# 2023 ANNUAL REPORT

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# FINANCIAL HIGHLIGHTS

| | 2023 | 2022 |
|---|---|---|
| Total Revenue (in Thousands) | $15,094,475 | $12,952,594 |
| Cash Flow from Operations (in Thousands) | $881,951 | $788,741 |
| Net Income (in Thousands) | $446,691 | $339,790 |
| EBITDA* (in Thousands) | $952,464 | $801,241 |
| EPS (Diluted) | $11.91 | $9.10 |
| Number of Stores | 2,521 | 2,452 |

**EBITDA is a non-GAAP measure which we define as net income before net interest expense, income taxes, depreciations and amortization. See page 23 of the Form-10, as included, for a reconciliation of EBITDA to net income.*


# TO OUR SHAREHOLDERS

As we wrap up another successful fiscal year, it feels appropriate to look back and evaluate the performance of our now completed three-year strategic plan. Just two months after we laid out that plan, the world changed dramatically with the onset of the COVID-19 pandemic. I couldn't be more proud of our team's ability to deliver on our investor day commitments during the truly unprecedented challenges that faced the retail industry. We achieved exceptional results in exceptionally difficult times.

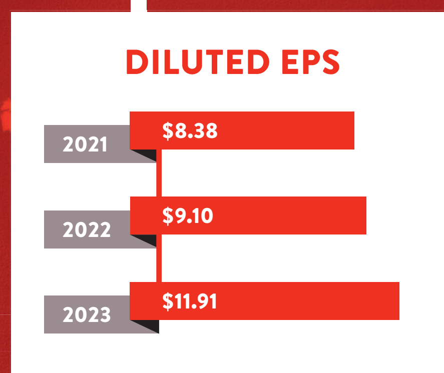
Our commitment to reinvent the guest experience resulted in Casey's Rewards recently growing to over 6.5 million members. We significantly expanded our private label offering to over 300 SKUs, we re-merchandised every one of our 2,521 stores, and we contemporized our prepared food proposition by evolving our menu and elevating our innovation.

We created capacity through efficiencies by establishing a continuous improvement culture, while adding centralized procurement and asset protection capabilities. Our field leadership restructure established more clear standards and processes at the store level. The third distribution center also opened in Joplin, Missouri, expanding the reach of our self-distribution model, and removing 3.3 million miles driven.

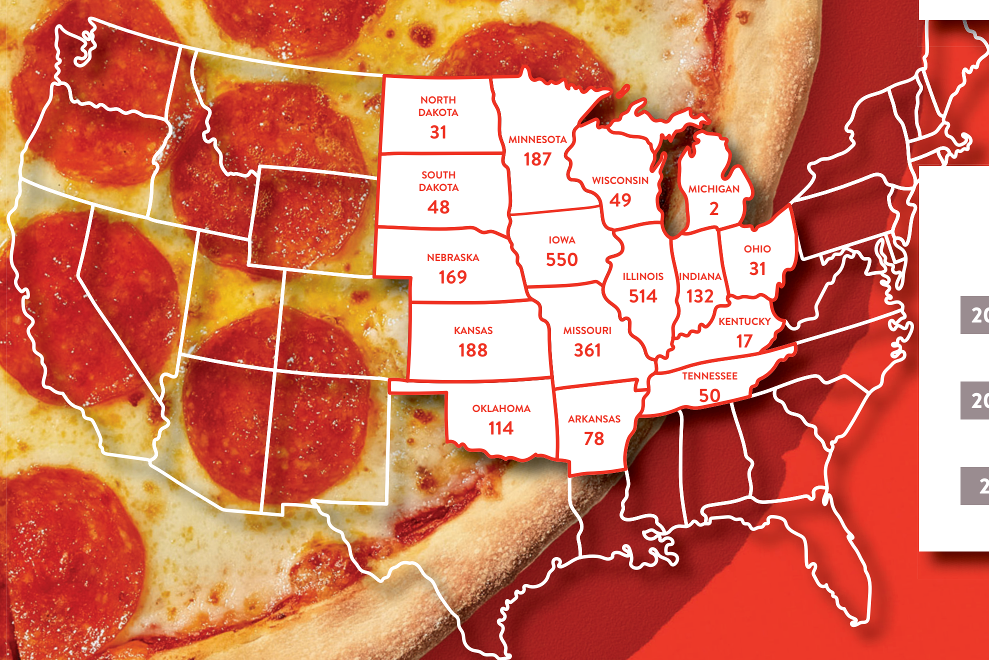

**DARREN REBELEZ**
*Board Chair, President & Chief Executive Officer*

## INCOME BEFORE INCOME TAXES


## DILUTED EPS




## STORE COUNT

We accelerated unit growth and surpassed our goal, adding 354 stores during the last three years, stood up a dedicated M&A team and integrated the largest acquisition in the Company's history. We also established an optimized network plan for new store development that analyzes data on the competitive landscape, market economics, regulatory environment, and existing store performance. The result has been significantly improved new store performance.

We also invested in our talent by strengthening and diversifying our leadership team. We added focused development programs, established our core Casey's CARES values, and increased community engagement. Casey's was recently certified as a "Great Place to Work" by an independent third party, based largely on Team Member survey results. We have also established Advisory Boards where Store Managers, Service Technicians and Drivers can provide regular feedback on what we can do better in the field.

The culmination of these accomplishments enabled us to exceed our EBITDA growth commitment, finishing the 3-year period with a 14% compounded annual growth rate, well ahead of our 8-10% goal. This performance has enabled the Company to maintain its top-quintile status amongst S&P 500 retailers.

Our business continued to perform well in fiscal 2023. Inside same store sales were up 6.5% with a margin of 39.9%. Pizza slices, single-serve non-alcoholic beverages and alcoholic beverages performed well. Casey's is now the 4th largest holder of liquor licenses in the United States.

At the pump, we were able to thrive despite challenges facing the industry. Same store gallons sold finished slightly down 0.8% with a margin of 40.2 cents per gallon. We have managed to take market share for fuel and outperform our geographic market. The hard work by our fuel team lead to a record year for fuel margin, a testament to our centralized pricing and procurement teams.

In fiscal 2023, we made operating expense management a priority, and our results reflect it. Same-store operating expenses excluding credit card fees were up only 2.8%. Our dedicated store simplification team has been effective at identifying efficiency improvements throughout the store and were able to reduce store labor hours by over two percent. Overtime and training hours have also been reduced due to lower employee turnover. These improvements led to our highest team member engagement scores in three years. At the same time, guest satisfaction scores improved, which gives us confidence that these reductions have not had an adverse impact on the guest experience. Our centralized procurement team has also been working diligently to ensure we are making purchases with optimal terms for Casey's.

We added 81 stores in fiscal 2023 through a combination of acquisitions and new store construction. Our dedicated M&A team has been very active, and we expect the pace of store growth to continue into fiscal 2024 and beyond. While growth continues to be our highest priority of capital allocation, we remain committed to our dividend, raising it in June 2023 for the 24th consecutive year to $0.43 per share.

Our balance sheet remains strong and we have ample financial flexibility to pursue and invest in strategic initiatives to drive long-term shareholder value.

During the fiscal year we welcomed two new Board members, Mike Spanos and Sri Donthi. Mike brings a wealth of operations, retail consumer products and executive leadership experience from his prior roles as a global executive at PepsiCo, CEO of Six Flags Entertainment, and his current role as Chief Operating Officer of Delta Air Lines. Sri brings extensive technology, digital guest engagement, cybersecurity, and executive leadership experience from his prior roles as a senior executive at PepsiCo and his current role as Chief Technology Officer of Advance Auto Parts. We are excited to have them both join our talented Board.

With great gratitude we also say good-bye to two long-standing Board members, Diane Bridgewater and Lynn Horak, who are retiring from the Board as of September 6, 2023. Diane has been on the Board since 2007 and has provided sound financial and governance leadership throughout her tenure. Lynn has served on the Board since 2009 and most recently served as the Board Chair, and has been a great mentor and advisor since I joined Casey's in summer of 2019.

The team is hard at work on fiscal 2024 as well as the strategic plan discussed at our recent investor day held in New York on June 27th. We appreciate your support and look forward to continuing our track record of delivering long-term shareholder value in the future. Thank-you for your investment in Casey's.

**DARREN REBELEZ**
Board Chair, President & Chief Executive Officer


Casey's
HERE FOR GOOD
TEAM

# EXTENDED LEADERSHIP TEAM

**DARREN REBELEZ**
Board Chair and President & Chief Executive Officer

**STEVE BRAMLAGE**
Chief Financial Officer

**TOM BRENNAN**
Chief Merchandising Officer

**CHAD FRAZELL**
Chief Human Resources Officer

**KATRINA LINDSEY**
Chief Legal Officer

**ENA WILLIAMS**
Chief Operating Officer

**CHRIS BOLING**
SVP - Store Operations

**BRIAN JOHNSON**
SVP - Investor Relations & Business Development

**BRAD HAGA**
SVP - Prepared Food & Dispensed Beverage

**SANJEEV SATTURU**
SVP – Chief Information Officer

**JAY SOUPENE**
SVP - Operations Excellence

**DOUG MEANS**
SVP - Supply Chain & Transportation

**TIM AHRENDSEN**
Division Vice President

**ANNIE ALABAUGH**
Division Vice President

**NATHANIEL DODDRIDGE**
VP - Fuel

**MARK STINDE**
VP – Asset Protection

**PIERRE HAKIM**
VP - Data & Analytics

**SHERRI HART**
VP - Total Rewards

**JON HOSTASA**
VP - Construction, Maintenance & Facilities

**SAMUEL JAMES**
VP - Finance

**DAVE JOHNSON**
Division Vice President

**KENDRA MEYER**
VP - Real Estate

**JAIME ROBLES**
VP - Procurement

**CHRIS STEWART**
VP – Merchandising

**CARRIE STOJACK**
VP - Brand & Guest Insights

**PAUL SUAREZ**
Chief Information Security Officer

**ASHENAFI TEKESTE**
Division Vice President

**NAN THOMAE**
VP - Human Resources-Operations

**KENNETH WIDNER**
VP - IT Infrastructure

**SCOTT FABER**
VP - Deputy General Counsel & Corporate Secretary

# BOARD OF DIRECTORS

**DARREN REBELEZ**
Board Chair, President & Chief Executive Officer of Casey's General Stores, Inc.

**JUDY SCHMELING**
Lead Independent Director and former Chief Operating Officer of HSN, Inc. & former President of Cornerstone Brands

**H. LYNN HORAK**
Past Regional Chairman with Wells Fargo Regional Bank

**DIANE BRIDGEWATER***
Executive Vice President, Chief Financial & Administrative Officer of LCS

**DONALD FRIESON**
Executive Vice President Supply Chain, Lowe's Companies

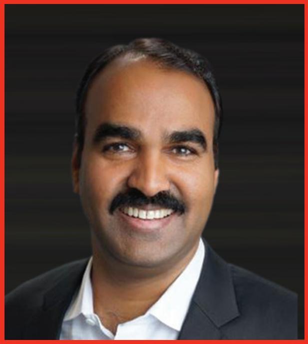
**CARA HEIDEN***
Retired Co-President of Wells Fargo Home Mortgage

**LARREE RENDA**
Retired Executive Vice President of Safeway, Inc.

**DAVID LENHARDT***
Former President & Chief Executive Officer of PetSmart, Inc.

**ALLISON WING**
Chief Executive Officer of Oobli Inc. (formerly Joywell Foods, Inc.)

**GREGORY TROJAN**
Former Chief Executive Officer of BJ's Restaurants, Inc.



**SRI DONTHI***
Executive Vice President & Chief Technology Officer of Advance Auto Parts, Inc.

**MICHAEL SPANOS**
Chief Operating Officer of Delta Air Lines, Inc.

*Member of the Audit Committee

# INVESTOR INFORMATION

## COMMON STOCK

Casey's General Stores, Inc. common stock trades on the Nasdaq Global Select Market under the symbol CASY. The approximately 37.3 million shares of common stock outstanding at April 30, 2023 had a market value of approximately $8.5 billion. As of that same date, there were 1,620 shareholders of record.

## COMMON STOCK MARKET PRICES

| | Calendar 2021 | | Calendar 2022 | | Calendar 2023 | |
|---|---|---|---|---|---|---|
| | *HIGH* | *LOW* | *HIGH* | *LOW* | *HIGH* | *LOW* |
| 1st Quarter | $ 221.29 | $ 175.02 | $ 202.50 | $ 170.82 | $ 236.45 | $ 202.13 |
| 2nd Quarter | 229.18 | 192.33 | 216.40 | 181.40 | | |
| 3rd Quarter | 208.19 | 185.96 | 223.90 | 183.23 | | |
| 4th Quarter | 203.72 | 181.25 | 249.90 | 197.61 | | |

On June 27, 2023, the last reported sales price of the Company's common stock was $227.73 per share. On that same date, the market capitalization of the Company was approximately $8.5 billion.

## DIVIDENDS

The Company began paying cash dividends during fiscal 1991. The dividends declared in fiscal 2023 totaled $1.52 per share. At its June 2023 meeting, the Board of Directors declared a quarterly dividend of $0.43 per share. The dividend is payable on August 15, 2023 to shareholders of record on August 1, 2023.

## DIVIDEND REINVESTMENT AND STOCK PURCHASE PLAN

This plan, introduced in the fall of 1998, gives holders of Casey's General Stores, Inc. common stock a convenient and economical way of purchasing additional shares at market prices by reinvesting their dividends in full or in part. Stockholders may also take advantage of the cash payment option to purchase additional shares. Those wishing to enroll should contact the transfer agent and registrar:

Computershare Trust Company, N.A.
250 Royall Street
Canton, MA 02021
Telephone 781-575-2000
www.computershare.com

## INVESTOR INQUIRIES

Current or prospective Casey's General Stores, Inc. investors can receive annual reports, proxy statements, Forms 10-K and 10-Q, and earnings announcements at no cost by calling (515) 965-6100 or sending written requests to the following address:

Investor Relations
Casey's General Stores, Inc.
One SE Convenience Blvd.
Ankeny, Iowa 50021

Corporate information is also available at www.caseys.com under the Investor Relations tab. Quarterly conference calls are broadcast live over the Internet via the Investor Relations page and made available in archived format. Broadcast times for the quarterly calls will be announced on our website and in corresponding press releases.

## FORWARD-LOOKING STATEMENTS

This annual report contains statements that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from future results expressed or implied by those statements. Casey's disclaims any intention or obligation to update or revise forward-looking statements, whether as result of new information, future events or otherwise.

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# United States
# SECURITIES AND EXCHANGE COMMISSION
**Washington, D.C. 20549**

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# FORM 10-K

☒ **Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**For the Fiscal Year Ended April 30, 2023**

**OR**

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**Commission File Number 001-34700**

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# CASEY'S GENERAL STORES, INC.

**(Exact name of registrant as specified in its charter)**

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| **Iowa** | **42-0935283** |
|---|---|
| **(State or other jurisdiction of incorporation or organization)** | **(I.R.S. Employer Identification Number)** |

**ONE SE CONVENIENCE BLVD., Ankeny, Iowa**
**(Address of principal executive offices)**

**50021**
**(Zip Code)**

**(515) 965-6100**
**(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, no par value per share | CASY | The NASDAQ Global Select Market |

**Securities Registered pursuant to Section 12(g) of the Act**

**NONE**

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Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes ☐ No ☒

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

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

The aggregate market value of the registrant's common stock held by non-affiliates as of October 31, 2022, was approximately $8.7 billion based on the closing sales price ($232.71 per share) as quoted on the NASDAQ Global Select Market.

Indicate the number of shares outstanding of each of the issuer's class of common stock, as of the latest practicable date.

| Class | Outstanding at June 13, 2023 |
|---|---|
| **Common Stock, no par value per share** | **37,297,918 shares** |

## DOCUMENTS INCORPORATED BY REFERENCE

Certain information called for by Items 10, 11, 12, 13 and 14 of Part III is hereby incorporated by reference from the definitive Proxy Statement to be filed with the Securities and Exchange Commission in connection with the Annual Meeting of Shareholders, which will be filed with the Securities and Exchange Commission not later than 120 days after April 30, 2023.

**FORM 10-K**

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## PART I

### ITEM 1. BUSINESS

**The Company**

As of April 30, 2023, Casey’s General Stores, Inc. and its direct and indirect wholly-owned subsidiaries operate convenience stores primarily under the names "Casey's" and "Casey’s General Store" (collectively, with the stores below referenced as "GoodStop", "Bucky's" or "Minit Mart", referred to as "Casey's" or the "Company") throughout 16 states, primarily in Iowa, Missouri, and Illinois. On April 30, 2023, there were a total of 2,521 stores in operation.

All convenience stores carry a broad selection of food items (including, but not limited to, freshly prepared foods such as regular and breakfast pizza, donuts, hot breakfast items, and hot and cold sandwiches), beverages, tobacco and nicotine products, health and beauty aids, automotive products, and other nonfood items. As of April 30, 2023, 217 store locations offered car washes. In addition, all but seven store locations offer fuel for sale on a self-service basis.

During the prior fiscal year, the Company introduced certain stores branded or rebranded as "GoodStop (by Casey’s)". Similar to most of our store footprint, the "GoodStop" locations offer fuel for sale on a self-serve basis, and a broad selection of snacks, beverages, tobacco products, and other essentials. However, these locations typically do not have a kitchen and have limited prepared food offerings. As of April 30, 2023, 43 stores operate under the "GoodStop" brand.

The Company is also temporarily operating certain locations acquired from Buchanan Energy during the prior fiscal year under the name "Bucky's" and certain locations acquired from Minit Mart LLC during the current fiscal year under the name "Minit Mart." The Company is in the process of transitioning all "Bucky's" and "Minit Mart" locations to either the "Casey's" or "GoodStop" brand. These locations typically have similar offerings to the "Casey’s" or "GoodStop" branded stores. The Company also operates two stores selling primarily tobacco and nicotine products, one liquor-only store, and one grocery store.

The Company has 76 dealer locations, where Casey’s manages fuel wholesale supply agreements to these stores. These locations are not operated by Casey's and are not included in our overall store count.

Approximately 50% of all stores in the Company were opened in areas with populations of fewer than 5,000 persons, while approximately 26% of our stores were opened in communities with populations of more than 20,000 persons. The Company competes on the basis of price, as well as on the basis of traditional features of convenience store operations such as location, extended hours, product offerings, and quality of service.

The Company operates three distribution centers - in Ankeny, Iowa adjacent to our corporate headquarters, which we refer to as our Store Support Center, in Terre Haute, Indiana and in Joplin, Missouri - from which certain grocery and general merchandise and prepared food and dispensed beverage items are supplied to our stores by our Company-operated delivery fleet. The Company also self-distributes the majority of fuel to our stores. The Company has a fleet of 397 tractors used for distribution.

The Company’s internet address is www.caseys.com. We make available through our website all of our SEC filings, including current reports on Form 8-K, quarterly reports on Form 10-Q, our annual report on Form 10-K, and amendments to those reports, free of charge as soon as reasonably practicable after they have been electronically filed with the SEC. Additionally, you can go to our website to read our Financial Code of Ethics for the CEO and Senior Financial Officers, Corporate Governance Guidelines, Code of Business Conduct and Ethics, and committee charters. In the event of a waiver from, or updates to, the Code of Business Conduct and Ethics, any required disclosure will be posted to our website.

Casey’s, with its principal business office, and Store Support Center, located at One SE Convenience Blvd., Ankeny, Iowa 50021-8045 (telephone 515-965-6100), was incorporated in Iowa in 1967. Our fiscal year runs from May 1 through April 30 of each year.

**General**

Casey's corporate purpose is to make the lives of our guests and communities better every day. Many of the smaller communities in which we operate often are not served by national-chain convenience stores. We have succeeded in operating stores in smaller towns by offering, at competitive prices, a broader selection of products than does a typical convenience store. We have also succeeded in meeting the needs of residents in larger communities with these same offerings. We currently own most of our real estate, including substantially all of our stores, all three distribution centers (see discussion of ownership structure of the distribution center in Joplin, Missouri in Note 7), a construction and support services facility located in Ankeny, Iowa, and the Store Support Center facility.

The Company derives its revenue primarily from the retail sale of fuel and the products offered in our stores. Our sales historically have been strongest during the first and second fiscal quarters (May through October) relative to the third and fourth fiscal quarters (November through April). In warmer weather, guests tend to purchase greater quantities of fuel and certain convenience items such as beer, sports drinks, water, soft drinks, and ice.

**Corporate Subsidiaries**

Casey's Marketing Company ("CMC") and Casey's Services Company ("CSC") were organized as Iowa corporations in March 1995. Casey's Retail Company ("CRC") was organized as an Iowa corporation in April 2004. CGS Stores, LLC was organized as an Iowa limited liability company in April 2019. Heartland Property Company, LLC was organized as a Delaware limited liability company in September 2019, for the purposes of acquiring land and real estate. CMC, CSC, and CRC are wholly-owned subsidiaries of Casey's, while CGS Stores, LLC and Heartland Property Company, LLC are wholly-owned subsidiaries of CMC.

In addition, the acquisition of Buchanan Energy during the prior fiscal year resulted in the addition of several subsidiaries to the Company's corporate structure, including Bucks, LLC, a Nebraska limited liability company, Buchanan Energy (N), LLC and Buchanan Energy (S), LLC, each Delaware limited liability companies, Buck's, LLC of Collinsville, an Illinois limited liability company, and C.T. Jewell Company, Inc., a Nebraska corporation. The Company is in the process of merging these subsidiaries into the applicable Company legacy entities, described above.

CRC owns and/or operates certain stores in Illinois, Kansas, Michigan, Minnesota, Nebraska, North Dakota, and South Dakota, holds the rights to the Company's trademarks, service marks, trade names, and other intellectual property, and performs most "corporate" functions of the enterprise. CMC owns and/or operates stores in Arkansas, Indiana, Iowa, Kentucky, Missouri, Ohio, Oklahoma, and Wisconsin, and is responsible for all of our wholesale operations, including all three distribution centers and management of the wholesale fuel network. CGS Stores, LLC owns and/or operates stores in Tennessee. CSC provides a variety of construction, maintenance and transportation services for all stores.

**Store Operations**

**Products Offered**

The Company designs, develops and delivers value to its guests through a differentiated product assortment where the right products are optimally placed, priced and promoted to drive traffic, revenue and profit. It is our practice to continually make additions to the Company's product line, especially products with higher gross profit margins such as prepared food and our new private label offerings, described below. To facilitate many of these items, we have installed full kitchens in almost all of our stores, other than those branded as "GoodStop".

The Company's flagship product is its handmade pizza, which we began preparing and selling in 1984. It was available in 2,465 stores (98%) as of April 30, 2023. In addition, we have expanded our prepared food offerings, which currently includes made to order cheesy breadsticks, sandwiches and wraps, chicken wings, chicken tenders, breakfast croissants and biscuits, breakfast pizza, breakfast burritos, hash browns, burgers, and bakery items which includes include donuts, cookies and brownies as well as other seasonal items. During the fiscal year, the Company launched new limited time offers to include our "Ultimate Beer Cheese Breakfast Pizza" as well as our "BBQ Brisket Pizza." Additional stores selling pizza will come on line as newly acquired stores are remodeled and kitchens are added. Finally, as of April 30, 2023, the Company was selling donuts in 2,449 (97%) of our stores in addition to cookies, brownies, and other bakery items.

