

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Act of 1934**

**Date of Report (Date of Earliest Event Reported):**

December 5, 2017

**Commission file number: 001-35653**

**SUNOCO LP**

*(Exact name of registrant as specified in its charter)*

**Delaware**

*(State or other jurisdiction of  
incorporation or organization)*

**30-0740483**

*(IRS Employer  
Identification No.)*

**8020 Park Lane, Suite 200**

**Dallas, TX 75231**

*(Address of principal executive offices, including zip codes)*

**Registrant's telephone number, including area code: (832) 234-3600**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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**Item 7.01. Regulation FD Disclosure.**

The following information is furnished under Item 7.01, “Regulation FD Disclosure.” This information shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

On December 5, 2017, Sunoco LP (“Partnership”) issued a press release announcing an update to the anticipated closing timing of the previously announced retail divestment transaction with 7-Eleven, Inc. A copy of the press release is furnished as Exhibit 99.1 hereto. The Partnership also issued a press release providing an update on the West Texas retail divestment process and announced that its 207 retail sites located in certain West Texas, New Mexico and Oklahoma markets will be operated by a commission agent. A copy of the press release is furnished as Exhibit 99.2 hereto. Presentation materials discussing the updates have been made available on the Partnership’s website at [www.SunocoLP.com](http://www.SunocoLP.com) in the Investor Relations section under Events & Presentations. A copy of the materials are furnished and attached as Exhibit 99.3 hereto and incorporated by reference herein.

**Cautionary Statement Relevant to Forward-Looking Information**

This Current Report on Form 8-K includes forward-looking statements regarding future events. These forward-looking statements are based on the Partnership’s current plans and expectations and involve a numbers of risks and uncertainties that could cause actual results and events to vary materially from the results and events anticipated or implied by such forward-looking statements. For a further discussion of these risks and uncertainties, please refer to the “Risk Factors” section of the Partnership’s most recently filed Annual Report on Form 10-K and in other filings made by the Partnership with the Securities and Exchange Commission. While the Partnership may elect to update these forward-looking statements at some point in the future, it specifically disclaims any obligation to do so, even if new information becomes available.

**Item 9.01. Financial Statements and Exhibits.****(d) Exhibits.**

In accordance with General Instruction B.2 of Form 8-K, the information set forth in the attached Exhibits 99.1, 99.2 and 99.3 is deemed to be “furnished” and shall not be deemed to be “filed” for purposes of Section 18 of the Exchange Act.

<u>Exhibit Number</u>	<u>Exhibit Description</u>
99.1	<a href="#"><u>Joint Press Release Announcing Retail Divestment Update, dated December 5, 2017</u></a>
99.2	<a href="#"><u>Press Release Announcing West Texas Divestment Update, dated December 5, 2017</u></a>
99.3	<a href="#"><u>Investor Presentation</u></a>

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: December 5, 2017

**SUNOCO LP**

By: Sunoco GP LLC, its general partner

By: /s/ Leta McKinley

Leta McKinley

Vice President, Controller and Principal Accounting Officer



### **7-Eleven, Inc. and Sunoco LP Provide Update On Pending Transaction**

DALLAS, December 5, 2017 - 7-Eleven, Inc. ("7-Eleven") and Sunoco LP (NYSE: SUN) ("Sunoco") are jointly committed to closing the value-creating transaction. The companies believe the transaction to be in the latter stages of the regulatory approval process with the Federal Trade Commission. Subject to completion of the regulatory process and customary closing conditions, 7-Eleven and Sunoco expect closing to occur in January 2018.

#### **About Sunoco LP**

Sunoco LP (NYSE: SUN) is a master limited partnership that operates 1,346 convenience stores and retail fuel sites and distributes motor fuel to 7,898 convenience stores, independent dealers, commercial customers and distributors located in 30 states. Our parent -- Energy Transfer Equity, L.P. (NYSE: ETE) -- owns SUN's general partner and incentive distribution rights.

The information contained in this press release is available on the Sunoco LP website at [www.SunocoLP.com](http://www.SunocoLP.com).

