

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 10-Q

(Mark One)



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

For the quarterly period ended September 30, 2024

OR



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

For the transition period from to

Commission file number 001-32593

Global Partners LP

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

74-3140887

(I.R.S. Employer Identification No.)

P.O. Box 9161

800 South Street

Waltham, Massachusetts 02454-9161

(Address of principal executive offices, including zip code)

(781) 894-8800

(Registrant's telephone number, including area code)

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

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Units representing limited partner interests	GLP	New York Stock Exchange
9.50% Series B Fixed Rate Cumulative Redeemable Perpetual Preferred Units representing limited partner interests	GLP pr B	New York Stock Exchange

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 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 the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Non-accelerated filer

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.

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

Yes No

The issuer had 33,995,563 common units outstanding as of November 6, 2024.

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Item 1. Financial Statements

**GLOBAL PARTNERS LP
CONSOLIDATED BALANCE SHEETS
(In thousands, except unit data)
(Unaudited)**

	September 30, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 20,567	\$ 19,642
Accounts receivable, net	471,898	551,764
Accounts receivable-affiliates	6,107	8,142
Inventories	499,472	397,314
Brokerage margin deposits	18,482	12,779
Derivative assets	25,364	17,656
Prepaid expenses and other current assets	83,027	90,531
Total current assets	1,124,917	1,097,828
Property and equipment, net	1,661,397	1,513,545
Right of use assets, net	306,191	252,849
Intangible assets, net	19,372	20,718
Goodwill	422,342	429,215
Equity method investments	89,283	94,354
Other assets	41,613	37,502
Total assets	<u>\$ 3,665,115</u>	<u>\$ 3,446,011</u>
Liabilities and partners' equity		
Current liabilities:		
Accounts payable	\$ 454,478	\$ 648,717
Working capital revolving credit facility-current portion	219,200	16,800
Lease liability-current portion	49,704	59,944
Environmental liabilities-current portion	5,493	5,057
Trustee taxes payable	69,522	67,398
Accrued expenses and other current liabilities	182,486	179,887
Derivative liabilities	2,392	4,987
Total current liabilities	983,275	982,790
Working capital revolving credit facility-less current portion	—	—
Revolving credit facility	177,000	380,000
Senior notes	1,186,025	742,720
Lease liability-less current portion	262,754	200,195
Environmental liabilities-less current portion	72,510	71,092
Financing obligations	135,569	138,485
Deferred tax liabilities	64,156	68,909
Other long-term liabilities	60,504	61,160
Total liabilities	2,941,793	2,645,351
Partners' equity		
Series A preferred limited partners (0 and 2,760,000 units issued and outstanding at September 30, 2024 and December 31, 2023, respectively)	—	67,476
Series B preferred limited partners (3,000,000 units issued and outstanding at September 30, 2024 and December 31, 2023)	72,305	72,305
Common limited partners (33,995,563 units issued and 33,727,256 outstanding at September 30, 2024 and 33,995,563 units issued and 33,882,357 outstanding at December 31, 2023)	647,754	658,670
General partner interest (0.67% interest with 230,303 equivalent units outstanding at September 30, 2024 and December 31, 2023)	2,806	1,828
Accumulated other comprehensive income	457	381
Total partners' equity	723,322	800,660
Total liabilities and partners' equity	<u>\$ 3,665,115</u>	<u>\$ 3,446,011</u>

The accompanying notes are an integral part of these consolidated financial statements.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Sales	\$ 4,422,238	\$ 4,221,045	\$ 12,977,328	\$ 12,083,062
Cost of sales	4,136,189	3,992,525	12,188,260	11,389,819
Gross profit	286,049	228,520	789,068	693,243
Costs and operating expenses:				
Selling, general and administrative expenses	70,495	63,479	212,646	192,431
Operating expenses	137,126	115,944	387,235	334,676
Amortization expense	2,288	2,017	6,146	6,119
Net gain on sale and disposition of assets	(7,805)	(897)	(10,609)	(2,141)
Long-lived asset impairment	492	—	492	—
Total costs and operating expenses	202,596	180,543	595,910	531,085
Operating income	83,453	47,977	193,158	162,158
Other (loss) income and (expense):				
(Loss) income from equity method investments	(147)	1,180	(1,872)	2,384
Interest expense	(35,129)	(21,089)	(100,356)	(64,963)
Income before income tax expense	48,177	28,068	90,930	99,579
Income tax expense	(2,255)	(1,260)	(4,461)	(2,351)
Net income	45,922	26,808	86,469	97,228
Less: General partner's interest in net income, including incentive distribution rights	4,118	2,560	11,056	6,681
Less: Preferred limited partner interest in net income	1,781	3,712	7,794	10,638
Less: Redemption of Series A preferred limited partner units	—	—	2,634	—
Net income attributable to common limited partners	\$ 40,023	\$ 20,536	\$ 64,985	\$ 79,909
Basic net income per common limited partner unit	\$ 1.18	\$ 0.60	\$ 1.92	\$ 2.35
Diluted net income per common limited partner unit	\$ 1.17	\$ 0.60	\$ 1.90	\$ 2.35
Basic weighted average common limited partner units outstanding	33,781	33,983	33,884	33,985
Diluted weighted average common limited partner units outstanding	34,193	34,063	34,255	34,026

The accompanying notes are an integral part of these consolidated financial statements.

GLOBAL PARTNERS LP
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Net income	\$ 45,922	\$ 26,808	\$ 86,469	\$ 97,228
Other comprehensive (loss) income:				
Change in pension liability	990	(162)	76	962
Total other comprehensive (loss) income	990	(162)	76	962
Comprehensive income	<u>\$ 46,912</u>	<u>\$ 26,646</u>	<u>\$ 86,545</u>	<u>\$ 98,190</u>

The accompanying notes are an integral part of these consolidated financial statements.

GLOBAL PARTNERS LP
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Nine Months Ended September 30,	
	2024	2023
Cash flows from operating activities		
Net income	\$ 86,469	\$ 97,228
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation and amortization	103,505	80,952
Amortization of deferred financing fees	5,576	4,134
Bad debt expense	16	642
Unit-based compensation expense	11,432	5,661
Write-off of financing fees	1,440	482
Net gain on sale and disposition of assets	(10,609)	(2,141)
Long-lived asset impairment	492	—
Loss (income) from equity method investments	1,872	(2,384)
Dividends received on equity method investments	204	850
Changes in operating assets and liabilities:		
Accounts receivable	79,850	(43,284)
Accounts receivable-affiliate	2,035	(1,599)
Inventories	(105,314)	175,268
Broker margin deposits	(5,703)	(2,013)
Prepaid expenses, all other current assets and other assets	6,368	(8,672)
Accounts payable	(194,239)	27,288
Trustee taxes payable	2,124	17,707
Change in derivatives	(10,303)	29,208
Accrued expenses, all other current liabilities and other long-term liabilities	(10,862)	(36,302)
Net cash (used in) provided by operating activities	(35,647)	343,025
Cash flows from investing activities		
Acquisitions	(215,000)	(1,500)
Equity method investments	(13,884)	(69,482)
Capital expenditures	(56,497)	(54,740)
Seller note issuances	(7,938)	(8,155)
Dividends received of equity method investments	16,879	—
Proceeds from sale of property and equipment, net	46,071	12,070
Net cash used in investing activities	(230,369)	(121,807)
Cash flows from financing activities		
Net borrowings from (payments on) working capital revolving credit facility	202,400	(87,700)
Net payments on revolving credit facility	(203,000)	(10,000)
Proceeds from senior notes, net	441,301	—
Redemption of Series A preferred units	(69,000)	—
Repurchase of common units	(11,161)	(676)
LTIP units withheld for tax obligations	(1,818)	(469)
Distribution equivalent rights	(566)	(149)
Distributions to limited partners and general partner	(91,215)	(114,966)
Net cash provided by (used in) financing activities	266,941	(213,960)
Cash and cash equivalents		
Increase in cash and cash equivalents	925	7,258
Cash and cash equivalents at beginning of period	19,642	4,040
Cash and cash equivalents at end of period	\$ 20,567	\$ 11,298
Supplemental information		
Cash paid during the period for interest	\$ 87,650	\$ 62,832

The accompanying notes are an integral part of these consolidated financial statements.

GLOBAL PARTNERS LP
CONSOLIDATED STATEMENTS OF PARTNERS' EQUITY
(In thousands)
(Unaudited)

	Series A Preferred Limited Partners	Series B Preferred Limited Partners	Common Limited Partners	General Partner Interest	Accumulated Other Comprehensive Income (Loss)	Total Partners' Equity
Three and nine months ended September 30, 2024						
Balance at December 31, 2023	\$ 67,476	\$ 72,305	\$ 658,670	\$ 1,828	\$ 381	\$ 800,660
Net income (loss)	2,135	1,781	(12,654)	3,136	—	(5,602)
Distributions to limited partners and general partner	(2,135)	(1,781)	(23,797)	(3,037)	—	(30,750)
Unit-based compensation	—	—	2,596	—	—	2,596
Other comprehensive loss	—	—	—	—	(584)	(584)
LTIP units withheld for tax obligations	—	—	(1,818)	—	—	(1,818)
Distribution equivalent rights	—	—	(519)	—	—	(519)
Dividends on repurchased units	—	—	21	—	—	21
Balance at March 31, 2024	\$ 67,476	\$ 72,305	\$ 622,499	\$ 1,927	\$ (203)	\$ 764,004
Redemption of preferred units	(66,366)	—	(2,634)	—	—	(69,000)
Net income	316	1,781	40,250	3,802	—	46,149
Distributions to limited partners and general partner	(1,426)	(1,781)	(24,137)	(3,359)	—	(30,703)
Unit-based compensation	—	—	4,115	—	—	4,115
Other comprehensive loss	—	—	—	—	(330)	(330)
Repurchase of common units	—	—	(7,902)	—	—	(7,902)
Distribution equivalent rights	—	—	(777)	—	—	(777)
Dividends on repurchased units	—	—	19	—	—	19
Balance at June 30, 2024	\$ —	\$ 72,305	\$ 631,433	\$ 2,370	\$ (533)	\$ 705,575
Net income	—	1,781	40,023	4,118	—	45,922
Distributions to limited partners and general partner	—	(1,781)	(24,477)	(3,682)	—	(29,940)
Unit-based compensation	—	—	4,721	—	—	4,721
Other comprehensive income	—	—	—	—	990	990
Repurchase of common units	—	—	(3,259)	—	—	(3,259)
Distribution equivalent rights	—	—	(825)	—	—	(825)
Dividends on repurchased units	—	—	138	—	—	138
Balance at September 30, 2024	\$ —	\$ 72,305	\$ 647,754	\$ 2,806	\$ 457	\$ 723,322
Three and nine months ended September 30, 2023						
Balance at December 31, 2022	\$ 67,226	\$ 72,305	\$ 648,956	\$ 406	\$ (449)	\$ 788,444
Net income	1,682	1,781	23,786	1,782	—	29,031
Distributions to limited partners and general partner	(1,682)	(1,781)	(53,458)	(1,952)	—	(58,873)
Unit-based compensation	—	—	1,094	—	—	1,094
Other comprehensive income	—	—	—	—	452	452
LTIP units withheld for tax obligations	—	—	(469)	—	—	(469)
Distribution equivalent rights	—	—	(406)	—	—	(406)
Dividends on repurchased units	—	—	15	—	—	15
Balance at March 31, 2023	\$ 67,226	\$ 72,305	\$ 619,518	\$ 236	\$ 3	\$ 759,288
Net income	1,682	1,781	35,587	2,339	—	41,389
Distributions to limited partners and general partner	(1,682)	(1,781)	(22,267)	(1,749)	—	(27,479)
Unit-based compensation	—	—	2,067	—	—	2,067
Other comprehensive income	—	—	—	—	672	672
Distribution equivalent rights	—	—	(411)	—	—	(411)
Dividends on repurchased units	—	—	6	—	—	6
Balance at June 30, 2023	\$ 67,226	\$ 72,305	\$ 634,500	\$ 826	\$ 675	\$ 775,532
Net income	1,931	1,781	20,536	2,560	—	26,808
Distributions to limited partners and general partner	(1,682)	(1,781)	(22,947)	(2,231)	—	(28,641)
Unit-based compensation	—	—	2,500	—	—	2,500
Other comprehensive loss	—	—	—	—	(162)	(162)
Repurchase of common units	—	—	(676)	—	—	(676)
Distribution equivalent rights	—	—	(892)	—	—	(892)
Dividends on repurchased units	—	—	6	—	—	6
Balance at September 30, 2023	\$ 67,475	\$ 72,305	\$ 633,027	\$ 1,155	\$ 513	\$ 774,475

The accompanying notes are an integral part of these consolidated financial statements.

GLOBAL PARTNERS LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1. Organization and Basis of Presentation

Organization

Global Partners LP (the “Partnership”) is a master limited partnership formed in March 2005. The Partnership owns, controls or has access to a large terminal network of refined petroleum products and renewable fuels—with connectivity to strategic rail, pipeline and marine assets—spanning from Maine to Florida and into the U.S. Gulf States. The Partnership is one of the largest independent owners, suppliers and operators of gasoline stations and convenience stores, primarily in Massachusetts, Maine, Connecticut, Vermont, New Hampshire, Rhode Island, New York, New Jersey and Pennsylvania (collectively, the “Northeast”) and Maryland and Virginia. As of September 30, 2024, the Partnership had a portfolio of 1,589 owned, leased and/or supplied gasoline stations, including 306 directly operated convenience stores, primarily in the Northeast, as well as 64 gasoline stations located in Texas that are operated by the Partnership’s unconsolidated affiliate, Spring Partners Retail LLC (“SPR”). The Partnership is also one of the largest distributors of gasoline, distillates, residual oil and renewable fuels to wholesalers, retailers and commercial customers in the New England states and New York. The Partnership engages in the purchasing, selling, gathering, blending, storing and logistics of transporting petroleum and related products, including gasoline and gasoline blendstocks (such as ethanol), distillates (such as home heating oil, diesel and kerosene), residual oil, renewable fuels, crude oil and propane and in the transportation of petroleum products and renewable fuels by rail from the mid-continent region of the United States and Canada.

Global GP LLC, the Partnership’s general partner (the “General Partner”), manages the Partnership’s operations and activities and employs its officers and substantially all of its personnel, except for most of its gasoline station and convenience store employees who are employed by Global Montello Group Corp. (“GMG”), a wholly owned subsidiary of the Partnership and for substantially all of the employees who primarily or exclusively provide services to SPR, who are employed by SPR Operator LLC (“SPR Operator”), also a wholly owned subsidiary of the Partnership.

The General Partner, which holds a 0.67% general partner interest in the Partnership, is owned by affiliates of the Slifka family. As of September 30, 2024, affiliates of the General Partner, including its directors and executive officers and their affiliates, owned 6,415,996 common units, and the General Partner held 268,307 common units on behalf of the Partnership pursuant to its repurchase program for future Long-Term Incentive Plan (“LTIP”) obligations, representing in the aggregate a 19.7% limited partner interest.

2024 Events

Redemption of Series A Preferred Units—On April 15, 2024, the Partnership redeemed all of its outstanding Series A Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units (the “Series A Preferred Units”) at a redemption price of \$25.00 per unit, plus a \$0.514275 per unit cash distribution for the period from February 15, 2024 through April 14, 2024. Effective April 15, 2024, the Series A Preferred Units are no longer outstanding. See Note 13 for additional information.

Acquisition of Terminals from Gulf Oil—On April 9, 2024, the Partnership acquired four refined-product terminals from Gulf Oil Limited Partnership. See Note 2 for additional information.

Credit Agreement Facility Reallocation and Accordion Reduction—On February 5, 2024, the Partnership and the lenders under the Partnership’s credit agreement agreed, pursuant to the terms of our credit agreement, to (i) a reallocation of \$300.0 million of the revolving credit facility to the working capital revolving credit facility and (ii) reduce the accordion feature from \$200.0 million to \$0. After giving effect to the reallocation and the accordion reduction, the working capital revolving credit facility is \$950.0 million and the revolving credit facility is \$600.0 million, for a total commitment of \$1.55 billion, effective February 8, 2024. This reallocation and accordion reduction return the credit facilities to the terms in place prior to the reallocation and accordion exercise previously

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

agreed to by the Partnership and the lenders on December 7, 2023. See Note 7 for additional information on the credit agreement.

2032 Notes Offering—On January 18, 2024, the Partnership and GLP Finance Corp. issued \$450.0 million aggregate principal amount of 8.250% senior notes due 2032 (the “2032 Notes”) that are guaranteed by certain of the Partnership’s subsidiaries in a private placement exempt from the registration requirements under the Securities Act of 1933, as amended. The Partnership used the net proceeds from the offering to repay a portion of the borrowings outstanding under its credit agreement and for general corporate purposes. See Note 7 for additional information on the credit agreement.

Basis of Presentation

The accompanying consolidated financial statements as of September 30, 2024 and December 31, 2023 and for the three and nine months ended September 30, 2024 and 2023 reflect the accounts of the Partnership. Upon consolidation, all intercompany balances and transactions have been eliminated.

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”) and reflect all adjustments (consisting of normal recurring adjustments) which are, in the opinion of management, necessary for a fair presentation of the financial condition and operating results for the interim periods. The interim financial information, which has been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”), should be read in conjunction with the consolidated financial statements for the year ended December 31, 2023 and notes thereto contained in the Partnership’s Annual Report on Form 10-K. The significant accounting policies described in Note 2, “Summary of Significant Accounting Policies,” of such Annual Report on Form 10-K are the same used in preparing the accompanying consolidated financial statements.

The results of operations for the three and nine months ended September 30, 2024 are not necessarily indicative of the results of operations that will be realized for the entire year ending December 31, 2024. The consolidated balance sheet at December 31, 2023 has been derived from the audited consolidated financial statements included in the Partnership’s Annual Report on Form 10-K for the year ended December 31, 2023.

Concentration of Risk

Due to the nature of the Partnership’s businesses and its reliance, in part, on consumer travel and spending patterns, the Partnership may experience more demand for gasoline during the late spring and summer months than during the fall and winter months. Travel and recreational activities are typically higher in these months in the geographic areas in which the Partnership operates, increasing the demand for gasoline. Therefore, the Partnership’s volumes in gasoline are typically higher in the second and third quarters of the calendar year. As demand for some of the Partnership’s refined petroleum products, specifically home heating oil and residual oil for space heating purposes, is generally greater during the winter months, heating oil and residual oil volumes are generally higher during the first and fourth quarters of the calendar year. These factors may result in fluctuations in the Partnership’s quarterly operating results.

GLOBAL PARTNERS LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

The following table presents the Partnership’s product sales and other revenues as a percentage of the consolidated sales for the periods presented:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Gasoline sales: gasoline and gasoline blendstocks (such as ethanol)	70 %	73 %	67 %	68 %
Distillates (home heating oil, diesel and kerosene), residual oil and crude oil sales	27 %	23 %	30 %	28 %
Convenience store and prepared food sales, rental income and sundries	3 %	4 %	3 %	4 %
Total	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>

The following table presents the Partnership’s product margin by segment as a percentage of the consolidated product margin for the periods presented:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Wholesale segment	22 %	15 %	24 %	20 %
Gasoline Distribution and Station Operations segment	75 %	82 %	73 %	77 %
Commercial segment	3 %	3 %	3 %	3 %
Total	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>

See Note 14, “Segment Reporting,” for additional information on the Partnership’s operating segments.

None of the Partnership’s customers accounted for greater than 10% of total sales for the three and nine months ended September 30, 2024 and 2023.

Note 2. Acquisition

Acquisition of Terminals from Gulf Oil LLC—On April 9, 2024, the Partnership acquired four refined-product terminals from Gulf Oil Limited Partnership (“Gulf Oil”) which are located in Chelsea, MA, New Haven, CT, Linden, NJ and Woodbury, NJ, (the “Gulf Terminals”) pursuant to a purchase agreement initially entered into on December 15, 2022 and subsequently amended and restated on February 23, 2024. The acquisition price was approximately \$215.0 million, excluding inventory acquired from Gulf Oil. The Partnership financed the transaction with borrowings under its revolving credit facility.

Upon an acquisition, the Partnership first determines whether substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets in order to determine whether the acquisition should be accounted for as an asset acquisition. If the threshold is not substantially met, the Partnership then determines whether the acquisition meets the definition of a business (i.e., whether it includes, at a minimum, an input and a substantive process that together significantly contributes to the ability to create outputs).

Specific to the acquisition of the Gulf Terminals, consideration was given to the exception principle pertaining to the real estate assets acquired of real property, personal property and construction in progress and whether these assets should be considered a group of similar assets. The personal property and construction in progress assets cannot be removed from the real property without significant cost (i.e., disassembly) and diminution in both utility and fair value to both the real property and personal property. Additionally, the real property and personal property have similar risk characteristics since the land and terminal equipment are both used in the process of blending, storing and transporting petroleum products. The real property and personal property operate as a combined unit of account in order for the Partnership to achieve a desired economic return from the Gulf Terminals. The Partnership also considered and

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

concluded that the nature of the Gulf Terminals and the different geographic regions where the Gulf Terminals reside do not rise to separate risks based on how these assets operate in the marketplace.

As a result of its analysis, the Partnership concluded the acquisition of the Gulf Terminals did not meet the criteria of a business combination pursuant to ASC 805, "Business Combinations," and therefore was accounted for as an asset acquisition. The purchase price in an asset acquisition is allocated to the assets acquired and liabilities assumed based on their relative fair values and no goodwill is recognized. The Gulf Terminals were allocated to the Wholesale segment.

