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TERMINOLOGY GUIDE

- **C&G Market:** Companies primarily engaged in petroleum and convenience retailing
- **Fuels Distribution Market:** Companies primarily engaged in the wholesaling of branded and unbranded motor fuels to retailers, typically contract dealers (open or lessee) or commission agents, primarily via transports
- **Propane Market:** Companies primarily engaged in the retailing of propane, but also may wholesale propane and distribute refined fuels (bobtail and transport loads) typically to commercial, industrial and agricultural end users
- **Commercial Fuels & Lubricants Market:** Companies primarily engaged in the wholesaling of lubricants and related products (e.g. process fluids, additives, DEF, etc.) but may also distribute refined fuels (bobtail and transport loads) to commercial, industrial, and agricultural end users

DISCUSSION TOPICS

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FACTORS DRIVING CONSOLIDATION IN THE C&G MARKET

The consolidation of the petroleum marketing and convenience store industry is accelerating, primarily due to:

Factors that are likely permanent:

- Industry maturity
- Continued expansion by highly recognized c-store chains, including with larger format NTIs
- Expenses increasing faster than gross profits is putting pressure on operators
- Continuing need to reduce product acquisition costs and spread overhead across a wider base
- The needs of existing and soon-to-be public companies to grow revenues and cash flow
- Cost of capital differences between smaller and larger operators
- Generational issues (i.e. no potential or desired transition to next generation of family)

Factors that are subject to change:

- Historically low tax rates and favorable accelerated depreciation tax rules
- Low interest rates and low overall cost of capital
- Strong interest in the industry by private equity funds and international companies
- Capital availability across the full capital stack
- Ability to sell with strong performance over last few years, especially retail fuel margins

COMPANIES DRIVING CONSOLIDATION IN THE C&G MARKET

U.S. Public Companies

- Casey's General Stores
- Couche-Tard/Circle K
- Marathon/Speedway
- Others for certain types or geographies of assets

Major Oil Companies

- BP
- Shell
- Motiva

U.S. Private Companies

- 7-Eleven ¹
- Empire Petroleum Partners ²
- GPM Investments ²
- Giant Eagle, Inc.
- Others (by region)

MLPs

- CrossAmerica Partners
- Global Partners
- Sunoco LP

International Private Companies

- EG Group

International Public Companies

- Copec (MAPCO retail)
- Parkland Fuel Corporation
- Petrogas (Applegreen)
- Quinenco

Private Equity Groups

- First Reserve
- Significant number of other PEGs actively seeking platform investment in industry

¹ 7-Eleven is a subsidiary of a publicly-traded Japanese parent company, Seven & i Holdings Co., Ltd. that is listed on the Tokyo Stock Exchange

² Empire Petroleum Partners and GPM have both previously filed registration statements with the SEC for initial public offerings to form MLPs. GPM is currently under contract to acquire Empire Petroleum Partners

FACTORS DRIVING CONSOLIDATION IN FUELS DISTRIBUTION

The consolidation of the fuels distribution industry is accelerating, primarily due to:

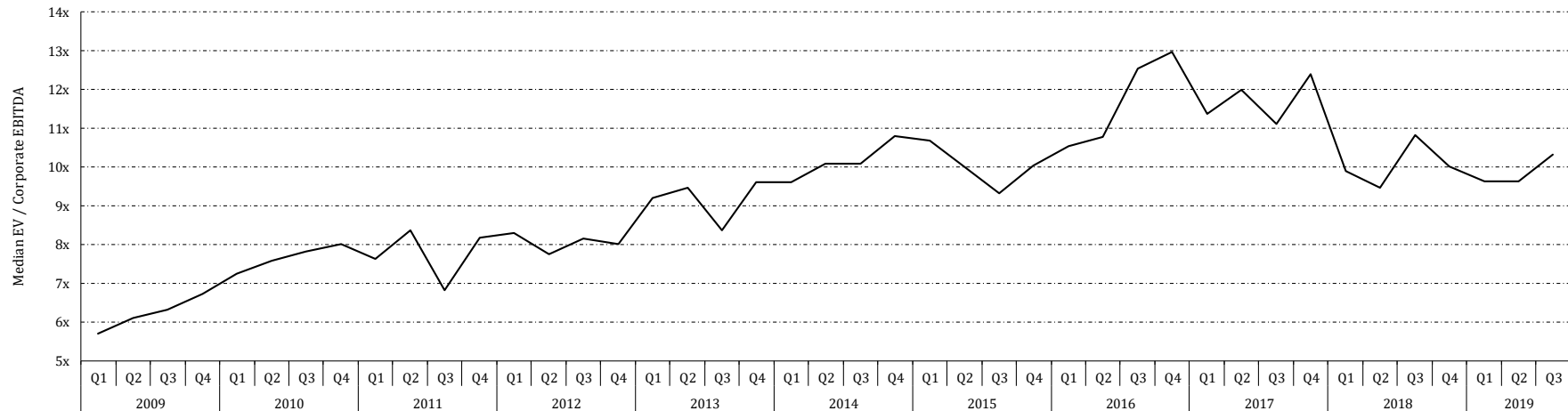
- Industry maturity and declining overall fuels demand
- Large fuels distributors can capture additional profitability through superior purchasing power and leveraging operational synergies
- Refiners (especially merchant refiners) compete directly with distributors for large customers
- Expenses increasing faster than gross profits which is putting pressure on wholesale margins
- Customers are increasingly focused on customer service efficiencies (e.g. keep fill, electronic ordering and billing), requiring distributors to invest in technological and back office capabilities
- Rising customer acquisition costs as distributors raise incentives to compete for the same dealers' business
- Large fuels distributors provide access to a broader spectrum of fuel brands and products
- Generational issues exist for private companies in industry (i.e. no potential or desired transition to next generation of family)

