

CASEYS GENERAL STORES INC
 Form 4
 August 01, 2007

FORM 4

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 LAMBERTI DONALD F

2. Issuer Name and Ticker or Trading Symbol
 CASEYS GENERAL STORES INC
 [CASY]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction
 (Month/Day/Year)

Director 10% Owner
 Officer (give title below) Other (specify below)

3601 S.W. GOLFBVIEW CIRCLE

07/31/2007

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

ANKENY, IA 50021

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | Code V Amount (A) or (D) Price | | | |
| Common Stock | 07/31/2007 | 07/31/2007 | S ⁽²⁾ | 5,000 D | \$ 25.39 | 2,042,196 | D |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474
 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Price of Underlying Securities (Instr. 3 and 4) | | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|-----------------|--------------|----------------------------|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Option - right to buy ⁽¹⁾ | \$ 15.8 | | | | | | | 05/01/2004 | 05/01/2014 | Common Stock | 2,000 |
| Option - right to buy ⁽¹⁾ | \$ 17.64 | | | | | | | 05/01/2005 | 05/01/2015 | Common Stock | 2,000 |
| Option - right to buy ⁽¹⁾ | \$ 22.36 | | | | | | | 05/01/2006 | 05/01/2016 | Common Stock | 2,000 |
| Option - right to buy ⁽¹⁾ | \$ 24.11 | | | | | | | 05/01/2007 | 05/01/2017 | Common Stock | 2,000 |

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

LAMBERTI DONALD F
 3601 S.W. GOLFVIEW CIRCLE X
 ANKENY, IA 50021

Signatures

William J. Noth, under power of attorney dated
 6/6/03

08/01/2007

 **Signature of Reporting Person

 Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Pursuant to terms of Non-Employee Director Stock Option Plan.
- (2) The indicated sale was made in accordance with a periodic Sales Plan entered into under SEC Rule 10b5-1.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. financings. We anticipate that, after giving effect to such repayments (which are not reflected in this table or the pro forma financial information included in this prospectus supplement), approximately \$700 million of SourceGas debt will actually be continued. The actual amounts of working capital, capital expenditures and indebtedness of SourceGas at the closing of the Transaction will vary from the assumptions reflected in this table, and any such variations may be material.

- (6) Represents estimated fees and expenses, including underwriters' discounts and commissions, legal, accounting and other fees and expenses associated with the completion of the Transaction and the financing transactions.

Other Information

Our principal executive offices are located at 625 Ninth Street, Rapid City, South Dakota 57701 and our telephone number is 605-721-1700. We maintain a website at www.blackhillscorp.com where general information about us is available. We are not incorporating the contents of the website into this prospectus supplement. For additional information regarding our business, we refer you to our filings with the SEC incorporated into this prospectus supplement by reference. Please see "Where You Can Find More Information."

Concurrent Common Stock Offering

Concurrently with this offering, we are offering, by means of a separate prospectus supplement, 5,500,000 shares of common stock (or 6,325,000 shares if the underwriters of that offering exercise in full their option to purchase additional shares of common stock). This offering of Equity Units is not contingent on the concurrent offering of common stock and the concurrent offering of common stock is not contingent upon this offering of Equity Units. See "Concurrent Common Stock Offering."

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The Offering

In this offering summary, "Black Hills," "we," "us," "our" and the "Company" refer only to Black Hills Corporation and any successor obligor, and not to any of its subsidiaries.

What are Equity Units?

Equity Units may be either Corporate Units or Treasury Units, as described below. The Equity Units will initially consist of 5,200,000 Corporate Units (or 5,980,000 Corporate Units if the underwriters exercise their option to purchase additional Equity Units in full), each with a stated amount of \$50. You can create Treasury Units from Corporate Units that you own as described below under "How can I create Treasury Units from Corporate Units?" You can also recreate Corporate Units from Treasury Units that you own as described below under "How can I recreate Corporate Units from Treasury Units?"

What are the components of a Corporate Unit?

Each Corporate Unit initially consists of a contract to purchase Black Hills's common stock in the future and a 1/20, or 5%, undivided beneficial ownership interest in \$1,000 principal amount of Black Hills's 2015 Series A % remarketable junior subordinated notes due 2028 (the "RSNs"). The undivided beneficial ownership interest in the RSNs corresponds to \$50 principal amount of the RSNs. Initially, the RSNs will be issued in minimum denominations of \$1,000 and integral multiples of \$1,000. You will own the undivided beneficial ownership interest in the RSNs comprising part of each of your Corporate Units, but the RSNs will be pledged to us through the collateral agent to secure your obligation under the related purchase contract.

Upon a successful optional remarketing (as defined under "What is an optional remarketing?"), the RSNs comprising part of the Corporate Units will be replaced by the Treasury portfolio described below under "What is the Treasury portfolio?" Once replaced, the applicable ownership interest in the Treasury portfolio will be pledged to us through the collateral agent to secure your obligation under the related purchase contract.

What is a purchase contract?

Each purchase contract, whether part of a Corporate Unit or Treasury Unit, that is a component of an Equity Unit obligates you to purchase, and obligates us to sell, on November 1, 2018, or if such day is not a business day, the following business day (which we refer to as the "purchase contract settlement date"), for \$50 in cash, a number of shares of our common stock equal to the "settlement rate." You may satisfy your obligation to purchase our common stock under the purchase contracts as described under "How can I satisfy my obligation under the purchase contracts?" below.

The settlement rate will be calculated (subject to adjustment under the circumstances set forth in "Description of the Purchase Contracts Anti-dilution Adjustments" and "Description of the Purchase Contracts Early Settlement Upon a Fundamental Change") as follows:

if the applicable market value (as defined below) of our common stock is equal to or greater than the "threshold appreciation price" of \$, the settlement rate will be shares of our common stock (we refer to this settlement rate as the "minimum settlement rate");

if the applicable market value of our common stock is less than the threshold appreciation price but greater than the "reference price" of \$, which will be the public offering price of our common stock in the concurrent common stock offering, the settlement rate will be a number of shares of our common stock equal to \$50 *divided by* the applicable market value, rounded to the nearest ten thousandth of a share; and

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if the applicable market value of our common stock is less than or equal to the reference price, the settlement rate will be shares of our common stock (we refer to this settlement rate as the "maximum settlement rate").

The threshold appreciation price is equal to \$50 *divided by* the minimum settlement rate (such quotient rounded to the nearest \$0.0001), which is \$ and represents appreciation of approximately % over the reference price.

"Applicable market value" means the average volume-weighted average price, or VWAP, of our common stock for the trading days during the 20 consecutive scheduled trading day period ending on the third scheduled trading day immediately preceding the purchase contract settlement date (the "market value averaging period"). The "VWAP" of our common stock means, for the relevant trading day, the per share VWAP on the principal exchange or quotation system on which our common stock is listed or admitted for trading as displayed under the heading Bloomberg VWAP on Bloomberg page "BKH <EQUITY> AQR" (or its equivalent successor if such page is not available) in respect of the period from the scheduled open of trading on the relevant trading day until the scheduled close of trading on the relevant trading day (or if such VWAP is unavailable, the market price of one share of our common stock on such trading day determined, using a volume-weighted average method, by a nationally recognized independent investment banking firm retained for this purpose by us). A "trading day" means, for purposes of determining a VWAP or closing price, a day (i) on which the principal exchange or quotation system on which our common stock is listed or admitted for trading is scheduled to be open for business and (ii) on which there has not occurred or does not exist a market disruption event, as defined in "Description of the Purchase Contracts Purchase of Common Stock."

If 20 trading days for our common stock have not occurred during the market value averaging period, all remaining trading days will be deemed to occur on the third scheduled trading day immediately prior to the purchase contract settlement date and the VWAP of our common stock for each of the remaining trading days will be the VWAP of our common stock on that third scheduled trading day or, if such day is not a trading day, the closing price, as defined in "Description of the Purchase Contracts Purchase of Common Stock," as of such date.

We will not issue any fractional shares of our common stock upon settlement of a purchase contract. Instead of a fractional share, you will receive an amount of cash equal to the percentage of a whole share represented by such fractional share *multiplied by* the closing price of our common stock on the trading day immediately preceding the purchase contract settlement date (or the trading day immediately preceding an early settlement date, in the case of early settlement). If, however, a holder surrenders for settlement at one time more than one purchase contract, then the number of shares of our common stock issuable pursuant to such purchase contracts will be computed based upon the aggregate number of purchase contracts surrendered.

Can I settle the purchase contract early?

Prior to the purchase contract settlement date, subject to certain blackout periods (as described herein), you can settle a purchase contract by paying \$50 in cash per Corporate Unit or Treasury Unit (and, under certain circumstances, accrued and unpaid contract adjustment payments payable on the next contract adjustment payment date). If you settle a purchase contract early, your pledged ownership interest in the RSNs, the applicable ownership interests in the Treasury portfolio or the Treasury securities underlying the relevant Treasury Unit will be released to you and shares of our common stock, subject to adjustments, will be issued to you pursuant to the purchase contract (subject to adjustment as described below under "Description of the Purchase Contracts Anti-dilution Adjustments"), subject to the provisions described below under "What happens if there is early settlement upon a fundamental change?" with respect to early settlements upon a fundamental change. You may only elect early settlement in integral multiples of 20 Corporate Units or 20 Treasury Units;

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provided that, if the Treasury portfolio has replaced the RSNs as a component of the Corporate Units as a result of a successful optional remarketing, holders of Corporate Units may settle early only in integral multiples of Corporate Units. See "Description of the Purchase Contracts Early Settlement."

Your early settlement right is subject to the condition that, if required under the U.S. federal securities laws, we have a registration statement under the Securities Act of 1933, as amended (the "Securities Act"), in effect and an available prospectus covering any securities deliverable upon settlement of a purchase contract. We have agreed that, if such a registration statement is required, we will use our commercially reasonable efforts to have a registration statement in effect on the applicable early settlement date and to provide a prospectus in connection therewith, covering any securities to be delivered in respect of the purchase contracts being settled, subject to certain exceptions. In the event that you seek to exercise your early settlement right and a registration statement is required to be effective in connection with the exercise of such right but no such registration statement is then effective, your exercise of such right will be void unless and until such a registration statement is effective. For so long as there is a material business transaction or development that has not yet been publicly disclosed, we will not be required to file such registration statement or provide such a prospectus, and the early settlement right will not be available, until we have publicly disclosed such transaction or development; *provided* that we will use commercially reasonable efforts to make such disclosure as soon as it is commercially reasonable to do so.

What is the Treasury portfolio?

Upon a successful optional remarketing, the RSNs will be replaced by the Treasury portfolio. The Treasury portfolio is a portfolio of U.S. Treasury securities consisting of:

U.S. Treasury securities (or principal or interest strips thereof) that mature on or prior to the purchase contract settlement date in an aggregate amount at maturity equal to the principal amount of the RSNs underlying the undivided beneficial ownership interests in the RSNs included in the Corporate Units on the optional remarketing date; and

U.S. Treasury securities (or principal or interest strips thereof) that mature on or prior to the purchase contract settlement date in an aggregate amount at maturity equal to the aggregate interest payment (assuming no reset of the interest rate) that would have been paid to the holders of the Corporate Units on the purchase contract settlement date on the principal amount of the RSNs underlying the undivided beneficial ownership interests in the RSNs included in the Corporate Units on the optional remarketing date.

If, on the optional remarketing date, U.S. Treasury securities (or principal or interest strips thereof) that are to be included in the Treasury portfolio have a yield that is less than zero, then the cash proceeds from the remarketing (and not the U.S. Treasury securities) will be substituted for the RSNs that are components of the Corporate Units and will be pledged to us through the collateral agent to secure the Corporate Unit holders' obligation to purchase our common stock under the purchase contracts. In addition, in such case, references to "Treasury security" and "U.S. Treasury securities (or principal or interest strips thereof)" in connection with the Treasury portfolio will, thereafter, be deemed to be references to such amount of cash.

What is a Treasury Unit?

A Treasury Unit is a unit created from a Corporate Unit by substituting the pledged undivided beneficial ownership interest in the RSNs that secures a holder's obligation under the purchase contract with a sufficient amount of Treasury securities. A Treasury Unit consists of a purchase contract and a 1/20, or 5%, undivided beneficial ownership interest in a zero-coupon U.S. Treasury security with a principal amount at maturity of \$1,000 that matures on October 31, 2018 (for example, CUSIP

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No. 912820ZE0), which we refer to as a "Treasury security." The ownership interest in the Treasury security that is a component of a Treasury Unit will be owned by you, but will be pledged to us through the collateral agent to secure your obligation under the related purchase contract.

How can I create Treasury Units from Corporate Units?

Each holder of Corporate Units will have the right, at any time prior to a successful remarketing and other than during a blackout period, to substitute Treasury securities which must be purchased in the open market at the expense of the Corporate Unit holder (unless otherwise owned by the holder) for the related undivided beneficial ownership interest in RSNs held by the collateral agent. The Treasury securities must have an aggregate principal amount at maturity equal to the aggregate principal amount of the RSNs underlying such holder's Corporate Units. Because Treasury securities and the RSNs are issued in minimum denominations of \$1,000, holders of Corporate Units may only make these substitutions in integral multiples of 20 Corporate Units. Each of these substitutions will create Treasury Units, and the RSNs underlying the holder's Corporate Units will be released upon substitution to the holder and will be tradable separately from the Treasury Units.

How can I recreate Corporate Units from Treasury Units?

Each holder of Treasury Units will have the right, at any time prior to a successful remarketing and other than during a blackout period, to recreate Corporate Units, by substituting for the related Treasury securities held by the collateral agent RSNs having an aggregate principal amount equal to the aggregate principal amount at maturity of the Treasury securities for which substitution is being made. Because Treasury securities and the RSNs are issued in minimum denominations of \$1,000, holders of Treasury Units may make these substitutions only in integral multiples of 20 Treasury Units. Each of these substitutions will recreate Corporate Units and the applicable Treasury securities will be released to the holder and will be tradable separately from the Corporate Units.

What payments am I entitled to as a holder of Corporate Units?

Subject to any deferral as described under "Are payments subject to deferral?" below, holders of Corporate Units will be entitled to receive:

quarterly cash payments consisting of their pro rata share of interest payments on the RSNs, at the rate of % per year, and

quarterly contract adjustment payments at the rate of % per year on the stated amount of \$50 per Corporate Unit until the earliest of the occurrence of:

a termination event,

the purchase contract settlement date;

the fundamental change early settlement date (in the case of early settlement upon a fundamental change); or

the most recent contract adjustment payment date on or before any early settlement with respect to the related purchase contracts (in the case of early settlement other than upon a fundamental change).

Our obligations with respect to the contract adjustment payments will be subordinated and junior in right of payment to our obligations under any of our Priority Indebtedness (as defined under "Description of the Remarketable Junior Subordinated Notes Subordination").

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What payments will I be entitled to if I convert my Corporate Units to Treasury Units?

Subject to any deferral as described under "Are payments subject to deferral?" below, holders of Treasury Units will be entitled to receive quarterly contract adjustment payments from us at the rate of % per year on the stated amount of \$50 per Treasury Unit. There will be no interest payments in respect of the interest in Treasury securities that is a component of the Treasury Units. To the extent that such holders of Treasury Units continue to hold the RSNs that were released to them when they created the Treasury Units, such holders will continue to receive the scheduled interest payments on their separate RSNs, subject to our right to defer such payments and subject to any modifications made thereto pursuant to a successful remarketing.

Are payments subject to deferral?

We have the right to defer all or part of the contract adjustment payments but not beyond the purchase contract settlement date (or, with respect to an early settlement upon a fundamental change, not beyond the fundamental change early settlement date or, with respect to an early settlement other than upon a fundamental change, not beyond the contract adjustment payment date immediately preceding the early settlement date).

Any deferred contract adjustment payments will accrue additional contract adjustment payments at the rate equal to % per annum (which is equal to the rate of total distributions on the Corporate Units), compounded on each contract adjustment payment date, to, but excluding, the contract adjustment payment date on which such deferred contract adjustment payments are paid. We refer to additional contract adjustment payments that accrue on deferred contract adjustment payments as "compounded contract adjustment payments." We may pay any deferred contract adjustment payments (including compounded contract adjustment payments thereon) on any scheduled contract adjustment payment date.

If we exercise our option to defer the payment of contract adjustment payments, then until the deferred contract adjustment payments (including compounded contract adjustment payments thereon) have been paid, we generally will not declare or pay dividends or distributions on, or redeem, purchase or acquire or make a liquidation payment with respect to, any shares of our capital stock, or make any payment of principal of, or interest or premium, if any, on, or repay, repurchase or redeem any of our debt securities that upon a liquidation ranks on parity with, or junior to, the contract adjustment payments, or make any guarantee payments under any guarantee by us of securities of any of our subsidiaries if our guarantee ranks on parity with, or junior to, the contract adjustment payments, in each case, subject to the exceptions set forth under "Description of the Purchase Contracts Contract Adjustment Payments."

In addition, prior to any successful remarketing of the RSNs, we may elect at one or more times to defer payment of interest on the RSNs for one or more consecutive interest periods; *provided* that no deferral period may extend beyond the purchase contract settlement date or the maturity date, as applicable. We may pay any deferred interest on any scheduled interest payment date occurring on or prior to the earlier of:

- (a) the purchase contract settlement date, in the case of a deferral period beginning prior to the purchase contract settlement date or
- (b) the maturity date, in the case of a deferral period beginning after the purchase contract settlement date.

Deferred interest on the RSNs will bear interest at the interest rate applicable to the RSNs, compounded on each interest payment date to, but excluding, the interest payment date on which such deferred interest is paid.

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In the event there is any deferred interest outstanding, we may not elect to conduct an optional remarketing. In connection with any successful remarketing during the final remarketing period, all accrued and unpaid deferred interest (including compounded interest thereon) will be paid to the holders of the RSNs (whether or not the RSNs were remarketed in the remarketing) on the purchase contract settlement date in cash.

In the event that we exercise our option to defer the payment of interest, then until the deferred interest payments (including compounded interest thereon) have been paid, we generally will not declare or pay dividends or distributions on, or redeem, purchase or acquire or make a liquidation payment with respect to, any shares of our capital stock, or make any payment of principal of, or interest or premium, if any, on, or repay, repurchase or redeem any of our debt securities that upon a liquidation rank on parity with, or junior to, the RSNs, or make any guarantee payments under any guarantee by us of securities of any of our subsidiaries if our guarantee ranks on parity with, or junior to, the RSNs, in each case, subject to the exceptions set forth under "Description of the Remarketable Junior Subordinated Notes Dividend and Other Payment Stoppages During Interest Deferral and Under Certain Other Circumstances."

In connection with any successful remarketing of the RSNs, the interest deferral provisions will cease to apply to the RSNs.

What are the payment dates for the Corporate Units and Treasury Units?

Subject to any deferral as described under "Are payments subject to deferral?" above, the payments described above in respect of the Equity Units will be payable quarterly in arrears on February 1, May 1, August 1 and November 1 of each year (except that if any such date is not a business day, interest and contract adjustment payments will be payable on the following business day, without adjustment for such delay), commencing February 1, 2016. We will make these payments to the person in whose name the Equity Unit is registered on the close of business on the record date, subject to certain exceptions described herein. The "record date" means the 15th day of the calendar month immediately preceding the month in which the relevant payment date falls (whether or not a business day).

What is a remarketing?

