

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 June 30, 2026
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: 001-14129

STAR GROUP, L.P.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

9 West Broad Street
Stamford, Connecticut
(Address of principal executive office)

06-1437793
(I.R.S. Employer
Identification No.)

06902
(Zip Code)

Registrant's telephone number, including area code: (203) 328-7310

N/A
(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Units	SGU	New York Stock Exchange
Common Unit Purchase Rights	N/A	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 (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See 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	☐	Accelerated filer	☒
Non- accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

At July 31, 2026, the registrant had 32,811,216 Common Units outstanding.

STAR GROUP, L.P. AND SUBSIDIARIES
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Part I. FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements

STAR GROUP, L.P. AND SUBSIDIARIES CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2026 (unaudited)	September 30, 2025
<i>(in thousands)</i>		
ASSETS		
Current assets		
Cash and cash equivalents	\$ 27,003	\$ 24,683
Receivables, net of allowance of \$8,938 and \$7,196, respectively	160,063	102,119
Inventories	58,332	47,022
Fair asset value of derivative instruments	10,819	790
Prepaid expenses and other current assets	35,614	32,667
Total current assets	291,831	207,281
Property and equipment, net	127,049	128,605
Operating lease right-of-use assets	93,993	93,264
Goodwill	293,955	293,350
Intangibles, net	111,954	124,892
Restricted cash	250	250
Captive insurance collateral	80,385	78,189
Deferred charges and other assets, net	10,671	11,500
Total assets	\$ 1,010,088	\$ 937,331
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities		
Accounts payable	\$ 35,903	\$ 33,667
Fair liability value of derivative instruments	—	1,398
Current maturities of long-term debt	21,000	21,000
Current portion of operating lease liabilities	20,252	19,934
Accrued expenses and other current liabilities	151,421	119,497
Unearned service contract revenue	68,028	66,927
Customer credit balances	39,465	86,810
Total current liabilities	336,069	349,233
Long-term debt	151,569	167,118
Long-term operating lease liabilities	77,057	77,206
Deferred tax liabilities, net	41,310	30,823
Other long-term liabilities	15,238	16,171
Partners' capital		
Common unitholders	405,481	314,733
General partner	(6,727)	(6,605)
Accumulated other comprehensive loss, net of taxes	(9,909)	(11,348)
Total partners' capital	388,845	296,780
Total liabilities and partners' capital	\$ 1,010,088	\$ 937,331

See accompanying notes to condensed consolidated financial statements.

STAR GROUP, L.P. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per unit data - unaudited)	Three Months Ended June 30,		Nine Months Ended June 30,	
	2026	2025	2026	2025
Sales:				
Product	\$ 267,009	\$ 216,158	\$ 1,404,780	\$ 1,280,722
Installations and services	91,062	89,460	259,262	256,004
Total sales	358,071	305,618	1,664,042	1,536,726
Cost and expenses:				
Cost of product	195,199	144,521	876,174	800,170
Cost of installations and services	75,486	75,240	239,573	233,115
(Increase) decrease in the fair value of derivative instruments	8,019	(603)	(13,398)	(11,962)
Delivery and branch expenses	98,945	90,649	338,656	314,903
Depreciation and amortization expenses	8,333	9,197	25,373	26,012
General and administrative expenses	8,039	7,564	24,348	22,934
Finance charge income	(1,877)	(1,773)	(4,030)	(3,860)
Operating income (loss)	(34,073)	(19,177)	177,346	155,414
Interest expense, net	(3,586)	(3,639)	(11,548)	(11,114)
Amortization of debt issuance costs	(259)	(274)	(786)	(804)
Income (loss) before income taxes	(37,918)	(23,090)	165,012	143,496
Income tax expense (benefit)	(9,929)	(6,461)	48,928	41,330
Net income (loss)	\$ (27,989)	\$ (16,629)	\$ 116,084	\$ 102,166
General Partner's interest in net income (loss)	(275)	(157)	1,137	952
Limited Partners' interest in net income (loss)	\$ (27,714)	\$ (16,472)	\$ 114,947	\$ 101,214
Basic and diluted income (loss) per Limited Partner Unit (1):	\$ (0.84)	\$ (0.48)	\$ 2.90	\$ 2.45
Weighted average number of Limited Partner units outstanding:				
Basic and Diluted	32,835	34,340	32,935	34,498

(1) See Note 15 - Earnings Per Limited Partner Unit.

See accompanying notes to condensed consolidated financial statements.

STAR GROUP, L.P. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(in thousands - unaudited)	Three Months Ended June 30,		Nine Months Ended June 30,	
	2026	2025	2026	2025
Net income (loss)	\$ (27,989)	\$ (16,629)	\$ 116,084	\$ 102,166
Other comprehensive income (loss):				
Unrealized gain on pension plan obligation	350	434	1,048	1,298
Tax effect of unrealized gain on pension plan obligation	(93)	(116)	(278)	(344)
Unrealized gain on captive insurance collateral	117	202	167	373
Tax effect of unrealized gain on captive insurance collateral	(24)	(42)	(35)	(78)
Unrealized gain (loss) on interest rate hedges	315	(316)	727	(319)
Tax effect of unrealized gain (loss) on interest rate hedges	(78)	82	(190)	83
Total other comprehensive income	587	244	1,439	1,013
Total comprehensive income (loss)	\$ (27,402)	\$ (16,385)	\$ 117,523	\$ 103,179

See accompanying notes to condensed consolidated financial statements.

STAR GROUP, L.P. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF PARTNERS' CAPITAL

(in thousands - unaudited)	Three Months Ended June 30, 2026					
	Number of Units		Common	General Partner	Accum. Other Comprehensive Income (Loss)	Total Partners' Capital
	Common	General Partner				
Balance as of March 31, 2026	32,839	326	\$ 439,963	\$ (6,000)	\$ (10,496)	\$ 423,467
Net loss	—	—	(27,714)	(275)	—	(27,989)
Unrealized gain on pension plan obligation	—	—	—	—	350	350
Tax effect of unrealized gain on pension plan obligation	—	—	—	—	(93)	(93)
Unrealized gain on captive insurance collateral	—	—	—	—	117	117
Tax effect of unrealized gain on captive insurance collateral	—	—	—	—	(24)	(24)
Unrealized gain on interest rate hedges	—	—	—	—	315	315
Tax effect of unrealized gain on interest rate hedges	—	—	—	—	(78)	(78)
Distributions	—	—	(6,485)	(452)	—	(6,937)
Retirement of units	(23)	—	(283)	—	—	(283)
Balance as of June 30, 2026 (unaudited)	<u>32,816</u>	<u>326</u>	<u>\$ 405,481</u>	<u>\$ (6,727)</u>	<u>\$ (9,909)</u>	<u>\$ 388,845</u>

(in thousands - unaudited)	Three Months Ended June 30, 2025					
	Number of Units		Common	General Partner	Accum. Other Comprehensive Income (Loss)	Total Partners' Capital
	Common	General Partner				
Balance as of March 31, 2025	34,568	326	\$ 387,603	\$ (5,340)	\$ (11,682)	\$ 370,581
Net loss	—	—	(16,472)	(157)	—	(16,629)
Unrealized gain on pension plan obligation	—	—	—	—	434	434
Tax effect of unrealized gain on pension plan obligation	—	—	—	—	(116)	(116)
Unrealized gain on captive insurance collateral	—	—	—	—	202	202
Tax effect of unrealized gain on captive insurance collateral	—	—	—	—	(42)	(42)
Unrealized loss on interest rate hedges	—	—	—	—	(316)	(316)
Tax effect of unrealized loss on interest rate hedges	—	—	—	—	82	82
Distributions	—	—	(6,395)	(422)	—	(6,817)
Retirement of units	(817)	—	(9,811)	—	—	(9,811)
Balance as of June 30, 2025 (unaudited)	<u>33,751</u>	<u>326</u>	<u>\$ 354,925</u>	<u>\$ (5,919)</u>	<u>\$ (11,438)</u>	<u>\$ 337,568</u>

See accompanying notes to condensed consolidated financial statements.

STAR GROUP, L.P. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF PARTNERS' CAPITAL

(in thousands - unaudited)	Nine Months Ended June 30, 2026					
	Number of Units		Common	General Partner	Accum. Other Comprehensive Income (Loss)	Total Partners' Capital
	Common	General Partner				
Balance as of September 30, 2025	33,278	326	\$ 314,733	\$ (6,605)	\$ (11,348)	\$ 296,780
Net income	—	—	114,947	1,137	—	116,084
Unrealized gain on pension plan obligation	—	—	—	—	1,048	1,048
Tax effect of unrealized gain on pension plan obligation	—	—	—	—	(278)	(278)
Unrealized gain on captive insurance collateral	—	—	—	—	167	167
Tax effect of unrealized gain on captive insurance collateral	—	—	—	—	(35)	(35)
Unrealized gain on interest rate hedges	—	—	—	—	727	727
Tax effect of unrealized gain on interest rate hedges	—	—	—	—	(190)	(190)
Distributions	—	—	(18,684)	(1,259)	—	(19,943)
Retirement of units	(462)	—	(5,515)	—	—	(5,515)
Balance as of June 30, 2026 (unaudited)	<u>32,816</u>	<u>326</u>	<u>\$ 405,481</u>	<u>\$ (6,727)</u>	<u>\$ (9,909)</u>	<u>\$ 388,845</u>

(in thousands - unaudited)	Nine Months Ended June 30, 2025					
	Number of Units		Common	General Partner	Accum. Other Comprehensive Income (Loss)	Total Partners' Capital
	Common	General Partner				
Balance as of September 30, 2024	34,587	326	\$ 282,058	\$ (5,714)	\$ (12,451)	\$ 263,893
Net income	—	—	101,214	952	—	102,166
Unrealized gain on pension plan obligation	—	—	—	—	1,298	1,298
Tax effect of unrealized gain on pension plan obligation	—	—	—	—	(344)	(344)
Unrealized gain on captive insurance collateral	—	—	—	—	373	373
Tax effect of unrealized gain on captive insurance collateral	—	—	—	—	(78)	(78)
Unrealized loss on interest rate hedges	—	—	—	—	(319)	(319)
Tax effect of unrealized loss on interest rate hedges	—	—	—	—	83	83
Distributions	—	—	(18,324)	(1,157)	—	(19,481)
Retirement of units	(836)	—	(10,023)	—	—	(10,023)
Balance as of June 30, 2025 (unaudited)	<u>33,751</u>	<u>326</u>	<u>\$ 354,925</u>	<u>\$ (5,919)</u>	<u>\$ (11,438)</u>	<u>\$ 337,568</u>

See accompanying notes to condensed consolidated financial statements.

STAR GROUP, L.P. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands - unaudited)	Nine Months Ended June 30,	
	2026	2025
Cash flows provided by (used in) operating activities:		
Net income	\$ 116,084	\$ 102,166
Adjustment to reconcile net income to net cash provided by (used in) operating activities:		
(Increase) decrease in fair value of derivative instruments	(13,398)	(11,962)
Depreciation and amortization	26,159	26,816
Provision for losses on accounts receivable	6,451	6,593
Change in deferred taxes	9,984	10,372
Changes in operating assets and liabilities:		
Increase in receivables	(64,404)	(40,872)
(Increase) decrease in inventories	(11,215)	425
Increase in other assets	(227)	(1,987)
Increase (decrease) in accounts payable	2,791	(410)
Decrease in customer credit balances	(47,513)	(49,341)
Increase in other current and long-term liabilities	32,491	14,743
Net cash provided by operating activities	57,203	56,543
Cash flows provided by (used in) investing activities:		
Capital expenditures	(10,218)	(10,354)
Proceeds from sales of fixed assets	620	514
Proceeds from sale of certain assets	—	282
Purchase of investments	(2,398)	(1,806)
Acquisitions	(957)	(88,143)
Net cash used in investing activities	(12,953)	(99,507)
Cash flows provided by (used in) financing activities:		
Revolving credit facility borrowings	93,575	75,359
Revolving credit facility repayments	(93,575)	(75,364)
Term loan repayments	(15,750)	(15,750)
Distributions	(19,943)	(19,481)
Unit repurchases	(5,515)	(10,023)
Customer retainage payments	(722)	(789)
Payments of debt issue costs	—	(241)
Net cash used in financing activities	(41,930)	(46,289)
Net increase (decrease) in cash, cash equivalents, and restricted cash	2,320	(89,253)
Cash, cash equivalents, and restricted cash at beginning of period	24,933	117,585
Cash, cash equivalents, and restricted cash at end of period	\$ 27,253	\$ 28,332

See accompanying notes to condensed consolidated financial statements.

STAR GROUP, L.P. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1) Organization

Star Group, L.P. (“Star,” the “Company,” “we,” “us,” or “our”) is a full-service provider specializing in the sale of home heating and air conditioning products and services to residential and commercial home heating oil and propane customers. The Company has one reportable segment for accounting purposes. We also sell diesel fuel, gasoline and home heating oil on a delivery only basis. We believe we are the nation’s largest retail distributor of home heating oil based upon sales volume.

The Company is organized as follows:

- Star is a limited partnership, which at June 30, 2026, had outstanding 32.8 million Common Units (NYSE: “SGU”), representing a 99.0% limited partner interest in Star, and 0.3 million general partner units, representing a 1.0% general partner interest in Star. Our general partner is Kestrel Heat, LLC, a Delaware limited liability company (“Kestrel Heat” or the “general partner”). The Board of Directors of Kestrel Heat (the “Board”) is appointed by its sole member, Kestrel Energy Partners, LLC, a Delaware limited liability company (“Kestrel”). Although Star is a partnership, it is taxed as a corporation and its distributions to unitholders are treated as taxable dividends.
- Star owns 100% of Star Acquisitions, Inc. (“SA”), a Minnesota corporation that owns 100% of Petro Holdings, Inc. (“Petro”). SA and its subsidiaries are subject to Federal and state corporate income taxes. Star’s operations are conducted through Petro and its subsidiaries. Petro is primarily a Northeast and Mid-Atlantic U.S. region retail distributor of home heating oil and propane that at June 30, 2026, served approximately 396,900 full service residential and commercial home heating oil and propane accounts and 66,000 accounts on a delivery only basis. We also sell gasoline and diesel fuel to approximately 27,500 accounts. We install, maintain, and repair heating and air conditioning equipment and to a lesser extent provide these services outside our heating oil and propane customer base including approximately 19,800 service contracts for natural gas and other heating systems.
- Petroleum Heat and Power Co., Inc. (“PH&P”) is a wholly owned subsidiary of Star. PH&P is the borrower and Star is the guarantor of the seventh amended and restated credit agreement’s \$210 million five-year senior secured term loan and the \$400 million (\$475 million during the heating season of December through April of each year) revolving credit facility, both due September 27, 2029. (See Note 11—Long-Term Debt and Bank Facility Borrowings).

2) Summary of Significant Accounting Policies

Basis of Presentation

The Consolidated Financial Statements include the accounts of Star and its subsidiaries. All material intercompany items and transactions have been eliminated in consolidation.

