Fuel Products Distribution Insight
Spring 2020

In This Issue
Recent, Notable M&A Transactions
Macroeconomic Indicators
Debt and Equity Market Conditions

Featured Raymond James Equity Research

Energy Stat: OPEC+ Record-Sized Oil Supply Cut – Spitting in the Wind in 2Q, But Very Bullish 2021+
By John Freeman, Pavel Molchanov, et al.
Deal Spotlights

Offen Petroleum to Acquire Bosselman Energy and Bosselman Carriers

- **Announced:** March 11, 2020
- **Expected Close:** April 2020
- **Transaction value undisclosed**
- **Bosselman Grand Island, NE office will be a regional operations center, and the bulk plants will remain open and operate as Offen Petroleum going forward**

**Expansive Western Footprint**

**Combined Entity Fuel & Lubricant Brand Offerings**

Majors Management has Purchased the Dealer Distribution Business of McPherson Cos. Inc.

- **Announced:** February 7, 2020
- **Transaction value undisclosed**
- **Acquisition includes 185 retail fuel supply contracts and excludes McPherson’s bulk fueling and lubricant business**

**Majors’ Southeastern Footprint**

**Branded Partners**

- **McPherson has grown to be the largest private distributor of fuel and lubricants in the Southeast**
- **Transaction enhances Majors’ existing presence in Alabama, Florida, Mississippi, and Tennessee and expands relationships with branded supply partners including Shell, Chevron, Exxon, Conoco, and Citgo**
- **Continues string of successful acquisitions in 2019 including:**
  - Bowden Oil Company’s fuel supply contracts and c-store assets
  - C-store assets of McDonald Oil Company
  - Retail fuel supply contracts in Texas
Deal Spotlights

PetroChoice Acquires Commercial Distributing Inc. (CDi)

Has Acquired

- **Announced:** January 15, 2020
- **Transaction value undisclosed**
- **Effective immediately,** CDi will be operating as PetroChoice
- **Michael Barcum,** President of CDi has agreed to join the PetroChoice CEO Strategy Council; an advisory board providing a breadth of support to the leadership team

**Observations and Takeaways**

- The lubricant business of Commercial Distributing Inc. (CDi) is headquartered in Oklahoma City, OK and specializes in serving automotive customers in Oklahoma, Texas, and Arkansas
- PetroChoice, a portfolio company of Golden Gate Capital, has successfully completed 11 acquisitions since 2014 and is a lubricant distribution industry leader with operations in the Northeast, South and Midwest
- Michael Barcum, President of CDi, stated, “I am pleased that PetroChoice is as dedicated to fostering the growth of my business for my employees and customers as I was. I identified technology in distribution methods as being important in my vision for our regional distribution effort and the future of this industry, and PetroChoice is at the forefront of these endeavors.”

GPM Investments LLC (“GPMI”) to Acquire Empire Petroleum Partners (“EPP”)

Has Entered into an Agreement to Purchase

- **Announced:** December 18, 2020
- **Expected Close:** April 2020
- **Transaction Value:** ~$400 million
- "Empire has a reputation for providing superior quality and service to its dealers, making it a logical combination with GPMI, with a history of successful execution." - Empire CEO Rick Golman

**Observations and Takeaways**

- **GPMI** is one of the largest privately-owned companies in the convenience store channel, operating 1,272 c-stores and servicing 128 wholesale locations in 23 states
- **EPP** was founded in 1988 and is one of the largest fuel distributors in the U.S., distributing ~1.1 billion gallons of fuel in 2019 and growing primarily through 22 acquisitions completed since 2011
- **GPMI** will acquire EPP’s wholesale fuel distribution operations and c-store business totaling 1,534 sites (a majority of which are wholesale)
- Acquisition will increase GPMI’s annual gallons distributed to ~2.5 billion gallons and expand its U.S. footprint into 10 new states
### M&A Transactions

