

# FUEL PRODUCTS DISTRIBUTION INSIGHT

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

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# Parkland: Update on shareholder campaign

## Historical stock price performance



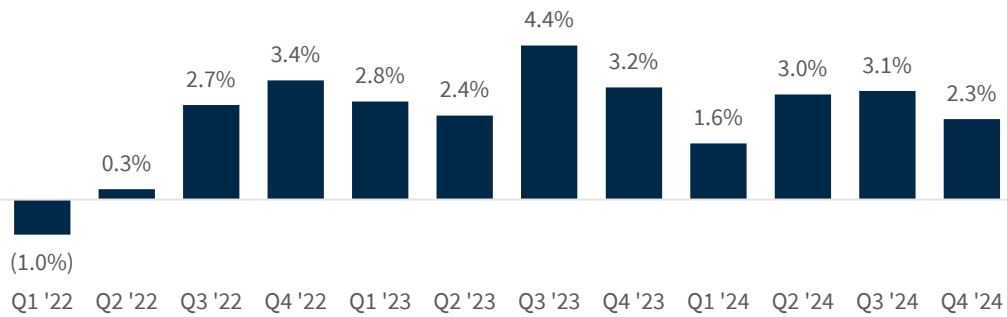
- 1 **February 11, 2025:** Ontario's provincial court rules that Simpson Oil, Parkland's largest investor owning ~20%, is **no longer bound by voting and standstill restrictions** in the governance agreement between the two parties
- 2 **February 25, 2025:** Simpson Oil releases a letter addressed to Parkland's board, stating it has **"significant concerns about the effectiveness of [the Company's] current strategy and leadership"**
- 3 **March 6, 2025:** Parkland **initiates a review of strategic alternatives, including a potential sale**, led by a committee of independent directors to address the Company's share performance
  - "Its primary intention is to explore opportunities to **maximize value creation** while also offering a potential path to **seek resolution with Simpson Oil**" – Bob Espey, CEO
- 4 **March 17, 2025:** Engine Capital, an activist investor owning 2.5% of Parkland, calls on the Company to **appoint two independent board directors**, claiming **"the current board cannot be trusted to represent shareholders' interests"**
- 5 **April 7, 2025:** Simpson Oil urges Parkland to **replace CEO Bob Espey** and makes nine board of director nominations ahead of the Company's annual shareholder meeting; Parkland has proposed its own slate of directors for consideration

# Recent, notable M&A transactions

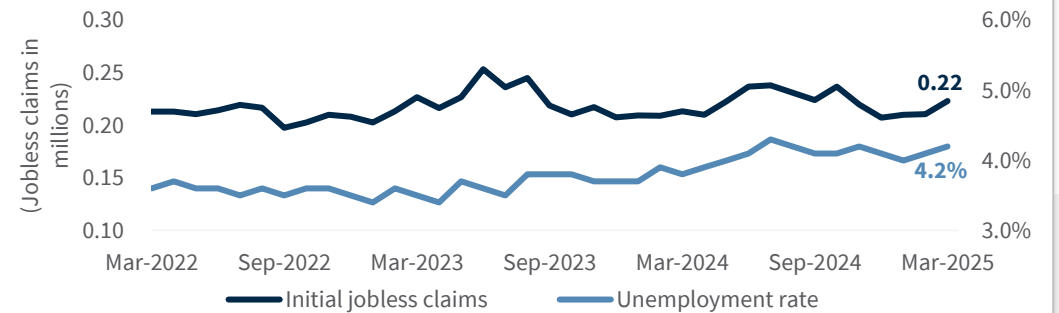
ANNOUNCED DATE	ACQUIROR	TARGET	TARGET DESCRIPTION
3/25/2025	Star Group	Cato Inc. (home heat and commercial fuels division)	Salisbury, Maryland-based supplier of retail propane, heating oil and commercial refined fuels throughout Maryland, Delaware and Virginia
2/28/2025	Majors Management	Bluebonnet Petroleum (fuel supply contracts)	Chevron-branded retail fuel supply contracts of Brenham, Texas-based wholesale fuel distributor
2/14/2025	U.S. Energy	NGL Supply Terminal (propane assets)	Propane storage and terminal assets located in Wisconsin at Green Bay Quincy North
2/11/2025	Hampel Oil Distributors	Hutchinson Oil (delivered fuels business)	Elk City, Oklahoma-based provider of commercial refined fuels throughout Western Oklahoma
2/6/2025	Wallis Lubricants	PMI Lubricants	Mid-Atlantic provider of lubricants, diesel exhaust fluid and ancillary products
1/28/2025	Paraco Gas	Consumers Propane	Woonsocket, Rhode Island-based provider of propane, heating oil and motor fuels
1/16/2025	Cadence Petroleum	R.W. Davis Oil Company	Lilburn, Georgia-based commercial fuels and lubricants distributor
1/15/2025	Star Group	Allen's Oil & Propane	Vincentown, New Jersey-based propane and heating oil distributor
1/7/2025	Palmdale Oil	Combs Oil Company	Naples, Florida-based distributor of diesel fuel, gasoline and lubricants
12/30/2024	Dilmar Oil	Taylor Enterprises	Spartanburg, South Carolina-based distributor of lubricants, motor and industrial oils and diesel exhaust fluid
12/19/2024	Moove	Atlantic States Lubricants	Farmingdale, New York-based authorized distributor of Mobil-branded lubricants
10/28/2024	Santa Energy	West Oil	North Adams, Massachusetts-based provider of heating oil and burner service

# Macroeconomic indicators

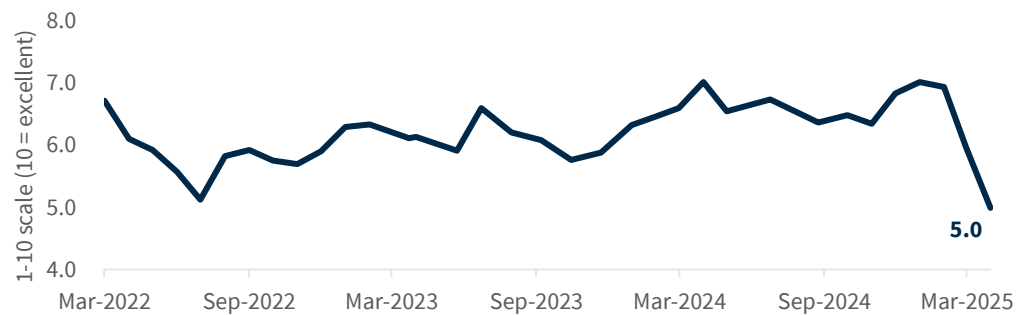
**REAL GDP GROWTH, SEASONALLY ADJUSTED**



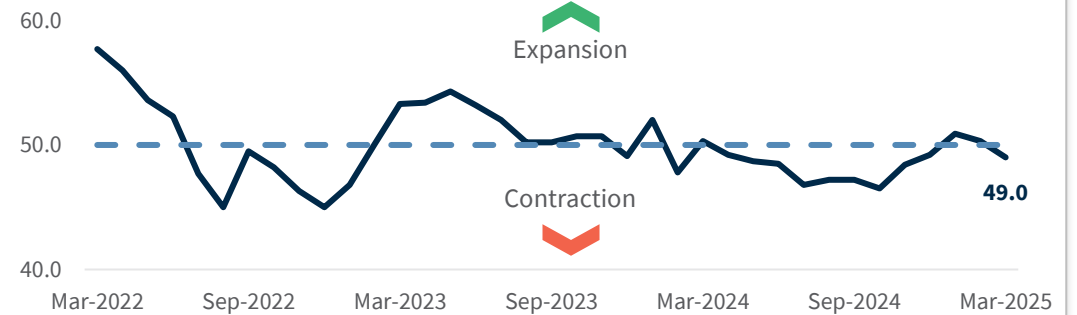
**UNEMPLOYMENT RATE AND INITIAL JOBLESS CLAIMS**