We refer to each of an "optional remarketing" and a "final remarketing" as a "remarketing." In a remarketing, the RSNs that are a part of Corporate Units (except, with respect to a final remarketing, where the holder has elected to settle the purchase contract through payment of separate cash) and any separate RSNs which were formerly part of Corporate Units but are now held by a holder as a separate security (the "separate RSNs") whose holders have elected to participate in the remarketing will be remarketed as described below under "What is an optional remarketing?" or, if no optional remarketing has occurred or is successful, in a final remarketing as described below under "What is a final remarketing?"

Following any successful remarketing of the RSNs:

the interest rate on the RSNs may be reset as described below and under "When will the interest rate on the RSNs be reset and what is the reset rate?" below;

interest will be payable on the RSNs semi-annually on May 1 and November 1 of each year;

the RSNs will cease to be redeemable at our option, and the provisions described under "Description of the Remarketable Junior Subordinated Notes Redemption at Our Option" and "Redemption Procedures" will no longer apply to the RSNs; and

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we will cease to have the ability to defer interest payments on the RSNs, and the provisions described under "Description of the Remarketable Junior Subordinated Notes Option to Defer Interest Payments" will no longer apply to the RSNs.

All such modifications will take effect only if the remarketing is successful, without the consent of holders, on the optional remarketing settlement date or the purchase contract settlement date, as the case may be, and will apply to all RSNs, whether or not included in the remarketing. All other terms of the RSNs will remain unchanged.

In order to remarket the RSNs, the remarketing agent, in consultation with us, may reset the interest rate on the RSNs (either upward or downward) in order to produce the required price in the remarketing, as discussed under "What is an optional remarketing?" and "What is a final remarketing?"

During the applicable blackout period relating to a remarketing:

you may not settle a purchase contract early;

you may not create Treasury Units; and

you may not recreate Corporate Units from Treasury Units.

We have agreed to enter into a remarketing agreement with one or more remarketing agents, which we refer to as the remarketing agent, no later than 20 days prior to the first day of the final remarketing period or, if we elect to conduct an optional remarketing, no later than 20 days prior to the first day of the optional remarketing period. We will separately pay a fee to the remarketing agent for its services. The holders of the RSNs included in any remarketing will not be responsible for such fee.

What is an optional remarketing?

Unless a termination event has occurred, we may elect, at our option, to remarket the RSNs over a period selected by us that begins on or after July 30, 2018 (the second business day immediately preceding the interest payment date prior to the purchase contract settlement date) and ends any time on or before October 15, 2018 (the eighth calendar day prior to the beginning of the final remarketing period). In any optional remarketing, the aggregate principal amount of the RSNs that are a part of Corporate Units and any separate RSNs whose holders have elected to participate in the optional remarketing will be remarketed. We refer to this period as the "optional remarketing period," a remarketing that occurs during the optional remarketing period as an "optional remarketing" and the date the RSNs are priced in an optional remarketing as the "optional remarketing date." If we elect to conduct an optional remarketing, the remarketing agent will use its commercially reasonable efforts to obtain a price for the RSNs that results in proceeds of at least 100% of the aggregate of the price of the Treasury portfolio described above under "What is the Treasury portfolio?", which we refer to as the "Treasury portfolio purchase price," and the separate RSNs purchase price as defined under "Description of the Remarketable Junior Subordinated Notes Remarketing of RSNs That Are Not Included in Corporate Units." We will request that The Depository Trust Company, or DTC, which we refer to as the "depository," notify its participants holding Corporate Units, Treasury Units and separate RSNs of our election to conduct an optional remarketing no later than five business days prior to the first day of the optional remarketing period.

We may not elect to conduct an optional remarketing if we are then deferring interest on the RSNs.

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An optional remarketing will be considered successful if the remarketing agent is able to remarket the RSNs for a price of at least 100% of the Treasury portfolio purchase price and the separate RSNs purchase price.

Following a successful optional remarketing, on the optional remarketing settlement date (as defined below), the portion of the remarketing proceeds equal to the Treasury portfolio purchase price will, except as described in the following paragraph, be used to purchase the Treasury portfolio and the remaining proceeds attributable to the RSNs underlying the Corporate Units will be remitted to the purchase contract agent for distribution pro rata to the holders of such Corporate Units on the optional remarketing settlement date. The portion of the proceeds attributable to the separate RSNs sold in the remarketing will be remitted to the custodial agent for distribution on the optional remarketing settlement date pro rata to the holders of such separate RSNs.

Following a successful optional remarketing, each Corporate Unit holder's applicable ownership interest in the Treasury portfolio or cash will be substituted for the holder's undivided beneficial ownership interest in the RSNs as a component of the Corporate Units, and the portion of the Treasury portfolio described in the first bullet under "What is the Treasury portfolio?" or such cash will be pledged to us through the collateral agent to secure the Corporate Unit holder's obligation under the related purchase contract. On the purchase contract settlement date, for each Corporate Unit, \$50 of the proceeds from the Treasury portfolio will automatically be applied to satisfy the Corporate Unit holder's obligation to purchase common stock under the purchase contract and the proceeds from the portion of the Treasury portfolio described in the second bullet under "What is the Treasury portfolio?", which will equal the interest payment (assuming no reset of the interest rate) that would have been paid on the RSNs that were components of the Corporate Units at the time of the remarketing, will be paid on the purchase contract settlement date to the Corporate Unit holders.

If we elect to conduct an optional remarketing and that remarketing is successful:

settlement with respect to the remarketed RSNs will occur on the third business day following the optional remarketing date, unless the remarketed RSNs are priced after 4:30 p.m. New York time on the optional remarketing date, in which case settlement will occur on the fourth business day following the optional remarketing date (we refer to such settlement date as the "optional remarketing settlement date");

the interest rate on the RSNs will be reset by the remarketing agent in consultation with us on the optional remarketing date and will become effective on the optional remarketing settlement date;

the other modifications to the terms of the RSNs, as described under "What is a remarketing?" above will become effective;

after the optional remarketing settlement date, your Corporate Units will consist of a purchase contract and the applicable ownership interest in the Treasury portfolio or cash, as described above; and

you may no longer create Treasury Units or recreate Corporate Units from Treasury Units.

If we do not elect to conduct an optional remarketing, or no optional remarketing succeeds for any reason, the RSNs will continue to be a component of the Corporate Units or will continue to be held separately and the remarketing agent will use its commercially reasonable efforts to remarket the RSNs during the final remarketing period, as described under "What is a final remarketing?" below.

At any time and from time to time during the optional remarketing period prior to the announcement of a successful optional remarketing, we have the right to postpone any remarketing in our sole and absolute discretion.

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What is a final remarketing?

Unless a termination event or a successful optional remarketing has previously occurred, we will remarket the RSNs during the five business day period ending on, and including, October 29, 2018 (the third business day immediately preceding the purchase contract settlement date). We refer to such period as the "final remarketing period," the remarketing during this period as the "final remarketing" and the date the RSNs are priced in the final remarketing as the "final remarketing date." In the final remarketing, the aggregate principal amount of the RSNs that are a part of Corporate Units (except where the holder thereof has elected to settle the purchase contract through payment of separate cash) and any separate RSNs whose holders have elected to participate in the final remarketing will be remarketed. The remarketing agent will use its commercially reasonable efforts to obtain a price for the RSNs that results in proceeds of at least 100% of the aggregate principal amount of all the RSNs offered in the remarketing. We will request that the depository notify its participants holding Corporate Units, Treasury Units and separate RSNs of the final remarketing no later than seven days prior to the first day of the final remarketing period. We have the right to postpone the final remarketing in our sole and absolute discretion on any day prior to the last three business days of the final remarketing period.

A remarketing during the final remarketing period will be considered successful if the remarketing agent is able to remarket the RSNs for at least 100% of the aggregate principal amount of all the RSNs offered in the remarketing.

Upon a successful final remarketing, settlement with respect to the remarketed RSNs will occur on the purchase contract settlement date. On the final remarketing date, if applicable, the interest rate on the RSNs will be reset by the remarketing agent in consultation with us, and will become effective on the purchase contract settlement date.

Following a successful final remarketing, the collateral agent will remit the portion of the proceeds equal to the total principal amount of the RSNs underlying the Corporate Units to us to satisfy in full the Corporate Unit holders' obligations to purchase common stock under the related purchase contracts. Any excess proceeds attributable to RSNs underlying Corporate Units that were remarketed will be remitted to the purchase contract agent for distribution pro rata to the holders of such RSNs. Proceeds from the final remarketing attributable to the separate RSNs remarketed will be remitted to the custodial agent for distribution pro rata to the holders of the separate RSNs that were remarketed.

What happens if the RSNs are not successfully remarketed?

If, in spite of using its commercially reasonable efforts, the remarketing agent cannot remarket the RSNs during the final remarketing period at a price at least equal to 100% of the aggregate principal amount of RSNs offered in the remarketing, a condition precedent set forth in the remarketing agreement has not been fulfilled or a successful remarketing has not occurred for any other reason, in each case resulting in a "failed remarketing," holders of all RSNs will have the right to put their RSNs to us for an amount equal to the principal amount of their RSNs. A holder of Corporate Units will be deemed to have automatically exercised this put right with respect to the RSNs underlying the Corporate Units unless, prior to 4:00 p.m., New York City time, on the second business day immediately prior to the purchase contract settlement date, the holder provides written notice of an intention to settle the related purchase contracts with separate cash and on or prior to the business day immediately preceding the purchase contract settlement date delivers to the securities intermediary \$50 in cash per purchase contract. This settlement with separate cash may only be effected in integral multiples of 20 Corporate Units. Unless a holder of Corporate Units has elected to settle the related purchase contracts with separate cash, and delivered the separate cash on or prior to the business day immediately preceding the purchase contract settlement date, the holder will be deemed to have elected to apply the proceeds of the put price against the holder's obligations to us under the related

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purchase contracts, thereby satisfying the holder's obligations in full, and the RSNs underlying such Corporate Units will be delivered to us and cancelled.

Do I have to participate in the remarketing?

No. You may elect not to participate in any remarketing and to retain the RSNs underlying the undivided beneficial ownership interests in RSNs comprising part of your Corporate Units by (1) creating Treasury Units at any time other than during a blackout period, (2) settling the related purchase contracts early at any time other than during a blackout period or (3) in the case of a final remarketing, notifying the purchase contract agent prior to 4:00 p.m., New York City time, on the second business day immediately prior to the first day of the final remarketing period of your intention to settle your obligation under the related purchase contracts on the purchase contract settlement date in cash, and delivering such cash payment required under the purchase contracts to the securities intermediary on or prior to 4:00 p.m., New York City time, on the business day immediately prior to the first day of the final remarketing period. You can only elect to satisfy your obligation in cash in increments of 20 Corporate Units. See "Description of the Purchase Contracts Notice to Settle with Cash."

Which provisions will govern the RSNs following the remarketing?

The remarketed RSNs will be governed by the indenture under which they were issued as part of the Corporate Units. However, following any successful remarketing of the RSNs, the interest rate on the RSNs will be reset, interest will be payable semi-annually and we will cease to have the ability to redeem the RSNs at our option or defer interest payments on the RSNs, all as described under "What is a remarketing?" above.

If I am holding separate RSNs, can I still participate in a remarketing of the RSNs?

Yes. If you hold separate RSNs, you may elect to have your RSNs remarketed by the remarketing agent along with the RSNs underlying the Corporate Units as described under "Description of the Remarketable Junior Subordinated Notes Remarketing of RSNs That Are Not Included in Corporate Units." You may also participate in any remarketing by recreating Corporate Units at any time prior to the remarketing, other than during a blackout period.

How can I satisfy my obligation under the purchase contracts?

You may satisfy your obligation under the purchase contracts as follows:

on an early settlement date as described under "Can I settle the purchase contract early?" above and under "What happens if there is early settlement upon a fundamental change?" below;

on the purchase contract settlement date if you own Corporate Units:

through the automatic application of the portion of the proceeds of a successful remarketing during the final remarketing period equal to the principal amount of the RSNs underlying the Corporate Units, as described under "What is a final remarketing?" above; or

in the case of a successful optional remarketing, through the automatic application of the portion of the proceeds from the Treasury portfolio or cash equal to the principal amount of the RSNs if the Treasury portfolio or cash has replaced the RSNs as a component of the Corporate Units as a result of a successful optional remarketing, as described under "What is an optional remarketing?" above; or

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through cash settlement as described under "Do I have to participate in the remarketing?" above or through exercise of the put right or cash settlement as described under "What happens if the RSNs are not successfully remarketed?" above; or

on the purchase contract settlement date if you own Treasury Units through the automatic application of the proceeds of the interest in Treasury securities.

In addition, the purchase contract and pledge agreement that governs the Equity Units provides that your obligation under the purchase contract will be terminated without any further action or notice upon the occurrence of a termination event, as defined under "Description of the Purchase Contracts Termination."

If you settle a purchase contract early (other than pursuant to your fundamental change early settlement right), you will be entitled to receive any accrued and unpaid contract adjustment payments (including any accrued and unpaid deferred contract adjustment payments and compounded contract adjustment payments thereon) to, but excluding, the contract adjustment payment date immediately preceding the early settlement date; *provided* that, under certain circumstances, you will be required to pay all contract adjustment payments payable on the contract adjustment payment date next succeeding the early settlement date to us in order to exercise the early settlement right. If you settle a purchase contract early pursuant to your fundamental change early settlement right, you will be entitled to receive any accrued and unpaid contract adjustment payments (including any accrued and unpaid deferred contract adjustment payments and compounded contract adjustment payments thereon) to, but excluding, the fundamental change early settlement date, unless the date on which the fundamental change early settlement right is exercised occurs following any record date and prior to the related scheduled contract adjustment payment date, and we are not deferring the related contract adjustment payment, in which case we will instead pay accrued and unpaid contract adjustment payments to the holder of the purchase contract as of such record date.

If the purchase contracts are terminated as a result of a termination event, you will not have any right to receive accrued and unpaid contract adjustment payments (including any deferred contract adjustment payments and compounded contract adjustment payments thereon). See "Description of the Purchase Contracts Early Settlement" and "Description of the Purchase Contracts Termination."

What interest payments will I receive on the RSNs or on the undivided beneficial ownership interests in the RSNs?

Subject to any deferral as described in "Are payments subject to deferral?" above, the RSNs will bear interest at the rate of % per year from the original issuance date to the purchase contract settlement date or, if earlier, the optional remarketing settlement date, payable quarterly in arrears on February 1, May 1, August 1 and November 1 of each year, commencing February 1, 2016 (except that if any such date is not a business day, interest will be payable on the following business day, without adjustment for such delay). On and after the purchase contract settlement date or, if earlier, the optional remarketing settlement date, interest on each RSN will be payable at the relevant reset rate (as defined under "When will the interest rate on the RSNs be reset and what is the reset rate?"), or if the interest rate has not been reset, at the initial interest rate of % per year. If a remarketing is successful, interest on the RSNs thereafter will be payable semi-annually. See "What is a remarketing?" above.

When will the interest rate on the RSNs be reset and what is the reset rate?

The interest rate on the RSNs may be reset in connection with a successful remarketing as described above under "What is an optional remarketing?" and "What is a final remarketing?" The "reset rate" will be the interest rate determined by the remarketing agent, in consultation with us, as the rate the RSNs should bear in order for the remarketing agent to remarket the RSNs on the

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remarketing date for a price of at least 100% of the Treasury portfolio purchase price *plus* the separate RSNs purchase price, if any, in the case of an optional remarketing, or at least 100% of the aggregate principal amount of the RSNs being offered in the remarketing, in the case of a final remarketing. In any case, the reset rate may be higher or lower than the initial interest rate on the RSNs depending on the results of the remarketing and market conditions at that time. The interest rate on the RSNs will not be reset if there is not a successful remarketing and the RSNs will continue to bear interest at the initial interest rate. The reset rate will not exceed the maximum rate permitted by applicable law.

When may the RSNs be redeemed?

We may redeem the RSNs at our option only if there has been a failed final remarketing. In that event, any RSNs that remain outstanding after the purchase contract settlement date will be redeemable on or after November 1, 2020 at our option, in whole or in part, at any time and from time to time, at a redemption price equal to the principal amount thereof *plus* accrued and unpaid interest, if any, to but excluding the redemption date.

What happens if there is early settlement upon a fundamental change?

If we are involved in a transaction that constitutes a fundamental change (as defined below) prior to the 20th business day preceding the purchase contract settlement date, you will have the right, subject to certain conditions, to accelerate and settle a purchase contract early at the settlement rate determined as described under "Description of the Purchase Contracts Early Settlement Upon a Fundamental Change," *plus* an additional make-whole amount of shares, or the "make-whole shares," so long as at such time, if required under the U.S. federal securities laws, there is in effect a registration statement covering any securities to be issued and delivered in connection with such fundamental change early settlement. We refer to this right as the "fundamental change early settlement right."

A "fundamental change" means (1) a "person" or "group" within the meaning of Section 13(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), other than us or our wholly-owned subsidiaries, files a Schedule TO or any schedule, form or report under the Exchange Act disclosing that such person or group has become the direct or indirect "beneficial owner," as defined in Rule 13d-3 under the Exchange Act, of shares of our common stock representing more than 50% of the voting power of our common stock (*provided* that a person shall not be deemed a beneficial owner of, or to own beneficially, (x) any securities tendered pursuant to a tender or exchange offer made by or on behalf of such person or any of such person's affiliates until such tendered securities are accepted for purchase or exchange thereunder, or (y) any securities if such beneficial ownership (i) arises solely as a result of a revocable proxy delivered in response to a proxy or consent solicitation made pursuant to the applicable rules and regulations under the Exchange Act, and (ii) is not also then reportable on Schedule 13D, Schedule 13G or any successor schedule under the Exchange Act); (2) (A) we are involved in a consolidation with or merger into any other person, or any merger of another person into us, or any other similar transaction or series of related transactions (other than a merger, consolidation or similar transaction that does not result in the conversion or exchange of outstanding shares of our common stock), in each case, in which 90% or more of the outstanding shares of our common stock are exchanged for or converted into cash, securities or other property, greater than 10% of the value of which (excluding cash payments for fractional shares and cash payments made pursuant to dissenters' appraisal rights) consists of cash, securities or other property that is not (or will not be upon or immediately following the effectiveness of such consolidation, merger or other transaction) common stock listed on the NYSE, the NASDAQ Global Select Market or the NASDAQ Global Market (or any of their respective successors); or (B) the consummation of any sale, lease or other transfer in one transaction or a series of related transactions of all or substantially all of our consolidated assets to any person other than one of our subsidiaries; (3) our common stock ceases to be listed on at least one of

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the NYSE, the NASDAQ Global Select Market or the NASDAQ Global Market (or any of their respective successors); or (4) our shareholders approve our liquidation, dissolution or termination.

We will provide each of the holders of Equity Units with a notice of the completion of a fundamental change within 10 business days after the effective date of such fundamental change. The notice will specify (1) a date (subject to postponement, as described below, the "fundamental change early settlement date"), which will be at least 10 days after the date of the notice but no later than the earlier of 20 days after the date of the notice and one business day prior to the purchase contract settlement date, on which date we will deliver shares of our common stock to holders who exercise the fundamental change early settlement right, (2) the date by which holders must exercise the fundamental change early settlement right, (3) the applicable settlement rate and number of make-whole shares, (4) the amount and kind (per share of common stock) of the cash, securities and other consideration receivable upon settlement and (5) the amount of accrued and unpaid contract adjustment payments (including any deferred contract adjustment payments and compounded contract adjustment payments thereon), if any, that will be paid upon settlement to holders exercising the fundamental change early settlement right. To exercise the fundamental change early settlement right with respect to any purchase contracts, you must deliver to the purchase contract agent at the corporate trust office of the purchase contract agent or its agent, in each case, in the continental United States of America, during the period beginning on the date we deliver notice to holders that a fundamental change has occurred and ending at 4:00 p.m., New York City time, on the third business day before the fundamental change early settlement date (such period, subject to extension as described below, the "fundamental change exercise period"), payment of \$50 for each purchase contract being settled in immediately available funds.

