

FUEL PRODUCTS DISTRIBUTION INSIGHT

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

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Deal spotlights



Sunoco LP to acquire NuStar Energy L.P. in a transaction valued at \$7.3 billion

Announced: 1/22/2024

- Sunoco LP (NYSE: SUN) is a master limited partnership with core operations that include the distribution of motor fuel to approximately 10,000 convenience stores and other customers located in over 40 U.S. states and territories as well as refined product transportation and terminalling assets
- NuStar Energy L.P. (NYSE: NS) is an independent liquids terminal and pipeline operator, with approximately 9,500 miles of pipeline and 63 terminal and storage facilities that store and distribute crude oil, refined products, renewable fuels, ammonia and specialty liquids across the United States and Mexico
- **Strategic Rationale:** Increases stability through diversification of Sunoco’s business, adds scale and captures benefits of vertical integration; strengthens financial foundation through improving Sunoco’s credit profile which supports a growing distribution; enhances growth with greater cash flow generation for reinvestment and growth across an expanded opportunity set



H&S Energy acquires Andretti Petroleum

Announced: 3/19/2024

- H&S Energy is a large convenience store operator on the West Coast of the U.S. with 165 locations throughout California and Nevada prior to Andretti acquisition; over 95% of H&S’ c-stores have Chevron or Texaco-branded fuel canopies
- Andretti Group operates convenience stores and supplies motor fuels to dealer accounts that stretch from San Luis Obispo, California up the West Coast to the Canadian border north of Seattle, Washington
- **Strategic Rationale:** Geographic expansion creates pro forma convenience store and fuel distribution footprint that spans entire West Coast



Propane consolidators continue to execute on acquisition growth strategy

Announced: 12/4/2023; 2/15/2024 (Dead River)
3/27/2024; 4/12/2024 (EDP)

- Dead River Company, a portfolio company of Redwood Capital Investments, acquired Bourne’s Energy (Morrisville, Vermont) in Q4 2023 and Roby’s Propane Gas (West Wareham, Massachusetts) in Q1 2024
- Energy Distribution Partners (“EDP”), a portfolio company of Pritzker Private Capital, Duchossois Capital Management, Concentric Equity Partners and Driehaus Private Equity, acquired P. Gagnon & Sons (South Berwick, Maine) in Q1 2024 and Queen City Propane (Cincinnati, Ohio) in Q2 2024



Corporate development spotlight: UGI concludes strategic review; to retain AmeriGas ownership

- In Aug. 2023, UGI Corp. announced it had initiated a strategic review process which included evaluating several value-creation opportunities, including a potential sale, spin-off and joint venture of its AmeriGas Propane business unit. In May 2024, UGI’s board of directors concluded the strategic review. After extensive deliberation, the UGI board determined that retaining ownership of AmeriGas is the best option to maximize shareholder value.
- “After a comprehensive review process, the board agreed that in the current market, the best path forward in creating shareholder value is to execute on its repositioned long-term strategy and strengthen the balance sheet . This includes maintaining an intense focus on customer retention, improved free cash flow generation, effective cost control and disciplined capital allocation.” said Mario Longhi, interim President and CEO of UGI Corp.

Investor activism spotlight



PARKLAND

Engine Capital LP continues pressure on Parkland Corporation to explore strategic alternatives

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

March 2023

- Engine Capital LP is a meaningful shareholder of Parkland Corporation, with an ownership position of **approximately 2.5% of PKI’s outstanding shares**, and has made similar investments 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)
- “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.**”

Engine Capital’s paths to unlock additional shareholder value

- 1 Explore strategic alternatives to sell / spinoff non-core assets to become more focused on fuel and convenience retail
- 2 Refresh the Board and add directors with convenience merchandising and capital allocation experience
- 3 Better align management’s incentives with shareholder’s interests through improving the Company’s compensation framework

Engine Capital’s second letter

September 2023

- Engine commended the PKI Board for:
 1. Refreshing the Board by **adding two Simpson Oil designees**
 2. Announcing the monetization of **\$500 million** of non-core assets by 2025
 3. Identifying **\$100 million** in operational cost savings
 4. Maximizing **free cash flow** and **deleveraging the balance sheet**
- Engine further recommended that the Board repurchase undervalued shares, pay down \$600 million in debt and pause M&A for two years

Engine Capital’s latest letter to Parkland Corp. Board of Directors

January 2024

- Following a Nomination Agreement between Parkland and Simpson Oil in March 2023 designating two board seats for Simpson Oil (PKI’s largest shareholder with a **~20% ownership position**), the two designees resigned citing concerns with the Board’s current commitment to strong corporate governance and prioritization of shareholders’ interests
- Engine Capital alleges the PKI Board’s use of its Governance Agreement to entrench itself by limiting nonconforming votes from large shareholders
 - Simpson Oil asserts that the departure of former CFO Mike McMillan in 2019 served as a material adverse change to the business and invalidates the Governance Agreement based on total shareholder return being demonstrably lower post his departure
 - Engine encourages the PKI Board to accept recommendations to refresh the Board and undertake initiatives to fortify Parkland’s core business in convenience and fuel distribution

Recent, notable M&A transactions

Announced Date	Acquiror	Target	Target Description
6/2/2024	Lakes Gas	Unnamed distributor	Kingsford, Michigan-based fuel distributor
5/2/2024	Suburban Propane	Shoshone Propane	Propane retailer serving customers in southern Nevada and southeast California
4/26/2024	Tiger Fuel	Anderson Oil & Propane	Fuel oil and propane distributor in Fredericksburg, Virginia area
4/12/2024	California Fuels and Lubricants	Matheson Oil	Commercial fuels and lubricants distributor in the Inland Empire-area of California
4/12/2024	Energy Distribution Partners	Queen City Propane	Propane distributor to residential, commercial and industrial customers in Cincinnati, Ohio area
4/9/2024	Global Partners LP	Four Gulf Oil liquid product terminals	Liquid product terminals in Chelsea, MA; New Haven, CT; Linden, NJ; and Woodbury, NJ; with a combined shell capacity of ~3.0 million barrels
4/4/2024	Atlantis Management Group	M. Spiegel & Sons Oil Corp.	Portfolio of three company-operated c-stores and over 70 wholesale motor fuel accounts in metro-New York and northern New Jersey
3/27/2024	Energy Distribution Partners	P. Gagnon & Son	Full-service heating fuel distributor and service/installation provider to residential and commercial customers in Maine and New Hampshire
3/19/2024	H&S Energy	Andretti Petroleum	Convenience store and cardlock operator and wholesale fuel distributor in northern California, Oregon and Washington
3/15/2024	Star Group, LP	W.F. McCoy Petroleum Products	New York-based heating oil distributor serving the southern fork of Long Island; sister company to Blue Light Energy
3/4/2024	Star Group, LP	Blue Light Energy	Long Island-based propane distributor
2/15/2024	Dead River Company	Bourne's Energy	Vermont-based full-service propane, heating fuels and pellets delivery business

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

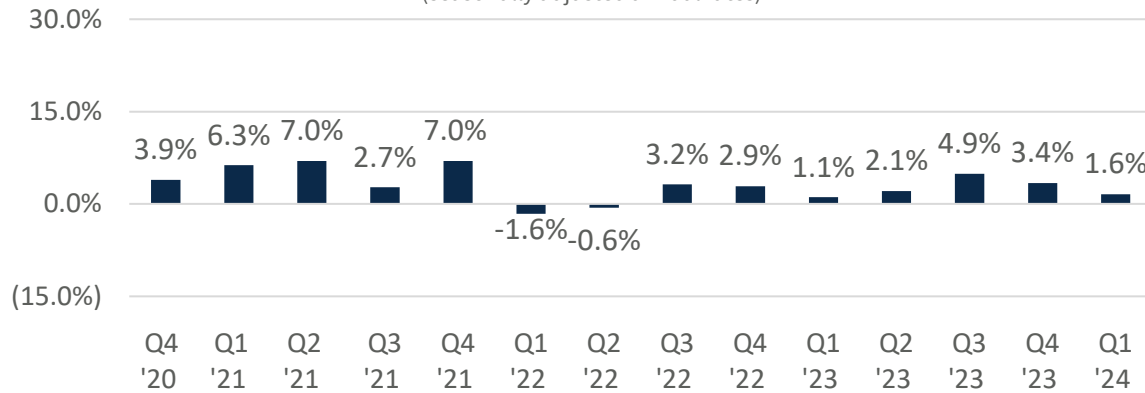
Recent, notable M&A transactions (cont'd)

