

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

Form 10-Q

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

For the quarterly period ended June 30, 2024

OR

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

Commission file number 1-12295

GENESIS ENERGY, L.P.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

811 Louisiana, Suite 1200,
Houston , TX
(Address of principal executive offices)

76-0513049
(I.R.S. Employer
Identification No.)

77002
(Zip code)

Registrant's telephone number, including area code: (713) 860-2500

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	GEL	NYSE

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

[Table of Contents](#)

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 checked="" type="checkbox"/>	Accelerated filer	<input 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

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date. There were 122,424,321 Class A Common Units and 39,997 Class B Common Units outstanding as of July 31, 2024.

GENESIS ENERGY, L.P.
TABLE OF CONTENTS

	<u>Page</u>
<u>PART I. FINANCIAL INFORMATION</u>	
Item 1. Financial Statements	3
Condensed Consolidated Balance Sheets as of June 30, 2024 (unaudited) and December 31, 2023	3
Unaudited Condensed Consolidated Statements of Operations	4
Unaudited Condensed Consolidated Statements of Comprehensive Income	5
Unaudited Condensed Consolidated Statements of Partners' Capital	6
Unaudited Condensed Consolidated Statements of Cash Flows	7
Notes to Unaudited Condensed Consolidated Financial Statements	8
1. Organization and Basis of Presentation and Consolidation	8
2. Recent Accounting Developments	8
3. Revenue Recognition	9
4. Business Consolidation	10
5. Lease Accounting	12
6. Inventories	13
7. Fixed Assets, Mineral Leaseholds, and Asset Retirement Obligations	13
8. Equity Investees	14
9. Intangible Assets	15
10. Debt	15
11. Partners' Capital, Mezzanine Capital and Distributions	17
12. Net Income (Loss) Per Common Unit	19
13. Business Segment Information	20
14. Transactions with Related Parties	22
15. Supplemental Cash Flow Information	23
16. Derivatives	23
17. Fair-Value Measurements	27
18. Commitments and Contingencies	28
19. Subsequent Events	28
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	29
Item 3. Quantitative and Qualitative Disclosures about Market Risk	52
Item 4. Controls and Procedures	52
<u>PART II. OTHER INFORMATION</u>	
Item 1. Legal Proceedings	53
Item 1A. Risk Factors	53
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	53
Item 3. Defaults upon Senior Securities	53
Item 4. Mine Safety Disclosures	53
Item 5. Other Information	53
Item 6. Exhibits	54
SIGNATURES	55

PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

GENESIS ENERGY, L.P.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except units)

	June 30, 2024	December 31, 2023
	<i>(unaudited)</i>	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 13,695	\$ 9,234
Restricted cash	18,804	18,804
Accounts receivable - trade, net	687,985	759,547
Inventories	106,327	135,231
Other	38,805	41,234
Total current assets	<u>865,616</u>	<u>964,050</u>
FIXED ASSETS, at cost	6,665,271	6,500,897
Less: Accumulated depreciation	<u>(2,090,138)</u>	<u>(1,972,596)</u>
Net fixed assets	4,575,133	4,528,301
MINERAL LEASEHOLDS, net of accumulated depletion	538,034	540,520
EQUITY INVESTEEES	252,142	263,829
INTANGIBLE ASSETS, net of amortization	141,748	141,537
GOODWILL	301,959	301,959
RIGHT OF USE ASSETS, net	231,710	240,341
OTHER ASSETS, net of amortization	44,960	38,241
TOTAL ASSETS	<u>\$ 6,951,302</u>	<u>\$ 7,018,778</u>
LIABILITIES AND CAPITAL		
CURRENT LIABILITIES:		
Accounts payable - trade	\$ 418,666	\$ 588,924
Accrued liabilities	<u>375,254</u>	<u>378,523</u>
Total current liabilities	793,920	967,447
SENIOR SECURED CREDIT FACILITY	134,800	298,300
SENIOR UNSECURED NOTES, net of debt issuance costs, discount and premium	3,416,804	3,062,955
ALKALI SENIOR SECURED NOTES, net of debt issuance costs and discount	385,443	391,592
DEFERRED TAX LIABILITIES	17,497	17,510
OTHER LONG-TERM LIABILITIES	<u>557,857</u>	<u>570,197</u>
Total liabilities	<u>5,306,321</u>	<u>5,308,001</u>
MEZZANINE CAPITAL:		
Class A Convertible Preferred Units, 23,111,918 issued and outstanding at June 30, 2024 and December 31, 2023, respectively	813,589	813,589
PARTNERS' CAPITAL:		
Common unitholders, 122,464,318 units issued and outstanding at June 30, 2024 and December 31, 2023, respectively	428,812	519,698
Accumulated other comprehensive income	8,200	8,040
Noncontrolling interests	<u>394,380</u>	<u>369,450</u>
Total partners' capital	<u>831,392</u>	<u>897,188</u>
TOTAL LIABILITIES, MEZZANINE CAPITAL AND PARTNERS' CAPITAL	<u>\$ 6,951,302</u>	<u>\$ 7,018,778</u>

The accompanying notes are an integral part of these Unaudited Condensed Consolidated Financial Statements.

GENESIS ENERGY, L.P.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
REVENUES:				
Offshore pipeline transportation	\$ 99,024	\$ 91,459	\$ 201,014	\$ 182,854
Soda and sulfur services	389,994	462,855	790,942	907,503
Marine transportation	81,871	77,343	165,445	160,569
Onshore facilities and transportation	185,372	173,005	368,965	344,348
Total revenues	756,261	804,662	1,526,366	1,595,274
COSTS AND EXPENSES:				
Offshore pipeline transportation operating costs	29,892	24,739	57,710	47,864
Soda and sulfur services operating costs	343,892	372,665	695,258	778,887
Marine transportation operating costs	50,602	51,848	103,010	109,584
Onshore facilities and transportation product costs	159,155	149,429	319,543	298,485
Onshore facilities and transportation operating costs	17,840	17,839	35,127	35,219
General and administrative	18,546	16,931	33,555	31,483
Depreciation, depletion and amortization	77,613	68,427	151,384	141,587
Total costs and expenses	697,540	701,878	1,395,587	1,443,109
OPERATING INCOME	58,721	102,784	130,779	152,165
Equity in earnings of equity investees	12,213	14,811	28,654	32,364
Interest expense, net	(70,870)	(61,623)	(139,604)	(122,477)
Other expense	(1,429)	(4)	(1,429)	(1,812)
Income (loss) from operations before income taxes	(1,365)	55,968	18,400	60,240
Income tax expense	(22)	(290)	(831)	(1,174)
NET INCOME (LOSS)	(1,387)	55,678	17,569	59,066
Net income attributable to noncontrolling interests	(7,357)	(6,334)	(14,960)	(11,366)
NET INCOME (LOSS) ATTRIBUTABLE TO GENESIS ENERGY, L.P.	\$ (8,744)	\$ 49,344	\$ 2,609	\$ 47,700
Less: Accumulated distributions and returns attributable to Class A Convertible Preferred Units	(21,894)	(22,910)	(43,788)	(46,912)
NET INCOME (LOSS) ATTRIBUTABLE TO COMMON UNITHOLDERS	\$ (30,638)	\$ 26,434	\$ (41,179)	\$ 788
NET INCOME (LOSS) PER COMMON UNIT (Note 12):				
Basic and Diluted	\$ (0.25)	\$ 0.22	\$ (0.34)	\$ 0.01
WEIGHTED AVERAGE OUTSTANDING COMMON UNITS:				
Basic and Diluted	122,464	122,579	122,464	122,579

The accompanying notes are an integral part of these Unaudited Condensed Consolidated Financial Statements.

GENESIS ENERGY, L.P.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income (loss)	\$ (1,387)	\$ 55,678	\$ 17,569	\$ 59,066
Other comprehensive income:				
Decrease in benefit plan liability	80	121	160	243
Total Comprehensive income (loss)	(1,307)	55,799	17,729	59,309
Comprehensive income attributable to noncontrolling interests	(7,357)	(6,334)	(14,960)	(11,366)
Comprehensive income (loss) attributable to Genesis Energy, L.P.	\$ (8,664)	\$ 49,465	\$ 2,769	\$ 47,943

The accompanying notes are an integral part of these Unaudited Condensed Consolidated Financial Statements.

GENESIS ENERGY, L.P.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PARTNERS' CAPITAL
(In thousands)

	Number of Common Units	Partners' Capital	Noncontrolling Interests	Accumulated Other Comprehensive Income	Total
Partners' capital, March 31, 2024	122,464	\$ 490,787	\$ 375,946	\$ 8,120	\$ 874,853
Net income (loss)	—	(8,744)	7,357	—	(1,387)
Cash distributions to partners	—	(18,370)	—	—	(18,370)
Cash distributions to noncontrolling interests	—	—	(9,090)	—	(9,090)
Cash contributions from noncontrolling interests	—	—	7,200	—	7,200
Non-cash contribution to noncontrolling interests	—	(12,967)	12,967	—	—
Other comprehensive income	—	—	—	80	80
Distributions to Class A Convertible Preferred unitholders	—	(21,894)	—	—	(21,894)
Partners' capital, June 30, 2024	122,464	\$ 428,812	\$ 394,380	\$ 8,200	\$ 831,392
	Number of Common Units	Partners' Capital	Noncontrolling Interests	Accumulated Other Comprehensive Income	Total
Partners' capital, March 31, 2023	122,579	\$ 523,244	\$ 319,269	\$ 6,236	\$ 848,749
Net income	—	49,344	6,334	—	55,678
Cash distributions to partners	—	(18,387)	—	—	(18,387)
Cash distributions to noncontrolling interests	—	—	(7,218)	—	(7,218)
Cash contributions from noncontrolling interests	—	—	15,840	—	15,840
Other comprehensive income	—	—	—	121	121
Distributions and returns attributable to Class A Convertible Preferred unitholders	—	(22,910)	—	—	(22,910)
Partners' capital, June 30, 2023	122,579	\$ 531,291	\$ 334,225	\$ 6,357	\$ 871,873
	Number of Common Units	Partners' Capital	Noncontrolling Interests	Accumulated Other Comprehensive Income	Total
Partners' capital, December 31, 2023	122,464	\$ 519,698	\$ 369,450	\$ 8,040	\$ 897,188
Net income	—	2,609	14,960	—	17,569
Cash distributions to partners	—	(36,740)	—	—	(36,740)
Cash distributions to noncontrolling interests	—	—	(19,197)	—	(19,197)
Cash contributions from noncontrolling interests	—	—	16,200	—	16,200
Non-cash contribution to noncontrolling interests	—	(12,967)	12,967	—	—
Other comprehensive income	—	—	—	160	160
Distributions to Class A Convertible Preferred unitholders	—	(43,788)	—	—	(43,788)
Partners' capital, June 30, 2024	122,464	\$ 428,812	\$ 394,380	\$ 8,200	\$ 831,392
	Number of Common Units	Partners' Capital	Noncontrolling Interests	Accumulated Other Comprehensive Income	Total
Partners' capital, December 31, 2022	122,579	\$ 567,277	\$ 310,162	\$ 6,114	\$ 883,553
Net income	—	47,700	11,366	—	59,066
Cash distributions to partners	—	(36,774)	—	—	(36,774)
Cash distributions to noncontrolling interests	—	—	(22,223)	—	(22,223)
Cash contributions from noncontrolling interests	—	—	34,920	—	34,920
Other comprehensive income	—	—	—	243	243
Distributions and returns attributable to Class A Convertible Preferred unitholders	—	(46,912)	—	—	(46,912)
Partners' capital, June 30, 2023	122,579	\$ 531,291	\$ 334,225	\$ 6,357	\$ 871,873

The accompanying notes are an integral part of these Unaudited Condensed Consolidated Financial Statements.

GENESIS ENERGY, L.P.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Six Months Ended June 30,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 17,569	\$ 59,066
Adjustments to reconcile net income to net cash provided by operating activities -		
Depreciation, depletion and amortization	151,384	141,587
Amortization and write-off of debt issuance costs, premium and discount	7,370	5,813
Equity in earnings of investments in equity investees	(28,654)	(32,364)
Cash distributions of earnings of equity investees	28,654	31,316
Non-cash effect of long-term incentive compensation plans	9,786	9,656
Deferred and other tax liabilities	(13)	551
Unrealized losses (gains) on derivative transactions	(10,941)	30,021
Other, net	6,255	8,718
Net changes in components of operating assets and liabilities (Note 15)	49,232	957
Net cash provided by operating activities	<u>230,642</u>	<u>255,321</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments to acquire fixed and intangible assets	(346,443)	(247,361)
Cash distributions received from equity investees - return of investment	11,687	13,300
Investments in equity investees	(285)	(2,197)
Proceeds from asset sales	10,996	202
Other, net	—	4,332
Net cash used in investing activities	<u>(324,045)</u>	<u>(231,724)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings on senior secured credit facility	766,600	501,976
Repayments on senior secured credit facility	(930,100)	(573,776)
Proceeds from issuance of senior unsecured notes (Note 10)	700,000	500,000
Repayment of senior unsecured notes (Note 10)	(339,310)	(341,135)
Repayment of Alkali senior secured notes (Note 10)	(5,815)	—
Debt issuance costs	(13,252)	(14,269)
Contributions from noncontrolling interests	16,200	34,920
Distributions to noncontrolling interests	(19,197)	(22,223)
Distributions to common unitholders	(36,740)	(36,774)
Distributions to Class A Convertible Preferred unitholders	(43,788)	(48,019)
Redemption of Class A Convertible Preferred Units (Note 11)	—	(25,000)
Other, net	3,266	4,446
Net cash provided by (used in) financing activities	<u>97,864</u>	<u>(19,854)</u>
Net increase in cash, cash equivalents and restricted cash	4,461	3,743
Cash, cash equivalents and restricted cash at beginning of period	28,038	26,567
Cash, cash equivalents and restricted cash at end of period	<u>\$ 32,499</u>	<u>\$ 30,310</u>

The accompanying notes are an integral part of these Unaudited Condensed Consolidated Financial Statements.

GENESIS ENERGY, L.P.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Organization and Basis of Presentation and Consolidation

Organization

We are a growth-oriented master limited partnership founded in Delaware in 1996 and focused on the midstream segment of the crude oil and natural gas industry as well as the production of natural soda ash. Our operations are primarily located in the Gulf of Mexico, Wyoming and in the Gulf Coast region of the United States. We provide an integrated suite of services to refiners, crude oil and natural gas producers and industrial and commercial enterprises. We have a diverse portfolio of assets, including pipelines, offshore hub and junction platforms, our trona and trona-based exploring, mining, processing, producing, marketing, logistics and selling business based in Wyoming (our “Alkali Business”), refinery-related plants, storage tanks and terminals, railcars, barges and other vessels and trucks. We are owned 100% by our limited partners. Genesis Energy, LLC, our general partner, is a wholly-owned subsidiary. Our general partner has sole responsibility for conducting our business and managing our operations. We conduct our operations and own our operating assets through our subsidiaries and joint ventures.

We currently manage our businesses through the following four divisions that constitute our reportable segments:

- Offshore pipeline transportation, which includes the transportation and processing of crude oil and natural gas in the Gulf of Mexico;
- Soda and sulfur services involving trona and trona-based exploring, mining, processing, soda ash production, marketing, logistics and selling activities, as well as the processing of high sulfur (or “sour”) gas streams for refineries to remove the sulfur, and selling the related by-product, sodium hydrosulfide (or “NaHS,” commonly pronounced “nash”);
- Marine transportation to provide waterborne transportation of petroleum products (primarily fuel oil, asphalt and other heavy refined products) and crude oil throughout North America; and
- Onshore facilities and transportation, which includes terminaling, blending, storing, marketing, and transporting crude oil and petroleum products.

Basis of Presentation and Consolidation

The accompanying Unaudited Condensed Consolidated Financial Statements include Genesis Energy, L.P. and its subsidiaries.

Our results of operations for the interim periods shown in this report are not necessarily indicative of results to be expected for the fiscal year. The Unaudited Condensed Consolidated Financial Statements included herein have been prepared by us pursuant to the rules and regulations of the Securities and Exchange Commission (the “SEC”). Accordingly, they reflect all adjustments (which consist solely of normal recurring adjustments) that are, in the opinion of management, necessary for a fair presentation of the financial results for interim periods. Certain information and notes normally included in annual financial statements prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) have been condensed or omitted pursuant to such rules and regulations. However, we believe that the disclosures are adequate to make the information presented not misleading when read in conjunction with the information contained in the periodic reports we file with the SEC pursuant to the Securities Exchange Act of 1934, including the Consolidated Financial Statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2023 (our “Annual Report”).

Except per unit amounts, or as noted within the context of each footnote disclosure, the dollar amounts presented in the tabular data within these footnote disclosures are stated in thousands of dollars.

2. Recent Accounting Developments

In November 2023, the FASB issued ASU 2023-07, “Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures” (“ASU 2023-07”), which enhances the disclosures required for operating segments in our annual and interim Consolidated Financial Statements. ASU 2023-07 is effective retrospectively for fiscal years beginning after December 15, 2023 and for interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. We are currently evaluating the impact of this standard on our disclosures.

GENESIS ENERGY, L.P.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

In December 2023, the Financial Accounting Standards Board (“FASB”) issued ASU 2023-09, “Income Taxes (Topic 740): Improvements to Income Tax Disclosures” (“ASU 2023-09”), which is intended to enhance the transparency and usefulness of income tax disclosures. The amendments in ASU 2023-09 provide for enhanced income tax information primarily through changes to the rate reconciliation and income taxes paid information. ASU 2023-09 is effective prospectively to all annual periods beginning after December 15, 2024. Early adoption is permitted. We are currently evaluating the impact of this standard on our disclosures.

All other new accounting pronouncements that have been issued, but not yet effective are currently being evaluated and at this time are not expected to have a material impact on our financial position or results of operations.

