with industry standards for companies of similar size. Murphy USA maintains statutory workers compensation insurance with a deductible of \$1.0 million per occurrence, general liability insurance with a self-insured retention of \$3.0 million per occurrence, and auto liability insurance with a deductible of \$0.3 million per occurrence. As of June 30, 2024, there were a number of outstanding claims that are of a routine nature. The estimated incurred but unpaid liabilities relating to these claims are included in Trade account payables and accrued liabilities on the Consolidated Balance Sheets. While the ultimate outcome of these claims cannot presently be determined, management believes that the accrued liability of \$48.1 million will be sufficient to cover the related liability for all insurance claims and that the ultimate disposition of these claims will have no material effect on the Company's financial position and results of operations.

The Company has obtained insurance coverage as appropriate for the business in which it is engaged but may incur losses that are not covered by insurance or reserves, in whole or in part, and such losses could adversely affect our results of operations and financial position.

TAX MATTERS — Murphy USA is subject to extensive tax liabilities imposed by multiple jurisdictions, including income taxes, indirect taxes (excise/duty, sales/use and gross receipts taxes), payroll taxes, franchise taxes, withholding taxes and ad valorem taxes. New tax laws and regulations and changes in existing tax laws and regulations are continuously being enacted or proposed that could result in increased expenditures for tax liabilities in the future. Many of these liabilities are subject to periodic audits by the respective taxing authority. Subsequent changes to our tax liabilities because of these audits may subject us to interest and penalties.

OTHER MATTERS — In the normal course of its business, the Company is required under certain contracts with various governmental authorities and others to provide financial guarantees or letters of credit that may be drawn upon if the Company fails to perform under those contracts. At June 30, 2024, the Company had contingent liabilities of \$8.8 million on outstanding letters of credit. The Company has not accrued a liability in its balance sheet related to these financial guarantees and letters of credit because it is believed that the likelihood of having these drawn is remote.

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Note 15 — Lease Accounting

The Company determines if an arrangement is a lease or contains a lease at inception. Operating lease right-of-use assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Leases with an initial term of 12 months or less are not recorded on the balance sheet; we recognize lease expense for these leases on a straight-line basis over the lease term. The Company's leases have remaining lease terms of 2 years or less to 35 years, which may include the option to extend the lease when it is reasonably certain the Company will exercise the option. Most leases include one or more options to renew, with renewal terms that can extend the lease term from 5 to 20 years or more. The exercise of lease renewal options is at the Company's sole discretion. Due to the uncertainties of future markets, economic factors, technology changes, demographic shifts and behavior, environmental regulatory requirements and other information that impacts decisions as to store location, management has determined that it was not reasonably certain to exercise contract options and they are not included in the lease term. Additionally, short-term leases and leases with variable lease costs are immaterial. The Company reviews all options to extend, terminate, or otherwise modify its lease agreements to determine if changes are required to the right-of-use assets and liabilities.

As the implicit interest rate is not readily determinable in most of the Company's lease agreements, the Company uses its estimated secured incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments.

Lessor — We have various arrangements for certain spaces for food service and vending equipment as well as subleases under which we are the lessor. These leases meet the criteria for operating lease classification. Lease income associated with these leases is immaterial.

Lessee — We lease land for 468 stores and store sites, one terminal, a hangar and various equipment. Our lease agreements do not contain any material residual value guarantees. Included in our leased land are 102 properties leased from Walmart which contain restrictive covenants, though the restrictions are deemed to have an immaterial impact.

Leases are reflected in the following balance sheet accounts:

<i>(Millions of dollars)</i>	Classification	June 30, 2024	December 31, 2023
Assets			
Operating (Right-of-use)	Operating lease right-of-use assets, net	\$ 463.5	\$ 452.1
Finance	Property, plant, and equipment, at cost, less accumulated depreciation of \$49.7 at June 30, 2024 and \$42.6 at December 31, 2023	109.8	113.8
Total leased assets		\$ 573.3	\$ 565.9
Liabilities			
Current			
Operating	Trade accounts payable and accrued liabilities	\$ 21.9	\$ 22.1
Finance	Current maturities of long-term debt	11.6	11.0
Noncurrent			
Operating	Non-current operating lease liabilities	464.6	450.3
Finance	Long-term debt, including capitalized lease obligations	112.6	115.7
Total lease liabilities		\$ 610.7	\$ 599.1

Murphy USA Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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Lease Cost: (Millions of dollars)	Classification	Three Months Ended June 30,		Six Months Ended June 30,	
		2024	2023	2024	2023
Operating lease cost	Store and other operating expenses	\$ 14.5	\$ 13.2	\$ 28.6	\$ 26.6
Finance lease cost					
Amortization of leased assets	Depreciation and amortization	3.6	3.8	7.3	7.6
Interest on lease liabilities	Interest expense	2.1	2.2	4.2	4.6
Net lease costs		\$ 20.2	\$ 19.2	\$ 40.1	\$ 38.8

Cash Flow Information: (Millions of dollars)	Six Months Ended June 30,	
	2024	2023
Cash paid for amounts included in the measurement of liabilities		
Operating cash flows from operating leases	\$ 26.4	\$ 24.9
Operating cash flows from finance leases	\$ 4.2	\$ 4.6
Financing cash flows from finance leases	\$ 5.8	\$ 7.7

Maturity of Lease Liabilities at June 30, 2024:

(Millions of dollars)	Operating leases	Finance leases
2024	\$ 27.3	\$ 9.9
2025	55.2	19.0
2026	54.5	17.8
2027	53.7	16.6
2028	53.2	15.9
After 2028	582.8	107.0
Total lease payments	826.7	186.2
Less: interest	340.2	62.0
Present value of lease liabilities	\$ 486.5	\$ 124.2

Lease Term and Discount Rate:

	Six Months Ended June 30, 2024
Weighted average remaining lease term (years)	
Finance leases	11.8
Operating leases	15.0
Weighted average discount rate	
Finance leases	6.8 %
Operating leases	6.7 %

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Note 16 — Business Segments

Our operations include the sale of retail motor fuel products and convenience merchandise along with the wholesale and bulk sale capabilities of our product supply and wholesale group. As the primary purpose of the product supply and wholesale group is to support our retail operations and provide fuel for their daily operation, the bulk and wholesale fuel sales are secondary to the support functions played by this group. As such, they are all treated as one segment for reporting purposes as they sell the same products and have similar economic characteristics. This Marketing segment contains essentially all of the revenue generating activities of the Company. Results not included in the reportable segment include Corporate and Other Assets. The reportable segment was determined based on information reviewed by the Chief Operating Decision Maker.