Announced Date	Acquiror	Target	Target Description
1/30/2024	Ferrellgas Partners, LP	Eastern Sierra Propane	Propane retailer in the Eastern Sierra Nevada mountain range, serving both residential and commercial customers
1/22/2024	Sunoco	NuStar Energy L.P.	Independent liquids terminal and pipeline operator with ~9,500 miles of pipeline and 63 terminal and storage facilities that store and distribute crude oil, refined products, renewable fuels, ammonia and specialty liquids
1/11/2024	Parker Oil Company	Bobby Taylor Oil Company	North Carolina-based diversified fuel and propane distributor
1/8/2024	Thompson Gas	Harris Propane	New Jersey-based propane distributor and related services provider to customers in New Jersey, Delaware and Maryland
12/28/2023	Sharp Energy	J.T. Lee and Son's	North Carolina-based propane distributor of ~800,000 gallons to ~3,000 customers
12/18/2023	Par Mar Oil Co.	Select Assets of Santmyer Companies, Inc.	Convenience retail and branded dealer wholesale segments in Ohio
12/7/2023	Jackson Energy (PacWest Energy, LLC)	Sun Pacific Energy	Distributor of branded and unbranded motor fuels in the Pacific Northwest, with nine company-operated convenience stores, over 130 branded dealer accounts and a transportation fleet
12/4/2023	Dead River Company	Roby's Propane Gas	Propane and heating oil distributor and related-service provider to the South Coast and Cape Cod regions of Massachusetts

Macroeconomic indicators

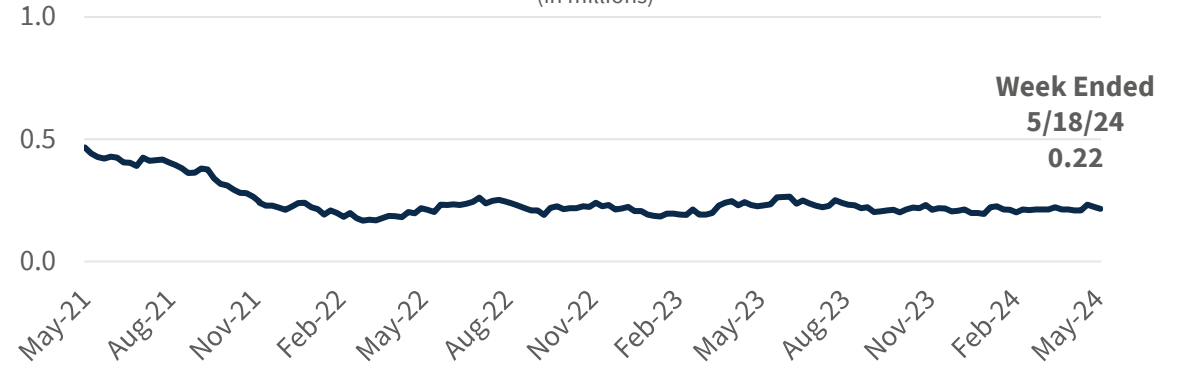
Real GDP Growth

(seasonally adjusted annual rates)



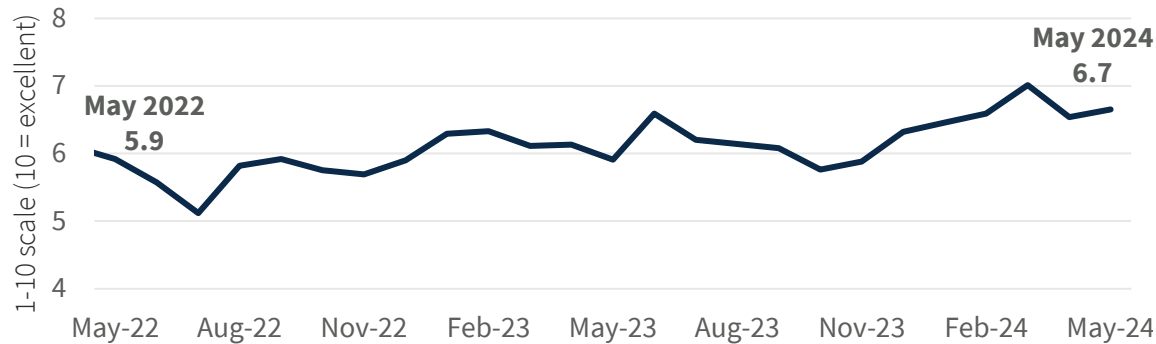
Initial Jobless Claims

(in millions)

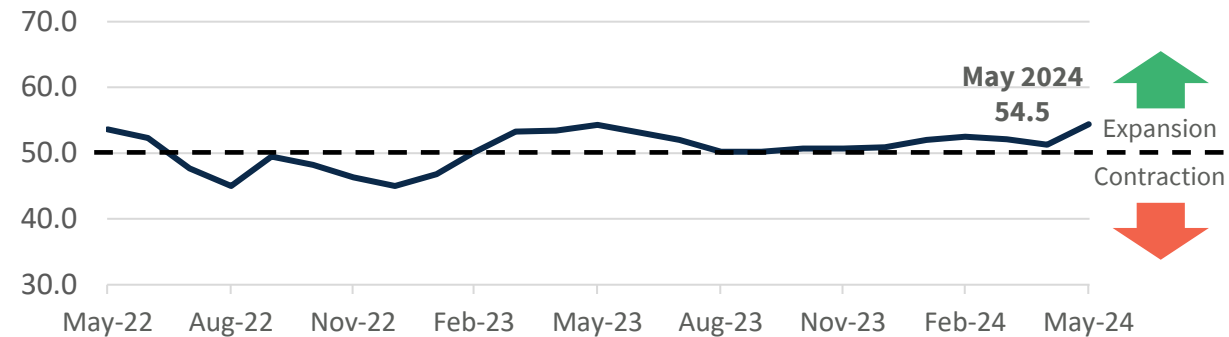


CEO Confidence Index

(CEO forecast of business conditions 12 months from now)



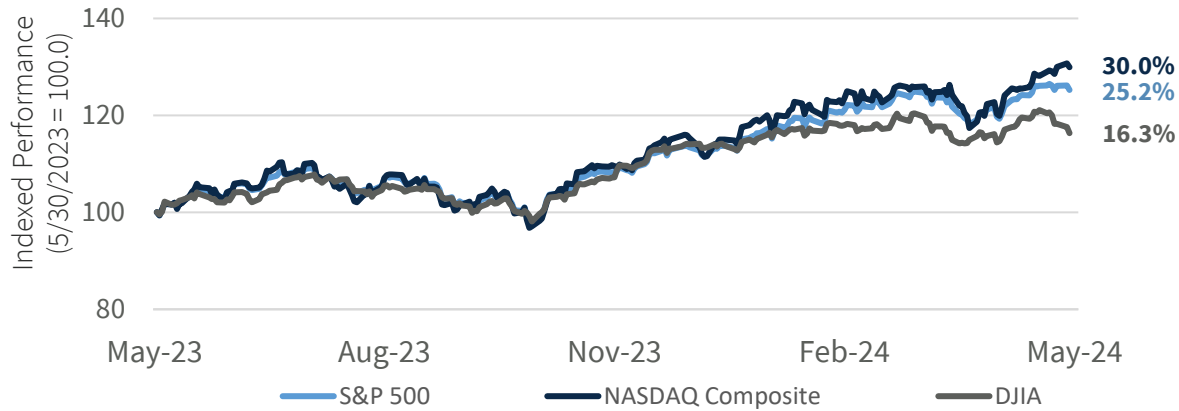
Composite Purchasing Managers' Index



Source: Bureau of Economic Analysis, St. Louis Federal Reserve, Bureau of Labor Statistics, Institute for Supply Management, Chief Executive Group and Capital IQ.