3. Revenue Recognition

Revenue from Contracts with Customers

The following tables reflect the disaggregation of our revenues by major category for the three months ended June 30, 2024 and 2023, respectively:

	Three Months Ended June 30, 2024				
	Offshore Pipeline Transportation	Soda and Sulfur Services	Marine Transportation	Onshore Facilities and Transportation	Consolidated
Fee-based revenues	\$ 99,024	\$ —	\$ 81,871	\$ 18,430	\$ 199,325
Product Sales	—	369,568	—	166,942	536,510
Refinery Services	—	20,426	—	—	20,426
	<u>\$ 99,024</u>	<u>\$ 389,994</u>	<u>\$ 81,871</u>	<u>\$ 185,372</u>	<u>\$ 756,261</u>

	Three Months Ended June 30, 2023				
	Offshore Pipeline Transportation	Soda and Sulfur Services	Marine Transportation	Onshore Facilities & Transportation	Consolidated
Fee-based revenues	\$ 91,459	\$ —	\$ 77,343	\$ 13,897	\$ 182,699
Product Sales	—	440,301	—	159,108	599,409
Refinery Services	—	22,554	—	—	22,554
	<u>\$ 91,459</u>	<u>\$ 462,855</u>	<u>\$ 77,343</u>	<u>\$ 173,005</u>	<u>\$ 804,662</u>

GENESIS ENERGY, L.P.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The following tables reflect the disaggregation of our revenues by major category for the six months ended June 30, 2024 and 2023, respectively:

	Six Months Ended June 30, 2024				
	Offshore Pipeline Transportation	Soda and Sulfur Services	Marine Transportation	Onshore Facilities and Transportation	Consolidated
Fee-based revenues	\$ 201,014	\$ —	\$ 165,445	\$ 33,723	\$ 400,182
Product Sales	—	747,629	—	335,242	1,082,871
Refinery Services	—	43,313	—	—	43,313
	<u>\$ 201,014</u>	<u>\$ 790,942</u>	<u>\$ 165,445</u>	<u>\$ 368,965</u>	<u>\$ 1,526,366</u>
	Six Months Ended June 30, 2023				
	Offshore Pipeline Transportation	Soda and Sulfur Services	Marine Transportation	Onshore Facilities and Transportation	Consolidated
Fee-based revenues	\$ 182,854	\$ —	\$ 160,569	\$ 28,081	\$ 371,504
Product Sales	—	863,125	—	316,267	1,179,392
Refinery Services	—	44,378	—	—	44,378
	<u>\$ 182,854</u>	<u>\$ 907,503</u>	<u>\$ 160,569</u>	<u>\$ 344,348</u>	<u>\$ 1,595,274</u>

The Company recognizes revenue upon the satisfaction of its performance obligations under its contracts. The timing of revenue recognition varies for our different revenue streams. In general, the timing includes recognition of revenue over time as services are being performed as well as recognition of revenue at a point in time for delivery of products.

Contract Assets and Liabilities

The table below depicts our contract asset and liability balances at December 31, 2023 and June 30, 2024:

	Contract Assets		Contract Liabilities	
	Other Assets, net of amortization	Accrued Liabilities	Other Long-Term Liabilities	
Balance at December 31, 2023	\$ 859	\$ 11,460	\$ 112,734	
Balance at June 30, 2024	1,631	34,378	104,216	

Transaction Price Allocations to Remaining Performance Obligations

We are required to disclose the aggregate amount of our transaction prices that are allocated to unsatisfied performance obligations as of June 30, 2024. However, we are permitted to utilize the following exemptions:

- 1) Performance obligations that are part of a contract with an expected duration of one year or less;
- 2) Revenue recognized from the satisfaction of performance obligations where we have a right to consideration in an amount that corresponds directly with the value provided to customers; and
- 3) Contracts that contain variable consideration, such as index-based pricing or variable volumes, that is allocated entirely to a wholly unsatisfied performance obligation or to a wholly unsatisfied promise to transfer a distinct good or service that is part of a series.

The majority of our contracts qualify for one of these exemptions. For the remaining contract types that involve revenue recognition over a long-term period and include long-term fixed consideration (adjusted for indexing as required), we determined our allocations of transaction price that relate to unsatisfied performance obligations. For our tiered pricing offshore transportation contracts, we provide firm capacity for both fixed and variable consideration over a long-term period. Therefore, we have allocated the remaining contract value to future periods.

GENESIS ENERGY, L.P.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The following chart depicts how we expect to recognize revenues for future periods related to these contracts:

	Offshore Pipeline Transportation	Onshore Facilities and Transportation
Remainder of 2024	\$ 70,508	\$ 12,912
2025	151,333	25,853
2026	122,603	26,170
2027	77,482	13,864
2028	45,453	10,000
Thereafter	124,184	2,500
Total	\$ 591,563	\$ 91,299

4. Business Consolidation

American Natural Soda Ash Corporation (“ANSAC”)

ANSAC is an organization whose purpose is to promote and market the use and sale of domestically produced natural soda ash in specified countries outside of the United States. Prior to 2023, our Alkali Business and another domestic soda ash producer were the two members of ANSAC. On January 1, 2023, we became the sole member of ANSAC and assumed 100% of the voting rights of the entity, and it became a wholly owned subsidiary of Genesis.

The allocation of the purchase price, as presented within our Condensed Consolidated Balance Sheet as of December 31, 2023, is summarized as follows:

Cash and cash equivalents	\$ 4,332
Accounts receivable - trade, net	231,797
Inventories	19,522
Other current assets	14,203
Fixed assets, at cost	4,000
Right of use assets, net	93,208
Intangible assets, net of amortization	14,992
Other Assets, net of amortization	400
Accounts payable - trade ⁽¹⁾	(228,106)
Accrued liabilities	(75,224)
Deferred tax liabilities	(1,482)
Other long-term liabilities	(77,642)
Net Assets	\$ —

- (1) The “Accounts payable - trade” balance above includes \$133.4 million of payables to Genesis at December 31, 2022 that eliminated upon consolidation in our Consolidated Balance Sheet.

Inventories principally relate to finished goods (soda ash) that have been supplied by current or former members of ANSAC. “Fixed assets, at cost” relate to leasehold improvements, and “Intangible assets, net of amortization” relate to the assets supporting our logistical and marketing footprint, and both have an estimated useful life of ten years, which is consistent with the term of our primary lease facilitating our logistics operations. Right of use assets, net and our corresponding lease liabilities, which are recorded within “Accrued liabilities” and “Other long-term liabilities,” are associated with our right to use certain assets to store and load finished goods, the vessels we utilize to ship finished goods to distributors and end users, as well as office space.

We have reflected the financial results of ANSAC within our soda and sulfur services segment from the date of acquisition, January 1, 2023. The following financial information was prepared from our historical financial statements that have been adjusted to give the effect of the consolidation of ANSAC, and was prepared using financial data of ANSAC. Net income attributable to common unitholders includes the effects of distributions attributable to our Class A Convertible Preferred Units. The dilutive effect of our Class A Convertible Preferred Units is calculated using the if-converted method.

	Three Months Ended June 30, 2023	Six Months Ended June 30, 2023
Consolidated financial operating results:		
Revenues	\$ 804,662	\$ 1,595,274
Net Income Attributable to Genesis Energy, L.P.	49,344	47,700
Net Income Attributable to Common Unitholders	26,434	788
Basic and diluted earnings per common unit:		
As reported net income per common unit	\$ 0.22	\$ 0.01
Pro forma net income per common unit	\$ 0.22	\$ 0.01

5. Lease Accounting

Lessee Arrangements

We lease a variety of transportation equipment (primarily railcars and vessels), terminals, land and facilities, and office space and equipment. Lease terms vary and can range from short term (not greater than 12 months) to long term (greater than 12 months). Certain of our leases contain options to extend the life of the lease at our sole discretion and we considered these options when determining the lease terms used to derive our right of use assets and associated lease liabilities. Leases with a term of 12 months or fewer are not recorded on our Unaudited Condensed Consolidated Balance Sheets and we recognize lease expense for these leases on a straight-line basis over the lease term.

Our “Right of Use Assets, net” balance includes our unamortized initial direct costs associated with certain of our transportation equipment, office space and equipment, and facilities and equipment leases. Additionally, it includes our unamortized prepaid rents and our deferred rents. Current and non-current lease liabilities are recorded within “Accrued liabilities” and “Other long-term liabilities,” respectively, on our Unaudited Condensed Consolidated Balance Sheets.

Lessor Arrangements

We have certain contracts discussed below in which we act as a lessor. We also, from time to time, sublease certain of our transportation and facilities equipment to third parties.

Operating Leases

During the three and six months ended June 30, 2024 and 2023, we acted as a lessor in a revenue contract associated with our 330,000 barrel-capacity ocean going tanker, the M/T American Phoenix, included in our marine transportation segment. Our lease revenues for this arrangement were \$7.1 million and \$5.9 million for the three months ended June 30, 2024 and 2023, respectively, and \$13.9 million and \$11.7 million for the six months ended June 30, 2024 and 2023, respectively.

The M/T American Phoenix is under contract through mid-2027. For the remainder of 2024, 2025, 2026, and through the expiration of the contract in 2027, we expect to receive undiscounted cash flows from lease payments of \$14.4 million, \$29.6 million, \$30.7 million and \$15.2 million, respectively. Our agreements generally contain clauses that may limit the use of the asset or require certain actions be taken by the lessee to maintain the asset for future performance.

6. Inventories

The major components of inventories were as follows:

	June 30, 2024	December 31, 2023
Crude oil	\$ 22,318	\$ 22,320
Caustic soda	7,198	9,150
NaHS	12,199	17,605
Raw materials - Alkali Business	10,872	8,355
Work-in-process - Alkali Business	7,652	11,404
Finished goods, net - Alkali Business	26,684	48,706
Materials and supplies, net - Alkali Business	19,404	17,691
Total	<u>\$ 106,327</u>	<u>\$ 135,231</u>

Inventories are valued at the lower of cost or net realizable value. As of June 30, 2024 and December 31, 2023, the net realizable value of inventories were below their respective cost by \$0.1 million and \$0.2 million, respectively, which triggered a reduction of the value of inventory in our Unaudited Condensed Consolidated Financial Statements by these amounts.

Materials and supplies include chemicals, maintenance supplies and spare parts which will be consumed in the mining of trona ore and production of soda ash processes.

7. Fixed Assets, Mineral Leaseholds and Asset Retirement Obligations

Fixed Assets

Fixed assets consisted of the following:

	June 30, 2024	December 31, 2023
Crude oil and natural gas pipelines and related assets	\$ 2,953,262	\$ 2,945,215
Alkali facilities, machinery and equipment	1,163,200	1,147,291
Onshore facilities, machinery and equipment	291,039	271,271
Transportation equipment	30,588	24,913
Marine vessels	1,024,287	1,021,080
Land, buildings and improvements	296,424	293,733
Office equipment, furniture and fixtures	25,268	25,029
Construction in progress ⁽¹⁾	851,892	731,197
Other	29,311	41,168
Fixed assets, at cost	6,665,271	6,500,897
Less: Accumulated depreciation	(2,090,138)	(1,972,596)
Net fixed assets	<u>\$ 4,575,133</u>	<u>\$ 4,528,301</u>

(1) Construction in progress primarily relates to our ongoing offshore growth capital projects, which are expected to be completed in late 2024 and in 2025, and represents 100% of the costs incurred, including those funded by our noncontrolling interest holder.

Mineral Leaseholds

Our Mineral Leaseholds, relating to our Alkali Business, consist of the following:

	June 30, 2024	December 31, 2023
Mineral leaseholds	\$ 566,019	\$ 566,019
Less: Accumulated depletion	(27,985)	(25,499)
Mineral leaseholds, net of accumulated depletion	<u>\$ 538,034</u>	<u>\$ 540,520</u>

Our depreciation and depletion expense for the periods presented were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Depreciation expense	\$ 73,341	\$ 63,913	\$ 143,026	\$ 133,486
Depletion expense	1,340	1,268	2,486	2,149

Asset Retirement Obligations

We record asset retirement obligations (“AROs”) in connection with legal requirements to perform specified retirement activities under contractual arrangements and/or governmental regulations.

The following table presents information regarding our AROs since December 31, 2023:

ARO liability balance, December 31, 2023	\$ 243,708
Accretion expense	5,554
Settlements	(298)
ARO liability balance, June 30, 2024	<u>\$ 248,964</u>

At June 30, 2024 and December 31, 2023, \$26.1 million is included as current in “Accrued liabilities” on our Unaudited Condensed Consolidated Balance Sheets. The remainder of the ARO liability as of June 30, 2024 and December 31, 2023 is included in “Other long-term liabilities” on our Unaudited Condensed Consolidated Balance Sheets.

Certain of our unconsolidated affiliates have AROs recorded at June 30, 2024 and December 31, 2023 relating to contractual agreements and regulatory requirements. In addition, certain entities that we consolidate have non-controlling interest owners that are responsible for their representative share of future costs of the related ARO liability. These amounts are immaterial to our Unaudited Condensed Consolidated Financial Statements.

8. Equity Investees

We account for our ownership in certain of our joint ventures under the equity method of accounting. The price we pay to acquire an ownership interest in a company may exceed the underlying book value of the capital accounts we acquire. Such excess cost amounts are included within the carrying values of our equity investees. At June 30, 2024 and December 31, 2023, the unamortized excess cost amounts totaled \$284.2 million and \$291.4 million, respectively. We amortize the differences in carrying value as changes in equity earnings.

The following table presents information included in our Unaudited Condensed Consolidated Financial Statements related to our equity investees:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Genesis’ share of operating earnings	\$ 15,779	\$ 18,377	\$ 35,786	\$ 39,496
Amortization of differences attributable to Genesis’ carrying value of equity investments	(3,566)	(3,566)	(7,132)	(7,132)
Equity in earnings of equity investees	<u>\$ 12,213</u>	<u>\$ 14,811</u>	<u>\$ 28,654</u>	<u>\$ 32,364</u>
Distributions received ⁽¹⁾	<u>\$ 17,092</u>	<u>\$ 20,678</u>	<u>\$ 40,341</u>	<u>\$ 44,512</u>

(1) Distributions attributable to the respective period and received within 15 days subsequent to the respective period end.

Poseidon’s Revolving Credit Facility

Poseidon Oil Pipeline Company, LLC (“Poseidon”) has a revolving credit facility, which was amended and restated on June 1, 2023 (the “June 2023 credit facility”). Borrowings under Poseidon’s revolving credit facility have historically been used to fund spending on capital projects and for working capital needs, if necessary. The June 2023 credit facility, which matures on June 1, 2027, is non-recourse to Poseidon’s owners and secured by its assets. The June 2023 credit facility contains customary covenants such as restrictions on debt levels, liens, guarantees, mergers, sale of assets and distributions to owners. A breach of any of these covenants could result in acceleration of the maturity date of Poseidon’s debt. Poseidon was in compliance with the terms of its credit agreement for all periods presented in these Unaudited Condensed Consolidated Financial Statements.

9. Intangible Assets

The following table summarizes the components of our intangible assets at the dates indicated:

	June 30, 2024			December 31, 2023		
	Gross Carrying Amount	Accumulated Amortization	Carrying Value	Gross Carrying Amount	Accumulated Amortization	Carrying Value
Offshore pipeline contract intangibles	\$ 158,101	\$ 74,196	\$ 83,905	\$ 158,101	\$ 70,036	\$ 88,065
Other	76,845	19,002	57,843	70,974	17,502	53,472
Total	\$ 234,946	\$ 93,198	\$ 141,748	\$ 229,075	\$ 87,538	\$ 141,537

Our amortization of intangible assets for the periods presented was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Amortization of intangible assets	\$ 2,826	\$ 2,973	\$ 5,660	\$ 5,678

We estimate that our amortization expense for the next five years will be as follows:

Remainder of 2024	\$ 5,583
2025	15,152
2026	14,840
2027	14,393
2028	14,144

10. Debt

Our obligations under debt arrangements consisted of the following:

	June 30, 2024			December 31, 2023		
	Principal	Unamortized Premium, Discount and Debt Issuance Costs	Net Value	Principal	Unamortized Premium, Discount and Debt Issuance Costs	Net Value
Senior secured credit facility ⁽¹⁾	\$ 134,800	\$ —	\$ 134,800	\$ 298,300	\$ —	\$ 298,300
6.250% senior unsecured notes due 2026	—	—	—	339,310	1,746	337,564
8.000% senior unsecured notes due 2027	981,245	2,888	978,357	981,245	3,549	977,696
7.750% senior unsecured notes due 2028	679,360	5,372	673,988	679,360	6,121	673,239
8.250% senior unsecured notes due 2029	600,000	15,610	584,390	600,000	17,202	582,798
8.875% senior unsecured notes due 2030	500,000	7,678	492,322	500,000	8,342	491,658
7.875% senior unsecured notes due 2032	700,000	12,253	687,747	—	—	—
5.875% Alkali senior secured notes due 2042 ⁽²⁾	419,185	21,395	397,790	425,000	21,791	403,209
Total long-term debt	\$4,014,590	\$ 65,196	\$3,949,394	\$3,823,215	\$ 58,751	\$3,764,464

(1) Unamortized debt issuance costs associated with our senior secured credit facility (included in “Other Assets, net of amortization” on the Unaudited Condensed Consolidated Balance Sheets), were \$4.3 million and \$5.7 million as of June 30, 2024 and December 31, 2023, respectively.

(2) As of June 30, 2024 and December 31, 2023, \$12.3 million and \$11.6 million, respectively, of the principal balance is considered current and included within “Accrued liabilities” on the Unaudited Condensed Consolidated Balance Sheets.

Senior Secured Credit Facility

On February 17, 2023, we entered into the Sixth Amended and Restated Credit Agreement (our “credit agreement”) to replace our Fifth Amended and Restated Credit Agreement. Our credit agreement provides for a \$850 million senior secured revolving credit facility. The credit agreement matures on February 13, 2026, subject to extension at our request for one additional year on up to two occasions and subject to certain conditions.

At June 30, 2024, the key terms for rates under our senior secured credit facility (which are dependent on our leverage ratio as defined in the credit agreement) are as follows:

- The interest rate on borrowings may be based on an alternate base rate or Term Secured Overnight Financing Rate (“SOFR”), at our option. Interest on alternate base rate loans is equal to the sum of (a) the highest of (i) the prime rate in effect on such day, (ii) the federal funds effective rate in effect on such day plus 0.5% and (iii) the Adjusted Term SOFR (as defined in our credit agreement) for a one-month tenor in effect on such day plus 1% and (b) the applicable margin. The Adjusted Term SOFR is equal to the sum of (a) the Term SOFR rate (as defined in our credit agreement) for such period plus (b) the Term SOFR Adjustment of 0.1% plus (c) the applicable margin. The applicable margin varies from 2.25% to 3.50% on Term SOFR borrowings and from 1.25% to 2.50% on alternate base rate borrowings, depending on our leverage ratio. Our leverage ratio is recalculated quarterly and in connection with each material acquisition. At June 30, 2024, the applicable margins on our borrowings were 2.00% for alternate base rate borrowings and 3.00% for Term SOFR borrowings based on our leverage ratio.
- Letter of credit fee rates range from 2.25% to 3.50% based on our leverage ratio as computed under the credit agreement and can fluctuate quarterly. At June 30, 2024, our letter of credit rate was 3.00%.
- We pay a commitment fee on the unused portion of the senior secured revolving credit facility. The commitment fee rates on the unused committed amount will range from 0.30% to 0.50% per annum depending on our leverage ratio. At June 30, 2024, our commitment fee rate on the unused committed amount was 0.50%.
- We have the ability to increase the aggregate size of the senior secured credit facility by an additional \$200 million, subject to lender consent and certain other customary conditions.

