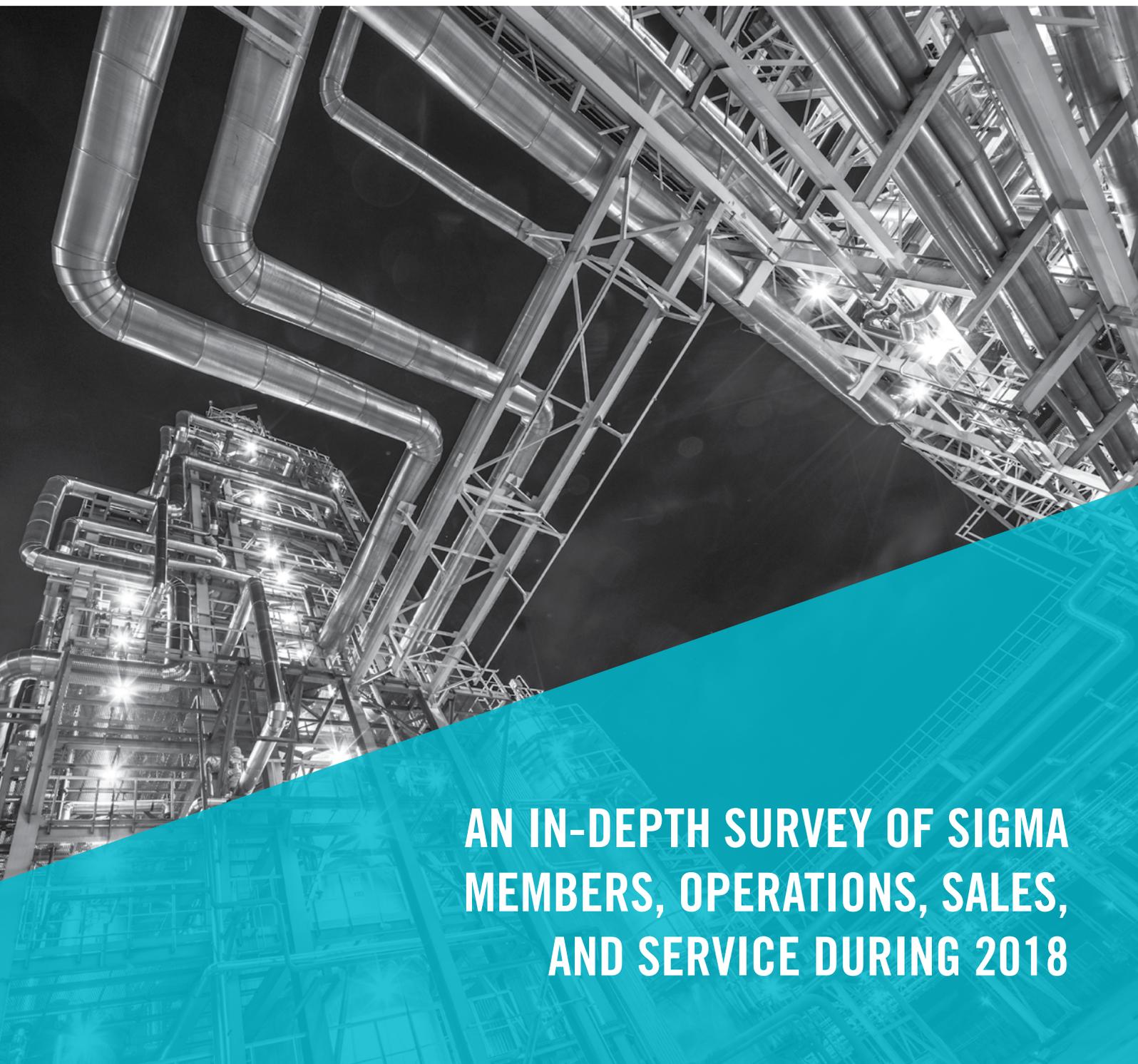


2019

SIGMA

STATISTICAL REPORT



**AN IN-DEPTH SURVEY OF SIGMA
MEMBERS, OPERATIONS, SALES,
AND SERVICE DURING 2018**



EXECUTIVE COMMITTEE

President

William Bradford Puryear
Mansfield Energy Corp.
Gainesville, GA

First Vice President

Richard M. Guttman
Guttman Energy, Inc.
Belle Vernon, PA

Second Vice President

Dale Boyett
Boyett Petroleum
Modesto, CA

Secretary Treasurer

Robert Coleman
Coleman Oil Company
Lewiston, ID

Immediate Past President

David Baker
Warrenton Oil Company
Warrenton, MO

Staff Liaison

Ryan McNutt
CEO, SIGMA

Board of Directors

Robert Bollar
SC Fuels

Dale Boyett
Boyett Petroleum

Bob Espey
Parkland Fuels

Bill Gallagher
Offen Petroleum, LLC

Max E. McBrayer, Jr.
RaceTrac Petroleum, Inc.

James A. McCarthy III
Tom Thumb Food Stores, Inc.

