

FUEL PRODUCTS DISTRIBUTION INSIGHT

MERGERS & ACQUISITIONS, PUBLIC & PRIVATE CAPITAL
AND FINANCIAL ADVISORY SERVICES

IN THIS ISSUE

Deal Spotlight + Recent, Notable M&A Transactions

Macroeconomic Indicators

Debt and Equity Market Conditions

Quarterly Earnings Recap

What We're Reading



Deal spotlight



RelaDyne acquires Grupo Lucalza

Announced: 3/9/2023

Acquiror Overview

- RelaDyne, headquartered in Cincinnati, Ohio and backed by American Industrial Partners, is one of the largest lubricant distributors in the U.S., providing lubricant sales & distribution and equipment reliability services to the industrial, commercial, and automotive industries
 - Distributes and sells lubricants, fuels, diesel exhaust fluids (“DEF”), filtration, and chemicals & cleaning products
 - Provides highly technical lubrication maintenance services and specialized equipment focused on optimizing equipment longevity, uptime, and operating performance
- Long-standing and diverse customer relationships spanning a wide range of end markets
- Highly-active acquiror in the lubricants and delivered fuel industries, having completed over 45 acquisitions since inception

Target Overview

- Grupo Lucalza was founded in 1982 and has a 40-year history of providing lubricants, fuels, filters, batteries, and tire distribution services to automotive, commercial, and industrial markets in Latin America
- Recognized as one of the largest distributors of Chevron lubricants in the world, Grupo Lucalza has extended its geographic reach to several countries in the region, including Mexico, Nicaragua, Panama, Dominican Republic, and Guatemala
 - Imporfil, a Grupo Lucalza subsidiary in Mexico, distributes lubricants, greases, antifreeze, and filters, covering a diverse set of industries in 12 states with 19 branches
 - Texpetrol is a Grupo Lucalza company in Guatemala that distributes bulk fuels for aviation, retail, and industrial sectors.

Strategic Rationale

- **The acquisition expands RelaDyne’s distribution geography beyond the United States and will take advantage of synergistic Chevron relationships, highly-effective distribution capabilities and a mutual commitment to sustained growth**
- The partnership will allow Grupo Lucalza to absorb best practices in operations, commercialization and services, and serve as a platform for future growth for its associates, customers, and strategic supply partners

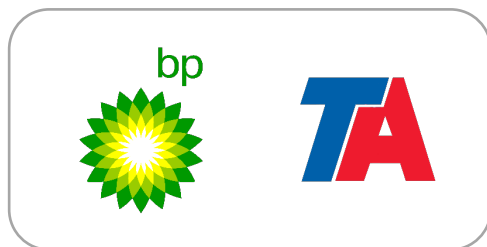
Deal spotlights (cont'd)



Superior Plus to acquire Certarus for \$1.05 billion

Announced: 12/22/22

- Superior Plus (TSX: SPB) is a leading North American distributor and marketer of propane and distillates and related products and services, servicing over 890,000 customer locations in the U.S. and Canada.
- Certarus is a North American distributor of over-the-road low carbon fuels, including CNG, RNG and hydrogen. Certarus delivers these alternative fuels to its customers using mobile storage units which are interchangeable between products. Revenue is generated from fees for service to provide its lower cost and lower carbon-intensity fuels, directly passing on changes in the commodity costs to customers.
- **Strategic Rationale:** The Certarus business is expected to position Superior Plus well for a low carbon future, giving the Company exposure to the rapidly growing Compressed Natural Gas (“CNG”), Renewable Natural Gas (“RNG”) and hydrogen markets, while also enabling the Company to achieve its “Superior Way Forward” goals two years ahead of target in 2024.



BP to acquire TravelCenters of America for \$1.30 billion

Announced: 2/16/23

- BP (NYSE: BP) is a global, integrated oil and gas company, engaged in the upstream, downstream and alternative energy segments, as well as the convenience and mobility, oil product trading, electric vehicle charging, carbon management, and power and storage industries.
- TravelCenters of America Inc. (Nasdaq: TA) is the nation's largest publicly-traded travel center network. Founded in 1972 and headquartered in Westlake, Ohio, its operations span 281 locations in 44 states, principally under the TA®, Petro Stopping Centers® and TA Express® brands.
- **Strategic Rationale:** The acquisition complements BP’s current c-store footprint by adding TA’s coast-to-coast highway network. BP plans to utilize the TA platform to advance four of its five energy transition goals: convenience, bioenergy, EV charging and hydrogen. The TA network will serve as an outlet for BP’s biogas and biofuel production, in which the company has invested heavily over the last decade.



Global announces acquisition of five Northeast terminal assets of Gulf Oil for \$273 million

Announced: 12/19/22

- Global Partners LP (NYSE: GLP) is a publicly traded Master Limited Partnership and a wholesale distributor of fuel products, terminal operator, and convenience store operator and fuel supplier. The Company is based in Waltham, Massachusetts.
- The Gulf Northeast terminal assets are in New Haven, Connecticut; Thorofare, New Jersey; Portland, Maine; Linden, New Jersey; and Chelsea, Massachusetts. The five terminals have an aggregate storage capacity of approximately 3.9 million barrels of refined product.



Offen Petroleum acquires Gas Depot

Announced: 1/4/23

- Offen Petroleum, a portfolio company of Court Square Capital Partners, distributes more than 2.2 billion gallons of motor fuel annually and serves customers throughout 40 states. Offen is based in Commerce City, Colorado.
- Gas Depot was founded in 1999 and is a full-service wholesale distributor of motor fuels throughout the Midwest, including Illinois, Wisconsin, Indiana and Missouri. The Company sells motor fuels under the Shell, Marathon, CITGO, BP, Exxon/Mobil, Gulf and Clark brands, as well as unbranded fuels.

Recent, notable M&A transactions

Announced Date	Acquiror	Target	Target Description
3/28/2023	RelaDyne	Allied Oil & Supply	Omaha, Nebraska-based lubricant and DEF distributor and industrial reliability services provider with seven distribution centers spread across six states which serve 11 states in the upper Midwest
3/10/2023	Sail Energy	Klebe Fuel Company; Tower Energy	Heating oil and propane distributors and service providers based in Winsted and Plainville, Connecticut
3/8/2023	RelaDyne	Grupo Lucalza	Lubricants, fuels, filters, batteries, and tires distributor for the automotive, commercial, and industrial markets, with a geographic presence in six countries within Latin America, including México, Guatemala, Nicaragua, Panamá, Jamaica, and the Dominican Republic
3/8/2023	Energy Distribution Partners	Mount Perry Propane	Propane distributor serving 2,800 residential, commercial and agricultural customers across nine counties in southeastern Ohio
3/7/2023	Blossman Gas	Buchanan Fire & Outdoor	Propane and heating oil distributor and fireplace and hearth retailer based in Travelers Rest, South Carolina
2/16/2023	BP plc	Travel Centers of America	The United States' third largest travel center network, founded in 1972 and headquartered in Westlake, Ohio, with 281 locations in 44 states
2/14/2023	Stern Company	Raymond Oil	Bulk fuel, propane and lubricants distributor and convenience store operator based in Huron, South Dakota
2/8/2023	Button Oil & Propane	Phillips Fuel	Propane, coal, fuel oil, kerosene and off-road diesel distributor based in Plymouth, Pennsylvania
2/1/2023	Superior Plus	ACME Propane	Residential and commercial retail propane distributor in Lincoln, California
1/31/2023	Cubby Oil & Energy	Mike & Sons Oil Service	Heating oil, kerosene, and diesel fuel distributor based in Ipswich, Massachusetts
1/27/2023	Lakes Gas	Van's Gas Service	Kenosha, Wisconsin-based propane distributor
1/27/2023	Blarney Castle Oil	Alpena Oil	Convenience store, grocery and cardlock operator in Northern Michigan

Source: Public company filings, press releases and Capital IQ.