Macroeconomic indicators (cont'd)

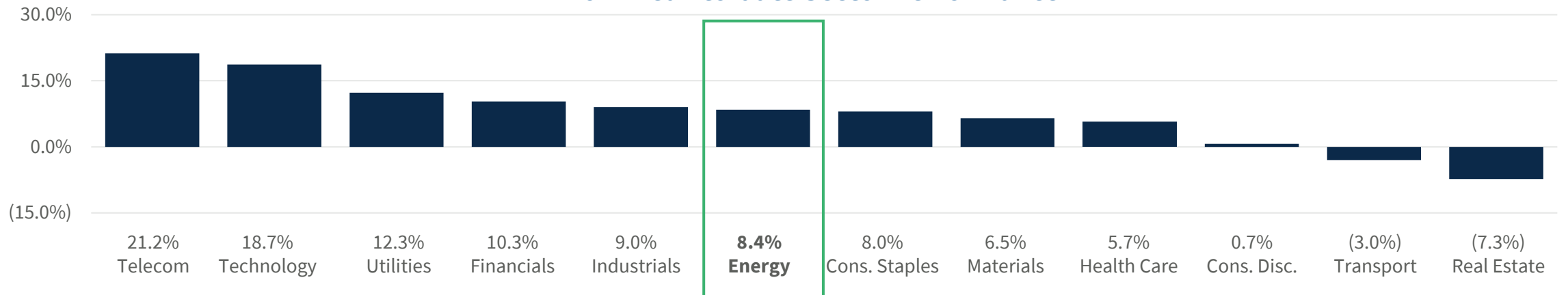
Equity Markets



Volatility



2024 Year-to-date Sector Performance



Sources: FRED St Louis, Capital IQ, Bloomberg.
2024 YTD Sector Performance data as of 5/24/2023.

Macroeconomic indicators (cont'd)

West Texas Intermediate

(\$ per barrel)



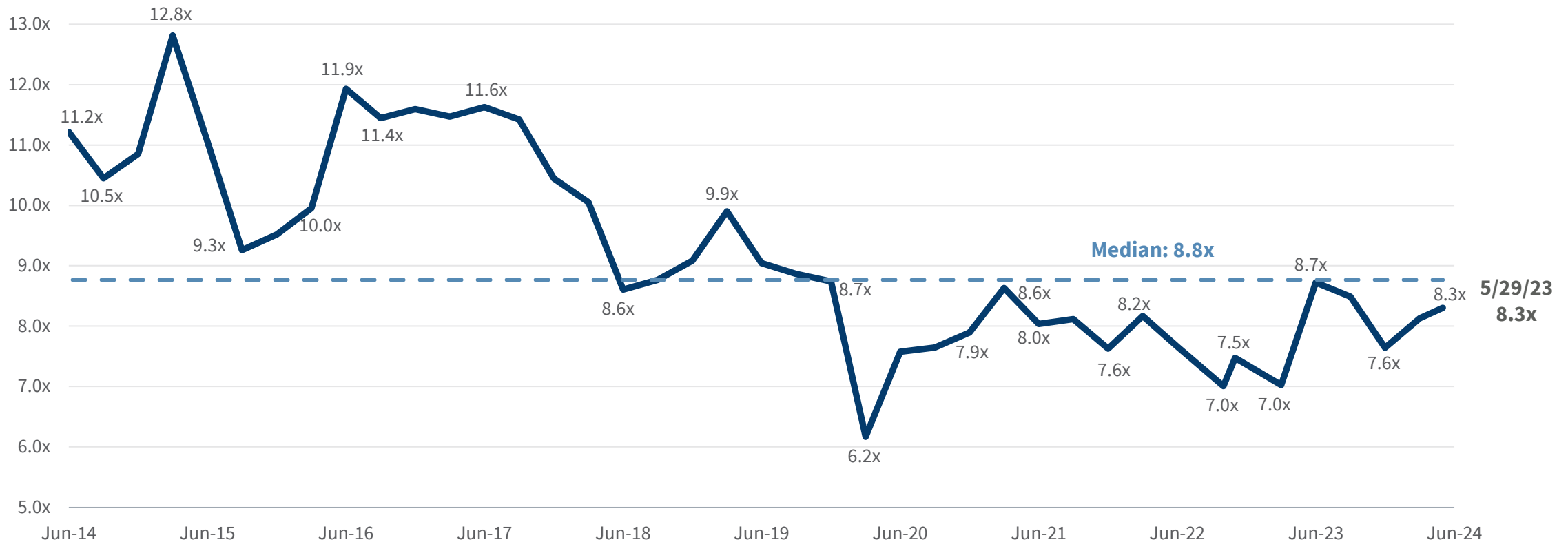
Inflation vs. 10-year Treasury



Source: Bureau of Economic Analysis, St. Louis Federal Reserve, Bureau of Labor Statistics, Institute for Supply Management and Capital IQ.

Public company share price performance

10-year Fuel Distributor Historical Trading Multiples (EV/EBITDA)⁽¹⁾

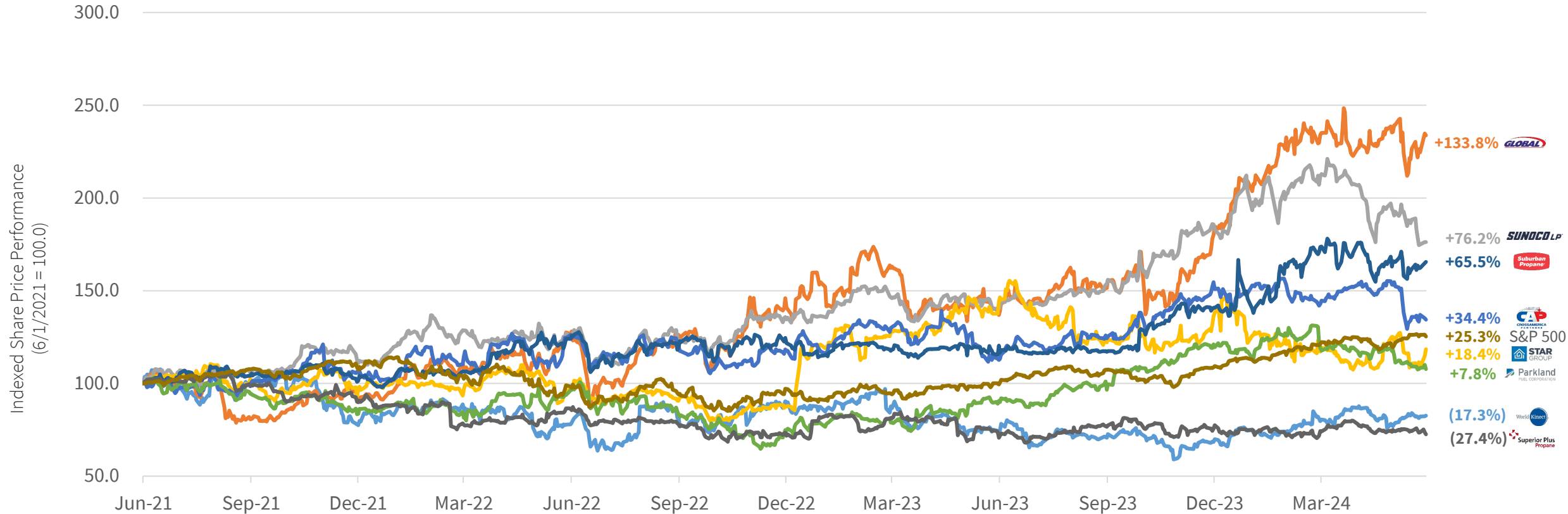


Source: Capital IQ.

