

SUNOCO LP

RECONCILIATION OF NON-GAAP MEASURES

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

For the Three Months Ended March 31,

	2018			2017		
	Wholesale	Retail	Total	Wholesale	Retail	Total
	<i>(in millions)</i>					
Net income (loss) and comprehensive income (loss)	\$ (58)	\$ (257)	\$ (315)	\$ 38	\$ (37)	\$ 1
Depreciation, amortization and accretion (1)	28	21	49	22	65	87
Interest expense, net (1)	19	17	36	20	44	64
Income tax expense (benefit) (1)	1	203	204	1	(18)	(17)
EBITDA	\$ (10)	\$ (16)	\$ (26)	\$ 81	\$ 54	\$ 135
Non-cash compensation expense (1)	—	3	3	0	4	4
Loss on disposal of assets (1)	3	23	26	2	5	7
Loss on extinguishment of debt and other (1)	109	20	129	—	—	—
Unrealized gain on commodity derivatives (1)	—	—	—	(5)	—	(5)
Inventory adjustments (1)	(25)	(1)	(26)	13	1	14
Other non-cash adjustments	3	—	3	—	—	—
Adjusted EBITDA	\$ 80	\$ 29	\$ 109	\$ 91	\$ 64	\$ 155
Cash interest expense (1)			34			60
Current income tax expense (1)			468			—
Transaction-related income taxes (1)			(480)			—
Maintenance capital expenditures (1)			3			18
Distributable cash flow			\$ 84			\$ 77
Transaction-related expenses (1)			3			—
Series A Preferred distribution			(2)			—
Distributable cash flow, as adjusted			\$ 85			\$ 77

(1) Includes amounts from discontinued operations.