



National Association of
Shell Marketers

NRC
REALTY &
CAPITAL
ADVISORS

The Impact of Market Shifts on Fuel and C-Store Mergers & Acquisitions

September 12, 2024

Jeff Kramer

Managing Director

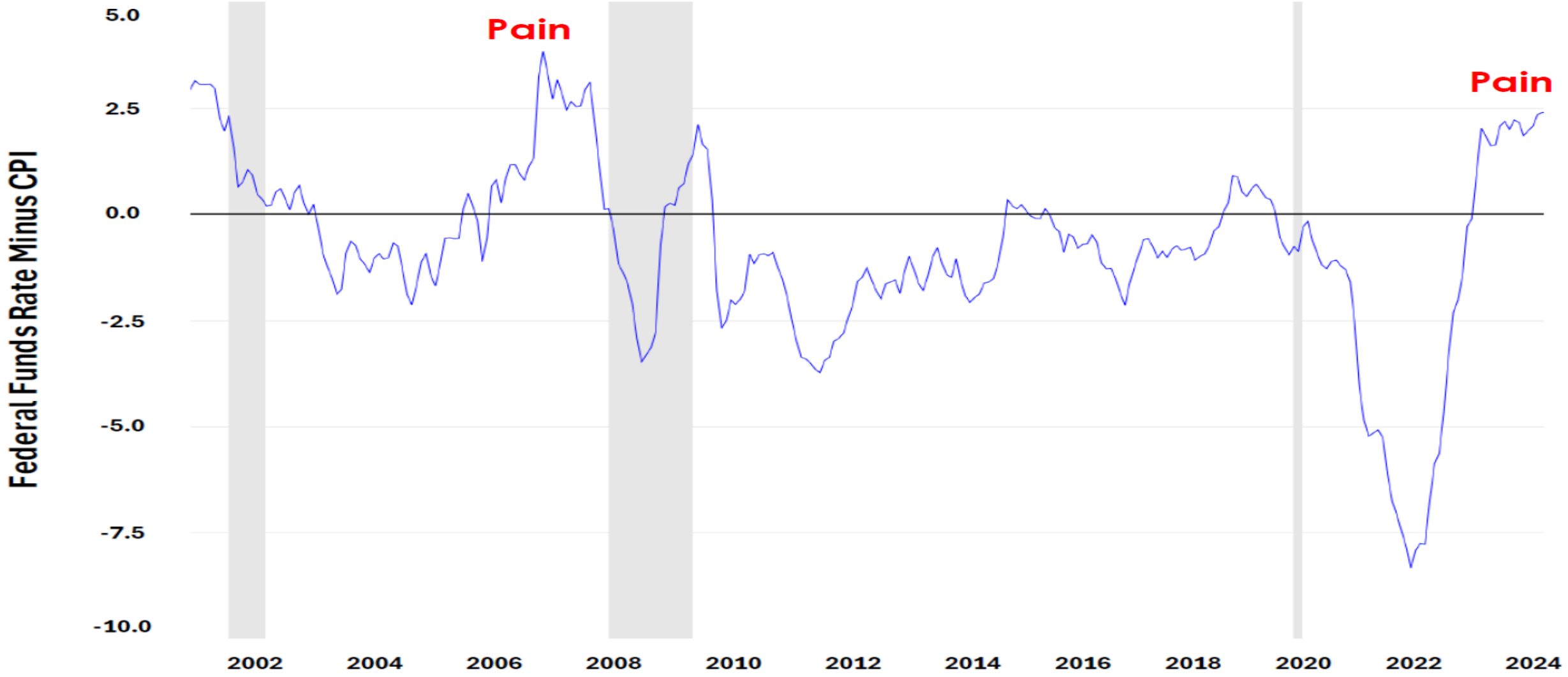
NRC Realty & Capital Advisors, LLC and

Faheem Jamal

Director of C-Store Operations

Chestnut Market

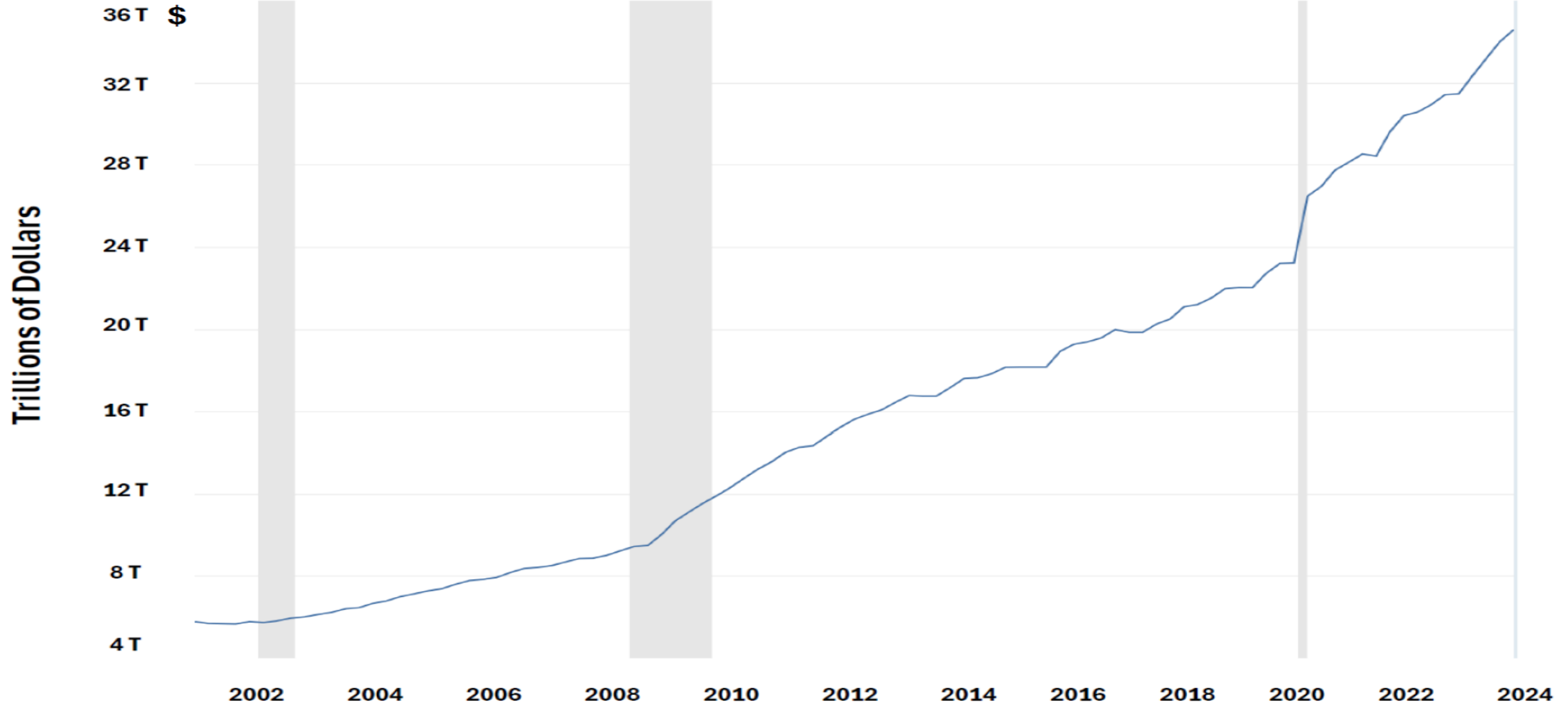