SELECT COMPANIES DRIVING CONSOLIDATION IN FUELS DISTRIBUTION

U.S. Public Companies	Major Oil Companies/Refiners	U.S. Private Companies
<ul style="list-style-type: none"> ➤ World Fuels 	<ul style="list-style-type: none"> ➤ BP ➤ Chevron ➤ Husky ➤ ExxonMobil ➤ Marathon ➤ Motiva ➤ PBF ➤ Shell ➤ Tesoro ➤ Valero 	<ul style="list-style-type: none"> ➤ Brad Hall Associates ➤ Diesel Direct ➤ Hartland Fuel Products ➤ Mansfield Oil Company ➤ Pilot Thomas Logistics ➤ Sun Coast Resources ➤ Truman Arnold Companies ➤ U.S. Venture (U.S. Oil) ➤ Empire Petroleum (GPM) ➤ Others (by region, e.g. SC Fuels, Flyers Energy)
MLPs	International Public Companies	Private Equity Groups
<ul style="list-style-type: none"> ➤ CrossAmerica Partners ➤ Global Partners ➤ Sunoco LP 	<ul style="list-style-type: none"> ➤ DCC plc ➤ Parkland Fuel Corporation 	<ul style="list-style-type: none"> ➤ Court Square Capital/Offen ➤ BioUrja (MacQuarie) ➤ Energy Capital Partners ➤ Others seeking platform investment

RETAIL & WHOLESALE FUELS DISTRIBUTION: MULTIPLES

Quarterly Enterprise Value / Corporate EBITDA Trading Multiples



Ticker / Index	2009				2010				2011				2012				2013				2014				2015				2016				2017				2018				2019			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
Alimentation Couche-Tard Inc. (ATD.B)	5.1	5.9	6.4	7.0	7.1	6.6	6.7	7.6	7.3	8.7	7.7	8.2	8.9	11.2	15.4	11.8	10.8	10.9	9.6	10.8	11.2	11.6	12.8	13.3	13.4	14.7	14.2	13.9	13.2	12.4	13.7	13.0	12.5	13.3	14.6	13.3	12.4	11.2	11.1	11.2	10.7	12.4	12.6	
Casey's General Stores, Inc. (CASY)	6.1	6.2	6.2	6.5	6.2	7.2	8.9	8.4	8.0	8.6	8.0	8.3	8.4	9.0	8.8	8.0	9.2	9.7	9.9	10.3	9.6	9.5	9.7	10.4	10.0	9.6	10.1	10.0	8.8	10.1	10.7	10.6	10.2	9.8	9.9	11.4	11.0	10.7	11.4	11.0	11.3	12.6	12.8	
CrossAmerica Partners LP (CAPL)															20.0	14.4	13.9	13.6	14.9	15.1	20.4	21.6	27.7	29.4	27.4	25.7	18.1	19.2	17.7	20.2	20.3	19.5	19.8	18.7	17.8	14.9	14.1	12.1	13.0	13.5	13.8	13.9		
CST Brands, Inc. (CST)																	9.2	8.2	8.6	8.9	10.1	10.4	11.2	10.9	10.0	9.3	9.3	10.5	11.0	12.5	13.0													
Global Partners LP (GLP)	8.0	10.4	10.9	13.2	11.2	12.5	16.9	18.7	19.5	17.1	15.6	16.4	20.1	13.3	13.1	13.1	15.2	14.9	13.4	12.3	8.3	8.6	7.7	6.7	9.7	8.3	8.7	7.2	8.5	9.5	9.4	9.9	8.7	7.9	7.0	7.8	8.5	8.7	11.0	7.7	9.3	9.1	7.6	
Marathon Petroleum Corporation (MPC)										2.7	3.4	3.0	3.8	3.8	4.3	3.9	3.8	4.8	5.7	7.8	6.2	6.2	6.6	5.1	5.3	4.7	5.6	7.5	7.3	9.2	9.4	9.3	10.7	9.0	8.3	8.8	8.1	10.4	10.1	9.3	8.4	8.7		
Murphy USA Inc. (MUSA)																			6.4	6.5	7.1	8.1	8.3	7.8	6.5	6.5	7.6	9.1	8.9	9.0	8.4	7.8	8.9	9.2	8.1	8.2	7.3	8.8	9.6	8.0	8.5	9.4	10.0	
The Pantry, Inc. (PTRY)	3.3	3.6	3.8	5.1	5.1	4.3	4.3	4.7	4.7	4.4	4.5	4.5	4.5	4.6	4.9	4.5	4.5	4.6	4.5	4.7	4.8	4.5	3.9	3.2																				
Parkland Fuel Corporation (TSX: PKI)	5.3	5.6	5.9	7.5	10.9	10.5	11.3	10.8	9.2	8.2	6.8	8.7	8.3	7.7	7.5	8.0	6.9	7.0	8.1	8.8	10.1	10.4	11.5	11.6	13.6	15.4	14.2	11.9	12.3	10.8	14.5	14.1	13.8	21.2	19.4	14.2	12.7	10.1	10.6	8.8	9.8	9.1	8.7	
Sunoco LP (SUN)														21.0	28.9	23.4	20.4	19.1	19.1	21.5	24.2	38.9	17.3	10.7	10.4	8.9	11.4	11.3	12.9	15.2	13.0	15.2	14.8	12.3	13.8	8.4	8.1	8.2	9.9	9.4	9.8	10.6		
Susser Holdings Corporation (SUSS+)	6.2	6.5	6.6	5.9	7.3	7.9	6.8	6.3	6.1	6.3	6.5	6.1	6.1	7.2	4.8	7.7	6.1	7.2	8.4	9.6	14.5	14.5																						
Median	5.7	6.1	6.3	6.7	7.2	7.6	7.8	8.0	7.6	8.4	6.8	8.2	8.3	7.7	8.2	8.0	9.2	9.5	8.4	9.6	9.6	10.1	10.1	10.8	10.7	10.0	9.3	10.0	10.5	10.8	12.5	13.0	11.4	12.0	11.1	12.4	9.9	9.5	10.8	10.0	9.6	9.6	10.3	

RETAIL & WHOLESALE FUELS DISTRIBUTION: PUBLIC COMPS

Fuel Distribution and/or Retail-Focused Companies

(\$ in millions, except price per share)

