As part of our Infrastructure sub-sector review series, Delancey Street Partners is pleased to present our Downstream Energy Sector Review for November 2017. The Downstream Energy segment includes the transportation and distribution of petroleum based fuels (e.g., commercial diesel fuel, propane, heating oil) and lubricants. Companies operating in this sector benefit from broad, stable demand for fuel and related services that support a number of sectors tied to macroeconomic growth, including residential and commercial construction, transportation and logistics, infrastructure development, and resource exploration and extraction. Companies in the Downstream Energy industry differentiate through logistical expertise, geographic focus and density, customer service, and pricing and operating advantages afforded by efficiencies of scale. The market is highly fragmented and offers consolidation opportunities for strategic buyers seeking revenue growth and geographic expansion, as well as financial investors seeking to acquire and build platform investments in a stable, attractive sector with multiple viable exit opportunities. This sector review highlights current consolidation trends in the Downstream Energy sector, including active private equity platform strategies and the role of strategic buyers in driving M&A activity and valuation.

Introduction to Downstream Energy

The energy industry is one of the largest and most dynamic in the world and includes a wide range of activities, from resource exploration to consumer retail distribution. Due to the breadth and complexity of the value chain, it is common for the industry to be classified into three subsectors: Upstream, Midstream, and Downstream. The Upstream subsector includes the exploration and production (i.e., drilling) of crude oil and natural gas resources. Midstream activities include the transportation, storage, and wholesale marketing of crude or refined petroleum products. Finally, the Downstream subsector involves the refining, processing, marketing and distribution of products derived from crude oil and natural gas.

For this Sector Review, we focus exclusively on the marketing and distribution aspects of the Downstream Energy sub-sector. This includes the distribution, typically by truck, of petroleum fuels and related products to a range of end users, such as businesses, vehicle fleets, industrial facilities, homes, schools, and farms. These customers use a variety of petroleum products, including diesel fuel and gasoline, propane, home heating oil, kerosene, and petroleum lubricants, to power and maintain vehicles, machinery, and equipment, as well as heat residential, commercial, and industrial spaces. These products are essential and widely used, creating a substantial market opportunity for service providers in the industry. Many companies in the sector are generalists, delivering a range of products to multiple customer types. Others operate in specialty niches, such as mobile fueling of vehicle fleets, marine and aircraft fueling, or servicing the fueling needs of oil and natural gas drillers.

The stable demand environment provides a favorable backdrop for developing investment theses that leverage operational expertise, capital efficiency, and economies of scale to create attractive investment and consolidation opportunities. Financial investors utilize a variety of strategies to consolidate fragmented regional players, while strategic buyers view acquisitions as a more immediate avenue to build scale and add capabilities relative to organic expansion.

In the following pages, we explore some of the investment attributes of the Downstream Energy sector, including insight into the current investment strategies of both strategic buyers and financial investors active in today's market.

About Delancey Street Partners

Delancey Street Partners (www.delanceystreetpartners.com) is an independent, industry-focused investment bank. We serve CEOs, Entrepreneurs, Shareholders and Boards of Directors of high growth and middle market private and public companies. Our services include strategic advisory, capital raising and independent board advice. We advise on sell-side and buy-side M&A, growth capital financings and recapitalizations. Our focus sectors include Business Services & Technology, Healthcare, Industrial & Industrial Technology, and Infrastructure.

Our Infrastructure practice combines deep knowledge of the evolving infrastructure landscape with differentiated M&A advisory services in the middle market. As a pure-play advisor with no conflicts of interest, DSP offers impactful strategic advice coupled with seamless execution to our private and public clients.

Delancey Street Downstream Energy Transaction: Coen Energy Sale to Sprague Resources

COEN ENERGY

has been acquired by

Sprague

(NYSE: SRLP)

Advisor to Seller

Delancey Street Partners served as financial advisor to Coen Oil Company ("Coen") in the divestiture of Coen Energy, LLC and Coen Transport, LLC as well as four bulk plants and underlying real estate (collectively, "Coen Energy") to Sprague Resources LP ("Sprague").

Delancey Street partnered with Coen to assess, evaluate and explore strategic alternatives. We managed a competitive sell-side M&A process, identified and contacted domestic and international buyers and negotiated the terms of the transaction.

About Coen Energy

Coen Energy, located in Washington, PA, provides energy products and complementary energy field services to over 7,000 Energy Field Services, Commercial, and Residential customers located in Pennsylvania, Ohio and West Virginia. The Energy Field Services segment provides fuel sales, delivery, management and related services supporting the Marcellus and the Utica shale drilling activity. The Coen Energy business is supported by four in-land bulk plants, two throughput locations, approximately 100 delivery vehicles and nearly 250 employees.

About Sprague Resources (NYSE: SRLP)

Sprague Resources LP is a master limited partnership engaged in the purchase, storage, distribution and sale of refined petroleum products and natural gas. Sprague also provides storage and handling services for a broad range of materials.

Delancey Street Downstream Energy Transaction: Williams Oil Sale to Energy Distribution Partners

WILLIAMS OIL COMPANY, INC.

has divested certain assets of

WILLIAMS OIL & PROPANE

WOC ENERGY SERVICES

to

ENERGY DISTRIBUTION PARTNERS

Advisor to Seller

Delancey Street Partners served as financial advisor to Williams Oil Company, Inc. ("Williams") in the divestiture of certain assets of Williams Oil & Propane and WOC Energy Services to Energy Distribution Partners ("EDP").

Over a several year period, Delancey Street partnered with Williams to assess, evaluate and explore strategic alternatives. We managed a competitive sell-side M&A process, identified and contacted domestic and international buyers and negotiated the terms of the transaction.

