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LGP - Q3 2013 Lehigh Gas Partners LP Earnings Conference Call

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CORPORATE PARTICIPANTS

Joe Topper *Lehigh Gas Partners LP - Chairman, CEO*

Mark Miller *Lehigh Gas Partners LP - CFO*

CONFERENCE CALL PARTICIPANTS

Ben Brownlow *Raymond James & Associates - Analyst*

Michael Gaiden *Robert W. Baird - Analyst*

James Chappell *Wyedach - Analyst*

Tyras Bookman *Park West Asset Management - Analyst*

PRESENTATION

Operator

Ladies and gentlemen, thank you for standing by. Welcome to the third-quarter 2013 earnings conference call for Lehigh Gas Partners. (Operator Instructions). This conference call may contain forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, relating to the Partnership's future business expectations and predictions, and financial condition and results of operations.

These forward-looking statements involve certain risks and uncertainties. The Partnership has listed some of the important factors that may cause actual results to differ materially from those discussed in such forward-looking statements, which are referred to as cautionary statements, in its third-quarter 2013 earnings news release.

The news release may be viewed on the Lehigh Gas Partners website at www.lehighgaspartners.com. All subsequent written and oral forward-looking statements attributable to the Partnership, or persons acting on its behalf, are expressly qualified in their entirety by such cautionary statements.

In addition, certain non-GAAP financial measures will be discussed on this call. The Partnership has provided a description of these measures, as well as a discussion of why they believe this information is useful to management, in its Form 8-K furnished to the SEC yesterday. The Form 8-K may be accessed through a link on the Partnership's website at www.lehighgaspartners.com.

In addition to accessing the Form 8-K on the Partnership's website, you can also sign up for LGP's Eblast communications to keep you up to date on the activities of the Partnership and be notified of the latest Partnership news. As a reminder, this conference call is being recorded.

I will now turn the conference call over to the host, Joe Topper, the Chairman and CEO.

Joe Topper - *Lehigh Gas Partners LP - Chairman, CEO*

Thank you and good morning. Welcome to Lehigh Gas Partners' third-quarter 2013 earnings call. Joining me on the call today are Mark Miller, CFO; and David Hrinak, President. I will provide a brief overview of our third-quarter results, then briefly touch on the two acquisitions that we closed, followed by a review of our third-quarter, third consecutive quarterly distributional increase; and, finally, comment on the commissioned agent leases assumed during the quarter. Mark will then provide a detailed review of the third quarter. Once we've concluded our prepared remarks, we will open the session to your questions.

Net income for the third quarter of 2013 totaled \$4.9 million or \$0.33 per common unit. For the quarter, EBITDA totaled \$12.8 million; adjusted EBITDA totaled \$14.1 million; and distributable cash flow amounted to \$11 million, or \$0.73 per common unit. I'll note that our results included some items of nonrecurring nature that Mark will provide more detail in his comments.



The Partnership declared a third-quarter distribution of \$0.5025 per unit, or a 5.2% increase over the current quarterly distribution. Based on our distributable cash flow of \$0.73 per common unit, the coverage ratio on the declared third-quarter distribution is approximately 1.5 times. We had another strong quarter from a fuel margin perspective, which helped drive our solid financial performance.

Moving on to our closed acquisition, as previously announced, we closed on \$58 million worth of acquisitions this quarter. The two transactions, Rogers and Rocky Top, were both in Tennessee and represent a total of 50 sites in aggregate. The transactions closed in the last weeks of the quarter; and, as such, do not have a material impact on the results of this quarter.

We are working hard to integrate these sites into the portfolio, and expect these transactions to add meaningfully to our results in the coming quarters. We continue to be on the lookout for attractive acquisitions, and are constantly evaluating potential opportunities.

As we have stated in prior quarters, we remain disciplined in our pursuit of acquisitions. Since our IPO, we have closed on approximately \$132 million of acquisitions. We have been pleased at the success we've had in the acquisition market this past year. Our ability to grow our distributable cash flow is driven in large part by our ability to find and execute on attractive acquisition opportunities.