The financial information included herein is unaudited; however, such information reflects all adjustments (consisting solely of normal recurring adjustments), which are, in the opinion of management, necessary for the fair statement of financial condition and results for the interim periods. Due to the seasonal nature of the Company’s business, the results of operations and cash flows for the nine-month period ended June 30, 2026, are not necessarily indicative of the results to be expected for the full year.

These interim financial statements of the Company have been prepared in accordance with U.S. Generally Accepted Accounting Principles (“GAAP”) for interim financial information and Rule 10-01 of Regulation S-X of the U.S. Securities and Exchange Commission (the “SEC”) and should be read in conjunction with the financial statements included in the Company’s Annual Report on Form 10-K for the year ended September 30, 2025.

Comprehensive Income (Loss)

Comprehensive income (loss) is comprised of Net income (loss) and Other comprehensive income. Other comprehensive income consists of the unrealized gain on amortization on the Company’s pension plan obligation for its frozen defined benefit pension plan, unrealized gain on available-for-sale investments, unrealized gain (loss) on interest rate hedges and the corresponding tax effects.

Cash, Cash Equivalents, and Restricted Cash

The Company considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. At June 30, 2026, the \$27.3 million of cash, cash equivalents, and restricted cash on the Condensed Consolidated Statements of Cash Flows is composed of \$27.0 million of cash and cash equivalents and \$0.3 million of restricted cash. At September 30, 2025, the \$24.9 million of cash, cash equivalents, and restricted cash on the Condensed Consolidated Statements of Cash Flows is composed of \$24.7 million of cash and cash equivalents and \$0.3 million of restricted cash. Restricted cash represents deposits held by our captive insurance company that are required by state insurance regulations to remain in the captive insurance company as cash.

Fair Value Valuation Approach

The Company uses valuation approaches that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Company determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

- Level 1 inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.
- Level 2 inputs: Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date.

Captive Insurance Collateral

The captive insurance collateral is held by our captive insurance company in an irrevocable trust as collateral for certain workers' compensation and automobile liability claims. The collateral is required by a third-party insurance carrier that insures per claim amounts above a set deductible. If we did not deposit cash into the trust, the third-party carrier would require that we issue an equal amount of letters of credit, which would reduce our availability under the credit agreement. Due to the expected timing of claim payments, the nature of the collateral agreement with the carrier, and our captive insurance company's source of other operating cash, such as future premiums and earnings on investments, the collateral is not expected to be used to pay obligations within the next twelve months.

Unrealized gains and losses, net of related income taxes, are reported as accumulated other comprehensive income (loss), except for losses from impairments which are determined to be other-than-temporary. Realized gains and losses, and declines in value judged to be other-than-temporary on available-for-sale securities are included in the determination of net income and are included in Interest expense, net, at which time the average cost basis of these securities are adjusted to fair value.

Weather Hedge Contract

To partially mitigate the adverse effect of warm weather on cash flows, the Company has used weather hedge contracts for a number of years. Weather hedge contracts are recorded in accordance with the intrinsic value method defined by the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 815-45-15 Derivatives and Hedging, Weather Derivatives (EITF 99-2). The premium paid is included in the caption "Prepaid expenses and other current assets" in the accompanying balance sheets and amortized over the life of the contract, with the intrinsic value method applied at each interim period.

The Company entered into weather hedge contracts for fiscal years 2026 and 2025. The hedge period runs from November 1 through March 31, taken as a whole. The "Payment Thresholds," or strikes, are set at various levels and are referenced against degree days for the prior ten year average. For each fiscal year under these contracts, the maximum amount the Company could receive is \$15.0 million and the Company is additionally obligated to make an annual payment capped at \$5.0 million if degree days exceed the Payment Threshold.

The temperatures experienced during the hedge periods through March 31, 2026, and March 31, 2025, were colder than the strike prices in the weather hedge contracts. As a result, as of March 31, 2026, and March 31, 2025, we increased delivery and branch expense and recorded a payable under those weather hedge contracts of \$5.0 million and \$3.1 million, respectively. The amounts were paid in full in April 2026 and April 2025, respectively.

For fiscal 2027, the Company entered into a weather hedge contract with the same hedge period as described above; November 1 through March 31. The maximum that the Company can receive is \$12.5 million annually and we are not obligated to make an annual payment if degree days exceed the Payment Threshold.

New England Teamsters and Trucking Industry Pension Fund (“the NETTI Fund”) Liability

As of June 30, 2026, we had \$0.3 million and \$15.1 million included in the captions “Accrued expenses and other current liabilities” and “Other long-term liabilities,” respectively, on our Condensed Consolidated Balance Sheet representing the remaining balance of the NETTI Fund withdrawal liability. As of September 30, 2025, we had \$0.3 million and \$15.3 million reflected in these categories respectively. Based on the borrowing rates currently available to the Company for long-term financing of a similar maturity, the fair value of the NETTI Fund withdrawal liability as of June 30, 2026, and September 30, 2025, was \$17.6 million and \$18.3 million, respectively. We utilized Level 2 inputs in the fair value hierarchy of valuation techniques to determine the fair value of this liability.

Recently Adopted Accounting Pronouncements

No new Accounting Pronouncements were adopted through the fiscal nine months ended June 30, 2026.

Recently Issued Accounting Pronouncements

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740): Improvements to income tax disclosures, which requires that an entity, on an annual basis, disclose additional income tax information, primarily related to the rate reconciliation and income taxes paid. The standard is effective for fiscal years beginning after December 15, 2024. Adoption is either with a prospective method or a fully retrospective method of transition. Early adoption is permitted. We expect the standard will expand the disclosures provided in our annual financial statements, particularly in the rate reconciliation section, but do not anticipate that adoption will have a material effect on our consolidated results of operations, financial position, or cash flows. We plan to adopt ASU 2023-09 for the annual period ending September 30, 2026.

In November 2024, the FASB issued ASU 2024-03, Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses, requiring disclosure in the notes to the financial statements for specified information about certain costs and expenses. Additionally, in January 2025, the FASB issued ASU 2025-01 to clarify the effective date of ASU 2024-03. The standard is effective for fiscal years beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027, with early adoption and retrospective application permitted. We are currently evaluating the impact of this standard on our consolidated financial statements and related disclosures.

In July 2025, the FASB issued ASU 2025-05, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets, which provides a practical expedient for all entities to simplify the estimation of expected credit losses on current accounts receivable and current contract assets arising from revenue contracts under Topic 606. The standard is effective for fiscal years beginning after December 15, 2025, with early adoption permitted. We are currently evaluating the impact of this standard on our consolidated financial statements and related disclosures.

In September 2025, the FASB issued ASU 2025-06, Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software, which modernizes the guidance on capitalizing costs for internal-use software by eliminating predefined development stages and introducing a principles-based approach focused on probable completion and use. The standard is effective for fiscal years beginning after December 15, 2027, with early adoption permitted. We are currently evaluating the impact of this standard on our consolidated financial statements and related disclosures.

3) Revenue Recognition

The following disaggregates our revenue by major sources for the three and nine months ended June 30, 2026, and June 30, 2025:

(in thousands)	Three Months Ended June 30,		Nine Months Ended June 30,	
	2026	2025	2026	2025
Petroleum Products:				
Home heating oil and propane	\$ 153,132	\$ 136,146	\$ 1,134,344	\$ 1,046,864
Other petroleum products	113,877	80,012	270,436	233,858
Total petroleum products	267,009	216,158	1,404,780	1,280,722
Installations and Services:				
Equipment installations	32,745	33,317	100,691	100,082
Equipment maintenance service contracts	36,862	36,888	97,283	98,863
Billable call services	21,455	19,255	61,288	57,059
Total installations and services	91,062	89,460	259,262	256,004
Total Sales	\$ 358,071	\$ 305,618	\$ 1,664,042	\$ 1,536,726

Deferred Contract Costs

We recognize an asset for incremental commission expenses paid to sales personnel in conjunction with obtaining new residential customer product and equipment maintenance service contracts. We defer these costs only when we have determined the commissions are, in fact, incremental and would not have been incurred absent the customer contract. Costs to obtain a contract are amortized and recorded ratably as delivery and branch expenses over the period representing the transfer of goods or services to which the assets relate. Costs to obtain new residential product and equipment maintenance service contracts are amortized as expense over the estimated customer relationship period of approximately five years. Deferred contract costs are classified as current or non-current within "Prepaid expenses and other current assets" and "Deferred charges and other assets, net," respectively. At June 30, 2026, the amount of deferred contract costs included in "Prepaid expenses and other current assets" and "Deferred charges and other assets, net" was \$2.6 million and \$4.1 million, respectively. At September 30, 2025, the amount of deferred contract costs included in "Prepaid expenses and other current assets" and "Deferred charges and other assets, net" was \$2.8 million and \$4.2 million, respectively. For the nine months ended June 30, 2026, we recognized expense of \$2.4 million and for the nine months ended June 30, 2025, we recognized expense of \$2.5 million associated with the amortization of deferred contract costs within "Delivery and branch expenses" in the Condensed Consolidated Statement of Operations.

Contract Liability Balances

The Company has contract liabilities for advanced payments received from customers for future oil deliveries (primarily amounts received from customers on "smart pay" budget payment plans in advance of oil deliveries) and obligations to service customers with equipment maintenance service contracts. Contract liabilities are recognized straight-line over the service contract period, generally one year or less. As of June 30, 2026 and September 30, 2025, the Company had contract liabilities of \$103.3 million and \$149.7 million, respectively. During the nine months ended June 30, 2026, the Company recognized \$132.3 million of revenue that was included in the September 30, 2025, contract liability balance. During the nine months ended June 30, 2025, the Company recognized \$147.3 million of revenue that was included in the September 30, 2024, contract liability balance.

Receivables and Allowance for Doubtful Accounts

Accounts receivables from customers are recorded at the invoiced amounts. Finance charges may be applied to trade receivables that are more than 30 days past due, and are recorded as finance charge income.

The allowance for doubtful accounts is the Company's estimate of the amount of trade receivables that may not be collectible. The allowance is determined at an aggregate level by grouping accounts based on certain account criteria and its receivable aging. The allowance is based on both quantitative and qualitative factors, including historical loss experience, historical collection patterns, overdue status, aging trends, current and future economic conditions. The Company has an established process to periodically review current and past due trade receivable balances to determine the adequacy of the allowance. No single statistic or measurement determines the adequacy of the allowance. The total allowance reflects management's estimate of losses inherent in its trade receivables at the balance sheet date. Different assumptions or changes in economic conditions could result in material changes to the allowance for doubtful accounts.

Changes in the allowance for credit losses are as follows:

(in thousands)	Credit Loss Allowance
Balance at September 30, 2025	\$ 7,196
Current period provision	6,451
Write-offs, net and other	(4,709)
Balance as of June 30, 2026	\$ 8,938

4) Common Unit Repurchase and Retirement

In July 2012, the Board adopted a plan to repurchase certain of the Company's Common Units (the "Repurchase Plan"). Through February 2026, the Company had repurchased approximately 22.6 million Common Units under the Repurchase Plan. In February 2026, the Board authorized an increase of the number of Common Units that remained available for the Company to repurchase from 0.5 million to a total of 2.1 million, of which, 2.0 million were available for repurchase in open market transactions and approximately 0.1 million were available for repurchase in privately negotiated transactions. There is no guarantee of the number of units that will be purchased under the Repurchase Plan and the Company may discontinue purchases at any time. The Repurchase Plan does not have a time limit. The Board may also approve additional purchases of units from time to time in private transactions. The Company's repurchase activities take into account SEC safe harbor rules and guidance for issuer repurchases. All of the Common Units purchased under the Repurchase Plan will be retired.

Under the credit agreement dated September 27, 2024, in order to repurchase Common Units we must maintain Availability (as defined in the credit agreement) of not less than the greater of (i) 15% of the Line Cap (lesser of the aggregate revolving commitment and the borrowing base) which was \$34.9 million as of June 30, 2026, and (ii) \$40 million on a historical pro forma and forward-looking basis, and a fixed charge coverage ratio of not less than 1.15 measured as of the date of repurchase or distribution. (See Note 11—Long-Term Debt and Bank Facility Borrowings).

The following table shows repurchases under the Repurchase Plan:

(in thousands, except per unit amounts)

Period	Total Number of Units Purchased	Average Price Paid per Unit (a)	Total Number of Units Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Units that May Yet Be Purchased
Fiscal year 2012 to 2025 total	27,747	\$ 9.05	22,159	943
First quarter fiscal year 2026 total	378	\$ 11.87	378	565 (b)
Second quarter fiscal year 2026 total	61	\$ 12.29	61	2,096 (c)
April 2026	5	\$ 12.49	5	2,091
May 2026	5	12.47	5	2,086
June 2026	13	12.44	13	2,073
Third quarter fiscal year 2026 total	23	\$ 12.46	23	2,073
July 2026	5	\$ 12.51	5	2,068 (d)

(a) Amount includes repurchase costs.

(b) In October 2025, the Company purchased 138,600 Common Units in a private transaction for aggregate consideration of approximately \$1.6 million. The purchase was made within the Company's unit repurchase plan.

(c) In February 2026, the Board authorized an increase in the number of Common Units available for repurchase in open market transactions from 0.4 million to 2.0 million.

(d) Of the total available for repurchase, approximately 2.0 million units are available for repurchase in open market transactions and approximately 0.1 million units are available for repurchase in privately-negotiated transactions, under the Repurchase Plan.

5) Captive Insurance Collateral

The Company considers all of its captive insurance collateral to be Level 1 available-for-sale investments. Investments at June 30, 2026, consist of the following (in thousands):

	Amortized Cost	Gross Unrealized Gain	Gross Unrealized (Loss)	Fair Value
Cash and Receivables	\$ 366	\$ —	\$ —	\$ 366
U.S. Government Debt Securities	78,914	132	(22)	79,024
Corporate Debt Securities	1,059	—	(64)	995
Total	\$ 80,339	\$ 132	\$ (86)	\$ 80,385

Investments at September 30, 2025 consist of the following (in thousands):

	Amortized Cost	Gross Unrealized Gain	Gross Unrealized (Loss)	Fair Value
Cash and Receivables	\$ 343	\$ —	\$ —	\$ 343
U.S. Government Debt Securities	71,453	79	(11)	71,521
Corporate Debt Securities	6,515	—	(190)	6,325
Total	\$ 78,311	\$ 79	\$ (201)	\$ 78,189

Maturities of investments were as follows at June 30, 2026 (in thousands):

	Net Carrying Amount
Due within one year	\$ 80,385
Due after one year through five years	—
Due after five years through ten years	—
Total	\$ 80,385

6) Derivatives and Hedging—Disclosures and Fair Value Measurements

The Company uses derivative instruments such as futures, options and swap agreements in order to mitigate exposure to market risk associated with the purchase of home heating oil for price-protected customers, physical inventory on hand, inventory in transit, priced purchase commitments and internal fuel usage. FASB ASC 815-10-05 Derivatives and Hedging, established accounting and reporting standards requiring that derivative instruments be recorded at fair value and included in the consolidated balance sheet as assets or liabilities, along with qualitative disclosures regarding the derivative activity. The Company has elected not to designate its commodity derivative instruments as hedging derivatives, but rather as economic hedges whose change in fair value is recognized in its statement of operations in the caption “(Increase) decrease in the fair value of derivative instruments.” Depending on the risk being economically hedged, realized gains and losses are recorded in cost of product, cost of installations and services, or delivery and branch expenses.