<i>(Millions of dollars)</i>	Total Assets at June 30, 2024	Three Months Ended			
		June 30, 2024		June 30, 2023	
		External Revenues	Income (Loss)	External Revenues	Income (Loss)
Marketing	\$ 4,210.5	\$ 5,451.7	\$ 163.8	\$ 5,585.4	\$ 151.7
Corporate and other assets	219.4	—	(19.0)	—	(18.9)
Total	\$ 4,429.9	\$ 5,451.7	\$ 144.8	\$ 5,585.4	\$ 132.8

<i>(Millions of dollars)</i>	Six Months Ended			
	June 30, 2024		June 30, 2023	
	External Revenues	Income (Loss)	External Revenues	Income (Loss)
Marketing	\$ 10,295.3	\$ 249.3	\$ 10,662.5	\$ 277.6
Corporate and other assets	0.1	(38.5)	0.1	(38.5)
Total	\$ 10,295.4	\$ 210.8	\$ 10,662.6	\$ 239.1

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's Discussion and Analysis of Financial Condition and Results of Operations ("Management's Discussion and Analysis" or "MD&A") is the Company's analysis of its financial performance and of significant trends that may affect future performance. It should be read in conjunction with the consolidated financial statements and notes included in this Quarterly Report on Form 10-Q. The MD&A contains forward-looking statements and the Company does not undertake to update, revise or correct any of the forward-looking information unless required to do so under the federal securities laws. Readers are cautioned that such forward-looking statements should be read in conjunction with the Company's disclosures under "Forward-Looking Statements" and "Risk Factors" included elsewhere in this Quarterly Report on Form 10-Q.

For purposes of this Management's Discussion and Analysis, references to "Murphy USA", the "Company", "we", "us" and "our" refer to Murphy USA Inc. and its subsidiaries on a consolidated basis.

Management's Discussion and Analysis is organized as follows:

- *Executive Overview* — This section provides an overview of our business and the results of operations and financial condition for the periods presented. It includes information on the basis of presentation with respect to the amounts presented in the Management's Discussion and Analysis and a discussion of the trends affecting our business.
- *Results of Operations* — This section provides an analysis of our results of operations, including the results of our operating segment for the three and six months ended June 30, 2024 and 2023.
- *Capital Resources and Liquidity* — This section provides a discussion of our financial condition and cash flows as of and for the three and six months ended June 30, 2024 and 2023. It also includes a discussion of our capital structure and available sources of liquidity.
- *Critical Accounting Policies* — This section describes the accounting policies and estimates that we consider most important for our business and that require significant judgment.

Executive Overview

The following MD&A is intended to help the reader understand our results of operations and financial condition. This section is provided to supplement, and should be read in conjunction with, our consolidated financial statements and the accompanying notes to these financial statements contained elsewhere in this Quarterly Report on Form 10-Q, this MD&A section and the consolidated financial statements in our Annual Report on Form 10-K. Our Form 10-K contains a discussion of matters not included within this document, such as disclosures regarding critical accounting policies and estimates, and contractual obligations.

Our Business

The Company owns and operates a chain of retail stores that market gasoline and other merchandise under the brand names of Murphy USA[®] and Murphy Express, most of which are located in close proximity to Walmart stores, principally in the Southeast, Midwest and Southwest areas of the United States. We also have a mix of convenience stores and retail gasoline stores located in New Jersey and New York that operate under the brand name of QuickChek[®]. At June 30, 2024, we had a total of 1,736 Company stores in 27 states, of which 1,582 were Murphy branded and 154 were under the QuickChek brand. We also market petroleum products to unbranded wholesale customers through a mixture of Company-owned and third-party terminals.

Basis of Presentation

Murphy USA was incorporated in March 2013, and until the separation from Murphy Oil Corporation was completed on August 30, 2013, it had not commenced operations and had no material assets, liabilities or commitments. The financial information presented in this Management's Discussion and Analysis is derived from the consolidated financial statements of Murphy USA Inc. and its subsidiaries for all periods presented. Our QuickChek subsidiaries use a weekly retail calendar where each quarter typically has 13 weeks. For Q2 2024, the QuickChek results cover the period March 30, 2024 to June 28, 2024, and the 2024 year-to-date period began December 30, 2023. For Q2 2023, the QuickChek results cover the period April 1, 2023 to June 30, 2023, and the 2023 year-to-date period began December 31, 2022. The difference in the timing of the period ends is immaterial to the overall consolidated results.

Trends Affecting Our Business

Our operations are significantly impacted by the gross margins we receive on our fuel and merchandise sales. The fuel gross margins are commodity-based, change daily, and are volatile. While we generally expect our volume and gross margins to remain stable in a normalized environment, they can change rapidly due to many factors. These factors include, but are not limited to, the price of refined products, geopolitical events that disrupt the global supply, overall demand and prices of crude oil, interruptions in our fuel and merchandise supply chain caused by severe weather or pandemics, the effects from pandemics such as travel restrictions and stay-at-home orders imposed during a pandemic, new or changing legislation around tobacco and e-cigarettes as well as fuel economy and vehicle emission standards, severe refinery mechanical failures for an extended period of time, cyber-attacks against the Company or our vendors, changing economic conditions that lower consumer purchasing power such as inflation, and competition in the local markets in which we operate.

The cost of our main fuel products, gasoline and diesel, is greatly impacted by the cost of crude oil in the United States. Historically, a rising

price environment for crude oil increases the Company's cost for wholesale fuel products purchased and increases retail fuel prices. Rising prices can cause consumers to reduce discretionary fuel consumption, however our low-price model can also serve as a hedge to draw new customers which can offset the potential loss of discretionary volumes. In Q2 2024, crude oil prices were relatively stable with prices ranging from \$74 per barrel to \$88 per barrel with an average price of \$82 per barrel in Q2 2024, compared to a average price of \$74 per barrel in Q2 2023. Total fuel contribution (retail fuel margin plus product supply and wholesale ("PS&W") results which include Renewable Identification Numbers ("RINs")) was 31.7 cents per gallon ("cpg") in Q2 2024, compared to 29.5 cpg in Q2 2023. Retail fuel margin dollars increased 9.1% in the current quarter while retail fuel volumes decreased 0.6% when compared to Q2 2023.

Our revenues are impacted by the ability to leverage our diverse supply infrastructure in pursuit of obtaining the lowest cost of fuel supply available; for example, activities such as blending bulk fuel with renewable fuels (ethanol and bio-diesel) to capture and subsequently sell RINs. Under the Energy Policy Act of 2005, the Environmental Protection Agency ("EPA") is authorized to set annual quotas establishing the percentage of motor fuels consumed in the United States that must be attributable to renewable fuels. Obligated parties are required to demonstrate that they have met any applicable quotas by submitting a certain amount of RINs to the EPA. RINs in excess of the set quota can be sold in a market for RINs at then-prevailing prices. The market price for RINs fluctuates based on a variety of factors, including but not limited to governmental and regulatory action. There are other market related factors that can impact the revenue received for RINs on a company-wide basis either favorably or unfavorably. The Renewable Fuel Standard ("RFS") program continues to be unpredictable and prices received by us for ethanol RINs averaged \$0.52 per RIN in Q2 2024 compared to \$1.49 per RIN in Q2 2023. Our business model does not depend on our ability to generate revenues from RINs, and we have historically observed that changes in revenue are typically coupled with offsetting changes in cost of goods that minimizes the majority of any revenue movement. Revenue from the sales of RINs is included in "Other operating revenues" in the Consolidated Statements of Income.