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

Public company share price performance (cont'd)

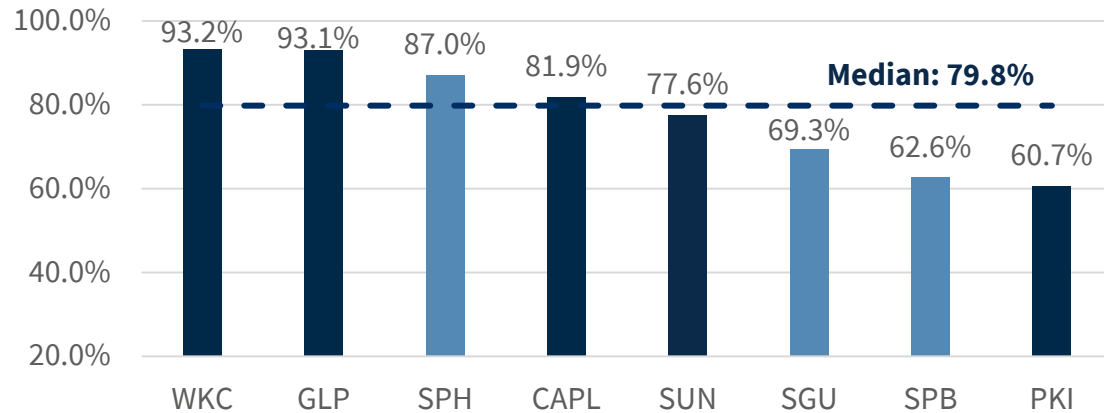
Fuel Distributor Trailing Three-year Stock Price Performance⁽¹⁾



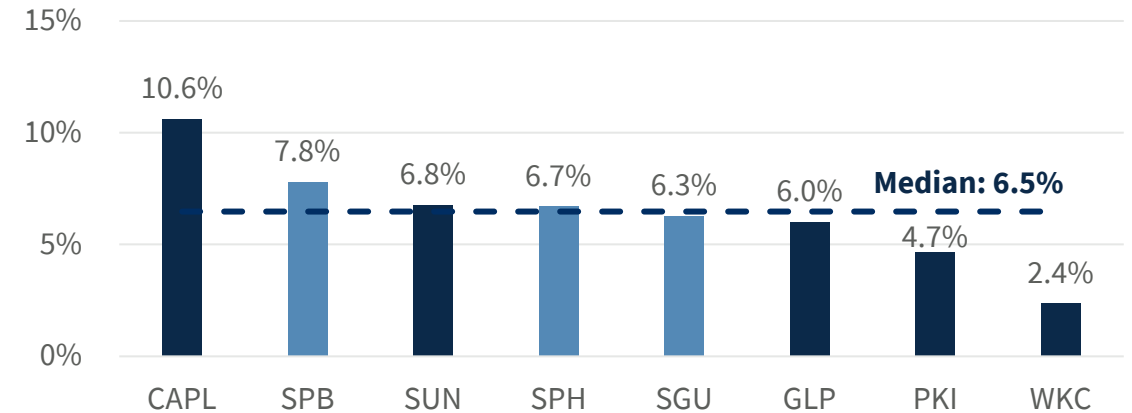
Source: Capital IQ.
 (1) Dividend adjusted share price performance.

Public company trading statistics

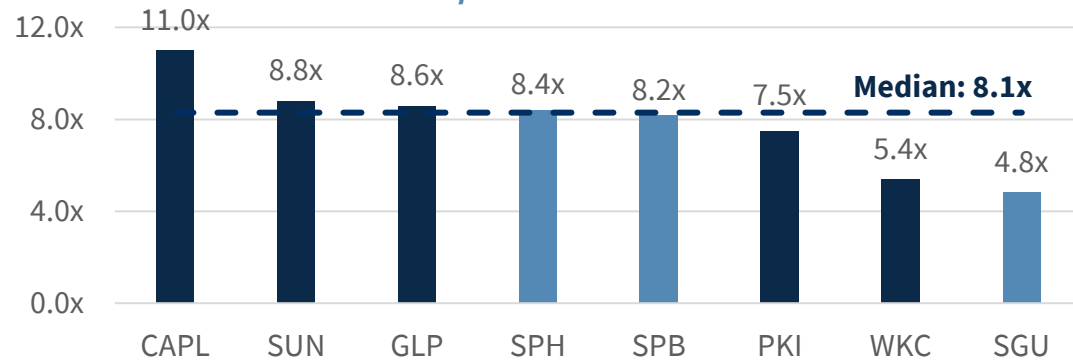
Current Price as a % of LTM High



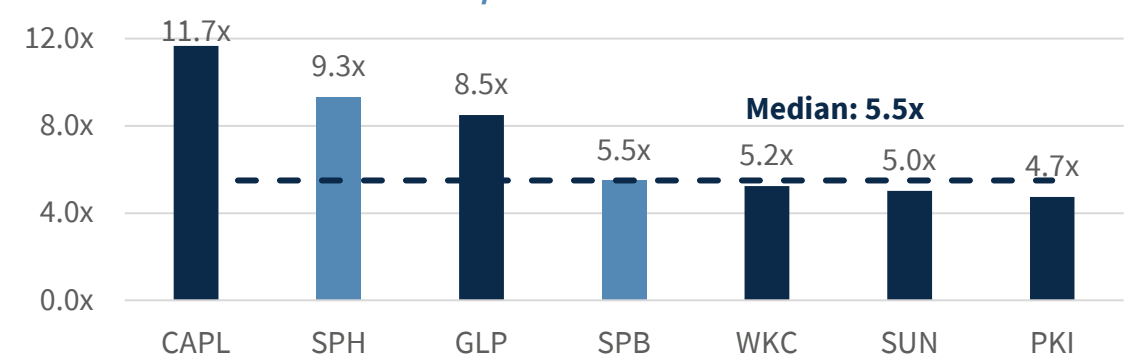
LTM Dividend / Distribution Yield



EV / LTM EBITDA



EV / NTM EBITDA



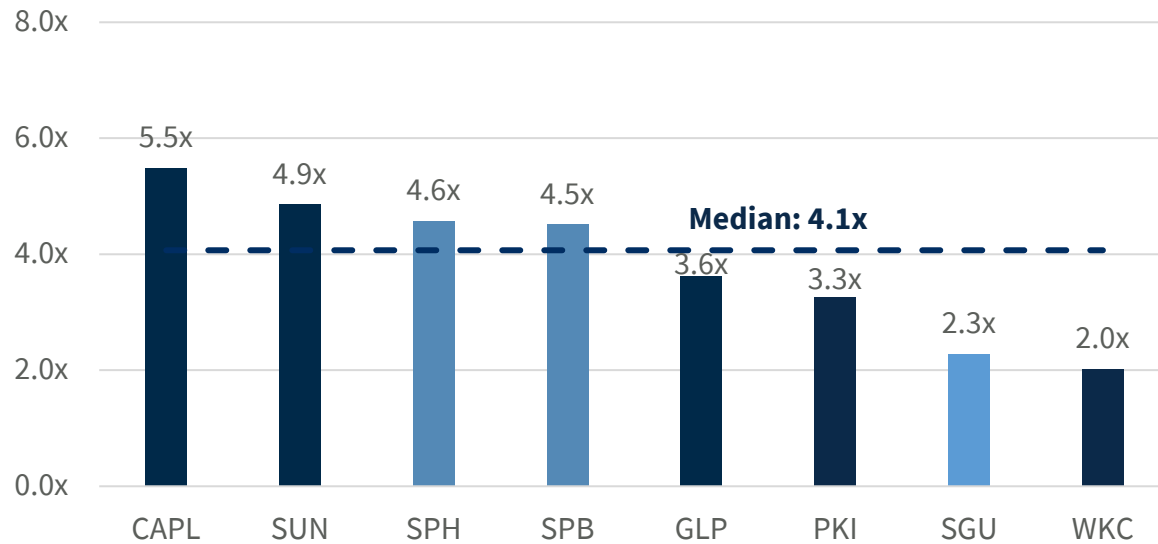
■ Motor Fuel Distributor
 ■ Propane / Heating Oil Distributor

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

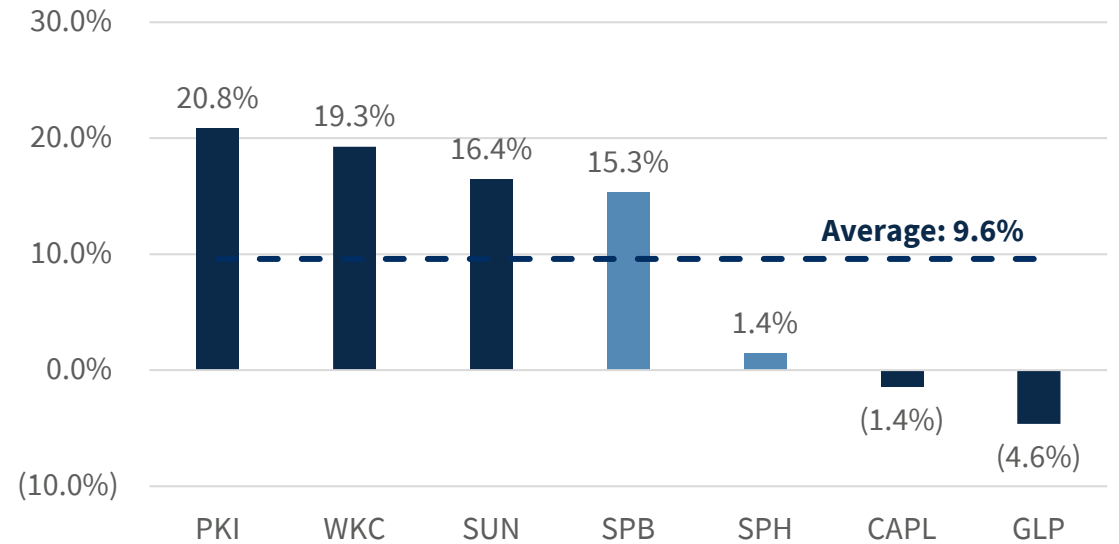
Note: Share prices current as of 5/28/2024. SUN = Sunoco LP, CAPL = CrossAmerica Partners LP, GLP = Global Partners LP, PKI = Parkland Fuel Corp., WKC = World Kinect Corp., SPH = Suburban Propane Partners, Star Group LP = SGU and SPB = Superior Plus Corp.