If you exercise the fundamental change early settlement right, we will deliver to you on the fundamental change early settlement date for each purchase contract with respect to which you have elected fundamental change early settlement, a number of shares (or exchange property units, if applicable) equal to the settlement rate described above, plus the number of make-whole shares determined by reference to the table set forth under "Description of the Purchase Contracts Early Settlement Upon a Fundamental Change." In addition, on the fundamental change early settlement date, we will pay you the amount of any accrued and unpaid contract adjustment payments (including any deferred contract adjustment payments and compounded contract adjustment payments thereon) to, but excluding, the fundamental change early settlement date, unless the date on which the fundamental change early settlement right is exercised occurs following any record date and prior to the related scheduled contract adjustment payment date, and we are not deferring the related contract adjustment payment, in which case we will instead pay all accrued and unpaid contract adjustment payments to the holder as of such record date. The RSNs or applicable ownership interests in the Treasury portfolio or Treasury securities underlying the Corporate Units or Treasury Units, as the case may be, with respect to which you are effecting a fundamental change early settlement, will be released from the pledge under the purchase contract and pledge agreement and delivered to you on the fundamental change early settlement date. If you do not elect to exercise your fundamental change early settlement right, your Corporate Units or Treasury Units will remain outstanding and be subject to normal settlement on the purchase contract settlement date.

We have agreed that, if required under the U.S. federal securities laws, we will use our commercially reasonable efforts to (1) have in effect throughout the fundamental change exercise period a registration statement covering the common stock and other securities, if any, to be delivered in respect of the purchase contracts being settled and (2) provide a prospectus in connection therewith, in each case in a form that may be used in connection with the fundamental change early settlement, subject to certain exceptions. In the event that a holder seeks to exercise its fundamental change early settlement right and a registration statement is required to be effective in connection with the exercise of such right but no such registration statement is then effective or a blackout period is continuing, the holder's exercise of such right will be void unless and until the registration statement is effective and no

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blackout period is continuing. The fundamental change exercise period will be extended by the number of days during such period on which no such registration statement is effective or a blackout period is continuing (*provided* that the fundamental change exercise period will not be extended beyond the fourth business day preceding the purchase contract settlement date) and the fundamental change early settlement date will be postponed to the third business day following the end of the fundamental change exercise period. If, but for the proviso contained in the immediately preceding sentence, the fundamental change early settlement date would occur on or after the purchase contract settlement date, we will deliver to any holder of purchase contracts on the purchase contract settlement date the applicable number of make-whole shares in addition to a number of shares equal to the settlement rate, determined as if the applicable market value were equal to the relevant "stock price."

Unless the Treasury portfolio has replaced the RSNs as a component of the Corporate Units as a result of a successful optional remarketing, holders of Corporate Units may exercise the fundamental change early settlement right only in integral multiples of 20 Corporate Units. If the Treasury portfolio has replaced the RSNs as a component of Corporate Units, holders of the Corporate Units may exercise the fundamental change early settlement right only in integral multiples of _____ Corporate Units.

A holder of Treasury Units may exercise the fundamental change early settlement right only in integral multiples of 20 Treasury Units.

What is the ranking of the RSNs?

The RSNs will be subordinated to all our existing and future Priority Indebtedness. The RSNs will be structurally subordinated to existing or future preferred stock and indebtedness, guarantees and other liabilities, including trade payables, of our subsidiaries. See "Description of the Remarketable Junior Subordinated Notes Subordination."

How will the RSNs be evidenced?

The RSNs that form a part of the Corporate Units will be issued in fully registered form and will be registered in the name of the purchase contract agent. The RSNs that do not form a part of the Corporate Units will be evidenced by one or more global notes registered in the name of DTC's nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC.

In a few special situations described in "Description of the Remarketable Junior Subordinated Notes Book Entry Issuance The Depository Trust Company," a book-entry security representing the RSNs will terminate and interests in it will be exchanged for physical certificates representing the RSNs.

What are the U.S. federal income tax consequences related to the Equity Units and RSNs?

Although the Internal Revenue Service (the "IRS") has issued a Revenue Ruling addressing the treatment of units similar to the Equity Units, no statutory, judicial or administrative authority directly addresses all aspects of the treatment of the Equity Units or instruments similar to the Equity Units for U.S. federal income tax purposes. Accordingly, no assurance can be given that the conclusions in the Revenue Ruling apply to the Equity Units. As a result, the U.S. federal income tax consequences of the purchase, ownership and disposition of the Equity Units are not entirely clear. In addition, there can be no assurance that the IRS or a court will agree with the characterization of the RSNs as indebtedness for U.S. federal income tax purposes.

The terms of the Equity Units are similar to the units considered in the Revenue Ruling noted above, although they vary in some respects. Based on that Revenue Ruling, although the matter is not

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free from doubt, a beneficial owner of Equity Units will be treated for U.S. federal income tax purposes as separately owning the purchase contract and the undivided beneficial ownership interests in the RSNs, the Treasury portfolio or the Treasury securities constituting the Equity Unit, as applicable. By purchasing the Corporate Units, you will be deemed to have agreed to treat the Equity Units in that manner for all U.S. federal income tax purposes. In addition, you must allocate the purchase price of the Corporate Units between the RSNs and the purchase contract in proportion to their respective fair market values, which will establish your initial tax basis in the RSNs and the purchase contract. With respect to each Corporate Unit purchased in the offering, you will be deemed to have agreed to allocate \$50 to the undivided beneficial ownership interest in the RSNs and \$0 to the purchase contract.

We intend to treat the RSNs as "variable rate debt instruments" that are subject to applicable U.S. Treasury regulations that apply to "reset bonds." Under this treatment, you will be required to take into account interest payments on the RSNs at the time they are paid or accrued in accordance with your regular method of accounting for tax purposes. However, there are no U.S. Treasury regulations, rulings or other authorities that address the U.S. federal income tax treatment of debt instruments that are substantially similar to the RSNs, and therefore the U.S. federal income tax treatment of the RSNs is unclear. Under possible alternative characterizations of the RSNs, you may be required to accrue interest income in amounts that exceed the stated interest on the RSNs and/or treat as ordinary income, rather than capital gain, any gain recognized on a sale, exchange, redemption or other taxable disposition of an RSN. See "Material United States Federal Income Tax Consequences U.S. Holders The RSNs Possible Alternative Characterizations."

If the Treasury portfolio has replaced the RSNs as a component of the Corporate Units as a result of a successful optional remarketing, a beneficial owner of Corporate Units generally will be required to include in gross income its allocable share of any interest payments made with respect to such owner's applicable ownership interest in the Treasury portfolio, and, if appropriate, "original issue discount" or acquisition discount (as described under "Material United States Federal Income Tax Consequences") on the applicable ownership interest in the Treasury portfolio.

We intend to treat contract adjustment payments as taxable ordinary income to a U.S. holder (as defined under "Material United States Federal Income Tax Consequences") when received or accrued, in accordance with the U.S. holder's regular method of tax accounting. We intend to treat any contract adjustment payments paid to a non-U.S. holder (as defined under "Material United States Federal Income Tax Consequences") as payments generally subject to U.S. federal withholding tax at a 30% rate, unless an income tax treaty reduces or eliminates such tax.

For a more comprehensive discussion of the U.S. federal income tax consequences of an investment in the Equity Units, please see "Material United States Federal Income Tax Consequences." Prospective investors in Equity Units should consult their tax advisors regarding the particular tax consequences to them of the purchase, ownership and disposition of Equity Units (including the application and effects of any state, local, or foreign and other tax laws).

Are there limitations on the purchase, holding or disposition of the Corporate Units with assets of, or on behalf of, an employee benefit plan?

Yes. The Employee Retirement Income Security Act of 1974, as amended ("ERISA"), Section 4975 of the Internal Revenue Code of 1986, as amended (the "Code"), and similar federal, state, local and foreign laws that are substantively similar or are of similar effect ("Similar Law") impose restrictions on the purchase, holding and disposition of Corporate Units (and the securities underlying the Corporate Units) by employee benefit plans that are subject to those laws. Corporate Units (and the securities underlying the Corporate Units) may be purchased with assets of, or on behalf of, an employee benefit plan subject to the investing fiduciary's determination that the investment satisfies

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ERISA's fiduciary standards and other requirements under ERISA, the Code and/or Similar Law. An investing fiduciary that proposes to cause an employee benefit plan, or to act on behalf of an employee benefit plan, to purchase Corporate Units (and the securities underlying the Corporate Units) should consult its own counsel regarding the potential applicability of ERISA, the Code and/or Similar Law to such investment, the potential consequences in its specific circumstances, and whether any exemption or exemptions would be applicable and should determine on its own whether all conditions of such exemption or exemptions have been satisfied. See "ERISA Considerations."

What are the uses of proceeds from the offering?

We estimate that the net proceeds from the sale of the Equity Units in this offering will be approximately \$ million (approximately \$ million if the underwriters exercise their option in full to purchase additional Equity Units), after deducting the underwriting discounts and commissions and estimated offering expenses.

In addition, we estimate that we will receive net proceeds, after deducting underwriting discounts and commissions and estimated offering expenses, of approximately \$ million from our concurrent common stock offering (approximately \$ million if the underwriters of such offering exercise in full their option to purchase additional shares of common stock). The concurrent common stock offering is not contingent on the completion of this offering and this offering is not contingent on the completion of the concurrent common stock offering.

We intend to use the net proceeds from this offering, together with cash on hand and proceeds from the concurrent offering of common stock and new debt to fund a portion of the cash consideration payable in connection with the Transaction. However, the consummation of this offering is not conditioned on the closing of the Transaction. If we do not consummate the Transaction, we will retain broad discretion to use all of the net proceeds from this offering for general corporate purposes. See "Use of Proceeds" in this prospectus supplement.

What are the risks relating to the Equity Units?

See "Risk Factors" and the risk factors set forth in the documents and reports filed with the SEC that are incorporated by reference in this prospectus supplement and in the accompanying base prospectus, including the risk factors set forth under "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2014, as amended by Form 10-K/A filed on August 7, 2015, and under "Risk Factors" in our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2015, before you make an investment decision pursuant to this prospectus supplement and the accompanying base prospectus.

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The Offering Explanatory Diagrams

The following diagrams illustrate some of the key features of the purchase contracts and the undivided beneficial ownership interests in RSNs, Corporate Units and Treasury Units.

Corporate Units

A Corporate Unit consists of two components as described below:

-
- (1) Contract adjustment payments may be deferred as described under "Description of the Purchase Contracts Contract Adjustment Payments" below.
 - (2) Each owner of an undivided beneficial ownership interest in RSNs will be entitled to 1/20, or 5%, of each interest payment paid in respect of a \$1,000 principal amount RSN.
 - (3) Interest payments may be deferred as described under "Description of the Remarketable Junior Subordinated Notes Option to Defer Interest Payments" below. In connection with any successful remarketing of the RSNs, the interest deferral provisions will cease to apply to the RSNs.
 - (4)

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RSNs will be issued in minimum denominations of \$1,000, except in limited circumstances following a termination event. Each undivided beneficial ownership interest in RSNs represents a 1/20, or 5%, undivided beneficial ownership interest in a RSN having a principal amount of \$1,000.

The holder of a Corporate Unit owns the 1/20, or 5%, undivided beneficial ownership interest in an RSN having a principal amount of \$1,000 that forms a part of the Corporate Unit, but will pledge it to us through the collateral agent to secure its obligations under the related purchase contract.

If the Treasury portfolio has replaced the RSNs as a result of a successful optional remarketing, the applicable ownership interests in the Treasury portfolio or cash, as applicable, will replace the RSNs as a component of the Corporate Unit.

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Treasury Units

A Treasury Unit consists of two components as described below:(1)

-
- (1) Treasury Units may only be created in integral multiples of 20 Corporate Units. As a result, the creation of 20 Treasury Units will release \$1,000 principal amount of the RSNs held by the collateral agent. During a blackout period or following a successful remarketing, you may not create Treasury Units or recreate Corporate Units.
- (2) Contract adjustment payments may be deferred as described under "Description of the Purchase Contracts Contract Adjustment Payments" below.

The holder of a Treasury Unit owns the 1/20, or 5%, undivided beneficial ownership interest in the Treasury security that forms a part of the Treasury Unit, but will pledge it to us through the collateral agent to secure its obligation under the related purchase contract.

Purchase Contract

Corporate Units and Treasury Units both include a purchase contract under which the holder agrees to purchase shares of our common stock on the purchase contract settlement date. In addition,

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the purchase contracts require us to make contract adjustment payments as shown in the diagrams on the preceding pages.

-
- (1) The "reference price" is \$ _____, which will be the public offering price of our common stock in the concurrent common stock offering.
 - (2) The "threshold appreciation price" is equal to \$50 *divided by* the minimum settlement rate (such quotient rounded to the nearest \$0.0001), which is \$ _____ and represents appreciation of approximately _____ % over the reference price.
 - (3) If the applicable market value of our common stock is less than or equal to the reference price of \$ _____, shares of our common stock (subject to adjustment).
 - (4) If the applicable market value of our common stock is greater than the reference price and less than the threshold appreciation price of \$ _____, the number of shares of our common stock to be delivered to a holder of an Equity Unit will be calculated by dividing the stated amount of \$50 by the applicable market value, rounded to the nearest ten thousandth of a share (subject to adjustment).
 - (5) If the applicable market value of our common stock is greater than or equal to the threshold appreciation price, the number of shares of our common stock to be delivered to a holder of an Equity Unit will be _____ shares (subject to adjustment).
 - (6) The "applicable market value" means the average VWAP of our common stock for the trading days during the 20 consecutive scheduled trading day period ending on the third scheduled trading day immediately preceding the purchase contract settlement date (subject to adjustment as described herein if a market disruption event occurs).

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The RSNs

The RSNs have the terms described below:

-
- (1) Interest payments may be deferred as described under "Description of the Remarketable Junior Subordinated Notes Option to Defer Interest Payments" and interest payment dates will be adjusted in a successful remarketing as described under "Description of the Remarketable Junior Subordinated Notes Remarketing." In connection with any successful remarketing of the RSNs, the interest deferral provisions will cease to apply to the RSNs.
- (2) Following any successful remarketing of the RSNs, the interest rate on the RSNs will be reset, interest will be payable on a semi-annual basis, and we will cease to have the ability to redeem the RSNs at our option or defer interest payments on the RSNs, all as described under "Description of the Purchase Contracts Remarketing."

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Transforming Corporate Units into Treasury Units and RSNs

-
- (1) Each holder will own a 1/20, or 5%, undivided beneficial ownership interest in, and will be entitled to a corresponding portion of each interest payment payable in respect of, an RSN having a principal amount of \$1,000.
 - (2) RSNs will be issued in minimum denominations of \$1,000 and integral multiples thereof, except in limited circumstances following a termination event. Following any successful remarketing of the RSNs, the interest rate on the RSNs will be reset, interest will be payable on a semi-annual basis, and we will cease to have the ability to redeem the RSNs at our option or defer interest payments on the RSNs, all as described under "Description of the Purchase Contracts Remarketing."
 - (3) Interest payments may be deferred as described in this prospectus supplement and interest payment dates will be adjusted in a successful remarketing as described under "Description of the Remarketable Junior Subordinated Notes Option to Defer Interest Payments." In connection with any successful remarketing of the RSNs, the interest deferral provisions will cease to apply to the RSNs.
 - (4) Contract adjustment payments may be deferred as described under "Description of the Purchase Contracts Remarketing."

The diagram above describes each of a Corporate Unit, a Treasury Unit and a separate RSN.

Because the RSNs and the Treasury securities are issued in minimum denominations of \$1,000, holders of Corporate Units

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may only create Treasury Units in integral multiples of 20 Corporate Units.

To create 20 Treasury Units, a holder separates 20 Corporate Units into their two components 20 purchase contracts and an RSN having a principal amount of \$1,000 and then combines the

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purchase contracts with a Treasury security having a principal amount at maturity of \$1,000 that matures on October 31, 2018.

The RSN, which is no longer a component of Corporate Units, is released from the pledge under the purchase contract and pledge agreement and delivered to the holder and is tradable as a separate security.

A holder owns the Treasury security that forms a part of the 20 Treasury Units but will pledge it to us through the collateral agent to secure its obligation under the related purchase contract.

The Treasury security together with the 20 purchase contracts constitute 20 Treasury Units.

During a blackout period or following a successful remarketing, you may not create Treasury Units or recreate Corporate Units.

Unless a blackout period is occurring or there has been a successful remarketing, the holder can also transform 20 Treasury Units and an RSN having a principal amount of \$1,000 into 20 Corporate Units. Following that transformation, the Treasury security, which will no longer be a component of the Treasury Unit, will be released from the pledge under the purchase contract and pledge agreement and delivered to the holder and will be tradable as a separate security.

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Table of Contents**Illustrative Remarketing Timeline**

The following timeline is for illustrative purposes only. The dates in this timeline are based on the time periods set forth in the purchase contract and pledge agreement and the form of remarketing agreement that will be an exhibit to the purchase contract and pledge agreement. This timeline assumes that we will elect to conduct an optional remarketing during the maximum permissible optional remarketing period.

| Date | Event |
|---|---|
| July 23, 2018 (five business days prior to the first day of the optional remarketing period) | We will, or we will request that the depository, notify holders of Corporate Units, Treasury Units and separate RSNs of our election to conduct an optional remarketing. Such notice will specify the first day of the optional remarketing period and the procedures to be followed in the optional remarketing. |
| July 26, 2018 (two business days prior to the beginning of the optional remarketing period) | Last day prior to the optional remarketing to create Treasury Units from Corporate Units and recreate Corporate Units from Treasury Units (holders may once again be able to create and recreate units if the optional remarketing is not successful); Last day prior to the optional remarketing for holders of Corporate Units to settle the related purchase contracts early (holders may once again be able to settle early if the optional remarketing is not successful or after the blackout period has concluded for such optional remarketing); and Last day for holders of separate RSNs to give notice of their election or to revoke their election to participate in the optional remarketing. |
| July 30, 2018 to October 15, 2018 | Optional remarketing period: if the optional remarketing is successful, we will issue a press release on the business day after the optional remarketing date, the remarketing agent will purchase the Treasury portfolio and the settlement date for the optional remarketing will occur on the third business day following the optional remarketing date (unless the remarketed RSNs are priced after 4:30 p.m. New York time on the optional remarketing date, in which case settlement will occur on the fourth business day following the optional remarketing date); and if the optional remarketing is not successful, we will issue a press release at the end of the optional remarketing period. |
| No later than October 16, 2018 (seven calendar days prior to the first day of the final remarketing period) | If there has not been a successful optional remarketing, we will request that the depository notify its participants holding Corporate Units, Treasury Units and separate RSNs of the final remarketing. Such notice will specify the final remarketing period and the procedures to be followed in the final remarketing. |

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| Date | Event |
|---|--|
| October 16, 2018 (seven calendar days prior to the first day of the final remarketing period) | First day for holders of Corporate Units to give notice of election to settle purchase contracts with separate cash. |
| October 19, 2018 (two business days prior to the first day of the final remarketing period) | Last day to create Treasury Units from Corporate Units and recreate Corporate Units from Treasury Units if no successful optional remarketing has occurred; Last day for holders of Corporate Units to give notice of election to settle the related purchase contracts with separate cash on the purchase contract settlement date (holders may once again be able to settle the related purchase contracts with separate cash on the purchase contract settlement date if the final remarketing is not successful); Last day for holders of separate RSNs to give notice of their election or to revoke their election to participate in the final remarketing; and Last day for holders of Corporate Units or Treasury Units to settle the related purchase contracts early. |
| October 22, 2018 (one business day prior to the first day of the final remarketing period) | Last day for holders of Corporate Units who have elected to settle the related purchase contracts with separate cash on the purchase contract date to pay the purchase price (holders may once again be able to settle the related purchase contracts with separate cash on the purchase contract settlement date if the final remarketing is not successful). |
| October 23, 2018 to October 29, 2018 (final remarketing period) | If there has not been a successful optional remarketing, we will attempt a remarketing during the final remarketing period. We may elect to postpone the final remarketing on any day other than one of the last three business days of the final remarketing period. |
| October 30, 2018 (two business days prior to the purchase contract settlement date) | If the final remarketing has not been successful, last day for holders of Corporate Units to elect to settle the related purchase contracts with separate cash on the purchase contract settlement date. |
| October 31, 2018 (one business day prior to the purchase contract settlement date) | If the final remarketing has not been successful, last day for holders of Corporate Units who have elected to settle the related purchase contracts with separate cash on the purchase contract settlement date to pay the purchase price. |
| November 1, 2018 (or if such day is not a business day, the following business day) | Purchase contract settlement date and settlement date for any successful final remarketing of the RSNs. |

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Table of Contents**Summary Historical and Pro Forma Financial Information**

The following tables set forth certain historical financial information for us, as well as certain pro forma financial information after giving effect to the Transaction.