Recent, notable M&A transactions (cont'd)

Announced Date	Acquiror	Target	Target Description
1/26/2023	ThompsonGas	Gilbert Propane	Propane distributor based in Deland, Florida
1/24/2023	Dead River	Tidewater Oil	Oil and propane distributor and service provider based in Belfast, Maine
1/20/2023	Superior Plus	Certarus	North American distributor of low carbon fuels, including compressed natural gas, renewable natural gas and hydrogen, with expected 2022 adj. EBITDA of \$124 million
1/17/2023	Cadence Petroleum Group	Yoder Oil	Third-generation fuel, lubricants and DEF distributor based in Elkhart, Indiana
1/16/2023	Colonial Oil	Strickland Oil	Commercial fuel and lubricants distributor and cardlock operator based in Savannah, Georgia
1/4/2023	Offen Petroleum	Gas Depot	Chicago-based wholesale motor fuel distributor throughout the Midwest, including Illinois, Wisconsin, Indiana and Missouri
12/30/2022	Arguindegui Oil	Certain assets of Sunoco Energy Services	Texas, Oklahoma and Louisiana assets of Sunoco Energy Services, a subsidiary of Sunoco LP and full-service gasoline and diesel fuel distributor serving the oilfield market
12/30/2022	Majors Management	Davis Oil Company	Convenience store operator and fuel distributor in Western Michigan
12/20/2022	Foster Fuels	Candler Oil Company	General fuel and lubricant distributor based in Lynchburg, Virginia
12/15/2022	Global Partners	Northeast terminal assets of Gulf Oil	Five refined-product terminals located in the Northeast with an aggregate storage capacity of approximately 3.9 million barrels
12/6/2022	ARKO Corp.	WTG Fuels	Convenience store operator and wholesale fuel distributor across western Texas and southeastern New Mexico
12/1/2022	Sun Coast Resources	Southern Lubricants	Lubricants distributor to customers throughout South Carolina, southern North Carolina and eastern Georgia

Source: Public company filings, press releases and Capital IQ.

Investor activism spotlight



Engine Capital LP calls on Parkland Corp. to explore all strategic alternatives

Excerpts from Engine Capital LP letter to Parkland Corp. Board of Directors

- “Unfortunately, Parkland has been unable to translate its advantaged strategic position and quality assets into adequate returns for shareholders with total shareholder returns trailing relevant benchmarks and peers over every relevant time horizon. It is worth noting that Parkland has underperformed both its convenience retailer and refinery peer groups over the 1-, 3-, 5-, and 10-year periods. We are particularly troubled by Parkland’s staggering underperformance compared to Canadian convenience retailer champion, Alimentation Couche-Tard.”
- “Parkland is currently trading at a considerable discount to its retail peers and intrinsic value. The Company has a market capitalization of around \$4.9 billion and an enterprise value of approximately \$10.4 billion, implying a 2023 free cash flow yield of around 15%, a 2023 price-to-earnings multiple of around 12x and a **2023 EV-to-EBITDA multiple of around 6.5x**. These multiples are too low on both an absolute and relative basis. By comparison, Alimentation Couche-Tard trades at a 2023 price-to-earnings multiple of around 16x and a **2023 EV-to-EBITDA multiple of around 9.5x**.”

- “We believe the Board needs to take the following actions in the near-term to enhance long-term shareholder value:
 1. Immediately start exploring all strategic alternatives for Parkland, including **evaluating the sale or spinoff of non-core assets with the goal of becoming a more focused fuel and convenience retailer**.
 2. Adhere to best corporate governance practices by refreshing the Board and adding directors with convenience merchandising and capital allocation experience.
 3. Improve the Company’s compensation framework to better align management’s incentives with shareholder’s interests.”
- “Given these dynamics, we believe the Board should immediately start exploring all strategic alternatives for Parkland, including **monetizing or separating the Burnaby refinery and the heating oil and propane distribution businesses**.”
- “Given these potential concerns, in addition to the consideration of the outright sales of these assets, the Board **may want to evaluate a potential tax-free spinoff of the refinery and/or the commercial distribution businesses into a separate public company** that could optimize its own capital allocation strategy and capital structure.”
- Engine Capital LP is a meaningful shareholder of Parkland Corporation, with an ownership position of **approximately 2.0% of PKI’s outstanding shares**; has significant experience investing in the convenience retail and fuel marketing industry, including prior investments in CST Brands, Inc., until its sale to Alimentation Couche-Tard Inc. (TSX: ATD), and Casey’s General Stores, Inc. (NSDQ: CASY)

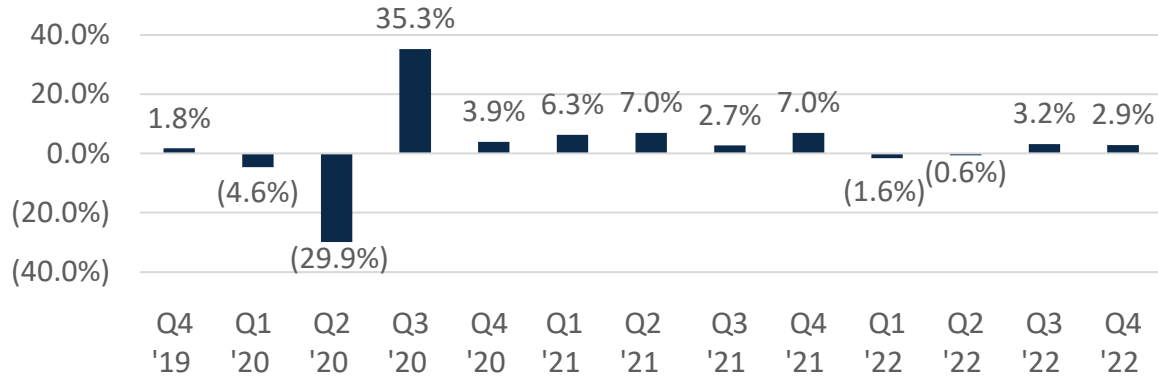
Excerpt from Parkland Corp.’s Initial Response

- “As previously announced, having purposefully accelerated acquisitions over the past two years, Parkland is focused on delivering value from the unique and integrated business it has built. The Company is focused on integrating its recent acquisitions, capturing synergies, lowering leverage, and enhancing shareholder returns. The company is also examining opportunities for dispositions where it creates strong returns for the Company’s shareholders.”

Macroeconomic indicators

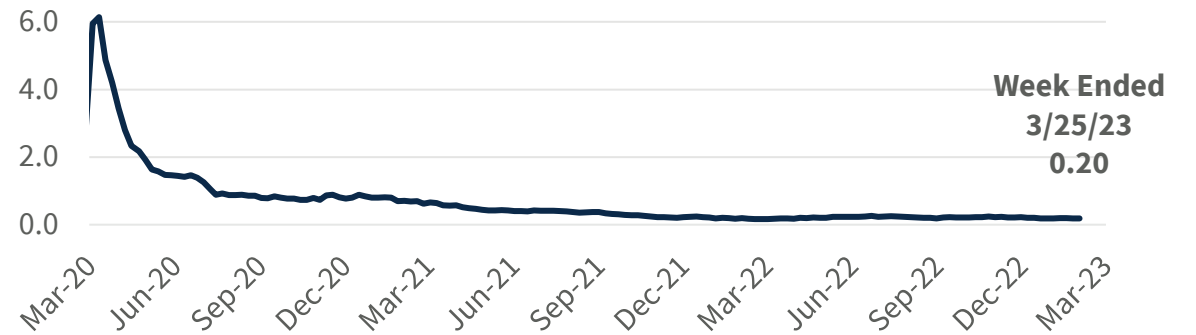
Real GDP Growth

(seasonally adjusted annual rates)



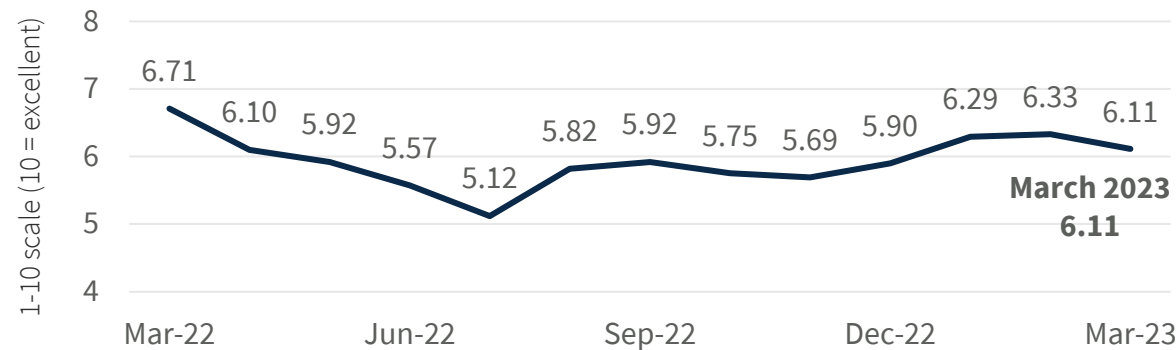
Initial Jobless Claims

(in millions)