#### **Forward-Looking Statements**

This press release may include certain statements concerning expectations for the future that are forward-looking statements as defined by federal law, including statements with respect to SUN'S ability to consummate the 7-Eleven transaction and/or the timing of such transaction. Forward-looking statements may be identified by the use of the words "anticipates," "expects," "intends," "plans," "should," "could," "would," "may," "will," "believes," "estimates," "potential," "opportunity," "value-creating," "designed," "predict," "seek," "ongoing," "increases" or "continue" and variations or similar expressions. Such forward-looking statements are subject to a variety of known and unknown risks, uncertainties, and other factors that are difficult to predict and many of which are beyond management's control. An extensive list of factors that can affect future results are discussed in SUN's Annual Report on Form 10-K and other documents filed from time to time with the Securities and Exchange Commission. SUN undertakes no obligation to update or revise any forward-looking statement to reflect new information or events.

#### **Contacts**

##### **Investors:**

Scott Grischow, Senior Director - Investor Relations and Treasury  
(214) 840-5660, [scott.grischow@sunoco.com](mailto:scott.grischow@sunoco.com)

Derek Rabe, Senior Analyst - Investor Relations and Finance  
(214) 840-5553, [derek.rabe@sunoco.com](mailto:derek.rabe@sunoco.com)

##### **Media:**

Alyson Gomez, Director - Communications  
(649) 646-1758, [alyson.gomez@sunoco.com](mailto:alyson.gomez@sunoco.com)



### Sunoco LP Provides Update on West Texas Retail Divestiture Process

DALLAS, December 5, 2017 - Sunoco LP (NYSE: SUN) ("Sunoco" or the "Partnership") today announced the Partnership has signed definitive agreements with a commission agent to operate the approximately 207 retail sites located in certain West Texas, Oklahoma and New Mexico markets, which were not included in the previously announced transaction with 7-Eleven, Inc. Conversion of these sites to the commission agent is expected to occur in the first quarter of 2018.

Presentation materials discussing this update are available on the company's website at [www.SunocoLP.com](http://www.SunocoLP.com) in the Investor Relations section under Events & Presentations.

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***SUNOCO*LP**

INVESTOR  
PRESENTATION



December 2017



# FORWARD-LOOKING STATEMENTS

Some of the statements in this presentation constitute “forward-looking statements” about Sunoco LP (“SUN”, “we”, “our, and “us”) that involve risks, uncertainties and assumptions, including, without limitation, statements regarding SUN’s proposed sale of a majority of its convenience store locations to 7-Eleven, Inc. (the “Retail Divestment”), the expected future performance of SUN (including expected results of operations and financial guidance), and SUN’s future financial condition, operating results, strategy and plans. These forward-looking statements generally can be identified by use of phrases such as “believe,” “plan,” “expect,” “anticipate,” “intend,” “forecast” or other similar words or phrases in conjunction with a discussion of future operating or financial performance. Descriptions of SUN’s and its affiliates’ objectives, goals, targets, plans, strategies, costs, anticipated capital expenditures, expected cost savings, potential acquisitions and related financial projections are also forward-looking statements. The following factors, among others, could cause actual results and events to differ materially from those expressed or implied in the forward-looking statements we make in this presentation: (1) the occurrence of any event, change or other circumstances that could give rise to the termination of the asset purchase agreement; (2) the inability to complete the Retail Divestment in a timely manner or at all, including due to the failure to obtain necessary regulatory approvals required to complete the transactions contemplated by the asset purchase agreement; (3) the risk of not fully realizing expected synergies in the timeframe expected or at all; (4) the risk that the proposed Retail Divestment disrupts current plans and operations, increases operating costs, results in management distraction and the potential difficulties in maintaining relationships with customers, suppliers and other third parties and employee retention as a result of the announcement and consummation of such transactions; and (5) the outcome of any legal proceedings instituted against the company following announcement of the Retail Divestment and transactions contemplated thereby.

These statements represent present expectations or beliefs concerning future events and are not guarantees. Such statements speak only as of the date they are made, and we do not undertake any obligation to update any forward-looking statement.

We caution that forward-looking statements involve risks and uncertainties and are qualified by important factors that could cause actual events or results to differ materially from those expressed or implied in any such forward-looking statements. For a discussion of these factors and other risks and uncertainties, please refer to SUN’s filings with the Securities and Exchange Commission (the “SEC”), including those contained in SUN’s 2016 Annual Report on Form 10-K and Quarterly Reports on Form 10-Q which are available at the SEC’s website at [www.sec.gov](http://www.sec.gov).

