
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**
FORM 10-Q

**QUARTERLY REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2024

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number
000-50056

MARTIN MIDSTREAM PARTNERS L.P.

(Exact name of registrant as specified in its charter)

Delaware

05-0527861

(State or other jurisdiction of incorporation or organization)

(IRS Employer Identification No.)

4200 Stone Road
Kilgore, Texas 75662

(Address of principal executive offices, zip code)

Registrant's telephone number, including area code: (903) 983-6200

Securities registered pursuant to Section 12(b) of the Act

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Units representing limited partnership interests	MMLP	The NASDAQ Global Select Market

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes

No

Indicate by check mark whether the registrant has submitted electronically, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (\$232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes

No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

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.

Indicated by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes

No

The number of the registrant's Common Units outstanding at July 23, 2024, was 39,001,086.

Forward-Looking Statements

This Quarterly Report on Form 10-Q includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Statements included in this quarterly report that are not historical facts (including any statements concerning plans and objectives of management for future operations or economic performance, or assumptions or forecasts related thereto), including, without limitation, the information set forth in Management's Discussion and Analysis of Financial Condition and Results of Operations, are forward-looking statements. These statements can be identified by the use of forward-looking terminology including "forecast," "may," "believe," "will," "expect," "anticipate," "estimate," "continue," or other similar words. These statements discuss future expectations, contain projections of results of operations or of financial condition or state other "forward-looking" information. We and our representatives may from time to time make other oral or written statements that are also forward-looking statements.

These forward-looking statements are made based upon management's current plans, expectations, estimates, assumptions and beliefs concerning future events impacting us and therefore involve a number of risks and uncertainties. We caution that forward-looking statements are not guarantees and that actual results could differ materially from those expressed or implied in the forward-looking statements.

Because these forward-looking statements involve risks and uncertainties, actual results could differ materially from those expressed or implied by these forward-looking statements for a number of important reasons, including those discussed under "Item 1A. Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2023, filed with the Securities and Exchange Commission (the "SEC") on February 21, 2024, and as may be updated and supplemented from time to time in our future Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

MARTIN MIDSTREAM PARTNERS L.P.
CONSOLIDATED AND CONDENSED BALANCE SHEETS
(Dollars in thousands)

	June 30, 2024	December 31, 2023
	(Unaudited)	(Audited)
Assets		
Cash	\$ 55	\$ 54
Accounts and other receivables, less allowance for doubtful accounts of \$ 506 and \$530, respectively	50,910	53,293
Inventories	41,597	43,822
Due from affiliates	22,151	7,924
Other current assets	10,284	9,220
Total current assets	<u>124,997</u>	<u>114,313</u>
Property, plant and equipment, at cost	939,570	918,786
Accumulated depreciation	<u>(631,219)</u>	<u>(612,993)</u>
Property, plant and equipment, net	308,351	305,793
Goodwill	16,671	16,671
Right-of-use assets	63,768	60,359
Investment in DSM Semicore LLC	7,938	—
Deferred income taxes, net	10,174	10,200
Other assets, net	3,179	2,039
Total assets	<u>\$ 535,078</u>	<u>\$ 509,375</u>
Liabilities and Partners' Capital (Deficit)		
Current installments of long-term debt and finance lease obligations	\$ 14	\$ —
Trade and other accounts payable	51,874	51,653
Product exchange payables	—	426
Due to affiliates	3,269	6,334
Income taxes payable	1,374	652
Other accrued liabilities	<u>42,178</u>	<u>41,499</u>
Total current liabilities	98,709	100,564
Long-term debt, net	439,397	421,173
Finance lease obligations	62	—
Operating lease liabilities	47,187	45,684
Other long-term obligations	<u>7,589</u>	<u>6,578</u>
Total liabilities	<u>592,944</u>	<u>573,999</u>
Commitments and contingencies		
Partners' capital (deficit)	<u>(57,866)</u>	<u>(64,624)</u>
Total liabilities and partners' capital (deficit)	<u>\$ 535,078</u>	<u>\$ 509,375</u>

See accompanying notes to consolidated and condensed financial statements.

MARTIN MIDSTREAM PARTNERS L.P.
CONSOLIDATED AND CONDENSED STATEMENTS OF OPERATIONS
(Unaudited)
(Dollars and units in thousands, except per unit amounts)

	Three Months Ended				Six Months Ended			
	June 30,		June 30,		June 30,		June 30,	
	2024	2023	2024	2023	2024	2023	2024	2023
Revenues:								
Terminalling and storage *	\$ 22,375	\$ 21,684	\$ 44,892	\$ 42,542				
Transportation *	57,676	54,750	115,983	110,473				
Sulfur services	3,477	3,357	6,954	6,715				
Product sales: *								
Specialty products	67,288	78,872	133,613	211,141				
Sulfur services	33,715	36,973	63,919	69,294				
	<u>101,003</u>	<u>115,845</u>	<u>197,532</u>	<u>280,435</u>				
Total revenues	<u>184,531</u>	<u>195,636</u>	<u>365,361</u>	<u>440,165</u>				
Costs and expenses:								
Cost of products sold: (excluding depreciation and amortization)								
Specialty products *	57,553	71,570	114,783	189,565				
Sulfur services *	19,234	25,654	39,633	47,471				
Terminalling and storage *	<u>24</u>	<u>25</u>	<u>42</u>	<u>31</u>				
	<u>76,811</u>	<u>97,249</u>	<u>154,458</u>	<u>237,067</u>				
Expenses:								
Operating expenses *	65,358	60,737	129,292	123,482				
Selling, general and administrative *	10,701	8,447	19,614	19,619				
Depreciation and amortization	<u>12,687</u>	<u>12,547</u>	<u>25,336</u>	<u>25,448</u>				
Total costs and expenses	<u>165,557</u>	<u>178,980</u>	<u>328,700</u>	<u>405,616</u>				
Other operating income (loss), net	<u>953</u>	<u>673</u>	<u>1,161</u>	<u>285</u>				
Operating income	<u>19,927</u>	<u>17,329</u>	<u>37,822</u>	<u>34,834</u>				
Other income (expense):								
Interest expense, net	(14,377)	(15,263)	(28,219)	(30,920)				
Loss on extinguishment of debt	—	—	—	(5,121)				
Other, net	<u>2</u>	<u>11</u>	<u>18</u>	<u>33</u>				
Total other expense	<u>(14,375)</u>	<u>(15,252)</u>	<u>(28,201)</u>	<u>(36,008)</u>				
Net income (loss) before taxes	<u>5,552</u>	<u>2,077</u>	<u>9,621</u>	<u>(1,174)</u>				
Income tax expense	<u>(1,772)</u>	<u>(996)</u>	<u>(2,568)</u>	<u>(2,831)</u>				
Net income (loss)	<u>3,780</u>	<u>1,081</u>	<u>7,053</u>	<u>(4,005)</u>				
Less general partner's interest in net income (loss)	<u>(76)</u>	<u>(22)</u>	<u>(141)</u>	<u>80</u>				
Less income (loss) allocable to unvested restricted units	<u>(16)</u>	<u>(4)</u>	<u>(28)</u>	<u>12</u>				
Limited partners' interest in net income (loss)	<u>\$ 3,688</u>	<u>\$ 1,055</u>	<u>\$ 6,884</u>	<u>\$ (3,913)</u>				
Net income (loss) per unit attributable to limited partners - basic and diluted	<u>\$ 0.09</u>	<u>\$ 0.03</u>	<u>\$ 0.18</u>	<u>\$ (0.10)</u>				
Weighted average limited partner units - basic	<u>38,832,222</u>	<u>38,772,266</u>	<u>38,833,039</u>	<u>38,771,037</u>				
Weighted average limited partner units - diluted	<u>38,891,375</u>	<u>38,777,600</u>	<u>38,872,192</u>	<u>38,771,037</u>				

See accompanying notes to consolidated and condensed financial statements.

*Related Party Transactions Shown Below

MARTIN MIDSTREAM PARTNERS L.P.
CONSOLIDATED AND CONDENSED STATEMENTS OF OPERATIONS
(Unaudited)
(Dollars and units in thousands, except per unit amounts)

*Related Party Transactions Included Above

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Revenues:				
Terminalling and storage	\$ 18,078	\$ 18,077	\$ 36,627	\$ 35,579
Transportation	8,318	7,277	16,919	12,788
Product Sales	123	7,497	252	8,422
Costs and expenses:				
Cost of products sold: (excluding depreciation and amortization)				
Specialty products	8,368	7,918	14,941	17,428
Sulfur services	2,919	2,644	5,912	5,352
Terminalling and storage	24	25	42	31
Expenses:				
Operating expenses	26,501	25,058	52,924	48,885
Selling, general and administrative	8,638	6,556	15,501	15,072

See accompanying notes to consolidated and condensed financial statements.

MARTIN MIDSTREAM PARTNERS L.P.
CONSOLIDATED AND CONDENSED STATEMENTS OF CAPITAL (DEFICIT)
(Unaudited)
(Dollars in thousands)

	Partners' Capital (Deficit)			
	Common Limited		General Partner	
	Units	Amount	Amount	Total
Balances - March 31, 2024	39,001,086	\$ (63,115)	\$ 1,619	\$ (61,496)
Net income	—	3,704	76	3,780
Cash distributions	—	(195)	(4)	(199)
Unit-based compensation	—	49	—	49
Balances - June 30, 2024	<u>39,001,086</u>	<u>(59,557)</u>	<u>1,691</u>	<u>(57,866)</u>
Balances - December 31, 2023	38,914,806	\$ (66,182)	\$ 1,558	\$ (64,624)
Net income	—	6,912	141	7,053
Issuance of restricted units	86,280	—	—	—
Cash distributions	—	(390)	(8)	(398)
Unit-based compensation	—	103	—	103
Balances - June 30, 2024	<u>39,001,086</u>	<u>\$ (59,557)</u>	<u>\$ 1,691</u>	<u>\$ (57,866)</u>
Partners' Capital (Deficit)				
Common Limited		General Partner		
Units	Amount	Amount	Total	
Balances - March 31, 2023	38,914,806	\$ (66,236)	\$ 1,559	\$ (64,677)
Net income	—	1,059	22	1,081
Cash distributions	—	(195)	(4)	(199)
Unit-based compensation	—	38	—	38
Balances - June 30, 2023	<u>38,914,806</u>	<u>(65,334)</u>	<u>1,577</u>	<u>(63,757)</u>
Balances - December 31, 2022	38,850,750	\$ (61,110)	\$ 1,665	\$ (59,445)
Net loss	—	(3,925)	(80)	(4,005)
Issuance of restricted units	64,056	—	—	—
Cash distributions	—	(389)	(8)	(397)
Unit-based compensation	—	90	—	90
Balances - June 30, 2023	<u>38,914,806</u>	<u>\$ (65,334)</u>	<u>\$ 1,577</u>	<u>\$ (63,757)</u>

See accompanying notes to consolidated and condensed financial statements.

MARTIN MIDSTREAM PARTNERS L.P.
CONSOLIDATED AND CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)
(Dollars in thousands)

	Six Months Ended	
	June 30,	
	2024	2023
Cash flows from operating activities:		
Net income (loss)	\$ 7,053	\$ (4,005)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	25,336	25,448
Amortization of deferred debt issuance costs	1,539	2,435
Amortization of debt discount	1,200	1,000
Deferred income tax expense	26	1,867
Gain on disposition or sale of property, plant and equipment, net	(1,161)	(285)
Loss on extinguishment of debt	—	5,121
Non cash unit-based compensation	103	90
Change in current assets and liabilities, excluding effects of acquisitions and dispositions:		
Accounts and other receivables	2,383	22,619
Inventories	2,031	58,933
Due from affiliates	(14,227)	5,654
Other current assets	174	5,296
Trade and other accounts payable	523	(19,459)
Product exchange payables	(426)	278
Due to affiliates	(3,065)	(6,641)
Income taxes payable	722	(215)
Other accrued liabilities	(1,196)	1,907
Change in other non-current assets and liabilities	922	(1,269)
Net cash provided by operating activities	<u>21,937</u>	<u>98,774</u>
Cash flows from investing activities:		
Payments for property, plant and equipment	(24,194)	(17,024)
Payments for plant turnaround costs	(6,705)	(661)
Investment in DSM Semichem LLC	(6,938)	—
Proceeds from sale of property, plant and equipment	738	4,275
Net cash used in investing activities	<u>(37,099)</u>	<u>(13,410)</u>
Cash flows from financing activities:		
Payments of long-term debt	(113,000)	(519,197)
Payments under finance lease obligations	(1)	(9)
Proceeds from long-term debt	128,577	448,489
Payment of debt issuance costs	(15)	(14,238)
Cash distributions paid	(398)	(397)
Net cash provided by (used in) financing activities	<u>15,163</u>	<u>(85,352)</u>
Net increase in cash	1	12
Cash at beginning of period	54	45
Cash at end of period	<u>\$ 55</u>	<u>\$ 57</u>
Non-cash additions to property, plant and equipment	\$ 2,641	\$ 1,679
Non-cash contribution of land to DSM Semichem LLC	<u>\$ 1,000</u>	<u>\$ —</u>

See accompanying notes to consolidated and condensed financial statements.

MARTIN MIDSTREAM PARTNERS L.P.
NOTES TO CONSOLIDATED AND CONDENSED FINANCIAL STATEMENTS
(Dollars in thousands, except where otherwise indicated)
June 30, 2024
(Unaudited)

NOTE 1. NATURE OF OPERATIONS AND BASIS OF PRESENTATION

Martin Midstream Partners L.P. (the "Partnership") is a publicly traded limited partnership with a diverse set of operations focused primarily in the Gulf Coast region of the United States ("U.S."). Its four primary business lines include: terminalling, processing, and storage services for petroleum products and by-products including the refining of naphthenic crude oil; land and marine transportation services for petroleum products and by-products, chemicals, and specialty products; sulfur and sulfur-based products processing, manufacturing, marketing and distribution; and marketing, distribution, and transportation services for natural gas liquids and blending and packaging services for specialty lubricants and grease.

The Partnership's unaudited consolidated and condensed financial statements have been prepared in accordance with the requirements of Form 10-Q and U.S. Generally Accepted Accounting Principles ("U.S. GAAP") for interim financial reporting. Accordingly, these financial statements have been condensed and do not include all of the information and footnotes required by U.S. GAAP for annual audited financial statements of the type contained in the Partnership's annual reports on Form 10-K. In the opinion of the management of the Partnership's general partner, all adjustments and elimination of significant intercompany balances necessary for a fair presentation of the Partnership's financial position, results of operations, and cash flows for the periods shown have been made. All such adjustments are of a normal recurring nature. Results for such interim periods are not necessarily indicative of the results of operations for the full year. These financial statements should be read in conjunction with the Partnership's audited consolidated financial statements and notes thereto included in the Partnership's annual report on Form 10-K for the year ended December 31, 2023, filed with the SEC on February 21, 2024.

Management has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these consolidated and condensed financial statements in conformity with U.S. GAAP. Actual results could differ from those estimates.

NOTE 2. NEW ACCOUNTING PRONOUNCEMENTS

There were no new accounting pronouncements applicable to the Partnership during the six months ended June 30, 2024.