Federal Funds Rate Minus CPI



**Note: Advance Indicator of Fed Policy.
Variable time lags to recessions and stabilizations.**



Federal Debt - Total Public Debt



WASHINGTON, WE HAVE A PROBLEM.

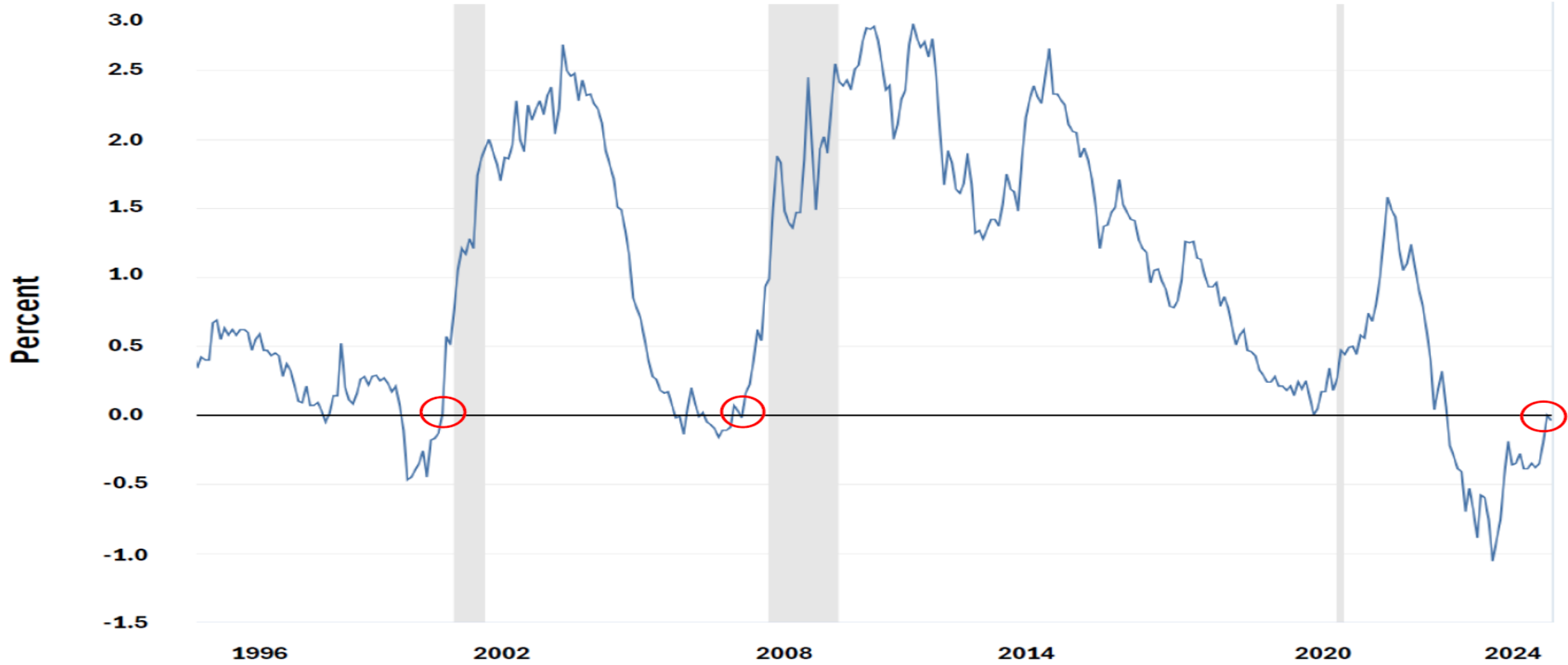


US Federal Debt Net Interest as a % of GDP



**Note: Huge capital requirements for new fuels, AI data centers, on shoring, etc.
Rolling old debt more expensive, as well.**