The transaction included assets of Williams' propane, heating oil, commercial fuel, energy field services and HVAC operations serving 14,000 residential, commercial, E&P and agricultural customers in Pennsylvania and New York. Williams, based in Towanda, PA, had successfully leveraged its infrastructure, operations, facilities and training and safety programs to become one of the leading providers of onsite fueling services to the E&P industry in the region.

About Energy Distribution Partners

Energy Distribution Partners was founded by energy industry executives who have applied their extensive experience in retail propane sales, operations and finance to become one of the leading consolidators of retail propane and midstream energy storage and transportation businesses. EDP currently operates in California, Minnesota, Wisconsin, Michigan, Ohio, Pennsylvania and New York.

Downstream Energy Investment Themes

Strategic buyers and financial investors have been active consolidators in the Downstream Energy sector, drawn to a number of attributes that make the space attractive for building platforms of scale. However, in our experience, the sector has historically seen less attention from private equity investors than some other sectors of the economy due to several common misperceptions and challenges that tend to "weed out" many investors.

Careful understanding and assessment of the opportunities and risks of the Downstream Energy sector can inform a successful investment strategy in today's market.

Attractive Investment Attributes

- **Stable Market Demand** – Fuel products are essential to commerce and production, as well as for heating living and working spaces. While there is some price sensitivity in the market, core demand for petroleum products is relatively stable across economic cycles.
- **Route-based Logistics** – The Downstream Energy sector features a number of opportunities similar to other route-based logistics models (e.g., route optimization, "windshield time" reduction, equipment utilization, use of technology) that make logistics platforms attractive.
- **Customer Diversification** – The Downstream Energy sector is typically characterized by a large number of daily transactions with a large number of customers, resulting in minimal customer concentration.
- **Fragmentation** – The sector is highly fragmented, featuring multiple small operators with narrow product and/or geographic focus. This creates a substantial number of potential consolidation targets for investors building platforms.
- **Economies of Scale** – Scale in the Downstream Energy space affords significant advantages, including purchasing power, vehicle and asset utilization efficiency, route optimization, technology implementation, and employee best practices.
- **Multiple Exit Alternatives** – Investors building platforms in the sector have exit alternatives from buyers with a robust appetite for targets of scale. Strategic buyers challenged to augment organic growth seek quality consolidation targets, while certain financial buyers have ample available capital and a desire for investment opportunities of scale. Master limited partnerships ("MLPs") have also contributed to an active M&A market, as they seek qualifying income to distribute to their unitholders in a tax advantaged structure.
- **Opportunities for Multiple Expansion** – Small assets in the sector with a narrow geographic footprint and lack of product focus frequently trade at lower valuation multiples, while larger businesses with broader footprints and more well-defined product focus typically attract a broader universe of potential strategic and financial advisors and relatively higher multiples. By acquiring, consolidating, and growing a series of similar and/or tangential companies and creating a platform of scale, investors in the sector can benefit from an arbitrage between entry and exit valuation metrics.

Sector Challenges

Strategies in Downstream Energy do face certain market and business model challenges that investors must address:

- **Low Barriers to Entry** – The fragmentation in the market is partially driven by relatively low barriers to entry that enable small participants to initiate and develop operations.
- **Capital Intensity** – Owning, operating and maintaining a fleet of distribution assets and vehicles requires relatively substantial capital investment.
- **Price Competition** – Most downstream energy distributors operate without long-term customer contracts, and customers have incentive to seek the best price available. The willingness of customers to switch suppliers creates a competitive price environment.
- **Weather** – The home heating oil and propane markets tend to fluctuate year-to-year based on annual weather patterns, creating some revenue variability. Assessment of a company's performance should include the context of heating degree days for the region in which it operates, which provides a relative measure of the heating fuel demand in a given year. Due to annual weather variation, investors will often base their analysis of a heating fuels business on a multi-year average.

Sector Misperceptions

There are several common misperceptions about the sector that can cause investors to overlook the attractive investment opportunities:

- **Commodity Price Fluctuation Exposure** – Investors commonly avoid the sector due to a perception that it is subject to commodity price risk. However, most distributors operate with a "cents per gallon" margin spread strategy which enables them to maintain consistent gross profit dollars in a variety of price environments. Use of formal hedging strategies can also help mitigate risk in periods of volatile price.
- **Revenue Volatility** – Variability in fuel prices can create fluctuations in revenue that are unsettling for investors unfamiliar with the industry. However, the margin spread strategy referenced above enables companies in the sector to maintain gross profit dollars at a given volume despite fluctuations in revenue. Investors should take the time to understand how volume, revenue, and gross profit trend in relation to one another in assessing an opportunity.
- **Margin** – Investors commonly focus on traditional EBITDA margin (EBITDA as a percentage of revenue), which can appear artificially low in high fuel price environments. A more useful metric is EBITDA margin as a percentage of gross profit.

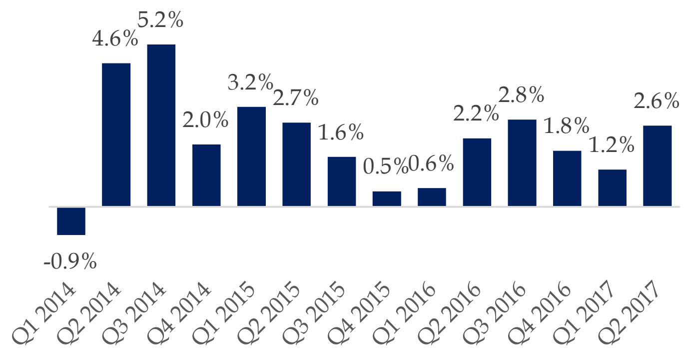
The below example illustrates the impact that fuel price fluctuation can have in assessing the relative attractiveness of an opportunity in the sector. In this simplified illustration, we consider a fictional distributor of off-road diesel fuel. Both cases shown feature the same steady growth in fuel volume and operating expenses, but in different fuel price environments. The fuel price fluctuation assumed in Case B causes wide variation in gross margin and EBITDA margin as a percentage of revenue. However, due to the consistent cents per gallon spread strategy, the gross profit and EBITDA dollars are identical in each case. To simplify the analysis, we hold the gross profit per gallon constant across years in each case. In reality, this margin would likely fluctuate, but not to the degree of the market price per gallon.