NOTE 3. EXIT OF BUTANE OPTIMIZATION BUSINESS

During the second quarter of 2023, the Partnership completed its previously announced exit from its butane optimization business at the conclusion of the butane selling season. This exit did not qualify as discontinued operations in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 205. Going forward, with respect to butane, the Partnership will operate as a fee-based butane logistics business, primarily continuing to utilize its north Louisiana underground storage assets, which have both truck and rail capability. This logistics business will also utilize the Partnership's truck transportation assets for fee-based product movements. As a result of this new business model, the Partnership will no longer carry butane inventory, enabling the Partnership to reduce commodity risk exposure, cash flow and earnings volatility, and working capital requirements. The following revenues and costs, which are included in the financial results for all periods presented, are not expected to be incurred under the new fee-based butane logistics business model. The butane optimization business has historically been included in the Partnership's Specialty Products operating segment.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023		2023	
Products revenue	\$	13,650	\$	70,539
Cost of products sold		16,074		72,282
Selling, general and administrative expenses		140		512
	\$	(2,564)	\$	(2,255)

MARTIN MIDSTREAM PARTNERS L.P.
NOTES TO CONSOLIDATED AND CONDENSED FINANCIAL STATEMENTS
(Dollars in thousands, except where otherwise indicated)
June 30, 2024
(Unaudited)

NOTE 4. REVENUE

The following table disaggregates our revenue by major source:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Terminalling and storage segment				
Throughput and storage	\$ 22,375	\$ 21,684	\$ 44,892	\$ 42,542
	<u>\$ 22,375</u>	<u>\$ 21,684</u>	<u>\$ 44,892</u>	<u>\$ 42,542</u>
Transportation segment				
Land transportation	\$ 42,860	\$ 40,869	\$ 85,603	\$ 83,099
Inland marine transportation	12,977	12,357	27,300	24,435
Offshore marine transportation	1,839	1,524	3,080	2,939
	<u>\$ 57,676</u>	<u>\$ 54,750</u>	<u>\$ 115,983</u>	<u>\$ 110,473</u>
Sulfur services segment				
Sulfur product sales	\$ 7,521	\$ 7,462	\$ 13,204	\$ 13,738
Fertilizer product sales	26,194	29,511	50,715	55,556
Sulfur services	3,477	3,357	6,954	6,715
	<u>\$ 37,192</u>	<u>\$ 40,330</u>	<u>\$ 70,873</u>	<u>\$ 76,009</u>
Specialty products segment				
Natural gas liquids product sales	\$ 35,435	\$ 45,678	\$ 73,566	\$ 143,900
Lubricant product sales	31,853	33,194	60,047	67,241
	<u>\$ 67,288</u>	<u>\$ 78,872</u>	<u>\$ 133,613</u>	<u>\$ 211,141</u>

Revenue is measured based on a consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties where the Partnership is acting as an agent. The Partnership recognizes revenue when the Partnership satisfies a performance obligation, which typically occurs when the Partnership transfers control over a product to a customer or as the Partnership delivers a service.

The following is a description of the principal activities - separated by reportable segments - from which the Partnership generates revenue.

Terminalling and Storage Segment

Revenue is recognized for storage contracts based on the contracted monthly tank fixed fee. For throughput contracts, revenue is recognized based on the volume moved through the Partnership's terminals at the contracted rate. For storage and throughput contracts at the Partnership's underground NGL storage facility, revenue is recognized based on the volume stored and moved through the facility at the contracted rate. For the Partnership's tolling agreement, revenue is recognized based on the contracted monthly reservation fee and throughput volumes moved through the facility. Throughput and storage revenue in the table above includes non-cancelable revenue arrangements that are under the scope of ASC 842, whereby the Partnership has committed certain Terminalling and Storage assets in exchange for a minimum fee.

Transportation Segment

Revenue related to land transportation is recognized for line hauls based on a mileage rate. For contracted trips, revenue is recognized upon completion of the particular trip. The performance of the service is invoiced as the transaction occurs and is generally paid within a month.

MARTIN MIDSTREAM PARTNERS L.P.
NOTES TO CONSOLIDATED AND CONDENSED FINANCIAL STATEMENTS
(Dollars in thousands, except where otherwise indicated)
June 30, 2024
(Unaudited)

Revenue related to marine transportation is recognized for time charters based on a per day rate. For contracted trips, revenue is recognized upon completion of the particular trip. The performance of the service is invoiced as the transaction occurs and is generally paid within a month.

Sulfur Services Segment

Revenue from sulfur and fertilizer product sales is recognized when the customer takes title to the product. Delivery of product is invoiced as the transaction occurs and is generally paid within a month. Revenue from sulfur services is recognized as services are performed during each monthly period. The performance of the service is invoiced as the transaction occurs and is generally paid within a month.

Specialty Products Segment

Natural Gas Liquids ("NGL") revenue is recognized when title is transferred, which is generally when the product is delivered by truck, rail, or pipeline to the Partnership's NGL customers or when the customer picks up the product from our facilities. When lubricants are sold by truck or rail, revenue is recognized when title is transferred, which is generally when the product leaves the Partnership's facility, but can vary based on the specific terms of the contract. Delivery of product is invoiced as the transaction occurs and is generally paid within a month.

The table below includes estimated minimum revenue expected to be recognized in the future related to performance obligations that are unsatisfied at the end of the reporting period. The Partnership applies the practical expedient in ASC 606-10-50-14(a) and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

	2024	2025	2026	2027	2028	Thereafter	Total
Terminalling and storage							
Throughput and storage	\$ 22,120	\$ 45,448	\$ 46,749	\$ 48,152	\$ 49,662	\$ 157,964	\$ 370,095
Sulfur services							
Product sales	2,833	5,666	4,691	295	—	—	13,485
Service revenues	6,954	13,908	13,908	—	—	—	34,770
Specialty Products							
NGL product sales	3,242	6,431	3,736	—	—	—	13,409
Total	\$ 35,149	\$ 71,453	\$ 69,084	\$ 48,447	\$ 49,662	\$ 157,964	\$ 431,759

NOTE 5. INVENTORIES

Components of inventories at June 30, 2024 and December 31, 2023, were as follows:

	June 30, 2024	December 31, 2023
Natural gas liquids	\$ 867	\$ 3,679
Lubricants	23,001	20,057
Sulfur	761	817
Fertilizer	11,312	13,411
Other	5,656	5,858
	\$ 41,597	\$ 43,822

MARTIN MIDSTREAM PARTNERS L.P.
NOTES TO CONSOLIDATED AND CONDENSED FINANCIAL STATEMENTS
(Dollars in thousands, except where otherwise indicated)

June 30, 2024
(Uaudited)

NOTE 6. DEBT

At June 30, 2024 and December 31, 2023, long-term debt consisted of the following:

	June 30, 2024	December 31, 2023
\$150,000 Credit facility at variable interest rate (8.72% ¹ weighted average at June 30, 2024), due February 2027 secured by substantially all of the Partnership's assets, including, without limitation, inventory, accounts receivable, vessels, equipment, fixed assets and the interests in the Partnership's operating subsidiaries, net of unamortized debt issuance costs of \$2,771 and \$3,292, respectively ²	\$ 55,229	\$ 39,208
\$400,000 Senior notes, 11.5% interest, net of unamortized debt issuance costs of \$7,232 and \$8,235, respectively, including unamortized premium of \$8,600 and \$9,800, respectively, due February 2028, secured ²	384,168	381,965
Total	439,397	421,173
Less: current portion	—	—
Total long-term debt, net of current portion	\$ 439,397	\$ 421,173

¹ The interest rate fluctuates based on Adjusted Term SOFR (set on the date of each advance) or the alternate base rate plus an applicable margin. The margin is set every three months. All amounts outstanding at June 30, 2024 were at Adjusted Term SOFR plus an applicable margin. The applicable margin for revolving loans that are SOFR loans currently ranges from 2.75% to 3.75%, and the applicable margin for revolving loans that are alternate base rate loans currently ranges from 1.75% to 2.75%. The applicable margin for SOFR borrowings at June 30, 2024 is 3.25%. The applicable margin for SOFR borrowings effective July 17, 2024, is 3.25%. The credit facility contains various covenants that limit the Partnership's ability to make distributions; make certain investments and acquisitions; enter into certain agreements; incur indebtedness; sell assets; and make certain amendments to the Partnership's omnibus agreement with Martin Resource Management Corporation (the "Omnibus Agreement").

² The Partnership was in compliance with all debt covenants as of June 30, 2024 and December 31, 2023.

The Partnership paid cash interest in the amount of \$1,585 and \$2,632 for the three months ended June 30, 2024 and 2023, respectively. The Partnership paid cash interest in the amount of \$26,238 and \$24,808 for the six months ended June 30, 2024 and 2023, respectively. Capitalized interest was \$291 and \$7 for the three months ended June 30, 2024 and 2023, respectively. Capitalized interest was \$443 and \$11 for the six months ended June 30, 2024 and 2023, respectively.

NOTE 7. LEASES

The Partnership has numerous operating leases primarily for terminal facilities and transportation and other equipment. The leases generally provide that all expenses related to the facilities and equipment are to be paid by the lessee.

Operating lease Right-of-Use assets and operating lease liabilities are recognized based on the present value of lease payments over the lease term at commencement date. Because most of the Partnership's leases do not provide an implicit rate of return, the Partnership uses its imputed collateralized rate based on the information available at commencement date in determining the present value of lease payments. The estimated rate is based on a risk-free rate plus a risk-adjusted margin.

Our leases have remaining lease terms of 1 year to 12 years, some of which include options to extend the leases for up to 5 years, and some of which include options to terminate the leases within 1 year. The Partnership includes extension periods in its lease term if, at commencement, it is reasonably likely that the Partnership will exercise the extension options.

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The components of lease expense for the three and six months ended June 30, 2024 and 2023, were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Operating lease cost	\$ 5,181	\$ 3,604	\$ 10,120	\$ 6,791
Finance lease cost:				
Amortization of right-of-use assets	\$ 3	\$ 2	\$ 3	\$ 6
Interest on lease liabilities	1	—	1	—
Short-term lease cost	1,333	1,368	2,499	3,075
Variable lease cost	41	39	87	94
Total lease cost	<u>\$ 6,559</u>	<u>\$ 5,013</u>	<u>\$ 12,710</u>	<u>\$ 9,966</u>

Supplemental balance sheet information related to leases at June 30, 2024 and December 31, 2023, was as follows:

	June 30, 2024	December 31, 2023
Operating Leases		
Operating lease right-of-use assets	\$ 63,768	\$ 60,359
Current portion of operating lease liabilities included in "Other accrued liabilities"	\$ 16,801	\$ 14,901
Operating lease liabilities	<u>47,187</u>	<u>45,684</u>
Total operating lease liabilities	<u>\$ 63,988</u>	<u>\$ 60,585</u>
Finance Leases		
Property, plant and equipment, at cost	\$ 77	\$ —
Accumulated depreciation	(3)	—
Property, plant and equipment, net	<u>\$ 74</u>	<u>\$ —</u>
Current installments of finance lease obligations	\$ 14	\$ —
Finance lease obligations	<u>62</u>	<u>—</u>
Total finance lease obligations	<u>\$ 76</u>	<u>\$ —</u>

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For the six months ended June 30, 2024, the Partnership incurred new operating leases, primarily related to land and marine transportation assets and renewed existing operating leases set to expire, primarily related to marine transportation assets.

The Partnership's future minimum lease obligations as of June 30, 2024, consist of the following:

	Operating Leases
Year 1	\$ 20,795
Year 2	19,074
Year 3	15,533
Year 4	10,342
Year 5	3,542
Thereafter	4,745
Total	74,031
Less amounts representing interest costs	(10,043)
Total lease liability	\$ 63,988

The Partnership has non-cancelable revenue arrangements that are under the scope of ASC 842 whereby we have committed certain terminalling and storage assets in exchange for a minimum fee. Future minimum revenues the Partnership expects to receive under these non-cancelable arrangements as of June 30, 2024, are as follows: 2024 - \$13,269; 2025 - \$17,433; 2026 - \$11,755; 2027 - \$11,559; 2028 - \$11,364; subsequent years - \$18,256.

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NOTE 8. SUPPLEMENTAL BALANCE SHEET INFORMATION

Components of "Other accrued liabilities" were as follows:

	June 30, 2024	December 31, 2023
Accrued interest	\$ 17,641	\$ 17,956
Asset retirement obligations	—	25
Property and other taxes payable	3,315	4,348
Accrued payroll	4,375	4,136
Operating lease liabilities	16,801	14,901
Other	46	133
	\$ 42,178	\$ 41,499

The schedule below summarizes the changes in our asset retirement obligations:

	June 30, 2024
Asset retirement obligations as of December 31, 2023	\$ 5,182
Additions to asset retirement obligations	—
Accretion expense	66
Liabilities settled	—
Ending asset retirement obligations	5,248
Current portion of asset retirement obligations ¹	—
Long-term portion of asset retirement obligations ²	\$ 5,248

¹The current portion of asset retirement obligations is included in "Other accrued liabilities" on the Partnership's Consolidated and Condensed Balance Sheets.

²The non-current portion of asset retirement obligations is included in "Other long-term obligations" on the Partnership's Consolidated and Condensed Balance Sheets.

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NOTE 9. PARTNERS' CAPITAL (DEFICIT)

As of June 30, 2024, Partners' capital (deficit) consisted of 39,001,086 common limited partner units, representing a 98% partnership interest, and a 2% general partner interest. Martin Resource Management Corporation, through subsidiaries, owned 6,114,532 of the Partnership's common limited partner units representing approximately 15.7% of the Partnership's outstanding common limited partner units. Martin Midstream GP LLC ("MMGP"), the Partnership's general partner, owns the 2% general partnership interest.

The partnership agreement of the Partnership (the "Partnership Agreement") contains specific provisions for the allocation of net income and losses to each of the partners for purposes of maintaining their respective partner capital accounts.

Impact on Partners' Capital (Deficit) Related to Transactions Between Entities Under Common Control

Under ASC 805, assets and liabilities transferred between entities under common control are accounted for at the historical cost of those entities' ultimate parent, in a manner similar to a pooling of interests. Any difference in the amount paid by the transferee versus the historical cost of the assets transferred is recorded as an adjustment to equity (contribution or distribution) by the transferee. This is in contrast with a business combination between unrelated parties, where assets and liabilities are recorded at their fair values at the acquisition date, with any excess of amounts paid over the fair value representing goodwill. From time to time, the most recent being in 2019, the Partnership has entered into common control acquisitions from Martin Resource Management Corporation. The consideration transferred totaling \$552,058 exceeds the historical cost of the net assets received. This excess of the purchase price over the historical cost of the net assets received has resulted in cumulative distributions of \$289,019 reflected as reductions to Partners' capital.

Distributions of Available Cash

The Partnership distributes all of its available cash (as defined in the Partnership Agreement) within 45 days after the end of each quarter to unitholders of record and to the general partner. Available cash is generally defined as all cash and cash equivalents of the Partnership on hand at the end of each quarter less the amount of cash reserves its general partner determines in its reasonable discretion is necessary or appropriate to: (i) provide for the proper conduct of the Partnership's business; (ii) comply with applicable law, any debt instruments or other agreements; or (iii) provide funds for distributions to unitholders and the general partner for any one or more of the next four quarters, plus all cash on the date of determination of available cash for the quarter resulting from working capital borrowings made after the end of the quarter.

Net Income per Unit

The Partnership follows the provisions of the FASB ASC 260-10 related to earnings per share, which addresses the application of the two-class method in determining income per unit for master limited partnerships having multiple classes of securities that may participate in partnership distributions accounted for as equity distributions. Undistributed earnings are allocated to the general partner and limited partners utilizing the contractual terms of the Partnership Agreement. When current period distributions are in excess of earnings, the excess distributions for the period are to be allocated to the general partner and limited partners based on their respective sharing of income and losses specified in the Partnership Agreement. Additionally, as required under FASB ASC 260-10-45-61A, unvested share-based payments that entitle employees to receive non-forfeitable distributions are considered participating securities, as defined in FASB ASC 260-10-20, for earnings per unit calculations.

For purposes of computing diluted net income per unit, the Partnership uses the more dilutive of the two-class and if-converted methods. Under the if-converted method, the weighted-average number of subordinated units outstanding for the period is added to the weighted-average number of common units outstanding for purposes of computing basic net income per unit and the resulting amount is compared to the diluted net income per unit computed using the two-class method. The following is a reconciliation of net income allocated to the general partner and limited partners for purposes of calculating net income attributable to limited partners per unit:

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	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income (loss)	\$ 3,780	\$ 1,081	\$ 7,053	\$ (4,005)
Less general partner's interest in net income (loss):				
Distributions payable on behalf of general partner interest	4	4	8	8
General partner interest in undistributed income (loss)	72	18	133	(88)
Less income (loss) allocable to unvested restricted units	16	4	28	(12)
Limited partners' interest in net income (loss)	<u>\$ 3,688</u>	<u>\$ 1,055</u>	<u>\$ 6,884</u>	<u>\$ (3,913)</u>

The following are the unit amounts used to compute the basic and diluted earnings per limited partner unit for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Basic weighted average limited partner units outstanding	38,832,222	38,772,266	38,833,039	38,771,037
Dilutive effect of restricted units issued	59,153	5,334	39,153	—
Total weighted average limited partner diluted units outstanding	<u>38,891,375</u>	<u>38,777,600</u>	<u>38,872,192</u>	<u>38,771,037</u>

All outstanding units were included in the computation of diluted earnings per unit and weighted based on the number of days such units were outstanding during the periods presented. All common unit equivalents were antidilutive for the three months ended June 30, 2023, because the limited partners were allocated a net loss in this period.