10-YR Treasury Minus 2-yr Treasury (Yield Curve)

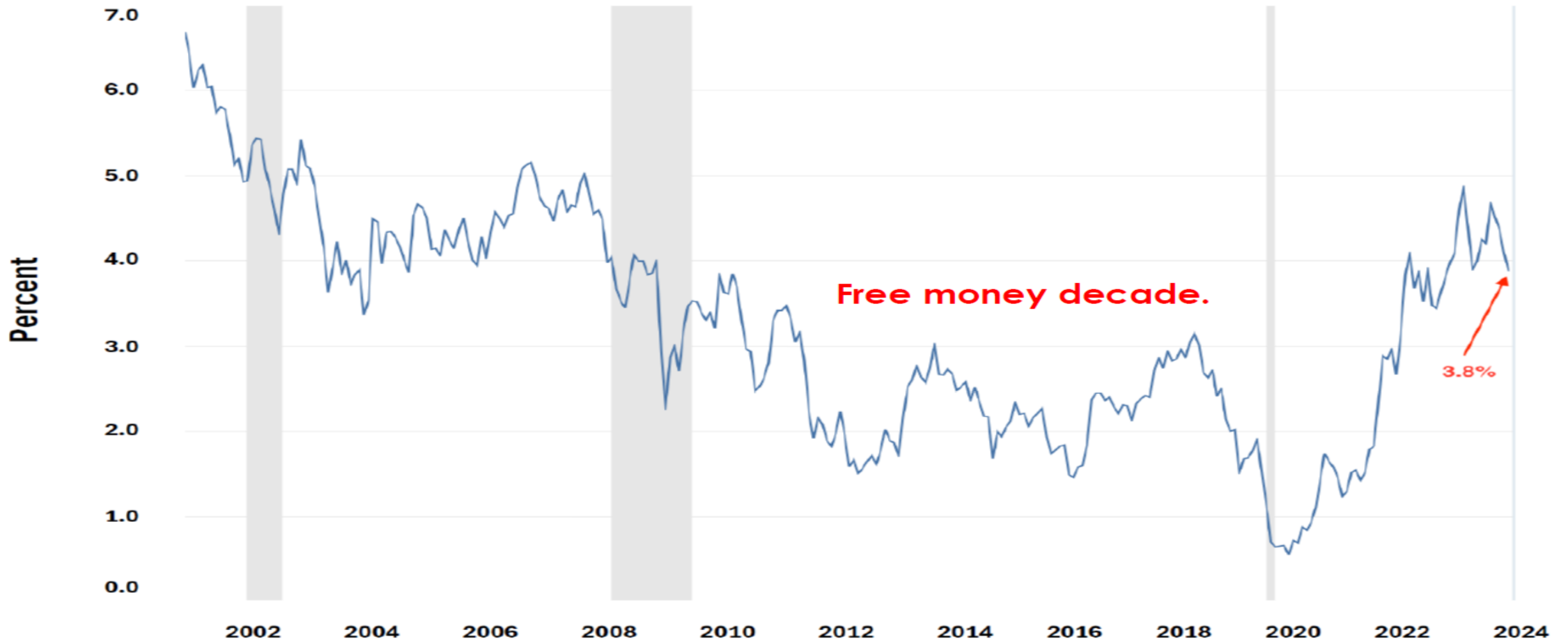


Note: Bank “tight” money indicator.

○ = Rising inflection points indicate monetary easing.



Ten Year U.S. Treasury Yields



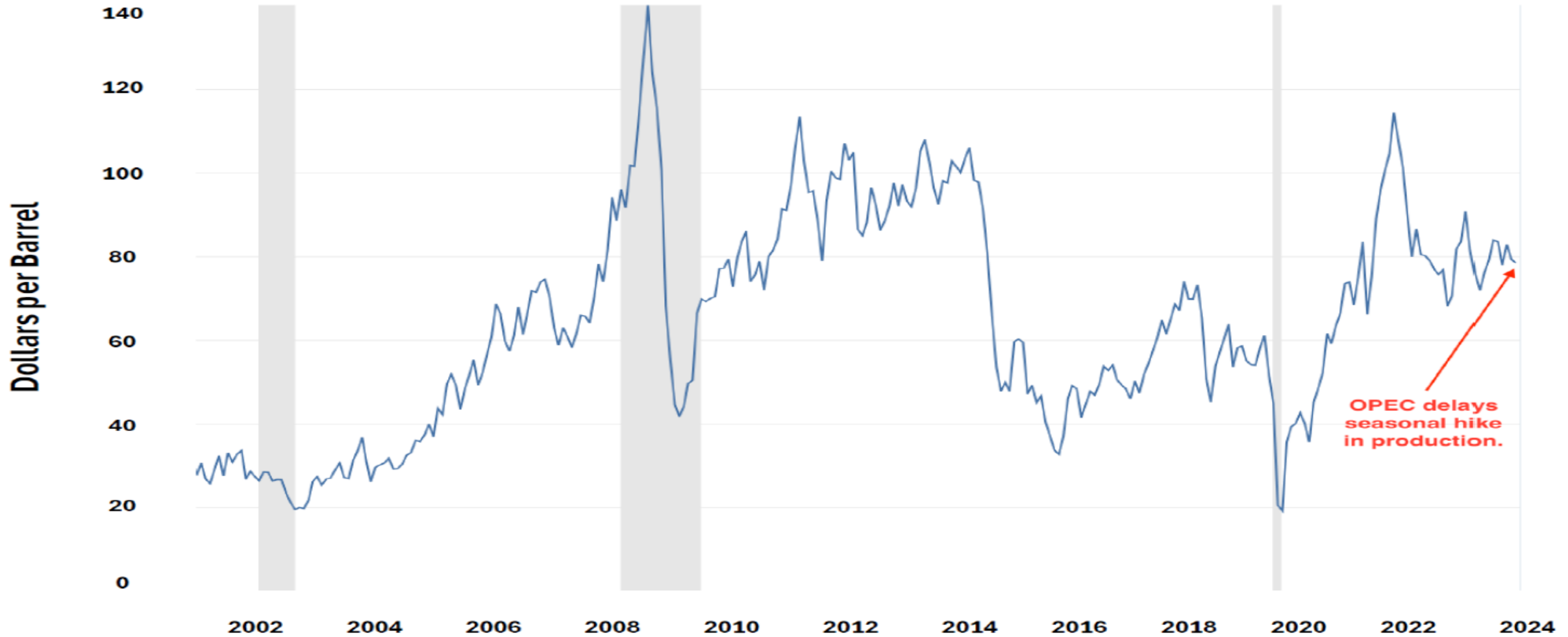
Note: Watch the U.S. Dollar for signs of stress; it is being challenged. Interest rates low, historically. Unintended consequences from other activities, like war, tariffs, deficits, inflation/deflation?