#### Summary of Notable Transactions in the Last Twelve Months

<table>
<thead>
<tr>
<th>Announced Date</th>
<th>Acquiror</th>
<th>Target</th>
<th>Target Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/27/20</td>
<td>Sprague Resources Holdings LLC</td>
<td>Sprague Resources LP</td>
<td>Sprague-Resources LP (&quot;Sprague&quot;) announced that it received an unsolicited non-binding proposal from Sprague Resources Holdings LLC (&quot;Holdings&quot;) to acquire all outstanding common units of Sprague that Holdings.</td>
</tr>
<tr>
<td>3/11/20</td>
<td>Ollen Petroleum (Lariat Partners)</td>
<td>Bosselman Energy &amp; Bosseman Carriers</td>
<td>Bosselman Energy and Carriers, headquartered in Grand Island, Nebraska and owned by Fred Bosselman for 70 years; Bosselman Energy is a fuel distributor and Carriers operates as a trucking company serving Colorado, Nebraska, Kansas and Iowa.</td>
</tr>
<tr>
<td>2/5/20</td>
<td>Majors Management, LLC</td>
<td>Retail Fuel Distribution Business of The McPherson Companies, Inc.</td>
<td>An independently owned and operated wholesale distributor of branded (Gulf, CITGO, and Sunoco) and unbranded gasoline and diesel fuel to commercial, construction, and agricultural end markets in New York.</td>
</tr>
<tr>
<td>1/16/20</td>
<td>PetroChoice</td>
<td>Commercial Distributing, Inc. (CDI)</td>
<td>Operates as a distributor of lubricants in Oklahoma, Texas and Arkansas and specializes in the automotive market.</td>
</tr>
<tr>
<td>1/16/20</td>
<td>Parkland Fuel Corp.</td>
<td>Kellerstrass Oil</td>
<td>Based in Salt Lake City, Utah, operates as a regional retailer and commercial fuel business serving Utah, Idaho and Wyoming; purchase included an 84-site dealer business and trucking &amp; distribution assets.</td>
</tr>
<tr>
<td>1/7/20</td>
<td>O'Rourke Distribution Co., Inc. (Mansfield Energy)</td>
<td>Marine Fuel Distribution Assets of J.A.M. Distributing Company, LLC</td>
<td>A subsidiary of Brenntag North America, Inc. and headquartered in Houston, TX; J.A.M. is a physical supplier of marine fuels and lubricants since 1992 and is active in Houston, Galveston, Texas City, Beaumont, Port Arthur, Freeport, TX and Lake Charles, LA serving major shipping lines, dredging companies, offshore drilling &amp; exploration, seismic, marine construction and the inland towing industry.</td>
</tr>
<tr>
<td>12/19/19</td>
<td>Tyree Oil Company</td>
<td>Colvin Oil</td>
<td>Tyree Oil acquired the Colvin Oil Commercial Tankwagon Fuel and Lubricants business (division of the Andrett Group) in an effort to expand its Southern Oregon footprint.</td>
</tr>
<tr>
<td>12/18/20</td>
<td>GPM Investments, LLC</td>
<td>Empire Petroleum Partners</td>
<td>A portfolio company of American Infrastructure Funds based in Dallas, TX, Empire distributes major fuel brands in the Mid-Atlantic, Southeast, Southwest and Midwest to over 1,500 wholesale fuel locations. Its 77 retail stores were also included in the transaction.</td>
</tr>
<tr>
<td>11/30/19</td>
<td>ThompsonGas LLC</td>
<td>APP Propane Inc.</td>
<td>Headquartered in Tacoma, Washington, the company distributes propane throughout the Pacific Northwest.</td>
</tr>
<tr>
<td>11/21/19</td>
<td>Joe Topper</td>
<td>Couche-Tard's interest in CrossAmerica Partners</td>
<td>CrossAmerica Partners LP is a publicly-traded distributor of branded fuel to 1,300 convenience store locations across 34 states; Mr. Topper acquired all incentive distribution rights and 21.7% LP interest in the transaction.</td>
