



2022

ANNUAL REPORT



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LETTER FROM LEADERSHIP

We are proud to report that 2022 was another successful year for your cooperative. MFA Oil is as healthy as ever, and earnings this fiscal year exceeded expectations despite new challenges like surging inflation. Undaunted, we remain committed to our purpose of driving the success of our customers and communities through exceptional products and services.

As we look to the future, we want to find new ways to add value to your cooperative. One of the ways we added value in 2022 was through strategic growth. Growth requires investment, which we think about in many ways such as new assets, acquisitions, technology upgrades and workforce development. These investments are all about putting the cooperative's money to work for you. Investing in our infrastructure and capabilities helps to ensure we can continue to meet the needs of members and customers in the communities we serve.

With the right mix of business growth, we are positioned for success. MFA Petroleum Company and the non-member services of Big O Tires, Break Time and APM provide substantial benefits to the cooperative and protect the equity you have in MFA Oil.

These divisions generate significant income for the company especially during seasonal lulls. They enhance our buying power with fuel volumes and serve as talent centers for employee development. The financial value that these business lines provide to MFA Oil and its members puts us in a uniquely advantageous position versus other energy cooperatives in the area.

Every sector of the U.S. economy has been affected by inflation in some form or another. Whether it's higher energy prices, rising grocery bills or an out-of-control housing market, inflation is hitting us all.

Management and the Board of Directors have worked hard to establish clear requirements that provide flexibility in times like these.



Our alignment has proven beneficial to handle disruptions, like the inflationary environment we face today. No matter the challenge or disruption, we remain prepared to handle it.

The board and management team are also exploring opportunities outside of our current business models. We're being open-minded about new possibilities that could benefit our cooperative.

We believe energy is here for the long haul, and we fully understand the important role we play in supplying energy to our members and the customers who count on us.

Thank you for your loyal support and your business. When we work together cooperatively, there's no problem we can't overcome.

Cooperatively,

A handwritten signature in black ink, appearing to read "Jon Ihler".

Jon Ihler
President & CEO

A handwritten signature in black ink, appearing to read "Glen Cope".

Glen Cope
Chairman of the Board



2022 YEAR IN REVIEW

MFA Oil Company is a farmer-owned cooperative dedicated to meeting the energy needs of its members and customers across the Midwest and Mid-South. The company was formed in 1929 and has adapted throughout the years to meet the changing needs of its member-owners.

COMPLETION OF ENERGY-FORCE ROLLOUT

→ The company-wide implementation of the Energy-Force point-of-sale system was completed in the summer. All bulk fuel and propane plants now use Energy-Force for fuel delivery scheduling, routing optimization and invoicing.

MANAGEMENT OF VOLATILITY AND SUPPLY

→ Volatile swings in the energy markets were influenced by the Russian invasion of Ukraine and declining fuel inventories. The MFA Oil supply team deftly managed dramatic shifts in pricing and concerns about product availability to find the best values possible to support members' and customers' needs.

ENTRY LEVEL DRIVER TRAINING

→ MFA Oil began offering certified entry-level driver training (ELDT) to help employees obtain a commercial driver's license (CDL) in March 2022. The in-house program curriculum includes theory training modules and behind-the-wheel instruction. Approximately 40 employees obtained CDLs through the program in 2022.

RECORDS IMPROVEMENTS

→ The company has made great strides in refining how it manages customer, vendor and account records. The customer database now provides more details about the relationships between customers and their accounts, allowing enhanced reporting and marketing opportunities.



COMPANY PERFORMANCE

\$14.3
MILLION

Total Earnings Before Tax

\$12.8
MILLION

Earnings on MFA Oil
Operations

\$6.9
MILLION

Patronage Paid to
Members in Cash

\$345.8
MILLION

Net Worth

FY 2022 BALANCE SHEET (in Millions of Dollars)

ASSETS

Current Assets	\$ 227.4
Investments	\$ 91.4
Fixed Assets	\$ 150.0
Other Assets	\$ 21.5
Total Assets	\$ 490.3

LIABILITIES & EQUITY

Current Liabilities	\$ 132.7
Other Liabilities	\$ 11.8
Equity	\$ 345.8
Total Liabilities and Equity	\$ 490.3