(\$ in millions, except price per share)												Consensus Analyst Est.		EV/ LTM	Forward EV Multiple		Dividend Yield	
Company (Ticker)	Business Segments					Stock Price On 1/21/20	Market Cap	Total Debt	Enterprise Value (EV)	Debt/ EV	Corp. LTM EBITDA	Current FY Corp. EBITDA	Next FY Corp. EBITDA		Current FY Corp. EBITDA	Next FY Corp. EBITDA		
	R	W	RE	T	P&L													
Alimentation Couche-Tard Inc. (ATD.B)	x	x		x		34.15	38,480	9,443	48,158	19.6%	3,706	3,900	3,928	13.0x	12.3x	12.3x	0.56%	
Casey's General Stores, Inc. (CASY)	x					169.03	6,219	1,339	7,557	17.7%	606	620	671	12.5x	12.2x	11.3x	0.76%	
Delek US Holdings, Inc. (DK)	x		x		x	30.54	2,267	2,210	4,012	55.1%	829	682	662	4.8x	5.9x	6.1x	3.80%	
Marathon Petroleum Corporation (MPC)	x	x	x	x	x	56.18	36,479	31,387	76,227	41.2%	9,641	9,688	12,528	7.9x	7.9x	6.1x	3.77%	
Murphy USA Inc. (MUSA)	x					113.26	3,484	1,107	4,443	24.9%	459	427	431	9.7x	10.4x	10.3x	n.m.	
Parkland Fuel Corporation (TSX: PKI)	x	x	x	x	x	36.89	5,468	2,894	8,474	34.1%	917	981	896	9.2x	8.6x	9.5x	2.44%	
World Fuel Services Corporation (INT)		x				40.59	2,654	851	3,303	25.8%	402	410	442	8.2x	8.1x	7.5x	0.99%	
														High	13.0x	12.3x	12.3x	3.80%
														Low	4.8x	5.9x	6.1x	0.56%
														Mean	9.3x	9.3x	9.0x	2.05%
														Median	9.2x	8.6x	9.5x	1.72%

Wholesale-Focused MLPs

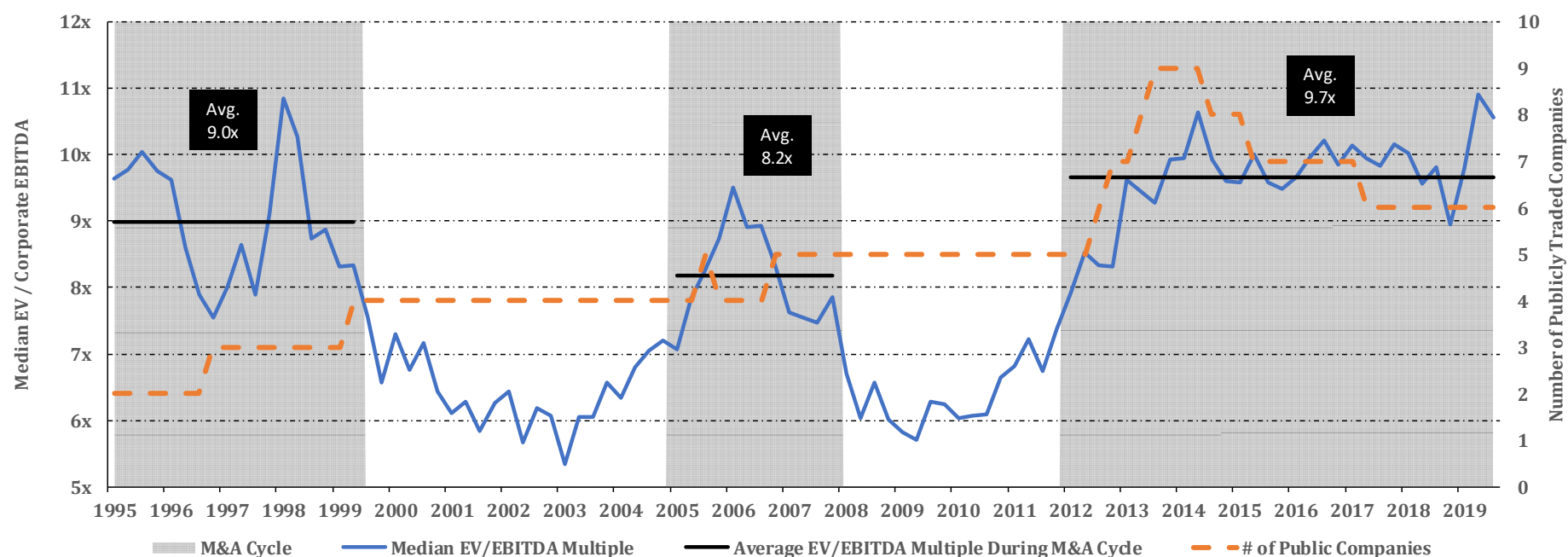
(\$ in millions, except price per share)

(\$ in millions, except price per share)													Consensus Analyst Est.			Forward EV Multiple			10-yr
Company (Ticker)	Business Segments					Stock			Enterprise		Corp.	Current	Next	EV/			Distrib.	(1.84%)	
	R	W	RE	T	P&L	Price On	Market	Total	Value	Debt/	LTM	FY Corp.	FY Corp.	LTM	FY Corp.	FY Corp.	Yield	Yield	
						1/21/20	Cap	Debt	(EV)	EV	EBITDA	EBITDA	EBITDA	EBITDA	EBITDA	EBITDA	(DY)	Spread	
CrossAmerica Partners LP (CAPL)	x	x				18.85	650	668	1,317	50.7%	90	106	128	14.7x	12.4x	10.3x	11.14%	930 bps	
Global Partners LP (GLP)	x	x		x		19.75	669	1,598	2,327	68.7%	310	237	232	7.5x	9.8x	10.0x	10.53%	869 bps	
Sunoco LP (SUN)		x		x		32.35	2,677	3,615	6,279	57.6%	591	652	677	10.6x	9.6x	9.3x	10.21%	837 bps	
	R	=	Retail										High	14.7x	12.4x	10.3x	11.14%	930 bps	
	W	=	Wholesale										Low	7.5x	9.6x	9.3x	10.21%	837 bps	
	RE	=	Refining										Mean	10.9x	10.6x	9.9x	10.63%	879 bps	
	T	=	Terminals										Median	10.6x	9.8x	10.0x	10.53%	869 bps	
	P&L	=	Pipeline/Logistics																

R = Retail
W = Wholesale
RE = Refining
T = Terminals
P&L = Pipeline/Logistics

C&G INDUSTRY: 3 WAVES SINCE 1995 – EV/EBITDA MULTIPLES

Enterprise Value / Corporate EBITDA Trading Multiples



Source: S&P Capital IQ

BREAKDOWN OF M&A ACTIVITY BY YEAR

➤ Criteria for transactions included in the activity counts in tables below

- Transaction has closed and included at least 10 convenience stores or 25 supply accounts, with majority in U.S.
- Convenience stores and/or fuels distribution business was substantial component of transaction
- Sale/leaseback transactions not included
- Private equity buyer type only the case for platform acquisition; considered strategic buyer acquirer for add-ons