As a result of our success in the acquisition market, we are pleased this quarter to announce a 5.2% distribution increase, our third consecutive quarterly distribution increase. And the distribution increase raises the quarterly distribution from \$0.4775 per unit per quarter, or \$1.91 annually, to \$0.5025 per unit per quarter, or \$2.01 annually. Based upon our unit price of \$28.20 as of November 5, the new distribution of \$0.5025 per quarter represents an annual distribution rate of 7.1%.

Since our initial public offering last October, the annual cash distribution per unit has increased 14.9%, or \$0.26 per common unit, from the initial annual distribution rate of \$1.75 per unit. At the increased distribution rate, the coverage ratio is approximately 1.5 times, based upon our distributable cash flow as reported in the press release.

Finally, as we noted in our press release, this quarter we assumed 50 commission agent leases and agreements from Lehigh Gas-Ohio, LLC, or LGO, and affiliate entity. Although it was a small transaction, the purchase price, excluding inventory, was \$3.5 million. It does bring retail fuel operations into the Partnership. I want to spend a few moments on it to ensure that everyone is clear on the mechanics of the transaction, and to explain our rationale for the deal.

At a commission agent site, the tenant operates all of the operations on site, except for the retail fuel sales. The motor fuel inventory, fuel dispensing retail pricing strategy, and retail fuel revenue at the site are the responsibility of the landlord or another party. The commission agent's involvement in the retail fuel sales of the site is that it receives a fixed rate per gallon of motor fuel sold at the site; hence the term, commission agent. The commission paid per gallon of the motor fuel sold as specified by contract.

In the leases, the Partnership assumed from LGO -- LGO operated the retail fuel operations at the sites and leased the sites to commission agents, who ran the remaining on-site operations. Through the assumption of these commission agent leases and arrangements, the Partnership will now directly control the retail operations of these 50 sites, meaning that it will own the motor fuel inventory, set the retail price, and collect the retail motor fuel revenues at the site.

From a real estate perspective, the Partnership already owned or leased the real estate at the 50 sites where it assumed the commission agent leases, so no new sites were added in the transaction. We have structured the operations at the 50 commission agent locations such that the retail fuel management will be in our taxable subsidiary, which is in the same structure we utilized for any other non-qualifying sources of income. We have operated, and intend to continue to operate, our taxable subsidiary in such a manner to minimize the impact of any tax leakage associated with its operation.

I want now to review in more detail the rationale for the transaction, and discuss the benefits we hope to achieve. We looked at the assumption of these commission agent leases in a great deal, and evaluated a number of factors. From the Partnership's perspective, there were two main reasons for the transactions. First, the transactions establish a direct relationship between the Partnership and the commission agents at these sites, and put the Partnership in control of the retail fuel operation.

Previously, LGO had acted as an intermediary between the Partnership and the commission agent tenants at the sites. The assumption removes LGO from the intermediary position, and allows the Partnership to interact with its commission agents, such as 7-Eleven, directly. Through the direct relationship, we expect that the partnership will be better positioned to manage the assets more effectively; and to maximize, over time, the revenues to the Partnership.

Second, the assumption further diversifies the Partnership's revenue sources and lessens revenue concentration with LGO. When the Partnership closes on acquisitions, the Partnership revenue concentration with LGO is increased in the short-term, and the commission agent lease assumption mitigates the revenue concentration impact on other acquisitions on the Partnership's revenue concentration with LGO.

As of the end of the quarter, the Partnership had an additional 68 sites leased to LGO that, in turn, was sub-leased to commission agents. We intend to evaluate these sites to determine the optimal structure for these sites, and if the Partnership would benefit establishing a direct tenant relationship with the commission agent at these locations.

I will now turn it over to Mark for a more detailed review of the financial results of the quarter. Mark?

