REFINITIV

DELTA REPORT

10-Q

MMLP - MARTIN MIDSTREAM PARTNERS

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	985
CHANGES	257
DELETIONS	485
ADDITIONS	243

REFINITIV

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 September 30, 2023 March 31, 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 October 24, 2023 April 23, 2024, was 38,914,806. 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, 2022 December 31, 2023, filed with the Securities and Exchange Commission (the "SEC") on March 2, 2023 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.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

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

		September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
		(Unaudited)	(Audited)		
(Unaudited)				(Unaudited)	(Audited)
Assets	**Assets**			**Assets**	
Cash	Cash	$ 54	$ 45		
Accounts and other receivables, less allowance for doubtful accounts of $496 and $496, respectively		60,451	79,641		
Accounts and other receivables, less allowance for doubtful accounts of $511 and $530, respectively					
Inventories					
Inventories					
Inventories	Inventories	41,699	109,798		
Due from affiliates	Due from affiliates	2,096	8,010		
Other current assets	Other current assets	7,647	13,633		
Other current assets					
Other current assets					
Total current assets	Total current assets	111,947	211,127		
Total current assets					
Total current assets					
Property, plant and equipment, at cost					
Property, plant and equipment, at cost					
Property, plant and equipment, at cost	Property, plant and equipment, at cost	909,946	903,535		
Accumulated depreciation	Accumulated depreciation	(602,834)	(584,245)		
Property, plant and equipment, net	Property, plant and equipment, net	307,112	319,290		
Goodwill					
Goodwill					
Goodwill	Goodwill	16,671	16,671		

Right-of-use assets	Right-of-use assets	58,174	34,963
Deferred income taxes, net	Deferred income taxes, net	12,064	14,386
Other assets, net	Other assets, net	1,933	2,414
Total assets	Total assets	$ 507,901	$ 598,851
Liabilities and Partners' Capital (Deficit)	**Liabilities and Partners' Capital (Deficit)**		
Current installments of long-term debt and finance lease obligations		$ —	$ 9
Liabilities and Partners' Capital (Deficit)			
Liabilities and Partners' Capital (Deficit)			
Trade and other accounts payable			
Trade and other accounts payable			
Trade and other accounts payable	Trade and other accounts payable	43,909	68,198
Product exchange payables	Product exchange payables	775	32
Due to affiliates	Due to affiliates	8,143	8,947
Income taxes payable	Income taxes payable	461	665
Other accrued liabilities	Other accrued liabilities	27,687	33,074
Other accrued liabilities			
Other accrued liabilities			
Total current liabilities	Total current liabilities	80,975	110,925
Long-term debt, net	Long-term debt, net	439,824	512,871
Long-term debt, net			
Long-term debt, net			
Operating lease liabilities			
Operating lease liabilities			
Operating lease liabilities	Operating lease liabilities	44,108	26,268
Other long-term obligations	Other long-term obligations	7,973	8,232
Total liabilities	Total liabilities	572,880	658,296

Commitments and contingencies	Commitments and contingencies		
Commitments and contingencies			
Commitments and contingencies			
Partners' capital (deficit)	Partners' capital (deficit)	(64,979)	(59,445)
Total liabilities and partners' capital (deficit)	Total liabilities and partners' capital (deficit)	$ 507,901	$ 598,851
Total liabilities and partners' capital (deficit)			
Total liabilities and partners' capital (deficit)			

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 September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
		Three Months Ended			
		Three Months Ended			
		Three Months Ended			
	March 31,				
	2024				
					March 31,
					2024 2023
Revenues:	Revenues:				Revenues:
Terminalling and storage *	Terminalling and storage *	$ 22,202	$ 19,988	$ 64,744	$ 59,808
Transportation *	Transportation *	55,223	58,993	165,696	161,535
Sulfur services	Sulfur services	3,358	3,085	10,073	9,253
Product sales: *	Product sales: *				
Specialty products	Specialty products	66,695	121,456	277,836	409,215
Specialty products					
Specialty products					
Sulfur services	Sulfur services	29,219	25,783	98,513	135,691
		95,914	147,239	376,349	544,906
Total revenues	Total revenues	176,697	229,305	616,862	775,502
Costs and expenses:					
Costs and expenses:					

Costs and expenses:	Costs and expenses:					
Cost of products sold: (excluding depreciation and amortization)	Cost of products sold: (excluding depreciation and amortization)					Cost of products sold: (excluding depreciation and amortization)
Specialty products *	Specialty products *	56,298	126,951	245,863	380,602	
Sulfur services *	Sulfur services *	19,461	25,230	66,932	100,078	
Terminalling and storage *	Terminalling and storage *	23	6	54	15	
		75,782	152,187	312,849	480,695	
Expenses:	Expenses:					Expenses:
Operating expenses *	Operating expenses *	64,375	66,158	187,857	186,735	
Selling, general and administrative *	Selling, general and administrative *	10,424	10,273	30,043	31,420	
Depreciation and amortization	Depreciation and amortization	12,223	13,721	37,671	43,007	
Depreciation and amortization						
Depreciation and amortization						
Total costs and expenses	Total costs and expenses	162,804	242,339	568,420	741,857	
Other operating income, net		811	790	1,096	1,050	
Other operating income (loss), net						
Other operating income (loss), net						
Other operating income (loss), net						
Operating income (loss)		14,704	(12,244)	49,538	34,695	
Operating income						
Operating income						
Operating income						
Other income (expense):						
Other income (expense):						
Other income (expense):	Other income (expense):					
Interest expense, net	Interest expense, net	(14,994)	(13,906)	(45,914)	(39,181)	
Loss on extinguishment of debt	Loss on extinguishment of debt	—	—	(5,121)	—	
Loss on extinguishment of debt						
Loss on extinguishment of debt						
Other, net						
Other, net						
Other, net	Other, net	17	(2)	50	(4)	
Total other expense	Total other expense	(14,977)	(13,908)	(50,985)	(39,185)	
Net loss before taxes		(273)	(26,152)	(1,447)	(4,490)	
Net income (loss) before taxes						

Net income (loss) before taxes								
Net income (loss) before taxes								
Income tax expense	Income tax expense	(788)	(1,891)	(3,619)	(5,469)			
Net loss		(1,061)	(28,043)	(5,066)	(9,959)			
Less general partner's interest in net loss		21	561	101	199			
Net income (loss)								
Less loss allocable to unvested restricted units		4	90	16	39			
Limited partners' interest in net loss		$ (1,036)	$ (27,392)	$ (4,949)	$ (9,721)			
Net income (loss)								
Net loss per unit attributable to limited partners - basic		$ (0.03)	$ (0.71)	$ (0.13)	$ (0.25)			
Net loss per unit attributable to limited partners - diluted		$ (0.03)	$ (0.71)	$ (0.13)	$ (0.25)			
Net income (loss)								
Less general partner's interest in net income (loss)								
Less income (loss) allocable to unvested restricted units								
Less income (loss) allocable to unvested restricted units								
Less income (loss) allocable to unvested restricted units								
Limited partners' interest in net income (loss)								
Net income (loss) per unit attributable to limited partners - basic								
Net income (loss) per unit attributable to limited partners - basic								
Net income (loss) per unit attributable to limited partners - basic								
Net income (loss) per unit attributable to limited partners - diluted								
Weighted average limited partner units - basic	Weighted average limited partner units - basic	38,772,266	38,726,388	38,771,451	38,725,933	Weighted average limited partner units - basic	38,828,737	38,769,794
Weighted average limited partner units - diluted	Weighted average limited partner units - diluted	38,772,266	38,726,388	38,771,451	38,725,933	Weighted average limited partner units - diluted	38,836,165	38,769,794

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 September 30,		Nine Months Ended September 30,	
		2023	**2022**	**2023**	**2022**
		Three Months Ended			
		Three Months Ended			
		Three Months Ended			
		March 31,			
		2024			
Revenues:*	Revenues:*				
Terminalling and storage	Terminalling and storage	$18,542	$16,065	$54,121	$49,685
Transportation	Transportation	7,426	7,111	20,214	20,862
Product Sales	Product Sales	122	63	8,544	486
Product Sales					
Product Sales					
Costs and expenses:*	Costs and expenses:*				
Cost of products sold: (excluding depreciation and amortization)	Cost of products sold: (excluding depreciation and amortization)				
Cost of products sold: (excluding depreciation and amortization)					
Cost of products sold: (excluding depreciation and amortization)					
Specialty products					
Specialty products					
Specialty products	Specialty products	9,896	10,196	27,324	30,047
Sulfur services	Sulfur services	2,787	2,616	8,139	7,884
Terminalling and storage	Terminalling and storage	23	5	54	14
Expenses:	Expenses:				
Operating expenses	Operating expenses	25,606	23,856	74,491	68,682
Operating expenses					
Operating expenses					
Selling, general and administrative	Selling, general and administrative	8,477	7,627	23,549	23,933

	March 31,	
	2024	**2023**
Revenues:*		

See accompanying notes to consolidated and condensed financial statements.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net loss	$ (1,061)	$ (28,043)	$ (5,066)	$ (9,959)
Commodity cash flow hedging (gains) reclassified to earnings	—	(167)	—	(816)
Comprehensive loss	$ (1,061)	$ (28,210)	$ (5,066)	$ (10,775)

	Partners' Capital (Deficit)			
	Common Limited		General Partner	
	Units	Amount	Amount	Total
Balances - December 31, 2022	38,850,750	$ (61,110)	$ 1,665	$ (59,445)
Net loss	—	(4,984)	(102)	(5,086)
Issuance of restricted units	64,056	—	—	—
Cash distributions	—	(194)	(4)	(198)
Unit-based compensation	—	52	—	52
Balances - March 31, 2023	38,914,806	$ (66,236)	$ 1,559	$ (64,677)

	Partners' Capital (Deficit)			
	Common Limited		General Partner	
	Units	Amount	Amount	Total
Balances - December 31, 2023	38,914,806	$ (66,182)	$ 1,558	$ (64,624)
Net income	—	3,208	65	3,273
Issuance of restricted units	86,280	—	—	—
Cash distributions	—	(195)	(4)	(199)
Unit-based compensation	—	54	—	54
Balances - March 31, 2024	39,001,086	$ (63,115)	$ 1,619	$ (61,496)

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	Accumulated Other Comprehensive Income (Loss)	
	Units	Amount	Amount		Total
Balances - June 30, 2023	38,914,806	$ (65,334)	$ 1,577	$ —	$ (63,757)
Net loss	—	(1,040)	(21)	—	(1,061)
Cash distributions	—	(194)	(4)	—	(198)
Unit-based compensation	—	37	—	—	37

	Units	Common Limited Amount	General Partner Amount	Accumulated Other Comprehensive Income (Loss)	Total
Balances - September 30, 2023	38,914,806	(66,531)	1,552	—	$ (64,979)
Balances - December 31, 2022	38,850,750	$ (61,110)	$ 1,665	$ —	$ (59,445)
Net loss	—	(4,965)	(101)	—	(5,066)
Issuance of restricted units	64,056	—	—	—	—
Cash distributions	—	(583)	(12)	—	(595)
Unit-based compensation	—	127	—	—	127
Balances - September 30, 2023	38,914,806	$ (66,531)	$ 1,552	$ —	$ (64,979)

	Partners' Capital (Deficit)				
	Common Limited		General Partner	Accumulated Other Comprehensive Income	
	Units	Amount	Amount	(Loss)	Total
Balances - June 30, 2022	38,850,750	$ (33,263)	$ 2,242	$ 167	$ (30,854)
Net loss	—	(27,482)	(561)	—	(28,043)
Issuance of restricted units	—	—	—	—	—
Cash distributions	—	(195)	(4)	—	(199)
Unit-based compensation	—	46	—	—	46
Gain recognized in AOCI on commodity cash flow hedges	—	—	—	(167)	(167)
Balances - September 30, 2022	38,850,750	$ (60,894)	$ 1,677	$ —	$ (59,217)
Balances - December 31, 2021	38,802,750	$ (50,741)	$ 1,888	$ 816	$ (48,037)
Net income	—	(9,760)	(199)	—	(9,959)
Issuance of restricted units	48,000	—	—	—	—
Cash distributions	—	(583)	(12)	—	(595)
Unit-based compensation	—	125	—	—	125
Excess purchase price over carrying value of acquired assets	—	65	—	—	65
Gain reclassified from AOCI into income on commodity cash flow hedges	—	—	—	(816)	(816)
Balances - September 30, 2022	38,850,750	$ (60,894)	$ 1,677	$ —	$ (59,217)

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)

		Nine Months Ended September 30,		Three Months Ended March 31,	
March 31,					March 31,
		2023	2022	2024	2023
Cash flows from operating activities:	Cash flows from operating activities:			Cash flows from operating activities:	
Net loss		$ (5,066)	$ (9,959)		
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:					
Net income (loss)					

Adjustments to reconcile net income (loss) to net cash provided by operating activities:	Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	Depreciation and amortization	37,671	43,007
Amortization of deferred debt issuance costs	Amortization of deferred debt issuance costs	3,206	2,356
Amortization of debt discount	Amortization of debt discount	1,600	—
Deferred income tax expense			
Deferred income tax expense			
Deferred income tax expense	Deferred income tax expense	2,322	3,611
Gain on disposition or sale of property, plant and equipment, net	Gain on disposition or sale of property, plant and equipment, net	(1,096)	(1,050)
Loss on extinguishment of debt	Loss on extinguishment of debt	5,121	—
Derivative income		—	(901)
Net cash paid for commodity derivatives		—	85
Loss on extinguishment of debt			
Loss on extinguishment of debt			
Non cash unit-based compensation			
Non cash unit-based compensation			
Non cash unit-based compensation	Non cash unit-based compensation	127	125
Change in current assets and liabilities, excluding effects of acquisitions and dispositions:	Change in current assets and liabilities, excluding effects of acquisitions and dispositions:	Change in current assets and liabilities, excluding effects of acquisitions and dispositions:	
Accounts and other receivables	Accounts and other receivables	19,190	7,076
Inventories			
Inventories			
Inventories	Inventories	68,099	(73,518)
Due from affiliates	Due from affiliates	5,914	12,016