Public company trading statistics (cont'd)

Net Debt / LTM EBITDA



2024E Year-over-year EBITDA Growth



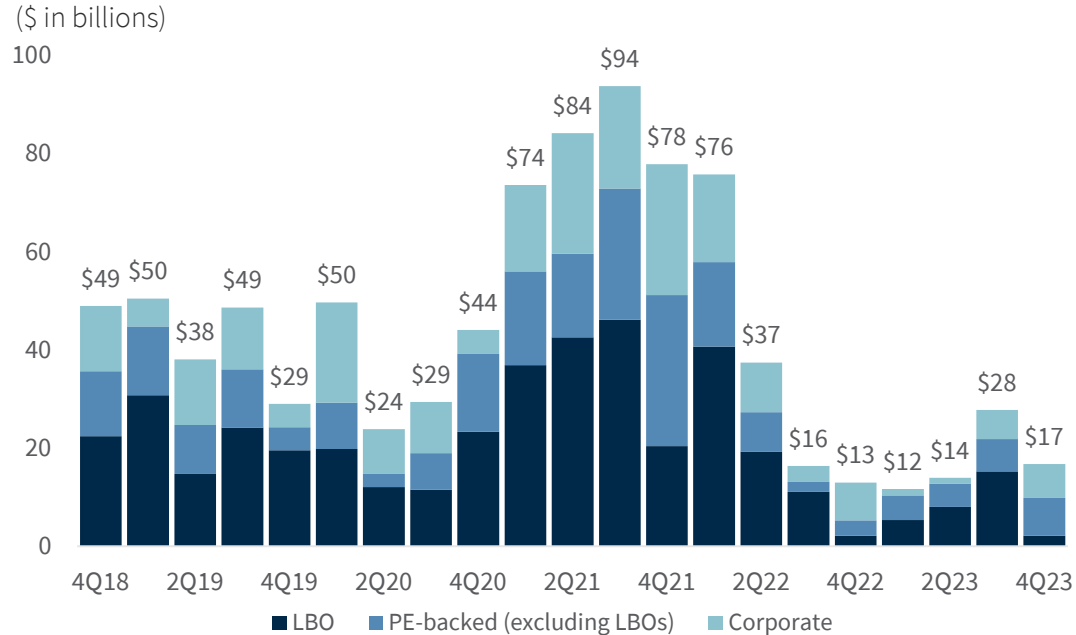
■ Motor Fuel Distributor
 ■ Propane / Heating Oil Distributor

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

Note: SUN = Sunoco LP, CAPL = CrossAmerica Partners LP, GLP = Global Partners LP, PKI = Parkland Fuel Corp., WKC = World Kinect Corp., SPH = Suburban Propane Partners, Star Group LP = SGU and SPB = Superior Plus Corp.

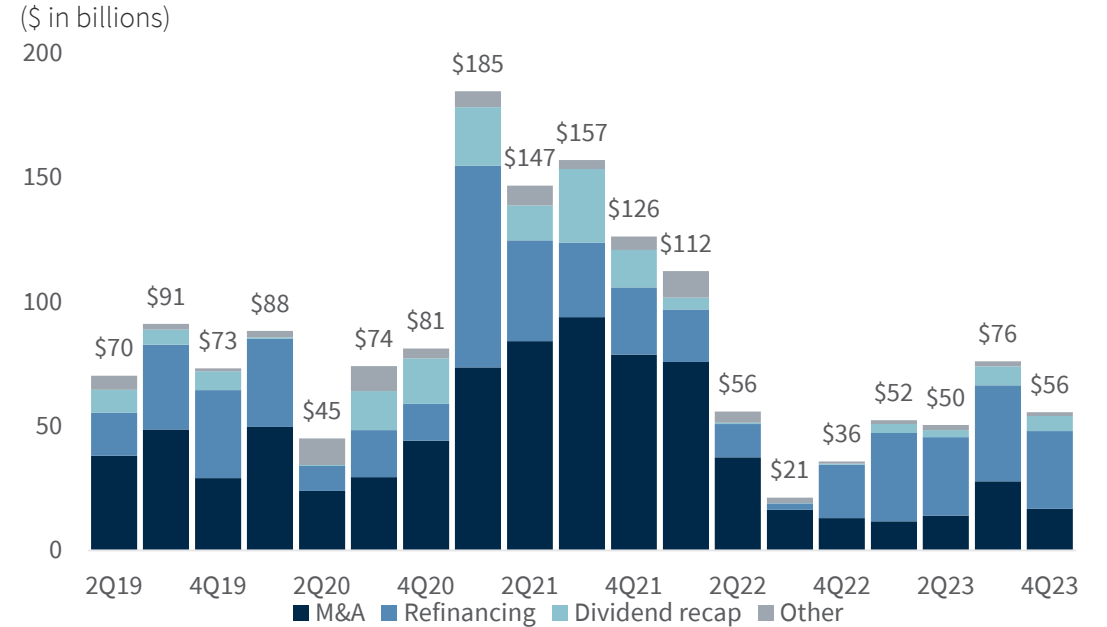
Debt market outlook

U.S. Institutional Loan Volume Backing M&A



- Total LBO/M&A loan volume fell to \$17bn in 4Q23, following a five-quarter high of \$28bn in Q323
- LBO loans totaled \$2bn, settling at the lowest level since the same period in 2022
 - LBO loans represented just 13% of the volume, down from 55% in 3Q23
- Acquisitions by private equity-backed companies totaled \$8bn, the most since Q222
- Corporate M&A was also up, at a four-quarter high of \$6.9bn

U.S. Institutional Volume By Proceeds

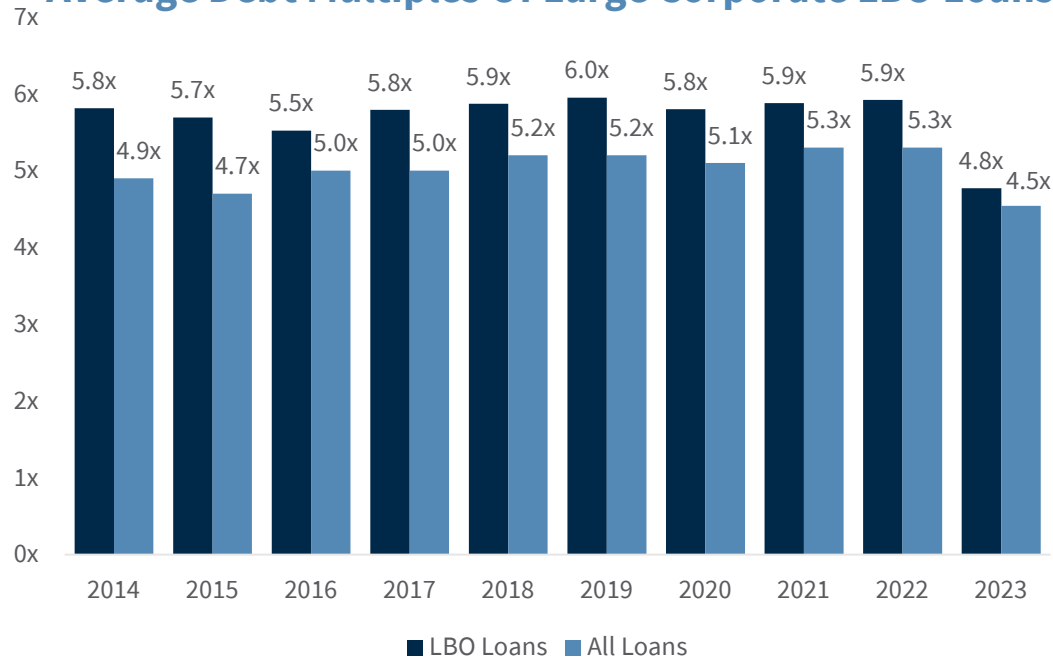


- 4Q23 issuance totaled \$56bn, ahead of the first two quarters of 2023, but below 3Q23's \$76bn which was bolstered by a surge of M&A deals in a frothy post-Labor Day window
- Refinancings grabbed record share and led the market five quarters in a row with 56% and 59% of the volume in 4Q23 and 2023, respectively
- Dividend recaps also emerged with 11% and 9% share in 4Q23 and 2023, respectively
- M&A loans remained constrained with 30% share in 4Q23 and 2023, as high rates deterred acquisition activity, leaving refinancings to take a majority of the volume

Source: Leveraged Commentary and Data. Data through 12/31/2023.