The growth in our prepared food program reflects the Company's strategy to promote high-margin products that are compatible with convenience store operations. In the last three fiscal years, retail sales of nonfuel items have generated about 37% of our total revenue, but they have resulted in approximately 66% of our revenue less cost of goods sold (excluding depreciation and amortization). Revenue less cost of goods sold (excluding depreciation and amortization) as a percentage of revenue on prepared food items averaged approximately 59% for the three fiscal years ended April 30, 2023—substantially higher than the impact of retail sales of fuel, which averaged approximately 12%.

Each Casey's store typically carries over 3,000 packaged food, beverage and non-food items. The selection is a blend of differentiated private label products (which now includes over 300 items as of April 30, 2023), as well as favored national and regional brands, many of which can be found in larger format stores. Our assortment includes product across the following categories:

- non-alcoholic beverages (soft drinks, energy, water, sports drinks, juices, coffee, tea and dairy)
- alcoholic beverages (beer, wine and spirits)
- packaged foods (snacks, candy, packaged bakery and other food items)
- tobacco and nicotine products
- frozen foods (ice, ice cream, meals and appetizers)

- non-foods (health and beauty aids, automotive, electronic accessories, housewares and pet supplies)
- services (ATM, lotto/lottery and prepaid cards)

All but seven stores offer retail motor fuel products for sale on a self-service basis. Gasoline and diesel fuel are sold under the Casey's name at the majority of our locations.

The Company offers the Casey's Rewards program to bring value to guests and improve the digital guest experience. As part of this program, guests can earn points from online, in-store, or at the pump purchases. Points earned can be redeemed for donations to a local school of the guest's choice, fuel discounts, or Casey's Cash, which can be used on many products sold in our stores. The Rewards program is delivered through Casey's mobile application. In addition to earning points, guests may receive other program benefits such as special offers and bonus points. At the end of the fiscal year, the Company had surpassed 6.4 million members enrolled in the program.

**Store Design**

Casey's constructs stores that are primarily freestanding and, with a few exceptions to accommodate local conditions, conform to standard construction specifications. The current larger store design measures approximately 2,550 square feet devoted to sales area, 550 square feet to kitchen space, 400 square feet to storage, and 2 large multi-stall public restrooms. There is also a smaller store design that is generally designated for smaller communities that measures approximately 1,350 square feet devoted to sales area with the remaining areas similar in size, and 2 single user restrooms. Store lots have sufficient frontage and depth to permit adequate drive-in parking facilities on one or more sides of each store. Each new store typically includes 4 to 6 islands of fuel dispensers and storage tanks with capacity for 44,000 to 70,000 gallons of fuel. The merchandising display follows a standard layout designed to encourage a flow of guest traffic through all sections of every store. All stores are air-conditioned and have modern refrigeration equipment. Nearly all locations feature a bright sign which displays the Casey's or GoodStop name and trade/service marks.

Almost all stores remain open at least sixteen hours per day, seven days a week. Hours of operation may be adjusted on a store-by-store basis to accommodate guest traffic patterns. As of April 30, 2023, we operated 526 stores on a 24-hour basis, and another 1,843 have expanded hours.

**Store Locations**

The Company historically has located many of its stores in smaller towns not served by national-chain convenience stores. We believe that a Casey's store provides a service generally not otherwise available in smaller towns and that a convenience store in an area with limited population can be profitable if it stresses sales volume and competitive prices. Our store-site selection criteria emphasize the population of the immediate area and daily highway traffic volume.

**Retail Fuel Operations**

Retail fuel sales are an important part of our revenue and earnings. Approximately 66% of total revenue for the year ended April 30, 2023 was derived from the retail sale of fuel. The following table summarizes (dollars and gallons in thousands) retail fuel sales for the last three fiscal years ended April 30:

| | Year ended April 30, | | |
|---|---|---|---|
| | **2023** | **2022** | **2021** |
| Number of gallons sold | **2,672,366** | 2,579,179 | 2,180,772 |
| Total retail fuel sales | **$10,027,310** | $ 8,312,038 | $ 4,825,466 |
| Percentage of total revenue | **66.4 %** | 64.2 % | 55.4 % |
| Percentage of revenue less cost of goods sold (excluding depreciation and amortization) | **10.7 %** | 11.2 % | 15.8 % |
| Average retail price per gallon | **$ 3.75** | $ 3.22 | $ 2.21 |
| Average revenue less cost of goods sold per gallon (excluding depreciation and amortization) | **40.22 ¢** | 36.01 ¢ | 34.91 ¢ |
| Average number of gallons sold per store* | **1,092** | 1,047 | 981 |

* Includes only those stores in operation at least one full year on April 30 of the fiscal year indicated.

Average retail prices of fuel during the year increased 16.5% from prior year. Fuel prices increased at the end of the prior fiscal year due to overall supply issues, as refiners cut production levels in response to a slowing economy during the COVID-19 pandemic and as Russia's invasion of Ukraine resulted in a United States ban of Russian crude oil imports. While prices have moderated since the highs seen at the end of the prior fiscal year and the first quarter of fiscal 2023, the higher costs have continued into 2023. Regardless, with the Company's centralized fuel team and the procurement improvements implemented, we believe we are well positioned to navigate any potential future fuel price volatility.

The total number of gallons sold during this period increased by 3.6%. Gallons sold were positively impacted by a growing store count as we operated 69 more stores than the prior year. Average revenue less cost of goods sold (excluding depreciation and amortization) per gallon increased by 11.7%. Our centralized fuel team, coupled with fuel procurement improvements, has grown fuel profitability and has been instrumental in sustaining higher than historically typical average revenue less cost of goods sold per gallon (excluding depreciation and amortization).

Percentage of revenue less cost of goods sold (excluding depreciation and amortization) represents the fuel gross profit divided by the gross fuel sales dollars. As retail fuel prices fluctuate in a period of consistent gross margin per gallon, the percentage will also fluctuate in an inverse relationship to fuel price. For additional information concerning the Company's fuel operations, see Item 7, below.

## Distribution and Wholesale Arrangements

CMC supplies all stores with groceries, food, health and beauty aids, and general merchandise from our three distribution centers. The stores place orders for merchandise electronically to the Store Support Center, and the orders are filled with shipments in Company-operated delivery trucks from one of the distribution centers, based on route optimization for the fleet network. Most of our existing and proposed stores are within the three distribution centers' optimum efficiency range—a radius of approximately 500 miles around each distribution center.

In fiscal 2023, a majority of the food and nonfood items supplied to stores through the distribution centers were purchased directly from manufacturers. While we consider long-term contracts for potential favorability against short-term contracts, long-term supply contracts are not typically entered into with the suppliers of products sold by our stores. We believe the practice enables us to respond to changing market conditions with minimal impact on margins.

In addition to the products discussed above, CMC supplies all fuel to our stores, and supplies fuel on a wholesale basis as part of a dealer network to 76 locations. We have entered into various purchase agreements related to our fuel supply, which include varying volume commitments. Prices included in the purchase agreements are indexed to market prices.

## Human Capital

Our employees, who we refer to as Team Members, are critical to our business operations and the success of the Company. As of April 30, 2023, we had 20,292 full-time, and 22,690 part-time, Team Members. Approximately 94% are store Team Members, 1% are field management and related Team Members, 1% work in and support our three distribution centers, 1% are fuel or grocery drivers and 3% work out of the Store Support Center, or perform Store Support Center functions.

We are not a party to any collective bargaining agreements with our Team Members and believe the working relationship with our Team Members is good.

### Core Values

During the prior fiscal year, the Company unveiled its new core values to its Team Members, as part of its evolution to build a culture of commitment – Casey's CARES:

**C** – Commitment: We work hard to be the best and have a good time doing it.
**A** – Authenticity: We're true to our roots by being high integrity and low ego.
**R** – Respect: We treat people the way they want to be treated.
**E** – Evolving: We're driven to build a better future for ourselves and for our business.
**S** – Service: We put service first and take pride in caring for our guests, our communities, and each other.

We believe these core values serve as a solid foundation for how we treat our Team Members, how they treat one another and how we operate our business as a whole.

In the 2023 fiscal year, Casey's became "Great Places to Work" certified. This certification is administered by an independent third party and is based largely on team member survey results.

### Total Rewards

We believe that the future success of the Company depends in large part on our ability to attract, train, retain, and motivate qualified Team Members. As such, we are committed to providing market-competitive pay and benefits for all positions and offer performance-based compensation opportunities to certain of our full-time Team Member base. In addition, the Company offers a 401(k) plan to eligible Team Members, with a generous 6% match made in the form of Company stock, and all full-time and part-time associates are eligible for competitive health and welfare benefits, including medical, dental, vision, disability, life insurance and other benefits. In addition, during the 2023 fiscal year, we enhanced our offerings to include a military pay differential benefit for team members in the armed forces during periods of military service, introduced a free care management service for those suffering from back and joint pain/injury to expedite improved pain management and/or healing, and increased the contributions to, and number of visits allowed, in our Employee Assistance Program (EAP), which allows our team members and their families additional support for mental health at no cost. We also increased participation and utilization of Casey's Team Member Support Fund, which is designed to help team members facing financial hardships due to catastrophic circumstances.

**Diversity and Inclusion**

The Company is committed to building a diverse and inclusive workforce across the organization, which it believes is set by example with its Board of Directors and extended leadership team. The Board consists of twelve members, five (or 42%) of which are diverse as to gender, and three (or 25%) of which are diverse to race and/or ethnicity. The extended leadership team, which includes all of our Vice-President level executives and above, consists of thirty-two members, almost 60% of which are diverse as to gender, race and/or ethnicity. Across our entire Team Member base, 60% of our Team Members are female and 15% are diverse as to race and/or ethnicity. In addition, we have a strict Anti Harassment and Discrimination Policy of which all Team Members are trained and expected to follow and we have several mechanisms, including an Ethics and Compliance Hotline, under which Team Members and guests can report incidents confidentially or anonymously and without fear of retaliation. We have four team member resource groups which further enhance the diversity, equity and inclusion culture at Casey's: Women in Leadership, Veterans, Faith and LGBTQ. The Company has also established a formal Diversity, Equity and Inclusion Committee to further promote the already strong culture of belonging and empowerment for all Team Members. In addition, the company has expanded its learning related to unconscious bias and critical conversations through formal training.

**Education and Training**

The Company, including its established Learning and Development Department, which serves all levels of the organization, invests significant time and resources in educating and training Team Members by providing them with educational, development and leadership opportunities. These opportunities are provided through a mix of formal onboarding training, safety training, in-person classes, virtual modules and "on-the-job" learning. For example, through its virtual modules, the Company offers over 500 hours of educational opportunities through over 600 classes, for which there were almost 1 million enrollments during the 2023 fiscal year. In addition, the Company has a formal leadership development program with core curriculum consisting of Development programs for Kitchen Managers, Store Managers, District Managers, a Leadership Excellence Certification, and an Individualized Development Program for all Officers based on their review.

## Competition

Our business is highly competitive. Food, including prepared foods, and nonfood items similar or identical to those sold by the Company, are generally available from various competitors in the communities served by Casey's and by certain online retailers. We believe our stores located in smaller towns compete principally with other local grocery and convenience stores, similar retail outlets, and, to a lesser extent, prepared food outlets, restaurants, and expanded fuel stations offering a more limited selection of grocery and food items for sale. Stores located in more heavily populated communities may compete with local and national grocery and drug store chains, quick service restaurants, expanded fuel stations, supermarkets, discount food stores, and traditional convenience stores.

In addition to our inside store products, the fuel business is also highly competitive. The Company competes on the basis of brand, price, and convenience of our fuel products. We believe our locations in smaller towns are well-positioned. Similar to inside, stores compete with larger store chains with expanded fuel offerings and increased buying power in more heavily populated communities.

Examples of convenience store chains competing in the larger towns served by Casey's include Quik Trip, Kwik Trip/Star, Kum & Go, and other regional chains. These competitive factors are discussed further in Item 7 of this Form 10-K.

## Trademarks and Service Marks

The Company regularly evaluates its portfolio of intellectual property and takes steps to review potential new trademarks and service marks and to renew existing marks. The names "Casey's", "Casey's General Store", and "GoodStop (by Casey's)", the marks consisting of the Casey's design logos (with the words "Casey's" and "Casey's General Store"), the weathervane, and certain of our private label product names, are registered trademarks and service marks under federal law. We believe these marks are of material importance in promoting and advertising the Company's business. In addition, the Company has a number of other registered and unregistered trademarks and service marks that are significant to the Company from an operational and branding perspective (e.g. "Casey's Pizza", "Casey's Here for Good", "Casey's Rewards", "Casey's Cash", etc.).

## Government Regulation (dollars in thousands)

**Underground Storage Tanks**

The United States Environmental Protection Agency and several states, including Iowa, have established requirements for owners and operators of underground fuel storage tanks (USTs) with regard to (i) maintenance of leak detection, corrosion protection, and overfill/spill protection systems; (ii) upgrade of existing tanks; (iii) actions required in the event of a detected leak; (iv) prevention of leakage through tank closings; and (v) required fuel inventory record keeping. Since 1984, our new stores have been equipped with noncorroding fiberglass USTs, including some with double-wall construction, overfill protection, and electronic tank monitoring. We believe that all capital expenditures for electronic monitoring, cathodic protection, and overfill/spill protection to comply with the existing UST regulations have been completed. Additional regulations or amendments to the existing UST regulations could result in future expenditures.

The majority of states in which we do business have trust fund programs with provisions for sharing or reimbursing corrective action or remediation costs incurred by UST owners, including the Company. For the years ended April 30, 2023, 2022, and 2021, we spent approximately $653, $577, and $849 respectively, for assessments and remediation. Substantially all of these expenditures were submitted for reimbursement from state-sponsored trust fund programs. The payments are typically subject to statutory provisions requiring repayment of the reimbursed funds for noncompliance with upgrade provisions or other applicable laws. None of the reimbursements received are currently expected to be repaid by the Company to the trust fund programs. At April 30, 2023 and 2022 we had an accrued liability of $268 and $274, respectively, for estimated expenses related to anticipated corrective actions or remediation efforts, including relevant legal and consulting costs. We believe we have no material joint and several environmental liability with other parties.

**Age-Restricted Products**

Almost all of our stores sell a variety of age-restricted products, which may include beer, liquor, tobacco and other nicotine products. The sale of these products are subject to significant regulations and require the Company to procure special sales licenses from local and/or state agencies, which govern their sale. While the costs to procure such licenses is not material, the failure to comply with the conditions of the licenses, or other age-restricted products laws, could result in the suspension or revocation of such licenses, or fines related thereto. In addition to these products, the Company is also subject to rules governing lottery and lotto sales as determined by state lottery commissions in each state in which we make such sales.

## ITEM 1A. RISK FACTORS

You should carefully consider the risks described in this report before making a decision to invest in our securities. If any of such risks actually occur, our business, financial condition, and/or results of operations could be materially adversely affected. In that case, the trading price of our securities could decline and you might lose all or part of your investment.

### Risks Related to Our Business Operations

**Our business and our reputation could be adversely affected by a cyber or data security incident or the failure to protect sensitive guest, Team Member or supplier data, or the failure to comply with applicable regulations relating to data security and privacy.**

In the normal course of our business, we obtain, are provided and have access to large amounts of personal data, including but not limited to credit and debit card information, personally identifiable information and other data from and about our guests, Team Members, and suppliers. A compromise or a breach in our systems, or another data security or privacy incident that results in the loss, unauthorized release, disclosure or acquisition of such data or information, or other sensitive data or information, or other internal or external cyber or data security threats, including but not limited to viruses, denial-of-service attacks, phishing attacks, ransomware attacks and other intentional or unintentional disruptions, could occur and have a material adverse effect on our operations and ability to operate, reputation, operating results and financial condition. In addition, similar events at vendors, third-party service providers or other market participants, whether or not we are directly impacted, could negatively affect our business and supply chain or lead to a general loss of guest confidence, which could result in reduced guest traffic and sales.

A data security or privacy incident of any kind could expose us to risk in terms of the loss, unauthorized release, disclosure or acquisition of sensitive guest, Team Member or supplier data, and could result in litigation or other regulatory action being brought against us and damages, monetary and other claims made by or on behalf of the payment card brands, guests, Team Members, shareholders, financial institutions and governmental agencies, or monetary demands or other extortion attempts from cybercriminals. Such events could give rise to substantial monetary damages and/or losses which are not covered, or in some instances fully covered, by our insurance policies and which could adversely affect our reputation, results of operations, financial condition and liquidity. Moreover, a data security or privacy incident could require that we expend significant additional resources on mitigation efforts and to further upgrade the security and other measures that we employ to guard against, and respond to, such incidents.

**Food-safety issues and foodborne illnesses, whether actual or reported, or the failure to comply with applicable regulations relating to the transportation, storage, preparation or service of food, could adversely affect our business and reputation.**

Instances or reports of food-safety issues, such as foodborne illnesses, food tampering, food contamination or mislabeling, either during growing, manufacturing, packaging, transportation, storage, preparation or service, have in the past significantly damaged the reputations and impacted the sales of companies in the food processing, grocery, quick service and "fast casual" restaurant sectors, and could affect us as well. Any instances of, or reports linking us to, foodborne illnesses or food tampering, contamination, mislabeling or other food-safety issues could damage the value of our brand and severely hurt sales of our prepared or other food products and possibly lead to product liability and personal injury claims, litigation (including class actions), government agency investigations and damages. In addition, guest preferences and store traffic could be adversely impacted by food-safety issues, health concerns or negative publicity about the consumption of our products, which could damage our reputation and cause a decline in demand for those products and adversely impact our sales. In addition, we rely on our suppliers to provide quality ingredients and to comply with applicable food and food safety laws and industry standards. A failure of one of our suppliers to comply with such laws, to meet our quality standards, or to meet food industry standards, could also disrupt our supply chain, damage our reputation and adversely impact our sales.

**We may be adversely impacted by increases in the cost of food ingredients and other related costs**

Our business is exposed to fluctuations in prices of commodities. Any increase in the cost or sustained high levels of the cost of cheese, proteins or other commodities could adversely affect the profitability of stores, particularly if we are unable to increase the retail price of our products to offset such costs. We have recently experienced inflation in the price of commodities, including food ingredients, which has increased our cost of goods sold. Cheese, representing our largest food cost, and other commodities can be subject to significant cost fluctuations due to weather, availability, global demand and other factors that are beyond our control. Additionally, increases in labor, mileage, insurance, fuel, and other costs could adversely affect the profitability of our stores. Many of these factors are beyond our control, and we may not be able to adequately mitigate these costs or pass along these costs to our customers, given the significant competitive pricing in our industry.

**A significant disruption to our distribution network, to the capacity of the distribution centers, or timely receipt of inventory could adversely impact our sales or increase our transaction costs, which could have a material adverse effect on our business.**

We rely on our distribution and transportation network, which includes our drivers and distribution center Team Members, and the networks of our vendors and direct store delivery partners, to provide products to our distribution centers and stores in a timely and cost-effective manner. Any disruption, unanticipated or unusual expense or operational failure related to this process, including our inability, or that of our delivery partners, to hire and/or retain enough qualified drivers and distribution center Team Members to meet demand, could affect our store operations negatively.

We also depend on regular deliveries of products from third-parties to and from our facilities and stores that meet our specifications. In addition, we may have a single supplier or limited number of suppliers for certain products. While we believe there are adequate reserve quantities and alternative suppliers available, shortages or interruptions in the receipt or supply of products caused by unanticipated or changing demand, such as occurred during the COVID-19 pandemic, problems in production or distribution, financial or other difficulties of suppliers, cyber-related events, social unrest, inclement weather or other economic conditions, including the availability of qualified drivers and distribution center Team Members, could adversely affect the availability, quality and cost of products, and our operating results.

**We could be adversely affected if we experience difficulties in, or are unable to recruit, hire or retain, members of our leadership team and other distribution, field and store Team Members.**

We are dependent on the continued knowledge and efforts of our leadership team and other key Team Members. If, for any reason, our leadership team does not continue to be active in management, or we lose such persons, or other key Team Members, or we fail to identify and/or recruit for current or future leadership positions, our business, financial condition or results of operations could be adversely affected.

We also rely on our ability to recruit, hire and retain qualified drivers, distribution center Team Members, field management and store Team Members. Recent difficulties and shortages in the general labor market for such individuals, in particular hourly Team Members and drivers, and the failure to continue to attract and retain these individuals, especially at reasonable compensation levels in the current rising wage environment, could have a material adverse effect on the operation of individual stores, distribution network, our business and results of operations.

**Any failure to anticipate and respond to changes in consumer preferences, or to introduce and promote innovative technology for guest interaction, could adversely affect our financial results.**

Our continued success depends on our ability to remain relevant with respect to consumer needs and wants, attitudes toward our industry, and our guests' preferences for ways of doing business with us, particularly with respect to digital engagement, contactless delivery, curbside pick-up and other non-traditional ordering and delivery platforms. We must continually work to develop, produce and market new products, maintain and enhance the recognition of our brands, offer a favorable mix of products, and refine our approach as to how and where we market, sell and deliver our products. This risk is compounded by the increasing use of digital media by consumers and the speed by which information and opinions are shared. Further, changes in consumer preferences, trends or perceptions of certain items we sell, or the ingredients therein, could cause consumers to avoid such items in favor of those that are or are perceived as healthier, lower-calorie, or lower in carbohydrates or otherwise based on their ingredients or nutritional content. If we are unable to anticipate and respond to sudden challenges that we may face in the marketplace, trends in the market for our products and changing consumer demands and sentiment, it could have a material adverse effect on our business, financial condition and results of operations.

**We rely on our information technology systems, and a number of third-party software providers, to manage numerous aspects of our business, and a disruption of these systems could adversely affect our business.**

We are dependent on our information technology (IT) systems, and a large number of third-party software providers and platforms, to manage and operate numerous aspects of our business, develop our financial statements, provide analytical information to management and serve as a platform for our business continuity plan. Our IT systems, and the software and other technology platforms provided by our vendors and other third-parties, are an essential component of our business operations and growth strategies, and a serious disruption to any of these could significantly limit our ability to manage and operate our business efficiently. These systems are vulnerable to, among other things, damage and interruption, computer system and network failures, loss of telecommunications services, physical and electronic loss of, or loss of access to, data and information, security breaches or other security or cyber-related incidents, computer viruses or attacks and obsolescence. Any disruption could cause our business and competitive position to suffer and cause our operating results to be reduced.

**Increased credit card expenses could lead to higher operating expenses and other costs for the Company.**

A significant percentage of our sales are made with credit cards. Because the interchange and other fees we pay when credit cards are used to make purchases, which the Company has little control over, are based on transaction amounts, higher fuel prices at the pump, including record fuel prices that were seen in recent years, higher gallon movement and other increases in price and sales of fuel and other items we sell in our stores directly result in higher credit card expenses. These additional fees directly increase operating expenses. Higher operating expenses that result from higher credit card fees may decrease our overall profit and have a material adverse effect on our business, financial condition and results of operations. Total credit card fees paid in fiscal 2023 and 2022 exceeded $200 million. For fiscal 2021, total credit card fees paid were approximately $150 million.

In addition, credit card providers now mandate that any fraudulent activity and related losses at fuel dispensers that do not accept certain chip technology (referred to as EMV) be borne by the retailers accepting those cards. While the Company has invested, and will continue to invest, a significant amount of resources in upgrading its fuel dispensers to accept EMV, and has implemented other fraud mitigation strategies, not all of its fuel dispensers have, or in the near future may, be upgraded to such technology. As such, it is possible that credit card providers could attempt to pass the costs of certain fraudulent activity at the non-upgraded dispensers to the Company, which if significant, could have a material adverse effect on our business, financial condition and results of operations.