As of June 30, 2026, to hedge a substantial majority of the purchase price associated with heating oil gallons anticipated to be sold to our price-protected customers, the Company held the following derivative instruments that settle in future months to match anticipated sales: 3.7 million gallons of swap contracts, 2.6 million gallons of call options, 1.7 million gallons of put options, and 31.1 million net gallons of synthetic call options. To hedge its physical inventory on hand, inventory in transit and basis risk, the Company, as of June 30, 2026, held 1.2 million gallons of swap contracts and 8.4 million gallons of short future contracts that settle in future months. To hedge our internal fuel usage and other activities for fiscal 2026 and 2027, the Company held 5.2 million gallons of swap contracts that settle in future months.

As of June 30, 2025, to hedge a substantial majority of the purchase price associated with heating oil gallons anticipated to be sold to our price-protected customers, the Company held the following derivative instruments that settle in future months to match anticipated sales: 8.6 million gallons of swap contracts, 3.3 million gallons of call options, 3.7 million gallons of put options, and 36.0 million net gallons of synthetic call options. To hedge its physical inventory on hand, inventory in transit and basis risk, the Company, as of June 30, 2025, held 0.7 million gallons of swap contracts and 6.5 million gallons of short future contracts that settle in future months. To hedge our internal fuel usage and other activities for fiscal 2025 and 2026, the Company held 7.7 million gallons of swap contracts that settle in future months.

As of June 30, 2026, the Company has interest rate swap agreements in order to mitigate exposure to market risk associated with variable rate interest on \$71.9 million, or 41%, of our long-term debt. The Company has designated its interest rate swap agreements as cash flow hedging derivatives. To the extent these derivative instruments are effective and the accounting standard's documentation requirements have been met, changes in fair value are recognized in other comprehensive income (loss) until the underlying hedged item is recognized in earnings. As of June 30, 2026, the fair value of the swap contracts was \$0.1 million. As of September 30, 2025, the notional value of the swap contracts was \$74.5 million and the fair value of the swap contracts was \$(0.6) million. We utilized Level 2 inputs in the fair value hierarchy of valuation techniques to determine the fair value of the swap contracts.

The Company's derivative instruments are with the following counterparties: Bank of America, N.A., Bank of Montreal, Cargill, Inc., Citibank, N.A., Citizens Bank, N.A., JPMorgan Chase Bank, N.A., Swiss Re Corporate Solutions Global Markets, Inc. and Wells Fargo Bank, N.A. The Company assesses counterparty credit risk and considers it to be low. We maintain master netting arrangements that allow for the non-conditional offsetting of amounts receivable and payable with counterparties to help manage our risks and record derivative positions on a net basis. The Company generally does not receive cash collateral from its counterparties and does not restrict the use of cash collateral it maintains at counterparties. At June 30, 2026, we did not have any cash posted as collateral with counterparties. Positions with counterparties who are also parties to our credit agreement are collateralized under that facility. As of June 30, 2026, we did not have hedge positions or payable amounts secured under the credit facility.

The Company's Level 1 derivative assets and liabilities represent the fair value of commodity contracts used in its hedging activities that are identical and traded in active markets. The Company's Level 2 derivative assets and liabilities represent the fair value of commodity and interest rate contracts used in its hedging activities that are valued using either directly or indirectly observable inputs, whose nature, risk and class are similar. No significant transfers of assets or liabilities have been made into and out of the Level 1 or Level 2 tiers. All derivative instruments were non-trading positions and were either a Level 1 or Level 2 instrument. The Company had no Level 3 derivative instruments. The fair market value of our Level 1 and Level 2 derivative assets and liabilities is calculated by our counter-parties and is independently validated by the Company. The Company's calculations are, for Level 1 derivative assets and liabilities, based on the published New York Mercantile Exchange ("NYMEX") market prices for the commodity contracts open at the end of the period. For Level 2 derivative assets and liabilities the calculations performed by the Company are based on a combination of the NYMEX published market prices and other inputs, including such factors as present value, volatility and duration.

The Company had no assets or liabilities that are measured at fair value on a non-recurring basis subsequent to their initial recognition. The Company's commodity financial assets and liabilities measured at fair value on a recurring basis are listed on the following table.

(In thousands)		Fair Value Measurements at Reporting Date Using:		
Derivatives Not Designated as Hedging Instruments Under FASB ASC 815-10	Balance Sheet Location	Total	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2
	Asset Derivatives at June 30, 2026			
Commodity contracts	Fair asset value of derivative instruments	\$ 17,892	\$ —	\$ 17,892
Commodity contracts	Long-term derivative assets included in the deferred charges and other assets, net and other long-term liabilities, net balances	719	—	719
Commodity contract assets at June 30, 2026		\$ 18,611	\$ —	\$ 18,611
Liability Derivatives at June 30, 2026				
Commodity contracts	Fair asset value of derivative instruments	\$ (7,073)	\$ —	\$ (7,073)
Commodity contracts	Long-term derivative assets included in the deferred charges and other assets, net and other long-term liabilities, net balances	(564)	—	(564)
Commodity contract liabilities at June 30, 2026		\$ (7,637)	\$ —	\$ (7,637)
Asset Derivatives at September 30, 2025				
Commodity contracts	Fair asset and liability value of derivative instruments	\$ 7,561	\$ —	\$ 7,561
Commodity contracts	Long-term derivative assets included in the deferred charges and other assets, net	755	—	755
Commodity contract assets September 30, 2025		\$ 8,316	\$ —	\$ 8,316
Liability Derivatives at September 30, 2025				
Commodity contracts	Fair asset and liability value of derivative instruments	\$ (8,169)	\$ —	\$ (8,169)
Commodity contracts	Long-term derivative assets included in the deferred charges and other assets, net	(653)	—	(653)
Commodity contract liabilities September 30, 2025		\$ (8,822)	\$ —	\$ (8,822)

The Company's commodity derivative assets (liabilities) offset by counterparty and subject to an enforceable master netting arrangement are listed on the following table.

(In thousands)				Gross Amounts Not Offset in the Statement of Financial Position		
				Financial Instruments	Cash Collateral Received	Net Amount
Offsetting of Financial Assets (Liabilities) and Derivative Assets (Liabilities)	Gross Assets Recognized	Gross Liabilities Offset in the Statement of Financial Position	Net Assets (Liabilities) Presented in the Statement of Financial Position			
Fair asset value of derivative instruments	\$ 17,892	\$ (7,073)	\$ 10,819	\$ —	\$ —	\$ 10,819
Long-term derivative assets included in deferred charges and other assets, net	695	(536)	159	—	—	159
Long-term derivative liabilities included in other long-term liabilities, net	24	(28)	(4)			(4)
Total at June 30, 2026	\$ 18,611	\$ (7,637)	\$ 10,974	\$ —	\$ —	\$ 10,974
Fair asset value of derivative instruments	\$ 3,630	\$ (2,840)	\$ 790	\$ —	\$ —	\$ 790
Long-term derivative assets included in deferred charges and other assets, net	755	(653)	102	—	—	102
Fair liability value of derivative instruments	3,931	(5,329)	(1,398)	—	—	(1,398)
Total at September 30, 2025	\$ 8,316	\$ (8,822)	\$ (506)	\$ —	\$ —	\$ (506)

(In thousands)		The Effect of Derivative Instruments on the Statement of Operations			
Derivatives Not Designated as Hedging Instruments Under FASB ASC 815-10	Location of (Gain) or Loss Recognized in Income on Derivative	Amount of (Gain) or Loss Recognized		Amount of (Gain) or Loss Recognized	
		Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Nine Months Ended June 30, 2026	Nine Months Ended June 30, 2025
Commodity contracts	Cost of product (a)	\$ (4,425)	\$ 2,248	\$ (1,388)	\$ 16,002
Commodity contracts	Cost of installations and service (a)	\$ (474)	\$ 40	\$ (581)	\$ 171
Commodity contracts	Delivery and branch expenses (a)	\$ (478)	\$ 234	\$ (2,558)	\$ 890
Commodity contracts	(Increase) / decrease in the fair value of derivative instruments (b)	\$ 8,019	\$ (603)	\$ (13,398)	\$ (11,962)

(a) Represents realized closed positions and includes the cost of options as they expire.

(b) Represents the change in value of unrealized open positions and expired options.

7) Inventories

The Company's product inventories are stated at the lower of cost and net realizable value computed on the weighted average cost method. All other inventories, representing parts and equipment are stated at the lower of cost and net realizable value using the FIFO method. The components of inventory were as follows (in thousands):

	June 30, 2026	September 30, 2025
Product	\$ 33,448	\$ 22,040
Parts and equipment	24,884	24,982
Total inventory	\$ 58,332	\$ 47,022

8) Property and Equipment

Property and equipment are stated at cost. Depreciation and amortization is computed over the estimated useful lives of the depreciable assets using the straight-line method (in thousands):

	June 30, 2026	September 30, 2025
Property and equipment	\$ 289,707	\$ 282,870
Less: accumulated depreciation and amortization	162,658	154,265
Property and equipment, net	<u>\$ 127,049</u>	<u>\$ 128,605</u>

9) Business Combinations and Divestitures

During the nine months ended June 30, 2026, the Company acquired one heating oil business for approximately \$1.0 million in cash. The gross purchase price was allocated \$1.2 million to intangible assets, \$0.6 million to goodwill, \$0.3 million to fixed assets and reduced by \$1.1 million of negative net working capital. The acquired company's operating results are included in the Company's consolidated financial statements starting on its acquisition date, and are not material to the Company's financial condition, results of operations, or cash flows.

During the nine months ended June 30, 2025, the Company acquired one heating oil and three propane businesses for approximately \$80.5 million in cash. The gross purchase price was allocated \$38.7 million to intangible assets, \$17.7 million to goodwill, \$25.2 million to fixed assets and reduced by \$1.1 million of negative working capital.

During the nine months ended June 30, 2025, the Company acquired certain intangible and fixed assets for \$7.7 million and sold certain assets for cash proceeds of \$0.3 million.

10) Goodwill and Intangible Assets, net

Goodwill

A summary of changes in Company's goodwill is as follows (in thousands):

Balance as of September 30, 2025	\$ 293,350
Fiscal year 2026 business combination	605
Balance as of June 30, 2026	<u>\$ 293,955</u>

Intangibles, net

The gross carrying amount and accumulated amortization of intangible assets subject to amortization are as follows (in thousands):

	June 30, 2026			September 30, 2025		
	Gross Carrying Amount	Accum. Amortization	Net	Gross Carrying Amount	Accum. Amortization	Net
Customer lists	\$ 493,431	\$ 404,196	\$ 89,235	\$ 493,431	\$ 391,702	\$ 101,729
Trade names and other intangibles	53,213	30,494	22,719	52,028	28,865	23,163
Total	<u>\$ 546,644</u>	<u>\$ 434,690</u>	<u>\$ 111,954</u>	<u>\$ 545,459</u>	<u>\$ 420,567</u>	<u>\$ 124,892</u>

Amortization expense for intangible assets was \$14.1 million for the nine months ended June 30, 2026, compared to \$14.8 million for the nine months ended June 30, 2025.

11) Long-Term Debt and Bank Facility Borrowings

The Company's debt is as follows (in thousands):

	June 30, 2026		September 30, 2025	
	Carrying Amount	Fair Value (a)	Carrying Amount	Fair Value (a)
Revolving Credit Facility Borrowings	\$ —	\$ —	\$ —	\$ —
Senior Secured Term Loan (b)	172,569	173,250	188,118	189,000
Total debt	\$ 172,569	\$ 173,250	\$ 188,118	\$ 189,000
Total short-term portion of debt	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000
Total long-term portion of debt (b)	\$ 151,569	\$ 152,250	\$ 167,118	\$ 168,000

- (a) The face amount of the Company's variable rate long-term debt approximates fair value.
(b) Carrying amounts are net of unamortized debt issuance costs of \$0.7 million as of June 30, 2026, and \$0.9 million as of September 30, 2025.

On September 27, 2024, the Company refinanced its five-year term loan and the revolving credit facility with the execution of the seventh amended and restated revolving credit facility agreement (the "credit agreement") with a bank syndicate comprised of ten participants, which enables the Company to borrow up to \$400 million (\$475 million during the heating season of December through April of each year) on a revolving credit facility for working capital purposes (subject to certain borrowing base limitations and coverage ratios), provides for a \$210 million five-year senior secured term loan ("Term Loan"), allows for the issuance of up to \$25 million in letters of credit, and has a maturity date of September 27, 2029.

The Company can increase the revolving credit facility size by \$200 million without the consent of the bank group. However, the bank group is not obligated to fund the \$200 million increase. If the bank group elects not to fund the increase, the Company can add additional lenders to the group, with the consent of the Agent, which shall not be unreasonably withheld. Obligations under the credit agreement are guaranteed by the Company and its subsidiaries and are secured by liens on substantially all of the Company's assets including accounts receivable, inventory, general intangibles, real property, fixtures and equipment.

All amounts outstanding under the credit agreement become due and payable on the facility termination date of September 27, 2029. The Term Loan is repayable in quarterly payments of \$5.3 million, plus an annual payment equal to 25% of the annual Excess Cash Flow as defined in the credit agreement (an amount not to exceed \$4.0 million annually), less certain voluntary prepayments made during the year, with final payment at maturity. The Company was not required to make additional term loan repayments due to Excess Cash Flow for the fiscal year ended September 30, 2025.

The interest rate on the revolving credit facility and the term loan is based on a margin over Adjusted Term Secured Overnight Financing Rate ("SOFR") or a base rate. At June 30, 2026, the effective interest rate on the term loan (considering the impact of interest rate hedges) and revolving credit facility borrowings was approximately 6.7% and 5.9%, respectively, compared to 7.1% and 6.4%, respectively at September 30, 2025.

The commitment fee on the unused portion of the revolving credit facility is 0.30% from December through April, and 0.20% from May through November.

The credit agreement requires the Company to meet certain financial covenants, including a fixed charge coverage ratio of 1.10 if Availability (as defined in the credit agreement) is less than the greater of (a) 12.5% of the Line Cap (lesser of the aggregate revolving commitment and the borrowing base) which was \$29.1 million as of June 30, 2026, and (b) \$35.0 million. In addition, as long as the Term Loan is outstanding, a senior secured leverage ratio cannot be more than 3.0 as calculated as of the quarters ending June or September, and no more than 5.5 as calculated as of the quarters ending December or March.