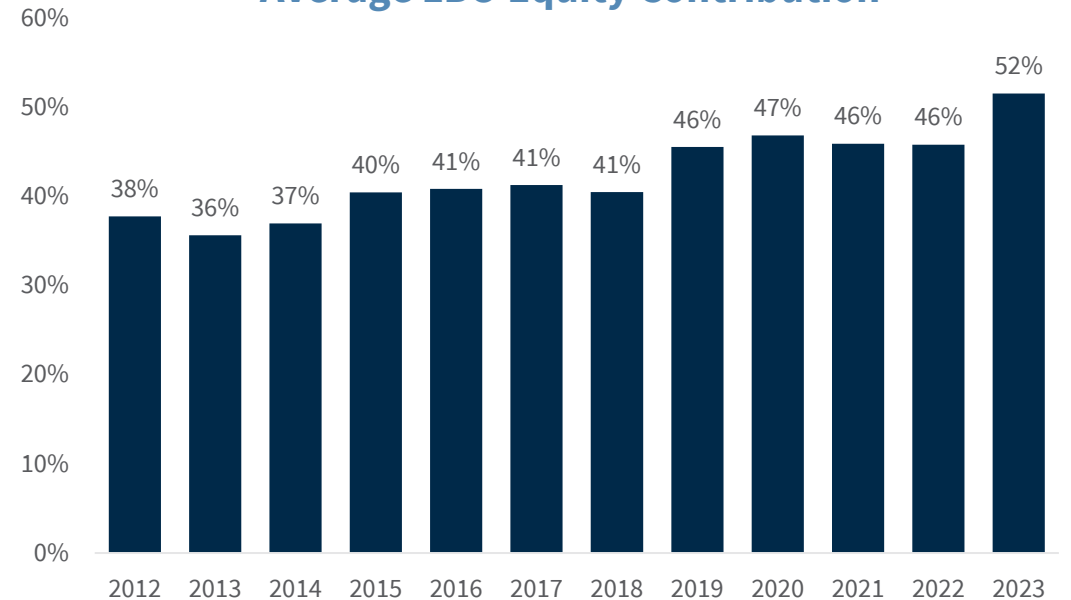
Debt market outlook (cont'd)

Average Debt Multiples Of Large Corporate LBO Loans



- Average debt multiples of large corporate LBOs have remained relatively constant over the last few years at around ~5.8x; however, 2023 saw a substantial dip to 4.8x, reaching the lowest value since 2010
- Looking at the overall market, average debt multiples declined to 4.5x in 2023, the lowest level since 2011's 4.4x

Average LBO Equity Contribution

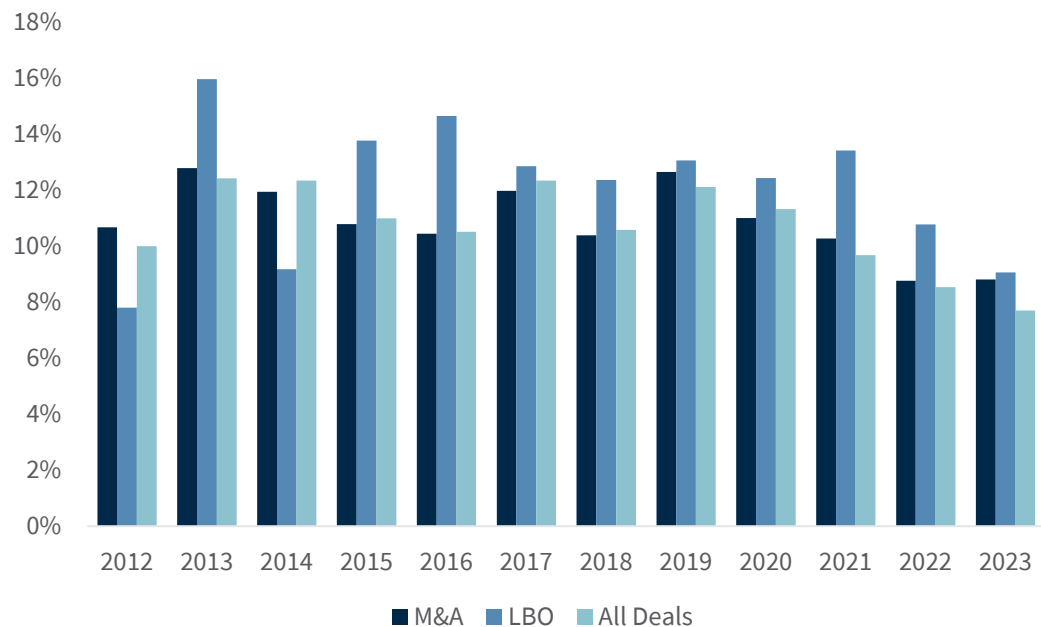


- Equity contributions remained flat over the past few years at around 46%, but saw a notable uptick, reaching 52% in 2023, the highest level on record, as debt capacity has declined materially for borrowers amid a spike in interest rates and economic uncertainty

Source: Leveraged Commentary and Data. Data through 12/31/2023.

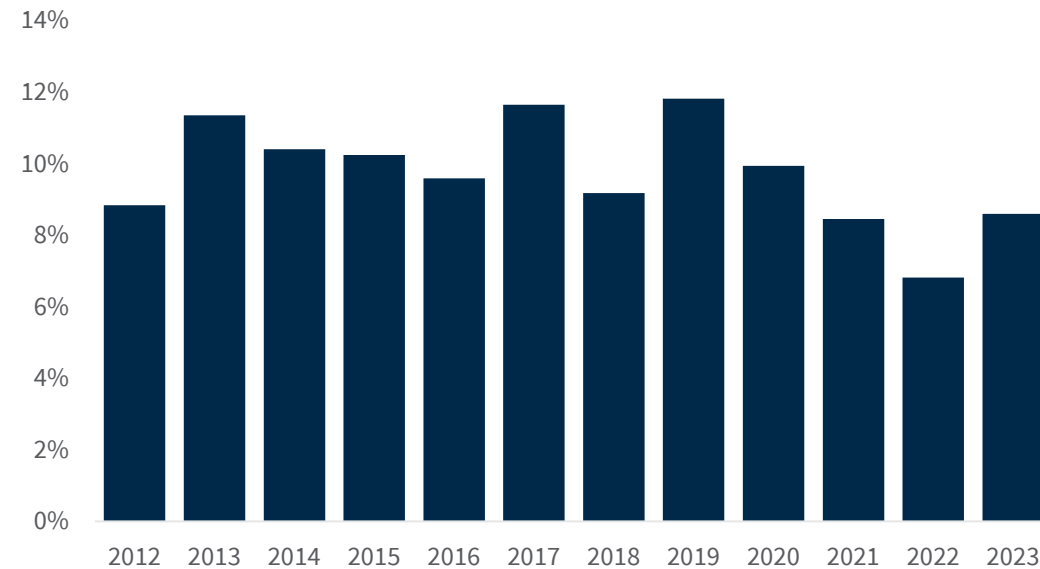
Debt market outlook (cont'd)

Adjustments as a Percentage of EBITDA



- Adjustments as a percentage of EBITDA have steadily declined on an aggregate basis over the past few years as underwriting standards have become more stringent
- In 2023, adjustments as a percentage of EBITDA continued its downward trend, with LTM 4Q23 figures reaching 7.7%, the lowest level since 2009’s 6.9%