**Our operations present hazards and risks which may not be fully covered by insurance, if insured.**

The scope and nature of our operations present a variety of operational hazards and risks that must be managed through continual oversight and control. As protection against hazards and risks, we maintain insurance against many, but not all, potential losses or liabilities arising from such risks. Uninsured or underinsured losses and liabilities from operating risks could reduce the funds available to us for capital and investment spending and could have a material adverse impact on the results of operations.

**The dangers inherent in the storage and transport of fuel could cause disruptions and could expose to us potentially significant losses, costs or liabilities.**

We store fuel in storage tanks at our retail locations. Additionally, a significant portion of fuel is transported in our own trucks, instead of by third-party carriers. Our operations are subject to significant hazards and risks inherent in transporting and storing motor fuel. These hazards and risks include, but are not limited to, fires, explosions, traffic accidents, spills, discharges and other releases, any of which could result in distribution difficulties and disruptions, environmental pollution, governmentally-imposed fines or clean-up obligations, personal injury or wrongful death claims and other damage to our properties and the properties of others. As a result, any such event could have a material adverse effect on our business, financial condition and results of operations.

**Consumer or other litigation could adversely affect our financial condition and results of operations.**

Our retail operations are characterized by a high volume of guest traffic and by transactions involving a wide array of product selections, including prepared food. Retail operations, and in particular our distribution and food-related operations, carry a higher exposure to consumer litigation risk when compared to the operations of companies operating in many other industries. Consequently, we may become a party to personal injury, food safety, product liability, accessibility, data security and privacy and other legal actions in the ordinary course of our business. While these actions are generally routine in nature, incidental to the operation of our business and immaterial in scope, if our assessment of any action or actions should prove inaccurate, our financial condition and results of operations could be adversely affected.

Additionally, we are occasionally exposed to industry-wide or class-action claims arising from the products we carry, industry-specific business practices or other operational matters, including wage-and-hour and other employment related individual and class-action claims. Our defense costs and any resulting damage awards or settlement amounts may be significant and not be covered, or in some instances fully covered, by our insurance policies. Thus, an unfavorable outcome or settlement of one or more of these lawsuits could have a material adverse effect on our reputation, financial position, liquidity and results of operations.

**Pandemics or disease outbreaks, such as COVID-19, responsive actions taken by governments and others to mitigate their spread, and guest behavior in response to these events, have, and may in the future, adversely affect our business operations, supply chain and financial results.**

Pandemics or disease outbreaks such as COVID-19 and its variants (collectively, "COVID-19") have had, and may continue to have, adverse impacts on the Company's business. These include, but are not limited to, decreased store traffic and changed guest behavior, decreased demand for our fuel, prepared food and other convenience offerings, decreased or slowed unit/store growth, issues with our supply chain including difficulties delivering products to our stores and obtaining certain items sold at our stores, issues with respect to our Team Members' health, working hours and/or ability to perform their duties, and increased costs to the Company in response to these conditions and to protect the health and safety of our Team Members and guests.

In addition, the general economic and other impacts related to responsive actions taken by governments and others to mitigate the spread of COVID-19, or in the future other pandemics or disease outbreaks, including but not limited to stay-at-home, shelter-in-place and other travel restrictions, social distancing requirements, mask mandates, limitations on certain businesses' hours and operations, limits on public gatherings and other events, and restrictions on what, and in certain cases how, certain products can be sold and offered to our guests, have, and may continue to, result in similar declines in store traffic and overall demand, increased operating costs, and decreased or slower unit/store growth. Further, although the Company's business was deemed an "essential service" by many public authorities throughout the COVID-19 pandemic, allowing our operations to continue (in some cases in a modified manner), there are no guarantees the designation will continue, or be applied during a future pandemic or COVID-19 outbreak, which would require us to reduce our operations and potentially close stores for an undetermined period of time.

**Covenants in our Senior Notes and credit facility agreements require us to comply with certain covenants and meet financial maintenance tests. Failure to comply with these requirements could have a material impact to us.**

We are required to comply with certain financial and non-financial covenants under our existing Senior Notes and credit facility agreements. A breach of any covenant, even if unintentional, could result in a default under such agreements, which could, if not timely cured, permit lenders to declare all amounts outstanding to be immediately due and payable, and to terminate such instruments, which in turn could have a material adverse effect on our business, liquidity, financial condition and results of operation.

## Risks Related to Governmental Actions, Regulations, and Oversight

**Compliance with and changes in tax laws could adversely affect our performance.**

We are subject to extensive tax liabilities imposed by multiple jurisdictions, including but not limited to state and federal income taxes, indirect taxes (excise, sales/use, and gross receipts taxes), payroll taxes, property taxes, and tobacco taxes. Tax laws and regulations are dynamic and subject to change as new laws are passed, new administrations are elected and new interpretations of existing laws are issued and applied. In addition, as the federal government and certain states face economic and other pressures, they may seek revenue in the form of additional income, sales and other taxes and related fees. These activities could result in increased expenditures for tax liabilities in the future. Many of these liabilities are subject to periodic audits by the respective taxing authorities. Subsequent changes to our tax liabilities as a result of these audits may subject us to interest and penalties.

**We are subject to extensive governmental regulations.**

Our business is subject to extensive governmental laws and regulations that include, but are not limited to, those relating to environmental protection and remediation; the preparation, transportation, storage, sale and labeling of food; minimum wage, overtime and other employment and labor laws and regulations; the Americans with Disabilities Act; legal restrictions on the sale of alcohol, tobacco and nicotine products, money orders, lottery/lotto and other age-restricted products; compliance with the Payment Card Industry Data Security Standards and similar requirements; compliance with the Federal Motor Carriers Safety Administration regulations; and, securities laws and Nasdaq listing standards. These, and other laws and regulations, are dynamic and subject to change as new laws are passed, new interpretations of existing laws are issued and applied and as political administrations and majorities change over time. The effects created by these, including the costs of compliance with these laws and regulations, is substantial, and a violation of or change in such laws and/or regulations could have a material adverse effect on our business, financial condition, and results of operations.

State laws regulate the sale of alcohol, tobacco and nicotine products, lottery/lotto products and other age-restricted products. A violation or change of these laws could adversely affect our business, financial condition, and results of operations because state and local regulatory agencies have the power to approve, revoke, suspend, or deny applications for and renewals of permits and licenses relating to the sale of certain of these products or to seek other remedies.

Any appreciable increase in wages, overtime pay, or the statutory minimum salary requirements, minimum wage rate, mandatory scheduling or scheduling notification laws, or the adoption of additional mandated healthcare or paid-time-off benefits would result in an increase in our labor costs. For example, recent state-mandated minimum wage increases, along with general labor market shortages and wage pressures, have increased our operating expenses significantly. Such cost increases, or the penalties for failing to comply, could adversely affect our business, financial condition, and results of operations. State or federal lawmakers or regulators may also enact new laws or regulations applicable to us that may have a material adverse and potentially disparate impact on our business.

**Governmental action and campaigns to discourage tobacco and nicotine use and other tobacco products may have a material adverse effect on our revenues and gross profit.**

Congress has given the Food and Drug Administration ("FDA") broad authority to regulate tobacco and nicotine products, including e-cigarettes and vapor products, and the FDA has enacted numerous regulations restricting the sale of such products. These governmental actions, as well as national, state and local campaigns and regulations to discourage tobacco and nicotine use and limit the sale of such products, including but not limited to tax increases related to such products and certain actions taken to increase the minimum age in order to purchase such products, have resulted or may in the future result in, reduced industry volume and consumption levels, and could materially affect the retail price of cigarettes, unit volume and revenues, gross profit, and overall guest traffic, which in turn could have a material adverse effect on our business, financial condition and results of operations.

**Wholesale cost and tax increases relating to tobacco and nicotine products could affect our operating results.**

Sales of tobacco and nicotine products have averaged approximately 10% of our total revenue over the past three fiscal years, and our tobacco and nicotine revenue less cost of goods sold (excluding depreciation and amortization) accounted for approximately 9% of the total revenue less cost of goods sold (excluding depreciation and amortization) for the same period. Any significant increases in wholesale cigarette and related product costs or tax increases on tobacco or nicotine products may have a materially adverse effect on unit demand for cigarettes (or related products). Currently, major cigarette and tobacco and nicotine manufacturers offer significant rebates to retailers, although there can be no assurance that such rebate programs will continue. We include these rebates as a component of cost of goods sold, which affects our gross margin from sales of cigarettes and related products. In the event these rebates are no longer offered or decreased, our wholesale cigarette and related product costs will increase accordingly. In general, we attempt to pass price increases on to our guests. Due to competitive pressures in our markets, however, we may not always be able to do so. These factors could adversely affect our retail price of cigarettes and related products, cigarette or related product unit volume and revenues, merchandise revenue less cost of goods sold (excluding depreciation and amortization), and overall guest traffic, and in turn have a material adverse effect on our business, financial condition and results of operations.

## Risks Related to Our Industry

**General economic and political conditions that are largely out of the Company's control may adversely affect the Company's financial condition and results of operations.**

General economic and political conditions, including social and political causes and movements, higher interest rates, higher fuel and other energy costs, inflation, increases or fluctuations in commodity prices such as cheese and coffee, higher levels of unemployment, unemployment benefits and related stimulus provided as a result of the COVID-19 pandemic (including the rollback of certain payment relief programs introduced during the pandemic such as delayed or deferred rent, student loan payments, etc.), higher consumer debt levels and lower consumer discretionary spending, higher tax rates and other changes in tax laws or other economic factors may affect the operations of our stores, input costs, consumer spending, buying habits and labor markets generally, and could adversely affect the discretionary income and spending levels of our guests, the costs of the products we sell in our stores, the consumer demand for such products and the labor costs of transporting, storing and selling those products. For example, the recent conflict in Ukraine has resulted in historically high oil and other commodity prices, which, coupled with a recent period of high inflation, has significantly increased the cost of fuel and other products we sell. These events and their impacts can be unpredictable, and we may not always be able to recapture these higher input costs through pricing strategies or otherwise. In addition, unfavorable economic conditions, especially those affecting the agricultural industry, higher fuel prices, and unemployment levels can affect consumer confidence, spending patterns, and miles driven, and can cause guests to “trade down” to lower priced products in certain categories when these conditions exist. These factors can lead to sales declines, and in turn have an adverse impact on our business, financial condition and results of operations.

**Developments related to fuel efficiency, fuel conservation practices, climate change, and changing consumer preferences may decrease the demand for motor fuel.**

Technological advances and consumer behavior in reducing fuel use, governmental mandates to improve fuel efficiency and consumer desire or regulations to lower carbon emissions could lessen the demand for our largest revenue product, petroleum-based motor fuel, which may have a material adverse effect on our business, financial condition, and results of operation. Changes in our climate, including the effects of carbon emissions in the environment, may lessen demand for fuel or lead to additional government regulation. In addition, a shift toward electric, hydrogen, natural gas or other alternative fuel-powered vehicles, including driverless motor vehicles, could fundamentally change the shopping and driving habits of our guests or lead to new forms of fueling destinations or new competitive pressures. Any of these outcomes could potentially result in fewer guest visits to our stores, decreases in sales revenue across all categories or lower profit margins, which could have a material adverse effect on our business, financial condition and results of operations.

**Unfavorable weather conditions can adversely affect our business.**

The vast majority of our stores are located in the Midwest region of the United States, which is susceptible to tornadoes, thunderstorms, extended periods of rain or unseasonably cold temperatures, flooding, ice storms, and heavy snow. Inclement weather conditions could damage our facilities or could have a significant impact on consumer behavior, travel, and convenience store traffic patterns as well as our ability to operate our locations. In addition, we typically generate higher revenues and gross margins during warmer weather months, which fall within our first and second fiscal quarters. When weather conditions are not favorable during a particular period, our operating results and cash flow from operations could be adversely affected.

**The volatility of wholesale petroleum costs could adversely affect our operating results.**

Our net income is significantly affected by changes in the margins we receive on our retail fuel sales. Over the past three fiscal years, on average our fuel revenues accounted for approximately 63% of total revenue and our fuel revenue less cost of goods sold (excluding depreciation and amortization) accounted for approximately 34% of the total revenue less cost of goods sold (excluding depreciation and amortization). Crude oil and domestic wholesale petroleum markets are currently, and in the recent past have been, marked by significant volatility, starting with the onset of the COVID-19 pandemic and its effects and more recently with the conflict in Ukraine. General political conditions, threatened or actual acts of war or terrorism, instability or other changes in oil producing regions, historically in the Middle East and South America but recently in Europe with the conflict in Ukraine, and trade, economic or other disagreements between oil producing nations, can, and recently have, significantly affected crude oil supplies and wholesale petroleum costs. In addition, the supply of fuel and wholesale purchase costs could be adversely affected in the event of a shortage, which could result from, among other things, severe weather events in oil producing regions, the lack of capacity at United States oil refineries or, in our case, the level of fuel contracts that we have that guarantee an uninterrupted, unlimited supply of fuel. Increases in the retail price of petroleum products have resulted and could in the future adversely affect consumer demand for fuel and other discretionary purchases. This volatility makes it difficult to predict the impact that future wholesale cost fluctuations will have on our operating results and financial condition in future periods. Any significant change in one or more of these factors could materially affect the number of fuel gallons sold, fuel revenue less cost of goods sold excluding depreciation and amortization and overall guest traffic, which in turn could have a material adverse effect on our business, financial condition and results of operations.

**The convenience store industry is highly competitive.**

The convenience store and retail fuel industries in which we operate are highly competitive and characterized by ease of entry and constant change in the number and type of retailers offering the products and services found in our stores. We compete with many other convenience store chains, gasoline stations, supermarkets, drugstores, discount stores, club stores, fast food outlets, and mass merchants, and a variety of other retail companies, including retail gasoline companies that have more extensive retail outlets, greater brand name recognition and more established fuel supply arrangements. Several non-traditional retailers such as supermarkets, club stores, and mass merchants have affected the convenience store industry by entering the retail fuel business and have obtained a share of the fuels market. Certain of these non-traditional retailers may use more extensive promotional pricing or discounts, both at the fuel pump and in the store, to encourage in-store merchandise sales and gasoline sales. In some of our markets, our competitors have been in existence longer and have greater financial, marketing, and other resources than we do. As a result, our competitors may have a greater ability to bear the economic risks inherent in our industry and may be able to respond better to changes in the economy and new opportunities within the industry, including those related to electric vehicle charging stations. This intense competition could adversely affect our revenues and profitability and have a material adverse impact on our business and results of operations.

## Risks Related to Our Growth Strategies

**We may not be able to identify, acquire, and integrate new properties and stores, which could adversely affect our ability to grow our business.**

An important part of our growth strategy has been to purchase properties on which to build our stores, and in other instances, acquire other convenience stores that complement our existing stores or broaden our geographic presence. We expect to continue pursuing acquisition opportunities, which involve risks that could cause our actual growth or operating results to differ materially from our expectations or the expectations of our shareholders and securities analysts. These risks include, but are not limited to, the inability to identify and acquire suitable sites at advantageous prices; competition in targeted market areas; difficulties in obtaining favorable financing for larger acquisitions or construction projects; difficulties during the acquisition process in discovering some of the liabilities of the businesses that we acquire; difficulties associated with our existing financial controls, information systems, management resources and human resources needed to support our future growth; difficulties with hiring, training and retaining skilled personnel; difficulties in adapting distribution and other operational and management systems to an expanded network of stores; difficulties in adopting, adapting to or changing the business practices, models or processes of stores or chains we acquire; difficulties in obtaining governmental and other third-party consents, permits and licenses needed to operate additional stores; difficulties in obtaining the cost savings and financial improvements we anticipate from future acquired stores; the potential diversion of our management's attention from focusing on our core business due to an increased focus on acquisitions; and, challenges associated with the consummation and integration of any future acquisition.

## Risks Relating to Our Common Stock

**The market price for our common stock has been and may in the future be volatile, which could cause the value of your investment to decline.**

Securities markets worldwide experience significant price and volume fluctuations. This market volatility could significantly affect the market price of our common stock without regard to our operating performance. In addition, the price of our common stock could be subject to wide fluctuations in response to these, and other factors: a deviation in our results from the expectations of public market analysts and investors; statements by research analysts about our common stock, company, or industry; changes in market valuations of companies in our industry and market evaluations of our industry generally; additions or departures of key personnel; actions taken by our competitors; sales or repurchases of common stock by the Company or other affiliates; and, other general economic, political, or market conditions, many of which are beyond our control.

The market price of our common stock will also be affected by our quarterly operating results and same store sales results, which may be expected to fluctuate. Some of the factors that may affect our quarterly results and same store sales include general, regional, and national economic conditions; competition; unexpected costs; changes in retail pricing, consumer trends, and the number of stores we open and/or close during any given period; and the costs of compliance with corporate governance and other legal requirements. Other factors are discussed throughout Management's Discussion and Analysis of Financial Condition and Results of Operations. You may not be able to resell your shares of our common stock at or above the price you pay.

**Any issuance of shares of our common stock in the future could have a dilutive effect on your investment.**

We could issue additional shares for investment, acquisition, or other business purposes. Even if there is not an immediate need for capital, we may choose to issue securities to sell in public or private equity markets, if and when conditions are favorable. Raising funds by issuing securities would dilute the ownership interests of our existing shareholders. Additionally, certain types of equity securities we may issue in the future could have rights, preferences, or privileges senior to the rights of existing holders of our common stock.

**Iowa law and provisions in our charter documents may have the effect of preventing or hindering a change in control and adversely affecting the market price of our common stock.**

Our articles of incorporation give the Company's board of directors the authority to issue up to one million shares of preferred stock and to determine the rights and preferences of the preferred stock without obtaining shareholder approval. The existence of this preferred stock could make it more difficult or discourage an attempt to obtain control of the Company by means of a tender offer, merger, proxy contest, or otherwise. Furthermore, this preferred stock could be issued with other rights, including economic rights, senior to our common stock, thereby having a potentially adverse effect on the market price of our common stock.

In addition, provisions of Iowa corporate law could make it more difficult for a third party to acquire us or remove our directors by means of a proxy contest, even if doing so would be beneficial to our shareholders. For example, the Iowa Business Corporation Act (the "Act") prohibits publicly held Iowa corporations to which it applies from engaging in a business combination with an interested shareholder for a period of three years after the date of the transaction in which the person became an interested shareholder unless the business combination is approved in a prescribed manner. Further, the Act permits a board of directors, in the context of a takeover proposal, to consider not only the effect of a proposed transaction on shareholders, but also on a corporation's Team Members, suppliers, guests, creditors, and on the communities in which the corporation operates. These provisions could discourage others from bidding for our shares and could, as a result, reduce the likelihood of an increase in our stock price that would otherwise occur if a bidder sought to buy our stock.

We may, in the future, adopt other measures (such as a shareholder rights plan or "poison pill") that could have the effect of delaying, deferring, or preventing an unsolicited takeover, even if such a change in control were at a premium price or favored by a majority of unaffiliated shareholders. These measures may be adopted without any further vote or action by our shareholders.

## ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

## ITEM 2. PROPERTIES

We own the Store Support Center (built in 1990) and all three distribution centers. Located on an approximately 57-acre site in Ankeny, Iowa, the Store Support Center includes office space and our first distribution center. The Store Support Center provides approximately 490,000 square feet of available space, including approximately 290,000 square feet related to the distribution center. We also own a building near the Store Support Center where our construction and support services departments operate. In February 2016, we opened our second distribution center, located in Terre Haute, Indiana. This second distribution center has approximately 340,000 square feet of total space. In April 2021, we opened a third distribution center located in Joplin, Missouri (see Note 7 for discussion of ownership structure). The third distribution center provides approximately 300,000 square feet of total space. All three distribution centers have a fleet services maintenance center.

On April 30, 2023, we leased a combination of land and/or building at 121 locations. Most of the leases provide for the payment of a fixed rent plus property taxes, insurance, and maintenance costs. Generally, the leases are for terms of ten to twenty years with options to renew for additional periods or options to purchase the leased premises at the end of the lease period. The Company owns the land and building at all of our other store locations. Additionally, the Company regularly has land held for development, land under construction for new stores, and land held for sale as a result of store closures.

## ITEM 3. LEGAL PROCEEDINGS

The information required to be set forth under this heading is incorporated by reference from Note 10, Contingencies, to the Consolidated Financial Statements included in Part II, Item 8.

## ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

## PART II

## ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES

**Common Stock**

Casey's common stock trades on the Nasdaq Global Select Market under the symbol CASY. The 37,263,248 shares of common stock outstanding at April 30, 2023 had a market value of approximately $8.5 billion. On that date, there were 1,620 shareholders of record.

**Common Stock Market Prices**

| Calendar 2021 | High | Low | Calendar 2022 | High | Low | Calendar 2023 | High | Low |
|---|---|---|---|---|---|---|---|---|
| Q1 | $ 221.29 | $ 175.02 | Q1 | $ 202.50 | $ 170.82 | Q1 | $ 236.45 | $ 202.13 |
| Q2 | 229.18 | 192.33 | Q2 | 216.40 | 181.40 | | | |
| Q3 | 208.19 | 185.96 | Q3 | 223.90 | 183.23 | | | |
| Q4 | 203.72 | 181.25 | Q4 | 249.90 | 197.61 | | | |

**Dividends**

We began paying cash dividends during fiscal 1991. The dividends declared in fiscal 2023 totaled $1.52 per share. The dividends declared in fiscal 2022 totaled $1.39 per share. At its June meeting, the Board of Directors declared a quarterly dividend of $0.43 per share payable August 15, 2023, to shareholders of record on August 1, 2023.

The cash dividends declared during the calendar years 2021 through 2023 were as follows:

| Calendar 2021 | Cash dividend declared | Calendar 2022 | Cash dividend declared | Calendar 2023 | Cash dividend declared |
|---|---|---|---|---|---|
| Q1 | $ 0.340 | Q1 | $ 0.350 | Q1 | $ 0.380 |
| Q2 | 0.340 | Q2 | 0.380 | Q2 | 0.430 |
| Q3 | 0.350 | Q3 | 0.380 | | |
| Q4 | 0.350 | Q4 | 0.380 | | |
| | $ 1.380 | | $ 1.490 | | |

**Issuer Purchases of Equity Securities**

The following table sets forth information with respect to the Company's repurchases of common stock during the quarter ended April 30, 2023:

| Period | Total Number of Shares Purchased | Average Price Paid Per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs | Maximum Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs (1) |
|---|---|---|---|---|
| Fourth Quarter: | | | | |
| February 1-28, 2023 | — | $ — | — | $ 400,000,000 |
| March 1-31, 2023 | — | — | — | 400,000,000 |
| April 1-30, 2023 | — | — | — | 400,000,000 |
| Total | — | $ — | — | $ 400,000,000 |

(1) On, and effective as of, March 3, 2022, the Board authorized a share repurchase program, whereby the Company was authorized to repurchase its outstanding common stock from time-to-time, for an aggregate amount of up to $400

million, exclusive of fees, commissions or other expenses (the "Repurchase Program"). The Repurchase Program has no set expiration date. The timing and number of repurchase transactions under the Repurchase Program depends on a variety of factors including, but not limited to, market conditions, corporate considerations, business opportunities, debt agreements, and regulatory requirements. The Repurchase Program can be suspended or discontinued at any time.

## ITEM 6. [Reserved]

## ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(Dollars and gallons in thousands, except per share amounts)

Please read the following discussion of the Company's financial condition and results of operations in conjunction with the selected historical consolidated financial data and consolidated financial statements and accompanying notes presented elsewhere in this Form 10-K.