Buyer Company Type:	2012	2013	2014	2015	2016	2017	2018	2019	Totals
Private Company	14	10	14	9	17	13	27	19	123
Public Corporation	14	9	7	17	6	9	13	6	81
Master Limited Partnership	6	4	8	6	6	3	6	1	40
Private Equity Fund	0	1	1	1	4	0	2	3	12
Totals	34	24	30	33	33	25	48	29	256

Most Active Buyers	2012	2013	2014	2015	2016	2017	2018	2019	Totals
Alimentation Couche-Tard, Inc.	7	7	5	4	1	5	0	0	29
7-Eleven, Inc.	8	2	0	4	2	0	1	1	18
Sunoco LP	2	1	4	2	3	0	4	0	16
Empire Petroleum Partners, LLC	1	0	4	1	2	2	2	1	13
GPM Investments, LLC	0	1	0	2	3	1	2	2	11
CrossAmerica Partners, LP	0	0	2	2	2	1	0	1	8
Global Partners LP	1	0	0	2	1	1	2	0	7
EG Group Limited	0	0	0	0	0	0	2	3	5
Totals	19	11	15	17	14	10	13	8	107

Transactions in table above includes acquisitions made by companies now owned by company listed

Seller Company Type:	2012	2013	2014	2015	2016	2017	2018	2019YTD	Totals
Private Company	25	20	26	32	27	20	36	24	210
Public Corporation	2	1	3	1	2	5	6	2	22
Public REIT	7	1	0	0	0	0	0	0	8
Master Limited Partnership	0	1	0	0	2	0	3	1	7
Master Limited Partnership GP	0	0	1	0	0	0	0	0	1
Private Equity Fund	0	1	0	0	2	0	3	2	8
Totals	34	24	30	33	33	25	48	29	256

ANALYSIS OF ACQUISITION SYNERGIES IN SELECT TRANSACTIONS

(in millions \$US unless noted otherwise)		 ↓ 	 ↓ 	 ↓ 	 ↓ 	 ↓ 	 ↓ 	
		Enterprise Value	\$1,783	\$3,010	\$1,759	\$4,278	\$2,150	\$2,377
TTM Corporate EBITDA / Multiple		\$148 12.1x	\$175 17.2x	\$221 8.0x	\$411 10.4x	\$205 10.5x	\$186 12.8x	11.8x
SYNERGIES	Fuel Margin Improvements	\$35 2.13 cpg	\$45 1.45 cpg	ND ND	ND ND	ND ND	ND ND	1.79 cpg
	Merchandise Sales Increases	ND ND	\$266 16.2% <i>Estimated</i> Increase	ND ND	ND ND	ND ND	ND ND	16.2% Increase
	Merchandise Gross Margin Enhancement	\$17 1.6% Increase	\$70 NA	\$27 1.5% Increase	ND ND	ND ND	ND ND	1.5% Increase
	Operating Expense Savings	ND ND	\$75 \$59,713 per unit	\$21.25 \$13,999 per unit	ND ND	ND ND	ND ND	\$13,999 per unit
	Overhead Expense Savings	\$18 \$25,000 per unit		\$63.75 \$41,996 per unit	ND ND	ND ND	ND ND	\$33,498 per unit
Total Synergies / % of TTM EBITDA		\$70 47.4%	\$190 108.6%	\$112 50.7%	\$215 52.3%	\$153 74.7%	\$165 88.9%	70.4% Increase
Synergistic Corp. EBITDA / Multiple		\$218 8.2x	\$365 8.2x	\$333 5.3x	\$626 6.8x	\$358 6.0x	\$351 6.8x	6.9x
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* Average of Synergies reported								

VALUATION DRIVERS: RETAIL C&G ASSETS

Real Estate, Geography and Competition

- Fee simple ownership and/or long-term leases at or below fair market value rents (purchase options and ROFRs are beneficial lease clauses)
- High barriers to entry (e.g. zoning restrictions, lengthy entitlement lead time/process, maturity of area, land value, etc.)
- Overall desirability of the market
- Market share & site density within the territory
- Distance from sites to fuel supply points (terminal or refinery), competitive racks and/or centralized distribution centers
- Limited and/or “friendly” competition
- Ability for acquirer to further consolidate in the area, especially if it is a new market for acquirer
- Viability of state environmental funds
- State minimum wage laws and minimum mark-up requirements on cigarettes
- Lot size and quality/quantity of access (i.e. ingress/egress)
- Lack of deed restrictions on fuel brand

Financial Metrics and Store / Fuel Offerings

- Inside sales > \$1mm/year
- Inside margins > 30% (inclusive of foodservice); > 25% if no foodservice offering
- Store size > 2,500 square feet
- Low % of cigarette contribution to merchandise revenue and gross profit
- High contribution of inside-the-box gross profit vs. over-reliance on fuel gross profit
- Fuel volume > 1mm gals./year
- Ability to rebrand the fuel at locations with minimal or no penalty
- Stability and trends of fuel margins in marketing territory
- Lack of deferred capital expenditures
- Double-wall vs. single-wall USTs and relatively new tanks (< 10 years of age)
- Upside potential of units (e.g. underutilized store floor space, poor merchandising, new or not fully mature units, opportunity for foodservice and additional offerings, etc.)
- Rental income from third party tenants (existing or potential) at store locations

VALUATION DRIVERS: FUELS DISTRIBUTION ASSETS

Qualitative / Intangibles	Quantitative / Financial
<ul style="list-style-type: none"> ➤ Existence of a fully-documented, exclusive and assignable supply contract vs. a spot, at-will supply relationship ➤ Contract extension/renewal history with customers ➤ Security in the contract/site (e.g. cash deposit, letter-of-credit, equipment liens, unamortized investment funds, personal guarantee, etc.) ➤ Underlift protection (penalties and/or ability to extend the contract until total volume is met) ➤ Total aggregate fuel volume of the portfolio and by individual brand (can provide an acquirer with a new brand or additional leverage with supplier) ➤ Market share and site density within the territory (especially if commission agent centric) ➤ Future longevity of the site to ensure viability of contract performance and potential renewal ➤ Availability of sales reps included in transaction to maintain relationships with existing customers and market to potential new customers post-transaction ➤ Existence of fuel brand deed restrictions to limit potential future turnover to a competitor ➤ Strength of fuel brands included in the transaction within local markets ➤ Unique ability to serve customers (transportation assets, unique supply arrangements) that cannot be easily replicated 	<ul style="list-style-type: none"> ➤ Duration of the contract (> 5 years preferred and the longer the better for a higher valuation) ➤ Desirability of the supplier-to-dealer/agent pricing environment in the market (e.g. all net rack +1, DTW dominated market, commissions before/after credit card fees, etc.) ➤ Retention by jobber of the early pay discount (if applicable) and the overall absolute cent per gallon margin earned before overhead burden, inclusive of any freight skim ➤ Minimum volume requirements (i.e. annual and/or aggregate over the life of the contract) ➤ Financial liability for any major oil investment funds are passed on to the dealer/agent (i.e. effectively the dealer/agent is first in-line if a default were to occur) ➤ Negative net working capital requirement in many cases (float for the company if customer pays in less time than the company pays to its suppliers) ➤ Credit card settlement organized through wholesale supplier, helping to mitigate credit risk

