



Fourth Quarter & Fiscal Year

2023 EARNINGS

A Leading Retail Convenience Store Operator
A Fortune 500® Company



Safe Harbor Statement

FORWARD-LOOKING STATEMENTS

This document includes certain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements may address, among other things, the Company’s expected financial and operational results and the related assumptions underlying its expected results. These forward-looking statements are distinguished by use of words such as “anticipate,” “aim,” “believe,” “continue,” “could,” “estimate,” “expect,” “guidance,” “intends,” “may,” “might,” “plan,” “possible,” “potential,” “predict,” “project,” “should,” “will,” “would” and the negative of these terms, and similar references to future periods. These statements are based on management’s current expectations and are subject to uncertainty and changes in circumstances. Actual results may differ materially from these expectations due to, among other things, changes in economic, business and market conditions; the Company’s ability to maintain the listing of its common stock and warrants on the Nasdaq Stock Market; changes in its strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects and plans; expansion plans and opportunities; changes in the markets in which it competes; changes in applicable laws or regulations, including those relating to environmental matters; market conditions and global and economic factors beyond its control; and the outcome of any known or unknown litigation and regulatory proceedings. Detailed information about these factors and additional important factors can be found in the documents that the Company files with the Securities and Exchange Commission, such as Form 10-K, Form 10-Q and Form 8-K. Forward-looking statements speak only as of the date the statements were made. The Company does not undertake an obligation to update forward-looking information, except to the extent required by applicable law.

USE OF NON-GAAP MEASURES

The Company discloses certain measures on a “same store basis,” which is a non-GAAP measure. Information disclosed on a “same store basis” excludes the results of any store that is not a “same store” for the applicable period. A store is considered a same store beginning in the first quarter in which the store had a full quarter of activity in the prior year. The Company believes that this information provides greater comparability regarding its ongoing operating performance. Neither this measure nor those described below should be considered an alternative to measurements presented in accordance with generally accepted accounting principles in the United States (“GAAP”).

The Company uses and discloses EBITDA, Adjusted EBITDA and Adjusted EBITDA, net of incremental bonuses, each of which is a non-GAAP financial measure. The Company defines EBITDA as net income before net interest expense, income taxes, depreciation and amortization. Adjusted EBITDA further adjusts EBITDA by excluding the gain or loss on disposal of assets, impairment charges, acquisition costs, other non-cash items, and other unusual or non-recurring charges. Adjusted EBITDA, net of incremental bonuses further adjusts Adjusted EBITDA by excluding incremental bonuses incurred for 2020 based on 2020 performance.

The Company uses EBITDA, Adjusted EBITDA and Adjusted EBITDA, net of incremental bonuses for operational and financial decision-making and believe these measures are useful in evaluating its performance because they eliminate certain items that it does not consider indicators of its operating performance. EBITDA, Adjusted EBITDA and Adjusted EBITDA, net of incremental bonuses are also used by many of its investors, securities analysts, and other interested parties in evaluating its operational and financial performance across reporting periods. The Company believes that the presentation of EBITDA, Adjusted EBITDA and Adjusted EBITDA, net of incremental bonuses provides useful information to investors by allowing an understanding of key measures that it uses internally for operational decision-making, budgeting, evaluating acquisition targets, and assessing its operating performance.

EBITDA, Adjusted EBITDA and Adjusted EBITDA, net of incremental bonuses are not recognized terms under GAAP and should not be considered as a substitute for net income or any other financial measure presented in accordance with GAAP. These measures have limitations as analytical tools, and should not be considered in isolation or as substitutes for analysis of its results as reported under GAAP. The Company strongly encourages investors to review its financial statements and publicly filed reports in their entirety and not to rely on any single financial measure.

Because non-GAAP financial measures are not standardized, same store measures, EBITDA, Adjusted EBITDA and Adjusted EBITDA, net of incremental bonuses, as defined by the Company, may not be comparable to similarly titled measures reported by other companies. It therefore may not be possible to compare the Company’s use of these non-GAAP financial measures with those used by other companies.

A reconciliation of all non-GAAP measures disclosed in this presentation to their nearest respective GAAP measures can be found in the last slide of this presentation.

ARKO OVERVIEW

6TH LARGEST CONVENIENCE STORE CHAIN IN THE U.S.