Michael F. Newman
NOCO Energy Corp

Joseph H. Petrowski
Yesway Convenience Stores

Matt Ports
Ports Petroleum Co., Inc.

Dylan Remley
Global Partners LP

Alison Schmidt
U.S. Venture Inc.

Raymond W. Smith
The Fikes Companies

Charles Michael Thornbrugh
QuikTrip Corporation

SIGMA PRESIDENTS

Phil L. Siteman
1958-1960
Missouri

A.M. Blakely
1960-1961
Arizona

Calvin Houghland
1961-1962
Tennessee

R.J. Peterson
1962-1963
Missouri

George H. Panuska
1963-1965
Ohio

Mary Hudson
1965-1967
Kansas

James Thornton
1967-1968
Indiana

Randy Deer
1968-1969
Ohio

R.J. Peterson
1969-1972
Illinois

Frederick Lichtman
1972-1974
Michigan

Newell Baker
1974-1976
Missouri

Herbert A. Sostek
1976-1978
Massachusetts

Thomas N. Allen
1978-1980
Virginia

Richard L. Singletary
1980-1981
Georgia

Roy R. Mason
1981-1983
Alabama

Michael S. Kirschner
1983-1985
Pennsylvania

John A. Wickland III
1985-1987
California

Carl Bolch, Jr.
1987-1989
Georgia

F.C. Tally Roberts, Jr.
1989-1991
North Carolina

R. H. Tod Butler, Jr.
1991-1993
Michigan

Douglas L. True
1993-1995
Washington

Leo Liebowitz
1995-1997
New York

Bob Phillips, Jr.
1997-1999
Oklahoma

Thomas L. Robinson
1999-2001
California

Michael Ports
2001-2004
Ohio

William S. Shipley, III
2004-2006
Pennsylvania

Paul Reid
2006-2008
New York

Carl Boyett
2008-2010
California

Frank Greinke
2010-2012
California

Thomas Schmidt
2012-2014
Wisconsin

Thomas Gresham
2014-2016
Mississippi

David Baker
2016-2018
Missouri

Chief Executive Officer

Ryan McNutt
rmcnutt@sigma.org

Chief Operating Officer

Mark Franz
mfranz@sigma.org

Director of Events

Cheryll Decker
cdecker@sigma.org

Assistant Director of Marketing

Ginny Teague Griffin
ggriffin@sigma.org

Director of Member Services

Brian Inglis
binglis@sigma.org

Director of Administration

Mary Alice Kutyn
makutyn@sigma.org

Director of Education

Liz Menz
lmenz@sigma.org

Executive Assistant

Maria Morel
mmorel@sigma.org

Director of Sales and Marketing

James Rogers
jrogers@sigma.org

Director of Communications

Amy Rider
arider@sigma.org

Director of Membership

Marilyn Selvitelle
mselvitelle@sigma.org

SIGMA Executive Offices
1330 Braddock Pl., #501
Alexandria, VA 22314
PHONE: (703) 709-7000
FAX: (703) 709-7007
E-MAIL: sigma@sigma.org
WEBSITE: www.sigma.org

Counsel

Scott Sinder
ssinder@steptoe.com

Doug Kantor
dkantor@steptoe.com

R. Timothy Columbus
tcolumbus@steptoe.com

Steptoe & Johnson
1330 Connecticut Ave. NW
Washington, D.C. 20036-1795
PHONE: (202) 429 3000

EACH YEAR, SIGMA conducts a survey of its members. This survey enables SIGMA to develop a better understanding of what is happening in the fuels market, which, in turn, allows SIGMA to better serve its members. The report also provides timely information on how SIGMA members are responding to current industry challenges whether they are legislative, regulatory, or market-related, as well as how they are approaching new opportunities.

As in previous years, it was clear from the responses received that SIGMA members continue to maintain a unique balance between fuel supply and operations management in their business strategies.

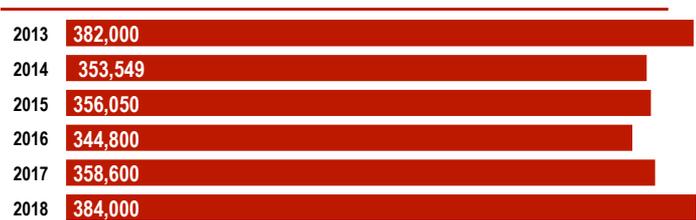
This leads to lower consumer prices for both gasoline and diesel fuel and benefits the overall U.S. economy tremendously.

In 2018, SIGMA members continued to adapt to the changing nature of the fuel marketing industry. Declining demand has created a new market landscape. As new fuels continue to enter the market, SIGMA members' decisions regarding what fuels to sell remains driven by their availability, as well as federal and state requirements related to their sale. For this reason, the Renewable Fuel Standard still tops the list as one of SIGMA's most significant issues.