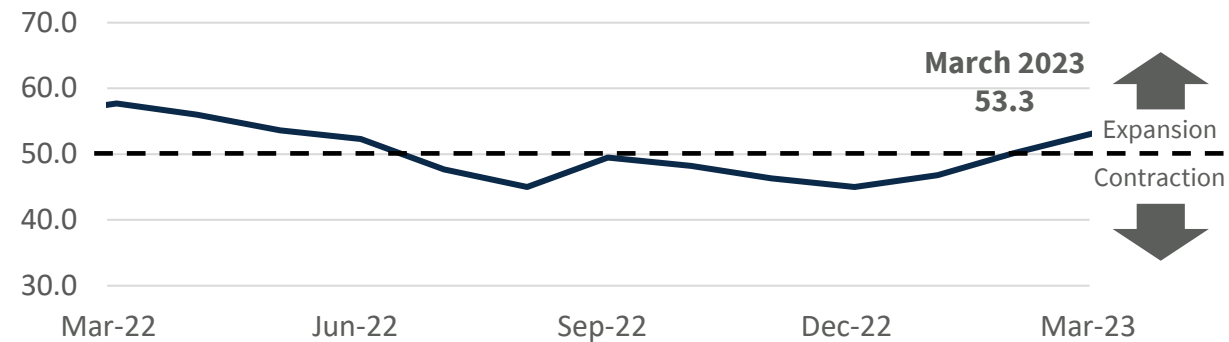


CEO Confidence Index

(CEO forecast of business conditions 12 months from now)



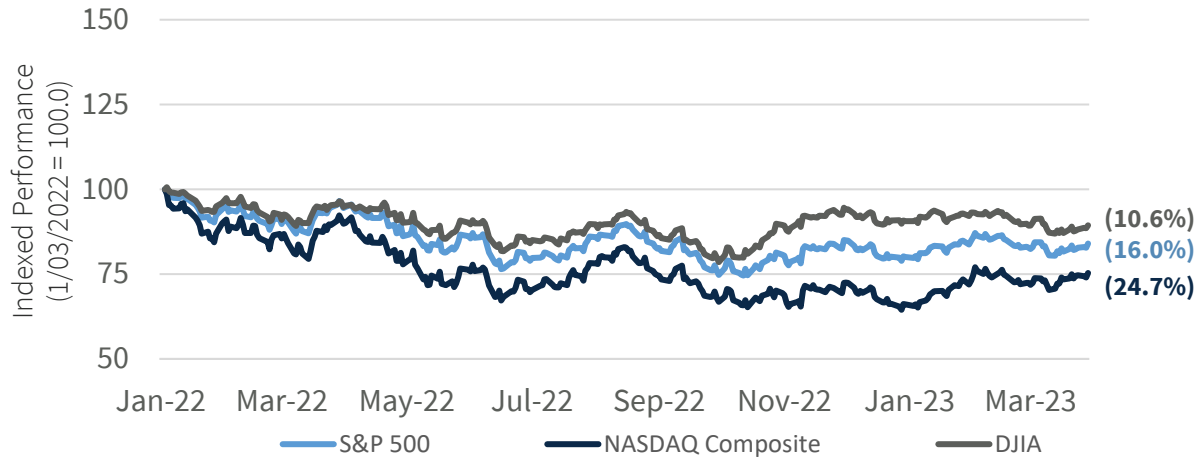
Composite Purchasing Managers' Index



Source: Bureau of Economic Analysis, St. Louis Federal Reserve, Bureau of Labor Statistics, Institute for Supply Management, Chief Executive Group and Capital IQ. All data as of 3/30/23.

Macroeconomic indicators (cont'd)

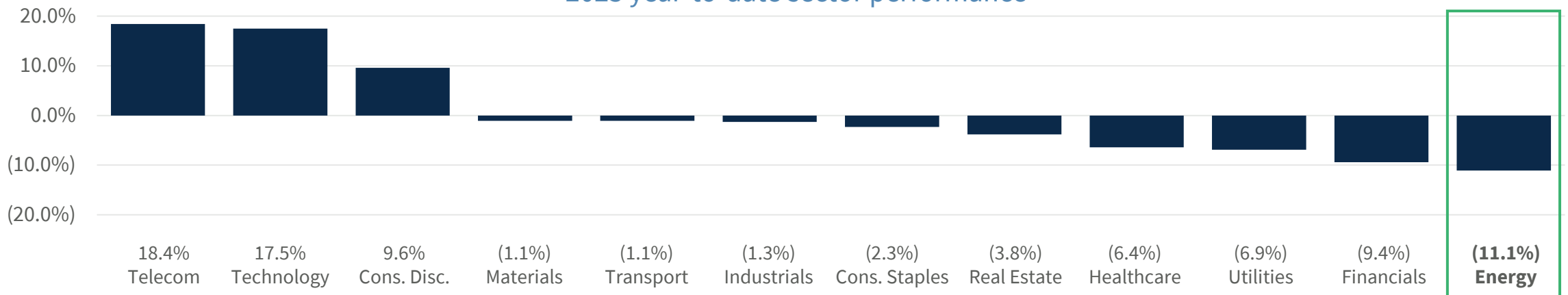
Equity Markets



Volatility



2023 year-to-date sector performance



Sources: FRED St Louis, Capital IQ, Bloomberg.
Equity Markets and Volatility data as of 3/30/2023; 2022 YTD Sector Performance data as of 3/27/2023.

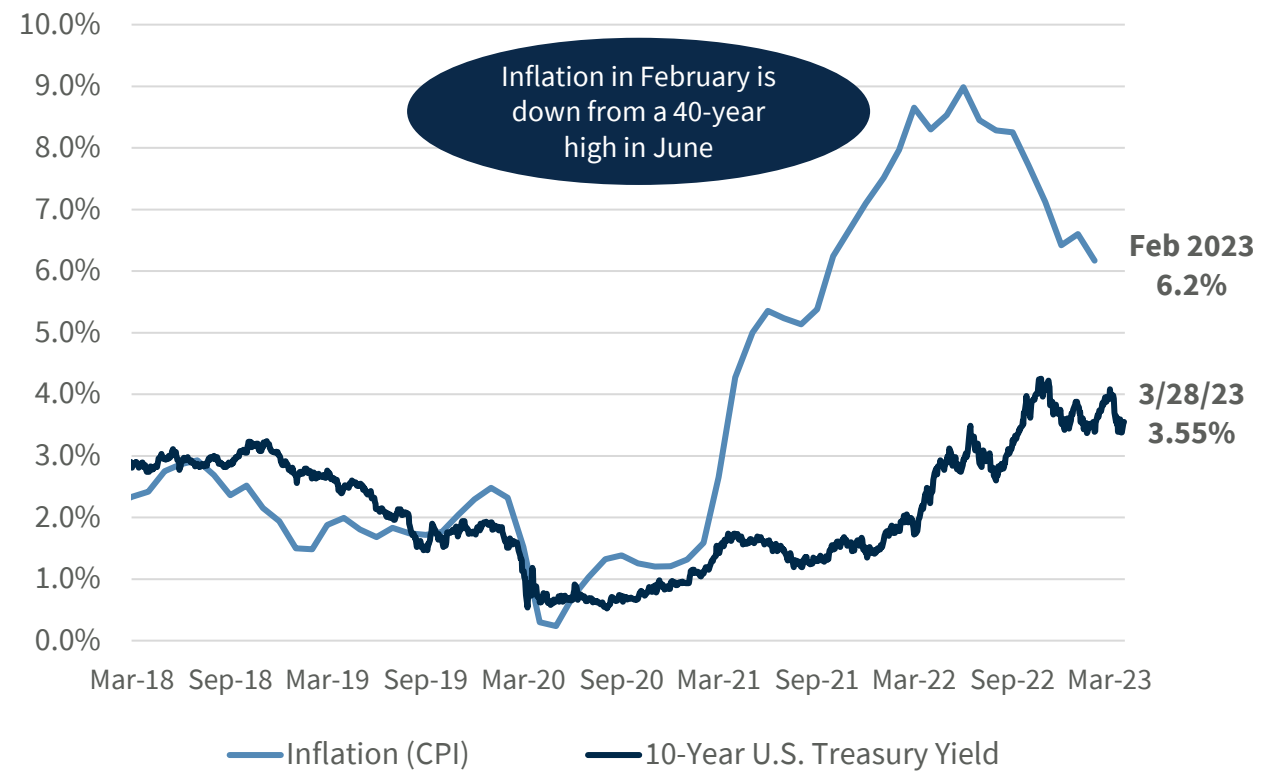
Macroeconomic indicators (cont'd)

West Texas Intermediate

(\$ per barrel)