At June 30, 2024, we had \$134.8 million borrowed under our senior secured credit facility, with \$17.2 million of the borrowed amount designated as a loan under the inventory sublimit. Our credit agreement allows up to \$100 million of the capacity to be used for letters of credit, of which \$4.5 million was outstanding at June 30, 2024. Due to the revolving nature of loans under our senior secured credit facility, additional borrowings, periodic repayments and re-borrowings may be made until the maturity date. The total amount available for borrowings under our senior secured credit facility at June 30, 2024 was \$710.7 million, subject to compliance with covenants. Our credit agreement does not include a “borrowing base” limitation except with respect to our inventory loans.

Alkali Senior Secured Notes Issuance

The agreement governing our 5.875% senior secured notes due 2042 (the “Alkali senior secured notes”) requires principal repayments on the last day of each quarter commencing with the quarter ended March 31, 2024. We made principal payments on our Alkali senior secured notes of \$2.8 million and \$5.8 million for three and six months ending June 30, 2024, respectively. As of June 30, 2024, principal repayments totaling \$71.9 million are due within the next five years, with the remaining quarterly principal repayments due thereafter through March 31, 2042. As of June 30, 2024, \$12.3 million of the principal balance is considered current and included within “Accrued liabilities” on the Unaudited Condensed Consolidated Balance Sheet. We are required to maintain a certain level of cash in a liquidity reserve account (owned by GA ORRI, LLC (“GA ORRI”)) to be held as collateral for future interest and principal payments as calculated and described in the agreement governing the Alkali senior secured notes. As of June 30, 2024, our liquidity reserve account had a balance of \$18.8 million, which is classified as “Restricted cash” on the Unaudited Condensed Consolidated Balance Sheet.

Senior Unsecured Note Transactions

On May 9, 2024, we issued \$700.0 million in aggregate principal amount of 7.875% senior unsecured notes due May 15, 2032 (the “2032 Notes”). Interest payments are due May 15 and November 15 of each year with the initial interest payment due on November 15, 2024. The issuance of our 2032 Notes generated net proceeds of approximately \$688 million, net of issuance costs incurred. The net proceeds were used to redeem \$339.3 million of our existing 6.25% senior unsecured notes due May 15, 2026 (the “2026 Notes”) and pay the related accrued interest. The remaining proceeds were used to repay a portion of the borrowing outstanding under our senior secured credit facility, and for general partnership purposes. We incurred a loss of \$1.4 million associated with the write-off of the related unamortized debt issuance costs on our 2026 Notes, which is recorded as “Other expense” in our Unaudited Condensed Consolidated Statement of Operations for the three and six months ended June 30, 2024.

On January 25, 2023, we issued \$500.0 million in aggregate principal amount of 8.875% senior unsecured notes due April 15, 2030 (the “2030 Notes”). Interest payments are due April 15 and October 15 of each year with the initial interest payment due on October 15, 2023. The issuance generated net proceeds of approximately \$491 million, net of issuance costs incurred. The net proceeds were used to purchase \$316.3 million of our existing 5.625% senior unsecured notes due June 15, 2024 (the “2024 Notes”), including the related accrued interest and tender premium and fees on those notes that were tendered in the tender offer that ended January 24, 2023. The remaining proceeds at that time were used to repay a portion of the borrowings outstanding under our senior secured credit facility and for general partnership purposes. On January 26, 2023, we issued a notice of redemption for the remaining principal of \$24.8 million of our 2024 Notes and discharged the indebtedness with respect to the 2024 Notes on February 14, 2023. We incurred a loss of \$1.8 million on the tender and redemption of the 2024 Notes, inclusive of our transactions costs and write-off of the related unamortized debt issuance costs, which is recorded as “Other expense” in our Unaudited Condensed Consolidated Statement of Operations for the six months ended June 30, 2023.

Our \$3.5 billion aggregate principal amount of senior unsecured notes co-issued by Genesis Energy, L.P. and Genesis Energy Finance Corporation are fully and unconditionally guaranteed jointly and severally by all of Genesis Energy, L.P.’s current and future 100% owned domestic subsidiaries (the “Guarantor Subsidiaries”), except GA ORRI and GA ORRI Holdings, LLC (“GA ORRI Holdings”), and certain other subsidiaries. The non-guarantor subsidiaries are indirectly owned by Genesis Crude Oil, L.P., a Guarantor Subsidiary. The Guarantor Subsidiaries largely own the assets, other than GA ORRI’s fifty-year limited term 10% overriding royalty interest in substantially all of the Alkali Business’ trona mineral leases (the “ORRI Interests”), that we use to operate our business. As a general rule, the assets and credit of our unrestricted subsidiaries are not available to satisfy the debts of Genesis Energy, L.P., Genesis Energy Finance Corporation or the Guarantor Subsidiaries, and the liabilities of our unrestricted subsidiaries do not constitute obligations of Genesis Energy, L.P., Genesis Energy Finance Corporation or the Guarantor Subsidiaries.

11. Partners’ Capital, Mezzanine Capital and Distributions

At June 30, 2024, our outstanding common units consisted of 122,424,321 Class A Common Units and 39,997 Class B Common Units. The Class A Common Units are traditional common units in us. The Class B Common Units are identical to the Class A Common Units and, accordingly, have voting and distribution rights equivalent to those of the Class A Common Units, and, in addition, the Class B Common Units have the right to elect all of our board of directors and are convertible into Class A Common Units under certain circumstances, subject to certain exceptions. At June 30, 2024, we had 23,111,918 Class A Convertible Preferred Units outstanding, which are discussed below in further detail.

In an effort to return capital to our investors, we announced a common equity repurchase program (the “Repurchase Program”) on August 8, 2023. The Repurchase Program authorizes the repurchase from time to time of up to 10% of our then outstanding Class A Common Units, or 12,253,922 units, via open market purchases or negotiated transactions conducted in accordance with applicable regulatory requirements. These repurchases may be made pursuant to a repurchase plan or plans that comply with Rule 10b5-1 under the Securities Exchange Act of 1934. The Repurchase Program will be reviewed no later than December 31, 2024 and may be suspended or discontinued at any time prior thereto. The Repurchase Program does not create an obligation for us to acquire a particular number of Class A Common Units and any Class A Common Units repurchased will be canceled. During 2023, we repurchased and cancelled a total of 114,900 Class A Common Units at an average price of approximately \$9.09 per unit for a total purchase price of \$1.0 million, including commissions. We did not repurchase any Class A Common Units in 2024.

Distributions

We paid, or will pay, the following cash distributions to our common unitholders in 2023 and 2024:

Distribution For	Date Paid	Per Unit Amount	Total Amount
2023			
1 st Quarter	May 15, 2023	\$ 0.15	\$ 18,387
2 nd Quarter	August 14, 2023	\$ 0.15	\$ 18,387
3 rd Quarter	November 14, 2023	\$ 0.15	\$ 18,370
4 th Quarter	February 14, 2024	\$ 0.15	\$ 18,370
2024			
1 st Quarter	May 15, 2024	\$ 0.15	\$ 18,370
2 nd Quarter ⁽¹⁾	August 14, 2024	\$ 0.15	\$ 18,370

(1) This distribution was declared in July 2024 and will be paid to unitholders of record as of July 31, 2024.

Class A Convertible Preferred Units

Our Class A Convertible Preferred Units rank senior to all of our currently outstanding classes or series of limited partner interests with respect to distribution and/or liquidation rights. Holders of our Class A Convertible Preferred Units vote on an as-converted basis with holders of our common units and have certain class voting rights, including with respect to any amendment to the partnership agreement that would adversely affect the rights, preferences or privileges, or otherwise modify the terms, of those Class A Convertible Preferred Units.

Accounting for the Class A Convertible Preferred Units

Our Class A Convertible Preferred Units are considered redeemable securities under GAAP due to the existence of redemption provisions upon a deemed liquidation event that is outside of our control. Therefore, we present them as temporary equity in the mezzanine section of the Unaudited Condensed Consolidated Balance Sheets. We initially recognized our Class A Convertible Preferred Units at their issuance date fair value, net of issuance costs, as they were not redeemable and we did not have plans or expect any events that constitute a change of control in our partnership agreement.

On April 3, 2023, we entered into a purchase agreement with the Class A Convertible Preferred unitholders whereby we redeemed 741,620 Class A Convertible Preferred Units (the “Redeemed Units”) at a purchase price of \$33.71 per unit. The Redeemed Units had a carrying value of \$35.20 per unit resulting in a return attributable to the Class A Convertible Preferred Units of approximately \$1.1 million.

Net Income (Loss) Attributable to Genesis Energy, L.P. is adjusted for distributions and returns attributable to the Class A Convertible Preferred Units that accumulate in the period. Net Income (Loss) Attributable to Genesis Energy, L.P. was reduced by \$21.9 million and \$43.8 million for the three and six months ending June 30, 2024, respectively, and \$24.0 million and \$48.0 million for the three and six months ending June 30, 2023, respectively, due to Class A Convertible Preferred Unit distributions paid in the period (Class A Convertible Preferred Unit distributions are summarized in the table below). For the three and six months ended June 30, 2023, Net Income Attributable to Genesis Energy L.P. was increased by \$1.1 million due to returns attributable to the Class A Convertible Preferred Units accumulated in the period.

As of June 30, 2024, we will not be required to further adjust the carrying amount of our Class A Convertible Preferred Units until it becomes probable that they would become redeemable. Once redemption becomes probable, we would adjust the carrying amount of our Class A Convertible Preferred Units to the redemption value over a period of time comprising the date redemption first becomes probable and the date the units can first be redeemed.

[Table of Contents](#)

We paid, or will pay, by the dates noted below, the following cash distributions to our Class A Convertible Preferred unitholders in 2023 and 2024:

Distribution For	Date Paid	Per Unit Amount	Total Amount
2023			
1 st Quarter	May 15, 2023	\$ 0.9473	\$ 24,002
2 nd Quarter	August 14, 2023	\$ 0.9473	\$ 23,314
3 rd Quarter	November 14, 2023	\$ 0.9473	\$ 22,612
4 th Quarter	February 14, 2024	\$ 0.9473	\$ 21,894
2024			
1 st Quarter	May 15, 2024	\$ 0.9473	\$ 21,894
2 nd Quarter ⁽¹⁾	August 14, 2024	\$ 0.9473	\$ 21,894

(1) This distribution was declared in July 2024 and will be paid to unitholders of record as of July 31, 2024

Noncontrolling Interests

We own a 64% membership interests in Cameron Highway Oil Pipeline Co. (“CHOPS”) and are the operator of its pipeline and associated assets (the “CHOPS pipeline”). We also own an 80% membership interest in Independence Hub, LLC. For financial reporting purposes, the assets and liabilities of these entities are consolidated with those of our own, with any third party or affiliate interest in our Unaudited Condensed Consolidated Balance Sheets amounts shown as noncontrolling interests in equity.

12. Net Income (Loss) Per Common Unit

Basic net income (loss) per common unit is computed by dividing net income (loss) attributable to Genesis Energy, L.P., after considering income attributable to our Class A preferred unitholders, by the weighted average number of common units outstanding.

The dilutive effect of our Class A Convertible Preferred Units is calculated using the if-converted method. Under the if-converted method, the Class A Convertible Preferred Units are assumed to be converted at the beginning of the period (beginning with their respective issuance date), and the resulting common units are included in the denominator of the diluted net income (loss) per common unit calculation for the period being presented. The numerator is adjusted for distributions declared in the period, undeclared distributions that accumulated during the period, and any returns that accumulated in the period. For the three and six months ended June 30, 2024 and 2023, the effect of the assumed conversion of all the outstanding Class A Convertible Preferred Units was anti-dilutive and was not included in the computation of diluted earnings per unit.

The following table reconciles net income (loss) attributable to Genesis Energy, L.P. and weighted average units used in computing basic and diluted net income (loss) per common unit (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income (loss) attributable to Genesis Energy, L.P.	\$ (8,744)	\$ 49,344	\$ 2,609	\$ 47,700
Less: Accumulated distributions and returns attributable to Class A Convertible Preferred Units	(21,894)	(22,910)	(43,788)	(46,912)
Net income (loss) attributable to common unitholders	\$ (30,638)	\$ 26,434	\$ (41,179)	\$ 788
Weighted average outstanding units	122,464	122,579	122,464	122,579
Basic and diluted net income (loss) per common unit	\$ (0.25)	\$ 0.22	\$ (0.34)	\$ 0.01

13. Business Segment Information

We currently manage our businesses through four divisions that constitute our reportable segments:

- Offshore pipeline transportation, which includes the transportation and processing of crude oil and natural gas in the Gulf of Mexico;
- Soda and sulfur services involving trona and trona-based exploring, mining, processing, soda ash production, marketing, logistics and selling activities, as well as processing of high sulfur (or “sour”) gas streams for refineries to remove the sulfur, and selling the related by-product, sodium hydrosulfide (or “NaHS,” commonly pronounced “nash”);
- Marine transportation to provide waterborne transportation of petroleum products (primarily fuel oil, asphalt and other heavy refined products) and crude oil throughout North America; and
- Onshore facilities and transportation, which includes terminaling, blending, storing, marketing, and transporting crude oil and petroleum products.

Substantially all of our revenues are derived from, and substantially all of our assets are located in, the United States.

We define Segment Margin as revenues less product costs, operating expenses (excluding non-cash gains and charges, such as depreciation, depletion, amortization and accretion) and segment general and administrative expenses, net of the effects of our noncontrolling interests, plus our equity in distributable cash generated by our equity investees and unrestricted subsidiaries. In addition, our Segment Margin definition excludes the non-cash effects of our long-term incentive compensation plan.

Our chief operating decision maker (our Chief Executive Officer) evaluates segment performance based on a variety of measures including Segment Margin, segment volumes, where relevant, and capital investment.

Segment information for the periods presented below was as follows:

	Offshore Pipeline Transportation	Soda and Sulfur Services	Marine Transportation	Onshore Facilities and Transportation	Total
Three Months Ended June 30, 2024					
Segment Margin ⁽¹⁾	\$ 86,131	\$ 41,611	\$ 31,543	\$ 9,028	\$ 168,313
Capital expenditures ⁽²⁾	\$ 55,788	\$ 18,106	\$ 29,532	\$ 6,692	\$ 110,118
Revenues:					
External customers	\$ 99,024	\$ 392,226	\$ 81,871	\$ 183,140	\$ 756,261
Intersegment ⁽³⁾	—	(2,232)	—	2,232	—
Total revenues of reportable segments	<u>\$ 99,024</u>	<u>\$ 389,994</u>	<u>\$ 81,871</u>	<u>\$ 185,372</u>	<u>\$ 756,261</u>
Three Months Ended June 30, 2023					
Segment Margin ⁽¹⁾	\$ 93,300	\$ 89,255	\$ 25,758	\$ 6,305	\$ 214,618
Capital expenditures ⁽²⁾	\$ 91,645	\$ 26,622	\$ 10,990	\$ 2,088	\$ 131,345
Revenues:					
External customers	\$ 91,459	\$ 465,077	\$ 77,343	\$ 170,783	\$ 804,662
Intersegment ⁽³⁾	—	(2,222)	—	2,222	—
Total revenues of reportable segments	<u>\$ 91,459</u>	<u>\$ 462,855</u>	<u>\$ 77,343</u>	<u>\$ 173,005</u>	<u>\$ 804,662</u>
Six Months Ended June 30, 2024					
Segment Margin ⁽¹⁾	\$ 183,937	\$ 86,993	\$ 62,906	\$ 15,575	\$ 349,411
Capital expenditures ⁽²⁾	\$ 119,414	\$ 36,706	\$ 41,842	\$ 13,213	\$ 211,175
Revenues:					
External customers	\$ 201,014	\$ 795,179	\$ 165,445	\$ 364,728	\$ 1,526,366
Intersegment ⁽³⁾	—	(4,237)	—	4,237	—
Total revenues of reportable segments	<u>\$ 201,014</u>	<u>\$ 790,942</u>	<u>\$ 165,445</u>	<u>\$ 368,965</u>	<u>\$ 1,526,366</u>
Six Months Ended June 30, 2023					
Segment Margin ⁽¹⁾	\$ 191,238	\$ 155,362	\$ 51,452	\$ 11,695	\$ 409,747
Capital expenditures ⁽²⁾	\$ 143,698	\$ 46,607	\$ 20,047	\$ 4,018	\$ 214,370
Revenues:					
External customers	\$ 182,854	\$ 911,983	\$ 160,569	\$ 339,868	\$ 1,595,274
Intersegment ⁽³⁾	—	(4,480)	—	4,480	—
Total revenues of reportable segments	<u>\$ 182,854</u>	<u>\$ 907,503</u>	<u>\$ 160,569</u>	<u>\$ 344,348</u>	<u>\$ 1,595,274</u>

- (1) A reconciliation of Net income (loss) attributable to Genesis Energy, L.P. to total Segment Margin for the periods is presented below.
- (2) Capital expenditures include maintenance and growth capital expenditures, such as fixed asset additions (including enhancements to existing facilities and construction of growth projects) as well as contributions to equity investees, if any.
- (3) Intersegment sales were conducted under terms that we believe were no more or less favorable than then-existing market conditions.