As of June 30, 2024, we had \$1.3 billion of Senior Notes and a \$388 million term loan outstanding. We believe that we will generate sufficient cash from operations to fund our ongoing operating requirements and service our debt obligations. At June 30, 2024, we had additional available capacity under the committed \$350 million cash flow revolving credit facility, with none drawn. We expect to use the credit facilities to provide us with available financing to meet any short-term ongoing cash needs in excess of internally generated cash flows. To the extent necessary, we will borrow under these facilities to fund our ongoing operating requirements and other corporate initiatives. There can be no assurances, however, that we will generate sufficient cash from operations or be able to draw on the credit facilities, obtain commitments for our incremental facility, or obtain and draw upon other credit facilities. For additional information, see Significant Sources of Capital in the Capital Resources and Liquidity section.

The Company currently anticipates total capital expenditures (including land for future developments) for the full year 2024 to range from approximately \$400 million to \$450 million depending on how many new stores are completed. We intend to fund the remainder of our capital program in 2024 primarily using operating cash flow but will supplement funding where necessary through borrowings under our revolving credit facilities.

We believe that our business will continue to grow in the future as we expand additional capabilities such as food and beverage within our network. We maintain a pipeline of desirable future store locations for development. The pace of this growth is continually monitored by our management, and these plans can be altered based on operating cash flows generated and the availability of debt facilities.

We currently estimate our ongoing effective tax rate to be between 24% and 26% for the remainder of the year.

Seasonality

Our business has inherent seasonality due to the concentration of our retail stores in certain geographic areas, as well as customer behaviors during different seasons. In general, sales volumes and operating incomes are typically highest in the second and third quarters during the summer-activity months and lowest during the winter months. As a result, operating results for the three and six months ended June 30, 2024, may not necessarily be indicative of the results that may be expected for the remainder of the year ending December 31, 2024.

Business Segment

The Company has one operating segment which is Marketing. The Marketing segment includes our retail marketing stores and product supply and wholesale assets. For additional operating segment information, see Note 22 "Business Segments" in the audited combined financial statements for the year ended December 31, 2023 included with our Annual Report on Form 10-K and Note 16 "Business Segments" in the accompanying unaudited consolidated financial statements for the three and six months ended June 30, 2024.

Results of Operations

Consolidated Results

For the three months ended June 30, 2024, the Company reported net income of \$144.8 million, or \$6.92 per diluted share, on revenue of \$5.5 billion. Net income was \$132.8 million for the same period in 2023, or \$6.02 per diluted share, on \$5.6 billion of revenue. The increase in net income was primarily due to higher total fuel contribution and higher overall merchandise contributions, which were partially offset by lower retail fuel sales volumes, increases in store operating expenses, and higher income tax expense.

For the six months ended June 30, 2024, the Company reported net income of \$210.8 million, or \$10.02 per diluted share, on revenue of \$10.3 billion. Net income for the same period in 2023 was \$239.1 million, or \$10.82 per diluted share, on \$10.7 billion of revenue. The decrease in net income is primarily due to lower total fuel contribution combined with increases in store operating expenses, general and administrative expenses, and depreciation and amortization expense, which were partially offset by higher overall merchandise contributions, slightly higher fuel sales volumes, and lower income tax expense.

Three Months Ended June 30, 2024 versus Three Months Ended June 30, 2023

Revenues for Q2 2024 decreased \$0.1 billion, or 2.4%, compared to the same quarter in 2023. The decrease in revenues was due to 0.3% lower retail fuel sales prices, 0.6% lower fuel sales volumes and lower PS&W revenues, which were partially offset by a 3.0% increase in merchandise sales revenue.

Cost of sales in Q2 2024 decreased \$0.2 billion, or 3.4%, when compared to Q2 2023. In the current-year quarter, the decrease was primarily due to lower fuel cost and lower fuel volumes sold and was partially offset by higher merchandise costs.

Store and other operating expenses increased \$13.2 million, or 5.1%, in Q2 2024 from Q2 2023, primarily due to higher employee related expenses and maintenance costs at existing stores combined with increases from net new store operating expenses.

Selling, general and administrative ("SG&A") expenses for Q2 2024 decreased \$0.3 million, or 0.5%, from Q2 2023. The decrease in SG&A costs is primarily due to lower employee related costs incurred in Q2 2024.

Depreciation and amortization expense increased \$1.5 million in Q2, or 2.6%, when compared to the same period of 2023, primarily due to the increased number of Murphy branded stores with larger formats and raze-and-rebuild activity in the period.

The effective income tax rate was approximately 25.1% for Q2 2024 compared to approximately 24.4% in Q2 2023.

Six Months Ended June 30, 2024 versus Six Months Ended June 30, 2023

Year-to-date revenues decreased \$0.4 billion, or 3.4%, compared to the same period in 2023. The decrease in revenues was due to 2.8% lower retail fuel sales prices and lower PS&W revenues, which was partially offset by a 3.3% increase in merchandise sales revenue and a 0.2% increase in retail fuel sales volumes.

Year-to-date cost of sales decreased \$0.4 billion, or 3.8%, compared to the same period in 2023. In the current-year period, the lower costs were primarily due to lower fuel cost, partially offset by higher fuel volumes sold and higher merchandise costs.

Year-to-date store and other operating expenses increased \$27.0 million, or 5.5%, compared to the same period in 2023, primarily due to higher employee related expenses and maintenance costs at existing stores combined with increases in net new store operating expenses.

SG&A expenses for the first six months of 2024 increased \$2.8 million, or 2.4%, compared to the first six months of 2023. The increase in SG&A costs is primarily due to higher wages and employee related costs incurred in the period versus the same period of 2023.

Depreciation and amortization expense increased \$3.8 million, or 3.3%, year-to-date from the same period of 2023 primarily due to the increased number of Murphy branded stores with larger formats and raze-and-rebuild activity during the period.

The effective income tax rate was approximately 23.4% for the six months ended June 30, 2024 versus approximately 24.0% for the same period of 2023.