</tr>
<tr>
<td>11/21/19</td>
<td>Parkland Fuel Corp.</td>
<td>Mort Distributing, Inc.</td>
<td>Family-owned and operated marketer and distributor of fuels and lubricants serving retail, commercial, and wholesale customers in Montana.</td>
</tr>
<tr>
<td>11/5/19</td>
<td>RelaDyne</td>
<td>Richard Oil and Fuel</td>
<td>Richard Oil and Fuel is a full-service oil, lubricant, gasoline and diesel fuel distributor throughout Louisiana; the company supplies agricultural, construction, industrial, and commercial customers.</td>
</tr>
<tr>
<td>11/1/19</td>
<td>Empire Petroleum Partners</td>
<td>Certified Oil (wholesale dealer supplier)</td>
<td>Certified Oil operates 69 company-operated convenience stores (sold to EG Group) and runs a dealer business in Ohio; the dealer book consists of 67 contracted dealers branded through major oil partners such as Exxon, Marathon, Sunoco, and Valero.</td>
</tr>
<tr>
<td>10/1/19</td>
<td>TACenergy</td>
<td>IPC USA</td>
<td>Headquartered in Santa Ana, CA; the company is a fast-growing independent wholesale distributor of refined products and also handles LNG and natural gas.</td>
</tr>
<tr>
<td>9/23/19</td>
<td>RelaDyne</td>
<td>Circle Lubricants</td>
<td>Located in Bay Shore, New York, Circle Lubricants services customers throughout the Metropolitan Tri-State area with lubricants and automotive products and services. Assets include a 40,000 sq. ft. warehouse, over 200,000 gallons of bulk storage, and a fleet of bulk and packaged delivery vehicles.</td>
</tr>
<tr>
<td>9/9/19</td>
<td>Parkland Fuel Corp.</td>
<td>Tropic Oil Company, Inc.</td>
<td>Tropic transports, distributes, and markets fuels and lubricants in Central and South Florida; supplies operators nine cardiac facilities and four bulk storage plants and warehouses.</td>
</tr>
<tr>
<td>8/22/19</td>
<td>World Fuel Services</td>
<td>UVair Fuel Business of Universal Weather and Aviation</td>
<td>Supplies fuel for business and general aviation customers at more than 5,000 locations worldwide.</td>
</tr>
<tr>
<td>6/28/19</td>
<td>Brenntag AG</td>
<td>B&amp;M Oil</td>
<td>A regional lubricants distributor headquartered in Tulsa, Oklahoma involved in the sale, marketing, and distribution of lubricants to various end markets.</td>
</tr>
<tr>
<td>6/27/19</td>
<td>Court Square</td>
<td>Ollen Petroleum (Lariat Partners)</td>
<td>Ollen Petroleum is a fuel distributor of ~1 billion gallons throughout the Mountain West; the company was owned by Lariat Partners, a financial sponsor.</td>
</tr>
<tr>
<td>6/27/19</td>
<td>Quares Petroleum</td>
<td>PAPCO, Inc. (propane assets)</td>
<td>PAPCO serves commercial and residential customers through its network of propane distribution assets throughout the Southeast and Mid-Atlantic regions of the U.S.</td>
</tr>
<tr>
<td>6/20/19</td>
<td>HOP Energy, LLC</td>
<td>Kosco Heritage Energy</td>
<td>Based in Kingston NY, primarily distributes heating oil to 21,000 residential, commercial, and HVAC customers along the Hudson Valley.</td>
</tr>
<tr>
<td>6/5/19</td>
<td>RelaDyne</td>
<td>Legacy Fuel and Lubricants</td>
<td>Formerly Tris Lubrication Products, founded in 2011 in Victoria, Texas, offers lubricants and related services primarily to oilfield customers in the Eagle Ford Shale play.</td>
</tr>
</tbody>
</table>
MACROECONOMIC INDICATORS