Certain restrictions are also imposed by the credit agreement, including restrictions on the Company's ability to incur additional indebtedness, to pay distributions to unitholders, to pay certain inter-company dividends or distributions, repurchase units, make investments, grant liens, sell assets, make acquisitions and engage in certain other activities.

At June 30, 2026, \$173.3 million of the Term Loan was outstanding, no borrowings were outstanding under the revolving credit facility, no hedge positions were secured under the credit agreement, and \$3.0 million of letters of credit were issued and outstanding. At September 30, 2025, \$189.0 million of the term loan was outstanding, no borrowings were outstanding under the revolving credit facility, \$1.3 million hedge positions were secured under the credit agreement and \$5.1 million of letters of credit were issued and outstanding.

At June 30, 2026, availability was \$229.9 million, and the Company was in compliance with the financial covenants. At September 30, 2025, availability was \$165.0 million, and the Company was in compliance with the financial covenants. The amount of availability is impacted by several factors, including outstanding debt, the valuation of our customer list, and accounts receivable and inventory balances. Each year, during the third quarter, the valuation of our customer list is re-evaluated based on the Company's performance.

12) Income Taxes

On July 4, 2025, the One Big Beautiful Bill Act was signed into law in the U.S., which contains several changes to corporate taxation including changes to depreciation deductions, deductions for interest expense and reinstating 100% bonus depreciation on fixed assets acquired and placed in service after January 19, 2025.

The accompanying financial statements are reported on a fiscal year, however, the Company and its corporate subsidiaries file Federal and State income tax returns on a calendar year.

The current and deferred income tax expense for the three and nine months ended June 30, 2026, and June 30, 2025, are as follows:

(in thousands)	Three Months Ended June 30,		Nine Months Ended June 30,	
	2026	2025	2026	2025
Income (loss) before income taxes	\$ (37,918)	\$ (23,090)	\$ 165,012	\$ 143,496
Current income tax expense (benefit)	(5,750)	(5,429)	38,944	30,958
Deferred income tax expense (benefit)	(4,179)	(1,032)	9,984	10,372
Total income tax expense (benefit)	\$ (9,929)	\$ (6,461)	\$ 48,928	\$ 41,330

At June 30, 2026, we did not have unrecognized income tax benefits.

Our continuing practice is to recognize interest and penalties related to income tax matters as a component of income tax expense. We file U.S. Federal income tax returns and various state and local returns. A number of years may elapse before an uncertain tax position is audited and finally resolved. For our Federal income tax returns we have four tax years subject to examination. In our major state tax jurisdictions of New York, Connecticut and Pennsylvania, we have four years that are subject to examination. In the state tax jurisdiction of New Jersey we have five tax years that are subject to examination. While it is often difficult to predict the final outcome or the timing of resolution of any particular uncertain tax position, based on our assessment of many factors, including past experience and interpretation of tax law, we believe that our provision for income taxes reflect the most probable outcome. This assessment relies on estimates and assumptions and may involve a series of complex judgments about future events.

13) Supplemental Disclosure of Cash Flow Information

Cash paid during the period for: (in thousands)	Nine Months Ended June 30,	
	2026	2025
Income taxes, net	\$ 21,032	\$ 17,160
Interest	\$ 13,637	\$ 14,939

14) Commitments and Contingencies

The Company's operations are subject to the operating hazards and risks normally incidental to handling, storing and transporting and otherwise providing for use by consumers hazardous liquids such as home heating oil and propane. In the ordinary course of business, the Company is a defendant in various legal proceedings and litigation. The Company records a liability when it is probable that a loss has been incurred and the amount is reasonably estimable. We do not believe these matters, when considered individually or in the aggregate, could reasonably be expected to have a material adverse effect on the Company's results of operations, financial position or liquidity.

The Company maintains insurance policies with insurers in amounts and with coverages and deductibles we believe are reasonable and prudent. However, the Company cannot assure that this insurance will be adequate to protect it from all material expenses related to current and potential future claims, legal proceedings and litigation, as certain types of claims may be excluded from our insurance coverage. If we incur substantial liability and the damages are not covered by insurance, or are in excess of policy limits, or if we incur liability at a time when we are not able to obtain liability insurance, then our business, results of operations and financial condition could be materially adversely affected.

15) Earnings Per Limited Partner Unit

The following table presents the net income allocation and per unit data:

Basic and Diluted Earnings Per Limited Partner: (in thousands, except per unit data)	Three Months Ended June 30,		Nine Months Ended June 30,	
	2026	2025	2026	2025
Net income (loss)	\$ (27,989)	\$ (16,629)	\$ 116,084	\$ 102,166
Less General Partner's interest in net income (loss)	(275)	(157)	1,137	952
Net income (loss) available to limited partners	(27,714)	(16,472)	114,947	101,214
Less dilutive impact of theoretical distribution of earnings *	—	—	19,351	16,739
Limited Partner's interest in net income (loss)	\$ (27,714)	\$ (16,472)	\$ 95,596	\$ 84,475
<u>Per unit data:</u>				
Basic and diluted net income (loss) available to limited partners	\$ (0.84)	\$ (0.48)	\$ 3.49	\$ 2.93
Less dilutive impact of theoretical distribution of earnings *	—	—	0.59	0.48
Limited Partner's interest in net income (loss)	\$ (0.84)	\$ (0.48)	\$ 2.90	\$ 2.45
Weighted average number of Limited Partner units outstanding	32,835	34,340	32,935	34,498

* In any accounting period where the Company's aggregate net income exceeds its aggregate distribution for such period, the Company is required to present net income per Limited Partner unit as if all of the earnings for the period were distributed, based on the terms of the Partnership agreement, regardless of whether those earnings would actually be distributed during a particular period from an economic or practical perspective. This allocation does not impact the Company's overall net income or other financial results.

16) Segment Reporting

The Company operates as a single operating and reportable segment, which is managed on a consolidated basis. Revenues are primarily derived from the sale of petroleum products, heating and air conditioning equipment, and related repair, maintenance, and other services. See Note 3 – Revenue Recognition for additional information.

The Company's Chief Operating Decision Maker ("CODM") is its Chief Executive Officer ("CEO"). The CODM makes key operating decisions and primarily evaluates financial performance based on Adjusted EBITDA, defined as earnings from continuing operations before net interest expense, income taxes, depreciation and amortization, (increase) decrease in the fair value of derivatives, other income (loss), net, multiemployer pension plan withdrawal charge, gain or loss on debt redemption, goodwill impairment, and other non-cash and non-operating charges). The CODM reviews net income and Adjusted EBITDA on a monthly basis to monitor performance, compare actual results to budgets and forecasts, and assess overall operating effectiveness. The CODM also monitors significant expenses, including: cost of product, cost of installations and service, general and administrative expenses as well as components of delivery and branch expenses.

Because the Company has only one reportable segment, the amounts reported in the consolidated financial statements also represent the segment information, including total assets.

The following table sets forth our segment financial information:

(in thousands)	Three Months Ended June 30,		Nine Months Ended June 30,	
	2026	2025	2026	2025
Petroleum products sales:				
Home heating oil and propane	\$ 153,132	\$ 136,146	\$ 1,134,344	\$ 1,046,864
Motor fuel and other petroleum products	113,877	80,012	270,436	233,858
Total petroleum products	267,009	216,158	1,404,780	1,280,722
Installations and service sales:				
Equipment installations	32,745	33,317	100,691	100,082
Services	58,317	56,143	158,571	155,922
Total installations and services	91,062	89,460	259,262	256,004
Total sales	358,071	305,618	1,664,042	1,536,726
Cost and expenses:				
Cost of product	195,199	144,521	876,174	800,170
Cost of installations	25,802	27,306	80,013	81,878
Cost of service	49,684	47,934	159,560	151,237
Delivery expenses	22,070	22,546	100,375	94,884
Operations expenses	19,407	18,175	59,561	57,483
Garage and plant expenses	11,574	10,649	35,588	33,401
Sales and marketing expenses	12,179	11,868	41,048	40,788
Customer service and credit expenses	14,309	14,139	40,906	40,872
Insurance related expenses	15,346	9,139	44,240	32,526
Information technology expenses	4,060	4,133	11,938	11,841
Weather hedge contracts loss	—	—	5,000	3,108
General and administrative expenses	8,039	7,564	24,348	22,934
Finance charge income	(1,877)	(1,773)	(4,030)	(3,860)
Adjusted EBITDA	(17,721)	(10,583)	189,321	169,464
(Increase) decrease in the fair value of derivative instruments	8,019	(603)	(13,398)	(11,962)
Depreciation and amortization expenses	8,333	9,197	25,373	26,012
Operating income (loss)	(34,073)	(19,177)	177,346	155,414
Interest expense, net	(3,586)	(3,639)	(11,548)	(11,114)
Amortization of debt issuance costs	(259)	(274)	(786)	(804)
Income (loss) before income taxes	(37,918)	(23,090)	165,012	143,496
Income tax expense (benefit)	(9,929)	(6,461)	48,928	41,330
Net income (loss)	<u>\$ (27,989)</u>	<u>\$ (16,629)</u>	<u>\$ 116,084</u>	<u>\$ 102,166</u>

17) Subsequent Events

Quarterly Distribution Declared

In July 2026, we declared a quarterly distribution of \$0.1975 per unit, or \$0.79 per unit on an annualized basis, on all Common Units with respect to the third quarter of fiscal 2026, paid on August 5, 2026, to holders of record on July 27, 2026. The amount of distributions in excess of the minimum quarterly distribution of \$0.0675 are distributed in accordance with our Partnership Agreement, subject to the management incentive compensation plan. As a result, \$6.5 million was paid to the Common Unit holders, \$0.5 million to the General Partner unit holders (including \$0.4 million of incentive distribution as provided in our Partnership Agreement) and \$0.4 million to management pursuant to the management incentive compensation plan which provides for certain members of management to receive incentive distributions that would otherwise be payable to the General Partner.

Acquisitions

Subsequent to June 30, 2026, the Company purchased the customer list and assets of a heating oil business for approximately \$2.0 million before working capital adjustments.

ITEM 2.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

Statement Regarding Forward-Looking Disclosure

This Quarterly Report on Form 10-Q (this "Report") includes "forward-looking statements" which represent our expectations or beliefs concerning future events that involve risks and uncertainties, including the impact of geopolitical events, such as the ongoing military conflicts in the Middle East, on wholesale product cost volatility, the price and supply of the products that we sell, our ability to purchase sufficient quantities of product to meet our customer's needs, rapid increases in levels of inflation, the consumption patterns of our customers, our ability to obtain satisfactory gross profit margins, the effect of weather conditions on our financial performance, our ability to obtain new customers and retain existing customers, our ability to make strategic acquisitions, the impact of litigation, natural gas conversions and electrification of heating systems, future global health pandemics, recessionary economic conditions, future union relations and the outcome of current and future union negotiations, the impact of current and future governmental regulations, including federal, state and municipal laws restricting greenhouse gases ("GHG") emissions and federal, state and local environmental, health, and safety regulations, the ability to attract and retain employees, customer credit worthiness, counterparty credit worthiness, marketing plans, cyber-attacks, global supply chain issues, labor shortages and new technology, including alternative methods for heating and cooling residences. All statements other than statements of historical facts included in this Report including, without limitation, the statements under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere herein, are forward-looking statements. Without limiting the foregoing, the words "believe," "anticipate," "plan," "expect," "seek," "estimate," and similar expressions are intended to identify forward-looking statements. Although we believe that the expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectations will prove to be correct, and actual results may differ materially from those projected as a result of certain risks and uncertainties. These risks and uncertainties include, but are not limited to, those set forth in this Report under the headings "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and in our Fiscal 2025 Form 10-K under Part I Item 1A "Risk Factors." Important factors that could cause actual results to differ materially from our expectations ("Cautionary Statements") are disclosed in this Report and in our Fiscal 2025 Form 10-K. All subsequent written and oral forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by the Cautionary Statements. Unless otherwise required by law, we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise after the date of this Report.

Liquid Product Price Volatility

Volatility, which is reflected in the wholesale price of liquid products, including home heating oil, propane and motor fuels, has a larger impact on our business when prices rise. Our customers are sensitive to wholesale product cost increases, and this often leads to customer conservation and increased gross customer losses. As a commodity, the price of the products that we sell is generally impacted by many factors, including economic and geopolitical forces and is closely linked to the price of diesel fuel. The volatility in the wholesale cost of diesel fuel as measured by the New York Mercantile Exchange ("NYMEX"), for the fiscal years ending September 30, 2022, through 2026, on a quarterly basis, is illustrated in the following chart (price per gallon):

Quarter Ended	Fiscal 2026 (a)		Fiscal 2025		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Low	High	Low	High	Low	High	Low	High	Low	High
December 31	\$ 2.11	\$ 2.70	\$ 2.13	\$ 2.40	\$ 2.51	\$ 3.22	\$ 2.78	\$ 4.55	\$ 2.06	\$ 2.59
March 31	2.06	4.61	2.16	2.62	2.53	2.96	2.61	3.55	2.36	4.44
June 30	3.09	4.48	1.97	2.54	2.29	2.77	2.23	2.73	3.27	5.14
September 30	—	—	2.23	2.51	2.06	2.63	2.38	3.48	3.13	4.01

(a) On July 31, 2026, the NYMEX ultra low sulfur diesel contract closed at \$4.12 per gallon.

On February 28, 2026, the United States launched a joint military operation with Israel against Iran. After which, the wholesale prices of the products that we sell became more volatile and we experienced a significant increase in the cost of our product. The cost of home heating oil, as measured by the New York Mercantile Exchange ("NYMEX"), increased from \$2.67 per gallon on February 27, 2026, peaked at \$4.61 on March 20, 2026. The significant increase in volatility drove an increase in the cost of hedging instruments used for future price protected accounts and cash requirements for our current hedged inventory. Our seasonal net working capital needs increased to fund these higher costs and contributed to the cash required to finance our operating activities. The Company believes that it may experience a slowing of collection of our accounts receivable over the next few months as our customers respond to higher product prices. Further, interest expense may increase due to higher borrowings to finance higher receivables.

As of June 30, 2026, and continuing into July 2026, the NYMEX heating oil futures prices were in severe backwardation (near term future prices are higher than prices for delivery further out in time). From an inventory cost perspective, backwardation has a discouraging effect on holding physical stocks. When future prices are lower than spot prices, storing heating oil becomes

economically unattractive. As of June 30, 2026, we had 10.0 million gallons of heating oil inventory on-hand. For our variable priced customers, selling prices may be elevated in the near term due to higher front-month prices. Per gallon margins for our price protected customers may be adversely impacted as the inventory cost could be higher than the hedge utilized to secure the margin at the time of delivery.

Income Taxes

New Federal Income Tax Legislation

On July 4, 2025, the One Big Beautiful Bill Act was signed into law in the U.S., which contains several changes to corporate taxation including changes to depreciation deductions, deductions for interest expense and reinstated 100% bonus depreciation on fixed assets acquired and placed in service after January 19, 2025.