FACTORS DRIVING CONSOLIDATION IN THE PROPANE MARKET

The consolidation of the propane industry is accelerating, primarily due to:

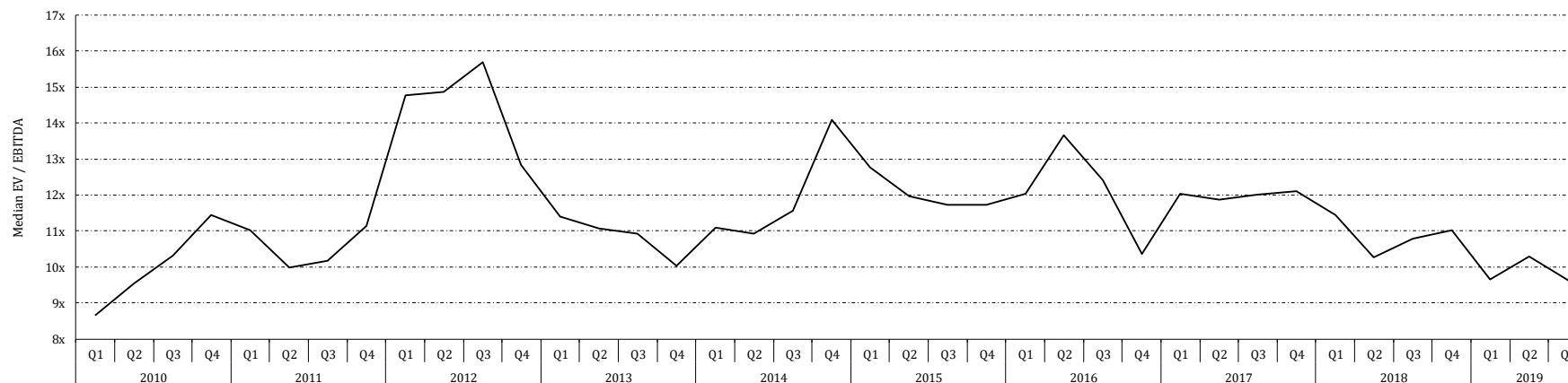
- Mature, highly fragmented industry with declining volumes due to:
 - Increased competition from electricity and natural gas
 - Both electricity and natural gas are aggressively marketed as clean fuels, whereas propane is often mistakenly perceived as a dirty fossil fuel
 - With record natural gas production, utilities continue to expand their pipeline distribution systems to reach new customers
 - Increased efficiency of new gas appliances results in lower volumes per customer
 - Slow growth in the autogas market is not replacing gallons lost to efficiency gains and other energy sources
 - Despite better heating seasons the past two years, the 10-year average number of heating degree days has slowly declined over the last 30 years
- Supply disruptions that tend to hurt smaller, regional companies more than larger companies
- Decent heating seasons and lower propane procurement costs over the last two years allows sellers to market off of strong performance and has strengthened many buyers' balance sheets

SELECT COMPANIES DRIVING CONSOLIDATION IN PROPANE

U.S. Public Companies	Large Private Regionals	Private Equity Backed
<ul style="list-style-type: none"> ➤ Ferrellgas ➤ Star Group ➤ Suburban Propane Partners ➤ Sharp Energy 	<ul style="list-style-type: none"> ➤ AmeriGas ➤ Quarles Petroleum ➤ Blossman Gas & Appliance ➤ Delta Liquid Energy ➤ Paraco ➤ DiSanto Propane ➤ Kamps Propane ➤ Eastern Propane & Oil ➤ Crystal Flash Energy ➤ Dead River Company ➤ Holtzman 	<ul style="list-style-type: none"> ➤ Energy Distribution Partners ➤ ThompsonGas ➤ Meritum Energy Holdings, LP
International Companies	Cooperatives	
<ul style="list-style-type: none"> ➤ Superior Plus Corp. ➤ DCC plc ➤ Parkland Fuel Corporation ➤ SHV Energy/Pinnacle Propane 	<ul style="list-style-type: none"> ➤ MFA Oil Company ➤ CHS, Inc. ➤ Growmark, Inc. 	