- Large, Multi-State Convenience Store Operator with Majority of Profits Generated from Retail Stores
- Runway for Growth from In-Store Marketing Initiatives and Continued Acquisitions
- Diversified Both in Geography and Business Lines (Retail, Wholesale and Fleet Fueling Segments)
- Reputation as an Acquirer of Choice
- Founder-Led Experienced Management Team

25 Acquisitions

(Since 2013)



1,543

Retail Stores

~13,500

Employees

30+

States

Highly
Experienced
Team



Over 2 Million
Enrolled *fas* REWARDS®
Loyalty Members



WHOLESALE DISTRIBUTION TO

1,825 Dealer locations

OPERATION OF

298 Cardlock locations

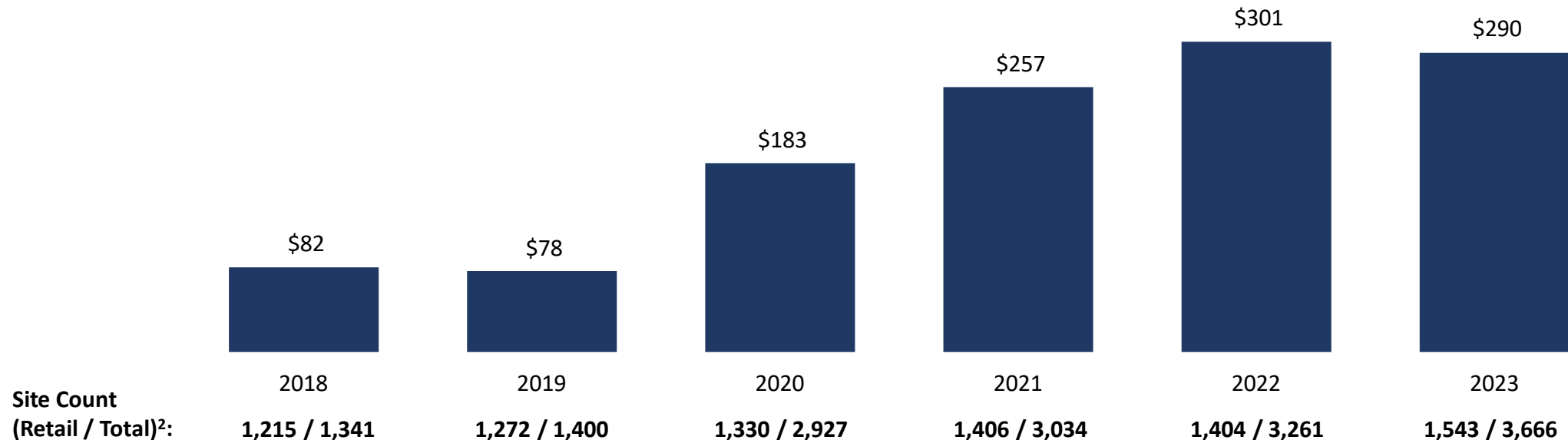
Track Record of Delivering Long-Term Growth

DELIVERING RESULTS WHILE NAVIGATING A STRONG 2022 COMPARISON

Adjusted EBITDA¹
(\$ in millions)

~\$850 Million

Cumulative Adjusted EBITDA delivered in first three years as a public company



Note: The historical operating results prior to December 22, 2020 reflect the historical financial statements of Arko Holdings Ltd.

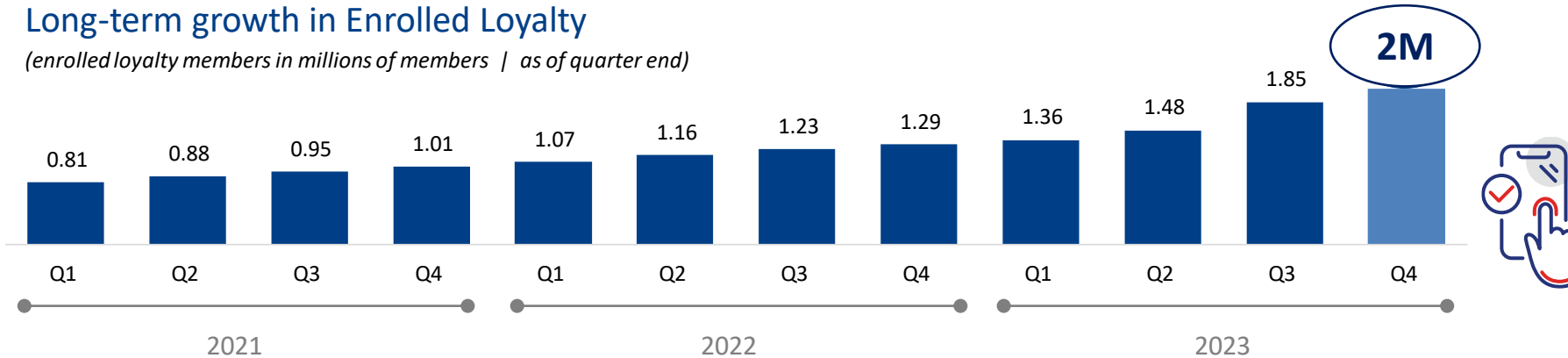
1. Adjusted EBITDA is a non-GAAP financial measure. See Appendix for a reconciliation to the most comparable GAAP measures. 2020 Adjusted EBITDA is Adjusted EBITDA, net of incremental bonuses based on 2020 performance