The following table presents the assets acquired and liabilities assumed as of April 9, 2024, the acquisition date (in thousands):

Assets acquired:	
Property and equipment	\$ 217,050
Right of use assets	350
Intangible assets	4,800
Total assets acquired	<u>\$ 222,200</u>
Liabilities assumed:	
Environmental liabilities	\$ (6,850)
Lease liability	(350)
Total liabilities assumed	<u>\$ (7,200)</u>
Net assets acquired	<u><u>\$ 215,000</u></u>

Property and equipment were recorded at cost based on relative fair value as of April 9, 2024 using current market values and reproduction or replacement costs of similar assets.

Intangible assets consist of third-party customer relationship contracts and are amortized on a straight-line basis over the respective estimated periods for which the intangible assets will provide economic benefit to the Partnership, which the Partnerships expects to be ten years. Third-party customer relationship contracts were valued using the discounted cash flow method. Significant assumptions used in the valuations include projected cash flows including expected renewals and the discount rate.

In connection with the acquisition, the Partnership incurred acquisition costs of approximately \$2.7 million during 2024 which were capitalized as property and equipment in the accompanying balance sheet at September 30, 2024.

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Note 3. Revenue from Contracts with Customers

Disaggregation of Revenue

The following table provides the disaggregation of revenue from contracts with customers and other sales by segment for the periods presented (in thousands):

	Three Months Ended September 30, 2024			
	Wholesale	GDSO	Commercial	Total
Revenue from contracts with customers:				
Petroleum and related product sales	\$ 544,210	\$ 1,269,955	\$ 192,661	\$ 2,006,826
Station operations	—	129,576	—	129,576
Total revenue from contracts with customers	544,210	1,399,531	192,661	2,136,402
Other sales:				
Revenue originating as physical forward contracts and exchanges	2,179,349	—	84,469	2,263,818
Revenue from leases	651	21,367	—	22,018
Total other sales	2,180,000	21,367	84,469	2,285,836
Total sales	<u>\$ 2,724,210</u>	<u>\$ 1,420,898</u>	<u>\$ 277,130</u>	<u>\$ 4,422,238</u>
	Three Months Ended September 30, 2023			
	Wholesale	GDSO	Commercial	Total
Revenue from contracts with customers:				
Petroleum and related product sales	\$ 1,027,213	\$ 1,460,670	\$ 183,421	\$ 2,671,304
Station operations	—	136,133	—	136,133
Total revenue from contracts with customers	1,027,213	1,596,803	183,421	2,807,437
Other sales:				
Revenue originating as physical forward contracts and exchanges	1,302,160	—	90,373	1,392,533
Revenue from leases	523	20,552	—	21,075
Total other sales	1,302,683	20,552	90,373	1,413,608
Total sales	<u>\$ 2,329,896</u>	<u>\$ 1,617,355</u>	<u>\$ 273,794</u>	<u>\$ 4,221,045</u>
	Nine Months Ended September 30, 2024			
	Wholesale	GDSO	Commercial	Total
Revenue from contracts with customers:				
Petroleum and related product sales	\$ 2,001,437	\$ 3,683,780	\$ 567,886	\$ 6,253,103
Station operations	—	367,864	—	367,864
Total revenue from contracts with customers	2,001,437	4,051,644	567,886	6,620,967
Other sales:				
Revenue originating as physical forward contracts and exchanges	6,022,577	—	268,780	6,291,357
Revenue from leases	2,232	62,772	—	65,004
Total other sales	6,024,809	62,772	268,780	6,356,361
Total sales	<u>\$ 8,026,246</u>	<u>\$ 4,114,416</u>	<u>\$ 836,666</u>	<u>\$ 12,977,328</u>

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	Nine Months Ended September 30, 2023			
	Wholesale	GDSO	Commercial	Total
Revenue from contracts with customers:				
Petroleum and related product sales	\$ 2,563,586	\$ 3,996,890	\$ 507,728	\$ 7,068,204
Station operations	—	371,416	—	371,416
Total revenue from contracts with customers	2,563,586	4,368,306	507,728	7,439,620
Other sales:				
Revenue originating as physical forward contracts and exchanges	4,330,766	—	250,464	4,581,230
Revenue from leases	1,677	60,535	—	62,212
Total other sales	4,332,443	60,535	250,464	4,643,442
Total sales	<u>\$ 6,896,029</u>	<u>\$ 4,428,841</u>	<u>\$ 758,192</u>	<u>\$ 12,083,062</u>

Contract Balances

A receivable, which is included in accounts receivable, net in the accompanying consolidated balance sheets, is recognized in the period the Partnership provides services when its right to consideration is unconditional. In contrast, a contract asset will be recognized when the Partnership has fulfilled a contract obligation but must perform other obligations before being entitled to payment.

The nature of the receivables related to revenue from contracts with customers and other revenue, as well as contract assets, are the same, given they are related to the same customers and have the same risk profile and securitization. Payment terms on invoiced amounts are typically 2 to 30 days.

A contract liability is recognized when the Partnership has an obligation to transfer goods or services to a customer for which the Partnership has received consideration (or the amount is due) from the customer. The Partnership had no significant contract liabilities at both September 30, 2024 and December 31, 2023.

Note 4. Inventories

The Partnership hedges substantially all of its petroleum and ethanol inventory using a variety of instruments, primarily exchange-traded futures contracts. These futures contracts are entered into when inventory is purchased and are either designated as fair value hedges against the inventory on a specific barrel basis for inventories qualifying for fair value hedge accounting or not designated and maintained as economic hedges against certain inventory of the Partnership on a specific barrel basis. Changes in fair value of these futures contracts, as well as the offsetting change in fair value on the hedged inventory, are recognized in earnings as an increase or decrease in cost of sales. All hedged inventory designated in a fair value hedge relationship is valued using the lower of cost, as determined by specific identification, or net realizable value, as determined at the product level. All petroleum and ethanol inventory not designated in a fair value hedging relationship is carried at the lower of historical cost, on a first-in, first-out basis, or net realizable value. Renewable Identification Numbers (“RINs”) inventory is carried at the lower of historical cost, on a first-in, first-out basis, or net realizable value. Convenience store inventory is carried at the lower of historical cost, based on a weighted average cost method, or net realizable value.

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Inventories consisted of the following (in thousands):

	September 30, 2024	December 31, 2023
Distillates: home heating oil, diesel and kerosene	\$ 230,329	\$ 154,890
Gasoline	153,991	134,749
Gasoline blendstocks	40,596	31,146
Residual oil	44,644	45,774
Renewable identification numbers (RINs)	2,399	1,684
Convenience store inventory	27,513	29,071
Total	\$ 499,472	\$ 397,314

In addition to its own inventory, the Partnership has exchange agreements for petroleum products and ethanol with unrelated third-party suppliers, whereby it may draw inventory from these other suppliers and suppliers may draw inventory from the Partnership. Positive exchange balances are accounted for as accounts receivable and amounted to \$3.8 million and \$0.5 million at September 30, 2024 and December 31, 2023, respectively. Negative exchange balances are accounted for as accounts payable and amounted to \$27.2 million and \$29.8 million at September 30, 2024 and December 31, 2023, respectively. Exchange transactions are valued using current carrying costs.

Note 5. Goodwill

The following table presents changes in goodwill, all of which has been allocated to the Gasoline Distribution and Station Operations (“GDSO”) segment (in thousands):

Balance at December 31, 2023	\$	429,215
Dispositions (1)		(6,873)
Balance at September 30, 2024	\$	422,342

(1) Dispositions represent derecognition of goodwill associated with the sale and disposition of certain assets.

Note 6. Property and Equipment

Property and equipment consisted of the following (in thousands):

	September 30, 2024	December 31, 2023
Buildings and improvements	\$ 1,898,558	\$ 1,738,122
Land	670,941	614,548
Fixtures and equipment	51,581	47,589
Idle plant assets	30,500	30,500
Construction in process	58,631	54,281
Capitalized internal use software	33,808	33,808
Total property and equipment	2,744,019	2,518,848
Less accumulated depreciation	1,082,622	1,005,303
Total	\$ 1,661,397	\$ 1,513,545

Property and equipment includes retail gasoline station assets held for sale of \$6.7 million and \$20.3 million at September 30, 2024 and December 31, 2023, respectively.

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At September 30, 2024, the Partnership had a \$38.7 million remaining net book value of long-lived assets at its West Coast facility, including \$30.5 million related to the Partnership's ethanol plant acquired in 2013. The Partnership would need to take certain measures to prepare the facility for ethanol production in order to place the plant into service and commence depreciation. Therefore, the \$30.5 million related to the ethanol plant was included in property and equipment and classified as idle plant assets at both September 30, 2024 and December 31, 2023.

If the Partnership is unable to generate cash flows to support the recoverability of the plant and facility assets, this may become an indicator of potential impairment of the West Coast facility. The Partnership believes these assets are recoverable but continues to monitor the market for ethanol, the continued business development of this facility for ethanol or other product transloading, and the related impact this may have on the facility's operating cash flows and whether this would constitute an impairment indicator.

Evaluation of Long-Lived Asset Impairment

The Partnership recognized impairment charges relating to certain right of use assets and construction in process assets allocated to the GDSO segment in the total amount of \$0.5 million for each of the three and nine months ended September 30, 2024, which are included in long-lived asset impairment in the accompanying consolidated statements of operations. No impairment charges were recognized for the three and nine months ended September 30, 2023.

Note 7. Debt and Financing Obligations

Credit Agreement

Certain subsidiaries of the Partnership, as borrowers, and the Partnership and certain of its subsidiaries, as guarantors, have a \$1.55 billion senior secured credit facility (the "Credit Agreement"). The Credit Agreement matures on May 2, 2026.

On February 5, 2024, the Partnership and the lenders under the Credit Agreement agreed, pursuant to the terms of the Credit Agreement, to (i) a reallocation of \$300.0 million of the revolving credit facility to the working capital revolving credit facility and (ii) reduce the accordion feature from \$200.0 million to \$0, effective February 8, 2024. This reallocation and accordion reduction return the credit facilities to the terms in place prior to the reallocation and accordion exercise previously agreed to by the Partnership and the lenders on December 7, 2023.

As of September 30, 2024, there were two facilities under the Credit Agreement:

- a working capital revolving credit facility to be used for working capital purposes and letters of credit in the principal amount equal to the lesser of the Partnership's borrowing base and \$950.0 million; and
- a \$600.0 million revolving credit facility to be used for general corporate purposes.

Availability under the working capital revolving credit facility is subject to a borrowing base which is redetermined from time to time and based on specific advance rates on eligible current assets. Availability under the borrowing base may be affected by events beyond the Partnership's control, such as changes in petroleum product prices, collection cycles, counterparty performance, advance rates and limits and general economic conditions.

The average interest rates for the Credit Agreement were 7.6% and 7.5% for the three months ended September 30, 2024 and 2023, respectively, and 7.6% and 7.0% for the nine months ended September 30, 2024 and 2023, respectively.

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The Partnership classifies a portion of its working capital revolving credit facility as a current liability and a portion as a long-term liability. The portion classified as a long-term liability represents the amounts expected to be outstanding throughout the next twelve months based on an analysis of historical daily borrowings under the working capital revolving credit facility, the seasonality of borrowings, forecasted future working capital requirements and forward product curves, and because the Partnership has a multi-year, long-term commitment from its bank group.

The table below presents the total borrowings and availability under the Credit Agreement (in thousands):

	September 30, 2024	December 31, 2023
Total available commitments	\$ 1,550,000	\$ 1,750,000
Working capital revolving credit facility-current portion	219,200	16,800
Working capital revolving credit facility-less current portion	—	—
Revolving credit facility	177,000	380,000
Total borrowings outstanding	396,200	396,800
Less outstanding letters of credit	68,200	220,200
Total remaining availability for borrowings and letters of credit (1)	\$ 1,085,600	\$ 1,133,000

(1) Subject to borrowing base limitations.

The Credit Agreement imposes financial covenants that require the Partnership to maintain certain minimum working capital amounts, a minimum combined interest coverage ratio, a maximum senior secured leverage ratio and a maximum total leverage ratio. The Partnership was in compliance with the foregoing covenants at September 30, 2024.

Please read Note 9 of Notes to Consolidated Financial Statements in the Partnership's Annual Report on Form 10-K for the year ended December 31, 2023 for additional information on the Credit Agreement.

Supplemental cash flow information

The following table presents supplemental cash flow information related to the Credit Agreement for the periods presented (in thousands):

	Nine Months Ended September 30,	
	2024	2023
Borrowings from working capital revolving credit facility	\$ 1,896,200	\$ 1,856,600
Payments on working capital revolving credit facility	(1,693,800)	(1,944,300)
Net borrowings from (payments on) working capital revolving credit facility	\$ 202,400	\$ (87,700)
Borrowings from revolving credit facility	\$ 218,800	\$ 59,500
Payments on revolving credit facility	(421,800)	(69,500)
Net payments on revolving credit facility	\$ (203,000)	\$ (10,000)

Senior Notes

The Partnership had 7.00% senior notes due 2027 and 6.875% senior notes due 2029 outstanding at September 30, 2024 and December 31, 2023. The Partnership also had 8.250% senior notes due 2032 outstanding at September 30, 2024.

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On January 18, 2024, the Partnership and GLP Finance Corp. (the “Issuers”) issued \$450.0 million aggregate principal amount of 8.250% senior notes due 2032 to several initial purchasers in a private placement exempt from the registration requirements under the Securities Act of 1933, as amended. The Partnership used the net proceeds from the offering to repay a portion of the borrowings outstanding under the Credit Agreement and for general corporate purposes.

In connection with the private placement of the 2032 Notes, the Issuers and the subsidiary guarantors and Regions Bank, as trustee, entered into an indenture as may be supplemented from time to time (the “2032 Notes Indenture”).

The 2032 Notes mature on January 15, 2032 with interest accruing at a rate of 8.250% per annum. Interest was payable beginning July 15, 2024 and thereafter semi-annually in arrears on January 15 and July 15 of each year. The 2032 Notes are guaranteed on a joint and several senior unsecured basis by each of the Issuers and the subsidiary guarantors to the extent set forth in the 2032 Notes Indenture. Upon a continuing event of default, the trustee or the holders of at least 25% in principal amount of the 2032 Notes may declare the 2032 Notes immediately due and payable, except that an event of default resulting from entry into a bankruptcy, insolvency or reorganization with respect to the Issuers, any restricted subsidiary of the Partnership that is a significant subsidiary or any group of its restricted subsidiaries that, taken together, would constitute a significant subsidiary of the Partnership, will automatically cause the 2032 Notes to become due and payable.

The Issuers will have the option to redeem up to 35% of the 2032 Notes prior to January 15, 2027 at a redemption price (expressed as a percentage of principal amount) of 108.250% plus accrued and unpaid interest, if any. The Issuers will have the option to redeem the 2032 Notes, in whole or in part, at any time on or after January 15, 2027, at the redemption prices of 104.125% for the twelve-month period beginning January 15, 2027, 102.063% for the twelve-month period beginning January 15, 2028, and 100% beginning on January 15, 2029 and at any time thereafter, together with any accrued and unpaid interest to the date of redemption. In addition, before January 15, 2027, the Issuers may redeem all or any part of the 2032 Notes at a redemption price equal to the sum of the principal amount thereof, plus a make whole premium, plus accrued and unpaid interest, if any, to the redemption date. The holders of the 2032 Notes may require the Issuers to repurchase the 2032 Notes following certain asset sales or a Change of Control Triggering Event (as defined in the 2032 Notes Indenture) at the prices and on the terms specified in the 2032 Notes Indenture.

The 2032 Notes Indenture contains covenants that limit the Partnership’s ability to, among other things, incur additional indebtedness and issue preferred securities, make certain dividends and distributions, make certain investments and other restricted payments, restrict distributions by its subsidiaries, create liens, sell assets or merge with other entities. Events of default under the 2032 Notes Indenture include (i) a default in payment of principal of, or interest or premium, if any, on, the 2032 Notes, (ii) breach of the Partnership’s covenants under the 2032 Notes Indenture, (iii) certain events of bankruptcy and insolvency, (iv) any payment default or acceleration of indebtedness of the Partnership or certain subsidiaries if the total amount of such indebtedness unpaid or accelerated exceeds \$50.0 million and (v) failure to pay within 60 days uninsured final judgments exceeding \$50.0 million.

Please read Note 9 of Notes to Consolidated Financial Statements in the Partnership’s Annual Report on Form 10-K for the year ended December 31, 2023 for additional information on these senior notes.

Financing Obligations

The Partnership had financing obligations outstanding at September 30, 2024 and December 31, 2023 associated with historical sale-leaseback transactions that did not meet the criteria for sale accounting. Please read Note 9 of Notes to Consolidated Financial Statements in the Partnership’s Annual Report on Form 10-K for the year ended December 31, 2023 for additional information on these financial obligations.

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Deferred Financing Fees

The Partnership incurs bank fees related to its Credit Agreement and other financing arrangements. These deferred financing fees are capitalized and amortized over the life of the Credit Agreement or other financing arrangements. Primarily in connection with the accordion exercise and reallocation in February 2024, the Partnership incurred expenses of approximately \$0 and \$1.4 million associated with the write-off of a portion of the related deferred financing fees for the three and nine months ended September 30, 2024, respectively. These expenses are included in interest expense in the accompanying consolidated statements of operations. The Partnership had unamortized deferred financing fees of \$21.7 million and \$20.0 million at September 30, 2024 and December 31, 2023, respectively.

Unamortized fees related to the Credit Agreement are included in other current assets and other long-term assets and amounted to \$7.3 million and \$12.2 million at September 30, 2024 and December 31, 2023, respectively. Unamortized fees related to the senior notes are presented as a direct deduction from the carrying amount of that debt liability and amounted to \$14.0 million and \$7.3 million at September 30, 2024 and December 31, 2023, respectively. Unamortized fees related to the Partnership's sale-lease transactions are presented as a direct deduction from the carrying amount of the financing obligation and amounted to \$0.4 million and \$0.5 million at September 30, 2024 and December 31, 2023, respectively.

Amortization expense of approximately \$1.9 million and \$1.4 million for the three months ended September 30, 2024 and 2023, respectively, and \$5.6 million and \$4.1 million for the nine months ended September 30, 2024 and 2023, respectively is included in interest expense in the accompanying consolidated statements of operations.

Note 8. Derivative Financial Instruments

The Partnership principally uses derivative instruments, which include regulated exchange-traded futures and options contracts (collectively, "exchange-traded derivatives") and physical and financial forwards and over-the-counter ("OTC") swaps (collectively, "OTC derivatives"), to reduce its exposure to unfavorable changes in commodity market prices. The Partnership uses these exchange-traded and OTC derivatives to hedge commodity price risk associated with its inventory and undelivered forward commodity purchases and sales ("physical forward contracts"). The Partnership accounts for derivative transactions in accordance with ASC Topic 815, "Derivatives and Hedging," and recognizes derivatives instruments as either assets or liabilities in the consolidated balance sheet and measures those instruments at fair value. The changes in fair value of the derivative transactions are presented in earnings, unless specific hedge accounting criteria are met.

The following table summarizes the notional values related to the Partnership's derivative instruments outstanding at September 30, 2024:

	Units (1)	Unit of Measure
Exchange-Traded Derivatives		
Long	68,387	Thousands of barrels
Short	(71,857)	Thousands of barrels
OTC Derivatives (Petroleum/Ethanol)		
Long	5,495	Thousands of barrels
Short	(5,906)	Thousands of barrels

- (1) Number of open positions and gross notional values do not measure the Partnership's risk of loss, quantify risk or represent assets or liabilities of the Partnership, but rather indicate the relative size of the derivative instruments and are used in the calculation of the amounts to be exchanged between counterparties upon settlements.

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Derivatives Accounted for as Hedges

Fair Value Hedges

The Partnership's fair value hedges include exchange-traded futures contracts and OTC derivative contracts that are hedges against inventory with specific futures contracts matched to specific barrels. The change in fair value of these futures contracts and the change in fair value of the underlying inventory generally provide an offset to each other in the consolidated statements of operations.

The following table presents the gains and losses from the Partnership's derivative instruments involved in fair value hedging relationships recognized in the consolidated statements of operations for the periods presented (in thousands):

	Location of Gain (Loss) Recognized in Income on Derivatives	Three Months Ended September 30,		Nine Months Ended September 30,	
		2024	2023	2024	2023
Derivatives in fair value hedging relationship					
Exchange-traded futures contracts and OTC derivative contracts for petroleum commodity products	Cost of sales	\$ 10,028	\$ (9,831)	\$ 13,422	\$ (3,521)
Hedged items in fair value hedge relationship					
Physical inventory	Cost of sales	\$ (11,003)	\$ 8,822	\$ (17,608)	\$ (3,376)

Derivatives Not Accounted for as Hedges

The Partnership utilizes petroleum and ethanol commodity contracts to hedge price and currency risk in certain commodity inventories and physical forward contracts.

The following table presents the gains and losses from the Partnership's derivative instruments not involved in a hedging relationship recognized in the consolidated statements of operations for the periods presented (in thousands):

Derivatives not designated as hedging instruments	Location of Gain (Loss) Recognized in Income on Derivatives	Three Months Ended September 30,		Nine Months Ended September 30,	
		2024	2023	2024	2023
Commodity contracts	Cost of sales	\$ 2,706	\$ (2,444)	\$ 2,456	\$ (473)

Commodity Contracts and Other Derivative Activity

The Partnership's commodity contracts and other derivative activity include: (i) exchange-traded derivative contracts that are hedges against inventory and either do not qualify for hedge accounting or are not designated in a hedge accounting relationship, (ii) exchange-traded derivative contracts used to economically hedge physical forward contracts, (iii) financial forward and OTC swap agreements used to economically hedge physical forward contracts and (iv) the derivative instruments under the Partnership's controlled trading program. The Partnership does not take the normal purchase and sale exemption available under ASC 815 for any of its physical forward contracts.