Mark Miller - *Lehigh Gas Partners LP - CFO*

Thank you, Joe. Third-quarter 2013 was our third full quarter since our IPO on October 30, 2012. Therefore, in addition to the actual financial results for the quarter, our earnings release provides certain pro forma results for the periods ended September 30, 2012. We believe these pro forma results offer a more relevant comparison than the actual results of our predecessor for the periods ending September 30, 2012.

In addition, certain items of nonrecurring nature are included in our financial results this quarter. We noted these in our press release, and I will touch on them further today. During the third quarter of 2013 we distributed 160.5 million gallons of motor fuels at an average selling price of \$2.99 per gallon, and a \$0.073 average margin per gallon. Gross profit from fuel sales totaled \$11.7 million for the quarter.

For the third quarter of 2012 on a pro forma basis, the Partnership distributed 153.6 million gallons at an average selling price of \$3.14 per gallon, and at a \$0.061 average margin per gallon. Gross profit from fuel sales for the third quarter of last year on a pro forma basis totaled \$9.4 million. Compared to those pro forma results, the third quarter of 2013 -- our fuel volume increased 4.5% and our gross profit from fuel sales increased 25%. The increase in gross profit from fuel sales was driven by the quarter's higher volume and higher margin over the previous year.

The quarter's rental income, which refers to rent income less rent expense, totaled \$6.4 million, and included an approximately \$400,000 write-off of deferred rent income. The deferred rent income was recorded because our termination of leases with the LGO at commission agent sites, and the assumption of leases with third-party commission agents at those sites. In addition, the rental income includes an approximate \$300,000 gain related to certain sites leased from Getty. The Partnership has provided notice to Getty that it intends to terminate the leases at these sites, in line with the terms of the master lease.

On a pro forma basis, net rental income in the third quarter of last year was \$3.1 million. The increase in 2013 relative to 2012 is mainly due to two factors -- the increased rent from the Express Lane and Dunmore acquisitions that we completed at the end of last year; and, to a lesser extent, the Getty leases signed during the fourth quarter of last year, and most recently completed acquisitions in Tennessee.

On the expense side, operating expenses for the third quarter of 2013 totaled \$1.3 million, and SG&A expenses totaled \$4.6 million. Included in SG&A expenses for the quarter are approximately \$300,000 in transfer tax expense. The transfer tax expense is associated with the contribution of certain New Jersey sites to the Partnership at the time of the IPO last year. The Partnership contested the transfer tax, and did not believe it applied to the contribution of formation transaction. However, the Partnership was unsuccessful in its appeal, and a result incurred the expense during the third quarter.

Also included in SG&A expense this quarter are \$400,000 in expenses related to the acquisitions completed during the quarter. For the quarter, the Partnership also recorded net income tax benefit of \$700,000. Included in that is a approximately \$900,000 benefit which is related to the



release of a valuation allowance on a previously recorded deferred tax asset. Excluding this benefit, the Partnership would have recorded net income tax expense of approximately \$200,000 for the quarter.

For the third quarter last year, operating expenses totaled \$1.1 million, and SG&A expenses totaled \$2.4 million. The increase in operating expenses for the third quarter of 2013 compared to last year is due to the increase in number of owned and leased sites in our portfolio. The increase in the SG&A expense in the third quarter of 2013 compared to last year is mainly due to increased professional fees, equity compensation expense, public company expenses, along with items of a non-reoccurring nature that I noted earlier.

Overall, we had another quarter of strong fuel margin results. As we discussed last quarter, the higher margin does tend to lower motor fuel volume somewhat, but we are comfortable with the trade-off. In general, we run the business to maximize our profitability over the long-term, and not to maximize the number of gallons we distribute. As we have noted, our results included a number of items of a nonrecurring nature; but, on a net basis, the impact of these items was not material. Nonetheless, we wanted to bring them to your attention, and I'll be happy to address any questions you might have on them.