Company Performance Analysis Example

	Case A (Consistent Price Environment)				**Case B (Fluctuating Price Environment)**			
(in millions, except per gallon data)	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 1**	**Year 2**	**Year 3**	**Year 4**
Fuel Volume	80.0	85.0	90.0	95.0	80.0	85.0	90.0	95.0
% Growth	--	*6.3%*	*5.9%*	*5.6%*	--	*6.3%*	*5.9%*	*5.6%*
Price per Gallon	$1.75	$1.75	$1.75	$1.75	$1.75	$1.65	$2.20	$2.10
Fuel Revenue	$140.0	$148.8	$157.5	$166.3	$140.0	$140.3	$198.0	$199.5
Gross Profit per Gallon	$0.20	$0.20	$0.20	$0.20	$0.20	$0.20	$0.20	$0.20
Fuel Gross Profit	$16.0	$17.0	$18.0	$19.0	$16.0	$17.0	$18.0	$19.0
Fuel Gross Margin	*11.4%*	*11.4%*	*11.4%*	*11.4%*	*11.4%*	*12.1%*	*9.1%*	*9.5%*
Operating Expenses	$7.5	$8.0	$8.5	$9.0	$7.5	$8.0	$8.5	$9.0
EBITDA	**$8.5**	**$9.0**	**$9.5**	**$10.0**	**$8.5**	**$9.0**	**$9.5**	**$10.0**
EBITDA Margin:								
% of Revenue	*6.1%*	*6.1%*	*6.0%*	*6.0%*	*6.1%*	*6.4%*	*4.8%*	*5.0%*
% of Gross Profit	*53.1%*	*52.9%*	*52.8%*	*52.6%*	*53.1%*	*52.9%*	*52.8%*	*52.6%*

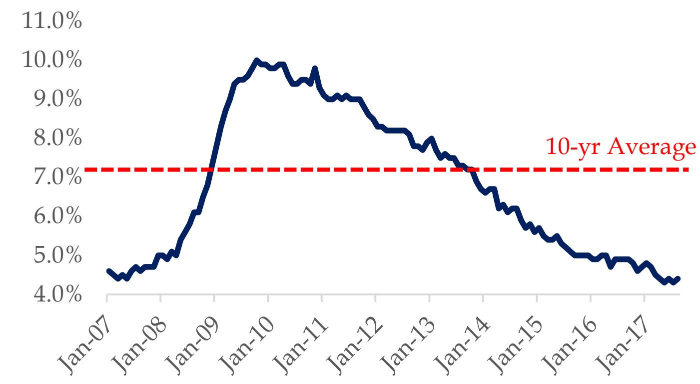
Downstream Energy Sector Indicators

Real GDP Growth



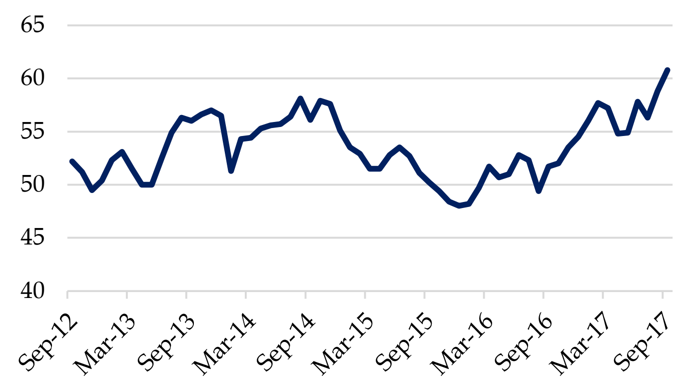
Source: U.S. Bureau of Economic Analysis