**CEO CONFIDENCE INDEX**



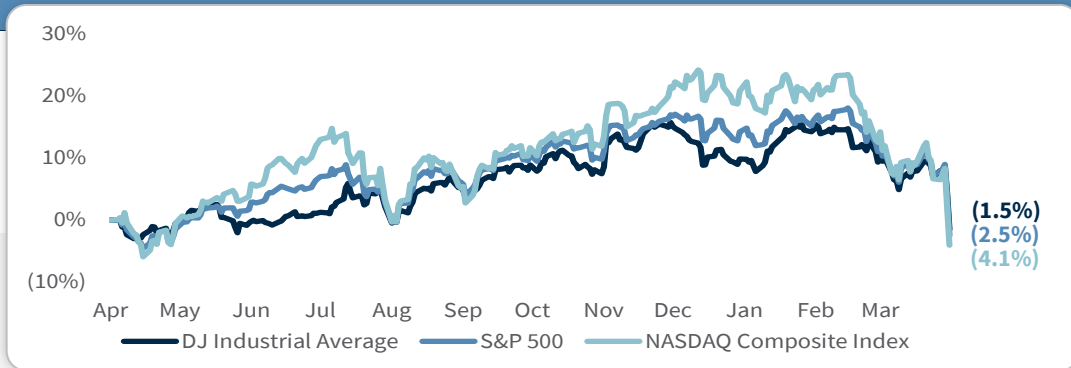
**COMPOSITE PURCHASING MANAGERS' INDEX**



Source: Bureau of Economic Analysis, Federal Reserve Bank of St. Louis, Chief Executive

# Macroeconomic indicators (cont.)

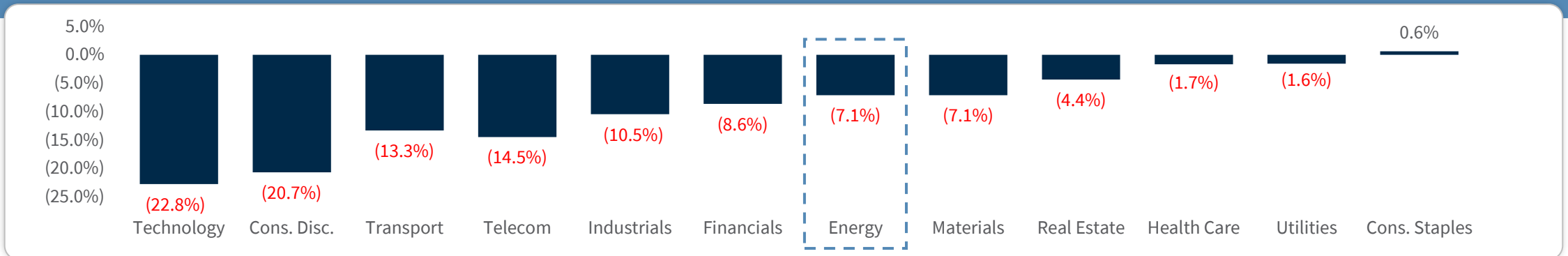
## EQUITY MARKETS



## VOLATILITY

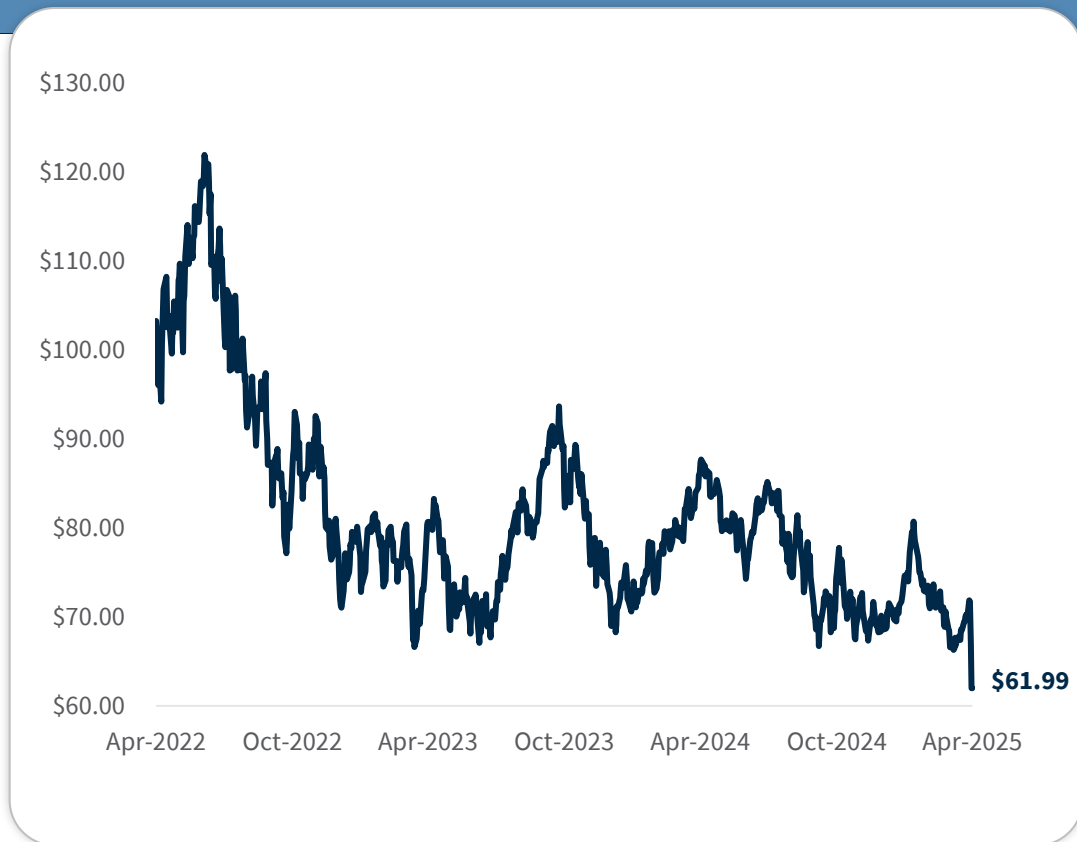


## 2025 YTD SECTOR PERFORMANCE

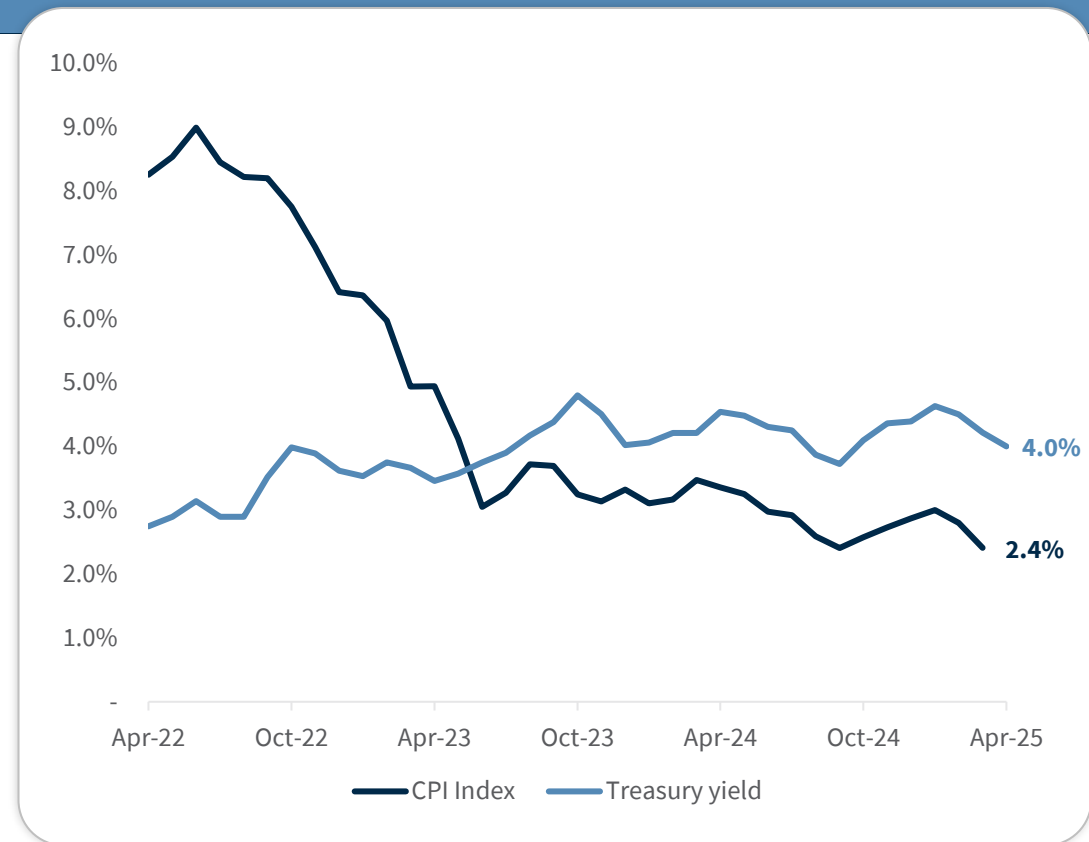


# Macroeconomic indicators (cont.)

WEST TEXAS INTERMEDIATE (WTI)