Other current assets	Other current assets	5,282	(4,824)
Trade and other accounts payable	Trade and other accounts payable	(24,709)	6,053
Product exchange payables	Product exchange payables	743	(695)
Due to affiliates	Due to affiliates	(804)	11,953
Income taxes payable	Income taxes payable	(204)	228
Other accrued liabilities	Other accrued liabilities	(10,311)	(13,435)
Change in other non-current assets and liabilities	Change in other non-current assets and liabilities	(1,020)	1,116
Net cash provided by (used in) operating activities		106,065	(16,756)

Net cash provided by operating activities

Net cash provided by operating activities

Net cash provided by operating activities

Cash flows from investing activities:

Cash flows from investing activities:

Cash flows from investing activities:	Cash flows from investing activities:		
Payments for property, plant and equipment	Payments for property, plant and equipment	(25,294)	(21,019)
Payments for plant turnaround costs	Payments for plant turnaround costs	(2,367)	(4,262)

Payments for plant turnaround costs

Payments for plant turnaround costs

Proceeds from sale of property, plant and equipment

Proceeds from sale of property, plant and equipment

Proceeds from sale of property, plant and equipment	Proceeds from sale of property, plant and equipment	5,183	2,209
Net cash used in investing activities	Net cash used in investing activities	(22,478)	(23,072)

Net cash used in investing activities

Net cash used in investing activities

Cash flows from financing activities:

Cash flows from financing activities:

Cash flows from financing activities:	Cash flows from financing activities:		
Payments of long-term debt	Payments of long-term debt	(579,197)	(299,089)
Payments under finance lease obligations	Payments under finance lease obligations	(9)	(180)
Proceeds from long-term debt	Proceeds from long-term debt	510,489	341,000
Payment of debt issuance costs	Payment of debt issuance costs	(14,266)	(30)
Excess purchase price over carrying value of acquired assets		—	(1,285)
Payment of debt issuance costs			
Payment of debt issuance costs			
Cash distributions paid			
Cash distributions paid			
Cash distributions paid	Cash distributions paid	(595)	(595)
Net cash provided by (used in) financing activities	Net cash provided by (used in) financing activities	(83,578)	39,821
Net increase (decrease) in cash	Net increase (decrease) in cash	9	(7)
Net increase (decrease) in cash			
Net increase (decrease) in cash			
Cash at beginning of period	Cash at beginning of period	45	52
Cash at end of period	Cash at end of period	$ 54	$ 45
Non-cash additions to property, plant and equipment	Non-cash additions to property, plant and equipment	$ 2,369	$ 2,240

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)
September 30, 2023 March 31, 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.

(Dollars in thousands, except where otherwise indicated)

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, 2022 December 31, 2023, filed with the SEC on March 2, 2023 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 nine three months ended September 30, 2023 March 31, 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 September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Products revenue	$ —	$ 28,397	$ 70,539	$ 116,844
Cost of products sold	—	47,925	72,282	130,339
Selling, general and administrative expenses	—	504	512	1,785
	$ —	$ (20,032)	$ (2,255)	$ (15,280)

	Three Months Ended March 31,
	2023
Products revenue	$ 56,889
Cost of products sold	56,208
Selling, general and administrative expenses	372
	$ 309

NOTE 4. REVENUE

The following table disaggregates our revenue by major source:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	Three Months Ended March 31,			

		Three Months Ended March 31, Three Months Ended March 31,			
	2024			2024	2023
Terminalling and storage segment	***Terminalling and storage segment***				
Throughput and storage	Throughput and storage	$22,202	$ 19,988	$ 64,744	$ 59,808
		$22,202	$ 19,988	$ 64,744	$ 59,808
Throughput and storage					
Throughput and storage					
	$				
Transportation segment	***Transportation segment***				
Transportation segment					
Transportation segment					
Land transportation					
Land transportation					
Land transportation	Land transportation	$40,965	$ 45,604	$124,064	$124,089
Inland marine transportation	Inland marine transportation	12,658	11,542	37,093	31,997
Offshore marine transportation	Offshore marine transportation	1,600	1,847	4,539	5,449
		$55,223	$ 58,993	$165,696	$161,535
	$				
Sulfur services segment	***Sulfur services segment***				
Sulfur product sales					
Sulfur product sales					
Sulfur product sales	Sulfur product sales	$ 8,453	$ 10,341	$ 22,191	$ 33,975
Fertilizer product sales	Fertilizer product sales	20,766	15,442	76,322	101,716
Sulfur services	Sulfur services	3,358	3,085	10,073	9,253
		$32,577	$ 28,868	$108,586	$144,944
	$				
Specialty products segment	***Specialty products segment***				
Natural gas liquids product sales	Natural gas liquids product sales	$31,225	$ 81,361	$175,125	$299,085
Natural gas liquids product sales					
Natural gas liquids product sales					
Lubricant product sales	Lubricant product sales	35,470	40,095	102,711	110,130
		$66,695	$121,456	$277,836	$409,215

(Dollars in thousands, except where otherwise indicated)

$

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.

Specialty Products Transportation Segment

Natural Gas Liquids ("NGL") Revenue related to land transportation is recognized for line hauls based on a mileage rate. For contracted trips, revenue is recognized when title upon completion of the particular trip. The performance of the service is transferred, which invoiced as the transaction occurs and 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 paid within a month.

facilities. When lubricants are sold by truck or rail, Revenue related to marine transportation is recognized for time charters based on a per day rate. For contracted trips, revenue is recognized when title is transferred, which is generally when the product leaves the Partnership's facility, depending on the specific terms upon completion of the contract. Delivery particular trip. The performance of product 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.

Transportation Specialty Products Segment

Revenue related to land transportation is recognized for line hauls based on a mileage rate. For contracted trips, Natural Gas Liquids ("NGL") revenue is recognized upon completion of the particular trip. The performance of the service when title is invoiced as the transaction occurs and transferred, which is generally paid within a month.

Revenue related when the product is delivered by truck, rail, or pipeline to marine transportation is recognized for time charters based on a per day rate. For contracted trips, 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 upon completion 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 particular trip. The performance contract. Delivery of the service 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.

		2023	2024	2025	2026	2027	Thereafter	Total							
	2024								**2024**	**2025**	**2026**	**2027**	**2028**	**Thereafter**	**Total**
Terminalling and storage	***Terminalling and storage***														
Throughput and storage	Throughput and storage	$10,603	$43,571	$44,879	$46,164	$47,549	$ 204,927	$397,693							
Throughput and storage															
Throughput and storage															
Sulfur services															

Product sales								
Product sales								
Product sales								
Service revenues								
Specialty Products	***Specialty Products***							
NGL product sales	NGL product sales	1,621	6,449	6,431	3,736	—	—	18,237
Sulfur services								
Sulfur product sales		4,699	18,796	18,796	4,391	296	—	46,978
NGL product sales								
NGL product sales								
Total	**Total**	$16,923	$68,816	$70,106	$54,291	$47,845	$ 204,927	$462,908

NOTE 5. INVENTORIES

Components of inventories at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 were as follows:

		September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
Natural gas liquids	Natural gas liquids	$ 3,317	$ 52,462		
Lubricants	Lubricants	19,801	28,190		
Sulfur	Sulfur	509	1,541		
Fertilizer	Fertilizer	12,075	21,691		
Other	Other	5,997	5,914		
		$ 41,699	$ 109,798		

MARTIN MIDSTREAM PARTNERS L.P.
NOTES TO CONSOLIDATED AND CONDENSED FINANCIAL STATEMENTS
(Dollars in thousands, except where otherwise indicated)
September 30, 2023 March 31, 2024
(Unaudited)

NOTE 6. DEBT

At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, long-term debt consisted of the following:

	September 30, 2023	December 31, 2022
$175,000 Credit facility at variable interest rate (8.93%[1] weighted average at September 30, 2023), 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 $3,535 and $1,086, respectively [2,4]	$ 58,965	$ 169,914
$400,000 Senior notes, 11.5% interest, net of unamortized debt issuance costs of $8,741 and $0, respectively, including unamortized premium of $10,400 and $0, respectively, due February 2028, secured [2,3,4]	380,859	—
$53,750 Senior notes due February 2024, 10.0% interest, net of unamortized debt issuance costs of $0 and $1,288, respectively, secured [2,3]	—	52,462
$291,381 Senior notes due February 2025, 11.5% interest, net of unamortized debt issuance costs of $0 and $886, respectively, secured [2,3]	—	290,495
Total	439,824	512,871
Less: current portion	—	—
Total long-term debt, net of current portion	$ 439,824	$ 512,871

(Dollars in thousands, except where otherwise indicated)

Current installments of finance lease obligations	$	—	$	9
Finance lease obligations		—		—
Total finance lease obligations	$	—	$	9

		March 31, 2024		December 31, 2023
$175,000 Credit facility at variable interest rate (8.68%[1] weighted average at March 31, 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 $3,039 and $3,292, respectively [2]	$	46,961	$	39,208
$400,000 Senior notes, 11.5% interest, net of unamortized debt issuance costs of $7,737 and $8,235, respectively, including unamortized premium of $9,200 and $9,800, respectively, due February 2028, secured [2]		383,063		381,965
Total		430,024		421,173
Less: current portion		—		—
Total long-term debt, net of current portion	$	430,024	$	421,173

[1] Effective February 8, 2023, the 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 September 30, 2023 March 31, 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 September 30, 2023 March 31, 2024 is 3.50% 3.25%. The applicable margin for SOFR borrowings effective October 18, 2023 April 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 September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively.

[3] On February 8, 2023, the Partnership completed the sale of $400,000 in aggregate principal amount of 11.500% senior secured second lien notes due 2028 (the "2028 Notes"). The Partnership used the proceeds of the 2028 Notes to repurchase, through a tender offer and then redemption, all of the Partnership's 10.00% senior secured 1.5 lien notes due 2024 (the "2024 Notes") and 11.50% senior secured second lien notes due 2025 (the "2025 Notes"), repay a portion of the indebtedness under the credit facility, and pay fees and expenses in connection with the foregoing. The indenture for the 2028 Notes restricts the Partnership's ability to sell assets; pay distributions or repurchase units or redeem or repurchase subordinated debt; make investments; incur or guarantee additional indebtedness or issue preferred units; and consolidate, merge or transfer all or substantially all of its assets.

[4] Effective February 8, 2023, in connection with the completion of our sale of the 2028 Notes, we amended our credit facility to, among other things, reduce the commitments thereunder from $275,000 to $200,000 (with further scheduled reductions to $175,000 on June 30, 2023 and $150,000 on June 30, 2024) and extend the scheduled maturity date of the amended credit facility to February 8, 2027. In conjunction with the issuance of the 2028 Notes, the Partnership recognized a loss on extinguishment of debt of $5,121 comprised of $2,827 in tender premium, $2,044 of unamortized debt costs and $250 in other expense.

The Partnership paid cash interest in the amount of $25,291 $24,653 and $22,628 $22,177 for the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively. Capitalized interest was $18 $142 and $0 $4 for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively. The Partnership paid cash interest in the amount of $50,099 and $46,738 for the nine months ended September 30, 2023 and 2022, respectively. Capitalized interest was $29 and $0 for the nine months ended September 30, 2023 and 2022, 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.

(Dollars in thousands, except where otherwise indicated)

Our leases have remaining lease terms of 1 year to 13 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 and excludes termination periods from its lease term if, at commencement, it is reasonably likely that the Partnership will exercise the option. extension options.

The components of lease expense for the three and nine months ended September 30, 2023 and 2022 were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Operating lease cost	$ 4,602	$ 2,760	$ 11,393	$ 7,571
Finance lease cost:				
Amortization of right-of-use assets	$ —	$ 24	$ 6	74
Interest on lease liabilities	—	1	—	8
Short-term lease cost	1,256	3,157	4,331	8,662
Variable lease cost	48	48	143	132
Total lease cost	$ 5,906	$ 5,990	$ 15,873	$ 16,447

Supplemental balance sheet information related to leases at September 30, 2023 and December 31, 2022 was as follows:

	September 30, 2023	December 31, 2022
Operating Leases		
Operating lease right-of-use assets	$ 58,174	$ 34,963
Current portion of operating lease liabilities included in "Other accrued liabilities"	$ 14,280	$ 9,084
Operating lease liabilities	44,108	26,268
Total operating lease liabilities	$ 58,388	$ 35,352
Finance Leases		
Property, plant and equipment, at cost	$ —	$ 83
Accumulated depreciation	—	(44)
Property, plant and equipment, net	$ —	$ 39
Current installments of finance lease obligations	$ —	$ 9
Finance lease obligations	—	—
Total finance lease obligations	$ —	$ 9

The components of lease expense for the three months ended March 31, 2024 and 2023 were as follows:

	Three Months Ended March 31,	
	2024	2023
Operating lease cost	$ 4,939	$ 3,187
Finance lease cost:		
Amortization of right-of-use assets	—	4
Interest on lease liabilities	—	—
Short-term lease cost	1,166	1,708
Variable lease cost	47	55
Total lease cost	$ 6,152	$ 4,954

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

	March 31, 2024	December 31, 2023
Operating Leases		

Operating lease right-of-use assets	$	58,267	$	60,359
Current portion of operating lease liabilities included in "Other accrued liabilities"	$	14,824	$	14,901
Operating lease liabilities		43,606		45,684
Total operating lease liabilities	$	58,430	$	60,585

For the nine three months ended September 30, 2023 March 31, 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 September 30, 2023 March 31, 2024 consist of the following:

		Operating Leases		Finance Leases
Year 1	$	18,175 19,881	$	—
Year 2		16,098 18,573		—
Year 3		13,855 15,235		—
Year 4		10,419 10,472		—
Year 5		6,017 3,929		—
Thereafter		5,838 5,136		—
Total		70,402 73,226		—
Less amounts representing interest costs		(12,014) (14,796)		—
Total lease liability	$	58,388 58,430	$	—

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 September 30, 2023 March 31, 2024 are as follows: 2023 - $6,646; 2024 - $21,059; $17,036; 2025 - $15,696; $16,357; 2026 - $11,741; 2027 - $11,552; 2028 - $11,364; subsequent years - $29,620. $18,256.