FRED 

Gas/C-Store/Food Service(?) Industry

- Public loves convenience – recall Y2K?
- New businesses, gaming, financial services
- Good dirt = flexibility
- Covid ‘essential industry’
- Post Covid price competition returns
- How much will the public pay for convenience?

Crude Oil Prices - WTI



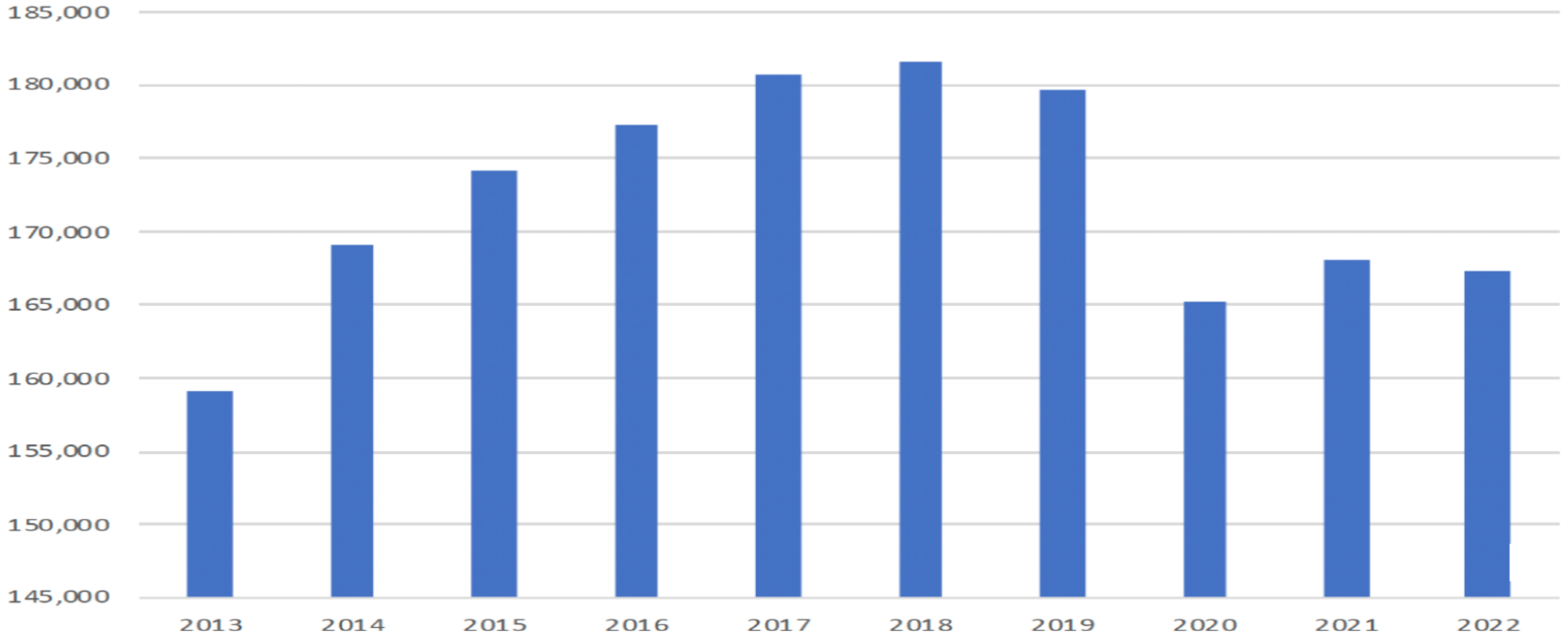
Note: Demand down, supply up and increasing led by U.S. Demand hurting refining margins. **FRED** 

Are oil prices a good economic Coincident Indicator?

NOTE: All following SOI 2023 data is very similar to 2022.