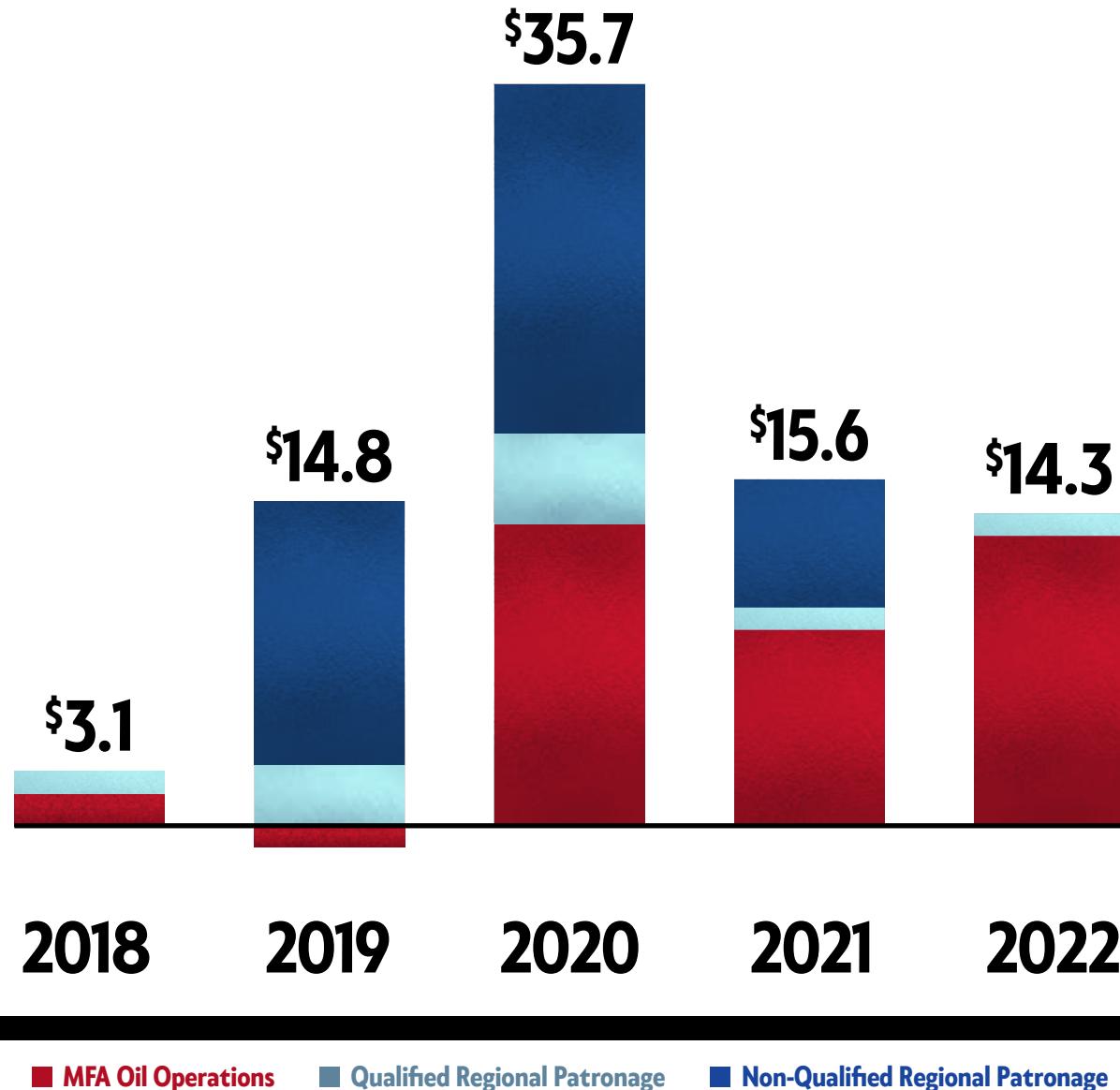
FINANCIAL STATEMENT (in Millions of Dollars)

	2022	2021
Earnings on MFA Oil Operations	\$ 12.8	\$ 8.3
Regional Patronage	\$ 1.5	\$ 7.3
Net Income Before Taxes	\$ 14.3	\$ 15.6