PROPANE & REFINED FUELS DISTRIBUTION: MULTIPLES

Quarterly Enterprise Value / Corporate EBITDA Trading Multiples



Ticker / Index	2010				2011				2012				2013				2014				2015				2016				2017				2018				2019			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
Ferrellgas Partners, L.P.	11.2	10.8	11.7	12.9	14.5	13.7	13.1	14.2	14.8	14.9	15.7	13.9	13.5	12.4	12.1	13.2	12.8	13.7	15.4	15.0	13.8	14.1	16.7	14.3	14.8	14.6	10.8	9.2	10.4	10.7	12.0	12.1	11.5	10.3	10.8	11.2	11.6	10.8	10.9	
AmeriGas Partners, L.P. ¹	9.7	9.5	10.3	11.5	12.3	11.3	10.2	11.9	15.9	17.1	16.1	12.8	11.4	11.1	10.9	10.0	9.4	10.0	10.0	14.8	12.8	12.0	11.7	9.0	10.1	10.6	11.8	10.4	12.5	13.1	12.0	12.6	12.0	10.6	10.8	11.3	9.8	11.6		
Star Group, L.P.	3.8	4.3	5.2	5.3	4.8	4.5	4.6	9.8	12.9	8.7	4.2	5.5	5.8	4.1	4.5	4.8	5.6	4.5	4.6	5.4	3.9	4.3	4.0	4.1	5.7	5.4	5.8	5.6	5.9	8.9	8.4	9.5	7.1	5.7	6.6	9.8	7.9	9.8	9.1	
Suburban Propane Partners, L.P.	9.1	9.9	11.6	12.3	11.6	9.9	10.2	11.1	16.3	15.6	31.9	19.5	13.1	12.2	12.2	11.7	11.1	10.9	11.6	11.7	11.1	9.9	9.3	9.4	13.9	15.3	13.7	13.3	12.0	11.9	11.0	11.2	9.7	9.3	9.3	9.8	9.5	9.8	9.6	
NGL Energy Partners LP						21.0	53.8	51.4	25.5	57.1	27.2	17.7	14.4	14.7	16.5	21.4	19.8	21.1	21.4	19.9	18.1	16.2	14.0	11.7	12.0	13.4	15.5	21.5	24.8	15.6	15.4	17.5	21.2	33.0						
DCC plc	8.3	9.0	6.4	5.8	6.8	7.3	8.4	9.3	7.8	8.5	8.0	7.6	8.8	9.0	10.0	9.6	11.3	11.1	14.1	14.1	13.1	12.8	18.1	16.3	17.0	17.6	17.0	17.0	14.4	13.4	15.1	15.3	14.7	16.0	16.0	13.9	12.0	12.9	13.9	
Superior Plus Corp.	8.0	9.5	10.3	11.4	10.5	10.0	9.8	8.1	8.0	7.8	7.8	8.6	8.1	9.5	9.0	9.5	9.4	9.5	10.2	9.1	9.5	10.8	9.9	12.9	10.6	13.7	12.4	9.1	11.1	9.8	9.2	9.7	8.4	8.1	11.3	10.9	8.8	8.3	8.9	
Median	8.7	9.5	10.3	11.5	11.0	10.0	10.2	11.1	14.8	14.9	15.7	12.8	11.4	11.1	10.9	10.0	11.1	10.9	11.6	14.1	12.8	12.0	11.7	11.7	12.0	13.7	12.4	10.4	12.0	11.9	12.0	12.1	11.5	10.3	10.8	11.0	9.7	10.3	9.6	

(1) AmeriGas Partners, LP was acquired by UGI Corporation, and is no longer public effective 8/21/19.

(2) Superior Plus Corp. acquired the retail propane business of NGL Energy Partners LP on July 10, 2018.

PROPANE & REFINED FUELS DISTRIBUTION: PUBLIC COMPS

Propane, Heating Oil and Refined Products Distribution Companies

(\$ in millions, except price per share)

(\$ in millions, except price per share)											Consensus Analyst Est.			Forward EV Multiple			
Company (Ticker)	Business Segments				Stock Price On	Market	Total	Enterprise Value	Debt/	Corp.	Current	Next	EV/	Current	Next	Distrib.	
	P	HO	RF	S&E	1/21/20	Cap	Debt	(EV)	EV	LTM EBITDA	FY Corp. EBITDA	FY Corp. EBITDA	LTM EBITDA	FY Corp. EBITDA	FY Corp. EBITDA	Yield	
Ferrellgas Partners, L.P.	x			x	0.35	34	2,371	2,326	101.9%	215	224	N.P.	10.8x	10.4x	N.P.	n.m.	
Star Group, L.P.	x	x	x	x	9.53	444	351	799	43.9%	104	N.P.	N.P.	7.7x	N.P.	N.P.	5.25%	
Suburban Propane Partners, L.P.	x	x	x	x	22.36	1,351	1,393	2,781	50.1%	282	281	288	9.8x	9.9x	9.7x	10.73%	
DCC plc	x	x	x	x	84.33	8,297	3,024	9,739	31.1%	731	821	853	13.3x	11.9x	11.4x	1.44%	
Superior Plus Corp.	x	x	x	x	9.80	1,705	1,449	3,162	45.8%	357	402	407	8.8x	7.9x	7.8x	5.55%	
	P	=	Propane										High	13.3x	11.9x	11.4x	10.73%
	HO	=	Heating Oil										Low	7.7x	7.9x	7.8x	1.44%
	RF	=	Refined Fuels										Mean	10.1x	10.0x	9.6x	5.74%
	S&E	=	Services & Equipment										Median	9.8x	10.1x	9.7x	5.40%

N.P. = not provided

VALUATION DRIVERS: PROPANE

Residential Propane

- High % of auto-fill vs. will-call customers
- High % of EFT or credit card customers vs. COD
- High % of tank control (i.e. company-owned tanks)
- Strong, established brand name in the region
- Minimal churn in customer list
- Pre-buy, budget and other buying plans to tie customers into upcoming heating seasons
- Service plan offerings (directly by the company or through third party partnerships) to keep customer retention high and produce ancillary revenue and income
- Account density for delivery efficiencies
- Stringent customer credit screening and short duration for customer payments; low bad debt expense and A/R past due
- Security for the account (e.g. cash deposit, letter-of-credit, tank documentation, personal guarantee)
- Good records including customer agreements, gas checks, and tank setting & inspection files
- Modern delivery fleet with automated routing software/dispatch and ability to print invoices & process payments on-site at customer locations
- Exceptional employees and excellent customer service

Commercial Propane

- Exclusive supply relationship vs. a spot, at-will supply account (if under contract even better)
- Security for the account (e.g. cash deposit, letter-of-credit, personal guarantee, etc.)
- High % of tank control (i.e. company-owned tanks)
- Stringent customer credit screening and short duration for customer payments; low bad debt expense and A/R past due
- Ability to offer hedging programs
- Customer longevity and consistent volume
- Account density for delivery efficiencies
- Control of supply points (i.e. terminals and/or bulk plants) via direct ownership, lease or throughput agreements
- Availability of sales reps to go with the deal
- Modern delivery fleet with automated routing software/dispatch and ability to print invoices & process payments on-site at customer locations
- Cross-selling of products to customers (e.g. gasoline, diesel, lubricants, etc.)