NOTE 10. UNIT BASED AWARDS - LONG-TERM INCENTIVE PLANS

The Partnership recognizes compensation cost related to unit-based awards to both employees and non-employees in its consolidated and condensed financial statements in accordance with certain provisions of ASC 718. Amounts recognized in operating expense and selling, general, and administrative expense in the consolidated and condensed financial statements with respect to these plans are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Restricted unit Awards				
Employees	\$ —	\$ —	\$ —	\$ —
Non-employee directors	49	38	103	90
Phantom unit Awards				
Employees	1,395	(1,574)	1,221	(1,175)
Non-employee directors	—	—	—	—
Total unit-based compensation expense	<u>\$ 1,444</u>	<u>\$ (1,536)</u>	<u>\$ 1,324</u>	<u>\$ (1,085)</u>

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Long-Term Incentive Plans

The Partnership's general partner has long-term incentive plans for employees and directors of the general partner and its affiliates who perform services for the Partnership.

Phantom Unit Plan

On July 21, 2021, the board of directors of the general partner of the Partnership and the compensation committee of the general partner's board of directors (the "Compensation Committee") approved the Martin Midstream Partners L.P. 2021 Phantom Unit Plan (the "Plan"), effective as of the same date. The Plan permits the awards of phantom units and phantom unit appreciation rights (collectively, "phantom unit awards") to any employee or non-employee director of the Partnership, including its executive officers. The awards may be time-based or performance-based and will be paid, if at all, in cash.

The award of a phantom unit entitles the participant to a cash payment equal to the value of the phantom unit on the vesting date or dates, which value is the fair market value of a common unit of the Partnership (a "Unit") on such vesting date or dates. The award of a phantom unit appreciation right entitles the recipient to a cash payment equal to the difference between the value of a phantom unit on the vesting date or dates in excess of the value assigned by the Compensation Committee to the phantom unit as of the grant date. Phantom units and phantom unit appreciation rights granted to participants do not confer upon participants any right to a Unit.

On July 21, 2021, the Compensation Committee approved forms of time-based award agreements for phantom units and phantom unit appreciation rights, both of which awards vest in full on the third anniversary of the grant date. The grant date value of a phantom unit under a phantom unit appreciation right award is equal to the average of the closing price for a Unit during the 20 trading days immediately preceding the grant date of the award.

Generally, vesting of an award is subject to a participant remaining continuously employed with the Partnership through the vesting date. However, if prior to the vesting date (i) a participant is terminated without cause (as defined in the award agreement) or terminates employment after the participant has attained both the age of 65 and ten years of employment ("retirement-eligible"), a prorated portion of the award will vest and be paid in cash no later than the 30th day following such termination date (subject to a six-month delay in payment for certain retirement-eligible participants) or (ii) there is a change in control of the Partnership (as defined in the Plan), the award will vest in full and be paid in cash no later than the 30th day following the date of the change of control; provided, that the participant has been in continuous employment through the termination or change in control date, as applicable.

On July 21, 2021, 620,000 phantom units and 1,245,000 phantom unit appreciation rights were granted to employees of the general partner and its affiliates who perform services for the Partnership. On April 20, 2022, the board of directors of the general partner of the Partnership and the Compensation Committee approved the First Amendment to the Plan, effective as of the same date, which amendment increased the total number of phantom units available for grant under the Plan from 2,000,000 units to 5,000,000 units. On April 20, 2022, 365,000 phantom units and 1,097,500 phantom unit appreciation rights were granted to employees of the general partner and its affiliates who perform services for the Partnership. On July 19, 2023, 1,179,500 phantom units and 505,500 phantom unit appreciation rights were granted to employees of the general partner and its affiliates who perform services for the Partnership.

Phantom unit awards are recorded in operating expense and selling, general and administrative expense based on the fair value of the vested portion of the awards on the balance sheet date. The fair value of these awards is updated at each balance sheet date and changes in the fair value of the vested portions of the awards are recorded as increases or decreases to compensation expense within operating expense and selling, general and administrative expense in the Consolidated and Condensed Statements of Operations. All of the Partnership's outstanding phantom unit awards at June 30, 2024, met the criteria to be treated under liability classification in accordance with ASC 718, given that these awards will settle in cash on the vesting date.

Compensation expense for the phantom awards is based on the fair value of the units as of the balance sheet date as further discussed below, and such costs are recognized ratably over the service period of the awards. As the fair value of liability awards is required to be re-measured each period end, stock compensation expense amounts recognized in future

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periods for these awards will vary. The estimated future cash payments of these awards are presented as liabilities within "Other current liabilities" and "Other long-term obligations" in the Consolidated and Condensed Balance Sheets. As of June 30, 2024, there was a total of \$3,543 of unrecognized compensation costs related to non-vested phantom unit awards. These costs are expected to be recognized over a remaining life of 1.90 years.

The fair value of the phantom unit awards was estimated using a Monte Carlo valuation model as of the balance sheet date. The Monte Carlo valuation model is based on random projections of stock price paths and must be repeated numerous times to achieve a probabilistic assessment. Expected volatility was calculated based on the historical volatility of the Partnership's common units as well as set of peer companies.

Restricted Unit Plan

On May 26, 2017, the unitholders of the Partnership approved the Martin Midstream Partners L.P. 2017 Restricted Unit Plan (the "2017 LTIP"). The 2017 LTIP currently permits the grant of awards covering an aggregate of 3,000,000 common units, all of which can be awarded in the form of restricted units. The 2017 LTIP is administered by the Compensation Committee.

A restricted unit is a unit that is granted to grantees with certain vesting restrictions, which may be time-based and/or performance-based. Once these restrictions lapse, the grantee is entitled to full ownership of the unit without restrictions. The Compensation Committee may determine to make grants under the 2017 LTIP containing such terms as the Compensation Committee shall determine under the 2017 LTIP. With respect to time-based restricted units ("TBRUs"), the Compensation Committee will determine the time period over which restricted units granted to employees and directors will vest. The Compensation Committee may also award a percentage of restricted units with vesting requirements based upon the achievement of specified pre-established performance targets ("Performance Based Restricted Units" or "PBRUs"). The performance targets may include, but are not limited to, the following: revenue and income measures, cash flow measures, net income before interest expense and income tax expense ("EBIT"), net income before interest expense, income tax expense, and depreciation and amortization ("EBITDA"), distribution coverage metrics, expense measures, liquidity measures, market measures, corporate sustainability metrics, and other measures related to acquisitions, dispositions, operational objectives and succession planning objectives. PBRUs are earned only upon our achievement of an objective performance measure for the performance period. PBRUs which vest are payable in common units. Unvested units granted under the 2017 LTIP may or may not participate in cash distributions depending on the terms of each individual award agreement.

The restricted units issued to directors generally vest in equal annual installments over a four-year period. Restricted units issued to employees generally vest in equal annual installments over three years of service. All of the Partnership's outstanding restricted unit awards at June 30, 2024, met the criteria to be treated under equity classification.

In February 2024, the Partnership issued 28,760 TBRUs to each of the Partnership's three independent directors under the 2017 LTIP. These restricted common units vest in equal installments of 7,190 units on January 24, 2025, 2026, 2027, and 2028.

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The restricted units are valued at their fair value at the date of grant, which is equal to the market value of common units on such date. A summary of the restricted unit activity for the six months ended June 30, 2024, is provided below:

	Number of Units	Weighted Average Grant-Date Fair Value
	Per Unit	
Non-vested, beginning of period	141,390	\$ 2.99
Granted (TBRU)	86,280	\$ 2.26
Vested	(58,806)	\$ 2.86
Forfeited	—	\$ —
Non-Vested, end of period	<u>168,864</u>	\$ 2.65
Aggregate intrinsic value, end of period	<u>\$ 545</u>	

A summary of the restricted units' aggregate intrinsic value (market value at vesting date) and fair value of units vested (market value at date of grant) during the three and six months ended June 30, 2024 and 2023, is provided below:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Aggregate intrinsic value of units vested	\$ —	\$ —	\$ 46	\$ 89
Fair value of units vested	—	—	168	178

As of June 30, 2024, there was \$ 377 of unrecognized compensation cost related to non-vested restricted units. That cost is expected to be recognized over a weighted-average period of 2.76 years.

NOTE 11. RELATED PARTY TRANSACTIONS

As of June 30, 2024, Martin Resource Management Corporation owns 6,114,532 of the Partnership's common units representing approximately 15.7% of the Partnership's outstanding limited partner units. Martin Resource Management Corporation controls the Partnership's general partner by virtue of its 100% voting interest in MMGP Holdings, LLC ("Holdings"), the sole member of the Partnership's general partner. The Partnership's general partner, MMGP, owns a 2% general partner interest in the Partnership. The Partnership's general partner's ability, as general partner, to manage and operate the Partnership, and Martin Resource Management Corporation's ownership as of June 30, 2024, of approximately 15.7% of the Partnership's outstanding limited partnership units, effectively gives Martin Resource Management Corporation the ability to veto some of the Partnership's actions and to control the Partnership's management.

The following is a description of the Partnership's material related party agreements and transactions:

Omnibus Agreement

Omnibus Agreement. The Partnership and its general partner are parties to the Omnibus Agreement dated November 1, 2002, with Martin Resource Management Corporation that governs, among other things, potential competition and indemnification obligations among the parties to the agreement, related party transactions, the provision of general administration and support services by Martin Resource Management Corporation and the Partnership's use of certain Martin Resource Management Corporation trade names and trademarks. The Omnibus Agreement was amended on November 25, 2009, to include processing crude oil into finished products including naphthenic lubricants, distillates, asphalt and other intermediate cuts. The Omnibus Agreement was amended further on October 1, 2012, to permit the Partnership to provide certain lubricant packaging products and services to Martin Resource Management Corporation.

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Non-Competition Provisions. Martin Resource Management Corporation has agreed for so long as it controls the general partner of the Partnership, not to engage in the business of:

- providing terminalling and storage services for petroleum products and by-products including the refining, blending and packaging of finished lubricants;
- providing land and marine transportation of petroleum products, by-products, and chemicals; and
- manufacturing and selling sulfur-based fertilizer products and other sulfur-related products.

This restriction does not apply to:

- the ownership and/or operation on the Partnership's behalf of any asset or group of assets owned by it or its affiliates;
- any business operated by Martin Resource Management Corporation, including the following:
 - distributing asphalt, marine fuel and other liquids;
 - providing shore-based marine services in Texas, Louisiana, Mississippi, and Alabama;
 - operating a crude oil gathering business in Stephens, Arkansas;
 - providing crude oil gathering and marketing services of base oils, asphalt, and distillate products in Smackover, Arkansas;
 - providing crude oil marketing and transportation from the well head to the end market;
 - operating an environmental consulting company;
 - operating a butane optimization business;
 - supplying employees and services for the operation of the Partnership's business; and
 - operating, solely for our account, the asphalt facilities in each of Hondo, South Houston and Port Neches, Texas and Omaha, Nebraska.
- any business that Martin Resource Management Corporation acquires or constructs that has a fair market value of less than \$ 5,000;
- any business that Martin Resource Management Corporation acquires or constructs that has a fair market value of \$ 5,000 or more if the Partnership has been offered the opportunity to purchase the business for fair market value and the Partnership declines to do so with the concurrence of the conflicts committee of the board of directors of the general partner of the Partnership (the "Conflicts Committee"); and
- any business that Martin Resource Management Corporation acquires or constructs where a portion of such business includes a restricted business and the fair market value of the restricted business is \$5,000 or more and represents less than 20% of the aggregate value of the entire business to be acquired or constructed; provided that, following completion of the acquisition or construction, the Partnership will be provided the opportunity to purchase the restricted business.

Services. Under the Omnibus Agreement, Martin Resource Management Corporation provides the Partnership with corporate staff, support services, and administrative services necessary to operate the Partnership's business. The Omnibus Agreement requires the Partnership to reimburse Martin Resource Management Corporation for all direct expenses it incurs or payments it makes on the Partnership's behalf or in connection with the operation of the Partnership's business. There is no

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monetary limitation on the amount the Partnership is required to reimburse Martin Resource Management Corporation for direct expenses. In addition to the direct expenses, under the Omnibus Agreement, the Partnership is required to reimburse Martin Resource Management Corporation for indirect general and administrative and corporate overhead expenses.

Effective January 1, 2024, through December 31, 2024, the Conflicts Committee approved an annual reimbursement amount for indirect expenses of \$13,508. The Partnership reimbursed Martin Resource Management Corporation for \$3,377 and \$3,496 of indirect expenses for the three months ended June 30, 2024 and 2023, respectively. The Partnership reimbursed Martin Resource Management Corporation for \$6,754 and \$6,991 of indirect expenses for the six months ended June 30, 2024 and 2023, respectively. The Conflicts Committee will review and approve future adjustments in the reimbursement amount for indirect expenses, if any, annually.

These indirect expenses are intended to cover the centralized corporate functions Martin Resource Management Corporation provides to the Partnership, such as accounting, treasury, clerical, engineering, legal, billing, information technology, administration of insurance, general office expenses and employee benefit plans and other general corporate overhead functions the Partnership shares with Martin Resource Management Corporation retained businesses. The provisions of the Omnibus Agreement regarding Martin Resource Management Corporation's services will terminate if Martin Resource Management Corporation ceases to control the general partner of the Partnership.

Related-Party Transactions. The Omnibus Agreement prohibits the Partnership from entering into any material agreement with Martin Resource Management Corporation without the prior approval of the Conflicts Committee. For purposes of the Omnibus Agreement, the term "material agreements" means any agreement between the Partnership and Martin Resource Management Corporation that requires aggregate annual payments in excess of the then-applicable agreed upon reimbursable amount of indirect general and administrative expenses. Please read "Services" above.

License Provisions. Under the Omnibus Agreement, Martin Resource Management Corporation has granted the Partnership a nontransferable, nonexclusive, royalty-free right and license to use certain of its trade names and marks, as well as the trade names and marks used by some of its affiliates.

Amendment and Termination. The Omnibus Agreement may be amended by written agreement of the parties; provided, however, that it may not be amended without the approval of the Conflicts Committee if such amendment would adversely affect the unitholders. The Omnibus Agreement was first amended on November 25, 2009, to permit the Partnership to provide refining services to Martin Resource Management Corporation. The Omnibus Agreement was amended further on October 1, 2012, to permit the Partnership to provide certain lubricant packaging products and services to Martin Resource Management Corporation. Such amendments were approved by the Conflicts Committee. The Omnibus Agreement, other than the indemnification provisions and the provisions limiting the amount for which the Partnership will reimburse Martin Resource Management Corporation for general and administrative services performed on its behalf, will terminate if the Partnership is no longer an affiliate of Martin Resource Management Corporation.

Master Transportation Services Agreement

Master Transportation Services Agreement. Martin Transport, Inc. ("MTI"), a wholly owned subsidiary of the Partnership, is a party to a master transportation services agreement effective January 1, 2019, with certain wholly owned subsidiaries of Martin Resource Management Corporation. Under the agreement, MTI agreed to transport Martin Resource Management Corporation's petroleum products and by-products.

Term and Pricing. The agreement will continue unless either party terminates the agreement by giving at least 30 days' written notice to the other party. The rates under the agreement are subject to any adjustments which are mutually agreed upon or in accordance with a price index. Additionally, shipping charges are also subject to fuel surcharges determined on a weekly basis in accordance with the U.S. Department of Energy's national diesel price list.

Indemnification. MTI has agreed to indemnify Martin Resource Management Corporation against all claims arising out of the negligence or willful misconduct of MTI and its officers, employees, agents, representatives and subcontractors. Martin Resource Management Corporation has agreed to indemnify MTI against all claims arising out of the negligence or willful misconduct of Martin Resource Management Corporation and its officers, employees, agents, representatives and

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subcontractors. In the event a claim is the result of the joint negligence or misconduct of MTI and Martin Resource Management Corporation, indemnification obligations will be shared in proportion to each party's allocable share of such joint negligence or misconduct.

Marine Agreements

Marine Transportation Agreement. The Partnership is a party to a marine transportation agreement effective January 1, 2006, as amended, under which the Partnership provides marine transportation services to Martin Resource Management Corporation on a spot-contract basis at applicable market rates. Effective each January 1, this agreement automatically renews for consecutive one year periods unless either party terminates the agreement by giving written notice to the other party at least 60 days prior to the expiration of the then applicable term. The fees the Partnership charges Martin Resource Management Corporation are based on applicable market rates.