## Investor Relations Contact Information:

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## 2017 – LAYING THE FOUNDATION FOR THE FUTURE

- **Continued strength in wholesale margins along with an upswing in retail margins drove improvement in key financial metrics**
  - Decreased leverage from 6.5x as of 12/31/16 to 5.6x as of 9/30/17
  - Increased LTM cash coverage from 0.98x as of 12/31/16 to 1.04x as of 9/30/17
  - Reduced capital spend by 34% in maintenance and 55% in growth from 2016 actual to 2017 guidance levels
  - Withstood two major hurricanes in key markets with minimal damage / business downturn
- **Change in strategic focus from convenience stores to fuel logistics and distribution**
  - In April, announced divestiture of the majority of company-operated retail operations to 7-Eleven which includes a long-term, take-or-pay fuel supply agreement
    - This transformational transaction serves as the basis for SUN's path forward
  - Initiated the exit of company-operated locations in West Texas
  - Organizational transformation
    - Leadership
    - Cost structure



## 7-ELEVEN: CLOSING ON TRACK

- **Key deal terms on April 6, 2017**
  - \$3.3 billion for ~1,110 company-operated convenience stores
  - ~2.2 billion gallons through a 15-year fixed-rate, take-or-pay fuel supply agreement
    - Additional 500 million gallons over the first four years
- **7-Eleven, Inc. and Sunoco LP are jointly committed to closing the value-creating transaction. The companies believe the transaction to be in the latter stages of the regulatory approval process with the Federal Trade Commission. Subject to completion of the regulatory process and customary closing conditions, 7-Eleven and Sunoco expect closing to occur in January 2018**
- **We believe any regulatory or contractual modifications to the April 6<sup>th</sup> deal terms will have an immaterial impact on coverage and leverage goals**
  - Regulatory and contractual modifications could include: results of FTC review, real estate and other consents, and hurricane damage
  - Sunoco's multi-channel fuel distribution operations allow for redeployment of these sites
    - Distributors, dealers and commission agents
    - Use of the various fuel distribution channels allows SUN to balance cash proceeds with retained EBITDA resulting in improving leverage and coverage ratios

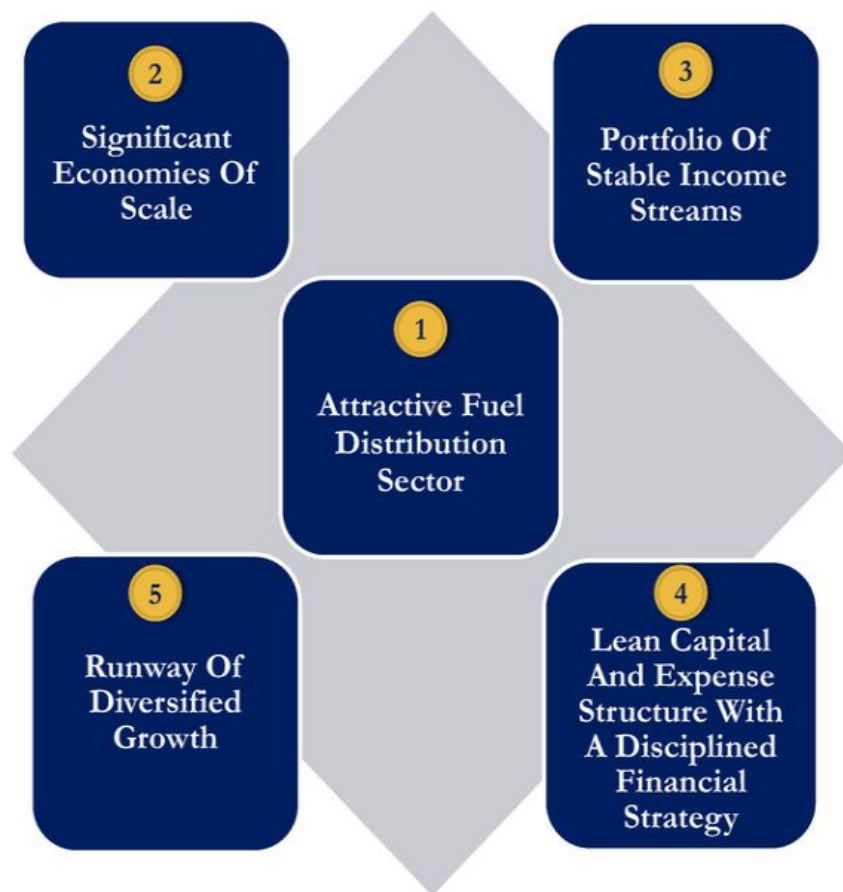
## WEST TEXAS: DEFINED VALUE-CREATING PATH