FACTORS DRIVING CONSOLIDATION IN THE LUBRICANTS MARKET

The consolidation of the lubricants industry is accelerating, primarily due to:

- It is estimated that the number of lubricants distributors has decreased by over 50% in the last 10 years
- Leading national suppliers' desire to concentrate distribution among a set of fewer and larger partners who will provide the services end use customers are demanding and comply with the strict storage and handling procedures for lubricants
- Smaller distributors don't have the scale to compete with the larger distributors who have more buying power, ability to spread overhead costs, and offer more products and services to cross sell
- Volume growth is pressured as consumers and government regulations demand higher quality products that allow for longer service intervals (e.g. oil changes) and support greater fuel efficiency engines
- Demand for lubricants is deemed mostly inelastic as price increases in base oils are generally more gradual than other petroleum-based products and more easily passed along to customers. The cost of equipment failure is deemed more expensive relative to the marginal increase in the price of lubricants which serve to protect equipment from failure
- Trump administration's lowering of government regulations and focus on large-scale infrastructure and re-industrialization plans have enhanced the outlook for the lubricants industry

SELECT COMPANIES DRIVING CONSOLIDATION IN LUBRICANTS

U.S. Public Companies

- Quaker Houghton

Large Private Regionals

- Pilot Thomas Logistics

Private Equity Backed

- Reladyne
- PetroChoice

International Companies

- Brenntag
- Fuchs Petrolub

Cooperatives

- None

VALUATION DRIVERS: COMMERCIAL FUELS & LUBRICANTS

Commercial Fuels

- Exclusive supply relationship vs. a spot, at-will supply account (if under contract even better)
- Security for the account (e.g. cash deposit, letter-of-credit, equipment liens, personal guarantee, etc.)
- Stringent customer credit screening, well maintained credit files, and short duration for customer payments
- Low bad debt expense and A/R past due
- Customer longevity and consistent volume
- Total aggregate fuel volume of the portfolio of enough critical mass to spread overhead burden
- Account density for delivery efficiencies
- Control of supply points (i.e. terminals and/or bulk plants) via direct ownership, lease or throughput agreements
- Tank control (e.g. skid tanks) as applicable by customer type
- Availability of sales reps included in transaction to maintain relationships with existing customers and market to potential new customers post-transaction
- Modern delivery fleet with automated routing software/dispatch and ability to print invoices & process payments on-site at customer locations (more applicable to tank wagon deliveries)
- Unique product offerings (e.g. biodiesel, renewable fuels, winter blend diesel)
- Capability to meet unique customer demands (e.g. specific delivery windows or requirements)

Lubricants

- Strength of distributor's lubricant brands (e.g. Mobil, Castrol, Shell, Pennzoil, etc.) within local markets
- Attributes of the distributor agreement (supplier does not have ROFR, no restrictions on carrying other brands, supplier national accounts vs. distributor accounts)
- Diverse array of product mix (bulk, drums, totes, packaged), accessory services (blend to customer specifications), and ancillary products (e.g. filters, DEF, and other supplies)
- Physical facilities (warehouses, blending plants, packaging plants) included within transaction for potential buyers without presence in market
- Modern delivery fleet capable of delivering products to meet customer demands (bulk, packaged, etc.)
- Multiple customer segments served (e.g. retail, commercial, industrial, specialized, etc.)
- Customer retention through brand loyalty or contract requirements
- Account density for delivery efficiencies
- Stringent customer credit screening, well maintained credit files, and short duration for customer payments
- Security for the account (cash deposit, letter-of-credit, equipment liens, personal guarantee, etc.)
- Low bad debt expense and A/R past due

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LEGAL CONSIDERATIONS

While many of the valuation drivers are outside of any individual business owner's control, here are five things that you can do to drive the value of your own company:

1. Review your real estate assets:

- Owned Real Estate:
 - Review title to proactively address historic or lingering title issues
 - Reduces potential “unknowns”
- Leased Real Estate:
 - Monitor expiration dates and renewal options
 - Understand whether the consent of the landlord is required prior to transfer
 - Consider adding language to allow for flexible assignment
- All Real Estate:
 - Understand your liabilities related to environmental issues

2. Understand your Key Contracts:

- Key contracts include those contracts with vendors and / or customers that are vital to the continued operation of your business
- Do these contracts assumable? Can you terminate them?
- Do you need to give notice or pay fees in order to assign or terminate?

LEGAL CONSIDERATIONS

3. Monitor your Licenses and Permits:

- Know the status of the permits that are required to operate your business
- Understand what is required to transfer or assign these licenses and/or whether new licenses will be required
- Having a clear list of which licenses and permits are required, and what the process for transfer or replacement is for each, will show your prospective buyers that you understand the importance of regulatory compliance

4. Review and Update Corporate Documents:

- The practical day-to-day operation of the company may differ from the legal ownership
- Understand who the stakeholders are and seek to streamline corporate governance issues
- Seek tax and legal advice regarding corporate structure

5. Consider Key Employees:

- Key employees can have a significant impact on the operations – and consequently the value – of a company
- Review your agreements with key employees and consider formalizing employment arrangements
- In any sale process, utilize confidentiality agreements and incentive contracts to keep key employees engaged

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MATRIX DER GROUP: SELECT TRANSACTIONS

Boulden Brothers Propane



has been acquired by



Sharp Energy, Inc.
a subsidiary of Chesapeake
Utilities Corporation
(NYSE:CPK)

IPC (USA), Inc.,
The U.S. Petroleum Marketing
Subsidiary of
ITOCHU Corporation
(TYO:8001)



has been acquired by

Truman Arnold Companies
d/b/a



The Convenience Retailing
& Petroleum Marketing Assets
of The Hartley Company
d/b/a



have been acquired by

Campbell Oil Company
d/b/a



The Assets of
Alligator Shell, LLC and
PT Land Co., LLC



have been acquired by



7-Eleven, Inc.

The Convenience Retailing
& Petroleum Marketing Assets
of Schmuckal Oil Company
and its Affiliates



have been acquired by



True North Energy, LLC

Fastrac Markets, L.L.C. and its
subsidiary, Fastrac Transportation
of New York, LLC



have been acquired by



EG America LLC,
a subsidiary of Blackburn, U.K.
based EG Group Limited

The Petroleum Marketing &
Retail Fuels Distribution
Business of Apache Oil
Company, Inc.



has been acquired by

An undisclosed,
confidential buyer

The Propane, Heating Oil &
HVAC Business (SMO Energy)
of The Wills Group



has been acquired by



Star Group, L.P. (NYSE: SGU)

MATRIX DER GROUP: SELECT TRANSACTIONS (CONT'D)

West Oil, Inc.'s Petroleum
Marketing & Convenience
Store Assets



have been acquired by



FR Refuel LLC

The Propane Distribution
and Rail Terminal Assets of



have been acquired by



Quarles Petroleum, Inc.