Book versus Tax Deductions

The amount of our cash flow generated in any given year depends upon a variety of factors including the amount of our cash income taxes. The amount of depreciation and amortization that we deduct for book (i.e., financial reporting) purposes differs from the amount that the Company can deduct for Federal tax purposes. The table below compares the estimated depreciation and amortization for book purposes to the amount that we expect to deduct for Federal tax purposes, based on currently owned assets. While we file our tax returns based on a calendar year, the amounts below are based on our September 30 fiscal year, and the tax amounts include any bonus depreciation available for fixed assets purchased and placed in service. However, this table only includes assets purchased to date, and does not include any forecast for future annual capital purchases.

Estimated Depreciation and Amortization Expense

<u>(In thousands) Fiscal Year</u>	<u>Book</u>	<u>Tax</u>
2026	\$ 34,667	\$ 38,330
2027	31,884	30,591
2028	28,284	28,689
2029	25,742	25,533
2030	21,929	22,430
2031	18,950	20,241

Weather Hedge Contracts

Weather conditions have a significant impact on the demand for home heating oil and propane because certain customers depend on these products principally for space heating purposes. Actual weather conditions may vary substantially from year to year, significantly affecting the Company's financial performance. To partially mitigate the adverse effect of warm weather on cash flow, we have used weather hedging contracts for a number of years with several providers.

The Company entered into weather hedge contracts for fiscal years 2026 and 2025. The hedge period runs from November 1 through March 31, taken as a whole. The "Payment Thresholds," or strikes, are set at various levels and are referenced against degree days for the prior ten year average. Under these contracts, the maximum amount the Company could receive is \$15.0 million and the Company is additionally obligated to make an annual payment capped at \$5.0 million if degree days exceed the Payment Threshold.

The temperatures experienced during the hedge periods through March 31, 2026, and March 31 2025, were colder than the strike prices in the weather hedge contracts. As a result, as of March 31, 2026, and March 31, 2025, we increased delivery and branch expense and recorded a payable under those weather hedge contracts of \$5.0 million and \$3.1 million, respectively. The amounts were paid in full in April 2026 and April 2025, respectively.

For fiscal 2027, the Company entered into a weather hedge contract with the same hedge period as described above; November 1 through March 31. The maximum that the Company can receive is \$12.5 million annually and we are not obligated to make an annual payment if degree days exceed the Payment Threshold.

Tariffs

In April 2025, the U.S. government announced a baseline tariff of 10% on certain products imported from all countries and an additional individualized reciprocal tariff on some countries, including Canada and China. These tariffs terminated on February 24, 2026 following the U.S. Supreme Court's decision in *Learning Resources, Inc. v. Trump* holding these tariffs to be unlawful. In the aftermath of the Supreme Court's decision, the Trump administration imposed a temporary 10% global tariff on worldwide imported goods, which temporary tariffs automatically expired on July 24, 2026. The Trump administration replaced the expired temporary tariffs with a new tariff regime in reliance upon Section 301 of the Trade Act of 1976 which authorizes the president to issue tariffs if the U.S. government finds evidence that other countries engaged in unfair trade practices. Current uncertainties about tariffs and their

effects on trading relationships may affect the cost and availability of the Company's assets, such as trucks, and potentially the products and services we sell as well as potentially contribute to inflation in the markets in which we operate. We are continuing to monitor the economic effects of such announcements, as well as opportunities to mitigate their related impacts, costs and other effects associated with the tariffs; however, these impacts remain uncertain.

Per Gallon Gross Profit Margins

We believe home heating oil and propane margins should be evaluated on a cents per gallon basis before the effects of increases or decreases in the fair value of derivative instruments, as we believe that such per gallon margins are best at showing profit trends in the underlying business without the impact of non-cash changes in the market value of hedges before the settlement of the underlying transaction.

A significant portion of our home heating oil volume is sold to individual customers under an arrangement pre-establishing a ceiling price or fixed price for home heating oil over a set period of time, generally twelve to twenty-four months ("price-protected" customers). When these price-protected customers agree to purchase home heating oil from us for the next heating season, we purchase option contracts, swaps and futures contracts for a substantial majority of the heating oil that we expect to sell to these customers. The amount of home heating oil volume that we hedge per price-protected customer is based upon the estimated fuel consumption per average customer per month. In the event that the actual usage exceeds the amount of the hedged volume on a monthly basis, we may be required to obtain additional volume at unfavorable costs. In addition, should actual usage in any month be less than the hedged volume, our hedging costs and losses could be greater, thus reducing expected margins.

At July 31, 2026, over 92% of the hedges for our ceiling customers were at their strike price (ceiling), which reduces the potential for per gallon margin expansion for these customers unless the price for home heating oil declines.

Derivatives

FASB ASC 815-10-05 Derivatives and Hedging requires that derivative instruments be recorded at fair value and included in the consolidated balance sheet as assets or liabilities. We follow hedge accounting for our interest rate swaps; to the extent our interest rate derivative instruments designated as cash flow hedges are effective, as defined under this guidance, changes in fair value are recognized in other comprehensive income until the forecasted hedged item is recognized in earnings. We have opted out of, and do not follow hedge accounting for our commodity derivative instruments as hedging instruments, as a result, the changes in fair value of the commodity derivative instruments are recognized in our statement of operations. Therefore, we experience volatility in earnings as outstanding derivative instruments are marked-to-market and non-cash gains and losses are recorded prior to the sale of the commodity to the customer. The volatility in any given period related to unrealized non-cash gains or losses on derivative instruments can be significant to our overall results. However, we ultimately expect those gains and losses to be offset by the cost of product when purchased.

Customer Attrition

We measure net customer attrition on an ongoing basis for our full service residential and commercial home heating oil and propane customers. Net customer attrition is the difference between gross customer losses and customers added through marketing efforts. Customers added through acquisitions are not included in the calculation of gross customer gains. However, additional customers that are obtained through marketing efforts or lost at newly acquired businesses are included in these calculations from the point of closing going forward. Customer attrition percentage calculations include customers added through acquisitions in the denominators of the calculations on a weighted average basis from the closing date. Gross customer losses are the result of a number of factors, including price competition, move-outs, credit losses, natural gas and electric conversions and service disruptions. When a customer moves out of an existing home, we count the "move out" as a loss, and, if we are successful in signing up the new homeowner, the "move in" is treated as a gain. Customers sourced by our buying group and association partners are included in our home heating oil and propane customer base. Therefore, any changes in the relationships with these partners could impact gross customer gains and losses going forward.

Customer gains and losses of home heating oil and propane customers

	Fiscal Year Ended								
	2026			2025			2024		
	Gross Customer Gains	Losses	Net Gains / (Attrition)	Gross Customer Gains	Losses	Net Gains / (Attrition)	Gross Customer Gains	Losses	Net Gains / (Attrition)
First Quarter	15,800	17,300	(1,500)	15,300	16,700	(1,400)	17,100	17,800	(700)
Second Quarter	11,200	13,800	(2,600)	9,900	14,500	(4,600)	9,300	14,400	(5,100)
Third Quarter	4,100	11,000	(6,900)	4,600	11,600	(7,000)	4,700	11,000	(6,300)
Fourth Quarter	—	—	—	7,000	13,600	(6,600)	7,900	12,400	(4,500)
Total	31,100	42,100	(11,000)	36,800	56,400	(19,600)	39,000	55,600	(16,600)

Customer gains (attrition) as a percentage of home heating oil and propane customer base

	Fiscal Year Ended								
	2026			2025			2024		
	Gross Customer		Net Gains / (Attrition)	Gross Customer		Net Gains / (Attrition)	Gross Customer		Net Gains / (Attrition)
	Gains	Losses		Gains	Losses		Gains	Losses	
First Quarter	3.9%	4.3%	(0.4%)	3.8%	4.1%	(0.3%)	4.3%	4.5%	(0.2%)
Second Quarter	2.8%	3.4%	(0.6%)	2.5%	3.7%	(1.2%)	2.3%	3.6%	(1.3%)
Third Quarter	1.0%	2.7%	(1.7%)	0.9%	2.5%	(1.6%)	1.2%	2.8%	(1.6%)
Fourth Quarter	—	—	—	1.6%	3.2%	(1.6%)	2.0%	3.1%	(1.1%)
Total	7.7%	10.4%	(2.7%)	8.8%	13.5%	(4.7%)	9.8%	14.0%	(4.2%)

For the nine months ended June 30, 2026, the Company lost 11,000 accounts (net), or 2.7% of its home heating oil and propane customer base, compared to 13,000 accounts lost (net), or 3.1% of its home heating and oil propane customer base in the prior year comparable period. Gross customer gains were 1,300 accounts higher and gross customer losses were 700 accounts lower than the prior year's comparable period.

During the nine months ended June 30, 2026, we estimate that we lost 1.0% of our home heating oil and propane accounts to natural gas and electricity conversions, consistent with the 1.0% and 1.1% lost for the nine months ended June 30, 2025 and 2024, respectively. Losses to natural gas and electricity in our footprint for the heating oil and propane industry could be greater or less than the Company's estimates.

Acquisitions

The timing of acquisitions and the types of products sold by acquired companies impact year-over-year comparisons. During the nine months ended June 30, 2026, the Company acquired one heating oil business for approximately \$1.0 million. During fiscal 2025, the Company acquired one heating oil and three propane businesses for approximately \$80.5 million. The following tables detail the Company's acquisition activity and the associated volume sold during the 12-month period prior to the date of acquisition.

(in thousands of gallons)

Fiscal 2026 Acquisitions				
Acquisition Number	Month of Acquisition	Home Heating Oil and Propane	Other Petroleum Products	Total
1	February	862	892	1,754
2	August	1,969	—	1,969
		2,831	892	3,723

(in thousands of gallons)

Fiscal 2025 Acquisitions				
Acquisition Number	Month of Acquisition	Home Heating Oil and Propane	Other Petroleum Products	Total
1	October	709	1,126	1,835
2	January	7,209	758	7,967
3	March	3,078	1,810	4,888
4	April	722	—	722
		11,718	3,694	15,412

Protected Price Account Renewals

A substantial majority of the Company's price-protected customers have agreements with us that are subject to annual renewal in the period between April and November of each fiscal year. If a significant number of these customers elect not to renew their price-protected agreements with us and do not continue as our customers under a variable price-plan, the Company's near term profitability, liquidity and cash flow will be adversely impacted. As of July 31, 2026, the wholesale cost of home heating oil as measured by the New York Mercantile Exchange was \$4.12 per gallon, approximately \$1.72 per gallon higher than at July 31, 2025.

Based on these recent prices, our price-protected customers will be offered renewal contracts at significantly higher prices than last year, which, has adversely impacted the acceptance rate of these renewals.

Seasonality

The Company's fiscal year ends on September 30. All references to quarters and years, respectively, in this document are to the fiscal quarters and fiscal years unless otherwise noted. The seasonal nature of our business has resulted, on average, during the last five years, in the sale of approximately 30% of the volume of home heating oil and propane in the first fiscal quarter and 50% of the volume in the second fiscal quarter, the peak heating season. Approximately 25% of the volume of motor fuel and other petroleum products is sold in each of the four fiscal quarters. We generally realize net income during the quarters ending December and March and net losses during the quarters ending June and September. In addition, sales volume typically fluctuates from year to year in response to variations in weather, wholesale energy prices and other factors.

Degree Day

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 daily temperature departs from 65°F. Each degree of 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 to see if a month or a year was warmer or cooler than usual. Degree days are officially observed by the National Weather Service.

Every ten years, the National Oceanic and Atmospheric Administration ("NOAA") computes and publishes average meteorological statistics, including the average temperature for the last 30 years by geographical location, and the corresponding degree days. The latest and most widely used data covers the years from 1991 to 2020. Our calculations of "normal" weather are based on these published 30 year averages for heating degree days, weighted by volume for the locations where we have existing operations.

Consolidated Results of Operations

The following is a discussion of the consolidated results of operations of the Company and its subsidiaries and should be read in conjunction with the historical financial and operating data and Notes thereto included elsewhere in this Quarterly Report.

**Three Months Ended June 30, 2026
Compared to the Three Months Ended June 30, 2025**

Volume

For the three months ended June 30, 2026, retail volume of home heating oil and propane sold decreased by 3.4 million gallons, or 9.4%, to 32.8 million gallons, compared to 36.2 million gallons for the three months ended June 30, 2025. For those locations where we had existing operations during both periods, which we sometimes refer to as our “base business” (i.e., excluding acquisitions), temperatures (measured on a heating degree day basis) for the three months ended June 30, 2026, were 15.9% colder than the three months ended June 30, 2025, and 5.9% warmer than normal, as reported by NOAA. For the twelve months ended June 30, 2026, net customer attrition for the base business was 4.2%. The impact of fuel conservation, along with any period-to-period differences in delivery scheduling, the timing of accounts added or lost during the fiscal years, equipment efficiency, and other volume variances not otherwise described, are included in the chart below under the heading “Other.” An analysis of the change in the retail volume of home heating oil and propane, which is based on management’s estimates, sampling, and other mathematical calculations and certain assumptions, is found below:

<u>(in millions of gallons)</u>	<u>Home Heating Oil and Propane</u>
Volume - Three months ended June 30, 2025	36.2
Impact of colder temperatures (a)	5.4
Net customer attrition	(1.6)
Acquisitions	0.5
Lower margin COD and commercial volume	(1.7)
Other (a)	(6.0)
Change	(3.4)
Volume - Three months ended June 30, 2026	32.8

(a) During this non heating season period, degree days increased by 15.9% while average temperatures from April 1 to May 31, 2026 were just 2% colder than April 1 to May 31, 2025.

The following table sets forth the percentage by volume of total home heating oil and propane sold to residential variable-price customers, residential price-protected customers and commercial/industrial/other customers for the three months ended June 30, 2026, compared to the three months ended June 30, 2025:

<u>Home heating oil and propane volume sold</u>	<u>Three Months Ended</u>	
	<u>June 30, 2026</u>	<u>June 30, 2025</u>
Residential Variable	48.7%	46.3%
Residential Price-Protected (Ceiling and Fixed Price)	34.7%	34.6%
Commercial/Industrial/Other	16.6%	19.1%
Total	100.0%	100.0%

Volume of motor fuel and other petroleum products sold decreased by 2.9 million gallons, or 9.2%, to 29.1 million gallons for the three months ended June 30, 2026, compared to 32.0 million gallons for the three months ended June 30, 2025.

Product Sales

For the three months ended June 30, 2026, product sales increased by \$50.8 million, or 23.5%, to \$267.0 million, compared to \$216.2 million for the three months ended June 30, 2025, due to an increase in average selling prices that was driven by an increase in combined wholesale product cost of \$1.0359 per gallon, or 48.9% calculated on a weighted average, partially offset by a decrease in total volume sold of 9.3%.

Installations and Service

For the three months ended June 30, 2026, installation and service revenue increased by \$1.6 million, or 1.8%, to \$91.1 million, compared to \$89.5 million for the three months ended June 30, 2025.