Unemployment Rate



Source: U.S. Bureau of Labor Statistics

PMI Manufacturing Index

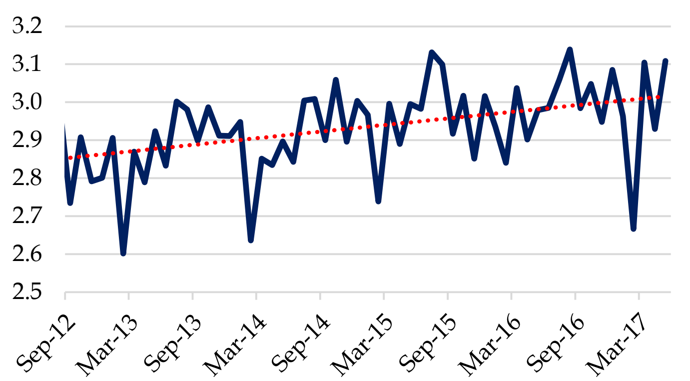


Source: Institute for Supply Management

Consumer Sentiment Index

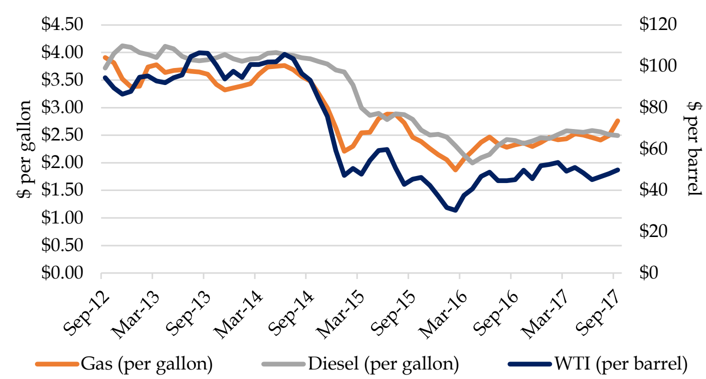
Source: University of Michigan

Domestic Petroleum Products Consumption



Source: U.S. Energy Information Administration

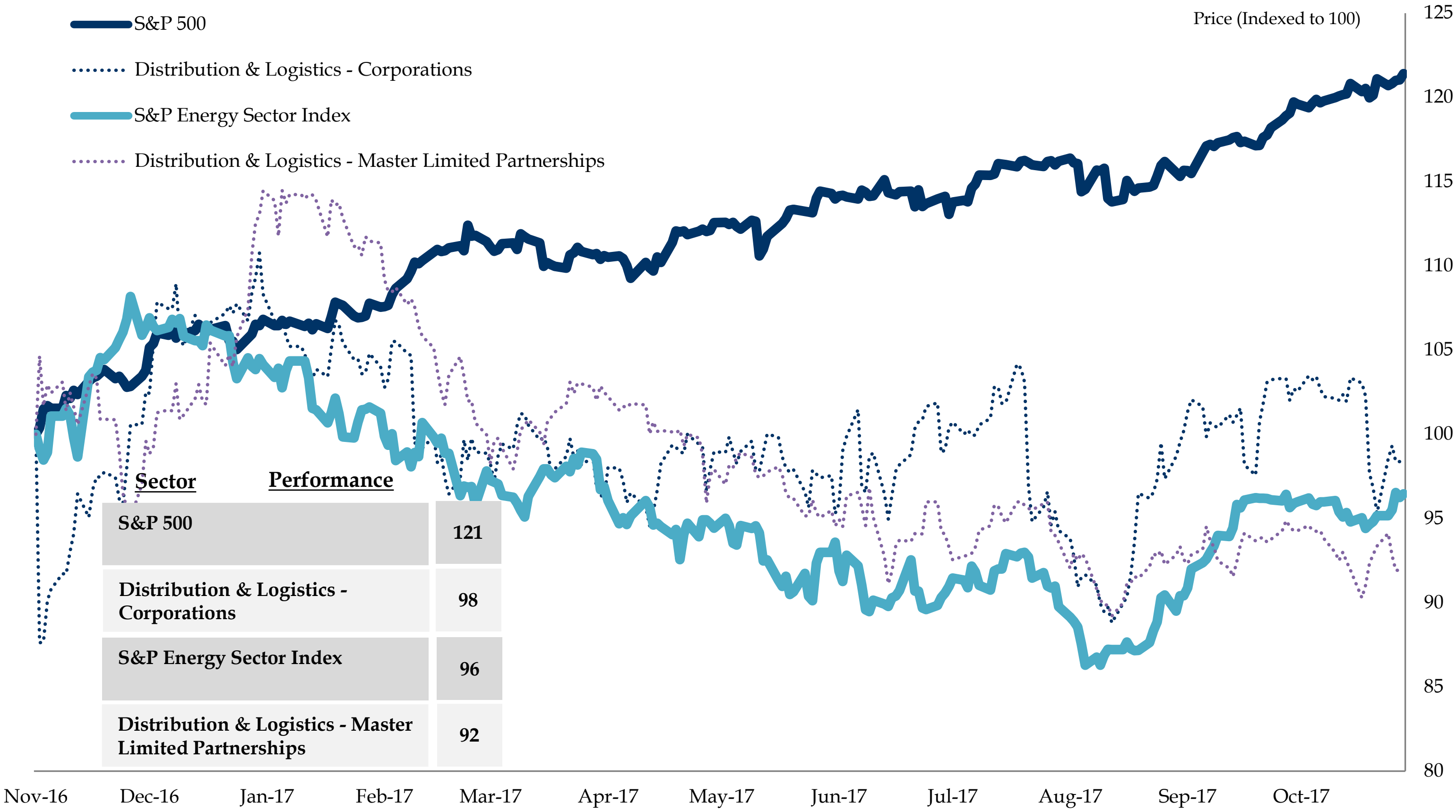
Oil & Retail Gas Prices



Source: U.S. Energy Information Administration

Downstream Energy Public Trading Performance

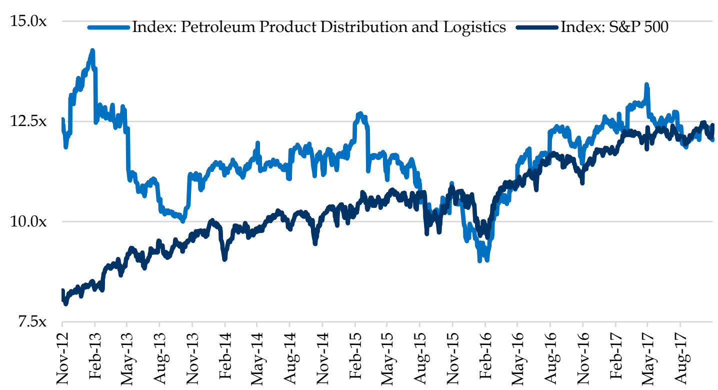
One-Year Subsector Trading Performance vs. S&P 500

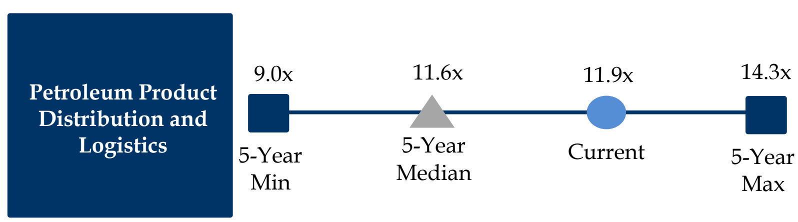


Sector	Performance
S&P 500	121
Distribution & Logistics - Corporations	98
S&P Energy Sector Index	96
Distribution & Logistics - Master Limited Partnerships	92

