



NEWS RELEASE

# Global Partners Reports First-Quarter 2022 Financial Results

5/6/2022

WALTHAM, Mass.--(BUSINESS WIRE)-- Global Partners LP (NYSE: GLP) ("Global" or the "Partnership") today reported financial results for the first quarter ended March 31, 2022.

"Volume and margin gains in each segment of our business highlighted a strong first-quarter performance for Global, as we continued to navigate a dynamic and volatile operating environment," said Eric Slifka, the Partnership's President and Chief Executive Officer. "Our results underscore the benefits of our vertically integrated liquid energy distribution system, which is designed to achieve synergies and enhance margins across each step of the value chain.

"Our strategy to drive growth through M&A and organic investments continues to generate positive results for Global," Slifka said. "Product margin in our Gasoline Distribution and Station Operations segment increased 33% to \$173 million in the first quarter. The segment benefitted from our recently completed acquisition of a combined 105 sites from Consumers Petroleum of Connecticut and Miller's Neighborhood Market."

## Financial Highlights

Net income was \$30.5 million, or \$0.76 per diluted common limited partner unit, for the first quarter of 2022 compared with a net loss of \$4.3 million, or \$0.20 per common limited partner unit, in the same period of 2021.

Earnings before interest, taxes, depreciation and amortization (EBITDA) was \$79.8 million in the first quarter of 2022 compared with \$40.9 million in the same period of 2021.

Adjusted EBITDA was \$74.9 million in the first quarter of 2022 versus \$40.4 million in the same period of 2021.

Distributable cash flow (DCF) was \$49.9 million in the first quarter of 2022 compared with \$14.0 million in the same period of 2021.

EBITDA, Adjusted EBITDA and DCF include a net gain on sale and disposition of assets of \$4.9 million and \$0.5 million for the three months ended March 31, 2022 and 2021, respectively.

Gross profit in the first quarter of 2022 was \$206.2 million compared with \$145.0 million in the same period of 2021, driven primarily by the Gasoline Distribution and Station Operations (GDSO) segment.

Combined product margin, which is gross profit adjusted for depreciation allocated to cost of sales, was \$228.2 million in the first quarter of 2022 compared with \$165.1 million in the same period of 2021.

Combined product margin, EBITDA, Adjusted EBITDA, and DCF are non-GAAP (Generally Accepted Accounting Principles) financial measures, which are explained in greater detail below under "Use of Non-GAAP Financial Measures." Please refer to Financial Reconciliations included in this news release for reconciliations of these non-GAAP financial measures to their most directly comparable GAAP financial measures for the three months ended March 31, 2022 and 2021.

GDSO segment product margin was \$173.0 million in the first quarter of 2022 compared with \$130.4 million in the same period of 2021. The increase was driven primarily by stronger retail fuel and convenience store margins and contributions from recent acquisitions.

Wholesale segment product margin was \$47.1 million in the first quarter of 2022 compared with \$30.5 million in the same period of 2021, driven by more favorable market conditions in other oils and related products, partially offset by less favorable market conditions in gasoline and gasoline blendstocks.

Commercial segment product margin was \$8.1 million in the first quarter of 2022 compared with \$4.2 million in the same period of 2021, reflecting an increase in bunkering activity.

Sales were \$4.5 billion in the first quarter of 2022 compared with \$2.6 billion in the same period of 2021. Wholesale segment sales were \$2.8 billion in the first quarter of 2022 compared with \$1.6 billion in the first quarter of 2021. GDSO segment sales were \$1.4 billion in the first quarter of 2022 versus \$0.9 billion in the same period of 2021. Commercial segment sales were \$330.0 million in the first quarter of 2022 compared with \$145.7 million in the same period of 2021.

Volume in the first quarter of 2022 was 1.5 billion gallons compared with 1.3 billion gallons in the same period of 2021. Wholesale segment volume was 976.8 million gallons in the first quarter of 2022 compared with 885.4 million

gallons in the same period of 2021. GDSO volume was 376.5 million gallons in the first quarter of 2022 compared with 334.1 million gallons in the same period of 2021. Commercial segment volume was 116.8 million gallons in the first quarter of 2022 compared with 81.4 million gallons in the same period of 2021.

## Recent Developments

- Global announced a quarterly cash distribution of \$0.5950 per unit, or \$2.38 per unit on an annualized basis, on all of its outstanding common units for the period from January 1 to March 31, 2022. The distribution will be paid May 13, 2022 to unitholders of record as of the close of business on May 9, 2022.