MOTOR FUEL TOTAL GALLONS – Retail Only

Gallons/Month

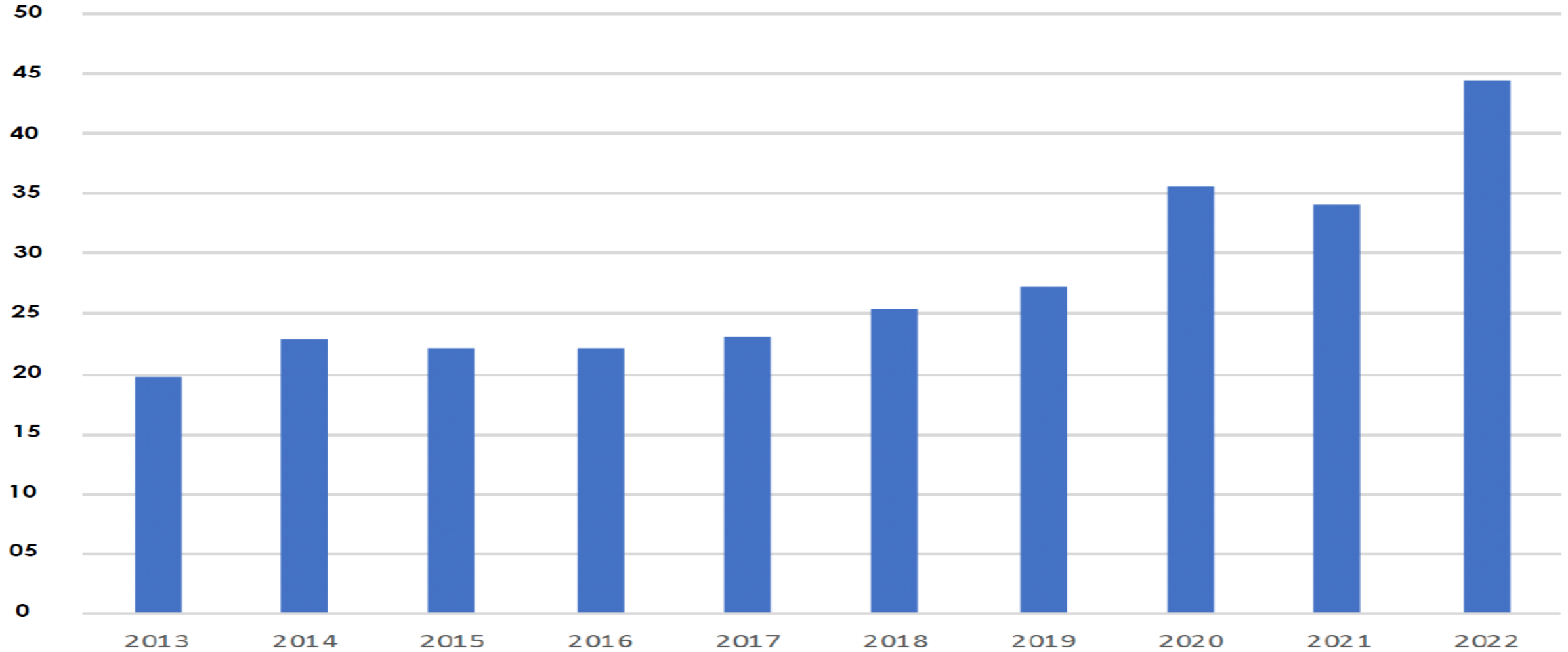


2022: 7% decrease from 2019

Data source:
NACS SOI 2023

¢/Gallon

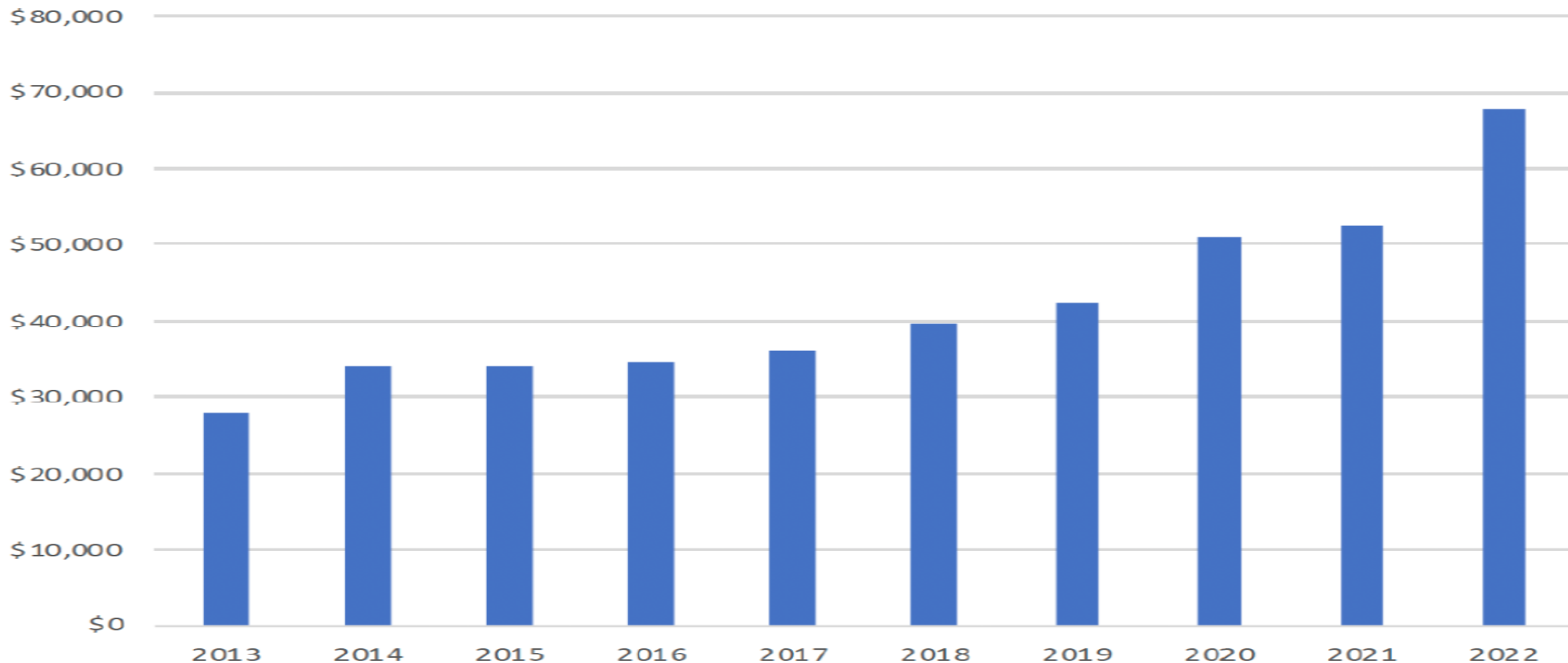
MOTOR FUEL TOTAL POOL MARGIN – Retail Only



