

# First Quarter 2017 Investor Fact Sheet



**About Global Partners LP** – Global Partners is a midstream logistics and marketing master limited partnership that owns, controls or has access to one of the largest terminal networks of petroleum products and renewable fuels in the Northeast. With approximately 1,500 locations, primarily in the Northeast, Global is one of the largest regional independent owners, suppliers and operators of gasoline stations and convenience stores. Global is also one of the largest distributors of gasoline, distillates, residual oil and renewable fuels to wholesalers, retailers and commercial customers in New England and New York. The Partnership is also engaged in the transportation of petroleum products and renewable fuels by rail from the mid-continental U.S. and Canada.

**Global Partners at a Glance**

<b>Exchange/Symbol:</b>	NYSE (GLP)
<b>Closing Price (5/17/17):</b>	\$19.25
<b>Annualized Distribution:</b>	\$1.85/unit
<b>Yield (5/17/17):</b>	9.6%
<b>52-Week Range:</b>	\$12.64 - \$21.95

## INVESTMENT HIGHLIGHTS

- Portfolio of strategically located, non-replicable refined product storage terminals and gasoline stations/c-stores
- Significant terminal storage in the Northeast
- Vertical integration between supply, terminaling and wholesale businesses and retail sites
- Retail assets broadly diversified by geography, mode of operation and brand
- Annualized cash distributions of \$1.85/unit

## GLOBAL BY THE NUMBERS (as of 3/31/2017)

- 25 Refined Petroleum Bulk Product Terminals
- 12.2 Million Barrels of Storage Capacity
- 333K Barrels of Product Sold Daily
- ~1,500 Gas Stations Owned, Leased or Supplied
- 243 Company-operated Convenience Stores\*  
\* Included in the ~1,500 total gas stations

## BUSINESS OVERVIEW

### Gasoline Distribution & Station Operations



- **Retail gasoline sales**
  - Branded and unbranded
- **Rental income from:**
  - Dealers
  - Commissioned agents
  - Co-branding arrangements
- **Sales to retail customers of:**
  - Convenience store items
  - Car wash services
  - Fresh-made and prepared foods
- **Alltown and Xtra Mart stores**
- **Customers**
  - Station operators
  - Gasoline jobbers
  - Retail customers

### Wholesale



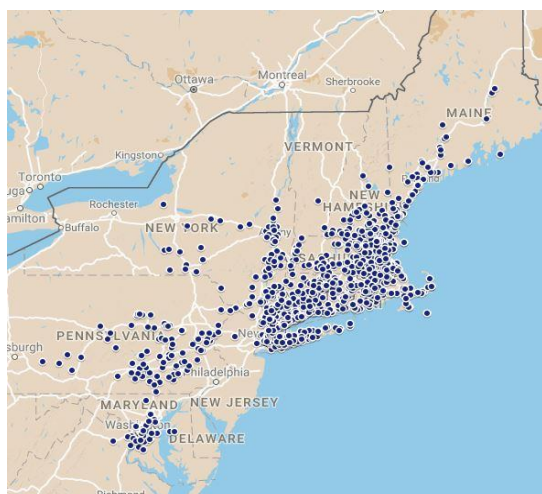
- **Bulk purchase, movement, storage and sale of:**
  - Gasoline and gasoline blendstocks
  - Other oils and related products
  - Crude oil
- **Customers**
  - Branded and unbranded gasoline distributors
  - Home heating oil retailers and wholesale distributors
  - Refiners