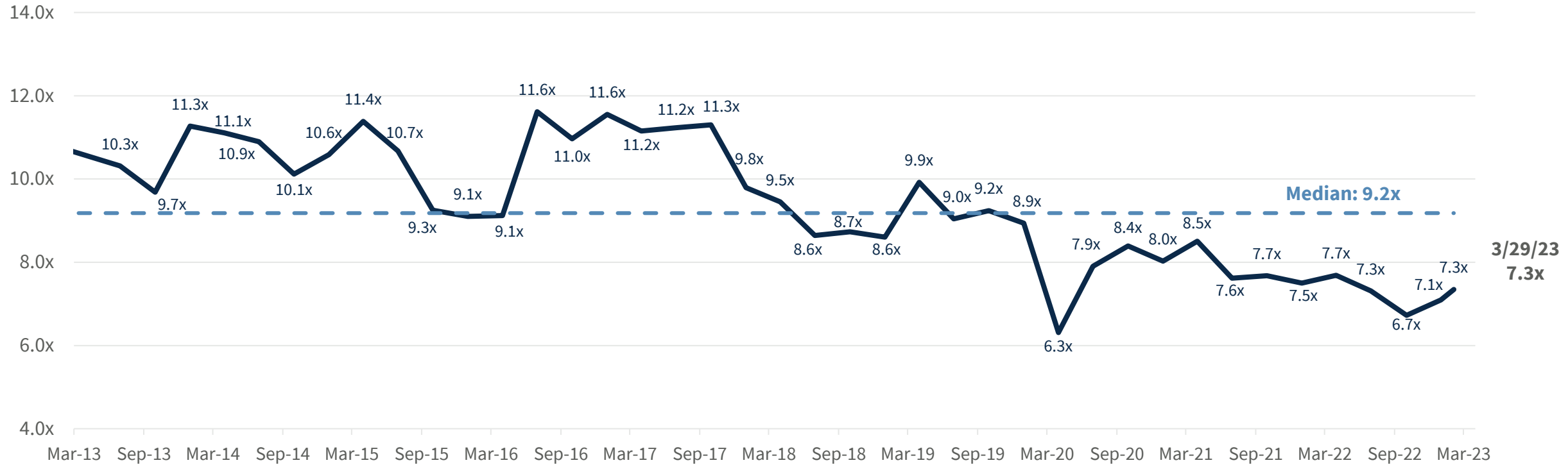
Inflation vs. 10-year treasury



Source: Bureau of Economic Analysis, St. Louis Federal Reserve, Bureau of Labor Statistics, Institute for Supply Management and Capital IQ. All data as of 3/30/23.

Public company share price performance

10-year fuel distributor historical trading multiples (EV/EBITDA)⁽¹⁾

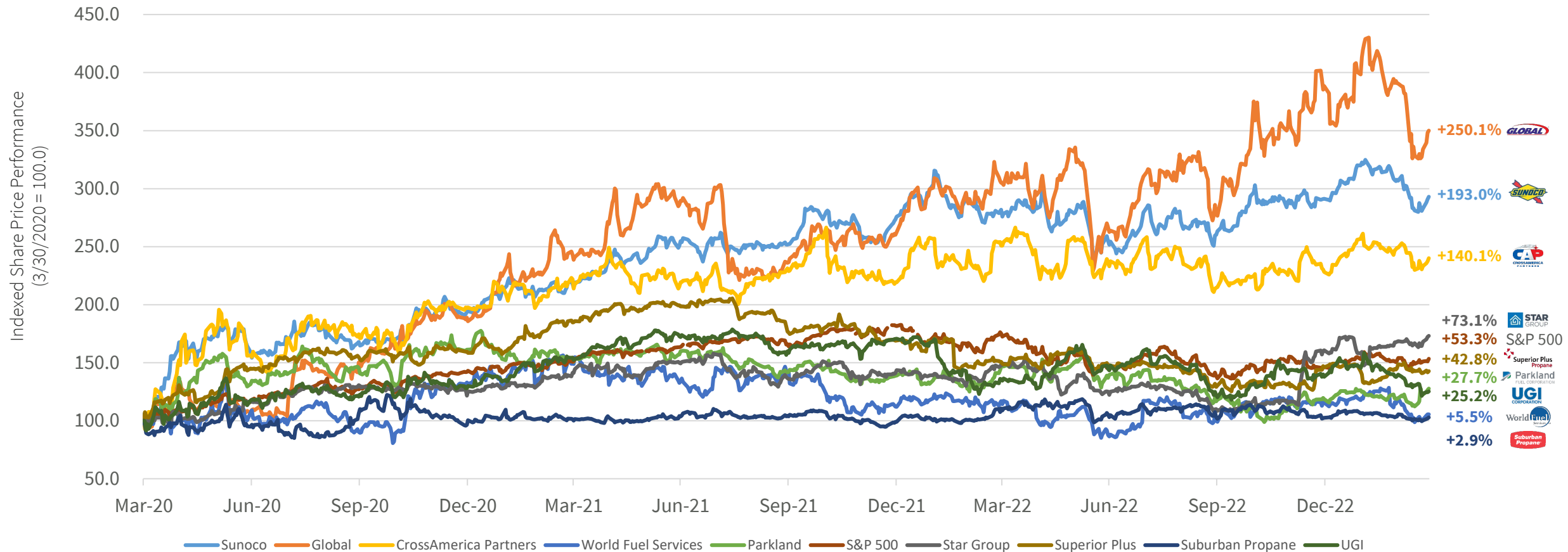


Source: Capital IQ; data as of 3/30/23.

(1) Median EV/LTM EBITDA multiple for PKI, SUN, GLP, CAPL, INT, SPB, UGI, SPH, and SGU.

Public company share price performance (cont'd)

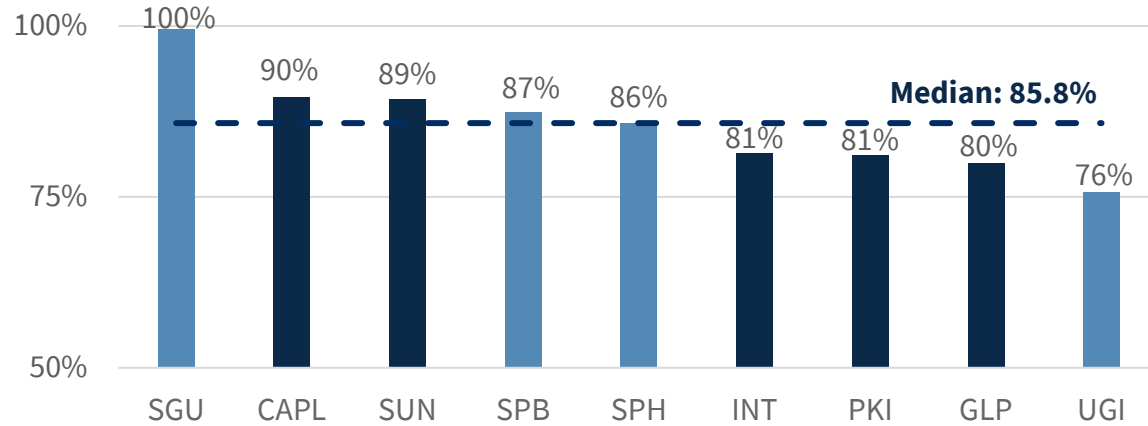
Fuel distributor trailing three-year stock price performance⁽¹⁾



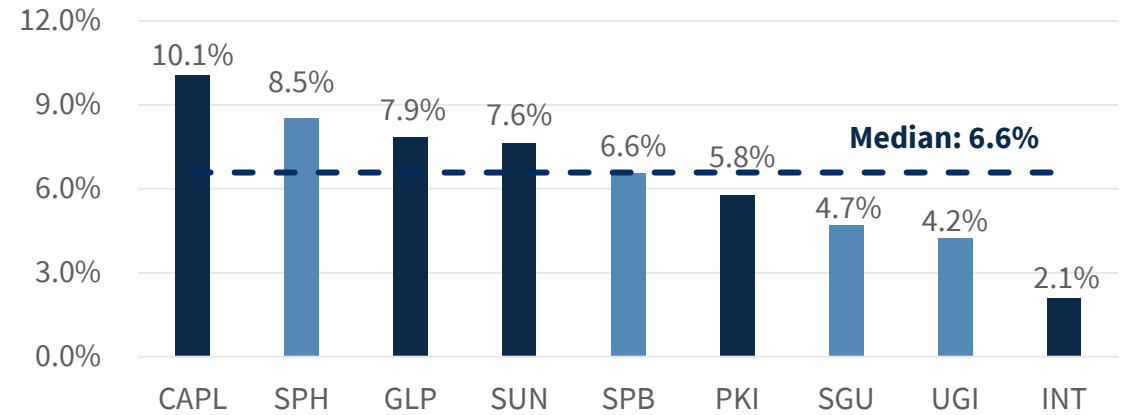
Source: Capital IQ; share price as of 3/30/23.
 (1) Dividend adjusted share price performance.