Total assets by reportable segment were as follows:

	June 30, 2024	December 31, 2023
Offshore pipeline transportation	\$ 2,653,561	\$ 2,580,032
Soda and sulfur services	2,616,451	2,705,350
Marine transportation	639,386	645,020
Onshore facilities and transportation	965,850	1,019,113
Other assets	76,054	69,263
Total consolidated assets	<u>\$ 6,951,302</u>	<u>\$ 7,018,778</u>

Reconciliation of Net income (loss) attributable to Genesis Energy, L.P. to total Segment Margin:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income (loss) attributable to Genesis Energy, L.P.	\$ (8,744)	\$ 49,344	\$ 2,609	\$ 47,700
Corporate general and administrative expenses	20,007	18,487	36,056	34,251
Depreciation, depletion, amortization and accretion	80,386	71,754	156,929	147,689
Interest expense, net	70,870	61,623	139,604	122,477
Adjustment to include distributable cash generated by equity investees not included in income and exclude equity in investees net income ⁽¹⁾	4,879	5,867	11,687	12,148
Unrealized losses (gains) on derivative transactions excluding fair value hedges, net of changes in inventory value	(5,860)	2,888	(10,941)	30,020
Other non-cash items	(2,496)	(7,197)	(4,685)	(9,658)
Loss on extinguishment of debt ⁽²⁾	1,429	3	1,429	1,812
Differences in timing of cash receipts for certain contractual arrangements ⁽³⁾	7,820	11,559	15,892	22,134
Income tax expense	22	290	831	1,174
Total Segment Margin	\$ 168,313	\$ 214,618	\$ 349,411	\$ 409,747

(1) Includes distributions attributable to the quarter and received during or promptly following such quarter.

(2) The three and six months ended June 30, 2024 includes the write-off of the unamortized issuance costs associated with the redemption of our 2026 Notes. The three and six months ended June 30, 2023 includes transactions costs and the write-off of the related unamortized debt issuance costs associated with the tender and redemption of our 2024 Notes.

(3) Includes the difference in timing of cash receipts from customers during the period and the revenue we recognize in accordance with GAAP on our related contracts.

14. Transactions with Related Parties

The transactions with related parties were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenues:				
Revenues from services and fees to Poseidon ⁽¹⁾	\$ 6,025	\$ 5,454	\$ 11,008	\$ 9,046
Costs and expenses:				
Amounts paid to our CEO in connection with the use of his aircraft	\$ 165	\$ 165	\$ 330	\$ 330
Charges for products purchased from Poseidon ⁽¹⁾	298	1,755	584	2,037

(1) We own a 64% interest in Poseidon.

Our CEO, Mr. Grant E. Sims, owns an aircraft which is used by us for business purposes in the course of operations. We pay Mr. Sims a fixed monthly fee and reimburse the aircraft management company for costs related to our usage of the aircraft, including fuel and the actual out-of-pocket costs. Based on current market rates for chartering of private aircraft under long-term, priority arrangements with industry recognized chartering companies, we believe that the terms of this arrangement reflect what we would expect to obtain in an arms-length transaction.

Transactions with Unconsolidated Affiliates

Poseidon

We provide management, administrative and pipeline operator services to Poseidon under an Operation and Management Agreement. Currently, that agreement automatically renews annually unless terminated by either party (as defined in the agreement). Our revenues for the three and six months ended June 30, 2024 include \$2.6 million and \$5.2 million, respectively, of fees we earned through the provision of services under that agreement. Our revenues for the three and six months ended June 30, 2023 include \$2.5 million and \$5.0 million, respectively, of fees we earned through the provision of services under that agreement. At June 30, 2024 and December 31, 2023, Poseidon owed us \$2.9 million and \$1.9 million for services rendered, respectively.

15. Supplemental Cash Flow Information

The following table provides information regarding the net changes in components of operating assets and liabilities.

	Six Months Ended June 30,	
	2024	2023
(Increase) decrease in:		
Accounts receivable	\$ 73,043	\$ 147,999
Inventories	40,761	(20,187)
Deferred charges	6,497	21,076
Other current assets	10,696	(129)
Increase (decrease) in:		
Accounts payable	(68,308)	(130,131)
Accrued liabilities	(13,457)	(17,671)
Net changes in components of operating assets and liabilities	\$ 49,232	\$ 957

Payments of interest and commitment fees were \$126.0 million and \$117.5 million for the six months ended June 30, 2024 and 2023, respectively.

We capitalized interest of \$23.3 million and \$18.3 million during the six months ended June 30, 2024 and June 30, 2023, respectively.

At June 30, 2024 and 2023, we had incurred liabilities for fixed and intangible asset additions totaling \$43.2 million and \$64.0 million, respectively, that had not been paid at the end of the quarter. Therefore, these amounts were not included in the caption “Payments to acquire fixed and intangible assets” under Cash Flows from Investing Activities in the Unaudited Condensed Consolidated Statements of Cash Flows. The amounts as of June 30, 2024 primarily relate to the capital expenditures associated with our offshore growth capital projects.

16. Derivatives

Crude Oil and Petroleum Products Hedges

We have exposure to commodity price changes related to our petroleum inventory and purchase commitments. We utilize derivative instruments (exchange-traded futures, options and swap contracts) to hedge our exposure to crude oil, fuel oil and other petroleum products. Our decision as to whether to designate derivative instruments as fair value hedges for accounting purposes relates to our expectations of the length of time we expect to have the commodity price exposure and our expectations as to whether the derivative contract will qualify as highly effective under accounting guidance in limiting our exposure to commodity price risk. We recognize any changes in the fair value of our derivative contracts as increases or decreases in “Onshore facilities and transportation product costs” in the Unaudited Condensed Consolidated Statements of Operations. The recognition of changes in fair value of the derivative contracts not designated as hedges for accounting purposes can occur in reporting periods that do not coincide with the recognition of gain or loss on the actual transaction being hedged. Therefore, we will, on occasion, report gains or losses in one period that will be partially offset by gains or losses in a future period when the hedged transaction is completed.

We have designated certain crude oil futures contracts as hedges of crude oil inventory due to our expectation that these contracts will be highly effective in hedging our exposure to fluctuations in crude oil prices during the period that we expect to hold that inventory. We account for these derivative instruments as fair value hedges under the accounting guidance. Changes in the fair value of these derivative instruments designated as fair value hedges are used to offset related changes in the

fair value of the hedged crude oil inventory. Any hedge ineffectiveness in these fair value hedges and any amounts excluded from effectiveness testing are recorded as a gain or loss within “Onshore facilities and transportation product costs” in the Unaudited Condensed Consolidated Statements of Operations.

Natural Gas Hedges

Our Alkali Business relies on natural gas to generate heat and electricity for operations. We use a combination of commodity price swap contracts, future purchase contracts, and option contracts to manage our exposure to fluctuations in natural gas prices. The swap contracts are used to fix the basis differential between NYMEX Henry Hub and NW Rocky Mountain posted prices. We do not designate these contracts as hedges for accounting purposes. We recognize any changes in fair value of natural gas derivative contracts as increases or decreases within “Soda and sulfur services operating costs” in the Unaudited Condensed Consolidated Statements of Operations.

Forward Freight Hedges

ANSAC is exposed to fluctuations in freight rates for vessels used to transport soda ash to our international customers. We use exchange-traded or over-the-counter futures, swaps and options to hedge future freight rates for forecasted shipments. We do not designate these contracts as hedges for accounting purposes. We recognize any changes in fair value of forward freight contracts as increases or decreases within “Soda and sulfur services operating costs” in the Unaudited Condensed Consolidated Statements of Operations.

Bunker Fuel Hedges

ANSAC is exposed to fluctuations in the price of bunker fuel consumed by vessels used to transport soda ash to our international customers. We use exchange-traded or over-the-counter futures, swaps and options to hedge bunker fuel prices for forecasted shipments. We do not designate these contracts as hedges for accounting purposes. We recognize any changes in fair value of bunker fuel contracts as increases or decreases within “Soda and sulfur services operating costs” in the Unaudited Condensed Consolidated Statements of Operations.

Rail Fuel Surcharge Hedges

ANSAC enters into rail transport agreements that require us to pay rail fuel surcharges based on changes in the U.S. On-Highway Diesel Fuel Price published by the U.S. Department of Energy (“DOE”). We use exchange-traded or over-the-counter futures, swaps and options to hedge fluctuations in the fuel price. We do not designate these contracts as hedges for accounting purposes. We recognize any changes in fair value of bunker fuel contracts as increases or decreases within “Soda and sulfur services operating costs” in the Unaudited Condensed Consolidated Statements of Operations.

Balance Sheet Netting and Broker Margin Accounts

Our accounting policy is to offset derivative assets and liabilities executed with the same counterparty when a master netting arrangement exists. Accordingly, we also offset fair value amounts recorded for our exchange-traded derivative contracts against required margin funding in “Current Assets - Other” in our Unaudited Condensed Consolidated Balance Sheets. Our exchange-traded derivatives are transacted through brokerage accounts and are subject to margin requirements as established by the respective exchange. Margin requirements are intended to mitigate a party’s exposure to market volatility and counterparty credit risk. On a daily basis, our account equity (consisting of the sum of our cash margin balance and the fair value of our open derivatives) is compared to our initial margin requirement resulting in the payment or return of variation margin.

As of June 30, 2024, we had a net broker receivable of approximately \$13.0 million (consisting of initial margin of \$4.3 million increased by \$8.7 million variation margin). As of December 31, 2023, we had a net broker receivable of approximately \$10.9 million (consisting of initial margin of \$5.7 million increased by \$5.2 million of variation margin). At June 30, 2024 and December 31, 2023, none of our outstanding derivatives contained credit-risk related contingent features that would result in a material adverse impact to us upon any change in our credit ratings.

Financial Statement Impacts

Unrealized gains are subtracted from net income (loss) and unrealized losses are added to net income (loss) in determining cash flows from operating activities. To the extent that we have fair value hedges outstanding, the offsetting change recorded in the fair value of inventory is also eliminated from net income (loss) in determining cash flows from operating activities. Changes in the cash margin balance required to maintain our exchange-traded derivative contracts also affect cash flows from operating activities.

Outstanding Derivatives

At June 30, 2024, we had the following outstanding derivative contracts that were entered into to economically hedge inventory, fixed price purchase commitments or forecasted purchases.

	Sell (Short) Contracts	Buy (Long) Contracts
Designated as hedges under accounting rules:		
Crude oil futures:		
Contract volumes (1,000 Bbls)	249	—
Weighted average contract price per Bbl	\$ 78.32	\$ —
Not qualifying or not designated as hedges under accounting rules:		
Crude oil futures:		
Contract volumes (1,000 Bbls)	32	53
Weighted average contract price per Bbl	\$ 80.72	\$ 79.66
Natural gas swaps:		
Contract volumes (10,000 MMBtu)	—	767
Weighted average price differential per MMBtu	\$ —	\$ 0.42
Natural gas futures:		
Contract volumes (10,000 MMBtu)	250	943
Weighted average contract price per MMBtu	\$ 2.80	\$ 3.54
Natural gas options:		
Contract volumes (10,000 MMBtu)	16	5
Weighted average premium received/paid	\$ 0.26	\$ 0.06
Bunker fuel futures:		
Contract volumes (metric tons “MT”)	—	60,500
Weighted average price per MT	\$ —	\$ 540.17
Bunker fuel swaps:		
Contract volumes (metric tons “MT”)	—	8,500
Weighted average price per MT	\$ —	\$ 553.14
DOE diesel options:		
Contract volumes (1,000 Gal)	—	1,950
Weighted average premium received/paid	\$ —	\$ 0.35

Fair Value of Derivative Assets and Liabilities

The following tables reflect the estimated fair value position of our derivatives at June 30, 2024 and December 31, 2023:

	Unaudited Condensed Consolidated Balance Sheets Location	Fair Value	
		June 30, 2024	December 31, 2023
Asset Derivatives:			
Natural Gas Swap (undesignated hedge)	Current Assets - Accounts receivable - trade, net	\$ 4,735	\$ 3,710
Commodity derivatives - futures and put and call options (undesignated hedges):			
Gross amount of recognized assets	Current Assets - Other ⁽¹⁾	\$ 2,718	\$ 1,235
Gross amount offset in the Unaudited Condensed Consolidated Balance Sheets	Current Assets - Other ⁽¹⁾	(2,718)	(1,235)
Net amount of assets presented in the Unaudited Condensed Consolidated Balance Sheets		\$ —	\$ —
Commodity derivatives - futures (designated hedges):			
Gross amount of recognized assets	Current Assets - Other ⁽¹⁾	\$ 409	\$ 716
Gross amount offset in the Unaudited Condensed Consolidated Balance Sheets	Current Assets - Other ⁽¹⁾	(409)	(716)
Net amount of assets presented in the Unaudited Condensed Consolidated Balance Sheets		\$ —	\$ —
Liability Derivatives:			
Natural Gas Swap (undesignated hedge)	Current Liabilities - Accrued liabilities	\$ (4,160)	\$ (5,536)
Commodity derivatives - futures and put and call options (undesignated hedges):			
Gross amount of recognized liabilities	Current Assets - Other ⁽¹⁾	\$ (5,326)	\$ (12,384)
Gross amount offset in the Unaudited Condensed Consolidated Balance Sheets	Current Assets - Other ⁽¹⁾	5,326	12,384
Net amount of liabilities presented in the Unaudited Condensed Consolidated Balance Sheets		\$ —	\$ —
Commodity derivatives - futures (designated hedges):			
Gross amount of recognized liabilities	Current Assets - Other ⁽¹⁾	\$ (1,153)	\$ (120)
Gross amount offset in the Unaudited Condensed Consolidated Balance Sheets	Current Assets - Other ⁽¹⁾	1,153	120
Net amount of liabilities presented in the Unaudited Condensed Consolidated Balance Sheets		\$ —	\$ —

- (1) As noted above, our exchange-traded derivatives are transacted through brokerage accounts and subject to margin requirements. We offset fair value amounts recorded for our exchange-traded derivative contracts against required margin deposits recorded in our Unaudited Condensed Consolidated Balance Sheets under “Current Assets - Other”.

Effect on Operating Results

	Unaudited Condensed Consolidated Statements of Operations Location	Amount of Gain (Loss) Recognized in Income			
		Three Months Ended June 30,		Six Months Ended June 30,	
		2024	2023	2024	2023
Commodity derivatives - futures and call options:					
Contracts designated as hedges under accounting guidance	Onshore facilities and transportation product costs	\$ (59)	\$ 1,388	\$ (2,977)	\$ 2,355
Contracts not considered hedges under accounting guidance	Onshore facilities and transportation product costs, Soda and sulfur services operating costs	499	(2,141)	1,387	(12,294)
Total commodity derivatives		\$ 440	\$ (753)	\$ (1,590)	\$ (9,939)
Natural Gas Swap	Soda and sulfur services operating costs	\$ (1,891)	\$ (7,599)	\$ 1,119	\$ 6,486

17. Fair-Value Measurements

We classify financial assets and liabilities into the following three levels based on the inputs used to measure fair value:

- (1) Level 1 fair values are based on observable inputs such as quoted prices in active markets for identical assets and liabilities;
- (2) Level 2 fair values are based on pricing inputs other than quoted prices in active markets for identical assets and liabilities and are either directly or indirectly observable as of the measurement date; and
- (3) Level 3 fair values are based on unobservable inputs in which little or no market data exists.

As required by fair value accounting guidance, financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Our assessment of the significance of a particular input to the fair value requires judgment and may affect the placement of assets and liabilities within the fair value hierarchy levels.

The following table sets forth by level within the fair value hierarchy our financial assets and liabilities that were accounted for at fair value on a recurring basis as of June 30, 2024 and December 31, 2023.

Recurring Fair Value Measures	June 30, 2024			December 31, 2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Commodity derivatives:						
Assets	\$ 3,127	\$ 4,735	\$ —	\$ 1,951	\$ 3,710	\$ —
Liabilities	\$ (6,479)	\$ (4,160)	\$ —	\$ (12,504)	\$ (5,536)	\$ —

Our commodity and fuel derivatives include exchange-traded futures and exchange-traded options contracts. The fair value of these exchange-traded derivative contracts is based on unadjusted quoted prices in active markets and is, therefore, included in Level 1 of the fair value hierarchy. The fair value of the swaps contracts was determined using market price quotations and a pricing model. The swap contracts were considered a level 2 input in the fair value hierarchy at June 30, 2024.

See [Note 16](#) for additional information on our derivative instruments.

Other Fair Value Measurements

We believe the debt outstanding under our senior secured credit facility approximates fair value as the stated rate of interest approximates current market rates of interest for similar instruments with comparable maturities. At June 30, 2024 and December 31, 2023, our senior unsecured notes had a carrying value of approximately \$3.5 billion and \$3.1 billion, respectively, and a fair value of approximately \$3.5 billion and \$3.2 billion, respectively. The fair value of the senior unsecured notes is determined based on trade information in the financial markets of our public debt and is considered a Level 2 fair value measurement. At June 30, 2024 and December 31, 2023, our Alkali senior secured notes had a carrying value and fair value of approximately \$0.4 billion. The fair value of the Alkali senior secured notes is determined based on trade information in the financial market of securities with similar features and is considered a Level 2 fair value measurement.

18. Commitments and Contingencies

We are subject to various environmental laws and regulations. Policies and procedures are in place to aid in monitoring compliance and detecting and addressing releases of crude oil from our pipelines or other facilities and from our mining operations relating to our Alkali Business; however, no assurance can be made that such environmental releases may not substantially affect our business.

We are subject to lawsuits in the normal course of business and examination by tax and other regulatory authorities. We do not expect such matters presently pending to have a material effect on our financial position, results of operations, or cash flows.

19. Subsequent Events

On July 19, 2024, we entered into the Seventh Amended and Restated Credit Agreement (our “new credit agreement”) to replace our Sixth Amended and Restated Credit Agreement. Our new credit agreement provides for a \$900 million senior secured revolving credit facility that matures on September 1, 2028, subject to extension at our request for one additional year on up to two occasions and subject to certain conditions, unless; (i) if more than \$150 million of our 8.000% senior unsecured notes due 2027 remain outstanding as of October 16, 2026, the new credit agreement matures on such date; and (ii) if more than \$150 million of our 7.750% senior unsecured notes due 2028 remain outstanding as of November 2, 2027, the new credit agreement matures on such date.

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

The following information should be read in conjunction with our Unaudited Condensed Consolidated Financial Statements and accompanying notes included in this Quarterly Report on Form 10-Q. The following information and such Unaudited Condensed Consolidated Financial Statements should also be read in conjunction with the audited financial statements and related notes, together with our discussion and analysis of financial position and results of operations, included in our Annual Report.

Included in Management’s Discussion and Analysis of Financial Condition and Results of Operations are the following sections:

- Overview
- Results of Operations
- Liquidity and Capital Resources
- Guarantor Summarized Financial Information
- Non-GAAP Financial Measures
- Forward Looking Statements

Overview

We reported Net Loss Attributable to Genesis Energy, L.P. of \$8.7 million during the three months ended June 30, 2024 (the “2024 Quarter”) compared to Net Income Attributable to Genesis Energy, L.P. of \$49.3 million during the three months ended June 30, 2023 (the “2023 Quarter”).

