

**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, 2025

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	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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, 2025, the registrant had 33,606,424 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**

<u>(in thousands)</u>	<u>June 30,</u> <u>2025</u> <u>(unaudited)</u>	<u>September 30,</u> <u>2024</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 28,082	\$ 117,335
Receivables, net of allowance of \$8,676 and \$6,434, respectively	129,267	94,981
Inventories	43,366	41,587
Prepaid expenses and other current assets	31,743	27,566
Assets held for sale	1,037	—
Total current assets	<u>233,495</u>	<u>281,469</u>
Property and equipment, net	127,024	104,534
Operating lease right-of-use assets	90,391	91,141
Goodwill	293,350	275,829
Intangibles, net	130,091	98,712
Restricted cash	250	250
Captive insurance collateral	77,338	74,851
Deferred charges and other assets, net	11,860	12,825
Total assets	<u>\$ 963,799</u>	<u>\$ 939,611</u>
<b>LIABILITIES AND PARTNERS' CAPITAL</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 30,517	\$ 31,547
Revolving credit facility borrowings	—	5
Fair liability value of derivative instruments	1,604	13,971
Current maturities of long-term debt	21,000	21,000
Current portion of operating lease liabilities	21,089	19,832
Accrued expenses and other current liabilities	133,163	116,317
Unearned service contract revenue	67,500	66,424
Customer credit balances	56,597	104,700
Total current liabilities	<u>331,470</u>	<u>373,796</u>
Long-term debt	172,297	187,811
Long-term operating lease liabilities	73,587	75,916
Deferred tax liabilities, net	32,633	21,922
Other long-term liabilities	16,244	16,273
<b>Partners' capital</b>		
Common unitholders	354,925	282,058
General partner	(5,919)	(5,714)
Accumulated other comprehensive loss, net of taxes	(11,438)	(12,451)
Total partners' capital	<u>337,568</u>	<u>263,893</u>
Total liabilities and partners' capital	<u>\$ 963,799</u>	<u>\$ 939,611</u>

See accompanying notes to condensed consolidated financial statements.

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

<u>(in thousands, except per unit data - unaudited)</u>	Three Months Ended June 30,		Nine Months Ended June 30,	
	2025	2024	2025	2024
<b>Sales:</b>				
Product	\$ 216,158	\$ 249,001	\$ 1,280,722	\$ 1,292,849
Installations and services	89,460	82,639	256,004	232,919
Total sales	305,618	331,640	1,536,726	1,525,768
<b>Cost and expenses:</b>				
Cost of product	144,521	174,285	800,170	867,017
Cost of installations and services	75,240	69,108	233,115	214,807
(Increase) decrease in the fair value of derivative instruments	(603)	984	(11,962)	8,262
Delivery and branch expenses	90,649	86,540	314,903	284,989
Depreciation and amortization expenses	9,197	7,243	26,012	23,377
General and administrative expenses	7,564	7,423	22,934	21,331
Finance charge income	(1,773)	(1,652)	(3,860)	(3,676)
Operating income (loss)	(19,177)	(12,291)	155,414	109,661
Interest expense, net	(3,639)	(2,663)	(11,114)	(9,719)
Amortization of debt issuance costs	(274)	(247)	(804)	(746)
Income (loss) before income taxes	(23,090)	(15,201)	143,496	99,196
Income tax expense (benefit)	(6,461)	(4,157)	41,330	28,887
Net income (loss)	\$ (16,629)	\$ (11,044)	\$ 102,166	\$ 70,309
General Partner's interest in net income (loss)	(157)	(101)	952	637
Limited Partners' interest in net income (loss)	\$ (16,472)	\$ (10,943)	\$ 101,214	\$ 69,672
<b>Basic and diluted income (loss) per Limited Partner Unit (1):</b>				
	\$ (0.48)	\$ (0.31)	\$ 2.45	\$ 1.66
<b>Weighted average number of Limited Partner units outstanding:</b>				
Basic and Diluted	34,340	35,274	34,498	35,470

(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)**

<b>(in thousands - unaudited)</b>	<b>Three Months Ended June 30,</b>		<b>Nine Months Ended June 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Net income (loss)	\$ (16,629)	\$ (11,044)	\$ 102,166	\$ 70,309
Other comprehensive income (loss):				
Unrealized gain on pension plan obligation	434	317	1,298	955
Tax effect of unrealized gain on pension plan obligation	(116)	(80)	(344)	(240)
Unrealized gain on captive insurance collateral	202	401	373	1,596
Tax effect of unrealized gain on captive insurance collateral	(42)	(84)	(78)	(336)
Unrealized loss on interest rate hedges	(316)	(186)	(319)	(1,007)
Tax effect of unrealized loss on interest rate hedges	82	50	83	270
<b>Total other comprehensive income</b>	<b>244</b>	<b>418</b>	<b>1,013</b>	<b>1,238</b>
<b>Total comprehensive income (loss)</b>	<b>\$ (16,385)</b>	<b>\$ (10,626)</b>	<b>\$ 103,179</b>	<b>\$ 71,547</b>

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, 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>

(in thousands - unaudited)	Three Months Ended June 30, 2024					
	Number of Units		Common	General Partner	Accum. Other Comprehensive Income (Loss)	Total Partners' Capital
	Common	General Partner				
Balance as of March 31, 2024	35,372	326	\$ 348,382	\$ (4,544)	\$ (12,703)	\$ 331,135
Net loss	—	—	(10,943)	(101)	—	(11,044)
Unrealized gain on pension plan obligation	—	—	—	—	317	317
Tax effect of unrealized gain on pension plan obligation	—	—	—	—	(80)	(80)
Unrealized gain on captive insurance collateral	—	—	—	—	401	401
Tax effect of unrealized gain on captive insurance collateral	—	—	—	—	(84)	(84)
Unrealized loss on interest rate hedges	—	—	—	—	(186)	(186)
Tax effect of unrealized loss on interest rate hedges	—	—	—	—	50	50
Distributions	—	—	(6,081)	(374)	—	(6,455)
Retirement of units	(598)	—	(6,501)	—	—	(6,501)
Balance as of June 30, 2024 (unaudited)	<u>34,774</u>	<u>326</u>	<u>\$ 324,857</u>	<u>\$ (5,019)</u>	<u>\$ (12,285)</u>	<u>\$ 307,553</u>

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

(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>

(in thousands - unaudited)	Nine Months Ended June 30, 2024					
	Number of Units		Common	General Partner	Accum. Other Comprehensive Income (Loss)	Total Partners' Capital
	Common	General Partner				
Balance as of September 30, 2023	35,603	326	\$ 281,862	\$ (4,615)	\$ (13,523)	\$ 263,724
Net income	—	—	69,672	637	—	70,309
Unrealized gain on pension plan obligation	—	—	—	—	955	955
Tax effect of unrealized gain on pension plan obligation	—	—	—	—	(240)	(240)
Unrealized gain on captive insurance collateral	—	—	—	—	1,596	1,596
Tax effect of unrealized gain on captive insurance collateral	—	—	—	—	(336)	(336)
Unrealized loss on interest rate hedges	—	—	—	—	(1,007)	(1,007)
Tax effect of unrealized loss on interest rate hedges	—	—	—	—	270	270
Distributions	—	—	(17,648)	(1,041)	—	(18,689)
Retirement of units	(829)	—	(9,029)	—	—	(9,029)
Balance as of June 30, 2024 (unaudited)	<u>34,774</u>	<u>326</u>	<u>\$ 324,857</u>	<u>\$ (5,019)</u>	<u>\$ (12,285)</u>	<u>\$ 307,553</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,	
	2025	2024
<b>Cash flows provided by (used in) operating activities:</b>		
Net income	\$ 102,166	\$ 70,309
Adjustment to reconcile net income to net cash provided by (used in) operating activities:		
(Increase) decrease in fair value of derivative instruments	(11,962)	8,262
Depreciation and amortization	26,816	24,123
Provision for losses on accounts receivable	6,593	6,945
Change in deferred taxes	10,372	(2,495)
Changes in operating assets and liabilities:		
Increase in receivables	(40,872)	(21,231)
Decrease in inventories	425	16,909
(Increase) decrease in other assets	(1,987)	12,792
Decrease in accounts payable	(410)	(5,236)
Decrease in customer credit balances	(49,341)	(50,516)
Increase in other current and long-term liabilities	14,743	12,505
Net cash provided by operating activities	56,543	72,367
<b>Cash flows provided by (used in) investing activities:</b>		
Capital expenditures	(10,354)	(7,610)
Proceeds from sales of fixed assets	514	377
Proceeds from sale of certain assets	282	—
Purchase of investments	(1,806)	(1,391)
Acquisitions	(88,143)	(22,577)
Net cash used in investing activities	(99,507)	(31,201)
<b>Cash flows provided by (used in) financing activities:</b>		
Revolving credit facility borrowings	75,359	79,596
Revolving credit facility repayments	(75,364)	(79,565)
Term loan repayments	(15,750)	(12,250)
Distributions	(19,481)	(18,689)
Unit repurchases	(10,023)	(9,029)
Customer retainage payments	(789)	(719)
Payments of debt issue costs	(241)	—
Net cash used in financing activities	(46,289)	(40,656)
Net (decrease) increase in cash, cash equivalents, and restricted cash	(89,253)	510
Cash, cash equivalents, and restricted cash at beginning of period	117,585	45,441
Cash, cash equivalents, and restricted cash at end of period	\$ 28,332	\$ 45,951

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, 2025, had outstanding 33.8 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, 2025 served approximately 413,600 full service residential and commercial home heating oil and propane accounts and 66,500 accounts on a delivery only basis. We also sell gasoline and diesel fuel to approximately 27,600 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, 2025 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, 2024.