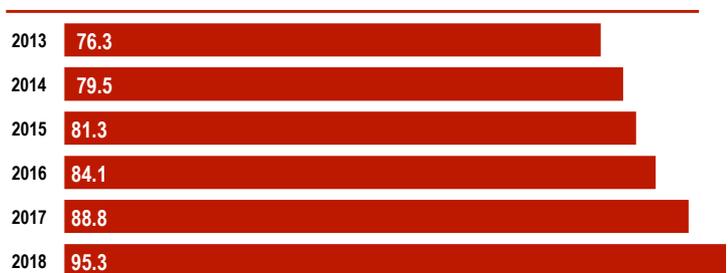
SIGMA is responsive to its members' needs, and has therefore added electric vehicle charging infrastructure, RFS sunset, and RIN transparency requirements to the list of priority issues under consideration in the 118th Congress.

As the market, both domestic and global, in which SIGMA members operate continues to change, so do SIGMA members' interests and operations. This ongoing evolution, and SIGMA members' longstanding commitment to meeting demand, is reflected in this 2019 Annual Statistical Report.

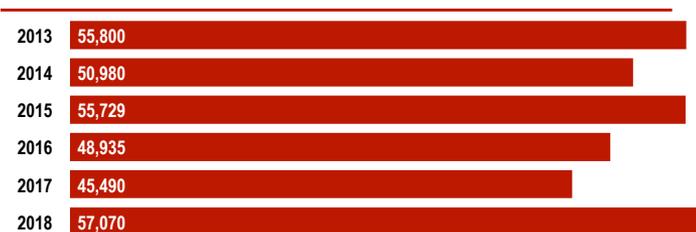
NUMBER OF EMPLOYEES (GASOLINE OR C-STORE ONLY)



NUMBER OF GALLONS SOLD (BILLIONS)



NUMBER OF RETAIL FUEL OUTLETS SUPPLIED



SIGMA MEMBER COMPANY PROFILE

SIGMA represents approximately 250 member companies operating in all 50 states and Canada. This figure has decreased in terms of total companies but increased as a percentage of the entire industry due to consolidation.

Combined it is estimated that SIGMA members sold more than 83% of motor fuel sold in the United States in 2018.

The 2019 Statistical Report presents the findings of a survey of SIGMA's 252 members, with an approximate response rate of 36.4%. This rate is higher than in 2017 and 2018, although it is considerably lower than our record high of 46% in 2014.

Data is for fiscal or calendar 2018.

*Note: Numeric responses such as number of gallons sold, environmental expenses, etc. are variable based on which SIGMA members respond to our survey. A higher rate compared to previous years may be caused by a higher response rate from SIGMA's larger member companies.

MEDIAN MEMBER PROFILE

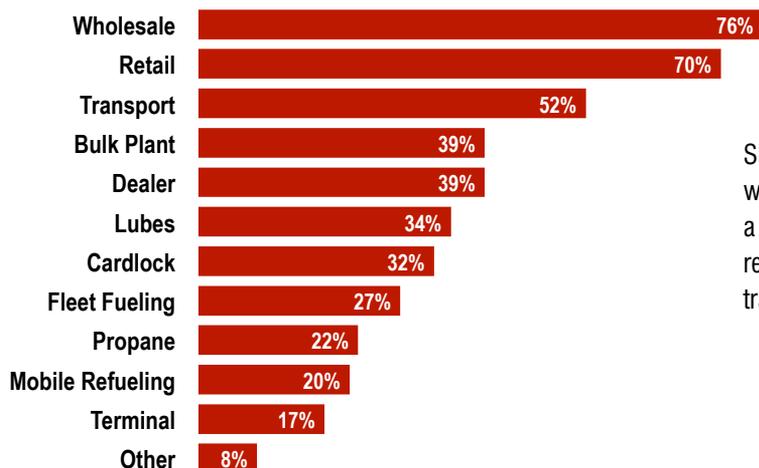
The typical SIGMA member (half larger, half smaller) is a substantial company – significantly larger than the typical jobber, although quite small compared to international oil companies.

Please note, that although it would be impressive to include, this report excludes the sales of our Associate Member refiners. We also exclude non-fuel sales of some Regular Members, such as “big box” retailers and fast food franchisors because SIGMA does not attempt to represent them in their primary lines of business.

TYPICAL MEMBER PROFILE

Median (Half Larger/Half Smaller)		Mid-Range (25 th to 75 th Percentile)
130.0 million gallons	MOTOR FUEL SUPPLIED	60.5 million to 536.8 million gallons
108	RETAIL OUTLETS SUPPLIED	43 to 298
390	EMPLOYEES	91 to 1,136
15.5 suppliers	BUYING FROM MANY DIFFERENT FUEL SUPPLIERS	7.3 to 25.0 suppliers
3 brands	SELLING FUEL UNDER MULTIPLE BRANDS	1 to 5 brands
4 states	OPERATING IN MULTIPLE STATES and PROVINCES	2 to 11 states

COMPANY ACTIVITIES



SIGMA members are motor fuel marketers, but they work in a wide variety of ways and in conjunction with a wide variety of other businesses. Wholesale and retail are the most common operations, followed by transport, bulk plant, and dealer activities.

GEOGRAPHIC SCOPE OF ACTIVITY

SIGMA member firms operated in a mean of 10.3 and a median of 4 states/provinces in 2018. Half of them operated in 2 to 11 states/provinces.