Net Loss Attributable to Genesis Energy, L.P. in the 2024 Quarter was primarily impacted by a decrease in Segment Margin of \$46.3 million (see “Results of Operations” below for additional details on the results of our operating segments), an increase in interest expense, net, of \$9.2 million (see “Results of Operations” below for additional details), and an increase in depreciation, depletion and amortization of \$9.2 million during the 2024 Quarter (see “Results of Operations” below for additional details). This decrease in net income was partially offset by \$5.9 million in unrealized gains associated with the valuation of our commodity derivative transactions in the 2024 Quarter compared to unrealized losses of \$2.9 million during the 2023 Quarter associated with the valuation of our commodity derivative transactions.

Cash flow from operating activities was \$104.7 million for the 2024 Quarter compared to \$157.7 million for the 2023 Quarter. The decrease in cash flow from operating activities is primarily attributable to a decrease in our reported Segment Margin (as discussed further below).

Available Cash before Reserves (as defined below in “Non-GAAP Financial Measures”) to our common unitholders was \$37.6 million for the 2024 Quarter, a decrease of \$58.7 million, or 61%, from the 2023 Quarter primarily as a result of: (i) a decrease in Segment Margin of \$46.3 million, which is discussed in more detail below; and (ii) an increase in interest expense, net, of \$9.2 million (see “Results of Operations” below for additional details).

Segment Margin (as defined below in “Non-GAAP Financial Measures”) was \$168.3 million for the 2024 Quarter, a decrease of \$46.3 million, or 22%, from the 2023 Quarter. A more detailed discussion of our segment results and other costs are included below in “Results of Operations”. See “Non-GAAP Financial Measures” below for additional information on Segment Margin.

Distribution to Unitholders

On May 15, 2024, we paid a distribution of \$0.15 per common unit related to the first quarter of 2024. With respect to our Class A Convertible Preferred Units, we declared a quarterly cash distribution of \$0.9473 per preferred unit (or \$3.7892 on an annualized basis) for each preferred unit held of record. These distributions were paid on May 15, 2024 to unitholders holders of record at the close of business April 30, 2024.

In July 2024, we declared our quarterly distribution to our common unitholders of \$0.15 per unit related to the 2024 Quarter. With respect to our Class A Convertible Preferred Units, we declared a quarterly cash distribution of \$0.9473 per Class A Convertible Preferred Unit (or \$3.7892 on an annualized basis) for each Class A Convertible Preferred Unit held of record. These distributions will be payable August 14, 2024 to unitholders of record at the close of business on July 31, 2024.

International Conflicts and Market Update

Management's estimates are based on numerous assumptions about future operations and market conditions, which we believe to be reasonable, but are inherently uncertain. The uncertainties underlying our assumptions could cause our estimates to differ significantly from actual results, including with respect to the duration and severity of the lasting impacts of international conflicts and the result of any economic recession or depression that has occurred or may occur in the future as a result of or as it relates to changes in governmental policies aimed at addressing inflation, which could cause fluctuations in global economic conditions, including capital and credit markets. We will continue to monitor the current market environment and to the extent conditions deteriorate, we may identify triggering events that may require future evaluations of the recoverability of the carrying value of our long-lived assets, intangible assets and goodwill, which could result in impairment charges that could be material to our results of operations.

Although the ultimate impacts of these international conflicts, and fluctuations in global economic conditions, including capital and credit markets, are still unknown at this time, we believe the fundamentals of our core businesses continue to remain strong and, given the current industry environment and capital market behavior, we have continued our focus on increasing liquidity and completing our major growth capital projects in order to generate future cash flows to deleverage our balance sheet as further explained in "Liquidity and Capital Resources".

Results of Operations

Revenues and Costs and Expenses

Our revenues for the 2024 Quarter decreased \$48.4 million, or 6%, from the 2023 Quarter and our total costs and expenses decreased \$4.3 million, or 1%, between the two periods with an overall net decrease to operating income of \$44.1 million as presented on the Unaudited Condensed Consolidated Statements of Operations. The decrease in our operating income during the 2024 Quarter is primarily due to lower export pricing in our Alkali Business in the 2024 Quarter and an increase in depreciation, depletion and amortization, which was partially offset by higher day rates in our marine transportation segment. See further discussion below under “Segment Margin” regarding the activity in our individual operating segments.

A substantial portion of our revenues and costs are derived from our Alkali Business, which is included in our soda and sulfur services segment, and the purchase and sale of crude oil in our crude oil marketing business, which is included in our onshore facilities and transportation segment. We describe, in more detail, the impact on revenues and costs for each of our businesses below.

As it relates to our Alkali Business, our revenues are derived from the extraction of trona, as well as the activities surrounding the processing and sale of natural soda ash and other alkali specialty products, including sodium sesquicarbonate (S-Carb) and sodium bicarbonate (Bicarb), and are a function of our selling prices and volumes sold. We sell our products to an industry-diverse and worldwide customer base. Our sales prices are contracted at various times throughout the year and for different durations. Our sales prices for volumes sold internationally are contracted for the current year either annually in the prior year or periodically throughout the current year (often quarterly), and our volumes priced and sold domestically are contracted at various times and can be of varying durations, often multi-year terms. The majority of our volumes sold internationally are sold through the American Natural Soda Ash Corporation (“ANSAC”), which became a wholly owned subsidiary of our Alkali Business on January 1, 2023 as we became the sole member of it at that time. ANSAC promotes export sales of U.S. produced soda ash utilizing its logistical asset and marketing capabilities. During the three and six months ended June 30, 2024, in addition to the volumes supplied by our operations and sold by ANSAC, ANSAC continued to receive a level of soda ash supply from certain former members to sell internationally, which is expected to continue in some capacity for at least the next several years. As a result of consolidating the results of ANSAC beginning on January 1, 2023, the sale of the soda ash volumes by ANSAC that were supplied by non-members are included in our consolidated results and have a proportionate effect to our revenues and costs, with little to no direct impact to our reported Net income (loss), Segment Margin and Available Cash before Reserves. We will continue to report the sales volumes of soda ash included in the operating results table for our soda and sulfur services segment shown below as we have historically reported them for comparability purposes and due to the minimal impact these incremental sales volumes from ANSAC have on our reported Net income (loss), Segment Margin and Available Cash before Reserves. Our sales volumes and prices can fluctuate from period to period and are dependent upon many factors, of which the main drivers are the global market and supply, customer demand, economic growth, and our ability to produce soda ash. Positive or negative changes to our revenue, through fluctuations in sales volumes or sales prices, can have a direct impact to Net income (loss), Segment Margin and Available Cash before Reserves as these fluctuations have a lesser impact to operating costs due to the fact that a portion of our costs are fixed in nature. Our costs, some of which are variable in nature and others are fixed in nature, relate primarily to the processing and producing of soda ash (and other alkali specialty products) and marketing and selling activities. In addition, costs include activities associated with mining and extracting trona ore, including energy costs and employee compensation. In our Alkali Business, during the 2024 Quarter, we experienced a decrease in revenues (with a lesser impact to costs) relative to the 2023 Quarter primarily due to lower pricing on our export tons, which was partially offset by higher volumes sold and higher domestic pricing. For additional information, see our segment-by-segment analysis below.

As it relates to our crude oil marketing business, the average closing prices for West Texas Intermediate crude oil on the New York Mercantile Exchange (“NYMEX”) increased to \$81.81 per barrel in the 2024 Quarter, as compared to \$73.54 per barrel in the 2023 Quarter. We expect changes in crude oil prices to continue to proportionately affect our revenues and costs attributable to our purchase and sale of crude oil and petroleum products, resulting in a minimal direct impact on Net income (loss), Segment Margin and Available Cash before Reserves. We have limited our direct commodity price exposure related to crude oil and petroleum products through the broad use of fee-based service contracts, back-to-back purchase and sale arrangements and hedges. As a result, changes in the price of crude oil would proportionately impact both our revenues and our costs, with a disproportionately smaller net impact on our Segment Margin. However, we do have some indirect exposure to certain changes in prices for oil and petroleum products, particularly if they are significant and extended. We tend to experience more demand for certain of our services when prices increase significantly over extended periods of time, and we tend to experience less demand for certain of our services when prices decrease significantly over extended periods of time. For additional information regarding certain of our indirect exposure to commodity prices, see our segment-by-segment analysis below and the section of our Annual Report entitled “Risks Related to Our Business.”

In addition to our Alkali Business and our crude oil marketing business discussed above, we continue to operate in our other core businesses including: (i) our offshore Gulf of Mexico crude oil and natural gas pipeline transportation and handling operations, focusing on providing a suite of services primarily to integrated and large independent energy companies who make intensive capital investments (often in excess of a billion dollars) to develop large reservoir, long-lived crude oil and natural gas properties; (ii) our sulfur services business, which we believe is one of the largest producers and marketers (based on tons produced) of NaHS in North and South America; and (iii) our onshore-based refinery-centric operations (including the operations in both our onshore facilities and transportation and marine transportation segments) which focus on providing a suite of services primarily to refiners.

Refiners are the shippers of a majority of the volumes transported on our onshore crude pipelines, and refiners contracted for approximately 90% of the revenues from our marine transportation segment during the 2024 Quarter, which are used primarily to transport intermediate refined products (not crude oil) between refining complexes. The shippers on our offshore pipelines are mostly integrated and large independent energy companies whose production is ideally suited for the vast majority of refineries along the Gulf Coast. Their large-reservoir properties and the related pipelines and other infrastructure needed to develop them are capital intensive and yet, we believe, economically viable, in most cases, even in volatile commodity price environments. Given these facts, we do not expect changes in commodity prices to impact our Net income (loss), Segment Margin or Available Cash before Reserves derived from our offshore Gulf of Mexico crude oil and natural gas pipeline transportation and handling operations in the same manner in which they impact our revenues and costs derived from the purchase and sale of crude oil and petroleum products.

In our sulfur services business, our revenues and costs can be affected by the price movements in both caustic soda and NaHS. Average index prices for caustic soda decreased to \$512 per DST during the 2024 Quarter compared to \$1,123 per DST during the 2023 Quarter primarily due to a downward non-market adjustment of \$425 per DST to previously posted US Caustic Soda Index prices. Typically, changes in caustic soda prices do not materially affect Net income (loss), Segment Margin, or Available Cash before Reserves as the pricing in many of our sales contracts for NaHS typically includes adjustments for fluctuations in commodity benchmarks (primarily caustic soda), freight, labor, energy costs and government indexes. The frequency at which those adjustments are applied varies by contract, geographic region and supply point. The mix of NaHS sales volumes to which we are able to apply such adjustments may vary due to timing or other factors such as competitive pressures. To the extent we are unable to pass these caustic soda price changes onto our customers, our results may be impacted.

Additionally, changes in certain of our operating costs between the respective quarters, such as those associated with our soda and sulfur services, offshore pipeline and marine transportation segments, are not correlated with crude oil prices. We discuss certain of those costs in further detail below in our segment-by-segment analysis.

Segment Margin

The contribution of each of our segments to total Segment Margin was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	<i>(in thousands)</i>		<i>(in thousands)</i>	
Offshore pipeline transportation	\$ 86,131	\$ 93,300	\$ 183,937	\$ 191,238
Soda and sulfur services	41,611	89,255	86,993	155,362
Marine transportation	31,543	25,758	62,906	51,452
Onshore facilities and transportation	9,028	6,305	15,575	11,695
Total Segment Margin	\$ 168,313	\$ 214,618	\$ 349,411	\$ 409,747

We define Segment Margin as revenues less product costs, operating expenses and segment general and administrative expenses (all of which are net of the effects of our noncontrolling interest holders), plus or minus applicable Select Items (defined below). Although we do not necessarily consider all of our Select Items to be non-recurring, infrequent or unusual, we believe that an understanding of these Select Items is important to the evaluation of our core operating results. See “Non-GAAP Financial Measures” for further discussion surrounding total Segment Margin.

A reconciliation of Net Income (Loss) Attributable to Genesis Energy, L.P. to total Segment Margin for the periods presented is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net Income (Loss) Attributable to Genesis Energy, L.P.	\$ (8,744)	\$ 49,344	\$ 2,609	\$ 47,700
Corporate general and administrative expenses	20,007	18,487	36,056	34,251
Depreciation, depletion, amortization and accretion	80,386	71,754	156,929	147,689
Interest expense, net	70,870	61,623	139,604	122,477
Adjustment to include distributable cash generated by equity investees not included in income and exclude equity in investees net income ⁽¹⁾	4,879	5,867	11,687	12,148
Unrealized losses (gains) on derivative transactions excluding fair value hedges, net of changes in inventory value	(5,860)	2,888	(10,941)	30,020
Other non-cash items	(2,496)	(7,197)	(4,685)	(9,658)
Loss on debt extinguishment ⁽²⁾	1,429	3	1,429	1,812
Differences in timing of cash receipts for certain contractual arrangements ⁽³⁾	7,820	11,559	15,892	22,134
Income tax expense	22	290	831	1,174
Total Segment Margin	\$ 168,313	\$ 214,618	\$ 349,411	\$ 409,747

- (1) Includes distributions attributable to the quarter and received during or promptly following such quarter.
- (2) The three and six months ended June 30, 2024 includes the write-off of the unamortized issuance costs associated with the redemption of our 2026 Notes. The three and six months ended June 30, 2023 includes the transaction costs associated with the tender and redemption of our 2024 Notes, as well as the write-off of the unamortized issuance costs associated with these notes.
- (3) Includes the difference in timing of cash receipts from or billings to customers during the period and the revenue we recognize in accordance with GAAP on our related contracts. For purposes of our Non-GAAP measures, we add those amounts in the period of payment and deduct them in the period in which GAAP recognizes them.

Offshore Pipeline Transportation Segment

Operating results and volumetric data for our offshore pipeline transportation segment are presented below:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	<i>(in thousands)</i>		<i>(in thousands)</i>	
Offshore crude oil pipeline revenue, net to our ownership interest and excluding non-cash revenues	\$ 80,577	\$ 76,152	\$ 161,982	\$ 154,167
Offshore natural gas pipeline revenue, excluding non-cash revenues	11,507	15,367	25,837	29,423
Offshore pipeline operating costs, net to our ownership interest and excluding non-cash expenses	(22,395)	(18,272)	(43,153)	(35,814)
Distributions from equity investments ⁽¹⁾	16,442	20,053	39,271	43,462
Offshore pipeline transportation Segment Margin	<u>\$ 86,131</u>	<u>\$ 93,300</u>	<u>\$ 183,937</u>	<u>\$ 191,238</u>

Volumetric Data 100% basis:

Crude oil pipelines (average Bbbls/day unless otherwise noted):

CHOPS	296,325	258,939	297,319	246,606
Poseidon	280,248	288,384	286,085	301,698
Odyssey	64,213	59,924	63,955	62,774
GOPL ⁽²⁾	1,465	2,380	1,911	2,185
Total crude oil offshore pipelines	<u>642,251</u>	<u>609,627</u>	<u>649,270</u>	<u>613,263</u>

Natural gas transportation volumes (MMBtus/day)	357,687	397,801	382,621	392,529
---	---------	---------	---------	---------

Volumetric Data net to our ownership interest⁽³⁾:

Crude oil pipelines (average Bbbls/day unless otherwise noted):

CHOPS	189,648	165,721	190,284	157,828
Poseidon	179,359	184,566	183,094	193,087
Odyssey	18,622	17,378	18,547	18,204
GOPL ⁽²⁾	1,465	2,380	1,911	2,185
Total crude oil offshore pipelines	<u>389,094</u>	<u>370,045</u>	<u>393,836</u>	<u>371,304</u>

Natural gas transportation volumes (MMBtus/day)	102,701	115,866	109,940	111,434
---	---------	---------	---------	---------

- (1) Offshore pipeline transportation Segment Margin includes distributions received from our offshore pipeline joint ventures accounted for under the equity method of accounting in 2024 and 2023, respectively.
- (2) One of our wholly-owned subsidiaries (GEL Offshore Pipeline, LLC, or "GOPL") owns our undivided interest in the Eugene Island pipeline system.
- (3) Volumes are the product of our effective ownership interest throughout the year multiplied by the relevant throughput over the given year.

Three Months Ended June 30, 2024 Compared with Three Months Ended June 30, 2023

Offshore pipeline transportation Segment Margin for the 2024 Quarter decreased \$7.2 million, or 8%, from the 2023 Quarter primarily due to producer underperformance at two of our major host platforms and an increase in our operating costs during the 2024 Quarter. The increase in producer downtime was the result of several wells being shut in during the 2024 Quarter due to certain sub-sea operational and technical challenges that our producers had during the period. The production from these wells impacted our results as they are molecules that we touch multiple times throughout our oil and natural gas pipeline infrastructure. These decreases were partially offset by an increase in volumes during the 2024 Quarter on our CHOPS pipeline (which drove an overall increase in volumes) primarily due to the Argos Floating Production System (“FPS”), which supports BP’s operated Mad Dog 2 field development. The Argos FPS has continued to ramp up production levels and achieved production levels in excess of 120,000 barrels of oil per day in the 2024 Quarter, with 100% of the volumes flowing through our 64% owned and operated CHOPS pipeline for ultimate delivery to shore. Activity in and around our Gulf of Mexico asset base continues to be robust, including incremental in-field drilling at existing fields that tie into our infrastructure, such as the Warrior and Winterfell projects which produced first oil in late June 2024 and early July 2024, respectively.

Six Months Ended June 30, 2024 Compared with Six Months Ended June 30, 2023

Offshore pipeline transportation Segment Margin for the first six months of 2024 decreased \$7.3 million, or 4%, from the first six months of 2023 primarily due to producer underperformance at two of our major host platforms and an increase in our operating costs during the 2024 Quarter. The increase in producer downtime was the result of several wells being shut in during the 2024 Quarter due to certain sub-sea operational challenges that our producers had during the period. The production from these wells impacted our results as they are molecules that we touch multiple times throughout our oil and natural gas pipeline infrastructure. These decreases were partially offset by an increase in volumes during the 2024 Quarter on our CHOPS pipeline (which drove an overall increase in volumes) primarily due to the Argos FPS. The Argos FPS has continued to ramp up production levels and achieved production levels in excess of 120,000 barrels of oil per day in the 2024 Quarter. Activity in and around our Gulf of Mexico asset base continues to be robust, including incremental in-field drilling at existing fields that tie into our infrastructure, such as the Warrior and Winterfell projects which produced first oil in late June 2024 and early July 2024, respectively.