*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 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, 2025, the \$28.3 million of cash, cash equivalents, and restricted cash on the Condensed Consolidated Statements of Cash Flows is composed of \$28.1 million of cash and cash equivalents and \$0.3 million of restricted cash. At September 30, 2024, the \$117.6 million of cash, cash equivalents, and restricted cash on the Condensed Consolidated Statements of Cash Flows is composed of \$117.3 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, 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.

### *Assets Held for Sale*

At June 30, 2025, the \$1.0 million of assets held for sale represent the carrying amount of a building and land at a New Jersey operating location that the Company sold in July 2025 for cash proceeds of \$4.9 million.

### *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 2025 and 2024. 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 for fiscal 2025 and \$12.5 million for fiscal 2024. For the contracts applicable to fiscal 2025, we were additionally obligated to make an annual payment capped at \$5.0 million if degree days exceed the Payment Threshold. This obligation did not exist under the contract applicable for fiscal 2024.

The temperatures experienced during the hedge period through March 31, 2025 were colder than the strikes in the weather hedge contracts. As a result as of March 31, 2025, we increased delivery and branch expense and recorded a payable under those weather hedge contracts of \$3.1 million, and paid the amount in full in April 2025. The temperatures experienced during the hedge period through March 31, 2024 were warmer than the strike in the weather hedge contract. As of March 31, 2024, we reduced delivery and branch expenses and recorded a receivable of \$7.5 million under the weather hedge contract, and received the amount in full in April 2024.

For fiscal 2026, the Company entered into weather hedge contracts with the similar hedge period described above. The maximum that the Company can receive is \$15.0 million annually and we are obligated to make an annual payment capped at \$5.0 million if degree days exceed the Payment Threshold.

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

As of June 30, 2025, we had \$0.3 million and \$15.4 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, 2024, we had \$0.3 million and \$15.7 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, 2025 and September 30, 2024 was \$18.3 million and \$19.3 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, 2025.

#### *Recently Issued Accounting Pronouncements*

In November 2023, the FASB issued ASU No. 2023-07, “Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures,” which is intended to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The disclosure requirements included in ASU No. 2023-07 are required for all public entities, including entities with a single reportable segment. The standard is effective for fiscal years beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The guidance is required to be applied on a retrospective basis. We are currently evaluating the impact of this standard on our consolidated financial statements and related disclosures.

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. The Company has not determined the timing of adoption and is currently evaluating the impact of the new standard on its condensed consolidated financial statements.

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.

### 3) Revenue Recognition

The following disaggregates our revenue by major sources for the three and nine months ended June 30, 2025 and June 30, 2024:

(in thousands)	Three Months Ended June 30,		Nine Months Ended June 30,	
	2025	2024	2025	2024
<b>Petroleum Products:</b>				
Home heating oil and propane	\$ 136,146	\$ 155,161	\$ 1,046,864	\$ 1,014,530
Other petroleum products	80,012	93,840	233,858	278,319
Total petroleum products	216,158	249,001	1,280,722	1,292,849
<b>Installations and Services:</b>				
Equipment installations	33,317	30,143	100,082	90,682
Equipment maintenance service contracts	36,888	35,164	98,863	93,466
Billable call services	19,255	17,332	57,059	48,771
Total installations and services	89,460	82,639	256,004	232,919
<b>Total Sales</b>	<b>\$ 305,618</b>	<b>\$ 331,640</b>	<b>\$ 1,536,726</b>	<b>\$ 1,525,768</b>

#### 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, 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 \$4.3 million, respectively. At September 30, 2024, the amount of deferred contract costs included in "Prepaid expenses and other current assets" and "Deferred charges and other assets, net" was \$2.9 million and \$4.5 million, respectively. For the nine months ended June 30, 2025 we recognized expense of \$2.5 million and for the nine months ended June 30, 2024 we recognized expense of \$2.7 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, 2025 and September 30, 2024 the Company had contract liabilities of \$119.5 million and \$167.2 million, respectively. 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. During the nine months ended June 30, 2024, the Company recognized \$149.7 million of revenue that was included in the September 30, 2023 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:

<u>(in thousands)</u>	<u>Credit Loss Allowance</u>
Balance at September 30, 2024	\$ 6,434
Current period provision	6,593
Write-offs, net and other	(4,351)
Balance as of June 30, 2025	<u>\$ 8,676</u>

#### 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 May 2023, the Company had repurchased approximately 20.5 million Common Units under the Repurchase Plan. In May 2023, the Board authorized an increase of the number of Common Units that remained available for the Company to repurchase from 1.1 million to a total of 2.6 million, of which, approximately 2.3 million were available for repurchase in open market transactions and approximately 0.3 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) 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)

<u>Period</u>	<u>Total Number of Units Purchased</u>	<u>Average Price Paid per Unit (a)</u>	<u>Total Number of Units Purchased as Part of Publicly Announced Plans or Programs</u>	<u>Maximum Number of Units that May Yet Be Purchased</u>
Fiscal year 2012 to 2024 total	26,438	\$ 8.90	21,550	1,552
First quarter fiscal year 2025 total	13	\$ 11.20	13	1,539
Second quarter fiscal year 2025 total	6	\$ 11.24	6	1,533
April 2025	1	\$ 12.03	1	1,532
May 2025	708	12.04	8	1,524 (b)
June 2025	108	11.83	108	1,416
Third quarter fiscal year 2025 total	817	\$ 12.01	117	1,416
July 2025	144	\$ 11.87	144	1,272 (c)

(a) Amount includes repurchase costs.

(b) The total number of units purchased includes 0.7 million of common units acquired in a private transaction.

(c) Of the total available for repurchase, approximately 1.0 million units are available for repurchase in open market transactions and approximately 0.3 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, 2025 consist of the following (in thousands):

	<u>Amortized Cost</u>	<u>Gross Unrealized Gain</u>	<u>Gross Unrealized (Loss)</u>	<u>Fair Value</u>
Cash and Receivables	\$ 660	\$ —	\$ —	\$ 660
U.S. Government Debt Securities	67,698	203	(15)	67,886
Corporate Debt Securities	9,057	—	(265)	8,792
<b>Total</b>	<b>\$ 77,415</b>	<b>\$ 203</b>	<b>\$ (280)</b>	<b>\$ 77,338</b>

Investments at September 30, 2024 consist of the following (in thousands):

	<u>Amortized Cost</u>	<u>Gross Unrealized Gain</u>	<u>Gross Unrealized (Loss)</u>	<u>Fair Value</u>
Cash and Receivables	\$ 5,741	\$ —	\$ —	\$ 5,741
U.S. Government Debt Securities	57,095	108	(104)	57,099
Corporate Debt Securities	12,465	—	(454)	12,011
<b>Total</b>	<b>\$ 75,301</b>	<b>\$ 108</b>	<b>\$ (558)</b>	<b>\$ 74,851</b>

Maturities of investments were as follows at June 30, 2025 (in thousands):

	<u>Net Carrying Amount</u>
Due within one year	\$ 75,361
Due after one year through five years	1,977
Due after five years through ten years	—
<b>Total</b>	<b>\$ 77,338</b>

## 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, 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, 2024, the Company held the following derivative instruments in order to hedge a substantial majority of the purchase price associated with heating oil gallons anticipated to be sold to its price-protected customers that settle in future months to match anticipated sales: 7.2 million gallons of swap contracts, 3.8 million gallons of call options, 3.5 million gallons of put options, and 37.0 million net gallons of synthetic call options. The Company held the following derivative instruments to hedge its physical inventory on hand, inventory in transit and basis risk: 0.1 million gallons of swap contracts, 0.2 million gallons of long future contracts and 6.9 million gallons of short future contracts that settle in future months. The Company held 7.9 million gallons of swap contracts that settle in future months to hedge its internal fuel usage and other activities for fiscal 2024 and 2025.