2. Site counts as of year end.

Growing our *fas REWARDS*® Loyalty Program

Long-term growth in Enrolled Loyalty

(enrolled loyalty members in millions of members | as of quarter end)



~730K

Newly enrolled members in 2023

Average Transaction Size²

Enrolled Loyalty Members \$12.70

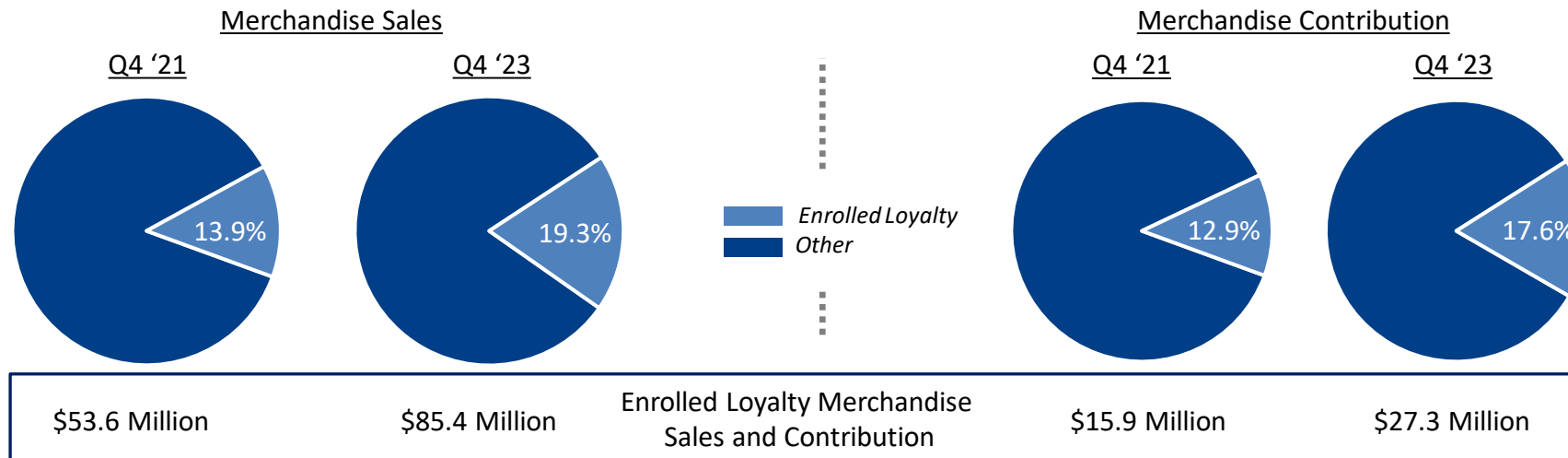
Non-enrolled Members \$9.62

Average Enrolled Loyalty transaction size was greater than non-enrolled members:

↑ ~32%

Expansion of concentration of Merchandise Sales and Contribution from Enrolled Loyalty Members¹

(% of total merchandise sales and merchandise contribution, as applicable)



1. Excludes sales and contribution for any time periods prior to implementation of our loyalty program at recently acquired locations, or acquisitions where we have not yet implemented our loyalty program.
2. For the fourth quarter of 2023.

Focus on Core Destination Categories

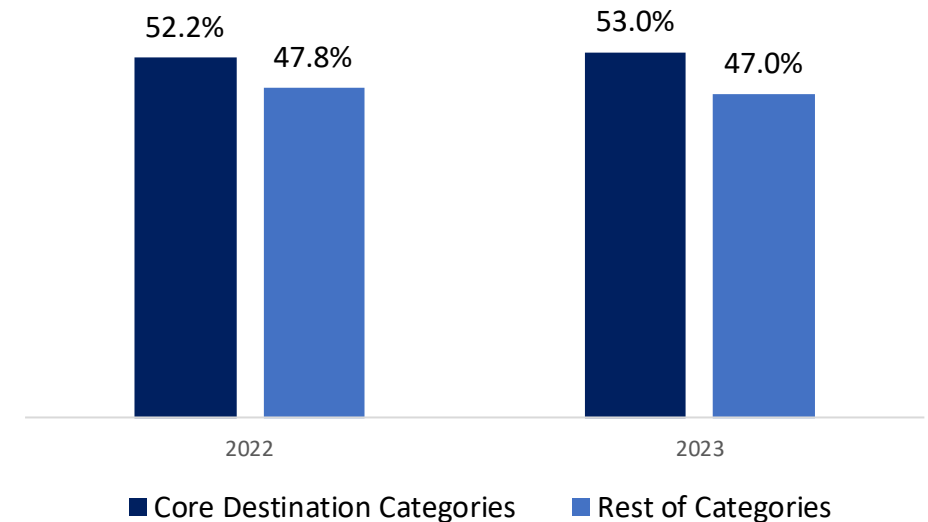
Core Destination Categories¹ represented 53% of merchandise contribution in 2023