### Commercial

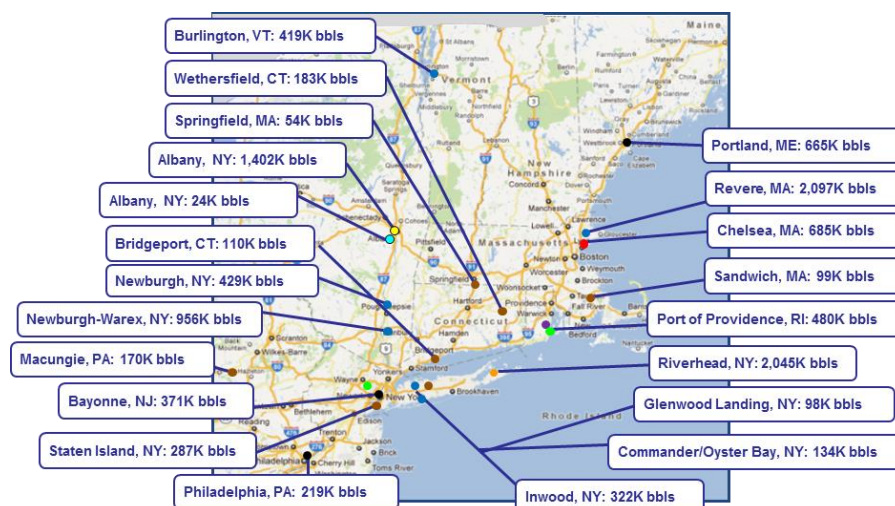


- **Sales and deliveries to end user customers of:**
  - Unbranded gasoline
  - Heating oil, kerosene, diesel and residual fuel
  - Bunker fuel
- **Customers**
  - Government agencies
  - States, towns, municipalities
  - Large commercial clients
  - Shipping companies

## Retail Locations



## Northeast Terminal Locations



## SELECT FINANCIAL DATA (\$ in millions)

	Q1 2016	Q1 2017
Product margin	\$154.5	\$162.4
Gross profit	\$130.1	\$140.0
Net (loss) income attributable to GLP	\$(7.0)	\$22.9
EBITDA*	\$42.6	\$71.9
Adjusted EBITDA*	\$48.7	\$60.1
Maintenance capex	\$4.8	\$5.3
DCF*	\$16.4	\$44.2
DCF* excluding net loss on sale of assets	\$22.5	\$46.5

\*Non-GAAP Measures: Product margin, EBITDA, Adjusted EBITDA and DCF (Distributable Cash Flow) are non-GAAP (Generally Accepted Accounting Principles) financial measures that are explained in greater detail on page three under "Use of Non-GAAP Financial Measures." A reconciliation of the non-GAAP measures to their most directly comparable GAAP measures can be found in the accompanying tables.

## EXECUTIVE MANAGEMENT

- Eric Slifka\***  
President, CEO and Director
  - Daphne H. Foster\***  
Chief Financial Officer and Director
  - Mark Romaine**  
Chief Operating Officer
  - Andrew Slifka\***  
EVP and Director
  - Edward J. Faneuil**  
EVP, General Counsel and Secretary
  - Charles A. Rudinsky**  
EVP, Chief Accounting Officer
- \*Member of the Board of Directors of the Partnership's general partner, Global GP LLC

## BALANCE SHEET DATA (\$ in millions)

	March 31, 2017	December 31, 2016
Total current assets	\$856.1	\$1,075.5
Total assets	\$2,328.3	\$2,564.0
Total liabilities	\$1,923.0	\$2,166.2
Total partners' equity	\$405.3	\$397.8

## Investor Relations Contact:

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Sharon Merrill Associates  
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## ANALYST COVERAGE

Gabe Moreen  
Bank of America Merrill Lynch

Richard Gross  
Barclays

Jeremy Tonet  
J.P. Morgan

Barrett Blaschke  
Mitsubishi UFJ Securities

Darren Horowitz  
Raymond James

Selman Akyol  
Stifel Nicolaus

Michael Blum  
Wells Fargo Securities

## Use of Non-GAAP Financial Measures

### Product Margin

Global Partners views product margin as an important performance measure of the core profitability of its operations. The Partnership reviews product margin monthly for consistency and trend analysis. Global Partners defines product margin as product sales minus product costs. Product sales primarily include sales of unbranded and branded gasoline, distillates, residual oil, renewable fuels, crude oil, natural gas and propane, as well as convenience store sales, gasoline station rental income and revenue generated from logistics activities when the Partnership engages in the storage, transloading and shipment of products owned by others. Product costs include the cost of acquiring the refined petroleum products, renewable fuels, crude oil, natural gas and propane and all associated costs including shipping and handling costs to bring such products to the point of sale as well as product costs related to convenience store items and costs associated with logistics activities. The Partnership also looks at product margin on a per unit basis (product margin divided by volume). Product margin is a non-GAAP financial measure used by management and external users of the Partnership's consolidated financial statements to assess its business. Product margin should not be considered an alternative to net income, operating income, cash flow from operations, or any other measure of financial performance presented in accordance with GAAP. In addition, product margin may not be comparable to product margin or a similarly titled measure of other companies.