As of June 30, 2025, the Company has interest rate swap agreements in order to mitigate exposure to market risk associated with variable rate interest on \$75.4 million, or 39%, 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, 2025 the fair value of the swap contracts was \$(0.6) million. As of September 30, 2024, the notional value of the swap contracts was \$52.0 million and the fair value of the swap contracts was \$(0.3) 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., Key Bank, N.A. 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, 2025, the aggregate cash posted as collateral in the normal course of business at counterparties was \$1.5 million and recorded in "Prepaid expense and other current assets." Positions with counterparties who are also parties to our credit agreement are collateralized under that facility. As of June 30, 2025, \$2.2 million hedge positions or payable amounts were 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 are calculated by our counter-parties and are 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 nonrecurring 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)	Derivatives Not Designated as Hedging Instruments Under FASB ASC 815-10	Balance Sheet Location	Total	Fair Value Measurements at Reporting Date Using:	
				Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2
<b>Asset Derivatives at June 30, 2025</b>					
Commodity contracts		Fair liability value of derivative instruments	\$ 7,165	\$ —	\$ 7,165
Commodity contracts		Long-term derivative assets included in the deferred charges and other assets, net	563	—	563
<b>Commodity contract assets at June 30, 2025</b>			<b>\$ 7,728</b>	<b>\$ —</b>	<b>\$ 7,728</b>
<b>Liability Derivatives at June 30, 2025</b>					
Commodity contracts		Fair liability value of derivative instruments	\$ (8,769)	\$ —	\$ (8,769)
Commodity contracts		Long-term derivative assets included in the deferred charges and other assets, net	(486)	—	(486)
<b>Commodity contract liabilities at June 30, 2025</b>			<b>\$ (9,255)</b>	<b>\$ —</b>	<b>\$ (9,255)</b>
<b>Asset Derivatives at September 30, 2024</b>					
Commodity contracts		Fair liability value of derivative instruments	\$ 16,948	\$ —	\$ 16,948
Commodity contracts		Long-term derivative assets included in the deferred charges and other assets, net and other long-term liabilities, net balances	831	—	831
<b>Commodity contract assets September 30, 2024</b>			<b>\$ 17,779</b>	<b>\$ —</b>	<b>\$ 17,779</b>
<b>Liability Derivatives at September 30, 2024</b>					
Commodity contracts		Fair liability value of derivative instruments	\$ (30,919)	\$ —	\$ (30,919)
Commodity contracts		Long-term derivative liabilities included in the deferred charges and other assets, net and other long-term liabilities, net balances	(965)	—	(965)
<b>Commodity contract liabilities September 30, 2024</b>			<b>\$ (31,884)</b>	<b>\$ —</b>	<b>\$ (31,884)</b>

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)

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	Gross Amounts Not Offset in the Statement of Financial Position		
				Financial Instruments	Cash Collateral Received	Net Amount
Long-term derivative assets included in deferred charges and other assets, net	\$ 563	\$ (486)	\$ 77	\$ —	\$ —	\$ 77
Fair liability value of derivative instruments	7,165	(8,769)	(1,604)	—	—	(1,604)
<b>Total at June 30, 2025</b>	<b>\$ 7,728</b>	<b>\$ (9,255)</b>	<b>\$ (1,527)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ (1,527)</b>
Long-term derivative assets included in deferred charges and other assets, net	\$ 5	\$ (3)	\$ 2	\$ —	\$ —	\$ 2
Fair liability value of derivative instruments	16,948	(30,919)	(13,971)	—	—	(13,971)
Long-term derivative liabilities included in other long-term liabilities, net	826	(962)	(136)	—	—	(136)
<b>Total at September 30, 2024</b>	<b>\$ 17,779</b>	<b>\$ (31,884)</b>	<b>\$ (14,105)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ (14,105)</b>

(In thousands)

The Effect of Derivative Instruments on the Statement of Operations		Amount of (Gain) or Loss Recognized		Amount of (Gain) or Loss Recognized	
Derivatives Not Designated as Hedging Instruments Under FASB ASC 815-10	Location of (Gain) or Loss Recognized in Income on Derivative	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Nine Months Ended June 30, 2025	Nine Months Ended June 30, 2024
		Commodity contracts	Cost of product (a)	\$ 2,248	\$ 2,323
Commodity contracts	Cost of installations and service (a)	\$ 40	\$ (133)	\$ 171	\$ (174)
Commodity contracts	Delivery and branch expenses (a)	\$ 234	\$ (20)	\$ 890	\$ (929)
Commodity contracts	(Increase) / decrease in the fair value of derivative instruments (b)	\$ (603)	\$ 984	\$ (11,962)	\$ 8,262

(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, 2025	September 30, 2024
Product	\$ 18,009	\$ 17,912
Parts and equipment	25,357	23,675
<b>Total inventory</b>	<b>\$ 43,366</b>	<b>\$ 41,587</b>

## 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, 2025	September 30, 2024
Property and equipment	\$ 281,203	\$ 250,896
Less: accumulated depreciation and amortization	154,179	146,362
Property and equipment, net	<u>\$ 127,024</u>	<u>\$ 104,534</u>

## 9) Business Combinations and Divestitures

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 acquired businesses' operating results are included in the Company's consolidated financial statements starting on their respective acquisition dates, 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 certain intangible and fixed assets for \$7.7 million and sold certain assets for cash proceeds of \$0.3 million.

During the nine months ended June 30, 2024 the Company acquired one propane and three heating oil businesses for an aggregate purchase price of approximately \$22.6 million in cash. The gross purchase price was allocated \$14.4 million to intangible assets, \$6.3 million to goodwill, \$2.8 million to fixed assets and reduced by \$0.9 million of negative working capital.

## 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, 2024	\$ 275,829
Fiscal year 2025 business combinations	17,715
Other	(194)
Balance as of June 30, 2025	<u>\$ 293,350</u>

### Intangibles, net

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

	June 30, 2025			September 30, 2024		
	Gross Carrying Amount	Accum. Amortization	Net	Gross Carrying Amount	Accum. Amortization	Net
Customer lists	\$ 489,223	\$ 387,104	\$ 102,119	\$ 452,340	\$ 373,860	\$ 78,480
Trade names and other intangibles	56,236	28,264	27,972	46,895	26,663	20,232
Total	<u>\$ 545,459</u>	<u>\$ 415,368</u>	<u>\$ 130,091</u>	<u>\$ 499,235</u>	<u>\$ 400,523</u>	<u>\$ 98,712</u>

Amortization expense for intangible assets was \$14.8 million for the nine months ended June 30, 2025, compared to \$13.2 million for the nine months ended June 30, 2024.

## 11) Long-Term Debt and Bank Facility Borrowings

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

	June 30, 2025		September 30, 2024	
	Carrying Amount	Fair Value (a)	Carrying Amount	Fair Value (a)
Revolving Credit Facility Borrowings	\$ —	\$ —	\$ 5	\$ 5
Senior Secured Term Loan (b)	193,297	194,250	208,811	210,000
<b>Total debt</b>	<b>\$ 193,297</b>	<b>\$ 194,250</b>	<b>\$ 208,816</b>	<b>\$ 210,005</b>
Total short-term portion of debt	\$ 21,000	\$ 21,000	\$ 21,005	\$ 21,005
<b>Total long-term portion of debt (b)</b>	<b>\$ 172,297</b>	<b>\$ 173,250</b>	<b>\$ 187,811</b>	<b>\$ 189,000</b>

- (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 \$1.0 million as of June 30, 2025 and \$1.2 million as of September 30, 2024.

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, 2024. In the first quarter of fiscal 2024, the Company repaid a required \$4.0 million of the Term Loan, representing 25% of the annual Excess Cash Flow for fiscal 2023.

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, 2025, the effective interest rate on the term loan (considering the impact of interest rate hedges) and revolving credit facility borrowings was approximately 7.1% and 6.4%, respectively, compared to 7.2% and 7.5%, respectively at September 30, 2024.

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) 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, 2025, \$194.3 million of the Term Loan was outstanding, no borrowings were outstanding under the revolving credit facility, \$2.2 million hedge positions were secured under the credit agreement, and \$5.2 million of letters of credit were issued and outstanding. At September 30, 2024, \$210.0 million of the term loan was outstanding, less than \$0.1 million was outstanding under the revolving credit facility, \$14.2 million hedge positions were secured under the credit agreement and \$5.2 million of letters of credit were issued and outstanding.