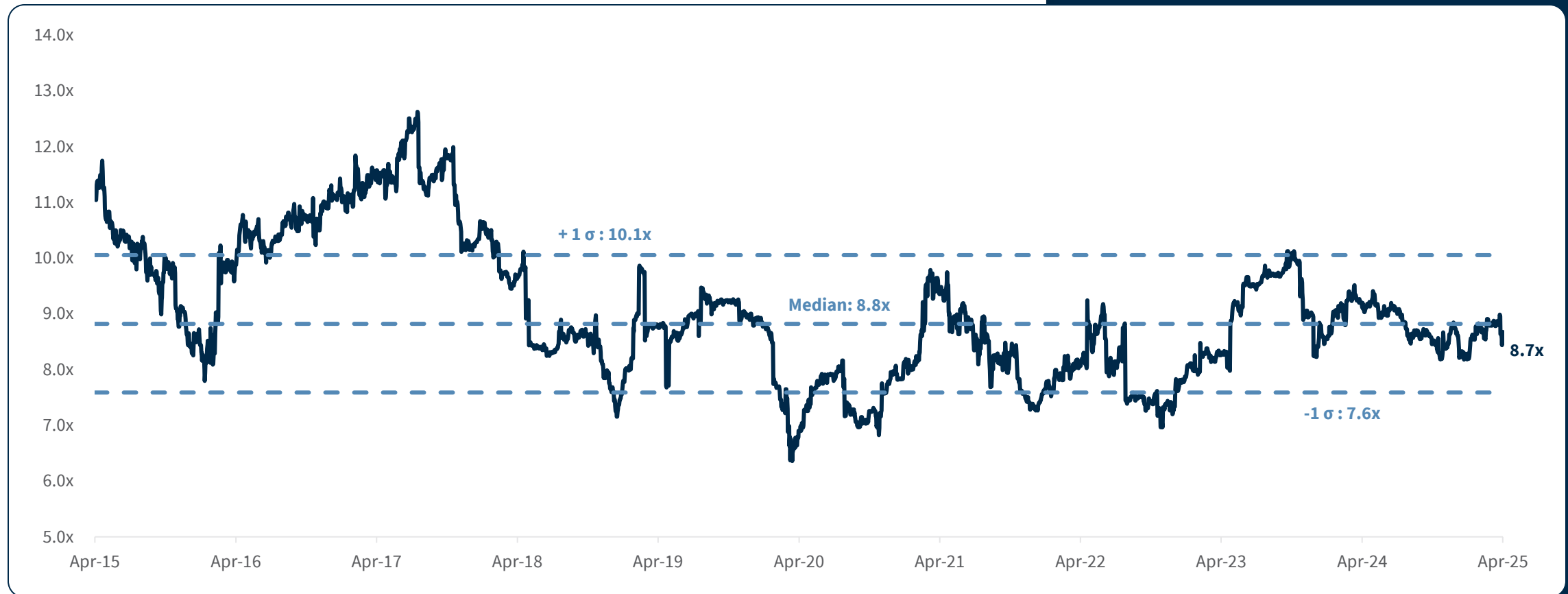
INFLATION VS. 10-YEAR TREASURY YIELD



Source: Federal Reserve Bank of St. Louis, EIA

# Public company performance

## 10-year median of fuel distributor trading multiples (EV / LTM EBITDA)

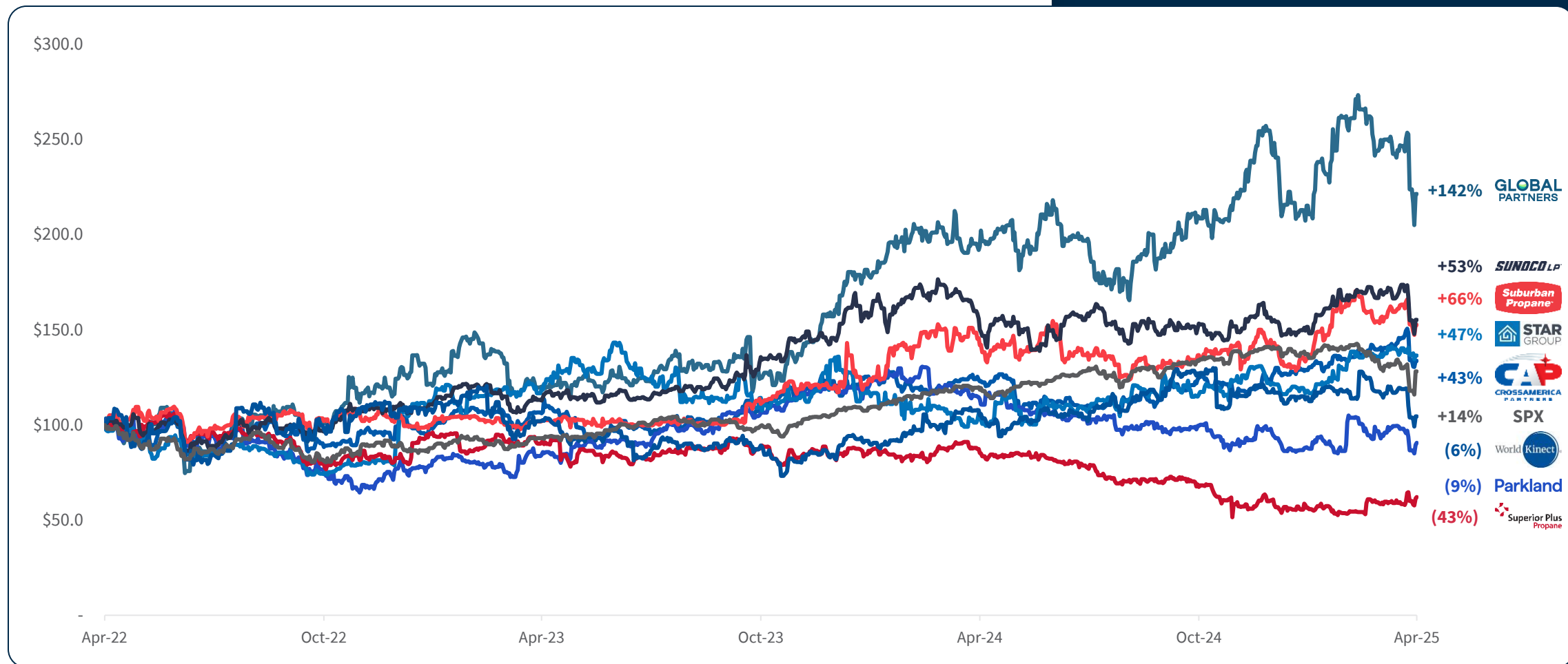


Source: S&P CIQ Pro. Data updated through 4/9/2025

Note: (1) Median EV / LTM EBITDA multiple of CAPL, GLP, TSX: PKI, SGU, TSX: SPB, SPH, SUN, and WKC