Cost of Product

For the three months ended June 30, 2026, cost of product increased \$50.7 million, or 35.1%, to \$195.2 million, compared to \$144.5 million for the three months ended June 30, 2025, due to an increase in combined wholesale product cost of \$1.0359 per gallon, or 48.9% calculated on a weighted average basis, partially offset by a decrease in total volume sold of 9.3%. Product volumes and wholesale product cost include heating oil, propane, motor fuels and other petroleum products.

Gross Profit — Product

The table below calculates our per gallon margins and reconciles product gross profit for home heating oil and propane and motor fuel and other petroleum products. We believe the change in home heating oil and propane margins should be evaluated before the effects of increases or decreases in the fair value of derivative instruments, as we believe that realized per gallon margins should not include the impact of non-cash changes in the market value of hedges before the settlement of the underlying transactions. On that basis, home heating oil and propane margins, for the three months ended June 30, 2026, increased by \$0.1368 per gallon, or 8.3%, to \$1.7915 per gallon, from \$1.6547 per gallon during the three months ended June 30, 2025. Going forward, we cannot assume that per gallon margins realized during the three months ended June 30, 2026, are sustainable especially with the volatility in heating oil and propane costs. Product sales and cost of product include home heating oil, propane, other petroleum products and liquidated damages billings.

	Three Months Ended			
	June 30, 2026		June 30, 2025	
	Amount (in millions)	Per Gallon	Amount (in millions)	Per Gallon
Home Heating Oil and Propane				
Volume	32.8		36.2	
Sales	\$ 153.1	\$ 4.6661	\$ 136.2	\$ 3.7578
Cost	\$ 94.3	\$ 2.8746	\$ 76.2	\$ 2.1031
Gross Profit	\$ 58.8	\$ 1.7915	\$ 60.0	\$ 1.6547
	Amount (in millions)	Per Gallon	Amount (in millions)	Per Gallon
Motor Fuel and Other Petroleum Products				
Volume	29.1		32.0	
Sales	\$ 113.9	\$ 3.9152	\$ 80.0	\$ 2.4985
Cost	\$ 100.9	\$ 3.4677	\$ 68.3	\$ 2.1336
Gross Profit	\$ 13.0	\$ 0.4475	\$ 11.7	\$ 0.3649
	Amount (in millions)		Amount (in millions)	
Total Product				
Sales	\$ 267.0		\$ 216.2	
Cost	\$ 195.2		\$ 144.5	
Gross Profit	\$ 71.8		\$ 71.7	

For the three months ended June 30, 2026, total product gross profit was \$71.8 million, which was \$0.1 million, or 0.2%, higher than the three months ended June 30, 2025, due to increase in home heating oil and propane margins (\$4.5 million) and an increase in gross profit from other petroleum products (\$1.3 million), partially offset by a decrease in home heating oil and propane volume sold (\$5.7 million).

Cost of Installations and Service

Total installation costs, for the three months ended June 30, 2026, decreased by \$1.5 million or 5.5%, to \$25.8 million, compared to \$27.3 million of installation costs for the three months ended June 30, 2025. Installation costs as a percentage of installation sales were 78.8% for the three months ended June 30, 2026, and 82.0% for the three months ended June 30, 2025. The gross profit from installation increased by \$1.0 million, compared to the three months ended June 30, 2025.

Service expense increased by \$1.8 million, or 3.7%, to \$49.7 million for the three months ended June 30, 2026, representing 85.2% of service sales, versus \$47.9 million, or 85.4% of service sales, for the three months ended June 30, 2025. A large proportion of our service expenses are incurred under fixed-fee prepaid service contract arrangements, therefore trends in service expenses may not directly correlate to trends in the related revenues. The gross profit from service increased by \$0.4 million compared to the three months ended June 30, 2025.

We realized a combined gross profit from service and installation of \$15.6 million for the three months ended June 30, 2026 compared to a gross profit of \$14.2 million for the three months ended June 30, 2025, a \$1.4 million increase.

(Increase) Decrease in the Fair Value of Derivative Instruments

During the three months ended June 30, 2026, the change in the fair value of derivative instruments resulted in an \$8.0 million charge due to a \$7.7 million charge due to the expiration of certain hedged positions and a \$0.3 million decrease in the market value for unexpired hedges.

During the three months ended June 30, 2025, the change in the fair value of derivative instruments resulted in a \$0.6 million credit as a decrease in the market value for unexpired hedges (a \$2.2 million charge) was more than offset by a \$2.8 million credit due to the expiration of certain hedged positions.

Delivery and Branch Expenses

For the three months ended June 30, 2026, delivery and branch expense increased \$8.3 million, or 9.2%, to \$98.9 million, compared to \$90.6 million for the three months ended June 30, 2025. The increase was driven by a \$6.2 million increase in insurance related expenses primarily due to adverse claims development, and \$2.1 million of salaries, benefits and other net expense increases.

Depreciation and Amortization Expenses

For the three months ended June 30, 2026, depreciation and amortization expenses decreased \$0.9 million, or 9.4%, to \$8.3 million, compared to \$9.2 million for the three months ended June 30, 2025, primarily due to intangible assets that fully amortized in the prior fiscal year.

General and Administrative Expenses

For the three months ended June 30, 2026, general and administrative expenses increased by \$0.4 million or 6.3%, to \$8.0 million, from \$7.6 million for the three months ended June 30, 2025, due primarily to a \$0.3 million increase in profit sharing expense and a \$0.1 million increase in salaries and benefits expenses. The Company accrues approximately 6.0% of Adjusted EBITDA as defined in its profit sharing plan for distribution to its employees. This amount is payable if/when the Company achieves Adjusted EBITDA of at least 70% of the amount budgeted. The dollar amount of the profit sharing pool adjusts accordingly based on Adjusted EBITDA levels achieved.

Finance Charge Income

For the three months ended June 30, 2026, finance charge income increased \$0.1 million or 5.9%, to \$1.9 million, from \$1.8 million for the three months ended June 30, 2025.

Interest Expense, Net

For the three months ended June 30, 2026, interest expense was \$3.6 million, essentially unchanged from the three months ended June 30, 2025. Average borrowings increased by \$4.9 million from \$203.5 million for the three months ended June 30, 2025, to \$208.4 million for the three months ended June 30, 2026, and were offset by the weighted average interest rate decline from 7.0% for the three months ended June 30, 2025, to 6.6% for the three months ended June 30, 2026. To hedge against rising interest rates, the Company utilizes interest rate swaps. At June 30, 2026, approximately 41% of borrowings under Star's variable-rate long term debt were not subject to interest rate changes as a result of interest rate swaps.

Amortization of Debt Issuance Costs

For the three months ended June 30, 2026, amortization of debt issuance cost was \$0.3 million, essentially unchanged from the three months ended June 30, 2025.

Income Tax Benefit

For the three months ended June 30, 2026, the Company's income tax benefit increased by \$3.4 million to \$9.9 million, from \$6.5 million for the three months ended June 30, 2025. The increase in the income tax benefit was driven by a \$14.8 million increase in the loss before income taxes.

Net Loss

For the three months ended June 30, 2026, Star's net loss increased \$11.4 million, to \$28.0 million, compared to the three months ended June 30, 2025, primarily due to an unfavorable change in the fair value of derivative instruments of \$8.6 million and a \$7.1 million increase in the Adjusted EBITDA loss that was partially offset by a \$3.4 million increase in income tax benefit and a \$0.9 million decrease in depreciation and amortization expenses.

Adjusted EBITDA Loss

For the three months ended June 30, 2026, Adjusted EBITDA loss increased \$7.1 million, to \$17.7 million, compared to the three months ended June 30, 2025, as higher home heating oil and propane per gallon margins, an improvement in service and installation profitability and the additional gross profit from other petroleum products was more than offset by higher operating expenses and lower home heating oil and propane volume sold.

EBITDA and Adjusted EBITDA should not be considered as an alternative to net income, as an indicator of operating performance, or as an alternative to cash flow, as a measure of liquidity or ability to service debt obligations, but provides additional information for evaluating the Company's ability to make the minimum quarterly distribution. EBITDA and Adjusted EBITDA are calculated as follows:

(in thousands)	Three Months Ended June 30,	
	2026	2025
Net loss	\$ (27,989)	\$ (16,629)
Plus:		
Income tax benefit	(9,929)	(6,461)
Amortization of debt issuance costs	259	274
Interest expense, net	3,586	3,639
Depreciation and amortization	8,333	9,197
EBITDA (a)	(25,740)	(9,980)
(Increase) / decrease in the fair value of derivative instruments	8,019	(603)
Adjusted EBITDA (a)	(17,721)	(10,583)
Add / (subtract)		
Income tax benefit	9,929	6,461
Interest expense, net	(3,586)	(3,639)
Provision for losses on accounts receivable	3,647	3,424
Decrease in accounts receivables	98,464	83,850
Decrease in inventories	22,562	22,575
Increase in customer credit balances	9,791	12,059
Change in deferred taxes	(4,179)	(1,032)
Change in other operating assets and liabilities	(627)	(40,613)
Net cash provided by operating activities	\$ 118,280	\$ 72,502
Net cash used in investing activities	\$ (3,134)	\$ (13,100)
Net cash used in financing activities	\$ (100,333)	\$ (49,822)

(a) EBITDA (Earnings from continuing operations before net interest expense, income taxes, depreciation and amortization) and Adjusted EBITDA (Earnings from continuing operations before net interest expense, income taxes, depreciation and amortization, (increase) decrease in the fair value of derivatives, other income (loss), net, multiemployer pension plan withdrawal charge, gain or loss on debt redemption, goodwill impairment, and other non-cash and non-operating charges) are non-GAAP financial measures that are used as supplemental financial measures by management and external users of our 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 operating performance and return on invested capital compared to those of other companies in the retail distribution of refined petroleum products, without regard to financing methods and capital structure;
- our ability to generate cash sufficient to pay interest on our indebtedness and to make distributions to our partners; and
- the viability of acquisitions and capital expenditure projects and the overall rates of return of alternative investment opportunities.

The method of calculating Adjusted EBITDA may not be consistent with that of other companies, and EBITDA and Adjusted EBITDA both have limitations as analytical tools and so should not be viewed in isolation but in conjunction with measurements that are computed in accordance with GAAP. Some of the limitations of EBITDA and Adjusted EBITDA are:

- EBITDA and Adjusted EBITDA do not reflect our cash used for capital expenditures.
- Although depreciation and amortization are non-cash charges, the assets being depreciated or amortized often will have to be replaced and EBITDA and Adjusted EBITDA do not reflect the cash requirements for such replacements;
- EBITDA and Adjusted EBITDA do not reflect changes in, or cash requirements for, our working capital requirements;
- EBITDA and Adjusted EBITDA do not reflect the cash necessary to make payments of interest or principal on our indebtedness; and EBITDA and Adjusted EBITDA do not reflect the cash required to pay taxes.

**Nine Months Ended June 30, 2026
Compared to the Nine Months Ended June 30, 2025**

Volume

For the nine months ended June 30, 2026, retail volume of home heating oil and propane sold increased by 8.6 million gallons, or 3.3%, to 271.2 million gallons, compared to 262.6 million gallons for the nine months ended June 30, 2025. For those locations where we had existing operations during both periods, which we sometimes refer to as our “base business” (i.e., excluding acquisitions), temperatures (measured on a heating degree day basis) for the nine months ended June 30, 2026, were 11.5% colder than the nine months ended June 30, 2025, and 2.9% colder than normal, as reported by NOAA. For the twelve months ended June 30, 2026, net customer attrition for the base business was 4.2%. The impact of fuel conservation, along with any period-to-period differences in delivery scheduling, the timing of accounts added or lost during the fiscal years, equipment efficiency, and other volume variances not otherwise described, are included in the chart below under the heading “Other.” An analysis of the change in the retail volume of home heating oil and propane, which is based on management’s estimates, sampling, and other mathematical calculations and certain assumptions, is found below:

<u>(in millions of gallons)</u>	<u>Home Heating Oil and Propane</u>
Volume - Nine months ended June 30, 2025	262.6
Impact of colder temperatures	28.9
Net customer attrition	(12.9)
Acquisitions	6.1
Lower margin COD and commercial volume	(5.1)
Other	(8.4)
Change	8.6
Volume - Nine months ended June 30, 2026	271.2

The following table sets forth the percentage by volume of total home heating oil and propane sold to residential variable-price customers, residential price-protected customers and commercial/industrial/other customers for the nine months ended June 30, 2026, compared to the nine months ended June 30, 2025:

	<u>Nine Months Ended</u>	
	<u>June 30, 2026</u>	<u>June 30, 2025</u>
<u>Home heating oil and propane volume sold</u>		
Residential Variable	50.8%	46.8%
Residential Price-Protected (Ceiling and Fixed Price)	33.7%	36.1%
Commercial/Industrial/Other	15.5%	17.1%
Total	100.0%	100.0%

Volume of motor fuel and other petroleum products sold decreased by 5.9 million gallons, or 6.4%, to 85.7 million gallons for the nine months ended June 30, 2026, compared to 91.6 million gallons for the nine months ended June 30, 2025.

Product Sales

For the nine months ended June 30, 2026, product sales increased by \$124.1 million, or 9.7%, to \$1,404.8 million, compared to \$1,280.7 million for the nine months ended June 30, 2025, due to an increase in average selling prices and an increase in total volume sold of 0.8%.

Installations and Service

For the nine months ended June 30, 2026, installation and service revenue increased by \$3.3 million, or 1.3%, to \$259.3 million, compared to \$256.0 million for the nine months ended June 30, 2025, driven by a concerted effort to expand these offerings to our customers as well as price increases and \$1.0 million of sales generated from recent acquisitions.

Cost of Product

For the nine months ended June 30, 2026, cost of product increased \$76.0 million, or 9.5%, to \$876.2 million, compared to \$800.2 million for the nine months ended June 30, 2025, due to an increase in the combined wholesale product cost of \$0.1954 per gallon, or 8.6% calculated on a weighted average and an increase in total volume sold of 0.8%. Product volumes and wholesale product cost include heating oil, propane, motor fuels and other petroleum products.

Gross Profit — Product

The table below calculates our per gallon margins and reconciles product gross profit for home heating oil and propane and motor fuel and other petroleum products. We believe the change in home heating oil and propane margins should be evaluated before the effects of increases or decreases in the fair value of derivative instruments, as we believe that realized per gallon margins should not include the impact of non-cash changes in the market value of hedges before the settlement of the underlying transactions. On that basis, home heating oil and propane margins, for the nine months ended June 30, 2026, increased by \$0.1174 per gallon, or 6.9%, to \$1.8230 per gallon, from \$1.7056 per gallon during the nine months ended June 30, 2025. Going forward, we cannot assume that per gallon margins realized during the nine months ended June 30, 2026, are sustainable especially with the volatility in heating oil and propane costs. Product sales and cost of product include home heating oil, propane, other petroleum products and liquidated damages billings.