At June 30, 2025, availability was \$167.6 million, and the Company was in compliance with the financial covenants. At September 30, 2024, availability was \$166.5 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 increased limitations on deductions for interest expense and reinstating 100% bonus depreciation on fixed assets acquired and placed in service after January 19, 2025. We are evaluating the full effects of the legislation on our estimated annual effective tax rate and cash tax position. As the legislation was signed into law after the close of our third quarter, the impacts are not included in our operating results for the nine months ended June 30, 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, 2025 and June 30, 2024 are as follows:

(in thousands)	Three Months Ended June 30,		Nine Months Ended June 30,	
	2025	2024	2025	2024
Income (loss) before income taxes	\$ (23,090)	\$ (15,201)	\$ 143,496	\$ 99,196
Current income tax expense (benefit)	(5,429)	(4,418)	30,958	31,382
Deferred income tax expense (benefit)	(1,032)	261	10,372	(2,495)
Total income tax expense (benefit)	\$ (6,461)	\$ (4,157)	\$ 41,330	\$ 28,887

At June 30, 2025, 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,	
	2025	2024
Income taxes, net	\$ 17,160	\$ 13,294
Interest	\$ 14,939	\$ 11,882

## 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,	
	2025	2024	2025	2024
Net income (loss)	\$ (16,629)	\$ (11,044)	\$ 102,166	\$ 70,309
Less General Partner's interest in net income (loss)	(157)	(101)	952	637
Net income (loss) available to limited partners	(16,472)	(10,943)	101,214	69,672
Less dilutive impact of theoretical distribution of earnings *	—	—	16,739	10,726
Limited Partner's interest in net income (loss)	\$ (16,472)	\$ (10,943)	\$ 84,475	\$ 58,946
<b>Per unit data:</b>				
Basic and diluted net income (loss) available to limited partners	\$ (0.48)	\$ (0.31)	\$ 2.93	\$ 1.96
Less dilutive impact of theoretical distribution of earnings *	—	—	0.48	0.30
Limited Partner's interest in net income (loss)	\$ (0.48)	\$ (0.31)	\$ 2.45	\$ 1.66
Weighted average number of Limited Partner units outstanding	34,340	35,274	34,498	35,470

\* 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) Subsequent Events

### *Quarterly Distribution Declared*

In July 2025, we declared a quarterly distribution of \$0.1850 per unit, or \$0.74 per unit on an annualized basis, on all Common Units with respect to the third quarter of fiscal 2025, paid on August 6, 2025, to holders of record on July 28, 2025. 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, \$6.2 million was paid to the Common Unit holders, \$0.4 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.

### *Common Units Repurchased and Retired*

In July 2025, in accordance with the Repurchase Plan, the Company repurchased and retired approximately 0.1 million Common Units at an average price paid of \$11.87 per unit.

### *Sale of Property*

In July 2025, we completed the sale of land and a building at a New Jersey operating location with a carrying value of \$1.0 million for cash proceeds of \$4.9 million.

**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 on wholesale product cost volatility, tariff regimes, including newly imposed U.S. tariffs and any additional responsive non-U.S. tariffs or additional U.S. tariffs, 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 operational and 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 climate change, 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 2024 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 2024 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. Home heating oil consumers are sensitive to heating cost increases, and this often leads to customer conservation and increased gross customer losses. As a commodity, the price of home heating oil is generally impacted by many factors, including economic and geopolitical forces, tariff regimes 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, 2021, through 2025, on a quarterly basis, is illustrated in the following chart (price per gallon):

Quarter Ended	Fiscal 2025		Fiscal 2024		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Low	High	Low	High	Low	High	Low	High	Low	High
December 31	\$ 2.13	\$ 2.40	\$ 2.51	\$ 3.22	\$ 2.78	\$ 4.55	\$ 2.06	\$ 2.59	\$ 1.08	\$ 1.51
March 31	2.16	2.62	2.53	2.96	2.61	3.55	2.36	4.44	1.46	1.97
June 30	1.97	2.54	2.29	2.77	2.23	2.73	3.27	5.14	1.77	2.16
September 30	—	—	2.06	2.63	2.38	3.48	3.13	4.01	1.91	2.34

(a) On July 31, 2025, the NYMEX ultra low sulfur diesel contract closed at \$2.40 per gallon.

## Income Taxes

### *Book versus Tax Deductions*

The amount of cash flow generated in any given year depends upon a variety of factors including the amount of cash income taxes required, which will increase as depreciation and amortization decreases. The amount of depreciation and amortization that we deduct for book (i.e., financial reporting) purposes will differ 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. However, this table does not include any forecast of future annual capital purchases.

### *Estimated Depreciation and Amortization Expense*

<b>(In thousands) Fiscal Year</b>	<b>Book</b>	<b>Tax</b>
2025	\$ 36,117	\$ 47,834
2026	32,720	32,835
2027	29,858	30,245
2028	26,425	28,381
2029	24,128	25,228
2030	20,453	22,204

## 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 year 2025 and 2024. 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 can receive is \$15.0 million for fiscal 2025 and \$12.5 million for fiscal 2024. For the contracts applicable to fiscal 2025, we are additionally obligated to make an annual payment capped at \$5.0 million if degree days exceed the Payment Threshold. This obligation did not exist under the contract applicable for 2024.

The temperatures experienced during the hedge period through March 31, 2025 were colder than the strikes in the weather hedge contracts. As a result as of March 31, 2025, we increased delivery and branch expense and recorded a payable under those weather hedge contracts of \$3.1 million, and paid the amount in full in April 2025. By comparison, the temperatures experienced during the hedge period through March 31, 2024 were warmer than the strike in the weather hedge contract. As of March 31, 2024, we reduced delivery and branch expenses and recorded a receivable of \$7.5 million under the weather hedge contract, and received the amount in full in April 2024.

For fiscal 2026, the Company entered into weather hedge contracts with the similar hedge period described above. The maximum that the Company can receive is \$15.0 million annually and we are obligated to make an annual payment capped at \$5.0 million if degree days exceed the Payment Threshold.

## Tariffs

In April 2025, the U.S. government announced a baseline tariff of 10% on products imported from all countries and an additional individualized reciprocal tariff on some countries, including Canada and China. 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. Although 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 remain uncertain.

## Increases in State Law Minimum Biofuel Blending Requirements

Commencing July 1, 2025, we and our home heating oil competitors will become subject to an increase from the current level of 5% to 10% in the minimum percentage of biodiesel that is required be blended with home heating oil sold for heating purposes in buildings located in the States of New York and Connecticut (where a significant portion of our customers are located), and an increase from the current level of 10% to 20% in the minimum percentage of biodiesel that is required be blended with home heating oil sold for heating purposes in buildings in Rhode Island. Depending upon the relationship of home heating oil and biodiesel, these

regulations may decrease or increase the cost of home heating oil for Star and our competition in New York, Connecticut or Rhode Island.

### 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.

### 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. 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 (loss) until the forecasted hedged item is recognized in earnings. We have elected not to designate our commodity derivative instruments as hedging instruments under this guidance and, as a result, the changes in fair value of the 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 alliance partners are included in our home heating oil and propane customer base. Therefore, any changes in the relationships with our alliance partners could impact gross customer gains and losses going forward.

### Customer gains and losses of home heating oil and propane customers

	Fiscal Year Ended								
	2025			2024			2023		
	Gross Customer		Net Gains / (Attrition)	Gross Customer		Net Gains / (Attrition)	Gross Customer		Net Gains / (Attrition)
Gains	Losses	Gains		Losses	Gains		Losses		
<b>First Quarter</b>	15,300	16,700	(1,400)	17,100	17,800	(700)	26,500	19,500	7,000
<b>Second Quarter</b>	9,900	14,500	(4,600)	9,300	14,400	(5,100)	9,300	18,100	(8,800)
<b>Third Quarter</b>	4,600	11,600	(7,000)	4,700	11,000	(6,300)	5,300	12,600	(7,300)
<b>Fourth Quarter</b>	—	—	—	7,900	12,400	(4,500)	8,900	14,600	(5,700)
<b>Total</b>	<u>29,800</u>	<u>42,800</u>	<u>(13,000)</u>	<u>39,000</u>	<u>55,600</u>	<u>(16,600)</u>	<u>50,000</u>	<u>64,800</u>	<u>(14,800)</u>

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

	Fiscal Year Ended								
	2025			2024			2023		
	Gross Customer		Net Gains / (Attrition)	Gross Customer		Net Gains / (Attrition)	Gross Customer		Net Gains / (Attrition)
Gains	Losses	Gains		Losses	Gains		Losses		
<b>First Quarter</b>	3.8%	4.1%	(0.3%)	4.3%	4.5%	(0.2%)	6.4%	4.7%	1.7%
<b>Second Quarter</b>	2.5%	3.7%	(1.2%)	2.3%	3.6%	(1.3%)	2.2%	4.3%	(2.1%)
<b>Third Quarter</b>	0.9%	2.5%	(1.6%)	1.2%	2.8%	(1.6%)	1.3%	3.1%	(1.8%)
<b>Fourth Quarter</b>	—	—	—	2.0%	3.1%	(1.1%)	2.1%	3.5%	(1.4%)
<b>Total</b>	<b>7.2%</b>	<b>10.3%</b>	<b>(3.1%)</b>	<b>9.8%</b>	<b>14.0%</b>	<b>(4.2%)</b>	<b>12.0%</b>	<b>15.6%</b>	<b>(3.6%)</b>

For the nine months ended June 30, 2025, the Company lost 13,000 accounts (net), or 3.1% of its home heating oil and propane customer base, compared to 12,100 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 less than the prior year's comparable period and gross customer losses were 400 accounts less.