Average Synergies/EBITDA Ratio for Acquisition-Related Transactions

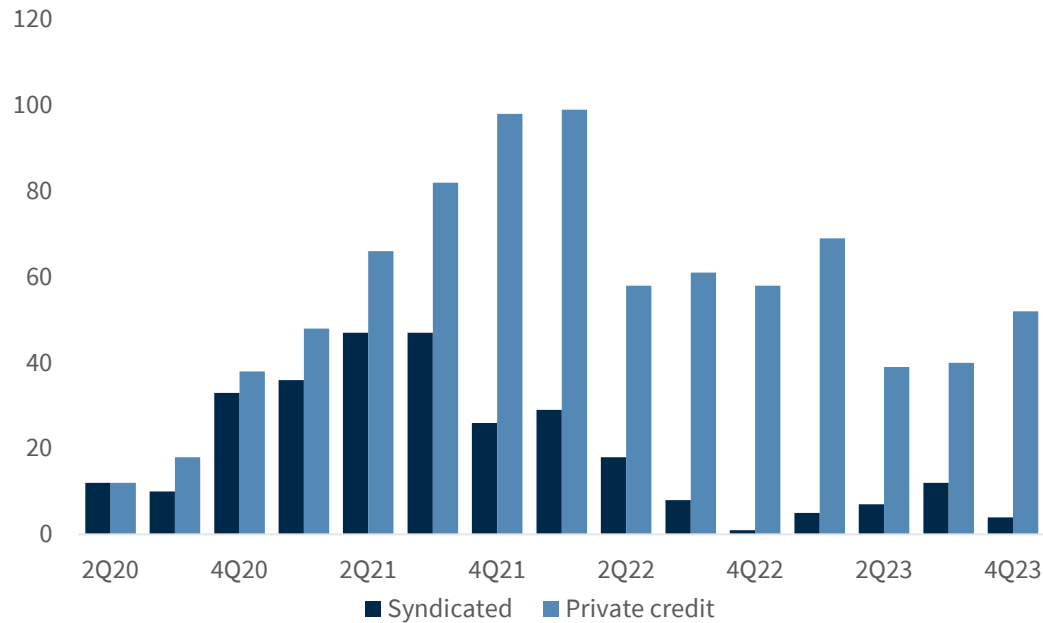


- The average synergies/EBITDA ratio has trended downwards in recent years as underwriters establish more stringent requirements for synergies and other EBITDA adjustments
- 2023 was the first year since 2019 to see an increase in the synergies/EBITDA ratio, with the LTM 4Q23 average increasing to 8.6% from 6.8% in 2022

Source: Leveraged Commentary and Data. Data through 12/31/2023.

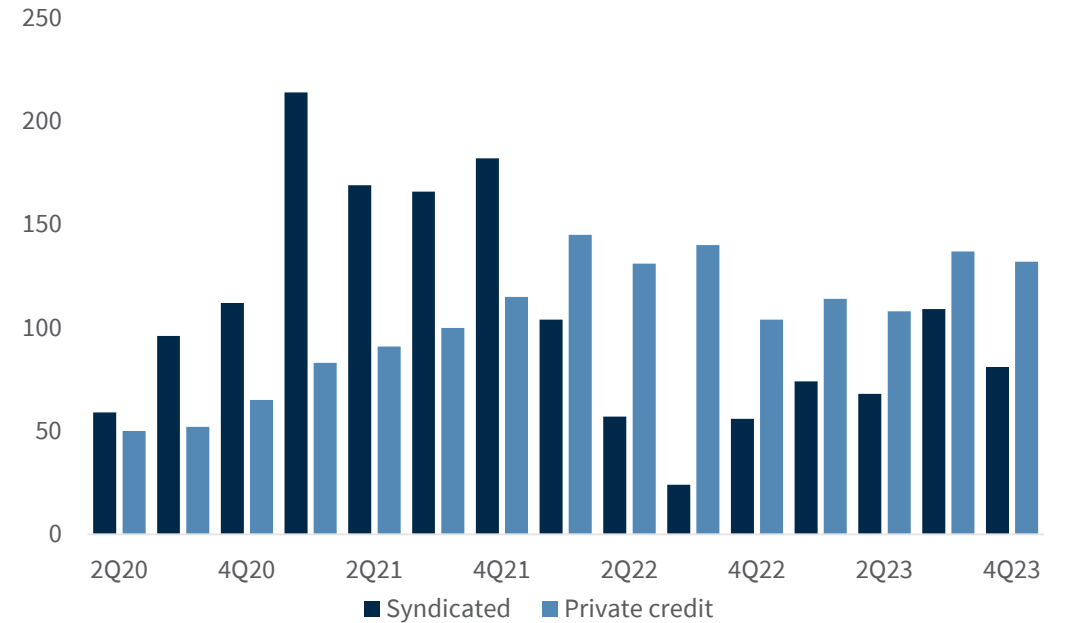
Debt market outlook (cont'd)

Count of LBOs Financed in Broadly Syndicated Loans vs. Private Credit Markets



- The private credit market continued to dominate over the broadly syndicated market in the number of LBO financings
- Since 4Q21, private credit has accounted for the overwhelming majority of buyout financings by count. This trend continued in 4Q23 with 52 private credit LBOs vs. just 4 in the BSL market

Count of non-LBOs Financed in Broadly Syndicated Loans vs. Private Credit Markets




- Private credit has been outpacing syndicated loans for non-LBOs since 1Q22, and the trend continued through 4Q23 as borrowers prioritized ease of execution
- Syndicated loans, however, saw a decline to 81 transactions in 4Q23, down from 109 in 3Q23, and still trail the 4Q21 recent high of 182

Source: Leveraged Commentary and Data. Data through 12/31/2023.


Quarterly earnings recap

CrossAmerica Partners (NYSE: CAPL)

	Quarter ended		Change
	3/31/2024	3/31/2023	
Earnings per unit	(\$0.48)	(\$0.04)	n.m.
Wholesale volume	184.0	201.9	(8.8%)
Wholesale fuel margin (CPG)	7.9¢	8.3¢	(4.1%)
Retail volume	121.7	119.1	2.2%
Retail fuel margin (CPG)⁽¹⁾	30.8¢	31.8¢	(3.1%)
Adjusted EBITDA	\$23.6	\$31.7	(25.7%)
One-day stock price reaction			(4.6%)

“For volume on a same-store basis, our retail volume declined 3% for the quarter year-over-year. On a relative basis to national demand data, our same-store retail volume outperformed. However, on an absolute basis, it is a disappointing result and reflects the overall soft demand that we and the industry have experienced to start the year.”

Sunoco LP (NYSE: SUN)

	Quarter ended		Change
	3/31/2024	3/31/2023	
Earnings per unit	\$2.26	\$1.41	60.3%
Total fuel volume	2,105	1,930	9.1%
Fuel margin (CPG)	11.7¢	12.9¢	(9.3%)
Adjusted EBITDA	\$242.0	\$221.0	9.5%
One-day stock price reaction			2.6%

“In terms of total U.S. gasoline and diesel demand, our growth continues to exceed industry averages, showcasing that our investments are yielding tangible results, while always keeping our gross profit optimization strategy front and center. Second, margins continue to be strong. From a market standpoint, we faced some fairly consistent upward movement in gasoline prices throughout the quarter, which provided the typical margin compression that happens during similar market conditions. Overall, higher breakeven margins and overall volatility continue to provide support to margins and we expect that to continue for the foreseeable future.”

Global Partners LP (NYSE: GLP)

	Quarter ended		Change
	3/31/2024	3/31/2023	
Earnings per unit	(\$0.37)	\$0.70	(153.2%)
GDSO product margin⁽²⁾	51.5¢	48.4¢	6.5%
Wholesale product margin	4.5¢	5.7¢	(21.5%)
Commercial product margin	5.8¢	8.2¢	(29.2%)
Adjusted EBITDA	\$56.0	\$76.0	(26.3%)
One-day stock price reaction			(6.5%)

“Our GDSO segment performed well in the first quarter, posting healthy margins that partly offset less favorable market conditions in our Wholesale and Commercial segments. Specific to our Wholesale segment, certain products were negatively impacted by the timing of mark-to-market valuations, which have largely recovered in the month of April. In the first quarter, we successfully completed the integration of liquid energy terminals acquired in December from Motiva, and those assets performed in line with our expectations for the quarter.”

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


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

(1) Reflects retail fuel margins, pre-credit card fees.