# Public company performance (cont.)

## Indexed three-year stock price performance

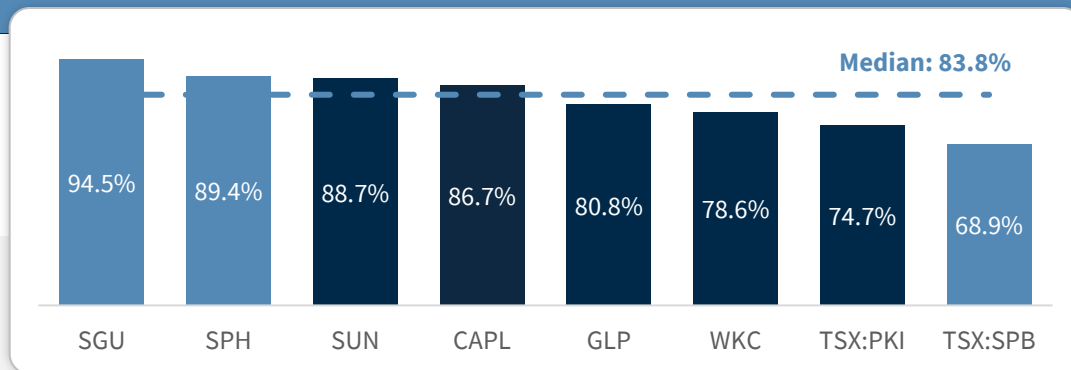


Source: S&P CIQ Pro. Data updated through 4/9/2025

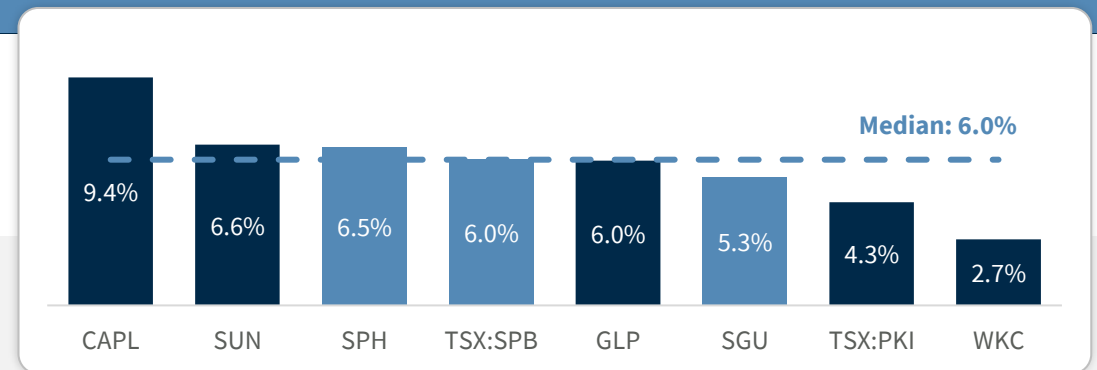


# Public company trading statistics

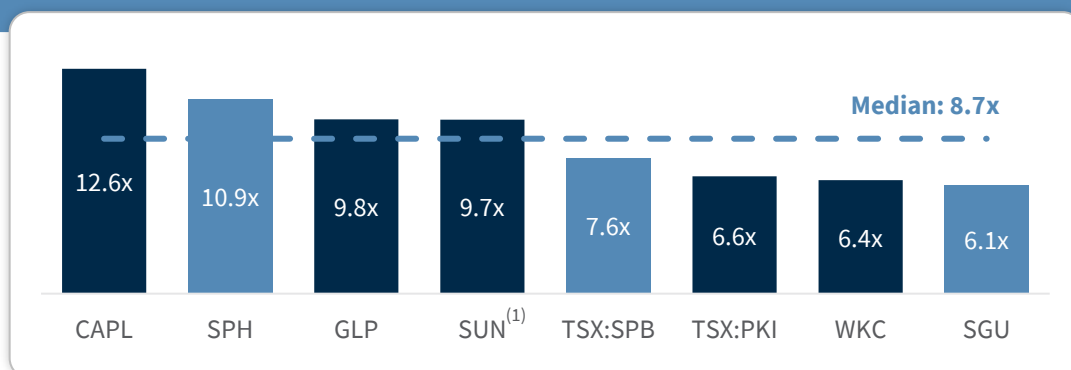
CURRENT PRICE AS A % OF LTM HIGH



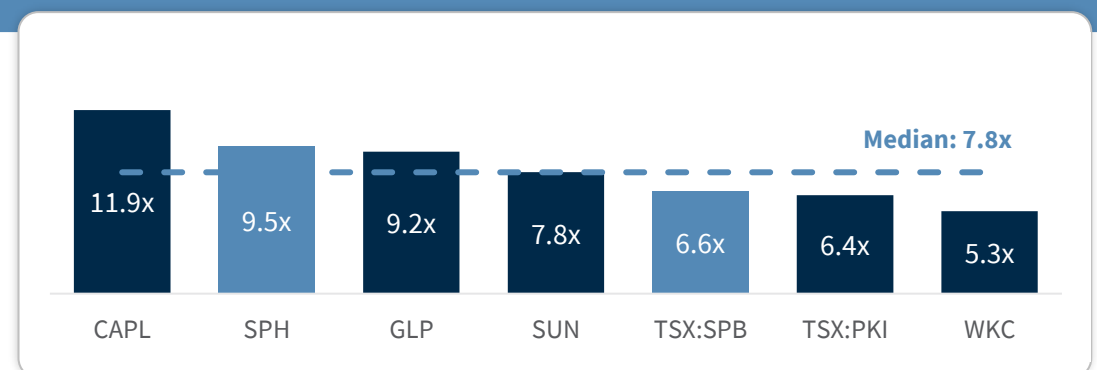
LTM DIVIDEND / DISTRIBUTION YIELD



EV / LTM EBITDA



EV / NTM EBITDA



Source: S&P CIQ Pro

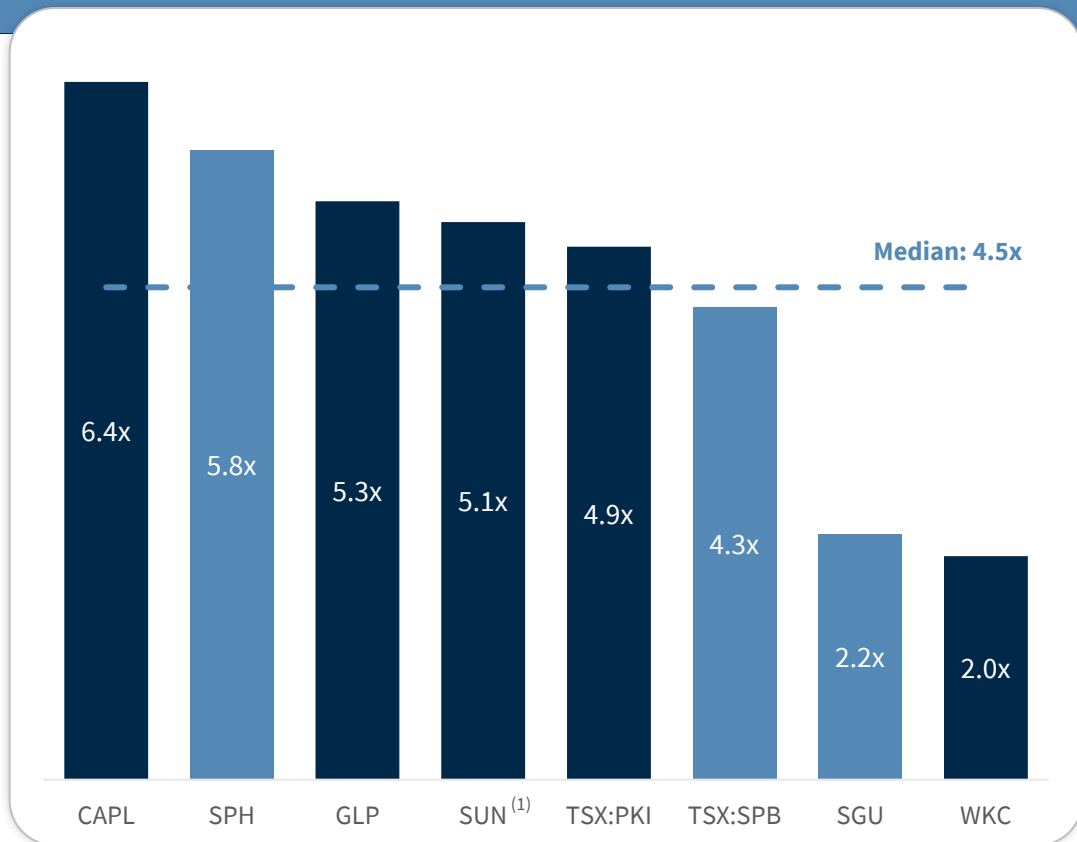
Notes: Data updated through 4/9/2025

(1) Pro forma for NuStar acquisition completed 5/3/2024

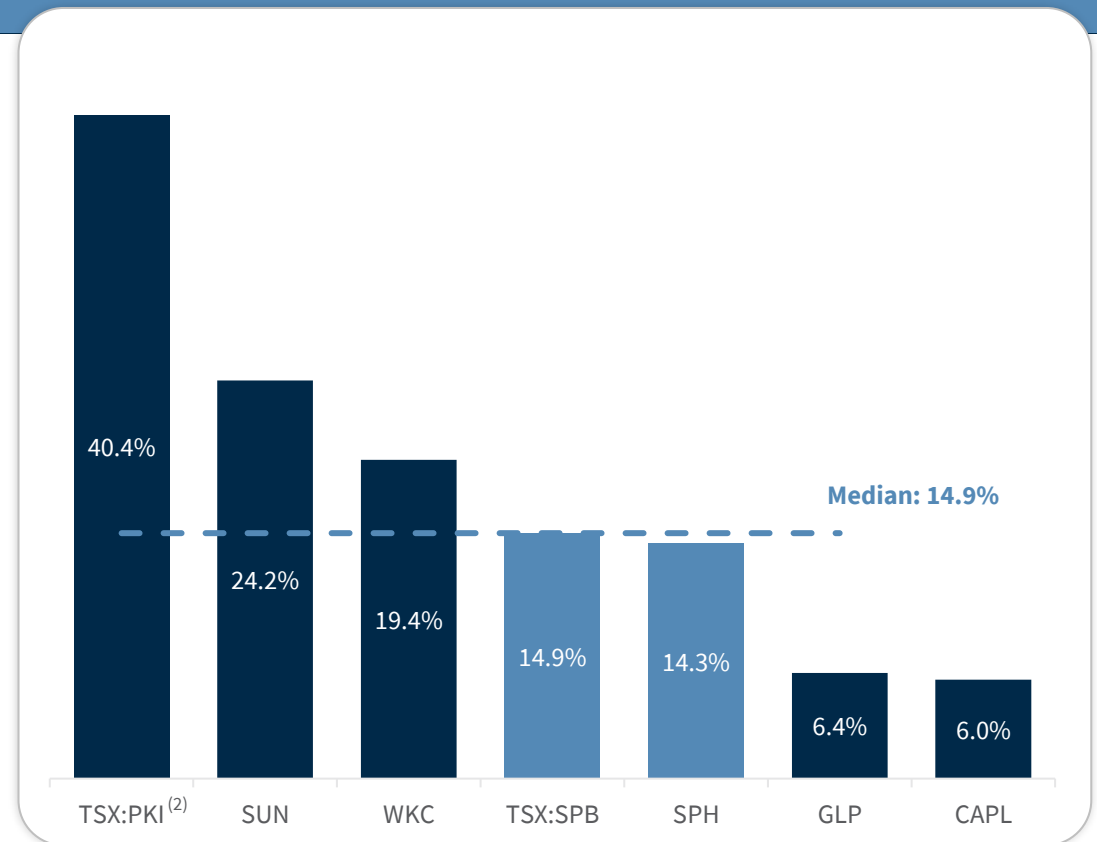
■ Motor fuel distributor  
■ Propane / heating oil distributor

# Public company trading statistics (cont.)

NET DEBT / LTM EBITDA



2025E Y/Y EBITDA GROWTH



Source: S&P CIQ Pro

Note: Data updated through 4/9/2025

(1) Pro forma for NuStar acquisition completed 5/3/2024

(2) EBITDA excludes refining segment

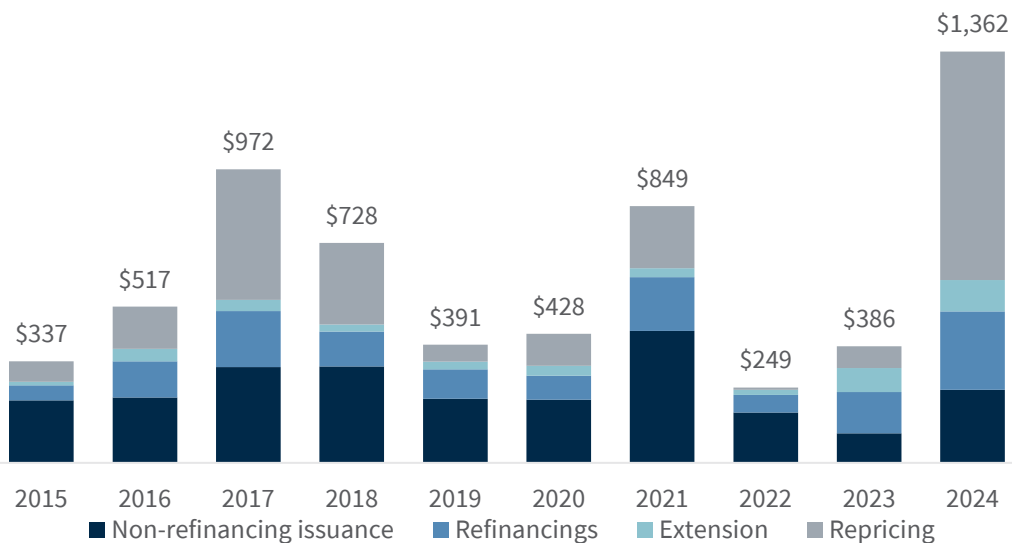