During the nine months ended June 30, 2025, we estimate that we lost 1.0% of our home heating oil and propane accounts to natural gas and electricity conversions, consistent with the 1.1% and 1.3% lost for the nine months ended June 30, 2024 and 2023, 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, 2025, the Company acquired one heating oil and three propane businesses for approximately \$80.5 million. During fiscal 2024, the Company acquired one propane and four heating oil businesses for approximately \$49.4 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 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
		<b>11,718</b>	<b>3,694</b>	<b>15,412</b>

(in thousands of gallons)

Fiscal 2024 Acquisitions				
Acquisition Number	Month of Acquisition	Home Heating Oil and Propane	Other Petroleum Products	Total
1	November	1,210	222	1,432
2	November	885	369	1,254
3	February	1,473	1,097	2,570
4	February	1,936	—	1,936
5	September	17,752	—	17,752
		<b>23,256</b>	<b>1,688</b>	<b>24,944</b>

### 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.

**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, 2025  
Compared to the Three Months Ended June 30, 2024**

**Volume**

For the three months ended June 30, 2025, retail volume of home heating oil and propane sold decreased by 1.5 million gallons, or 3.8%, to 36.2 million gallons, compared to 37.7 million gallons for the three months ended June 30, 2024. 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, 2025 were 2.0% warmer than the three months ended June 30, 2024 and 19.3% warmer than normal, as reported by NOAA. For the twelve months ended June 30, 2025, net customer attrition for the base business was 4.4%. 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>Heating Oil and Propane</u>
Volume - Three months ended June 30, 2024	37.7
Net customer attrition	(1.7)
Impact of warmer temperatures (a)	(0.4)
Acquisitions	3.8
Other (a)	(3.2)
Change	(1.5)
Volume - Three months ended June 30, 2025	36.2

- a) While temperatures were 2.0% warmer in the third quarter of fiscal 2025 compared to the third quarter of fiscal 2024, degree days accumulated later in May 2025 as compared to May 2024, muting the quarterly change in temperatures by approximately 15%.

The following chart sets forth the percentage by volume of total home heating oil sold to residential variable-price customers, residential price-protected customers and commercial/industrial/other customers for the three months ended June 30, 2025, compared to the three months ended June 30, 2024:

<u>Customers</u>	<u>Three Months Ended</u>	
	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Residential Variable	42.2%	40.6%
Residential Price-Protected (Ceiling and Fixed Price)	42.9%	46.7%
Commercial/Industrial/Other	14.9%	12.7%
Total	100.0%	100.0%

Volume of motor fuel and other petroleum products sold decreased by 0.9 million gallons, or 2.7%, to 32.0 million gallons for the three months ended June 30, 2025, compared to 32.9 million gallons for the three months ended June 30, 2024.

**Product Sales**

For the three months ended June 30, 2025, product sales decreased by \$32.8 million, or 13.2%, to \$216.2 million, compared to \$249.0 million for the three months ended June 30, 2024, due to a decrease in average selling prices and a decrease in total volume sold of 3.3%. Selling prices decreased largely due to a decrease in wholesale product cost of \$0.3525 per gallon, or 14.3%, compared to the three months ended June 30, 2024. Product volumes and wholesale product cost include heating oil, propane, motor fuels and other petroleum products.

**Installations and Service**

For the three months ended June 30, 2025, installation and service revenue increased by \$6.9 million, or 8.3%, to \$89.5 million, compared to \$82.6 million for the three months ended June 30, 2024 driven by \$6.4 million of sales generated from recent acquisitions and the remainder was driven by a concerted effort to expand these offerings to our customers as well as annual price increases.

## Cost of Product

For the three months ended June 30, 2025, cost of product decreased \$29.8 million, or 17.1%, to \$144.5 million, compared to \$174.3 million for the three months ended June 30, 2024, due to a decrease in total volume sold of 3.3% and a decrease in wholesale product cost of \$0.3525 per gallon, or 14.3%. 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, 2025 decreased by \$0.0413 per gallon, or 2.4%, to \$1.6547 per gallon, from \$1.6960 per gallon during the three months ended June 30, 2024. In the base business, home heating and propane margins for the three months ended June 30, 2025 decreased by \$0.010 per gallon, or 0.6% to \$1.6860 per gallon. Going forward, we cannot assume that per gallon margins realized during the three months ended June 30, 2025 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, 2025		June 30, 2024	
	Amount (in millions)	Per Gallon	Amount (in millions)	Per Gallon
<b>Home Heating Oil and Propane</b>				
Volume	36.2		37.7	
Sales	\$ 136.2	\$ 3.7578	\$ 155.2	\$ 4.1193
Cost	\$ 76.2	\$ 2.1031	\$ 91.3	\$ 2.4233
Gross Profit	\$ 60.0	\$ 1.6547	\$ 63.9	\$ 1.6960
<b>Motor Fuel and Other Petroleum Products</b>				
Volume	32.0		32.9	
Sales	\$ 80.0	\$ 2.4985	\$ 93.8	\$ 2.8526
Cost	\$ 68.3	\$ 2.1336	\$ 83.0	\$ 2.5233
Gross Profit	\$ 11.7	\$ 0.3649	\$ 10.8	\$ 0.3293
<b>Total Product</b>				
Sales	\$ 216.2		\$ 249.0	
Cost	\$ 144.5		\$ 174.3	
Gross Profit	\$ 71.7		\$ 74.7	

For the three months ended June 30, 2025, total product gross profit was \$71.7 million, which was \$3.0 million, or 4.1%, lower than the three months ended June 30, 2024, due to a decrease in home heating oil and propane volume sold (\$2.4 million), decrease in home heating oil and propane margins (\$1.5 million) and slightly offset by an increase in gross profit from other petroleum products (\$0.9 million).

## Cost of Installations and Service

Total installation costs for the three months ended June 30, 2025 increased by \$2.5 million or 10.2%, to \$27.3 million, compared to \$24.8 million of installation costs for the three months ended June 30, 2024. This increase was largely due to higher installation sales from recent acquisitions. Installation costs as a percentage of installation sales were 82.0% for the three months ended June 30, 2025 and 82.2% for the three months ended June 30, 2024. The gross profit from installation increased by \$0.7 million.

Service expense increased by \$3.6 million, or 8.1%, to \$47.9 million for the three months ended June 30, 2025, representing 85.4% of service sales, versus \$44.3 million, or 84.4% of service sales, for the three months ended June 30, 2024. This increase was largely due to higher service sales from recent acquisitions. In addition, 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 did not change compared to the three months ended June 30, 2024.

We realized a combined gross profit from service and installation of \$14.2 million for the three months ended June 30, 2025 compared to a gross profit of \$13.5 million for the three months ended June 30, 2024, a \$0.7 million increase.

#### **(Increase) Decrease in the Fair Value of Derivative Instruments**

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 an \$2.8 million credit due to the expiration of certain hedged positions.

During the three months ended June 30, 2024, the change in the fair value of derivative instruments resulted in a \$1.0 million charge due to a decrease in the market value for unexpired hedges (a \$3.0 million charge) that was partially offset by a \$2.0 million credit due to the expiration of certain hedged positions.

#### **Delivery and Branch Expenses**

For the three months ended June 30, 2025, delivery and branch expense increased \$4.1 million, or 4.7%, to \$90.6 million, compared to \$86.5 million for the three months ended June 30, 2024. The increase was driven by \$5.8 million of expenses from recent acquisitions and partially offset by a \$1.7 million decrease in net base business expenses. The decrease in the base business expenses was driven by a \$0.7 million, or 0.8%, decrease in delivery expenses due to a 5.2 million gallon, or 14%, decrease in home heating oil and propane volume sold in the base business, and \$1.0 million of other net expense decreases.

#### **Depreciation and Amortization Expenses**

For the three months ended June 30, 2025, depreciation and amortization expenses increased \$2.0 million, or 27.0%, to \$9.2 million, compared to \$7.2 million for the three months ended June 30, 2024, primarily due to acquisitions and slightly offset by intangible assets that fully amortized in the prior fiscal year.

#### **General and Administrative Expenses**

For the three months ended June 30, 2025, general and administrative expenses increased by \$0.2 million or 1.9%, to \$7.6 million, from \$7.4 million for the three months ended June 30, 2024, due to a \$0.2 million increase in salaries and benefits expenses.

#### **Finance Charge Income**

For the three months ended June 30, 2025, finance charge income was \$1.8 million, essentially unchanged from the three months ended June 30, 2024.

#### **Interest Expense, Net**

For the three months ended June 30, 2025, net interest expense increased by \$0.9 million, or 36.7%, to \$3.6 million compared to \$2.7 million for the three months ended June 30, 2024. The year-over-year change was driven by an increase in average borrowings of \$60.3 million from \$143.2 million for the three months ended June 30, 2024 to \$203.5 million for the three months ended June 30, 2025 that was partially offset by a decrease in the weighted average interest rate from 7.2% for the three months ended June 30, 2024 to 7.0% for the three months ended June 30, 2025. The increase in average borrowings was attributable to financing acquisitions. To hedge against rising interest rates, the Company utilizes interest rate swaps. At June 30, 2025, approximately 39% of borrowings under Star's variable-rate long term debt were not subject to interest rate increases as a result of interest rate swaps.