Source: S&P CapitalIQ

5-Year Enterprise Value / LTM EBITDA Trend





Source: S&P CapitalIQ

Comparable Company Analysis

COMPANY	STOCK PERFORMANCE AND COMPANY DATA						LTM MARGINS			GROWTH	VALUATION DATA			
Petroleum Product Distribution and Logistics				Market	Enterprise	Dividend	Gross			5-Year	EV /	EV / EBITDA		
Company	11/21/2017	30 Day % Change	YTD % Change	Value ($mm)	Value ($mm)	Yield %	Profit/ Revenue	EBITDA/ Revenue	EBITDA/ Gross Profit	EPS % Growth	Revs LTM	LTM	2017	P / E 2017
Corporations:														
Delek US Holdings, Inc. (NYSE:DK)	$27.95	5.6%	16.1%	$2,276.6	$3,306.2	2.2%	11.7%	3.8%	32.3%	70.6%	0.57x	15.0x	9.4x	35.4x
Superior Plus Corp. (TSX:SPB)	9.44	(7.6%)	(0.5%)	1,349.1	2,083.4	5.9%	31.2%	10.8%	34.7%	N.A. (1)	1.18x	10.9x	9.2x	N.M.
World Fuel Services Corporation (NYSE:INT)	26.59	(25.5%)	(42.1%)	1,798.0	2,420.5	0.9%	2.8%	0.8%	28.2%	5.0%	0.07x	9.3x	7.5x	12.0x
Master Limited Partnerships:														
AmeriGas Partners, L.P. (NYSE:APU)	44.74	(0.5%)	(6.6%)	4,159.0	6,809.1	8.5%	60.4%	23.2%	38.4%	2.0%	2.78x	12.0x	11.4x	21.3x
CrossAmerica Partners LP (NYSE:CAPL)	24.89	(4.3%)	(1.2%)	845.9	1,398.8	10.0%	8.1%	3.9%	47.9%	5.0%	0.71x	18.3x	12.8x	N.M.
Energy Transfer Partners, L.P. (NYSE:ETP)	16.42	(10.7%)	(31.8%)	18,973.2	57,398.2	13.5%	20.9%	18.9%	90.3%	7.0%	2.13x	11.3x	8.8x	28.8x
Ferrellgas Partners, L.P. (FGP)	4.68	(5.6%)	(30.9%)	454.7	2,505.3	8.5%	38.3%	11.0%	28.8%	N.A. (1)	1.30x	11.8x	9.4x	N.M.
Global Partners LP (GLP)	17.45	(4.9%)	(10.3%)	587.1	1,720.2	10.6%	6.8%	2.8%	41.4%	1.0%	0.19x	6.9x	7.7x	13.8x
Sprague Resources LP (SRLP)	25.20	0.0%	(10.3%)	568.3	1,154.7	9.8%	9.4%	3.8%	40.2%	N.A. (2)	0.43x	11.3x	10.2x	8.1x
Suburban Propane Partners, L.P. (SPH)	24.50	(7.0%)	(18.5%)	1,497.0	2,744.0	9.6%	24.8%	19.9%	80.3%	-3.0%	2.38x	12.0x	10.6x	24.0x
Overall Group Mean		**(6.0%)**	**(13.6%)**	**$3,886.3**	**$8,154.0**	**7.9%**	**21.4%**	**9.9%**	**46.3%**	**11.4%**	**1.29x**	**12.3x**	**10.3x**	**21.3x**
Overall Group Median		**(5.3%)**	**(10.3%)**	**1,423.0**	**2,624.6**	**8.5%**	**22.8%**	**10.9%**	**40.8%**	**5.0%**	**1.24x**	**11.9x**	**9.8x**	**23.2x**
Overall Group Max		**5.6%**	**16.1%**	**18,973.2**	**57,398.2**	**13.5%**	**60.4%**	**23.2%**	**90.3%**	**70.6%**	**2.78x**	**18.3x**	**13.4x**	**35.4x**
Overall Group Min		**(25.5%)**	**(42.1%)**	**454.7**	**1,154.7**	**0.9%**	**2.8%**	**0.8%**	**28.2%**	**(3.0%)**	**0.07x**	**6.9x**	**7.5x**	**8.1x**

(1) Superior Plus Corp. and Ferrellgas Partners generated negative earnings per share in 2011
(2) Limited trading history
"N.A." – Not Applicable; incomplete trading history
"N.M." – Not Meaningful; excluded from Group calculations
Source: S&P CapitalIQ

Sector Performance Commentary

Referring to the charts on page 6 and the table above, note that petroleum product distribution and logistics companies have generally underperformed the market year-to-date in 2017. The Corporations group profiled is impacted primarily by the performance of World Fuel Services, which is down more than 40% year-to-date. World Fuel Services has posted a series of disappointing quarters in 2017, including a net loss in the third quarter resulting from impacts of the 2017 hurricanes on the company's marine fuel business.