EARNINGS BEFORE INCOME TAX

in Millions of Dollars



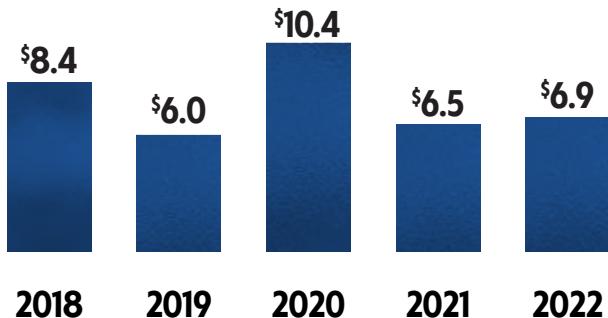
EARNINGS

in Millions of Dollars

NET WORTH

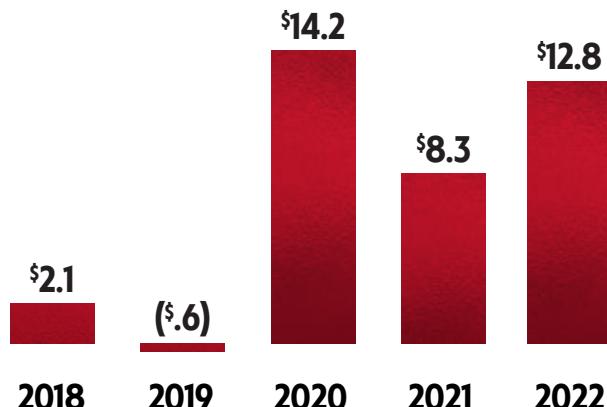


PATRONAGE: RETIRED PAST EQUITIES AND CASH PAYMENTS

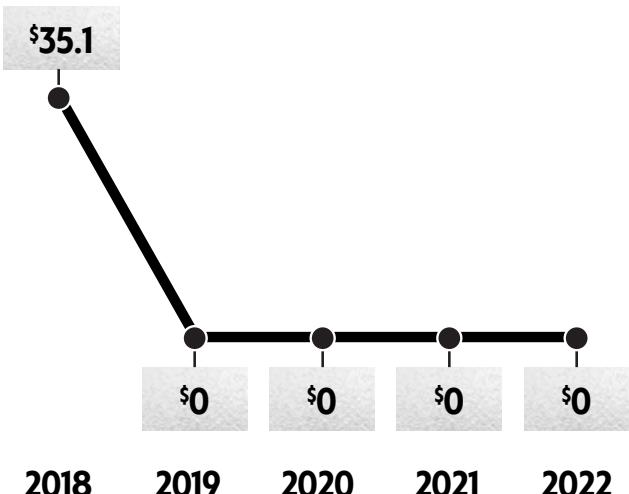


EARNINGS ON MFA OIL OPERATIONS

Excluding Patronage

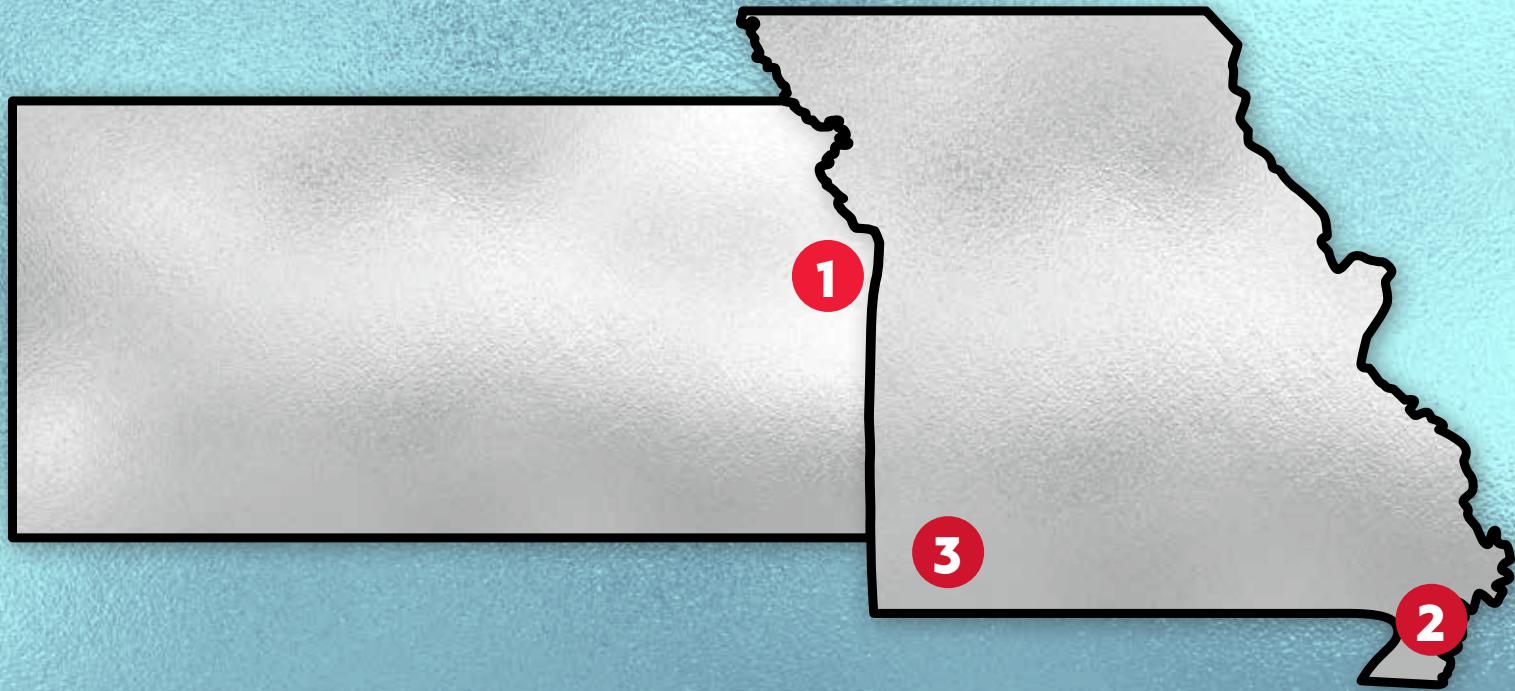


TOTAL INDEBTEDNESS



GROWTH

MFA Oil actively seeks expansion opportunities through acquisitions. The cooperative made three strategic purchases in 2022 to grow its operational footprint in southeast Missouri, southwest Missouri, eastern Kansas and northeast Oklahoma.



FY 2022 ACQUISITIONS

1 NOVEMBER 2021
Midwest Propane
Paola, Kan.



2 MARCH 2022
Griffin Oil and Propane
Deering and Portageville, Mo.



3 APRIL 2022
D&D Oil Company
Wheaton, Mo.



BULK FUEL & PROPANE

Providing exceptional customer service remains a division-wide focus. The company is using route optimization to improve delivery efficiency and is carefully monitoring delivery windows to ensure customers receive what they need when they need it. Hundreds of manhours have been devoted to employee training on safe driving, propane practices and standardization of procedures.