Public company trading statistics

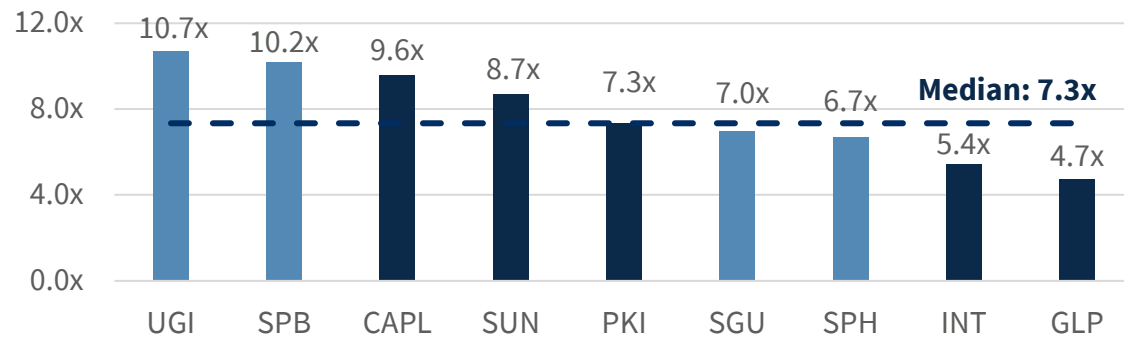
Current price as a % of LTM high



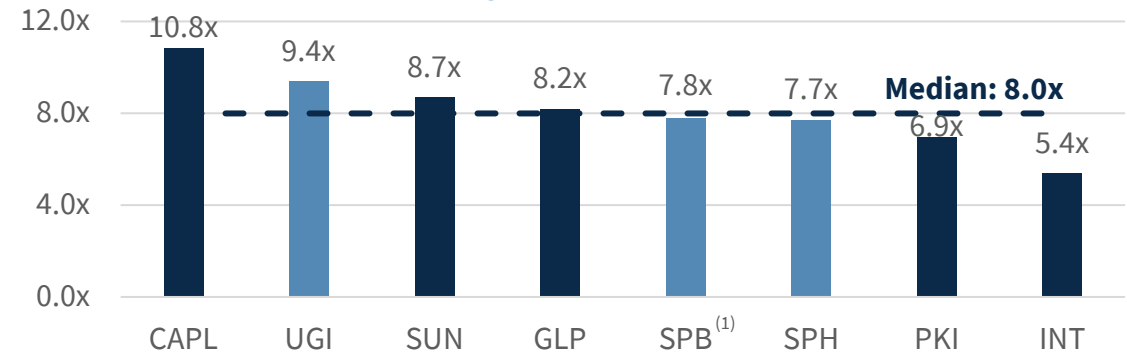
LTM dividend / distribution yield



EV / LTM EBITDA



EV / 2023E EBITDA



■ Motor Fuel Distributor
 ■ Propane / Heating Oil Distributor

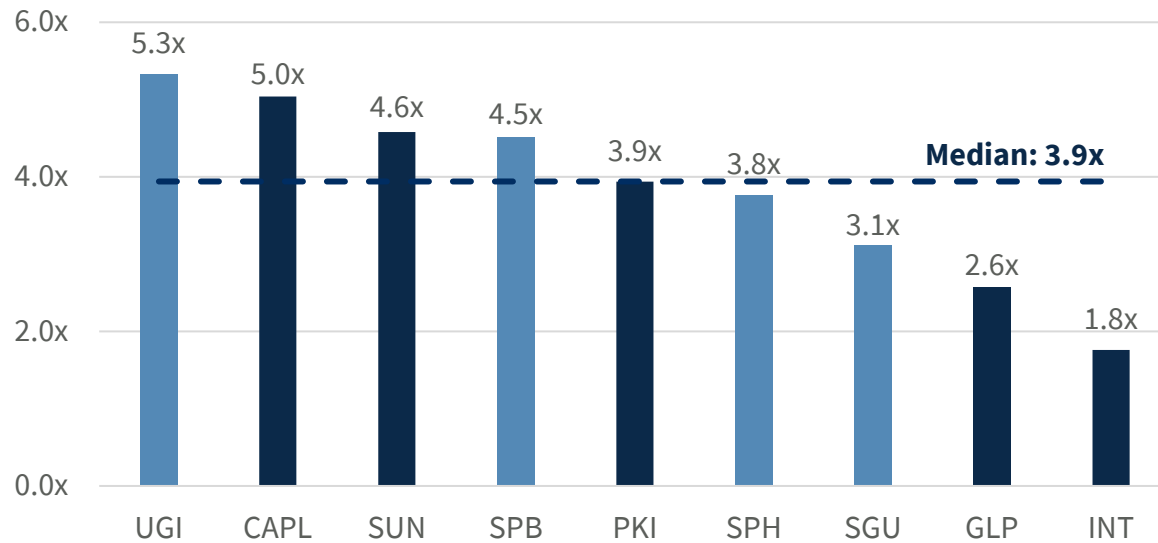
Source: Public company filings, Capital IQ, Wall Street equity research.

Note: Share prices current as of 3/30/23. SUN = Sunoco LP, CAPL = CrossAmerica Partners LP, GLP = Global Partners LP, PKI = Parkland Fuel Corp., INT = World Fuel Services Corp., SPH = Suburban Propane Partners, UGI = UGI Corp., Star Group LP = SGU and SPB = Superior Plus Corp.

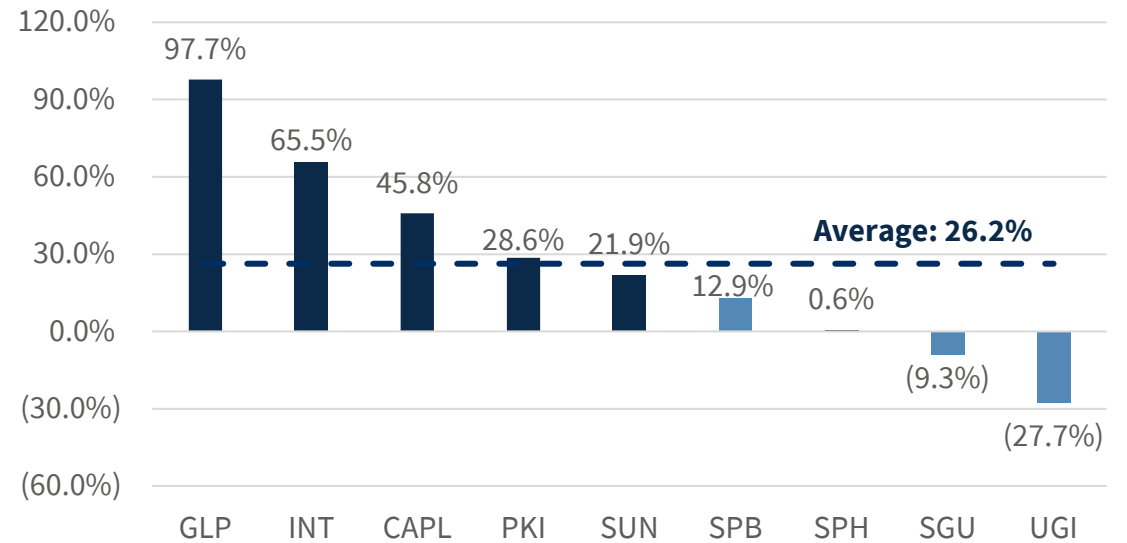
(1) Pro forma for Certarus acquisition; 2023E EBITDA based on midpoint of company guidance.

Public company trading statistics (cont'd)

Net debt / EBITDA



2022 year-over-year EBITDA growth




■ Motor Fuel Distributor
■ Propane / Heating Oil Distributor

Source: Public company filings, Capital IQ, Wall Street equity research.
 Note: Data current as of 3/30/23. SUN = Sunoco LP, CAPL = CrossAmerica Partners LP, GLP = Global Partners LP, PKI = Parkland Fuel Corp., INT = World Fuel Services Corp., SPH = Suburban Propane Partners, UGI = UGI Corp., Star Group LP = SGU and SPB = Superior Plus Corp.


Quarterly earnings recap

CrossAmerica Partners (NYSE: CAPL)

	Quarter ended		Change
	12/31/22	12/31/21	
 EPS	\$0.43	\$0.32	34.4%
Wholesale volume	213.5	230.6	(7.4%)
Wholesale fuel margin (CPG)	8.7	7.8	11.5%
Retail volume	125.1	125.3	(0.2%)
Retail fuel margin (CPG)	38.3	30.9	23.9%
Adjusted EBITDA	\$44.3	\$37.0	19.7%
One-day stock price reaction			1.7%

“The year-over-year increase in wholesale fuel margin was primarily driven by better sourcing costs due to our brand consolidation and other initiatives and by higher crude oil prices, which generate higher terms discounts for our fuel purchases.”
 “Retail street prices generally declined in the second half of the quarter, which helped generate a favorable margin environment that we were able to execute on.”

Sunoco LP (NYSE: SUN)

	Quarter ended		Change
	12/31/22	12/31/21	
 EPS⁽¹⁾	\$0.42	\$0.95	(55.8%)
Total fuel volume	1,979	1,885	5.0%
Fuel margin (CPG)⁽¹⁾	12.8	12.0	6.7%
Adjusted EBITDA⁽¹⁾	\$238.0	\$198.0	20.2%
One-day stock price reaction			0.3%

“Our strong distribution coverage and balance sheet continued to allow Sunoco to invest in growth opportunities, which will contribute additional value to our stakeholders for years to come. Stable base business, combined with the contributions from acquisitions and organic growth will continue to generate free cash flow and allow us to focus on the 3 pillars of our capital allocation strategy: first, to maintain a secure distribution for our unitholders; second, to protect our balance sheet; and third, to continue to pursue disciplined investment and growth opportunities.”