Our Summary Historical Financial Information

The following tables set forth, for the periods and at the dates indicated, our summary consolidated financial information. We have derived the summary consolidated income statement information for each of the three years in the period ended December 31, 2014, and the summary consolidated balance sheet information at December 31, 2014 and December 31, 2013 from our audited consolidated financial statements incorporated by reference in this prospectus supplement. We have derived the summary consolidated income information and the other financial information for the nine months ended September 30, 2015 and September 30, 2014, and the summary consolidated balance sheet information at September 30, 2015 and September 30, 2014, from our unaudited consolidated financial statements incorporated by reference in this prospectus supplement. Historical results are not indicative of the results to be expected in the future. In addition, our results for the nine months ended September 30, 2015, are not necessarily indicative of results expected for the full year ending December 31, 2015. This summary consolidated financial information should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and related notes in our Annual Report on Form 10-K/A for the year ended December 31, 2014 and our Quarterly Report on Form 10-Q for the quarter ended September 30, 2015, which are incorporated by reference in this prospectus supplement.

| | Years Ended December 31, | | | Nine Months Ended September 30, | |
|--|--------------------------|--------------|--------------|------------------------------------|--------------|
| | 2014 | 2013 | 2012 | 2015 | 2014 |
| | (Thousands) | | | | |
| Income Statement Information: | | | | | |
| Total revenue | \$ 1,393,570 | \$ 1,275,852 | \$ 1,173,884 | \$ 986,346 | \$ 1,015,493 |
| Total operating expenses | \$ 1,129,702 | \$ 1,016,407 | \$ 897,442 | \$ 956,748 | \$ 822,410 |
| Operating income | \$ 263,868 | \$ 259,445 | \$ 276,442 | \$ 29,598 | \$ 193,083 |
| Net income (loss) available for common stock | \$ 130,889 | \$ 117,423 | \$ 102,440 | \$ (17,935) | \$ 96,355 |
| Other Financial Information: | | | | | |
| Net income, as adjusted (non-GAAP)(1) | \$ 130,889 | \$ 110,325 | \$ 90,704 | \$ 101,515 | \$ 96,355 |
| EBITDA, as adjusted (non-GAAP)(1) | \$ 411,294 | \$ 398,567 | \$ 403,054 | \$ 328,203 | \$ 302,927 |

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| | At December 31, | | At September 30, | |
|--|-----------------|-----------|------------------|-----------|
| | 2014 | 2013 | 2015 | 2014 |
| (Thousands) | | | | |
| Balance Sheet Information: | | | | |
| Assets | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$ 21,218 | \$ 7,841 | \$ 38,841 | \$ 11,939 |
| Total current assets | 454,036 | 345,288 | 402,282 | 373,952 |
| Total property, plant and equipment, net | 3,205,471 | 2,953,055 | 3,264,697 | 3,120,449 |
| Total assets | 4,245,902 | 3,837,936 | 4,246,562 | 4,038,524 |
| Liabilities and capitalization | | | | |
| Current liabilities: | | | | |
| Notes payable | 75,000 | 82,500 | 117,900 | 184,000 |
| Current maturities of long-term debt | 275,000 | | | 275,000 |
| Total current liabilities | 651,281 | 378,394 | 448,757 | 727,043 |
| Capitalization: | | | | |
| Long-term debt, less current maturities | 1,267,589 | 1,396,948 | 1,567,797 | 1,107,519 |
| Total stockholders' equity | 1,353,884 | 1,283,500 | 1,287,212 | 1,334,725 |
| Total liabilities and capitalization | 4,245,902 | 3,837,936 | 4,246,562 | 4,038,524 |

- (1) Net income, as adjusted (non-GAAP) and EBITDA, as adjusted (non-GAAP) are defined under " Non-GAAP Financial Measures" below.

Non-GAAP Financial Measures

The body of accounting principles generally accepted in the United States is commonly referred to as "GAAP." A non-GAAP financial measure is generally defined by the SEC as one that purports to measure historical or future financial performance, financial position or cash flows, but excludes or includes amounts that would not be so adjusted in the most comparable GAAP measures. In this prospectus supplement, we disclose net income, as adjusted, pro forma net income, as adjusted and EBITDA, as adjusted, and pro forma EBITDA, as adjusted, each of which is a non-GAAP financial measure.

Income from Continuing Operations and Net Income (loss), as Adjusted

In addition to presenting its earnings information in conformity with GAAP, the Company has provided non-GAAP earnings data reflecting adjustments for special items as specified in the GAAP to non-GAAP adjustment reconciliation table below. Income from Continuing Operations, as adjusted, and Net income (loss), as adjusted, are defined as Income from Continuing Operations, and Net income (loss), adjusted for expenses and gains that the Company believes do not reflect the Company's core operating performance. The Company believes that non-GAAP financial measures are useful to investors because the items excluded are not indicative of the Company's continuing operating results. The Company's management uses these non-GAAP financial measures as an indicator for planning and forecasting future periods. These non-GAAP measures have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP. The presentation of these non-GAAP financial measures should not be construed as an inference that future results will not be affected by unusual, non-routine, or non-recurring items.

EBITDA and EBITDA, as adjusted

We believe that earnings before interest, income taxes, depreciation and amortization (EBITDA) and EBITDA, as adjusted (EBITDA adjusted for special items as defined by management), both

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non-GAAP measures, are important supplemental measures of operating performance. We believe EBITDA and EBITDA, as adjusted, when considered with measures calculated in accordance with GAAP, give investors a more complete understanding of operating results before the impact of investing and financing transactions and income taxes. We have chosen to provide this information to investors to enable them to perform more meaningful comparisons of past and present operating results and as a means to evaluate the results of core on-going operations.

Our presentation of EBITDA may be different from the presentation used by other companies and, therefore, comparability may be limited. Depreciation and amortization expense, interest expense, income taxes and other items have been and will be incurred and are not reflected in the presentation of EBITDA. Each of these items should also be considered in the overall evaluation of our results. Additionally, EBITDA does not consider capital expenditures and other investing activities and should not be considered a measure of our liquidity. We compensate for these limitations by providing relevant disclosure of our depreciation and amortization, interest and income taxes, capital expenditures and other items both in our reconciliation to the GAAP financial measures and in our consolidated financial statements, all of which should be considered when evaluating our performance.

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Reconciliations of EBITDA, as adjusted (non-GAAP), and net income, as adjusted (non-GAAP) to the Company's most directly comparable GAAP measures are provided below.

| | Years Ended December 31, | | | Nine Months Ended September 30, | |
|---|--------------------------|------------|------------|------------------------------------|-----------|
| | 2014 | 2013 | 2012 | 2015 | 2014 |
| | (Thousands) | | | | |
| Net income, as adjusted (non-GAAP): | | | | | |
| Income (Loss) from Continuing Operations (GAAP) | \$ 130,889 | \$ 118,308 | \$ 109,417 | \$ (17,935) | \$ 96,355 |
| Income (Loss) from Discontinued Operations (GAAP) | | (884) | (6,977) | | |
| Net Income (GAAP) | 130,889 | 117,423 | 102,440 | (17,935) | 96,355 |
| Adjustments; after-tax: | | | | | |
| Interest Rate Swaps MTM (Gain) Loss | | (19,609) | (1,223) | | |
| Prepayment of BHW project finance costs (net of interest savings) | | 6,577 | | | |
| Corporate refinancing (net of interest savings) | | 5,934 | | | |
| Deferred Finance Charges | | | 973 | | |
| Asset impairment Oil and Gas | | | 31,899 | 113,076 | |
| Impairment of equity investments | | | | 3,360 | |
| Gain on Sale of Bakken and Three Forks Shale Assets | | | (49,001) | | |
| Incentive Compensation (Williston Basin Sale) | | | 2,605 | | |
| Make Whole Provision | | | 3,011 | | |
| Acquisition/integration costs | | | | 3,014 | |
| Rounding | | | | | |
| Total Adjustments | | (7,098) | (11,736) | 119,450 | |
| Income (Loss) from Continuing Operations, as adjusted (non-GAAP) | \$ 130,889 | \$ 111,209 | \$ 97,681 | \$ 101,515 | \$ 96,355 |
| Net Income, as adjusted (non-GAAP) | \$ 130,889 | \$ 110,325 | \$ 90,704 | \$ 101,515 | \$ 96,355 |
| EBITDA, as adjusted (non-GAAP): | | | | | |
| Income from continuing operations (GAAP) | \$ 130,889 | \$ 118,308 | \$ 109,416 | \$ (17,935) | \$ 96,355 |
| Depreciation, depletion and amortization | 144,744 | 137,323 | 145,923 | 116,821 | 107,754 |
| Impairment of Oil and Gas Assets | | | 49,571 | 178,395 | |
| Interest expense, net | 69,036 | 110,065 | 111,652 | 58,790 | 50,545 |
| Unrealized (gain) loss on interest rate swaps, net | | (30,169) | (1,882) | | |
| Income tax benefit (expense) | 66,625 | 63,041 | 60,219 | (14,640) | 48,272 |
| Rounding | | (1) | 1 | 1 | 1 |
| EBITDA (non-GAAP) | 411,294 | 398,567 | 474,900 | 321,432 | 302,927 |
| Less adjustments: | | | | | |
| Impairment of equity investments | | | | 5,170 | |
| Acquisition/Integration costs | | | | 1,601 | |
| Gain on sale of operating assets Williston Basin assets | | | (75,854) | | |
| Incentive compensation Williston Basin assets | | | 4,008 | | |

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| | | | | | | | | | | |
|--------------------------------|----|---------|----|---------|----|---------|----|---------|----|---------|
| EBITDA, as adjusted (non-GAAP) | \$ | 411,294 | \$ | 398,567 | \$ | 403,054 | \$ | 328,203 | \$ | 302,927 |
|--------------------------------|----|---------|----|---------|----|---------|----|---------|----|---------|

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Pro forma net income, as adjusted, EBITDA and EBITDA, as adjusted

In addition, the Company has presented pro forma net income, as adjusted (non-GAAP) and pro forma EBITDA, as adjusted (non-GAAP), which represent net income, as adjusted (non-GAAP) and EBITDA, as adjusted (non-GAAP), respectively, taking into account pro forma adjustments with respect to the acquisitions of SourceGas, as described below under " Summary Unaudited Pro Forma Financial Information." The same considerations that are described above with respect to net income, as adjusted (non-GAAP) and EBITDA, as adjusted (non-GAAP) apply to pro forma net income, as adjusted (non-GAAP) and pro forma EBITDA, as adjusted (non-GAAP).

The following table provides reconciliations of pro forma net income, as adjusted (non-GAAP) and pro forma EBITDA, as adjusted (non-GAAP), to the Company's most directly comparable pro forma GAAP measures for the year ended December 31, 2014 and the nine months ended September 30, 2015.

| | Year Ended December 31, 2014 | Nine Months Ended September 30, 2015 |
|--|---|---|
| | (Thousands) | (Thousands) |
| Pro forma net income, as adjusted (non-GAAP): | | |
| Pro forma net income (loss) | \$ 129,726 | \$ (26,051) |
| Asset impairment Oil and Gas | | 113,076 |
| Impairment of equity investments | | 3,360 |
| Acquisition/integration costs | | 3,014 |
| Total adjustments | | 119,450 |
| Pro forma net income, as adjusted (non-GAAP) | \$ 129,726 | \$ 93,399 |
| Pro forma EBITDA, as adjusted (non-GAAP): | | |
| Pro forma net income (loss) | \$ 129,726 | \$ (26,051) |
| Interest expense, net | 142,362 | 126,562 |
| Unrealized (gain) loss on interest rate swaps, net | | |
| Depreciation, depletion and amortization | 185,748 | 151,415 |
| Impairment of Oil and Gas Assets | | 178,395 |
| Income tax (benefit) expense | 64,389 | (18,288) |
| Pro forma EBITDA (non-GAAP) | 522,225 | 412,033 |
| Impairment of equity investments | | 5,170 |
| Pro forma EBITDA, as adjusted (non-GAAP) | \$ 522,225 | \$ 417,203 |

Summary Unaudited Pro Forma Financial Information

The following tables set forth, for the periods and at the dates indicated, summary unaudited pro forma financial information for BHC after giving effect to the Transaction. The summary unaudited pro forma income statement information for the year ended December 31, 2014 and for the nine months ended September 30, 2015 gives effect to the Transaction as if it was completed on January 1, 2014. The summary unaudited pro forma balance sheet information as of September 30, 2015 gives effect to the Transaction as if it were completed on such date. We have derived this summary unaudited pro forma combined condensed financial information from the unaudited pro forma combined condensed financial statements contained in our Current Report on Form 8-K filed with the SEC on November 16, 2015, which is incorporated by reference in this prospectus supplement.

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The combined historical consolidated financial information has been adjusted in the summary unaudited pro forma financial information below to give effect to pro forma events that are:

directly attributable to the Transaction;

factually supportable; and

with respect to income statement information, expected to have a continuing impact on the combined results of BHC and SourceGas.

The summary unaudited pro forma financial information below does not reflect any cost savings (or associated costs to achieve such savings) from operating efficiencies or restructuring that could result from the Transaction. Further, the summary unaudited pro forma financial information does not reflect the effect of any regulatory actions that may impact the unaudited pro forma combined condensed financial statements when the Transaction is completed. The unaudited pro forma income statement information reflects adjustments to remove the effect of transaction costs associated with the Transaction that have been incurred by BHC and are included in its historical financial statements. Certain amounts in SourceGas's historical balance sheets and statements of income have been reclassified to conform to BHC's presentation in the unaudited pro forma combined condensed financial statements.

Among other things, the summary unaudited pro forma information, and the unaudited pro forma combined condensed financial statements from which it is derived, reflects an assumed \$233.0 million of borrowings under our credit facility (with a corresponding increase in cash) and an assumption that we will draw \$450.0 million of short-term debt under the Bridge Term Loan Agreement in lieu of the \$450.0 million of long-term debt from a proposed future debt offering, as described in Note 3 (Financing the Acquisition) to the unaudited pro forma combined condensed financial statements. However, we currently expect to issue long-term debt in a proposed future debt offering in lieu of drawing under the Bridge Term Loan Agreement and to draw on our credit facility only to the extent necessary to fund the remaining balance of the purchase price for the Transaction. As a result, the sources and uses information described below and under "Use of Proceeds" reflects an assumption that we will finance the acquisition through a draw under our credit facility in the amount of \$34.2 million and the issuance of \$450.0 million of long-term debt (in addition to the proceeds from this offering and the concurrent common stock offering and assuming the continuation of \$873.7 million of SourceGas's indebtedness).

Assumptions and estimates underlying the pro forma adjustments are described in the notes accompanying the unaudited pro forma combined condensed financial statements incorporated by reference in this prospectus supplement, which should be read in connection with the summary unaudited pro forma financial information set forth below. Because the unaudited pro forma combined condensed financial statements have been prepared in advance of the completion of the Transaction, the final amounts recorded upon closing may differ materially from the information presented. These estimates are subject to change as a result of market conditions, further review of the assets acquired and liabilities assumed and additional information available at the time of the closing of the Transaction, among other things.

The summary unaudited pro forma financial information below has been presented for illustrative purposes only and is not necessarily indicative of results of operations and financial position that would have been achieved had the pro forma events taken place on the dates indicated, or the future consolidated results of operations or financial position of the combined company. In addition, results

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for the nine months ended September 30, 2015 are not necessarily indicative of results expected for the full year ending December 31, 2015.

| | Year Ended December 31, 2014 | Nine Months Ended September 30, 2015 |
|--|------------------------------------|---|
| (Thousands) | | |
| Pro Forma Income Statement Information: | | |
| Revenue | \$ 1,885,698 | \$ 1,320,047 |
| Total operating expenses | \$ 1,553,277 | \$ 1,236,011 |
| Operating income | \$ 332,421 | \$ 84,036 |
| Net income (loss) available for common stock | \$ 129,726 | \$ (26,051) |

| | At September 30, 2015 |
|---|-----------------------------|
| (Thousands) | |
| Pro Forma Balance Sheet Information: | |
| Assets | |
| Current assets: | |
| Cash and cash equivalents | \$ 239,608 |
| Total current assets | \$ 693,840 |
| Total property, plant and equipment, net | \$ 4,206,927 |
| Total assets | \$ 6,493,342 |
| Liabilities and stockholders' equity | |
| Current liabilities: | |
| Notes payable | \$ 800,867 |
| Current portion of long-term debt | \$ |
| Total current liabilities | \$ 1,258,082 |
| Capitalization: | |
| Long-term debt, net of current maturities | \$ 2,701,543 |
| Total stockholders' equity | \$ 1,474,830 |
| Total capitalization | \$ 4,176,373 |
| Total liabilities and stockholders' equity | \$ 6,493,342 |

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RISK FACTORS

In considering whether to invest in our Equity Units, you should carefully consider all of the information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus. In particular, you should consider the risk factors described in our periodic reports filed with the SEC, including those set forth under the caption "Risk Factors" in Item 1A of Part I of our Annual Report on Form 10-K for the year ended December 31, 2014, as amended by Form 10-K/A filed on August 7, 2015, and in Item 1A of Part II of our Quarterly Report on Form 10-Q for the quarter ended September 30, 2015, all of which are incorporated by reference in this prospectus supplement, as well as the additional risks described below. Additional risks and uncertainties not currently known to us or those currently viewed by us to be immaterial may also materially and adversely affect us.