Real GDP Growth
(seasonally adjusted annual rates)

Weekly Jobless Claims
(in millions)

Consumer Spending Growth
(Real PCE % change, seasonally adjusted at annual rates)

Purchasing Managers Index
(annual rate)

West Texas Intermediate
($ per barrel)

Inflation vs. 10-Year Treasury


(1) Federal Reserve of Atlanta estimate 4/2/20.
Public Company Share Price Performance

10-Year Wholesale Fuel Historical Trading Multiples (EV/EBITDA)\(^\text{(1)}\)

Wholesale Fuel Trailing Three-Year Stock Price Performance

Source: Capital IQ.

\(^{\text{(1)}}\) Median EV/LTM EBITDA multiple for PKI, SUN, GLP, CAPL, INT, SRLP.
Public Companies: Trading Statistics

Fuel Distribution Comparables

**Current Price as a % of LTM High**

<table>
<thead>
<tr>
<th>Company</th>
<th>Median:</th>
</tr>
</thead>
<tbody>
<tr>
<td>SGU</td>
<td>75.0%</td>
</tr>
<tr>
<td>SRLP</td>
<td>62.9%</td>
</tr>
<tr>
<td>PKI</td>
<td>60.5%</td>
</tr>
<tr>
<td>INT</td>
<td>58.2%</td>
</tr>
<tr>
<td>CAPL</td>
<td>55.8%</td>
</tr>
<tr>
<td>UGI</td>
<td>54.4%</td>
</tr>
<tr>
<td>SUN</td>
<td>52.4%</td>
</tr>
<tr>
<td>SPH</td>
<td>53.8%</td>
</tr>
<tr>
<td>GLP</td>
<td>47.3%</td>
</tr>
</tbody>
</table>

**LTM Dividend / Distribution Yield**

<table>
<thead>
<tr>
<th>Company</th>
<th>Median:</th>
</tr>
</thead>
<tbody>
<tr>
<td>SRLP</td>
<td>20.7%</td>
</tr>
<tr>
<td>GLP</td>
<td>20.2%</td>
</tr>
<tr>
<td>CAPL</td>
<td>19.0%</td>
</tr>
<tr>
<td>SUN</td>
<td>18.5%</td>
</tr>
<tr>
<td>SPH</td>
<td>17.9%</td>
</tr>
<tr>
<td>SGU</td>
<td>6.5%</td>
</tr>
<tr>
<td>PKI</td>
<td>4.3%</td>
</tr>
<tr>
<td>UGI</td>
<td>4.0%</td>
</tr>
<tr>
<td>INT</td>
<td>1.4%</td>
</tr>
</tbody>
</table>

**EV / LTM EBITDA**

<table>
<thead>
<tr>
<th>Company</th>
<th>Median:</th>
</tr>
</thead>
<tbody>
<tr>
<td>UGI</td>
<td>9.7x</td>
</tr>
<tr>
<td>SRLP</td>
<td>8.7x</td>
</tr>
<tr>
<td>CAPL</td>
<td>8.2x</td>
</tr>
<tr>
<td>SPH</td>
<td>7.9x</td>
</tr>
<tr>
<td>SUN</td>
<td>6.8x</td>
</tr>
<tr>
<td>SGU</td>
<td>6.4x</td>
</tr>
<tr>
<td>PKI</td>
<td>5.8x</td>
</tr>
<tr>
<td>GLP</td>
<td>5.1x</td>
</tr>
</tbody>
</table>

**EV / 2020E EBITDA**

<table>
<thead>
<tr>
<th>Company</th>
<th>Median:</th>
</tr>
</thead>
<tbody>
<tr>
<td>UGI</td>
<td>10.8x</td>
</tr>
<tr>
<td>SRLP</td>
<td>10.0x</td>
</tr>
<tr>
<td>CAPL</td>
<td>8.9x</td>
</tr>
<tr>
<td>SPH</td>
<td>8.9x</td>
</tr>
<tr>
<td>SUN</td>
<td>8.7x</td>
</tr>
<tr>
<td>SRLP</td>
<td>8.2x</td>
</tr>
<tr>
<td>INT</td>
<td>7.9x</td>
</tr>
<tr>
<td>SRLP</td>
<td>6.5x</td>
</tr>
</tbody>
</table>