Marine Fuel. The Partnership is a party to an agreement with Martin Resource Management Corporation dated November 1, 2002, under which Martin Resource Management Corporation provides the Partnership with marine fuel from its locations in the Gulf of Mexico at a fixed rate in excess of the Platt's U.S. Gulf Coast Index for #2 Fuel Oil. Under this agreement, the Partnership agreed to purchase all of its marine fuel requirements that occur in the areas serviced by Martin Resource Management Corporation.

Terminal Services Agreements

Diesel Fuel Terminal Services Agreement. Effective October 1, 2022, the Partnership entered into a third amended and restated terminalling services agreement under which it provides terminal services to Martin Energy Services LLC ("MES"), a wholly owned subsidiary of Martin Resource Management Corporation, for fuel distribution utilizing marine shore based terminals owned by the Partnership. This agreement amended the existing arrangement between the Partnership and MES by eliminating any minimum throughput volume requirements and increasing the per gallon throughput fee. The primary term of this agreement expired on December 31, 2023, but will continue on a year to year basis until terminated by either party by giving at least 90 days' written notice prior to the end of any term. Effective January 1, 2024, this agreement was amended to increase the throughput rate and to establish a minimum throughput volume.

Miscellaneous Terminal Services Agreements. The Partnership is currently party to several terminal services agreements and from time to time the Partnership may enter into other terminal service agreements for the purpose of providing terminal services to related parties. Individually, each of these agreements is immaterial but when considered in the aggregate they could be deemed material. These agreements are throughput based with a minimum volume commitment. Generally, the fees due under these agreements are adjusted annually based on a price index.

Other Agreements

Cross Tolling Agreement. The Partnership is a party to an amended and restated tolling agreement with Cross Oil Refining and Marketing, Inc. ("Cross") dated October 28, 2014, under which the Partnership processes crude oil into finished products, including naphthenic lubricants, distillates, asphalt and other intermediate cuts for Cross. The tolling agreement expires November 25, 2031. Under this tolling agreement, Cross agreed to process a minimum of 6,500 barrels per day of crude oil at the facility at a fixed price per barrel. Any additional barrels are processed at a modified price per barrel. In addition, Cross agreed to pay a monthly reservation fee and a periodic fuel surcharge fee based on certain parameters specified in the tolling agreement. Further, certain capital improvements, to the extent requested by Cross, are reimbursed through a capital recovery fee. All of these fees (other than the fuel surcharge) are subject to escalation annually based upon the greater of 3% or the increase in the Consumer Price Index for a specified annual period.

East Texas Mack Leases. MTI leases equipment, including tractors and trailers, from East Texas Mack Sales ("East Texas Mack"). Certain of our directors or officers are owners of East Texas Mack, including entities affiliated with Ruben Martin, who owns approximately 46% of the issued and outstanding stock of East Texas Mack. Amounts paid to East Texas Mack for tractor and trailer lease payments and lease residuals for the three months ended June 30, 2024 and 2023, were \$1,118 and \$785, respectively. Amounts paid to East Texas Mack for tractor and trailer lease payments and lease residuals for the six months ended June 30, 2024 and 2023, were \$2,055 and \$1,409, respectively.

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Storage and Services Agreement. The Partnership is a party to a storage and services agreement with Martin Butane, a division of Martin Product Sales LLC (a subsidiary of Martin Resource Management Corporation), dated May 1, 2023, under which the Partnership provides storage and other services for NGLs at the Partnership's Arcadia, Louisiana, underground storage facility. The primary term of the agreement expired on April 30, 2024, but will continue on a year to year basis until terminated by either party by giving at least 90 days' written notice prior to the end of any term.

Other Miscellaneous Agreements. From time to time the Partnership enters into other miscellaneous agreements with Martin Resource Management Corporation for the provision of other services or the purchase of other goods.

The tables below summarize the related party transactions that are included in the related financial statement captions on the face of the Partnership's Consolidated and Condensed Statements of Operations. The revenues, costs and expenses reflected in these tables are tabulations of the related party transactions that are recorded in the corresponding captions of the consolidated and condensed financial statements and do not reflect a statement of profits and losses for related party transactions.

The impact of related party revenues from sales of products and services is reflected in the consolidated and condensed financial statements as follows:

	Three Months Ended June				Six Months Ended June 30,			
	30,				2024		2023	
	2024	2023	2024	2023				
Revenues:								
Terminalling and storage	\$ 18,078	\$ 18,077	\$ 36,627	\$ 35,579				
Transportation	8,318		7,277		16,919		12,788	
Product sales:								
Specialty products	89		7,417		190		8,289	
Sulfur services	34		80		62		133	
	123		7,497		252		8,422	
	\$ 26,519	\$ 32,851	\$ 53,798	\$ 56,789				

The impact of related party cost of products sold is reflected in the consolidated and condensed financial statements as follows:

	Three Months Ended June				Six Months Ended June 30,			
	30,				2024		2023	
	2024	2023	2024	2023				
Cost of products sold:								
Specialty products	\$ 8,368	\$ 7,918	\$ 14,941	\$ 17,428				
Sulfur services	2,919		2,644		5,912		5,352	
Terminalling and storage	24		25		42		31	
	\$ 11,311	\$ 10,587	\$ 20,895	\$ 22,811				

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The impact of related party operating expenses is reflected in the consolidated and condensed financial statements as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	\$	\$	\$	\$
Operating expenses:				
Transportation	\$ 19,814	\$ 17,951	\$ 39,587	\$ 36,015
Sulfur services	1,050	1,590	2,372	2,590
Terminalling and storage	5,637	5,517	10,965	10,280
	<u><u>\$ 26,501</u></u>	<u><u>\$ 25,058</u></u>	<u><u>\$ 52,924</u></u>	<u><u>\$ 48,885</u></u>

The impact of related party selling, general and administrative expenses is reflected in the consolidated and condensed financial statements as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	\$	\$	\$	\$
Selling, general and administrative:				
Transportation	\$ 2,203	\$ 1,939	\$ 4,030	\$ 4,202
Specialty products	1,256	570	1,992	1,881
Sulfur services	1,157	439	1,933	1,520
Terminalling and storage	482	(8)	424	228
Indirect, including overhead allocation	3,540	3,616	7,122	7,241
	<u><u>\$ 8,638</u></u>	<u><u>\$ 6,556</u></u>	<u><u>\$ 15,501</u></u>	<u><u>\$ 15,072</u></u>

NOTE 12. BUSINESS SEGMENTS

The Partnership has four reportable segments: (1) terminalling and storage, (2) transportation, (3) sulfur services and (4) specialty products. The Partnership's reportable segments are strategic business units that offer different products and services. The operating income of these segments is reviewed by the chief operating decision maker to assess performance and make business decisions. The Partnership evaluates the performance of its reportable segments based on operating income. There is no allocation of interest expense.

		Intersegment				Operating Income (Loss) after Eliminations	Expenditures and Plant Turnaround Costs	Capital
		Operating Revenues	Revenues Eliminations	Operating Revenues after Eliminations	Depreciation and Amortization			
		\$	\$	\$	\$			
Three Months Ended June 30, 2024								
Terminalling and storage	\$ 24,402	\$ (2,027)	\$ 22,375	\$ 5,729	\$ 1,316	\$ 2,075		
Transportation	61,467	(3,791)	57,676	3,381	4,226	1,770		
Sulfur services	37,193	(1)	37,192	2,778	11,128	8,561		
Specialty products	67,317	(29)	67,288	799	7,076	798		
Indirect selling, general and administrative	—	—	—	—	(3,819)	—		
Total	\$ 190,379	\$ (5,848)	\$ 184,531	\$ 12,687	\$ 19,927	\$ 13,204		

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Three Months Ended June 30, 2023	Operating Revenues	Intersegment Revenues Eliminations			Depreciation and Amortization	Operating Income (Loss) after Eliminations	Capital Expenditures and Plant Turnaround Costs	
		Operating Revenues		Operating Revenues after Eliminations			Operating Income (Loss) after Eliminations	Capital Expenditures and Plant Turnaround Costs
		Revenues	Eliminations	Operating Revenues after Eliminations	Depreciation and Amortization	Operating Income (Loss) after Eliminations	Capital Expenditures and Plant Turnaround Costs	Capital Expenditures and Plant Turnaround Costs
Terminalling and storage	\$ 23,906	\$ (2,222)	\$ 21,684	\$ 5,195	\$ 2,236	\$ 3,324		
Transportation	58,395	(3,645)	54,750	3,760	5,345	2,471		
Sulfur services	40,330	—	40,330	2,756	8,493	3,660		
Specialty products	78,898	(26)	78,872	836	5,149	340		
Indirect selling, general and administrative	—	—	—	—	(3,894)	—		
Total	\$ 201,529	\$ (5,893)	\$ 195,636	\$ 12,547	\$ 17,329	\$ 9,795		

Six Months Ended June 30, 2024	Operating Revenues	Intersegment Revenues Eliminations			Depreciation and Amortization	Operating Income (Loss) after Eliminations	Capital Expenditures and Plant Turnaround Costs	
		Operating Revenues		Operating Revenues after Eliminations			Operating Income (Loss) after Eliminations	Capital Expenditures and Plant Turnaround Costs
		Revenues	Eliminations	Operating Revenues after Eliminations	Depreciation and Amortization	Operating Income (Loss) after Eliminations	Capital Expenditures and Plant Turnaround Costs	Capital Expenditures and Plant Turnaround Costs
Terminalling and storage	\$ 48,687	\$ (3,795)	\$ 44,892	\$ 11,124	\$ 3,273	\$ 9,125		
Transportation	123,509	(7,526)	115,983	6,857	10,268	4,625		
Sulfur services	70,874	(1)	70,873	5,760	17,901	14,897		
Specialty products	133,663	(50)	133,613	1,595	14,035	1,950		
Indirect selling, general and administrative	—	—	—	—	(7,655)	—		
Total	\$ 376,733	\$ (11,372)	\$ 365,361	\$ 25,336	\$ 37,822	\$ 30,597		

Six Months Ended June 30, 2023	Operating Revenues	Intersegment Revenues Eliminations			Depreciation and Amortization	Operating Income (Loss) after Eliminations	Capital Expenditures and Plant Turnaround Costs	
		Operating Revenues		Operating Revenues after Eliminations			Operating Income (Loss) after Eliminations	Capital Expenditures and Plant Turnaround Costs
		Revenues	Eliminations	Operating Revenues after Eliminations	Depreciation and Amortization	Operating Income (Loss) after Eliminations	Capital Expenditures and Plant Turnaround Costs	Capital Expenditures and Plant Turnaround Costs
Terminalling and storage	\$ 47,825	\$ (5,283)	\$ 42,542	\$ 10,794	\$ 2,300	\$ 7,109		
Transportation	120,334	(9,861)	110,473	7,522	8,524	3,999		
Sulfur services	76,009	—	76,009	5,433	15,897	5,708		
Specialty products	211,175	(34)	211,141	1,699	16,205	599		
Indirect selling, general and administrative	—	—	—	—	(8,092)	—		
Total	\$ 455,343	\$ (15,178)	\$ 440,165	\$ 25,448	\$ 34,834	\$ 17,415		

The Partnership's assets by reportable segment as of June 30, 2024 and December 31, 2023, are as follows:

		December 31,	
		June 30, 2024	2023
Total assets:			
Terminalling and storage		\$ 179,047	\$ 171,320
Transportation		164,571	161,506
Sulfur services		112,644	103,779
Specialty products		78,816	72,770
Total assets		\$ 535,078	\$ 509,375

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NOTE 13. COMMITMENTS AND CONTINGENCIES

Contingencies

From time to time, the Partnership is subject to various claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Partnership.

On December 31, 2015, the Partnership received a demand from a customer in its lubricants packaging business for defense and indemnity in connection with various lawsuits filed against it, which generally alleged that the customer engaged in unlawful and deceptive business practices in connection with its marketing and advertising of its private label motor oil (the "Marketing Lawsuits"). The Partnership disputed and continues to dispute that it has any obligation to defend or indemnify the customer for the customer's conduct. Accordingly, on January 7, 2016, the Partnership filed a Complaint for Declaratory Judgment in the Chancery Court of Davidson County, Tennessee (the "Tennessee Court"), under Case No. 16-0018-BC, requesting a judicial determination that the Partnership did not owe the customer the demanded defense and indemnity obligations (the "Litigation"). The Marketing Lawsuits pending in federal court against the customer were transferred to the U.S. District Court for the Western District of Missouri under the consolidated case MDL No. 2709 for pretrial proceedings (the "Consolidated Lawsuits"). On March 1, 2017, at the joint request of the customer and the Partnership, the Tennessee Court administratively closed the Litigation. In 2021, the customer settled the Consolidated Lawsuits. On December 17, 2021, at the request of the customer, the Tennessee Court reopened the Litigation and the customer asserted various counterclaims against the Partnership seeking, among other things, to recover its costs of defending and settling the Consolidated Lawsuits. At this time, we are unable to determine what ultimate exposure we may have in this matter, if any. The Partnership intends to vigorously defend the counterclaims asserted by the customer in the Litigation. The trial for the Litigation is expected to be held in the second half of 2025.

NOTE 14. FAIR VALUE MEASUREMENTS

The Partnership uses a valuation framework based upon inputs that market participants use in pricing certain assets and liabilities. These inputs are classified into two categories: observable inputs and unobservable inputs. Observable inputs represent market data obtained from independent sources. Unobservable inputs represent the Partnership's own market assumptions. Unobservable inputs are used only if observable inputs are unavailable or not reasonably available without undue cost and effort. The two types of inputs are further prioritized into the following hierarchy:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that reflect the entity's own assumptions and are not corroborated by market data.

The Partnership is required to disclose estimated fair values for its financial instruments. Fair value estimates are set forth below for these financial instruments. The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

- Accounts and other receivables, trade and other accounts payable, accrued interest payable, other accrued liabilities, income taxes payable and due from/to affiliates: The carrying amounts approximate fair value due to the short maturity and highly liquid nature of these instruments, and as such these have been excluded from the table below. There is negligible credit risk associated with these instruments.
- Current and non-current portion of long-term debt: The carrying amount of the credit facility approximates fair value due to the debt having a variable interest rate and is in Level 2. The estimated fair value of the 2028 Notes is considered Level 2, as the fair value is based upon quoted prices for identical liabilities in markets that are not active.

	June 30, 2024		December 31, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
2028 Notes	\$ 384,168	\$ 432,751	\$ 381,965	\$ 414,453
Total	\$ 384,168	\$ 432,751	\$ 381,965	\$ 414,453

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NOTE 15. INVESTMENT IN DSM SEMICHEM LLC

On October 19, 2022, Martin ELSA Investment LLC, the Partnership's affiliate, entered into definitive agreements with Samsung C&T America, Inc. and Dongjin USA, Inc., an affiliate of Dongjin Semichem Co., Ltd., to form DSM Semichem LLC ("DSM"). DSM will produce and distribute electronic level sulfuric acid ("ELSA"). By leveraging the Partnership's existing assets located in Plainview, Texas and installing additional facilities (the "ELSA Facility") as required, DSM will produce ELSA that meets the strict quality standards required by the recent advances in semiconductor manufacturing. In addition to owning a 10% non-controlling interest in DSM, the Partnership will be the exclusive provider of feedstock to the ELSA Facility. The Partnership, through its affiliate MTI, will also provide land transportation services for the ELSA produced by DSM. On April 1, 2024, the Partnership contributed \$6,500 in cash to DSM, which represents the cash contributions required pursuant to DSM's limited liability agreement for the Partnership's 10% non-controlling interest. Also, in conjunction with the formation of DSM, we contributed approximately 22 acres of land. The Partnership recognizes its 10% interest in DSM as "Investment in DSM Semichem LLC" on its Consolidated and Condensed Balance Sheets. The Partnership accounts for its ownership interest in DSM under the equity method of accounting.