The Corporate Units consist of a purchase contract to acquire our common stock and an interest in RSNs issued by us. When considering an investment in our Corporate Units, you are making an investment decision with respect to our common stock and the RSNs as well as the Corporate Units. You can create Treasury Units from Corporate Units by substituting Treasury securities for the RSNs; you would be making an investment decision with respect to our common stock and the RSNs as well as the Treasury Units in such case. You should carefully review the information in this prospectus supplement and the accompanying base prospectus about these securities.

Risks Related to Investing in the Equity Units

You assume the risk that the market value of our common stock may decline.

The number of shares of our common stock that you will receive upon the settlement of a purchase contract is not fixed but instead will depend on the average VWAP of our common stock for the trading days during the 20 consecutive scheduled trading day period ending on the third scheduled trading day immediately preceding the purchase contract settlement date (subject to adjustment as described herein if a market disruption event occurs), which we refer to as the applicable market value. There can be no assurance that the market value of common stock you receive on the purchase contract settlement date will be equal to or greater than the effective price per share you paid for our common stock. If the applicable market value of the common stock is less than the reference price of \$, the market value of the common stock issued to you pursuant to each purchase contract on the purchase contract settlement date (assuming that the market value on the purchase contract settlement date is the same as the applicable market value of the common stock) will be less than the effective price per share you paid for the common stock. Accordingly, you assume the risk that the market value of our common stock may decline, and that the decline could be substantial.

In addition, because the number of shares delivered to you on the purchase contract settlement date will be based upon the applicable market value, which is in turn calculated on the basis of the average of the VWAP per share of our common stock for the trading days during the 20 consecutive scheduled trading day period ending on the third scheduled trading day immediately preceding the purchase contract settlement date (subject to adjustment as described herein if a market disruption event occurs), the shares of common stock you receive on the purchase contract settlement date may be worth less than the shares of common stock you would have received had the applicable market value been equal to the VWAP per share of our common stock on the purchase contract settlement date or the average VWAP of our common stock over a different period of days.

The opportunity for equity appreciation provided by an investment in the Equity Units is less than that provided by a direct investment in our common stock.

Your opportunity for equity appreciation afforded by investing in the Equity Units is less than your opportunity for equity appreciation if you directly invested in our common stock. This opportunity is less, because the market value of the common stock to be received by you pursuant to the purchase

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contract on the purchase contract settlement date (assuming that the market value on the purchase contract settlement date is the same as the applicable market value of the common stock) will only exceed the effective price per share you paid for our common stock if the applicable market value of the common stock exceeds the threshold appreciation price (which represents an appreciation of approximately % over the reference price). If the applicable market value of our common stock exceeds the reference price but does not exceed the threshold appreciation price, you will realize no equity appreciation of the common stock for the period during which you own the purchase contract. Furthermore, if the applicable market value of our common stock equals or exceeds the threshold appreciation price, you would receive on the purchase contract settlement date only approximately % of the value of the shares of common stock you could have purchased with \$50.00 at the public offering price of our common stock in the concurrent common stock offering.

The trading prices for the Corporate Units and Treasury Units are expected to be affected by, among other things, the trading prices of our common stock, the general level of interest rates and our credit quality.

The trading prices of Corporate Units, which we intend to apply to list on the NYSE, and Treasury Units in the secondary market are expected to be affected by, among other things, the trading prices of our common stock, the general level of interest rates and our credit quality. It is impossible to predict whether the price of our common stock or interest rates will rise or fall. The price of our common stock could be subject to wide fluctuations in the future in response to many events or factors, including those discussed in the risk factors herein and in our Annual Report on Form 10-K for the year ended December 31, 2014, as amended by Form 10-K/A filed on August 7, 2015, and in our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2015, as well as under "Forward-Looking Statements" in this prospectus supplement, many of which events and factors are beyond our control. Fluctuations in interest rates may give rise to arbitrage opportunities based upon changes in the relative value of the common stock underlying the purchase contracts and of the other components of the Equity Units. Any such arbitrage could, in turn, affect the trading prices of the Corporate Units, Treasury Units, RSNs and our common stock.

If you hold Corporate Units or Treasury Units, you will not be entitled to any rights with respect to our common stock, but you will be subject to all changes made with respect to our common stock.

If you hold Corporate Units or Treasury Units, you will not be entitled to any rights with respect to our common stock, such as voting rights and rights to receive dividends or other distributions on our common stock. However, you will be subject to all changes affecting our common stock. You will only be entitled to rights with respect to our common stock if and when we deliver shares of common stock in exchange for Corporate Units or Treasury Units on the purchase contract settlement date, or on the settlement date for any early settlement, as the case may be, and the applicable record date, if any, for the exercise of those rights or the receipt of those dividends or distributions occurs after that date.

The delivery of make-whole shares upon a fundamental change early settlement may not adequately compensate you.

If a fundamental change (as defined below under "Description of the Purchase Contracts Early Settlement Upon a Fundamental Change") occurs prior to the 20th business day preceding the purchase contract settlement date and you exercise your fundamental change early settlement right, you will be entitled to receive additional value in respect of make-whole shares unless the stock price (as defined under "Description of the Purchase Contracts Early Settlement Upon a Fundamental Change" below), is in excess of \$ per share (subject to adjustment). A description of how the number of make-whole shares will be determined is set forth under "Description of the Purchase Contracts Early Settlement Upon a Fundamental Change Calculation of Make-Whole Shares." Although the make-whole shares are designed to compensate you for the lost value of your Equity

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Units as a result of the fundamental change, this feature may not adequately compensate you for such loss.

In addition, in the event that a holder seeks to exercise its fundamental change early settlement right and a registration statement is required to be effective in connection with the exercise of such right but no such registration statement is then effective or a blackout period is continuing, the holder's exercise of such right will be void unless and until the registration statement is effective. For so long as there is a material business transaction or development that has not yet been publicly disclosed (but in no event for a period longer than 90 days), we will not be required to file such registration statement or provide such a prospectus, and the fundamental change early settlement right will not be available, until we have publicly disclosed such transaction or development; *provided* that we will use commercially reasonable efforts to make such disclosure as soon as it is commercially reasonable to do so.

The Equity Units provide limited fixed settlement rate adjustments, and an event could occur that adversely affects the value of the Equity Units or our common stock but that does not result in an adjustment to the fixed settlement rates.

The number of shares of common stock that you are entitled to receive on the purchase contract settlement date, or as a result of early settlement of a stock purchase contract, is subject to adjustment for certain events arising from stock splits and combinations, stock dividends, certain cash dividends and certain other events. We will not adjust the number of shares of common stock that you are to receive on the purchase contract settlement date, or as a result of early settlement of a purchase contract, for other events, including without limitation issuances and purchases of our common stock in connection with dividend reinvestment plans, employee stock option grants, ordinary dividends, offerings of common stock by us for cash or in connection with an acquisition, third-party tender and exchange offers and share issuances pursuant to options and other convertible securities outstanding on the date we issue the Equity Units. See "Description of the Purchase Contracts Anti-dilution Adjustments." In addition, we will not adjust the number of shares of common stock that you are to receive on the purchase contract settlement date, or as a result of early settlement of a purchase contract, for the previously declared cash dividend in the amount of \$0.405 per share for which the record date occurs on November 17, 2015 and the related payment date occurs on December 1, 2015. There can be no assurance that an event that adversely affects the value of the Equity Units or our common stock, but does not result in an adjustment to the settlement rate, will not occur. Further, we are offering shares of common stock in the concurrent common stock offering and, other than as described under "Underwriting," we are not restricted from issuing additional common stock during the term of the stock purchase contracts and have no obligation to consider your interests for any reason. If we issue additional shares of common stock, those issuances may materially and adversely affect the price of our common stock and, because of the relationship of the number of shares holders are to receive on the purchase contract settlement date to the price of our common stock, those issuances may adversely affect the trading prices of the Equity Units.

The secondary market for the Corporate Units, Treasury Units or RSNs may be illiquid.

It is not possible to predict how Corporate Units, Treasury Units or RSNs will trade or whether a market for them will be liquid or illiquid. There is currently no market for our Corporate Units, Treasury Units or RSNs. We intend to apply to list the Corporate Units on the NYSE under the symbol "BKHU" and expect trading to commence within 30 days of the date of initial issuance of the Corporate Units, although there is no guarantee that the Corporate Units will be approved for listing. We will not list the Treasury Units or the RSNs on any exchange or quotation system. There can be no assurance as to the liquidity of any market that may develop for the Corporate Units, the Treasury Units or the RSNs, your ability to sell these securities or whether a trading market, if one develops,

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will continue. In addition, in the event a sufficient number of holders of Equity Units were to convert their Treasury Units to Corporate Units or their Corporate Units to Treasury Units, as the case may be, the liquidity of Corporate Units or Treasury Units could be adversely affected. There can be no assurance that the Corporate Units, if approved for listing, will not be de-listed from the NYSE or that trading in the Corporate Units will not be suspended as a result of holders' elections to create Treasury Units, which could cause the number of Corporate Units to fall below the requirement for listing securities on the NYSE.

Your rights to the pledged securities will be subject to our security interest and may be affected by a bankruptcy proceeding.

Although you will be the beneficial owner of the undivided beneficial ownership interests in RSNs, Treasury securities or applicable ownership interests in the portion of the Treasury portfolio described in the first bullet under "Prospectus Supplement Summary The Offering What is the Treasury portfolio?", as applicable, those securities will be pledged to us through the collateral agent to secure your obligations under the related purchase contracts. Your rights to the pledged securities will be subject to our security interest. Additionally, notwithstanding the automatic termination of the purchase contracts in the event that we become the subject of a case under the U.S. Bankruptcy Code, the effectiveness of such termination and the delivery of the pledged securities to you may be contested or delayed as a result of, among other things, the imposition of the automatic stay under Section 362 of the U.S. Bankruptcy Code or by exercise of the bankruptcy court's power under Section 105(a) of the U.S. Bankruptcy Code, and claims arising out of the RSNs, like all other claims in bankruptcy proceedings, will be subject to the equitable jurisdiction and powers of the bankruptcy court.

Upon a successful remarketing of the RSNs, the terms of your RSNs will be modified even if you elect not to participate in the remarketing.

When we attempt to remarket the RSNs, the remarketing agent will agree to use its commercially reasonable efforts to sell the RSNs included in the remarketing. Following any successful remarketing of the RSNs, the interest rate on the RSNs will be reset, interest will be payable on a semi-annual basis and we will cease to have the ability to redeem the RSNs at our option or defer interest payments on the RSNs, all as described under "Description of the Purchase Contracts Remarketing." If the remarketing is successful, the modified terms will apply to all the RSNs, even if they were not included in the remarketing. However, holders of the RSNs must elect to participate in the remarketing before knowing what the modified terms of the RSNs will be. Whenever we remarket the RSNs, we will notify holders of Corporate Units, Treasury Units and separate RSNs of such remarketing. You may determine that the revised terms of the RSNs you receive are not as favorable to you as you would deem appropriate, and the modified terms may be less favorable to you than the initial terms of the RSNs. For example, the interest rate on the RSNs may be reduced in connection with the remarketing.

The purchase contract and pledge agreement will not be qualified under the Trust Indenture Act and the obligations of the purchase contract agent are limited.

The purchase contract and pledge agreement among us, the purchase contract agent and the collateral agent will not be qualified as an indenture under the Trust Indenture Act of 1939, as amended, or the Trust Indenture Act, and the purchase contract agent and collateral agent will not be required to qualify as a trustee under the Trust Indenture Act. You will not have the benefit of the protection of the Trust Indenture Act with respect to the purchase contract and pledge agreement, the purchase contracts or the purchase contract agent. The RSNs constituting a part of the Corporate Units will be issued pursuant to an indenture that has been qualified under the Trust Indenture Act. Accordingly, if you hold Corporate Units, you will have the benefit of the protections of the Trust Indenture Act only to the extent applicable to the ownership interests in RSNs included in the

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Corporate Units. The protections generally afforded the holder of a security issued under an indenture that has been qualified under the Trust Indenture Act include:

disqualification of the indenture trustee for "conflicting interests," as defined under the Trust Indenture Act;

provisions preventing a trustee that is also a creditor of the issuer from improving its own credit position at the expense of the security holders immediately prior to or after a default under such indenture; and

the requirement that the indenture trustee deliver reports at least annually with respect to certain matters concerning the indenture trustee and the securities.

The trading price of the Corporate Units or any separate RSNs may not fully reflect the value of their accrued but unpaid interest.

The Corporate Units and any separate RSNs may trade at a price that does not fully reflect the value of accrued but unpaid interest on the RSNs.

You may not be able to exercise your rights to settle a purchase contract prior to the purchase contract settlement date unless a registration statement under the Securities Act is in effect and a prospectus is available covering the shares of common stock deliverable upon early settlement of a purchase contract.

The early settlement rights under the purchase contracts are subject to the condition that, if required under the U.S. federal securities laws, we have a registration statement under the Securities Act in effect on the applicable early settlement date. If such registration statement is so required, we have agreed to use our commercially reasonable efforts to have a registration statement in effect on the applicable early settlement date and have an available prospectus in connection therewith covering the shares of common stock deliverable upon settlement of the purchase contract, subject to certain exceptions. In the event that a holder seeks to exercise its early settlement right and a registration statement is required to be effective in connection with the exercise of such right but no such registration statement is then effective, the holder's exercise of such right will be void unless and until such a registration statement is effective.

The indenture under which the RSNs will be issued does not limit our indebtedness, prevent dividends or generally prevent highly leveraged transactions; there are no financial covenants in the indenture.

Neither we nor any of our subsidiaries are restricted from incurring additional debt or other liabilities, including additional Priority Indebtedness, under the indenture pursuant to which the RSNs will be issued. As of September 30, 2015, we had approximately \$1.025 billion principal amount of outstanding long-term debt on an unconsolidated basis that will be senior to the RSNs. In addition, we were obligated as of that date under other obligations included in the definition of Priority Indebtedness to which the RSNs will be subordinated pursuant to the terms of the indenture. We do not have any debt securities outstanding that would rank on parity with, or junior to, the RSNs. If we incur additional debt or liabilities, our ability to pay our obligations on the RSNs could be adversely affected. We expect that we will from time to time incur additional debt and other liabilities, including in connection with the Transaction, as discussed under "Prospectus Supplement Summary Pending SourceGas Acquisition." In addition, except as described under "Description of the Remarketable Junior Subordinated Notes Dividend and Other Payment Stoppages During Interest Deferral and Under Certain Other Circumstances," we are not restricted under the indenture from paying dividends or issuing or repurchasing our securities.

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There are no financial covenants in the indenture, and there are no covenants or any other provisions in the indenture which may afford you protection in the event of a highly leveraged transaction.

The RSNs and the contract adjustment payments are subordinated to our existing and future Priority Indebtedness and are structurally subordinated to any existing or future preferred stock, indebtedness, guarantees and other liabilities of our subsidiaries.

The RSNs and the contract adjustment payments will be obligations exclusively of Black Hills and will not be guaranteed by any of our subsidiaries. The RSNs and contract adjustment payments are subordinated to our existing and future Priority Indebtedness (as defined under "Description of the Remarketable Junior Subordinated Notes Subordination") and will be structurally subordinated to existing or future preferred stock, indebtedness, guarantees and other liabilities, including trade payables, of our subsidiaries. The indenture under which the RSNs will be issued will not restrict us or our subsidiaries from incurring substantial additional indebtedness in the future.

As of September 30, 2015, we had approximately \$1.025 billion principal amount of outstanding long-term debt on an unconsolidated basis that will be senior to the RSNs. In addition, we were obligated as of that date under other obligations included in the definition of Priority Indebtedness to which the RSNs will be subordinated pursuant to the terms of the indenture. We do not have any debt securities outstanding that would rank on parity with, or junior to, the RSNs.

Our subsidiaries are separate and distinct legal entities from us. Our subsidiaries have no obligation to pay any amounts due on the RSNs or the purchase contracts or to provide us with funds to meet our respective payment obligations on the RSNs or purchase contracts. Any payment of dividends, loans or advances by our subsidiaries to us could be subject to regulatory, statutory or contractual restrictions and will be contingent upon the subsidiaries' earnings and business considerations. See "Price Range of Common Stock and Dividends." Our right to receive any assets of any of our subsidiaries upon their bankruptcy, liquidation or similar reorganization, and therefore the right of the holders of the RSNs or purchase contracts to participate in those assets, will be structurally subordinated to the claims of that subsidiary's creditors, including trade creditors. Even if we are a creditor of any of our subsidiaries, our rights as a creditor would be subordinate to any security interest in the assets of our subsidiaries and any indebtedness of our subsidiaries senior to that held by us.

Recent and future regulatory actions and other events may adversely affect the trading price and liquidity of the Equity Units.

We expect that many investors in, and potential purchasers of, the Equity Units will employ, or seek to employ, an arbitrage strategy with respect to the Equity Units. Investors would typically implement such a strategy by selling short the common stock underlying the Equity Units and dynamically adjusting their short position while continuing to hold the Equity Units. Investors may also implement this type of strategy by entering into swaps on our common stock in lieu of or in addition to short selling the common stock.

The SEC and other regulatory and self-regulatory authorities have implemented various rules and taken certain actions, and may in the future adopt additional rules and take other actions, that may impact those engaging in short selling activity involving equity securities (including our common stock). Such rules and actions include Rule 201 of SEC Regulation SHO, the adoption by the Financial Industry Regulatory Authority, Inc. and the national securities exchanges of a "Limit Up-Limit Down" program, the imposition of market-wide circuit breakers that halt trading of securities for certain periods following specific market declines, and the implementation of certain regulatory reforms required by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. Any governmental or regulatory action that restricts the ability of investors in, or potential purchasers of,

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the Equity Units to effect short sales of our common stock, borrow our common stock or enter into swaps on our common stock could adversely affect the trading price and the liquidity of the Equity Units.

We may defer contract adjustment payments under the purchase contracts, and this may have an adverse effect on the trading price of the Equity Units.

We may at our option defer the payment of all or part of the contract adjustment payments under the purchase contracts. If we exercise our right to defer contract adjustment payments, the market price of the Equity Units is likely to be adversely affected. As a result of the existence of our deferral rights, the market price of the Equity Units may be more volatile than would otherwise be the case. In addition, there is a risk that we may not be able to pay such deferred contract adjustment payments (including compounded contract adjustment payments thereon) in the future. If we make such a deferral you may be required to continue to recognize income for U.S. federal income tax purposes in respect of the purchase contracts in advance of your receipt of any corresponding cash payments.

If we exercise our right to defer interest payments on the RSNs, the market price of the Corporate Units and any separate RSNs is likely to be adversely affected.

Prior to any successful remarketing of the RSNs, we may at our option defer interest payments on the RSNs for one or more consecutive interest periods. During any "deferral period" (as defined under "Description of the Remarketable Junior Subordinated Notes Option to Defer Interest Payments" below), holders of the RSNs will receive no current payments and, so long as we are otherwise in compliance with our obligations, holders will have no remedies against us for nonpayment unless we fail to pay all previously deferred interest (including compounded interest thereon) in cash within 30 days of the date due after the end of the deferral period. If we exercise our right to defer interest, the market price of the Corporate Units and any separate RSNs is likely to be adversely affected. As a result of the existence of our deferral rights, the market price of the Corporate Units and any separate RSNs may be more volatile than would otherwise be the case. In addition, there is the risk that we may not be able to pay such deferred interest (including compounded interest thereon) in the future.

You may have to include interest in your taxable income before you receive cash.

