

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 June 30,		Change
	2019	2018	
	<i>(in millions)</i>		
Segment Adjusted EBITDA			
Fuel distribution and marketing	\$ 119	\$ 132	\$ (13)
All other	33	8	25
Total	152	140	12
Depreciation, amortization and accretion	(47)	(41)	(6)
Interest expense, net	(43)	(36)	(7)
Non-cash compensation expense	(3)	(3)	—
Loss on disposal of assets and impairment charges (1)	(2)	(40)	38
Loss on extinguishment of debt and other, net	6	—	6
Unrealized loss on commodity derivatives	(3)	—	(3)
Inventory adjustments	4	32	(28)
Other non-cash adjustments	(4)	(3)	(1)
Income before income tax (expense) benefit (1)	60	49	11
Income tax (expense) benefit (1)	(5)	19	(24)
Net income and comprehensive income	\$ 55	\$ 68	\$ (13)
Adjusted EBITDA			
	\$ 152	\$ 140	\$ 12
Cash interest expense	41	34	7
Current income tax expense (benefit) (1)	4	(5)	9
Transaction-related income taxes	—	10	(10)
Maintenance capital expenditures	6	2	4
Distributable Cash Flow	101	99	2
Transaction-related expenses (1)	—	7	(7)
Distributable Cash Flow, as adjusted	\$ 101	\$ 106	\$ (5)
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 (2)	1.17x	1.24x	

(1) Includes amounts from discontinued operations for the three months ended June 30, 2018.

(2) 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.