

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 March 31,		Change
	2019	2018	
<i>(in millions)</i>			
Segment Adjusted EBITDA			
Fuel distribution and marketing	\$ 118	\$ 80	\$ 38
All other	35	29	6
Total	153	109	44
Depreciation, amortization and accretion (1)	(45)	(49)	4
Interest expense, net (1)	(42)	(36)	(6)
Non-cash compensation expense (1)	(3)	(3)	—
Loss on disposal of assets and impairment charges (1)	(48)	(26)	(22)
Loss on extinguishment of debt and other (1)	(3)	(129)	126
Unrealized gain on commodity derivatives (1)	6	—	6
Inventory adjustments (1)	93	26	67
Other non-cash adjustments	(4)	(3)	(1)
Income (loss) before income tax expense (1)	107	(111)	218
Income tax benefit (expense) (1)	2	(204)	206
Net income (loss) and comprehensive income (loss)	\$ 109	\$ (315)	\$ 424
Adjusted EBITDA	153	109	44
Cash interest expense (1)	40	34	6
Current income tax expense (1)	12	468	(456)
Transaction-related income taxes (2)	—	(480)	480
Maintenance capital expenditures (1)	4	3	1
Distributable Cash Flow	\$ 97	\$ 84	\$ 13
Transaction-related expenses (1)	2	3	(1)
Series A Preferred distribution	—	(2)	2
Distributable Cash Flow, as adjusted	\$ 99	\$ 85	\$ 14
Distributions to Partners:			
Limited Partners	\$ 68	\$ 68	
General Partner	18	18	
Total distributions to be paid to partners	\$ 86	\$ 86	
Common Units outstanding – end of period	82.7	82.5	
Distribution coverage ratio (3)	1.15x	1.00x	

(1) Includes amounts from discontinued operations for the three months ended March 31, 2018.

(2) Transaction-related income taxes primarily related to the 7-Eleven Transaction.

(3) The distribution coverage ratio for a period is calculated as Distributable Cash Flow attributable to partners, as adjusted, divided by distributions expected to be paid to partners of Sunoco LP in respect of such a period.