Texas (39%), Pennsylvania (34%), Florida (33%), Alabama (30%), Maryland (28%), Georgia, North Carolina, Ohio, and Virginia (26% each), and Arkansas,

Illinois, Indiana, Louisiana, Missouri, and Oklahoma (25% each) were most commonly reported by SIGMA members.

New York, South Carolina, Tennessee, and West Virginia were reported by 23% of firms.

California, Colorado, Delaware, Iowa, Kansas, Kentucky, Minnesota, New Jersey, New Mexico were each reported by 20%-21% of SIGMA members.

Q1 = 25th percentile

Q3 = 75th percentile

	MEAN	Q1	MEDIAN	Q3
Total states/provinces	10.3	2.0	4.0	11.0

EMPLOYEES

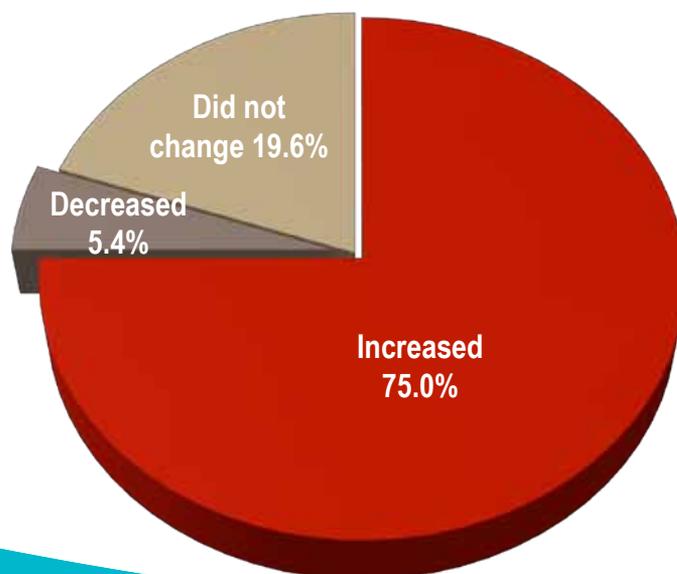
SIGMA members provided almost 384,000 jobs in fuel and c-store operations. Not included in this total are hundreds of thousands of jobs in non fuel-related positions with non-traditional retailers, such as supermarket chains, warehouse clubs, and fast food franchisors. An additional 95,000 were employed by dealers.



	MEAN	Q1	MEDIAN	Q3
Total individuals employed by your company (not converted to full-time equivalents)	2,122	91	390	1,136
Total individuals employed by dealers (outlets to which you deliver but don't own)	1,034	51	431	1,270

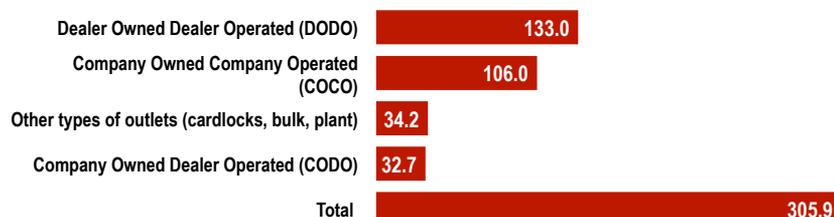
HOW TOTAL INDIVIDUALS EMPLOYED BY YOUR COMPANY CHANGED IN 2018

Most (75%) of SIGMA respondents indicated that their total employment increased in 2018, while 20% indicated that it did not change, and only 5% indicated a decrease.



MOTOR FUEL OUTLETS TOTAL SUPPLIED BY CATEGORY

SIGMA members report a mean of 305.9 total motor fuel outlets, including 133.0 direct owned dealer operated outlets (DODO), 106.0 company owned company operated (COCO), 32.7 company owned dealer operated (CODO), and 34.2 other types of outlets.

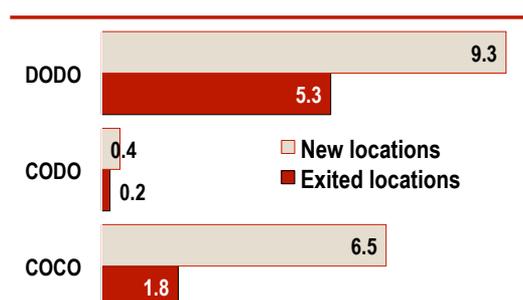


As with many of our other indicators, the median is frequently 0 because not all firms operate them and the statistics below are based on the total firms that answered the question. A total of 78% indicate operating COCO, 64% DODO, 47% CODO, and 45% some other types of outlets including cardlocks, bulk, or plant.

	MEAN	Q1	MEDIAN	Q3
Dealer Owned Dealer Operated (DODO)	133.0	0.0	24.0	97.8
Company Owned Company Operated (COCO)	106.0	1.8	13.5	74.3
Other types of outlets (cardlocks, bulk, plant)	34.2	0.0	0.0	5.0
Company Owned Dealer Operated (CODO)	32.7	0.0	0.0	6.3
Total Outlets	305.9	43.0	108.0	298.0

INDUSTRY LOCATIONS ENTERED OR EXITED, PAST 12 MONTHS

SIGMA members report a mean of 9.3 DODO new industry locations entered in 2018, 6.5 new COCO, and 0.4 new CODO. In turn, SIGMA members exited a mean of 5.3 DODO, 6.5 COCO, and 0.2 CODO locations.