MARTIN MIDSTREAM PARTNERS L.P.
NOTES TO CONSOLIDATED AND CONDENSED FINANCIAL STATEMENTS
(Dollars in thousands, except where otherwise indicated)
September 30, 2023 March 31, 2024
(Unaudited)

NOTE 8. SUPPLEMENTAL BALANCE SHEET INFORMATION

Components of "Other accrued liabilities" were as follows:

			September 30, 2023		December 31, 2022	March 31, 2024	December 31, 2023
Accrued interest	Accrued interest	$	6,173	$	15,131		
Asset retirement obligations	Asset retirement obligations		25		298		
Property and other taxes payable	Property and other taxes payable		4,329		4,562		
Accrued payroll	Accrued payroll		2,661		3,504		
Operating lease liabilities	Operating lease liabilities		14,280		9,084		
Other	Other		219		495		
		$	27,687	$	33,074		

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

		September 30, 2023 March 31, 2024
Asset retirement obligations as of December 31, 2022 December 31, 2023	$	4,992 5,182
Additions to asset retirement obligations		—
Accretion expense		159 33
Liabilities settled		—
Ending asset retirement obligations		5,151 5,215
Current portion of asset retirement obligations[1]		(25)
Long-term portion of asset retirement obligations[2]	$	5,126 5,190

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

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

MARTIN MIDSTREAM PARTNERS L.P.
NOTES TO CONSOLIDATED AND CONDENSED FINANCIAL STATEMENTS
(Dollars in thousands, except where otherwise indicated)
September 30, 2023 March 31, 2024
(Unaudited)

NOTE 9. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

The Partnership’s results of operations could be materially impacted by changes in commodity prices and interest rates. In an effort to manage its exposure to these risks, the Partnership periodically enters into various derivative instruments, including commodity and interest rate hedges. At the time derivative contracts are entered into, the Partnership assesses whether the nature of the instrument qualifies for hedge accounting treatment according to the requirements of ASC 815 – *Derivatives and Hedging*. For those transactions designated as hedging instruments for accounting purposes, the Partnership documents all relationships between hedging instruments and hedged items, as well as our risk-management objective and strategy for undertaking the various hedge transactions. The Partnership also assesses, both at the hedge’s inception and on an ongoing basis, whether the derivatives used in hedging transactions are highly effective in offsetting changes in cash flows or fair value of hedged items. All derivatives and hedging instruments are included on the balance sheet as an asset or a liability measured at fair value. Changes in fair value for hedging instruments are recognized on the balance sheet through Accumulated Other Comprehensive Income ("AOCI"). Settlements related to effective hedging relationships will be reclassified from AOCI to earnings during the period in which the hedged transactions are reflected on the income statement.

From time to time, derivatives designated for hedge accounting may be closed prior to contract expiration. The accounting treatment of closed positions depends on whether the closure occurred due to the hedged transaction occurring early or if the hedged transaction is still expected to occur as originally forecasted. For hedged transactions that occur early, the closure results in the realized gain or loss from closure being recognized in the same period the accelerated hedged transaction affects earnings. For hedged transactions that are still expected to occur as originally forecasted, the closure results in the realized gain or loss being deferred until the hedged transaction affects earnings.

If it is determined that hedged transactions associated with cash flow hedges are no longer probable of occurring, the gain or loss associated with the instrument is recognized immediately into earnings.

From time to time, we may have derivative financial instruments for which we do not elect hedge accounting. Changes in fair value for derivatives not designated as hedges are recognized as gains and losses in the earnings of the periods in which they occur.

(a) Commodity Derivative Instruments

The Partnership from time to time has used 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. The Partnership has established a hedging policy and monitors and manages the commodity market risk associated with potential commodity risk exposure. In addition, the Partnership has focused on utilizing counterparties for these transactions whose financial condition is appropriate for the credit risk involved in each specific transaction. The Partnership enters into hedging transactions to protect a portion of its commodity price risk exposure. These hedging arrangements are in the form of swaps for NGLs. At September 30, 2023 and December 31, 2022, there were no outstanding derivatives.

For information regarding gains and losses on commodity derivative instruments, see "Tabular Presentation of Gains and Losses on Derivative Instruments" below.

(b) Tabular Presentation of Gains and Losses on Derivative Instruments

The following table summarizes the gain (loss) recognized in AOCI at September 30, 2023 and December 31, 2022, respectively, and the gain reclassified from AOCI into earnings during the three months ended September 30, 2023 and 2022, respectively, for derivative financial instruments designated as cash flow hedges:

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

(Dollars in thousands, except where otherwise indicated)

	Amount of Gain (Loss) Recognized in AOCI		Location of Gain (Loss) Reclassified from AOCI into Income	Amount of Gain (Loss) Reclassified from AOCI into Income	
	2023	2022		2023	2022
Commodity contracts	$ —	$ —	Cost of products sold	$ —	$ 167
Total	$ —	$ —		$ —	$ 167

The following table summarizes the gain (loss) recognized in AOCI at September 30, 2023 and December 31, 2022, respectively, and the gain reclassified from AOCI into earnings during the nine months ended September 30, 2023 and 2022, respectively, for derivative financial instruments designated as cash flow hedges:

	Amount of Gain (Loss) Recognized in AOCI		Location of Gain (Loss) Reclassified from AOCI into Income	Amount of Gain (Loss) Reclassified from AOCI into Income	
	2023	2022		2023	2022
Commodity contracts	$ —	$ —	Cost of products sold	$ —	$ 816
Total	$ —	$ —		$ —	$ 816

NOTE 10. PARTNERS' CAPITAL (DEFICIT)

As of September 30, 2023 March 31, 2024, Partners' capital (deficit) consisted of 38,914,806 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:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net loss	$ (1,061)	$ (28,043)	$ (5,066)	$ (9,959)
Less general partner’s interest in net income (loss):				
Distributions payable on behalf of general partner interest	4	4	12	12
General partner interest in undistributed income (loss)	(25)	(565)	(113)	(211)
Less loss allocable to unvested restricted units	(4)	(90)	(16)	(39)
Limited partners’ interest in net loss	$ (1,036)	$ (27,392)	$ (4,949)	$ (9,721)

MARTIN MIDSTREAM PARTNERS L.P.
NOTES TO CONSOLIDATED AND CONDENSED FINANCIAL STATEMENTS
(Dollars in thousands, except where otherwise indicated)
March 31, 2024
(Unaudited)

	Three Months Ended March 31,	
	2024	2023
Net income (loss)	$ 3,273	$ (5,086)
Less general partner’s interest in net income (loss):		
Distributions payable on behalf of general partner interest	4	4
General partner interest in undistributed income (loss)	61	(106)
Less income (loss) allocable to unvested restricted units	12	(16)
Limited partners’ interest in net income (loss)	$ 3,196	$ (4,968)

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 September 30,		Nine Months Ended September 30,		Three Months Ended March 31,	
		2023	2022	2023	2022	2024	2023
Basic weighted average limited partner units outstanding	Basic weighted average limited partner units outstanding	38,772,266	38,726,388	38,771,451	38,725,933		
Dilutive effect of restricted units issued	Dilutive effect of restricted units issued	—	—	—	—		
Total weighted average limited partner diluted units outstanding	Total weighted average limited partner diluted units outstanding	38,772,266	38,726,388	38,771,451	38,725,933		

MARTIN MIDSTREAM PARTNERS L.P.
NOTES TO CONSOLIDATED AND CONDENSED FINANCIAL STATEMENTS
(Dollars in thousands, except where otherwise indicated)
September 30, 2023
(Unaudited)

(Dollars in thousands, except where otherwise indicated)

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 and nine months ended September 30, 2023 and 2022 March 31, 2023 because the limited partners were allocated a net loss in this period.

NOTE 11. 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 September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
		Three Months Ended March 31, Three Months Ended March 31, Three Months Ended March 31,			
	2024		2024		2023
Restricted unit Awards	**Restricted unit Awards**				
Employees					
Employees					
Employees	Employees	$ —	$ —	$ —	$ —
Non-employee directors	Non-employee directors	37	46	127	125
Phantom unit Awards	**Phantom unit Awards**				
Employees	Employees	484	950	(691)	2,931
Employees					
Employees					
Non-employee directors	Non-employee directors	—	—	—	—
Total unit-based compensation expense	**Total unit-based compensation expense**	$521	$996	$(564)	$3,056

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 September 30, 2023 March 31, 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

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 September 30, 2023 March 31, 2024, there was a total of $5,241 $3,722 of unrecognized compensation costs related to non-vested phantom unit awards. These costs are expected to be recognized over a remaining life of 2.37 2.06 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

MARTIN MIDSTREAM PARTNERS L.P.
NOTES TO CONSOLIDATED AND CONDENSED FINANCIAL STATEMENTS
(Dollars in thousands, except where otherwise indicated)
September 30, 2023
(Unaudited)

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 September 30, 2023 March 31, 2024 met the criteria to be treated under equity classification.

In February 2023, 2024, the Partnership issued 21,352 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 5,338 7,190 units on January 24, 2024 January 24, 2025, 2025, 2026, 2027, and 2027. 2028.

MARTIN MIDSTREAM PARTNERS L.P.
NOTES TO CONSOLIDATED AND CONDENSED FINANCIAL STATEMENTS
(Dollars in thousands, except where otherwise indicated)
March 31, 2024
(Unaudited)

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 nine three months ended September 30, 2023 March 31, 2024 is provided below:

		Number of Units	Weighted Average Grant-Date Fair Value Per Unit
	Number of Units	Number of Units	Weighted Average Grant-Date Fair Value Per Unit
Non-vested, beginning of period	Non-vested, beginning of period	124,362	$ 3.36
Granted (TBRU)	Granted (TBRU)	64,056	$ 2.81
Vested			
Vested			
Vested	Vested	(45,878)	$ 3.74
Forfeited	Forfeited	—	$ —
Non-Vested, end of period	Non-Vested, end of period	142,540	$ 2.99
Aggregate intrinsic value, end of period	Aggregate intrinsic value, end of period	$ 396	

(Dollars in thousands, except where otherwise indicated)

Aggregate intrinsic value, end of period

Aggregate intrinsic value, end of period

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 nine months ended September 30, 2023 March 31, 2024 and 2022 2023 is provided below:

		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
		Three Months Ended March 31, Three Months Ended March 31, Three Months Ended March 31,			
		2024		2024	2023
Aggregate intrinsic value of units vested	Aggregate intrinsic value of units vested	$ —	$ —	$ 89	$ 92
Fair value of units vested	Fair value of units vested	—	—	178	188

As of September 30, 2023 March 31, 2024, there was $321 $425 of unrecognized compensation cost related to non-vested restricted units. That cost is expected to be recognized over a weighted-average period of 2.44 2.97 years.

NOTE 12. 11. RELATED PARTY TRANSACTIONS

As of September 30, 2023 March 31, 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 September 30, 2023 March 31, 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.

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

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, 2023 January 1, 2024, through December 31, 2023 December 31, 2024, the Conflicts Committee approved an annual reimbursement amount for indirect expenses of $13,982. $13,508. The Partnership reimbursed Martin Resource Management Corporation for $3,496 $3,377 and $3,373 $3,496 of indirect expenses for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively. The Partnership reimbursed Martin Resource Management Corporation for $10,487 and $10,118 of indirect expenses for the nine months ended September 30, 2023 and 2022, 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 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 expires 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 September 30, 2023 March 31, 2024 and 2022 2023 were $952 $938 and $589, respectively. Amounts paid to East Texas Mack for tractor and trailer lease payments and lease residuals for the nine months ended September 30, 2023 and 2022 were $2,361 and $1,352, $623, respectively.

Consulting Services Agreement. Martin Operating Partnership

MARTIN MIDSTREAM PARTNERS L.P. (the "Operating Partnership") is a party to a Consulting Services Agreement with Ruben S. Martin (the "Consulting Services Agreement"). Pursuant to the terms of the Consulting Services Agreement, Mr. Martin has agreed to provide business and strategic development support to the Operating Partnership, and the Operating Partnership has agreed to pay Mr. Martin $263 per year for such services, which amount was paid to Mr. Martin for each of the fiscal years ended December 31, 2022 and 2021. The Consulting Services Agreement expired on December 31, 2022.

