

SUNOCO LP

RECONCILIATION OF NON-GAAP MEASURES

The following table presents a reconciliation of net income to EBITDA, Adjusted EBITDA and distributable cash flow:

	Year Ended December 31,					
	2017			2016		
	Wholesale	Retail	Total	Wholesale	Retail	Total
	<i>(in millions)</i>					
Net income (loss) and comprehensive income (loss)	\$ 167	\$ (18)	\$ 149	\$ 252	\$ (658)	\$ (406)
Depreciation, amortization and accretion (1)	118	85	203	94	225	319
Interest expense, net (1)	88	157	245	59	130	189
Income tax expense (benefit) (1)	(10)	(248)	(258)	5	(36)	(31)
EBITDA	\$ 363	\$ (24)	\$ 339	\$ 410	\$ (339)	\$ 71
Non-cash compensation expense (1)	2	22	24	6	7	13
Loss (gain) on disposal of assets & impairment charge (1)	8	392	400	(3)	683	680
Unrealized (gains) losses on commodity derivatives (1)	(3)	—	(3)	5	—	5
Inventory adjustments (1)	(24)	(4)	(28)	(98)	(6)	(104)
Adjusted EBITDA attributable to partners	\$ 346	\$ 386	\$ 732	\$ 320	\$ 345	\$ 665
Cash interest expense (1)			231			178
Current income tax expense (1)			4			—
Maintenance capital expenditures (1)			48			106
Distributable cash flow attributable to partners			\$ 449			\$ 381
Transaction-related expenses (1)			47			9
Series A Preferred distribution			(23)			—
Distributable cash flow attributable to partners, as adjusted			<u>\$ 473</u>			<u>\$ 390</u>

The following table presents a reconciliation of net income to EBITDA, Adjusted EBITDA and distributable cash flow:

	Three Months Ended December 31,					
	2017			2016		
	Wholesale	Retail	Total	Wholesale	Retail	Total
	<i>(in millions)</i>					
Net income (loss) and comprehensive income (loss)	\$ 47	\$ 185	\$ 232	\$ 63	\$ (648)	\$ (585)
Depreciation, amortization and accretion (1)	37	11	48	34	51	85
Interest expense, net (1)	20	41	61	18	38	56
Income tax expense (benefit) (1)	(9)	(195)	(204)	4	(43)	(39)
EBITDA	\$ 95	\$ 42	\$ 137	\$ 119	\$ (602)	\$ (483)
Non-cash compensation expense (1)	1	5	6	2	2	4
Loss (gain) on disposal of assets & impairment charge (1)	8	25	33	(2)	679	677
Unrealized (gains) losses on commodity derivatives (1)	2	—	2	(4)	—	(4)
Inventory adjustments (1)	(16)	(4)	(20)	(37)	(3)	(40)
Adjusted EBITDA attributable to partners	\$ 90	\$ 68	\$ 158	\$ 78	\$ 76	\$ 154
Cash interest expense (1)			59			53
Current income tax expense (benefit) (1)			(3)			12
Maintenance capital expenditures (1)			13			33
Distributable cash flow attributable to partners			\$ 89			\$ 56
Transaction-related expenses (1)			25			7
Series A Preferred distribution			(8)			—
Distributable cash flow attributable to partners, as adjusted			\$ 106			\$ 63

(1) Includes amounts from discontinued operations.