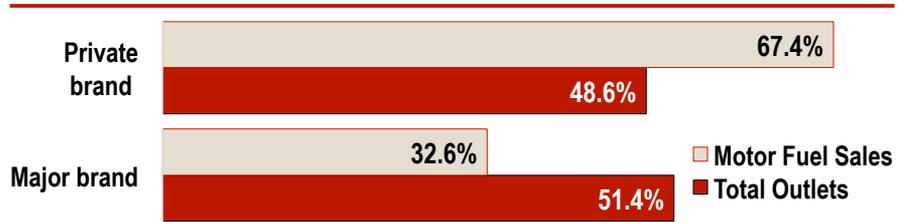


Aggregating all responses shows that firms participating in the survey entered 942 locations and exited 418, a net entry of 524 additional locations in 2018. Projected these results across North America (based on the proportion of the industry represented by survey participants) indicates 3,040 new, 1,350 exited, and a net entry of 1,690 additional locations. As indicated in the table below, the actual proportion of members who entered or exited is a minority of responding members.

	PROPORTION CHANGING	NEW	EXITED
COCO		45%	31%
CODO		14%	7%
DODO		45%	34%

BRANDS

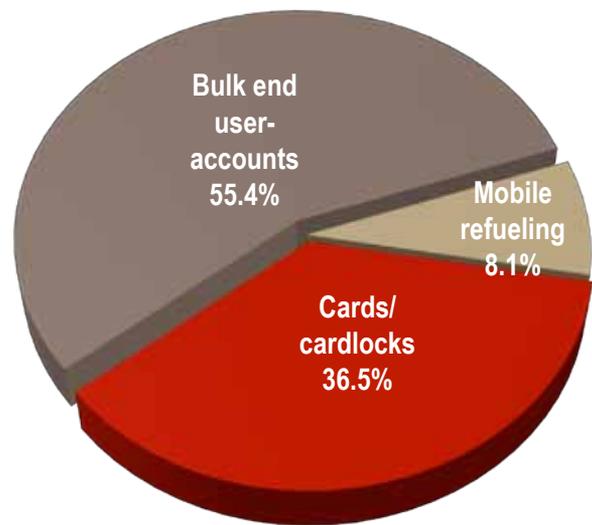
SIGMA members report that a mean of 51% of their outlets sell private brand(s) while 49% of their outlets sell a major brand. The proportion of total fuel sales is 67% private brands and 33% major brands.



	MEAN	Q1	MEDIAN	Q3
Under how many brands do you market motor fuel?	3.08	1	3	5

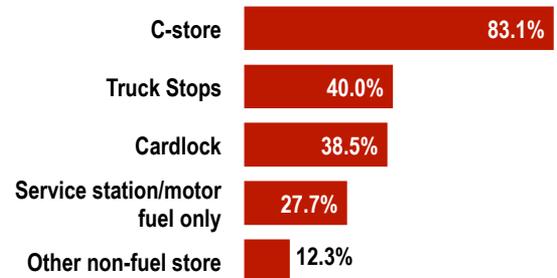
PERCENTAGE OF FLEET AND OTHER END-USER ACCOUNTS SERVICED

SIGMA members reported servicing a mean of 55% of their fleet and other end-user accounts as bulk end-user accounts, 37% through cards/cardlocks, and 8% through mobile refueling.



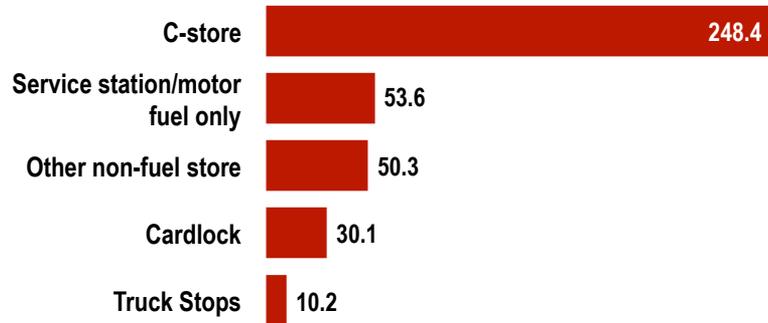
PROPORTION OF OPERATING MOTOR FUEL OUTLETS BY CATEGORY

Most SIGMA members (83%) operate at least one C-store, while 40% of respondents operate at least one truck stop, 39% operate at least one cardlock, 28% operate at least one motor fuel-only service station, and 12% operate some other (non-C-store) non-fuel stores.