#### **Amortization of Debt Issuance Costs**

For the three months ended June 30, 2025, amortization of debt issuance cost was \$0.3 million, essentially unchanged from the three months ended June 30, 2024.

#### **Income Tax Benefit**

For the three months ended June 30, 2025, the Company's income tax benefit increased by \$2.3 million to \$6.5 million, from \$4.2 million for the three months ended June 30, 2024. The increase in the income tax benefit was driven by a \$7.9 million increase in loss before income taxes.

## Net Loss

For the three months ended June 30, 2025, Star's net loss increased \$5.6 million, to \$16.6 million, compared to the three months ended June 30, 2024, primarily due to a \$6.5 million increase in the Adjusted EBITDA loss, a \$2.0 million increase in depreciation and amortization expenses and a \$0.9 million increase in net interest expense that was partially offset by a \$2.3 million increase in income tax benefit and a favorable change in the fair value of derivative instruments of \$1.6 million.

## Adjusted EBITDA Loss

For the three months ended June 30, 2025, Adjusted EBITDA loss increased \$6.5 million, to \$10.6 million, compared to the three months ended June 30, 2024, as a decrease in home heating oil and propane per gallon margins in the base business and lower home heating oil and propane volume sold in the base business was reduced by lower base business operating expenses and positive Adjusted EBITDA generated from recent acquisitions during this loss historical period. The positive Adjusted EBITDA realized from acquisitions during this historical loss quarter was due to our recent propane acquisitions.

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,	
	2025	2024
Net loss	\$ (16,629)	\$ (11,044)
Plus:		
Income tax benefit	(6,461)	(4,157)
Amortization of debt issuance costs	274	247
Interest expense, net	3,639	2,663
Depreciation and amortization	9,197	7,243
EBITDA (a)	(9,980)	(5,048)
(Increase) / decrease in the fair value of derivative instruments	(603)	984
Adjusted EBITDA (a)	(10,583)	(4,064)
<b>Add / (subtract)</b>		
Income tax benefit	6,461	4,157
Interest expense, net	(3,639)	(2,663)
Provision for losses on accounts receivable	3,424	3,273
Decrease in accounts receivables	83,850	66,478
Decrease in inventories	22,575	22,382
Increase in customer credit balances	12,059	11,099
Change in deferred taxes	(1,032)	261
Change in other operating assets and liabilities	(40,613)	(23,377)
Net cash provided by operating activities	\$ 72,502	\$ 77,546
Net cash used in investing activities	\$ (13,100)	\$ (1,984)
Net cash used in financing activities	\$ (49,822)	\$ (41,924)

(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, 2025  
Compared to the Nine Months Ended June 30, 2024**

**Volume**

For the nine months ended June 30, 2025, retail volume of home heating oil and propane sold increased by 27.7 million gallons, or 11.8%, to 262.6 million gallons, compared to 234.9 million gallons for the nine months ended June 30, 2024. 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, 2025 were 8.2% colder than the nine months ended June 30, 2024 but 8.3% warmer than normal, as reported by NOAA. For the twelve months ended June 30, 2025, net customer attrition for the base business was 4.4%. 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>Heating Oil and Propane</u>
Volume - Nine months ended June 30, 2024	234.9
Net customer attrition	(11.0)
Impact of colder temperatures	18.7
Acquisitions	23.5
Other	(3.5)
Change	27.7
Volume - Nine months ended June 30, 2025	262.6

The following chart sets forth the percentage by volume of total home heating oil sold to residential variable-price customers, residential price-protected customers and commercial/industrial/other customers for the nine months ended June 30, 2025, compared to the nine months ended June 30, 2024:

<u>Customers</u>	<u>Nine Months Ended</u>	
	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Residential Variable	44.3%	42.2%
Residential Price-Protected (Ceiling and Fixed Price)	41.3%	44.2%
Commercial/Industrial/Other	14.4%	13.6%
Total	100.0%	100.0%

Volume of motor fuel and other petroleum products sold decreased by 3.8 million gallons, or 4.0%, to 91.6 million gallons for the nine months ended June 30, 2025, compared to 95.4 million gallons for the nine months ended June 30, 2024.

**Product Sales**

For the nine months ended June 30, 2025, product sales decreased by \$12.1 million, or 0.9%, to \$1,280.7 million, compared to \$1,292.8 million for the nine months ended June 30, 2024, due to a decrease in average selling prices and slightly offset by an increase in total volume sold of 7.2%. Selling prices decreased largely due to a decrease in wholesale product cost of \$0.3650 per gallon, or 13.9%, compared to the nine months ended June 30, 2024. Product volumes and wholesale product cost include heating oil, propane, motor fuels and other petroleum products.

**Installations and Service**

For the nine months ended June 30, 2025, installation and service revenue increased by \$23.1 million, or 9.9%, to \$256.0 million, compared to \$232.9 million for the nine months ended June 30, 2024 driven by \$18.4 million of sales generated from recent acquisitions and the remainder was driven by a concerted effort to expand these offerings to our customers as well as annual price increases.

## Cost of Product

For the nine months ended June 30, 2025, cost of product decreased \$66.8 million, or 7.7%, to \$800.2 million, compared to \$867.0 million for the nine months ended June 30, 2024, due to a decrease in wholesale product cost of \$0.3650 per gallon, or 13.9%, slightly offset by an increase in total volume sold of 7.2%. 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, 2025 increased by \$0.0260 per gallon, or 1.6%, to \$1.7056 per gallon, from \$1.6796 per gallon during the nine months ended June 30, 2024. In the base business, home heating and propane margins for the nine months ended June 30, 2025 increased by \$0.0568 per gallon, or 3.4% to \$1.7364 per gallon. Going forward, we cannot assume that per gallon margins realized during the nine months ended June 30, 2025 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, 2025		June 30, 2024	
	Amount (in millions)	Per Gallon	Amount (in millions)	Per Gallon
<b>Home Heating Oil and Propane</b>				
Volume	262.6		234.9	
Sales	\$ 1,046.9	\$ 3.9871	\$ 1,014.5	\$ 4.3186
Cost	\$ 599.0	\$ 2.2815	\$ 620.0	\$ 2.6390
Gross Profit	\$ 447.9	\$ 1.7056	\$ 394.5	\$ 1.6796
<b>Motor Fuel and Other Petroleum Products</b>				
Volume	91.6		95.4	
Sales	\$ 233.8	\$ 2.5535	\$ 278.3	\$ 2.9161
Cost	\$ 201.2	\$ 2.1962	\$ 247.0	\$ 2.5885
Gross Profit	\$ 32.6	\$ 0.3573	\$ 31.3	\$ 0.3276
<b>Total Product</b>				
Sales	\$ 1,280.7		\$ 1,292.8	
Cost	\$ 800.2		\$ 867.0	
Gross Profit	\$ 480.5		\$ 425.8	

For the nine months ended June 30, 2025, total product gross profit was \$480.5 million, which was \$54.7 million, or 12.8%, higher than the nine months ended June 30, 2024, due to an increase in home heating oil and propane volume sold (\$46.5 million), an increase in home heating oil and propane margins (\$6.9 million) and an increase in gross profit from other petroleum products (\$1.3 million).

## Cost of Installations and Service

Total installation costs for the nine months ended June 30, 2025 increased by \$7.9 million or 10.6%, to \$81.9 million, compared to \$74.0 million of installation costs for the nine months ended June 30, 2024. This increase was largely due to higher installation sales from recent acquisitions. Installation costs as a percentage of installation sales were 81.8% for the nine months ended June 30, 2025 and 81.6% for the nine months ended June 30, 2024. The gross profit from installation increased by \$1.6 million.

Service expense increased by \$10.4 million, or 7.4%, to \$151.2 million for the nine months ended June 30, 2025, representing 97.0% of service sales, versus \$140.8 million, or 99.0% of service sales, for the nine months ended June 30, 2024. This increase was largely due to higher service sales from recent acquisitions. In addition, 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 \$3.2 million.

We realized a combined gross profit from service and installation of \$22.9 million for the nine months ended June 30, 2025 compared to a gross profit of \$18.1 million for the nine months ended June 30, 2024, a \$4.8 million increase, of which \$2.7 million is attributable to acquisitions and \$2.1 million is due to operating initiatives in the base business.

#### **(Increase) Decrease in the Fair Value of Derivative Instruments**

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 decrease in the market value for unexpired hedges (a \$2.3 million charge) was more than offset by a \$14.3 million credit due to the expiration of certain hedged positions.

During the nine months ended June 30, 2024, the change in the fair value of derivative instruments resulted in a \$8.3 million charge due to a decrease in the market value for unexpired hedges (a \$4.0 million charge) and a \$4.3 million charge due to the expiration of certain hedged positions.