Soda and Sulfur Services Segment

Operating results for our soda and sulfur services segment were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Volumes sold:				
Soda Ash volumes (short tons sold)	888,013	852,019	1,842,241	1,556,831
NaHS volumes (Dry short tons “DST”)	29,656	26,086	58,693	54,176
NaOH (caustic soda) volumes (DST)	16,034	20,346	36,784	40,522
Revenues (in thousands):				
Revenues associated with Alkali Business ⁽¹⁾	\$ 321,828	\$ 385,891	\$ 652,646	\$ 748,830
NaHS revenues, excluding non-cash revenues	36,320	38,011	71,235	80,208
NaOH (caustic soda) revenues	12,455	17,334	25,368	35,795
Other revenues	1,197	1,288	2,618	2,773
Total external segment revenues, excluding non-cash revenues	<u>\$ 371,800</u>	<u>\$ 442,524</u>	<u>\$ 751,867</u>	<u>\$ 867,606</u>
Segment Margin (in thousands)	<u>\$ 41,611</u>	<u>\$ 89,255</u>	<u>\$ 86,993</u>	<u>\$ 155,362</u>

(1) See discussion above in “Results of Operations — Revenues and Costs and Expenses” regarding revenues associated with our Alkali Business.

Three Months Ended June 30, 2024 Compared with Three Months Ended June 30, 2023

Soda and sulfur services Segment Margin for the 2024 Quarter decreased \$47.6 million, or 53%, from the 2023 Quarter primarily due to lower export pricing in our Alkali Business and lower NaHS and caustic soda sales pricing in our sulfur services business during the 2024 Quarter, which were partially offset by higher soda ash sales volumes in the period.

In our Alkali Business, the 2024 Quarter was impacted by a decline in export pricing as compared to the 2023 Quarter as global supply has continued to outpace demand in most markets. Additionally, the 2024 Quarter was negatively impacted by temporary operational issues at our Westvaco facility that led to lower production volumes and reduced operating efficiencies. These were offset partially by higher soda ash sales volumes in the 2024 Quarter as production from our expanded Granger facility came online in the fourth quarter of 2023 and ramped up to its nameplate capacity of approximately 100,000 tons of production per month during the 2024 Quarter. We continue to expect to see a tightening of the global soda ash supply environment in the second half of the year, and with any demand uptick (from growing lithium and solar panel manufacturers) or a supply disruption, we could see the market shift back into a balance and yield a positive price movement.

In our sulfur services business, we experienced a decrease primarily due to a decline in NaHS and caustic soda pricing as a result of continued pressures on demand in South America. This decrease was partially offset by higher NaHS sales volumes in the 2024 Quarter as we experienced lower production and sales in the 2023 Quarter due to unplanned operational and weather-related outages at several of our host refineries.

Six Months Ended June 30, 2024 Compared with Six Months Ended June 30, 2023

Soda and sulfur services Segment Margin for the first six months of 2024 decreased \$68.4 million, or 44%, from the first six months of 2023 primarily due to lower export pricing in our Alkali Business and lower NaHS and caustic soda sales pricing.

In our Alkali Business, the first six months of 2024 were impacted by a decline in export pricing as compared to the first six months of 2023 as global supply has continued to outpace demand in most markets. Additionally, the first six months of 2024 was negatively impacted by temporary operational issues at our facilities that led to lower production volumes and reduced operating efficiencies during the period. These were offset partially by higher soda ash sales volumes in the first six months of 2024 as production from our expanded Granger facility came online in the fourth quarter of 2023 and has since ramped up to its original nameplate production capacity of approximately 100,000 tons per month. Additionally, in the first quarter of 2023, we experienced extreme winter weather conditions that impacted our operations and certain supply functions, including rail service in and out of the Green River Basin. We continue to expect to see a tightening of the global soda ash supply environment in the second half of the year, and with any demand uptick (from growing lithium and solar panel manufacturers) or a supply disruption, we could see the market shift back into a balance and yield a positive price movement.

In our sulfur services business, we experienced a decrease in Segment Margin primarily due to a decrease in NaHS and caustic soda pricing as a result of continued pressures on demand in South America. This decrease was partially offset by higher NaHS sales volumes in the 2024 period as the first six months of 2023 experienced lower than expected production due to multiple factors, including: (i) a slower than expected ramp up in production from the completion of a major turnaround at one of our largest host refineries in the fourth quarter of 2022; and (ii) unplanned operational and weather-related outages at several of our host refineries during the 2023 Quarter.

Marine Transportation Segment

Within our marine transportation segment, we own a fleet of 87 barges (78 inland and 9 offshore) with a combined transportation capacity of 3.0 million barrels, 42 push/tow boats (33 inland and 9 offshore), and a 330,000 barrel capacity ocean going tanker, the M/T American Phoenix. Operating results for our marine transportation segment were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenues (in thousands):				
Inland freight revenues	\$ 37,998	\$ 31,890	\$ 73,495	\$ 63,093
Offshore freight revenues	26,054	26,876	53,350	53,882
Other rebill revenues ⁽¹⁾	17,819	18,577	38,600	43,594
Total segment revenues	\$ 81,871	\$ 77,343	\$ 165,445	\$ 160,569
Operating costs, excluding non-cash expenses (in thousands)				
	\$ 50,328	\$ 51,585	\$ 102,539	\$ 109,117
Segment Margin (in thousands)	\$ 31,543	\$ 25,758	\$ 62,906	\$ 51,452
Fleet Utilization:⁽²⁾				
Inland Barge Utilization	100.0 %	100.0 %	100.0 %	100.0 %
Offshore Barge Utilization	94.9 %	94.7 %	97.0 %	97.1 %

(1) Under certain of our marine contracts, we “rebill” our customers for a portion of our operating costs.

(2) Utilization rates are based on a 365-day year, as adjusted for planned downtime and dry-docking.

Three Months Ended June 30, 2024 Compared with Three Months Ended June 30, 2023

Marine transportation Segment Margin for the 2024 Quarter increased \$5.8 million, or 22%, from the 2023 Quarter primarily due to higher day rates in our inland and offshore businesses, including the M/T American Phoenix, during the 2024 Quarter. The increase in day rates more than offset the impact to Segment Margin from the increased number of planned regulatory dry-docking days in our offshore fleet during the 2024 Quarter. Demand for our barge services to move intermediate and refined products remained high during the 2024 Quarter due to the continued strength of refinery utilization rates as well as the lack of new supply of similar type vessels (primarily due to higher construction costs and long lead times for construction) as well as the retirement of older vessels in the market. We expect this favorable demand and supply balance to continue throughout the rest of 2024.

Six Months Ended June 30, 2024 Compared with Six Months Ended June 30, 2023

Marine transportation Segment Margin for the first six months of 2024 increased \$11.5 million, or 22%, from the first six months of 2023. This increase is primarily attributable to an increase in overall day rates in our inland and offshore businesses, including the M/T American Phoenix. The increase in day rates more than offset the impact to Segment Margin from the increased number of planned regulatory dry-docking days in our offshore fleet during the first six months of 2024. In addition, we have continued to see strong demand for our barge services to move intermediate and refined products keeping utilization rates high across both periods. The strong demand from our customers as well as the lack of new supply of similar type vessels and the retirement of older vessels in the market have contributed the increase in day rates discussed above. The M/T American Phoenix started a new three-and-a-half-year contract in January 2024 with a credit-worthy counterparty at the highest day rate we have received since we first purchased the vessel in 2014.

Onshore Facilities and Transportation Segment

Our onshore facilities and transportation segment utilizes an integrated set of pipelines and terminals, trucks and barges to facilitate the movement of crude oil and refined products on behalf of producers, refiners and other customers. This segment includes crude oil and refined products pipelines, terminals and rail unloading facilities operating primarily within the U.S. Gulf Coast crude oil market. In addition, we utilize our trucking fleet that supports the purchase and sale of gathered and bulk purchased crude oil. Through these assets we offer our customers a full suite of services, including the following as of June 30, 2024:

- facilitating the transportation of crude oil from producers to refineries and from our terminals, as well as those owned by third parties, to refiners via pipelines;
- shipping crude oil and refined products to and from producers and refiners via trucks and pipelines;
- storing and blending of crude oil and intermediate and finished refined products;
- purchasing/selling and/or transporting crude oil from the wellhead to markets for ultimate use in refining;
- purchasing products from refiners, transporting those products to one of our terminals and blending those products to a quality that meets the requirements of our customers and selling those products (primarily fuel oil, asphalt and other heavy refined products) to wholesale markets; and
- unloading railcars at our crude-by-rail terminals.

We also may use our terminal facilities to take advantage of contango market conditions for crude oil gathering and marketing and to capitalize on regional opportunities which arise from time to time for both crude oil and petroleum products.

Despite crude oil being considered a somewhat homogeneous commodity, many refiners are very particular about the quality of crude oil feedstock they process. Many U.S. refineries have distinct configurations and product slates that require crude oil with specific characteristics, such as gravity, sulfur content and metals content. The refineries evaluate the costs to obtain, transport and process their preferred feedstocks. That particularity provides us with opportunities to help the refineries in our areas of operation identify crude oil sources and transport crude oil meeting their requirements. The imbalances and inefficiencies relative to meeting the refiners' requirements may also provide opportunities for us to utilize our purchasing and logistical skills to meet their demands. The pricing in the majority of our crude oil purchase contracts contains a market price component and a deduction to cover the cost of transportation and to provide us with a margin. Contracts sometimes contain a grade differential which considers the chemical composition of the crude oil and its appeal to different customers. Typically, the pricing in a contract to sell crude oil will consist of the market price components and the grade differentials. The margin on individual transactions is then dependent on our ability to manage our transportation costs and to capitalize on grade differentials.

Operating results from our onshore facilities and transportation segment were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	<i>(in thousands)</i>		<i>(in thousands)</i>	
Gathering, marketing, and logistics revenue	\$ 177,246	\$ 164,966	\$ 352,609	\$ 328,986
Crude oil pipeline tariffs and revenues	6,669	6,431	13,767	12,517
Crude oil and products costs, excluding unrealized gains and losses from derivative transactions	(159,443)	(149,463)	(319,584)	(298,396)
Operating costs, excluding non-cash expenses	(17,422)	(17,473)	(34,345)	(34,516)
Other	1,978	1,844	3,128	3,104
Segment Margin	<u>\$ 9,028</u>	<u>\$ 6,305</u>	<u>\$ 15,575</u>	<u>\$ 11,695</u>

Volumetric Data (average barrels per day unless otherwise noted):

Onshore crude oil pipelines:				
Texas	65,229	66,505	74,923	65,278
Jay	5,332	5,952	5,396	5,481
Mississippi	2,789	4,737	2,800	4,872
Louisiana ⁽¹⁾	56,172	70,816	64,514	75,860
Onshore crude oil pipelines total	<u>129,522</u>	<u>148,010</u>	<u>147,633</u>	<u>151,491</u>
Crude oil and petroleum products sales	21,702	23,029	22,570	22,652
Rail unload volumes	19,811	—	10,526	—

- (1) Total daily volumes for the three and six months ended June 30, 2024 include 19,356 and 24,766 Bbls/day, respectively, of intermediate refined products and include 36,269 and 39,059 Bbls/day, respectively, of crude oil associated with our Port of Baton Rouge Terminal pipelines. Total daily volumes for the three and six months ended June 30, 2023 include 29,891 and 30,703 Bbls/day, respectively, of intermediate refined products and 40,925 and 44,898 Bbls/day, respectively, of crude oil associated with our Port of Baton Rouge Terminal pipelines.

Three Months Ended June 30, 2024 Compared with Three Months Ended June 30, 2023

Onshore facilities and transportation Segment Margin for the 2024 Quarter increased \$2.7 million, or 43%, from the 2023 Quarter primarily due to an increase in our rail unload volumes at our Scenic Station facility.

Six Months Ended June 30, 2024 Compared with Six Months Ended June 30, 2023

Onshore facilities and transportation Segment Margin for the first six months of 2024 increased \$3.9 million, or 33%, from the first six months of 2023 primarily due to an increase in our rail unload volumes at our Scenic Station facility and an increase in volumes on our Texas pipeline system, which is a key destination point for various grades of crude oil produced in the Gulf of Mexico including those transported on our 64% owned CHOPS pipeline.

Other Costs, Interest and Income Taxes

General and administrative expenses

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	<i>(in thousands)</i>		<i>(in thousands)</i>	
General and administrative expenses not separately identified below:				
Corporate	\$ 14,501	\$ 13,384	\$ 26,315	\$ 24,496
Segment	920	967	1,875	1,920
Long-term incentive compensation expense	3,088	2,509	5,305	4,962
Third party costs related to business development activities and growth projects	37	71	60	105
Total general and administrative expenses	<u>\$ 18,546</u>	<u>\$ 16,931</u>	<u>\$ 33,555</u>	<u>\$ 31,483</u>

Three Months Ended June 30, 2024 Compared with Three Months Ended June 30, 2023

Total general and administrative expenses for the 2024 Quarter increased by \$1.6 million from the 2023 Quarter primarily due to higher corporate general and administrative expenses as a result of us conforming our short-term cash incentive programs to industry standards.

Six Months Ended June 30, 2024 Compared with Six Months Ended June 30, 2023

Total general and administrative expenses for the first six months of 2024 increased by \$2.1 million from the first six months of 2023 primarily due to higher corporate general and administrative expenses as a result of us conforming our short-term cash incentive programs to industry standards.

Depreciation, depletion and amortization expense

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	<i>(in thousands)</i>		<i>(in thousands)</i>	
Depreciation and depletion expense	\$ 74,681	\$ 65,181	\$ 145,512	\$ 135,635
Amortization expense	2,932	3,246	5,872	5,952
Total depreciation, depletion and amortization expense	<u>\$ 77,613</u>	<u>\$ 68,427</u>	<u>\$ 151,384</u>	<u>\$ 141,587</u>

Three Months Ended June 30, 2024 Compared with Three Months Ended June 30, 2023

Total depreciation, depletion and amortization expense for the 2024 Quarter increased by \$9.2 million from the 2023 Quarter. This increase is primarily attributable to our continued growth and maintenance capital expenditures and placing new assets into service, including the GOP (as defined further below), throughout the period and subsequent to the period ended June 30, 2023.

Six Months Ended June 30, 2024 Compared with Six Months Ended June 30, 2023

Total depreciation, depletion and amortization expense for the first six months of 2024 increased by \$9.8 million from the first six months of 2023. This increase is primarily attributable to our continued growth and maintenance capital expenditures and placing new assets into service throughout the period, including the GOP (as defined further below), and subsequent to the period ended June 30, 2023.

Interest expense, net

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	<i>(in thousands)</i>		<i>(in thousands)</i>	
Interest expense, senior secured credit facility (including commitment fees), net	\$ 5,535	\$ 5,095	\$ 14,896	\$ 9,491
Interest expense, Alkali senior secured notes	6,199	6,242	12,441	12,484
Interest expense, senior unsecured notes	68,047	57,873	129,628	114,185
Amortization of debt issuance costs, premium and discount	3,058	2,279	5,942	4,640
Capitalized interest	(11,969)	(9,866)	(23,303)	(18,323)
Interest expense, net	<u>\$ 70,870</u>	<u>\$ 61,623</u>	<u>\$ 139,604</u>	<u>\$ 122,477</u>

Three Months Ended June 30, 2024 Compared with Three Months Ended June 30, 2023

Interest expense, net for the 2024 Quarter increased by \$9.2 million primarily due to an increase in interest on our senior secured credit facility and an increase in interest on our senior unsecured notes. The increase in interest expense associated with our senior secured credit facility is primarily due to an increase in the SOFR rate, which is one of the main components of our interest rate, compared to the 2023 Quarter, and a higher average outstanding indebtedness during the 2024 Quarter. The increase in interest expense associated with our senior unsecured notes was primarily related to: (i) the issuance of our 8.25% senior unsecured notes due January 15, 2029 (the “2029 Notes”) in December 2023, which have a higher principal and interest rate as compared to our 6.50% senior unsecured notes due October 1, 2025 (the “2025 Notes”) that were partially tendered in December 2023 and ultimately redeemed in January 2024; and (ii) the issuance of our 2032 Notes in May 2024, which have a higher principal and interest rate as compared to our 2026 Notes that were redeemed in June 2024.

These increases were partially offset by higher capitalized interest during the 2024 Quarter as a result of our increased capital expenditures associated with our offshore growth capital construction projects.

Six Months Ended June 30, 2024 Compared with Six Months Ended June 30, 2023

Interest expense, net for the first six months of 2024 increased \$17.1 million primarily due to an increase in interest on our senior secured credit facility and an increase in interest on our senior unsecured notes. The increase in interest expense associated with our senior secured credit facility is primarily due to an increase in the SOFR rate, which is one of the main components of our interest rate, compared to the first six months of 2023, and a higher average outstanding indebtedness during the first six months of 2024. The increase in interest expense associated with our senior unsecured notes was primarily related to: (i) the issuance of our 2029 Notes in December 2023, which have a higher principal and interest rate as compared to our 2025 Notes that were partially tendered in December 2023 and ultimately redeemed in January 2024; and (ii) the issuance of our 2032 Notes in May 2024, which have a higher principal and interest rate as compared to our 2026 Notes that were redeemed in June 2024.

These increases were partially offset by higher capitalized interest during the first six months of 2024 as a result of our increased capital expenditures associated with our offshore growth capital construction projects.

Income tax expense

A portion of our operations are owned by wholly-owned corporate subsidiaries that are taxable as corporations. As a result, a substantial portion of the income tax expense we record relates to the operations of those corporations, and will vary from period to period as a percentage of our income before taxes based on the percentage of our income or loss that is derived from those corporations. The balance of the income tax expense we record relates to state taxes imposed on our operations that are treated as income taxes under generally accepted accounting principles and foreign income taxes.

Liquidity and Capital Resources

General

On December 7, 2023, we issued \$600.0 million in aggregate principal amount of our 2029 Notes. Interest payments are due January 15 and July 15 of each year with the initial interest payment due on July 15, 2024. The issuance of our 2029 Notes generated net proceeds of approximately \$583 million, after deducting the underwriters' discount and issuance costs incurred. The net proceeds were used to purchase approximately \$514 million of the 2025 Notes and pay the related accrued interest and tender premium and fees on those notes that were tendered in the tender offer that ended December 6, 2023. On December 8, 2023, we issued a notice of redemption for the remaining principal of approximately \$21 million of our 2025 Notes, and discharged the indebtedness with respect to the 2025 Notes on December 28, 2023 by depositing the redemption amount with the trustee of the 2025 Notes for redemption of the 2025 Notes, all in accordance with the terms and conditions of the indenture governing the 2025 Notes.