- **A signed agreement with a proven operator for the 207 West Texas sites as a commission agent**
  - The conversion of sites is expected to occur in Q1 2018
  - Commission agent is a proven and profitable channel within our current fuel distribution portfolio
- **Key elements of commission agent model**
  - Commission agent operates retail locations
  - Generates stable rental income through SUN's continued ownership of real estate
  - Captures a material portion of fuel margin less a commission to the agent
  - Provides optionality for future asset sales
  - Commission agent model operations are included in previously announced 50% reduction in overhead
- **Opportunity to capture upside of West Texas growth via commission agent terms**
- **Delivers on coverage (~1.1x) and leverage (~4.5-4.75x) goals**
  - Significant EBITDA retention and immediate accretion to distributable cash flow and distribution coverage
  - The commission agent model was developed early in the West Texas sales process as a high-value alternative to an asset sale
    - Proved to be the best option based upon the analysis of balancing EBITDA retention and after-tax cash proceeds
  - Combined with the 7-Eleven transaction, allows for debt reduction, redemption of preferred equity and repurchase of common units

## GUIDANCE ON THE NEW BUSINESS MODEL

Operating Expenses	G&A Expenses	Cents Per Gallon	Maintenance Capital	Growth Capital
~\$325 million	~\$140 million	8.0 to 9.5 range	~\$40 million	~\$90 million
<ul style="list-style-type: none"> <li>The 7-Eleven transaction eliminates a majority of field level employee support, insurance costs, and store operations</li> <li>We expect to reduce operating expenses by approximately 70%</li> </ul>	<ul style="list-style-type: none"> <li>With the elimination of the back office support required to run company operations, we expect to reduce G&amp;A by ~50%</li> </ul>	<ul style="list-style-type: none"> <li>Wholesale margins have historically been consistent but above our 6 to 8 guidance range</li> <li>Taking into account the new business model with a significant fixed-fee contract, we are raising the range to 8.0 to 9.5 CPG</li> </ul>	<ul style="list-style-type: none"> <li>The retention of the West Texas sites under a commission agent model results in a ~\$5 million increase from previous guidance of \$35 million</li> </ul>	<ul style="list-style-type: none"> <li>The exit of the retail business eliminates new-to-industry builds</li> <li>Growth capital will be focused on profitably growing wholesale volumes</li> </ul>