■ Motor fuel distributor

■ Propane / heating oil distributor

# Debt market outlook

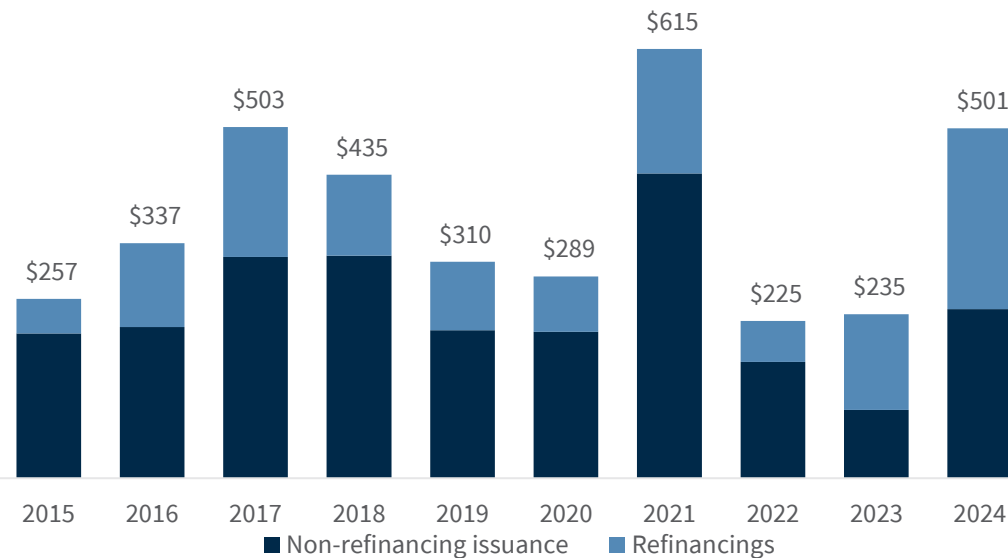
(\$ in billions)

**ANNUAL U.S. INSTITUTIONAL VOLUME INCLUDING REPRICING AND EXTENSIONS <sup>(1)</sup>**



- 2024 had record loan volume of \$1.4 trillion which was 60% higher than 2021 and 41% above the prior peak in 2017
- Borrowers focused on managing their balance sheets with opportunistic transactions, such as refinancings, repricings and amendments, representing ~\$1.0 trillion, or 74.6% of 2024 volume

**U.S. INSTITUTIONAL LOAN VOLUME EXCLUDING REPRICING AND EXTENSIONS**



- Excluding repricings that simply reduce spreads and maturity extension amendments, loan volume reduces to \$501B
  - While this is over twice the 2023 and 2022 levels, it lagged 2021 by 18% and is just short of \$503B in 2017
- Issuance not related to a refinancing, primarily M&A, LBO and dividend recapitalization transactions, totaled \$242B in 2024, 45% below 2021 and roughly in line with the 10-year average