On May 9, 2024, we issued \$700.0 million in aggregate principal amount of the 2032 Notes. Interest payments are due May 15 and November 15 of each year with the initial interest payment due on November 15, 2024. The issuance of our 2032 Notes generated net proceeds of approximately \$688 million, net of issuance costs incurred. The net proceeds were used to redeem our existing 2026 Notes, including the related accrued interest, and the remaining proceeds were used to repay a portion of the borrowing outstanding under our senior secured credit facility and for general partnership purposes.

On July 19, 2024, we entered into the Seventh Amended and Restated Credit Agreement (our "new credit agreement") to replace our Sixth Amended and Restated Credit Agreement (our "credit agreement"). Our new credit agreement provides for a \$900 million senior secured revolving credit facility that matures on September 1, 2028, subject to extension at our request for one additional year on up to two occasions and subject to certain conditions, unless; (i) if more than \$150 million of our 8.000% senior unsecured notes due 2027 (the "2027 Notes") remain outstanding as of October 16, 2026, the new credit agreement matures on such date; and (ii) if more than \$150 million of our 7.750% senior unsecured notes due 2028 (the "2028 Notes") remain outstanding as of November 2, 2027, the new credit agreement matures on such date.

The successful completion of our new credit agreement (including its extended maturity and increased borrowing capacity), and the refinancing of our previously held 2025 Notes and 2026 Notes has extended our maturity runway, and has provided us an ample amount of available borrowing capacity under our senior secured credit facility, subject to compliance with covenants in the new credit agreement, to, amongst other things, utilize for funding the remaining growth capital expenditures estimated to be associated with our offshore growth projects discussed below under "Growth Capital Expenditures".

We anticipate that our future internally-generated funds and the funds available under our senior secured credit facility will allow us to meet our ordinary course capital needs. Our primary sources of liquidity have been cash flows from operations, borrowing availability under our senior secured credit facility, proceeds from the sale of non-core assets, the creation of strategic arrangements to share capital costs through joint ventures or strategic alliances and the proceeds from issuances of equity (common and preferred) and senior unsecured or secured notes.

Our primary cash requirements consist of:

- working capital, primarily inventories and trade receivables and payables;
- routine operating expenses;
- capital growth (as discussed in more detail below) and maintenance projects;
- interest payments related to outstanding debt;
- asset retirement obligations;
- quarterly cash distributions to our preferred and common unitholders; and
- acquisitions of assets or businesses.

Capital Resources

Our ability to satisfy future capital needs will depend on our ability to raise substantial amounts of additional capital from time to time, including through equity and debt offerings (public and private), borrowings under our senior secured credit facility and other financing transactions, and to implement our growth strategy successfully. No assurance can be made that we will be able to raise necessary funds on satisfactory terms.

At June 30, 2024, our debt totaled approximately \$4.0 billion, consisting of \$134.8 million outstanding under our senior secured credit facility (including \$17.2 million borrowed under the inventory sublimit tranche), \$3.5 billion of senior unsecured notes and \$419.2 million of Alkali senior secured notes (of which \$12.3 million is current), which are secured by the ORRI Interests. Our senior unsecured notes balance is comprised of \$981.2 million of our 2027 Notes, \$679.4 million of our 2028 Notes, \$600.0 million of our 2029 Notes, \$500.0 million of our 2030 Notes, and \$700.0 million of our 2032 Notes.

The available borrowing capacity under our senior secured credit facility at June 30, 2024 is \$710.7 million, subject to compliance with covenants. Our credit agreement does not include a “borrowing base” limitation except with respect to our inventory loans.

Shelf Registration Statement

We have the ability to issue additional equity and debt securities in the future to assist us in meeting our future liquidity requirements, particularly those related to opportunistically acquiring assets and businesses and constructing new facilities and refinancing outstanding debt.

We have a universal shelf registration statement (our “2024 Shelf”) on file with the SEC which we filed on April 16, 2024 to replace our existing universal shelf registration statement that expired on April 19, 2024. Our 2024 Shelf allows us to issue an unlimited amount of equity and debt securities in connection with certain types of public offerings. However, the receptiveness of the capital markets to an offering of equity and/or debt securities cannot be assured and may be negatively impacted by, among other things, our long-term business prospects and other factors beyond our control, including market conditions. Our 2024 Shelf is set to expire in April 2027.

Cash Flows from Operations

We generally utilize the cash flows we generate from our operations to fund our common and preferred distributions and working capital needs. Excess funds that are generated are used to repay borrowings under our senior secured credit facility and/or to fund a portion of our capital expenditures. Our operating cash flows can be impacted by changes in items of working capital, primarily variances in the carrying amount of inventory and the timing of payment of accounts payable and accrued liabilities related to capital expenditures and interest charges, and the timing of accounts receivable collections from our customers.

We typically sell our crude oil in the same month in which we purchase it, so we do not need to rely on borrowings under our senior secured credit facility to pay for such crude oil purchases, other than inventory. During such periods, our accounts receivable and accounts payable generally move in tandem as we make payments and receive payments for the purchase and sale of crude oil.

In our Alkali Business, we typically extract trona from our mining facilities, process it into soda ash and other alkali products, and deliver and sell the products to our customers domestically and internationally. When we experience any differences in timing between the extraction, processing and sales of this trona or Alkali products, including the logistics and transportation to our customers, this could impact the cash requirements for these activities.

The storage of our inventory of crude oil, petroleum products and alkali products can have a material impact on our cash flows from operating activities. In the month we pay for the stored crude oil or petroleum products (or pay for extraction and processing activities in the case of alkali products), we borrow under our senior secured credit facility (or use cash on hand) to pay for the crude oil or petroleum products (or extraction/processing of alkali products), utilizing a portion of our operating cash flows. Conversely, cash flow from operating activities increases during the period in which we collect the cash from the sale of the stored crude oil, petroleum products or alkali products. Additionally, for our exchange-traded derivatives, we may be required to deposit margin funds with the respective exchange when commodity prices increase as the value of the derivatives utilized to hedge the price risk in our inventory fluctuates. These deposits also impact our operating cash flows as we borrow under our senior secured credit facility or use cash on hand to fund the deposits.

See [Note 15](#) in our Unaudited Condensed Consolidated Financial Statements for information regarding changes in components of operating assets and liabilities during the first six months of 2024 and the first six months of 2023.

Net cash flows provided by our operating activities for the six months ended June 30, 2024 were \$230.6 million compared to \$255.3 million for the six months ended June 30, 2023. The decrease in cash flows from operating activities is primarily attributable to a decrease in our reported Segment Margin in the first six months of 2024 relative to Segment Margin in the first six months of 2023, which was partially offset by positive changes in working capital for the first six months of 2024 compared to the first six months of 2023.

Capital Expenditures and Distributions Paid to Our Unitholders

We use cash primarily for our operating expenses, working capital needs, debt service, acquisition activities, internal growth projects and distributions we pay to our common and preferred unitholders. We finance maintenance capital expenditures and smaller internal growth projects and distributions primarily with cash generated by our operations. We have historically funded material growth capital projects (including acquisitions and internal growth projects) with borrowings under our senior secured credit facility, equity issuances (common and preferred units), the issuance of senior unsecured or secured notes, and/or the creation of strategic arrangements to share capital costs through joint ventures or strategic alliances.

Capital Expenditures for Fixed and Intangible Assets and Equity Investees

The following table summarizes our expenditures for fixed and intangible assets and equity investees in the periods indicated:

	Six Months Ended June 30,	
	2024	2023
<i>(in thousands)</i>		
Capital expenditures for fixed and intangible assets:		
Maintenance capital expenditures:		
Offshore pipeline transportation assets	\$ 3,272	\$ 2,044
Soda and sulfur services assets	29,711	29,682
Marine transportation assets	34,618	17,892
Onshore facilities and transportation assets	5,149	3,140
Information technology systems and corporate assets	861	541
Total maintenance capital expenditures	<u>73,611</u>	<u>53,299</u>
Growth capital expenditures:		
Offshore pipeline transportation assets ⁽¹⁾	115,857	139,782
Soda and sulfur services assets	6,995	16,925
Marine transportation assets	7,224	2,155
Onshore facilities and transportation assets	8,064	553
Information technology systems and corporate assets	5,227	5,191
Total growth capital expenditures	<u>143,367</u>	<u>164,606</u>
Total capital expenditures for fixed and intangible assets	<u>216,978</u>	<u>217,905</u>
Capital expenditures related to equity investees	<u>285</u>	<u>2,197</u>
Total capital expenditures	<u>\$ 217,263</u>	<u>\$ 220,102</u>

(1) Growth capital expenditures in our offshore pipeline transportation segment for 2024 and 2023 represent 100% of the costs incurred, including those funded by our noncontrolling interest holder (see further discussion below in “Growth Capital Expenditures”).

Growth Capital Expenditures

On September 23, 2019, we announced the Granger Optimization Project (“GOP”). During the fourth quarter of 2023, we completed the construction of the GOP and achieved first production.

During 2022, we entered into definitive agreements to provide transportation services for 100% of the crude oil production associated with two separate standalone deepwater developments that have a combined production capacity of approximately 160,000 barrels per day. In conjunction with these agreements, we are expanding the current capacity of our 64% owned CHOPS pipeline and constructing a new 100% owned, approximately 105 mile, 20” diameter crude oil pipeline, the SYNC pipeline, to connect one of the developments to our existing asset footprint in the Gulf of Mexico. We plan to complete the construction in late 2024 or early 2025 and will be ready for the producers’ plan for first oil achievement, which is currently expected in the second quarter of 2025. Additionally, in 2023 and 2024, we entered into several additional definitive agreements with existing producers to further commit additional volumes transported on our CHOPS pipeline. The producer agreements include long term take-or-pay arrangements and, accordingly, we are able to receive a project completion credit for purposes of calculating the leverage ratio under our credit agreement throughout the construction period.

We plan to fund our estimated growth capital expenditures utilizing the available borrowing capacity under our senior secured credit facility and our recurring cash flows generated from operations.

Maintenance Capital Expenditures

Maintenance capital expenditures incurred during the first six months of 2024 and 2023 primarily related to expenditures in our marine transportation segment to replace and upgrade certain equipment associated with our barge and fleet vessels during our planned and unplanned dry-docks and in our Alkali Business due to the costs to maintain our related equipment and facilities. Additionally, our offshore transportation assets require maintenance capital expenditures to replace, maintain and upgrade equipment at certain of our offshore platforms and pipelines that we operate. See further discussion under “Available Cash before Reserves” for how such maintenance capital utilization is reflected in our calculation of Available Cash before Reserves.

Distributions to Unitholders

On May 15, 2024, we paid a distribution to our common unitholders of \$0.15 per common unit related to the first quarter of 2024. With respect to our Class A Convertible Preferred Units, we declared a quarterly cash distribution of \$0.9473 per preferred unit (or \$3.7892 on an annualized basis) for each preferred unit held of record. These distributions were paid on May 15, 2024 to unitholders holders of record at the close of business April 30, 2024.

In July 2024, we declared our quarterly distribution to our common unitholders of \$0.15 per common unit totaling \$18.4 million with respect to the 2024 Quarter and a distribution of \$0.9473 per Class A Convertible Preferred Unit (or \$3.7892 on an annualized basis) for each Class A Convertible Preferred Unit held of record. These distributions will be payable on August 14, 2024 to unitholders of record at the close of business on July 31, 2024.

Guarantor Summarized Financial Information

Our \$3.5 billion aggregate principal amount of senior unsecured notes co-issued by Genesis Energy, L.P. and Genesis Energy Finance Corporation are fully and unconditionally guaranteed jointly and severally by all of Genesis Energy, L.P.’s current and future 100% owned domestic subsidiaries (the “Guarantor Subsidiaries”), except GA ORRI and GA ORRI Holdings and certain other subsidiaries. The remaining non-guarantor subsidiaries are indirectly owned by Genesis Crude Oil, L.P., a Guarantor Subsidiary. The Guarantor Subsidiaries largely own the assets that we use to operate our business. As a general rule, the assets and credit of our unrestricted subsidiaries are not available to satisfy the debts of Genesis Energy, L.P., Genesis Energy Finance Corporation or the Guarantor Subsidiaries, and the liabilities of our unrestricted subsidiaries do not constitute obligations of Genesis Energy, L.P., Genesis Energy Finance Corporation or the Guarantor Subsidiaries. See [Note 10](#) in our Unaudited Condensed Consolidated Financial Statements for additional information regarding our consolidated debt obligations.

The guarantees are senior unsecured obligations of each Guarantor Subsidiary and rank equally in right of payment with other existing and future senior indebtedness of such Guarantor Subsidiary, and senior in right of payment to all existing and future subordinated indebtedness of such Guarantor Subsidiary. The guarantee of our senior unsecured notes by each Guarantor Subsidiary is subject to certain automatic customary releases, including in connection with the sale, disposition or transfer of all of the capital stock, or of all or substantially all of the assets, of such Guarantor Subsidiary to one or more persons that are not us or a restricted subsidiary, the exercise of legal defeasance or covenant defeasance options, the satisfaction and discharge of the indentures governing our senior unsecured notes, the designation of such Guarantor Subsidiary as a non-Guarantor Subsidiary or as an unrestricted subsidiary in accordance with the indentures governing our senior unsecured notes, the release of such Guarantor Subsidiary from its guarantee under our senior secured credit facility, or liquidation or dissolution of such Guarantor Subsidiary (collectively, the “Releases”). The obligations of each Guarantor Subsidiary under its note guarantee are limited as necessary to prevent such note guarantee from constituting a fraudulent conveyance under applicable law. We are not restricted from making investments in the Guarantor Subsidiaries and there are no significant restrictions on the ability of the Guarantor Subsidiaries to make distributions to Genesis Energy, L.P.

The rights of holders of our senior unsecured notes against the Guarantor Subsidiaries may be limited under the U.S. Bankruptcy Code or state fraudulent transfer or conveyance law.

The following is the summarized financial information for Genesis Energy, L.P. and the Guarantor Subsidiaries on a combined basis after elimination of intercompany transactions among the Guarantor Subsidiaries (which includes related receivable and payable balances) and the investment in and equity earnings from the non-Guarantor Subsidiaries.

Balance Sheets	Genesis Energy, L.P. and Guarantor Subsidiaries	
	June 30, 2024	
	<i>(in thousands)</i>	
ASSETS⁽¹⁾:		
Current assets	\$	828,624
Fixed assets and mineral leaseholds, net		3,832,816
Non-current assets		967,778
LIABILITIES AND CAPITAL:⁽²⁾		
Current liabilities		747,037
Non-current liabilities		4,102,698
Class A Convertible Preferred Units		813,589
Statement of Operations	Genesis Energy, L.P. and Guarantor Subsidiaries	
	Six Months Ended June 30, 2024	
	<i>(in thousands)</i>	
Revenues ⁽³⁾	\$	1,444,545
Operating costs		1,355,343
Operating income		89,202
Loss before income taxes		(10,342)
Net loss ⁽²⁾		(11,172)
Less: Accumulated distributions attributable to Class A Convertible Preferred Units		(43,788)
Net loss attributable to common unitholders	\$	(54,960)

- (1) Excluded from assets in the table above are net intercompany receivables of \$94.6 million that are owed to Genesis Energy, L.P. and the Guarantor Subsidiaries from the non-Guarantor Subsidiaries as of June 30, 2024.
- (2) There are no noncontrolling interests held at the Issuer or Guarantor Subsidiaries for the period presented.
- (3) Excluded from revenues in the table above are \$1.4 million of sales from Guarantor Subsidiaries to non-Guarantor Subsidiaries for the six months ended June 30, 2024.

Non-GAAP Financial Measure Reconciliations

For definitions and discussion of our Non-GAAP financial measures refer to the “Non-GAAP Financial Measures” as later discussed and defined.

Available Cash before Reserves for the periods presented below was as follows:

	Three Months Ended June 30,	
	2024	2023
	<i>(in thousands)</i>	
Net income (loss) attributable to Genesis Energy, L.P.	\$ (8,744)	\$ 49,344
Income tax expense	22	290
Depreciation, depletion, amortization and accretion	80,386	71,754
Plus (minus) Select Items, net	6,344	14,959
Maintenance capital utilized ⁽¹⁾	(18,200)	(16,600)
Cash tax expense	(333)	(159)
Distributions to preferred unitholders	(21,894)	(23,314)
Available Cash before Reserves	<u>\$ 37,581</u>	<u>\$ 96,274</u>

- (1) For a description of the term “maintenance capital utilized”, please see the definition of the term “Available Cash before Reserves” discussed below. Maintenance capital expenditures in the 2024 Quarter and 2023 Quarter were \$47.1 million and \$29.3 million, respectively.

We define Available Cash before Reserves (“Available Cash before Reserves”) as Net income (loss) attributable to Genesis Energy, L.P. before interest, taxes, depreciation, depletion and amortization (including impairment, write-offs, accretion and similar items) after eliminating other non-cash revenues, expenses, gains, losses and charges (including any loss on asset dispositions), plus or minus certain other select items that we view as not indicative of our core operating results (collectively, “Select Items”), as adjusted for certain items, the most significant of which in the relevant reporting periods have been the sum of maintenance capital utilized, net interest expense, cash tax expense and cash distributions paid to our Class A convertible preferred unitholders. Although we do not necessarily consider all of our Select Items to be non-recurring, infrequent or unusual, we believe that an understanding of these Select Items is important to the evaluation of our core operating results. The most significant Select Items in the relevant reporting periods are set forth below.

	Three Months Ended June 30,	
	2024	2023
	<i>(in thousands)</i>	
I. Applicable to all Non-GAAP Measures		
Differences in timing of cash receipts for certain contractual arrangements ⁽¹⁾	\$ 7,820	\$ 11,559
Certain non-cash items:		
Unrealized losses (gains) on derivative transactions excluding fair value hedges, net of changes in inventory value	(5,860)	2,888
Loss on debt extinguishment	1,429	3
Adjustment regarding equity investees ⁽²⁾	4,879	5,867
Other	(2,496)	(7,197)
Sub-total Select Items, net	5,772	13,120
II. Applicable only to Available Cash before Reserves		
Certain transaction costs	37	71
Other	535	1,768
Total Select Items, net ⁽³⁾	<u>\$ 6,344</u>	<u>\$ 14,959</u>

- (1) Includes the difference in timing of cash receipts from or billings to customers during the period and the revenue we recognize in accordance with GAAP on our related contracts. For purposes of our Non-GAAP measures, we add those amounts in the period of payment and deduct them in the period in which GAAP recognizes them.
- (2) Represents the net effect of adding distributions from equity investees and deducting earnings of equity investees net to us.
- (3) Represents Select Items applicable to Adjusted EBITDA and Available Cash before Reserves.

