

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,	
	2020	2019	2020	2019
	<i>(in millions)</i>		<i>(in millions)</i>	
Adjusted EBITDA				
Fuel distribution and marketing	\$ 157	\$ 147	\$ 654	\$ 545
All other	2	21	85	120
Total Adjusted EBITDA	159	168	739	665
Depreciation, amortization and accretion	(47)	(46)	(189)	(183)
Interest expense, net	(44)	(43)	(175)	(173)
Non-cash unit-based compensation expense	(3)	(3)	(14)	(13)
(Loss) gain on disposal of assets and impairment charges	5	(22)	(2)	(68)
Loss on extinguishment of debt	(13)	—	(13)	—
Unrealized gain (loss) on commodity derivatives	(6)	1	(6)	5
Inventory adjustments	44	8	(82)	79
Equity in earnings of unconsolidated affiliate	2	2	5	2
Adjusted EBITDA related to unconsolidated affiliate	(3)	(3)	(10)	(4)
Other non-cash adjustments	(3)	(5)	(17)	(14)
Income tax (expense) benefit	(8)	26	(24)	17
Net income and comprehensive income	\$ 83	\$ 83	\$ 212	\$ 313
Adjusted EBITDA				
Adjusted EBITDA	\$ 159	\$ 168	\$ 739	\$ 665
Adjusted EBITDA related to unconsolidated affiliate	3	3	10	4
Distributable cash flow from unconsolidated affiliate	(3)	(3)	(10)	(4)
Cash interest expense	42	41	168	166
Current income tax expense (benefit)	—	(41)	19	(22)
Transaction-related income taxes	—	31	—	31
Maintenance capital expenditures	20	17	35	40
Distributable Cash Flow	97	120	517	450
Transaction-related expenses	—	—	—	3
Distributable Cash Flow, as adjusted	\$ 97	\$ 120	\$ 517	\$ 453
Distributions to Partners:				
Limited Partners	\$ 69	\$ 69	\$ 274	\$ 273
General Partners	18	18	71	72
Total distributions to be paid to partners	\$ 87	\$ 87	\$ 345	\$ 345
Common Units outstanding - end of period	83.3	83.0	83.3	83.0
Distribution coverage ratio (1)	1.13x	1.39x	1.50x	1.32x

(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.