	Nine Months Ended			
	June 30, 2026		June 30, 2025	
	Amount (in millions)	Per Gallon	Amount (in millions)	Per Gallon
Home Heating Oil and Propane				
Volume	271.2		262.6	
Sales	\$ 1,134.4	\$ 4.1826	\$ 1,046.9	\$ 3.9871
Cost	\$ 639.9	\$ 2.3596	\$ 599.0	\$ 2.2815
Gross Profit	\$ 494.5	\$ 1.8230	\$ 447.9	\$ 1.7056
Motor Fuel and Other Petroleum Products				
Volume	85.7		91.6	
Sales	\$ 270.4	\$ 3.1550	\$ 233.8	\$ 2.5535
Cost	\$ 236.3	\$ 2.7562	\$ 201.2	\$ 2.1962
Gross Profit	\$ 34.1	\$ 0.3988	\$ 32.6	\$ 0.3573
Total Product				
Sales	\$ 1,404.8		\$ 1,280.7	
Cost	\$ 876.2		\$ 800.2	
Gross Profit	\$ 528.6		\$ 480.5	

For the nine months ended June 30, 2026, total product gross profit was \$528.6 million, which was \$48.1 million, or 10.0%, higher than the nine months ended June 30, 2025, due to an increase in home heating oil and propane margins (\$31.9 million), an increase in home heating oil and propane volume sold (\$14.7 million), and an increase in gross profit from other petroleum products (\$1.5 million).

Cost of Installations and Service

Total installation costs, for the nine months ended June 30, 2026, decreased by \$1.9 million or 2.3%, to \$80.0 million, compared to \$81.9 million of installation costs for the nine months ended June 30, 2025. Installation costs as a percentage of installation sales were 79.5% for the nine months ended June 30, 2026, and 81.8% for the nine months ended June 30, 2025. The gross profit from installation increased by \$2.5 million, compared to the nine months ended June 30, 2025.

Service expense increased by \$8.4 million, or 5.5%, to \$159.6 million for the nine months ended June 30, 2026, representing 100.6% of service sales, versus \$151.2 million, or 97.0% of service sales, for the nine months ended June 30, 2025. The increase in service expense was driven by higher service call volume due to the extreme weather conditions that were 11.5% colder than last year and were approximately 25% colder than expected for a three week period. We experienced a significant increase in the number of

snowstorms as well as an increase in snowfall levels across our operating areas with some areas experiencing over 60 inches of snow which negatively impacted our operational efficiency. Propane tank installations were higher as well which led to higher service expenses. A large proportion of our service expenses are incurred under fixed-fee prepaid service contract arrangements, therefore trends in service expenses may not directly correlate to trends in the related revenues. The loss from service increased by \$5.7 million compared to the nine months ended June 30, 2025.

We realized a combined gross profit from service and installation of \$19.7 million for the nine months ended June 30, 2026 compared to a gross profit of \$22.9 million for the nine months ended June 30, 2025, a \$3.2 million decrease. While installation gross profit increased by \$2.5 million, the service gross profit loss increased by \$5.7 million due to higher expenses from increased demand for service and an increase in propane tank installations.

(Increase) Decrease in the Fair Value of Derivative Instruments

During the nine months ended June 30, 2026, the change in the fair value of derivative instruments resulted in a \$13.4 million credit due to a \$12.1 million increase in the market value for unexpired hedges and an \$1.3 million credit due to the expiration of certain hedged positions.

During the nine months ended June 30, 2025, the change in the fair value of derivative instruments resulted in a \$12.0 million credit as a \$2.3 million charge due to decrease in the market value for unexpired hedges was more than offset by a \$14.3 million credit due to the expiration of certain hedged positions.

Delivery and Branch Expenses

For the nine months ended June 30, 2026, delivery and branch expense increased \$23.8 million, or 7.5%, to \$338.7 million, compared to \$314.9 million for the nine months ended June 30, 2025. The increase was driven by an \$18.5 million increase in net base business expenses, \$3.4 million of expenses from recent acquisitions, and a \$1.9 million increase in expenses related to the Company's weather hedge contracts. Temperatures from November 2025 through March 2026 were colder than the weather hedge contract strike prices, and the Company recorded an expense under those contracts of \$5.0 million, as compared to \$3.1 million for the nine months ended June 30, 2025. The increase in net base business expenses was largely driven by an \$11.3 million increase in insurance related expenses due to adverse claims development and, to a lesser extent, higher claims activity associated with the colder temperatures. Temperatures were 11.5% colder than last year and were approximately 25% colder than planned for a three-week period. The Company experienced a significant increase in the number of snowstorms, as well as much higher snowfall levels across its operating areas, with some areas receiving over 60 inches of snow, negatively impacting its business productivity. While home heating oil and propane volume in the base business rose by 1.0%, the extreme weather conditions impacted direct operating costs, which increased \$7.7 million, or 3.9%, and were partially offset by \$0.5 million of other net expense decreases in the base business.

Depreciation and Amortization Expenses

For the nine months ended June 30, 2026, depreciation and amortization expenses decreased \$0.6 million, or 2.5%, to \$25.4 million, compared to \$26.0 million for the nine months ended June 30, 2025, primarily due to intangible assets that fully amortized in the prior fiscal year.

General and Administrative Expenses

For the nine months ended June 30, 2026, general and administrative expenses increased by \$1.4 million or 6.2%, to \$24.3 million, from \$22.9 million for the nine months ended June 30, 2025, primarily due to a \$1.1 million increase in profit sharing expense and a \$0.8 million increase in salaries and benefits expenses, that was partially offset by a \$0.5 million decrease in legal, professional and other expenses. The Company accrues approximately 6.0% of Adjusted EBITDA as defined in its profit sharing plan for distribution to its employees. This amount is payable if/when the Company achieves Adjusted EBITDA of at least 70% of the amount budgeted. The dollar amount of the profit sharing pool adjusts accordingly based on Adjusted EBITDA levels achieved.

Finance Charge Income

For the nine months ended June 30, 2026, finance charge income increased \$0.1 million or 4.4%, to \$4.0 million, from \$3.9 million for the nine months ended June 30, 2025, due to slightly higher late customer payment charges on aged receivables.

Interest Expense, Net

For the nine months ended June 30, 2026, interest expense, net increased by \$0.4 million, or 3.9%, to \$11.5 million compared to \$11.1 million for the nine months ended June 30, 2025. The year-over-year change was attributable to a reduction in interest income

of \$1.2 million due to lower invested cash balances of \$78 million. In September 2024, the company increased its term loan and prefunded an acquisition that closed in January 2025 for \$66.9 million. This was partially offset by a \$0.8 million decrease in gross interest expense as the weighted average interest rate declined from 7.0% for the nine months ended June 30, 2025, to 6.6% for the nine months ended June 30, 2026, and was slightly offset by a \$1.4 million increase in average borrowings from \$224.8 million for the nine months ended June 30, 2025, to \$226.2 million for the nine months ended June 30, 2026. To hedge against rising interest rates, the Company utilizes interest rate swaps. At June 30, 2026, approximately 41% of borrowings under Star's variable-rate long term debt were not subject to interest rate changes as a result of interest rate swaps.

Amortization of Debt Issuance Costs

For the nine months ended June 30, 2026, amortization of debt issuance cost was \$0.8 million, essentially unchanged from the nine months ended June 30, 2025.

Income Tax Expense

For the nine months ended June 30, 2026, the Company's income tax expense increased by \$7.6 million to \$48.9 million, from \$41.3 million for the nine months ended June 30, 2025. The increase in the income tax expense was driven by a \$21.5 million increase in income before income taxes.

Net Income

For the nine months ended June 30, 2026, Star's net income increased \$13.9 million, to \$116.1 million, compared to the nine months ended June 30, 2025, primarily due to a \$19.9 million increase in the Adjusted EBITDA, a favorable change in the fair value of derivative instruments of \$1.4 million and a \$0.6 million decrease in depreciation and amortization expenses that was partially offset by a \$7.6 million increase in income tax expense and a \$0.4 million increase in net interest expense.

Adjusted EBITDA

For the nine months ended June 30, 2026, Adjusted EBITDA increased \$19.9 million, to \$189.3 million, compared to the nine months ended June 30, 2025, primarily due to a \$15.0 million increase in Adjusted EBITDA in the base business and a \$6.8 million increase in Adjusted EBITDA from recent acquisitions that was partially offset by a \$1.9 million increase in expense related to the Company's weather hedge contracts due to the colder temperatures. The increase in Adjusted EBITDA in the base business was driven by higher home heating oil and propane volume sold due to colder weather, an increase in home heating oil and propane per gallon margins, higher installation profitability, partially reduced by an increase in delivery, branch and service related expenses.

EBITDA and Adjusted EBITDA should not be considered as an alternative to net income, as an indicator of operating performance, or as an alternative to cash flow, as a measure of liquidity or ability to service debt obligations, but provides additional information for evaluating the Company's ability to make the minimum quarterly distribution. EBITDA and Adjusted EBITDA are calculated as follows:

(in thousands)	Nine Months Ended June 30,	
	2026	2025
Net income	\$ 116,084	\$ 102,166
Plus:		
Income tax expense	48,928	41,330
Amortization of debt issuance costs	786	804
Interest expense, net	11,548	11,114
Depreciation and amortization	25,373	26,012
EBITDA (a)	202,719	181,426
(Increase) / decrease in the fair value of derivative instruments	(13,398)	(11,962)
Adjusted EBITDA (a)	189,321	169,464
Add / (subtract)		
Income tax expense	(48,928)	(41,330)
Interest expense, net	(11,548)	(11,114)
Provision for losses on accounts receivable	6,451	6,593
Increase in accounts receivables	(64,404)	(40,872)
(Increase) decrease in inventories	(11,215)	425
Decrease in customer credit balances	(47,513)	(49,341)
Change in deferred taxes	9,984	10,372
Change in other operating assets and liabilities	35,055	12,346
Net cash provided by operating activities	\$ 57,203	\$ 56,543
Net cash used in investing activities	\$ (12,953)	\$ (99,507)
Net cash used in financing activities	\$ (41,930)	\$ (46,289)

(b) EBITDA (Earnings from continuing operations before net interest expense, income taxes, depreciation and amortization) and Adjusted EBITDA (Earnings from continuing operations before net interest expense, income taxes, depreciation and amortization, (increase) decrease in the fair value of derivatives, other income (loss), net, multiemployer pension plan withdrawal charge, gain or loss on debt redemption, goodwill impairment, and other non-cash and non-operating charges) are non-GAAP financial measures that are used as supplemental financial measures by management and external users of our 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 operating performance and return on invested capital compared to those of other companies in the retail distribution of refined petroleum products, without regard to financing methods and capital structure;
- our ability to generate cash sufficient to pay interest on our indebtedness and to make distributions to our partners; and
- the viability of acquisitions and capital expenditure projects and the overall rates of return of alternative investment opportunities.

The method of calculating Adjusted EBITDA may not be consistent with that of other companies, and EBITDA and Adjusted EBITDA both have limitations as analytical tools and so should not be viewed in isolation but in conjunction with measurements that are computed in accordance with GAAP. Some of the limitations of EBITDA and Adjusted EBITDA are:

- EBITDA and Adjusted EBITDA do not reflect our cash used for capital expenditures.
- Although depreciation and amortization are non-cash charges, the assets being depreciated or amortized often will have to be replaced and EBITDA and Adjusted EBITDA do not reflect the cash requirements for such replacements;
- EBITDA and Adjusted EBITDA do not reflect changes in, or cash requirements for, our working capital requirements;
- EBITDA and Adjusted EBITDA do not reflect the cash necessary to make payments of interest or principal on our indebtedness; and EBITDA and Adjusted EBITDA do not reflect the cash required to pay taxes.

DISCUSSION OF CASH FLOWS

We use the indirect method to prepare our Consolidated Statements of Cash Flows. Under this method, we reconcile net income to cash flows provided by operating activities by adjusting net income for those items that impact net income but do not result in actual cash receipts or payment during the period.

Operating Activities

Due to the seasonal nature of our business, cash is generally used in operations during the winter (our first and second fiscal quarters) as we require additional working capital to support the high volume of sales during this period, and cash is generally provided by operating activities during the spring and summer (our third and fourth fiscal quarters) when customer payments exceed the cost of deliveries.

During the nine months ended June 30, 2026, cash provided by operating activities increased \$0.7 million, to \$57.2 million, compared to \$56.5 million during the nine months ended June 30, 2025, primarily due to an \$11.3 million increase in cash flows from operations and increases in accruals for insurance, taxes and other working capital changes provided \$16.1 million of cash. These increases were partially offset by a \$21.7 million increase in accounts receivable due from customers on a comparable basis (including accounts receivable and customer credit balance accounts) of which \$15.9 million represents an increase in receivables from customers on budget payment plans due to the increased volume sold and higher selling prices compared to the prior year. In addition, due to an increase in wholesale product costs, we used \$5.0 million in cash to finance an increase in inventory, including related collateral.

Investing Activities

During the nine months ended June 30, 2026 the Company acquired one heating oil business for approximately \$1.0 million in cash. The gross purchase price was allocated \$1.2 million to intangible assets, \$0.6 million to goodwill, \$0.3 million to fixed assets and reduced by \$1.1 million of negative working capital.

For the nine months ended June 30, 2026, our capital expenditures totaled \$10.2 million, as we invested in computer hardware and software (\$1.9 million), refurbished certain physical plants (\$3.4 million), expanded our propane operations (\$0.6 million) and made additions to our fleet and other equipment (\$4.3 million).

During the nine months ended June 30, 2026, \$2.4 million of earnings were reinvested into an irrevocable trust established in connection with our captive insurance company. The cash deposited into the trust is shown on our balance sheet as captive insurance collateral and, correspondingly, reduced cash on our balance sheet. We believe that investments into the irrevocable trust lower our letter of credit fees, increase interest income on invested cash balances, and provide us with certain tax advantages attributable to a captive insurance company.

During the nine months ended June 30, 2025, the Company acquired one heating oil and three propane businesses for approximately \$80.5 million in cash. The gross purchase price was allocated \$38.7 million to intangible assets, \$17.7 million to goodwill, \$25.2 million to fixed assets and reduced by \$1.1 million of negative working capital. The Company also acquired certain intangible and fixed assets for \$7.7 million and sold certain assets for cash proceeds of \$0.3 million.

Our capital expenditures for the nine months ended June 30, 2025 totaled \$10.4 million, as we invested in computer hardware and software (\$1.3 million), refurbished certain physical plants (\$1.2 million), expanded our propane operations (\$1.0 million) and made additions to our fleet and other equipment (\$6.9 million).

During the nine months ended June 30, 2025, \$1.8 million of earnings were reinvested into the irrevocable trust.

Financing Activities

During the nine months ended June 30, 2026, we repaid \$15.8 million of our term loan, borrowed \$93.6 million under our revolving credit facility and subsequently repaid \$93.6 million, repurchased 0.5 million Common Units, at an average price paid of \$11.95 per unit, for \$5.5 million, in connection with our unit repurchase plan, and paid distributions of \$18.6 million to our Common Unit holders and \$1.3 million to our General Partner unit holders (including \$1.2 million of incentive distributions as provided in our Partnership Agreement).

