

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 December 31,		Year Ended December 31,	
	2019	2018	2019	2018
	<i>(in millions)</i>		<i>(in millions)</i>	
Adjusted EBITDA:				
Fuel Distribution and Marketing	\$ 147	\$ 159	\$ 545	\$ 554
All Other	21	21	120	84
Total Adjusted EBITDA	168	180	665	638
Depreciation, amortization and accretion	(46)	(50)	(183)	(182)
Interest expense, net (1)	(43)	(39)	(173)	(146)
Non-cash unit-based compensation expense (1)	(3)	(2)	(13)	(12)
Loss on disposal of assets and impairment charges (1)	(22)	(22)	(68)	(80)
Loss on extinguishment of debt and other, net	—	—	—	(129)
Unrealized gain (loss) on commodity derivatives (1)	1	(5)	5	(6)
Inventory adjustments (1)	8	(135)	79	(84)
Equity in earnings of unconsolidated affiliate	2	—	2	—
Adjusted EBITDA related to unconsolidated affiliate	(3)	—	(4)	—
Other non-cash adjustments	(5)	(4)	(14)	(14)
Income tax (expense) benefit (1)	26	5	17	(192)
Net income (loss) and comprehensive income (loss)	\$ 83	\$ (72)	\$ 313	\$ (207)
Adjusted EBITDA				
Adjusted EBITDA related to unconsolidated affiliate	3	—	4	—
Distributable cash flow from unconsolidated affiliate	(3)	—	(4)	—
Cash interest expense (1)	41	39	166	142
Income tax expense (benefit), current (1)	(41)	11	(22)	489
Transaction-related income taxes (2)	31	—	31	(470)
Maintenance capital expenditures (1)	17	15	40	31
Distributable Cash Flow	120	115	450	446
Transaction-related expense (1)	—	(1)	3	11
Series A Preferred distribution	—	—	—	(2)
Distributable Cash Flow, as adjusted	\$ 120	\$ 114	\$ 453	\$ 455
Distributions to Partners:				
Limited Partners	\$ 69	\$ 68	\$ 273	\$ 272
General Partners	18	18	72	70
Total distributions to be paid to partners	\$ 87	\$ 86	\$ 345	\$ 342
Common Units outstanding - end of period	83.0	82.7	83.0	82.7
Distribution coverage ratio (3)	1.39	1.33	1.32	1.32

(1) Includes amounts from discontinued operations for the year ended December 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.