### Overview

As of April 30, 2023, Casey's General Stores, Inc. and its direct and indirect wholly-owned subsidiaries operate convenience stores primarily under the names "Casey's" and "Casey's General Store" (collectively, with the stores below referenced as "GoodStop", "Bucky's" or "Minit Mart", referred to as "Casey's" or the "Company") throughout 16 states, primarily in Iowa, Missouri, and Illinois. On April 30, 2023, there were a total of 2,521 stores in operation.

All convenience stores carry a broad selection of food items (including, but not limited to, freshly prepared foods such as regular and breakfast pizza, donuts, hot breakfast items, and hot and cold sandwiches), beverages, tobacco and nicotine products, health and beauty aids, automotive products, and other nonfood items. As of April 30, 2023, 217 store locations offered car washes. In addition, all but seven store locations offer fuel for sale on a self-service basis.

During the prior fiscal year, the Company introduced certain stores branded or rebranded as "GoodStop (by Casey's)". Similar to most of our store footprint, the "GoodStop" locations offer fuel for sale on a self-serve basis, and a broad selection of snacks, beverages, tobacco products, and other essentials. However, these locations typically do not have a kitchen and have limited prepared food offerings. As of April 30, 2023, 43 stores operate under the "GoodStop" brand.

The Company is also temporarily operating certain locations acquired from Buchanan Energy during the prior fiscal year under the name "Bucky's" and certain locations acquired from Minit Mart LLC during the current fiscal year under the name "Minit Mart." The Company is in the process of transitioning all "Bucky's" and "Minit Mart" locations to either the "Casey's" or "GoodStop" brand. These locations typically have similar offerings to the "Casey's" or "GoodStop" branded stores.

The Company has 76 dealer locations, where Casey's manages fuel wholesale supply agreements to these stores. These locations are not operated by Casey's and are not included in our overall store count in the paragraph below. Approximately 1% of total revenue for the year-ended April 30, 2023 relates to this dealer network

Approximately 50% of all Casey's were opened in areas with populations of fewer than 5,000 people, while approximately 26% of all stores were opened in communities with populations of more than 20,000 persons. CMC operates three distribution centers, through which certain grocery and general merchandise, and prepared food and dispensed beverage items, are supplied to our stores. One is adjacent to the Store Support Center facility in Ankeny, Iowa. The other two distribution centers are located in Terre Haute, Indiana (opened in February 2016) and Joplin, Missouri (opened in April 2021). At April 30, 2023, the Company leased the combination of land and/or building at 121 locations.

The Company's business is seasonal, and generally experiences higher sales and profitability during the first and second fiscal quarters (May-October), when guests tend to purchase greater quantities of fuel and certain convenience items such as beer, sports drinks, water, soft drinks and ice.

The following table represents the roll forward of store growth throughout fiscal 2023:

| | Store Count |
|---|---|
| **Stores at April 30, 2022** | 2,452 |
| New store construction | 34 |
| Acquisitions | 47 |
| Acquisitions not opened | (4) |
| Prior acquisitions opened | 2 |
| Closed | (10) |
| **Stores at April 30, 2023** | 2,521 |

Acquisitions in the table above include, in part, 26 stores which were acquired from Minit Mart LLC in April 2023. For additional discussion, refer to Note 2 in the consolidated financial statements.

For further general descriptive information on the Company's business and operations, see Item 1, above, which is incorporated herein by reference.

*Long-Term Strategic Plan*

The Company announced a three-year strategic plan in January 2020 focused on four strategic objectives: reinvent hospitality and the guest experience; be where the guest is by accelerating unit growth; create capacity through best-in-class efficiencies; and, invest in our people and culture. The Company's plan was based on building on our proud heritage and distinct advantages to become more contemporary through new capabilities, technology, data, and processes. We believe this will best position the Company to address rapidly evolving shifts in consumer habits and other macro retail trends.

The Company closed out its strategic plan at the end of the fiscal year. Some of the key highlights from this past fiscal year include:

- Grew our store count through new store construction and a number of strategic acquisitions
- Diluted EPS of $11.91, up 30.8% over the prior year
- Private label penetration in the grocery and general merchandise category was over 9% on both units and gross profit for the year
- Casey's Rewards members grew to 6.4 million at year-end

*COVID-19 and Related Impacts*

The onset of COVID-19 caused a significant decrease in store traffic across our entire footprint. While store traffic has markedly increased as the economy reopened over the past two or so years, the Company has not seen a full return to store traffic levels experienced prior to the pandemic. The Company believes this is largely contributed to by the increased prevalence and acceptance across all industries of working from home, a trend which the Company expects to continue into the foreseeable future.

While the ongoing impacts of COVID-19, in particular those related to governmental actions in response thereto, and those mentioned immediately above, will continue to bring challenges to our operating environment, we believe that our resilient business model and the strength of our brand and balance sheet position us well to navigate the impacts.

*Fuel Volatility*

Since early calendar 2020, the price of crude oil, and in turn the wholesale cost of fuel, has been volatile compared to historical averages. Initially, at the outset of the pandemic, oil and fuel prices fell dramatically; however, as the economy in general began to emerge from the COVID-19 pandemic, prices began to modestly increase over time. More recently, during the end of the Company's 2022 fiscal year, oil and fuel prices saw a quick and dramatic increase, in part, as a result of the conflict in Ukraine, as well as other macroeconomic conditions, which also directly impacts the retail price of fuel that we sell at our stores. Generally, oil and fuel prices have decreased from levels seen throughout the past two years, but they remain elevated compared to historical levels. The Company expects these comparatively higher prices to remain into the 2024 fiscal year.

In addition, during the past three calendar years, the Company, and the retail fuel industry as a whole, has experienced historically high average revenue less cost of goods sold per gallon (excluding depreciation and amortization). Although this has remained relatively consistent since that time, on a longer-term basis, this metric can fluctuate significantly, and sometimes unpredictably, in the short-term. While the Company believes that its average revenue less cost of goods sold per gallon (excluding depreciation and amortization) will remain elevated from historical levels for the foreseeable future, it is possible that increased oil and fuel prices, rising interest rates, macroeconomic conditions and/or continuing conflicts or disruptions involving oil producing countries may materially impact the performance of this metric.

*Electric Vehicles and Renewable Fuels*

Casey's continues its process of developing a robust electric vehicle ("EV") strategy and our management team remains committed to understanding if and how the increased demand for, and usage of, EVs impacts consumer behavior across our store footprint and beyond. As consumer demand for alternative fuel options continues to grow, Casey’s has continued to add EV charging stations across our 16-state footprint. The Company has installed 138 charging stations at 29 stores, across 10 states. Our installation strategy is currently designed to selectively increase our charging stations at locations within our region where we see higher levels of consumer EV buying trends and demand for EV charging. To date, consumer EV demand within our Midwest footprint has been comparatively lower than the levels along the coasts. As EV demand from our guests increases, we are prepared to strategically integrate charging station options at select stores.

The Company also remains committed to offering renewable fuel options at our stores and continues to expand its alternative fuel options in response to evolving guest needs and as part of its environmental stewardship efforts. Currently, almost all of our stores offer fuel with at least 10% of blended ethanol and 43% of our stores offer biodiesel. Every new store has the capability to sell higher blended ethanol, and we aim to continue growing sales of renewable fuels throughout our footprint

**Fiscal 2023 Compared with Fiscal 2022**

Total revenue for fiscal 2023 increased 16.5% ($2,141,881) to $15,094,475. Total revenue was impacted favorably by operating 69 more stores than a year ago, elevated retail fuel prices, and strategic retail price adjustments. Retail fuel sales for the fiscal year were $10,027,310, an increase of 20.6% primarily due to a 16.5% increase in the average price of fuel. Fuel gallons sold increased 3.6% to 2.7 billion gallons, which increased fuel revenue by an additional $349,451. Grocery and general merchandise revenue for the fiscal year was $3,445,777, an increase of 9.7% due to strong sales of packaged beverages, snacks, and candy. Prepared food and dispensed beverage revenue increased 9.8% to $1,322,560 due to increased sales of pizza slices, whole pies, and donuts.

Total revenue less cost of goods sold (excluding depreciation and amortization) was 20.4% for fiscal 2023 compared with 21.3% for the prior year. Fuel cents per gallon increased to 40.2 cents in fiscal 2023 from 36.0 cents in fiscal 2022. The grocery and general merchandise revenue less related cost of goods sold (exclusive of depreciation and amortization) increased to 33.6% from 32.7% during fiscal 2023 compared to fiscal 2022. Grocery and general merchandise revenue less related cost of goods sold (exclusive of depreciation and amortization) was positively impacted by mix shift to higher margin items like energy drinks, candy, and private label products, as well as retail price adjustments, offset by inflationary pressures. The prepared food and dispensed beverage revenue less related cost of goods sold (exclusive of depreciation and amortization) decreased to 56.6% from 59.2% during fiscal 2023 compared to the prior year, primarily due to higher ingredient costs, notably cheese, and higher levels of stales, which were partially offset by retail price adjustments.

Operating expenses increased 8.1% ($158,469) in fiscal 2023. A one-time payment of $15,297 was received from the resolution of a legal matter, which reduced operating expenses by approximately 1%. Approximately 3% of the increase is due to operating 69 more stores than a year ago. Approximately 2% of the increase was related to same-store operations. One percent of the increase was related to same-store credit card fees driven by higher retail fuel prices, retail price adjustments and strong inside sales. Approximately 1% of the change is related to an increase in variable incentive compensation due to strong financial performance. Same-store employee expense was flat as the increase in employee wage rate was offset by a 2% reduction in same-store labor hours. The majority of all operating expenses are wages and wage-related costs.

Depreciation and amortization expense increased 3.2% ($9,590) to $313,131 in fiscal 2023 from $303,541 in fiscal 2022. The increase was due primarily to acquisitions and capital expenditures made in fiscal 2023 and fiscal 2022, offset by a decrease in accelerated depreciation, which was recorded in the prior year on equipment replaced in remodels.

Interest, net decreased 9.1% ($5,157) to $51,815 in fiscal 2023 from $56,972 in fiscal 2022. The decrease was primarily attributable to an increase in interest income due to the increase in cash and cash equivalents and interest rates.

The effective tax rate increased to 24.0% in fiscal 2023 from 22.9% in fiscal 2022. The increase in the effective tax rate was driven by a decrease in excess tax benefits recognized on share-based awards and a decrease in favorable permanent differences.

Net income increased to $446,691 in fiscal 2023 from $339,790 in fiscal 2022. The increase was primarily attributable to higher profitability both inside the store and in fuel. This increase was partially offset by higher operating expenses, depreciation and amortization, and income tax expense. See discussion in the paragraphs above for the primary drivers for each of these increases.

Please refer to the Form 10-K related to the fiscal year ended April 30, 2022, filed on June 24, 2022, for comparison of Fiscal 2022 to Fiscal 2021.

**COMPANY TOTAL REVENUE AND REVENUE LESS COST OF GOODS SOLD (EXCLUDING DEPRECIATION AND AMORTIZATION) BY CATEGORY**

| | Years ended April 30, | | |
|---|---|---|---|
| | **2023** | 2022 | 2021 |
| Total revenue by category | | | |
| Fuel | **$ 10,027,310** | $ 8,312,038 | $ 4,825,466 |
| Grocery and general merchandise | **3,445,777** | 3,141,527 | 2,724,374 |
| Prepared food and dispensed beverage | **1,322,560** | 1,204,100 | 1,087,147 |
| Other (1) | **298,828** | 294,929 | 70,202 |
| | **$ 15,094,475** | $ 12,952,594 | $ 8,707,189 |
| Revenue less cost of goods sold (excluding depreciation and amortization) by category | | | |
| Fuel | **$ 1,074,913** | $ 928,868 | $ 761,247 |
| Grocery and general merchandise | **1,156,451** | 1,027,477 | 872,573 |
| Prepared food and dispensed beverage | **748,405** | 712,352 | 653,689 |
| Other (1) | **92,637** | 94,017 | 68,926 |
| | **$ 3,072,406** | $ 2,762,714 | $ 2,356,435 |

(1) The 'Other' category historically has primarily consisted of lottery, which is presented net of applicable costs, and car wash. As a result of the Buchanan Energy acquisition in the prior fiscal year, we acquired a dealer network where Casey's manages fuel wholesale supply agreements to these stores. The activity related to this dealer network is included in the 'Other' category and is presented gross of applicable costs.

**INDIVIDUAL STORE COMPARISONS (1)**

| | Years ended April 30, | | |
|---|---|---|---|
| | **2023** | 2022 | 2021 |
| Average retail sales | **$ 6,064** | $ 5,206 | $ 3,894 |
| Average retail inside sales (2) | **1,956** | 1,840 | 1,720 |
| Average revenue less cost of goods sold (excluding depreciation and amortization) on inside sales (2) | **752** | 723 | 655 |
| Average retail sales of fuel | **4,110** | 3,366 | 2,174 |
| Average revenue less cost of goods sold (excluding depreciation and amortization) on fuel | **450** | 363 | 338 |
| Average operating income (3) | **445** | 367 | 338 |
| Average number of gallons sold | **1,092** | 1,047 | 981 |

(1) Individual store comparisons include only those stores that had been in operation for at least one full year and remained open on April 30 of the fiscal year indicated.

(2) Inside sales is comprised of sales related to the grocery and general merchandise and prepared food and dispensed beverage categories.

(3) Average operating income represents retail sales less cost of goods sold, operating expenses and depreciation and amortization attributable to a particular store; it excludes interest, federal and state income taxes, and Company operating expenses not attributable to a particular store.

**SAME STORE SALES BY CATEGORY (1)**

| | Years ended April 30, | | |
|---|---|---|---|
| | **2023** | 2022 | 2021 |
| Fuel gallons | **(0.8)%** | 4.4 % | (8.1)% |
| Grocery and general merchandise (2) | **6.3 %** | 6.3 % | 6.6 % |
| Prepared food and dispensed beverage (2) | **7.1 %** | 7.4 % | (2.1)% |

(1) Same-store sales is a common metric used in the convenience store industry. We define same-store sales as the total sales increase (or decrease) for stores open during the full time of the periods being presented. The store must be open for each entire fiscal year being compared. Remodeled stores that remained open or were closed for just a very brief period of time (less than a week) during the period being compared remain in the same store sales comparison. If a store is replaced, either at the same location (razed and rebuilt) or relocated to a new location, it is removed from the comparison until the new store has been open for each entire period being compared. Newly constructed and acquired stores do not enter the calculation until they are open for each entire period being compared as well.

(2) The increase in grocery and general merchandise same-store sales was primarily due to strong sales of packaged beverages, snacks and candy. The increase in prepared food and dispensed beverage same-store sales was attributable to improved sales in pizza slices, whole pies, and donuts. Both categories were also impacted favorably by strategic retail price adjustments.

**Use of Non-GAAP Measures**

We define 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 as well as impairment charges. Neither EBITDA nor Adjusted EBITDA are presented in accordance with GAAP.

We believe EBITDA and Adjusted EBITDA are useful to investors in evaluating our operating performance because securities analysts and other interested parties use such calculations as a measure of financial performance and debt service capabilities, and they are regularly used by management for internal purposes including our capital budgeting process, evaluating acquisition targets, and assessing store performance.

EBITDA and Adjusted EBITDA are not recognized terms under GAAP and should not be considered as a substitute for net income, cash flows from operating activities or other income or cash flow statement data. These measures have limitations as analytical tools, and should not be considered in isolation or as substitutes for analysis of our results as reported under GAAP. We strongly encourage investors to review our 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, EBITDA and Adjusted EBITDA, as defined by us, may not be comparable to similarly titled measures reported by other companies. It therefore may not be possible to compare our use of these non-GAAP financial measures with those used by other companies.

The following table contains a reconciliation of net income to EBITDA and Adjusted EBITDA for the years ended April 30, 2023 and 2022, respectively:

| | Years ended | |
|---|---|---|
| | **April 30, 2023** | April 30, 2022 |
| Net income | **$ 446,691** | $ 339,790 |
| Interest, net | **51,815** | 56,972 |
| Depreciation and amortization | **313,131** | 303,541 |
| Federal and state income taxes | **140,827** | 100,938 |
| EBITDA | **$ 952,464** | $ 801,241 |
| Loss (gain) on disposal of assets and impairment charges | **6,871** | (1,201) |
| Adjusted EBITDA | **$ 959,335** | $ 800,040 |

For the year ended April 30, 2023, EBITDA and Adjusted EBITDA increased 18.9% and 19.9%, respectively. The increase was primarily attributable to higher profitability both inside the store and in fuel, which was partially offset by higher operating expenses due to operating 69 more stores than one year ago, an increase in store operations cost, as well as increased credit card fees resulting from increased revenue.

## Critical Accounting Policies and Estimates

Critical accounting policies are those accounting policies that management believes are important to the portrayal of our financial condition and results of operations and require management's most difficult, subjective judgments, often because of the need to estimate the effects of inherently uncertain factors.

**Business Combinations**

The Company uses the acquisition method of accounting for transactions meeting the definition of a business combination. The acquisitions are recorded in the financial statements by allocating the purchase price to the assets acquired, including intangible assets, and liabilities assumed, based on their estimated fair values at the acquisition date as determined by third party appraisals or internal estimates. The more significant assets acquired include buildings, equipment, and land. The Company primarily values buildings and equipment using the cost method and land using comparable land sales. The purchase price is determined based upon the fair value of consideration transferred to the seller. Fair values are typically determined using Level 3 inputs (see Note 3 to the consolidated financial statements). Given these estimates often are based upon unobservable inputs, the estimates require significant judgment when determining the overall value and actual results could differ from the estimates originally established. The excess of the cost of the acquisition over the net amounts assigned to the fair value of the assets acquired and the liabilities assumed is recorded as goodwill if the acquisition is considered to be a business combination. During a one-year period from the acquisition date, amounts are allowed to be provisional for areas that are expected to be adjusted to their final amounts during the measurement period. These provisional adjustments are for when the buyer obtains additional information about the facts and circumstances that existed as of the acquisition date. Subsequent adjustments recorded to provisional balances within the measurement period are recorded in the period in which the adjustment is identified. Acquisition-related transaction costs are recognized as period costs as incurred.

**Inventory**

Inventories, which consist of merchandise and fuel, are stated at the lower of cost or market. For fuel inventories, cost is determined through the use of the first-in, first-out (FIFO) method. For merchandise inventories, cost is determined through the use of the last-in, first-out (LIFO) method. Inventory valued using the LIFO method of inventory requires judgement when making the determination of appropriate indices to be used for determining price level changes.

**Long-lived Assets**

The Company monitors closed and underperforming stores for an indication that the carrying amount of assets may not be recoverable. If the sum of the expected future undiscounted cash flows is less than the carrying amount of the assets, an impairment loss is recognized to the extent carrying value of the assets exceeds their estimated fair value. Fair value is based on management's estimate of the price that would be received to sell an asset in an orderly transaction between market participants. The estimate is derived from offers, actual sale or disposition of assets subsequent to year-end, and other indications of fair value, which are considered Level 3 inputs (see Note 3 to the consolidated financial statements). In determining whether an asset is impaired, assets are grouped at the lowest level for which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets, which for the Company is generally on a store-by-store basis. The Company incurred impairment charges of $3,500 in fiscal 2023, $1,056 in fiscal 2022, and $3,846 in fiscal 2021. Impairment charges are a component of operating expenses.

**Self-insurance**

The Company is primarily self-insured for Team Member healthcare, workers' compensation, general liability, and automobile claims. The self-insurance claim liability for workers' compensation, general liability, and automobile claims is determined actuarially at each year-end based on claims filed and an estimate of claims incurred but not yet reported. Actuarial projections of the losses are employed due to the potential of variability in the liability estimates. Some factors affecting the uncertainty of claims include the development time frame, settlement patterns, litigation and adjudication direction, and medical treatment and cost trends. The liability is not discounted. The balances of our self-insurance reserves were $61,168 and $53,752 for the years ended April 30, 2023 and 2022, respectively.

## Recent Accounting Pronouncements

Refer to Note 1 of the consolidated financial statements for a description of new accounting pronouncements applicable to the Company.

## Liquidity and Capital Resources

Due to the nature of our business, cash provided by operations is our primary source of liquidity. The Company finances our inventory purchases primarily from normal trade credit aided by relatively rapid inventory turnover. This turnover allows us to conduct operations without large amounts of cash and working capital. As of April 30, 2023, the Company's ratio of current assets to current liabilities was 0.99 to 1. The ratio at April 30, 2022 and at April 30, 2021 was 0.80 to 1 and 1.18 to 1, respectively. The increase in the ratio from the prior year is partially attributable to an increase in cash and cash equivalents due to strong free cash flows, and a decrease in payments for acquisitions.

We believe our current $850,000 unsecured revolving credit facility, our $25,000 unsecured bank line of credit (subsequent to year-end this increased to $50,000, see discussion in Note 3), current cash and cash equivalents, and the future cash flow from operations will be sufficient to satisfy the working capital needs of our business.

Net cash provided by operating activities was $881,951 for the year ended April 30, 2023, compared to $788,741 for the year ended April 30, 2022. The increase in operating cash flows was partially attributable to an increase in net income adjusted for non-cash reconciling items (depreciation and amortization, amortization of debt issuance costs, stock-based compensation, and loss (gain) on disposal of assets and impairment charges) of approximately $132,873. Refer to "Fiscal 2023 Compared with Fiscal 2022" on page 21 for further details on the primary driver for these changes. This increase was partially offset by the changes in deferred income taxes and changes in components of assets and liabilities. Cash provided by operations can be impacted by variability in the timing of payments and receipts for certain assets and liabilities, as well as changes in commodity costs year-over-year. The impacts from changes in deferred income taxes decreased by $59,595, attributable to lower accelerated tax depreciation on acquisitions and capital expenditures made in the current fiscal year. Additionally, impacts from accounts payable decreased $175,376 due to higher fuel costs in the prior fiscal year and an effort to better utilize available payment terms introduced in the prior fiscal year. These decreases were partially offset by impacts from changes in income tax balances which increased $56,368, primarily attributable to the timing of tax payments across the last two fiscal years, and impacts from inventories which increased $100,820, attributable to higher fuel costs in the prior year.

As shown in the supplemental disclosures to the cash flow, cash paid for taxes increased $40,833, primarily attributable to an increase in taxable income (refer to "Fiscal 2023 Compared with Fiscal 2022" on page 21 for further details on the primary driver for these changes) during the year as impacts from changes in deferred tax liabilities and income tax receivable were offsetting.

Purchases of property and equipment and payments for acquisitions of businesses typically represent the single largest use of Company funds. Management believes that by acquiring, building, and reinvesting in stores, the Company will be better able to respond to competitive challenges and increase operating efficiencies. During fiscal 2023, we expended $562,137 for property and equipment, primarily for construction, acquisition, and remodeling of stores compared with $1,228,113 in the prior year. The decrease was primarily due to significant acquisition activity occurring in the prior year (see Note 2 for further discussion).

Cash provided by financing decreased $308,513, primarily due to $450,000 in draws on the Company's term loan facility to finance acquisitions in the prior year, offset by prior year prepayments of $167,500 on the Company's term loan facility due to strong free cash flow.