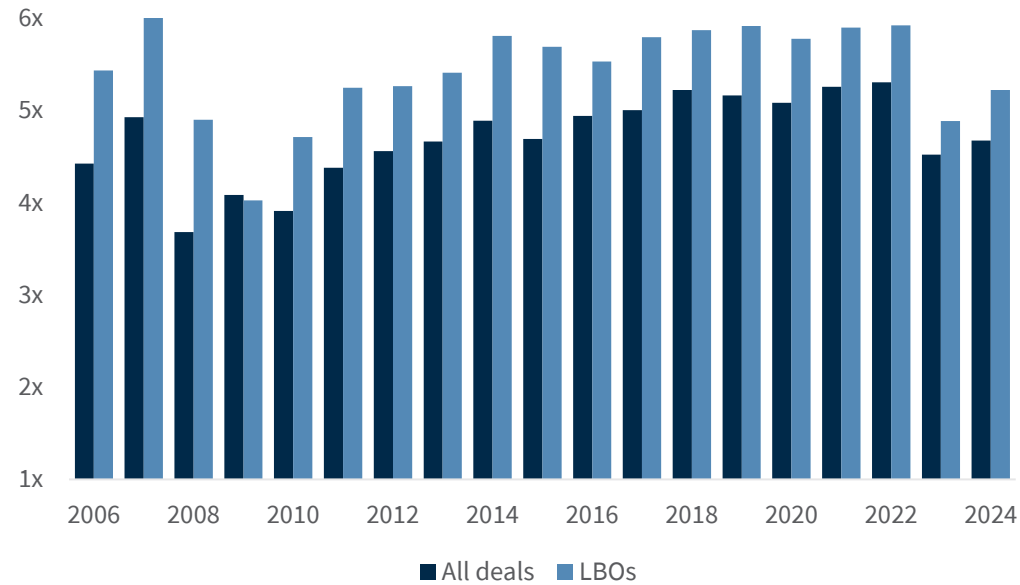
Source: Leveraged commentary and data. Data updated through 12/31/2024

Note: (1) Total volume includes repricings and extensions via an amendment process (vs. new issuance)

# Debt market outlook (cont.)

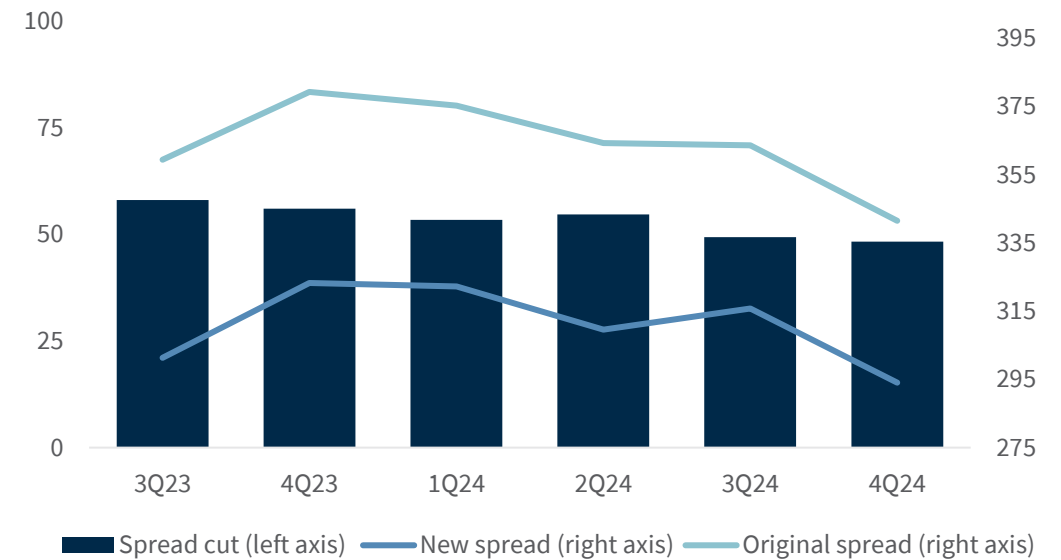
(\$ in billions)

## DEBT / EBITDA RATIO OF LEVERAGED LOANS



- In 2024, the average debt / EBITDA ratio for primary market transactions increased to 4.7x from 4.5x in 2023, the lowest since 2011
- More than half of the deals (56%) had an opening leverage of less than 5x, down from 64% in 2023 but higher than the 44% in 2021
- Deals with leverage over 6x were relatively rare, accounting for 19% in 2024, slightly up from 17% in 2023 but significantly below the 28% to 38% range in the preceding five years

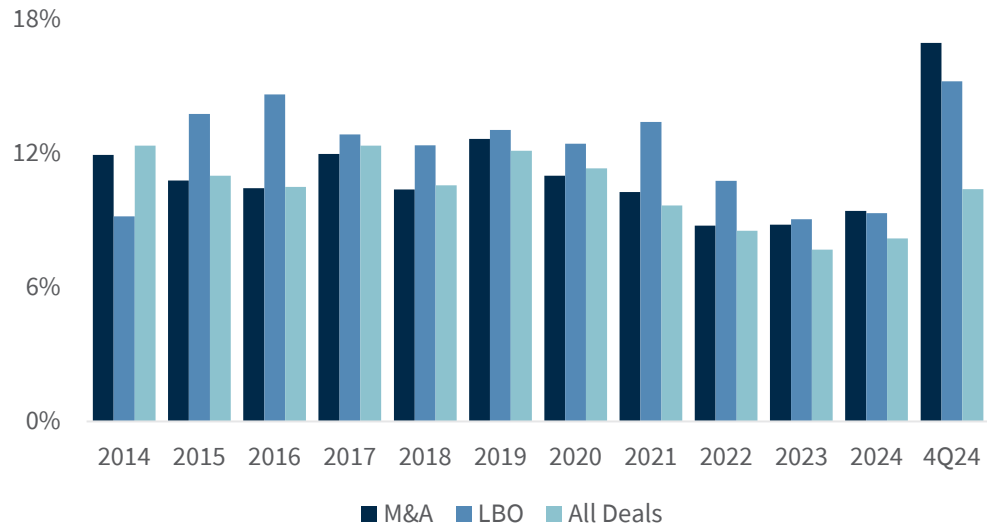
## REPRICING SAVINGS



- December's repricing activity set a record for 4Q2024 at \$279B, bringing the annual total to \$757B, surpassing the previous high of \$432B in 2017
- Including re-syndicated repricings, the 2024 total reached nearly \$800B, or about 60% of all outstanding loans at the start of the year, resulting in \$4.1B in annual interest expense savings for speculative-grade borrowers
- Average spread savings from repricings declined throughout the year, with 4Q2024 transactions saving borrowers 48 bps on average, compared to 53 bps in 1Q2024

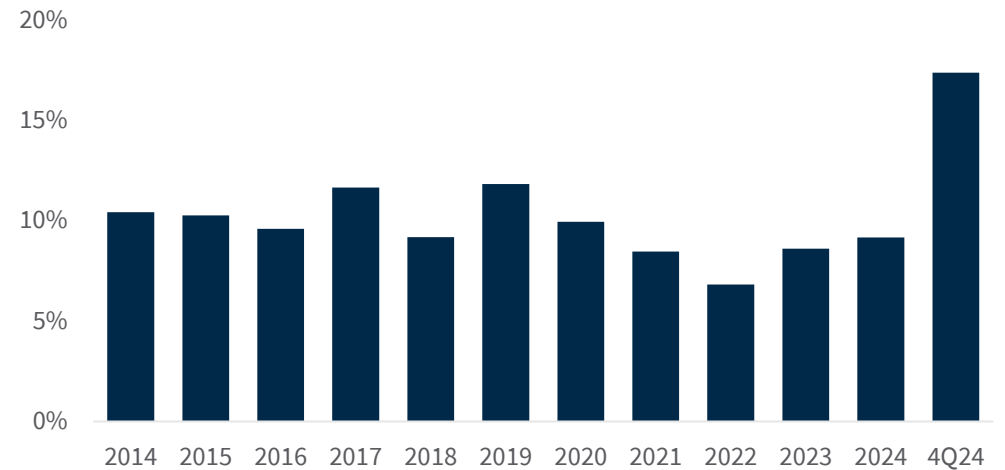
# Debt market outlook (cont.)

