

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:

	Year Ended December 31,		Change
	2018	2017	
	<i>(in millions)</i>		
Segment Adjusted EBITDA			
Fuel distribution and marketing	\$ 554	\$ 346	\$ 208
All other	84	386	(302)
Total	638	732	(94)
Depreciation, amortization and accretion (1)	(182)	(203)	21
Interest expense, net (1)	(146)	(245)	99
Non-cash compensation expense (1)	(12)	(24)	12
Loss on disposal of assets and impairment charges (1)	(80)	(400)	320
Loss on extinguishment of debt and other (1)	(129)	—	(129)
Unrealized gain (loss) on commodity derivatives (1)	(6)	3	(9)
Inventory adjustments (1)	(84)	28	(112)
Other non-cash adjustments	(14)	—	(14)
Income (loss) before income tax (expense) benefit (1)	(15)	(109)	94
Income tax (expense) benefit (1)	(192)	258	(450)
Net income (loss) and comprehensive income (loss)	\$ (207)	\$ 149	\$ (356)
Adjusted EBITDA	\$ 638	\$ 732	\$ (94)
Cash interest expense (1)	142	231	(89)
Current income tax expense (1)	489	4	485
Transaction-related income taxes (1)	(470)	—	(470)
Maintenance capital expenditures (1)	31	48	(17)
Distributable Cash Flow	446	449	(3)
Transaction-related expenses (1)	11	47	(36)
Series A Preferred distribution	(2)	(23)	21
Distributable Cash Flow, as adjusted	\$ 455	\$ 473	\$ (18)

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 December 31,		Change
	2018	2017	
	<i>(in millions)</i>		
Segment Adjusted EBITDA			
Fuel distribution and marketing	\$ 159	\$ 90	\$ 69
All other	21	68	(47)
Total	180	158	22
Depreciation, amortization and accretion (1)	(50)	(48)	(2)
Interest expense, net (1)	(39)	(61)	22
Non-cash compensation expense (1)	(2)	(6)	4
Loss on disposal of assets and impairment charges (1)	(22)	(33)	11
Unrealized loss on commodity derivatives (1)	(5)	(2)	(3)
Inventory adjustments (1)	(135)	20	(155)
Other non-cash adjustments	(4)	—	(4)
Income (loss) before income tax (expense) benefit (1)	(77)	28	(105)
Income tax (expense) benefit (1)	5	204	(199)
Net income (loss) and comprehensive income (loss)	\$ (72)	\$ 232	\$ (304)
Adjusted EBITDA	\$ 180	\$ 158	\$ 22
Cash interest expense (1)	39	59	(20)
Current income tax expense (1)	11	(3)	14
Maintenance capital expenditures (1)	15	13	2
Distributable Cash Flow	115	89	26
Transaction-related expenses (1)	(1)	25	(26)
Series A Preferred distribution	—	(8)	8
Distributable Cash Flow, as adjusted	\$ 114	\$ 106	\$ 8

(1) Includes amounts from discontinued operations.