### EBITDA and Adjusted EBITDA

EBITDA and Adjusted EBITDA are non-GAAP financial measures used as supplemental financial measures by management and may be used by external users of Global Partners' consolidated financial statements, such as investors, commercial banks and research analysts, to assess the Partnership's:

- compliance with certain financial covenants included in its debt agreements;
- financial performance without regard to financing methods, capital structure, income taxes or historical cost basis;
- ability to generate cash sufficient to pay interest on its indebtedness and to make distributions to its partners;
- operating performance and return on invested capital as compared to those of other companies in the wholesale, marketing, storing and distribution of refined petroleum products, renewable fuels, crude oil, natural gas and propane, and in the gasoline stations and convenience stores business, without regard to financing methods and capital structure; and
- viability of acquisitions and capital expenditure projects and the overall rates of return of alternative investment opportunities.

Adjusted EBITDA is EBITDA further adjusted for the gain or loss on the sale and disposition of assets and goodwill and long-lived asset impairment. EBITDA and Adjusted EBITDA should not be considered as alternatives to net income, operating income, cash flow from operating activities or any other measure of financial performance or liquidity presented in accordance with GAAP. EBITDA and Adjusted EBITDA exclude some, but not all, items that affect net income, and these measures may vary among other companies. Therefore, EBITDA and Adjusted EBITDA may not be comparable to similarly titled measures of other companies.

### Distributable Cash Flow

Distributable cash flow is an important non-GAAP financial measure for the Partnership's limited partners since it serves as an indicator of success in providing a cash return on their investment. Distributable cash flow as defined by the Partnership's partnership agreement is net income plus depreciation and amortization minus maintenance capital expenditures, as well as adjustments to eliminate items approved by the audit committee of the board of directors of the Partnership's general partner that are extraordinary or non-recurring in nature and that would otherwise increase distributable cash flow. Distributable cash flow as used in the Partnership's partnership agreement determines its ability to make cash distributions on incentive distribution rights. The investment community also uses a distributable cash flow metric similar to the metric used in the partnership agreement with respect to publicly traded partnerships to indicate whether or not such partnerships have generated sufficient earnings on a current or historic level that can sustain or support an increase in quarterly cash distribution. The partnership agreement does not permit adjustments for certain non-cash items, such as net losses on the sale and disposition of assets and goodwill and long-lived asset impairment charges. Distributable cash flow should not be considered as an alternative to net income, operating income, cash flow from operations, or any other measure of financial performance presented in accordance with GAAP. In addition, distributable cash flow may not be comparable to distributable cash flow or similarly titled measures of other companies.

### Forward-Looking Statements

*Certain statements and information in this fact sheet may constitute "forward-looking statements." The words "believe," "expect," "anticipate," "plan," "intend," "foresee," "should," "would," "could" or other similar expressions are intended to identify forward-looking statements, which are generally not historical in nature. These forward-looking statements are based on Global Partners' current expectations and beliefs concerning future developments and their potential effect on the Partnership. While management believes that these forward-looking statements are reasonable as and when made, there can be no assurance that future developments affecting the Partnership will be those that it anticipates. All comments concerning the Partnership's expectations for future revenues and operating results are based on forecasts for its existing operations and do not include the potential impact of any future acquisitions. Forward-looking statements involve significant risks and uncertainties (some of which are beyond the Partnership's control) and assumptions that could cause actual results to differ materially from the Partnership's historical experience and present expectations or projections. For additional information regarding known material factors that could cause actual results to differ from the Partnership's projected results, please see Global Partners' filings with the SEC, including its Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof. The Partnership undertakes no obligation to publicly update or revise any forward-looking statements after the date they are made, whether as a result of new information, future events or otherwise.*

## Reconciliation of Non-GAAP Measures to GAAP Measures

(In thousands)  
(Unaudited)