As of April 30, 2023, we had long-term debt and finance lease obligations consisting of:

| | | |
|---|---|---|
| Finance lease liabilities (Note 7) | $ | 95,072 |
| 3.67% Senior Notes (Series A) due in 7 installments beginning June 17, 2022, and ending June 15, 2028 | | 135,000 |
| 3.75% Senior Notes (Series B) due in 7 installments beginning December 17, 2022 and ending December 18, 2028 | | 45,000 |
| 3.65% Senior Notes (Series C) due in 7 installments beginning May 2, 2025 and ending May 2, 2031 | | 50,000 |
| 3.72% Senior Notes (Series D) due in 7 installments beginning October 28, 2025 and ending October 28, 2031 | | 50,000 |
| 3.51% Senior Notes (Series E) due June 13, 2025 | | 150,000 |
| 3.77% Senior Notes (Series F) due August 22, 2028 | | 250,000 |
| 2.85% Senior Notes (Series G) due August 7, 2030 | | 325,000 |
| 2.96% Senior Notes (Series H) due August 6, 2032 | | 325,000 |
| Variable rate term loan facility, requiring quarterly installments ending April 21, 2028 | | 250,000 |
| Debt issuance costs | | (1,698) |
| | $ | 1,673,374 |
| Less current maturities | | 52,861 |
| | $ | 1,620,513 |

Interest on the 3.67% Senior Notes Series A and 3.75% Senior Notes Series B is payable on the 17th day of each June and December. Principal on the Senior Notes Series A and Series B is payable in various installments beginning June 17, 2022 (Series A) and December 17, 2022 (Series B) through December 2028. We may prepay the 3.67% and 3.75% Senior Notes in whole or in part at any time in an amount of not less than $2,000 at a redemption price calculated in accordance with the Note Agreement dated June 17, 2013, as amended, between the Company and the purchasers of the Senior Notes Series A and Series B.

Interest on the 3.65% Senior Notes Series C is payable on the 2nd day of each May and November, while the interest on the 3.72% Senior Notes Series D is payable on the 28th day of each April and October. Principal on the Senior Notes Series C and Series D is payable in various installments beginning May 2, 2025 (Series C) and October 28, 2025 (Series D) through October 2031. We may prepay the 3.65% and 3.72% Senior Notes in whole or in part at any time in an amount of not less than $2,000 at a redemption price calculated in accordance with the Note Agreement dated May 2, 2016, as amended, between the Company and the purchasers of the Senior Notes Series C and Series D.

Interest on the 3.51% Senior Notes Series E is payable on the 13th day of each June and December, while the interest on the 3.77% Senior Notes Series F is payable on the 22nd day of each February and August. Principal on the Senior Notes Series E and Series F is payable in full on June 13, 2025 (Series E) and August 22, 2028 (Series F), respectively. We may prepay the 3.51% and 3.77% Senior Notes in whole or in part at any time in an amount of not less than $2,000 at a redemption price calculated in accordance with the Note Agreement dated June 13, 2017, as amended, between the Company and the purchasers of the Senior Notes Series E and Series F.

Interest on the 2.85% Senior Notes Series G and 2.96% Senior Notes Series H is payable on the 7th day of each February and August. Principal on the Senior Notes Series G and Series H is payable in full on August 7, 2030 (Series G) and August 6, 2032 (Series H), respectively. We may prepay the 2.85% and 2.96% Senior Notes in whole or in part at any time in an amount of not less than $2,000 at a redemption price calculated in accordance with the Note Purchase Agreement dated June 30, 2020, between the Company and the purchasers of the Senior Notes Series G and Series H.

During the fourth quarter, the Company refinanced its existing credit agreement (dated January 11, 2019, as amended, by and among the Company, the lenders party thereto and Royal Bank of Canada, as administrative agent) which resulted in its termination and repayment, in full, and entry into a new credit agreement (dated April 21, 2023, by among the lenders thereto and Wells Fargo Bank, National Association, as administrative agent) to provide for (a) a $250 million unsecured term loan , and (b) an $850 million unsecured revolving credit facility (collectively, the "Credit Facilities"). See Note 3 for additional information related to the Credit Facilities (see "Prior Credit Agreement" and "New Credit Agreement" sections). Amounts borrowed under the Credit Facilities bear interest at variable rates based upon, at the Company's option, either: (a) either Term SOFR or Daily Simple SOFR, in each case plus 0.10% (with a floor of 0.00%) for the interest period in effect, plus an applicable margin ranging from 1.10% to 1.70% or (b) an alternate base rate, which generally equals the highest of (i) the prime commercial lending rate announced by the Administrative Agent as its “prime rate”, (ii) the federal funds rate plus 1/2 of 1.00%, and (iii) Adjusted Daily Simple SOFR plus 1.00%, each plus an applicable margin ranging from 0.10% to 0.70% and each with a floor of 1.00%. The applicable margins are dependent upon the Company's quarterly Consolidated Leverage Ratio, as defined in the credit agreement. We have the right at any time to prepay all or a portion of the outstanding balance without premium or penalty, other than customary “breakage” costs with respect to Term SOFR-based borrowings, with prior notice given.

To date, we have funded capital expenditures primarily through funds generated from operations, the proceeds of the sale of common stock, issuance of debt or other bank financing, and existing cash. Future capital required to finance operations, improvements, and the anticipated growth in the number of stores is expected to come from cash generated by operations, its $850,000 committed unsecured revolving credit facility, its additional $25,000 unsecured bank line of credit, and additional long-term debt or other securities as circumstances may dictate. We do not expect such capital needs to adversely affect liquidity.

The table below presents our significant contractual obligations, including interest, at April 30, 2023:

| **Contractual obligations** | Payments due by period | | | | |
|---|---|---|---|---|---|
| | Total | Less than 1 year | 1-3 years | 3-5 years | More than 5 years |
| Long-term debt (1) | $ 1,845,788 | $ 87,959 | $ 329,559 | $ 374,706 | $ 1,053,564 |
| Finance lease obligations | 130,897 | 12,398 | 21,502 | 20,240 | 76,757 |
| Operating lease obligations | 164,321 | 8,140 | 16,322 | 16,086 | 123,773 |
| Unrecognized tax benefits | 10,957 | — | — | — | — |
| Deferred compensation | 12,585 | — | — | — | — |
| Total | $ 2,164,548 | $ 108,497 | $ 367,383 | $ 411,032 | $ 1,254,094 |

(1) The long-term debt portion of the table above excludes interest payments related to the Company's term loan facility, due to the variable nature of the required interest payments.

Unrecognized tax benefits relate to uncertain tax positions and since we are not able to reasonably estimate the timing of the payments or the amount by which the liability will increase or decrease over time, the related timing of the payment of the balances have not been reflected in the above “Payments due by period” table.

At April 30, 2023, the Company had a total of $10,957 in gross unrecognized tax benefits. Of this amount, $8,656 represents the amount of unrecognized tax benefits that, if recognized, would impact our effective tax rate. The total amount of accrued interest and penalties for such unrecognized tax benefits was $386 as of April 30, 2023. Interest and penalties related to income taxes are classified as income tax expense in our consolidated statements of income. The federal statute of limitations remains open for the tax years 2019 and forward. Tax years 2013 and forward are subject to audit by state tax authorities depending on open statute of limitations waivers and the tax code of each state.

A number of years may elapse before an uncertain tax position is audited and ultimately settled. It is difficult to predict the ultimate outcome or the timing of resolution for uncertain tax positions. It is reasonably possible that the amount of unrecognized tax benefits could significantly increase or decrease within the next twelve months. These changes could result from the expiration of the statute of limitations, examinations or other unforeseen circumstances. The Company has no ongoing federal or state income tax examinations. At this time, management believes it is reasonably possible the aggregate amount of unrecognized tax benefits will decrease by $2,500 within the next 12 months. This expected decrease is due to the expiration of statute of limitations related to certain federal and state income tax filing positions.

Included in other long-term liabilities on our consolidated balance sheet at April 30, 2023, was a $11,534 obligation for deferred compensation. Additionally, $756 was recognized in current liabilities as of April 30, 2023 related to deferred compensation. As the specific payment dates for a portion of the deferred compensation outstanding are unknown due to the unknown retirement dates of many of the participants, the related timing of the payment of the balances have not been reflected in the above “Payments due by period” table. However, known payments of $8,777 will be due during the next 5 years.

At April 30, 2023, we were partially self-insured for workers’ compensation claims in all but two states of our operating territory. In North Dakota and Ohio, we are required to participate in an exclusive, state managed fund for all workers compensation claims. We were also partially self-insured for general liability and auto liability under an agreement that provides for annual stop-loss limits equal to or exceeding $2,000 for auto liability and $1,000 for workers' compensation and general liability.

**Forward-Looking Statements**

This Form 10-K, including but not limited to the Management's Discussion and Analysis of Financial Condition and Results of Operations, contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. The words "may," "will," "should," "believe," "expect," "anticipate," "intend," "estimate," "project," "continue," and similar expressions are used to identify forward-looking statements. Forward-looking statements represent the Company's current expectations or beliefs concerning future events and trends that we believe may affect our financial condition, liquidity and related sources and needs, supply chain, results of operations and performance at our stores, business strategy, strategic plans, growth opportunities, integration of acquisitions, acquisition synergies, short-term and long-term business operations and objectives including our long-term strategic plan, wholesale fuel, inventory and ingredient costs and the potential effects of the conflict in Ukraine and COVID-19 on our business. The Company cautions that these statements are further qualified by important factors that could cause actual results to differ materially from those in the forward-looking statements, including, without limitation, the following risk factors described more completely above in Item 1A entitled "Risk Factors":

Business Operations; Our business and our reputation could be adversely affected by a cyber or data security incident or the failure to protect sensitive guest, Team Member or supplier data, or the failure to comply with applicable regulations relating to data security and privacy; food-safety issues and foodborne illnesses, whether actual or reported, or the failure to comply with applicable regulations relating to the transportation, storage, preparation or service of food, could adversely affect our business and reputation; we may be adversely impacted by increases in the cost of food ingredients and other related costs; a significant disruption to our distribution network, to the capacity of the distribution centers, or timely receipt of inventory could adversely impact our sales or increase our transaction costs, which could have a material adverse effect on our business; we could be adversely affected if we experience difficulties in, or are unable to recruit, hire or retain, members of our leadership team and other distribution, field and store Team Members; any failure to anticipate and respond to changes in consumer preferences, or to introduce and promote innovative technology for guest interaction, could adversely affect our financial results; we rely on our information technology systems, and a number of third-party software providers, to manage numerous aspects of our business, and a disruption of these systems could adversely affect our business; increased credit card expenses could lead to higher operating expenses and other costs for the Company; our operations present hazards and risks which may not be fully covered by insurance, if insured; the dangers inherent in the storage and transport of fuel could cause disruptions and could expose to us potentially significant losses, costs or liabilities; consumer or other litigation could adversely affect our financial condition and results of operations; pandemics or disease outbreaks, such as COVID-19, responsive actions taken by governments and others to mitigate their spread, and guest behavior in response to these events, have, and may in the future, adversely affect our business operations, supply chain and financial results; and, covenants in our Senior Notes and credit facility agreements require us to comply with certain covenants and meet financial maintenance tests and the failure to comply with these requirements could have a material impact to us.

Governmental Actions, Regulations, and Oversight: Compliance with and changes in tax laws could adversely affect our performance; we are subject to extensive governmental regulations; governmental action and campaigns to discourage tobacco and nicotine use and other tobacco products may have a material adverse effect on our revenues and gross profit; and, wholesale cost and tax increases relating to tobacco and nicotine products could affect our operating results.

Industry: General economic and political conditions that are largely out of the Company's control may adversely affect the Company's financial condition and results of operations; developments related to fuel efficiency, fuel conservation practices, climate change, and changing consumer preferences may decrease the demand for motor fuel; unfavorable weather conditions can adversely affect our business; the volatility of wholesale petroleum costs could adversely affect our operating results; and, the convenience store industry is highly competitive.

Growth Strategies: We may not be able to identify, acquire, and integrate new properties and stores, which could adversely affect our ability to grow our business.

Common Stock: The market price for our common stock has been and may in the future be volatile, which could cause the value of your investment to decline; any issuance of shares of our common stock in the future could have a dilutive effect on your investment; and, Iowa law and provisions in our charter documents may have the effect of preventing or hindering a change in control and adversely affecting the market price of our common stock.

Although we have attempted to list the important factors that presently affect the Company's business and operating results, we further caution you that other factors we have not identified may in the future prove to be important in affecting our business and results of operations. We ask you not to place undue reliance on any forward-looking statements because they speak only of our views as of the statement dates. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

## ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company’s exposure to market risk for changes in interest rates relates primarily to our investment portfolio and floating rate long-term debt obligations. We place our investments with high-quality credit issuers and, by policy, limit the amount of credit exposure to any one issuer. Our first priority is to reduce the risk of principal loss. Consequently, we seek to preserve our invested funds by attempting to limit default risk, market risk, and reinvestment risk. We attempt to mitigate default risk by investing in only high-quality credit securities that we believe to be low risk and by positioning our portfolio to respond appropriately to a significant reduction in a credit rating of any investment issuer or guarantor. The portfolio includes only marketable securities with active secondary or resale markets to ensure portfolio liquidity. Based upon the outstanding balance of the Company's term loan facilities as of April 30, 2023, an immediate 100-basis-point move in interest rates would have an approximate annualized impact of $2.5 million on interest expense.

We do, from time to time, participate in a forward buy of certain commodities. These are not accounted for as derivatives under the normal purchase and sale exclusions under the applicable accounting guidance.

## ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

**The Shareholders and Board of Directors**
**Casey's General Stores, Inc.:**

*Opinion on the Consolidated Financial Statements*

We have audited the accompanying consolidated balance sheets of Casey's General Stores, Inc. and subsidiaries (the Company) as of April 30, 2023 and 2022, the related consolidated statements of income, shareholders' equity, and cash flows for each of the years in the three-year period ended April 30, 2023, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of April 30, 2023 and 2022, and the results of its operations and its cash flows for each of the years in the three-year period ended April 30, 2023, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of April 30, 2023, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated June 23, 2023 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

*Basis for Opinion*

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

*Critical Audit Matter*

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

*Assessment of the self-insurance claim liability for workers' compensation*

As discussed in Notes 1 and 10 to the consolidated financial statements, at April 30, 2023, the Company was primarily self-insured for workers' compensation claims. The self-insurance claim liability for workers' compensation is determined actuarially based on claims filed and an estimate of claims incurred but not yet reported. Factors affecting the uncertainty of the claim liability include the (1) loss development factors, which include the development time frame and settlement patterns, and (2) expected loss rates, which include litigation and adjudication direction, and medical treatment and cost trends. As discussed in Notes 1 and 10 to the consolidated financial statements, the Company reported a self-insurance claim liability of $61,168 thousand, which included the self-insurance claim liability for workers' compensation.

We identified the assessment of the self-insurance claim liability for workers' compensation as a critical audit matter. The evaluation of the key assumptions used to estimate the liability, specifically the loss development factors and expected loss rates, required complex auditor judgment due to the significant measurement uncertainty. Specialized skill and knowledge was necessary to evaluate the methods and key assumptions used to determine the liability.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls related to the Company's process to determine the self-insurance claim liability for workers' compensation. This included controls related to the selection of the methods used to determine the liability, and the evaluation of the loss development factors and expected loss rates. We involved actuarial professionals with specialized skill and knowledge, who assisted in:

- assessing the methods used by the Company by comparing them to generally accepted actuarial methods
- evaluating the loss development factors and expected loss rates used by the Company by comparing them to industry trends.

/s/ KPMG LLP

We have served as the Company's auditor since 1987.

Des Moines, Iowa

June 23, 2023

**Report of Independent Registered Public Accounting Firm**

**The Shareholders and Board of Directors**
**Casey’s General Stores, Inc.:**

*Opinion on Internal Control Over Financial Reporting*

We have audited Casey's General Stores, Inc. and subsidiaries' (the Company) internal control over financial reporting as of April 30, 2023, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of April 30, 2023, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of April 30, 2023 and 2022, the related consolidated statements of income, shareholders’ equity, and cash flows for each of the years in the three-year period ended April 30, 2023, and the related notes (collectively, the consolidated financial statements), and our report dated June 23, 2023 expressed an unqualified opinion on those consolidated financial statements.

*Basis for Opinion*

The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

*Definition and Limitations of Internal Control Over Financial Reporting*

A company’s internal control over financial reporting is a process designed 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. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate

/s/ KPMG LLP

Des Moines, Iowa

June 23, 2023

**CASEY'S GENERAL STORES, INC. AND SUBSIDIARIES**
CONSOLIDATED BALANCE SHEETS (In thousands, except share data)

| | April 30, 2023 | April 30, 2022 |
|---|---|---|
| **Assets** | | |
| Current assets | | |
| Cash and cash equivalents | **$ 378,869** | $ 158,878 |
| Receivables | **120,547** | 108,028 |
| Inventories | **376,085** | 396,199 |
| Prepaid expenses | **22,107** | 17,859 |
| Income taxes receivable | **23,347** | 44,071 |
| Total current assets | **920,955** | 725,035 |
| Property and equipment, at cost | | |
| Land | **1,151,812** | 1,097,985 |
| Buildings and leasehold improvements | **2,629,795** | 2,445,509 |
| Machinery and equipment | **2,783,802** | 2,695,366 |
| Finance lease right-of-use assets | **99,764** | 75,060 |
| Construction in process | **169,796** | 92,331 |
| | **6,834,969** | 6,406,251 |
| Less accumulated depreciation and amortization | **2,620,149** | 2,425,709 |
| Net property and equipment | **4,214,820** | 3,980,542 |
| Other assets, net of amortization | **192,153** | 187,219 |
| Goodwill | **615,342** | 612,934 |
| Total assets | **$ 5,943,270** | $ 5,505,730 |
| **Liabilities and Shareholders' Equity** | | |
| Current liabilities | | |
| Current maturities of long-term debt and finance lease obligations | **$ 52,861** | $ 24,466 |
| Accounts payable | **560,546** | 588,783 |
| Accrued expenses | | |
| Wages and related taxes | **78,791** | 87,022 |
| Property taxes | **51,109** | 47,556 |
| Insurance accruals | **28,856** | 25,795 |
| Other | **154,962** | 131,056 |
| Total current liabilities | **927,125** | 904,678 |
| Long-term debt and finance lease obligations, net of current maturities | **1,620,513** | 1,663,403 |
| Deferred income taxes | **543,598** | 520,472 |
| Insurance accruals, net of current portion | **32,312** | 27,957 |
| Other long-term liabilities | **159,056** | 148,382 |
| Total liabilities | **3,282,604** | 3,264,892 |
| Commitments and contingencies | | |
| Shareholders' equity | | |
| Preferred stock, no par value, none issued | **—** | — |
| Common stock, no par value, 37,263,248 and 37,111,667 shares issued and outstanding at April 30, 2023 and 2022, respectively | **110,037** | 79,412 |
| Retained earnings | **2,550,629** | 2,161,426 |
| Total shareholders' equity | **2,660,666** | 2,240,838 |
| Total liabilities and shareholders' equity | **$ 5,943,270** | $ 5,505,730 |

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share amounts)

| | Years ended April 30, | | |
|---|---|---|---|
| | **2023** | 2022 | 2021 |
| Total revenue | **$ 15,094,475** | $ 12,952,594 | $ 8,707,189 |
| Cost of goods sold (exclusive of depreciation and amortization, shown separately below) | **12,022,069** | 10,189,880 | 6,350,754 |
| Operating expenses | **2,119,942** | 1,961,473 | 1,637,191 |
| Depreciation and amortization | **313,131** | 303,541 | 265,195 |
| Interest, net | **51,815** | 56,972 | 46,679 |
| Income before income taxes | **587,518** | 440,728 | 407,370 |
| Federal and state income taxes | **140,827** | 100,938 | 94,470 |
| Net income | **$ 446,691** | $ 339,790 | $ 312,900 |
| Net income per common share | | | |
| Basic | **$ 11.99** | $ 9.14 | $ 8.44 |
| Diluted | **$ 11.91** | $ 9.10 | $ 8.38 |
| Dividends declared per share | **$ 1.52** | $ 1.39 | $ 1.32 |

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(In thousands, except per share and share amounts)

| | Shares Outstanding | Common stock | Retained earnings | Shareholders' Equity |
|---|---|---|---|---|
| Balance at April 30, 2020 | 36,806,325 | $ 33,286 | $1,609,919 | $ 1,643,205 |
| Net income | — | — | 312,900 | 312,900 |
| Dividends declared ($1.32 per share) | — | — | (49,091) | (49,091) |
| Exercise of stock options | 40,189 | 1,784 | — | 1,784 |
| Stock-based compensation (net of tax withholding on employee share-based awards) | 103,364 | 23,881 | — | 23,881 |
| Balance at April 30, 2021 | 36,949,878 | $ 58,951 | $1,873,728 | $ 1,932,679 |
| Net income | — | — | 339,790 | 339,790 |
| Dividends declared ($1.39 per share) | — | — | (52,092) | (52,092) |
| Exercise of stock options | 3,000 | 133 | — | 133 |
| Stock-based compensation (net of tax withholding on employee share-based awards) | 158,789 | 20,328 | — | 20,328 |
| Balance at April 30, 2022 | 37,111,667 | $ 79,412 | $2,161,426 | $ 2,240,838 |
| Net income | **—** | **—** | **446,691** | **446,691** |
| Dividends declared ($1.52 per share) | **—** | **—** | **(57,488)** | **(57,488)** |
| Stock-based compensation (net of tax withholding on employee share-based awards) | **151,581** | **30,625** | **—** | **30,625** |
| **Balance at April 30, 2023** | **37,263,248** | **$ 110,037** | **$2,550,629** | **$ 2,660,666** |

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

| | Years ended April 30, | | |
|---|---|---|---|
| | **2023** | 2022 | 2021 |
| **Cash flows from operating activities** | | | |
| Net income | **$ 446,691** | $ 339,790 | $ 312,900 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | |
| Depreciation and amortization | **313,131** | 303,541 | 265,195 |
| Amortization of debt issuance costs | **1,789** | 2,527 | 1,603 |
| Stock-based compensation | **47,024** | 37,976 | 31,986 |
| Loss (gain) on disposal of assets and impairment charges | **6,871** | (1,201) | 9,680 |
| Deferred income taxes | **23,126** | 82,721 | 4,123 |
| Changes in assets and liabilities: | | | |
| Receivables | **(12,519)** | (33,025) | (26,278) |
| Inventories | **24,090** | (76,730) | (50,342) |
| Prepaid expenses | **(4,248)** | (6,376) | (1,413) |
| Accounts payable | **(9,483)** | 165,893 | 166,546 |
| Accrued expenses | **20,292** | 23,574 | 65,497 |
| Income taxes | **20,652** | (35,716) | 5,714 |
| Other, net | **4,535** | (14,233) | 18,877 |
| Net cash provided by operating activities | **881,951** | 788,741 | 804,088 |
| **Cash flows from investing activities** | | | |
| Purchase of property and equipment | **(476,568)** | (326,475) | (441,252) |
| Payments for acquisitions of businesses, net of cash acquired | **(85,569)** | (901,638) | (9,356) |
| Proceeds from sales of property and equipment | **17,103** | 70,118 | 6,268 |
| Net cash used in investing activities | **(545,034)** | (1,157,995) | (444,340) |
| **Cash flows from financing activities** | | | |
| Proceeds from long-term debt | **—** | 450,000 | 650,000 |
| Repayments of long-term debt | **(40,970)** | (188,537) | (571,661) |
| Repayments of short-term debt | **—** | — | (120,000) |
| Payment of debt issuance costs | **(3,940)** | (1,149) | (5,525) |
| Proceeds from exercise of stock options | **—** | 133 | 1,784 |
| Payments of cash dividends | **(55,617)** | (51,212) | (47,971) |
| Tax withholdings on employee share-based awards | **(16,399)** | (17,648) | (8,105) |
| Net cash (used in) provided by financing activities | **(116,926)** | 191,587 | (101,478) |
| Net increase (decrease) in cash and cash equivalents | **219,991** | (177,667) | 258,270 |
| Cash and cash equivalents at beginning of year | **158,878** | 336,545 | 78,275 |
| Cash and cash equivalents at end of year | **$ 378,869** | $ 158,878 | $ 336,545 |
| | | | |
| SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION | | | |
| Cash paid for interest, net of amount capitalized | **$ 56,799** | $ 54,499 | $ 48,508 |
| Cash paid for income taxes, net | **90,398** | 49,565 | 80,916 |
| Noncash investing and financing activities | | | |
| Purchased property and equipment in accounts payable | **27,905** | 46,659 | 9,204 |

See accompanying Notes to Consolidated Financial Statements.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
(Dollars in thousands, except share and per share amounts)

## 1. SIGNIFICANT ACCOUNTING POLICIES

Operations: Casey's General Stores, Inc. and its subsidiaries (collectively referred to as the "Company") operate 2,521 convenience stores in 16 states, primarily in the Midwest. Many of the stores are located in smaller communities, often with populations of less than 5,000.