## ADJUSTMENTS AS A PERCENTAGE OF EBITDA



- Adjustments as a percentage of EBITDA have steadily declined over the past few years as underwriting standards have become more stringent, however, 2024 saw a slight uptick compared to 2023
- In 2024, adjustments as a percentage of EBITDA for all deals increased to 8.2% from 7.7% in 2023
  - M&A and LBO adjustments also saw a slight uptick, resisting recent downward trends

## AVERAGE SYNERGIES / EBITDA RATIO FOR ACQUISITION-RELATED TRANSACTIONS

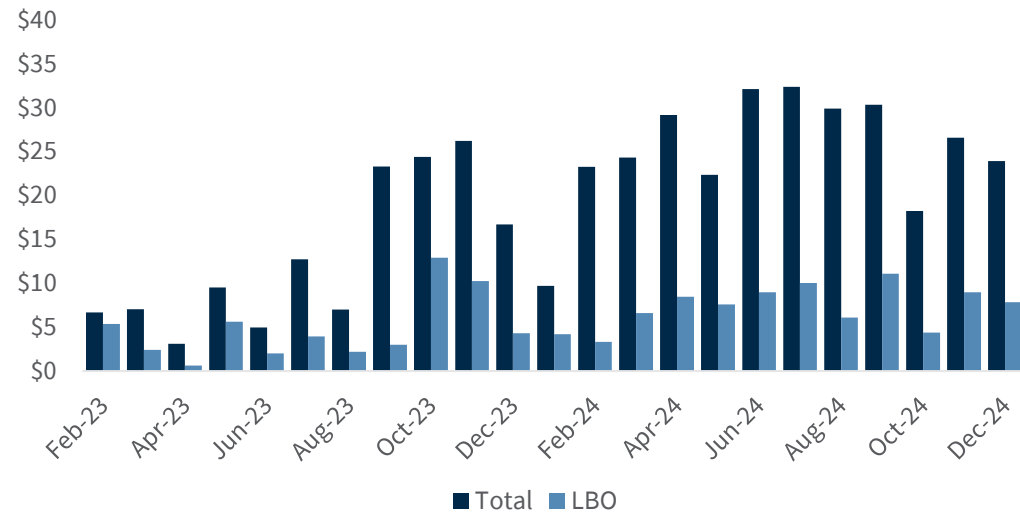


- The average synergies / EBITDA ratio for acquisition-related transactions has increased 0.56% from 2023
- In 4Q24, the average synergies / EBITDA ratio saw a large uptick to 17.4%, which is well above the 3Q2024 figure of 5.1% and all other annual periods on record

# Debt market outlook (cont.)

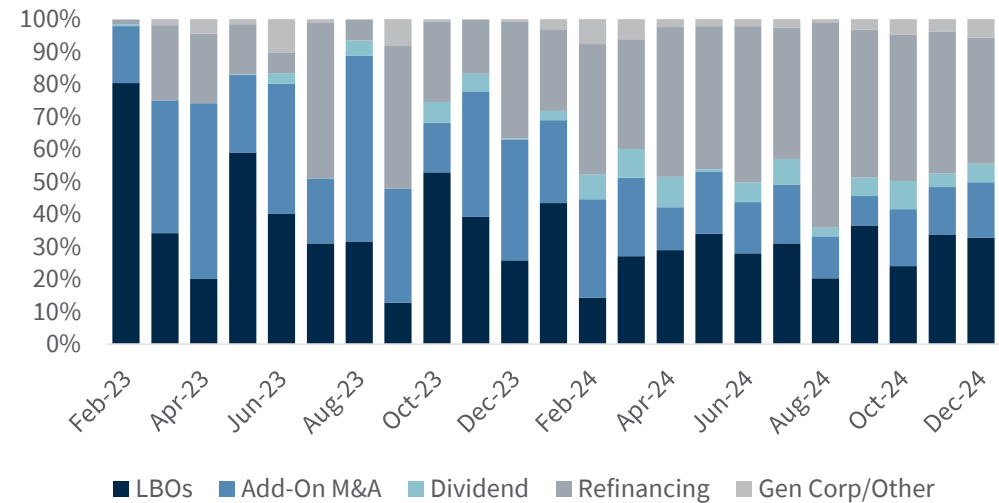
(\$ in billions)

## PRIVATE DEBT MONTHLY NEW ISSUE VOLUME



- Private debt new issue volume reached \$302B in 2024, more than doubling from \$146B in 2023 and \$143B in 2022
- Opportunistic transactions, such as refinancings and repricings (\$134B), dominated 2024 activity, while LBOs and M&A add-ons (\$140B) and dividend recaps (\$23.2B) showed incremental improvement throughout the year
- Although still at robust levels, new issue volume slowed in 4Q2024 totaling \$68.7B, a 29.2% decline compared to the \$97B in 3Q2024

## PRIVATE DEBT MONTHLY VOLUME BY PROCEEDS



- Borrowers continues to focus on pushing out maturities and reducing pricing of existing debt with refinancings accounting for 44% of 2024 volume
- LBOs activity increased to \$87.6B representing 29% of 2024 volume vs. \$54.0B representing 37% of volume in 2023
- M&A add-on activity had a more modest increase to \$52.1B in 2024 vs \$47.3B in 2023. M&A made up 17% of lending in 2024 vs 32% in 2023
- Dividend recap volume grew 5x to \$18.2B in 2024 from \$3.6B in 2023 as sponsors focused on returning capital to LPs in light of longer hold periods and slow exit volume

# Earnings recap

## CROSSAMERICA PARTNERS (NYSE: CAPL)



	Year ended		Change
	12/31/2024	12/31/2023	
<b>Earnings per unit</b>	\$0.52	\$1.06	(50.9%)
<b>Wholesale volume</b>	743.5	842.6	(11.8%)
<b>Wholesale fuel margin (CPG)</b>	8.5¢	8.6¢	(1.2%)
<b>Retail volume</b>	554.5	506.5	9.5%
<b>Retail fuel margin (CPG)</b>	36.8¢	36.9¢	(0.3%)
<b>Adjusted EBITDA</b>	\$145.5	\$165.8	(12.2%)
<b>One-day stock price reaction</b>			0.5%

"Throughout the year, we made significant progress on our strategic goal of converting sites to our retail class of trade, while also successfully divesting select locations to strengthen our long-term financial and competitive position. While our full-year results were impacted by a challenging first quarter and inflationary pressures on our core retail customers, we remain confident in the strength of our business, the execution of our strategy, and the foundation we have built for future growth."

## GLOBAL PARTNERS LP (NYSE: GLP)



	Year ended		Change
	12/31/2024	12/31/2023	
<b>Earnings per unit</b>	\$2.45	\$3.77	(35.0%)
<b>GDSO product margin<sup>(1)</sup></b>	\$860.5	\$834.6	3.1%
<b>Wholesale product margin</b>	\$292.2	\$201.9	44.7%
<b>Commercial product margin</b>	\$31.4	\$31.7	(1.2%)
<b>Adjusted EBITDA</b>	\$388.9	\$356.3	9.2%
<b>One-day stock price reaction</b>			7.8%

"We integrated 30 new terminals across the Atlantic Coast, the Southeast, Texas and the Northeast, more than doubling our storage capacity of approximately 22 million barrels. Our expansion included 25 terminals acquired in December 2023, backed by a significant 25-year take-or-pay contract with Motiva Enterprises, a subsidiary of Saudi Aramco."

## PARKLAND CORP. (TSX: PKI)<sup>(2)</sup>



	Year ended		Change
	12/31/2024	12/31/2023	
<b>Earnings per unit</b>	\$0.73	\$2.68	(72.8%)
<b>Total fuel volume<sup>(3)</sup></b>	6,710.2	7,294.6	(8.0%)
<b>Fuel margin (CPG)</b>	45.2¢	44.7¢	1.0%
<b>Adjusted EBITDA</b>	\$1,690.0	\$1,913.0	(11.7%)
<b>One-day stock price reaction</b>			1.1%

"While we are confident in the tremendous value creating potential of our business, strategic plan, and management's ability to execute, the current share price does not fully reflect the intrinsic value of the Company. As a result, our Board believes the Strategic Review is a necessary step to explore opportunities to maximize value creation for all shareholders. We are openly inviting Simpson Oil to rejoin the Company's Board and participate on the Special Committee."

Source: Public company filings, S&P CIQ Pro, Wall Street equity research

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


(1) GDSO segment = Gasoline distribution and station operations

(2) Earnings per unit, 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


# Earnings recap (cont.)

## STAR GROUP (NYSE: SGU)

	Year ended		Change
	9/30/2024	9/30/2023	
 <b>STAR GROUP</b>			
<b>EPS</b>	\$0.99	\$0.89	11.2%
<b>Total product volume<sup>(1)</sup></b>	382.5	398.2	(3.9%)
<b>Product margin (CPG)<sup>(2)</sup></b>	122.4¢	112.1¢	9.1%
<b>Adjusted EBITDA</b>	111.6	96.9	15.2%
<b>One-day stock price reaction</b>			(1.8%)


“Notably, temperatures in fiscal 2024 were 15% warmer than normal, but roughly flat year-over-year. Total revenue fell modestly due to slightly lower volumes and selling prices. However, full year adjusted EBITDA rose by \$14.7 million versus fiscal 2023, reflecting an increase in home heating oil and propane per gallon margins and higher service and installation profitability. We continue to be laser-focused on cost containment and operating efficiency, and I believe the benefits of those efforts are evident in our improved EBITDA results this year. At the same time, we remain vigilant in working to address net customer attrition, which at 4.2% in fiscal 2024, was up slightly year-over-year.”