MOTOR FUEL OUTLETS: MEAN TOTAL SUPPLIED BY CATEGORY

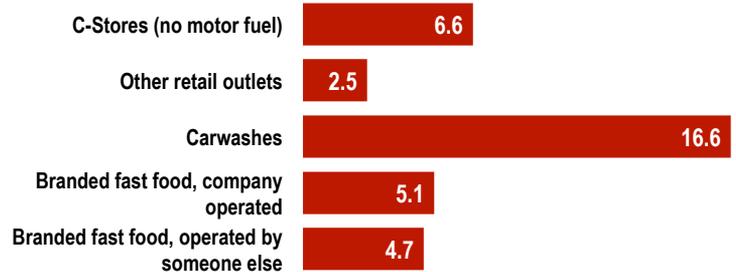
If they operate at least one, the median SIGMA member operates 92 C-stores, 6 motor fuel-only service stations, and between 2.5 and 4.0 cardlocks, truck stops, and other non-fuel stores.



	MEAN	Q1	MEDIAN	Q3
C-store	248.4	40.3	91.5	208.5
Service station/motor fuel only	53.6	3.3	6.0	73.0
Other non-fuel store	50.3	1.0	2.5	13.0
Cardlock	30.1	2.0	4.0	12.0
Truck Stops	10.2	2.0	3.5	11.5

COCO NON-FUEL OUTLETS OPERATED

SIGMA members indicate operating a mean of 16.6 carwashes, 6.6 c-stores without motor fuel, and 2.5 other retail outlets.



Companies operate a mean of 5.1 branded fast food outlets and someone else operates a mean of additional 4.7 branded fast food outlets for them.

BLENDING PUMPS

SIGMA members report a mean of 95.8 and a median of 35 blending pumps.

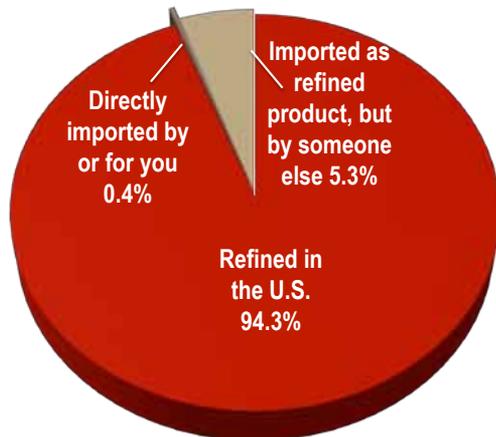
	MEAN	Q1	MEDIAN	Q3
Blending pumps: number of outlets	95.8	3.0	35.0	90.0

RINS

42% of SIGMA members have taken title to RINS and 39% sold RINS. Members who have and reported a volume have a median of 2.57 million ethanol and 416,000 biodiesel RINS.

Millions	MEAN	Q1	MEDIAN	Q3
Ethanol RINS	25.3	1.7	2.6	15.2
Biodiesel RINS	9.7	0.2	0.4	3.2

SUPPLIERS: ESTIMATED PORTION OF TOTAL PRODUCT PURCHASES



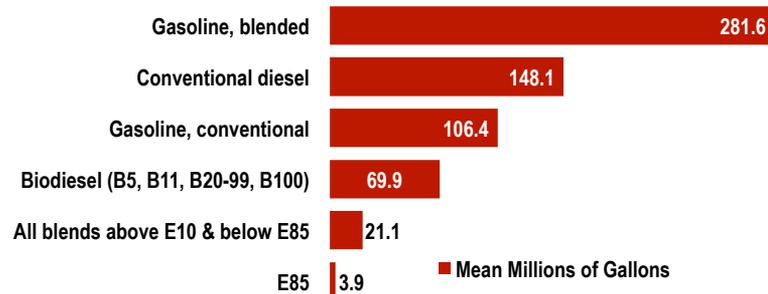
	MEAN	Q1	MEDIAN	Q3
From how many different suppliers did you purchase fuel	25.5	5	11.5	31

SIGMA members report that a mean of 94% of their total product purchases were refined in the United States, while 5% were imported as refined product by someone else, and only 0.4% was directly imported by or for them.

Respondents further reported that a mean of 45% of their supply was sourced from a major integrated refinery, while 23% of their supply comes from large independent refiners, 16% from non-refiners (rack), 8% from small refiners under 250,000 b/d capacity, and 7% from other sources.

AVERAGE ANNUAL SALES OF MOTOR FUEL

Estimated 2018 total fuel sales by SIGMA members was 95.3 billion gallons, a figure based on projections from members who responded to the survey, and their business profile relative to other SIGMA members. The average total gallons sold per firm was a mean of 484.0 billion gallons and a median of 138.4 billion gallons.