Principles of consolidation: The consolidated financial statements include the financial statements of Casey's General Stores, Inc. and its wholly-owned subsidiaries. All material intercompany balances and transactions have been eliminated in consolidation. Certain amounts in prior year have been reclassified to conform to current year presentation.

Use of estimates: The preparation of financial statements in conformity with U.S. generally accepted accounting principles ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash equivalents: We consider all highly liquid investments with a maturity at purchase of three months or less to be cash equivalents. Included in cash equivalents are money market funds, treasury bills, and credit card, debit card and electronic benefits transfer transactions that process within three days.

Receivables: Receivables is primarily comprised of balances outstanding from credit card companies which are not processed within three days and balances outstanding from vendor rebates. The Company records credit card receivables at the time of the related sale to the guest. Vendor rebates are recorded based upon the applicable agreements. Uncollectible accounts were immaterial during the periods presented. Below is a summary of the receivable values at April 30, 2023 and 2022:

| | Years ended April 30, | |
|---|---|---|
| | **2023** | 2022 |
| Credit cards | **$ 46,851** | $ 57,724 |
| Vendor rebates | **54,979** | 40,045 |
| Other | **18,717** | 10,259 |
| Total receivables | **$ 120,547** | $ 108,028 |

Inventories and cost of goods sold: Inventories, which consist of merchandise and fuel, are stated at the lower of cost or market. For fuel inventories, cost is determined through the use of the first-in, first-out (FIFO) method. For merchandise inventories, cost is determined through the use of the last-in, first-out (LIFO) method.

The excess of replacement cost over the stated LIFO value was $138,962 and $114,731 at April 30, 2023 and 2022, respectively. There were no material LIFO liquidations during the periods presented. Below is a summary of the inventory values at April 30, 2023 and 2022:

| | Years ended April 30, | |
|---|---|---|
| | **2023** | 2022 |
| Fuel | **$ 115,095** | $ 131,823 |
| Merchandise | **260,990** | 264,376 |
| Total inventories | **$ 376,085** | $ 396,199 |

The Company often receives vendor allowances on the basis of quantitative contract terms that vary by product and vendor or directly on the basis of purchases made. Vendor allowances include rebates and other funds received from vendors to promote their products. These amounts are recognized in the period earned based on the applicable rebate agreement. Reimbursements of an operating expense (e.g., advertising) are recorded as reductions of the related expense.

Renewable identification numbers ("RINs") are assigned to gallons of renewable fuels produced and are used to track compliance with the renewable fuel standard. At times, we purchase fuel components (ethanol, gasoline, biodiesel or diesel) and blend those components into a finished product in a fuel truck. This process enables the Company to take title to the RIN assigned to each gallon of ethanol or biodiesel produced. RINs are recorded as a reduction in cost of goods sold at the contracted sales price, in the period when the Company transfers the RIN. The Company does not record inventories on the balance sheet related to RINs, as they are acquired at no cost to the Company.

The Company includes in cost of goods sold the costs incurred to acquire fuel and merchandise, including excise taxes, less vendor allowances and rebates and RINs. Warehousing costs are recorded within operating expenses on the consolidated statements of income.

Capitalized software implementation costs: The Company capitalizes expenditures related to the implementation of software-as-a-service as incurred. These costs are expensed on a straight-line basis within operating expenses, typically over the contractual life of the related software. The useful lives utilized for capitalized software implementation costs range from 2-13 years. As of April 30, 2023 and April 30, 2022, the Company had recognized $42,495 and $41,337 of capitalized software implementation costs, respectively. The outstanding balance is recognized in other assets, net of amortization on the consolidated balance sheets. The Company has recognized amortization of $12,302 in fiscal 2023, $9,449 in fiscal 2022 and $8,553 in fiscal 2021 within operating expenses on the consolidated statements of income.

Goodwill: As of April 30, 2023 and 2022, there was $615,342 and $612,934 of goodwill recognized, respectively. Goodwill is tested for impairment at least annually. The Company used a qualitative approach to assess the recoverability of goodwill at year-end. Management's analysis of recoverability completed as of the fiscal year-end indicated no evidence of impairment for the years ended April 30, 2023, 2022, and 2021.

Contractual customer relationships: As the result of the prior year acquisition of Buchanan Energy, the Company recognized approximately $31,100 of contractual customer relationships. These assets were valued using the multi-period excess earnings method. The contractual customer relationships are amortized on a straight-line basis over a useful life of 15 years and are included within other assets, net of amortization in the consolidated balance sheets as of April 30, 2023. As of April 30, 2023 and April 30, 2022, the Company has recognized $26,953 and $29,027 of contractual customer relationships, which was net of accumulated amortization of $4,147 and $2,073 respectively. The Company expects to recognize $2,073 of annual amortization expense related to contractual customer relationships over the next 5 years.

Depreciation and amortization: Depreciation of property and equipment are computed using the straight-line method over the following estimated useful lives:

| | |
|---|---|
| Buildings | 25-40 years |
| Machinery and equipment | 3-40 years |
| Finance lease right-of-use assets | Lesser of term of lease or life of asset |
| Leasehold improvements | Lesser of term of lease or life of asset |

The Company monitors stores and will accelerate depreciation if the expected life of the asset is reduced due to the expected remaining operation of the store or the Company's plans. Construction in process is reported at cost and not subject to depreciation until the related asset is placed in service.

Store closings and asset impairment: The Company writes down property and equipment of stores it is closing to estimated net realizable value at the time management commits to a plan to close such stores and begins actively marketing the stores. The Company bases the estimated net realizable value of property and equipment on its experience in utilizing and/or disposing of similar assets, as well as estimates provided by its own and/or third-party real estate experts.

The Company monitors closed and underperforming stores for an indication that the carrying amount of assets may not be recoverable. If the sum of the expected future undiscounted cash flows is less than the carrying amount of the assets, an impairment loss is recognized to the extent carrying value of the assets exceeds their estimated fair value. Fair value is typically based on management's estimate of the price that would be received to sell an asset in an orderly transaction between market participants. The estimate is derived from offers, actual sale or disposition of assets subsequent to year-end, and other indications of fair value, which are considered Level 3 inputs (see Note 3). In determining whether an asset is impaired, assets are grouped at the lowest level for which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets, which for the Company, is generally on a store-by-store basis. The Company incurred impairment charges of $3,500 in fiscal 2023, $1,056 in fiscal 2022, and $3,846 in fiscal 2021. Impairment charges are a component of operating expenses.

Income taxes: The Company uses the asset and liability method of accounting for income taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the consolidated statements of income in the period that includes the enactment date. The Company calculates its current and deferred tax provision based on estimates and assumptions that could differ from actual results reflected in income tax returns filed in subsequent years. Adjustments based on filed returns are recorded when identified.

Revenue recognition: The Company recognizes retail sales of fuel, grocery and general merchandise, prepared food and dispensed beverage and other revenue at the time of the sale to the guest. Sales taxes collected from guests and remitted to the government are recorded on a net basis in the consolidated financial statements.

A portion of revenue from sales that include a redeemable digital box top coupon or points under our Casey's Rewards program is deferred. The deferred portion of the sale represents the value of the estimated future redemption of the digital box top coupon or points. The amounts related to redeemable digital box top coupons and points are deferred until their redemption or expiration. Revenue related to the digital box top coupons and points issued is expected to be recognized less than one year from the original sale to the guest. As of April 30, 2023 and April 30, 2022, the Company recognized a contract liability of $55,561 and $41,577, respectively, related to the outstanding digital box top coupons and Casey's Rewards points, which is included in other accrued expenses on the consolidated balance sheets.

Gift card related revenue is recognized as the gift cards are used by the guest. Gift card breakage revenue is recognized based on the estimated gift card breakage rate over the pro rata usage of the card. As of April 30, 2023 and April 30, 2022, the Company recognized a liability of $17,463 and $15,509, respectively, related to outstanding gift cards, which is included in other accrued expenses on the consolidated balance sheets.

Net income per common share: Basic earnings per share have been computed by dividing net income by the weighted average shares outstanding during each of the years. Unvested shares under equity awards are treated as common shares within the basic earnings per share calculation when a recipient has met certain requirements in the award agreement. For example, if retirement provisions are satisfied which allow a recipient to avoid forfeiture of the award upon a normal retirement from the Company, it is included in the basic earnings per share calculation. The calculation of diluted earnings per share treats stock options and unvested restricted stock units with time-based restrictions as potential common shares to the extent they are dilutive. The diluted earnings per share calculation does not take into effect any shares that have not met performance or market conditions as of the reporting period.

Asset retirement obligations: The Company recognizes the estimated future cost to remove underground storage tanks over the estimated useful life of the storage tank. The Company records a discounted liability for the fair value of an asset retirement obligation with a corresponding increase to the carrying value of a long-lived asset at the time an underground storage tank is installed. The Company depreciates the amount added to property and equipment on a straight-line basis and recognizes accretion expense in connection with the discounted liability over the remaining life of the tank. The estimates of the anticipated future costs for removal of an underground storage tank are based on our prior experience with removal. Because these estimates are subjective and are currently based on historical costs with adjustments for estimated future changes in the associated costs, we expect the dollar amount of these obligations to change as more information is obtained.

The discounted liability was $36,978 and $28,604 at April 30, 2023 and 2022, respectively, and is recorded in other long-term liabilities on the consolidated balance sheets.

Self-insurance: The Company is primarily self-insured for Team Member healthcare, workers' compensation, general liability, and automobile claims. The self-insurance claim liability for workers' compensation, general liability, and automobile claims is determined using actuarial methods at each year end based on claims filed and an estimate of claims incurred but not yet reported. Actuarial projections of the losses are employed due to the potential of variability in the liability estimates. Some factors affecting the uncertainty of the claim liability include the loss development factors, which includes the development time frame and settlement patterns, and expected loss rates, which includes litigation and adjudication direction, and medical treatment and cost trends. The liability is not discounted. The balance of our self-insurance reserves was $61,168 and $53,752 for the years ended April 30, 2023 and 2022, respectively. See additional discussion in Note 10.

Environmental remediation liabilities: The Company accrues for environmental remediation liabilities when it is probable a liability has been incurred and the amount of loss can be reasonably estimated.

Derivative instruments: There were no options or futures contracts as of or during the years ended April 30, 2023, 2022, or 2021. From time to time, we participate in a forward buy of certain commodities - see further discussion in Note 9. These are not accounted for as derivatives under the normal purchases and sale exclusions within the applicable accounting guidance.

Stock-based compensation: Stock-based compensation is recorded based upon the fair value of the award on the grant date. The cost of the award is recognized ratably in the consolidated statements of income over the vesting period of the award, adjusted for certain retirement provisions. Forfeitures are recognized as they occur. Additionally, certain awards include performance and market conditions. The majority of performance-based awards are based on either the achievement of a three-year average return on invested capital (ROIC) or three-year cumulative earnings before interest, income taxes, depreciation, and amortization (EBITDA). For these awards, stock-based compensation expense is estimated based on the probable outcome of shares to be awarded adjusted as necessary at each reporting period. Additionally, if the Company's relative total shareholder return over the performance period is in the bottom or top quartile of the companies comprising the S&P 500, the performance-based shares included will be adjusted downward by 25%, or upward by 25%, respectively (the "TSR Modifier"). The fair value of these awards is determined using a Monte Carlo simulation as of the date of the grant. For the market-based portion of these awards, the stock-based compensation expense will not be adjusted should the target awards vary from actual awards.

Segment reporting: As of April 30, 2023, we operated 2,521 stores in 16 states. Our convenience stores offer a broad selection of merchandise, fuel and other products and services designed to appeal to the convenience needs of our guests. We manage the business on the basis of one operating segment and therefore, have only one reportable segment. Our stores sell similar products and services, use similar processes to sell those products and services, and sell their products and services to similar classes of guests. We make specific disclosures concerning the three broad categories of fuel, grocery and general merchandise, and prepared food and dispensed beverage because it makes it easier for us to discuss trends and operational initiatives within our business and industry. Although we can separate revenues and cost of goods sold within these categories (and further sub-categories), the operating expenses associated with operating a store that sells these products are not separable by these three categories.

Recent accounting pronouncements:

In November 2021, the FASB issued ASU 2022-10, *Governmental Assistance (Topic 832) - Disclosures by Business Entities about Government Assistance*. The standard is an effort to increase transparency of government assistance by requiring disclosures related to the type of assistance, the accounting treatment for the assistance, and the effect of the assistance on the financial statements. The Company was required to adopt this guidance in the first quarter of this fiscal year. The adoption of this standard did not have a material impact on our consolidated financial statements.

In September 2022, the FASB issued ASU 2022-04, *Liabilities—Supplier Finance Programs (Subtopic 405-50).* The standard included guidance related to supplier finance programs and requires the buyer in a supplier finance program to disclose qualitative and quantitative information about the program. The new standard is effective for the Company on May 1, 2023. While the new standard could result in enhanced disclosures, we do not expect this standard to materially impact the consolidated financial statements.

In December 2022, the FASB issued ASU 2022-06, *Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848*. The standard extends the period of time preparers can utilize the reference rate reform relief guidance in Topic 848, and became effective immediately. During the year, we entered into a new credit agreement which, in part, removed the LIBO Rate from applicable debt agreements. See Note 3 for additional information related to the new credit agreement (see "New Credit Agreement" section). The adoption of this standard did not have a material impact on our consolidated financial statements.

## 2. ACQUISITIONS

Current Period Acquisitions

During the year ended April 30, 2023, the Company acquired 47 stores, of which 26 stores were acquired from Minit Mart LLC pursuant to the terms and conditions of an asset purchase agreement. The majority of these acquisitions meet the criteria to be considered business combinations. The purchase price of the stores was determined using a discounted cash flow model on a location by location basis. The acquisitions were recorded in the financial statements by allocating the purchase price to the assets acquired, including intangible assets, and liabilities assumed, based on their estimated fair values at the acquisition date as determined by internal estimates. Fair values were determined using Level 3 inputs (see Note 3). The excess of the cost of the acquisition over the net amounts assigned to the fair value of the assets acquired and the liabilities assumed is recorded as goodwill if the acquisition is considered to be a business combination. Goodwill of $2,408 was recognized as the result of the current year acquisitions and is primarily attributable to the location of the stores in relation to our footprint and expected synergies. All of the goodwill associated with these transactions will be deductible for income tax purposes over 15 years. Acquisition-related transaction costs are recognized as period costs as incurred.

The aggregate purchase price for the acquisitions totaled $85,569, which was paid in cash upon closing using available cash on hand.

Allocation of the purchase price for the transactions in aggregate for the year ended April 30, 2023, is as follows (in thousands):

| | |
|---|---|
| Assets acquired: | |
| Inventories | $ 3,976 |
| Property and equipment | 79,556 |
| Goodwill | 2,408 |
| Total assets | 85,940 |
| Total liabilities | 371 |
| Net assets acquired and total purchase price | $ 85,569 |

The Company recognized approximately $17,325 of revenue related to the acquired locations in the consolidated statements of income for the year ended April 30, 2023. The amount of net income related to the acquired locations was not material for the year ended April 30, 2023.

**Pro Forma Information**

The following unaudited pro forma information presents a summary of our consolidated results of operations as if the transactions referenced above occurred at the beginning of the first fiscal year of the periods presented (amounts in thousands, except per share data):

| | For the year ended April 30, | |
|---|---|---|
| | 2023 | 2022 |
| Total revenue | $ 15,438,809 | $ 13,302,097 |
| Net income | $ 447,320 | $ 341,235 |
| Net income per common share | | |
| Basic | $ 12.00 | $ 9.18 |
| Diluted | $ 11.92 | $ 9.13 |

Prior Period Acquisitions

**Buchanan Energy**

On May 13, 2021, the Company closed on the acquisition of 100% of the equity interest in Buchanan Energy (and certain of its related subsidiaries and affiliated entities), owner of Bucky's Convenience Stores. The transaction included 92 retail locations (consisting of 24 stores in Nebraska, 56 in Illinois, five in Iowa, three in Missouri, and four in Texas), a dealer network of 81 stores where Casey's manages fuel wholesale supply agreements to these stores, as well as several parcels of land which may be used for new store construction. Three of the retail locations were divested shortly after closing as part of a consent order with the Federal Trade Commission. During the fourth quarter of the 2022 fiscal year, the Company sold four stores and one parcel of land in Texas for an aggregate sale price of $41,000, subject to customary post-closing adjustments. We did not record a material gain or loss related to the sale.

The Company expects to achieve certain synergies over time, in part, through the reduction of duplicate processes, improvements in purchasing power, installing our kitchens, and expanding merchandise offerings.

The aggregate purchase price for the acquisition totaled $571,842, which is net of a working capital adjustment of $5,400. Upon closing, $577,242 was paid in cash using available cash on hand, proceeds from a $300 million term loan and a draw on a revolving credit facility. The draw on the revolving credit facility was repaid during the first quarter of the 2022 fiscal year. The working capital adjustment was received during the fourth quarter of the 2022 fiscal year.

The table below summarizes the estimated fair values of the assets acquired and liabilities assumed at the acquisition date. We utilized a third-party valuation specialist to assist in valuing the contractual customer relationships, leases, and property and equipment acquired.

| | | |
|---|---|---|
| Assets acquired: | | |
| Cash and cash equivalents | $ | 5,092 |
| Receivables | | 225 |
| Inventories | | 18,516 |
| Prepaid expenses | | 150 |
| Property and equipment | | 306,818 |
| Contractual customer relationships | | 31,100 |
| Deferred income taxes | | 1,343 |
| Finance lease right-of-use assets | | 9,421 |
| Operating lease right-of-use assets | | 11,236 |
| Other assets | | 1,774 |
| Goodwill | | 254,679 |
| Total assets | | 640,354 |
| Liabilities assumed: | | |
| Accounts payable | | 30,212 |
| Accrued expenses | | 8,395 |
| Finance lease liabilities | | 11,101 |
| Operating lease liabilities | | 15,087 |
| Other long-term liabilities | | 3,717 |
| Total liabilities | | 68,512 |
| Net assets acquired and total purchase price | $ | 571,842 |

The goodwill acquired was assigned to the retail reporting unit in the amount of $245,516 and the fuel wholesale reporting unit in the amount of $9,163. The goodwill recognized is primarily attributable to the location of the seller's stores in relation to our footprint and expected synergies due to expanded inside store offerings and improved purchasing power. Almost all of the goodwill acquired as the result of this transaction will be deductible for income tax purposes over 15 years.

The Company incurred total acquisition-related transaction costs of approximately $8.6 million. This includes approximately $6.7 million incurred during the year ended April 30, 2022, which are included in the consolidated statements of income within operating expenses.

**Circle K**

Throughout June 2021, the Company closed on the acquisition of 48 stores located in Oklahoma from Circle K pursuant to the terms and conditions of an asset purchase agreement. The aggregate purchase price for the acquisition totaled $41,416, which was paid in cash upon closing using available cash on hand.

The table below summarizes the estimated fair values of the assets acquired and liabilities assumed at the acquisition date. We utilized a third-party valuation specialist to assist in valuing the leases acquired.

| | | |
|---|---|---|
| Assets acquired: | | |
| Inventories | $ | 5,299 |
| Property and equipment | | 6,150 |
| Finance lease right-of-use assets | | 37,086 |
| Operating lease right-of-use assets | | 24,113 |
| Deferred income taxes | | 316 |
| Goodwill | | 31,346 |
| Total assets | | 104,310 |
| Liabilities assumed: | | |
| Accrued expenses and other long-term liabilities | | 545 |
| Finance lease liabilities | | 46,576 |
| Operating lease liabilities | | 15,773 |
| Total liabilities | | 62,894 |
| Net assets acquired and total consideration paid | $ | 41,416 |

The goodwill recognized from this transaction is primarily attributable to the location of the seller's stores in relation to our footprint and expected synergies due, in part, to expanded inside store and fuel offerings. Almost all of the goodwill acquired as a result of this transaction will be deductible for income tax purposes over 15 years.

**Pilot**

On December 16, 2021, the Company closed on the acquisition of 40 stores from Pilot Corporation pursuant to the terms and conditions of an asset purchase agreement. The transaction included 39 stores located in Tennessee and one store located in Kentucky. The aggregate purchase price for the acquisition totaled $226,624, which was paid in cash using available cash on hand and certain incremental proceeds from a $150 million term loan.

The table below summarizes the estimated fair values of the assets acquired and liabilities assumed at the acquisition date. We utilized a third-party valuation specialist to assist in valuing the property and equipment and leases acquired.

| | | |
|---|---|---|
| Assets acquired: | | |
| Cash and cash equivalents | $ | 95 |
| Inventories | | 6,556 |
| Prepaid expenses | | 87 |
| Property and equipment | | 67,365 |
| Deferred income taxes | | 311 |
| Operating lease right-of-use assets | | 28,002 |
| Goodwill | | 154,223 |
| Total assets | | 256,639 |
| Liabilities assumed: | | |
| Accrued expenses and other long-term liabilities | | 883 |
| Operating lease liabilities | | 29,132 |
| Total liabilities | | 30,015 |
| Net assets acquired and total consideration paid | $ | 226,624 |

The goodwill recognized from this transaction is primarily attributable to the location of the seller's stores in relation to our footprint and expected synergies due, in part, to expanded inside store offerings. Almost all of the goodwill acquired as a result of this transaction will be deductible for income tax purposes over 15 years.

## 3. FAIR VALUE OF FINANCIAL INSTRUMENTS AND LONG-TERM DEBT

U.S. GAAP requires that each financial asset and liability carried at fair value be classified into one of the following of the fair value hierarchy levels, which is based upon the quality of the inputs used in the valuation. Level 1 inputs are quoted market prices in active markets for identical assets and liabilities. Level 2 inputs are observable market-based inputs or unobservable inputs that are corroborated by market data (excluding those included within Level 1). Level 3 inputs are unobservable inputs that are not corroborated by market data. The Company has not changed its valuation techniques in measuring the fair value of any financial assets and liabilities during the period. A summary of the fair value of the Company's financial instruments follows.

Cash and cash equivalents, receivables, and accounts payable: The carrying amount approximates fair value due to the short maturity of these instruments or the recent purchase of the instruments at current rates of interest.

Long-term debt: The fair value of the Company's long-term debt (including current maturities) is estimated based on the current rates offered to the Company for debt of the same or similar issuances which are considered Level 2 inputs. The fair value of the Company's long-term debt was approximately $1,437,000 and $1,508,000, respectively, at April 30, 2023 and 2022. The fair value calculated excludes finance lease obligations of $95,072 and $74,234 outstanding at April 30, 2023 and April 30, 2022, respectively, which are grouped with long-term debt on the consolidated balance sheets.