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


Quarterly earnings recap (cont'd)

World Kinect Corp. (NYSE: WKC)

World Kinect 	Quarter ended		Change
	3/31/2024	3/31/2023	
Earnings per unit	\$0.45	\$0.36	25.0%
Total fuel volume	4,414	4,472	(1.3%)
Aviation segment margin (CPG)	6.5¢	5.7¢	13.6%
Land segment margin (CPG)	4.2¢	4.6¢	(8.7%)
Marine segment margin (CPG)	6.1¢	7.0¢	(13.6%)
Adjusted EBITDA	\$85.9	\$86.9	(1.2%)
One-day stock price reaction			(6.8%)


“While our land business experienced weather-related challenges during the first quarter, we are very encouraged by the continued progress we are making in our core North American liquid fuels business, centered around higher return, ratable cardlock and retail activity. And our aviation and marine businesses performed well, with aviation gross profit up year-over-year and marine maintaining strong unit margins.”

Suburban Propane Partners (NYSE: SPH)

Suburban Propane 	Quarter ended		Change
	3/31/2024	3/31/2023	
Earnings per unit	\$1.72	\$1.62	6.2%
Total retail gallons	147.2	151.9	(3.1%)
Fuel margin (CPG)	209.2¢	194.1¢	7.7%
Adjusted EBITDA⁽¹⁾	\$147.0	\$149.0	(1.3%)
One-day stock price reaction			(2.6%)

“For the FY2024 2nd quarter, avg. temperatures were 8% warmer than normal. Volumes for the 2nd quarter of FY2024 were just 2.7% below the prior year. Subsequent to the end of the second quarter, we closed on two small propane acquisitions in strategic markets in Florida and Nevada, investing a total of approximately \$13mm. While warm weather weighed on customer demand in the FY2024 heating season, our operational personnel delivered solid results, and we remain steadfast in our commitment to our long-term strategic growth objectives of fostering the growth of our core propane business while making strategic investments in lower carbon renewable energy alternatives.”

Parkland Corp. (TSX: PKI)⁽²⁾

	Quarter ended		Change
	3/31/2024	3/31/2023	
Earnings per unit	(\$0.03)	\$0.43	(107.0%)
Total fuel volume⁽³⁾	1,537	1,770	(13.2%)
Fuel margin (CPG)	40.3¢	35.4¢	14.1%
Adjusted EBITDA	\$327.0	\$395.0	(17.2%)
One-day stock price reaction			(2.4%)

“Our USA segment delivered adjusted EBITDA of \$33 million in the quarter. This is up 57% from the prior year quarter. This is behind where we want to be due to both external and internal factors. Across the US market, we continue to see declines in retail and commercial fuel volumes, which we believe are driven by higher fuel prices, weather, changes in consumer behavior and some indications of economic slowdown. Unit margins were under pressure due to rising fuel prices as is normal in the US fuel market. We continue to focus on executing our improvement plans across the US business. While we expect weakness in the market to be temporary, economic headwinds could present some risk to our 2024 adj. EBITDA guidance for the US segment.”

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

Notes: \$ and gallons in millions, except 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.


(3) Volume includes volume sold across PKI's Canada, International, and USA segments and excludes its Refining segment. Volume shown in table converted from liters to gallons

Quarterly earnings recap (cont'd)


Star Group (NYSE: SGU)

Superior Plus (TSX: SPB)

Q1 Takeaways

 STAR GROUP	Quarter Ended		Change
	3/31/2024	3/31/2023	
EPS	\$1.56	\$1.42	10.4%
Total product volume⁽¹⁾	147.3	154.3	(4.5%)
Product margin (CPG)⁽²⁾	139.8¢	131.5¢	6.3%
Adjusted EBITDA	\$96.3	\$102.2	(5.7%)
One-day stock price reaction			(2.0%)

“Temperatures in the second quarter were 15.2% warmer than normal throughout Star’s footprint. While slightly colder than the same period last year, it was unfortunately not enough to drive higher delivery volumes. However, we were able to move the impact on adj. EBITDA, even with a lower weather hedge benefit and some ongoing inflationary pressures, by improving per gallon margins and employing solid expense control. We also kept net customer attrition at modest levels during the quarter and closed on 2 strategic acquisitions in February on Long Island. Our team has remained very busy evaluating various heating oil and propane opportunities that align with our goal of strengthening and broadening our portfolio of brands.”

 Superior Plus	Quarter Ended		Change
	3/31/2024	3/31/2023	
EPS	\$0.30	\$0.47	(36.2%)
Retail propane volume	232.0	263.0	(11.8%)
Retail propane margin (CPG)	137.8¢	133.0¢	3.6%
Adjusted EBITDA	\$235.6	\$204.3	15.3%
One-day stock price reaction			(1.0%)

“Certarus is also propelling Superior Plus into a new age. It’s the leading on-road energy provider for renewable natural gas with over 10% of our fleet now dedicated to RNG distribution. And that’s just the beginning. Perhaps our biggest source of optimism and enthusiasm is within our traditional propane business unit. We see significant opportunities as we shift away from our M&A routes and set our sights towards operations excellence, challenging our teams with aggressive growth and productivity targets. Over the course of 2024, we will be building new capabilities that enable us to acquire customers organically, lower customer churn and reduce the cost of delivery, all with lower capital investments than we’ve seen in prior years..”

- Warmer-than-normal winter placed pressure on propane and heating distillate demand
- Retail heating fuel margins experienced mid-to-high single-digit growth year-over-year while wholesale margins fell broadly elsewhere
- Softer demand for motor fuels caused by inflationary pressures, weather and changing consumer preferences
- Steady, elongated growth in wholesale motor fuel prices throughout quarter led to natural compression in margin for transportation fuel distributors
- Public companies remain somewhat acquisitive in both current and tangential industries; opportunistic divestitures of non-core business segments underway
- Volatility and higher operating breakeven points should support margins going forward

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

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

(1) Total of home heating oil and propane, and motor fuel and other petroleum products

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

“Inflation pressures lingering from pandemic are keeping Fed rate cuts on pause” | Christopher Rugaber, The Associated Press

[May 29, 2024](#) – Hopes for interest rate cuts this year by the Federal Reserve are steadily fading, with a stream of recent remarks by Fed officials underscoring their intention to keep borrowing costs high as long as needed to curb persistently elevated inflation.

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“IEA expects global oil-demand growth to slow further in 2025” | Guilia Petroni, WSJ

[April 12, 2024](#) – “Now that China’s 2023 post-Covid release of pent-up demand has effectively run its course, global baselines are recalibrating, with growth reverting to levels implied by macroeconomic factors and market fundamentals rather than by lockdown policy decisions,” the agency said Friday. Oil-demand growth is forecast at 1.1 million barrels a day next year, with total demand seen at an average of 104.3 million barrels a day.

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“Higher interest rates could cost US companies \$380B in 'slowly unfolding crisis'” | Megan Henney, Fox Business

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[May 30, 2024](#) – Oil-patch consolidation has been a big game of musical chairs: No one wants to be left standing. Exxon Mobil and Chevron, the largest U.S. hydrocarbon producers, picked their targets last year. On Wednesday, the third-largest producer by market value—ConocoPhillips—had its latest turn, agreeing to buy Marathon Oil in a deal that values its stock and debt at \$22.5 billion.

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“Americans to road trip in near-record levels as gas prices ease into summer” | GasBuddy

[May 21, 2024](#) – GasBuddy released its 2024 Summer Travel Survey results and forecast for Memorial Day travel, revealing a near-record number of Americans planning to road trip this summer as gas prices continue to decline ahead of the holiday weekend.

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“Metallica’s European Tour showcases renewable-energy big rigs—and their limits” | Paul Berger, WSJ

[May 23, 2024](#) – Metallica, the band that blazed a trail for thrash metal with rugged guitar riffs and relentless drumbeats, is trying to do something similar for trucks powered by sustainable fuels. The heavy-metal band is using natural gas and vegetable oil to power its 7,200-mile journey, but filling trucks up on sustainable fuels still has a long way to go.

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Alternative Fuel Providers	Car Wash Operators

Representative transactions⁽²⁾

 Has sold convenience store assets to An Undisclosed Buyer	 Has sold distribution assets to An Undisclosed Buyer
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 Has sold select convenience store assets to  Wills Group	 Has sold its convenience store assets to  An Undisclosed Buyer

(1) All data as of 5/30/2024.

(2) Select transactions which closed between January 2021 and May 2024.