Segment Results

A summary of the Company's net income by business segment follows:

<i>(Millions of dollars)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Marketing	\$ 163.8	\$ 151.7	\$ 249.3	\$ 277.6
Corporate and other assets	(19.0)	(18.9)	(38.5)	(38.5)
Net Income	\$ 144.8	\$ 132.8	\$ 210.8	\$ 239.1

Marketing

Three Months Ended June 30, 2024 versus Three Months Ended June 30, 2023

Marketing segment net income for the three months ended June 30, 2024 was higher compared to the same period in 2023 primarily due to:

- Higher total fuel contribution
- Higher merchandise contribution

The items below partially offset the increase in net income in the current period:

- Lower fuel sales volumes
- Higher store and other operating expenses

Six Months Ended June 30, 2024 versus Six Months Ended June 30, 2023

Marketing segment net income for the six months ended June 30, 2024 was lower compared to the same six-month period in 2023 primarily due to:

- Lower total fuel contribution
- Higher store and other operating expenses
- Higher depreciation and amortization expenses
- Higher SG&A expenses

The items below partially offset the decrease in net income in the six-month period:

- Higher merchandise contribution
- Higher fuel sales volumes

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

Marketing Segment	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Operating Revenues				
Petroleum product sales	\$ 4,340.5	\$ 4,450.6	\$ 8,152.2	\$ 8,444.8
Merchandise sales	1,080.4	1,049.0	2,081.1	2,015.2
Other operating revenues	30.8	85.8	62.0	202.5
Total operating revenues	5,451.7	5,585.4	10,295.3	10,662.5
Operating expenses				
Petroleum products cost of goods sold	3,980.2	4,170.0	7,536.3	7,950.6
Merchandise cost of goods sold	863.9	842.2	1,673.0	1,621.3
Store and other operating expenses	269.8	256.8	521.9	495.0
Depreciation and amortization	55.7	53.2	110.6	105.6
Selling, general and administrative	59.1	59.4	121.2	118.4
Accretion of asset retirement obligations	0.8	0.7	1.6	1.5
Total operating expenses	5,229.5	5,382.3	9,964.6	10,292.4
Gain (loss) on sale of assets	(1.0)	0.1	(1.1)	(0.1)
Income (loss) from operations	221.2	203.2	329.6	370.0
Other income (expense)				
Interest expense	(2.1)	(2.2)	(4.2)	(4.5)
Total other income (expense)	(2.1)	(2.2)	(4.2)	(4.5)
Income (loss) before income taxes	219.1	201.0	325.4	365.5
Income tax expense (benefit)	55.3	49.3	76.1	87.9
Net income (loss) from operations	\$ 163.8	\$ 151.7	\$ 249.3	\$ 277.6

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

Marketing Segment	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Total tobacco sales revenue same store sales ^{1,2}	\$ 135.0	\$ 128.5	\$ 130.5	\$ 124.0
Total non-tobacco sales revenue same store sales ^{1,2}	76.3	76.2	72.7	73.0
Total merchandise sales revenue same store sales ^{1,2}	\$ 211.3	\$ 204.7	\$ 203.2	\$ 197.0

¹2023 amounts not revised for 2024 raze-and-rebuild activity

²Includes store-level discounts for MDR redemptions and excludes change in value of unredeemed MDR points

Store count at end of period	1,736	1,725	1,736	1,725
Total store months during the period	5,133	5,149	10,297	10,290

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, 2023 for the stores being compared in the 2024 versus 2023 comparison). Acquired stores are not included in the calculation of same stores 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, asset acquisitions and asset dispositions.

Fuel

Key Operating Metrics	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Total retail fuel contribution (\$ Millions)	\$ 365.2	\$ 334.7	\$ 615.2	\$ 599.4
Total PS&W contribution (\$ Millions)	(3.8)	(53.0)	2.9	(103.1)
RINs (included in Other operating revenues on Consolidated Statements of Income) (\$ Millions)	28.9	84.1	58.3	199.4
Total fuel contribution (\$ Millions)	\$ 390.3	\$ 365.8	\$ 676.4	\$ 695.7
Retail fuel volume - chain (Million gal)	1,231.6	1,238.8	2,384.7	2,380.5
Retail fuel volume - per store (K gal APSM) ¹	247.2	249.3	238.6	239.8
Retail fuel volume - per store (K gal SSS) ²	244.3	245.2	235.7	236.2
Total fuel contribution (cpg)	31.7	29.5	28.4	29.2
Retail fuel margin (cpg)	29.7	27.0	25.8	25.2
PS&W including RINs contribution (cpg)	2.0	2.5	2.6	4.0

¹APSM metric includes all stores open through the date of calculation

²2023 amounts not revised for 2024 raze-and-rebuild activity

The reconciliation of the total fuel contribution to the Consolidated Statements of Income is as follows:

(Millions of dollars)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Petroleum product sales	\$ 4,340.5	\$ 4,450.6	\$ 8,152.2	\$ 8,444.8
Less Petroleum product cost of goods sold	(3,980.2)	(4,170)	(7,536.3)	(7,950.6)
Plus RINs and other (included in Other Operating Revenues line)	30.0	85.2	60.5	201.5
Total fuel contribution	\$ 390.3	\$ 365.8	\$ 676.4	\$ 695.7

Merchandise

Key Operating Metrics	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Total merchandise contribution (\$ Millions)	\$ 216.5	\$ 206.8	\$ 408.1	\$ 393.9
Total merchandise sales (\$ Millions)	\$ 1,080.4	\$ 1,049.0	\$ 2,081.1	\$ 2,015.2
Total merchandise sales (\$K SSS) ^{1,2}	\$ 211.3	\$ 204.7	\$ 203.2	\$ 197.0
Merchandise unit margin (%)	20.0 %	19.7 %	19.6 %	19.6 %
Tobacco contribution (\$K SSS) ^{1,2}	\$ 20.0	\$ 18.2	\$ 19.2	\$ 17.8
Non-tobacco contribution (\$K SSS) ^{1,2}	\$ 22.8	\$ 22.5	\$ 21.1	\$ 21.1
Total merchandise contribution (\$K SSS) ^{1,2}	\$ 42.8	\$ 40.7	\$ 40.3	\$ 38.9

¹2023 amounts not revised for 2024 raze-and-rebuild activity

²Includes store-level discounts for MDR redemptions and excludes change in value of unredeemed MDR points

Same store sales information compared to APSM metrics

	Variance from prior year Three months ended		Variance from prior year Six months ended	
	June 30, 2024		June 30, 2024	
	SSS ¹	APSM ²	SSS ¹	APSM ²
Fuel gallons per month	(1.3) %	(0.8) %	(1.1) %	(0.5) %
Merchandise sales	3.1 %	3.3 %	3.2 %	3.2 %
Tobacco sales	5.9 %	5.5 %	6.3 %	5.5 %
Non-tobacco sales	(1.5) %	(0.2) %	(1.9) %	(0.5) %
Merchandise margin	5.0 %	5.0 %	3.7 %	3.5 %
Tobacco margin	12.1 %	10.7 %	9.2 %	7.4 %
Non-tobacco margin	(0.5) %	0.6 %	(0.9) %	0.4 %

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

²Includes all MDR activity

Three Months Ended June 30, 2024 versus Three Months Ended June 30, 2023

Net income in the Marketing segment for Q2 2024 increased \$12.1 million, to \$163.8 million when compared to the Q2 2023 period. The increase was primarily due to higher total fuel and merchandise contribution, which were partially offset by lower fuel sales volumes and increased store operating expenses.