- Concentration allows us to focus our initiatives on categories that we believe will move the needle
- Deliberate and methodical approach
- Employ data driven decision in execution
- Leverage strong supplier partnerships

 **90 bps**

Same Store merchandise sales concentration expansion Q4 2023 vs. Q4 2022

Core Destination Categories¹ Merchandise Contribution Compared to Rest of Categories²



Note: Statistics are Core Destination Category statistics, unless otherwise noted. Merchandise contribution is calculated as merchandise revenue less merchandise costs.

1. Core Destination Categories include packaged beverages, candy, salty snacks, packaged sweet snacks, alternative snacks and beer.
2. Percentage of total merchandise contribution.

Continued Development of Food Service

In January 2024, ARKO Launched Its New Pizza Offering

- Take-and-bake available at more than 1,000 stores
- Available hot in approximately 225 of these locations
- Available in cheese and pepperoni and made with Wisconsin cheese
- Linked to loyalty: Available to enrolled loyalty members at a value-oriented price of \$4.99 for a whole pie (non-loyalty price of \$7.99)
- Positive customer reaction

Over 70%

of surveyed customers say they would
“definitely purchase again”¹

PREMIUM TAKE AND BAKE WHOLE
PIZZA

\$4.99* WITH ENROLLED **Fas REWARDS** MEMBERSHIP

NON-ENROLLED MEMBER PRICE **\$7.99**

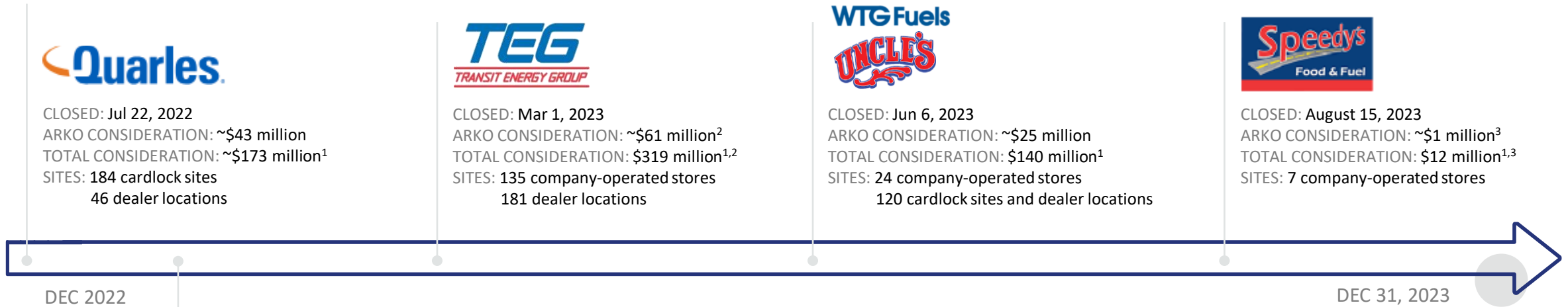
BETTER WITH **PEPSI**


SELF-RISING CRUST

DOWNLOAD THE **Fas REWARDS** app
ENROLL & OPT-IN TO GET THE MOST OUT OF THE PROGRAM

Added Contribution from Recent Transactions

SINCE BEGINNING OF Q3 2022, ARKO HAS CLOSED 5 TRANSACTIONS





CLOSED: Dec 6, 2022
 ARKO CONSIDERATION: ~\$23 million
 TOTAL CONSIDERATION: ~\$225 million¹
 SITES: 31 company-operated stores

Since closing the Pride Acquisition, ARKO earned back in Adjusted EBITDA **~65% of ARKO's consideration paid.**

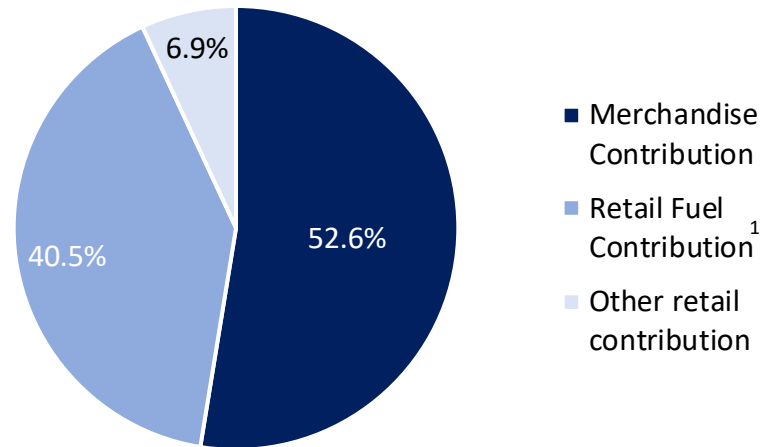
Pride merchandise margin expanded ~260 basis points from Q1 2023 to Q4 2023

Note: All transaction information is as of the respective closing. Consideration excludes cash & inventory.