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The following table presents the fair value of each classification of the Partnership's derivative instruments and its location in the consolidated balance sheets at September 30, 2024 and December 31, 2023 (in thousands):

	Balance Sheet Location	September 30, 2024		
		Derivatives Designated as Hedging Instruments	Derivatives Not Designated as Hedging Instruments	Total
Asset Derivatives:				
Exchange-traded derivative contracts	Broker margin deposits	\$ 3,107	\$ 72,761	\$ 75,868
Forward derivative contracts (1)	Derivative assets	—	25,364	25,364
Total asset derivatives		<u>\$ 3,107</u>	<u>\$ 98,125</u>	<u>\$ 101,232</u>
Liability Derivatives:				
Exchange-traded derivative contracts	Broker margin deposits	\$ —	\$ (50,755)	\$ (50,755)
Forward derivative contracts (1)	Derivative liabilities	—	(2,392)	(2,392)
Total liability derivatives		<u>\$ —</u>	<u>\$ (53,147)</u>	<u>\$ (53,147)</u>
	Balance Sheet Location	December 31, 2023		
		Derivatives Designated as Hedging Instruments	Derivatives Not Designated as Hedging Instruments	Total
Asset Derivatives:				
Exchange-traded derivative contracts	Broker margin deposits	\$ —	\$ 67,430	\$ 67,430
Forward derivative contracts (1)	Derivative assets	—	17,656	17,656
Total asset derivatives		<u>\$ —</u>	<u>\$ 85,086</u>	<u>\$ 85,086</u>
Liability Derivatives:				
Exchange-traded derivative contracts	Broker margin deposits	\$ 10,678	\$ (44,687)	\$ (34,009)
Forward derivative contracts (1)	Derivative liabilities	—	(4,987)	(4,987)
Total liability derivatives		<u>\$ 10,678</u>	<u>\$ (49,674)</u>	<u>\$ (38,996)</u>

(1) Forward derivative contracts include the Partnership's petroleum and ethanol physical and financial forwards and OTC swaps.

Credit Risk

The Partnership's derivative financial instruments do not contain credit risk related to other contingent features that could cause accelerated payments when these financial instruments are in net liability positions.

The Partnership is exposed to credit loss in the event of nonperformance by counterparties to the Partnership's exchange-traded and OTC derivative contracts, but the Partnership has no current reason to expect any material nonperformance by any of these counterparties. Exchange-traded derivative contracts, the primary derivative instrument utilized by the Partnership, are traded on regulated exchanges, greatly reducing potential credit risks. The Partnership utilizes major financial institutions as its clearing brokers for all New York Mercantile Exchange ("NYMEX"), Chicago Mercantile Exchange ("CME") and Intercontinental Exchange ("ICE") derivative transactions and the right of offset exists with these financial institutions under master netting agreements. Accordingly, the fair value of the Partnership's exchange-traded derivative instruments is presented on a net basis in the consolidated balance sheets. Exposure on OTC derivatives is limited to the amount of the recorded fair value as of the balance sheet dates.

Please read Note 2 of Notes to Consolidated Financial Statements in the Partnership's Annual Report on Form 10-K for the year ended December 31, 2023 for additional information on derivative financial instruments.

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Note 9. Fair Value Measurements

The following tables present, by level within the fair value hierarchy, the Partnership's financial assets and liabilities that were measured at fair value on a recurring basis as of September 30, 2024 and December 31, 2023 (in thousands):

	Fair Value at September 30, 2024			
	Level 1	Level 2	Cash Collateral Netting	Total
Assets:				
Forward derivative contracts (1)	\$ —	\$ 25,364	\$ —	\$ 25,364
Exchange-traded/cleared derivative instruments (2)	25,113	—	(6,631)	18,482
Pension plans	10,485	—	—	10,485
Total assets	<u>\$ 35,598</u>	<u>\$ 25,364</u>	<u>\$ (6,631)</u>	<u>\$ 54,331</u>
Liabilities:				
Forward derivative contracts (1)	\$ —	\$ (2,392)	\$ —	\$ (2,392)
Fair Value at December 31, 2023				
	Level 1	Level 2	Cash Collateral Netting	Total
Assets:				
Forward derivative contracts (1)	\$ —	\$ 17,656	\$ —	\$ 17,656
Exchange-traded/cleared derivative instruments (2)	33,421	—	(20,642)	12,779
Pension plans	19,113	—	—	19,113
Total assets	<u>\$ 52,534</u>	<u>\$ 17,656</u>	<u>\$ (20,642)</u>	<u>\$ 49,548</u>
Liabilities:				
Forward derivative contracts (1)	\$ —	\$ (4,987)	\$ —	\$ (4,987)

- (1) Forward derivative contracts include the Partnership's petroleum and ethanol physical and financial forwards and OTC swaps.
- (2) Amount includes the effect of cash balances on deposit with clearing brokers.

This table excludes cash on hand and assets and liabilities that are measured at historical cost or any basis other than fair value. The carrying amounts of certain of the Partnership's financial instruments, including cash equivalents, accounts receivable, accounts payable and other accrued liabilities approximate fair value due to their short maturities. The carrying value of the credit facility approximates fair value due to the variable rate nature of these financial instruments.

The carrying value of the inventory qualifying for fair value hedge accounting approximates fair value due to adjustments for changes in fair value of the hedged item. The fair values of the derivatives used by the Partnership are disclosed in Note 8.

The determination of the fair values above incorporates factors including not only the credit standing of the counterparties involved, but also the impact of the Partnership's nonperformance risks on its liabilities.

The Partnership estimates the fair values of its senior notes using a combination of quoted market prices for similar financing arrangements and expected future payments discounted at risk-adjusted rates, which are considered

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Level 2 inputs. The fair values of the senior notes, estimated by observing market trading prices of the respective senior notes, were as follows (in thousands):

	September 30, 2024		December 31, 2023	
	Face Value	Fair Value	Face Value	Fair Value
7.00% senior notes due 2027	\$ 400,000	\$ 403,000	\$ 400,000	\$ 390,516
6.875% senior notes due 2029	\$ 350,000	\$ 349,563	\$ 350,000	\$ 340,130
8.250% senior notes due 2032	\$ 450,000	\$ 465,750	\$ —	\$ —

Non-Recurring Fair Value Measurements

Certain nonfinancial assets and liabilities are measured at fair value on a non-recurring basis and are subject to fair value adjustments in certain circumstances, such as acquired assets and liabilities, losses related to firm non-cancellable purchase commitments or long-lived assets subject to impairment. For assets and liabilities measured on a non-recurring basis during the period, accounting guidance requires quantitative disclosures about the fair value measurements separately for each major category.

Note 10. Environmental Liabilities

The following table presents a summary roll forward of the Partnership's environmental liabilities at September 30, 2024 (in thousands):

Environmental Liability Related to:	Balance at December 31, 2023	Additions 2024	Payments 2024	Dispositions 2024	Other Adjustments 2024	Balance at September 30, 2024
Retail gasoline stations	\$ 63,539	\$ —	\$ (2,840)	\$ (2,171)	\$ 184	\$ 58,712
Terminals	12,610	6,850	(245)	—	76	19,291
Total environmental liabilities	<u>\$ 76,149</u>	<u>\$ 6,850</u>	<u>\$ (3,085)</u>	<u>\$ (2,171)</u>	<u>\$ 260</u>	<u>\$ 78,003</u>
Current portion	\$ 5,057					\$ 5,493
Long-term portion						72,510
Total environmental liabilities	<u>\$ 76,149</u>					<u>\$ 78,003</u>

In connection with the acquisition of four refined product terminals from Gulf Oil as described in Note 2, the Partnership assumed certain environmental liabilities, including certain ongoing environmental remediation efforts. As a result, the Partnership recorded, on an undiscounted basis, a total environmental liability of approximately \$6.9 million as of September 30, 2024.

In addition to environmental liabilities related to the Partnership's retail gasoline stations, the Partnership retains some of the environmental obligations associated with certain gasoline stations that the Partnership has sold.

The Partnership's estimates used in these environmental liabilities are based on all known facts at the time and its assessment of the ultimate remedial action outcomes. Among the many uncertainties that impact the Partnership's estimates are the necessary regulatory approvals for, and potential modification of, its remediation plans, the amount of data available upon initial assessment of the impact of soil or water contamination, changes in costs associated with environmental remediation services and equipment, relief of obligations through divestitures of sites and the possibility of existing legal claims giving rise to additional claims. Dispositions generally represent relief of legal obligations through the sale of the related property with no retained obligation. Other adjustments generally represent changes in estimates for existing obligations or obligations associated with new sites. Therefore, although the Partnership believes that these environmental liabilities are adequate, no assurances can be made that any costs incurred in excess of these

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environmental liabilities or outside of indemnifications or not otherwise covered by insurance would not have a material adverse effect on the Partnership's financial condition, results of operations or cash flows.

Note 11. Equity Method Investments

Everett Landco GP, LLC

On October 23, 2023, the Partnership, through its wholly owned subsidiary, Global Everett Landco, LLC, entered into a Limited Liability Company Agreement (the "Everett LLC Agreement") of Everett Landco GP, LLC ("Everett"), a Delaware limited liability company formed as a joint venture with Everett Investor LLC (the "Everett Investor"), an entity controlled by an affiliate of The Davis Companies, a company primarily involved in the acquisition, development, management and sale of commercial real estate. In accordance with the Everett LLC Agreement, the Partnership agreed to invest up to \$30.0 million for an initial 30% ownership interest in the joint venture.

The joint venture was formed to invest, directly or indirectly, in Everett Landco, LLC, ("Landco"), an entity formed to acquire from ExxonMobil Corporation ("ExxonMobil") specified real estate (formerly operated as a refined products terminal), consisting of, in part, multiple facilities used to store and transport petroleum products including oil storage tanks and related facilities located in Everett, Massachusetts (the "Project Site") and thereafter proceed with certain decommissioning, demolition, environmental remediation, entitlement, horizontal development, and other development activities with respect to the Project Site in one or more phases.

Everett is a variable interest entity for which the Partnership is not the primary beneficiary and, therefore, is not consolidated in the Partnership's consolidated financial statements. The Partnership accounts for its investment in Everett as an equity method investment as the Partnership has significant influence, but not a controlling interest in the investee.

The Partnership recognized income of \$0 and \$0.2 million for the three and nine months ended September 30, 2024, respectively, which is included in (loss) income from equity method investments in the accompanying consolidated statements of operations. As of September 30, 2024, the Partnership's investment balance in the joint venture was \$15.8 million, which is included in equity method investments in the accompanying consolidated balance sheet.

On December 5, 2023, Landco completed the purchase of the Project Site. In addition, the Partnership provided certain financial guarantees of Everett's performance pursuant to a Terminal Demolition and Remediation Responsibilities Agreement ("TDRRA") between Landco and ExxonMobil (the "Remediation Guaranty"). The Remediation Guaranty was executed at the closing of the Project Site purchase, concurrently with Landco's execution of the TDRRA. The Remediation Guaranty was provided to ExxonMobil to provide security for Landco's obligations to perform and complete the demolition and remediation responsibilities set forth in the TDRRA. The maximum amount of financial assurances liability of the Partnership under the Remediation Guaranty is \$75.0 million (the "Guaranty Threshold"). The Guaranty Threshold will be reduced on a dollar-for-dollar basis as Landco undertakes demolition and remediation activities under the TDRRA. The Partnership received financial assurances from the Everett Investor and certain of its affiliates that allow the Partnership to recover 70% of any amounts paid under the Remediation Guaranty, up to \$52.5 million. The Partnership's loss exposure for the Everett investment is limited to the Partnership's investment in the joint venture and any amounts due under the Remediation Guaranty. The Partnership recognized its performance obligation under the Remediation Guaranty at fair value, which was immaterial at both September 30, 2024 and December 31, 2023.

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Spring Partners Retail LLC

On March 1, 2023, the Partnership entered into a Limited Liability Company Agreement, as amended (the “SPR LLC Agreement”) of SPR, a Delaware limited liability company formed as a joint venture with ExxonMobil for the purpose of engaging in the business of operating retail locations in the state of Texas and such other states as may be approved by SPR’s board of managers. In accordance with the SPR LLC Agreement, the Partnership invested approximately \$69.5 million in cash for a 49.99% ownership interest. ExxonMobil has the remaining 50.01% ownership interest in SPR. SPR is managed by a two-person board of managers, one of whom is designated by the Partnership. The day-to-day activities of SPR are operated by SPR Operator, a wholly owned subsidiary of the Partnership. SPR Operator provides administrative and support functions, such as operations and management support, accounting, legal and human resources and information technology services and systems to SPR for an annual fixed fee.

The Partnership accounts for its investment in SPR as an equity method investment as the Partnership has significant influence, but not a controlling interest in the investee. Under this method with regard to SPR, the investment is carried originally at cost, increased by any allocated share of the investee’s net income and contributions made, and decreased by any allocated share of the investee’s net losses and distributions received. The investee’s allocated share of income and losses is based on the rights and priorities outlined in the joint venture agreement.

On June 1, 2023, SPR acquired a portfolio of 64 Houston-area convenience and fueling facilities from Landmark Industries, LLC and its related entities. There have been no changes to the portfolio as of September 30, 2024.

The Partnership recognized a (loss) income of (\$0.1 million) and \$1.2 million for the three months ended September 30, 2024 and 2023, respectively, and (\$2.1 million) and \$2.4 million for the nine months ended September 30, 2024 and 2023, respectively, which is included in (loss) income from equity method investments in the accompanying consolidated statement of operations. As of September 30, 2024, the Partnership’s investment balance in the joint venture was \$73.5 million, which is included in equity method investments in the accompanying consolidated balance sheet.

Note 12. Related Party Transactions

Services Agreement—The Partnership is a party to a services agreement with various entities which own limited partner interests in the Partnership and interests in the General Partner and which are 100% owned by members of the Slifka family (the “Slifka Entities Services Agreement”), pursuant to which the Partnership provides certain tax, accounting, treasury, and legal support services and such Slifka entities pay the Partnership an annual services fee of \$20,000, and which Slifka Entities Services Agreement has been approved by the Conflicts Committee of the board of directors of the General Partner. The Slifka Entities Services Agreement is for an indefinite term and any party may terminate some or all of the services upon ninety (90) days’ advance written notice. As of September 30, 2024, no such notice of termination had been given by any party to the Slifka Entities Services Agreement.

General Partner—Affiliates of the Slifka family own 100% of the ownership interests in the General Partner. The General Partner employs substantially all of the Partnership’s employees, except for most of its gasoline station and convenience store employees, who are employed by GMG, and for substantially all of the employees who primarily or exclusively provide services to SPR, who are employed by SPR Operator. The Partnership reimburses the General Partner for expenses incurred in connection with these employees. These expenses, including bonus, payroll and payroll taxes, were \$55.1 million and \$36.4 million for the three months ended September 30, 2024 and 2023, respectively, and \$165.4 million and \$117.9 million for the nine months ended September 30, 2024 and 2023, respectively. The Partnership also reimburses the General Partner for its contributions under the General Partner’s 401(k) Savings and Profit Sharing Plans and the General Partner’s qualified and non-qualified pension plans.

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Spring Partners Retail LLC—The Partnership, through its subsidiary, SPR Operator, is party to an operations and maintenance agreement with the Partnership’s joint venture, SPR (see Note 11). Pursuant to this agreement, certain employees of the Partnership provide SPR with services including administrative and support functions, such as operations and management support, accounting, legal and human resources and information technology services and systems to SPR for which SPR pays SPR Operator, and therefore the Partnership, an annual fixed fee. The Partnership received approximately \$0.8 million and \$0.5 million from SPR associated with the operations and management agreement for the three months ended September 30, 2024 and 2023, respectively, and \$2.7 million and \$0.8 million for the nine months ended September 30, 2024 and 2023, respectively. In addition, SPR Operator employs substantially all of the employees who primarily or exclusively provide services to the Partnership’s joint venture. SPR reimburses the Partnership for direct expenses incurred in connection with these employees, which amounted to \$4.2 million and \$4.3 million for the three months ended September 30, 2024 and 2023, respectively, and \$13.0 million and \$5.1 million for the nine months ended September 30, 2024 and 2023, respectively.

Accounts receivable—affiliates consisted of the following (in thousands):

	September 30, 2024	December 31, 2023
Receivables from the General Partner (1)	\$ 4,328	\$ 8,031
Receivables from Spring Partners Retail LLC (2)	1,779	111
Total	<u>\$ 6,107</u>	<u>\$ 8,142</u>

- (1) Receivables from the General Partner reflect the Partnership’s prepayment of payroll taxes and payroll accruals to the General Partner and are due to the timing of the payroll obligations.
- (2) Receivables from SPR reflect the Partnership’s payment of direct expenditures on behalf of SPR under the operations and maintenance agreement.

Everett Landco GP, LLC—On October 23, 2023, the Partnership, through its wholly owned subsidiary, Global Everett Landco, LLC, entered into the Everett LLC Agreement of Everett, a Delaware limited liability company formed as a joint venture with the Everett Investor, an entity controlled by an affiliate of The Davis Companies, a company primarily involved in the acquisition, development, management and sale of commercial real estate. See Note 11.

Sale of the Revere Terminal—On June 28, 2022, the Partnership completed the sale of its terminal located on Boston Harbor in Revere, Massachusetts (the “Revere Terminal”) to Revere MA Owner LLC (the “Revere Buyer”) for a purchase price of \$150.0 million in cash. In connection with closing under the purchase agreement between the Partnership and the Revere Buyer, the Partnership entered into a leaseback agreement, which meets the criteria for sale accounting, with the Revere Buyer pursuant to which the Partnership leases back key infrastructure at the Revere Terminal, including certain tanks, dock access rights, and loading rack infrastructure, to allow the Partnership to continue business operations at the Revere Terminal. The term of the leaseback agreement, including all renewal options exercisable at the Partnership’s election, could extend through September 30, 2039.

Pursuant to the terms of the purchase agreement the Partnership entered into with affiliates of the Slifka family (the “Initial Sellers”), related parties, in 2015 to acquire the Revere Terminal, the Initial Sellers are entitled to an amount equal to fifty percent of the net proceeds (as defined in the 2015 purchase agreement) (the “Initial Sellers Share”) from the sale of the Revere Terminal. At the time of the 2022 closing, the preliminary calculation of the Initial Sellers Share was approximately \$44.3 million, which amount is subject to future revisions. To date, there have been no payments of additional net proceeds from the 2022 sale of the Revere Terminal relating to the final calculation of the Initial Sellers Share, as adjusted for such shared expenses and potential operating losses or profits.

The final calculation of the Initial Sellers Share, including a sharing of any additional expenses in order to satisfy outstanding obligations under the Partnership’s current government storage contract at the Revere Terminal and potential

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operating losses or profits relating to the operation of the Revere Terminal during the initial leaseback term, will occur upon the expiration of such storage contract. The Partnership recorded a total of approximately \$23.8 million and \$17.6 million of such additional expenses due to the Initial Sellers which are included in accrued expenses and other current liabilities in the accompanying consolidated balance sheets as of September 30, 2024 and December 31, 2023, respectively. Approximately (\$1.1 million) and \$2.8 million of the total amount was recorded in selling, general and administrative expenses in the accompanying consolidated statements of operations for the three months ended September 30, 2024 and 2023, respectively, and \$6.2 million and \$9.5 million of the total amount was recorded in selling, general and administrative expenses in the accompanying consolidated statements of operations for the nine months ended September 30, 2024 and 2023, respectively.

Note 13. Partners' Equity and Cash Distributions

Partners' Equity

Common Units and General Partner Interest

At September 30, 2024, there were 33,995,563 common units issued, including 6,415,996 common units held by affiliates of the General Partner, including directors and executive officers, and 268,307 common units held by the General Partner on behalf of the Partnership pursuant to its repurchase program for future LTIP obligations, collectively representing a 99.33% limited partner interest in the Partnership, and 230,303 general partner units representing a 0.67% general partner interest in the Partnership. There were no changes to common units or the general partner interest during the three and nine months ended September 30, 2024.

Series A Preferred Units

On April 15, 2024 the Partnership redeemed all 2,760,000 of its Series A Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units (the "Series A Preferred Units") at a redemption price of \$25.00 per unit, plus a \$0.514275 per unit cash distribution for the period from February 15, 2024 through April 14, 2024. Effective April 15, 2024, the Series A Preferred Units are no longer outstanding.

Series B Preferred Units

At September 30, 2024, there were 3,000,000 9.50% Series B Fixed Rate Cumulative Redeemable Perpetual Preferred Units issued representing limited partners interests (the "Series B Preferred Units") for \$25.00 per Series B Preferred Unit outstanding. There were no changes to the Series B Preferred Units during the three and nine months ended September 30, 2024.

Cash Distributions

Common Units

The Partnership intends to make cash distributions to common unitholders on a quarterly basis, although there is no assurance as to the future cash distributions since they are dependent upon future earnings, capital requirements, financial condition and other factors. The Credit Agreement prohibits the Partnership from making cash distributions if any potential default or Event of Default, as defined in the Credit Agreement, occurs or would result from the cash distribution. The indentures governing the Partnership's outstanding senior notes also limit the Partnership's ability to make distributions to its common unitholders in certain circumstances.

Within 45 days after the end of each quarter, the Partnership will distribute all of its Available Cash (as defined in its partnership agreement) to common unitholders of record on the applicable record date.

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The Partnership will make distributions of Available Cash from distributable cash flow for any quarter in the following manner: 99.33% to the common unitholders, pro rata, and 0.67% to the General Partner, until the Partnership distributes for each outstanding common unit an amount equal to the minimum quarterly distribution for that quarter; and thereafter, cash in excess of the minimum quarterly distribution is distributed to the common unitholders and the General Partner based on the percentages as provided below.