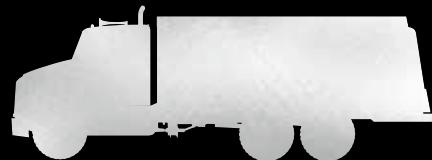
53.6
MILLION
gallons of gasoline sold

121.6
MILLION
gallons of distillates sold

100.0
MILLION
gallons of propane sold

New Trucks Added to the MFA Oil Service Fleet

9



Refined Fuel Trucks

1



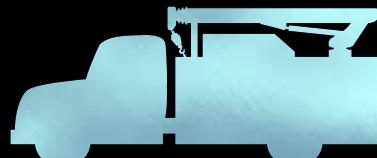
Bulk Oil Truck

15



Propane Trucks

15



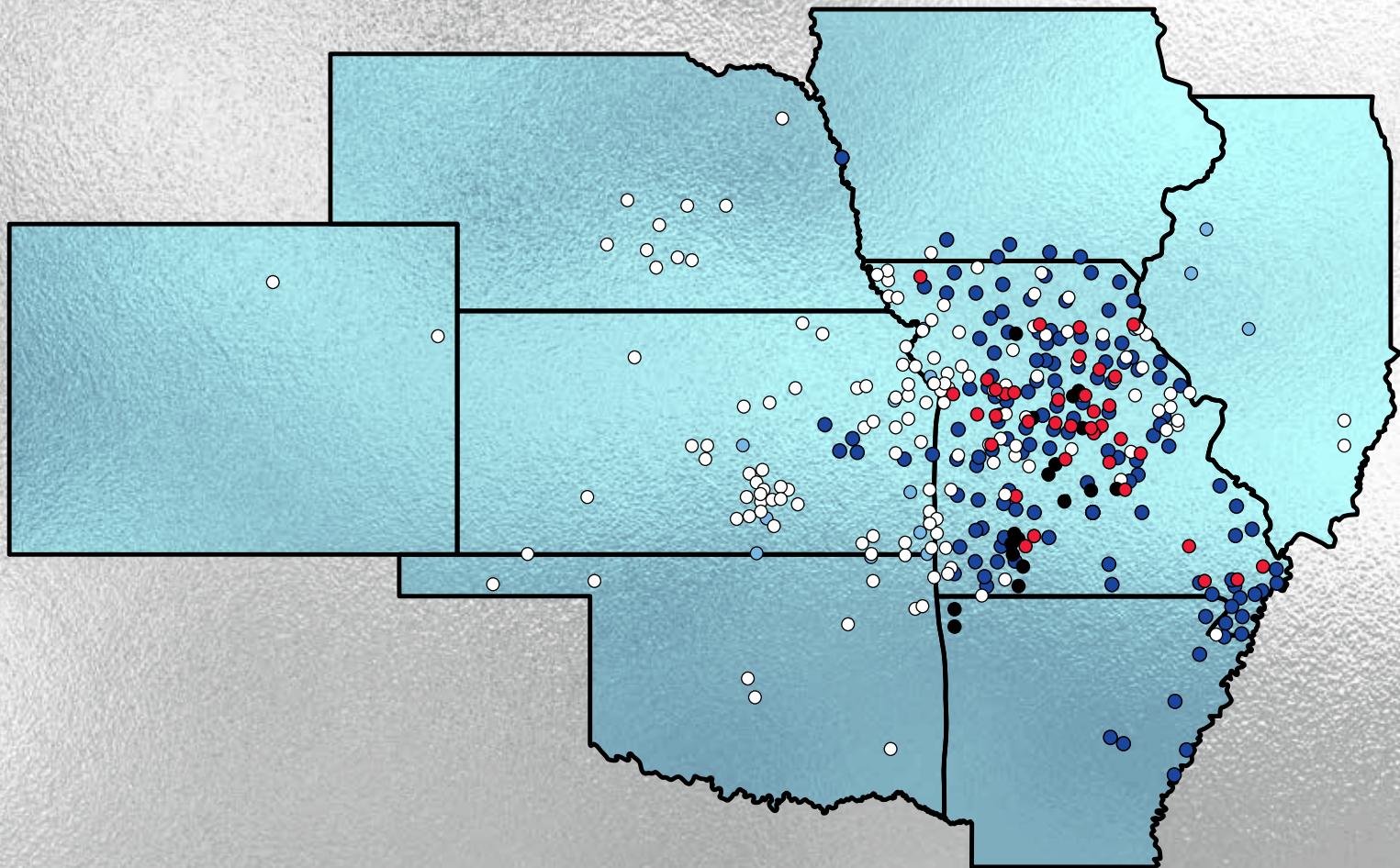
Service Trucks



MFA OIL
Propane

RETAIL

MFA Oil operates a variety of retail businesses, including Petro-Card 24 unattended fueling stations, Break Time convenience stores and automotive services through its Big O Tires franchise. The company also supplies gasoline and diesel fuel to convenience stores across the Midwest through its APM division.