If we exercise our right to defer interest payments on the RSNs, you will be required to accrue income, in the form of original issue discount, for U.S. federal income tax purposes in respect of your RSNs, even if you normally report income when received and even though you may not receive the cash attributable to that income during the deferral period. See "Material United States Federal Income Tax Consequences U.S. Holders The RSNs."

Other tax treatments of the RSNs are possible.

We intend to treat the RSNs as "variable rate debt instruments" that are subject to applicable U.S. Treasury regulations that apply to "reset bonds." Under this treatment, except as described above, you will be required to take into account interest payments on the RSNs at the time the interest is paid or accrued in accordance with your regular method of tax accounting. However, because there are no U.S. Treasury regulations, rulings or other authorities that address the U.S. federal income tax treatment of debt instruments that are substantially similar to the RSNs, alternative characterizations of the RSNs are possible. For example, the RSNs could be treated as "contingent payment debt instruments" for U.S. federal income tax purposes. In that event, you would generally be required to (1) accrue interest income based on a projected payment schedule and comparable yield, which may be higher than the stated interest rate on the RSNs, regardless of your regular method of tax accounting, and (2) treat any gain recognized on a sale, exchange, redemption or other taxable disposition of an RSN as ordinary

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income. See "Material United States Federal Income Tax Consequences U.S. Holders The RSNs Possible Alternative Characterizations."

The U.S. federal income tax consequences of the purchase, ownership and disposition of the Equity Units are not entirely clear.

Although the IRS has issued a Revenue Ruling addressing the treatment of units similar to the Equity Units, no statutory, judicial or administrative authority directly addresses all aspects of the treatment of the Equity Units or instruments similar to the Equity Units for U.S. federal income tax purposes. Accordingly, no assurance can be given that the conclusions in the Revenue Ruling apply to the Equity Units. As a result, the U.S. federal income tax consequences of the ownership and disposition of the Equity Units are not entirely clear. In addition, there can be no assurance that the IRS or a court will agree with the characterization of the RSNs as indebtedness for U.S. federal income tax purposes. You should consult with your tax advisors regarding the tax consequences of an investment in the Equity Units. See "Material United States Federal Income Tax Consequences."

Under certain circumstances, you may be treated as receiving a taxable distribution on our common stock even though you do not receive any actual distribution.

For U.S. federal income tax purposes, you may be treated as receiving a constructive distribution from us with respect to the purchase contract if (1) the fixed settlement rates are adjusted (or fail to be adjusted) and, as a result of the adjustment (or failure to adjust), your proportionate interest in our assets or earnings and profits is increased, and (2) the adjustment (or failure to adjust) is not made pursuant to a bona fide, reasonable anti-dilution formula. For example, if the fixed settlement rates are adjusted as a result of a distribution that is taxable to the holders of our common stock, such as a cash dividend, you will be deemed to have received a "constructive distribution" of our stock. Thus, under certain circumstances, an adjustment to the fixed settlement rates might give rise to a taxable deemed distribution to you even though you do not actually receive any cash or other property in connection with such adjustment. If you are a non-U.S. holder (as defined under "Material United States Federal Income Tax Consequences"), such deemed dividend may be subject to U.S. federal withholding tax at a 30% rate, unless an income tax treaty reduces or eliminates such tax. See "Material United States Federal Income Tax Consequences U.S. Holders Purchase Contracts" and "Material United States Federal Income Tax Consequences Non-U.S. Holders U.S. Federal Withholding Tax."

We will report contract adjustment payments as ordinary income and we will withhold tax on contract adjustment payments made to non-U.S. holders.

We intend to treat contract adjustment payments as taxable ordinary income to a U.S. holder (as defined under "Material United States Federal Income Tax Consequences") when received or accrued, in accordance with the U.S. holder's regular method of tax accounting. We intend to treat any contract adjustment payments paid to a non-U.S. holder (as defined under "Material United States Federal Income Tax Consequences") as payments generally subject to withholding tax at a 30% rate, unless an income tax treaty reduces or eliminates such tax and the holder satisfies the relevant certification requirements. See "Material United States Federal Income Tax Consequences U.S. Holders Purchase Contracts" and "Material United States Federal Income Tax Consequences Non-U.S. Holders U.S. Federal Withholding Tax." Persons considering the purchase of Equity Units should consult their tax advisors concerning the possible alternative characterization and tax treatment of Equity Units and the contract adjustment payments.

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Non-U.S. holders may be subject to U.S. federal income tax in connection with a sale, exchange or other disposition of the purchase contracts or our common stock.

We believe that we may have been, may currently be, or may become, a U.S. real property holding company. As a result, non-U.S. holders of the purchase contracts or our common stock may be subject to United States federal income tax in respect of payments in connection with a sale, exchange or other disposition of the purchase contracts or our common stock. Certain exceptions to this tax may apply if our common stock or the purchase contracts are regularly traded on an established securities market, as discussed in "Material United States Federal Income Tax Consequences Non-U.S. Holders Sale, Exchange, Remarketing or Other Taxable Disposition of the Equity Units, the RSNs, the Treasury Securities, the Treasury Portfolio, the Purchase Contract or Common Stock." We expect that our common stock will be regularly traded on an established securities market, but this cannot be assured. We do not know if the purchase contracts will be regularly traded on an established securities market. Prospective investors should consult their own tax advisors regarding the application of the exception for certain interests in publicly traded corporations.

The trading price and liquidity of the Equity Units or our common stock could be adversely impacted if the material weakness in our internal control over financial reporting is not fully remediated and results in a material misstatement of our financial statements.

In preparing our Form 10-Q for the quarter ended June 30, 2015, we identified certain immaterial errors in full cost ceiling test impairment calculation that impacted our previously issued consolidated financial statements. Our management concluded, and our independent registered public accounting firm agreed, that our internal control over financial reporting was not effective as of December 31, 2014 due to a material weakness relating to these immaterial errors. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement in our annual or interim financial statements will not be prevented or detected on a timely basis. Our management has implemented a remediation plan and believes that the steps taken have effectively remediated the material weakness; however, confirmation of the remediation and removal of the material weakness are dependent upon the controls operating effectively over time and assessment of our internal control over financial reporting as of December 31, 2015. If these remedial measures are insufficient and result in a material misstatement of our financial statements, investors could lose confidence in our reported financial information, which could adversely impact the trading price and liquidity of the Equity Units or our common stock.

Risks Related to the SourceGas Acquisition

The Transaction may not be completed or may be approved subject to unfavorable regulatory conditions, which could adversely affect anticipated benefits for our business, financial condition, results of operations or stock price.

On July 12, 2015, Black Hills Utility Holdings entered into the Purchase and Sale Agreement to acquire SourceGas. We expect to complete the Transaction in the first half of 2016, subject to customary closing conditions, including regulatory approval from Arkansas Public Service Commission, Colorado Public Utilities Commission, Nebraska Public Service Commission and Wyoming Public Service Commission. The Purchase and Sale Agreement requires us to use our reasonable best efforts to obtain these approvals. Such closing conditions and approvals may take longer than anticipated to satisfy, which could delay the closing of the Transaction, and we cannot provide assurances that all closing conditions will be satisfied or waived or that we will obtain all required approvals.

The regulatory commissions or interveners in the approval proceedings could seek to block or challenge the Transaction or one or more regulatory commissions could impose restrictions or require

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changes to the terms of the Transaction they deem necessary or desirable in the public interest as a condition to approving the Transaction, including restrictions on the business, operations, or financial performance of our utilities and the utilities we would acquire from SourceGas. Any such challenges could delay the closing of the Transaction. If these approvals are not received, then we will not be obligated to complete the Transaction. If these approvals are not received, or are not received on terms that satisfy the conditions set forth in the Purchase and Sale Agreement, then the sellers will not be obligated to complete the Transaction. However, if these approvals include restrictions or require changes to the terms of the Transaction, we may be required to complete the Transaction subject to such restrictions and changed terms, which could materially and adversely affect our business results and financial condition.

The waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, was terminated early on August 18, 2015.

The Purchase and Sale Agreement contains certain termination rights for both us and the sellers, including, among others, the right to terminate if the Transaction is not completed by July 12, 2016 (subject to extension to October 12, 2016, under certain circumstances related to fulfillment of the regulatory approval closing conditions).

The Transaction may not achieve its intended results, including anticipated operating efficiencies and cost savings, and integration efforts may adversely affect our business, financial condition or results of operations, which may negatively affect the market price of our common stock.

While management currently anticipates that the Transaction will be accretive to our earnings per share, as adjusted (non-GAAP) beginning in the first calendar year after closing of the Transaction, this expectation is based on preliminary estimates which may materially change. In addition, although we expect that the Transaction will result in various other benefits, including a significant amount of operating efficiencies and other financial and operational benefits, there can be no assurance regarding when or the extent to which we will be able to realize these operating efficiencies or other benefits. Achieving the anticipated benefits is subject to a number of uncertainties, including whether the businesses acquired can be operated in the manner we intend and whether our costs to finance the Transaction will be consistent with our expectations. Events outside of our control, including but not limited to regulatory changes or developments, could also adversely affect our ability to realize the anticipated benefits from the Transaction. Thus the integration of SourceGas's business may be unpredictable, subject to delays or changed circumstances, and we can give no assurance that the acquired businesses will perform in accordance with our expectations or that our expectations with respect to integration or operating efficiencies as a result of the Transaction will materialize. In addition, our anticipated transaction costs and costs to achieve the integration of SourceGas may differ significantly from our current estimates. The integration may place an additional burden on our management and internal resources, and the diversion of management's attention during the integration process could have an adverse effect on our business, financial condition and expected operating results. Any of these factors could cause a decrease in the price of our common stock.

The Transaction may subject us to other risks.

The Transaction subjects us to a number of additional risks, including the following:

Uncertainty about the effect of the Transaction on employees, customers, vendors and others may have an adverse effect on us. Although we intend to take steps designed to reduce any adverse effects, these uncertainties may impair our ability to attract, retain and motivate key personnel until the Transaction is completed, and for a period of time thereafter, and could cause vendors and others that deal with us to seek to change existing business relationships.

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The trading price of our common stock may decline if the Transaction is not completed, to the extent that the current market price reflects a market assumption that the Transaction will be completed.

While the Transaction is pending, we are subject to business uncertainties that could materially adversely affect our financial results.

We cannot be assured that our credit ratings will not be lowered as a result of the proposed Transaction or for any other reason, including the failure to consummate the Transaction. Any reduction in our credit ratings could adversely affect our ability to complete the Transaction, our access to capital, our cost of capital and our other operating costs, and our ability to refinance or repay our existing debt and complete new financings, including permanent financing of the Transaction on acceptable terms or at all.

U.S. credit markets may impact our ability to execute our plan in securing permanent financing for the Transaction on favorable terms. We expect to pay the purchase price of the Transaction as described under "Use of Proceeds". Unexpected periods of volatility and disruption in U.S. credit markets could affect our ability to obtain permanent financing for the Transaction more difficult and costly. Unexpected volatility on utility stock indexes could also have an unfavorable impact on our stock price, which could affect our ability to raise equity on favorable terms.

The occurrence of any of these events individually or in combination could have a material adverse effect on our business, financial condition or results of operations or the trading price of our common stock.

We expect to issue significant debt, common stock and Equity Units to provide permanent financing for the Transaction in lieu of or to refund borrowings under the Bridge Term Loan Agreement and, as a result, we are subject to market risks including market demand for debt offerings, interest rate volatility, and adverse impacts on our credit ratings.

On August 6, 2015, we entered into the Bridge Term Loan Agreement for commitments totaling \$1.17 billion, which may be used to finance all or a significant portion of the Transaction and pay related fees and expenses in the event that permanent financing is not completed at the time of the closing. The permanent financing is anticipated to include \$260 million of proceeds from the Equity Units, approximately \$245 million of proceeds from our concurrent common stock offering, approximately \$450 million of new long-term indebtedness and the continuation of a portion of SourceGas's debt as of the closing of the Transaction, with the remainder being funded from cash on hand (which may include proceeds of a potential sale of a portion of Black Hills Colorado IPP, LLC), draws under our revolving credit agreement or other short term financings. As a result, it is anticipated that our debt will increase by \$1.6 billion in connection with the Transaction.

Although we and our advisers believe we have taken prudent steps to position the Company and its subsidiaries for successful capital raises, there can be no assurance as to the ultimate cost or availability of funds to complete the permanent financing.

Among other risks, the planned increase in indebtedness may:

make it more difficult for us to repay or refinance our debts as they become due during adverse economic and industry conditions;

limit our flexibility to pursue other strategic opportunities or react to changes in our business and the industry in which we operate and, consequently, place us at a competitive disadvantage to competitors with less debt;

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require an increased portion of our cash flows from operations to be used for debt service payments, thereby reducing the availability of cash flows to fund working capital, capital expenditures, dividend payments and other general corporate purposes;

result in a downgrade in the credit rating of our indebtedness, which could limit our ability to borrow additional funds or increase the interest rates applicable to our indebtedness;

result in higher interest expense in the event of increases in market interest rates for both long-term debt as well as short-term commercial paper, bank loans or borrowings under our line of credit at variable rates;

reduce the amount of credit available to support hedging activities; and

require that additional terms, conditions or covenants be placed on us.

Among other risks, the issuance of additional equity pursuant to the offering hereby may:

be dilutive to our existing shareholders and earnings per share;

impact our capital structure and cost of the capital;

be adversely impacted by movements in the overall equity markets or the utility or natural gas utility industry sectors of that market, which could impact the offering price of our new equity or necessitate the use of other equity or equity-like instruments such as preferred stock, convertible preferred shares, or convertible debt; and

impact our ability to make our current and future dividend payments.

The summary unaudited pro forma financial information contained elsewhere in or incorporated by reference in this prospectus supplement may not be representative of the combined results of the Company and SourceGas after the consummation of the Transaction and related financings, and accordingly, you have limited financial information on which to evaluate the integrated companies.

The summary unaudited pro forma financial information is presented for informational purposes only and is not necessarily indicative of the financial position or results of operations that would have actually occurred had the Transaction and related financings been completed at or as of the dates indicated, nor is it indicative of our future operating results or financial position. The summary unaudited pro forma financial information does not reflect future events that may occur after the closing of the Transaction and related financings, including the potential realization of operating efficiencies or costs related to the planned integration of SourceGas, and does not consider potential impacts of current market conditions on revenues or expenses. The summary unaudited pro forma financial information presented in or incorporated by reference into this prospectus supplement is based in part on certain assumptions regarding the Transaction and related financings that we believe are reasonable under the circumstances. We cannot assure you that our assumptions will prove to be accurate over time.

We will incur significant transaction and acquisition-related costs in connection with the Transaction.

We expect to incur significant costs associated with the Transaction and combining the operations of the two companies, including costs to achieve targeted cost-savings. The substantial majority of the expenses resulting from the Transaction will be composed of transaction costs, systems consolidation costs, and business integration and employment-related costs. We may also incur transaction fees and costs related to formulating integration plans. Additional unanticipated costs may be incurred in the integration of the two companies' businesses. Although we expect that the elimination of duplicative costs, as well as the realization of other efficiencies related to the integration of the businesses, should

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allow us to offset incremental transaction and acquisition-related costs over time, this net benefit may not be achieved in the near term, or at all.

Failure to complete the Transaction could negatively affect our stock price as well as our future business and financial results.

If the Transaction is not completed, we will be subject to a number of risks, including:

we must pay costs related to the Transaction and related financings, including legal, accounting, financial advisory, filing and printing costs, whether the Transaction is completed or not;

we could be subject to litigation related to the failure to complete the Transaction or other factors, which litigation may adversely affect our business, financial results and stock price; and

if we complete the offering of Equity Units contemplated by this prospectus supplement or the concurrent offering of common stock, we would be subject to significant earnings per share dilution if we do not find other attractive investment opportunities or undertake other means to reduce our overall shares outstanding.

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USE OF PROCEEDS

We estimate that we will receive net proceeds of approximately \$ million from the sale of our Equity Units in this offering after deducting the underwriting discounts and commissions and estimated offering expenses. We estimate that we will receive net proceeds of approximately \$ million if the underwriters exercise in full their option to purchase up to 780,000 additional Equity Units.

In addition, we estimate that we will receive net proceeds, after deducting underwriting discounts and commissions and estimated offering expenses, of approximately \$ million, from our concurrent common stock offering (approximately \$ million if the underwriters of such offering exercise in full their option to purchase additional shares of common stock). The concurrent common stock offering is not contingent on the completion of this offering and this offering is not contingent on the completion of the concurrent common stock offering.

We intend to use the net proceeds from this offering, together with cash on hand and proceeds from the concurrent offering of common stock and new debt, to fund a portion of the cash consideration payable in connection with the Transaction. However, the consummation of this offering is not conditioned on the closing of the Transaction. If we do not consummate the Transaction, we will retain broad discretion to use all of the net proceeds from this offering for general corporate purposes. See "Prospectus Supplement Summary Pending SourceGas Acquisition" in this prospectus supplement.

Until the Transaction is consummated (or it is determined that it will not be) these net proceeds will be held in cash or cash equivalents.

We currently intend to use the proceeds from the settlement of the purchase contracts to repay debt or for other general corporate purposes. We do not intend to use such proceeds to repurchase shares of our common stock.

The estimated sources and uses of the funds for the Transaction, assuming the Transaction had closed on September 30, 2015, are shown in the table below. Actual amounts will vary from estimated amounts depending on several factors, including:

the final purchase price, which will be adjusted by the amount by which net working capital of SourceGas is greater than or less than zero at closing, capital expenditures incurred by SourceGas from March 31, 2015 through closing and indebtedness of SourceGas at closing;

the amount of net proceeds that we receive from this offering of our Equity Units;

the amount of net proceeds that we receive from our concurrent offering of common stock;

the amount of net proceeds, if any, that we receive from a proposed future debt offering to finance the Transaction (which also depends on the net proceeds from this offering of Equity Units and the concurrent offering of our common stock);

the amount of indebtedness of SourceGas that we pay down or refinance at closing; and

changes in our debt balances and net working capital from September 30, 2015 to the closing.