Global Partners LP (NYSE: GLP)

	Quarter ended		Change
	12/31/22	12/31/21	
 EPS	\$1.54	\$0.44	250.0%
GDSO product margin⁽²⁾	\$223.2	\$177.0	26.1%
Wholesale product margin	\$70.7	\$32.6	116.9%
Commercial product margin	\$9.9	\$4.8	106.2%
Adjusted EBITDA	\$106.9	\$66.0	62.0%
One-day stock price reaction			2.2%

“For the fourth quarter, our Wholesale segment product margin more than doubled from the same period in 2021 as market conditions and effective management of our inventories amid sustained backwardation in the distillates markets combined to drive strong margin capture. In our gasoline distribution and GDSO segment, we continue to benefit from higher retail fuel margins and increased activity in our convenience markets in part as a result of our recent acquisitions.”

Source: Public company filings, Capital IQ, Wall Street equity research.


Note: \$ and gallons in millions, besides EPS and CPG data.

(1) EPS not adjusted for lower of cost or market inventory adjustments; Adjusted EBITDA and fuel margin exclude impact.

(2) GDSO segment – Gasoline distribution and station operations.


Quarterly earnings recap (cont'd)

World Fuel Services Corp. (NYSE: INT)

	Quarter ended		Change
	12/31/22	12/31/21	
EPS	\$0.33	\$0.25	32.0%
Total fuel volume	4,574.5	4,336.1	5.5%
Aviation segment margin (CPG)	6.1	6.5	(5.8%)
Land segment margin (CPG)	7.5	5.5	37.2%
Marine segment margin (CPG)	4.5	2.4	92.4%
Adjusted EBITDA	\$106.5	\$55.2	92.9%
One-day stock price reaction			(10.9%)


“Our land segment delivered gross profit of \$116 million in the fourth quarter. That's a 54% year-over-year increase. In addition to the significant impact from the Flyers acquisition, which performed extremely well throughout the year, our broader North American business also performed well as did our European power business within World Kinect, which benefited in part from the heightened level of volatility in Europe.”

Suburban Propane Partners (NYSE: SPH)

	Quarter ended		Change
	12/24/2022	12/25/2021	
EPS	\$0.71	\$0.34	108.8%
Total retail gallons	114.3	111.4	2.6%
Fuel margin (CPG)	187.9	160.7	16.7%
EBITDA	\$75.1	\$52.4	43.3%
Adjusted EBITDA⁽¹⁾	\$90.0	\$86.5	4.1%
One-day stock price reaction			(1.0%)

“As announced on December 28, 2022, we took a significant step to immediately and meaningfully increase the scale of our renewable energy portfolio. We acquired 2 RNG production and distribution facilities from Equilibrium Capital Group for \$190 million. Revenues are generated from a combination of RNG sales, LCFS credits, D3 and D5 RINs, tipping fees and fertilizer sales. While there will be an immediate contribution to EBITDA in FY2023, the acquired facilities are projected to be accretive to our overall distributable cash flow per unit in FY2024 as earnings benefit from the upgrades, expansion and efficiency gains.”

Parkland Corp. (TSX: PKI)⁽²⁾

	Quarter ended		Change
	12/31/22	12/31/21	
EPS	\$0.39	\$0.15	2.6%
Total fuel volume	1,753.3	1,689.9	3.8%
Fuel margin (CPG)	46.0	33.8	36.1%
Adjusted EBITDA	\$455.0	\$260.0	75.0%
One-day stock price reaction			0.6%

“During the year, we delivered on the commitments that we made to our shareholders, including growing adjusted EBITDA by almost 30% and meeting our increased guidance, enhancing shareholder returns with \$40 million of shares repurchased, increasing coprocessing volumes at our Burnaby Refinery by approximately 30% and delivering over \$60 million of renewable EBITDA. I'm very proud of the Parkland team. And I'd like to congratulate and thank them for delivering these excellent results while safely supplying our customers with their energy, food and convenience needs.”

Source: Public company filings, Capital IQ, Wall Street equity research.


Notes: \$ and gallons in millions, besides EPS and CPG data.

(1) Adjusted EBITDA represents EBITDA excluding the unrealized net gain or loss on mark-to-market activity for derivative instruments and other items.

(2) EPS, Fuel Margin and Adjusted EBITDA in Canadian dollars.

Quarterly earnings recap (cont'd)

UGI Corp. (NYSE: UGI)

	Quarter Ended		Change
	12/31/22	12/31/21	
Adjusted EPS	\$1.14	\$0.93	22.6%
Total retail propane / LPG volume	441.0	490.0	(10.0%)
Retail propane margin (CPG)	134.9	125.7	7.3%
Segment-level EBITDA⁽¹⁾	\$541.0	\$477.0	13.4%
One-day stock price reaction			5.3%

“AmeriGas reported EBIT of \$110 million versus \$86 million in the prior year period. Retail volume declined 2%, reflecting staffing shortages and key delivery-related positions, which also limited customer growth as well as some continuation of customer attrition and structural conservation. Total margin increased by \$20 million, which was primarily attributable to higher retail propane margins, and this was partially offset by the effect of lower volumes.”

Star Group (NYSE: SGU)

	Quarter Ended		Change
	12/31/22	12/31/21	
EPS	\$0.33	\$0.32	3.1%
Total product volume	124.8	126.3	(1.2%)
Product margin (CPG)⁽²⁾	120.9	108.2	11.7%
Adjusted EBITDA	\$49.1	\$44.5	11.3%
One-day stock price reaction			(4.5%)

“We were well prepared for the start of the heating season, and I'm pleased with our overall performance, which included delivering adjusted EBITDA that was \$4.6 million higher than the same period a year ago as well as an encouraging net gain in accounts. Specifically, we achieved net account growth of 1.7% or a total of 7,000 customers, representing our best such in years. The ongoing volatility in product cost, some isolated concerns over supply availability and the cool temperatures in October created a great deal of new account activity during the quarter.”

Superior Plus (TSX: SPB)

	Quarter Ended		Change
	12/31/22	12/31/21	
EPS	\$0.24	\$0.07	342.9%
Retail propane volume	223.8	199.7	12.1%
Retail propane margin (CPG)	168.5	143.2	17.7%
Adjusted EBITDA	\$182.6	\$142.0	28.9%
One-day stock price reaction			1.3%

"Our financial and operational results are a testament of our resilient business model in the propane distribution businesses, and our Superior Way Forward with strategic initiatives, which saw us close eight acquisitions in 2022 for a total of \$519 million and announced a transformative acquisition of Certarus. We expect to generate significant synergies from these acquisitions consistent with our historical experience of improving propane distribution businesses we acquire."

Source: Public company filings, Capital IQ, Wall Street equity research.

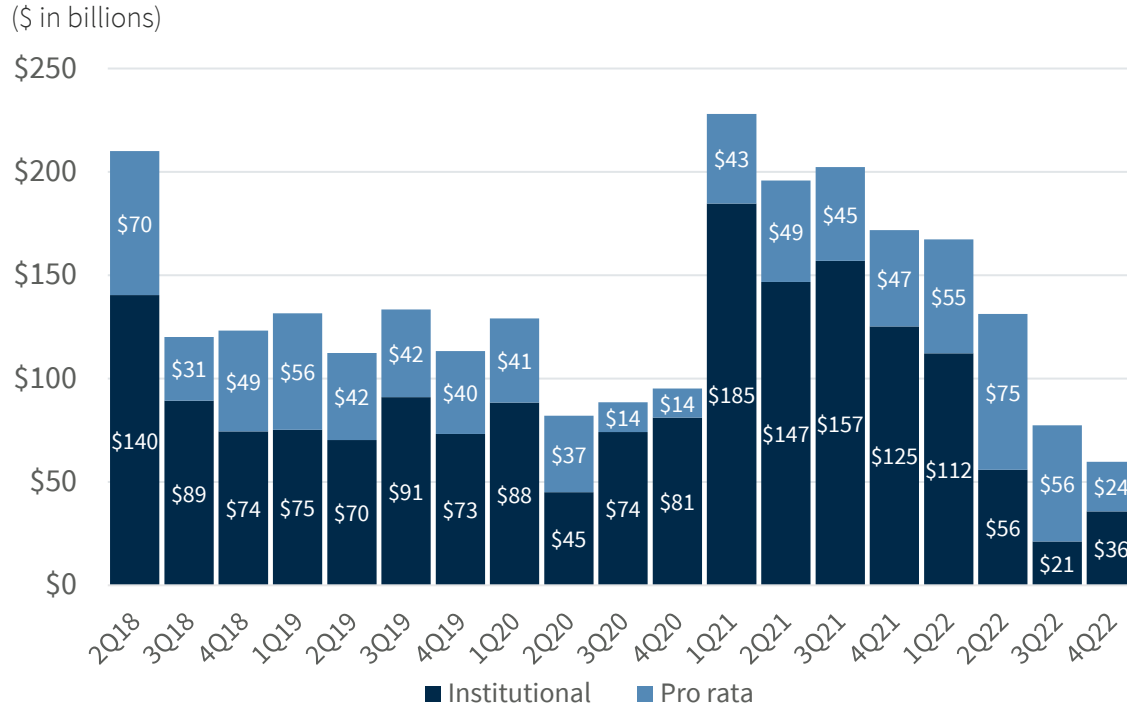
Note: \$ and gallons in millions, besides EPS and CPG data.