	Three Months Ended	
	March 31,	
	2017	2016
<b>Reconciliation of gross profit to product margin</b>		
Wholesale segment:		
Gasoline and gasoline blendstocks	\$ 15,385	\$ 16,362
Crude oil	6,892	(2,373)
Other oils and related products	29,873	25,249
Total	52,150	39,238
Gasoline Distribution and Station Operations segment:		
Gasoline distribution	67,155	65,387
Station operations	38,895	42,925
Total	106,050	108,312
Commercial segment	4,189	6,910
Combined product margin	162,389	154,460
Depreciation allocated to cost of sales	(22,362)	(24,401)
Gross profit	<u>\$ 140,027</u>	<u>\$ 130,059</u>
<b>Reconciliation of net income (loss) to EBITDA and Adjusted EBITDA</b>		
Net income (loss)	\$ 22,505	\$ (7,835)
Net loss attributable to noncontrolling interest	441	811
Net income (loss) attributable to Global Partners LP	22,946	(7,024)
Depreciation and amortization, excluding the impact of noncontrolling interest	25,851	27,536
Interest expense, excluding the impact of noncontrolling interest	23,287	22,980
Income tax benefit	(164)	(920)
EBITDA	71,920	42,572
Net (gain) loss on sale and disposition of assets	(11,862)	6,105
Adjusted EBITDA	<u>\$ 60,058</u>	<u>\$ 48,677</u>
<b>Reconciliation of net cash provided by (used in) operating activities to EBITDA and Adjusted EBITDA</b>		
Net cash provided by (used in) operating activities	\$ 117,565	\$ (53,516)
Net changes in operating assets and liabilities and certain non-cash items	(68,696)	74,350
Net cash from operating activities and changes in operating assets and liabilities attributable to noncontrolling interest	(72)	(322)
Interest expense, excluding the impact of noncontrolling interest	23,287	22,980
Income tax benefit	(164)	(920)
EBITDA	71,920	42,572
Net (gain) loss on sale and disposition of assets	(11,862)	6,105
Adjusted EBITDA	<u>\$ 60,058</u>	<u>\$ 48,677</u>
<b>Reconciliation of net income (loss) to distributable cash flow</b>		
Net income (loss)	\$ 22,505	\$ (7,835)
Net loss attributable to noncontrolling interest	441	811
Net income (loss) attributable to Global Partners LP	22,946	(7,024)
Depreciation and amortization, excluding the impact of noncontrolling interest	25,851	27,536
Amortization of deferred financing fees and senior notes discount	1,891	1,772
Amortization of routine bank refinancing fees	(1,167)	(1,077)
Maintenance capital expenditures, excluding the impact of noncontrolling interest	(5,347)	(4,826)
Distributable cash flow (1)(2)	<u>\$ 44,174</u>	<u>\$ 16,381</u>
<b>Reconciliation of net cash provided by (used in) operating activities to distributable cash flow</b>		
Net cash provided by (used in) operating activities	\$ 117,565	\$ (53,516)
Net changes in operating assets and liabilities and certain non-cash items	(68,696)	74,350
Net cash from operating activities and changes in operating assets and liabilities attributable to noncontrolling interest	(72)	(322)
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Amortization of routine bank refinancing fees	(1,167)	(1,077)
Maintenance capital expenditures, excluding the impact of noncontrolling interest	(5,347)	(4,826)
Distributable cash flow (1)(2)	<u>\$ 44,174</u>	<u>\$ 16,381</u>

(1) As defined by the Partnership's partnership agreement, distributable cash flow is not adjusted for certain non-cash items, such as net losses on the sale and disposition of assets and goodwill and long-lived asset impairment charges.

(2) Distributable cash flow includes a net loss on sale and disposition of assets of \$2.3 million and \$6.1 million for the three months ended March 31, 2017 and 2016, respectively. Excluding these charges, distributable cash flow would have been \$46.5 million and \$22.5 million for the three months ended March 31, 2017 and 2016, respectively. For the three months ended March 31, 2017, distributable cash flow also includes a \$14.2 million gain on the sale of the Partnership's natural gas marketing and electricity brokerage businesses in February 2017.