1. Total consideration represents the total of the ARKO Consideration and the amount funded by Oak Street under ARKO's program agreement with Oak Street.
2. Excludes ~\$50 million deferred purchase price.
3. Excludes \$1.2 million in deferred purchase price.

Contextualizing ARKO's Retail Segment

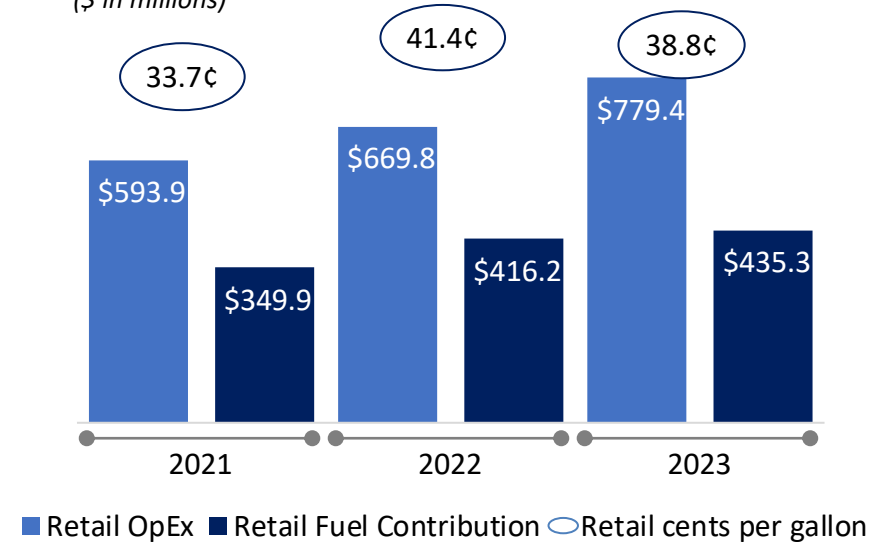
Gross Profit Average 2021-2023



Majority of ARKO's Retail Contribution From In-Side Store Sales

Retail OpEx, Retail Fuel Contribution and Retail Fuel Margin (CPG)¹

(\$ in millions)



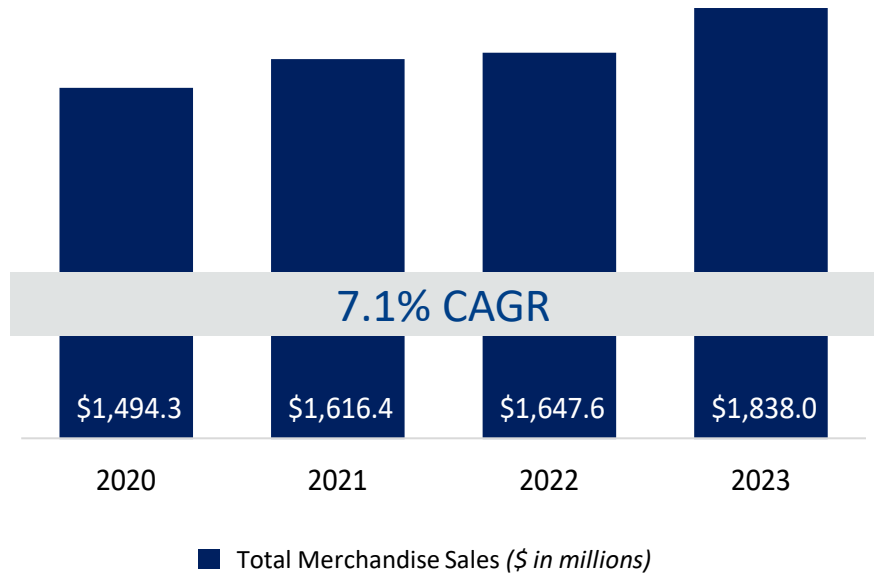
We believe industry-wide increases in operational expenses will support structurally high margins