## Business Outlook

“We are off to a strong start in 2022,” Slifka concluded. “We continue to identify new opportunities to further drive value through our integrated network and strategically located assets to enhance efficiencies, increase returns to unitholders and deliver an outstanding experience for our customers and guests.”

## Financial Results Conference Call

Management will review the Partnership’s first-quarter 2022 financial results in a teleconference call for analysts and investors today.

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Time:	10:00 a.m. ET
Dial-in numbers:	(877) 709-8155 (U.S. and Canada) (201) 689-8881 (International)

Due to the expected high demand on our conference call provider, please plan to dial in to the call at least 10 minutes prior to the start time. The call also will be webcast live and archived on Global Partners’ website, <https://ir.globalp.com>.

## Use of Non-GAAP Financial Measures

### Product Margin

Global Partners views product margin as an important performance measure of the core profitability of its operations. The Partnership reviews product margin monthly for consistency and trend analysis. Global Partners defines product margin as product sales minus product costs. Product sales primarily include sales of unbranded and branded gasoline, distillates, residual oil, renewable fuels and crude oil, as well as convenience store and prepared food sales, gasoline station rental income and revenue generated from logistics activities when the Partnership engages in the storage, transloading and shipment of products owned by others. Product costs include the cost of acquiring products and all associated costs including shipping and handling costs to bring such products

to the point of sale as well as product costs related to convenience store items and costs associated with logistics activities. The Partnership also looks at product margin on a per unit basis (product margin divided by volume). Product margin is a non-GAAP financial measure used by management and external users of the Partnership's consolidated financial statements to assess its business. Product margin should not be considered an alternative to net income, operating income, cash flow from operations, or any other measure of financial performance presented in accordance with GAAP. In addition, product margin may not be comparable to product margin or a similarly titled measure of other companies.

## EBITDA and Adjusted EBITDA

EBITDA and Adjusted EBITDA are non-GAAP financial measures used as supplemental financial measures by management and may be used by external users of Global Partners' consolidated financial statements, such as investors, commercial banks and research analysts, to assess the Partnership's:

- compliance with certain financial covenants included in its debt agreements;
- financial performance without regard to financing methods, capital structure, income taxes or historical cost basis;
- ability to generate cash sufficient to pay interest on its indebtedness and to make distributions to its partners;
- operating performance and return on invested capital as compared to those of other companies in the wholesale, marketing, storing and distribution of refined petroleum products, gasoline blendstocks, renewable fuels, crude oil and propane, and in the gasoline stations and convenience stores business, without regard to financing methods and capital structure; and
- viability of acquisitions and capital expenditure projects and the overall rates of return of alternative investment opportunities.

Adjusted EBITDA is EBITDA further adjusted for gains or losses on the sale and disposition of assets and goodwill and long-lived asset impairment charges. EBITDA and Adjusted EBITDA should not be considered as alternatives to net income, operating income, cash flow from operating activities or any other measure of financial performance or liquidity presented in accordance with GAAP. EBITDA and Adjusted EBITDA exclude some, but not all, items that affect net income, and these measures may vary among other companies. Therefore, EBITDA and Adjusted EBITDA may not be comparable to similarly titled measures of other companies.

## Distributable Cash Flow

Distributable cash flow is an important non-GAAP financial measure for the Partnership's limited partners since it serves as an indicator of success in providing a cash return on their investment. Distributable cash flow as defined by the Partnership's partnership agreement is net income plus depreciation and amortization minus maintenance capital expenditures, as well as adjustments to eliminate items approved by the audit committee of the board of directors of the Partnership's general partner that are extraordinary or non-recurring in nature and that would

otherwise increase distributable cash flow.

Distributable cash flow as used in our partnership agreement also determines our ability to make cash distributions on our incentive distribution rights. The investment community also uses a distributable cash flow metric similar to the metric used in our partnership agreement with respect to publicly traded partnerships to indicate whether or not such partnerships have generated sufficient earnings on a current or historic level that can sustain distributions on preferred or common units or support an increase in quarterly cash distributions on common units. Our partnership agreement does not permit adjustments for certain non-cash items, such as net losses on the sale and disposition of assets and goodwill and long-lived asset impairment charges.

Distributable cash flow should not be considered as an alternative to net income, operating income, cash flow from operations, or any other measure of financial performance presented in accordance with GAAP. In addition, distributable cash flow may not be comparable to distributable cash flow or similarly titled measures of other companies.