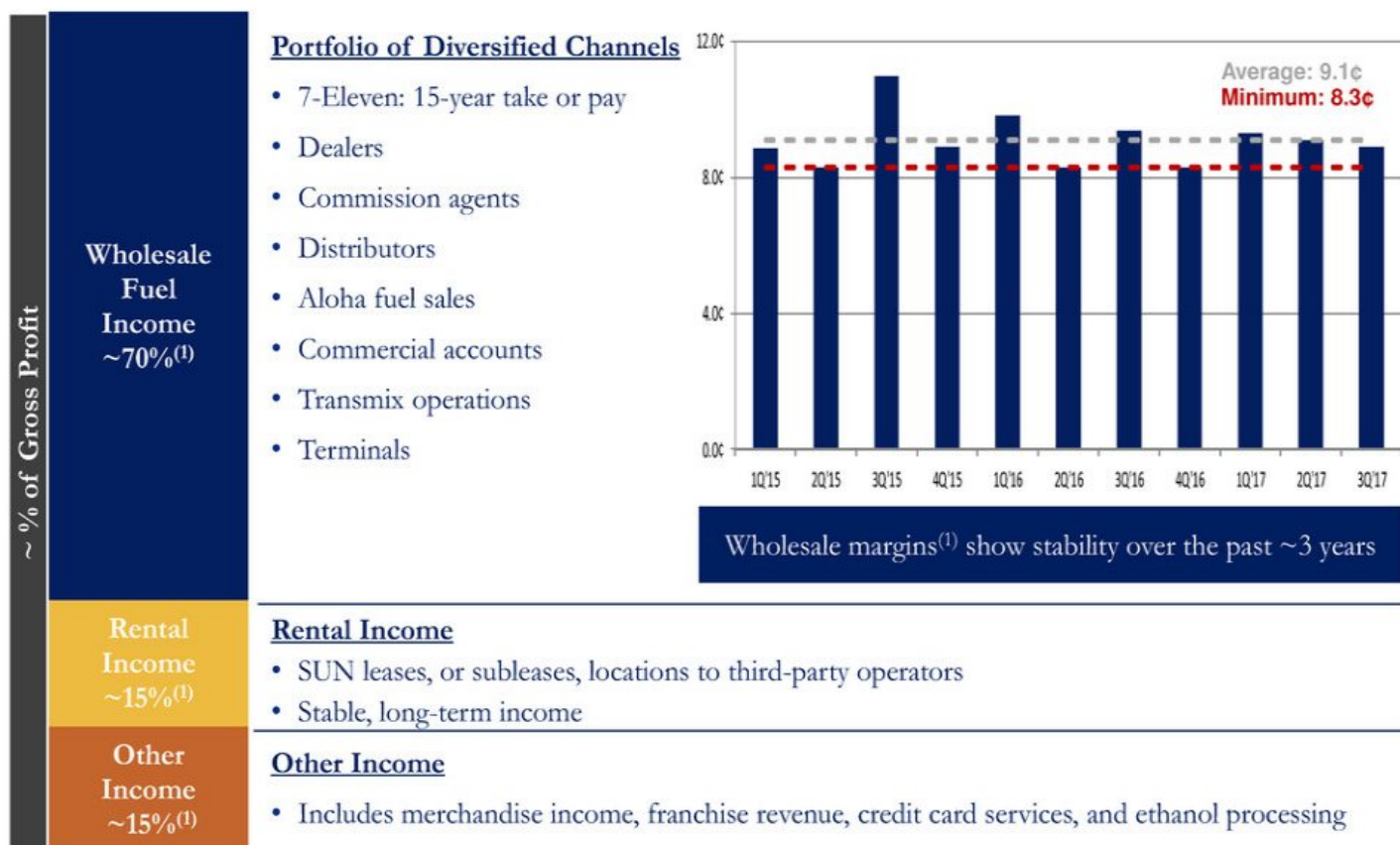
## KEY INVESTMENT HIGHLIGHTS OF THE NEW BUSINESS MODEL





- **Fuel distribution sector remains robust**
  - Fuel distribution margins have been attractive and stable
  - 2016 U.S. gasoline demand was highest on record at 9.3 MBD
- **SUN is well positioned to capitalize on sector opportunities**
  - Scale: Over 8 billion gallons a year
    - Purchase the majority of fuel at bulk and sell at branded prices
  - Brand Power and Options: Continue to sign up new Sunoco-branded dealers and distributors
    - Also one of largest distributors of Exxon, Chevron and Valero brands in U.S.
  - Fragmented industry provides acquisition opportunities on a foundation of organic growth
- **Focus on fuel distribution makes SUN a compelling investment in a rising, flat or declining fuel demand environment**
  - Rising
    - Higher fuel demand equates to more gallons sold and more opportunities
  - Flat or Declining
    - Growing excess of U.S. refining capacity provides support for fuel distribution...we are short in a long market
    - Fragmentation provides synergetic acquisition opportunities and allows SUN to further increase our market share

### 3 PORTFOLIO OF STABLE INCOME STREAMS



## 4 LEAN CAPITAL AND EXPENSE STRUCTURE WITH A DISCIPLINED FINANCIAL STRATEGY

Maintain Disciplined Leverage Profile	Distribution Coverage	Balanced Financing Strategy	Capital And Overhead Light Model	Liquidity
Target ~4.5x – 4.75x Leverage Ratio	Target ~1.1x Distribution Coverage	Invest In Projects That Support Leverage And Coverage Targets	Maintain Cost Efficient Model Through Growth	Maintain Credit Facility Availability And Secured Capacity
<ul style="list-style-type: none"> <li>• Expect leverage to reach target range post transaction closing</li> <li>• Maintain leverage within the target range on a go forward basis</li> </ul>	<ul style="list-style-type: none"> <li>• Expect to maintain current distribution level on a go forward basis</li> </ul>	<ul style="list-style-type: none"> <li>• Projects evaluated using a ~50/50 capital structure</li> <li>• Investments must be NPV positive and accretive to distributable cash flow while maintaining leverage</li> </ul>	<ul style="list-style-type: none"> <li>• Maintenance capital requirements reduced by ~50% for 2018</li> <li>• G&amp;A costs reduced by ~50% for 2018</li> </ul>	<ul style="list-style-type: none"> <li>• Reduced reliance on secured debt provides greater financing flexibility</li> <li>• Monitor credit facility capacity and access to capital markets</li> </ul>