2022: 124% increase over 2013
2022: 62% increase over 2019

data source:
NACS SOI 2023

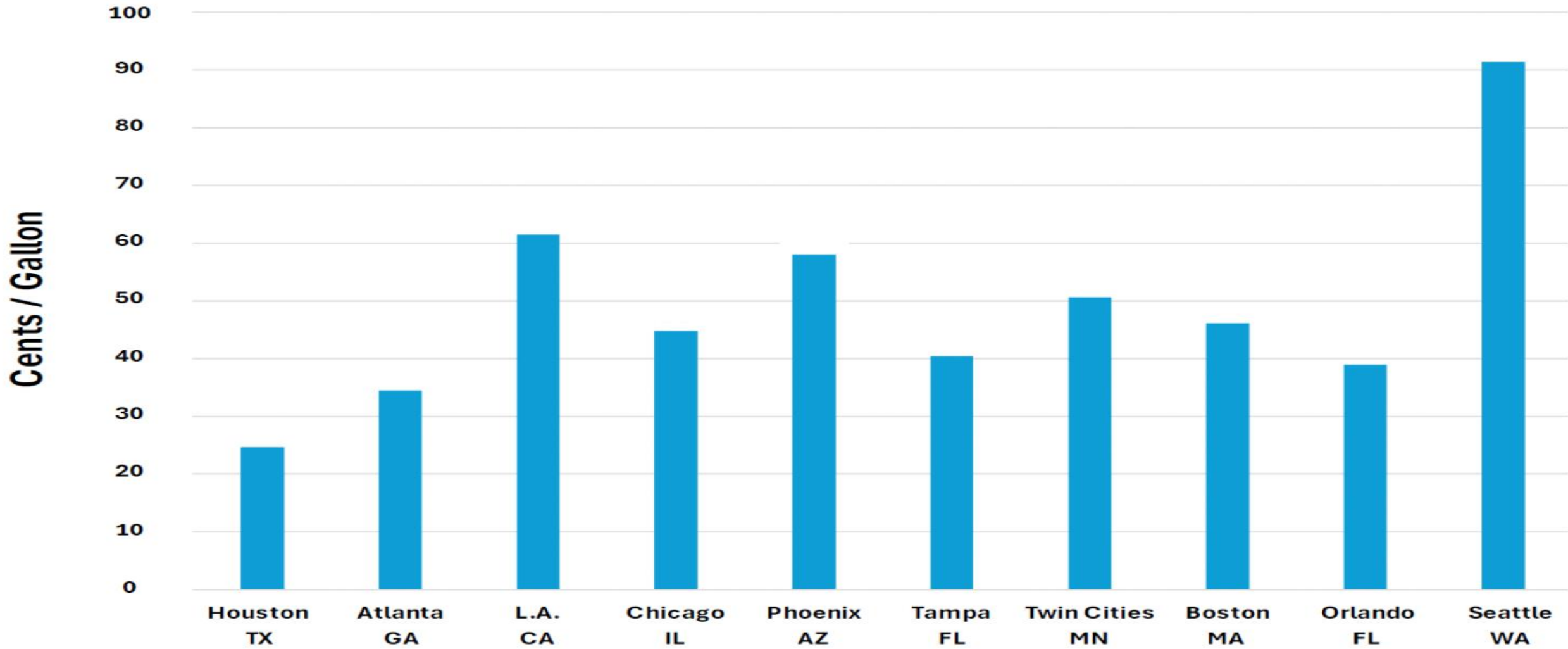
GROSS PROFIT FUEL (\$ per store per month) – Retail only