(1) Reportable segments' EBITDA represents an aggregate of UGI's reportable segment-level EBITDA, as determined in accordance with GAAP.

(2) Calculated as product sales less cost of product, divided by total product volume.

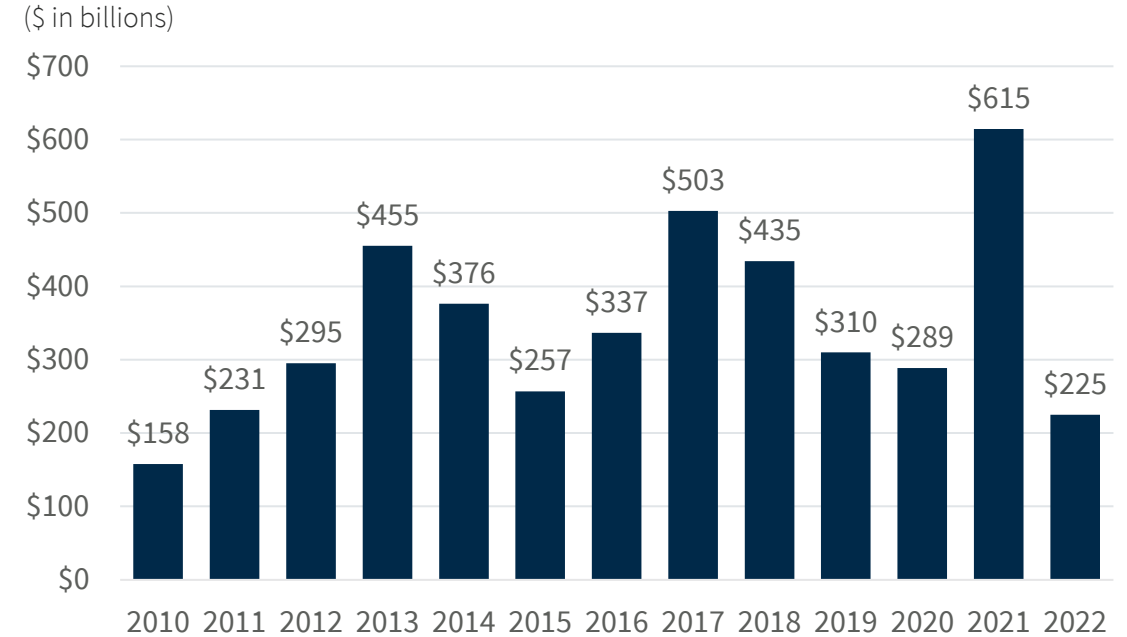
Debt market outlook

Quarterly U.S. leveraged loan volume



- Institutional leveraged loan issuance grew modestly to \$35.7 billion in the fourth quarter from \$21.2 billion in the third quarter as market tone stabilized, and refinancing activity hit a 12-month high
- Total US leveraged loan issuance, including pro rata credits, was \$60 billion vs \$77 billion in the prior quarter, as a downturn in pro rata market activity offset a modest increase in institutional issuance

Annual U.S. Institutional Leveraged Loan Volume

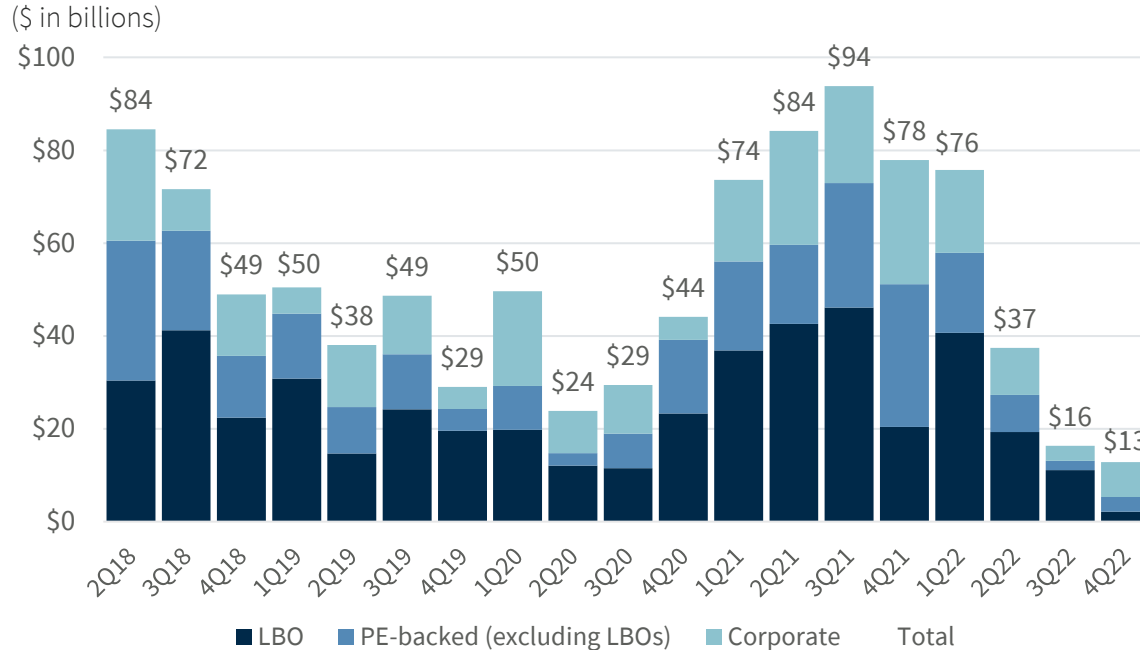


- While up quarter-over-quarter, modest new issue volume cemented 2022 as one of the slowest years on record with \$225.1 billion in the books – a 12-year low and a 63% decline from the all-time high of \$614.6 billion in 2021

Source: Leveraged Commentary and Data. All data as of 12/31/22.

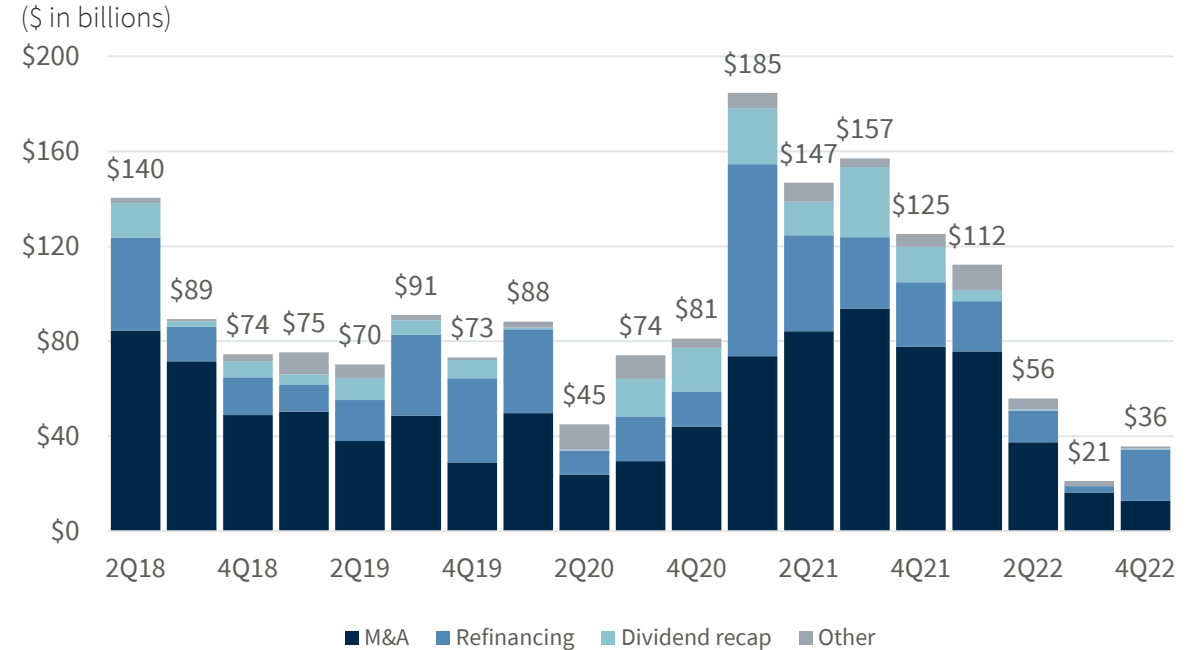
Debt market outlook (cont'd)