Petro-Card 24

182

BreakTime

72

BIG O TIRES

22

APM

212

PETRO-CARD 24



In 2022, MFA Oil expanded the Petro-Card 24 network with locations in Wheaton and Deering, Mo. The company built a new station in Hardin, Mo., to replace the city's older Petro-Card 24 site, upgraded storage tanks at three locations, and added electronic pricing signs at a trio of facilities. MFA Oil also began updating the payment kiosks with EMV-compatible credit card readers and expects to complete the process in 2023.

75.0 MILLION
gallons of fuel sold

182
locations

BREAK TIME



Break Time opened its fourth truck stop in Bolivar, Mo., in the 2022 fiscal year. The convenience store chain continued its rebranding efforts by updating its logo and imaging at 18 stores. Additional Break Time highlights in 2022 include updating credit card readers and printers at all stores to meet EMV requirements, rebranding the chain's foodservice and commissary program from Dashboard Diner to AnyTime Eats, and opening a training center in Columbia, Mo.

\$125.6 MILLION
in inside sales

72
locations

88.7 MILLION
gallons of fuel sold

BIG O TIRES



MFA Petroleum Company, a subsidiary of MFA Oil, independently owns and operates Big O Tires franchise stores in Arkansas and Missouri. The company opened new stores in Chillicothe, Mo.; Ozark, Mo.; and Springfield, Mo., in the 2022 fiscal year. The Big O Tires division also introduced customer-friendly integrated credit card readers at all locations.

51.4 MILLION
in sales

22
locations

ENERGIZED SOLAR



MFA Oil began offering solar panel installations for farmers, homeowners and businesses during the company's 2022 fiscal year. The cooperative's solar debut builds on MFA Oil's reputation as a trusted energy provider and represents the company's latest commitment to diversifying its product offerings with renewable energy.

235.38 KWh
of daily solar energy potential

22
solar installations

APM



APM, the wholesale division of MFA Oil, is a leading fuel supplier that partners with independent convenience stores across the Midwest. APM customers have branding options through Cenex, Clark, Conoco, Phillips 66 and Sinclair, in addition to unbranded support.

\$270.3 MILLION
in sales

212
fueling locations

97.1 MILLION
gallons of fuel delivered

PHILANTHROPY

MFA Oil believes in giving back to the communities it serves. The company supports many local nonprofit organizations directly and through the MFA Oil Foundation. Additionally, MFA Oil provides scholarships to hundreds of students each year through the MFA Foundation and to the children of employees.

\$161,872

The company donated to various nonprofit organizations such as Show-Me STATE GAMES, Boys & Girls Club of Columbia, Great Circle, Welcome Home, Rainbow House, Special Learning Center, Missouri State Fair and FFA state organizations in Arkansas, Kansas, Missouri and Oklahoma.

\$160,000

The Eighth Annual MFA Oil Charity Golf Scramble and Concert benefiting Operation Homefront raised \$160,000 in donations and more than \$1.16 million of support for America's military families since the inaugural event in 2015. The event's proceeds will be used to provide financial assistance to active-duty military and veteran families in Missouri, Kansas and surrounding areas.

MFA OIL COMPANY SCHOLARSHIPS

MFA Oil has three scholarship endowments that provide educational assistance to the sons and daughters of company employees. The following are this year's recipients:

JERRY TAYLOR SCHOLARSHIP

Elizabeth Wilson, daughter of James Wilson, service technician in Gallatin, Mo.

DALE H. CREACH SCHOLARSHIP

Kaitlyn Rindom, daughter of Jason Rindom, senior maintenance administrator

Jacob Uthe, son of Clayton Uthe, BPLP safety and maintenance territory manager

C.F. ROBERTSON SCHOLARSHIP

Jonathon Weaver, son of James Weaver, driver in Lenox, Iowa

THE MFA OIL FOUNDATION

The MFA Oil Foundation provides cash grants to support nonprofit organizations in communities where MFA Oil has a significant concentration of members and employees. The grants, which are primarily funded by pre-tax, non-member income, help to strengthen organizations dedicated to serving education, youth, humanitarian services and civic endeavors.