1. Excludes intercompany charges.

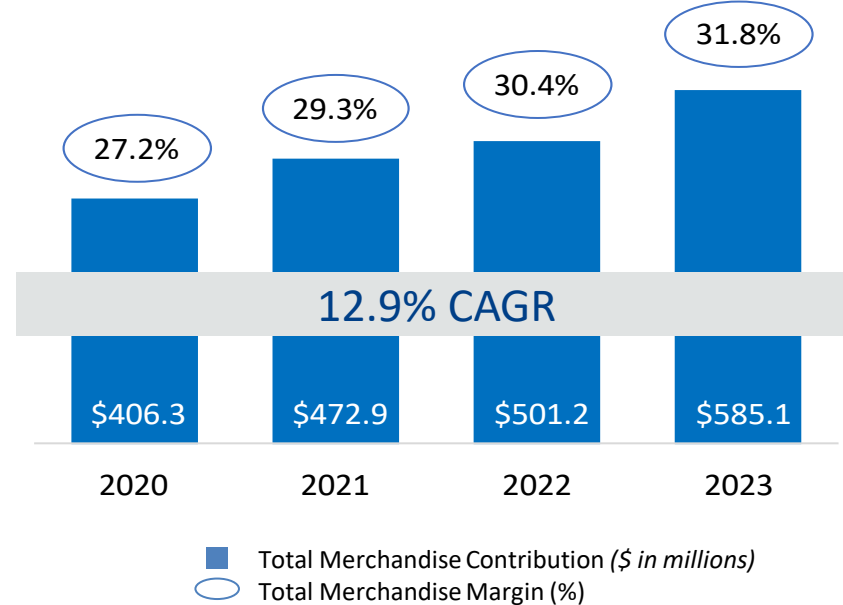
Continued Strong In-Store Performance

YEAR OVER YEAR IMPROVEMENT, COMPOUNDING 4 YEAR EXPANSION

Merchandise Sales



Merchandise Contribution and Margin



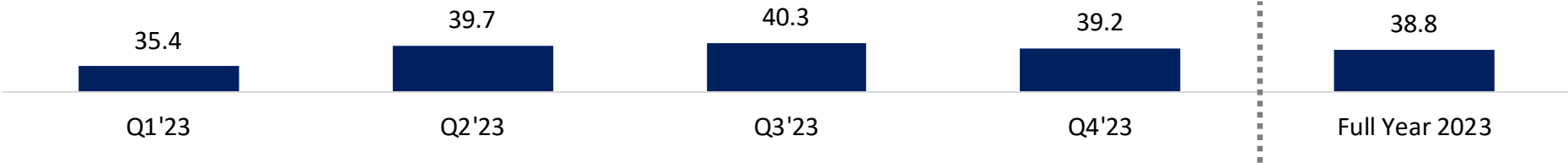
↑ 460 BPS
Merchandise margin expansion: 4 year

↑ 140 BPS
Merchandise margin expansion: 1 year

Retail Performance Trends

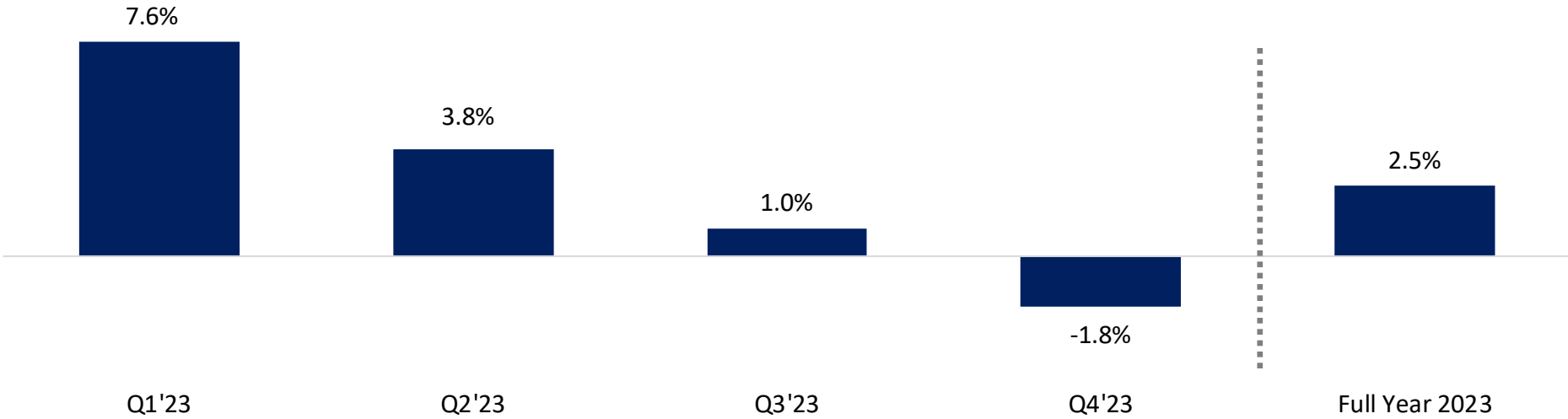
Quarterly and full year retail fuel margin