**Net Debt / EBITDA**

<table>
<thead>
<tr>
<th>Company</th>
<th>Median:</th>
</tr>
</thead>
<tbody>
<tr>
<td>SRLP</td>
<td>6.5x</td>
</tr>
<tr>
<td>CAPL</td>
<td>5.7x</td>
</tr>
<tr>
<td>UGI</td>
<td>5.1x</td>
</tr>
<tr>
<td>SUN</td>
<td>4.9x</td>
</tr>
<tr>
<td>SPH</td>
<td>4.9x</td>
</tr>
<tr>
<td>SGU</td>
<td>4.6x</td>
</tr>
<tr>
<td>PKI</td>
<td>3.2x</td>
</tr>
<tr>
<td>INT</td>
<td>1.3x</td>
</tr>
</tbody>
</table>

**2020 Estimated Annual EBITDA Growth**

<table>
<thead>
<tr>
<th>Company</th>
<th>Median:</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAPL</td>
<td>20.2%</td>
</tr>
<tr>
<td>UGI</td>
<td>9.9%</td>
</tr>
<tr>
<td>SRLP</td>
<td>2.9%</td>
</tr>
<tr>
<td>SPH</td>
<td>Pre-COVID-19 Median: 5.1%</td>
</tr>
<tr>
<td>SUN</td>
<td>(11.1%)</td>
</tr>
<tr>
<td>GLP</td>
<td>(15.9%)</td>
</tr>
<tr>
<td>PKI</td>
<td>(23.2%)</td>
</tr>
<tr>
<td>SGU</td>
<td>n/a</td>
</tr>
</tbody>
</table>

Source: Public company filings, Capital IQ, Wall Street equity research.
Note: Share prices current as of 4/9/20 and pre-COVID-19 medians are as of 2/3/20.
(SUN = Sunoco LP, CAPL = CrossAmerica Partners LP, GLP = Global Partners LP, PKI = Parkland Fuel Corp., INT = World Fuel Services Corp., SRLP = Sprague Resources LP, SPH = Suburban Propane Partners, UGI = UGI Corp., and Star Group LP = SGU)
Current Debt Market Outlook

Leveraged Finance Volume ($BN)

US Companies Historical Interest Rates

S&P LCD LEVERAGE LOAN 100 INDEX YTM

Non-Investment Grade Bond Yields

Middle Market Leverage Trends

Average Leverage Ratio

Average LBO Equity Contribution

Source: LCD Research.

(1) Middle market defined as companies with less than $50 million in EBITDA.
We continue to believe this will get worse before it gets better. To instill confidence in the public, either the spread of the virus needs to end or the public’s concerns over the threat of the virus must dramatically decrease. To reduce that threat, individuals need to know 1) they can get a test when needed if they are sick; and, 2) that there is a widely available treatment for the disease that works to keep you out of the ICU and lowers the death rate to that of season influenza (0.1%). In conversations with officials across the country, it is increasingly clear state and local governments have not established what requirements must be met to remove the business and “shelter in place” restrictions. That makes it very difficult to see these current restrictions lasting under 3 weeks.

Assessment of COVID-19 Impact Scenarios Provided By Raymond James

### Summary
- **“Stop Everything Now”**
  - U.S. economy shuts down all non-essential activities for 2 weeks
  - Testing dramatically increases and a baseline number of individuals effected is established
  - By the end of the two weeks, cases slow down and all individuals with the virus are identified
  - Allows government to slowly reopen activities with active monitoring

- **“Procrastination” or “Eventually We Get It”**
  - Areas impacted by community spread will shut down after dragging their feet a bit
  - Other communities will fall in line, but fail to preemptively act before spread breaks out in their areas
  - The public largely ignores warnings until the death rate ticks up and public acknowledges action is necessary
  - From that moment, the “Stop Everything Now” scenario is triggered