NOTE 16. CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The Partnership's operations are conducted by its operating subsidiaries as it has no independent assets or operations. The Operating Partnership, the Partnership's wholly-owned subsidiary, and the Partnership's other operating subsidiaries have issued in the past, and may issue in the future, unconditional guarantees of senior or subordinated debt securities of the Partnership. The guarantees that have been issued are full, irrevocable and unconditional and joint and several. In addition, the Operating Partnership may also issue senior or subordinated debt securities which, if issued, will be fully, irrevocably and unconditionally guaranteed by the Partnership. Substantially all of the Partnership's operating subsidiaries are subsidiary guarantors of its Senior Notes and any subsidiaries other than the subsidiary guarantors are minor.

NOTE 17. INCOME TAXES

	Six Months Ended June			
	Three Months Ended June 30,		30,	
	2024	2023	2024	2023
Provision for income taxes	\$ 1,772	\$ 996	\$ 2,568	\$ 2,831

The operations of a partnership are generally not subject to income taxes, except for Texas margin tax, because its income is taxed directly to its partners. Current state income taxes attributable to the Texas margin tax relating to the operation of the Partnership of \$470 and \$80 were recorded in income tax expense for the three months ended June 30, 2024 and 2023, respectively. Current state income taxes attributable to the Texas margin tax relating to the operation of the Partnership of \$550 and \$200 were recorded in income tax expense for the six months ended June 30, 2024 and 2023, respectively. Deferred taxes applicable to the Texas margin tax relating to the operation of the Partnership are immaterial.

MTI, a wholly owned subsidiary of the Partnership, is subject to income taxes due to its corporate structure (the "Taxable Subsidiary"). Total income tax expense of \$1,302 and \$916, related to the operation of the Taxable Subsidiary, for the three months ended June 30, 2024 and 2023, resulted in an effective income tax rate ("ETR") of 30.68% and 26.60%, respectively. Total income tax expense of \$2,018 and \$2,631, related to the operation of the Taxable Subsidiary, for the six months ended June 30, 2024 and 2023, resulted in an ETR of 22.94% and 25.16%, respectively.

The increase in the provision for income taxes and the ETR for the income taxes during the three months ended June 30, 2024, was primarily due to an increase in the Texas margin tax, as the more favorable wholesaler/retailer rate is no longer applicable on a combined reporting basis with the Partnership, and an increase in permanent differences, compared to the same period in 2023. The decrease in the provision for income taxes and the ETR for the income taxes during the six months ended June 30, 2024, was primarily due to a favorable true-up to state net operating loss carryforwards, compared to the same period in 2023.

A current federal income tax expense of \$786 and \$162, related to the operation of the Taxable Subsidiary, was recorded for the three months ended June 30, 2024 and 2023, respectively. A current federal income tax expense of \$1,576 and \$487, related to the operation of the Taxable Subsidiary, was recorded for the six months ended June 30, 2024 and 2023,

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respectively. A current state income tax expense of \$165 and \$64, related to the operation of the Taxable Subsidiary, was recorded for the three months ended June 30, 2024 and 2023, respectively. A current state income tax expense of \$416 and \$277, related to the operation of the Taxable Subsidiary, was recorded for the six months ended June 30, 2024 and 2023, respectively.

With respect to MTI, income taxes are accounted for under the asset and liability method pursuant to the provisions of ASC 740 related to income taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

A deferred tax expense related to the MTI temporary differences of \$351 and \$690 was recorded for the three months ended June 30, 2024 and 2023, respectively. A deferred tax expense related to the MTI temporary differences of \$26 and \$1,867 was recorded for the six months ended June 30, 2024 and 2023, respectively. A net deferred tax asset of \$10,174 and \$10,200, related to the cumulative book and tax temporary differences, existed at June 30, 2024 and December 31, 2023, respectively.

All income tax positions taken for all open years are more likely than not to be sustained based upon their technical merit under applicable tax laws.

NOTE 18. SUBSEQUENT EVENTS

Quarterly Distribution. On July 17, 2024, the Partnership declared a quarterly cash distribution of \$0.005 per common unit for the second quarter of 2024, or \$0.020 per common unit on an annualized basis, which will be paid on August 14, 2024, to unitholders of record as of August 7, 2024.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion of our financial condition and results of operations in conjunction with the consolidated and condensed financial statements and the notes thereto included elsewhere in this quarterly report.

Overview

We are a publicly traded limited partnership with a diverse set of operations focused primarily in the Gulf Coast region of the U.S. Our four primary business lines include:

- Terminalling, processing, and storage services for petroleum products and by-products;
- Land and marine transportation services for petroleum products and by-products, chemicals, and specialty products;
- Sulfur and sulfur-based products processing, manufacturing, marketing, and distribution; and
- Marketing, distribution, and transportation services for natural gas liquids and blending and packaging services for specialty lubricants and grease.

The petroleum products and by-products we collect, transport, store and market are produced primarily by major and independent oil and gas companies who often turn to third parties, such as us, for the transportation and disposition of these products. In addition to these major and independent oil and gas companies, our primary customers include independent refiners, large chemical companies, and other wholesale purchasers of these products. We operate primarily in the Gulf Coast region of the U.S. This region is a major hub for petroleum refining, natural gas gathering and processing, and support services for the exploration and production industry.

We were formed in 2002 by Martin Resource Management Corporation, a privately-held company whose initial predecessor was incorporated in 1951 as a supplier of products and services to drilling rig contractors. Since then, Martin Resource Management Corporation has expanded its operations through acquisitions and internal expansion initiatives as its management identified and capitalized on the needs of producers and purchasers of petroleum products and by-products and other bulk liquids. Martin Resource Management Corporation is an important supplier and customer of ours. As of June 30, 2024, Martin Resource Management Corporation owned 15.7% of our total outstanding common limited partner units and 100% of MMGP Holdings, LLC ("Holdings"), which is the sole member of Martin Midstream GP LLC ("MMGP"), our general partner. MMGP owns a 2.0% general partner interest in us.

We entered into the Omnibus Agreement that governs, among other things, potential competition and indemnification obligations among the parties to the agreement, related party transactions, the provision of general administration and support services by Martin Resource Management Corporation and our use of certain of Martin Resource Management Corporation's trade names and trademarks. Under the terms of the Omnibus Agreement, the employees of Martin Resource Management Corporation are responsible for conducting our business and operating our assets.

Martin Resource Management Corporation has operated our business since our inception in 2002. Martin Resource Management Corporation began operating our NGL business in the 1950s and our sulfur business in the 1960s. It began our land transportation business in the early 1980s and our marine transportation business in the late 1980s. It entered into our fertilizer and terminalling and storage businesses in the early 1990s.

Significant Recent Developments

MMLP Receives Buyout Offer from Martin Resource Management. On May 24, 2024, we announced that Martin Resource Management filed an amendment to its Schedule 13D (the "13D Amendment") with the SEC. The 13D Amendment disclosed that Martin Resource Management submitted a non-binding proposal to the Conflicts Committee, pursuant to which Martin Resource Management would acquire all of the outstanding Common Units of the Partnership not already owned by Martin Resource Management or its subsidiaries for a cash purchase price of \$3.05 per Common Unit. The other terms of such proposal are set forth in the 13D Amendment.

The proposed transaction is subject to several contingencies, including the approval of the Conflicts Committee and the Board of Directors, the approval by the Partnership's unitholders, and the satisfaction of any conditions to the

consummation of a transaction set forth in any definitive agreement concerning the transaction. There can be no assurance that definitive documentation will be executed or that any transaction will materialize on the terms described above or at all.

Galveston Bridge Allision. During May 2024, we experienced a casualty loss of \$0.5 million that represents two separate insurance deductibles under our marine transportation protection and indemnity coverage policy and our hull coverage policy stemming from a bridge allision in Galveston, Texas.

Electronic Level Sulfuric Acid Joint Venture. On October 19, 2022, Martin ELSA Investment LLC, our affiliate, entered into definitive agreements with Samsung C&T America, Inc. and Dongjin USA, Inc., an affiliate of Dongjin Semichem Co., Ltd., to form DSM Semichem LLC ("DSM"). DSM will produce and distribute electronic level sulfuric acid ("ELSA"). By leveraging our existing assets located in Plainview, Texas and installing additional facilities (the "ELSA Facility") as required, DSM will produce ELSA that meets the strict quality standards required by the recent advances in semiconductor manufacturing. In addition to owning a 10% non-controlling interest in DSM, we will be the exclusive provider of feedstock to the ELSA Facility. We, through our affiliate MTI, will also provide land transportation services for the ELSA produced by DSM. We expect to fund approximately \$27.0 million in aggregate capital expenditures in connection with this joint venture. On April 1, 2024, we contributed \$6.5 million to DSM, which represents the cash contribution required pursuant to DSM's limited liability agreement for our 10% non-controlling interest. As of June 30, 2024, we have funded approximately \$23.9 million toward ELSA related project costs.

Subsequent Events

Quarterly Distribution. On July 17, 2024, we declared a quarterly cash distribution of \$0.005 per common unit for the second quarter of 2024, or \$0.020 per common unit on an annualized basis, which will be paid on August 14, 2024, to unitholders of record as of August 7, 2024.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based on the historical consolidated and condensed financial statements included elsewhere herein. We prepared these financial statements in conformity with U.S. GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. We base our estimates on historical experience and on various other assumptions we believe to be reasonable under the circumstances. We routinely evaluate these estimates, utilizing historical experience, consultation with experts and other methods we consider reasonable in the particular circumstances. Our results may differ from these estimates, and any effects on our business, financial position or results of operations resulting from revisions to these estimates are recorded in the period in which the facts that give rise to the revision become known. Changes in these estimates could materially affect our financial position, results of operations or cash flows. See the "Critical Accounting Policies and Estimates" section in "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Note 2, "Significant Accounting Policies" in Notes to Consolidated Financial Statements included within our Annual Report on Form 10-K for the year ended December 31, 2023, filed with the SEC on February 21, 2024.

Our Relationship with Martin Resource Management Corporation

Martin Resource Management Corporation is engaged in the following principal business activities:

- distributing asphalt, marine fuel and other liquids;
- providing marine bunkering and other shore-based marine services in Texas, Louisiana, Mississippi, Alabama, and Florida;
- operating a crude oil gathering business in Stephens, Arkansas;
- providing crude oil gathering and marketing services of base oils, asphalt, and distillate products in Smackover, Arkansas;
- providing crude oil marketing and transportation from the well head to the end market;
- operating an environmental consulting company;
- operating a butane optimization business;

- supplying employees and services for the operation of our business; and
- operating, solely for our account, the asphalt facilities in Hondo, South Houston and Port Neches, Texas, and Omaha, Nebraska.

We are and will continue to be closely affiliated with Martin Resource Management Corporation as a result of the following relationships.

Ownership

Martin Resource Management Corporation owns approximately 15.7% of the outstanding limited partner units and indirectly owns 100% of MMGP, our general partner, through its 100% interest in Holdings, which is the sole member of MMGP. MMGP owns a 2% general partner interest in us.

Management

Martin Resource Management Corporation directs our business operations through its ownership interests in and control of our general partner. We benefit from our relationship with Martin Resource Management Corporation through access to a significant pool of management expertise and established relationships throughout the energy industry. We do not have employees. Martin Resource Management Corporation employees are responsible for conducting our business and operating our assets on our behalf.

Related Party Agreements

The Omnibus Agreement requires us to reimburse Martin Resource Management Corporation for all direct expenses it incurs or payments it makes on our behalf or in connection with the operation of our business. We reimbursed Martin Resource Management Corporation for \$42.9 million of direct costs and expenses for the three months ended June 30, 2024, compared to \$38.6 million for the three months ended June 30, 2023. We reimbursed Martin Resource Management Corporation for \$82.2 million of direct costs and expenses for the six months ended June 30, 2024, compared to \$79.5 million for the six months ended June 30, 2023. There is no monetary limitation on the amount we are required to reimburse Martin Resource Management Corporation for direct expenses.

In addition to the direct expenses, under the Omnibus Agreement, we are required to reimburse Martin Resource Management Corporation for indirect general and administrative and corporate overhead expenses. In each of the three months ended June 30, 2024 and 2023, the Conflicts Committee approved reimbursement amounts of \$3.4 million and \$3.5 million, respectively. In each of the six months ended June 30, 2024 and 2023, the Conflicts Committee approved reimbursement amounts of \$6.8 million and \$7.0 million, respectively. The Conflicts Committee will review and approve future adjustments in the reimbursement amount for indirect expenses, if any, annually. These indirect expenses covered the centralized corporate functions Martin Resource Management Corporation provides for us, such as accounting, treasury, clerical, engineering, legal, billing, information technology, administration of insurance, general office expenses and employee benefit plans and other general corporate overhead functions we share with Martin Resource Management Corporation's retained businesses. The Omnibus Agreement also contains significant non-compete provisions and indemnity obligations. Martin Resource Management Corporation also licenses certain of its trademarks and trade names to us under the Omnibus Agreement.

These additional related party agreements include, but are not limited to, a master transportation services agreement, marine transportation agreements, terminal services agreements, and a tolling agreement. Pursuant to the terms of the Omnibus Agreement, we are prohibited from entering into certain material agreements with Martin Resource Management Corporation without the approval of the Conflicts Committee.

For a more comprehensive discussion concerning the Omnibus Agreement and the other agreements that we have entered into with Martin Resource Management Corporation, please refer to "Item 13. Certain Relationships and Related Transactions, and Director Independence" set forth in our Annual Report on Form 10-K for the year ended December 31, 2023, filed with the SEC on February 21, 2024.

Commercial

We have been and anticipate that we will continue to be both a significant customer and supplier of products and services offered by Martin Resource Management Corporation. In the aggregate, the impact of related party transactions included in total costs and expenses accounted for approximately 28% and 24% of our total costs and expenses during the three months ended June 30, 2024 and 2023, respectively. In the aggregate, the impact of related party transactions included in total costs and expenses accounted for approximately 27% and 21% of our total costs and expenses during the six months ended June 30, 2024 and 2023, respectively.

Correspondingly, Martin Resource Management Corporation is one of our significant customers. Our sales to Martin Resource Management Corporation accounted for approximately 14% and 17% of our total revenues for the three months ended June 30, 2024 and 2023, respectively. Our sales to Martin Resource Management Corporation accounted for approximately 15% and 13% of our total revenues for the six months ended June 30, 2024 and 2023, respectively.

For a more comprehensive discussion concerning the agreements that we have entered into with Martin Resource Management Corporation, please refer to "Item 13. Certain Relationships and Related Transactions, and Director Independence" set forth in our Annual Report on Form 10-K for the year ended December 31, 2023, filed with the SEC on February 21, 2024.

Approval and Review of Related Party Transactions

If we contemplate entering into a transaction, other than a routine or in the ordinary course of business transaction, in which a related person will have a direct or indirect material interest, the proposed transaction is submitted for consideration to the board of directors of our general partner or to our management, as appropriate. If the board of directors of our general partner is involved in the approval process, it determines whether to refer the matter to the Conflicts Committee of our general partner's board of directors, as constituted under our limited partnership agreement. If a matter is referred to the Conflicts Committee, the Conflicts Committee obtains information regarding the proposed transaction from management and determines whether to engage independent legal counsel or an independent financial advisor to advise the members of the committee regarding the transaction. If the Conflicts Committee retains such counsel or financial advisor, it considers such advice and, in the case of a financial advisor, such advisor's opinion as to whether the transaction is fair and reasonable to us and to our unitholders.

Non-GAAP Financial Measures

To assist management in assessing our business, we use the following non-GAAP financial measures: earnings before interest, taxes, and depreciation and amortization ("EBITDA"), adjusted EBITDA (as defined below), adjusted EBITDA after giving effect to the exit of the butane optimization business, distributable cash flow available to common unitholders ("Distributable Cash Flow"), and free cash flow after growth capital expenditures and principal payments under finance lease obligations ("Adjusted Free Cash Flow"). Our management uses a variety of financial and operational measurements other than our financial statements prepared in accordance with U.S. GAAP to analyze our performance.

Certain items excluded from EBITDA and Adjusted EBITDA are significant components in understanding and assessing an entity's financial performance, such as cost of capital and historical costs of depreciable assets.

EBITDA and Adjusted EBITDA. We define Adjusted EBITDA as EBITDA before unit-based compensation expenses, gains and losses on the disposition of property, plant and equipment, impairment and other similar non-cash adjustments. Adjusted EBITDA is used as a supplemental performance and liquidity measure by our management and by external users of our financial statements, such as investors, commercial banks, research analysts, and others, to assess:

- the financial performance of our assets without regard to financing methods, capital structure, or historical cost basis;
- the ability of our assets to generate cash sufficient to pay interest costs, support our indebtedness, and make cash distributions to our unitholders; and
- our operating performance and return on capital as compared to those of other companies in the midstream energy sector, without regard to financing methods or capital structure.