Non-GAAP Financial Measures

General

To help evaluate our business, this Quarterly Report on Form 10-Q includes the non-generally accepted accounting principle (“non-GAAP”) financial measure of Available Cash before Reserves. We also present total Segment Margin as if it were a non-GAAP measure. Our non-GAAP measures may not be comparable to similarly titled measures of other companies because such measures may include or exclude other specified items. The schedules above provide reconciliations of Available Cash before Reserves to its most directly comparable financial measures calculated in accordance with generally accepted accounting principles in the United States of America (GAAP). A reconciliation of Net Income (loss) attributable Genesis Energy, L.P. to total Segment Margin is also included in our segment disclosure in [Note 13](#) to our Unaudited Condensed Consolidated Financial Statements. Our non-GAAP financial measures should not be considered (i) as alternatives to GAAP measures of liquidity or financial performance or (ii) as being singularly important in any particular context; they should be considered in a broad context with other quantitative and qualitative information. Our Available Cash before Reserves and total Segment Margin measures are just two of the relevant data points considered from time to time.

When evaluating our performance and making decisions regarding our future direction and actions (including making discretionary payments, such as quarterly distributions) our board of directors and management team have access to a wide range of historical and forecasted qualitative and quantitative information, such as our financial statements; operational information; various non-GAAP measures; internal forecasts; credit metrics; analyst opinions; performance; liquidity and similar measures; income; cash flow expectations for us; and certain information regarding some of our peers. Additionally, our board of directors and management team analyze, and place different weight on, various factors from time to time. We believe that investors benefit from having access to the same financial measures being utilized by management, lenders, analysts and other market participants. We attempt to provide adequate information to allow each individual investor and other external user to reach her/his own conclusions regarding our actions without providing so much information as to overwhelm or confuse such investor or other external user.

Segment Margin

We define Segment Margin as revenues less product costs, operating expenses, and segment general and administrative expenses (all of which are net of the effects of our noncontrolling interest holders), plus or minus applicable Select Items (defined below). Although we do not necessarily consider all of our Select Items to be non-recurring, infrequent or unusual, we believe that an understanding of these Select Items is important to the evaluation of our core operating results. Our chief operating decision maker (our Chief Executive Officer) evaluates segment performance based on a variety of measures including Segment Margin, segment volumes where relevant and capital investment.

A reconciliation of Net income (loss) attributable to Genesis Energy, L.P. to total Segment Margin is included in our segment disclosure in [Note 13](#) to our Unaudited Condensed Consolidated Financial Statements, as well as previously in this Item 2.

Available Cash before Reserves

Purposes, Uses and Definition

Available Cash before Reserves, often referred to by others as distributable cash flow, is a quantitative standard used throughout the investment community with respect to publicly traded partnerships and is commonly used as a supplemental financial measure by management and by external users of financial statements such as investors, commercial banks, research analysts and rating agencies, to aid in assessing, among other things:

- (1) the financial performance of our assets;
- (2) our operating performance;
- (3) the viability of potential projects, including our cash and overall return on alternative capital investments as compared to those of other companies in the midstream energy industry;
- (4) the ability of our assets to generate cash sufficient to satisfy certain non-discretionary cash requirements, including interest payments and certain maintenance capital requirements; and
- (5) our ability to make certain discretionary payments, such as distributions on our preferred and common units, growth capital expenditures, certain maintenance capital expenditures and early payments of indebtedness.

Disclosure Format Relating to Maintenance Capital

We use a modified format relating to maintenance capital requirements because our maintenance capital expenditures vary materially in nature (discretionary vs. non-discretionary), timing and amount from time to time. We believe that, without such modified disclosure, such changes in our maintenance capital expenditures could be confusing and potentially misleading to users of our financial information, particularly in the context of the nature and purposes of our Available Cash before Reserves measure. Our modified disclosure format provides those users with information in the form of our maintenance capital utilized measure (which we deduct to arrive at Available Cash before Reserves). Our maintenance capital utilized measure constitutes a proxy for non-discretionary maintenance capital expenditures and it takes into consideration the relationship among maintenance capital expenditures, operating expenses and depreciation from period to period.

Maintenance Capital Requirements

Maintenance capital expenditures are capitalized costs that are necessary to maintain the service capability of our existing assets, including the replacement of any system component or equipment which is worn out or obsolete. Maintenance capital expenditures can be discretionary or non-discretionary, depending on the facts and circumstances.

Prior to 2014, substantially all of our maintenance capital expenditures were (a) related to our pipeline assets and similar infrastructure, (b) non-discretionary in nature and (c) immaterial in amount as compared to our Available Cash before Reserves measure. Those historical expenditures were non-discretionary (or mandatory) in nature because we had very little (if any) discretion as to whether or when we incurred them. We had to incur them in order to continue to operate the related pipelines in a safe and reliable manner and consistently with past practices. If we had not made those expenditures, we would not have been able to continue to operate all or portions of those pipelines, which would not have been economically feasible. An example of a non-discretionary (or mandatory) maintenance capital expenditure would be replacing a segment of an old pipeline because one can no longer operate that pipeline safely, legally and/or economically in the absence of such replacement.

Beginning with 2014, we believe a substantial amount of our maintenance capital expenditures from time to time have been and will continue to be (a) related to our assets other than pipelines, such as our marine vessels, trucks and similar assets, (b) discretionary in nature and (c) potentially material in amount as compared to our Available Cash before Reserves measure. Those expenditures will be discretionary (or non-mandatory) in nature because we will have significant discretion as to whether or when we incur them. We will not be forced to incur them in order to continue to operate the related assets in a safe and reliable manner. If we chose not to make those expenditures, we would be able to continue to operate those assets economically, although in lieu of maintenance capital expenditures, we would incur increased operating expenses, including maintenance expenses. An example of a discretionary (or non-mandatory) maintenance capital expenditure would be replacing an older marine vessel with a new marine vessel with substantially similar specifications, even though one could continue to economically operate the older vessel in spite of its increasing maintenance and other operating expenses.

In summary, as we continue to expand certain non-pipeline portions of our business, we are experiencing changes in the nature (discretionary vs. non-discretionary), timing and amount of our maintenance capital expenditures that merit a more detailed review and analysis than was required historically. Management's increasing ability to determine if and when to incur certain maintenance capital expenditures is relevant to the manner in which we analyze aspects of our business relating to discretionary and non-discretionary expenditures. We believe it would be inappropriate to derive our Available Cash before Reserves measure by deducting discretionary maintenance capital expenditures, which we believe are similar in nature in this context to certain other discretionary expenditures, such as growth capital expenditures, distributions/dividends and equity buybacks. Unfortunately, not all maintenance capital expenditures are clearly discretionary or non-discretionary in nature. Therefore, we developed a measure, maintenance capital utilized, that we believe is more useful in the determination of Available Cash before Reserves.

Maintenance Capital Utilized

We believe our maintenance capital utilized measure is the most useful quarterly maintenance capital requirements measure to use to derive our Available Cash before Reserves measure. We define our maintenance capital utilized measure as that portion of the amount of previously incurred maintenance capital expenditures that we utilize during the relevant quarter, which would be equal to the sum of the maintenance capital expenditures we have incurred for each project/component in prior quarters allocated ratably over the useful lives of those projects/components.

Our maintenance capital utilized measure constitutes a proxy for non-discretionary maintenance capital expenditures and it takes into consideration the relationship among maintenance capital expenditures, operating expenses and depreciation from period to period. Because we did not initially use our maintenance capital utilized measure before 2014, our maintenance capital utilized calculations will reflect the utilization of solely those maintenance capital expenditures incurred since December 31, 2013.

Critical Accounting Estimates

There have been no new or material changes to the critical accounting estimates discussed in our Annual Report that are of significance, or potential significance, to the Company.

Forward Looking Statements

The statements in this Quarterly Report on Form 10-Q that are not historical information may be “forward looking statements” as defined under federal law. All statements, other than historical facts, included in this document that address activities, events or developments that we expect or anticipate will or may occur in the future, including things such as plans for growth of the business, future capital expenditures, competitive strengths, goals, references to future goals or intentions, estimated or projected future financial performance, and other such references are forward-looking statements, and historical performance is not necessarily indicative of future performance. These forward-looking statements are identified as any statement that does not relate strictly to historical or current facts. They use words such as “anticipate,” “believe,” “continue,” “estimate,” “expect,” “forecast,” “goal,” “intend,” “may,” “could,” “plan,” “position,” “projection,” “strategy,” “should” or “will,” or the negative of those terms or other variations of them or by comparable terminology. In particular, statements, expressed or implied, concerning future actions, conditions or events or future operating results or the ability to generate sales, income or cash flow are forward-looking statements. Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. Future actions, conditions or events and future results of operations may differ materially from those expressed in these forward-looking statements. Many of the factors that will determine these results are beyond our ability or the ability of our affiliates to control or predict. Specific factors that could cause actual results to differ from those in the forward-looking statements include, among others:

- *demand for, the supply of, our assumptions about, changes in forecast data for, and price trends related to crude oil, liquid petroleum, natural gas, NaHS, soda ash, and caustic soda, all of which may be affected by economic activity, capital expenditures by energy producers, weather, alternative energy sources, international conflicts and international events (including the war in Ukraine and the Israel and Hamas war), global pandemics, inflation, the actions of OPEC and other oil exporting nations, conservation and technological advances;*
- *our ability to successfully execute our business and financial strategies;*
- *our ability to continue to realize cost savings from our cost saving measures;*
- *throughput levels and rates;*
- *changes in, or challenges to, our tariff rates;*
- *our ability to successfully identify and close strategic acquisitions on acceptable terms (including obtaining third-party consents and waivers of preferential rights), develop or construct infrastructure assets, make cost saving changes in operations and integrate acquired assets or businesses into our existing operations;*
- *service interruptions in our pipeline transportation systems, processing operations, or mining facilities, including due to adverse weather events;*
- *shutdowns or cutbacks at refineries, petrochemical plants, utilities, individual plants, or other businesses for which we transport crude oil, petroleum, natural gas or other products or to whom we sell soda ash, petroleum, or other products;*
- *risks inherent in marine transportation and vessel operation, including accidents and discharge of pollutants;*
- *changes in laws and regulations to which we are subject, including tax withholding issues, regulations regarding qualifying income, accounting pronouncements, and safety, environmental and employment laws and regulations;*
- *the effects of production declines resulting from a suspension of drilling in the Gulf of Mexico or otherwise;*
- *the effects of future laws and regulations;*
- *planned capital expenditures and availability of capital resources to fund capital expenditures, and our ability to access the credit and capital markets to obtain financing on terms we deem acceptable;*
- *our inability to borrow or otherwise access funds needed for operations, expansions or capital expenditures as a result of our credit agreement and the indentures governing our notes, which contain various affirmative and negative covenants;*
- *loss of key personnel;*

- *cash from operations that we generate could decrease or fail to meet expectations, either of which could reduce our ability to pay quarterly cash distributions (common and preferred) at the current level or to increase quarterly cash distributions in the future;*
- *an increase in the competition that our operations encounter;*
- *cost and availability of insurance;*
- *hazards and operating risks that may not be covered fully by insurance;*
- *our financial and commodity hedging arrangements, which may reduce our earnings, profitability and cash flow;*
- *changes in global economic conditions, including capital and credit markets conditions, inflation and interest rates, including the result of any economic recession or depression that has occurred or may occur in the future;*
- *the impact of natural disasters, international military conflicts (such as the war in Ukraine and the Israel and Hamas war), global pandemics, epidemics, accidents or terrorism, and actions taken by governmental authorities and other third parties in response thereto, on our business financial condition and results of operations;*
- *reduction in demand for our services resulting in impairments of our assets;*
- *changes in the financial condition of customers or counterparties;*
- *adverse rulings, judgments, or settlements in litigation or other legal or tax matters;*
- *the treatment of us as a corporation for federal income tax purposes or if we become subject to entity-level taxation for state tax purposes;*
- *the potential that our internal controls may not be adequate, weaknesses may be discovered or remediation of any identified weaknesses may not be successful and the impact these could have on our unit price; and*
- *a cyberattack involving our information systems and related infrastructure, or that of our business associates.*

You should not put undue reliance on any forward-looking statements. When considering forward-looking statements, please review the risk factors described under “Risk Factors” discussed in Item 1A of our Annual Report . These risks may also be specifically described in our Quarterly Reports on Form 10-Q, Current Reports on Form 8-K (or any amendments to those reports) and other documents that we may file from time to time with the SEC. New factors that could cause actual results to differ materially from those described in forward-looking statements emerge from time to time, and it is not possible for us to predict all such factors, or the extent to which any such factor or combination of factors may cause actual results to differ from those contained in any forward-looking statement. Except as required by applicable securities laws, we do not intend to update these forward-looking statements and information.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

The following should be read in conjunction with Quantitative and Qualitative Disclosures About Market Risk included under Item 7A in our Annual Report. There have been no material changes that would affect the quantitative and qualitative disclosures provided therein. Also, see [Note 16](#) to our Unaudited Condensed Consolidated Financial Statements for additional discussion related to derivative instruments and hedging activities.

Item 4. Controls and Procedures

We maintain disclosure controls and procedures and internal controls designed to ensure that information required to be disclosed in our filings as defined in Rules 13a-15(e) under the Securities Exchange Act of 1934 is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms. Our chief executive officer and chief financial officer, with the participation of our management, have evaluated our disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q and have determined that such disclosure controls and procedures are effective in ensuring that material information required to be disclosed in this Quarterly Report on Form 10-Q is accumulated and communicated to them and our management to allow timely decisions regarding required disclosures.

There were no changes during the three months ended June 30, 2024 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Information with respect to this item has been incorporated by reference from our Annual Report on Form 10-K for the year ended December 31, 2023 (the “Annual Report”). There have been no material developments in legal proceedings since the filing of such Form 10-K.

Item 103 of SEC Regulation S-K requires disclosure of certain environmental matters when a governmental authority is a party to the proceedings and such proceedings involve potential monetary sanctions that we reasonably believe will exceed a specified threshold. Pursuant to recent SEC amendments to this item, we will be using a threshold of \$1 million for such proceedings. We believe that such threshold is reasonably designed to result in disclosure of environmental proceedings that are material to our business or financial condition. Applying this threshold, there are no environmental matters to disclose for this period.

Item 1A. Risk Factors

There has been no material change in our risk factors as previously disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

For additional information about our risk factors, see Item 1A of our Annual Report, as well as any other risk factors contained in other filings with the SEC, including Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and Form 8-K/A and other documents that we may file from time to time with the SEC.

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

There were no sales of unregistered equity securities during the 2024 Quarter.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Information regarding mine safety and other regulatory action at our mines in Green River and Granger, Wyoming is included in Exhibit 95 to this Form 10-Q.

Item 5. Other Information

None.

Item 6. Exhibits.

(a) Exhibits

3.1	Certificate of Limited Partnership of Genesis Energy, L.P. (incorporated by reference to Exhibit 3.1 to Amendment No. 2 of the Registration Statement on Form S-1 filed on November 15, 1996, File No. 333-11545).
3.2	Amendment to the Certificate of Limited Partnership of Genesis Energy, L.P. (incorporated by reference to Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2011, File No. 001-12295).
3.3	Certificate of Conversion of Genesis Energy, Inc. a Delaware corporation, into Genesis Energy, LLC, a Delaware limited liability company (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K dated January 7, 2009, File No. 001-12295).
3.4	Certificate of Formation of Genesis Energy, LLC (formerly Genesis Energy, Inc.) (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K dated January 7, 2009, File No. 001-12295).
3.5	Second Amended and Restated Limited Liability Company Agreement of Genesis Energy, LLC dated December 28, 2010 (incorporated by reference to Exhibit 5.2 to the Company's Current Report on Form 8-K dated January 3, 2011, File No. 001-12295).
3.6	Certificate of Incorporation of Genesis Energy Finance Corporation, dated as of November 26, 2006 (incorporated by reference to Exhibit 3.7 to Registration Statement on Form S-4 filed on September 26, 2011, File No. 333-177012).
3.7	Bylaws of Genesis Energy Finance Corporation (incorporated by reference to Exhibit 3.8 to Registration Statement on Form S-4 filed on September 26, 2011, File No. 333-177012).
4.1	Form of Unit Certificate of Genesis Energy, L.P. (incorporated by reference to Exhibit 4.1 to the Company's Annual Report on Form 10-K for the year ended December 31, 2007, File No. 001-12295).
4.2	Twenty-First Supplemental Indenture, dated as of May 9, 2024, among Genesis Energy, L.P., Genesis Energy Finance Corporation, the subsidiary guarantors named therein and the Trustee (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K dated May 9, 2024, File No.001-12295).
* 10.1	Seventh Amended and Restated Credit Agreement, dated as of July 19, 2024, among Genesis Energy, L.P., as borrower, Wells Fargo Bank, National Association, as administrative agent, Bank of America, N.A., as syndication agent, and the lenders party thereto.
22.1	List of Issuers and Guarantor Subsidiaries (incorporated by reference to Exhibit 22.1 to the Company's Annual Report on Form 10-K for the year ended December 31, 2023, File No. 001-12295).
* 31.1	Certification by Chief Executive Officer Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.
* 31.2	Certification by Chief Financial Officer Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.
* 32	Certification by Chief Executive Officer and Chief Financial Officer Pursuant to Rule 13a-14(b) of the Securities Exchange Act of 1934.
* 95	Mine Safety Disclosures.
101.INS	XBRL Instance Document- the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	XBRL Schema Document.
101.CAL	XBRL Calculation Linkbase Document.
101.LAB	XBRL Label Linkbase Document.
101.PRE	XBRL Presentation Linkbase Document.
101.DEF	XBRL Definition Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL).

* Filed herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

GENESIS ENERGY, L.P.
(A Delaware Limited Partnership)

By: GENESIS ENERGY, LLC,
as General Partner

Date: August 1, 2024

By: /s/ KRISTEN O. JESULAITIS

Kristen O. Jesulaitis
Chief Financial Officer
(Duly Authorized Officer)