- **“Saved by the Summer”**
  - The government fails to limit the spread and the public refuses to take meaningful action
  - The virus continues to double every week, until a slowdown in the summer for unknown reasons
  - Allows the government and individuals time to take real action that they failed to initially take

- **“Failure is an Option”**
  - We do not currently expect this scenario to occur and believe it has the lowest probability
  - Summer does not result in a natural buffer to slow the virus
  - The virus spreads uncontrolled and the government fails to take action

### Catalyst
- The government has likely missed its window to stop everything now
- Allowing individual states to determine their own policy is likely to result in the spread continuing
- Additional states are taking aggressive enough actions showing this type of action is possible
- Continuing without unified policy leads to the spread growing, even if slowed a bit by mitigation
- White House continues to maintain the position that a nationwide “lockdown” is not necessary
- This option creeps up with each day that goes by without significant government actions

### Gov. Actions
- 0%
- 40%
- 40%
- 20%

### Public Response
- 0%
- 40%
- 40%
- 20%

### Scope (# Infected)
- < 500,000
- < 1,000,000
- > 1,000,000
- > 100,000,000 ~ 1,000,000 deaths

### Duration
- Late April
- Late May
- July
- Fall

### Economic Impact
- Moderate
- Significant
- Severe
- Crisis

### Probability
- 0%
- 40%
- 40%
- 20%
## Expected Effects on the M&A Market

### Headlines & Recent Developments

- Concerns about the breadth of the global pandemic and its impact on businesses globally, combined with an energy fight between Saudi Arabia and Russia, presented challenges to the 11-year old bull market. In addition to the rush out of riskier assets like equities and commodities, traditional relationships between stocks, bonds and gold have broke down at times in the face of broad selling.
- The U.S. Government is taking steps to provide economic cushion during the crisis (CARES Act). Additional steps being considered span sick-leave to infrastructure spending.
- The Fed has taken multiple steps recently including interest-rate cuts, liquidity injections to short-term funding markets and bond purchases in poorly functioning markets.

### Areas of Concern vs. Expected Impact

<table>
<thead>
<tr>
<th>Areas of Concern</th>
<th>Expected Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Timing</strong></td>
<td>The pandemic is likely to impact the timing of negotiations and completion of deals. Travel is curtailed and processes are delaying launch. Social distancing efforts are additionally affecting regulatory clearance timelines.</td>
</tr>
<tr>
<td><strong>End Market Effects</strong></td>
<td>Certain end markets will be negatively impacted more than others such as retail, entertainment, travel, hospitality and energy. Duration and severity of impact may affect valuations.</td>
</tr>
<tr>
<td><strong>Due Diligence</strong></td>
<td>Changes to outbound sales models, call center disruptions, working capital challenges, adequacy of insurance coverage, IT infrastructure and other aspects will come under scrutiny.</td>
</tr>
<tr>
<td><strong>Financing</strong></td>
<td>Lenders are already more discerning around potential pandemic exposures. Spreads have widened substantially, increasing the cost of leverage.</td>
</tr>
<tr>
<td><strong>Valuation</strong></td>
<td>Market volatility increases uncertainty around valuation outcomes for transactions currently in the market. Potential financing disruptions or reintroduction of covenants may limit flexibility to fund deals at the same pre-crisis levels, leading to over-equitization of transactions, or price reductions.</td>
</tr>
</tbody>
</table>
What We’re Reading

“Oil Price War Ends With Historic OPEC+ Deal to Slash Output” | Javier Blas, Salma El Wardany, Et al, Bloomberg

April 12, 2020 — “The world’s top oil producers pulled off a historic deal to cut global petroleum output by nearly a 10th, putting an end to a devastating price war but not going far enough to offset the impact of the coronavirus pandemic. A week-long marathon of bilateral calls and ministerial video conferences joined the OPEC+ alliance and the Group of 20 nations in an unprecedented agreement. Together they have helped to lift oil prices from almost 20-year lows, but the focus of the market now shifts to whether they can dent a supply glut that keeps growing as the virus shuts down the global economy. The deal may turn out to be ‘just a plaster on an open wound,’ consultant JBC Energy GmbH said in a note. Despite skepticism, the agreement still represents an important victory for the alliance between OPEC and allies including Russia, which just a few weeks ago appeared to be dead. It wasn’t easy, with talks almost falling apart late last week because of resistance from Mexico.”
Read More