During the nine months ended June 30, 2025, we repaid \$15.8 million of our term loan, borrowed \$75.4 million under our revolving credit facility and subsequently repaid \$75.4 million, repurchased 0.8 million Common Units, at an average price paid of \$11.99 per unit, for \$10.0 million, in connection with our unit repurchase plan, and paid distributions of \$18.3 million to our Common Unit holders and \$1.2 million to our General Partner unit holders (including \$1.1 million of incentive distributions as provided in our Partnership Agreement).

FINANCING AND SOURCES OF LIQUIDITY

Liquidity and Capital Resources Comparatives

Our primary uses of liquidity are to provide funds for our working capital, capital expenditures, distributions on our units, acquisitions and unit repurchases. Our ability to provide funds for such uses depends on our future performance, which will be subject to prevailing economic, financial, geopolitical and business conditions, tariff regimes, weather, the ability to collect current and future accounts receivable, the ability to pass on the full impact of high product costs to customers, the effects of high net customer attrition, conservation, inflation and other factors.

Capital requirements, at least in the near term, are expected to be provided by cash flows from operating activities, cash on hand as of June 30, 2026, of \$27.0 million, or a combination thereof. We believe that these cash sources will also be sufficient to satisfy our capital requirements in the longer-term. However, if they are not sufficient, we anticipate that working capital will be financed by our revolving credit facility, as discussed below, and from subsequent seasonal reductions in inventory and receivables. Also, as of June 30, 2026, we had accounts receivable of \$160.1 million of which \$113.4 million is due from residential customers (reflecting a \$20.2 million increase in amounts due from customers on budget payment plans compared to June 30, 2025 due to increased volumes sold resulting from the colder than expected weather) and \$46.7 million is due from commercial customers. Our ability to borrow from our bank group is based in part on the aging of these accounts receivables. If these balances do not meet the eligibility tests as defined in our credit agreement, our ability to borrow will be reduced and our anticipated cash flow from operating activities will also be reduced. As of June 30, 2026, we had no borrowings under the revolving credit facility, \$173.3 million outstanding under our term loan, \$3.0 million in letters of credit outstanding and no hedge positions were secured under the credit agreement.

Under the terms of the credit agreement, if Availability (as defined in the credit agreement) is less than the greater of (a) 12.5% of the Line Cap (lesser of the aggregate revolving commitment and the borrowing base) which was \$29.1 million as of June 30, 2026 and (b) \$35.0 million, we must maintain a fixed charge coverage ratio of 1.10. We are also required to maintain a senior secured leverage ratio that cannot be more than 3.0 as of June 30th or September 30th, and no more than 5.5 as of December 31st or March 31st. As of June 30, 2026, Availability, as defined in the credit agreement, as amended, was \$229.9 million and we were in compliance with the financial covenants.

Maintenance capital expenditures for the remainder of fiscal 2026 are estimated to be approximately \$5.5 million to \$6.5 million, excluding the capital requirements for leased fleet. In addition, we plan to invest \$0.1 million to \$0.2 million in our propane operations. If, and only to the extent that, cash distributions to our unitholders remain at the current quarterly level of \$0.1975 per unit for the balance of fiscal 2026, the Company would make aggregate payments of approximately \$6.5 million to Common Unit holders, \$0.5 million to our General Partner (including \$0.4 million of incentive distribution as provided for in our Partnership Agreement) and \$0.4 million to management pursuant to the management incentive compensation plan which provides for certain members of management to receive incentive distributions that would otherwise be payable to the General Partner. The amount of cash distributions payable to our unitholders, if any, depends on the amount of cash flow generated by the Company and our compliance with certain financial covenants under our credit agreement. Under the terms of our credit agreement, our term loan is repayable in quarterly payments of \$5.3 million and we expect to pay \$5.3 million for the remainder of fiscal 2026. Further, subject to any additional liquidity issues or concerns resulting from wholesale price volatility, we intend to continue to repurchase Common Units pursuant to our unit repurchase plan, as amended from time to time, and seek attractive acquisition opportunities within the Availability constraints of our revolving credit facility and funding resources.

Contractual Obligations and Off-Balance Sheet Arrangements

There has been no material change to Contractual Obligations and Off-Balance Sheet Arrangements since our September 30, 2025, Form 10-K disclosure and therefore, the table has not been included in this Form 10-Q.

Recent Accounting Pronouncements

Refer to Note 2 – Summary of Significant Accounting Policies for discussion regarding the impact of accounting standards that were recently adopted and issued but not yet effective, on our consolidated financial statements.

Critical Accounting Policy and Critical Accounting Estimates

We believe that there have been no significant changes to our critical accounting policy and critical accounting estimates during the nine months ended June 30, 2026, as compared to those we disclosed in Management's Discussion and Analysis of Financial Condition and Results of Operations included in our annual report on Form 10-K for the fiscal year ended September 30, 2025. While

our critical accounting policies and estimates have not changed in any significant way during the nine months ended June 30, 2026, the following provides disclosures about our critical accounting policy and critical accounting estimates.

Critical Accounting Policy

Fair Values of Derivatives

FASB ASC 815-10-05, Derivatives and Hedging, requires that derivative instruments be recorded at fair value and included in the consolidated balance sheet as assets or liabilities. The Company has elected not to designate its commodity derivative instruments as hedging instruments under this guidance, and therefore the change in fair value of those derivative instruments are recognized in our statement of operations.

We have established the fair value of our derivative instruments using estimates determined by our counterparties and subsequently evaluated them internally using established index prices and other sources. These values are based upon, among other things, futures prices, volatility, time-to-maturity value and credit risk. The estimate of fair value we report in our financial statements changes as these estimates are revised to reflect actual results, changes in market conditions, or other factors, many of which are beyond our control.

Critical Accounting Estimates

Self-Insurance Liabilities

We currently self-insure a portion of workers' compensation, auto, general liability and medical claims. We establish and periodically evaluate self-insurance liabilities based upon expectations as to what our ultimate liability may be for outstanding claims using developmental factors based upon historical claim experience, including frequency, severity, demographic factors and other actuarial assumptions, supplemented with the support of a qualified third-party actuary. As of September 30, 2025, we had approximately \$78.8 million of self-insurance liabilities. The ultimate resolution of these claims could differ materially from the assumptions used to calculate the self-insurance liabilities, which could have a material adverse effect on results of operations.

Item 3.

Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

We are exposed to interest rate risk primarily through our bank credit facilities. We utilize these borrowings to meet our working capital needs.

At June 30, 2026, we had outstanding borrowings totaling \$173.3 million that are subject to variable interest rates under our credit agreement, and \$71.9 million of interest rate swaps to mitigate exposure to interest rate risk associated with variable interest rates. In the event that interest rates associated with this facility were to increase 100 basis points, the after tax impact on annual future cash flows would be a decrease of \$0.7 million.

Commodity Price Risk

We regularly use derivative financial instruments to manage our exposure to commodity price risk related to changes in the current and future market price of home heating oil and vehicle fuels. The value of market sensitive derivative instruments is subject to change as a result of movements in market prices. Sensitivity analysis is a technique used to evaluate the impact of hypothetical market value changes. Based on a hypothetical ten percent increase in the cost of product at June 30, 2026, the potential impact on our hedging activity would be to increase the fair market value of these outstanding derivatives by \$7.5 million from \$11.0 million to a fair market value of \$18.5 million; and conversely a hypothetical ten percent decrease in the cost of product would decrease the fair market value of these outstanding derivatives by \$6.5 million to a fair market value of \$4.5 million.

For a broader discussion of risks, including those related to market conditions, please refer to Part I Item 1A "Risk Factors in our Fiscal 2025 Form 10-K.

Item 4.

Controls and Procedures

a) Evaluation of disclosure controls and procedures

The General Partner's chief executive officer and chief financial officer evaluated the effectiveness of the Company's disclosure controls and procedures (as that term is defined in Rule 13a-15(e) of the Securities Exchange Act of 1934, as amended) as of June 30, 2026. Based on that evaluation, such chief executive officer and chief financial officer concluded that the Company's disclosure controls and procedures were effective as of June 30, 2026, at the reasonable level of assurance. For purposes of Rule 13a-15(e), the term disclosure controls and procedures means the controls and other procedures of an issuer that are designed to ensure that information required to be disclosed by the issuer in the reports that it files or submits under the Securities Exchange Act of 1934, as amended (the "Act") (15 U.S.C. 78a et seq.) is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Act is accumulated and communicated to the issuer's management, including its chief executive officer and chief financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

b) Change in internal control over financial reporting

No changes in the Company's internal control over financial reporting occurred during the Company's most recent fiscal quarter that has materially affected or is reasonably likely to materially affect the Company's internal control over financial reporting.

c) Other

The General Partner and the Company believe that a controls system, no matter how well designed and operated, cannot provide absolute assurance that the objectives of the controls system are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a Company have been detected. Therefore, a control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Our disclosure controls and procedures are designed to provide such reasonable assurances of achieving our desired control objectives, and the chief executive officer and chief financial officer of the General Partner have concluded, as of June 30, 2026, that our disclosure controls and procedures were effective in achieving that level of reasonable assurance.

PART II OTHER INFORMATION

Item 1.

Legal Proceedings

In the opinion of management, we are not a party to any litigation, which individually or in the aggregate could reasonably be expected to have a material adverse effect on our results of operations, financial position or liquidity.

Item 1A.

Risk Factors

In addition to the other information set forth in this Report, investors should carefully review and consider the information regarding certain factors, which could materially affect our business, results of operations, financial condition and cash flows set forth in Part I Item 1A. “Risk Factors” in our Fiscal 2025 Form 10-K report. We may disclose changes to such risk factors or disclose additional risk factors from time to time in our future filings with the SEC.

Item 2.

Unregistered Sale of Equity Securities and Use of Proceeds

Purchase of equity securities by the issuer. Note 4 to the Condensed Consolidated Financial Statements concerning the Company’s repurchase of Common Units during the nine months ended June 30, 2026 is incorporated into this Item 2 by reference.

Item 3.

Defaults Upon Senior Securities

None.

Item 4.

Mine Safety Disclosures

N/A

Item 5.

Other Information

(a) N/A

(b) N/A

(c) Trading Plans. During the quarter ended June 30, 2026, no director or Section 16 officer adopted or terminated any Rule 10b5-1 trading plans and arrangements or non-Rule 10b5-1 trading plans and arrangements.

Item 6.

Exhibits

(a) *Exhibits Included Within:*

- 3.1 [Amended and Restated Certificate of Limited Partnership \(Incorporated by reference to an exhibit to the Registrant's Quarterly Report on Form 10-Q filed with the Commission on May 9, 2006.\)](#)
- 3.2 [Certificate of Amendment to Amended and Restated Certificate of Limited Partnership \(Incorporated by reference to an exhibit to the Registrant's Current Report on Form 8-K with the Commission on October 27, 2017.\)](#)
- 3.3 [Third Amended and Restated Agreement of Limited Partnership \(Incorporated by reference to an exhibit to the Registrant's Current Report on Form 8-K with the Commission on November 6, 2017.\)](#)
- 3.4 [Amendment No. 1 to Third Amended and Restated Agreement of Limited Partnership of Star Group, L.P. \(Incorporated by reference to an exhibit to the Registrant's Current Report on Form 8-K filed with the Commission on March 24, 2023.\)](#)
- 4.1 [Unit Purchase Rights Agreement dated as of March 24, 2023 by and between the Registrant and Computershare Trust Company, N.A., as rights agent \(which includes the form of Rights Certificate as Exhibit A thereto\) \(Incorporated by reference as an exhibit to the Registrant's Form 8-A filed with the Commission on March 24, 2023.\)](#)
- 31.1* [Certification of Chief Executive Officer, Star Group, L.P., pursuant to Rule 13a-14\(a\)/15d-14\(a\).](#)
- 31.2* [Certification of Chief Financial Officer, Star Group, L.P., pursuant to Rule 13a-14\(a\)/15d-14\(a\).](#)
- 32.1** [Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 32.2** [Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 101 The following materials from the Star Group, L.P. Quarterly Report on Form 10-Q for the quarter ended June 30, 2026, formatted in Inline Extensible Business Reporting Language (iXBRL): (i) the Condensed Consolidated Balance Sheets, (ii) the Condensed Consolidated Statements of Operations, (iii) the Condensed Consolidated Statements of Comprehensive Income, (iv) the Condensed Consolidated Statements of Partners' Capital, (v) the Condensed Consolidated Statements of Cash Flows and (vi) related notes.
- 101.INS Inline XBRL Instance Document.
- 101.SCH Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents.
- 104 Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

* Filed herewith.

** The certifications furnished in Exhibits 32.1 and 32.2 hereto are deemed to accompany this Quarterly Report on Form 10-Q and are not deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, nor shall they be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act, irrespective of any general incorporation language contained in such filing.

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 of the undersigned thereunto duly authorized:

Star Group, L.P.
(Registrant)

By: Kestrel Heat LLC AS GENERAL PARTNER

Signature	Title	Date
/s/ Richard F. Ambury Richard F. Ambury	Executive Vice President, Chief Financial Officer, Treasurer and Secretary of Kestrel Heat LLC (Principal Financial Officer)	August 5, 2026
Signature	Title	Date
/s/ Cory A. Czekanski Cory A. Czekanski	Vice President – Controller of Kestrel Heat LLC (Principal Accounting Officer)	August 5, 2026

CERTIFICATIONS

I, Jeffrey M. Woosnam, certify that:

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

Date: August 5, 2026

/s/ Jeffrey M. Woosnam

Jeffrey M. Woosnam
President and Chief Executive Officer
Star Group, L.P.

CERTIFICATIONS

I, Richard F. Ambury, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Star Group, L.P. ("Registrant");
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 registrants' other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls 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 controls over financial reporting, or caused such internal controls over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (c) 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;
 - (d) 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.

Date: August 5, 2026

/s/ Richard F. Ambury

Richard F. Ambury
Chief Financial Officer
Star Group, L.P.

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

In connection with the Quarterly Report of Star Group, L.P. (the “Company”) on Form 10-Q for the quarterly period ended June 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Jeffrey M. Woosnam, President and Chief Executive Officer of the Company, certify to my knowledge pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, following due inquiry, I believe 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 result of operations of the Company.

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

STAR GROUP, L.P.

By: KESTREL HEAT, LLC (General Partner)

Date: August 5, 2026

By: /s/ Jeffrey M. Woosnam
Jeffrey M. Woosnam
President and Chief Executive Officer
Star Group, L.P.

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

In connection with the Quarterly Report of Star Group, L.P. (the “Company”) on Form 10-Q for the quarterly period ended June 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Richard F. Ambury, Chief Financial Officer of the Company, certify to my knowledge pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, following due inquiry, I believe 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 result of operations of the Company.

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

STAR GROUP, L.P.

By: KESTREL HEAT, LLC (General Partner)

Date: August 5, 2026

By: /s/ Richard F. Ambury
Richard F. Ambury
Chief Financial Officer
Star Group, L.P.