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 expires 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:

MARTIN MIDSTREAM PARTNERS L.P.
NOTES TO CONSOLIDATED AND CONDENSED FINANCIAL STATEMENTS
(Dollars in thousands, except where otherwise indicated)
September 30, 2023
(Unaudited)

		Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended March 31,	
		2023	**2022**	**2023**	**2022**		
		2024				**2024**	**2023**
Revenues:	Revenues:					Revenues:	
Terminalling and storage	Terminalling and storage	$18,542	$16,065	$54,121	$49,685		
Transportation	Transportation	7,426	7,111	20,214	20,862		
Product sales:	Product sales:						
Product sales:							
Product sales:							
Specialty products							
Specialty products							
Specialty products	Specialty products	59	46	8,348	400		
Sulfur services	Sulfur services	63	17	196	86		
		122	63	8,544	486		
		$26,090	$23,239	$82,879	$71,033		

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

		Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended March 31,	
		2023	**2022**	**2023**	**2022**		
		2024				**2024**	**2023**
Cost of products sold:	Cost of products sold:					Cost of products sold:	
Specialty products	Specialty products	$ 9,896	$10,196	$27,324	$30,047		
Sulfur services	Sulfur services	2,787	2,616	8,139	7,884		

Terminalling and storage	Terminalling and storage	23	5	54	14
		$12,706	$12,817	$35,517	$37,945

MARTIN MIDSTREAM PARTNERS L.P.
NOTES TO CONSOLIDATED AND CONDENSED FINANCIAL STATEMENTS
(Dollars in thousands, except where otherwise indicated)
March 31, 2024
(Unaudited)

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

		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
		Three Months Ended March 31, Three Months Ended March 31, Three Months Ended March 31,			
		2024			
				2024	2023
Operating expenses:	Operating expenses:	Operating expenses:			
Transportation	Transportation	$18,531	$17,220	$54,546	$48,954
Sulfur services	Sulfur services	1,626	1,294	4,216	4,328
Sulfur services					
Sulfur services					
Terminalling and storage	Terminalling and storage	5,449	5,342	15,729	15,400
		$25,606	$23,856	$74,491	$68,682

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Selling, general and administrative:				
Transportation	$ 2,307	$ 1,766	$ 6,509	$ 5,569
Specialty products	1,101	1,288	2,982	4,386
Sulfur services	1,134	943	2,654	2,938
Terminalling and storage	323	165	551	627
Indirect, including overhead allocation	3,612	3,465	10,853	10,413
	$ 8,477	$ 7,627	$ 23,549	$ 23,933

MARTIN MIDSTREAM PARTNERS L.P.

(Dollars in thousands, except where otherwise indicated)

	Three Months Ended March 31,	
	2024	**2023**
Selling, general and administrative:		
Transportation	$ 1,827	$ 2,263
Specialty products	736	1,311
Sulfur services	776	1,081
Terminalling and storage	(58)	236
Indirect, including overhead allocation	3,582	3,625
	$ 6,863	$ 8,516

NOTE 13. 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. Effective January 1, 2023, the Partnership reorganized its Terminalling and Storage and Natural Gas Liquids operating segments. The underground NGL storage division of the Partnership's Natural Gas Liquids operating segment was moved to the Terminalling and Storage operating segment. Further, the Partnership's packaged lubricants and grease businesses were moved from the Terminalling and Storage operating segment to the Specialty Products operating segment (formerly named the Natural Gas Liquids segment). All prior period financial information has been revised to reflect these changes. In conjunction with the segment reorganization, the Partnership allocated $4,229 of goodwill from the Terminalling and Storage operating segment to the Specialty Products operating segment. The Partnership evaluates the performance of its reportable segments based on operating income. There is no allocation of interest expense.

Three Months Ended September 30, 2023	Operating Revenues	Intersegment Revenues Eliminations	Operating Revenues after Eliminations	Depreciation and Amortization	Operating Income (Loss) after Eliminations	Capital Expenditures and Plant Turnaround Costs
Terminalling and storage	$ 23,973	$ (1,771)	$ 22,202	$ 5,102	$ 1,357	$ 2,684
Transportation	58,541	(3,318)	55,223	3,674	3,323	1,939
Sulfur services	32,577	—	32,577	2,639	5,993	5,015
Specialty products	66,720	(25)	66,695	808	7,868	1,028
Indirect selling, general and administrative	—	—	—	—	(3,837)	—
Total	$ 181,811	$ (5,114)	$ 176,697	$ 12,223	$ 14,704	$ 10,666

Three Months Ended September 30, 2022		Operating Revenues	Intersegment Revenues Eliminations	Operating Revenues after Eliminations	Depreciation and Amortization	Operating Income (Loss) after Eliminations	Capital Expenditures and Plant Turnaround Costs
Three Months Ended March 31, 2024	Three Months Ended March 31, 2024	Operating Revenues	Intersegment Revenues Eliminations	Operating Revenues after Eliminations	Depreciation and Amortization	Operating Income (Loss) after Eliminations	E T
Terminalling and storage	Terminalling and storage	$ 23,034	$ (3,046)	$ 19,988	$ 6,200	$ (3,046)	$ 5,593
Transportation	Transportation	63,514	(4,521)	58,993	3,598	7,528	1,682
Sulfur services	Sulfur services	28,868	—	28,868	2,786	(3,943)	2,204
Specialty products	Specialty products	121,483	(27)	121,456	1,137	(8,523)	103

Indirect selling, general and administrative	Indirect selling, general and administrative	—	—	—	—	(4,260)	—
Total	Total	$ 236,899	$ (7,594)	$ 229,305	$ 13,721	$ (12,244)	$ 9,582

MARTIN MIDSTREAM PARTNERS L.P.
NOTES TO CONSOLIDATED AND CONDENSED FINANCIAL STATEMENTS
(Dollars in thousands, except where otherwise indicated)
September 30, 2023 March 31, 2024
(Unaudited)

Nine Months Ended September 30, 2023	Operating Revenues	Intersegment Revenues Eliminations	Operating Revenues after Eliminations	Depreciation and Amortization	Operating Income (Loss) after Eliminations	Capital Expenditures and Plant Turnaround Costs
Terminalling and storage	$ 71,798	$ (7,054)	$ 64,744	$ 15,896	$ 3,657	$ 9,793
Transportation	178,875	(13,179)	165,696	11,196	11,847	5,938
Sulfur services	108,586	—	108,586	8,072	21,890	10,723
Specialty products	277,895	(59)	277,836	2,507	24,073	1,627
Indirect selling, general and administrative	—	—	—	—	(11,929)	—
Total	$ 637,154	$ (20,292)	$ 616,862	$ 37,671	$ 49,538	$ 28,081

Nine Months Ended September 30, 2022 / Three Months Ended March 31, 2023	Three Months Ended March 31, 2023	Operating Revenues	Intersegment Revenues Eliminations	Operating Revenues after Eliminations	Depreciation and Amortization	Operating Income (Loss) after Eliminations	Capital Expenditures and Plant Turnaround Costs
Terminalling and storage	Terminalling and storage	$ 69,027	$ (9,219)	$ 59,808	$ 20,372	$ (9,379)	$ 11,958
Transportation	Transportation	176,313	(14,778)	161,535	10,761	15,471	6,196
Sulfur services	Sulfur services	144,944	—	144,944	8,377	22,894	5,298
Specialty products	Specialty products	409,310	(95)	409,215	3,497	18,481	840
Indirect selling, general and administrative	Indirect selling, general and administrative	—	—	—	—	(12,772)	—
Total	Total	$ 799,594	$ (24,092)	$ 775,502	$ 43,007	$ 34,695	$ 24,292

The Partnership's assets by reportable segment as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, are as follows:

		September 30, 2023 / March 31, 2024	December 31, 2022 / December 31, 2023
Total assets:	Total assets:		
Terminalling and storage	Terminalling and storage	$ 169,671	$ 184,537
Transportation	Transportation	161,618	153,451
Sulfur services	Sulfur services	100,144	110,688
Specialty products	Specialty products	76,468	150,175

(Dollars in thousands, except where otherwise indicated)

Total assets	Total assets	$ 507,901	$ 598,851

NOTE 14. 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 first quarter of 2025.

NOTE 15. 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 2024 Notes, 2025 and 2028 Notes (collectively, the "Senior Notes") is considered Level 2, as the fair value is based upon quoted prices for identical liabilities in markets that are not active.

	September 30, 2023		December 31, 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
2024 Notes	$ —	$ —	$ 52,462	$ 54,081
2025 Notes	$ —	$ —	$290,495	$290,689

March 31, 2024	March 31, 2024		December 31, 2023	
Carrying Value	Carrying Value	Fair Value	Carrying Value	Fair Value

2028 Notes	2028 Notes	$380,859	$406,060	$ —	$ —
Total	Total	$380,859	$406,060	$342,957	$344,770

NOTE 16. 15. 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. 16. INCOME TAXES

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Provision for income taxes	$ 788	$ 1,891	$ 3,619	$ 5,469

	Three Months Ended March 31,	
	2024	2023
Provision for income taxes	$ 796	$ 1,835

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 $120 $80 and $120 were recorded in income tax expense for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively. Current state income taxes attributable to the Texas margin tax relating to the operation of the Partnership of $320 and $376 were recorded in income tax expense for the nine months ended September 30, 2023 and 2022, 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 $668 $716 and $1,771, $1,715, related to the operation of the Taxable Subsidiary, for the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively, resulted in an effective income tax rate ("ETR") of 23.96% 15.73% and 19.94%, respectively. Total income tax expense of $3,299 and $5,093, related to the operation of the Taxable Subsidiary, for the nine months ended September 30, 2023 and 2022, resulted in an ETR of 24.88% and 21.09% 24.43%, respectively.

The increase decrease in the provision for income taxes and the ETR for the income taxes during the three and nine months ended September 30, 2023 March 31, 2024 was primarily due to an increase in a favorable true-up to state income taxes as a result of full utilization of net operating losses in some states, loss carryforwards, compared to the same period in 2022. The decrease in the provision for income taxes for both the three and nine months ended September 30, 2023, compared to the same period in 2022, was primarily due to a decrease in income before income taxes in the current period. 2023.

A current federal income tax expense of $179 $791 and $348, $325, related to the operation of the Taxable Subsidiary, was recorded for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively. A current federal income tax expense of $666 and $1,071, related to the operation of the Taxable Subsidiary, was recorded for the nine months ended September 30, 2023 and 2022, 2023, respectively. A current state income tax expense of $33 $251 and $116, $213, related to the operation of the Taxable Subsidiary, was recorded for the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively. A current state income tax expense of $311 and $411, related to the operation of the Taxable Subsidiary, was recorded for the nine months ended September 30, 2023 and 2022, 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 (benefit) related to the MTI temporary differences of $456 $(326) and $1,307 $1,177 was recorded for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively.A deferred tax expense related to the MTI temporary differences of $2,322 and $3,611 was recorded for the nine months ended September 30, 2023 and 2022, 2023, respectively. A net deferred tax asset of $12,064 $10,526 and $14,386, $10,200, related to the cumulative book and tax temporary differences, existed at September 30, 2023 March 31, 2024 and December 31, 2022 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. 17. SUBSEQUENT EVENTS

Quarterly Distribution. On October 18, 2023 April 17, 2024, the Partnership declared a quarterly cash distribution of $0.005 per common unit for the third first quarter of 2023, 2024, or $0.020 per common unit on an annualized basis, which will be paid on November 14, 2023 May 15, 2024 to unitholders of record as of November 7, 2023 May 8, 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 including the refining of naphthenic crude oil; 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 September 30, 2023 March 31, 2024, Martin Resource Management Corporation owned 15.7% of our total outstanding common limited partner units. Furthermore, on December 28, 2021, Martin Resource Management Corporation indirectly acquired, through its wholly owned subsidiary, Martin Resource LLC, the remaining 49% voting interest (50% economic interest) in units and 100% of MMGP Holdings, LLC ("Holdings"), which is the sole member of Martin Midstream GP LLC ("MMGP"), our general partner. Such interests were previously held by certain affiliated investment funds managed by Alinda Capital Partners, which sold the interests to Senterfitt Holdings Inc. ("Senterfitt") on November 23, 2021. At such time, Senterfitt granted Martin Resource LLC the right to purchase such interests for a period of ten years, which right was exercised on December 28, 2021. As a result, Martin Resource Management Corporation indirectly owns 100% of MMGP. Martin Resource Management Corporation directs our business operations through its ownership of our general partner. MMGP owns a 2.0% general partner interest in us, and, until November 23, 2021, MMGP owned all of our incentive distribution rights. On November 23, 2021, MMGP contributed to us all of our incentive distribution rights for no consideration, whereupon the incentive distribution rights were cancelled and cease to exist. 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

Exit from Butane Optimization Business. In the second quarter of 2023, we completed the previously announced exit of our butane optimization business at the conclusion of the butane selling season. Going forward, with respect to butane, we will operate as a fee-based butane logistics business, primarily utilizing our north Louisiana underground storage assets, which have both truck and rail capability. This logistics business will also utilize our truck transportation assets for fee-based product movements. As a result of this new business model, we will no longer carry butane inventory going forward, enabling us to reduce commodity risk exposure, cash flow and earnings volatility, and working capital requirements.

The following revenues and costs, which are included in the historical financial results for the twelve months ended September 30, 2023, will not be incurred under the new fee-based butane logistics business model.

	Three Months Ended December 31,	Three Months Ended March 31,	Three Months Ended June 30,	Three Months Ended September 30,	Twelve Months Ended September 30,
	2022	2023			
Products revenue	$ 55,912	$ 56,890	$ 13,649	$ —	$ 126,451
Cost of products sold	60,338	56,208	16,074	—	132,620
Selling, general and administrative expenses	309	372	140	—	821
	$ (4,735)	$ 310	$ (2,565)	$ —	$ (6,990)

Issuance of 2028 Notes to Refinance Existing Secured Notes. On February 8, 2023, we completed the sale of $400.0 million in aggregate principal amount of our 2028 Notes. We used the proceeds of the 2028 Notes to complete the tender offers for substantially all of our 2024 Notes and 2025 Notes, redeem all 2024 Notes and 2025 Notes that were not validly tendered, repay a portion of the indebtedness under our credit facility, and pay fees and expenses in connection with the foregoing. Simultaneously with the issuance of the 2028 Notes we amended our credit facility to, among other things, reduce the commitments thereunder from $275.0 million to $200.0 million (with further scheduled reductions to $175.0 million on June 30, 2023 and $150.0 million on June 30, 2024) and extend the scheduled maturity date of the credit facility to February 8, 2027.

