

SUNOCO LP

RECONCILIATION OF NON-GAAP MEASURES

The following table presents a reconciliation of Adjusted EBITDA to net income (loss) and Adjusted EBITDA to Distributable Cash Flow, as adjusted:

	Three Months Ended September 30,		Change
	2018	2017	
	<i>(in millions)</i>		
Segment Adjusted EBITDA			
Fuel distribution and marketing	\$ 183	\$ 64	\$ 119
All other	25	135	(110)
Total	208	199	9
Depreciation, amortization and accretion (1)	(42)	(29)	(13)
Interest expense, net (1)	(35)	(64)	29
Non-cash compensation expense (1)	(4)	(9)	5
Gain (loss) on disposal of assets and impairment charges (1)	8	(34)	42
Unrealized loss on commodity derivatives (1)	—	6	(6)
Inventory fair value adjustments (1)	(7)	55	(62)
Other non-cash adjustments	(4)	—	(4)
Income before income tax (expense) benefit (1)	124	124	—
Income tax (expense) benefit (1)	(12)	14	(26)
Net income and comprehensive income	<u>\$ 112</u>	<u>\$ 138</u>	<u>\$ (26)</u>
Adjusted EBITDA	208	199	9
Cash interest expense (1)	34	59	(25)
Current income tax expense (1)	16	5	11
Maintenance capital expenditures (1)	11	10	1
Distributable Cash Flow	\$ 147	\$ 125	\$ 22
Transaction-related expenses (1)	2	14	(12)
Series A Preferred distribution	—	(7)	7
Distributable Cash Flow, as adjusted	<u>\$ 149</u>	<u>\$ 132</u>	<u>\$ 17</u>

(1) Includes amounts from discontinued operations.