As holder of the IDRs, the General Partner is entitled to incentive distributions if the amount that the Partnership distributes with respect to any quarter exceeds specified target levels shown below:

	Total Quarterly Distribution Target Amount	Marginal Percentage Interest in Distributions	
		Unitholders	General Partner
First Target Distribution	up to \$0.4625	99.33 %	0.67 %
Second Target Distribution	above \$0.4625 up to \$0.5375	86.33 %	13.67 %
Third Target Distribution	above \$0.5375 up to \$0.6625	76.33 %	23.67 %
Thereafter	above \$0.6625	51.33 %	48.67 %

The Partnership paid the following cash distributions to common unitholders during 2024 (in thousands, except per unit data):

Cash Distribution Payment Date	For the Quarter Ended	Per Unit Cash Distribution	Common Units	General Partner	Incentive Distribution	Total Cash Distribution
2/14/2024 (1)	12/31/23	\$ 0.7000	\$ 23,797	\$ 180	\$ 2,857	\$ 26,834
5/15/2024 (1)	03/31/24	0.7100	24,137	185	3,174	27,496
8/14/2024 (1)	06/30/24	0.7200	24,477	189	3,493	28,159

(1) This distribution resulted in the Partnership exceeding its third target level distribution for this quarter. As a result, the General Partner, as the holder of the IDRs, received an incentive distribution.

In addition, on October 23, 2024, the board of directors of the General Partner declared a quarterly cash distribution of \$0.7300 per unit (\$2.92 per unit on an annualized basis) on its common units for the period from July 1, 2024 through September 30, 2024. On November 14, 2024, the Partnership will pay this cash distribution to its common unitholders of record as of the close of business on November 8, 2024.

Series A Preferred Units

Prior to the April 15, 2024 redemption of the Series A Preferred Units discussed above, distributions on the Series A Preferred Units were cumulative from August 7, 2018, the original issue date of the Series A Preferred Units, and were payable quarterly in arrears on February 15, May 15, August 15 and November 15 of each year (each, a “Series A Distribution Payment Date”), commencing on November 15, 2018, to holders of record as of the opening of business on the February 1, May 1, August 1 or November 1 next preceding the Series A Distribution Payment Date, in each case, when, as, and if declared by the General Partner out of legally available funds for such purpose. Distributions on the Series A Preferred Units were paid out of Available Cash with respect to the quarter immediately preceding the applicable Series A Distribution Payment Date.

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The Partnership paid the following cash distributions on the Series A Preferred Units during 2024 (in thousands, except per unit data):

Cash Distribution Payment Date	For the Quarterly Period Covering	Per Unit Cash Distribution	Total Cash Distribution	Rate
2/15/2024	11/15/23 - 2/14/24	\$ 0.77596	\$ 2,142	10.42%

On April 15, 2024, the Partnership paid the full redemption price of \$25.00 per Series A Preferred Unit, plus a cash distribution \$0.514275 per unit for the period from February 15, 2024 through April 14, 2024, for a total amount of \$70.4 million.

Series B Preferred Units

Distributions on the Series B Preferred Units are cumulative from March 24, 2021, the original issue date of the Series B Preferred Units, and payable quarterly in arrears on February 15, May 15, August 15 and November 15 of each year (each, a “Series B Distribution Payment Date”), commencing on May 15, 2021, to holders of record as of the opening of business on the February 1, May 1, August 1 or November 1 next preceding the Series B Distribution Payment Date, in each case, when, as, and if declared by the General Partner out of legally available funds for such purpose. Distributions on the Series B Preferred Units will be paid out of Available Cash with respect to the quarter immediately preceding the applicable Series B Distribution Payment Date.

The distribution rate for the Series B Preferred Units is 9.50% per annum of the \$25.00 liquidation preference per Series B Preferred Unit (equal to \$2.375 per Series B Preferred Unit per annum).

At any time on or after May 15, 2026, the Partnership may redeem, in whole or in part, the Series B Preferred Units at a redemption price in cash of \$25.00 per Series B Preferred Unit plus an amount equal to all accumulated and unpaid distributions thereon to, but excluding, the date of redemption, whether or not declared. The Partnership must provide not less than 30 days’ and not more than 60 days’ advance written notice of any such redemption.

The Partnership paid the following cash distributions on the Series B Preferred Units during 2024 (in thousands, except per unit data):

Cash Distribution Payment Date	For the Quarterly Period Covering	Per Unit Cash Distribution	Total Cash Distribution
2/15/2024	11/15/23 - 2/14/24	\$ 0.59375	\$ 1,781
5/15/2024	2/15/24 - 5/14/24	0.59375	1,781
8/15/2024	5/15/24 - 8/14/24	0.59375	1,781

On October 15, 2024, the board of directors of the General Partner declared a quarterly cash distribution of \$0.59375 per unit (\$2.375 per unit on an annualized basis) on the Series B Preferred Units for the period from August 15, 2024 through November 14, 2024. This distribution will be payable on November 15, 2024 to holders of record as of the opening of business on November 1, 2024.

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Note 14. Segment Reporting

Summarized financial information for the Partnership's reportable segments is presented in the table below (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Wholesale Segment:				
Sales				
Gasoline and gasoline blendstocks	\$ 1,790,302	\$ 1,614,459	\$ 4,909,560	\$ 4,213,536
Distillates and other oils (1)	933,908	715,437	3,116,686	2,682,493
Total	\$ 2,724,210	\$ 2,329,896	\$ 8,026,246	\$ 6,896,029
Product margin				
Gasoline and gasoline blendstocks	\$ 43,024	\$ 20,390	\$ 143,197	\$ 79,799
Distillates and other oils (1)	28,118	16,780	69,230	70,226
Total	\$ 71,142	\$ 37,170	\$ 212,427	\$ 150,025
Gasoline Distribution and Station Operations Segment:				
Sales				
Gasoline	\$ 1,269,955	\$ 1,460,670	\$ 3,683,780	\$ 3,996,890
Station operations (2)	150,943	156,685	430,636	431,951
Total	\$ 1,420,898	\$ 1,617,355	\$ 4,114,416	\$ 4,428,841
Product margin				
Gasoline	\$ 164,122	\$ 132,000	\$ 433,065	\$ 380,699
Station operations (2)	73,590	74,530	213,831	208,456
Total	\$ 237,712	\$ 206,530	\$ 646,896	\$ 589,155
Commercial Segment:				
Sales	\$ 277,130	\$ 273,794	\$ 836,666	\$ 758,192
Product margin	\$ 9,509	\$ 8,426	\$ 22,699	\$ 23,310
Combined sales and Product margin:				
Sales	\$ 4,422,238	\$ 4,221,045	\$ 12,977,328	\$ 12,083,062
Product margin (3)	\$ 318,363	\$ 252,126	\$ 882,022	\$ 762,490
Depreciation allocated to cost of sales	(32,314)	(23,606)	(92,954)	(69,247)
Combined gross profit	\$ 286,049	\$ 228,520	\$ 789,068	\$ 693,243

- (1) Distillates and other oils (primarily residual oil and crude oil).
- (2) Station operations consist of convenience store and prepared food sales, rental income and sundries.
- (3) Product margin is a non-GAAP financial measure used by management and external users of the Partnership's consolidated financial statements to assess its business. The table above includes a reconciliation of product margin on a combined basis to gross profit, a directly comparable GAAP measure.

Approximately 122 million gallons and 110 million gallons of the GDSO segment's sales for the three months ended September 30, 2024 and 2023, respectively, and 342 million gallons and 314 million gallons of the GDSO segment's sales for the nine months ended September 30, 2024 and 2023, respectively, were supplied from petroleum products and renewable fuels sourced by the Wholesale segment. The Commercial segment's sales were predominantly sourced by the Wholesale segment. These intra-segment sales are not reflected as sales in the Wholesale segment as they are eliminated.

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A reconciliation of the totals reported for the reportable segments to the applicable line items in the consolidated financial statements is as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Combined gross profit	\$ 286,049	\$ 228,520	\$ 789,068	\$ 693,243
Operating costs and expenses not allocated to operating segments:				
Selling, general and administrative expenses	70,495	63,479	212,646	192,431
Operating expenses	137,126	115,944	387,235	334,676
Amortization expense	2,288	2,017	6,146	6,119
Net gain on sale and disposition of assets	(7,805)	(897)	(10,609)	(2,141)
Long-lived asset impairment	492	—	492	—
Total operating costs and expenses	<u>202,596</u>	<u>180,543</u>	<u>595,910</u>	<u>531,085</u>
Operating income	83,453	47,977	193,158	162,158
(Loss) income from equity method investments	(147)	1,180	(1,872)	2,384
Interest expense	(35,129)	(21,089)	(100,356)	(64,963)
Income tax expense	(2,255)	(1,260)	(4,461)	(2,351)
Net income	<u>\$ 45,922</u>	<u>\$ 26,808</u>	<u>\$ 86,469</u>	<u>\$ 97,228</u>

The Partnership's foreign assets and foreign sales were immaterial as of and for the three and nine months ended September 30, 2024 and 2023.

Segment Assets

The Partnership's terminal assets are allocated to the Wholesale and Commercial segments, and its retail gasoline stations are allocated to the GDSO segment. Due to the commingled nature and uses of the remainder of the Partnership's assets, it is not reasonably possible for the Partnership to allocate these assets among its reportable segments.

The table below presents total assets by reportable segment at September 30, 2024 and December 31, 2023 (in thousands):

	Wholesale	Commercial	GDSO	Unallocated (1)	Total
September 30, 2024	\$ 1,188,573	\$ —	\$ 1,872,341	\$ 604,201	\$ 3,665,115
December 31, 2023	\$ 862,850	\$ —	\$ 1,910,058	\$ 673,103	\$ 3,446,011

(1) Includes the Partnership's equity method investments (see Note 11).

Note 15. Net Income Per Common Limited Partner Unit

Under the Partnership's partnership agreement, for any quarterly period, the incentive distribution rights ("IDRs") participate in net income only to the extent of the amount of cash distributions actually declared, thereby excluding the IDRs from participating in the Partnership's undistributed net income or losses. Accordingly, the Partnership's undistributed net income or losses is assumed to be allocated to the common unitholders and to the General Partner's general partner interest.

Common units outstanding as reported in the accompanying consolidated financial statements at September 30, 2024 and December 31, 2023 excludes 268,307 and 113,206 common units, respectively, held on behalf of the Partnership pursuant to its repurchase program. These units are not deemed outstanding for purposes of calculating net

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income per common limited partner unit (basic and diluted). For all periods presented below, the Partnership's preferred units are not potentially dilutive securities based on the nature of the conversion feature.

The following table provides a reconciliation of net income and the assumed allocation of net income to the common limited partners (after deducting amounts allocated to preferred unitholders) for purposes of computing net income per common limited partner unit for the periods presented (in thousands, except per unit data):

	Three Months Ended September 30, 2024				Three Months Ended September 30, 2023			
	Total	Common Limited Partners	General Partner Interest	IDRs	Total	Common Limited Partners	General Partner Interest	IDRs
Numerator:								
Net income	\$ 45,922	\$ 41,804	\$ 4,118	\$ —	\$ 26,808	\$ 24,248	\$ 2,560	\$ —
Declared distribution	\$ 28,821	\$ 24,817	\$ 194	\$ 3,810	\$ 25,841	\$ 23,287	\$ 174	\$ 2,380
Assumed allocation of undistributed net income	17,101	16,987	114	—	967	961	6	—
Assumed allocation of net income	\$ 45,922	\$ 41,804	\$ 308	\$ 3,810	\$ 26,808	\$ 24,248	\$ 180	\$ 2,380
Less: Preferred limited partner interest in net income		1,781				3,712		
Net income attributable to common limited partners		\$ 40,023				\$ 20,536		
Denominator:								
Basic weighted average common units outstanding		33,781				33,983		
Dilutive effect of phantom units		412				80		
Diluted weighted average common units outstanding		34,193				34,063		
Basic net income per common limited partner unit		\$ 1.18				\$ 0.60		
Diluted net income per common limited partner unit		\$ 1.17				\$ 0.60		

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	Nine Months Ended September 30, 2024				Nine Months Ended September 30, 2023			
	Total	Common Limited Partners	General Partner Interest	IDRs	Total	Common Limited Partners	General Partner Interest	IDRs
Numerator:								
Net income	\$ 86,469	\$ 75,413	\$ 11,056	\$ —	\$ 97,228	\$ 90,547	\$ 6,681	\$ —
Declared distribution	\$ 84,476	\$ 73,431	\$ 568	\$ 10,477	\$ 75,035	\$ 68,501	\$ 505	\$ 6,029
Assumed allocation of undistributed net income	1,993	1,982	11	—	22,193	22,046	147	—
Assumed allocation of net income	\$ 86,469	\$ 75,413	\$ 579	\$ 10,477	\$ 97,228	\$ 90,547	\$ 652	\$ 6,029
Less: Preferred limited partner interest in net income		7,794				10,638		
Less: Redemption of Series A preferred limited partner units		2,634				—		
Net income attributable to common limited partners		\$ 64,985				\$ 79,909		
Denominator:								
Basic weighted average common units outstanding		33,884				33,985		
Dilutive effect of phantom units		371				41		
Diluted weighted average common units outstanding		34,255				34,026		
Basic net income per common limited partner unit		\$ 1.92				\$ 2.35		
Diluted net income per common limited partner unit		\$ 1.90				\$ 2.35		

See Note 13, “Partners’ Equity and Cash Distributions” for information on declared cash distributions.

Note 16. Legal Proceedings

General

Although the Partnership may, from time to time, be involved in litigation and claims arising out of its operations in the normal course of business, the Partnership does not believe that it is a party to any litigation that will have a material adverse impact on its financial condition or results of operations. Except as described below and in Note 10 included herein, the Partnership is not aware of any significant legal or governmental proceedings against it or contemplated to be brought against it. The Partnership maintains insurance policies with insurers in amounts and with coverage and deductibles as its general partner believes are reasonable and prudent. However, the Partnership can provide no assurance that this insurance will be adequate to protect it from all material expenses related to potential future claims or that these levels of insurance will be available in the future at economically acceptable prices.

Other

In January 2022, the Partnership was served with a complaint filed in the Middlesex County Superior Court of the Commonwealth of Massachusetts against the Partnership and its wholly owned subsidiaries, Global Companies LLC (“Global Companies”) and Alliance Energy LLC (“Alliance”), alleging, among other things, that a plaintiff truck driver, while (1) loading gasoline and diesel fuel at terminals owned and operated by the Partnership located in Albany, New York and Revere, Massachusetts and (2) unloading gasoline and diesel fuel at gasoline stations owned and/or operated by the Partnership throughout New York, Massachusetts and New Hampshire, contracted aplastic anemia as a result of exposure to benzene-containing products and/or vapors therefrom. In October 2024, the parties agreed in principle to fully settle the allegations alleged in the complaint and dismiss the complaint in its entirety with prejudice, subject to the execution by the parties of a mutually acceptable settlement and release agreement.

GLOBAL PARTNERS LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

In October 2020, the Partnership was served with a complaint filed against the Partnership and its wholly owned subsidiary, Global Companies alleging, among other things, wrongful death and loss of consortium. The complaint, filed in the Middlesex County Superior Court of the Commonwealth of Massachusetts, alleges, among other things, that a truck driver (whose estate is a co-plaintiff), while loading gasoline and diesel fuel at terminals owned and operated by the Partnership located in Albany, New York and Burlington, Vermont, was exposed to benzene-containing products and/or vapors therefrom. In October 2024, the parties reached a full settlement of the complaint. In connection therewith, the Partnership and Global Companies have been fully released of any and all liabilities and claims with respect to the matters alleged in the complaint and, upon satisfaction of the terms of the settlement agreement, the complaint will be dismissed in its entirety with prejudice.

By letter dated January 25, 2017, the Partnership received a notice of intent to sue (the “2017 NOI”) from Earthjustice related to alleged violations of the Clean Air Act (the “CAA”) specifically alleging that the Partnership was operating the Albany Terminal without a valid CAA Title V Permit. On February 9, 2017, the Partnership responded to Earthjustice advising that the 2017 NOI was without factual or legal merit and that the Partnership would move to dismiss any action commenced by Earthjustice. No action was taken by either the EPA or the New York State Department of Environmental Conservation (the “NYSDEC”) with regard to the Earthjustice allegations. At this time, there has been no further action taken by Earthjustice. Neither the EPA nor the NYSDEC has followed up on the 2017 NOI. The Albany Terminal had been operating pursuant to its then-existing Title V Permit, which had been extended in accordance with the State Administrative Procedures Act. Additionally, the Partnership had submitted a Title V Permit renewal and a request for modifications to its existing Title V Permit. On June 25, 2024, NYSDEC issued the Title V Permit renewal and modification. The Partnership believes that it has meritorious defenses against all allegations.

The Partnership received letters from the EPA dated November 2, 2011 and March 29, 2012, containing requirements and testing orders (collectively, the “Requests for Information”) for information under the CAA. The Requests for Information were part of an EPA investigation to determine whether the Partnership has violated sections of the CAA at certain of its terminal locations in New England with respect to residual oil and asphalt. On June 6, 2014, a NOV was received from the EPA, alleging certain violations of its Air Emissions License issued by the Maine Department of Environmental Protection, based upon the test results at the South Portland, Maine terminal. The Partnership met with and provided additional information to the EPA with respect to the alleged violations. On April 7, 2015, the EPA issued a Supplemental Notice of Violation modifying the allegations of violations of the terminal’s Air Emissions License. The Partnership has entered into a consent decree (the “Consent Decree”) with the EPA and the United States Department of Justice (the “Department of Justice”), which was filed in the U.S. District Court for the District of Maine (the “Court”) on March 25, 2019. The Consent Decree was entered by the Court on December 19, 2019. The Partnership believes that compliance with the Consent Decree and implementation of the requirements of the Consent Decree will have no material impact on its operations.

The Partnership received a Subpoena Duces Tecum dated May 13, 2022 from the Office of the Attorney General of the State of New York (“NY AG”) requesting information regarding charges paid by retailers, distributors, or consumers for oil and gas products in or within the proximity of the State of New York during the disruption of the market triggered by Russia’s 2022 invasion of Ukraine. The Partnership has been advised that the NY AG’s office sent similar subpoena requests for information to market participants across the petroleum industry. The Partnership made an initial submission of information to the NY AG’s office and continues to cooperate with the NY AG’s office to satisfy its obligations under the subpoena.

The Partnership received a letter from the Office of the Attorney General of the State of Connecticut (“CT AG”) dated June 28, 2022 seeking information from the Partnership related to its sales of motor fuel to retailers within the State of Connecticut from February 3, 2022 through June 28, 2022. The Partnership has been advised that the CT AG’s office sent similar requests for information to market participants across the petroleum industry. The Partnership has complied with the CT AG’s request and submitted information responsive thereto.

GLOBAL PARTNERS LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

In May 2024, a petition was filed against the Partnership's joint venture, SPR, and the Partnership's wholly owned subsidiary, SPR Operator, in the District Court of Harris County, Texas, alleging, among other things, the wrongful death of a customer at a retail site in Houston, Texas. SPR and SPR Operator have meritorious defenses to the allegations in the petition and will vigorously contest this matter.

Note 17. New Accounting Standards

There have been no recently issued accounting standards that are expected to have a material impact on the Partnership's consolidated financial statements.

Note 18. Subsequent Events

Distribution to Common Unitholders—On October 23, 2024, the board of directors of the General Partner declared a quarterly cash distribution of \$0.7300 per unit (\$2.92 per unit on an annualized basis) for the period from July 1, 2024 through September 30, 2024. On November 14, 2024, the Partnership will pay this cash distribution to its common unitholders of record as of the close of business on November 8, 2024.

Distribution to Series B Preferred Unitholders—On October 15, 2024, the board of directors of the General Partner declared a quarterly cash distribution of \$0.59375 per unit (\$2.375 per unit on an annualized basis) on the Series B Preferred Units, covering the period from August 15, 2024 through November 14, 2024. This distribution will be payable on November 15, 2024 to holders of record as of the opening of business on November 1, 2024.

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

The following discussion and analysis of financial condition and results of operations of Global Partners LP should be read in conjunction with the historical consolidated financial statements of Global Partners LP and the notes thereto included elsewhere in this Quarterly Report on Form 10-Q.

We account for our investments in Spring Partners Retail LLC ("SPR") and Everett Landco GP, LLC ("Everett") as equity method investments. Under this method, our share of income and losses is included in (loss) income from equity method investments in the accompanying consolidated statements of operations of Global Partners LP, and our investment balance in the joint ventures are included in equity method investments in the accompanying consolidated balance sheets of Global Partners LP. See Note 11 of Notes to Consolidated Financial Statements. Except as otherwise specifically indicated, the information and discussion and analysis in this section does not otherwise take into account the financial condition and results of operations of SPR or Everett.