The GAAP measures most directly comparable to adjusted EBITDA are net income (loss) and net cash provided by (used in) operating activities. Adjusted EBITDA should not be considered an alternative to, or more meaningful than, net income (loss), operating income (loss), net cash provided by (used in) operating activities, or any other measure of financial performance presented in accordance with GAAP. Adjusted EBITDA may not be comparable to similarly titled measures of other companies because other companies may not calculate Adjusted EBITDA in the same manner.

Adjusted EBITDA does not include interest expense, income tax expense, and depreciation and amortization. Because we have borrowed money to finance our operations, interest expense is a necessary element of our costs and our ability to generate cash available for distribution. Because we have capital assets, depreciation and amortization are also necessary elements of our costs. Therefore, any measures that exclude these elements have material limitations. To compensate for these limitations, we believe that it is important to consider net income (loss) and net cash provided by (used in) operating activities as determined under GAAP, as well as adjusted EBITDA, to evaluate our overall performance.

Distributable Cash Flow. We define Distributable Cash Flow as Net Cash Provided by (Used in) Operating Activities less cash received (plus cash paid) for closed commodity derivative positions included in Accumulated Other Comprehensive Income (Loss), plus changes in operating assets and liabilities which (provided) used cash, less maintenance capital expenditures and plant turnaround costs. Distributable Cash Flow is a significant performance measure used by our management and by external users of our financial statements, such as investors, commercial banks and research analysts, to compare basic cash flows generated by us to the cash distributions we expect to pay unitholders. Distributable Cash Flow is also an important financial measure for our unitholders since it serves as an indicator of our success in providing a cash return on investment. Specifically, this financial measure indicates to investors whether or not we are generating cash flow at a level that can sustain or support an increase in our quarterly distribution rates. Distributable Cash Flow is also a quantitative standard used throughout the investment community with respect to publicly-traded partnerships because the value of a unit of such an entity is generally determined by the unit's yield, which in turn is based on the amount of cash distributions the entity pays to a unitholder.

Adjusted Free Cash Flow. We define Adjusted Free Cash Flow as Distributable Cash Flow less growth capital expenditures and principal payments under finance lease obligations. Adjusted Free Cash Flow is a significant performance measure used by our management and by external users of our financial statements and represents how much cash flow a business generates during a specified time period after accounting for all capital expenditures, including expenditures for growth and maintenance capital projects. We believe that Adjusted Free Cash Flow is important to investors, lenders, commercial banks and research analysts since it reflects the amount of cash available for reducing debt, investing in additional capital projects, paying distributions, and similar matters. Our calculation of Adjusted Free Cash Flow may or may not be comparable to similarly titled measures used by other entities.

The GAAP measure most directly comparable to Distributable Cash Flow and Adjusted Free Cash Flow is Net Cash Provided by (Used in) Operating Activities. Distributable Cash Flow and Adjusted Free Cash Flow should not be considered alternatives to, or more meaningful than, Net Income (Loss), Operating Income (Loss), Net Cash Provided by (Used in) Operating Activities, or any other measure of liquidity presented in accordance with GAAP. Distributable Cash Flow and Adjusted Free Cash Flow have important limitations because they exclude some items that affect Net Income (Loss), Operating Income (Loss), and Net Cash Provided by (Used in) Operating Activities. Distributable Cash Flow and Adjusted Free Cash Flow may not be comparable to similarly titled measures of other companies because other companies may not calculate these non-GAAP metrics in the same manner. To compensate for these limitations, we believe that it is important to consider Net Cash Provided by (Used in) Operating Activities determined under GAAP, as well as Distributable Cash Flow and Adjusted Free Cash Flow, to evaluate our overall liquidity.

The following tables reconcile the non-GAAP financial measurements used by management to our most directly comparable GAAP measures for the three and six months ended June 30, 2024 and 2023, which represents EBITDA, adjusted EBITDA, adjusted EBITDA after giving effect to the exit of the butane optimization business, distributable cash flow, and adjusted free cash flow:

Reconciliation of Net Income (Loss) to EBITDA, Adjusted EBITDA, and Adjusted EBITDA After Giving Effect to the Exit of the Butane Optimization Business

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024		2023	
	(in thousands)		(in thousands)	
Net income (loss)	\$ 3,780	\$ 1,081	\$ 7,053	\$ (4,005)
Adjustments:				
Interest expense	14,377	15,263	28,219	30,920
Income tax expense	1,772	996	2,568	2,831
Depreciation and amortization	12,687	12,547	25,336	25,448
EBITDA	32,616	29,887	63,176	55,194
Adjustments:				
Gain on disposition or sale of property, plant and equipment	(953)	(673)	(1,161)	(285)
Loss on extinguishment of debt	—	—	—	5,121
Lower of cost or net realizable value and other non-cash adjustments	—	(3,717)	—	(12,850)
Unit-based compensation	49	38	103	90
Adjusted EBITDA	\$ 31,712	\$ 25,535	\$ 62,118	\$ 47,270
Adjustments:				
Less: net loss associated with butane optimization business	—	2,564	—	2,255
Plus: lower of cost or net realizable value and other non-cash adjustments	—	\$ 3,717	—	12,850
Adjusted EBITDA after giving effect to the exit of the butane optimization business	\$ 31,712	\$ 31,816	\$ 62,118	\$ 62,375

Reconciliation of Net Cash Provided by Operating Activities to Adjusted EBITDA, Adjusted EBITDA After Giving Effect to the Exit of the Butane Optimization Business, Distributable Cash Flow, and Adjusted Free Cash Flow

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(in thousands)		(in thousands)	
Net cash provided by operating activities	\$ 11,828	\$ 49,510	\$ 21,937	\$ 98,774
Interest expense ¹	13,004	13,903	25,480	27,485
Current income tax expense	1,420	306	2,542	964
Lower of cost or net realizable value and other non-cash adjustments	—	(3,717)	—	(12,850)
Changes in operating assets and liabilities which (provided) used cash:				
Accounts and other receivables, inventories, and other current assets	9,919	(43,135)	9,639	(91,517)
Trade, accounts and other payables, and other current liabilities	(3,786)	7,171	3,442	23,145
Other	(673)	1,497	(922)	1,269
Adjusted EBITDA	31,712	25,535	62,118	47,270
Adjustments:				
Less: net loss associated with butane optimization business	—	2,564	—	2,255
Plus: lower of cost or net realizable value and other non-cash adjustments	—	3,717	—	12,850
Adjusted EBITDA after giving effect to the exit of the butane optimization business	31,712	31,816	62,118	62,375
Adjustments:				
Interest expense	(14,377)	(15,263)	(28,219)	(30,920)
Income tax expense	(1,772)	(996)	(2,568)	(2,831)
Deferred income taxes	352	690	26	1,867
Amortization of debt discount	600	600	1,200	1,000
Amortization of deferred debt issuance costs	773	760	1,539	2,435
Payments for plant turnaround costs	(745)	(432)	(6,705)	(661)
Maintenance capital expenditures	(7,009)	(7,438)	(12,211)	(14,072)
Distributable cash flow	9,534	9,737	15,180	19,193
Principal payments under finance lease obligations	(1)	(3)	(1)	(9)
Investment in DSM Semichem LLC	(6,938)	—	(6,938)	—
Expansion capital expenditures	(5,450)	(1,925)	(11,681)	(2,682)
Adjusted free cash flow	\$ (2,855)	\$ 7,809	\$ (3,440)	\$ 16,502

¹ Net of amortization of debt issuance costs and discount, which are included in interest expense but not included in net cash provided by operating activities.

Results of Operations

The results of operations for the three and six months ended June 30, 2024 and 2023, have been derived from our consolidated and condensed financial statements.

We evaluate segment performance on the basis of operating income, which is derived by subtracting cost of products sold, operating expenses, selling, general and administrative expenses, and depreciation and amortization expense from revenues. The following table sets forth our operating revenues and operating income by segment for the three and six months ended June 30, 2024 and 2023. The results of operations for these interim periods are not necessarily indicative of the results of operations which might be expected for the entire year.

Our consolidated and condensed results of operations are presented on a comparative basis below. There are certain items of income and expense which we do not allocate on a segment basis. These items, including interest expense and indirect selling, general and administrative expenses, are discussed following the comparative discussion of our results within each segment.

Three Months Ended June 30, 2024 Compared to the Three Months Ended June 30, 2023

	Operating Revenues	Intersegment Revenues	Operating Revenues after Eliminations		Operating Income (Loss)	Operating Income (Loss) Intersegment Eliminations	Operating Income (Loss) after Eliminations
			Operating Revenues	Operating Revenues after Eliminations			
Three Months Ended June 30, 2024							(In thousands)
Terminalling and storage	\$ 24,402	\$ (2,027)	\$ 22,375	\$ 3,302	\$ (1,986)	\$ 1,316	
Transportation	61,467	(3,791)	57,676	8,036	(3,810)	4,226	
Sulfur services	37,193	(1)	37,192	7,463	3,665	11,128	
Specialty products	67,317	(29)	67,288	4,945	2,131	7,076	
Indirect selling, general and administrative	—	—	—	(3,819)	—	(3,819)	
Total	\$ 190,379	\$ (5,848)	\$ 184,531	\$ 19,927	\$ —	\$ 19,927	

	Operating Revenues	Intersegment Revenues	Operating Revenues after Eliminations		Operating Income (Loss)	Operating Income (Loss) Intersegment Eliminations	Operating Income (Loss) after Eliminations
			Operating Revenues	Operating Revenues after Eliminations			
Three Months Ended June 30, 2023							(In thousands)
Terminalling and storage	\$ 23,906	\$ (2,222)	\$ 21,684	\$ 4,446	\$ (2,210)	\$ 2,236	
Transportation	58,395	(3,645)	54,750	9,016	(3,671)	5,345	
Sulfur services	40,330	—	40,330	5,286	3,207	8,493	
Specialty products	78,898	(26)	78,872	2,475	2,674	5,149	
Indirect selling, general and administrative	—	—	—	(3,894)	—	(3,894)	
Total	\$ 201,529	\$ (5,893)	\$ 195,636	\$ 17,329	\$ —	\$ 17,329	

Six Months Ended June 30, 2024 Compared to the Six Months Ended June 30, 2023

	Operating Revenues	Intersegment Revenues Eliminations	Operating Revenues after Eliminations	Operating Income (Loss)	Operating Income (Loss) Intersegment Eliminations	Operating Income (Loss) after Eliminations
Six Months Ended June 30, 2024						
Terminalling and storage	\$ 48,687	\$ (3,795)	\$ 44,892	\$ 6,959	\$ (3,686)	\$ 3,273
Transportation	123,509	(7,526)	115,983	17,867	(7,599)	10,268
Sulfur services	70,874	(1)	70,873	11,148	6,753	17,901
Specialty products	133,663	(50)	133,613	9,503	4,532	14,035
Indirect selling, general and administrative	—	—	—	(7,655)	—	(7,655)
Total	\$ 376,733	\$ (11,372)	\$ 365,361	\$ 37,822	\$ —	\$ 37,822

	Operating Revenues	Intersegment Revenues Eliminations	Operating Revenues after Eliminations	Operating Income (Loss)	Operating Income (Loss) Intersegment Eliminations	Operating Income (Loss) after Eliminations
Six Months Ended June 30, 2023						
Terminalling and storage	\$ 47,825	\$ (5,283)	\$ 42,542	\$ 7,554	\$ (5,254)	\$ 2,300
Transportation	120,334	(9,861)	110,473	18,458	(9,934)	8,524
Sulfur services	76,009	—	76,009	9,839	6,058	15,897
Specialty products	211,175	(34)	211,141	7,075	9,130	16,205
Indirect selling, general and administrative	—	—	—	(8,092)	—	(8,092)
Total	\$ 455,343	\$ (15,178)	\$ 440,165	\$ 34,834	\$ —	\$ 34,834

Terminalling and Storage Segment

Comparative Results of Operations for the Three Months Ended June 30, 2024 and 2023

	Three Months Ended June 30,			Percent Change
	2024	2023	Variance	
	(In thousands, except BBL per day)			
Revenues	\$ 24,402	\$ 23,906	\$ 496	2 %
Cost of products sold	24	25	(1)	(4)%
Operating expenses	15,522	13,932	1,590	11 %
Selling, general and administrative expenses	820	333	487	146 %
Depreciation and amortization	5,729	5,195	534	10 %
	2,307	4,421	(2,114)	(48)%
Other operating income, net	995	25	970	3,880 %
Operating income	\$ 3,302	\$ 4,446	\$ (1,144)	(26)%
Shore-based throughput volumes (gallons)	42,491	42,434	57	— %
Smackover refinery throughput volumes (guaranteed minimum BBL per day)	6,500	6,500	—	— %

Revenues. Revenues increased \$0.5 million. Revenue at our shore-based terminals increased \$0.6 million, including \$0.4 million in fuel throughput and \$0.2 million in space rent. In addition, revenue at our specialty terminals increased \$0.5 million primarily as a result of higher throughput and storage revenue. Revenue at our Smackover refinery decreased \$0.8 million primarily as a result of decreased natural gas surcharge revenue.

Operating expenses. Operating expenses increased primarily as a result of liability insurance claims of \$1.4 million, repairs and maintenance of \$0.2 million, operating supplies of \$0.2 million and employee-related expenses of \$0.5 million, offset by a decrease in natural gas utilities of \$0.9 million.

Selling, general and administrative expenses. Selling, general and administrative expenses increased primarily due to employee-related expenses.

Depreciation and amortization. The increase in depreciation and amortization is primarily the result of capital expenditures offset by recent disposals.

Other operating income, net. Other operating income, net represents gains and losses from the disposition of property, plant and equipment.

Comparative Results of Operations for the Six Months Ended June 30, 2024 and 2023

	Six Months Ended June 30,			Variance	Percent Change
	2024	2023			
	(In thousands, except BBL per day)				
Revenues	\$ 48,687	\$ 47,825	\$ 862		2 %
Cost of products sold	42	31	11		35 %
Operating expenses	30,557	28,240	2,317		8 %
Selling, general and administrative expenses	1,102	882	220		25 %
Depreciation and amortization	11,124	10,794	330		3 %
	5,862	7,878	(2,016)		(26) %
Other operating income (loss), net	1,097	(324)	1,421		439 %
Operating income	\$ 6,959	\$ 7,554	\$ (595)		(8) %
Shore-based throughput volumes (gallons)	88,260	85,783	2,477		3 %
Smackover refinery throughput volumes (guaranteed minimum) (BBL per day)	6,500	6,500	—		— %

Revenues. Revenues increased \$0.9 million. Revenue at our shore-based terminals increased \$1.6 million, including \$0.9 million in fuel throughput and \$0.6 million in space rent. In addition, revenue at our specialty terminals increased \$0.8 million, primarily as a result of higher throughput and storage revenue. Revenue at our Smackover refinery decreased \$1.6 million, primarily as a result of decreased natural gas surcharge revenue.

Operating expenses. Operating expenses increased primarily as a result of liability insurance claims of \$1.6 million, property insurance expense of \$0.8 million, employee-related expenses of \$0.8 million, repairs and maintenance of \$0.4 million and operating supplies of \$0.4 million. These increases were offset by a decrease in natural gas utilities of \$2.1 million.

Selling, general and administrative expenses. Selling, general and administrative expenses increased primarily due to employee-related expenses.

Depreciation and amortization. The increase in depreciation and amortization is primarily the result of capital expenditures offset by recent disposals.

Other operating income (loss), net. Other operating income (loss), net represents gains and losses from the disposition of property, plant and equipment.

Transportation Segment

Comparative Results of Operations for the Three Months Ended June 30, 2024 and 2023

	Three Months Ended June 30,			Variance	Percent Change
	2024	2023			
	(In thousands)				
Revenues	\$ 61,467	\$ 58,395	\$ 3,072		5 %
Operating expenses	47,783	44,285	3,498		8 %
Selling, general and administrative expenses	2,527	1,981	546		28 %
Depreciation and amortization	3,381	3,760	(379)		(10) %
	7,776	8,369	(593)		(7) %
Other operating income, net	260	647	(387)		(60) %
Operating income	\$ 8,036	\$ 9,016	\$ (980)		(11) %

Revenues. Revenues for our Transportation Segment increased \$3.1 million. In our marine transportation division, inland revenues increased \$0.4 million, primarily related to higher transportation rates, offset by a decrease in utilization associated with equipment repairs and regulatory inspections. Offshore revenues increased \$0.3 million, primarily related to higher transportation rates. Additionally, there was a rise in pass-through revenue (primarily fuel) of \$0.2 million. In our land transportation division, revenue increased \$2.1 million, primarily due to a \$2.7 million increase in freight revenue related to a 6% increase in total miles. Ancillary revenue decreased \$0.5 million.