(cents per gallon)



Quarterly and full year same store merchandise sales growth

(ex cigarettes, as compared to prior year period)



○ 2-year stack

7.7%

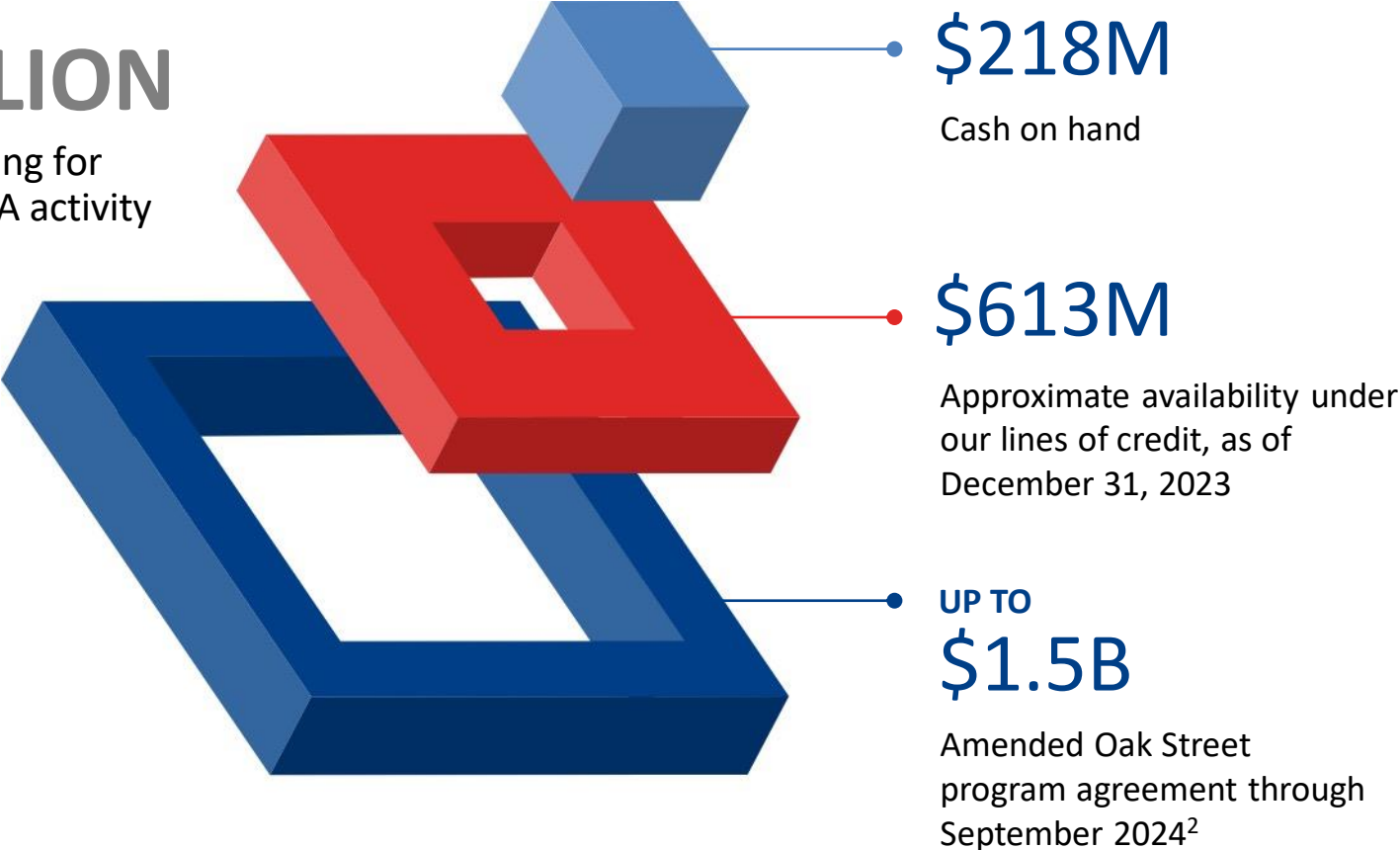
5.2%

5.3%

2.5%

Key Financial Highlights – Strong Liquidity

OVER
\$2 BILLION
Available funding for
continued M&A activity



Quarterly dividend
announced for Q1 2024
\$0.03/SHARE

REPURCHASED
\$8.5M
In shares under our share
repurchase program¹

Note: Unless otherwise stated, all numbers as of December 31, 2023.

1. Shares purchased during Q4, 2023. There was \$29M remaining as of December 31, 2023.
2. As part of the Speedy's Acquisition, ARKO utilized approximately \$10.4 million of the program agreement.