U.S. institutional loan volume backing M&A



- Total M&A volume of \$12.8 billion was the lowest since 2Q10, and just a fraction of the 5-year quarterly average of \$53 billion
 - Further underscoring the tilt towards high quality is that two BB rated deals accounted for 37% of the M&A 4Q22 total
- LBO volume slowed to a trickle at \$2.1 billion, the lowest since 1Q10 and the third straight decline since \$40.7 billion in 1Q22
- Sponsored issuance of any kind in 4Q22 was at the lowest level since 3Q09

U.S. institutional volume by proceeds

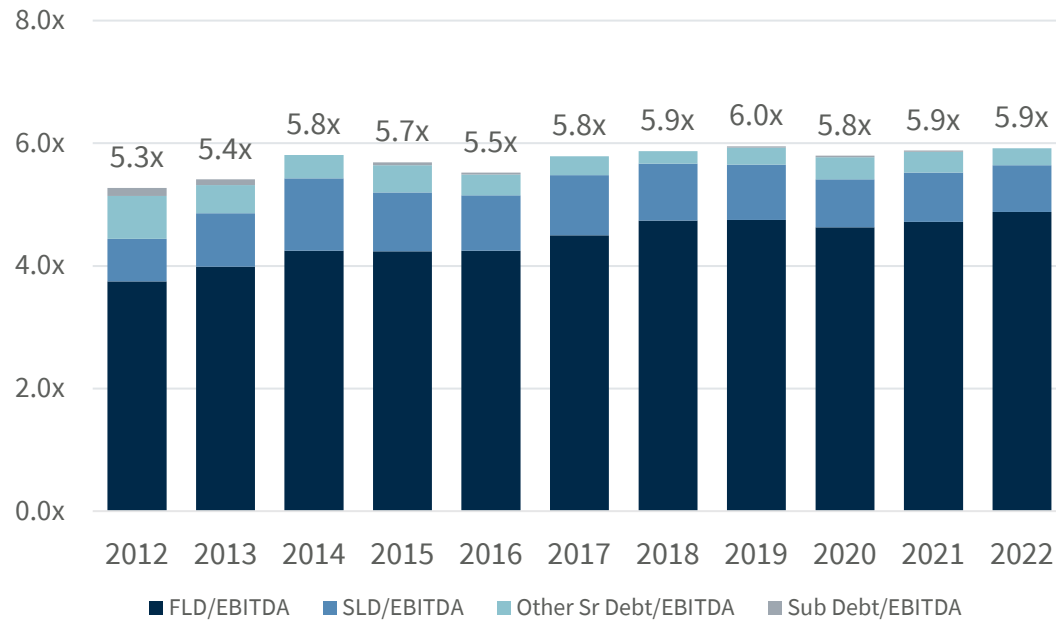


- As higher quality issuers dominated the landscape with refinancing transactions in the fourth quarter, M&A deals and those from borrowers at the lower rungs of the credit scale were marginalized
- Refinancings, M&A, dividend recaps, and other accounted for 60%, 36%, 1%, and 3% of total fourth quarter volume, respectively

Source: Leveraged Commentary and Data. All data as of 12/31/22.

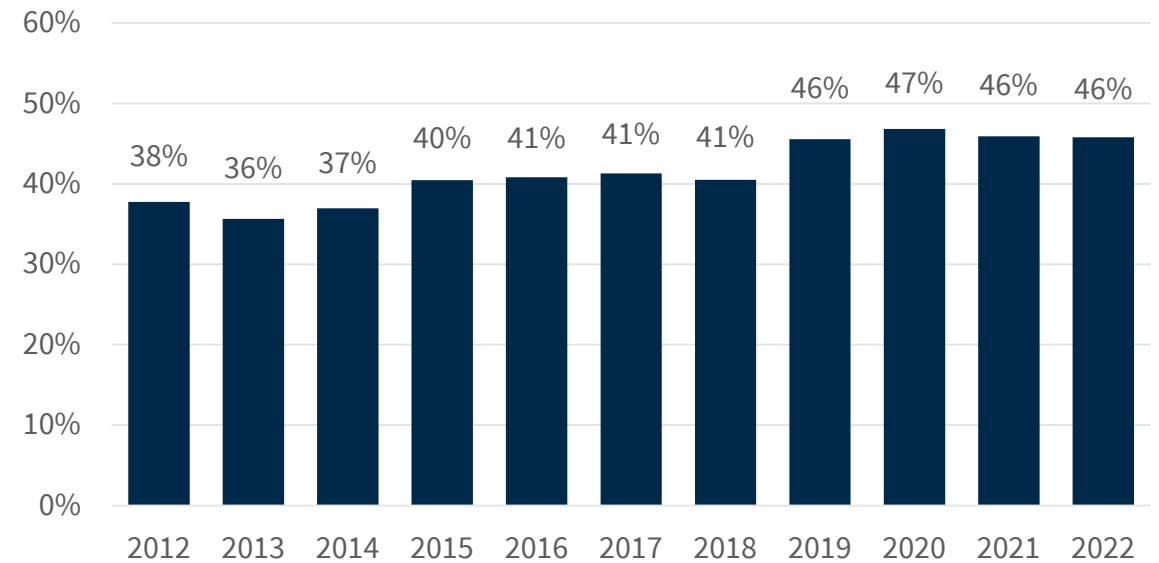
Debt market outlook (cont'd)

Average debt multiples of large corporate LBO loans



- Average debt multiples of large corporate LBOs have remained relatively stagnant just below 6.0x EBITDA since 2019

Average LBO equity contribution



- Equity contributions have remained flat over the past few years, sitting just above 45% since 2019



What we're reading

“House Passes GOP Energy Agenda Boosting Oil and Gas Production” | Natalie Andrews, WSJ

March 30, 2023 – The GOP legislation in designed to boost oil and gas output, increase mining of critical minerals in the U.S. and revamp the National Environmental Policy Act permitting process to streamline reviews for coming projects, including by implementing deadlines for completion.

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“Energy Industry Wrestles Over Going Green Too Fast” | Collin Eaton, WSJ

March 5, 2023 – While the race to develop cleaner energy intensifies over the past year, an uneasy consensus emerged on a parallel track: At least in the short term, the world needs more oil and gas, too.

[Read More](#)

“US propane exports soar to new high in February” | Brian Richesson, LPGas

March 2, 2023 – U.S. propane exports reached a record high of 1.845 million barrels per day (bpd) in February. Exports on Feb. 10 were up 501,000 bpd from the previous week as U.S. domestic demand plunged 821,000 bpd. Propane values overseas had been outstripping the U.S. market, keeping demand for U.S. propane high, according to CMS.

[Read More](#)

“Peacetime Would Be a Black Swan Event For Energy” | Carol Ryan, WSJ

February 24, 2023 – Energy companies that are considering pouring billions of dollars into projects with 10- or 15-year time horizons have to consider what might happen to Russian fossil fuels in peacetime.

[Read more](#)

“Domestic renewable diesel capacity could more than double through 2025” | Jimmy Troderman, EIA

February 2, 2023 – U.S. production capacity for renewable diesel could more than double from current levels by the end of 2025, based on several announcements for projects that are either under construction or could start development soon. Two factors behind growing U.S. renewable diesel capacity are rising targets for state and federal renewable fuel programs and biomass-based diesel tax credits.

[Read more](#)

“EIA expects U.S. gasoline and diesel retail prices to decline in 2023 and 2024” | Kevin Hack, EIA

January 12, 2023 – We forecast retail gasoline and diesel prices will decline in 2023 and 2024, according to our latest Short-Term Energy Outlook (STEO), after reaching multiyear highs in the first half of 2022. We forecast that retail prices for regular-grade gasoline will average \$3.32 per gallon (gal) in 2023 and continue to decrease to average \$3.09/gal in 2024, down from \$3.96/gal in 2022.

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Convenience Retail	Merchandise/ Foodservice Distributors
Truck Stop & Travel Center Operators	Mobile Refueling Providers
Alternative Fuel Providers	Car Wash Operators

Representative transactions

 <p>Has sold select convenience store assets to</p>   <p>Wills Group March 2022</p>	 <p>Has been acquired by</p>   <p>July 2020</p>
 <p>Has acquired propane distribution and propane terminal assets from</p>  <p>December 2018</p>	 <p>Has completed its business combination with</p>   <p>December 2020</p>
 <p>Has sold its wholesale fuel and refined fuel terminal assets to</p>  <p>April 2018</p>	 <p>Has sold its fuel distribution and propane assets separately to</p>   <p>September 2017</p>

(1) All data as of 3/30/23.