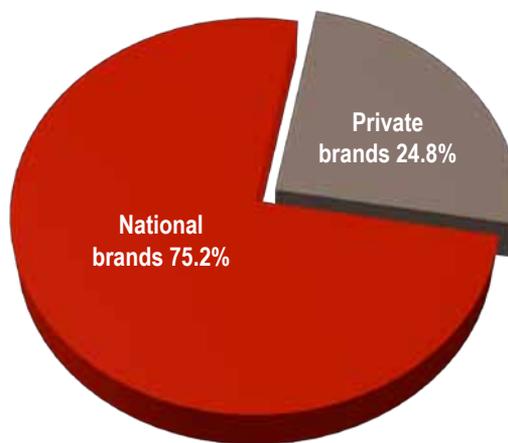


Gallons	MEAN	Q1	MEDIAN	Q3	% REPORTING
Conventional diesel	148,135,109	14,812,500	40,612,850	97,349,091	88%
Biodiesel (B5, B11, B20-99, B100)	69,921,432	2,125,000	5,868,452	47,956,891	56%
Gasoline, conventional	106,387,887	1,050,000	8,535,632	60,471,210	68%
Gasoline, blended	281,583,644	24,750,000	87,316,538	324,746,314	84%
E85	3,935,382	117,750	460,300	1,903,372	36%
All blends above E10 & below E85	21,094,981	26,389	582,500	14,996,723	20%
Total gallons (all types)	484,024,655	63,681,250	138,418,500	536,835,250	

Survey participants indicated a decrease from 2018 in mean sales per company of conventional gasoline and diesel, and increases in blended gasoline, E85, biodiesel, and all blends above E10 & below E85.

- The average total gallons sold increased for the typical firm, with the median increasing by 17% from 118 million gallons in 2017, but the mean declined slightly, by -3.4% from 501 million in 2017.
- The proportions of firms that sell each product fluctuated slightly except for sharper increases in the number selling biodiesel and blends above E10 and below E85,
- One of the largest percentage changes in volume, for conventional diesel, reversed a sharp increase reported in the 2017 survey.

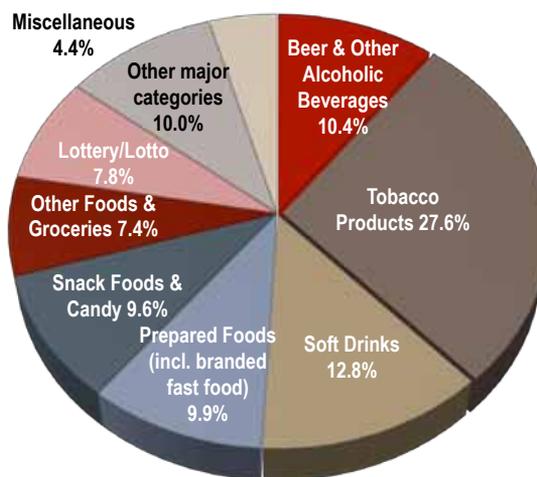
37% of SIGMA members sell lubricants, with a mean of 3.13 million gallons and a median of 1.0 million gallons reported by those who shared sales figures. SIGMA respondents indicate that an average of 75% of their total lubricant sales are national brands, and 25% are private brands. Based on responses received, we estimate that SIGMA members sold 220 million gallons of lubricants in 2018.



PERCENTAGE OF TOTAL NON-FUEL SALES

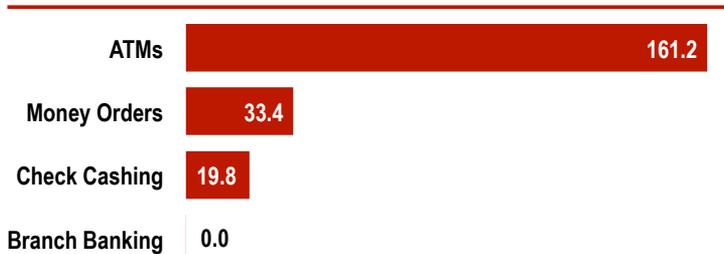
SIGMA members report that tobacco products (28%) account for the largest average share of their non-fuel sales, followed by soft drinks (13%).

Other categories included beer and other alcoholic beverages, prepared foods, and snack foods and candy (10% each); lottery/lotto (8%), other foods and groceries (7%), miscellaneous and other major categories (14% combined).



AVERAGE FUEL OUTLETS WITH FINANCIAL SERVICES OFFERED

SIGMA members indicate operating a mean of 161 ATMs, while a mean of 33 outlets provide money orders and 20 outlets offer check cashing services.



AVERAGE EXPANSION AND CAPITAL IMPROVEMENTS

Average capital investment in remodeling/refitting existing and newly acquired stations in 2018 increased sharply since 2017, almost quadrupling driven by several members reporting much higher expenditures. The mean amount spent on building and equipping new stations increased almost 140% compared to 2017, although the median (typical response) remains zero. Expected borrowing for capital improvements in 2019 increased only slightly from last year's expectations.

	Mean	Q1	Median	Q3
Total amount spent by your company on remodeling and refitting existing and newly-acquired stations:	\$25,953,414	\$140,000	\$1,400,000	\$4,550,000
Total amount spent on building and equipping new stations:	\$34,044,505	\$0	\$375,000	\$7,500,000
Total new dollars you expect to borrow in 2019 for capital improvements and expansion:	\$13,360,625	\$0	\$412,500	\$4,625,000

TOTAL ENVIRONMENTAL COSTS

SIGMA members incur a number of compliance costs related to environmental regulations.

Firms estimate that their total capital expenditure for environmentally-related equipment increased by almost one-third since 2017, and the estimated internal costs of complying with environmental regulations increased by slightly more.

The total spent for tank testing, soil analysis, remediation, and other non-capital environmental compliance decreased by 35% and the net cost of environmental insurance and state tank trust fund declined by almost 20%.