## About Global Partners LP

With approximately 1,700 locations primarily in the Northeast, Global Partners is one of the region's largest independent owners, suppliers and operators of gasoline stations and convenience stores. Global also owns, controls or has access to one of the largest terminal networks in New England and New York, through which it distributes gasoline, distillates, residual oil and renewable fuels to wholesalers, retailers and commercial customers. In addition, Global engages in the transportation of petroleum products and renewable fuels by rail from the mid-continental U.S. and Canada. Global, a master limited partnership, trades on the New York Stock Exchange under the ticker symbol "GLP." For additional information, visit [www.globalp.com](http://www.globalp.com).

## Forward-looking Statements

Certain statements and information in this press release may constitute "forward-looking statements." The words "believe," "expect," "anticipate," "plan," "intend," "foresee," "should," "would," "could" or other similar expressions are intended to identify forward-looking statements, which are generally not historical in nature, although not all forward-looking statements contain such identifying words. These forward-looking statements are based on Global's current expectations and beliefs concerning future developments and their potential effect on the Partnership. While management believes that these forward-looking statements are reasonable as and when made, there can be no assurance that future developments affecting the Partnership will be those that it anticipates. Forward-looking statements involve significant risks and uncertainties (some of which are beyond the Partnership's control) including, without limitation, the impact and duration of the COVID-19 pandemic and its impact on our counterparties, our customers and our operations and other assumptions that could cause actual results to differ materially from the Partnership's historical experience and present expectations or projections. We believe these



assumptions are reasonable given currently available information. Our assumptions and future performance are subject to a wide range of business risks, uncertainties and factors, which are described in our filings with the Securities and Exchange Commission (SEC).

For additional information regarding known material factors that could cause actual results to differ from the Partnership's projected results, please see Global's filings with the SEC, including its Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof. Global undertakes no obligation to publicly update or revise any forward-looking statements after the date they are made, whether as a result of new information, future events or otherwise.

GLOBAL PARTNERS LP  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(In thousands, except per unit data)  
(Unaudited)

	Three Months Ended March 31,	
	2022	2021
Sales	\$ 4,500,538	\$ 2,553,327
Cost of sales	4,294,300	2,408,295
Gross profit	206,238	145,032
Costs and operating expenses:		
Selling, general and administrative expenses	56,281	46,324
Operating expenses	99,233	80,528
Amortization expense	2,499	2,723
Net gain on sale and disposition of assets	(4,911)	(475)
Total costs and operating expenses	153,102	129,100
Operating income	53,136	15,932
Interest expense	(21,474)	(20,359)
Income before income tax (expense) benefit	31,662	(4,427)
Income tax (expense) benefit	(1,177)	130
Net income (loss)	30,485	(4,297)
Less: General partner's interest in net income (loss), including incentive distribution rights	1,177	739
Less: Preferred limited partner interest in net income	3,463	1,820
Net income (loss) attributable to common limited partners	\$ 25,845	\$ (6,856)
Basic net income (loss) per common limited partner unit (1)	\$ 0.76	\$ (0.20)
Diluted net income (loss) per common limited partner unit (1)	\$ 0.76	\$ (0.20)
Basic weighted average common limited partner units outstanding	33,953	33,967
Diluted weighted average common limited partner units outstanding	34,085	34,296

(1) Under the Partnership's partnership agreement, for any quarterly period, the incentive distribution rights ("IDRs") participate in net income only to the extent of the amount of cash distributions actually declared, thereby excluding the IDRs from participating in the Partnership's undistributed net income or losses. Accordingly, the Partnership's undistributed net income or losses is assumed to be allocated to the common unitholders and to the General Partner's general partner interest. Net income attributable to common limited partners is divided by the weighted average common units outstanding in computing the net income per limited partner unit.