2022: 140% increase over 2013
2022: 60% increase over 2019

data source:
NACS SOI 2023

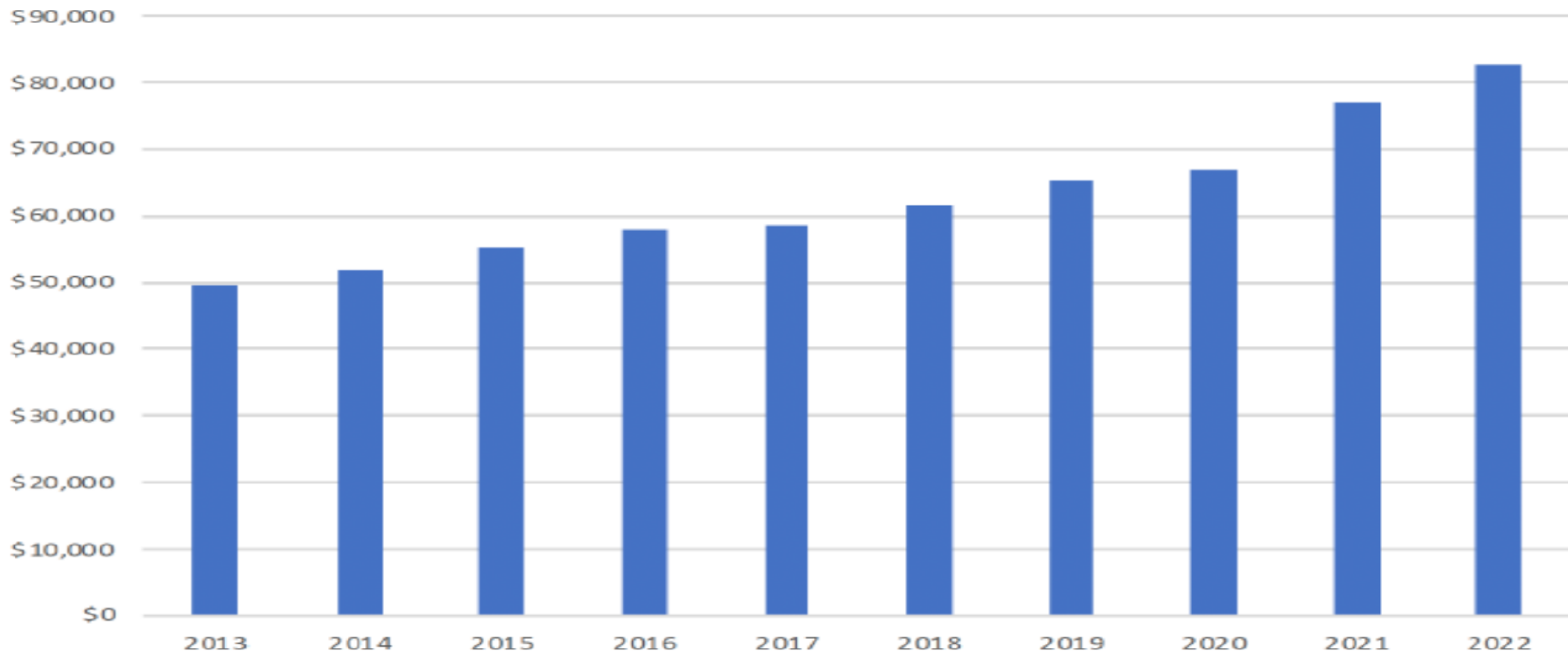
Y T D 2024 Unleaded Regular Margins by MSA



Note: HUGE variations
Affected by Disruptors, NTI's?
Does not necessarily impact outlier 'M&A bids'.

Source - O P I S

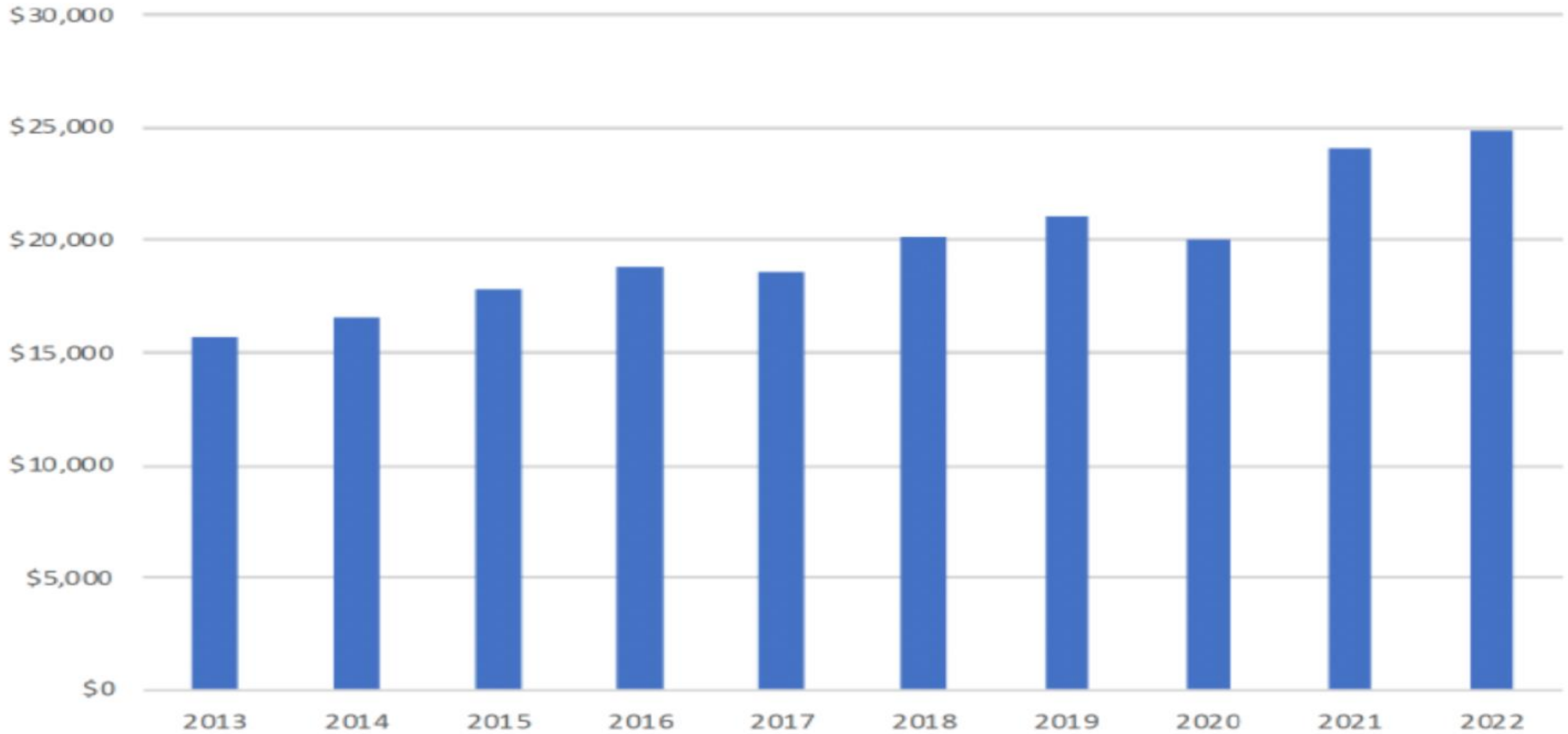
TOTAL INSIDE GROSS PROFIT (\$ per store per month) – Retail Only (w/out food service)