There can be no assurance that the Transaction or any of the other financing transactions will be consummated under the terms contemplated or at all. Even if the Transaction or any other financing

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transactions do not occur, the Equity Units sold in this offering will remain outstanding, and we will not have any obligation to offer to repurchase any or all of the Equity Units sold in this offering.

| (\$ in Thousands) | | | |
|-----------------------------------|--------------|-----------------------------------|--------------|
| Sources | | Uses | |
| Short-term Debt(1) | \$ 34,221 | Purchase of SourceGas Stock(5) | \$ 956,254 |
| Proposed Long-term Debt(2) | 450,000 | Continuation of SourceGas Debt(5) | 873,746 |
| Equity Units Offered Hereby(3) | 260,000 | Fees and Expenses(6) | 33,597 |
| Common Stock(4) | 245,630 | | |
| Continuation of SourceGas Debt(5) | 873,746 | | |
| Total Sources | \$ 1,863,597 | Total Uses | \$ 1,863,597 |

- (1) Short term debt is included under "notes payable" in our pro forma financial statements. In addition to the sources and uses relating to this offering described above, the pro forma financial information included in this prospectus supplement also reflects an assumed \$198.7 million of additional borrowings under our credit facility and a corresponding increase in cash, which are not reflected in this table.
- (2) Represents estimated gross proceeds of a proposed future debt offering of \$450 million but without deduction for underwriters' discounts and commissions and other fees and expenses. We do not have a firmly committed agreement in place related to such debt offering. In the event such long-term debt financing is not available, we may draw on the Bridge Term Loan Agreement as described above under "Prospectus Supplement Summary Pending SourceGas Acquisition." As a result, the pro forma financial information included in this prospectus supplement reflects an assumption that we will draw \$450.0 million of short-term debt under the Bridge Term Loan Agreement (included under "notes payable" in the pro forma financial information in this prospectus supplement) in lieu of the \$450.0 million of long-term debt reflected in this table.
- (3) Represents estimated gross proceeds of this offering, but without deduction for underwriters' discounts and commissions and other fees and expenses, based upon the sale of 5,200,000 Corporate Units at \$50 per unit, and excluding any proceeds of the underwriters' exercise of their option to purchase additional Corporate Units.
- (4) Represents estimated gross proceeds of the concurrent common stock offering, but without deduction for underwriters' discounts and commissions and other fees and expenses, based upon the sale of 5,500,000 shares at \$44.66 per share, the closing price on November 12, 2015, and excluding any proceeds of the underwriters' exercise of their option to purchase additional shares of common stock. See "Concurrent Common Stock Offering" for information about the concurrent common stock offering.
- (5) The purchase price payable at closing of the Transaction will be determined as follows: (a) \$1,691,650,000; (b) minus or plus the amount by which net working capital of SourceGas is greater than or less than zero at closing of the Transaction (for purposes of this table, we have assumed no net working capital adjustment); (c) plus capital expenditures incurred by SourceGas from March 31, 2015 through closing of the Transaction (for purposes of this table, we have assumed \$140 million of capital expenditures through September 30, 2015); and (d) minus indebtedness of SourceGas at closing of the Transaction. For purposes of this table, we have assumed the continuation of all \$874 million of SourceGas's outstanding indebtedness as of September 30, 2015. We expect that a portion of SourceGas's indebtedness will be repaid at or prior to the closing of the Transaction, which would result in additional cash outlays that we expect would be funded from cash on hand (which may include proceeds of a potential sale of a portion of Black Hills Colorado IPP, LLC), draws under our revolving credit agreement or other short

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term financings. We anticipate that, after giving effect to such repayments (which are not reflected in this table or the pro forma financial information included in this prospectus supplement), approximately \$700 million of SourceGas debt will actually be continued. The actual amounts of working capital, capital expenditures and indebtedness of SourceGas at the closing of the Transaction will vary from the assumptions reflected in this table, and any such variations may be material.

- (6) Represents estimated fees and expenses, including underwriters' discounts and commissions, legal, accounting and other fees and expenses associated with the completion of the Transaction and the financing transactions.

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Table of Contents**CAPITALIZATION**

The following table sets forth our historical consolidated cash and cash equivalents and capitalization as of September 30, 2015:

on an actual basis; and

on an as-adjusted (unaudited) basis, after giving effect to:

the issuance and sale of the Equity Units, including the RSNs included therein, offered hereby (assuming no exercise of the underwriters' option to purchase additional Equity Units); and

the issuance and sale of the common stock offered in the concurrent common stock offering (assuming no exercise of the underwriters' option to purchase additional shares of common stock for the concurrent common stock offering); and

on an as further adjusted (unaudited) basis, after giving effect to:

the Transaction; and

the proposed issuance and sale of debt securities to finance the Transaction (which also depends on the net proceeds from this offering of the Equity Units and the concurrent offering of our common stock).

The historical data in the table are derived from, and should be read in conjunction with, our historical financial statements, including accompanying notes, incorporated by reference in this prospectus supplement. You should also read this table in conjunction with the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operation" and our consolidated financial statements and the related notes thereto from our Annual Report on Form 10-K for the year ended December 31, 2014, as amended by Form 10-K/A filed on August 7, 2015, and our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2015, as amended by Form 10-Q/A filed on August 7, 2015, June 30, 2015 and September 30, 2015. See "Where You Can Find More Information" in this prospectus supplement.

| | As of September 30, 2015 | | |
|--|--------------------------|----------------|---------------------------|
| | Actual | As Adjusted | As Further Adjusted |
| | (\$ in Thousands) | | |
| Cash and Equivalents(1) | \$ 38,841 | \$ 528,074 | \$ 40,862 |
| Short-term Debt(1) | \$ 117,900 | \$ 117,900 | \$ 152,121 |
| Long-term Debt(1)(2) | \$ 1,567,797 | \$ 1,567,797 | \$ 2,441,543 |
| Proposed Long-term Debt(1)(3) | \$ | \$ | \$ 450,000 |
| 2015 Series A % Remarketable Junior Subordinated Notes due 2028(4) | \$ | \$ 260,000 | \$ 260,000 |
| Total Debt(1)(2) | \$ 1,685,697 | \$ 1,945,697 | \$ 3,303,664 |
| Total Stockholders' Equity(5) | \$ 1,287,212 | \$ 1,474,830 | \$ 1,474,830 |
| Total Capitalization | \$ 2,972,909 | \$ 3,420,527 | \$ 4,778,494 |
| Long-term Debt/Total Capitalization | 52.7% | 53.4% | 66.0% |

(1)

Among other things, the summary unaudited pro forma information included in this prospectus supplement, and the unaudited pro forma combined condensed financial statements from which it is derived, reflects an assumed \$233.0 million of borrowings under our credit facility (with a corresponding increase in cash) and an assumption that we will draw \$450.0 million of short-term debt under the

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Bridge Term Loan Agreement in lieu of the \$450.0 million of long-term debt from a proposed future debt offering, as described in Note 3 (Financing the Acquisition) to the unaudited pro forma combined condensed financial statements. However, we currently expect to

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issue long-term debt in a proposed future debt offering in lieu of drawing under the Bridge Term Loan Agreement and to draw on our credit facility only to the extent necessary to fund the remaining balance of the purchase price for the Transaction. As a result, for purposes of this table, we have assumed a draw under our credit facility in the amount of \$34.2 million (a \$198.7 million reduction as compared to the pro forma financial information) and the issuance of \$450.0 million of long-term debt.

(2)

For purposes of this table, long-term debt and total debt, each on an as further adjusted (unaudited) basis, have assumed the continuation of all \$874 million of SourceGas's outstanding indebtedness as of September 30, 2015. We expect that a portion of SourceGas's indebtedness will be repaid at or prior to the closing of the Transaction, which would result in additional cash outlays that we expect would be funded from cash on hand (which may include proceeds of a potential sale of a portion of Black Hills Colorado IPP, LLC), draws under our revolving credit agreement or other short term financings. We anticipate that, after giving effect to such repayments (which are not reflected in this table or the pro forma financial information included in this prospectus supplement), approximately \$700 million of SourceGas debt will actually be continued. The actual amounts of indebtedness of SourceGas at the closing of the Transaction will vary from the assumptions reflected in this table, and any such variation may be material. Long-term debt and total debt, each on an as further adjusted (unaudited) basis, do not give effect to the subsequent incurrence of an additional \$40 million of debt by SourceGas under its revolving credit agreement in October 2015.

(3)

Represents estimated gross proceeds of a proposed future debt offering of \$450.0 million but without deduction for discounts and other fees and expenses. We do not have a firmly committed agreement in place related to such debt offering. In the event such long-term debt financing is not available, we may draw on the Bridge Term Loan Agreement as described above under "Prospectus Supplement Summary Pending SourceGas Acquisition."

(4)

The 2015 Series A % remarketable junior subordinated notes due 2028 are a component of Equity Units. The As Adjusted amount will increase by approximately \$39.0 million if the underwriters exercise their option to purchase additional Equity Units in full.

(5)

The As Adjusted and As Further Adjusted amounts for stockholders' equity reflect:

an increase in stockholders' equity for the estimated \$245.6 million gross proceeds of the concurrent common stock offering, based upon an assumed offering price of \$44.66 per share, the closing price of our common stock on November 12, 2015 (such gross proceeds will increase by approximately \$36.8 million if the underwriters exercise their option to purchase additional shares of common stock in full);

a reduction in stockholders' equity of approximately \$27.8 million representing the estimated present value of the contract adjustments payable in connection with the Equity Units (such reduction amount would increase by approximately \$4.2 million if the underwriters exercise their option to purchase additional Equity Units in full); and

a reduction in stockholders' equity of an estimated \$30.2 million of issuance costs (representing estimated fees and expenses, including underwriters' discounts and commissions, legal, accounting and other fees and expenses) for the Equity Units offered hereby and the common stock being offered in the concurrent common stock offering (such reduction amount would increase by an estimated \$2.3 million if the underwriters in both this offering and the concurrent common stock offering exercise their options to purchase additional Equity Units and additional shares of common stock).

If the Transaction closes, the proceeds of this offering are expected to be used in accordance with the Sources and Uses table set forth under "Use of Proceeds" and, until so used or used for general corporate purposes, will be held in cash or cash equivalents. See "Prospectus Supplement Summary Pending SourceGas Acquisition" in this prospectus supplement for a description of the Transaction.

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Our common stock is listed on the NYSE under the symbol "BKH." The following table sets forth on a per share basis the high and low sales prices for consolidated trading in our common stock as reported on the NYSE and dividends for the quarters indicated. The closing price of our common stock on November 13, 2015 was \$44.00.

| | Price Range of Common Stock | | Dividend Declared Per Share |
|--|--------------------------------|----------|-----------------------------------|
| | High | Low | |
| 2013 | | | |
| First Quarter | \$ 44.32 | \$ 36.89 | \$ 0.380 |
| Second Quarter | 50.53 | 43.19 | 0.380 |
| Third Quarter | 55.09 | 46.62 | 0.380 |
| Fourth Quarter | 54.83 | 47.00 | 0.380 |
| 2014 | | | |
| First Quarter | 59.05 | 51.09 | 0.390 |
| Second Quarter | 61.41 | 55.23 | 0.390 |
| Third Quarter | 62.13 | 47.87 | 0.390 |
| Fourth Quarter | 57.17 | 47.11 | 0.390 |
| 2015 | | | |
| First Quarter | 53.37 | 47.88 | 0.405 |
| Second Quarter | 52.96 | 43.48 | 0.405 |
| Third Quarter | 47.27 | 36.81 | 0.405 |
| Fourth Quarter (through November 13, 2015) | 46.77 | 41.24 | 0.405 |

The number of registered shareholders of our common stock at September 30, 2015 was 4,074. We expect to continue our policy of paying regular cash dividends, although there is no assurance as to future dividends because they are dependent on future earnings, capital requirements, financial condition and any contractual restriction or restrictions that may be imposed by our existing or future debt instruments. See "Description of Capital Stock - Common Stock."

The declaration of dividends is at the discretion of our Board of Directors and is not guaranteed. The amount of dividends on our common stock, if any, will depend upon the rights of holders of any preferred stock or preference stock we may issue in the future, our results of operations and financial condition, future capital expenditures and investments, any applicable regulatory and contractual restrictions and other factors that our Board of Directors considers relevant.

Our credit facilities and other debt obligations contain restrictions on the payment of cash dividends upon a default or event of default. An event of default would be deemed to have occurred if we did not meet certain financial covenants. The most restrictive financial covenants of our revolving credit agreement include the following: a recourse leverage ratio not to exceed .65 to 1.00. As of December 31, 2014, we were in compliance with those covenants.

Covenants within the financing agreements of Cheyenne Light, Fuel and Power Company require it to maintain a debt to capitalization ratio of no more than .60 to 1.00. Our utilities in Colorado, Iowa, Kansas and Nebraska have regulatory agreements in which they cannot pay dividends if they have issued debt to third parties and the payment of a dividend would reduce their equity ratio to below 40% of their total capitalization; and neither Black Hills Utility Holdings, Inc. nor its utility subsidiaries can extend credit to the Company except in the ordinary course of business and upon reasonable terms consistent with market terms. Additionally, our utility subsidiaries may generally be limited to the amount of dividends allowed by state regulatory authorities to be paid to us as a utility holding company and also may have further restrictions under the Federal Power Act. As of December 31, 2014, the restricted net assets at our Electric and Gas Utilities were approximately \$315 million.

On October 27, 2015, we declared a cash dividend of \$0.405 per share of our common stock, which will be paid on December 1, 2015 to holders of record as of November 17, 2015.

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CONCURRENT COMMON STOCK OFFERING

Concurrently with this offering of Equity Units, under a separate prospectus supplement dated the date hereof, we are offering 5,500,000 shares of common stock (6,325,000 shares if the underwriters of such offering exercise in full their option to purchase additional shares of common stock) in an underwritten public offering. The concurrent common stock offering is not contingent on the completion of this offering and this offering is not contingent upon the completion of the concurrent common stock offering. We plan to use the proceeds from the concurrent common stock offering and the proceeds of this offering to fund a portion of the consideration for the Transaction and pay certain fees and expenses relating to the Transaction. See "Use of Proceeds."

The foregoing description and other information regarding the concurrent common stock offering is included herein solely for informational purposes. Nothing in this prospectus supplement should be construed as an offer to sell, or the solicitation of an offer to buy, any common stock included in the concurrent common stock offering.

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ACCOUNTING TREATMENT

The net proceeds from the sale of the Corporate Units will be allocated between the purchase contracts and the RSNs in proportion to their respective fair market values at the time of issuance. The present value of the contract adjustment payments will be initially charged to shareholders' equity, with an offsetting credit to liabilities. This liability is accreted over the life of the purchase contract by interest charges to the income statement based on a constant rate calculation. Subsequent contract adjustment payments reduce this liability.

The purchase contracts are forward transactions in our common stock. Upon settlement of each purchase contract, we will receive \$50 on the purchase contract and will issue the requisite number of shares of our common stock. The \$50 that we receive will be credited to shareholders' equity.

Before the issuance of our common stock upon settlement of the purchase contracts, the purchase contracts will be reflected in our diluted earnings per share calculations using the treasury stock method. Under this method, the number of shares of our common stock used in calculating diluted earnings per share (based on the settlement formula applied at the end of the reporting period) is deemed to be increased by the excess, if any, of the number of shares that would be issued upon settlement of the purchase contracts over the number of shares that could be purchased by us in the market (at the average market price during the period) using the proceeds receivable upon settlement. Consequently, we anticipate that there will be no dilutive effect on our earnings per share except during periods when the average market price of our common stock is above the threshold appreciation price of \$.

Both the Financial Accounting Standards Board and its Emerging Issues Task Force continue to study the accounting for financial instruments and derivative instruments, including instruments such as the Equity Units. It is possible that our accounting for the purchase contracts and the RSNs could be affected by any new accounting rules that might be issued by these groups.

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DESCRIPTION OF THE EQUITY UNITS

In this Description of the Equity Units, "Black Hills," "we," "us," "our" and the "Company" refer only to Black Hills Corporation and any successor obligor, and not to any of its subsidiaries.

The following is a summary of some of the terms of the Equity Units. This summary, together with the summaries of the terms of the purchase contracts, the purchase contract and pledge agreement and the RSNs set forth under the captions "Description of the Purchase Contracts," "Certain Provisions of the Purchase Contract and Pledge Agreement" and "Description of the Remarketable Junior Subordinated Notes" in this prospectus supplement, contain a description of the material terms of the Equity Units, but are only summaries and are not complete. This summary is subject to and is qualified by reference to all the provisions of the purchase contract and pledge agreement, the subordinated indenture (as defined under "Description of the Remarketable Junior Subordinated Notes Ranking"), the first supplemental indenture (as defined under "Description of the Remarketable Junior Subordinated Notes Ranking"), the RSNs and the form of remarketing agreement, which has been attached as an exhibit to the purchase contract and pledge agreement, including the definitions of certain terms used therein, which have been or will be filed and incorporated by reference as exhibits to the registration statement of which this prospectus supplement and the accompanying base prospectus form a part.

General

We will issue the Equity Units under the purchase contract and pledge agreement among us and U.S. Bank National Association ("U.S. Bank"), as purchase contract agent (the "purchase contract agent"), collateral agent (the "collateral agent"), custodial agent (the "custodial agent") and securities intermediary. The Equity Units may be either Corporate Units or Treasury Units. The Equity Units will initially consist of 5,200,000 Corporate Units (or 5,980,000 Corporate Units if the underwriters exercise their option to purchase additional Equity Units in full), each with a stated amount of \$50.

Each Corporate Unit offered will consist of:

a purchase contract under which

the holder will agree to purchase from us, and we will agree to sell to the holder, on November 1, 2018 (or if such day is not a business day, the following business day), which we refer to as the "purchase contract settlement date," or earlier upon early settlement, for \$50, a number of shares of our common stock equal to the applicable settlement rate described under "Description of the Purchase Contracts Purchase of Common Stock," "Description of the Purchase Contracts Early Settlement" or "Description of the Purchase Contracts Early Settlement Upon a Fundamental Change," as the case may be, *plus*, in the case of an early settlement upon a fundamental change, the number of make-whole shares; and

we will pay the holder quarterly contract adjustment payments at the rate of % per year on the stated amount of \$50, or \$ per year, subject to our right to defer such contract adjustment payments as described under "Description of the Purchase Contracts Contract Adjustment Payments," and

either:

a 1/20, or 5%, undivided beneficial ownership interest in a \$1,000 principal amount 2015 Series A % remarketable junior subordinated note due 2028 issued by us, and under which we will pay to the holder 1/20, or 5%, of the interest payment on a \$1,000 principal amount RSN at the initial rate of %, or \$ per year per \$1,000 principal amount of RSNs, subject to our right to defer such interest payments as described under "Description of the Remarketable Junior Subordinated Notes Option to Defer Interest Payments;" or

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following a successful optional remarketing, the applicable ownership interest in a portfolio of U.S. Treasury securities, which we refer to as the "Treasury portfolio."

"Applicable ownership interest" means, with respect to the Treasury portfolio,

- (1) a 1/20, or 5%, undivided beneficial ownership interest in \$1,000 face amount of U.S. Treasury securities (or principal or interest strips thereof) included in the Treasury portfolio that mature on or prior to the purchase contract settlement date; and
- (2) for the scheduled interest payment occurring on the purchase contract settlement date, a % undivided beneficial ownership interest in \$1,000 face amount of U.S. Treasury securities (or principal or interest strips thereof) that mature on or prior to the purchase contract settlement date.

If U.S. Treasury securities (or principal or interest strips thereof) that are to be included in the Treasury portfolio in connection with a successful optional remarketing have a yield that is less than zero, the Treasury portfolio will consist of an amount in cash equal to the aggregate principal amount at maturity of the U.S. Treasury securities described in clauses (1) and (2) above. If the provisions set forth in this paragraph apply, references to "Treasury security" and "U.S. Treasury securities (or principal or interest strips thereof)" in connection with the Treasury portfolio will, thereafter, be deemed to be references to such amount of cash.

So long as the Equity Units are in the form of Corporate Units, the related undivided beneficial ownership interest in the RSN or the applicable ownership interest in the Treasury portfolio described in clause (1) of the definition of "applicable ownership interest" above (or \$50 in cash, if the immediately preceding paragraph applies), as the case may be, will be pledged to us through the collateral agent to secure the holders' obligations to purchase our common stock under the related purchase contracts.

Creating Treasury Units by Substituting a Treasury Security for an RSN

Each holder of 20 Corporate Units may create, at any time other than after a successful remarketing or during a blackout period (as defined below), 20 Treasury Units by substituting for an RSN a zero-coupon U.S. Treasury security (for example, CUSIP No. 912820ZE0) with a principal amount at maturity equal to \$1,000 and maturing on October 31, 2018, which we refer to as a "Treasury security." This substitution would create 20 Treasury Units and the RSN would be released from the pledge under the purchase contract and pledge agreement and delivered to the holder and would be tradable and transferable separately from the Treasury Units. Because Treasury securities and RSNs are issued in integral multiples of \$1,000, holders of Corporate Units may make the substitution only in integral multiples of 20 Corporate Units. After a successful remarketing, holders may not create Treasury Units from Corporate Units or recreate Corporate Units from Treasury Units.