Total fuel contribution for Q2 2024, was \$390.3 million, an increase of \$24.5 million or 6.7%, compared to Q2 2023. This increase was due to higher retail fuel contribution, combined with lower contribution from PS&W margins, and was partially offset by slightly lower fuel volumes sold in the period when compared to Q2 of 2023.

Retail fuel margins on a cpg basis increased 10.0% in Q2 2024 to 29.7 cpg, compared to 27.0 cpg in the prior year period. Total retail fuel volumes decreased 0.6%, while fuel sales volumes on an SSS basis decreased 1.3% to 244.3 thousand gallons per store in Q2 2024 when compared to Q2 2023. Total product supply and wholesale contribution dollars, including RINs, decreased \$6.0 million in Q2 2024 when compared to Q2 2023, primarily due to a regional supply imbalance that offset improved spot-to-rack spreads seen in other regions.

Total merchandise sales were \$1.1 billion in Q2 2024 and \$1.0 billion in Q2 2023. Total merchandise contribution in Q2 2024 improved 4.7% compared to Q2 2023 primarily due to higher retail prices, up 3.5%, and net increased number of larger format stores. Total SSS merchandise contribution dollars grew 5.0%, which included an increase of 12.1% in tobacco products and was partially offset by a 0.5% decrease in non-tobacco products.

Store and other operating expenses increased \$13.0 million in Q2 2024 compared to Q2 2023, primarily due to higher employee related expenses and maintenance costs at existing stores combined with net new store operating expenses. On an APSM basis, expenses applicable to store OPEX excluding payment fees and rent were 6.0% higher, primarily attributable to increased employee related expenses and maintenance costs.

SG&A expenses decreased \$0.3 million in Q2 2024 compared to Q2 2023, due primarily to lower employee incentive costs, partially offset by higher salaries and related benefits.

Depreciation and amortization expense increased \$2.5 million, or 4.7%, in Q2 2024 compared to Q2 2023 due to the increased number of larger format Murphy branded stores and raze-and-rebuild activity in the quarter.

Six Months Ended June 30, 2024 versus Six Months Ended June 30, 2023

Net income in the Marketing segment for the six months ended June 30, 2024 decreased \$28.3 million compared to the six months ended June 30, 2023. The decrease was primarily due to lower total fuel contributions, increased store operating expenses and higher SG&A expenses, which were partially offset by higher fuel sales volumes and higher merchandise contributions.

Total fuel contribution for the six-month period ended June 30, 2024, was \$676.4 million, a decrease of \$19.3 million or 2.8%, compared to the first six months of 2023. This decrease was primarily due to lower contribution from PS&W margins, and was partially offset by higher retail fuel contribution and fuel volumes sold in the period when compared to the first six months of 2023. Retail fuel margins on a cpg basis increased 2.4%, to 25.8 cpg, for the six-month period ended June 30, 2024, compared to 25.2 cpg in the same period of 2023. Total retail fuel sales volumes increased 0.2%, while volumes on an SSS basis decreased 1.1% to 235.7 thousand gallons per store, in the six-month period ended June 30, 2024 when compared to the same six-month period of 2023. Total product supply and wholesale contribution dollars, including RINs, decreased \$35.1 million compared to the first six months of 2023, primarily due to timing of transactions, supply imbalances at the end of the period, and lower RIN sales volumes.

Total merchandise sales increased 3.3% to \$2.1 billion in the six months ended June 30, 2024 compared to \$2.0 billion in the first six months of 2023 due to higher retail prices across the chain in most categories and increased number of stores with larger formats. Year-to-date total merchandise contribution in 2024 increased 3.6% compared to the same period of 2023. Total SSS merchandise contribution dollars improved 3.7% with an increase of 9.2% in tobacco products and was partially offset by a 0.9% decrease in non-tobacco products.

Store and other operating expenses increased \$26.9 million in the current year compared to the same six-month period of 2023, primarily due to employee related expenses and maintenance expenses at existing stores combined with net new store operating expenses. On an APSM basis, expenses applicable to store OPEX excluding payment fees and rent increased 6.5%, primarily due to employee related expenses and maintenance costs.

SG&A expenses increased \$2.8 million in 2024 compared to the same six-month period of 2023 due primarily to higher employee salaries and benefits costs incurred.

Depreciation and amortization expense increased \$5.0 million, or 4.7%, in the first six months of 2024 due to new larger store formats for Murphy branded stores combined with raze-and-rebuild activities.

Corporate and Other Assets

Three Months Ended June 30, 2024 versus Three Months Ended June 30, 2023

Loss from continuing operations for Corporate and other assets for Q2 2024 was \$19.0 million, compared to a loss of \$18.9 million in Q2 2023. The increase in loss was primarily due to a reduction in investment income and higher interest expense but was offset by a reduction in depreciation expense.

Six Months Ended June 30, 2024 versus Six Months Ended June 30, 2023

Loss from continuing operations for Corporate and other assets was \$38.5 million for both the six months ended June 30, 2024 and 2023, respectively. The year-to-date loss for 2024, compared to the same period of 2023, had a reduction in investment income and an increase in interest expense but was offset by a reduction in depreciation expense.

Non-GAAP Measures

The following table sets forth the Company's EBITDA and Adjusted EBITDA for the three and six months ended June 30, 2024 and 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 acquisition, 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:

(Millions of dollars)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income	\$ 144.8	\$ 132.8	\$ 210.8	\$ 239.1
Income tax expense (benefit)	48.4	42.9	64.3	75.6
Interest expense, net of investment income	24.0	23.2	47.7	47.3
Depreciation and amortization	59.3	57.8	118.0	114.2
EBITDA	276.5	256.7	440.8	476.2
Accretion of asset retirement obligations	0.8	0.7	1.6	1.5
(Gain) loss on sale of assets	1.4	(0.1)	1.0	0.1
Other nonoperating (income) expense	(0.1)	(0.2)	(0.5)	(0.5)
Adjusted EBITDA	\$ 278.6	\$ 257.1	\$ 442.9	\$ 477.3

Capital Resources and Liquidity

Significant Sources of Capital

As of June 30, 2024, we had \$79.8 million of cash and cash equivalents and total marketable securities of \$7.5 million. Our cash management policy provides that cash balances in excess of a certain threshold may be reinvested in certain types of low-risk investments. We have a committed cash flow revolving credit facility (the "revolving facility") of \$350 million, which was undrawn at June 30, 2024, which can be utilized for working capital and other general corporate purposes, including supporting our operating model as described herein. Additional borrowing capacity under the revolving facility may be extended at our request and with the consent of the participating lenders.