On the financing side, the acquisitions in Tennessee that we closed during the quarter were financed under the Partnership's credit facility. A total of \$31.8 million in cash was paid at closing for the two acquisitions. In conjunction with the closing of the Rocky Top transaction, we entered into a lease for 29 motor fuel stations that the Partnership will be obligated to purchase at the election of the sellers. That purchase may be made either in whole, for \$26.2 million, on or about August 1, 2015; or over a five-year period, for an average of \$5.3 million per year, beginning in 2016.

Due to the obligations to purchase the sites, the leases accounted for as a \$26.2 million financing, which is reflected as a long-term debt on the Partnership's balance sheet. As we noted last quarter, the lease structure was utilized because the seller had debt on the properties that was not economical to prepay. Through the lease structure, we were able to fix the purchase price for the assets in the future; while, at the same time, we get the immediate use of the properties.

For the commission agent site leases that were assumed, a transaction occurred on September 1, and the Partnership paid approximately \$3.5 million in cash, plus the value of fuel inventory. Because the consideration was paid to LGO -- which, for GAAP purposes, is an affiliate of the Partnership -- the consideration was treated as a distribution for GAAP, and as a reduction to the Partnership's capital on the balance sheet. The newly assumed leases contributed about \$340,000 in operating income for the quarter.

As a result, we will see that we now carry the fuel inventory at these sites on our balance sheet, which was approximately \$1.8 million at quarter's end, and represents about three days' worth of fuel sales at the 50 locations. Going forward, we now report our financial results in two segments, wholesale and retail, to provide better transparency about the results of these individual segments. You will see the new disclosure in our 10-Q, which we intend to file on Tuesday.

At September 30, under the credit facility, the Partnership had \$216.1 million of outstanding borrowings, and \$93 million available for borrowing, net of operating borrowings and letters of credit.

At this time, I will turn the call back over to Joe.

Joe Topper - *Lehigh Gas Partners LP - Chairman, CEO*

Thank you, Mark. The Partnership recently celebrated its one-year anniversary as a public partnership. It has been an incredible, active year for everyone at Lehigh Gas. I thought I would take a moment to list a few of the accomplishments of the Partnership in its first year as a public company.

We have completed four major acquisitions, for a total consideration of approximately \$132 million. The four acquisitions added 121 sites to our owned or leased site portfolio, an increase of approximately 28% from the leased and owned site portfolio at the time of the IPO. Through these acquisitions, we have added four more states to our operations and diversified our geographic footprints, which helps to reduce our fuel margin volatility.

We have increased our distribution from an annual rate at the time of the IPO of \$1.75 to \$2.01, a 14.9% increase. We have increased the dividend three times since the IPO, once each full quarter that we have been public. When the third-quarter distribution is paid, we will have distributed approximately \$26 million in cash distributions to our unitholders in the period since our IPO.

These are just a few of our accomplishments during our first year. We are gratified that the support we have received, and are appreciative to everyone that entrusted their capital to us. We have worked hard to reward your trust in us, and we will continue to diligently execute our strategy and be good stewards of your capital. From all of us here at Lehigh Gas, thank you for a great first year. We look forward to many more.

With that, I would like to open up the line for questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions). Ben Brownlow, Raymond James.

Ben Brownlow - Raymond James & Associates - Analyst

Good morning, guys. Stellar quarter. I wanted to dive into the commission sites a little bit. Can you give us an idea on what the historic retail fuel margin is at those sites, and a rough ballpark on the sixth CPG that's going to be paid to the store operator?

Joe Topper - Lehigh Gas Partners LP - Chairman, CEO

The CPG to the operator is somewhere between \$0.03 and \$0.04, on average, per gallon. The rack to retail on those had been averaging in the \$0.21, \$0.22 per gallon.

Ben Brownlow - Raymond James & Associates - Analyst

Wow. And I assume that's annual?

Joe Topper - Lehigh Gas Partners LP - Chairman, CEO

Yes.