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 of the ELSA produced by DSM. The Partnership expects We expect to fund approximately $22.5 million $25.5 million in aggregate capital expenditures in connection with this joint venture and the Partnership's related services in 2023 and 2024. For the nine months ended September 30, 2023 venture. As of March 31, 2024, we have funded approximately $4.6 million $13.8 million toward Elsa ELSA related project costs. 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.

Subsequent Events

Quarterly Distribution. On October 18, 2023 April 17, 2024, we declared a quarterly cash distribution of $0.005 per common unit for the third first quarter of 2023, 2024, or $0.020 per common unit on an annualized basis, which will be paid on November 14, 2023 May 15, 2024 to unitholders of record as of November 7, 2023 May 8, 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, 2022 December 31, 2023, filed with the SEC on March 2, 2023 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, refining, 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. In addition, following units and indirectly owns 100% of MMGP, our general partner, through its acquisition of the remaining 49% voting 100% interest (50% economic interest) in Holdings, which is the sole member of MMGP, Martin Resource Management Corporation indirectly owns 100% of MMGP, our general partner. 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 $43.2 million $39.3 million of direct costs and expenses for the three months ended September 30, 2023 March 31, 2024 compared to $40.8 million $40.9 million for the three months ended September 30, 2022. We reimbursed Martin Resource Management Corporation for $122.7 million of direct costs and expenses for the nine months ended September 30, 2023 compared to $120.1 million for the nine months ended September 30, 2022 March 31, 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 September 30, 2023 March 31, 2024 and 2022, 2023, the Conflicts Committee approved reimbursement amounts of $3.5 million $3.4 million and $3.4 million, respectively. In each of the nine months ended September 30, 2023 and 2022, the Conflicts Committee approved reimbursement amounts of $10.5 million and $10.1 million $3.5 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, a tolling agreement, and a sulfuric acid sales agency 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, 2022 December 31, 2023, filed with the SEC on March 2, 2023 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 29% 26% and 18% 20% of our total costs and expenses during the three months ended September 30, 2023 March 31, 2024 and 2022, respectively. In the aggregate, the impact of related party transactions included in total costs and expenses accounted for approximately 23% and 18% of our total costs and expenses during the nine months ended September 30, 2023 and 2022, 2023, respectively.

Correspondingly, Martin Resource Management Corporation is one of our significant customers. Our sales to Martin Resource Management Corporation accounted for approximately 15% and 10% of our total revenues for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively. Our sales to Martin Resource Management Corporation accounted for approximately 13% and 9% of our total revenues for the nine months ended September 30, 2023 and 2022, 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, 2022 December 31, 2023, filed with the SEC on March 2, 2023 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 nine months ended September 30, 2023 March 31, 2024 and 2022, 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 Loss Income (Loss) to EBITDA, Adjusted EBITDA, and Adjusted EBITDA After Giving Effect to the Exit of the Butane Optimization Business

		Three Months Ended March 31, Three Months Ended March 31,		Three Months Ended March 31,			
		Three Months Ended September 30,		Nine Months Ended September 30,			
		2023	2022	2023	2022	2024	2023
		(in thousands)		(in thousands)			
Net loss		$ (1,061)	$ (28,043)	$ (5,066)	$ (9,959)		
		(in thousands)					(in thousands)
Net income (loss)							
Adjustments:	Adjustments:						
Interest expense							
Interest expense							
Interest expense	Interest expense	14,994	13,906	45,914	39,181		
Income tax expense	Income tax expense	788	1,891	3,619	5,469		
Depreciation and amortization	Depreciation and amortization	12,223	13,721	37,671	43,007		
EBITDA	**EBITDA**	26,944	1,475	82,138	77,698		
Adjustments:	Adjustments:						
Gain on disposition or sale of property, plant and equipment		(811)	(790)	(1,096)	(1,050)		
(Gain) loss on disposition or sale of property, plant and equipment							
(Gain) loss on disposition or sale of property, plant and equipment							
(Gain) loss on disposition or sale of property, plant and equipment							
Loss on extinguishment	Loss on extinguishment	—	—	5,121	—		

of debt	of debt				
Lower of cost or net realizable value and other non-cash adjustments	Lower of cost or net realizable value and other non-cash adjustments	—	18,084	(12,850)	20,326
Unit-based compensation	Unit-based compensation	37	46	127	125
Adjusted EBITDA	**Adjusted EBITDA**	$ 26,170	$ 18,815	$ 73,440	$ 97,099
Adjustments:	Adjustments:				
Less: net loss associated with butane optimization business	Less: net loss associated with butane optimization business	—	20,032	2,255	15,280
Less: net loss associated with butane optimization business					
Less: net loss associated with butane optimization business					
Plus: lower of cost or net realizable value and other non-cash adjustments	Plus: lower of cost or net realizable value and other non-cash adjustments	—	$ (18,457)	12,850	(18,826)
Adjusted EBITDA after giving effect to the exit of the butane optimization business	**Adjusted EBITDA after giving effect to the exit of the butane optimization business**	$ 26,170	$ 20,390	$ 88,545	$ 93,553

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 March 31,					
		Three Months Ended March 31,	**Three Months Ended March 31,**				
		Three Months Ended September 30,		**Nine Months Ended September 30,**			
		2023	**2022**	**2023**	**2022**	**2024**	**2023**
		(in thousands)		**(in thousands)**			
		(in thousands)					**(in thousands)**
Net cash provided by (used in) operating activities	**Net cash provided by (used in) operating activities**	$ 7,291	$ (45,207)	$ 106,065	$ (16,756)		

Interest expense 1	Interest expense 1	13,623	13,118	41,108	36,825
Current income tax expense	Current income tax expense	333	584	1,297	1,858
Lower of cost or net realizable value and other non-cash adjustments	Lower of cost or net realizable value and other non-cash adjustments	—	18,084	(12,850)	20,326
Commodity cash flow hedging gains reclassified to earnings		—	167	—	901
Net cash paid for closed commodity derivative positions included in AOCI		—	—	—	(85)
Changes in operating assets and liabilities which (provided) used cash:	**Changes in operating assets and liabilities which (provided) used cash:**				
Accounts and other receivables, inventories, and other current assets					
Accounts and other receivables, inventories, and other current assets					
Accounts and other receivables, inventories, and other current assets	Accounts and other receivables, inventories, and other current assets	(5,983)	(5,651)	(98,485)	59,250
Trade, accounts and other payables, and other current liabilities	Trade, accounts and other payables, and other current liabilities	11,155	38,691	35,285	(4,104)
Other	Other	(249)	(971)	1,020	(1,116)
Adjusted EBITDA	**Adjusted EBITDA**	26,170	18,815	73,440	97,099
Adjustments:	Adjustments:				
Less: net loss associated with butane optimization business	Less: net loss associated with butane optimization business	—	20,032	2,255	15,280
Less: net loss associated with butane optimization business					
Less: net loss associated					

with butane optimization business

Plus: lower of cost or net realizable value and other non-cash adjustments	Plus: lower of cost or net realizable value and other non-cash adjustments	—	(18,457)	12,850	(18,826)
Adjusted EBITDA after giving effect to the exit of the butane optimization business	**Adjusted EBITDA after giving effect to the exit of the butane optimization business**	26,170	20,390	88,545	93,553
Adjustments:	Adjustments:				

Interest expense

Interest expense

Interest expense	Interest expense	(14,994)	(13,906)	(45,914)	(39,181)
Income tax expense	Income tax expense	(788)	(1,891)	(3,619)	(5,469)
Deferred income taxes	Deferred income taxes	455	1,307	2,322	3,611
Amortization of debt discount	Amortization of debt discount	600	—	1,600	—
Amortization of deferred debt issuance costs	Amortization of deferred debt issuance costs	771	788	3,206	2,356
Payments for plant turnaround costs	Payments for plant turnaround costs	(1,706)	(2,662)	(2,367)	(4,262)
Maintenance capital expenditures	Maintenance capital expenditures	(5,516)	(5,994)	(19,588)	(14,548)
Distributable cash flow	**Distributable cash flow**	4,992	(1,968)	24,185	36,060
Principal payments under finance lease obligations	Principal payments under finance lease obligations	—	(61)	(9)	(180)
Expansion capital expenditures	Expansion capital expenditures	(3,444)	(926)	(6,126)	(5,482)
Adjusted free cash flow	**Adjusted free cash flow**	$ 1,548	$ (2,955)	$ 18,050	$ 30,398

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

Results of Operations

The results of operations for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 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 nine months ended September 30, 2023 March 31, 2024 and 2022. 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.

Effective January 1, 2023, we reorganized our Terminalling and Storage and Natural Gas Liquids operating segments. The underground NGL storage division of our Natural Gas Liquids operating segment was moved to the Terminalling and Storage operating segment. Further, our packaged lubricants and grease businesses were moved from the Terminalling and Storage operating segment to the Specialty Products operating segment (formerly named the Natural Gas Liquids segment). All prior period financial information has been revised to reflect these changes.

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 September 30, 2023 March 31, 2024 Compared to the Three Months Ended September 30, 2022 March 31, 2023

		Operating Revenues	Intersegment Revenues Eliminations	Operating Revenues after Eliminations	Operating Income (Loss)	Operating Income (Loss) Intersegment Eliminations	Operating Income (Loss) after Eliminations		Operating Revenues	Intersegment Revenues Eliminations	Operating Revenues after Eliminations	Operating Income (Loss)	In E
Three Months Ended September 30, 2023				(in thousands)									
Three Months Ended March 31, 2024								**Three Months Ended March 31, 2024**			(in thousands)		
Terminalling and storage	Terminalling and storage	$ 23,973	$ (1,771)	$ 22,202	$ 3,107	$ (1,750)	$ 1,357						
Transportation	Transportation	58,541	(3,318)	55,223	6,677	(3,354)	3,323						
Sulfur services	Sulfur services	32,577	—	32,577	2,743	3,250	5,993						
Specialty products	Specialty products	66,720	(25)	66,695	6,014	1,854	7,868						
Indirect selling, general and administrative	Indirect selling, general and administrative	—	—	—	(3,837)	—	(3,837)						
Total	Total	$ 181,811	$ (5,114)	$ 176,697	$ 14,704	$ —	$ 14,704						

	Operating Revenues	Intersegment Revenues Eliminations	Operating Revenues after Eliminations	Operating Income (Loss)	Operating Income (Loss) Intersegment Eliminations	Operating Income (Loss) after Eliminations
Three Months Ended September 30, 2022			(in thousands)			
Terminalling and storage	$ 23,034	$ (3,046)	$ 19,988	$ (47)	$ (2,999)	$ (3,046)
Transportation	63,514	(4,521)	58,993	12,073	(4,545)	7,528
Sulfur services	28,868	—	28,868	(6,676)	2,733	(3,943)
Specialty products	121,483	(27)	121,456	(13,334)	4,811	(8,523)
Indirect selling, general and administrative	—	—	—	(4,260)	—	(4,260)
Total	$ 236,899	$ (7,594)	$ 229,305	$ (12,244)	$ —	$ (12,244)

Nine Months Ended September 30, 2023 Compared to the Nine Months Ended September 30, 2022

	Operating Revenues	Intersegment Revenues Eliminations	Operating Revenues after Eliminations	Operating Income (Loss)	Operating Income (Loss) Intersegment Eliminations	Operating Income (Loss) after Eliminations
Nine Months Ended September 30, 2023	(in thousands)					
Terminalling and storage	$ 71,798	$ (7,054)	$ 64,744	$ 10,661	$ (7,004)	$ 3,657
Transportation	178,875	(13,179)	165,696	25,135	(13,288)	11,847
Sulfur services	108,586	—	108,586	12,582	9,308	21,890
Specialty products	277,895	(59)	277,836	13,089	10,984	24,073
Indirect selling, general and administrative	—	—	—	(11,929)	—	(11,929)
Total	$ 637,154	$ (20,292)	$ 616,862	$ 49,538	$ —	$ 49,538

		Operating Revenues	Intersegment Revenues Eliminations	Operating Revenues after Eliminations	Operating Income (Loss)	Operating Income (Loss) Intersegment Eliminations	Operating Income (Loss) after Eliminations	Operating Revenues	Intersegment Revenues Eliminations	Operating Revenues after Eliminations	Operating Income (Loss)	In E
Nine Months Ended September 30, 2022		(in thousands)										
Three Months Ended March 31, 2023								**Three Months Ended March 31, 2023**	(in thousands)			
Terminalling and storage	Terminalling and storage	$ 69,027	$ (9,219)	$ 59,808	$ (258)	$ (9,121)	$ (9,379)					
Transportation	Transportation	176,313	(14,778)	161,535	30,304	(14,833)	15,471					
Sulfur services	Sulfur services	144,944	—	144,944	15,110	7,784	22,894					
Specialty products	Specialty products	409,310	(95)	409,215	2,311	16,170	18,481					
Indirect selling, general and administrative	Indirect selling, general and administrative	—	—	—	(12,772)	—	(12,772)					
Total	Total	$ 799,594	$ (24,092)	$ 775,502	$ 34,695	$ —	$ 34,695					

Terminalling and Storage Segment

Comparative Results of Operations for the Three Months Ended September 30, 2023 March 31, 2024 and 2022 2023

		Three Months Ended September 30, 2023	2022	Variance	Percent Change	Three Months Ended March 31,		Variance	Percent Change
		(In thousands, except BBL per day)							
Revenues	Revenues	$23,973	$23,034	$ 939	4 %				
Revenues									
Revenues						$ 24,285	$23,919	$ 366	2 %