We believe our existing cash on hand and future borrowing capacity of our existing facilities is adequate to fund not only our operations, but also our anticipated near-term and long-term funding requirements, including capital spending programs, execution of announced share repurchase programs, potential dividend payments, repayment of debt maturities and other amounts that may ultimately be paid in connection with contingencies.

Operating Activities

Net cash provided by operating activities was \$396.8 million for the six months ended June 30, 2024 compared to \$320.9 million for the same period of 2023, an increase of \$75.9 million, or 23.7%. The increase for the six months ended June 30, 2024 is mainly due to an increase in the amount of cash provided from changes in noncash working capital of \$117.4 million and increased depreciation of \$3.8 million, partially offset by a decrease in net income of \$28.3 million and lower deferred and noncurrent tax changes of \$15.9 million when compared to the same period in 2023.

For the six months ended June 30, 2024, operating cash provided by changes in non-cash operating working capital of \$55.8 million was due to an increase in accounts payable and accrued liabilities of \$80.9 million which was related to the timing of payments, a decrease in inventory of \$25.4 million due to lower prices and volumes, an increase of \$8.0 million in income taxes payable due in part to phase-out of federal bonus depreciation resulting in higher current tax expense, and was partially offset by an increase in accounts receivable of \$51.9 million due to the timing of receipts and an increase in prepaid expenses of \$6.6 million.

Investing Activities

For the six months ended June 30, 2024, cash required by investing activities was \$189.4 million compared to \$142.3 million in 2023. The \$47.1 million increase in cash required by investing activities in 2024 compared to the prior year was primarily due to an increase of \$49.0 million in capital expenditures due to the timing of projects partially offset by net cash received of \$1.9 million from the amount of maturities of marketable securities.

Financing Activities

Financing activities in the six months ended June 30, 2024 required cash of \$245.4 million compared to cash of \$146.2 million in the six months ended June 30, 2023, an increase of \$99.2 million. The first six months of 2024 included payments of \$192.5 million for the repurchase of common shares, which was an increase of \$84.6 million compared to repurchases of \$107.9 million in the 2023 period. Amounts related to share-based compensation required \$12.9 million more in cash during 2024 than in 2023. Dividend payments increased \$1.6 million in 2024 compared to amounts paid in the first six months of 2023. Net repayments of debt required \$7.8 million in 2024 compared to \$7.7 million in 2023.

Dividends

During the six months ended June 30, 2024, the Company paid cash dividend payments of \$0.86 per common share, for a total of \$17.9 million, compared to the period ended June 30, 2023, in which dividends of \$0.75 per common share were paid for total cash dividend payments of \$16.3 million. As a part of our capital allocation strategy, the Company's intention is to deliver targeted double-digit growth in the per share dividend over time.

Share Repurchase Program

On May 2, 2023, our Board of Directors approved a share repurchase authorization of up to \$1.5 billion. The authorization value excludes any excise tax that may be incurred. During the six months ended June 30, 2024, a total of 454,454 shares were repurchased for \$194.0 million, including excise tax under the 2023 program. As of June 30, 2024, we had approximately \$1.2 billion remaining under the 2023 authorization.

Debt

Our long-term debt at June 30, 2024 and December 31, 2023 was as set forth below:

<i>(Millions of dollars)</i>	June 30, 2024	December 31, 2023
5.625% senior notes due 2027 (net of unamortized discount of \$1.1 at June 30, 2024 and \$1.3 at December 31, 2023)	\$ 298.9	\$ 298.7
4.75% senior notes due 2029 (net of unamortized discount of \$3.3 at June 30, 2024 and \$3.6 at December 31, 2023)	496.7	496.4
3.75% senior notes due 2031 (net of unamortized discount of \$4.1 at June 30, 2024 and \$4.4 at December 31, 2023)	495.9	495.6
Term loan due 2028 (effective interest rate of 7.22% at June 30, 2024 and 7.23% at December 31, 2023) net of unamortized discount of \$0.5 at June 30, 2024 and \$0.6 at December 31, 2023	387.5	389.4
Capitalized lease obligations, autos and equipment, due through 2026	3.6	3.1
Capitalized lease obligations, buildings, due through 2059	120.6	123.6
Less unamortized debt issuance costs	(6.2)	(7.1)
Total notes payable, net	1,797.0	1,799.7
Less current maturities	15.6	15.0
Total long-term debt, net of current	<u>\$ 1,781.4</u>	<u>\$ 1,784.7</u>

Senior Notes

On April 25, 2017, Murphy Oil USA, Inc. ("MOUSA"), our primary operating subsidiary, issued \$300 million of 5.625% Senior Notes due 2027 (the "2027 Senior Notes") under its existing shelf registration statement. The 2027 Senior Notes are fully and unconditionally guaranteed by the Company and by the Company's subsidiaries that guarantee our Credit Facilities (as defined below). The indenture governing the 2027 Senior Notes contains restrictive covenants that limit, among other things, the ability of the Company, MOUSA, and the restricted subsidiaries to incur additional indebtedness or liens, dispose of assets, make certain restricted payments or investments, enter into transactions with affiliates or merge with or into other entities.

On September 13, 2019, MOUSA, issued \$500 million of 4.75% Senior Notes due 2029 (the "2029 Senior Notes"). The net proceeds from the issuance of the 2029 Senior Notes were used to fund, in part, the tender offer and redemption of a prior note issuance. The 2029 Senior Notes are fully and unconditionally guaranteed by the Company and by the Company's subsidiaries that guarantee our Credit Facilities. The indenture governing the 2029 Senior Notes contains restrictive covenants that are essentially identical to the covenants for the 2027 Senior Notes.

On January 29, 2021, MOUSA, issued \$500 million of 3.75% Senior Notes due 2031 (the "2031 Senior Notes" and, together with the 2027 Senior Notes and the 2029 Senior Notes, the "Senior Notes"). The net proceeds from the issuance of the 2031 Senior Notes were used, in part, to fund the acquisition of QuickChek and other obligations related to that transaction. The 2031 Senior Notes are fully and unconditionally guaranteed by the Company and by the Company's subsidiaries that guarantee our Credit Facilities. The indenture governing the 2031 Senior Notes contains restrictive covenants that are essentially identical to the covenants for the 2027 and 2029 Senior Notes.

The Senior Notes and related guarantees rank equally with all of our and the guarantors' existing and future senior unsecured indebtedness and effectively junior to our and the guarantors' existing and future secured

indebtedness (including indebtedness with respect to the Credit Facilities) to the extent of the value of the assets securing such indebtedness. The Senior Notes are structurally subordinated to all of the existing and future third-party liabilities, including trade payables, of our existing and future subsidiaries that do not guarantee the notes.

Revolving Credit Facility and Term Loan

Our credit agreement consists of both a cash flow revolving credit facility and a senior secured term loan.