Ben Brownlow - Raymond James & Associates - Analyst

Okay. (Multiple speakers).

Joe Topper - Lehigh Gas Partners LP - Chairman, CEO

Go ahead.

Ben Brownlow - Raymond James & Associates - Analyst

What's the volume on those sites, or the average roughly volume?



Joe Topper - *Lehigh Gas Partners LP - Chairman, CEO*

They are above-average volume sites. I would tell you that they are probably about 1.2 million to 1.4 million average. These are good, solid operators that the Partnership felt was better to have a direct relationship, and take out some costs by having it go through an intermediary.

Ben Brownlow - *Raymond James & Associates - Analyst*

Okay. How will that shift in volume out of the wholesale -- impact the wholesale fuel margins?

Joe Topper - *Lehigh Gas Partners LP - Chairman, CEO*

It will not. The margins that they have been billing LGO will be the same margins that it will be billing the taxable subsidiary below it. So, if we were at 7.4% last quarter, we will -- all things being equal, we'd be the same.

Ben Brownlow - *Raymond James & Associates - Analyst*

Okay. So there's no accounting shift between the wholesale fuel margin over to the new structure with the retail.

Joe Topper - *Lehigh Gas Partners LP - Chairman, CEO*

That's correct.

Ben Brownlow - *Raymond James & Associates - Analyst*

Okay. You touched on direct pricing control improving the volume at those sites. Can you outline additional color on how you would improve the volume? It sounds like the volumes are already pretty impressive at those sites.

Joe Topper - *Lehigh Gas Partners LP - Chairman, CEO*

The volume is good. We will just have better control so that the -- I would say the variability of margin that affects LGO would be somewhat impacting LGP. And so when there's a down market, LGP has more financial stability to weather that over a longer period of time. These are good, strong locations. I don't envision that it would be significant, but it has the upside potential to it.

Ben Brownlow - *Raymond James & Associates - Analyst*

Okay. Just one last one for me, and I'll jump back in the queue. When you talked about the 68 sites and the potential commission structure on those, what sort of items are you looking at, and deciding if you should move to that commission structure? Obviously staying within that 10% threshold for nonqualifying income.

Joe Topper - *Lehigh Gas Partners LP - Chairman, CEO*

Yes. Those sites we're looking at, whether they -- we want to convert them to a dealer directly, so that they would take over the commission gasoline operation themselves. So there was probably half of those sites that we would expect over the next year or two that would become direct dealer operators instead of commission operators. The other ones would depend on whether there's a real economic benefit to doing it; or as opposed to if it's a low-volume station, it may not be worth the Partnership's energy and enterprise to get involved directly in that relationship.

Ben Brownlow - *Raymond James & Associates - Analyst*

Great. Thank you, guys.

Operator

Michael Gaiden, Robert W. Baird.

Joe Topper - *Lehigh Gas Partners LP - Chairman, CEO*

Good morning, Michael.

Operator

Pardon me, Michael. Perhaps your line is muted on your end. Your line is now open. Pardon me. Michael Gaiden, your line is now open, so you can ask your question. If you your line is muted, can you please un-mute for me?

Michael Gaiden - *Robert W. Baird - Analyst*

Can you hear me now?

Operator

Yes.

Joe Topper - *Lehigh Gas Partners LP - Chairman, CEO*

Yes.

Michael Gaiden - *Robert W. Baird - Analyst*

Sorry about that, guys. Can I please follow up and ask about the commission agents as well? Can you compare your investment in this initiative versus going out and doing third-party M&A? Does this offer higher returns on capital? Is it lower risk? How do you think about that trade-off economically?

Joe Topper - *Lehigh Gas Partners LP - Chairman, CEO*

Commission agent operations tend to be at sites that have higher volumes and higher margins; and, therefore, we try to capture more of that in the wholesale-retail operations within the operations of the business. And so they tend to be a little above-average in every area. But they tend to be better-performing sites. And we've probably done most of the capital investment from those sites standpoint of view.