The MLP group profiled has underperformed the broader market as well, but the drivers of this underperformance are more complex. MLPs offer income generating securities and, as such, have historically traded based on their yields, functioning more like utilities and other dividend-oriented investments. Furthermore, the business models of most midstream and downstream energy companies are based on throughput volume and not specifically tied to energy commodity prices in the way that exploration and production companies are. Notwithstanding these observations, year-to-date the MLP group profiled appears to be correlated closely with the performance of the broader energy market. Following a substantial correction in energy prices that began in 2014, investor sentiment toward companies with energy sector exposure, including MLPs, turned negative. Fund flows into the MLP sector have been relatively low since mid-2015, highlighting the lack of investor interest in the segment. With the ability to raise equity capital under pressure, many MLPs began reducing distributions in order to fund growth through cash flow, creating concern about future distributions for the rest of the group. According to research by CBRE Clarion Securities, as of October 31, 2017, "Companies in the Alerian MLP Index have reduced distributions 56 times, including 45 explicit cuts and 11 stealth cuts (large mergers that effectively reduce payouts of acquired MLPs) over the last three years."(3) A slower than expected recovery in energy prices continues to depress investor interest in the energy sector and capital availability for MLPs, perpetuating concerns that MLP distributions may be at risk in the future. A specific case of this in practice is Energy Transfer Partners ("ETP"), whose stock price is down more than 30% this year despite delivering strong quarterly financial results. ETP's ability to maintain its distribution coverage in the future while continuing to fund growth is a primary concern among analysts. In addition to distribution uncertainty for the sector, while a recovery in drilling activity (and the resulting throughput volumes it creates) had been a positive tailwind for MLPs in 2017, U.S. rig counts have contracted nearly 5% from their July highs(4), contributing to the group's underperformance.

(3) "MLP Reality Check: Income Growth Favors Global Listed Infrastructure," October 2017, CBRE Clarion Securities
(4) Baker Hughes

Spotlight Trend: Private Equity Pursuing Attractive Sector Themes

There are interesting cases of leading private equity investors pursuing consolidation themes in the Downstream Energy sector, highlighting the opportunity the industry presents despite common misperceptions and a lack of broad investor interest. Private equity groups are drawn to the industry by a number of factors, including the size, breadth, and fundamental stability of the market; opportunities to leverage operations, logistics, and technology expertise to improve profitability; substantial market fragmentation, which creates ample potential consolidation targets; and macroeconomic tailwinds that support continued growth in energy consumption. In addition, strategic buyers across the sector are active in M&A, providing multiple exit opportunities for private equity platforms that achieve scale in a particular geography or channel segment.

Private equity strategies range across the Downstream Energy value chain, including general distribution models supplying commercial fuels, home heating oil, and propane; retail gasoline and convenience stores; and specialized models serving the oil and natural gas drilling markets. In this section we profile the Maxum Petroleum and PetroChoice platforms.

Private Equity Platform Profile: Maxum Petroleum

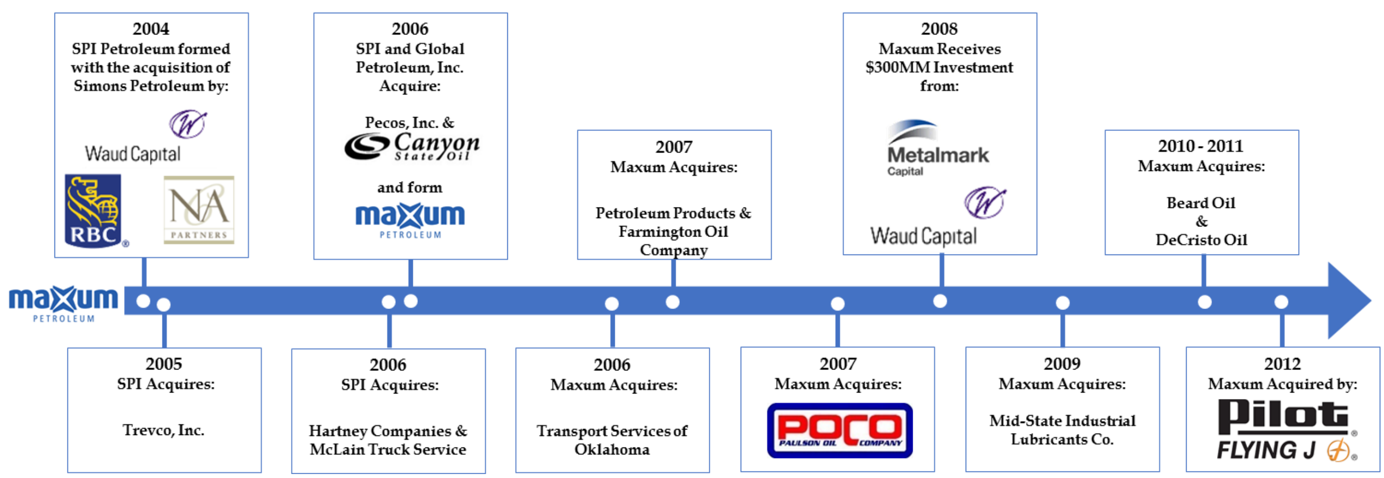
Maxum Petroleum

- Maxum Petroleum markets and distributes refined petroleum products and provides logistics and energy management services in the United States and the Panama Canal
- The company provides various fuels, lubricants, and oil and gas production chemicals; and energy management services
- Maxum Petroleum (f/k/a SPI Holdings) was founded in 2004 and is based in Greenwich, Connecticut
- The company was sold to Pilot Flying J in 2012

Private Equity Thesis

- Waud Capital Partners, Northwest Capital Appreciation and RBC Capital invested $90 million in equity and debt financing to acquire SPI Petroleum in 2004 in pursuit of a consolidation strategy
- After ten subsequent add-on acquisitions, Waud and Metalmark invested an additional $300 million in Maxum
- Waud and Metalmark made three additional acquisitions and exited the platform in 2012 with a sale to Pilot Flying J

Maxum Petroleum: Private Equity and M&A History



Source: S&P CapitalIQ.