#### **Delivery and Branch Expenses**

For the nine months ended June 30, 2025, delivery and branch expense increased \$29.9 million, or 10.5%, to \$314.9 million, compared to \$285.0 million for the nine months ended June 30, 2024. During the nine months ended June 30, 2025, the Company's weather hedge contracts accounted for a \$10.6 million increase in expense. The temperatures experienced from November 2024 through March 2025 (the weather hedge period) were colder than the strike prices and, therefore, the Company recorded an expense under those weather hedge contracts of \$3.1 million. This compares to the prior-year period which, due to warmer weather, the Company recorded a credit of \$7.5 million under its weather hedge contract. The increase was also driven by \$18.9 million of expenses from recent acquisitions and a \$0.4 million increase in net base business expenses. The increase in the base business expenses was driven by a \$1.4 million, or 1.6%, increase in delivery expenses due to a 4.2 million gallon, or 1.8%, increase in home heating oil and propane volume sold in the base business compared to the prior year and \$1.9 million of other net expense increases that were partially offset by a \$2.9 million decrease in insurance related costs.

#### **Depreciation and Amortization Expenses**

For the nine months ended June 30, 2025, depreciation and amortization expenses increased \$2.6 million, or 11.3%, to \$26.0 million, compared to \$23.4 million for the nine months ended June 30, 2024, primarily due acquisitions and slightly offset by intangible assets that fully amortized in the prior fiscal year.

#### **General and Administrative Expenses**

For the nine months ended June 30, 2025, general and administrative expenses increased by \$1.6 million, or 7.5%, to \$22.9 million, from \$21.3 million for the nine months ended June 30, 2024, due to a \$1.4 million increase in profit sharing expense and \$0.2 million of other net expense increases. 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 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, 2025, finance charge income increased by \$0.2 million, or 5.0%, to \$3.9 million, compared to \$3.7 million for the nine months ended June 30, 2024.

#### **Interest Expense, Net**

For the nine months ended June 30, 2025, net interest expense increased by \$1.4 million, or 14.4%, to \$11.1 million compared to \$9.7 million for the nine months ended June 30, 2024. The year-over-year change was driven by an increase in average borrowings of \$59.3 million from \$165.5 million for the nine months ended June 30, 2024 to \$224.8 million for the nine months ended June 30, 2025 that was partially offset by a decrease in the weighted average interest rate from 7.3% for the nine months ended June 30, 2024 to 7.0% for the nine months ended June 30, 2025. The increase in average borrowings was attributable to financing acquisitions. To hedge against rising interest rates, the Company utilizes interest rate swaps. At June 30, 2025, approximately 39% of borrowings under Star's variable-rate long term debt were not subject to interest rate increases as a result of interest rate swaps.

### Amortization of Debt Issuance Costs

For the nine months ended June 30, 2025, amortization of debt issuance cost was \$0.8 million, essentially unchanged from the nine months ended June 30, 2024.

### Income Tax Expense

For the nine months ended June 30, 2025, the Company's income tax expense increased by \$12.4 million to \$41.3 million, from \$28.9 million for the nine months ended June 30, 2024. The increase in the income tax expense was driven by a \$44.3 million increase in income before income taxes.

### Net Income

For the nine months ended June 30, 2025, Star's net income increased \$31.9 million, to \$102.2 million, compared to the nine months ended June 30, 2024, primarily due to a \$28.2 million increase in Adjusted EBITDA and a favorable change in the fair value of derivative instruments of \$20.2 million that was partially offset by a \$12.4 million increase in income tax expense, a \$2.6 million increase in depreciation and amortization expenses and a \$1.4 million increase in net interest expense.

### Adjusted EBITDA

For the nine months ended June 30, 2025, Adjusted EBITDA increased \$28.2 million, to \$169.5 million, compared to the nine months ended June 30, 2024, primarily due to a \$21.1 million increase in Adjusted EBITDA in the base business and a \$17.7 million increase in Adjusted EBITDA from recent acquisitions that was partially offset by a \$10.6 million increase in expense related to the Company's weather hedge contracts. The increase in Adjusted EBITDA in the base business was driven by an increase in home heating oil and propane per gallon margins, higher home heating oil and propane volume sold due to colder weather and an improvement in service and installation profitability.

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:

<b>(in thousands)</b>	<b>Nine Months Ended June 30,</b>	
	<b>2025</b>	<b>2024</b>
Net income	\$ 102,166	\$ 70,309
Plus:		
Income tax expense	41,330	28,887
Amortization of debt issuance costs	804	746
Interest expense, net	11,114	9,719
Depreciation and amortization	26,012	23,377
EBITDA (a)	181,426	133,038
(Increase) / decrease in the fair value of derivative instruments	(11,962)	8,262
Adjusted EBITDA (a)	169,464	141,300
<b>Add / (subtract)</b>		
Income tax expense	(41,330)	(28,887)
Interest expense, net	(11,114)	(9,719)
Provision for losses on accounts receivable	6,593	6,945
Increase in accounts receivables	(40,872)	(21,231)
Decrease in inventories	425	16,909
Decrease in customer credit balances	(49,341)	(50,516)
Change in deferred taxes	10,372	(2,495)
Change in other operating assets and liabilities	12,346	20,061
Net cash provided by operating activities	\$ 56,543	\$ 72,367
Net cash used in investing activities	\$ (99,507)	\$ (31,201)
Net cash used in financing activities	\$ (46,289)	\$ (40,656)

(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.

## 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, 2025, cash provided by operating activities decreased \$15.9 million, to \$56.5 million, compared to \$72.4 million in cash provided by operating activities during the nine months ended June 30, 2024, as a \$26.8 million increase in cash flows from operations and a \$4.8 million increase in cash from the timing of accounts payable payments, was more than offset by an \$18.5 million increase in accounts receivable due from customers on a comparable basis (including accounts receivable and customer credit balance accounts), a \$16.5 million greater use of cash for inventory purchases as we entered the 2025 heating season with a lower level of inventory than in fiscal 2024, \$6.3 million of additional cash required for collateral and option premiums at derivative counterparties and \$6.2 million of other net changes in working capital. The increase in accounts receivable was due to an increase in budget customer balances in debit positions.

### Investing Activities

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 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, 2024, the Company acquired one propane and three heating oil businesses for an aggregate price of approximately \$22.6 million in cash. The gross purchase price was allocated \$14.4 million to intangible assets, \$6.3 million to goodwill, \$2.8 million to fixed assets and reduced by \$0.9 million of negative working capital.

Our capital expenditures for the nine months ended June 30, 2024 totaled \$7.6 million, as we invested in computer hardware and software (\$1.0 million), refurbished certain physical plants (\$1.7 million), expanded our propane operations (\$1.1 million) and made additions to our fleet and other equipment (\$3.8 million).

During the nine months ended June 30, 2024, \$1.4 million of earnings were reinvested into the irrevocable trust.

### Financing Activities

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).

During the nine months ended June 30, 2024, we repaid \$12.3 million of our term loan, borrowed \$79.6 million under our revolving credit facility and subsequently repaid \$79.6 million, repurchased approximately 0.8 million Common Units, at an average price paid of \$10.88 per unit, for \$9.0 million, in connection with our unit repurchase plan, and paid distributions of \$17.7 million to our Common Unit holders and \$1.0 million to our General Partner unit holders (including \$1.0 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, 2025 (\$28.1 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 accounts receivable. As of June 30, 2025, we had accounts receivable of \$129.3 million of which \$93.0 million is due from residential customers and \$36.3 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, 2025, we had no borrowings under our revolving credit facility, \$194.3 million outstanding under our term loan, \$5.2 million in letters of credit outstanding and \$2.2 million 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) 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, 2025, Availability, as defined in the credit agreement, as amended, was \$167.6 million and we were in compliance with the financial covenants.

Maintenance capital expenditures for the remainder of fiscal 2025 are estimated to be approximately \$2.0 million to \$3.0 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 \$0.1850 per unit for the balance of fiscal 2025, the Company would make aggregate payments of approximately \$6.2 million to Common Unit holders, \$0.4 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 2025. 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, 2024 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, 2025 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, 2024. While

our critical accounting policies and estimates have not changed in any significant way during the nine months ended June 30, 2025, 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, 2024, we had approximately \$76.7 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, 2025, we had outstanding borrowings totaling \$194.3 million that are subject to variable interest rates under our credit agreement, and \$75.4 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 \$0.8 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, 2025, the potential impact on our hedging activity would be to increase the fair market value of these outstanding derivatives by \$7.0 million from \$(1.5) million to a fair market value of \$5.5 million; and conversely a hypothetical ten percent decrease in the cost of product would decrease the fair market value of these outstanding derivatives by \$5.5 million to a fair market value of \$(7.0) 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 2024 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, 2025. 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, 2025 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, 2025, 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 2024 Form 10-K report. We may disclose changes to such 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, 2025 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, 2025, 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 \(which includes the form of Rights Certificate as Exhibit A thereto\) \(Incorporated by reference as an exhibit to the Registrant's Form 8-A filed with the Commission on March 24, 2023.\)](#)
- 10.01 [First Amendment to Seventh Amended and Restated Credit Agreement and Seventh Amended and Restated Pledge and Security Agreement, dated as of April 2, 2025 \(Incorporated by reference to an exhibit to the Registrant's Quarterly Report on Form 10-Q filed with the Commission on May 7, 2025.\)](#)
- 10.02\* [Unit Purchase Agreement, dated as of May 30, 2025, between the Company and Bandera Master Fund, L.P \(Filed herewith.\)](#)
- 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, 2025, 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

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Richard F. Ambury</u> <b>Richard F. Ambury</b>	Executive Vice President, Chief Financial Officer, Treasurer and Secretary of Kestrel Heat LLC (Principal Financial Officer)	August 6, 2025
<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Cory A. Czekanski</u> <b>Cory A. Czekanski</b>	Vice President – Controller of Kestrel Heat LLC (Principal Accounting Officer)	August 6, 2025

**UNIT PURCHASE AGREEMENT**

THIS AGREEMENT dated as of the 30<sup>th</sup> day of May, 2025, by and between Star Group, L.P., a Delaware limited partnership (hereinafter referred to as “**Purchaser**”), and Bandera Master Fund, L.P, a Cayman Islands Limited Partnership (hereinafter referred to as “**Seller**”).