Cost of products sold	Cost of products sold	23	6	17	283 %	Cost of products sold	18	6	6	12	12	200	200 %
Operating expenses	Operating expenses	15,078	16,418	(1,340)	(8)%	Operating expenses	15,035	14,308	14,308	727	727	5	5 %
Selling, general and administrative expenses	Selling, general and administrative expenses	628	457	171	37 %	Selling, general and administrative expenses	282	549	549	(267)	(267)	(49)	(49)%
Depreciation and amortization	Depreciation and amortization	5,102	6,200	(1,098)	(18)%	Depreciation and amortization	5,395	5,599	5,599	(204)	(204)	(4)	(4)%
		3,142	(47)	3,189	6,785 %		3,555	3,457	3,457	98	98	3	3 %
Other operating loss, net		(35)	—	(35)									
Other operating income (loss), net						Other operating income (loss), net	102		(349)		451		129 %
Operating income (loss)		$ 3,107	$ (47)	$ 3,154	6,711 %								
Operating income													
Operating income													
Operating income							$ 3,657		$ 3,108		$ 549		18 %
Shore-based throughput volumes (gallons)	Shore-based throughput volumes (gallons)	40,655	14,658	25,997	177 %								
Smackover refinery throughput volumes (guaranteed minimum BBL per day)		6,500	6,500	—	— %								
Shore-based throughput volumes (gallons)													
Shore-based throughput volumes (gallons)							45,769		43,349		2,420		6 %
Smackover refinery throughput volumes (guaranteed minimum) (BBL per day)						Smackover refinery throughput volumes (guaranteed minimum) (BBL per day)	6,500		6,500		—		— %

Revenues. Revenues increased $0.4 million. Revenue at our shore-based terminals increased $0.9 million, of which $0.8 million was primarily a result of increased including $0.5 million in fuel throughput at our shore-based terminals. and $0.4 million in space rent. In addition, revenue at our specialty terminals increased $0.5 million $0.3 million primarily as a result of higher throughput and storage revenue as a result of contractually prescribed, index-based fee adjustments. revenue. Revenue at our Smackover refinery decreased $0.7 million $0.8 million primarily as a result of decreased pipeline revenue of $1.4 million, offset by increases in throughput revenue of $0.3 million and reservation fees of $0.3 million. natural gas surcharge revenue.

Operating expenses. Operating expenses decreased increased primarily as a result of lease expense insurance premiums of $1.4 million $1.1 million, repairs and maintenance of $0.4 million, operating supplies of $0.2 million and employee-related expenses of $0.2 million, offset by a decrease in natural gas utilities of $0.6 million, offset by increased insurance premiums of $0.3 million and employee related expenses of $0.1 million.

Selling, general and administrative expenses. *$1.2 million* 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 loss, net. Other operating loss, net represents gains and losses from the disposition of property, plant and equipment.

Comparative Results of Operations for the Nine Months Ended September 30, 2023 and 2022

	Nine Months Ended September 30,							
	2023		2022		Variance		Percent Change	
	(In thousands, except BBL per day)							
Revenues	$	71,798	$	69,027	$	2,771	4	%
Cost of products sold		54		15		39	260	%
Operating expenses		43,318		47,372		(4,054)	(9)	%
Selling, general and administrative expenses		1,510		1,491		19	1	%
Depreciation and amortization		15,896		20,372		(4,476)	(22)	%
		11,020		(223)		11,243	5,042	%
Other operating loss, net		(359)		(35)		(324)	(926)	%
Operating income (loss)	$	10,661	$	(258)	$	10,919	4,232	%
Shore-based throughput volumes (gallons)		126,438		42,201		84,237	200	%
Smackover refinery throughput volumes (guaranteed minimum) (BBL per day)		6,500		6,500		—	—	%

Revenues. Revenues increased $2.8 million, of which $2.6 million was primarily a result of increased fuel throughput at our shore-based terminals. In addition, revenue at our specialty terminals increased $1.3 million primarily as a result of higher throughput and storage revenue resulting from contractually prescribed, index-based fee adjustments. Revenue at our Smackover refinery decreased $1.3 million as a result of decreased pipeline revenue of $4.2 million, offset by increases in natural gas surcharge revenue of $1.2 million, reservation fees of $0.9 million, and throughput revenue of $0.8 million.

Operating expenses. Operating expenses decreased primarily as a result of lease expense of $4.1 million and natural gas utilities of $0.3 million, offset by increased employee-related expenses of $0.4 million.

Selling, general and administrative expenses. Selling, general and administrative expenses decreased 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 loss, income (loss), net. Other operating loss, 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 September 30, 2023 March 31, 2024 and 2022 2023

		Three Months Ended September 30,					Three Months Ended March 31,				Variance		Percent Change
		2023	2022	Variance	Percent Change								
		(In thousands)											
Revenues													
Revenues													
Revenues	Revenues	$58,541	$63,514	$ (4,973)	(8) %	$	62,042	$	$61,939	$	$ 103	—	— %
Operating expenses	Operating expenses	46,465	46,499	(34)	— %	Operating expenses	46,641	46,190	46,190	451	451	1	1 %
Selling, general and administrative expenses	Selling, general and administrative expenses	2,571	1,962	609	31 %	Selling, general and administrative expenses	2,200	2,549	2,549	(349)	(349)	(14)	(14)%
Depreciation and amortization	Depreciation and amortization	3,674	3,598	76	2 %								
		5,831	11,455	(5,624)	(49) %								

Depreciation and amortization													
Depreciation and amortization							3,476		3,762		(286)		(8)%
	$							$ 9,725		$9,438		$ 287	3 %
Other operating income, net	Other operating income, net	846	618	228	37 %	Other operating income, net	106	4	4	102	102	2,550	2,550 %
Operating income	Operating income	$ 6,677	$12,073	$ (5,396)	(45) %	Operating income	$9,831	$	$9,442	$	$389	4	4 %

Marine Revenues. Revenues for our Transportation RevenuesSegment increased $0.1 million. Inland In our marine transportation division, inland revenues increased $1.4 million $2.3 million, primarily related to higher transportation rates, offset by a decrease in utilization associated with equipment repairs and offshore revenue of $0.2 million due to downtime related to regulatory inspections. Additionally, there was a decline in pass-through revenue (primarily fuel) of $0.6 million.

Land Transportation Revenues. Revenue decreased $1.8 million, primarily due to an 8% decrease in miles, offset by a 22% increase in load count. Additionally, ancillary In our land transportation division, revenue decreased $4.0 million.

Operating expenses. Operating expenses remained relatively consistent.

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

Depreciation and amortization. Depreciation and amortization remained relatively consistent.

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 Nine Months Ended September 30, 2023 and 2022

	Nine Months Ended September 30,			
	2023	2022	Variance	Percent Change
	(In thousands)			
Revenues	$ 178,875	$ 176,313	$ 2,562	1 %
Operating expenses	136,940	130,229	6,711	5 %
Selling, general and administrative expenses	7,101	5,920	1,181	20 %
Depreciation and amortization	11,196	10,761	435	4 %
	$ 23,638	$ 29,403	$ (5,765)	(20)%
Other operating income, net	1,497	901	596	66 %
Operating income	$ 25,135	$ 30,304	$ (5,169)	(17)%

Marine Transportation Revenues. Inland revenues increased $6.2 million, primarily related to higher transportation rates coupled with a decrease in pass-through revenue (primarily fuel) of $2.1 million.

Land Transportation Revenues. Revenue increased $5.5 million $2.0 million primarily due to a 29% decrease in ancillary revenue of $3.1 million, offset by a $1.1 million increase in freight revenue related to a 17% increase in load count combined with a 1% 4% increase in total miles, offset by a decrease in ancillary revenue of $7.1 million. miles.

Operating expenses. The increase in operating expenses is primarily a result of employee-related expenses of $4.8 million, lease expense of $3.6 million $1.8 million and insurance premiums of $0.6 million, offset by repairs and maintenance of $2.9 million $1.5 million and insurance premiums of $1.2 million, offset by pass-through expenses (primarily fuel) of $5.2 million and recruitment expenses of $0.4 million.

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

Depreciation and amortization. Depreciation The decrease in depreciation and amortization increased as a is primarily the result of capital expenditures, asset disposals, offset by disposals. 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 September 30, 2023 March 31, 2024 and 2022 2023

	Three Months Ended September 30,			
	2023	2022	Variance	Percent Change
	(In thousands)			
Revenues:				
Services	$ 3,358	$ 3,085	$ 273	9 %
Products	29,219	25,783	3,436	13 %
Total revenues	32,577	28,868	3,709	13 %
Cost of products sold	21,972	27,201	(5,229)	(19)%
Operating expenses	3,510	3,978	(468)	(12)%
Selling, general and administrative expenses	1,713	1,509	204	14 %
Depreciation and amortization	2,639	2,786	(147)	(5)%
	2,743	(6,606)	9,349	142 %
Other operating loss, net	—	(70)	70	100 %
Operating income (loss)	$ 2,743	$ (6,676)	$ 9,419	141 %
Sulfur (long tons)	155	95	60	63 %
Fertilizer (long tons)	58	24	34	142 %
Total sulfur services volumes (long tons)	213	119	94	79 %

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

Products revenues. Products revenues decreased $9.5 million as a result of a 37% drop in average sulfur services sales prices, offset by an increase of $12.9 million due to a 79% increase in sales volumes, primarily related to a 142% increase in fertilizer volumes.

Cost of products sold. A 55% decrease in product cost impacted cost of products sold by $14.9 million, resulting from a drop in commodity prices. A 79% increase in sales volumes resulted in an offsetting increase in cost of products sold of $9.7 million. Margin per ton increased $45.94, or 386%.

Operating expenses. Operating expenses decreased due to decreases in insurance claims of $0.3 million and outside towing of $0.2 million. 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 decreased largely due to the sale of the Stockton assets in the fourth quarter of 2022.

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

Comparative Results of Operations for the Nine Months Ended September 30, 2023 and 2022

		Three Months Ended March 31,		Variance	Percent Change

		Nine Months Ended September 30,			
		2023	2022	Variance	Percent Change
		(In thousands)			
Revenues:	Revenues:				
Revenues:					
Revenues:					
Services					
Services					
Services	Services	$10,073	$ 9,253	$ 820	9 %
Products	Products	98,513	135,691	(37,178)	(27) %

$ 3,477	$	$3,358	$	$119	4	4	%
Products 30,204	32,321	32,321	(2,117)	(2,117)	(7)		

Total revenues	Total revenues	108,586	144,944	(36,358)	(25) %	Total revenues	33,681	35,679	35,679	(1,998)	(1,998)	(6)	
Cost of products sold													
Cost of products sold													
Cost of products sold	Cost of products sold	74,062	105,640	(31,578)	(30) %		22,771	23,949	23,949	(1,178)	(1,178)	(5)	(5)
Operating expenses	Operating expenses	9,595	11,233	(1,638)	(15) %	Operating expenses	2,940	2,899	2,899	41	41	1	
Selling, general and administrative expenses	Selling, general and administrative expenses	4,292	4,550	(258)	(6) %	Selling, general and administrative expenses	1,303	1,617	1,617	(314)	(314)	(19)	(
Depreciation and amortization	Depreciation and amortization	8,072	8,377	(305)	(4) %	Depreciation and amortization	2,982	2,677	2,677	305	305	11	
		12,565	15,144	(2,579)	(17) %		3,685	4,537	4,537	(852)	(852)	(19)	(
Other operating income (loss), net	Other operating income (loss), net	17	(34)	51	150 %	Other operating income (loss), net	—	16	16	(16)	(16)	(100)	(1
Operating income	Operating income	$12,582	$15,110	$ (2,528)	(17) %								
Operating income													
Operating income							$3,685		$4,553		$ (868)		(19)%
Sulfur (long tons)													
Sulfur (long tons)													
Sulfur (long tons)	Sulfur (long tons)	352	327	25	8 %		92	74	74	18	18	24	24
Fertilizer (long tons)	Fertilizer (long tons)	192	170	22	13 %	Fertilizer (long tons)	73	61	61	12	12	20	
Total sulfur services volumes (long tons)	Total sulfur services volumes (long tons)	544	497	47	9 %	Total sulfur services volumes (long tons)	165	135	135	30	30	22	

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

Products revenues. Products revenues decreased $45.7 million $7.6 million as a result of a 34% drop 24% reduction in average sulfur products sales prices. Products revenues increased $8.5 million $5.5 million due to a 9% 22% increase in sales volumes, primarily related to a 13% 24% increase in fertilizer sulfur volumes.

Cost of products sold. A 36% 22% decrease in product cost impacted cost of products sold by $38.0 million $5.3 million, resulting from a drop in reduced commodity prices. A 9% 22% increase in sales volumes resulted in an increase in cost of products sold of $6.4 million $4.1 million. Margin per ton decreased $15.52, $16.97, or 26% 27%.

Operating expenses. Operating expenses decreased due to decreases in outside towing of $0.7 million, marine fuel and lube expense of $0.6 million, insurance claims of $0.5 million, and repairs and maintenance of $0.3 million offset by an increase in utilities of $0.3 million. There were no other individually significant fluctuations between periods. remained consistent.

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

Depreciation and amortization. Depreciation and amortization decreased largely increased due to the sale amortization of the Stockton assets higher turnaround spend in the fourth quarter of 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 September 30, 2023 March 31, 2024 and 2022 2023

	Three Months Ended September 30,			
	2023	2022	Variance	Percent Change
	(In thousands)			
Products revenues	$ 66,720	$ 121,484	$ (54,764)	(45)%
Cost of products sold	58,177	131,790	(73,613)	(56)%
Operating expenses	23	26	(3)	(12)%
Selling, general and administrative expenses	1,698	2,107	(409)	(19)%
Depreciation and amortization	808	1,137	(329)	(29)%
	6,014	(13,576)	19,590	144 %
Other operating income, net	—	242	(242)	(100)%
Operating income (loss)	$ 6,014	$ (13,334)	$ 19,348	145 %
NGL sales volumes (Bbls)	509	1,180	(671)	(57)%
Other specialty products volumes (Bbls)	106	110	(4)	(4)%
Total specialty products volumes (Bbls)	615	1,290	(675)	(52)%

Products Revenues. Product revenues decreased $28.4 million as a result of the exit of the butane optimization business in the second quarter 2023.For the remaining products, sales volumes decreased 26%, lowering revenues by $22.9 million, primarily related to a 29% decrease in NGL sales volumes. Our average sales price per barrel decreased $4.19, or 4%, decreasing revenues by $3.5 million.