Forward-Looking Statements

Some of the information contained in this Quarterly Report on Form 10-Q may contain forward-looking statements. Forward-looking statements include, without limitation, any statement that may project, indicate or imply future results, events, performance or achievements, and may contain the words "may," "believe," "should," "could," "expect," "anticipate," "plan," "intend," "estimate," "continue," "will likely result," or other similar expressions although not all forward-looking statements contain such identifying words. In addition, any statement made by our management concerning future financial performance (including future revenues, earnings or growth rates), ongoing business strategies or prospects, and possible actions by us are also forward-looking statements. Forward-looking statements are not guarantees of performance. Although we believe these forward-looking statements are based on reasonable assumptions, statements made regarding future results are subject to a number of assumptions, uncertainties and risks, many of which are beyond our control, which may cause future results to be materially different from the results stated or implied in this document. These risks and uncertainties include, among other things:

- We may not have sufficient cash from operations to enable us to pay distributions on our Series B preferred units or maintain distributions on our common units at current levels following establishment of cash reserves and payment of fees and expenses, including payments to our general partner.
- A significant decrease in price or demand for the products we sell or a significant increase in the cost of our logistics activities could have an adverse effect on our financial condition, results of operations and cash available for distribution to our unitholders.
- The impact on the global economy and commodity prices resulting from the conflicts in Ukraine and the Middle East may have a negative impact on our financial condition and results of operations.
- We depend upon marine, pipeline, rail and truck transportation services for the petroleum products we purchase and sell. Regulations and directives related to these aforementioned services as well as a disruption in any of these transportation services could have an adverse effect on our financial condition, results of operations and cash available for distribution to our unitholders.
- We have contractual obligations for certain transportation assets such as barges and railcars. A decline in demand for the products we sell could result in a decrease in the utilization of our transportation assets, which could negatively impact our financial condition, results of operations and cash available for distribution to our unitholders.
- We may not be able to fully implement or capitalize upon planned growth projects. Even if we consummate acquisitions or expend capital in pursuit of growth projects that we believe will be accretive, they may in fact result in no increase or even a decrease in cash available for distribution to our unitholders.
- We may not be able to realize expected returns or other anticipated benefits associated with our joint ventures.

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- Erosion of the value of major gasoline brands could adversely affect our gasoline sales and customer traffic.
- Our motor fuel sales could be significantly reduced by a reduction in demand due to higher prices and new technologies and alternative fuel sources, such as electric, hybrid, battery powered, hydrogen or other alternative fuel-powered motor vehicles. In addition, changing consumer preferences or driving habits could lead to new forms of fueling destinations or potentially fewer customer visits to our sites, resulting in a decrease in gasoline sales and/or sales of food, sundries and other on-site services.
- Effects of climate change and impacts to areas prone to sea level rise or other extreme weather events could have the potential to adversely affect our assets and operations.
- Changes in government usage mandates and tax credits could adversely affect the availability and pricing of ethanol and renewable fuels, which could negatively impact our sales.
- Our petroleum and related products sales, logistics activities, convenience store operations and results of operations have been and could continue to be adversely affected by, among other things, changes in the petroleum products market structure, product differentials and volatility (or lack thereof), regulations that adversely impact the market for transporting petroleum and related products, severe weather conditions, significant changes in prices, labor and equipment shortages and interruptions in transportation services and other necessary services and equipment, such as railcars, barges, trucks, loading equipment and qualified drivers.
- Our risk management policies cannot eliminate all commodity risk, basis risk or the impact of unfavorable market conditions, each of which can adversely affect our financial condition, results of operations and cash available for distribution to our unitholders. In addition, any noncompliance with our risk management policies could result in significant financial losses.
- Our results of operations are affected by the overall forward market for the products we sell, and pricing volatility may adversely impact our results.
- Our businesses could be affected by a range of issues, such as changes in demand, commodity prices, energy conservation, competition, the global economic climate, movement of products between foreign locales and within the United States, changes in refiner demand, weekly and monthly refinery output levels, changes in the rate of inflation or deflation, changes in local, domestic and worldwide inventory levels, changes in health, safety and environmental regulations, including, without limitation, those related to climate change, additional government regulations related to the products we sell, failure to obtain permits, amend existing permits for expansion and/or to address changes to our assets and underlying operations, or renew existing permits on terms favorable to us, seasonality, supply, weather and logistics disruptions and other factors and uncertainties inherent in the transportation, storage, terminalling and marketing of refined products, gasoline blendstocks, renewable fuels and crude oil.
- We may experience more demand for gasoline during the late spring and summer months than during the fall and winter months.
- Warmer weather conditions adversely affect our home heating oil and residual oil sales. Our sales of home heating oil and residual oil continue to be reduced by conversions to natural gas and/or electric heat pumps and by utilization of propane and/or natural gas (instead of heating oil) as primary fuel sources.
- Increases and/or decreases in the prices of the products we sell could adversely impact the amount of availability for borrowing working capital under our credit agreement, which has borrowing base limitations and advance rates.
- We are exposed to trade credit risk and risk associated with our trade credit support in the ordinary course of our businesses.

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- The condition of credit markets may adversely affect our liquidity.
- Operating and financial covenants and borrowing base requirements included in our debt instruments as well as our debt levels could impact our access to sources of financing and our ability to pursue business activities.
- A significant increase in interest rates could adversely affect our results of operations and cash available for distribution to our unitholders and our ability to service our indebtedness.
- Governmental action and campaigns to discourage smoking and use of other products could have an adverse effect on our financial condition, results of operations and cash available for distribution to our unitholders.
- Our results can be adversely affected by unforeseen events, such as adverse weather, natural disasters, terrorism, cyberattacks, pandemics, or other catastrophic events.
- Our businesses, including our gasoline station and convenience store business, expose us to litigation which could result in an unfavorable outcome or settlement of one or more lawsuits where insurance proceeds are insufficient or otherwise unavailable.
- A disruption to our information technology systems, including cybersecurity, could significantly limit our ability to manage and operate our businesses.
- We are exposed to performance risk in our supply chain.
- Our businesses are subject to federal, state and municipal environmental and non-environmental regulations which could significantly impact our operations, increase our costs and have a material adverse effect on such businesses.
- Our general partner and its affiliates have conflicts of interest and limited fiduciary duties, which could permit them to favor their own interests to the detriment of our unitholders.
- Unitholders have limited voting rights and are not entitled to elect our general partner or its directors or remove our general partner without the consent of the holders of at least 66 2/3% of the outstanding common units (including common units held by our general partner and its affiliates), which could lower the trading price of our units.
- Our tax treatment depends on our status as a partnership for federal income tax purposes.
- Unitholders may be required to pay taxes on their share of our income even if they do not receive any cash distributions from us.

Additional information about risks and uncertainties that could cause actual results to differ materially from forward-looking statements is contained in Part I, Item 1A, “Risk Factors,” in our Annual Report on Form 10-K for the year ended December 31, 2023 and Part II, Item 1A, “Risk Factors,” in this Quarterly Report on Form 10-Q.

We expressly disclaim any obligation or undertaking to update these statements to reflect any change in our expectations or beliefs or any change in events, conditions or circumstances on which any forward-looking statement is based, other than as required by federal and state securities laws. All forward-looking statements included in this Quarterly Report on Form 10-Q and all subsequent written or oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by these cautionary statements.

Overview

We are a master limited partnership formed in March 2005. We own, control or have access to a large terminal network of refined petroleum products and renewable fuels—with connectivity to strategic rail, pipeline and marine assets—spanning from Maine to Florida and into the U.S. Gulf States. We are one of the largest independent owners, suppliers and operators of gasoline stations and convenience stores, primarily in Massachusetts, Maine, Connecticut, Vermont, New Hampshire, Rhode Island, New York, New Jersey and Pennsylvania (collectively, the “Northeast”) and Maryland and Virginia. As of September 30, 2024, we had a portfolio of 1,589 owned, leased and/or supplied gasoline stations, including 306 directly operated convenience stores, primarily in the Northeast, as well as 64 gasoline stations located in Texas that are operated by our unconsolidated affiliate, SPR. We are also one of the largest distributors of gasoline, distillates, residual oil and renewable fuels to wholesalers, retailers and commercial customers in the New England states and New York. We engage in the purchasing, selling, gathering, blending, storing and logistics of transporting petroleum and related products, including gasoline and gasoline blendstocks (such as ethanol), distillates (such as home heating oil, diesel and kerosene), residual oil, renewable fuels, crude oil and propane and in the transportation of petroleum products and renewable fuels by rail from the mid-continent region of the United States and Canada.

Collectively, we sold approximately \$4.2 billion and \$12.5 billion of refined petroleum products, gasoline blendstocks, renewable fuels and crude oil for the three and nine months ended September 30, 2024, respectively. In addition, we had other revenues of approximately \$0.2 billion and \$0.4 billion for the three and nine months ended September 30, 2024, respectively, from convenience store and prepared food sales at our directly operated stores, rental income from dealer leased and commissioned agent leased gasoline stations and from cobranding arrangements, and sundries.

We base our pricing on spot prices, fixed prices or indexed prices and routinely use the New York Mercantile Exchange (“NYMEX”), Chicago Mercantile Exchange (“CME”) and Intercontinental Exchange (“ICE”) or other counterparties to hedge the risk inherent in buying and selling commodities. Through the use of regulated exchanges or derivatives, we seek to maintain a position that is substantially balanced between purchased volumes and sales volumes or future delivery obligations.

2024 Events

Redemption of Series A Preferred Units—On April 15, 2024 we redeemed all of our outstanding Series A Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units (the “Series A Preferred Units”) at a redemption price of \$25.00 per unit, plus a \$0.514275 per unit cash distribution for the period from February 15, 2024 through April 14, 2024. Effective April 15, 2024, the Series A Preferred Units are no longer outstanding. See Note 13 of Notes to Consolidated Financial Statements for additional information.

Acquisition of Terminals from Gulf Oil—On April 9, 2024, we acquired four refined-product terminals from Gulf Oil Limited Partnership (“Gulf Oil”) which are located in Chelsea, MA, New Haven, CT, Linden, NJ and Woodbury, NJ, pursuant to a purchase agreement initially entered into on December 15, 2022 and subsequently amended and restated on February 23, 2024. The acquisition price was approximately \$215.0 million, excluding inventory acquired from Gulf Oil. We financed the transaction with borrowings under our revolving credit facility. See Note 2 of Notes to Consolidated Financial Statements.

Credit Agreement Facility Reallocation and Accordion Reduction—On February 5, 2024, we and the lenders under our credit agreement agreed, pursuant to the terms of our credit agreement, to (i) a reallocation of \$300.0 million of the revolving credit facility to the working capital revolving credit facility and (ii) reduce the accordion feature from \$200.0 million to \$0. After giving effect to the reallocation and the accordion reduction, the working capital revolving credit facility is \$950.0 million and the revolving credit facility is \$600.0 million, for a total commitment of \$1.55 billion, effective February 8, 2024. This reallocation and accordion reduction return our credit facilities to the terms in place prior to the reallocation and accordion exercise previously agreed to by us and the lenders on December 7, 2023. See “—Liquidity and Capital Resources—Credit Agreement.”

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2032 Notes Offering—On January 18, 2024, we and GLP Finance Corp. issued \$450.0 million aggregate principal amount of 8.250% senior notes due 2032 (the “2032 Notes”) that are guaranteed by certain of our subsidiaries in a private placement exempt from the registration requirements under the Securities Act of 1933, as amended. We used the net proceeds from the offering to repay a portion of the borrowings outstanding under our credit agreement and for general corporate purposes. See “—Liquidity and Capital Resources—Senior Notes.”

Operating Segments

We purchase refined petroleum products, gasoline blendstocks, renewable fuels and crude oil primarily from domestic and foreign refiners and ethanol producers, crude oil producers, major and independent oil companies and trading companies. We operate our businesses under three segments: (i) Wholesale, (ii) Gasoline Distribution and Station Operations (“GDSO”) and (iii) Commercial.

Wholesale

In our Wholesale segment, we engage in the logistics of selling, gathering, blending, storing and transporting refined petroleum products, gasoline blendstocks, renewable fuels, crude oil and propane. We transport these products by railcars, barges, trucks and/or pipelines pursuant to spot or long-term contracts. We sell home heating oil, branded and unbranded gasoline and gasoline blendstocks, diesel, kerosene and residual oil to home heating oil and propane retailers and wholesale distributors. Generally, customers use their own vehicles or contract carriers to take delivery of the gasoline, distillates and propane at bulk terminals and inland storage facilities that we own or control or at which we have throughput or exchange arrangements. Ethanol is shipped primarily by rail and by barge.

In our Wholesale segment, we obtain Renewable Identification Numbers (“RIN”) in connection with our purchase of ethanol which is used for bulk trading purposes or for blending with gasoline through our terminal system. A RIN is an identification number associated with government-mandated renewable fuel standards. To evidence that the required volume of renewable fuel is blended with gasoline, obligated parties must retire sufficient RINs to cover their Renewable Volume Obligation (“RVO”). Our U.S. Environmental Protection Agency (“EPA”) obligations relative to renewable fuel reporting are comprised of foreign gasoline and diesel that we may import and blending operations at certain facilities. We separate RINs from renewable fuel through blending with gasoline and can use those separated RINs to settle our RVO.

Gasoline Distribution and Station Operations

In our GDSO segment, gasoline distribution includes sales of branded and unbranded gasoline to gasoline station operators and sub-jobbers. Station operations include (i) convenience store and prepared food sales, (ii) rental income from gasoline stations leased to dealers, from commissioned agents and from cobranding arrangements and (iii) sundries (such as car wash sales and lottery and ATM commissions).

As of September 30, 2024, we had a portfolio of owned, leased and/or supplied gasoline stations, primarily in the Northeast, that consisted of the following:

Company operated (1)	306
Commissioned agents	312
Lessee dealers	177
Contract dealers	794
Total	<u>1,589</u>

(1) Excludes 64 sites operated by our joint venture, SPR (see Note 11 of Notes to Consolidated Financial Statements).

At our company-operated stores, we operate the gasoline stations and convenience stores with our employees, and we set the retail price of gasoline at the station. At commissioned agent locations, we own the gasoline inventory, and we set the retail price of gasoline at the station and pay the commissioned agent a fee related to the gallons sold. We receive rental income from commissioned agent leased gasoline stations for the leasing of the convenience store

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premises, repair bays and/or other businesses that may be conducted by the commissioned agent. At dealer-leased locations, the dealer purchases gasoline from us, and the dealer sets the retail price of gasoline at the dealer's station. We also receive rental income from (i) dealer-leased gasoline stations and (ii) cobranding arrangements. We also supply gasoline to locations owned and/or leased by independent contract dealers. Additionally, we have contractual relationships with distributors in certain New England states pursuant to which we source and supply these distributors' gasoline stations with Exxon- or Mobil-branded gasoline.

Commercial

In our Commercial segment, we include sales and deliveries to end user customers in the public sector and to large commercial and industrial end users of unbranded gasoline, home heating oil, diesel, kerosene, residual oil and bunker fuel. In the case of public sector commercial and industrial end user customers, we sell products primarily either through a competitive bidding process or through contracts of various terms. We respond to publicly issued requests for product proposals and quotes. We generally arrange for the delivery of the product to the customer's designated location. Our Commercial segment also includes sales of custom blended fuels delivered by barges or from a terminal dock to ships through bunkering activity.

Seasonality

Due to the nature of our businesses and our reliance, in part, on consumer travel and spending patterns, we may experience more demand for gasoline during the late spring and summer months than during the fall and winter months. Travel and recreational activities are typically higher in these months in the geographic areas in which we operate, increasing the demand for gasoline. Therefore, our volumes in gasoline are typically higher in the second and third quarters of the calendar year. As demand for some of our refined petroleum products, specifically home heating oil and residual oil for space heating purposes, is generally greater during the winter months, heating oil and residual oil volumes are generally higher during the first and fourth quarters of the calendar year. These factors may result in fluctuations in our quarterly operating results.

Outlook

This section identifies certain risks and certain economic or industry-wide factors that may affect our financial performance and results of operations in the future, both in the short-term and in the long-term. Our results of operations and financial condition depend, in part, upon the following:

- *Our businesses are influenced by the overall markets for refined petroleum products, gasoline blendstocks, renewable fuels, crude oil and propane and increases and/or decreases in the prices of these products may adversely impact our financial condition, results of operations and cash available for distribution to our unitholders and the amount of borrowing available for working capital under our credit agreement.* Results from our purchasing, storing, terminalling, transporting, selling and blending operations are influenced by prices for refined petroleum products, gasoline blendstocks, renewable fuels, crude oil and propane, price volatility and the market for such products. Prices in the overall markets for these products may affect our financial condition, results of operations and cash available for distribution to our unitholders. Our margins can be significantly impacted by the forward product pricing curve, often referred to as the futures market. We typically hedge our exposure to petroleum product and renewable fuel price moves with futures contracts and, to a lesser extent, swaps. In markets where future prices are higher than current prices, referred to as contango, we may use our storage capacity to improve our margins by storing products we have purchased at lower prices in the current market for delivery to customers at higher prices in the future. In markets where future prices are lower than current prices, referred to as backwardation, inventories can depreciate in value and hedging costs are more expensive. For this reason, in these backward markets, we attempt to reduce our inventories in order to minimize these effects. Our inventory management is dependent on the use of hedging instruments which are managed based on the structure of the forward pricing curve. Daily market changes may impact periodic results due to the point-in-time valuation of these positions. Volatility in petroleum markets may impact our results. When prices for the products we sell rise, some of our customers may have insufficient credit to purchase supply from us at their historical purchase volumes, and their customers, in turn, may adopt conservation measures which reduce

consumption, thereby reducing demand for product. Furthermore, when prices increase rapidly and dramatically, we may be unable to promptly pass our additional costs on to our customers, resulting in lower margins which could adversely affect our results of operations. Higher prices for the products we sell may (1) diminish our access to trade credit support and/or cause it to become more expensive and (2) decrease the amount of borrowings available for working capital under our credit agreement as a result of total available commitments, borrowing base limitations and advance rates thereunder. When prices for the products we sell decline, our exposure to risk of loss in the event of nonperformance by our customers of our forward contracts may be increased as they and/or their customers may breach their contracts and purchase the products we sell at the then lower market price from a competitor.

- *We commit substantial resources to pursuing acquisitions and expending capital for growth projects, although there is no certainty that we will successfully complete any acquisitions or growth projects or receive the economic results we anticipate from completed acquisitions or growth projects.* We are continuously engaged in discussions with potential sellers and lessors of existing (or suitable for development) terminalling, storage, logistics and/or marketing assets, including gasoline stations, convenience stores and related businesses, and also consider organic growth projects. Our growth largely depends on our ability to make accretive acquisitions and/or accretive development projects. We may be unable to execute such accretive transactions for a number of reasons, including the following: (1) we are unable to identify attractive transaction candidates or negotiate acceptable terms; (2) we are unable to obtain financing for such transactions on economically acceptable terms; or (3) we are outbid by competitors. Many of these transactions involve numerous regulatory, environmental, commercial and legal uncertainties beyond our control, which may materially alter the expected return associated with the underlying transaction. We may consummate transactions that we believe will be accretive but that ultimately may not be accretive.
- *We may not be able to realize expected returns or other anticipated benefits associated with our joint ventures.* We are currently involved in two joint ventures. We may not always be in complete alignment with our unaffiliated joint venture counterparties due to, for example, conflicting strategic objectives, change in control, change in market conditions or applicable laws, or other events. We may disagree on governance matters with respect to the respective joint venture or the jointly-owned assets and may be outvoted by our respective joint venture counterparty. Our joint venture arrangements may also require us to expend additional resources that could otherwise be directed to other areas of our business. As a result of such challenges, the anticipated benefits associated with our joint ventures may not be achieved and could negatively impact our results of operations.
- *The condition of credit markets may adversely affect our liquidity.* In the past, world financial markets experienced a severe reduction in the availability of credit. Possible negative impacts in the future could include a decrease in the availability of borrowings under our credit agreement, increased counterparty credit risk on our derivatives contracts and our contractual counterparties could require us to provide collateral. In addition, we could experience a tightening of trade credit from our suppliers.
- *We depend upon marine, pipeline, rail and truck transportation services for a substantial portion of our logistics activities in transporting the petroleum products we purchase and sell. Disruption in any of these transportation services could have an adverse effect on our financial condition, results of operations and cash available for distribution to our unitholders.* Hurricanes, flooding and other severe weather conditions could cause a disruption in the transportation services we depend upon and could affect the flow of service. In addition, accidents, labor disputes between providers and their employees and labor renegotiations, including strikes, lockouts or a work stoppage, shortage of railcars, trucks and barges, mechanical difficulties or bottlenecks and disruptions in transportation logistics could also disrupt our business operations. These events could result in service disruptions and increased costs which could also adversely affect our financial condition, results of operations and cash available for distribution to our unitholders. Other disruptions, such as those due to an act of terrorism or war, could also adversely affect our businesses.
- *We have contractual obligations for certain transportation assets such as barges and railcars.* A decline in demand for the products we sell could result in a decrease in the utilization of our transportation assets. Certain costs associated with our contractual obligations for certain transportation assets are fixed and do not vary with

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volumes transported. Should we experience a reduction in our logistics activities, costs associated with our contractual obligations for related transportation assets may not decrease ratably or at all. As a result, our financial condition, results of operations and cash available for distribution to our unitholders may be negatively impacted.