**Prior Credit Agreement**

During the fourth quarter, the Company made a $15,625 prepayment on the existing term loan facility under its credit agreement dated January 11, 2019, as amended, by and among the Company, the lenders party thereto and Royal Bank of Canada, as administrative agent (the "Prior Credit Agreement"). On April 21, 2023, the Company subsequently terminated the Prior Credit Agreement, and repaid in full, all outstanding indebtedness thereunder (which as of such date was $250,000 under the term loan facility and $0 under the revolving credit facility).

**New Credit Agreement**

On April 21, 2023, the Company entered into a new credit agreement, by among the lenders thereto and Wells Fargo Bank, National Association, as administrative agent (the "New Credit Agreement"), to provide for (a) a $250 million unsecured term loan (the "Term Loan Facility") and (b) an $850 million unsecured revolving credit facility (the "Revolving Facility" and together with the Term Loan Facility, the "Credit Facilities"). The Term Loan Facility was used to refinance the existing term loan under the Prior Credit Agreement, as noted above, and to pay fees and expenses in connection therewith. The Revolving Facility is available for working capital and other general corporate purposes of the Company and its subsidiaries. The transaction was primarily treated as a debt modification for accounting purposes.

Amounts borrowed under the Credit Facilities bear interest at variable rates based upon, at the Company's option: (a) either Term SOFR or Daily Simple SOFR, in each case plus 0.10% (with a floor of 0.00%) for the interest period in effect, plus an applicable margin ranging from 1.10% to 1.70% or (b) an alternate base rate, which generally equals the highest of (i) the prime commercial lending rate announced by the Administrative Agent as its "prime rate", (ii) the federal funds rate plus 1/2 of 1.00%, and (iii) Adjusted Daily Simple SOFR plus 1.00%, each plus an applicable margin ranging from 0.10% to 0.70% and each with a floor of 1.00%. The Revolving Facility carries a facility fee of 0.15% to 0.30% per annum. The applicable margins and facility fee, in each case, are dependent upon the Company's quarterly Consolidated Leverage Ratio, as defined in the New Credit Agreement.

The outstanding principal balance on the Term Loan Facility is required to be repaid in equal quarterly installments in an amount equal to 1.25% of the original principal amount, on the last day of each March, June, September, and December, with the balance of the Credit Facilities due on April 21, 2028. The New Credit Agreement contains an expansion option permitting the Company to request an increase of either of the Credit Facilities from time to time not to exceed the greater of (a) $900 million and (b) 100% of Consolidated EBITDA (as defined in the New Credit Agreement) of the Company for the four most recently completed fiscal quarters, from the lenders or other financial institutions acceptable to the Company and the administrative agent, upon the satisfaction of certain conditions, including the consent of the lenders whose commitments would increase.

Under the Prior Credit Agreement, the Company had $0 outstanding on the revolving facility, and $265,625 outstanding on the term loan facility at April 30, 2022. Under the New Credit Agreement, the Company had $0 outstanding on the Revolving Facility and $250,000 outstanding on the Term Loan Facility at April 30, 2023.

**Bank Line**

The Company has an additional unsecured bank line of credit (the "Bank Line") with availability up to $25,000 at April 30, 2023. The $25,000 availability under the Bank Line is encumbered by a $432 letter of credit. The Bank Line bears interest at a variable rate subject to change from time to time based on changes in an independent index referred to in the Bank Line as the Federal Funds Offered Rate. There was $0 outstanding at April 30, 2023 and 2022. The Bank Line is due upon demand. Subsequent to year-end, and effective June 1, 2023, the Bank Line was increased from $25,000 to $50,000.

The carrying amount of the Company's long-term debt and finance lease obligations by issuance is as follows:

| | As of April 30, | |
|---|---|---|
| | **2023** | 2022 |
| Finance lease liabilities (Note 7) | **$ 95,072** | $ 74,234 |
| 3.67% Senior Notes (Series A) due in 7 installments beginning June 17, 2022, and ending June 15, 2028 | **135,000** | 150,000 |
| 3.75% Senior Notes (Series B) due in 7 installments beginning December 17, 2022 and ending December 18, 2028 | **45,000** | 50,000 |
| 3.65% Senior Notes (Series C) due in 7 installments beginning May 2, 2025 and ending May 2, 2031 | **50,000** | 50,000 |
| 3.72% Senior Notes (Series D) due in 7 installments beginning October 28, 2025 and ending October 28, 2031 | **50,000** | 50,000 |
| 3.51% Senior Notes (Series E) due June 13, 2025 | **150,000** | 150,000 |
| 3.77% Senior Notes (Series F) due August 22, 2028 | **250,000** | 250,000 |
| 2.85% Senior Notes (Series G) due August 7, 2030 | **325,000** | 325,000 |
| 2.96% Senior Notes (Series H) due August 6, 2032 | **325,000** | 325,000 |
| Variable rate term loan facility, requiring quarterly installments ending April 21, 2028 | **250,000** | 265,625 |
| Debt issuance costs | **(1,698)** | (1,990) |
| | **$ 1,673,374** | $ 1,687,869 |
| Less current maturities | **52,861** | 24,466 |
| | **$ 1,620,513** | $ 1,663,403 |

Interest expense is net of interest income of $7,823, $48, and $168 for the years ended April 30, 2023, 2022, and 2021, respectively. Interest expense is also net of interest capitalized of $3,631, $2,031, and $4,537 during the years ended April 30, 2023, 2022, and 2021, respectively.

The agreements relating to the above long-term debt contain certain operating and financial covenants. At April 30, 2023, the Company was in compliance with all such operating and financial covenants.

Listed below are the aggregate maturities of long-term debt, excluding finance lease obligations (refer to Note 7 for future minimum payments under finance leases), for the 5 years commencing May 1, 2023 and thereafter:

| Years ended April 30, | |
|---|---|
| 2024 | $ 44,500 |
| 2025 | 44,500 |
| 2026 | 204,500 |
| 2027 | 60,500 |
| 2028 | 248,000 |
| Thereafter | 978,000 |
| | $ 1,580,000 |

**4. PREFERRED AND COMMON STOCK**

Preferred stock: The Company has 1,000,000 authorized shares of preferred stock, of which 250,000 shares have been designated as Series A Serial Preferred Stock. No shares of preferred stock have been issued.

Common stock: The Company currently has 120,000,000 authorized shares of common stock.

Stock incentive plans: The 2018 Stock Incentive Plan (the "2018 Plan") was approved by the Company's shareholders on September 5, 2018. Awards under the 2018 Plan may take the form of stock options, stock appreciation rights, restricted stock, restricted stock units and other equity-based and equity-related awards. Each share issued pursuant to a stock option and each share with respect to which a stock-settled stock appreciation right is exercised (regardless of the number of shares actually delivered) is counted as one share against the maximum limit under the 2018 Plan, and each share issued pursuant to an award of restricted stock or restricted stock units is counted as two shares against the maximum limit. Restricted stock is transferred immediately upon grant (and may be subject to a holding period), whereas restricted stock units have a vesting period that must expire, and in some cases performance or market conditions that must be satisfied before the stock is transferred. There were 1,661,530 shares available for grant at April 30, 2023, under the 2018 Plan.

We account for stock-based compensation by estimating the grant date fair value of time-based and performance-based restricted stock unit awards using the closing price of our common stock on the applicable grant date, or the date on which performance goals for performance-based units are established, if after the grant date. The time-based awards most commonly vest ratably over a three-year period commencing on the first anniversary of the grant date. The performance-based awards represent a “target” amount; the final amount earned is based on the satisfaction of certain performance measures over a three-year performance period and will range from 0% to 200% of “target."  The performance-based awards are also subject to the TSR Modifier (see Note 1 for additional information). The fair value of these awards is determined using a Monte Carlo simulation as of the date of the grant. For market-based awards, the stock-based compensation expense will not be adjusted should the target awards vary from actual awards.

We recognize these amounts as an operating expense in our consolidated statements of income ratably over the requisite service period using the straight-line method, as adjusted for certain retirement provisions, and updated estimates of shares to be issued under performance-based awards. All awards have been granted at no cost to the grantee.

The following table presents a summary of our RSU activity during the three-year period ended April 30, 2023:

| | Shares | Weighted-Average Grant Date Fair Value per Share |
|---|---|---|
| Unvested at April 30, 2020 | 473,799 | |
| Granted | 209,936 | $ 178 |
| Vested | (154,842) | |
| Forfeited | (12,275) | |
| Performance Award Adjustments | 130,302 | |
| Unvested at April 30, 2021 | 646,920 | |
| Granted | 154,278 | 219 |
| Vested | (242,955) | |
| Forfeited | (30,055) | |
| Performance Award Adjustments | (1,794) | |
| Unvested at April 30, 2022 | 526,394 | 185 |
| Granted | **165,024** | **218** |
| Vested | **(233,533)** | **166** |
| Forfeited | **(40,773)** | **208** |
| Performance Award Adjustments | **133,728** | **227** |
| **Unvested at April 30, 2023** | **550,840** | **$ 212** |

Total compensation costs recorded for employees and non-employee board members for the restricted stock unit awards for the years ended April 30, 2023, 2022 and 2021 were $47,024, $37,976, and $31,986, respectively. As of April 30, 2023, there was $41,422 of total unrecognized compensation costs related to the 2018 Plan for costs related to restricted stock units which are expected to be recognized ratably through fiscal 2026, with a weighted average remaining term of 1.0 year. The fair value of restricted stock unit awards vested for the years ended April 30, 2023, 2022 and 2021 were $46,943, $51,046, and, $24,520, respectively, as of the applicable vest date. At April 30, 2023, there were no stock options outstanding.

On, and effective as of, March 3, 2022, the Board authorized a share repurchase program, whereby the Company was authorized to repurchase its outstanding common stock from time-to-time, for an aggregate amount of up to $400 million, exclusive of fees, commissions or other expenses. The Repurchase Program has no set expiration date. The timing and number of repurchase transactions depends on a variety of factors including, but not limited to, market conditions, corporate considerations, business opportunities, debt agreements, and regulatory requirements. The Repurchase Program can be suspended or discontinued at any time.

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## 5. NET INCOME PER COMMON SHARE

Computations for basic and diluted earnings per common share are presented below:

| | Years ended April 30, | | |
|---|---|---|---|
| | **2023** | 2022 | 2021 |
| **Basic** | | | |
| Net income | **$ 446,691** | $ 339,790 | $ 312,900 |
| Weighted average shares outstanding-basic | **37,266,851** | 37,158,898 | 37,092,273 |
| Basic earnings per common share | **$ 11.99** | $ 9.14 | $ 8.44 |
| **Diluted** | | | |
| Net income | **$ 446,691** | $ 339,790 | $ 312,900 |
| Weighted-average shares outstanding-basic | **37,266,851** | 37,158,898 | 37,092,273 |
| Plus effect of stock options and restricted stock units | **252,844** | 197,800 | 263,865 |
| Weighted-average shares outstanding-diluted | **37,519,695** | 37,356,698 | 37,356,138 |
| Diluted earnings per common share | **$ 11.91** | $ 9.10 | $ 8.38 |

There were no stock options outstanding at April 30, 2023 and 2022. In previous years, there were no stock options considered antidilutive; therefore, all stock options were included in the computation of dilutive earnings per share for fiscal 2021.

## 6. INCOME TAXES

Income tax expense attributable to earnings consisted of the following components:

| | Years ended April 30, | | |
|---|---|---|---|
| | **2023** | 2022 | 2021 |
| Current tax expense: | | | |
| Federal | **$ 95,336** | $ 4,382 | $ 73,950 |
| State | **22,365** | 13,835 | 16,397 |
| | **117,701** | 18,217 | 90,347 |
| Deferred tax expense | **23,126** | 82,721 | 4,123 |
| Total income tax expense | **$ 140,827** | $ 100,938 | $ 94,470 |

The tax effects of temporary differences that gave rise to significant portions of the deferred tax assets and deferred tax liabilities were as follows:

| | As of April 30, | |
|---|---|---|
| | **2023** | 2022 |
| Deferred tax assets: | | |
| Accrued liabilities and reserves | **$ 7,031** | $ 11,699 |
| Deferred revenue | **15,565** | 11,893 |
| Accrued bonus compensation | **9,361** | 7,340 |
| Workers compensation | **11,500** | 9,922 |
| Operating and finance lease obligations | **52,464** | 46,693 |
| Asset retirement obligations | **9,404** | 7,361 |
| Deferred compensation | **3,242** | 3,540 |
| Equity compensation | **8,305** | 9,567 |
| State net operating losses and tax credits | **1,807** | 4,021 |
| Other | **3,551** | 3,548 |
| Total gross deferred tax assets | **122,230** | 115,584 |
| Less valuation allowance | **250** | 250 |
| Total net deferred tax assets | **121,980** | 115,334 |
| Deferred tax liabilities: | | |
| Property and equipment depreciation | **(617,154)** | (597,740) |
| Goodwill | **(43,900)** | (34,869) |
| Other | **(4,524)** | (3,197) |
| Total gross deferred tax liabilities | **(665,578)** | (635,806) |
| Net deferred tax liability | **$ (543,598)** | $ (520,472) |

At April 30, 2023, the Company had net operating loss carryforwards for state income tax purposes of approximately $94,897, which are available to offset future state taxable income. The state net operating loss carryforwards begin to expire in 2031. In addition, the Company had state tax credit carryforwards of approximately $1,868, which begin to expire in 2026.

The valuation allowance for state net operating loss and state tax credit deferred tax assets as of April 30, 2023 and 2022 was $250. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected taxable income, and tax planning strategies in making this assessment.

Total reported tax expense applicable to the Company's continuing operations varies from the tax that would have resulted from applying the statutory U.S. federal income tax rates to income before income taxes.

| | Years ended April 30, | | |
|---|---|---|---|
| | **2023** | 2022 | 2021 |
| Income taxes at the statutory rates | **21.0 %** | 21.0 % | 21.0 % |
| Federal tax credits | **(1.3)%** | (1.8)% | (1.5)% |
| State income taxes, net of federal tax benefit | **4.0 %** | 3.8 % | 3.5 % |
| Impact of phased-in state law changes, net of federal benefit | **(0.4)%** | (0.8)% | — % |
| ASU 2016-09 benefit (stock-based compensation) | **(0.3)%** | (1.0)% | (0.6)% |
| Nondeductible executive compensation | **1.1 %** | 1.2 % | 0.9 % |
| Other | **(0.1)%** | 0.5 % | (0.1)% |
| | **24.0 %** | 22.9 % | 23.2 % |

The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company had a total of $10,957 and $10,259 in gross unrecognized tax benefits at April 30, 2023 and 2022, respectively, which is recorded in other long-term liabilities in the consolidated balance sheet. Of this amount, $8,656 represents the amount of unrecognized tax benefits that, if recognized, would impact our effective tax rate. Unrecognized tax benefits increased $698 during the twelve months ended April 30, 2023, due primarily to the increase associated with income tax filing positions for the current year exceeding the decrease related to the expiration of certain statute of limitations. A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

| | **2023** | 2022 |
|---|---|---|
| Beginning balance | **$ 10,259** | $ 9,316 |
| Additions based on tax positions related to current year | **2,867** | 2,953 |
| Reductions due to lapse of applicable statute of limitations | **(2,169)** | (2,010) |
| Ending balance | **$ 10,957** | $ 10,259 |

The total net amount of accrued interest and penalties for such unrecognized tax benefits was $386 and $371 at April 30, 2023 and 2022, respectively, and is included in other long-term liabilities. Net interest and penalties included in income tax expense for the twelve month periods ended April 30, 2023 and 2022 was an increase in tax expense of $15 and $1, respectively.

A number of years may elapse before an uncertain tax position is audited and ultimately settled. It is difficult to predict the ultimate outcome or the timing of resolution for uncertain tax positions. It is reasonably possible that the amount of unrecognized tax benefits could significantly increase or decrease within the next twelve months. These changes could result from the expiration of the statute of limitations, examinations or other unforeseen circumstances. The Company has no ongoing federal or state income tax examinations.

At this time, the Company's best estimate of the reasonably possible change in the amount of the gross unrecognized tax benefits is a decrease of $2,500 during the next twelve months mainly due to the expiration of certain statute of limitations. The federal statute of limitations remains open for the tax years 2019 and forward. Tax years 2013 and forward are subject to audit by state tax authorities depending on open statute of limitations waivers and the tax code of each state.

## 7. LEASES

The Company is a lessee in situations where we lease property and equipment, most commonly land, building or store equipment, from a lessor. The Company is a lessor in situations where the Company owns land or building and leases a portion or all of the property or equipment to a tenant. In both situations, leases are reported in accordance with *ASC 842 - Leases*. As a lessee, the Company recognizes a right-of-use asset representing its right to use the underlying asset for the lease term and a lease liability for the obligation to make lease payments. Both the right-of-use asset and lease liability are initially measured at the present value of the lease payments, with subsequent measurement dependent on the classification of the lease as either a finance or an operating lease. For leases with a term of twelve months or less, we have elected to not recognize lease assets and lease liabilities and will recognize lease expense on a straight-line basis over the lease term. The Company records operating lease liabilities in other accrued expenses and other long-term liabilities and records finance lease liabilities within current maturities of long-term debt and long-term debt and finance lease obligations on the consolidated balance sheets. All lessor related activity is considered immaterial to the consolidated financial statements.

New leases are recognized at the present value of the lease payments using the implicit rate in the lease agreement when it is readily determinable. In the case the implicit rate is not readily determinable, the Company uses our incremental borrowing rate of debt based on the term of the lease. The Company commonly has options to renew or extend the current lease arrangement on many of our leases. In these situations, if it is reasonably certain the lease would be extended, we have included those extensions within the remaining lease payments at the time of measurement.

When acquiring leases in a business combination, we retain the lease classification utilized by the seller if it was determined using acceptable methods under *ASC 842*. As part of the allocation of the purchase price in a business combination, lease terms are compared to market terms utilizing an income approach to determine if leases are favorable or unfavorable. Any favorable or unfavorable leasehold interests identified increase (favorable) or reduce (unfavorable) the right-of-use lease asset and are recognized over the life of the related right-of-use asset.

Lease right-of-use assets outstanding as of April 30, 2023 and 2022 consisted of the following:

| | Classification | **April 30, 2023** | April 30, 2022 |
|---|---|---|---|
| Finance lease right-of-use assets | Property and equipment | **$ 79,344** | $ 59,677 |
| Operating lease right-of-use assets | Other assets | **107,994** | 104,579 |

The summary of lease-related costs included on the consolidated statements of income is included below:

| | Years ended April 30, | | |
|---|---|---|---|
| | **2023** | 2022 | 2021 |
| Operating lease cost | **$ 9,346** | $ 6,721 | $ 2,290 |
| Finance lease cost: | | | |
| Amortization of right-of-use assets | **$ 5,882** | $ 4,489 | $ 2,870 |
| Interest on lease liabilities | **2,966** | 2,337 | 612 |

Weighted average remaining lease terms, weighted average discount rates, and supplementary cash flow information or outstanding leases were as follows:

| | **April 30, 2023** | April 30, 2022 |
|---|---|---|
| Weighted-average remaining lease-term - finance lease | **15.1** | 19.3 |
| Weighted-average remaining lease-term - operating lease | **19.8** | 20.3 |
| | | |
| Weighted-average discount rate - finance lease | **4.40 %** | 3.97 % |
| Weighted-average discount rate - operating lease | **4.33 %** | 3.98 % |
| | | |
| Right-of-use assets obtained in exchange for new finance lease liabilities | **$ 25,166** | $ 52,525 |
| Right-of-use assets obtained in exchange for new operating lease liabilities | **14,642** | 87,723 |

Future minimum payments under the finance leases and operating leases consisted of the following at April 30, 2023:

| Years ended April 30, | Finance leases | Operating leases |
|---|---|---|
| 2024 | $ 12,398 | $ 8,140 |
| 2025 | 10,913 | 8,204 |
| 2026 | 10,589 | 8,118 |
| 2027 | 10,596 | 8,059 |
| 2028 | 9,644 | 8,027 |
| Thereafter | 76,757 | 123,773 |
| Total minimum lease payments | $ 130,897 | $ 164,321 |
| Less amount representing interest | 35,825 | 58,392 |
| Present value of net minimum lease payments | $ 95,072 | $ 105,929 |

Effective during the third quarter of fiscal year 2020, Casey’s Marketing Company, and the City of Joplin, Missouri (“Joplin”) entered into an agreement in which Joplin agreed to issue up to $51,400 of taxable industrial development revenue bonds for the purpose of acquiring, constructing, improving, purchasing, equipping and installing a warehouse and distribution facility, which has been completed and is currently being used by the Company. As the title of the development was transferred to Joplin and the Company is subsequently leasing the related asset from Joplin, we have accounted for the transaction under the sale-and-leaseback guidance included in *ASC 842-40*. We have a purchase option included in the lease agreement for below the fair value of the asset, which prevents the transfer of the assets to Joplin from being recognized as a sale. Accordingly, we have not recognized any gain or loss related to the transfer. Furthermore, we have not derecognized the transferred assets and continue to recognize them in property and equipment on the consolidated balance sheets. The Company has the right and intends to set-off any obligations to make payments under the lease, with proceeds due from the industrial revenue bonds. As of April 30, 2023, we have recognized the full amount of bonds available as property and equipment on the consolidated balance sheets related to this agreement.

## 8. BENEFIT PLAN

The Company provides Team Members with a defined contribution 401(k) Plan. The 401(k) Plan is available to all Team Members who meet minimum age and service requirements. The Company contributions consist of matching amounts in Company stock and are allocated based on Team Member contributions. Contributions to the 401(k) Plan were $11,765, $10,983, and $10,382 for the years ended April 30, 2023, 2022, and 2021, respectively.

On April 30, 2023 and 2022, 751,339 and 807,396 shares of common stock, respectively, were held by the trustee of the 401(k) Plan in trust for distribution to eligible participants upon death, disability, retirement, or termination of employment. Shares held by the 401(k) Plan are treated as outstanding in the computation of net income per common share.

## 9. COMMITMENTS

The Company has entered into employment agreements with its Chief Executive Officer, Chief Financial Officer, and Chief Operating Officer, each of which require minimum annual compensation. The Company also has entered into change of control agreements with its Chief Executive Officer and 31 other officers, providing for certain payments in the event of termination in connection with a change of control of the Company, as defined therein.

We have entered into various purchase agreements related to our fuel supply, which include varying volume commitments. Prices included in the purchase agreements are indexed to market prices. While volume commitments are included in the contracts, we do not have a history of incurring material penalties related to these provisions. These contracts are not accounted for as derivatives as they meet the normal purchases and sales exclusion under derivative accounting.

We have entered into forward contracts for cheese in order to fix the price per pound for a portion of our expected supply. As of April 30, 2023, the forward contracts run through July 2023. The commitment under these contracts is approximately $14,574. These contracts are not accounted for as derivatives as they meet the normal purchases and sales exclusion under derivative accounting.

## 10. CONTINGENCIES

Environmental compliance: The United States Environmental Protection Agency and several states have adopted laws and regulations relating to underground storage tanks used for petroleum products. The majority of the states in which the Company does business have trust fund programs with provisions for sharing or reimbursing corrective action or remediation costs.

Management currently believes that substantially all capital expenditures for electronic monitoring, cathodic protection, and overfill/spill protection to comply with existing regulations have been completed. The Company has an accrued liability at April 30, 2023 and 2022 of approximately $268 and $274, respectively, for estimated expenses related to anticipated corrective actions or remediation efforts, including relevant legal and consulting costs. Management believes the Company has no material joint and several environmental liability with other parties. Additional regulations or amendments to the existing regulations could result in future revisions to such estimated expenditures.