2022: 66% increase over 2013
2022: 26% increase over 2019

source: NACS SOI 2023

Gross Profit, Food Service (\$ per store per month) - Retail Only

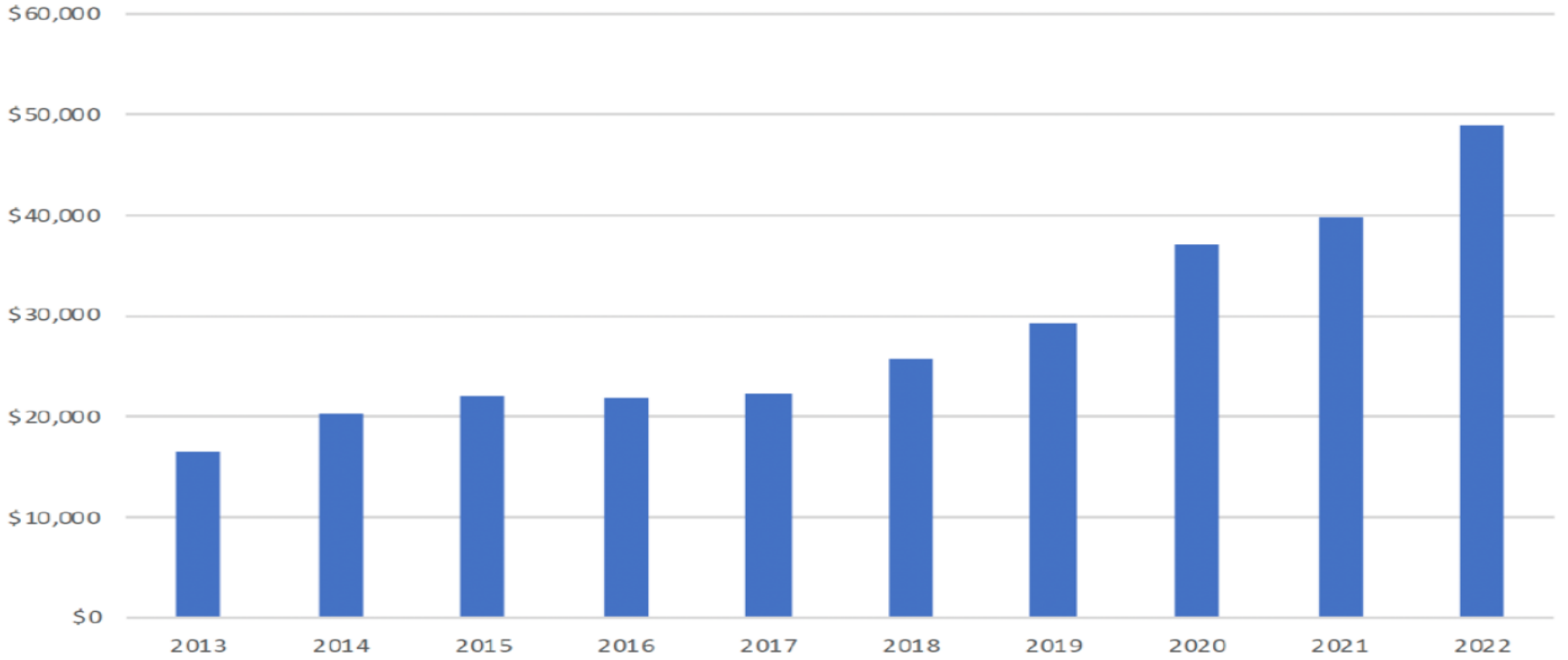


2022: 58% increase over 2013

2022: 18% increase over 2019

data source: NACS SOI 2023

TOTAL SITE OPERATING PROFITS AFTER STORE EXPENSES (\$ per store per Mo.) - Retail Only



2022: 197% increase from 2013

2022: 67% increase from 2019

Data Source: NACS SOI 2023

Contact Information



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Thank you.