- *Our gasoline financial results in our GDSO segment can be lower in the first and fourth quarters of the calendar year due to seasonal fluctuations in demand.* Due to the nature of our businesses and our reliance, in part, on consumer travel and spending patterns, we may experience more demand for gasoline during the late spring and summer months than during the fall and winter months. Travel and recreational activities are typically higher in these months in the geographic areas in which we operate, increasing the demand for gasoline. Therefore, our results of operations in gasoline can be lower in the first and fourth quarters of the calendar year.
- *Our heating oil and residual oil financial results can be lower in the second and third quarters of the calendar year.* Demand for some refined petroleum products, specifically home heating oil and residual oil for space heating purposes, is generally higher during November through March than during April through October. We obtain a significant portion of these sales during the winter months.
- *Warmer weather conditions could adversely affect our results of operations and financial condition.* Weather conditions generally have an impact on the demand for both home heating oil and residual oil. Because we supply distributors whose customers depend on home heating oil and residual oil for space heating purposes during the winter, warmer-than-normal temperatures during the first and fourth calendar quarters can decrease the total volume we sell and the gross profit realized on those sales.
- *Our gasoline, convenience store and prepared food sales could be significantly reduced by a reduction in demand due to higher prices and inflation in general and new technologies and alternative fuel sources, such as electric, hybrid, battery powered, hydrogen or other alternative fuel-powered motor vehicles and changing consumer preferences and driving habits.* Technological advances and alternative fuel sources, such as electric, hybrid, battery powered, hydrogen or other alternative fuel-powered motor vehicles, may adversely affect the demand for gasoline. We could face additional competition from alternative energy sources as a result of future government-mandated controls or regulations which promote the use of alternative fuel sources. A number of new legal incentives and regulatory requirements, and executive initiatives, including various government subsidies including the extension of certain tax credits for renewable energy, have made these alternative forms of energy more competitive. Changing consumer preferences or driving habits could lead to new forms of fueling destinations or potentially fewer customer visits to our sites, resulting in a decrease in gasoline sales and/or sales of food, sundries and other on-site services. In addition, higher prices and inflation in general could reduce the demand for gasoline and the products and services we offer at our convenience stores and adversely impact our sales. A reduction in our sales could have an adverse effect on our financial condition, results of operations and cash available for distribution to our unitholders.
- *Energy efficiency, higher prices, new technology and alternative fuels could reduce demand for our heating oil and residual oil.* Increased conservation and technological advances have adversely affected the demand for home heating oil and residual oil. Consumption of residual oil has steadily declined over the last several decades. We could face additional competition from alternative energy sources as a result of future government-mandated controls or regulations further promoting the use of cleaner fuels. End users who are dual-fuel users have the ability to switch between residual oil and natural gas. Other end users may elect to convert to natural gas, electric heat pumps or other alternative fuels. During a period of increasing residual oil prices relative to the prices of natural gas, dual-fuel customers may switch and other end users may convert to natural gas. During periods of increasing home heating oil prices relative to the price of natural gas, residential users of home heating oil may also convert to natural gas, electric heat pumps or other alternative fuels. As described above, such switching or conversion could have an adverse effect on our financial condition, results of operations and cash available for distribution to our unitholders.
- *Changes in government usage mandates and tax credits could adversely affect the availability and pricing of ethanol and renewable fuels, which could negatively impact our sales.* The EPA has implemented a Renewable

Fuels Standard (“RFS”) pursuant to the Energy Policy Act of 2005 and the Energy Independence and Security Act of 2007. The RFS program seeks to promote the incorporation of renewable fuels in the nation’s fuel supply and, to that end, sets annual quotas for the quantity of renewable fuels (such as ethanol) that must be blended into transportation fuels consumed in the United States. A RIN is assigned to each gallon of renewable fuel produced in or imported into the United States. We are exposed to volatility in the market price of RINs. We cannot predict the future prices of RINs. RIN prices are dependent upon a variety of factors, including EPA regulations related to the amount of RINs required and the total amounts that can be generated, the availability of RINs for purchase, the price at which RINs can be purchased, and levels of transportation fuels produced, all of which can vary significantly from quarter to quarter. If sufficient RINs are unavailable for purchase or if we have to pay a significantly higher price for RINs, or if we are otherwise unable to meet the EPA’s RFS mandates, our results of operations and cash flows could be adversely affected. Future demand for ethanol will be largely dependent upon the economic incentives to blend based upon the relative value of gasoline and ethanol, taking into consideration the EPA’s regulations on the RFS program and oxygenate blending requirements. A reduction or waiver of the RFS mandate or oxygenate blending requirements could adversely affect the availability and pricing of ethanol, which in turn could adversely affect our future gasoline and ethanol sales. In addition, changes in blending requirements or broadening the definition of what constitutes a renewable fuel could affect the price of RINs which could impact the magnitude of the mark-to-market liability recorded for the deficiency, if any, in our RIN position relative to our RVO at a point in time. Future changes proposed by EPA for the renewable volume obligations may increase the cost to consumers for transportation fuel, which could result in a decline in demand for fuels and lower revenues for our business.

- *Governmental action and campaigns to discourage smoking and use of other products may have a material adverse effect on our financial condition, results of operations and cash available for distribution to our unitholders.* Congress has given the Food and Drug Administration (“FDA”) broad authority to regulate tobacco and nicotine products, and the FDA, states and some municipalities have enacted and are pursuing enactment of numerous regulations restricting the sale of such products. These governmental actions, as well as national, state and municipal campaigns to discourage smoking, tax increases, and imposition of regulations restricting the sale of flavored tobacco products, e-cigarettes and vapor products, have and could result in reduced consumption levels, higher costs which we may not be able to pass on to our customers, and reduced overall customer traffic. Also, increasing regulations related to and restricting the sale of flavored tobacco products, e-cigarettes and vapor products may offset some of the gains we have experienced from selling these types of products. These factors could materially affect the sale of this product mix which in turn could have an adverse effect on our financial condition, results of operations and cash available for distribution to our unitholders.
- *Environmental laws and other industry-related regulations or environmental litigation could significantly impact our operations and/or increase our costs, which could adversely affect our results of operations and financial condition.* Our operations are subject to federal, state and municipal laws and regulations regulating, among other matters, logistics activities, product quality specifications and other environmental matters. The trend in environmental regulation has been towards more restrictions and limitations on activities that may affect the environment over time. For example, President Biden signed an executive order calling for new or more stringent emissions standards for new, modified and existing oil and gas facilities, and the EPA finalized rules to that effect. Our businesses may be adversely affected by increased costs and liabilities resulting from such stricter laws and regulations. We try to anticipate future regulatory requirements that might be imposed and plan accordingly to remain in compliance with changing environmental laws and regulations and to minimize the costs of such compliance. There can be no assurances as to the timing and type of such changes in existing laws or the promulgation of new laws or the amount of any required expenditures associated therewith. Risks related to our environmental permits, including the risk of noncompliance, permit interpretation, permit modification, renewal of permits on less favorable terms, judicial or administrative challenges to permits by citizens groups or federal, state or municipal entities or permit revocation are inherent in the operation of our businesses, as it is with other companies engaged in similar businesses. We may not be able to renew the permits necessary for our operations, or we may be forced to accept terms in future permits that limit our operations or result in additional compliance costs.

Results of Operations

Evaluating Our Results of Operations

Our management uses a variety of financial and operational measurements to analyze our performance. These measurements include: (1) product margin, (2) gross profit, (3) earnings before interest, taxes, depreciation and amortization (“EBITDA”) and adjusted EBITDA, (4) distributable cash flow and adjusted distributable cash flow, (5) selling, general and administrative expenses (“SG&A”), (6) operating expenses and (7) degree days.

Product Margin

We view product margin as an important performance measure of the core profitability of our operations. We review product margin monthly for consistency and trend analysis. We define product margin as our product sales minus product costs. Product sales primarily include sales of unbranded and branded gasoline, distillates, residual oil, renewable fuels and crude oil, as well as convenience store and prepared food sales, gasoline station rental income and revenue generated from our logistics activities when we engage in the storage, transloading and shipment of products owned by others. Product costs include the cost of acquiring products and all associated costs including shipping and handling costs to bring such products to the point of sale as well as product costs related to convenience store items and costs associated with our logistics activities. We also look at product margin on a per unit basis (product margin divided by volume). Product margin is a non-GAAP financial measure used by management and external users of our consolidated financial statements to assess our business. Product margin should not be considered an alternative to net income, operating income, cash flow from operations, or any other measure of financial performance presented in accordance with GAAP. In addition, our product margin may not be comparable to product margin or a similarly titled measure of other companies.

Gross Profit

We define gross profit as our product margin minus terminal and gasoline station related depreciation expense allocated to cost of sales.

EBITDA and Adjusted EBITDA

EBITDA and adjusted EBITDA are non-GAAP financial measures used as supplemental financial measures by management and may be used by external users of our consolidated financial statements, such as investors, commercial banks and research analysts, to assess:

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

Adjusted EBITDA is EBITDA further adjusted for gains or losses on the sale and disposition of assets, goodwill and long-lived asset impairment charges and our proportionate share of EBITDA related to our joint ventures, which are accounted for using the equity method. EBITDA and adjusted EBITDA should not be considered as alternatives to net

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income, operating income, cash flow from operating activities or any other measure of financial performance or liquidity presented in accordance with GAAP. EBITDA and adjusted EBITDA exclude some, but not all, items that affect net income, and these measures may vary among other companies. Therefore, EBITDA and adjusted EBITDA may not be comparable to similarly titled measures of other companies.

Distributable Cash Flow and Adjusted Distributable Cash Flow

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

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

Adjusted distributable cash flow is a non-GAAP financial measure intended to provide management and investors with an enhanced perspective of our financial performance. Adjusted distributable cash flow is distributable cash flow (as defined in our partnership agreement) further adjusted for our proportionate share of distributable cash flow related to our joint ventures, which are accounted for using the equity method. Adjusted distributable cash flow is not used in our partnership agreement to determine our ability to make cash distributions and may be higher or lower than distributable cash flow as calculated under our partnership agreement.

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

Selling, General and Administrative Expenses

Our SG&A expenses include, among other things, marketing costs, corporate overhead, employee salaries and benefits, pension and 401(k) plan expenses, discretionary bonuses, non-interest financing costs, professional fees and information technology expenses. Employee-related expenses including employee salaries, discretionary bonuses and related payroll taxes, benefits, and pension and 401(k) plan expenses are paid by our general partner which, in turn, are reimbursed for these expenses by us.

Operating Expenses

Operating expenses are costs associated with the operation of the terminals, transload facilities and gasoline stations and convenience stores used in our businesses. Lease payments, maintenance and repair, property taxes, utilities, credit card fees, taxes, labor and labor-related expenses comprise the most significant portion of our operating expenses. While the majority of these expenses remains relatively stable, independent of the volumes through our system, they can fluctuate depending on the activities performed during a specific period. In addition, they can be impacted by new directives issued by federal, state and local governments.

Degree Days

A “degree day” is an industry measurement of temperature designed to evaluate energy demand and consumption. Degree days are based on how far the average temperature departs from a human comfort level of 65°F. Each degree of

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temperature above 65°F is counted as one cooling degree day, and each degree of temperature below 65°F is counted as one heating degree day. Degree days are accumulated each day over the course of a year and can be compared to a monthly or a long-term (multi-year) average, or normal, to see if a month or a year was warmer or cooler than usual. Degree days are officially observed by the National Weather Service and officially archived by the National Climatic Data Center. For purposes of evaluating our results of operations, we use the normal heating degree day amount as reported by the National Weather Service at its Logan International Airport station in Boston, Massachusetts.

Key Performance Indicators

The following table provides a summary of some of the key performance indicators that may be used to assess our results of operations. These comparisons are not necessarily indicative of future results (gallons and dollars in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net income	\$ 45,922	\$ 26,808	\$ 86,469	\$ 97,228
EBITDA (1)	\$ 119,059	\$ 76,664	\$ 294,791	\$ 245,494
Adjusted EBITDA (1)	\$ 113,956	\$ 77,732	\$ 291,078	\$ 244,129
Distributable cash flow (2)(3)	\$ 71,133	\$ 42,229	\$ 160,066	\$ 143,357
Adjusted distributable cash flow (2)	\$ 71,639	\$ 43,262	\$ 161,827	\$ 142,914
Wholesale Segment:				
Volume (gallons)	1,185,784	829,706	3,330,664	2,567,873
Sales				
Gasoline and gasoline blendstocks	\$ 1,790,302	\$ 1,614,459	\$ 4,909,560	\$ 4,213,536
Distillates and other oils (4)	933,908	715,437	3,116,686	2,682,493
Total	\$ 2,724,210	\$ 2,329,896	\$ 8,026,246	\$ 6,896,029
Product margin				
Gasoline and gasoline blendstocks	\$ 43,024	\$ 20,390	\$ 143,197	\$ 79,799
Distillates and other oils (4)	28,118	16,780	69,230	70,226
Total	\$ 71,142	\$ 37,170	\$ 212,427	\$ 150,025
Gasoline Distribution and Station Operations Segment:				
Volume (gallons)	412,697	426,794	1,184,005	1,223,382
Sales				
Gasoline	\$ 1,269,955	\$ 1,460,670	\$ 3,683,780	\$ 3,996,890
Station operations (5)	150,943	156,685	430,636	431,951
Total	\$ 1,420,898	\$ 1,617,355	\$ 4,114,416	\$ 4,428,841
Product margin				
Gasoline	\$ 164,122	\$ 132,000	\$ 433,065	\$ 380,699
Station operations (5)	73,590	74,530	213,831	208,456
Total	\$ 237,712	\$ 206,530	\$ 646,896	\$ 589,155
Commercial Segment:				
Volume (gallons)	122,648	108,383	362,795	310,546
Sales	\$ 277,130	\$ 273,794	\$ 836,666	\$ 758,192
Product margin	\$ 9,509	\$ 8,426	\$ 22,699	\$ 23,310
Combined sales and product margin:				
Sales	\$ 4,422,238	\$ 4,221,045	\$ 12,977,328	\$ 12,083,062
Product margin (6)	\$ 318,363	\$ 252,126	\$ 882,022	\$ 762,490
Depreciation allocated to cost of sales	(32,314)	(23,606)	(92,954)	(69,247)
Combined gross profit	<u>\$ 286,049</u>	<u>\$ 228,520</u>	<u>\$ 789,068</u>	<u>\$ 693,243</u>
GDSO portfolio as of September 30, 2024 and 2023:				
	<u>2024</u>	<u>2023</u>		
Company operated (7)	306	342		
Commissioned agents	312	300		
Lessee dealers	177	184		
Contract dealers	794	798		
Total GDSO portfolio	<u>1,589</u>	<u>1,624</u>		

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	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Weather conditions:				
Normal heating degree days	96	96	3,781	3,750
Actual heating degree days	37	56	3,264	3,150
Variance from normal heating degree days	(61)%	(42)%	(14)%	(16)%
Variance from prior period actual heating degree days	(34)%	(2)%	4 %	(9)%

- (1) EBITDA and adjusted EBITDA are non-GAAP financial measures which are discussed above under “—Evaluating Our Results of Operations.” The table below presents reconciliations of EBITDA and adjusted EBITDA to the most directly comparable GAAP financial measures.
- (2) Distributable cash flow and adjusted distributable cash flow are non-GAAP financial measures which are discussed above under “—Evaluating Our Results of Operations.” As defined by our partnership agreement, distributable cash flow is not adjusted for certain non-cash items, such as net losses on the sale and disposition of assets and goodwill and long-lived asset impairment charges. The table below presents reconciliations of distributable cash flow and adjusted distributable cash flow to the most directly comparable GAAP financial measures.
- (3) Distributable cash flow includes a net gain on sale and disposition of assets and long-lived asset impairment of \$7.3 million and \$0.9 million for the three months ended September 30, 2024 and 2023, respectively, and \$10.1 million and \$2.1 million for the nine months ended September 30, 2024 and 2023, respectively. Distributable cash flow also includes (loss) income from equity method investments of (\$0.1 million) and \$1.2 million for the three months ended September 30, 2024 and 2023, respectively, and (\$1.9 million) and \$2.4 million for the nine months ended September 30, 2024 and 2023, respectively (see Note 11 of Notes to Consolidated Financial Statements).
- (4) Distillates and other oils (primarily residual oil and crude oil).
- (5) Station operations consist of convenience store and prepared food sales, rental income and sundries.
- (6) Product margin is a non-GAAP financial measure which is discussed above under “—Evaluating Our Results of Operations.” The table above includes a reconciliation of product margin on a combined basis to gross profit, a directly comparable GAAP measure.
- (7) Excludes 64 sites at September 30, 2024 that are operated by our SPR joint venture (see Note 11 of Notes to Consolidated Financial Statements).

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The following table presents reconciliations of EBITDA and adjusted EBITDA to the most directly comparable GAAP financial measures on a historical basis for each period presented (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Reconciliation of net income to EBITDA and adjusted EBITDA:				
Net income	\$ 45,922	\$ 26,808	\$ 86,469	\$ 97,228
Depreciation and amortization	35,753	27,507	103,505	80,952
Interest expense	35,129	21,089	100,356	64,963
Income tax expense	2,255	1,260	4,461	2,351
EBITDA	119,059	76,664	294,791	245,494
Net gain on sale and disposition of assets	(7,805)	(897)	(10,609)	(2,141)
Long-lived asset impairment	492	—	492	—
Loss (income) from equity method investments (1)	147	(1,180)	1,872	(2,384)
EBITDA related to equity method investments (1)	2,063	3,145	4,532	3,160
Adjusted EBITDA	<u>\$ 113,956</u>	<u>\$ 77,732</u>	<u>\$ 291,078</u>	<u>\$ 244,129</u>
Reconciliation of net cash provided by (used in) operating activities to EBITDA and adjusted EBITDA:				
Net cash provided by (used in) operating activities	\$ 122,709	\$ 97,088	\$ (35,647)	\$ 343,025
Net changes in operating assets and liabilities and certain non-cash items	(41,034)	(42,773)	225,621	(164,845)
Interest expense	35,129	21,089	100,356	64,963
Income tax expense	2,255	1,260	4,461	2,351
EBITDA	119,059	76,664	294,791	245,494
Net gain on sale and disposition of assets	(7,805)	(897)	(10,609)	(2,141)
Long-lived asset impairment	492	—	492	—
Loss (income) from equity method investments (1)	147	(1,180)	1,872	(2,384)
EBITDA related to equity method investments (1)	2,063	3,145	4,532	3,160
Adjusted EBITDA	<u>\$ 113,956</u>	<u>\$ 77,732</u>	<u>\$ 291,078</u>	<u>\$ 244,129</u>

(1) Represents our proportionate share of (loss) income and EBITDA, as applicable, related to our interests in our equity method investments (see Note 11 of Notes to Consolidated Financial Statements).

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The following table presents reconciliations of distributable cash flow and adjusted distributable cash flow to the most directly comparable GAAP financial measures on a historical basis for each period presented (in thousands):

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Reconciliation of net income to distributable cash flow and adjusted distributable cash flow:				
Net income	\$ 45,922	\$ 26,808	\$ 86,469	\$ 97,228
Depreciation and amortization	35,753	27,507	103,505	80,952
Amortization of deferred financing fees	1,872	1,423	5,576	4,134
Amortization of routine bank refinancing fees	(1,193)	(1,214)	(3,580)	(3,507)
Maintenance capital expenditures	(11,221)	(12,295)	(31,904)	(35,450)
Distributable cash flow (1)(2)	71,133	42,229	160,066	143,357
Loss (income) from equity method investments (3)	147	(1,180)	1,872	(2,384)
Distributable cash flow from equity method investments (3)	359	2,213	(111)	1,941
Adjusted distributable cash flow (1)	71,639	43,262	161,827	142,914
Distributions to preferred unitholders (4)	(1,781)	(3,712)	(7,794)	(10,638)
Adjusted distributable cash flow after distributions to preferred unitholders	<u>\$ 69,858</u>	<u>\$ 39,550</u>	<u>\$ 154,033</u>	<u>\$ 132,276</u>
Reconciliation of net cash provided by (used in) operating activities to distributable cash flow and adjusted distributable cash flow:				
Net cash provided by (used in) operating activities	\$ 122,709	\$ 97,088	\$ (35,647)	\$ 343,025
Net changes in operating assets and liabilities and certain non-cash items	(41,034)	(42,773)	225,621	(164,845)
Amortization of deferred financing fees	1,872	1,423	5,576	4,134
Amortization of routine bank refinancing fees	(1,193)	(1,214)	(3,580)	(3,507)
Maintenance capital expenditures	(11,221)	(12,295)	(31,904)	(35,450)
Distributable cash flow (1)(2)	71,133	42,229	160,066	143,357
Loss (income) from equity method investments (3)	147	(1,180)	1,872	(2,384)
Distributable cash flow from equity method investments (3)	359	2,213	(111)	1,941
Adjusted distributable cash flow (1)	71,639	43,262	161,827	142,914
Distributions to preferred unitholders (4)	(1,781)	(3,712)	(7,794)	(10,638)
Adjusted distributable cash flow after distributions to preferred unitholders	<u>\$ 69,858</u>	<u>\$ 39,550</u>	<u>\$ 154,033</u>	<u>\$ 132,276</u>

- (1) Distributable cash flow and adjusted distributable cash flow are non-GAAP financial measures which are discussed above under “—Evaluating Our Results of Operations.” As defined by our partnership agreement, distributable cash flow is not adjusted for certain non-cash items, such as net losses on the sale and disposition of assets and goodwill and long-lived asset impairment charges.
- (2) Distributable cash flow includes a net gain on sale and disposition of assets and long-lived asset impairment of \$7.3 million and \$0.9 million for the three months ended September 30, 2024 and 2023, respectively, and \$10.1 million and \$2.1 million for the nine months ended September 30, 2024 and 2023, respectively. Distributable cash flow also includes (loss) income from equity method investments of (\$0.1 million) and \$1.2 million for the three months ended September 30, 2024 and 2023, respectively, and (\$1.9 million) and \$2.4 million for the nine months ended September 30, 2024 and 2023, respectively (see Note 11 of Notes to Consolidated Financial Statements).
- (3) Represents our proportionate share of (loss) income and distributable cash flow, as applicable, related to our interests in our equity method investments (see Note 11 of Notes to Consolidated Financial Statements).
- (4) Distributions to preferred unitholders represent the distributions payable to the Series A preferred unitholders and the Series B preferred unitholders earned during the period. These distributions are cumulative and payable quarterly in arrears on February 15, May 15, August 15 and November 15 of each year. On April 15, 2024, all of the Series A Preferred Units were redeemed and are no longer outstanding (see “—2024 Events”).