It tends to be a lower multiple transaction because it's a commission contract, as opposed to a fee property, a real estate property. But it's a good class of business for us.

Michael Gaiden - *Robert W. Baird - Analyst*

Great. Thank you for that color. And can I lastly ask about the fundamental gasoline pricing backdrop? Can you talk about how much of a tailwind the current benign environment created in the third quarter, and if you indeed expect broadly declining gasoline prices to continue to act as a tailwind into the fourth quarter, and provide volumetric and/or margin gains as well? Thanks.

Joe Topper - *Lehigh Gas Partners LP - Chairman, CEO*

Inasmuch as you'd like for me to give you some guidance, I'm going to shy away from that. But I would tell you that the historical precedents that lower gasoline prices provides a tailwind -- historically, has been good. I would tell you that some of the -- we would have expected a little better margin in the third quarter, except the rain in the Southeast had affected volumes and margin down there, in the Florida Panhandle. We had slightly lower volumes there, and we had slightly lower volumes because of the weather down there. But other than that, we had a very good fuel margin. And there is nothing we see, going forward, that would indicate anything different from that.

Michael Gaiden - *Robert W. Baird - Analyst*

Great. Thanks for that color.

Operator

(Operator Instructions). James Chappell, [Wyedach].

James Chappell - *Wyedach - Analyst*

Thanks for taking the call. Looking at a same-store basis, what percent increase or declines do you see in volume?

Joe Topper - *Lehigh Gas Partners LP - Chairman, CEO*

Over last year, we saw same-store decline of a little over 4%. On a quarter-over-quarter, the third quarter versus the second quarter, it was essentially flat from a same-store basis. Primarily, the same-store change occurred in our digestion of the Getty leases that we acquired last year. And there were 120, 140 of those sites. And as they had an initial reaction of reopening those sites, we got some better lift. And as we better understand those economics, some of those sites we have closed and turned back to Getty. Some of those are being deployed into dealers and commission agents. So a lot of the same-store volume change was due to the change due to the digesting of Getty, and also somewhat to the weather in the Southeast.

James Chappell - *Wyedach - Analyst*

So what are you projecting for same-store sales going forward?

Joe Topper - *Lehigh Gas Partners LP - Chairman, CEO*

I don't project same-store sales. I tell you, we price and we run our business to make margin dollars. We can give you dividends out of our cash, not necessarily out of our gallons. We historically will tell you that the Northeast is suffering from a 2% to 3% volume decline over the last few years. And I don't see anything necessarily changing that in the economy, that's going to change demand. I see the Southeast growing, which is why we have focused our acquisitions in that marketplace.



James Chappell - *Wyedach - Analyst*

Okay. And then the margin of \$0.073 per gallon, is that a reasonable margin to be projecting forward for next year, or should we expect a normalization -- and, if so, to what?

Joe Topper - *Lehigh Gas Partners LP - Chairman, CEO*

When we went out, we had in our pro forma, in our forecast, a \$0.066 margin, and that was based upon the last four years of historical average. I think we and the general retail-wholesale business of trade has benefited from the declining price of fuel. And so I'm going to take every good quarter we have. But, in this industry, it usually regresses back to the mean.

James Chappell - *Wyedach - Analyst*

Okay. The distribution growth this quarter of over 5% sequentially, that's great. I'm wondering what distribution growth rate for the next year or two would you consider to be satisfactory above this new level?

Joe Topper - *Lehigh Gas Partners LP - Chairman, CEO*

Again, I -- we're not going to give guidance as to what we expect. I would tell you that we have coverage to increase our dividend. As we have the capacity to do that, we will do it on a growth basis. We like to have continued dividend growth. And the sustainability of that is more important to us than projecting what we think it will be.

James Chappell - *Wyedach - Analyst*

And, lastly, we love the story, but there's no volume. So, are you going to be doing anything to address the float in the near future?