Appendix

RECONCILIATION OF EBITDA, ADJUSTED EBITDA AND ADJUSTED EBITDA, NET OF INCREMENTAL BONUSES

			For the years ended December 31,			
	2023	2022	2021	2020	2019	2018
			(in thousands)			
Net income (loss)	\$ 34,566	\$ 71,978	\$ 59,427	\$ 30,639	\$ (47,162)	\$ 23,464
Interest and other financing expenses, net	71,243	59,405	71,207	49,905	41,812	19,931
Income tax expense (benefit)	12,166	35,557	11,634	(1,499)	6,167	(7,933)
Depreciation and amortization	127,597	101,752	97,194	74,396	62,404	53,814
EBITDA	245,572	268,692	239,462	153,441	63,221	89,276
Non-cash rent expense (a)	14,168	7,903	6,359	7,051	7,582	4,695
Acquisition costs (b)	9,079	8,162	5,366	6,031	6,395	8,485
Loss (gain) on disposal of assets and impairment charges (c)	6,203	5,731	1,384	6,060	(1,291)	1,517
Share-based compensation expense (d)	15,015	12,161	5,804	1,891	516	490
Loss (income) from equity investment (e)	39	74	(186)	1,269	507	451
Fuel taxes paid in arrears (f)	—	—	—	819	—	—
Adjustment to contingent consideration (g)	(604)	(2,204)	(1,740)	(1,287)	—	—
Internal entity realignment and streamlining (h)	—	475	—	—	—	—
Gain on bargain purchase (i)	—	—	—	—	(406)	(24,026)
Non-beneficial cost related to potential initial public offering of master limited partnership (j)	—	—	—	—	121	1,950
Settlement of pension fund claim (k)	—	—	—	—	226	2,262
Merchandising optimization costs (l)	—	—	—	—	1,000	—
Amortization of favorable and unfavorable leases (m)	—	—	—	—	—	(3,258)
Other (n)	956	60	126	302	288	—
Adjusted EBITDA	\$ 290,428	\$ 301,054	\$ 256,575	\$ 175,577	\$ 78,159	\$ 81,842
Incremental bonuses (o)	—	—	—	7,815	—	—
Adjusted EBITDA, net of incremental bonuses	\$ 290,428	\$ 301,054	\$ 256,575	\$ 183,392	\$ 78,159	\$ 81,842

(a) Eliminates the non-cash portion of rent, which reflects the extent to which our GAAP rent expense recognized exceeded (or was less than) our cash rent payments. The GAAP rent expense adjustment varies depending on the terms of our lease portfolio, which has been impacted by our recent acquisitions. For newer leases, our rent expense recognized typically exceeds our cash rent payments, whereas, for more mature leases, rent expense recognized is typically less than our cash rent payments.

(b) Eliminates costs incurred that are directly attributable to business acquisitions and salaries of employees whose primary job function is to execute our acquisition strategy and facilitate integration of acquired operations.

(c) Eliminates the non-cash loss (gain) from the sale of property and equipment, the loss (gain) recognized upon the sale of related leased assets, including \$6.0 million related to sale of eight stores in 2019, and amortization of deferred gains on sale-leaseback transactions in 2018 and impairment charges on property and equipment and right-of-use assets related to closed and non-performing sites.

(d) Eliminates non-cash share-based compensation expense related to the equity incentive program in place to incentivize, retain, and motivate our employees, certain non-employees and members of our Board.

(e) Eliminates our share of loss (income) attributable to our unconsolidated equity investment.

(f) Eliminates the payment of historical fuel tax liabilities owed for multiple prior periods.

(g) Eliminates fair value adjustments to the contingent consideration owed to the seller for the 2020 Empire acquisition and owed to the seller in the 2019 acquisition of 64 sites from a third-party.

(h) Eliminates non-recurring charges related to our internal entity realignment and streamlining.

(i) Eliminates the gain on bargain purchase recognized as a result of the Town Star acquisition in 2019 and the E-Z Mart acquisition in 2018.

(j) Eliminates non-beneficial cost related to potential initial public offering of master limited partnership.

(k) Eliminates the impact of mainly timing differences related to amounts paid in settlement of a pension fund claim filed against GPM.

(l) Eliminates the one-time expense associated with our global merchandising optimization efforts in 2019.

(m) Eliminates amortization of favorable and unfavorable lease assets and liabilities.

(n) Eliminates other unusual or non-recurring items that we do not consider to be meaningful in assessing operating performance.

(o) Eliminates incremental bonuses based on 2020 performance.

A Family of Community Brands

ARKO PRESERVES LONG-ESTABLISHED LOCAL COMMUNITY BRAND EQUITY