**RECITALS:**

A. Seller is the beneficial owner of common units of limited partnership interest of Purchaser (the “**Common Units**”).

B. Purchaser desires to purchase 700,000 Common Units (the “**Purchased Units**”) from Seller, and Seller desires to sell the Purchased Units to Purchaser under the terms and conditions set forth herein below.

NOW, THEREFORE, in consideration of the mutual promises set forth herein, the parties agree and stipulate as follows:

1. **Purchase and Sale**. Purchaser shall purchase (the “**Purchase**”) the Purchased Units from Seller, and Seller shall sell the Purchased Units to Purchaser for the price and upon the other terms set forth herein.

2. **Purchase Price**. Purchaser shall pay Seller \$12.04 per Purchased Unit for a total purchase price for the Purchased Units of \$8,428,000 (the “**Purchase Price**”).

3. **Closing**. The closing of the Purchase shall occur on the June 2 ,2025 (the “**Closing Date**”).

4. **Delivery and Payment for Purchased Units**. On the Closing Date, Purchaser shall wire the Purchase Price to Seller in accordance with written wire transfer instructions provided to Purchaser by Seller on or before the Closing Date. Upon receipt of the Purchase Price, Seller shall deliver the Purchased Units to Purchaser electronically through DTC in accordance with written instructions provided by Purchaser to Seller on or before the Closing Date.

5. **Representations and Warranties of Seller**. Seller hereby represents and warrants to Purchaser as follows: (i) upon receipt of the Purchase Price as provided in this Agreement, Seller will deliver good and valid title to the Purchased Units, free and clear from all liens, claims and encumbrances of any nature whatsoever, other than any liens, claims and encumbrances created by Purchaser, (ii) the execution, delivery and performance of this Agreement has been duly authorized by all necessary action on the part of Seller and this Agreement has been duly executed and delivered on behalf of Seller, and (iii) Seller has the power and authority to execute, deliver and perform this Agreement.

6. **Representations and Warranties of Purchaser**. Purchaser hereby represents and warrants to Seller as follows:

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(a) Power; Due Authorization; Binding Agreement. Purchaser is a limited partnership duly organized, validly existing and in good standing under the laws of its jurisdiction of organization. The execution, delivery and performance of this Agreement has been duly authorized by all necessary action on the part of Purchaser and Purchaser has the full power and authority to execute and deliver this Agreement, to perform its obligations under this Agreement and to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered on behalf of Purchaser and constitutes a valid and binding agreement of Purchaser.

(b) No Conflicts. The execution and delivery of this Agreement by Purchaser does not, and the performance of the terms of this Agreement by Purchaser will not, (i) contravene or conflict with any certificate of limited partnership, limited partnership agreement or any other similar organizational documents of Purchaser, (ii) require Purchaser to obtain the consent or approval of, or make any filing with or notification to, any governmental body, agency or official of any country or political subdivision of any country, including any federal, national, supranational, state, provincial, local or other government, governmental, regulatory or administrative authority, agency or commission or any court, tribunal, or judicial or arbitral body (“**Governmental Authority**”), other than any required filing under U.S. federal securities laws, (iii) require the consent or approval of any other person pursuant to any agreement, obligation or instrument binding on Purchaser or its properties and assets, (iv) conflict with or violate any law, rule, regulation, order, judgment or decree applicable to Purchaser or pursuant to which any of its assets are bound or (v) violate any other agreement to which Purchaser is a party.

(c) Material Non-Public Information. To its knowledge, Purchaser has not provided any material non-public information regarding Purchaser to Seller that has not been disclosed to the public prior to the date hereof.

(d) Accredited Investor. Purchaser is an “accredited investor” as that term is defined under Securities and Exchange Commission Regulation D.

(e) Acquisition of the Purchased Units for Own Account. Purchaser is acquiring the Purchased Units for its own account and not with a view to, or for resale in connection with, any distribution or public offering thereof within the meaning of the Securities Act of 1933, as amended.

(f) Private, Negotiated Transaction. Purchaser is aware and hereby acknowledges that the purchase and sale of the Purchased Units and the transactions contemplated by this Agreement are being made in a private, negotiated transaction between the parties.

(g) No Reliance. Purchaser hereby acknowledges and agrees that Seller has not made any representation or warranty, express or implied, regarding any aspect of the transactions contemplated by this Agreement except as explicitly set forth in this Agreement, and Seller is not relying on any representation or warranty not contained in this Agreement.

7. **Securities Law Representations, Warranties, Covenants, and Releases.** In connection with the Purchase, Seller hereby represents, warrants and agrees as follows:

(a) Purchaser has informed Seller that Purchaser possesses non-public information (the “**Non-Public Information**”) concerning Purchaser, including, without limitation, with respect to Purchaser’s results of operations and financial condition as of and for its third fiscal quarter ending June 30, 2025, and Purchaser is precluded from disclosing such information to Seller (the “**Non-Disclosure**”).

(b) the Non-Public Information may be indicative of a value of the Purchased Units that is higher than the purchase price reflected in the Purchase.

(c) Seller is an experienced and sophisticated investor that would qualify as an “accredited investor” as defined in Rule 501 of Regulation D and Seller is knowledgeable in trading equity securities and understands the disadvantage to which Seller is subject on account of the disparity of information as between Purchaser and Seller.

(d) Seller is not relying on any representations, warranties or disclosure from Purchaser or any person acting on Purchaser’s behalf in connection with the Purchase.

(e) Seller acknowledges that Purchaser is relying on this Agreement in purchasing the Purchased Units and would not purchase the Purchased Units in the absence of this Agreement; and

(f) Seller hereby waives, releases and forever discharges Purchaser from and against any and all claims, demands, causes of action and liabilities whatsoever, whether known or unknown, both at law and at equity, that it may have against Purchaser on account of the Non-Disclosure, including, without limitation, under Federal and state securities laws, including Section 10(b) or Rule 10b-5 of the Securities Exchange Act of 1934, as amended.

8. **Further Assurances.** Purchaser and Seller shall execute and deliver any further documents of whatsoever nature which may be reasonably necessary to effectuate and consummate the transaction set forth in this Agreement.

9. **Survival.** The representations and warranties contained in this Agreement shall survive indefinitely.

10. **Applicable Law.** This Agreement shall be subject to and governed by the laws of the State of New York without regard to conflicts of law principles other than Section 5-1401 of the New York General Obligations Law.

11. **Binding Effect.** This Agreement shall bind the parties hereto, their legal representatives, their successors and assigns.

12. **Counterparts and Facsimiles.** This Agreement may be executed by facsimile and/or electronic signature and/or in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document.

13. **Entire Agreement.** This Agreement constitutes the entire Agreement among the parties with respect to the subject matter hereof and supersedes all other prior and contemporaneous agreements or representations and understandings.

14. **Severability.** If any provision of this Agreement or the application of any such provision to any person or circumstance shall be held invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision hereof and all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the essential economic or legal substance of the transactions contemplated hereby is not affected. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

15. **Modification.** No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties.

16. **Waiver.** No waiver of any of the provisions of this Agreement shall be deemed, or will constitute, a waiver of any other provision, whether or not similar, nor will any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed on the day and year first above written.

PURCHASER:

STAR GROUP, L.P.

By Kestrel Heat, LLC, general partner

By: /s/ Richard F. Ambury

Name

: Richard F. Ambury

Title: Chief Financial Officer

SELLER:

Bandera Master Fund L.P.

By: /s/ Jeff Gramm

Name

: Jeff Gramm

Title: Managing Director of Bandera Partners, LLC, the Investment Manager of Bandera Master Fund, L.P.

*Signature page to Unit Purchase Agreement*

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## 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 6, 2025

/s/ Jeffrey M. Woosnam

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

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## 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 6, 2025

*/s/ Richard F. Ambury*

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

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