Cost of products sold. Cost of products sold decreased $47.9 million as a result of the exit of the butane optimization business in the second quarter of 2023. For the remaining products, the decrease in sales volumes of 26% resulted in a $20.0 million reduction to cost of products sold. Our average cost per barrel decreased $6.92, or 7%, decreasing cost of products sold by $5.7 million. Our margins increased $2.72 per barrel, or 24%, during the period.

Operating expenses. Operating expenses remained consistent.

Selling, general and administrative expenses. Selling, general and administrative expenses decreased primarily due to the exit of the butane optimization business in the second quarter of 2023.

Depreciation and amortization. Depreciation and amortization decreased due to certain assets becoming fully depreciated during the fourth quarter of 2022.

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 Nine Months Ended September 30, 2023 and 2022

							Three Months Ended March 31,				Variance		Percen Chang
		Nine Months Ended September 30,											
		2023	2022	Variance	Percent Change								
		(In thousands)											
Products revenues	Products revenues	$277,895	$409,310	$(131,415)	(32) %								
Products revenues													
Products revenues							$66,346		$ 132,277		$(65,931)		
Cost of products sold													
Cost of products sold													
Cost of products sold	Cost of products sold	256,898	396,865	(139,967)	(35) %		59,644	124,451	124,451	(64,807)	(64,807)	(52)	
Operating expenses	Operating expenses	55	98	(43)	(44) %	Operating expenses	25	14	14	11	11	7	
Selling, general and administrative expenses	Selling, general and administrative expenses	5,287	6,757	(1,470)	(22) %	Selling, general and administrative expenses	1,323	2,290	2,290	(967)	(967)	(4	

Depreciation and amortization	Depreciation and amortization	2,507	3,497	(990)	(28) %	Depreciation and amortization	796	863	863	(67)	(67)	(8
		13,148	2,093	11,055	528 %		4,558	4,659	4,659	(101)	(101)	(2
Other operating income (loss), net	Other operating income (loss), net	(59)	218	(277)	(127) %	Other operating income (loss), net	—	(59)	(59)	59	59	10(
Operating income	Operating income	$ 13,089	$ 2,311	$ 10,778	466 %	Operating income	$ 4,558	$	$ 4,600	$	$ (42)	(1)
NGL sales volumes (Bbls)	NGL sales volumes (Bbls)	3,027	3,930	(903)	(23) %							
NGL sales volumes (Bbls)												
NGL sales volumes (Bbls)							622		1,691		(1,069)	
Other specialty products volumes (Bbls)	Other specialty products volumes (Bbls)	280	311	(31)	(10) %	Other specialty products volumes (Bbls)	80	84	84	(4)	(4)	(5
Total specialty products volumes (Bbls)	Total specialty products volumes (Bbls)	3,307	4,241	(934)	(22) %	Total specialty products volumes (Bbls)	702	1,775	1,775	(1,073)	(1,073)	(60

Products Revenues. Product revenues decreased $46.3 million $56.9 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 22% 8%, lowering revenues by $58.8 million $5.4 million, primarily related to a 24% an 8% decrease in NGL sales volumes. Products revenues decreased $26.3 million $3.7 million as a result of a 9% drop 5% reduction in average specialty products sales prices.

Cost of products sold. Cost of products sold decreased $58.1 million $56.2 million as a result of the exit of the butane optimization business in the second quarter of 2023. For the remaining products, an 11% a 6% decrease in product cost impacted cost of products sold by $29.6 million $3.8 million, resulting from a drop in reduced commodity prices. A 22% An 8% reduction in sales volumes resulted in an additional decrease in cost of products sold of $52.3 million $4.8 million.

Operating expenses. Operating expenses remained consistent.

Selling, general and administrative expenses. Selling, general and administrative expenses decreased primarily $0.6 million related to lower employee-related expenses and $0.4 million due to the exit of the butane optimization business in the second quarter of 2023.

Depreciation and amortization. Depreciation and amortization decreased due to certain assets becoming fully depreciated during the fourth first quarter of 2022. 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 September 30, 2023 March 31, 2024 and 2022 2023

	Three Months Ended September 30,			
	2023	2022	Variance	Percent Change
	(In thousands)			
Credit facility	$ 1,608	$ 2,695	$ (1,087)	(40)%
Senior notes	11,756	9,830	1,926	20 %
Amortization of deferred debt issuance costs	771	788	(17)	(2)%
Amortization of debt discount	600	—	600	
Other	277	592	(315)	(53)%
Finance leases	—	1	(1)	(100)%

Capitalized interest	(18)	—	(18)	
Total interest expense, net	$ 14,994	$ 13,906	$ 1,088	8 %

Comparative Components of Interest Expense, Net for the Nine Months Ended September 30, 2023 and 2022

		Nine Months Ended September 30,			
		2023	2022	Variance	Percent Change
		(In thousands)			
Credit facility	Credit facility	$ 6,333	$ 6,281	$ 52	1 %
Senior notes	Senior notes	33,596	28,966	4,630	16 %
Amortization of deferred debt issuance costs	Amortization of deferred debt issuance costs	3,206	2,356	850	36 %
Amortization of debt discount	Amortization of debt discount	1,600	—	1,600	
Other	Other	1,208	1,571	(363)	(23) %
Finance leases		—	7	(7)	(100) %
Capitalized interest	Capitalized interest	(29)	—	(29)	
Total interest expense, net	Total interest expense, net	$45,914	$39,181	$ 6,733	17 %

	Three Months Ended March 31,			Variance		Percent Change	
Credit facility							
Credit facility	$ 1,170	$ 2,784		$(1,614)		(58) %	
Senior notes	11,117	10,213	10,213	904	904	9	9 %
Amortization of deferred debt issuance costs	766	1,675	1,675	(909)	(909)	(54)	(54)%
Amortization of debt discount	600	400	400	200	200	50	50 %
Other	331	589	589	(258)	(258)	(44)	(44)%
Capitalized interest							
Capitalized interest	(142)	(4)	(4)	(138)	(138)	(3,450)	(3,450) %
Total interest expense, net							
Total interest expense, net	$ 13,842	$ 15,657		$(1,815)		(12) %	

Indirect Selling, General and Administrative Expenses

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2023	2022	Variance	Percent Change	2023	2022	Variance	Percent Change
	(In thousands)				(In thousands)			
Indirect selling, general and administrative expenses	$ 3,837	$ 4,260	$ (423)	(10)%	$ 11,929	$ 12,772	$ (843)	(7)%

	Three Months Ended March 31,			
	2024	2023	Variance	Percent Change
	(In thousands)			
Indirect selling, general and administrative expenses	$ 3,836	$ 4,198	$ (362)	(9)%

Indirect selling, general and administrative expenses decreased for the three months ended September 30, 2023 March 31, 2024 compared to the three months ended September 30, 2022 March 31, 2023 as a result of decreased employee-related expenses. Indirect selling, general and administrative expenses decreased for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022 as a result of decreased employee-related expenses of $1.3 million, offset by an increase decreases in overhead expenses allocated from Martin Resource Management Corporation of $0.4 million $0.1 million, employee-related expenses of $0.1 million, and increased 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 nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Variance	Percent Change	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	Variance	Percent Change
	(In thousands)				(In thousands)			
Conflicts Committee approved reimbursement amount	$ 3,496	$ 3,373	$ 123	4 %	$ 10,487	$ 10,118	$ 369	4 %

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023	Variance	Percent Change
	(In thousands)			
Conflicts Committee approved reimbursement amount	$ 3,377	$ 3,496	$ (119)	(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 - Nine Three Months Ended September 30, 2023 March 31, 2024 Compared to Nine Three Months Ended September 30, 2022 March 31, 2023

The following table details the cash flow changes between the nine three months ended September 30, 2023 March 31, 2024 and 2022: 2023:

	Three Months Ended March 31,	Variance	Percent Change

	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	Variance	Percent Change
	(In thousands)			
Net cash provided by (used in):				

Net cash provided by (used in):

Net cash provided by (used in):

Net cash provided by (used in):

Operating activities

Operating activities

Operating activities	Operating activities	$106,065	$(16,756)	$122,821			$ 10,109	$	$49,264	$		$(39,155)	(79)	(79)	%
Investing activities	Investing activities	(22,478)	(23,072)	594	3 %	Investing activities	(17,395)	(4,218)		(4,218)	(13,177)		(13,177)	(312)	(
Financing activities	Financing activities	(83,578)	39,821	(123,399)		Financing activities	7,286	(45,034)		(45,034)	52,320		52,320	116	
Net increase (decrease) in cash and cash equivalents	Net increase (decrease) in cash and cash equivalents	$ 9	$ (7)	$ 16	229 %	Net increase (decrease) in cash and cash equivalents	$ —	$		$ 12	$	$(12)		(100)	(100)

Net cash provided by (used in) operating activities. The increase decrease in net cash provided by operating activities for the nine three months ended September 30, 2023 March 31, 2024 includes an increase in operating results and other non-cash charges of $6.6 million combined with a favorable $0.2 million, offset by an unfavorable variance in cash flows associated with changes in working capital of $116.2 million, which includes $107.3 million related to the liquidation of working capital associated with our butane optimization business and will be non-recurring in future reporting periods. $39.3 million.

Net cash used in investing activities. Net cash used in investing activities for the nine three months ended September 30, 2023 decreased $0.6 million March 31, 2024 increased $13.2 million. A decrease An increase in cash used of $2.4 million $9.9 million resulted from lower higher payments for capital expenditures and plant turnaround costs in 2023. 2024. In addition, net proceeds from the sale of property, plant and equipment increased $3.0 million decreased $3.3 million.

Net cash (used in) provided by financing activities. Net cash (used in) provided by financing activities for the nine three months ended September 30, 2023 March 31, 2024 increased primarily as a result of a $110.4 million $38.7 million increase in net payments borrowings of long-term borrowings. debt. Additionally, payments of debt issuance costs increased $14.2 million decreased $13.6 million.

Total Contractual Obligations

A summary of our total contractual cash obligations as of September 30, 2023 March 31, 2024, is as follows:

		Payments due by period						Payments due by period				
Type of Obligation	Type of Obligation	Total Obligation	Less than One Year	1-3 Years	3-5 Years	Due Thereafter	Type of Obligation	Total Obligation	Less than One Year	1-3 Years	3-5 Years	Due Thereafter
Credit facility	Credit facility	$ 62,500	$ —	$ —	$ 62,500	$ —						
11.5% senior secured notes, due 2028	11.5% senior secured notes, due 2028	400,000	—	—	400,000	—						
Operating leases	Operating leases	70,402	18,175	29,953	16,436	5,838						
Interest payable on fixed long-term debt obligations	Interest payable on fixed long-term debt obligations	200,426	46,000	92,000	62,426	—						
Interest payable on fixed long-term debt obligations												

Interest payable on fixed long-term debt obligations						
Total contractual cash obligations	Total contractual cash obligations	$733,328	$64,175	$121,953	$541,362	$ 5,838

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 September 30, 2023 March 31, 2024, we had outstanding irrevocable letters of credit in the amount of $9.4 million $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 September 30, 2023 March 31, 2024, we maintained a $175.0 million credit facility that matures on February 8, 2027. As of September 30, 2023 March 31, 2024, we had $62.5 million $50.0 million outstanding under the credit facility and $9.4 million $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 $103.1 million $115.8 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 $84.1 million $101.4 million in additional amounts thereunder as of September 30, 2023.

Effective February 8, 2023, in connection with the completion of our sale of the 2028 Notes, we amended our credit facility (the "amended credit facility") to, among other things, reduce the commitments thereunder from $275.0 million to $200.0 million (with further scheduled reductions to $175.0 million on June 30, 2023 and $150.0 million on June 30, 2024) and extend the scheduled maturity date of the amended credit facility to February 8, 2027. The commitments under the amended credit facility can be increased from time to time upon our request, subject to certain conditions (including the consent of the increasing lenders), up to an additional $50.0 million March 31, 2024.

The amended credit facility is used for ongoing working capital needs and general partnership purposes, and to finance permitted investments, acquisitions and capital expenditures. Prior to the credit facility amendment, the The level of outstanding draws on our credit facility from January 1, 2023 January 1, 2024 through February 8, 2023 March 31, 2024 ranged from a low of $148.5 million $40.5 million to a high of $184.0 million $66.5 million. From February 8, 2023 through September 30, 2023, the level of outstanding draws on our amended credit facility ranged from a low of $57.5 million to a high of $138.0 million.

The amended credit facility is guaranteed by substantially all of our subsidiaries, other than Martin ELSA Investment LLC. Obligations under the amended credit facility are secured by first priority liens on substantially all of our assets and those of the guarantors, including, without limitation, inventory, accounts receivable, bank accounts, marine vessels, equipment, fixed assets and the interests in certain subsidiaries.

We may prepay all amounts outstanding under the amended credit facility at any time without premium or penalty (other than customary breakage costs associated with Adjusted Term SOFR (as defined in the amended credit facility), subject to certain notice requirements. The amended credit facility requires mandatory prepayments of amounts outstanding thereunder with excess cash that exceeds $25.0 million and the net proceeds of certain asset sales.