Private Equity Platform Profile: PetroChoice

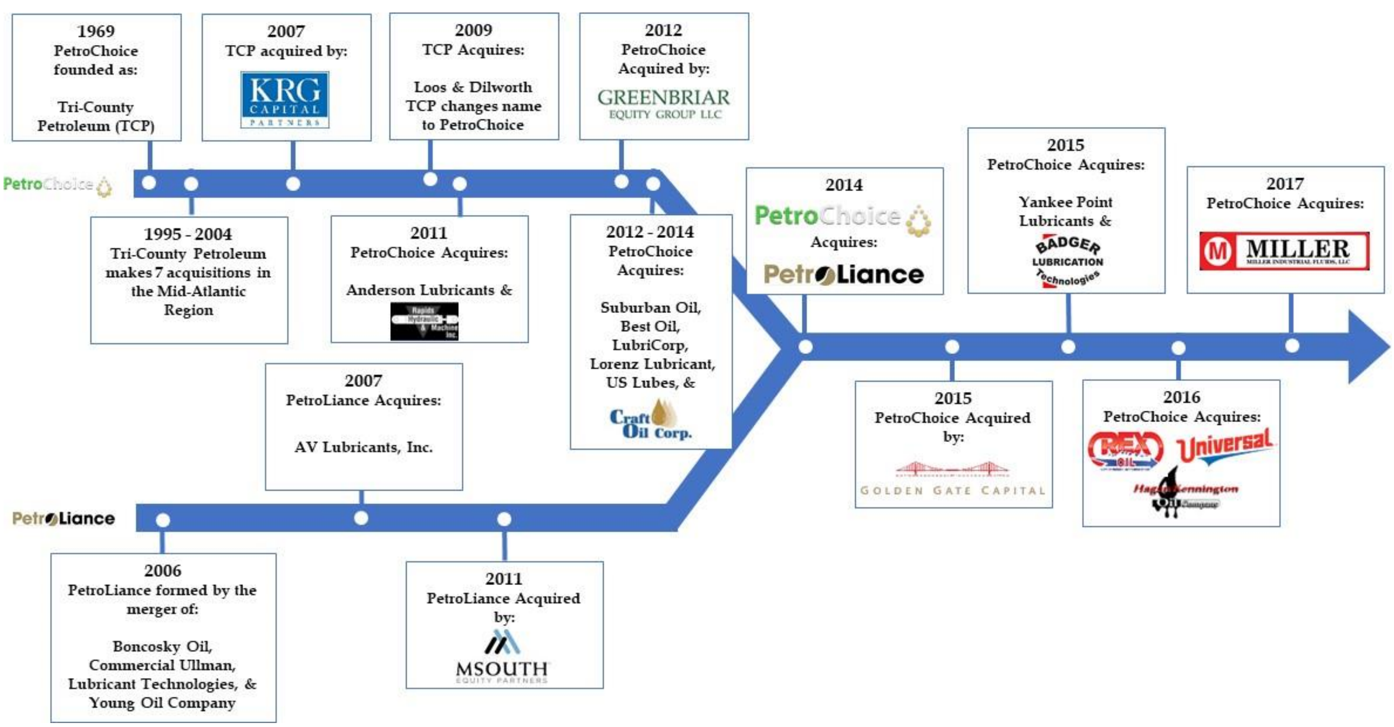
PetroChoice

- PetroChoice Holdings, Inc. supplies lubricants and filtration products in the Mid-Atlantic and Midwest regions
- The company supplies commercial and automotive engine oils, gear lubricants, greases, and transmission fluids for automotive applications
- PetroChoice also offers training, coolant analysis, filtration, and particle and viscosity analysis services
- PetroChoice was founded in 1969 and is based in Riddlesburg, PA

Private Equity Thesis

- KRG Capital Partners acquired Tri-County Petroleum in 2007 and made several acquisitions before selling the company (by then PetroChoice) to Greenbriar Equity in 2012
- The company made six acquisitions prior to its November 2014 acquisition of PetroLiance from MSouth Equity Partners
- MSouth Partners purchased PetroLiance in 2011 and Triangle Capital Corporation invested in the business in 2014
- Golden Gate Capital, acquired PetroChoice from Greenbriar in 2015. The deal was financed with $365 million in secured credit facilities

PetroChoice: Private Equity and M&A History



Source: S&P CapitalIQ

Other Private Equity Platforms

Audax Group | Hastings Equity Partners | Kelso & Company | Stone Road Capital

RelaDyne | Cactus Fuel | 4Refuel | Stone Road Energy

Recent M&A and Strategic Commentary from Select Companies

“We’re growing organically without making acquisitions right now, but we’ll continue to buy small companies that are nothing big. You may not notice it, but its small companies that compete with us out there and they pop all the time. We stay right in that.” (Al Heitmann, EVP and CFO, 6/9/17)

“The M&A deals that are out there, we try to look at everything and then we try to select only those that fit us the best. But, we'll look at everything from tanks and terminaling to retail and we're more likely to do businesses or buy businesses or entities that are already in the areas that we do business today.” (Eric Slifka, CEO, 8/5/17)

“Sprague's prospect for the future and continued ability to outperform relevant indices are apparent and proven. With an active acquisition pipeline and committed expansion capital projects not to mention nearly $250 million of liquidity in our acquisition line, we're well positioned to deliver on our growth strategy.” (Gary Rinaldi, COO and CFO, 8/9/17)

“On the acquisition front, we just concluded one of the busiest periods in terms of M&A interest that we've seen and during the quarter we were able to close on one acquisition in Europe for approximately $7.5 million. But we have many more attractive opportunities in our pipeline, some of which we are expected to be able to close in the very near future.” (Steve Goldman, President and CEO, 8/1/17)