Company's total capital expenditure for environmentally-related equipment:	\$723,605
spent on tank testing, soil analysis, remediation, and other non-capital environmental compliance:	\$723,388
Estimated internal costs of complying with environmental regulations:	\$225,266
Net cost of environmental insurance and state tank trust fund:	\$166,805

	Mean	Q1	Median	Q3
Company's total capital expenditure for environmentally-related equipment:	\$723,605	\$0	\$100,000	\$337,500
Total spent on tank testing, soil analysis, remediation, and other non-capital environmental compliance:	\$723,388	\$19,000	\$105,000	\$750,000
Net cost of environmental insurance and state tank trust fund:	\$166,805	\$3,750	\$70,000	\$156,250
Estimated internal costs of complying with environmental regulations:	\$225,266	\$15,000	\$50,000	\$150,000

In a relatively new question that has fluctuated considerably over the past several years in terms of how many and who answers the question, this year's results feel more consistent with the size and diversity of SIGMA members. They report paying a mean of \$57.9 million and a median of \$6.1 million in total federal taxes, and a mean of \$113.7 million and a median of \$3.0 million in total state/provincial taxes. Total payroll taxes are a mean of \$12.5 million and a median of \$0.9 million.

Company's total federal taxes paid: **\$45,275,783**

Total taxes paid to all states/provinces: **\$86,624,519**

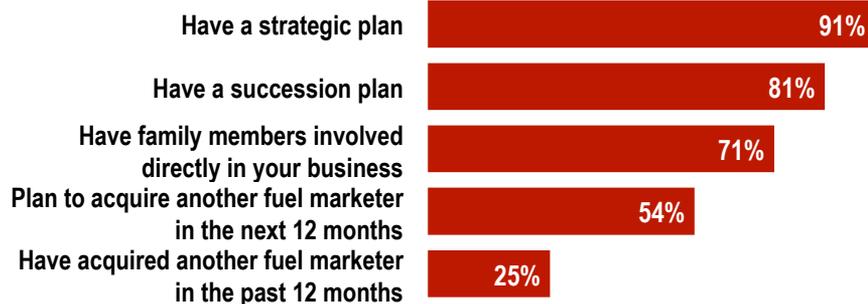
Total payroll taxes paid: **\$11,346,218**

	Mean	Q1	Median	Q3
Company's total federal taxes paid	\$57,852,389	\$494,500	\$6,079,000	\$61,750,000
Total taxes paid to all states/provinces	\$113,694,681	\$418,750	\$3,000,000	\$135,640,000
Total payroll taxes paid	\$12,540,557	\$275,000	\$924,000	\$1,945,000

PLANS AND ACQUISITIONS

Of those SIGMA members who participated in this year's survey, almost all (91%) reported having a strategic plan in place. Most also have a succession plan in place (81%), and have family members involved directly in their business (71%).

Planned acquisition activities continue to remain likely after increasing last year; in the 2019 survey 54% of participating firms stated that they plan to acquire another fuel marketer in the next 12 months, compared to 25% who have acquired one in the past 12 months.



SIGMA is the leading national trade association representing independent chain retailers and marketers of motor fuel, both branded and unbranded.

Founded in 1958 as the Society of Independent Gasoline Marketers of America (SIGMA), SIGMA has become a fixture in the motor fuel marketing industry. After over sixty years of leadership, SIGMA is the national trade association representing the most successful, progressive, and innovative independent fuel marketers and chain retailers in the United States and Canada. From the outset, the association has served to further the interests of this independent segment of the industry while providing information and services to members.

SIGMA's benefits to member companies include a wide variety of publications and timely mailings, as well as legal advice. The association holds meetings throughout the year to allow marketers and fuel suppliers to meet one-on-one and to give members a chance to participate in informative

educational sessions. Leadership of the organization is provided by volunteers from SIGMA's member companies, giving the association the advantage of advice from some of the most well-respected entrepreneurs in the nation.

SIGMA's policies and operating procedures are determined by its members through the Board of Directors and volunteer committees. Regular membership in SIGMA is available to companies involved in motor fuel retailing or wholesaling that are not owned by a refiner. Associate membership is open to other companies directly related to the manufacture or sale of motor fuels.

In addition, Associate Membership is available to companies that offer financial services, fuel transport services, and fleet card services. SIGMA member companies have long been recognized, both within and outside the industry, as the most aggressive, innovative, and price-competitive segment of petroleum marketers.

From its headquarters in suburban Washington, D.C., the association engages in the legislative process in Congress and the regulatory process in the executive branch, including independent agencies of the federal government.

Throughout the year, SIGMA plays an important role in informing, explaining, and interpreting laws and rules to its members. The association also offers comments and input on regulations that affect independent marketers. This serves the dual purpose of ensuring that lawmakers and regulators have valid data on which to base their decisions, while guaranteeing that the perspectives and opinions of independent marketers are heard.





3930 Pender Drive, Suite 340

Fairfax, VA 22030

Phone: 703-709-7000

Fax: 703-709-7007

www.sigma.org