The credit agreement provides for a senior secured term loan in an aggregate principal amount of \$400 million (the "Term Facility") (which was borrowed in full on January 29, 2021) and revolving credit commitments in an aggregate amount equal to \$350 million (the "Revolving Facility", and together with the Term Facility, the "Credit Facilities"). The outstanding balance of the term loan was \$388 million at June 30, 2024 and \$390 million at December 31, 2023. The term loan is due January 2028, and we are required to make quarterly principal payments of \$1 million, which began on July 1, 2021. As of June 30, 2024, we had no outstanding borrowings under the Revolving Facility and had \$6.2 million in outstanding letters of credit (which reduces the amount available to borrow under the Revolving Facility).

Interest payable on the Term Facility is based on either:

- the term secured overnight financing rate, plus the applicable Alternative Reference Rate Committee ("ARRC") recommended credit spread adjustment (the "Adjusted Term SOFR Rate");

or

- the Alternate Base Rate, which is defined as the highest of (a) the rate of interest last quoted by The Wall Street Journal as the "Prime Rate", (b) the greater of the federal funds effective rate and the overnight bank funding rate determined by the Federal Reserve Bank of New York from time to time plus 0.50% per annum and (c) the one-month Adjusted Term SOFR Rate plus 1.00% per annum,

plus, (A) in the case of Adjusted Term SOFR Rate borrowings, a spread of 1.75% per annum and (B) in the case of Alternate Base Rate borrowings, a spread of 0.75% per annum.

Interest payable on the Revolving Facility is based on either:

- the term secured overnight financing rate, plus a 0.10% credit spread adjustment for all interest periods (the "Adjusted SOFR Rate"), which is subject to a 0.0% floor;

or

- the Alternate Base Rate, which is defined as the highest of (a) the rate of interest last quoted by The Wall Street Journal as the "Prime Rate", (b) the greater of the federal funds effective rate and the overnight bank funding rate determined by the Federal Reserve Bank of New York from time to time plus 0.50% per annum and (c) the one-month Adjusted SOFR Rate plus 1.00% per annum,

plus, (A) in the case of Adjusted SOFR Rate borrowings, a spread of 1.75% to 2.25% per annum depending on a total debt to EBITDA ratio and (B) in the case of Alternate Base Rate borrowings, spreads ranging from 0.75% to 1.25% per annum depending on a total debt to EBITDA ratio.

The Term Facility amortizes in quarterly installments, which commenced on July 1, 2021, at a rate of 1.00% per annum. Murphy USA is also required to prepay the Term Facility with a portion of its excess cash flow, a portion of the net cash proceeds of certain asset sales and casualty events (subject to certain reinvestment rights) and the net cash proceeds of issuances of indebtedness not permitted under the Credit Agreement. The Credit Agreement allows Murphy USA to prepay, in whole or in part, the Term Facility outstanding thereunder, together with any accrued and unpaid interest, with prior notice but without premium or penalty other than breakage and redeployment costs.

The credit agreement contains certain covenants that limit, among other things, the ability of the Company and certain of its subsidiaries to incur additional indebtedness or liens, to make certain investments, to enter into sale-leaseback transactions, to make certain restricted payments, to enter into consolidations, mergers or sales of material assets and other fundamental changes, to transact with affiliates, to enter into agreements restricting the

ability of subsidiaries to incur liens or pay dividends, or to make certain accounting changes. The Revolving Facility credit agreement also imposes total leverage ratio and secured net leverage ratio financial maintenance covenants which are tested quarterly. Pursuant to the total leverage ratio financial maintenance covenant, the Company must maintain a total leverage ratio of not more than 5.0 to 1.0 with an ability in certain circumstances to temporarily increase that limit to 5.5 to 1.0 and a maximum secured net leverage ratio of not more than 3.75 to 1.0 with an ability in certain circumstances to temporarily increase that limit to 4.25 to 1.0. The Credit Agreement also contains customary events of default.

Pursuant to the credit agreement's covenant limiting certain restricted payments, certain payments in respect of our equity interests, including dividends, when the total leverage ratio, calculated on a pro forma basis, is greater than 3.0 to 1.0, could be limited. At June 30, 2024, our total leverage ratio was 1.72 to 1.0 which meant our ability at that date to make restricted payments was not limited. If our total leverage ratio, on a pro forma basis, exceeds 3.0 to 1.0, any restricted payments made following that time until the ratio is once again, on a pro forma basis, below 3.0 to 1.0 would be limited by the covenant, which contains certain exceptions, including an ability to make restricted payments in cash in an aggregate amount not to exceed the greater of \$114.8 million or 4.5% of consolidated net tangible assets over the life of the credit agreement.

All obligations under the credit agreement are guaranteed by Murphy USA and the subsidiary guarantors party thereto, and all obligations under the credit agreement, including the guarantees of those obligations, are secured by certain assets of Murphy USA, Murphy Oil USA, Inc. and the guarantors party to the guarantee and collateral agreement in respect thereof.

Supplemental Guarantor Financial Information

The following is a description of the guarantees with respect to the Senior Notes and the Credit Facilities, for which MOUSA is primary obligor, and for which the Company and certain subsidiaries provide full and unconditional guarantees on a joint and several basis. See "—Debt" above for additional information concerning the Company's outstanding indebtedness, all of which is guaranteed as described below. See also Note 6 "Long Term Debt" in the accompanying consolidated financial statements.

The Senior Notes and related guarantees rank equally with all of our and the guarantors' existing and future senior unsecured indebtedness and effectively junior to our and the guarantors' existing and future secured indebtedness (including indebtedness with respect to the Credit Facilities) to the extent of the value of the assets securing such indebtedness. The Senior Notes and related guarantees are structurally subordinated to all of the existing and future third-party liabilities, including trade payables, of our existing and future subsidiaries that do not guarantee the notes.

All obligations under the Credit Facilities are guaranteed by the Company and the same subsidiary guarantors that guarantee the Senior Notes. All obligations under the Credit Facilities, including the guarantees of those obligations, are secured by certain assets of the Company, MOUSA, and the other guarantors.

The combined assets, liabilities and results of operations of MOUSA and the guarantors are not materially different from corresponding amounts presented in the consolidated financial statements included herein. MOUSA is our primary operating subsidiary and generated the vast majority of our revenues for the three and six months ended June 30, 2024, and accounted for the vast majority of our total assets as of June 30, 2024. In the event MOUSA itself were unable to service the Company's consolidated debt obligations, our business and financial condition would be materially adversely impacted.

Capital Spending

Capital spending and investments in our Marketing segment relate primarily to the acquisition of land and the construction of new Company stores. Our Marketing capital is also deployed to improve our existing stores, which we refer to as maintenance capital. We use maintenance capital in this business as needed to ensure reliability and continued performance of our stores. We also invest in our Corporate and other assets segment which is primarily technology related.