“We continue to be focused on propane acquisitions. We have a handful in the hopper with respect to small pop type acquisitions, and we always look at other ways to extend our presence in the propane space in a bigger way. And then, we haven’t lost sight of our goals to look for diversification opportunities. The weather [the past two years] proves out why a diversification strategy makes sense.” (Mike Stivala, President and CEO, 6/30/17)

“These acquisitions demonstrate our commitment to the Evolution 2020 strategy to grow the Energy Distribution business through tuck-in propane acquisitions to leverage our solid operating platform and achieve operating cost efficiency. Our pipeline of acquisition opportunity, especially in the U.S., is very robust.” (Luc Diesjardins, CEO, 8/10/17)

“We are always open to [M&A] and we have both the organization and the focus on the balance sheet to drive growth organically and to selectively whet opportunities as they come through. As it relates to M&A there’s a lot of stuff on the market and it’s really understanding what’s worth buying versus growing organically. The company is healthier than it ever has been. So from that perspective acquisitions are always going to be part of the purview.” (Michael J. Kasbar, President and CEO, 7/23/17)

Recent Downstream Energy M&A Activity

Closed Date	Target	Acquiror	Target Business Description
10/03/17	Coen Energy, LLC, Coen Transport, LLC, and additional assets	Sprague Resources LP	Distributes fuel and provides energy field services
10/03/17	The R. W. Earhart Company - Fuel Distribution Assets	Mansfield Energy Corporation	Distributes fuel and heating oil to commercial, residential, and industrial customers
10/02/17	The R. W. Earhart Company - Propane Distribution Assets	Superior Plus Corp.	Distributes propane to residential and commerical customers
08/07/17	Lindsey Propane and Sevier County Propane	Ferrellgas Partners, L.P.	Own and operate retail propane distributors
07/05/17	Yankee Propane Inc. and Virginia Propane Inc.	Superior Plus Corp.	Distributes propane to residential and commercial customers
03/15/17	Valley Center Propane, LLC	Ferrellgas Partners, L.P.	Sells and delivers propane gas to residential, commmercial, and wholesale customers
02/21/17	Turner Gas Company	Crestwood Equity Partners LP	Transports, markets, and stores natural gas liquids, liquefied petroleum gas, and other products
11/21/16	Sunoco Logistics Partners L.P.	Energy Transfer Partners, L.P.	Transports, terminals, and stores crude oil, refined products and natural gas liquids (NGLs)
10/14/16	Alon USA Energy, Inc.	Delek US Holdings, Inc.	Refines and markets petroleum products
10/03/16	Cardwell Distributing, Inc.	RelaDyne, Inc.	Distributes fuels and lubricants to retail, commercial, and industrial customers
09/09/16	Mayes County Petroleum Products Inc.	Brenntag AG	Distributes lubricants, chemicals, and fuels to industrial, commercial, and construction consumers
07/15/16	State Oil Company	CrossAmerica Partners LP	Distributes motor fuel to convenience stores
06/23/16	Papco, Inc. and Associated Petroleum Products, Inc.	World Fuel Services Corporation	Markets and distributes fuels and lubricants to industrial, retail, residential, and other users
06/15/16	Selph's Propane, Inc.	Ferrellgas Partners, L.P.	Retails propane and related equipment and supplies
05/11/16	U.S. Refueling, LLC	RelaDyne, Inc.	Supplies diesel fuels, propane, and diesel exhaust fluids for commercial and industrial customers
03/28/17	Cactus Fuel, LLC	Hastings Equity Partners, LLC	Distributes fuel and lubricants to upstream and midstream customers
03/10/16	Propane Nord-Quest Inc.	Parkland Fuel Corporation	Distributes bulk propane and sells and installs related equipment
12/18/15	Gasco Energy Supply, LLC	Ferrellgas Partners, L.P.	Supplies propane gas to residential, commercial, and agricultural customers
12/15/15	Propane USA, Inc.	Suburban Propane Partners, L.P.	Provides bulk and bottled propane gas delivery, repair, and installation services
11/04/15	G.H. Berlin-Windward, Inc.	Brenntag AG	Distributes petroleum, lubricants, and related ancillary products
10/28/15	Pester Marketing Company Inc.	World Fuel Services Corporation	Sells, distributes, and transports petroleum products, and operates convenience stores
10/26/15	Northern Tier Energy LP	Western Refining, Inc.	Engages in refining, retail, and logistics operations

Source: S&P CapitalIQ

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Recent Transaction Experience

- Onsite Innovations has been acquired by PIVOT Physical Therapy, a portfolio company of CI Capital Partners — Advisor to Seller
- COEN Energy has been acquired by Sprague — Advisor to Seller
- Biotix, a portfolio company of Fisher Freeman & Company and Grotech Ventures, has been acquired by Mettler Toledo — Advisor to Seller
- Majority Recapitalization with Private Equity — Special Advisor to Company
- A portfolio company of b2 Capital has been acquired by Branford Castle Partners — Advisor to Seller
- Execupharm has been acquired by PAREXEL — Advisor to Seller
- Troemner has been acquired by Mettler Toledo — Advisor to Seller
- Valiant has completed a majority recapitalization and growth equity financing with PeakEquity Partners — Advisor to Seller
- Project Spider — Advisor to Seller
- Driving Dynamics has been acquired by Intuitis Long-Term Investors — Advisor to Seller
- AE Stone has been acquired by Kiely — Advisor to Seller
- Alegis has been acquired by Mednax National Medical Group — Advisor to Seller
- Williams Oil Company, Inc. has divested certain assets of Williams Oil & Propane and WOC Energy Services to Energy Distribution Partners — Advisor to Seller
- Aetrium has divested Reliability Test Products to Cascade Microtech — Advisor to Seller, Fairness Opinion
- The GEO Group, Inc. (NYSE: GEO) has divested GEO Care in a Management Buyout — Advisor to Independent Committee, Fairness Opinion

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