Operating expenses. The increase in operating expenses is primarily a result of lease expense of \$1.2 million, employee-related expenses of \$1.1 million, insurance premiums of \$1.1 million and pass-through expenses (primarily fuel) of \$0.6 million, offset by repairs and maintenance of \$0.9 million.

Selling, general and administrative expenses. Selling, general and administrative expenses increased primarily due to employee-related expenses.

Depreciation and amortization. The decrease in depreciation and amortization is primarily the result of asset disposals, offset by capital expenditures.

Other operating income, net. Other operating income, net represents gains and losses from the disposition of property, plant and equipment.

Comparative Results of Operations for the Six Months Ended June 30, 2024 and 2023

	Six Months Ended June 30,				
	2024	2023	Variance	Percent Change	
	(In thousands)				
Revenues	\$ 123,509	\$ 120,334	\$ 3,175	3 %	
Operating expenses	94,424	90,475	3,949	4 %	
Selling, general and administrative expenses	4,727	4,530	197	4 %	
Depreciation and amortization	6,857	7,522	(665)	(9) %	
	\$ 17,501	\$ 17,807	\$ (306)	(2) %	
Other operating income, net	366	651	(285)	(44) %	
Operating income	\$ 17,867	\$ 18,458	\$ (591)	(3) %	

Revenues. Revenues for our Transportation Segment increased \$3.2 million. In our marine transportation division, inland revenues increased \$2.7 million, primarily related to higher transportation rates, offset by a decrease in utilization associated with equipment repairs and regulatory inspections. Offshore revenues increased \$0.1 million, primarily related to higher transportation rates. Additionally, there was a rise in pass-through revenue (primarily fuel) of \$0.2 million. In our land transportation division, revenue increased \$0.2 million, primarily due to a \$3.8 million increase in freight revenue related to a 5% increase in total miles. Ancillary revenue decreased \$3.6 million.

Operating expenses. The increase in operating expenses is primarily a result of lease expense of \$3.0 million, employee-related expenses of \$1.1 million, insurance premiums of \$1.5 million, outside hauls and towing of \$0.3 million and pass-through expenses (primarily fuel) of \$0.2 million, offset by repairs and maintenance of \$2.4 million.

Selling, general and administrative expenses. Selling, general and administrative expenses decreased primarily due to lower employee-related expenses.

Depreciation and amortization. The decrease in depreciation and amortization is primarily the result of asset disposals, offset by capital expenditures.

Other operating income, net. Other operating income, net represents gains and losses from the disposition of property, plant and equipment.

Sulfur Services Segment

Comparative Results of Operations for the Three Months Ended June 30, 2024 and 2023

	Three Months Ended June 30,			Percent Change
	2024	2023	Variance	
	(In thousands)			
Revenues:				
Services	\$ 3,477	\$ 3,357	\$ 120	4 %
Products	33,716	36,973	(3,257)	(9)%
Total revenues	37,193	40,330	(3,137)	(8)%
Cost of products sold	22,183	28,141	(5,958)	(21)%
Operating expenses	2,744	3,186	(442)	(14)%
Selling, general and administrative expenses	1,717	962	755	78 %
Depreciation and amortization	2,778	2,756	22	1 %
	7,771	5,285	2,486	47 %
Other operating income (loss), net	(308)	1	(309)	(30,900)%
Operating income	\$ 7,463	\$ 5,286	\$ 2,177	41 %
Sulfur (long tons)	91	123	(32)	(26)%
Fertilizer (long tons)	64	73	(9)	(12)%
Total sulfur services volumes (long tons)	155	196	(41)	(21)%

Services revenues. Services revenues increased as a result of a contractually prescribed, index-based fee adjustment.

Products revenues. Products revenues decreased \$8.9 million as a result of a 21% decrease in sales volumes, primarily related to a 26% decrease in sulfur volumes, offset by an increase of \$5.7 million due to a 15% rise in average sulfur services sales prices.

Cost of products sold. A 21% decrease in sales volumes impacted cost of products sold by \$5.9 million. Margin per ton increased \$29.35, or 65%.

Operating expenses. Operating expenses decreased due to a reduction of \$0.3 million in marine rebill expenses and \$0.1 million in utilities. There were no other individually significant fluctuations between periods.

Selling, general and administrative expenses. Selling, general and administrative expenses increased primarily due to higher employee-related expenses.

Depreciation and amortization. Depreciation and amortization increased primarily as a result of capital expenditures offset by recent disposals.

Other operating income (loss), net. Other operating income (loss), net represents gains and losses on the disposition of property, plant and equipment.

Comparative Results of Operations for the Six Months Ended June 30, 2024 and 2023

	<u>Six Months Ended June 30,</u>			<u>Variance</u>	<u>Percent Change</u>
	<u>2024</u>	<u>2023</u>			
	<u>(In thousands)</u>				
Revenues:					
Services	\$ 6,954	\$ 6,715	\$ 239		4 %
Products	63,920	69,294	(5,374)		(8)%
Total revenues	70,874	76,009	(5,135)		(7)%
Cost of products sold	44,954	52,090	(7,136)		(14)%
Operating expenses	5,684	6,085	(401)		(7)%
Selling, general and administrative expenses	3,020	2,579	441		17 %
Depreciation and amortization	5,760	5,433	327		6 %
	11,456	9,822	1,634		17 %
Other operating income (loss), net	(308)	17	(325)		(1,912)%
Operating income	\$ 11,148	\$ 9,839	\$ 1,309		13 %
Sulfur (long tons)	182	197	(15)		(8)%
Fertilizer (long tons)	136	134	2		1 %
Total sulfur services volumes (long tons)	318	331	(13)		(4)%

Services revenues. Services revenues increased as a result of a contractually prescribed, index-based fee adjustment.

Products revenues. Products revenues decreased \$2.8 million as a result of a 4% reduction in average sulfur products sales prices. Products revenues decreased \$2.6 million due to a 4% reduction in sales volumes, primarily related to an 8% decrease in sulfur volumes.

Cost of products sold. A 10% decrease in product cost impacted cost of products sold by \$5.3 million, resulting from reduced commodity prices. A 4% decrease in sales volumes resulted in a decrease in cost of products sold of \$1.8 million. Margin per ton increased \$7.67, or 15%.

Operating expenses. Operating expenses decreased \$0.4 million due to reductions of \$0.3 million in utilities expense combined with \$0.3 million in marine rebill expenses. These reductions were offset by an increase of \$0.1 million in employment expenses and \$0.1 million in repairs and maintenance.

Selling, general and administrative expenses. Selling, general and administrative expenses increased primarily due to higher employee-related expenses.

Depreciation and amortization. Depreciation and amortization increased due to the amortization of higher turnaround spend in 2023 as compared to 2022.

Other operating income (loss), net. Other operating income (loss), net represents gains and losses on the disposition of property, plant and equipment.

Specialty Products Segment

Comparative Results of Operations for the Three Months Ended June 30, 2024 and 2023

	Three Months Ended June 30,				Percent Change
	2024	2023	Variance		
	(In thousands)				
Products revenues	\$ 67,317	\$ 78,898	\$ (11,581)		(15) %
Cost of products sold	59,711	74,270	(14,559)		(20) %
Operating expenses	26	18	8		44 %
Selling, general and administrative expenses	1,842	1,299	543		42 %
Depreciation and amortization	799	836	(37)		(4) %
	4,939	2,475	2,464		100 %
Other operating income, net	6	—	6		
Operating income	\$ 4,945	\$ 2,475	\$ 2,470		100 %
NGL sales volumes (Bbls)	540	827	(287)		(35) %
Other specialty products volumes (Bbls)	93	90	3		3 %
Total specialty products volumes (Bbls)	633	917	(284)		(31) %

Products Revenues. Product revenues decreased \$13.6 million as a result of the exit of the butane optimization business in the second quarter 2023. For the remaining products, sales volumes increased 3%, increasing revenues by \$2.0 million, primarily related to a 3% increase in other specialty products sales volumes. Our average sales price per barrel increased \$0.08, resulting in a de minimis increase to revenue.

Cost of products sold. Cost of products sold decreased \$16.1 million as a result of the exit of the butane optimization business in the second quarter of 2023. For the remaining products, the increase in sales volumes of 3% resulted in a \$1.8 million increase to cost of products sold. Our average cost per barrel decreased \$0.45, or 1%, decreasing cost of products sold by \$0.3 million. Our margins increased \$0.53 per barrel, or 5%, during the period.

Operating expenses. Operating expenses remained consistent.

Selling, general and administrative expenses. Selling, general and administrative expenses increased \$0.5 million due to employee-related expenses of \$0.6 million offset by a \$0.1 million reduction associated with the exit of the butane optimization business in the second quarter of 2023.

Depreciation and amortization. Depreciation and amortization decreased as a result of capital expenditures offset by recent disposals.

Other operating income, net. Other operating income, net represents gains and losses from the disposition of property, plant and equipment.

Comparative Results of Operations for the Six Months Ended June 30, 2024 and 2023

	Six Months Ended June 30,				Percent Change
	2024	2023	Variance		
	(In thousands)				
Products revenues	\$ 133,663	\$ 211,175	\$ (77,512)		(37) %
Cost of products sold	119,355	198,721	(79,366)		(40) %
Operating expenses	51	32	19		59 %
Selling, general and administrative expenses	3,165	3,589	(424)		(12) %
Depreciation and amortization	1,595	1,699	(104)		(6) %
	9,497	7,134	2,363		33 %
Other operating income (loss), net	6	(59)	65		110 %
Operating income	\$ 9,503	\$ 7,075	\$ 2,428		34 %
NGL sales volumes (Bbls)	1,162	2,518	(1,356)		(54) %
Other specialty products volumes (Bbls)	172	174	(2)		(1) %
Total specialty products volumes (Bbls)	1,334	2,692	(1,358)		(50) %

Products Revenues. Product revenues decreased \$70.5 million as a result of the exit of the butane optimization business in the second quarter of 2023. For the remaining products, sales volumes decreased 3%, lowering revenues by \$4.0 million, primarily related to an 3% decrease in NGL sales volumes. Products revenues decreased \$3.0 million as a result of a 2% reduction in average specialty products sales prices.

Cost of products sold. Cost of products sold decreased \$72.3 million as a result of the exit of the butane optimization business in the second quarter of 2023. For the remaining products, a 3% decrease in product cost impacted cost of products sold by \$3.5 million, resulting from reduced commodity prices. A 3% reduction in sales volumes resulted in an additional decrease in cost of products sold of \$3.6 million.

Operating expenses. Operating expenses remained consistent.

Selling, general and administrative expenses. Selling, general and administrative expenses decreased \$0.4 million due to a \$0.5 million reduction associated with the exit of the butane optimization business in the second quarter of 2023 offset by an increase of \$0.1 million in employee-related expenses.

Depreciation and amortization. Depreciation and amortization decreased due to certain assets becoming fully depreciated during the first quarter of 2023.

Other operating income (loss), net. Other operating income (loss), net represents gains and losses from the disposition of property, plant and equipment.

Interest Expense

Comparative Components of Interest Expense, Net for the Three Months Ended June 30, 2024 and 2023

	Three Months Ended June 30,			Variance	Percent Change
	2024	2023			
	(In thousands)				
Credit facility	\$ 1,398	\$ 1,941	\$ (543)		(28)%
Senior notes	11,627	11,627	—	—	— %
Amortization of deferred debt issuance costs	773	760	13	—	2 %
Amortization of debt discount	600	600	—	—	— %
Other	270	342	(72)	—	(21)%
Finance leases	—	—	—	—	—
Capitalized interest	(291)	(7)	(284)	—	(4,057)%
Total interest expense, net	\$ 14,377	\$ 15,263	\$ (886)	—	(6)%

Comparative Components of Interest Expense, Net for the Six Months Ended June 30, 2024 and 2023

	Six Months Ended June 30,			Variance	Percent Change
	2024	2023			
	(In thousands)				
Credit facility	\$ 2,568	\$ 4,725	\$ (2,157)	—	(46)%
Senior notes	22,744	21,840	904	—	4 %
Amortization of deferred debt issuance costs	1,539	2,435	(896)	—	(37)%
Amortization of debt discount	1,200	1,000	200	—	20 %
Other	601	931	(330)	—	(35)%
Capitalized interest	(433)	(11)	(422)	—	(3,836)%
Total interest expense, net	\$ 28,219	\$ 30,920	\$ (2,701)	—	(9)%

Indirect Selling, General and Administrative Expenses

	Three Months Ended June 30,			Six Months Ended June 30,			Percent Change
	2024	2023	Variance	2024	2023	Variance	
	(In thousands)			(In thousands)			
Indirect selling, general and administrative expenses	\$ 3,819	\$ 3,894	\$ (75)	(2) %	\$ 7,655	\$ 8,092	\$ (437) (5) %

Indirect selling, general and administrative expenses decreased for the three months ended June 30, 2024, compared to the three months ended June 30, 2023, as a result of a decrease in overhead expenses allocated from Martin Resource Management. Indirect selling, general and administrative expenses decreased for the six months ended June 30, 2024, compared to the six months ended June 30, 2023, as a result of decreases in overhead expenses allocated from Martin Resource Management of \$0.2 million, employee-related expenses of \$0.1 million, and professional fees of \$0.1 million.

Martin Resource Management Corporation allocates to us a portion of its indirect selling, general and administrative expenses for services such as accounting, legal, treasury, clerical, billing, information technology, administration of insurance, engineering, general office expense and employee benefit plans and other general corporate overhead functions we share with Martin Resource Management Corporation retained businesses. This allocation is based on the percentage of time spent by Martin Resource Management Corporation personnel that provide such centralized services. GAAP also permits other methods for allocation of these expenses, such as basing the allocation on the percentage of revenues contributed by a segment. The allocation of these expenses between Martin Resource Management Corporation and us is subject to a number of judgments and estimates,

regardless of the method used. We can provide no assurances that our method of allocation, in the past or in the future, is or will be the most accurate or appropriate method of allocation for these expenses. Other methods could result in a higher allocation of selling, general and administrative expenses to us, which would reduce our net income.

Under the Omnibus Agreement, we are required to reimburse Martin Resource Management Corporation for indirect general and administrative and corporate overhead expenses. The Conflicts Committee of our general partner approved the following reimbursement amounts during the three and six months ended June 30, 2024 and 2023:

	Three Months Ended			Percent Change	Six Months Ended			Percent Change		
	June 30,		Variance		June 30,		Variance			
	2024	2023			2024	2023				
(In thousands)						(In thousands)				
Conflicts Committee approved reimbursement amount	\$ 3,377	\$ 3,496	\$ (119)	(3) %	\$ 6,754	\$ 6,991	\$ (237)	(3) %		

The amounts reflected above represent our allocable share of such expenses. The Conflicts Committee will review and approve future adjustments in the reimbursement amount for indirect expenses, if any, annually.

Liquidity and Capital Resources

General

Our primary sources of liquidity to meet operating expenses, service our indebtedness, fund capital expenditures and pay distributions to our unitholders have historically been cash flows generated by our operations, borrowings under our credit facility and access to debt and equity capital markets, both public and private. Set forth below is a description of our cash flows for the periods indicated.

Cash Flows - Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023

The following table details the cash flow changes between the six months ended June 30, 2024 and 2023:

	Six Months Ended June 30,			Variance	Percent Change
	2024	2023			
	(In thousands)				
Net cash provided by (used in):					
Operating activities	\$ 21,937	\$ 98,774	\$ (76,837)		(78) %
Investing activities	(37,099)	(13,410)	(23,689)		(177) %
Financing activities	15,163	(85,352)	100,515		118 %
Net increase (decrease) in cash and cash equivalents	\$ 1	\$ 12	\$ (11)		(92) %

Net cash provided by operating activities. The decrease in net cash provided by operating activities for the six months ended June 30, 2024, includes an increase in operating results and other non-cash charges of \$2.4 million, offset by an unfavorable variance in cash flows associated with changes in working capital of \$79.3 million.