Each Treasury Unit will consist of:

a purchase contract under which

the holder will agree to purchase from us, and we will agree to sell to the holder, on the purchase contract settlement date, or earlier upon early settlement, for \$50, a number of shares of our common stock equal to the applicable settlement rate, *plus*, in the case of an early settlement upon a fundamental change, the number of make-whole shares; and

we will pay the holder quarterly contract adjustment payments at the rate of % per year on the stated amount of \$50, or \$ per year, subject to our right to defer the contract adjustment payments; and

a 1/20, or 5%, undivided beneficial ownership interest in a Treasury security.

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The term "blackout period" means the period (1) if we elect to conduct an optional remarketing, from 4:00 p.m., New York City time, on the second business day (as defined below) immediately preceding the first day of the optional remarketing period until the settlement date of such optional remarketing or the date we announce that such remarketing was unsuccessful and (2) after 4:00 p.m., New York City time, on the second business day immediately preceding the first day of the final remarketing period.

The term "business day" means any day that is not a Saturday or Sunday or a day on which banking institutions in The City of New York are authorized or required by law or executive order to close or a day on which the corporate trust office of the purchase contract agent is closed for business.

The Treasury Unit holder's beneficial ownership interest in the Treasury security will be pledged to us through the collateral agent to secure the holder's obligation to purchase our common stock under the related purchase contracts.

To create 20 Treasury Units, a holder is required to:

deposit with the collateral agent a Treasury security that has a principal amount at maturity of \$1,000, which must be purchased in the open market at the expense of the Corporate Unit holder, unless otherwise owned by the holder; and

transfer to the purchase contract agent 20 Corporate Units, accompanied by a notice stating that the holder of the Corporate Units has deposited a Treasury security with the collateral agent, and requesting that the purchase contract agent instruct the collateral agent to release the related RSN.

Upon receiving instructions from the purchase contract agent and receipt of the Treasury security, the collateral agent will release the related RSN from the pledge and deliver it to the purchase contract agent on behalf of the holder, free and clear of our security interest. The purchase contract agent then will:

cancel the 20 Corporate Units;

transfer the related RSN to the holder; and

deliver 20 Treasury Units to the holder.

The Treasury security will be substituted for the RSN and will be pledged to us through the collateral agent to secure the holder's obligation to purchase shares of our common stock under the related purchase contracts. The RSN thereafter will trade and be transferable separately from the Treasury Units.

Holders who create Treasury Units will be responsible for any taxes, governmental charges or other fees or expenses (including, without limitation, fees and expenses payable to the collateral agent) attributable to such collateral substitution. See "Certain Provisions of the Purchase Contract and Pledge Agreement Miscellaneous."

Recreating Corporate Units

Each holder of 20 Treasury Units will have the right, at any time, other than during a blackout period or after a successful remarketing, to substitute for the related Treasury security held by the collateral agent an RSN having a principal amount equal to \$1,000. This substitution would recreate 20 Corporate Units and the applicable Treasury security would be released from the pledge under the purchase contract and pledge agreement and delivered to the holder and would be tradable and transferable separately from the Corporate Units. Because Treasury securities and RSNs are issued in integral multiples of \$1,000, holders of Treasury Units may make this substitution only in integral

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multiples of 20 Treasury Units. After a successful remarketing, holders may not recreate Corporate Units from Treasury Units.

To recreate 20 Corporate Units, a holder is required to:

deposit with the collateral agent an RSN having a principal amount of \$1,000, which must be purchased in the open market at the expense of the Treasury Unit holder, unless otherwise owned by the holder; and

transfer to the purchase contract agent 20 Treasury Units, accompanied by a notice stating that the holder of the Treasury Units has deposited an RSN having a principal amount of \$1,000 with the collateral agent and requesting that the purchase contract agent instruct the collateral agent to release the related Treasury security.

Upon receiving instructions from the purchase contract agent and receipt of the RSN having a principal amount of \$1,000, the collateral agent will promptly release the related Treasury security from the pledge and promptly instruct the securities intermediary to transfer such Treasury security to the purchase contract agent for distribution to the holder, free and clear of our security interest. The purchase contract agent then will:

cancel the 20 Treasury Units;

transfer the related Treasury security to the holder; and

deliver 20 Corporate Units to the holder.

The \$1,000 principal amount RSN will be substituted for the Treasury security and will be pledged to us through the collateral agent to secure the holder's obligation to purchase shares of our common stock under the related purchase contracts. The Treasury security thereafter will trade and be transferable separately from the Corporate Units.

Holders who recreate Corporate Units will be responsible for any taxes, governmental charges or other fees or expenses (including, without limitation, fees and expenses payable to the collateral agent) attributable to the collateral substitution. See "Certain Provisions of the Purchase Contract and Pledge Agreement Miscellaneous."

Payments on the Equity Units

Holders of Corporate Units and Treasury Units will receive quarterly contract adjustment payments payable by us at the rate of % per year on the stated amount of \$50 per Equity Unit. We will make all contract adjustment payments on the Corporate Units and the Treasury Units quarterly in arrears on February 1, May 1, August 1 and November 1 of each year (except that if any such date is not a business day, contract adjustment payments will be payable on the following business day, without adjustment), commencing February 1, 2016. Unless the purchase contracts have been terminated (as described under "Description of the Purchase Contracts Termination" below), we will make such contract adjustment payments until the earliest of the purchase contract settlement date, the fundamental change early settlement date (in the case of a fundamental change early settlement, as described under "Description of the Purchase Contracts Early Settlement Upon a Fundamental Change" below) and the most recent contract adjustment payment date on or before any other early settlement with respect to the related purchase contracts (in the case of an early settlement as described under "Description of the Purchase Contracts Early Settlement" below). If the purchase contracts have been terminated, our obligation to pay the contract adjustment payments, including any accrued and unpaid contract adjustment payments and deferred contract adjustment payments (including compounded contract adjustment payments thereon), will cease. In addition, holders of Corporate Units will receive quarterly cash distributions consisting of their pro rata share of interest payments on the RSNs (or distributions on the applicable ownership interest in the Treasury portfolio,

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as applicable), equivalent to the rate of % per year. There will be no interest payments in respect of the Treasury securities that are a component of the Treasury Units, but to the extent that such holders of Treasury Units continue to hold the RSNs that were delivered to them when they created the Treasury Units, such holders will continue to receive the scheduled interest payments on their separate RSNs for as long as they hold the RSNs.

We have the right to defer payment of quarterly contract adjustment payments and of interest on the RSNs as described under "Description of the Purchase Contracts Contract Adjustment Payments" and "Description of the Remarketable Junior Subordinated Notes Option to Defer Interest Payments," respectively.

Listing

We intend to apply to list the Corporate Units on the NYSE and expect trading to commence within 30 days of the initial issuance of the Corporate Units under the symbol "BKHU." Except in connection with early settlement, fundamental change early settlement, a termination event or settlement on the purchase contract settlement date with separate cash, unless and until substitution has been made as described in "Creating Treasury Units by Substituting a Treasury Security for an RSN" or "Recreating Corporate Units," neither the RSN or applicable ownership interest in the Treasury portfolio component of a Corporate Unit nor the Treasury security component of a Treasury Unit will trade separately from Corporate Units or Treasury Units. The RSN or applicable ownership interest in the Treasury portfolio component will trade as a unit with the purchase contract component of the Corporate Units, and the Treasury security component will trade as a unit with the purchase contract component of the Treasury Units. We will not list the Treasury Units or the RSNs on any exchange or quotation system.

Ranking

The RSNs, which are included in the Equity Units, will be our junior subordinated obligations, subordinated to our existing and future Priority Indebtedness (as defined under "Description of the Remarketable Junior Subordinated Notes Subordination"). The RSNs will be issued under the subordinated indenture and the first supplemental indenture (each as defined under "Description of the Remarketable Junior Subordinated Notes Ranking").

In addition, our obligations with respect to contract adjustment payments will be subordinate in right of payment to our existing and future Priority Indebtedness (as defined under "Description of the Remarketable Junior Subordinated Notes Subordination").

The RSNs and our obligations with respect to contract adjustments payments will be structurally subordinated to existing or future preferred stock and indebtedness, guarantees and other liabilities, including trade payables, of our subsidiaries.

Our subsidiaries are separate and distinct legal entities from us. Our subsidiaries have no obligation to pay any amounts due on the RSNs or the purchase contracts or to provide us with funds to meet our respective payment obligations on the RSNs or purchase contracts. Any payment of dividends, loans or advances by our subsidiaries to us could be subject to regulatory, statutory or contractual restrictions and will be contingent upon the subsidiaries' earnings and business considerations. See "Price Range of Common Stock and Dividends." Our right to receive any assets of any of our subsidiaries upon their bankruptcy, liquidation or similar reorganization, and therefore the right of the holders of the RSNs or purchase contracts to participate in those assets, will be structurally subordinated to the claims of that subsidiary's creditors, including trade creditors. Even if we are a creditor of any of our subsidiaries, our rights as a creditor would be subordinate to any security interest in the assets of our subsidiaries and any indebtedness of our subsidiaries senior to that held by us.

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Voting and Certain Other Rights

Prior to the delivery of shares of common stock under each purchase contract, such purchase contract shall not entitle the holder of the Corporate Units or Treasury Units to any rights of a holder of shares of our common stock, including, without limitation, the right to vote or receive any dividends or other payments or distributions or to consent to or to receive notice as a shareholder or other rights in respect of our common stock.

Agreed U.S. Federal Income Tax Treatment

Each beneficial owner of an Equity Unit, by purchasing a Corporate Unit, will be deemed to have agreed (unless otherwise required by any taxing authority) (1) to be treated as the owner of each of the purchase contract, the related RSN and the applicable ownership interests in the Treasury portfolio or Treasury security, as the case may be, for U.S. federal, state and local income tax purposes, (2) to treat the RSN as indebtedness for all U.S. federal, state and local tax purposes, and (3) to allocate, as of the issue date, 100% of the purchase price paid for the Corporate Units to its ownership interest in the RSNs and 0% to each purchase contract, which will establish its initial tax basis in each purchase contract as \$0 and the beneficial owner's initial tax basis in the RSN as \$50. This position will be binding on each beneficial owner of each Equity Unit, but not on the IRS. See "Material United States Federal Income Tax Consequences."

Repurchase of the Equity Units

We may purchase from time to time any of the Equity Units that are then outstanding by tender, in the open market, by private agreement or otherwise, subject to compliance with applicable law.

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DESCRIPTION OF THE PURCHASE CONTRACTS

In this Description of the Purchase Contracts, "Black Hills," "we," "us," "our" and the "Company" refer only to Black Hills Corporation and any successor obligor, and not to any of its subsidiaries.

The following is a summary of some of the terms of the purchase contracts. The purchase contracts will be issued pursuant to the purchase contract and pledge agreement among us, the purchase contract agent, the collateral agent, the custodial agent and the securities intermediary. The summaries of the purchase contracts and the purchase contract and pledge agreement contain a description of the material terms of the contracts but are only summaries and are not complete. This summary is subject to and is qualified by reference to all the provisions of the purchase contract and pledge agreement, the subordinated indenture (as defined under "Description of the Remarketable Junior Subordinated Notes Ranking"), the first supplemental indenture (as defined under "Description of the Remarketable Junior Subordinated Notes Ranking"), the RSNs and the form of remarketing agreement, including the definitions of certain terms used therein, which have been or will be filed and incorporated by reference as an exhibit to the registration statement of which this prospectus supplement and the accompanying base prospectus form a part.

Purchase of Common Stock

Each purchase contract that is a component of a Corporate Unit or a Treasury Unit will obligate its holder to purchase, and us to issue and deliver, on November 1, 2018 (or if such day is not a business day, the following business day) (the "purchase contract settlement date"), for \$50 in cash a number of shares of our common stock equal to the settlement rate (together with cash, if applicable, in lieu of any fractional shares of common stock in the manner described below), in each case, unless the purchase contract terminates prior to that date or is settled early at the holder's option. The number of shares of our common stock issuable upon settlement of each purchase contract on the purchase contract settlement date (which we refer to as the "settlement rate") will be determined as follows, subject to adjustment as described under "Anti-dilution Adjustments" below:

(1)

If the applicable market value of our common stock is equal to or greater than the "threshold appreciation price" of \$ _____, the settlement rate will be _____ shares of our common stock (we refer to this settlement rate as the "minimum settlement rate").

Accordingly, if the applicable market value of our common stock is greater than the threshold appreciation price, the aggregate market value of the shares of common stock issued upon settlement of each purchase contract will be higher than the stated amount of \$50 (the "stated amount"), assuming that the market price of the common stock on the purchase contract settlement date is the same as the applicable market value of the common stock. If the applicable market value is the same as the threshold appreciation price, the aggregate market value of the shares issued upon settlement will be equal to the stated amount, assuming that the market price of the common stock on the purchase contract settlement date is the same as the applicable market value of the common stock.

(2)

If the applicable market value of our common stock is less than the threshold appreciation price but greater than the "reference price" of \$ _____, which will be the public offering price of our common stock in the concurrent common stock offering, the settlement rate will be a number of shares of our common stock equal to \$50 *divided by* the applicable market value, rounded to the nearest ten thousandth of a share.

Accordingly, if the applicable market value of our common stock is less than the threshold appreciation price, but greater than the reference price, the aggregate market value of the shares of common stock issued upon settlement of each purchase contract will be equal to the stated amount, assuming that the market price of the common stock on the purchase contract settlement date is the same as the applicable market value of the common stock.

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(3)

If the applicable market value of our common stock is less than or equal to the reference price of \$ _____, the settlement rate will be _____ shares of our common stock, which is equal to the stated amount *divided by* the reference price (we refer to this settlement rate as the "maximum settlement rate").

Accordingly, if the applicable market value of our common stock is less than the reference price, the aggregate market value of the shares of common stock issued upon settlement of each purchase contract will be less than the stated amount, assuming that the market price on the purchase contract settlement date is the same as the applicable market value of the common stock. If the market price of the common stock is the same as the reference price, the aggregate market value of the shares will be equal to the stated amount, assuming that the market price of the common stock on the purchase contract settlement date is the same as the applicable market value of the common stock.

The threshold appreciation price is equal to \$50 *divided by* the minimum settlement rate (such quotient rounded to the nearest \$0.0001), which is \$ _____ and represents appreciation of approximately _____ % over the reference price.

We refer to the minimum settlement rate and the maximum settlement rate as the "fixed settlement rates."

If you elect to settle your purchase contract early in the manner described under " Early Settlement," the number of shares of our common stock issuable upon settlement of such purchase contract will be _____, the minimum settlement rate, subject to adjustment as described under " Anti-dilution Adjustments." If you elect to settle your purchase contract early upon a fundamental change, the number of shares of our common stock issuable upon settlement will be determined as described under " Early Settlement Upon a Fundamental Change."

The "applicable market value" means, as determined by us, the average volume-weighted average price, or VWAP, of our common stock for the trading days during the 20 consecutive scheduled trading day period ending on the third scheduled trading day immediately preceding the purchase contract settlement date (the "market value averaging period"). The "VWAP" of our common stock means, for the relevant trading day, the per share VWAP on the principal exchange or quotation system on which our common stock is listed or admitted for trading as displayed under the heading Bloomberg VWAP on Bloomberg page "BKH <EQUITY> AQR" (or its equivalent successor if that page is not available) in respect of the period from the scheduled open of trading on the relevant trading day until the scheduled close of trading on the relevant trading day (or if such VWAP is unavailable, the market price of one share of our common stock on such trading day determined, using a volume-weighted average method, by a nationally recognized independent investment banking firm retained for this purpose by us).

A "trading day" means, for purposes of determining a VWAP or closing price, a day (i) on which the principal exchange or quotation system on which our common stock is listed or admitted for trading is scheduled to be open for business and (ii) on which there has not occurred or does not exist a market disruption event.

A "market disruption event" means any of the following events:

any suspension of, or limitation imposed on, trading by the principal exchange or quotation system on which our common stock is listed or admitted for trading during the one-hour period prior to the close of trading for the regular trading session on such exchange or quotation system (or for purposes of determining VWAP any period or periods prior to 1:00 p.m. New York City time aggregating one half hour or longer) and whether by reason of movements in price exceeding limits permitted by the relevant exchange or quotation system or otherwise

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relating to our common stock or in futures or options contracts relating to our common stock on the relevant exchange or quotation system; or

any event (other than a failure to open or, except for purposes of determining VWAP, a closure as described below) that disrupts or impairs the ability of market participants during the one-hour period prior to the close of trading for the regular trading session on the principal exchange or quotation system on which our common stock is listed or admitted for trading (or for purposes of determining VWAP any period or periods prior to 1:00 p.m. New York City time aggregating one half hour or longer) in general to effect transactions in, or obtain market values for, our common stock on the relevant exchange or quotation system or futures or options contracts relating to our common stock on any relevant exchange or quotation system; or

the failure to open of the principal exchange or quotation system on which futures or options contracts relating to our common stock are traded or, except for purposes of determining VWAP, the closure of such exchange or quotation system prior to its respective scheduled closing time for the regular trading session on such day (without regard to after hours or other trading outside the regular trading session hours) unless such earlier closing time is announced by such exchange or quotation system at least one hour prior to the earlier of the actual closing time for the regular trading session on such day and the submission deadline for orders to be entered into such exchange or quotation system for execution at the actual closing time on such day.

If a market disruption event occurs on any scheduled trading day during the market value averaging period, we will notify investors on the calendar day on which such event occurs.

If 20 trading days for our common stock have not occurred during the market value averaging period, all remaining trading days will be deemed to occur on the third scheduled trading day immediately prior to the purchase contract settlement date and the VWAP of our common stock for each of the remaining trading days will be the VWAP of our common stock on that third scheduled trading day or, if such day is not a trading day, the closing price as of such day.

The "closing price" per share of our common stock means, on any date of determination, the closing sale price or, if no closing sale price is reported, the last reported sale price of our common stock on the principal U.S. securities exchange on which our common stock is listed, or if our common stock is not so listed on a U.S. securities exchange, the average of the last quoted bid and ask prices for our common stock in the over-the-counter market as reported by OTC Markets Group Inc. or similar organization, or, if those bid and ask prices are not available, the market value of our common stock on that date as determined by a nationally recognized independent investment banking firm retained by us for this purpose.

We will not issue any fractional shares of our common stock upon settlement of a purchase contract. Instead of a fractional share, the holder will receive an amount of cash equal to the percentage of a whole share represented by such fractional share *multiplied* by the closing price of our common stock on the trading day immediately preceding the purchase contract settlement date (or the trading day immediately preceding the relevant settlement date, in the case of early settlement). If, however, a holder surrenders for settlement at one time more than one purchase contract, then the number of shares of our common stock issuable pursuant to such purchase contracts will be computed based upon the aggregate number of purchase contracts surrendered.

Unless:

a holder has settled early the related purchase contracts by delivery of cash to the purchase contract agent in the manner described under " Early Settlement" or " Early Settlement Upon a Fundamental Change";

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a holder of Corporate Units has settled the related purchase contracts with separate cash in the manner described under " Notice to Settle with Cash"; or

an event described under " Termination" has occurred;

then, on the purchase contract settlement date,