



CROSSAMERICA
PARTNERS LP

**Fourth Quarter
and Full Year 2023
Earnings Call**
February 2024



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Forward Looking Statement

Statements contained in this presentation that state the Partnership's or management's expectations or predictions of the future are forward-looking statements. The words "believe," "expect," "should," "intends," "anticipates," "estimates," "target" and other similar expressions identify forward-looking statements. It is important to note that actual results could differ materially from those projected in such forward-looking statements. For more information concerning factors that could cause actual results to differ from those expressed or forecasted, see CrossAmerica's annual reports on Form 10-K, quarterly reports on Form 10-Q and other reports filed with the Securities and Exchange Commission and available on the Partnership's website at www.crossamericapartners.com. If any of these factors materialize, or if our underlying assumptions prove to be incorrect, actual results may vary significantly from what we projected. Any forward-looking statement you see or hear during this presentation reflects our current views as of the date of this presentation with respect to future events. We assume no obligation to publicly update or revise these forward-looking statements for any reason, whether as a result of new information, future events, or otherwise.



CrossAmerica Business Overview

Charles Nifong, CEO & President



Fourth Quarter Operations

OPERATING RESULTS (in thousands, except for margin per gallon and merchandise gross margin percentage)	Three Months ended Dec. 31,		% Change
	2023	2022	
Wholesale Segment:			
Gross Profit	\$33,039	\$32,826	1%
Motor Fuel Gross Profit	\$19,252	\$18,659	3%
Wholesale Margin Per Gallon	\$0.094	\$0.087	8%
Volume of Gallons Distributed	205,296	213,501	(4%)
Retail Segment:			
Gross Profit	\$69,006	\$60,440	14%
Motor Fuel Gross Profit	\$40,007	\$35,925	11%
Merchandise Gross Profit*	\$22,065	\$18,639	18%
Retail Margin Per Gallon	\$0.415	\$0.383	8%
Volume of Gallons Sold	124,486	125,110	(1%)
Same Store Sales Excluding Cigarettes*	\$45,711	\$43,518	5%
Merchandise Gross Margin Percentage*	28.2%	27.5%	70 bps

*Includes only company operated retail sites



Full Year Operations

OPERATING RESULTS (in thousands, except for margin per gallon and merchandise gross margin percentage)	Full Year		% Change
	2023	2022	
Wholesale Segment:			
Gross Profit	\$128,801	\$130,739	(1%)
Motor Fuel Gross Profit	\$72,680	\$73,378	(1%)
Wholesale Fuel Margin Per Gallon	\$0.086	\$0.087	(1%)
Volume of Gallons Distributed	842,636	844,486	0%
Retail Segment:			
Gross Profit	\$253,467	\$245,032	3%
Motor Fuel Gross Profit	\$138,729	\$146,546	(5%)
Merchandise Gross Profit*	\$89,847	\$76,135	18%
Retail Fuel Margin Per Gallon	\$0.369	\$0.396	(7%)
Volume of Gallons Sold	506,535	496,634	2%
Same Store Sales Excluding Cigarettes*	\$188,359	\$174,856	8%
Merchandise Gross Margin Percentage*	28.4%	27.2%	120 bps

*Includes only company operated retail sites



Strategy Overview

- Provide excellent service and value to our customers, both retail and wholesale
- Improve the business through increasing our operational efficiency and realizing benefits of our scale
- Position the portfolio for the future
 - Divesting assets and recycling capital into growth opportunities within the portfolio
 - Expanding retail operations at controlled sites to benefit from industry market dynamics



CrossAmerica Financial Overview

Maura Topper, Chief Financial Officer



4Q and Full Year Results Summary

OPERATING RESULTS (in thousands, except for distributions per unit and coverage)	Three Months ended Dec. 31,			Full Year		
	2023	2022	% Change	2023	2022	% Change
Net Income	\$16,743	\$17,090	(2%)	\$42,592	\$63,696	(33%)
Adjusted EBITDA	\$47,627	\$44,276	8%	\$165,772	\$179,794	(8%)
Distributable Cash Flow	\$35,792	\$33,324	7%	\$116,709	\$140,852	(17%)
Weighted Avg. Diluted Units	38,155	38,086	0%	38,119	38,060	0%
Distribution Paid per LP Unit	\$0.5250	\$0.5250	0%	\$2.1000	\$2.1000	0%
Distributions Paid	\$19,935	\$19,913	0%	\$79,712	\$79,625	0%
Distribution Coverage (Paid Basis)	1.80x	1.67x	7%	1.46x	1.77x	(17%)

Note: See the reconciliation of Adjusted EBITDA and Distributable Cash Flow (or “DCF”) to net income and the definitions of EBITDA, Adjusted EBITDA and DCF in the appendix of this presentation.