Joe Topper - *Lehigh Gas Partners LP - Chairman, CEO*

Well, as I said, the volume, quarter-over-quarter, has been flat.

James Chappell - *Wyedach - Analyst*

No, no.

Joe Topper - *Lehigh Gas Partners LP - Chairman, CEO*

Oh, the stock volume? You probably saw the 10b5-1 plan that I put in yesterday. And I bought 3000 or 4000 shares, so that was my contribution to volume.

James Chappell - *Wyedach - Analyst*

(laugher) But in terms of -- if we wanted to get in, could we expect a secondary equity offering, given the filing?



Joe Topper - *Lehigh Gas Partners LP - Chairman, CEO*

Well, we didn't have a filing. And so that gives us the opportunity to do lots of things with that filing. And you see how we are acquisitive in our acquisition strategy, and we have been able to deploy the capital efficiently. So I can't tell you when and where, but that's one of the options that we are looking at.

James Chappell - *Wyedach - Analyst*

But you recently said that you have been buying through your 10b5-1.

Joe Topper - *Lehigh Gas Partners LP - Chairman, CEO*

I did.

James Chappell - *Wyedach - Analyst*

And I think I remember, from the breakfast we had in Boston, where you said that after one year you might consider selling down your stake. Has that changed?

Joe Topper - *Lehigh Gas Partners LP - Chairman, CEO*

Yes. I'm a buyer.

James Chappell - *Wyedach - Analyst*

Okay. Great. Thanks a lot.

Operator

Tyras Bookman, Park West.

Tyras Bookman - *Park West Asset Management - Analyst*

Hello. I thought that I had to respond to the last caller's question about volume, and whether you would sell stock to create enough volume in your stock, which sounds pretty foolish to me. I would suggest that the buyer pays the right price for the stock and there will be appropriate volume.

And that brings up a bigger question, which is -- you guys have, this quarter, 155% coverage ratio. You bought two businesses which are going to contribute a lot, so your pro forma coverage ratio is much higher. Clearly, the stock would be a lot higher if you brought that coverage ratio down. Why don't you do that?

Joe Topper - *Lehigh Gas Partners LP - Chairman, CEO*

We have brought they coverage ratio down. We are at about a 1.45, 1.46 after the dividend increase. We like to have a -- we're going to have to take conservative approach to our dividend increases. If you look at the -- we have a change in the fuel prices, and prices go up, and we're at \$0.06 instead of this \$0.074, we want to be able to have money and coverage in order to give a continued dividend increase. I was a buyer, not a seller, so that the -- I can't tell you why.



Susser and Global have much larger floats than we have, and they trade about the same volume we do. And so, all we can do is go out and tell our story to as many people as we can to create interest in buying the shares of the Company.

Tyras Bookman - *Park West Asset Management - Analyst*

Yes, look, I don't care about the float. I feel like that's a problem that solves itself. If people pay appropriate prices for stocks, then they can buy as much as they want. My question was much more on the idea that your stock is trading a lot cheaper than it should because most people look at dividend yield and not free cash flow. And if you look at free cash flow, it's probably at -- what -- over 11% yield right now?

Joe Topper - *Lehigh Gas Partners LP - Chairman, CEO*

Yes.

Tyras Bookman - *Park West Asset Management - Analyst*

Okay.

Joe Topper - *Lehigh Gas Partners LP - Chairman, CEO*

I might -- and -- yes.

Tyras Bookman - *Park West Asset Management - Analyst*

What were you going to say?

Joe Topper - *Lehigh Gas Partners LP - Chairman, CEO*

I'm not going to say. I was going to say, it's very early in California.

Tyras Bookman - *Park West Asset Management - Analyst*

Okay, great. Thank you.

Operator

And we have no further questions at this time. Thank you, ladies and gentlemen, this concludes today's conference. Thank you for participating. You may now disconnect.



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