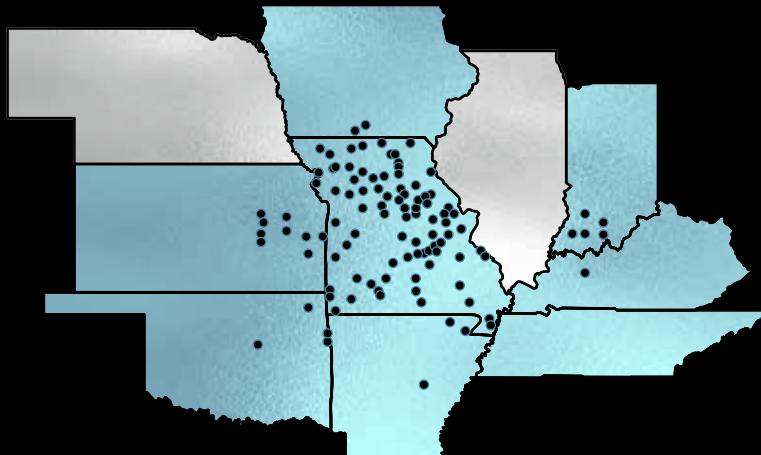
\$219,943

in grants awarded to
132 organizations

**\$3.3
MILLION**

approximate value of grants
awarded since 1998

To apply for an MFA Oil
Foundation grant, visit
mfaoil.com/foundation.



MFA FOUNDATION

Established in 1958 to provide greater educational opportunities for youth, the MFA Foundation is a nonprofit organization jointly administered by MFA Oil Company and MFA Incorporated. Every spring, graduating high school seniors in the companies' trade area are awarded scholarships for use at the college or university of their choice. Throughout the years, the MFA Foundation has provided nearly \$17 million in financial assistance to almost 15,000 students. MFA Oil funds its contributions to the MFA Foundation through unclaimed equities.

\$490,000

in scholarships given to
245 students

Eligible students can apply
online at mfafoundation.com.

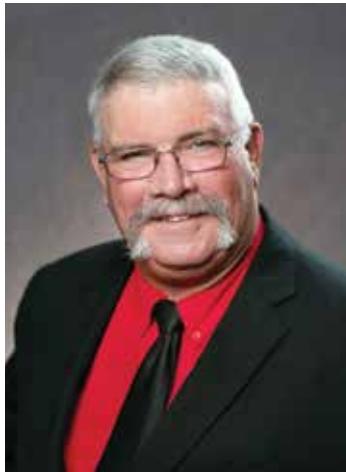
EXECUTIVE TEAM



TOP ROW LEFT TO RIGHT: **Jon Ihler**, President and Chief Executive Officer; **Jeff Raetz**, Chief Financial Officer; **Amanda Cooper**, Vice President of Human Resources; **Kenny Steeves**, Senior Vice President of MFA Oil Operations

BOTTOM ROW LEFT TO RIGHT: **Curtis Chaney**, Senior Vice President of Retail; **James Greer**, Senior Vice President of Supply and Transportation; **Edward Harper**, Vice President of Enterprise Risk Management; **Tami Ensor**, Executive Assistant and Corporate/Board of Directors Secretary

BOARD OF DIRECTORS



TOP ROW LEFT TO RIGHT: **Chuck Weldon**, District 1 – Northwest;
Monte Fisher, District 2 – Northeast; **Glen Cope** (Chairman), District 3 – Southwest;
Marion Kertz, District 4 – Southeast

BOTTOM ROW LEFT TO RIGHT: **Mike Moreland**, District 5 – West Central; **Jake Taylor** (Vice Chairman), District 6 – Central;
Tony Dameron, District 7 – East Central; **Scott Mitchell**, District 8 – Mid-South

CORE VALUES

The core values of MFA Oil Company form the foundation of the cooperative's culture. These values are more than just words – they serve as guiding tenets for employees' actions and decision making. These values are used to evaluate new hires, conduct training and appraise job performance for all employees.



- Respect Everyone
- Provide Excellent Service
- Deliver on Your Promises



- Give Your Best
- Never Settle
- Work Passionately



- Do the Right Thing
- Take Ownership
- Act With Empathy

Our Purpose is to Drive the Success of Our Customers and Communities Through Exceptional Products and Services.



One Ray Young Dr. • PO Box 519
Columbia, MO 65201
(573) 442-0171 • (800) 366-0200
www.mfaoil.com