## SUPERIOR PLUS (TSX: SPB)

	Year ended		Change
	12/31/2024	12/31/2023	
 <b>Superior Plus</b>			
<b>Earnings per unit</b>	(\$0.15)	\$0.17	(188.2%)
<b>Total retail gallons</b>	345.0	382.0	(9.7%)
<b>Propane margin (CPG)</b>	167.1¢	155.2¢	7.7%
<b>Adjusted EBITDA</b>	\$455.5	\$414.1	10.0%
<b>One-day stock price reaction</b>			12.0%

“The fourth quarter was characterized by some of the same challenges we encountered throughout the year, which was warm weather impacting the propane results and competitive pressure on pricing in CNG. Full year adjusted EBITDA was \$455.5 million, representing a \$40.8 million increase over 2023 -- this growth was primarily from a full year contribution from Certarus, partially offset by lower results in the propane distribution segment. EBITDA per share increased from \$1.25 in 2023 to \$1.27 in 2024, and this is primarily due to the accretive return profile of our Certarus acquisition.”

## SUBURBAN PROPANE PARTNERS (NYSE: SPH)

	Year ended		Change
	9/28/2024	9/28/2023	
 <b>Suburban Propane</b>			
<b>Earnings per unit</b>	\$1.15	\$1.94	(40.7%)
<b>Total fuel volume</b>	395.1	415.5	(4.9%)
<b>Fuel margin (CPG)</b>	184.9¢	185.1¢	(0.1%)
<b>Adjusted EBITDA</b>	\$216.5	\$260.4	(16.9%)
<b>One-day stock price reaction</b>			(9.1%)

"Fiscal year 2024 was characterized by unseasonably warm temperatures during the peak winter heating months that continued into the third quarter, with periods of extreme heat in certain parts of the country. Despite the challenging weather, propane volumes were down just 3% compared to the prior year, excluding the impact of the additional week of operations in fiscal 2023 -- with volumes benefitting from our organic customer base growth and retention initiatives, particularly in our counter-seasonal customer segments, and from the acquisition of three well-run propane businesses in strategic markets."

Source: Public company filings, S&P CIQ Pro, Wall Street equity research

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

(1) Total of home heating oil and propane

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



# Earnings recap (cont.)

## SUNOCO (NYSE:SUN)

<b>SUNOCO LP</b>	Year ended		Change
	12/31/2024	12/31/2023	
<b>EPS</b>	\$4.13	\$2.60	58.8%
<b>Fuel distribution volume</b>	8,578.0	8,317.0	3.1%
<b>Fuel margin (CPG)</b>	11.6¢	12.5¢	(7.2%)
<b>Adjusted EBITDA</b>	\$1,457.0	\$964.0	51.1%
<b>One-day stock price reaction</b>			(0.7%)

“The NuStar acquisition was obviously the headliner. This was a home run acquisition. The integration is done. Our balance sheet goals were achieved in less than 6 months. Synergies are flowing to the bottom line. And thus, for our equity holders, we have already delivered double-digit accretion within the first year of ownership. This acquisition was obviously our biggest to date, but we have also shown our ability to deliver disciplined, value-creating growth year after year. Here are a couple of insightful metrics that support this. First, our credit profile continues to improve. We've had multiple credit rating upgrade since 2022.

Second, our DCF per common unit continues to grow. In fact, SUN is the only AMZI constituent to grow DCF per common unit for the last 8 consecutive years. And most importantly, we expect both of these metrics to continue on an upward trajectory.”

## WORLD KINECT CORP. (NYSE: WKC)

World Kinect	Year ended		Change
	12/31/2024	12/31/2023	
<b>Earnings per unit</b>	\$1.14	\$0.86	32.6%
<b>Total fuel volume</b>	13,329	13,566	(1.7%)
<b>Aviation segment margin (CPG)</b>	262.0¢	297.0¢	(11.8%)
<b>Land segment margin (CPG)</b>	211.0¢	244.0¢	(13.5%)
<b>Marine segment margin (\$ per metric ton)</b>	\$536.4	\$549.7	(2.4%)
<b>Adjusted EBITDA</b>	\$361.0	\$386.0	(6.5%)
<b>One-day stock price reaction</b>			3.5%

“Our acquisition pipeline is expanding across various sectors of our core business. These opportunities offer significant growth potential, but we will remain disciplined, investing only where it makes strategic sense, working to ensure that our investments enable or accelerate growth while leveraging and complementing our existing platform. The good news is that our strong cash flow and solid balance sheet provide us with ample financial resources to pursue and capitalize on the opportunities available in the market today.”

Source: Public company filings, S&P CIQ Pro, Wall Street equity research  
 Note: \$ and gallons in millions, except EPS and CPG data

**“European electric car market suffers ‘devastating’ collapse” | Matt Oliver, The Telegraph**

January 14, 2025 – The number of EVs sold across Europe fell by 3pc to 3m during 2024, according to data from analysis firm Rho Motion. This came after the withdrawal of government tax breaks triggered a collapse in sales across Germany.

[Read more](#)


**“U.S. renewable diesel market faces shifting tides amid market uncertainty” | Benjamin Morse, S&P Global**

March 14, 2025 – Several factors ... have forced many biodiesel and renewable diesel production facilities to either scale back operations, shut down entirely or switch back to fossil diesel.

[Read more](#)


**“Trump Promised a Golden Age for Oil and Gas, but Tariffs Undermine His Pledge” | Benoît Morenne, The Wall Street Journal**

April 10, 2025 – Although the president’s duty increases exempt energy flows, fears of a global recession have damped crude prices. Since Trump’s tariff-unveiling last week, U.S. oil prices have fallen 16% to about \$60 a barrel. Despite the 90-day pause that he declared on some tariffs Wednesday, prices are still at levels that will likely cause domestic production to flatline—if not decline—this year.

[Read more](#)


**“US power use to reach record highs in 2025 and 2026, EIA says” | Scott Disavino, Reuters**

April 10, 2025 – Those demand increases come from data centers dedicated to artificial intelligence and cryptocurrency, and as homes and businesses use more electricity for heat and transportation.

[Read more](#)



REUTERS

**“Auto Tariffs Are Still On—and Would Raise the Cost of Just Owning a Car” | Joe Pinsker, The Wall Street Journal**

April 10, 2025 – Although Trump paused certain tariffs on Wednesday, those still in place are expected to raise the prices of a range of products. Tariffs on cars and auto parts in particular would in turn push up the cost of insurance and repairs, analysts said.

[Read more](#)


**“US consumer inflation eases ahead of tariffs” | Lucia Mutikani, Reuters**

April 10, 2025 – U.S. consumer prices unexpectedly fell in March amid cheaper gasoline and used motor vehicles, but the benign inflation reading is unlikely to be sustained after President Donald Trump doubled down on tariffs on imported Chinese goods.

[Read more](#)



REUTERS

What we’re  
reading

# Your success is our business



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Learn how our deep industry expertise and commitment to each transaction can help you achieve your business objectives **here**.

## Deep and experienced team

8 investment bankers

4+ equity research analysts

4+ dedicated equity capital markets pros

## Robust transaction experience<sup>(1)</sup>

80+ relevant industry transactions

>\$13B total deal value

30+ years focused on the industry

## Client focus

- Oil jobbers / wholesale fuel distributors
- Commercial fuel and lube distributors
- Propane and heating oil marketers
- Alternative fuel providers

- Truck stop and travel center operators
- Mobile refueling
- Terminal operators

- Convenience retail
- Merchandise / foodservice distributors
- Car wash operators

## Representative transactions

September 2024

has sold its convenience store assets to

**\$385,000,000**

April 2024

has sold convenience store assets to

**ARKO**  
A Family of Community Brands

August 2023

has sold distribution assets to

**An Undisclosed Buyer**

June 2023

**\$350,000,000**  
Convertible Senior Notes  
Bookrunning Manager

April 2023

has been acquired by

March 2022

has sold select convenience store assets to

Wills Group

Note: (1) Current as of 3/25/2025