Legal matters: From time to time we may be involved in legal or administrative proceedings or investigations arising from the conduct of our business operations, including, but not limited to, contractual disputes; employment, personnel, or accessibility matters; personal injury and property damage claims; and claims by federal, state, and local regulatory authorities relating to the sale of products pursuant to licenses and permits issued by those authorities. Claims for damages in those actions may be substantial. While the outcome of such litigation, proceedings, investigations, or claims is never certain, it is our opinion, after taking into consideration legal counsel's assessment and the availability of insurance proceeds and other collateral sources to cover potential losses, that the ultimate disposition of such matters currently pending or threatened, individually or cumulatively, will not have a material impact on our consolidated financial position and results of operations.

The Company is named as a defendant in a lawsuit filed in the United States District Court for the Northern District of Indiana, titled McColley v. Casey's General Stores, Inc., in which the plaintiff alleges that the Company misclassified its Store Managers as exempt employees under the Fair Labor Standards Act (FLSA). The complaint seeks unpaid wages, liquidated damages and attorneys' fees for the plaintiff and all similarly situated Store Managers who worked at the Company from February 16, 2015 to the present. On March 31, 2021, the Court granted conditional certification, and to-date, approximately 1,400 current and/or former Store Managers (representing less than 1/4 of those eligible) remain opted-in to participate in the lawsuit. The Company believes that adequate provisions have been made for probable losses related to this matter, and that those, and the reasonably possible losses in excess of amounts accrued, where such range of loss can be estimated, are not material to the Company's financial position, results of operations or cash flows. The Company believes that its Store Managers are properly classified as exempt employees under the FLSA and it intends to continue to vigorously defend the matter.

In 2023, the Company received a $15,297 one-time payment from the resolution of a legal matter. These proceeds were recognized as a reduction to operating expenses in the consolidated statements of income.

At April 30, 2023, the Company was primarily self-insured for workers' compensation claims in all but two states of its operating territory. In North Dakota and Ohio, the Company is required to participate in an exclusive, state managed fund for all workers compensation claims. The Company was also partially self-insured for general liability and auto liability under an agreement that provides for annual stop-loss limits equal to or exceeding $2,000 for auto liability and $1,000 for general liability and workers' compensation. Additionally, the Company is self-insured for its portion of Team Member medical expenses. At April 30, 2023 and 2022, the Company had $61,168 and $53,752, respectively, outstanding for estimated claims relating to self-insurance, the majority of which has been actuarially determined.

## ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

## ITEM 9A. CONTROLS AND PROCEDURES

(a) Evaluation of disclosure controls and procedures.

As of the end of the period covered by this report, an evaluation was performed under the supervision and with the participation of the Company's Chief Executive Officer and Chief Financial Officer of the effectiveness of the Company's disclosure controls and procedures (as defined in Exchange Act Rule 240.13a-15(e)). Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that the Company's current disclosure controls and procedures were effective as of April 30, 2023.

For purposes of Rule 13a-15(e), the term disclosure controls and procedures means controls and other procedures of an issuer that are designed to ensure that information required to be disclosed by the issuer in the reports that it files or submits under the Act (l5 U.S.C. 78a et seq.) is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Act is accumulated and communicated to the issuer's management, including its principal executive and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

(b) Management's Report on Internal Control over Financial Reporting.

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting. The Company's internal control system was designed to provide reasonable assurance to the Company's management and Board of Directors regarding the preparation and fair presentation of published financial statements. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of April 30, 2023. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control - Integrated Framework (2013)*. On the basis of the prescribed criteria, management concluded that the Company's internal control over financial reporting was effective as of April 30, 2023.

KPMG LLP, as the Company's independent registered public accounting firm, has issued a report on its assessment of the effectiveness of the Company's internal control over financial reporting. This report appears on page 32.

(c) Changes in Internal Control over Financial Reporting.

There were no changes in the Company's internal control over financial reporting that occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

(d) Other.

The Company does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all fraud and material errors. An internal control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations on all internal control systems, our internal control system can provide only reasonable assurance of achieving its objectives and no evaluation of controls can provide absolute assurance that all control issues and occurrences of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of internal control is also based in part upon certain assumptions about the likelihood of future events, and can provide only reasonable, not absolute, assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in circumstances, or the degree of compliance with the policies and procedures may deteriorate.

**ITEM 9B. OTHER INFORMATION**

Not applicable.

## PART III

### ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE

Those portions of the Company’s definitive Proxy Statement appearing under the captions “Election of Directors,” “Governance of the Company,” "Information about our Executive Officers", “Executive Compensation”, and "The Board of Directors and Its Committees", as filed with the Commission pursuant to Regulation 14A within 120 days after April 30, 2023, and used in connection with the Company’s 2023 Annual Meeting of Shareholders are hereby incorporated by reference.

The Company has adopted a Financial Code of Ethics applicable to its Chief Executive Officer and other senior financial officers. In addition, the Company has adopted a general code of business conduct (known as the Code of Business Conduct and Ethics) for its directors, officers, and all Team Members. The Financial Code of Ethics, the Code of Business Conduct and Ethics, and other Company governance materials are available under the Investor Relations-Governance link of the Company website located at www.caseys.com. In the event of any amendments to, or waivers of, the Financial Code of Ethics or the Code of Business Conduct and Ethics, any required disclosure will be posted to our website. To date, there have been no waivers of the Financial Code of Ethics or the Code of Business Conduct and Ethics. Shareholders may obtain copies of any of these corporate governance documents free of charge by downloading from the Web site or by writing to the Corporate Secretary at the address on the cover of this Form 10-K.

### ITEM 11. EXECUTIVE COMPENSATION

That portion of the Company’s definitive Proxy Statement appearing under the caption "Compensation Discussion and Analysis", "The Board of Directors and Its Committees”, “Compensation Committee Report", “Compensation Committee Interlocks and Insider Participation in Compensation Decisions”, “Executive Compensation,” “CEO Pay Ratio”, "Potential Payments Upon Termination or Change of Control", "Director Compensation", and "Certain Relationships and Related Party Transactions", as filed with the Commission pursuant to Regulation 14A within 120 days after April 30, 2023, and used in connection with the Company’s 2023 Annual Meeting of Shareholders is hereby incorporated by reference.

### ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Those portions of the Company’s definitive Proxy Statement appearing under the captions “Beneficial Ownership of Shares of Common Stock by Directors and Executive Officers”, "Principal Shareholders" and "Equity Compensation Plan Information", as filed with the Commission pursuant to Regulation 14A within 120 days after April 30, 2023, and used in connection with the Company’s 2023 Annual Meeting of Shareholders are hereby incorporated by reference.

### ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

That portion of the Company’s definitive Proxy Statement appearing under the captions “Certain Relationships and Related Transactions”, “Governance of the Company” and "The Board of Directors and its Committees", as filed with the Commission pursuant to Regulation 14A within 120 days after April 30, 2023, and used in connection with the Company’s 2023 Annual Meeting of Shareholders is hereby incorporated by reference.

### ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

That portion of the Company’s definitive Proxy Statement appearing under the caption “Ratification of Appointment of Independent Registered Public Accounting Firm” as filed with the Commission within 120 days after April 30, 2023, and used in connection with the Company’s 2023 Annual Meeting of Shareholders is hereby incorporated by reference.

## PART IV

### ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Documents filed as a part of this report on Form 10-K:

a. The following financial statements are included herewith:

Reports of Independent Registered Public Accounting Firm (PCAOB ID 185)
Consolidated Balance Sheets, April 30, 2023 and 2022
Consolidated Statements of Income, Three Years Ended April 30, 2023
Consolidated Statements of Shareholders' Equity, Three Years Ended April 30, 2023
Consolidated Statements of Cash Flows, Three Years Ended April 30, 2023
Notes to Consolidated Financial Statements

(2) No schedules are included because the required information is inapplicable or is presented in the consolidated financial statements or related notes thereto.

(3) The following exhibits are filed as a part of this report:

| Exhibit Number | Description of Exhibits |
|---|---|
| 3.1 | Second Restatement of the Restated and Amended Articles of Incorporation, as amended September 5, 2018, June 28, 2019 and September 4, 2019 (incorporated by reference to Exhibit 3.1 to Form 10-Q as filed September 9, 2019) |
| 3.2 | Seventh Amended and Restated Bylaws (incorporated by reference to Exhibit 3.1 to Form 8-K filed March 7, 2023) |
| 4.1 | Note Purchase Agreement dated August 9, 2010 among the Company and the purchasers of the 5.22% Senior Notes (incorporated by reference to Exhibit 4.1 to Form 8-K as filed August 10, 2010) |
| 4.2 | Note Purchase Agreement dated June 17, 2013 among the Company and the purchasers of the 3.67% Series A Notes and 3.75% Series B Notes (incorporated by reference to Exhibit 4.10 to Form 8-K as filed June 18, 2013) |
| 4.3 | First Amendment to the 2013 Note Purchase Agreement, dated June 30, 2020 (incorporated by reference to Exhibit 4.2 to Form 8-K as filed July 7, 2020) |
| 4.4 | Note Purchase Agreement dated May 2, 2016 among the Company and the purchasers of the 3.65% Series C Notes and 3.72% Series D Notes (incorporated by reference to Exhibit 4.11 to Form 8-K as filed May 3, 2016) |
| 4.5 | First Amendment to the 2016 Note Purchase, dated June 30, 2020 (incorporated by reference to Exhibit 4.3 to Form 8-K as filed July 7, 2020) |
| 4.6 | Note Purchase Agreement dated June 13, 2017 among the Company and the purchasers of the 3.51% Series E Notes and 3.77% Series F Notes (incorporated by reference to Exhibit 4.12 to Form 8-K as filed June 15, 2017) |
| 4.7 | First Amendment to the 2017 Note Purchase Agreement, dated June 30, 2020 (incorporated by reference to Exhibit 4.4 to Form 8-K as filed July 7, 2020) |
| 4.8 | Note Purchase Agreement dated June 30, 2020 among the Company and the purchasers of the 2.85% Series G Notes and 2.96% Series H Notes (incorporated by reference to Exhibit 4.1 to Form 8-K as filed July 7, 2020) |
| 4.9 | Description of Securities Registered Under Section 12 of the Exchange Act |
| 10.1 | Promissory Note delivered to UMB Bank, n.a. and related Negative Pledge Agreement dated January 11, 2019 (incorporated by reference to exhibit 10.28(d) to Form 8-K as filed January 17, 2019) |
| 10.2 | Credit Agreement dated January 11, 2019, among Casey's General Stores, Inc. as borrower, and Royal Bank of Canada, as administrative agent, and the lenders and issuing banks from time to time party thereto (incorporated by reference to Exhibit 10.28 (e) to Form 8-K as filed January 17, 2019) |
| 10.3 | Amendment No. 1 to Credit Agreement, dated June 30, 2020 (incorporated by reference to Exhibit 10.1 to Form 8-K as filed July 7, 2020) |
| 10.4 | Amendment No. 2 to Credit Agreement, dated December 23, 2020 (incorporated by reference to Exhibit 10.1 to Form 8-K as filed December 31, 2020) |

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|---|---|
| 10.5 | Amendment No. 3 to Credit Agreement, dated March 12, 2021 (incorporated by reference to Exhibit 10.1 to Form 8-K as filed March 22, 2021) |
| 10.6 | Amendment No. 4 to Credit Agreement, dated December 13, 2021 (incorporated by reference to Exhibit 10.1 to Form 8-K as filed December 16, 2021) |
| 10.7 | Credit Agreement, dated as of April 21, 2023, by and among Casey's General Stores, Inc. Wells Fargo Bank, National Association, as administrative agent, and the lenders and issuing banks from time to time party thereto (incorporated by reference to Exhibit 10.1 to Form 8-K as filed April 26, 2023) |
| 10.8* | Form of Change of Control Agreement (incorporated by reference to Exhibit 10.1 to Form 8-K as filed December 19, 2019) |
| 10.9* | Executive Nonqualified Excess Plan Document and related Adoption Agreement dated September 25, 2015 (incorporated by reference to Exhibit 10.7 to Form 10-K as filed June 26, 2020) |
| 10.10* | Employment Agreement, dated May 31, 2019, between the Company and Darren M. Rebelez (with the Change of Control Agreement attached as an exhibit thereto) (incorporated by reference to Exhibit 10.1 to Form 8-K as filed June 6, 2019) |
| 10.11* | Amended and Restated Employment Agreement, dated July 25, 2022, between the Company and Darren M. Rebelez (incorporated by reference to Exhibit 10.1 to Form 8-K as filed July 29, 2022) |
| 10.12* | Employment Agreement, dated May 12, 2020, between the Company and Stephen P. Bramlage, Jr. (with the Change of Control Agreement attached as an exhibit thereto) (incorporated by reference to Exhibit 10.1 to Form 8-K as filed May 13, 2020) |
| 10.13* | Employment Agreement, dated May 8, 2020, between the Company and Ena Williams Koschel (with the Change of Control Agreement attached as an exhibit thereto) (incorporated by reference to Exhibit 10.1 to Form 8-K as filed May 13, 2020) |
| 10.14* | Casey's General Stores, Inc. 2018 Stock Incentive Plan (incorporated by reference to Exhibit 10.43 to Form 8-K as filed September 10, 2018) |
| 10.15* | Form of Restricted Stock Units Agreement for Non-Employee Directors under 2018 Stock Incentive Plan (incorporated by reference to Exhibit 99.1 to Form 8-K as filed September 10, 2018) |
| 10.16* | Form of Restricted Stock Units Agreement (LTI Awards to Officers) and Award Summary under 2018 Stock Incentive Plan (FY20 Awards) (incorporated by reference to Exhibit 10.45 to Form 10-Q as filed September 9, 2019) |
| 10.17* | Form of Restricted Stock Units Agreement (LTI Awards to Officers) and Award Summary under 2018 Stock Incentive Plan (FY21-FY24 Awards) (incorporated by reference to Exhibit 10.32 to Form 10-Q as filed September 8, 2020) |
| 10.18* | Form of Restricted Stock Units Agreement (LTI Awards to Officers) and Award Summary under 2018 Stock Incentive Plan (FY24 for Darren M. Rebelez) |
| 10.19* | Form of Restricted Stock Units Agreement (Non-Officer Employees) under 2018 Stock Incentive Plan (incorporated by reference to Exhibit 10.33 to Form 10-Q as filed September 8, 2020) |
| 10.20* | Restricted Stock Units Agreement (Make-Whole Award to Darren M. Rebelez) and Award Summary under 2018 Stock Incentive Plan (incorporated by reference to Exhibit 10.46 to Form 10-Q as filed September 9, 2019) |
| 10.21* | Performance-Based Restricted Stock Units Agreement (Special Strategic Grant to Darren M. Rebelez) and Award Summary under 2018 Stock Incentive Plan (incorporated by reference to Exhibit 10.1 to Form 8-K as filed December 26, 2019) |
| 10.22* | Restricted Stock Units Agreement (Make-Whole Award to Thomas P. Brennan) under 2018 Stock Incentive Plan (incorporated by reference to Exhibit 10.53 to Form 10-Q as filed March 9, 2020) |
| 10.23* | Restricted Stock Units Agreement (Make-Whole Award to Chad Frazell) under 2018 Stock Incentive Plan (incorporated by reference to Exhibit 10.54 to Form 10-Q as filed March 9, 2020) |
| 10.24* | Restricted Stock Units Agreement (Sign-On Award to Stephen P. Bramlage, Jr.) and Award Summary under 2018 Stock Incentive Plan (incorporated by reference to Exhibit 10.27 to Form 10-Q as filed September 8, 2020) |
| 10.25* | Restricted Stock Units Agreement (Make-Whole Award to Ena Williams Koschel) under 2018 Stock Incentive Plan (incorporated by reference to Exhibit 10.29 to Form 10-Q as filed September 8, 2020) |
| 10.26* | Restricted Stock Units Agreement (Make-Whole Award to Katrina S. Lindsey) under 2018 Stock Incentive Plan (incorporated by reference to Exhibit 10.2 to Form 8-K as filed March 8, 2021) |

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|---|---|
| 10.27* | Casey's General Stores, Inc. Officer Severance Plan (incorporated by reference to Exhibit 10.1 to Form 8-K as filed September 9, 2019) |
| 21 | Subsidiaries of Casey's General Stores, Inc. |
| 23.1 | Consent of Independent Registered Public Accounting Firm |
| 31.1 | Certificate of Darren M. Rebelez under Section 302 of Sarbanes-Oxley Act of 2002 |
| 31.2 | Certificate of Stephen P. Bramlage Jr. under Section 302 of Sarbanes-Oxley Act of 2002 |
| 32.1 | Certificate of Darren M. Rebelez under Section 906 of Sarbanes-Oxley Act of 2002 |
| 32.2 | Certificate of Stephen P. Bramlage Jr. under Section 906 of Sarbanes-Oxley Act of 2002 |
| 101.INS | XBRL Instance Document |
| 101.SCH | XBRL Taxonomy Extension Schema Document |
| 101.CAL | XBRL Taxonomy Extension Calculation Linkbase Document |
| 101.LAB | XBRL Taxonomy Extension Label Linkbase Document |
| 101.PRE | XBRL Taxonomy Extension Presentation Linkbase Document |
| 101.DEF | XBRL Taxonomy Extension Definition Linkbase Document |

* Indicates management contract or compensatory plan or arrangement.

**ITEM 16. FORM 10-K SUMMARY**

Not applicable

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

**CASEY'S GENERAL STORES, INC.**
(Registrant)

| | |
|---|---|
| Date: June 23, 2023 | By /s/ Darren M. Rebelez<br>Darren M. Rebelez, President and<br>Chief Executive Officer<br>(Principal Executive Officer and Director) |
| Date: June 23, 2023 | By /s/ Stephen P. Bramlage Jr.<br>Stephen P. Bramlage Jr.<br>Chief Financial Officer<br>(Authorized Officer and Principal Financial and Accounting Officer) |

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

| | |
|---|---|
| Date: June 23, 2023 | By /s/ Darren M. Rebelez<br>Darren M. Rebelez, President and<br>Chief Executive Officer, Board Chair and<br>Director |
| Date: June 23, 2023 | By /s/ Stephen P. Bramlage Jr.<br>Stephen P. Bramlage Jr.<br>Chief Financial Officer |
| Date: June 23, 2023 | By /s/ H. Lynn Horak<br>H. Lynn Horak<br>Director |
| Date: June 23, 2023 | By /s/ Cara K. Heiden<br>Cara K. Heiden<br>Director |
| Date: June 23, 2023 | By /s/ Diane C. Bridgewater<br>Diane C. Bridgewater<br>Director |
| Date: June 23, 2023 | By /s/ Donald E. Frieson<br>Donald E. Frieson<br>Director |

| | |
|---|---|
| Date: June 23, 2023 | By /s/ David K. Lenhardt<br>David K. Lenhardt<br>Director |
| Date: June 23, 2023 | By /s/ Allison M. Wing<br>Allison M. Wing<br>Director |
| Date: June 23, 2023 | By /s/ Larree M. Renda<br>Larree M. Renda<br>Director |
| Date: June 23, 2023 | By /s/ Judy A. Schmeling<br>Judy A. Schmeling<br>Director |
| Date: June 23, 2023 | By /s/ Gregory A. Trojan<br>Gregory A. Trojan<br>Director |
| Date: June 23, 2023 | By /s/ Michael Spanos<br>Michael Spanos<br>Director |
| Date: June 23, 2023 | By /s/ Sri Donthi<br>Sri Donthi<br>Director |

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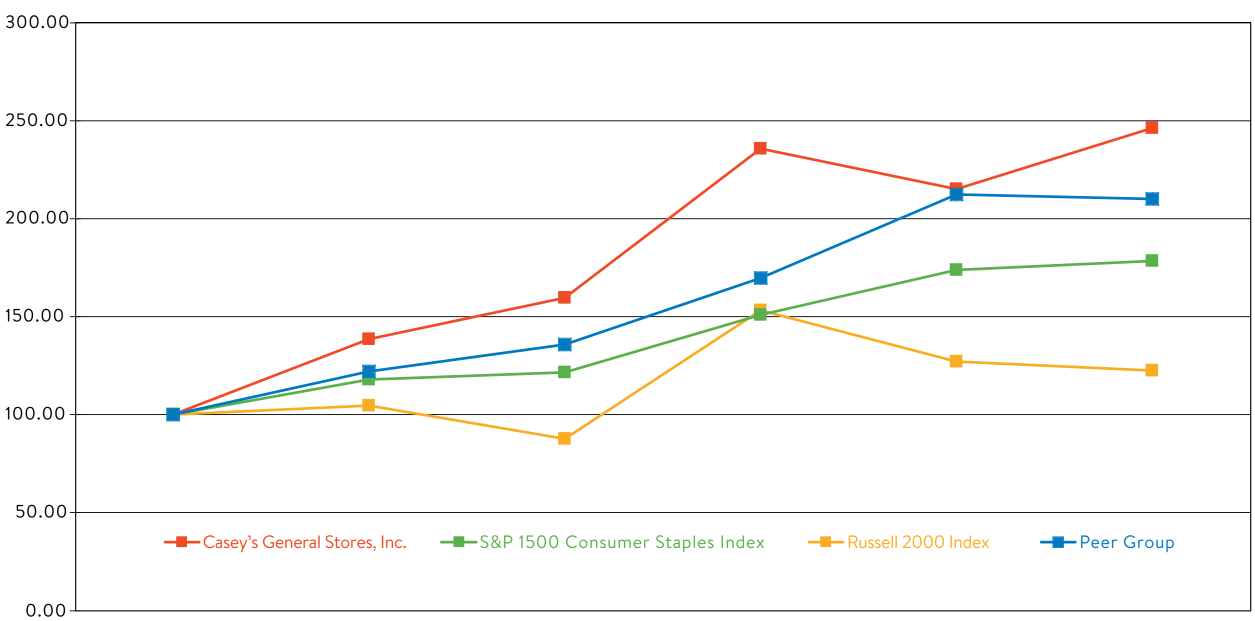
# COMPARATIVE STOCK PERFORMANCE

The following Performance Graph compares the cumulative total shareholder return on the Company's Common Stock for the last five fiscal years with the cumulative return of (i) the S&P 1500 Consumer Staples Index included due to the index's use in the Company's "pay versus performance" disclosures in its proxy statement (ii) the Russell 2000 Index, as it was the index used in last year's Annual Report and, (iii) a peer group index based on the common stock of Alimentation Couche-Tard Inc., Dollar General Corporation, Dollar Tree, Inc., Domino's Pizza, Inc., Papa John's International Inc., The Kroger Co., and Murphy USA, Inc. The cumulative total shareholder return computations set forth in the Performance Graph assumes the investment of $100 in the Company's Common Stock and each index on April 30, 2018, and reinvestment of all dividends. The total shareholder returns shown are not intended to be indicative of future returns.




| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|
| Casey's General Stores, Inc. | 100.00 | 138.30 | 159.48 | 235.73 | 215.09 | 246.13 |
| S&P 1500 Consumer Staples Index | 100.00 | 117.87 | 121.49 | 150.82 | 173.72 | 178.42 |
| Russell 2000 Index | 100.00 | 104.61 | 87.47 | 152.99 | 127.18 | 122.55 |
| Peer Group | 100.00 | 121.98 | 135.85 | 169.64 | 212.48 | 209.97 |

Casey's

CASEY'S GENERAL STORES, INC.
ONE SE CONVENIENCE BOULEVARD
ANKENY, IA 50021

CASEYS.COM