The Retail & Wholesale
Fuels Distribution Assets of
Schmitt Sales, Inc.



have been acquired by



Sunoco LP (NYSE: SUN)

Giant Eagle, Inc.
d/b/a
GetGo Cafe + Market



has acquired
the equity of



Ricker Oil Company, Inc.

Petr-All Petroleum
Consulting Corporation
d/b/a Express Mart
and Affiliates



have been acquired by

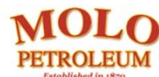


Marathon Petroleum
Corporation (NYSE: MPC)

The Wholesale Fuel Assets of
Croix Oil Company



have been acquired by



D & M Oil, LLC,
a wholly owned subsidiary
of Molo Petroleum, LLC

The Convenience Retailing
Assets of Croix Oil Company



have been acquired by



Northern Tier Retail, LLC
(d/b/a SuperAmerica® and
Tesoro), a subsidiary
of Andeavor

The Convenience Retailing
& Wholesale Fuel Assets of
Tevis Oil, Inc.
d/b/a



have been acquired by



MATRIX DER GROUP: SELECT TRANSACTIONS (CONT'D)

The Petroleum Marketing and Convenience Store Assets of Carolina Convenience Corporation



have been acquired by



An affiliate of Applegreen plc and Petrogas Global Ltd.

Cheshire Oil Company, LLC's Convenience Stores d/b/a



have been acquired by



Global Partners LP (NYSE: GLP)

The Home Heating Oil, HVAC and Burner Service & Commercial Fuels Businesses of Cheshire Oil Company, LLC



have been acquired by



Dead River Company

Champlain Oil Company, Inc. and Affiliates



have been acquired by



Global Partners LP (NYSE: GLP)

The 34 E-Z Shop Convenience Stores, Motor Fuels Distribution Business, and Fuels Transportation Assets of Brabham Oil Company, Inc.



have been acquired by



Enmark Stations, Inc. & Colonial Fuel and Lubricant Services, Inc.

CHS's 33 Cenex® Zip Trip Convenience Stores in Washington and Idaho



have been acquired by



A subsidiary of Par Pacific Holdings, Inc. (NYSE: PARR)

The Convenience Stores and Truck Stop Assets of Crenco Food Stores, Inc. and Crenshaw Oil Company, Inc.



have been acquired by



GPM Southeast, LLC & GPM Petroleum, LLC, Affiliated Entities of GPM Investments, LLC

The Propane, Heating Oil & Other Refined Fuel Products Business of Polsinello Fuels, Inc.



has been acquired by



Mirabito Holdings, Inc.

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MATRIX

Spencer P. Cavalier, CFA, ASA · *Managing Director & Principal, Co-Head of DER Group*



Spencer is Co-Head of the Downstream Energy & Convenience Retail (DER) and is responsible for new client development and managing all aspects of client transactions. He advises clients on company sales, corporate carve outs, capital raises, recapitalizations, restructurings, valuations, strategic planning, and assisting clients with acquisitions of target companies. Since joining Matrix in 1998, Spencer has advised numerous companies on various transactions, with the majority of those being downstream energy companies involved in petroleum marketing and convenience retailing, wholesale fuels distribution, propane and heating oil distribution, lubricants distribution, and fuels terminaling and blending; including Carroll Independent Fuel Co., CrossAmerica Partners, LP, Global Partners, LP, Getty Realty, Inc., Pester Marketing Company, Ports Petroleum Company, Inc. & Ports Investments, LLC, Tedeschi Food Shops, Inc., and The Wills Group.

Spencer has advised many of the leading companies in the downstream energy industry. He has authored and contributed to a number of articles on the topics of mergers and acquisitions, access to capital, strategic planning and valuations. He is a member of the Society of Independent Gasoline Marketers of America (SIGMA), the National Association of Convenience Stores (NACS), and the National Propane Gas Association (NPGA) and a former member of the investment committee for the Fuel Fund of Maryland, Inc.

Prior to joining Matrix, Spencer was a senior business valuation consultant with Ellin & Tucker, Chartered, a nationally recognized business valuation, consulting and accounting firm, and a commercial lender with NationsBank (now Bank of America). As a holder of the Chartered Financial Analyst designation, he is a member of the CFA Institute and is also recognized as an Accredited Senior Appraiser by the American Society of Appraisers. Spencer holds a B.S. degree (with honors) from West Virginia University and an M.B.A. from Baylor University. He is actively involved with The Bennett Institute's Physically Challenged Sports Program at Kennedy Krieger and previously served on the Board of Visitors for University of Maryland's Hospital for Children and the Board of Directors for TheCollegeBound Foundation. He is also qualified as a FINRA General Securities Representative (Series 7), General Securities Principal (Series 24), Uniform Securities Agent (Series 63) and Investment Banking Representative (Series 79).

WINTHROP

Tammera R. Diehm, Shareholder, Winthrop & Weinstine, P.A.



Tammera R. Diehm is a shareholder at Winthrop & Weinstine, P.A., where she has extensive experience representing multi-site retail owners as well as downstream energy clients in M&A transactions. With a background in both real estate and environmental compliance, Tami understands the underlying issues that may arise during an acquisition or sale, which allows her to offer creative solutions for problems. Tami co-leads Winthrop & Weinstine's downstream energy practice and provides general counsel services to numerous family owned businesses, including gas and convenience store owners, and petroleum distributors.

Tami graduated from Augsburg College (B.A., summa cum laude) and William Mitchell College of Law (J.D., summa cum laude). Prior to joining Winthrop & Weinstine, she clerked for the Minnesota Supreme Court.

Tami is a member of the Legal Marketer Section of the Society of Independent Gasoline Marketers of America (SIGMA), as well as a member of the Minnesota Petroleum Marketers Association and the Minnesota Service Station Association. Tami has been recognized for her experience and leadership both in her field and community, receiving honors including the Minneapolis Business Journal's 40 Under Forty Award (2010) and Top Women in Finance (2014). She has received regular recognition from her peers through Best Lawyers in America (2010-2020, Minneapolis Lawyer of the year for Municipal Law 1017, 2019) and as a Minnesota Super Lawyer (2015-2019, Top 50 Women 2018). In addition to serving on the Board of Directors for Winthrop & Weinstine, Tami serves as chair of the board for Aeon, a Minnesota non-profit affordable housing developer, and she is also a board member for LegalCORPS, a non-profit organization that provides business legal services to low income small businesses and entrepreneurs.