

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,	
	2020	2019
<i>(in millions)</i>		
Adjusted EBITDA:		
Fuel distribution and marketing	\$ 160	\$ 119
All other	22	33
Total Adjusted EBITDA	182	152
Depreciation, amortization and accretion	(47)	(47)
Interest expense, net	(44)	(43)
Non-cash unit-based compensation expense	(3)	(3)
Loss on disposal of assets and impairment charges	(6)	(2)
Unrealized loss on commodity derivatives	—	(3)
Inventory adjustments	90	4
Equity in earnings of unconsolidated affiliate	1	—
Adjusted EBITDA related to unconsolidated affiliate	(3)	—
Other non-cash adjustments	(5)	2
Income tax expense	(8)	(5)
Net income and comprehensive income	\$ 157	\$ 55
Adjusted EBITDA		
	\$ 182	\$ 152
Adjusted EBITDA related to unconsolidated affiliate	3	—
Distributable cash flow from unconsolidated affiliate	(3)	—
Cash interest expense	42	41
Current income tax expense	14	4
Maintenance capital expenditures	4	6
Distributable Cash Flow	122	101
Transaction-related expenses	—	—
Distributable Cash Flow, as adjusted	\$ 122	\$ 101
Distributions to Partners:		
Limited Partners	\$ 69	\$ 68
General Partners	18	18
Total distributions to be paid to partners	\$ 87	\$ 86
Common Units outstanding - end of period	83.0	82.7
Distribution coverage ratio (1)	1.41x	1.17x

- (1) 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.