GLOBAL PARTNERS LP  
CONSOLIDATED BALANCE SHEETS  
(In thousands)  
(Unaudited)

	March 31, 2022	December 31, 2021
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 10,834	\$ 10,849
Accounts receivable, net	526,098	411,194
Accounts receivable - affiliates	2,238	1,139
Inventories	511,905	509,517
Brokerage margin deposits	53,563	33,658
Derivative assets	17,828	11,652
Prepaid expenses and other current assets	77,935	87,076
Total current assets	1,200,401	1,065,085
Property and equipment, net	1,202,867	1,099,348
Right of use assets, net	277,157	280,284
Intangible assets, net	33,207	26,014
Goodwill	409,424	328,135
Other assets	30,016	32,299
Total assets	\$ 3,153,072	\$ 2,831,165
<b>Liabilities and partners' equity</b>		
Current liabilities:		
Accounts payable	\$ 466,275	\$ 353,296
Working capital revolving credit facility - current portion	178,600	204,700
Lease liability - current portion	57,514	62,352
Environmental liabilities - current portion	4,642	4,642
Trustee taxes payable	43,881	44,223
Accrued expenses and other current liabilities	105,013	138,733
Derivative liabilities	52,008	31,654
Total current liabilities	907,933	839,600
Working capital revolving credit facility - less current portion	200,000	150,000
Revolving credit facility	228,000	43,400
Senior notes	739,736	739,310
Long-term lease liability - less current portion	228,702	228,203
Environmental liabilities - less current portion	59,913	48,163
Financing obligations	143,837	144,444
Deferred tax liabilities	57,279	56,817
Other long-term liabilities	55,066	53,461
Total liabilities	2,620,466	2,303,398
Partners' equity	532,606	527,767
Total liabilities and partners' equity	\$ 3,153,072	\$ 2,831,165

GLOBAL PARTNERS LP  
 FINANCIAL RECONCILIATIONS  
 (In thousands)  
 (Unaudited)

	Three Months Ended March 31,	
	2022	2021
<b>Reconciliation of gross profit to product margin</b>		
Wholesale segment:		
Gasoline and gasoline blendstocks	\$ (2,285)	\$ 16,405
Other oils and related products	53,122	18,615
Crude oil	(3,749)	(4,527)
Total	47,088	30,493
Gasoline Distribution and Station Operations segment:		
Gasoline distribution	114,886	80,252
Station operations	58,097	50,157
Total	172,983	130,409
Commercial segment	8,141	4,190
Combined product margin	228,212	165,092
Depreciation allocated to cost of sales	(21,974)	(20,060)
Gross profit	\$ 206,238	\$ 145,032

<b>Reconciliation of net income (loss) to EBITDA and Adjusted EBITDA</b>		
Net income (loss)	\$ 30,485	\$ (4,297)
Depreciation and amortization	26,701	24,975
Interest expense	21,474	20,359
Income tax expense (benefit)	1,177	(130)
EBITDA	79,837	40,907
Net gain on sale and disposition of assets	(4,911)	(475)
Adjusted EBITDA	\$ 74,926	\$ 40,432

<b>Reconciliation of net cash provided by (used in) operating activities to EBITDA and Adjusted EBITDA</b>		
Net cash provided by (used in) operating activities	\$ 22,628	\$ (105,983)
Net changes in operating assets and liabilities and certain non-cash items	34,558	126,661
Interest expense	21,474	20,359
Income tax expense (benefit)	1,177	(130)
EBITDA	79,837	40,907
Net gain on sale and disposition of assets	(4,911)	(475)
Adjusted EBITDA	\$ 74,926	\$ 40,432

<b>Reconciliation of net income (loss) to distributable cash flow</b>		
Net income (loss)	\$ 30,485	\$ (4,297)
Depreciation and amortization	26,701	24,975
Amortization of deferred financing fees	1,390	1,344
Amortization of routine bank refinancing fees	(1,181)	(1,037)
Maintenance capital expenditures	(7,518)	(7,031)
Distributable cash flow (1)(2)	49,877	13,954
Distributions to preferred unitholders (3)	(3,463)	(1,820)
Distributable cash flow after distributions to preferred unitholders	\$ 46,414	\$ 12,134

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Distributable cash flow after distributions to preferred unitholders	<u>\$ 46,414</u>	<u>\$ 12,134</u>

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(1)As defined by the Partnership's partnership agreement, distributable cash flow is not adjusted for certain non-cash items, such as net losses on the sale and disposition of assets and goodwill and long-lived asset impairment charges.

(2)Distributable cash flow includes a net gain on sale and disposition of assets of \$4.9 million and \$0.5 million for the three months ended March 31, 2022 and 2021, respectively.

(3)Distributions to preferred unitholders represent the distributions payable to the Series A preferred unitholders and the Series B preferred unitholders earned during the period. Distributions on the Series A preferred units and the Series B preferred units are cumulative and payable quarterly in arrears on February 15, May 15, August 15 and November 15 of each year.

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