## 5 RUNWAY OF DIVERSIFIED GROWTH

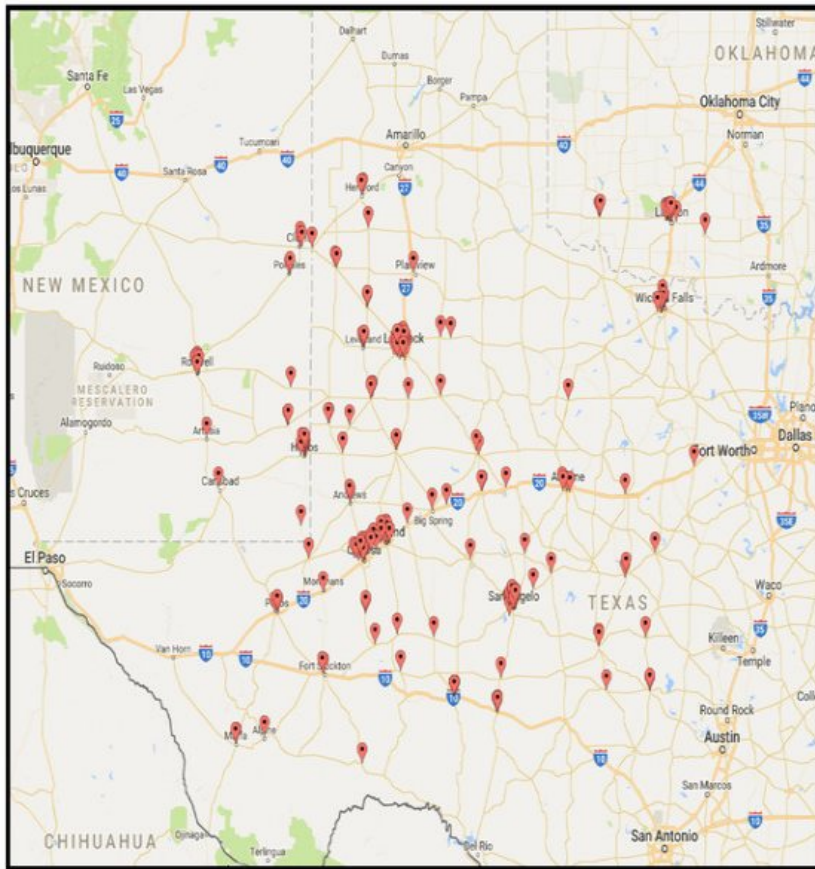
Grow Core Fuels Logistics And Distribution Business	Manage Organic Growth	Expand Into Adjacent Sectors
<ul style="list-style-type: none"> <li>• Consolidation opportunities in a highly fragmented sector</li> <li>• The sector trades at reasonable acquisition multiples</li> <li>• Leverage scale to quickly realize material synergies</li> <li>• Utilize multi-channel strategy to optimize returns on acquired assets</li> </ul>	<ul style="list-style-type: none"> <li>• Obtain incremental business from existing customers</li> <li>• Leverage Sunoco brand as well as other major fuel brands to sign up new customers</li> </ul>	<ul style="list-style-type: none"> <li>• Diversify into adjacent sectors to drive further income stability</li> <li>• Capitalize on current large fuel distribution business to realize synergies through acquisition of logistics assets (e.g., product terminals)</li> </ul>

A long runway of growth while maintaining a disciplined financial strategy within our coverage and leverage targets



# Appendix

## WEST TEXAS STORE STATISTICS



### Geographic Composition

	Total Sites
Midland/Odessa	33
Texoma	24
San Angelo	45
Lubbock/High Plains	56
Permian - Other	38
Abilene	11
Total	207

### Real Estate Composition

Owned	138	67%
Leased	69	33%
Total	207	

**SUNCOLP**