The following table outlines our capital spending and investments by segment for the three and six month periods ended June 30, 2024 and 2023:

(Millions of dollars)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Marketing:				
Company stores	\$ 94.9	\$ 54.5	\$ 156.5	\$ 106.7
Terminals	0.6	1.7	1.5	2.9
Maintenance capital	23.7	13.4	32.4	21.9
Corporate and other assets	3.8	15.4	14.8	26.9
Total	\$ 123.0	\$ 85.0	\$ 205.2	\$ 158.4

We currently expect capital expenditures for the full year 2024 to range from approximately \$400 million to \$450 million, including \$275 million to \$315 million for retail growth, approximately \$75 million to \$80 million for maintenance capital, with the remaining funds earmarked for other corporate investments and other strategic initiatives. See Note 18 “Commitments” in the audited consolidated financial statements for the year ended December 31, 2023 included in our Annual Report on Form 10-K for more information.

Critical Accounting Policies

There has been no material update to our critical accounting policies since our Annual Report on Form 10-K for the year ended December 31, 2023. For more information, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations-Critical Accounting Policies” in the Form 10-K.

FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains certain statements 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 and associated capital expenditures, 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: our 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, manage disruptions in our supply chain and our ability to control costs; geopolitical events, such as Russia’s invasion of Ukraine and the conflicts in the Middle East, 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 and any governmental response thereto; 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; efficient and proper allocation of our capital resources, 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.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Commodity Price Risk

We are exposed to market risks related to the volatility in the price of refined products (primarily gasoline and diesel) used in our operations. These fluctuations can affect our revenues and purchases, as well as the cost of operating, investing and financing activities. We make limited use of derivative instruments to manage certain risks related to commodity prices. The use of derivative instruments for risk management is covered by operating policies and is closely monitored by our middle-office function and the Company's senior management.

As described in Note 10 "Financial Instruments and Risk Management" in the accompanying unaudited consolidated financial statements, there were short-term commodity derivative contracts in place at June 30, 2024 to hedge the purchase price of refined products. A 10% increase or decrease in the respective benchmark price of the commodities underlying these derivative contracts would have been immaterial to the Company. Changes in the fair value of these derivative contracts generally offset the changes in the value for an equivalent volume of these products.

Interest Rate Risk

We have exposure to interest rate risks related to volatility of our floating rate term loan of \$388 million and to our Revolving Facility which currently is undrawn. Both of these loans are tied to the Adjusted Term SOFR Rate which can move in either direction and cause fluctuations in our interest expense recognized in any period and in our cash flows related to interest payments made. We make limited use of interest rate swaps to hedge a portion of our exposure to these rate movements. The acquisition of any interest rate derivatives is undertaken by senior management when appropriate with delegated authority from the appropriate Board level committee. A 10% increase or decrease in the interest rate would have an immaterial impact on the financial statements of the Company at June 30, 2024.

For additional information about our use of derivative instruments, see Note 14 "Financial Instruments and Risk Management" in our audited combined financial statements for the year ended December 31, 2023 included in the Form 10-K and Note 10 "Financial Instruments and Risk Management" in the accompanying unaudited consolidated financial statements for the six months ended June 30, 2024.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures.

Our management has evaluated, with the participation of our principal executive and financial officers, the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15 under the Securities Exchange Act of 1934) as of the end of the period covered by this report, and has concluded that our disclosure controls and procedures were effective and appropriately allowed for timely decisions regarding required disclosures as of June 30, 2024.

Internal Control over Financial Reporting

There have been no changes in the Company's internal control over financial reporting during the quarter ended June 30, 2024 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

As of June 30, 2024, the Company was engaged in a number of legal proceedings, all of which the Company considers routine and incidental to its business. See Note 14 "Contingencies" in the accompanying consolidated financial statements. Based on information currently available to the Company, the ultimate resolution of environmental and legal matters referred to in this Item is not expected to have a material adverse effect on the Company's net income, financial condition or liquidity in a future period.

Litigation

The City of Charleston, South Carolina, and the State of Delaware have filed lawsuits against energy companies, including the Company. These lawsuits allege damages as a result of climate change and the plaintiffs are seeking unspecified damages and abatement under various tort theories. For additional information about this litigation, see Note 14 "Contingencies" in the accompanying consolidated financial statements.

ITEM 1A. RISK FACTORS

Our business, results of operations, cash flows and financial condition involve various risks and uncertainties. These risk factors are discussed under the caption "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023. We have not identified any additional risk factors not previously disclosed in the Form 10-K.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Below is detail of the Company's purchases of its own equity securities during the period:

Period Duration	Issuer Purchases of Equity Securities			
	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs ¹
April 1, 2024 to April 30, 2024	14,993	\$ 418.05	14,993	\$ 1,287,843,714
May 1, 2024 to May 31, 2024	112,467	\$ 431.72	112,467	\$ 1,239,289,588
June 1, 2024 to June 30, 2024	110,958	\$ 462.30	110,958	\$ 1,187,993,415
Three Months Ended June 30, 2024	238,418	\$ 445.09	238,418	\$ 1,187,993,415

¹Terms of the repurchase plan authorized by the Murphy USA Inc. Board of Directors and announced on May 2, 2023 include authorization for the Company to acquire up to \$1.5 billion of its common shares by December 31, 2028, and does not include excise tax on stock repurchases.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

The [Exhibit Index](#) on page 43 of this Form 10-Q report lists the exhibits that are filed herewith or incorporated herein by reference.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MURPHY USA INC.
(Registrant)

By /s/ Donald R. Smith Jr
Donald R. Smith Jr., Vice President,
Chief Accounting Officer and Treasurer

August 1, 2024

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
31.1*	Certification required by Rule 13a-14(a) pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 of Principal Executive Officer
31.2*	Certification required by Rule 13a-14(a) pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 of Principal Financial Officer
32.1*	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 of Principal Executive Officer
32.2*	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 of Principal Financial Officer
101. INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101. SCH*	Inline XBRL Taxonomy Extension Schema Document
101. CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101. DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101. LAB*	Inline XBRL Taxonomy Extension Labels Linkbase Document
101. PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase
104	Cover Page Interactive Data File - the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document

* Filed herewith.

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, R. Andrew Clyde, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Murphy USA Inc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal controls over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: August 1, 2024

/s/ R. Andrew Clyde

R. Andrew Clyde

Principal Executive Officer

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, C. Gallagher Jeff, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Murphy USA Inc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal controls over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: August 1, 2024

/s/ C. Gallagher Jeff
C. Gallagher Jeff
Principal Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Murphy USA Inc. (the "Company") on Form 10-Q for the period ended June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, R. Andrew Clyde, Principal Executive Officer of the Company, certify, pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934 and 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 1, 2024

/s/ R. Andrew Clyde
R. Andrew Clyde
Principal Executive Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Murphy USA Inc. (the "Company") on Form 10-Q for the period ended June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, C. Gallagher Jeff, Principal Financial Officer of the Company, certify, pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934 and 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 1, 2024

/s/ C. Gallagher Jeff
C. Gallagher Jeff
Principal Financial Officer