“Opinion: 3 Ways COVID-19 will Shape Fuel Demand” | Joe Petrowski, CSP News

April 3, 2020 — “While current retail fuel margins are at historic high, the nagging question is: How much will retail fuel consumption be reduced due to Americans now working from home, the canceling of major gatherings and general sheltering in place? Here are three predictions on how COVID-19 and social distancing will affect transportation fuel.”
Read More

“Glutted Oil Markets’ Next Worry: Subzero Prices” | Sarah Toy, WSJ

April 15, 2020 — “While U.S. crude futures have shed more than half of their value this year, prices for actual barrels of oil in some places have fallen even further. Storage around the globe is rapidly filling and, in areas where crude is hard to transport, producers could soon be forced to pay consumers to take it off their hands—effectively pushing prices below zero…Part of the problem, traders say, is the industry’s limited capacity to store excess oil. Efforts to curb the spread of the virus have driven demand to record lows. Factories have shut. Cars and airplanes are sitting immobile. So refineries are slashing activity while stores of crude rapidly accumulate.”
Read More

“This Crushing Double Blow for the Oil Sector Could Force a Wave of Consolidation” | Barbara Kollmeyer, MarketWatch

March 30, 2020 — “Twin blows from price wars and a demand-crushing deadly virus could usher a new era of consolidation in the oil industry, some 20 years after the last big wave of mergers, say some observers. ‘I would be gobsmacked if 18 months from now we didn’t have fewer names in the space as a whole. I don’t think that’s really a surprise,’ James Gutman, Dolfin’s head of investment portfolios, told MarketWatch. ‘Oil-related equities have fallen twice as far as the rest the market since the beginning of the year. It’s been a horror show for the market, but it’s been even worse for the oil patch,’ Gutman said. U.S. CLK20, -1.01% and Brent crude BRNK20, were hovering at or under $20 on Monday, with prices down just over 50% so far this year. The Russia-Saudi Arabia oil-price war kicked off the pain for oil prices in early March, followed by a demand shock as global economies shut down from the coronavirus. ‘We’re probably looking at a surplus of 10 to 12 million barrels [of oil] a day which is larger than anything we’ve seen in memory,’ Gutman said, adding that the industry is still struggling to figure out how bad it will get. In short, all of the above presents a major headache for oil companies trying to maintain dividends, or in some cases just keep going.”
Read More

“World Economic Outlook Chapter 1: The Great Lockdown” | International Monetary Fund

April 2020 — “The COVID-19 pandemic is inflicting high and rising human costs worldwide, and the necessary protection measures are severely impacting economic activity. As a result of the pandemic, the global economy is projected to contract sharply by 3 percent in 2020, much worse than during the 2008–09 financial crisis. In a baseline scenario—which assumes that the pandemic fades in the second half of 2020 and containment efforts can be gradually unwound—the global economy is projected to grow by 5.8 percent in 2021 as economic activity normalizes, helped by policy support. The risks for even more severe outcomes, however, are substantial. Effective policies are essential to forestall the possibility of worse outcomes, and the necessary measures to reduce contagion and protect lives are an important investment in long-term human and economic health. Because the economic fallout is acute in specific sectors, policymakers will need to implement substantial targeted fiscal, monetary, and financial market measures to support affected households and businesses domestically. And internationally, strong multilateral cooperation is essential to overcome the effects of the pandemic, including to help financially constrained countries facing twin health and funding shocks, and for channeling aid to countries with weak health care systems.”
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- Alternative Fuel Providers
- Merchandise / Foodservice Distributors

Representative Transactions

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