Capital Strength

- **Capital Expenditures**

- Fourth quarter 2023 capital expenditures of \$12.9 million with \$10.6 million of growth capex
- Total 2023 capital expenditures of \$34.6 million with \$27.0 million of growth capex
- Growth capital projects during the year included an increase in image upgrades that were funded primarily through incentives from our fuel suppliers

- **Leverage**

- Paid down \$9 million on our credit facility in 2023
- Credit facility balance at 12/31/23: \$756 million
- Continue to manage debt levels and leverage ratio
- Leverage ratio was 4.2x at 12/31/23 compared to 3.7x at 12/31/22
- Effective interest rate at 12/31/23: 4.9%
 - Ongoing benefit of interest rate swaps in elevated rate environment

Continued Focus on Execution, Cash Flows, and Strong Balance Sheet



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Appendix

**Fourth Quarter and Full
Year 2023 Earnings Call**



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Non-GAAP Financial Measures

Non-GAAP Financial Measures

We use the non-GAAP financial measures EBITDA, Adjusted EBITDA, Distributable Cash Flow and Distribution Coverage Ratio. EBITDA represents net income before deducting interest expense, income taxes and depreciation, amortization and accretion (which includes certain impairment charges). Adjusted EBITDA represents EBITDA as further adjusted to exclude equity-based compensation expense, gains or losses on dispositions and lease terminations, net and certain discrete acquisition related costs, such as legal and other professional fees, separation benefit costs and certain other discrete non-cash items arising from purchase accounting. Distributable Cash Flow represents Adjusted EBITDA less cash interest expense, sustaining capital expenditures and current income tax expense. The Distribution Coverage Ratio is computed by dividing Distributable Cash Flow by distributions paid on common units.

EBITDA, Adjusted EBITDA, Distributable Cash Flow and Distribution Coverage Ratio are used as supplemental financial measures by management and by external users of our financial statements, such as investors and lenders. EBITDA and Adjusted EBITDA are used to assess our financial performance without regard to financing methods, capital structure or income taxes and the ability to incur and service debt and to fund capital expenditures. In addition, Adjusted EBITDA is used to assess the operating performance of our business on a consistent basis by excluding the impact of items which do not result directly from the wholesale distribution of motor fuel, the leasing of real property, or the day to day operations of our retail site activities. EBITDA, Adjusted EBITDA, Distributable Cash Flow and Distribution Coverage Ratio are also used to assess the ability to generate cash sufficient to make distributions to our unitholders.

We believe the presentation of EBITDA, Adjusted EBITDA, Distributable Cash Flow and Distribution Coverage Ratio provides useful information to investors in assessing the financial condition and results of operations. EBITDA, Adjusted EBITDA, Distributable Cash Flow and Distribution Coverage Ratio should not be considered alternatives to net income or any other measure of financial performance or liquidity presented in accordance with U.S. GAAP. EBITDA, Adjusted EBITDA, Distributable Cash Flow and Distribution Coverage Ratio have important limitations as analytical tools because they exclude some but not all items that affect net income. Additionally, because EBITDA, Adjusted EBITDA, Distributable Cash Flow and Distribution Coverage Ratio may be defined differently by other companies in our industry, our definitions may not be comparable to similarly titled measures of other companies, thereby diminishing their utility.



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Non-GAAP Reconciliation

The following table presents reconciliations of EBITDA, Adjusted EBITDA, and Distributable Cash Flow to net income, the most directly comparable U.S. GAAP financial measure, for each of the periods indicated (in thousands, except for per unit amounts):

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Net income	\$ 16,743	\$ 17,090	\$ 42,592	\$ 63,696
Interest expense	10,489	9,767	43,743	32,100
Income tax (benefit) expense	(78)	(1,129)	2,525	714
Depreciation, amortization and accretion	18,944	19,102	77,158	80,625
EBITDA	46,098	44,830	166,018	177,135
Equity-based employee and director compensation expense	947	686	3,031	2,294
Gain on dispositions and lease terminations, net	483	(1,763)	(4,737)	(1,143)
Acquisition-related costs ^(a)	99	523	1,460	1,508
Adjusted EBITDA	47,627	44,276	165,772	179,794
Cash interest expense	(10,008)	(9,032)	(40,456)	(29,312)
Sustaining capital expenditures ^(b)	(2,332)	(1,973)	(7,654)	(7,164)
Current income tax benefit (expense) ^(c)	505	53	(953)	(2,466)
Distributable Cash Flow	\$ 35,792	\$ 33,324	\$ 116,709	\$ 140,852
Distributions paid	\$ 19,935	\$ 19,913	\$ 79,712	\$ 79,625
Distribution Coverage Ratio	1.80x	1.67x	1.46x	1.77x

- (a) Relates to certain discrete acquisition-related costs, such as legal and other professional fees, separation benefit costs and certain purchase accounting adjustments associated with recently acquired businesses.
- (b) Under the Partnership Agreement, sustaining capital expenditures are capital expenditures made to maintain CrossAmerica's long-term operating income or operating capacity. Examples of sustaining capital expenditures are those made to maintain existing contract volumes, including payments to renew existing distribution contracts, or to maintain the sites in conditions suitable to lease, such as parking lot or roof replacement/renovation, or to replace equipment required to operate the existing business.
- (c) Excludes income tax incurred on the sale of sites.