Indebtedness under the credit facility bears interest at our option at the Adjusted Term SOFR (as defined in the amended credit facility), plus an applicable margin, or the Alternate Base Rate (the highest of the Federal Funds Rate plus 0.50%, the one-month Adjusted Term SOFR plus 1.0%, or the administrative agent's prime rate) plus an applicable margin. We pay a per annum fee on all letters of credit issued under the amended credit facility, and we pay a commitment fee per annum on the unused revolving credit commitments under the amended credit facility. The letter of credit fee, the commitment fee and the applicable margins for our interest rate vary quarterly based on our Total Leverage Ratio (as defined in the amended credit facility, being generally computed as the ratio of total funded debt to consolidated earnings before interest, taxes, depreciation, amortization and certain other non-cash charges) and are as follows:

Leverage Ratio	ABR Loans	Term SOFR Rate Loans and Letters of Credit
Less than 3.00 to 1.00	1.75 %	2.75 %
Greater than or equal to 3.00 to 1.00 and less than 3.50 to 1.00	2.00 %	3.00 %
Greater than or equal to 3.50 to 1.00 and less than 4.00 to 1.00	2.25 %	3.25 %
Greater than or equal to 4.00 to 1.00 and less than 4.50 to 1.00	2.50 %	3.50 %
Greater than or equal to 4.50 to 1.00	2.75 %	3.75 %

The applicable margin for Adjusted Term SOFR borrowings at September 30, 2023 March 31, 2024 is 3.50% 3.25%. The applicable margin for Adjusted Term SOFR borrowings effective October 18, 2023 is April 17, 2024 remains at 3.25%.

The amended For a description of our credit facility, includes financial covenants that are tested on a quarterly basis, based on the rolling four quarter period that ends on the last day see “Item 7. Management's Discussion and Analysis of each fiscal quarter, that require maintenance of:

- a minimum Interest Coverage Ratio (as defined in the amended credit facility) Financial Condition and Results of 2.00:1.00;
- a maximum Total Leverage Ratio Operations - Description of 4.75:1.00, stepping down to 4.50:1.00 on March 31, 2025; and
- a maximum First Lien Leverage Ratio (as defined in the amended credit facility) of 1.50:1.00.

In addition, the amended credit facility contains various covenants, which, among other things, limit our and our subsidiaries' ability to: (i) grant or assume liens; (ii) make investments (including investments Our Long-Term Debt" in our joint ventures) and acquisitions; (iii) enter into certain types of hedging agreements; (iv) incur or assume indebtedness; (v) sell, transfer, assign or convey assets; (vi) repurchase our equity, make distributions (including a limit Annual Report on our ability to make quarterly distributions to unitholders in excess of $0.005 per unit unless our pro forma Total Leverage Ratio is less than 4.50:1.00, our pro forma First Lien Leverage Ratio is less than 1.00 to 1.00, and our pro forma liquidity is greater than or equal to 35% of Form 10-K for the commitments under our amended credit facility) and certain other restricted payments; (vii) change year ended December 31, 2023, filed with the nature of our business; (viii) engage in transactions with affiliates; (ix) enter into certain burdensome agreements; (x) make certain amendments to the Omnibus Agreement and our material agreements; and (xi) permit our joint ventures to incur indebtedness or grant certain liens.

The amended credit facility contains customary events of default, including, without limitation: (i) failure to pay any principal, interest, fees, expenses or other amounts when due; (ii) failure to meet the quarterly financial covenants; (iii) failure to observe any other agreement, obligation, or covenant in the amended credit facility or any related loan document, subject to cure periods for certain failures; (iv) the failure of any representation or warranty to be materially true and correct when made; (v) our, or any of our subsidiaries' default under other indebtedness that exceeds a threshold amount; (vi) bankruptcy or other insolvency events involving us or any of our subsidiaries; (vii) judgments against us or any of our subsidiaries, in excess of a threshold amount; (viii) certain ERISA events involving us or any of our subsidiaries, in excess of a threshold amount; (ix) a change in control (as defined in the amended credit facility); and (x) the invalidity of any of the loan documents or the failure of any of the collateral documents to create a lien SEC on the collateral.

The amended credit facility also contains certain default provisions relating to Martin Resource Management Corporation. If Martin Resource Management Corporation no longer controls our general partner, the lenders under the amended credit facility may declare all amounts outstanding thereunder immediately due and payable. In addition, an event of default by Martin Resource Management Corporation under its credit facility could independently result in an event of default under our amended credit facility if it is deemed to have a material adverse effect on us.

If an event of default relating to bankruptcy or other insolvency events occurs with respect to us or any of our subsidiaries, all indebtedness under our amended credit facility will immediately become due and payable. If any other event of default exists under our amended credit facility, the lenders may terminate their commitments to lend us money, accelerate the maturity of the indebtedness outstanding under the amended credit facility and exercise other rights and remedies. In addition, if any event of default exists under our amended credit facility, the lenders may commence foreclosure or other actions against the collateral. 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, 2022 December 31, 2023, filed with the SEC on March 2, 2023 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 September 30, 2023 March 31, 2024, we had cash and cash equivalents of $0.05 million and available borrowing capacity of $103.1 million $115.8 million under our credit facility with $62.5 million $50.0 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 $84.1 million $101.4 million in additional amounts thereunder as of September 30, 2023. As discussed above, we amended our credit facility effective as of February 8, 2023, to, among other things, reduce the commitments thereunder from $275.0 million to $200.0 million (with further scheduled reductions to $175.0 million on June 30, 2023 and $150.0 million on June 30, 2024) and extend the scheduled maturity date of the credit facility to February 8, 2027 March 31, 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, 2022 December 31, 2023, filed with the SEC on March 2, 2023 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 September 30, 2023 March 31, 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 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 nine three months ended September 30, 2023 March 31, 2024 or 2022. 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. We incurred no material environmental costs, liabilities or expenditures to mitigate or eliminate environmental contamination during the nine three months ended September 30, 2023 March 31, 2024 or 2022. 2023.

On March 6, 2024, the U.S. Securities and Exchange Commission ("SEC") adopted a new set of rules that require a wide range of climate-related disclosures, including material climate-related risks, information on any climate-related targets or goals that are material to the registrant's business, results of operations, or financial condition, Scope 1 and Scope 2 Greenhouse Gas ("GHG") emissions on a phased-in basis by certain larger registrants when those emissions are material and the filing of an attestation report covering the same, and disclosure of the financial statement effects of severe weather events and other natural conditions including costs and losses. Compliance dates under the final rule are phased in by registrant category. Multiple lawsuits have been filed challenging the SEC's new climate rules, which have been consolidated and will be heard in the U.S. Court of Appeals for the Eighth Circuit. On April 4, 2024, the SEC issued an order staying the final rules until judicial review is complete.

In accordance with the requirements of the Inflation Reduction Act of 2022, on January 26, 2024, the U.S. Environmental Protection Agency ("EPA") published its proposed rule regarding the Waste Emissions Charge, applicable to excess methane emissions at certain oil and natural gas facilities. Further, on March 8, 2024, the EPA published its final rules imposing new, stricter requirements for methane monitoring, reporting, and emissions control at certain oil and natural gas facilities.

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, 2022 December 31, 2023, filed with the SEC on March 2, 2023 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.

Our hedging strategy is designed to protect us from excessive pricing volatility. However, since we do not typically hedge 100% of our exposure, abnormal price volatility in any of these commodity markets could influence operating income. We had no outstanding hedging positions as of September 30, 2023.
For derivatives designated in cash flow hedging relationships, we record the gains and losses from the use of these instruments in accumulated other comprehensive income (loss) on the consolidated balance sheets and subsequently recognize the accumulated gains and losses into cost of products sold in the same period when the associated underlying transactions occur. At September 30, 2023, there were no unrealized gains or losses to report in accumulated other comprehensive income (loss) March 31, 2024. All other commodity derivatives are marked-to-market and recognized into cost of products sold with the offset recognized as an asset or accrued liability. See Note 9, Derivative Instruments and Hedging Activities, to the consolidated and condensed financial statements for further information on our outstanding derivatives.

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 8.93% 8.68% as of September 30, 2023 March 31, 2024. Based on the amount of unhedged floating rate debt owed by us on September 30, 2023 March 31, 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 $0.5 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 September 30, 2023 March 31, 2024, the estimated fair value of the 2028 Notes was $406.1 million $424.9 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 September 30, 2023 March 31, 2024, would result in a $12.5 million $11.5 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 14. 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, 2022 December 31, 2023, filed with the SEC on March 2, 2023 February 21, 2024.

Item 5. Other Information

During the three months ended September 30, 2023 March 31, 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).
3.9 4.1	Certificate Indenture (including form of Formation of Redbird Gas Storage LLC, 11.500% Senior Secured Second Lien Notes due 2028), dated May 24, 2011 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 3.27 4.1 to the Partnership's Annual Partnership's Current Report on Form 10-K 8-K (SEC File No. 000-50056), filed March 2, 2015 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).
3.10	Certificate of Merger of Cardinal Gas Storage Partners LLC with and into Redbird Gas Storage LLC, dated October 27, 2014 (filed as Exhibit 3.27 to the Partnership's Quarterly Report on Form 10-Q (SEC File No. 000-50056), filed October 29, 2014, and incorporated herein by reference).
3.11	Third Amended and Restated Limited Liability Company Agreement of Redbird Gas Storage LLC (F/K/A Cardinal Gas Storage Partners LLC) dated October 27, 2014 (filed as Exhibit 3.26 to the Partnership's Quarterly Report on Form 10-Q (SEC File No. 000-50056), filed October 29, 2014, and incorporated herein by reference).
10.1*	Amendment No. 4 to Omnibus Agreement, dated October 17, 2023, by Martin Resource Management Corporation, the General Partner, the Partnership and the Operating Partnership
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 September 30, 2023 March 31, 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 Comprehensive Income (4) the Consolidated and Condensed Statements of Cash Flows; (5) (4) the Consolidated and Condensed Statements of Capital (Deficit); and (6) (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

October 24, 2023 April 23, 2024

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

61

AMENDMENT NO. 4

TO

OMNIBUS AGREEMENT

THIS AMENDMENT NO. 4 TO THE OMNIBUS AGREEMENT (this "***Amendment***") is hereby entered into on October 17, 2023, to be effective as of 12:01 AM on October 17, 2023 (the "**Effective Time**") by Martin Resource Management Corporation, a Texas corporation ("***MRMC***"), Martin Midstream GP, LLC, a Delaware limited liability company (the "***General Partner***"), Martin Midstream Partners L.P., a Delaware limited partnership (the "***Partnership***") and Martin Operating Partnership L.P. (the "***Operating Partnership***"). Capitalized terms used but not defined herein are used as defined in the Omnibus Agreement, dated as of November 1, 2002, by and among MRMC, the General Partner, the Partnership, and the Operating Partnership, as amended (the "***Omnibus Agreement***").

WHEREAS, MRMC, the General Partner, the Partnership and the Operating Partnership entered into the Omnibus Agreement; and

WHEREAS, MRMC, the General Partner, the Partnership and the Operating Partnership wish to amend the Omnibus Agreement pursuant to Section 6.8 of the Omnibus Agreement to revise the definition of "*Business*" thereunder;

WHEREAS, the Partnership, in accordance with Section 6.8 of the Omnibus Agreement has received the prior approval of the Conflicts Committee to agree to amend the Omnibus Agreement, as reflected in the resolutions of the Conflicts Committee dated October 17, 2023.

NOW, THEREFORE, in consideration of the premises and covenants, conditions, and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, MRMC, the General Partner, the Partnership and the Operating Partnership hereby agree as follows:

Section 1. Amendments to the Omnibus Agreement.

(a) The definition of "*Business*" as defined in Article 1 is hereby deleted in its entirety and replaced as follows:

> "*Business*" means (i) providing marine and other transportation (including the provision of tank trucking services to third parties), terminalling, refining, processing, and midstream logistical services for hydrocarbon products and by-products, including, without limitation, the refining of crude oil into various grades and quantities of naphthenic lubricants, distillates, asphalt flux and other intermediate cuts, (ii) manufacturing and marketing fertilizers and related sulfur-based products and (iii) lubricants blending and packaging business.

Section 2. Ratification of the Omnibus Agreement. Except as expressly modified and amended herein, all of the terms and conditions of the Omnibus Agreement shall remain in full force and effect.

Section 3. Governing Law. This Amendment shall be subject to and governed by the laws of the State of Texas, without regard to conflicts of laws principles.

Section 4. Counterparts. This Amendment may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute one and the same instrument. Delivery of an executed counterpart of this Amendment by PDF or telecopy shall be effective as delivery of a manually executed counterpart of this Amendment.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment on the date first written above to be effective as of the Effective Time.

MARTIN MIDSTREAM PARTNERS, L.P.

By: **MARTIN MIDSTREAM GP LLC**
on behalf of itself and on behalf of Partnership
and its General Partner

By: /s/ Robert D. Bondurant
Robert D. Bondurant
President and Chief Executive Officer

MARTIN OPERATING PARTNERSHIP L.P.

By: Martin Operating GP LLC, its general partner
By: Martin Midstream Partners L.P., its sole member
By: Martin Midstream GP LLC, its general partner

By: /s/ Robert D. Bondurant
Robert D. Bondurant
President and Chief Executive Officer

MARTIN RESOURCE MANAGEMENT CORPORATION

By: /s/ Ruben S. Martin III
Ruben S. Martin III
President

Exhibit 31.1

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.

October 24, 2023 April 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.

Exhibit 31.2

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.

October 24, 2023 April 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.

Exhibit 32.1

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 September 30, 2023 March 31, 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.

October 24, 2023 April 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.

Exhibit 32.2

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 September 30, 2023 March 31, 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.

October 24, 2023 April 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.

DISCLAIMER