Results of Operations

Consolidated Sales

Our total sales were \$4.4 billion and \$4.2 billion for the three months ended September 30, 2024 and 2023, respectively, an increase of \$0.2 billion, or 5%, primarily due to an increase in volume sold, partially offset by a decrease in prices. Our aggregate volume of product sold was 1.7 billion gallons and 1.4 billion gallons for the three months

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ended September 30, 2024 and 2023, respectively, increasing 356 million gallons from the prior-year period (consisting of increases of 356 million gallons and 14 million gallons in our Wholesale and Commercial segments, respectively, offset by a decrease of 14 million gallons in our GDSO segment). The increase in our Wholesale segment sales includes the addition of 25 refined product terminals and related assets we acquired from Motiva Enterprises LLC (“Motiva”) in December 2023 which are located along the Atlantic Coast, in the Southeast and in Texas (the “Motiva Terminal Facilities”) and four refined-product terminals we acquired from Gulf in April 2024 (the “Gulf Terminals”).

Our total sales were \$12.9 billion and \$12.1 billion for the nine months ended September 30, 2024 and 2023, respectively, an increase of \$0.8 billion, or 7%, primarily due to an increase in volume sold. Our aggregate volume of product sold was 4.9 billion gallons and 4.1 billion gallons for the nine months ended September 30, 2024 and 2023, respectively, increasing 776 million gallons from the prior-year period (consisting of increases of 763 million gallons and 52 million gallons in our Wholesale and Commercial segments, respectively, offset by a decrease of 39 million gallons in our GDSO segment). The increase in our Wholesale segment sales includes the addition of the Motiva Terminal Facilities and the Gulf Terminals.

Gross Profit

Our gross profit was \$286.0 million and \$228.5 million for the three months ended September 30, 2024 and 2023, respectively, an increase of \$57.5 million, or 25%. Our Wholesale segment product margins increased in the third quarter primarily due to the acquisitions of the Motiva Terminal Facilities and the Gulf Terminals and to more favorable market conditions. In our GDSO segment, our gasoline distribution product margin increased primarily due to higher fuel margins (cents per gallon), while our station operations product margin decreased due in part to the sales and conversions of certain company-operated sites. In our Commercial segment, our product margin increased in part due to more favorable market conditions in bunkering. The increase in gross profit was partially offset by an \$8.7 million increase in depreciation allocated to cost of sales.

Our gross profit was \$789.1 million and \$693.2 million for the nine months ended September 30, 2024 and 2023, respectively, an increase of \$95.9 million, or 14%. Our Wholesale segment product margins increased primarily due to the acquisition of the Motiva Terminal Facilities and to more favorable market conditions in gasoline, gasoline blendstocks and distillates, offset by less favorable market conditions in residual oil and crude oil. In our GDSO segment, our gasoline distribution product margin increased primarily due to higher fuel margins (cents per gallon), and our station operations product margin increased primarily due to increases in sundries and rental income. In our Commercial segment, our product margin decreased primarily due to less favorable market conditions. The increase in gross profit was partially offset by a \$23.7 million increase in depreciation allocated to cost of sales.

Results for Wholesale Segment

Gasoline and Gasoline Blendstocks. Sales from wholesale gasoline and gasoline blendstocks were \$1.8 billion and \$1.6 billion for the three months ended September 30, 2024 and 2023, respectively, an increase of \$0.2 billion, or 11%, primarily due to an increase in volume sold, partially offset by a decrease in prices. Our gasoline and gasoline blendstocks product margin was \$43.0 million and \$20.4 million for the three months ended September 30, 2024 and 2023, respectively, an increase of \$22.6 million, or 111%, primarily due to the acquisition of the Motiva Terminal Facilities and to more favorable market conditions. Our product margin also benefitted from the acquisition of the Gulf Terminals.

Sales from wholesale gasoline and gasoline blendstocks were \$4.9 billion and \$4.2 billion for the nine months ended September 30, 2024 and 2023, respectively, an increase of \$0.7 billion, or 17%, primarily due to an increase in volume sold. Our gasoline and gasoline blendstocks product margin was \$143.2 million and \$79.8 million for the nine months ended September 30, 2024 and 2023, respectively, an increase of \$63.4 million, or 79%, primarily due to the acquisition of the Motiva Terminal Facilities and to more favorable market conditions in the second and third quarters of 2024 compared to the same periods in 2023.

Distillates and Other Oils. Sales from distillates and other oils (primarily residual oil and crude oil) were \$0.9 billion and \$0.7 billion for the three months ended September 30, 2024 and 2023, respectively, increasing

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\$218.5 million, or 31%, primarily due to an increase in volume sold, partially offset by a decrease in prices. Our product margin from distillates and other oils was \$28.1 million and \$16.8 million for the three months ended September 30, 2024 and 2023, respectively, an increase of \$11.3 million, or 67%, primarily due to more favorable market conditions in distillates and residual oil.

Sales from distillates and other oils were \$3.1 billion and \$2.7 billion for the nine months ended September 30, 2024 and 2023, respectively, increasing \$434.2 million, or 16%, primarily due to an increase in distillate volume sold partially offset by a decrease in residual oil volume sold. Our product margin from distillates and other oils was \$69.2 million and \$70.2 million for the nine months ended September 30, 2024 and 2023, respectively, a decrease of \$1.0 million, or 1%, primarily due to less favorable market conditions in residual oil and crude oil, offset more favorable market conditions in distillates.

Results for Gasoline Distribution and Station Operations Segment

Gasoline Distribution. Sales from gasoline distribution were \$1.2 billion and \$1.4 billion for the three months ended September 30, 2024 and 2023, respectively, decreasing \$190.7 million, or 13%, primarily due to decreases in prices and in volume sold. Our product margin from gasoline distribution was \$164.1 million and \$132.0 million for the three months ended September 30, 2024 and 2023, respectively, an increase of \$32.1 million, or 24%, primarily due to higher fuel margins (cents per gallon).

Sales from gasoline distribution were \$3.7 billion and \$4.0 billion for the nine months ended September 30, 2024 and 2023, respectively, decreasing \$313.1 million, or 8%, primarily due to a decrease in volume sold. Our product margin from gasoline distribution was \$433.1 million and \$380.7 million for the nine months ended September 30, 2024 and 2023, respectively, an increase of \$52.4 million, or 14%, primarily due to higher fuel margins (cents per gallon).

Station Operations. Our station operations, which include (i) convenience store and prepared food sales at our directly operated stores, (ii) rental income from gasoline stations leased to dealers or from commissioned agents and from cobranding arrangements and (iii) sale of sundries, such as car wash sales and lottery and ATM commissions, collectively generated revenues of \$150.9 million and \$156.7 million for the three months ended September 30, 2024 and 2023, respectively, a decrease of \$5.8 million, or 4%. Our product margin from station operations was \$73.6 million and \$74.5 million for the three months ended September 30, 2024 and 2023, respectively, a decrease of \$0.9 million, or 1%. The decreases in sales and product margin are due in part to the sales and conversions of certain company-operated sites.

Sales from our station operations were \$430.6 million and \$431.9 million for the nine months ended September 30, 2024 and 2023, respectively, a decrease of \$1.3 million, primarily due to the sales and conversions of certain company-operated sites, offset by increases in sundries and rental income. Our product margin from station operations was \$213.8 million and \$208.4 million for the nine months ended September 30, 2024 and 2023, respectively, an increase of \$5.4 million, or 3%, due primarily to increases in sundries and rental income.

Results for Commercial Segment

Our commercial sales were \$277.1 million and \$273.8 million for the three months ended September 30, 2024 and 2023, respectively, an increase of \$3.3 million or 1%, primarily due to an increase in volume sold, partially offset by a decrease in prices. Our commercial product margin was \$9.5 million and \$8.4 million for the three months ended September 30, 2024 and 2023, respectively, an increase of \$1.1 million, or 13%, in part due to more favorable market conditions in bunkering.

Our commercial sales were \$836.7 million and \$758.2 million for the nine months ended September 30, 2024 and 2023, respectively, an increase of \$78.5 million or 10%, primarily due to an increase in volume sold. Our commercial product margin was \$22.7 million and \$23.3 million for the nine months ended September 30, 2024 and 2023, respectively, a decrease of \$0.6 million, or 3%, primarily due to less favorable market conditions in the first half of 2024 compared to the same period in 2023.

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Selling, General and Administrative Expenses

SG&A expenses were \$70.5 million and \$63.5 million for the three months ended September 30, 2024 and 2023, respectively, an increase of \$7.0 million, or 11%, including increases of \$7.6 million in long-term accrued discretionary incentive compensation, \$4.7 million in wages and benefits and \$1.5 million in various other SG&A expenses. The increase in SG&A expenses was offset by decreases of \$3.8 million in expenses associated with the sale of the Revere Terminal (see Note 12 of Notes to Consolidated Financial Statements) and \$3.0 million in acquisition costs.

SG&A expenses were \$212.6 million and \$192.4 million for the nine months ended September 30, 2024 and 2023, respectively, an increase of \$20.2 million, or 10%, including increases of \$11.7 million in long-term accrued discretionary incentive compensation, \$8.6 million in wages and benefits, \$2.7 million in professional fees and \$0.5 million in various other SG&A expenses. The increase in SG&A expenses was offset by a decrease of \$3.3 million in expenses associated with the sale of the Revere Terminal (see Note 12 of Notes to Consolidated Financial Statements).

Operating Expenses

Operating expenses were \$137.1 million and \$115.9 million for the three months ended September 30, 2024 and 2023, respectively, an increase of \$21.2 million, or 18%, including increases of \$21.0 million in operating expenses associated with our terminals operations, largely related to the acquisitions of the Motiva Terminal Facilities and the Gulf Terminals, and \$0.2 million in operating expenses related to our GDSO operations.

Operating expenses were \$387.2 million and \$334.7 million for the nine months ended September 30, 2024 and 2023, respectively, an increase of \$52.5 million, or 16%, including increases of \$50.1 million in operating expenses associated with our terminals operations, largely related to the acquisitions of the Motiva Terminal Facilities and, to a lesser extent, the Gulf Terminals, and \$2.4 million in operating expenses related to our GDSO operations.

Amortization Expense

Amortization expense related to intangible assets was \$2.3 million and \$2.0 million for the three months ended September 30, 2024 and 2023, respectively, and \$6.1 million for each of the nine months ended September 30, 2024 and 2023.

Net Gain on Sale and Disposition of Assets

Net gain on sale and disposition of assets was \$7.8 million and \$0.9 million for the three months ended September 30, 2024 and 2023, respectively, and \$10.6 million and \$2.1 million for the nine months ended September 30, 2024 and 2023, respectively, primarily due to the sale of GDSO sites.

Long-Lived Asset Impairment

We recognized impairment charges relating to certain right of use assets and construction in process assets allocated to the GDSO segment in the total amount of \$0.5 million for each of the three and nine months ended September 30, 2024. No impairment charges were recognized for the three and nine months ended September 30, 2023.

(Loss) income from Equity Method Investments

(Loss) income from equity method investments was (\$0.1 million) and \$1.2 million for the three months ended September 30, 2024 and 2023, respectively, and (\$1.9 million) and \$2.4 million for the nine months ended September 30, 2024 and 2023, respectively, representing our proportional share of loss (income) from our equity method investments in our joint ventures with SPR and Everett. See Note 11 of Notes to Consolidated Financial Statements for information on our equity method investments.

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Interest Expense

Interest expense was \$35.1 million and \$21.1 million for the three months ended September 30, 2024 and 2023, respectively, an increase of \$14.0 million, or 66%, primarily due to interest expense related the 2032 Notes issued in January 2024 used to facilitate the acquisition of the Motiva Terminal Facilities and to higher average balances on our credit facilities as a result of the acquisition of the Gulf Terminals.

Interest expense was \$100.3 million and \$64.9 million for the nine months ended September 30, 2024 and 2023, respectively, an increase of \$35.4 million, or 54%, primarily due to interest expense related the 2032 Notes issued in January 2024 used to facilitate the acquisition of the Motiva Terminal Facilities, higher average balances on our credit facilities as a result of the acquisition of the Gulf Terminals and a \$1.4 million write-off of deferred financing fees associated with the accordion exercise and reallocation in February 2024.

Income Tax Expense

Income tax expense was \$2.3 million and \$1.3 million for the three months ended September 30, 2024 and 2023, respectively, and \$4.5 million and \$2.4 million for the nine months ended September 30, 2024 and 2023, respectively, which predominantly reflects the income tax expense from the operating results of GMG, which is a taxable entity for federal and state income tax purposes.

Liquidity and Capital Resources

Liquidity

Our primary liquidity needs are to fund our working capital requirements, capital expenditures and distributions and to service our indebtedness. Our primary sources of liquidity are cash generated from operations, amounts available under our working capital revolving credit facility and equity and debt offerings. Please read “—Credit Agreement” for more information on our working capital revolving credit facility.

Working capital was \$141.6 million and \$115.0 million at September 30, 2024 and December 31, 2023, respectively, an increase of \$26.6 million. Changes in current assets and current liabilities increasing our working capital primarily include, in part, an increase of \$102.2 million in inventories, in part due to the inventory acquired from Gulf Oil, and a decrease of \$194.2 million in accounts payable. The increase in working capital was offset by an increase of \$202.4 million in the current portion of our working capital revolving credit facility and a decrease of \$79.9 million in accounts receivable.

Cash Distributions

Common Units

During 2024, we paid the following cash distributions to our common unitholders and our general partner:

Cash Distribution Payment Date	Total Paid	Distribution Paid for the Quarterly Period Ended
February 14, 2024	\$ 26.8 million	Fourth quarter 2023
May 15, 2024	\$ 27.5 million	First quarter 2024
August 14, 2024	\$ 28.2 million	Second quarter 2024

In addition, on October 23, 2024, the board of directors of our general partner declared a quarterly cash distribution of \$0.7300 per unit (\$2.92 per unit on an annualized basis) on our common units for the period from July 1, 2024 through September 30, 2024 to our common unitholders of record as of the close of business on November 8, 2024. We expect to pay the total cash distribution of approximately \$28.8 million on November 14, 2024.

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Preferred Units

During 2024, we paid the following cash distributions to holders of the Series A Preferred Units:

Cash Distribution Payment Date	Series A Preferred Units		Distribution Paid for the Quarterly Period Covering
	Total Paid	Rate	
February 15, 2024	\$ 2.1 million	12.42%	11/15/23 - 2/14/24

On April 15, 2024, we redeemed all of our outstanding Series A Preferred Units at a redemption price of \$25.00 per unit, plus a \$0.514275 per unit cash distribution for the period from February 15, 2024 through April 14, 2024, for a total amount of \$70.4 million. Effective April 15, 2024, the Series A Preferred Units are no longer outstanding.

During 2024, we paid the following cash distributions to holders of the Series B Preferred Units:

Cash Distribution Payment Date	Series B Preferred Units		Distribution Paid for the Quarterly Period Covering
	Total Paid	Rate	
February 15, 2024	\$ 1.8 million	9.50%	11/15/23 - 2/14/24
May 15, 2024	\$ 1.8 million	9.50%	2/15/24 - 5/14/24
August 15, 2024	\$ 1.8 million	9.50%	5/15/24 - 8/14/24

In addition, on October 15, 2024, the board of directors of our general partner declared a quarterly cash distribution of \$0.59375 per unit (\$2.375 per unit on an annualized basis) on the Series B Preferred Units for the period from August 15, 2024 through November 14, 2024 to our Series B preferred unitholders of record as of the opening of business on November 1, 2024. We expect to pay the total cash distribution of approximately \$1.8 million on November 15, 2024.

Contractual Obligations

We have contractual obligations that are required to be settled in cash. The amounts of our contractual obligations at September 30, 2024 were as follows (in thousands):

Contractual Obligations	Payments Due by Period		
	Remainder of 2024	Beyond 2024	Total
Credit facility obligations (1)	\$ 62,285	\$ 369,780	\$ 432,065
Senior notes obligations (2)	—	1,670,721	1,670,721
Operating lease obligations (3)	22,249	369,284	391,533
Other long-term liabilities (4)	3,203	52,153	55,356
Financing obligations (5)	4,077	84,479	88,556
Total	\$ 91,814	\$ 2,546,417	\$ 2,638,231

- (1) Includes principal and interest on our working capital revolving credit facility and our revolving credit facility at September 30, 2024 and assumes a ratable payment through the expiration date. Our credit agreement has a contractual maturity of May 2, 2026 and no principal payments are required prior to that date. However, we repay amounts outstanding and reborrow funds based on our working capital requirements. Therefore, the current portion of the working capital revolving credit facility included in the accompanying consolidated balance sheets is the amount we expect to pay down during the course of the year, and the long-term portion of the working capital revolving credit facility is the amount we expect to be outstanding during the entire year. Please read “—Credit Agreement” for more information on our working capital revolving credit facility.
- (2) Includes principal and interest on our 7.00% senior notes due 2027, 6.875% senior notes due 2029 and 8.25% senior notes due 2032. No principal payments are required prior to maturity. See “—Senior Notes” for more information.
- (3) Includes operating lease obligations related to leases for office space and computer equipment, land, gasoline stations, railcars and barges.
- (4) Includes amounts related to our brand fee agreement, amounts related to our access right agreements and our pension and deferred compensation obligations.

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- (5) Includes lease rental payments in connection with (i) the acquisition of Capitol Petroleum Group (“Capitol”) related to properties previously sold by Capitol within two sale-leaseback transactions; and (ii) the sale of real property assets and convenience stores. See “—Financing Obligations” for additional information.

Capital Expenditures

Our operations require investments to maintain, expand, upgrade and enhance existing operations and to meet environmental and operational regulations. We categorize our capital requirements as either maintenance capital expenditures or expansion capital expenditures. Maintenance capital expenditures represent capital expenditures to repair or replace partially or fully depreciated assets to maintain the operating capacity of, or revenues generated by, existing assets and extend their useful lives. Maintenance capital expenditures also include expenditures required to maintain equipment reliability, tank and pipeline integrity and safety and to address certain environmental regulations. We anticipate that maintenance capital expenditures will be funded with cash generated by operations. We had approximately \$31.9 million and \$35.4 million in maintenance capital expenditures for the nine months ended September 30, 2024 and 2023, respectively, which are included in capital expenditures in the accompanying consolidated statements of cash flows, of which approximately \$25.4 million and \$32.2 million for the nine months ended September 30, 2024 and 2023, respectively, are related to our investments in our gasoline station business. Repair and maintenance expenses associated with existing assets that are minor in nature and do not extend the useful life of existing assets are charged to operating expenses as incurred.

Expansion capital expenditures include expenditures to acquire assets to grow our businesses or expand our existing facilities, such as projects that increase our operating capacity or revenues by, for example, increasing dock capacity and tankage, diversifying product availability, investing in raze and rebuilds and new-to-industry gasoline stations and convenience stores, increasing storage flexibility at various terminals and by adding terminals to our storage network. We have the ability to fund our expansion capital expenditures through cash from operations or our credit agreement or by issuing debt securities or additional equity. We had approximately \$24.6 million and \$19.3 million in expansion capital expenditures, excluding acquired property and equipment, for the nine months ended September 30, 2024 and 2023, respectively, primarily related to investments in our gasoline station and terminal businesses.

We currently expect maintenance capital expenditures of approximately \$50.0 million to \$60.0 million and expansion capital expenditures, excluding acquisitions, of approximately \$40.0 million to \$50.0 million in 2024, relating primarily to investments in our gasoline station and terminal businesses. These current estimates depend, in part, on the timing of completion of projects, availability of equipment and workforce, weather and unanticipated events or opportunities requiring additional maintenance or investments.

We believe that we will have sufficient cash flow from operations, borrowing capacity under our credit agreement and the ability to issue additional equity and/or debt securities to meet our financial commitments, debt service obligations, contingencies and anticipated capital expenditures. However, we are subject to business and operational risks that could adversely affect our cash flow. A material decrease in our cash flows would likely have an adverse effect on our borrowing capacity as well as our ability to issue additional equity and/or debt securities.

Cash Flow

The following table summarizes cash flow activity (in thousands):

	Nine Months Ended September 30,	
	2024	2023
Net cash (used in) provided by operating activities	\$ (35,647)	\$ 343,025
Net cash used in investing activities	\$ (230,369)	\$ (121,807)
Net cash provided by (used in) financing activities	\$ 266,941	\$ (213,960)

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Operating Activities

Cash flow from operating activities generally reflects our net income, balance sheet changes arising from inventory purchasing patterns, the timing of collections on our accounts receivable, the seasonality of parts of our businesses, fluctuations in product prices, working capital requirements and general market conditions.

Net cash (used in) provided by operating activities was (\$35.6 million) and \$343.0 million for the nine months ended September 30, 2024 and 2023, respectively, for a period-over-period decrease in cash flow from operating activities of \$378.6 million.

Except for net income, the primary drivers of the changes in operating activities include the following (in thousands):

	Nine Months Ended September 30,	
	2024	2023
Decrease (increase) in accounts receivable	\$ 79,850	\$ (43,284)
(Increase) decrease in inventories	\$ (105,314)	\$ 175,268
(Decrease) increase in accounts payable	\$ (194,239)	\$ 27,288

For the nine months ended September 30, 2024, the decreases in accounts receivable and accounts payable are due in part to timing of sales and payments and to a decrease in prices. The increase in inventories is due in part to the inventory acquired from Gulf Oil, partially offset by a decrease in prices.

For the nine months ended September 30, 2023, the increases in accounts receivable and accounts payable are due in part due to timing of sales and payments, offset by a decrease in prices. The decrease in inventories is primarily due to the decrease in prices.

Investing Activities

Net cash used in investing activities was \$230.4 million for the nine months ended September 30, 2024 and included \$215.0 million related to the acquisition of the Gulf Terminals, \$56.5 million in capital expenditures, \$13.9 million in expenditures associated with our equity method investments (see Note 11 of Notes to Consolidated Financial Statements) and \$7.9 million in seller note issuances which represent notes we received from buyers in connection with the sale of certain of our gasoline stations. Net cash used in investing activities for the nine months ended September 30, 2024 was offset by \$46.0 million in proceeds from the sale of property and equipment and \$16.9 million in dividends received of equity method investments.