Net cash used in investing activities. Net cash used in investing activities for the six months ended June 30, 2024, increased \$23.7 million. An increase in cash used of \$13.2 million resulted from higher payments for capital expenditures and plant turnaround costs in 2024. Further, investments in unconsolidated entities increased \$6.9 million, while net proceeds from the sale of property, plant and equipment decreased \$3.5 million.

Net cash (used in) provided by financing activities. Net cash (used in) provided by financing activities for the six months ended June 30, 2024, increased primarily as a result of an increase in borrowings of long-term debt of \$319.9 million, offset by a decrease in repayments of long-term debt of \$406.2 million. Additionally, payments of debt issuance costs decreased \$14.2 million.

Total Contractual Obligations

A summary of our total contractual cash obligations as of June 30, 2024, is as follows:

Type of Obligation	Payments due by period				
	Total Obligation	Less than One Year	1-3 Years	3-5 Years	Due Thereafter
Credit facility	\$ 58,000	\$ —	\$ 58,000	\$ —	\$ —
11.5% senior secured notes, due 2028	400,000	—	—	400,000	—
Operating leases	74,031	20,795	34,607	13,884	4,745
Finance lease obligations	76	14	30	32	—
Interest payable on finance lease obligations	13	5	6	2	—
Interest payable on fixed long-term debt obligations	165,926	46,000	92,000	27,926	—
Total contractual cash obligations	\$ 698,046	\$ 66,814	\$ 184,643	\$ 441,844	\$ 4,745

The interest payable under our credit facility is not reflected in the above table because such amounts depend on the outstanding balances and interest rates, which vary from time to time.

Letters of Credit. At June 30, 2024, we had outstanding irrevocable letters of credit in the amount of \$9.2 million, which were issued under our credit facility.

Off-Balance Sheet Arrangements. We do not have any off-balance sheet financing arrangements.

Description of Our Indebtedness

Credit Facility

At June 30, 2024, we maintained a \$150.0 million credit facility that matures on February 8, 2027. As of June 30, 2024, we had \$58.0 million outstanding under the credit facility and \$9.2 million of outstanding irrevocable letters of credit, leaving a maximum available amount to be borrowed under our credit facility for future revolving credit borrowings and letters of credit of \$82.9 million. After giving effect to our then current borrowings, letters of credit, and the financial covenants contained in our credit facility, we had the ability to borrow approximately \$82.9 million in additional amounts thereunder as of June 30, 2024.

The credit facility is used for ongoing working capital needs and general partnership purposes, and to finance permitted investments, acquisitions and capital expenditures. The level of outstanding draws on our credit facility from January 1, 2024 through June 30, 2024 ranged from a low of \$40.5 million to a high of \$80.0 million.

The applicable margin for Adjusted Term SOFR borrowings at June 30, 2024 is 3.25%. The applicable margin for Adjusted Term SOFR borrowings effective July 17, 2024 remains at 3.25%.

For a description of our credit facility, see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Description of Our Long-Term Debt" in our Annual Report on Form 10-K for the year ended December 31, 2023, filed with the SEC on February 21, 2024.

2028 Notes

For a description of our 2028 Notes, see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Description of Our Long-Term Debt" in our Annual Report on Form 10-K for the year ended December 31, 2023, filed with the SEC on February 21, 2024.

Capital Resources and Liquidity

Historically, we have generally satisfied our working capital requirements and funded our debt service obligations and capital expenditures with cash generated from operations and borrowings under our credit facility.

On June 30, 2024, we had cash and cash equivalents of \$0.05 million and available borrowing capacity of \$82.9 million under our credit facility with \$58.0 million of borrowings outstanding. After giving effect to our then current borrowings, letters of credit, and the financial covenants contained in our credit facility, we had the ability to borrow approximately \$82.9 million in additional amounts thereunder as of June 30, 2024.

We expect that our primary sources of liquidity to meet operating expenses, service our indebtedness, pay distributions to our unitholders and fund capital expenditures will be provided by cash flows generated by our operations, borrowings under our credit facility and access to the debt and equity capital markets. Our ability to generate cash from operations will depend upon our future operating performance, which is subject to certain risks. For a discussion of such risks, please read "Item 1A. Risk Factors" of our Form 10-K for the year ended December 31, 2023, filed with the SEC on February 21, 2024. In addition, due to the covenants in our credit facility, our financial and operating performance impacts the amount we are permitted to borrow under that facility.

We are in compliance with all debt covenants as of June 30, 2024, and expect to be in compliance for the next twelve months.

Interest Rate Risk

We are subject to interest rate risk on our credit facility due to the variable interest rate and may enter into interest rate swaps to reduce this variable rate risk.

Seasonality

A substantial portion of our revenues is dependent on sales prices of products, particularly NGLs and fertilizers, which fluctuate in part based on winter and spring weather conditions. The demand for NGLs is strongest during the winter heating season. The demand for fertilizers is strongest during the early spring planting season. However, our Terminalling and Storage and Transportation business segments and the molten sulfur business are typically not impacted by seasonal fluctuations and a significant portion of our net income is derived from our Terminalling and Storage, Sulfur Services and Transportation business segments. Further, extraordinary weather events, such as hurricanes, have in the past, and could in the future, impact our Terminalling and Storage, Sulfur Services, and Transportation business segments.

Impact of Inflation

Inflation did not have a material impact on our results of operations for the six months ended June 30, 2024 or 2023. Inflation may increase the cost to acquire or replace property, plant and equipment. It may also increase the costs of labor and supplies. In the future, increasing energy prices for products consumed by our operations, such as diesel fuel, natural gas, chemicals, and other supplies, could adversely affect our results of operations. An increase in price of these products would increase our operating expenses which could adversely affect net income. We cannot provide assurance that we will be able to pass along increased operating expenses to our customers.

Environmental Matters

Our operations are subject to environmental laws and regulations adopted by various governmental authorities in the jurisdictions in which these operations are conducted.

On June 15, 2024, the Partnership had a spill of less than 2,500 barrels of crude oil originating from the Partnership's transfer pipeline, which connects our Sandyland Terminal to our refinery located in Smackover, Union County, Arkansas. The Partnership is working closely with the U.S. Environmental Protection Agency ("EPA"), Arkansas Department of Energy and Environment ("ADEE"), and Arkansas Game and Fish Commission to respond to the spill. The Partnership has dedicated the necessary resources, equipment, and personnel to conduct and expedite oil recovery and cleanup activities. As of July 15, 2024, the Partnership's response efforts have moved from emergency response status with the EPA to remediation status, which is to be overseen by the ADEE. A claim related to the crude oil spill has been made with and accepted by, subject to a reservation of rights, the Partnership's insurance carriers. The Partnership's deductibles under the applicable insurance policies total \$1.5 million and such deductible expense has been recorded by the Partnership in the Consolidated and Condensed Statements of Operations for the three and six months ended June 30, 2024.

We incurred no material environmental costs, liabilities or expenditures to mitigate or eliminate environmental contamination during the six months ended June 30, 2023.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

The Partnership is exposed to commodity risk and interest rate risk in its normal business activities. The following disclosures about market risk provide an update to, and should be read in conjunction with, "Item 7A. Quantitative and Qualitative Disclosures about Market Risk" set forth in our Annual Report on Form 10-K for the year ended December 31, 2023, filed with the SEC on February 21, 2024.

Commodity Risk. The Partnership from time to time uses derivatives to manage the risk of commodity price fluctuation. Commodity risk is the adverse effect on the value of a liability or future purchase that results from a change in commodity price. We have established a hedging policy and monitor and manage the commodity market risk associated with potential commodity risk exposure. In addition, we focus on utilizing counterparties for these transactions whose financial condition is appropriate for the credit risk involved in each specific transaction. We had no outstanding hedging positions as of June 30, 2024.

Interest Rate Risk. We are exposed to changes in interest rates as a result of our credit facility, which had a weighted-average interest rate of 8.72% as of June 30, 2024. Based on the amount of unhedged floating rate debt owed by us on June 30, 2024, the impact of a 100 basis point increase in interest rates on this amount of debt would result in an increase in interest expense and a corresponding decrease in net income of approximately \$0.6 million annually.

We are not exposed to changes in interest rates with respect to our 2028 Notes as these obligations are at a fixed rate. Based on the quoted prices for identical liabilities in markets that are not active at June 30, 2024, the estimated fair value of the 2028 Notes was \$432.8 million. Market risk is estimated as the potential decrease in fair value of our long-term debt resulting from a hypothetical increase of a 100 basis point increase in interest rates. Such an increase in interest rates at June 30, 2024, would result in a \$10.9 million decrease in the fair value of our 2028 Notes.

Item 4. Controls and Procedures

Evaluation of disclosure controls and procedures. In accordance with Rules 13a-15 and 15d-15 of the Exchange Act, we, under the supervision and with the participation of the Chief Executive Officer and Chief Financial Officer of our general partner, carried out an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) of the Exchange Act) as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer of our general partner concluded that our disclosure controls and procedures were effective, as of the end of the period covered by this report, to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

There were no changes in our internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) that occurred during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we are subject to certain legal proceedings, claims and disputes that arise in the ordinary course of our business. Although we cannot predict the outcomes of these legal proceedings, these actions, in the aggregate, could have a material adverse impact on our financial position, results of operations or liquidity. A description of our legal proceedings is included in "Item 1. Financial Statements, Note 13. Commitments and Contingencies", and is incorporated herein by reference.

Item 1A. Risk Factors

There have been no material changes to the Partnership's risk factors since our Annual Report on Form 10-K for the year ended December 31, 2023, filed with the SEC on February 21, 2024.

Item 5. Other Information

During the six months ended June 30, 2024, no director or officer of the Partnership adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits

The information required by this Item 6 is set forth in the Index to Exhibits accompanying this quarterly report and is incorporated herein by reference.

INDEX TO EXHIBITS

Exhibit Number	Exhibit Name
3.1	Certificate of Limited Partnership of Martin Midstream Partners L.P. (the "Partnership"), dated June 21, 2002 (filed as Exhibit 3.1 to the Partnership's Registration Statement on Form S-1 (Reg. No. 333-91706), filed July 1, 2002, and incorporated herein by reference).
3.2	Third Amended and Restated Agreement of Limited Partnership of the Partnership, dated November 23, 2021 (filed as Exhibit 3.1 to the Partnership's Current Report on Form 8-K (SEC File No. 000-50056), filed November 29, 2021, and incorporated herein by reference).
3.3	Certificate of Limited Partnership of Martin Operating Partnership L.P. (the "Operating Partnership"), dated June 21, 2002 (filed as Exhibit 3.3 to the Partnership's Registration Statement on Form S-1 (Reg. No. 333-91706), filed July 1, 2002, and incorporated herein by reference).
3.4	Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated November 6, 2002 (filed as Exhibit 3.2 to the Partnership's Current Report on Form 8-K (SEC File No. 000-50056), filed November 19, 2002, and incorporated herein by reference).
3.5	Certificate of Formation of Martin Midstream GP LLC (the "General Partner"), dated June 21, 2002 (filed as Exhibit 3.5 to the Partnership's Registration Statement on Form S-1 (Reg. No. 333-91706), filed July 1, 2002, and incorporated herein by reference).
3.6	Second Amended and Restated Limited Liability Company Agreement of the General Partner, dated November 23, 2021 (filed as Exhibit 3.1 to the Partnership's Current Report on Form 8-K (Reg. No. 000-50056), filed November 29, 2021, and incorporated herein by reference).
3.7	Certificate of Formation of Martin Operating GP LLC (the "Operating General Partner"), dated June 21, 2002 (filed as Exhibit 3.7 to the Partnership's Registration Statement on Form S-1 (Reg. No. 333-91706), filed July 1, 2002, and incorporated herein by reference).
3.8	Limited Liability Company Agreement of the Operating General Partner, dated June 21, 2002 (filed as Exhibit 3.8 to the Partnership's Registration Statement on Form S-1 (Reg. No. 333-91706), filed July 1, 2002, and incorporated herein by reference).
4.1	Indenture (including form of 11.500% Senior Secured Second Lien Notes due 2028), dated February 8, 2023, by and among the Partnership, Martin Midstream Finance Corp., the guarantors named therein, U.S. Bank Trust Company, National Association, as trustee and collateral agent (filed as Exhibit 4.1 to the Partnership's Current Report on Form 8-K (SEC File No. 000-50056), filed February 8, 2023 and incorporated herein by reference).
4.2	Description of Securities (filed as Exhibit 4.2 to the Partnership's Annual Report on Form 10-K (SEC File No. 000-50056), filed March 2, 2023, and incorporated herein by reference).
31.1*	Certifications of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certifications of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Chief Executive Officer pursuant to 18 U.S.C., Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. Pursuant to SEC Release 34-47551, this Exhibit is furnished to the SEC and shall not be deemed to be "filed."
32.2*	Certification of Chief Financial Officer pursuant to 18 U.S.C., Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. Pursuant to SEC Release 34-47551, this Exhibit is furnished to the SEC and shall not be deemed to be "filed."
101	Inline Interactive Data: the following financial information from Martin Midstream Partners L.P.'s Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2024, formatted in Extensible Business Reporting Language: (1) the Consolidated and Condensed Balance Sheets; (2) the Consolidated and Condensed Statements of Income; (3) the Consolidated and Condensed Statements of Cash Flows; (4) the Consolidated and Condensed Statements of Capital (Deficit); and (5) the Notes to Consolidated and Condensed Financial Statements.
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document (contained in Exhibit 101).

* Filed or furnished herewith

‡ This filing excludes certain schedules and exhibits pursuant to Item 601(a)(5) of Regulation S-K, which the registrant agrees to furnish supplementally to the Securities and Exchange Commission upon request by the Commission; provided, however, that the registrant may request confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended, for any schedules or exhibits so furnished.

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 thereunto duly authorized.

Martin Midstream Partners L.P.

By: Martin Midstream GP LLC
 Its General Partner

July 23, 2024

By: /s/ Sharon L. Taylor
 Sharon L. Taylor
 Executive Vice President and Chief Financial Officer

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
Pursuant to 17 CFR 240.13a-14(a)/15d-14(a)
(Section 302 of the Sarbanes-Oxley Act of 2002)

I, Robert D. Bondurant, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Martin Midstream Partners L.P.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

July 23, 2024

/s/ Robert D. Bondurant

Robert D. Bondurant, President and
Chief Executive Officer of
Martin Midstream GP LLC,
the General Partner of Martin Midstream Partners L.P.

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
Pursuant to 17 CFR 240.13a-14(a)/15d-14(a)
(Section 302 of the Sarbanes-Oxley Act of 2002)

I, Sharon L. Taylor, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Martin Midstream Partners L.P.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

July 23, 2024

/s/ Sharon L. Taylor

Sharon L. Taylor, Executive Vice President and Chief Financial
Officer of
Martin Midstream GP LLC,
the General Partner of Martin Midstream Partners L.P.

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002***

In connection with the Quarterly Report of Martin Midstream Partners L.P., a Delaware limited partnership (the "Partnership"), on Form 10-Q for the quarter ended June 30, 2024, as filed with the Securities and Exchange Commission (the "Report"), I, Robert D. Bondurant, Chief Executive Officer of Martin Midstream GP LLC, the general partner of the Partnership, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350), that to my knowledge:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

/s/ Robert D. Bondurant

Robert D. Bondurant, President and
Chief Executive Officer
of Martin Midstream GP LLC,
the General Partner of Martin Midstream Partners L.P.

July 23, 2024

*A signed original of this written statement required by Section 906 has been provided to the Partnership and will be retained by the Partnership and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002***

In connection with the Quarterly Report of Martin Midstream Partners L.P., a Delaware limited partnership (the "Partnership"), on Form 10-Q for the quarter ended June 30, 2024, as filed with the Securities and Exchange Commission (the "Report"), I, Sharon L. Taylor, Chief Financial Officer of Martin Midstream GP LLC, the general partner of the Partnership, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350), that to my knowledge:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

/s/ Sharon L. Taylor

Sharon L. Taylor, Executive Vice President and
Chief Financial Officer
of Martin Midstream GP LLC,
the General Partner of Martin Midstream Partners L.P.

July 23, 2024

*A signed original of this written statement required by Section 906 has been provided to the Partnership and will be retained by the Partnership and furnished to the Securities and Exchange Commission or its staff upon request.