Net cash used in investing activities was \$121.8 million for the nine months ended September 30, 2023 and included \$69.5 million in expenditures associated with our equity method investment in SPR (see Note 11 of Notes to Consolidated Financial Statements), \$35.4 million in maintenance capital expenditures, \$19.3 million in expansion capital expenditures, \$8.1 million in seller note issuances and \$1.5 million in an immaterial acquisition. Net cash used in investing activities was offset by \$12.0 million in proceeds from the sale of property and equipment.

Please read “—Capital Expenditures” for a discussion of our capital expenditures for the nine months ended September 30, 2024 and 2023.

Financing Activities

Net cash provided by financing activities was \$266.9 million for the nine months ended September 30, 2024 and included \$441.3 million in proceeds in connection with the issuance of the 2032 Notes and \$202.4 million in net borrowings from our working capital revolving credit facility. Net cash provided by financing activities was offset by \$203.0 million in net payments on our revolving credit facility, \$91.2 million in cash distributions to our limited partners (preferred and common unitholders) and our general partner, \$69.0 million in cash paid in connection with the redemption of the Series A Preferred Units (see Note 13 of Notes to Consolidated Financial Statements), \$11.2 million in

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the repurchase of common units pursuant to our repurchase program for future satisfaction of our LTIP obligations, \$1.8 million in LTIP units withheld for tax obligations and \$0.6 million paid pursuant to distribution equivalent rights previously granted under our LTIP.

Net cash used in financing activities was \$213.9 million for the nine months ended September 30, 2023 and included \$114.9 million in cash distributions to our limited partners (preferred and common unitholders) and our general partner, \$87.7 million and \$10.0 million in net payments on our working capital revolving credit facility and our revolving credit facility, respectively, \$0.7 million in the repurchase of common units pursuant to our repurchase program for future satisfaction of our LTIP obligations, \$0.5 million in LTIP units withheld for tax obligations and \$0.1 million paid pursuant to distribution equivalent rights previously granted under our LTIP.

See Note 7 of Notes to Consolidated Financial Statements for supplemental cash flow information related to our working capital revolving credit facility and revolving credit facility.

Credit Agreement

Certain subsidiaries of ours, as borrowers, and we and certain of our subsidiaries, as guarantors, have a \$1.55 billion senior secured credit facility. We repay amounts outstanding and reborrow funds based on our working capital requirements and, therefore, classify as a current liability the portion of the working capital revolving credit facility we expect to pay down during the course of the year. The long-term portion of the working capital revolving credit facility is the amount we expect to be outstanding during the entire year. The credit agreement expires on May 2, 2026.

On February 5, 2024, we and the lenders under our credit agreement agreed, pursuant to the terms of the credit agreement, to (i) a reallocation of \$300.0 million of the revolving credit facility to the working capital revolving credit facility and (ii) reduce the accordion feature from \$200.0 million to \$0, effective February 8, 2024. This reallocation and accordion reduction return our credit facilities to the terms in place prior to the reallocation and accordion exercise previously agreed to by us and the lenders on December 7, 2023.

As of September 30, 2024, there were two facilities under the credit agreement:

- a working capital revolving credit facility to be used for working capital purposes and letters of credit in the principal amount equal to the lesser of our borrowing base and \$950.0 million; and
- a \$600.0 million revolving credit facility to be used for general corporate purposes.

Availability under the working capital revolving credit facility is subject to a borrowing base which is redetermined from time to time and based on specific advance rates on eligible current assets. Availability under the borrowing base may be affected by events beyond our control, such as changes in petroleum product prices, collection cycles, counterparty performance, advance rates and limits and general economic conditions.

The average interest rates for the credit agreement were 7.6% and 7.5% for the three months ended September 30, 2024 and 2023, respectively, and 7.6% and 7.0% for the nine months ended September 30, 2024 and 2023, respectively.

As of September 30, 2024, we had \$219.2 million borrowings outstanding on the working capital revolving credit facility and \$177.0 million outstanding on the revolving credit facility. In addition, we had outstanding letters of credit of \$68.2 million. Subject to borrowing base limitations, the total remaining availability for borrowings and letters of credit was \$1.09 billion and \$1.13 billion at September 30, 2024 and December 31, 2023, respectively.

The credit agreement imposes financial covenants that require us to maintain certain minimum working capital amounts, a minimum combined interest coverage ratio, a maximum senior secured leverage ratio and a maximum total leverage ratio. We were in compliance with the foregoing covenants at September 30, 2024.

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Please read Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Credit Agreement” in our Annual Report on Form 10-K for the year ended December 31, 2023 for additional information on the credit agreement.

Senior Notes

We had 7.00% senior notes due 2027 and 6.875% senior notes due 2029 outstanding at September 30, 2024 and December 31, 2023. We also had 8.250% senior notes due 2032 outstanding at September 30, 2024.

On January 18, 2024, we and GLP Finance Corp. (the “Issuers”) issued \$450.0 million aggregate principal amount of 8.250% senior notes due 2032 to several initial purchasers in a private placement exempt from the registration requirements under the Securities Act of 1933, as amended. We used the net proceeds from the offering to repay a portion of the borrowings outstanding under our credit agreement and for general corporate purposes.

In connection with the private placement of the 2032 Notes, the Issuers and the subsidiary guarantors and Regions Bank, as trustee, entered into an indenture as may be supplemented from time to time (the “2032 Notes Indenture”).

The 2032 Notes mature on January 15, 2032 with interest accruing at a rate of 8.250% per annum. Interest was payable beginning July 15, 2024 and thereafter semi-annually in arrears on January 15 and July 15 of each year. The 2032 Notes are guaranteed on a joint and several senior unsecured basis by each of the Issuers and the subsidiary guarantors to the extent set forth in the 2032 Notes Indenture. Upon a continuing event of default, the trustee or the holders of at least 25% in principal amount of the 2032 Notes may declare the 2032 Notes immediately due and payable, except that an event of default resulting from entry into a bankruptcy, insolvency or reorganization with respect to the Issuers, any restricted subsidiary of ours that is a significant subsidiary or any group of our restricted subsidiaries that, taken together, would constitute a significant subsidiary of ours, will automatically cause the 2032 Notes to become due and payable.

The Issuers will have the option to redeem up to 35% of the 2032 Notes prior to January 15, 2027 at a redemption price (expressed as a percentage of principal amount) of 108.250% plus accrued and unpaid interest, if any. The Issuers will have the option to redeem the 2032 Notes, in whole or in part, at any time on or after January 15, 2027, at the redemption prices of 104.125% for the twelve-month period beginning January 15, 2027, 102.063% for the twelve-month period beginning January 15, 2028, and 100% beginning on January 15, 2029 and at any time thereafter, together with any accrued and unpaid interest to the date of redemption. In addition, before January 15, 2027, the Issuers may redeem all or any part of the 2032 Notes at a redemption price equal to the sum of the principal amount thereof, plus a make whole premium, plus accrued and unpaid interest, if any, to the redemption date. The holders of the 2032 Notes may require the Issuers to repurchase the 2032 Notes following certain asset sales or a Change of Control Triggering Event (as defined in the 2032 Notes Indenture) at the prices and on the terms specified in the 2032 Notes Indenture.

The 2032 Notes Indenture contains covenants that limit our ability to, among other things, incur additional indebtedness and issue preferred securities, make certain dividends and distributions, make certain investments and other restricted payments, restrict distributions by our subsidiaries, create liens, sell assets or merge with other entities. Events of default under the 2032 Notes Indenture include (i) a default in payment of principal of, or interest or premium, if any, on, the 2032 Notes, (ii) breach of our covenants under the 2032 Notes Indenture, (iii) certain events of bankruptcy and insolvency, (iv) any payment default or acceleration of indebtedness of our or certain subsidiaries if the total amount of such indebtedness unpaid or accelerated exceeds \$50.0 million and (v) failure to pay within 60 days uninsured final judgments exceeding \$50.0 million.

Please read Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Senior Notes” in our Annual Report on Form 10-K for the year ended December 31, 2023 for additional information.

Financing Obligations

We had financing obligations outstanding at September 30, 2024 and December 31, 2023 associated with historical sale-leaseback transactions that did not meet the criteria for sale accounting. Please read Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Financing Obligations” in our Annual Report on Form 10-K for the year ended December 31, 2023 for additional information.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements.

Critical Accounting Policies and Estimates

The significant accounting policies and estimates that we have adopted and followed in the preparation of our consolidated financial statements are detailed in Note 2 of Notes to Consolidated Financial Statements, “Summary of Significant Accounting Policies,” included in our Annual Report on Form 10-K for the year ended December 31, 2023. There have been no material changes in our policies that had a significant impact on our financial condition and results of operations for the periods covered in this report.

During the three and nine months ended September 30, 2024, there has been no material change to our critical accounting estimates discussed in Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates” in our Annual Report on Form 10-K for the year ended December 31, 2023.

Recent Accounting Pronouncements

A description and related impact expected from the adoption of certain new accounting pronouncements is provided in Note 17 of Notes to Consolidated Financial Statements included elsewhere in this report.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Market risk is the risk of loss arising from adverse changes in market rates and prices. The principal market risks to which we are exposed are interest rate risk and commodity risk. We currently utilize various derivative instruments to manage exposure to commodity risk.

Interest Rate Risk

We utilize variable rate debt and are exposed to market risk due to the floating interest rates on our credit agreement. Therefore, from time to time, we utilize interest rate collars, swaps and caps to hedge interest obligations on specific and anticipated debt issuances.

As of September 30, 2024, we had total borrowings outstanding under our credit agreement of \$396.2 million. Please read Part I, Item 2. “Management’s Discussion and Analysis—Liquidity and Capital Resources—Credit Agreement,” for information on interest rates related to our borrowings. The impact of a 1% increase in the interest rate on this amount of debt would have resulted in an increase in interest expense, and a corresponding decrease in our results of operations, of approximately \$4.0 million annually, assuming, however, that our indebtedness remained constant throughout the year.

Commodity Risk

We hedge our exposure to price fluctuations with respect to refined petroleum products, renewable fuels, crude oil and gasoline blendstocks in storage and expected purchases and sales of these commodities. The derivative instruments utilized consist primarily of exchange-traded futures contracts traded on the NYMEX, CME and ICE and over-the-

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counter transactions, including swap agreements entered into with established financial institutions and other credit-approved energy companies. Our policy is generally to purchase only products for which we have a market and to structure our sales contracts so that price fluctuations do not materially affect our profit. While our policies are designed to minimize market risk, as well as inherent basis risk, exposure to fluctuations in market conditions remains. Except for the controlled trading program discussed below, we do not acquire and hold futures contracts or other derivative products for the purpose of speculating on price changes that might expose us to indeterminable losses.

While we seek to maintain a position that is substantially balanced within our commodity product purchase and sales activities, we may experience net unbalanced positions for short periods of time as a result of variances in daily purchases and sales and transportation and delivery schedules as well as other logistical issues inherent in our businesses, such as weather conditions. In connection with managing these positions, we are aided by maintaining a constant presence in the marketplace. We also engage in a controlled trading program for up to an aggregate of 250,000 barrels of commodity products at any one point in time. Changes in the fair value of these derivative instruments are recognized in the consolidated statements of operations through cost of sales. In addition, because a portion of our crude oil business may be conducted in Canadian dollars, we may use foreign currency derivatives to minimize the risks of unfavorable exchange rates. These instruments may include foreign currency exchange contracts and forwards. In conjunction with entering into the commodity derivative, we may enter into a foreign currency derivative to hedge the resulting foreign currency risk. These foreign currency derivatives are generally short-term in nature and not designated for hedge accounting.

We utilize exchange-traded futures contracts and other derivative instruments to minimize or hedge the impact of commodity price changes on our inventories and forward fixed price commitments. Any hedge ineffectiveness is reflected in our results of operations. We utilize regulated exchanges, including the NYMEX, CME and ICE, which are exchanges for the respective commodities that each trades, thereby reducing potential delivery and supply risks. Generally, our practice is to close all exchange positions rather than to make or receive physical deliveries.

At September 30, 2024, the fair value of all of our commodity risk derivative instruments and the change in fair value that would be expected from a 10% price increase or decrease are shown in the table below (in thousands):

	Fair Value at September 30, 2024	Gain (Loss)	
		Effect of 10% Price Increase	Effect of 10% Price Decrease
Exchange traded derivative contracts	\$ 25,113	\$ (32,464)	\$ 32,464
Forward derivative contracts	22,972	(13,811)	13,811
Total	\$ 48,085	\$ (46,275)	\$ 46,275

The fair values of the futures contracts are based on quoted market prices obtained from the NYMEX, CME and ICE. The fair value of the swaps and option contracts are estimated based on quoted prices from various sources such as independent reporting services, industry publications and brokers. These quotes are compared to the contract price of the swap, which approximates the gain or loss that would have been realized if the contracts had been closed out at September 30, 2024. For positions where independent quotations are not available, an estimate is provided, or the prevailing market price at which the positions could be liquidated is used. All hedge positions offset physical exposures to the physical market; none of these offsetting physical exposures are included in the above table. Price-risk sensitivities were calculated by assuming an across-the-board 10% increase or decrease in price regardless of term or historical relationships between the contractual price of the instruments and the underlying commodity price. In the event of an actual 10% change in prompt month prices, the fair value of our derivative portfolio would typically change less than that shown in the table due to lower volatility in out-month prices. We have a daily margin requirement to maintain a cash deposit with our brokers based on the prior day's market results on open futures contracts. The balance of this deposit will fluctuate based on our open market positions and the commodity exchange's requirements. The brokerage margin balance was \$18.5 million at September 30, 2024.

We are exposed to credit loss in the event of nonperformance by counterparties to our exchange-traded derivative contracts, physical forward contracts, and swap agreements. We anticipate some nonperformance by some of these counterparties which, in the aggregate, we do not believe at this time will have a material adverse effect on our financial condition, results of operations or cash available for distribution to our unitholders. Exchange-traded derivative

contracts, the primary derivative instrument utilized by us, are traded on regulated exchanges, greatly reducing potential credit risks. We utilize major financial institutions as our clearing brokers for all NYMEX, CME and ICE derivative transactions and the right of offset exists with these financial institutions. Accordingly, the fair value of our exchange-traded derivative instruments is presented on a net basis in the consolidated balance sheet. Exposure on physical forward contracts and swap agreements is limited to the amount of the recorded fair value as of the balance sheet dates.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that the information required to be disclosed by us in the reports we file or submit under the Securities Exchange Act of 1934 (the “Exchange Act”) is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. Under the supervision and with the participation of our principal executive officer and principal financial officer, management evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) of the Exchange Act). Based on this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were operating and effective as of September 30, 2024.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the quarter ended September 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The information required by this item is included in Note 16 of Notes to Consolidated Financial Statements and is incorporated herein by reference.

Item 1A. Risk Factors

In addition to other information set forth in this report, you should carefully consider the factors discussed in Part I, Item 1A, “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2023, which could materially affect our business, financial condition or future results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Period	Total Number Of Units Purchased	Average Price Paid Per Unit(\$)	Total Number of Units Purchased as Part of Publicly Announced Plans or Programs (1)	Maximum Number (or Approximate Dollar Value) of Units That May Yet Be Purchased Under the Plans or Programs (1)
July 1—July 31, 2024	—	—	—	—
August 1—August 31, 2024	26,200	43.09	—	764,987
September 1—September 30, 2024	49,126	43.19	—	715,861

- (1) In May 2009, the board of directors of our general partner authorized the repurchase of our common units for the purpose of meeting our general partner’s anticipated obligations to deliver common units under the Long-Term Incentive Plan (“LTIP”) and meeting the general partner’s obligations under existing employment agreements and other employment related obligations of the general partner. Since the repurchase program was implemented and through September 30, 2024, our general partner repurchased 1,471,566 common units pursuant to this repurchase program. As of November 7, 2024, our general partner is authorized to acquire up to an additional 715,861 of our common units in the aggregate over an extended period of time, consistent with the general partner’s obligations under the LTIP and employment agreements. Common units may be repurchased from time to time in open market transactions, including block purchases, or in privately negotiated transactions. Such authorized unit repurchases may be modified, suspended or terminated at any time, and are subject to price, economic and market conditions, applicable legal requirements and available liquidity.

Item 5. Other Information

During the three months ended September 30, 2024, no director or executive 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

(a) Exhibits

- 3.1 — [Certificate of Limited Partnership of Global Partners LP \(incorporated by reference to Exhibit 3.1 to the Registration Statement on Form S-1 filed on May 10, 2005\).](#)
- 3.2 — [Fifth Amended and Restated Agreement of Limited Partnership of Global Partners LP dated as of March 24, 2021 \(incorporated herein by reference to Exhibit 3.1 to the Current Report on Form 8-K filed on March 24, 2021\).](#)
- 4.1 — [Indenture, dated as of July 31, 2019, among the Issuers, the Guarantors and Deutsche Bank Trust Company Americas, as trustee \(incorporated herein by reference to Exhibit 4.1 to the Current Report on Form 8-K filed on July 31, 2019\).](#)

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- 4.2 — [Indenture, dated October 7, 2020, among the Issuers, the Guarantors and Regions Bank, as trustee \(incorporated herein by reference to Exhibit 4.1 to the Current Report on Form 8-K filed on October 8, 2020\).](#)
- 4.3 — [First Supplemental Indenture, dated as of October 28, 2020, among the Issuers, the Guarantors and Regions Bank, as trustee \(incorporated herein by reference to Exhibit 4.3 to the Registration Statement on Form S-4 filed on December 16, 2020\).](#)
- 4.4 — [First Supplemental Indenture, dated as of October 28, 2020, among the Issuers, the Guarantors and Regions Bank, as successor to Deutsche Bank Trust Company Americas, as trustee \(incorporated herein by reference to Exhibit 4.5 to the Registration Statement on Form S-4 filed on December 16, 2020\).](#)
- 4.5 — [Indenture, dated January 18, 2024, among the Issuers, the Guarantors and Regions Bank, as trustee \(incorporated herein by reference to Exhibit 4.1 to the Current Report on Form 8-K filed on January 18, 2024\).](#)
- 31.1* — [Rule 13a-14\(a\)/15d-14\(a\) Certification of Principal Executive Officer of Global GP LLC, general partner of Global Partners LP.](#)
- 31.2* — [Rule 13a-14\(a\)/15d-14\(a\) Certification of Principal Financial Officer of Global GP LLC, general partner of Global Partners LP.](#)
- 32.1† — [Section 1350 Certification of Chief Executive Officer of Global GP LLC, general partner of Global Partners LP.](#)
- 32.2† — [Section 1350 Certification of Chief Financial Officer of Global GP LLC, general partner of Global Partners LP.](#)
- 101.INS* — Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document).
- 101.SCH* — Inline XBRL Taxonomy Extension Schema Document.
- 101.CAL* — Inline XBRL Taxonomy Extension Calculation Linkbase Document.
- 101.DEF* — Inline XBRL Taxonomy Extension Definition Linkbase Document.
- 101.LAB* — Inline XBRL Taxonomy Extension Labels Linkbase Document.
- 101.PRE* — Inline XBRL Taxonomy Extension Presentation Linkbase Document.
- 104* — Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith.

† Not deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liability of that section.

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.

GLOBAL PARTNERS LP

By: Global GP LLC,
its general partner

Dated: November 8, 2024

By: /s/ Eric Slifka
Eric Slifka
President and Chief Executive Officer
(Principal Executive Officer)

Dated: November 8, 2024

By: /s/ Gregory B. Hanson
Gregory B. Hanson
Chief Financial Officer
(Principal Financial Officer)

CERTIFICATION

I, Eric Slifka, President and Chief Executive Officer of Global GP LLC, the general partner of Global Partners LP, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended September 30, 2024 of Global Partners LP;
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(s) 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(s) 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.

Dated: November 8, 2024

By: /s/ Eric Slifka
Eric Slifka
President and Chief Executive Officer
of Global GP LLC, general partner
of Global Partners LP

CERTIFICATION

I, Gregory B. Hanson, Chief Financial Officer of Global GP LLC, the general partner of Global Partners LP, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended September 30, 2024 of Global Partners LP;
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(s) 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(s) 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.

Dated: November 8, 2024

By: /s/ Gregory B. Hanson
Gregory B. Hanson
Chief Financial Officer
of Global GP LLC, general partner
of Global Partners LP

**CERTIFICATION OF THE
CHIEF EXECUTIVE OFFICER OF
GLOBAL PARTNERS LP
PURSUANT TO 18 U.S.C. SECTION 1350**

In connection with the accompanying report on Form 10-Q for the period ended September 30, 2024 of Global Partners LP (the "Partnership") and filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Eric Slifka, President and Chief Executive Officer of Global GP LLC, the general partner of the Partnership, hereby certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

Dated: November 8, 2024

By: /s/ Eric Slifka
Eric Slifka
President and Chief Executive Officer
of Global GP LLC, general partner
of Global Partners LP

**CERTIFICATION OF THE
CHIEF FINANCIAL OFFICER OF
GLOBAL PARTNERS LP
PURSUANT TO 18 U.S.C. SECTION 1350**

In connection with the accompanying report on Form 10-Q for the period ended September 30, 2024 of Global Partners LP (the "Partnership") and filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Gregory B. Hanson, Chief Financial Officer of Global GP LLC, the general partner of the Partnership, hereby certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

Dated: November 8, 2024

By: /s/ Gregory B. Hanson

Gregory B. Hanson
Chief Financial Officer
of Global GP LLC, general partner
of Global Partners LP
